

Soaring Food Prices and the EastAgri Region

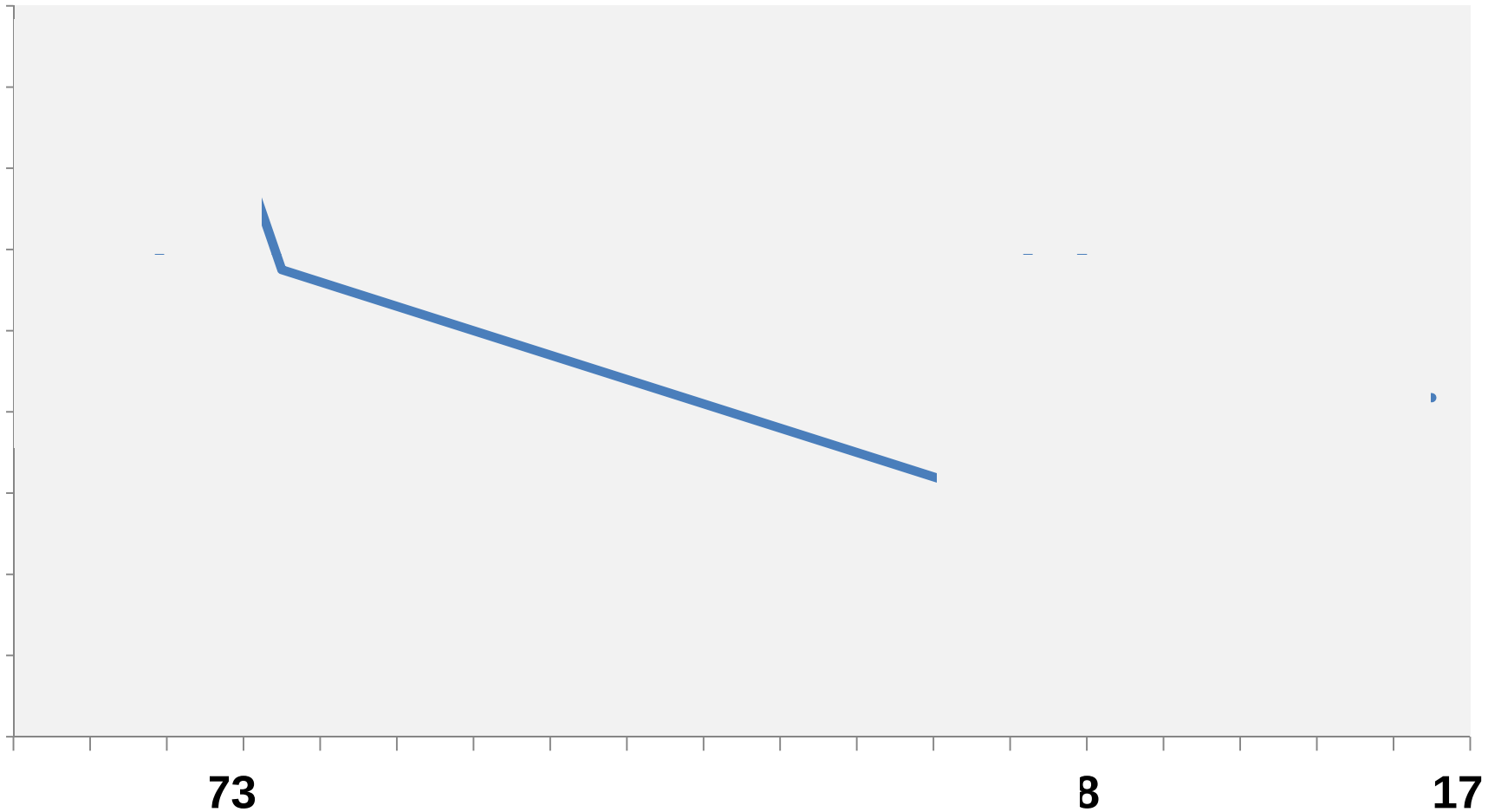
Stefan Tangermann
Director for Trade and Agriculture



EastAgri 2008 Annual Meeting, 11 September 2008

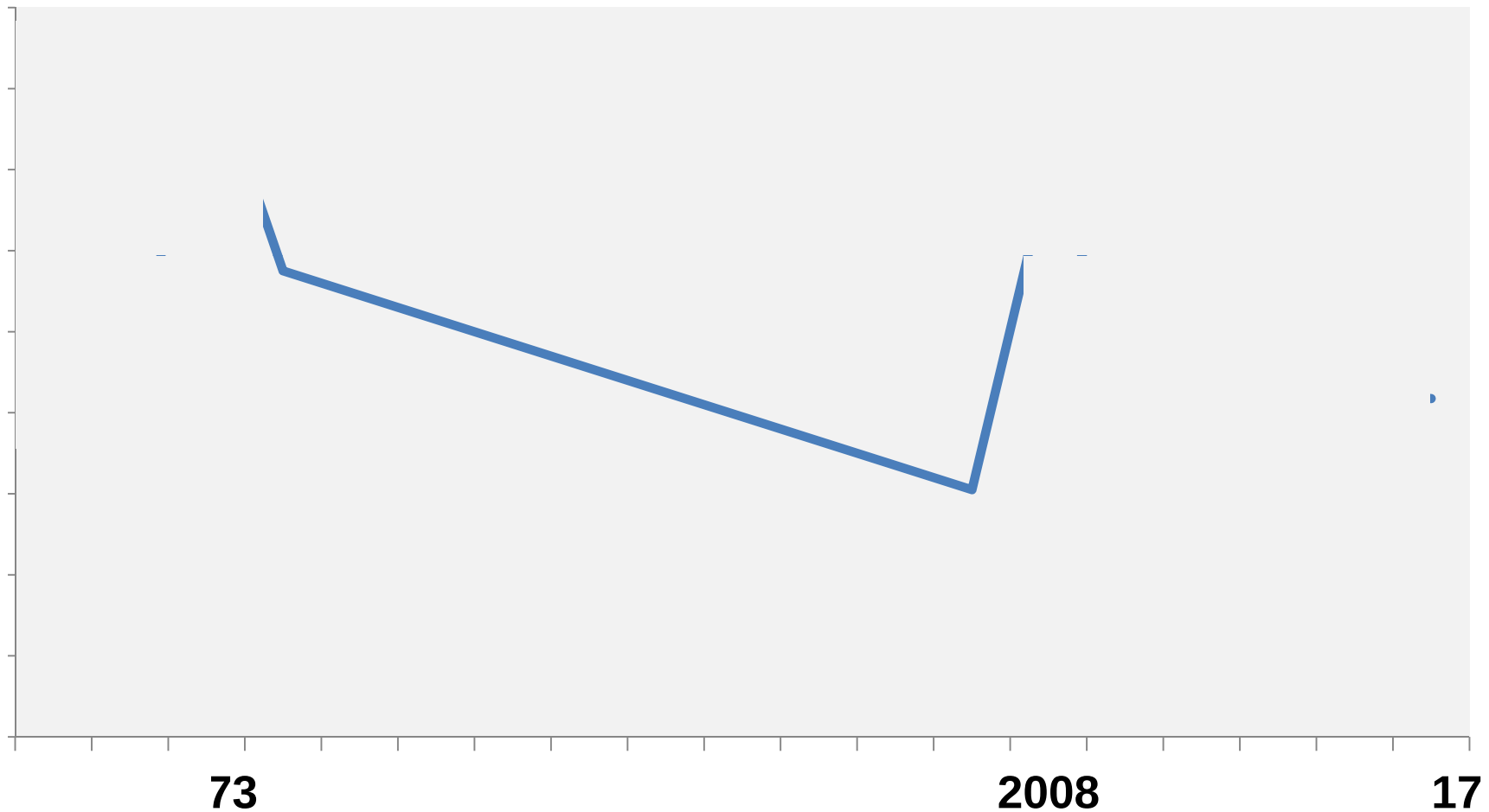


Cereal prices in real terms, schematic



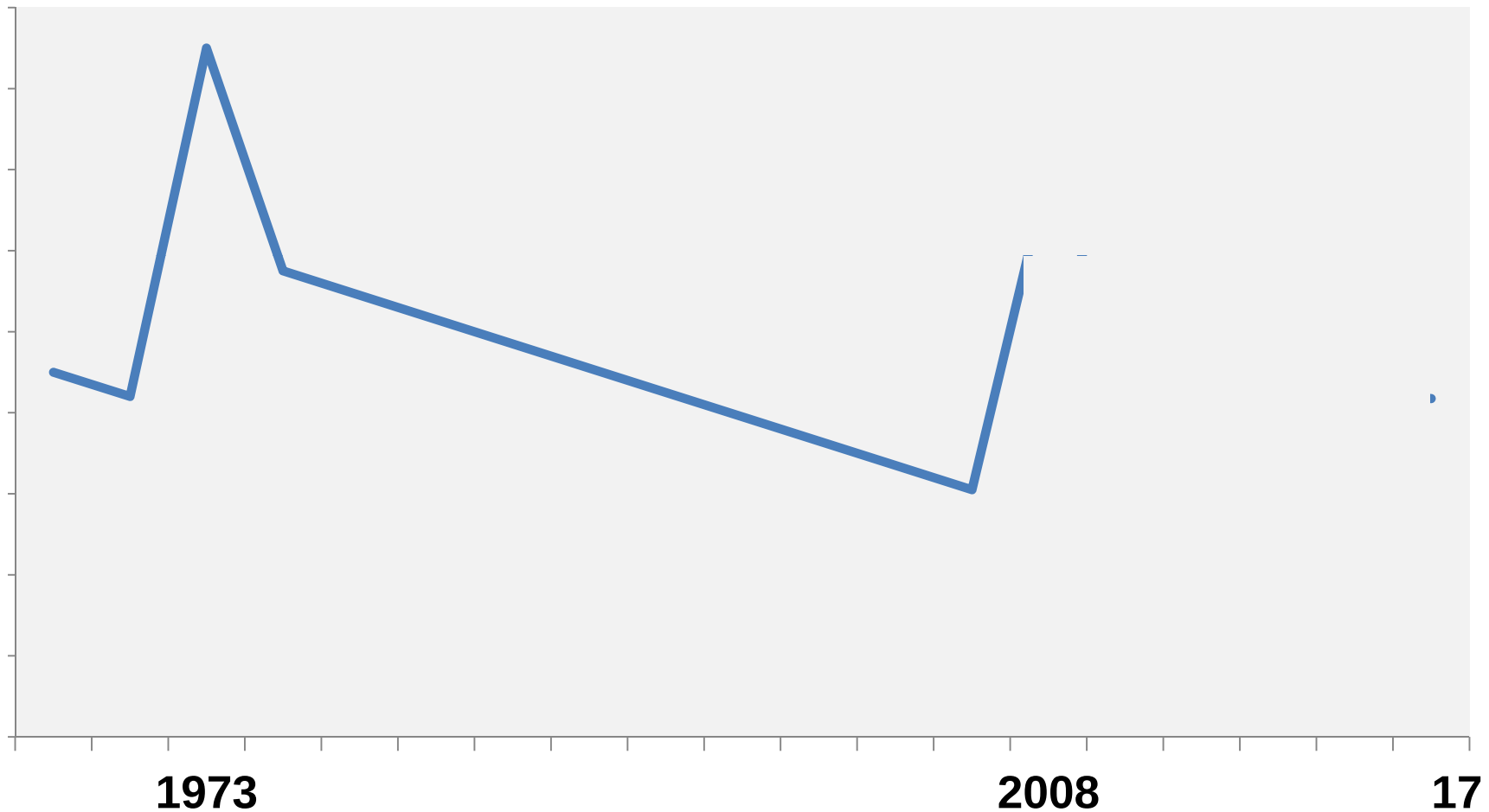


Cereal prices in real terms, schematic



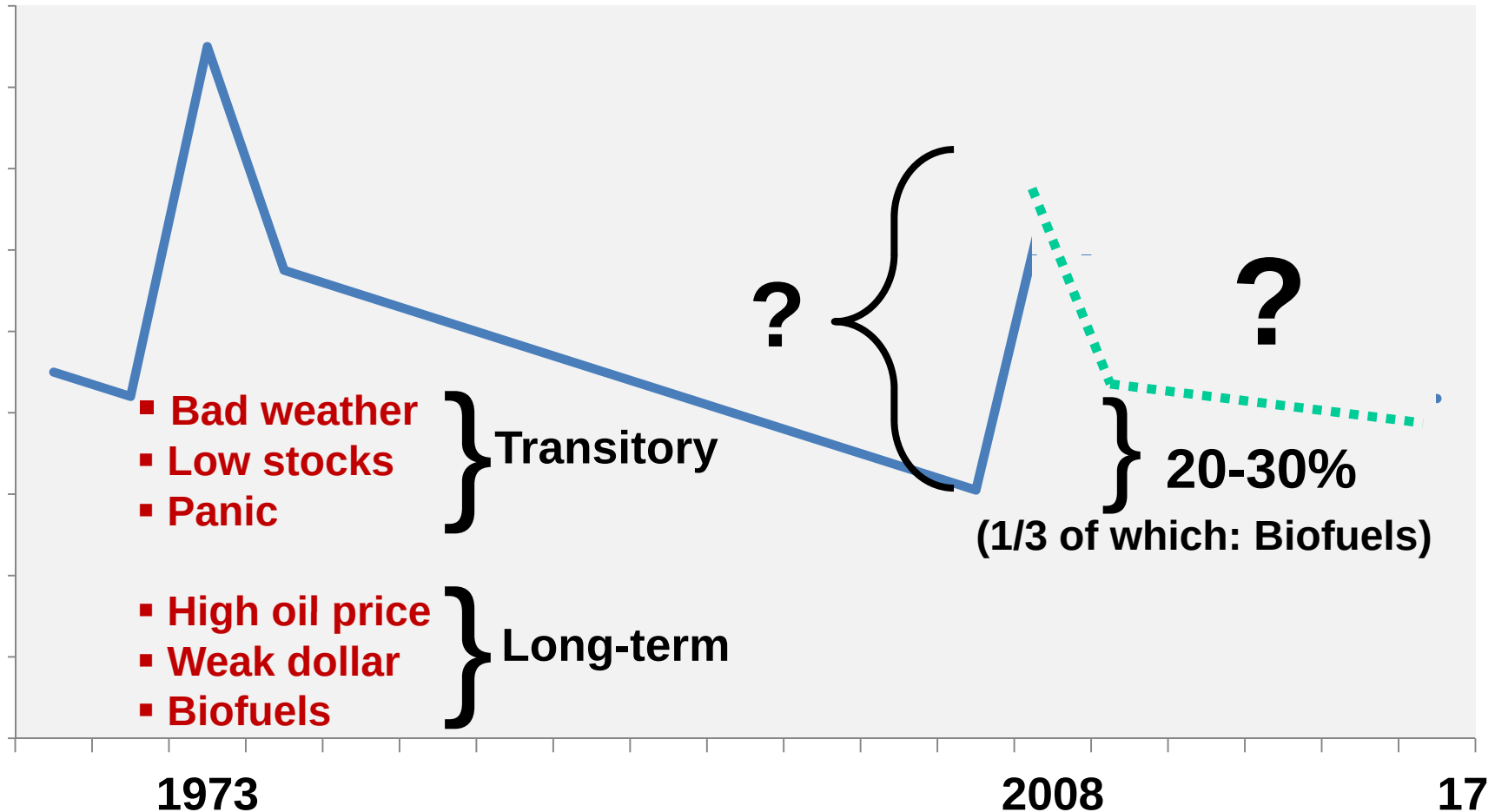


Cereal prices in real terms, schematic



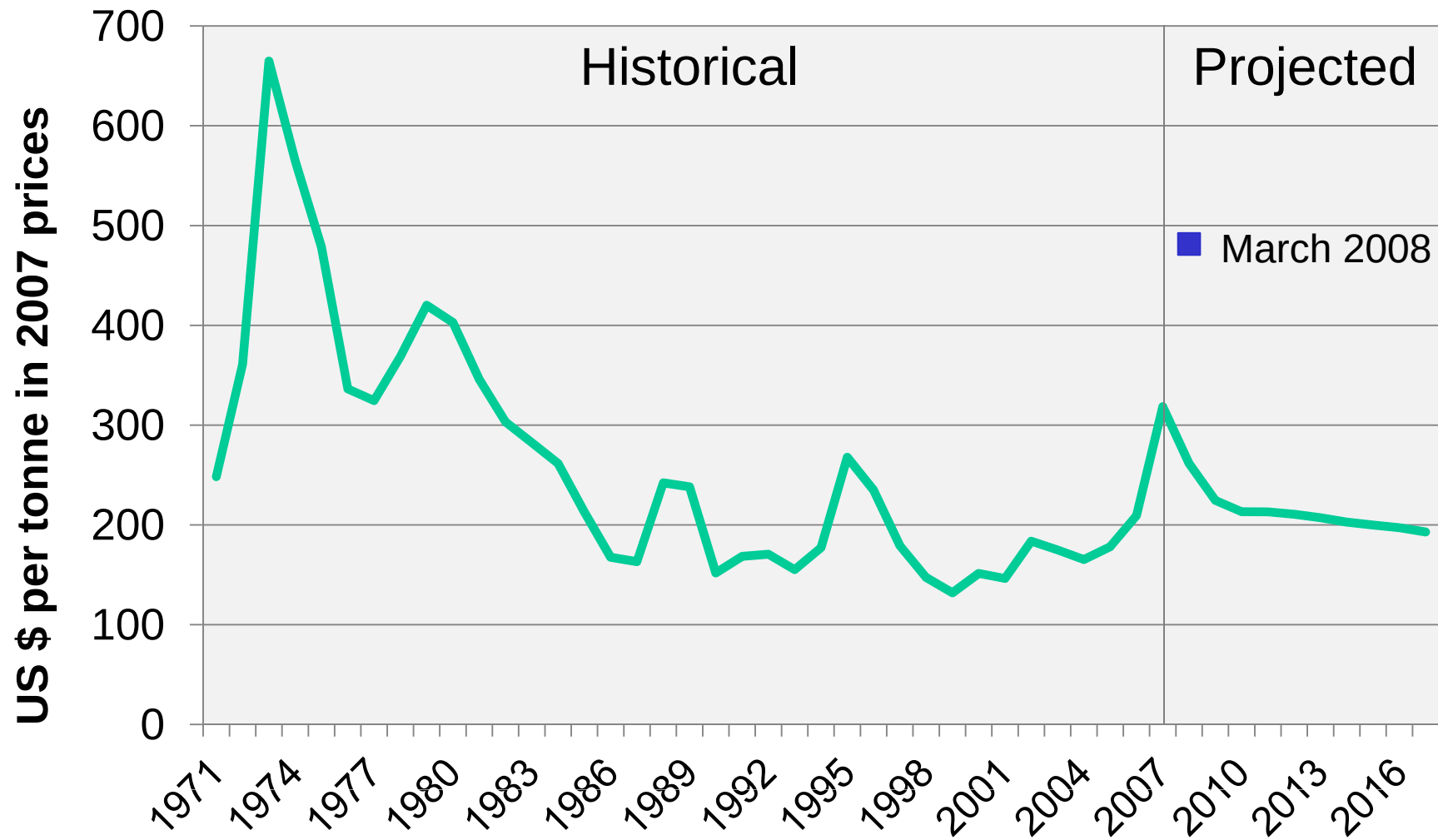


Cereal prices in real terms, schematic



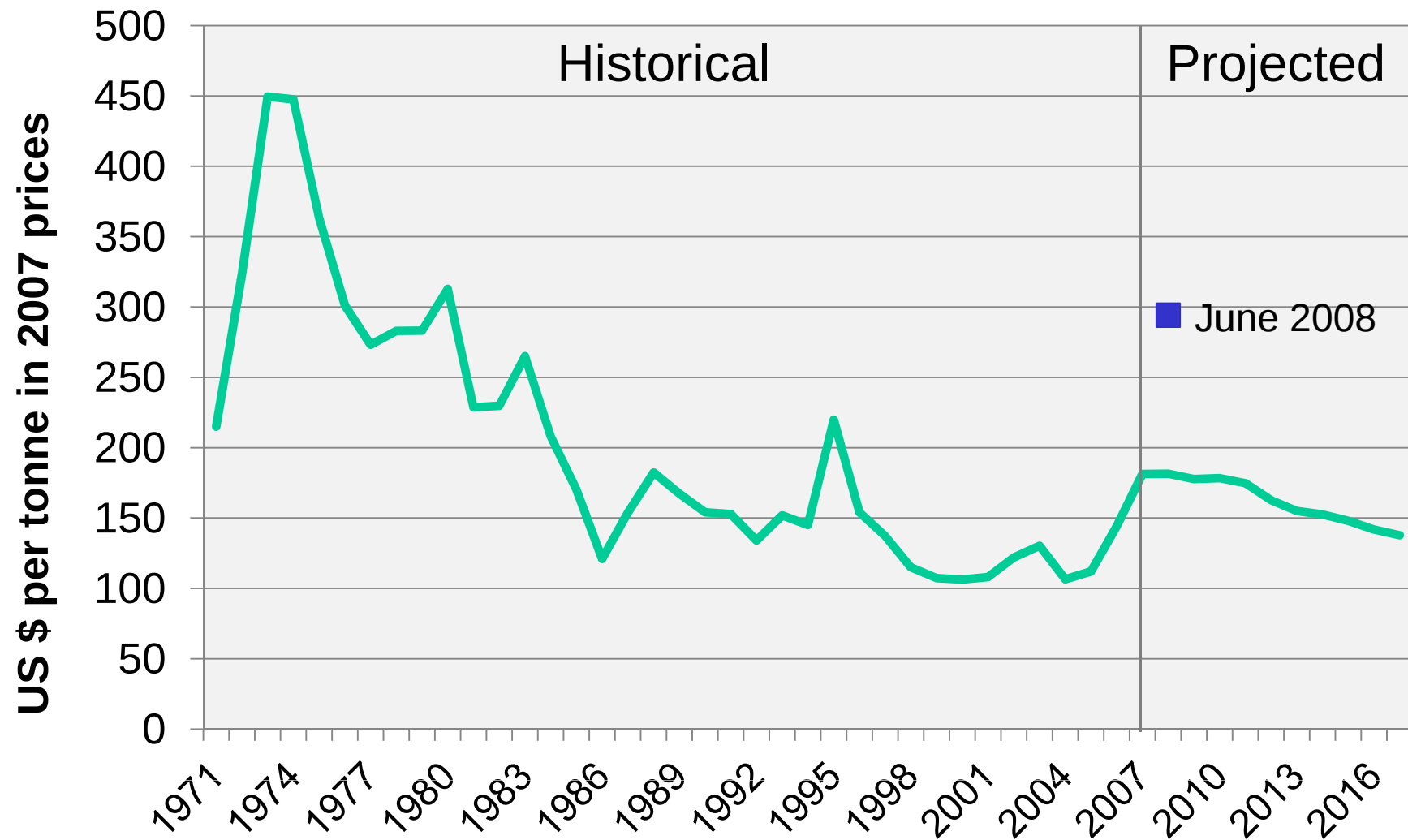


Wheat prices in real terms



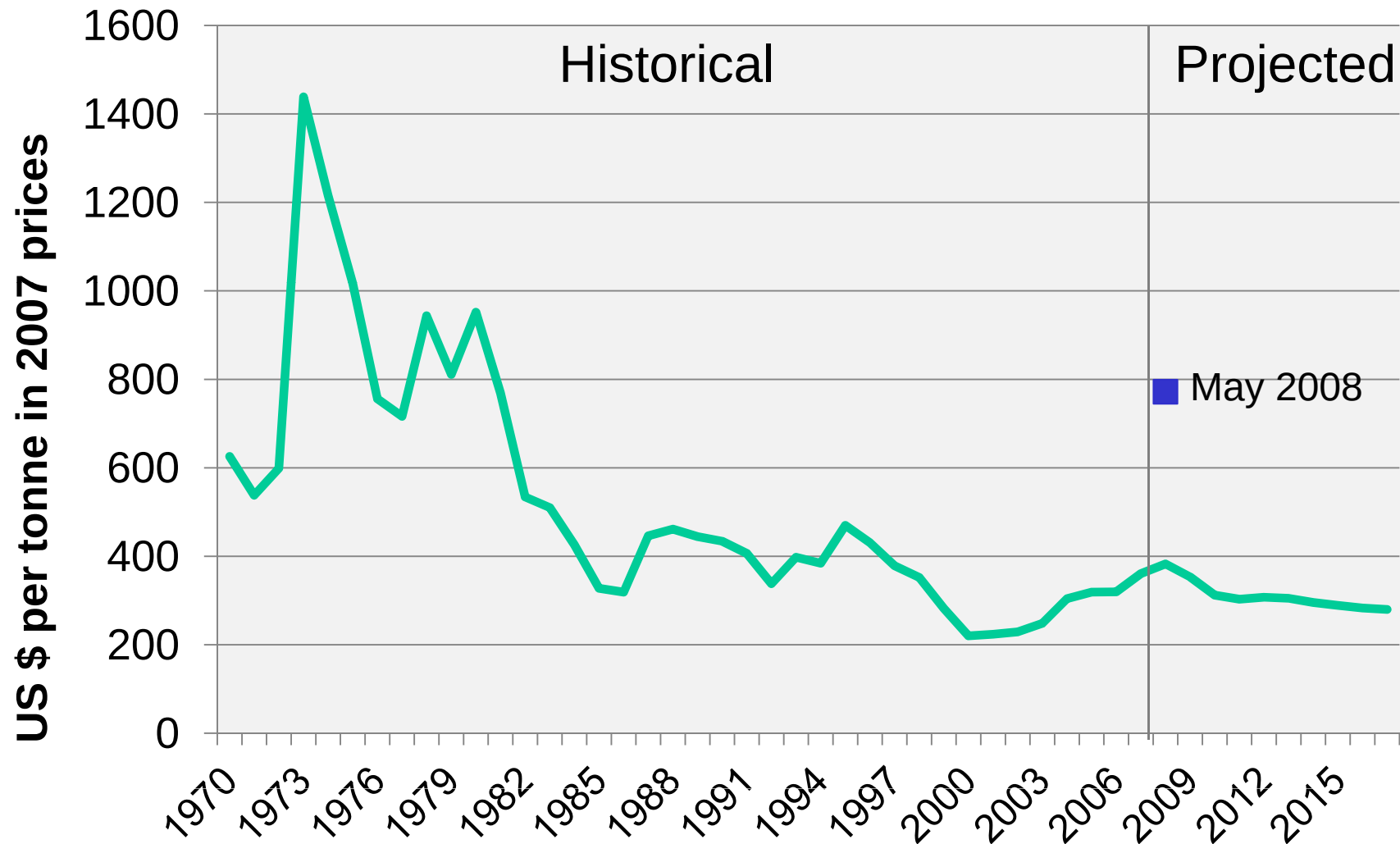


Maize prices in real terms



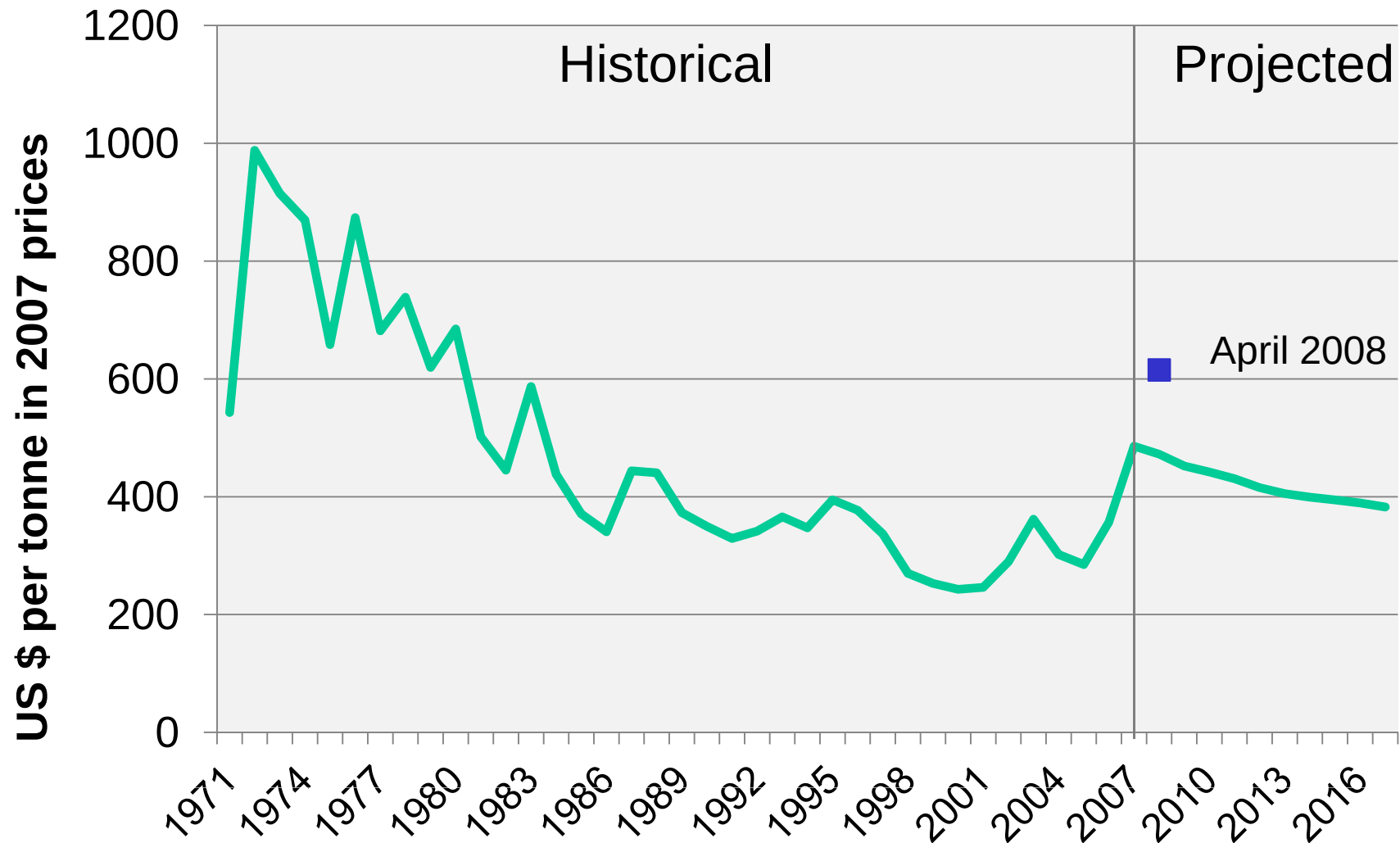


Rice price in real terms





Oilseed price in real terms

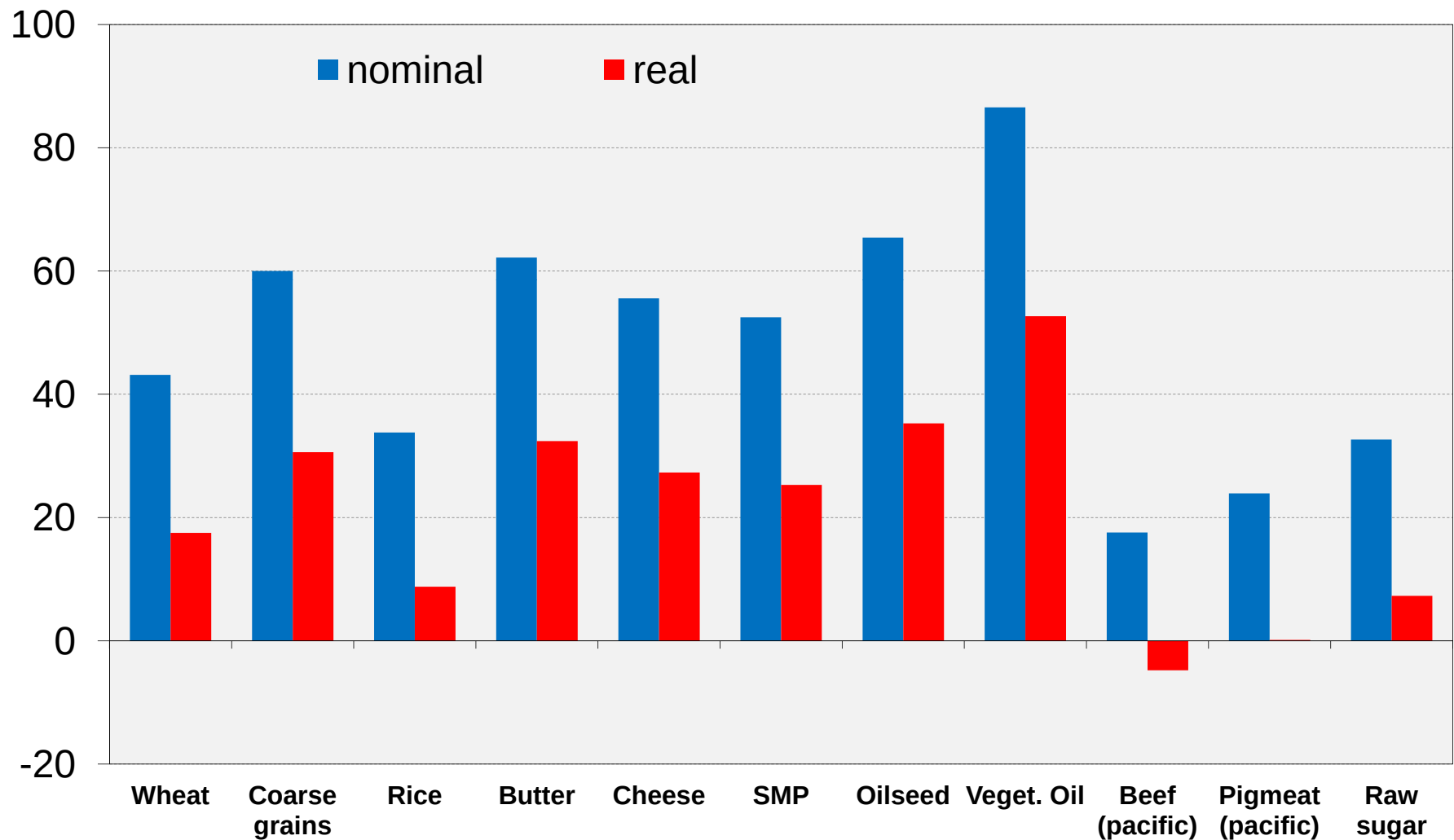




World commodity prices trend higher



Percent growth between : average 2008-2017 and average 1998-2007

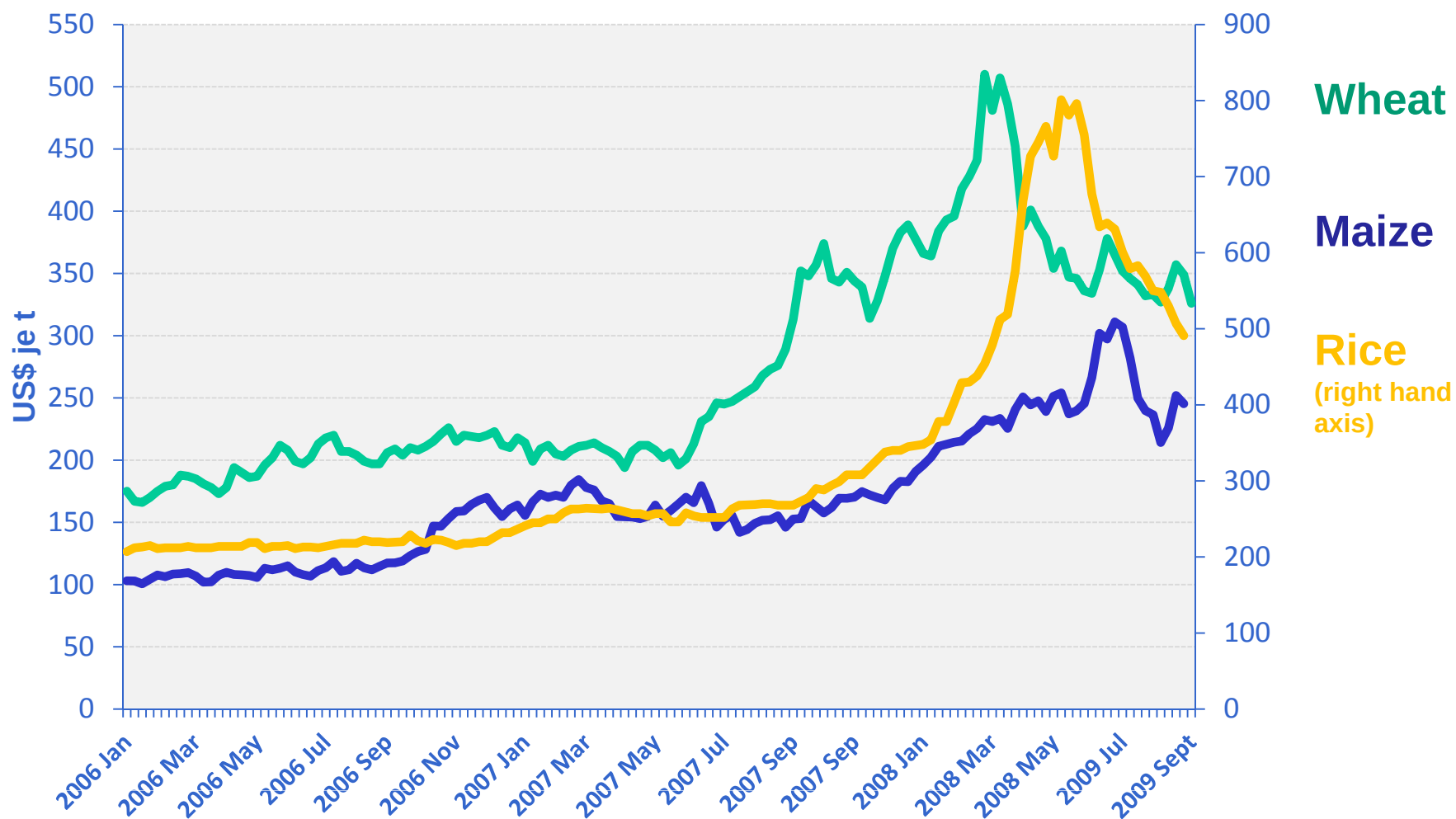




Is the bubble bursting?



Weekly spot prices



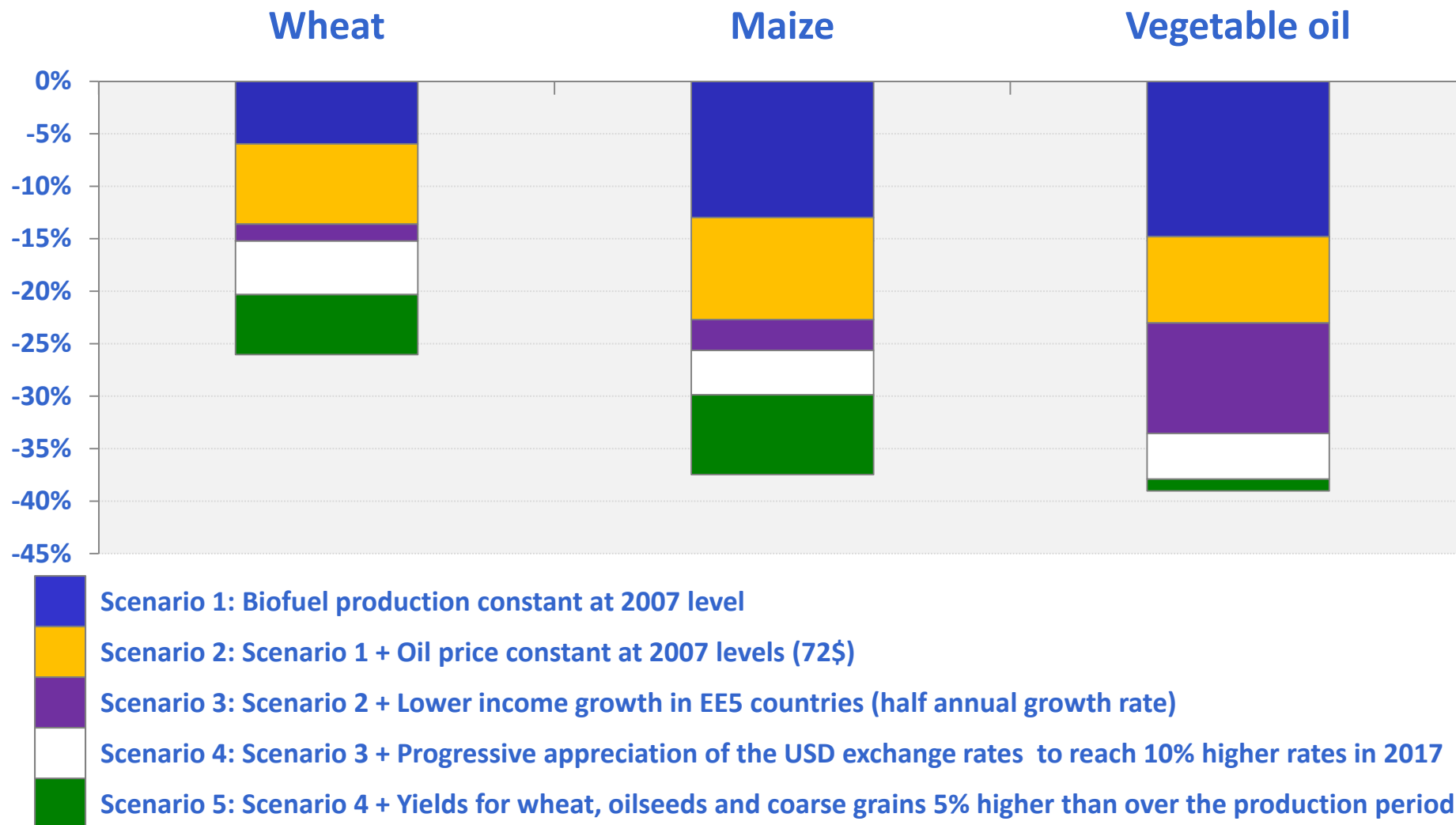
Source: FAO



What happens to world prices, if ...



Change in world prices expected for 2017, relative to baseline



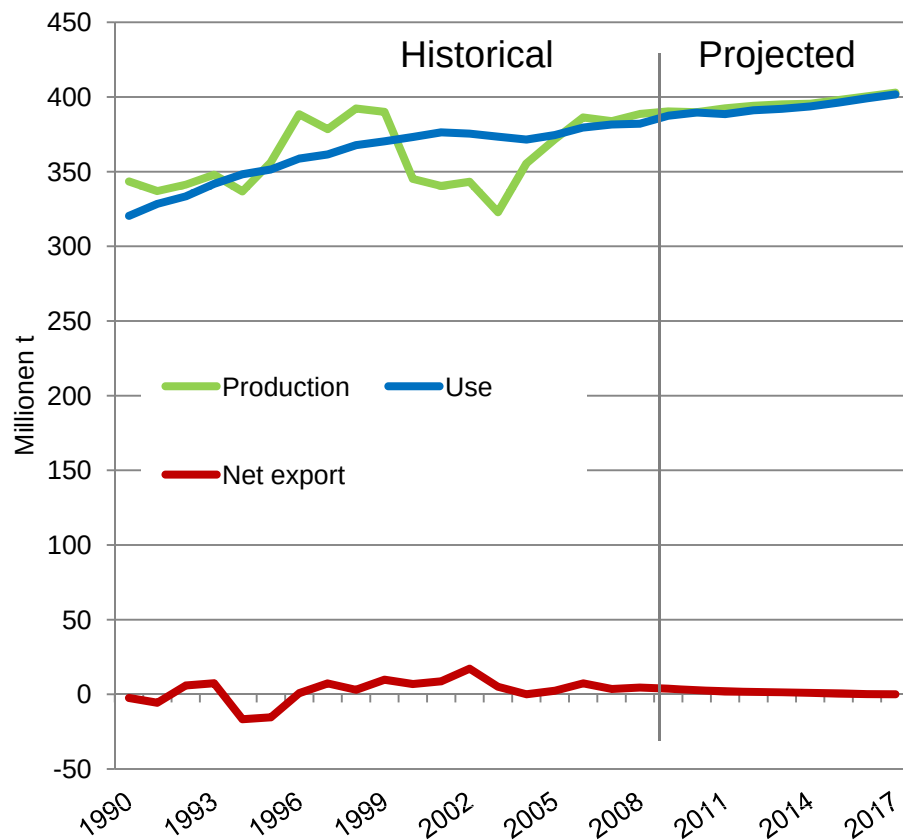


Are China and India pushing up prices?

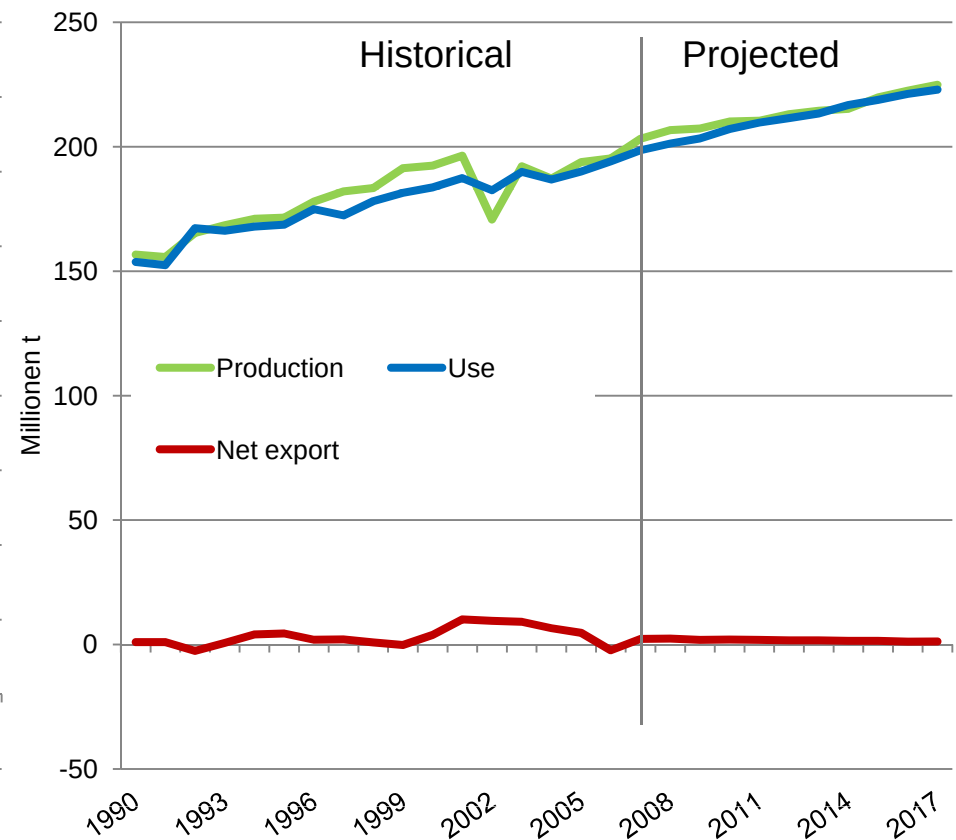


Supply balance cereals (incl. rice)

China



India

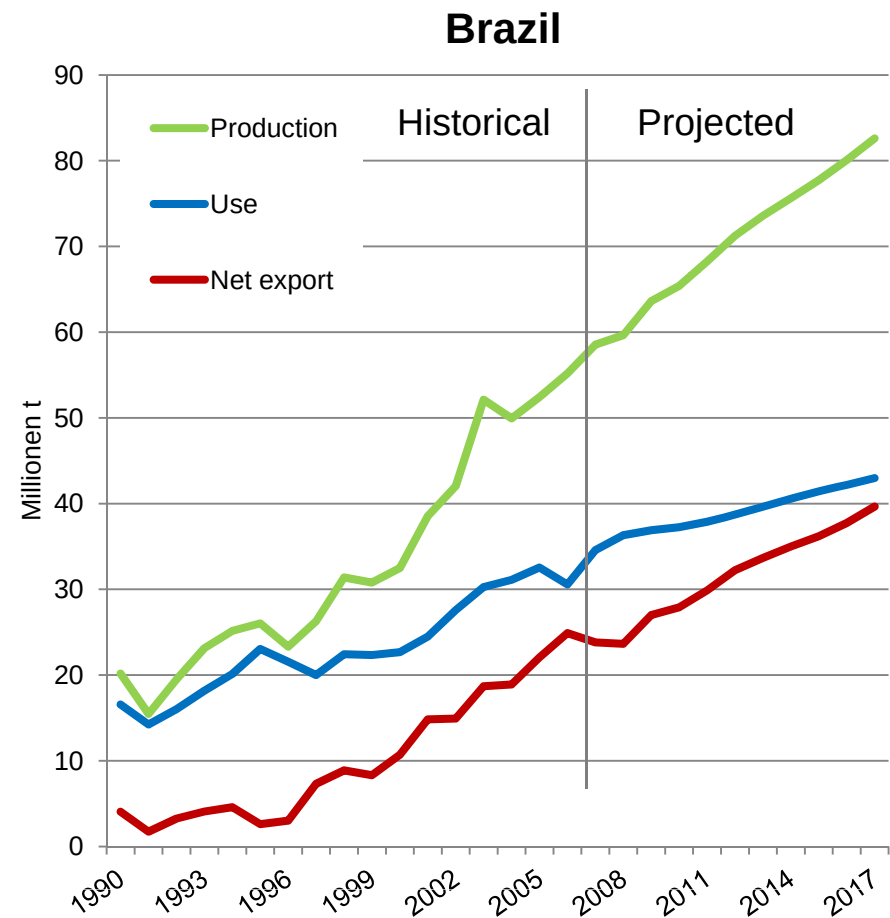
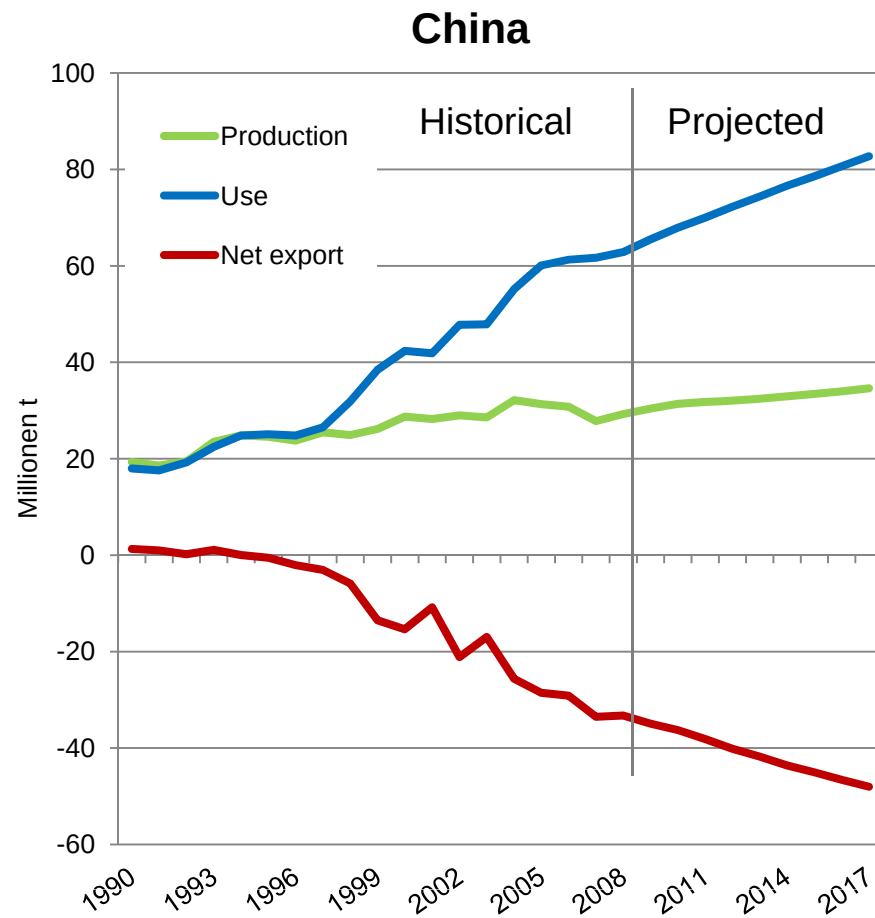




Oilseeds: Brazil mirrors China

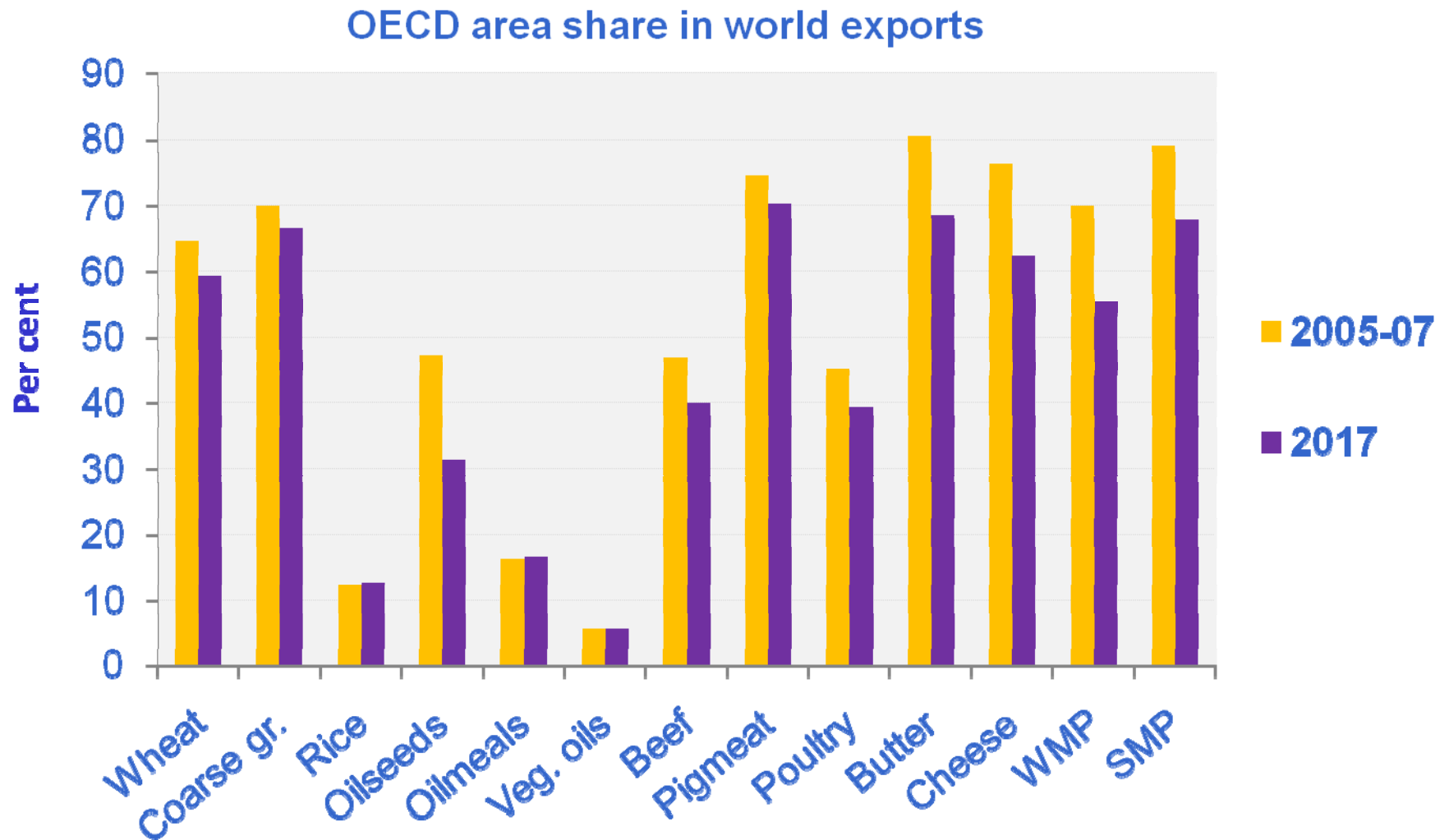


Supply balance oilseeds





OECD countries loose export share

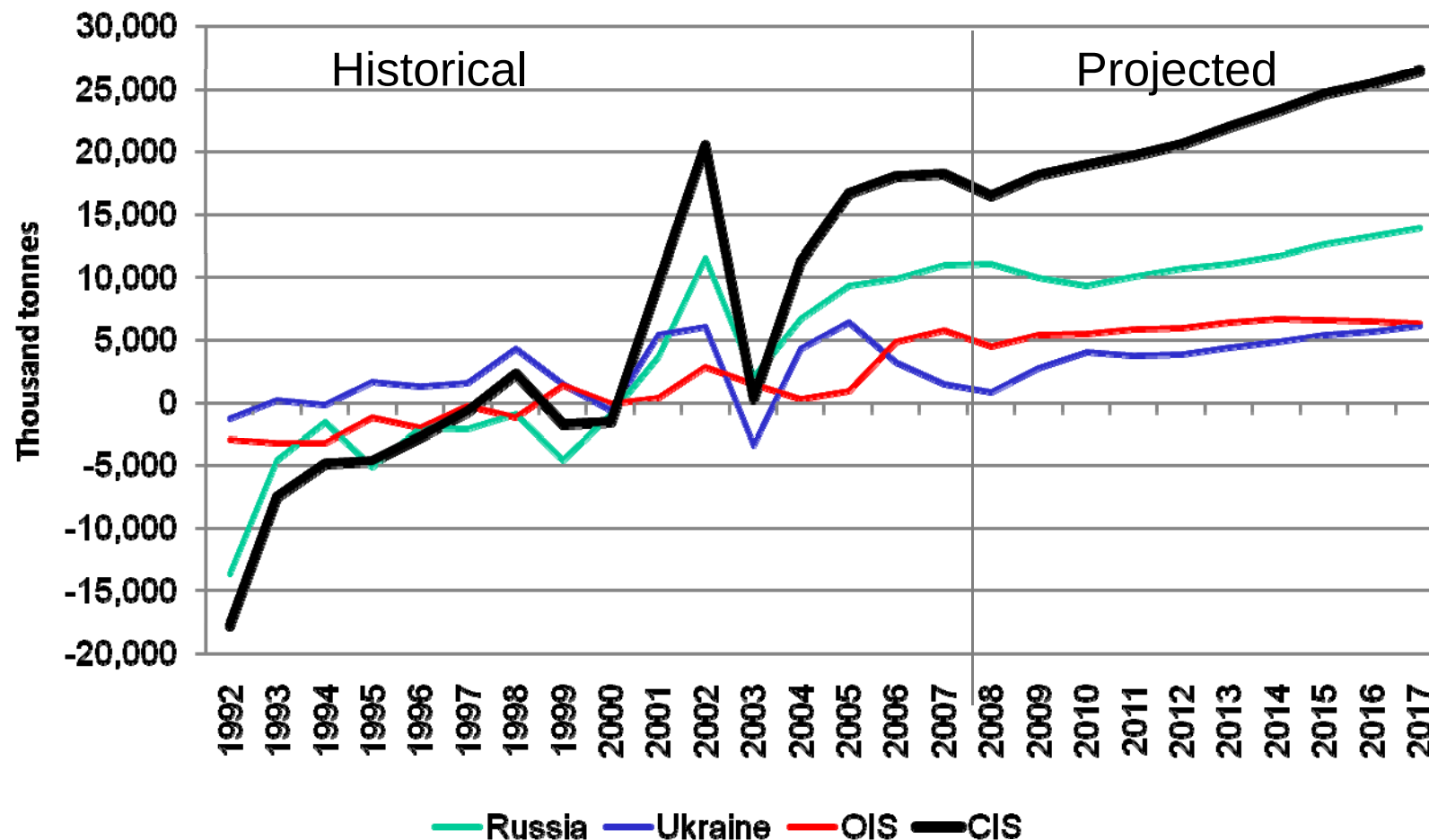




Will the CIS be the world's break basket?



Wheat net trade

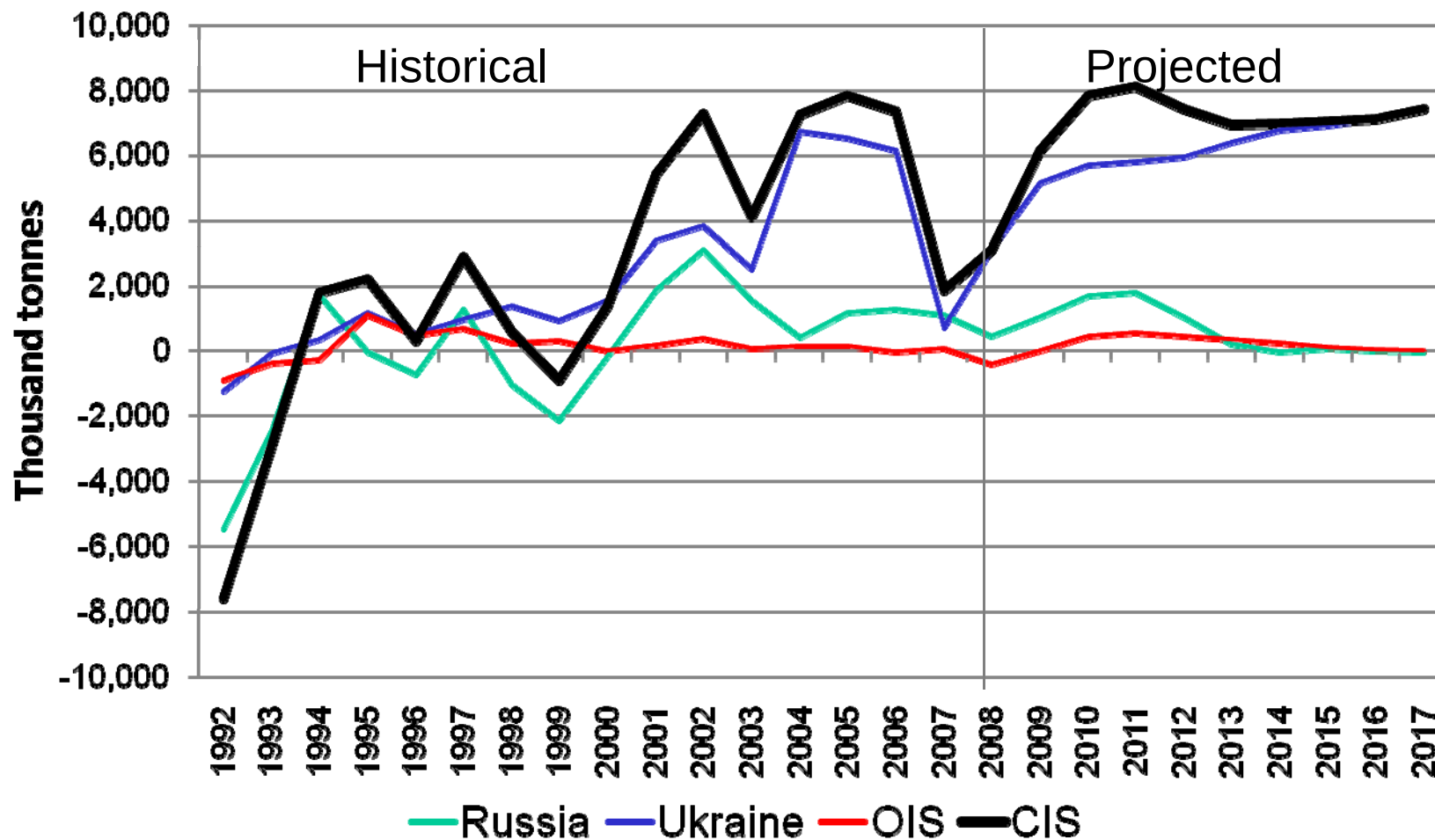




Russia will feed its livestock



Coarse grains net trade

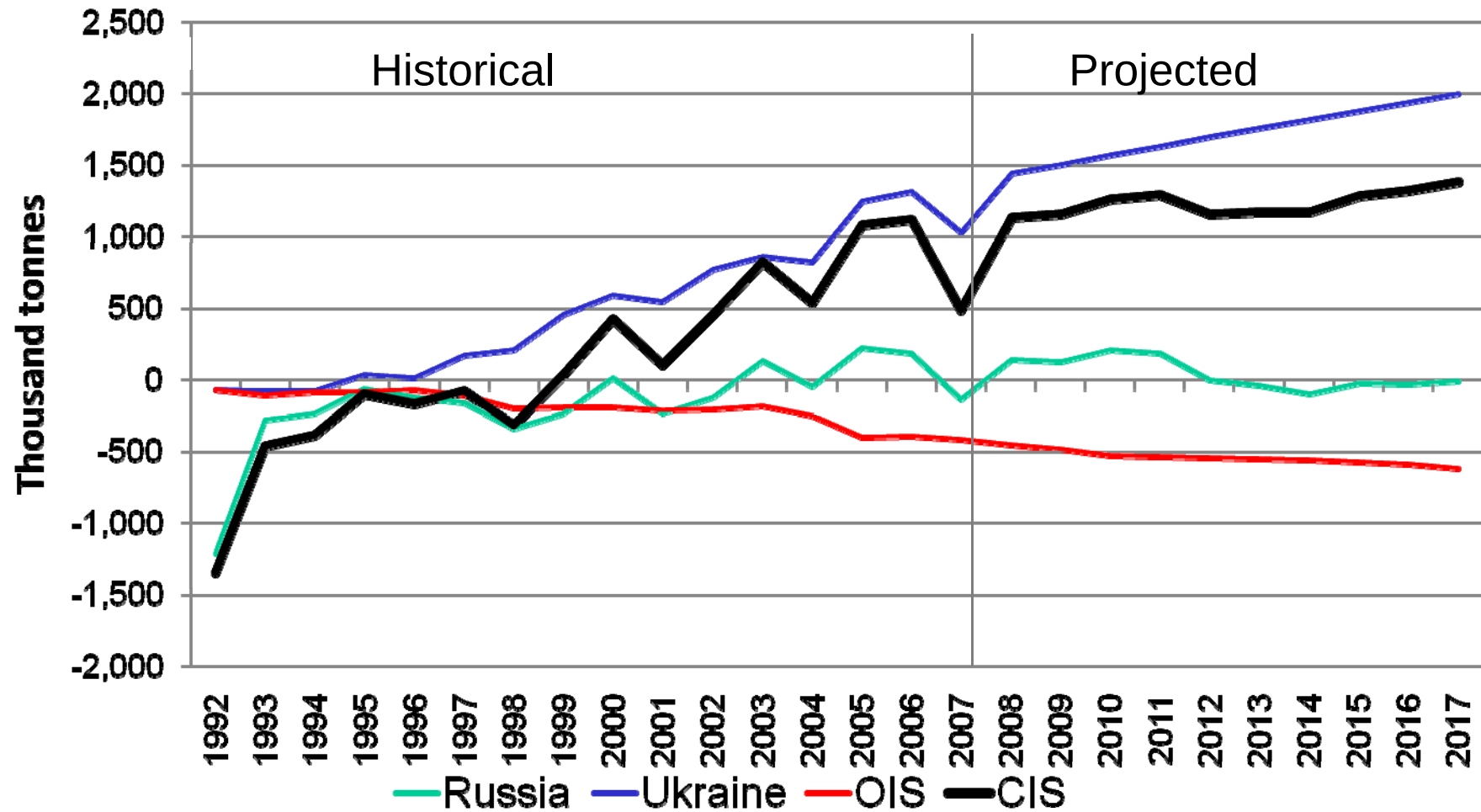




CIS oilmeal surplus will grow



Oilmeal net trade

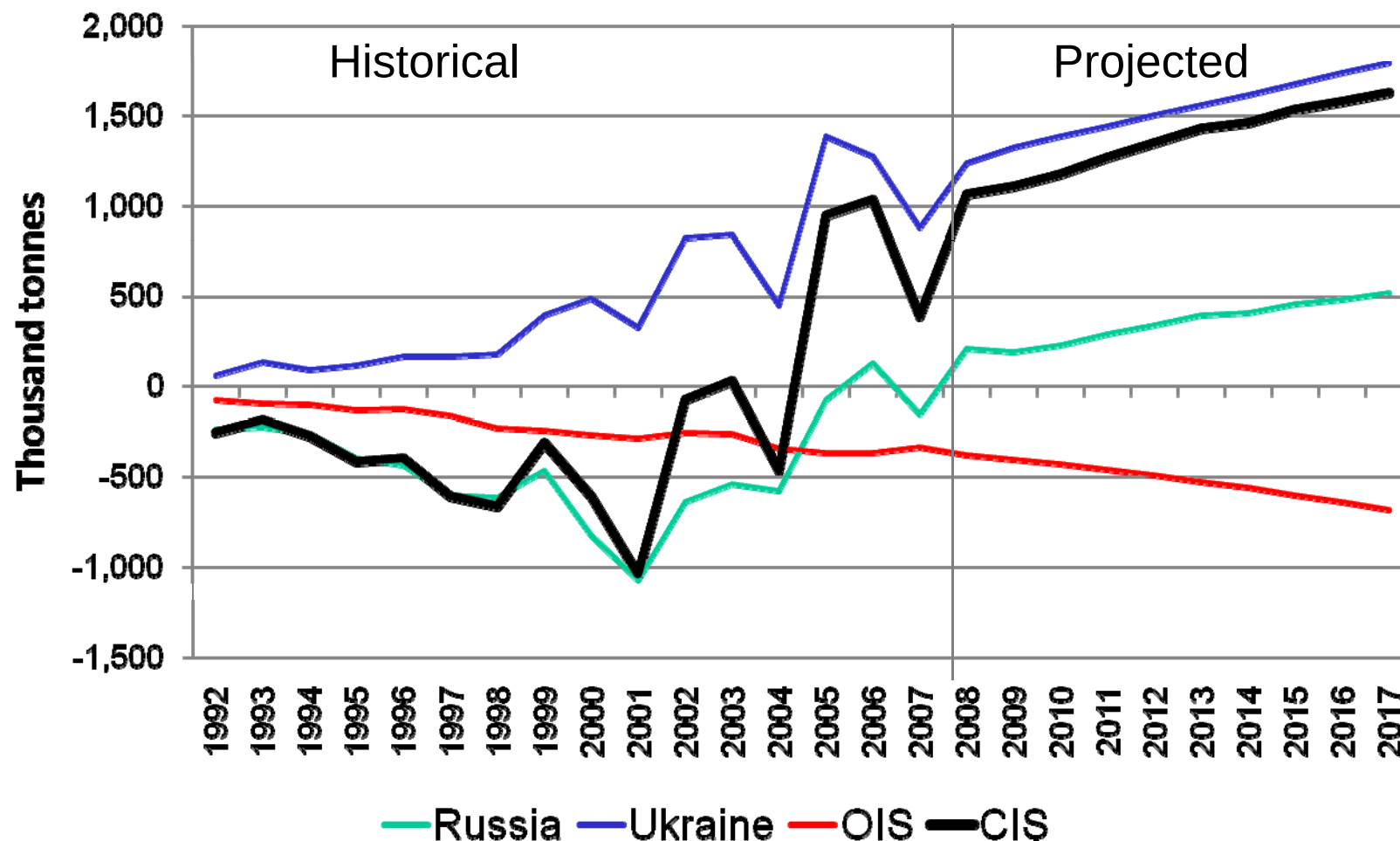




... as will surplus of vegetable oil

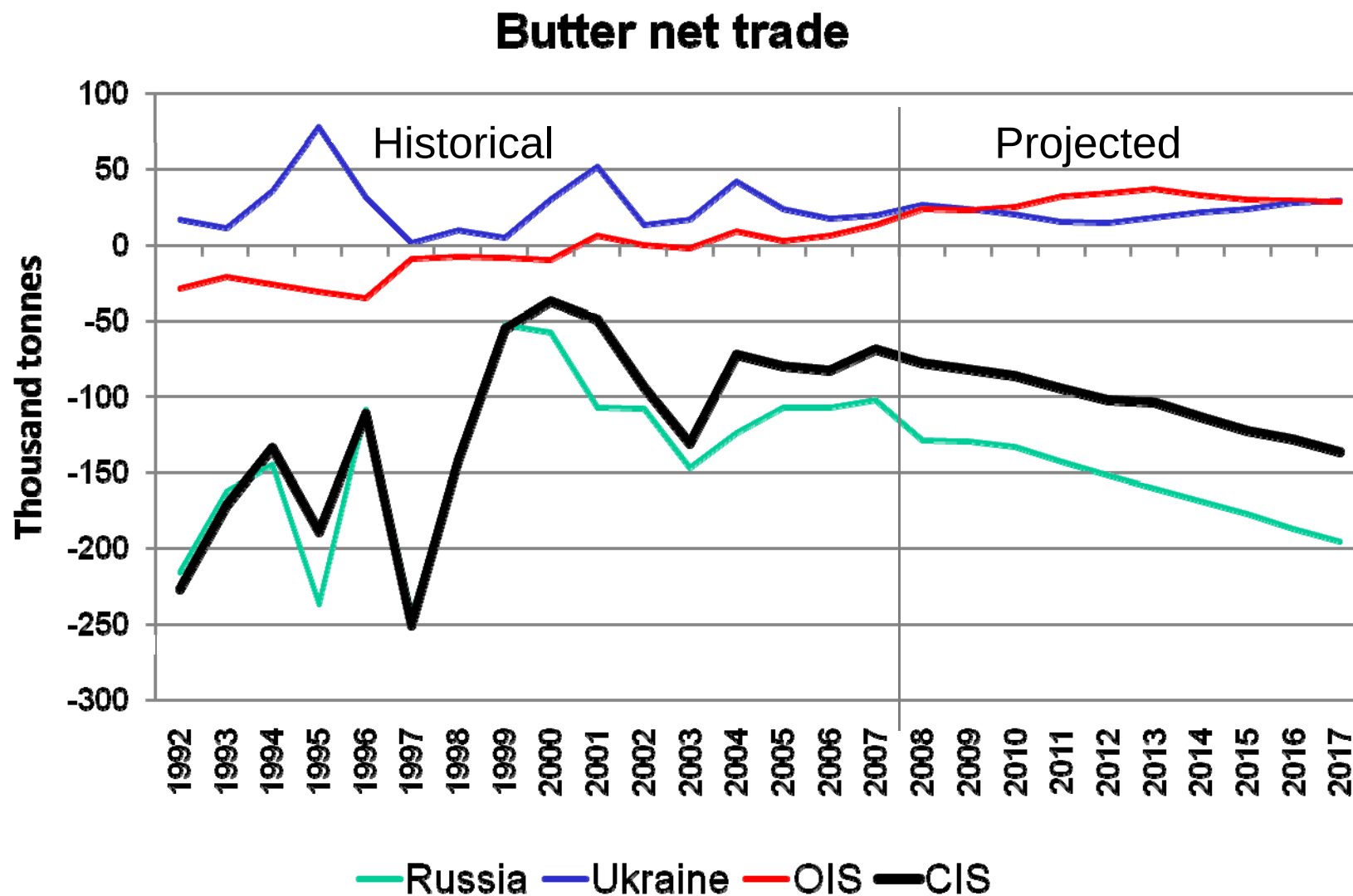


Vegetable oil net trade



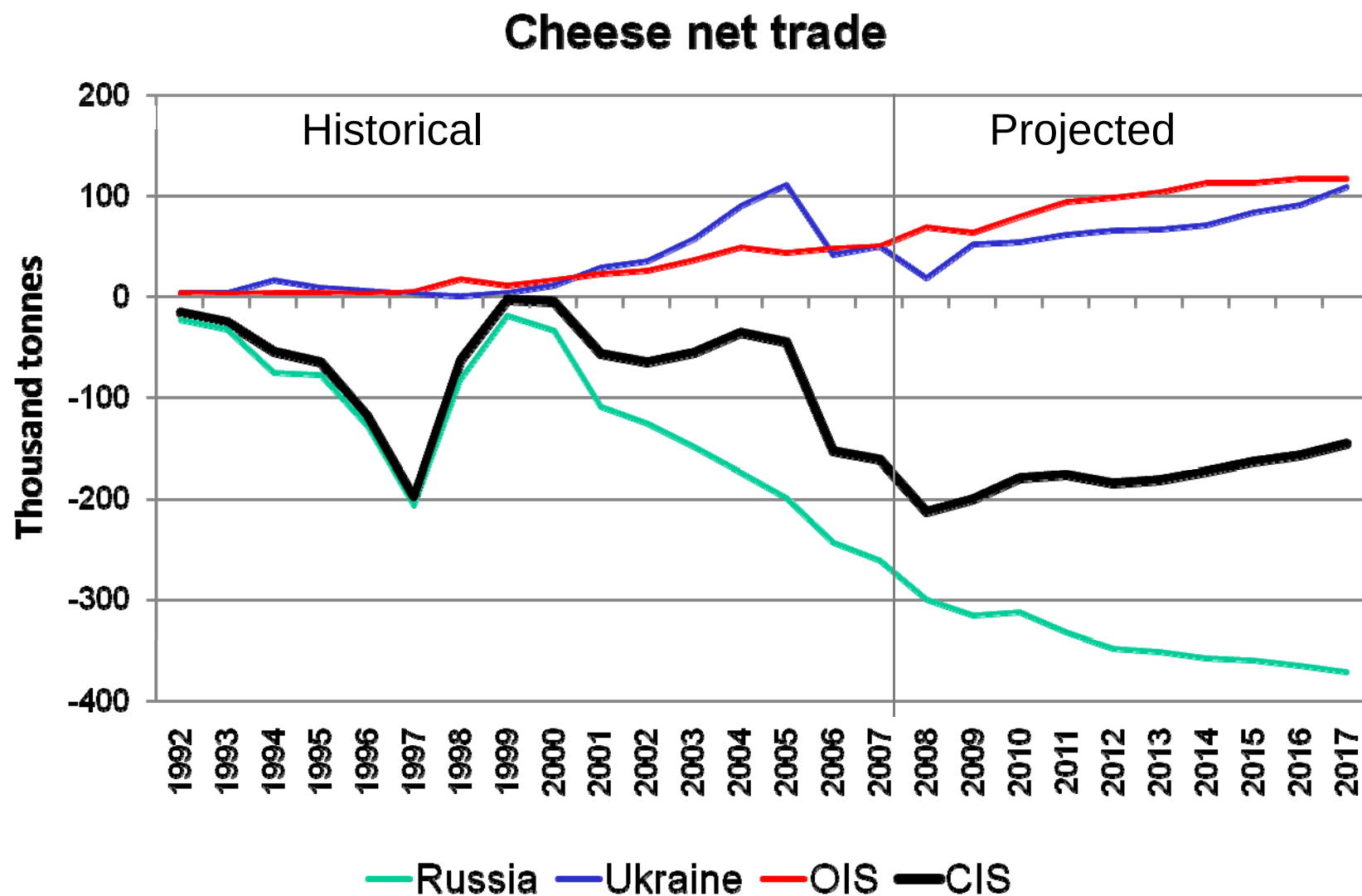


Butter: CIS intra-trade and overall net imports





Cheese: CIS intra-trade and overall net imports

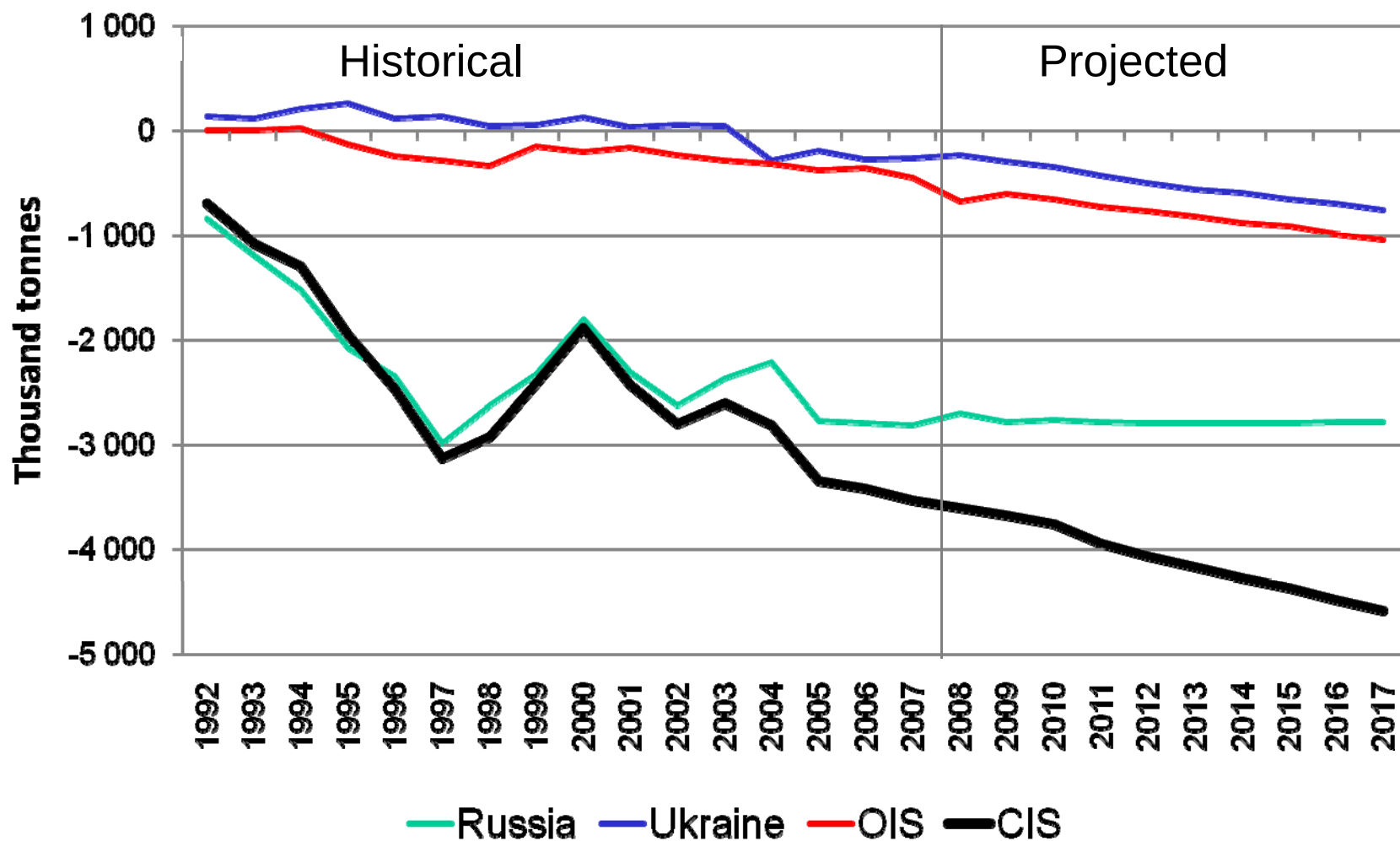




CIS to remain major meat import region



Meat net trade





Conclusions



- **World prices will calm down**
... but remain higher than in the past
... oil price, biofuel support policies are major drivers
- **Global production and consumption shifts increasingly towards non-OECD countries**
- **CIS has potential to be major grains exporter**



Thank You



Trade and Agriculture Directorate



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