

Forces Shaping the Future of Food & Ag

Drummondville, Quebec

April 2023

Roland Fumasi, RaboResearch Food & AgriBusiness



*Growing
a better world
together.*

Rabobank

Agri
Commodity
Markets

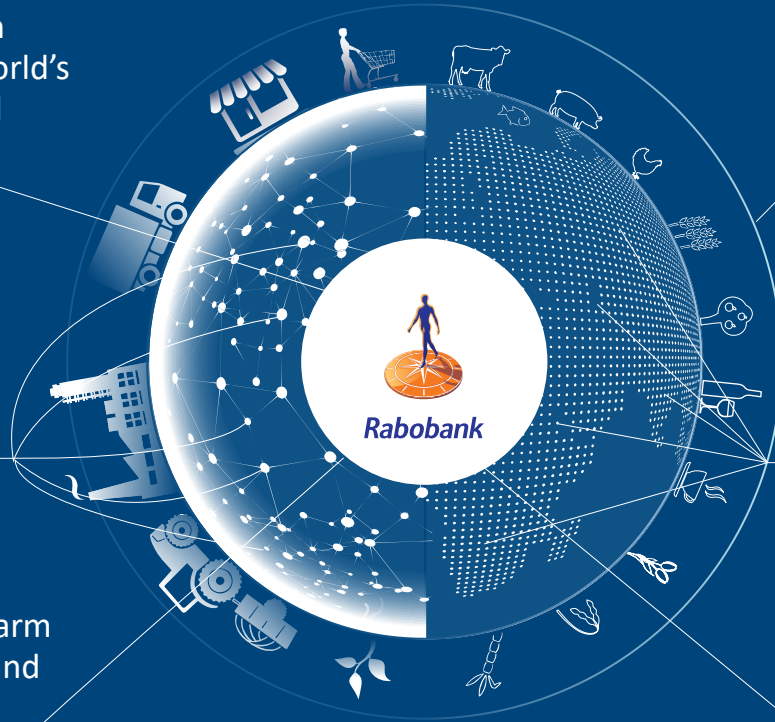
Animal
Protein

Beverages

Consumer
Foods

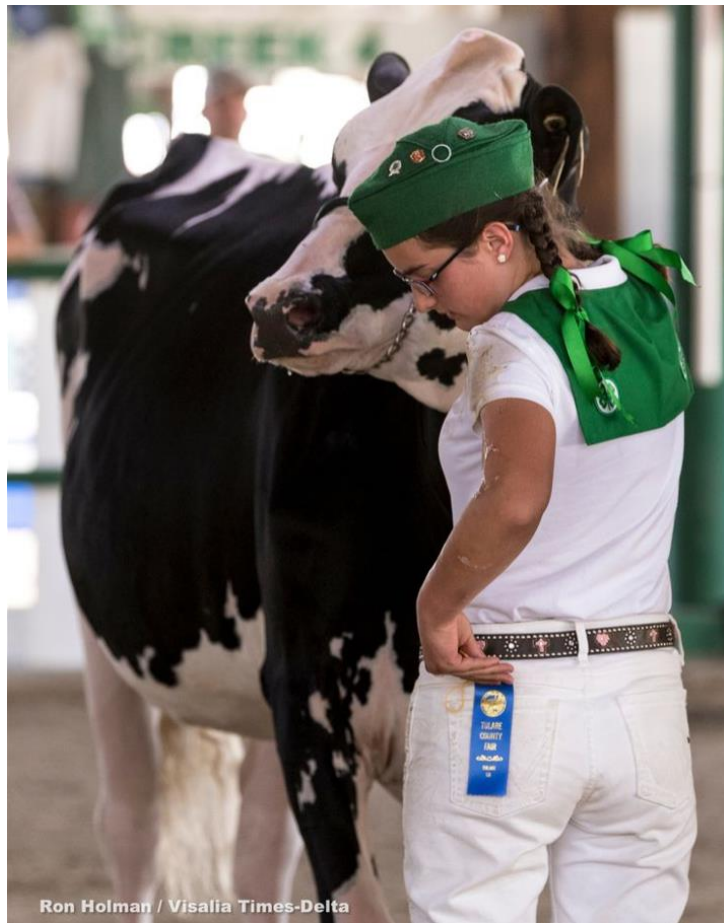
Dairy

of local experts



Sugar

Always in-touch with roots



Ron Holman / Visalia Times-Delta

2015-2020



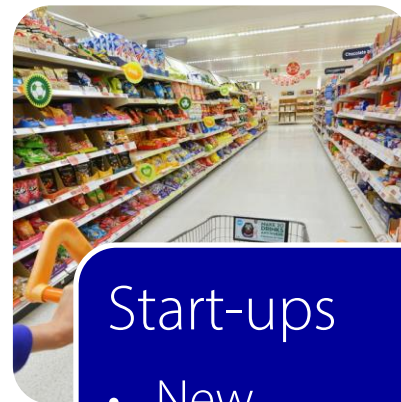
Changes in channels

- E-commerce
- Food delivery



"New" food

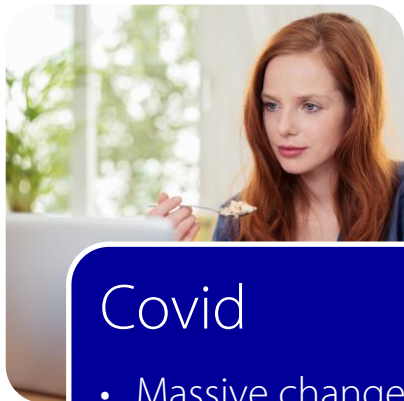
- Plant based
- Hard seltzers



Start-ups

- New technologies
- Small brands

2020-2022



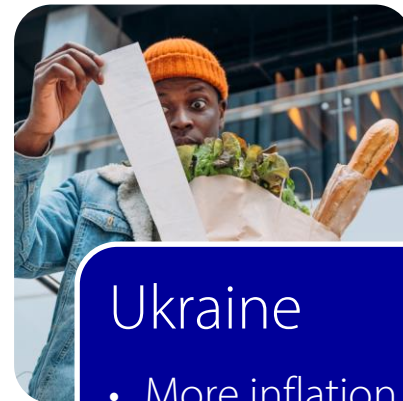
Covid

- Massive change in consumer behaviour
- WFH quite sticky



Inflation

- Supply chain disruptions
- Rapid demand recovery

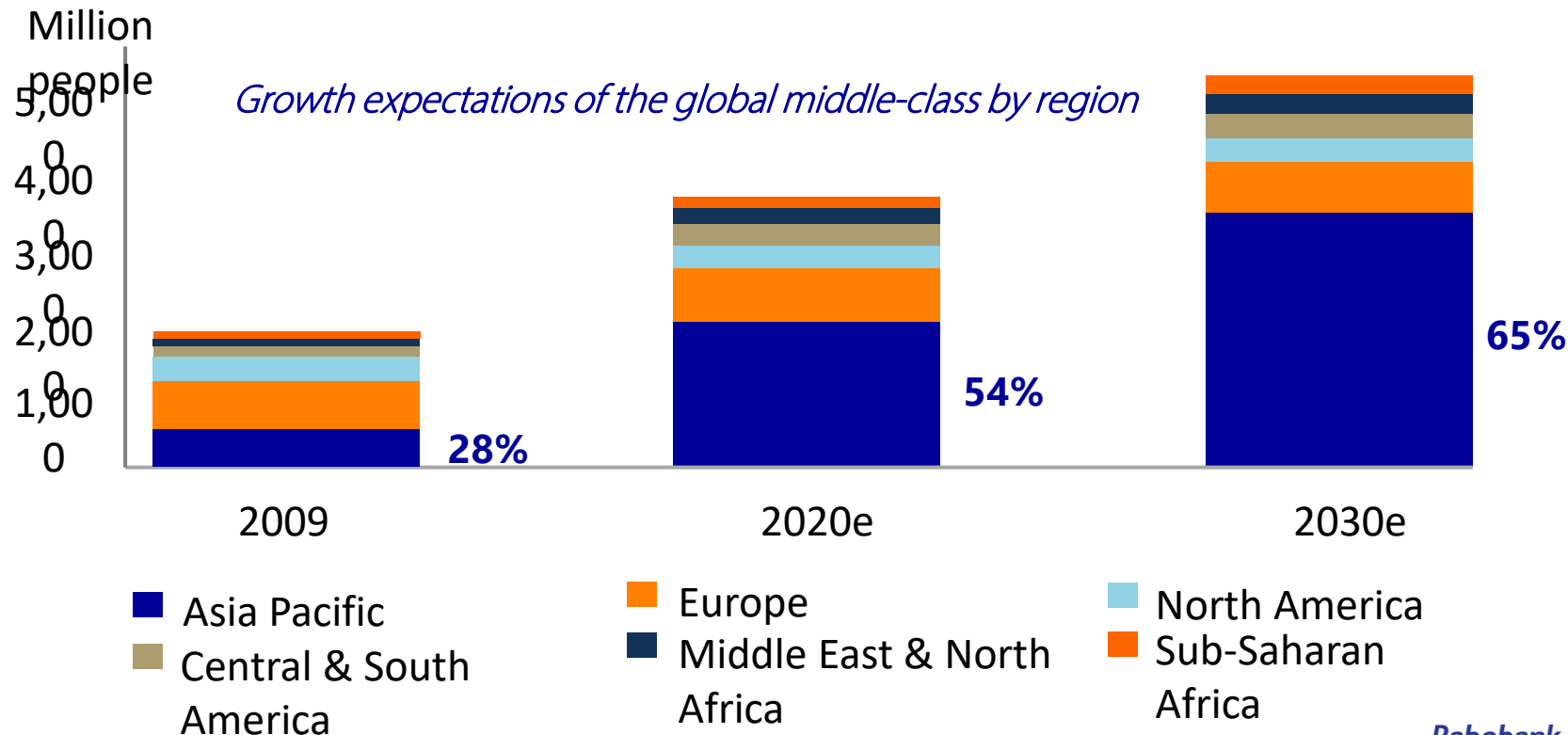


Ukraine

- More inflation
- Now with a wage component to it

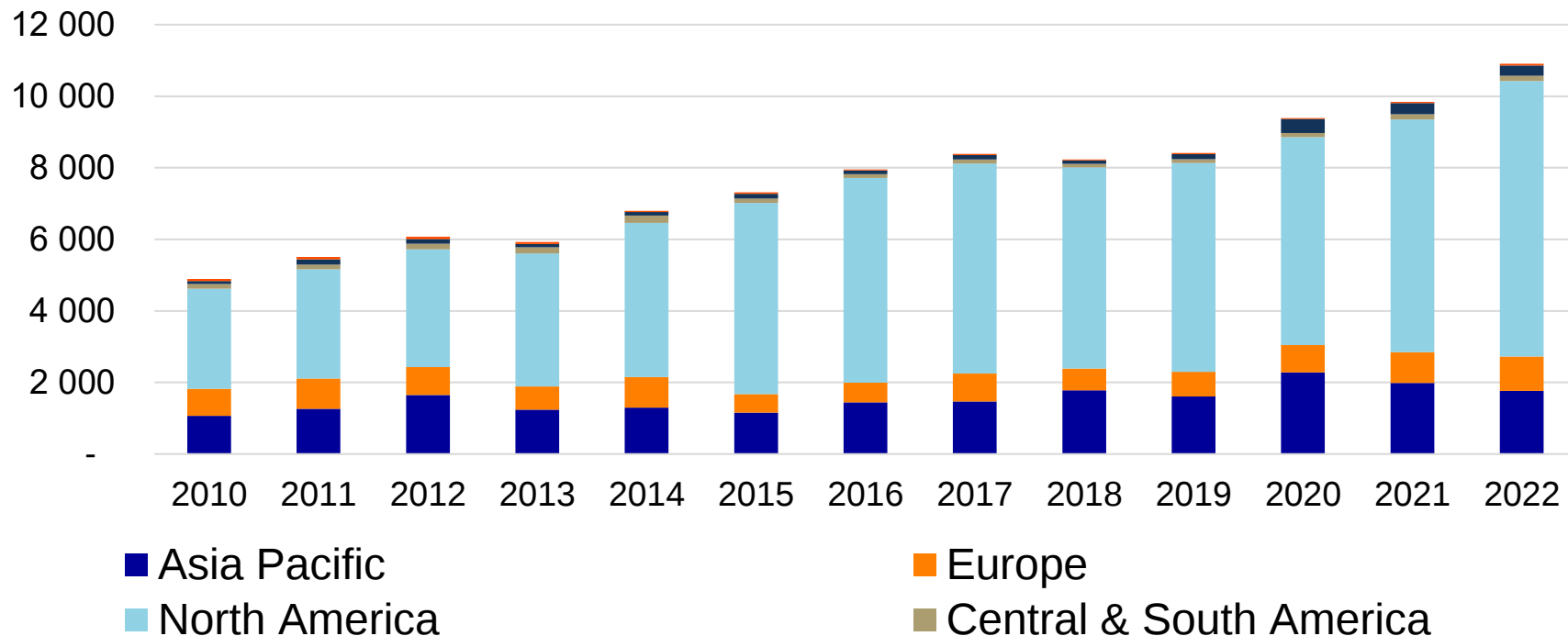
Rising incomes drive general food demand, but...

There is more to the story



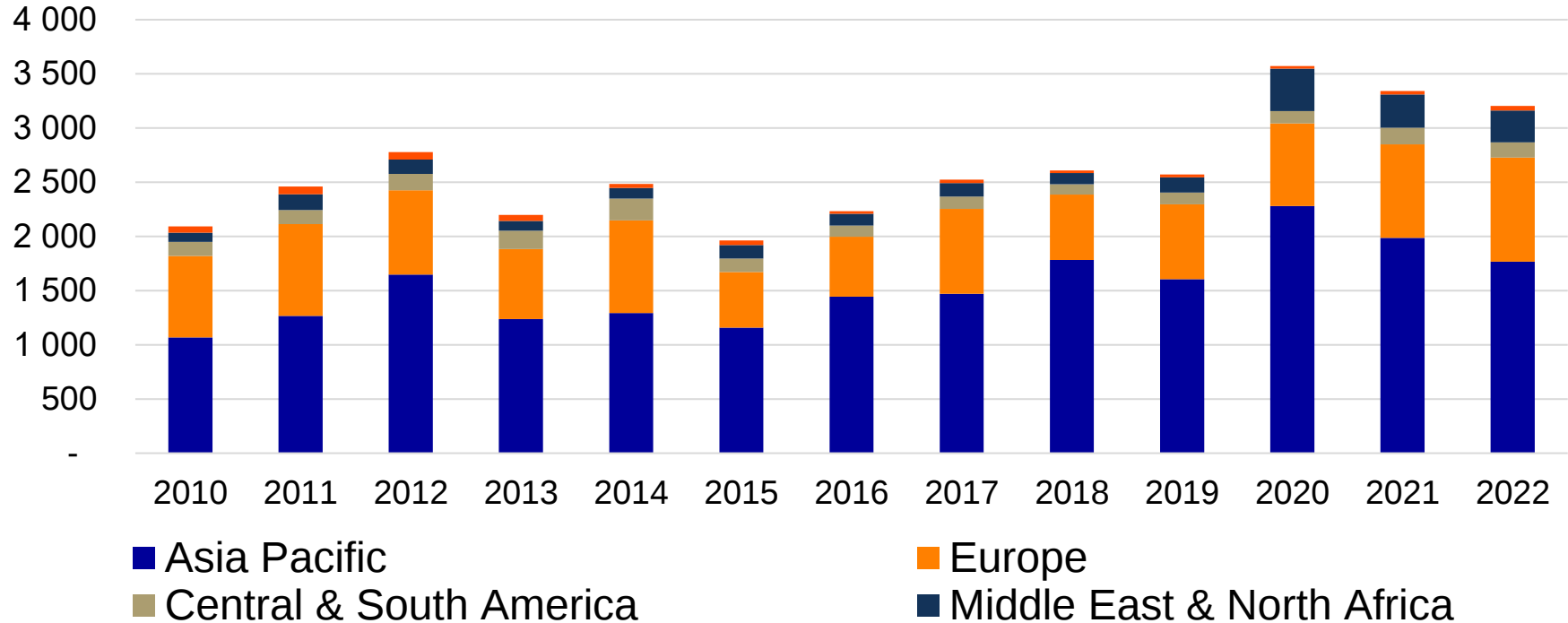
Quebec food & agri export growth a North American story

Million CAD



A closer look at Quebec F&A exports, leaving out US & MX

Million CAD



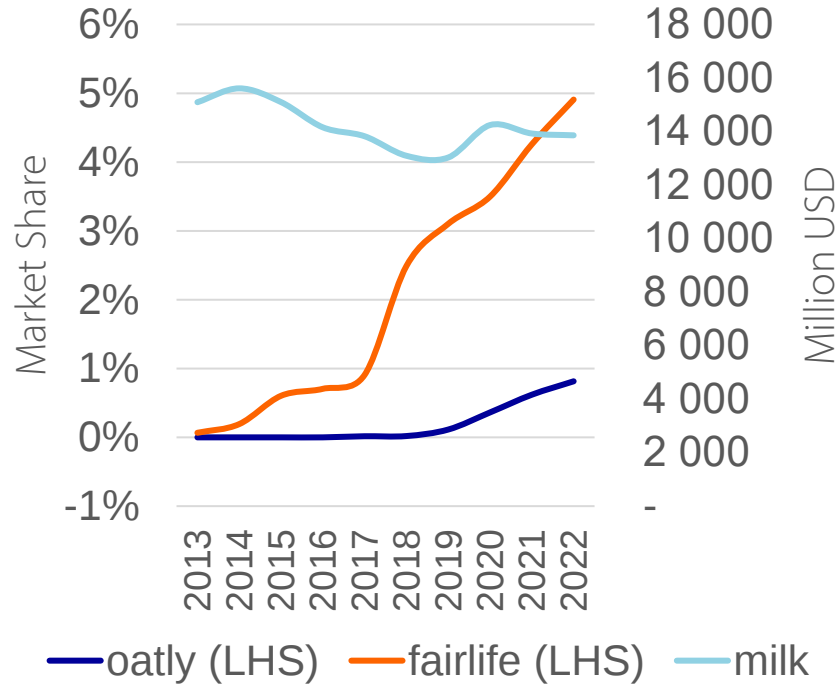
Consumer food choices simplified



Recognizing the power of incremental innovation

"Incremental" innovation vs. disrupter in a declining category

"Simple" things can make a big splash



Plant-based meat alternatives

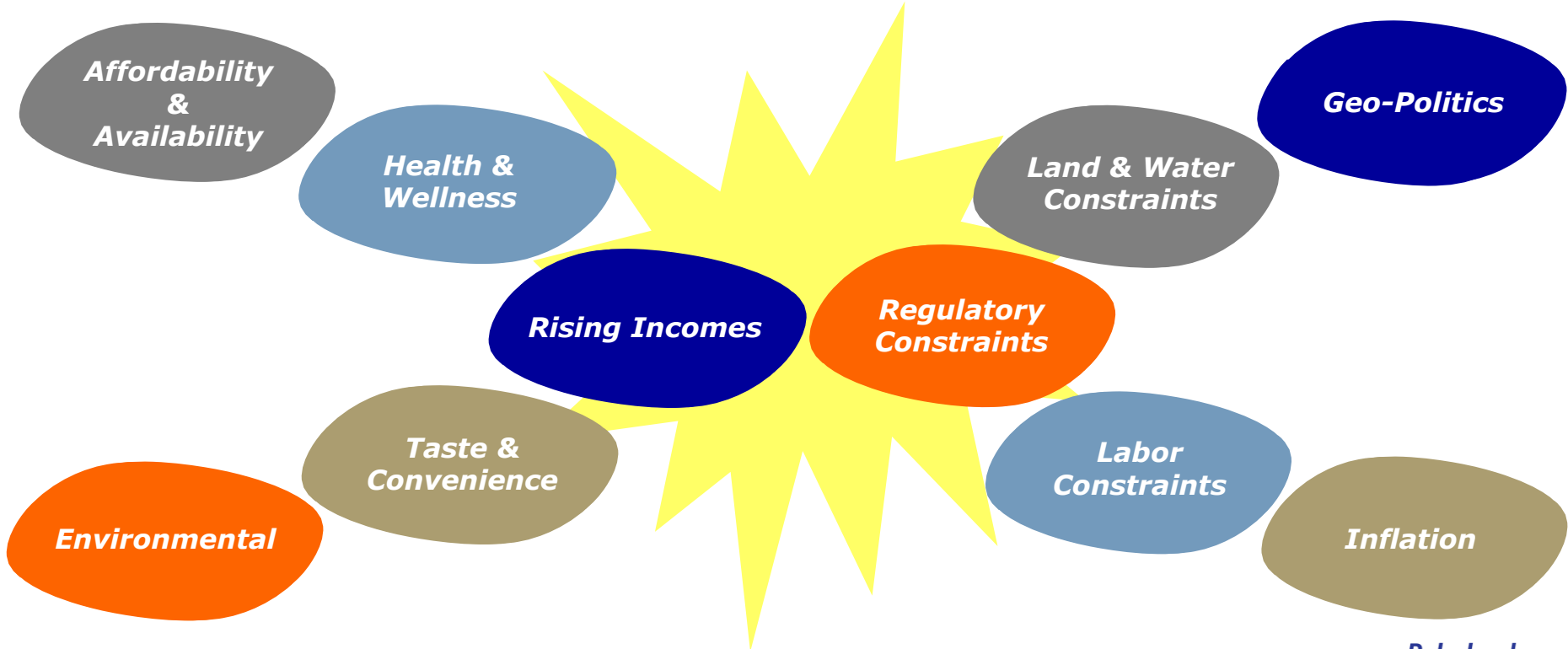
Pressing pause on world domination

“I thought they were about to take over the world, but they are going to have to go back to the drawing board.”

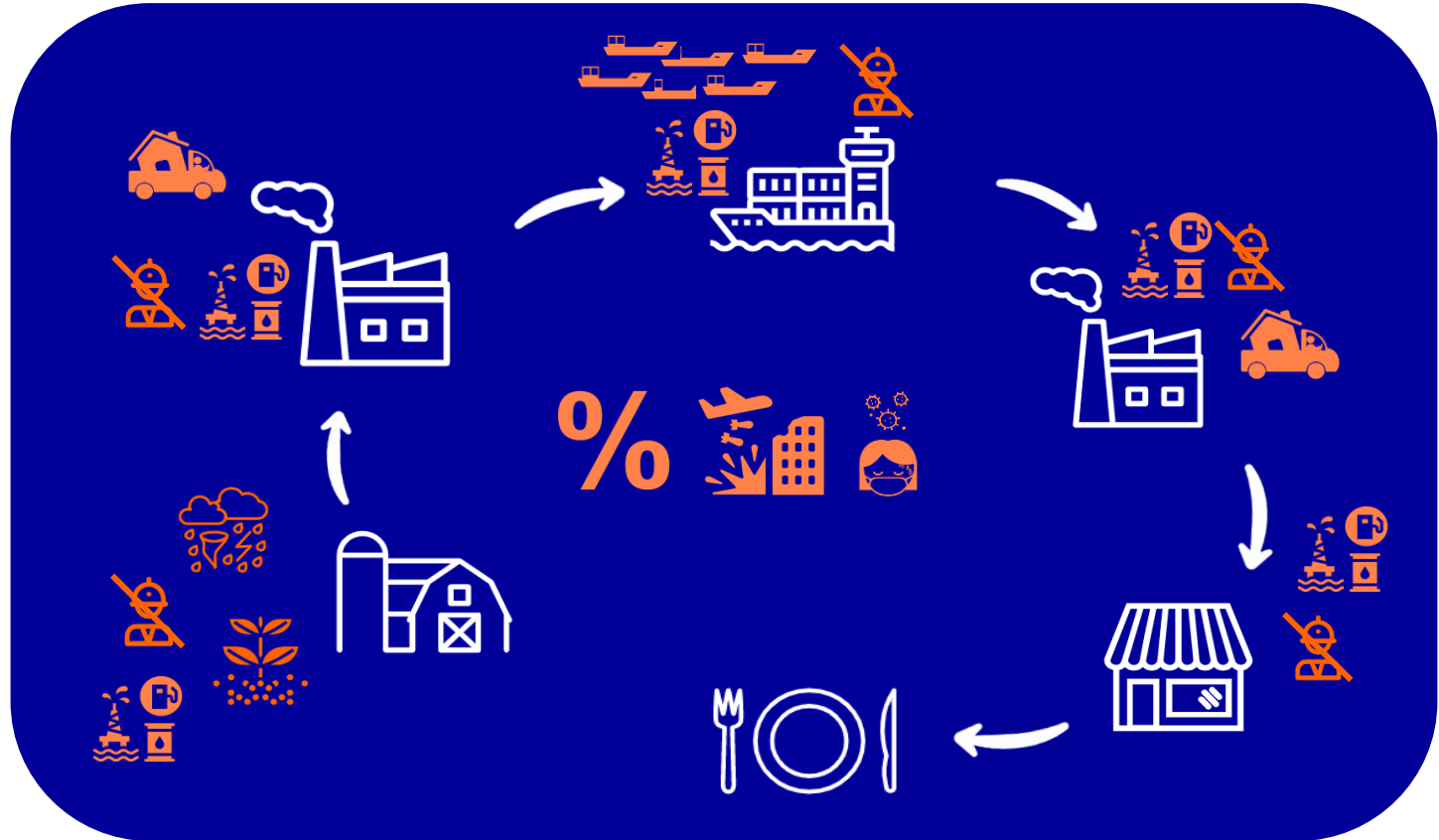
“The plant-based game is not over, and in many ways, it is just beginning.”

-Quotes from RaboResearch's Talking Points Readership Survey, Q4 2021

These powerful demand forces are colliding with supply constraints

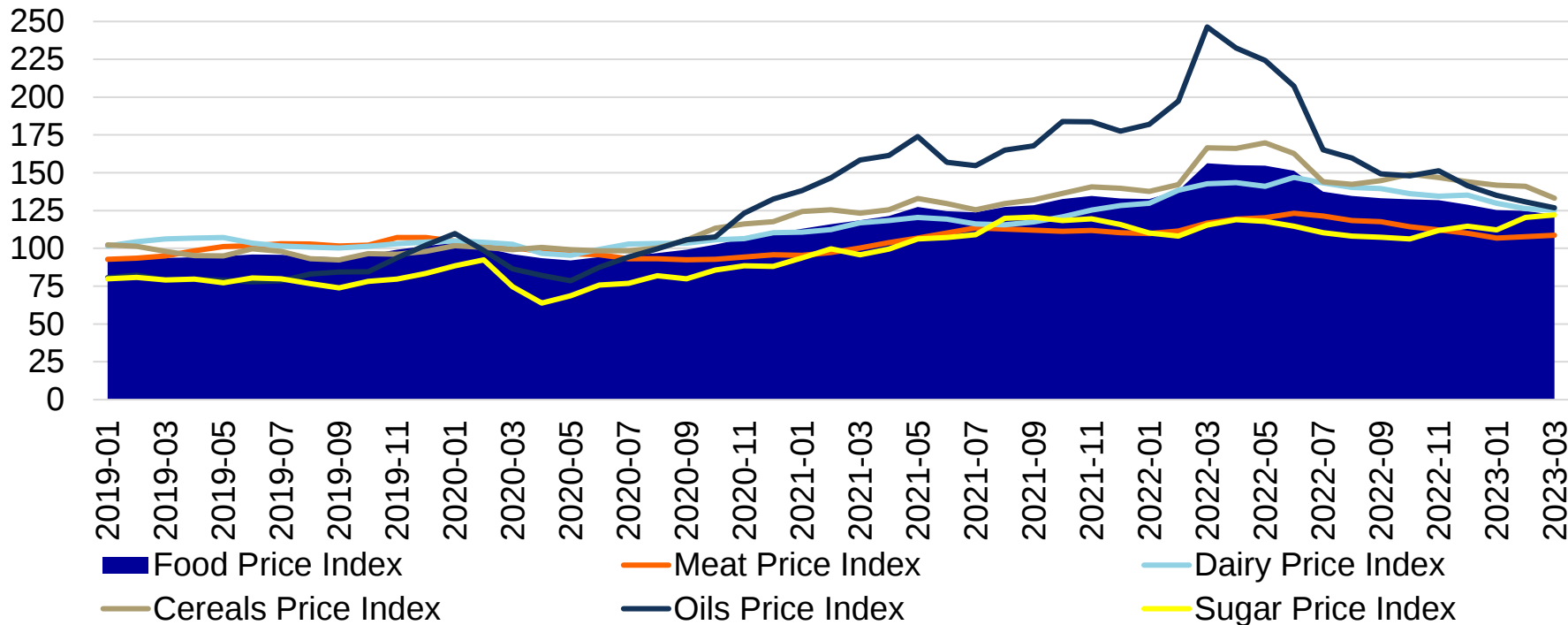


Supply-chain inflation is very multi-faceted



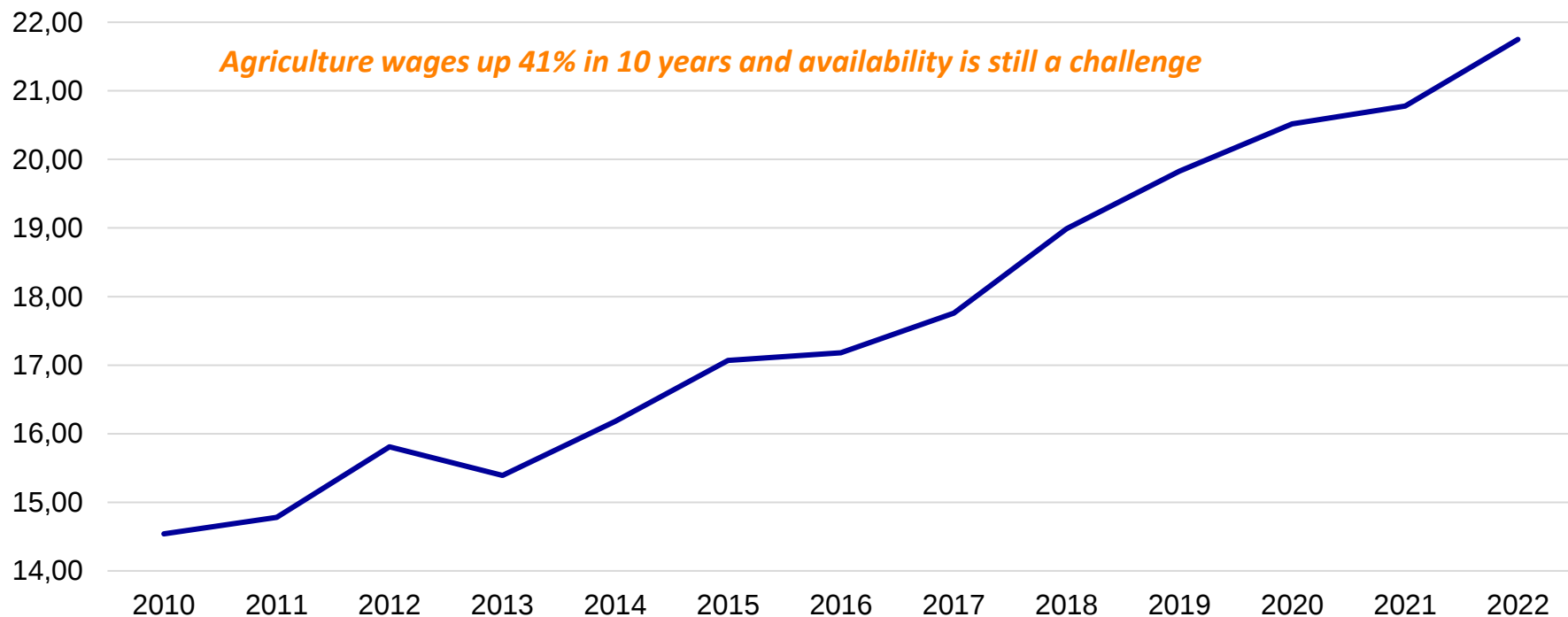
But food prices (trade level) continue to slide downward

FAO Food Price Indices

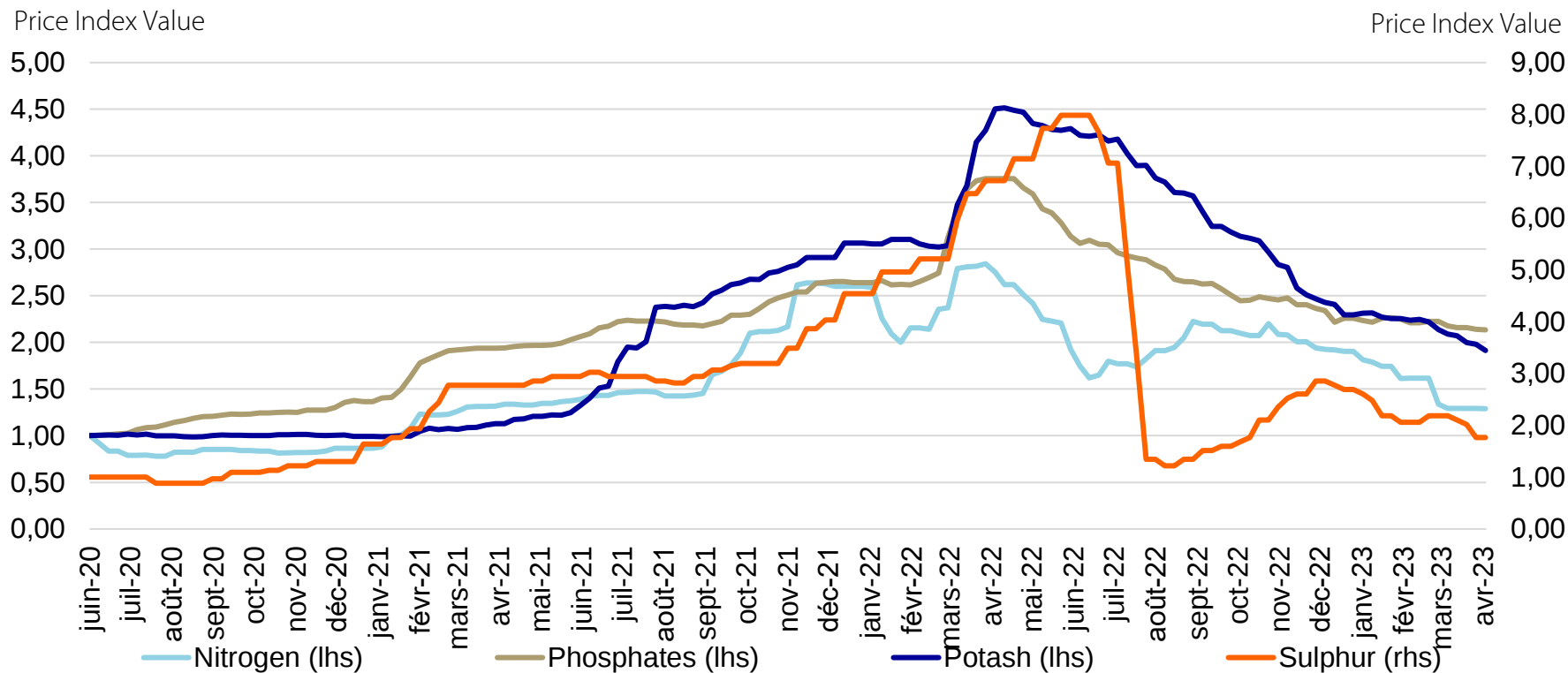


Immigration policy changes only marginally help in mid/long run

CAD/hour

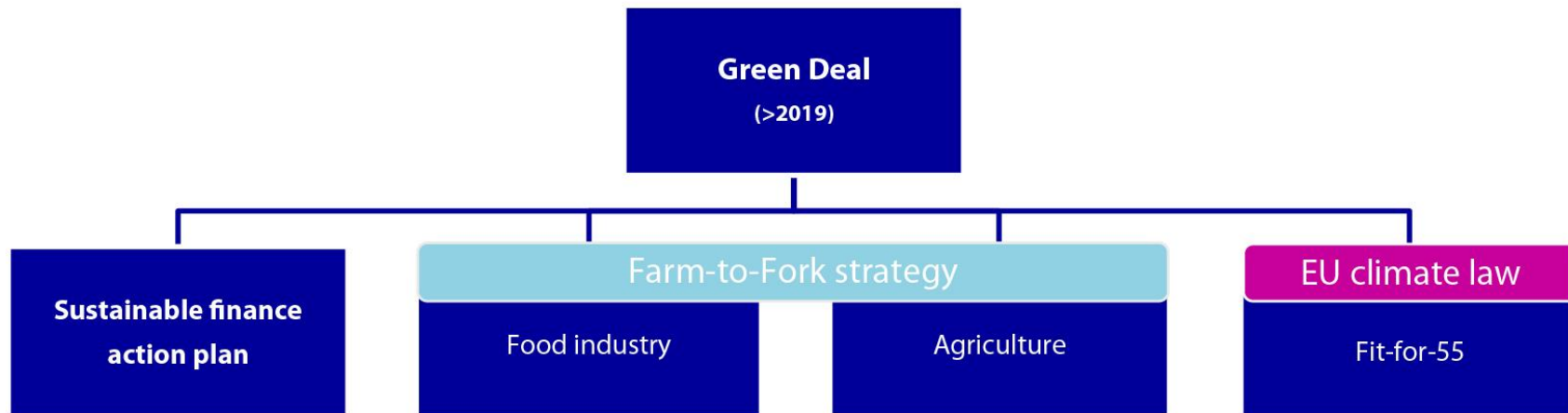


Fertilizer price relief, but potential upside volatility in nitrogen



Environmental policy-driven changes will become more intense

EU Example



Greenflation is real, but we must continue to Do More with Less.

Q&A



This document has been prepared exclusively for your benefit and does not carry any right of publication or disclosure other than to Coöperatieve Rabobank U.A. ("Rabobank"), registered in Amsterdam. Neither this document nor any of its contents may be distributed, reproduced or used for any other purpose without the prior written consent of Rabobank. The information in this document reflects prevailing market conditions and our judgement as of this date, all of which may be subject to change. This document is based on public information. The information and opinions contained in this document have been compiled or derived from sources believed to be reliable, without independent verification. The information and opinions contained in this document are indicative and for discussion purposes only. No rights may be derived from any potential offers, transactions, commercial ideas et cetera contained in this document. This document does not constitute an offer or invitation. This document shall not form the basis of or cannot be relied upon in connection with any contract or commitment whatsoever. The information in this document is not intended and may not be understood as an advice (including without limitation an advice within the meaning of article 1:1 and article 4:23 of the Dutch Financial Supervision Act). This document is governed by Dutch law. The competent court in Amsterdam, The Netherlands has exclusive jurisdiction to settle any dispute which may arise out of or in connection with this document and/or any discussions or negotiations based on it. This report has been published in line with Rabobank's long-term commitment to international food and agribusiness. It is one of a series of publications undertaken by the global department of RaboResearch Food & Agribusiness. ©2019 - All Rights Reserved.



Growing a Better World Together

THANK YOU