Global Barley Landscape

Presentation by Alain CAEKAERT

AGIC 2013

Malteurop

Agenda

- **Malteurop introduction**
- **Key learning from 2012/2013 crop**
- **Overall beer demand for 2012**
- **Worldwide supply / demand forecast for 2013/2014**
  - Key figures per region
  - Harvest status / Growing conditions
- **Market trend**
- **Strategic changes**
- **Conclusion**

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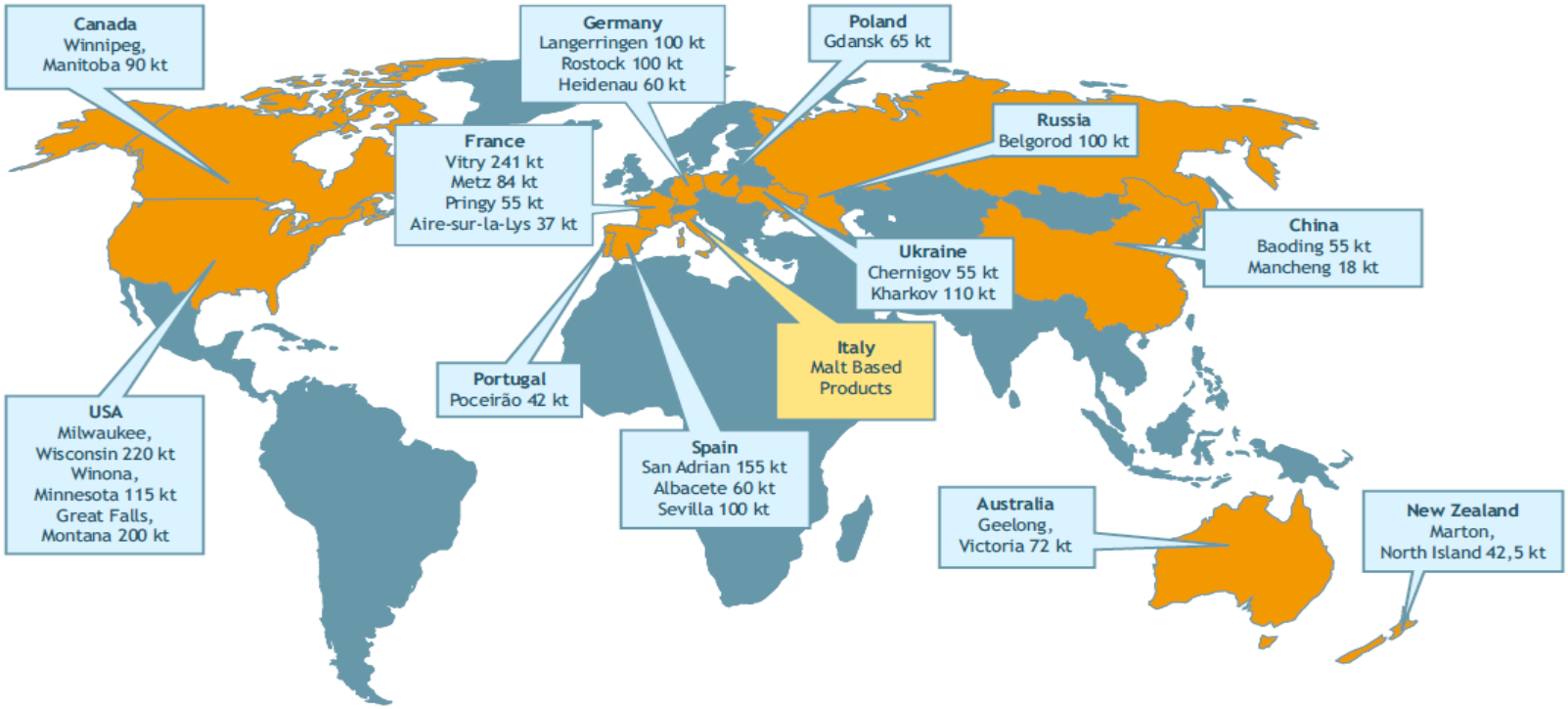
Malteurop footprint…

INDUSTRIAL SET UP

Total malting production capacity : 2,200 kt ir

3.6



Malt & Barley Malt Based Products

www.malteurop.com

Malteurop

A Subsidiary of …….

SICLAÉ

Siclaé activities and subsidiaries:

Food industries

Malt production
Malteurop

World No.1 in malt production

Milling & frozen bakery / patisserie
NutriXo

One of Europe's leading millers

Corn processing
Kalizea

One of the biggest players in the European corn industry

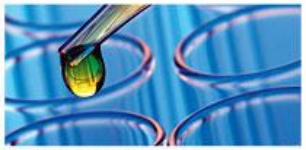
Glucose and starch production
Chamtor

Specialises in adding value to wheat

Animal feed
Nestal

Regional leader in animal feed

R&D
ARD



An industry-reference research centre

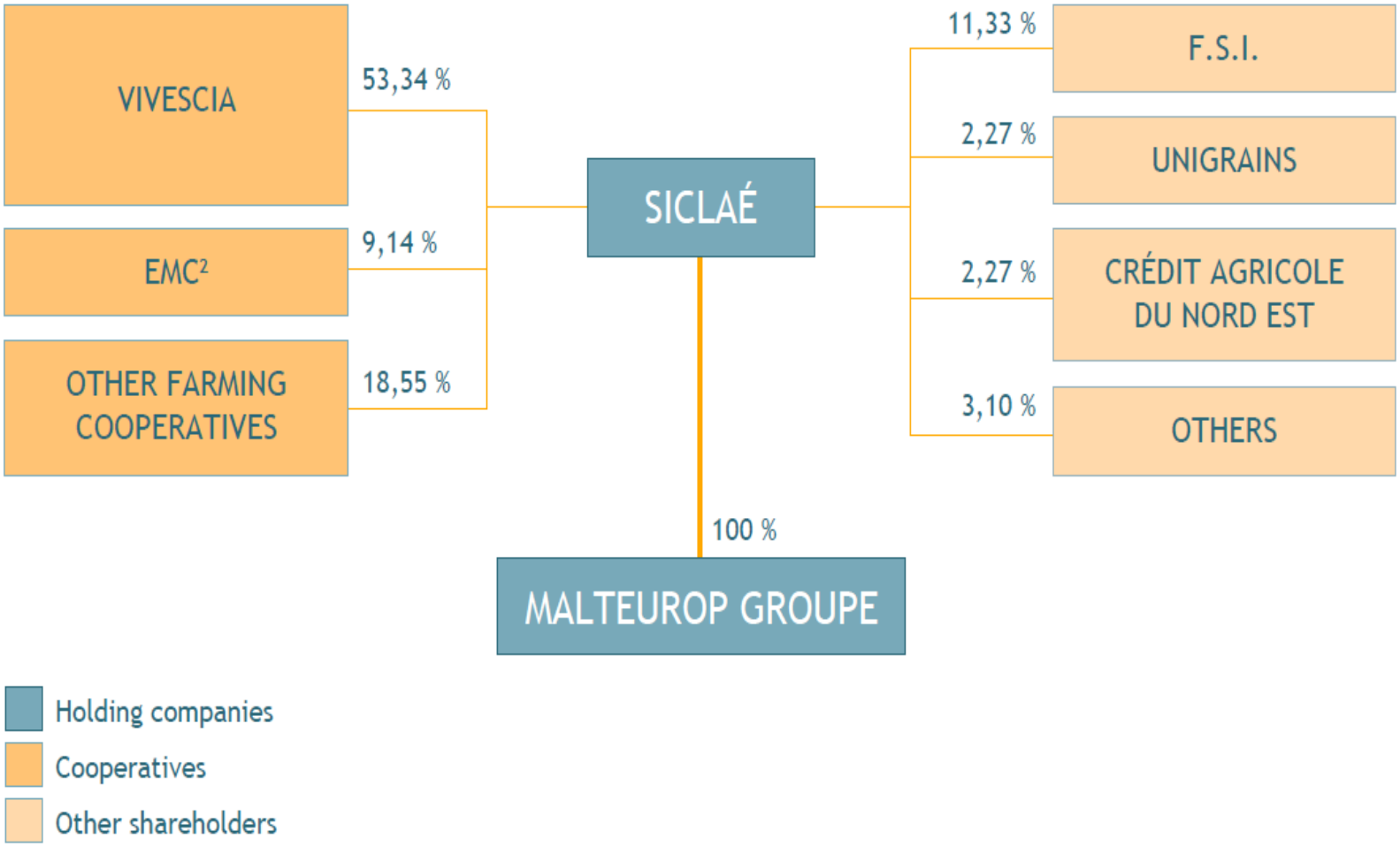
R&D
Soliance

Natural cosmetics ingredients

Bioenergies
Ineos and LMT Coop

New uses for plant produce

VIVESCIA being the main shareholder



VIVESCIA

- **A leading French cooperative with 4,5 billion € of annual turnover**
  - #1 grain company in France with 10,000 member farmers
  - #1 world malting company
  - #1 French milling company
  - #2 European corn processing company
  - # among top ten grain companies in Europe

- **138 companies, 80 plants in 25 countries over 4 continents**
- **8,000 employees**

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A very tight Worldwide grain carry out

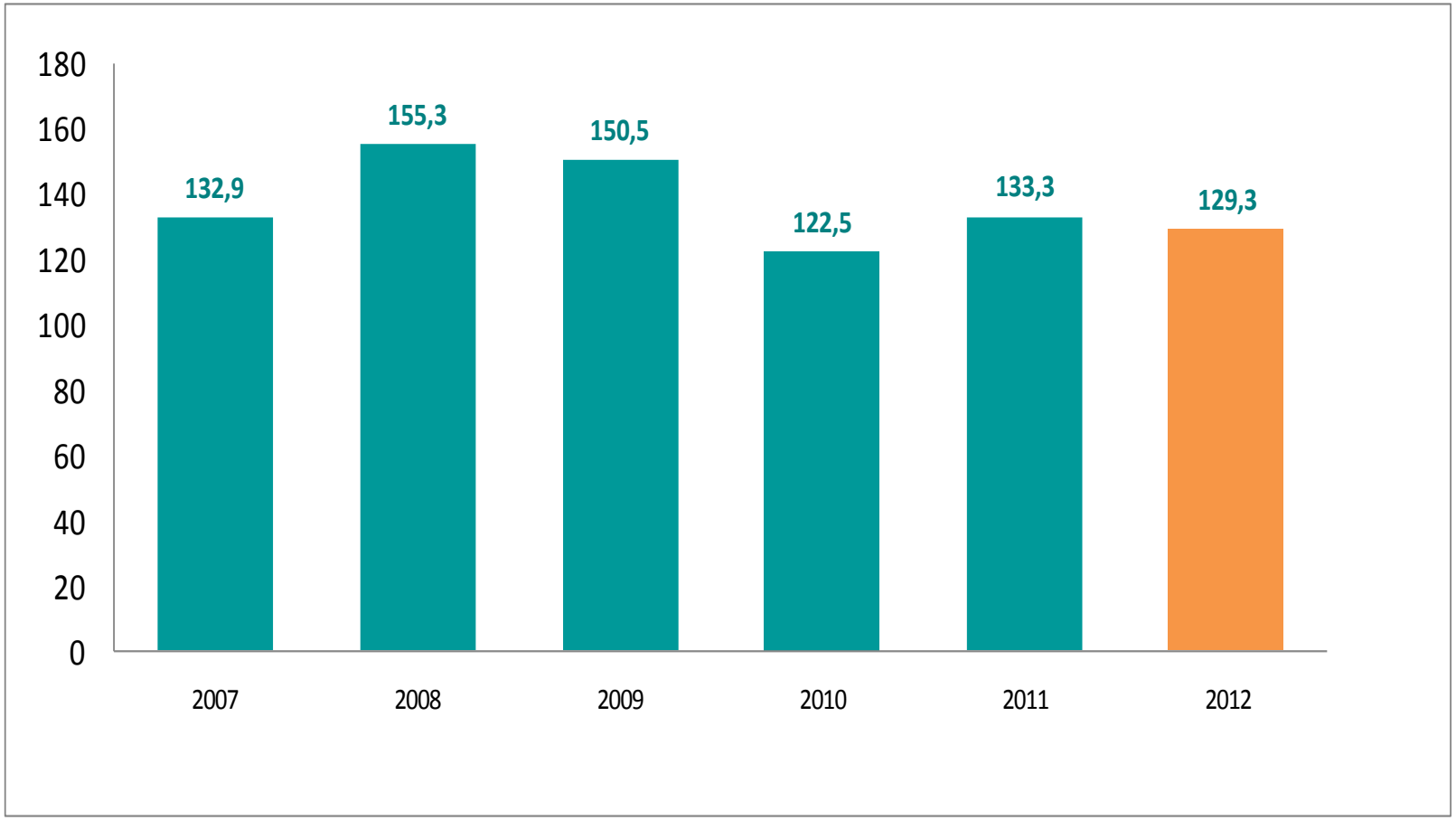
	2008	2009	2010	2011	2012
Barley	34	41	29	26	22
Wheat	167	202	198	199	174
Corn	147	144	129	132	124
Total	**348**	**387**	**356**	**357**	**320**

World carry out in mln MT - Source USDA

Crop 2012 :

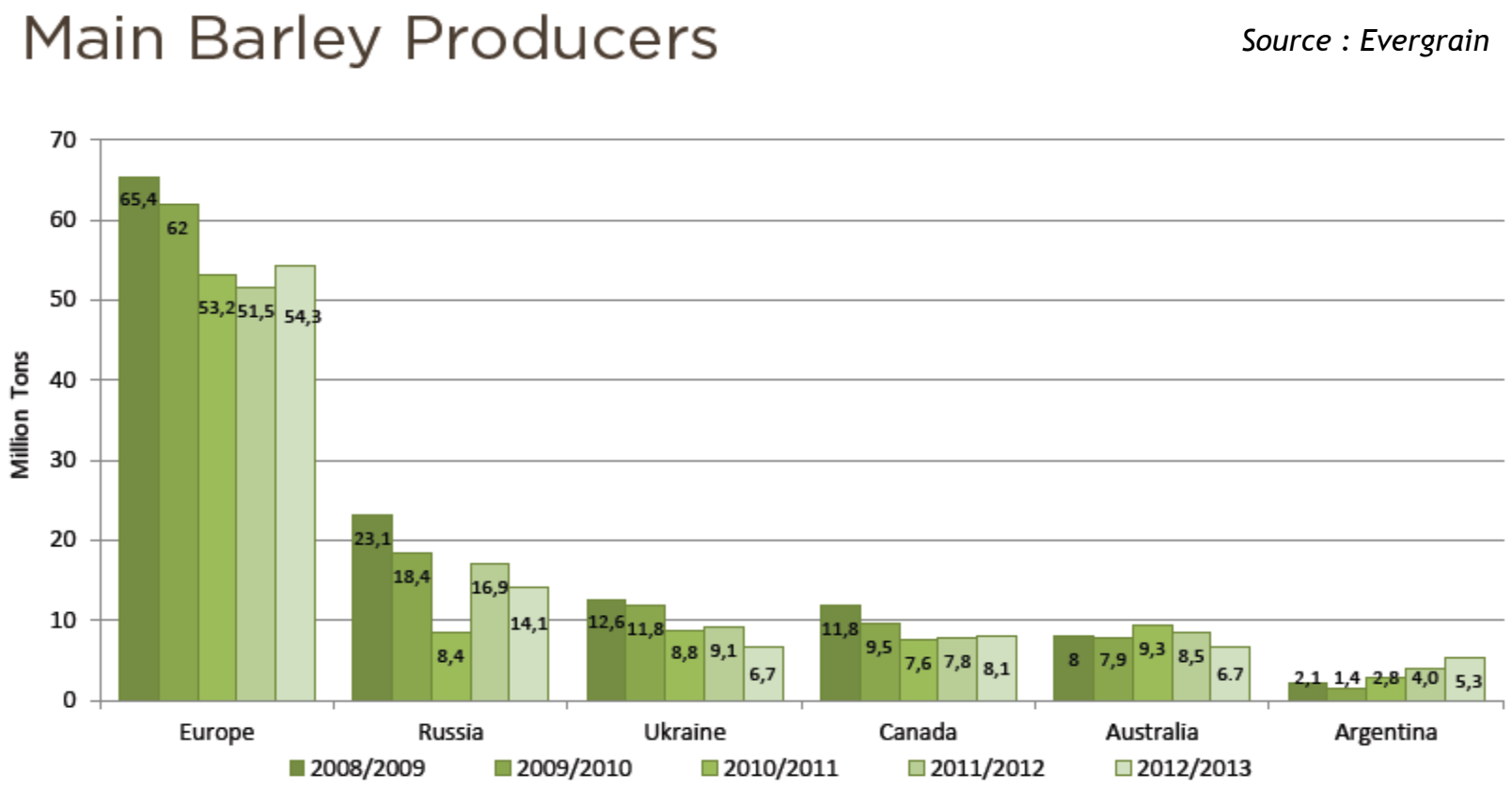
Worldwide cereals carry-out tightest ever, particularly driven by corn

Worldwide barley production (Mln MT)



Source : Strategy Grains

Barley Production trend – in Mln MT



Technical rebound in the EU (Wheat winter Kill) – structural increase in Argentina

Barley *trade*

Main barley worldwide exporter 2012/2013

Export Mln MT	08/09	09/10	10/11	11/12	12/13
Australia	3.3	3.5	3.7	5.8	4.3
Ukraine	6.3	6.2	2.8	2.5	2.1
EU27	3.6	1.1	5.0	3.0	4.9
Canada	1.4	1.1	1.2	0.9	1.5
Russia	3.5	2.8	0.3	3.6	2.2
USA	0.2	0.1	0.1	0.1	0.2
Argentina	0.9	0.6	1.4	3.7	4.2
Kazakhstan	0.3	0.4	0.1	0.7	0.2
Turkey	0.0	0.8	0.0	0.1	0.0
Total	19.5	16.8	14.7	20.4	19.6

Source : USDA

Barley *trade*

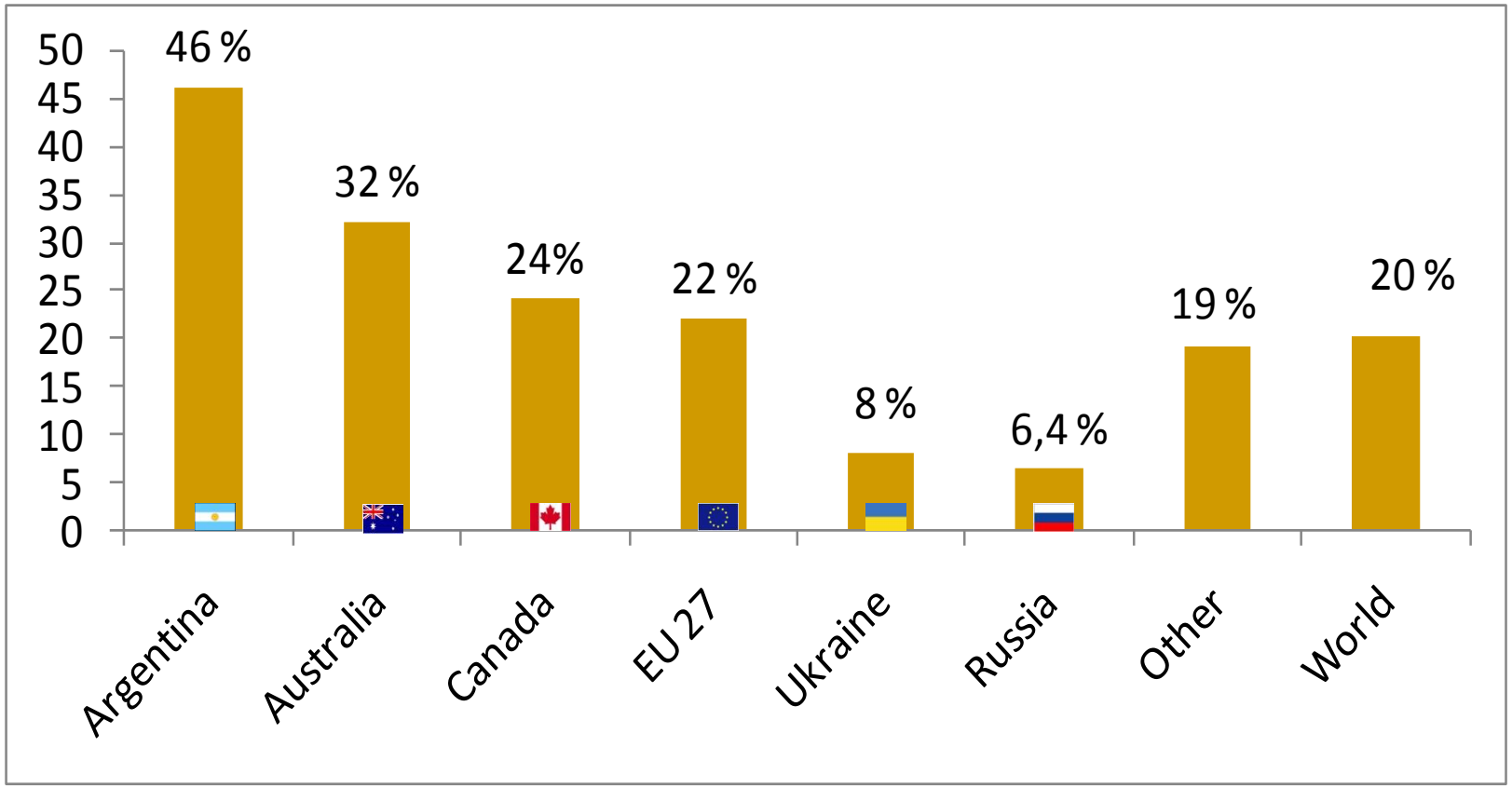
Main barley worlwide importer 2012/2013

Import Mln MT	08/09	09/10	10/11	11/12	12/13
Saudi Arabia	7.2	7.5	5.5	8.8	8.0
Russia	0.1	0.0	0.4	0.5	0.2
China	1.3	2.1	1.8	2.3	2.1
Japan	1.2	1.5	1.3	1.3	1.4
Jordania	0.5	0.5	0.7	0.6	0.6
Israël & Syria	2.2	0.6	0.6	0.6	0.5
Iran	1.9	0.9	0.3	1.2	1.4
South America	0.8	0.8	1.0	0.8	1.1
Others	4.1	2.9	3.0	4.2	4.5
Total	19.5	16.8	14.7	20.4	19.6

Source : USDA

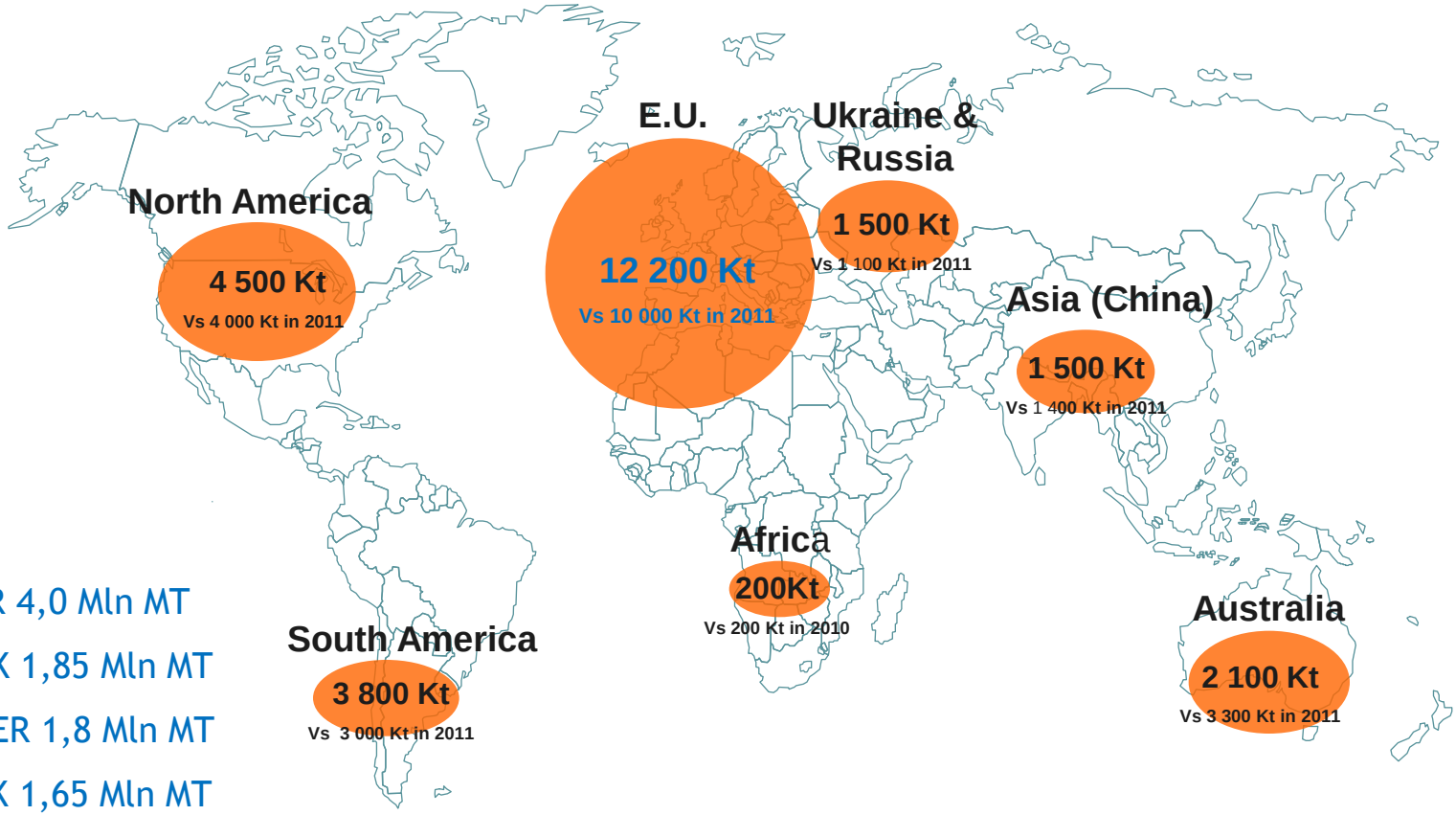
Malting Barley Selection

Malting barley selection in %



→ *Source : VIVESCIA - MALTEUROP*

Malting Barley: Production in 2012/13



FR 4,0 Mln MT

UK 1,85 Mln MT

GER 1,8 Mln MT

DK 1,65 Mln MT

→ Source : VIVESCIA - MALTEUROP

Total Production: ~26 Mln MT (+3 Mln MT vs crop 2011)

Worldwide Malting Barley S/D

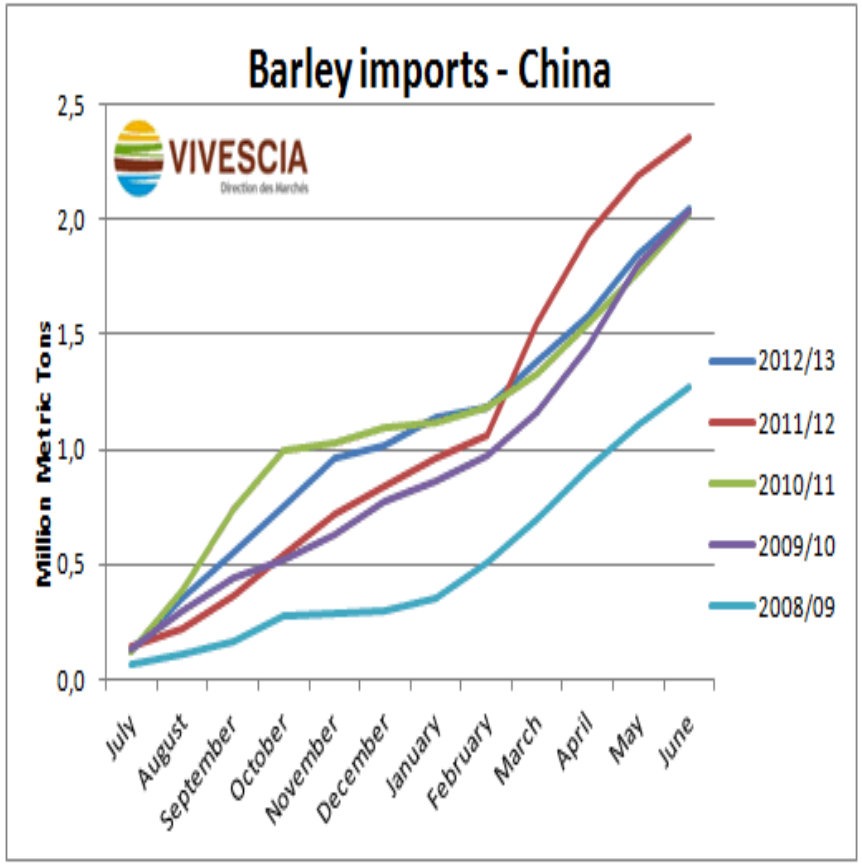
Global malting barley supply & Demand 2012/13 in 000 MT			
Exporters		Importers	
	Malting barley Exports		Malting barley Imports
Australia	2 000	China	2500
Argentina	900	South & Central America	950
EU-28	650	Russia	200
Canada	450	USA	150
		Other	180

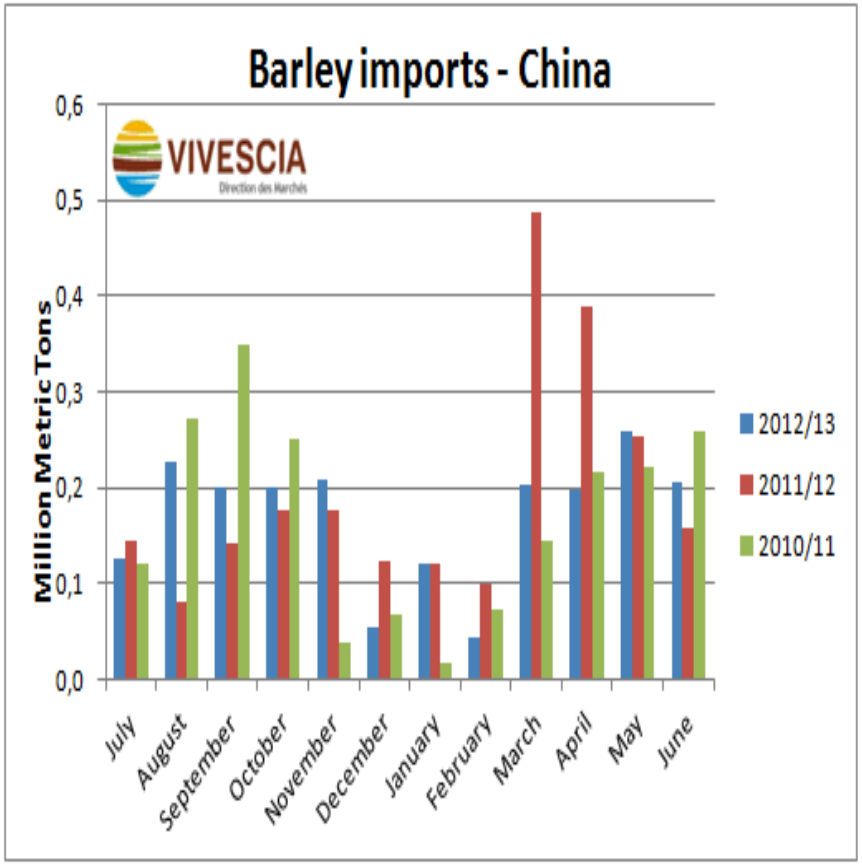
Balance	20

→ Source : VIVESCIA - MALTEUROP

Worldwide S&D is balanced – Australia remain the largest malting barley exporter – Argentina the second however Crop 2012 didn't achieved earlier expectations

Chinese Imports





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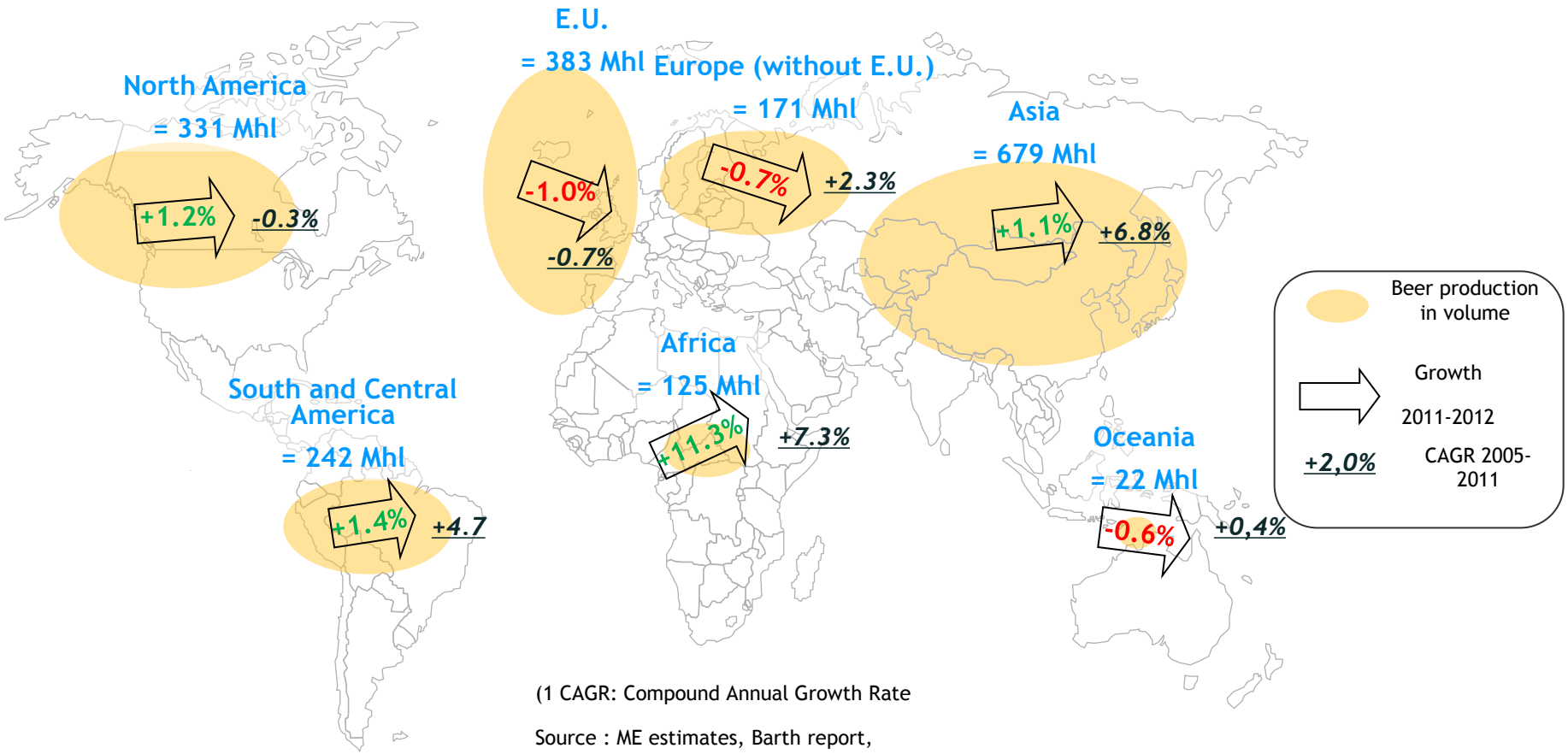
Beer Market
+1.1% in 2012

Worldwide beer production in 2012	1.95 Bhl
CAGR 2005-2011	+3%
Growth 2011-2012	+1.1%



(1 CAGR: Compound Annual Growth Rate

Source : ME estimates, Barth report,

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Crop 2013 market outlook

Key figures

for Wheat, Corn, Soybean & Barley




Preliminary expectations for 2013/14

	2012	F Y Average	2013
Barley	130	140	139
Wheat	655	668	698
Corn	855	835	960
Total	**1640**	**1643**	**1797**

World Production in mln MT

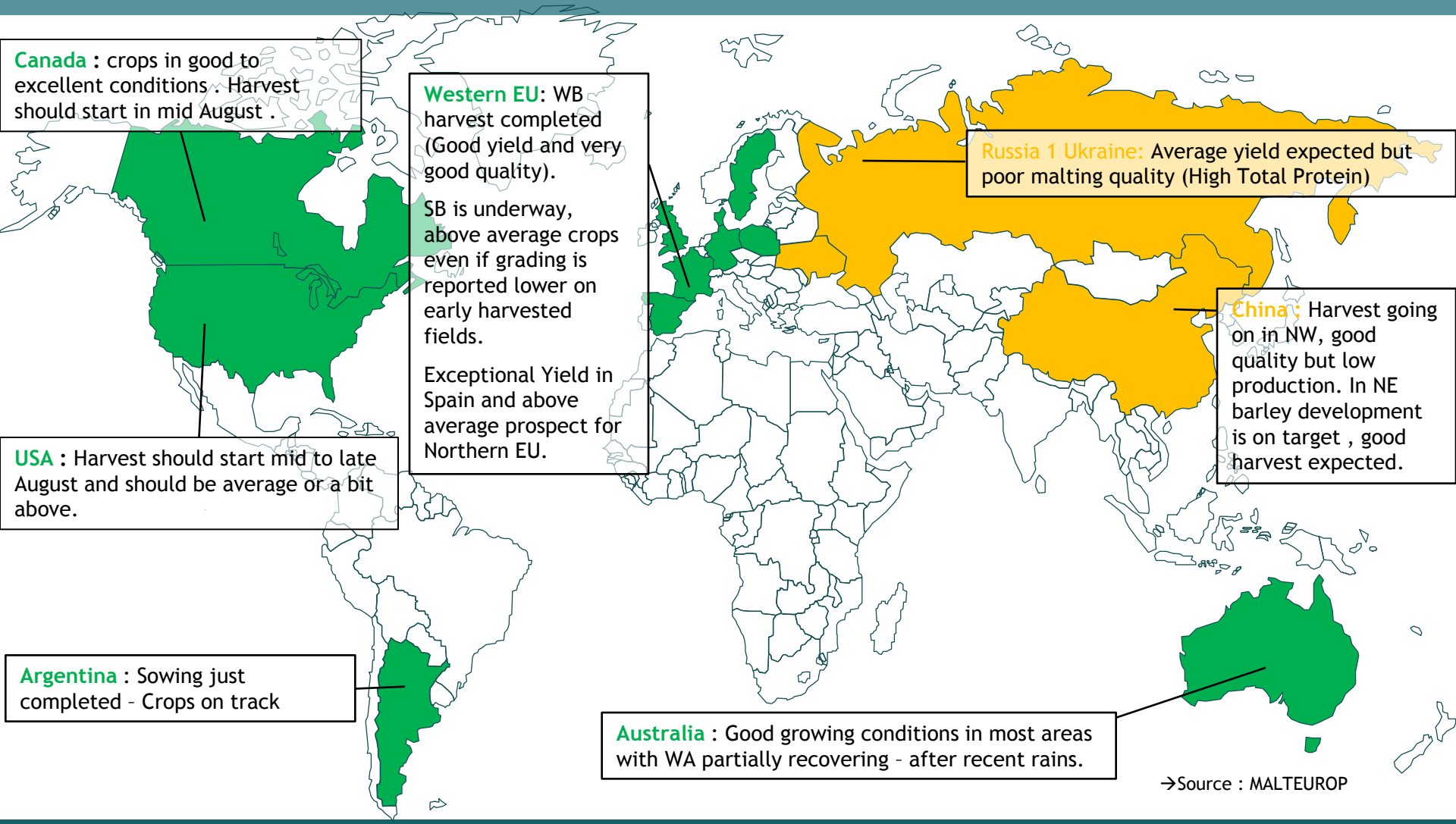
→Source : USDA

Crop 2013 Grain production expected to rebound thanks to normal winter weather pattern in Europe – Record US Corn acreage combined to better yield forecast

Worldwide barley production (Mln MT)

→Source : USDA

Current growing/harvest situation



→Source : MALTEUROP

Current trend for selected regions:
2013/14 versus 2012/13

	Total Barley Production		Winter Malting Barley		Spring Malting Barley		Total Malting Barley	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
UE 28	54,0	58,0	2,4	2,8	9,8	8,9	12,2	11,7
Russia	14,0	16,0			1,0	1,3	1,0	1,3
Canada	8,0	9,0			1,5	2,0	1,5	2,0
Australia	6,8	7,5			2,1	2,3	2,1	2,3
Ukraine	7,0	7,0			0,6	0,6	0,6	0,6
Argentina	5,0	4,0			2,0	2,4	2,0	2,4
Total	**94,8**	**101,5**	2,4	2,8	17,0	17,5	**19,4**	**20,3**

→Source : USDA - MALTEUROP

Worldwide Malting Barley S/D – 2013/14

Global Malting Barley Supply & Demand 2012/13 in '000 MT			
Exporters		**Importers**	
Malting Barley Exports		**Malting Barley Imports**	
Australia	1 800	China	2300
Argentina	1 800	South & Central America	1200
EU-28	700	USA	300
Canada	600	Russia	150
		Other	210

Balance	740

→Source : VIVESCIA -MALTEUROP

Competition between Europe, Canada, Australia & Argentina looks to be very open

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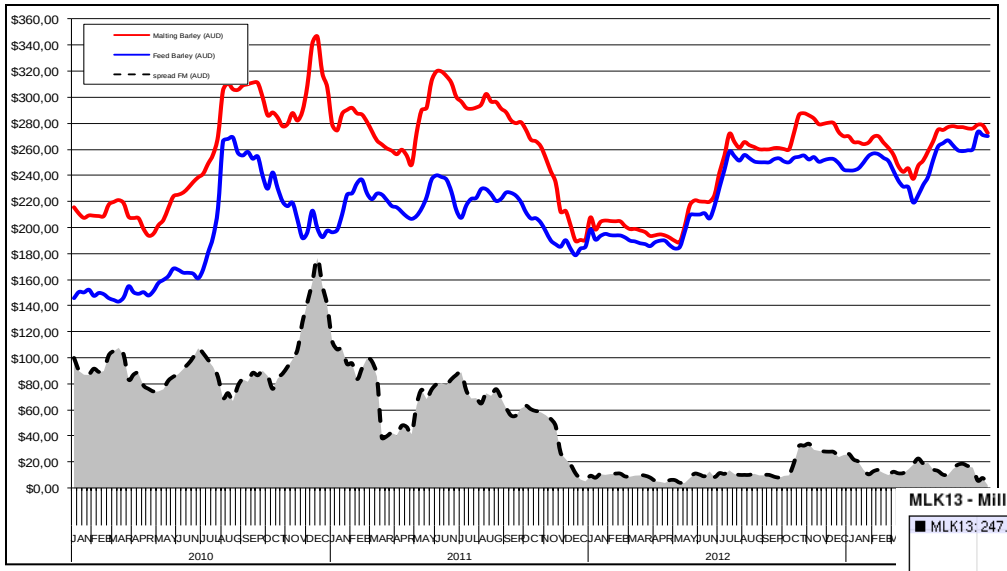
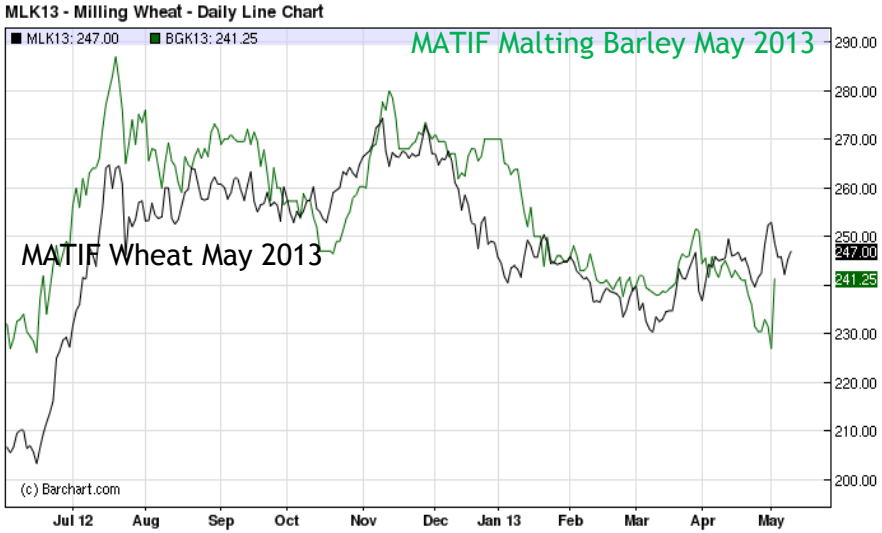
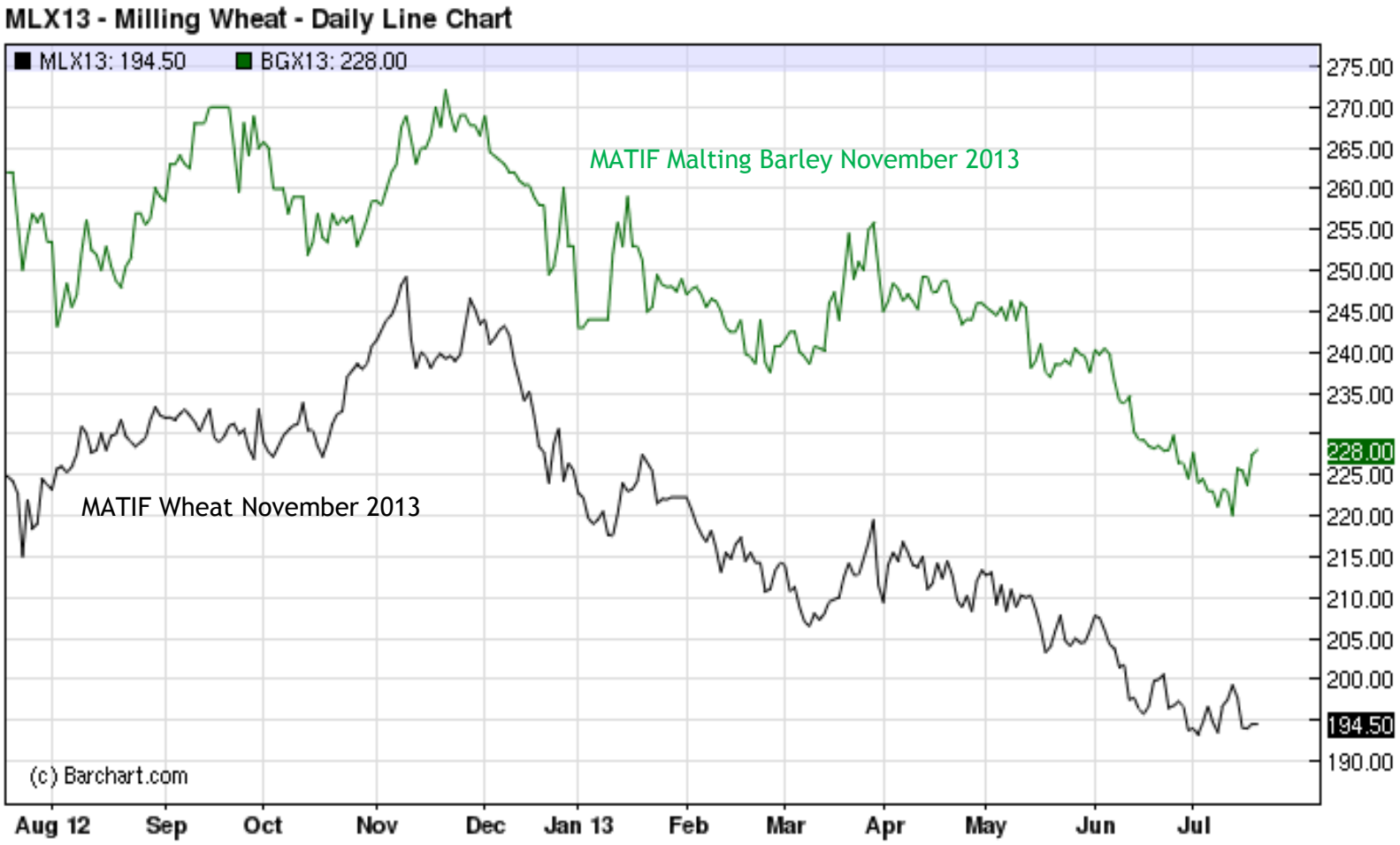
Historical low malting barley « premium » in 2012/13





But returns to a more normal level for Crop 2013



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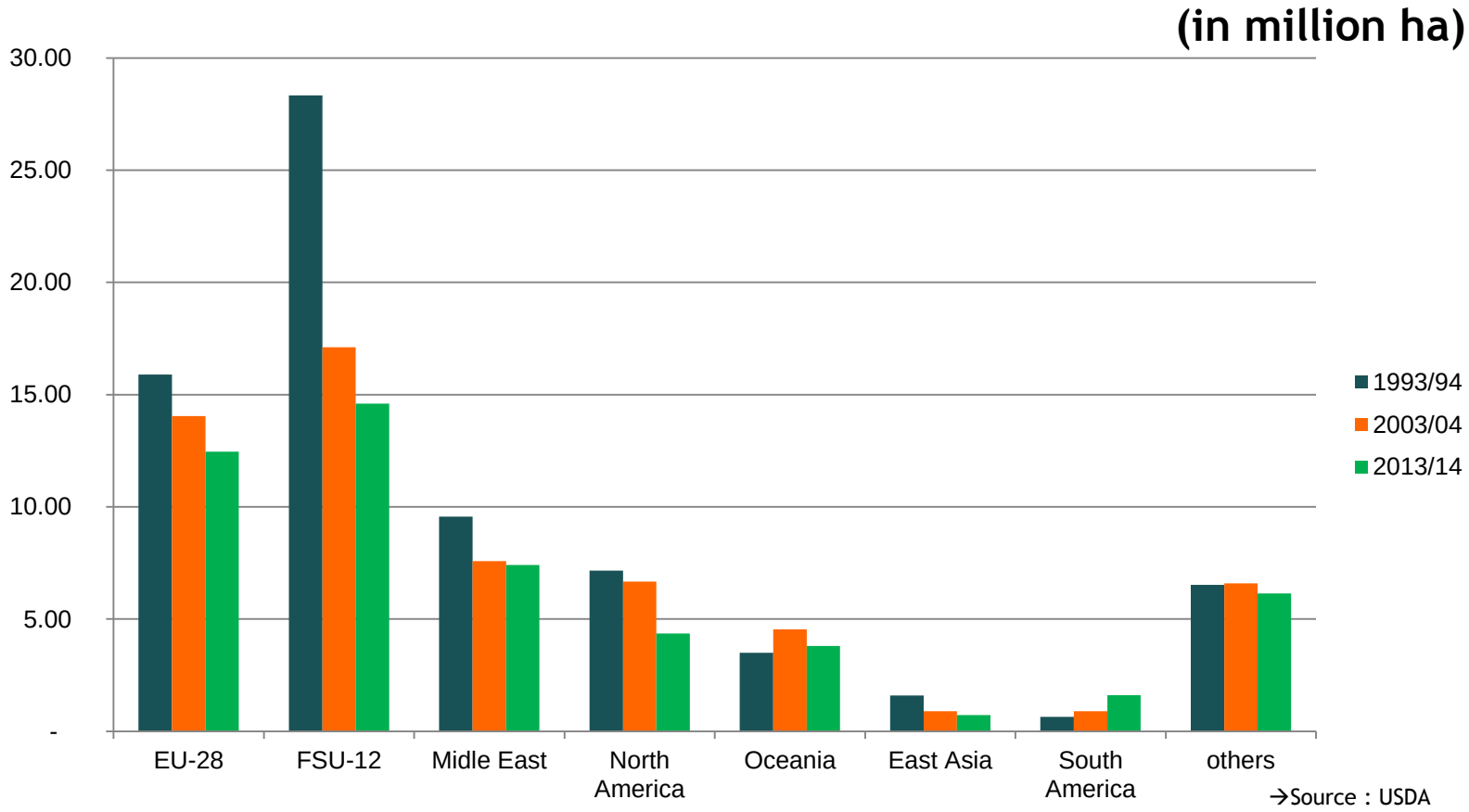
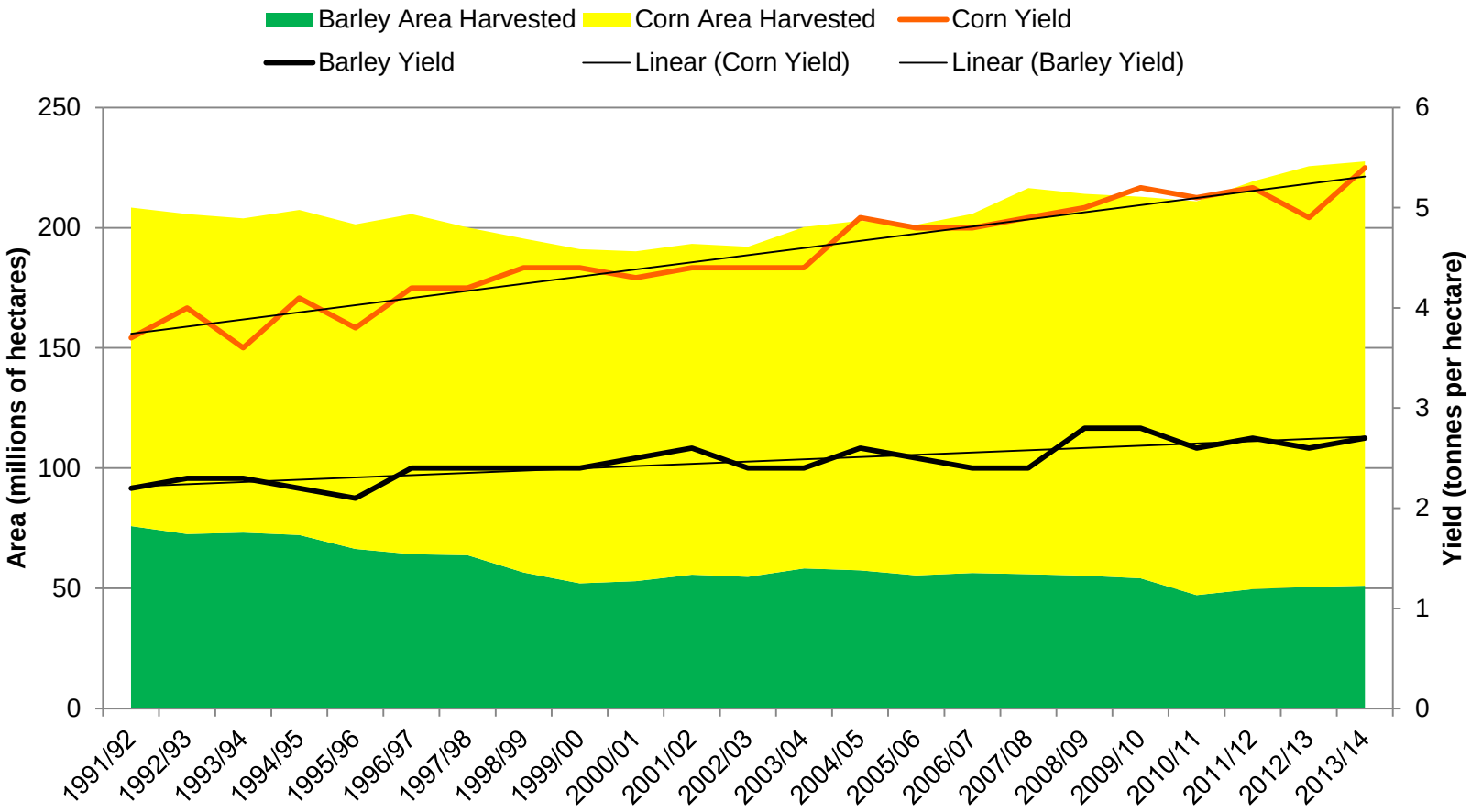
Long term barley acreage trend to continue



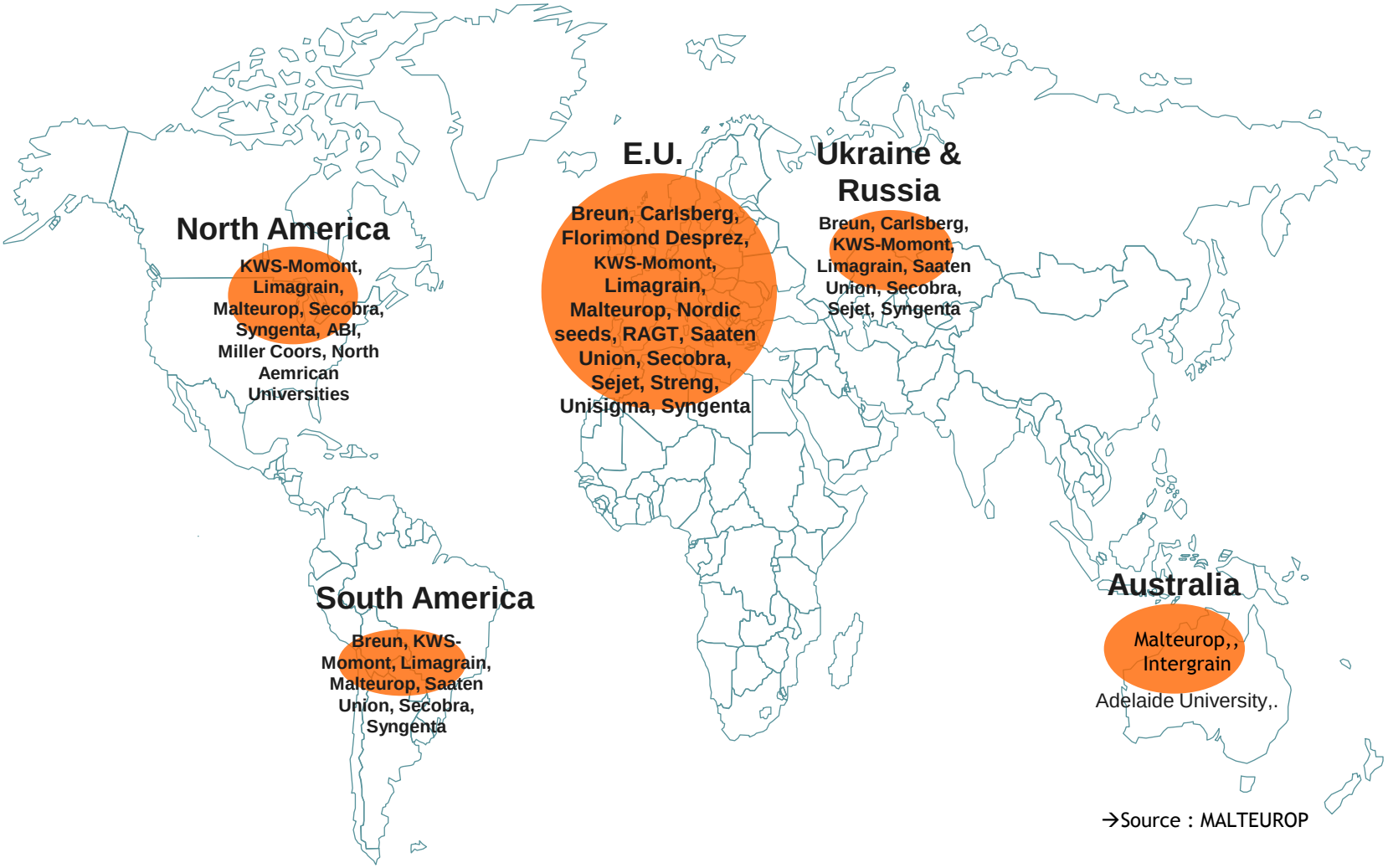
World barley acreage down from 73 million ha in 1993, 58 million ha in 2003 to 51 million ha in 2013…

Corn will not give up…



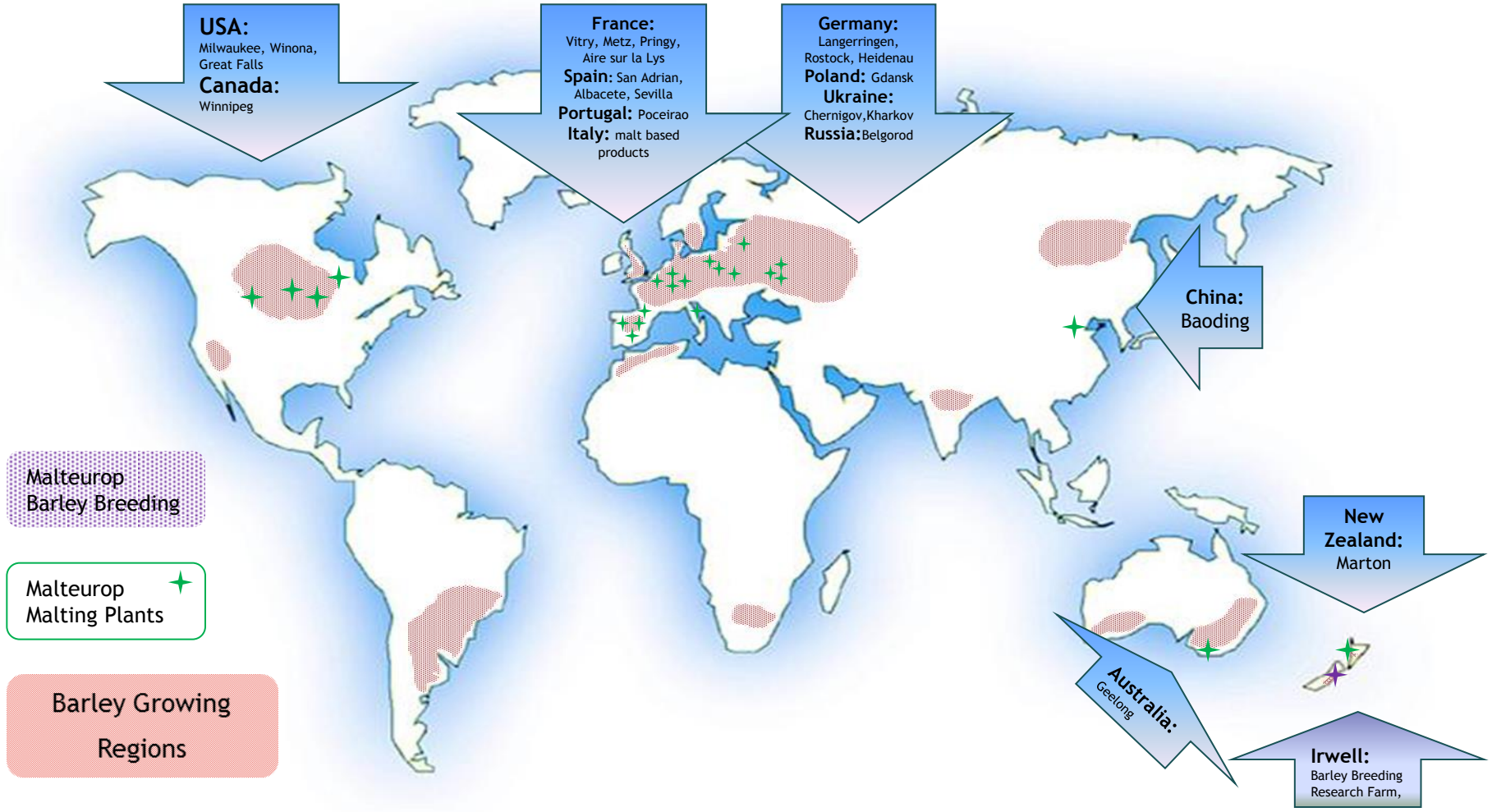
→Source : USDA

Malting barley breeding program involvment per region



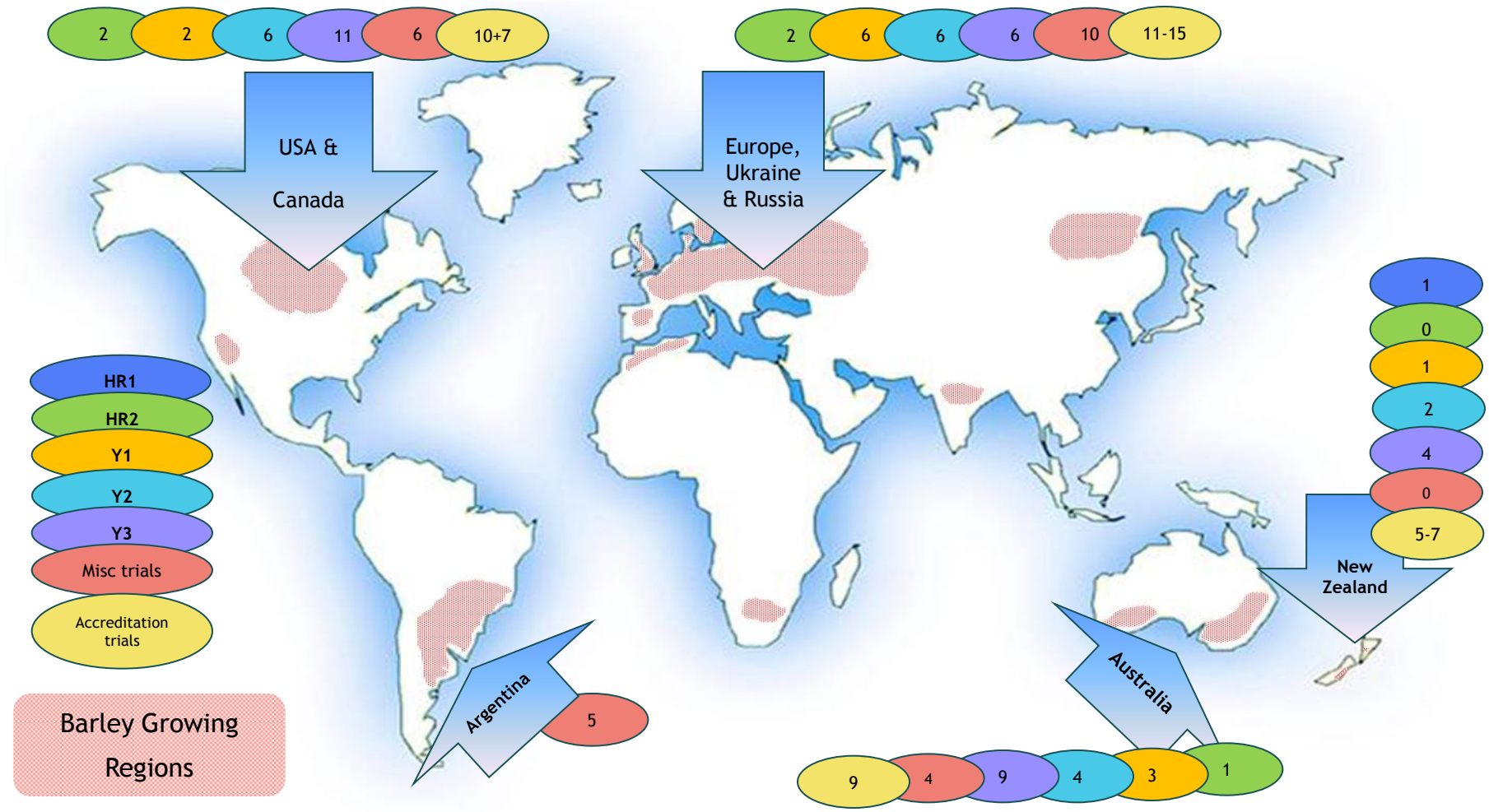
→Source : MALTEUROP

Malteurop Breeding & Trials Network



→Source : MALTEUROP

Malteurop Global Trials Locations
Nth & Sth Hemispheres



→Source : MALTEUROP

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Conclusion

- **Global malting barley for Crop 2013/14 looks to be better balanced between the 4 main supply regions (Australia, EU-28, Canada & Argentina)**
- **The long term trend has not changed and malting barley continues its « specialization » - However malting barley is a sustainable crop (Low inputs, nitrogen in particular)**
- **Commercial breeding companies are only interested in crop maximizing a return – Hybrid trend – But Hybrid doesnt fit with malting quality.**
- **Good Malt makes Good Beers & beer growth is here to stay…**

Thank you for your attention