



Export Market Dynamics: A New World  
- CAFS - 2024



All Hands on Deck in 2024!



# Outline

- 
- Supply Chain Situation
  - Currency Environment
  - Markets
  - Outlook

# Supply Chain



Import Volume

Red Sea

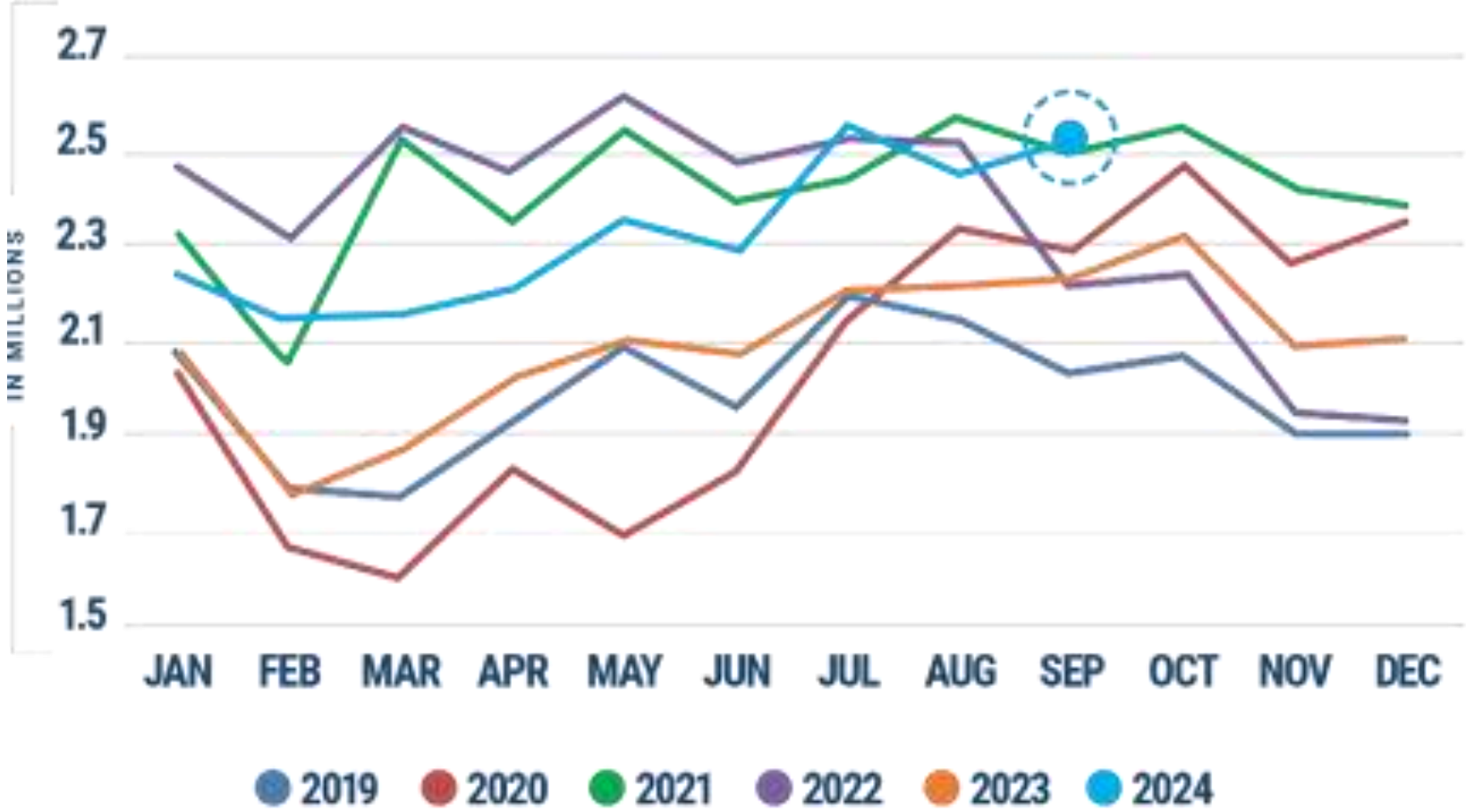
Freight Rates

# Import Volume

An aerial photograph of a busy port area, showing a large number of cargo ships of various sizes and colors (red, blue, green, white) scattered across the water. The ships are densely packed in some areas, particularly towards the right side of the image, indicating high import volume. The water is a deep blue, and the sky is a lighter blue, suggesting a clear day.

- Retailers restocking drove higher demand through Peak Season.
- ILA Contract Negotiation Drove volume to the west coast.
- Tariff Talk is driving a mini surge towards the end of the year.

# 2019-2024 U.S. CONTAINER IMPORT VOLUME (TEUs)



An aerial photograph of a coastline. The top portion of the image shows deep, dark blue water. Below this is a shallow reef flat or lagoon area with varying shades of green and cyan, indicating different depths and seabed compositions. A thin, light-colored sandy beach runs along the edge of the shallow water. The bottom portion of the image shows a vast, flat, light-colored area, likely a salt flat or a large, flat beach, with some faint, parallel lines suggesting tracks or dunes.

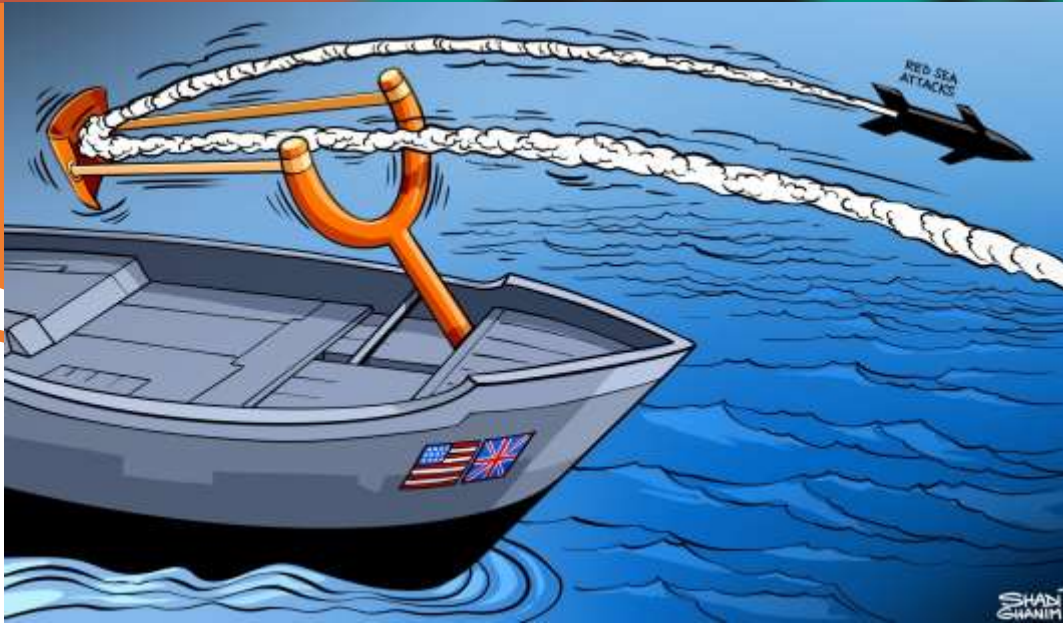
# Red Sea Impact



Ship Building  
Cycle

Re-route

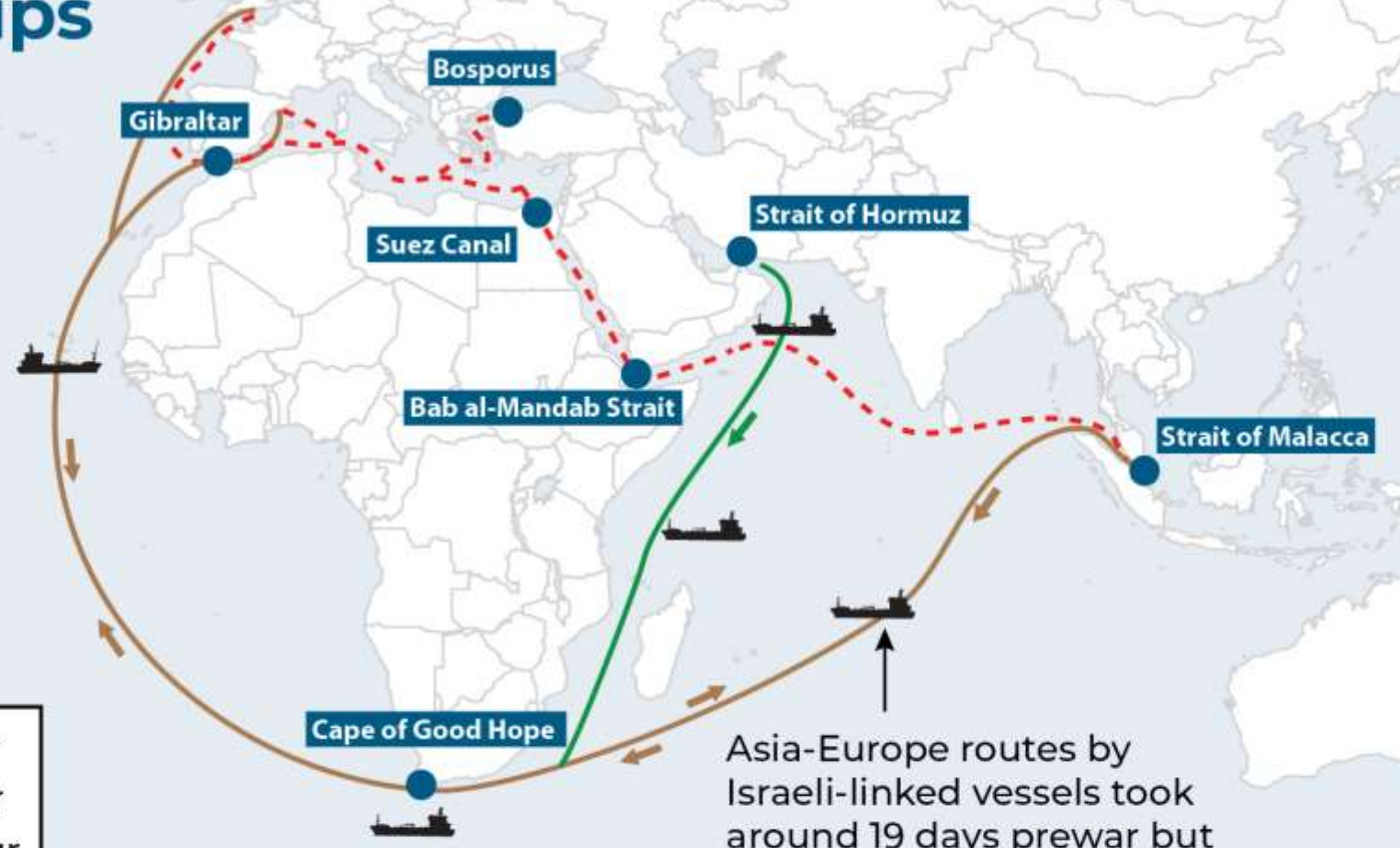
Impact on Rates





# How Attacks on Commercial Ships Affect Red Sea Trade Routes

- Route before Gaza war
- Route during Gaza war
- Potential Gulf oil detour



Asia-Europe routes by Israeli-linked vessels took around 19 days prewar but can now take up to 31 days depending on ship speed



# Re-Routing Saved Rate Structure for Carriers

- Trend was down to sub \$2,000 from Asia to Europe.....
- Now some rates are as high as \$6,000 per FEU.
- An interesting development, that chaos saved the rate environment for the carriers.....

# Currency Environment

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- USD/JPY
- USD/CNY





USD/JPY

- 2 Year Chart  
- Shared in  
2023





2024

- 15% changes over a short time frame is rough for importers to handle.
- Our unstable exchange rate is still the largest head wind we have

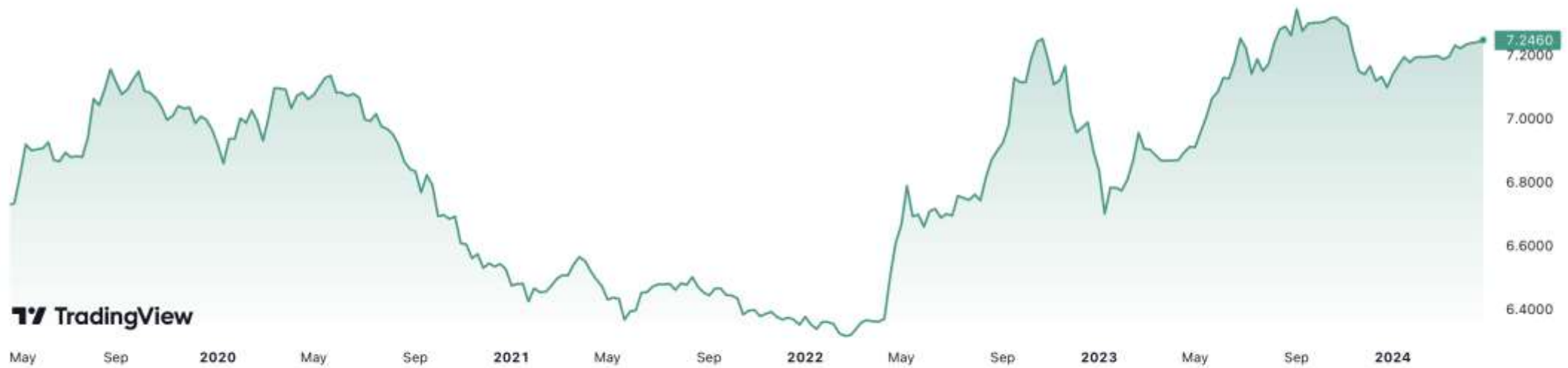
USD/CNY

4450

USDCNY 7.246<sup>0</sup>CNY +0.0005 +0.01%

[See on Supercharts](#)

## USDCNY chart >



TradingView

Key data points	1 day	5 days	1 month	6 months	Year to date	1 year	5 years	All time
	0.01%	0.10%	0.53%	-0.94%	1.96%	4.53%	7.64%	372.33%



Asian  
Markets

Japan

Korea

China



# Japan

- Volume Imported
  - Timothy volume recovered in the 2023 crop season, but has slowed due to increase in price in 2024.
  - Alfalfa volume is recovering as price has corrected
- Government Programs





## South Korea

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- Korea has recovered to near 100%
- Quota System is phasing out
- Herd Size - Stable



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# China

- Dairy Market Issues
- Foreign Investment
- Shipment Stability



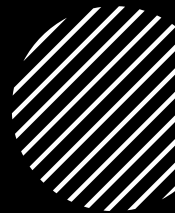


## Dairy Market Issues

- Milk price remains weak. Over 40 months with declining milk price.....
- In 2023 – 60% of Dairy Farms were selling below cost of production.
- In 2024 that number has grown to 80%.
- Overall herd size has decrease by as much as 20%, with more likely needed.



# Foreign Direct Investment



Sensitive Issue



30% - 40% Market demand not available to traditional US based companies.



Presents a large change in the Market



## Shipment Stability



Direct Calls to Main  
Ports delayed.

Inter-Asia lanes are  
congested.

Instability threatens  
reliability

A photograph of two horses in a field. The horse in the foreground is a dark brown or black color, facing left. Behind it is a lighter brown horse, also facing left. The background is a soft-focus landscape with trees and a pale sky. The text "Middle East Markets" is overlaid in white, centered horizontally across the middle of the image.

# Middle East Markets



# Saudi Arabia

Stable demand mostly from PSW

Dairy Market is slowly growing

Will Middle East Countries replace this demand.....?



# UAE – United Arab Emirates

- Tender Change
- Supply Sources

# Other Markets

Kuwait

Indonesia

Vietnam

Malaysia

Thailand

India

# Outlook

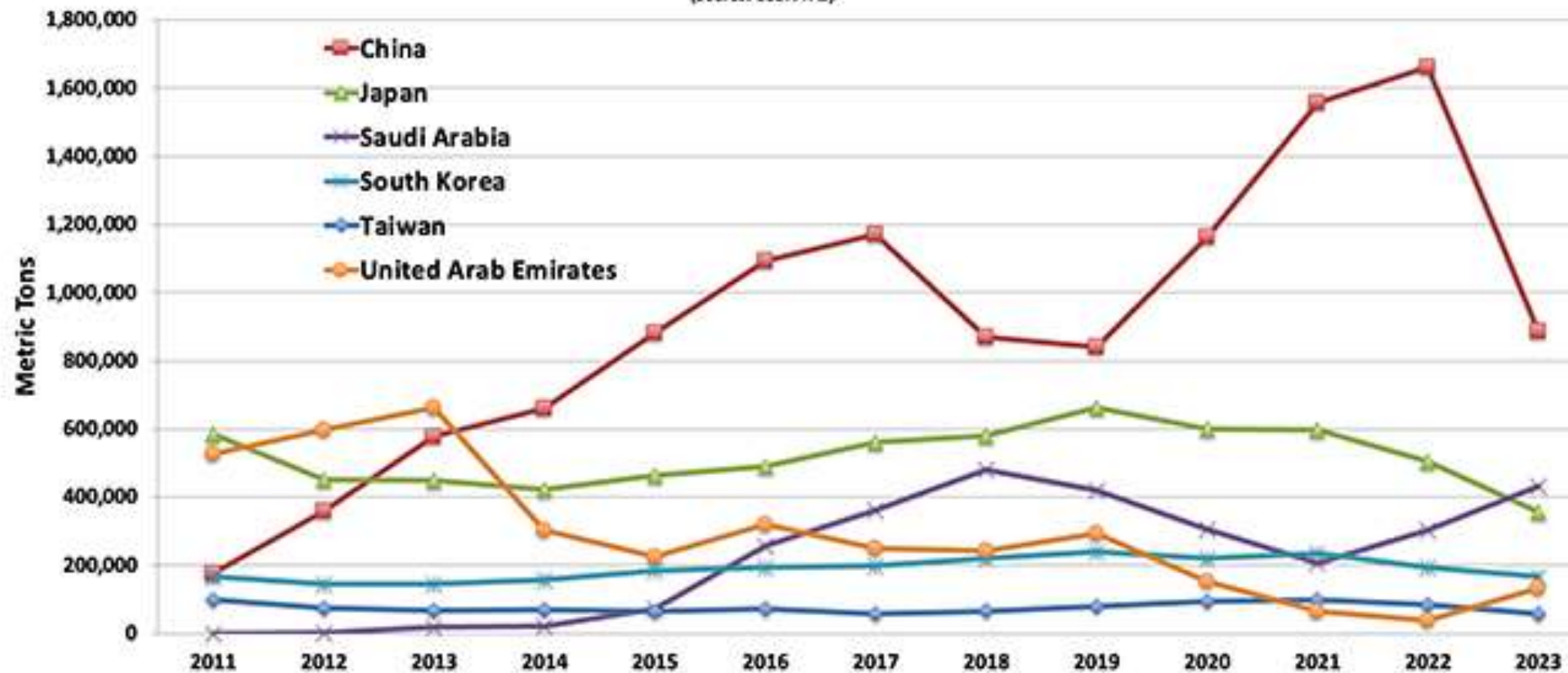
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- Supply/Demand
- New Production Areas
- Tariff Outlook



## U.S. alfalfa hay exports, 2011-2023

(Source: USDA-FAS)



# New Production Areas

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Argentina – New Government is turning around country. As economy recovers and imports more, ability to export forage will grow. They already several exporters there.

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Norther Europe – Romania, Bulgaria, Belarus, etc.

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Middle East – Pakistan, Egypt, Sudan, Ethiopia.

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\*\*\*\*Labor Cost is a key competitor to us.



# Tariffs

I don't know.....

History gives a little insight



Outlook is always hard,  
but.....

- We are still the most stable country
- We produce a very good product
- We have good logistic capabilities
- We import a lot and therefore can export
- We are Free
- We are the United States of America







Questions?

