

Resume webinar

Market Outlook – by Adolfo Fontes, DSM 21 March

Key takeaways

Production costs

- Although feed costs are still expected to remain close to 2024 levels during H1 in 2025, some adjustments were registered due to lower than expected numbers on global stocks
- After La Nina prevalence in Q1 2025, neutral weather conditions are expected in Q2 and Q3 2025
- Geopolitical tensions will probably bring even more volatility to commodity markets during 2025

Animal Protein

- Positive outlook remains due to stronger demand and positive margins
- The significant decline in trade (with China reducing imports) will pressure export countries to seek for new markets, increasing competition in the international market.

Points from Adolfo Fontes presentation

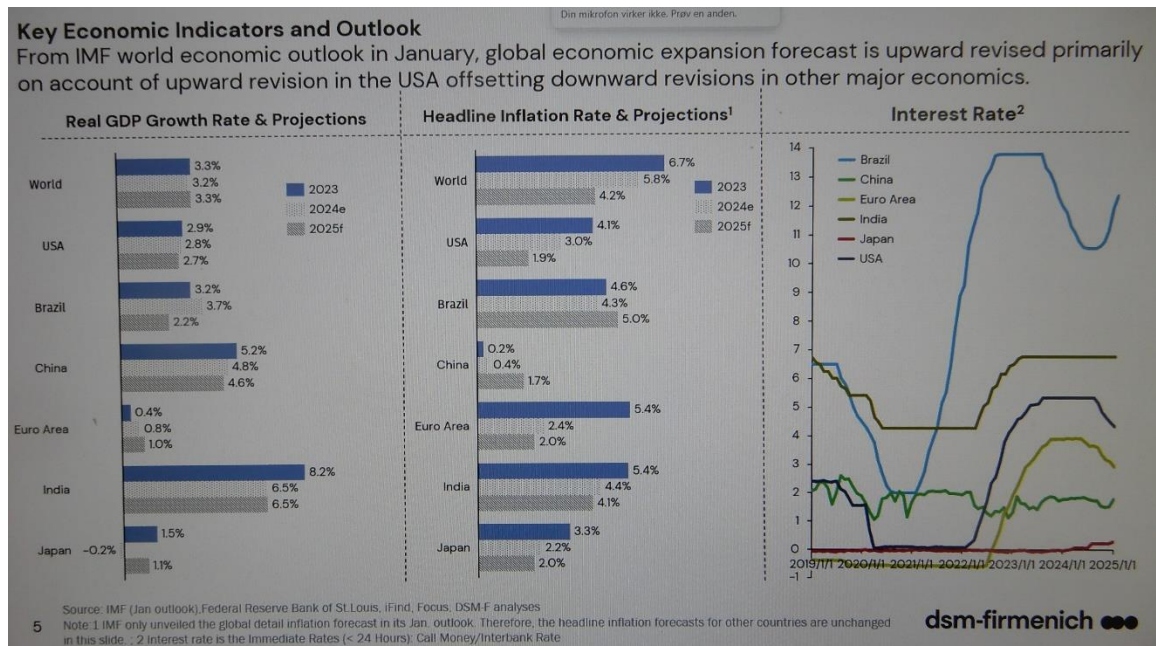
Adolfo Fontes fremhævede en række faktiske usikkerheder, men påpegede, at verdensøkonomien stadig vokser, at kornpriserne ligger i et positivt niveau og at inflationen og renten også falder – undtagen i Brasilien. De langsigtede vejrforhold synes mest sandsynligt at være "neutrale" i 2. kvartal. El Nino er afløst af La Nina og det fører til bedre vejr for landbrug og dermed positive udsigter for sojaproduktionen.

Med vækst i økonomierne kan vi forudse fortsat øget forbrug af animalsk protein. Prognoserne viser en fortsat vækst på 1,1% i forbruget frem mod 2033. – størst stigning forventes inden for fjerkrækød og svinekød. Men øvrige produkter vil også opleve stigende forbrug.

Adolfo Fontes highlighted a number of factual uncertainties, but pointed out that the world economy is still growing, that grain prices are at a positive level and that inflation and interest rates are also falling – except in Brazil. The long-term weather conditions seem most likely to be



"neutral" in the second quarter. El Nino has been replaced by La Nina, which leads to better weather for agriculture and thus positive prospects for soy production. With growth in the economies, we can anticipate continued increased consumption of animal protein. Forecasts show continued growth of 1.1% in consumption up to 2033. – the largest increase is expected in poultry and pork. But other kind of products will also experience increasing consumption.



Thus, the production of animal protein is expected to continue to increase from 2024 to 2025 by approximately 0.1%. And with the greatest growth in Brazil (3.4%), the USA (1.3%) and the EU (2.2%) and a decrease in China of 1.2%.

World Trade

The world trade patterns for animal protein continue to be that the EU, the US and Brazil supply Southeast Asia. A declining production in China is due to poor consumer economics. Yet China again produces half of the world's pork production. This is because China has regained a stable herd structure since 2021 after the major changes due to ASF.



In 2025, pig production will fall in many EU countries, leading to an overall decline of 1.1%, especially in Spain (6.2%) and Poland (3.9%), while it will increase in Denmark (2.6%) and Italy (1.6%). EU total exports will fall to China (3.7%), but are expected to increase to the Philippines and Vietnam.

EU pig prices have stabilized and led to better terms of trade. Whereas the terms of trade in China have become worse – due to low sales prices.

Grain and Soybean Market

Soybean meal accounts for 70% of oilseed meal consumed in feed, and corn and wheat account for 90% of the grain share in livestock feed. These three crops are therefore the leaders in the global oilseed and grain market. Rapeseed and sunflower seeds account for a small share compared to soy.

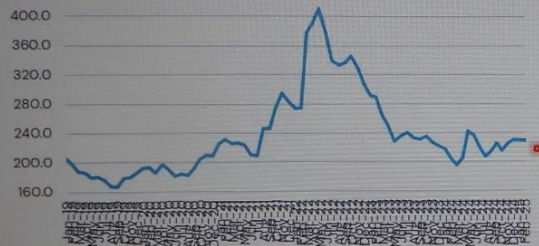


Danish Farmers
ABROAD

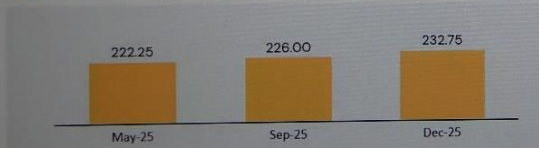
Grain prices in Europe

Future wheat contracts (H1 2025) have registered prices close to EUR 225 per ton in France

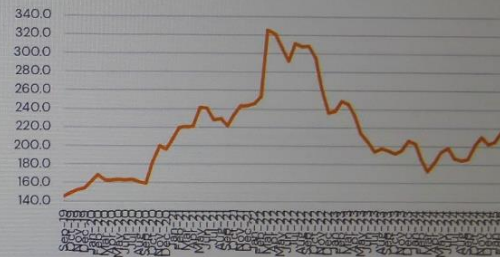
Wheat prices in France (EUR/ton)



Future contracts



Corn prices in the Black Sea (EUR/ton)



Ukraine corn forecast (million tons)

	2022/23	2023/24	2024/25
Production	27.0	32.5	26.8
Consumption	4.7	5.0	5.2
Exports	27.1	29.5	22.0
Imports	-	-	-

dsm-firmenich

Photo shows the current prices of wheat and corn in the photo for France and the Black Sea region respectively. The wheat prices follow the same trend as corn.