



# A new age, the short-age

Agri Commodity Markets Research

Marketing Communication

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# Record agri commodity prices



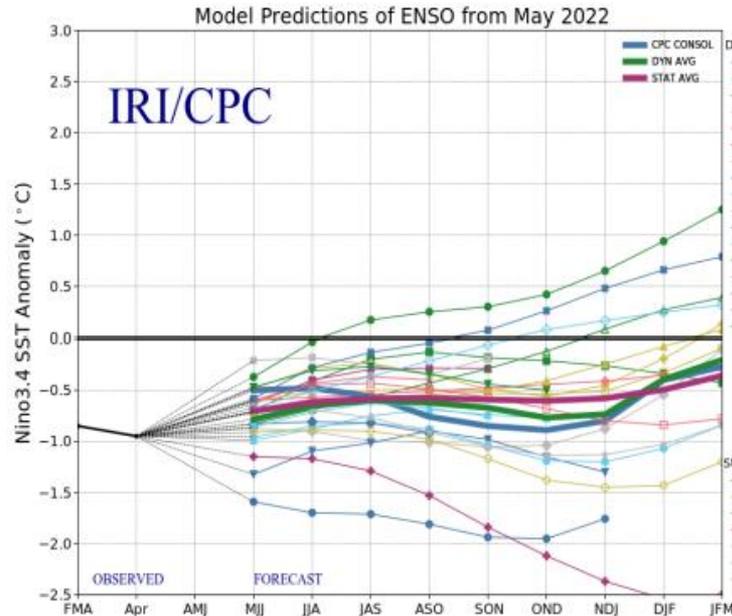
S&P GS Agri Index



# Global weather is atrocious



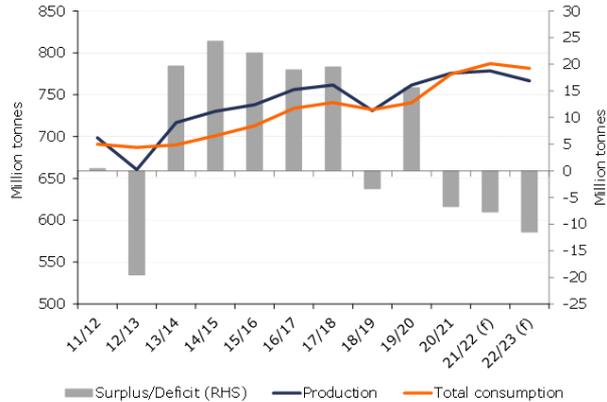
La Niña is active and expected to slowly weaken



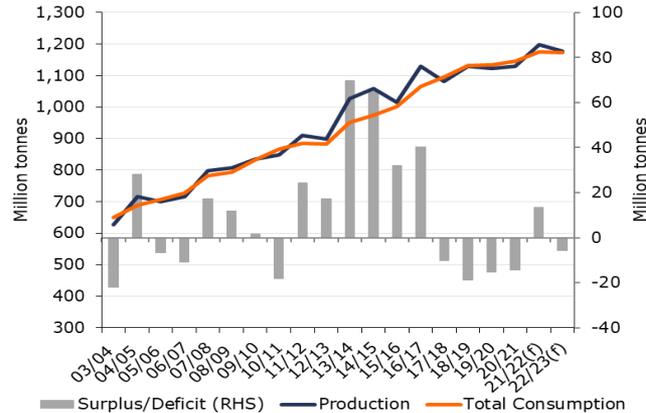
# And supply/demand balance sheets in deficit



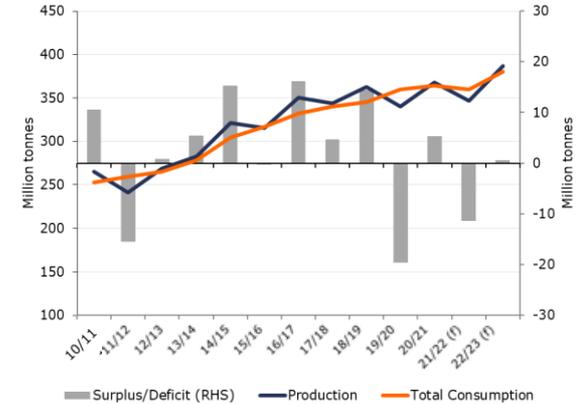
## Wheat



## Corn



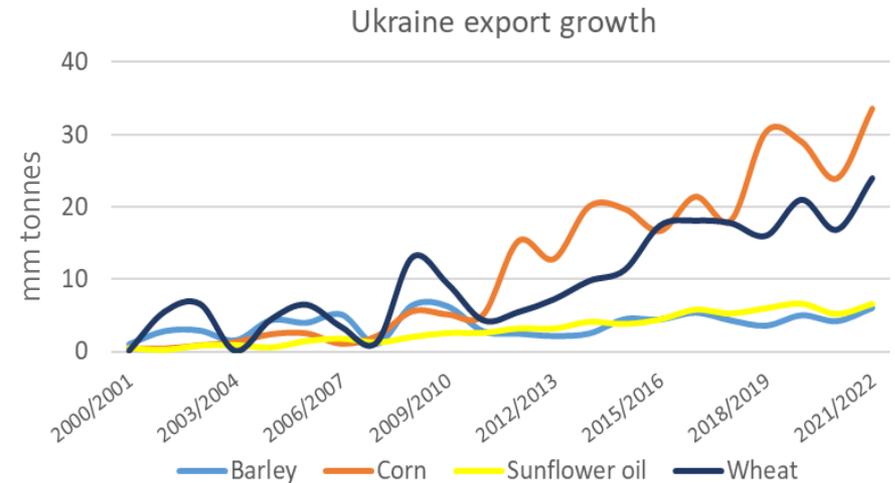
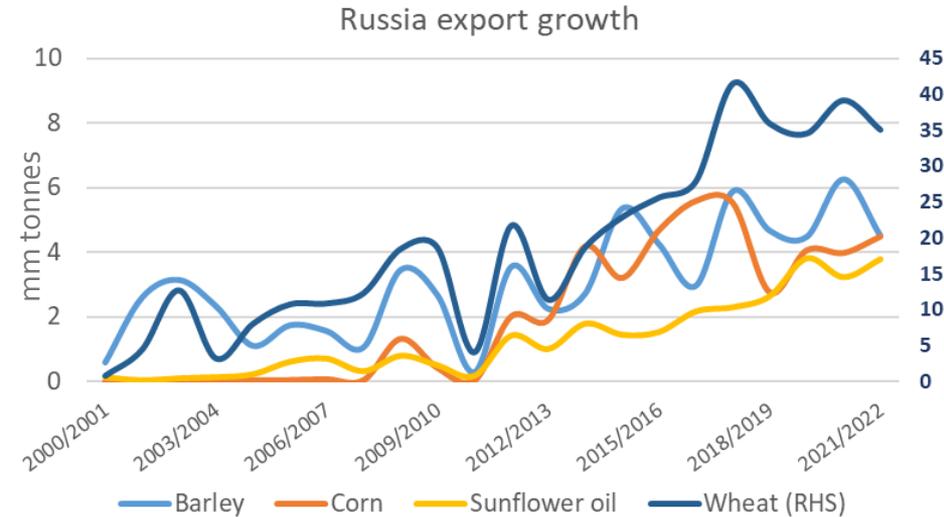
## Soy



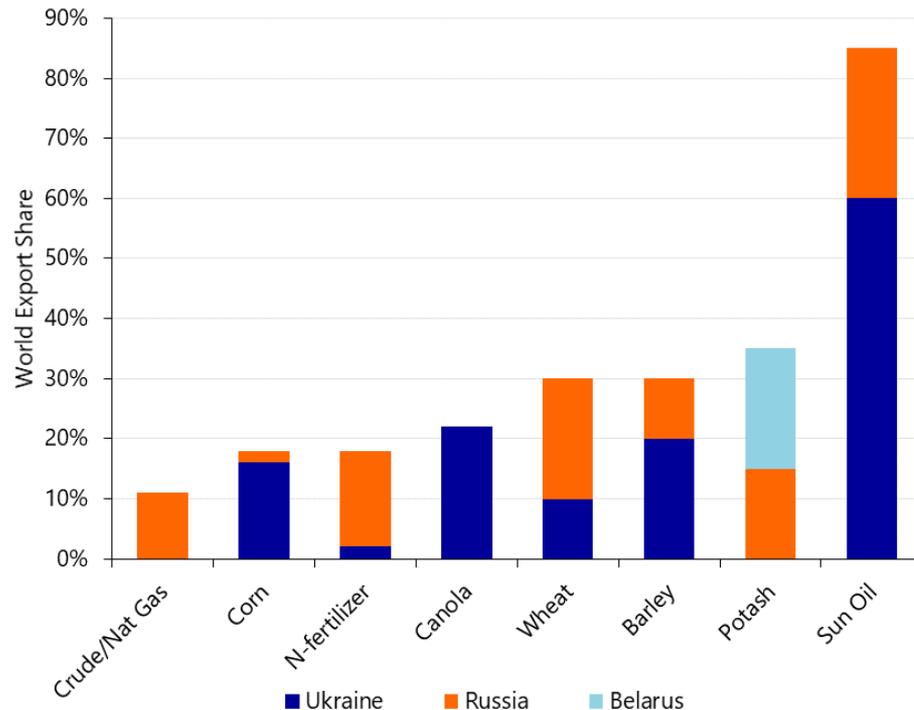
Source: USDA, Rabobank 2022

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# Ukraine was a growing agricultural powerhouse



# Russia and Ukraine are dominating in a few agri commodities and fertilisers

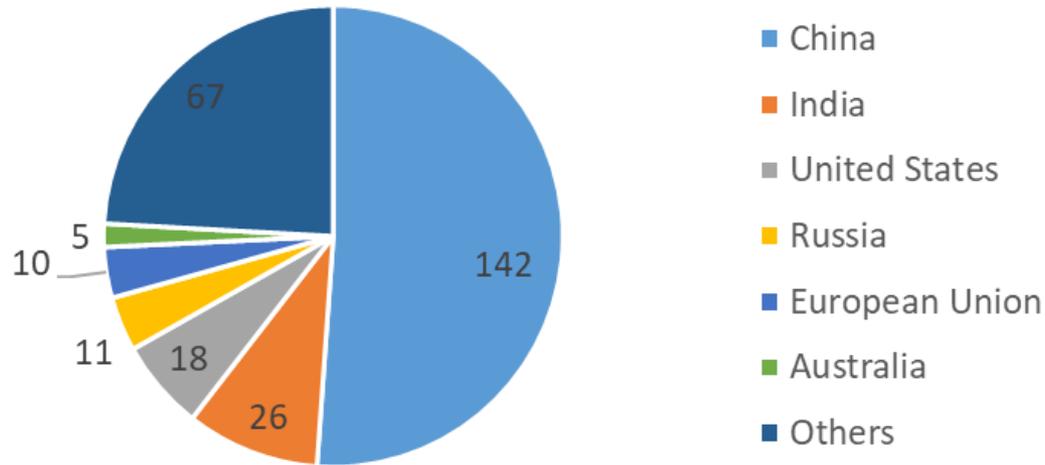


Source: USDA, Rabobank 2022  
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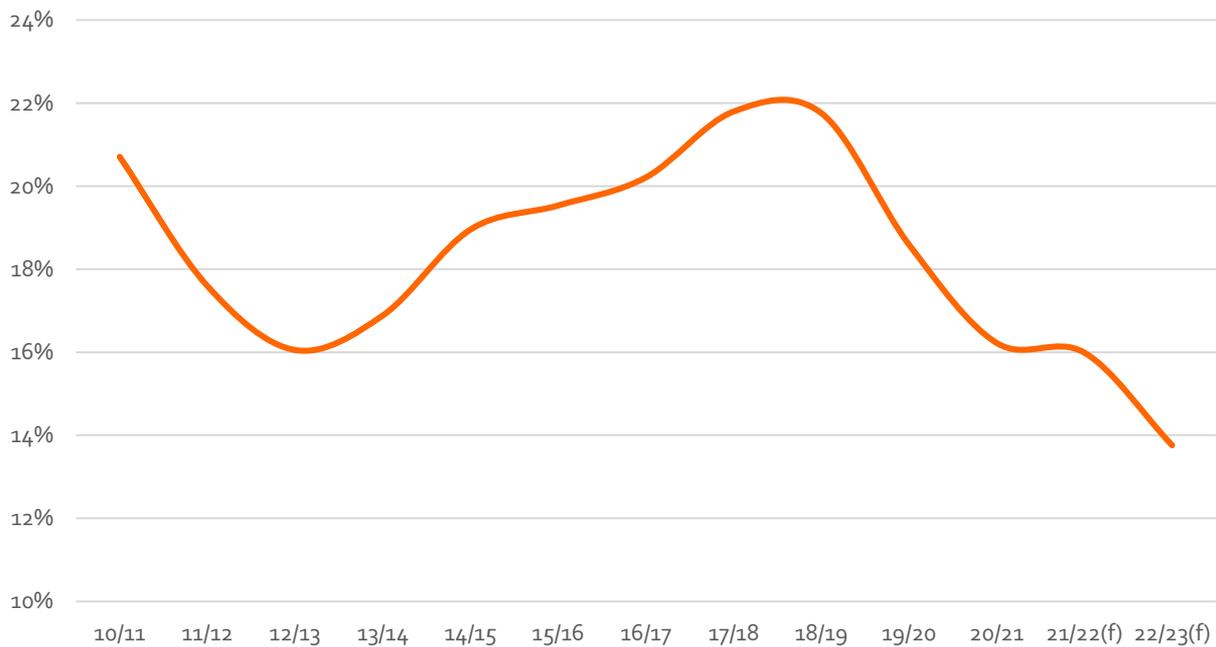
# Not a lot of wheat stocks to replace Ukraine Wheat ( a drop of 10-12m tonnes in the coming season)



Wheat ending stocks 2021/22: 278mmt



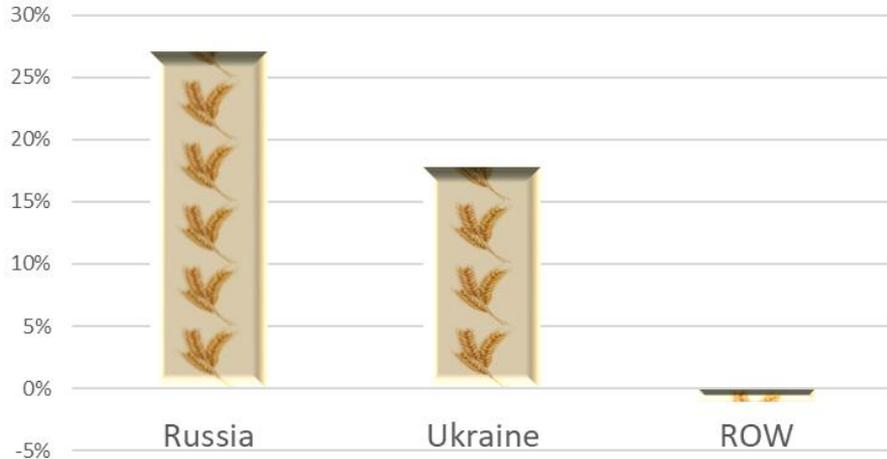
## Wheat stocks to use in major exporters outside Russia and Ukraine



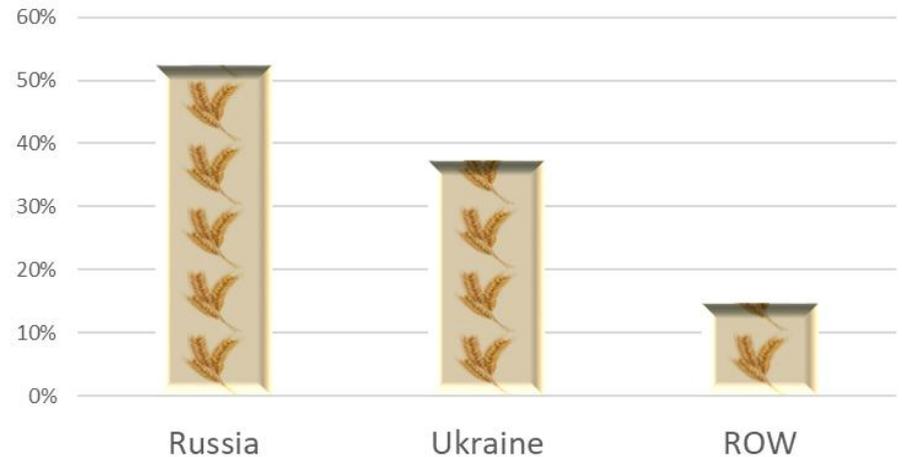
# Russia and Ukraine were key growth areas before the war



Area growth 2010/11-2021/22 - cumulative

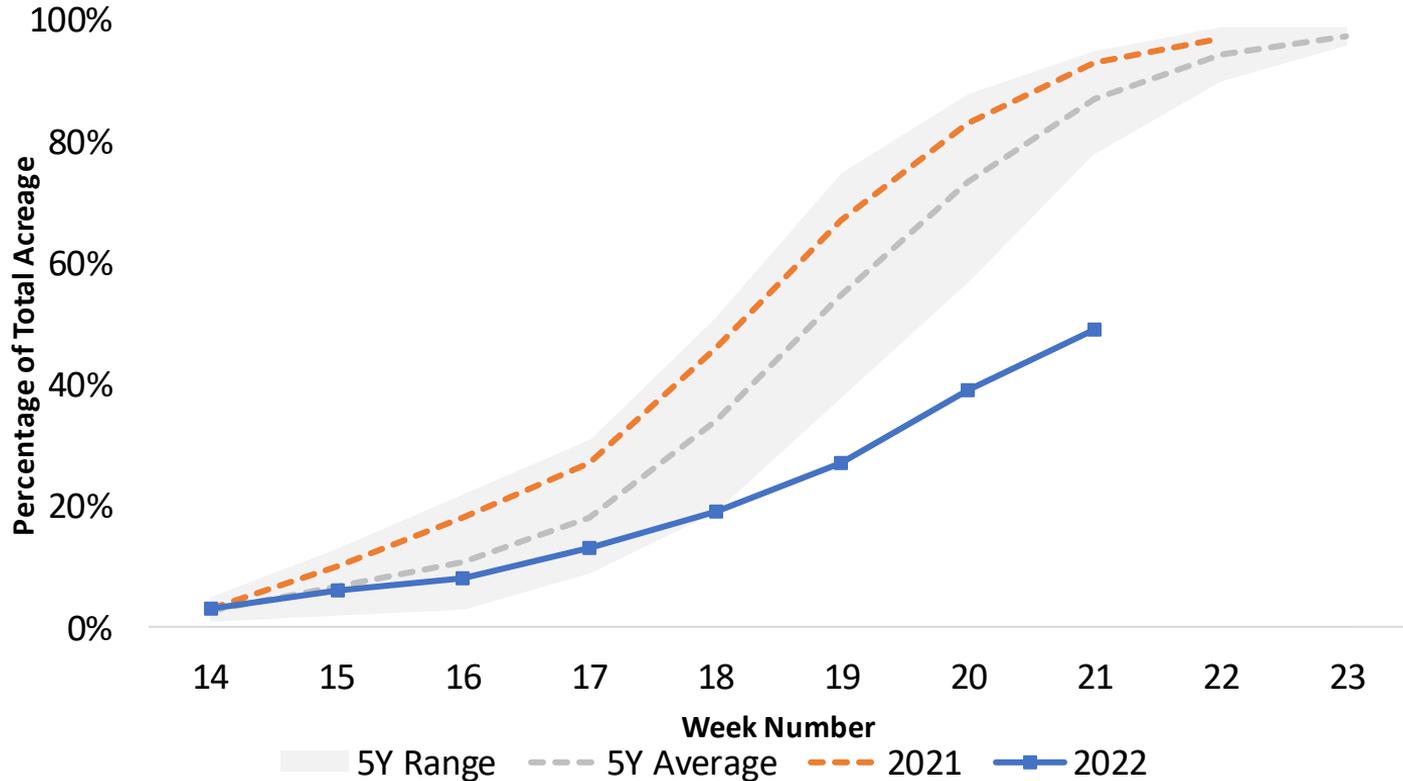


Yield growth 2010/11-2021/22 - cumulative

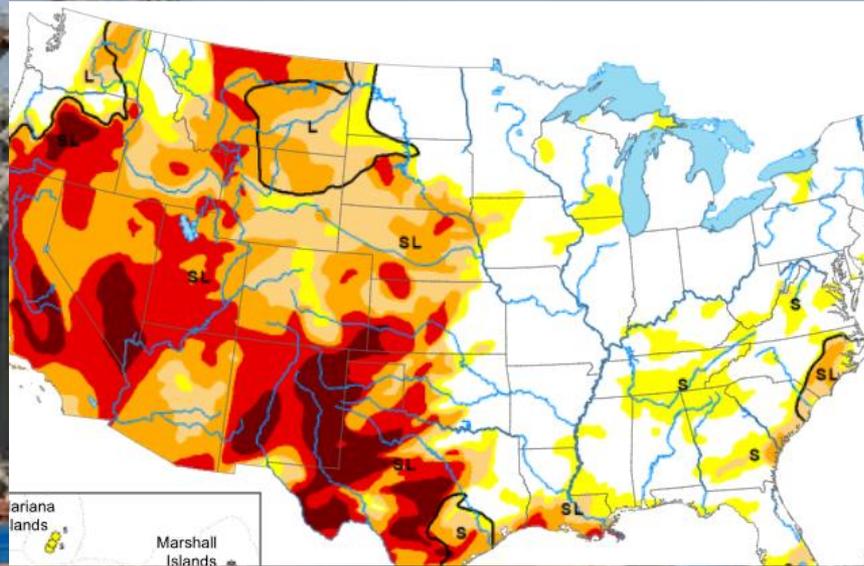


# Good/excellent wheat ratings in the

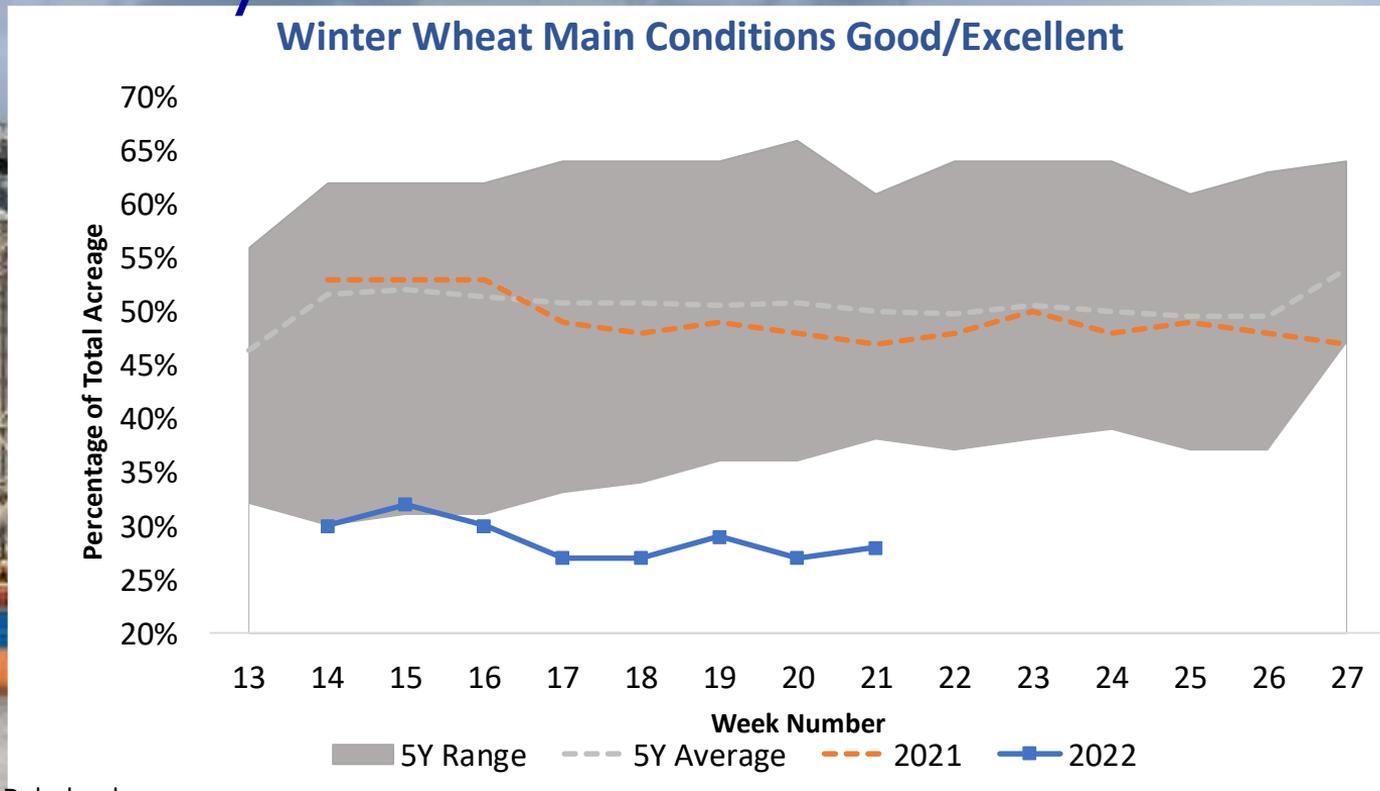
## Spring Wheat Plantings YTD



# Good/excellent wheat ratings in the US are very low.



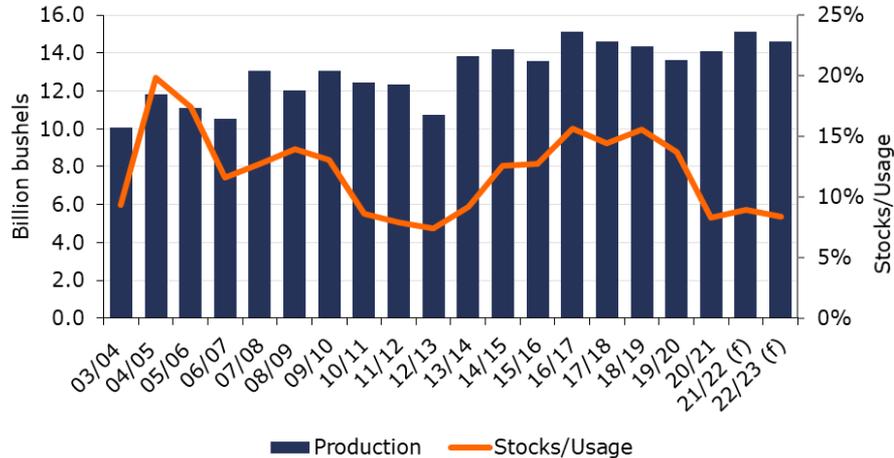
# Good/excellent wheat ratings in the US are very low.



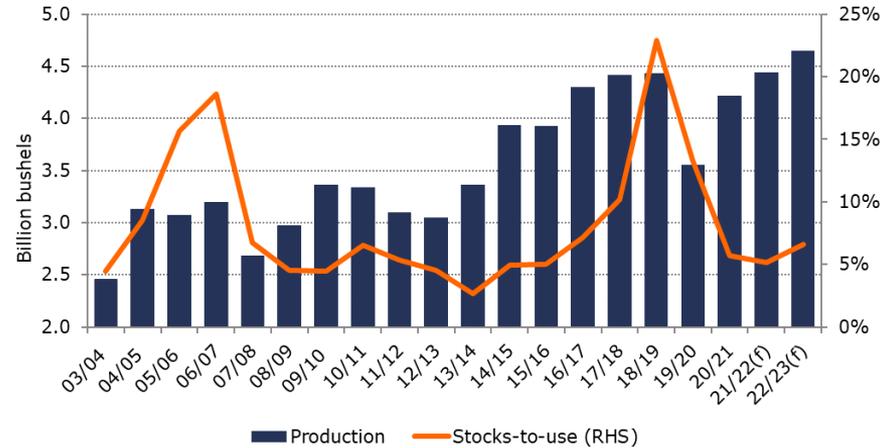
# Fertiliser prices favouring US soy plantings



## Corn



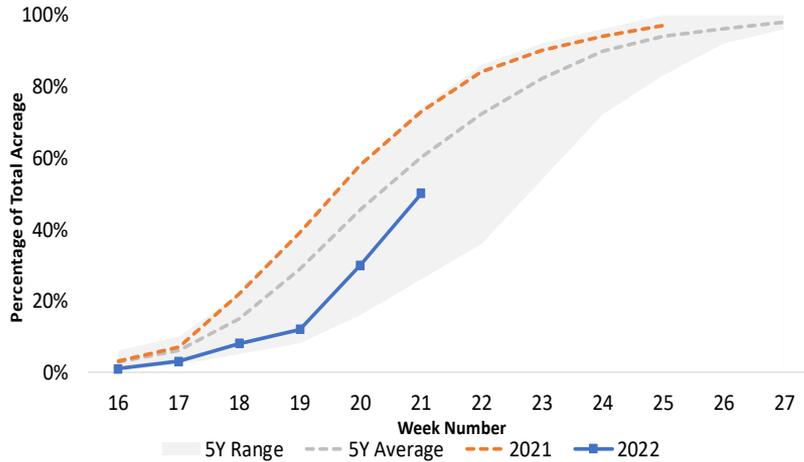
## Soy



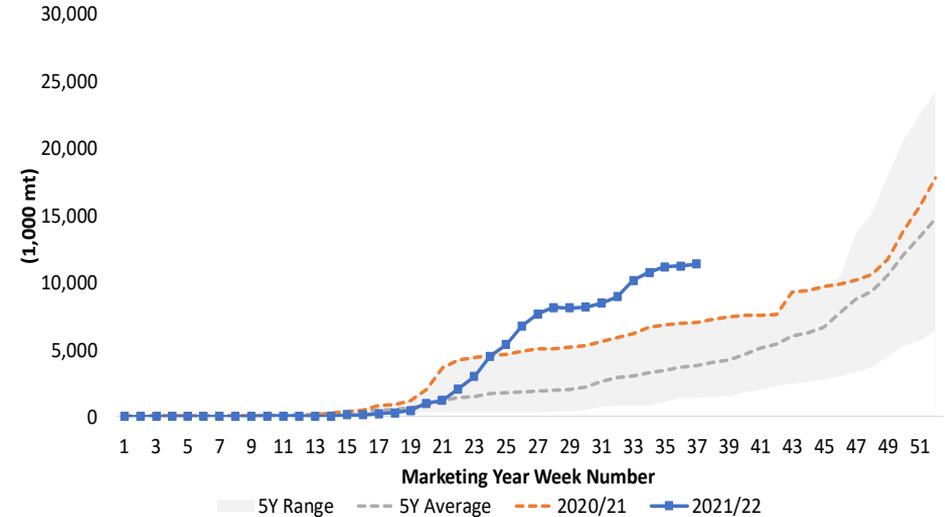
# US soy plantings recovering but risks persist



Soy Area Planted YTD



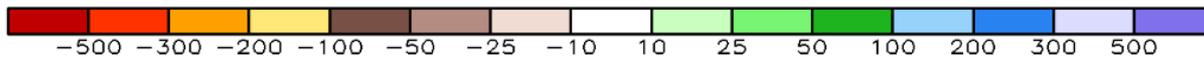
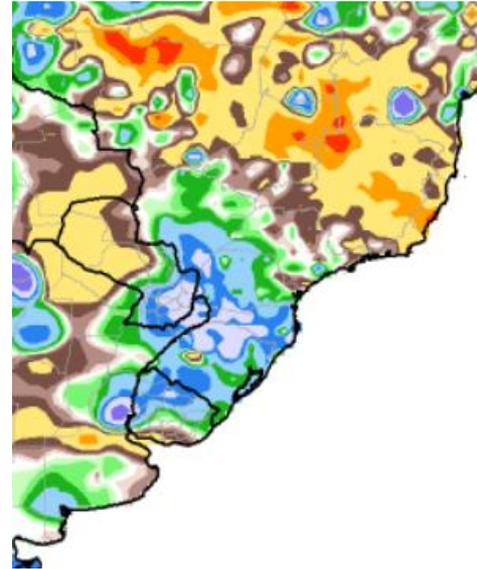
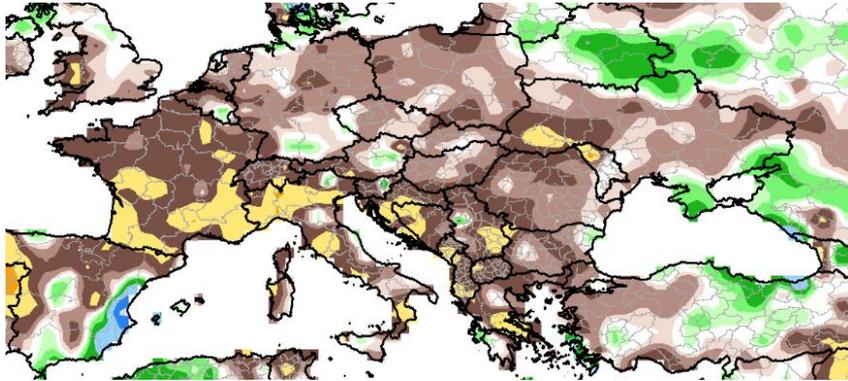
Soybeans Next Year Outstanding Sales



Source: USDA, Rabobank 2022  
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# EU and South American crops are also under stress

90-day rainfall anomaly

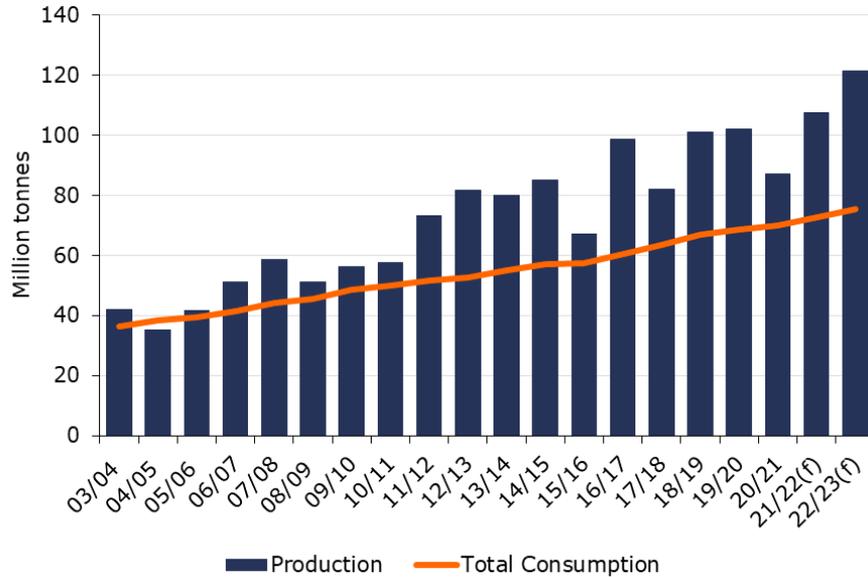


mm

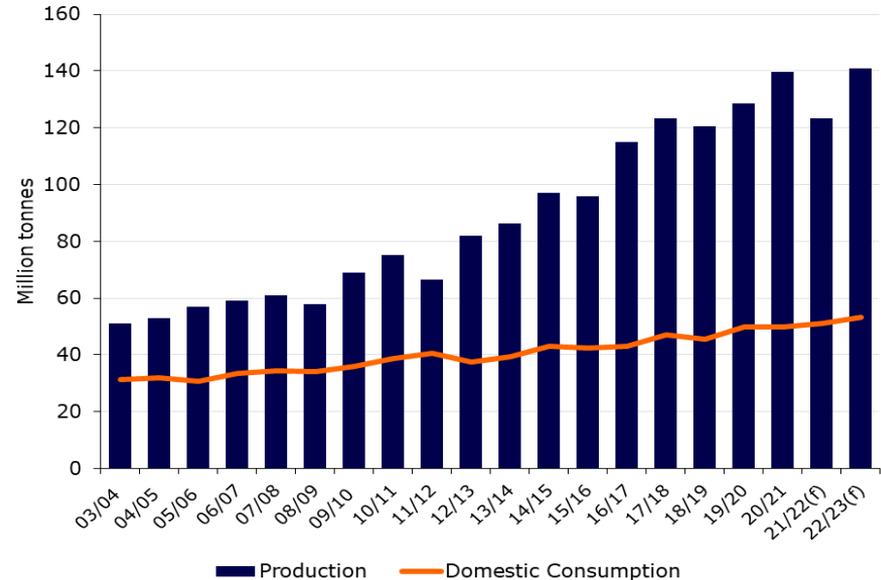
# Brazil weather limited crops in 2021/22



## Corn



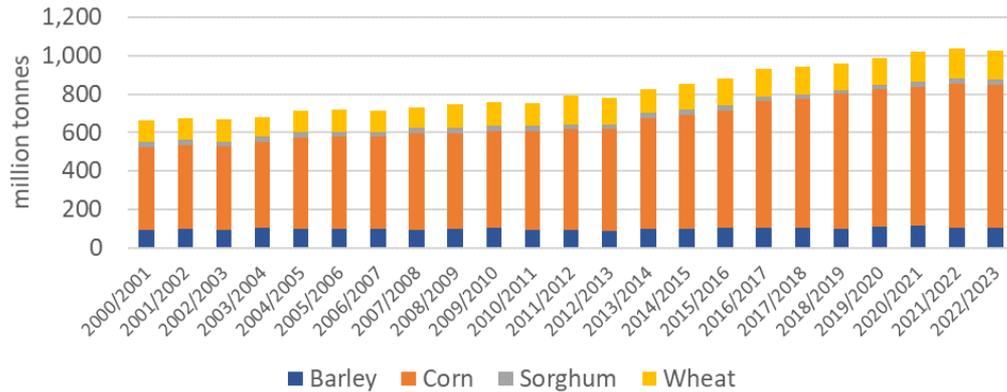
## Soy



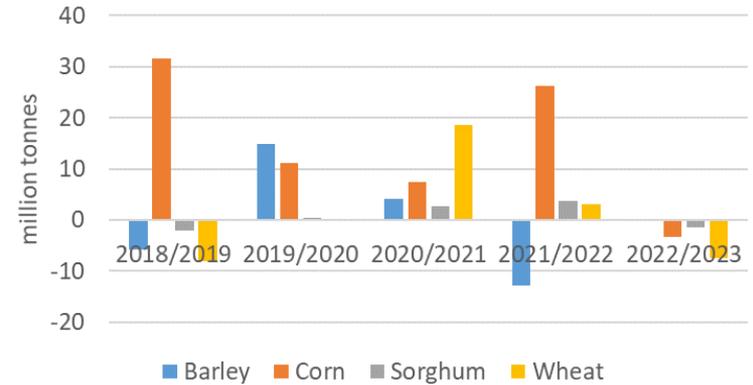
# First drop in feed demand in 10 years



Feed demand: first drop in 10 years



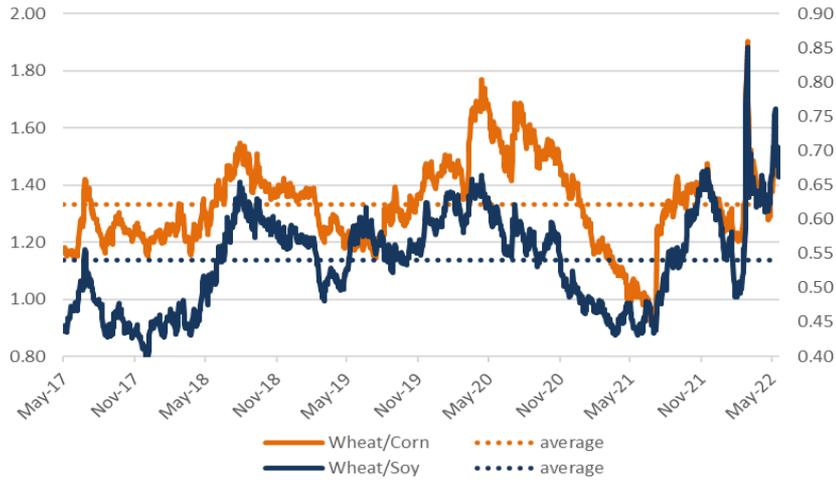
Changes in feed use



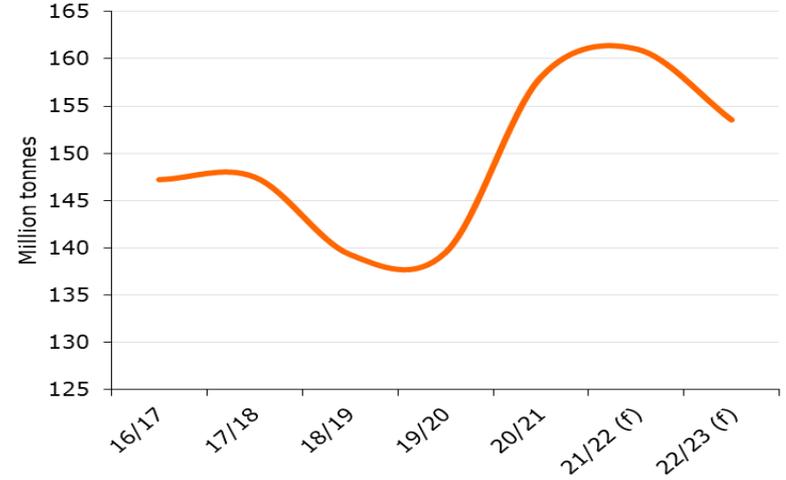
Source: USDA, Rabobank 2022

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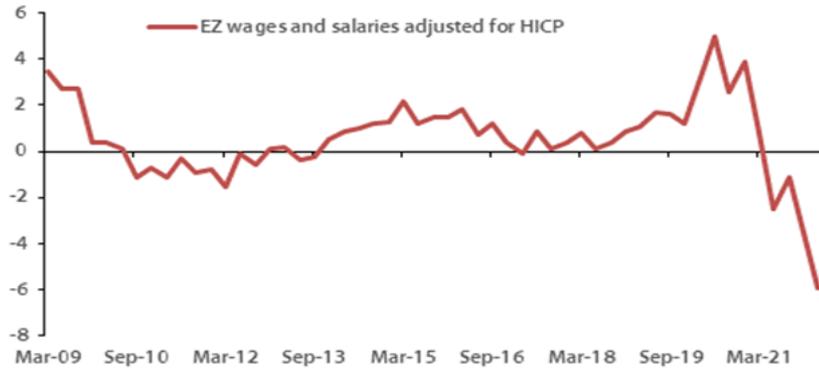
### Wheat ratios



### Wheat used in feed



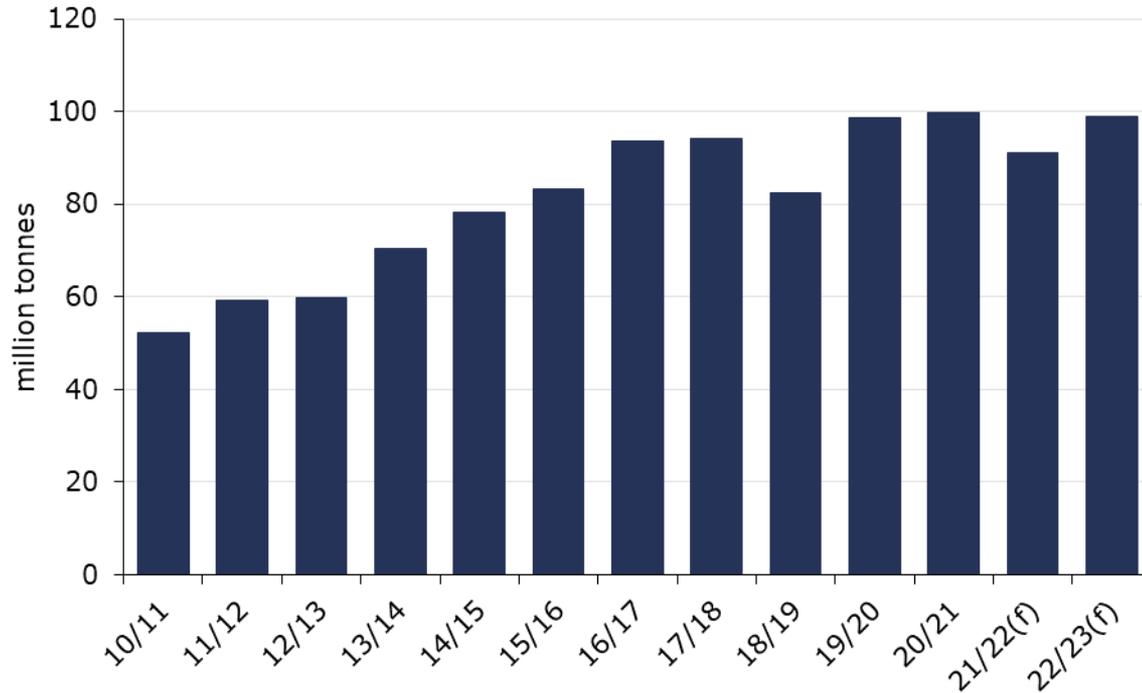
### y/y, %



### y/y, %

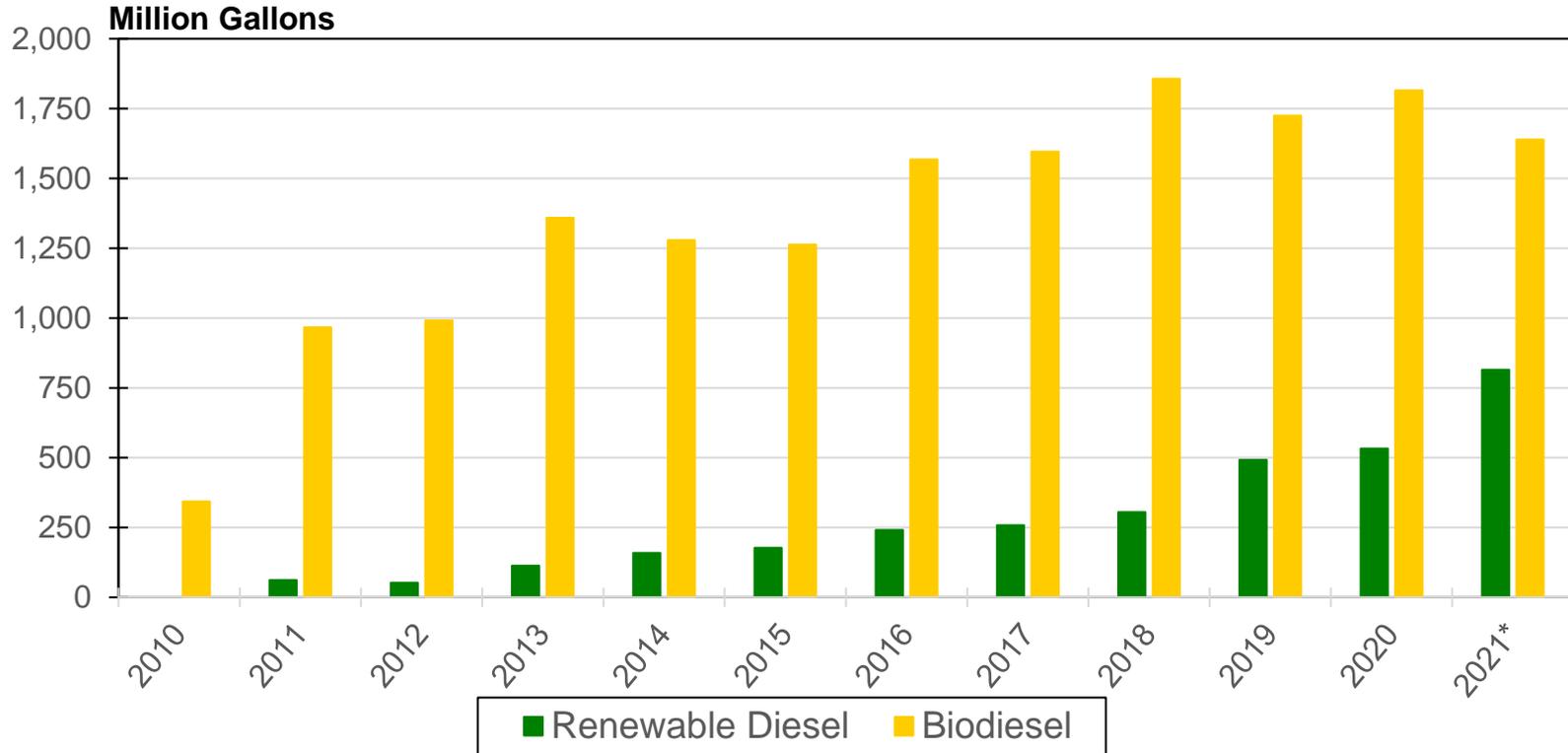


# China's import demand for soybeans is capped



Source: USDA, Rabobank 2022  
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# US Biodiesel Volumes Are Topping Out, while Renewable Diesel is Growing

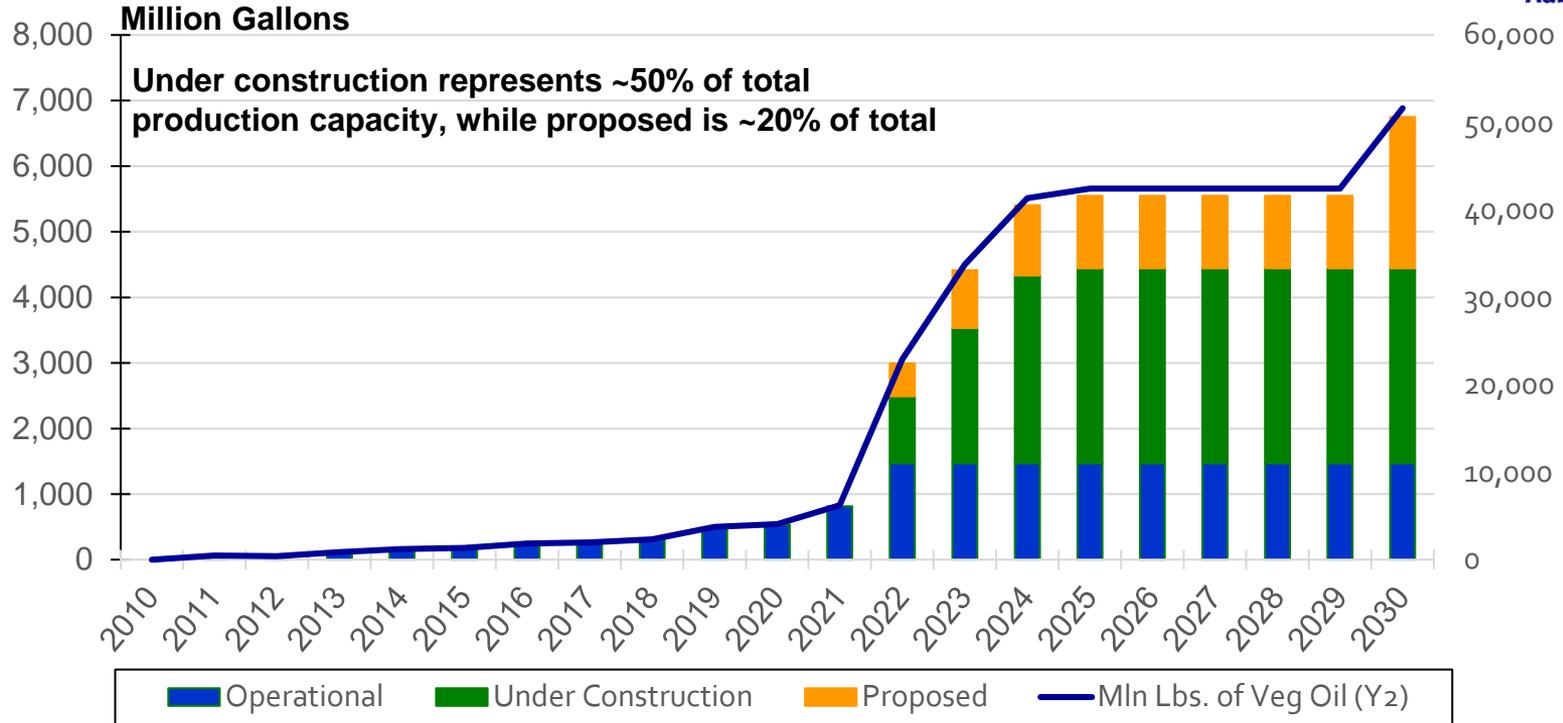


\*Jan-Dec 2021  
Source: EIA Monthly Energy Report, Rabobank 2022

# Rapid Growth in U.S. Renewable Diesel Production Capacity in the Next Three Years

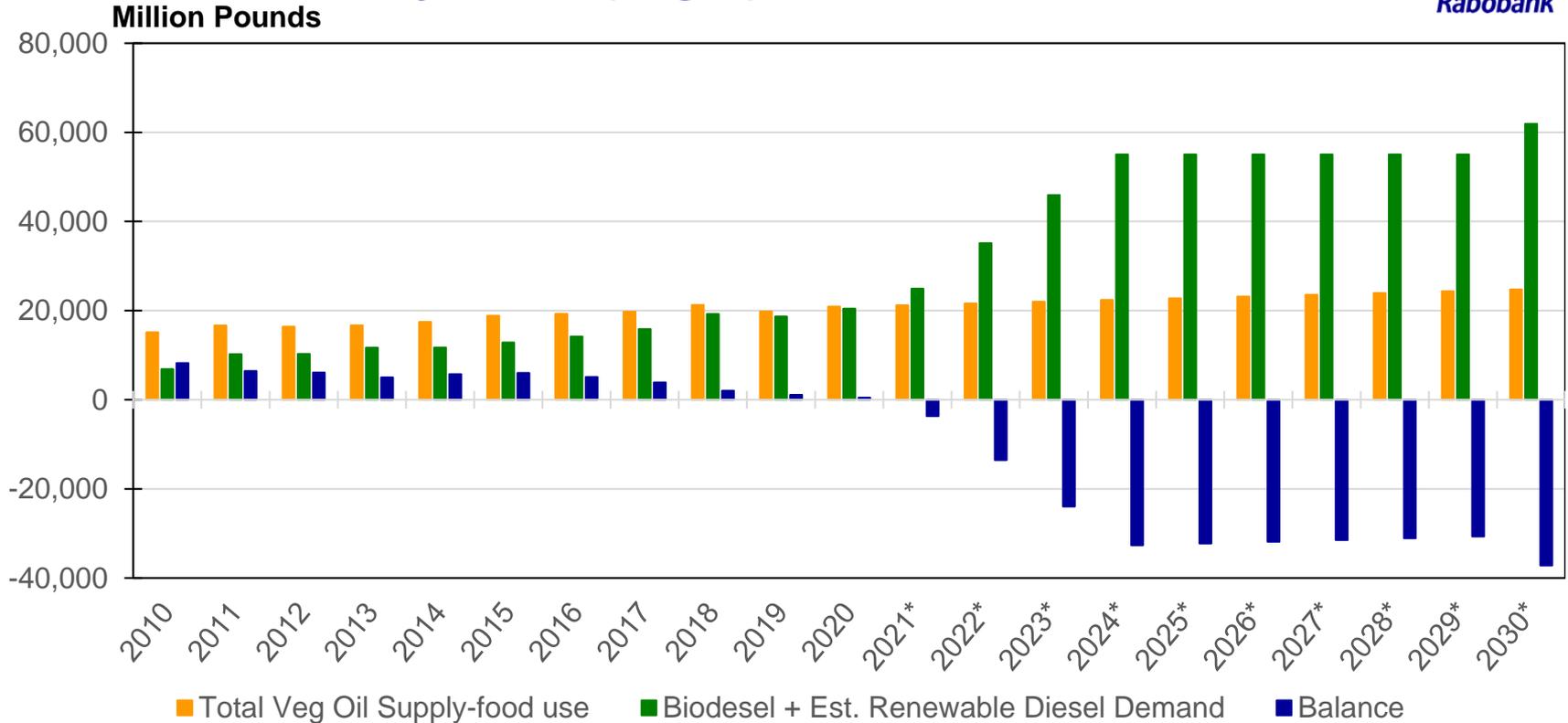


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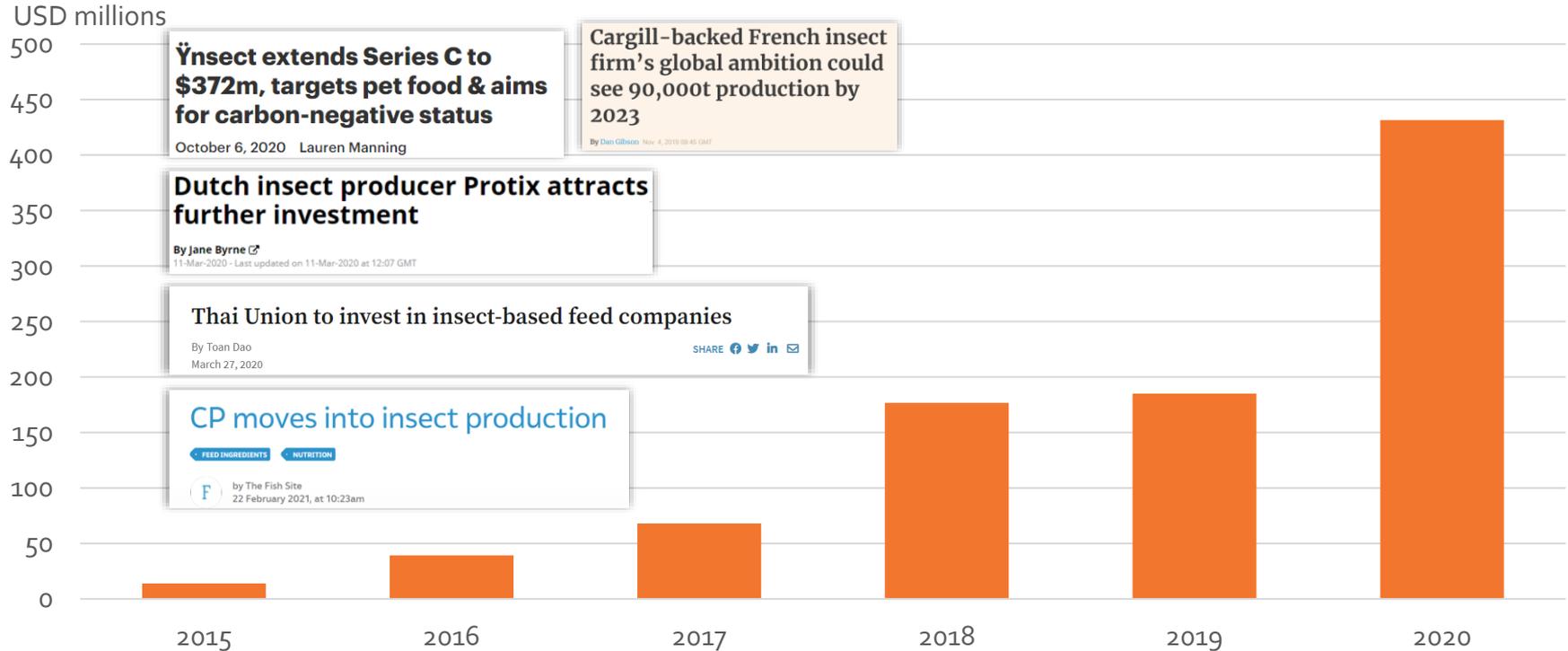


Note: 2010-2021 is actual renewable diesel production. 2022 & beyond is production capacity.  
 Source: EIA, Biodiesel Magazine, Rabobank 2021

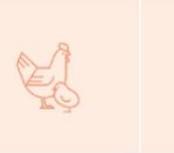
# U.S. is Experiencing a Vegetable Oil Supply Deficit and Renewable Diesel is just Ramping Up



# Exponential increase in capital flowing to insect farming companies



# Global market potential of half a million metric ton for insect protein as a pet food and animal feed ingredient

		Animal feed					
		Total	Pet food	Aquaculture	Poultry - Layers	Poultry - Broilers	Piglets
							
Estimated market size (metric tons)	Scale-up phase: EUR 3,500–EUR 5,500/metric ton	120,000	65,000	20,000	20,000	10,000	5,000
	Wider-use period: EUR 2,500–EUR 3,500/metric ton	200,000	85,000	55,000	30,000	20,000	10,000
	Maturity phase: EUR 1,500–EUR 2,500/metric ton	500,000	150,000	200,000	70,000	50,000	30,000

# Conclusions



- Prices at record levels are unlikely to come back down unless there is a cease of hostilities in Ukraine (unlikely)
- Stock situation is tight, especially for wheat
- Weather might not improve until La Niña goes away
- Demand for biodiesel is explosive
- Demand for feed is more flexible, especially given the drop in living standards

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*A summary of the methodology can be found on our [website](#).*

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