



Agribusiness 2015

12 November 2014



Growing the sustainable agrisupply chain
www.agindustries.org.uk

**A European perspective on
agriculture and the future
outlook**

Suzanne Pera

Rabobank International



From yield driven farming to input driven farming

Agribusiness conference Peterborough 2014

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Food and Agribusiness Research and Advisory

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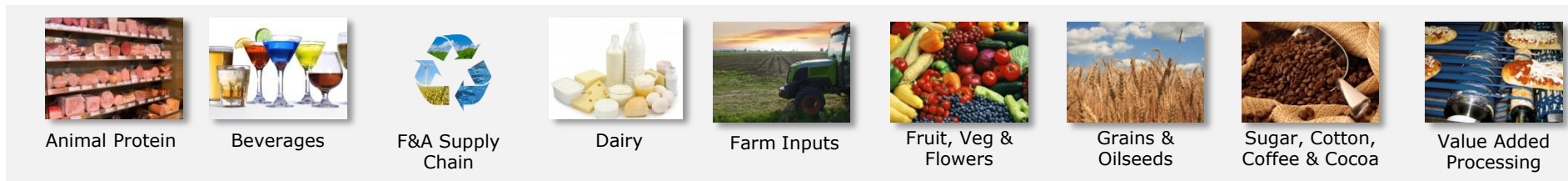


Output in the form of Notes, Reports and World maps

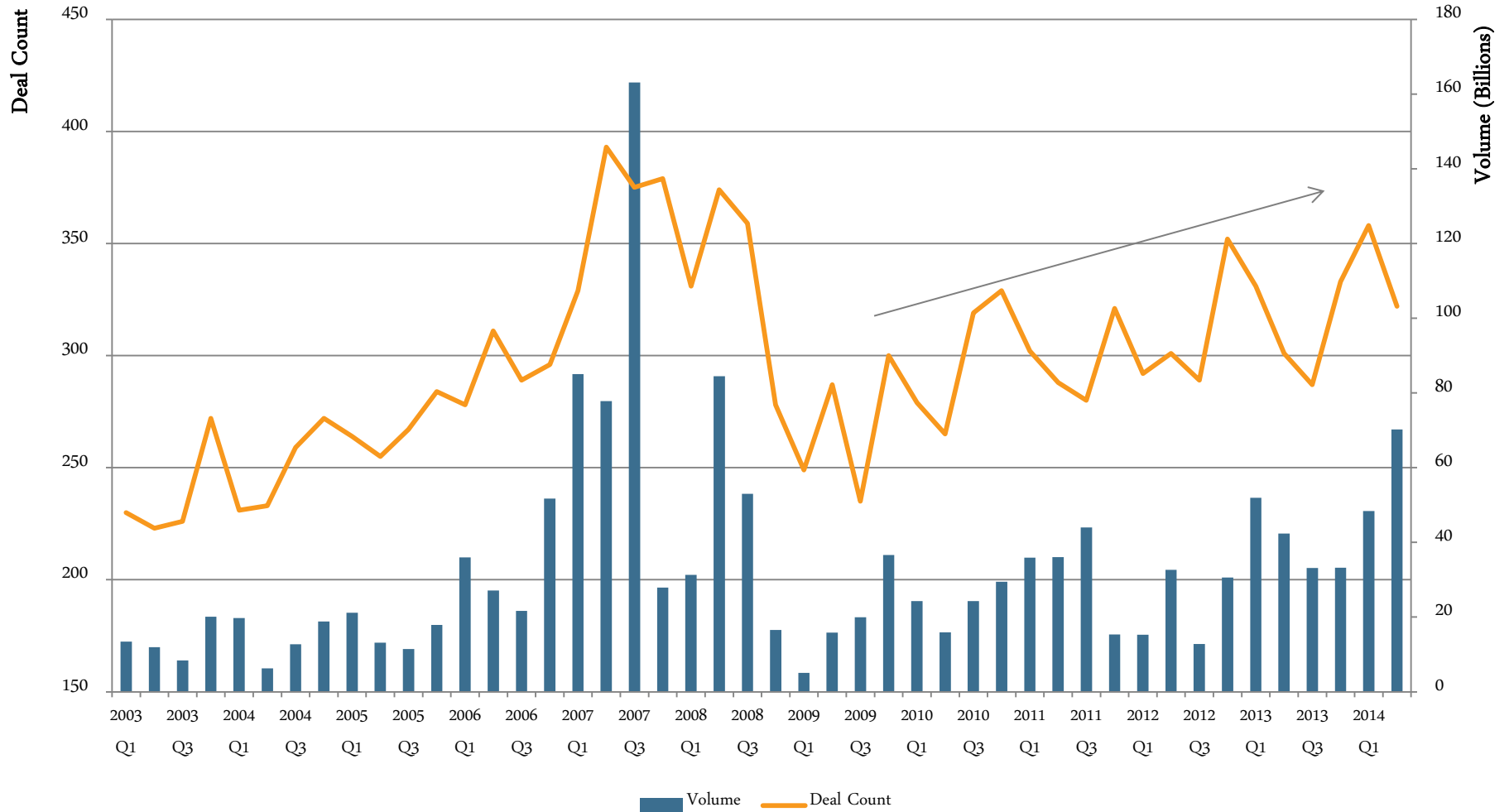
Research outputs include:


- Convergence in the Beverage Sector**: Seeking New Growth Opportunities in Alternative Beverage Segments. Includes a table of contents and introductory text.
- Rabobank Wine Quarterly**: Trends and outlook for the international market. Includes a table of contents and introductory text.
- The Financial Wine Ratings**: Investment Analysis by Region and Country. Includes a table of contents and introductory text.
- Figure 1: Australian wine exports by price point, 2008-20**: Bar chart showing export values in \$Bn.
- Figure 2: U.S. wine share of Australian exports, 2008-20**: Line and bar chart showing U.S. share of total exports and total export values in \$Bn.

Food, Beverage and Agri: all sectors are covered



M&A activity in food & agri illustrates changing momentum





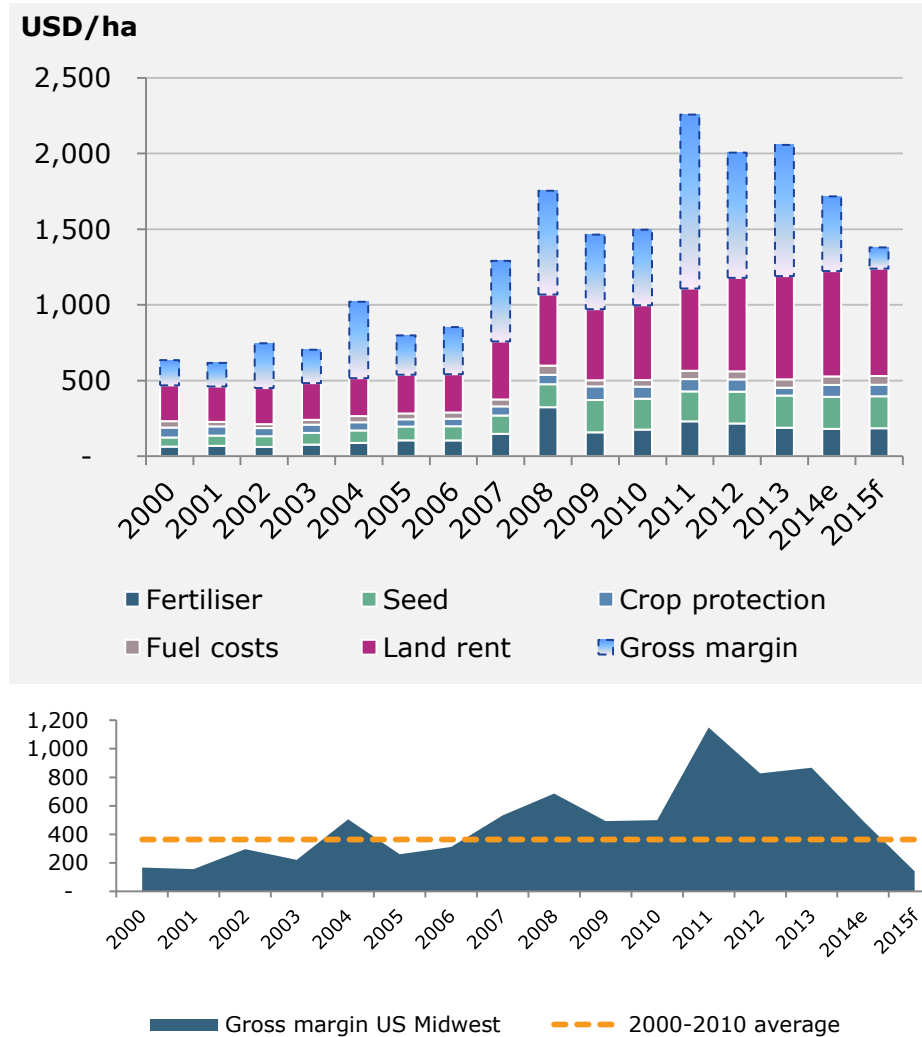
Declining farmer margins will drive a shift
towards input driven farming



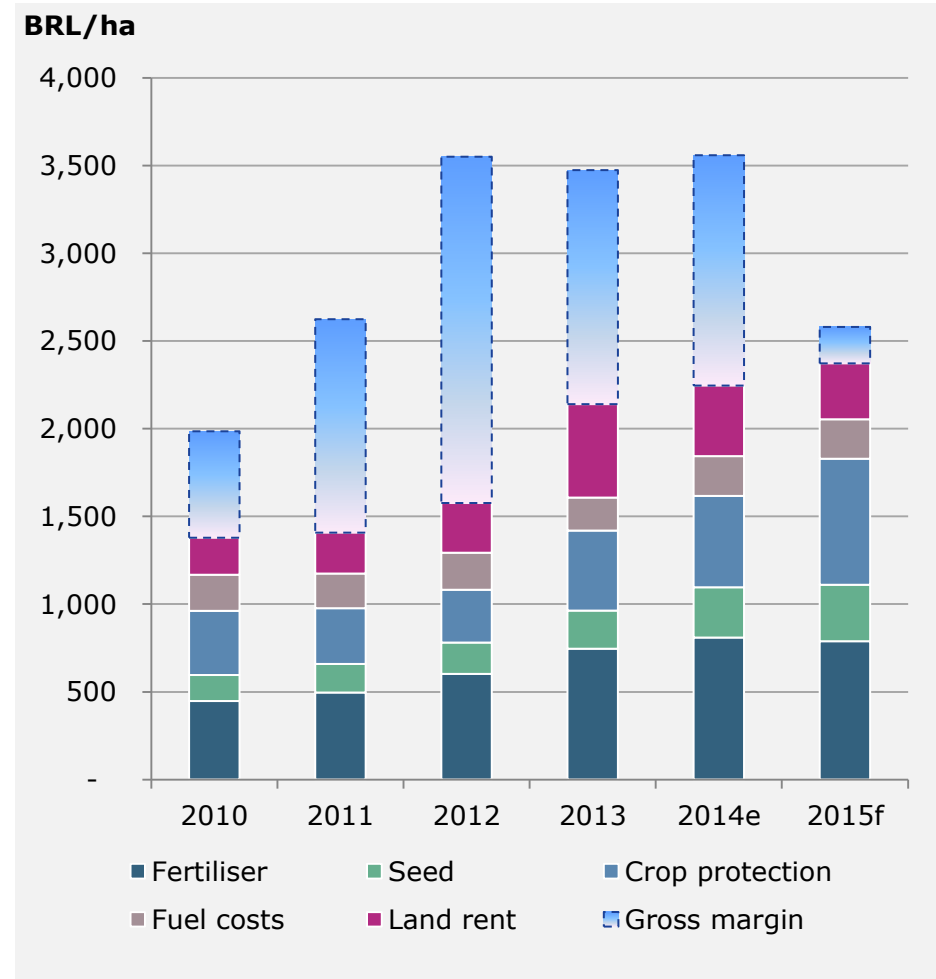
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Farmer margins are under pressure globally

US Midwest



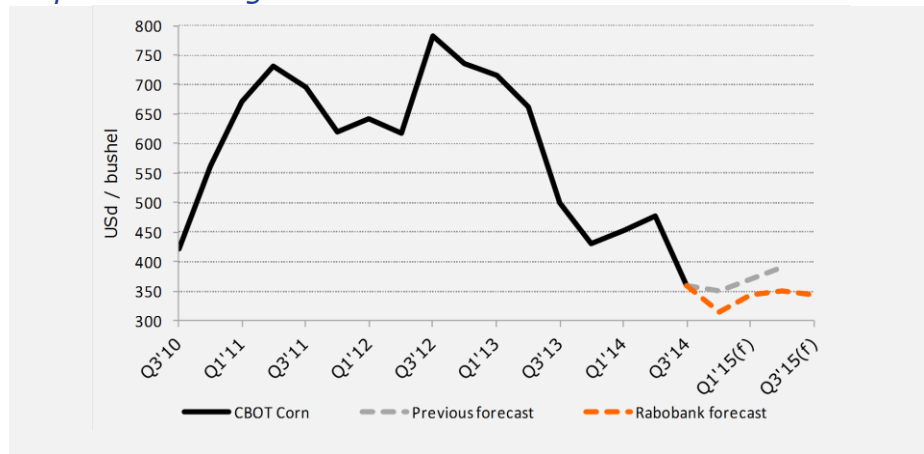
Mato Grosso Brazil



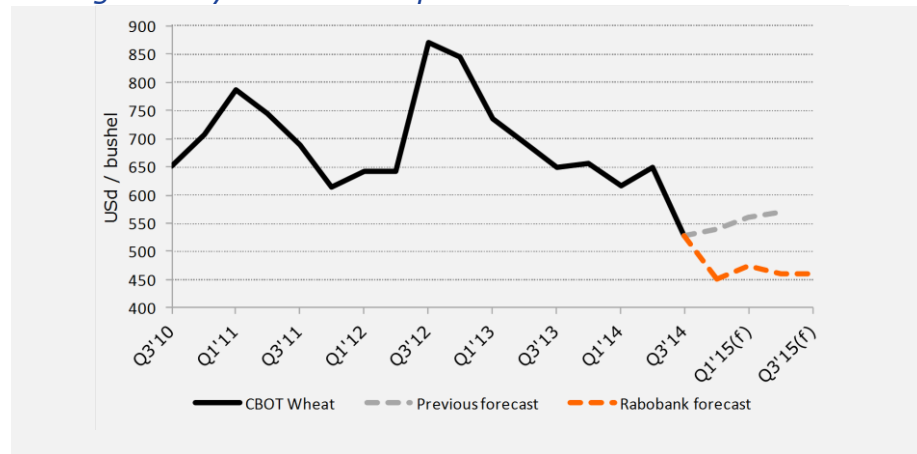


Upside for 2015 appears limited

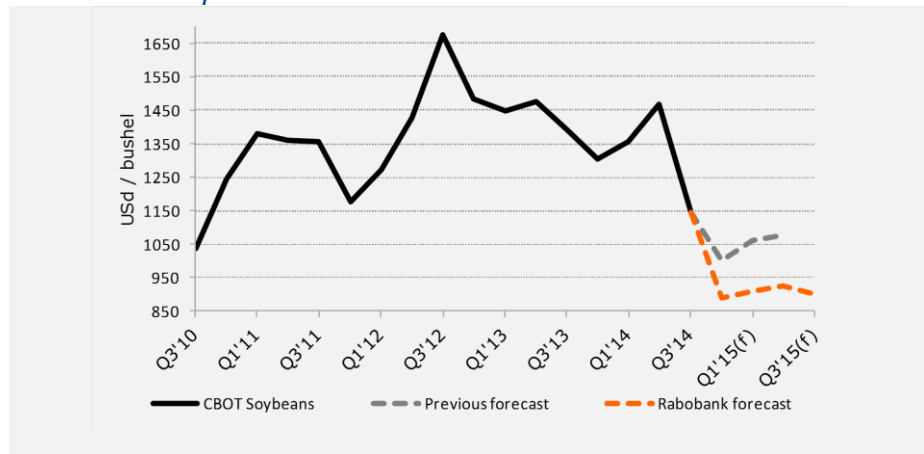
CBOT corn: Bearish outlook maintained on a record large US crop and building stocks



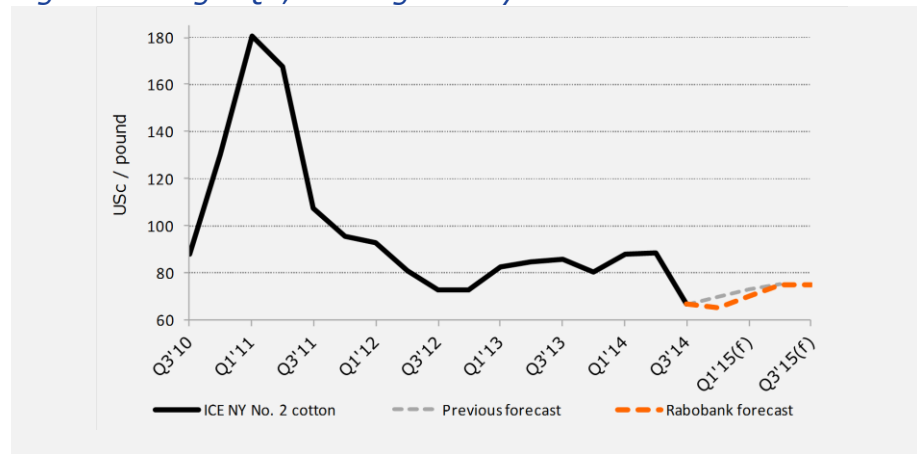
CBOT Wheat: revised lower as recent feed wheat orders are testing the 4-year low FOB price



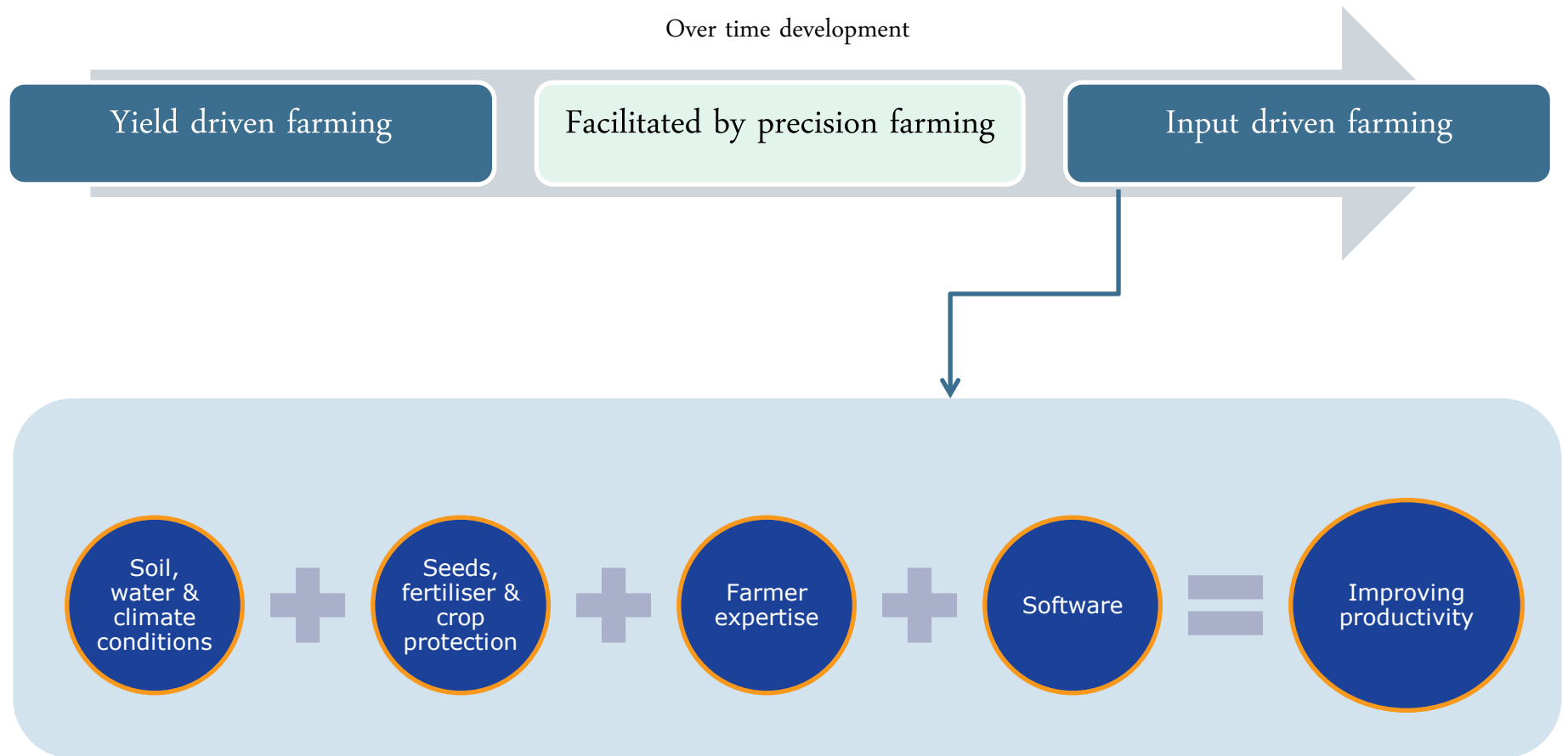
CBOT Soybean futures adjusted lower on excellent condition of the US crop

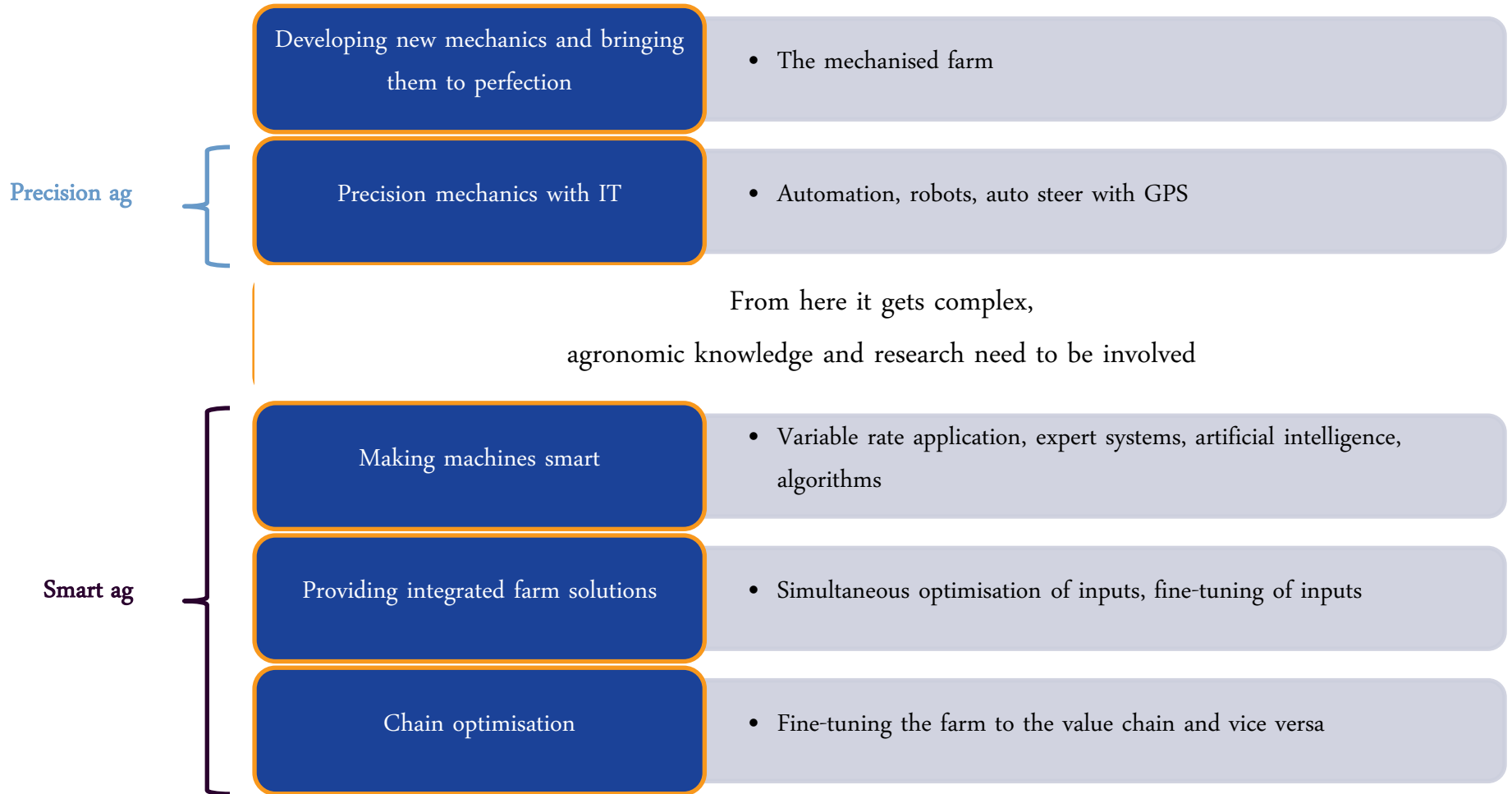


ICE Cotton: Price outlook maintained as cotton futures edge higher through Q4, coming off 5-year lows

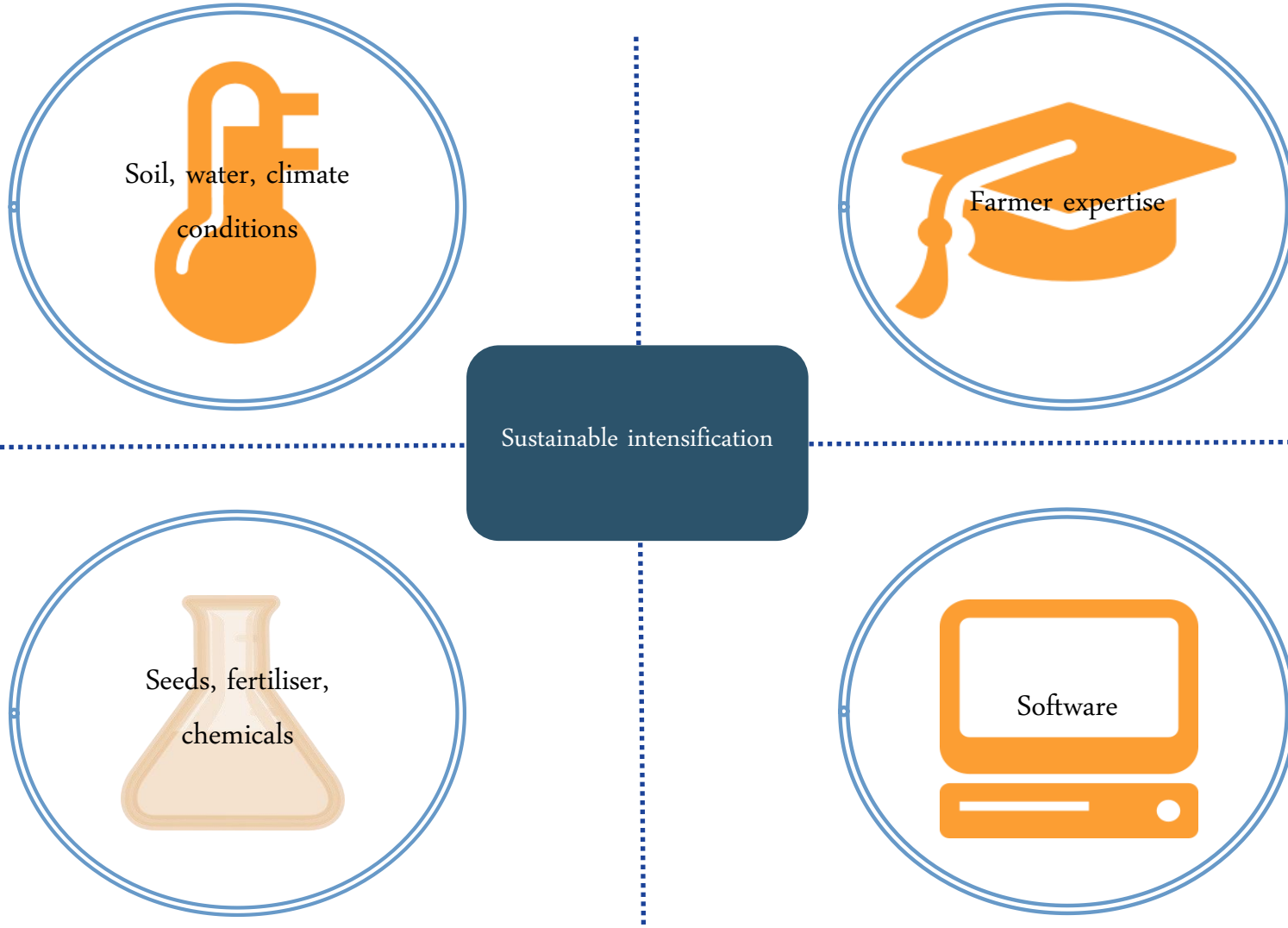


Sustainable intensification of farming facilitated by precision farming





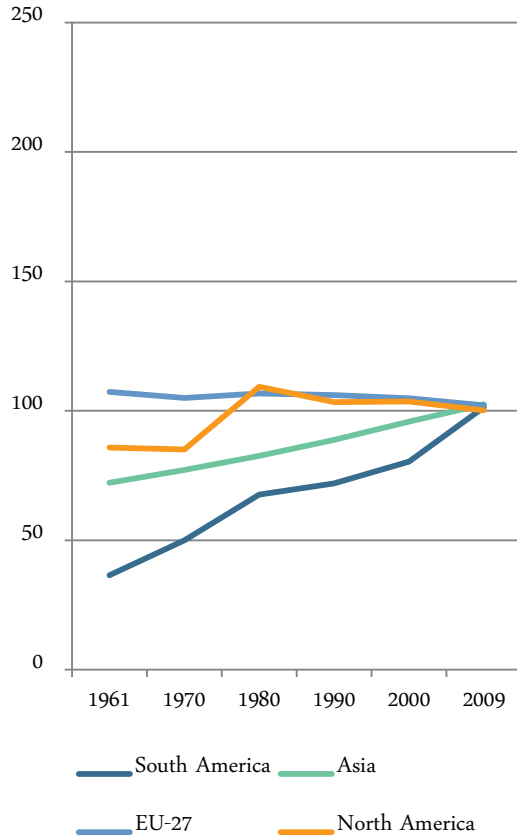
There is no one-size-fits all solution



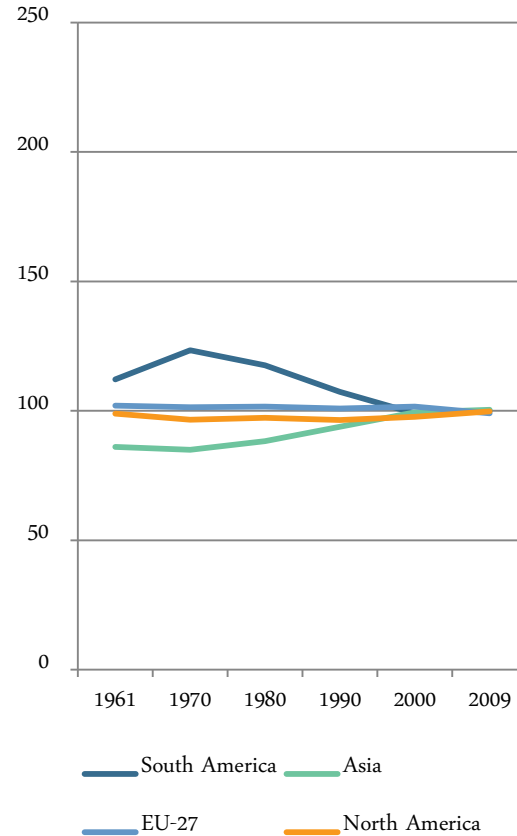
Asia and South America to follow in EU's footsteps



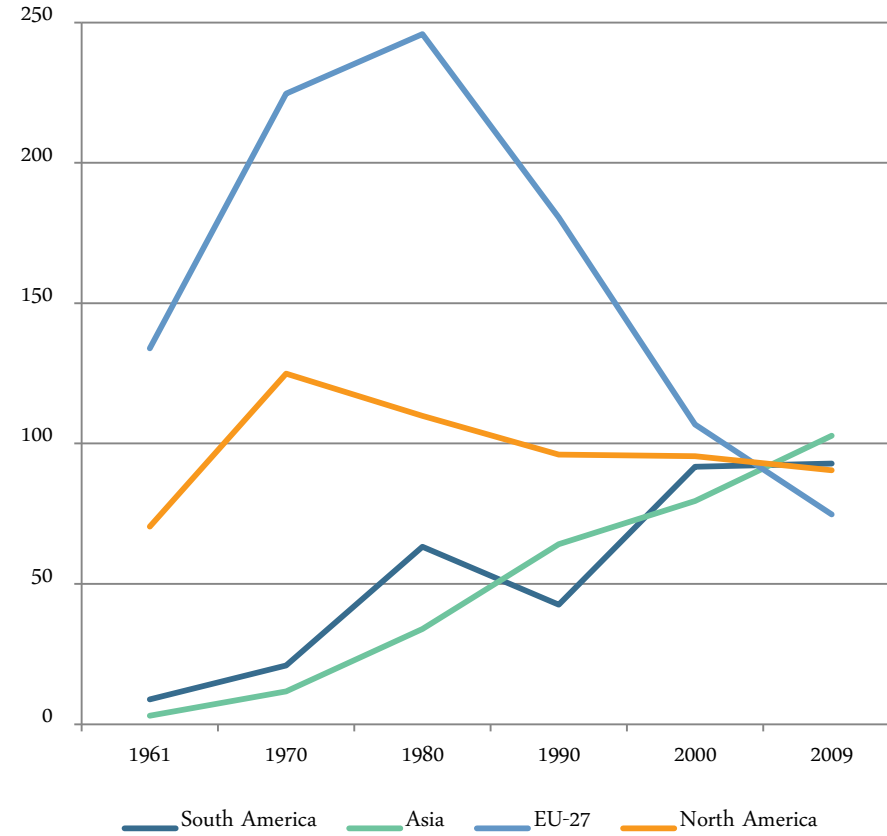
Area impact



Crop mix impact



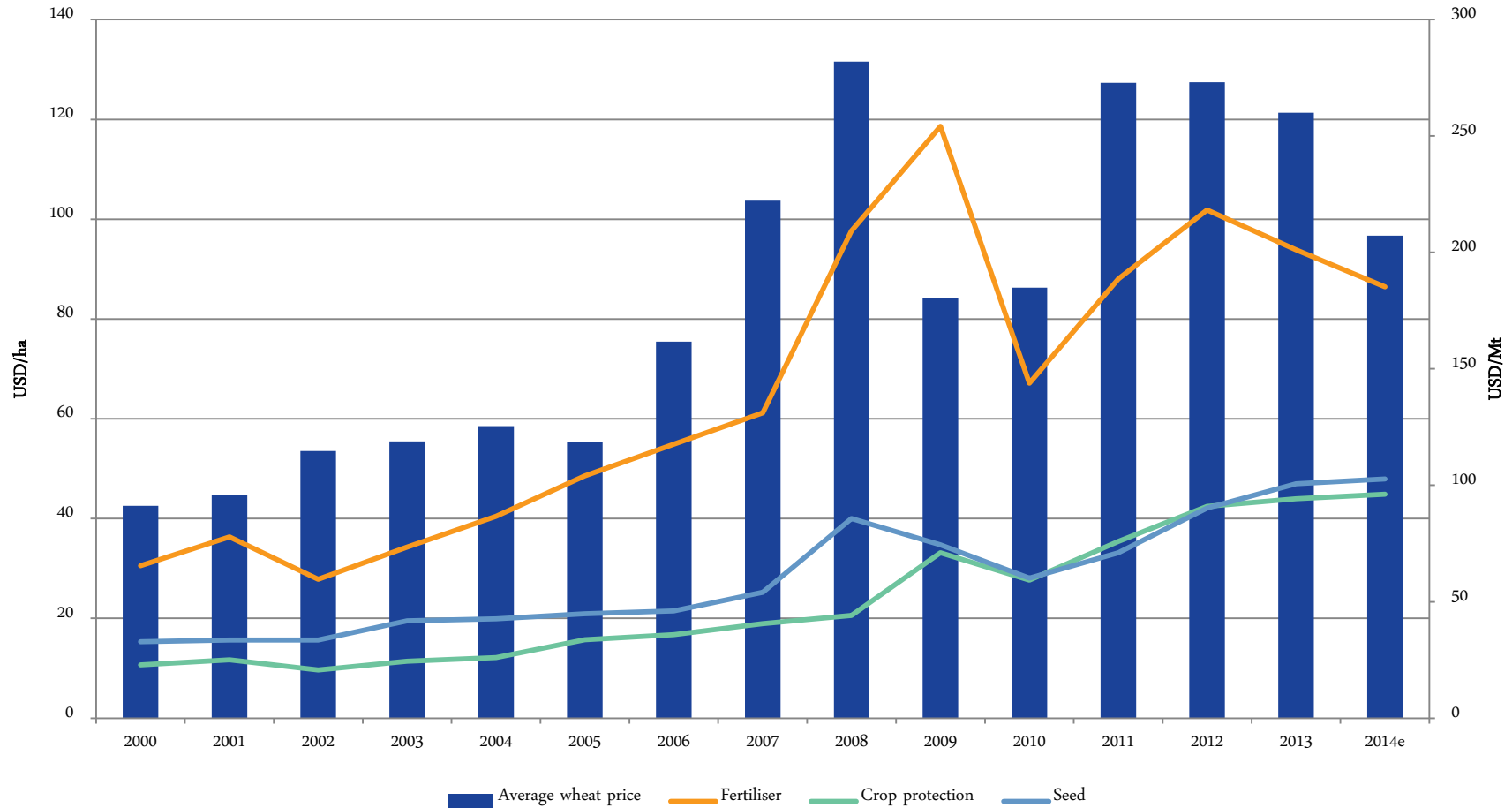
Application rate impact



2006-2007=100

1. Area: area dedicated to crops that are fertilised
2. Crop mix factor: average number of kg of nutrients per ha for actual crop mix with application rates in base year
3. Application rate: average number of kg of nutrients applied per ha for a specific crop

Fertiliser expenditures will be prone to cost savings



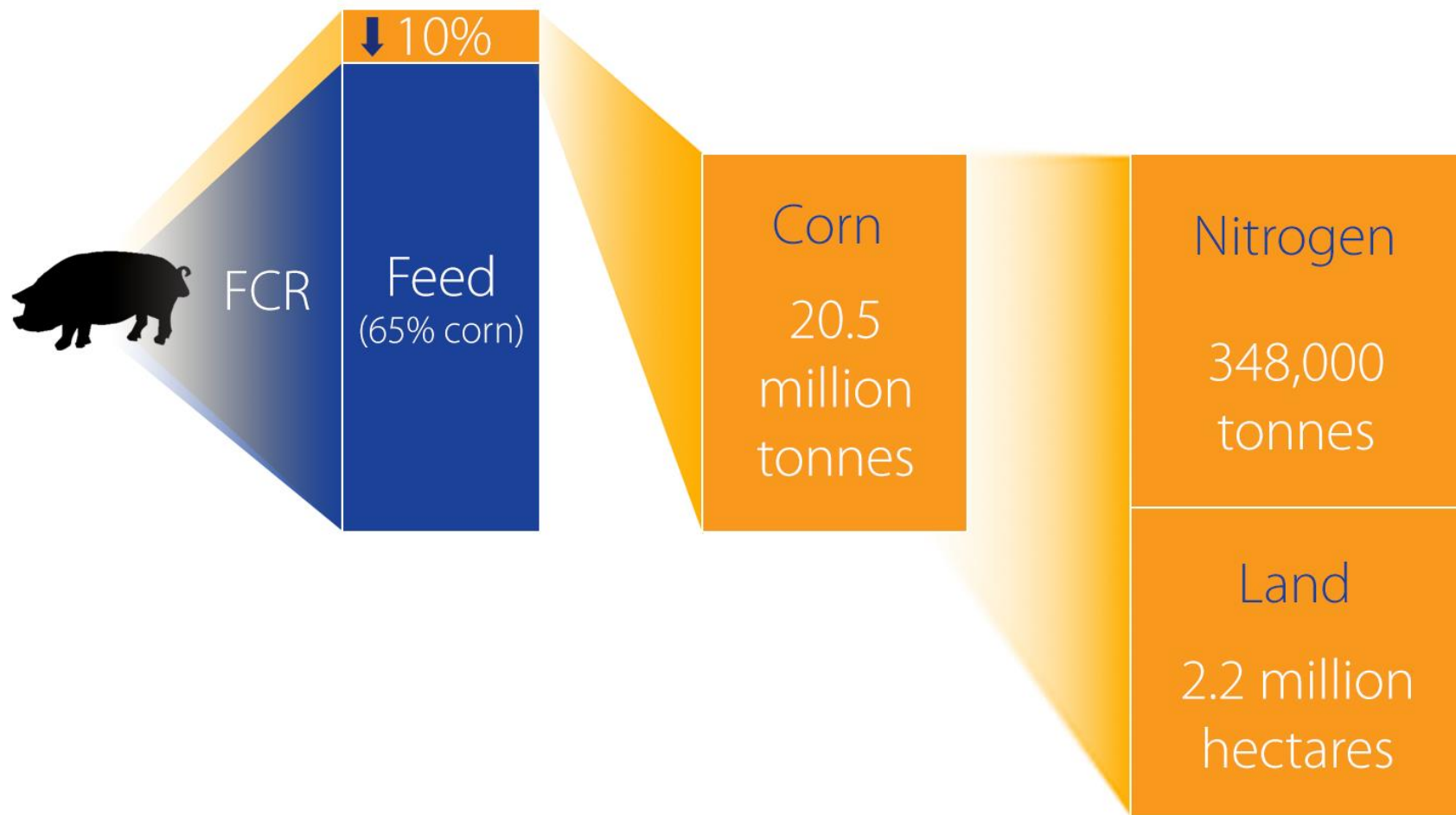


The butterfly effect



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Improved farming practices – the Butterfly Effect



UPDATE 2-Syngenta warns of 2014 hit to profit margin

Thu Oct 16, 2014 8:30am EDT

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UPDATE 1-U.S. EPA

- * Total Q3 sales rise to \$3.0 bln, in line with fcasts
- * EBITDA margin for 2014 seen lower than in pvs

CF Industries' profit plunges 44 percent, shares drop



AGCO Q3 profit falls 48% to \$65 million

Oct 28, 2014, 10:29am EDT

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Staff
Atlanta Business Chronicle

AGCO Corp. (NYSE: AGCO)

Last updated: October 30, 2014 11:27 pm

Bunge results hit by slow farmer selling

Gregory Meyer in New York [Author alerts](#) ▾

South American farmers have stung [Bunge](#), the global food commodities trader, as they hold out hope that grain prices will rise before agreeing to sell future harvests.

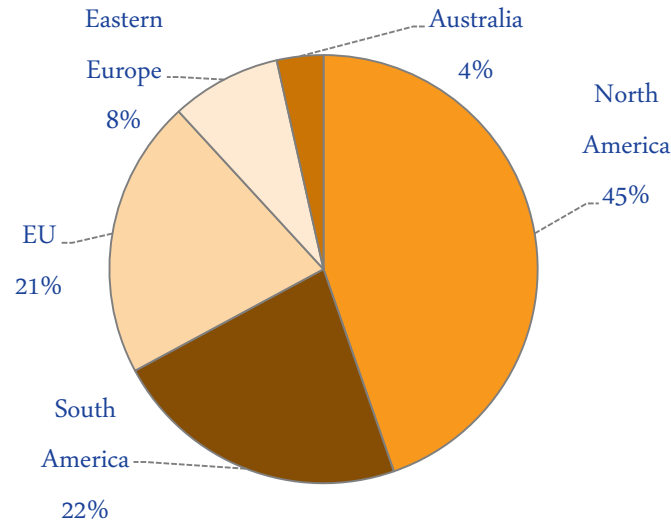


...the tough get going



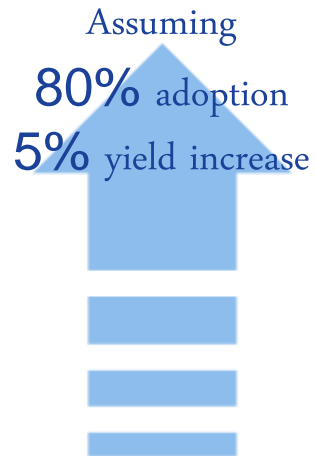
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Who captures growth in precision farming?

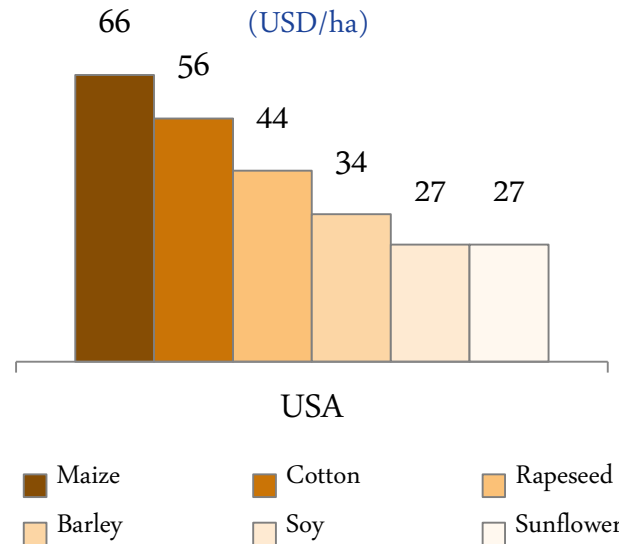


Precision ag tools suddenly give growers the same kind of tools to support their decision making that accountants and engineers have been using for decades

-John Doerr



Potential value creation



Total possible value generation through precision farming

9.6 bn USD globally



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