

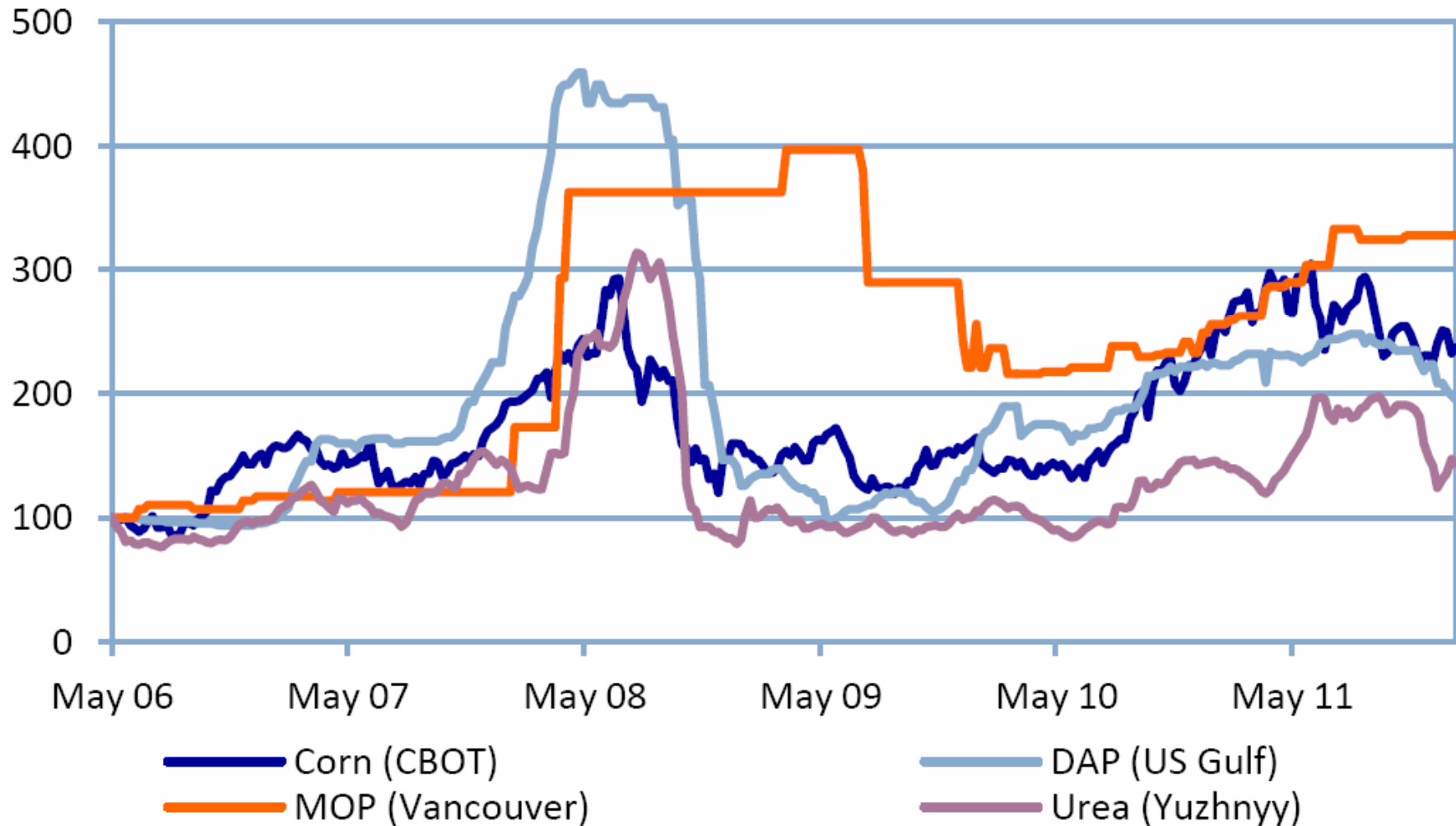


World factors creating volatility in crop inputs and outputs

Matthew Dempsey, Editor & Chief Executive, Irish Farmers Journal

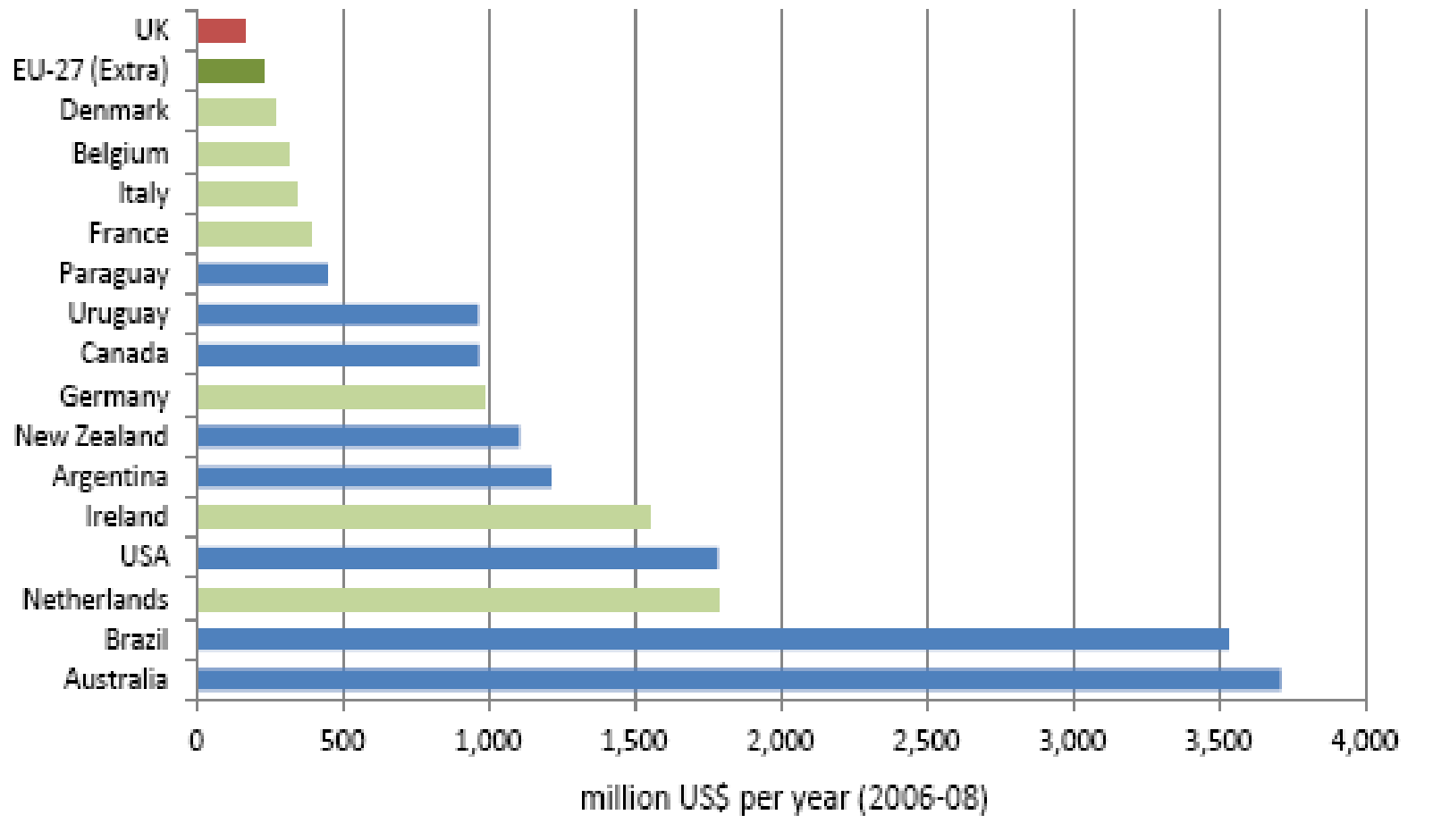
Figure 1: Indexed fertiliser prices vs. corn price, May 2006-Jan 2012

12 May 2006=100



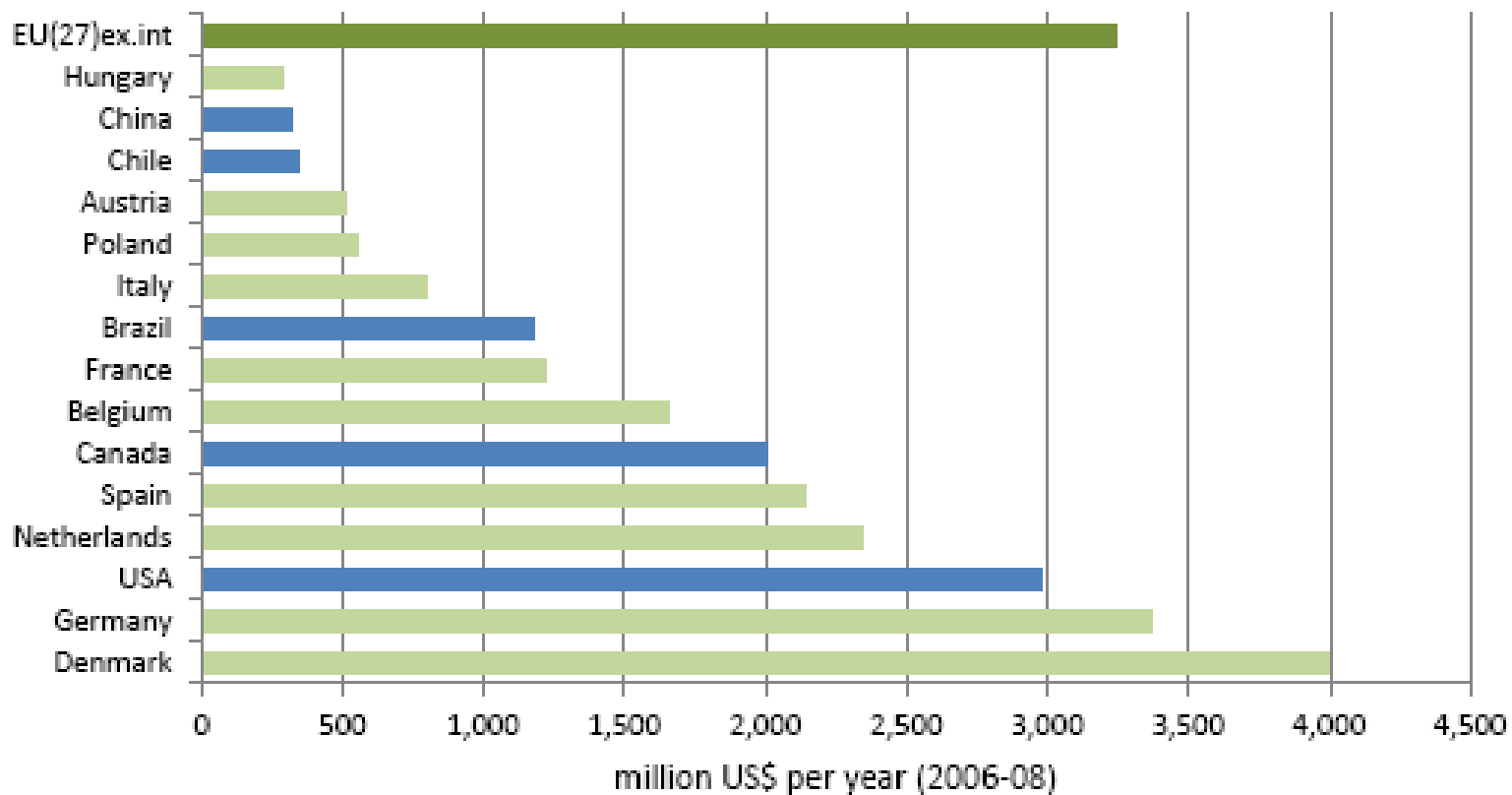
Source: Rabobank, Bloomberg, CRU, 2012

Figure 2.6 Annual beef and veal (boneless) exports of world's top exporters
 (Source: FAO-TradeStat)



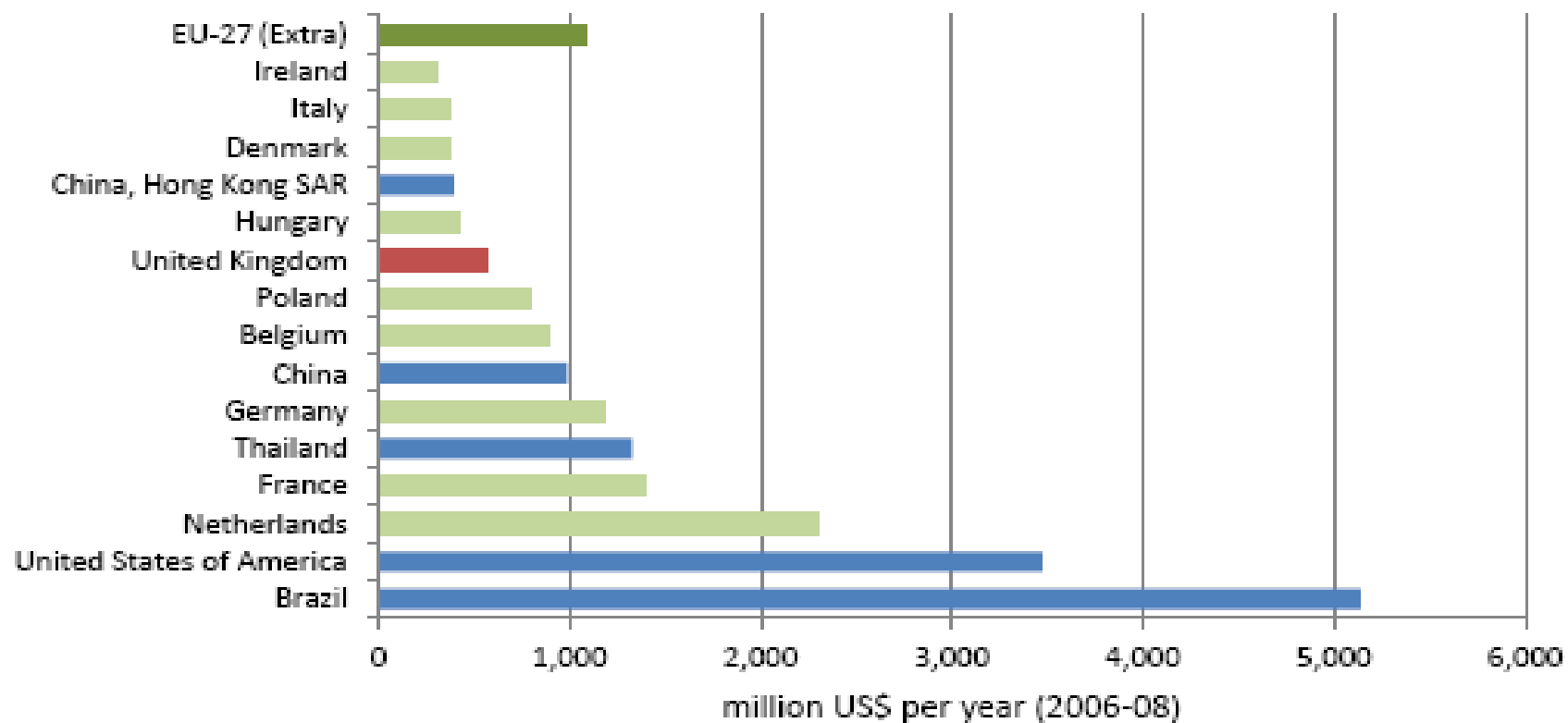
Source: Power in Agriculture, Oxford Farming Conference 2012

Figure 2.8 Yearly pig meat, pork, bacon and ham exports of world's top exporters
 (Source: FAO-TradeStat)



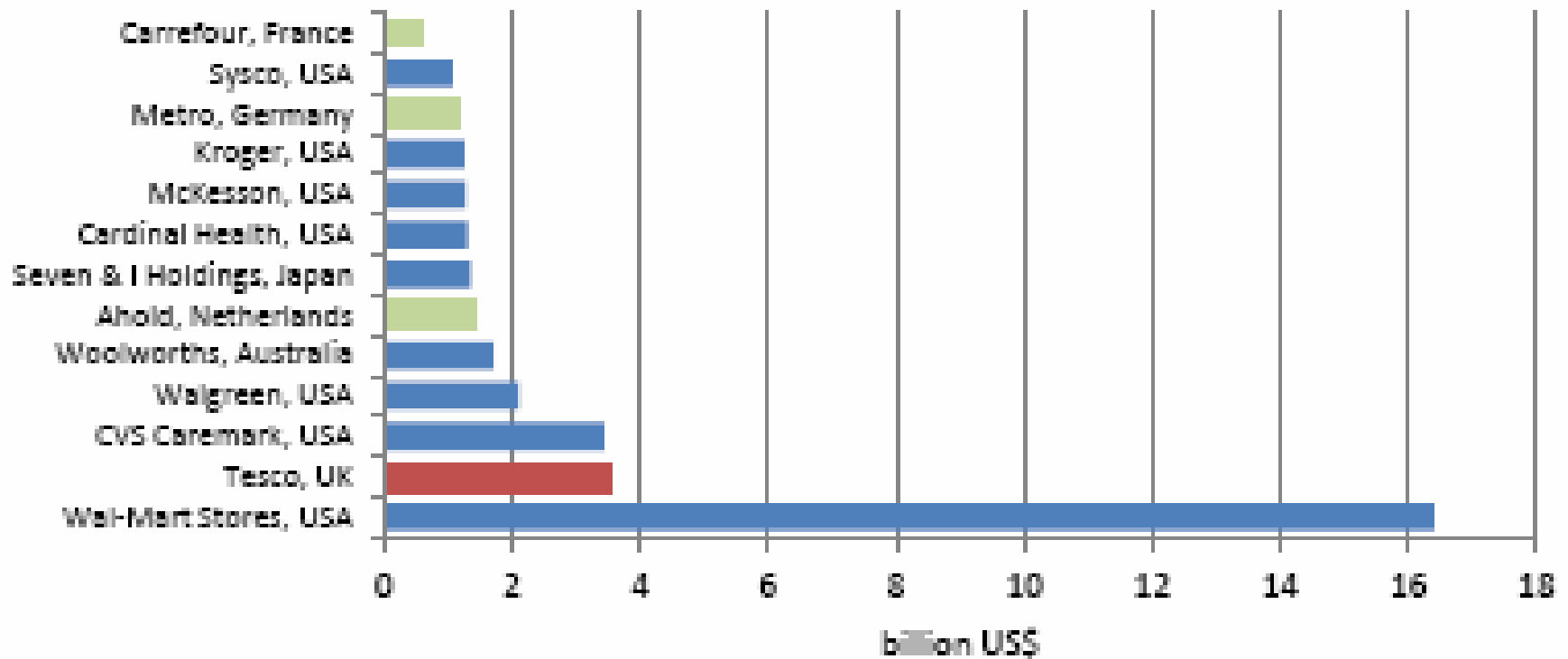
Source: Power in Agriculture, Oxford Farming Conference 2012

Figure 2.10 Yearly poultry meat export of world's top exporters
 (Source: FAO-TradeStat)

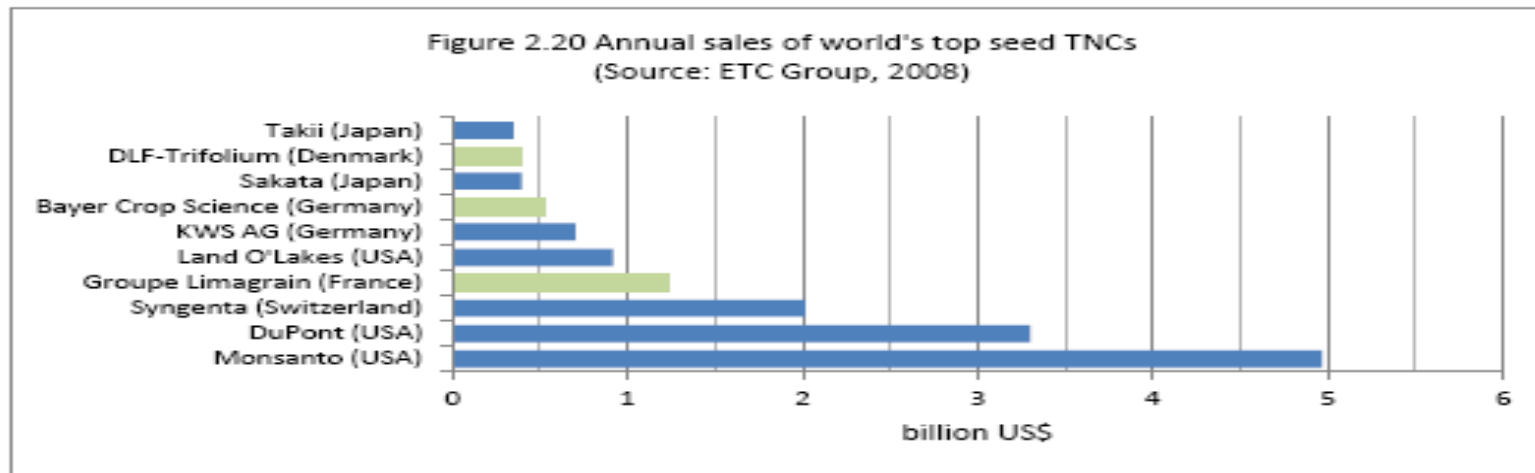


Source: Power in Agriculture, Oxford Farming Conference 2012

Figure 2.18 Annual net incomes of world's top food retailing TNCs
(Source: FT Global 500)



Source: Power in Agriculture, Oxford Farming Conference 2012



Only seven TNCs currently dominate the fertiliser market of the world (Figure 2.21). In terms of net income in 2007, Potash Corporation ranked first in the world (US\$1104 million), while Yara (US\$1027 million) and Mosaic (US\$944 million) ranked second and third respectively (Figure 2.21).

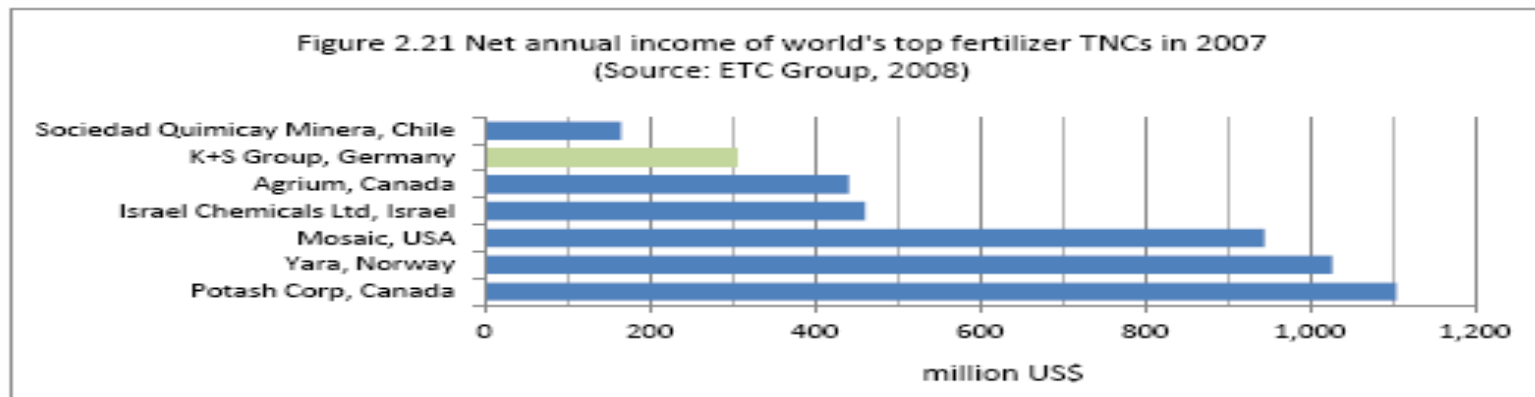
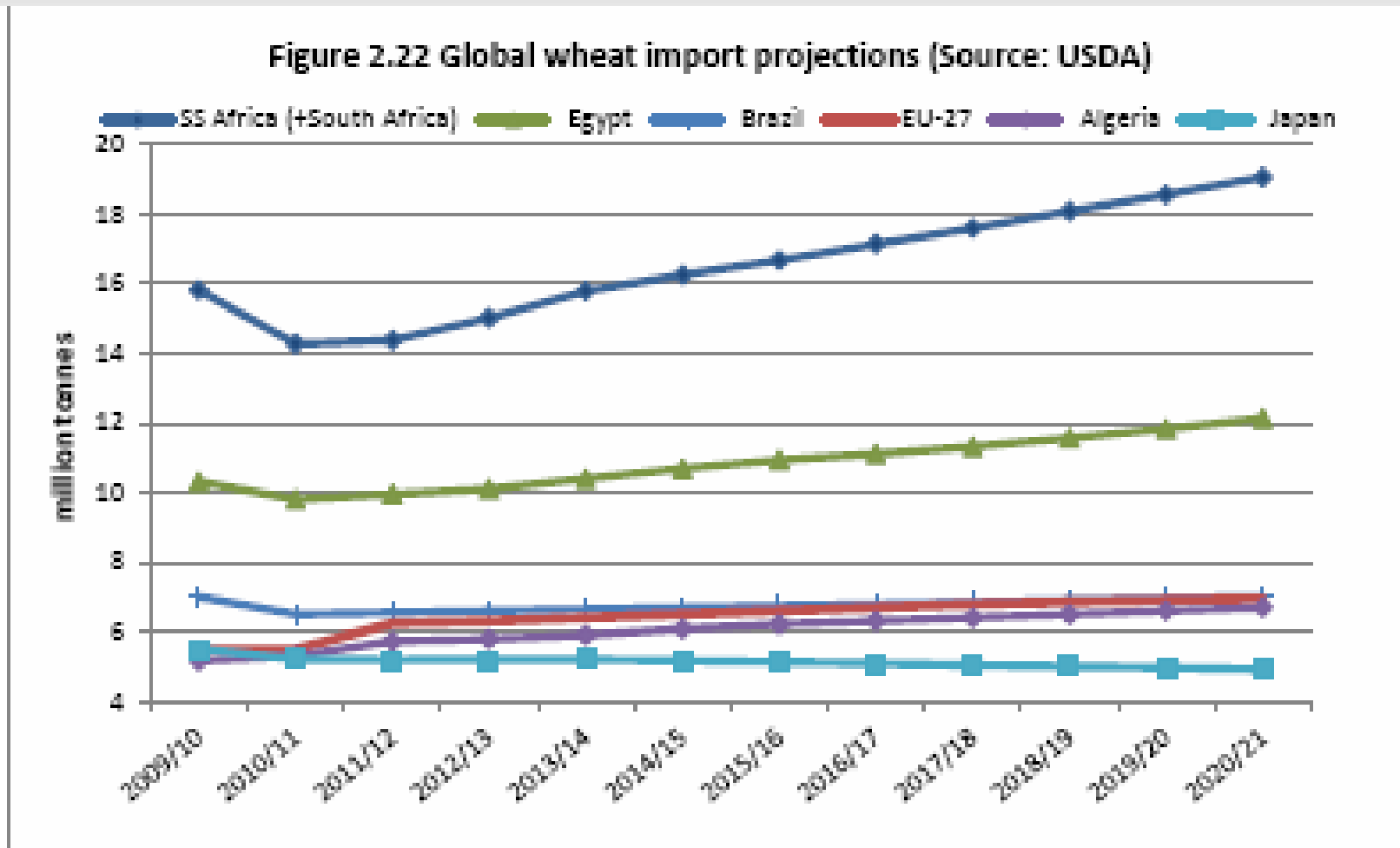
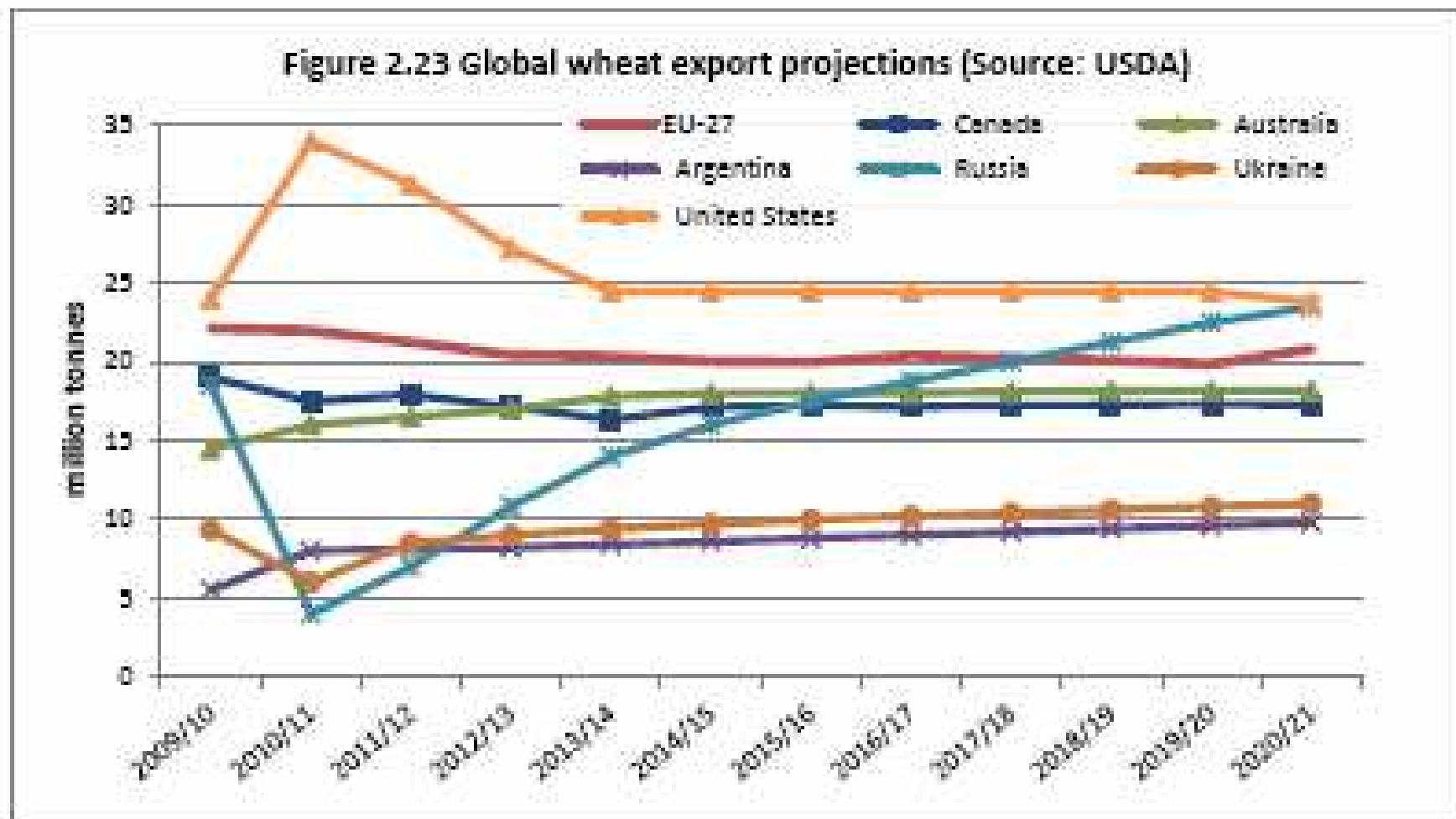


Figure 2.22 Global wheat import projections (Source: USDA)



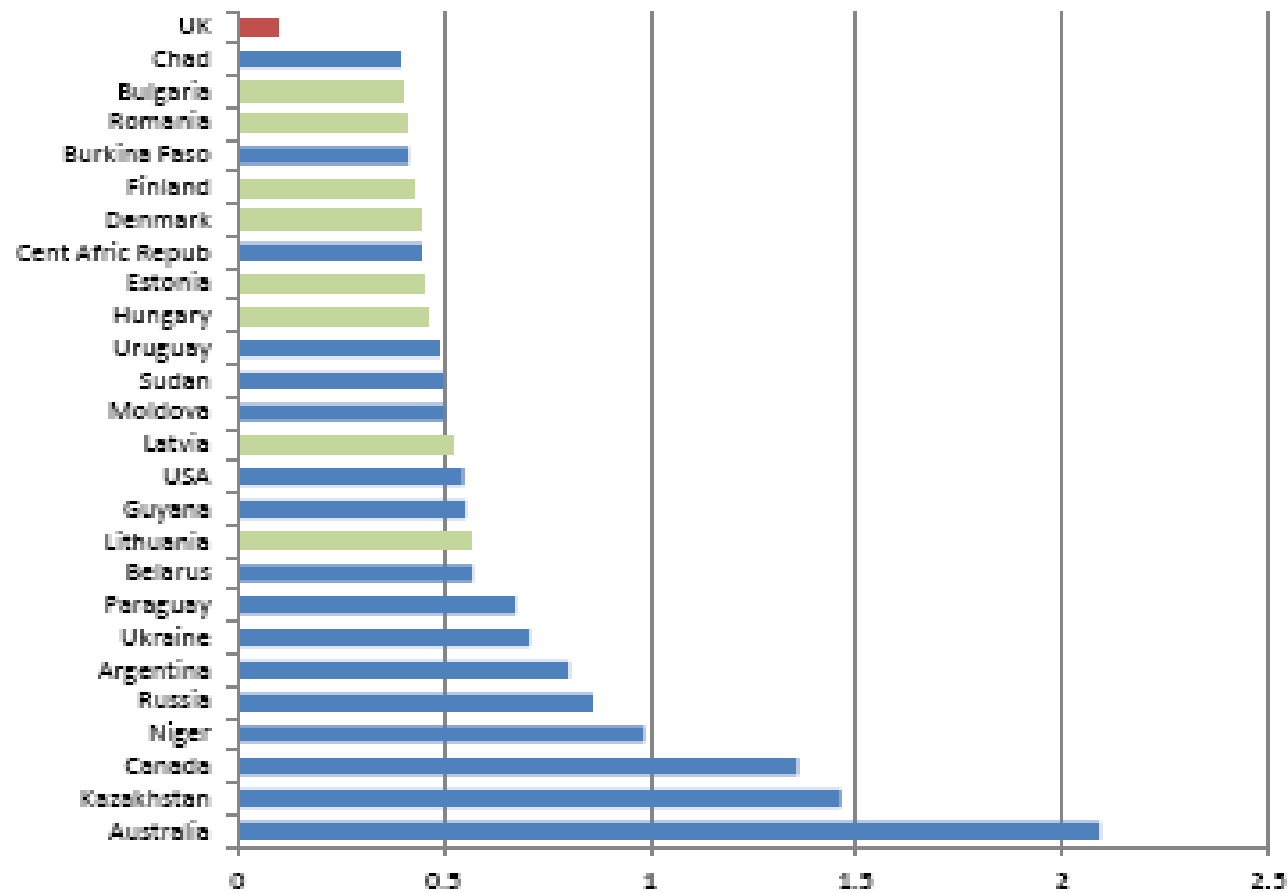
Source: Power in Agriculture, Oxford Farming Conference 2012

Figure 2.23 Global wheat export projections (Source: USDA)



Source: Power in Agriculture, Oxford Farming Conference 2012

Figure 4.1 World's top 25 countries according to per capita arable land holding in hectares vis-a-vis UK (Source: FAO, 2010)



Source: Power in Agriculture, Oxford Farming Conference 2012

Projected Prices in 2012

OECD

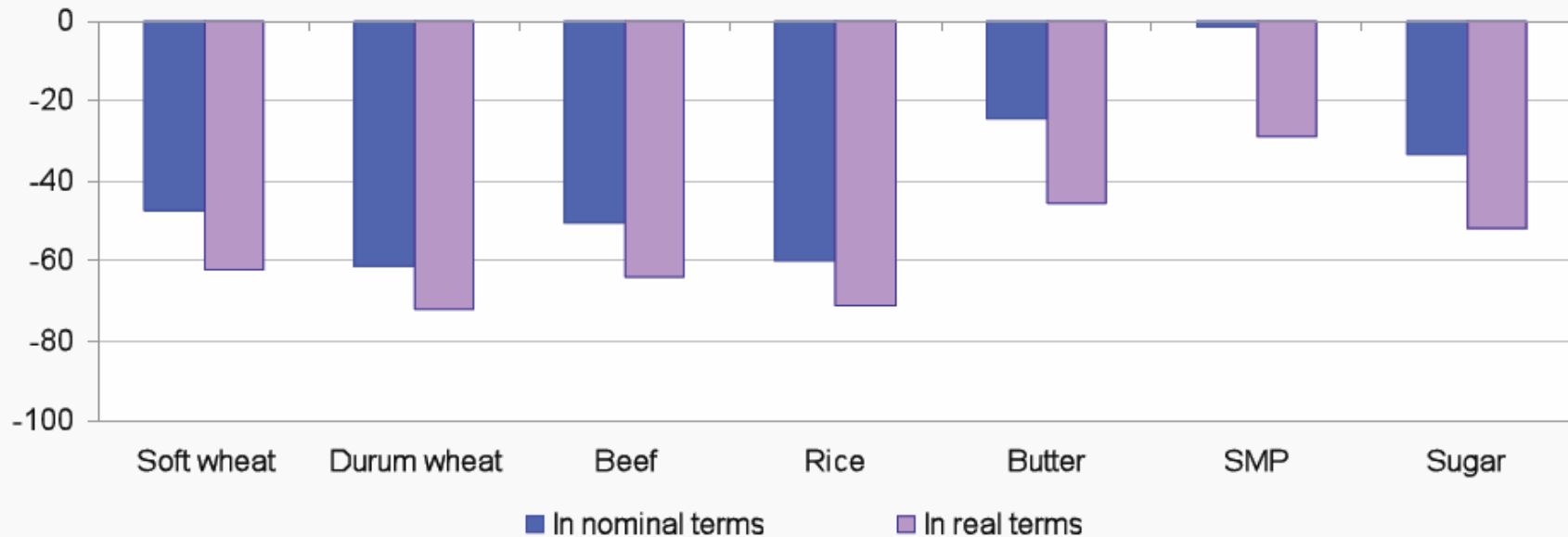


- **Milk** 22.11 cent / ltr
- **Soft Wheat** €106 / tonne
- **Barley** €100 / tonne
- **Beef R3** €2.50 / kg d.wt
- **Sheep** €3.84 / kg d.wt
- **Pigs** €1.29 / kg d.wt

Reductions in EU price support

Figure 3: Reductions in EU price support.

Cumulative % reduction in price support from 1991 to 2009

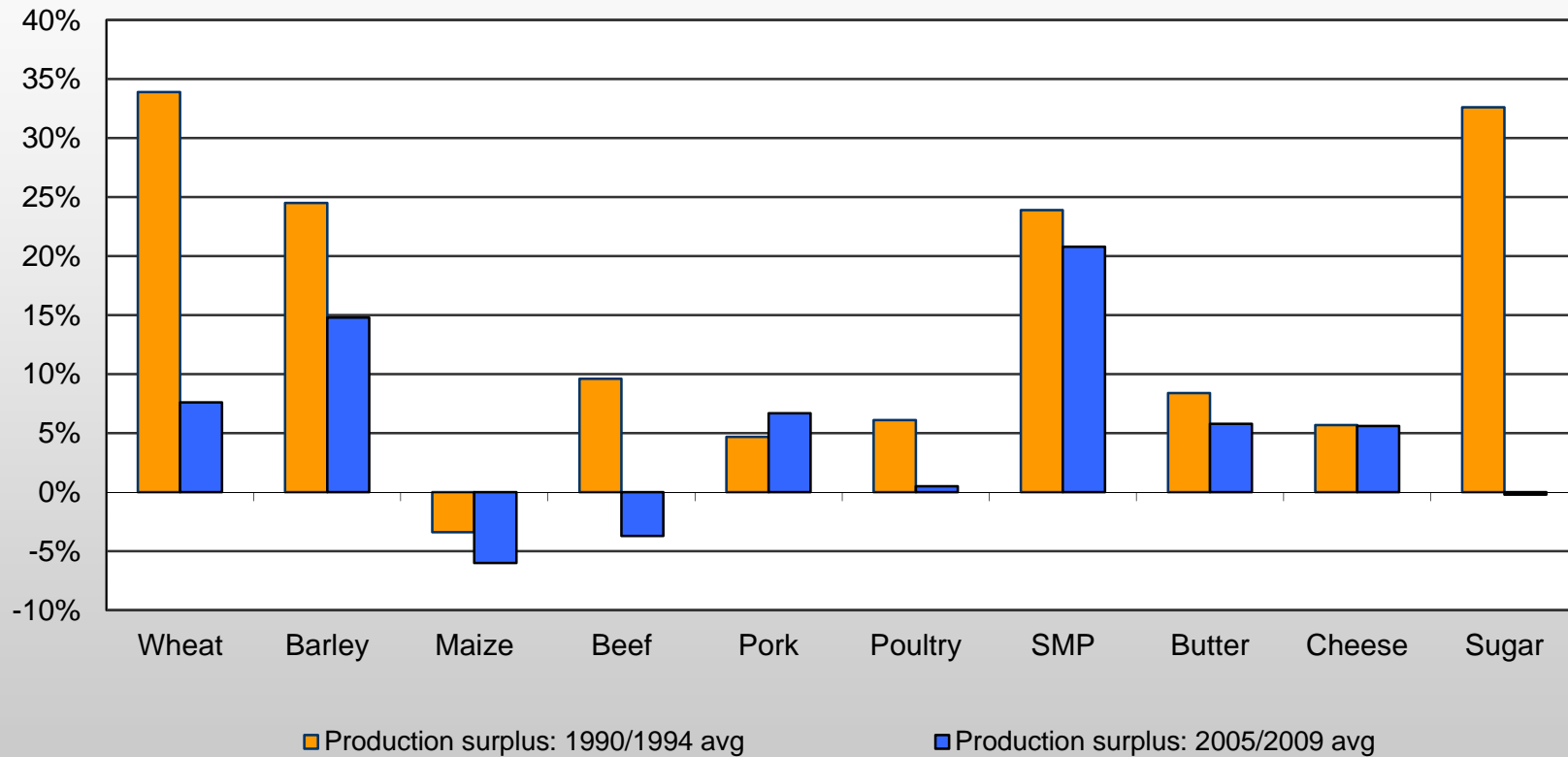


Source: DG Agriculture and Rural Development.



...and its market impact

EU production surplus as % of consumption



Sources: European Commission – Eurostat and DG Agriculture and Rural Development



Economic growth effects



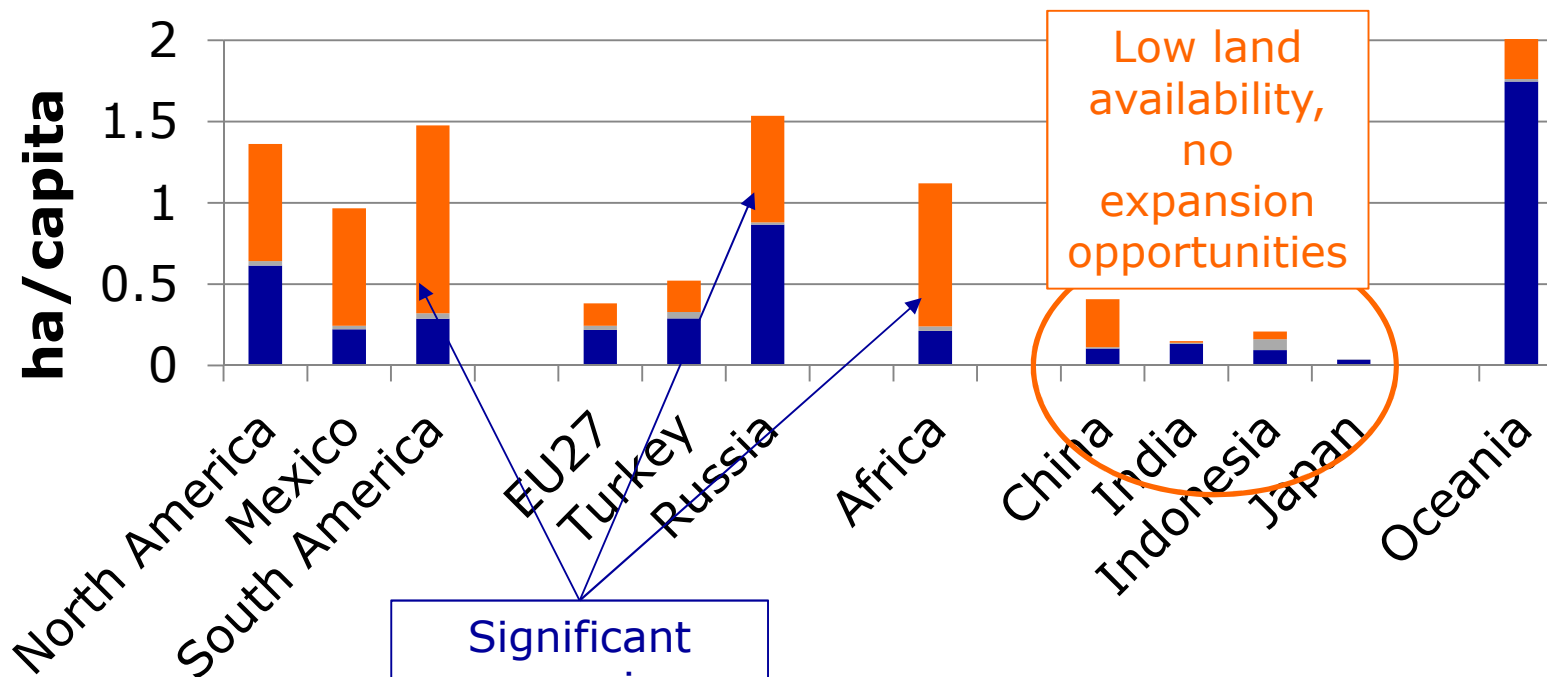
Income level per capita	Effect of economic growth on food consumption
<\$2 per day	Eat more (increase calorie intake)
\$2-\$10 per day	Switch from grains to meat and dairy
>\$10 per day	Increase spending on services/quality (convenience, brands, fresh/cooled)



Rabobank

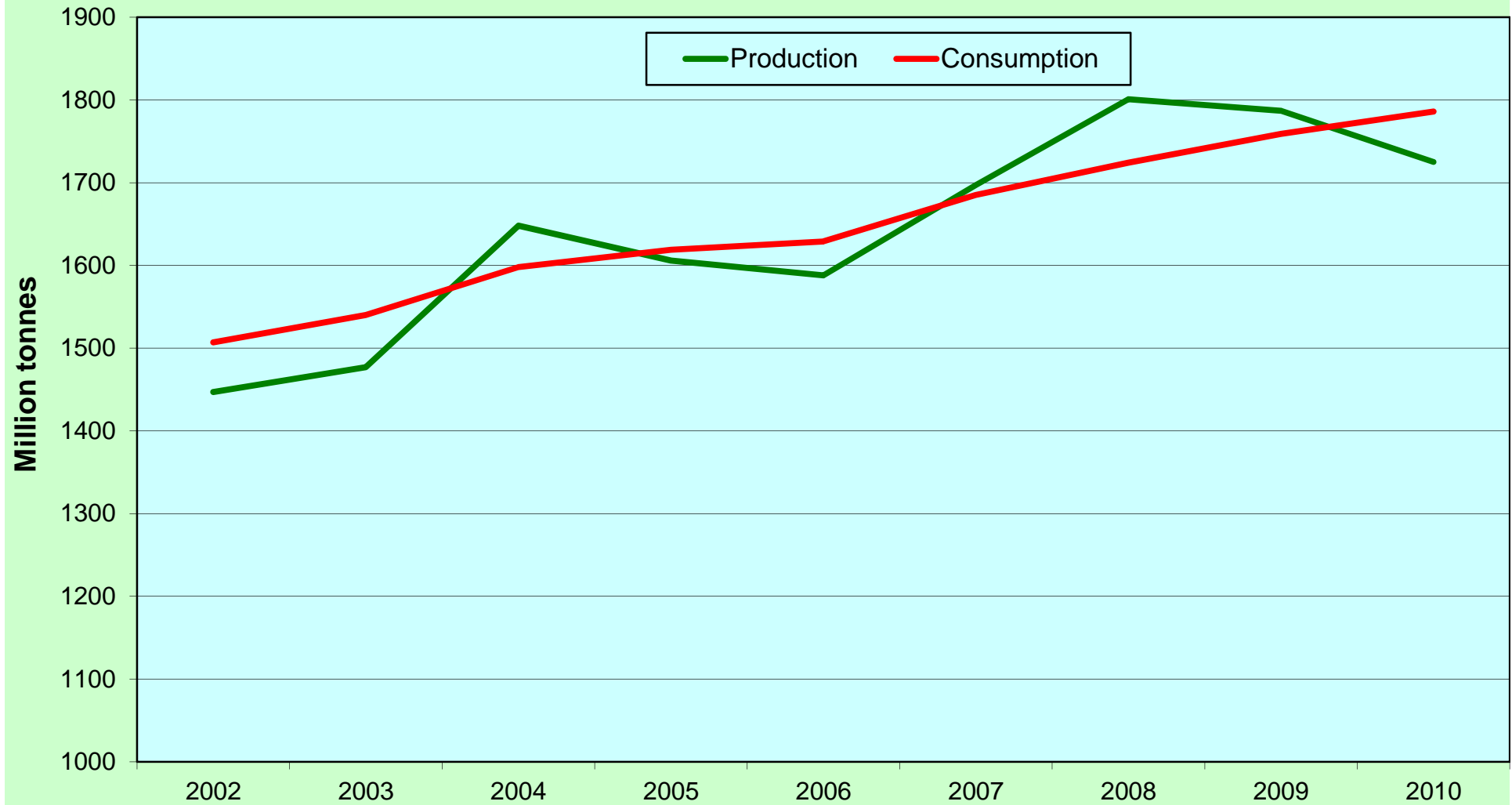
Growth regions lack land

- Permanent meadows and pastures
- Permanent crops
- Arable land



Source: FAO

World grain supply/demand



Wheat / Oil Exchange Rate 1950 - 2010



Year	Bushel of Wheat US\$	Barrel of Oil US\$	Bushels per Barrel (Ratio)
1950	1.89	1.71	1
1960	1.58	1.85	1
1970	1.49	1.79	1
1975	4.06	11.45	3
1980	4.70	35.71	8
1985	3.70	27.37	7
1990	3.69	22.99	6
1995	4.82	17.20	4
1999	3.05	17.98	6
2001	3.45	24.33	7
2003	3.98	28.89	7
2004 *	4.20	36.00	9
2010	4.60	80.00	17

Source: IMF Statistics Online Database.

* Author's estimates based on April wheat & oil futures price for 2004

Milk Prices



Figure 1

Milk prices EU, Us and NZ since 1997 (c/l)

