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Welcome to the world of Rabobank!

The dynamics of global food and agribusiness

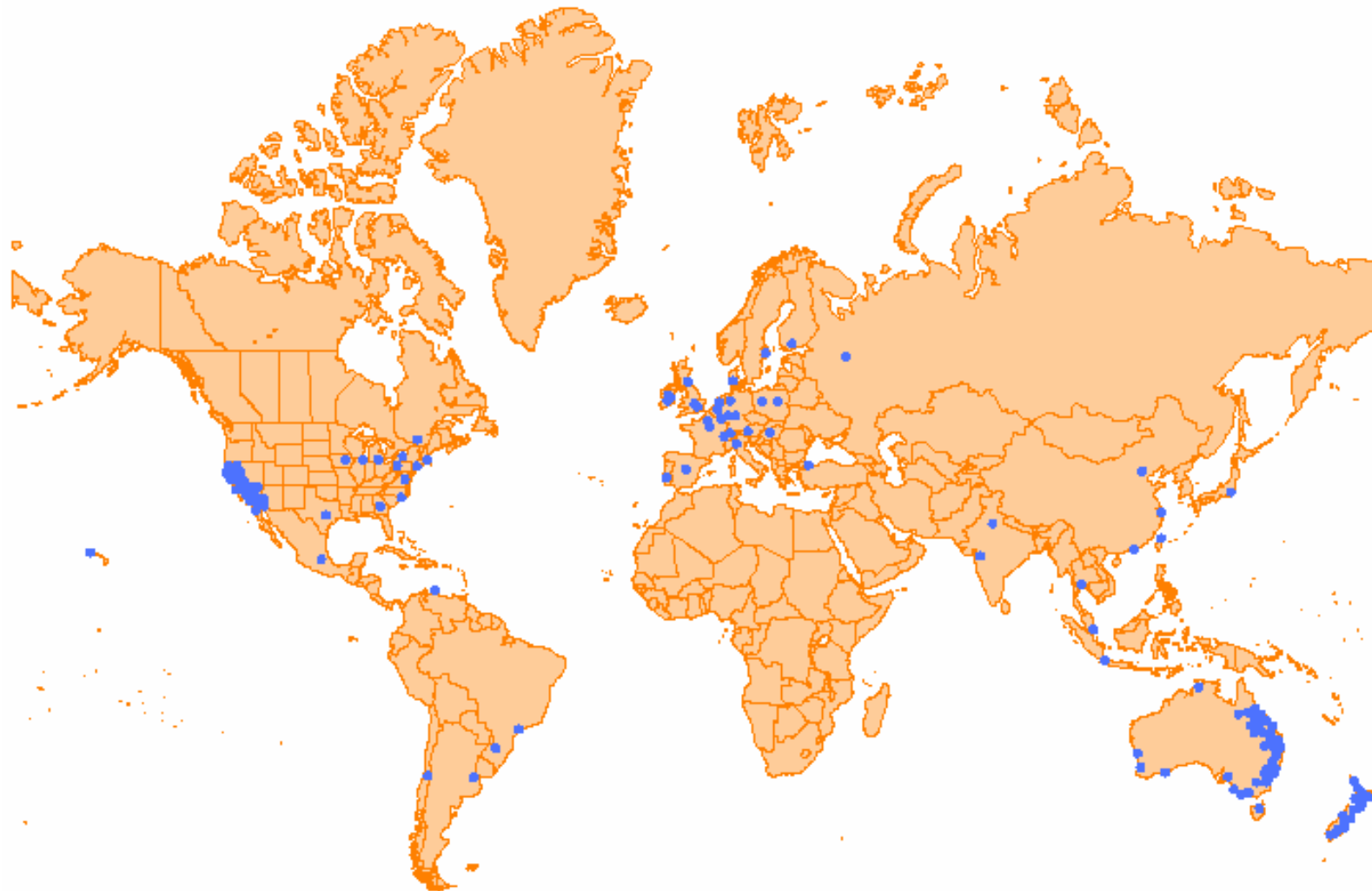
Adrie Zwanenberg
Global Head F&A Research

NUFFIELD
20 February 2006



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The world of Rabobank





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Food & agribusiness: a global complex



Global F&A

Numerous changes and challenges



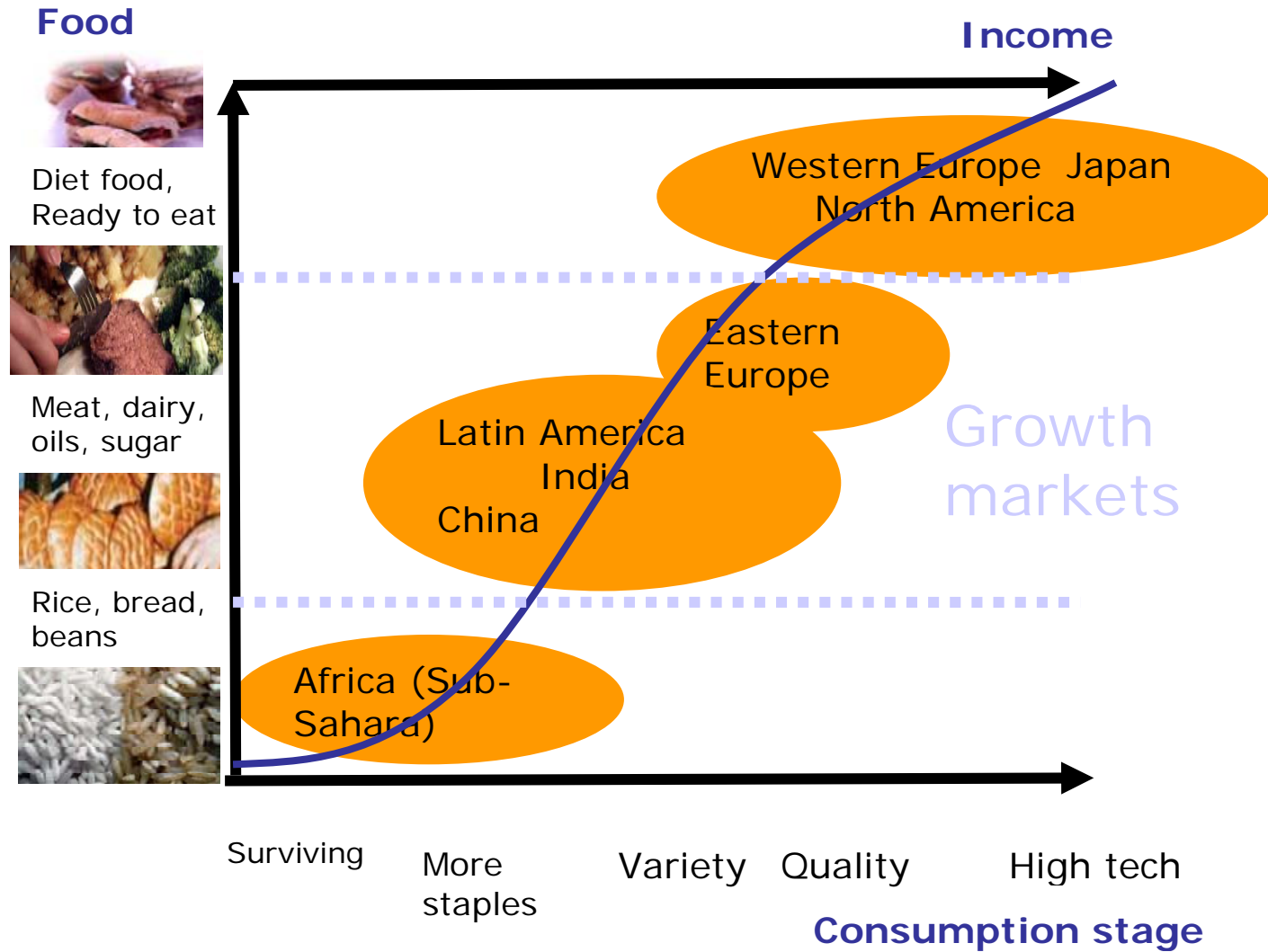
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- Food consumption
- Agricultural production
- Mature markets
- Emerging markets
- Food retail
- Foodservice
- Market power
- Agricultural policy
- New technology
- Expansion of the EU
- Co-operative issues
- Trade flows
- Etcetera

Evolution of food demand



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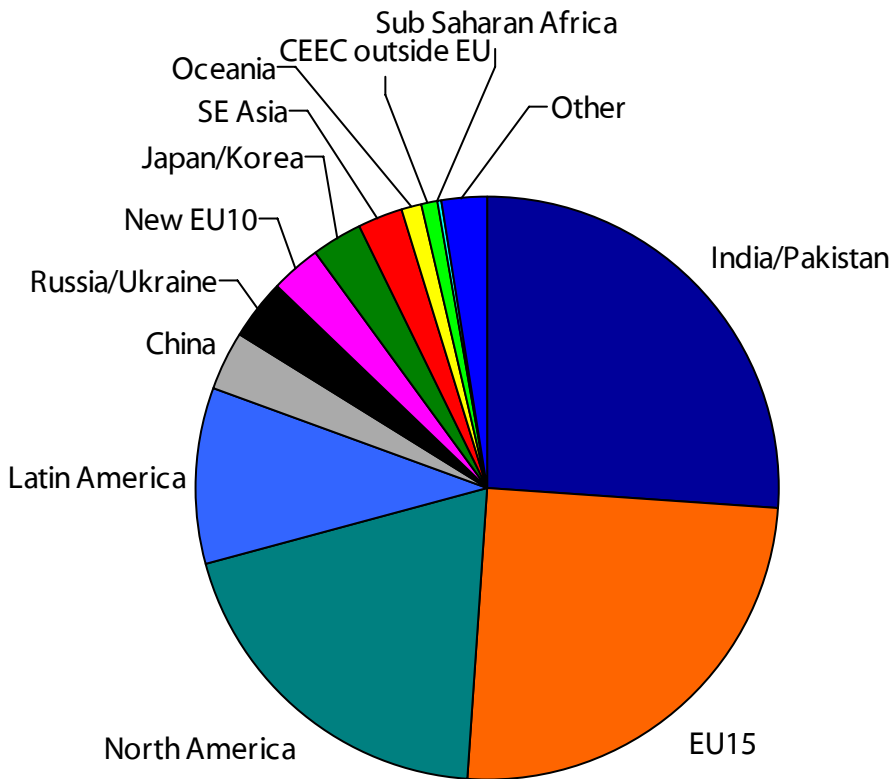
Non-traditional dairy regions drive growth...

Market growth expectations (2003 – 2010)

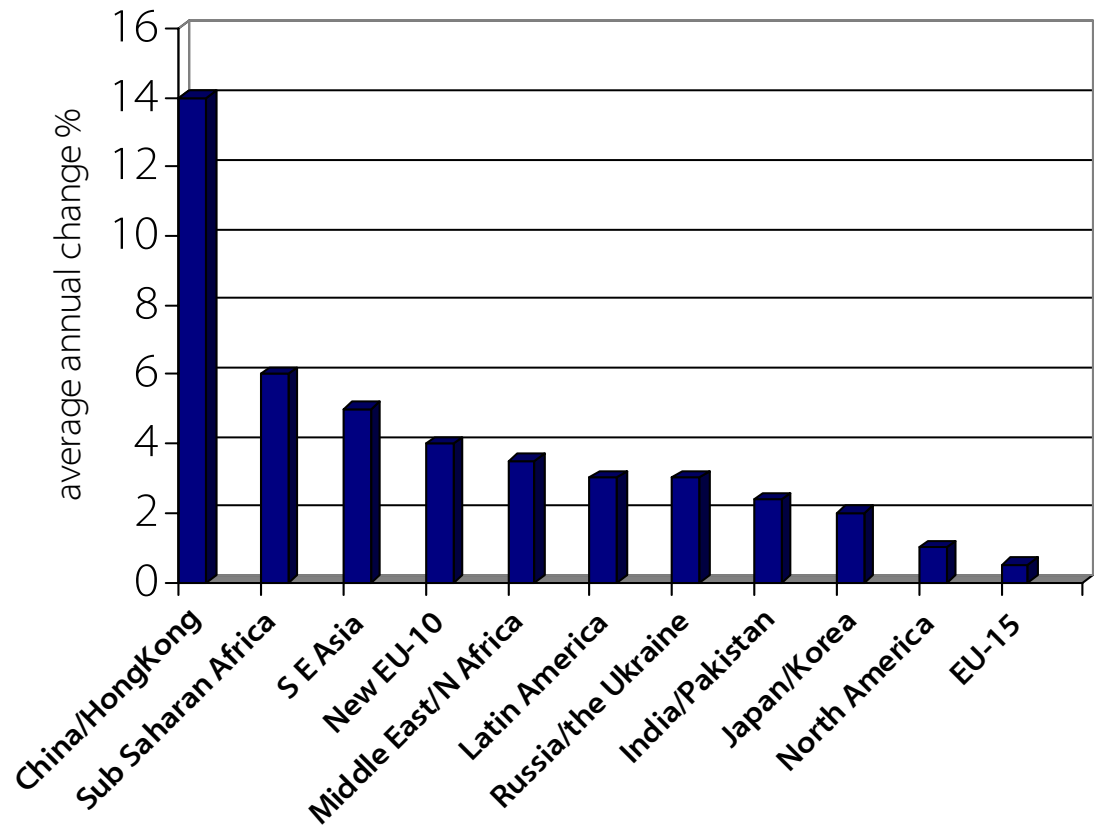


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Total dairy market volume



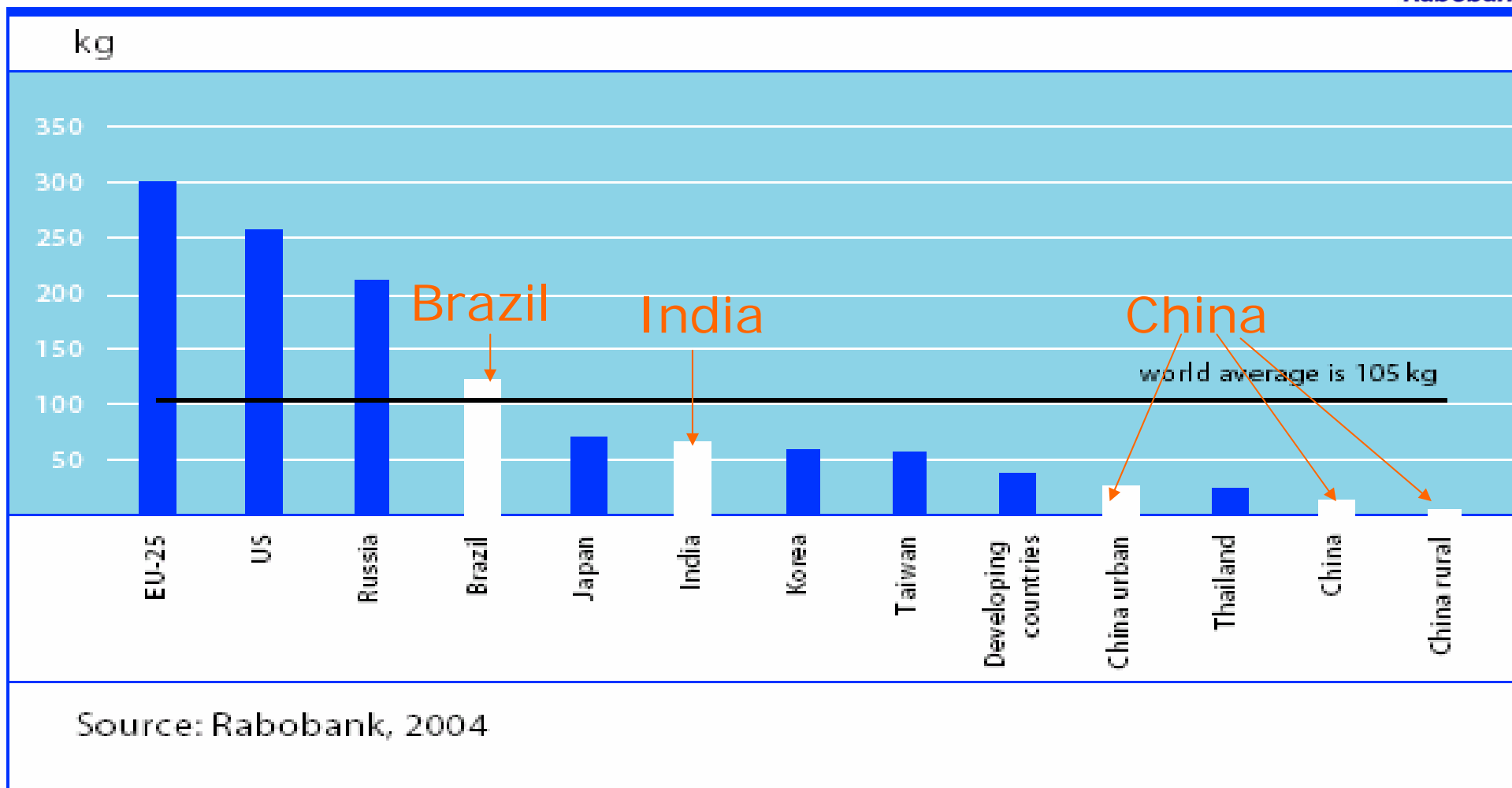
Total dairy market growth



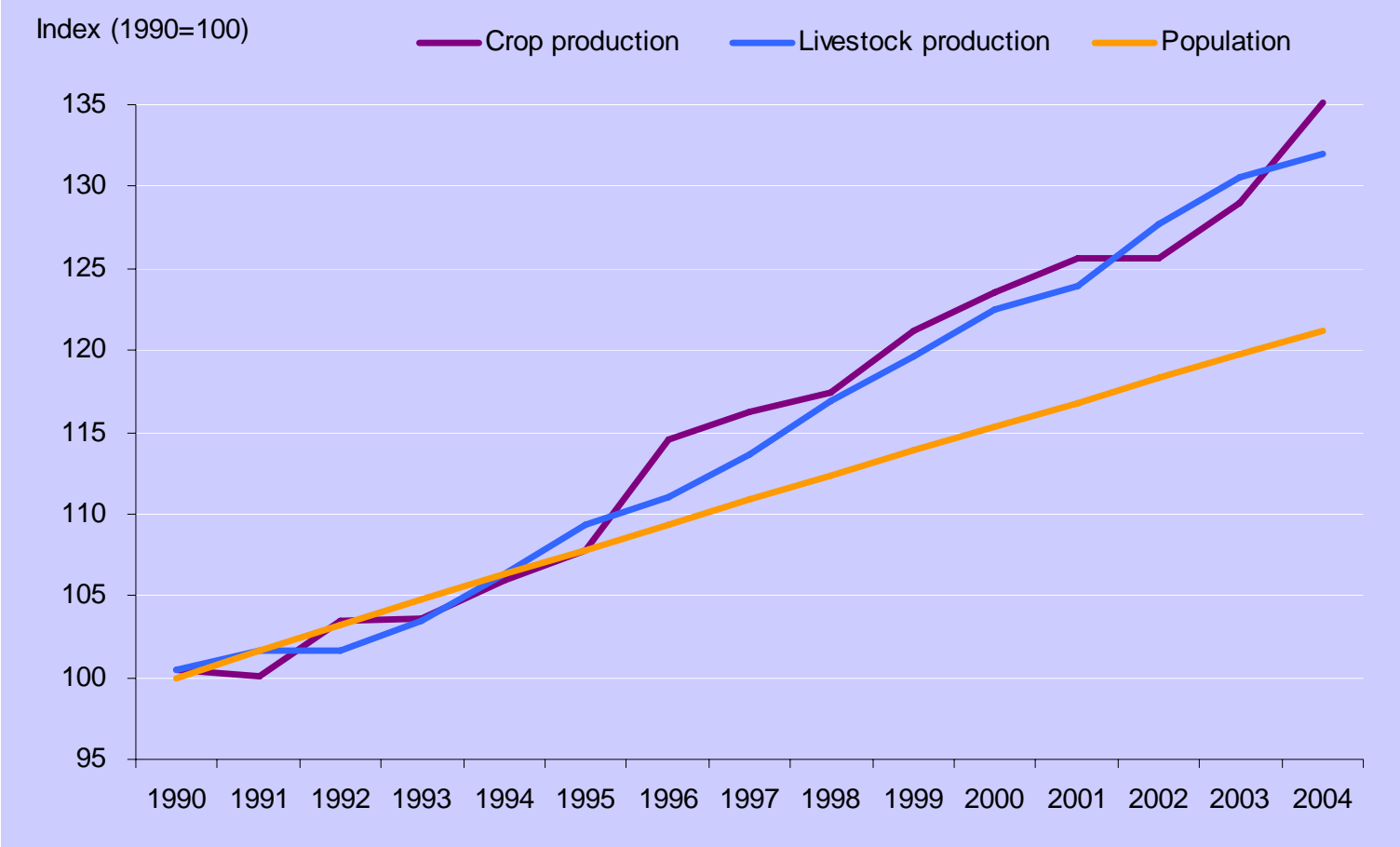
...driven by huge potential in per capita demand
per capita consumption in milk equivalents



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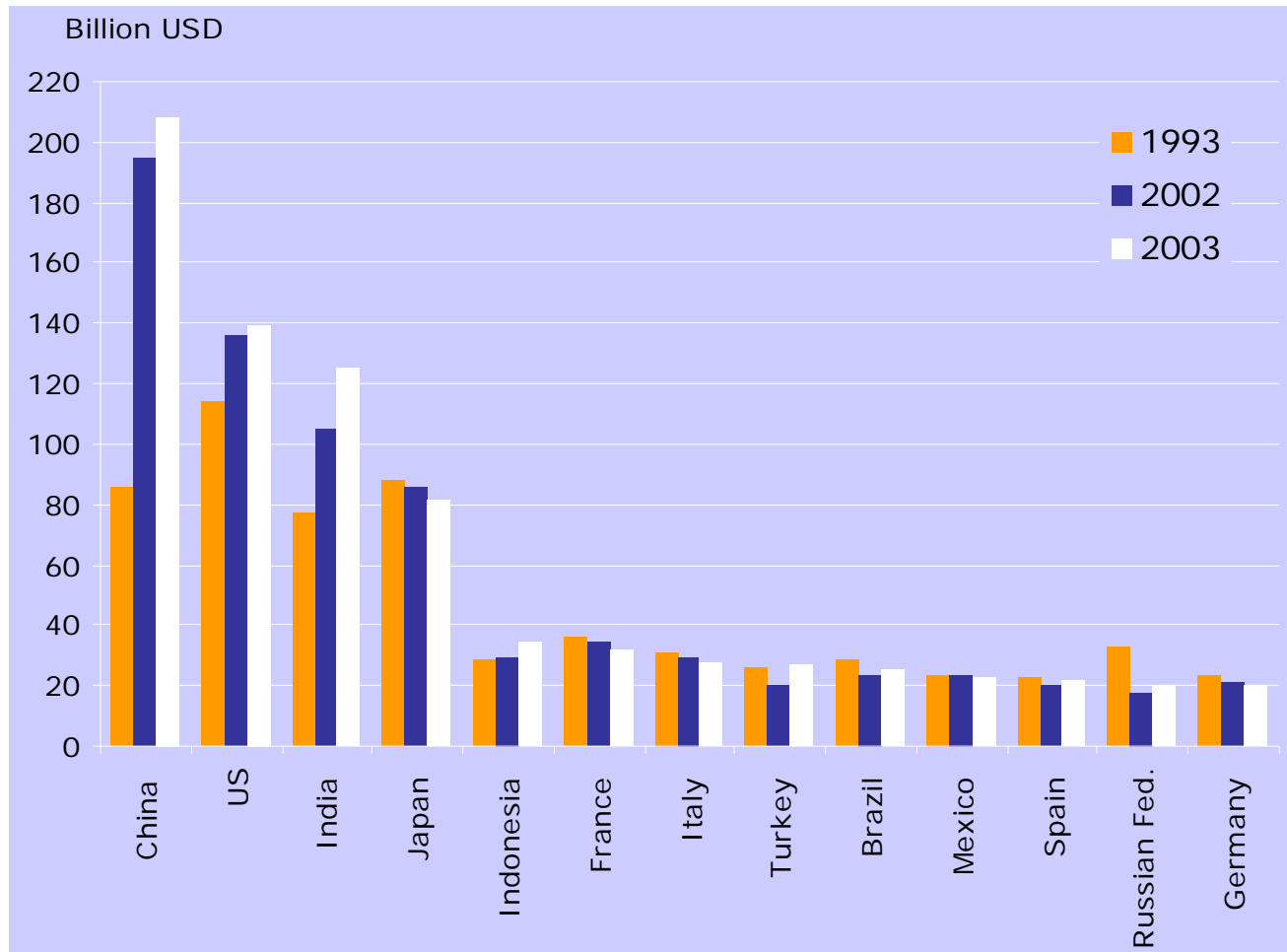


Agricultural production growing faster than population



Source: MvK huk Hnyj | \$ | y | Vynhuph{pru vntol \ uq| k Uh{pruz3977<

Cost benefits and expanding domestic markets boost farm production



Zv| yj | A^ v yk | hur 3977<5

F&A companies have to adapt their strategies



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BUNGE



Béghin Say



Atlanta-Gruppe



Conserve Italia

CREMER GRUPPE



AmBev



ConAgra



Bonduelle GROUPE



Cott



BRITISH SUGAR



CWB



COPERSUGAR



Cargill

CW

Cerealia



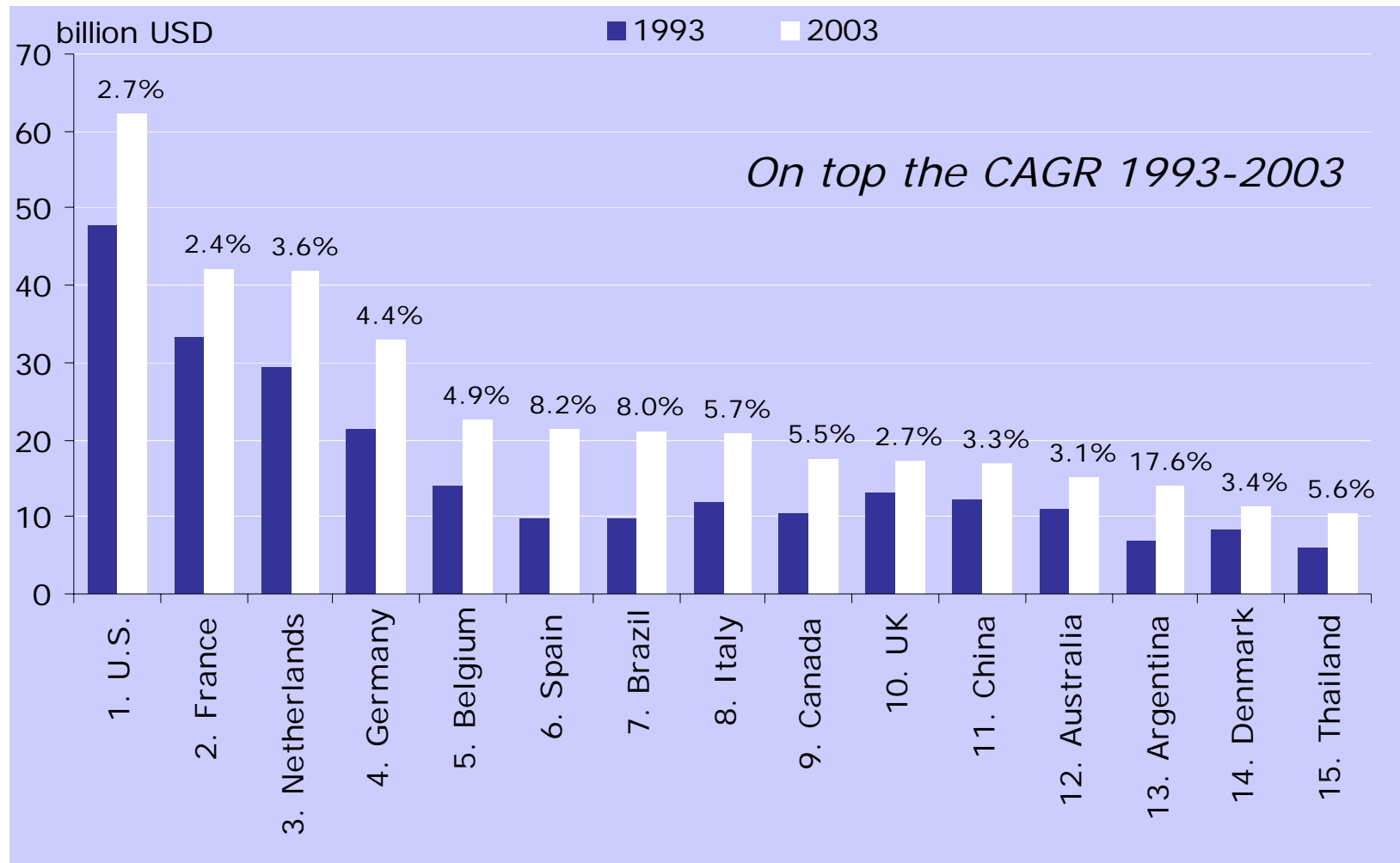




Latin America gains ground in F&A exports



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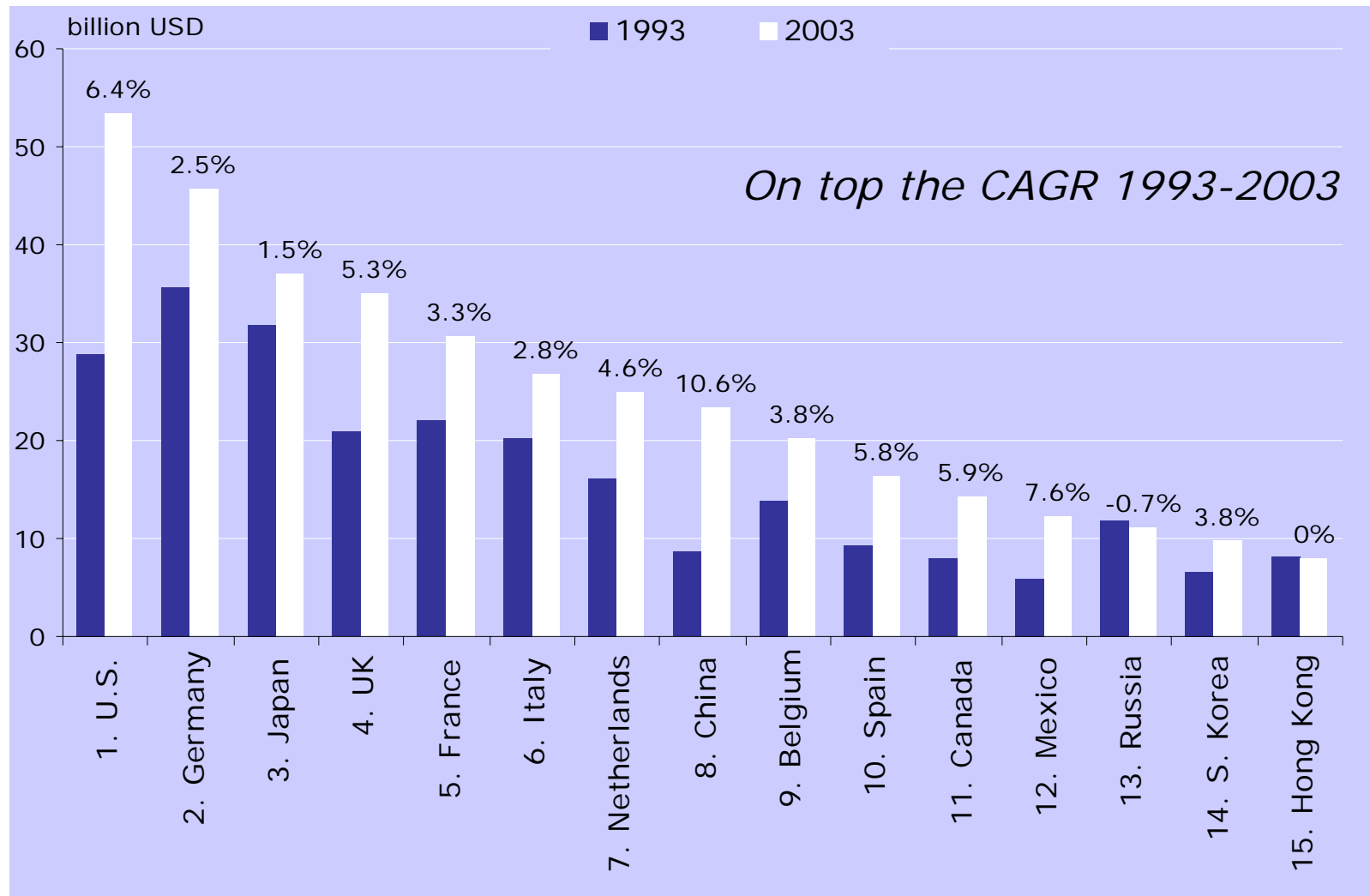


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Boost to U.S. food & agri imports



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Emerging countries show increasing F&A trade surplus



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Agricultural policy: towards more liberalised trade



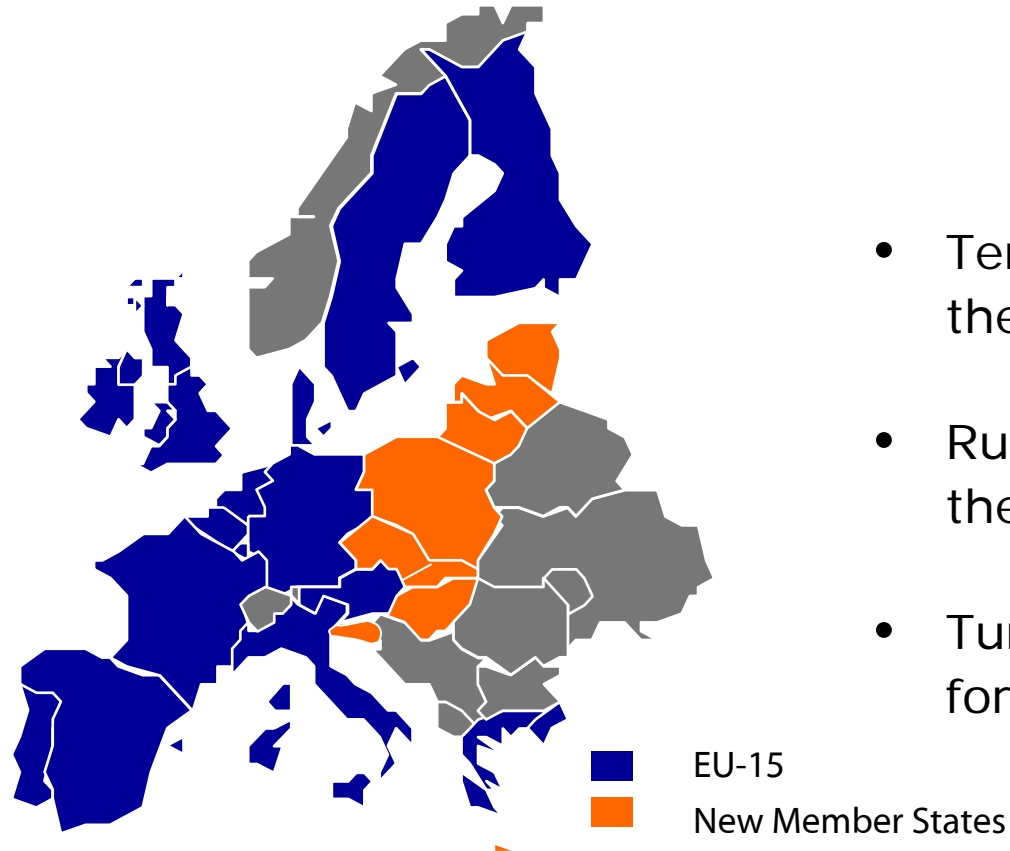
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- Production quotas
- Border measures
- Europe
- U.S.
- Japan
- Single Farm Payment System
- Farm Bill
- WTO
- Market access
- Export support
- Domestic support
- Hong Kong
- China
- Russia
- India
- Brazil

EU enlargement: New Members have immediate use of CAP market & price policy and a gradual phasing in of income support



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- Ten New Member States entered the EU in **May 2004**
- Rumania and Bulgaria will join the EU in **2007**
- Turkey and Croatia have applied for EU membership



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Black Sea Region

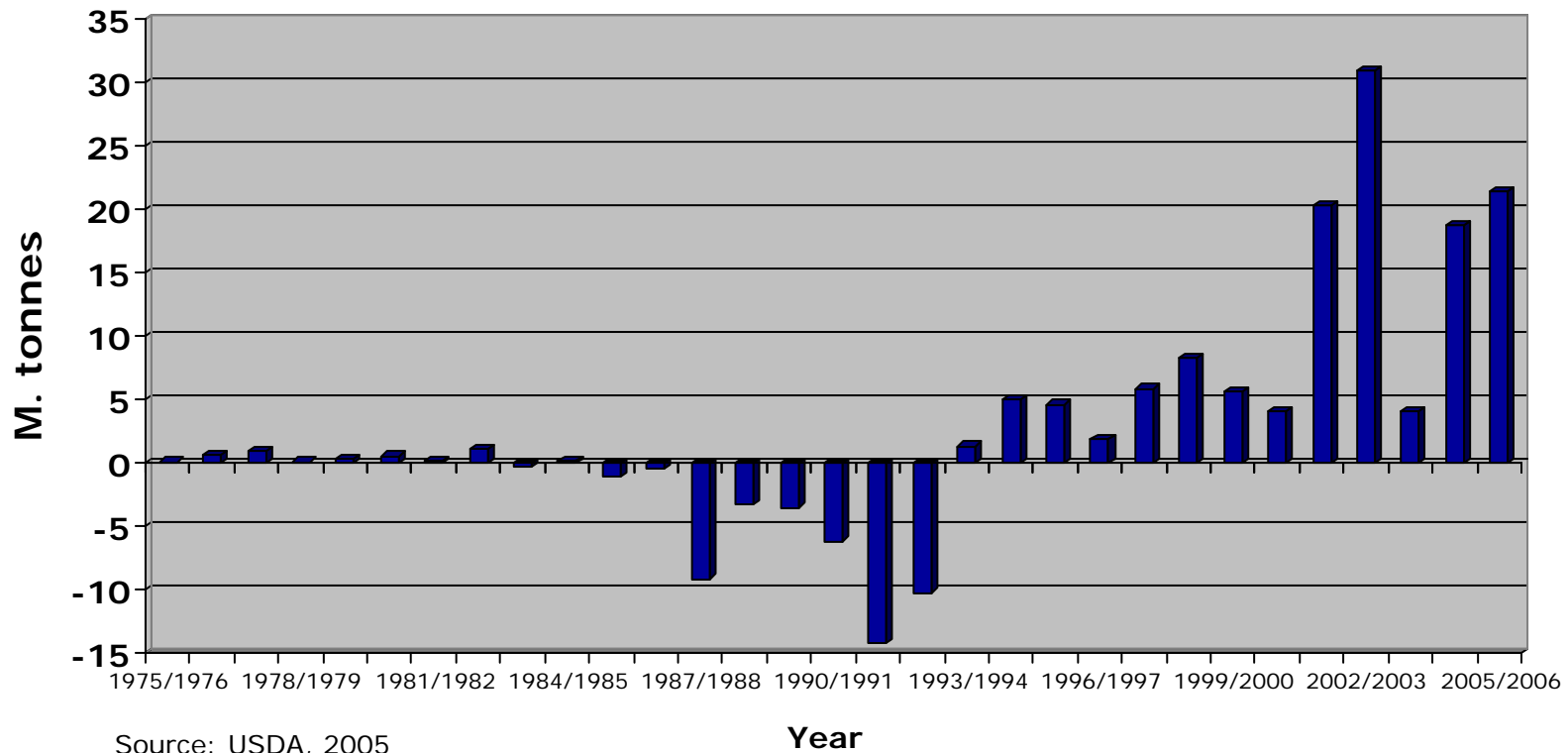
Russia, Ukraine, Kazakhstan, Rumania, Bulgaria



The Black Sea Region is becoming a dominant force in the world wheat market



Wheat* trade balance Black Sea Region



Source: USDA, 2005

* Crops: wheat and barley

Outlook



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- ❖ Emergence of markets in Latin America, Asia, Eastern Europe
...also for research, production, processing and trade
- ❖ Emerging countries will benefit most from trade liberalisation
...but natural constraints are crucial
- ❖ Companies have to focus on what they really excel in
...be flexible and cooperate with others when needed
- ❖ New forms of cooperation, further internationalisation, and growth of industry in emerging markets offer new opportunities for financing global food and agri!