

New Realities in the World Wheat Market

Alan Tracy, President



U.S. WHEAT
ASSOCIATES

Fundamental Changes

- Growing Demand



Fundamental Changes

- Growing Demand
- Competition for Planted Area



Fundamental Changes

- Growing Demand
- Competition for Planted Area
- Capital Infusion

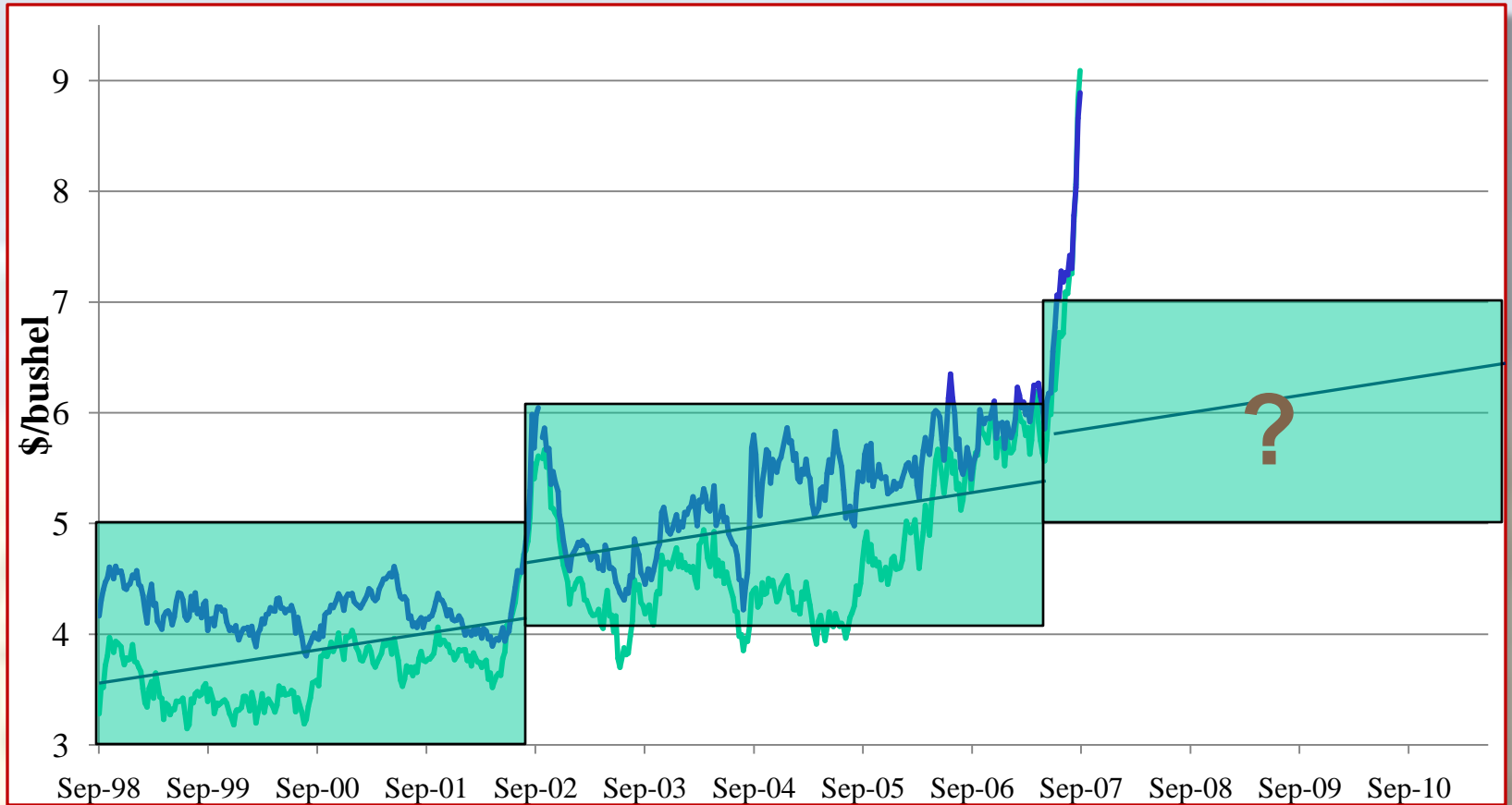


Fundamental Changes

- Growing Demand
- Competition for Planted Area
- Capital Infusion
- Free Trade Rising



New Trading Range Ahead?

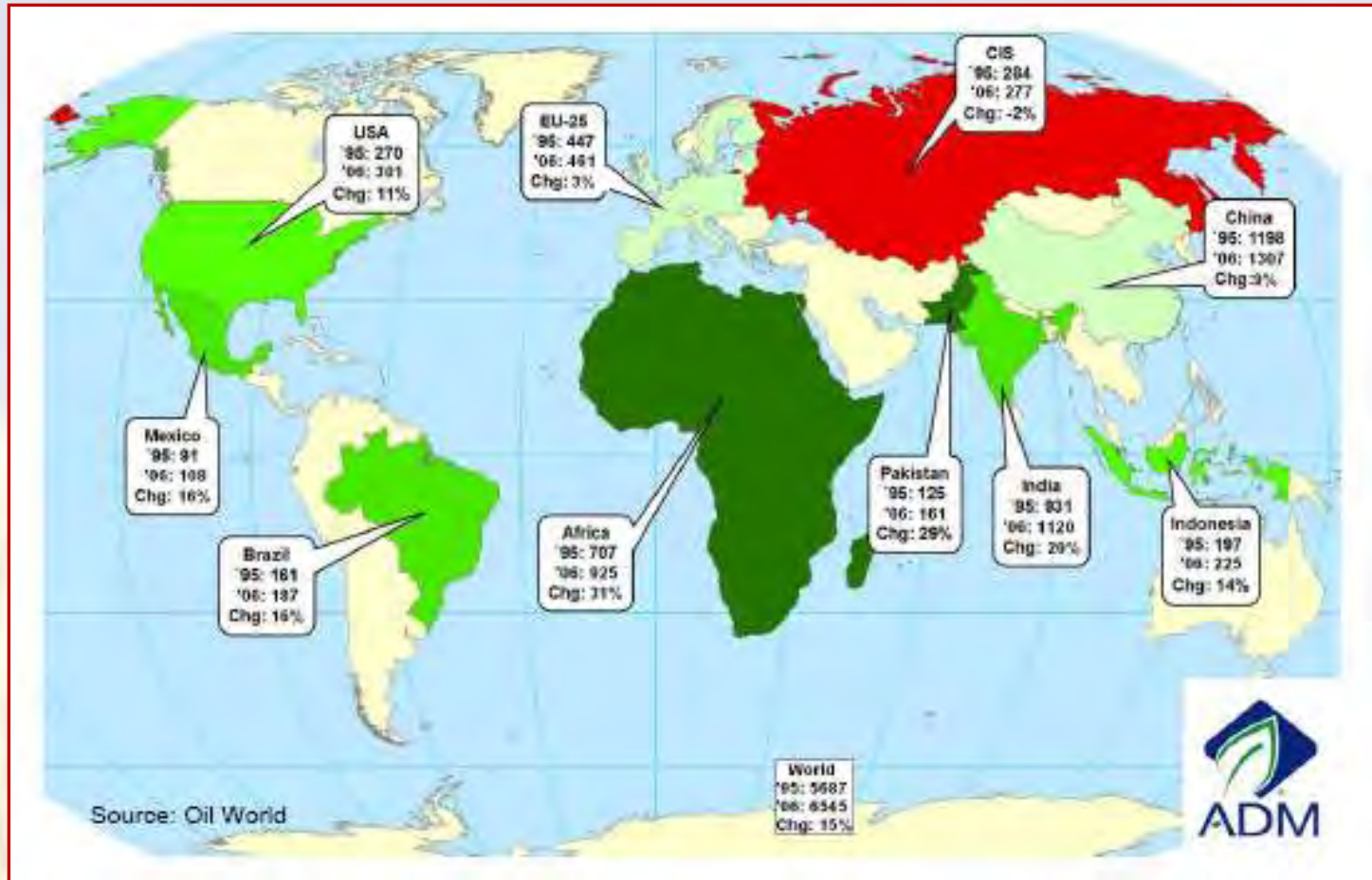


Fundamental Changes

- Growing Demand



More Consumers

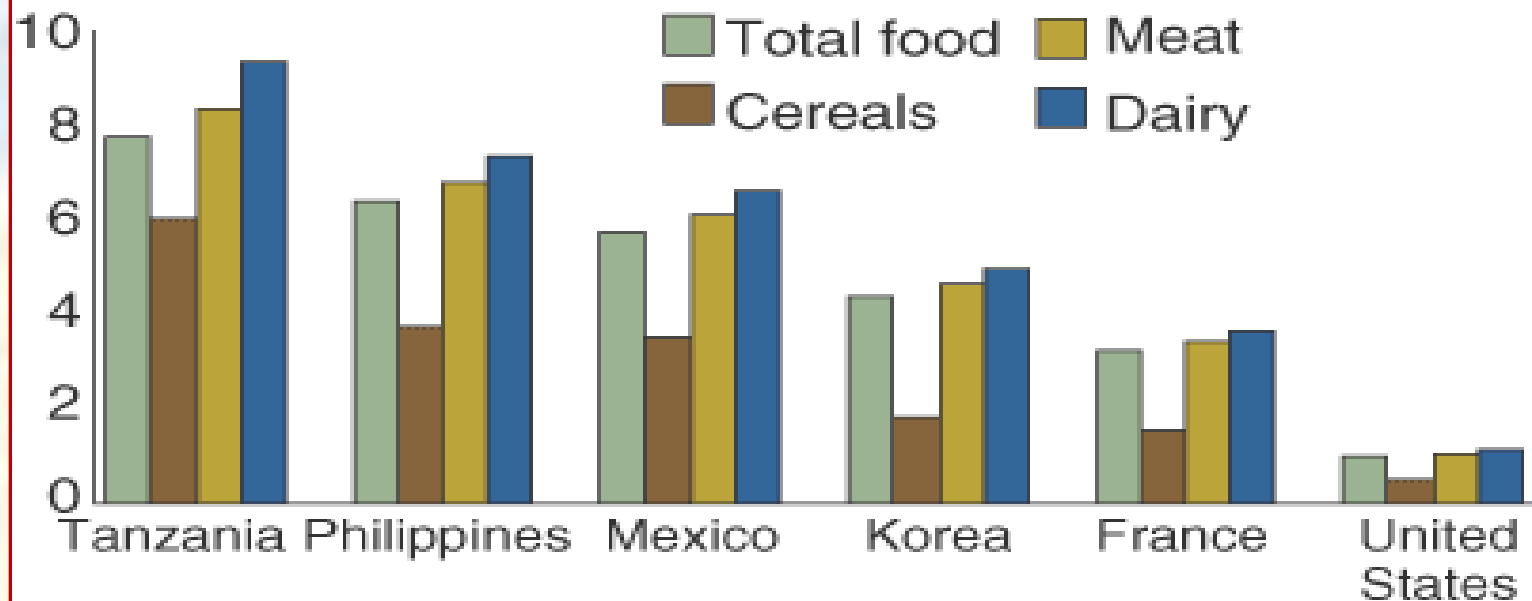


World Population Change (millions)

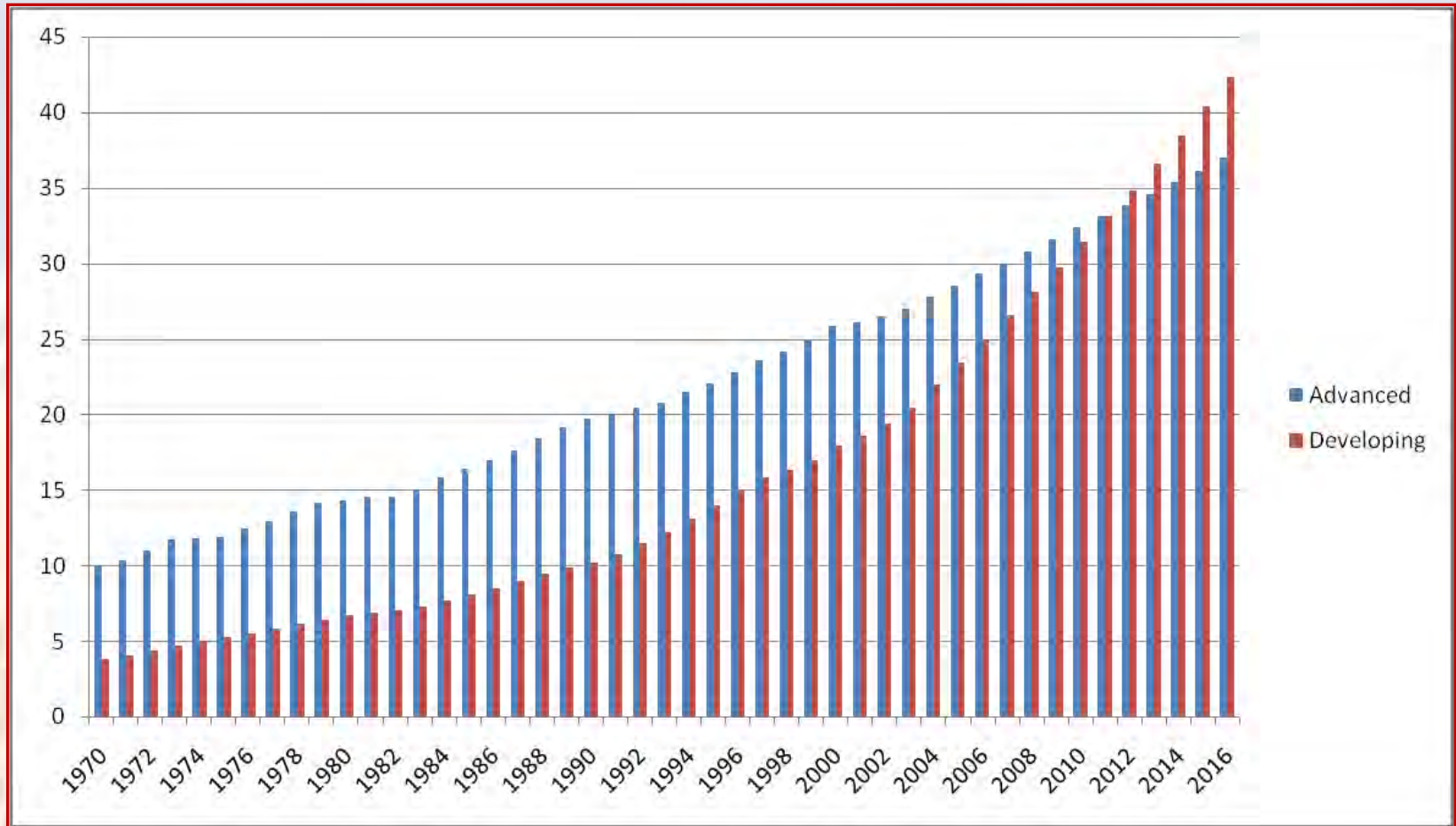
Disposable Income

What would be the result of a 10-percent rise in incomes?

Percent increase in expenditures

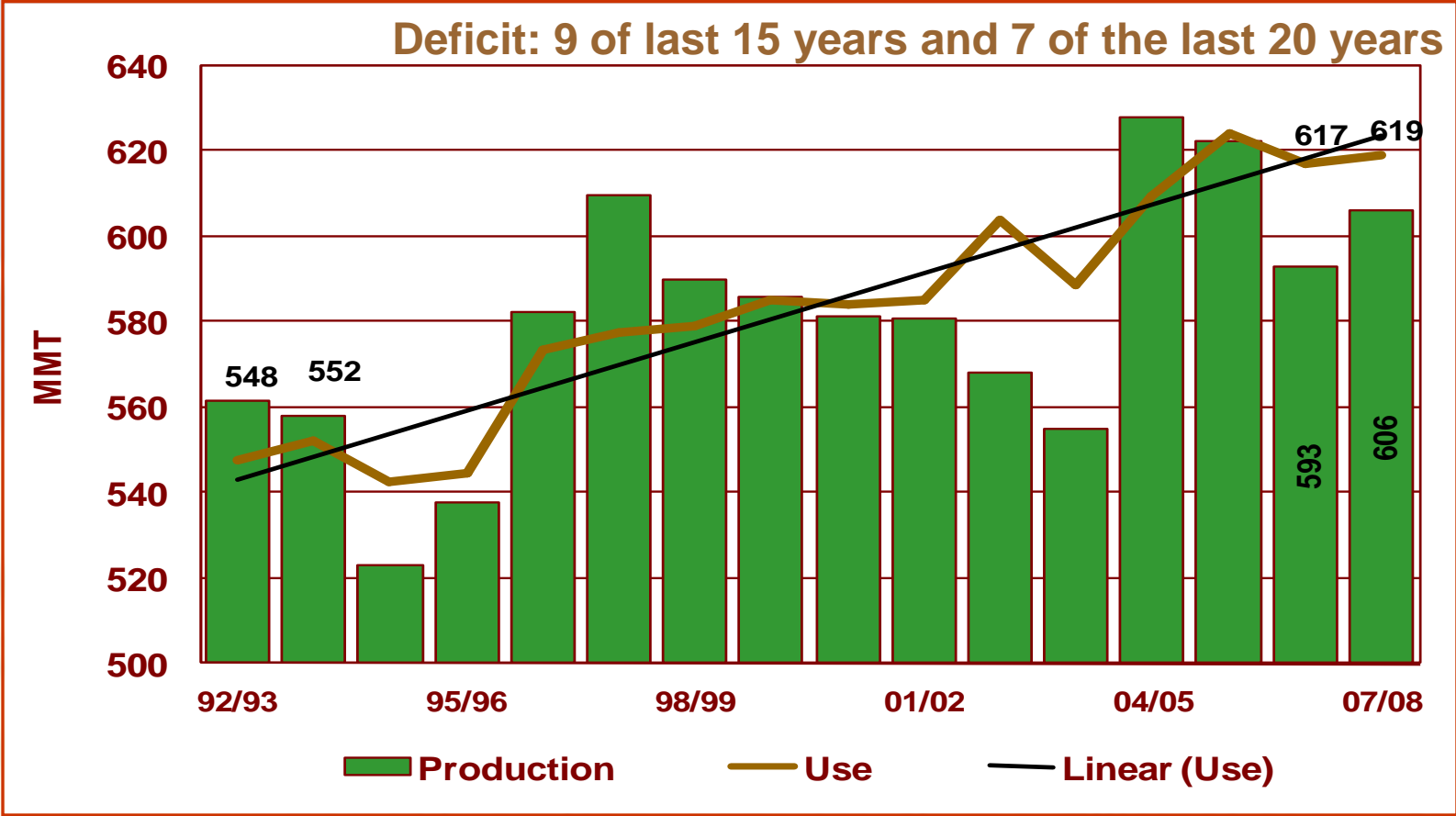


GDP Growth

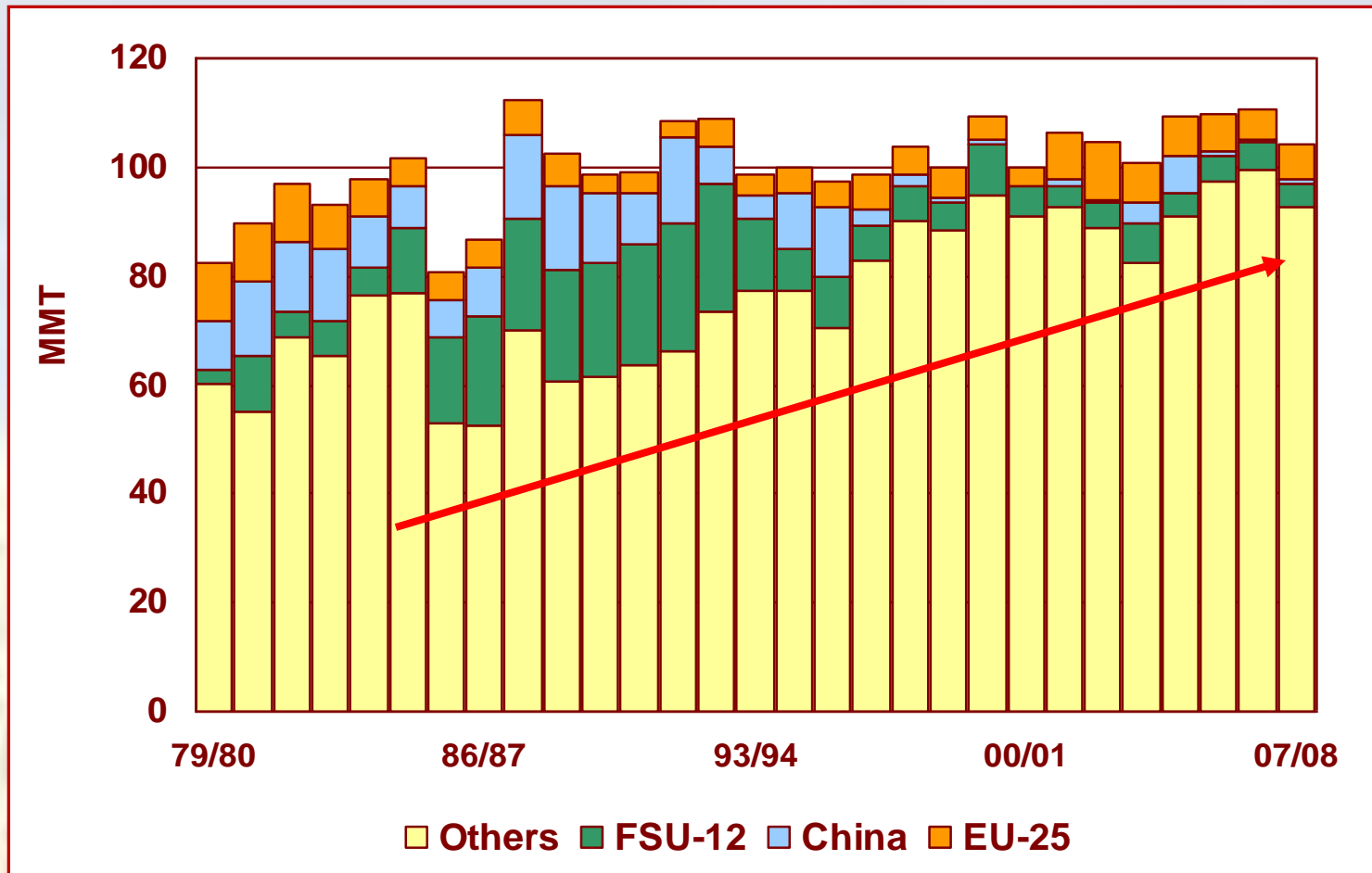


IMF (History); Global Insight (Forecast)

Wheat Production/Use Gap



World Wheat Imports



Trend in "other" importers denoted (→)

The World at Night



Earth at Night
More information available at:
<http://sewpp.gsfc.nasa.gov/spo/ep001177.html>

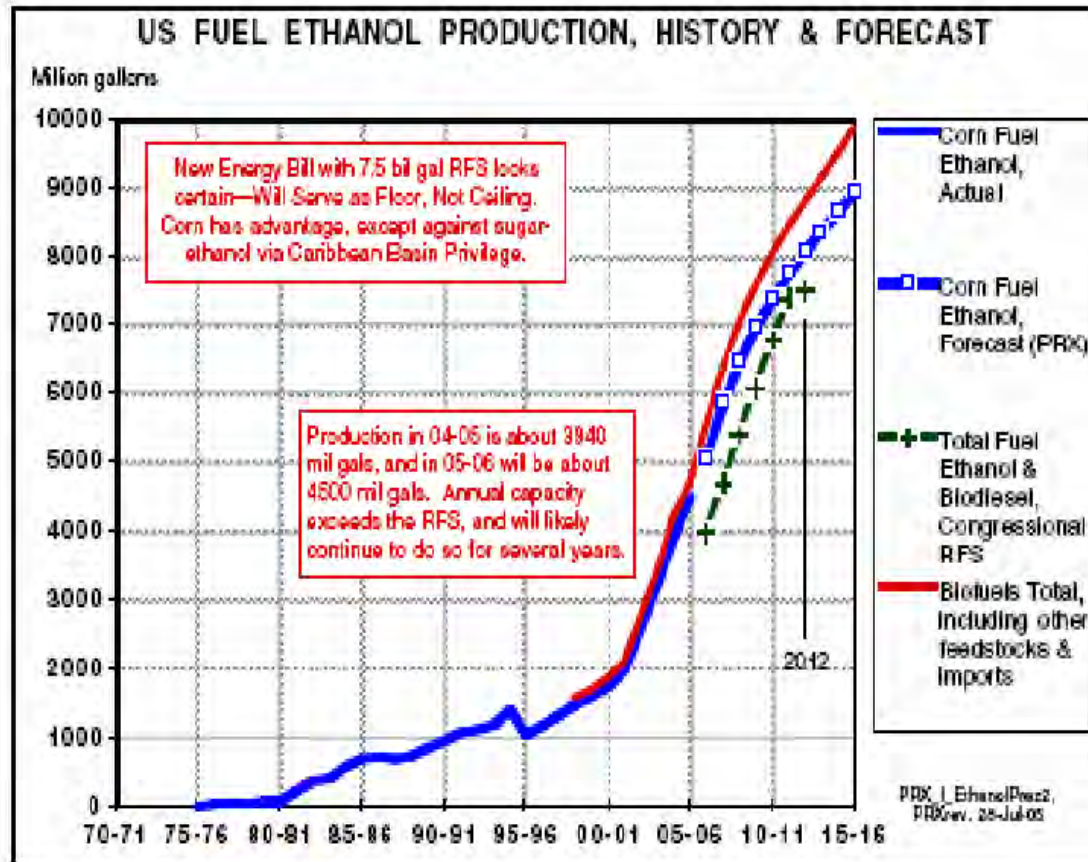
Astronomy Picture of the Day
2000 November 27
<http://sewpp.gsfc.nasa.gov/spo/astropt.html>

Fundamental Changes

- Competition for Planted Area



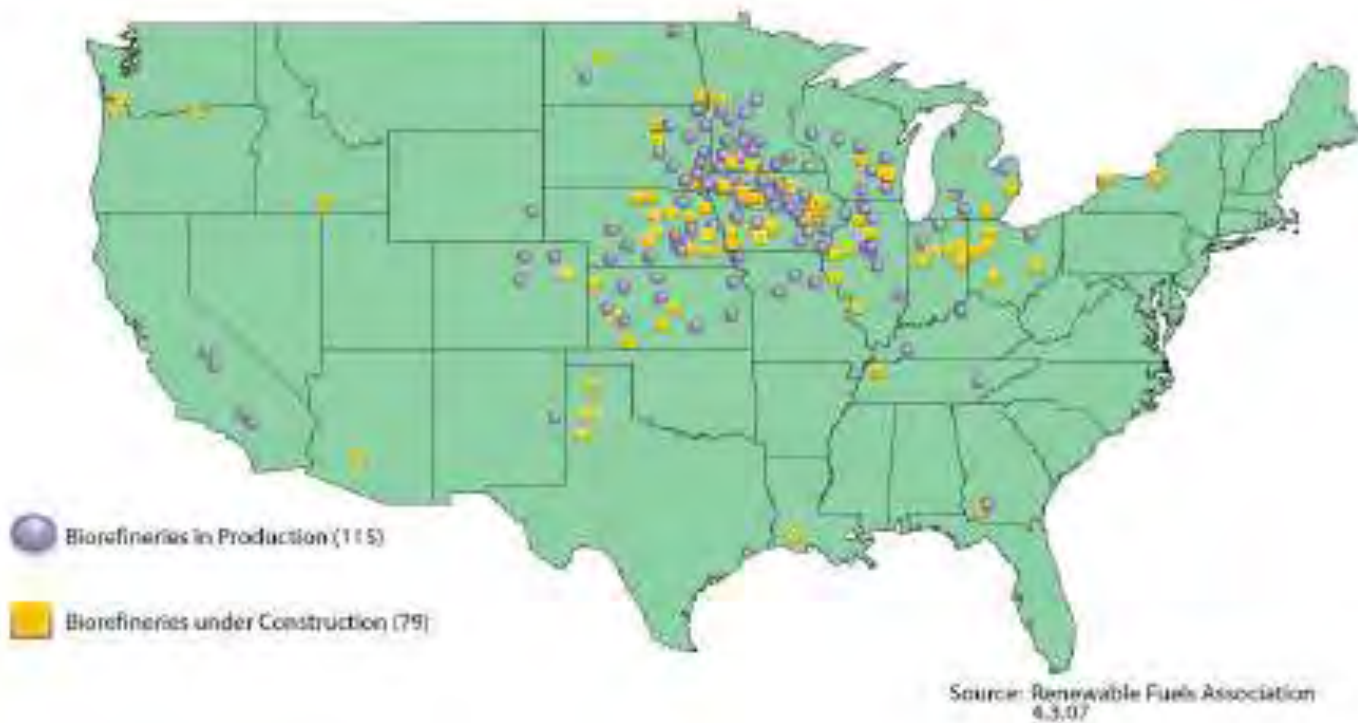
Corn: The King of U.S. Ethanol



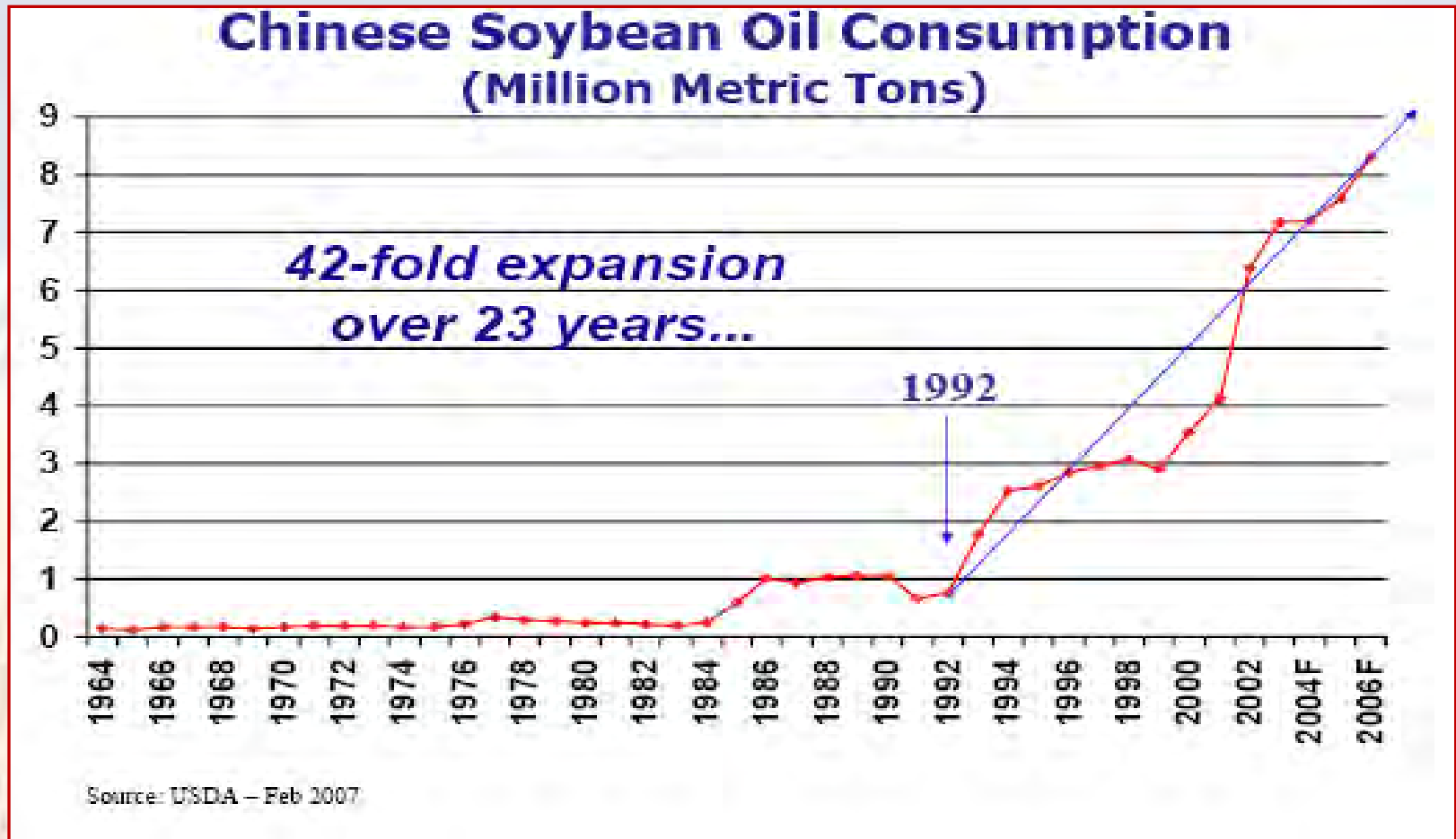
82 MMT corn is needed to produce 9 billion gallons of ethanol

Biofuel Demand

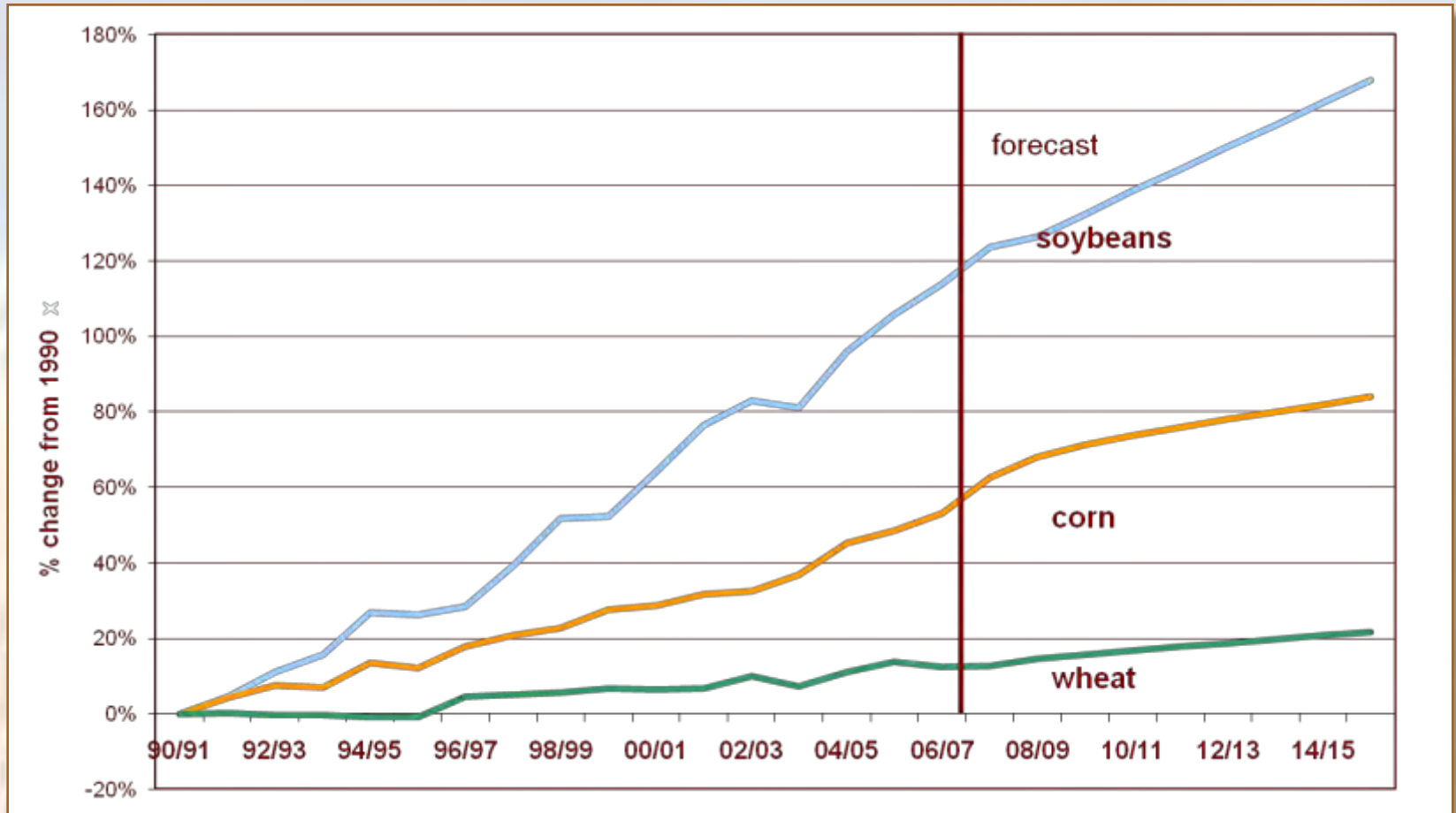
U.S. Ethanol Biorefinery Locations



Vegetable Oil Consumption Rising

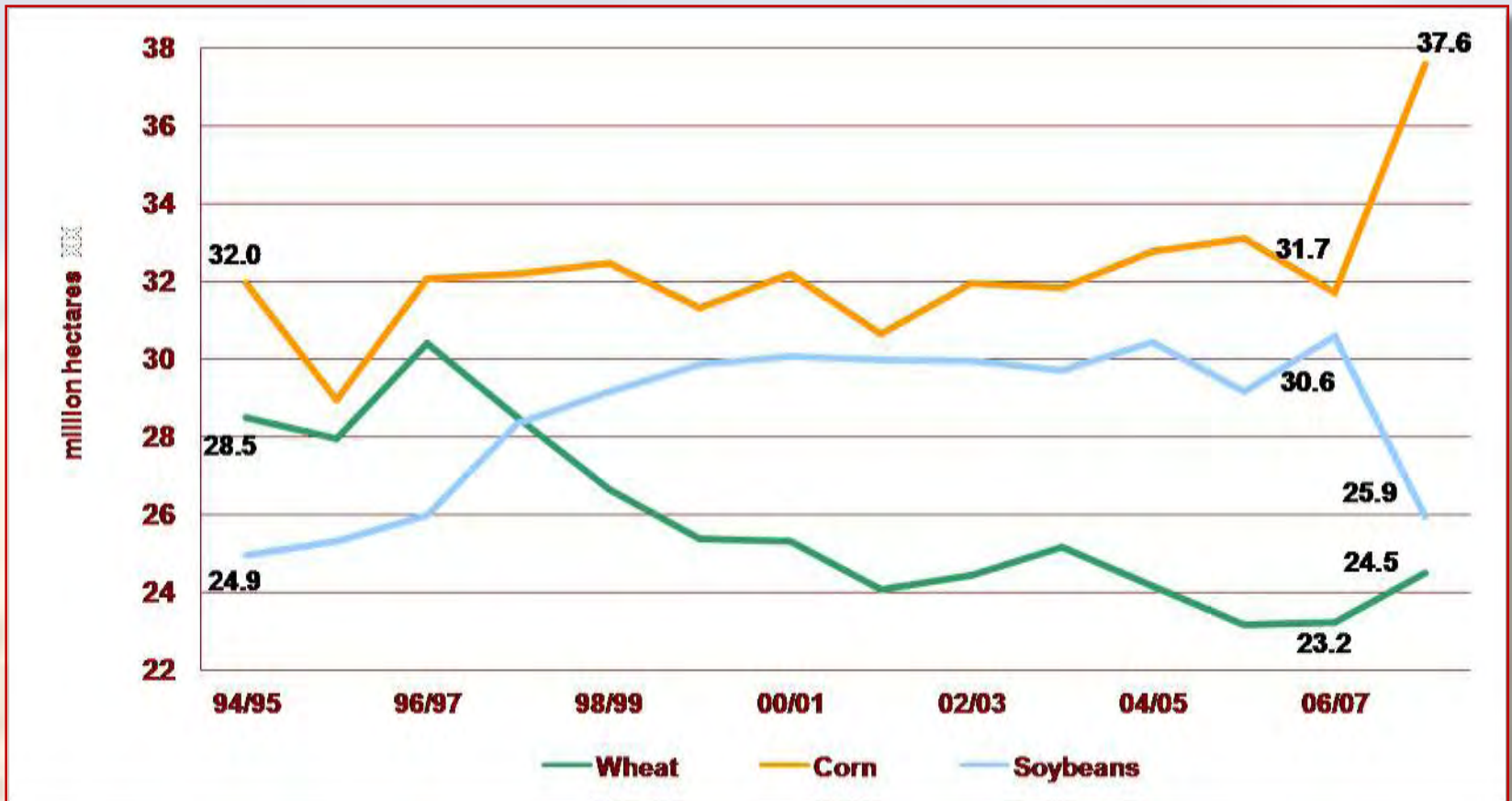


Every Crop Needs More Acres



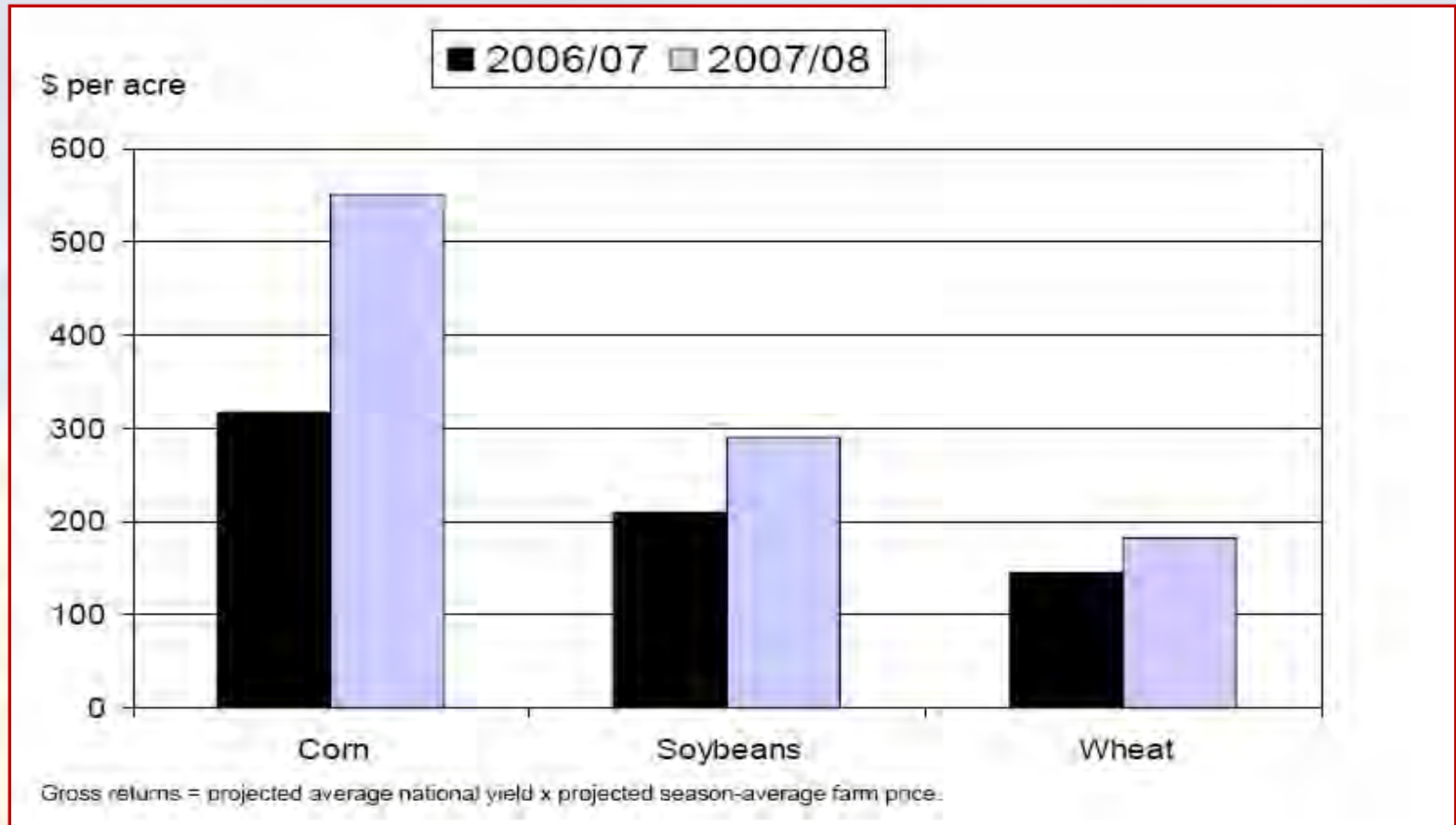
Percentage Change in Consumption 1990-2015, USDA

Cropping Shifts



U.S Crop Area in Hectares, USDA

Compare Gross Returns

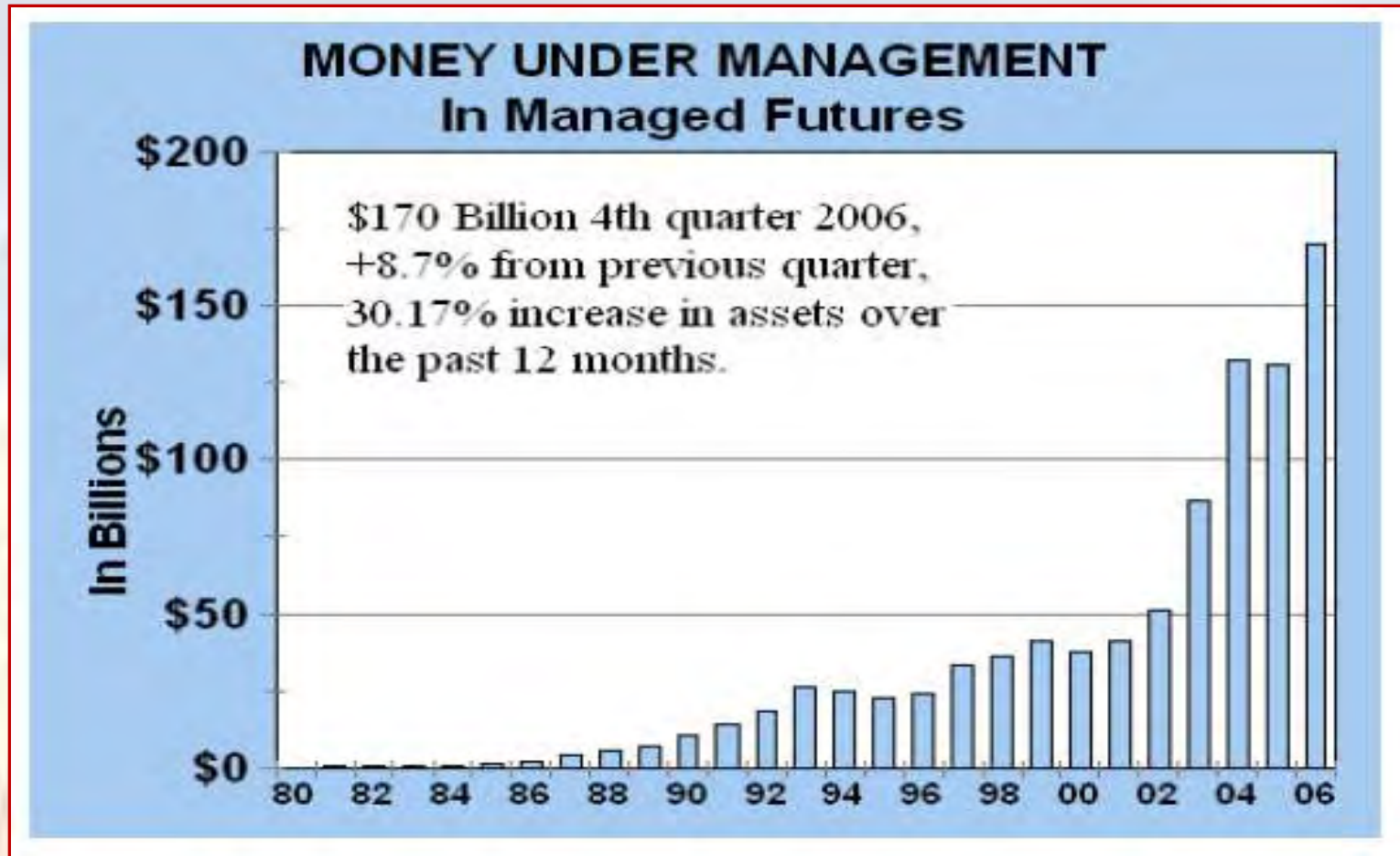


Fundamental Changes

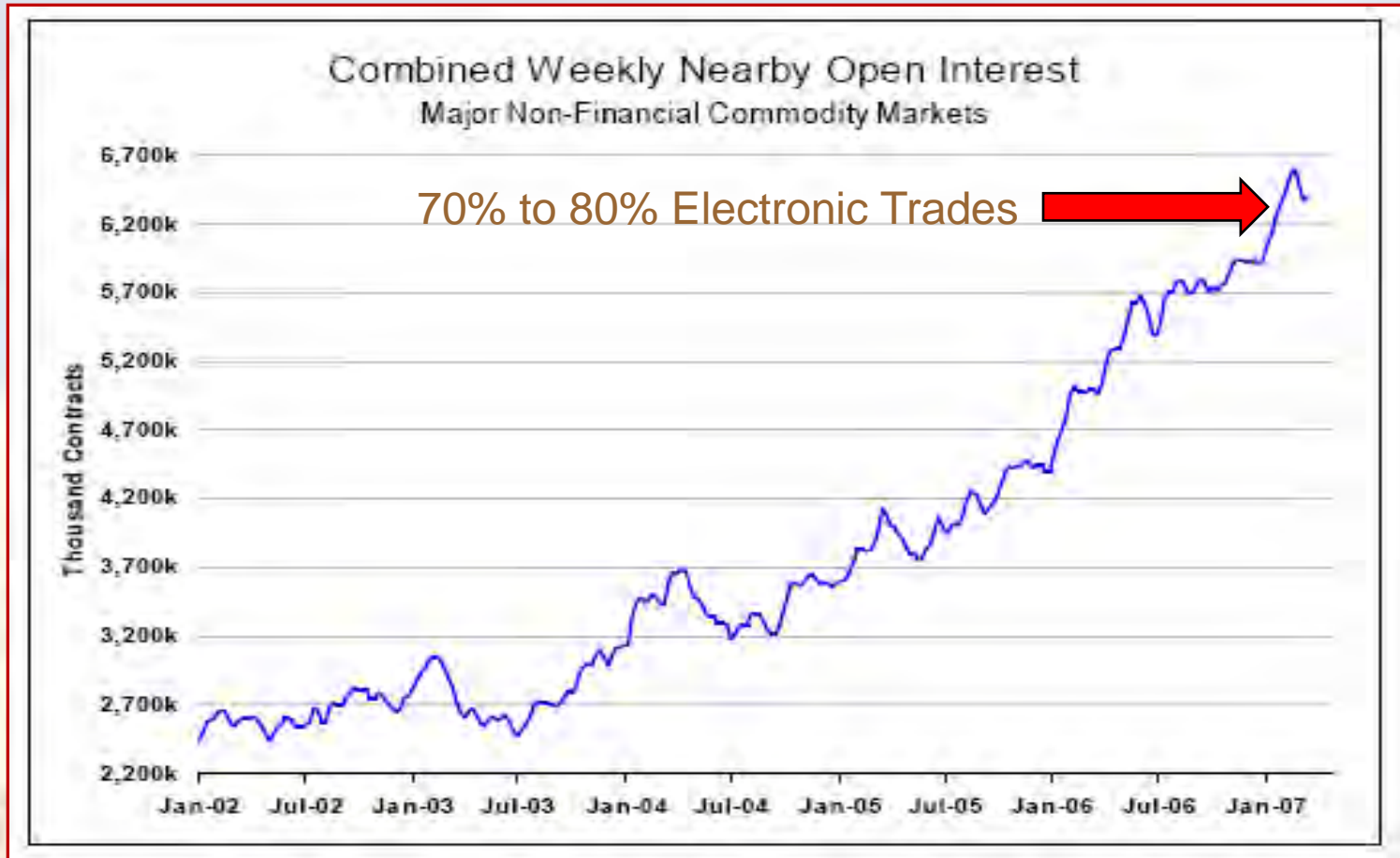
- Capital Infusion



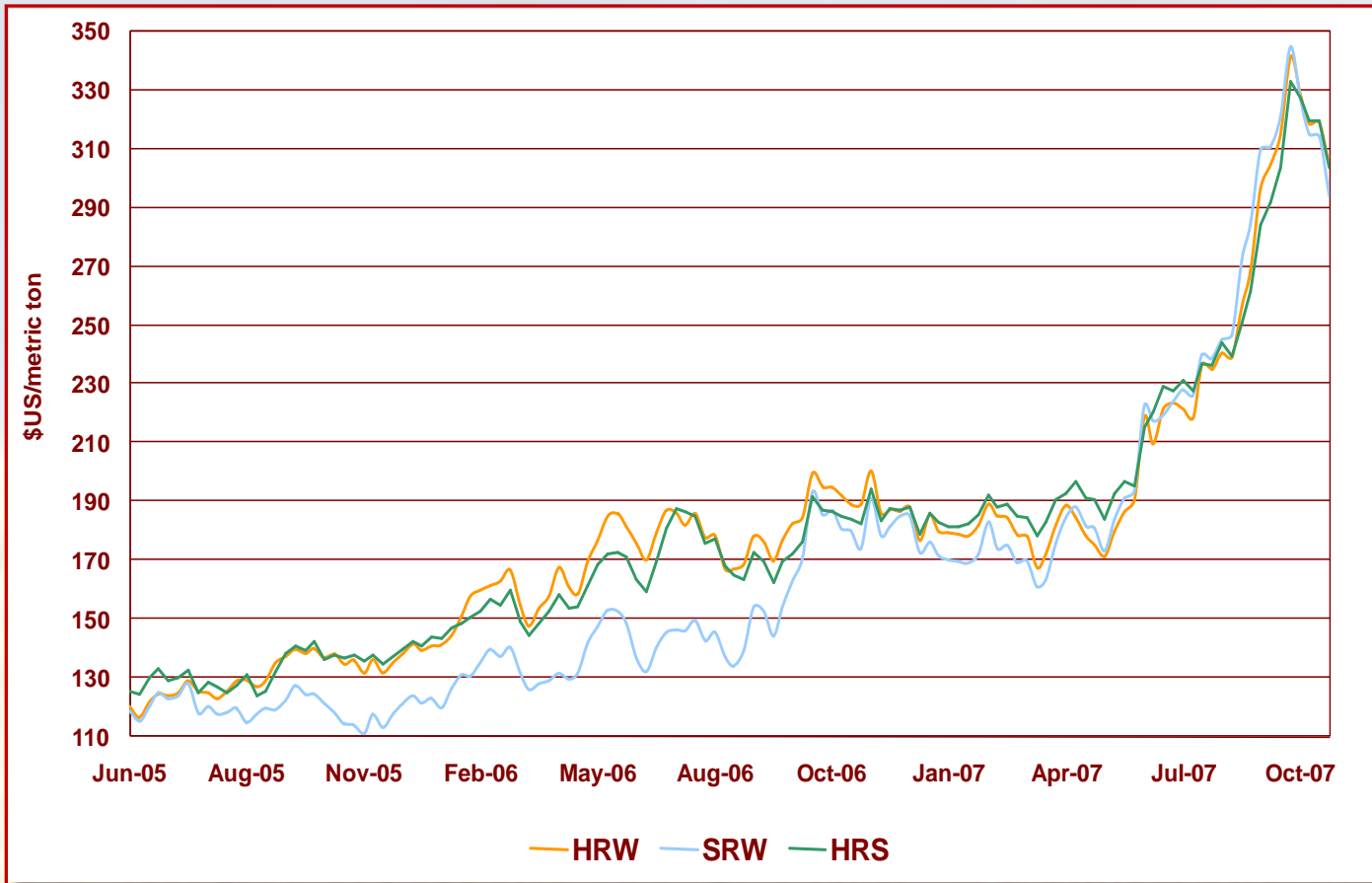
Hot Commodities



Hot Commodities



Volatility = Risk

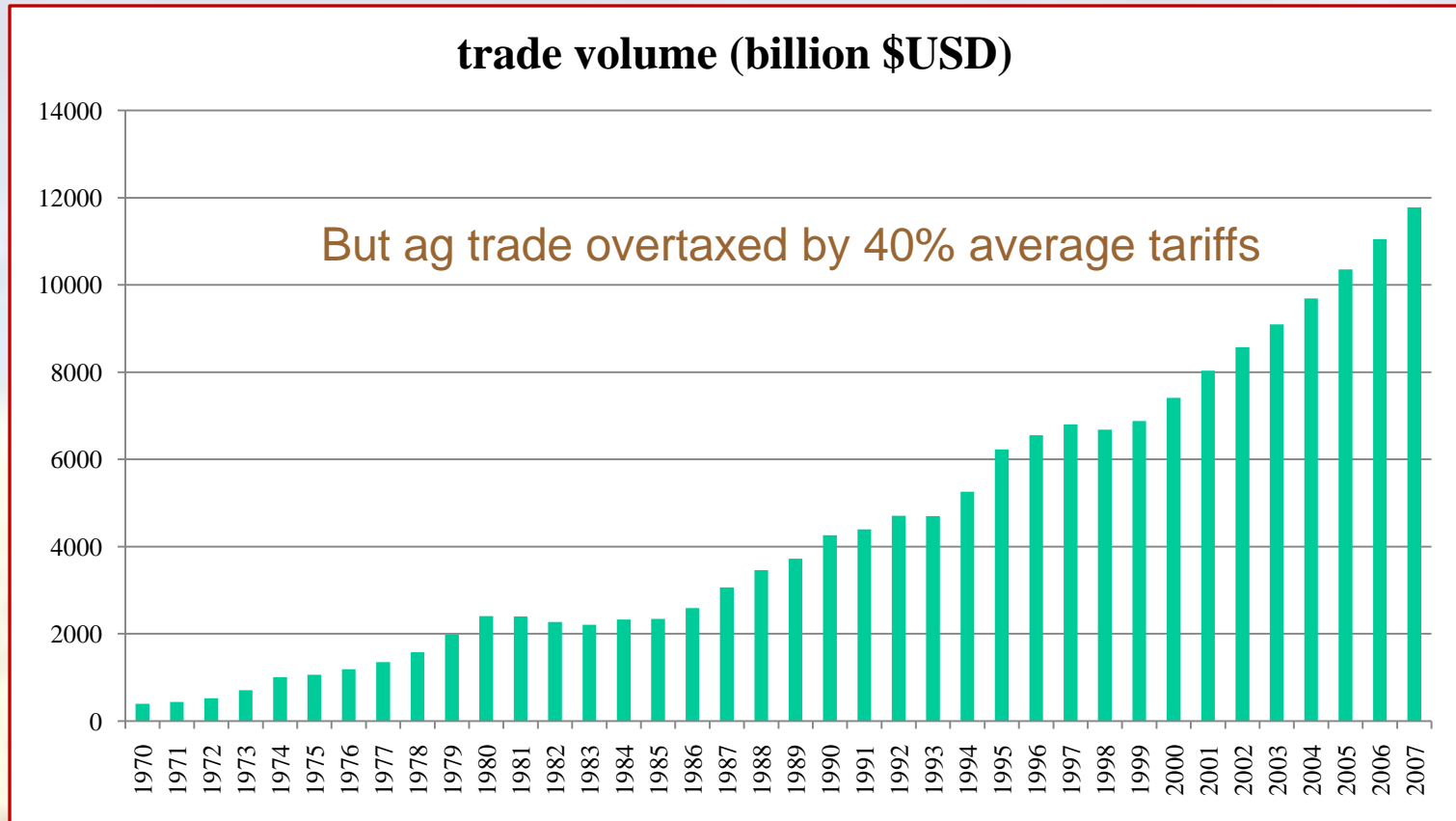


Fundamental Changes

- Free Trade
Rising



Sustained Growth in World Trade



Trade = Development



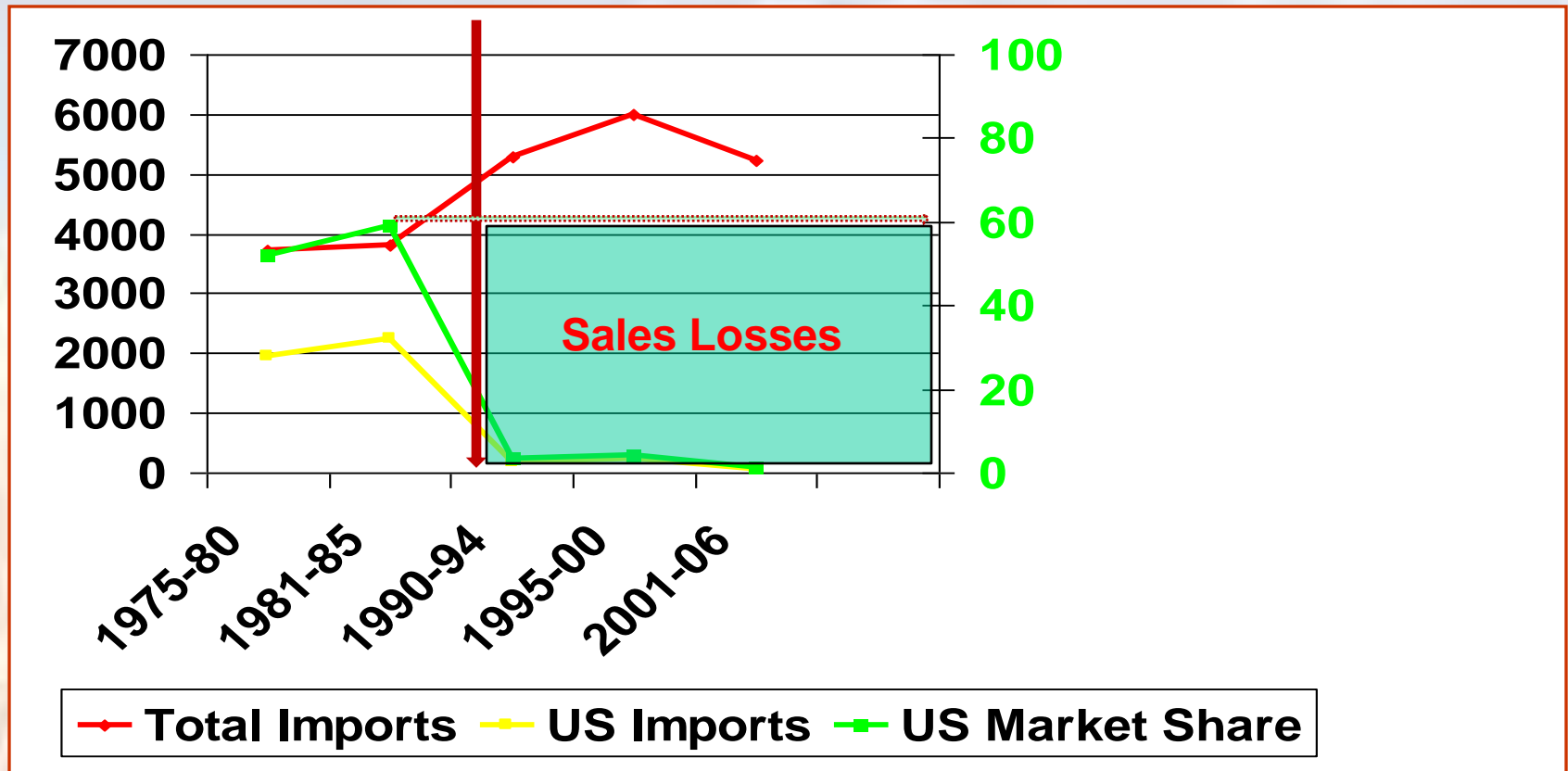
WTO: Doha Development

Trade Impact on Brazil Wheat Imports

1,000 MT

MERCOSUR: Nov. 1991

U.S. Market Share %



Monopolies Waning



USW's Role

- Adding Value
 - Reliability
 - Quality
 - Variety
- Advocating Free Trade
- Serving Our Customers

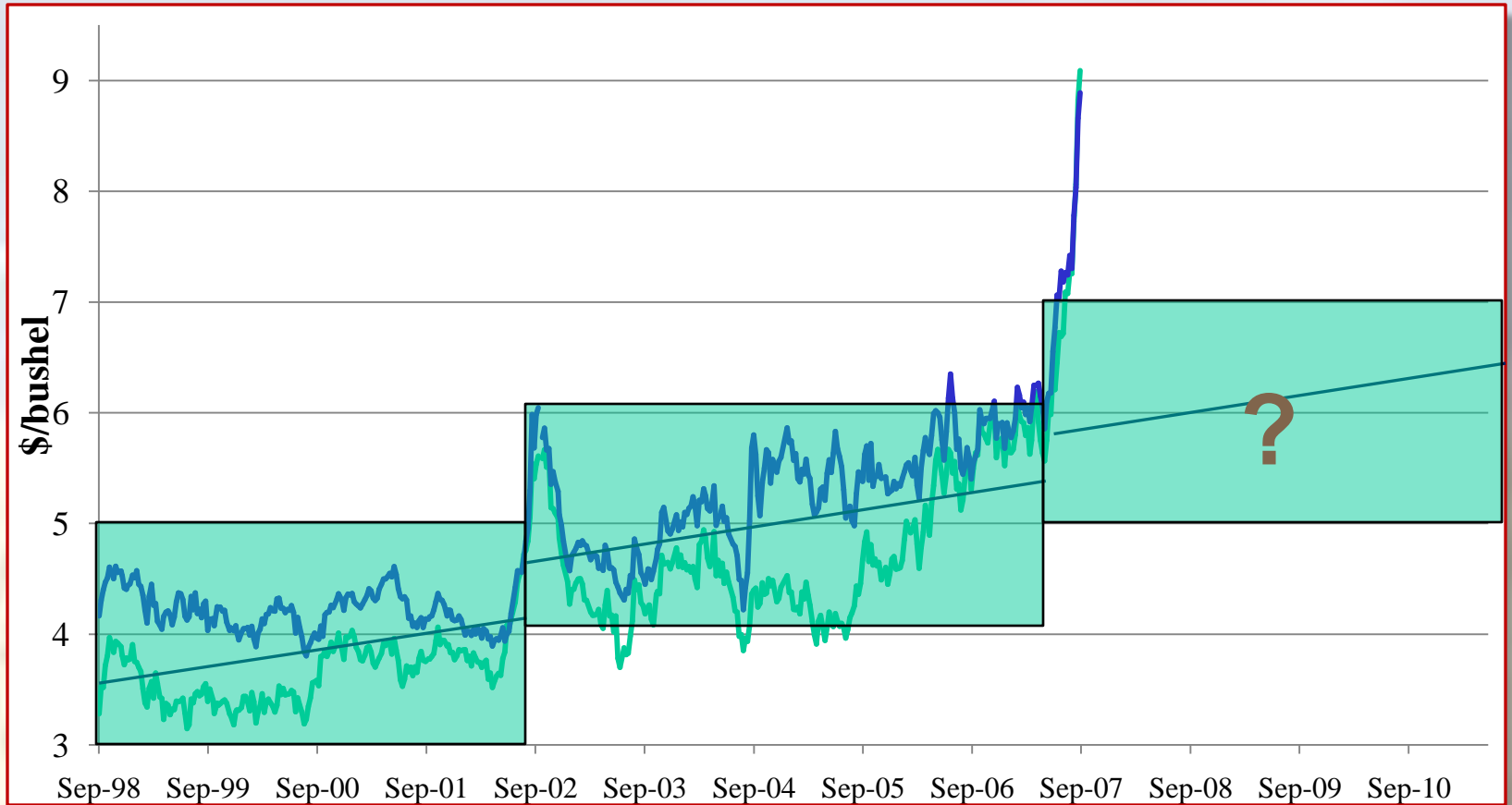


USW's Role

- Serving Our Customers
 - Trade Servicing
 - Technical Assistance
 - Market Information and Analysis
 - Consumer Promotion



New Trading Range Ahead?





U.S. WHEAT
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Thank You!

www.uswheat.org