View on
Wheat Harvest and Quality
in the Baltic Sea Region

IAOM 2012

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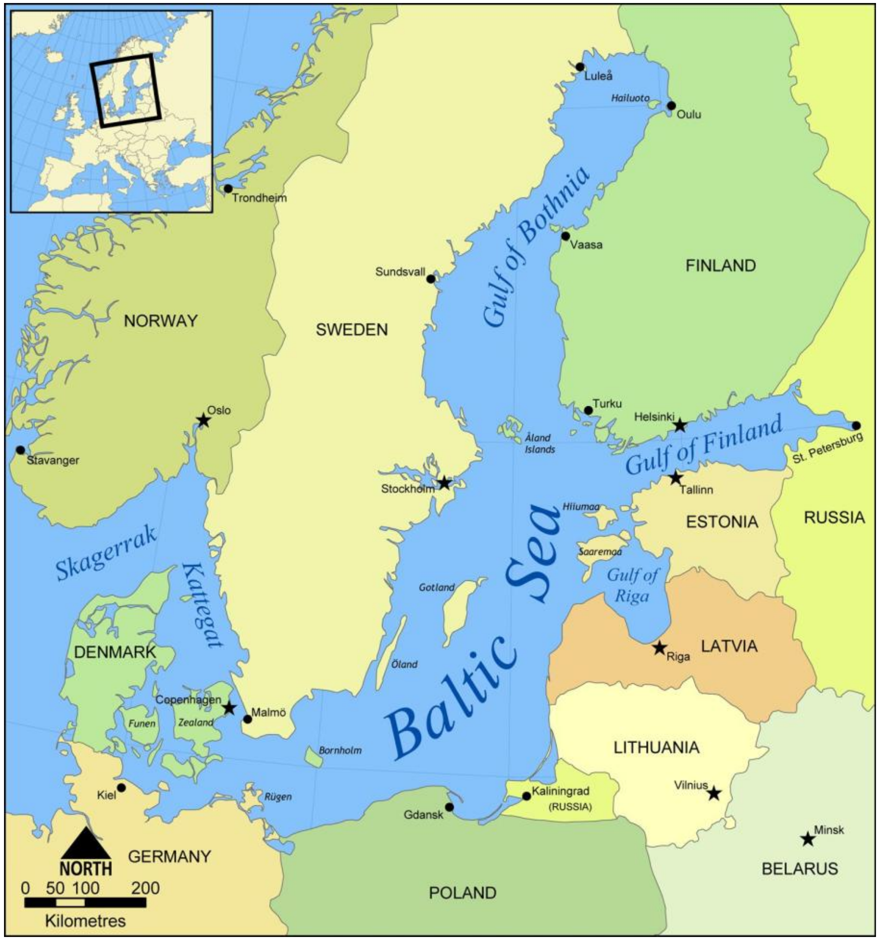
Agenda

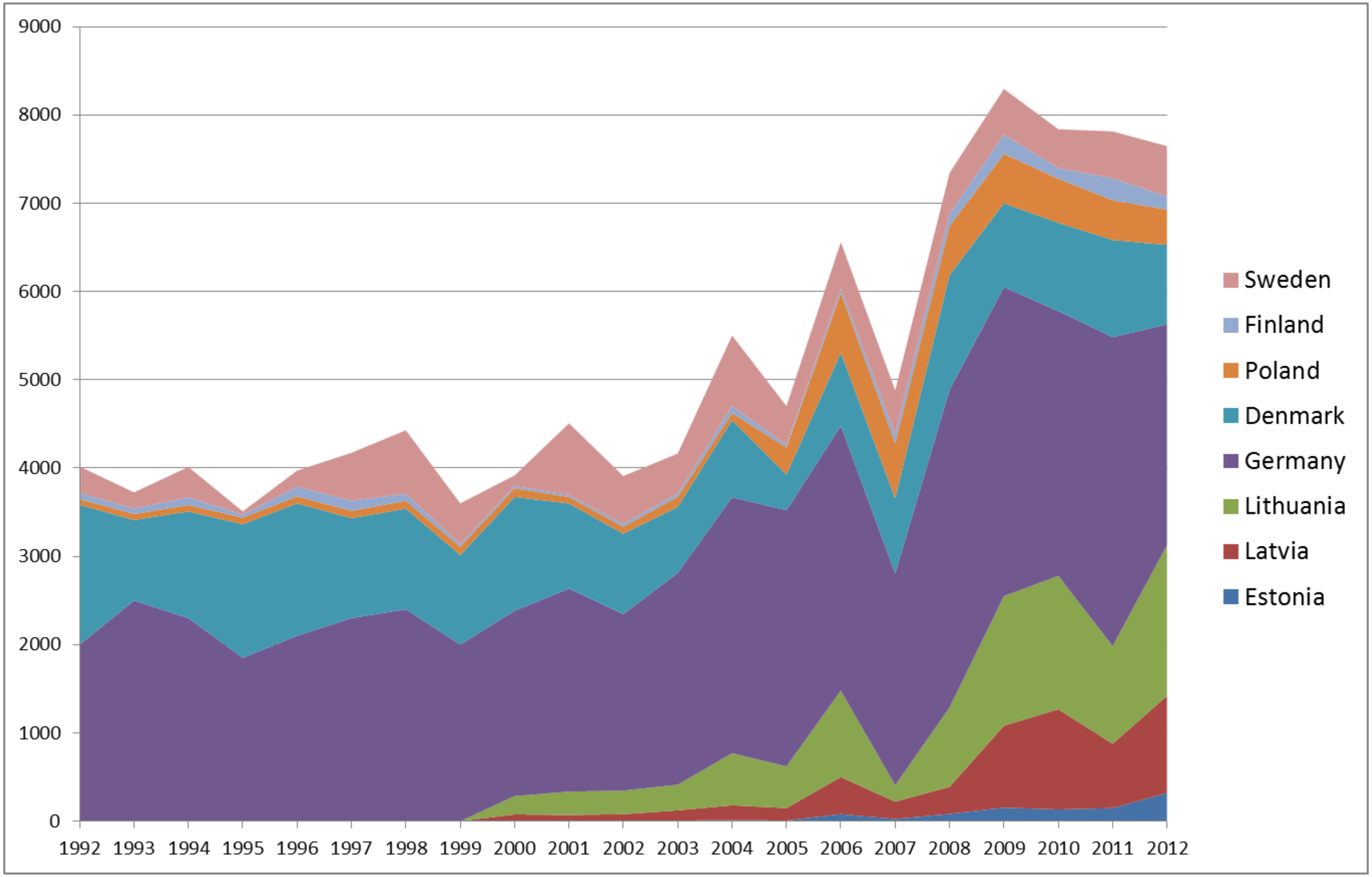
- Baltic Sea Region
- Regional Wheat surplus by country
- Harvest 2012 Quality
- Ports of the Region
- Collect structure for the Region
- Russian & Kazakh export via the Region
- Future prospects

Baltic Sea Region

- Total area under wheat
  - 8 mln ha
- Combined wheat production
  - 47 mio tn
- Combined wheat exports
  - 8,3 mio tn



Wheat Surplus in the Baltic Sea Countries 1992-2012



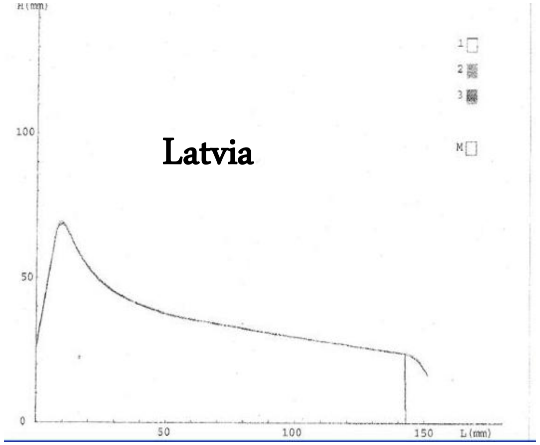
Baltic Sea Quality – Harvest 2012

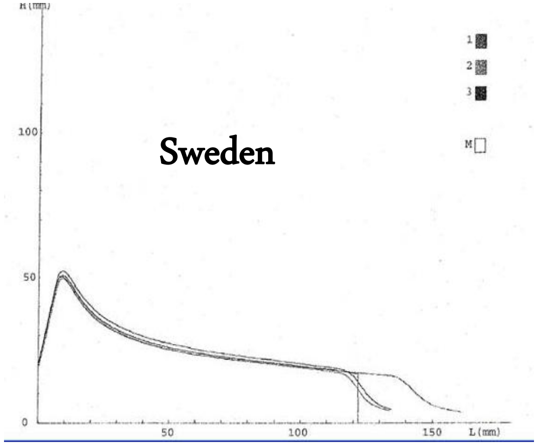
- Cold and wet summer.

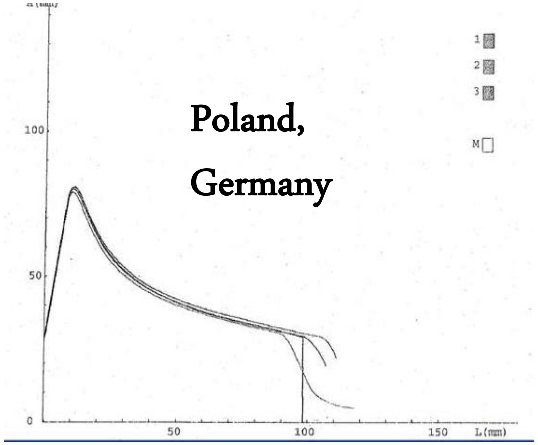
- Harvest delayed by rains – especially in the northen regions.

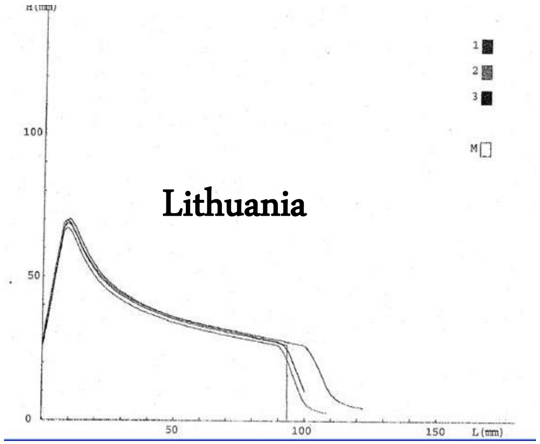
- High average yields
  - Protein levels lower than previous seasons.
  - Higher test weights and kernel sizes

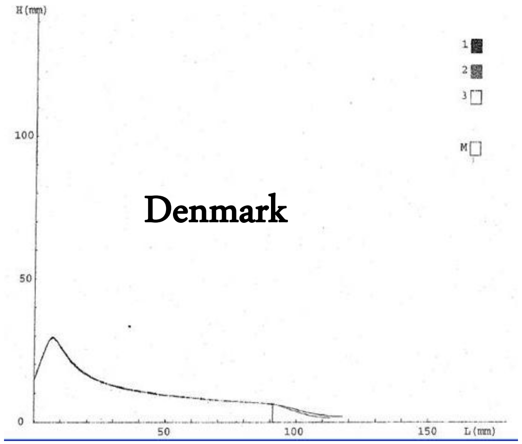
Baltic Sea Wheats by Alveograph

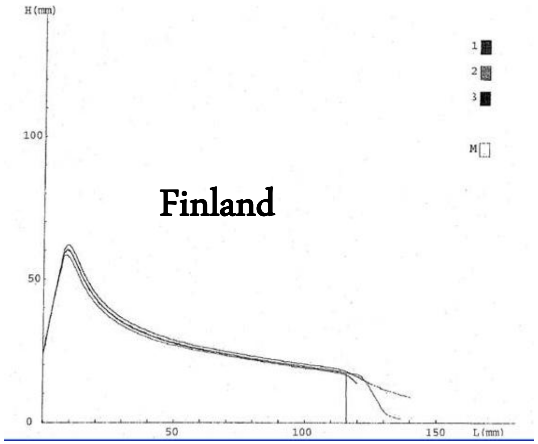












Wheat Quality by Country 2012

Denmark

- Low protein – abt 10%
- Test weight >78 kg/hl
- Moisture <14.5%
- P/L appx. 0.6 – 0.8

Sweden & Finland

- Test weight > 80 kg/hl
- Protein content: 11,5% - 13,5%
- Moisture 12.5% - 13.5%
- P/L 0.2 – 0.4
- Very high W, Hagberg & Gluten

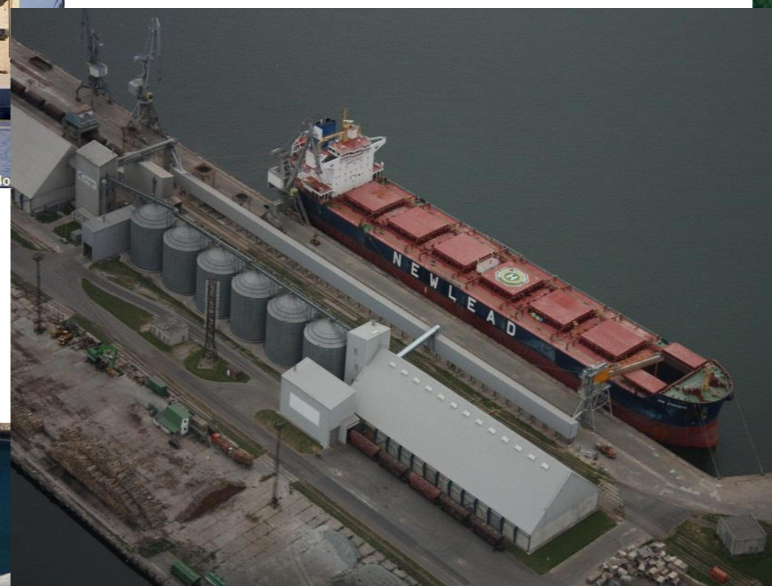
The Baltics

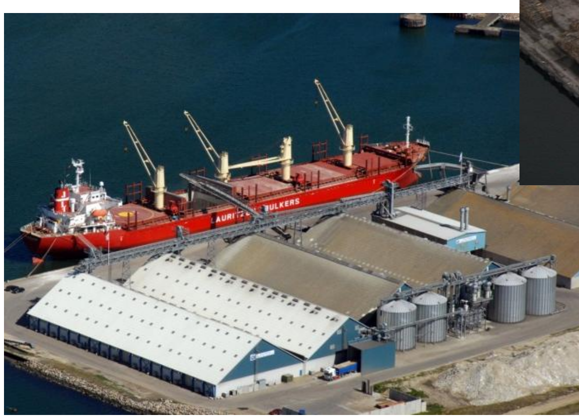
- Moisture 12.5% - 13.5%
- Protein 11.5% - 14%;
- Test weight 79-80kg/hl
- good W, Hagberg and gluten

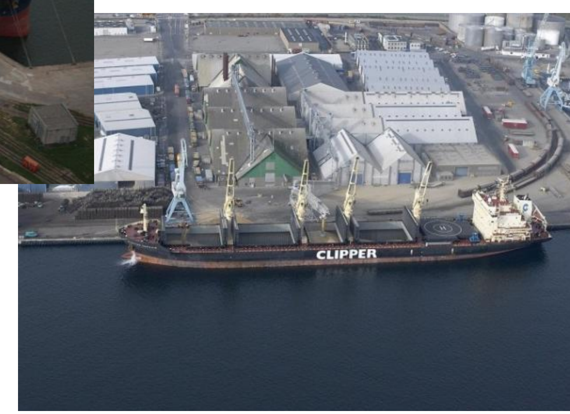
Poland/Germany

- Protein 12% - 14%
- Moisture <14,5%
- Test weight 77-79 kg/hl
- High W, Hagberg & Gluten

Main ports







COPENHAGEN MERCHANTS Baltic Grain & Feed CEREAL MERCHANTS **Kalundborg / Fredericia / Aalborg / Grenaa/ Baine Bulk Terminal** DANSTORE GBT ecs

Ports

- There are 11 high speed & efficent panamax ports in the Baltic Sea plus numerous ports suitable for loading Handies.

- During recent years there have been massive investments made into grain terminals in the Baltic States and Poland to meet increased demand in the future.

- All Baltic Sea ports provide preservation of identity – same goods which are delivered into the port are also loaded on the vessel on behalf of the same shipper.

Structure of Baltic Exporters

- Relatevily few companies handling big volume.

- Mostly 2 structures:
  - Collectors
  - Coops

- Safe trading environment – no defaults in the area.

Russian & Kazakh Wheat Through the Baltic States' Ports

- There has been a constant flow for Russian/Kazakh grain through the Baltic ports for the last 5 years.
- The handling capacity in the Baltic States' ports is 10 mio tn annually, less than half of this is used for local exports.
- Freight spread between the Baltic and the Black Sea ports for panamaxes is 2-4 USD/mt.

The Future

Future Devlopments

- Estonia, Latvia & Lithuania still have more than a million hectares of unused agricultural land, this will increase their grain surplus in the future by ca 5 mio tn.

- Abt 75% of the wheat surplus today is shipped to North African and Middle Eastern countries: Morocco, Algeria, Saudi Arabia, Iran, etc. We expect this volume to increase further.

- Due to increasing volumes, the Baltic exporters will need to find new markets in the future.

- Due to low freight difference between the Baltic Sea and the Black Sea and lower loading costs we see an increasing trend for Russian/Kazakh grains moving through the Baltic ports.

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Thank you very much

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