



Food & Agricultural
Policy Research Institute

University of Missouri

Global Perspectives Indicators and Assumptions

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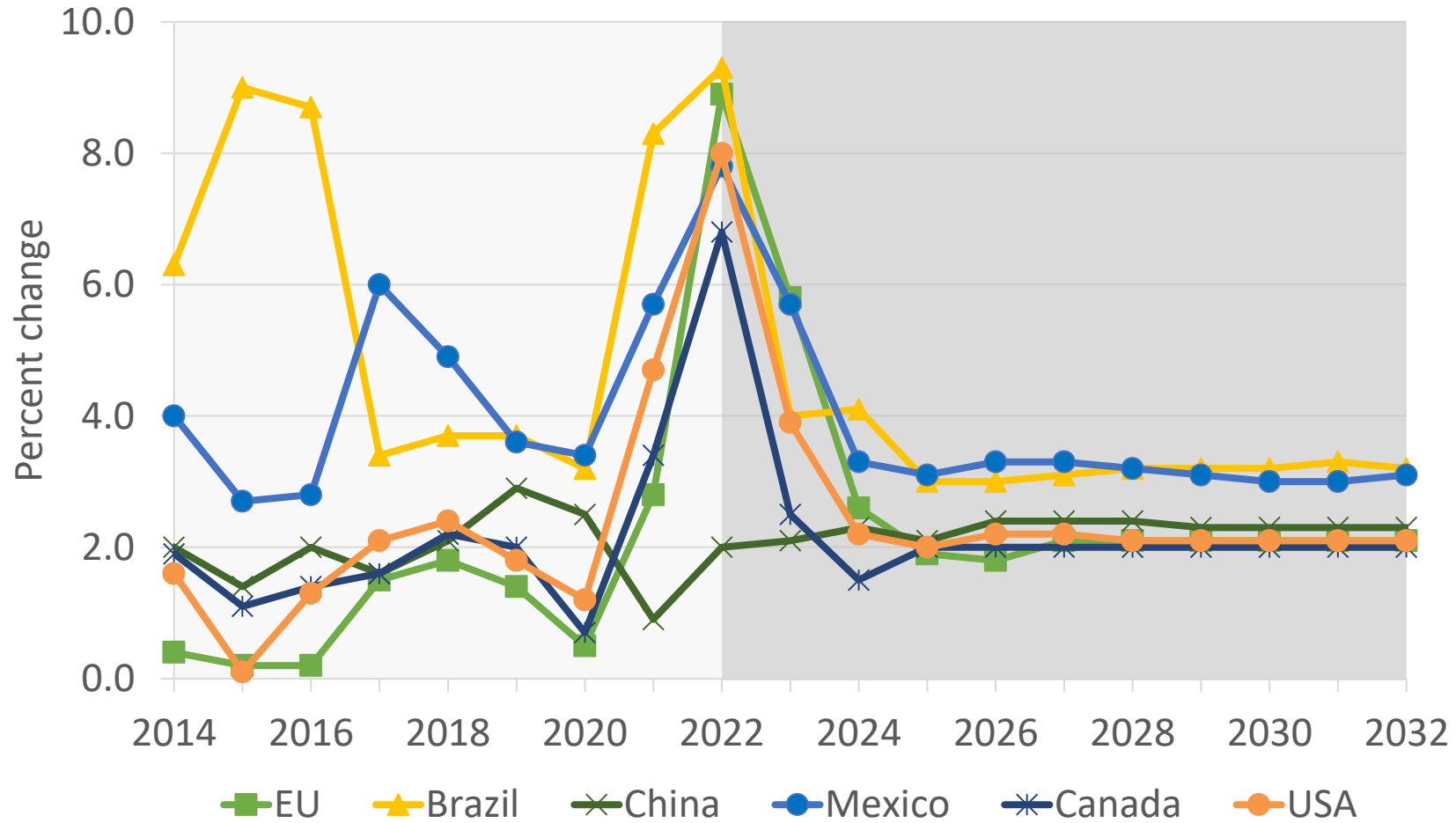
Acknowledgements and disclaimers

- Some of slides in this presentation were created and/or adapted from Dr. Pat Westhoff (westhoffp@missouri.edu) and Ben Brown (bpbrown@missouri.edu) from FAPRI-MU, and Malieka Bordigioni (maliekal@unr.edu) at The University of Nevada Reno.
- The macroeconomic data I will be presenting today is from S&P Global.
- The other information provided here today is from a collaborative effort amongst our FAPRI team and other university colleagues at both MU and elsewhere. Each person at FAPRI is responsible for one or more commodities both nationally or internationally.
- I am specifically responsible for international livestock commodities, namely cattle and beef, swine and pork and chicken and chicken meat markets.

Outline

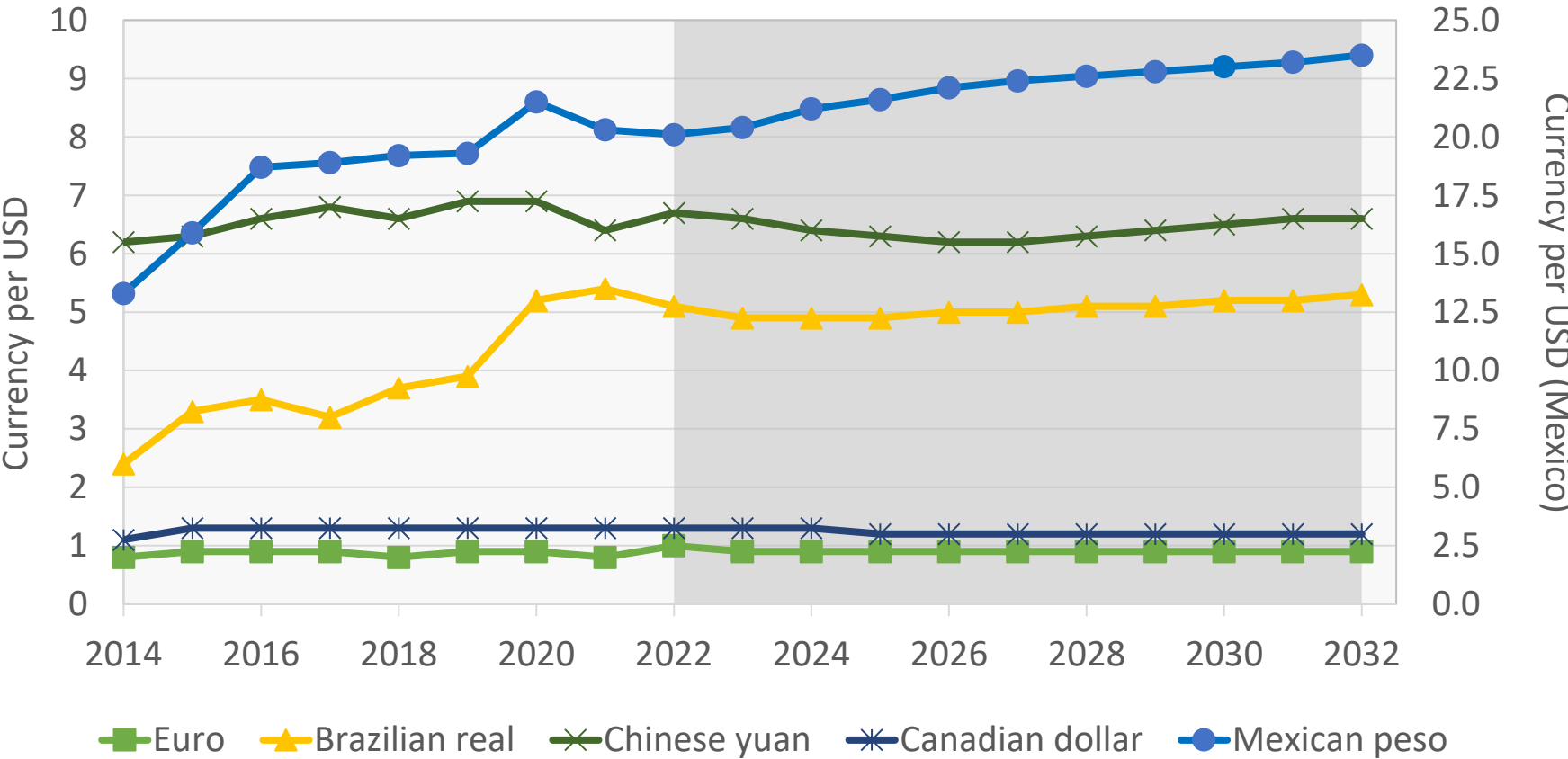
- Macroeconomic assumptions
- Indicator prices
- Key model assumptions
- Risks and uncertainty

Real GDP growth year-over-year



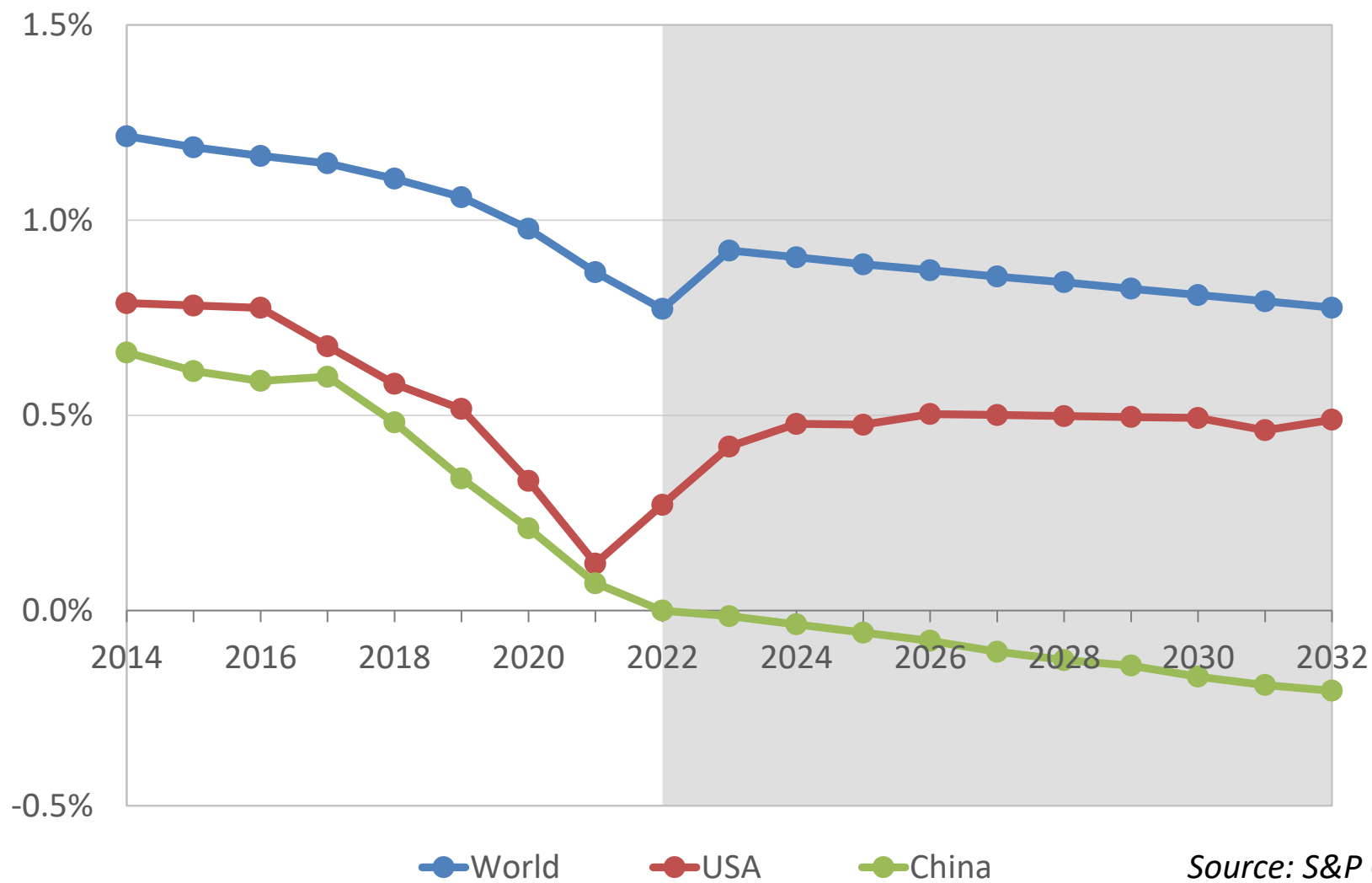
Source: S&P Global, January 2023

Exchange rates



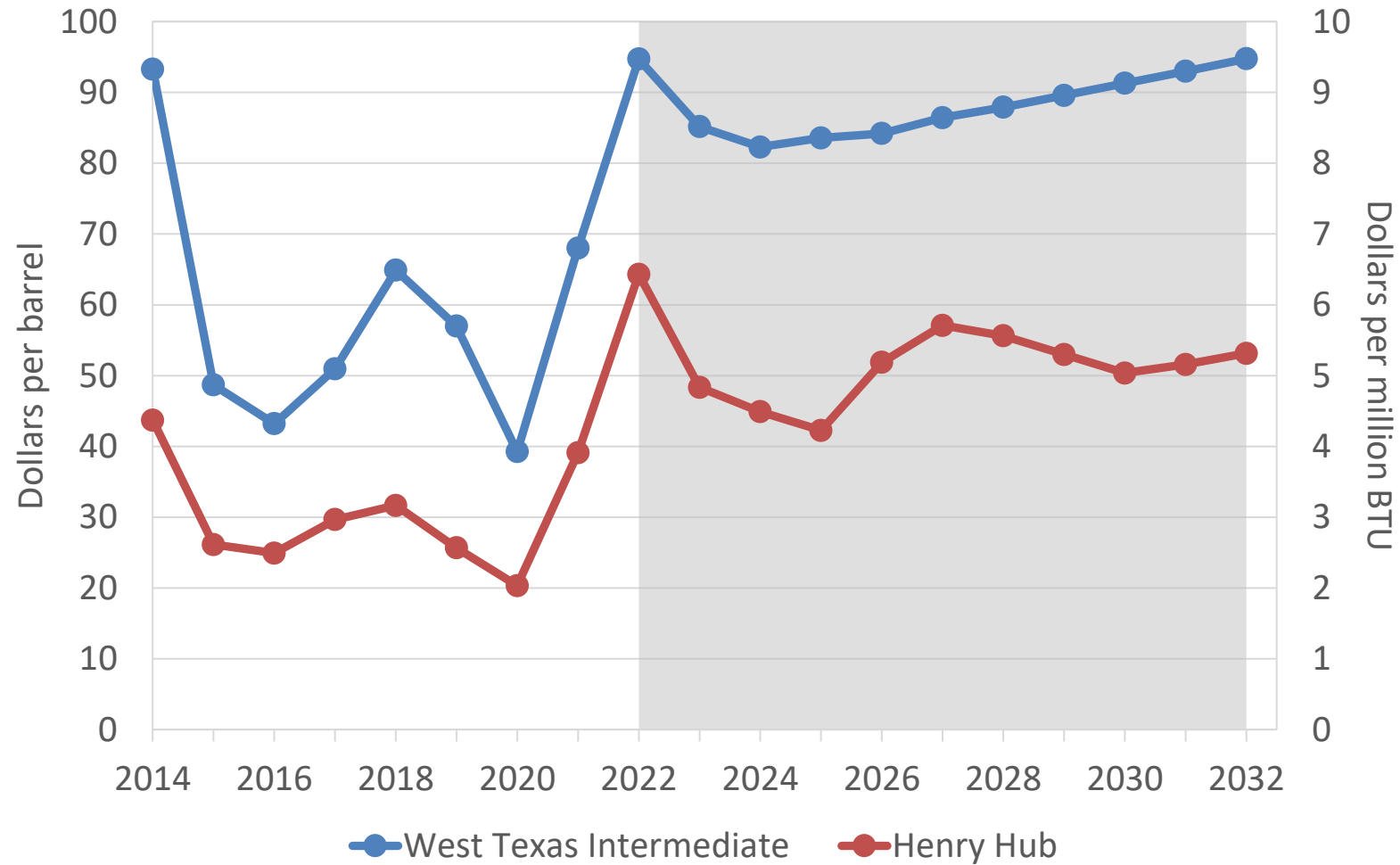
Source: S&P Global, January 2023

US, China and world population growth rates



Source: S&P Global, January 2023

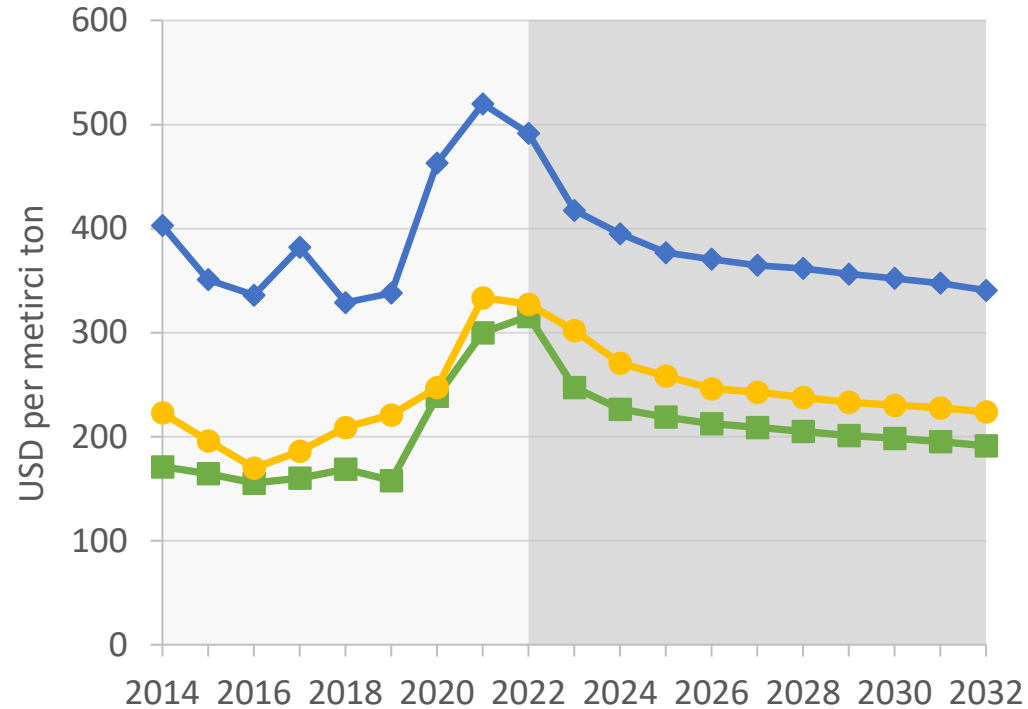
Crude oil and natural gas prices



Sources: S&P Global, January 2023

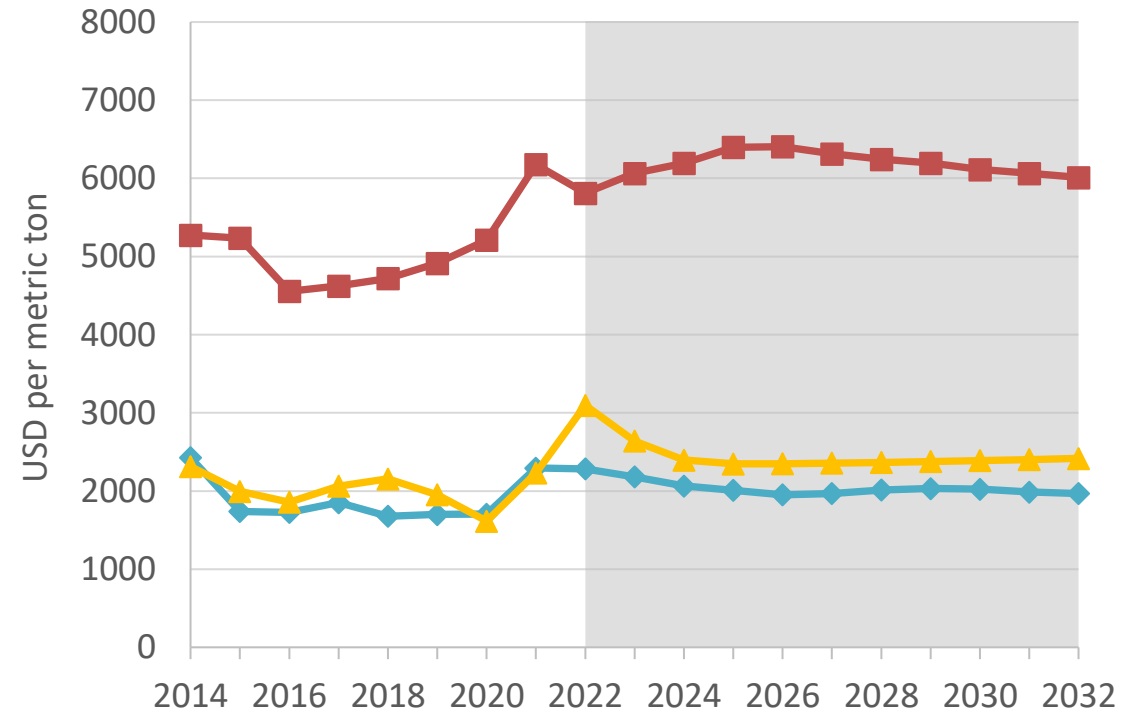
Indicator prices

Crop Prices



- Corn price, No. 2 yellow, U.S. Gulf
- ◆ Soybean meal price, CIF Rotterdam
- Wheat price, SRW, U.S. Gulf

US Livestock Prices



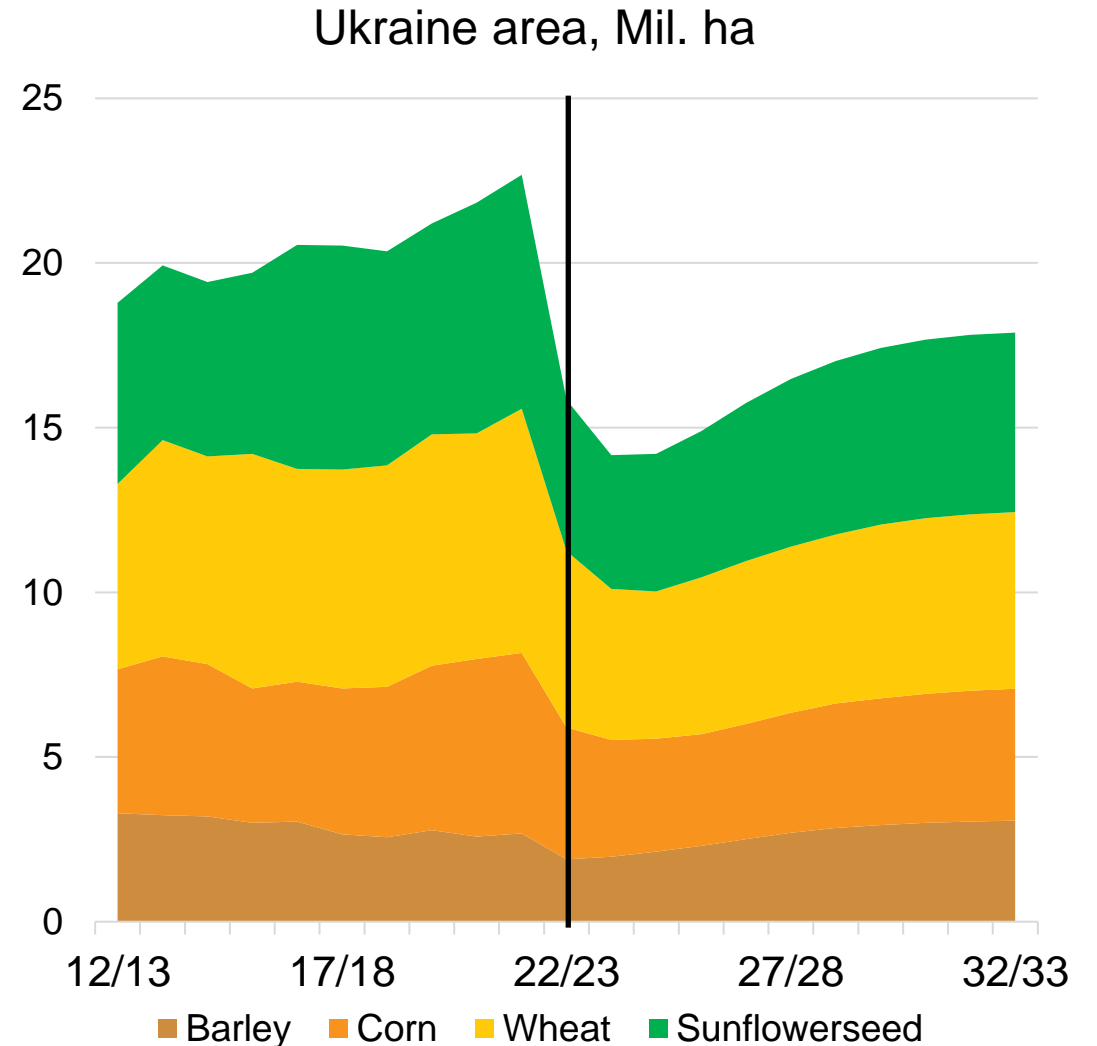
- Beef
- ◆ Pork
- ▲ Chicken

Key model assumptions

- The baseline is based on what was known about policies and markets in January 2023
 - But it does not reflect more recent market and policy developments
- Current policies are generally assumed to continue
 - We aren't trying to predict, recommend or oppose policy outcomes
 - Instead, we want to provide a reasonable benchmark for evaluating options
- Macroeconomic projections are from S&P Global January 2023

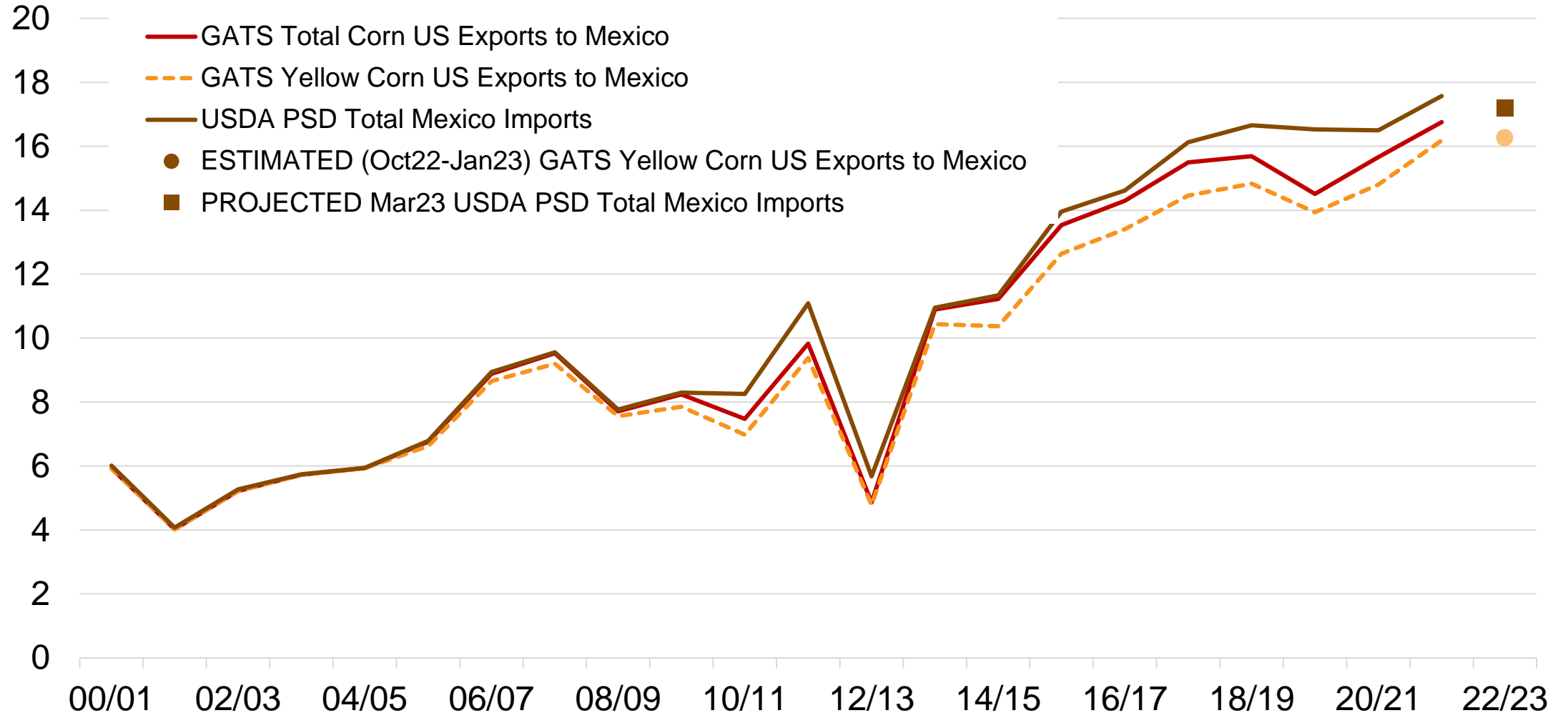
Outlook for Ukraine crop supplies, exports a major source of uncertainty

- Ukraine remains a major source of uncertainty
- Area harvested is expected to decline further in 2023
- Very different outcomes for 2024 and later years are possible



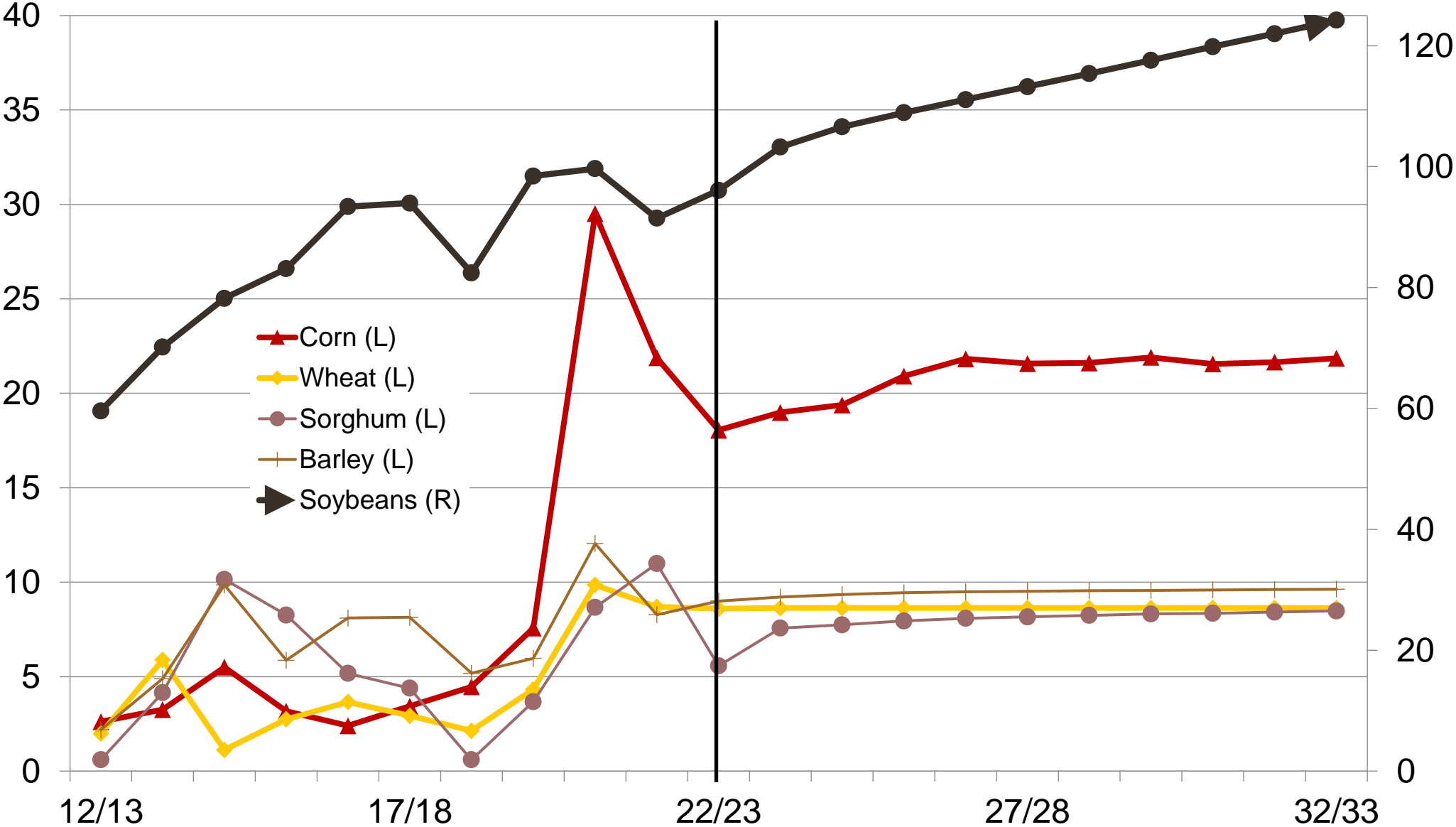
U.S. yellow corn accounts for ~90% of all corn imports to Mexico

Corn imports to Mexico, MMT



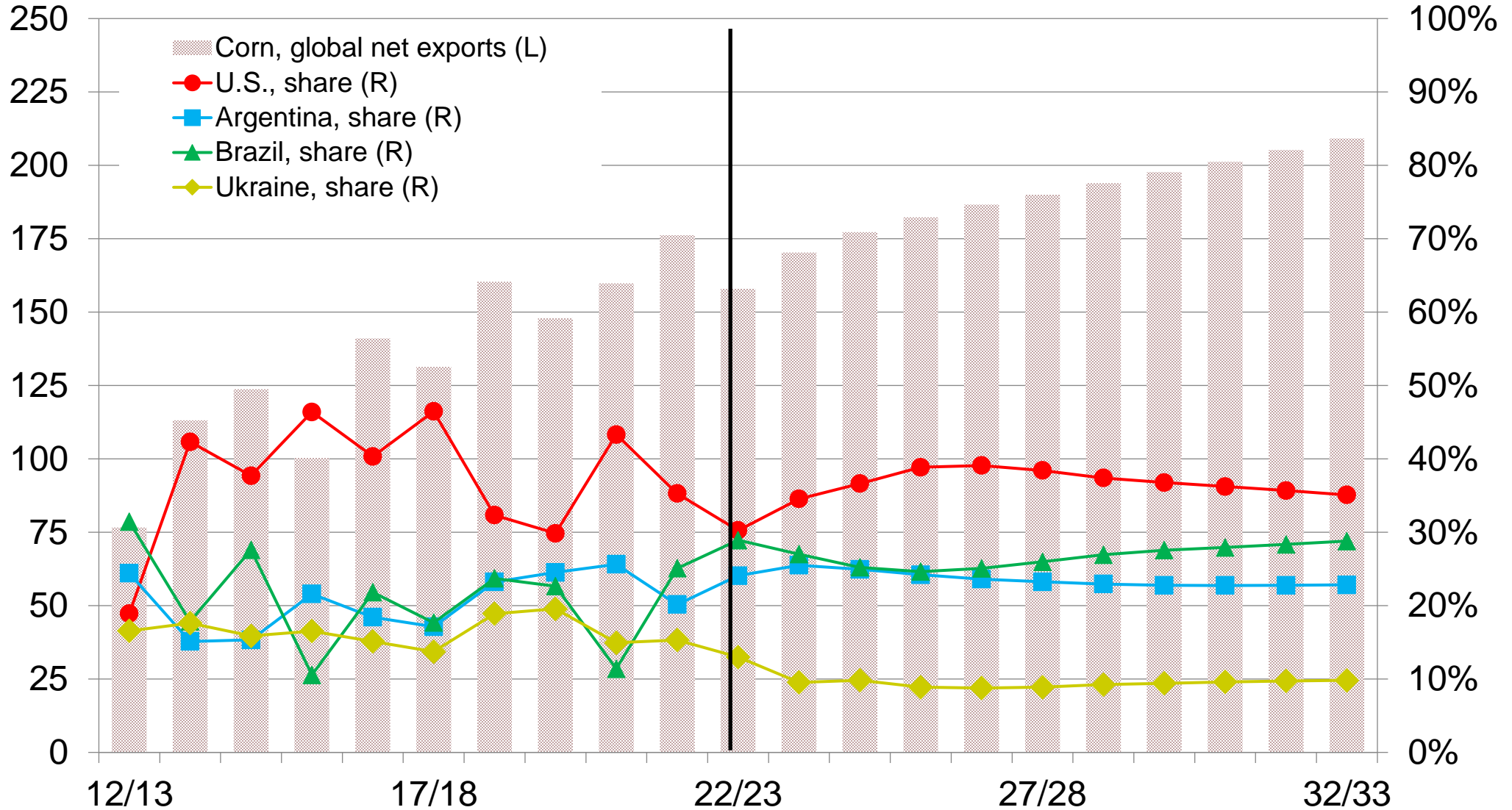
China imports projected to exceed recent peak only for soybeans

China net trade, MMT



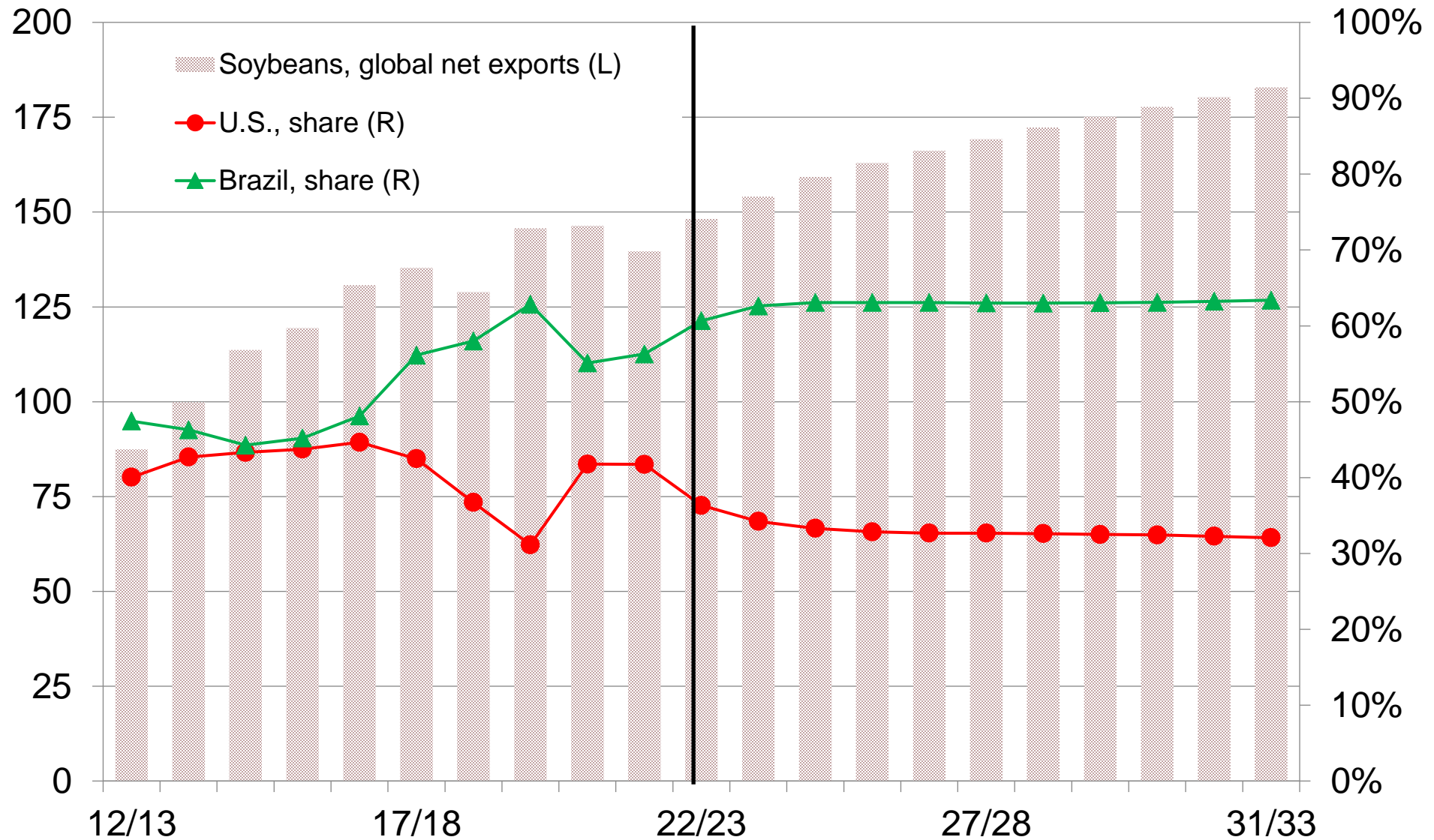
U.S. share of global corn exports challenged by Brazil

Global net exports by exporting countries, MMT; share of major net exporters, %



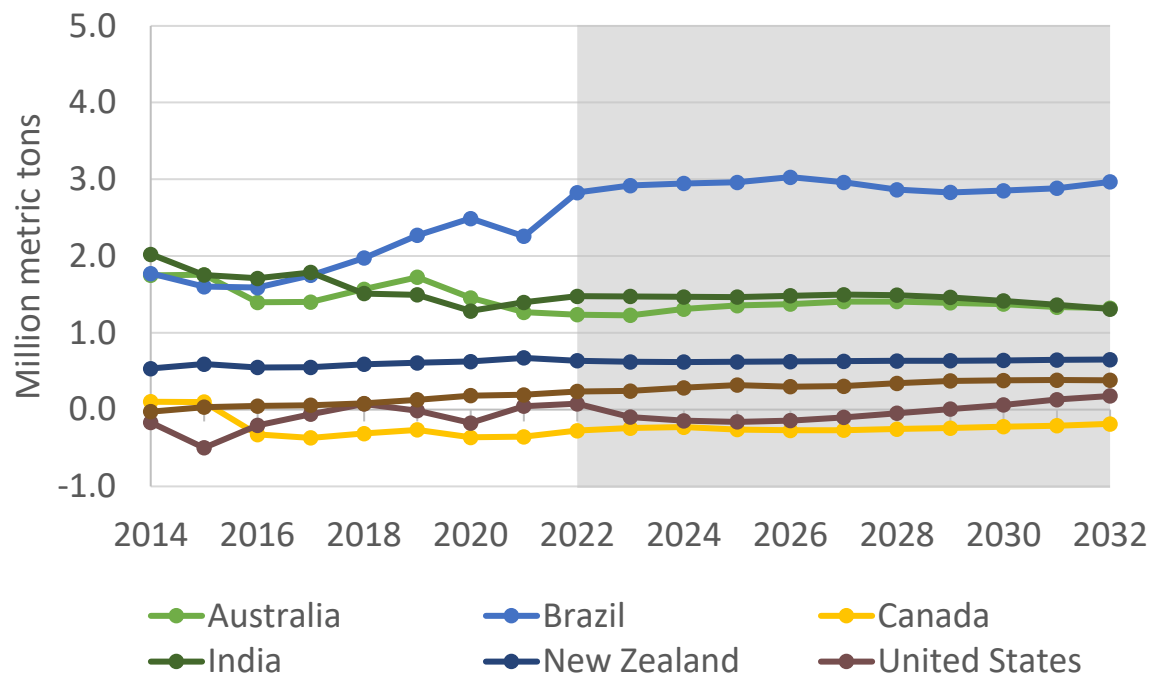
Global soybean imports growth expected; Brazil dominant exporter

Global net exports by exporting countries, MMT; share of major net exporters, %

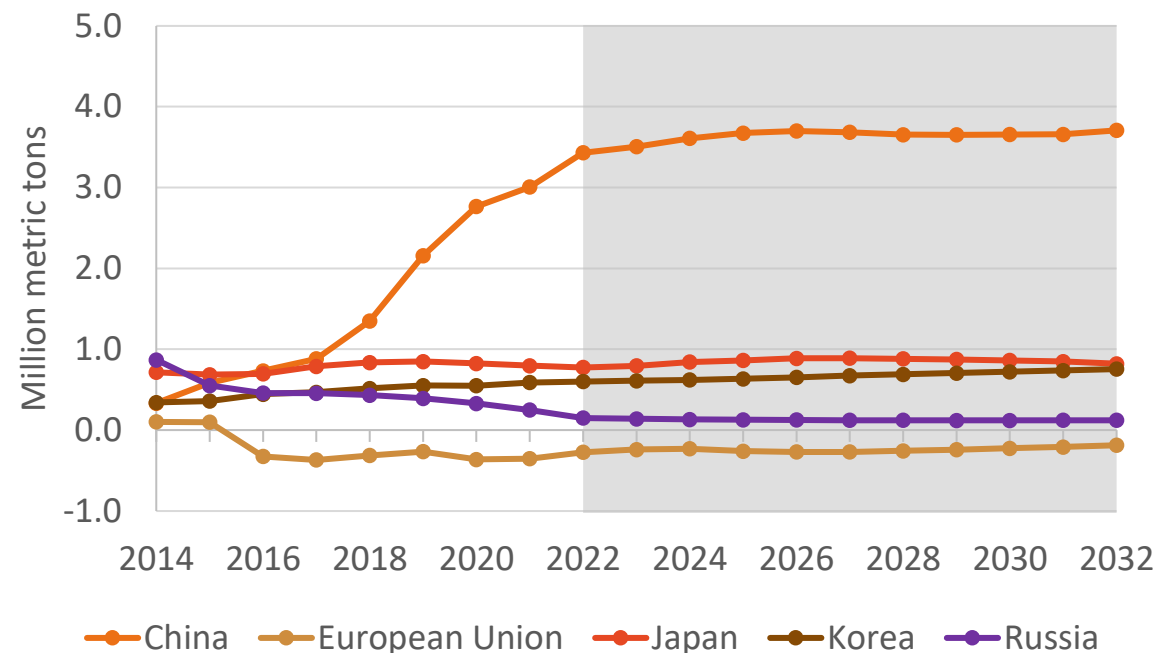


Global beef trade

Beef net exporters

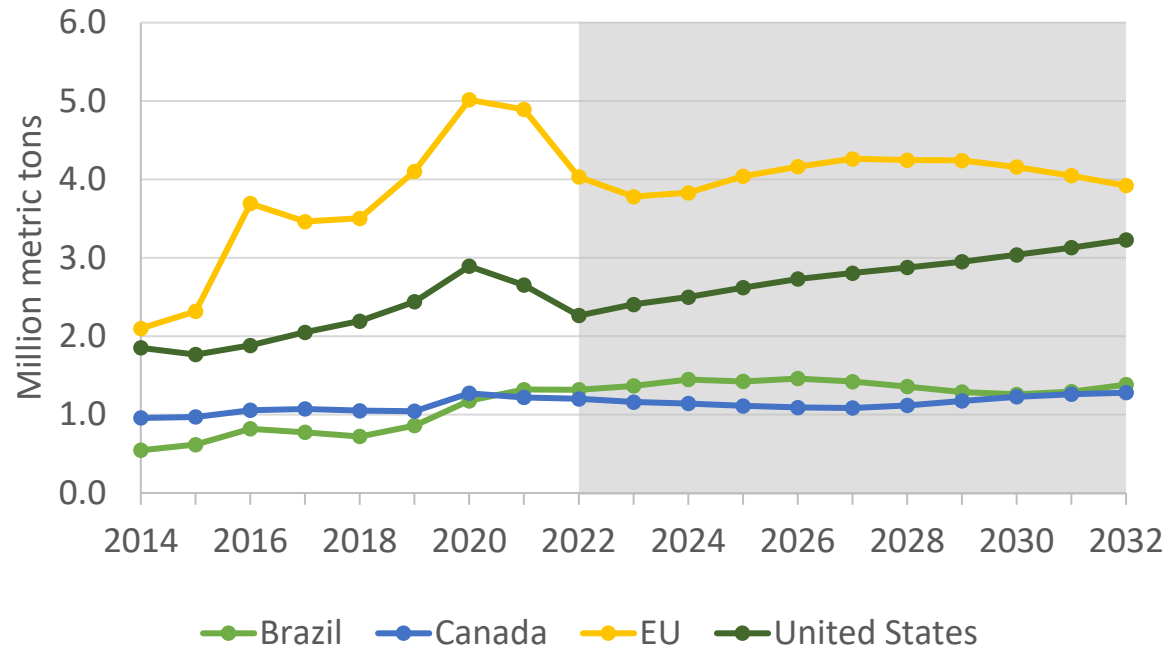


Beef net importers

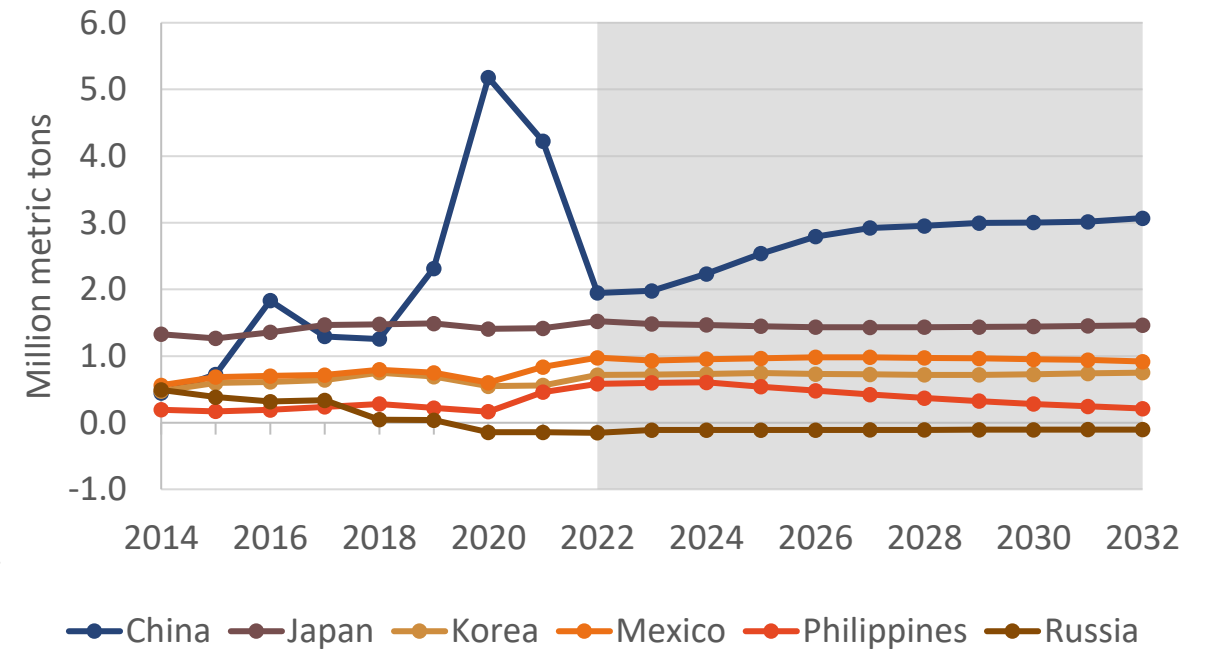


Global pork trade

Pork net exporters

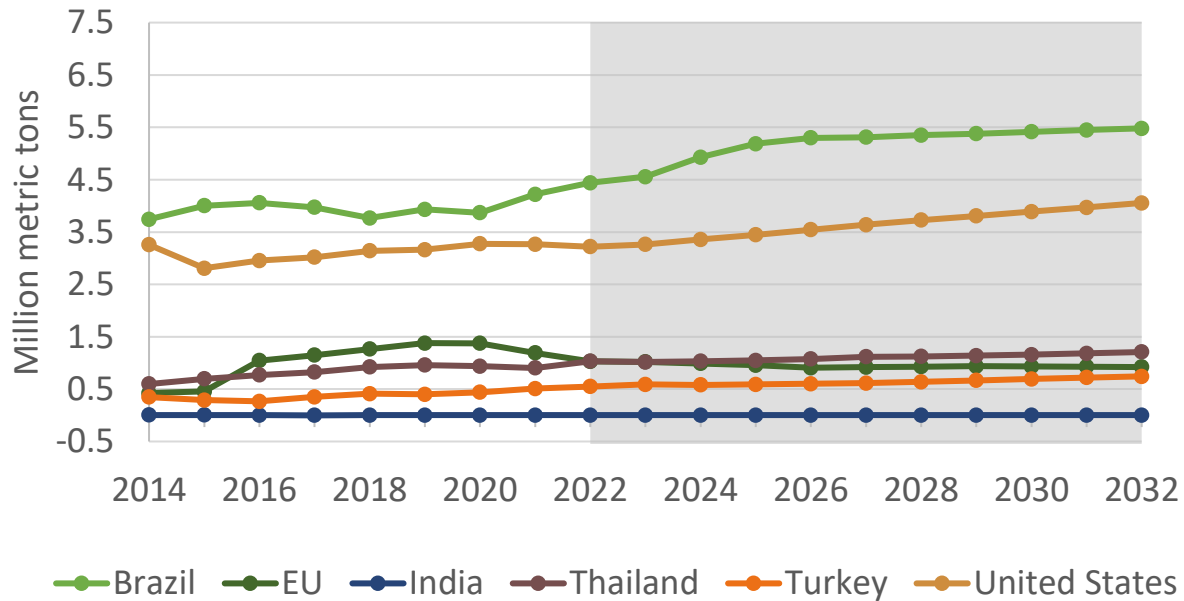


Pork net importers

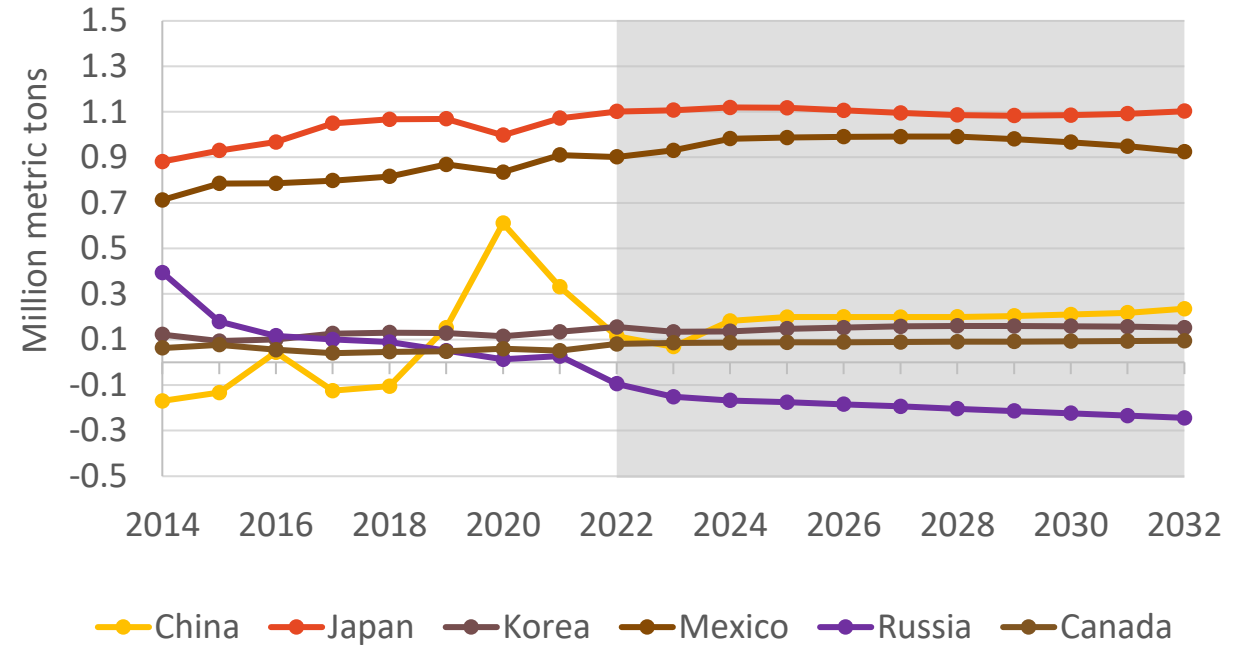


Global chicken trade

Chicken net exporters



Chicken net importers



A few of the many uncertainties

- Weather and climate change
- War on Ukraine
- Macroeconomic conditions
- Disease outbreaks (human and animal)
- Domestic and/or international policy changes
- Changes in technology
- Shifting consumer preferences
 - Electric vehicles
 - Consumer food demand shifts

Questions

Thanks!

- FAPRI-MU website: www.fapri.missouri.edu
- Follow us on Twitter: @FAPRI_MU
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