



China Grains and Oilseeds Outlook

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Head of Asia Region

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Our Distinctive Profile



Who We Are

Louis Dreyfus Company is a leading global merchant and processor of agricultural goods.

For 170 years, we have sourced agricultural products where they are grown, and transported and transformed them for customers and consumers around the world, working with a wide range of trusted partners.



Established in
1851

6
regions

US\$382 million*
Net Income, Group Share

Originating,
processing and transporting
80 million*
tons of commodities

Capital expenditure of
US\$306 million*

Approximately
17,000
employees

US\$33.6 billion*
Net sales

Active in
100+
countries

8
platforms

Increasingly Integrated Value Chain

LDC is evolving to become an increasingly integrated food, feed, fibers and ingredients company.

We develop sustainable solutions to bring agricultural goods from where they are grown to our customers' doorstep.

This involves a complex supply chain in which our people and partners play a vital role, ensuring a smooth journey for our products.



1 Originate & Produce

Sharing our expertise with farmers and producers worldwide, be it through partnerships or our origination network.



2 Process & Refine

Processing and refining the finest quality raw materials.



3 Store & Transport

Efficiently managing movements across the value chain.



4 Research & Merchandize

Relying on our market knowledge to ensure responsive supply across platforms and regions.



5 Customize & Distribute

Supplying products to a range of customers, from multinationals to local customers and end-consumers.

China Market & Outlook



Looking ahead on long term China Ag market development, the key topics include:

Population structure
& economic growth

Food consumption

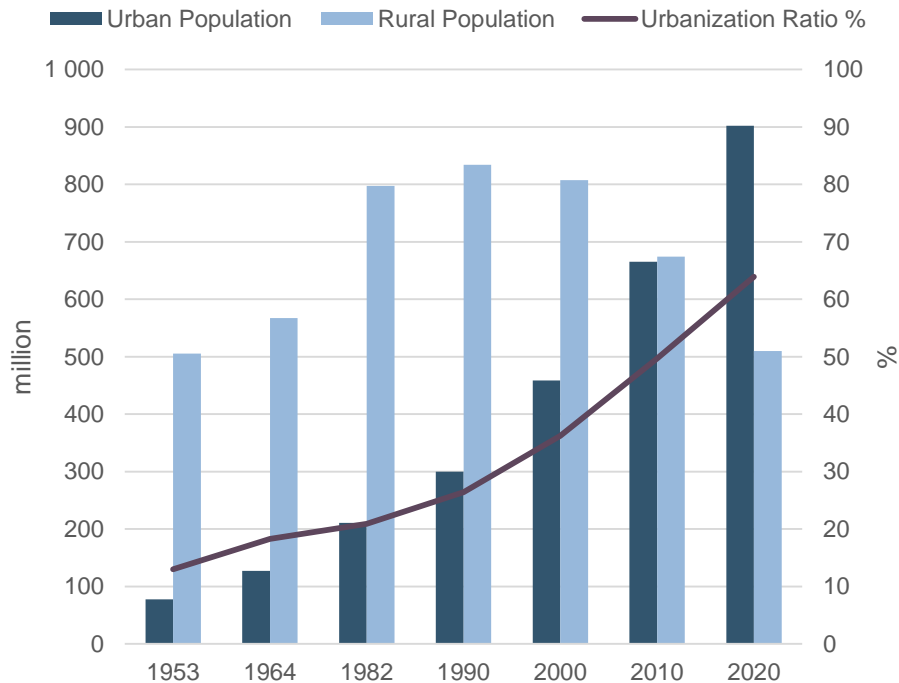
Domestic crop
production

Major trade flows

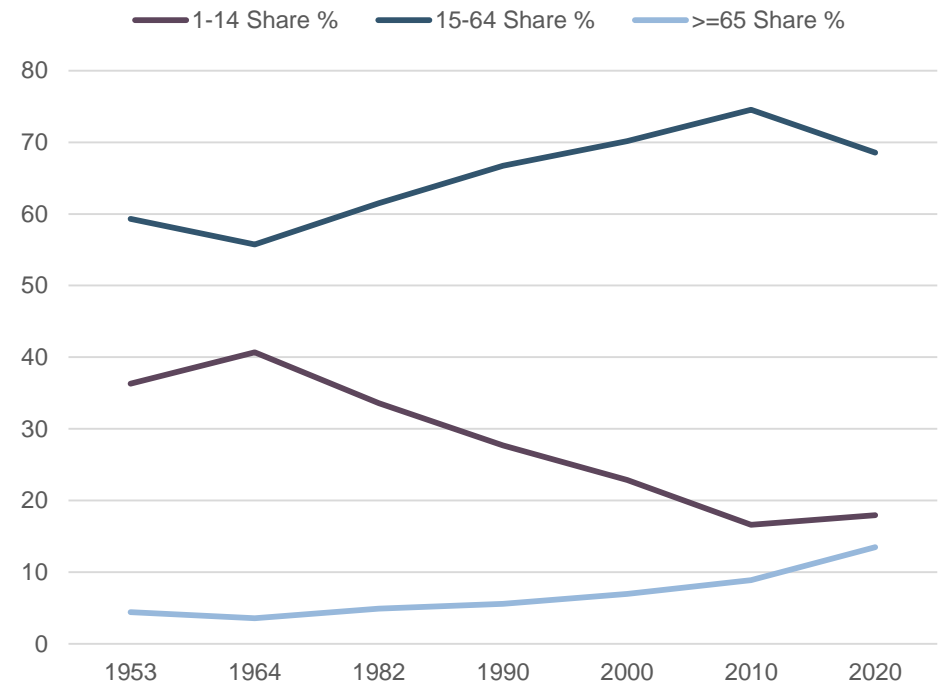
Opportunities and challenges are both present in the key theme from the latest Population Census.

- Urbanization pace is likely to slow down; yet it will continue to grow and reach more than 70% in 2030.
- But the aging tipping point we just saw, and the aging trend will have significant impact.

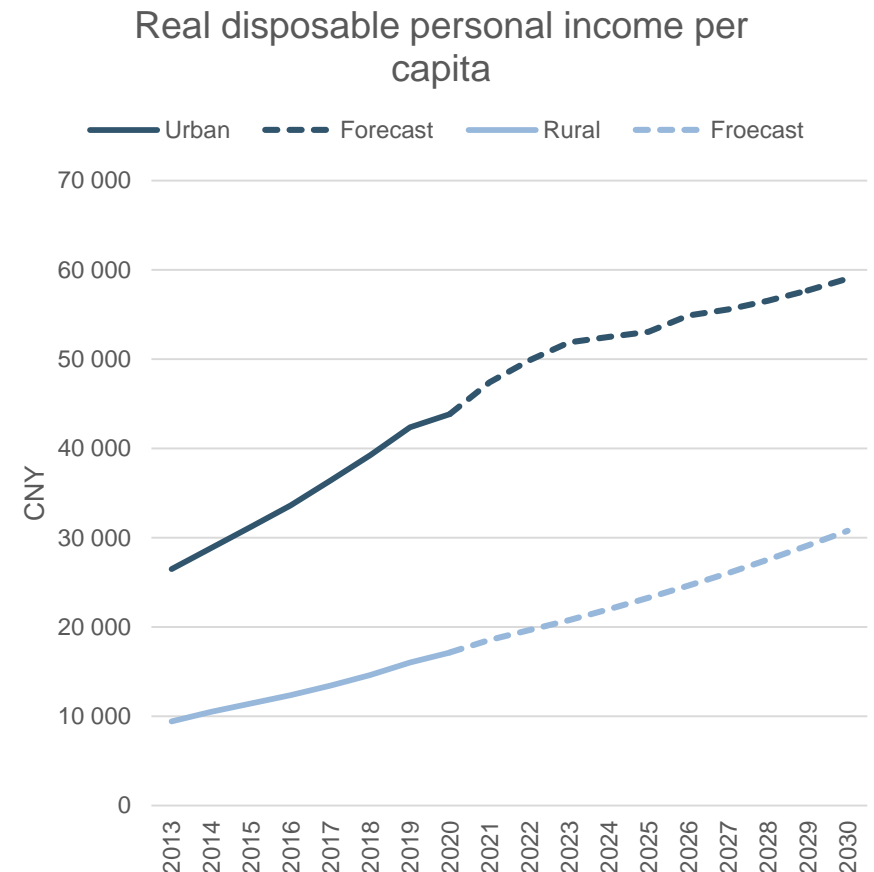
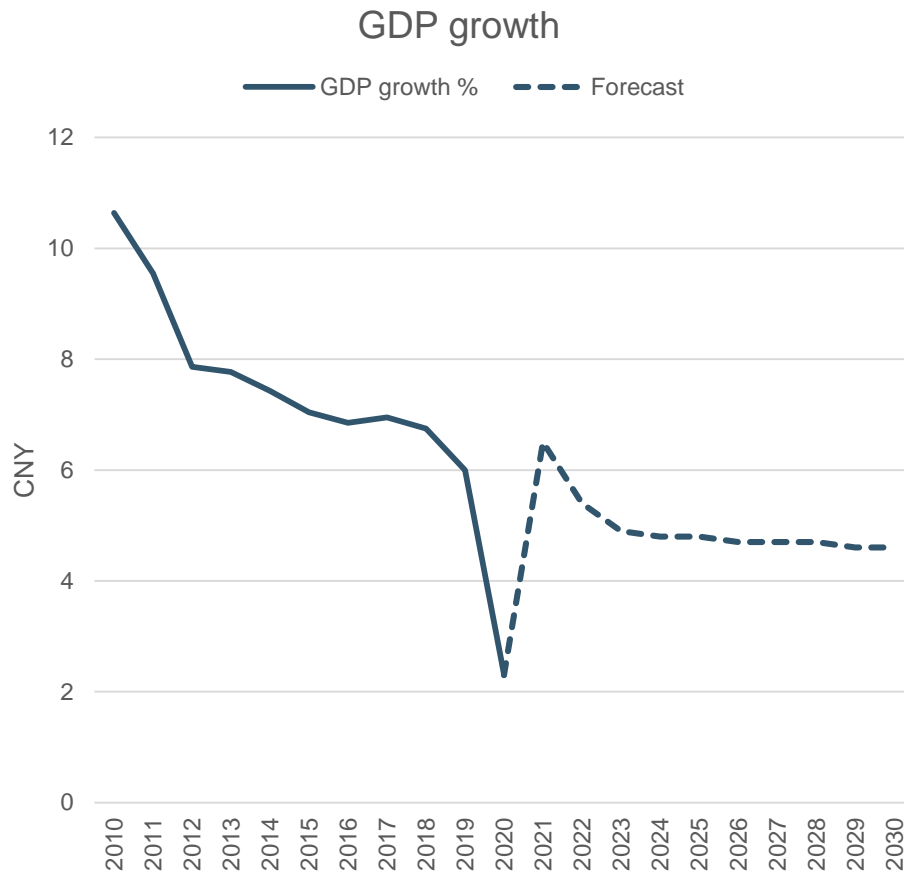
Fast urbanization in the past three decades



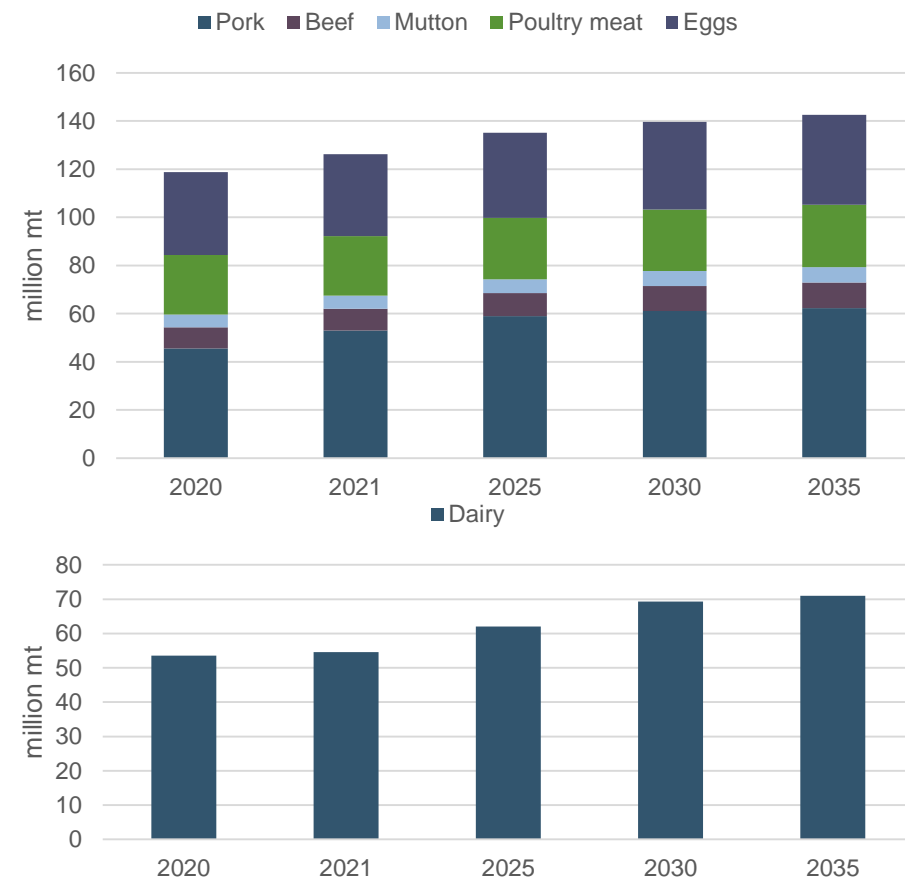
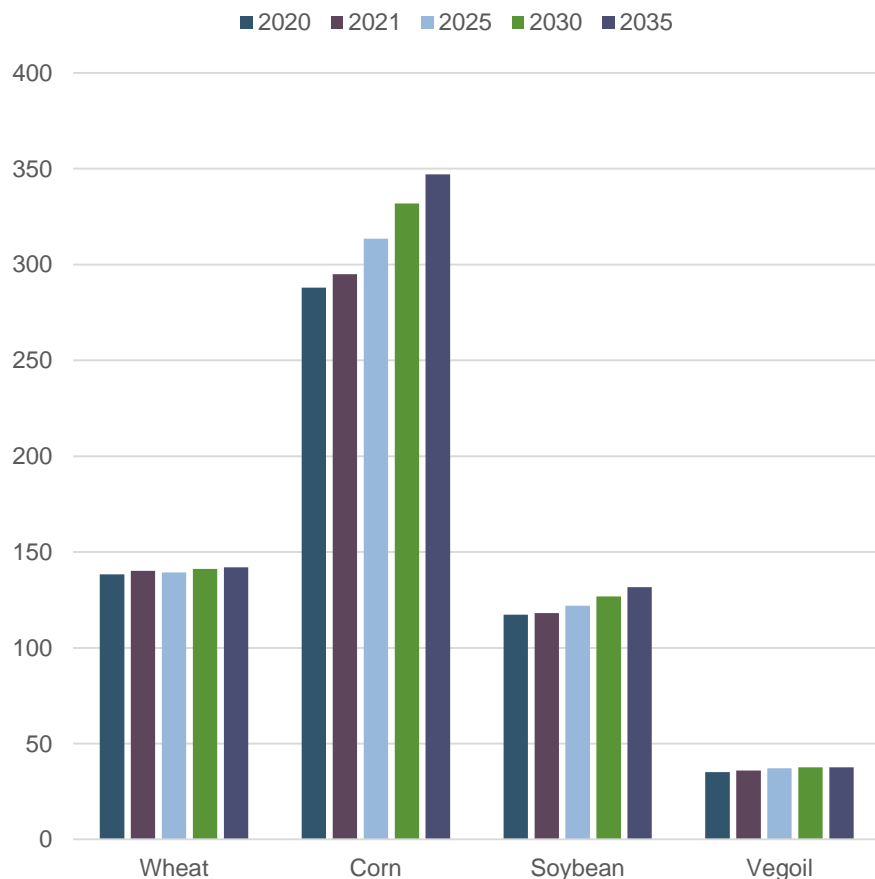
An Aging Society



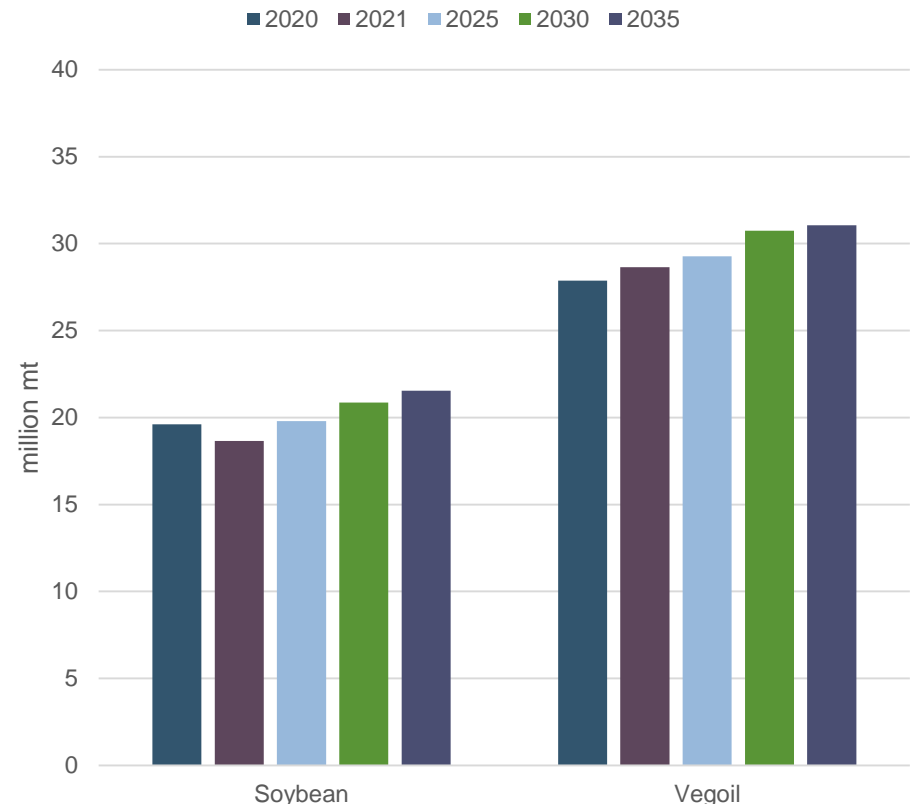
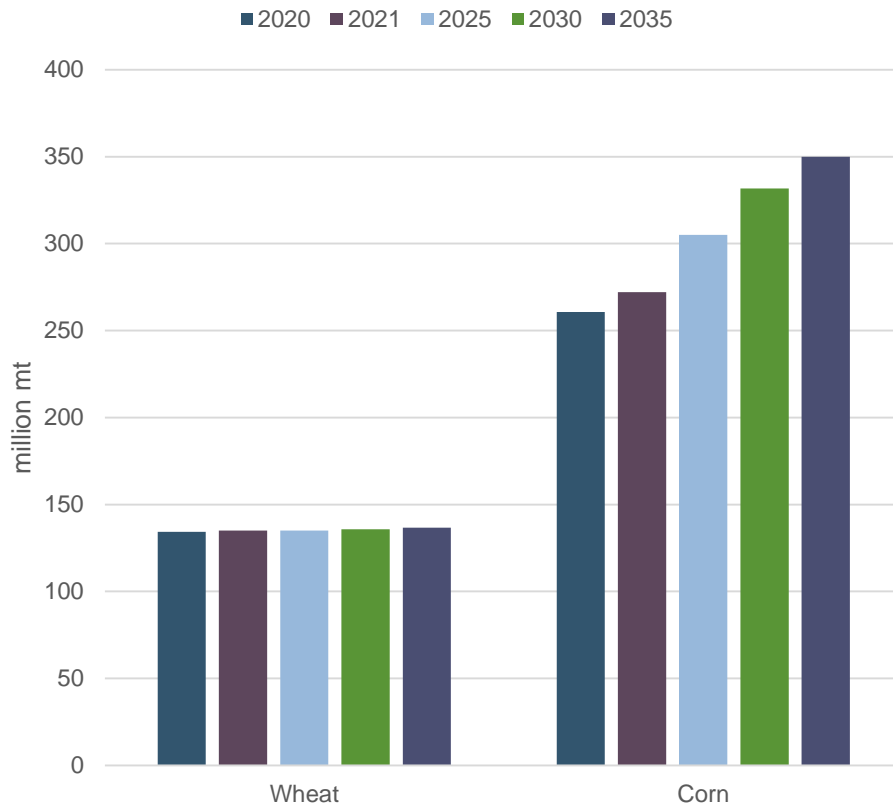
- Economic growth will be slower than the last decade, while income is going to grow at 3% (urban) or 6% (rural) in the next decade.



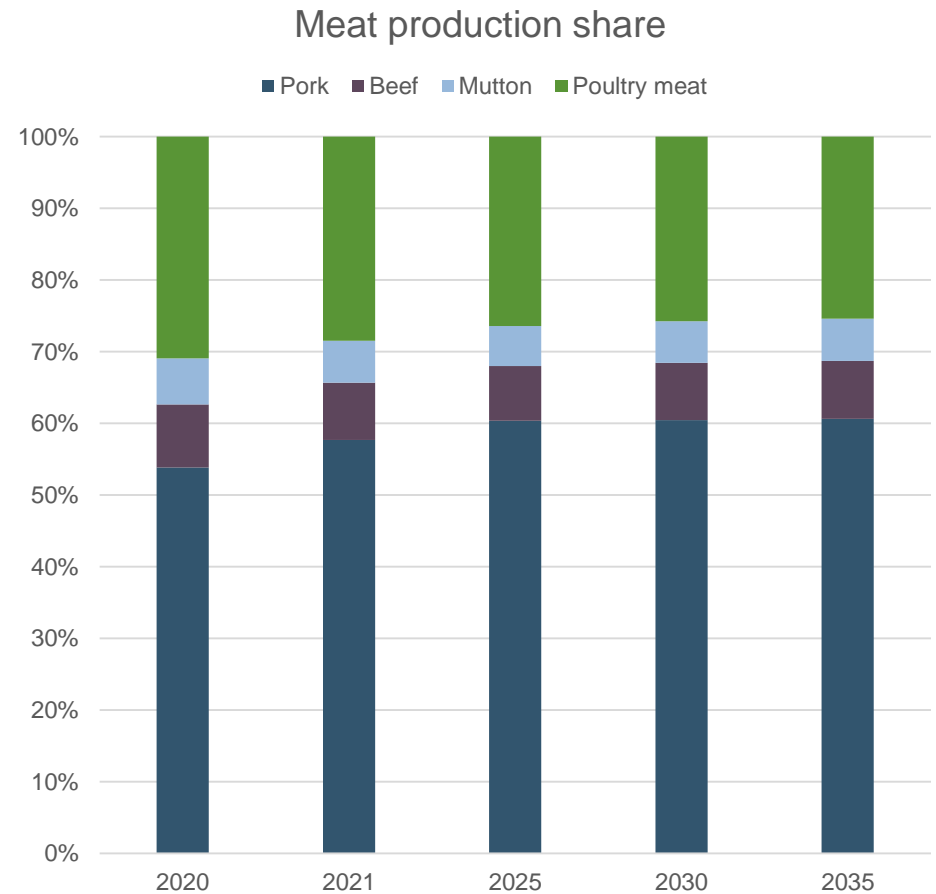
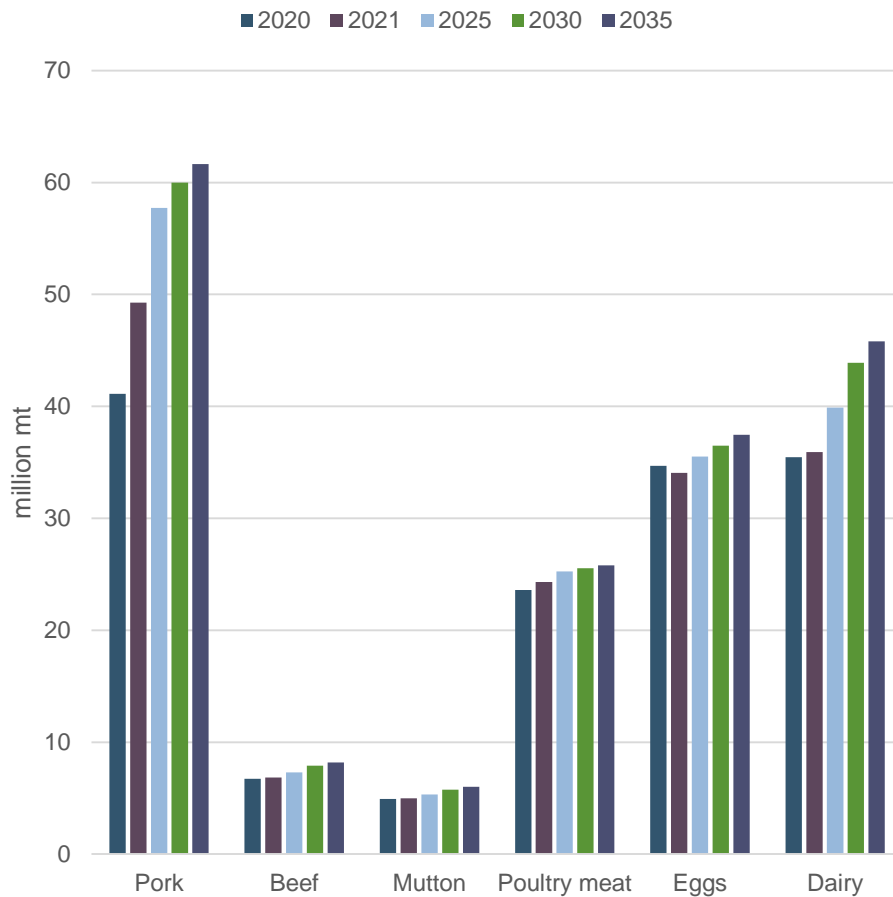
- For grains and oilseeds consumption, the main growth will come from corn, with a high base and decent growth ratio. Oilseeds growth forecast is more modest.
- Meat & egg consumption will grow steadily (1.6%/year), mainly driven by pork (3.0%); dairy grow at 2.6%.



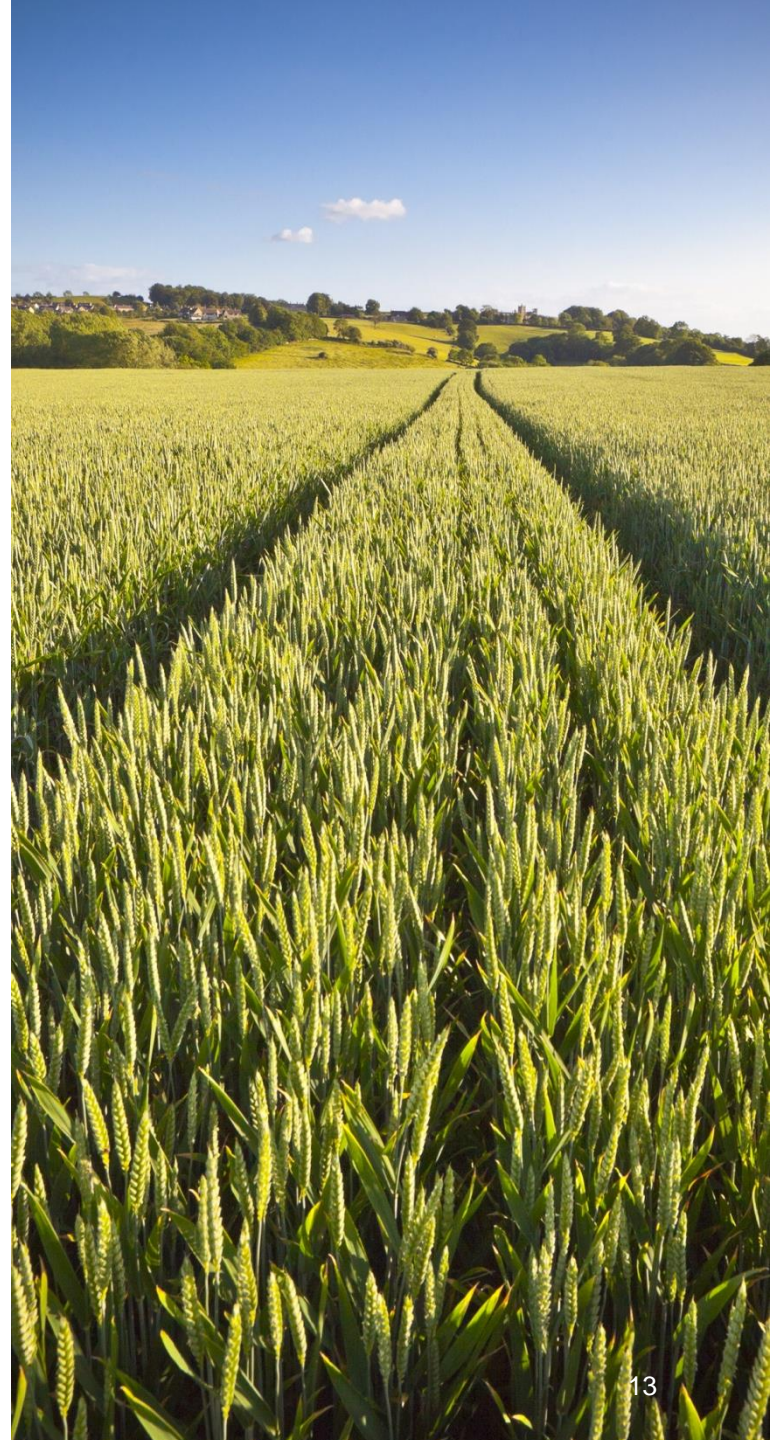
- Land remains to be limited resource, and corn production growth is mainly driven by projected yield growth (+21.2% in 10 years, or 1.8%/year, while corn area +5.5% in 10 years). Seed technology and farm management will be key.
- Wheat production expected to be steady; and soybean slightly up.



- A strong recovery from ASF impact will bring pork production up much more than other meat.
- Poultry meat growth will be limited by meat consumption structure.

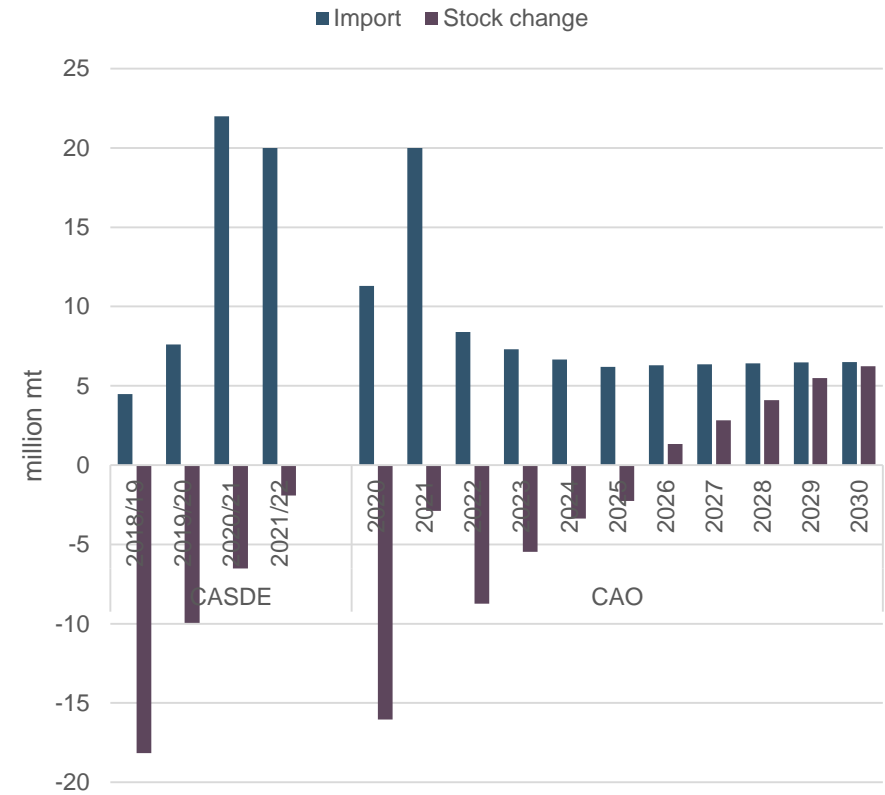
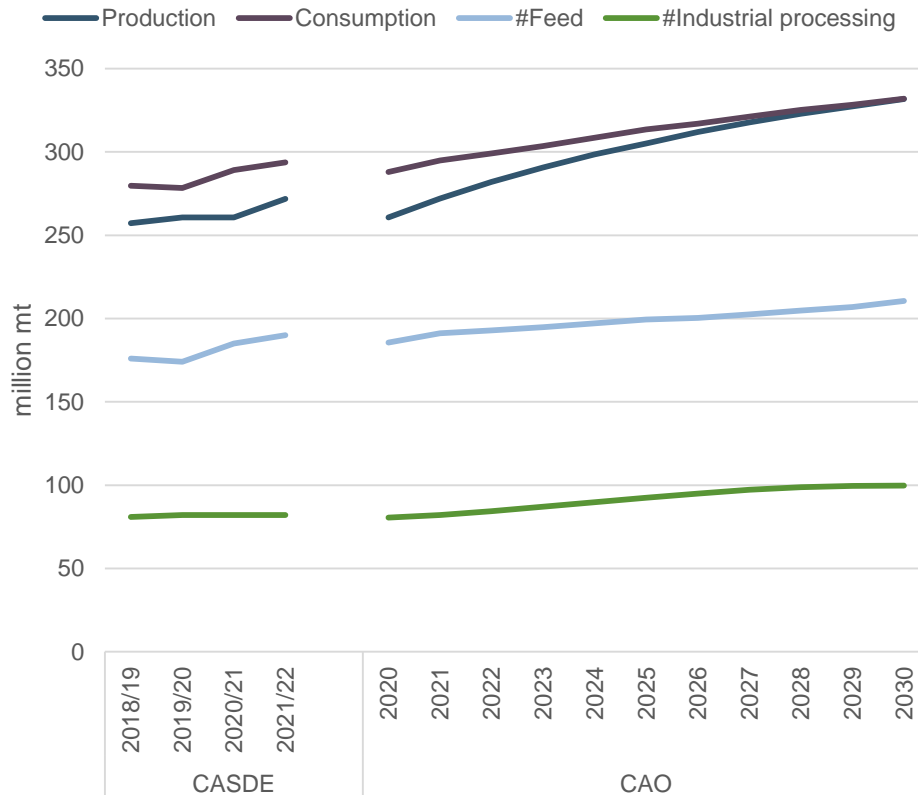


Product specific outlook



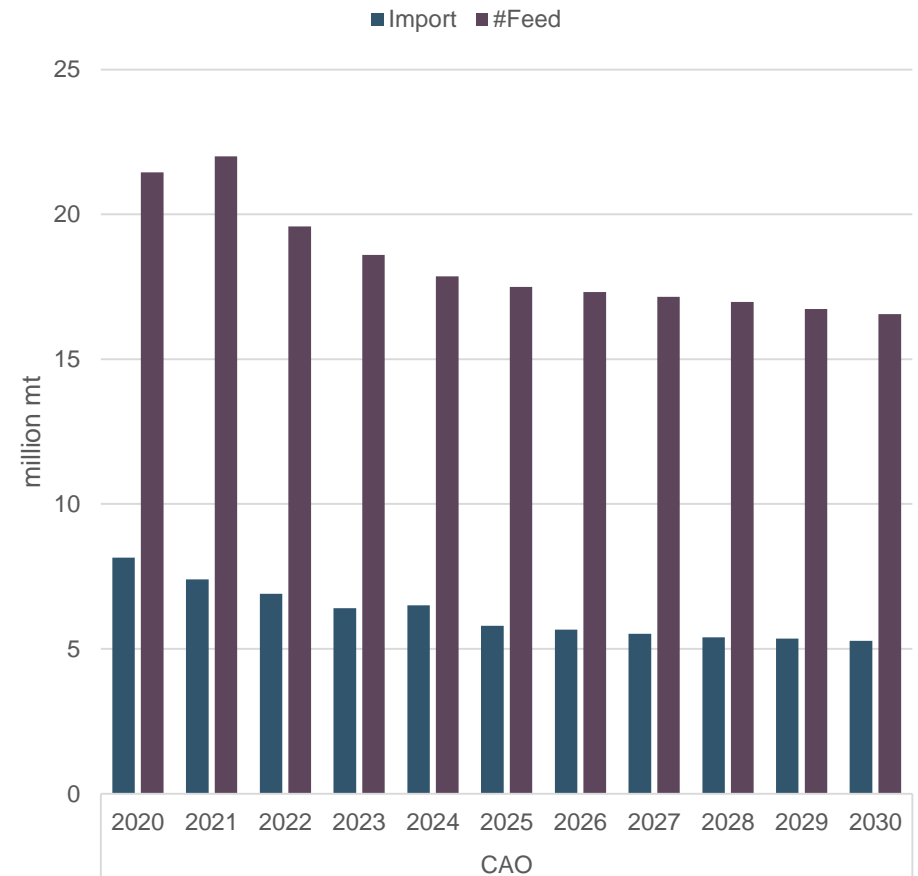
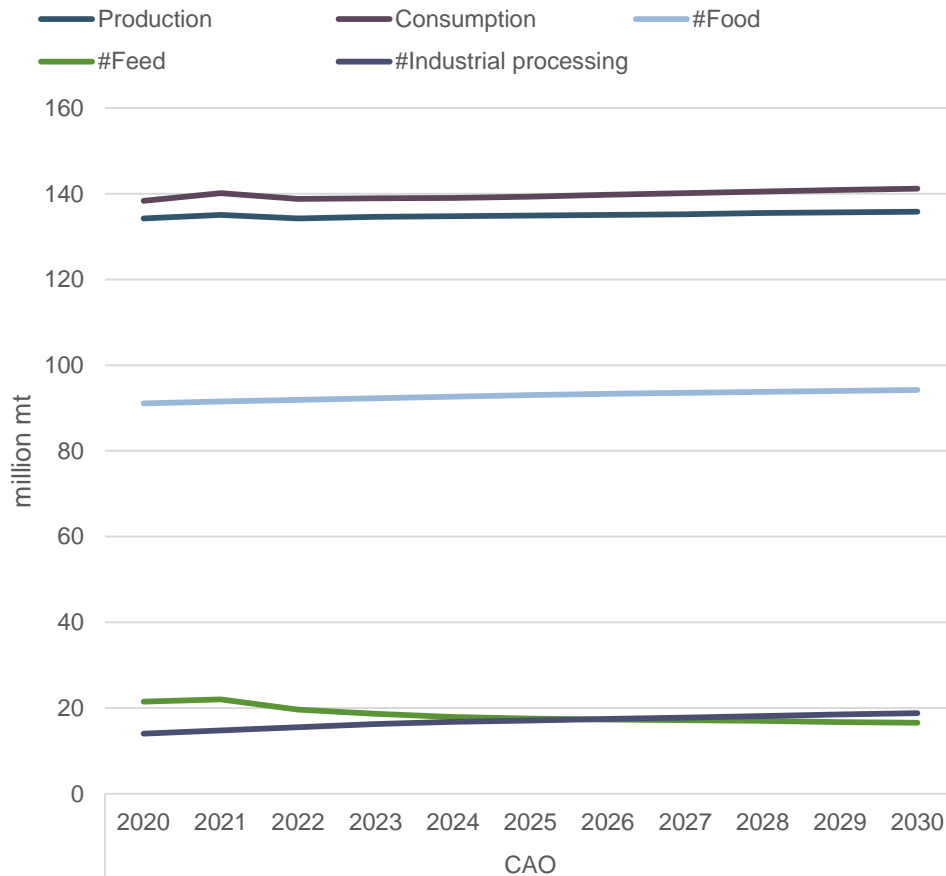
Corn – key in domestic production

- Robust demand outlook, as both feed and industrial processing are going to grow, even with other grains substitution.
- <10 MMT import will only be realized if production (yield) can grow fast.



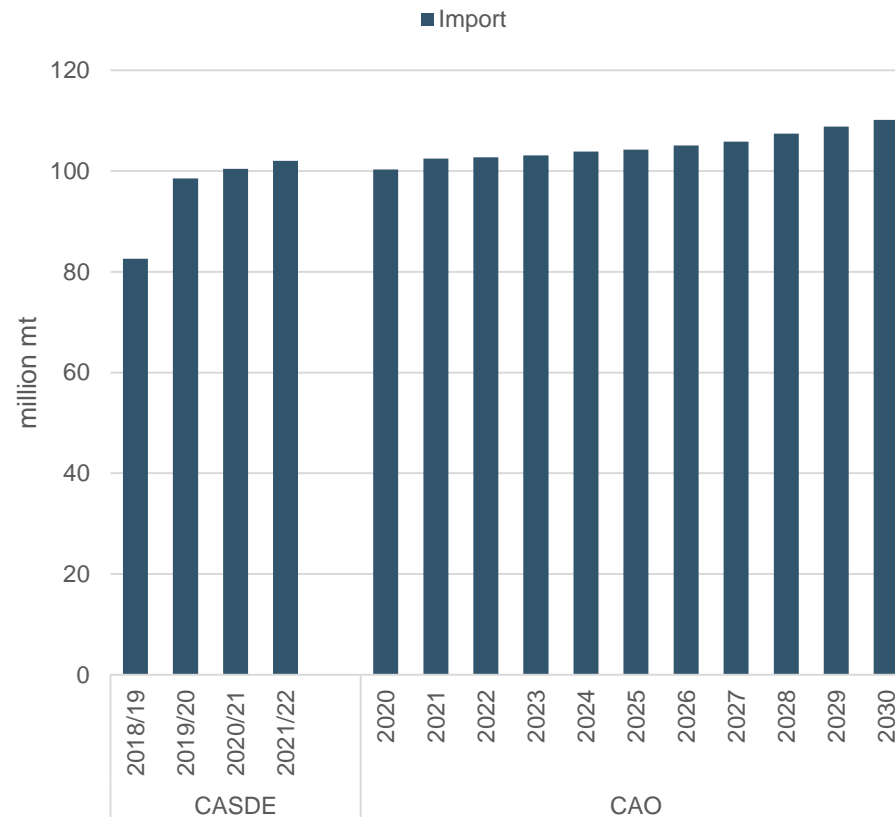
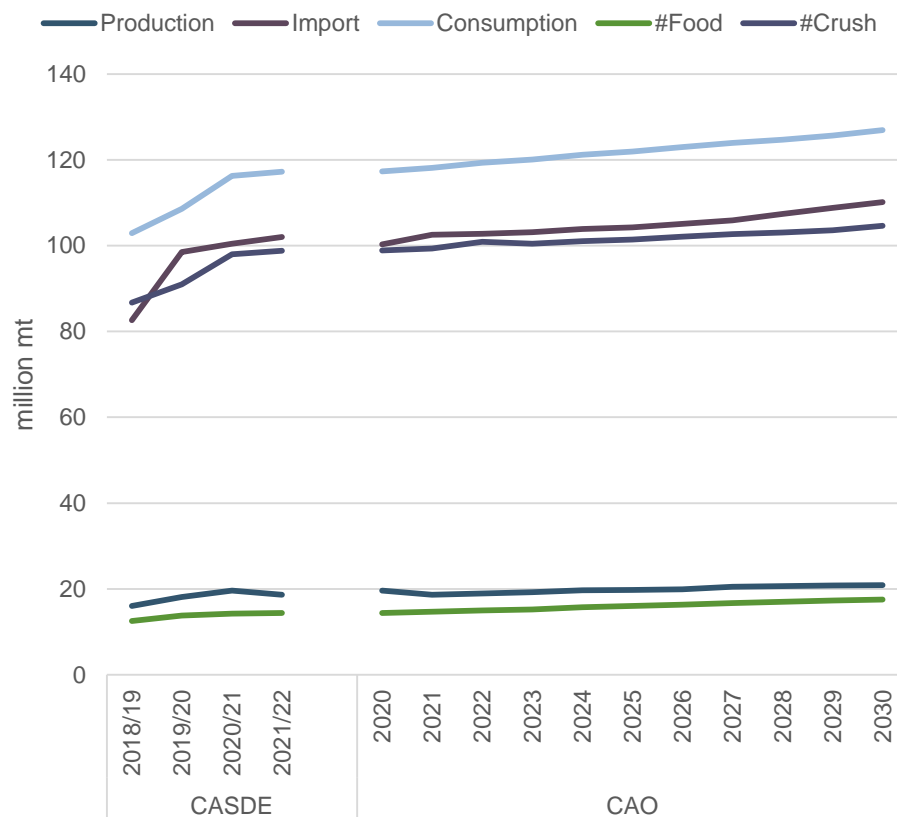
Wheat – steady into feeding

- As a staple food grain, wheat self-sufficiency will be maintained. Food demand is not going to grow as of total, but can see structure (quality) change.
- Wheat feeding will be steady, as production is maintained way above food and industrial demand.

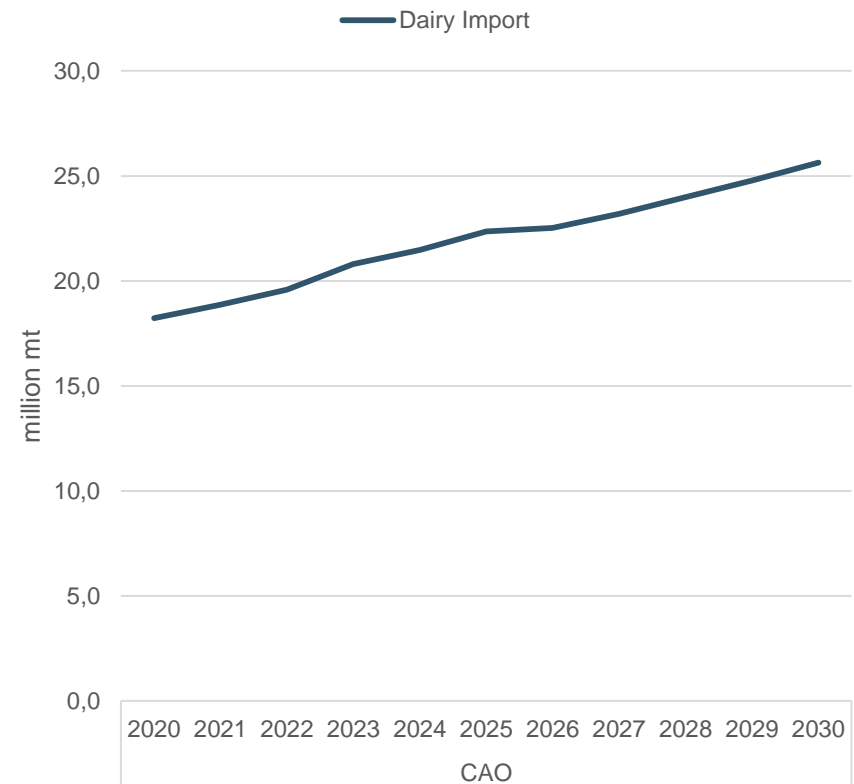
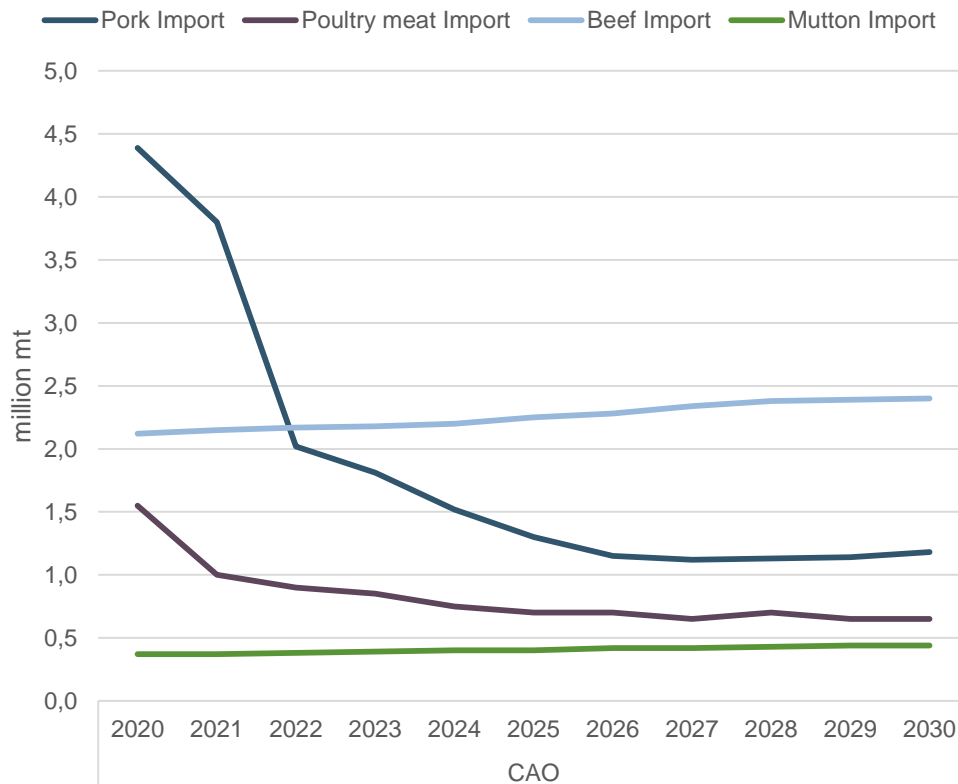


Soybean – feed formulation to watch

- China Agriculture Outlook gives very steady soybean crush and import forecasts.
- Its future development will depend on not only feed growth, but also formulation changes ahead, especially about how big feed groups adjust with their technology and economic incentive.



- With domestic production recovery from ASF, the meat import flows will drop down from these two years' high level.
- Dairy import is likely to see significant growth.





“14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035”

-- Approved on the fourth session of the 13th National People's Congress, Mar 2021



“China to fully advance rural vitalization, facilitate modernization of agriculture, rural areas”

-- "No. 1 central document" for 2021, Feb 2021



- ✓ **“Quality, efficiency and competitiveness of agriculture.**
- ✓ **Food production capacity, and ensure the security of supply of important agricultural products such as grains, cotton, oil, sugar, meat and milk.**
- ✓ **Land**
- ✓ **Seed technology**
- ✓ **Sustainability**

- **MPP (minimum purchase price policy) for rice and wheat, and producer subsidies for corn and soybean**

- **Seed**

- **Arable land protection system**

- **Hog industry**

- Besides population and economic growth, global geopolitics is increasingly significant in food policy considerations. Food security is more important than ever.
- Land and seed/technology are there to ensure supply. While on the other side, optimizing demand structure is also on policy agenda.
- But global trade will remain important and significant, and China's tie with world agriculture could be more in size and diversified.

Recent campaigns/initiatives we see

- **Reduce food waste**
- **Land protection**
- **Seed technology**
- **Cut corn & protein in feed**
- **Diversifying import origins**
- **Building up stocks**





Thank you!

