

Milling Wheat Trends in Southeast Asia

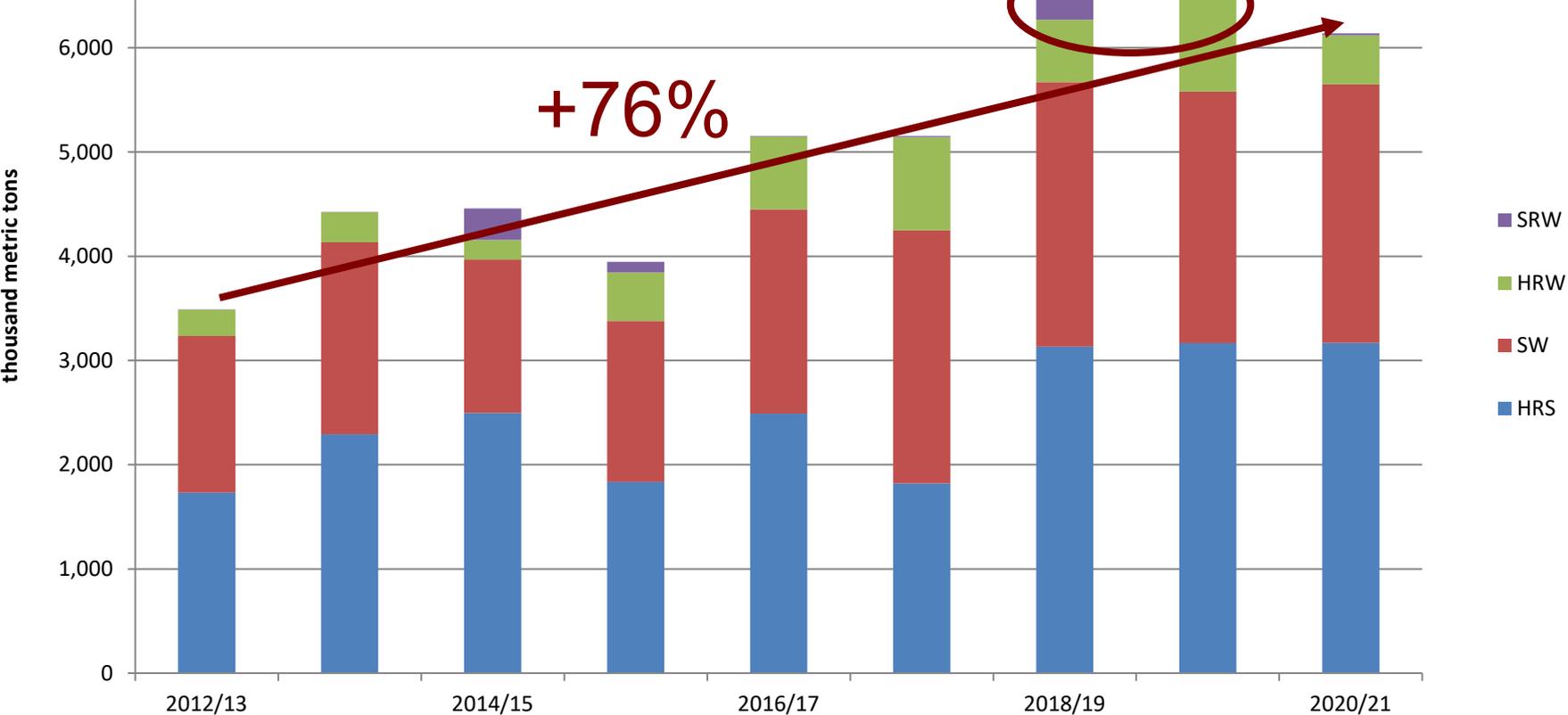
*International Association of Operative Millers
Ho Chi Minh City
October 2, 2023*



*Joe Sowers
Regional Vice President
South and Southeast Asia
Singapore*

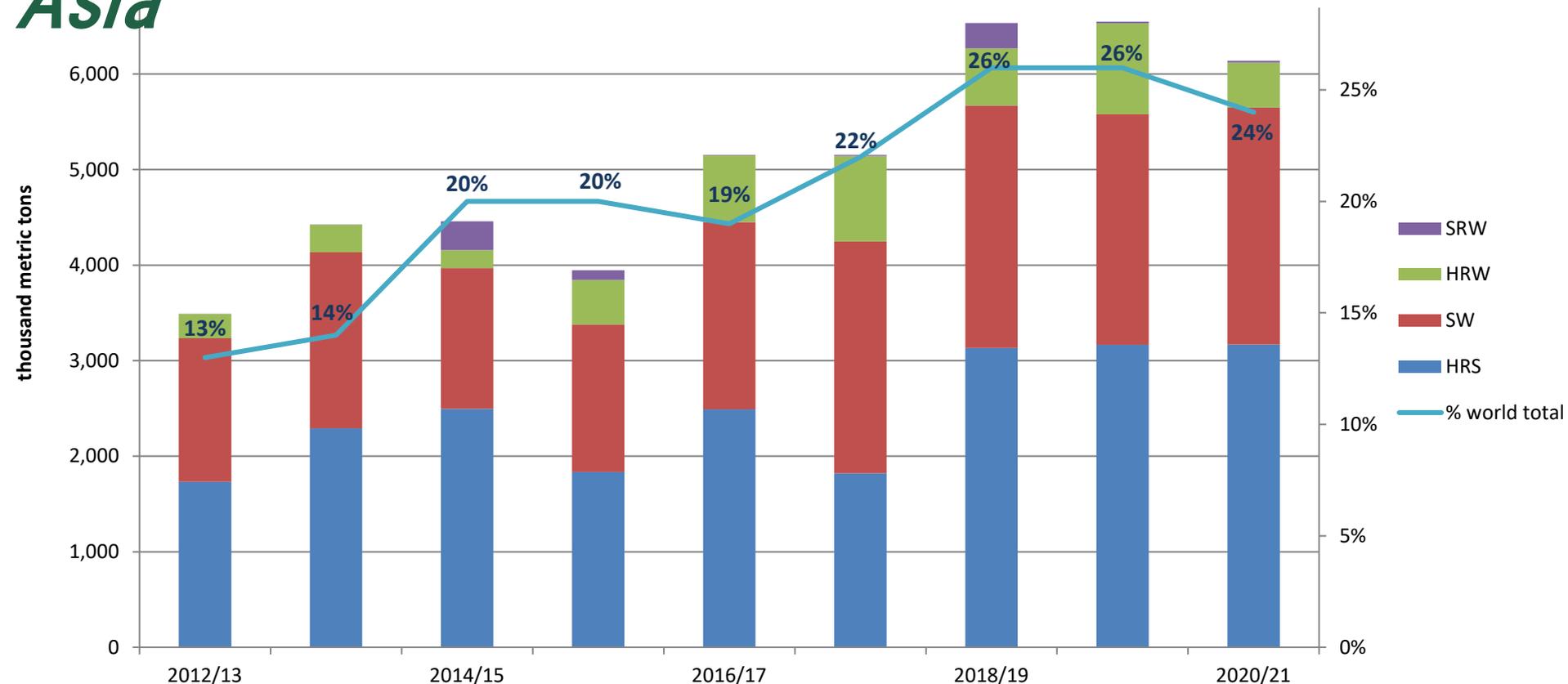
US Wheat Shipments to South and Southeast Asia

Asia



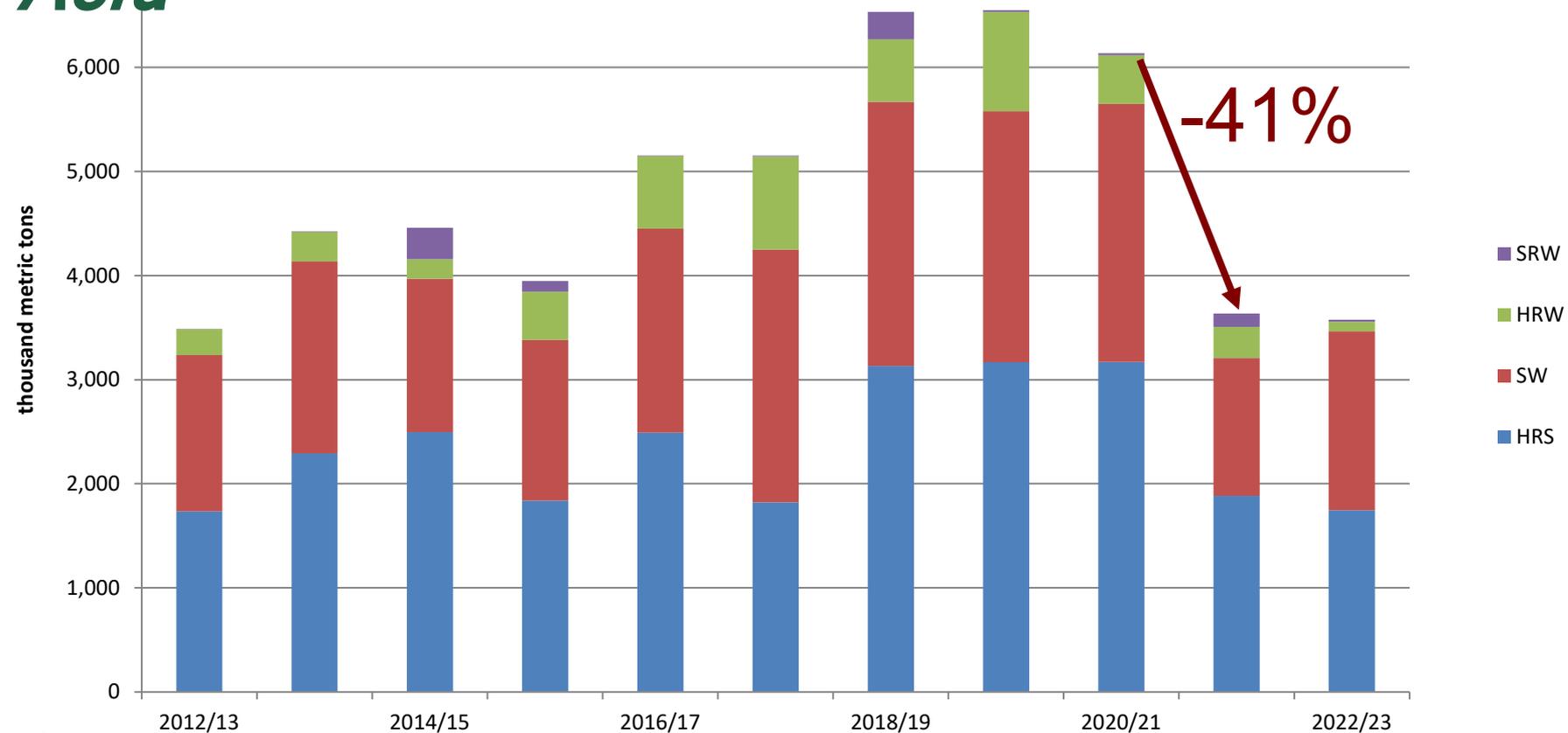
US Wheat Shipments to South and Southeast

Asia



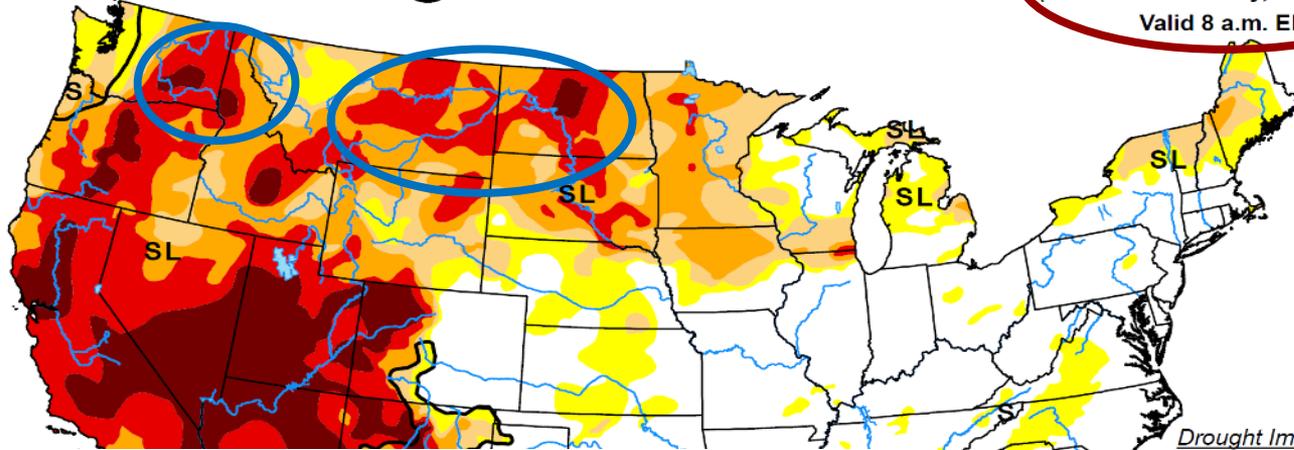
US Wheat Shipments to South and Southeast

Asia



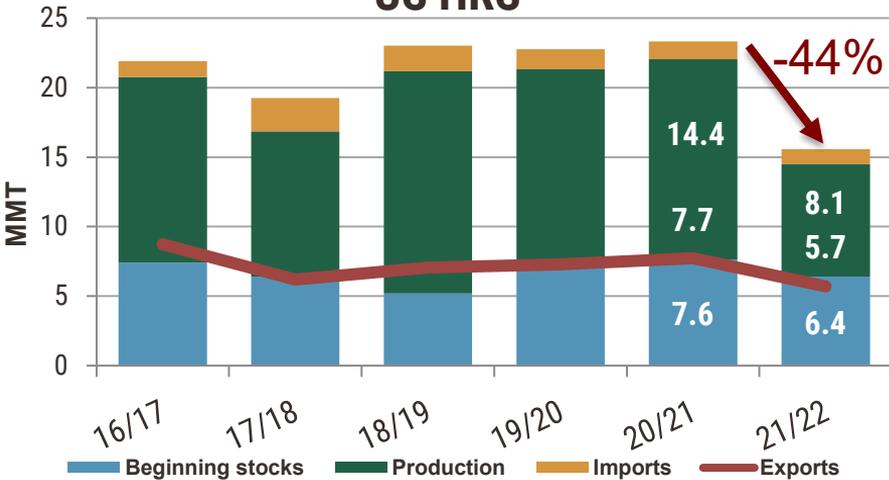
U.S. Drought Monitor

July 13, 2021
 (Released Thursday, Jul. 15, 2021)
 Valid 8 a.m. EDT

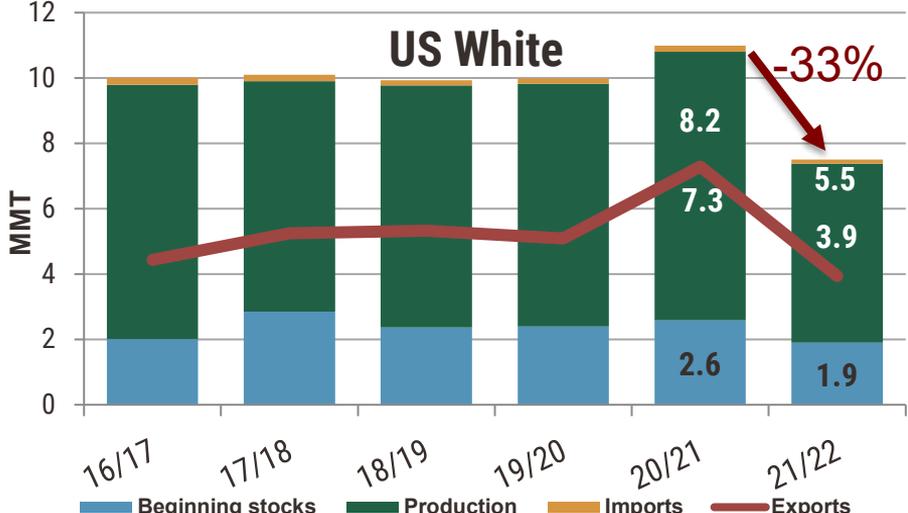


Drought Impact Types:

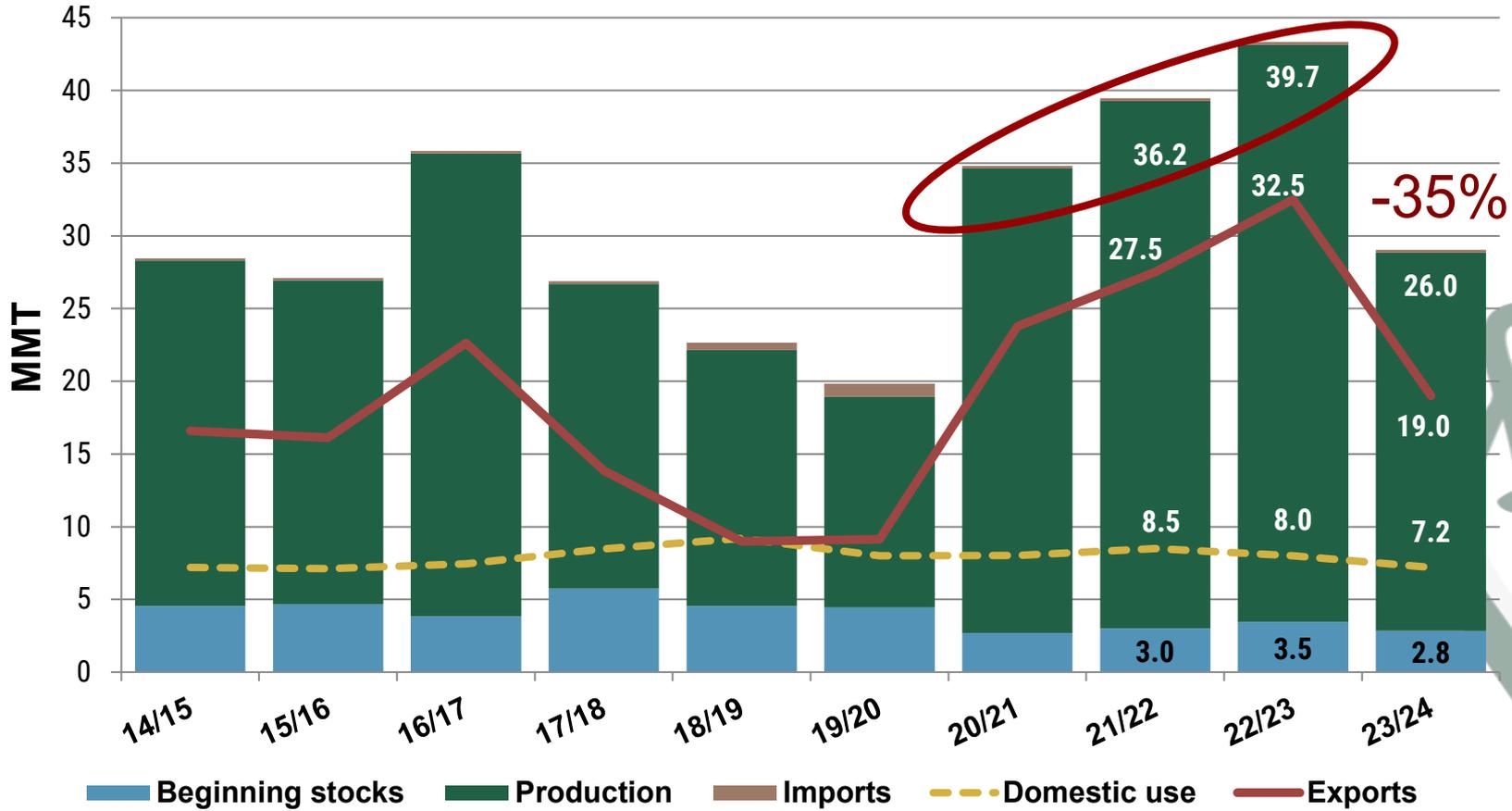
US HRS



US White



Australia Situation

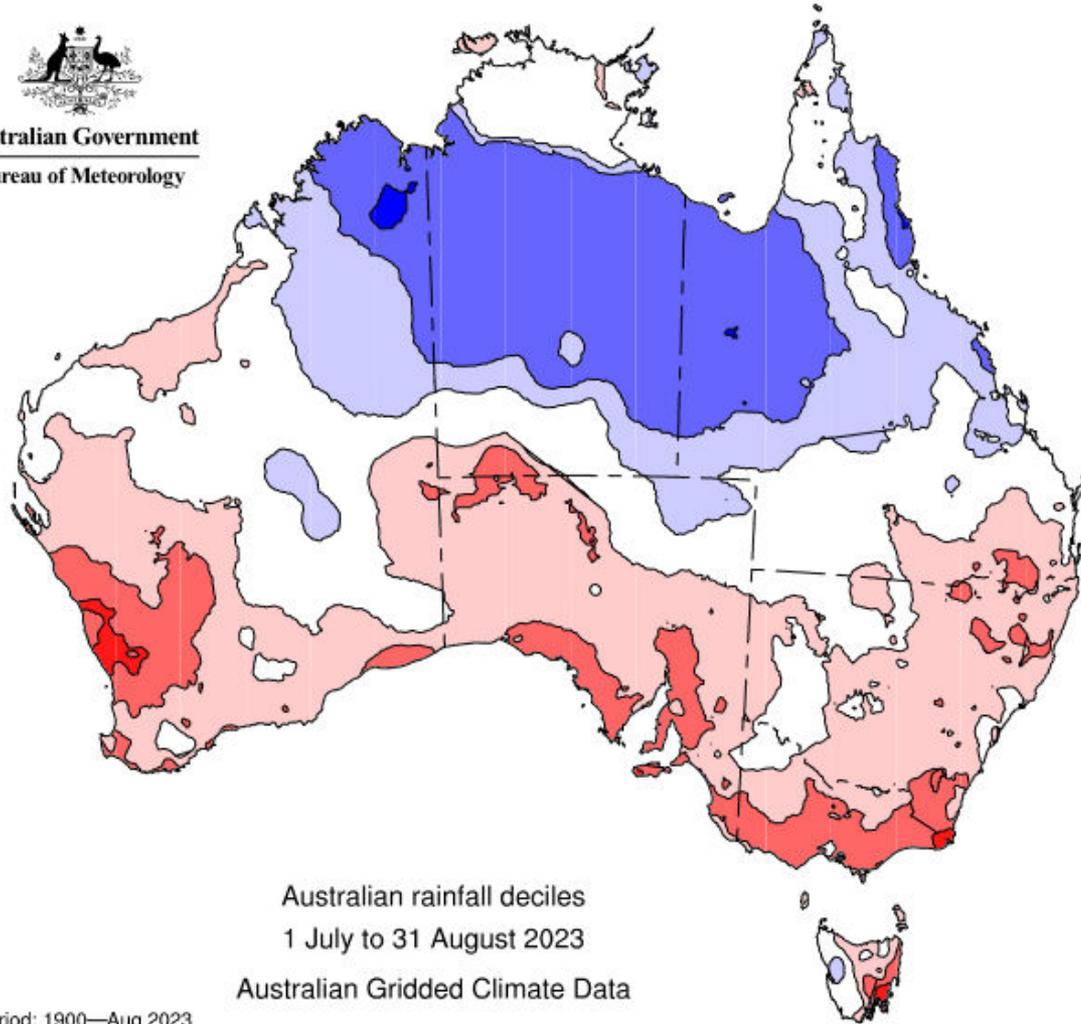


-35%

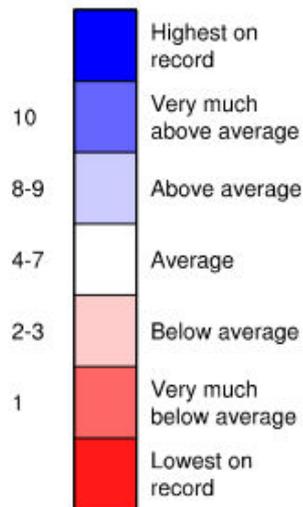




Australian Government
Bureau of Meteorology



Rainfall decile ranges



Australian rainfall deciles
1 July to 31 August 2023

Australian Gridded Climate Data

Base period: 1900—Aug 2023

© Commonwealth of Australia 2023, Bureau of Meteorology

Dataset: AGCD v2

Issued: 21/09/2023

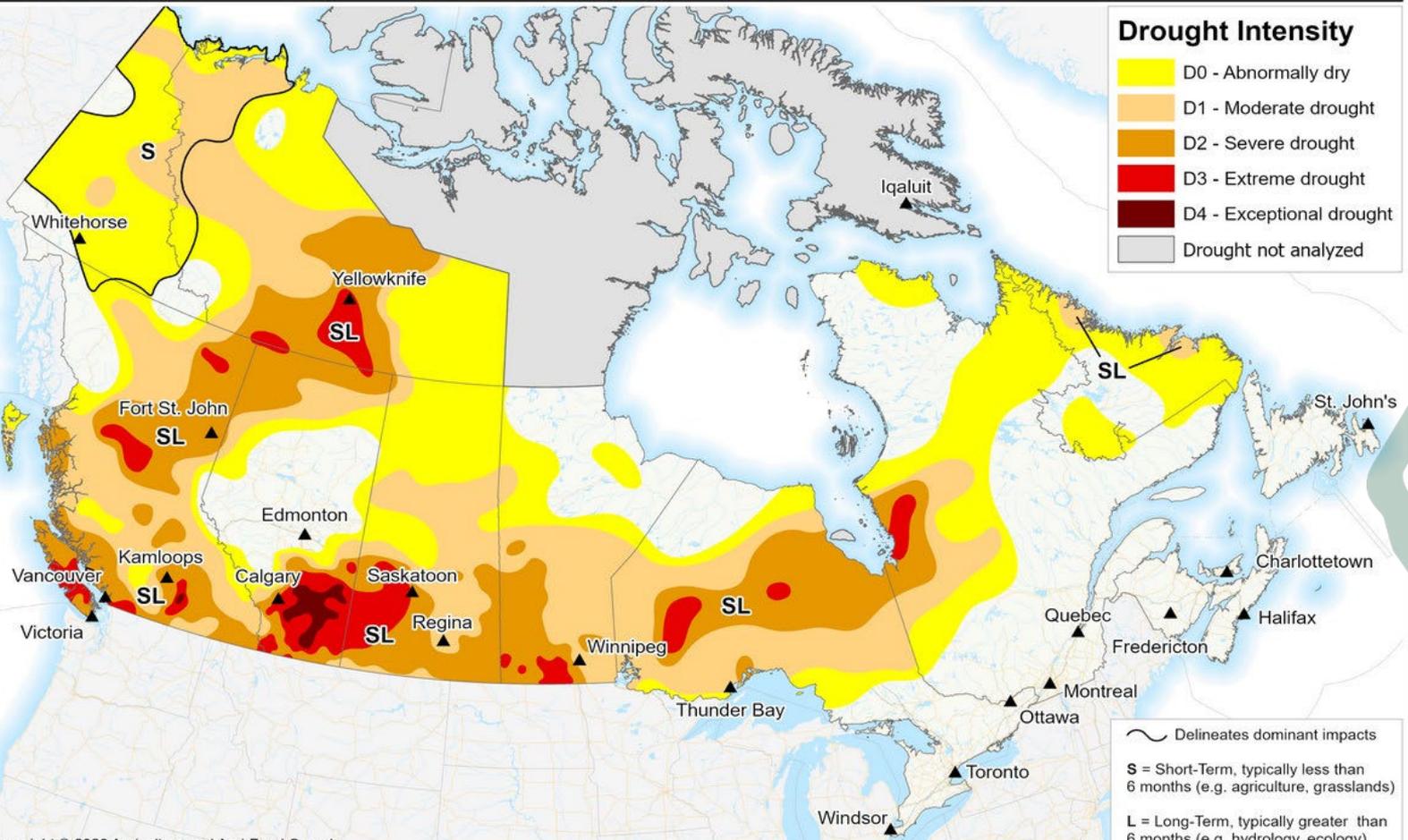
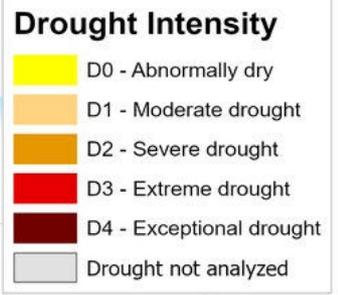


U.S. WHEAT
ASSOCIATES



Canadian Drought Monitor

Conditions as of August 31, 2023



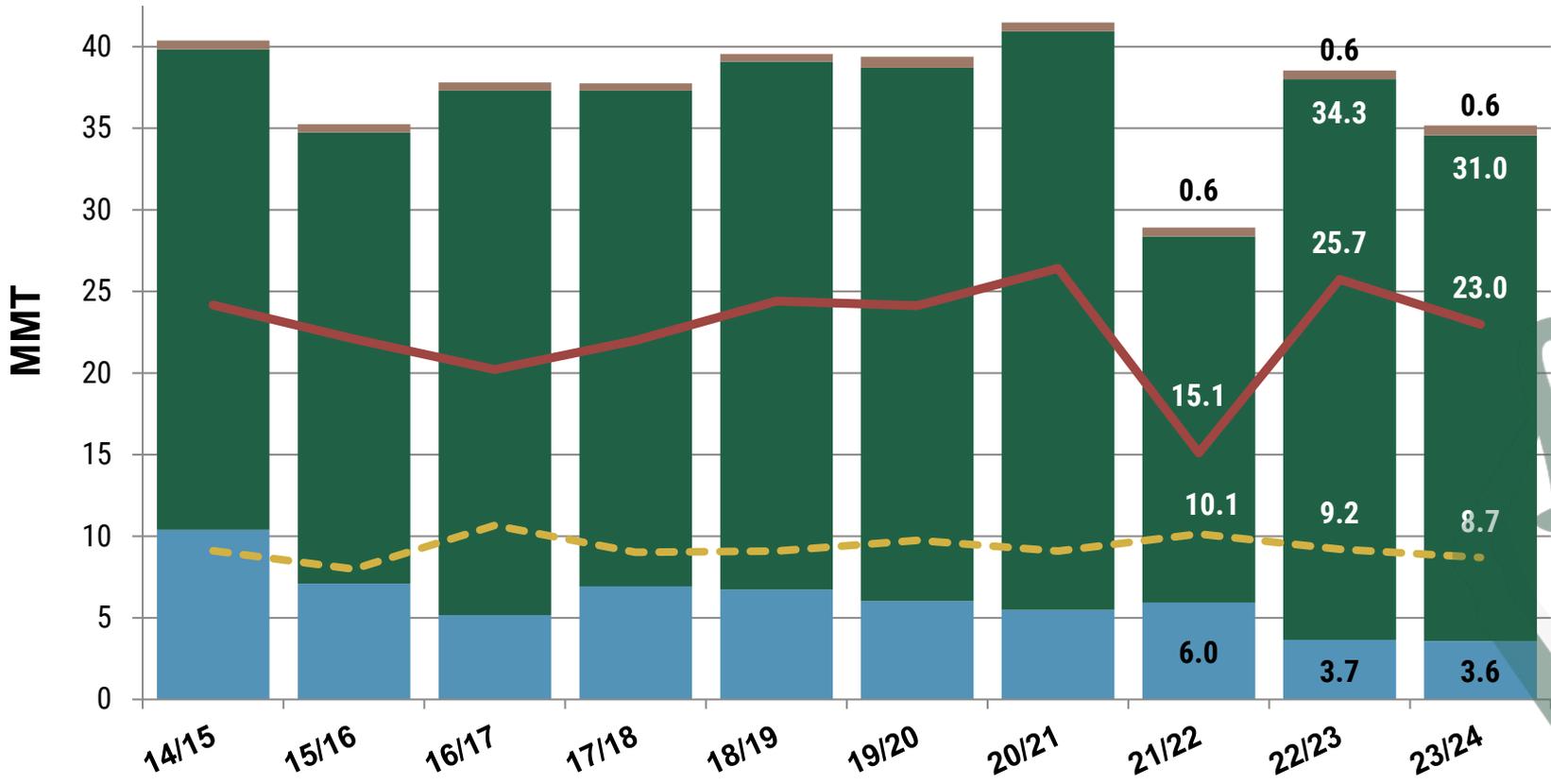
~ Delineates dominant impacts

S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)

L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)



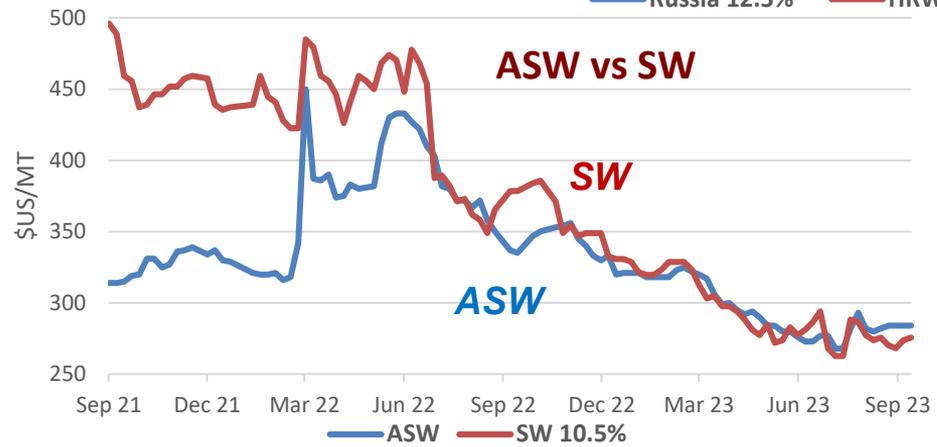
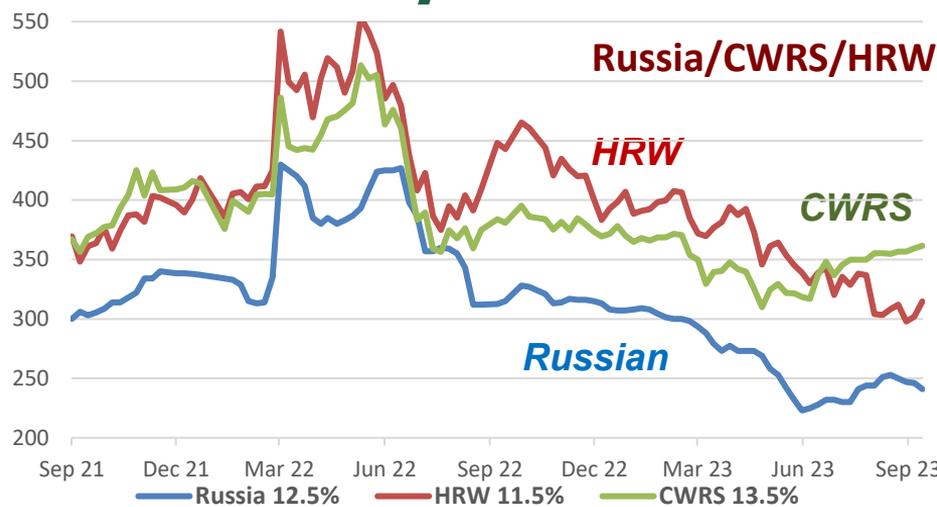
Canada Situation



■ Beginning stocks
 ■ Production
 ■ Imports
 - - - Domestic use
 — Exports



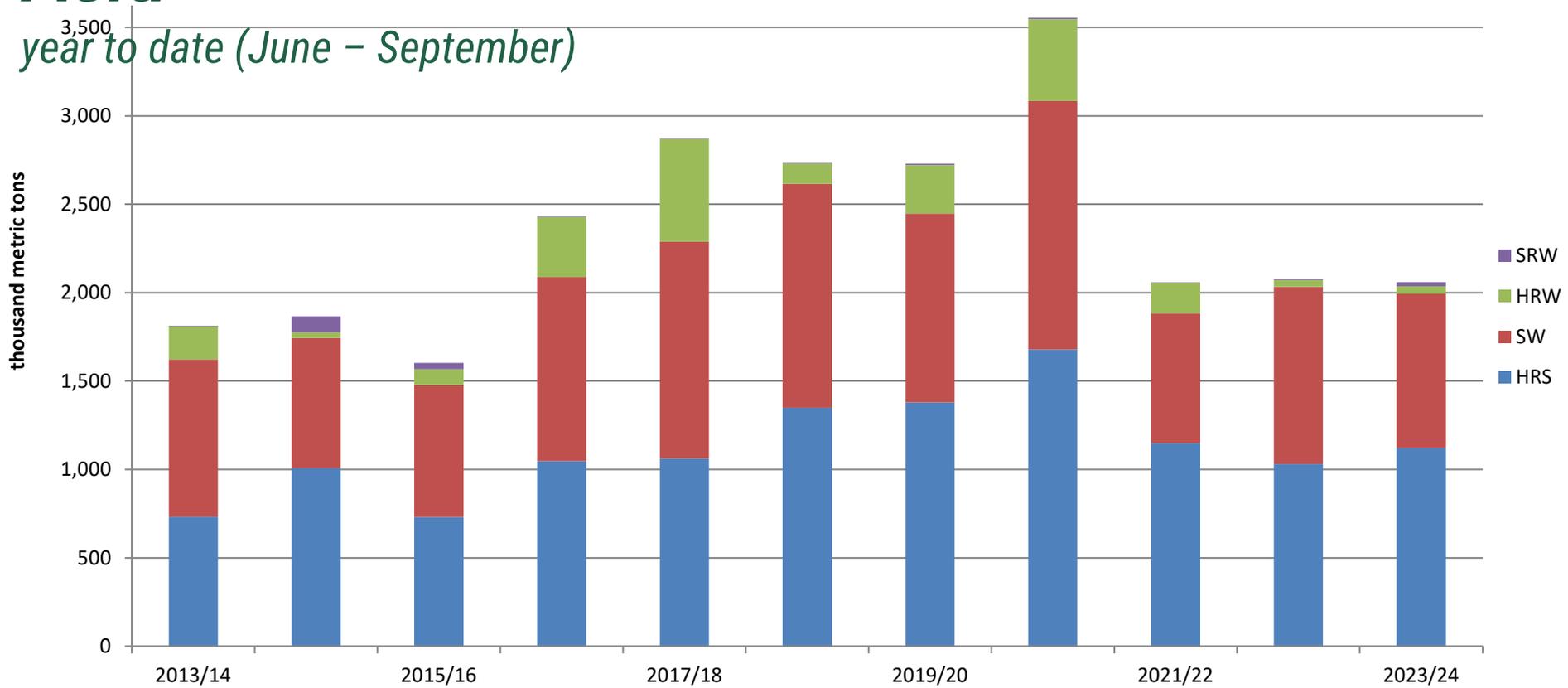
US Wheat Export Prices versus Competitors

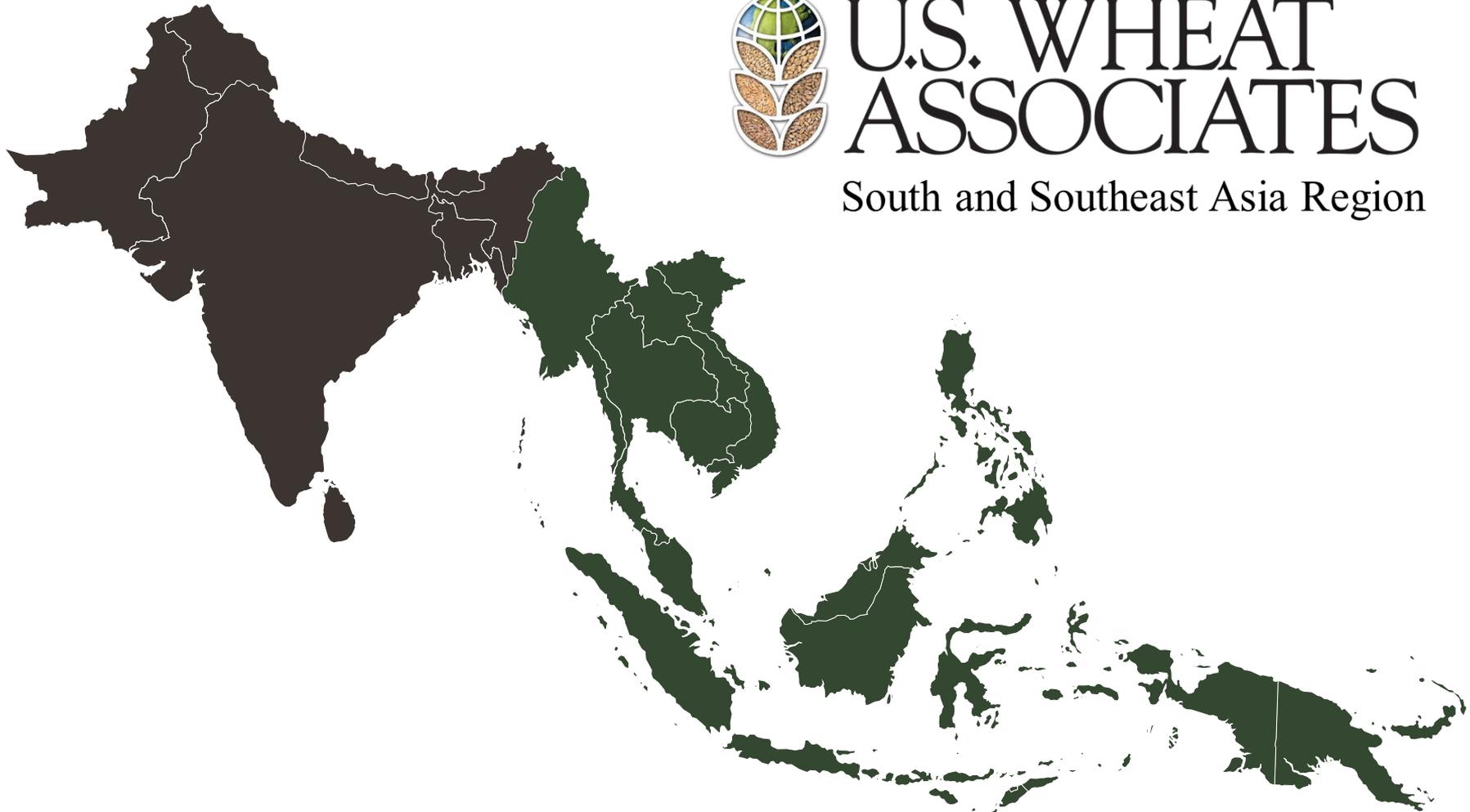


US Wheat Shipments to South and Southeast

Asia

year to date (June - September)





U.S. WHEAT ASSOCIATES

South and Southeast Asia Region



U.S. WHEAT
ASSOCIATES

South and Southeast Asia Region

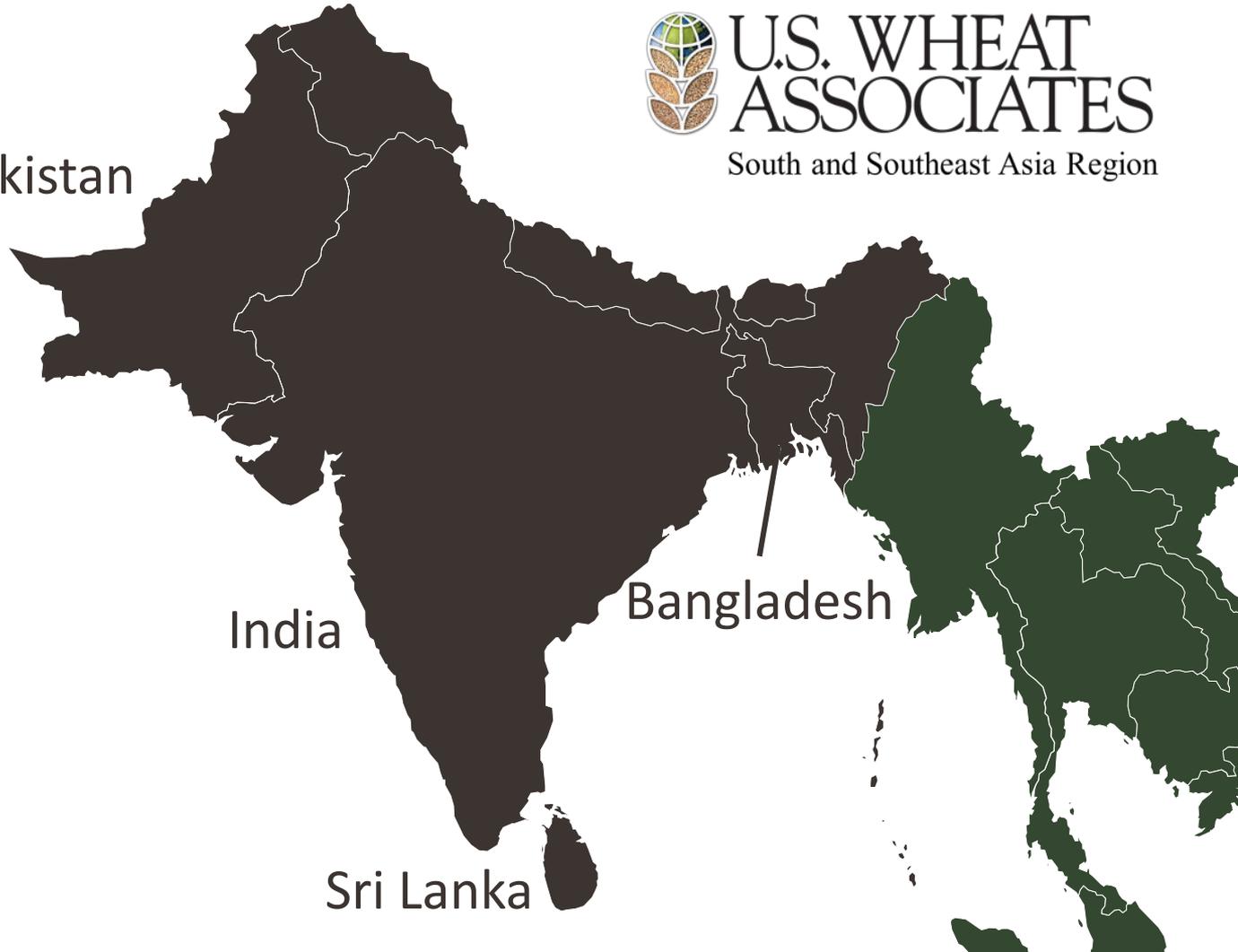
Pakistan

India

Bangladesh

Sri Lanka

Subcontinent





U.S. WHEAT
ASSOCIATES

South and Southeast Asia Region

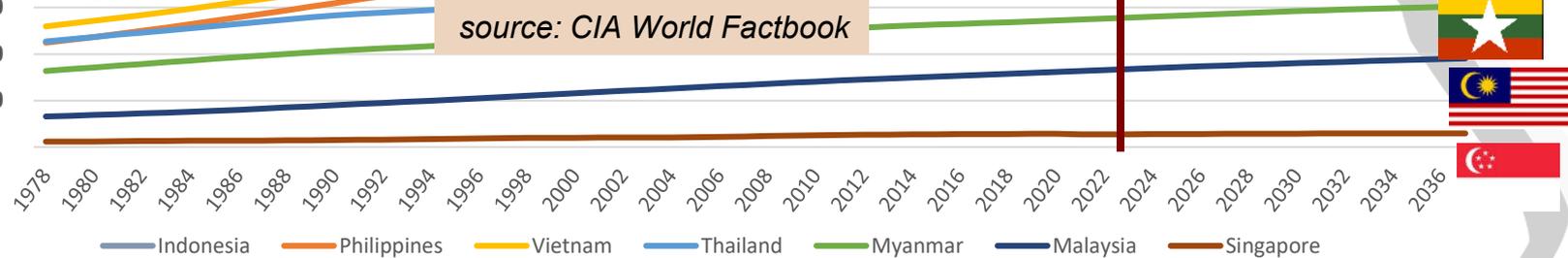


Population - ASEAN

	Population (millions)	Growth Rate
Indonesia	279,476	0.8%
Philippines	116,434	1.6%
Vietnam	104,799	0.9%
Thailand	69,795	0.2%
Malaysia	34,220	1.0%
Singapore	5,975	0.9%

source: CIA World Factbook

million people



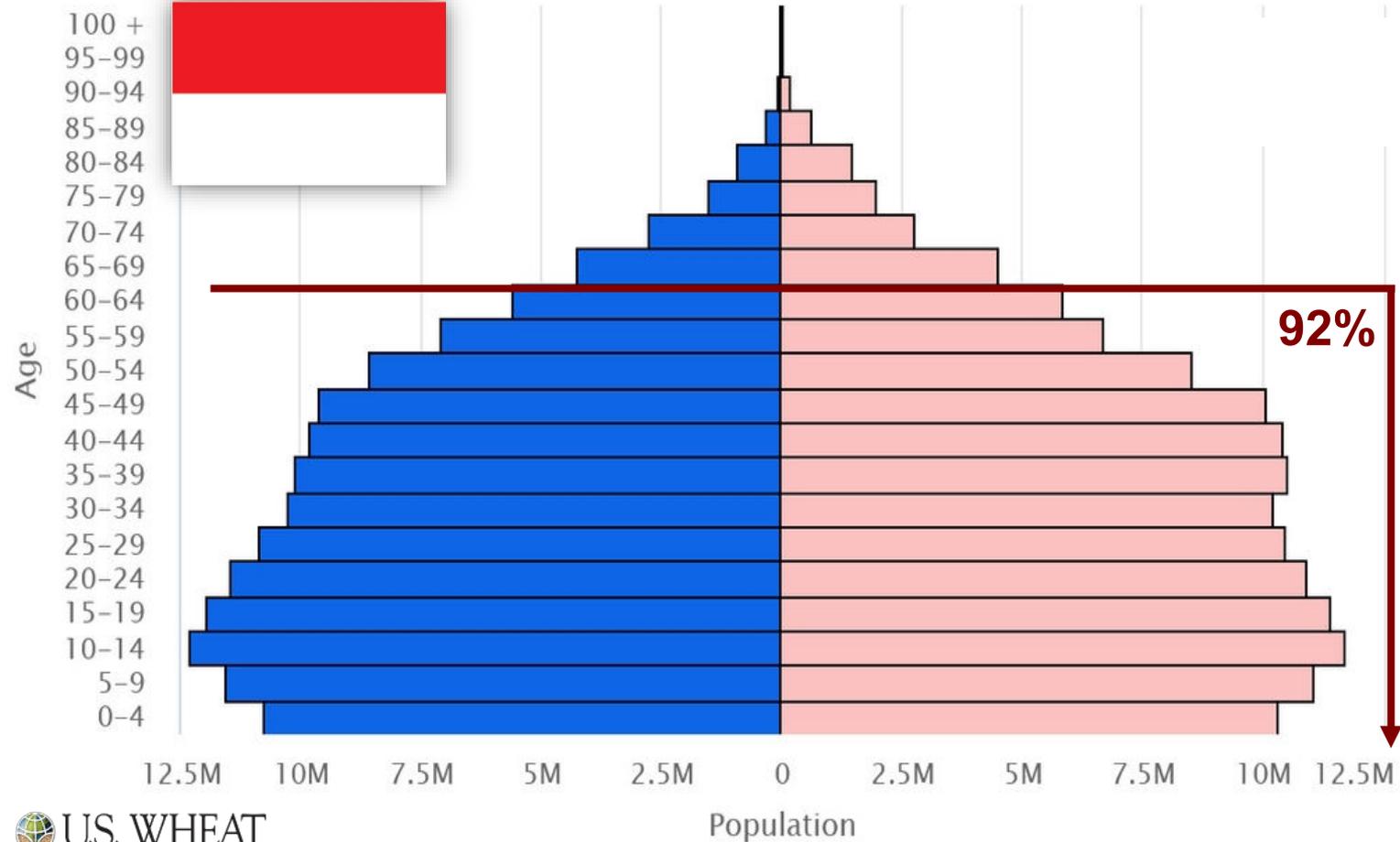
Population - ASEAN

	Population (millions)	Growth Rate	Median age
Indonesia	279,476	0.8%	31.1
Philippines	116,434	1.6%	24.1
Vietnam	104,799	0.9%	31.9
Thailand	69,795	0.2%	39.0
Malaysia	34,220	1.0%	29.2
Singapore	5,975	0.9%	35.6
<i>Japan</i>	<i>123,719</i>	<i>(0.4%)</i>	<i>48.6</i>
<i>South Korea</i>	<i>51,967</i>	<i>0.2%</i>	<i>43.2</i>
<i>Taiwan</i>	<i>23,589</i>	<i>0.0%</i>	<i>42.3</i>

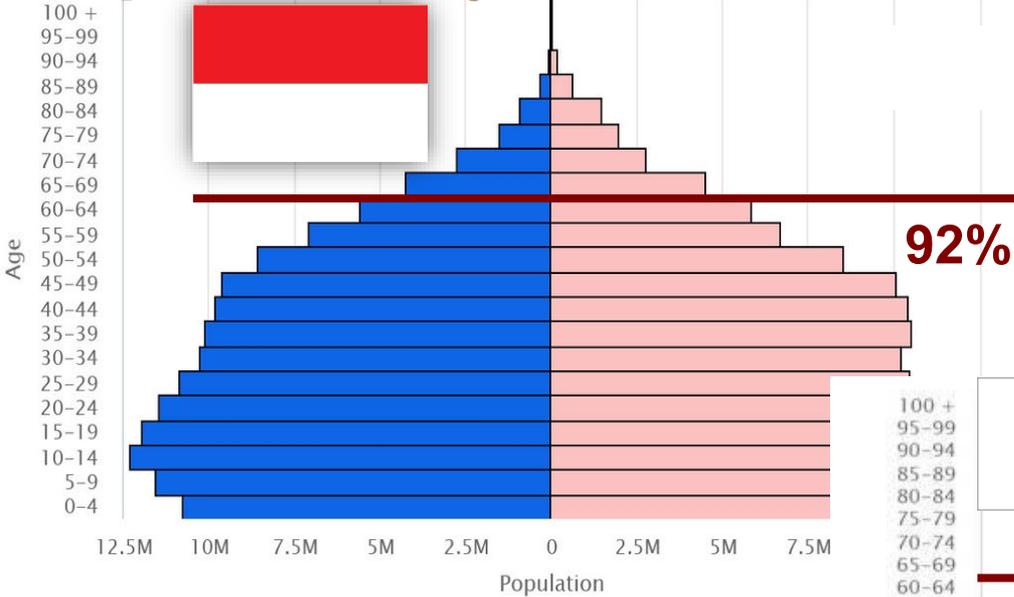


source: CIA World Factbook

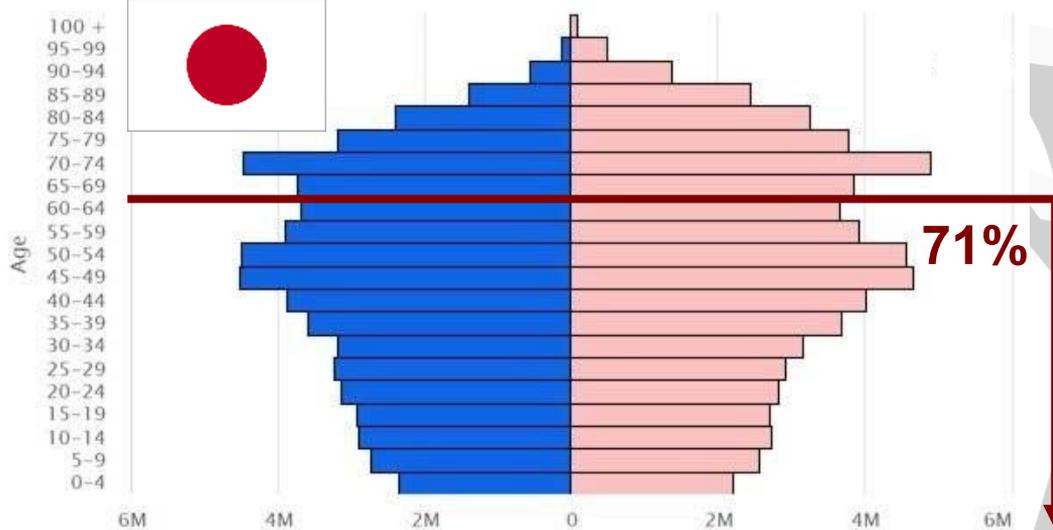
Population Pyramid Indonesia



Population Pyramids



92%



71%

U.S. Census Bureau, Int

U.S. Census Bureau, International Database

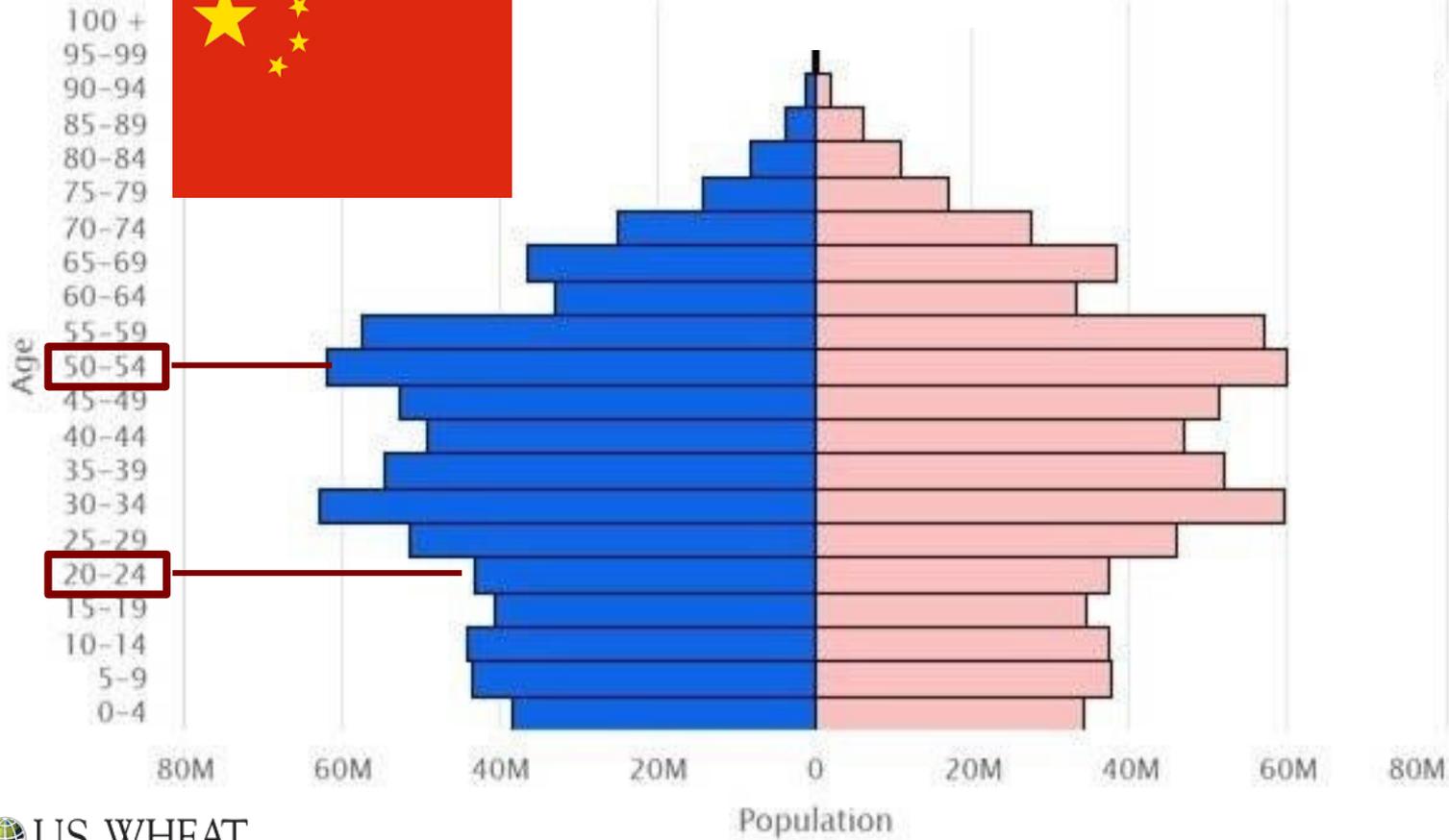
ASEAN GDP

	PPP (trillion int. dollars)	<i>Real growth rate</i>							
	<i>GDP</i> 2022	2017	2018	2019	2020	2021	2022	2023*	2024*
Indonesia	3.6	5.1	5.2	5.0	-2.1	3.7	5.3	5.0	5.0
Thailand	1.3	4.2	4.2	2.2	-6.2	1.5	2.6	3.5	3.7
Vietnam	1.1	6.8	7.1	7.0	2.9	2.6	8.0	5.8	6.2
Malaysia	1.0	5.8	4.8	4.4	-5.6	3.1	8.7	4.5	4.9
Philippines	1.0	6.9	6.3	6.1	-9.5	5.7	7.6	5.7	6.2
Singapore	0.6	4.7	3.7	1.1	-4.1	8.9	3.6	1.5	3.0
Myanmar	0.3	5.8	6.4	6.8	3.2	-5.9	2.0	2.8	3.2

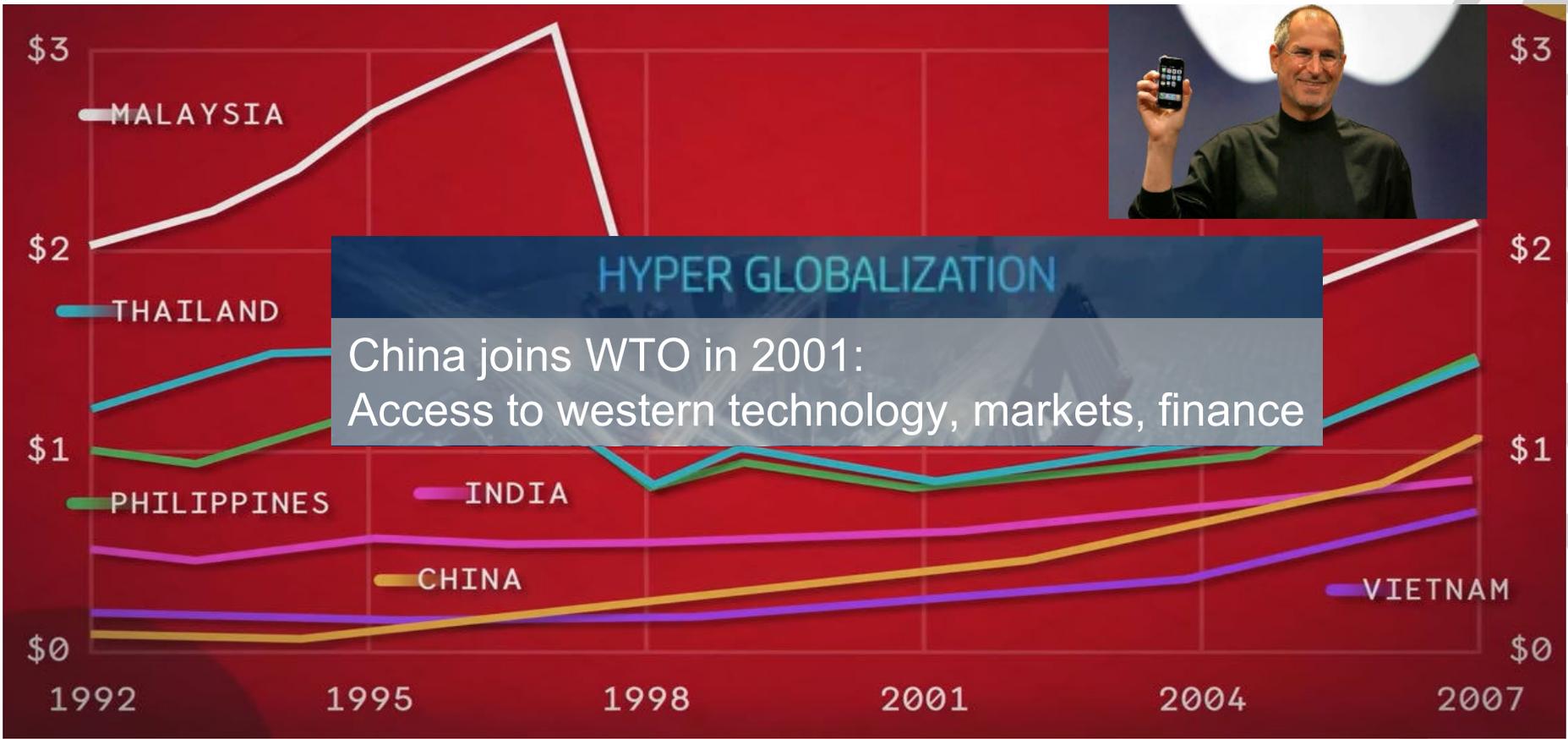
*forecast – September 2023

source: Asian Development Bank

Population Pyramid



Cost of labor (\$US/hour)

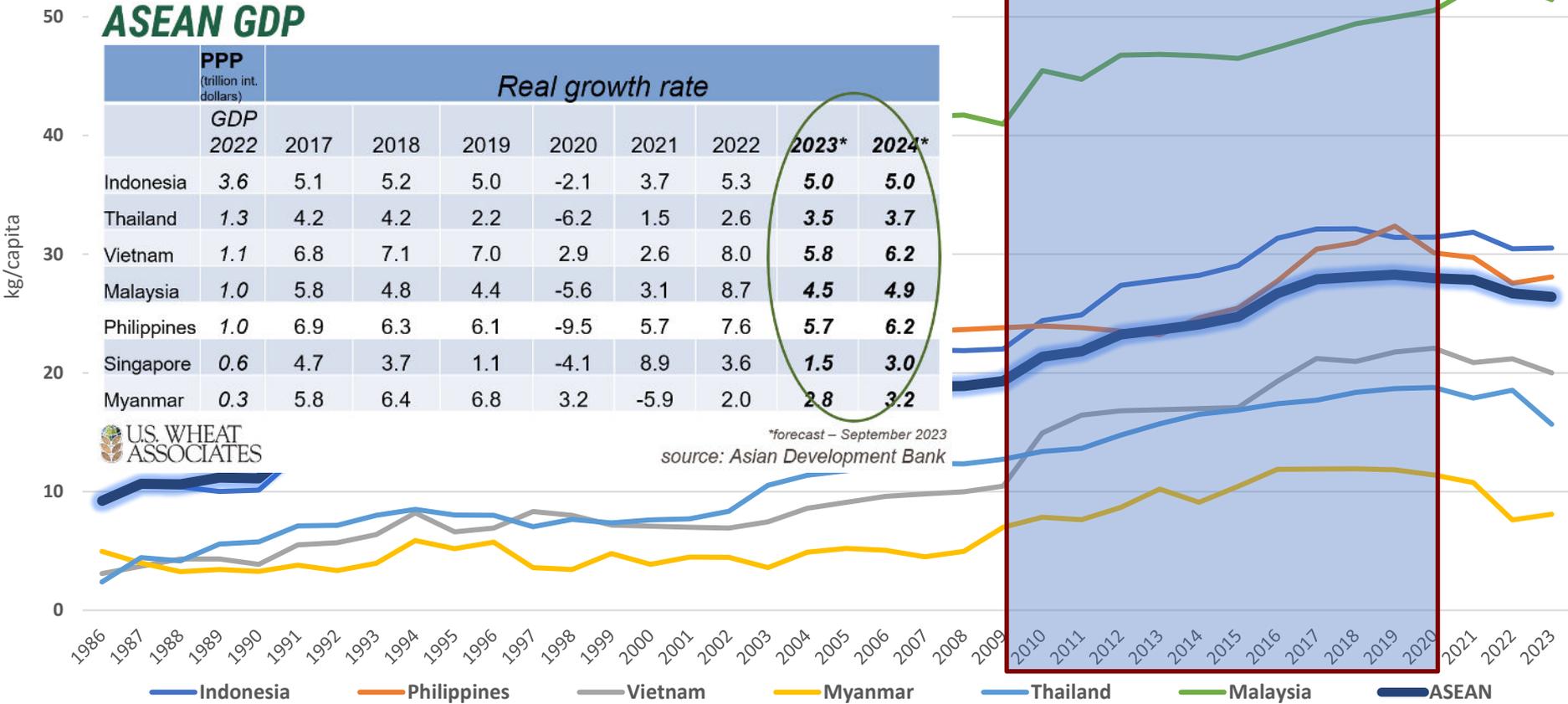


HYPER GLOBALIZATION
China joins WTO in 2001:
Access to western technology, markets, finance

Cost of labor (\$US/hour)



ASEAN Per Capita Wheat Consumption



source: USDA, Euromonitor



Southwest Asia

Trends in milling wheat demand:

- *Decline in consumption*
- *Pre-Covid increase in milling capacity*
- *Competitive price environment*

Indonesia



- *One mill with ~ 50% market share*
 - 20,000 MT/day capacity
- *Others in low-price battle*

Wheat food end-product	% of use
Noodles	48%
Bakery	30%
Biscuits	13%
others	9%

Indonesia



Wheat food end-product	% of use
Noodles	48%
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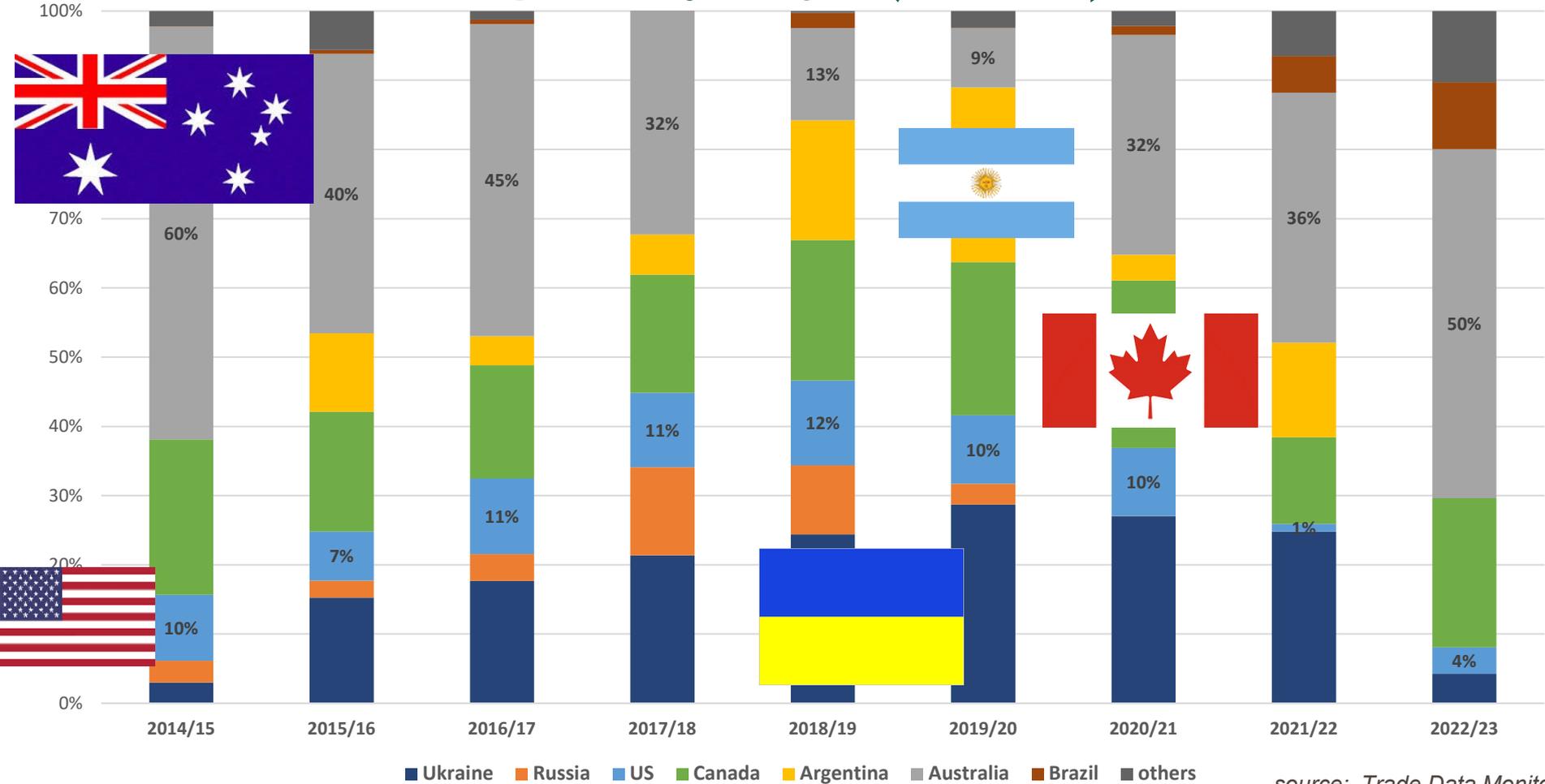
Indonesia

- *70% of baking industry non-mechanized*
- *Prefer short mixing time, high water absorption*



KONTAN/Daniel Prabowo

Indonesian wheat imports by origin (all uses)



source: Trade Data Monitor

Most Important Factors Driving Wheat Food Consumption

- Indonesian millers

Miller Perspectives on Wheat Consumption Drivers

More cheaper products in the market

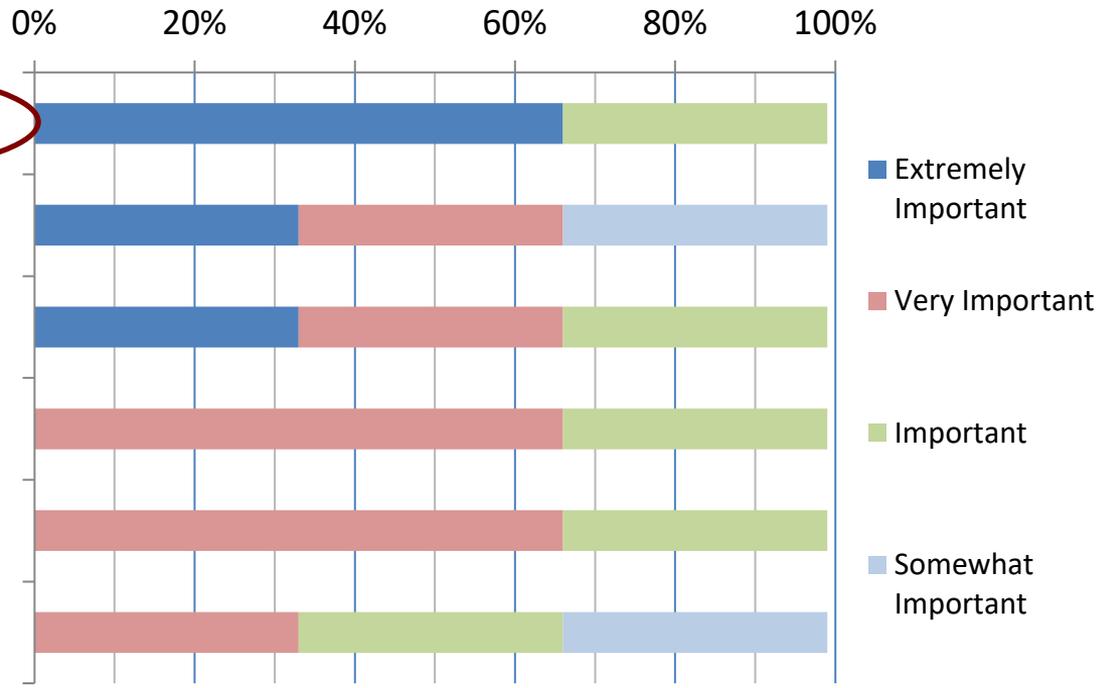
More high quality wheat food offerings

Social media and influencers

More snacking/busy lifestyles

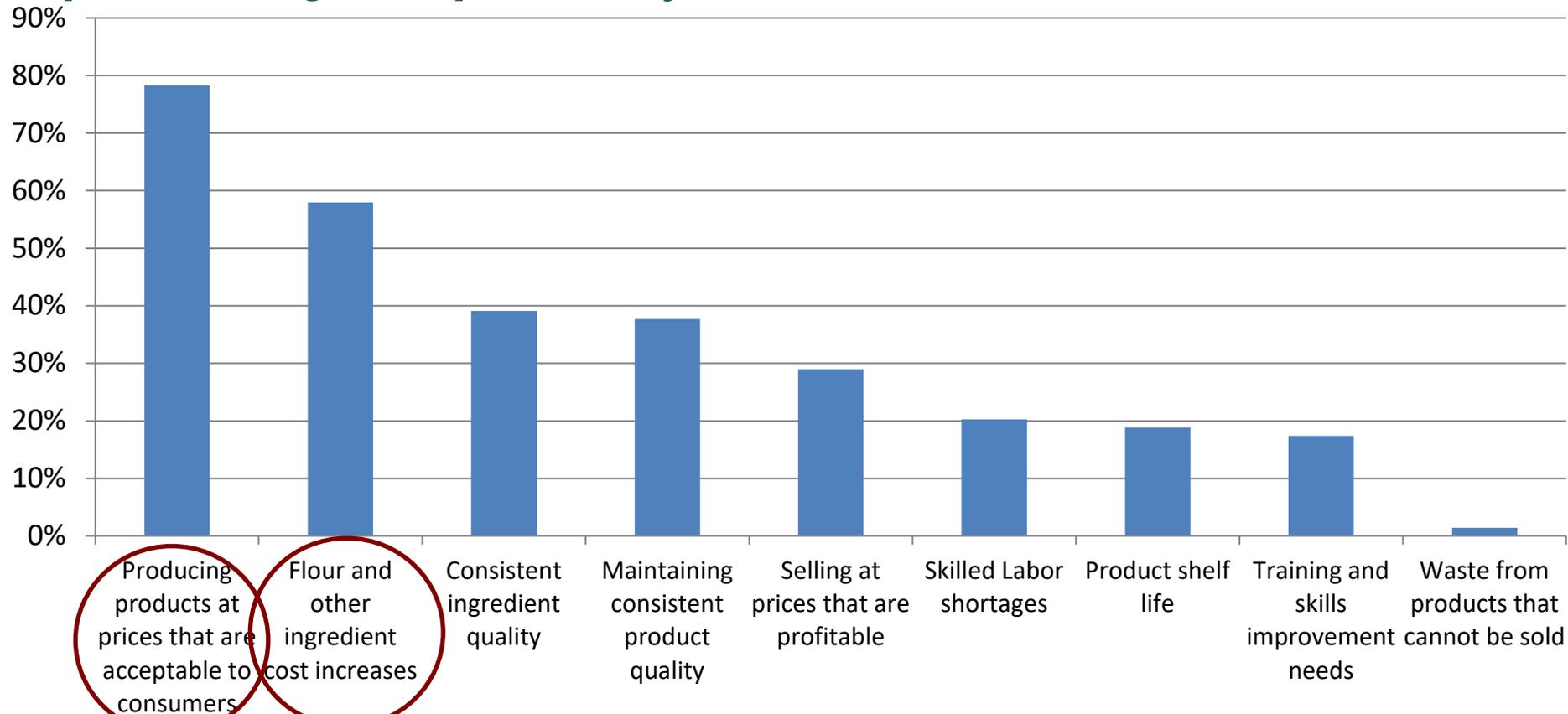
Interest in indulgent wheat foods

Healthier lifestyles: Benefits of Wheat Foods



Source: Market Solutions LLC Survey for USW, August-October, 2021

Top Challenges reported by Indonesian Bakers



Source: Market Solutions LLC Survey for USW, Aug-October, 2021



Top Drivers for Wheat Foods: Indonesian Consumers

More Cheaper Products

More High Quality Products

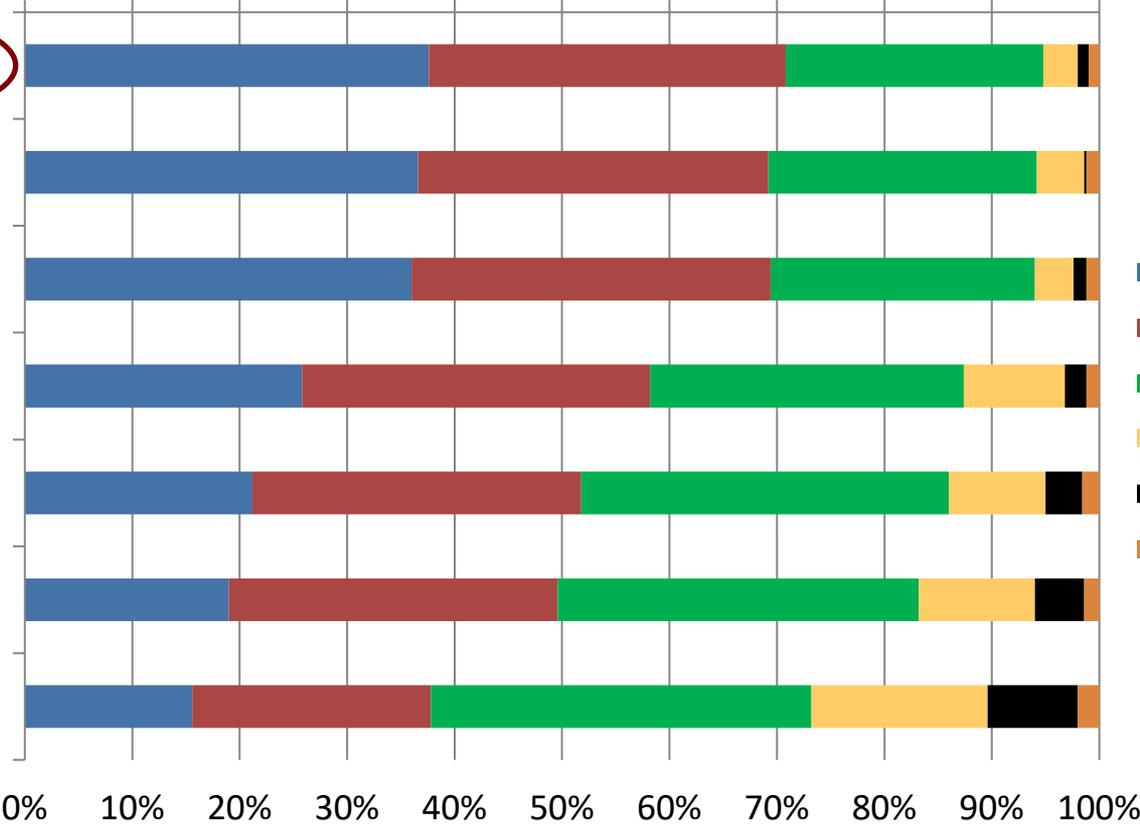
Healthier lifestyles

Indulgent/Delicious Prods

Good for Socializing

Snacking/Busy Lifestyles

Social Media/Influencers



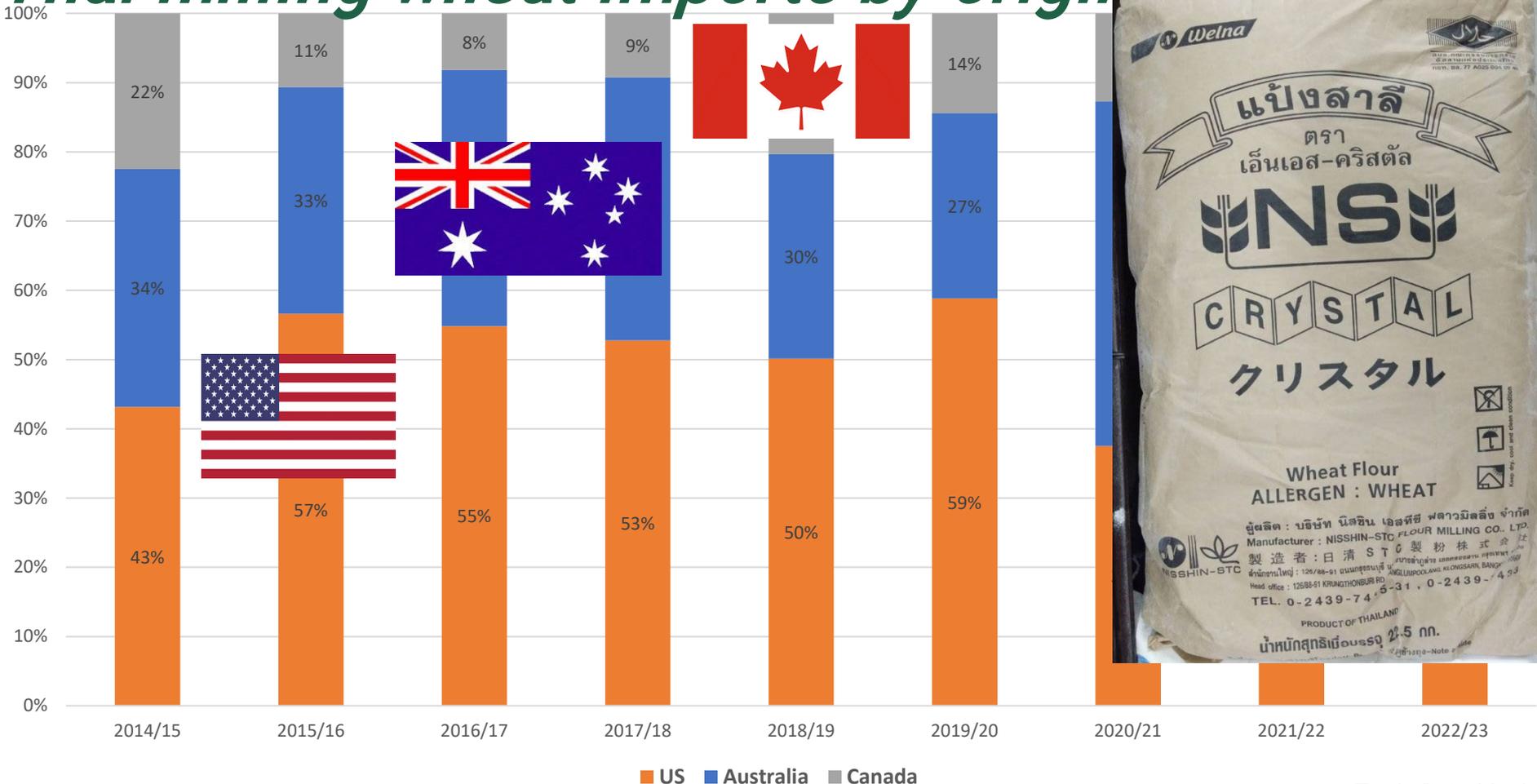
- Extremely important
- Very important
- Important
- Somewhat important
- Not important
- Don't know



Source: Market Solutions LLC Survey for USW, Aug-October, 2021



Thai milling wheat imports by origin



source: Trade Data Monitor

Baking courses

Frozen dough



Cookie/Cracker





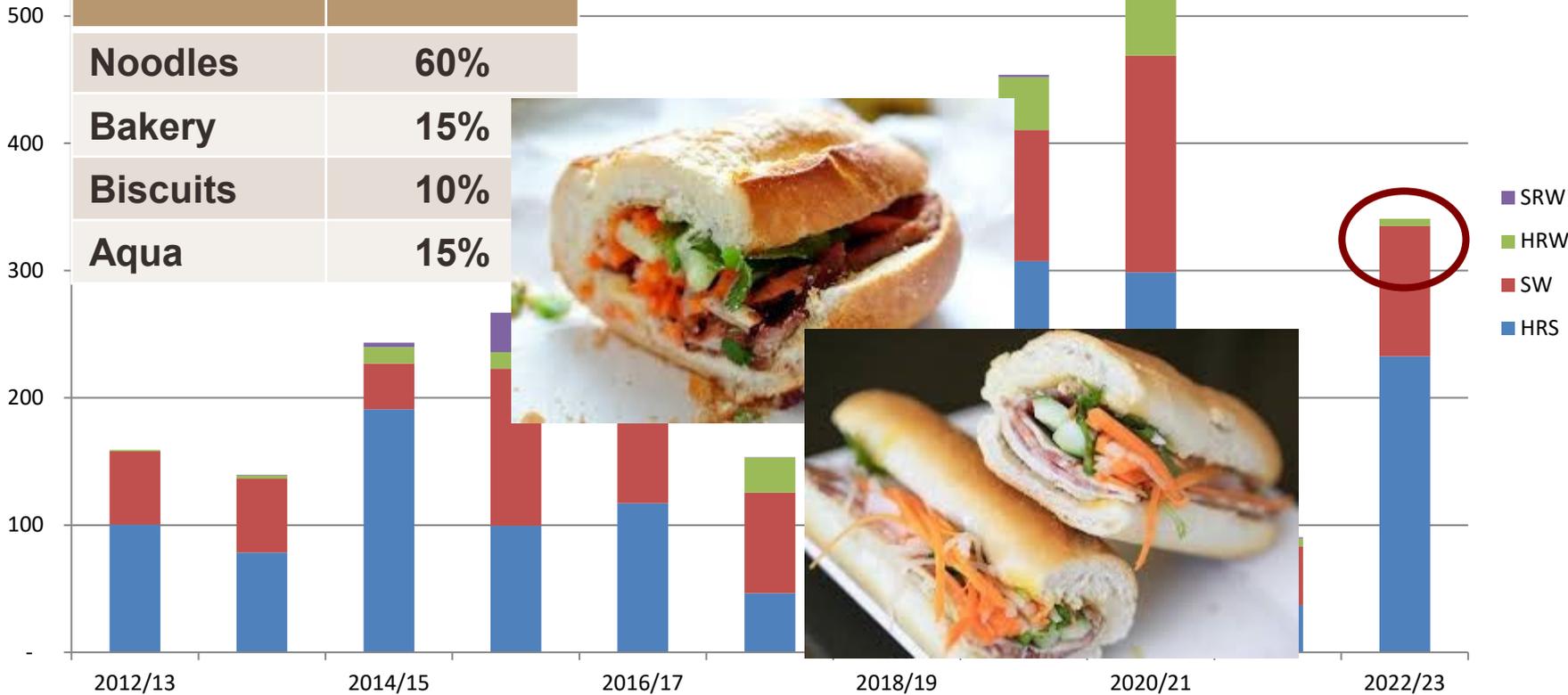
US Wheat Sales to Thailand



US Wheat Shipments to Vietnam

thousand metric tons

Product	% of use
Noodles	60%
Bakery	15%
Biscuits	10%
Aqua	15%



US Wheat Sales to the Philippines

3,000 Product % of use

Bakery



THANK YOU!

Salamat

Terima kasih

Cảm ơn

ขอบคุณ



**U.S. WHEAT
ASSOCIATES**

Dependable People. Reliable Wheat.

uswheat.org

