

## Premium Choice Varieties

## WA

### ***Why does AWB have Premium Choice Varieties?***

Premium Choice Varieties are designed to preserve the value of the Australian wheat crop by better matching its quality with the requirements of premium products in premium markets. They are key to protecting against a projected global decline in price, caused by improved quality from traditional exporters and increased production from non-traditional exporters.

Premium Choice Varieties have been chosen for their ability to 'shape' the quality of the Australian crop. We've identified varieties with superior quality for a targeted range of products, and we're paying a price premium to help increase the tonnage grown. By improving the overall quality of the Australian crop, Premium Choice Varieties will enable you and AWB to better take on the competition by delivering better products and returning higher prices.

### ***How were Premium Choice Varieties chosen for your region?***

The Premium Choice Varieties for your region have been selected to correct an emerging quality defect.

Customer feedback and AWB testing have confirmed several long-term trends in the quality of ASWN and AH received in Western Australia. The quality of ASWN for white salted Udon noodles has been slipping in terms of colour, eating texture and colour stability. For AH, milling yield, dough strength and extensibility and noodle colour stability need to improve. If these factors aren't addressed, the market options and margins for WA wheat will decline.

Calingiri comprises the vast majority of noodle variety receipts in WA. Increasing the percentage of Arrino and Cadoux will improve white salted Udon noodle colour and eating texture, making ASWN more acceptable and valuable in highly discerning Japanese and Korean markets.

Marginal and acceptable varieties such as Carnamah, Yitpi and Stiletto comprise around 50% of hard-grained wheat receipts in WA. Increasing the proportion of EGA Castle Rock and EGA Bonnie Rock will improve the quality and value of hard-grained wheat segregations by improving milling yield, flour colour and colour stability for a range of noodle types.

Premium Choice Varieties comprised over 25% of ASWN receipts in WA last year, up from around 10% the previous year. For AH, receipts of Premium Choice Varieties increased from 11% to almost 50%. In each grade, this has improved the 'shape' of the crop and helped to preserve its value against stiff foreign competition. Further increases will bolster this success.

### ***How were premiums set for these varieties in your region?***

The premiums that support Premium Choice Varieties were set after detailed analysis and discussions with international customers and growers, agronomists and breeders from across Australia. They recognise the increased value that these varieties will add to the ASWN and AH pools as well as the increased costs that may go with some of them, such as lower yield or increased production costs.

We recognise that the premium won't be big enough to swing every grower to Premium Choice Varieties. It's not designed to. The premiums are intended to help change the shape of the crop, not to switch every grower to sole use of Premium Choice Varieties. Individual growers will balance varietal choice with a range of farm business considerations.

Premium Choice Varieties and the level of premium will be announced by August each year, and will apply for the two following harvests. The first time a variety premium is announced, the premium will also be guaranteed for two harvests. For example, premiums announced in August 2004 apply for the 2005-06 and 2006-07 harvests.

This will help growers make informed decisions during harvest about seed you may wish to save or acquire for the following years.

### **What are the Premium Choice Varieties and premiums in WA?**

Variety	National Pool Pay Grade	Premium	
		2006-07	2007-08
EGA Castle Rock	AH-P	\$5	\$5
EGA Bonnie Rock	AH-P	\$5	\$5
Arrino	APN	\$14	\$14
Cadoux	APN	\$14	\$14

- Price Premium signals will evolve i.e. they won't necessarily stay the same. After the harvests indicated, premiums for the varieties above will be subject to change.
- Premiums are quoted on a FOB, GST exclusive basis.
- Premiums are guaranteed for deliveries into the 2006-07 and 2007-08 AWB National Pool. This guarantee does not exist for deliveries to alternative marketing options.

### **What other information is there on these Premium Choice Varieties?**

As outlined above, the Premium Choice Varieties for your region were selected after consultation with breeders and agronomists. Below we've provided a summary of some of the data that they used. You may find it useful in making your own decisions about Premium Choice Varieties. Of course, the data set is limited and represents a broad regional average. We recommend that you refer to your farm-specific knowledge or expert agronomic advice before committing to a wholesale varietal change.

### **Agronomic and other information on selected varieties for WA**

Variety	Highest Grade Achievable	Estimated Yield (t/ha)	Estimated Variable Costs (\$/ha)	Estimated Gross Margin (\$/ha) Without Premium	Estimated Gross Margin (\$/ha) With Premium	Disease issues	Maturity class
EGA Castle Rock	AH-P	2.1	213	153	163	Septoria nodorum, Yellow leaf spot	Mid
EGA Bonnie Rock	AH-P	2.6	214	232	245	Septoria trit & nod, Stem & Stripe rust	Mid
Carnamah	AH	2.5	214	226		Septoria tritici, Stripe rust	Mid
Wyalkatchem	APW	2.6	214	220		Septoria tritici, Stem rust	Mid
Arrino	APN	2.3	181	209	241	Septoria trit & nod, Yellow leaf spot, Stem, Leaf & Stripe rust	Mid
Cadoux	APN	2.2	181	191	222	Septoria trit & nod, Yellow leaf spot, Stem, Leaf & Stripe rust	Mid
Calingiri	ASWN	2.4	181	226		Septoria trit & nod, Yellow leaf spot, Stem & Stripe rust	Late

This is a summary of the program only. For further details about the entire AWB Golden Rewards program, including Premium Choice Varieties and "Business Rules", contact your local AWB Grain Marketer or the AWB Grower Service Centre on 1800 05 44 33 .