



Asia Pacific grain market outlook

2011 PECC Agricultural and Food Policy Forum 1-2 December 2011

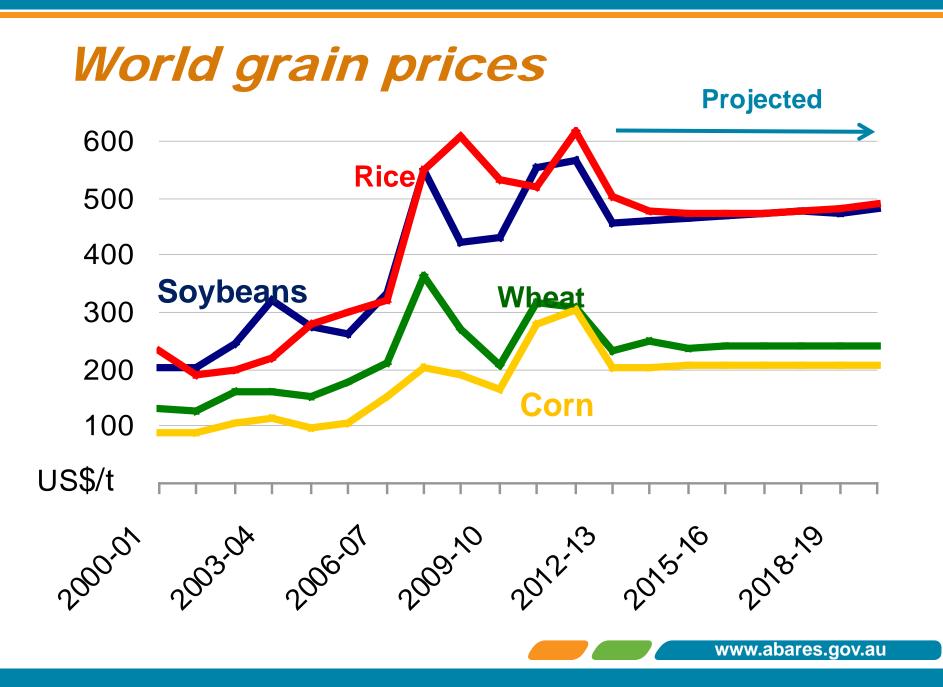
Terry Sheales

Deputy Executive Director

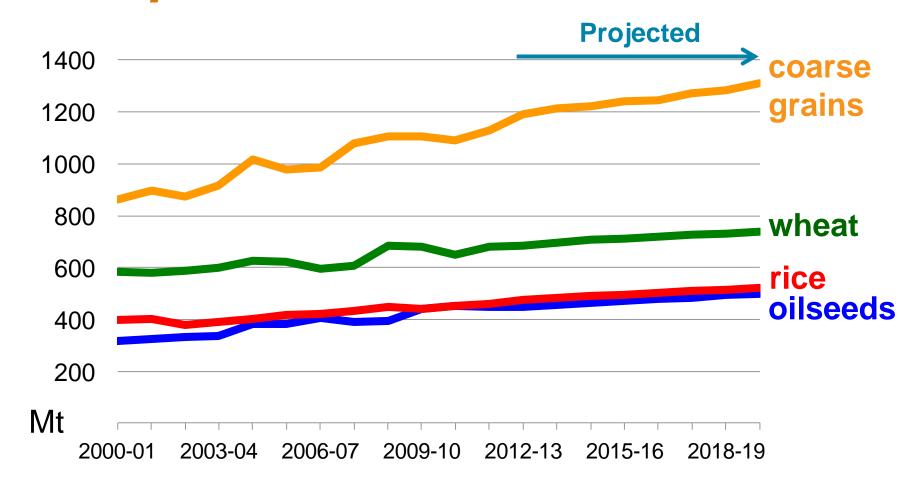


Today's presentation

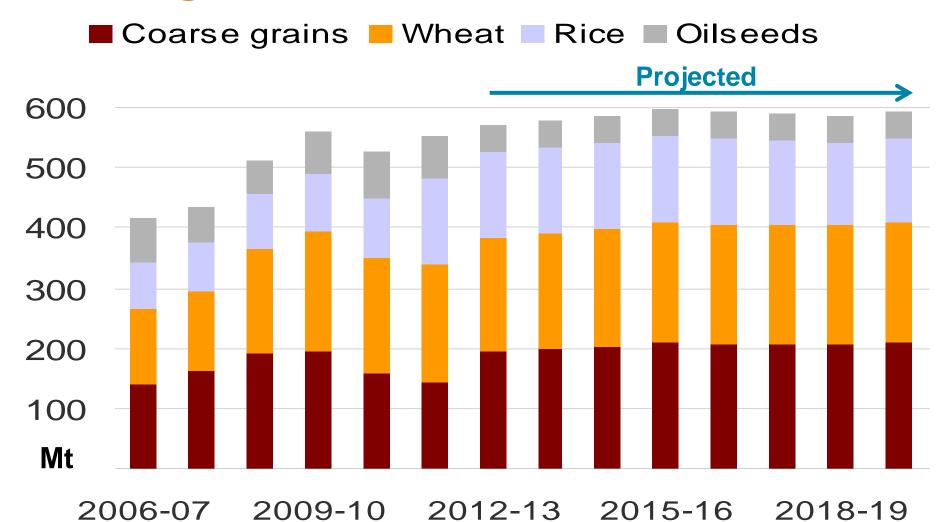
- Grain market prospects
- Demand drivers
- Productivity challenge



World production



World grain stocks

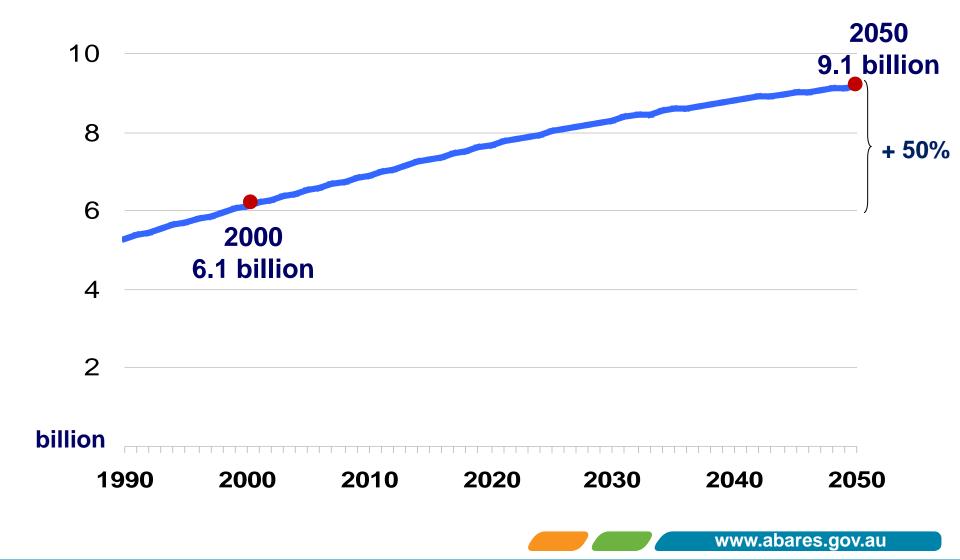




Demand drivers

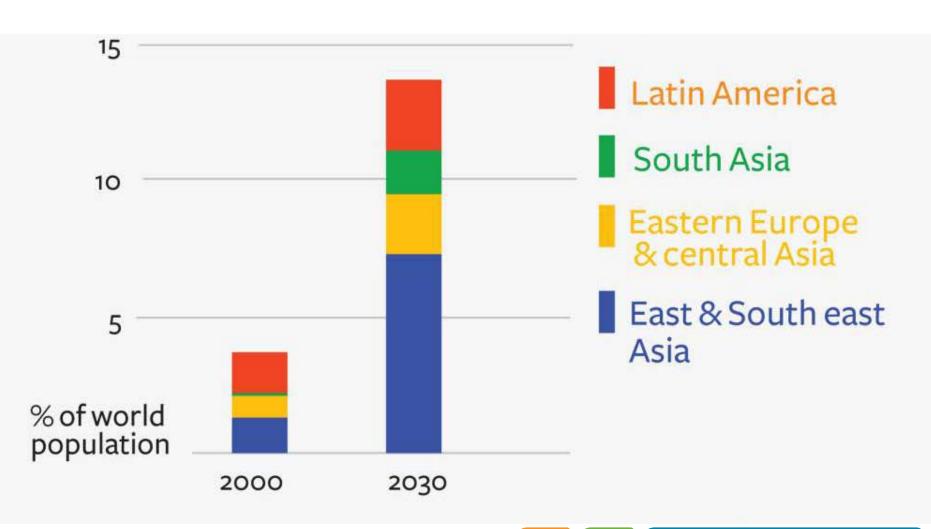


Increasing world population





Growing middle income group





Productivity challenge



Developed country experience

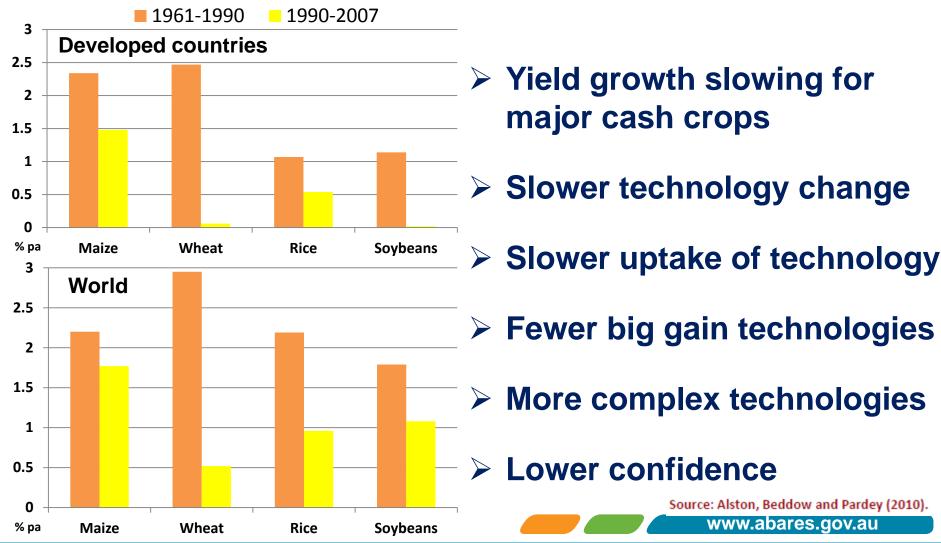
- Mature production systems
- > Inputs machinery, fertilizer, chemicals
- High yielding crops
- > Fewer, larger farms
- Pressure on resources land, water
- > Ageing farm population
- Growing food, feed & fuel demand



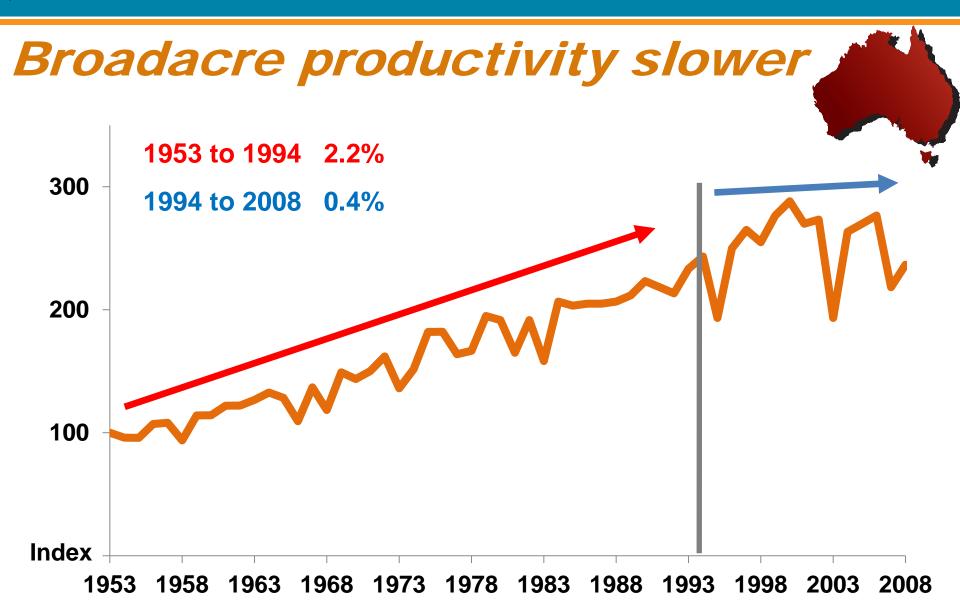


Technology: slower global progress

Crop yield growth





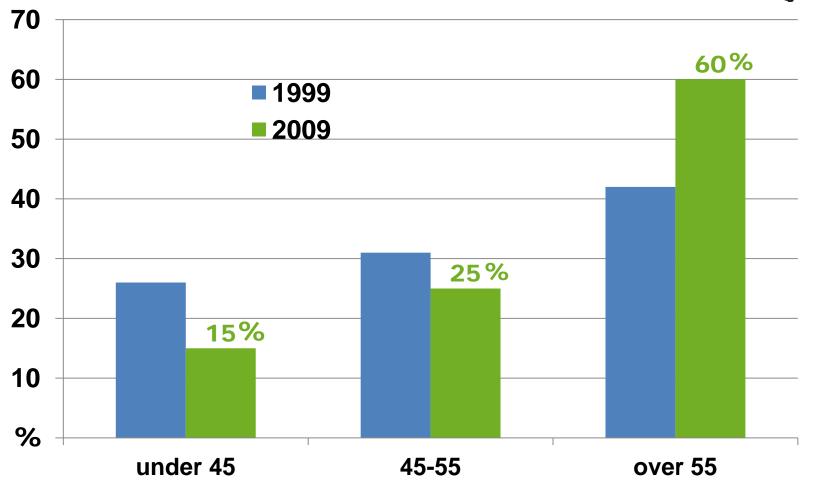




Farmers are ageing

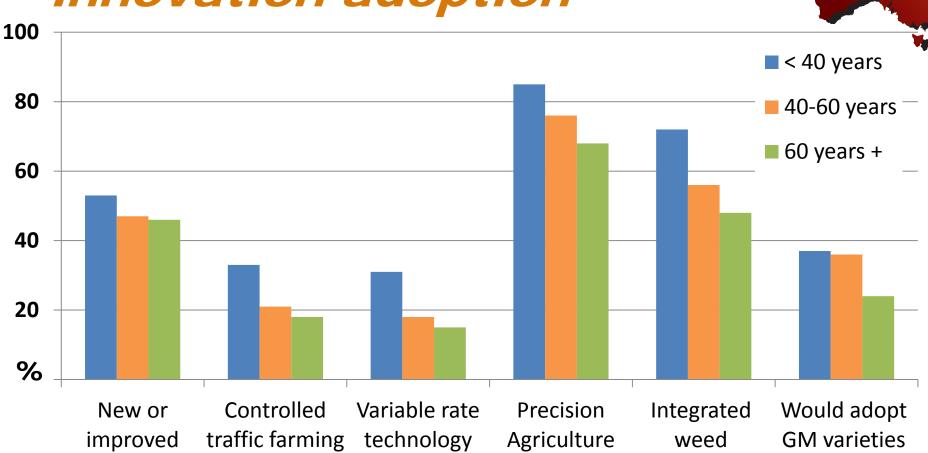
Age distribution of farm owner/ managers





Grain grower age and innovation adoption

practices



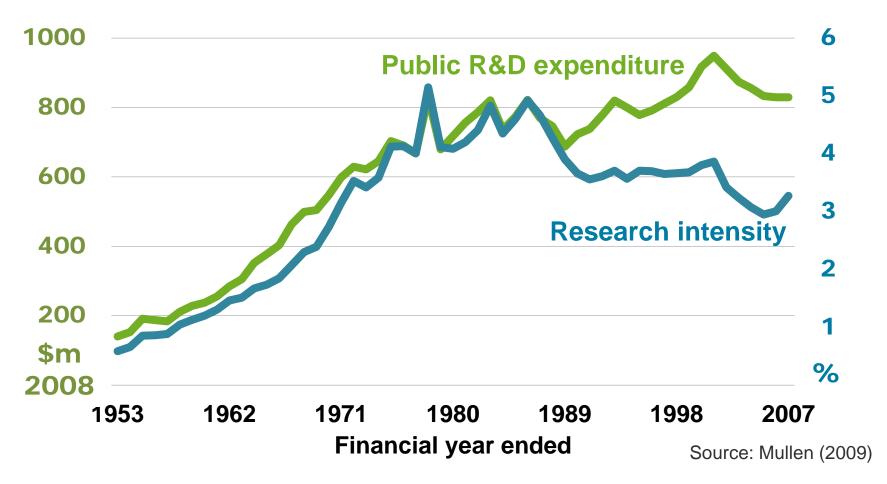
Source: GRDC Grower Survey 2010



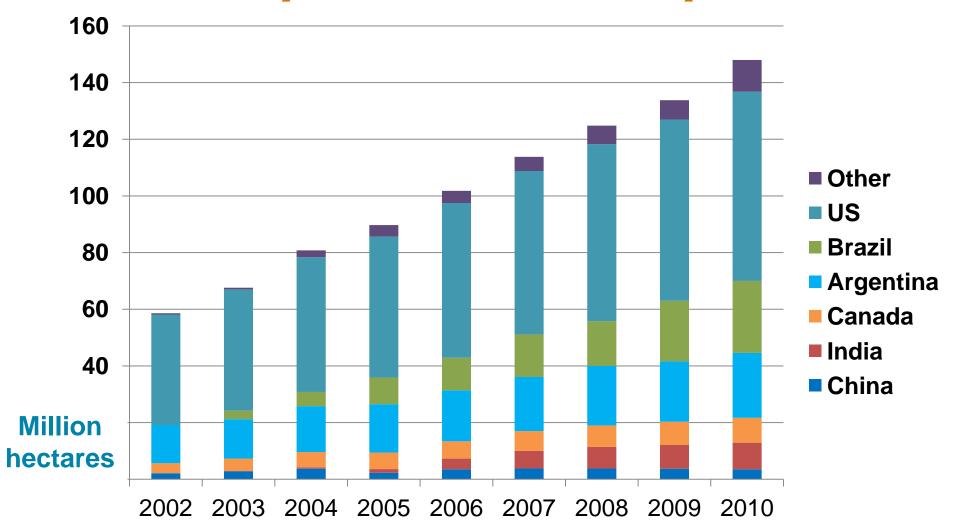
management

Slower growth in public agricultural R&D expenditure





Global adoption of GM crops



Conclusions

- Grains supply to grow despite land & water constraints
- Income growth plus biofuels policies to boost demand for feed grains & oilseeds
- Freer trade & market transparency will allow producers & consumers to respond better to price signals
- Climate change adaption critical to grains production
- Developed country productivity growth slowing
- Reversed through investment in R&D (including GM), infrastructure, human capital and better management



Thank you