

EVEN MORE DIFFICULT???

**THE NEXT DECADES**

# **MORE OF THE SAME?**

**CONTINUED GROWTH BUT AT MODEST LEVELS**

**MORE TRADE DISPUTES – WHERE WILL “INCREASE” IN EXPORTS GO TO?**

**LABOUR EVEN MORE SCARCE**

**CHINA FEED ISSUES**

**BUT**

**SOMETHING UNEXPECTED WILL HAPPEN !**

**SO**

**MORE ATTENTION MUST BE GIVEN TO**

**CRISIS MANAGEMENT – DO NOT TRY TO HIDE THE TRUTH!**

## **MODEST FUTURE GROWTH**

- **WE USED TO SAY 4 TO 5% A YEAR GROWTH TO GET THE HEADLINES**
- **NOW WE SAY 40% IN 20 YEARS!!!!**

## MEAT CONSUMPTION 2009 - 2019

| MILLIONS MT | 2009  | 2019  | GROWTH |
|-------------|-------|-------|--------|
| BEEF        | 64.1  | 73.6  | 17%    |
| POULTRY     | 91.9  | 116.0 | 26%    |
| PORK        | 104.9 | 126.4 | 20%    |
| SHEEP       | 12.5  | 15.3  | 22%    |
| EGGS        | 61.0  | 73.2  | 20%    |
| TOTAL       | 334.4 | 404.5 | 18%    |

FAO FORECAST – (USDA SIMILAR)

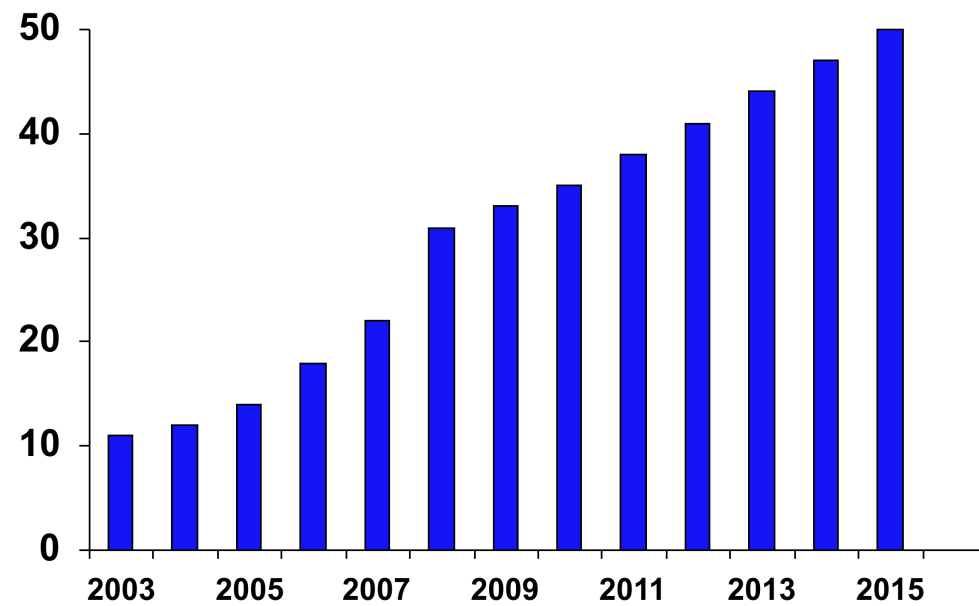
# **MORE TRADE DISPUTES**

- **USA – RUSSIA – QUALITY STANDARDS**
- **USA – CHINA – ANTI DUMPING ISSUES**
- **BRAZIL /THAILAND – EU – QUOTAS AND TARIFFS**
- **A SIGNIFICANT PART OF BRAZILIAN EXPORTS DEPEND ON POLITICS (EITHER IMPORTER INTERNAL OR TRADE ISSUES WITH BRAZIL)**
- **DON'T FORGET**
  - **ABOUT 30% OF BRAZILIAN BIRDS ARE EXPORTED**
  - **ABOUT 60% OF THAI BIRDS ARE EXPORTED**
  - **USA ( AND EUROPE) HAS A PROBLEM WITH 1/3 OF ITS BIRD (I.E LEG QUARTERS)**
  - **CHINA NEEDS MARKET FOR 1/5 OF THE BIRD (I.E. BREAST MEAT)**

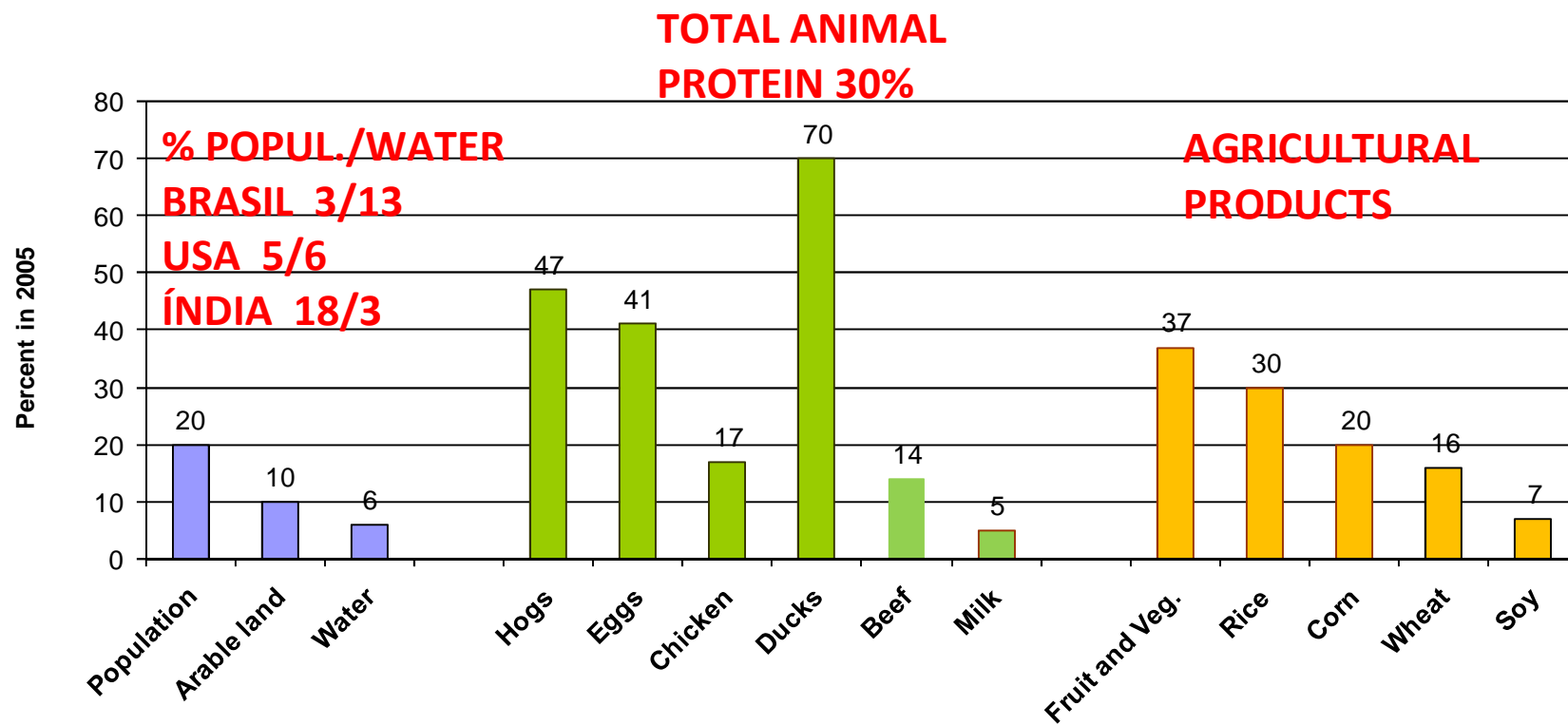
SOURCES OF GRAINS

# **FEED ISSUES**

# Ethanol Percentage of the US Corn Crop



# Where will the feed come from to sustain Chinese animal protein production?



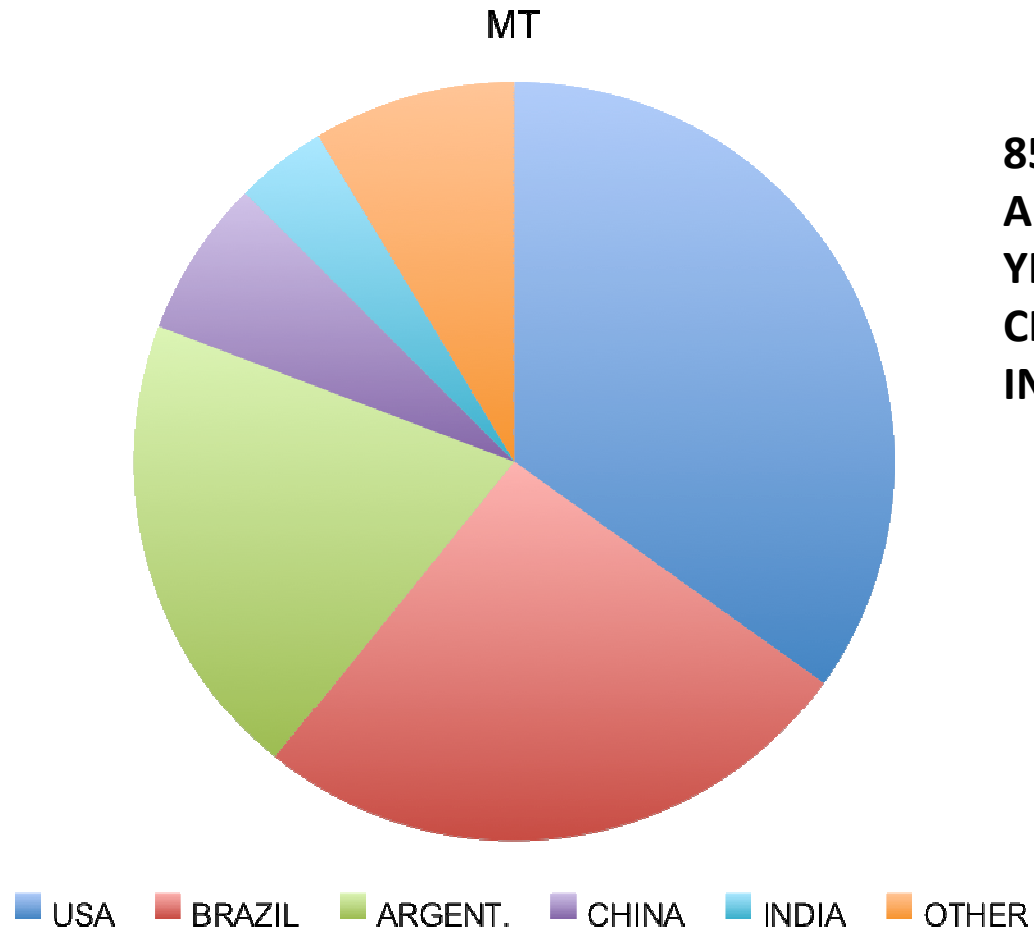
Source: USDA, Economic Research Service calculations using USDA AND FAO.

# CORN YIELDS

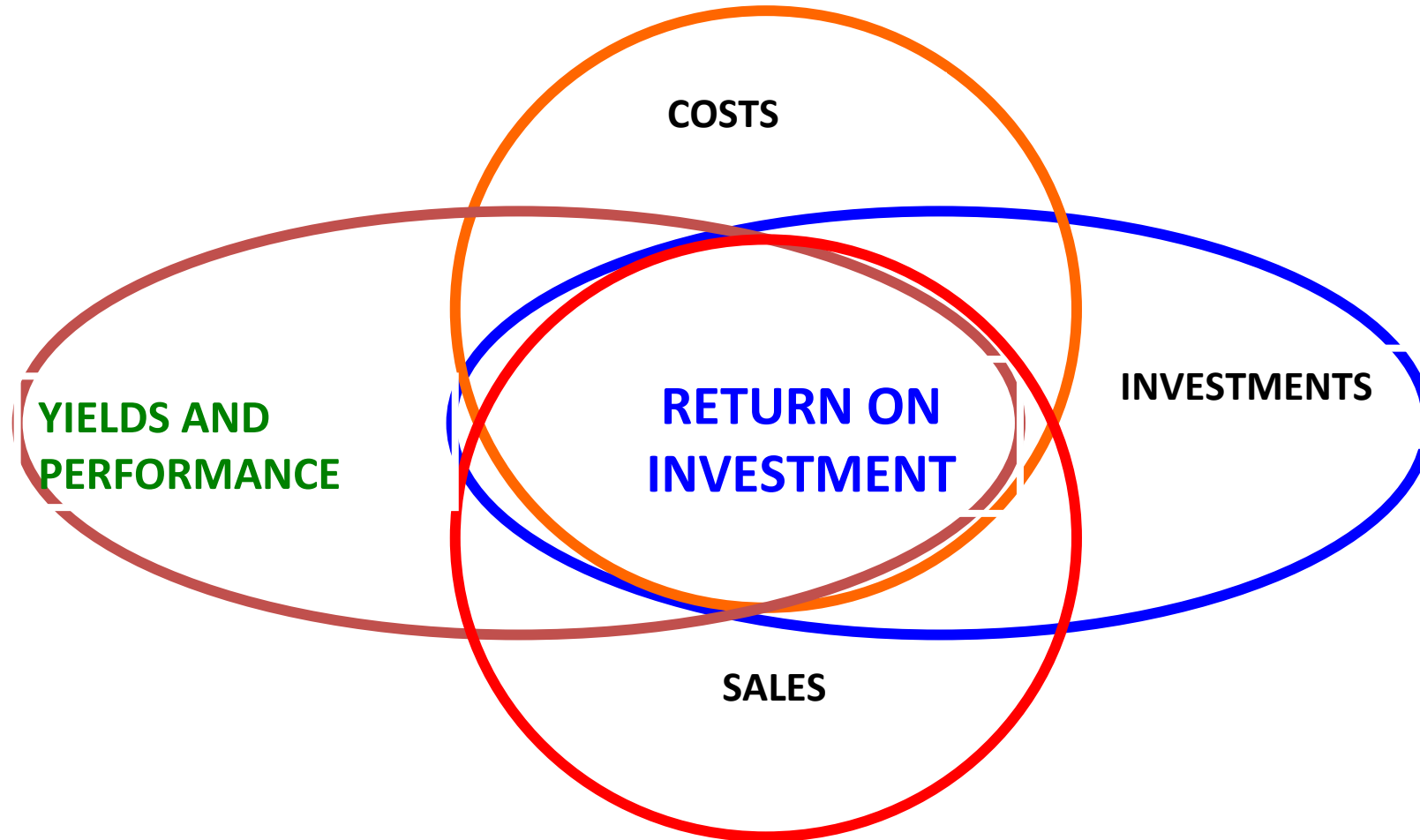
| COUNTRY   | M.HA. | MT/HA. |
|-----------|-------|--------|
| USA       | 31.8  | 9.7    |
| ARGENTINA | 3.4   | 6.5    |
| CHINA     | 29.8  | 5.6    |
| BRAZIL    | 14.4  | 4.1    |
| INDIA     | 8.3   | 2.3    |
| OTHER     | 66.0  | 4.1    |

CHINA IMPORTING > 1 MMT IN 2010

# GLOBAL SOY BEANS



# A VERY COMPLEX EQUATION



**WE NEED TOOLS TO ACHIEVE OPTIMIZATION**