

OPPORTUNITIES AND CHALLENGES OF GRAIN FLOW CHANGES IN SUB SAHARAN AFRICA

BUNGE

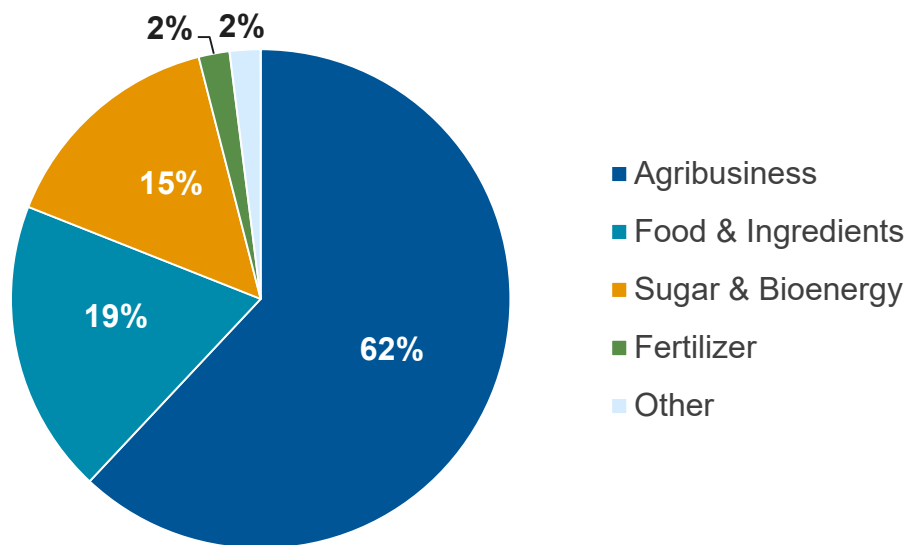
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IGC CONFERENCE, LONDON – JUNE 11, 2019 – JEAN CHARZAT, BUNGE



Bunge is a global agribusiness company listed by NYSE

Average Invested Capital



NET SALES

\$46 B

EMPLOYEES

~32,000

FACILITIES

~400

COUNTRIES

~40+

AGRIBUSINESS

- A global leader in oilseed processing
- A global leader in grain and oilseed origination and marketing

FOOD & INGREDIENTS

- Global B2B oils leader with full line of product solutions
- Leading corn and wheat miller in the Americas
- World-class innovation and applications capabilities

SUGAR & BIOENERGY

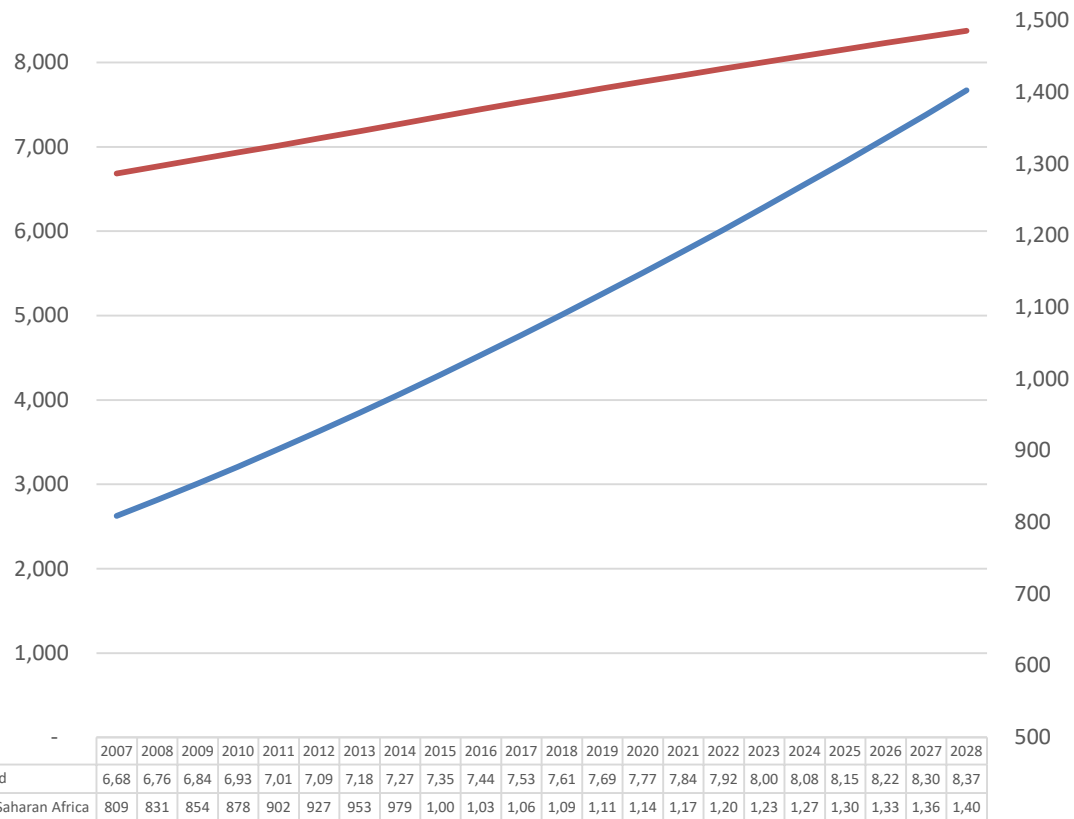
- 21 mmt sugarcane milling capacity producing sugar, ethanol and electricity

FERTILIZER

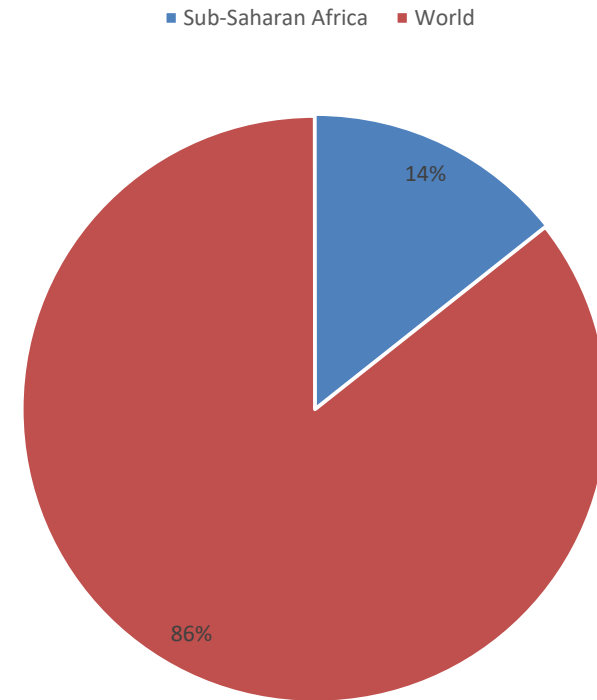
- Fertilizer production and sales in Argentina
- Fertilizer port operations in Brazil

Population grows 3 times quicker in Sub Saharan Africa than World average.

World vs SSA Population



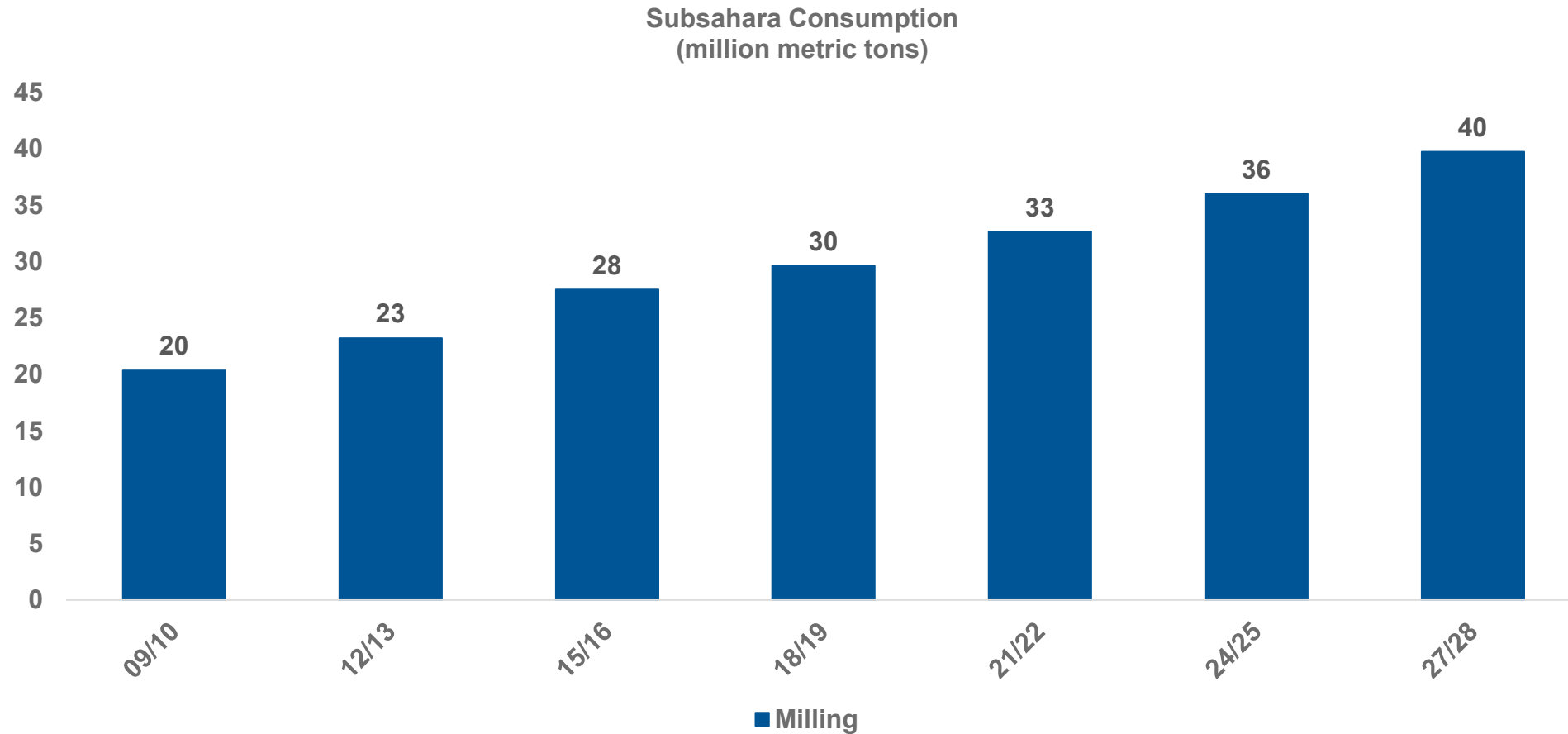
2028 World Population Projection - 8.3 bln
2028 Sub Saharan Africa Population Projection -1.4 bln



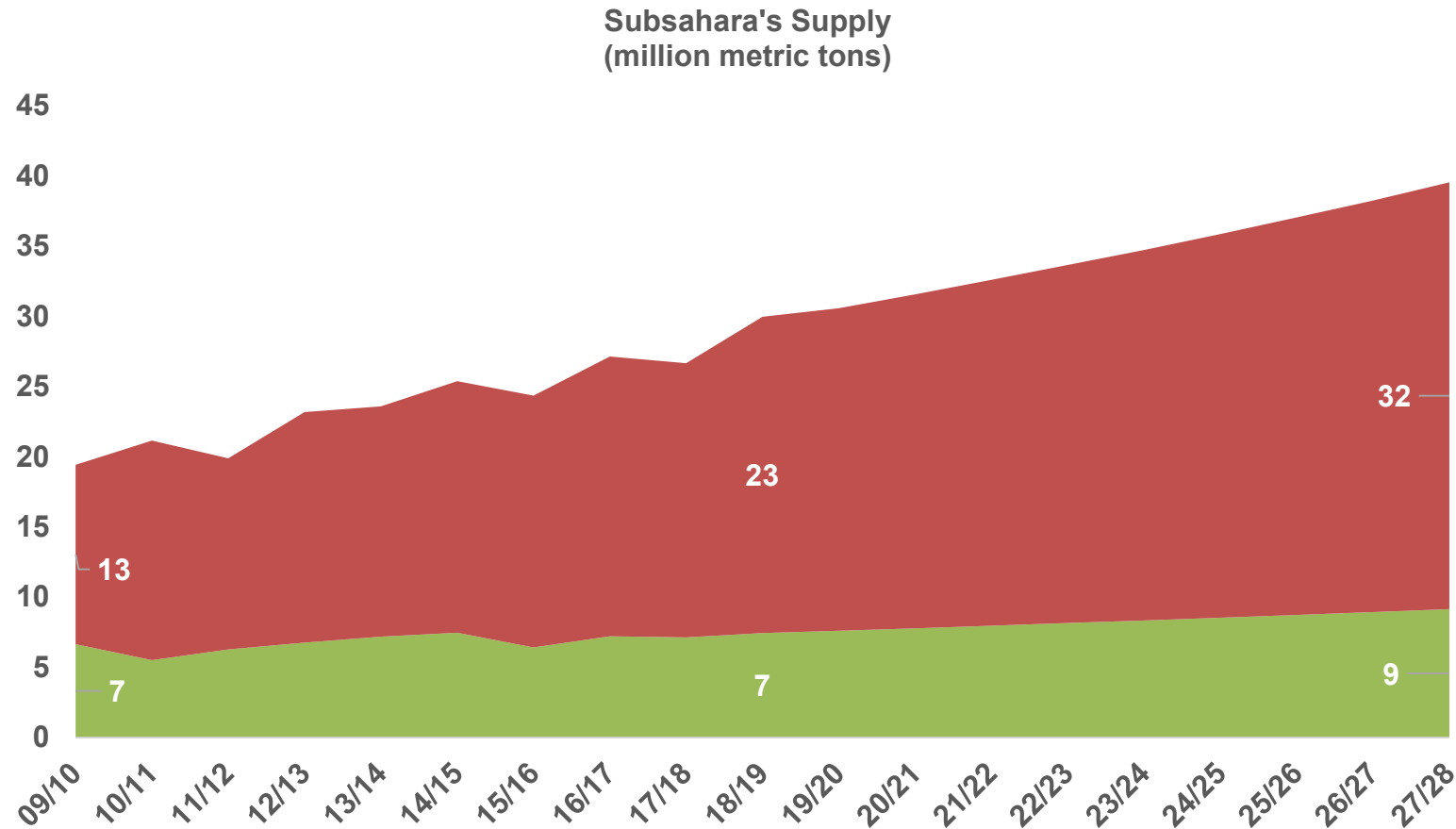
Population increases by 600 mn in 20 years (2007-2027) within Sub Saharan Africa while only 60 mn for the rest of the continent



Population growth doubling wheat consumption to reach 40 mn tons by 2028



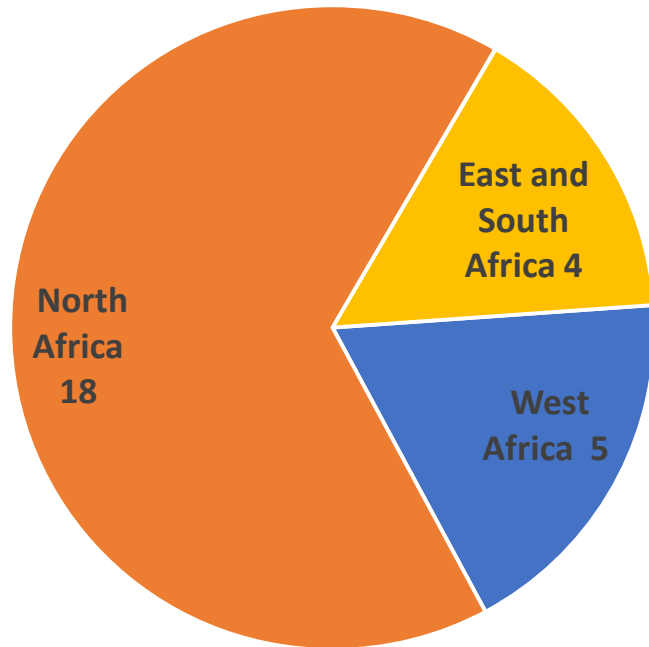
In next 10 years wheat imports need to increase by 10mn tons as local production only increases by 2mn tons



As a consequence Africa wheat imports will reach 63 mln by 2028

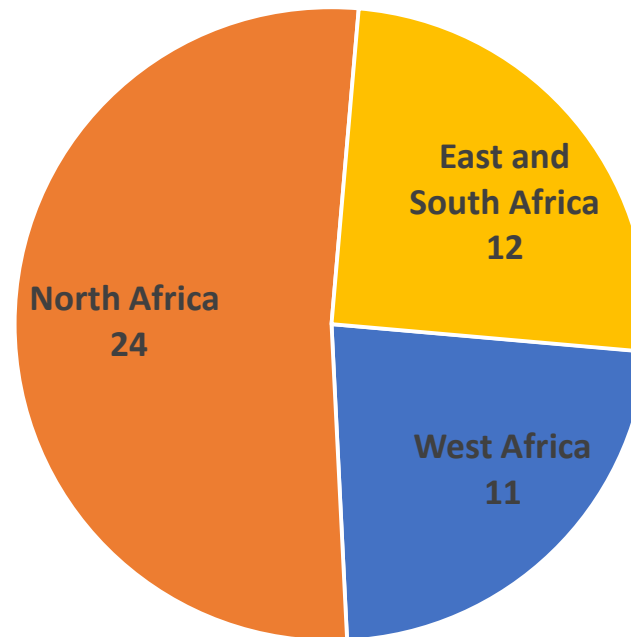
2007/2008 – 27mt

2007/2008 Import



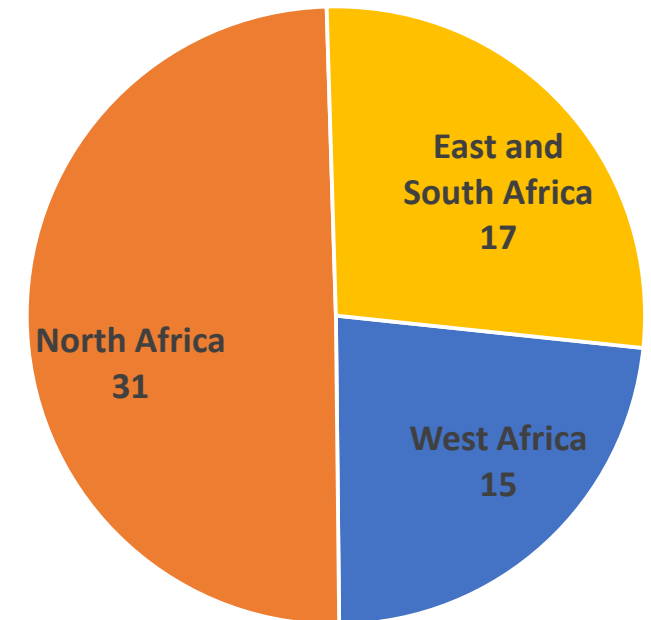
2018/2019 – 47mt

2018/2019 Import



2027/2028 – 63mt

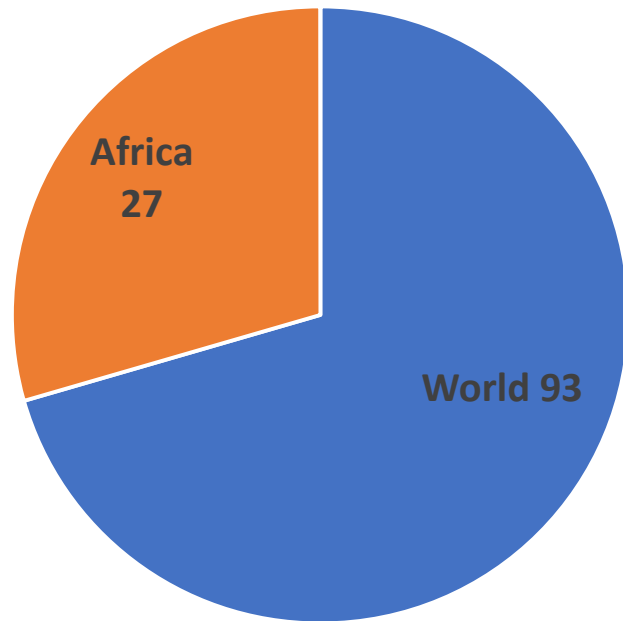
2027/2028 Import Projection



Africa wheat imports will increase quicker than the rest of the world

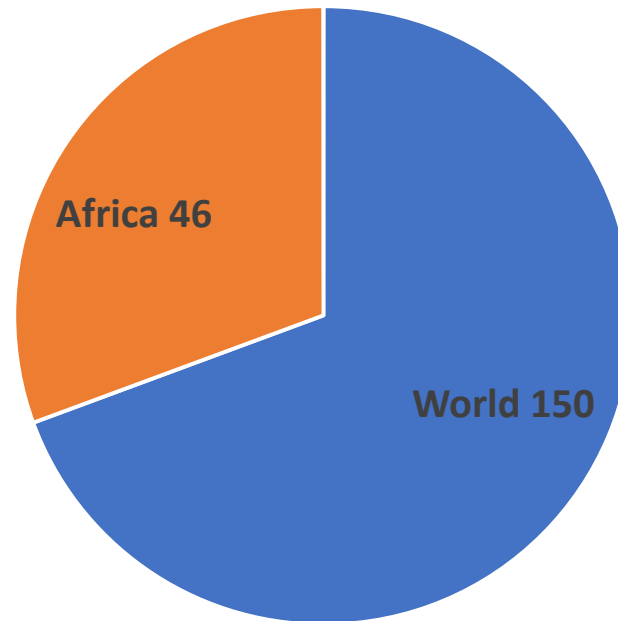
- **2007/2008 29%**

2007/08 Wheat Import



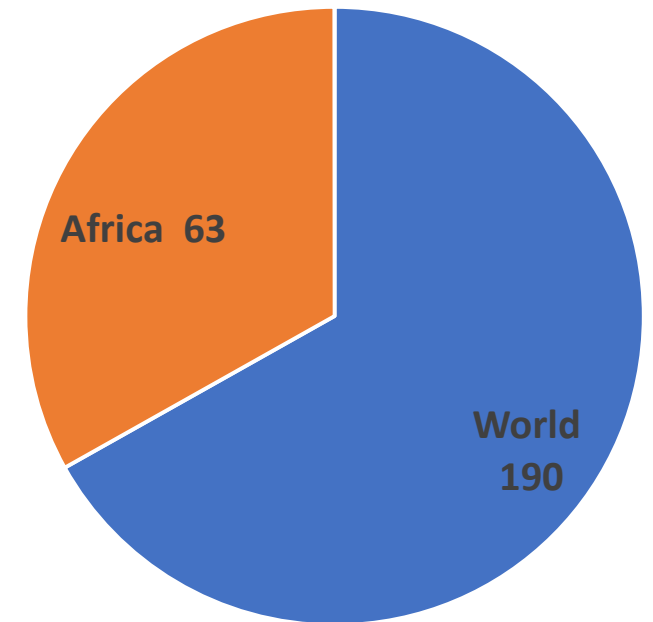
- **2018/2019 30%**

2018/09 Wheat Import



- **2027/2028 33%**

2027/28 Projections



African countries need to develop tools to improve access to world grains market

➤ **Tariffs**

- Needs to be balanced to protect local production without harming industry
- Mechanism needs to be transparent and predictable to the market

➤ **Quality Restriction/Phytosanitary Regulation**

- Quality requirements and phytosanitary regulation should be aligned within the continent.

➤ **Import Permit/Custom Clearance**

- Clerical documentary restrictions, create bottlenecks at load/discharge ports.

➤ **Development of regional stock markets**

Further milling and infrastructure investments are needed.

➤ **Port capacity**

- Most African ports are limited to handy/supramax size vessels.
- Small number berths dedicated to bulk grains, creating congestion.
- Lack of adequate discharge equipment for bulk grains.

➤ **Inland and port Storage Facilities**

- Port storage capacities are usually less than one week consumption
- Vessels are usually used as floating storage, adding to congestion

➤ **Inland transport**

- Truck and railcar availability in port, is adding to the bottleneck.
- Road access to ports are often congested.

➤ **New Milling Capacity Investment**

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THANK YOU FOR YOUR ATTENTION

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