







Global economic outlook, with focus on animal protein

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13/01/2023

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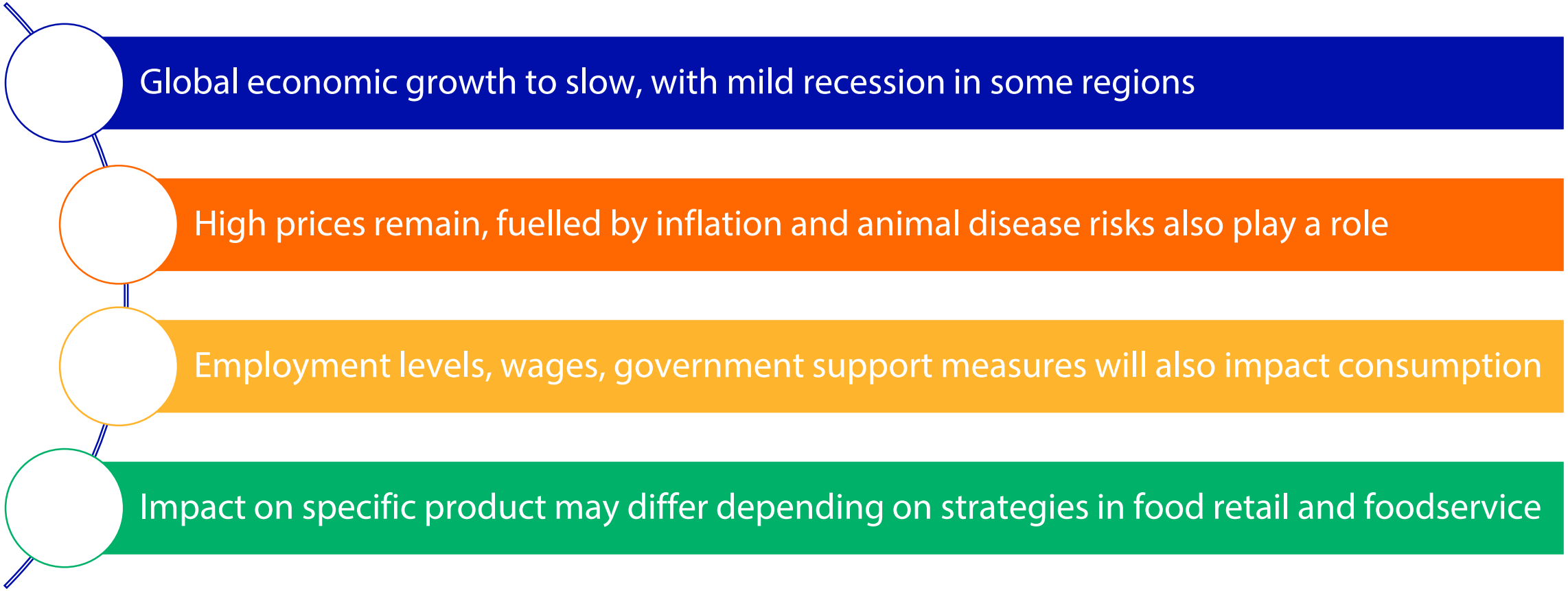
Factors influencing AP consumption in 2023



Source: Rabobank 2023

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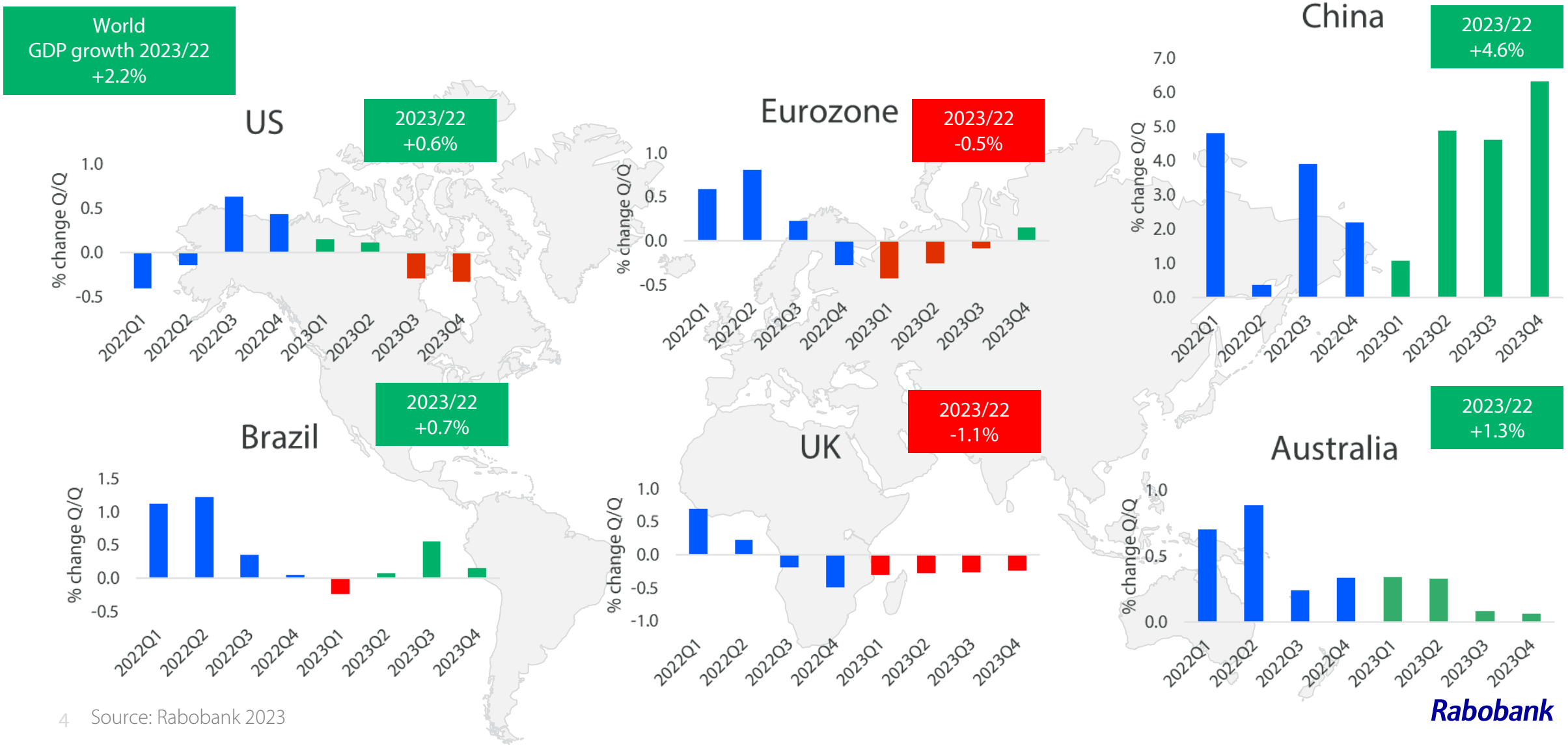
Macro-economic outlook



Growth prospects deteriorate across the globe

World
GDP growth 2023/22
+2.2%



Source: Rabobank 2023

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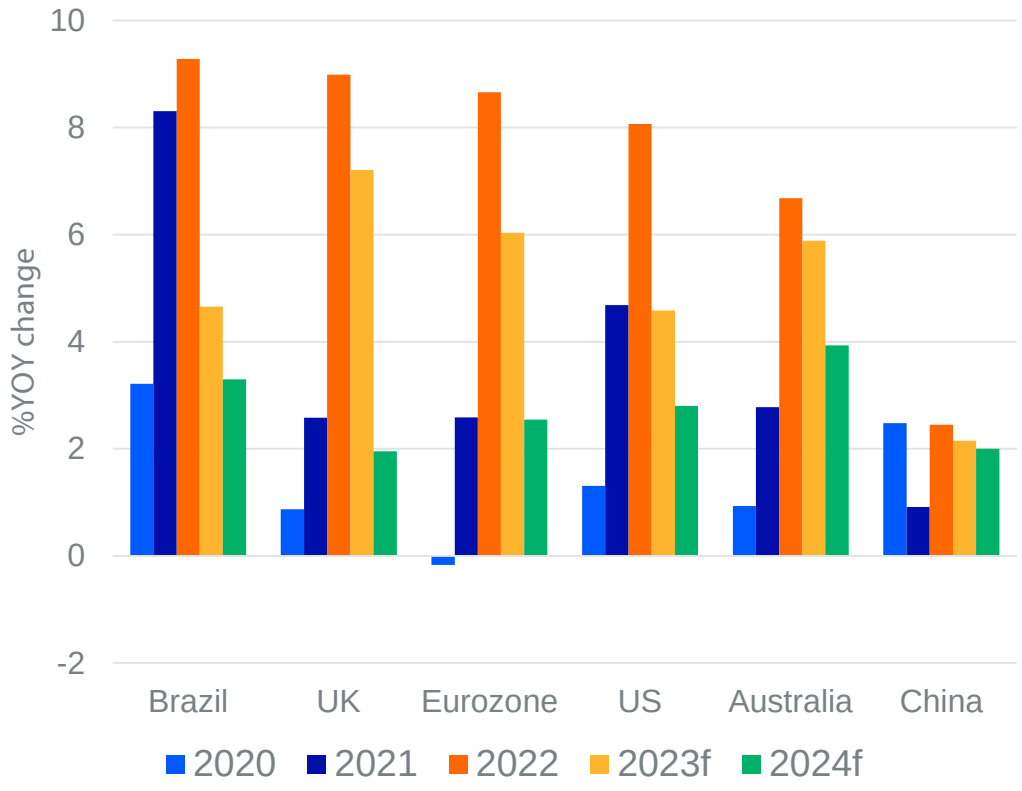
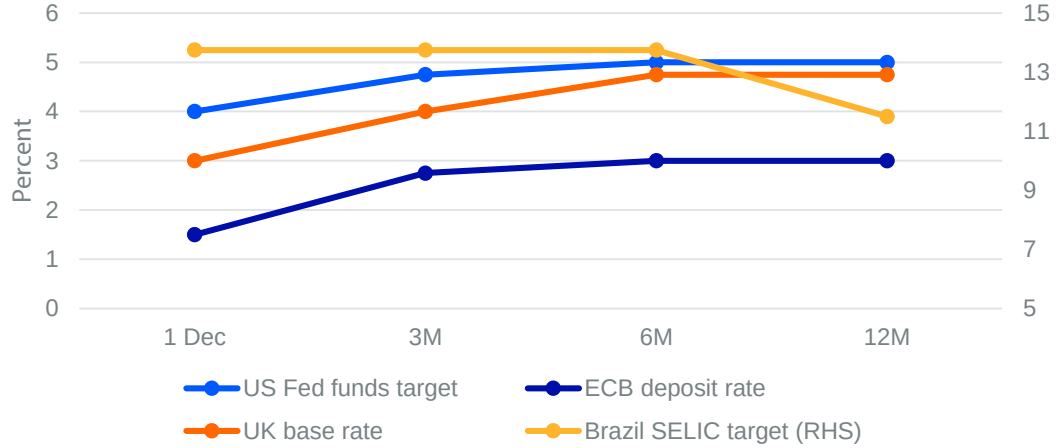
Inflation has peaked, but stays high in 2023

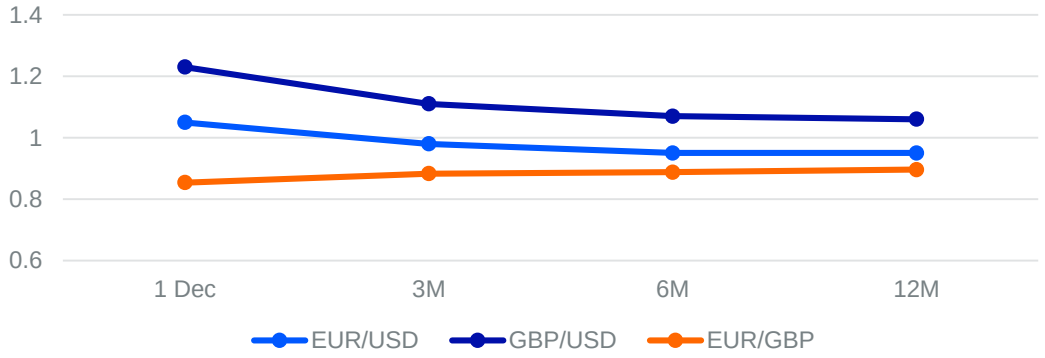
Inflation forecast



Interest rate forecast



FX rate forecast: EUR/USD to weaken, EUR/GBP to strengthen



Source: Rabobank 2023

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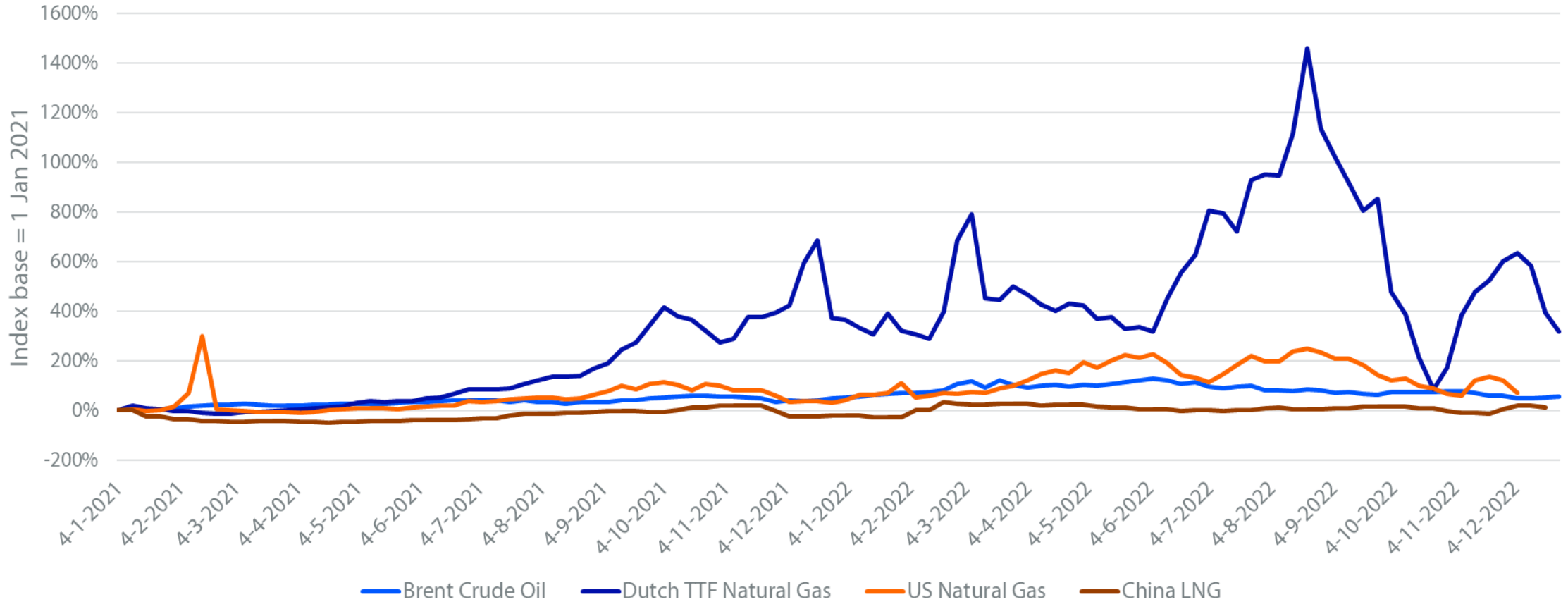
Energy prices to stay at high levels

Current drop in gas prices surpasses expectations due to warm winter in Europe



Source: ICE, Macrobond, Rabobank, 2023

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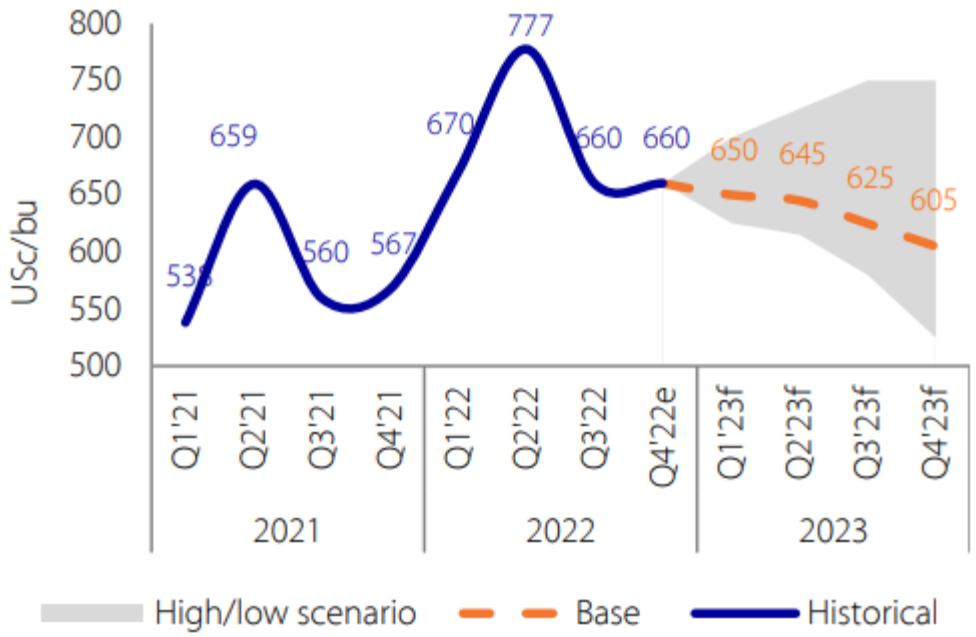
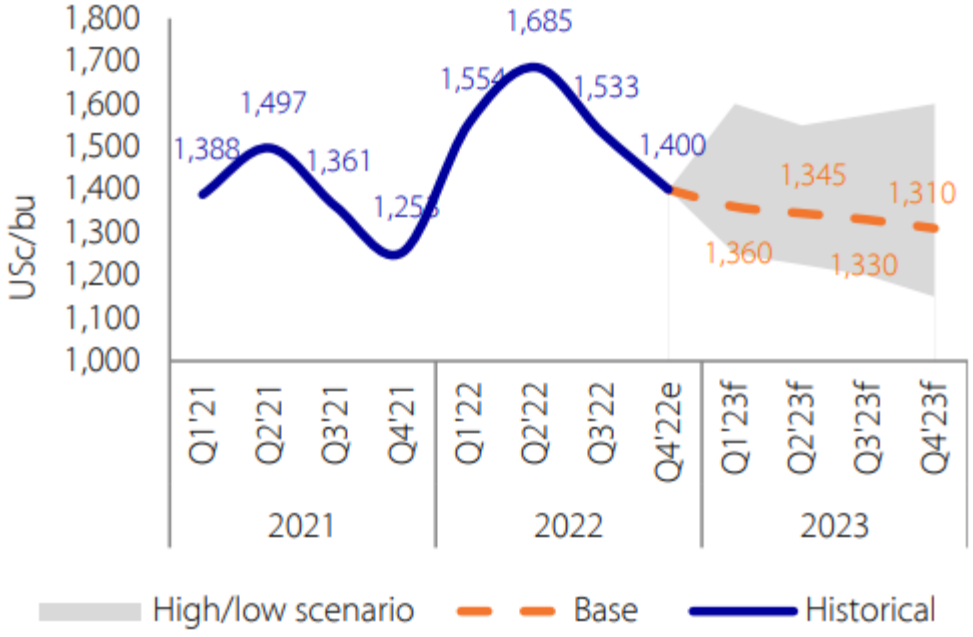
Feed price will ease, but to a limited extent

FX rates will also lead to differences across geographies

CBOT Corn price to face recession-weakening demand



CBOT soybean price expected to modestly decline on strong dollar and Brazil's production recovery



Source: Bloomberg, Rabobank, 2023

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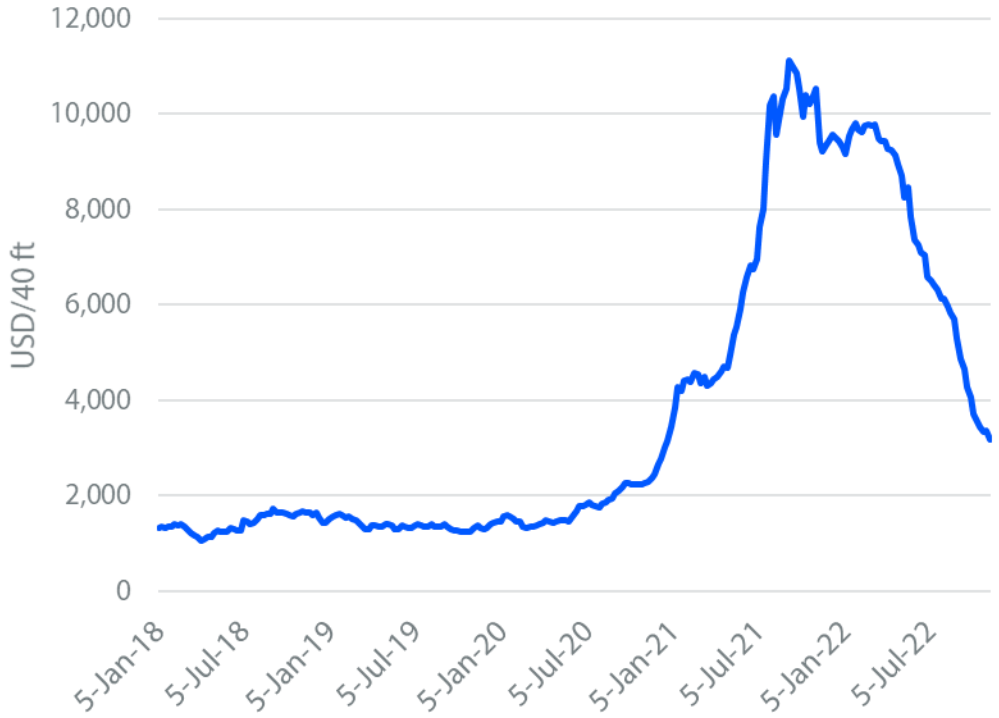
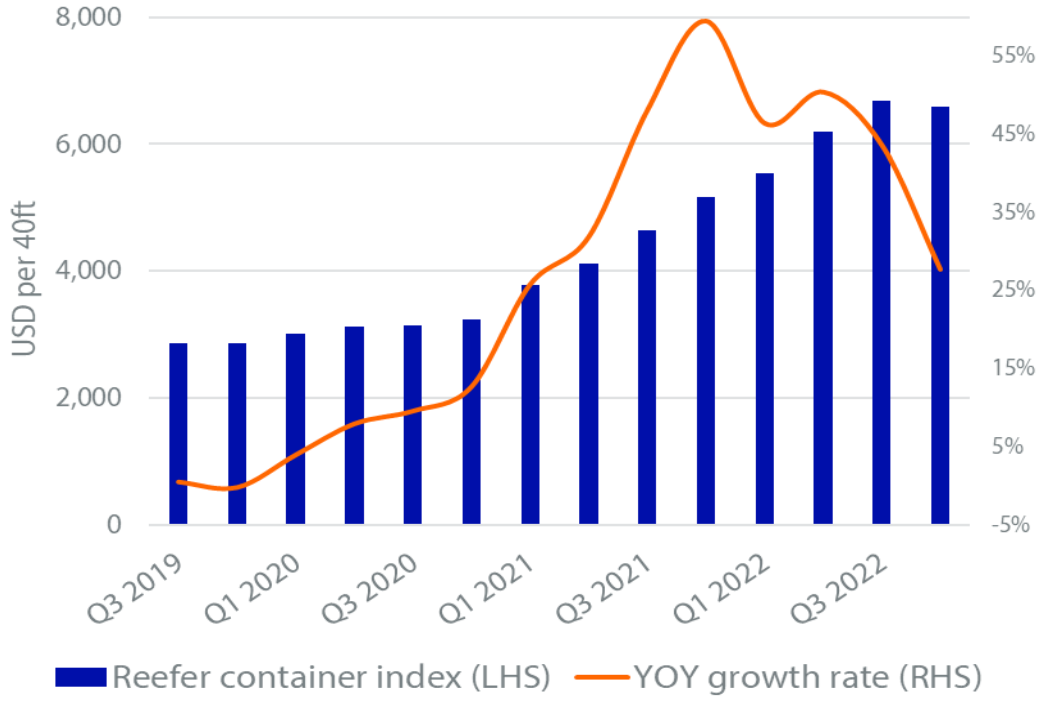
Freight costs to ease further on lower demand

Supply factors for reefers also to improve

*Dry container rates had **steep** declines in Q3 2022 and are expected to further normalize in 2023*



*Reefer container rates are on downtrend, but with a much **slower** pace. Clear decreases expected from Q1 2023*



Source: Freightos, Drewry, Rabobank, 2023

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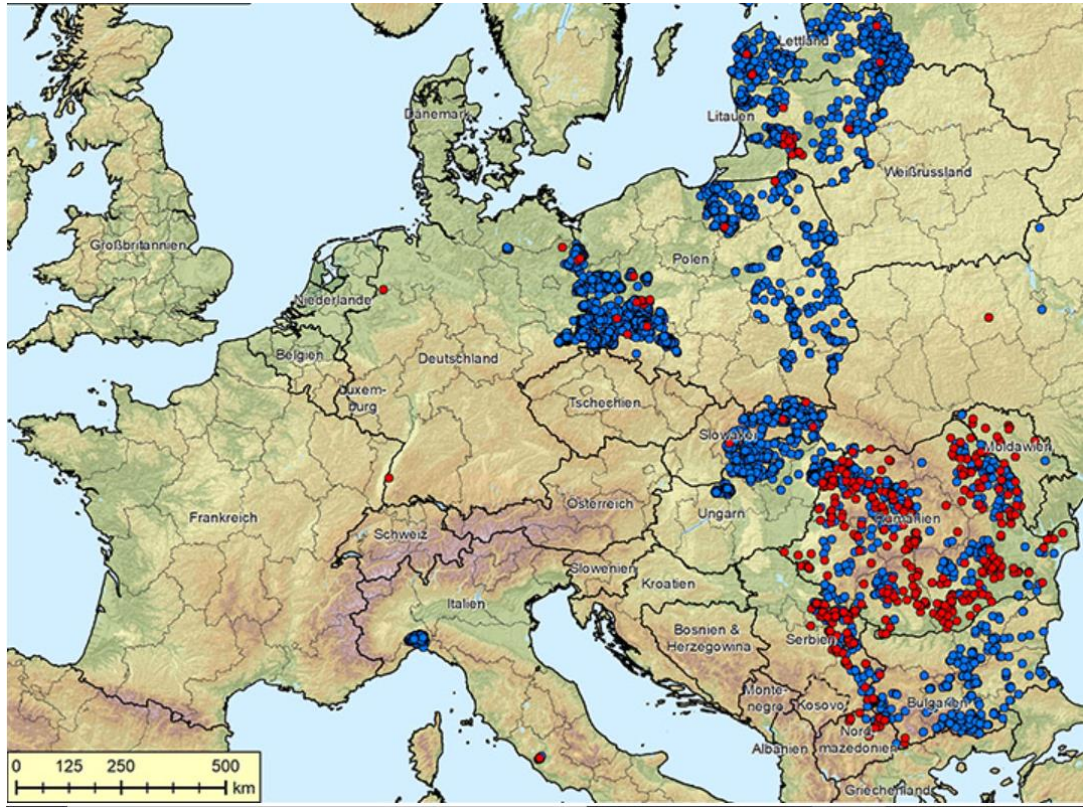
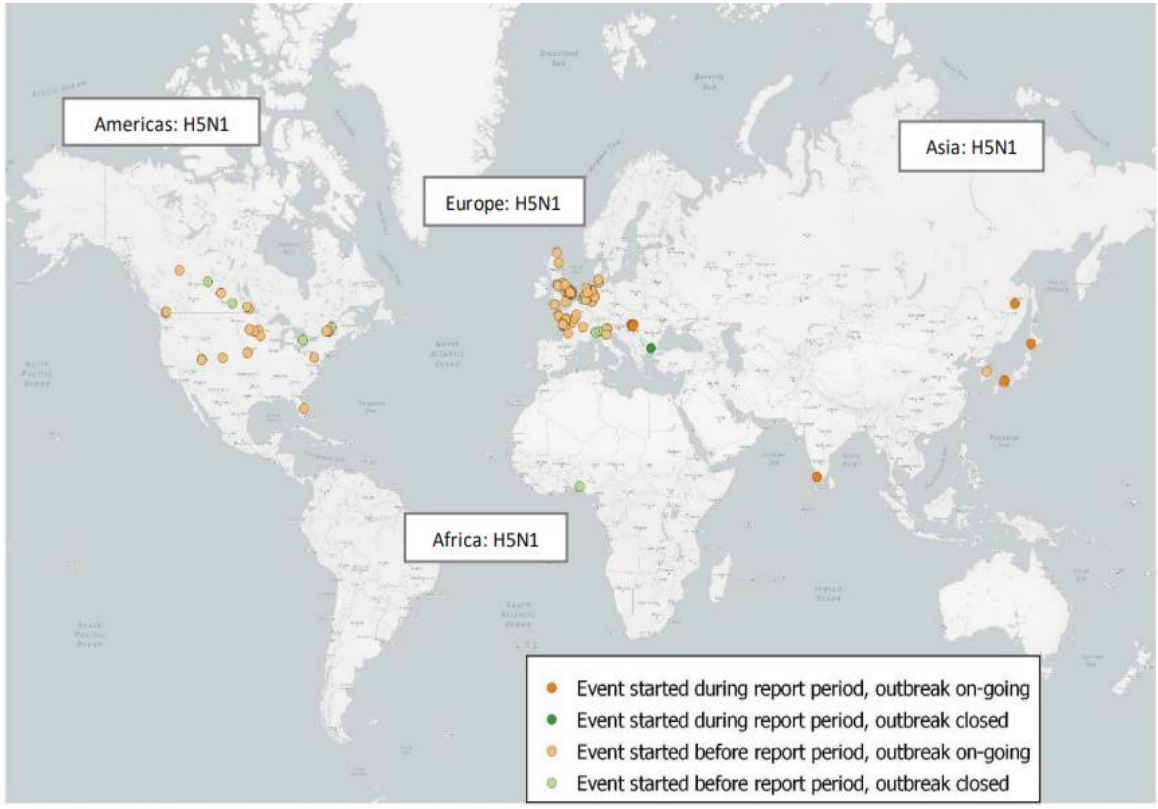
ASF and AI impact production and trade

ASF remains an ongoing risk in Europe



New AI outbreaks in poultry (12/10/2022 – 10/11/2022)



Source: FLI, WOAH, Rabobank, 2023

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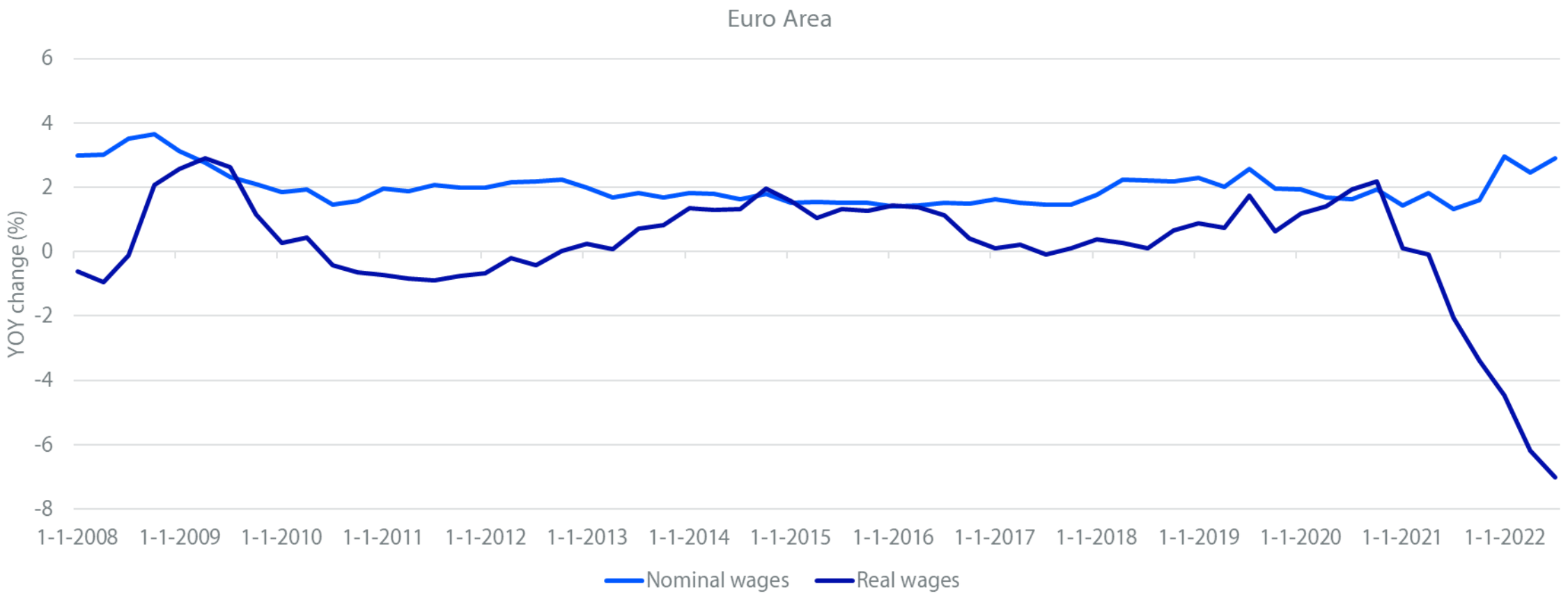
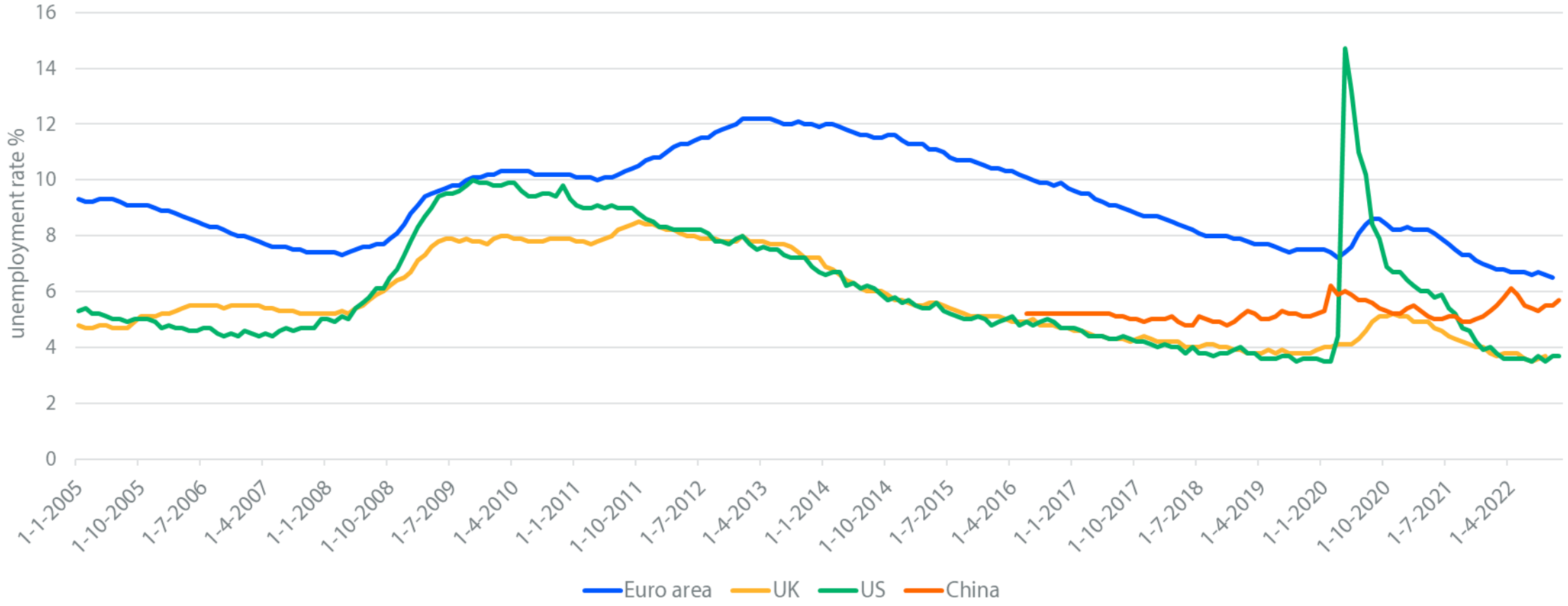
An unprecedented loss of spending power

Buffers are diminishing, but various government support measures partly compensate



 Source: Macrobond, Rabobank 2023

But low unemployment still supports some 'indulgent' choices



 Source: Macrobond, Rabobank 2023

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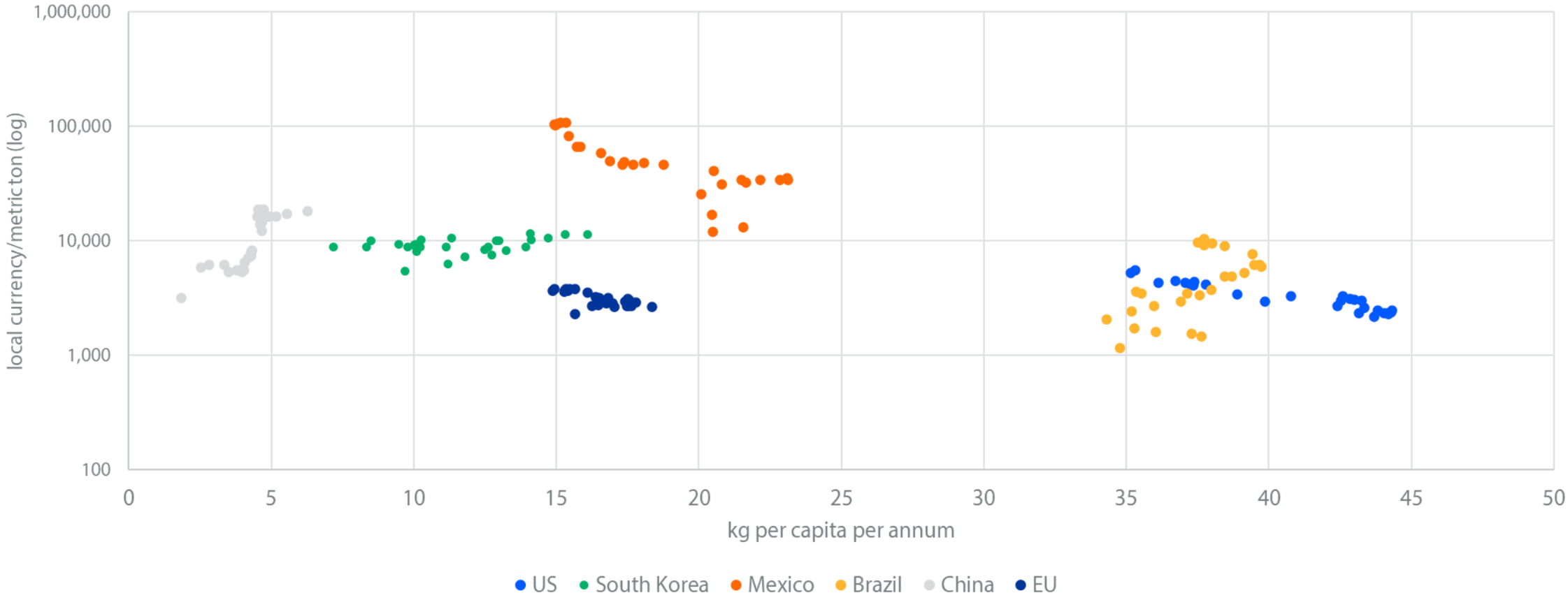
Changing consumption patterns in AP



AP consumption patterns will change

Price is only factor influencing consumption



 Source: Macrobond, Rabobank 2023

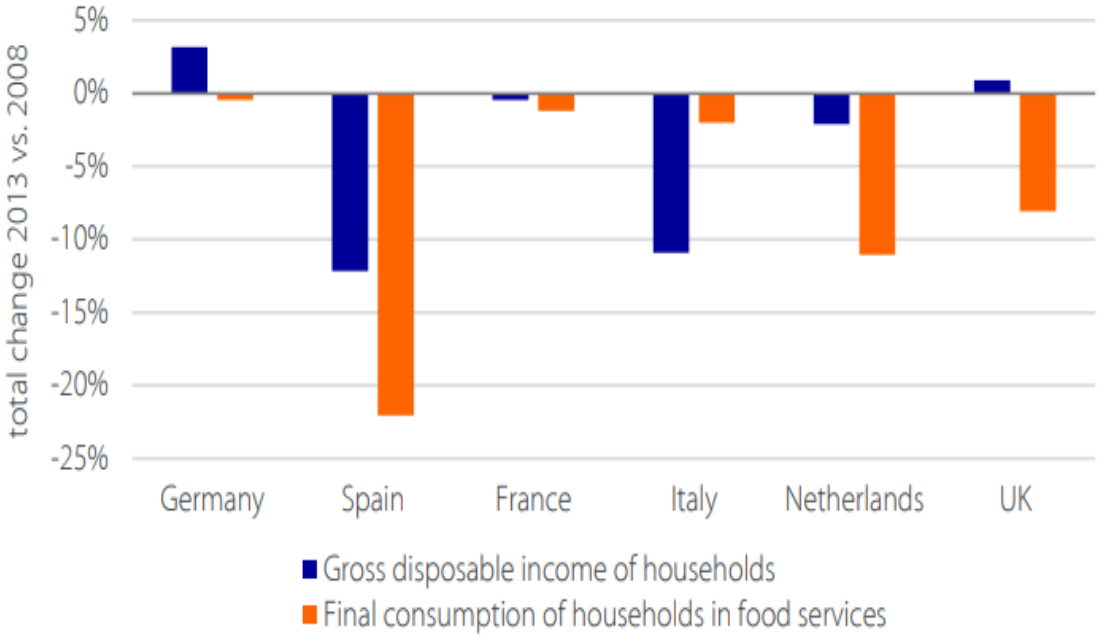
General responses to higher AP prices

Responses to high animal protein prices – what we generally expect



Three main responses to higher prices in food retail and foodservice

Spending at foodservices declined when disposable income contracted



 Source: OECD, Eurostat, Rabobank 2023

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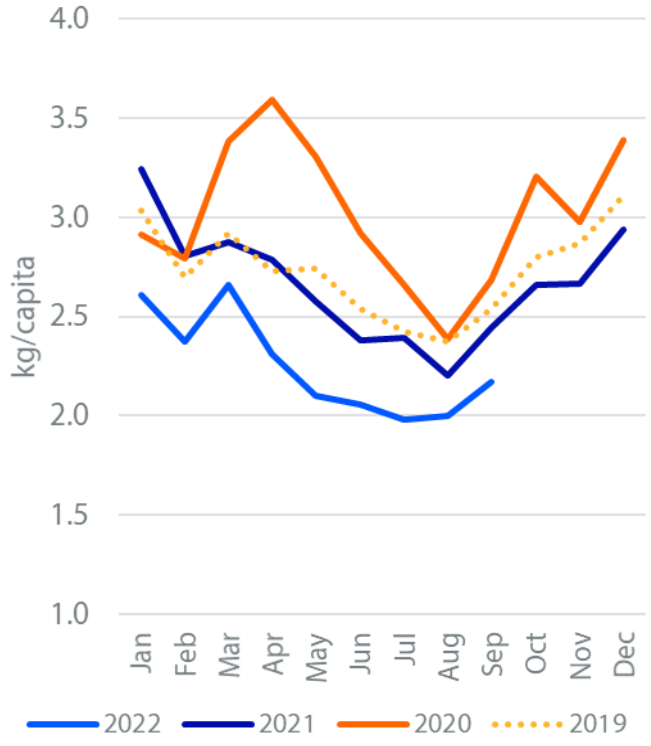
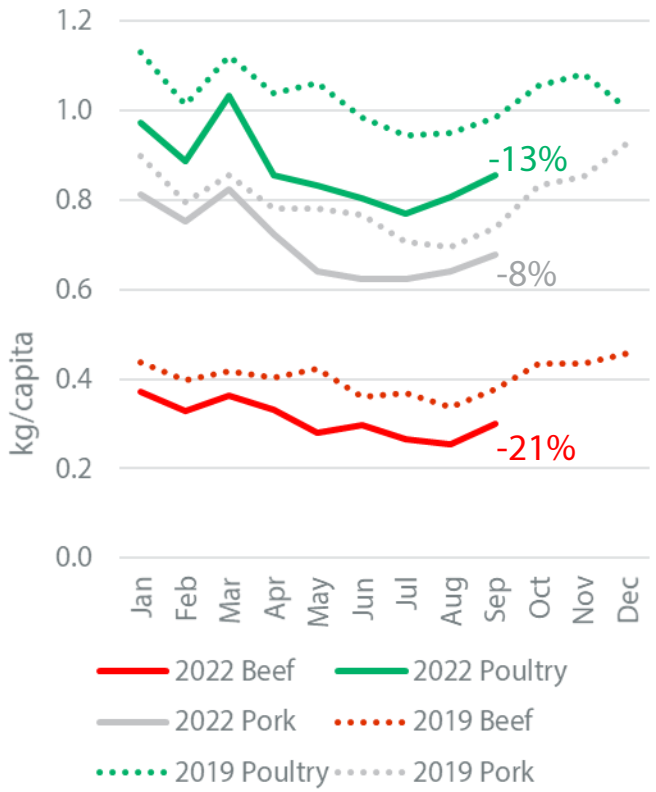
Meat consumption struggles to return to pre-Covid levels

Some evidence from Spain

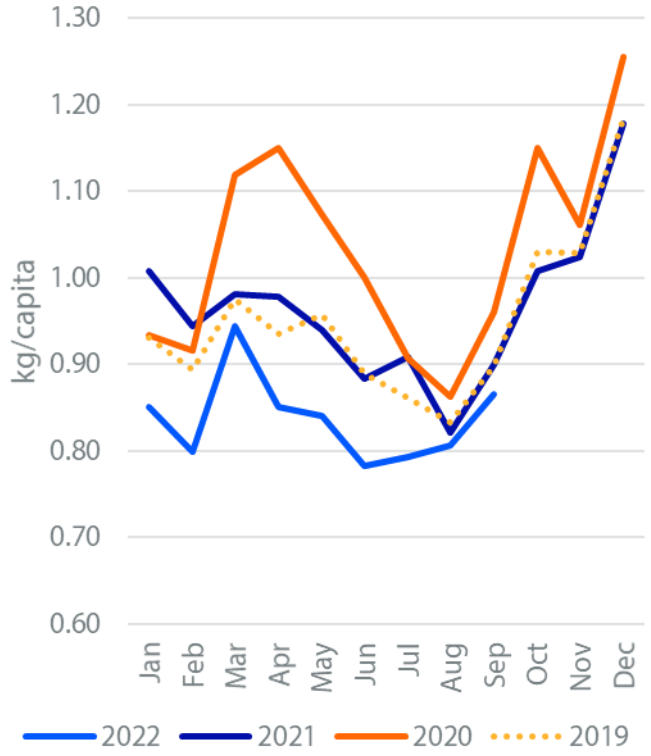
Fresh meat consumption is down
-14% in Sep 2022 compared to 2019



Consumption is down for all species



Processed meat consumption is catching up



 Source: MAPA, Rabobank 2023

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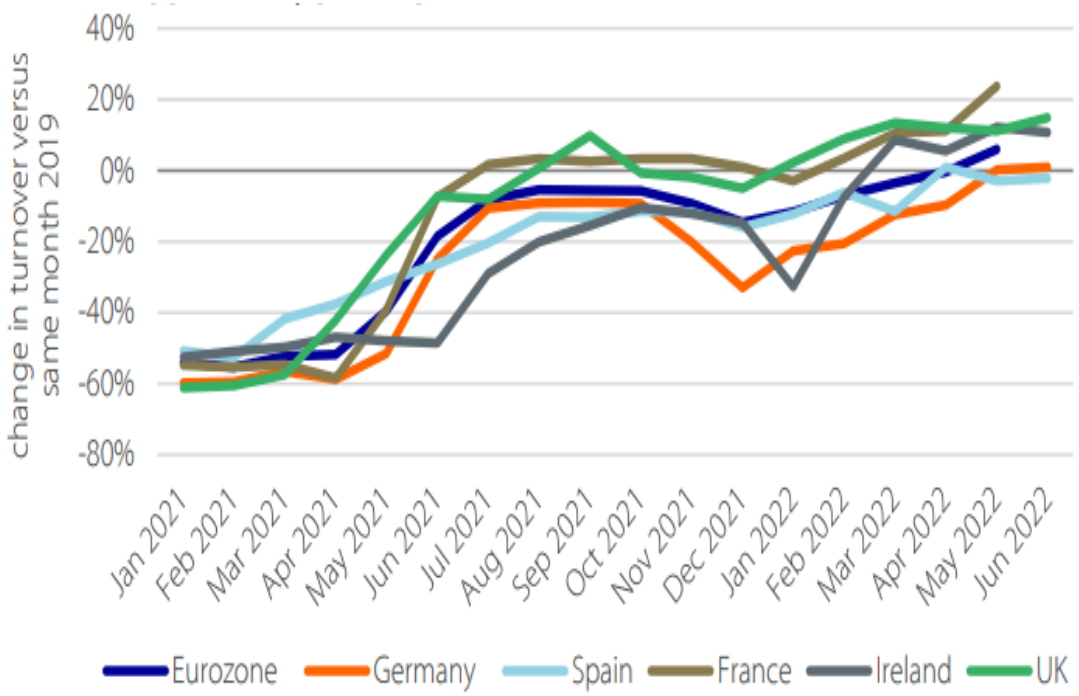
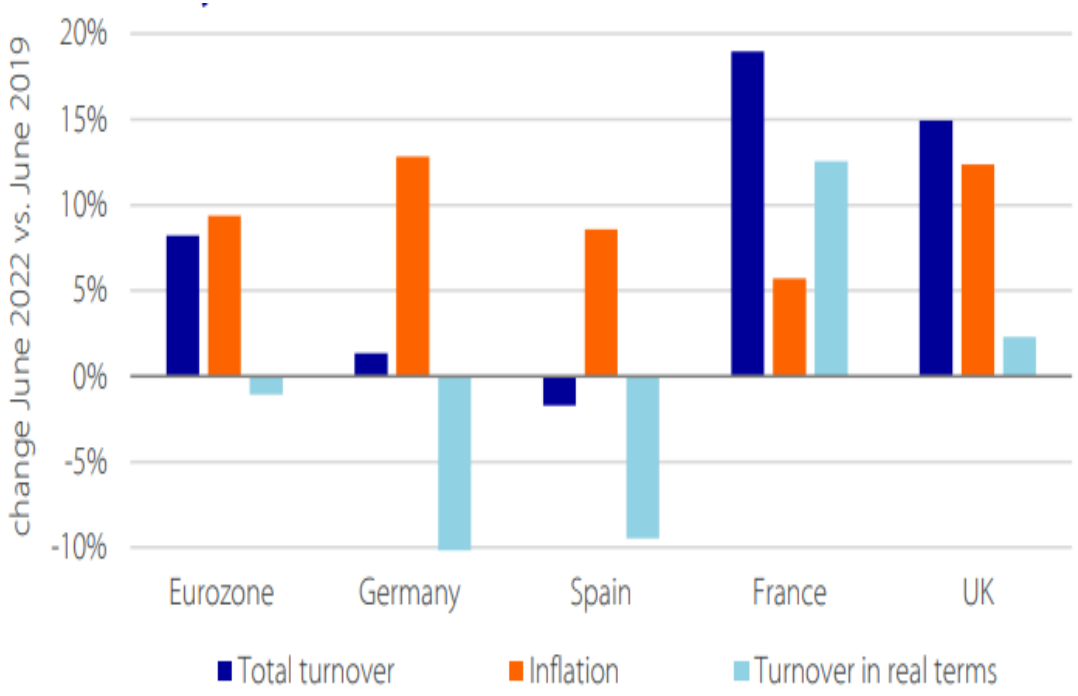
Foodservice recovery is hampered by inflation

Growth has been supported by pent-up demand and inflation



…but recovery in real terms is more elusive



 Source: Eurostat, ONS, Central Statistics Office, Rabobank 2023

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Opportunities for AP will be more restricted in 2023



 Source: Rabobank 2023



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