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AGIC Melbourne – Day One Wheat outlook optimistic

Over 800 people from across the Australian and international grains industry gathered in Melbourne for the 2018 Australian Grains Industry Conference – an annual event where traders, logistics specialists, grain processors, growers, government representatives and others meet to hear the latest on grain trends around the world.

“The conference was opened by Australian Minister for Trade and Investment, the Hon Steven Ciobo, and followed by Assistant Minister to the Deputy Prime Minister, the Hon Keith Pitt, both of whom talked trade and trade policy, as well as development opportunities for Australia,” Mr O’Shannassy said.

While there was concern about the current world trade environment, the message turned positive when US-based analyst, Mr Bill Lapp from Advanced Economic Solutions, described how the combination of reduced wheat sowings, adverse weather in several major export countries and the steady decline in world stocks from record highs a few years ago was seeing international wheat prices lifting from what had been very low levels.

Mr Lapp also talked about how the drought in Australia has already raised domestic market prices and was contributing to world uncertainty about supply, which bodes well for whatever crop Australian growers produce.

The long-term positive outlook for wheat demand was explained by Mr William Syers, from Bunge Asia, who described the growth in consumption of wheat-based foods by the increasing middle-class populations of South Asia and South East Asia.

Mr Syers suggested there could be new demand for up to 20 million tonnes of wheat in the region within 10 years, which would be a sizeable increase in world trade - important for the global industry and significant for Australia.

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