

# Outlook 2023: Tightening the Belt

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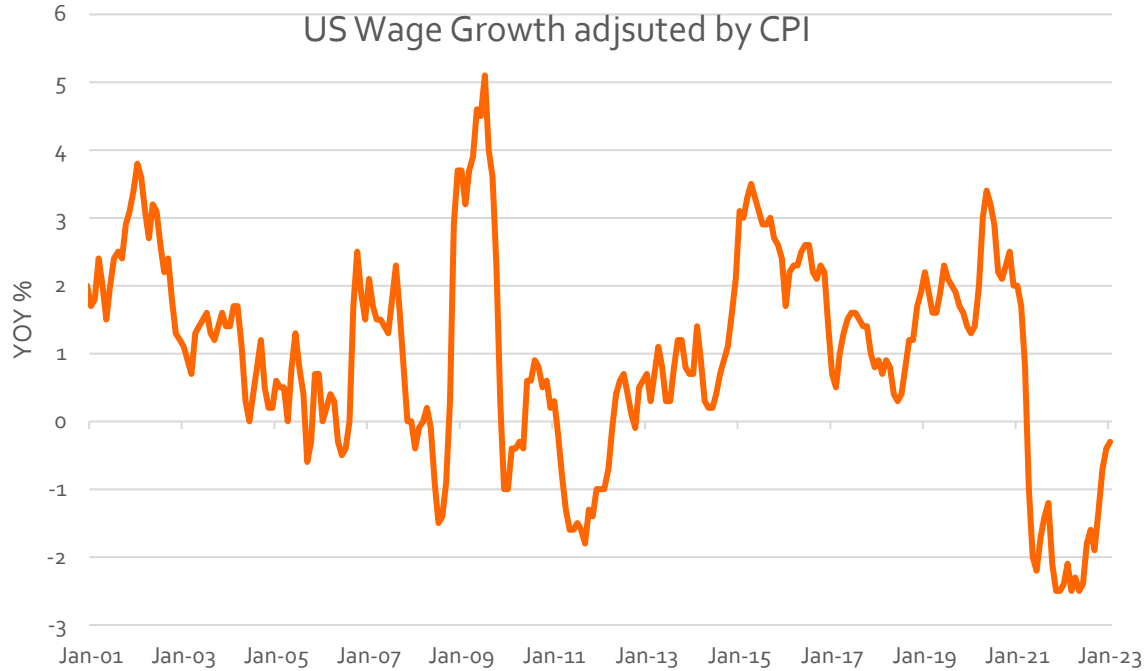
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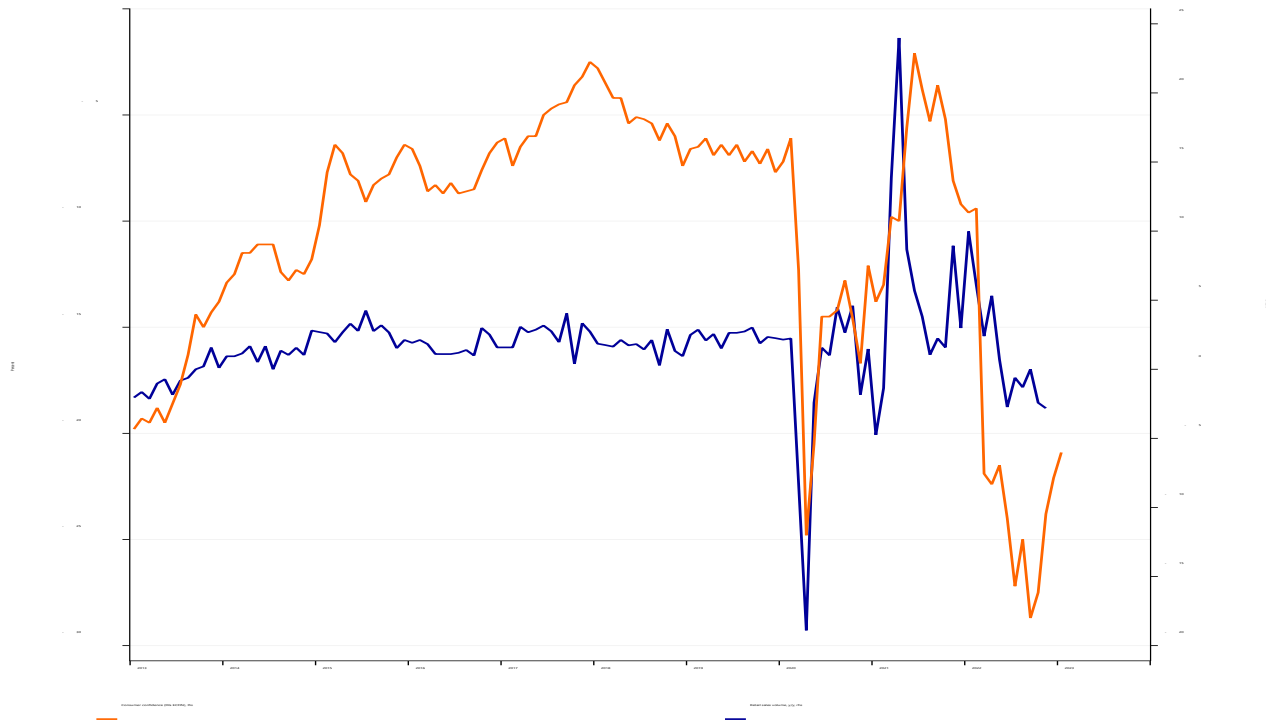
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# Drop in real incomes is real



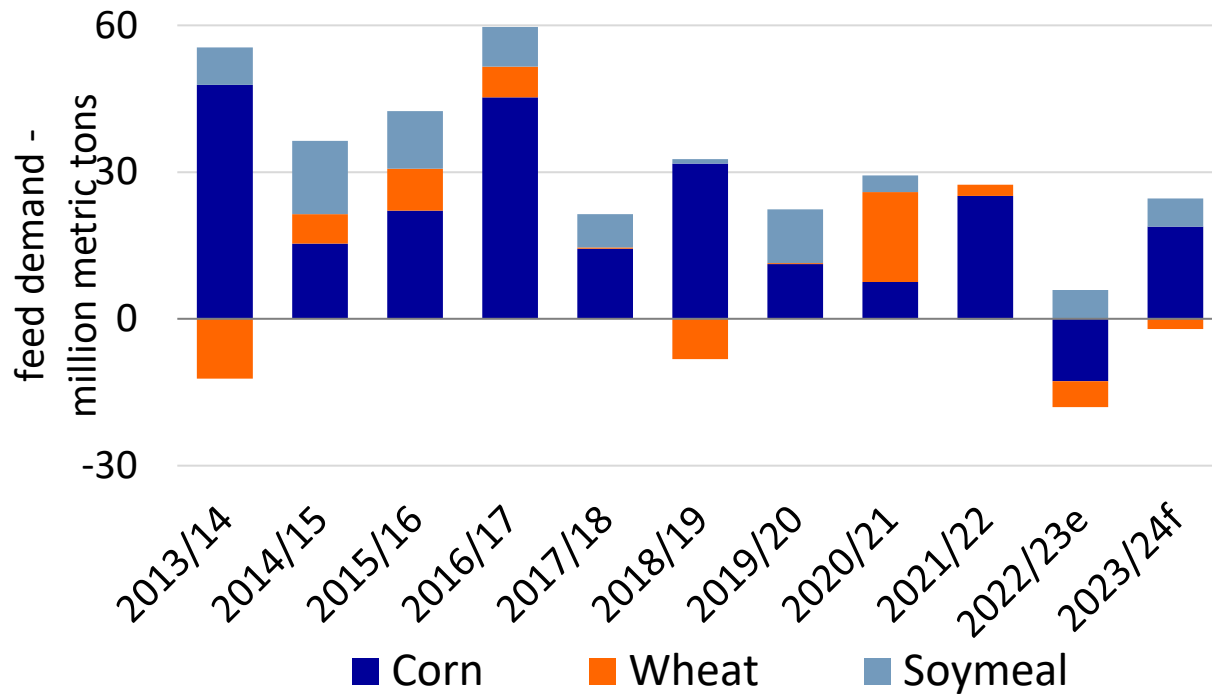
Source: Macrobond, Atlanta Fed, Rabobank 2023  
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# EU consumer confidence remains low but is showing signs of a recovery



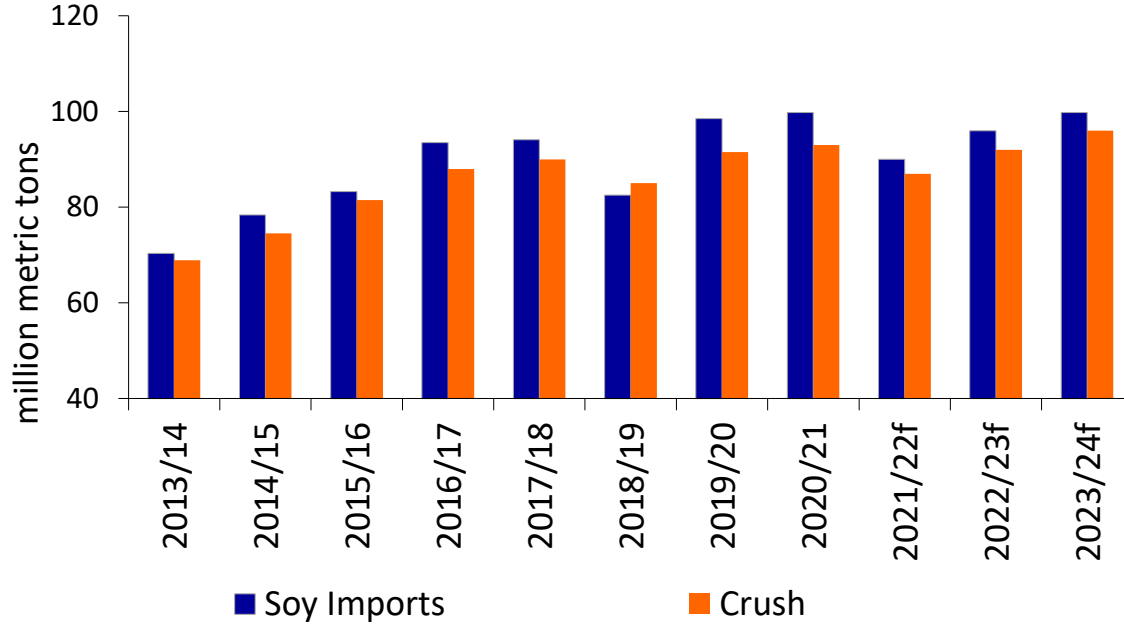
Source: Eurostat, Rabobank 2023  
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# Feed demand is expected to drop in 2022/23 for the first time in ten years -soy meal being an exception.



Source: USDA, Rabobank 2023

# China's soy imports are growing, but not exponentially

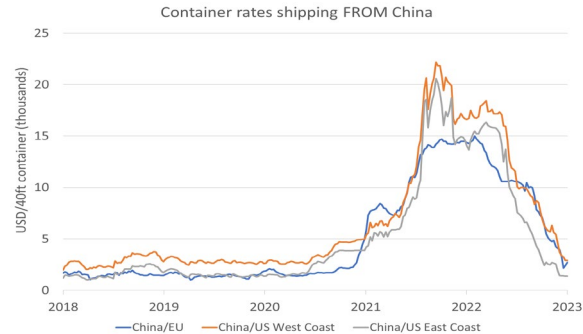
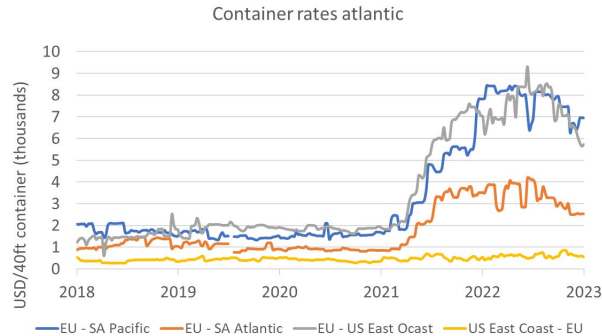
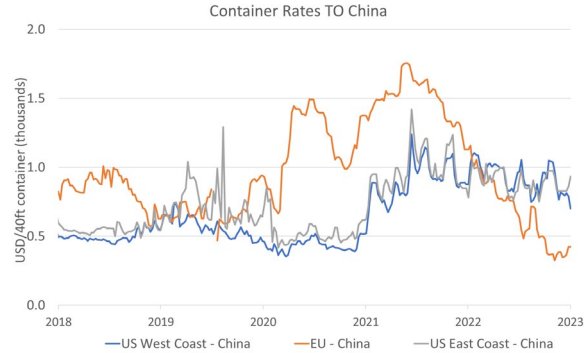
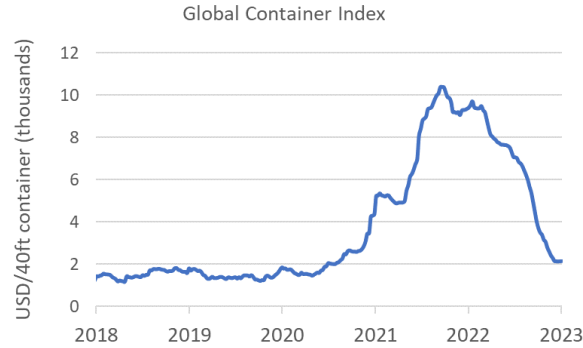


# Also less demand for transit stocks!

Container price index: getting better, but Atlantic routes are still pricey



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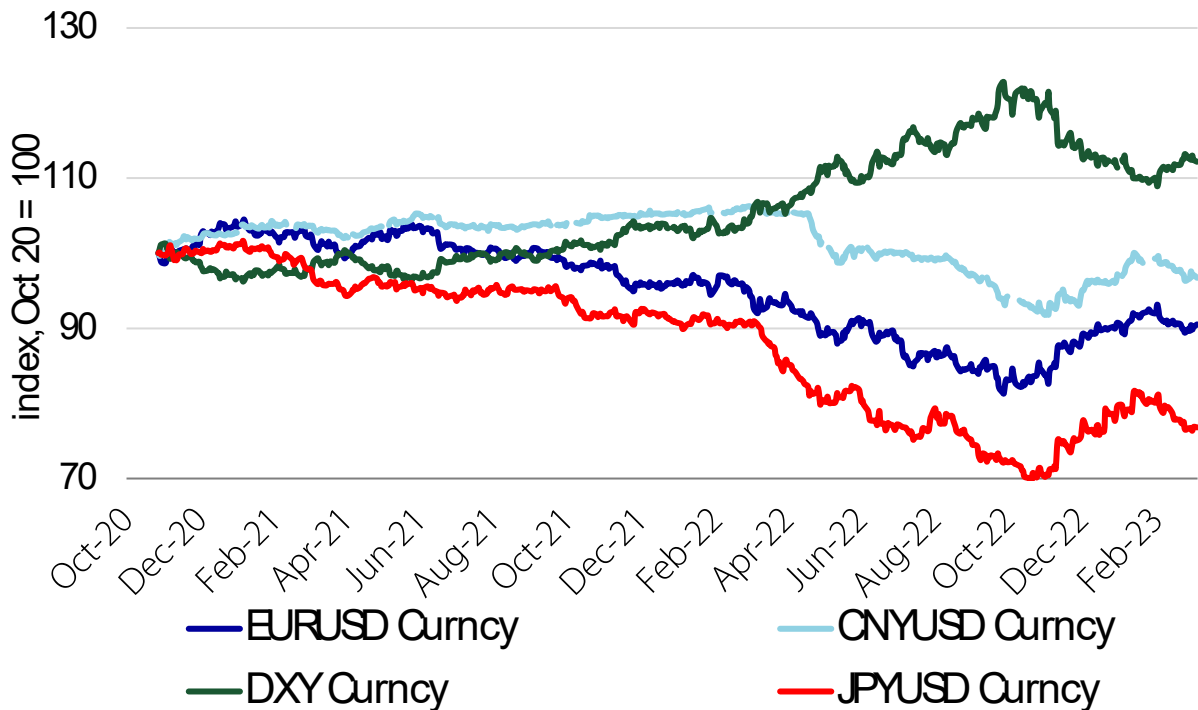


Source: BBG, Rabobank 2023  
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# Dollar remains king, making commodities more expensive for buyers and producers keener to sell (outside of the US)



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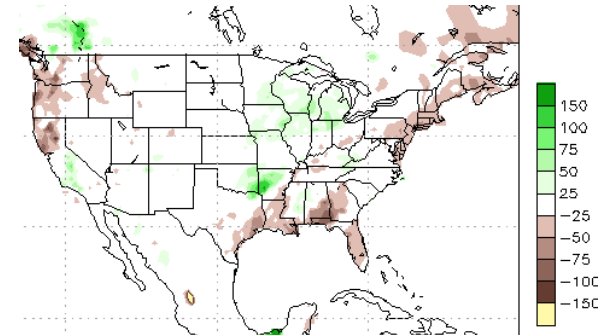
Source: Bloomberg, Rabobank 2023

# Weather likely to normalise from Q2 2023

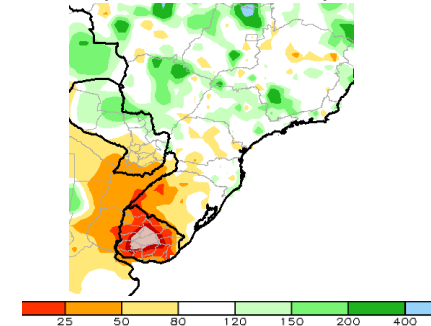


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14-day rainfall anomaly (mm)

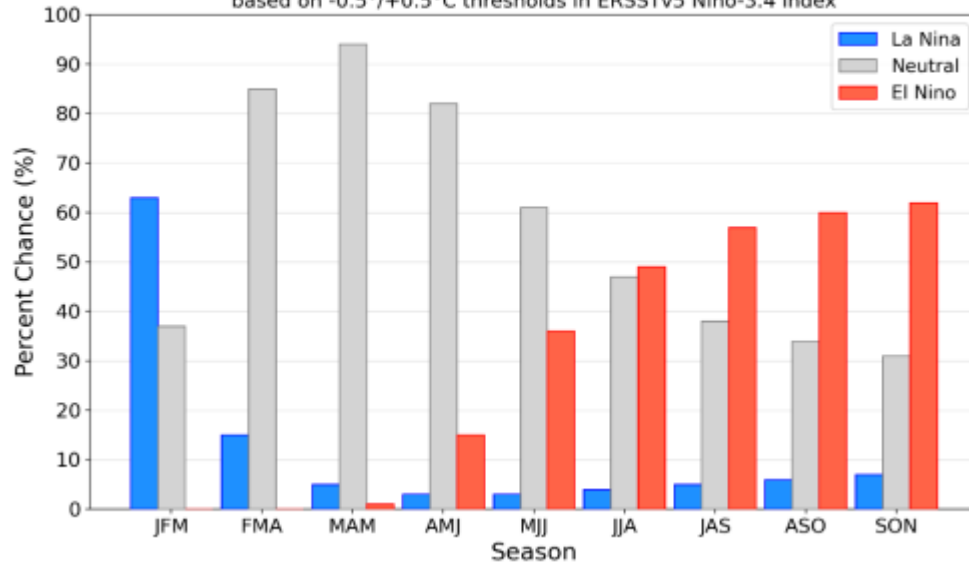


90-day rainfall anomaly (%)



Official NOAA CPC ENSO Probabilities (issued Feb. 2023)

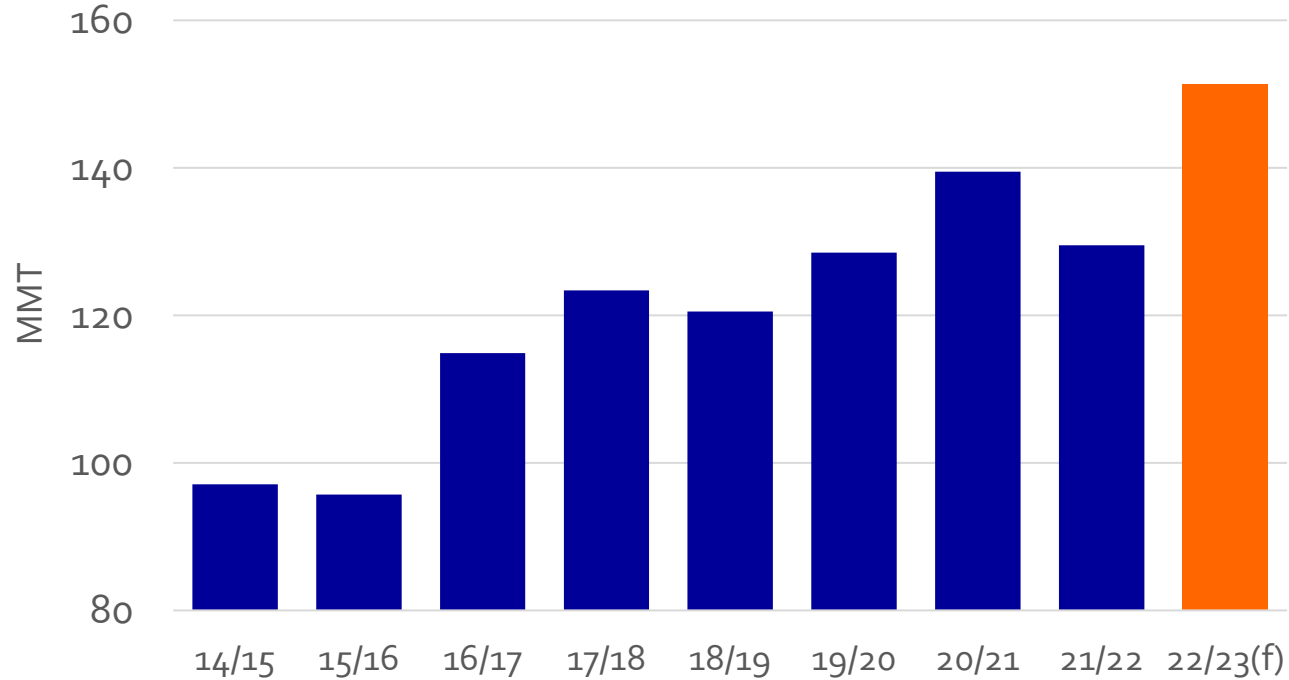
based on  $-0.5^{\circ}/+0.5^{\circ}\text{C}$  thresholds in ERSSTv5 Niño-3.4 index



Source: NOAA, World Ag Weather, Rabobank 2023. Diagrams as of 2 March 2022

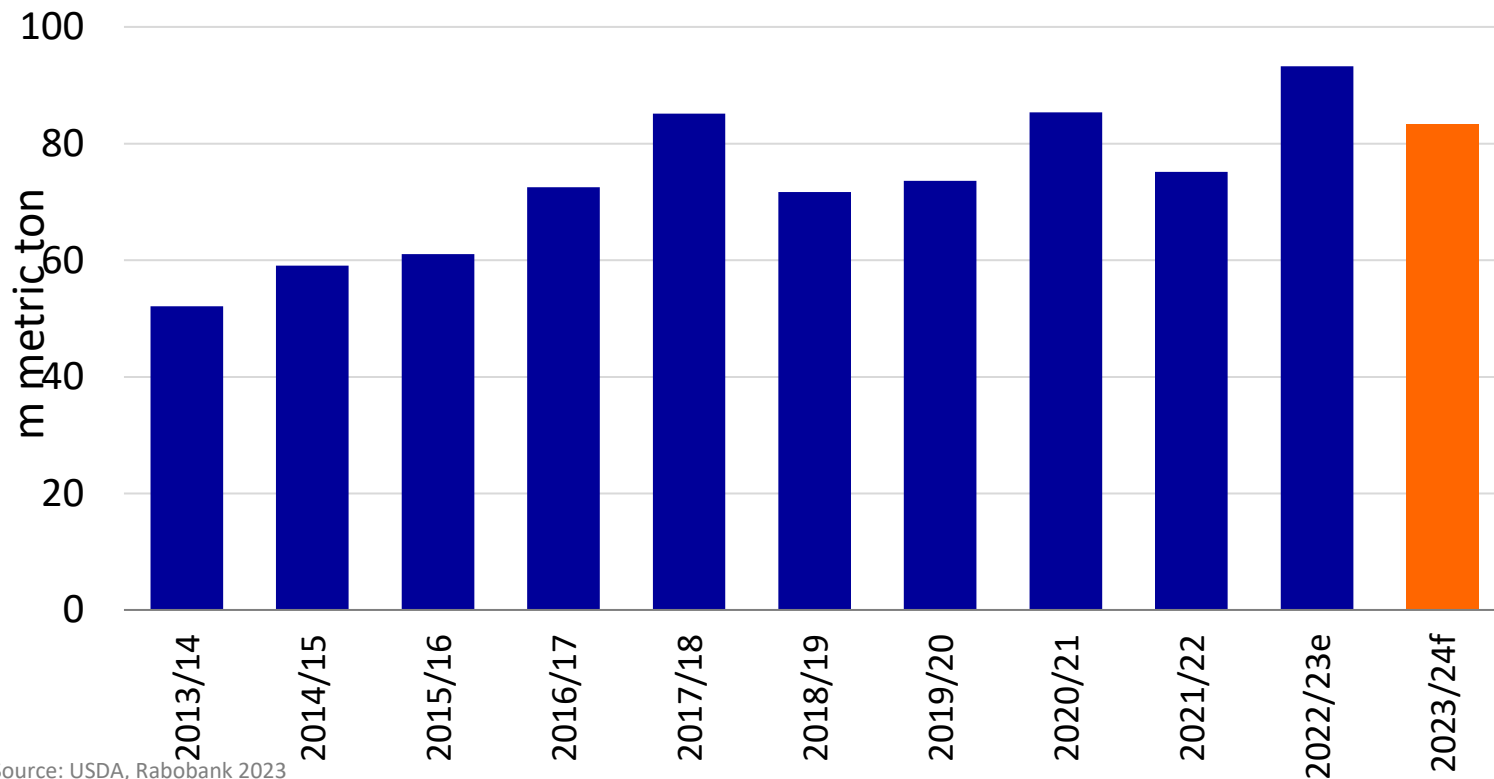


# Brazil is harvesting a record soy crop in 22/23



But there will be losses in Argentina and other South American origins

# Wheat: Russian output ballooned in the 2022/23 season, but it might return to more 'normal' levels



Source: USDA, Rabobank 2023

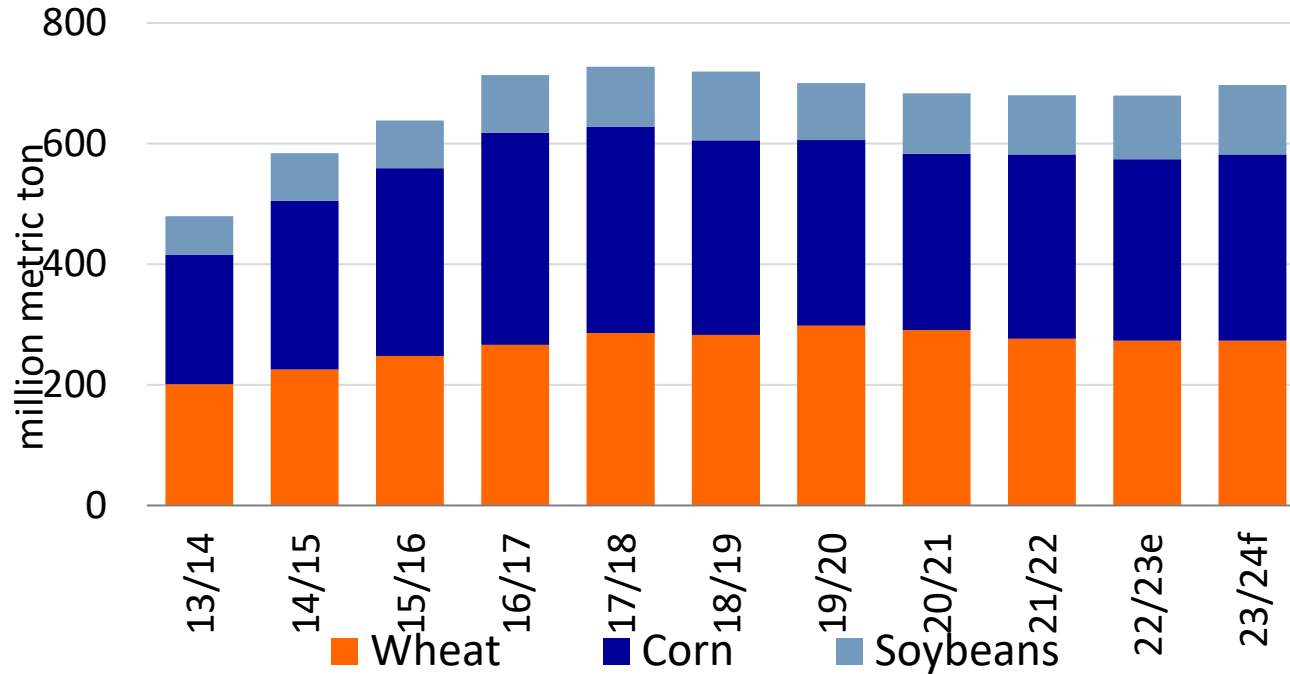
# Wheat Stocks-to-use in major exporters outside Russia and Ukraine expected to sharply decline



Source: USDA, Rabobank 2023

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# Corn and soy stocks could recover a bit in 2023/24, but no room to be complacent



Source: USDA, Rabobank 2023

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