

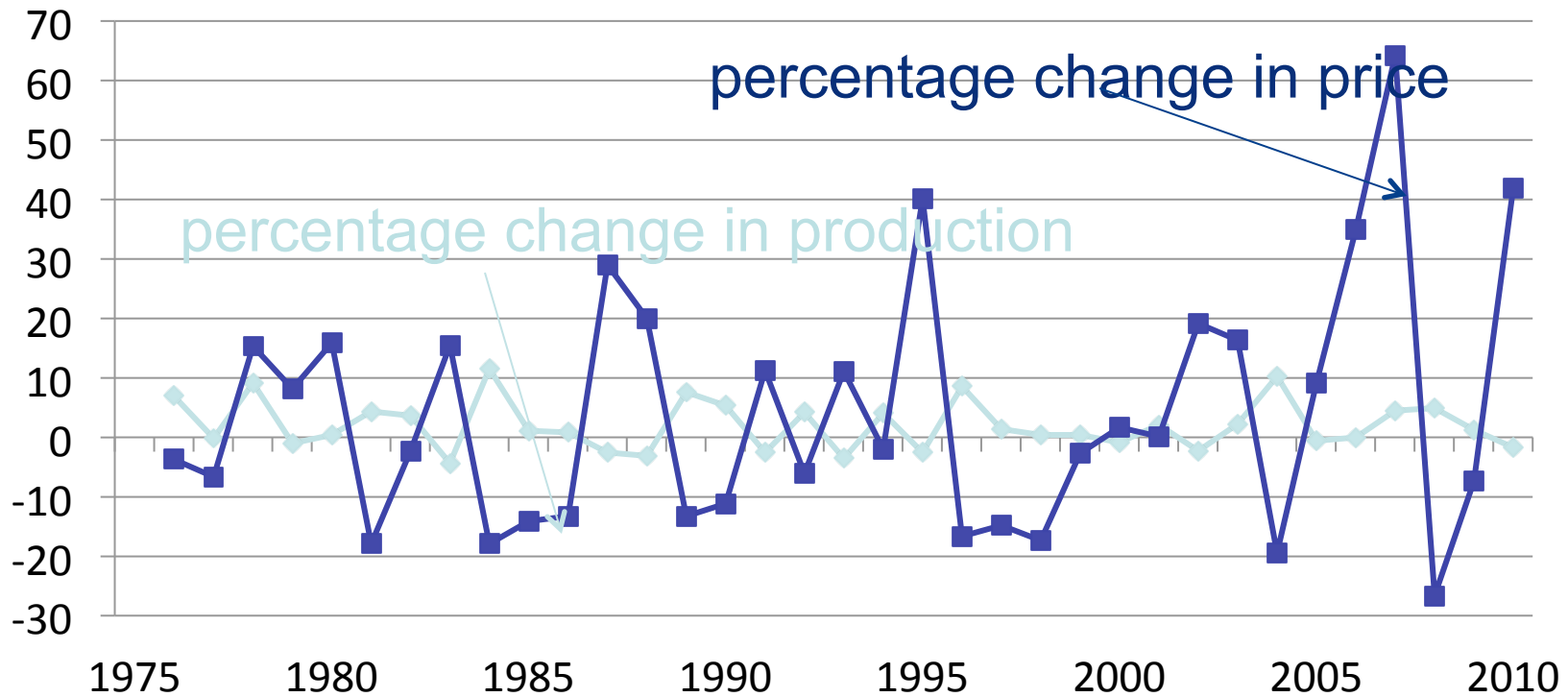


Grain & Oilseeds Trends

Gustavo Cannavina
Cargill Americas, Inc

GLOBAL FOOD PRODUCTION VS. PRICE

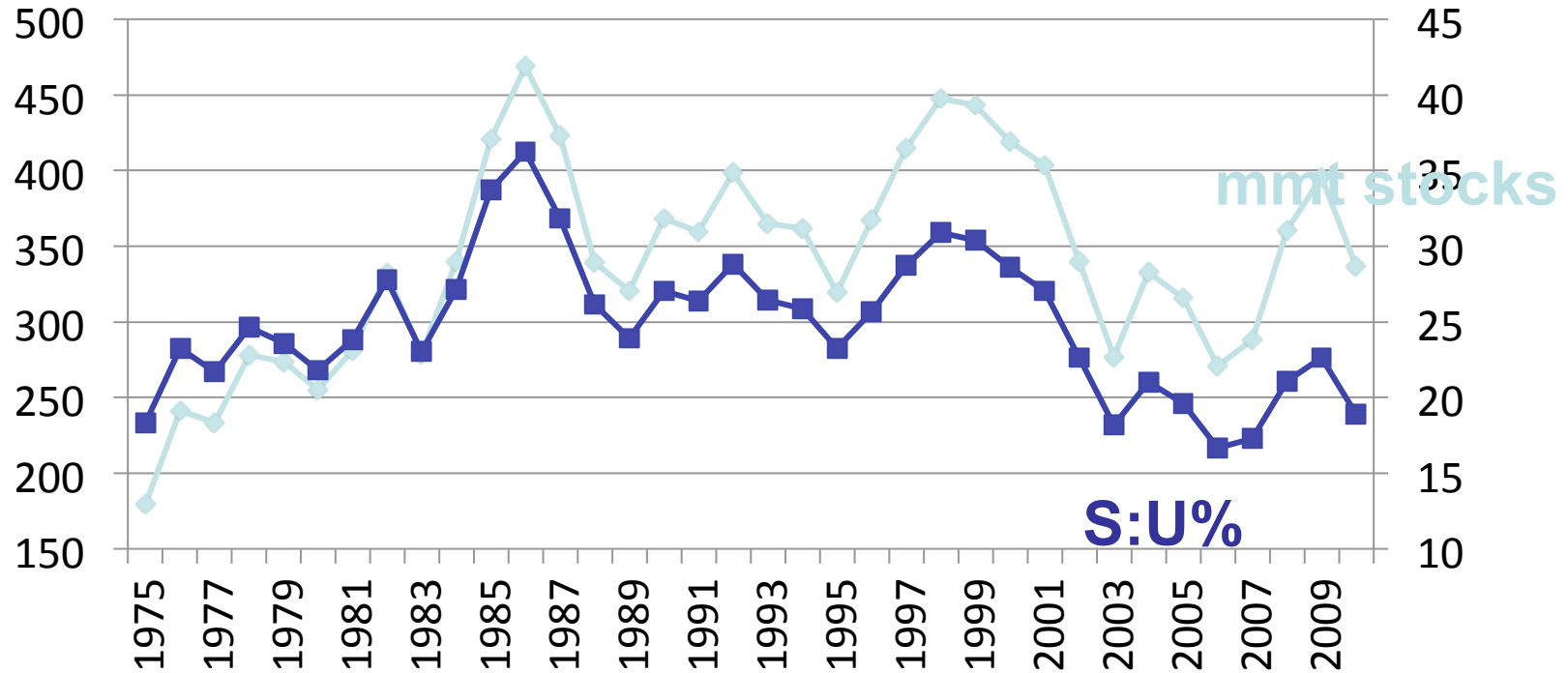
(production of grain, rice, major oilseeds, PO, FSHM vs. corn/soybean/wheat futures price index)



WORLD GRAIN STOCK AND STOCKS: USE

mmt stocks

S:U%

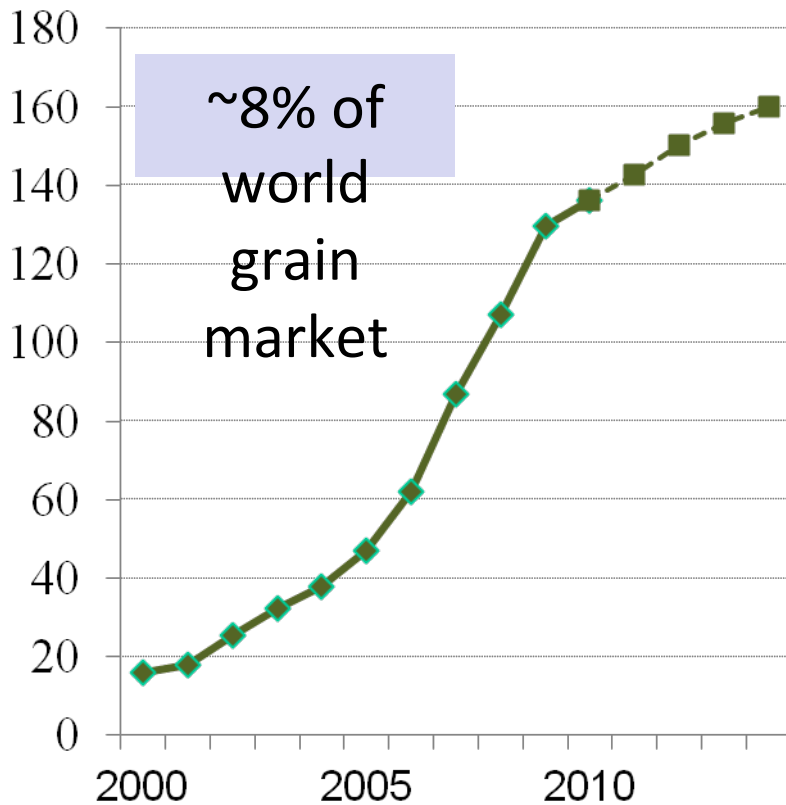


BIOFUELS VOLUMES – A MAJOR SHIFT

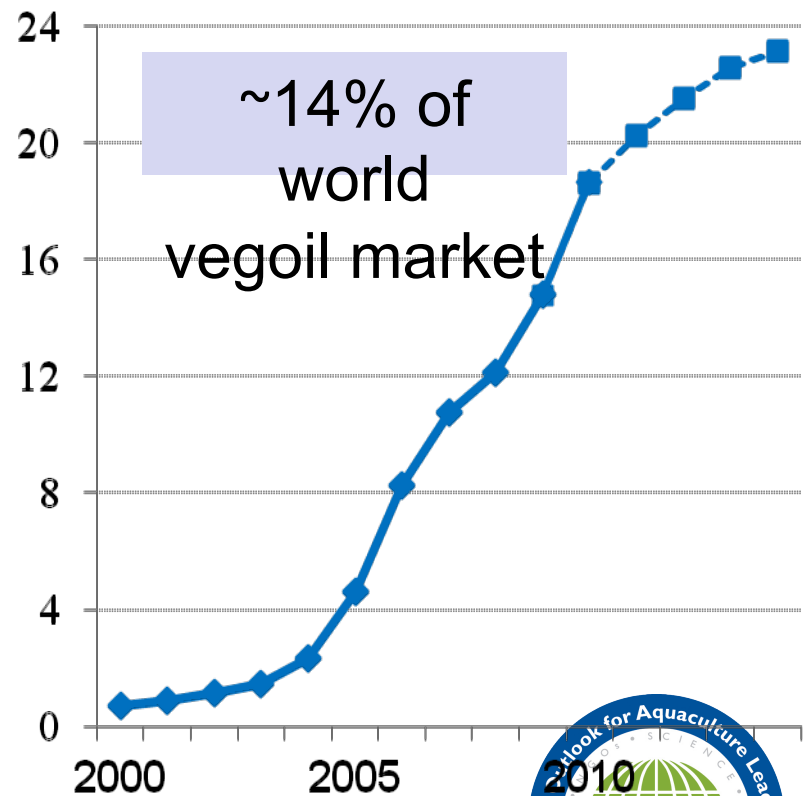
Grain to ethanol

Vegoil to biodiesel

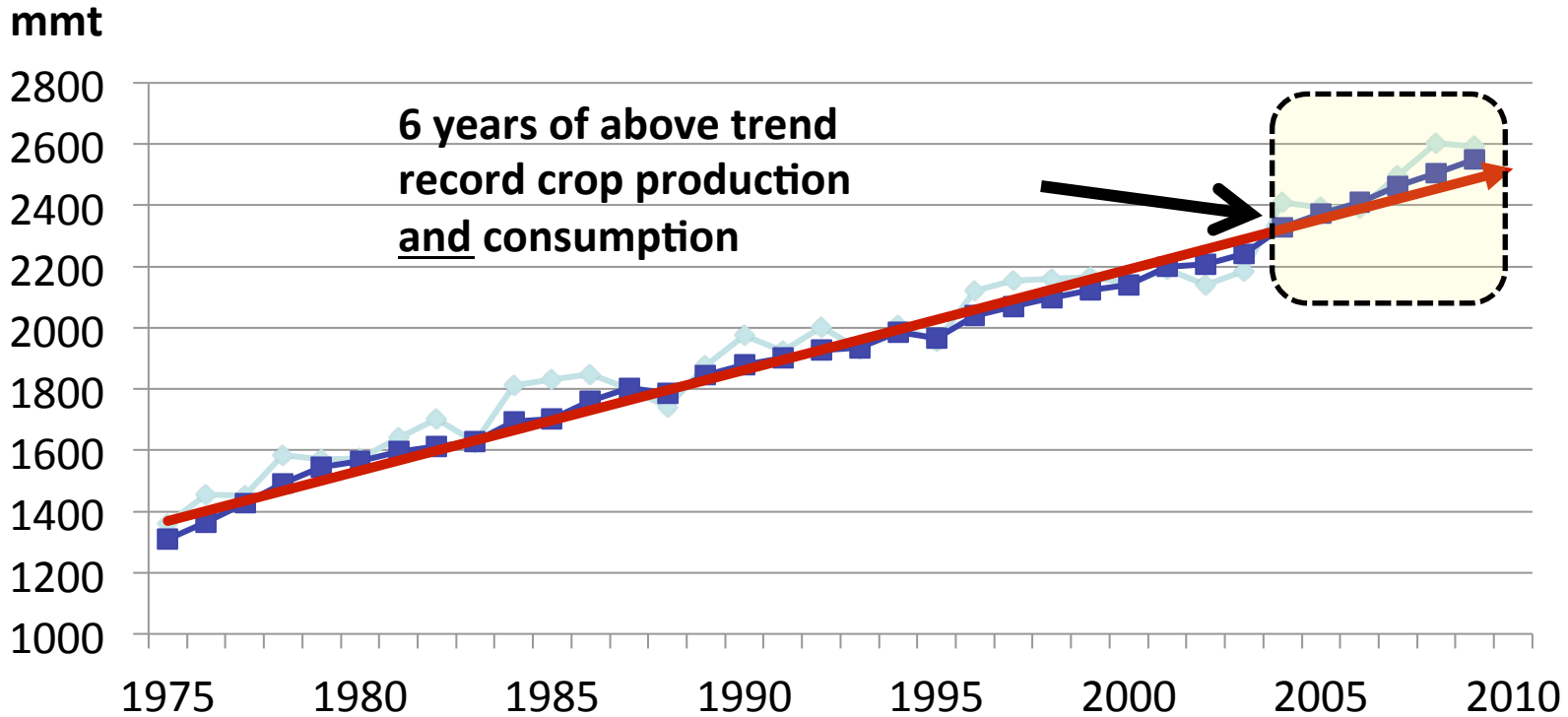
Million Metric Tons



Million Metric Tons



GLOBAL PRODUCTION AND CONSUMPTION OF GRAIN, RICE AND MAJOR OILSEEDS



1975

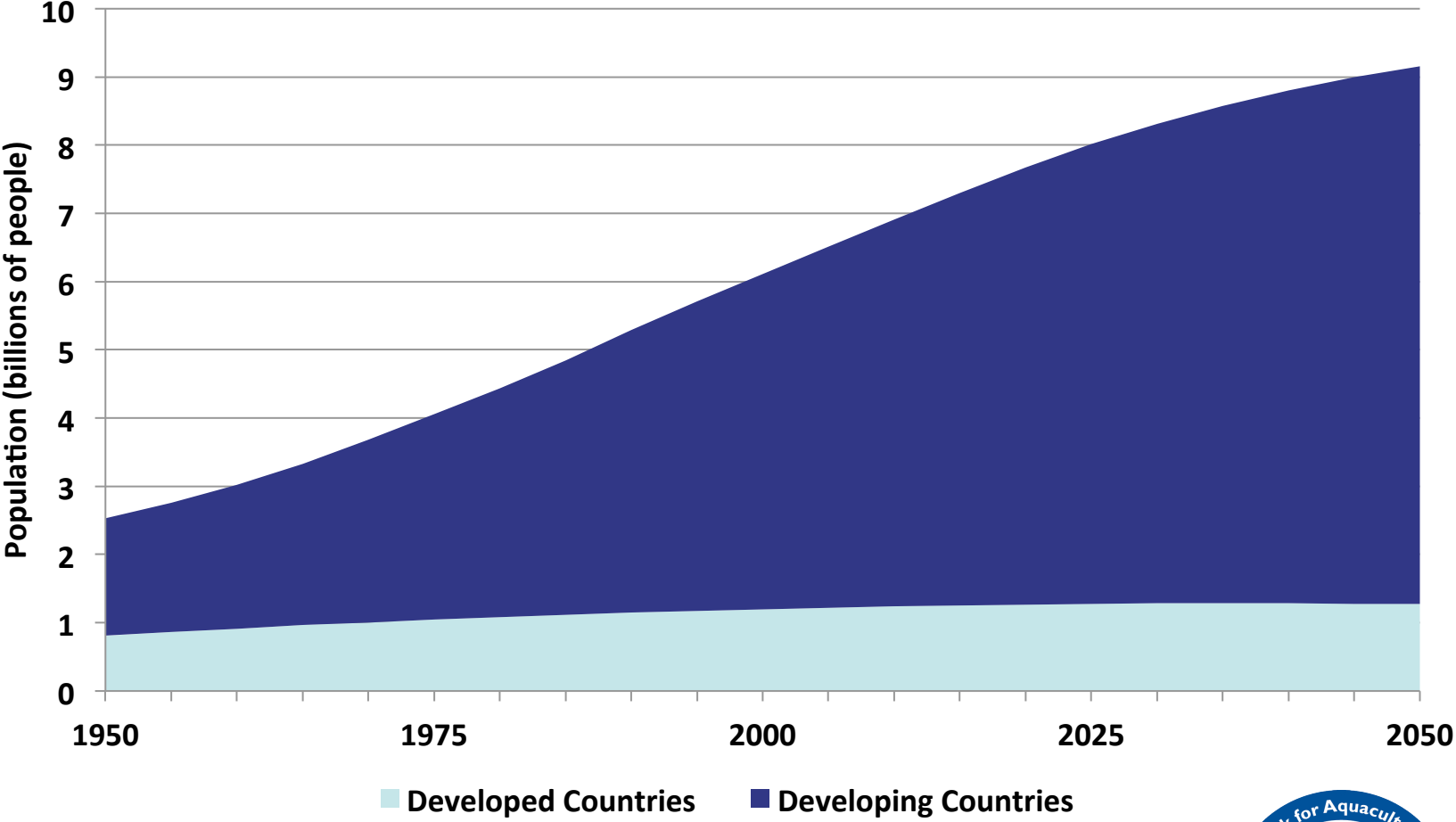
—◆— Production —■— Consumption —▶— Linear (Consumption)

2010

Source: USDA FAS



WHO WILL BE HERE IN 2050?



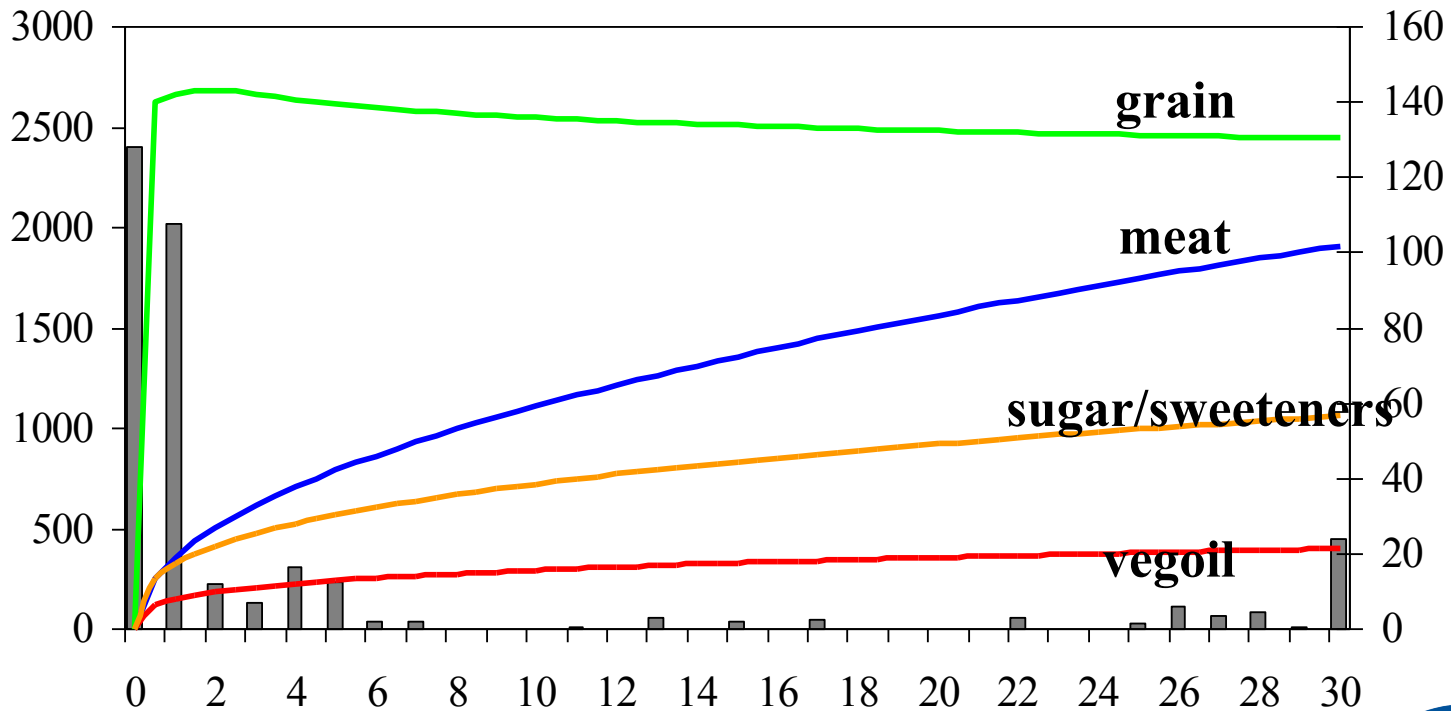
Source = UN 2008 estimates



MORE PEOPLE, MORE INCOME, BIGGER APPETITES

mil population (grey bars)

kg / cap / year (lines)

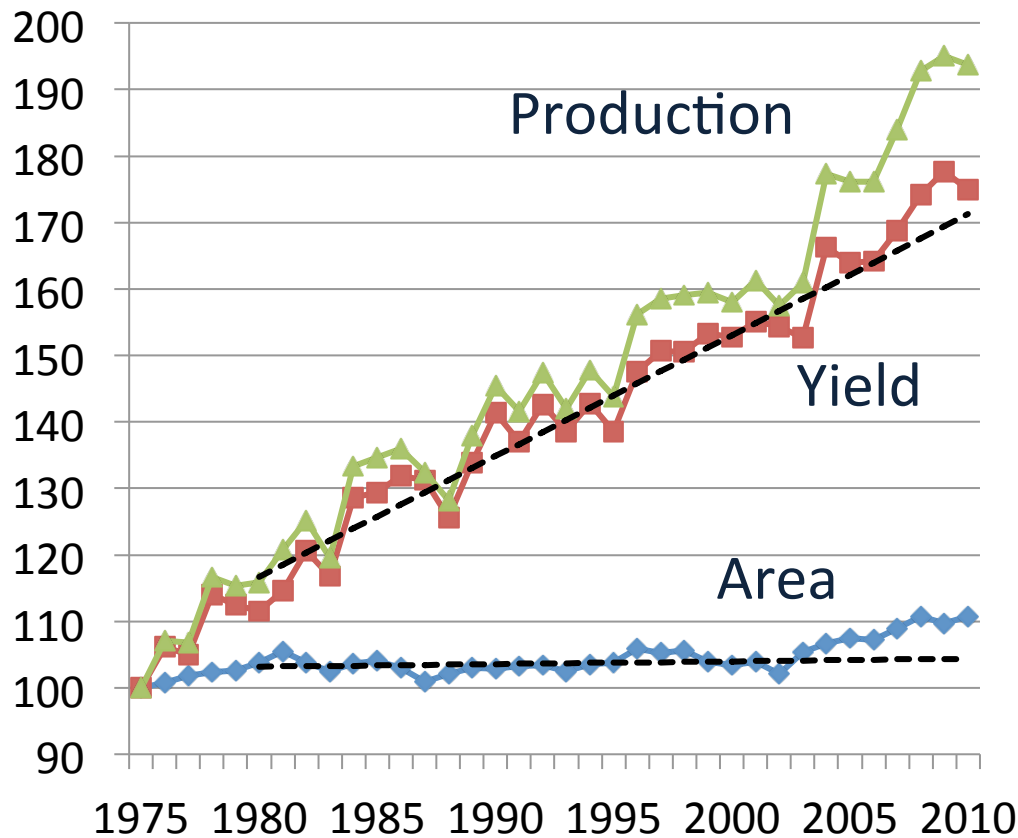


000 USD income per capita – 1997\$

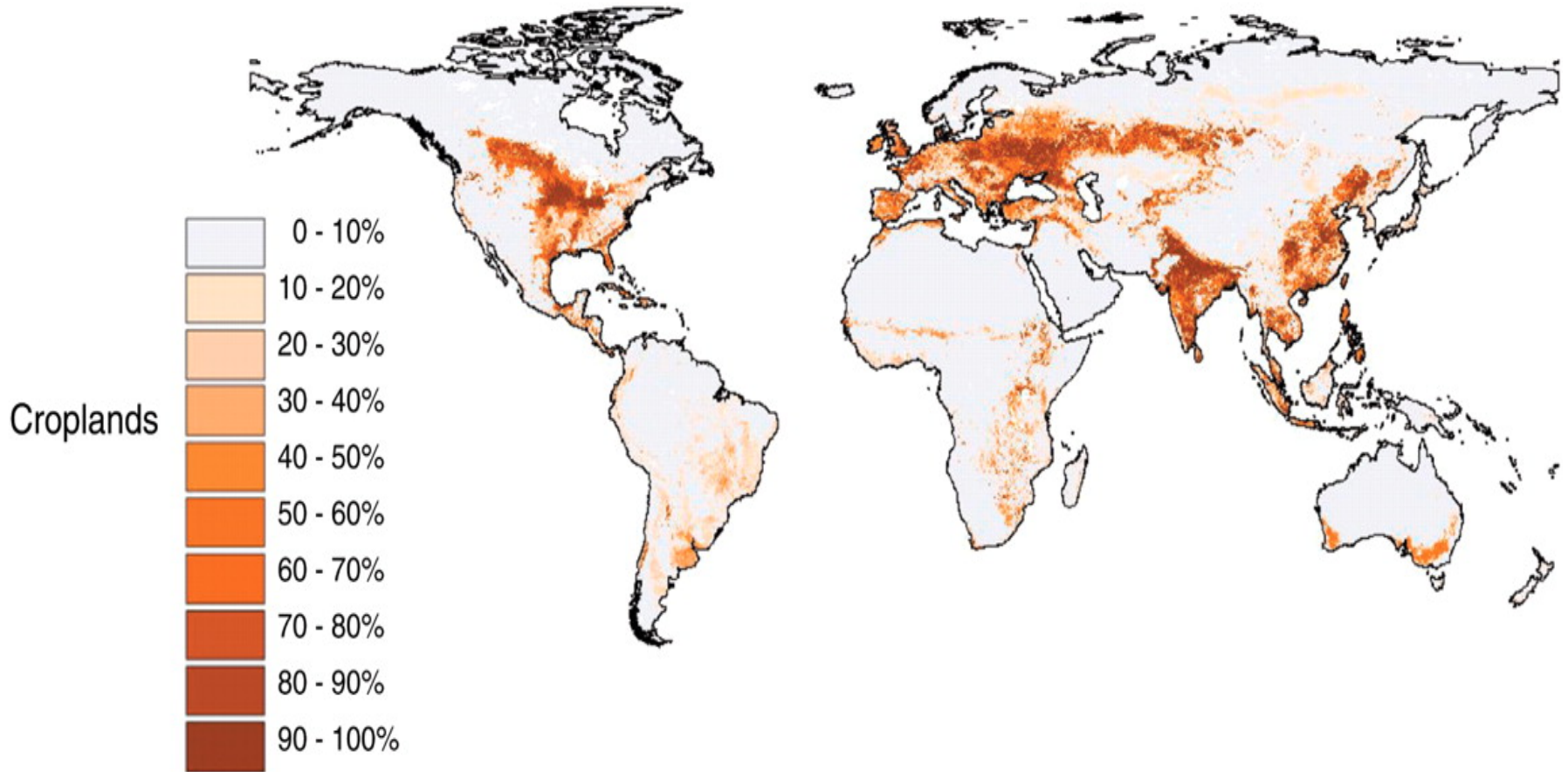


KEY DRIVER OF PRODUCTION GROWTH: YIELD INCREASE

Genetic improvements and fertilizer intensification drive supply expansion -- not acreage increases (Indexed to 1975)



LAND USED FOR CROPS



OTHER LAND EXISTS, BUT WE MAY NOT WANT TO USE IT DUE TO ENVIRONMENTAL CONCERNS...



Brazil's Land Usage	Million of Acres
Amazon Forest	1,000
Pasture Land	550
Cropland	140
Savannah	225
Other (urban/lakes etc)	185



TOP 10 FAO POTENTIAL EXPANSION GEOGRAPHIES

Rank	Region	Country	Recent Production	FAO estimate of "Potential" Production
1	S.America	Brazil	140 million Mt	1,280 Million Mt
2	E.Europe	Russia	90	730
3	N.America	US	505	1,090
4	Asia	Australia	40	415
5	Africa	DR Congo	2	330
6	Asia	India	235	555
7	Africa	Sudan	5	300
8	S.America	Argentina	100	315
9	S.America	Bolivia	5	200
10	Africa	Mozambique	2	165

The top 10 countries represent 55% of the total estimated potential world increase

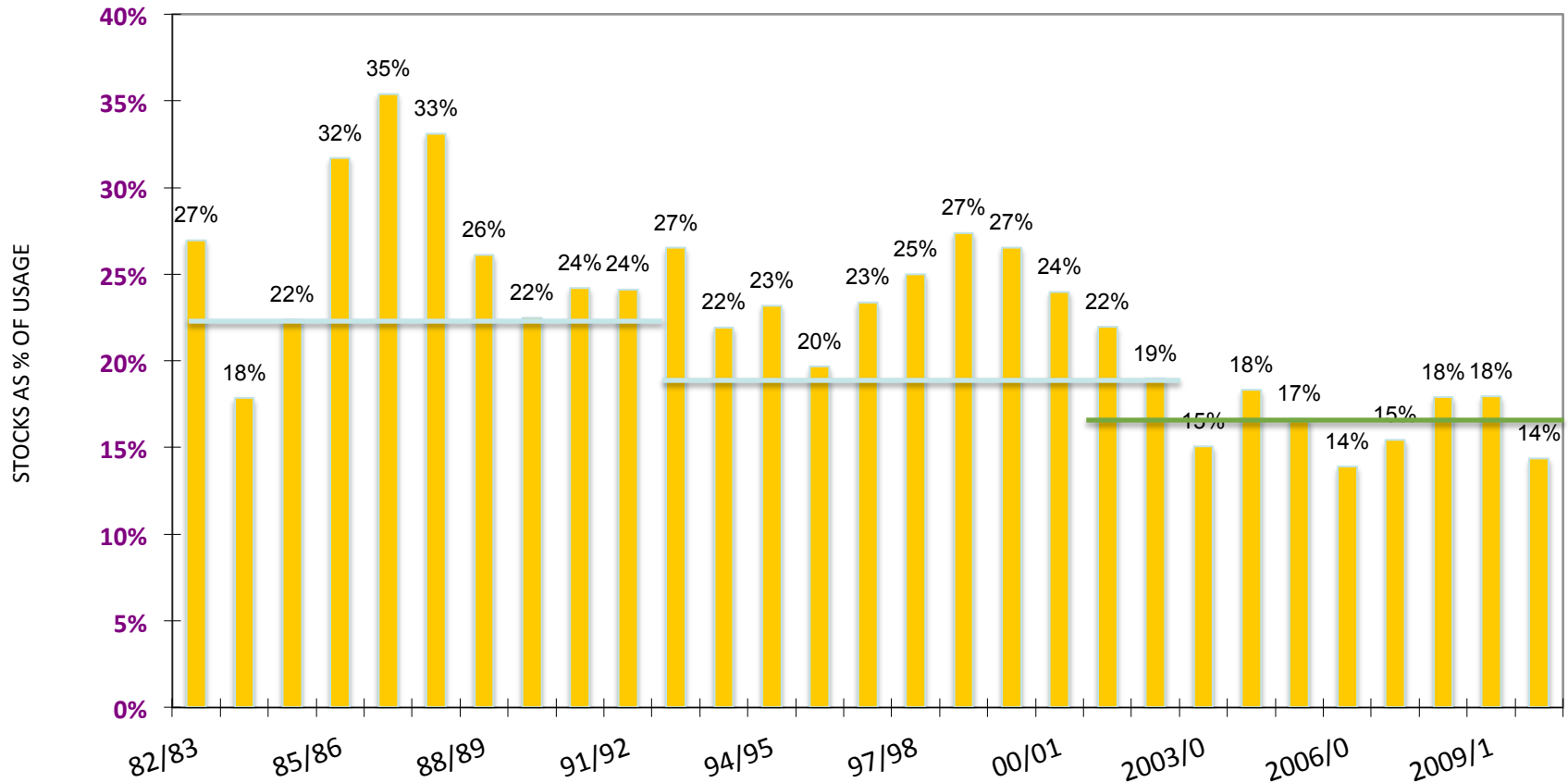
Source FAO



GRAINS – LESS ROOM FOR ERROR

WORLD COARSE GRAIN STOCKS % OF USAGE

SOURCE: USDA



WHY YIELDS INCREASED, AND THE ROLE OF COMMODITY PRICES IN CONTINUED IMPROVEMENT

What happened..



Higher yielding seed varieties with improved resistance to drought & insects



Investments in dams & reservoirs allowing greater irrigation



Improved farming practices & higher fertiliser usage

Can it continue..?



Some new varieties already in the pipeline, future will depend on further investment



Continued investments needed



Continued progress dependent on input / energy costs & farmers' income levels



Thank You!

