Soymeal Global Outlook

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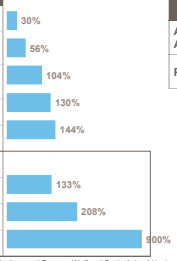
Livestock sector growth vs Other agri

66% OF THE LAST DECADAL GROWTH IN AGRICULTURE CAME FROM THE LIVESTOCK AND FISHERIES

Category`	Unit	2000	2021
Population	Bn people	1.06	1.38
Food grains	Mn MT	197	311
Vegetables	Mn MT	94	200.4
Fruits	Mn MT	43	107.1
Milk	Mn MT	81	210
Shrimp	**Mn MT**	**0**	**0.9**
Fish	**Mn MT**	**6**	**14.7**
Eggs	**Bn No**	**37**	**122**
Poultry	**Mn MT**	**0.4**	**3.6**

Growth from 2000 to 2021



Category	Unit	2000	2020
Animal + Aqua	As % of Agri GDP	23%	37%
Protein	Per capita gms / day	55	64

Feed	CAGR (2020-2030)
Overall	8.2%
Cattle	11.3%
Shrimp	8.0%
Fish	12.0%
Broiler	6.5%
Layer	6.5%

Source: World Bank Database | Ministry of Agriculture and Farmers Welfare | Basic Animal Husbandry Statistic | Horticulture Board of India I Dept. of Fisheries

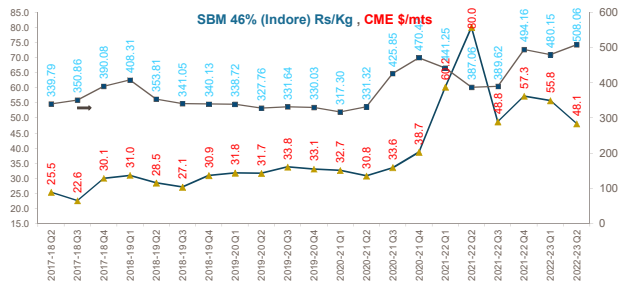
Feed Ingredient Demand (proj.)

	2019/20	2020/21	2021/22 (P)	2022/23 (F)	2023/24 (F)	2024/25 (F)	2025/26 (F)
Poultry Feed Demand	28.64	27.53	23.22	24.91	26.73	28.71	30.85
Cattle Feed Demand (Org)	13	14	14.98	16.03	17.15	18.35	19.64
Aqua Feed Demand	1.98	2.12	2.27	2.43	2.7	2.9	3.1
	43.62	43.65	40.47	43.37	46.58	49.96	53.59
Milk Production (MMT)	198.4	206.34	214.59	223.17	232.1	241.38	251.04
Cattle Feed Ingredient demand (MMT)	99.2	103.17	107.29	111.59	116.05	120.69	125.52

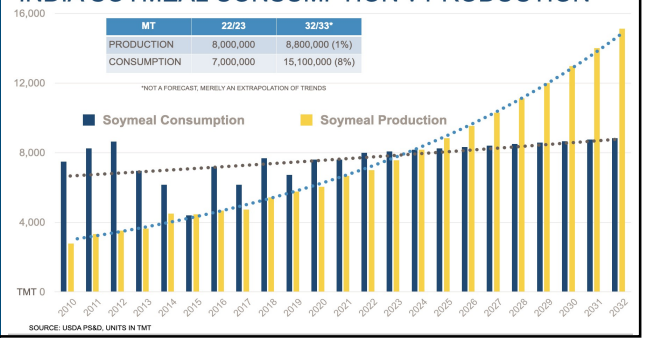
India's soy SnD

	20-21	21-22	(Oct-sept)
C/F Previous year	0.50	0.00	
Production (as per SOPA)	10.45	11.80	
Imports SB	0.50	0.50	
Total Supply	**11.45**	**12.30**	
Reserved for Sowing	1.30	1.30	
Direct Human Consumption (SB)	0.50	0.55	
Exports of Seed	0.50	0.50	
Marketable Surplus	**9.15**	**9.95**	
Meal Equivalent	7.50	8.16	82% meal
domestic requirement	5.60	5.50	@4.7/month
Exports	1.90	0.65	
Human food (meal/flour)	0.58	0.63	
Demand in total	**8.08**	**6.78**	
Gap	**-0.58**	**1.38**	1.7 bean
Imports Meal	0.40	0.20	
Imports Protein Isolate 60%	0.01		

Soymeal Price Movements – last 5 years



INDIA SOYMEAL CONSUMPTION v PRODUCTION



SOURCE: USDA PS&D, UNITS IN TMT

US Soy

Soymeal exports/countriwise

Exports	2018/19	2019/20	2020/21	2021/22	Aug 2022/23	Sep 2022/23
Argentina	28.833	27.461	28.325	28.200	28.500	28.500
Brazil	16.095	17.499	16.576	19.400	18.700	18.800
United States	12.141	12.549	12.406	12.338	12.701	12.428
Paraguay	2.333	2.138	1.916	1.150	1.900	1.900
Bolivia	1.638	1.723	2.116	1.750	1.725	1.675
Other	6.976	6.220	7.633	6.261	6.610	6.675
Total	68016	67590	68972	69099	70136	69978

Source: USDA WASDA report

US Soy

Soymeal Imports/countrywise

	2018/19	2019/20	2020/21	2021/22	Aug 2022/23	Sep 2022/23
European Union	17.197	16.329	16.513	16.8	16.75	16.8
Indonesia	4.449	5.043	5.336	5.25	5.6	5.6
Vietnam	5.063	5.176	5.052	5.2	5.3	5.3
Philippines	2.897	2.872	2.707	2.7	2.8	2.8
Thailand	2.889	2.854	2.687	3.05	2.75	2.75
United Kingdom	2.16	2.135	2.231	2.00	2.265	2.265
Iran	2.542	0.618	2.018	1.5	1.9	1.9
Korea South	1.855	1.992	1.727	1.825	1.875	1.875
Mexico	1.887	1.818	1.854	1.85	1.925	1.875
Japan	1.596	1.858	1.839	1.8	1.825	1.825
Other	20.759	21.317	21.877	22.454	22.231	22.35

Source: USDA WASDA report

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US Soy

India's Export parity

we are 30 $ away from exports, which MEANS no premium to NON-GM

At FOB 470-480 $/MT level, the Indian soymeal export will start.

considering the current CBOT level and the South American meal prices being offered at the destination.

INR vs USD has good role to play

				freight	
Market	FOB	Europe	SE Asia	EU	SEA
US Gulf	475	505	510	30	35
S America	470	510	540	40	70
India	515	560	550	45	35
India FOR Kandla	40050				

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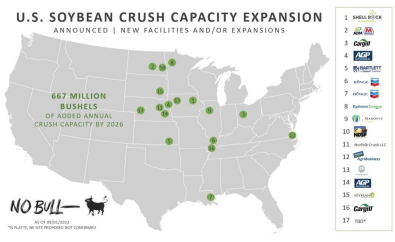
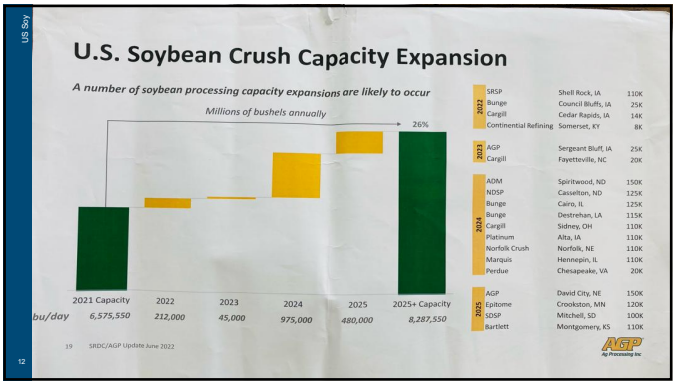
US soy

NEW PLANTS/EXPANSIONS?



Biofuel policies, mandates along with Blending restrictions will be going to drive the usage of renewable diesel and renewable aviation fuel, which will be a catalyst for an increase in the number of crush plants resulting in much more exportable soybean meal for exports in the coming years

US Soy



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Points to pin

- US is crushing for Oil so Meal will be a cheaper/product for them.
- Energy crisis in the EU might impact the utilization of energy preference to home from Industrial or increase the industrial cost so the EU crush can have issues.
- Russia is crushing at its peak both Soy and Sun, meeting Non-GMO demand
- Higher Farmer selling in the month of Sept in Argentina has seen good crushing, so Argy will be a keen seller of meals to the world market.
- If energy continues to go higher, it will add to the inflationary pressure, which can impact the overall demand for all products, including meat
- Europe covering (which is their favourite origin?)
- Farmer selling in India is critical; exporters will not take a position on short selling
- buyers waiting on good Indian crops and carry-over stocks in India
- Buyer might start covering from December once they get clarity on the South American crop
- With increasing interest rates and changing relationships in foreign exchange rates,
- watch currency markets. The strength of the U.S. Dollar is making U.S.-origin commodities very expensive.

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- Growing demand for vegetable oil from the renewable fuels sector will continue to support soybeans and oilseed prices. These values are also closely related to crude oil and diesel fuel prices.
- Crude oil, natural gas and energy prices drive corn ethanol and renewable fuels, as well as nitrogen "N" fertiliser and transportation costs. With the high cost of "N", acres are likely to switch away from corn and more towards soybeans.
- Higher fuel and energy costs will also impact transportation costs and ocean freight. This changes FOB to FOB price relationships. Keep a close watch on these changes.
- Inflation and rising interest rates are increasing business costs across the board.
- Dry weather in Argentina and southern Brazil will impact soybean planting. as well as final production. Also, watch dry weather across Europe, Southern China and the western U.S.
- If all this wasn't enough to watch, evolving geo-political issues and headlines will significantly drive daily price movements and trade flows.
- Governments will likely implement policies to control and lower local food prices. History will tell us that government involvement in markets is never a good thing and often has the opposite effect than what was intended. It almost always restricts trade and increases supply chain costs.

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Let's continue to collaborate to nourish our planet sustainably!

THANK YOU