



# Global Grains and Oilseeds Industry Outlook

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# Content



- 1) Setting the scene*
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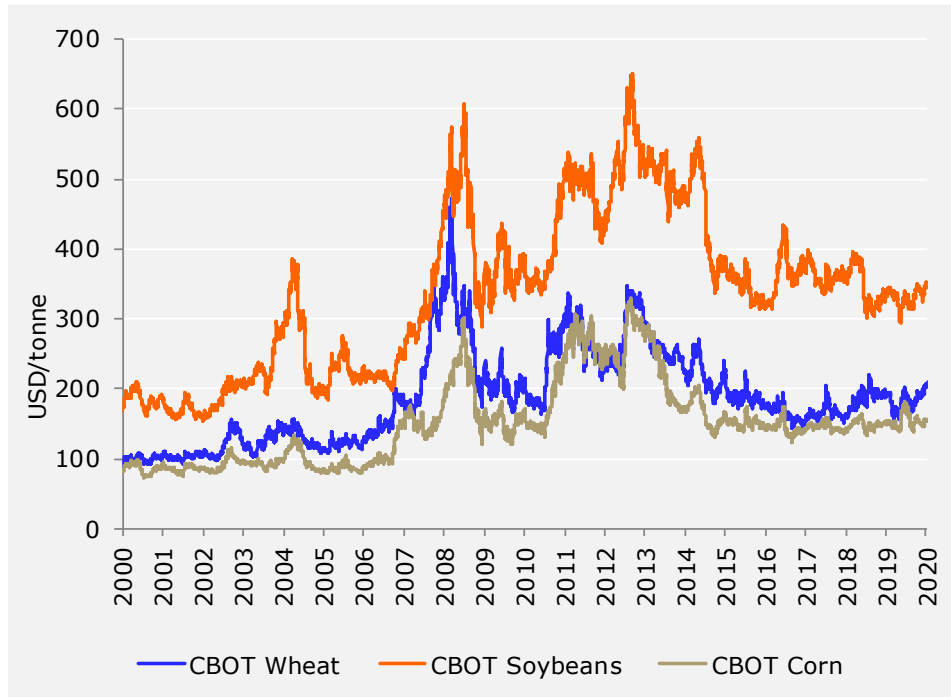
*of local experts*



# G&O prices at or below range



## Soybeans, corn and wheat CBOT prices



## Demand factors

- Slowing down of **long term G&O demand**
- **China**: industrialization of meat production
- **US-China trade dispute**: cause price volatility
- **India, SEA and Africa**: key for long term demand
- **Biofuels**: Shifts from developed to developing
- Trends towards **niches** and informed consumer
- **African Swine Fever (ASF)** impacting trade

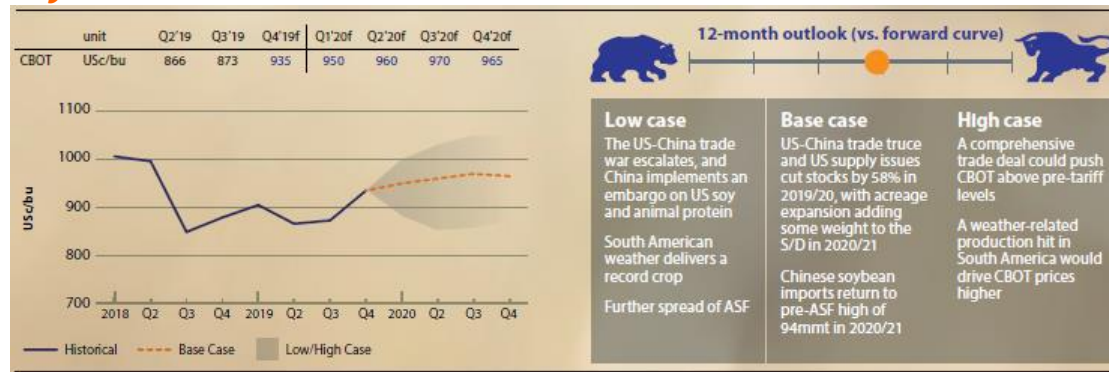
## Supply factors

- Consolidation on farmer level
- **Black Sea Region (BSR)** is the region for wheat sourcing. Ukraine new kid in the global corn.
- **Brazil's power house** with currency and infrastructure challenges
- **US** becomes unreliable supplier
- **GMO** vs increasing demand non-GMO
- **Sustainability**, Climate change and weather volatility

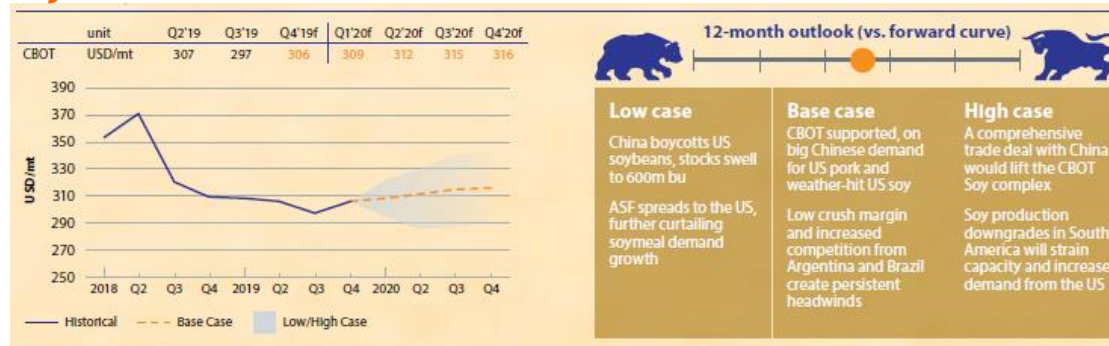


# SOYBEANS Price Outlook

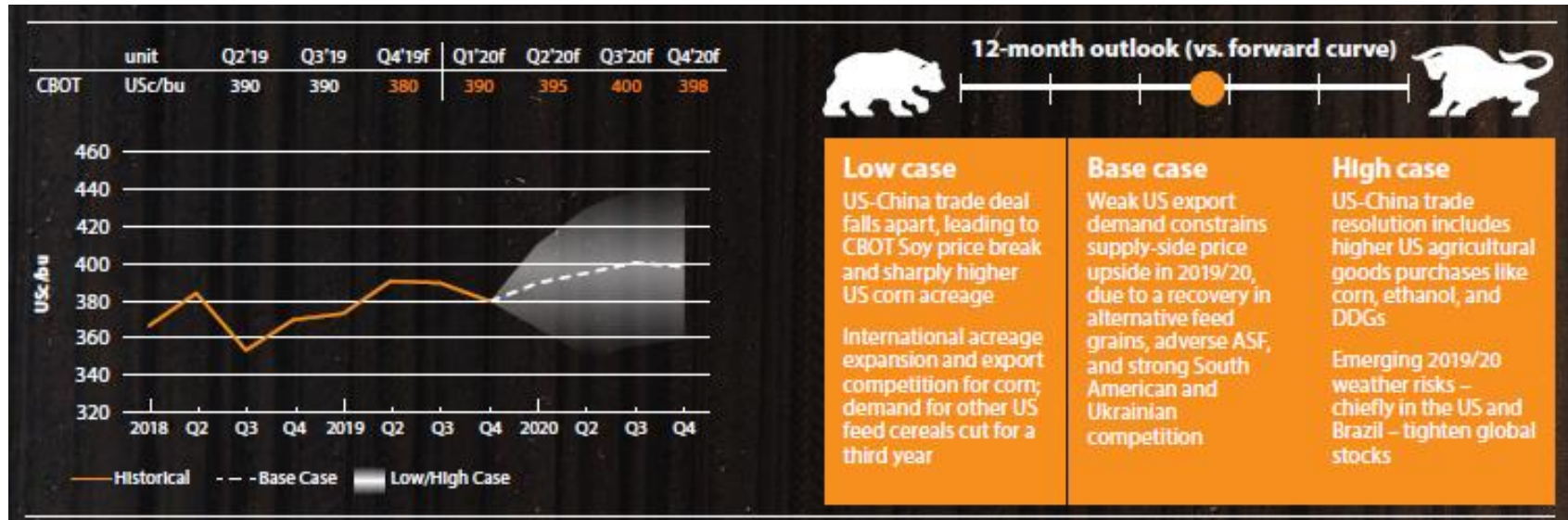
## Soybeans



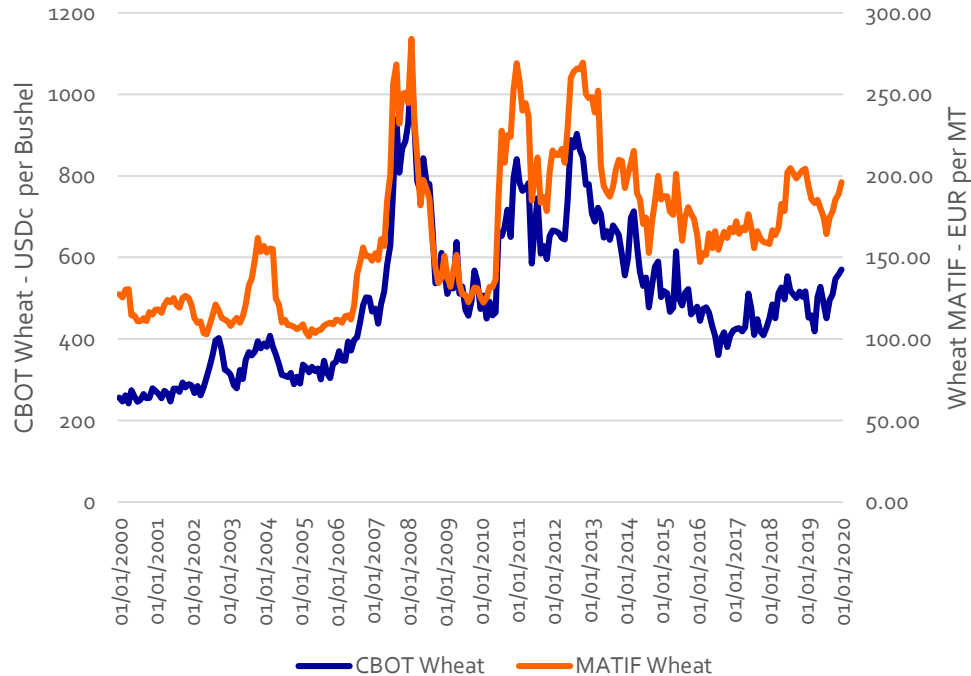
## Soymeal



# CORN Price Outlook



# WHEAT Price



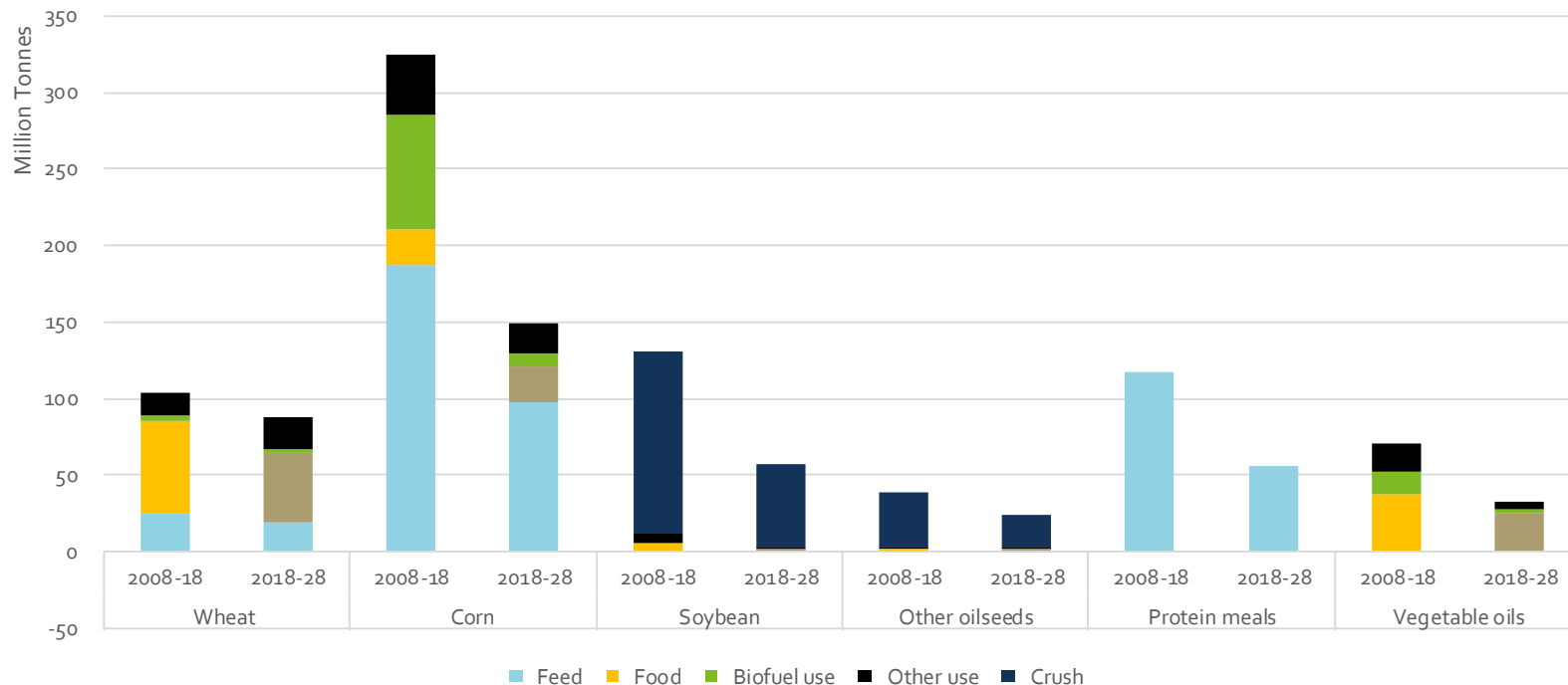
- CBOT Wheat is up 28% since Sept 2019, European Matif has increased by 16%
- Prices in Australia remain strong given the local supply and currency
- Export availability is falling at a time of strong international wheat demand
- Weather related crop issues in several regions still raise concerns for 2020 wheat supply
- But - assuming no major weather event - we adopt a bearish view



# In the next decade G&O demand increases, but it will slowdown compared to past decade



## Additional demand in oilseeds complex by outlet (2008-18 vs 2018-28)



# Climatic conditions impacting yields, harvesting areas and production volumes

## High temperature and droughts

### TEMPERATURE SUM

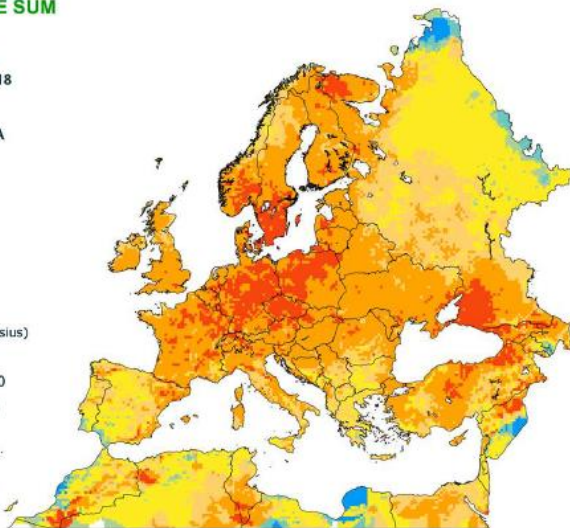
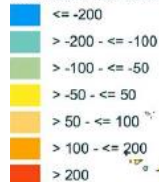
from : 01 June 2018  
to : 31 August 2018

Deviation:

Year of interest - LTA

Base temperature: 0

Unit: degree days (Celsius)



05/09/2018  
resolution: 25x25 km



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Source: Joint Research Centre (JRC CGMS 12)  
Processed by: Alterra consortium

## Change in precipitation pattern

### RAINFALL

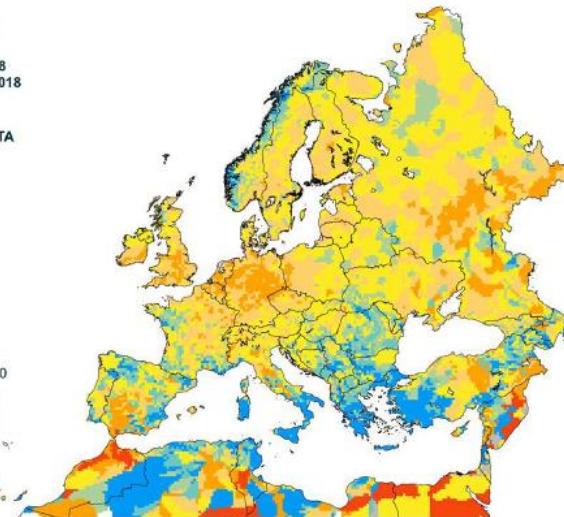
Cumulated values

from : 01 June 2018  
to : 31 August 2018

Deviation:

Year of interest - LTA

Unit: %



05/09/2018  
resolution: 25x25 km




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Source: Joint Research Centre (JRC CGMS 12)  
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# Conclusions



- G&O prices at lower end of range, pressuring margins in G&O value chain
- Global G&O landscape is changing fast
- Trade disputes cause price volatility and ASF impacts global trade flows
- Climatic conditions impacting yields, harvesting areas and production volumes
- In the next decade G&O demand increases, but it will slowdown compared to past decade
- Emerging countries playing a growing role in origination and destination
- Sustainability, niches and informed consumer are key aspects
- In Italy the widening gap in G&O production and consumption increases reliance on imports
- Key opportunities are: valorisation of the local supply chain and simultaneously ability to originate in global markets and neighbouring Eastern Europe.



# Thanks for your attention

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