

EU GRAINS & OILSEEDS FUNDAMENTAL MARKET OUTLOOK

Harm de Wilde
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

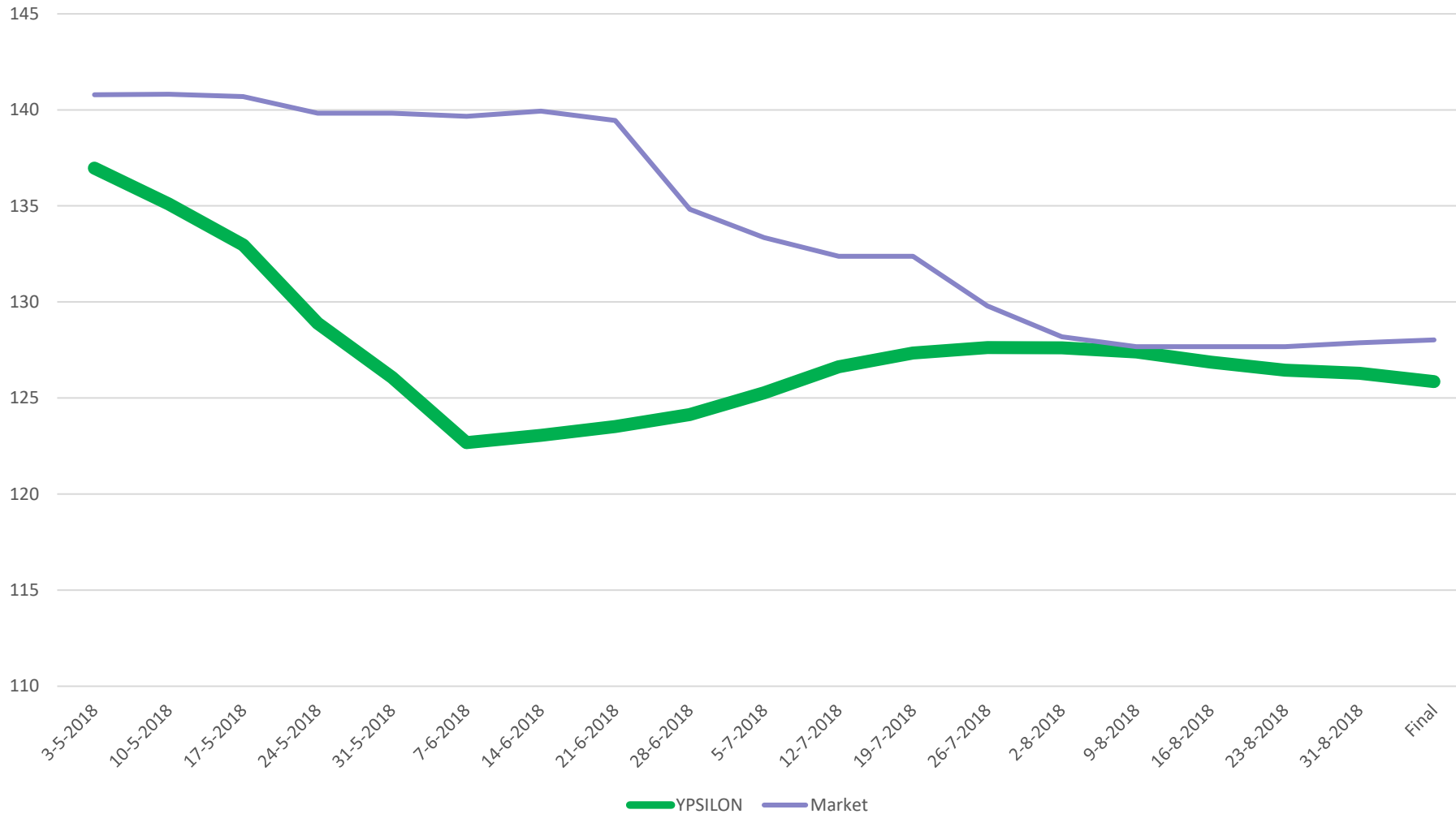
2020

Successfully
sold to 3rd parties

YPSILON EU Backtest results



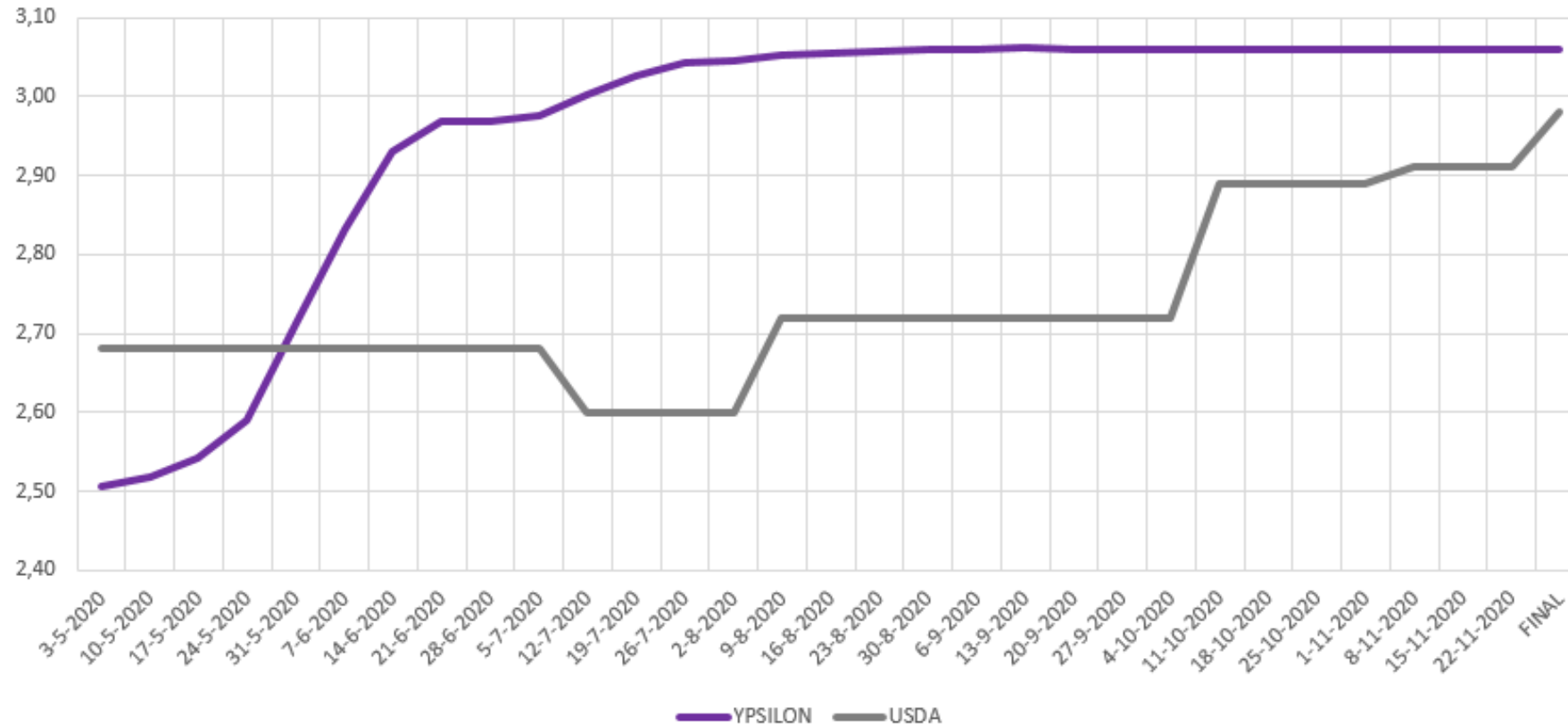
EU28 soft wheat production - 2018




YPSILON Russian Backtest results

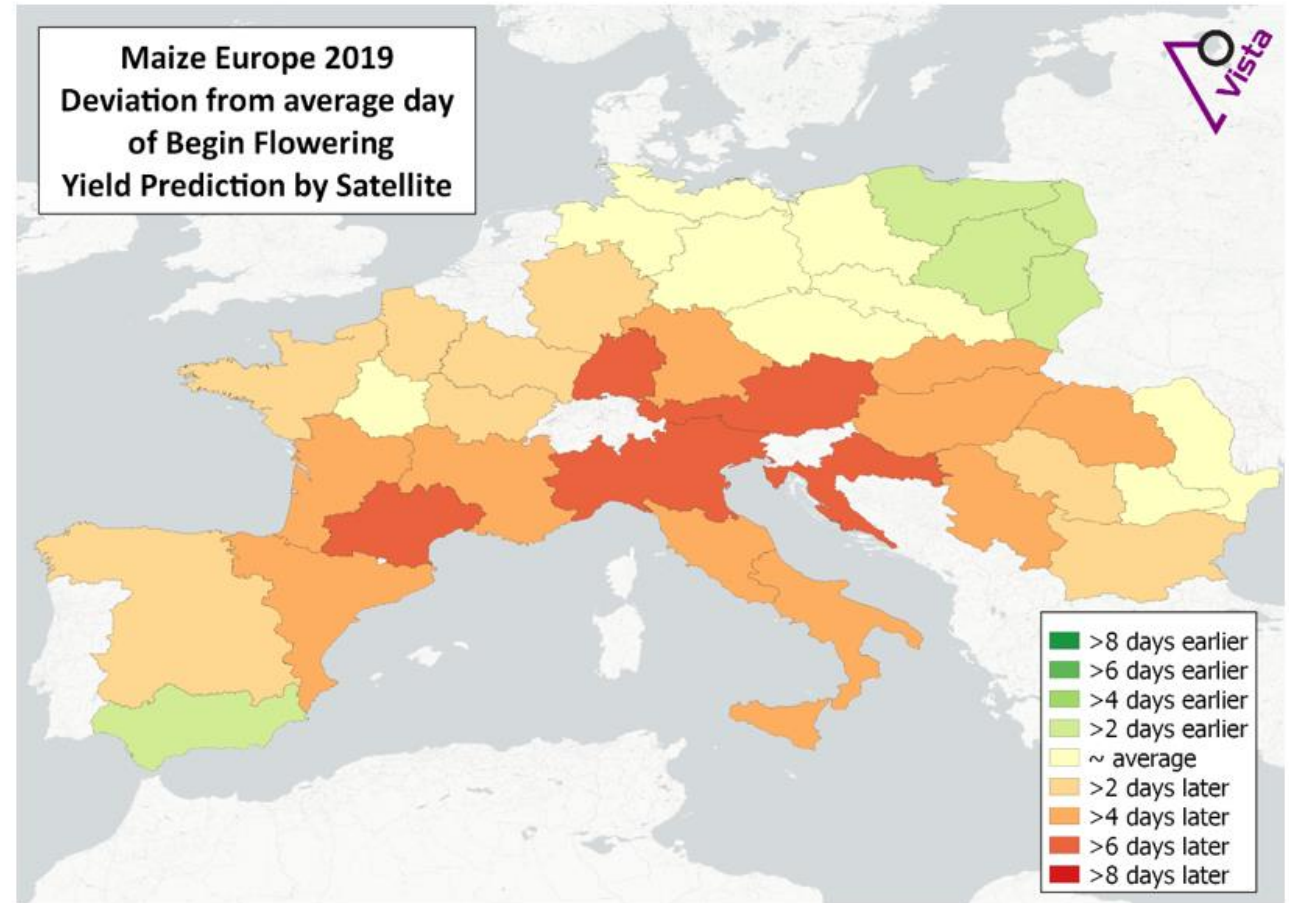


Russian TOTAL Wheat Yield 2020



New feature

BBCH major stage	Description	
1	Leaf development	
2	Tillering/ side shoot formation	
3	Stem elongation	
4	Shoot development	
5	Flowering	
6	Fruit development	
7	Ripening/maturing of fruit	
8	Harvest	





WHEAT

Tight EU old crop wheat S&D

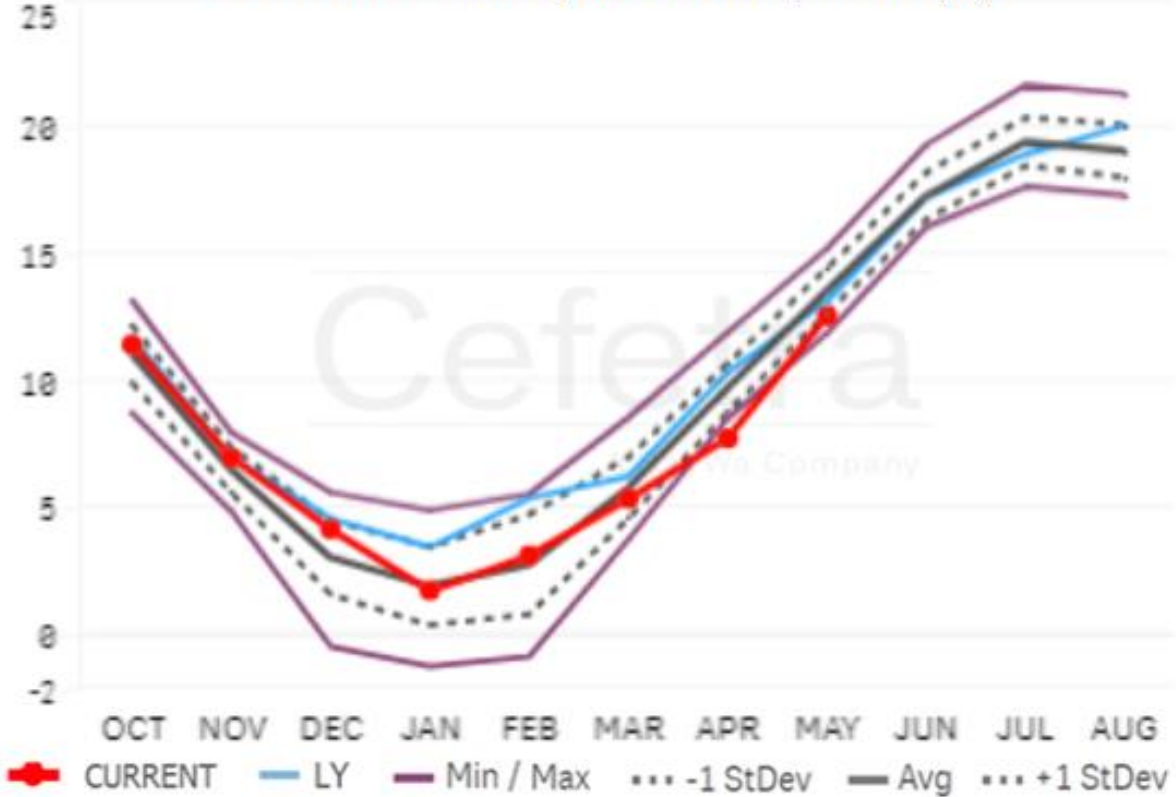


EU28 wheat carry out

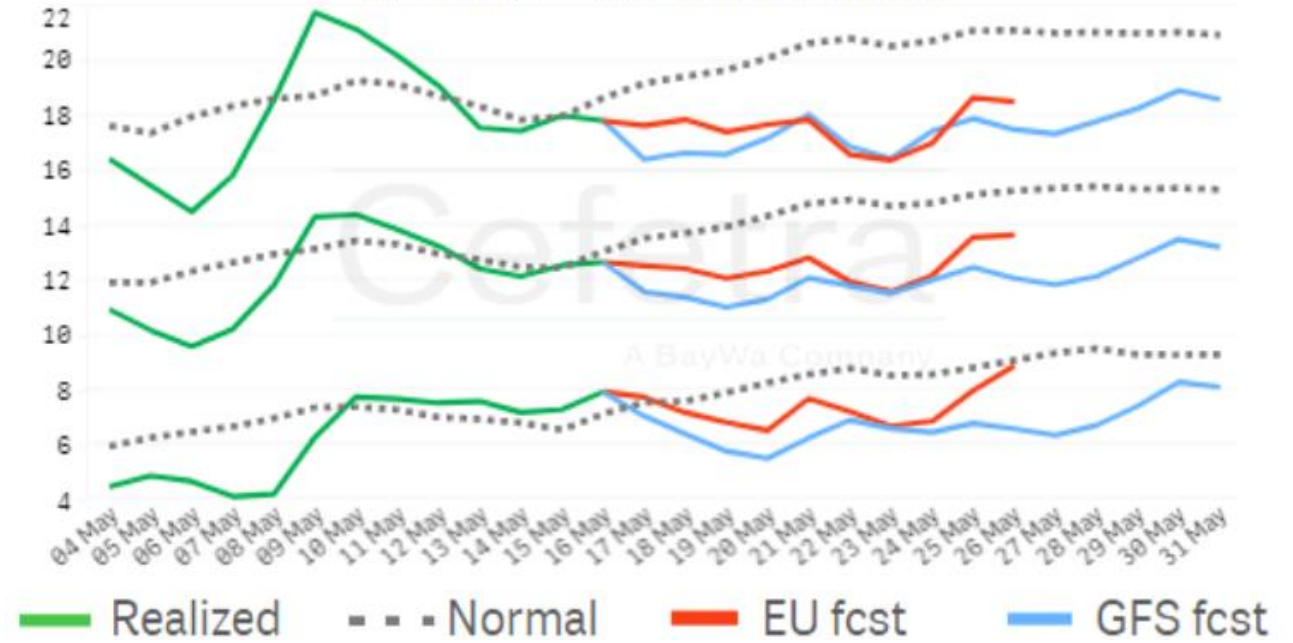


EU new crop potentially delayed

EU28 Wheat monthly Mean Temperature (C)

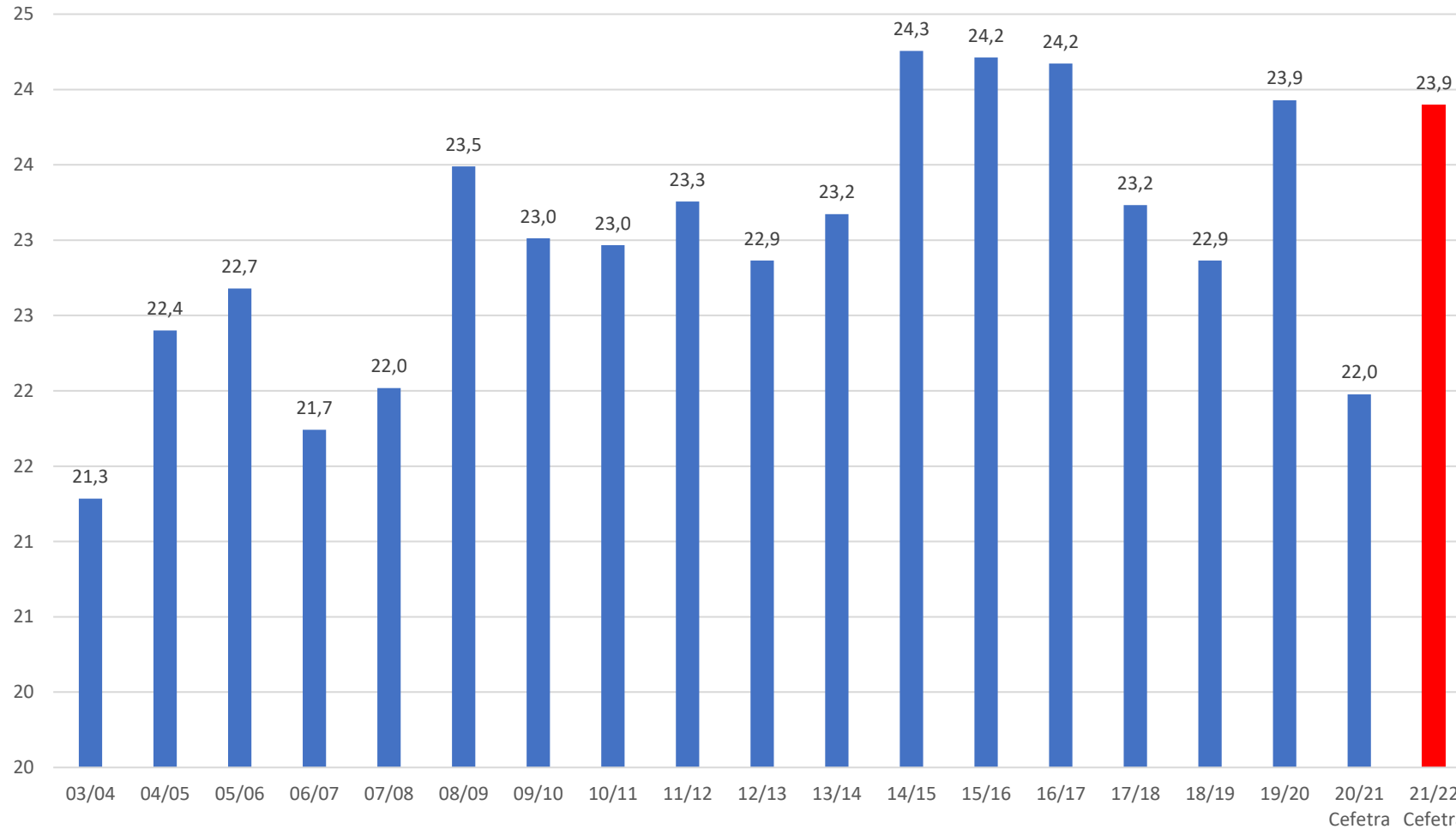


Daily temperatures in C (MIN/AVG/MAX)

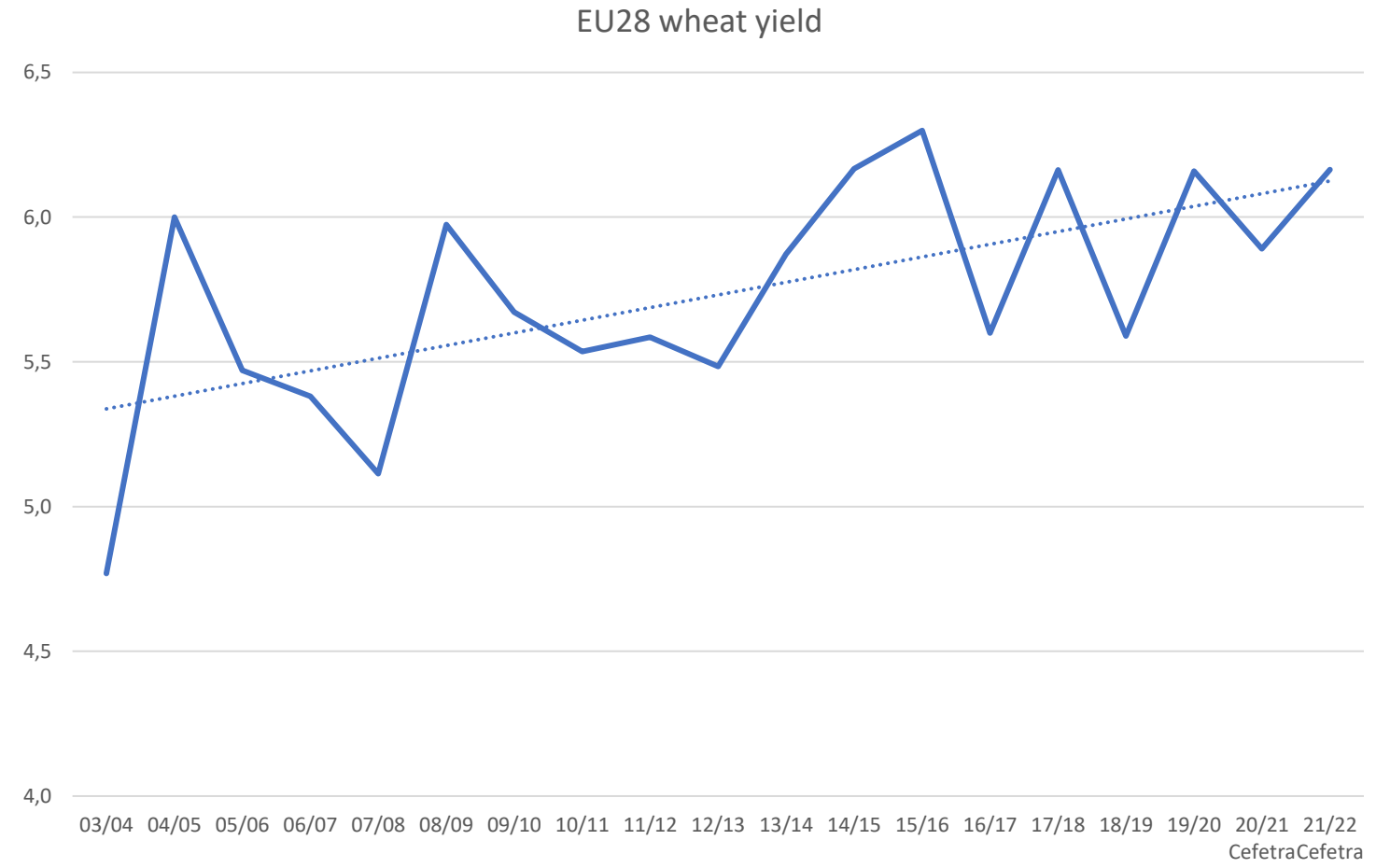
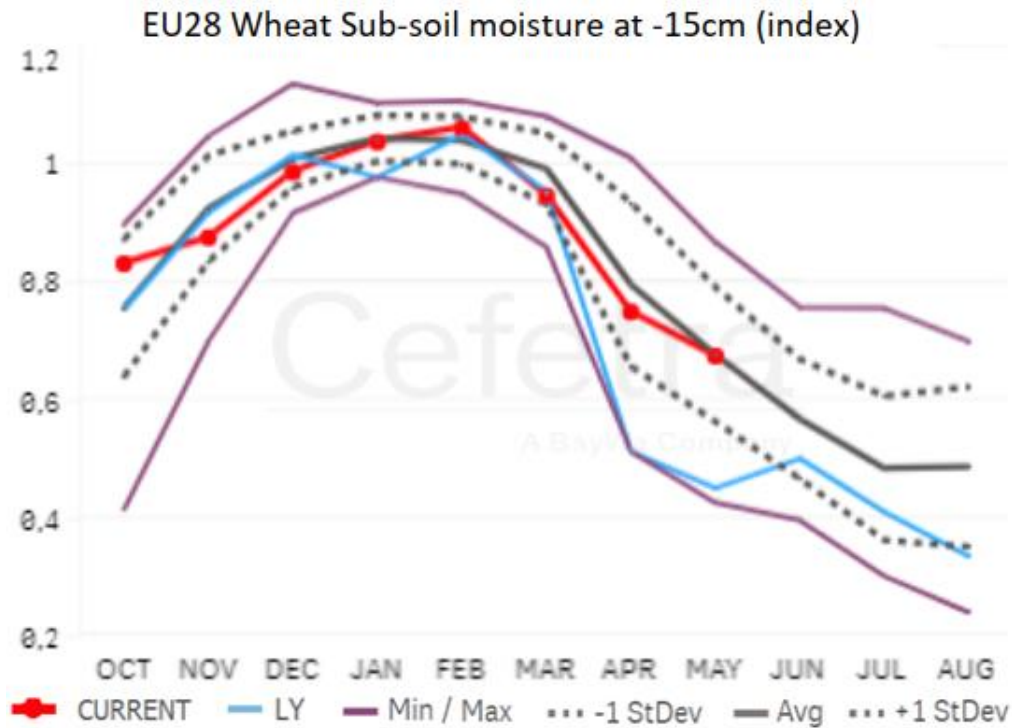


EU new crop wheat area rebounded

EU28 wheat area

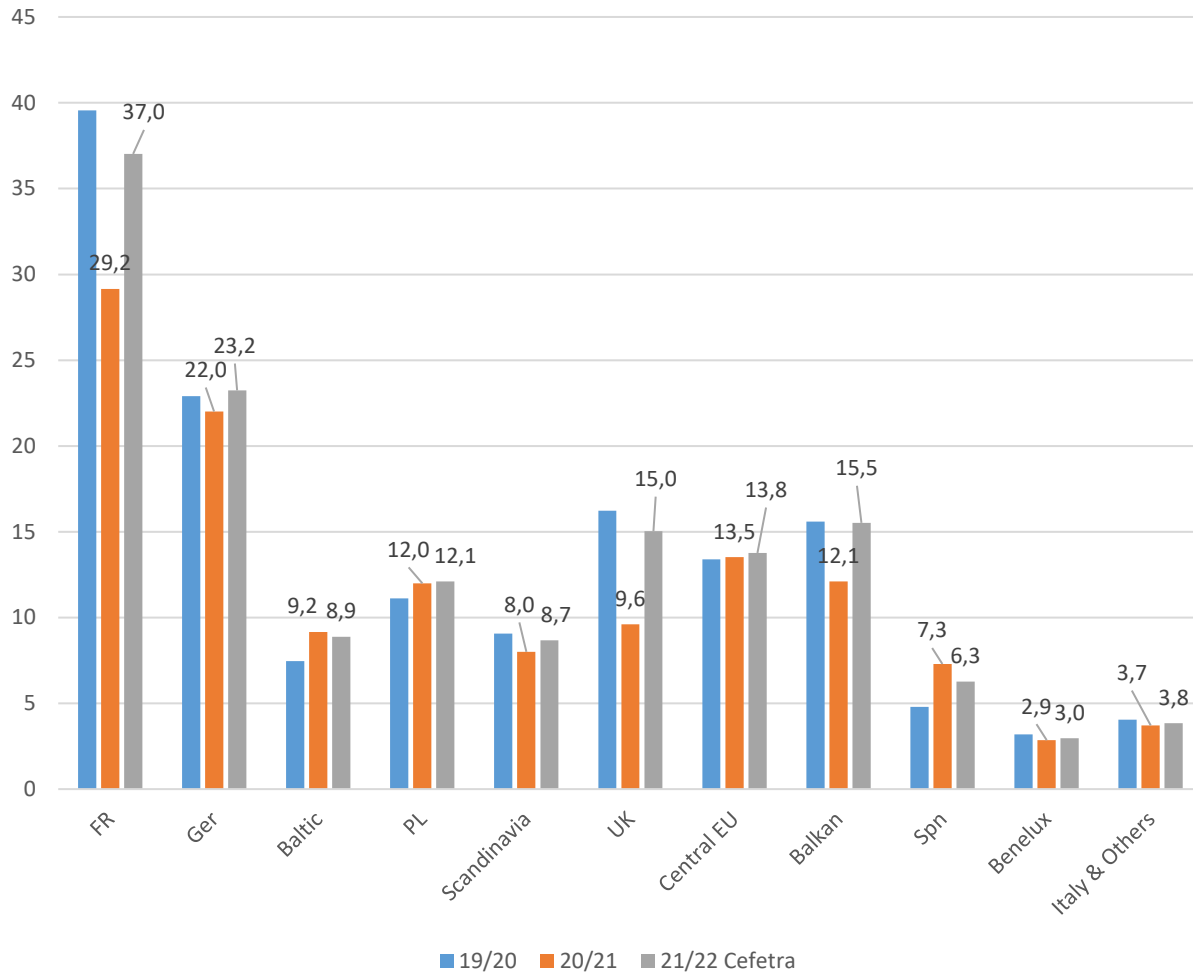


Still long way to go, but yields above trend possible

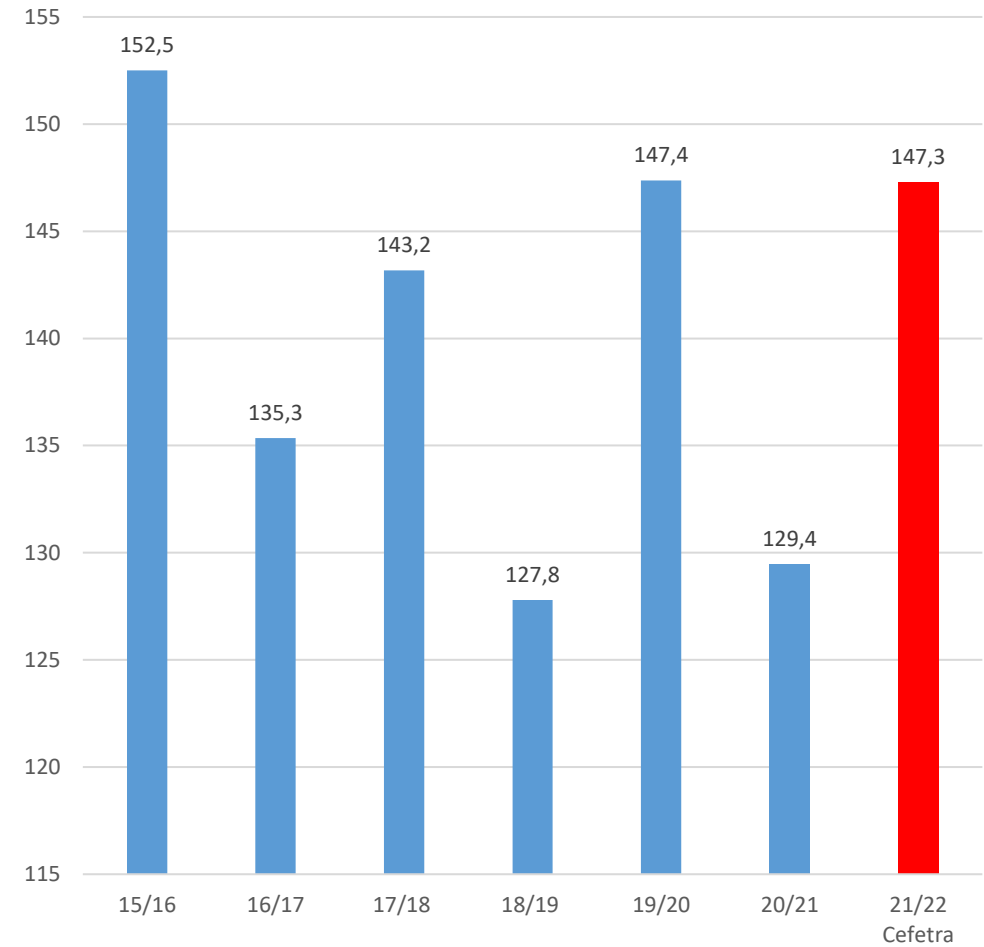


EU wheat crop to rebound

EU Wheat Crop per MS

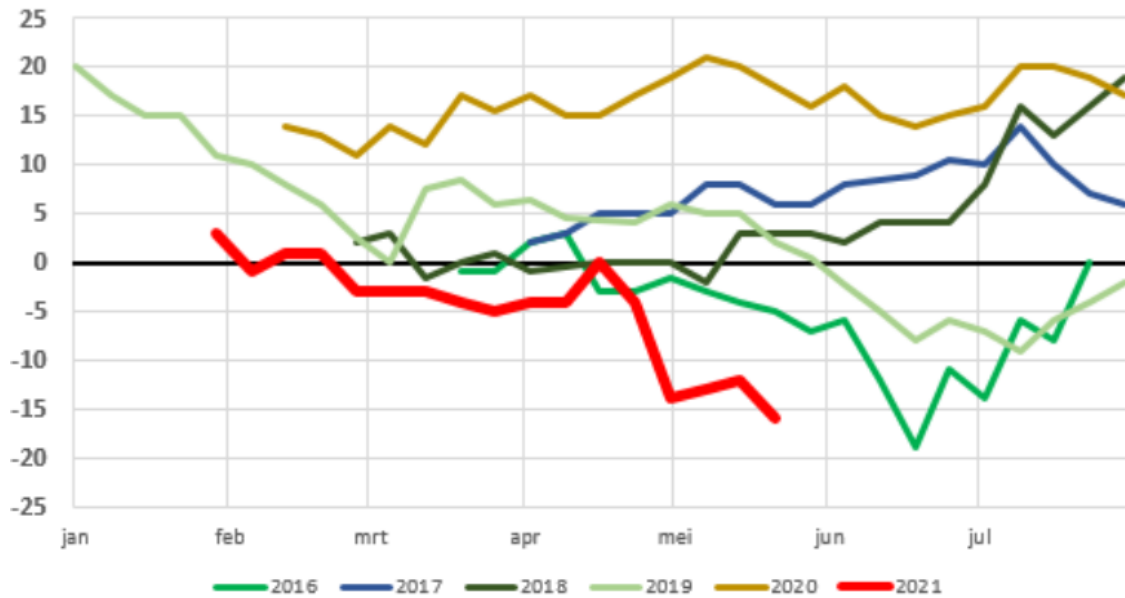


EU Total Wheat Crop



Wheat = cheap form of corn?

NL CIF Wheat Corn Spread NEW CROP



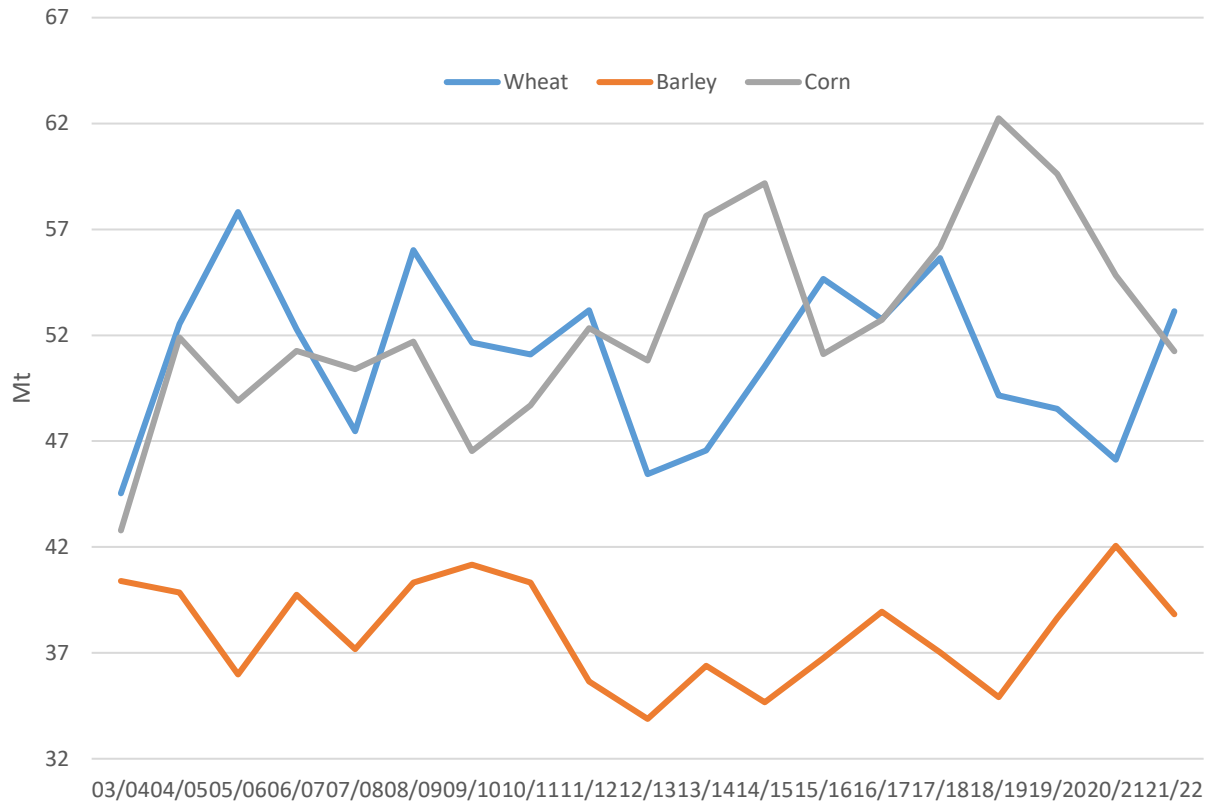
Spain CIF Wheat Corn Spread NEW CROP



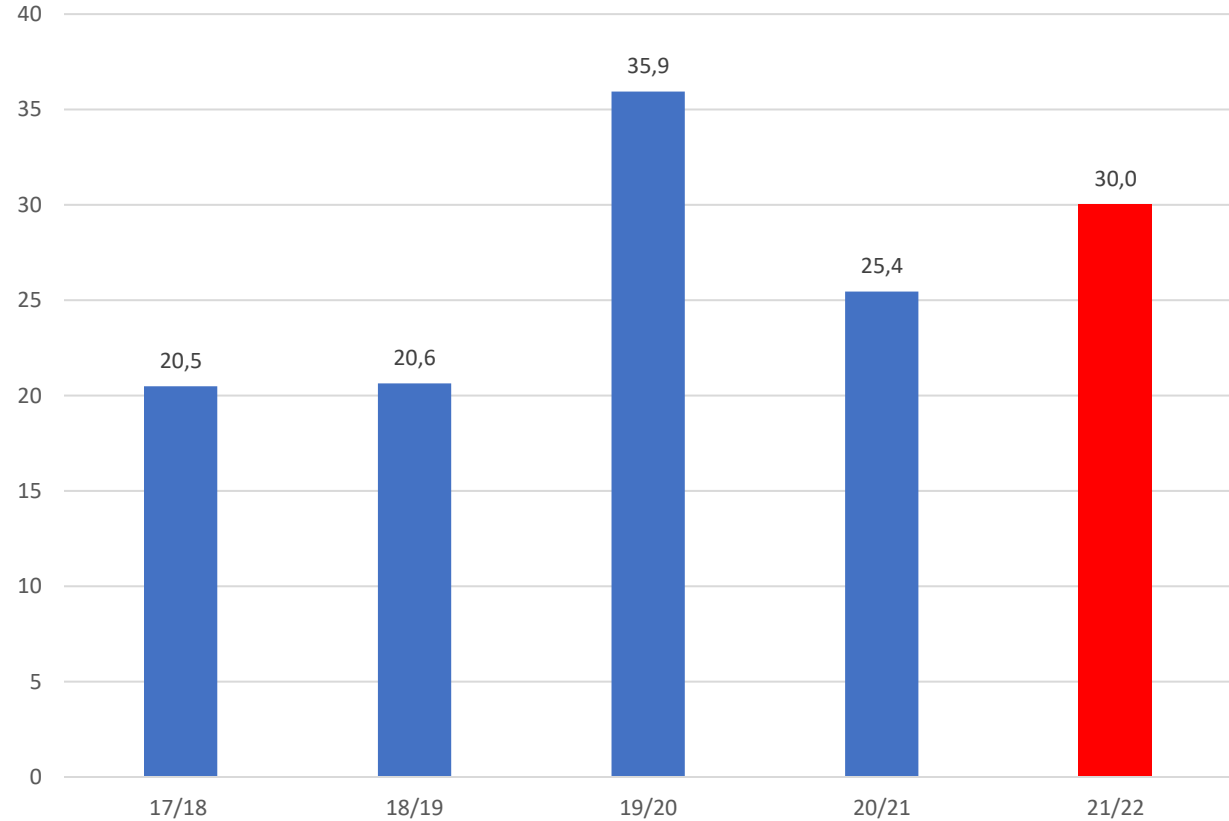
So we could potentially expect large demand



EU grain feeding in Mt

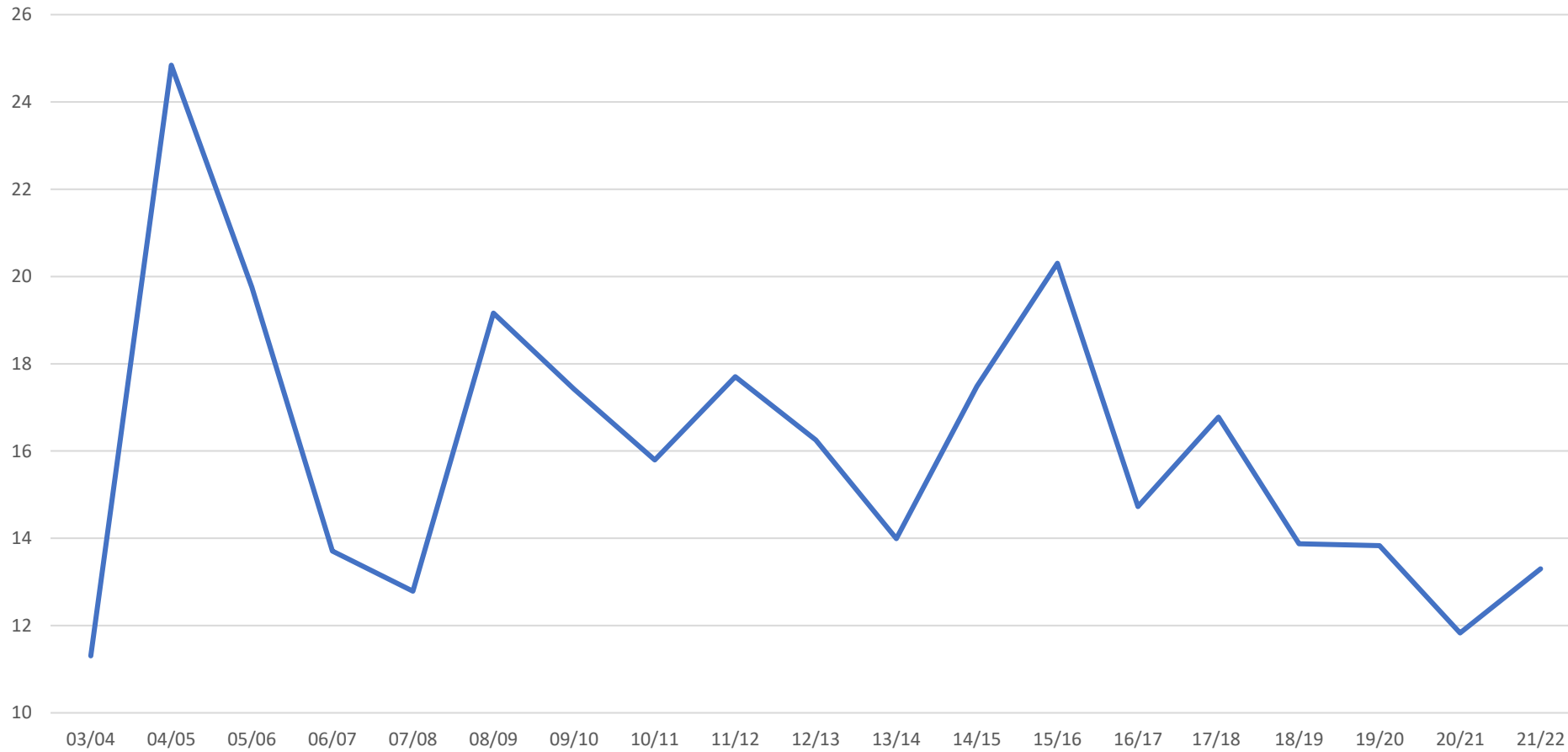


EU28 3rd country wheat exports



EU wheat stocks to rebound

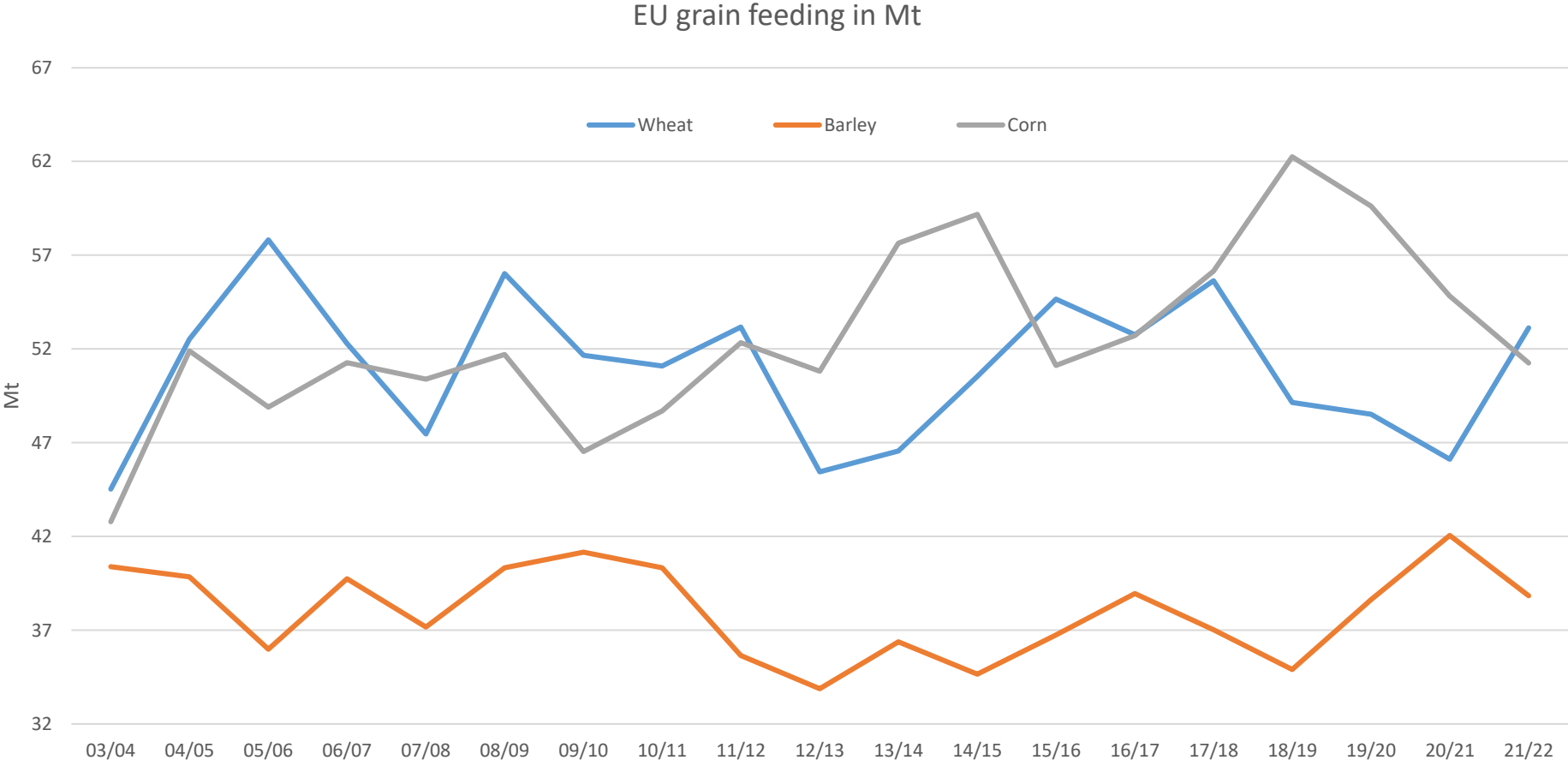
EU28 wheat stocks





CORN

Wheat stealing demand from corn

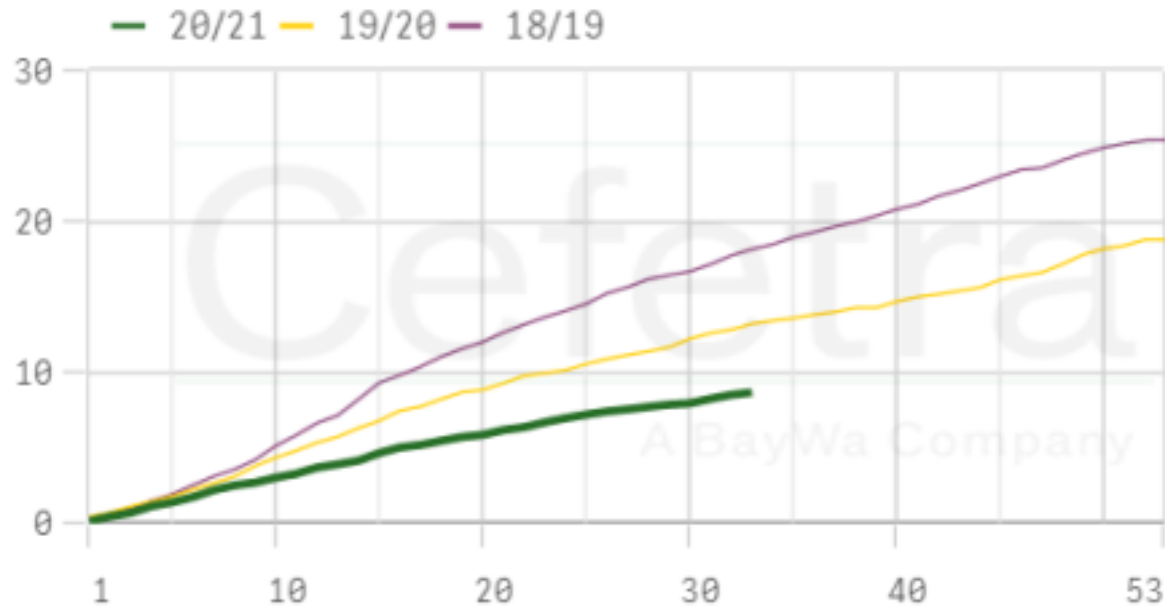


Poor old crop imports = maybe lower old crop feeding?

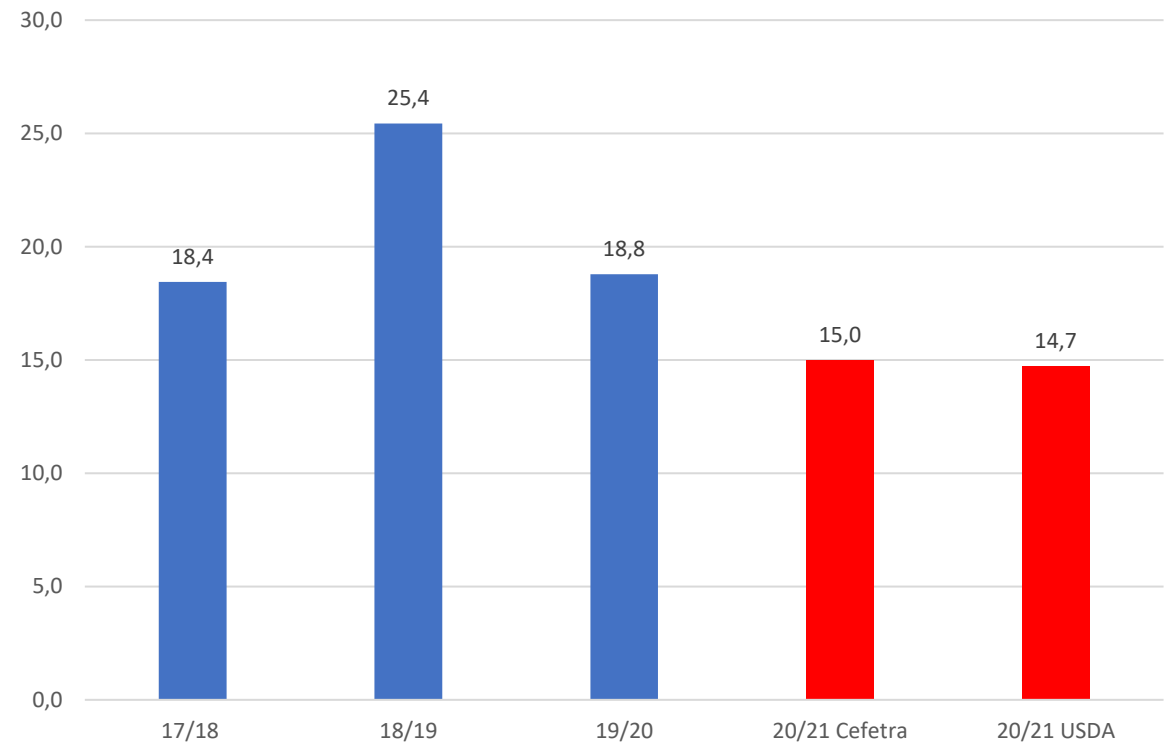


EU cum. Corn imports in Mt

This year 8,74 vs last year 13,29 (YoY diff -4,55)

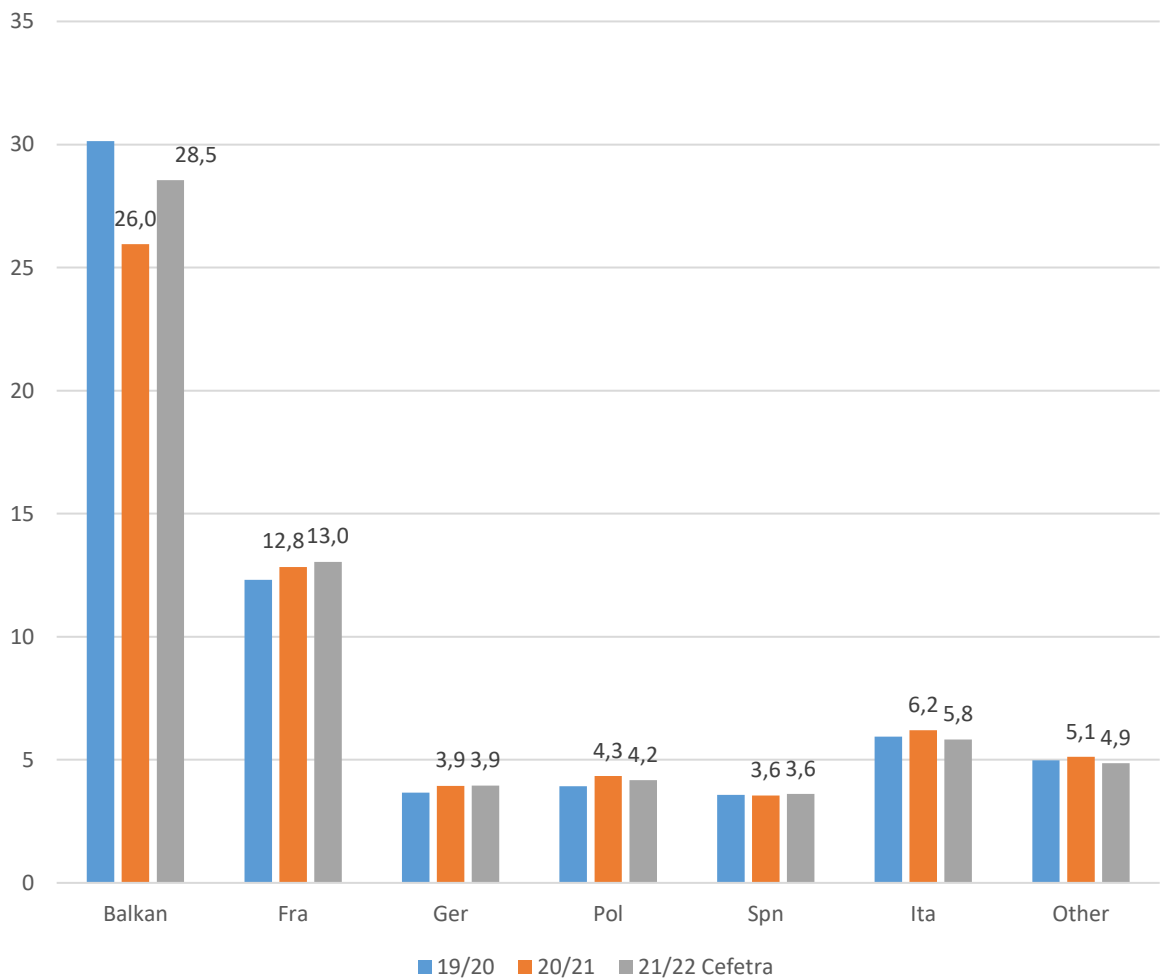


EU28 corn imports

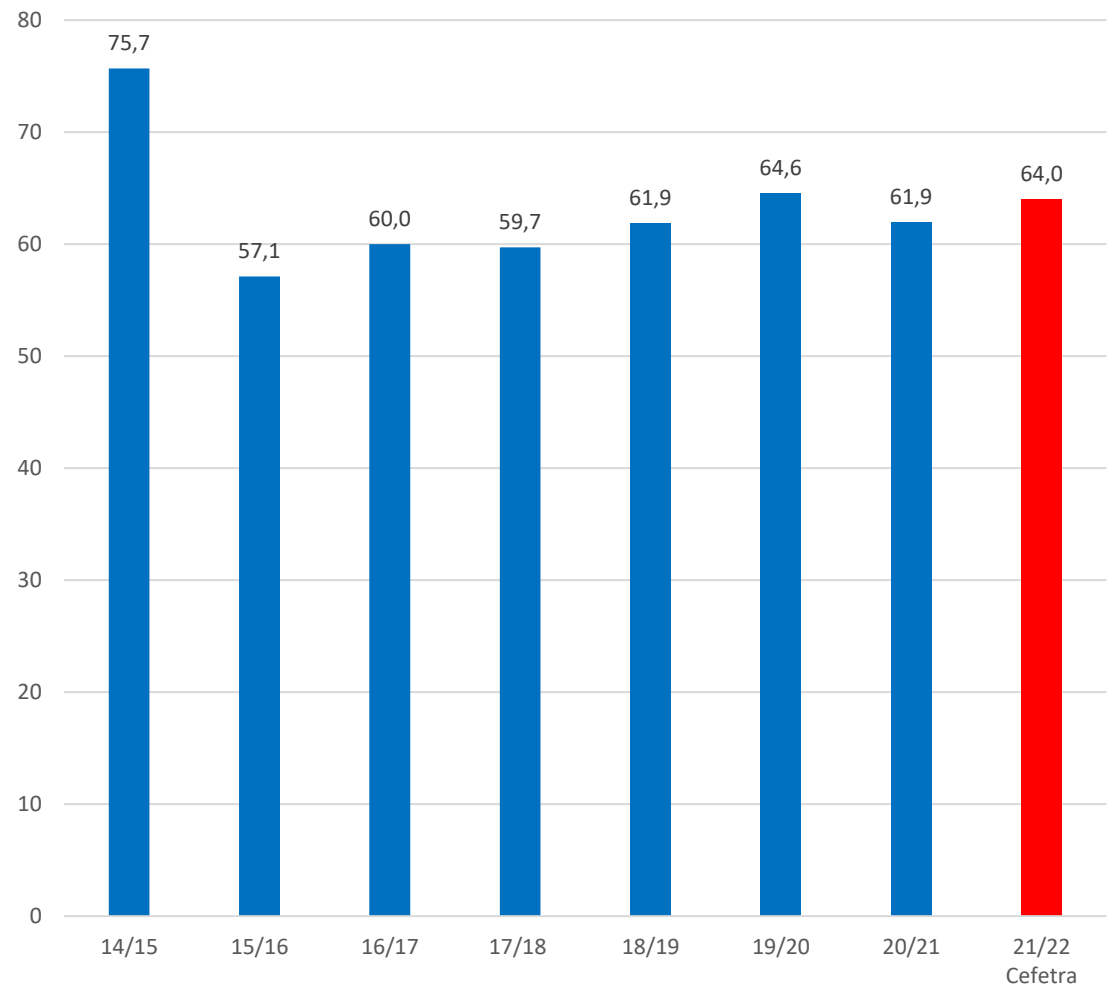


To early to say anything about EU corn crop

EU corn production per MS

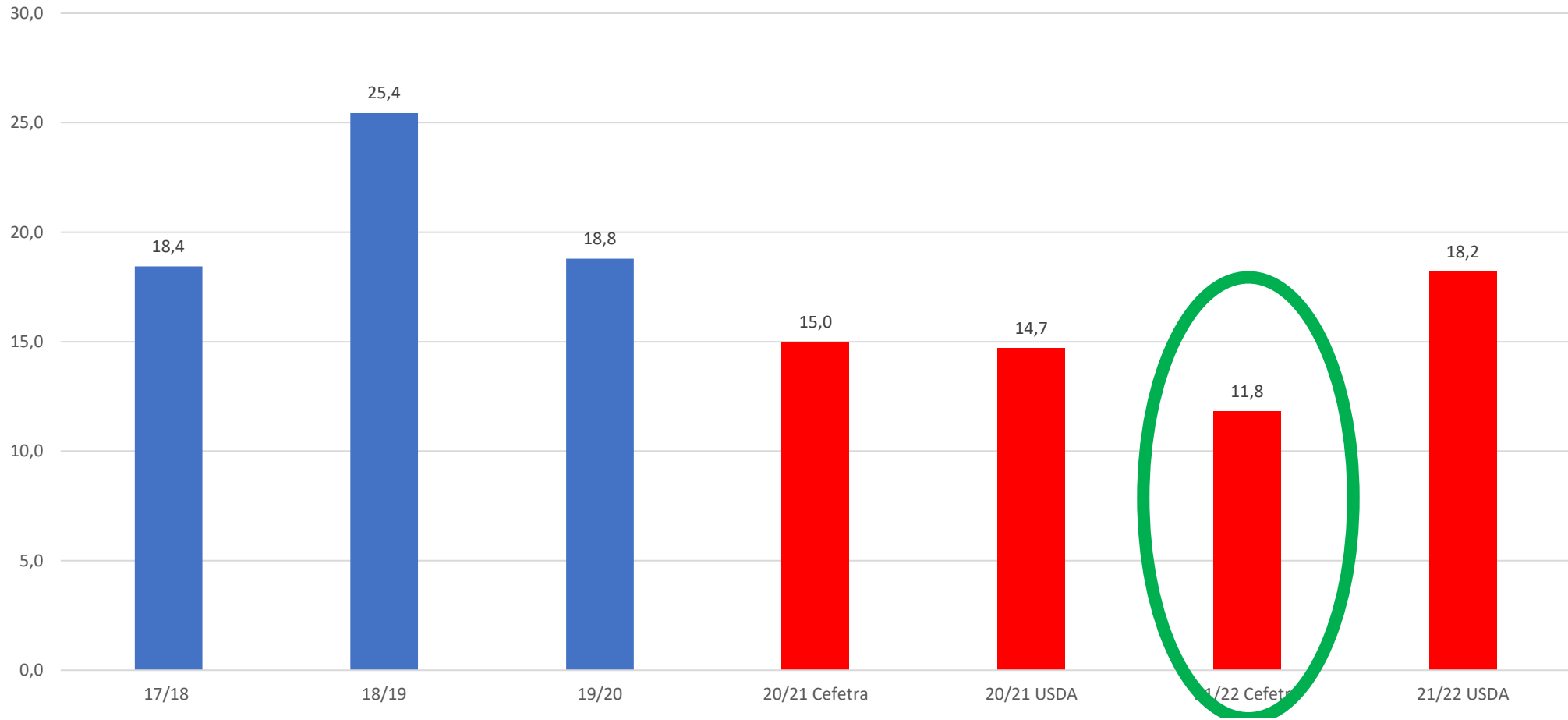


EU corn crop



Today we est low EU new crop corn imports

EU28 corn imports



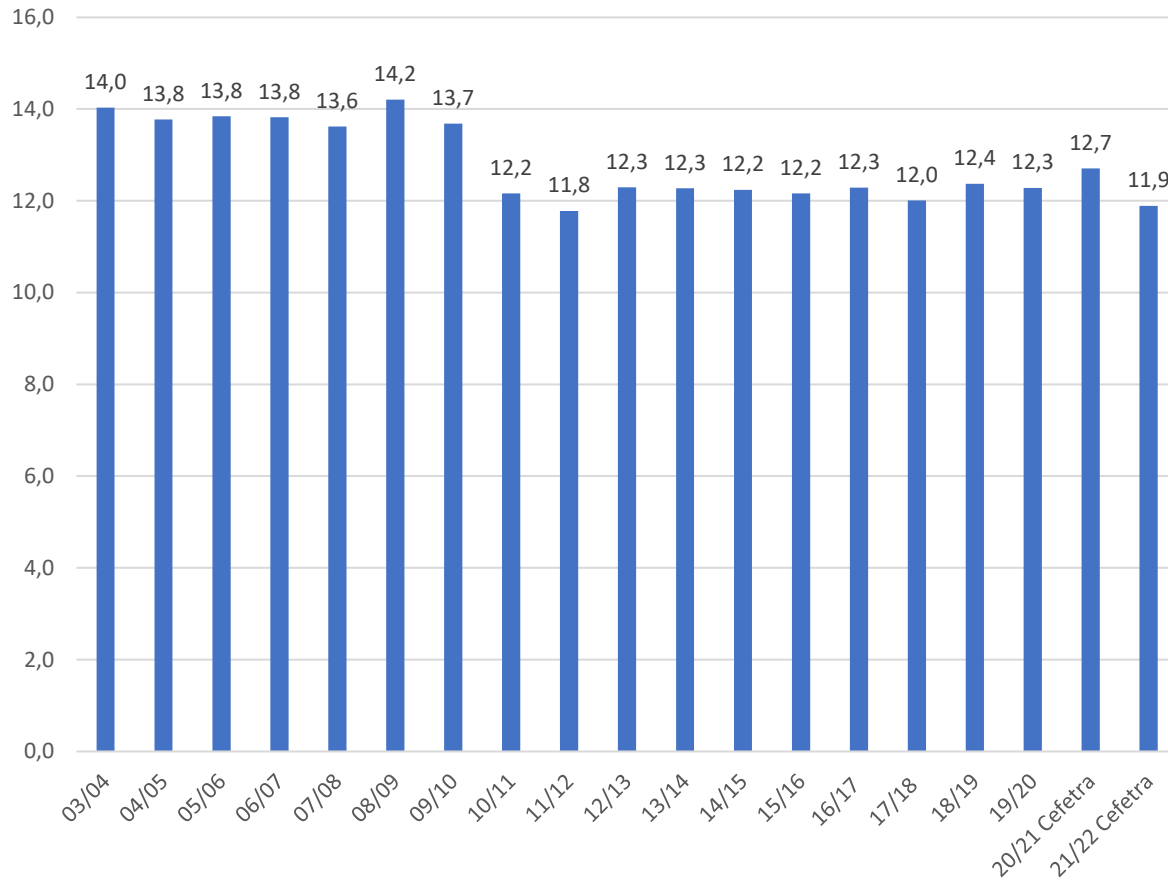


BARLEY

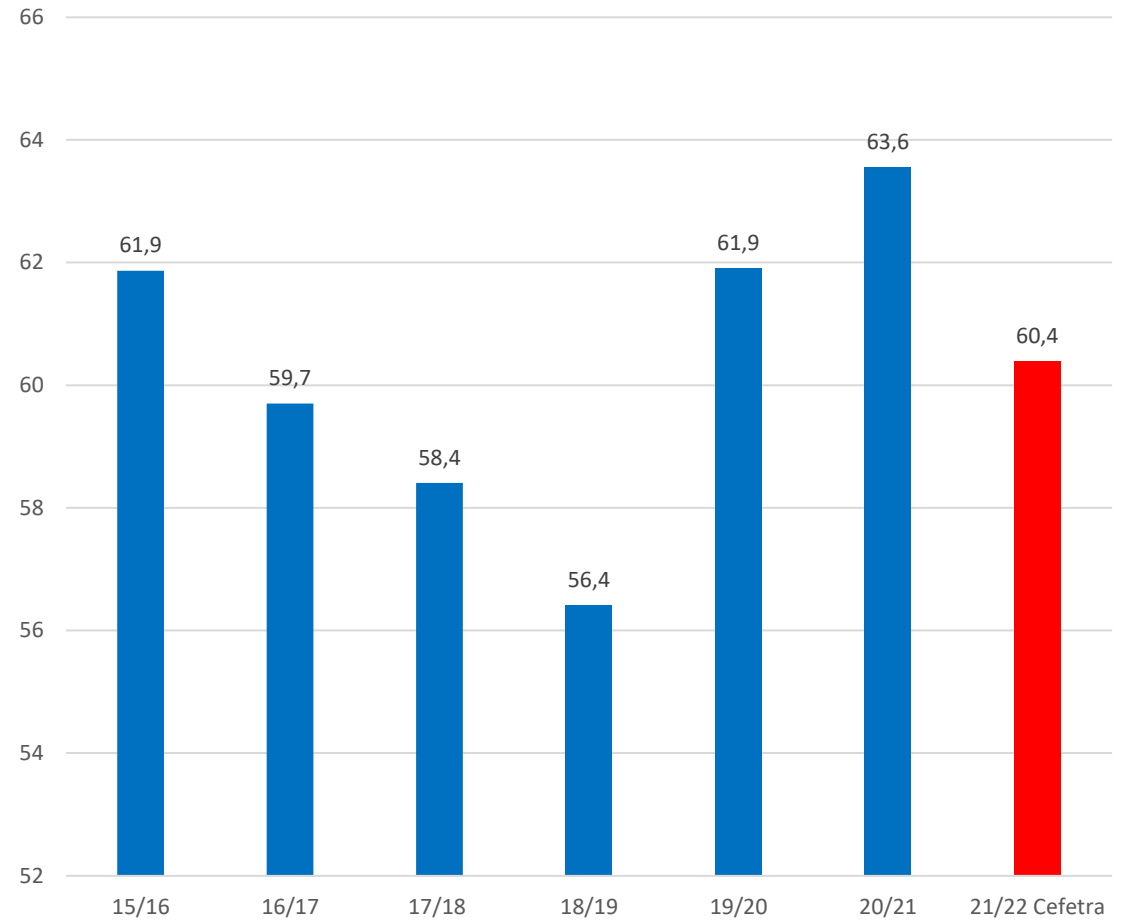
EU barley crop estimated to drop on lower area



EU28 barley area

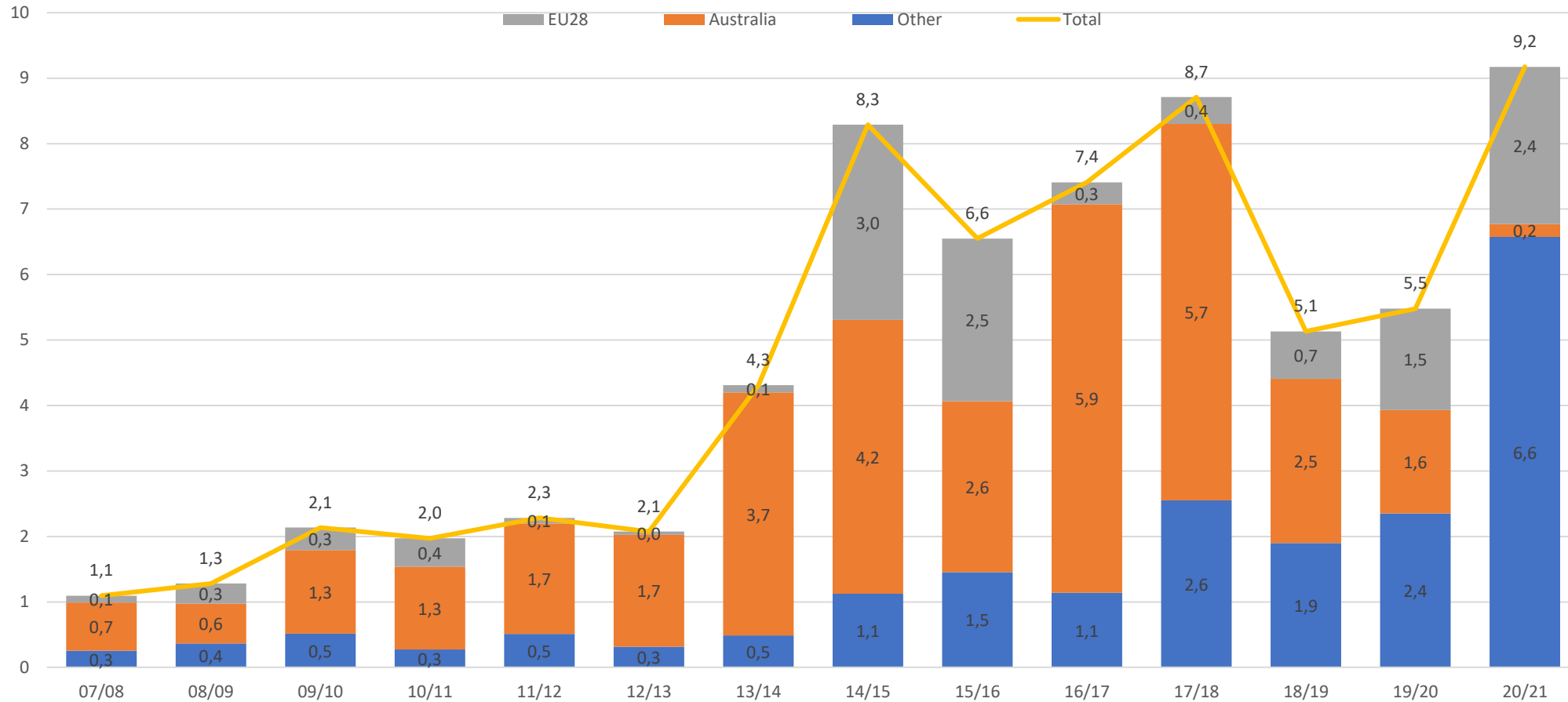


EU barley crop



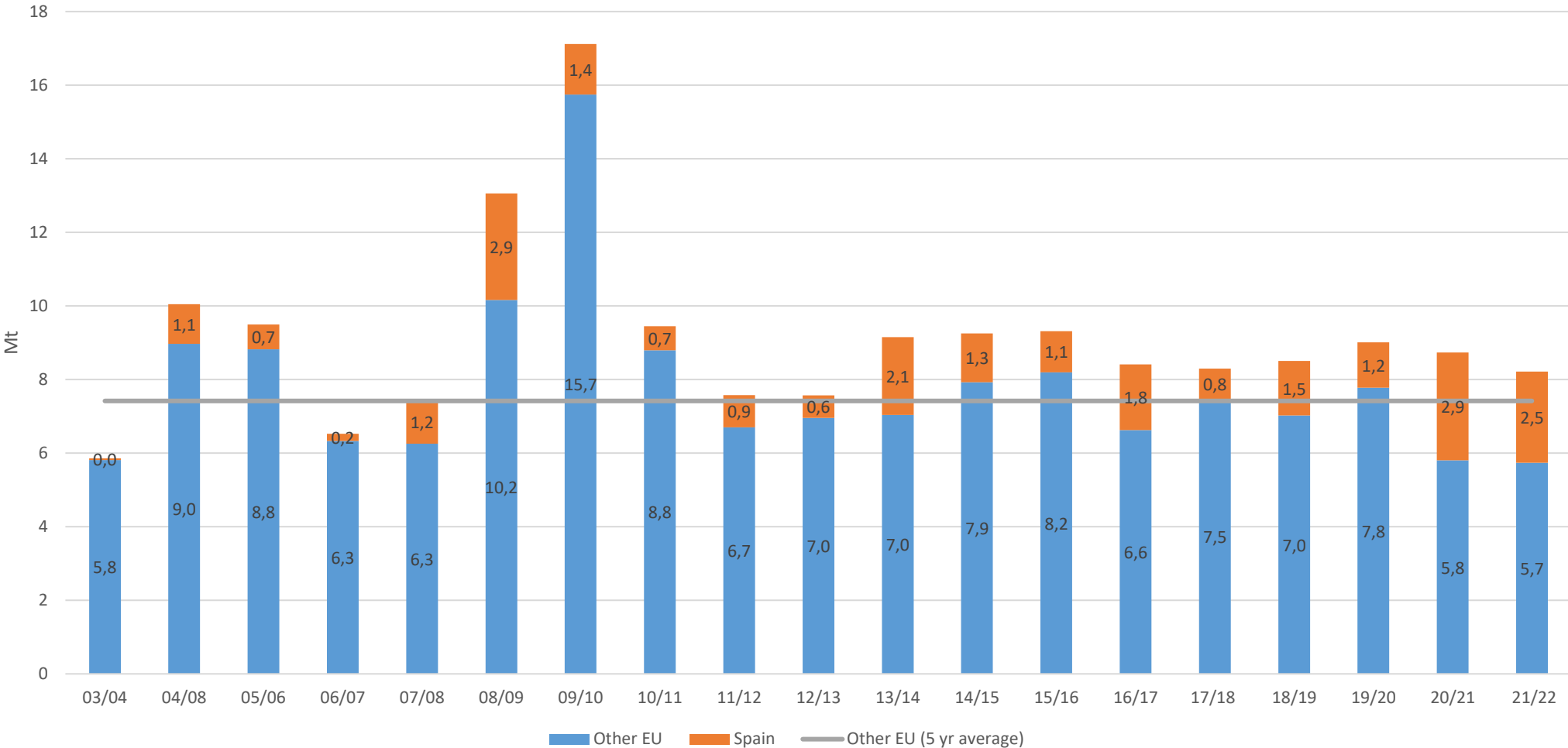
China calling on French barley

World barley exports to China in Jul/Jun (entire market year)

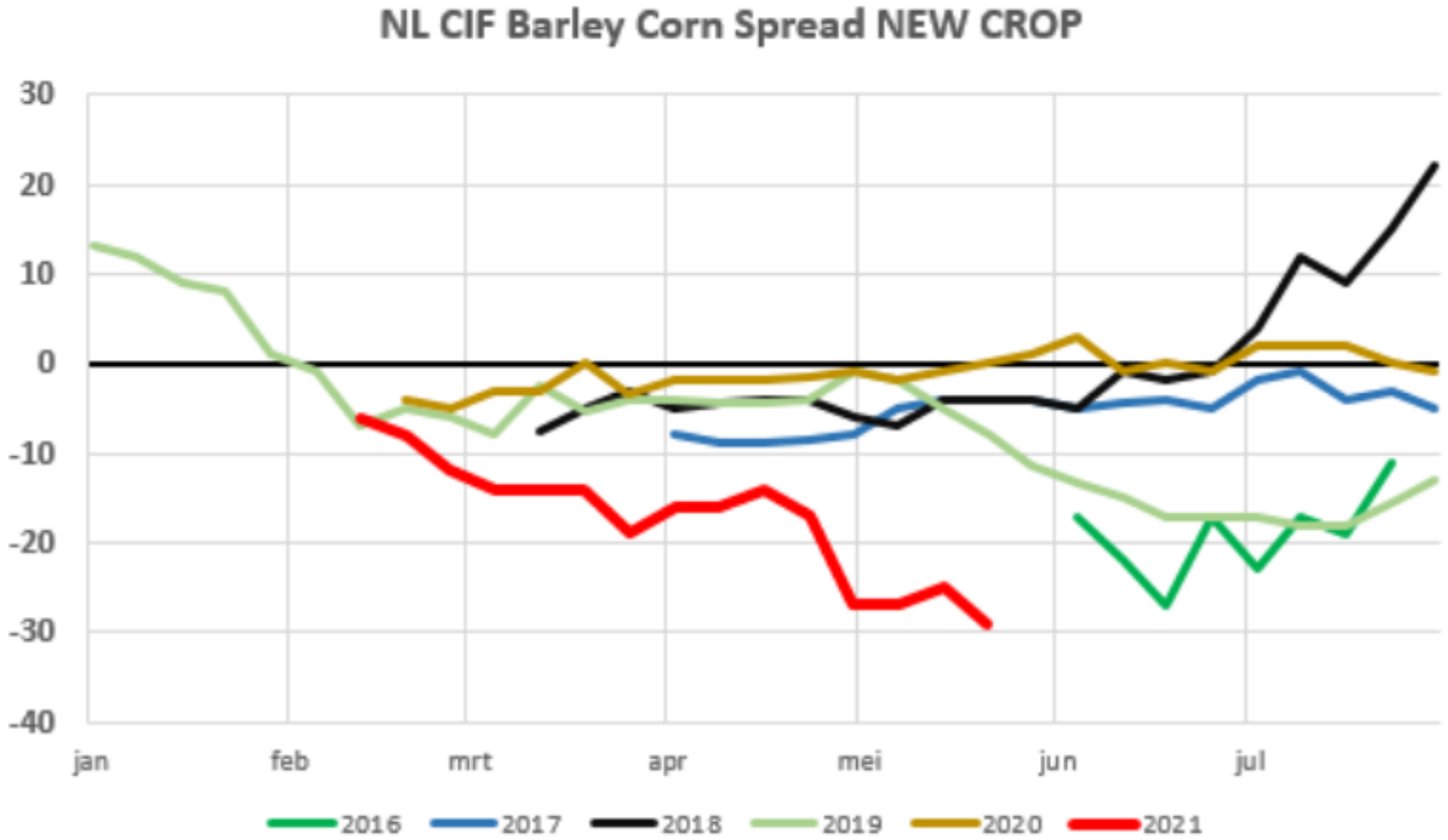


Still large EU barley stocks, but very low in NW EU

EU28 barley stocks



However, barley still calculates very well



Grains Summary



Wheat:

- EU old crop wheat S&D tight + new crop potentially delayed
- EU new crop wheat production expected to rebound (all going well)
- However, large demand expected (exports + feed) = stocks to rebound moderately

Corn:

- Wheat stealing demand from corn (both in the old & new crop)
- Current corn import pace does indeed suggest potential smaller old crop corn feeding
- With new crop wheat feeding estimated at +7Mt YoY = we project new crop imports at just 11,8Mt

Barley:

- Smaller barley area due to larger wheat area = barley crop to drop slightly
- China calls on French barley as they avoid Australian
- Implies low barley stocks in North West EU
- However, barley is very cheap vs corn

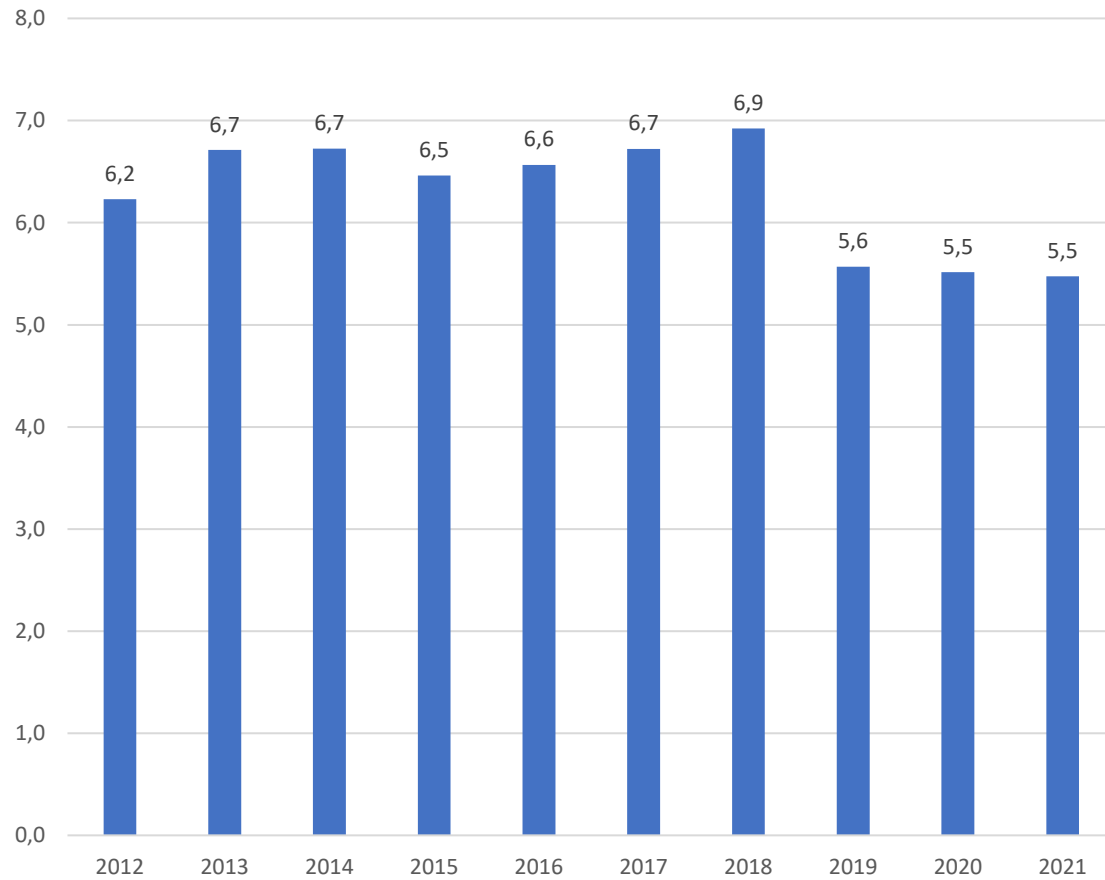


EU Proteins

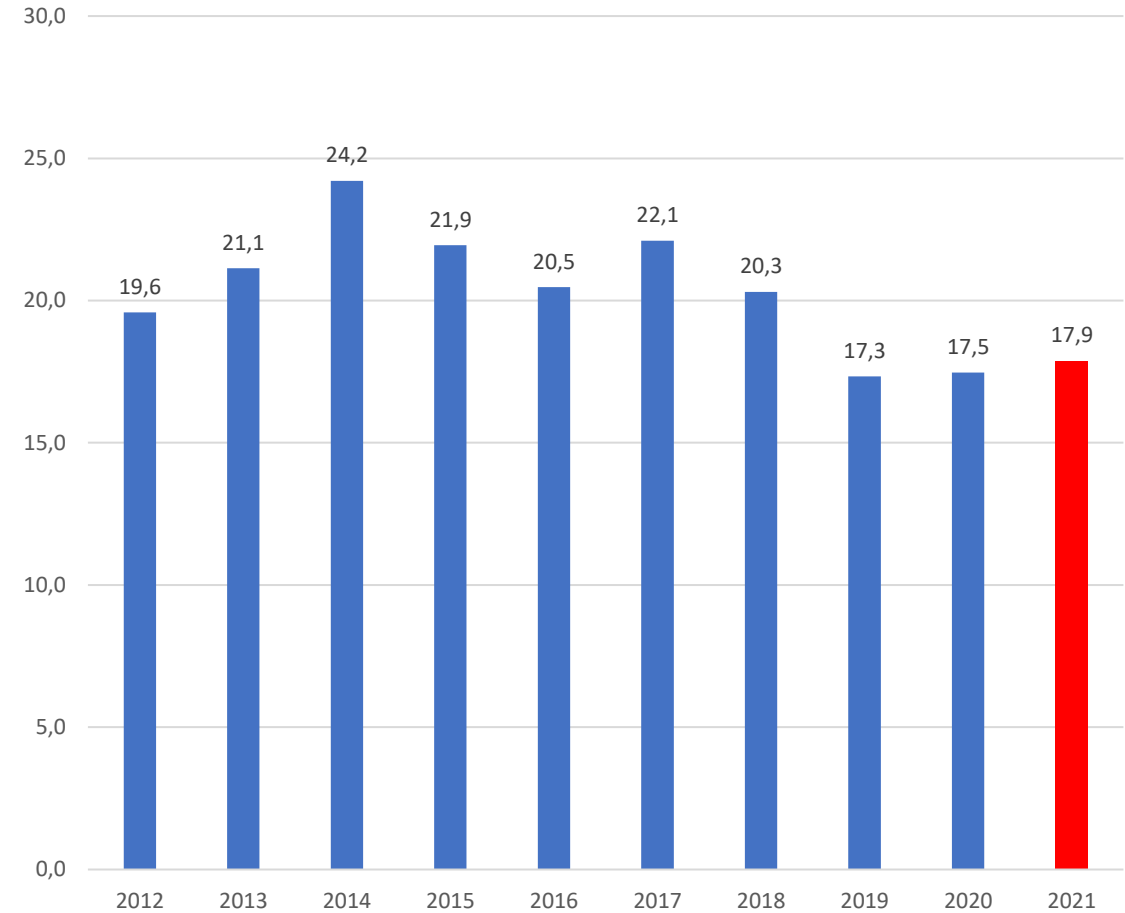
EU rapeseed plantings low again!



EU28 rapeseed area

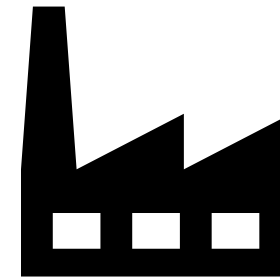
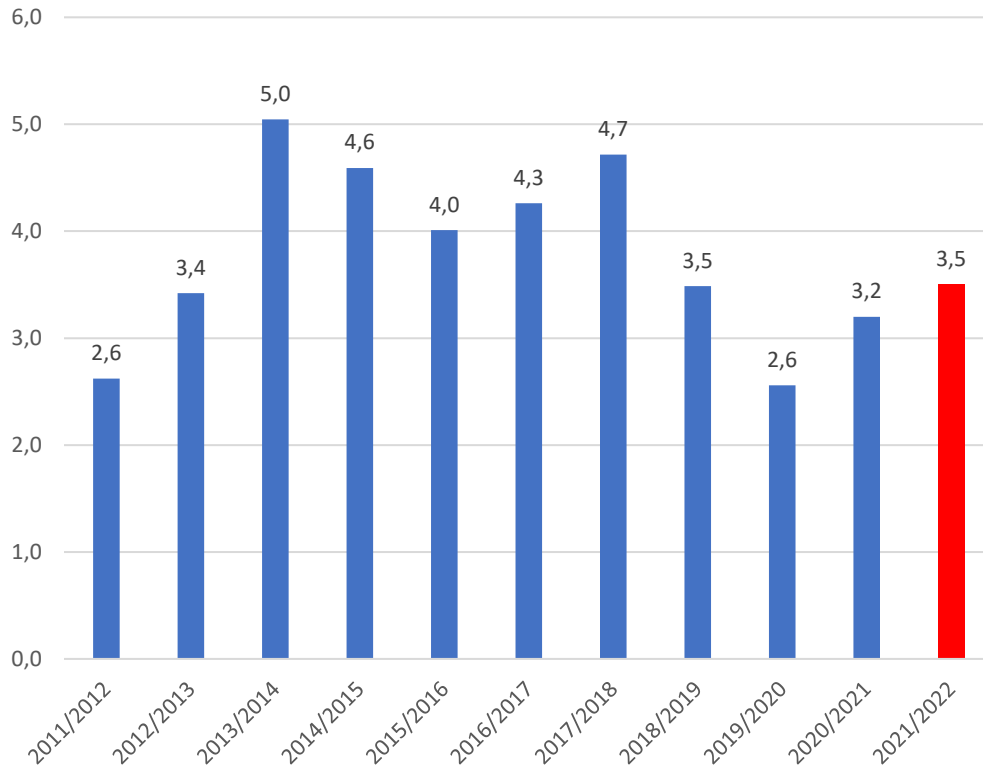


EU28 rapeseed crop



EU rapeseed has big challenges ahead

Chinese rapeseed imports

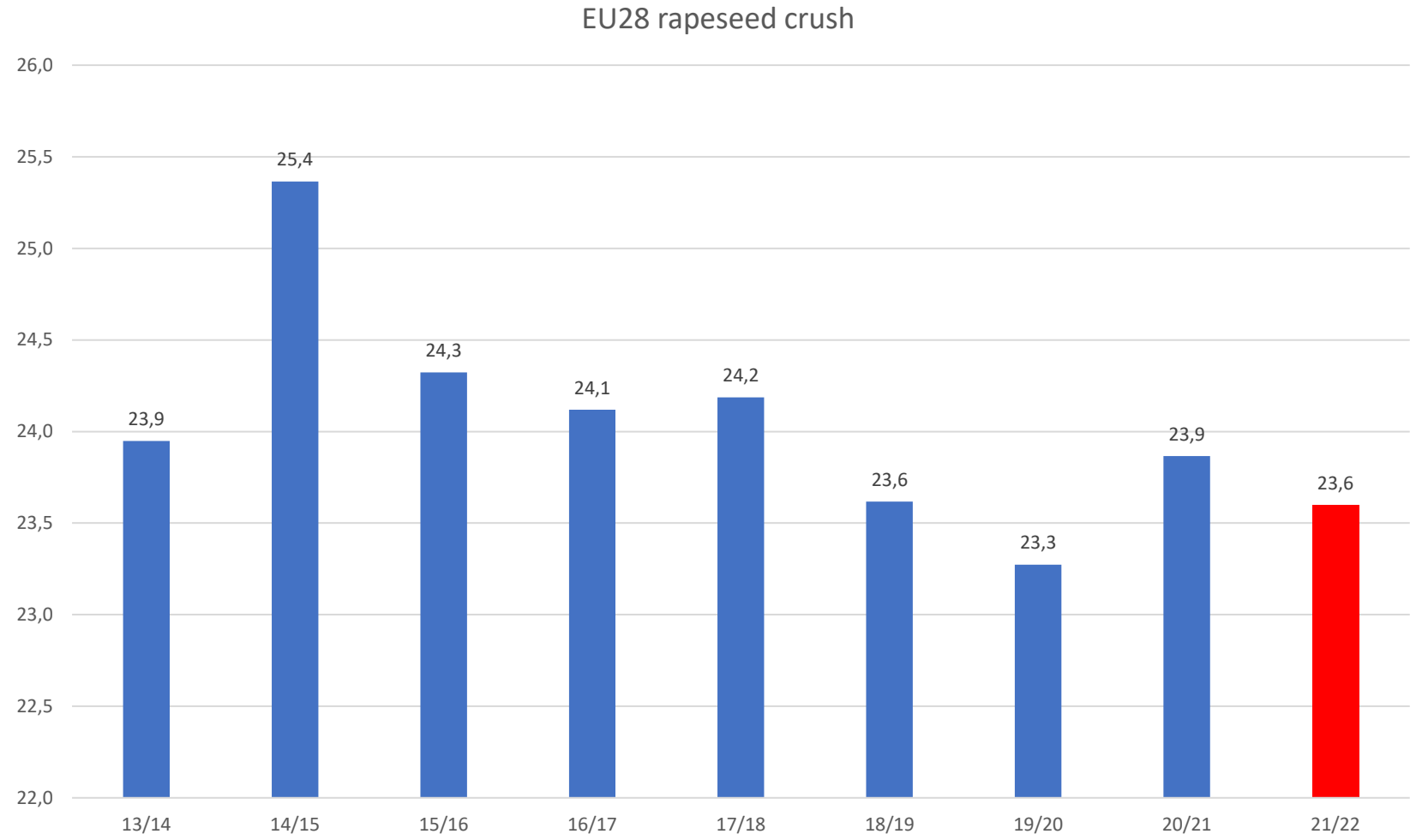


Canadian crush capacity growing from

11,8Mt today

to 16,5Mt in 2024

Challenging to crush as much as last year



Oilseeds/Proteins Summary



Rapeseed:

- EU area small again, but better weather should help
- China returning to Canada + Ukraine shipping to Canada (prior to arrival of Canadian new crop = EU supply limited)
- Big challenges ahead for EU crush due to larger crush capacity in Canada + growing Chinese demand

Sunseed:

- Tight old crop due to disappointing Blacksea crops + larger Chinese demand
- If Blacksea sunseed crops could rebound = more balanced sunmeal picture in the EU

Contact Details

<https://ypsilon.services/>
<https://www.cefetra.com>

Harm de Wilde

wilde@cefetra.nl

