

## GRAIN HARVEST

# EU's bumper season

By PETER HEMPHILL

AUSTRALIA can expect more competition from European Union in wheat markets and less in barley this year.

The latest market report from German grain trader, Toepfer International, indicates a large EU grain crop is about to be harvested.

Toepfer said grain crops in the 27 member countries of the

EU were expected to be "well above average in quite a few regions" this year.

It said European farmers had responded to high wheat prices by growing a 7 per cent larger crop of 23 million hectares.

The total grain sowing area rose by 6.3 per cent to 59 million hectares.

Toepfer said wheat production was expected to be 131 million tonnes, well up from the

111.6 million tonnes produced last season.

The company said total EU grain production was expected to be 290 million tonnes — well above the 259 tonnes produced last harvest.

The EU would be a net exporter this year.

Last year, the EU was a net grain importer as global supplies tightened due to floods and droughts in key producing coun-

tries. The EU exported wheat, barley and other food grade crops but this was offset by higher imports of feed grains, largely corn and sorghum.

Toepfer estimated the EU would have about 11.5 million tonnes of wheat to export.

EU exports of barley would be available for export, which included 2.5 million tonnes (in grain equivalent) of malt.

"Less barley will be exported

than in the last marketing year, primarily due to the competition from Ukrainian barley," it said.

Toepfer said the 2007 EU grain crop was one of the smallest ever, hit by a wet summer in Western Europe and a drought in the Balkan region.

It said the poor crop and low global grain stocks prompted the EU Commission to suspend the mandatory set aside of land for the 2008 harvest.

High grain prices last season as a result of the poor global crop prompted EU ethanol manufacturers to cut production of the biofuel.

"According to our estimates, just under two million tonnes of grain were used for the production of bioethanol in 2007-08, which corresponds to half the amount used in the previous year," Toepfer said.

## Value-add is path to riches

By PETER HEMPHILL

THE Australian pulse industry needs to ensure more of its produce ends up in processed food, according to the head of the world's largest lentil exporter.

Murad Al-Katib, president and chief executive officer of Alliance Grain Traders, told the annual Australian Grains Conference in Melbourne last week the nation had to decide whether it remained a commodity producer of pulses or focused on value-adding in the food industry.

Alliance Grain Traders, a Canadian pulse company listed on the Toronto Stock Exchange, has shifted its emphasis towards value-added food products.

AGT had a rapid growth since Mr Al-Katib began its operations out of the basement of his home in 2001.

It now has eight pulse processing plants in three countries, including the Harvest Grain factory in Horsham.

The company, which traded as Saskcan, has a share capital base of \$90 million and revenue is expected to top \$375 million this year. It leads the world in lentil exports, accounting for 40 per cent of global trade.

Mr Al-Katib said Canada accounted for 38 per cent of world exports of pulse crops in 2006-07.

"A decade ago, we weren't even on the map," he said.

He said Australia had an opportunity to become a reliable supplier of pulses to world markets.

It had a freight advantage to some of the biggest pulse markets, including Asia and the Indian subcontinent.

Mr Al-Katib said pulses were a staple and the main source of protein in countries, such as Bangladesh, Sri Lanka, India, Pakistan and Egypt.

European, northern Africa and South American nations provided other good markets.

Mr Al-Katib said the main issue for the Australian pulse industry was whether it pursued dressed pulses or took a value-added focus.

He said he had developed a broad range of food markets globally, including the canning, packing, splitting, food and ingredient markets.

He was now focusing on the food and ingredient markets in the US and Canada.

Mr Al-Katib said the global processed food market was valued at \$3.4 trillion.

He said growth was highest in developing countries, such as China and eastern Europe.

The industry should focus on health and nutrition attributes of pulses and target affluent markets, he said.



**Pulse king:** Murad Al-Katib has built a multi-million dollar business in just seven years.



Peter Hemphill

With the Grain

## NACMA's new name

THE National Agricultural Commodities Marketing Association is to change its name later this year.

NACMA chairman Geoff Barker said it would become known as Grain Trade Australia Ltd.

The name was reserved with the Australian Securities and Investment Commission last month.

AWB Limited will hold grower marketing seminars at West Wyalong, Young, Narrandera and Corowa today and tomorrow.

The West Wyalong seminar will be held at the local golf club at 5pm today.

Tomorrow's seminars begin at the Young Services Club from 8am, with the second at the Narrandera Ex-Servicemen's Club at 11.30am and the last at the Corowa Golf Club at 3.30pm.

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