

**XVIII Annual International Conference  
“Black Sea Grain and Oilseeds 2012/13”**

**Moscow, Russia  
06 September 2012**

Goris van Lit  
Regional Director  
Europe, CIS countries and Israel



The world's most reliable choice.



## **World Wheat Situation and its Future Role in the Commodity Mix**



**U.S. WHEAT  
ASSOCIATES**

The world's most reliable choice.

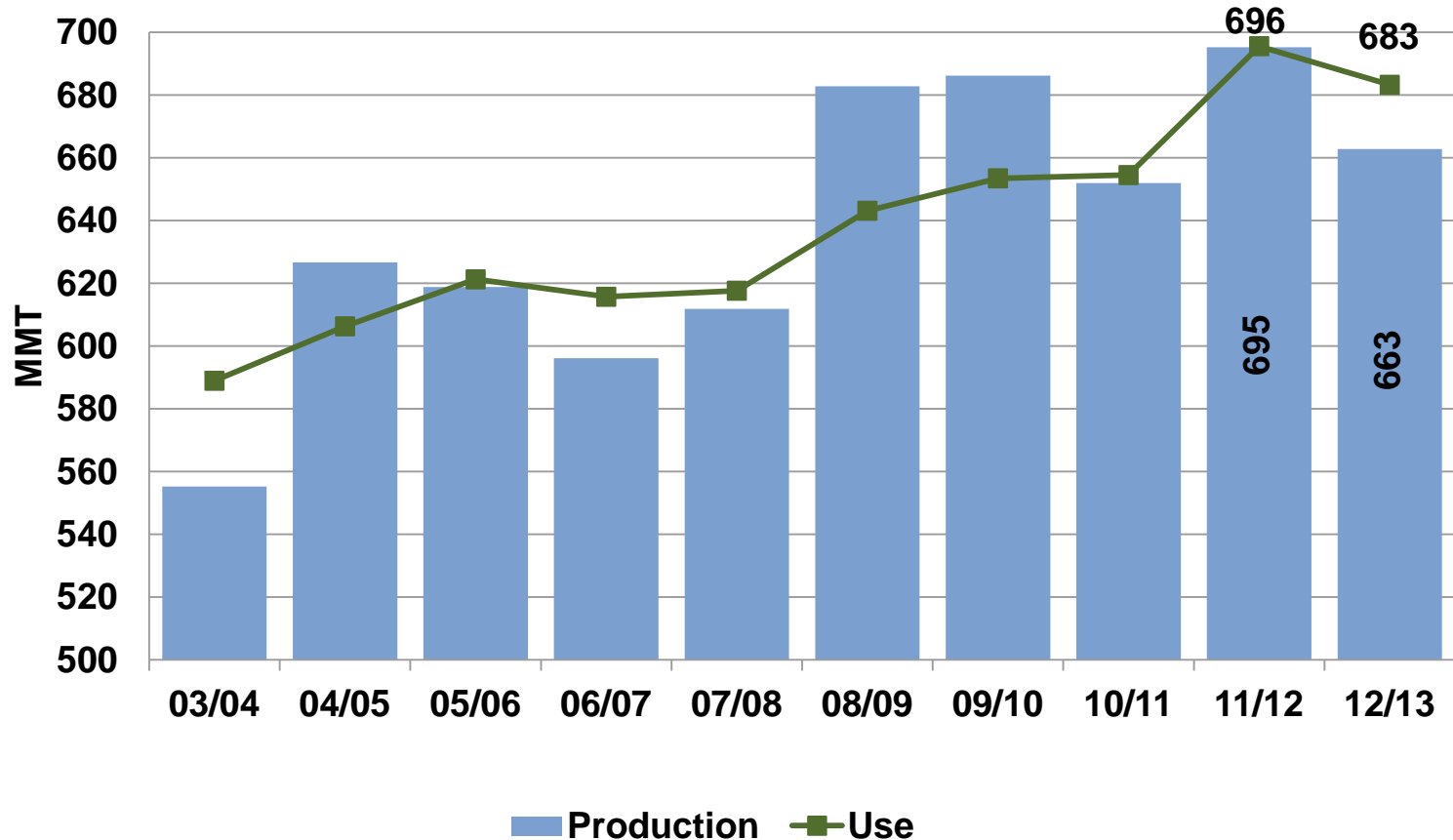
# 2011, higher breadprices fueled unrest in North Africa and the Middle East



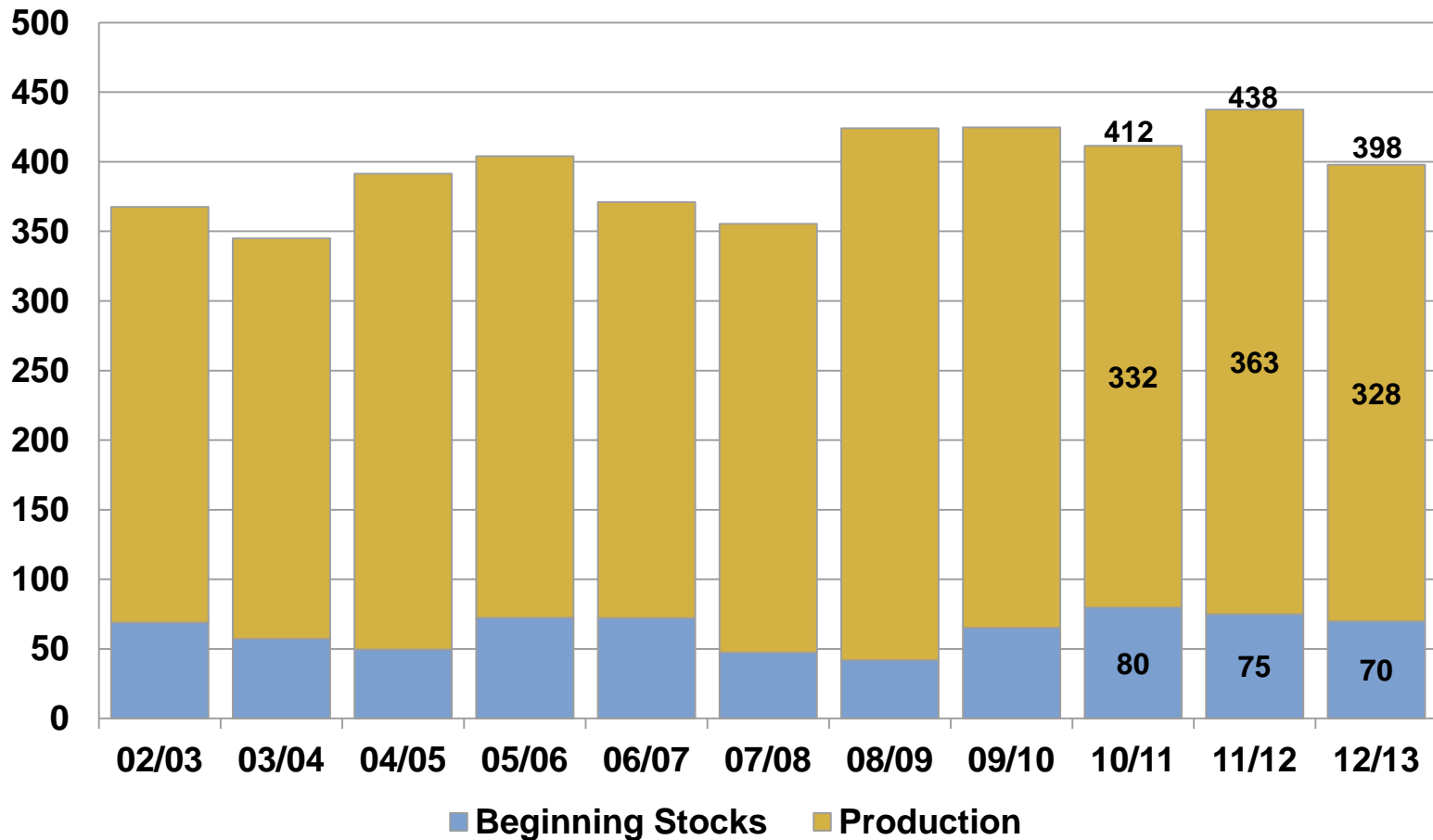
**2011/12 Increase in wheat feeding with 15%.  
2012/13 wheat prices are still floating on top  
of the corn prices.**



# World Production and Use



# Supplies in Top Exporting Countries\*



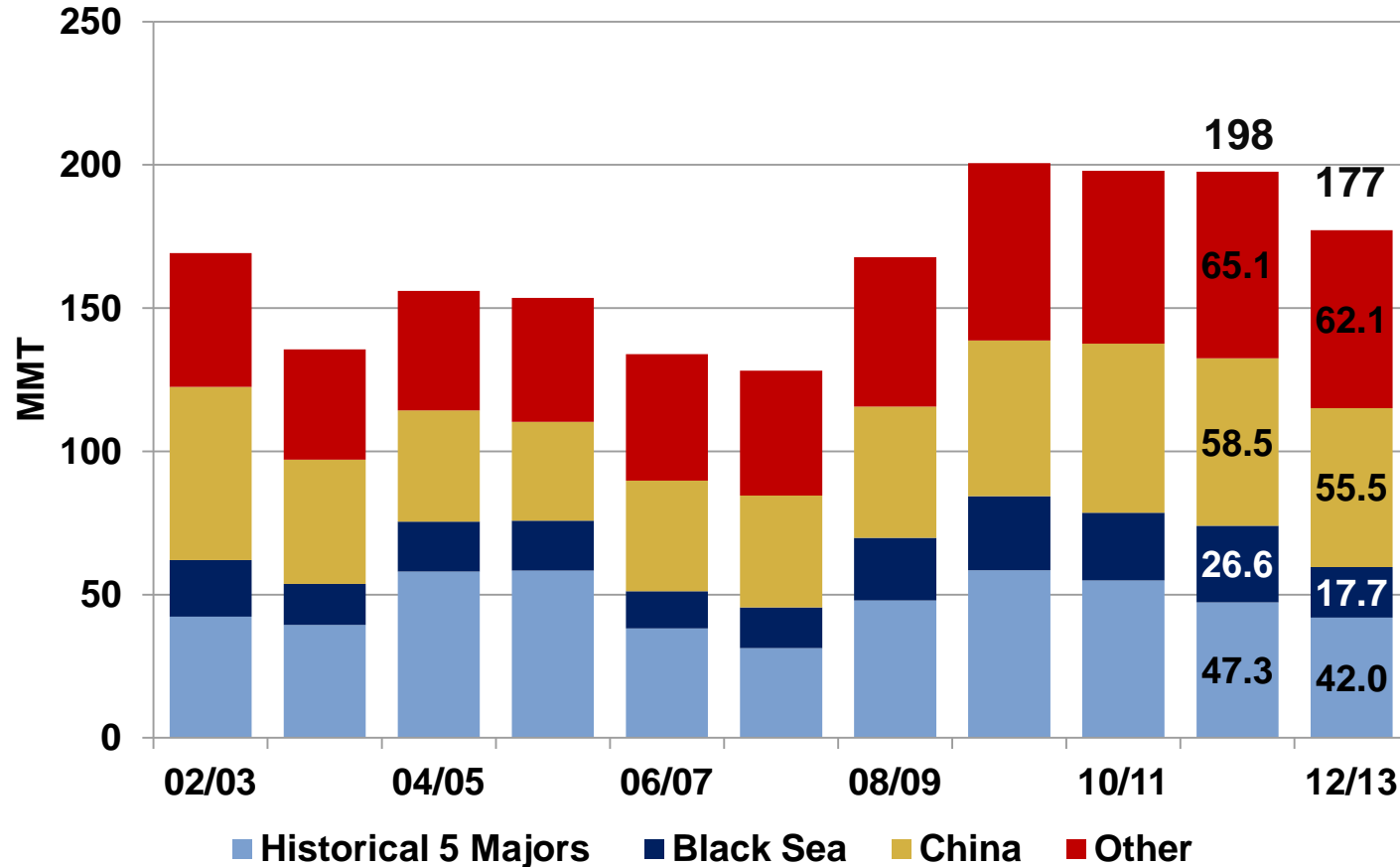
\*Includes U.S., Canada, Australia, Argentina, EU-27, Russia, Ukraine, and Kazakhstan



U.S. WHEAT  
ASSOCIATES

The world's most reliable choice.

# World Ending Stocks



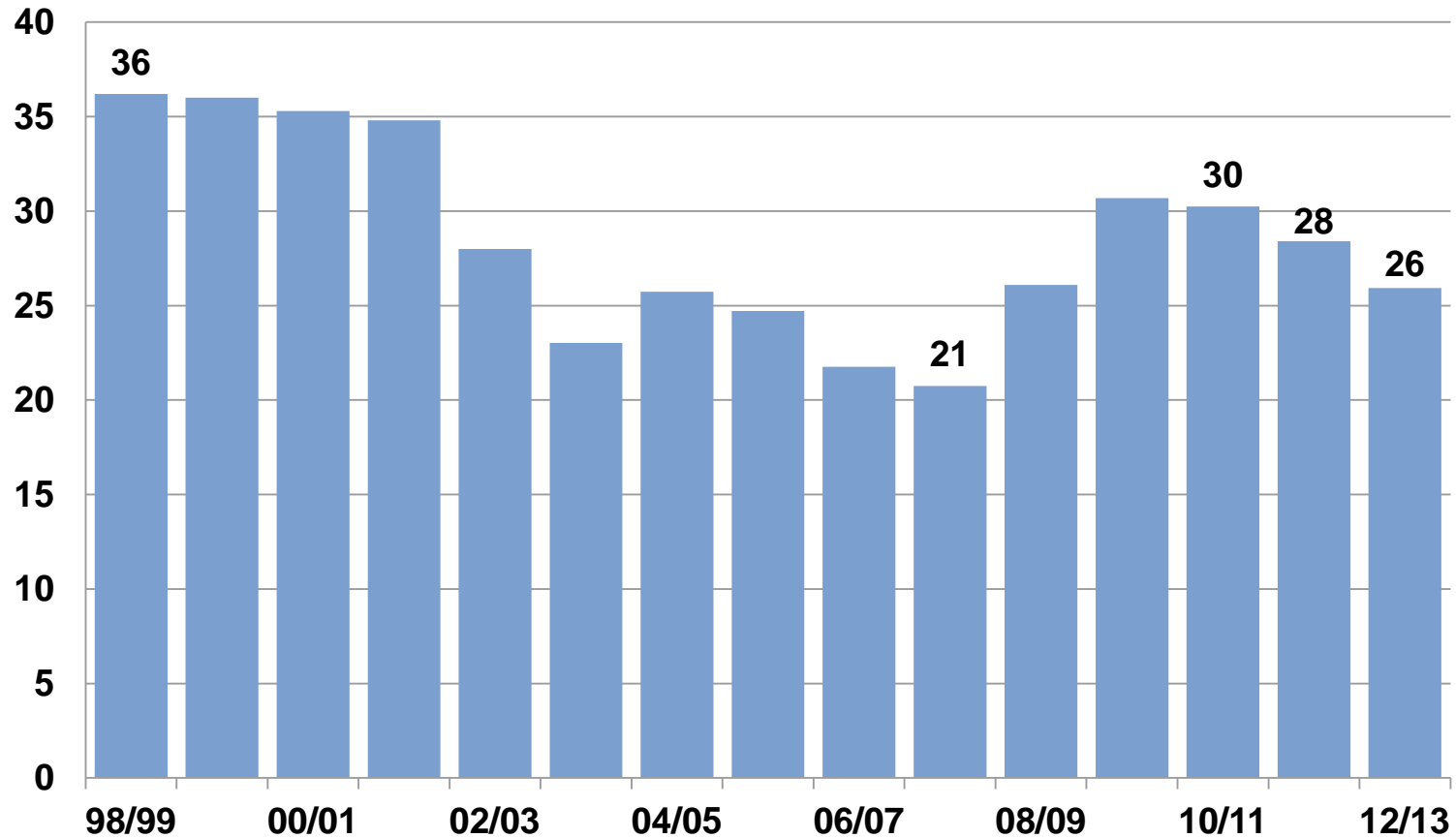
*Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU-27.  
Black Sea includes Russia, Ukraine, and Kazakhstan.*



**U.S. WHEAT  
ASSOCIATES**

The world's most reliable choice.

# Global Stocks\*-to-Use Ratio



*\*Ending stocks*

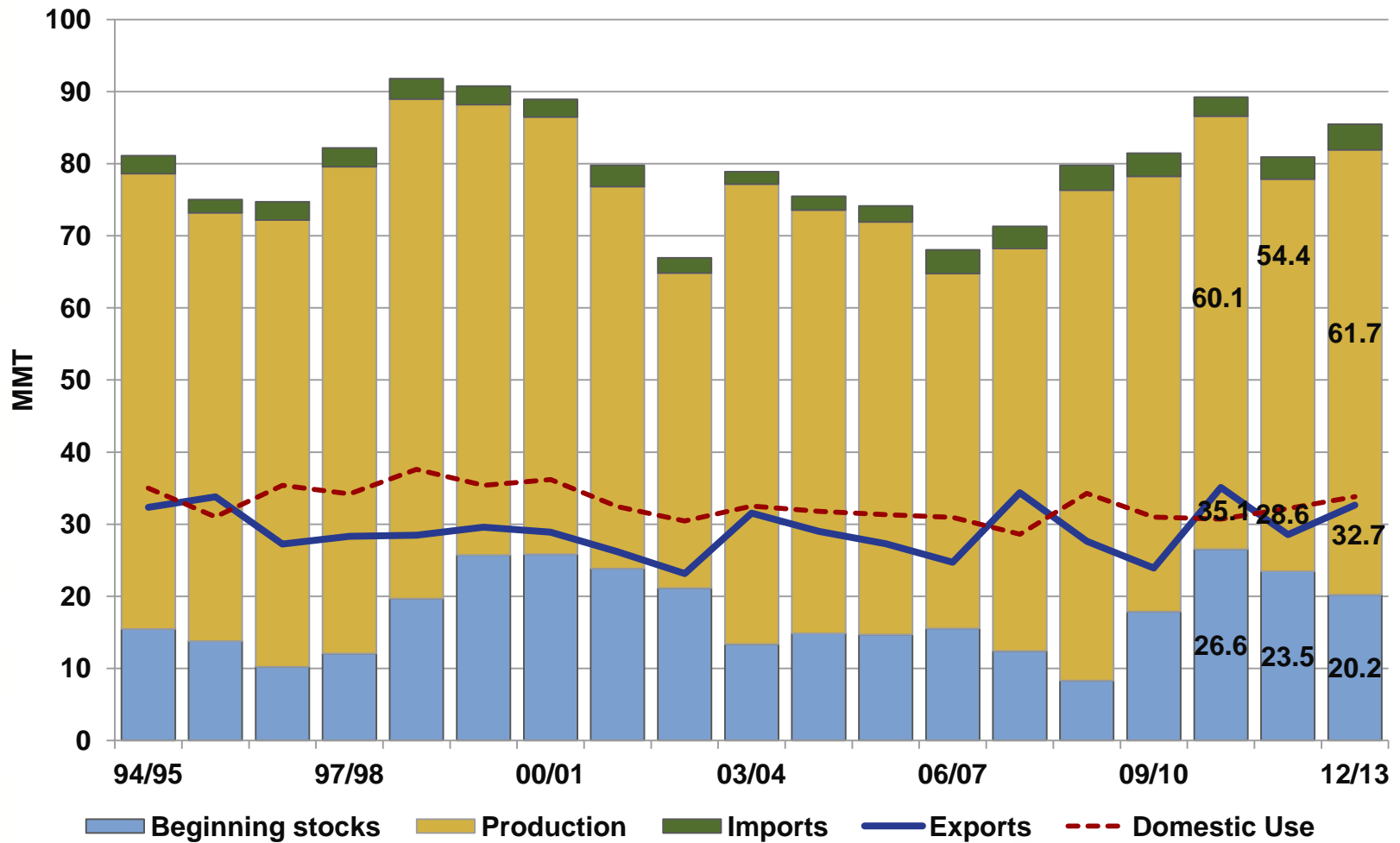


U.S. WHEAT  
ASSOCIATES

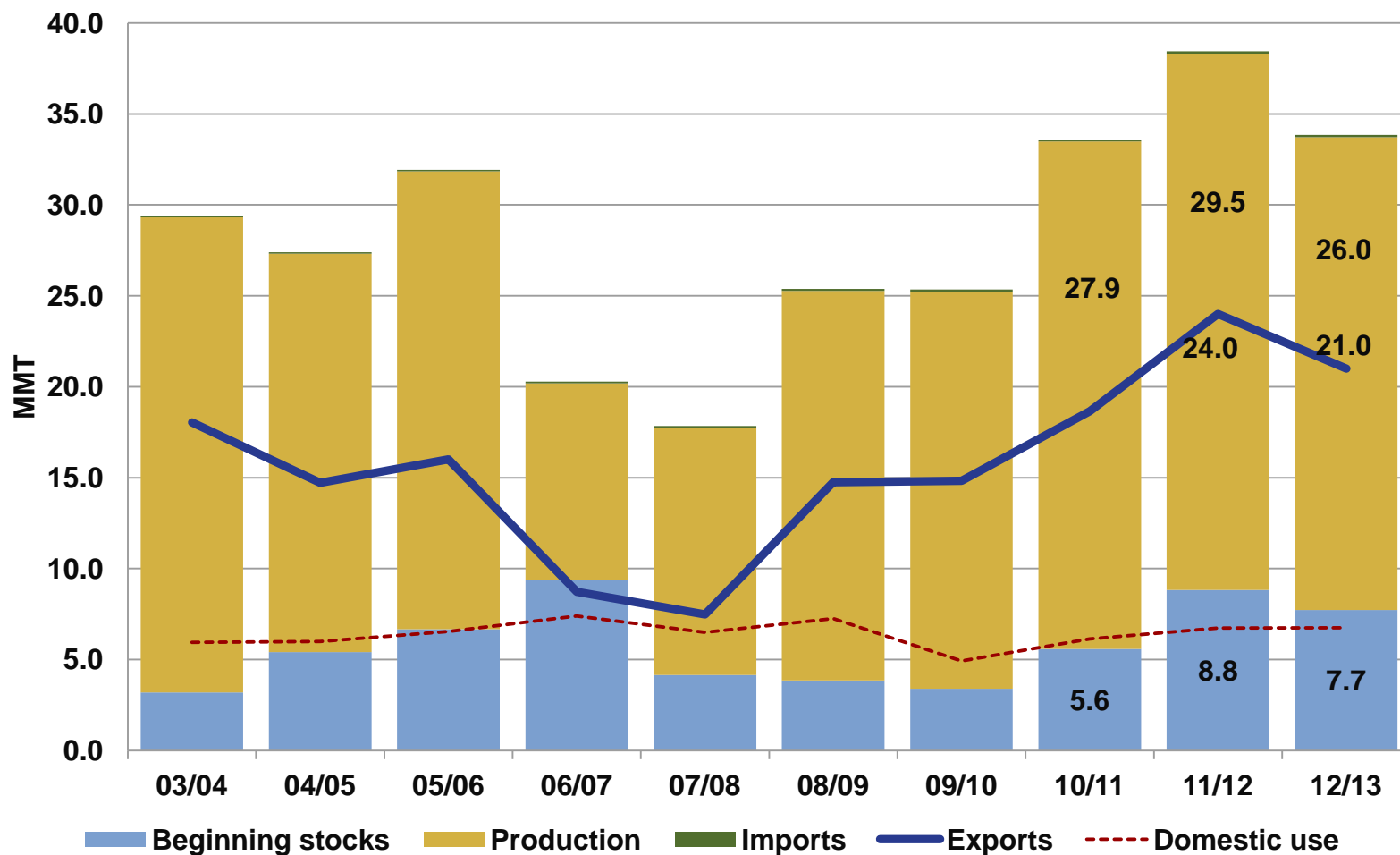
The world's most reliable choice.



# U.S. Situation



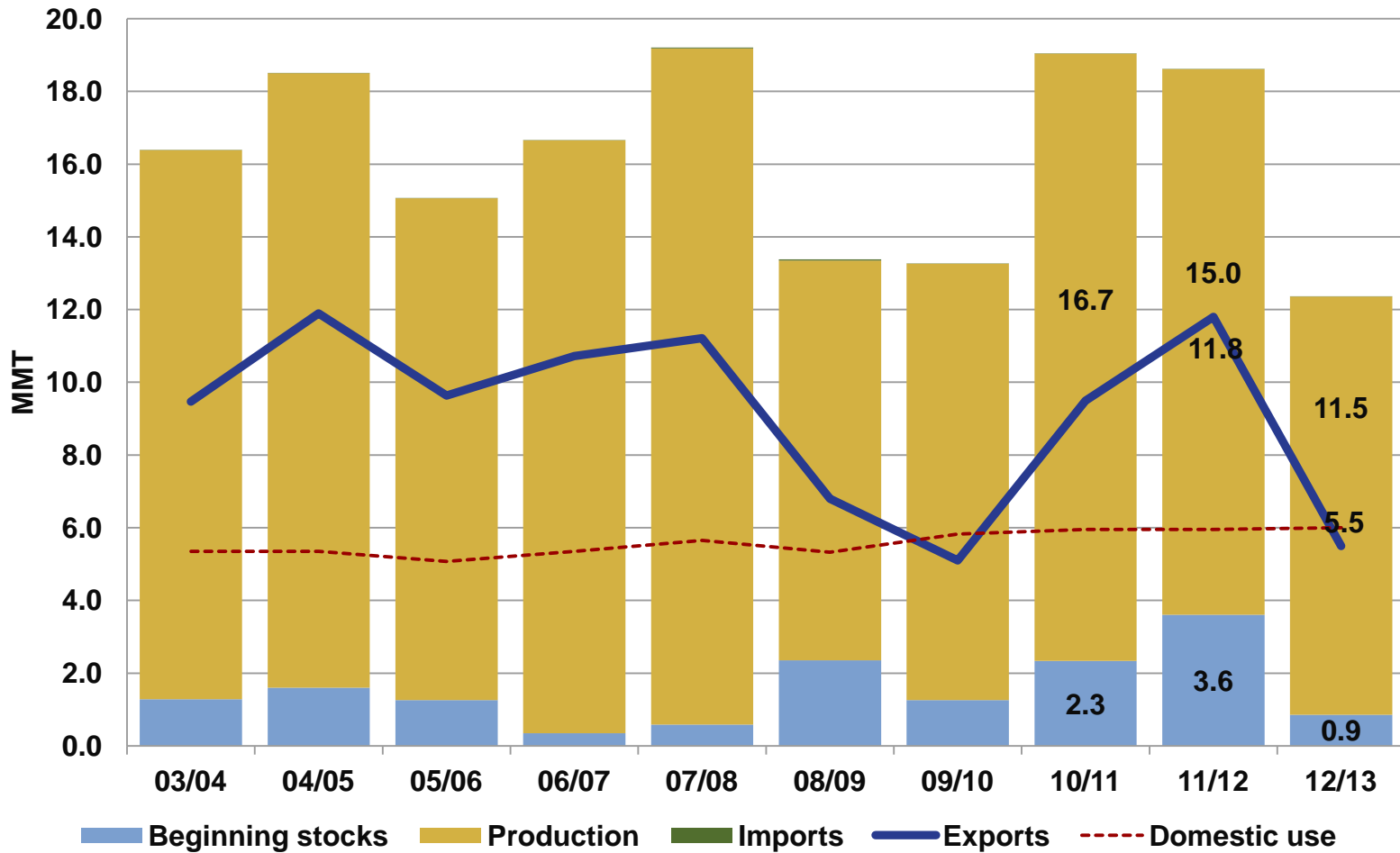
# Australia Situation



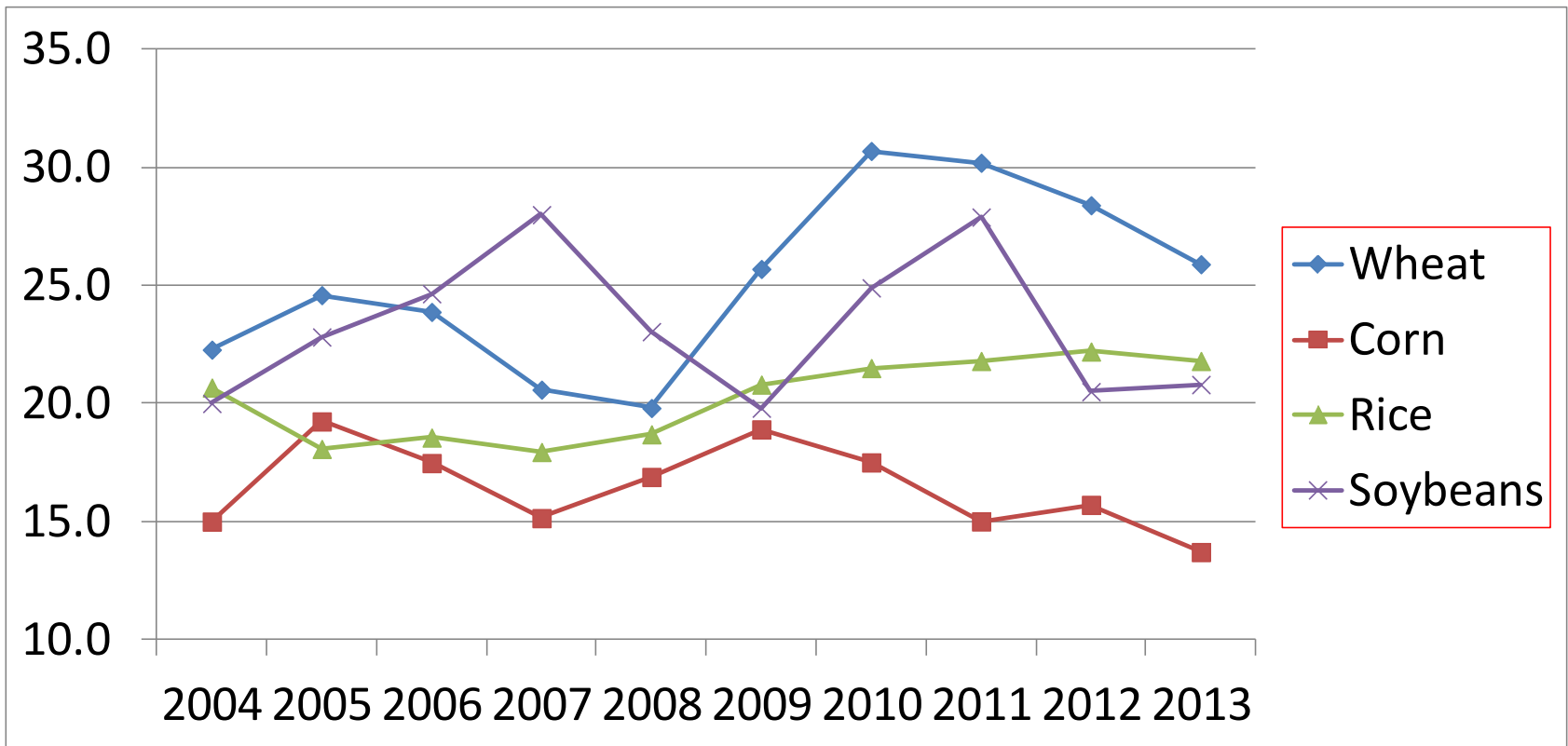
**U.S. WHEAT ASSOCIATES**

The world's most reliable choice.

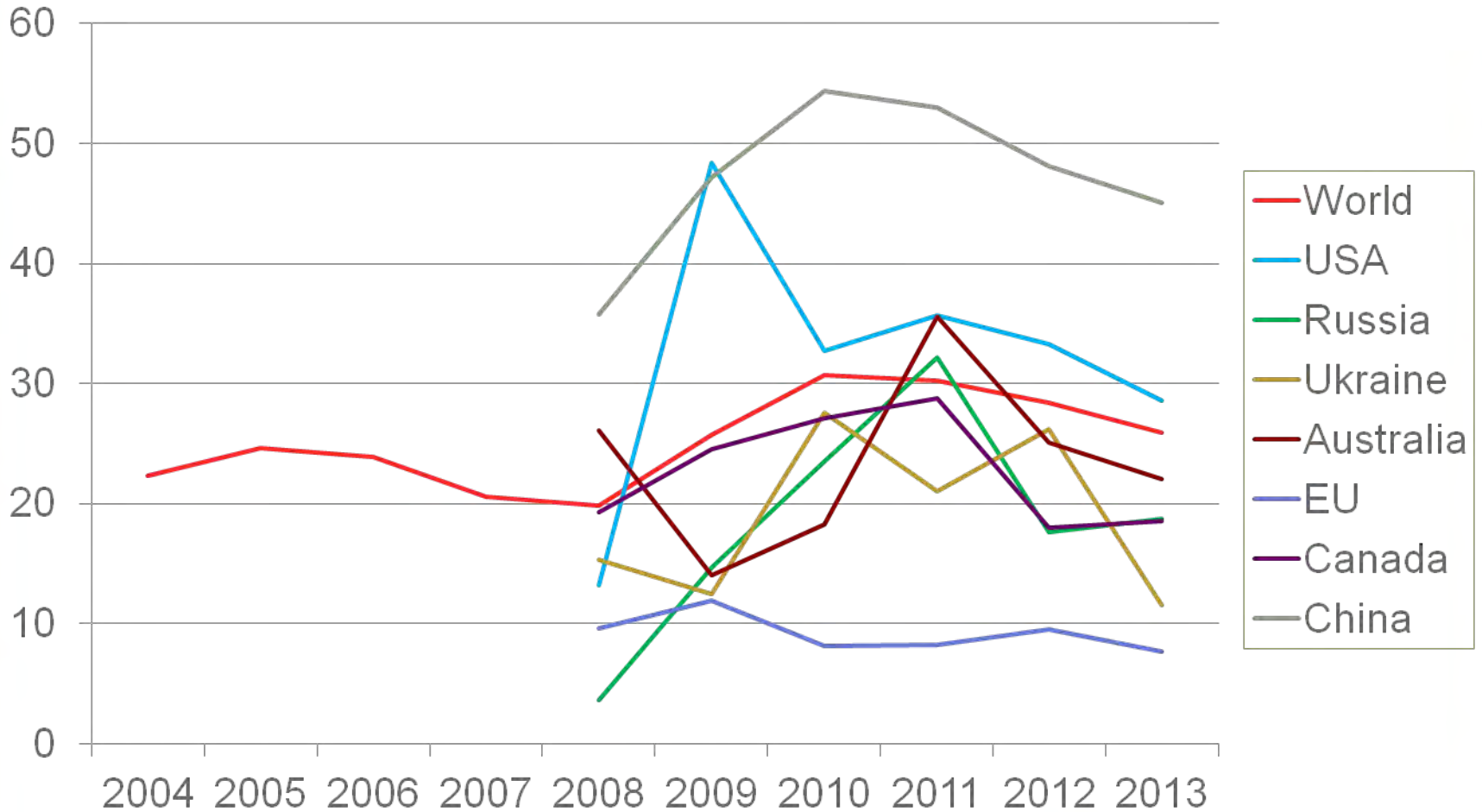
# Argentina Situation



# World Cross Commodity Stocks to Use Ratio (%)



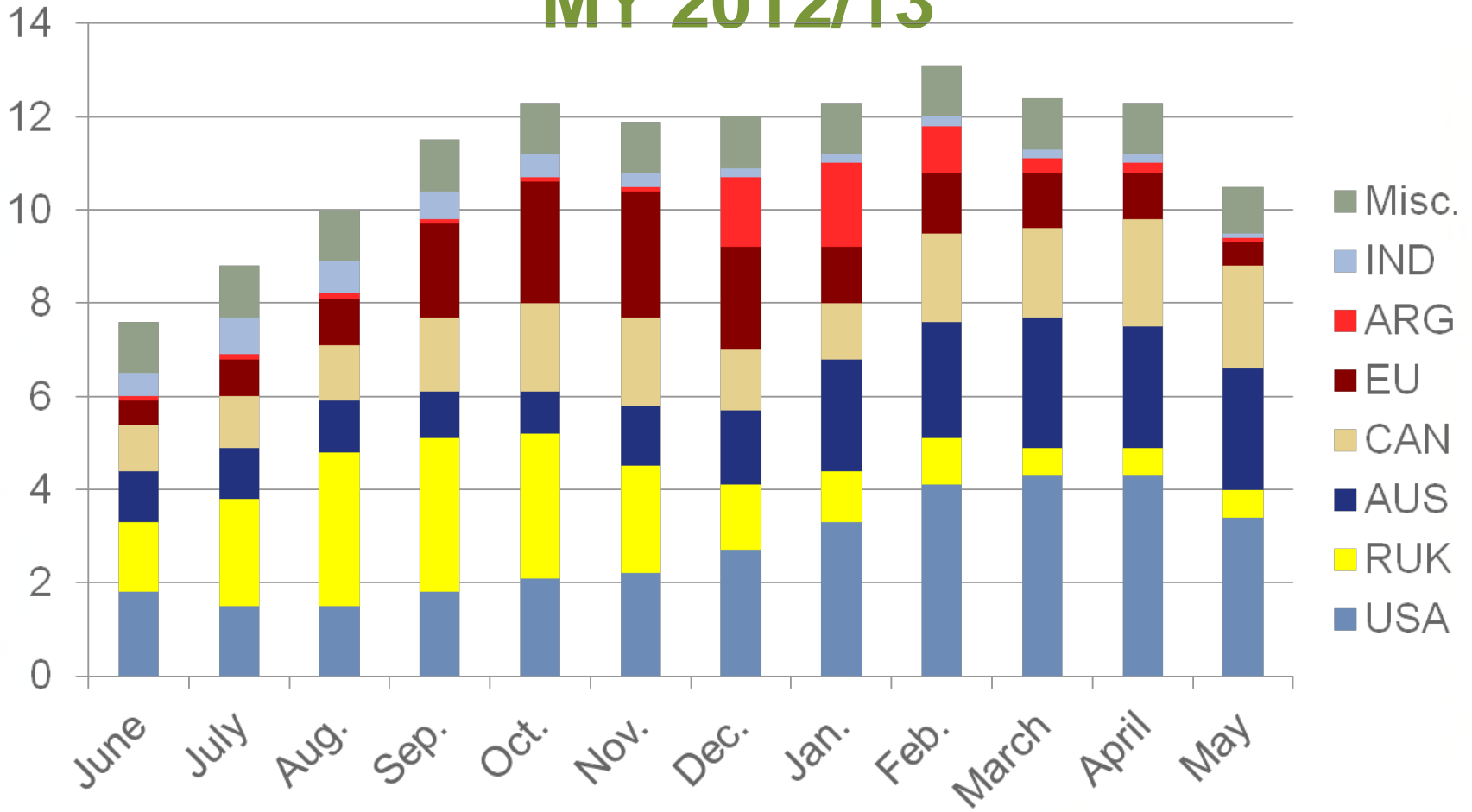
# Wheat Stocks to Use Ratio (%) for selected countries



U.S. WHEAT  
ASSOCIATES

The world's most reliable choice.

# World wheat exports distribution in MY 2012/13



**U.S. WHEAT ASSOCIATES**

The world's most reliable choice.

# Remarks on the previous slide on global wheat export distribution;

- Input numbers are based on current perceived supply and demand outlooks.
- No major government interference in global grain markets will be expected.
- Price developments in local markets will steer export volumes and will maintain a liquid local supply.
- Export markets will have reliable and transparent sources for their grain imports.
- There are still plenty other variables left to change this distribution outlook.



U.S. WHEAT  
ASSOCIATES

The world's most reliable choice.



**Wheat is not the most profitable crop. In many countries corn, oil seeds, potatoes and sugar beets are better money makers.**



The world's most reliable choice.



# Why will a Farmer grow Wheat ?

- To make a living, earn money.
- It is the crop of his expertise or liking
- Fits in his rotation with other crops, for;
  - Soil management
  - Time and risk management in farm operation
  - Possibility for double cropping.
- Climate and soil.
- Favorable subsidy scheme
- Mandated crop
- Wheat is still a profitable crop

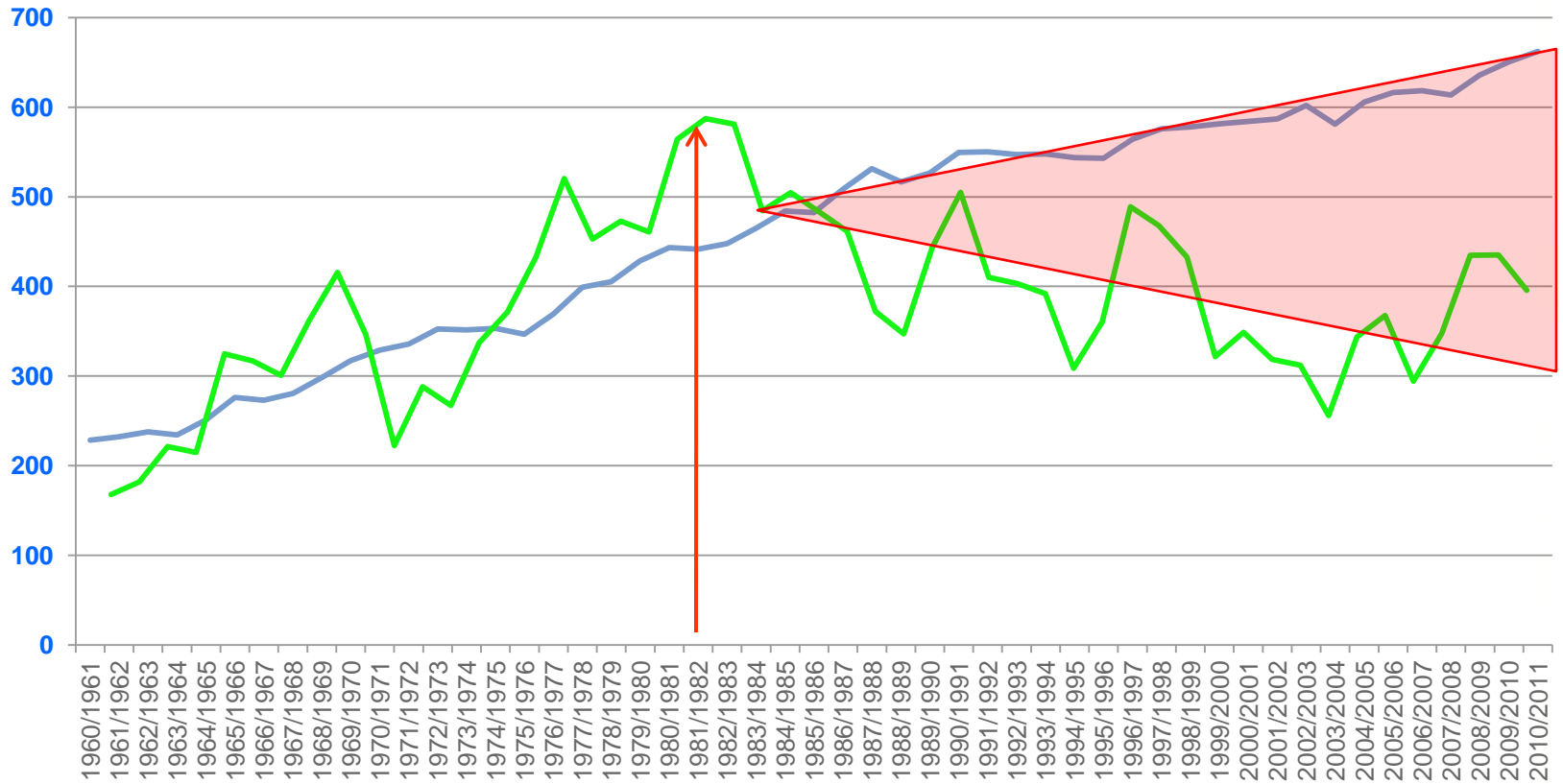


U.S. WHEAT  
ASSOCIATES

The world's most reliable choice.

# World Wheat Consumption vs. Land Area

Million MT



Wheat Consumption (MMT)

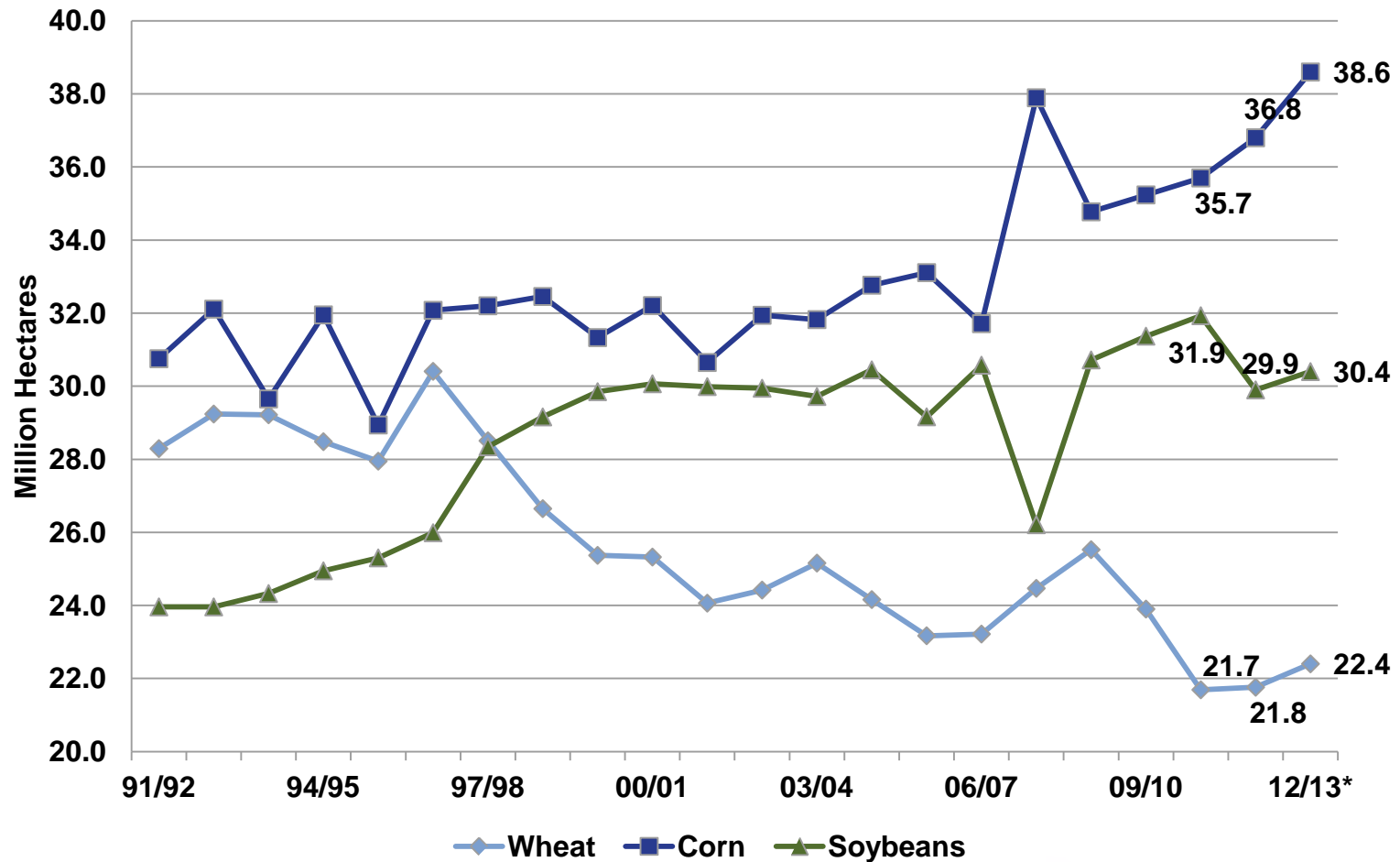
Harvested Area (MHA)  
(without scale)



U.S. WHEAT  
ASSOCIATES

The world's most reliable choice.

# U.S. Crop Planted Area Comparison



\*Source: USDA Acreage Report, June 29, 2012

Wider acceptance of **biotech (GMO)** will fuel similar shifts in the commodity mix as has happened in the USA.

- In the EU corn acres will take over wheat acres when GMO corn would be accepted for propagation. Feed compounders and bio fuel producers would embrace corn.
- Russia and the Ukraine will further become more diversified grain producers.

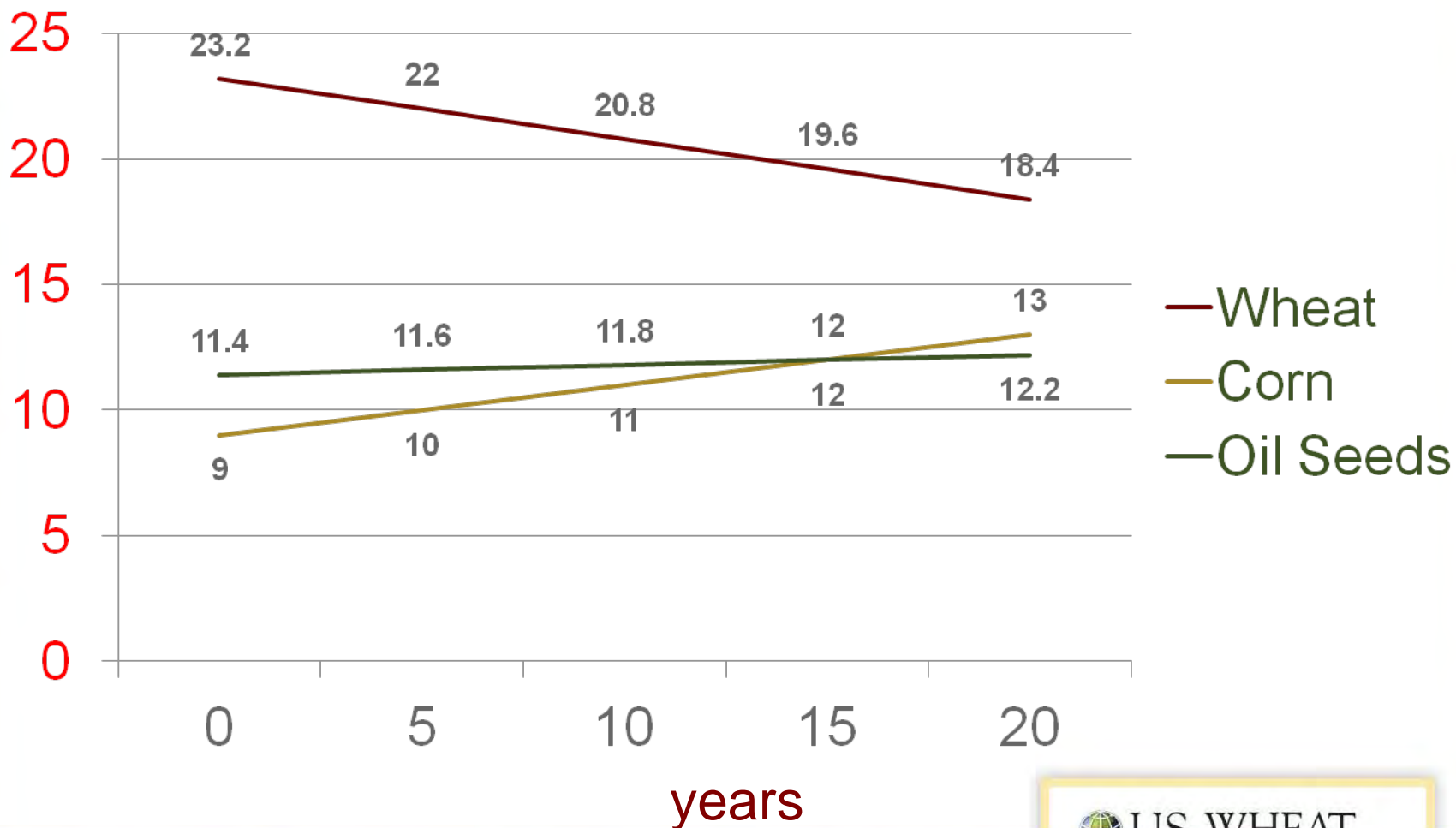


U.S. WHEAT  
ASSOCIATES

The world's most reliable choice.

# Theoretical commodity dynamics in the EU after introduction of biotech corn and oil seeds.

**In Million Hectares**

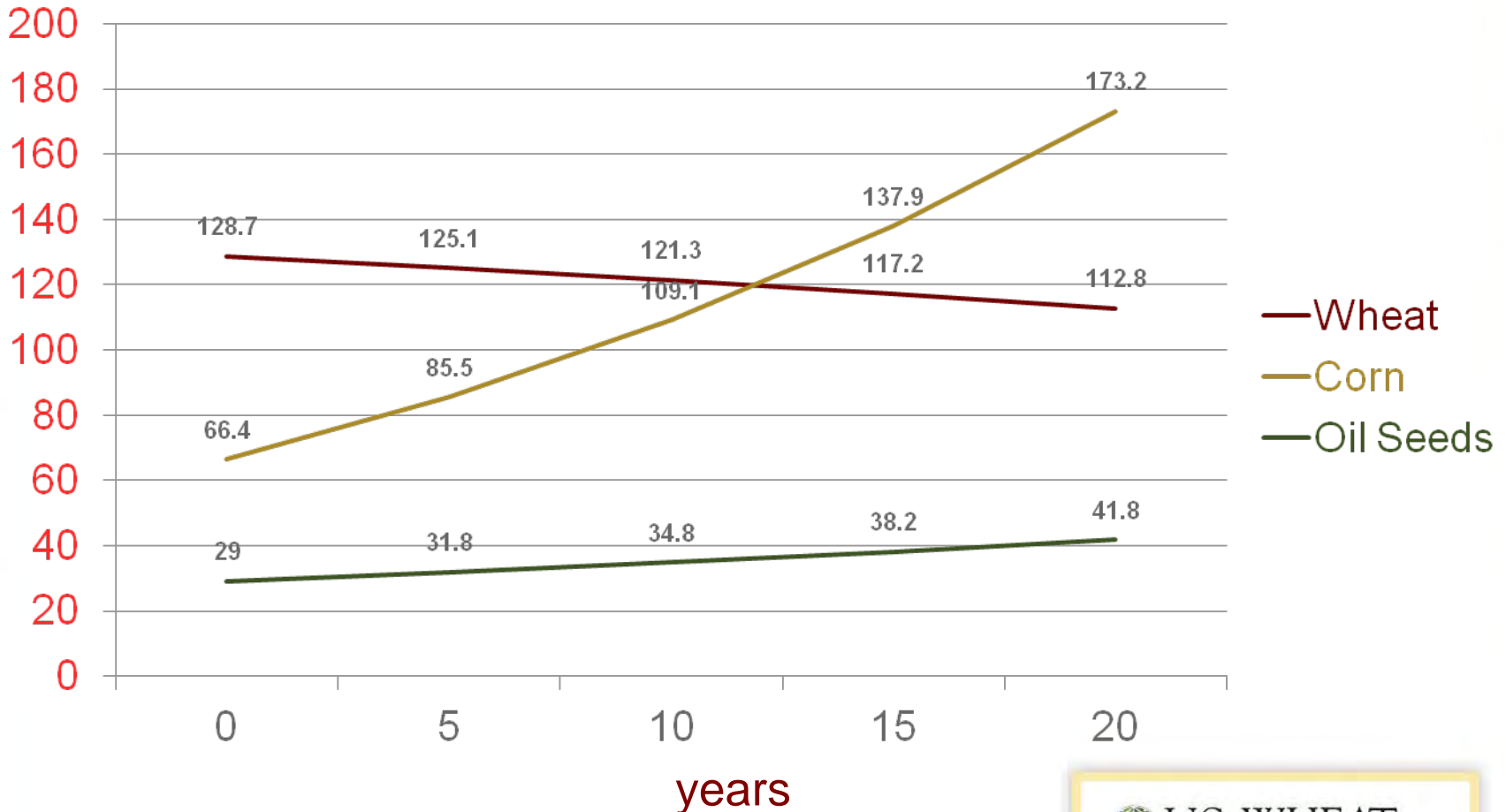


**U.S. WHEAT  
ASSOCIATES**

The world's most reliable choice.

# Theoretical commodity dynamics in the EU after introduction of biotech corn and oil seeds.

In Million Metric Tons



U.S. WHEAT  
ASSOCIATES

The world's most reliable choice.

## When arriving, can biotech wheat defend its wheat acreage?

- Not entirely as corn will remain to produce more grain per hectare than wheat.
- The improved agronomics of biotech wheat will make wheat a more consistent producer.
- Traits like drought tolerance, disease resistance and better nutrient uptake will give the farmers an overall larger and more homogeneous quality wheat crop.



U.S. WHEAT  
ASSOCIATES

The world's most reliable choice.

Thank you for your Attention  
[www.uswheat.org](http://www.uswheat.org)

