

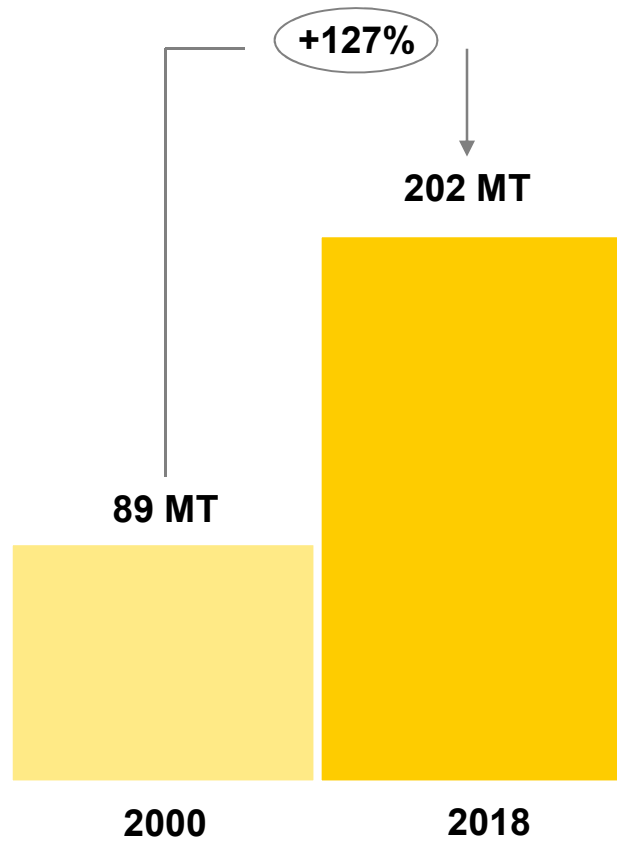


THE FUTURE OF OILSEEDS, VEGETABLE OILS AND PROTEIN MARKETS

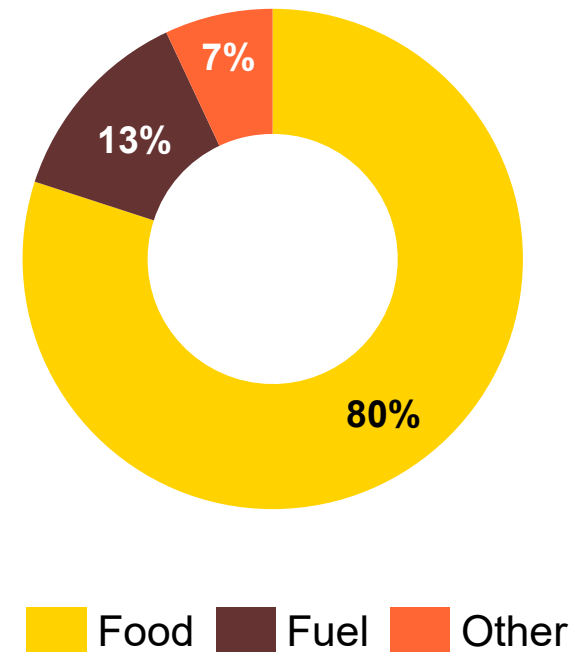
IRC JUNE 2019

LUC OZANNE (LUC.OZANNE@SOFIPROTEOL.COM)

GLOBAL VEGETABLE OILS DEMAND HAS MORE THAN DOUBLED SINCE 2000



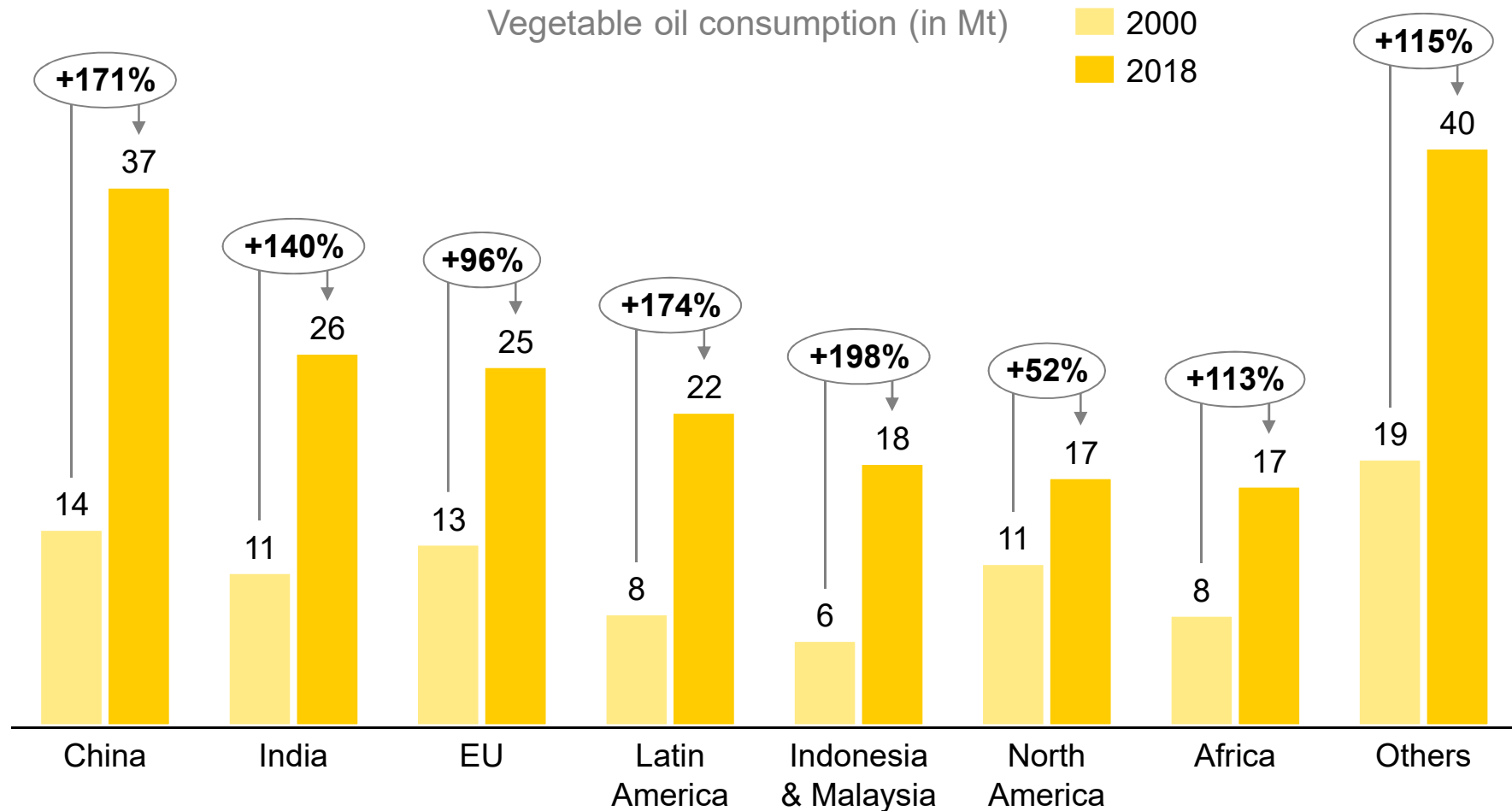
Vegetable oil consumption 2018



Source: Sofiproteol from OECD-FAO 2018



GLOBAL VEGETABLE OILS DEMAND PODIUM : CHINA 1, INDIA 2, EU 3

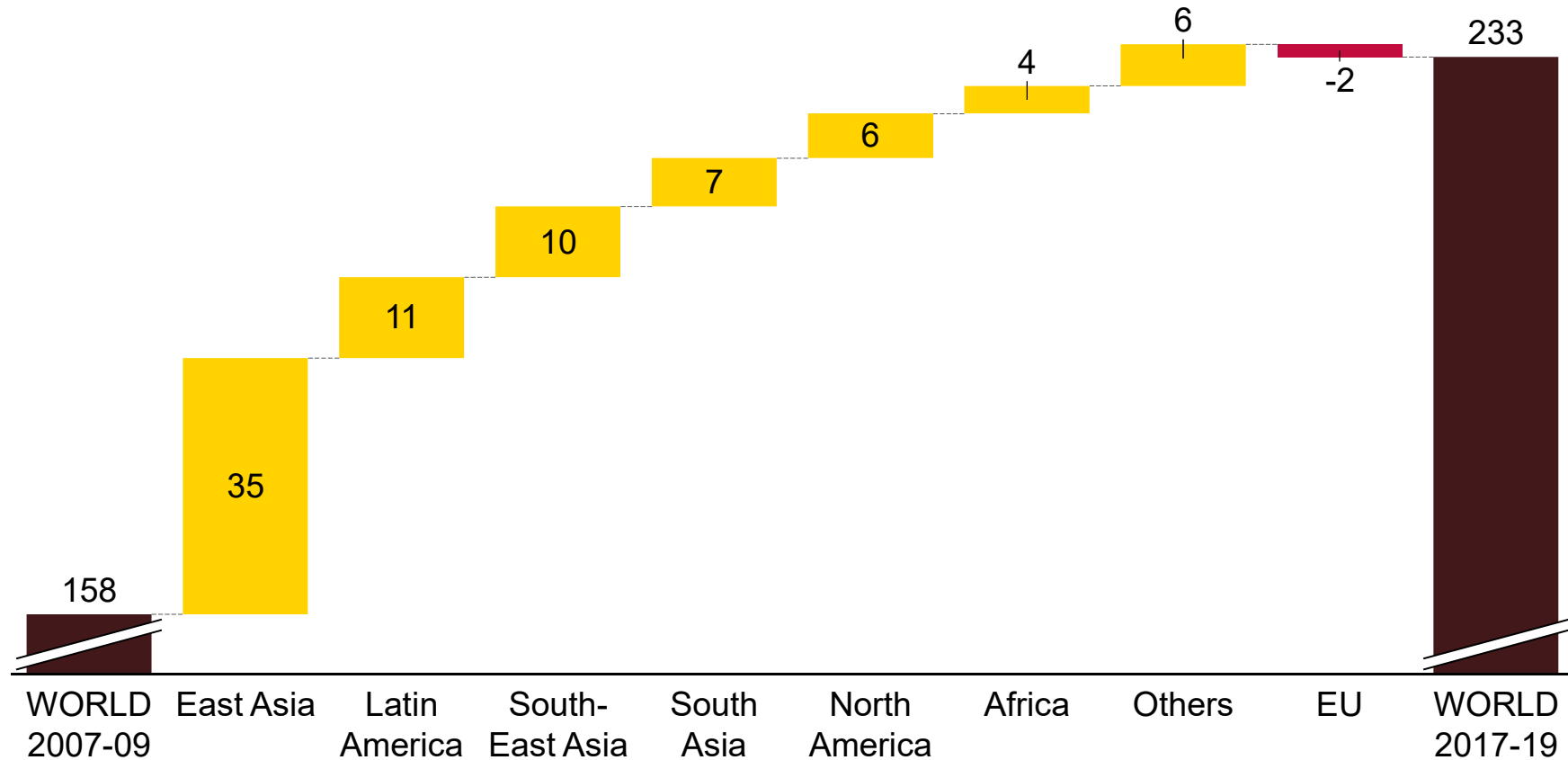


Source: Sofiproteol from OECD-FAO 2018



MOST OF THE SOYBEAN MEAL DEMAND GROWTH OCCURRED IN ASIA OVER THE PAST DECADE WHILE EU WAS DECREASING

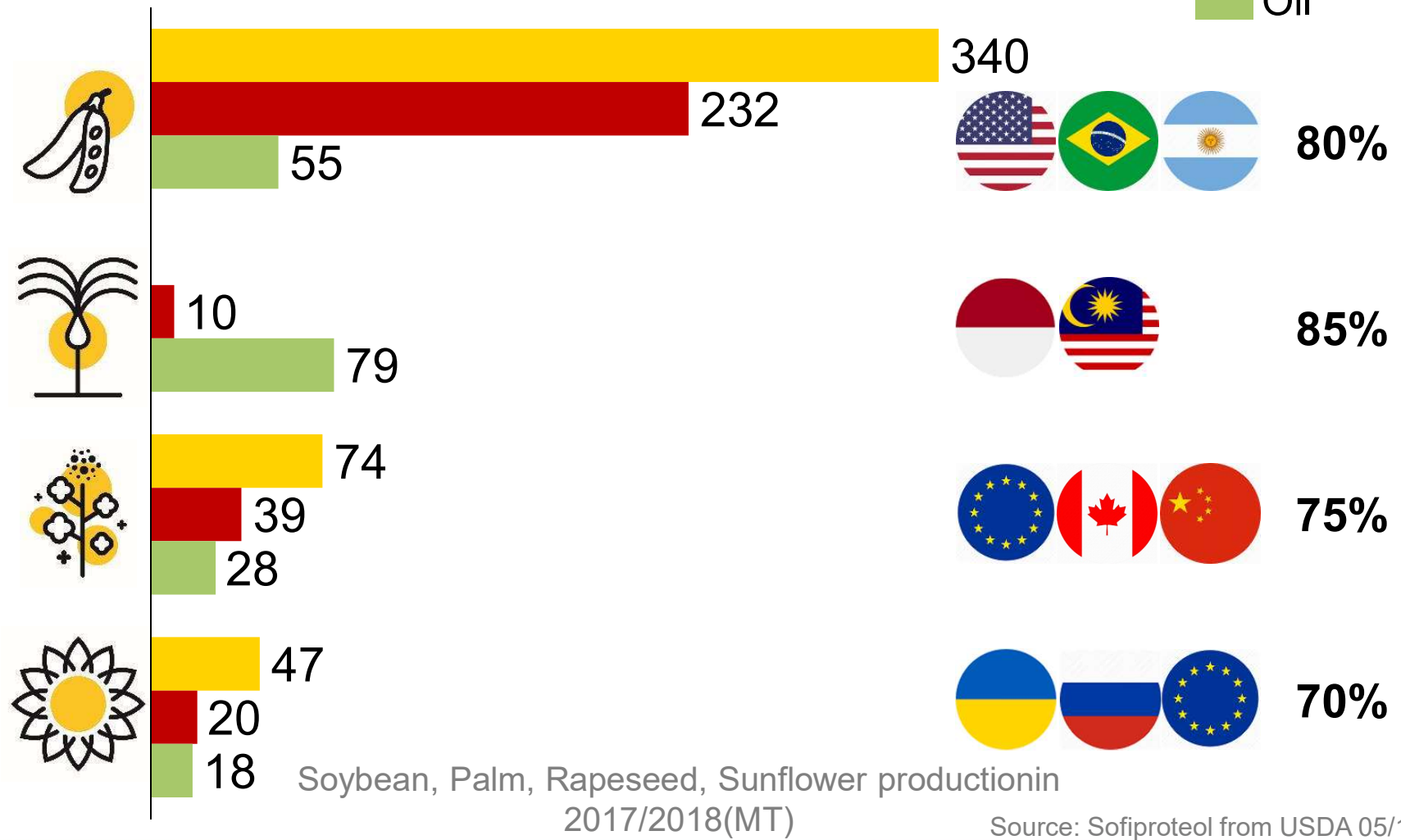
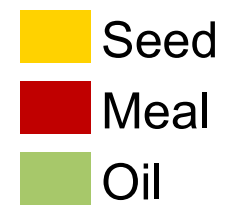
Soybean meal consumption growth between 2007-09 and 2017-19 (in Mt)



Source: Sofiproteol from USDA 05/19

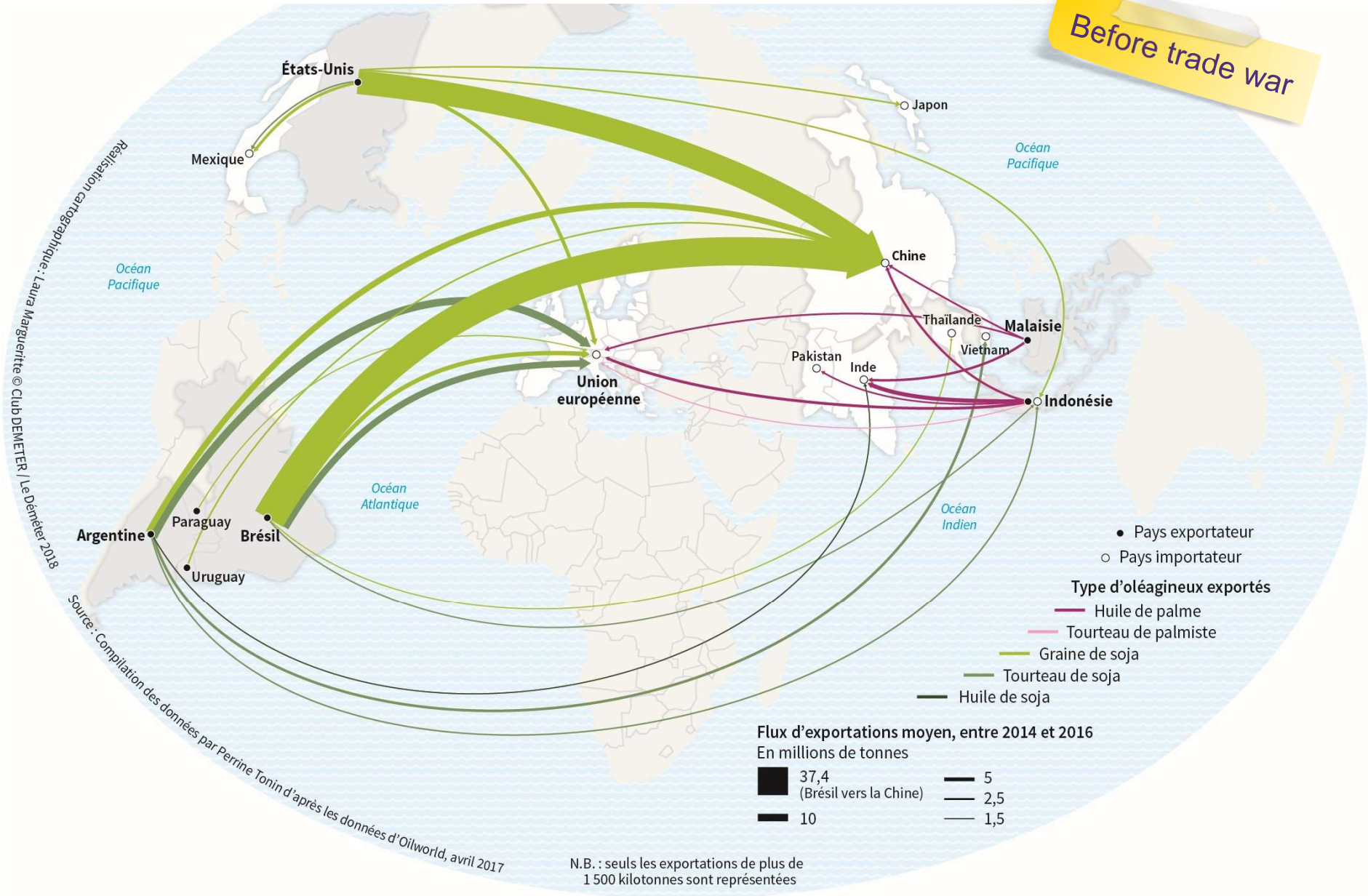


BUT OILSEEDS ARE MAINLY PRODUCED IN AMERICA, SOUTH EAST ASIA AND EUROPE

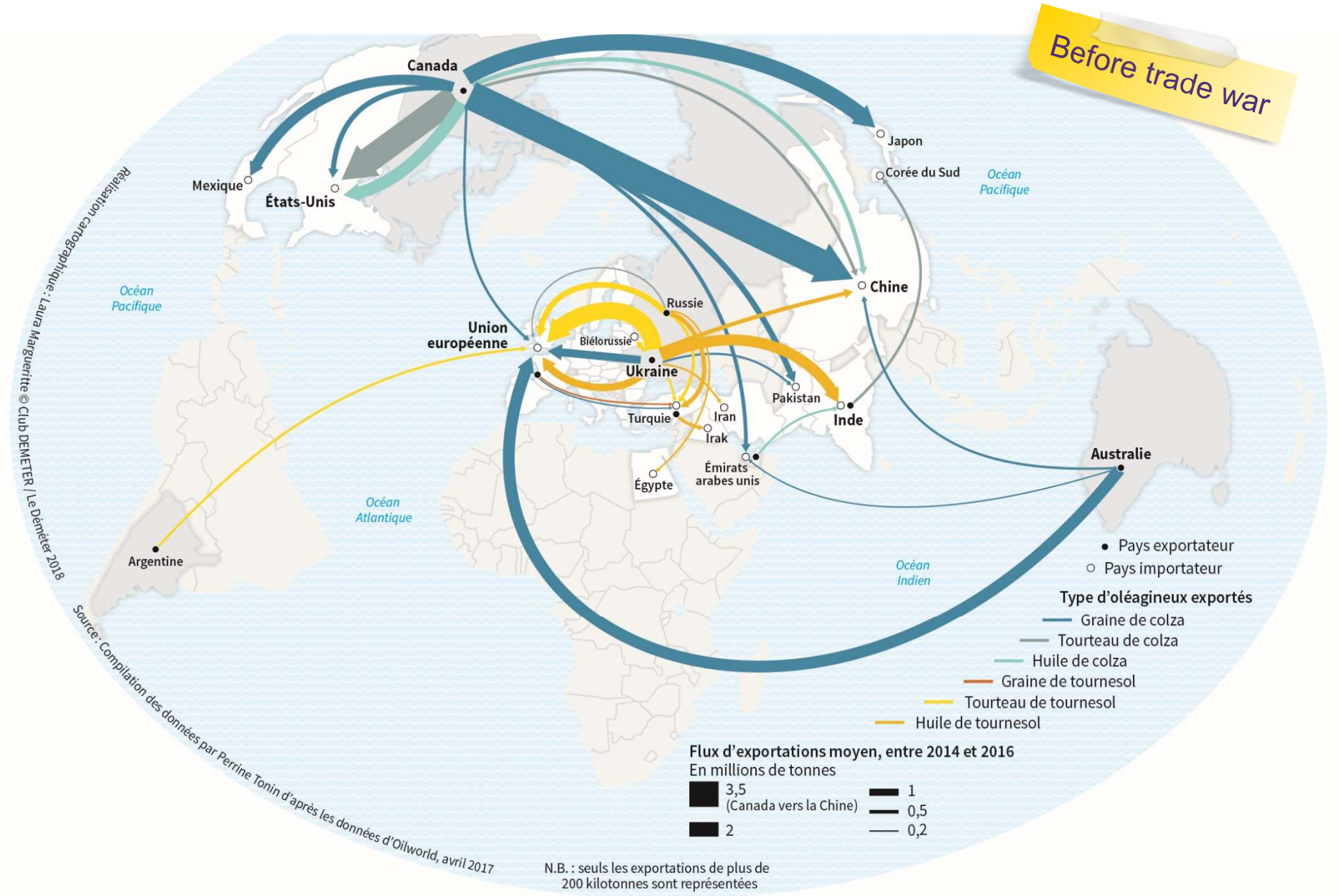


SOYBEAN & PALM COMPLEX MAIN TRADE FLOWS

Before trade war

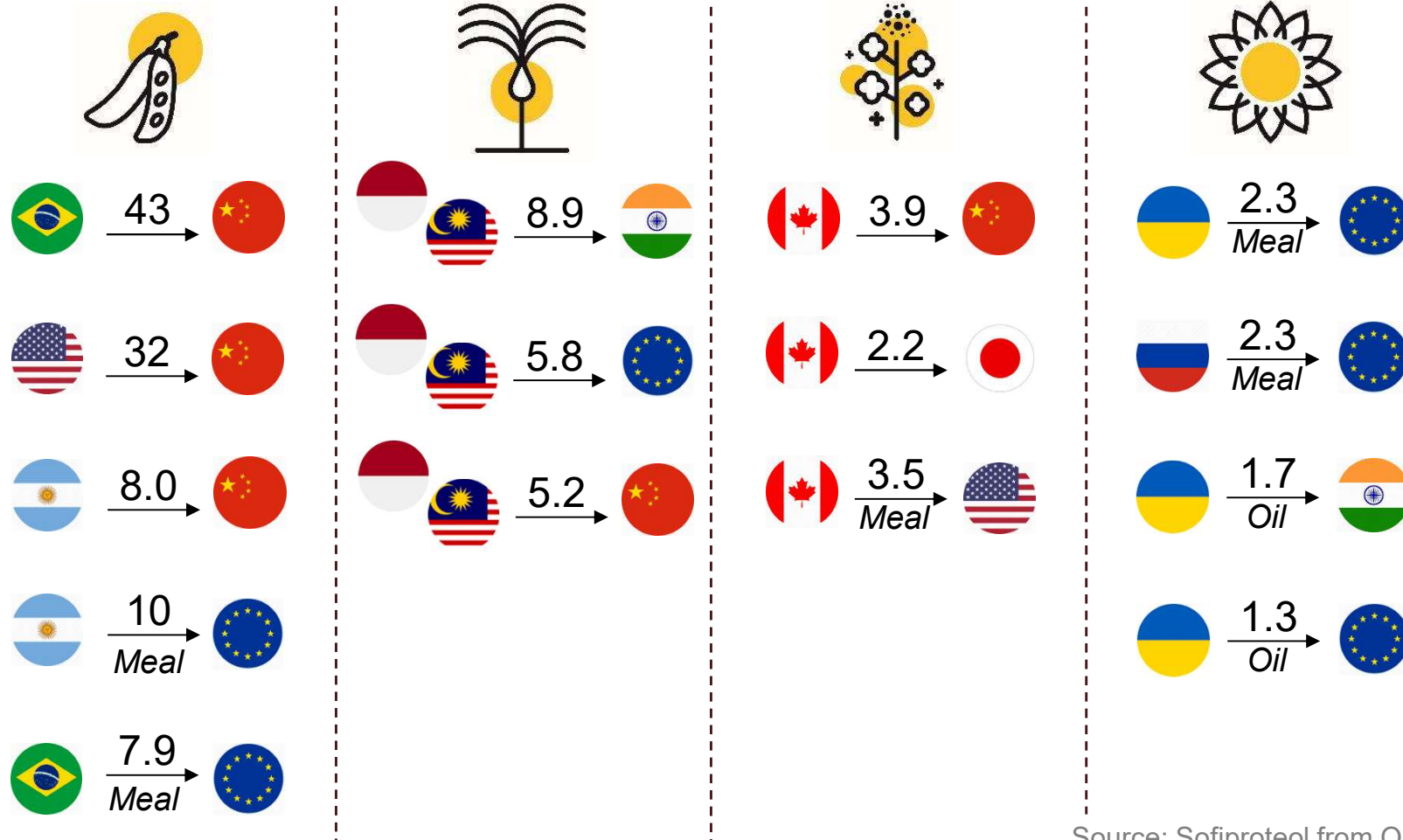


RAPSEED & SUNFLOWER COMPLEX MAIN TRADE FLOWS



CHINA, INDIA AND THE EU ARE THE MAJOR IMPORTERS

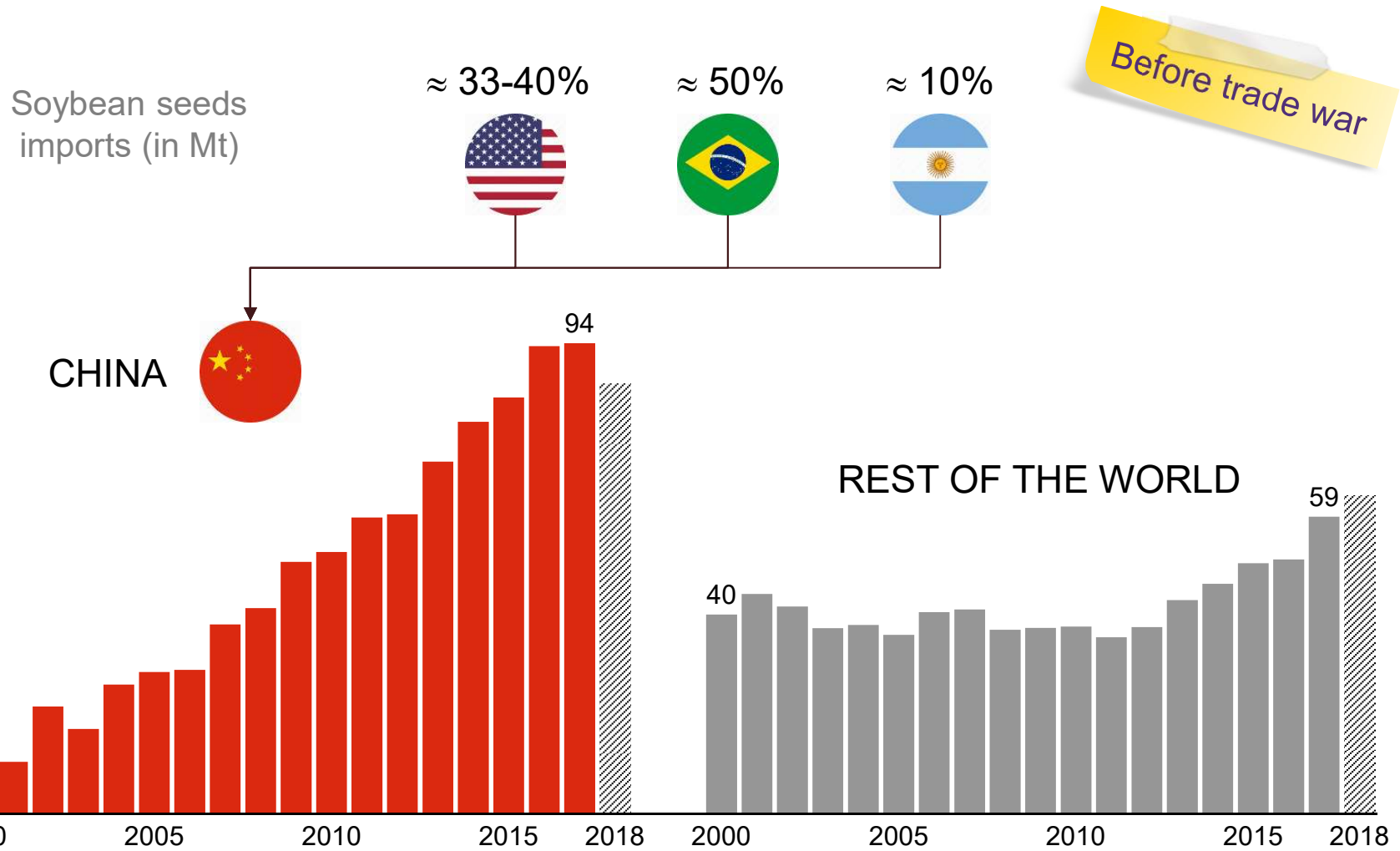
Biggest trade flows, 2016-2018 average (in Mt)



Source: Sofiproteol from Oilworld



CHINA IS RESPONSIBLE FOR 2/3 OF GLOBAL SOYBEAN IMPORTS

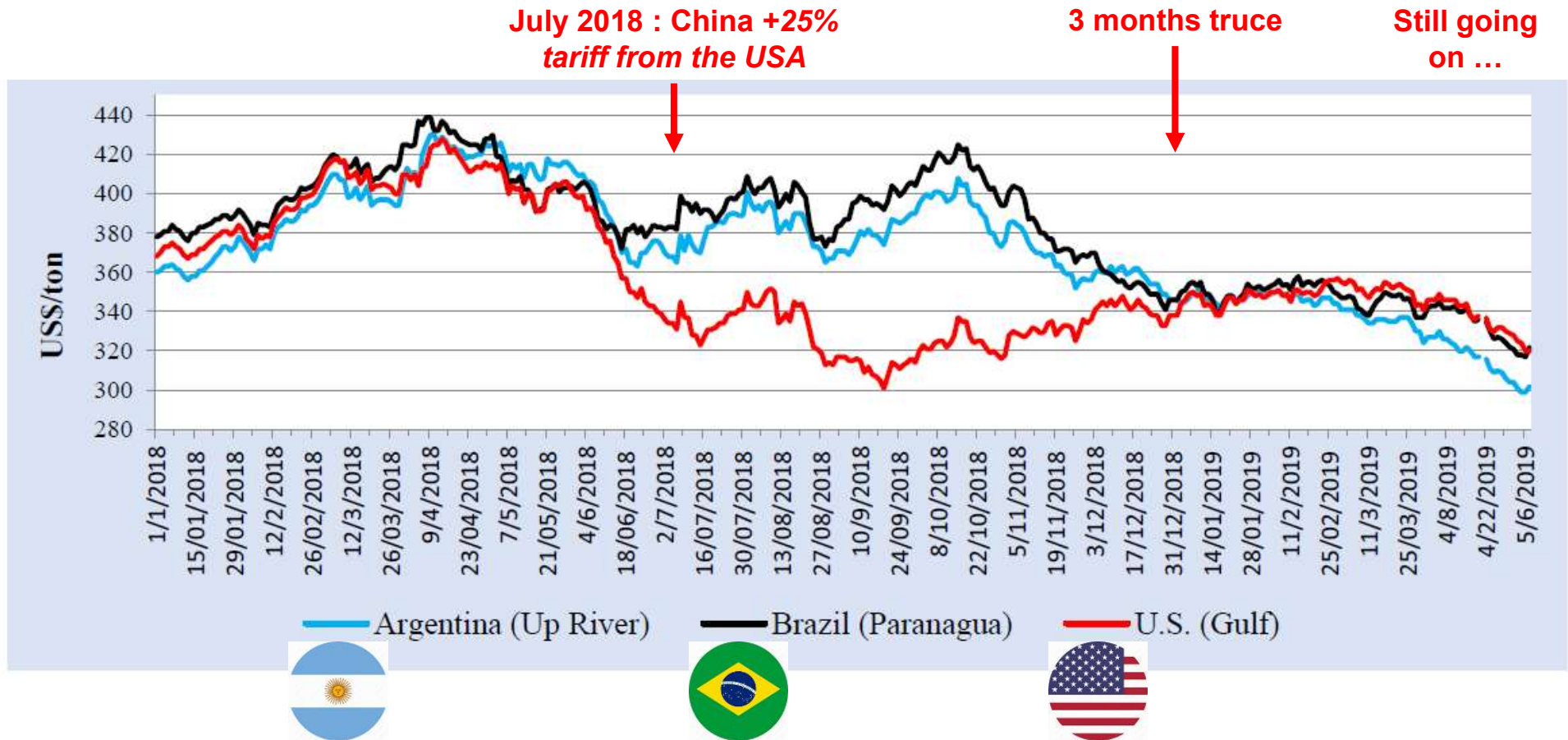


Source: Sofiproteol from USDA 05/19



THE TRADE WAR HAS RESHUFFLED THE GLOBAL SOYBEAN FLOWS

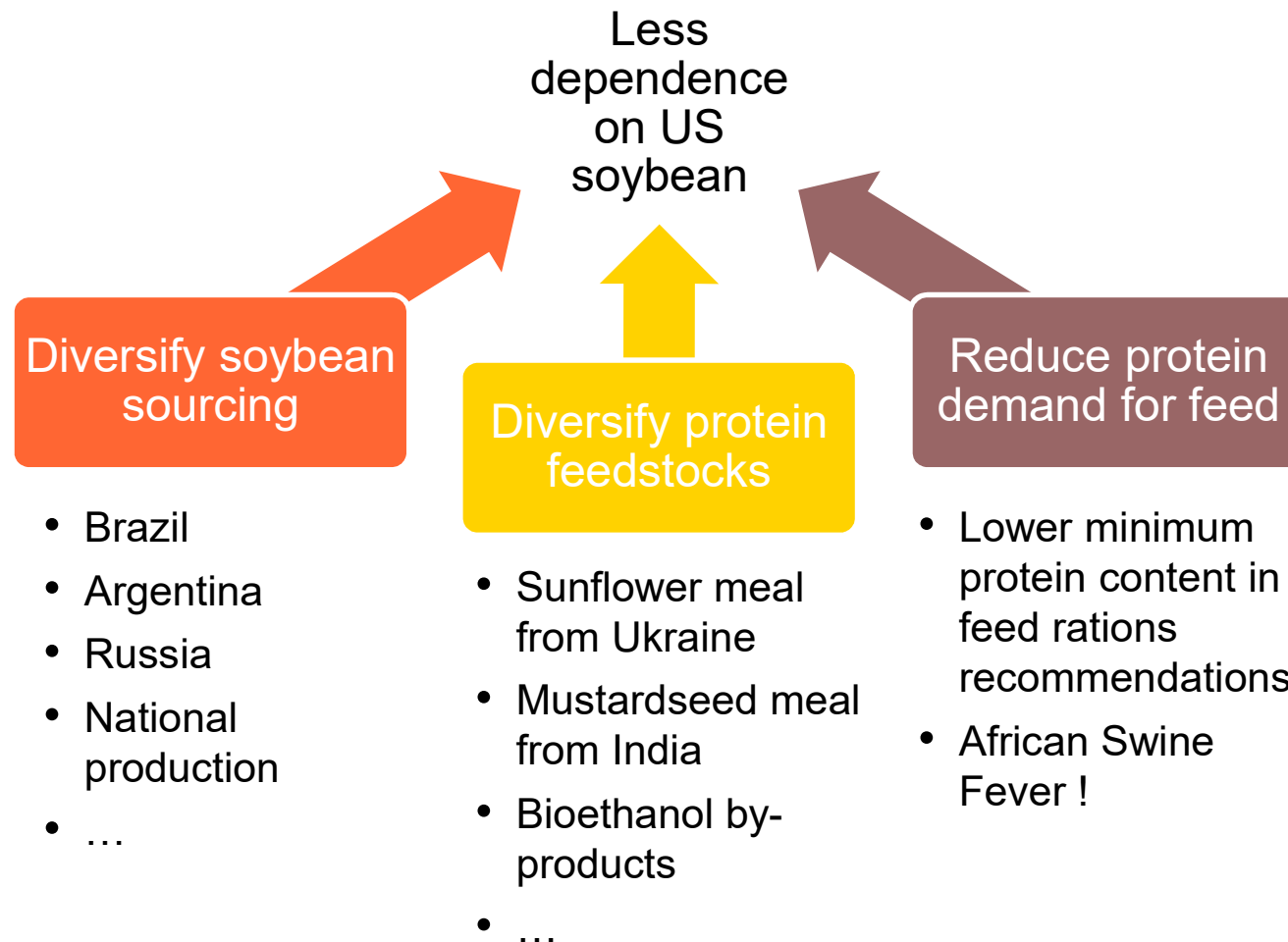
Soybean export prices (USD/t)



Source: Sofiproteol from USDA 05/19

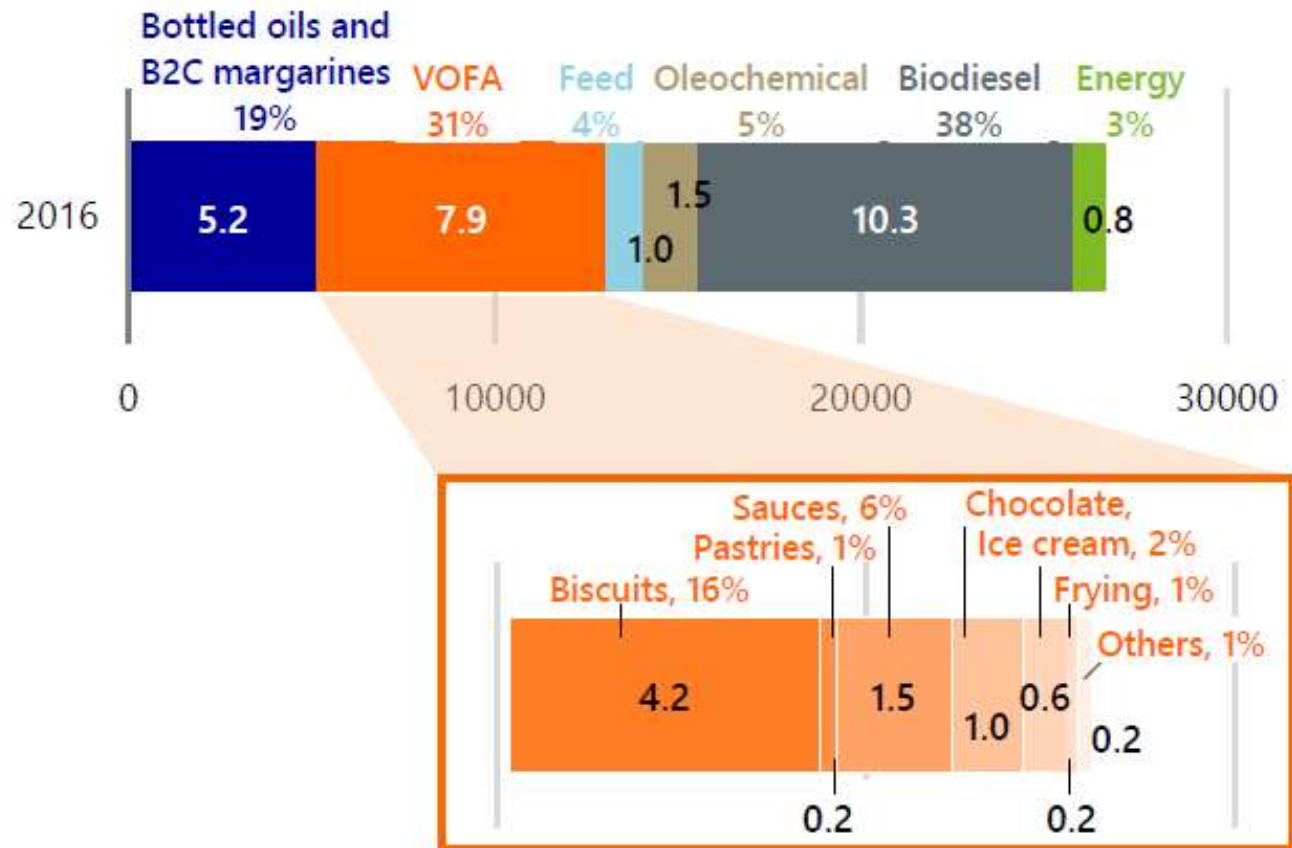


THE CHINESE QUEST TO DIVERSIFY ITS PROTEIN SUPPLY ...



IN THE EU, MOST OF THE VEGETABLE OILS GO FOR FOOD USES, EITHER SOLD IN BOTTLES OR FOR THE FOOD INDUSTRY

EU vegetable oil consumption by type of outlet in 2016
(in million tonnes)



Source: Rabobank

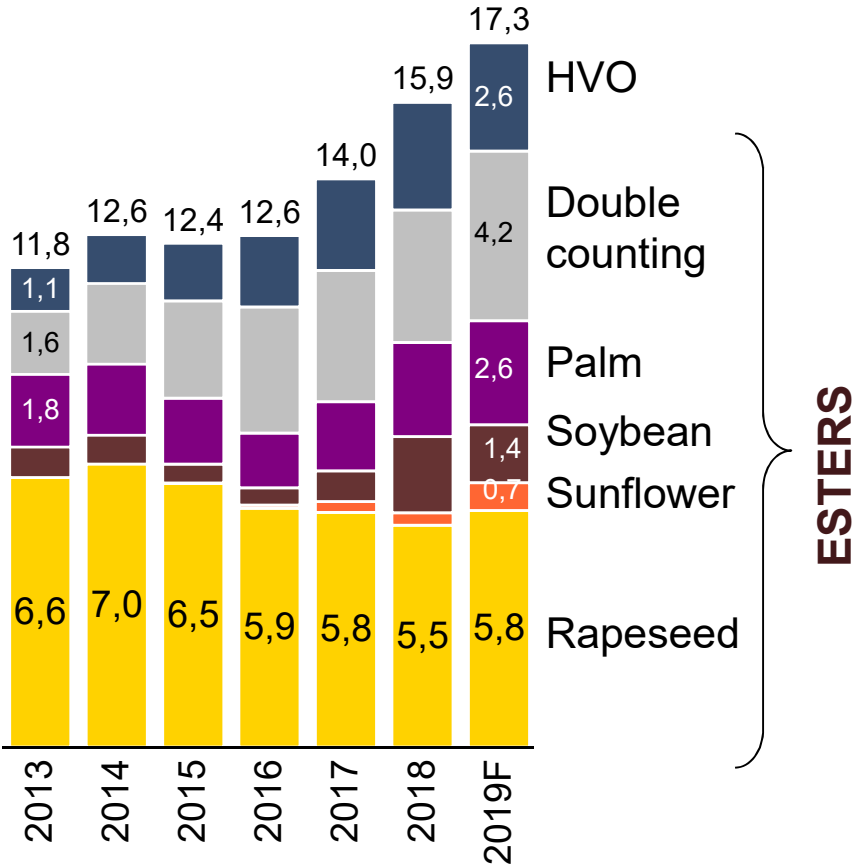
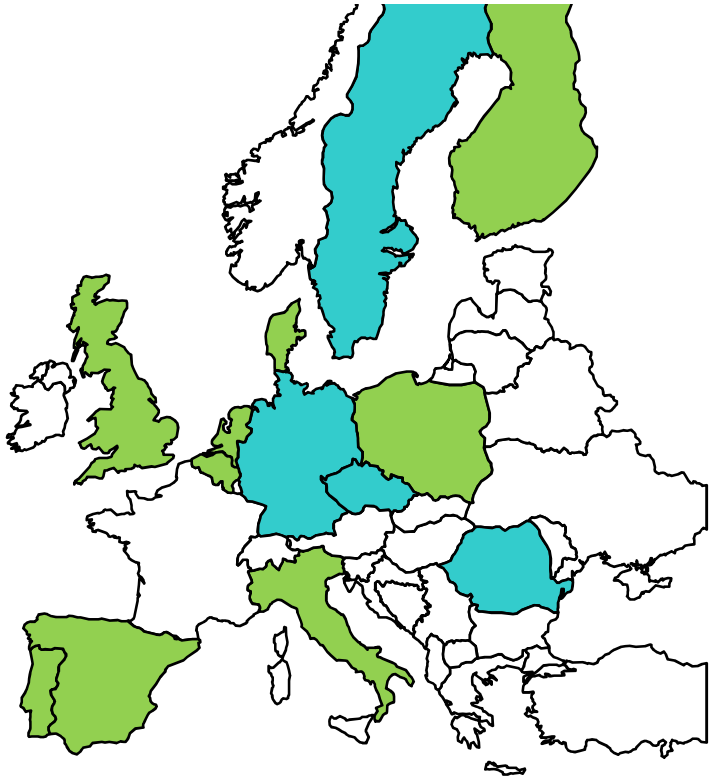


GOOD OPPORTUNITIES FOR EU BIODIESEL BY 2020

EU biodiesel mandates

EU biodiesel consumption (in Mt)

- Higher mandate by 2020
- GHG reduction mandates



Source: Saipol



WHAT CAN WE EXPECT BY 2030?

By 2020

- ✓ Strong demand in diesel
- ✓ RED 2020 target: 10% of renewable energy in transportation, max 7% of 1st generation biofuels
- ✓ Higher biofuel mandates in several EU countries (Spain, Italy, Poland...)
- ✓ More and more EU countries implement GHG reduction mandates (Germany, Austria, Sweden...)

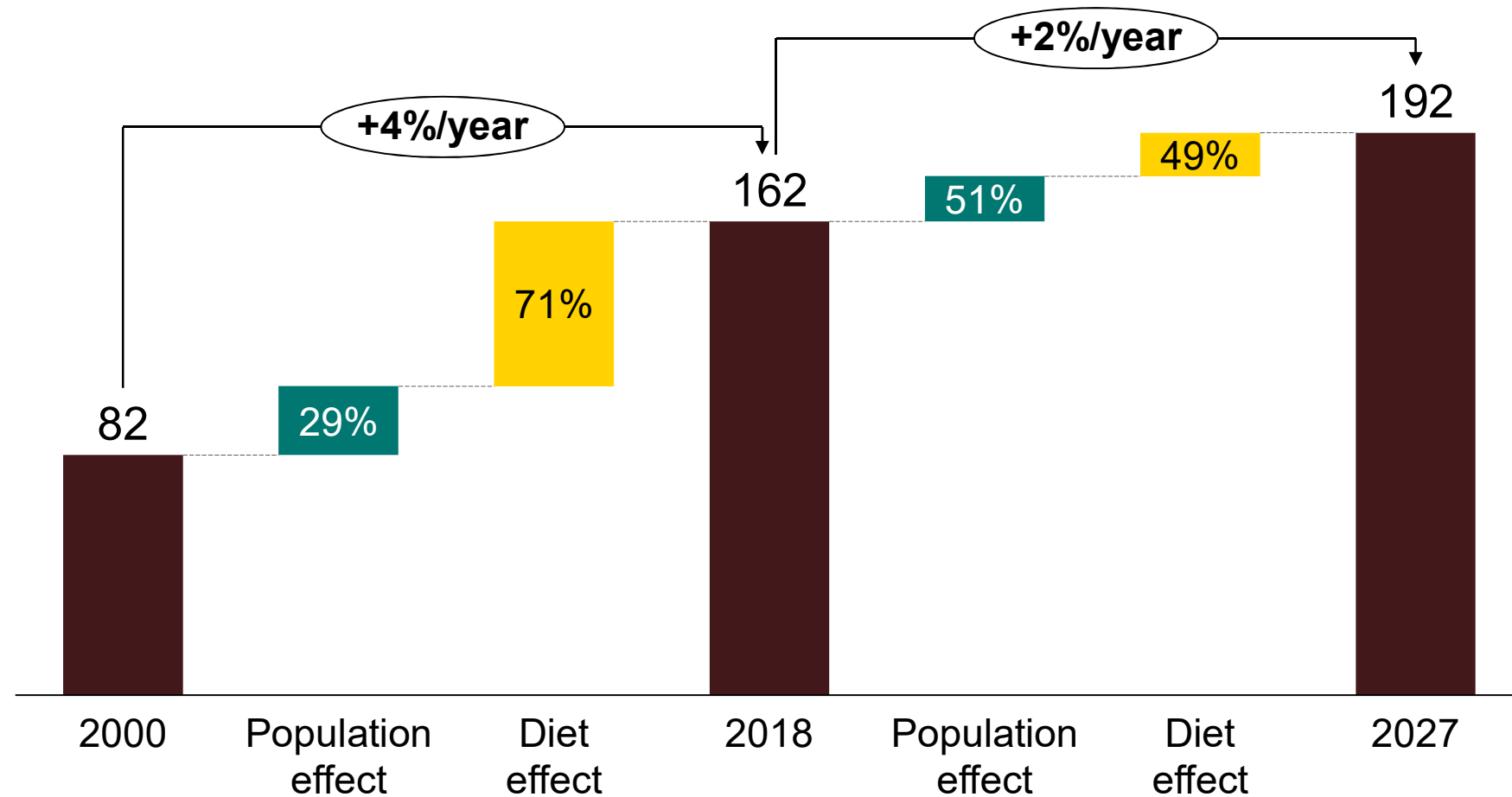
By 2030

- ✗ Diesel consumption decrease
- ✓ RED II 2030 target: 14% of renewable energy in transport, with:
- ✓ “Food and feed” biofuels capped at 2020 level + max 1% for each State
- ✓ “High ILUC risk” biofuels capped at 2019 level, then phased out between 2023 and 2030
- ✓ Palm oil is considered “high ILUC risk”. Rapeseed and sunflower aren’t
- ✗ Risk for rapeseed: competition with other feedstocks (soybean, “low ILUC risk” palm ...)



VEGETABLE OIL GLOBAL FOOD DEMAND GROWTH SHOULD SLOW DOWN

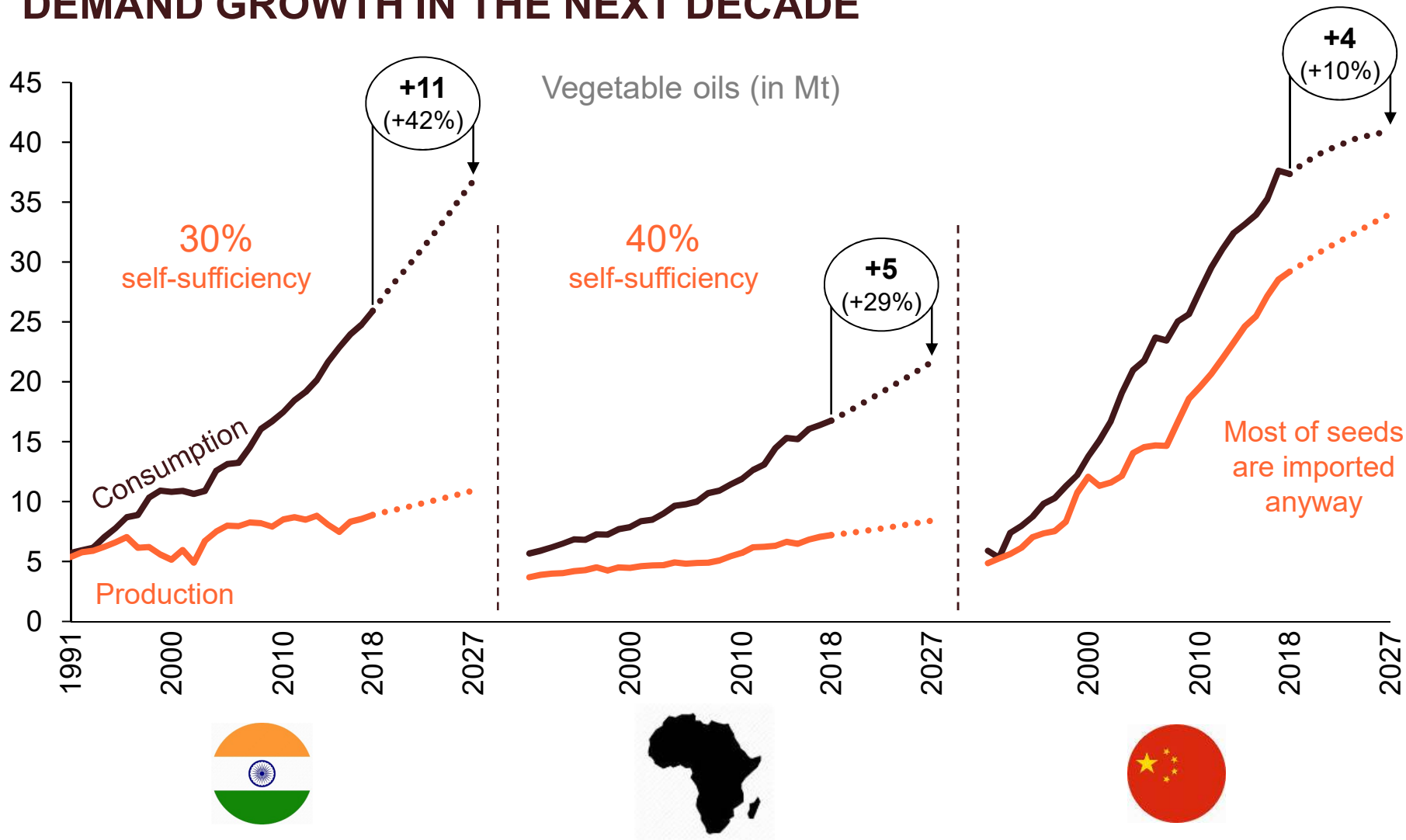
Global vegetable oil food consumption (in Mt)



Source: Sofiproteol from OECD-FAO 2018



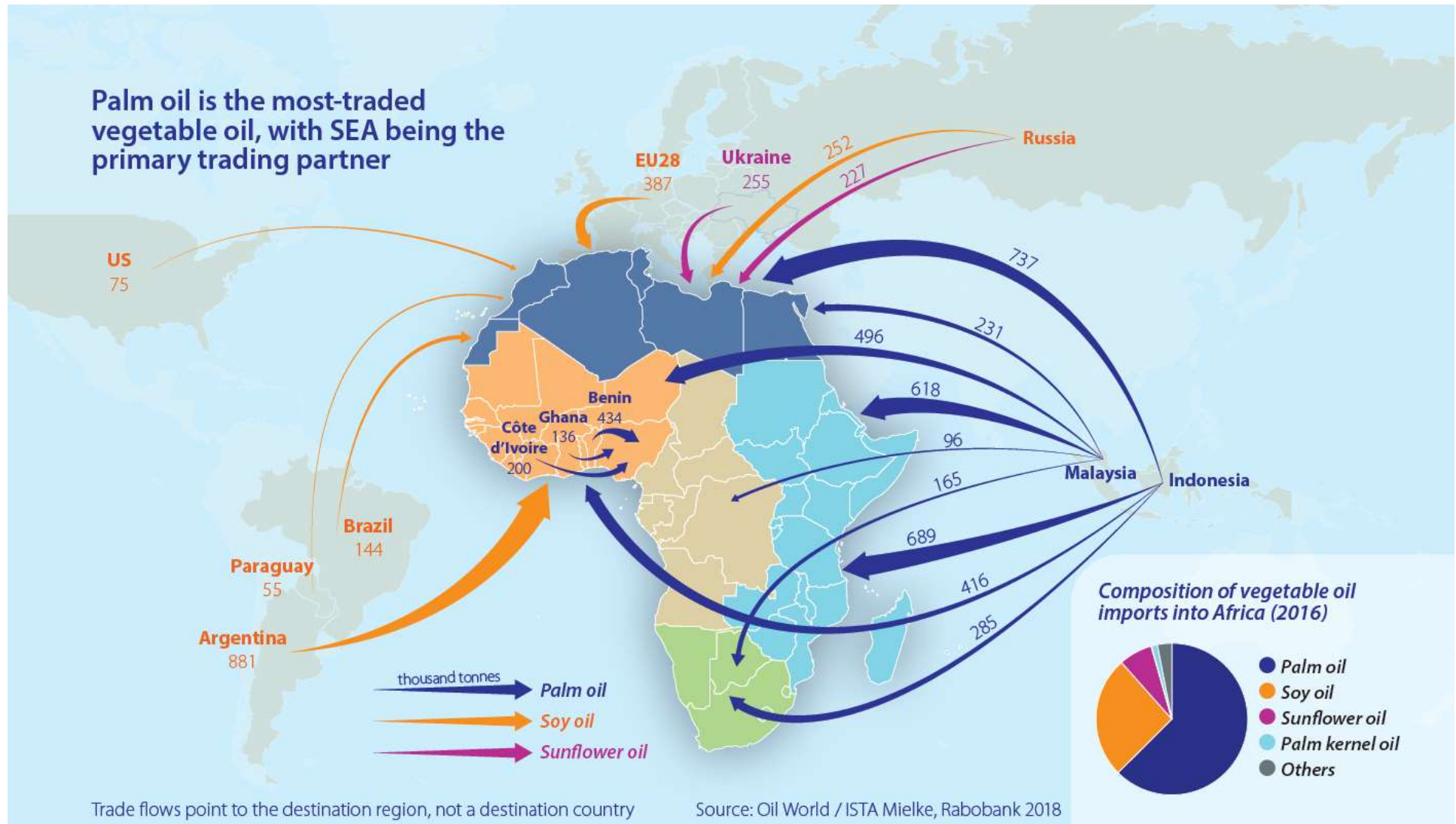
INDIA AND AFRICA WILL DRIVE MOST OF THE VEGETABLE OILS DEMAND GROWTH IN THE NEXT DECADE



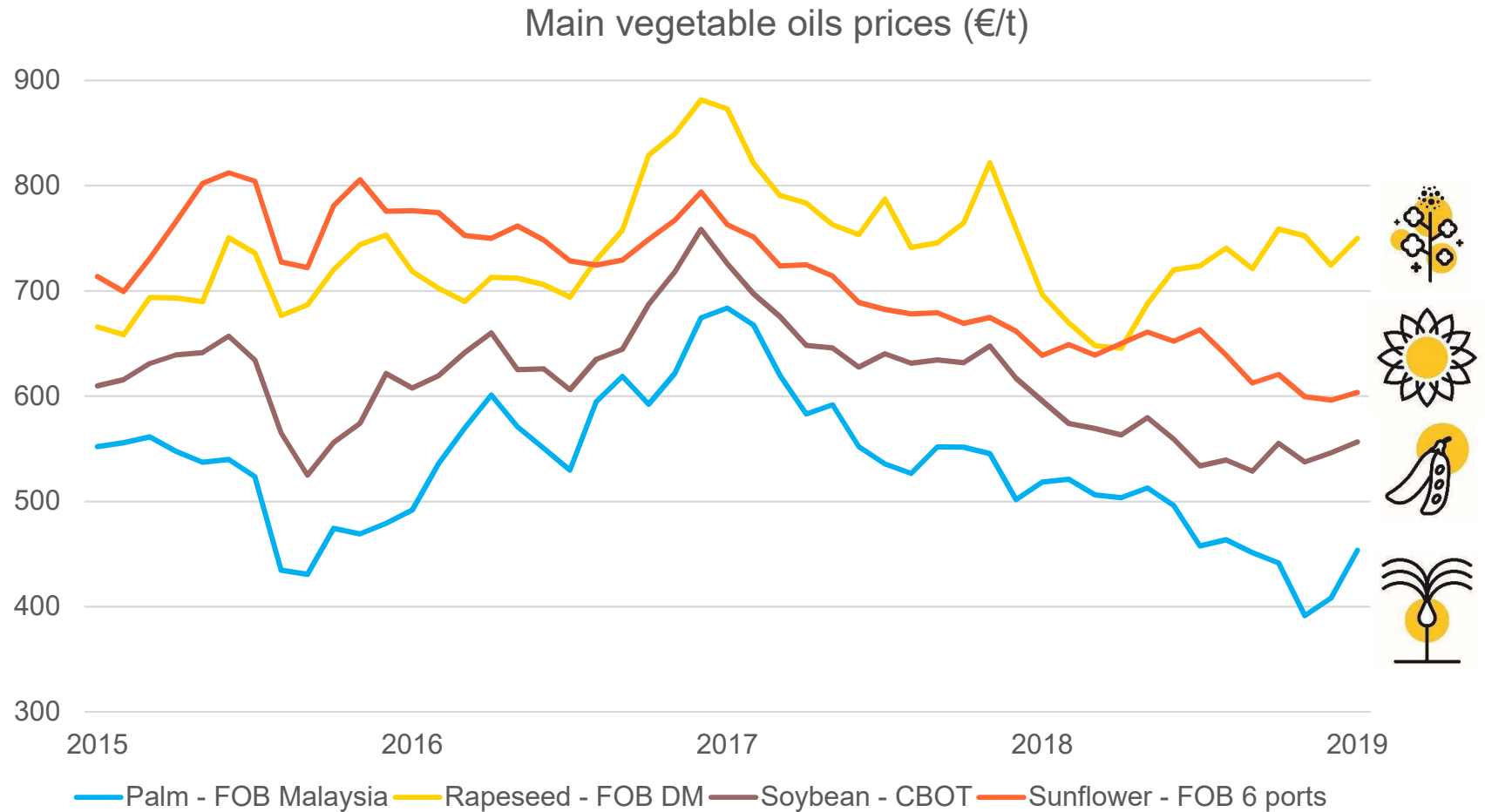
Source: Sofiproteol from OECD-FAO 2018



PALM OIL IS THE MAJOR OIL IMPORTED IN AFRICA. WILL OTHER OILS BENEFIT FROM CONSUMER GROWTH IN AFRICA?



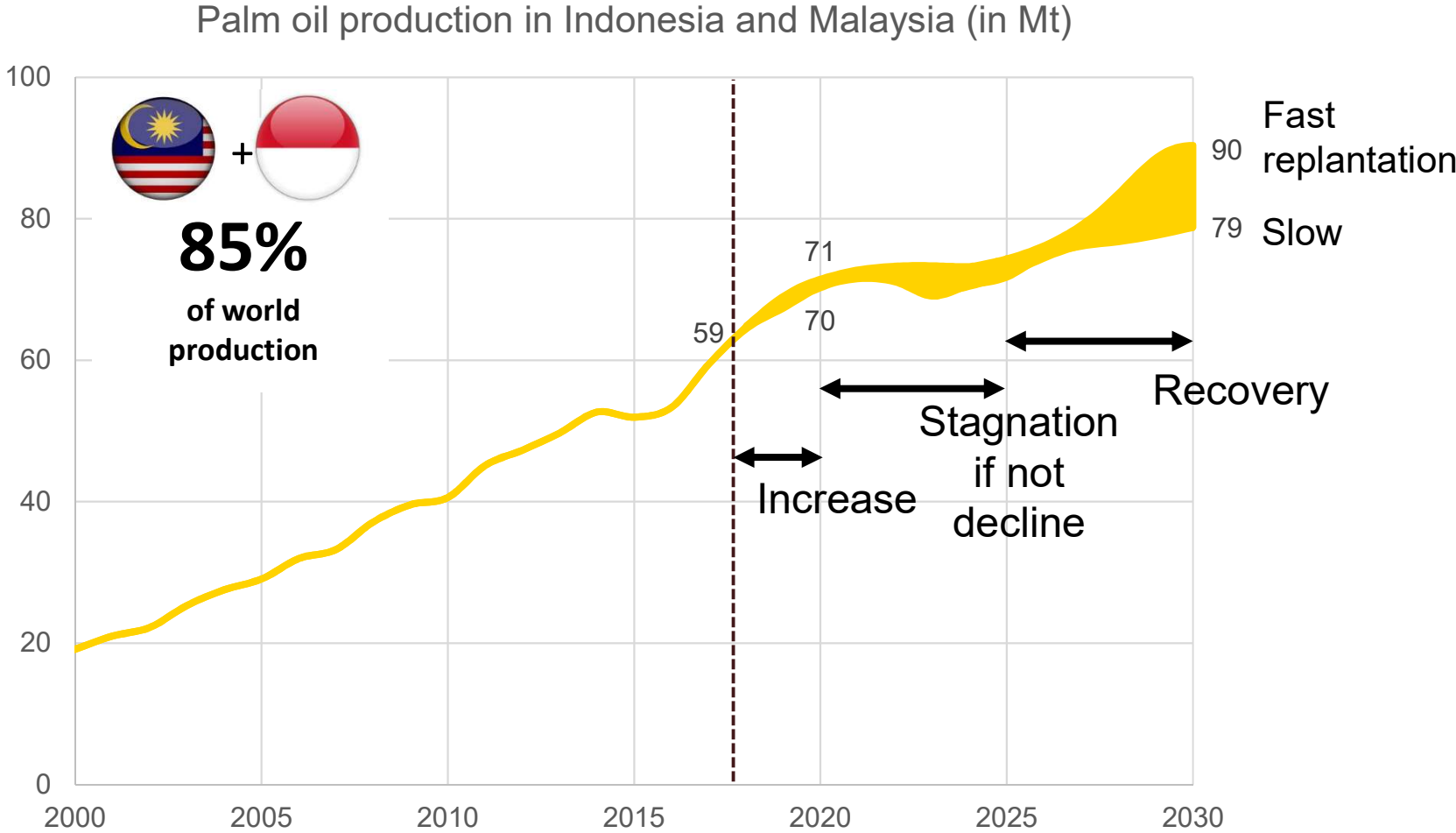
VEGETABLE OILS PRICES ARE ALL CONNECTED WITH PALM OIL BEING THE CHEAPEST



Source: Saipol



BUT ARE WE HEADING TOWARDS A SHORTAGE OF PALM OIL BETWEEN 2020 AND 2025

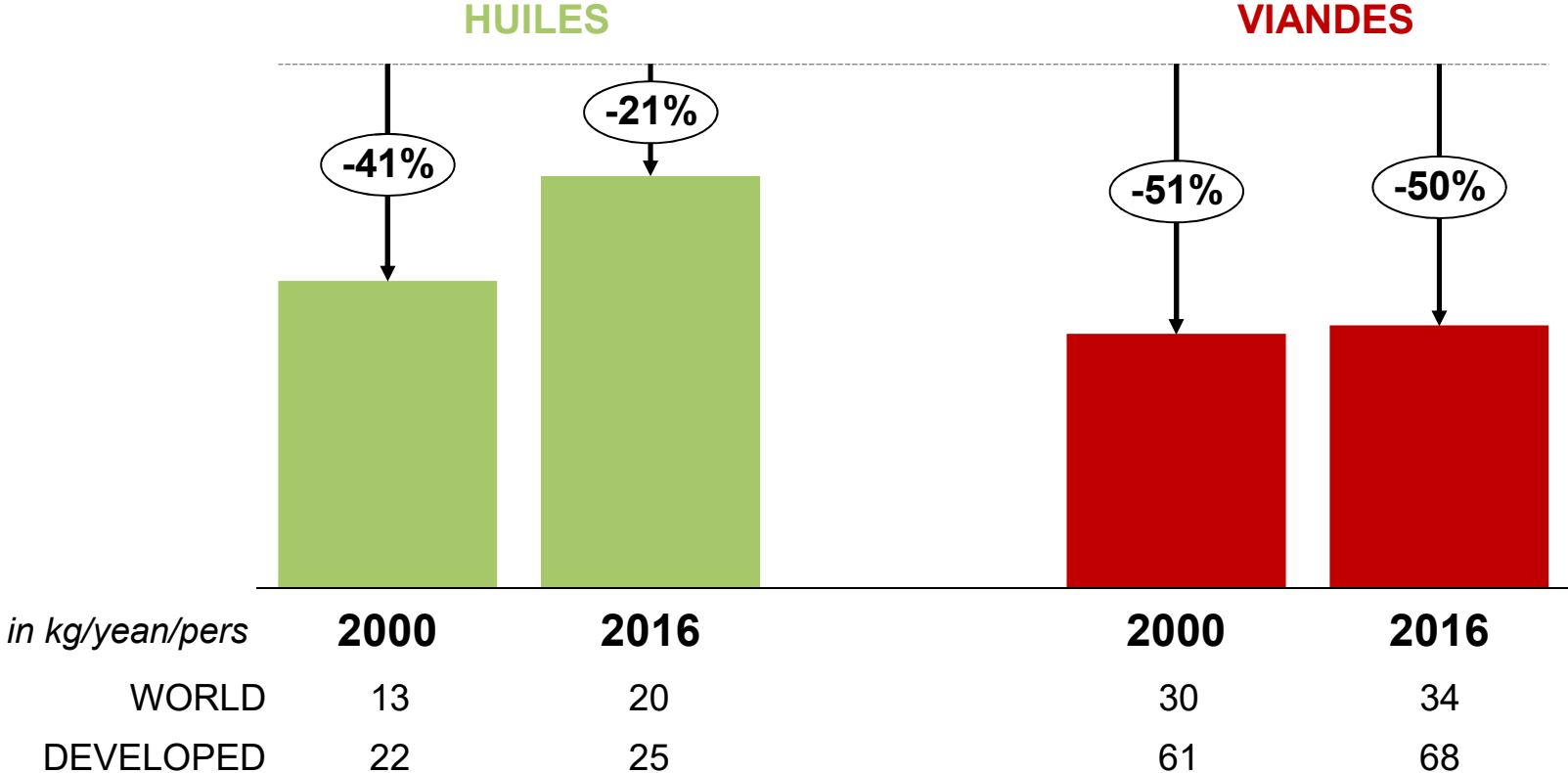


Source: Sofiproteol



ON THE GLOBAL LEVEL, TOMORROW DEMAND WILL BE DRIVEN BY PROTEINS

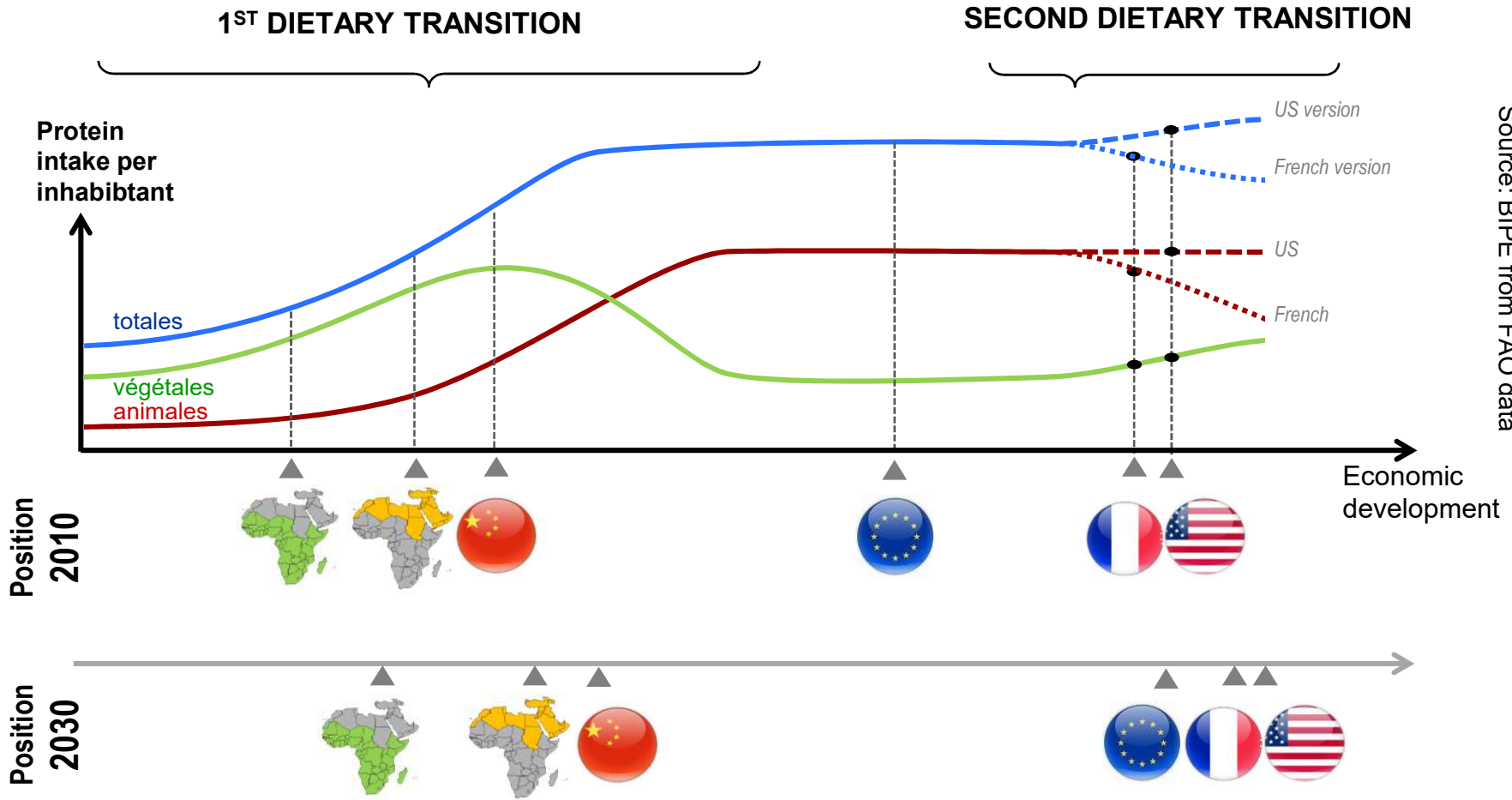
Average consumption per inhabitant
WORLD as % of developed countries level



Source : AVRIL from OECD-FAO 2017



TRANSITIONS TO A PROTEIN-BASED DIET: MOST OF THE WORLD IS ONLY AT THE BEGINNING F THE FIRST TRANSITION PROCESS



IN EUROPE, CONSUMERS YEARN FOR GMO-FREE FED ANIMALS



Trend from 1997

FMO feed banned since 2008



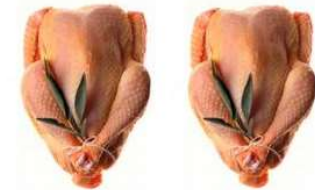
Success story: **90% OF MILK COLLECTION** in Bavaria by the end of 2018

6,9 Billions € all animal products combined

9% of milk collection
8% of beef meat
17% of pork meat
21% of chicken meat
13% of eggs



Comment reconnaître un poulet nourri avec OGM d'un poulet nourri sans OGM* ?



À partir du 26 octobre, chez Carrefour, c'est indiqué.

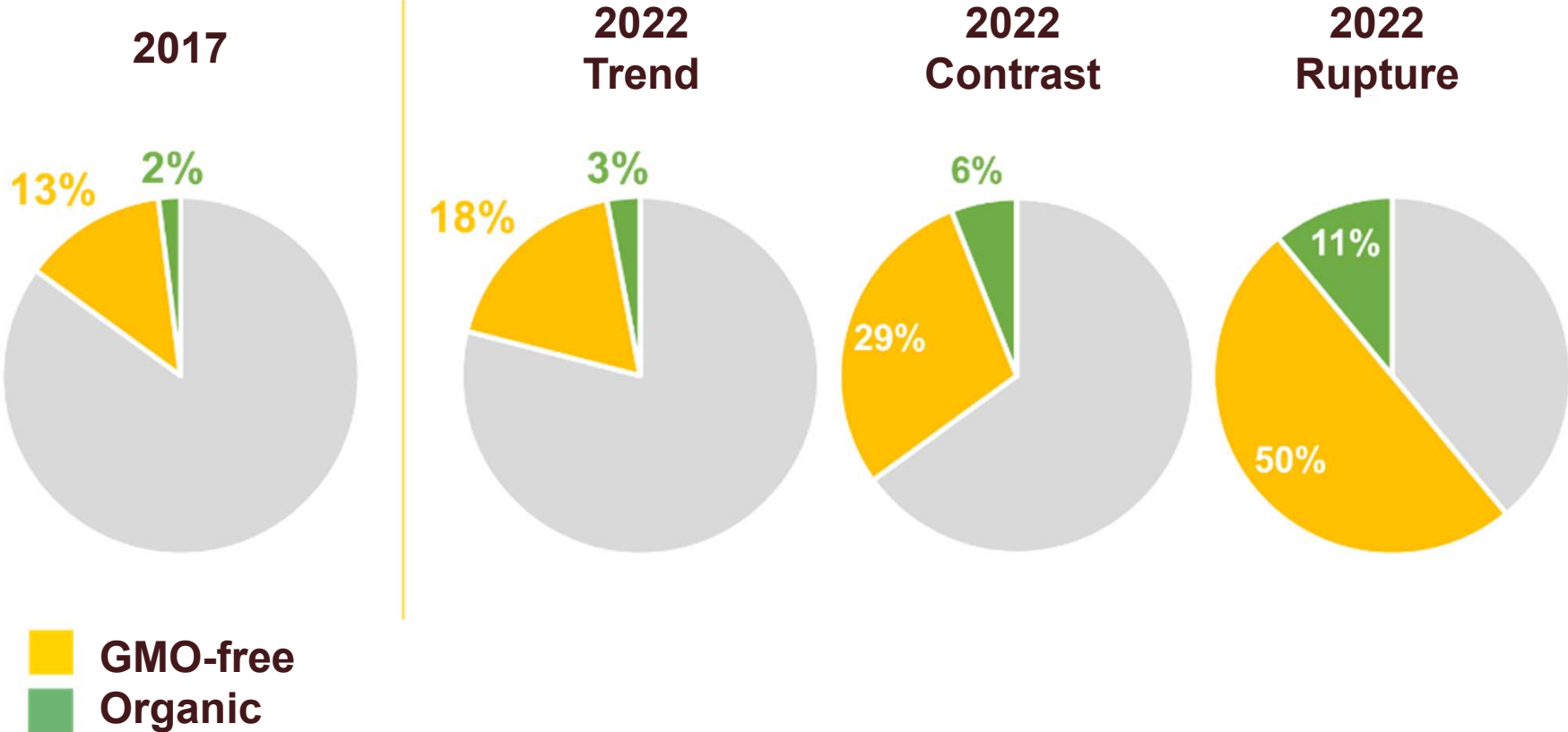


Depuis plus de 10 ans, Carrefour a mis en place des filières qui vous garantissent des produits issus d'élevages respectueux de la qualité et de l'environnement. Pour répondre aux attentes de nos clients, Carrefour a décidé de signaler plus de 200 références issues d'élevages "nourris sans OGM". C'est à partir du 26 octobre que nous annonçons la seule enseigne à vous donner cette information.



FRANCE EXAMPLE: TOWARDS MORE “GMO-FREE FED” CERTIFIED FEED THAN CONVENTIONAL FEED?

France certified animal feed market

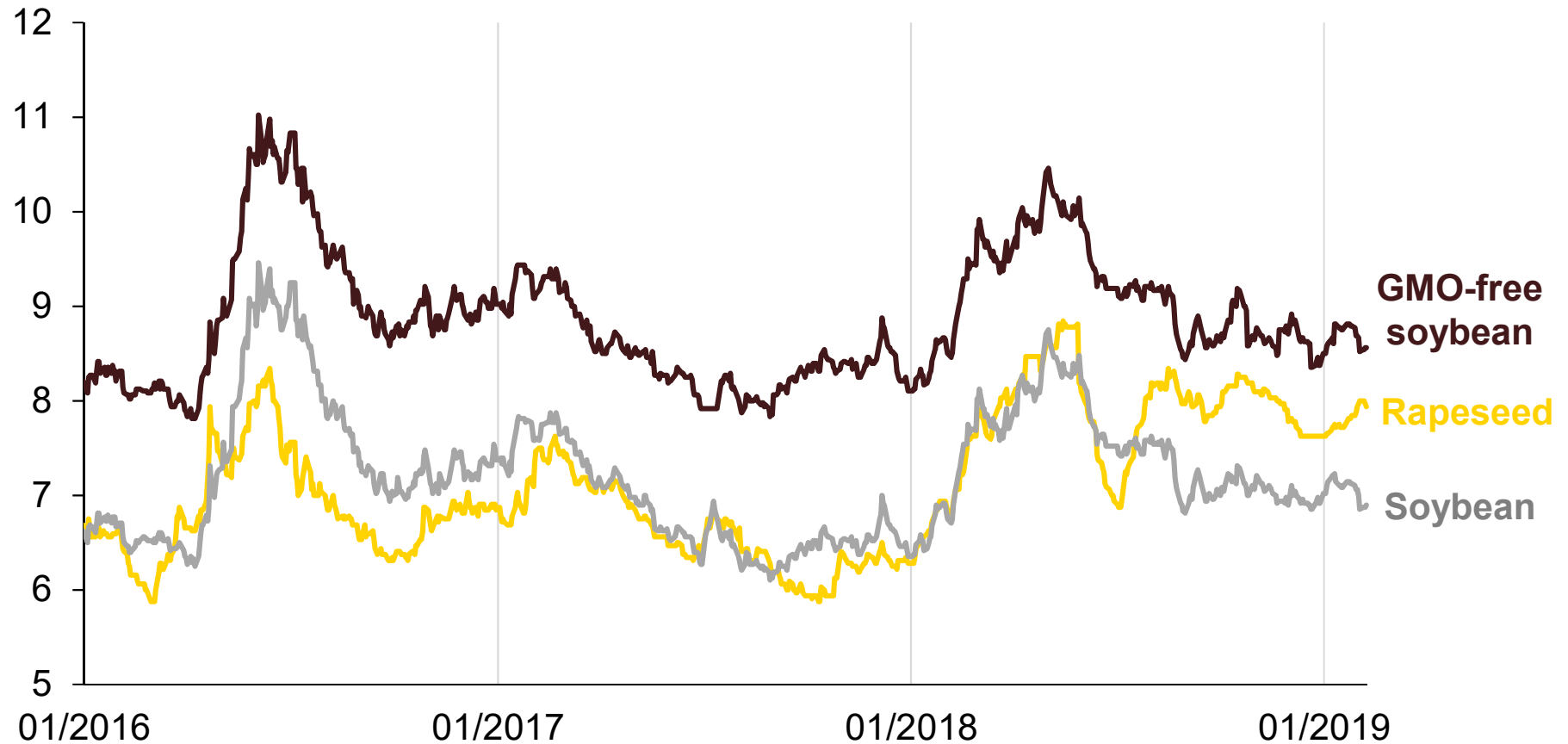


Source : CEREOPA for Sofiproteol



RAPESEED AND SUNFLOWER MEALS ARE MORE COMPETITIVE THAN GMO-FREE IMPORTED SOYBEAN MEAL

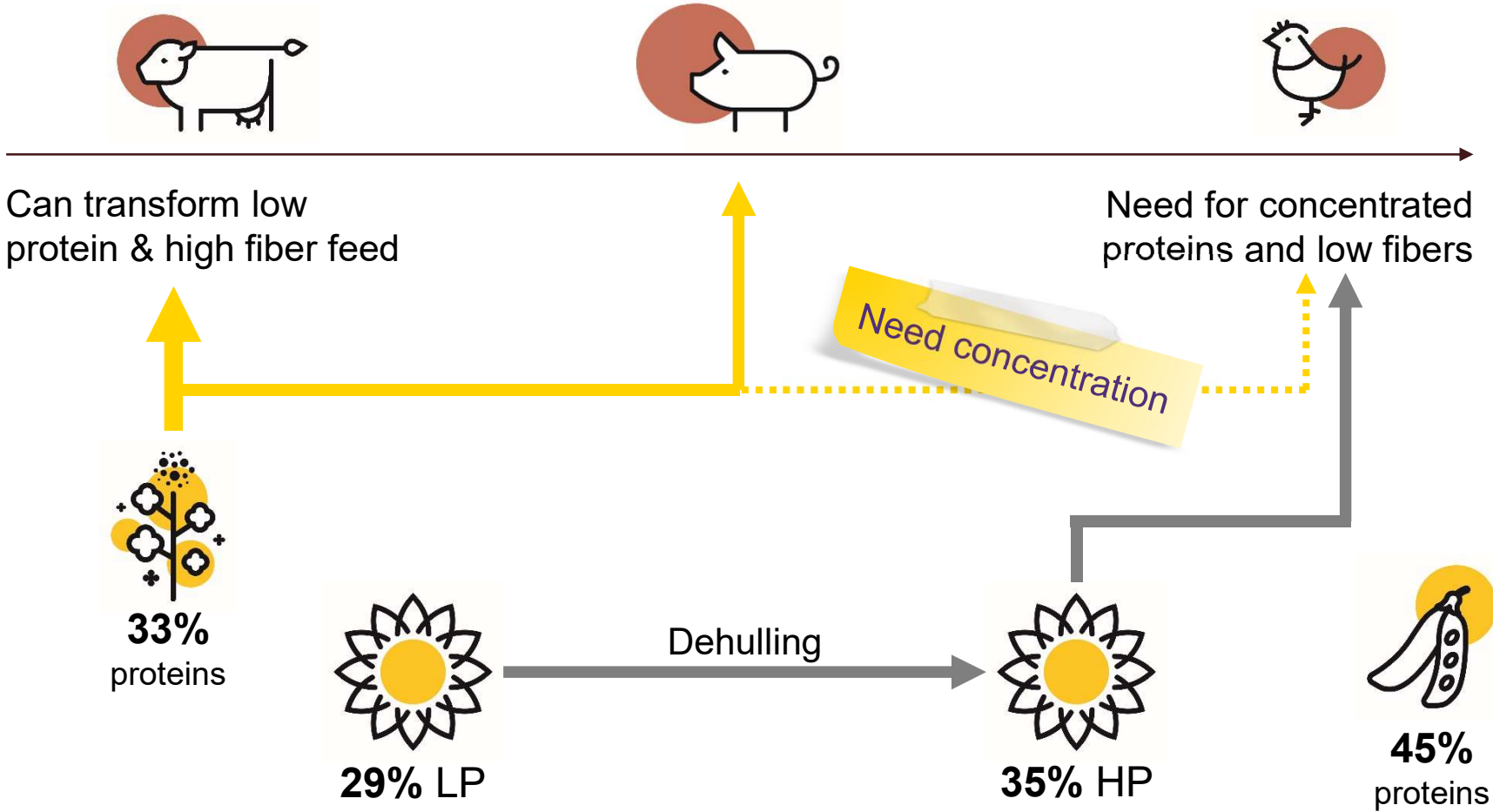
Price of 1% of protein in 1t of meal (€, Montoir)



Source : Feed Alliance



RAPESEED AND SUNFLOWER MEALS NEED TO BE MORE CONCENTRATED IN PROTEINS IN ORDER TO GET MORE VALUE





THANK YOU FOR YOUR ATTENTION

