

EU GRAINS & OILSEEDS FUNDAMENTAL MARKET OUTLOOK

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Market Analyst

Introduction to the Cefetra Group



We are a Supply Chain Manager to the food, feed, and fuel markets in the EU



We trade approximately 26 mil tons on an annual basis.



We have more than 430 employees.



We are located in more than 19 offices in 12 countries.

YPSILON (Satellite Base Yield Forecast)



July 2017

BayWa Acquires Vista-Geo
Specialized in Remote Sensing

2018

Pilot Project
Yield Forecasting in Germany

2019

Expanded to EU (18MS)
Promising backtest results

2020

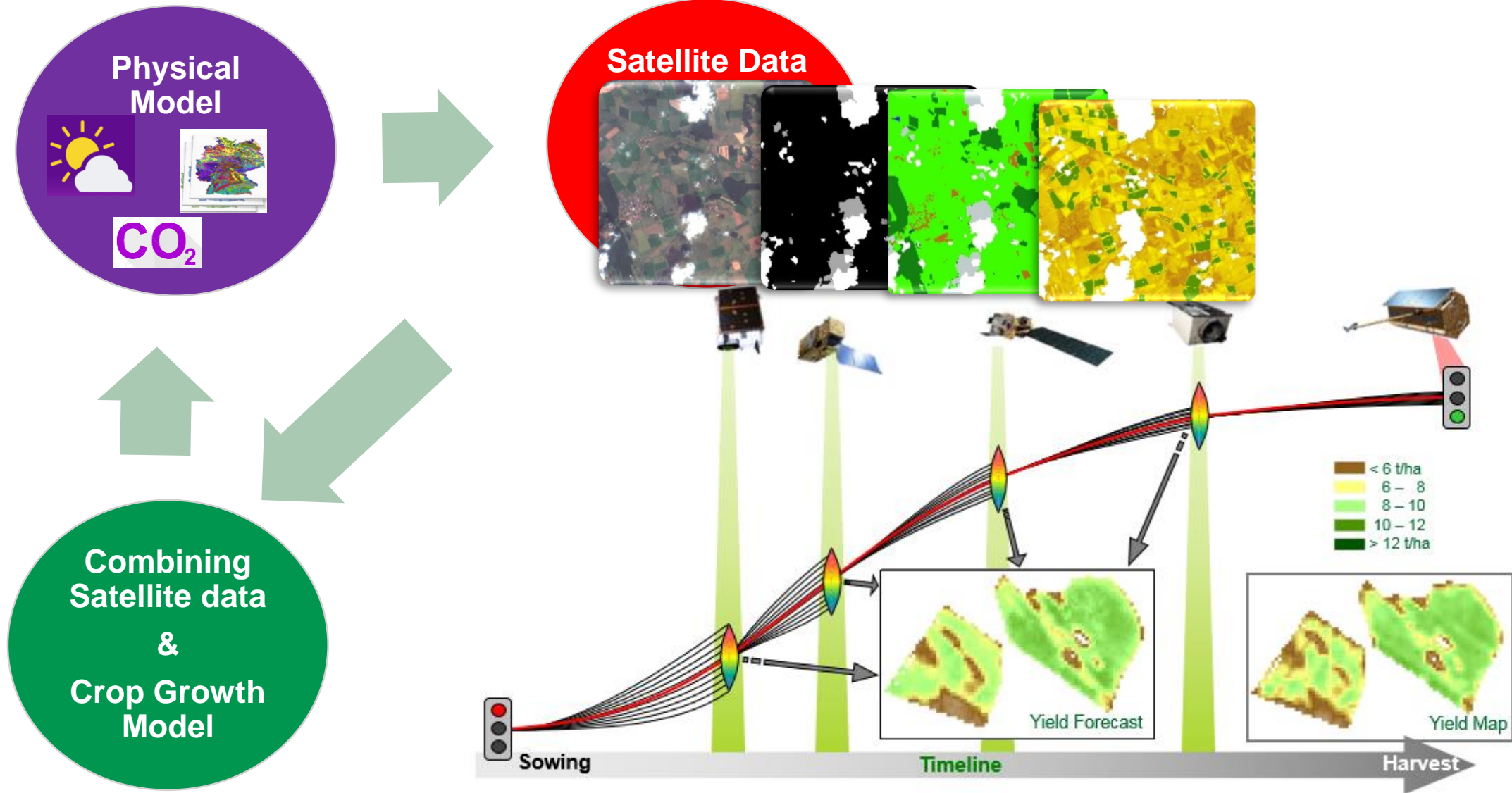
Successfully
sold to 3rd parties

ESA Sentinel-2



- **Launched in 2015 + 2nd satellite in 2017**
- **High resolution 10m x 10m (3 x better than NASA)**
- **Every 2-6 days new satellite image**
- **Ypsilon Processes 10 Terabyte /Month**

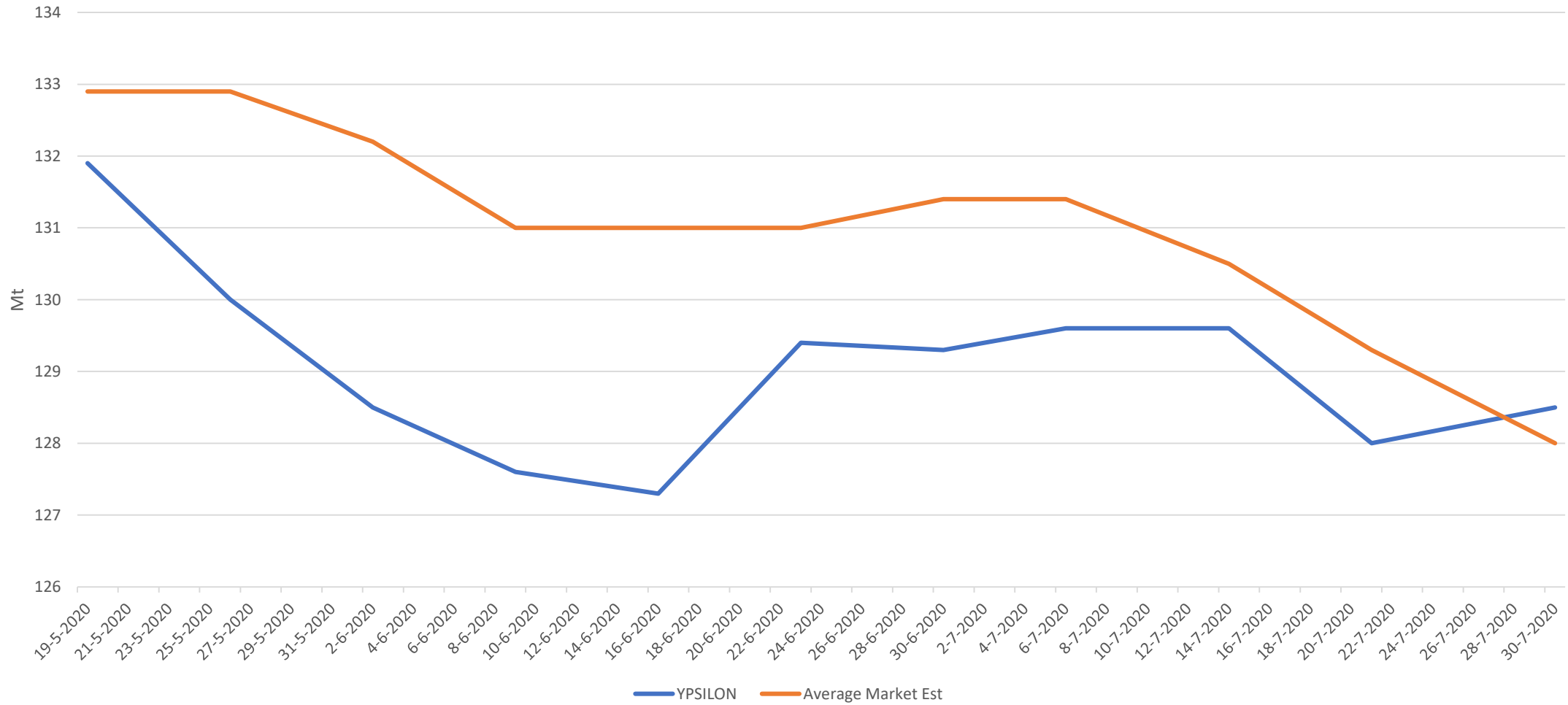
How does YPSILON work



YPSILON 2020 Performance

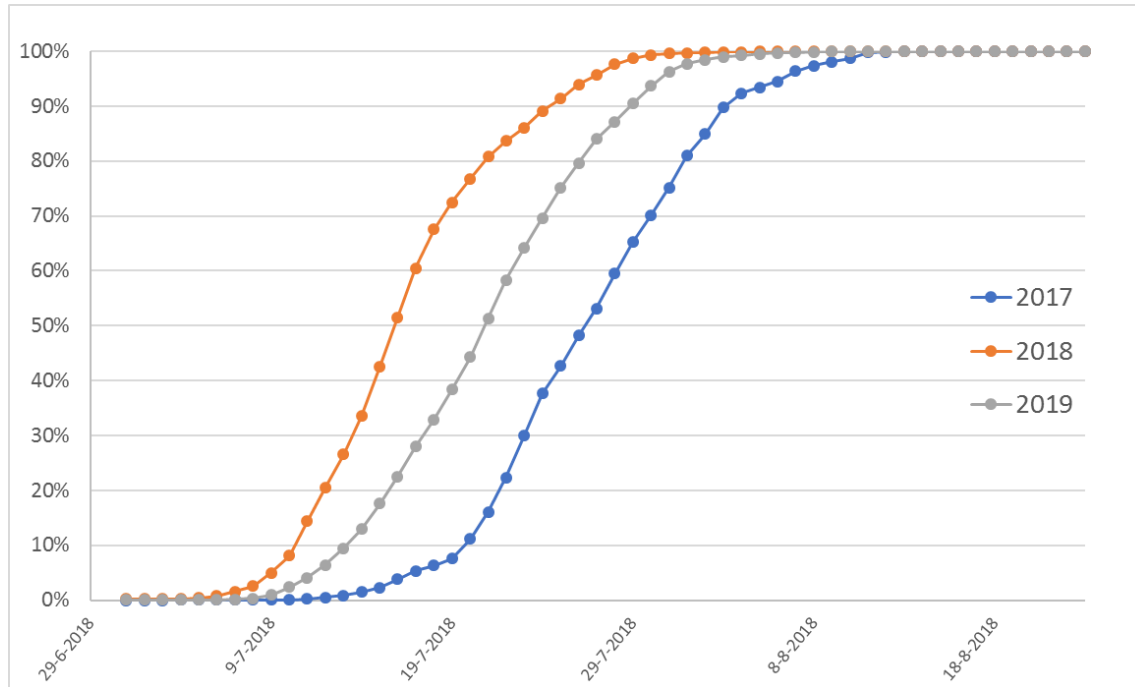


YPSILON EU 2020 Wheat Crop Estimate Development

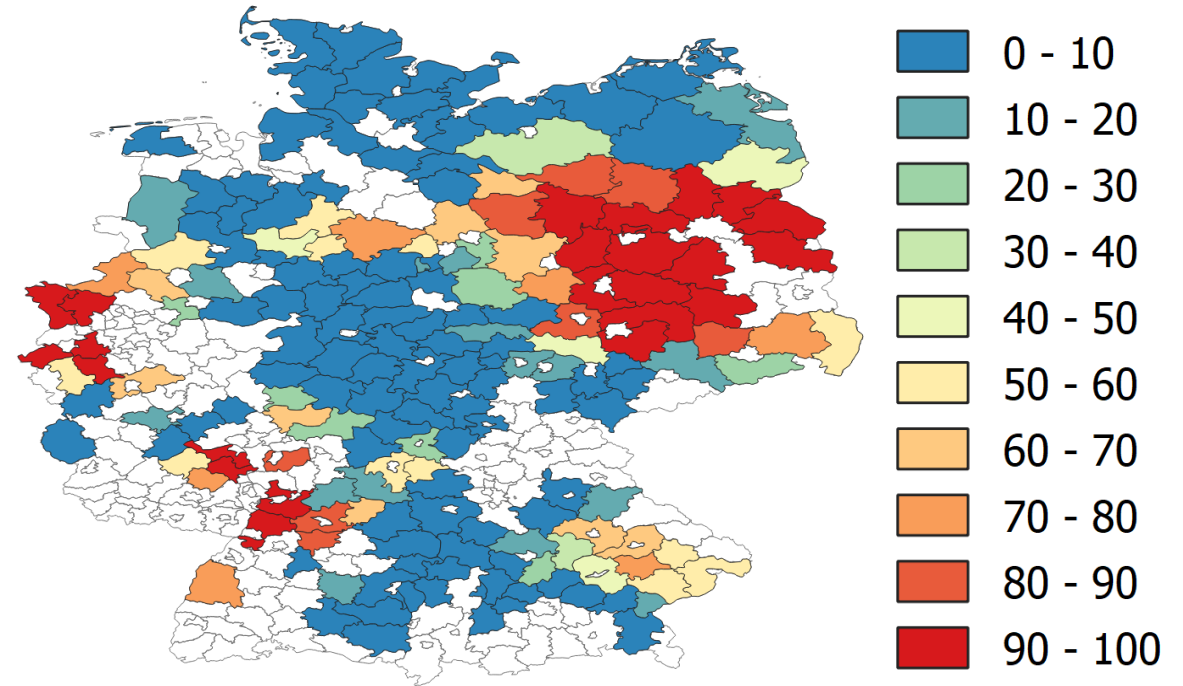


Harvest Pace Monitoring

Harvest pace for
winter wheat in Germany



Harvest pace [%]
winter wheat as of 25.07.2019



- 1) Daily reporting of the Harvest Pace on National and Regional level
- 2) We could identify +/- 2 weeks in advance when the harvest starts

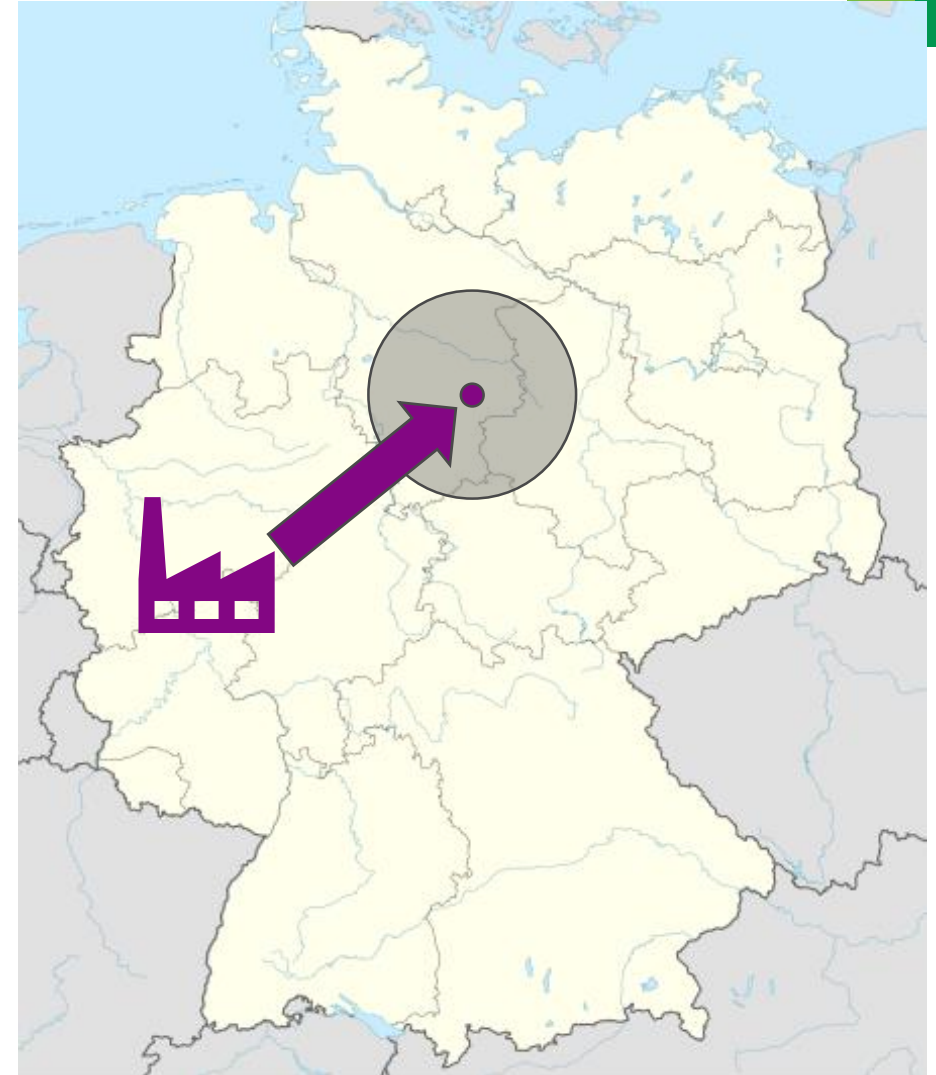
Supply Chain Management

Track up to 25,000 Km² around your crushing, ethanol, compound feed, flour mill, starch plant or collection silo:

1) Production

2) Harvest Pace Monitoring

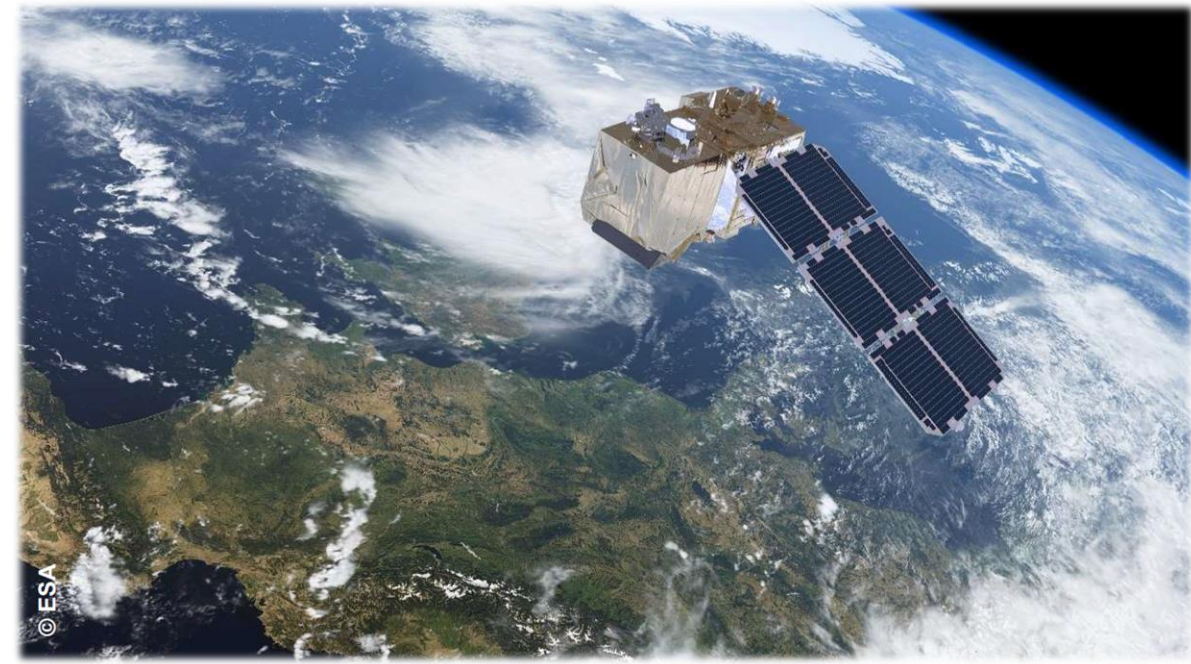
3) For all row crops



In 2021 YPSILON will expand analysis to the Black Sea

Yield analysis and Harvest Pace monitoring for Ukraine and Russia

And YPSILON's analysis will be available for you!

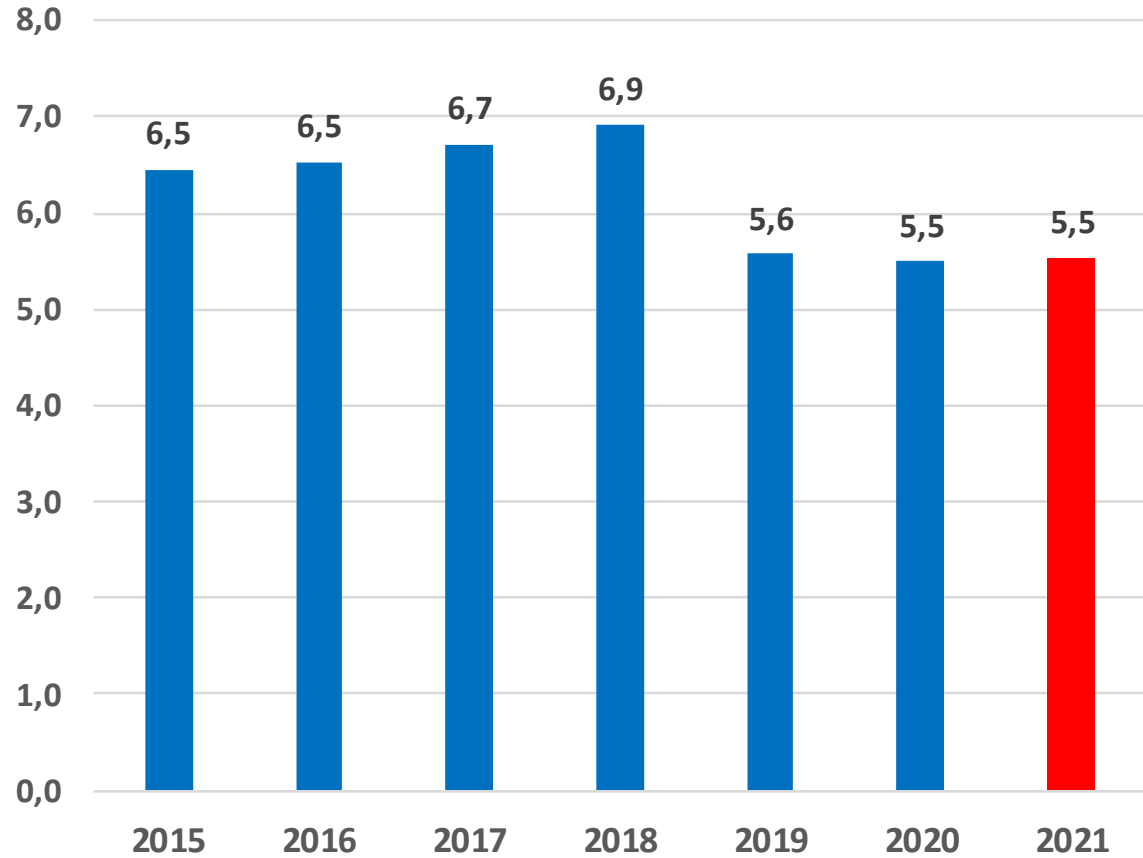




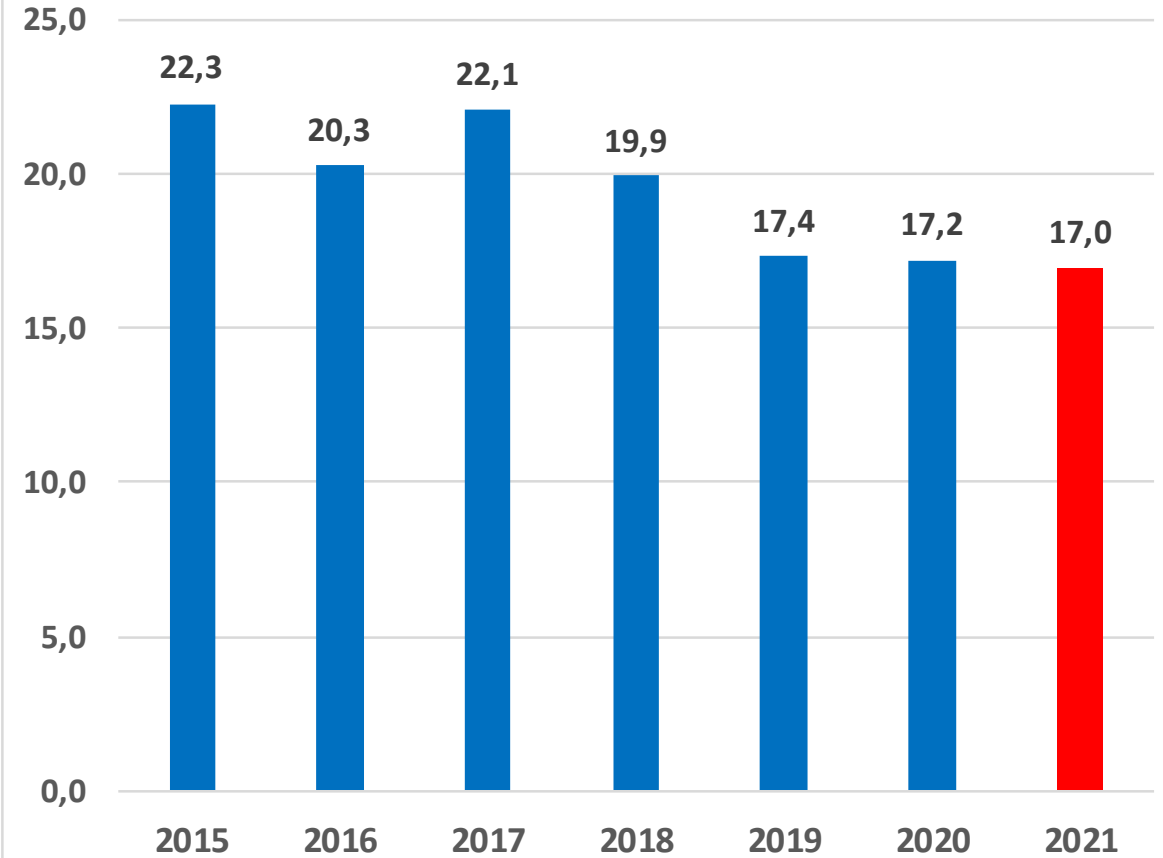
EU Proteins

EU rapeseed plantings low again!

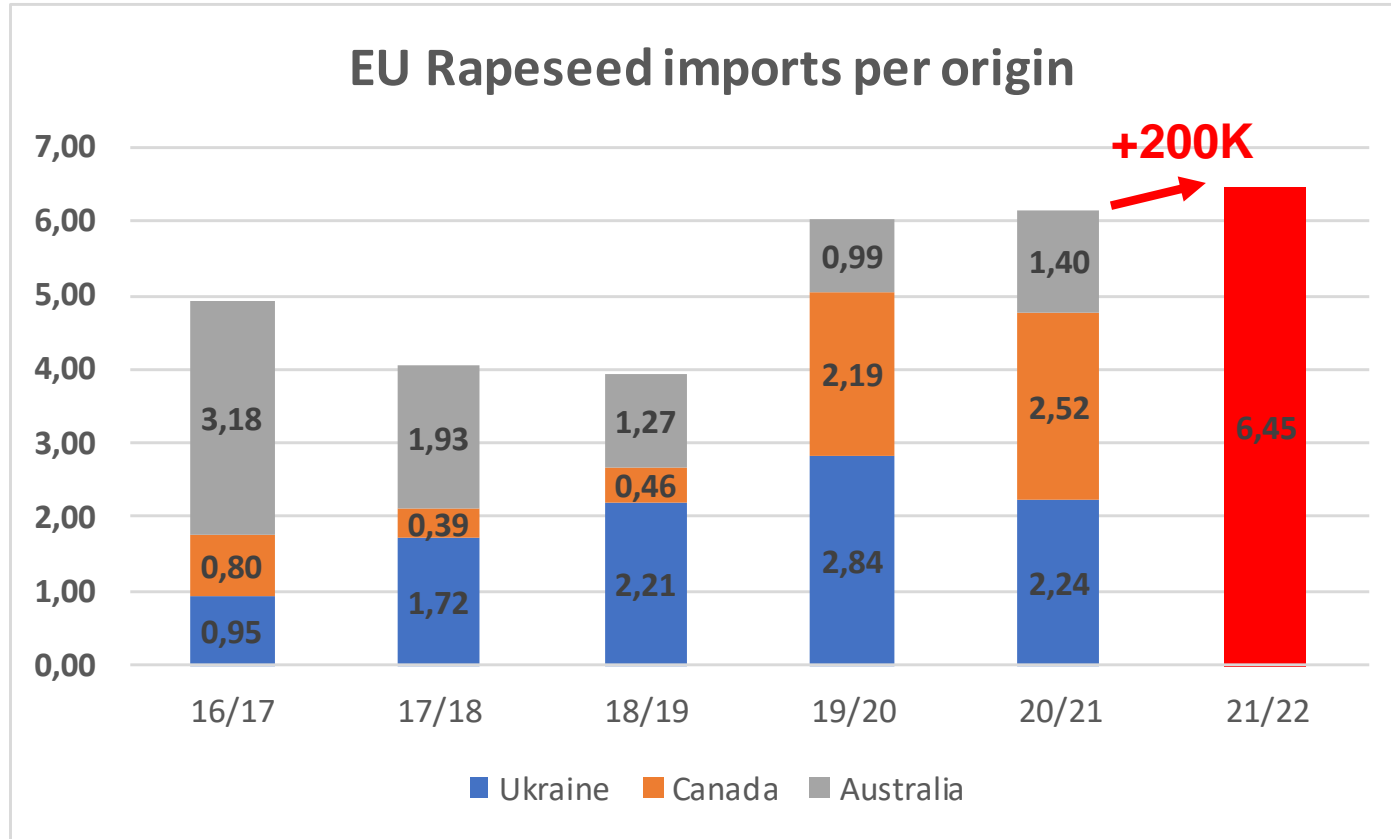
EU Rapeseed Area



EU Rapeseed Crop



EU rapeseed depending on imports due to smaller crops

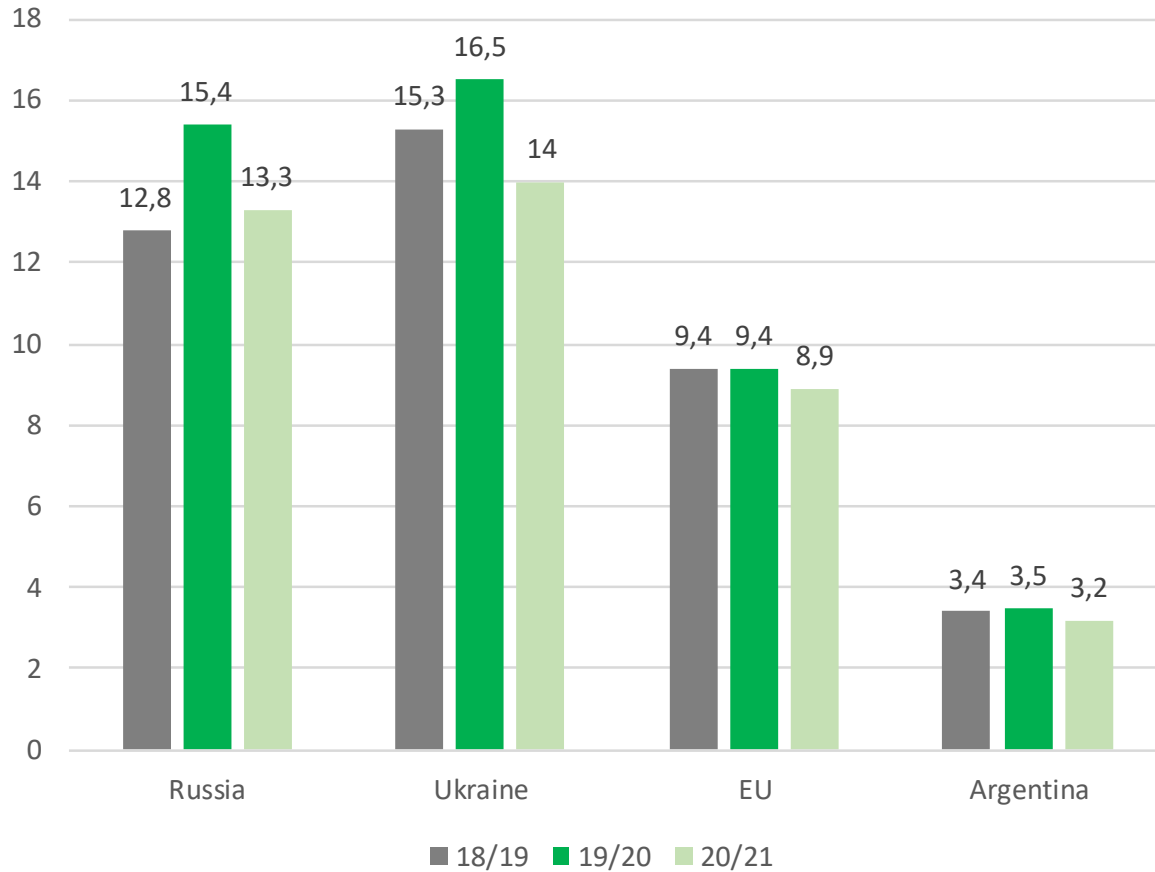


EU Rapeseed imports could grow further to 6,5Mt in 21/22, but we need good crops in Ukraine, Canada, Australia

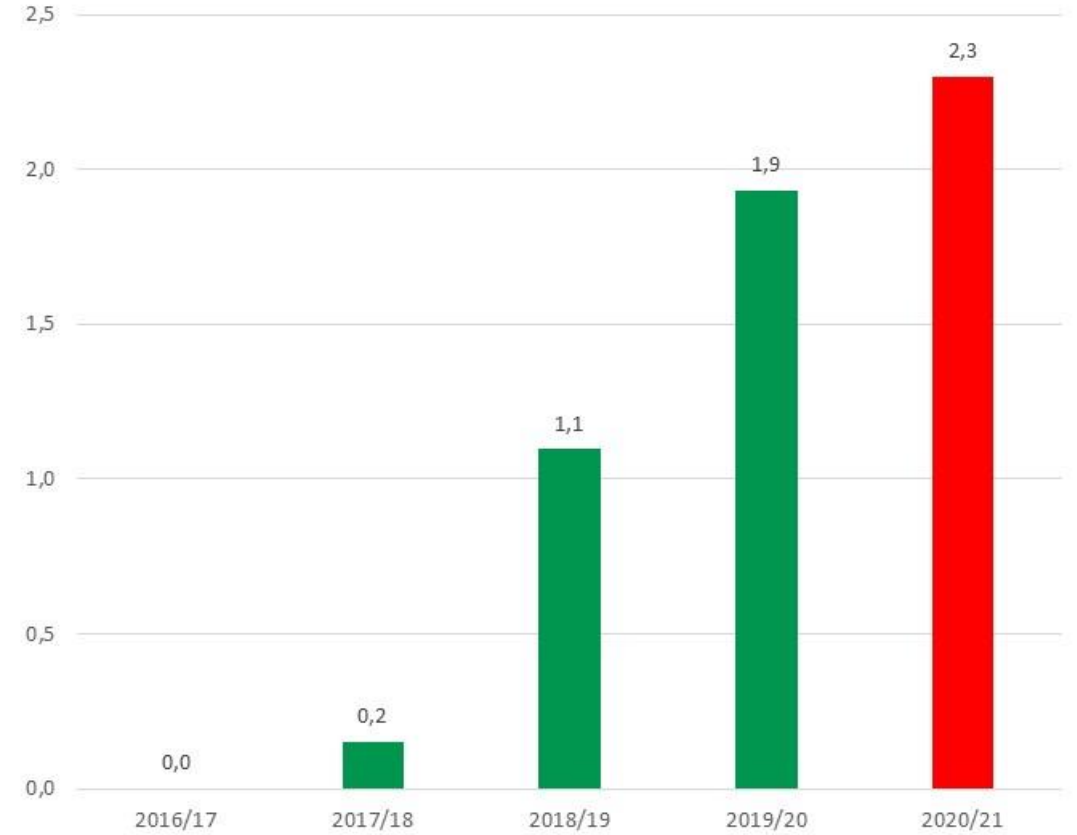
Focus on Canada/China relations as Joe Biden takes office: could release Huawei CFO

Low Black Sea crops + large Chinese demand = less available for EU

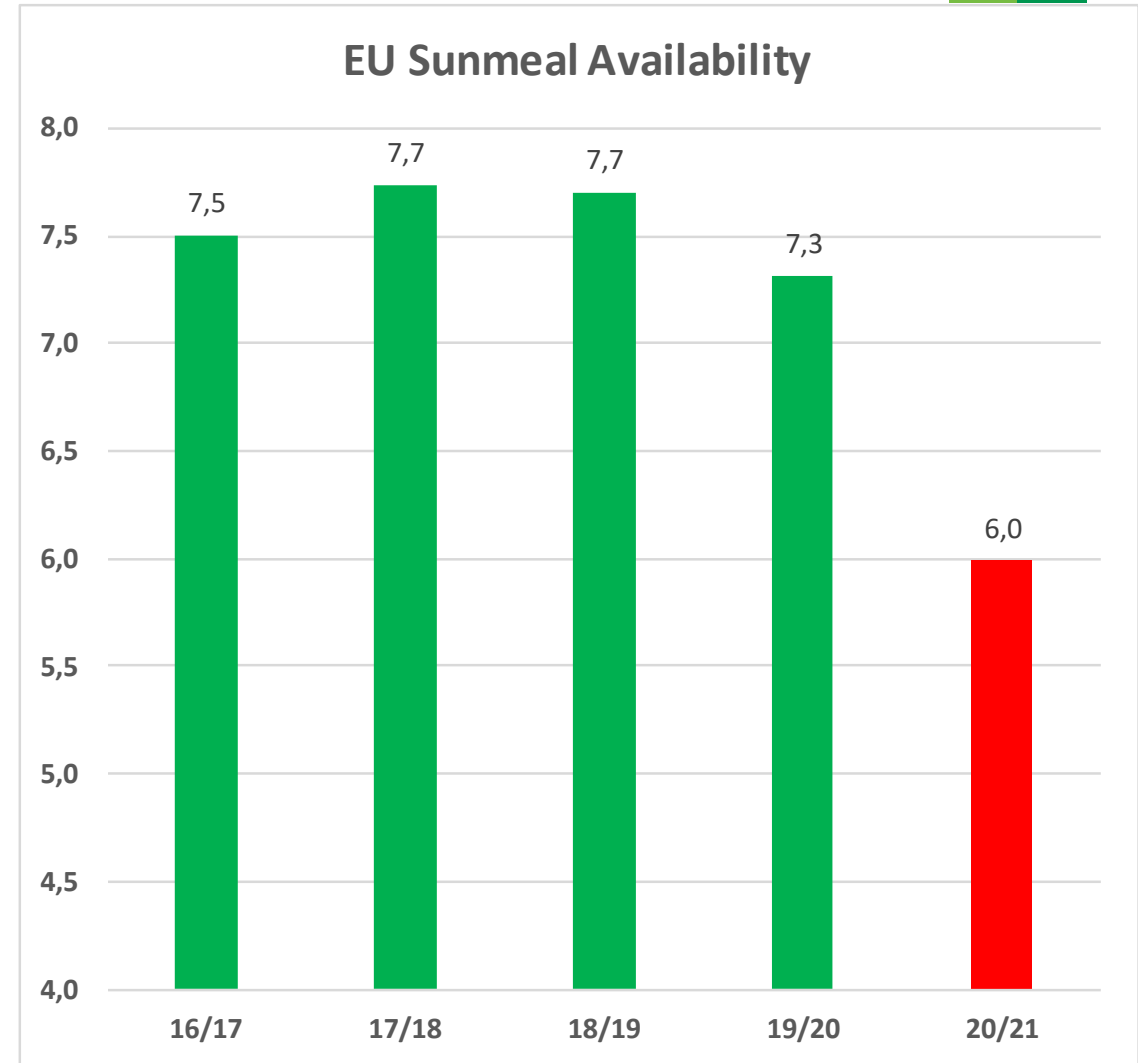
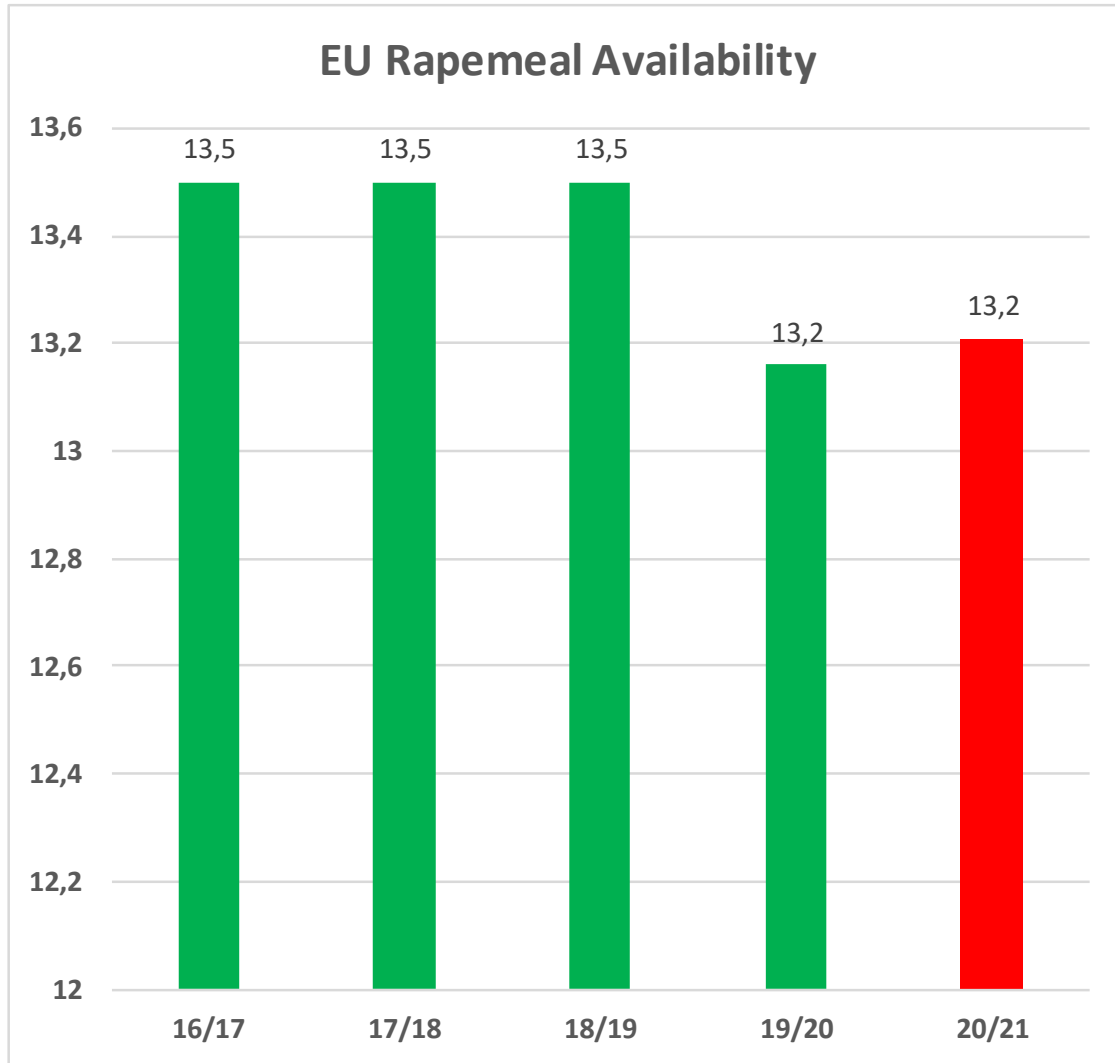
Sunseed crops in key origins



Chinese Sunmeal Imports



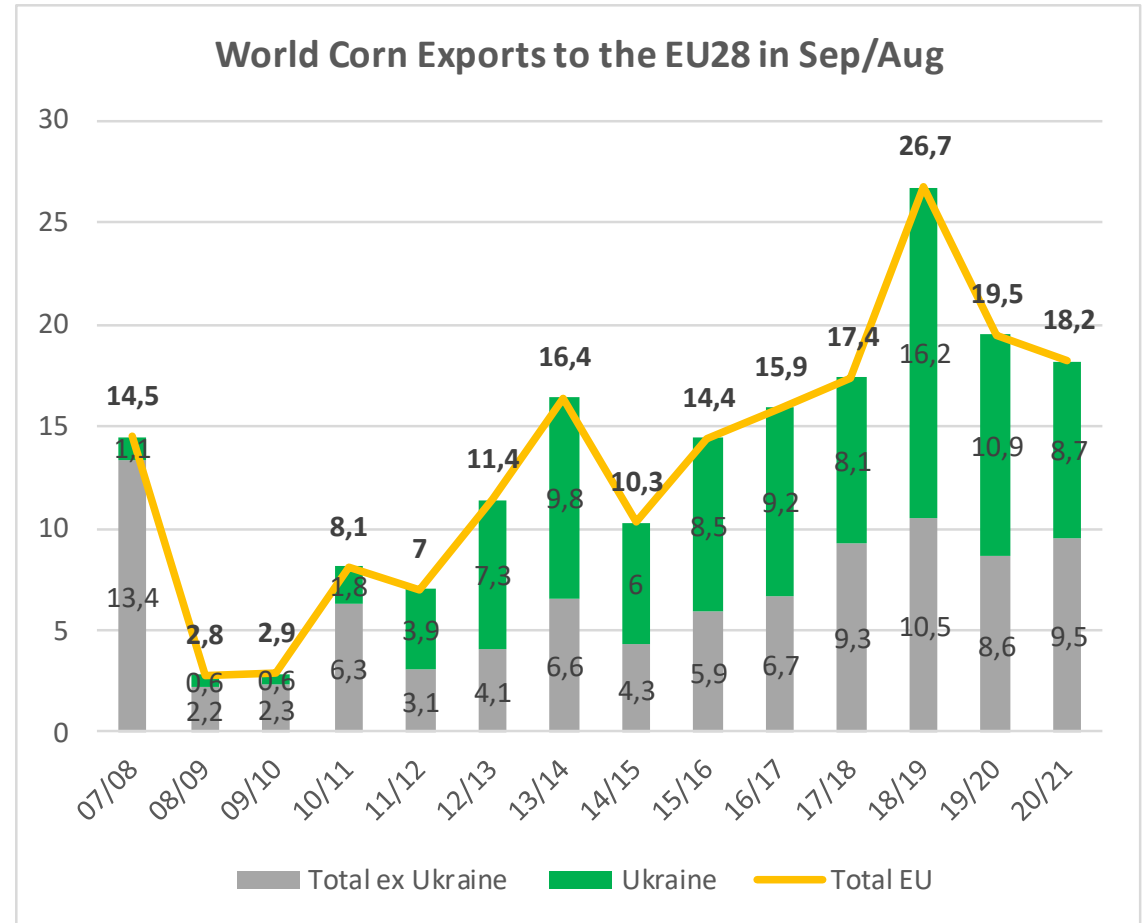
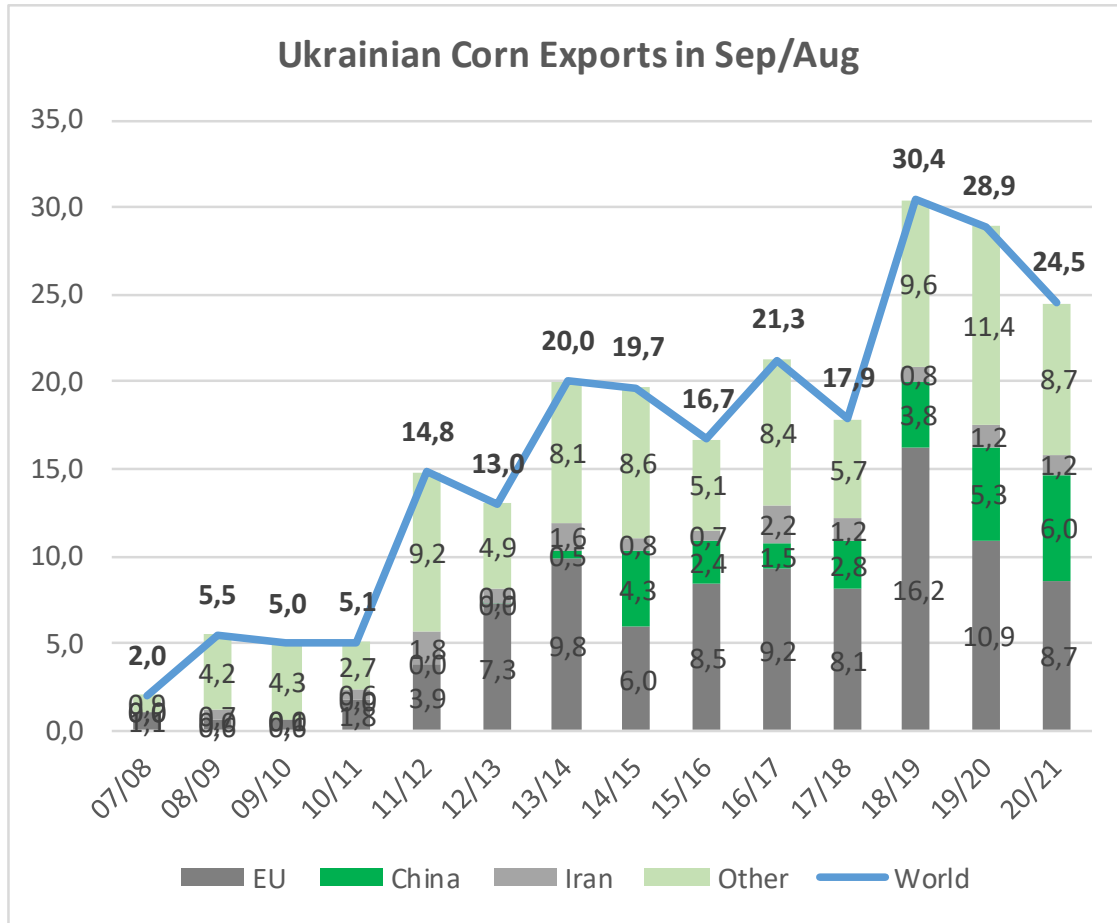
Sharply lower EU soft-proteins availability



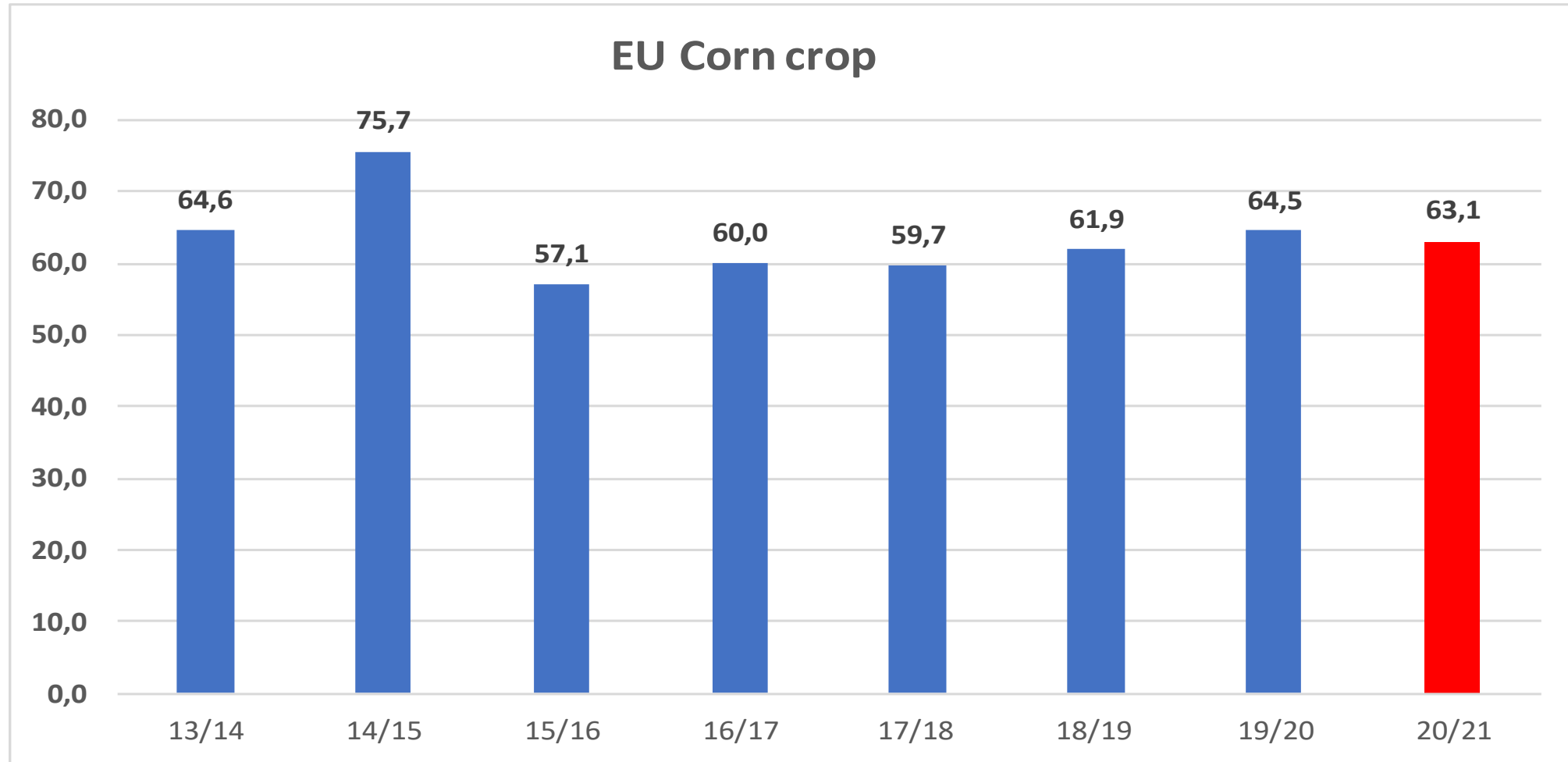


CORN

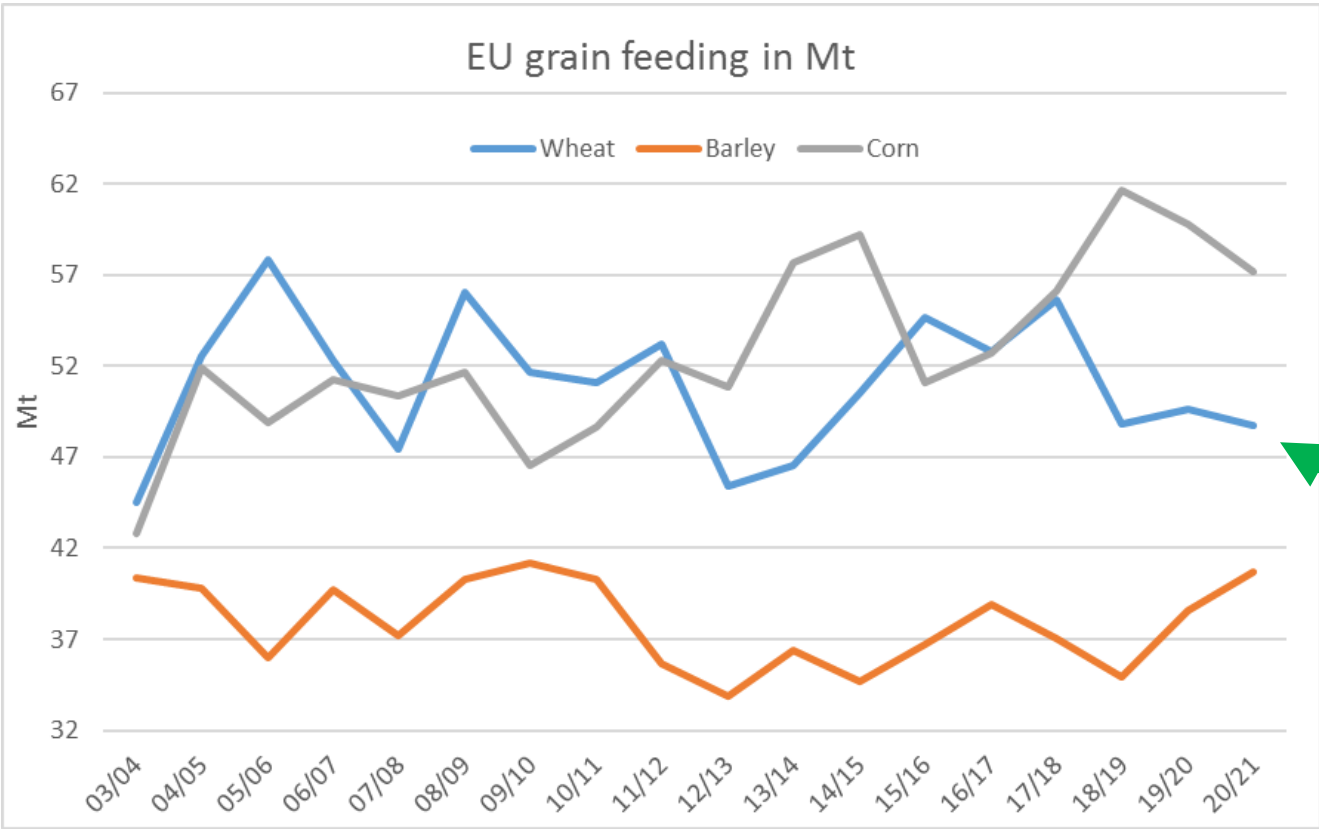
Low Ukr crop + large Chinese imports = less available for EU



EU crop disappointing this year due to poor weather in France/Balkan



Larger wheat feeding than est earlier due to limited corn availability

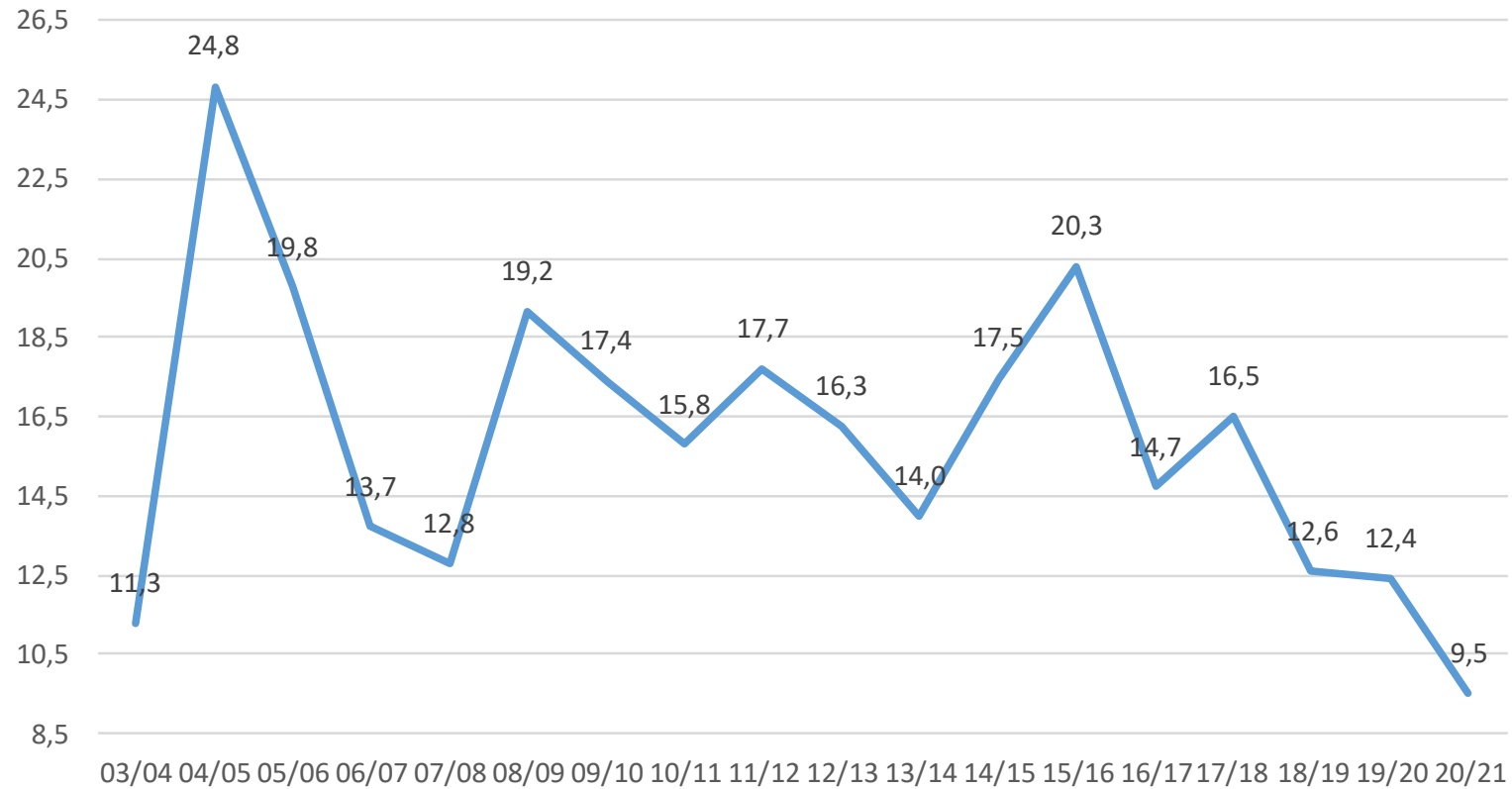




WHEAT

EU Wheat stocks at a low

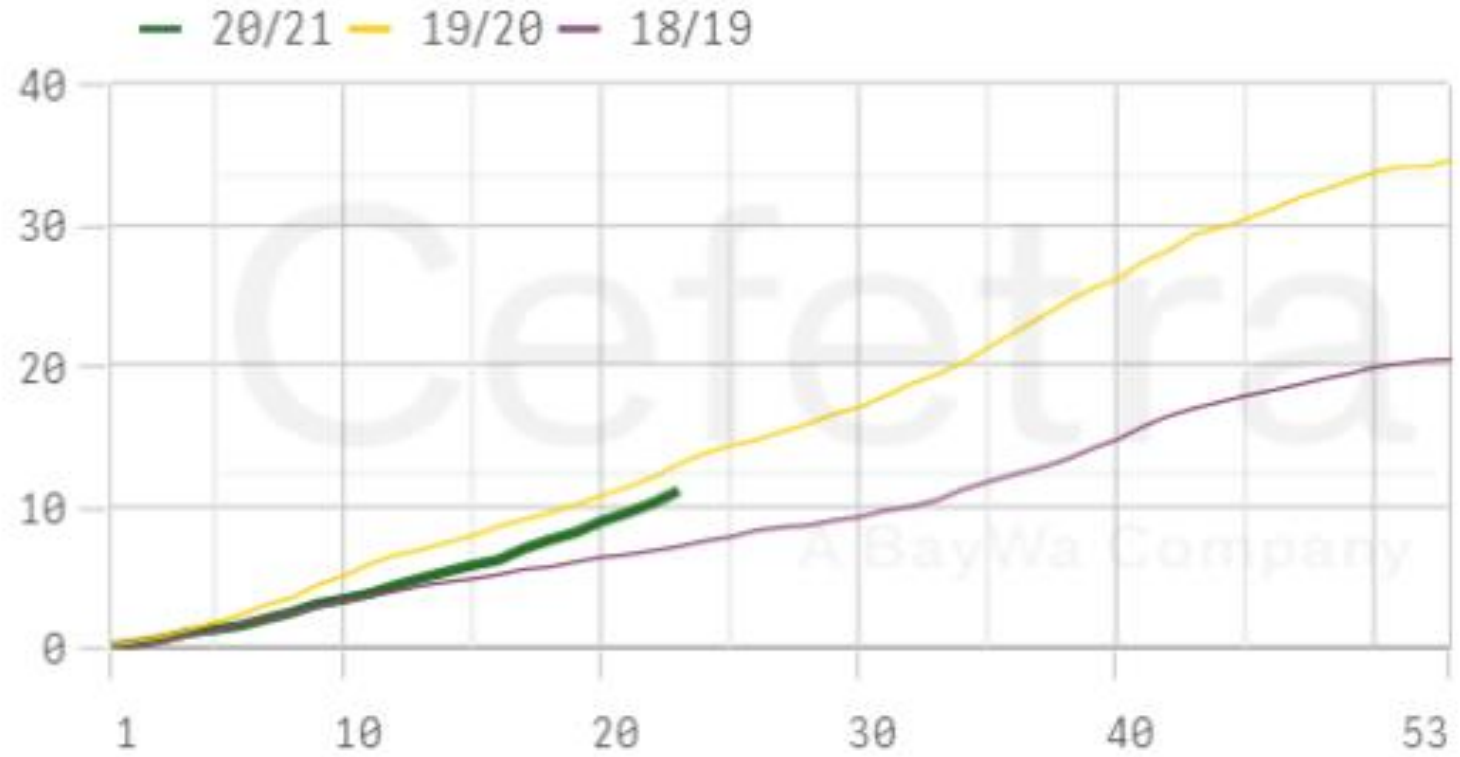
EU wheat carry out



Despite low EU wheat stocks, exports pace only -1,9Mt from LY's record!

EU cum. Soft Wheat exports in Mt

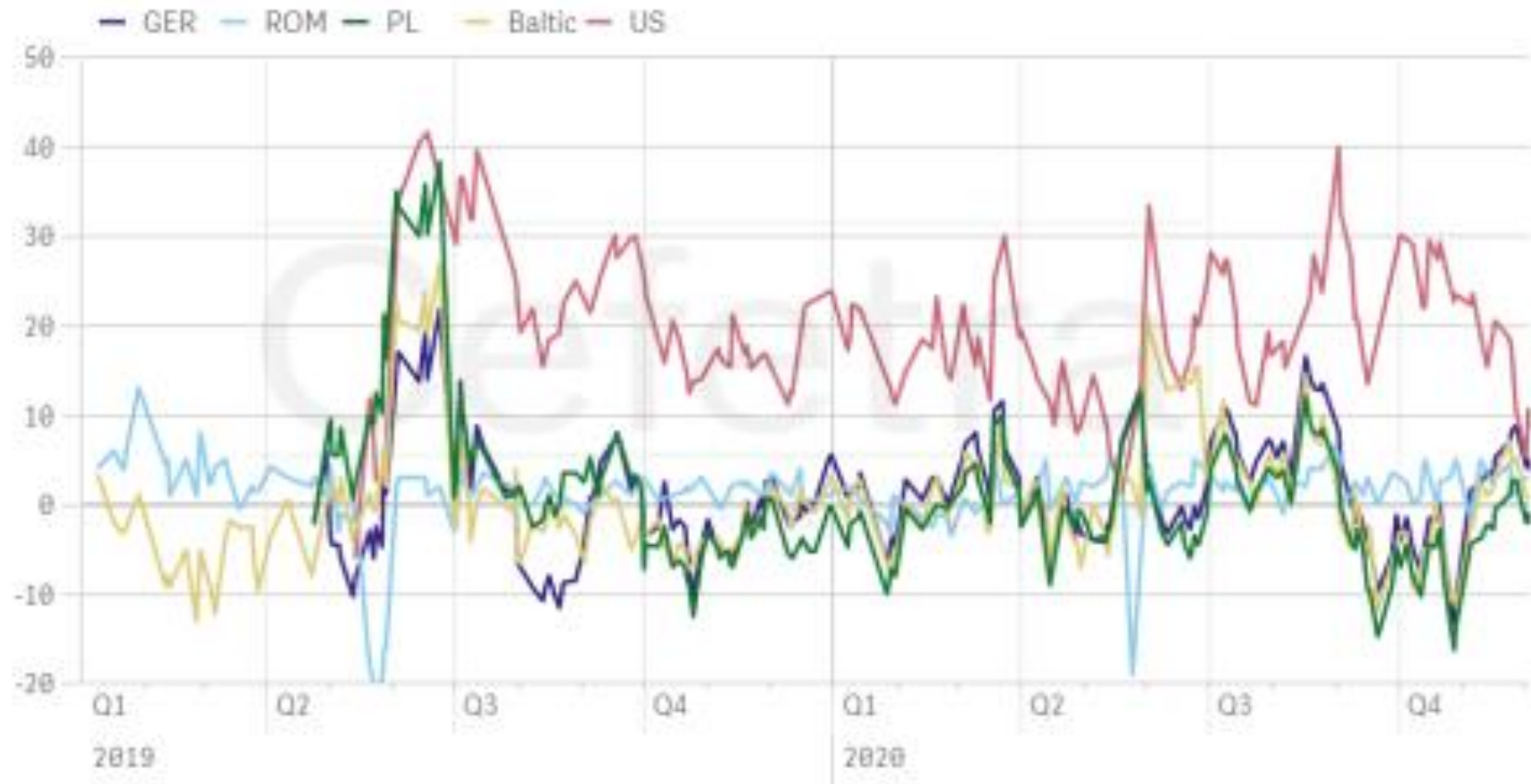
This year 11,30 vs last year 13,19 (YoY diff -1,90)



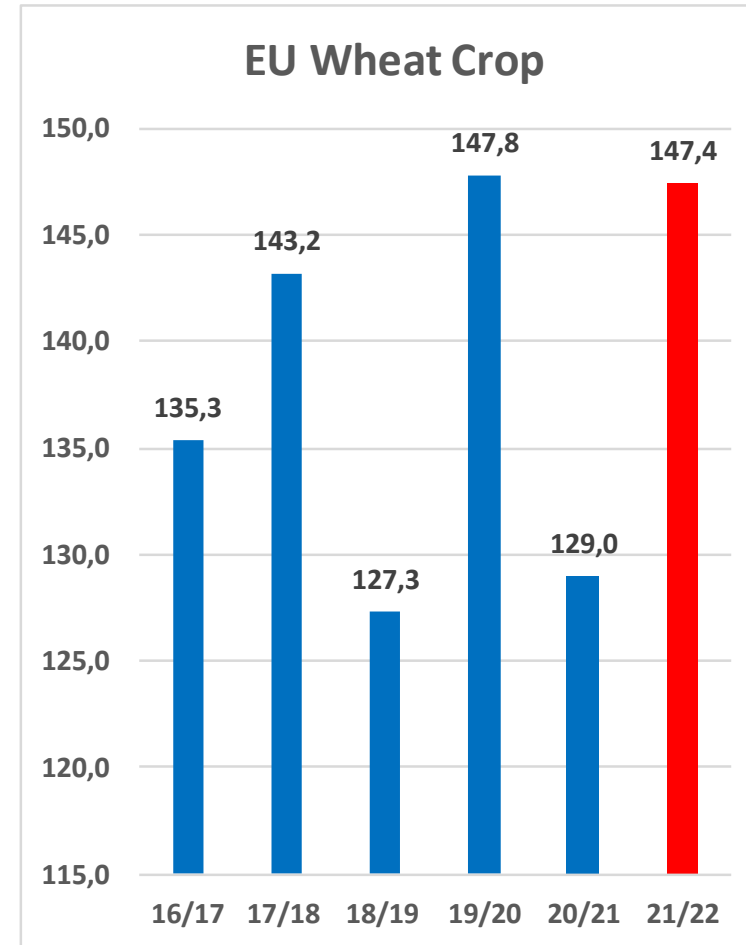
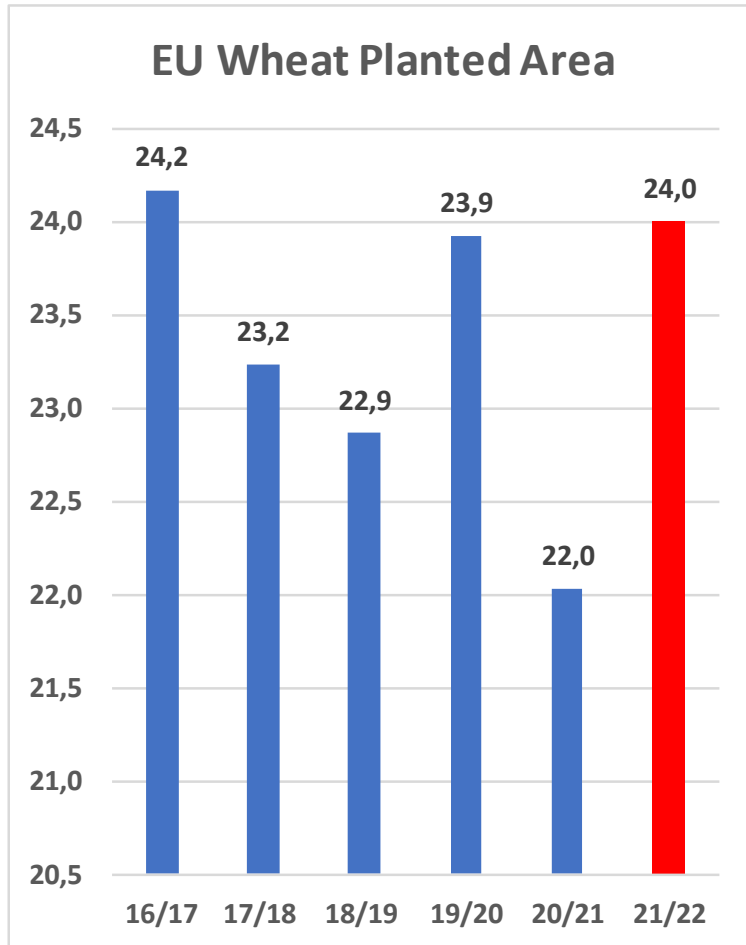
One could argue that the EU needs to outprice

12.5 Milling Origin Spreads vs Russia

12.5% Milling Origin Spread (origin minus Russia) SPOT



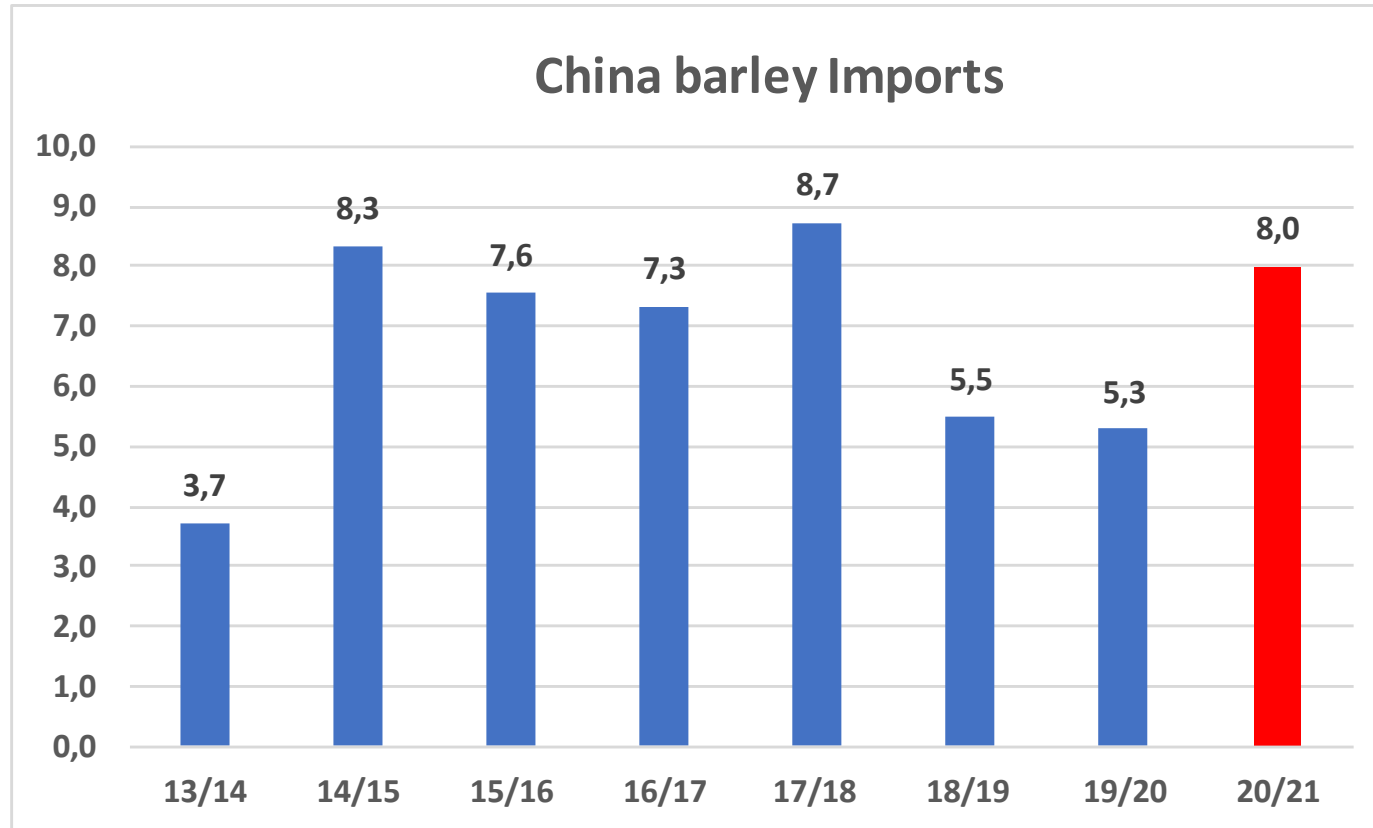
EU wheat area rebounds



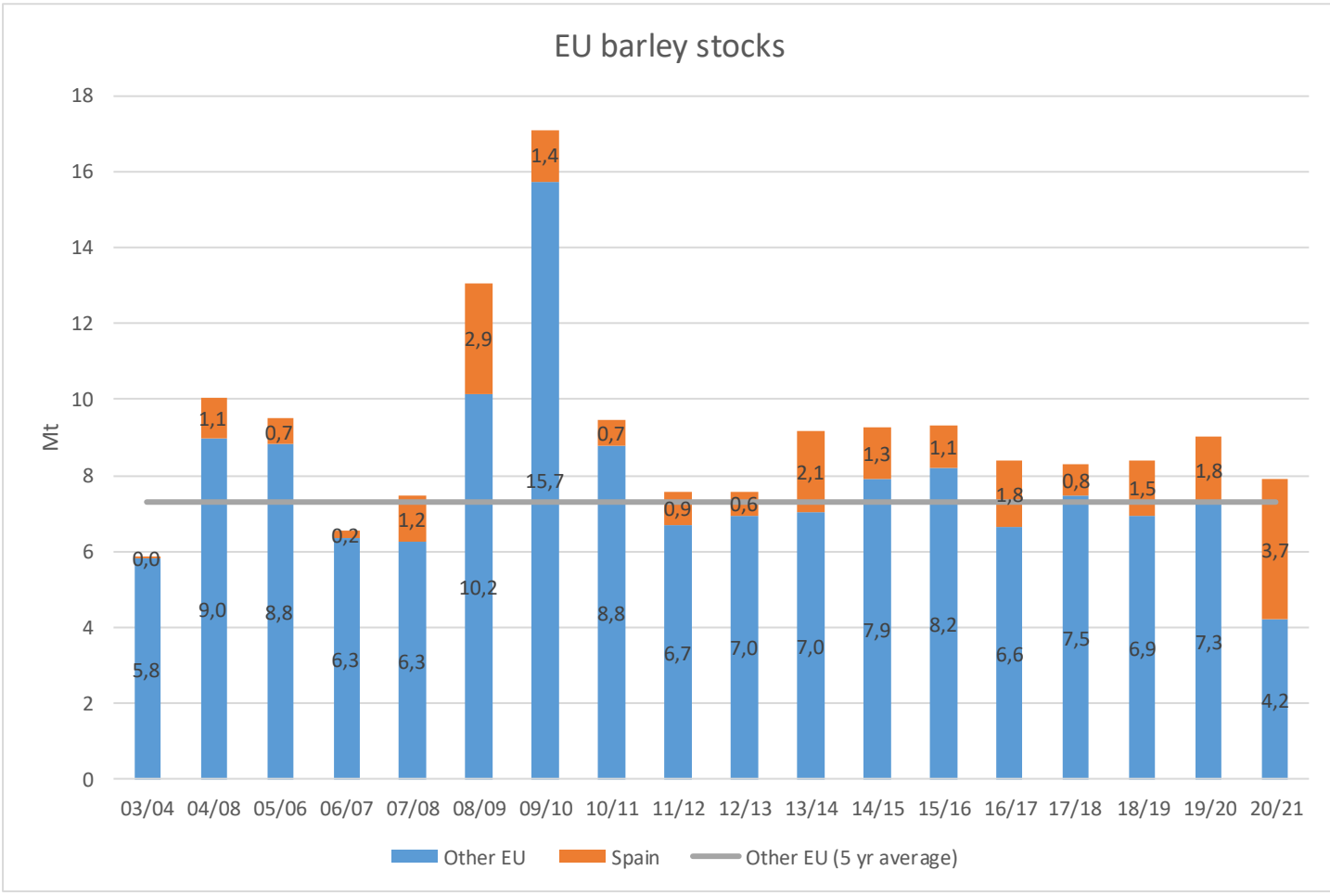


BARLEY

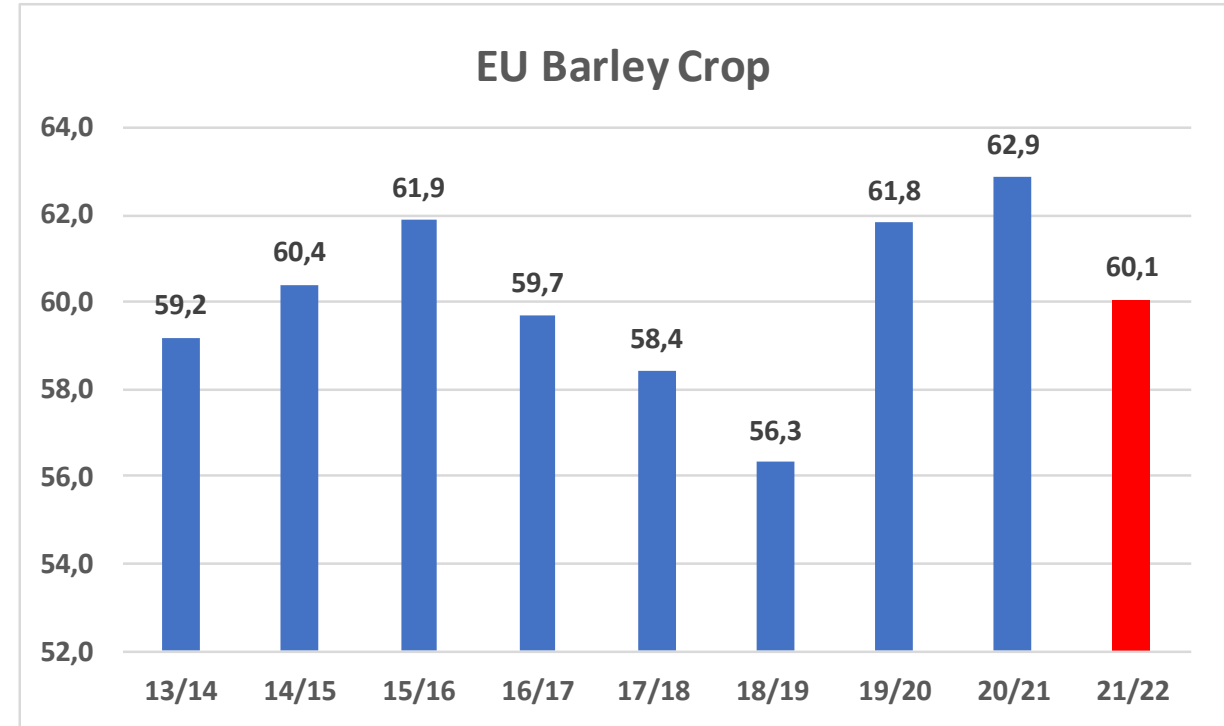
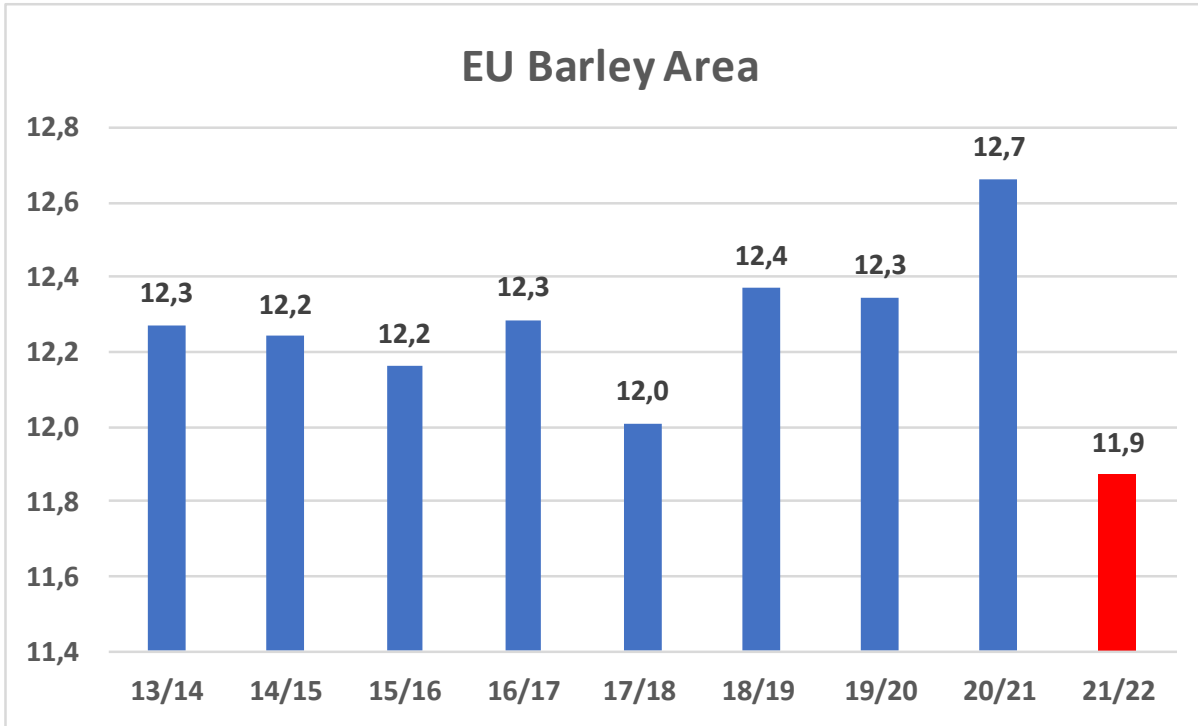
Strong Chinese imports due to high Chinese domestic corn price



Large Spanish stocks, but low in France



Large EU wheat area → small barley area



Grains Summary



Corn:

- Disappointing EU corn crop
- Disappointing Ukrainian corn crop + large commitments to China = limited availability for the EU
- Potential smaller corn in feeding in 21/22 due to a potential rebound in the EU wheat crop

Wheat:

- Tight EU old crop wheat S&D
- Large export pace despite low stocks
- One could argue that the EU needs to outprice vs other origins
- Potential large EU wheat in 21/22 due to rebound in wheat area

Barley:

- Balanced EU old crop barley stocks: record large stocks in Spain, low stocks in France due to Chinese demand
- Germany and the UK need to compete with a large Australian crop
- Large EU wheat area, implies a smaller EU barley area

Contact Details

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