



Rabobank

Global Trends and Swing Factors

And their impact on crop production

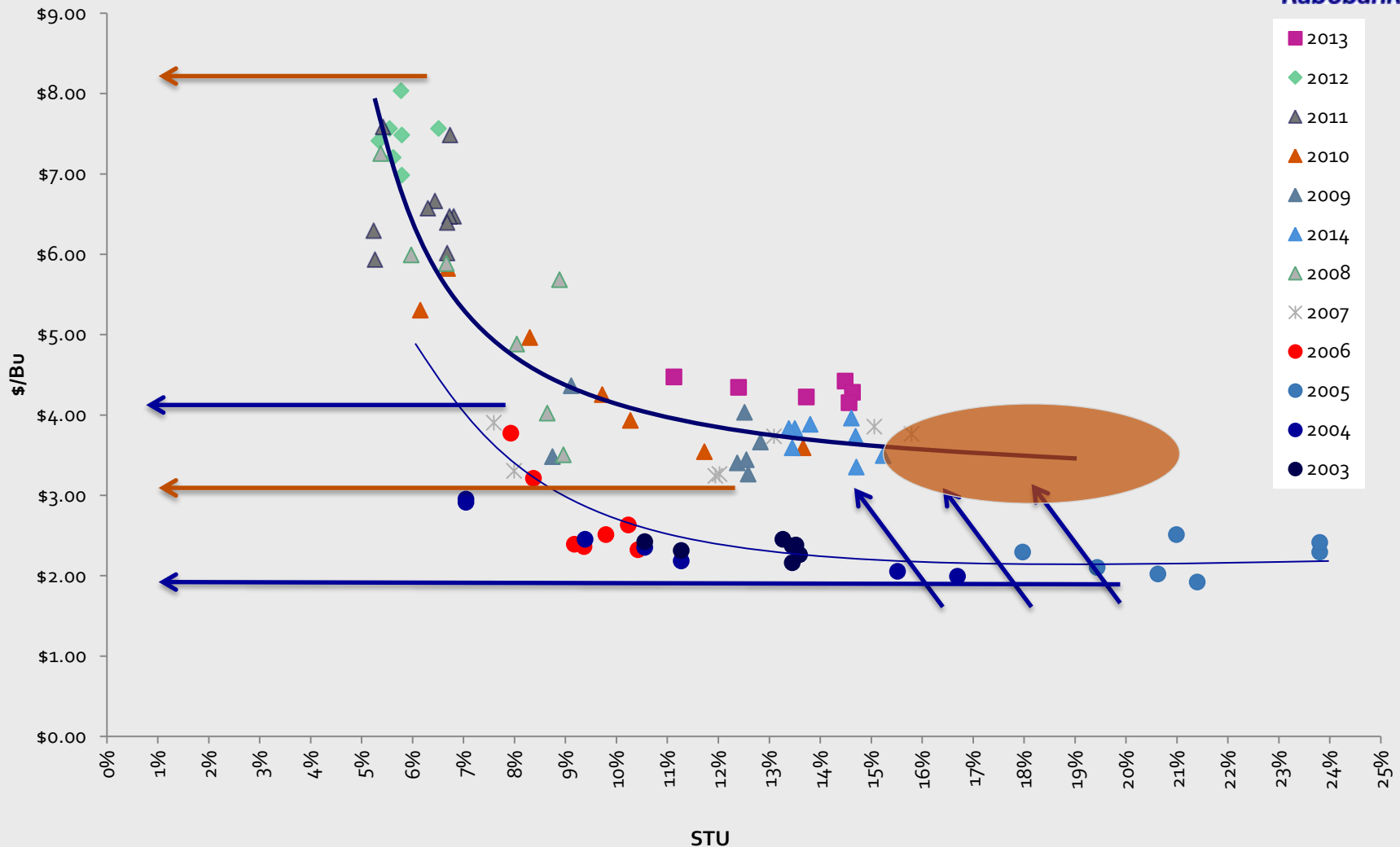
Sterling Liddell

Senior Analyst Food and Agribusiness Research and Advisory

Random Risk



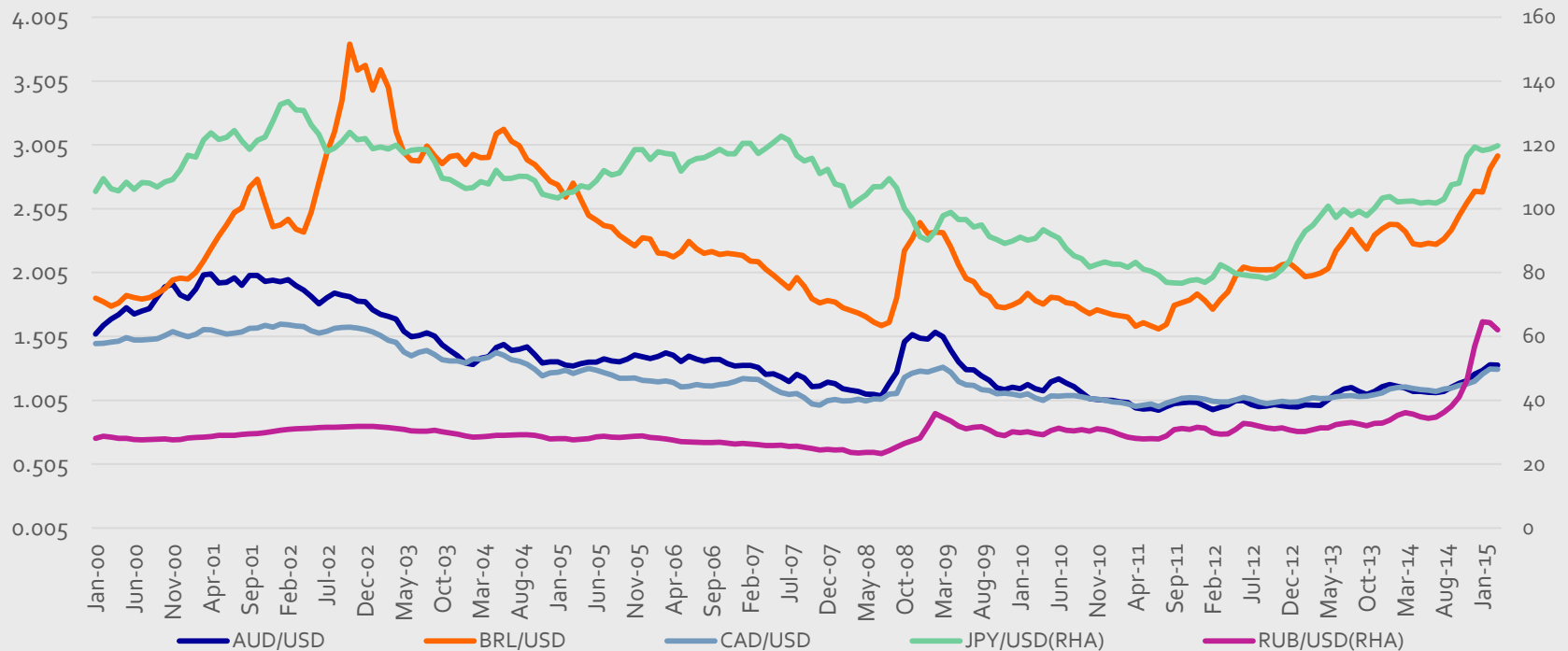
Demand shift changed the road



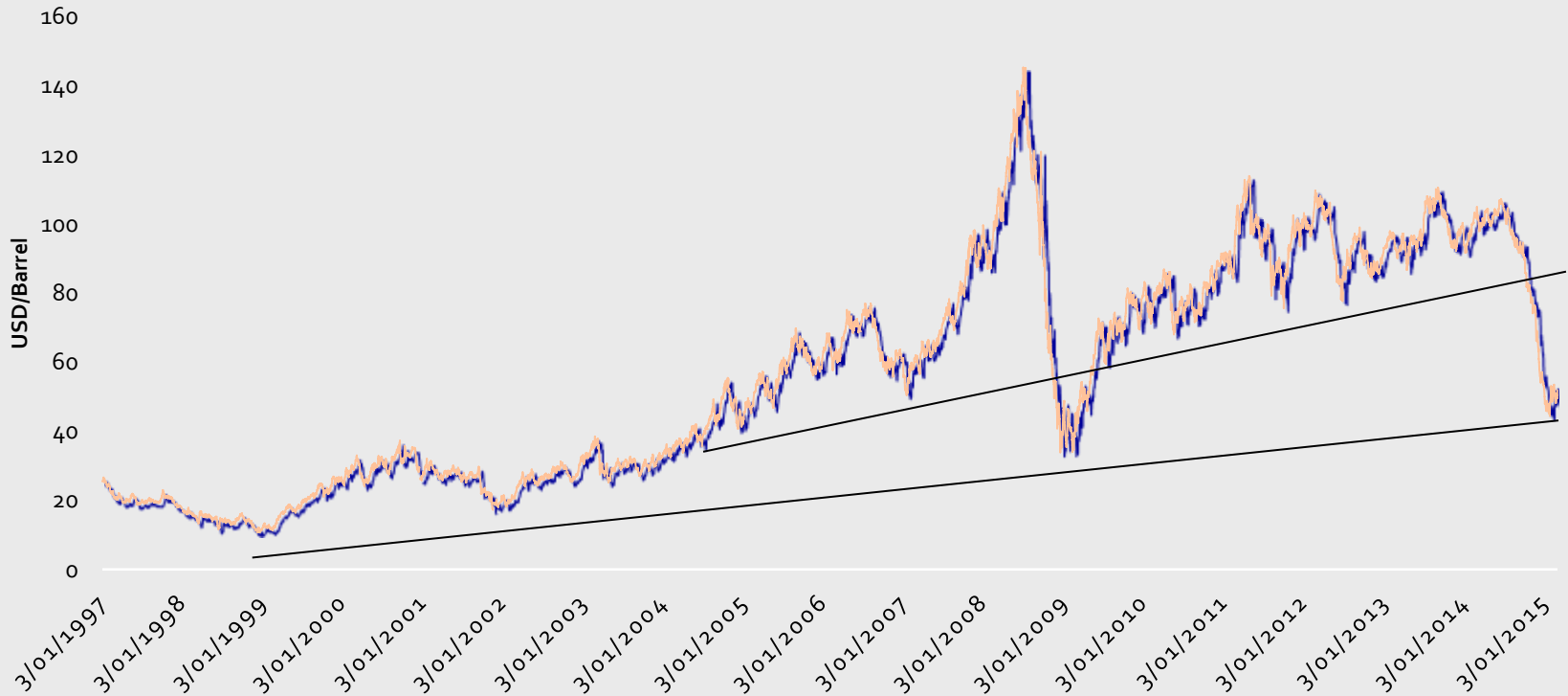


Exchange rates weakening US competitiveness in wheat

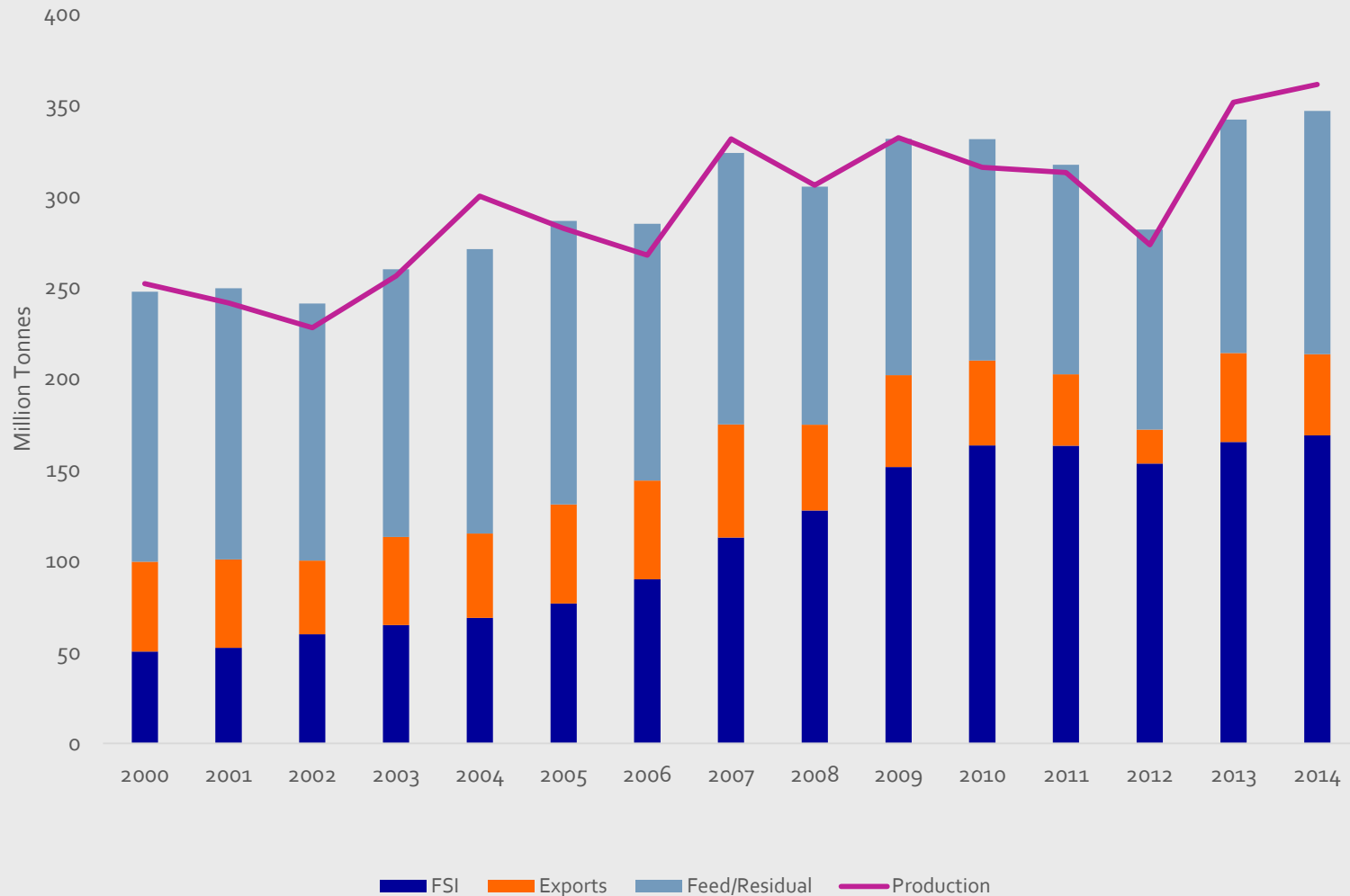
Chart Title



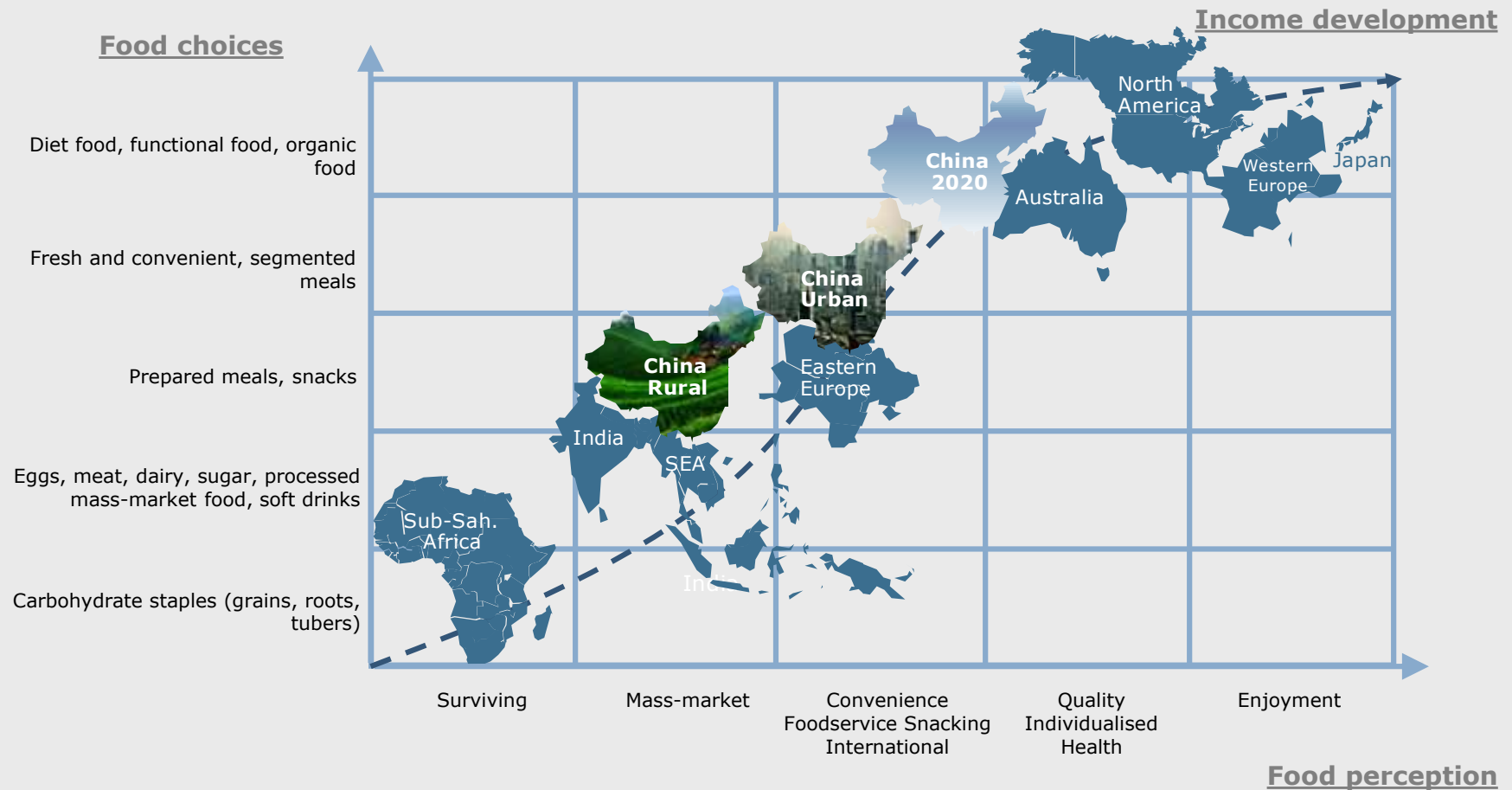
Commodity price is a reinforcing trend



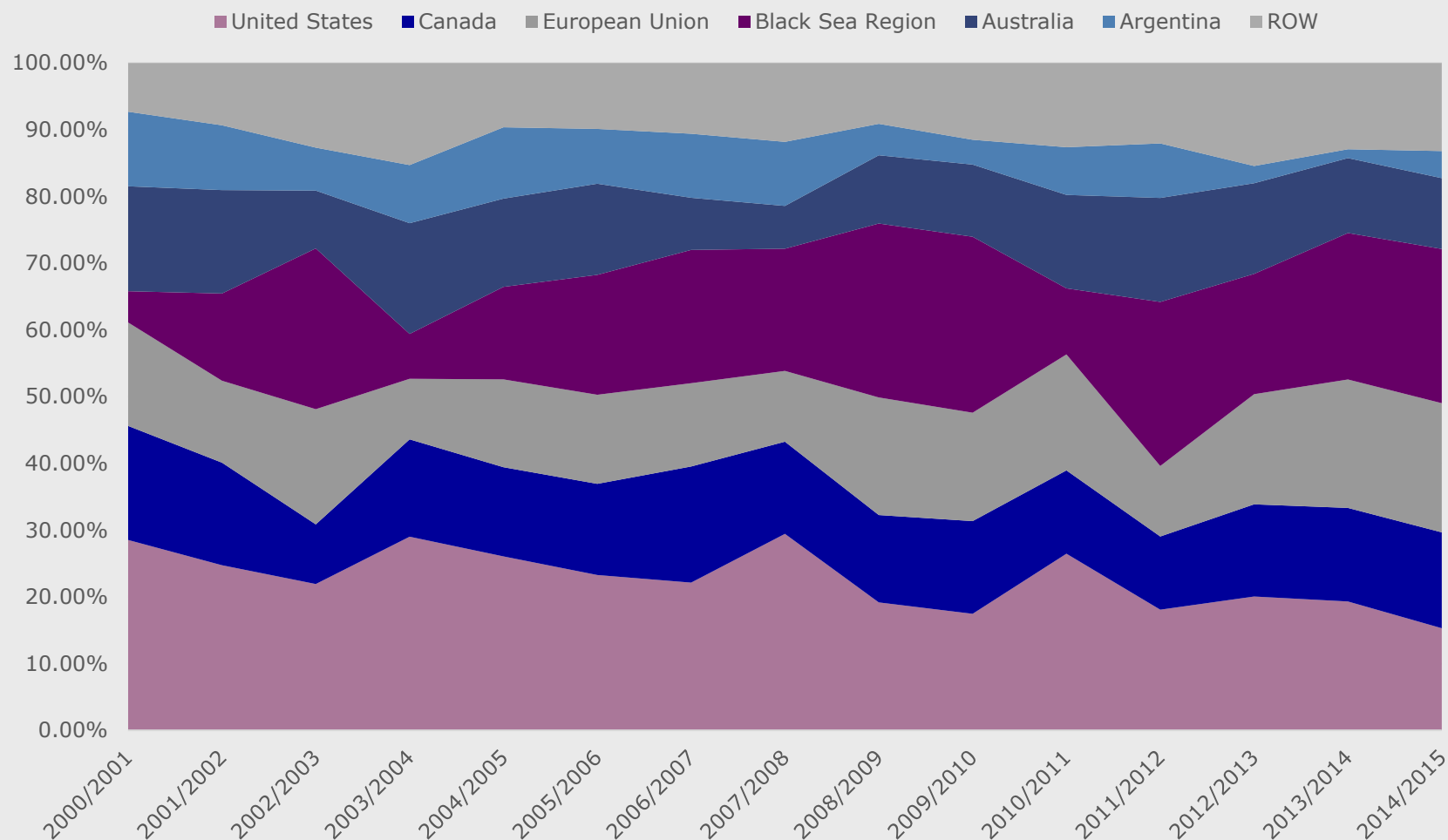
Ethanol/Bio Fuels Demand Stabilized

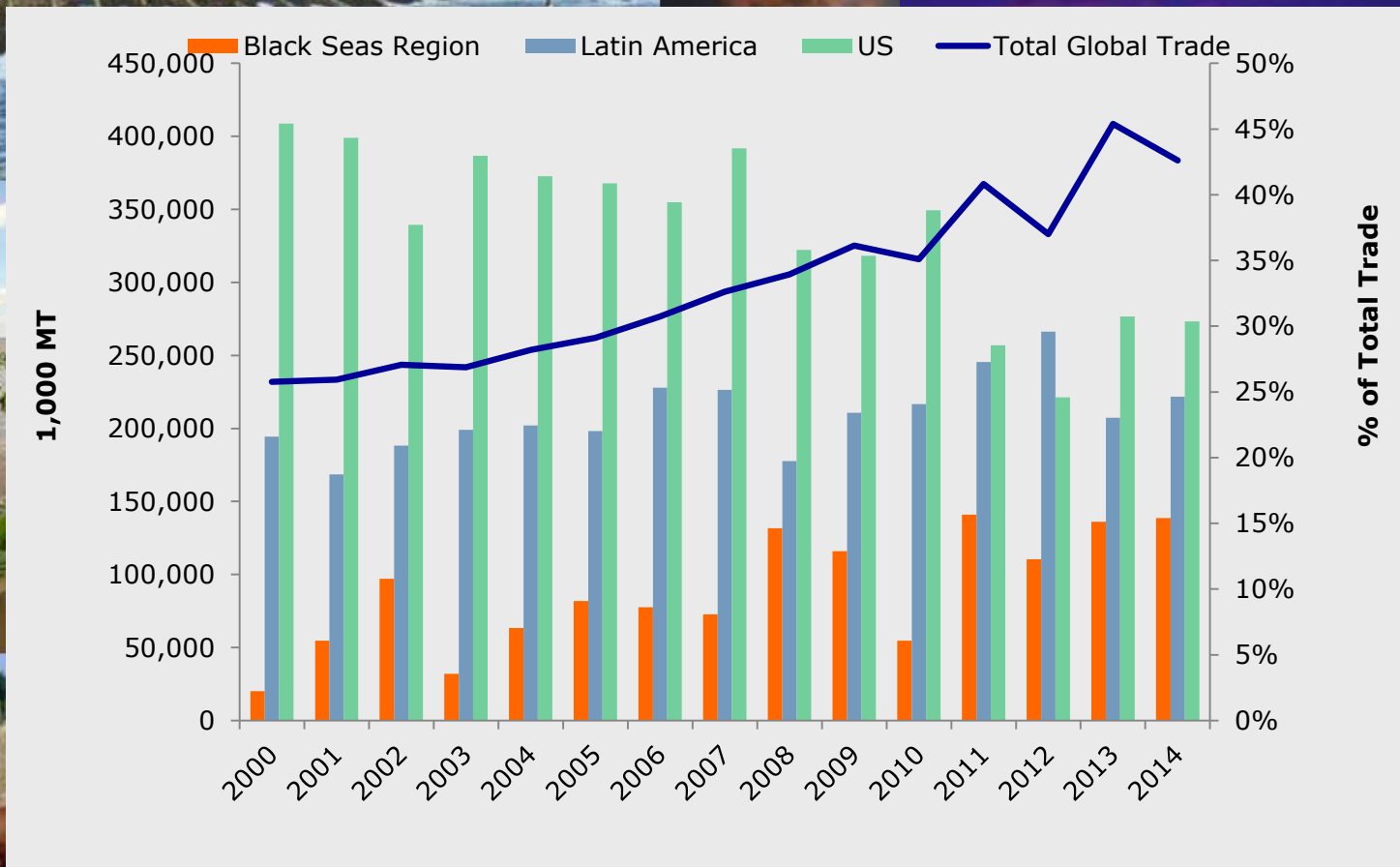
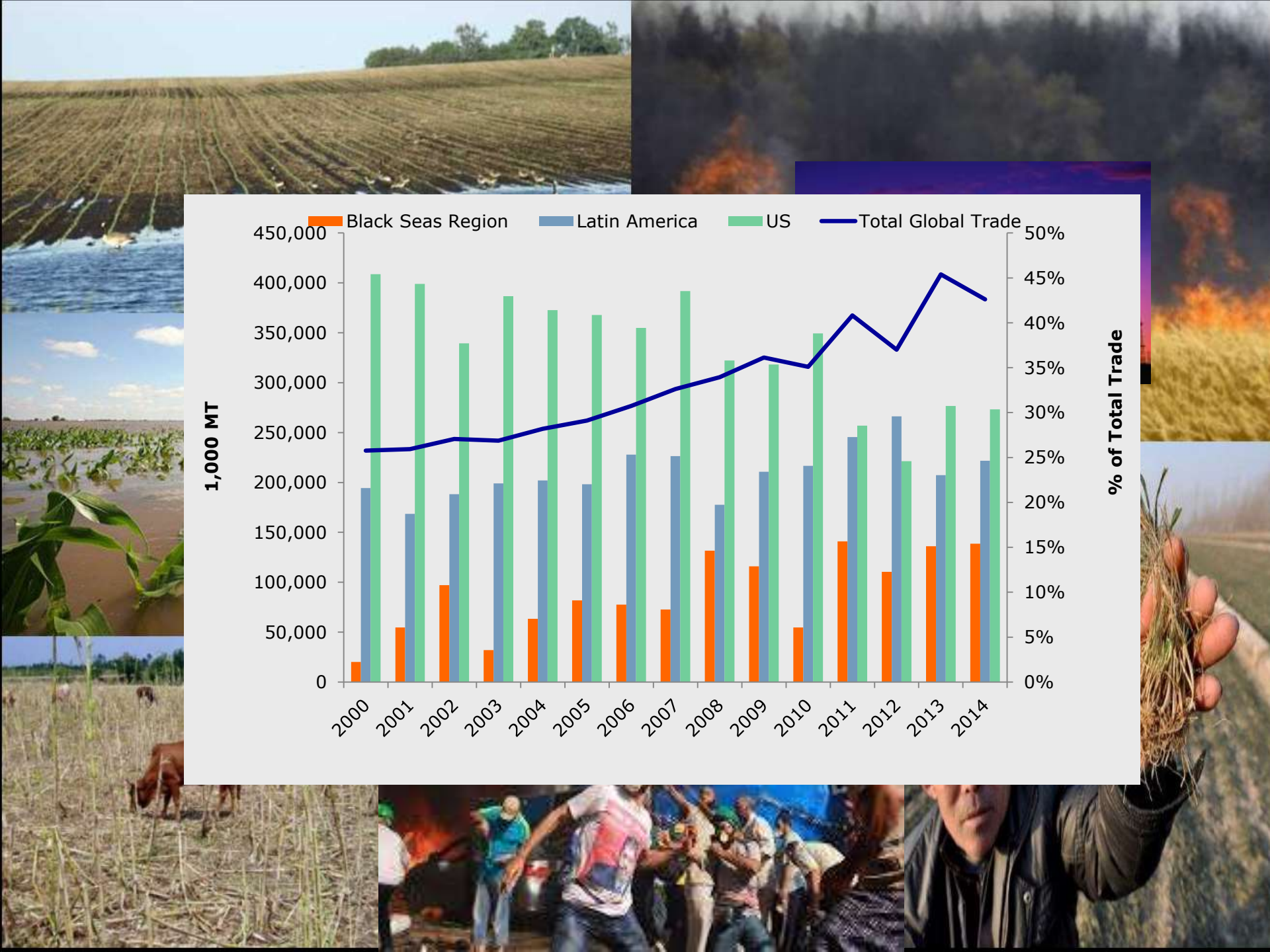


Up the Food Perception Chain

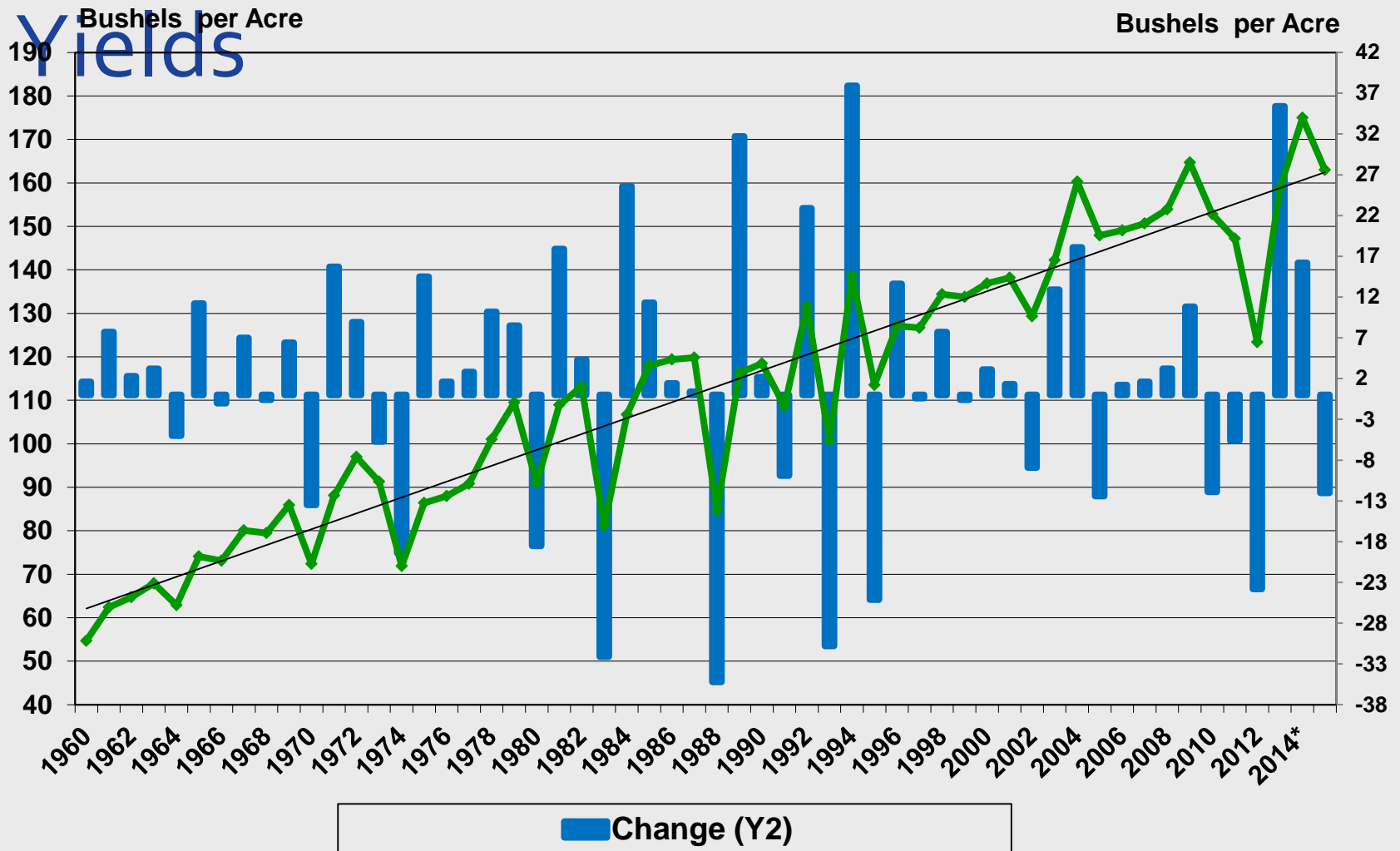


Proportion of US wheat exports shrinking in corn/soybean areas

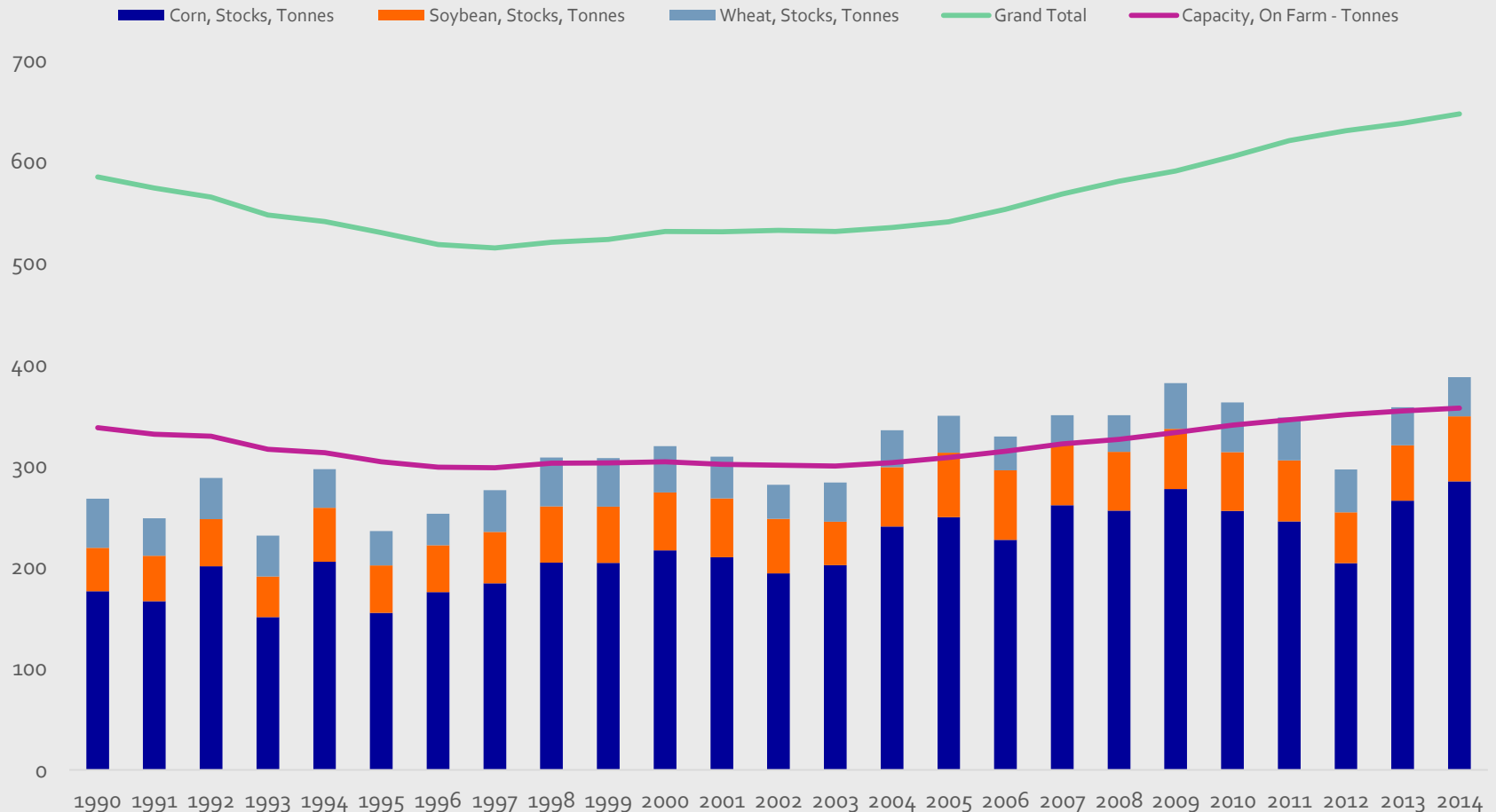




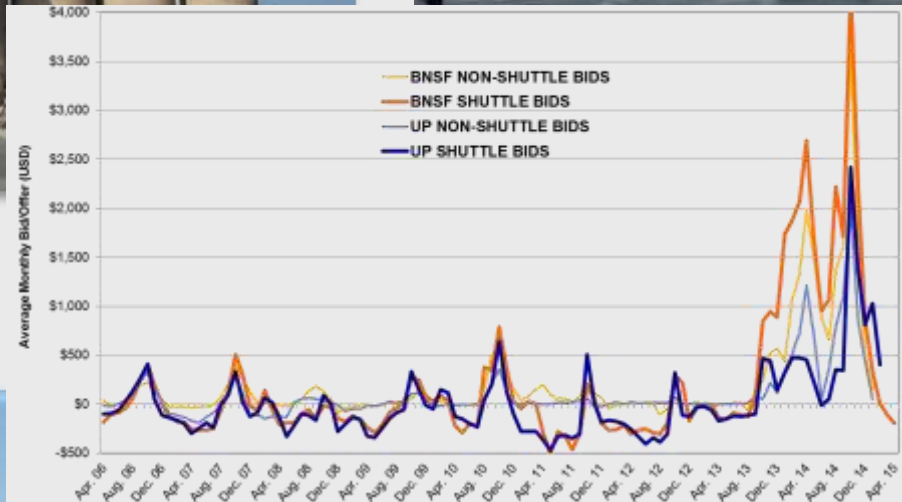
More Volatility in U.S. Corn



Investment in storage has changed marketing dynamics



All Major Producing Areas Have Logistical Challenges





Outlook:

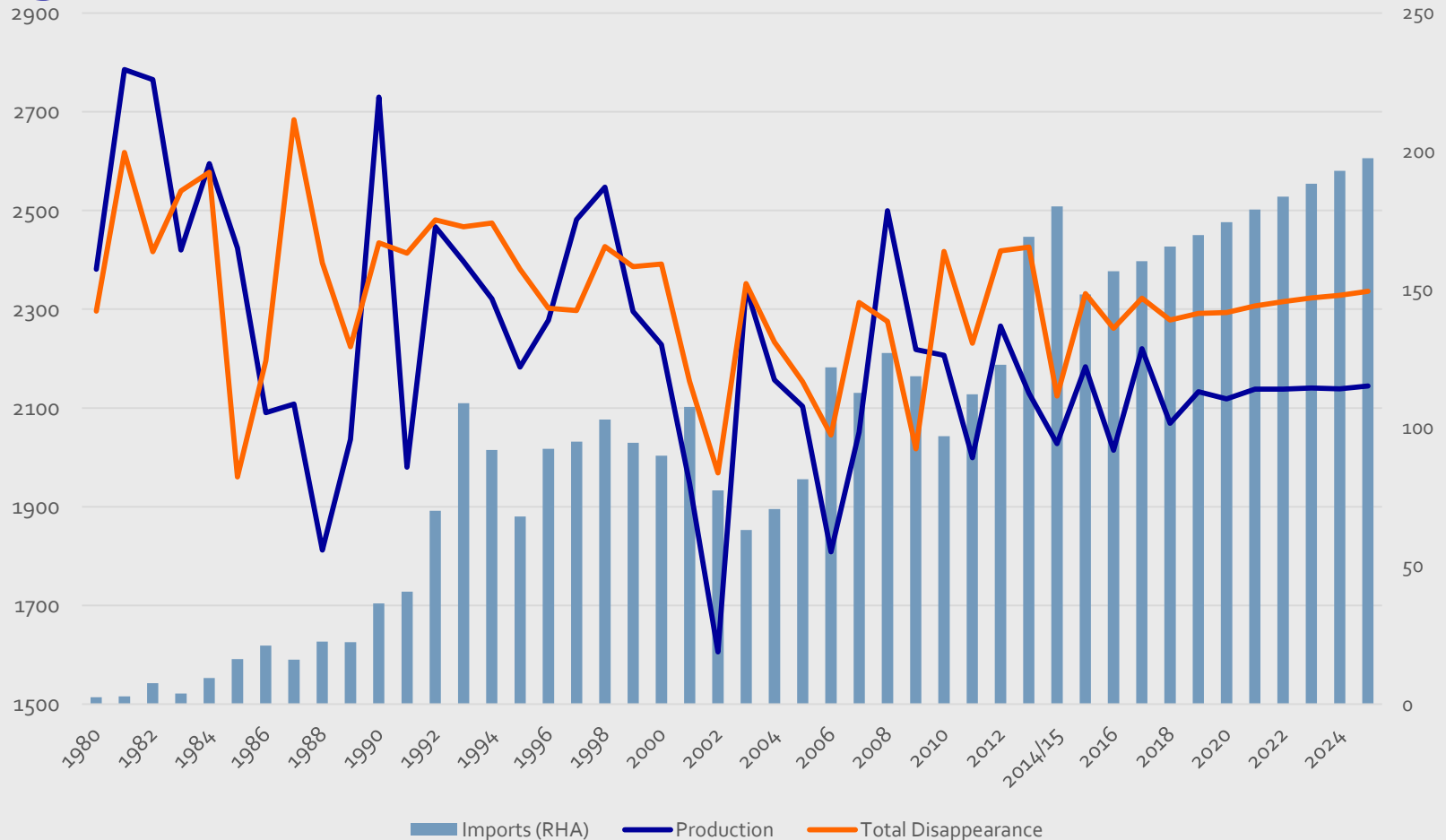


What Does All of This Make global
Agriculture???

The Dog That Has Finally Caught the Car!



US wheat sector continues to grow imports



Summary



- *The changes in agricultural fundamentals has impacted both systemic and random risk.*
- *Macro economic factors will play a bigger role in the future of production agriculture in the US.*
- *Volatility is likely to continue if not increase.*
- *US is likely to continue to produce more corn and soya at the expense of wheat.*
- *Keys like precision farming (big data and the internet of things) will drive more margin out of farming.*
- *Logistic issues will continue to pop up, disruptions from year to year possible.*