1ST EUROPEAN SORGHUM CONGRESS

WORKSHOP

CONGRESS INTRODUCTION

SNAPSHOT OF THE EUROPEAN AND GLOBAL STATE OF SORGHUM

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BUCHAREST
3-4 NOVEMBER 2016

LETS FOCUS ON SORGHUM FOR GRAINS !

Grain Sorghum

Forage Sorghum

Sweet Sorghum

SORGHUM VS CORN

A MATTER OF QUALITY

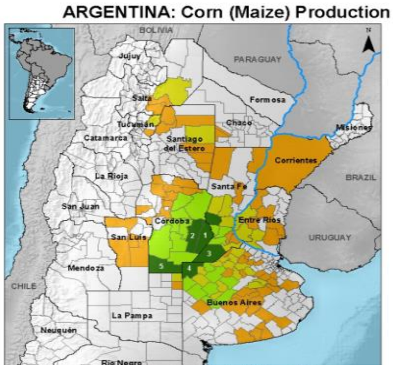
Figure : Typical nutrient composition of sorghum compare to corn

	Sorghum	Corn
Dry matter, %	89.0	89.0
Energy, kcal/lb.		
Digestible	1,533	1,598
Metabolizable	1,515	1,551
NE INRA[2]	1,188	1,086
NE NRC	1,023	1,086
Crude protein, %	9.2	8.3
Calcium, %	0.03	0.03
Phosphorus, %	0.29	0.28
Available P, %	0.058	0.039
Crude fat, %	2.9	3.9
Linoleic acid, %	1.13	1.92
Crude fiber, %	2.4	2.15
NDF, %	18.0	9.6
ADF, %	8.3	2.8
Total amino acids, %		
Lysine	0.22	0.26
Isoleucine	0.37	0.28
Leucine	1.21	0.99
Methionine	0.17	0.17
Cysteine	0.17	0.19
Threonine	0.31	0.29
Tryptophan	0.10	0.06
Valine	0.46	0.39

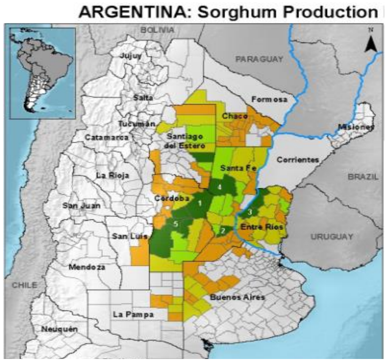
- As much energy as corn but more:
  - Protein
  - Amino acids

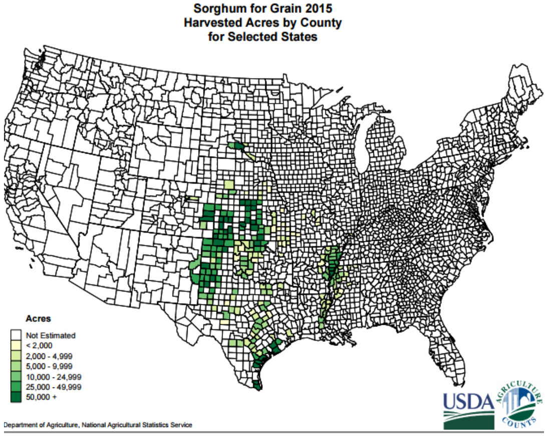
SORGHUM: AN INTERESTING ALTERNATIVE TO CORN

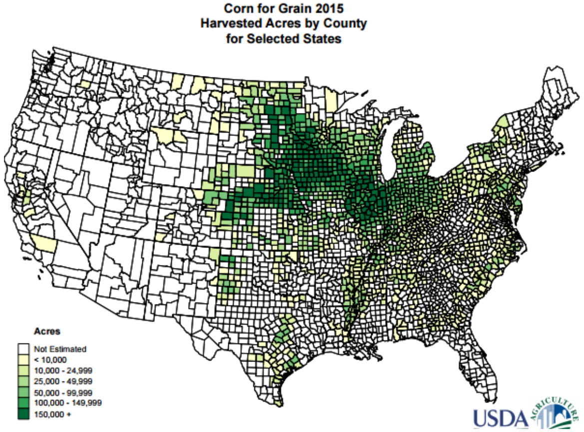
CORN



SORGHUM







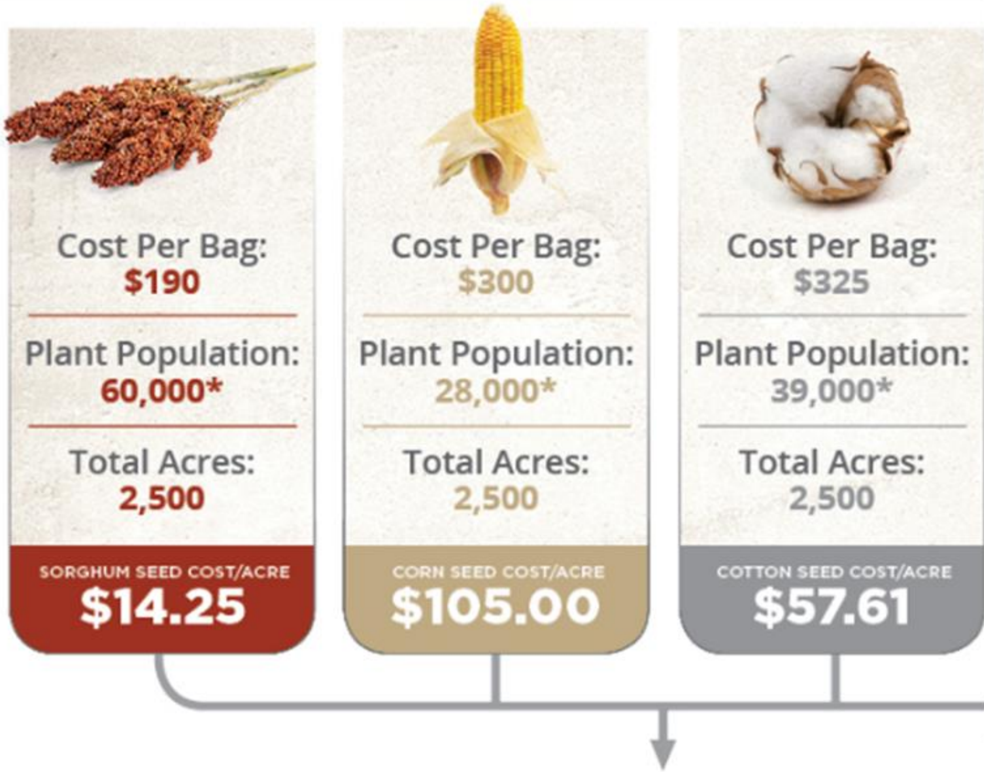
Water Scarcity

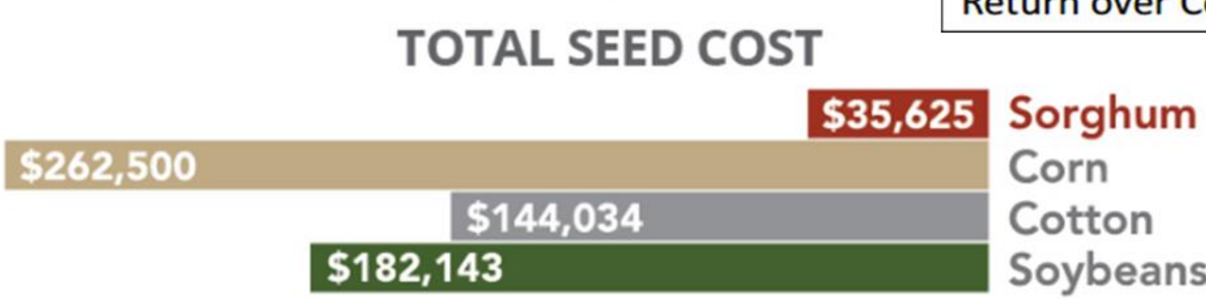
Marginal Land

Western US

MORE BENEFITS TO GET WITH SORGHO THAN CORN IN DRY AREAS

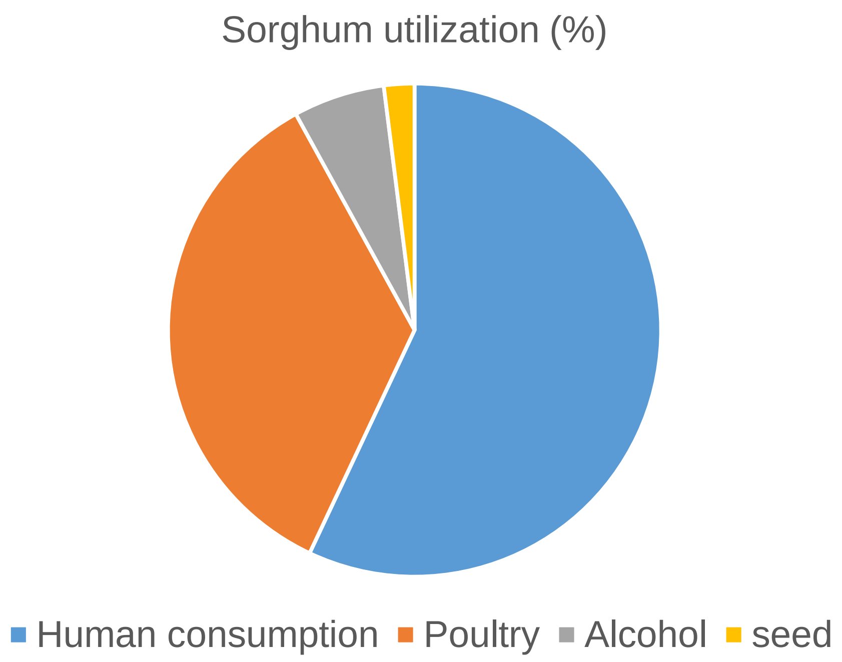
SORGHUM ID
seeds, farming & industry

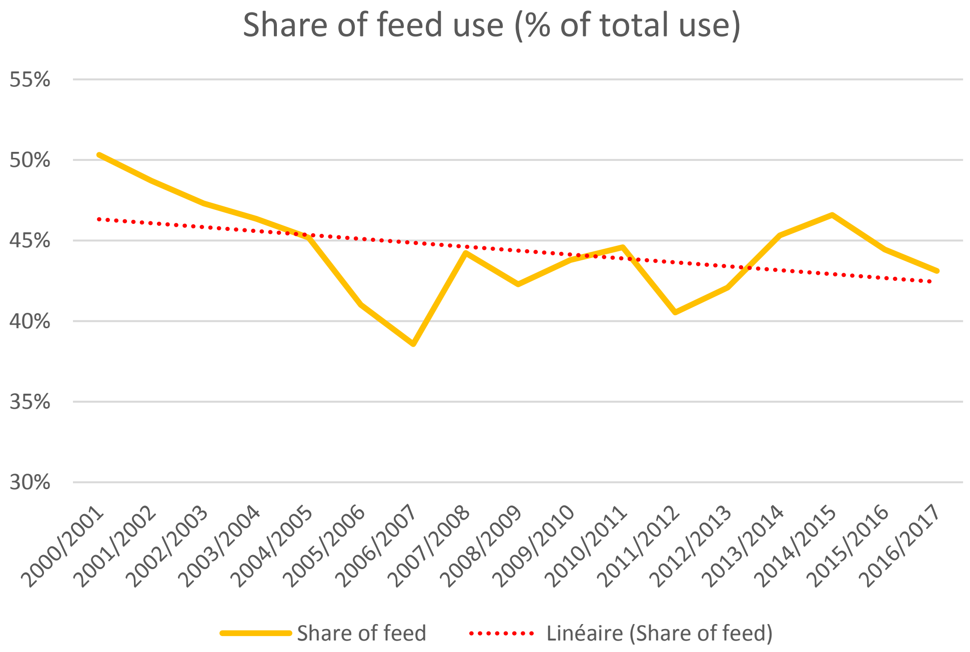




NC Kansas Rainfed		
Category	Corn	Sorghum
Yield (bu/acre)	130	120
Price per bu	3.83	4.58
Total Revenue	497.90	549.60
Seed	93.60	18.90
Pesticides	50.01	49.30
Fertilizer	119.67	104.03
Machinery & Other	278.94	268.47
Total	542.22	440.69
Return over Costs	(44.32)	108.90

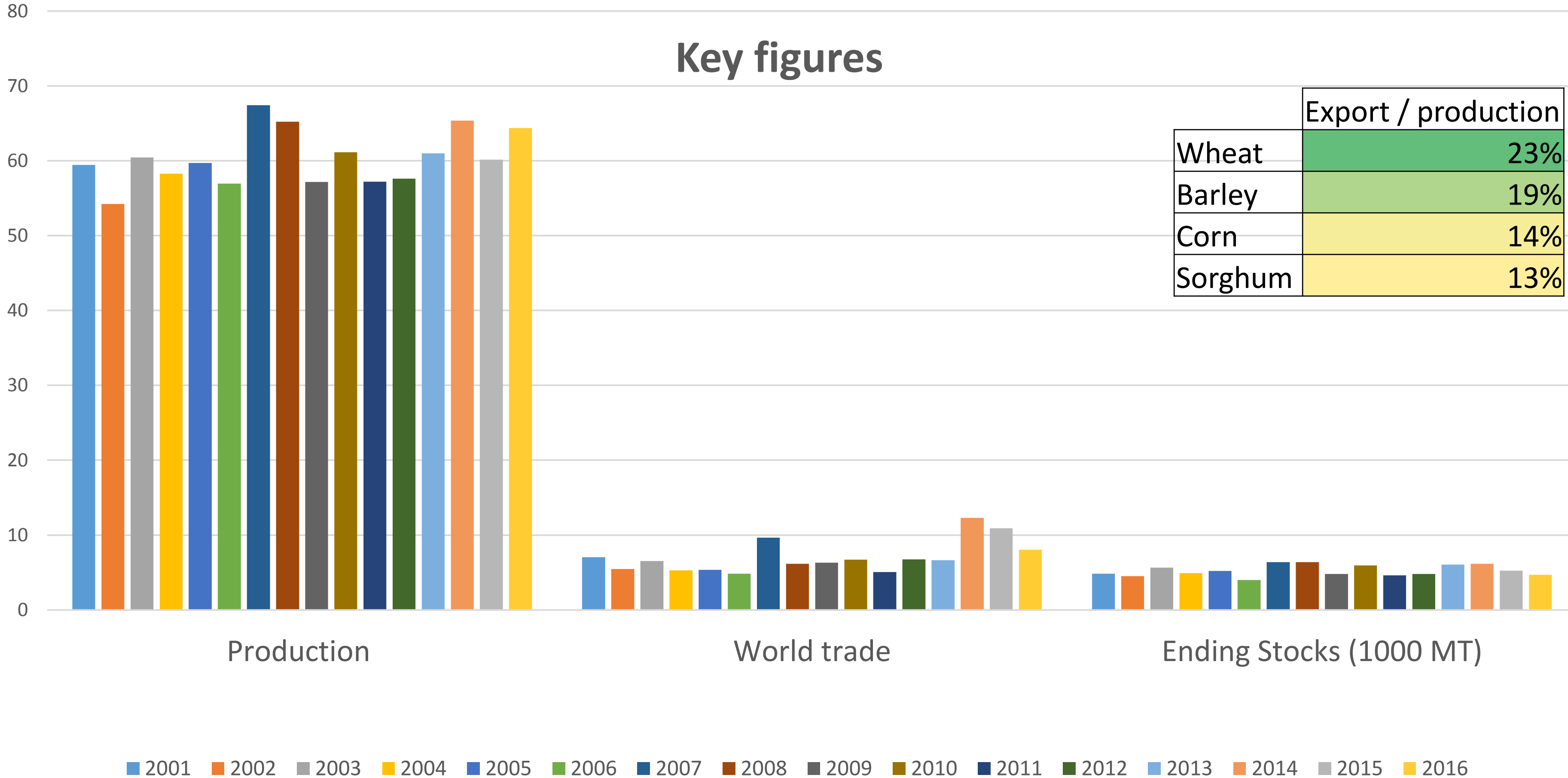
MOSTLY USED FOR HUMAN CONSUMPTION





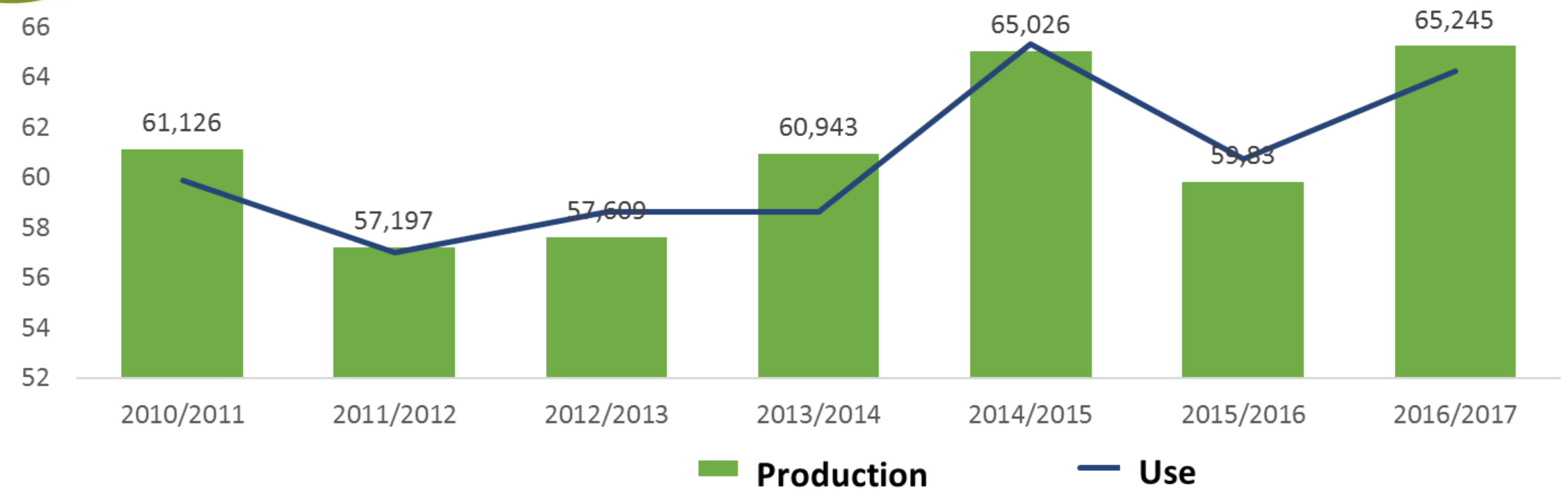
WHAT ABOUT FUNDAMENTALS?

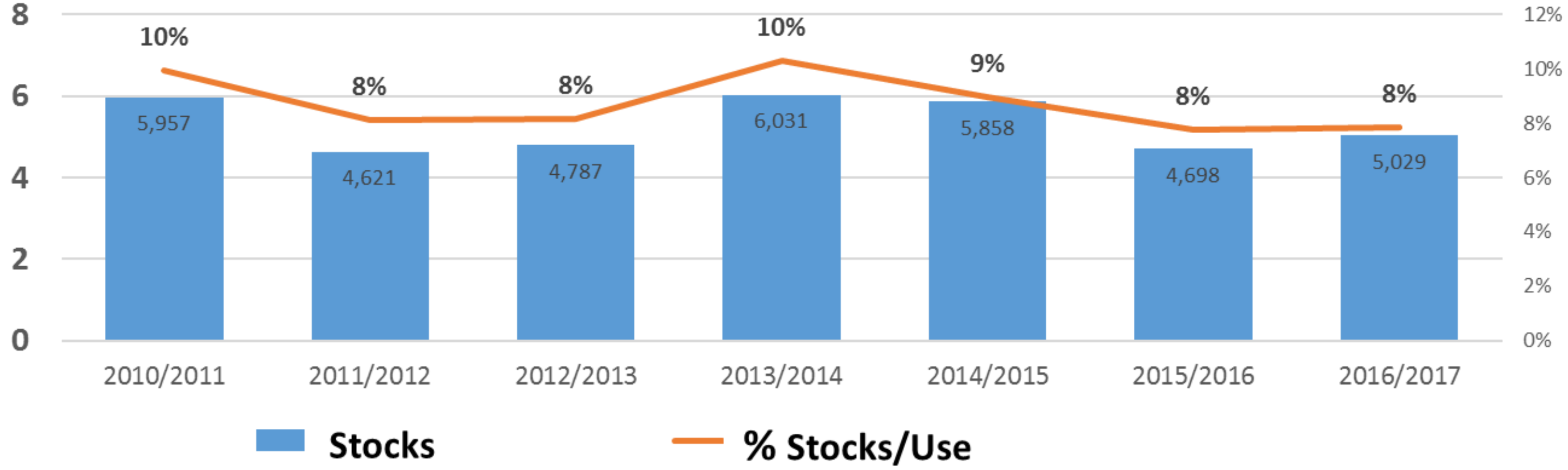
ONE KEY WORD = STABILITY



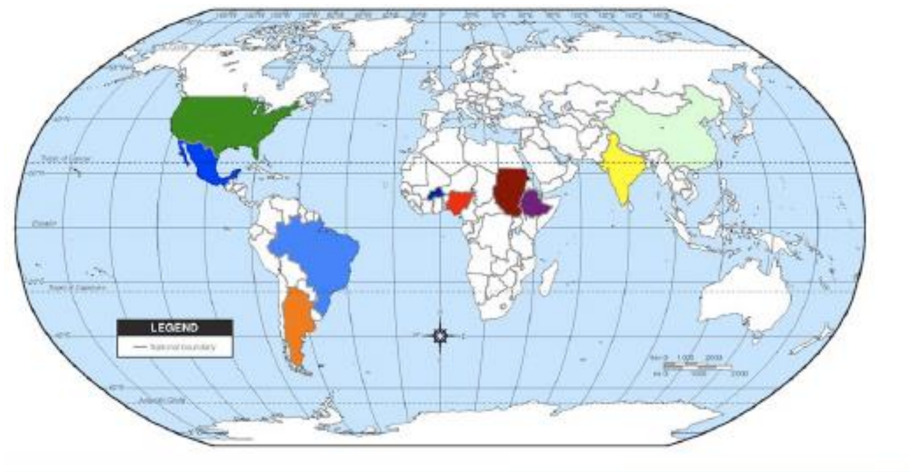
	Export / production
Wheat	23%
Barley	19%
Corn	14%
Sorghum	13%

RECORD OUTPUT IN 2016

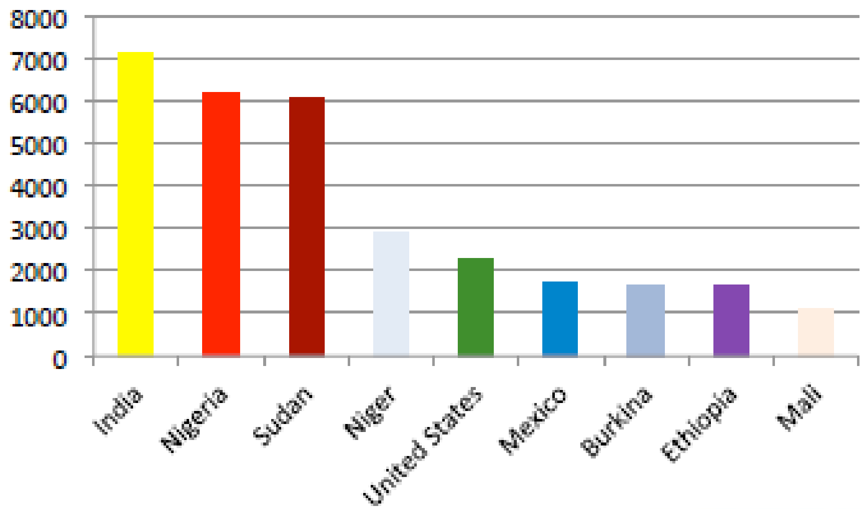




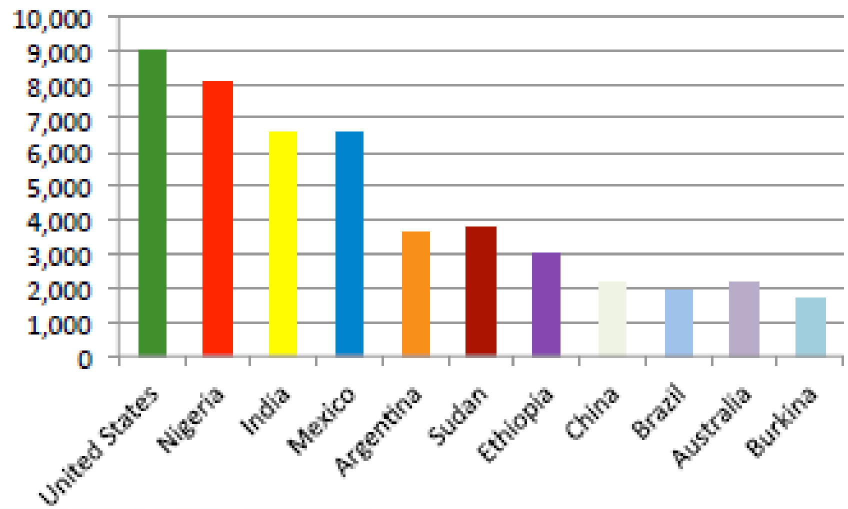
US AS THE MAIN PRODUCER



Harvested Area (1000 HA)



Production (1000MT)



CHINESE AS FIRST CONSUMER

IT SUGGESTS A SIGNIFICANT FLOW OF GOODS

Production (1000 MT)

1 United States	12,408.00
2 Mexico	6,500.00
3 Nigeria	6,500.00
4 India	5,500.00
5 Sudan	5,500.00
6 Ethiopia	3,700.00
7 Argentina	3,400.00
8 China	3,200.00
9 Australia	2,200.00
10 Brazil	2,000.00

Domestic Consumption (1000 MT)

1 China	8,800.00
2 Mexico	7,200.00
3 Nigeria	6,400.00
4 United States	5,588.00
5 Sudan	5,500.00
6 India	5,400.00
7 Ethiopia	3,650.00
8 Argentina	2,950.00
9 Brazil	1,900.00
10 Burkina Faso	1,800.00

AMERICAN SORGHUM

SORGHUM ID
seeds, farming & industry

A BIPOLAR ORGANISATION

73%

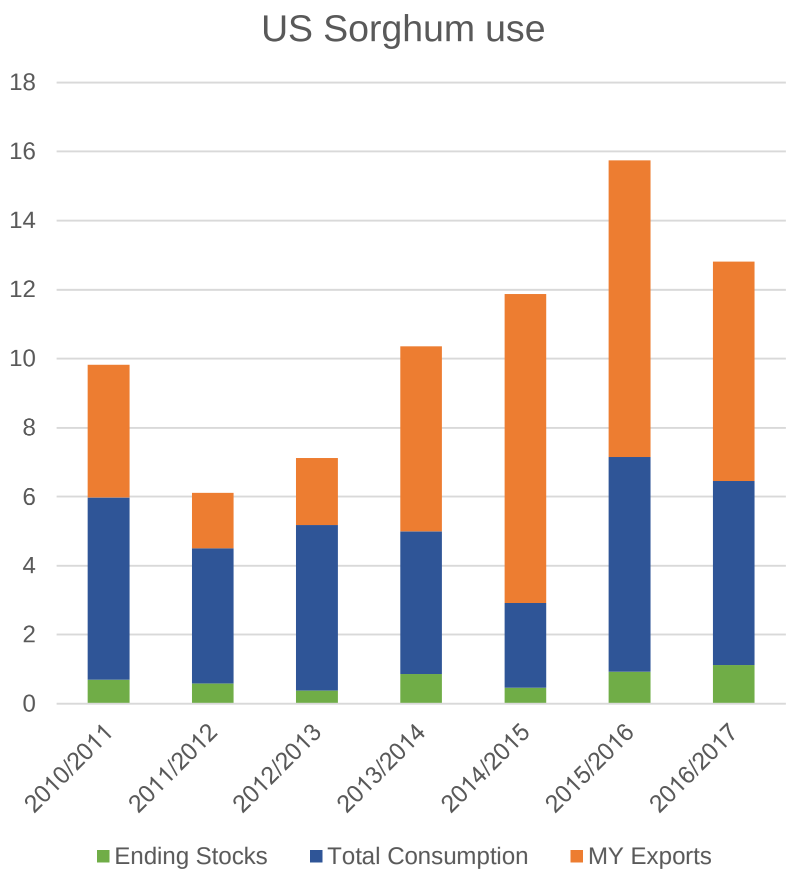
Rank	Country	Exports (1000 MT)
1	United States	6,350.00
2	Argentina	900.00
3	Australia	900.00
4	Ukraine	150.00
5	Nigeria	100.00
6	India	50.00
7	Kenya	25.00
8	Ethiopia	25.00
9	Brazil	25.00
10	South Africa	25.00

69%

Rank	Country	Imports (1000 MT)
1	China	5,500.00
2	Japan	730.00
3	Mexico	700.00
4	EU-27	150.00
5	Chile	150.00
6	Kenya	100.00
7	Sudan	100.00
8	Taiwan, Province Of China	50.00
9	Ethiopia	50.00
10	Pakistan	50.00

US: BUSINESS ORIENTED!

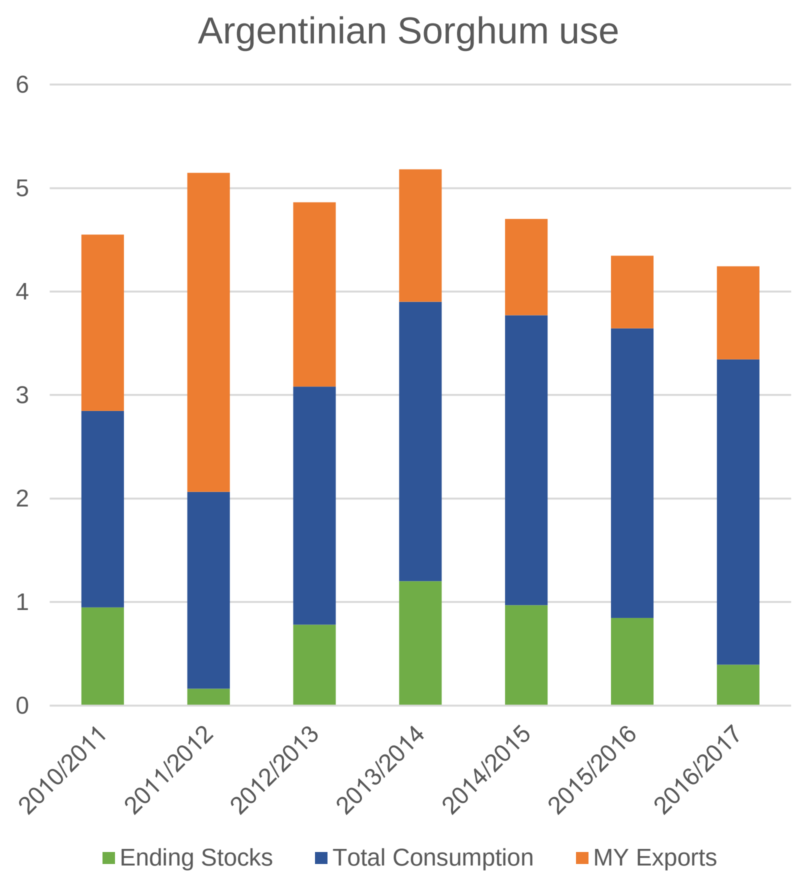
READY TO SACRIFICE THE CONSUMPTION FOR EXPORT



- Export oriented production
- Capacity of the US to switch for other coarse grain when the demand for export is increasing

ARGENTINA: LESS PRESENT

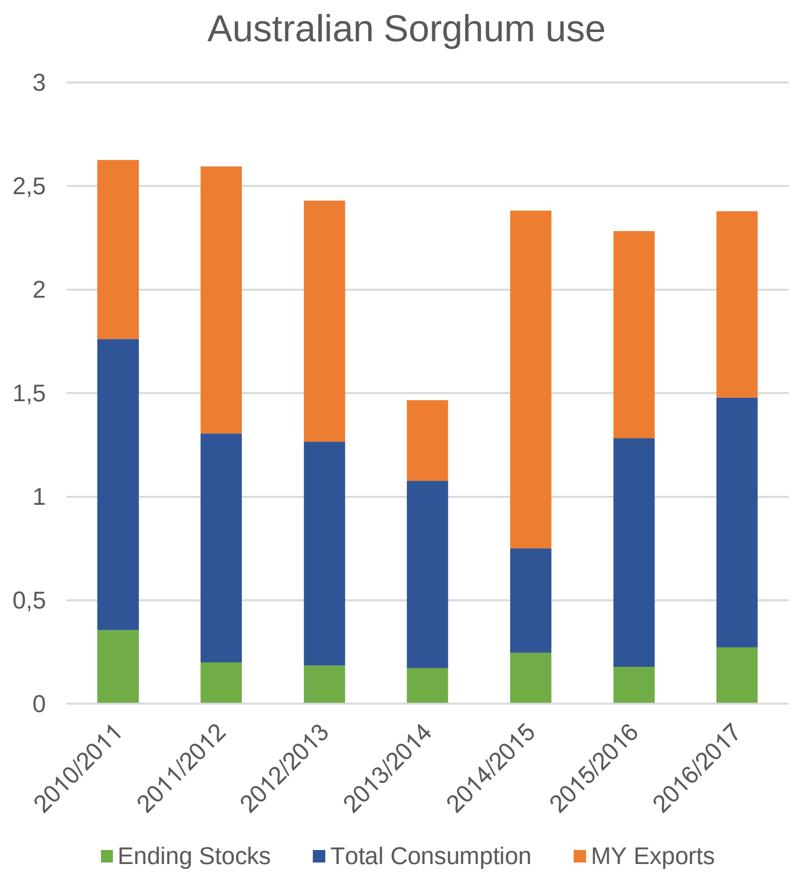
REDUCING ITS SHARE ON THE INTERNATIONAL SCENE



- Export volumes are weaker than 1Mt/year
- Stable internal consumption
- Production decline as a explanation for export reduction

AUSTRALIA: THIRD EXPORTER

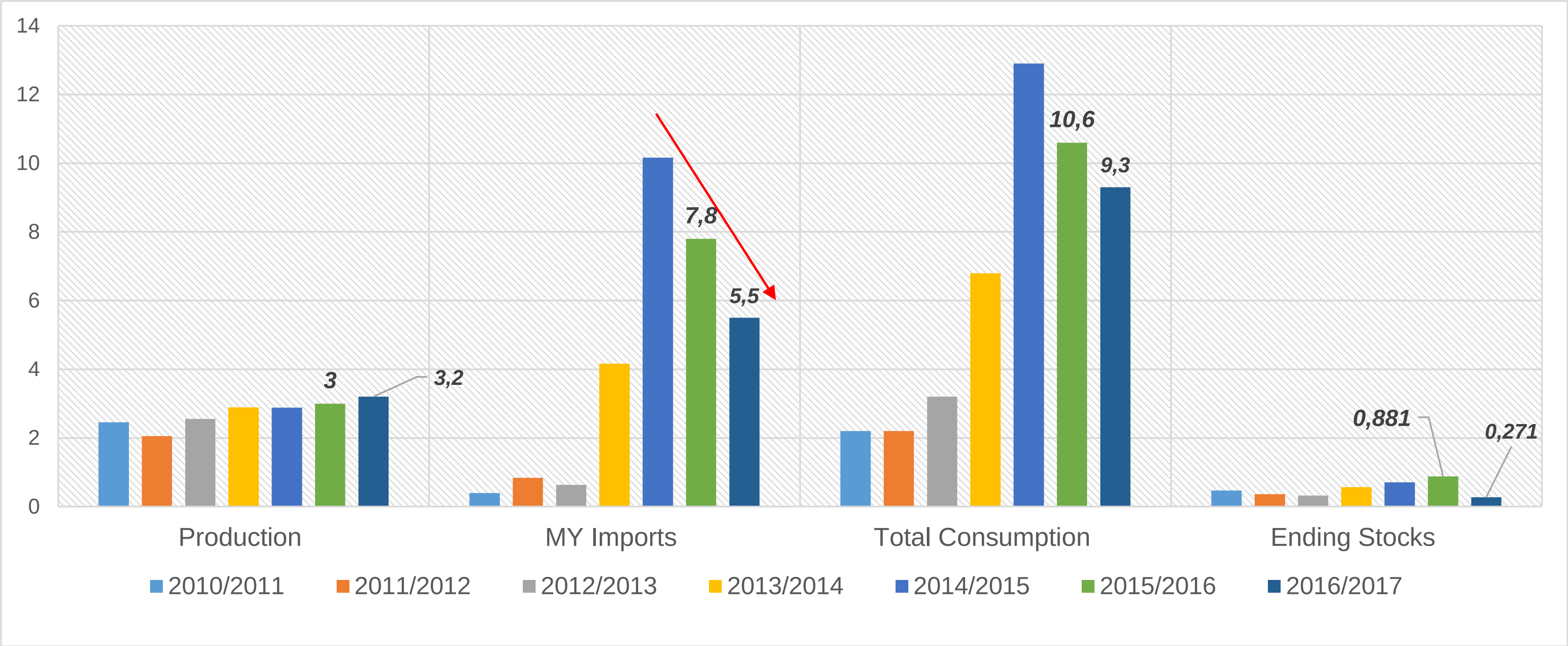
+/- 1MT: STABLE EXPORT



- Weak production
- Significant reducing in case of drought
- Ability to be always present on the international scene

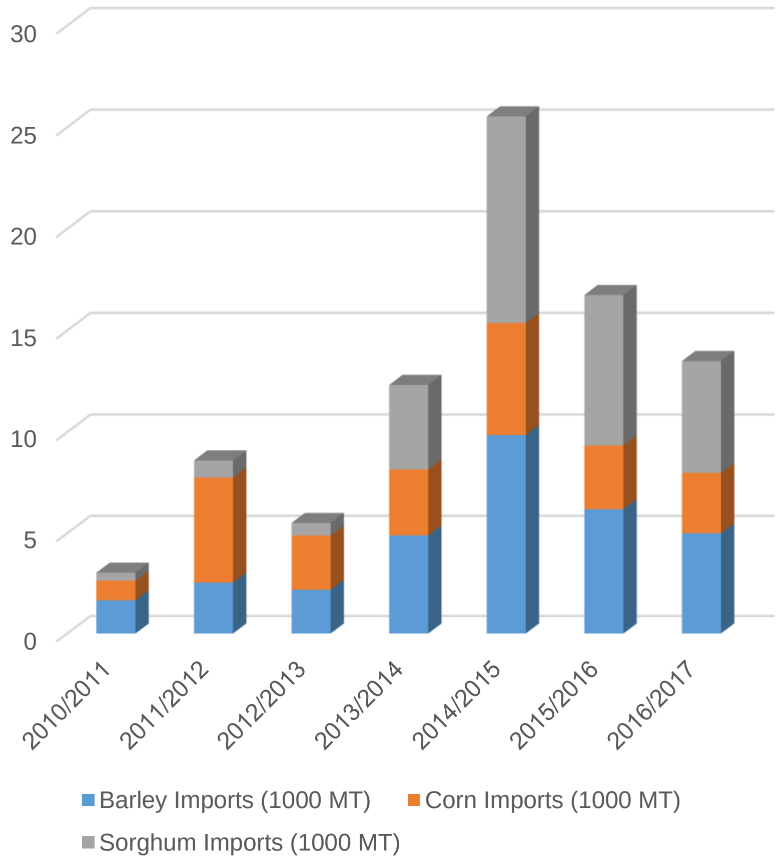
CHINA: IMPORT TO BE REDUCED?

REDUCTION OF IMPORTS FOR THE SECOND YEAR IN A ROW



- Weak production
- Significant reducing in case of drought
- Ability to be always present on the international scene

LOWER DEMAND FROM CHINA, NOT ONLY FOR SORGHUM

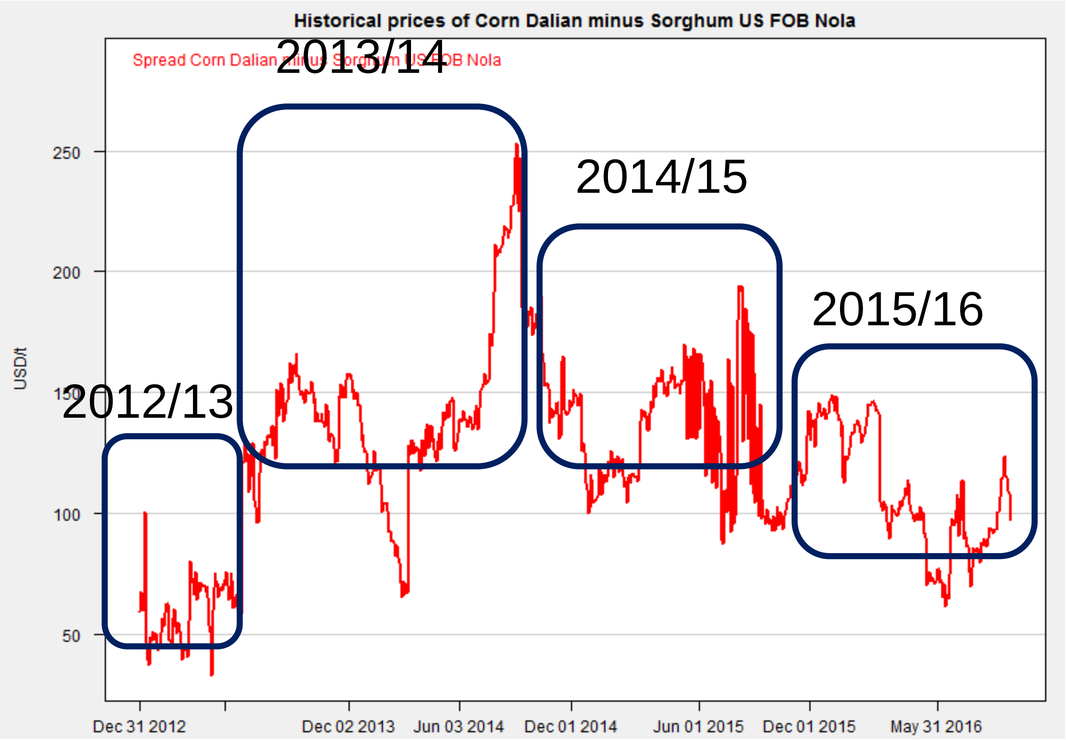


- The import of China is reducing because of their willingness to use their internal stocks in order to decrease import needs in feed grains. That’s why import needs were voluntarily reduced.

REASONS TO IMPORT RALLY

SPREAD EVOLUTION

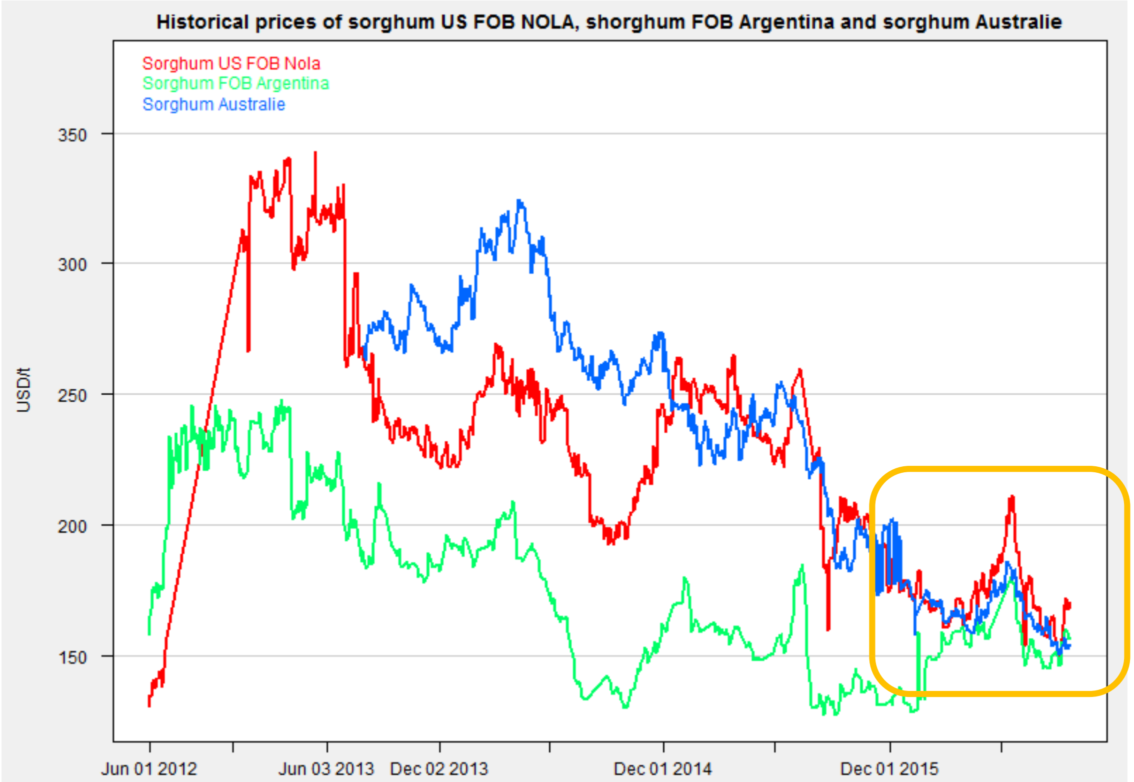
(CHINA CORN-US SORGHUM)



- High import of sorghum took place during the seasons when price difference stood at high level.

MAJOR SORGHUM SUPPLIERS

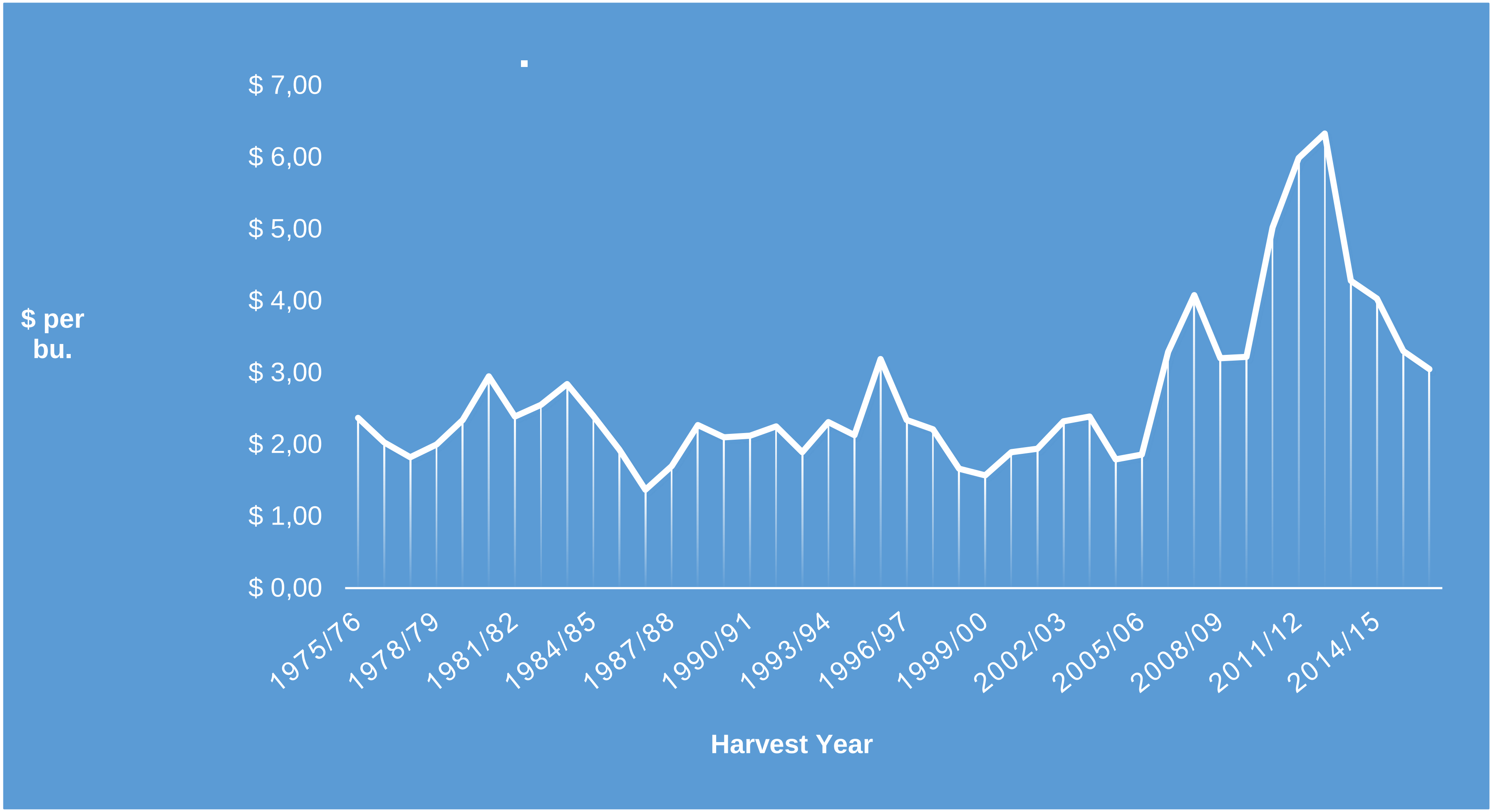
PRICE COMPARISON AMONGST MAJOR ORIGINS



- Sorghum price (fob basis) of different origins converged since the removal of export tax in Argentina.

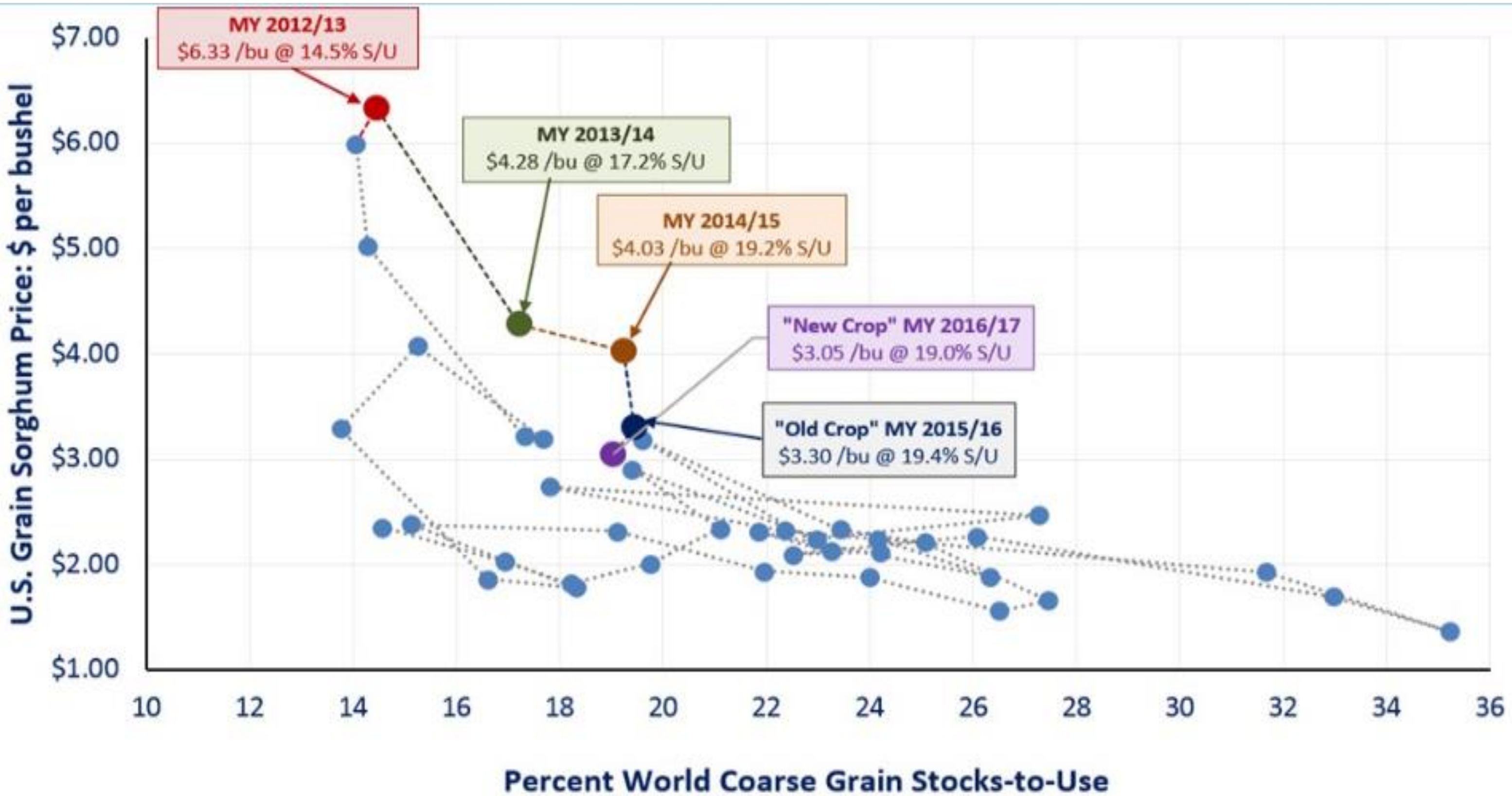
U.S. AVERAGE SORGHUM

A WELL-KNOW DYNAMIC …



PRICE FORMATION

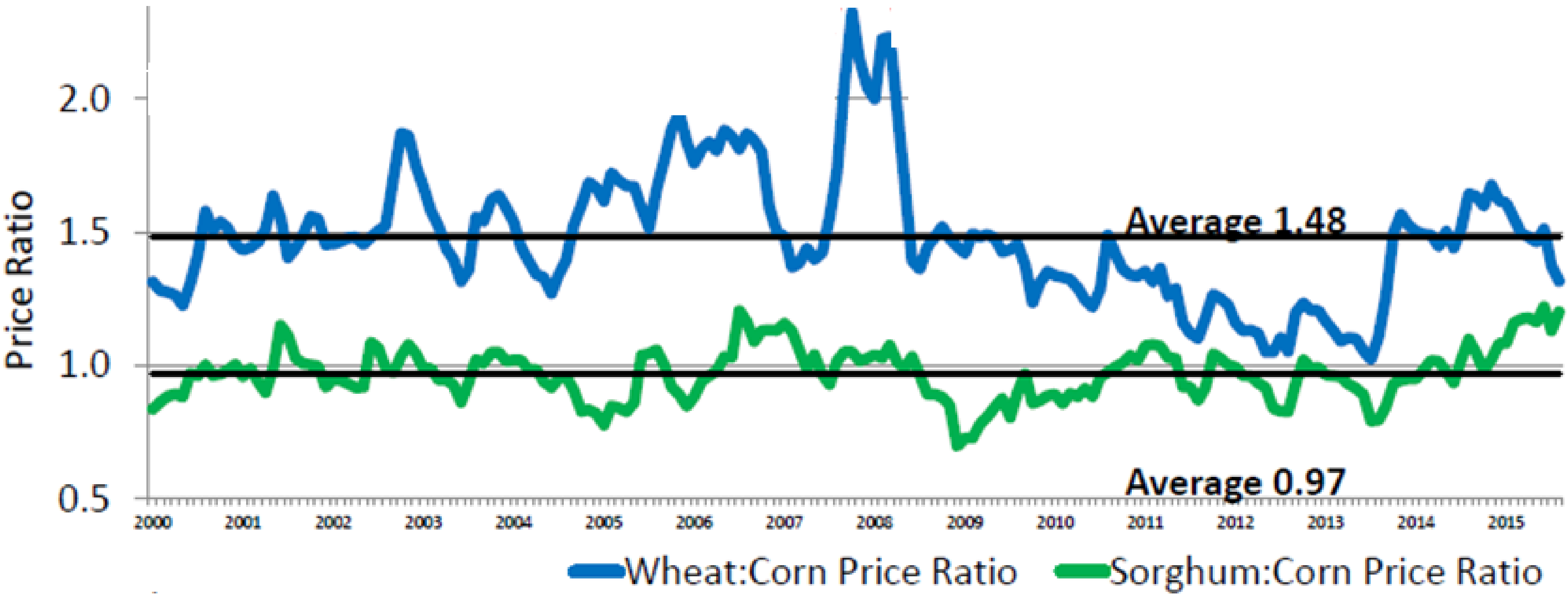
U.S. SORGHUM PRICE VS % U.S. FEED GRAIN STOCKS-TO-USE



- Sorghum prices formation largely depending on the availibility of feed grains

PRICE FORMATION

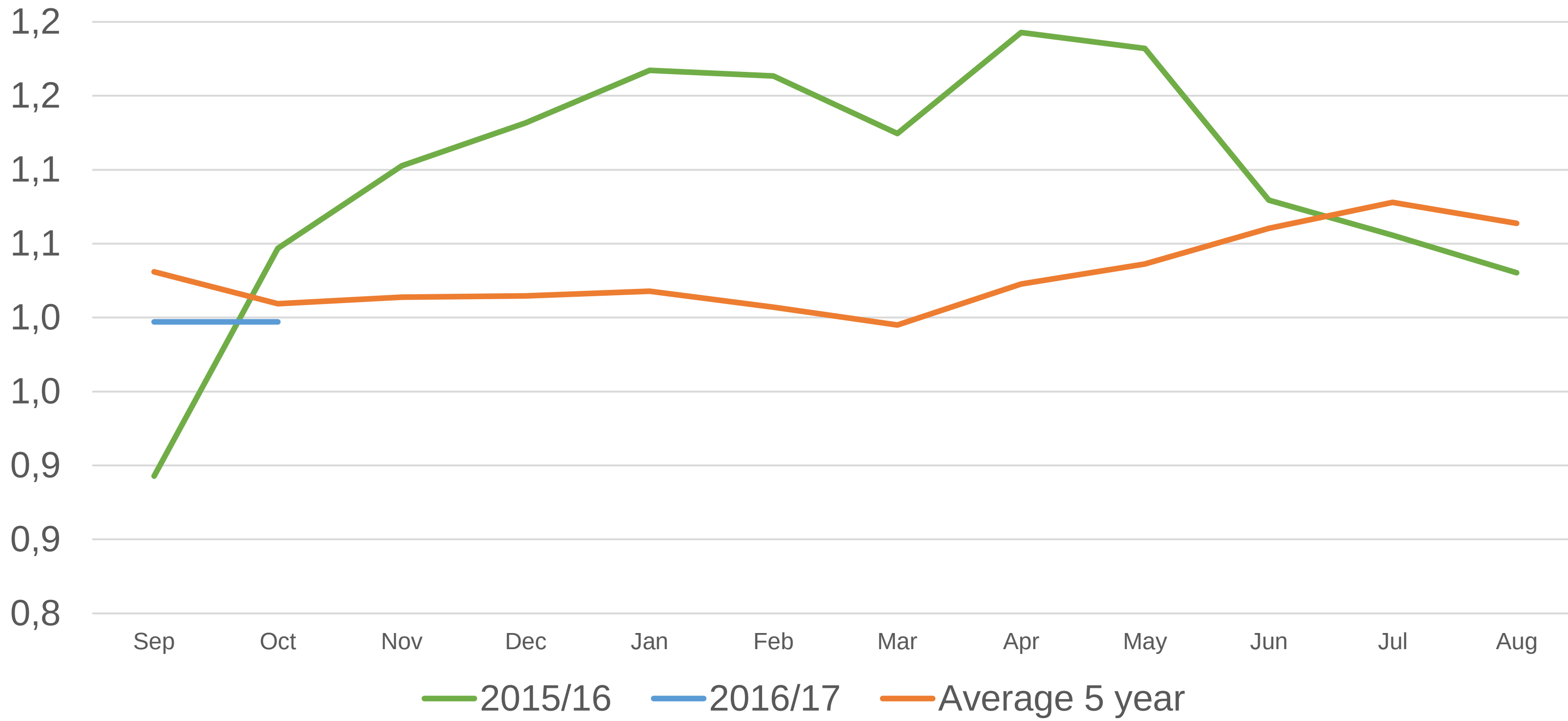
PRICE RATIO VS CORN



- Interesting dynamics for the past three years

PRICE FORMATION

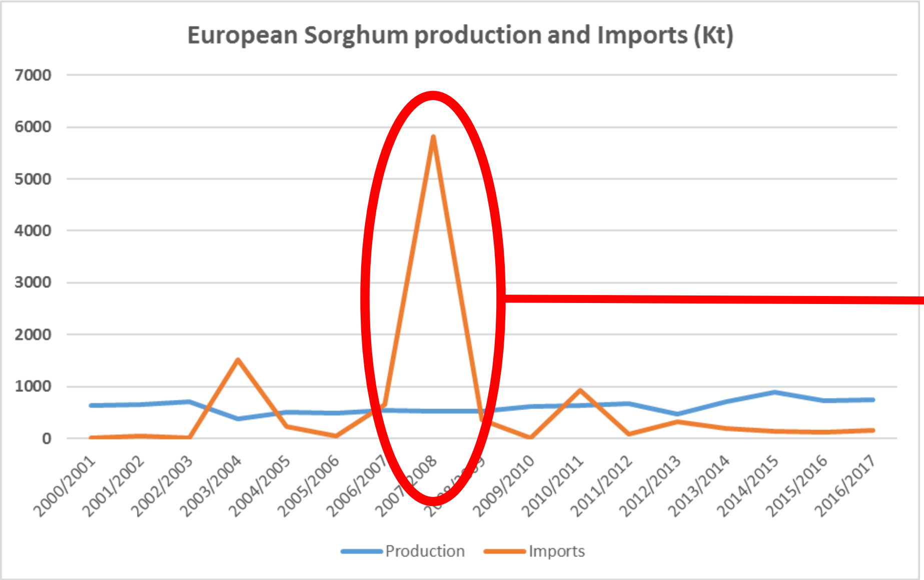
SORGHUM MORE EXPENSIVE THAN CORN IN US

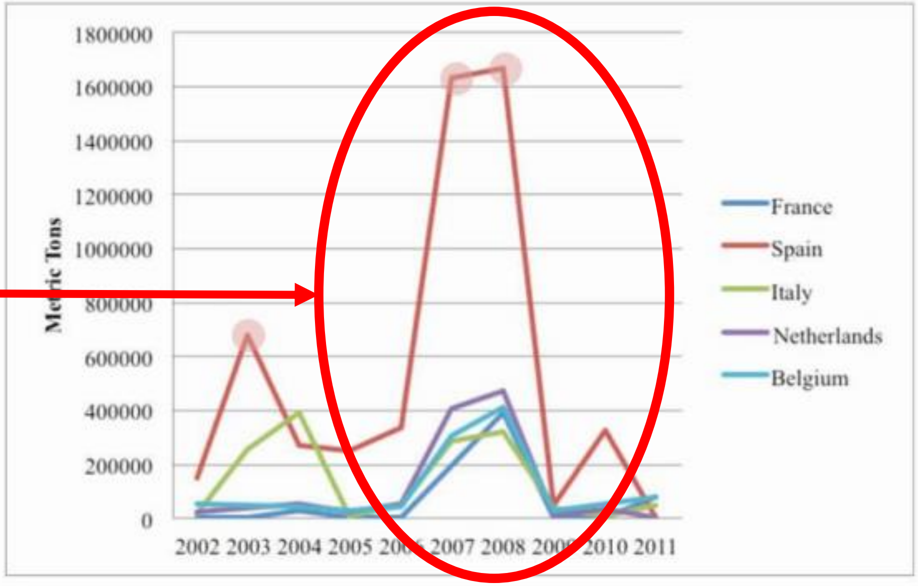


- In average, sorghum is more expensive than corn (average of US EXW prices)

EUROPE: NOT A KEY ACTOR BUT…

READY FOR OPPORTUNITIES





- The 2007/08 event clearly demonstrated the opportunistic behavior of EU.
- Spain as a key importer indicates that sorghum is a good alternative of switch for the feed industry.
- It suggests possible new opportunities for this crop for the future !

CONCLUSION

- Europe doesn’t appear so far to be a key actor in the production as well as in the world trade, but is listening for opportunities
- Sorghum grain production is concentrated in dry areas.
- The global trade is rather concentrated with 3 main exporters and China is from far the hugest importer.
- Good parallel between sorghum and corn prices
- With reducing demand from China, the outlook for prices in middle-term (2016/17) remains not so optimistic as for corn...

THANK YOU VERY MUCH FOR YOUR ATTENTION!

Olivier BOUILLET I Directeur Ukraine

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