



22nd Annual IAOM MEA Conference

Dead Sea, Jordan



October 2-5, 2011

Finding Food Security

Alan Tracy

President



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.



Wheat trade to double by 2050

Global wheat demand in 2010 reached an estimated 666 million tonnes. If the demand rate were to remain constant, global wheat consumption would surpass 880 tonnes by 2050, a 40% increase that will mirror population growth over that 40-year period.

Without question, international trade will play an essential role in meeting this increase in consumption. In fact, an analysis released in January by Chad Weigand, market analyst for the U.S. Wheat Associates (USW), found that the rate of world wheat trade will likely grow much faster than overall consump-

by Arvin Donley

USW study finds that growth in consumption over next 40 years will be in regions with minimal wheat production

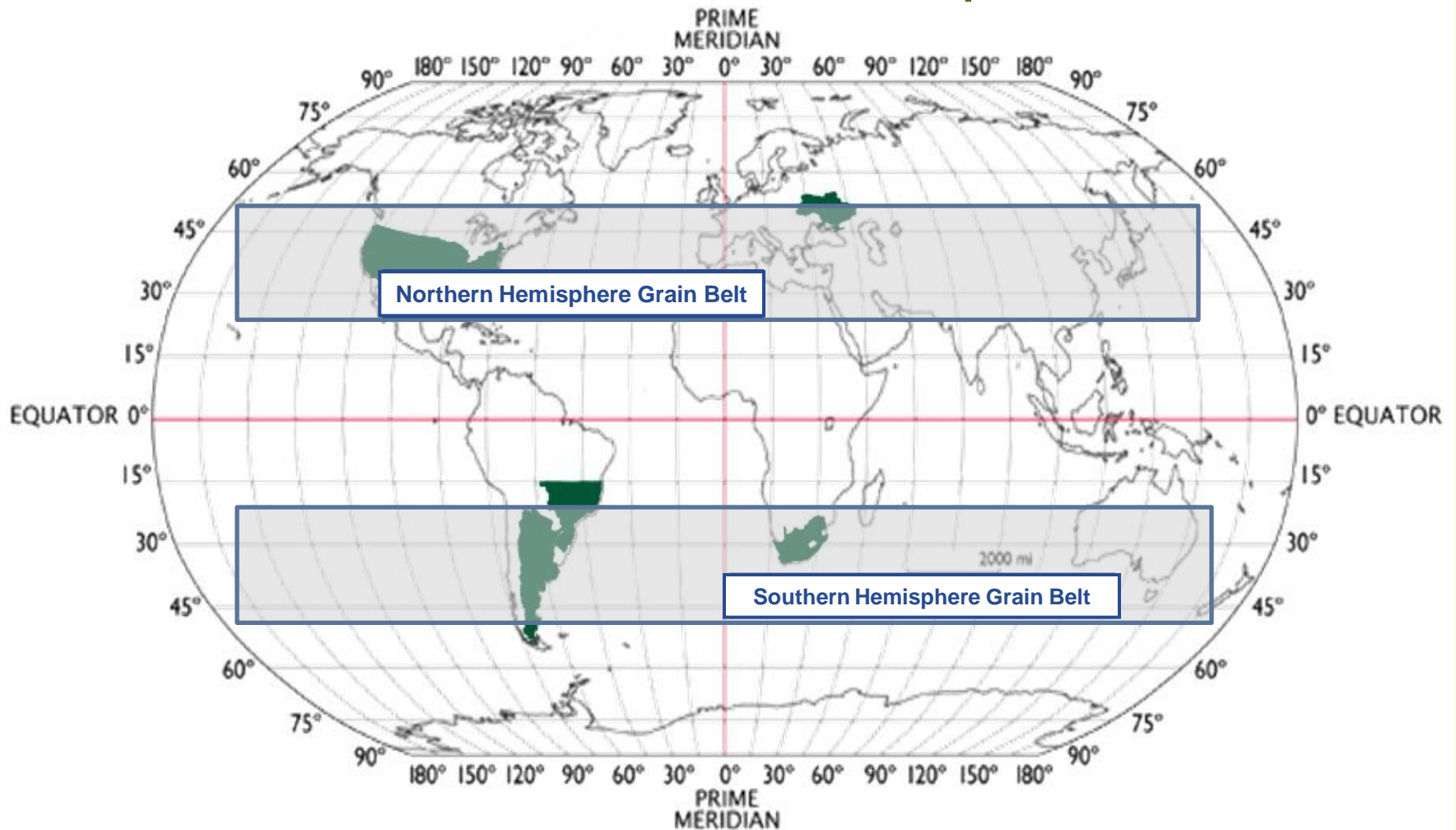


**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

World Grain Belts

Northern and Southern Hemispheres

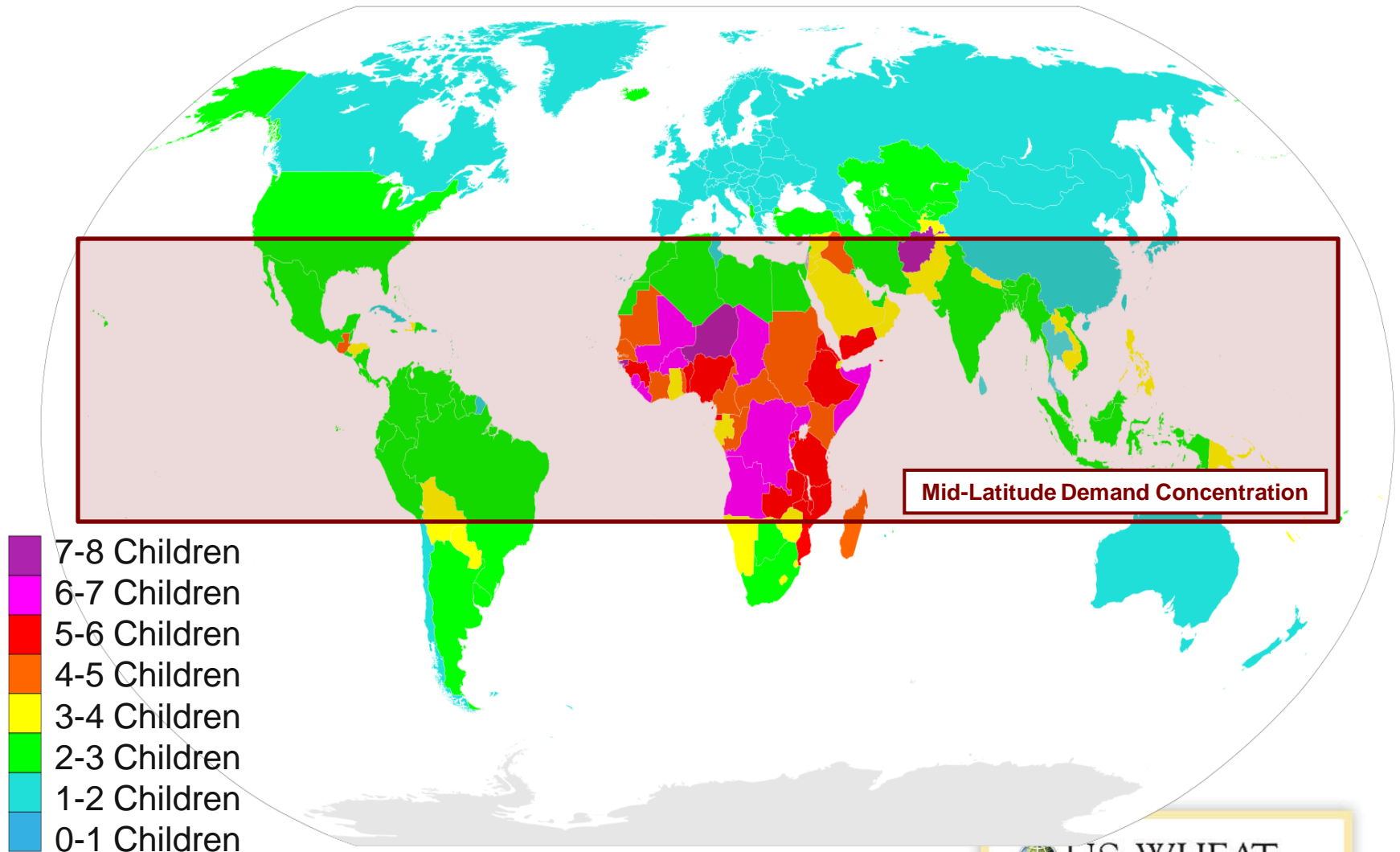


U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

World Population Growth: Fertility Rates

(Births per Woman)

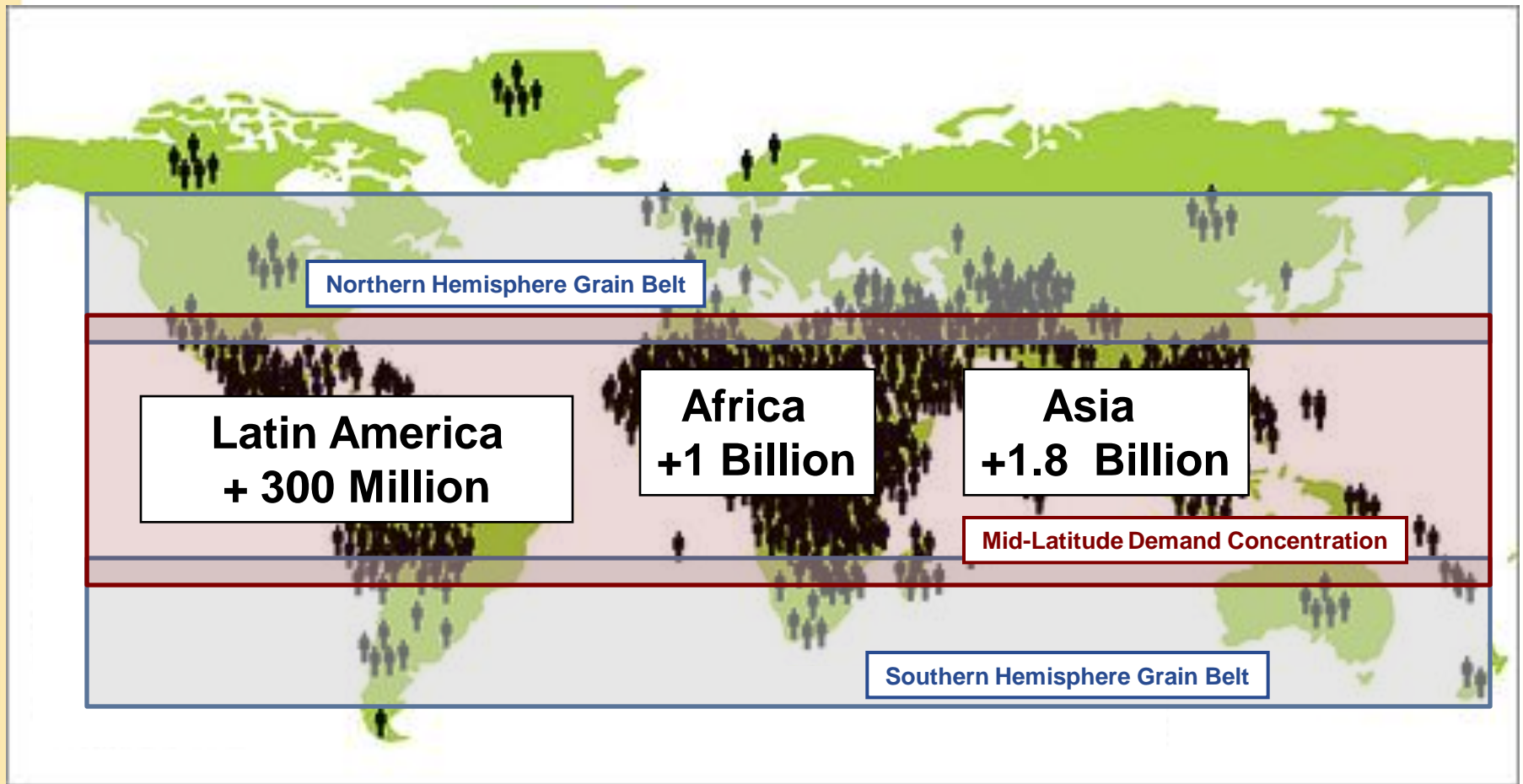


**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

Projected World Population Growth

2010 to 2050 (From 6.8 to 9.5 billion?)

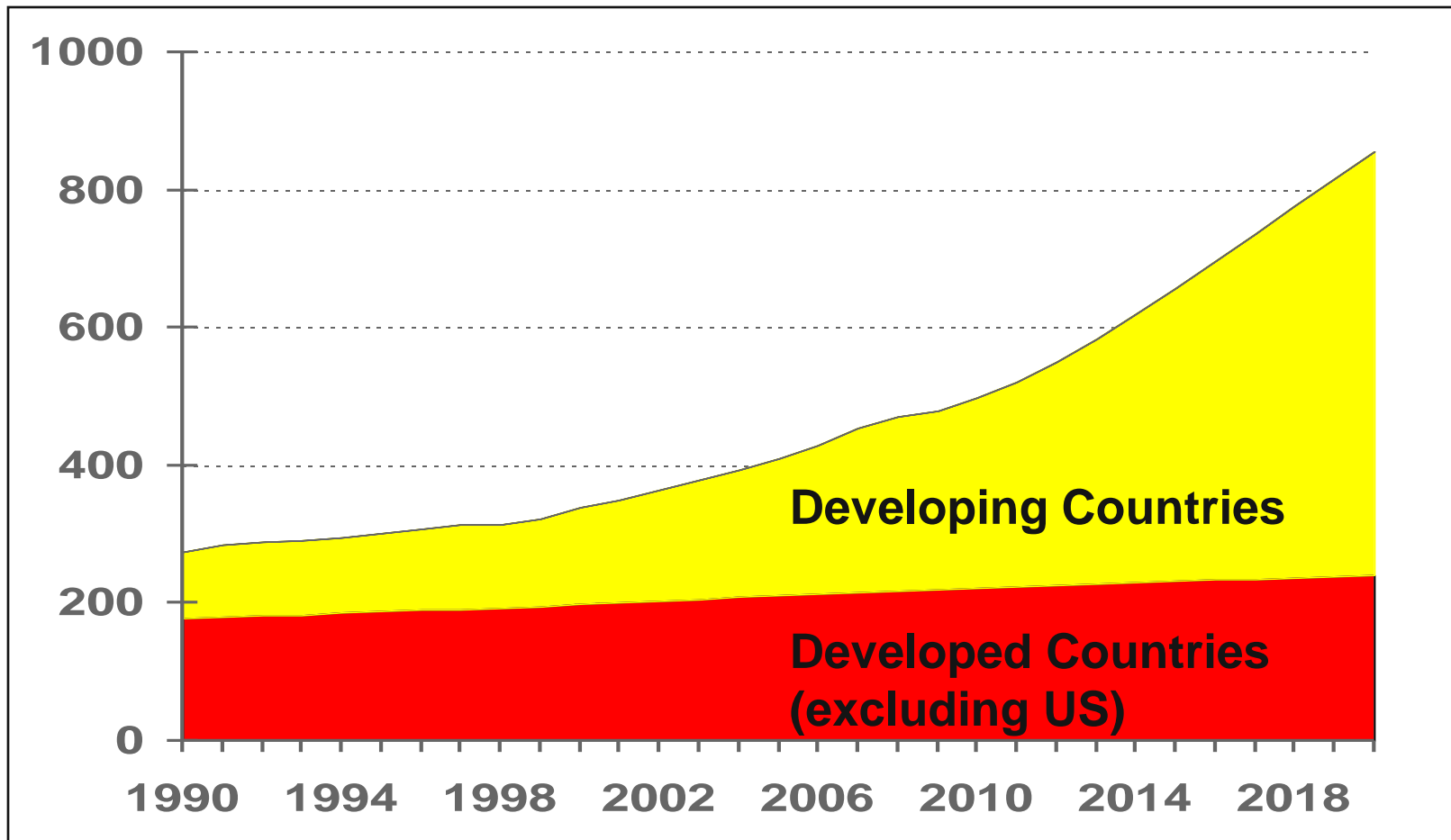


**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

World Growth Snapshot 2010

***Foreign households w/real PPP incomes greater than \$20,000 a year
(in millions of households)***



Source: Global Insight's Global Consumer Markets data as analyzed by OGA/FAS/USDA

Wheat Import Projections Towards 2050*

Chad Weigand
Market Analyst

January 2011

U.S. WHEAT
ASSOCIATES



**Attached Addendum: A Look Towards 2030*

Grain Trade Growth to 2030

<http://www.uswheat.org/reports>



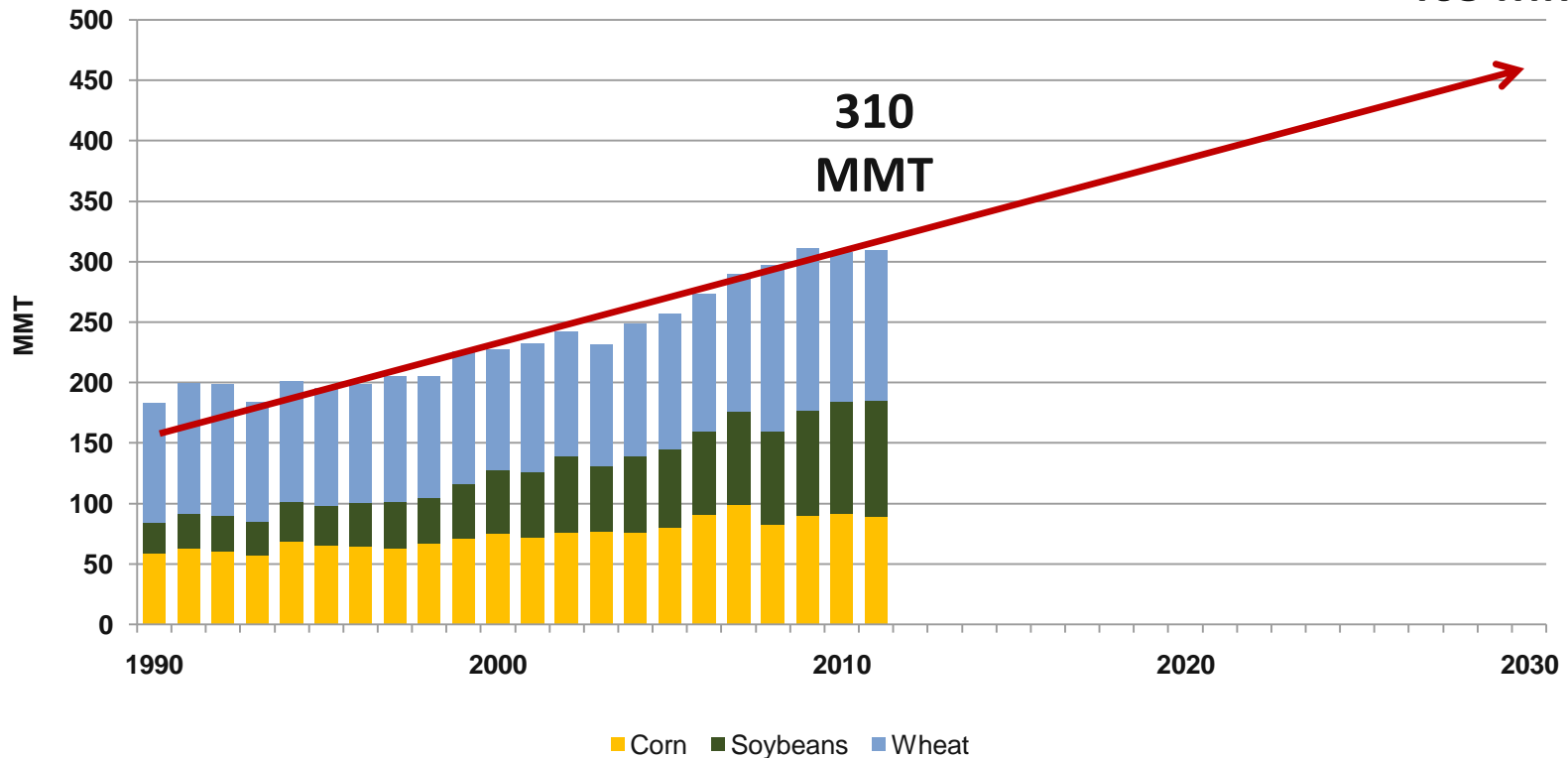
U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

Grain Trade Growth

World Imports

**Projected
465 MMT**

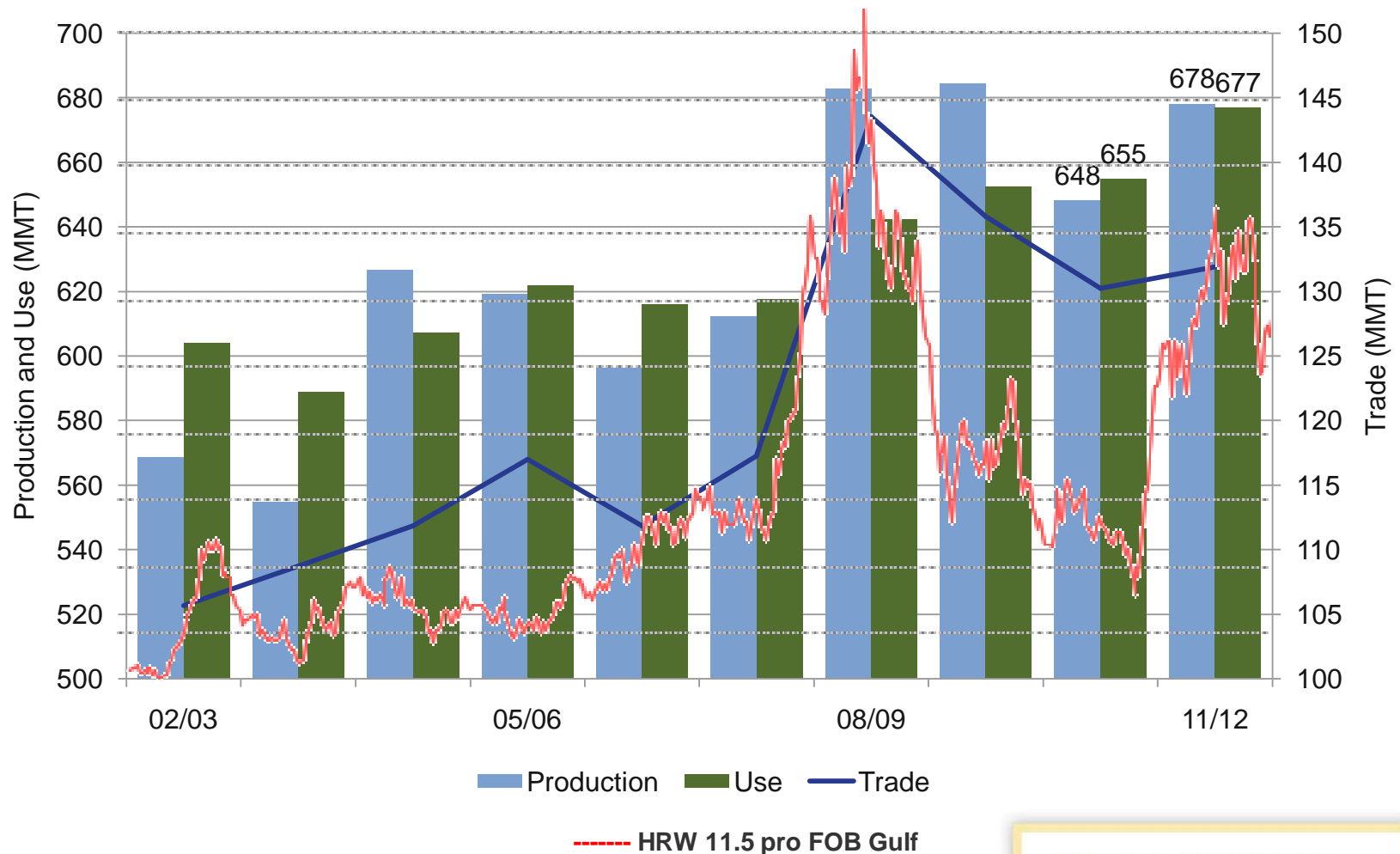


**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

World Wheat

Production, Use and Trade



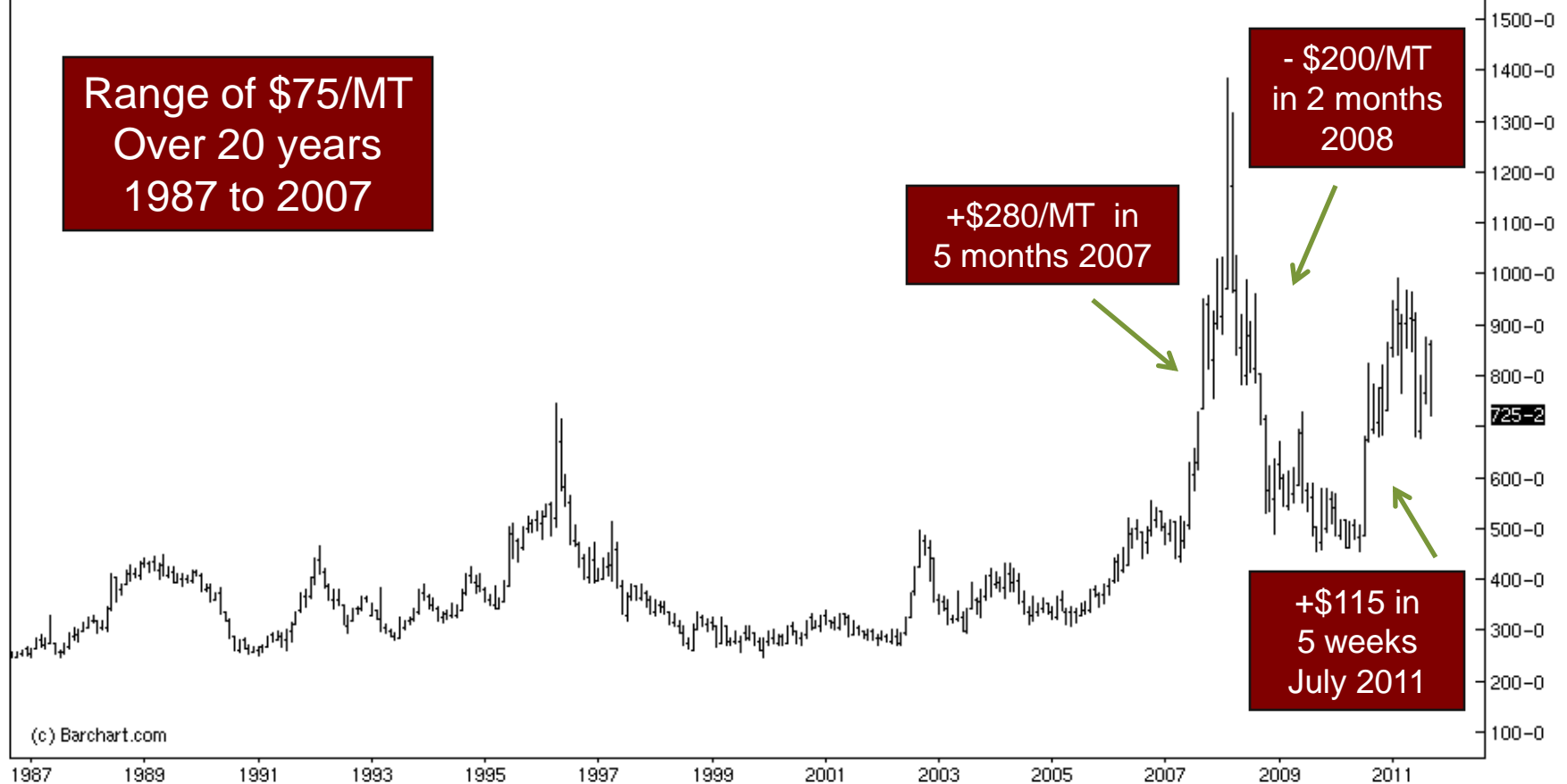
**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

Wheat Price Volatility

KE - KCBT Red Wheat (KCBT) - Monthly Nearest OHLC Chart

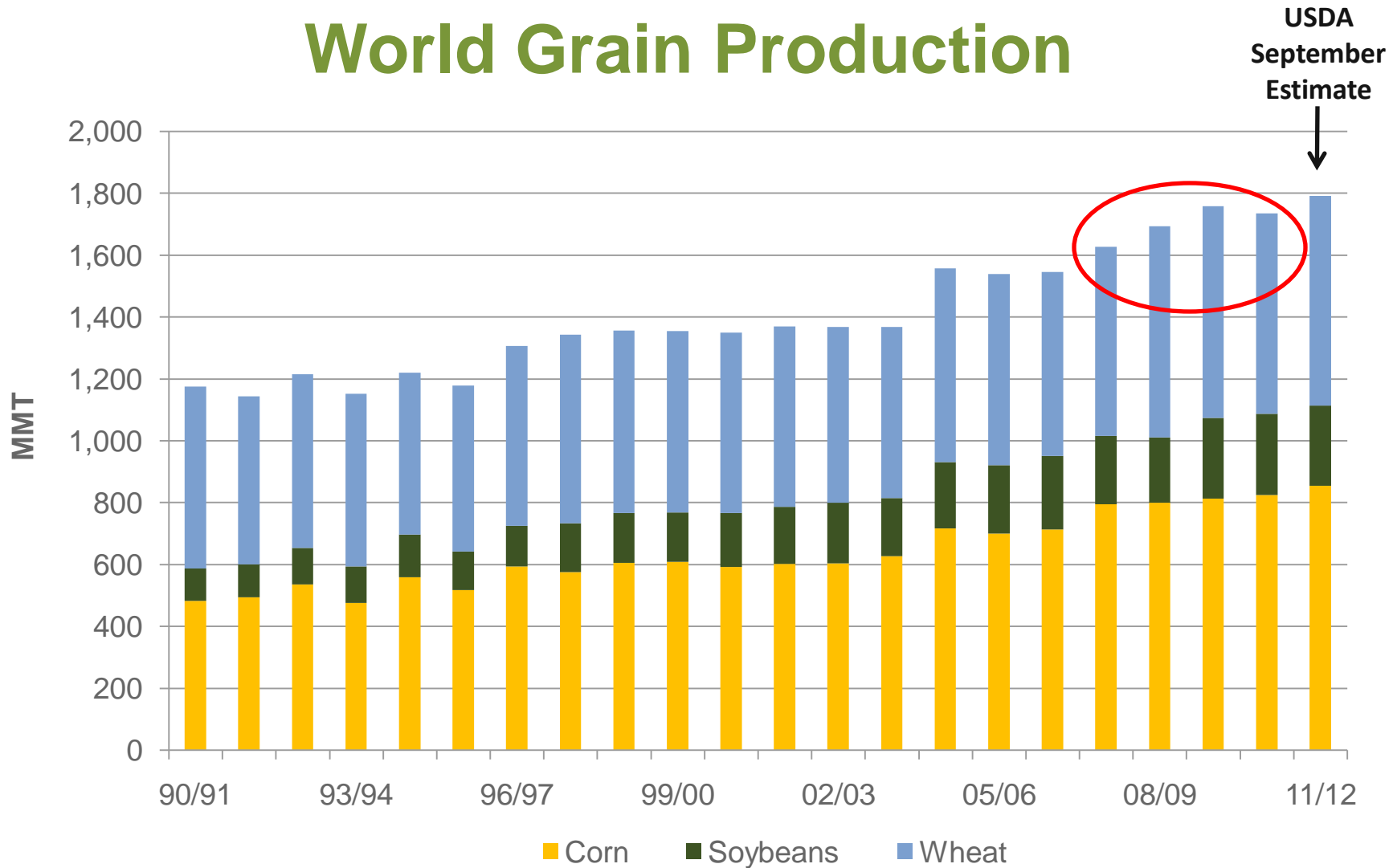
■ Op:861-0, Hi:868-2, Lo:720-4, Cl:725-2



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

World Grain Production



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.



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.

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



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

FINANCIAL TIMES

Published: September 2, 2010

Fears grow over global food supply

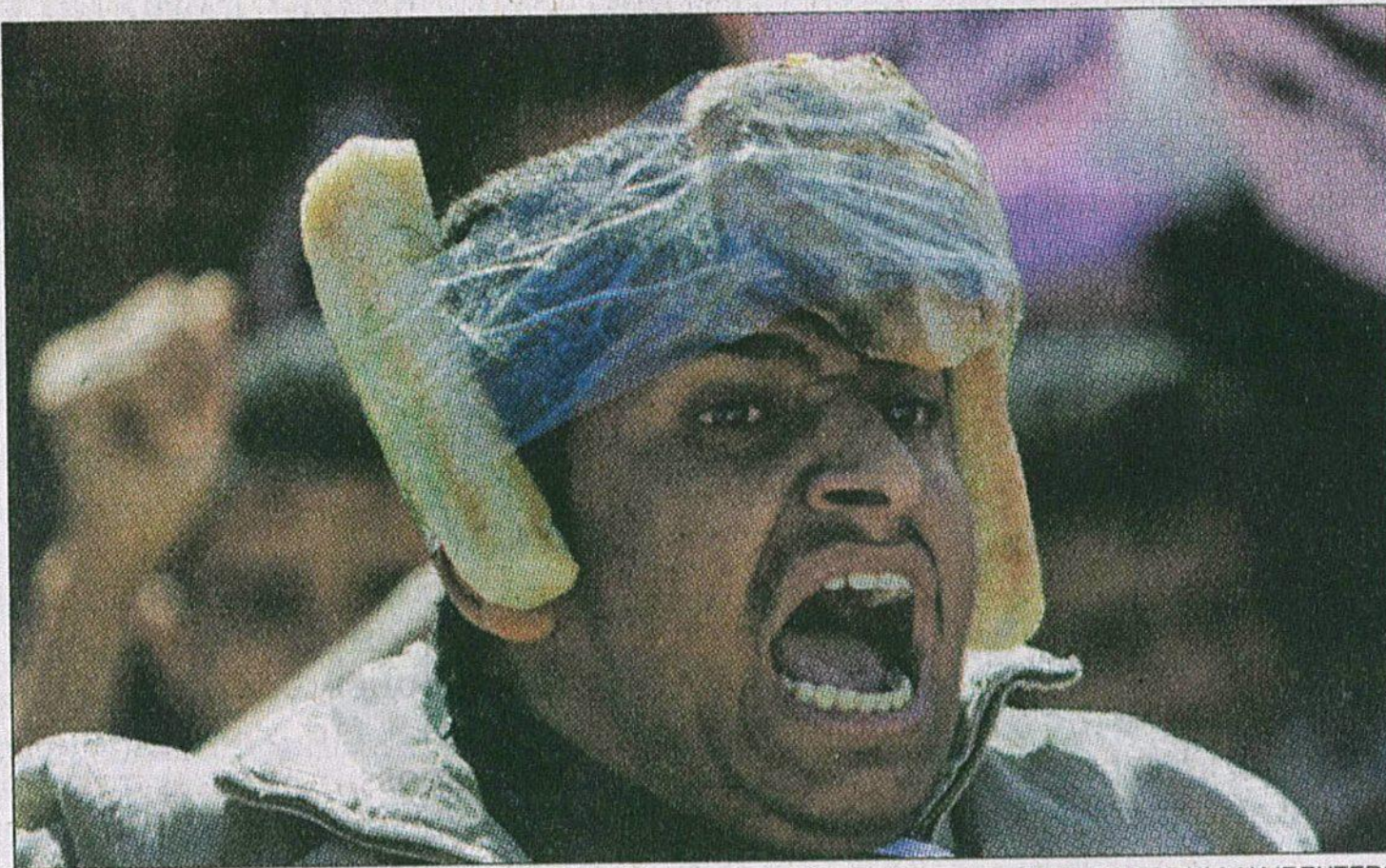


Two days of unrest in Maputo, Mozambique, left seven people dead and 280 injured after the government decided to raise bread prices by 30%



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.



KHALED ABDULLAH/REUTERS

An anti-government protester with pieces of bread taped to his head shouts out slogans. The rival rallies were for the most part peaceful.



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

Chicago Tribune

December 14, 2008

Global grain rush under way as rich nations snap up farmland overseas

THE GLOBE AND MAIL 

January 30, 2009

Wealthy countries want to buy farmland abroad

**The
Economist**

May 21, 2009

Rich food importers are acquiring vast tracts of poor countries' farmland



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

Bloomberg

February 3, 2011

Asia, Middle East Target Ukraine Farms to Secure Supplies

Bloomberg

July 9, 2011

South Korea to expand overseas farming on rising food costs



July 29, 2011

China increasing investment in South American agriculture

Buying farmland abroad seems logical... but will not guarantee food security

- Where will you store the harvest?
- Whose inland transportation will you use?
 - Roads? Railroad tracks? Waterways?
- Whose export facilities will you use?
- Will the country of origin tax or outright forbid grain movement or exports?

***The importing country will have absolutely
no more control over supply lines.***



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

Don't just treat the symptoms

Proposed G20 policies:

- Improved regulation for commodity financial markets. Defining a common set of rules for all commodity and financial markets.
- Increased transparency for physical commodity markets. Specifically, addressing the lack of reliable international data concerning supply and demand trends on commodities markets.
- Better prevention and management of food crises. Developing strategic and emergency food stocks to prevent and deal with food crises.
- Stronger hedging instruments to provide better protection for the poorest populations against excessive price volatility. Exploring ways in which the poorest countries could use financial insurance instruments to protect themselves from price hikes.



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

Real food security is possible with:

- Open Markets
- Better Market Infrastructure
- Less Government Corruption
- Less Government Interference in Individual Economic Freedom and Opportunity
- Less Government Involvement in Market Prices and Trade
- Rule of Law
- Security of Investment
- Adopting New Technologies

Focus on these strategies first!



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

Foreign Ownership of U.S. Farmland *next to nothing...*

3.6 million acres . . . <1% of U.S. cropland

Foreign Investment in U.S. Agriculture *substantial...*

- Columbia Grain – Exports almost 30% of wheat from the PNW
- United Grain – \$72 million expansion of export facility
- EGT – Three shuttle-loader grain facilities and an export facility
- CGB Enterprises – More than 60 grain elevators and terminals
- Interstate Grain – Owns export grain elevator in TX



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

Don't compete with farmers...rely on them!



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

Invest in Sustainable Technology

- How to produce more with less
- Science-based assessments
- Biotechnology
 - Reduced total pesticide use
 - Reduced energy use
 - Reduced soil erosion
 - Carbon sequestration
 - Greater production and greater security of production
- Workable registration regimes and tolerance levels for biotech products



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

Your Best Food Security



Relationships with Reliable Suppliers!



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

- **Wheat Import Projections Towards 2030:**
<http://www.uswheat.org/reports>
- **Price Reports:**
<http://www.uswheat.org/reports/prices>
- **Wheat Letter:**
<http://www.uswheat.org/newsEvents/wheatLetter>
- **USW Home Page:**
<http://www.uswheat.org>
- **Email:**
info@uswheat.org



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

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!

Alan Tracy

President



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.