



Two germs and a baby

2020 HTW Rural Property Market Update







Trade war to Phase 1 deal







\$50bn





25% Tariff on
ag products





Add another
\$100bn



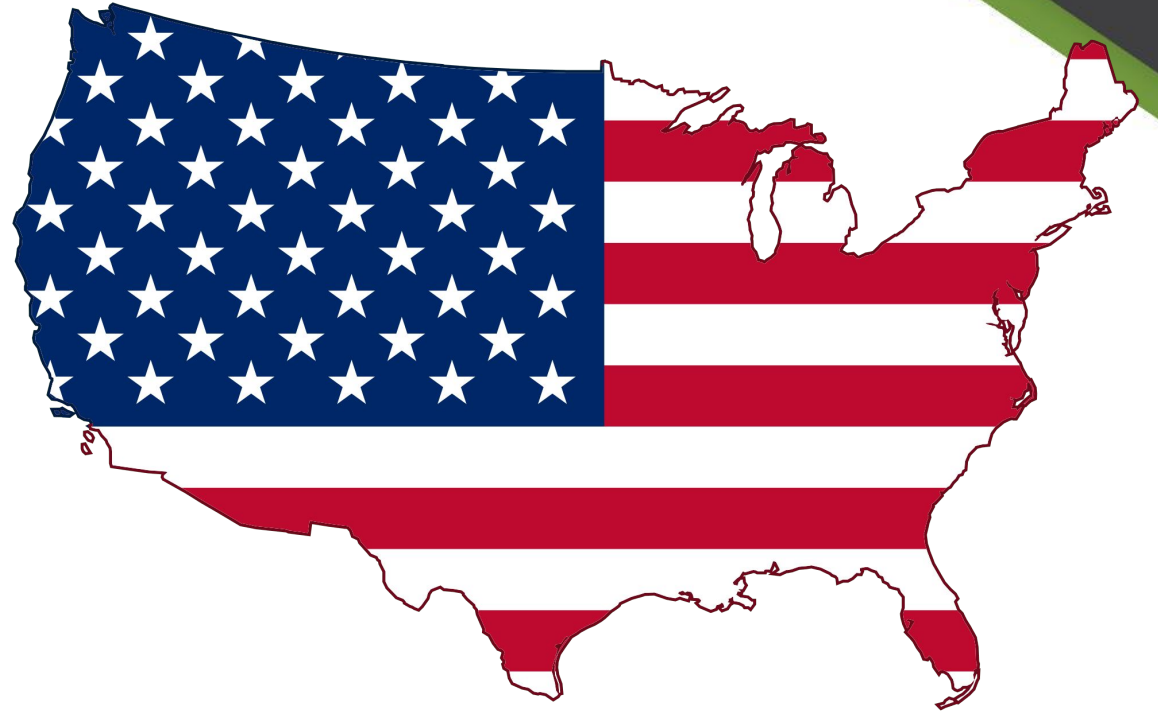


Let's be
friends



2/3

\$24bn to \$9bn



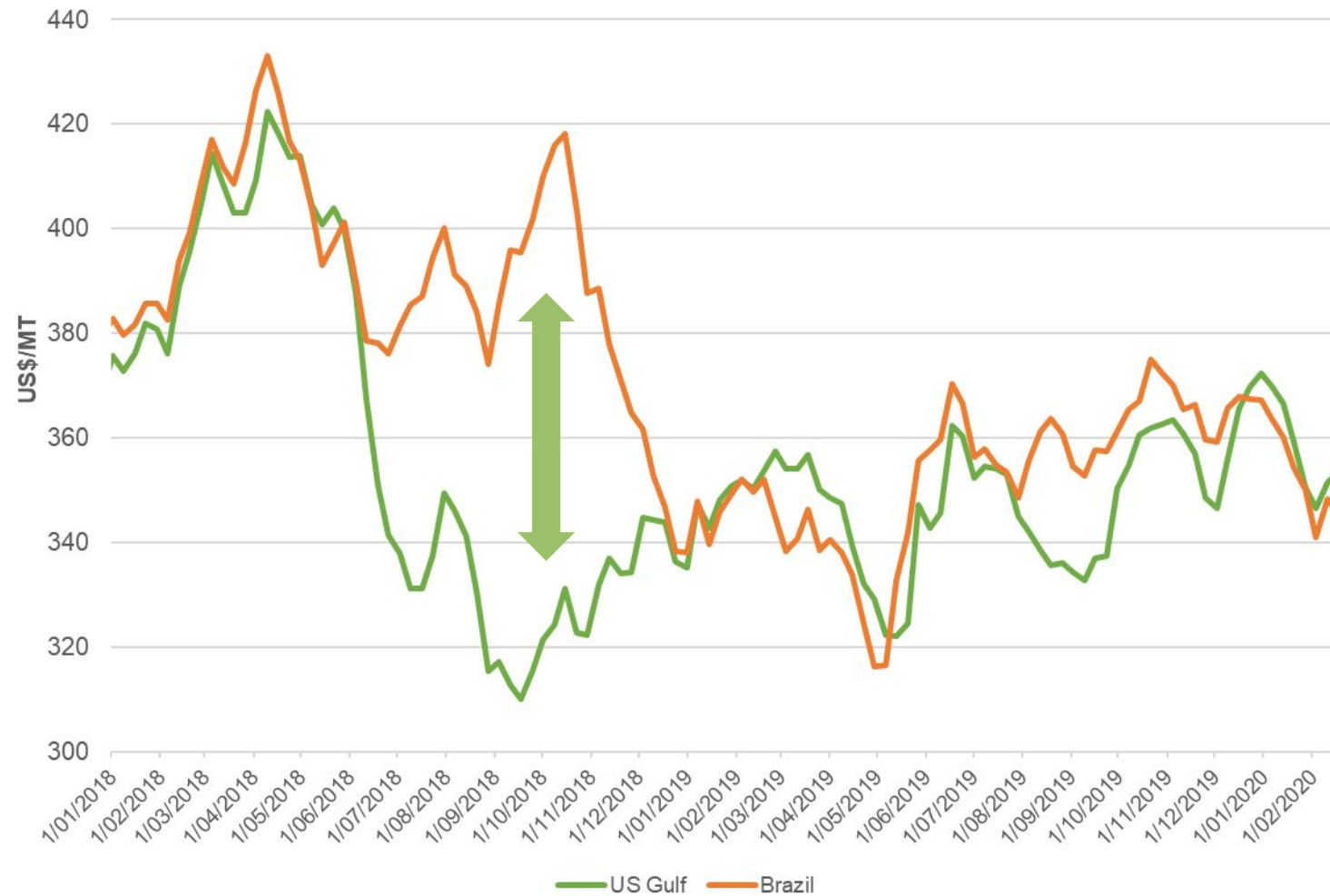
Soyabean Price - Brazil & USA



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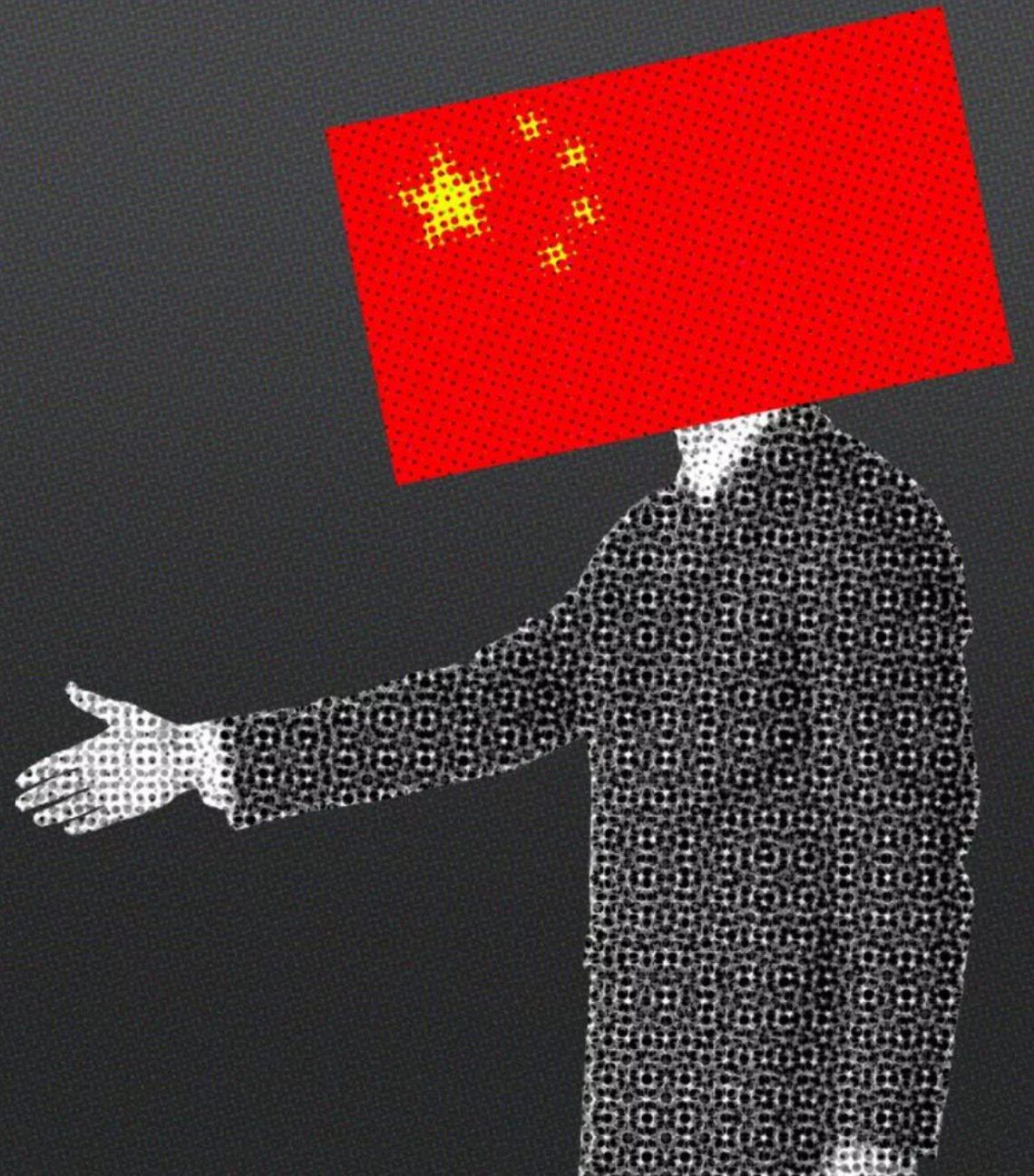


Soyabean Price - Brazil & USA



Making Brazilian farmers great again





USA China Trade Deal



	USA share 2021 (best case)	US\$ bn	USA share in 2017	US\$ bn
Soybeans	45%	16.47	34%	12.44
Wood Products	32%	6.62	16%	3.31
Woodpulp	22%	2.40	11%	1.20
Malt Extract	20%	0.83	2%	0.06
Hides (Tanned Horse & Cattle)	50%	2.08	27%	1.12
Fish (Non-fillet frozen)	50%	1.74	24%	0.83
Wine	20%	0.61	3%	0.08
Beef (Frozen)	10%	0.30	1%	0.02
Milk (Concentrated)	20%	0.49	4%	0.09
Pig meat	50%	1.09	12%	0.26
Almonds	100%	0.94	76%	0.72
Animal meal pellets	40%	0.82	8%	0.16
Crustaceans	30%	0.61	10%	0.20
Edible Offal	30%	0.60	13%	0.26
Barley**	100%	1.37	NA**	0.00
Total		36.97		20.75

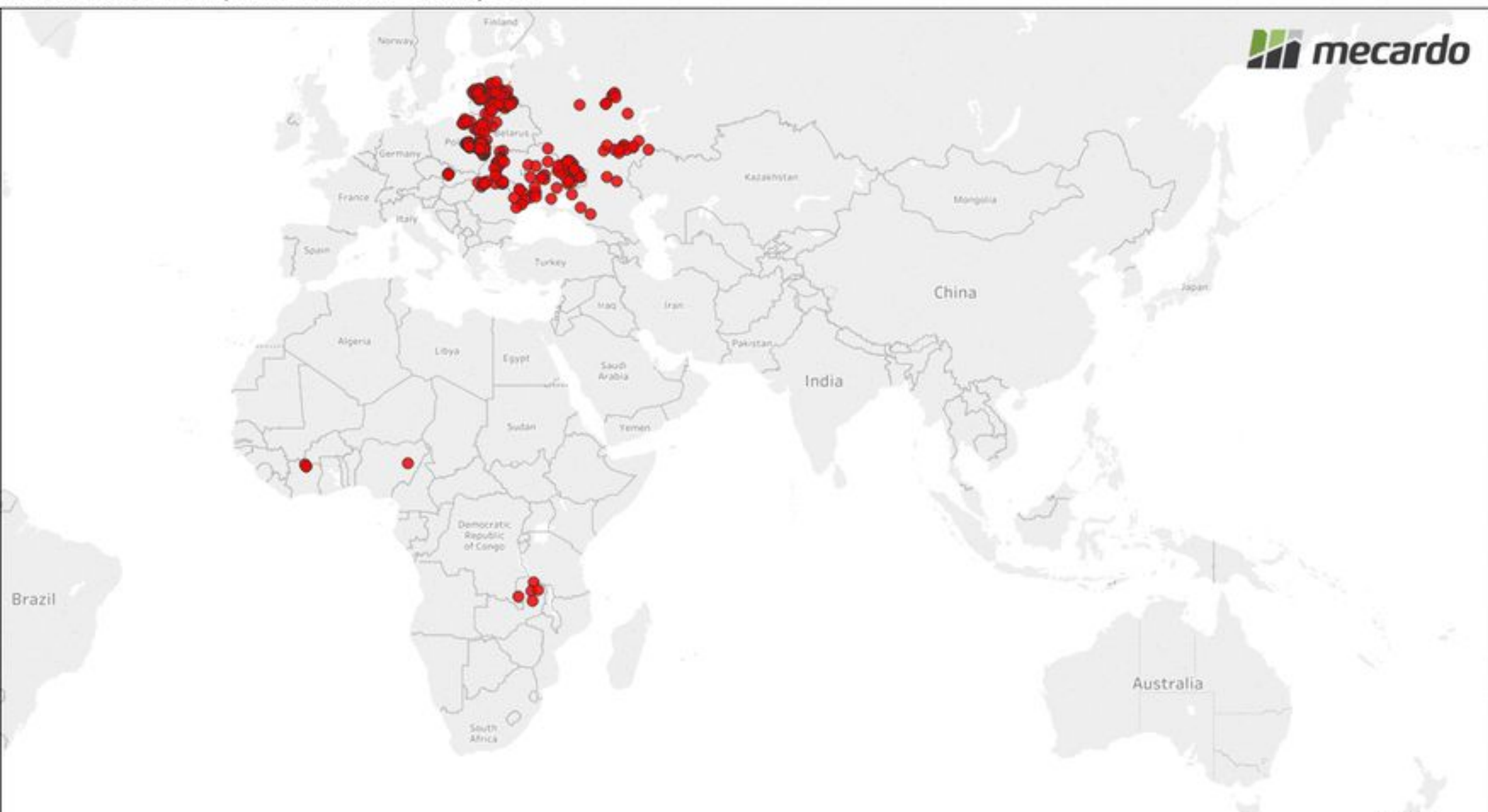
** replace Barley with US corn or sorghum

Red denotes Australian industry with potential risk

African Swine Fever (ASF)



African Swine Fever reported outbreaks - January 2018



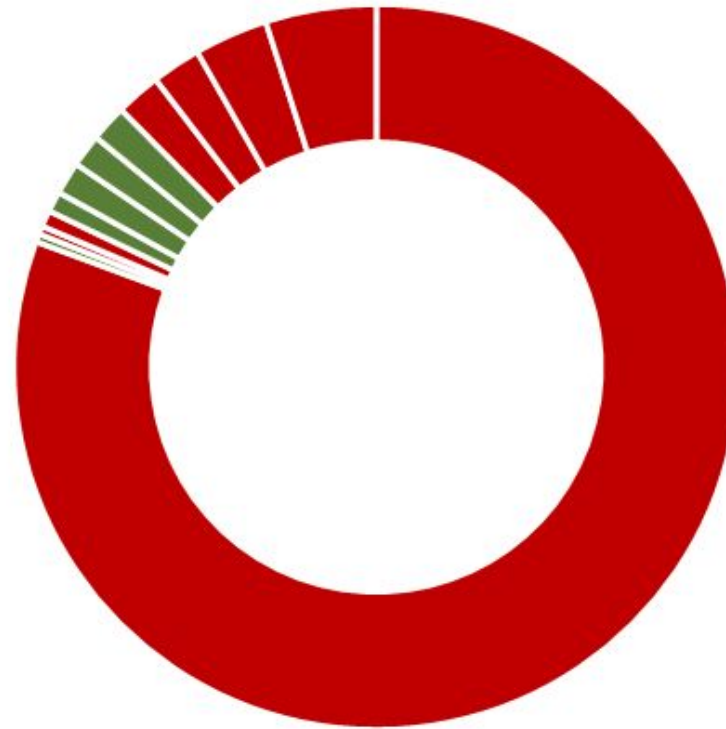
Asian Pig Herd

Asian Pig Herd Distribution

441 million in China

106 million in rest of Asia

ASF impacted countries
represent 94% of the herd



- China
- Malaysia
- Cambodia
- Laos
- Taiwan
- Indonesia
- Thailand
- Japan
- South Korea
- Phillipines
- Myanmar
- Vietnam

**Net China red meat
deficit of 16 M tonne**

800 million
pigs in the world



441 million
pigs in China

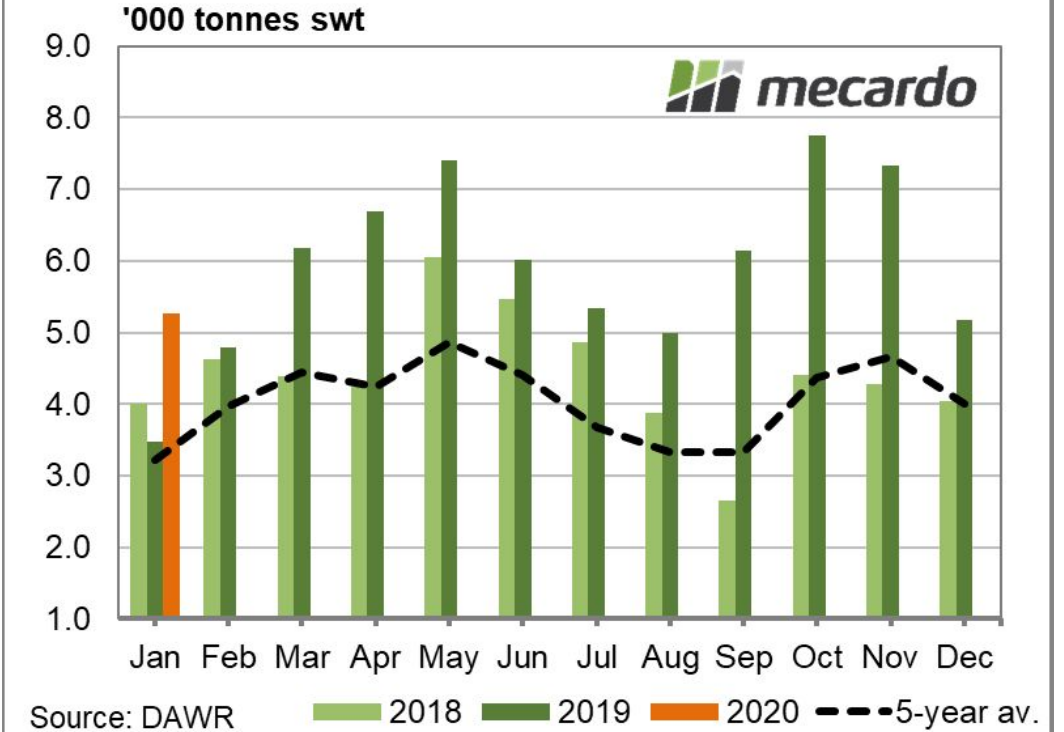


**200-240
million** by
end of 2020

Impact of the deficit to Australian meat export sector

- Beef exports up 86%
- Mutton exports up 86%
- Lamb exports up 47%
- No export protocols for pork/chicken

Australian Lamb Exports - China



Australian pork to China?

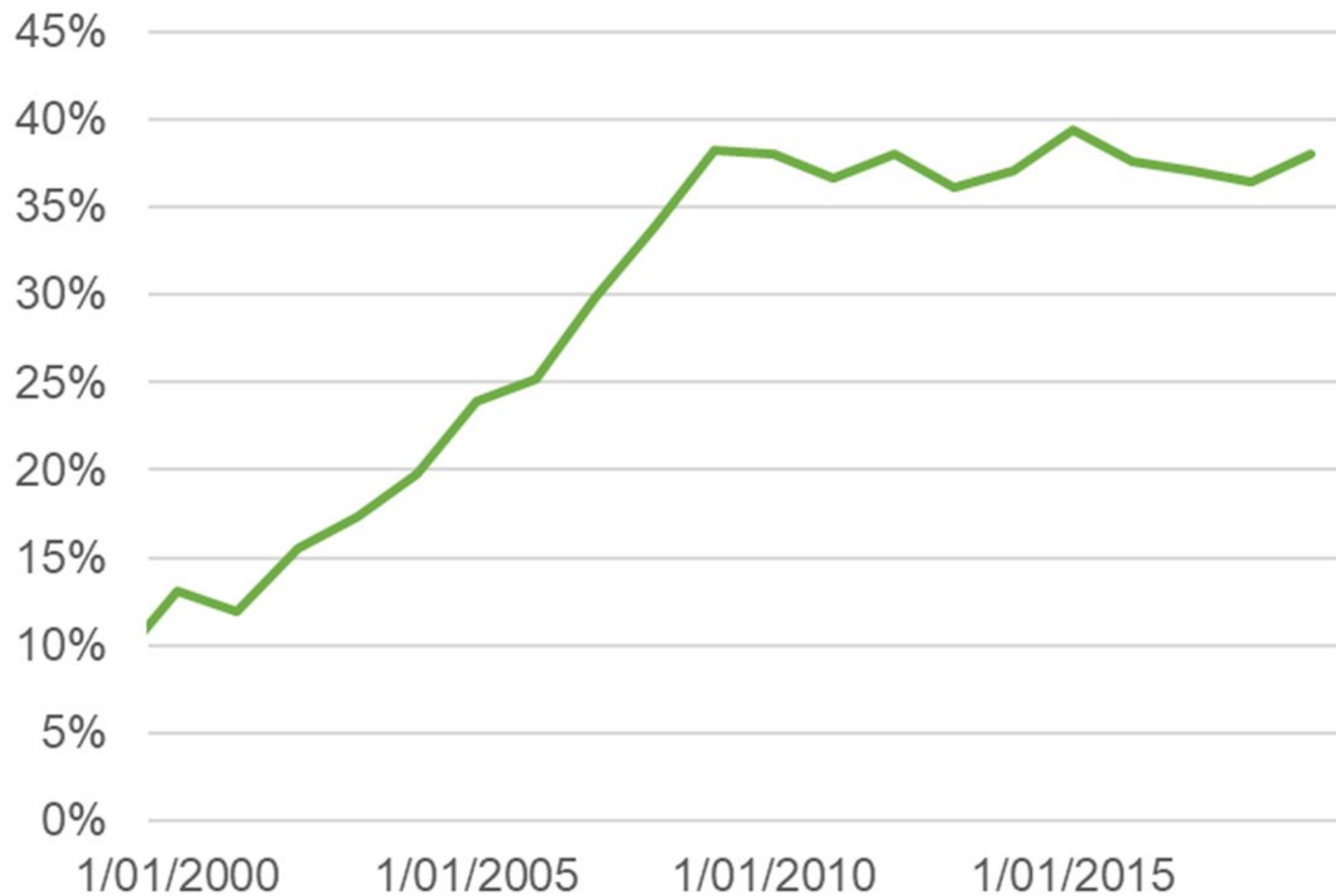


Australian Pork Price (Baconer 60.1-75kg)

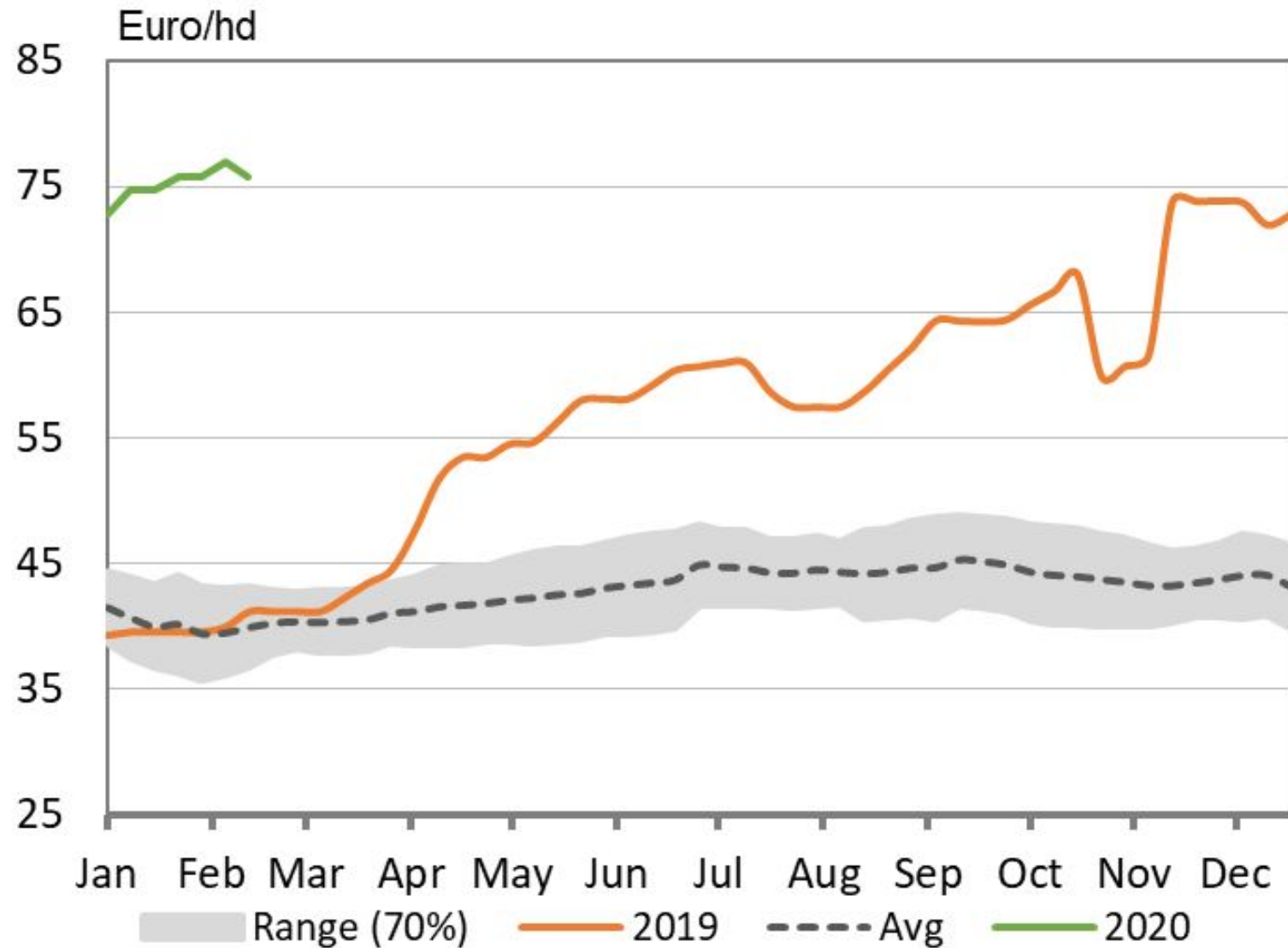


Source: APL

Percentage of Australian demand met by imports

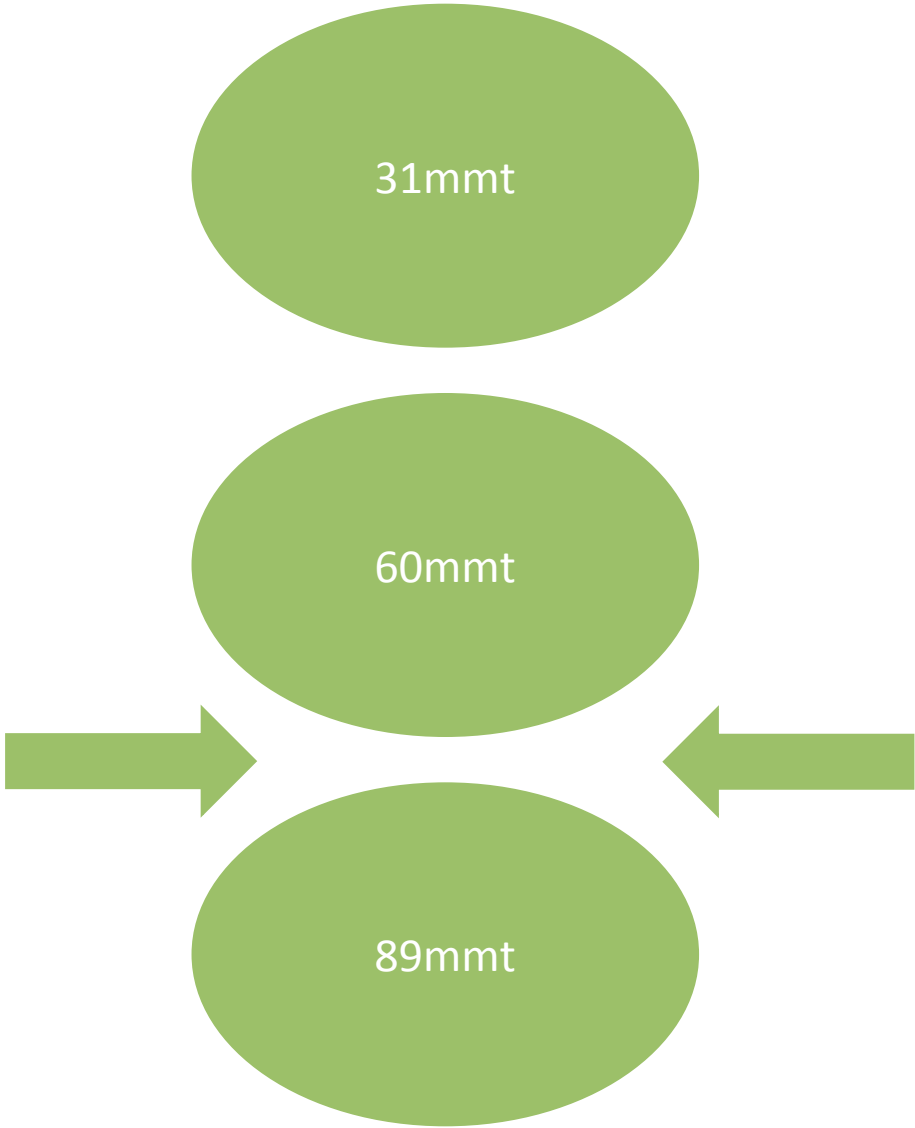
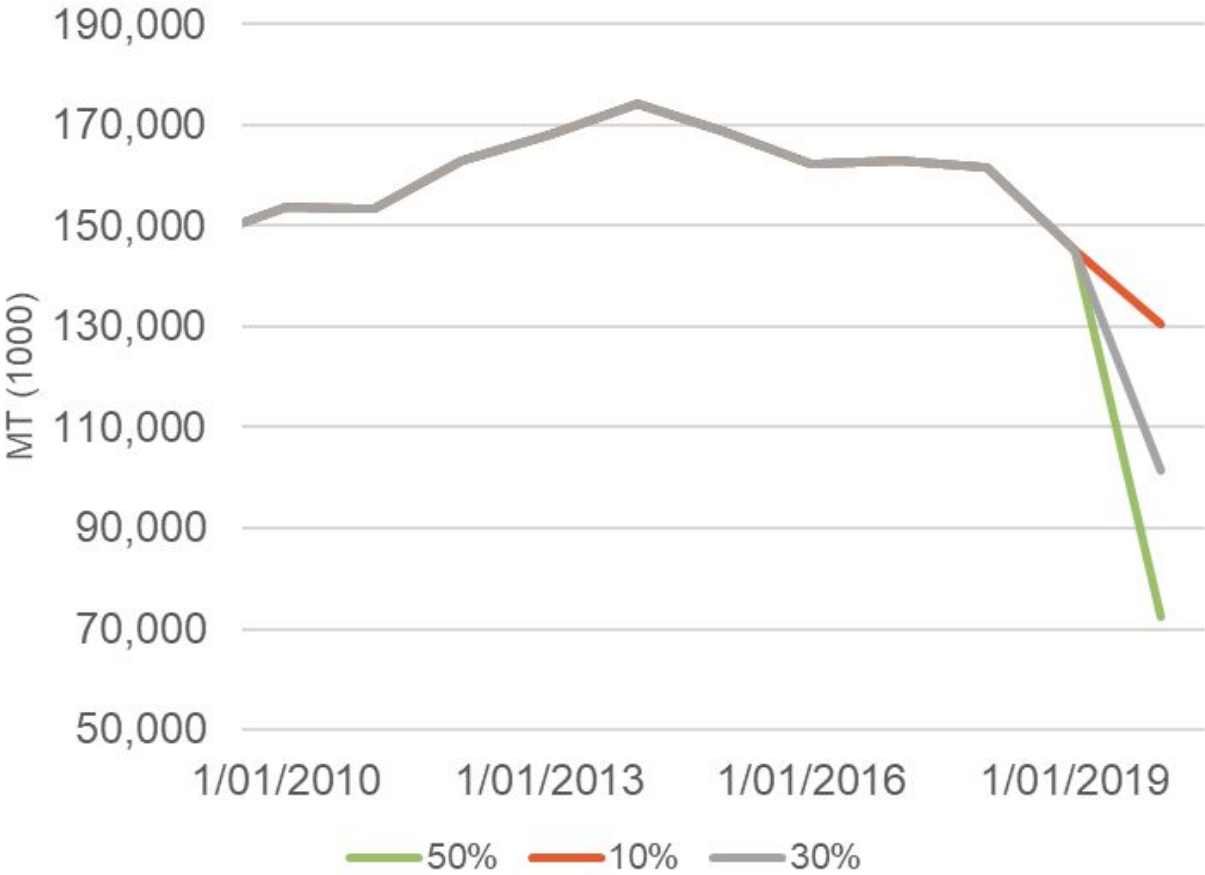


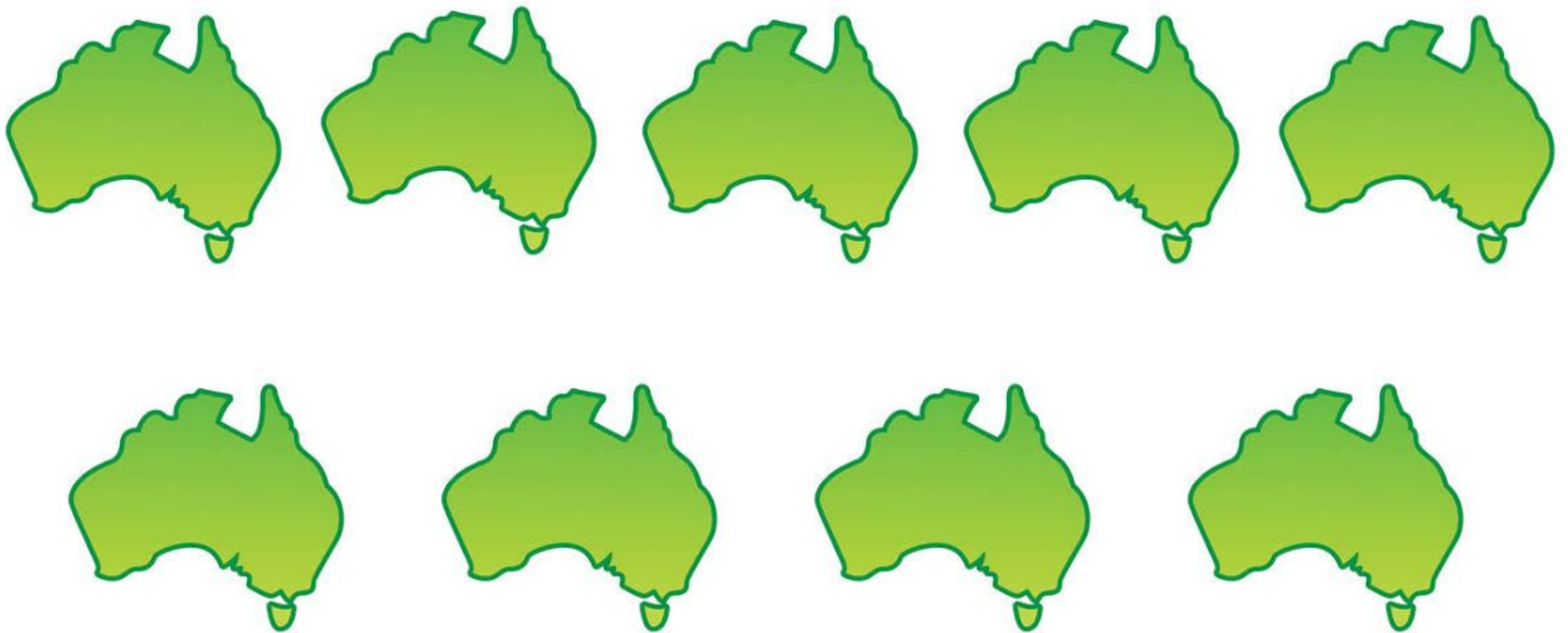
Pig Pricing - Denmark (2011-present)





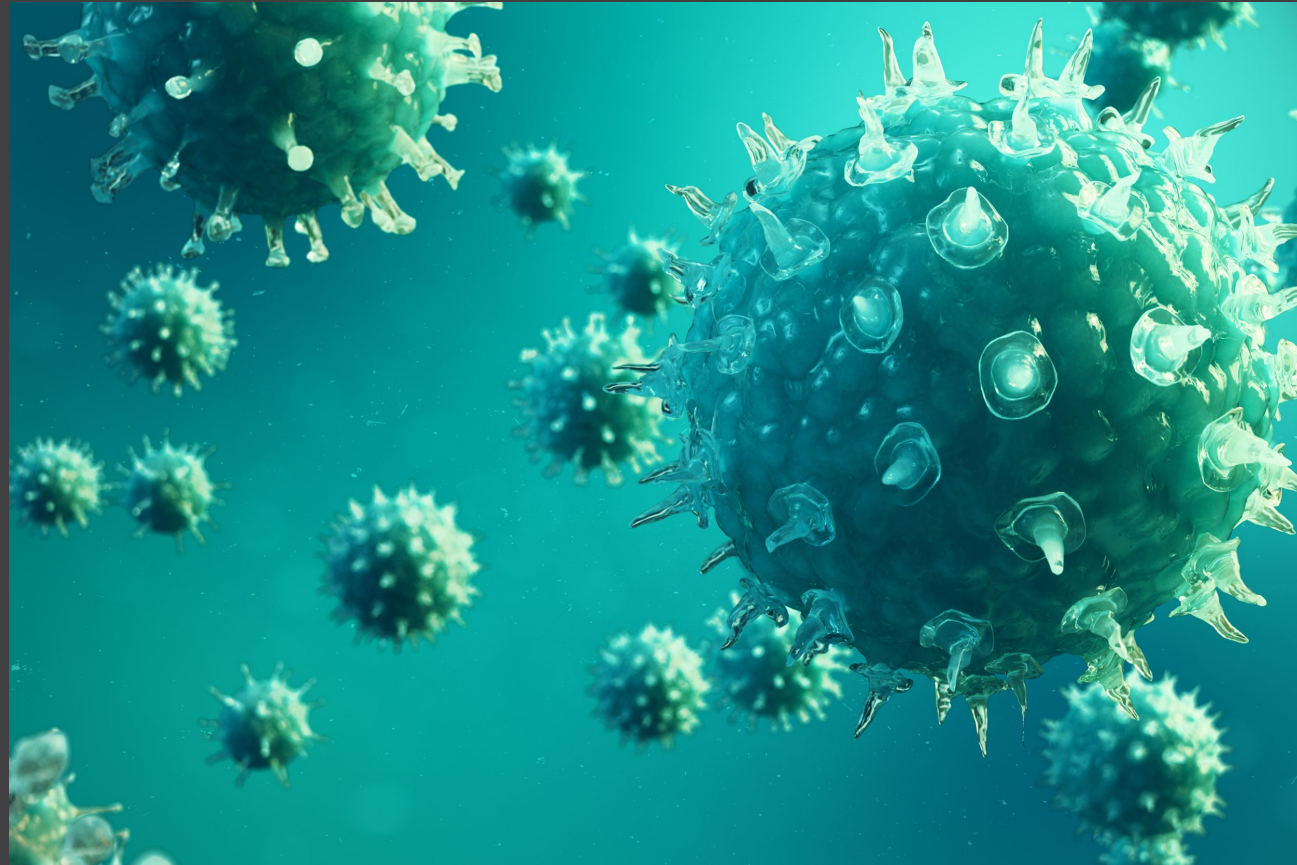
Chinese Feed Demand (Pork)





Worst case: 9 times the average Australian barley crop!

Coronavirus (COVID19)





Baltic Dry Index








Coronavirus – Ag impact



Grain Consumption (China)





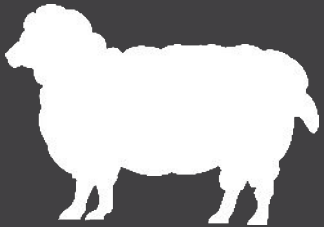
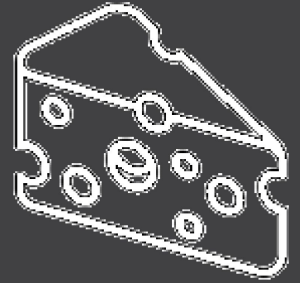
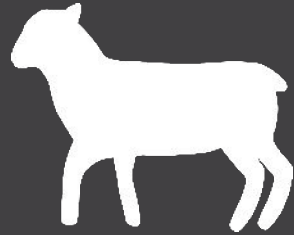
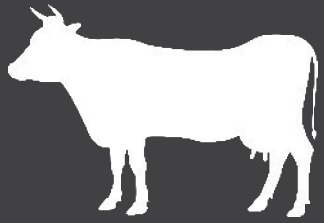
Deaths	Reduction in grain demand (MT)
1,000	390
10,000	3,900
100,000	39,000
1,000,000	390,000
10,000,000	3,900,000



DAP Price (NOLA A\$/mt)



Impact of Covid19



Female slaughter levels unsustainable

57%

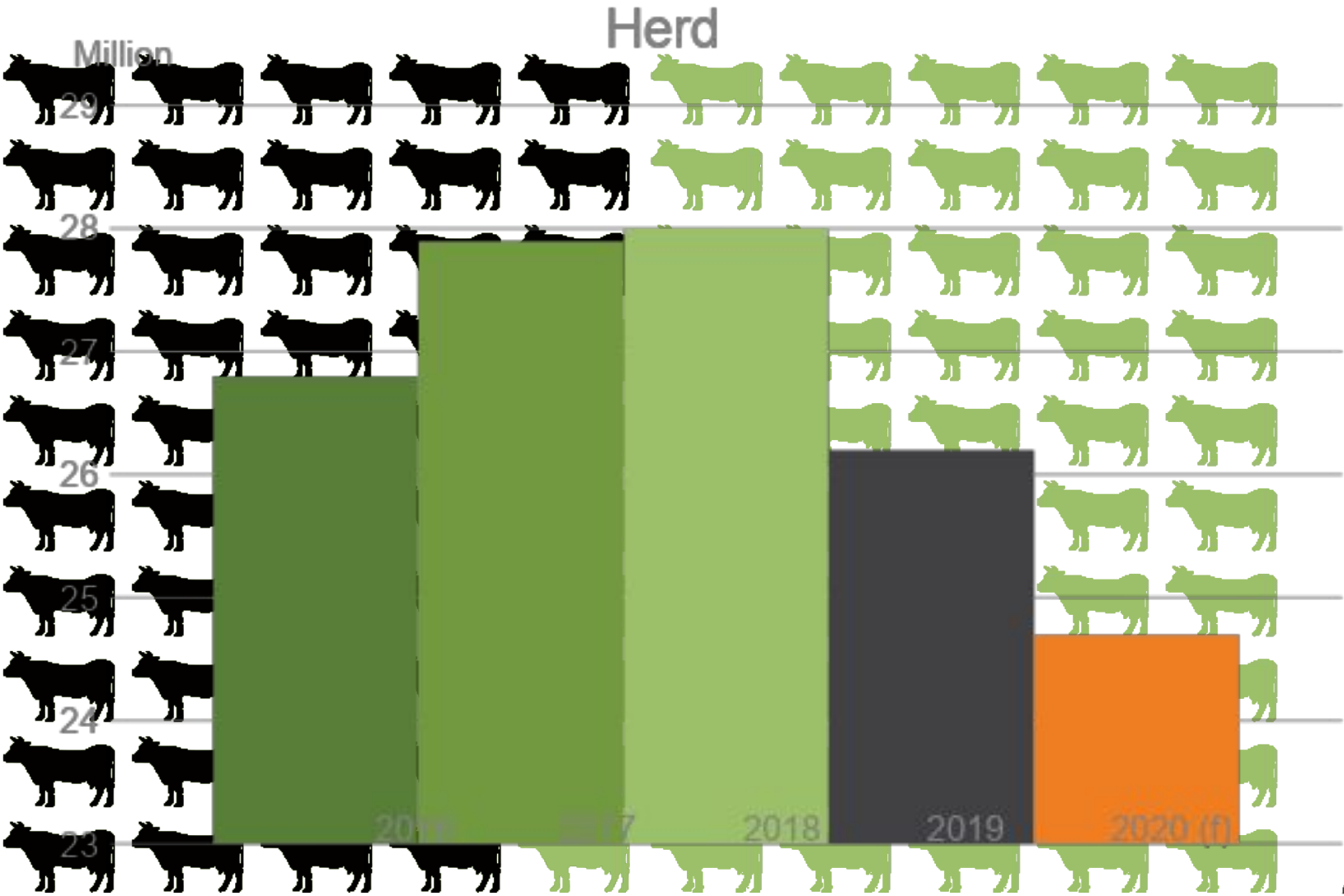
In 2019

47%

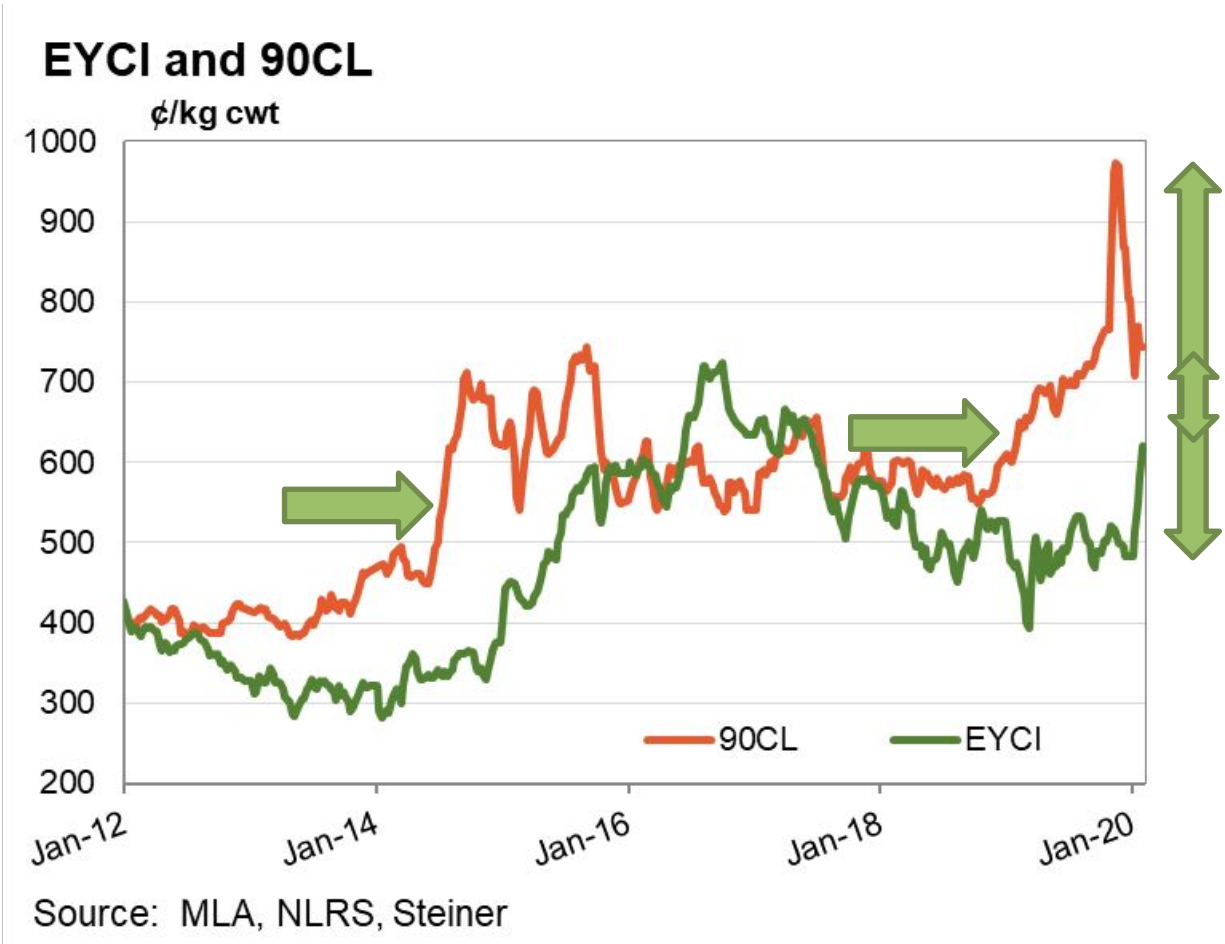
sustainable

43%

rebuild



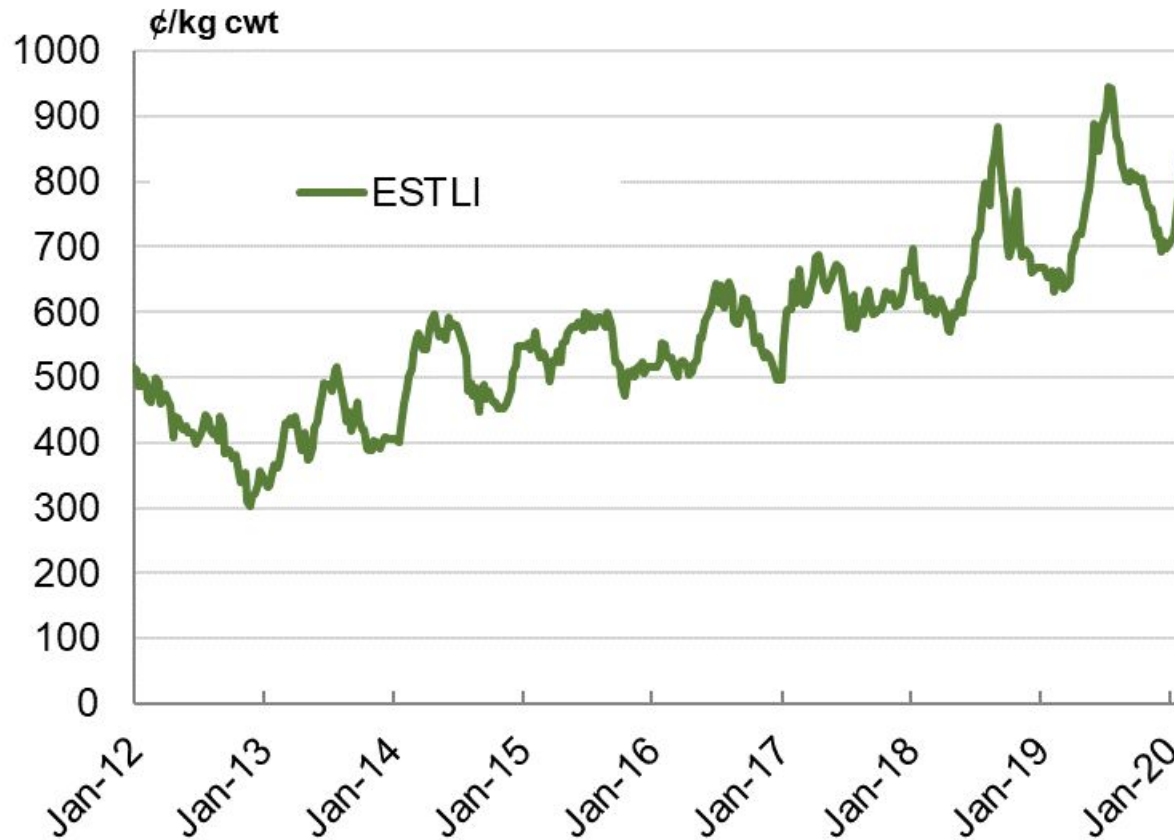
Restockers and export price



Lamb strong,

Mutton stronger

ESTLI and NMI



Source: MLA's NLRS

Export demand growth

Declining flock in Australia

and in NZ, our only competitor



**And the sheep are
nervous.**

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