

Premium Choice Varieties

NSW

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 APH received in NSW. While bread baking performance from Northern NSW has been increasing, and is acceptable to customers, the quality for yellow alkaline noodles has been slipping. For Southern NSW, baking quality isn't increasing at the required rate. If these trends continue, the market options and margins for APH will decline.

Sunco and Lang (Northern classification zone), Sunvale, Sunco and Lang (Central classification zone) and Sunvale (Southern classification zone) have been chosen as Premium Choice Varieties to complement the current varietal mix in each NSW wheat classification zone. Increasing the proportion of Sunco and Lang will improve the yellow alkaline noodle performance of APH whilst maintaining its existing milling and baking quality attributes. Increasing the proportion of Sunvale will improve baking performance by increasing dough strength whilst maintaining the milling and noodle quality provided by the current varietal mix.

Premium Choice Varieties comprised only 8% of the hard wheat tonnage received in Southern NSW last year, up from 5% the previous year. In Northern NSW Premium Choice Varieties have risen from 20% to 34% of hard wheat receivals. While NNSW is approaching the 40% target that will improve the 'shape' of the crop and help to preserve its value against stiff foreign competition, significant progress is still required in SNSW.

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 APH pool 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 for NSW?

NSW Classification Zone	Variety	National Pool Pay Grade	Premium	
			2006-07	2007-08
Northern	Sunco	APH-P	\$5	\$5
	Lang	APH-P	\$5	\$5
Central	Sunvale	APH-P	\$5	\$5
	Sunco	APH-P	\$5	\$5
Southern	Lang	APH-P	\$5	\$5
	Sunvale	APH-P	\$5	\$5

- 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 NSW

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
Northern NSW							
Sunco	APH-P	3.3	226	387	403	Stripe rust, Septoria tritici, Yellow leaf spot	Mid – early
Lang	APH-P	3.5	227	427	444	Stripe rust, Yellow leaf spot	Mid – early
Sunvale	APH-P	3.4	216	410	426	Septoria tritici, Yellow leaf spot	Mid – early
Baxter	APH	3.3	226	386		Stripe rust, Septoria tritici, Yellow leaf spot	Mid – early
Strzlecki	APH	3.5	217	437		Black point	Mid
Southern NSW							
Sunvale	APH-P	3.6	261	409	426	Septoria tritici, Yellow leaf spot	Mid
Janz	APH	3.7	262	432		Yellow leaf spot, Black point	Mid - early
Diamondbird	AH	3.7	270	382		Stripe rust	Mid – early
H45	AH	4.0	271	419		Stripe rust, Septoria tritici	Early



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 .