

# Global context and Grain market outlook

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Food and Agricultural  
Policy Research Institute



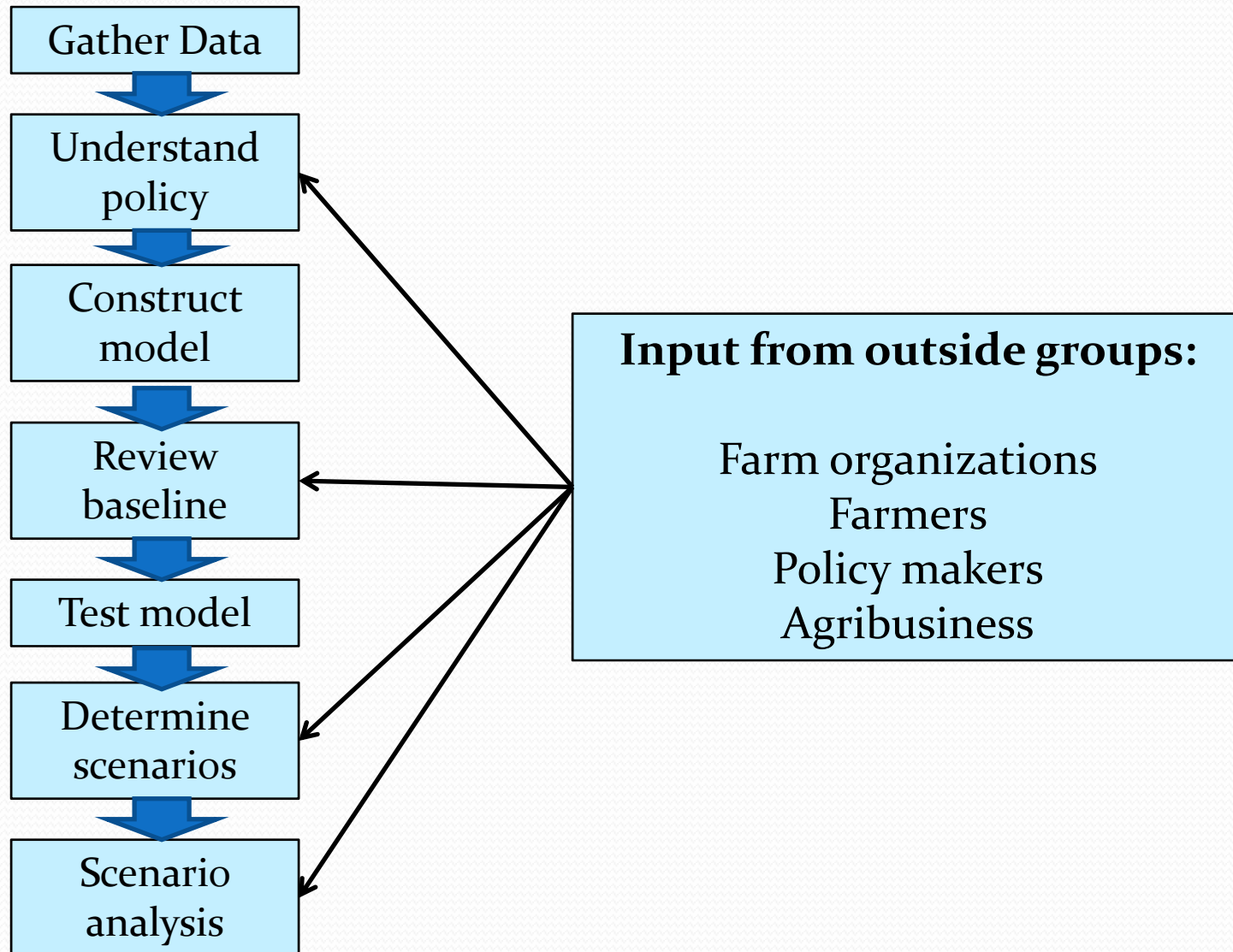
# Agenda

- FAPRI and the Bulgaria outlook process
- March 2014 FAPRI baseline update results
- FAPRI Grain outlook

Get full report from:

<http://www.fapri.missouri.edu>

# The process



# What is a baseline and how is it used?

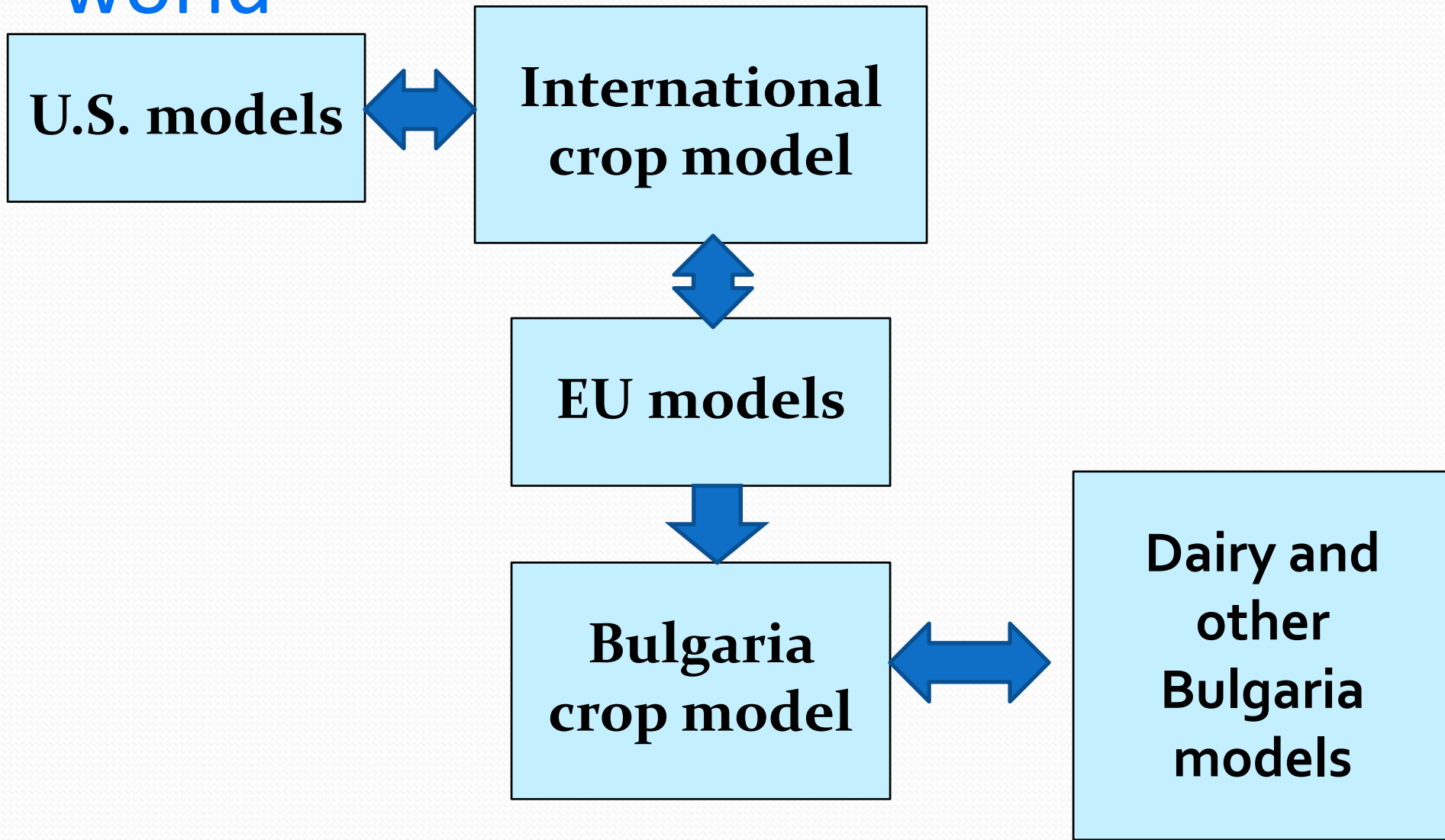
- It is **not a forecast**
- It is a projection based on a set of reasonable assumptions about
  - Macroeconomic outlook
  - Technology outlook
  - Policy outlook



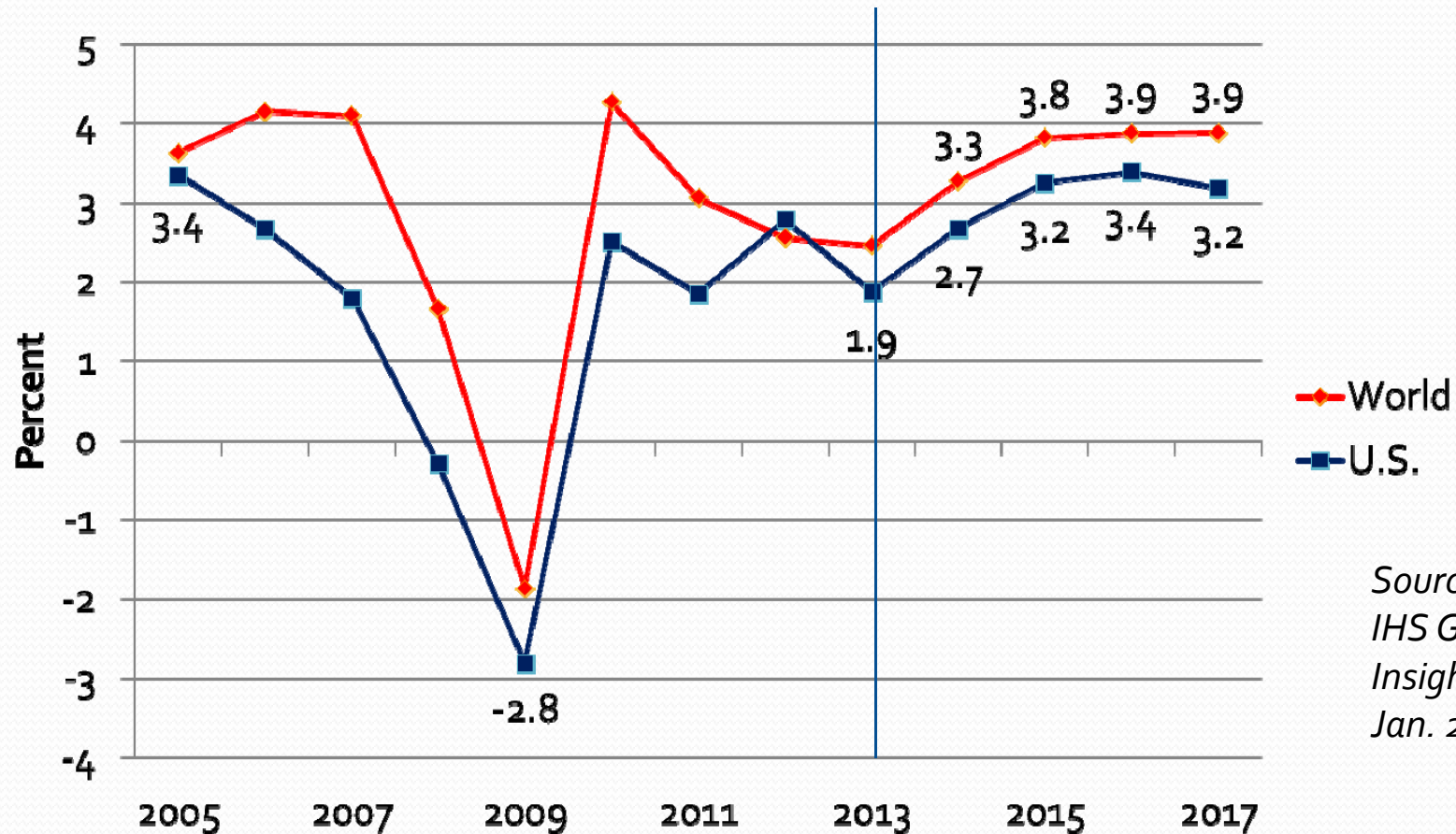
# So what use is the baseline?

- A good summary of recent history
- Provides a set of consistent figures for medium term projections
- BUT the main objective of baseline is to do scenario analysis

# Linking Bulgaria to the rest of the world

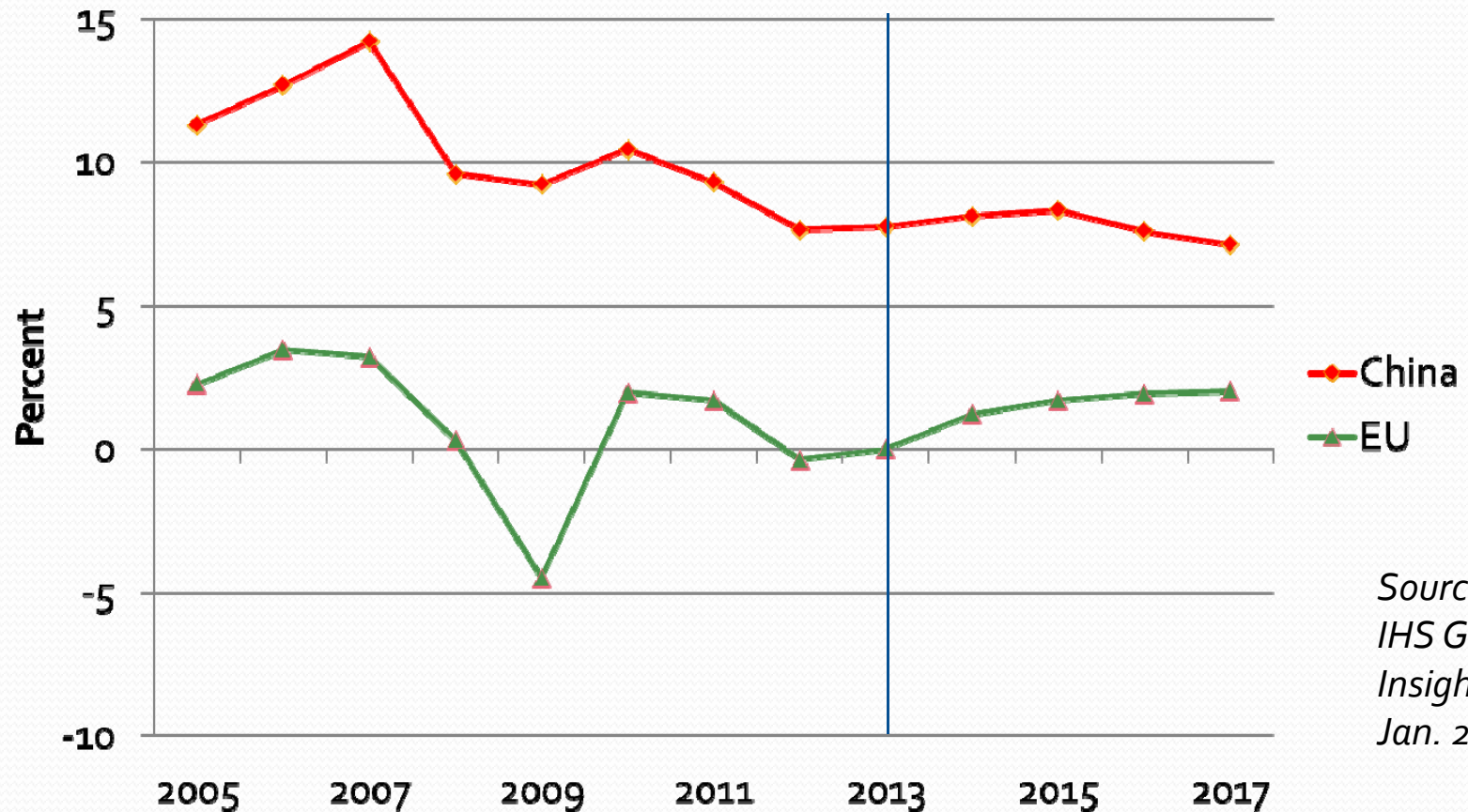


# U.S. and world economic growth



Source:  
IHS Global  
Insight,  
Jan. 2014

# Economic growth in China and EU

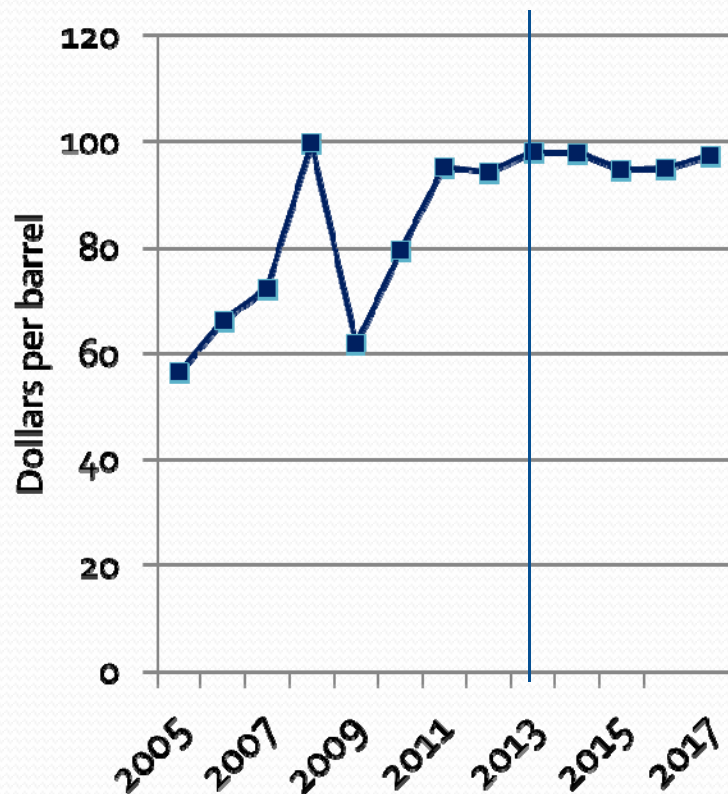


Source:  
IHS Global  
Insight,  
Jan. 2014



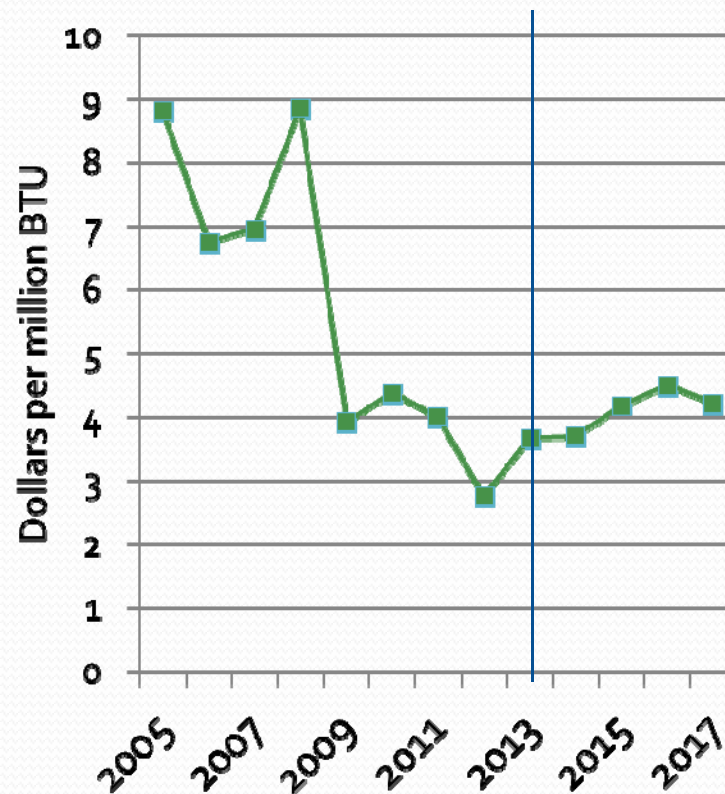
# Energy prices

**W. Texas intermediate oil**



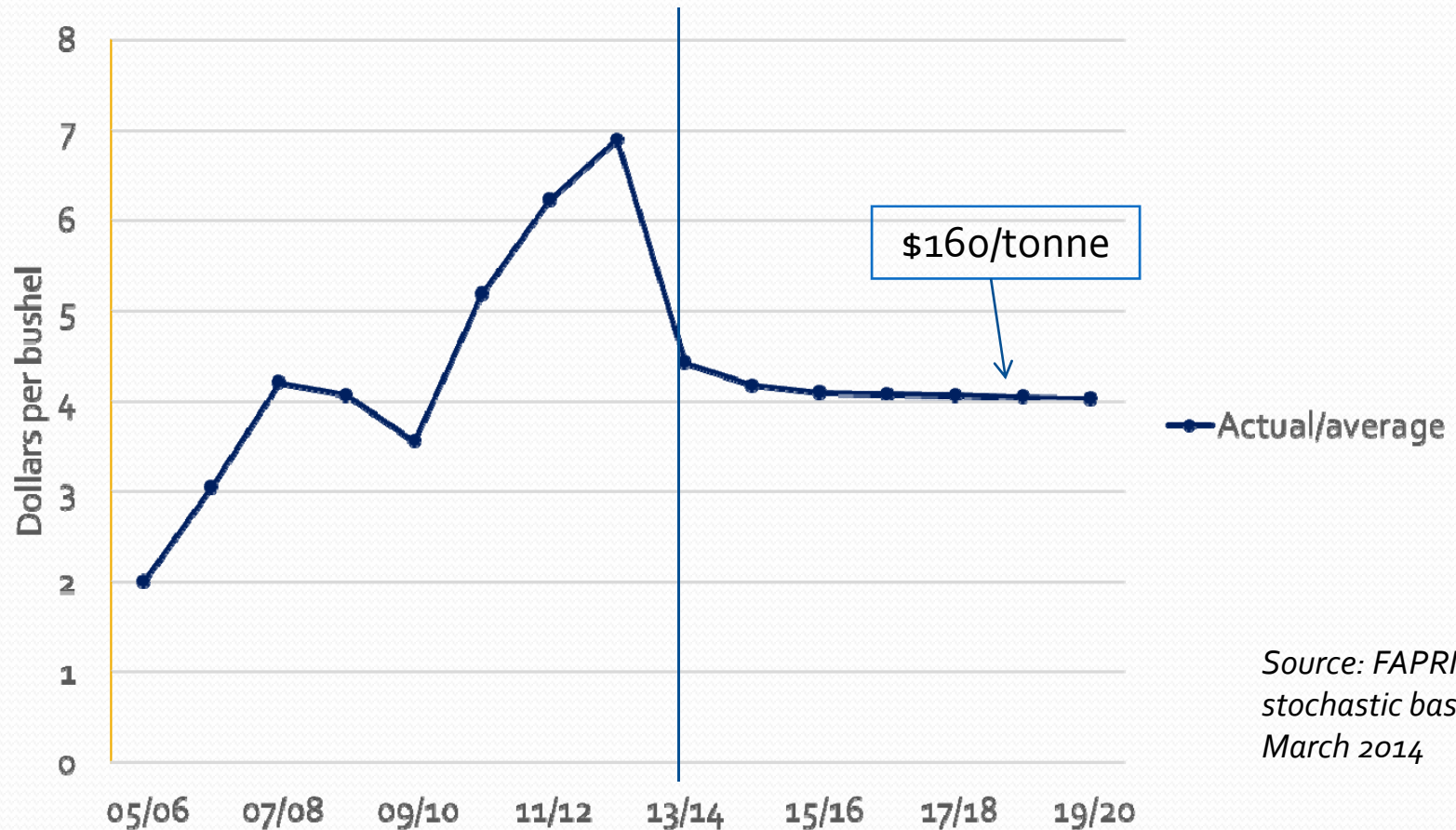
Source: IHS Global Insight, Jan. 2014

**Henry Hub natural gas**



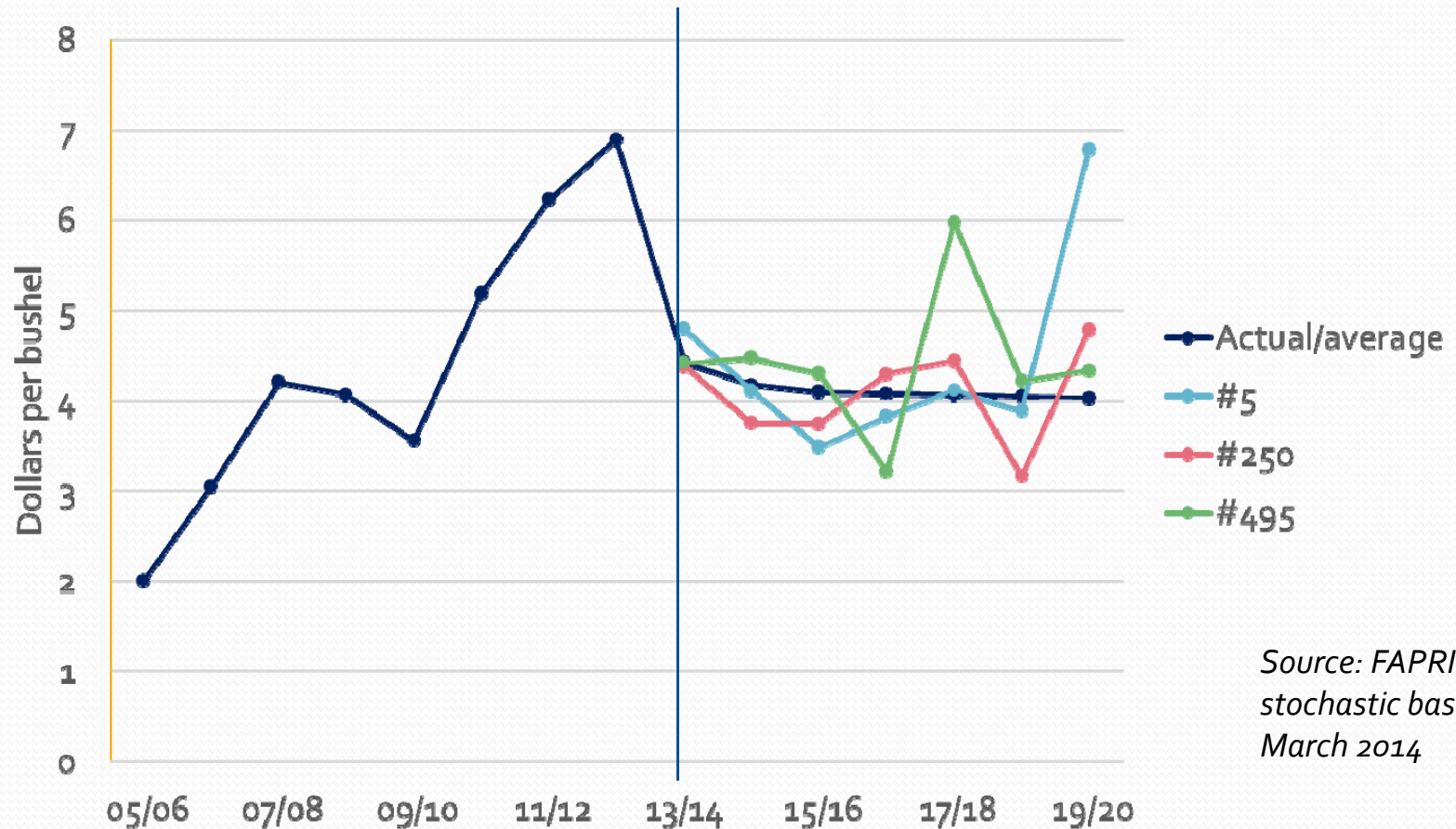
Source: IHS Global Insight, Jan. 2014

# U.S. farm prices for corn



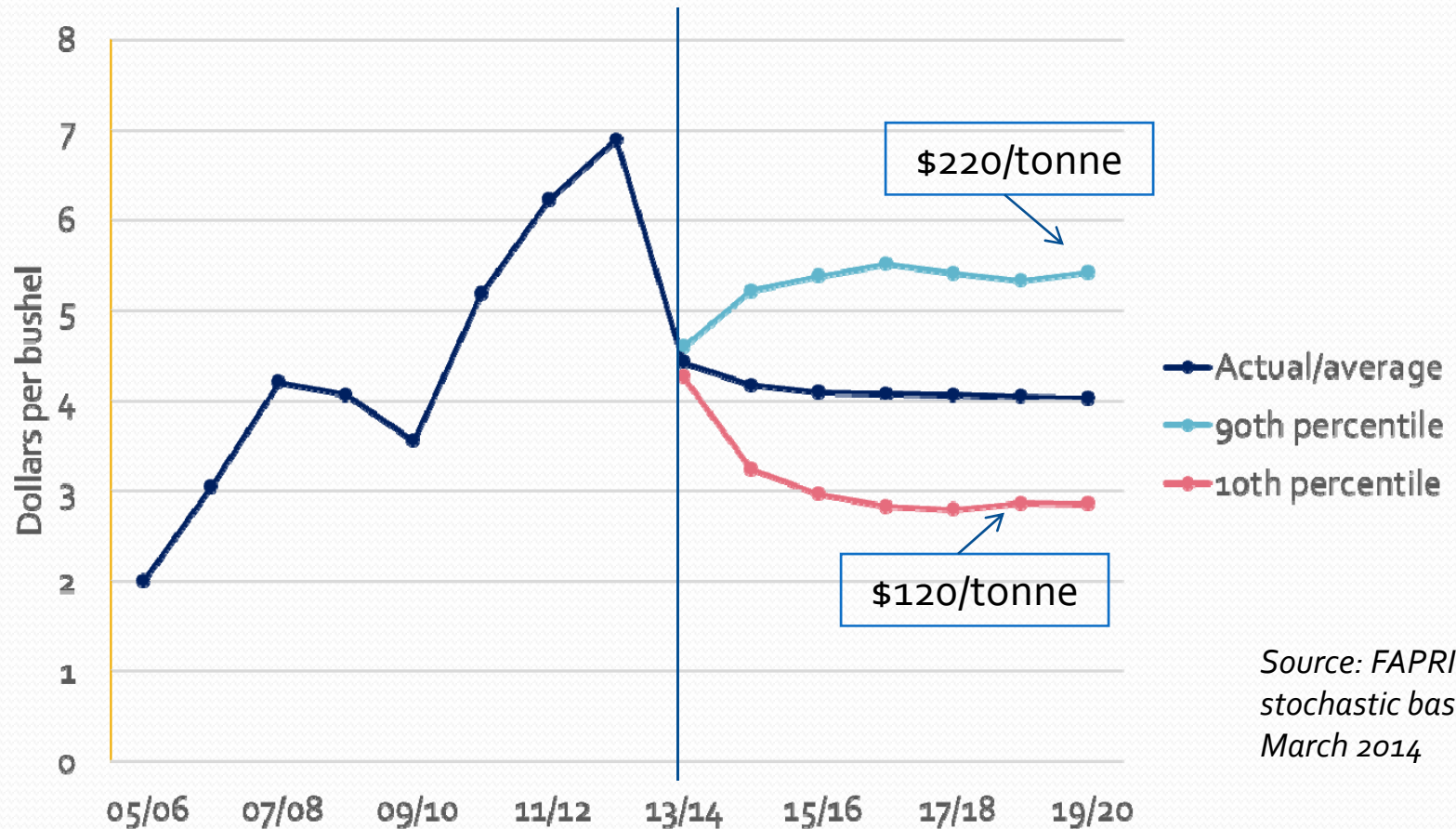
Source: FAPRI-MU  
stochastic baseline,  
March 2014

# U.S. farm prices for corn



Source: FAPRI-MU  
stochastic baseline,  
March 2014

# U.S. farm prices for corn



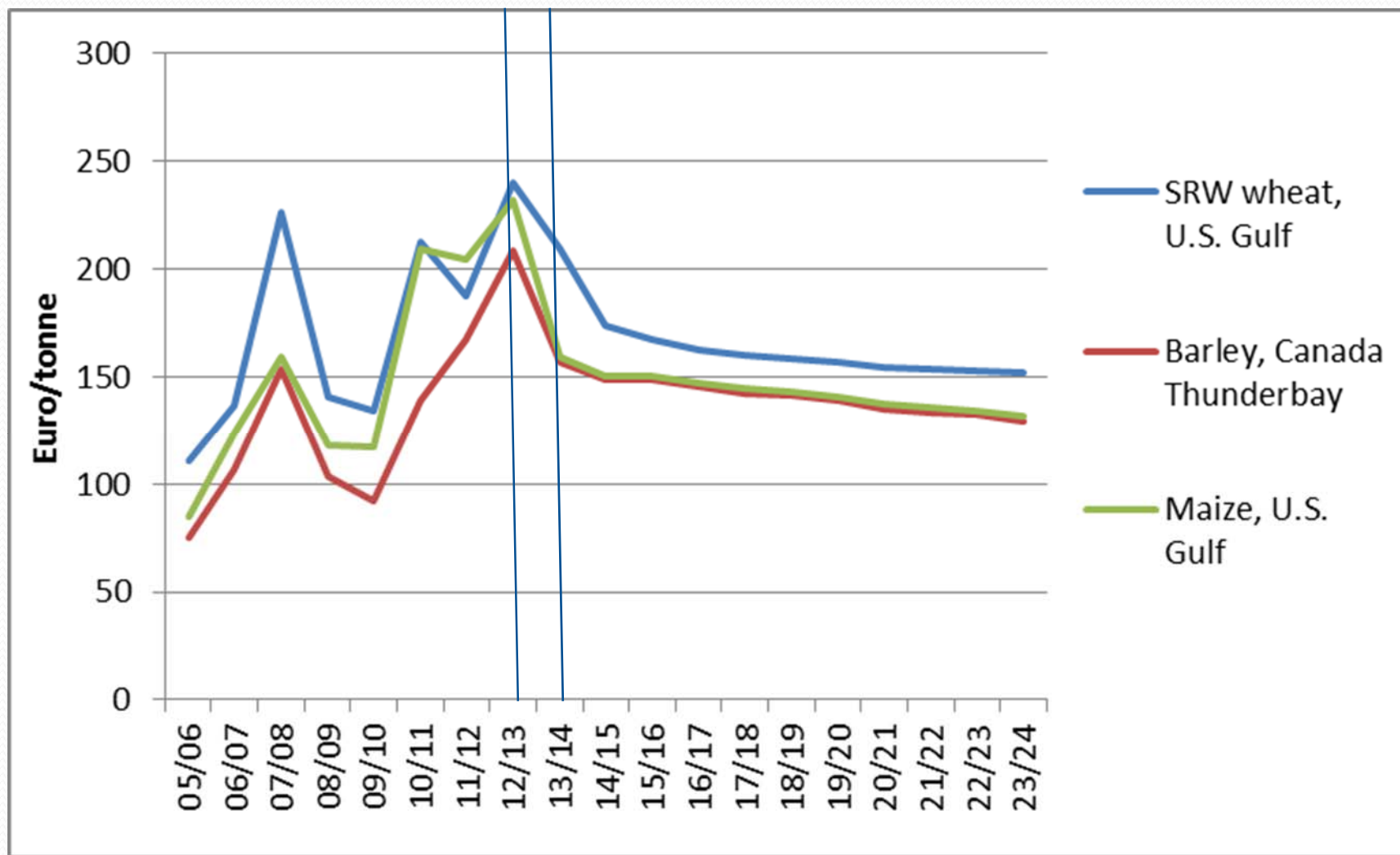
Source: FAPRI-MU  
stochastic baseline,  
March 2014

# Outlook for world cereals prices



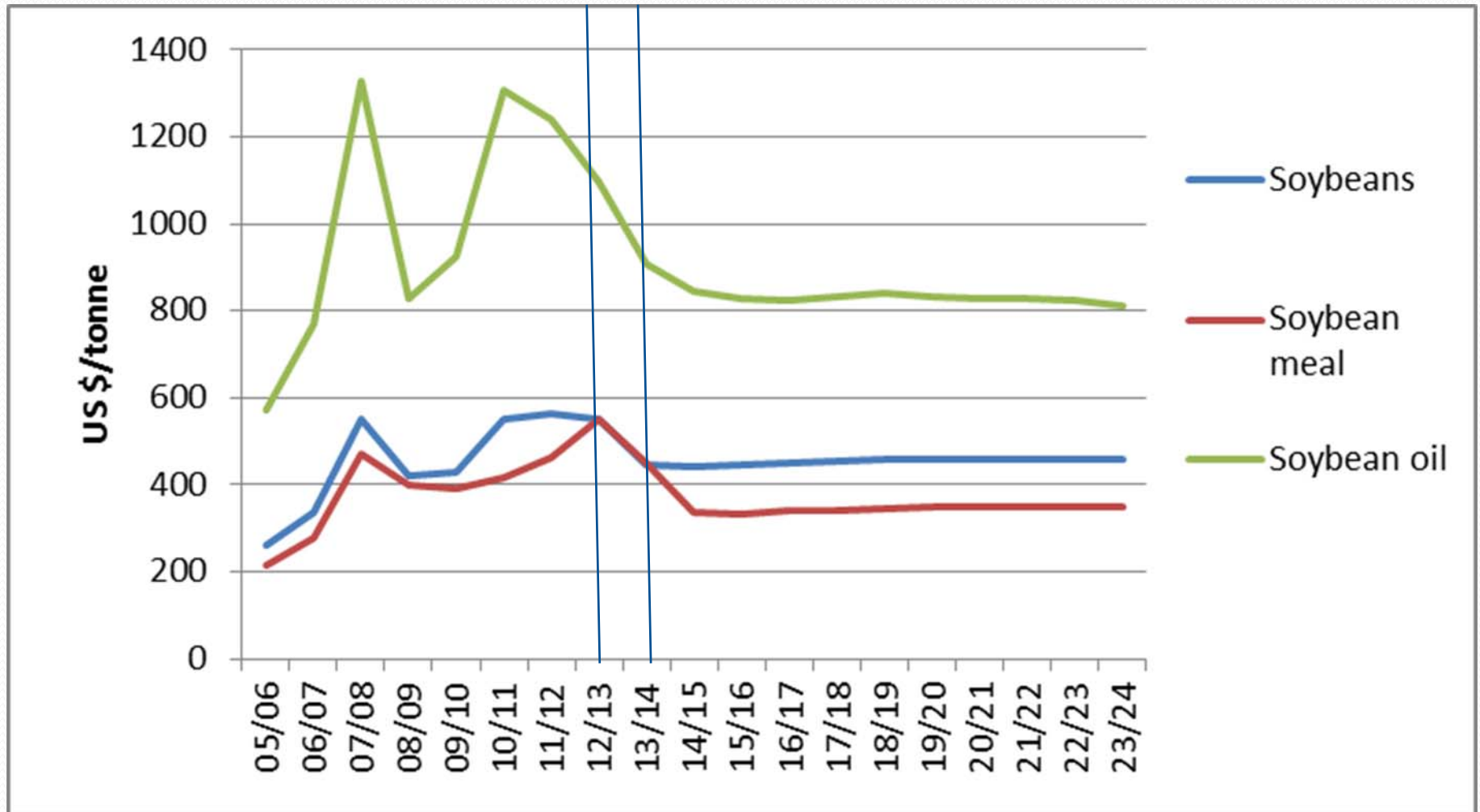
Source: FAPRI-MU deterministic baseline, January 2014

# Outlook for world cereals prices



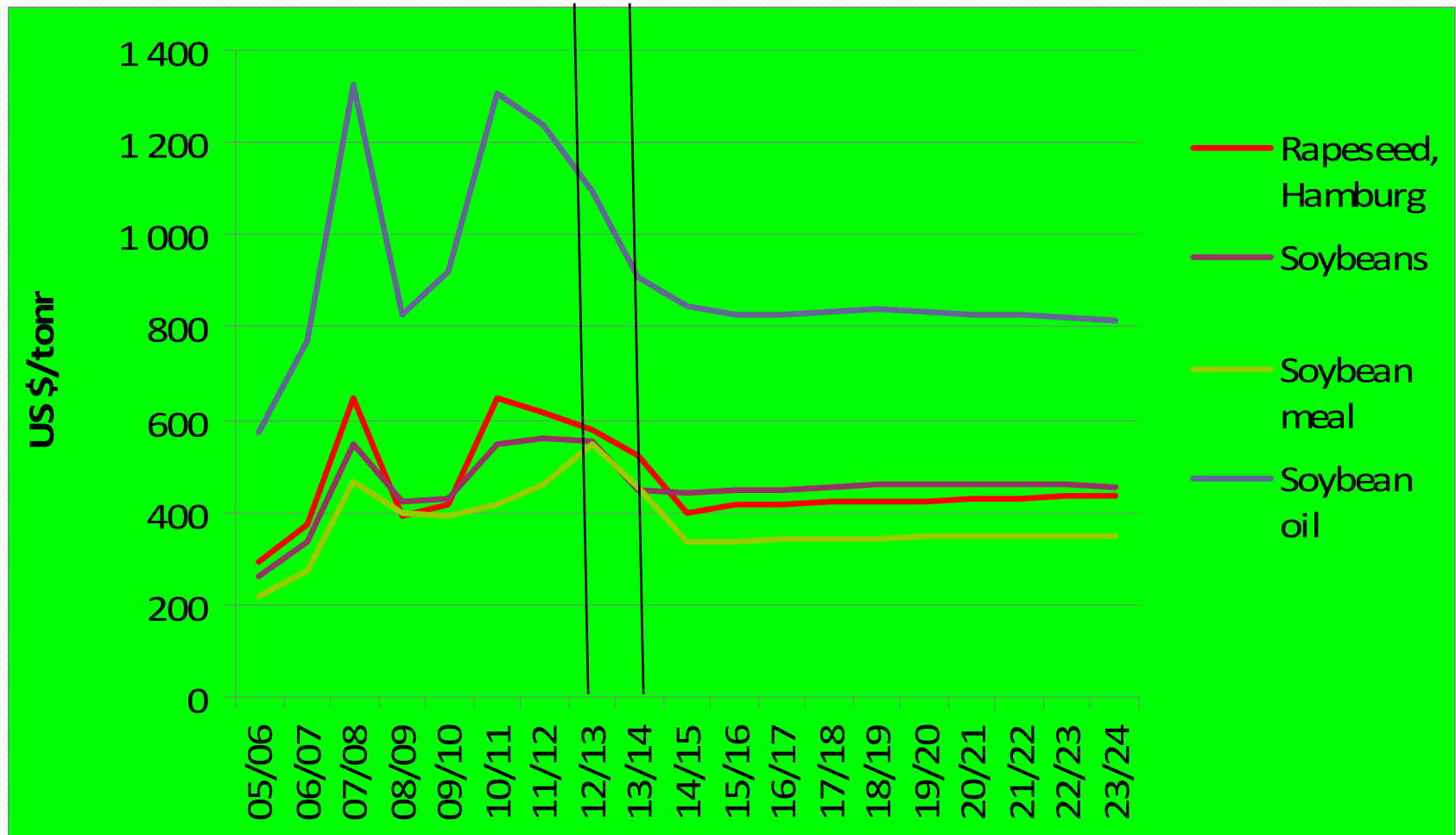
Source: FAPRI-MU deterministic baseline, January 2014

# Outlook for world oilseed prices (Rotterdam)



Source: FAPRI-MU deterministic baseline, January 2014

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Source: FAPRI-MU deterministic baseline, January 2014

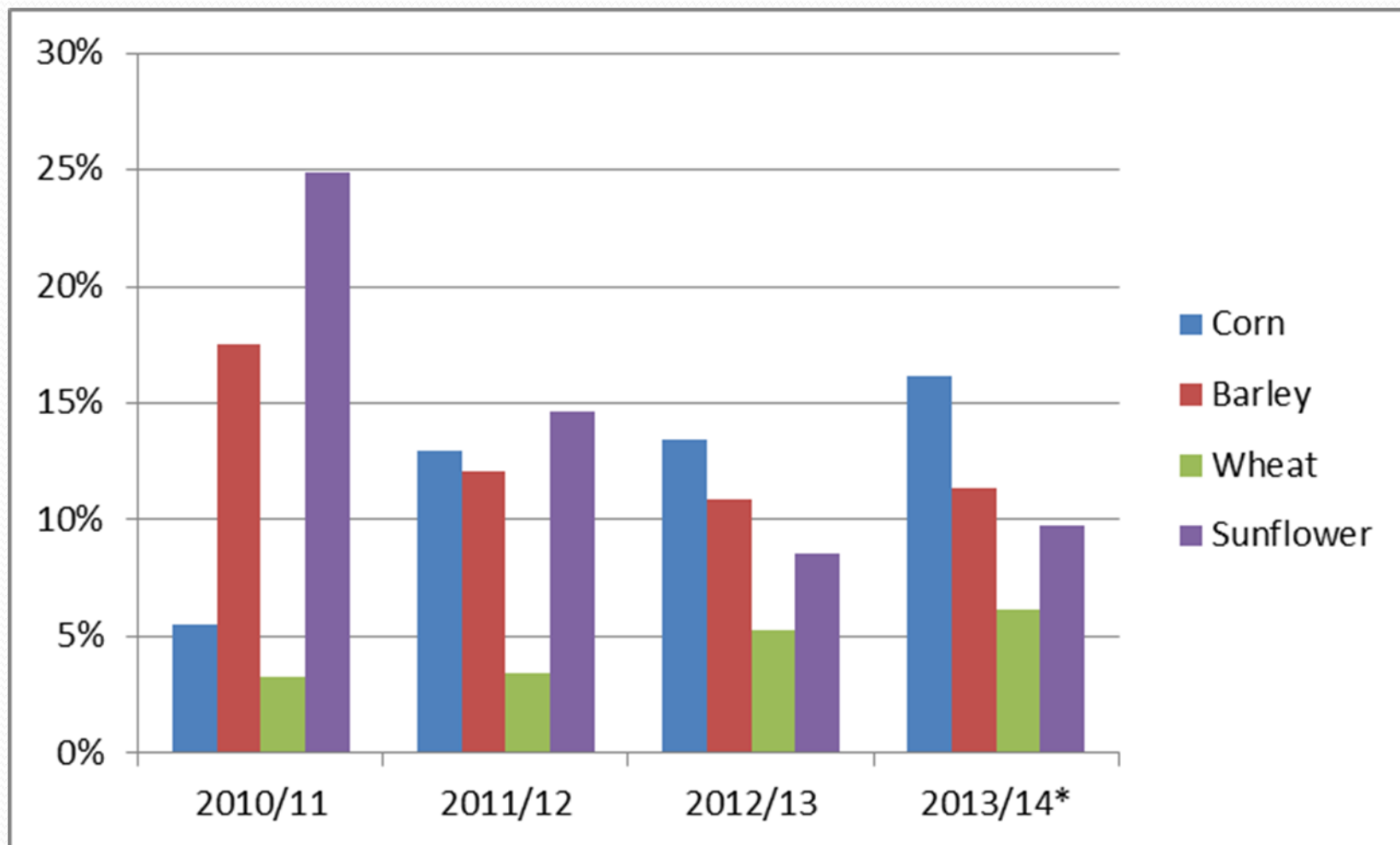


# Things happen quickly.....



Source: Great Pacific Trading Company, March 12, 2014

# Ukraine share of global exports



Source: USDA, PS and D online, March 12, 2014, \*estimate

# What to watch

- Ukraine political disruption of planting, trade
- Petroleum prices
- Weather-yield in northern hemisphere
- US biofuels, slower growth
- China, always a big influence

# БЛАГОДАРЯ!

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Analysis of outlook and  
US farm bill impacts at:

[www.fapri.missouri.edu](http://www.fapri.missouri.edu)