



# 1<sup>ST</sup> EUROPEAN SORGHUM CONGRESS

WORKSHOP

DYNAMISM IN INTERNATIONAL SORGHUM TRADE

## SPAIN : THE LEADING EU SORGHUM IMPORTER





## Index

1. Who is “Guissona” (video)
2. Financial and Economic results
3. Business model
4. Market overview.
5. Guissona figures and grains supply
6. Sorghum Specifications versus other grains
7. Prices comparisons versus other grains
8. Imports per origin
9. Conclusions



## Evolución ventas

Expresado en millones de euros



## Profit and Loss results

By analysing the P&L it is important to remark the marginal growth in the last year showing Company's organic efficiency.

## Sales performance

A cumulated growth of more than the 27% can be noted in the last 6 years.

## Evolución resultados netos

Expresado en millones de euros

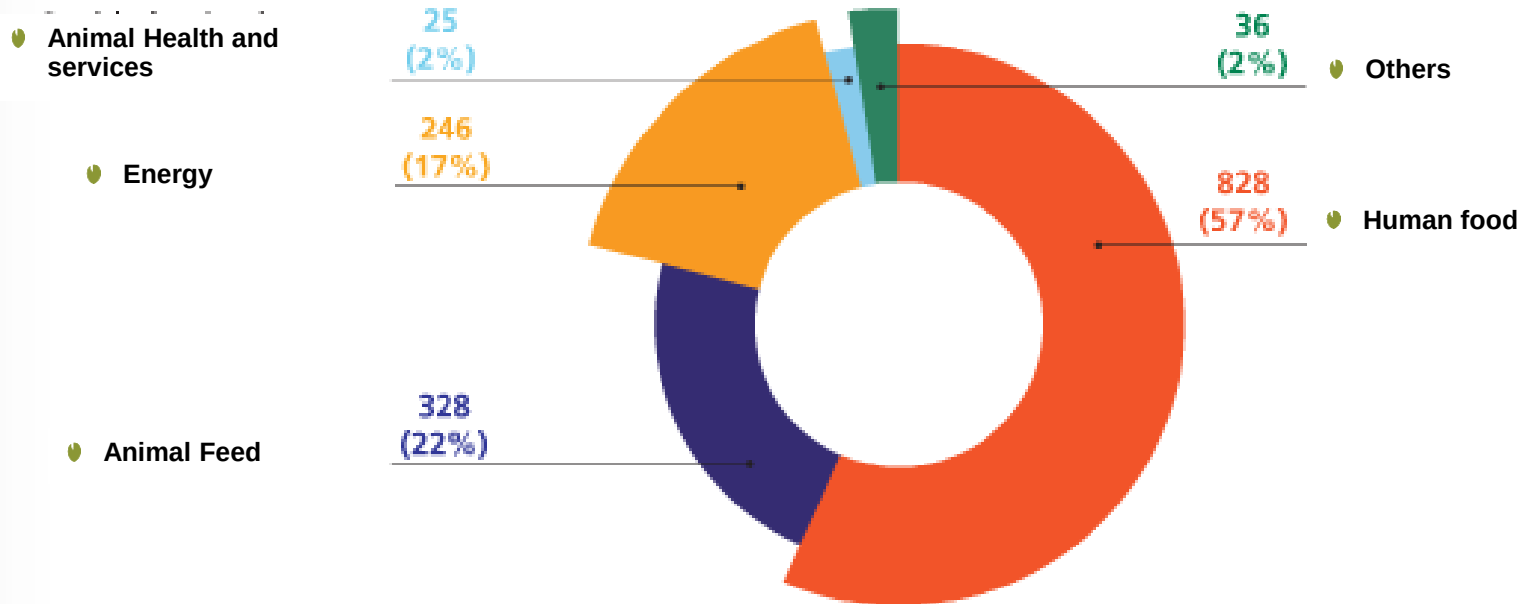


## Sales Breakdown per sector of activity

### Ventas por actividades 2015

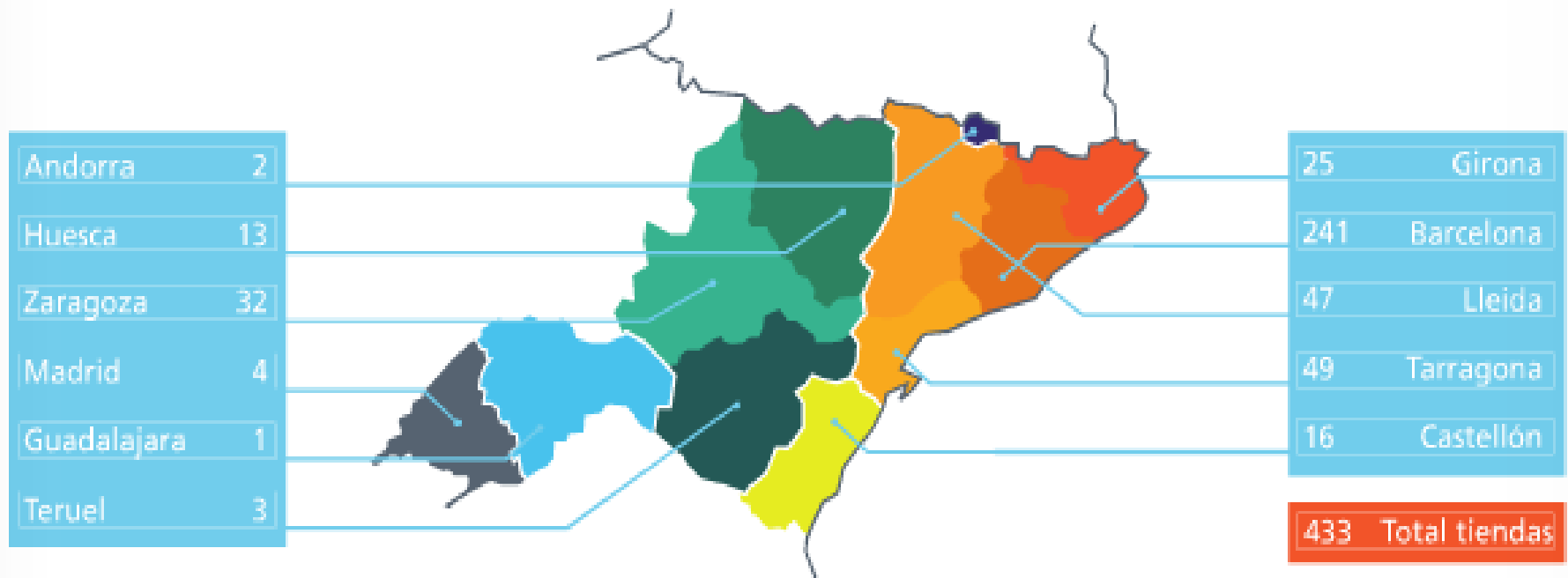
Expresado en millones de euros

Volumen de ventas: 1.463 millones de euros



**Business model:** 50% Integration on meat production  
Distributed among 433 own shops

## Tiendas bonÀrea 2015





## **Guissona in terms of Production:**

**Total feed production 1.200.000 TM per year**

**Grains consumption: 700 to 750 KT per year**

**Third feed compound industry in Spain.**

**Feed Sales:**

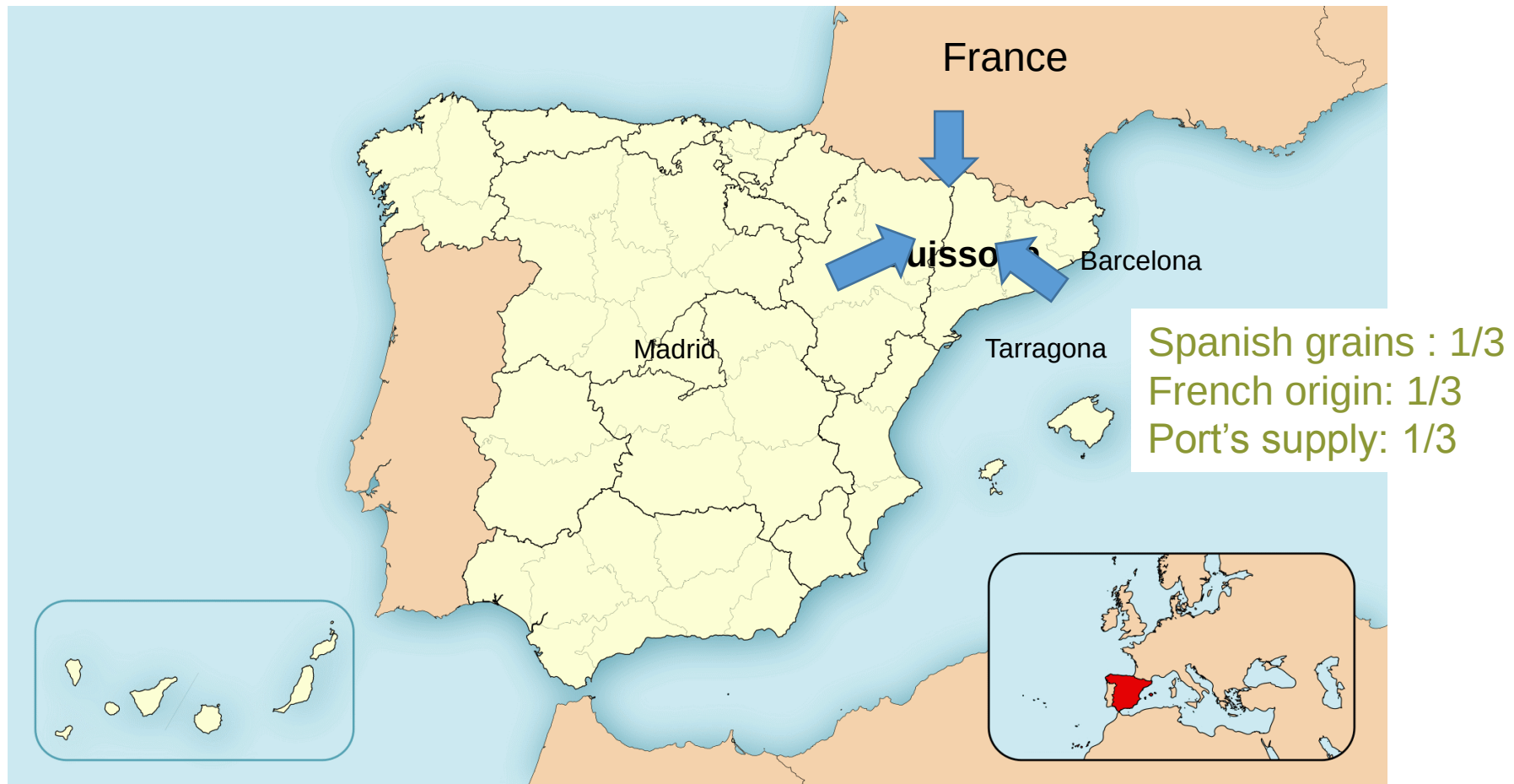
**Free market: 50%**

**Integration: 50%.**

**Potential Guissona's Sorghum consumption: 250.000 TM per year.**



Guissona is extremely well placed to profit of Domestic, French and Port's supply



## Sorghum specifications versus other cereals

|                 | Sorghum | Corn    | Feed wheat | Barley  |
|-----------------|---------|---------|------------|---------|
| Moisture        | 13      | 14,5-15 | 14-14,5    | 11-13   |
| Protein Content | 9-11    | 7,5-8   | 11-11,5    | 10,5-11 |
| Fat             | 3       | 3,6-3,8 | 1,6-1,8    | 1,8-2   |
| Fiber           | 2,5-2   | 2,3-2,4 | 2,3-2,6    | 4,5-6   |
| Starch          | 59-62   | 62      | 58         | 49-50   |
| Sugar content   | 0,9-1   | 1,5     | 2,2        | 2       |





## Sorghum supply to Spain

Domestic production is located in the far South with very high logistic costs to NE region which is uncompetitive versus other grains

US Sorghum is expensive as it trades at a premium over corn

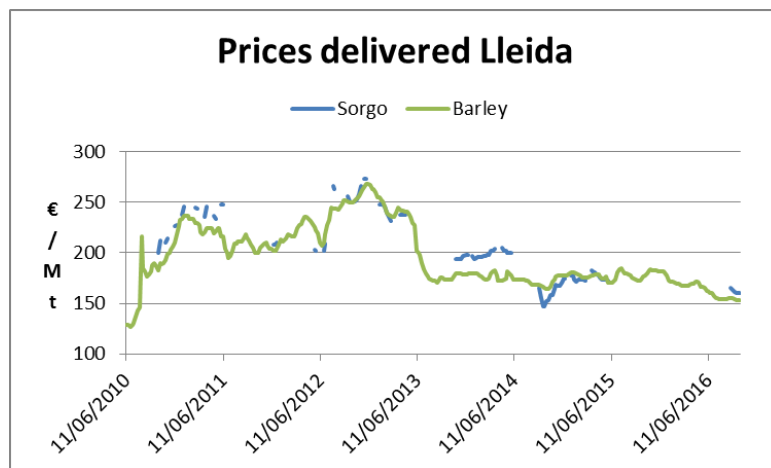
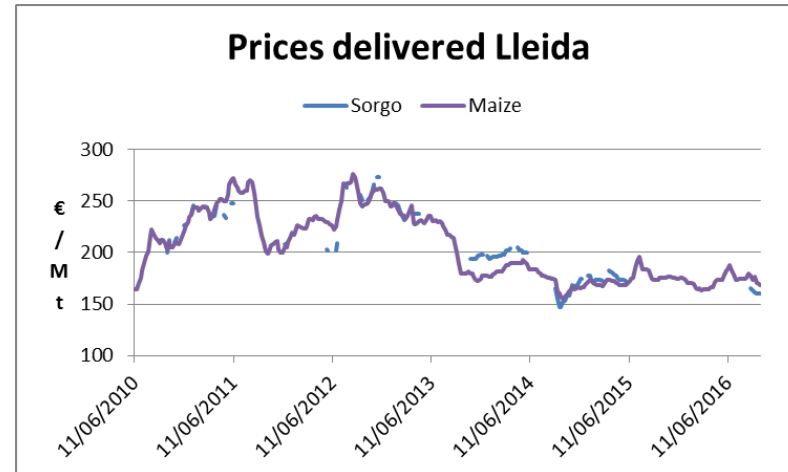
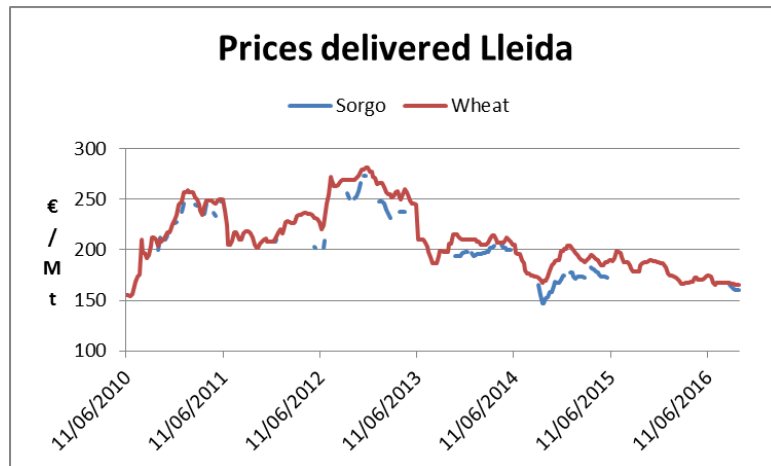
Sorghum competes with Corn, Wheat and Barley. Its incorporation is a question of price

In general is a illiquid market with quite high seasonality

Third country Sorghum imports for 2015/2016 campaign doesn't reach 50 KT.

Balance accounts for imports from France that can go from 50 to 150 KT.

## Price comparisons



Very difficult to draw conclusions on spread to other grain prices because its availability has a lot of discontinuity

However we can see that it has been trading between wheat and corn prices and most of the times over barley one's

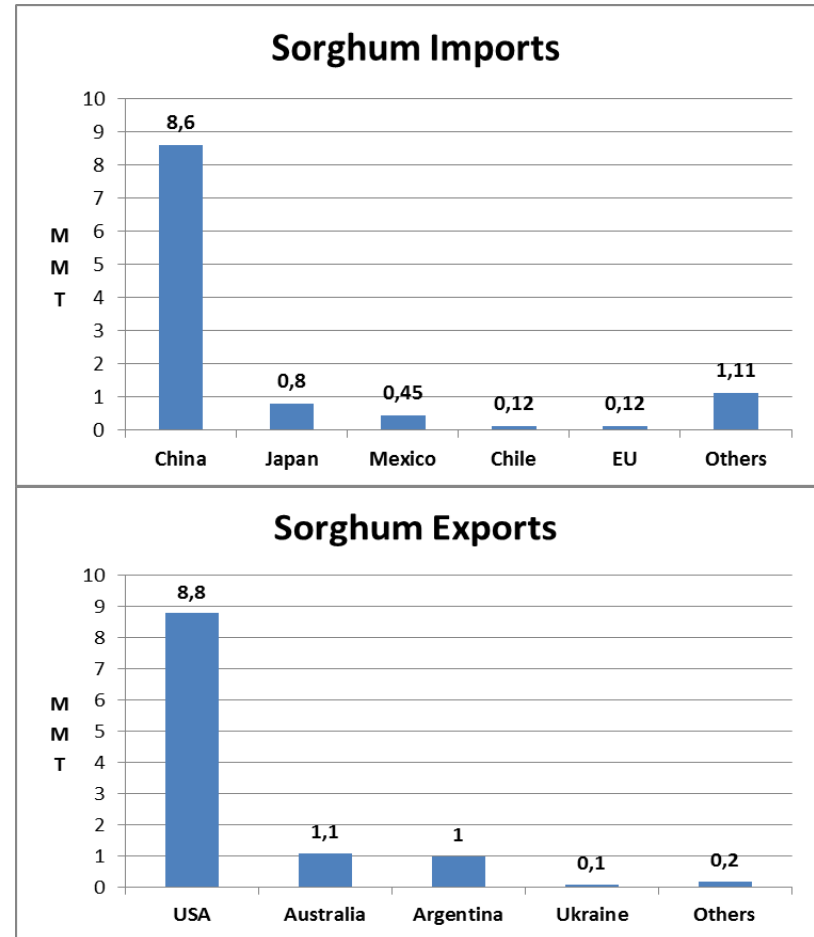
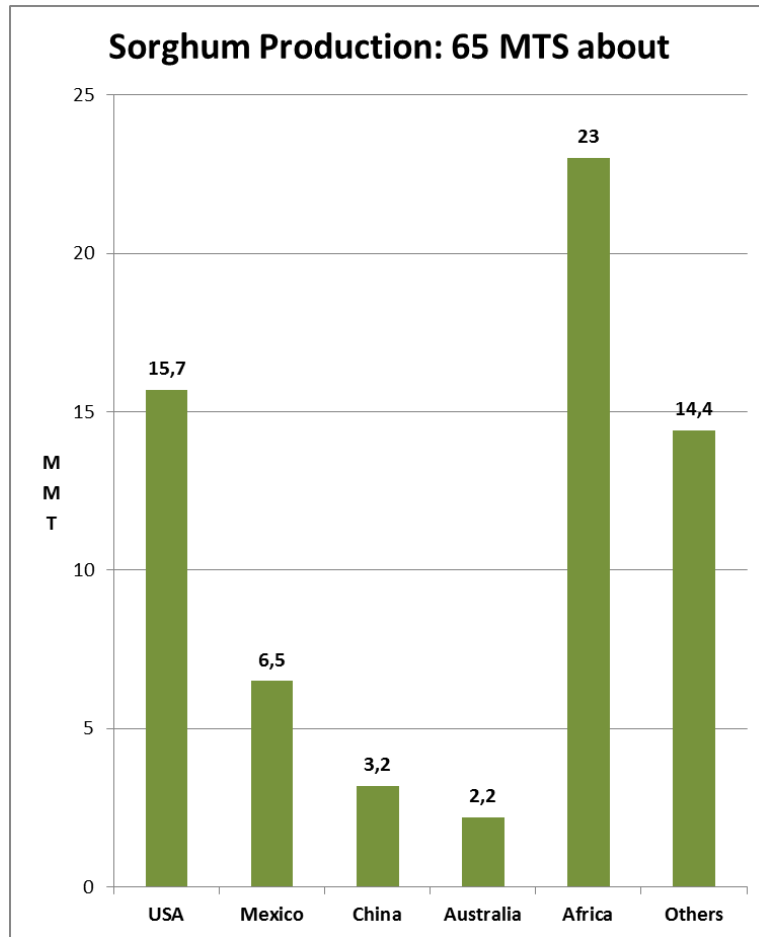


## FREIGHT ADVANTAGE TO OTHER GRAINS:

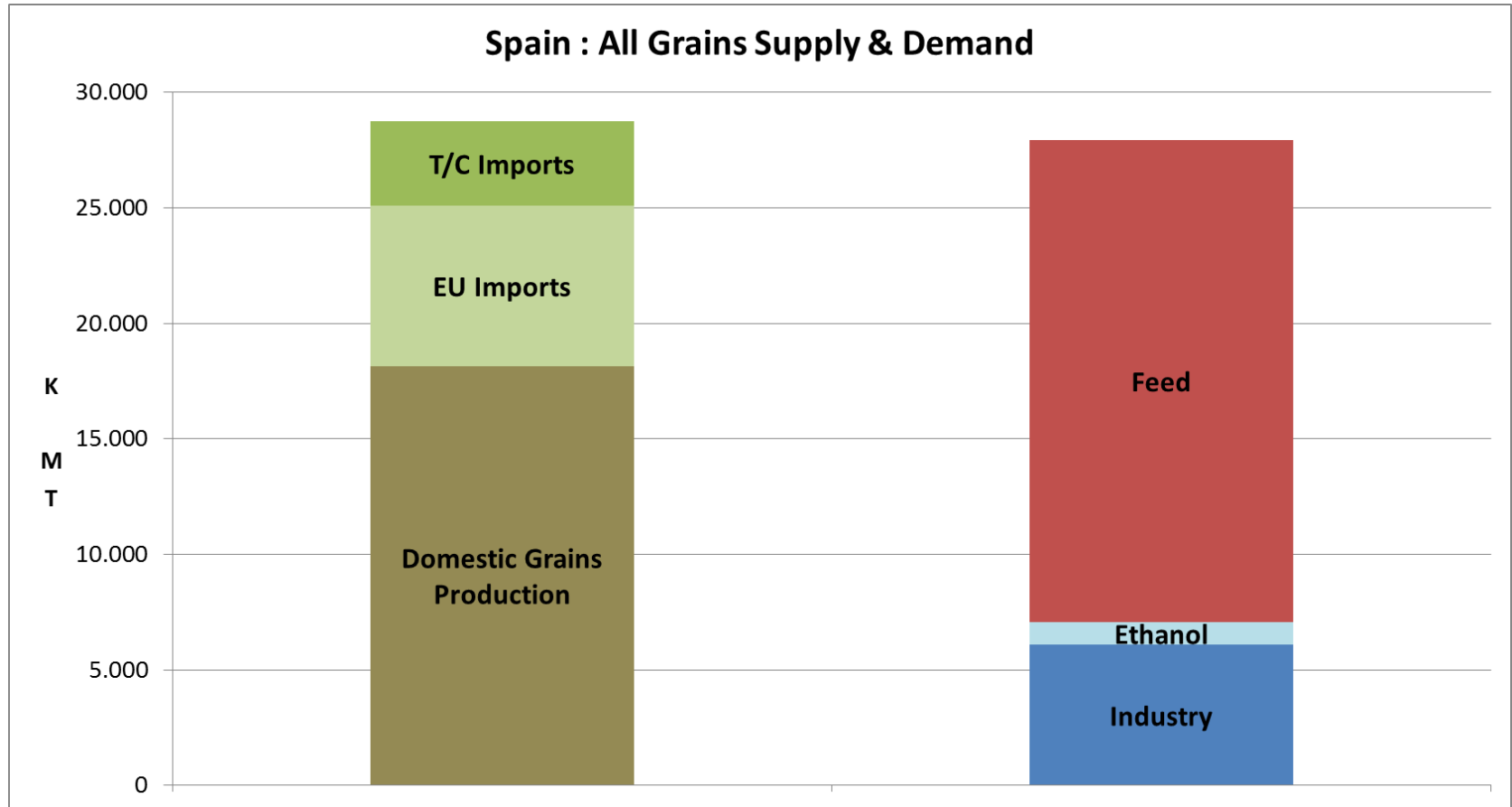
**ONLY 1600 Miles from Black Sea vs. 1800 Miles from UK !**



## World Sorghum Supply and Demand: 65 MTS production and 11 MTS total trade

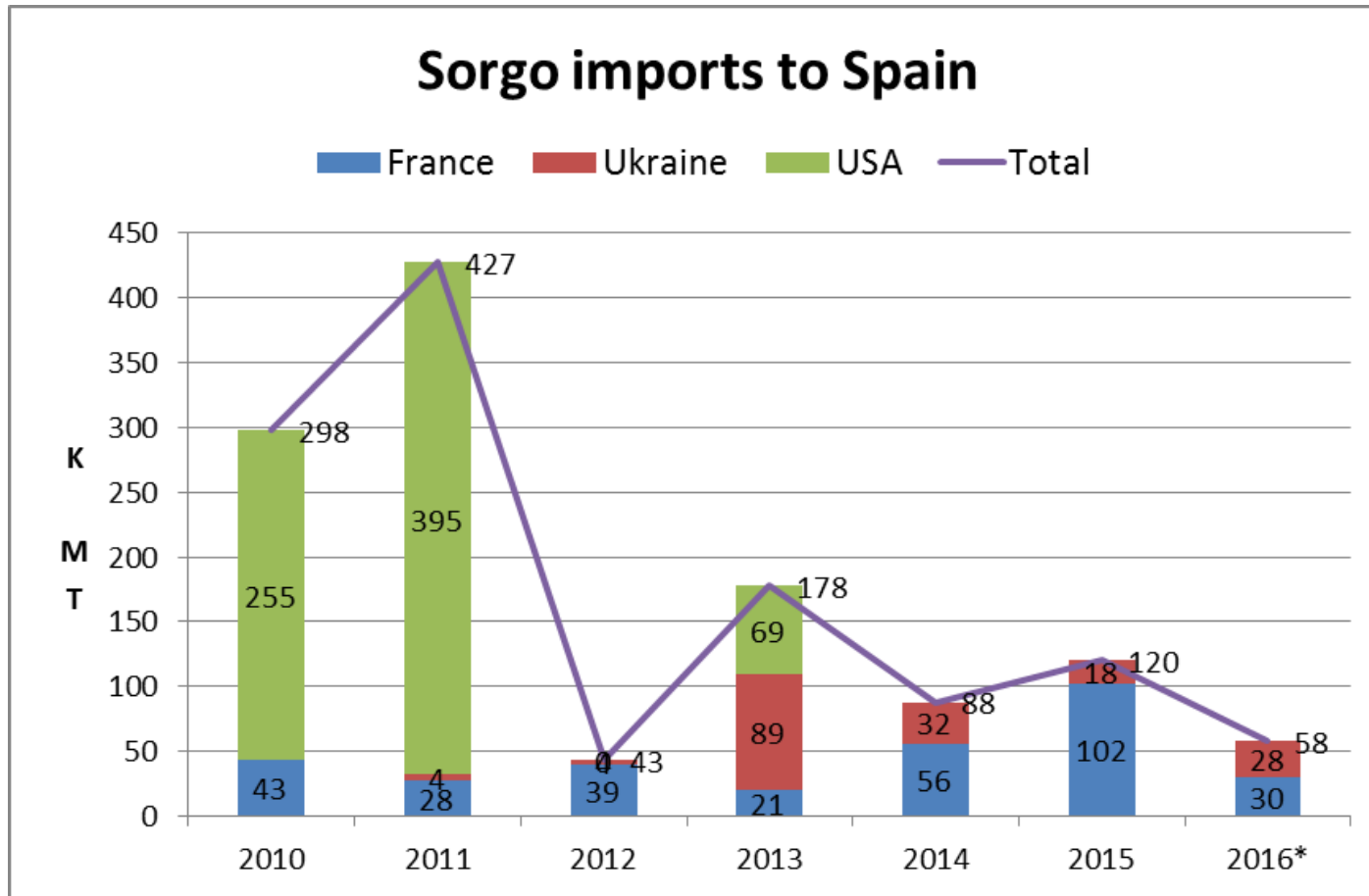


**Spain is fully dependent on grain imports :**  
about 10 MTS per year (6,5 MTS from EU and 3,5 MTS from T/C)





**Spain could consume much more sorgho and reach quantities close to 1 MTS per year**





## Conclusions

**Spain is a grains deficit country**

**Total grain imports per year can reach up to 10 MTS**

**Meat industry is extremely efficient**

**Very flexible on feed formulation with very fast changes according to price**

**We do foresee a potential sorgho consumption of 1 MTS per year**

**Logistics from Black Sea to Spanish Med are cheaper than coming from North EU countries**



 **THANKS !**