

DOING BUSINESS WITH AGRICULTURE INDUSTRY LEVERAGE ON SKYMINDER SOLUTIONS

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Agriculture Industry Overview

Starting from definition of agriculture: is the art and science of cultivating the soil, growing crops and raising livestock. It includes the preparation of plant and animal products for people to use and their distribution to markets.

Agriculture is crucial to economic growth: in 2018, it accounted for 4% of global gross domestic product (GDP) and in some least developing countries, it can account for more than 25% of GDP.

Agricultural development is one of the most powerful tools to end extreme poverty, boost shared prosperity, and feed a projected 9.7 billion people by 2050. Growth in the agriculture sector is two to four times more effective in raising incomes among the poorest compared to other sectors. Analyses in 2016 found that 65% of poor working adults made a living through agriculture.

At the same time, growth driven by agriculture is at risk, as well as food security. Last shocks like COVID-19, conflicts, like the Ukraine-Russia, extreme weather, pests and so on, are impacting food systems, resulting in higher food prices and growing hunger.

Accelerating climate change could further cut crop yields, especially in the world's most food-insecure regions. Agriculture, forestry, and land use change are responsible for about 25% of greenhouse gas emissions. Mitigation in the agriculture sector is part of the solution to climate change.

One-third of food produced globally is either lost or wasted. Addressing food loss and waste is critical to improving food and nutrition security, as well as helping to meet climate goals and reduce stress on the environment.

Then, agricultural demand growth is expected to slow down over the coming decade and be mainly driven by population growth. Varying income levels and income growth projections, as well as cultural preferences around diets and nutrition, will underlie continuing differences in consumption patterns between countries. The slower demand growth for agricultural commodities is projected to be matched by efficiency gains in crop and livestock production, which will keep real agricultural prices relatively flat. International trade will remain essential for food security in food-importing countries, and for rural livelihoods in food-exporting countries. Over the coming decade, weather variability, animal and plant diseases, changing input prices, macro-economic developments and other uncertainties will result in variations around the projections. Current food systems also threaten the health of people and the planet and generate unsustainable levels of pollution and waste.

The Russian Federation's war against Ukraine is already having a considerable impact on agricultural markets, especially for grains and oilseeds, for which Russia and Ukraine are key exporters. In a number of International organizations, members have expressed their condemnation of Russia's war against Ukraine (e.g. United Nations General Assembly and OECD), and/or affirmed the General Assembly resolutions adopted in this regard (e.g. FAO Council and Regional Conference for Europe).¹ The Outlook projections account for reduced production prospects in Ukraine, and reduced export availability from Ukraine and Russia, in the marketing year 2022/23. The medium-term impact of the war cannot be assessed based on data that is currently available.

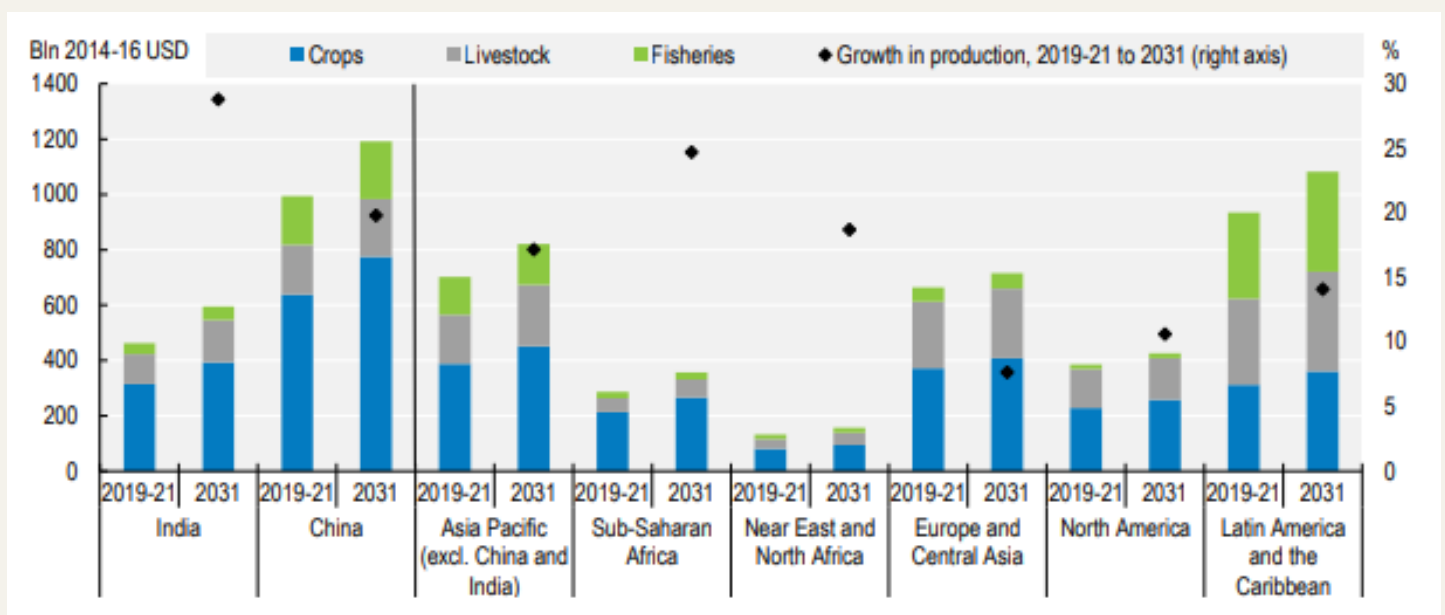
Sources: World Bank, OECD-FAO

Facts and Figures

PRODUCTION

Over the coming decade, global agricultural production⁸ (measured in constant prices) is projected to increase by 17%. That growth will be predominantly located in middle- and low-income countries including India, China and other Asian countries. It will be driven by productivity-increasing investments in agricultural infrastructure and research and development; the mobilization of production resources (e.g. agricultural land and irrigation water); more intense use of agricultural inputs; and improved management skills. Production in Sub-Saharan Africa is expected to grow significantly, although from a low base. It will be underpinned by a combination of area expansion, changing crop mix, and productivity gains from investments in locally adapted, improved crop varieties, better management practices, and expansion and intensification of poultry flocks. The strong production growth in Near East and North Africa is expected to be driven by higher crop intensity, substantial crop yield gains and growth in poultry meat production. Production growth in North America and in Western Europe is expected to be limited, largely due to tighter regulations related to environmental sustainability and animal welfare.

Trends in global agricultural production



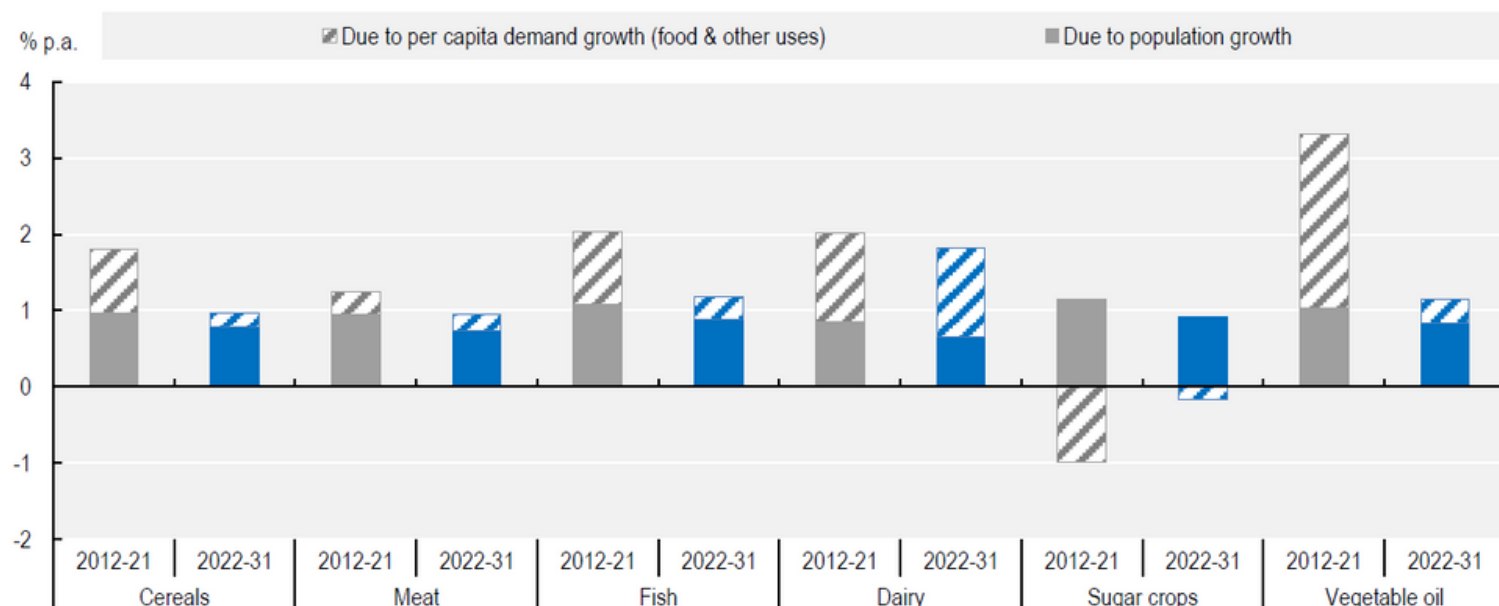
DEMAND

Global demand for agricultural commodities (including for non-food uses) is projected to grow at 1.1% p.a. over the coming decade, well below the growth experienced over the last decade (2% p.a.). This is mainly due to an expected slowdown in demand growth in China (0.6% p.a. compared to 2.3% p.a. over the last decade) and other middle-income countries and in global demand for biofuels.

For most commodities (except dairy), per capita demand growth will be limited over the next ten years. Population growth will thus be the main determinant of demand growth, with the bulk of additional demand originating in regions with high population growth, namely Sub-Saharan Africa, South Asia, the Near East, and North Africa.

For cereals and fish, global demand will grow at about half the rate of the past decade, while for vegetable oil only a third of last decade's growth is expected. Vegetable oil was the fastest-growing commodity over the last ten years, partly driven by biofuel policies. Over the next decade, demand growth for vegetable oil will be constrained by stagnant to declining biodiesel consumption in the two main markets, the United States and the European Union. Growth in food demand for vegetable oil is also projected to slow down as high-income countries and some middle-income countries, including China, are approaching saturation levels.

Annual growth in demand for key commodity groups

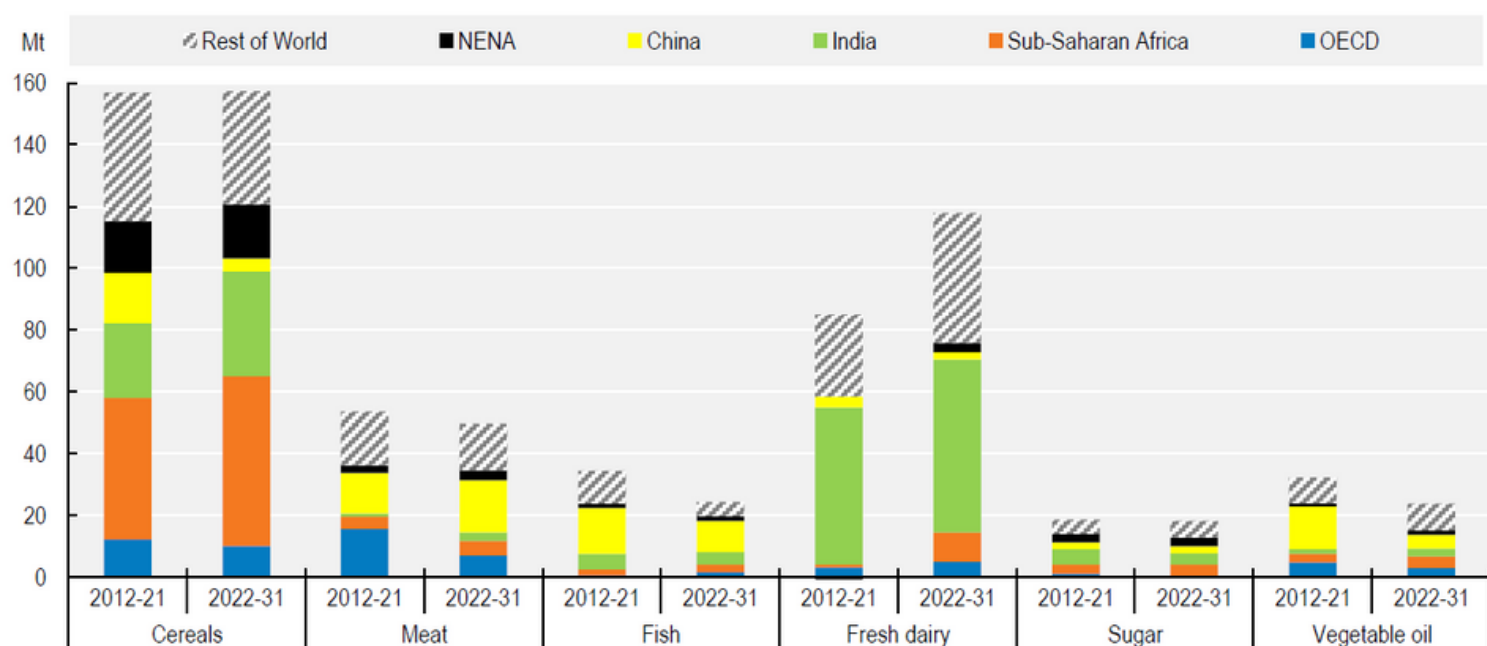


Global food demand is projected to increase by 1.4% p.a. over the next decade, driven by population and per capita income growth. Most additional demand for food will continue to come from low and middle-income countries, while in high-income countries it will be constrained by slow population growth and saturation in the per capita consumption of several commodities.

The world population is projected to grow from 7.8 billion in 2021 to 8.6 billion in 2031. Two-thirds of this increase is expected to occur in Sub-Saharan Africa, India and Near East and North Africa. Consequently, these regions will generate a large share of additional demand for food, in particular cereals (two-thirds of additional demand), and other staples (i.e. roots and tubers, and pulses).

Continuing income growth and urbanization in China, India, and Southeast Asia will also drive food demand growth for several commodities. China is expected to account for 41% and 34% of additional global food demand for fish and meat, respectively, while half of the additional global demand for fresh dairy products will be sourced in India.

Regional contributions to food demand growth, 2012-21 and 2022-31



Source: OECD-FAO

Import-Export countries

Top Import countries

1. United States
2. Germany
3. France
4. Netherlands
5. Italy
6. China
7. Belgium
8. United Kingdom
9. Brazil
10. Thailand

Top Export countries

1. United States
2. Germany
3. United Kingdom
4. China
5. Japan
6. France
7. Netherlands
8. Canada
9. Belgium
10. Italy

Source: WorldBank



Agriculture and climate change

Nearly 80% of the world's poor live in rural areas and rely on agriculture for their food and livelihoods. Climate change has disproportionate effects on small and family farmers, who produce a third of the world's food. Many farmers see firsthand the impacts of extreme weather events, such as storms and heatwaves, as well as slow-moving events like soil erosion, rising temperatures, and changes in water supply – resulting in a decline in agricultural productivity, the nutritional value of crops, food security, and livelihoods.

While agriculture is a significant contributor of greenhouse gas emissions, it is also highly susceptible to the effects of climate change. Investments in agriculture must go towards sustainable and climate-resilient practices that reduce the climate footprint, strengthen farmers' resilience, and increase food production to meet current and future demand.

Source: GAFSP (Global Agriculture & Food Security Program)

Focus on FAO



Food and Agriculture Organization
of the United Nations

The Food and Agriculture Organization (FAO) is a specialized agency of the United Nations that leads international efforts to defeat hunger.

Our goal is to achieve food security for all and make sure that people have regular access to enough high-quality food to lead active healthy lives. With 195 members - 194 countries and the European Union, FAO works in over 130 countries worldwide.

It is headquartered in Rome, Italy and maintains regional and field offices around the world, operating in over 130 countries. It helps governments and development agencies coordinate their activities to improve and develop agriculture, forestry, fisheries, and land and water resources. It also conducts research, provides technical assistance to projects, operates educational and training programs, and collects data on agricultural output, production, and development.

The FAO is governed by a biennial conference representing each member country and the European Union, which elects a 49-member executive council. The Director-General serves as the chief administrative officer. There are various committees governing matters such as finance, programs, agriculture, and fisheries.

Source: FAO



SKYMINDER AT A GLANCE

AGRICULTURE INDUSTRY

Solutions available for more than **240**
countries and jurisdictions

Best in class information thanks to more
than **40** providers, both local and global

9 available products and solutions

Web and **API** integration



SKYMINDER SOLUTIONS

SkyMinder is the worldwide CRIF platform helping you to make decisions based on high-quality information. If you are required to evaluate a business partner playing in Agriculture Industry, a customer or a supplier, in a risk evaluation process or for compliance requirements or a cyber risk assessment, SkyMinder is the right solution.

Requirement	SkyMinder Solution	Description
Know business partners and risk level <ul style="list-style-type: none"> - have on board new suppliers - understand in depth customers creditworthiness 	Full Report and Slim Report	Information, with different level of details, related to all companies in the world, including firmographics, credit limit, risk indicator, management, shareholders, negative events etc.
Receive immediate notification with related details if a change affects a company	Full Monitoring	Detailed information about changes affecting a company as soon as happened. Combined possibility to request for free updated report.
Be alerted if there is change in company's information	Alert	Information related to the area involved by a change as soon as an event happened.
Periodically checks if there are changes involving companies	Planned Revision	Scheduled revision with updated report including company's changes if applicable
Understand overall risk	SkyMinder Dashboard	Analyze Business Partners by risk level, identifying critical situations at a glance.
Company ownership overview	Verification Report	List of shareholders to understand company's structure
Compliance requirements and fraud checks	Compliance Report and Extended Check Report	Anti Bribery and Money Laundering lists checks related to financial crimes.
Risk of Cyber attack	Cyber Risk Report	Assess the level of risk related to a business partner in being involved in a cyber attack
Understand overall value of intangible assets of a company	Patent Due Diligence Report	Patent Asset Overview with geographical coverage, remaining life of active patent assets, high-value patent assets, technology and patent deployment, technology timeline, peer comparison, key inventors.