

21st Annual IAOM MEA District Conference

Capetown South, Africa

November 22-25, 2010

“Wheat Outlook for 2010/11 and beyond ”

...Is it more fragile than we thought?

Alan Tracy

President



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Business Report The Chronicle with Bloomberg

May 6, 2010

***Wheat, Corn Fall in Chicago
on Stronger Dollar, Surplus Concerns***

FINANCIAL TIMES

June 7, 2010

Russia's bumper grain harvest raises fears of glut



THE WALL STREET JOURNAL.
ONLINE

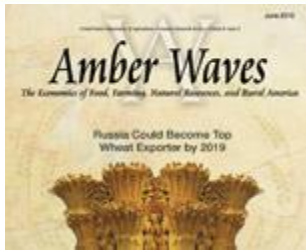
June 21, 2010

Global Grain Surplus Sows Trouble for Farmers



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Amber Waves

The Economics of Food, Farming, Natural Resources, and Rural America

June 2010

[United States Department of Agriculture](#) | [Economic Research Service](#)

FEATURE

Former Soviet Union Region To Play Larger Role in Meeting World Wheat Needs

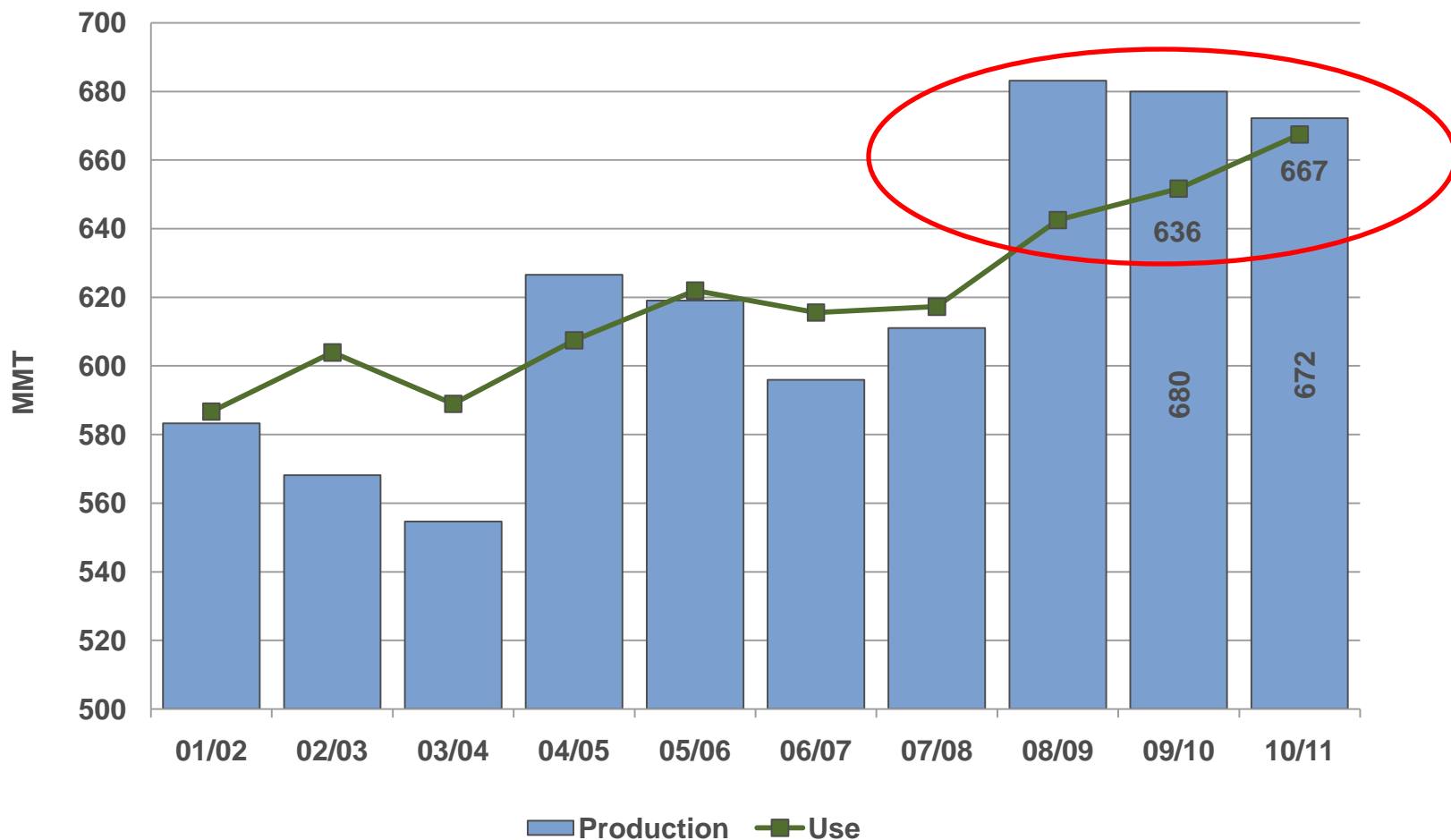
USDA projects that wheat exports by Russia, Ukraine, and Kazakhstan will increase by 50 percent by 2019, and the region could lead the world in wheat exports by the end of the decade



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World Production and Use – May, 2010



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KCBOT July 2010 – as of June 2010

KWN10 - KCBT Red Wheat (P) (KCBT) - Daily OHLC Chart



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KCBOT July 2011 – as of November 2010

KCBT WHEAT (P) JUL 2011 .. daily OHLC plot

Expires: 07/14/11



As of 11/18/10

@ Barchart.com



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REUTERS

Wheat soars to limit on Russia export halt

Thu Aug 5, 2010 4:42pm EDT

WINNIPEG, Manitoba (Reuters) - Chicago wheat futures soared on Thursday, settling up the permitted daily maximum for the first time in two years after No. 3 exporter [Russia](#) said it would temporarily halt grain shipments.



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FINANCIAL TIMES

August 2, 2010

Rise in wheat prices fastest since 1973



THE WALL STREET JOURNAL.
ONLINE

August 3, 2010

Global Wheat Shortage Feared as Prices Surge

**Bloomberg
Businessweek**

August 6, 2010

Wheat's (price) Advance Revives Food Crisis Concern



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FINANCIAL TIMES

Published: September 2, 2010

Fears grow over global food supply



Two days of unrest in Maputo, Mozambique, left seven people dead and 280 injured after the government decided to raise bread prices by 30%

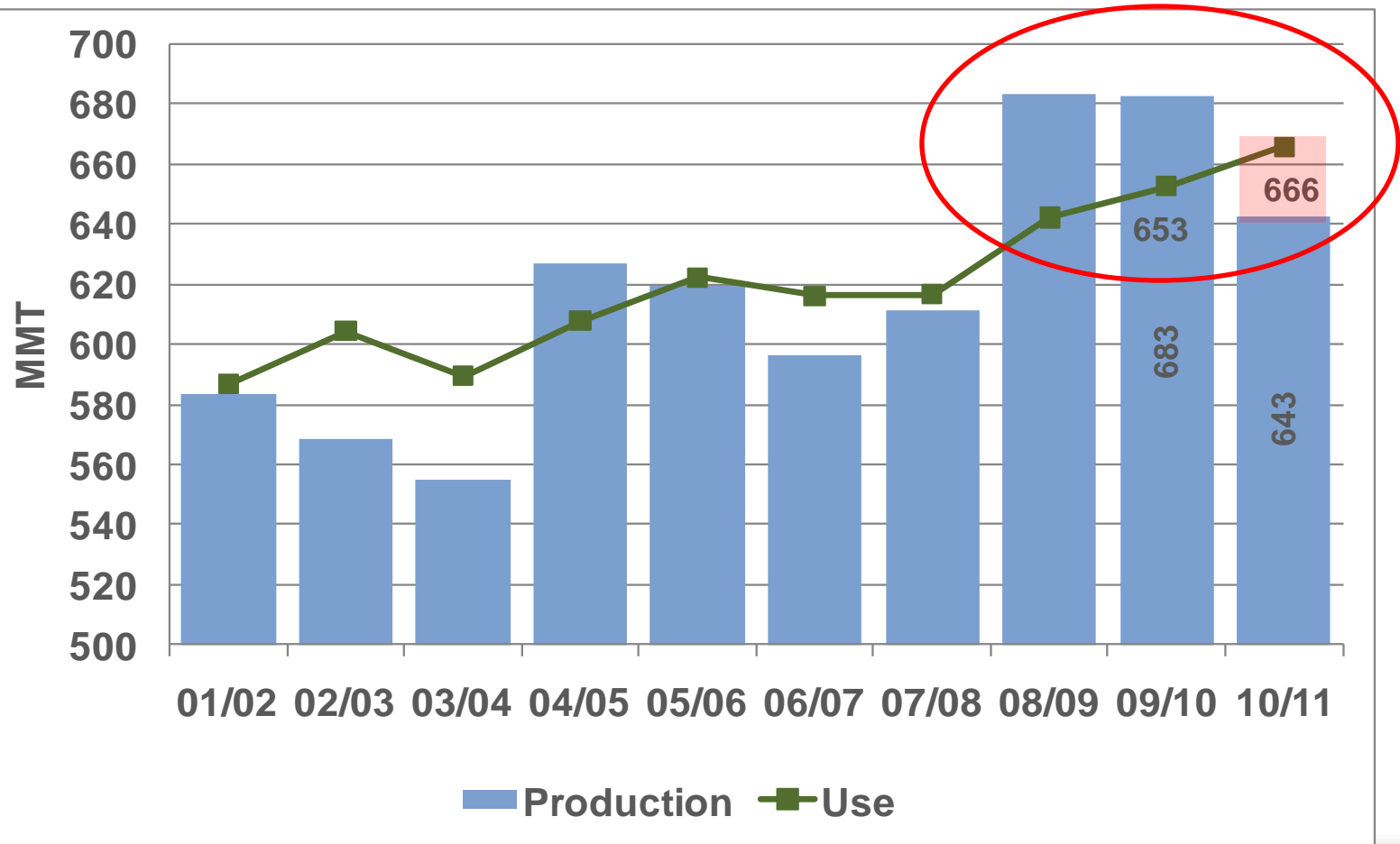


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World Production and Use

November, 2010



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Canadian wheat planting & harvest very delayed – lowered grades and protein levels.

German wheat crop damaged by harvest rains – more than 50% feed wheat – sharply reduced milling wheat exports

Russia crop ravaged by drought; cut winter production by 50% - total crop off 1/3

- 4 MMT

USA + 7 MMT

-10 MMT
(EU)

- 23 MMT

What's happened Since May/June?

+ 3 MMT (?)

W. Australia crop still very dry; yields deteriorate; best crop in South and East

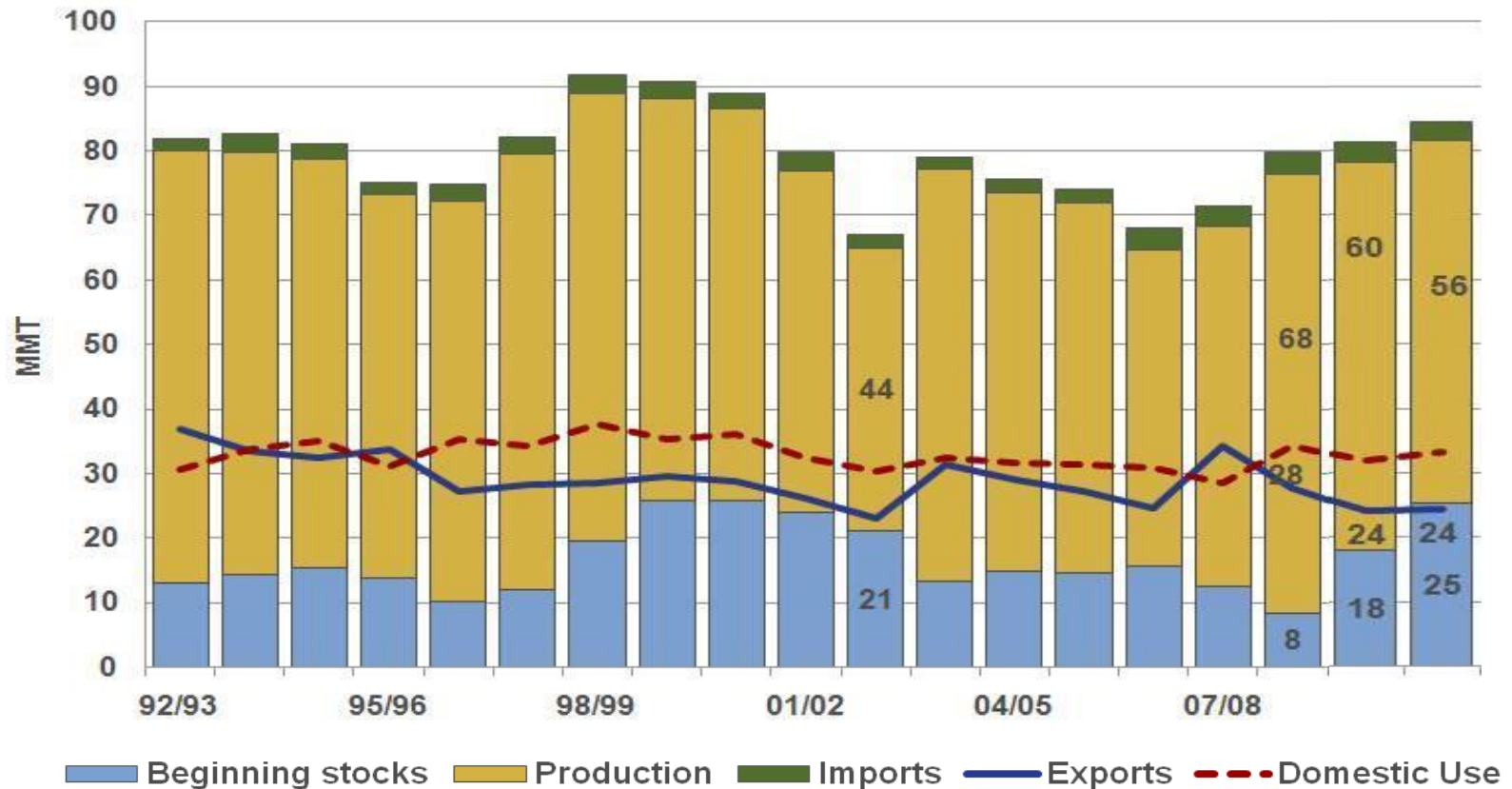


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US Wheat Situation

June, 2010

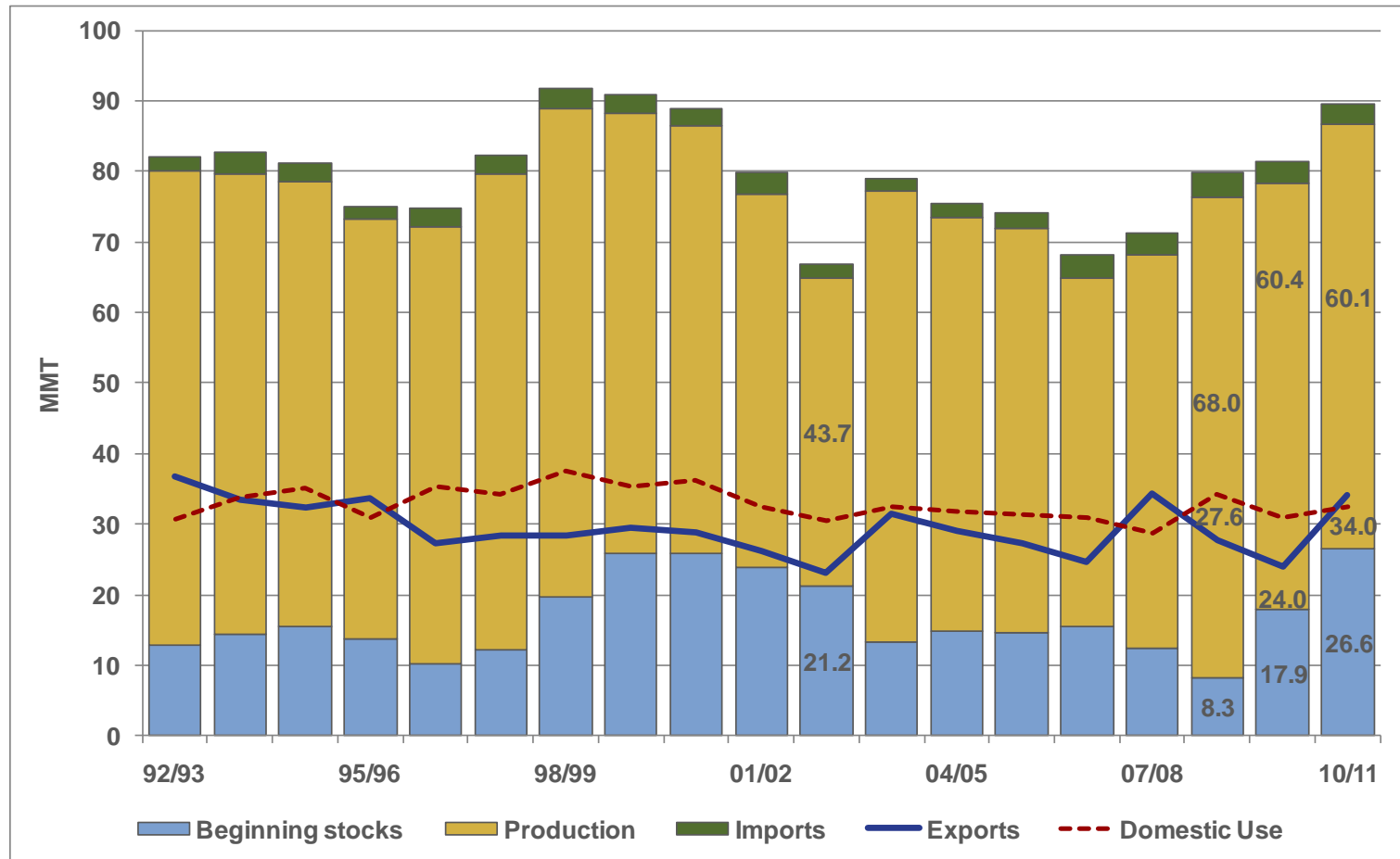


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US Wheat Situation

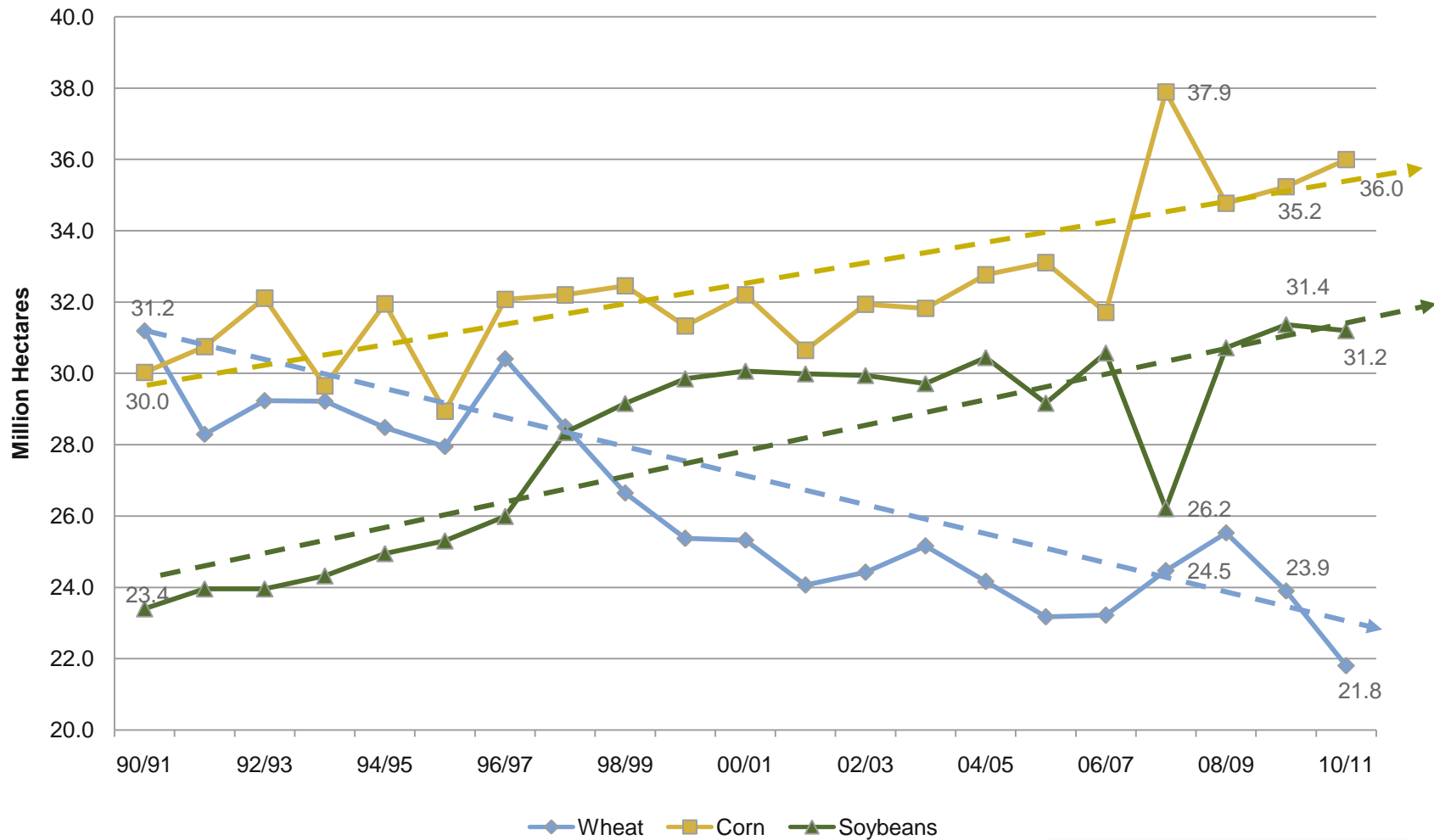
November, 2010



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U.S. Crop Planted Area Comparison



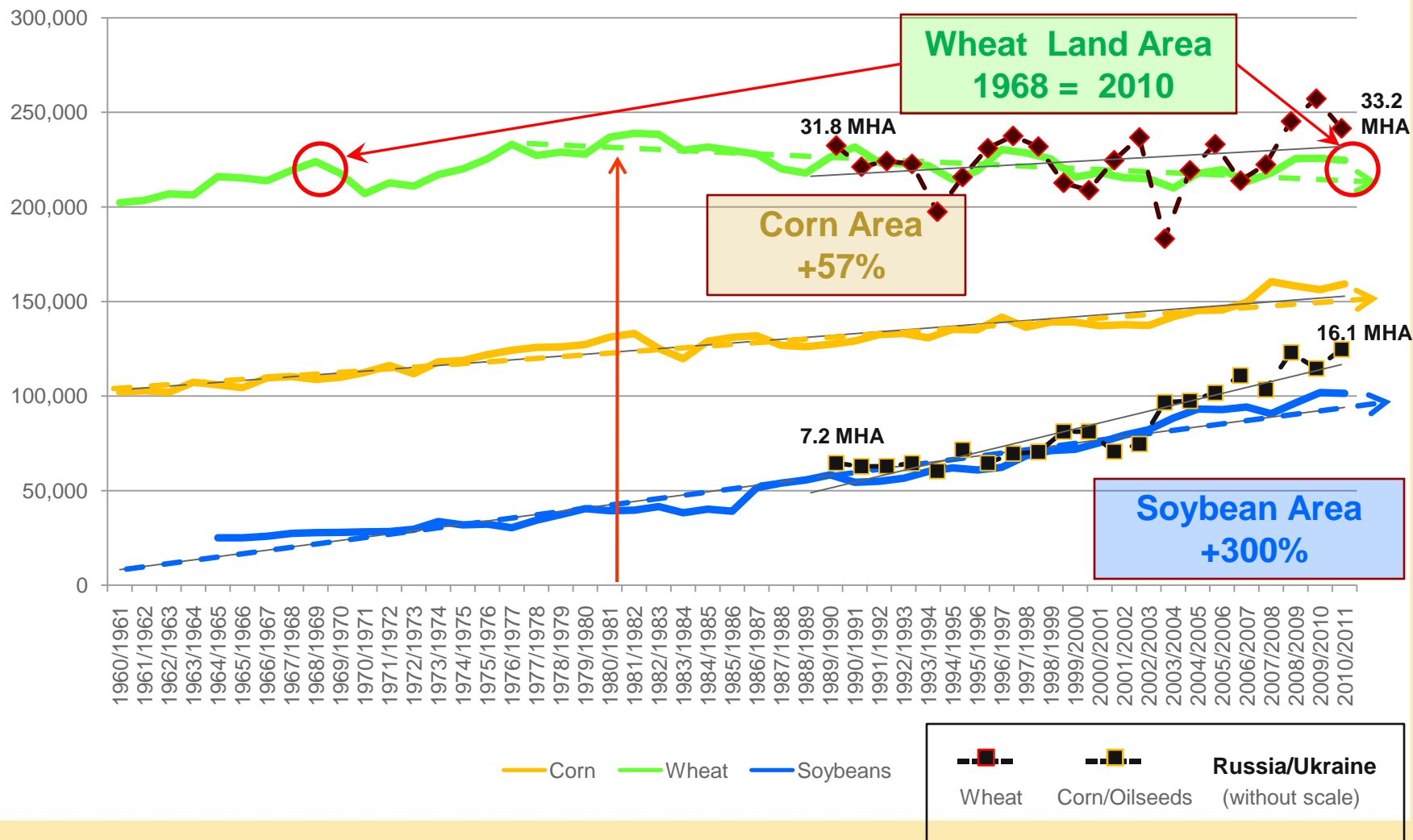
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Harvested Land Area by Crop

World Total 1960 to 2010

1,000 HA





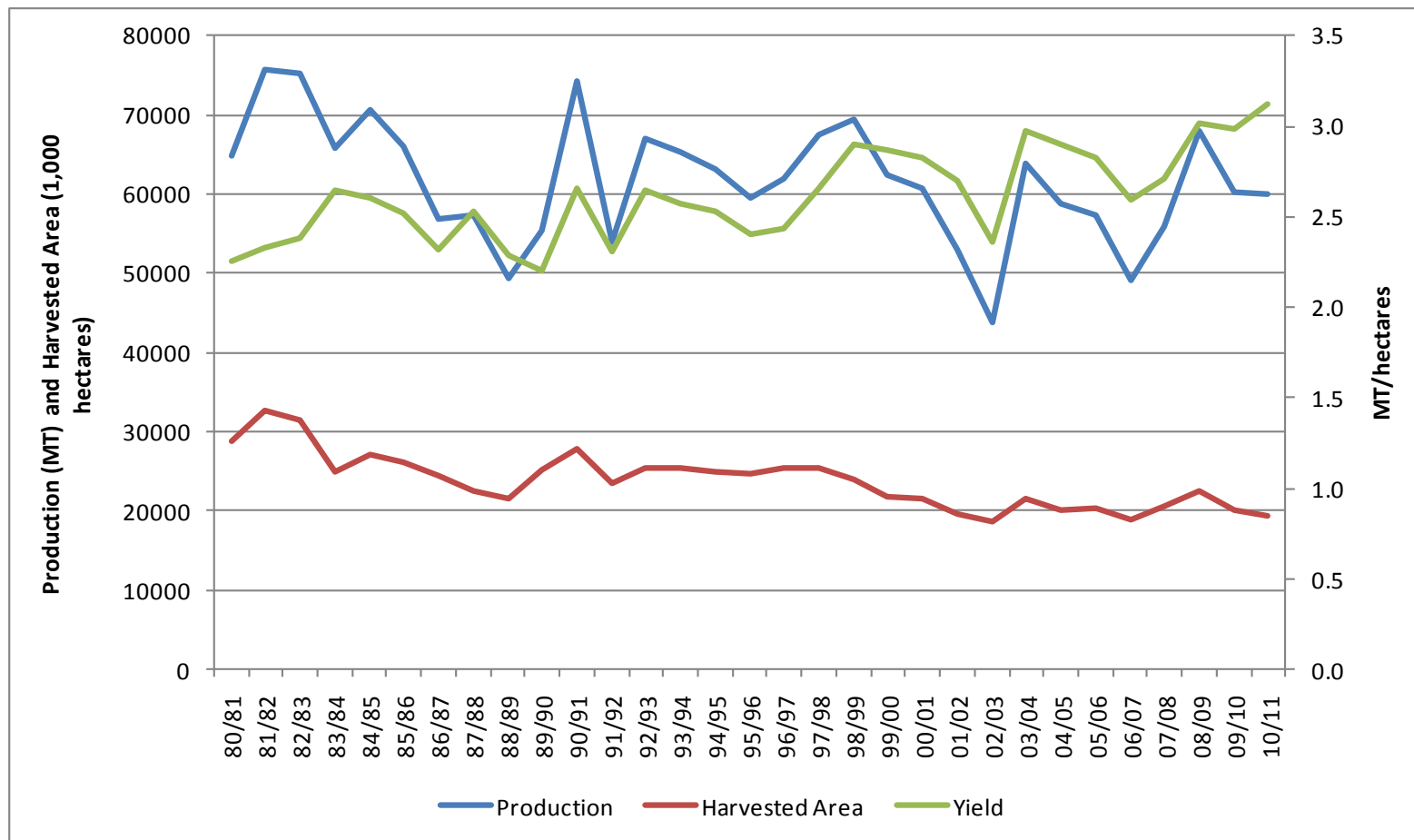
CORN

WHEAT

SOYBEANS

GOVERNMENT

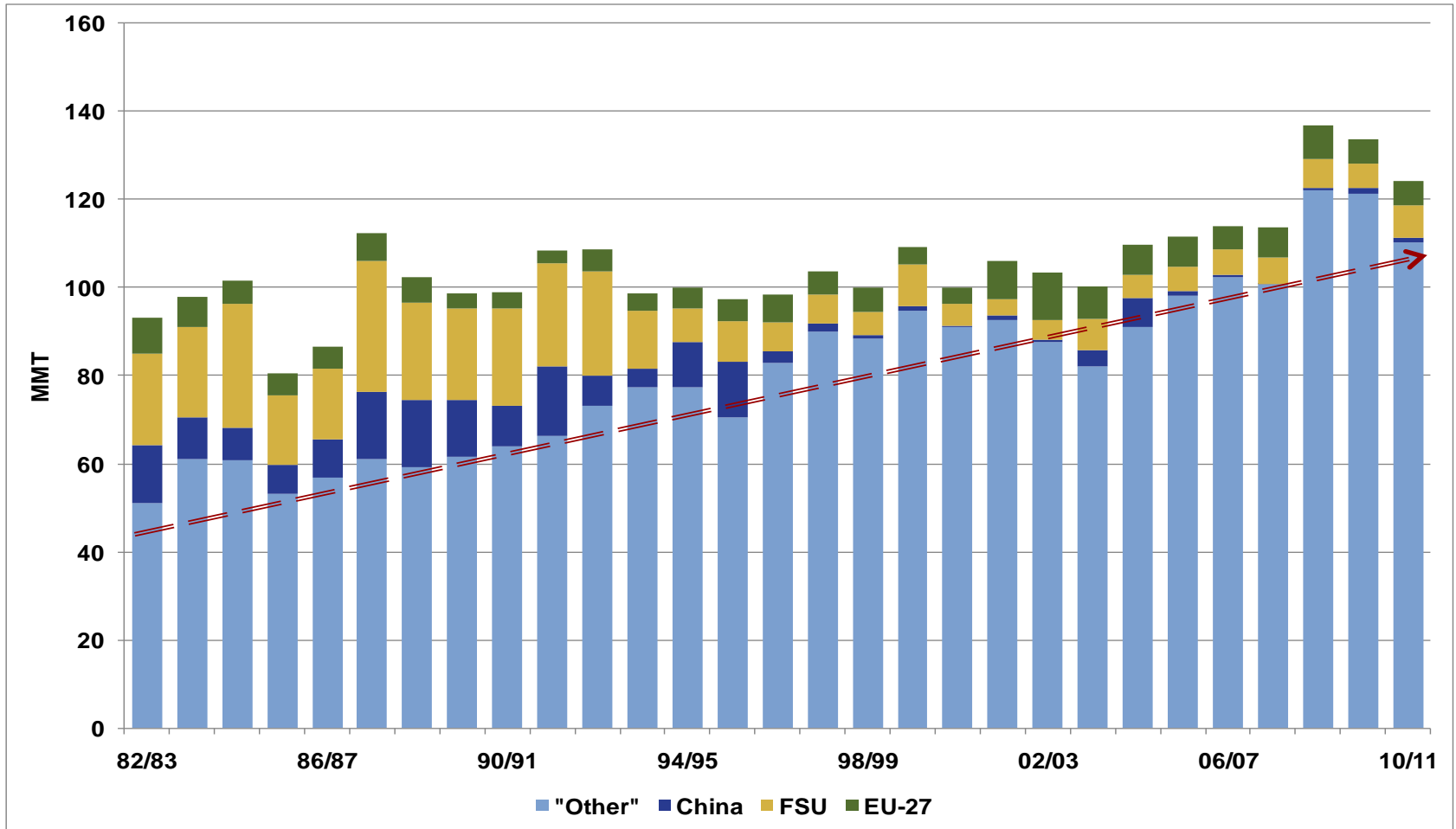
World Wheat Production vs. Yield vs. Area



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World Wheat Trade



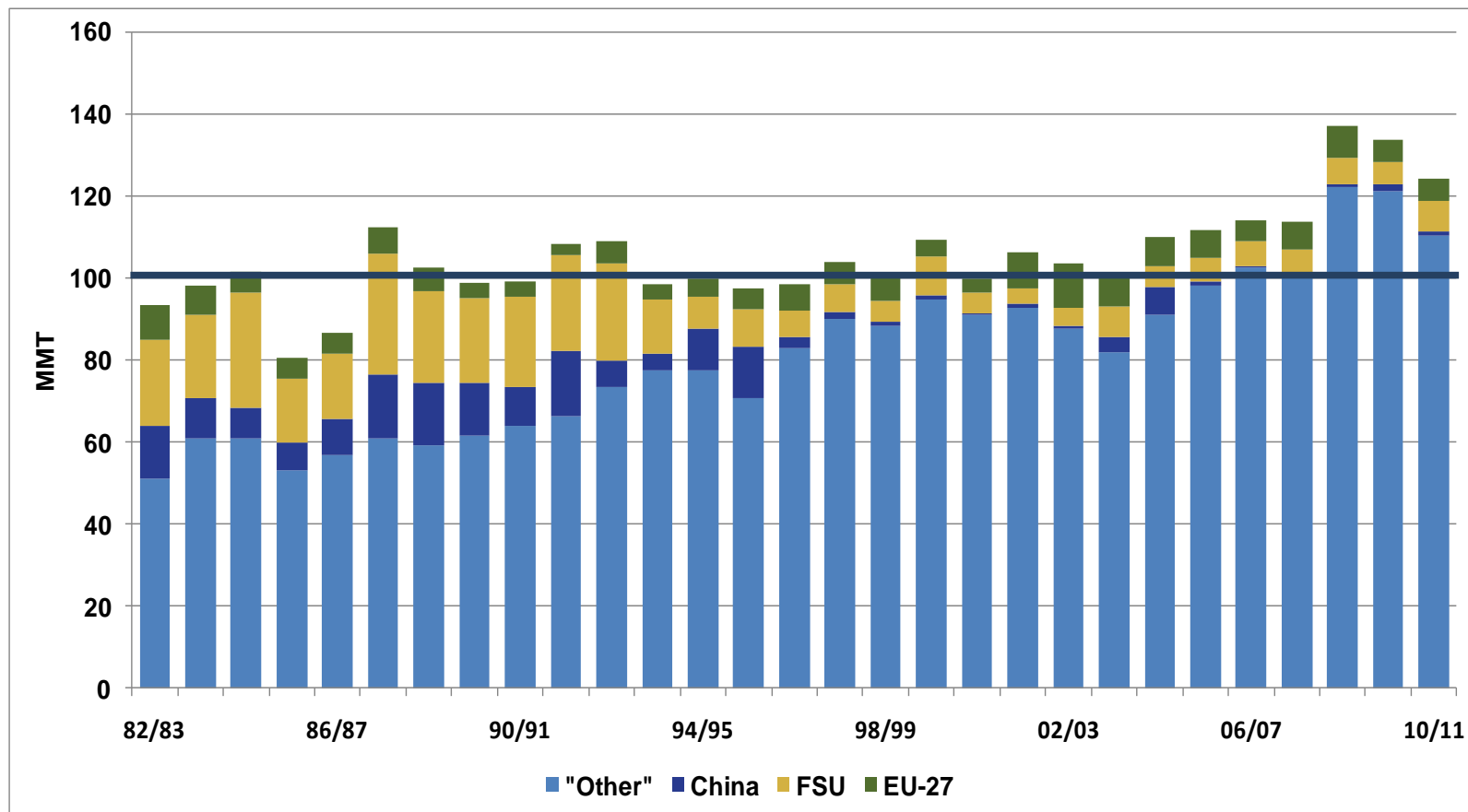
Trend in "other" importers denoted (—▶)



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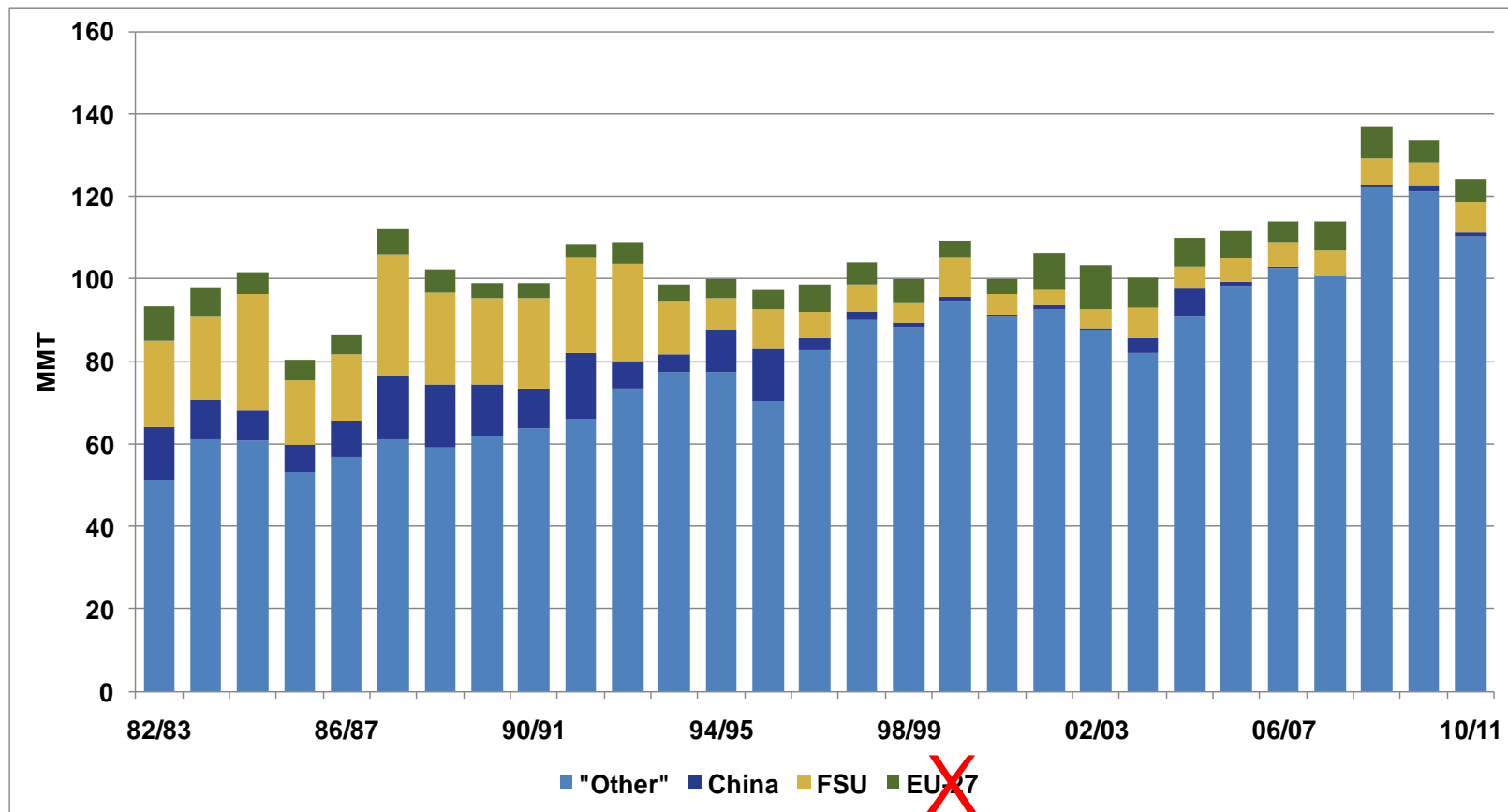
World Wheat Trade



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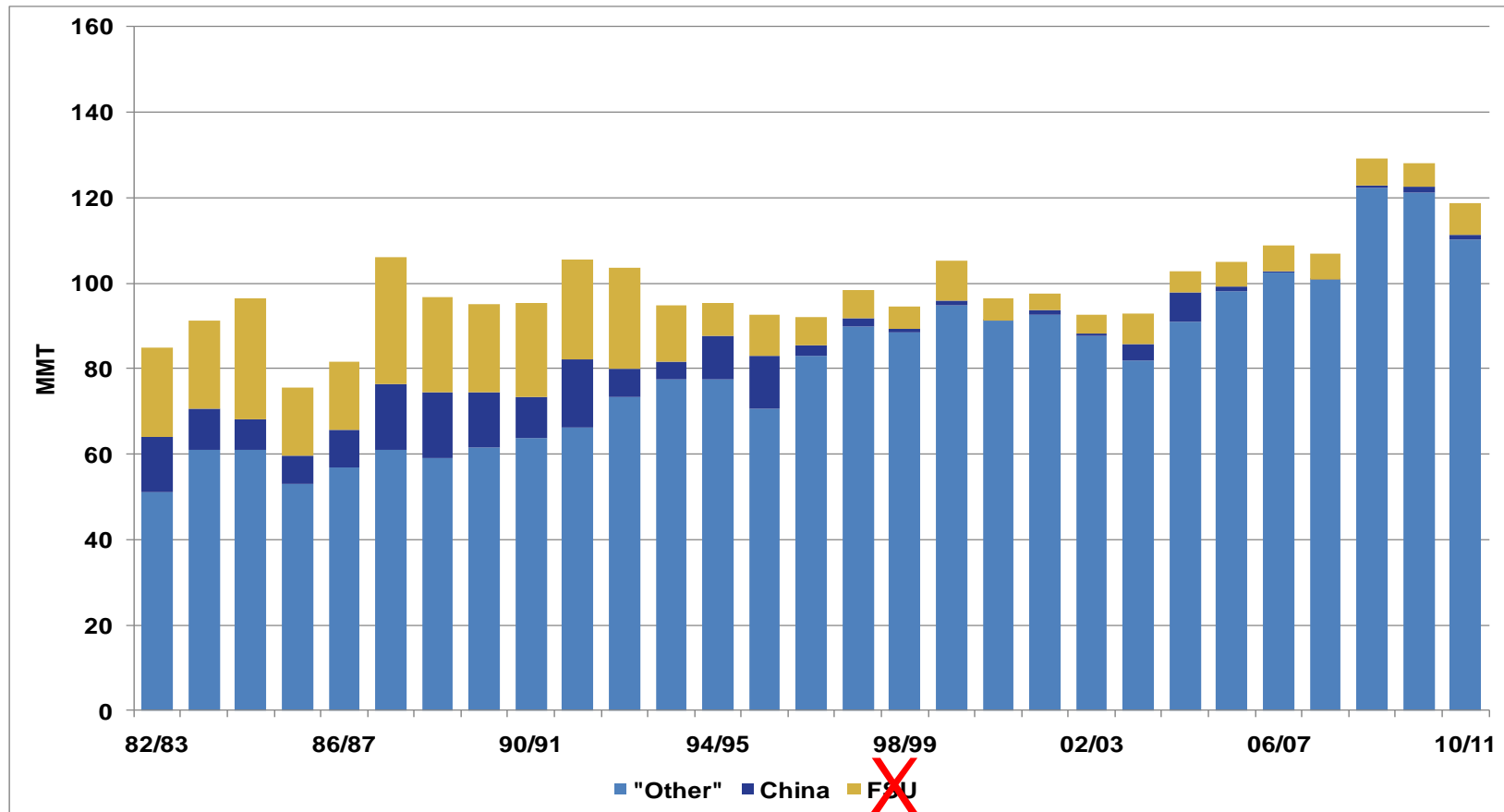
World Wheat Trade



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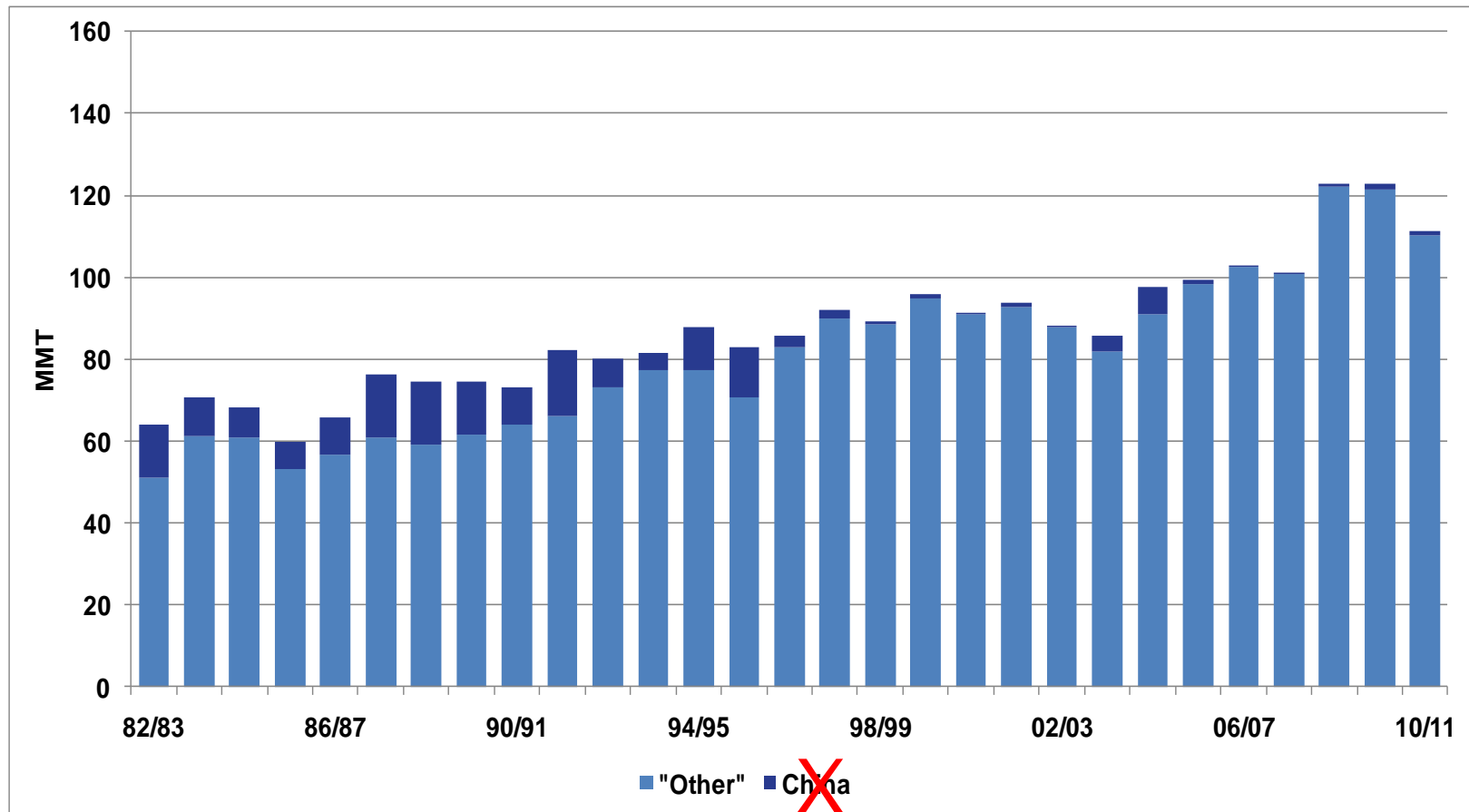
World Wheat Trade



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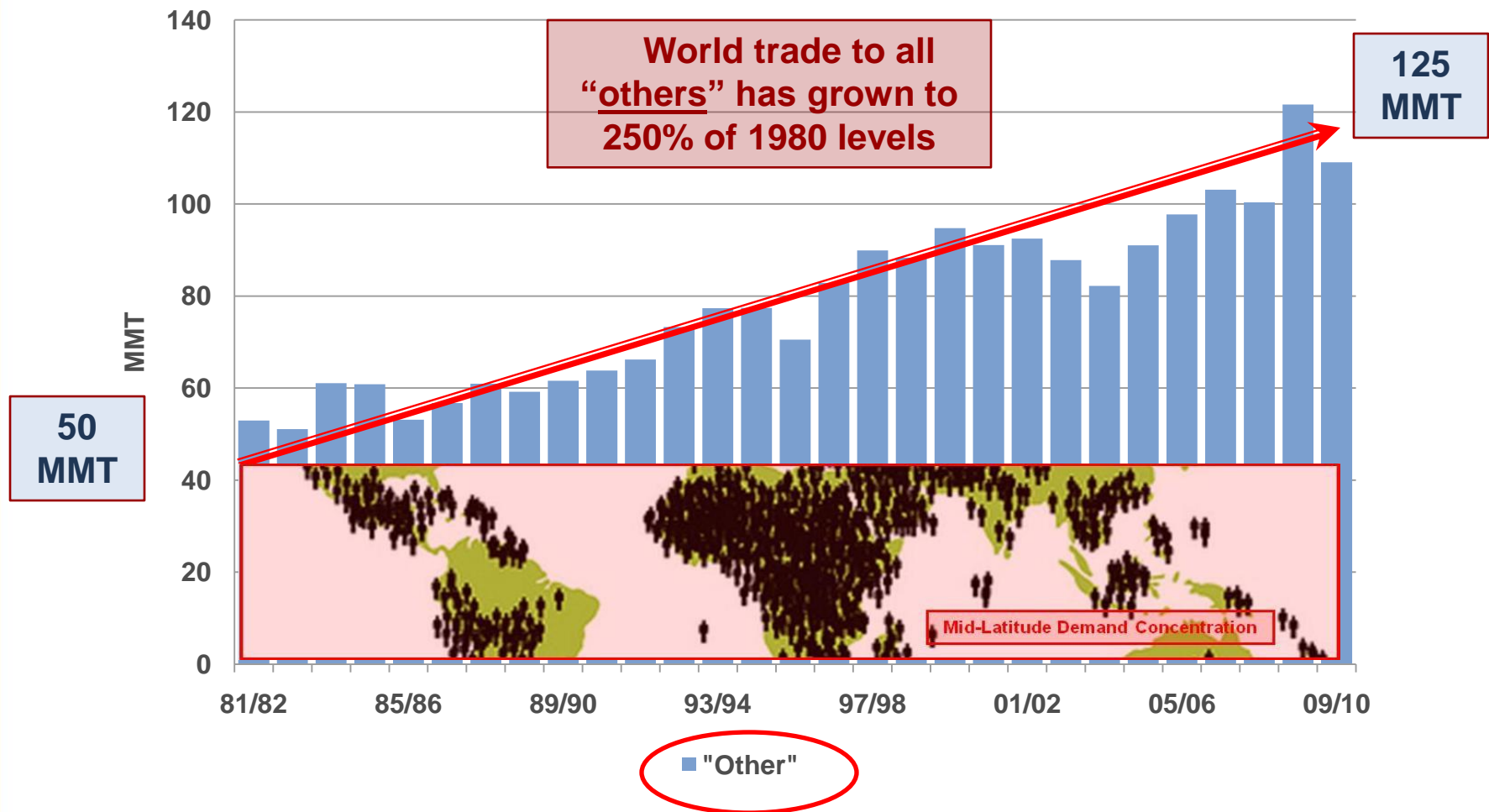
World Wheat Trade



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World Wheat Trade



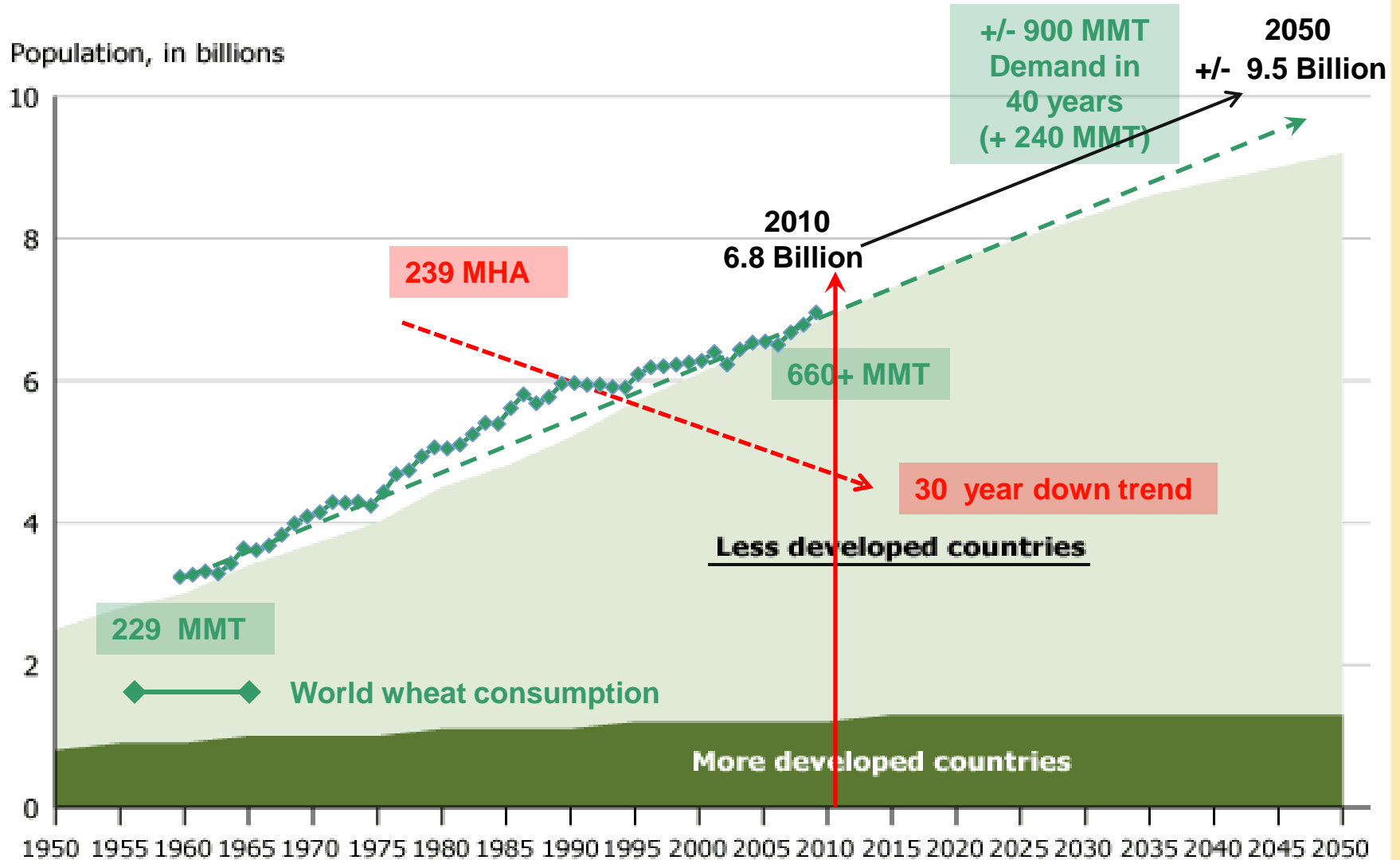
Trend in "other" importers denoted (==>)



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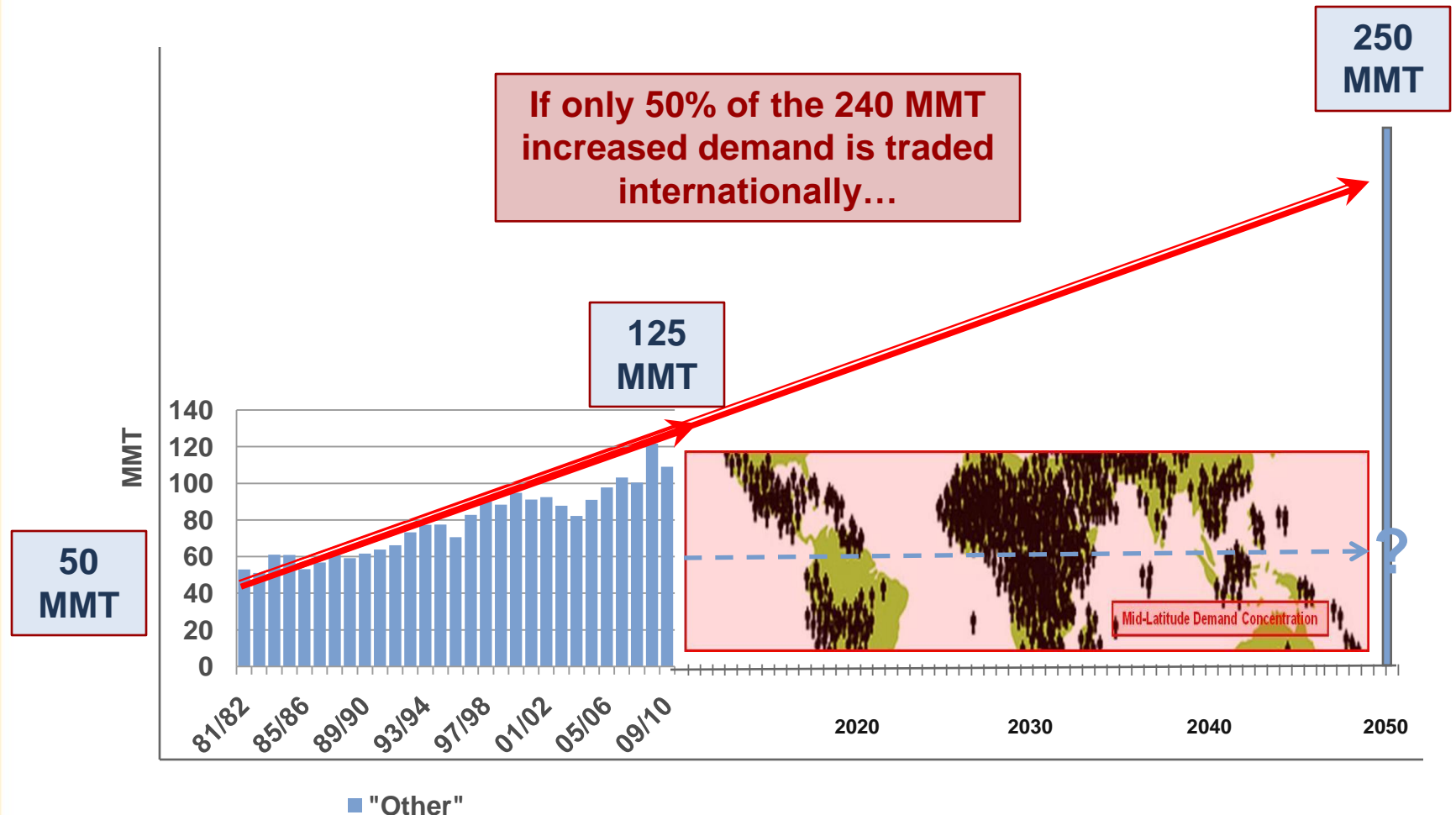
World Population Growth: Projected to 2050



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World Wheat Trade



Trend in "other" importers denoted (—▶)

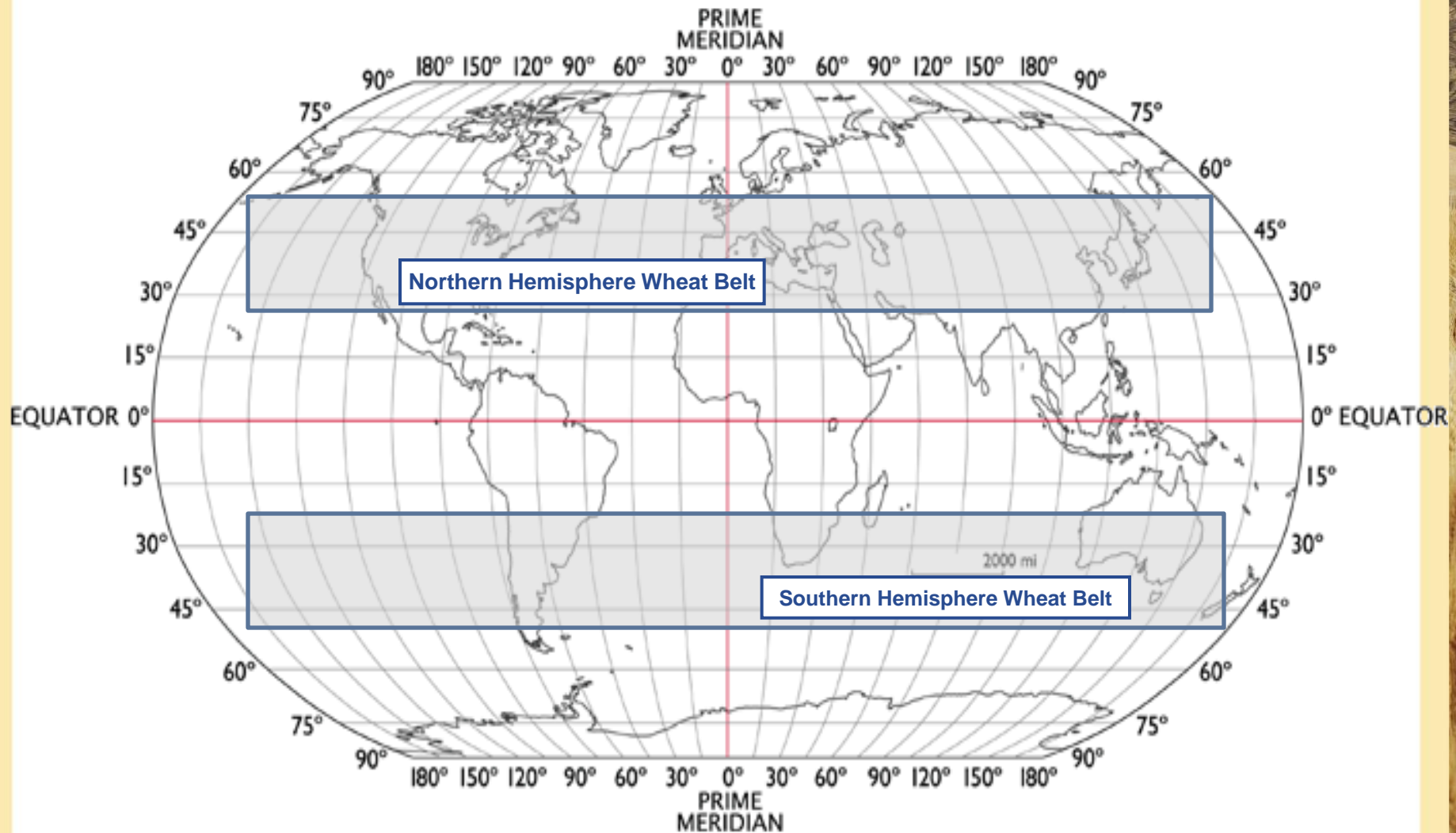


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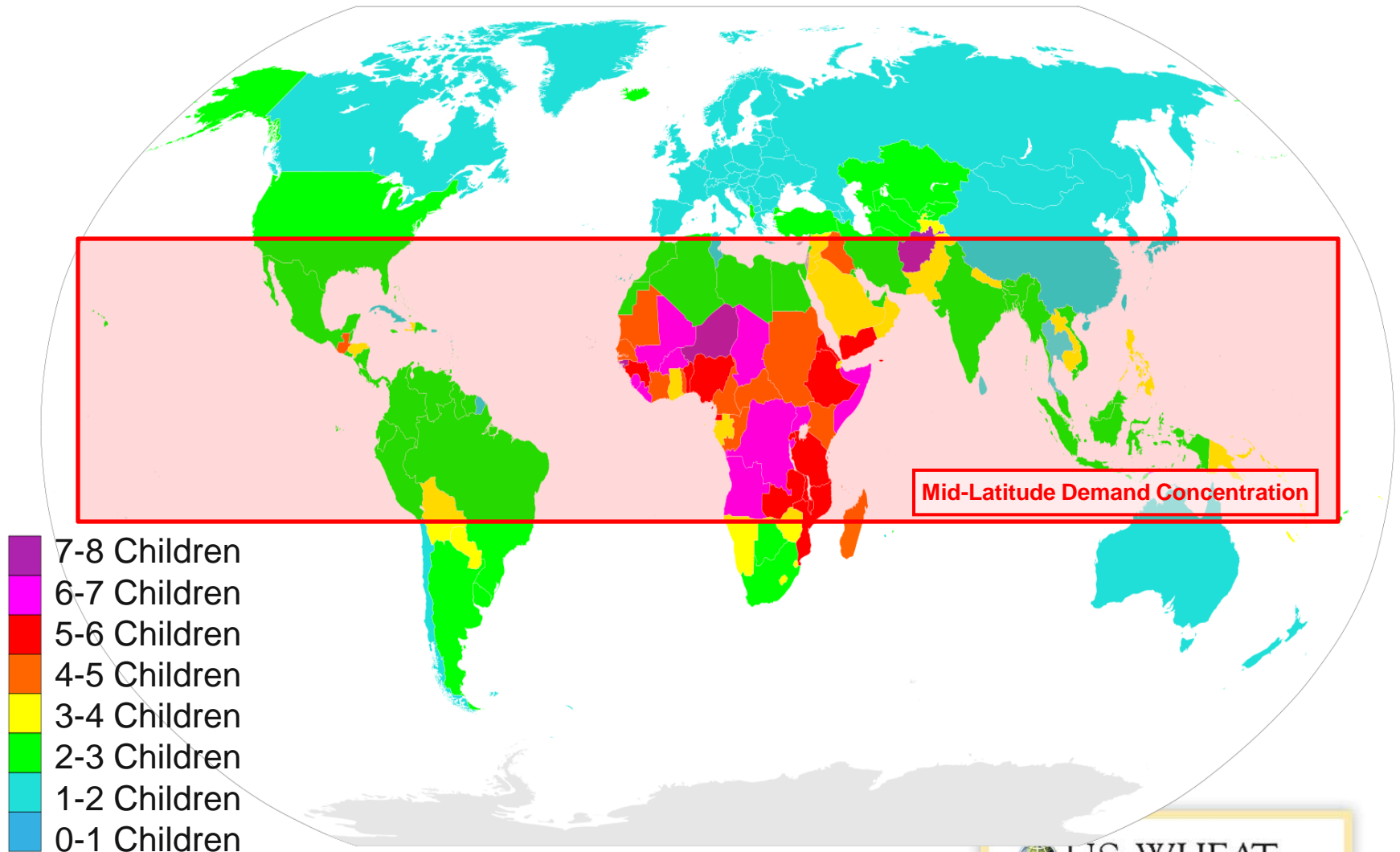
World Wheat Belts

Northern and Southern Hemispheres



World Population Growth: Fertility Rates

(Births per Woman)

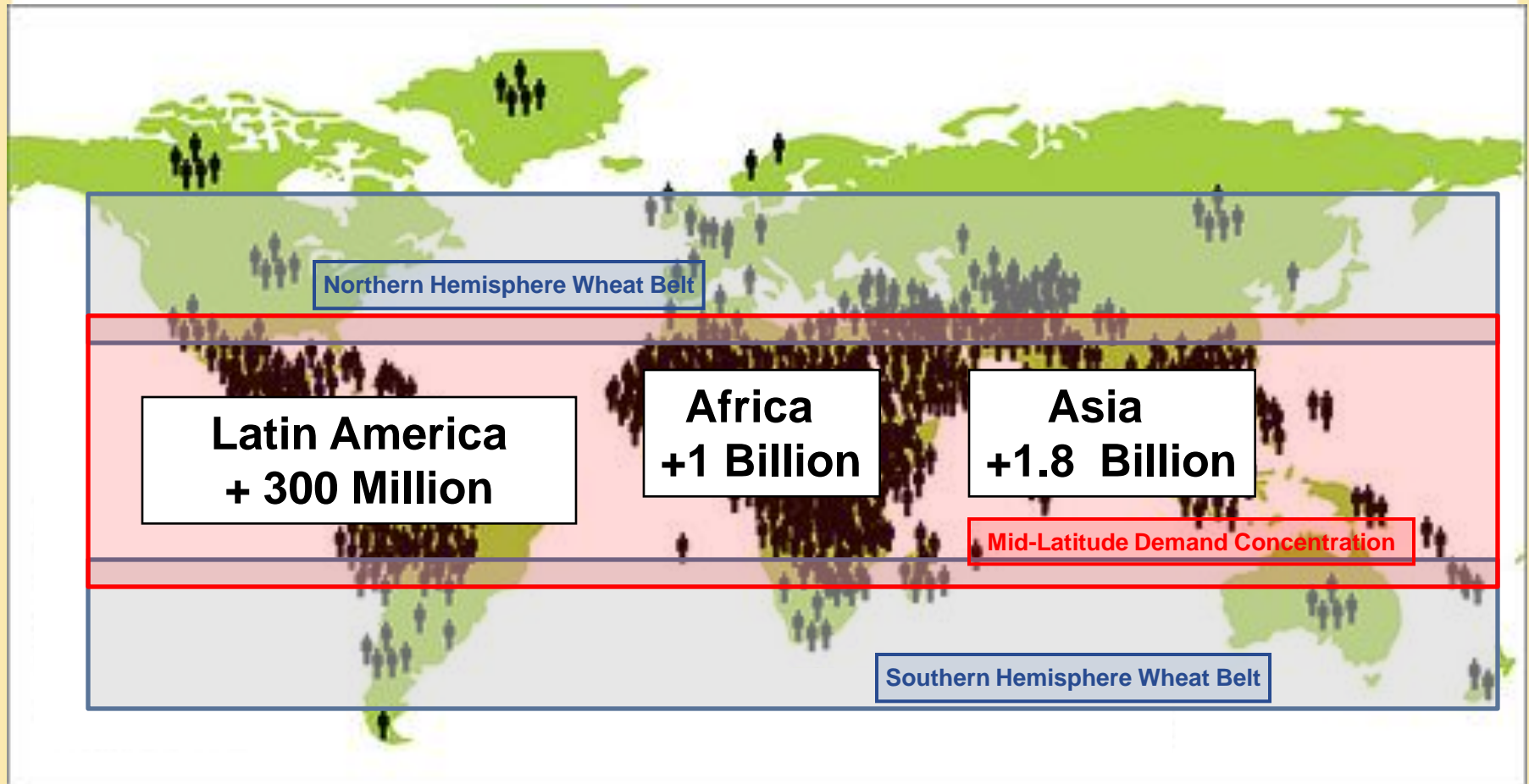


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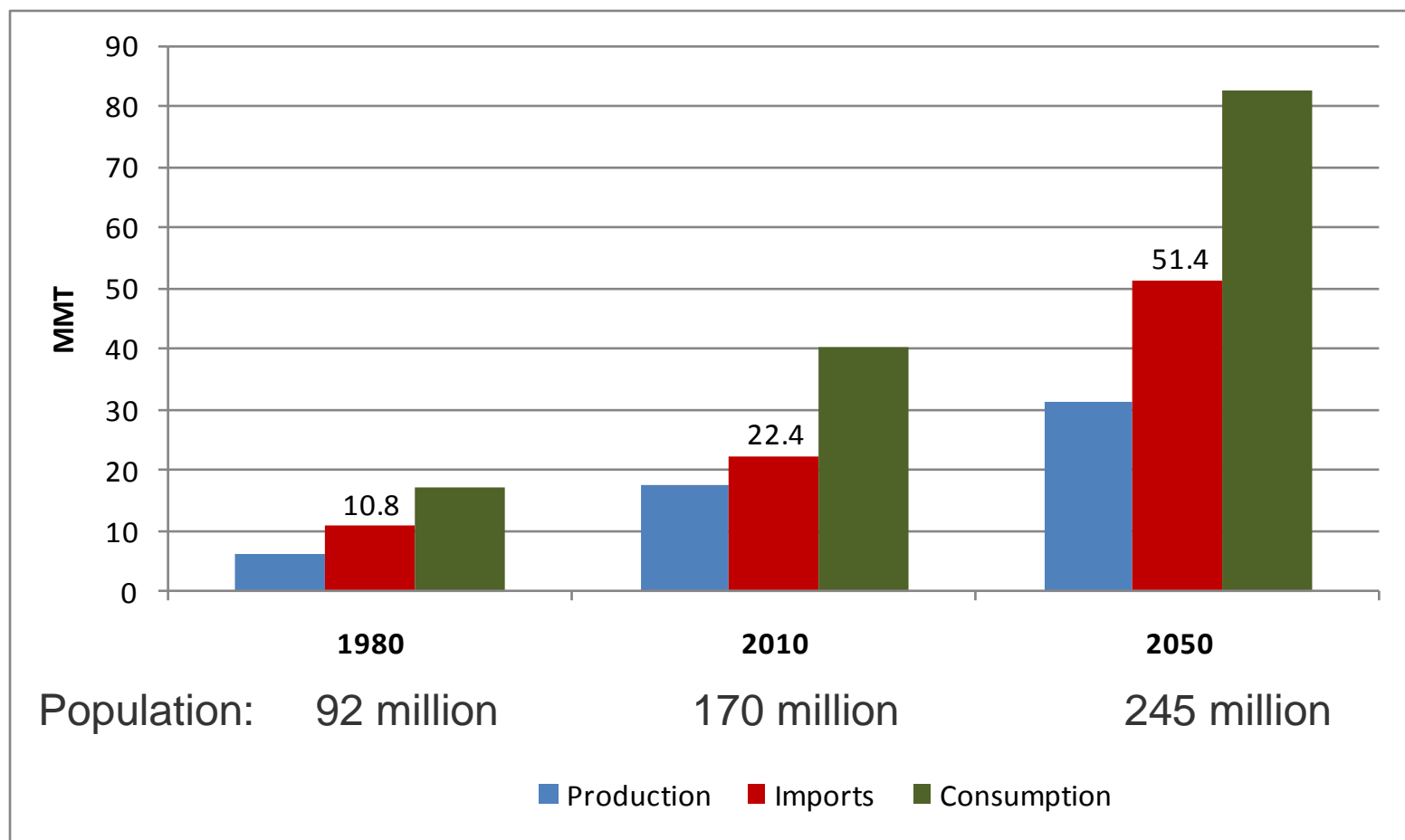
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Projected World Population Growth

2010 to 2050 (From 6.8 to 9.5 billion?)



North Africa Wheat Situation



Includes Algeria, Egypt, Libya, Morocco, and Tunisia



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World Wheat Trade

1980

2010

2050

	Population in millions	Imports (MMT)	Population in millions	Imports (MMT)	Population in millions	Imports (MMT)
Brazil	122	3.9	195	6.5	219	3.1
China	986	13.8	1,362	1.0	1,426	0.0
India	693	0.1	1,214	0.3	1,614	17.2
Indonesia	147	1.2	233	5.5	288	7.1
Mexico	69	1.2	111	3.3	129	0.4
Middle East	84	6.6	186	17.6	303	43.5
North Africa	92	10.8	170	22.4	245	51.4
Philippines	48	0.9	94	2.8	146	4.5
Sub-Saharan	333	3.9	757	12.5	1,598	35.4
TOTAL	2,573	42.3	4,321	71.9	5,968	162.6

Growth in imports = 90.7 MMT

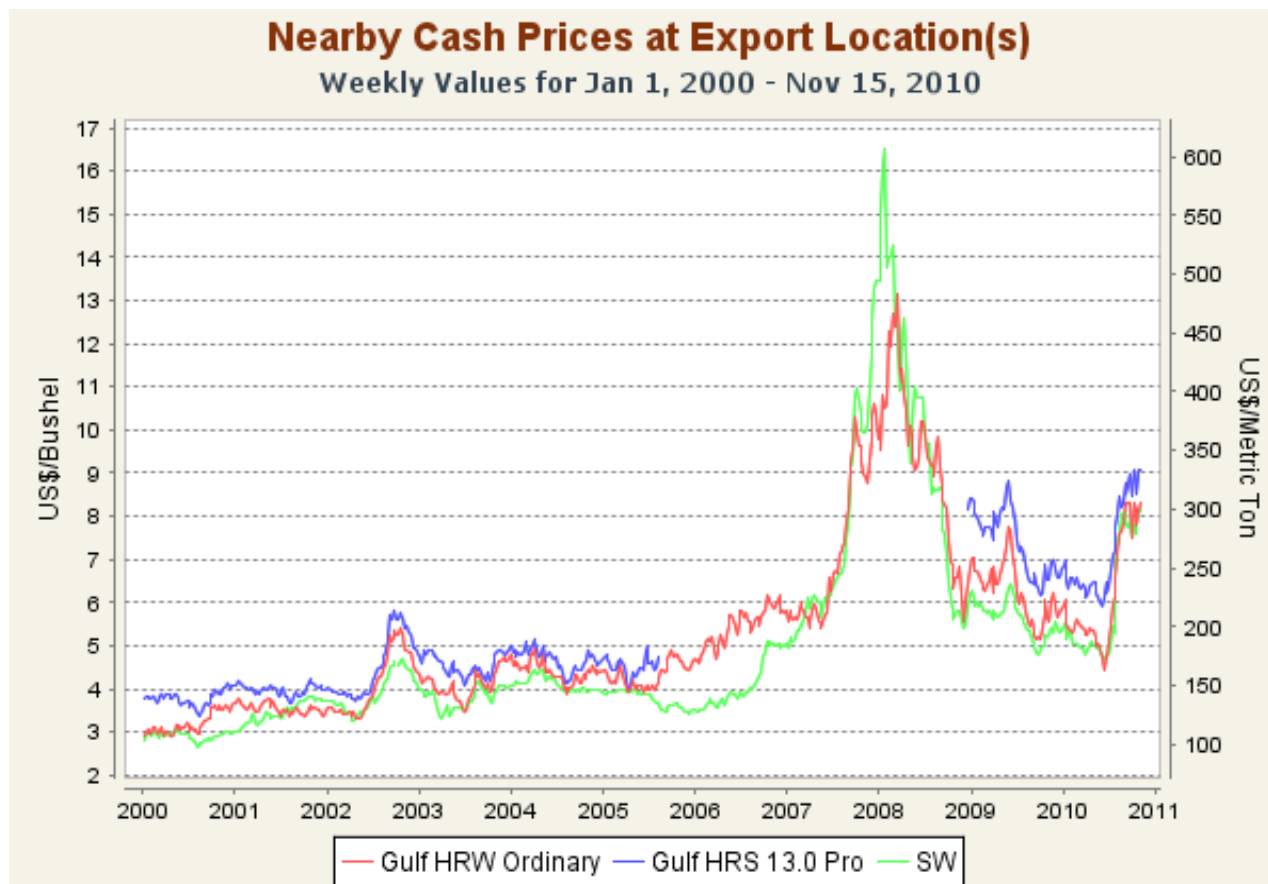


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The Result:

Increased Buyer Competition and Price Volatility



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What Can Millers Do?

- **Manage Risk**
 - Access training
- **Seek Reliable Suppliers**
 - Develop relationships
- **Let U.S. Wheat Associates help you!**
 - Information
 - Training
 - Service



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www.uswheat.org

The screenshot shows a web browser window with the address bar displaying "U.S. Wheat Associates". The browser's toolbar includes "Favorites", "agmanager.info Grain Outlook", "Suggested Sites", and "Get More Add-ons". The website header features the "U.S. WHEAT ASSOCIATES" logo with the tagline "THE WORLD'S MOST RELIABLE CHOICE" and a language dropdown set to "English". A navigation menu contains links for "WHAT WE DO", "BUYER'S GUIDE", "REPORTS", "NEWS & MEETINGS", "MEDIA & RESOURCES", and "ABOUT U.S. WHEAT". A "Quick Links" dropdown is also present. On the right side, a vertical orange menu is circled in red, containing links for "HOME", "SEARCH", "CONTACT US", "WHEAT LETTER", and "SIGN UP". The main content area features a large image of a farmer, Harlan Klein, standing in front of a combine harvester in a field. Text overlaying the image reads: "The wheat you want from producers you can depend on. U.S. wheat farmers produce the world's widest range of wheat varieties, providing value and reliability for every import market. U.S. Wheat Associates, the industry's export market development organization, supplies training and information to customers in over 100 countries on behalf of America's wheat producers, supporting the use of all U.S. wheat classes. The activities of U.S. Wheat Associates are made possible by producer checkoff dollars managed by 19 state wheat commissions and through cost-share funding provided by USDA's Foreign Agricultural Service." Below this text are two orange buttons: "BUYER'S GUIDE" and "INFLUENCING TRADE POLICY". At the bottom of the page, a horizontal navigation bar includes links for "WELCOME", "NEWS & EVENTS", "WHAT WE DO", and "DAILY FUTURES PRICE Quotes".



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The background of the slide is a composite image. The top half shows a wide, panoramic view of rolling hills under a blue sky with light clouds. The hills are covered in golden-brown fields, likely wheat, with some small clusters of trees and buildings visible in the distance. The bottom half of the slide is a close-up, detailed view of a field of golden wheat stalks, showing the texture of the grain.

**Thank you for the invitation and for
the opportunity to explore
some of these issues with you.**



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