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AUSTRALIAN SOYBEANS

Soy Australia – Helping grow the Australian soybean industry

Soy Australia vision

- The Australian Soybean Industry can be a larger, profitable and more vibrant industry that plays an important role in summer cropping systems
- The vision is for the industry is:
  - Consistent production to meet domestic markets and grow export markets
  - Increased proportion of product in high value food markets
  - No 1 rotation crop in cotton, sugar and rice cropping systems
  - Innovation driven i.e. proactively reviews and utilises new technologies and products where there is an Australian advantage
- The vision for Soy Australia is that:
  - It is recognised locally and internationally as the peak Industry body for Australian soybeans
  - It effectively facilitates and promotes a whole of value chain approach from variety development to the end consumer
  - The Soy Australia brand and values of Australian soybeans recognised by customers
  - Soy Australia varieties represent the greatest share of production

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Translating the vision to industry targets

Target	Current	How this will be achieved	Target	Result
More hectares (ha)	25,000	Increased penetration in core soybean areas New/emerging hectares Recognition of rotation benefits Broader adaptation of varieties	100,000	300,000 t consistently +$20m
More yield (t/ha)	2.25	Genetic gain Improved disease / stress resistance New traits New technologies Improved grower skills	3	
More value (% in edible markets)	40	Secure domestic food market Grow export markets More reliability Quality traits Replace meal imports	75	

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Production/market opportunity

Element	Today	Target	Comment
Production (t)	50-60,000	300,000	Area and yield increase will be variable
Area (ha)	25,000	100,000	
Yield (t/ha)	2.25	3.0	
Export	10% Around 5-10,000 tonnes	60+% Around 200,000 tonnes	In years where production >50,000 tonnes
Domestic food (flour, Asian foods, milk)	20-30,000 tonnes	30,000 tonnes consistently	Potential to grow Asian food use
Domestic Crush	20-50,000 tonnes	50,000 tonnes consistently	Potential to expand in large crop years or if quality impacted

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Soy Australia purpose

- Brings together all parts of Australian soybean value chain
- Ensure a successful future within the global marketplace and within Australian cropping systems through:
  - Providing the overarching vision and strategies for all segments of the Australian soybean industry
  - Engaging all soy stakeholders in promoting activities for benefit of the soybean industry and cooperate with AOF in matters the impacting the broader oilseed industry
  - Partnering with GRDC, CSIRO and DII to support a ASBIP
  - Promoting development of the soybean industry
  - Representing interests of industry in commercial, government and industry activities
  - Providing a forum for discussion and debate

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An industry solution

- The Soy Australia strategy is an industry solution to grow the soybean industry
- It reflects the lack of critical mass to support a fragmented approach to industry development
- It seeks to integrate market, technology and variety development and productivity strategies into an overall industry approach that works to achieve the shared goal of a larger, profitable and higher value industry

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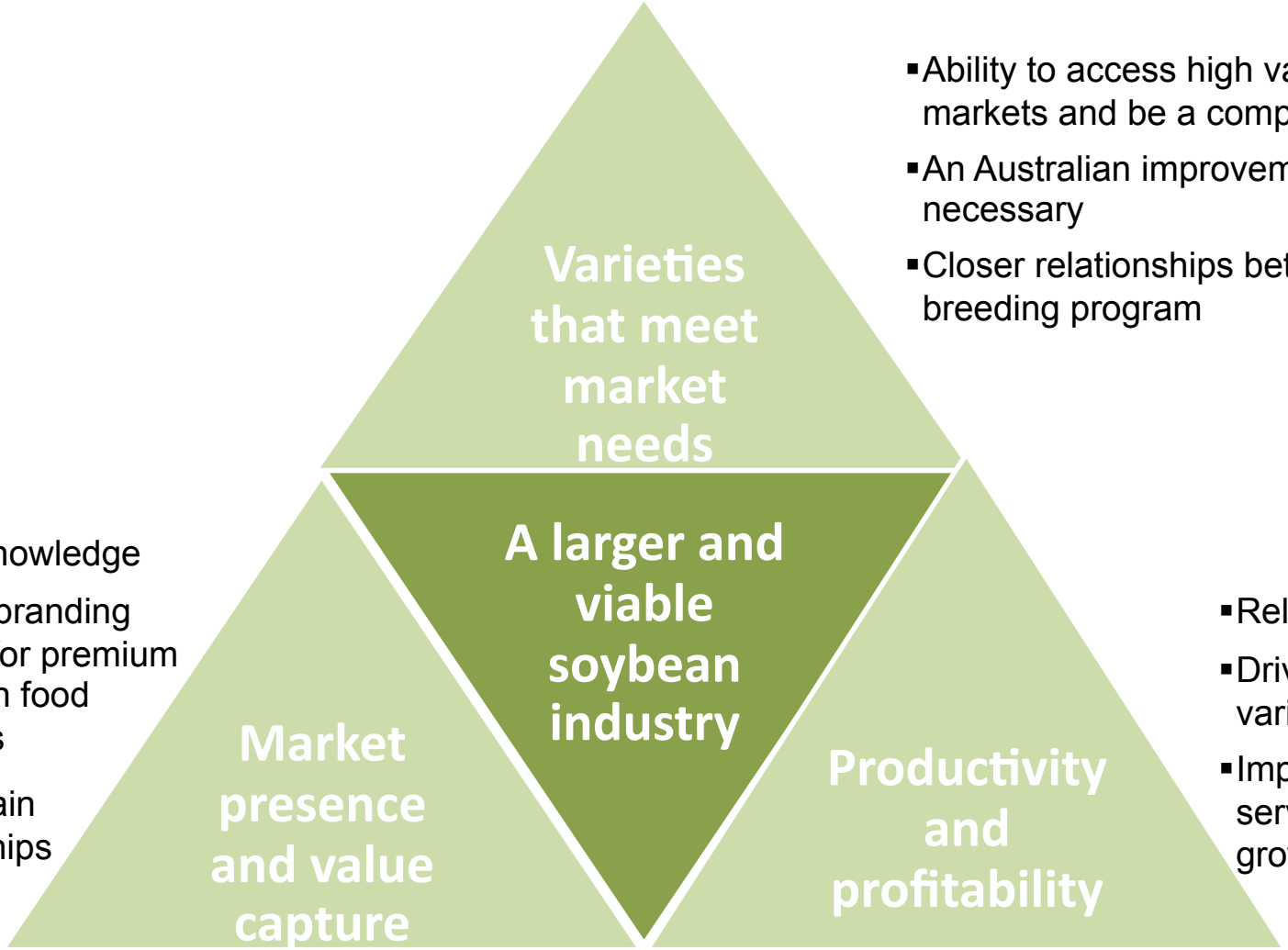
An industry solution



- Ability to access high value culinary markets and be a competitive crop option
- An Australian improvement program necessary
- Closer relationships between industry and breeding program

- Market knowledge
- National branding strategy for premium Australian food soybeans
- Value chain relationships

- Reliable supply
- Drive uptake of new varieties
- Improved extension services to support growers

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Opportunities

- Expanded industry and production based on:
  - Continued expansion in areas such as sugar
  - Targeting emerging production areas
  - Broader adaptation
  - Varieties that are easier to manage
  - Increased recognition of rotational benefits
  - Working more closely with cotton and sugar industries to promote the rotational benefits
  - Improving farmer practices and increasing productivity through implementation of Soy Australia variety specific agronomy packages
- Faster uptake of new varieties
  - Improved variety marketing strategies which match opportunities to regional/market advantages

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Opportunities

- Market expansion and management of market mix to maximise value through
  - Accessing growing demand from Japan and other Asian countries for edible soybeans
  - Implementing the Soy Australia marketing strategy to support Australian beans as a premium product in higher value markets
  - Improving transfer of market intelligence through the value chain
  - Developing and promoting varieties that better meet market preferences for edible soybeans
- Utilising new technologies/products
- Increasing the penetration of Soy Australia varieties in the seed market
- Leveraging the Government's clean energy policy initiative and better communication of the role soybeans play in rotations

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Threats

- Grower profitability
  - Lack of returns for limiting grower choice to plant soybeans and limiting the ability for growers to invest in inputs to lift yields
  - Lack of information to growers on soybean agronomy and opportunities
- Lack of continuity in quality and volume restricting market development
- Slow delivery and/or non performance (market or agronomic) of new varieties
- Slow finalisation of negotiations with GRDC and partners
- No resolution or commitment to the new breeding/improvement project
- Current operation of Soy Australia and the impact on communication/ cooperation with broader industry

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Soy Australia performance

- Industry has demonstrated commitment to the strategy and has proactively moved forward
  - strong support and voluntary contribution of participants
  - industry financial commitment via voluntary levy
  - united industry body / broad industry representation
  - investment in commercialisation protocols and brand - foundations have been established
  - restructured the industry to better meet future needs
  - developed an industry approach to growing the industry
  - industry is working together to grow demand for and farmer interest in soybeans

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But not everything has been effective

- Broader industry does not have full confidence in Soy Australia - lack knowledge of and engagement with Soy Australia
- Soy Australia varieties have not achieved presence targeted
  - variety output slower than predicted and/or have not performed as expected
  - requires improved marketing strategy to support launch and uptake of new varieties
- Soy Australia has not been proactive enough in driving soybean production
  - opportunity to work more closely with other industries
  - need more concentrated effort on extension activities
  - better use of the website promote soybeans to growers
- Funding

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Industry continues to experience variability

- Production has increased, but has been variable

	07/08	08/09	09/10	10/11
Qld	21	52	16	6
NSW	14	52	47	30
Vic	0	1	1	2
Aust	35	105	64	38

- Share of high value food markets has not increased due to inconsistent surplus production to develop export markets

Year	% share food markets	Total Production
1993/94	27.5	80
1998/99	34.5	110.5
2003/04	44.7	76
2005/06	43.9	57
2008/09	44.6	105
2009/10	32.8	64

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Soy Australia strategy

Core elements of strategy have not changed

1. Productivity and profitability
   - Reaffirm commitment to and support of ASBIP
   - Improve industry direction and input to the ASBIP
   - More effective communications with the ASBIP partners
   - Develop closer and more effective links with complementary industries/ organisations (CRDC, SRDC, RIRDC, Pork CRC, etc)
   - Better promotion of rotational benefits of soybeans
   - Increase grassroots support (Soy Australia field officer)
   - Utilise the website more effectively to provide information for growers and advisers
   - Identify new technologies and products

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Soy Australia strategy

2. Varieties that meet market needs
   - Better promotion of new improved varieties
   - More effectively implement Soy Australia commercialisation protocols
   - Improve interaction with the ASBIP and breeders on varieties for release
3. Market presence and value capture
   - Develop a marketing/brand strategy to match competitors
   - Capture and communicate market signals to the ASBIP and industry
4. Soy Australia operations
   - Greater participation from across the industry
   - Greater grassroots awareness of and involvement in Soy Australia
   - Improve information flows and relationships across the value chain
   - More active participation in AOF
   - Increase membership
   - Broader funding base

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Moving the industry forward together

- Industry has progressed a long way
- Learn from experiences
- Opportunity remains significant
- Industry solution remains best way to capture the opportunity
- Soy Australia here to support and provide direction for the industry
- Soy Australia will be more visible at the grassroots and in markets and will be seeking the industry cooperation in helping achieve the shared industry vision

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