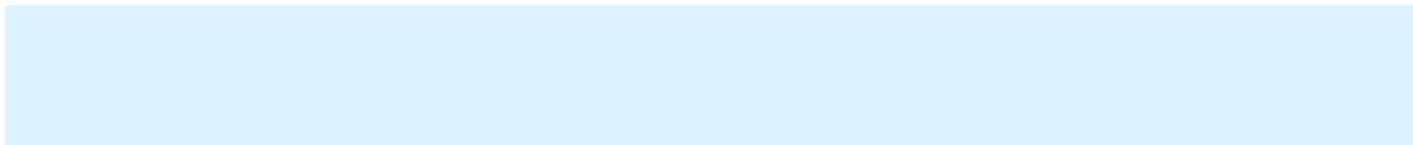




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USACE NAVIGATION MEETING



# THE WORLD

The world will face economic challenges on multiple fronts in 2016.

- The U.S. Federal Reserve has begun monetary tightening
- Europe is struggling to manage migrant and debt crises.
- China's financial stability is in doubt, and emerging economies are increasingly fragile.
- The middle East's instability continues to concern economists
- Commodity prices remain volatile

Economy



# HOPE & CHANGE

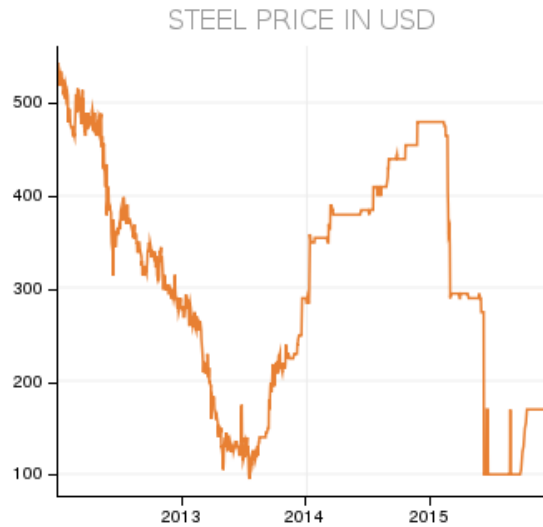
- Energy costs remain low
- Advanced manufacturing continues to grow
- The US is now exporting oil leading narrowing the trade deficit
- Cost of raw materials and finished steel remains low
- Agricultural exports to emerging markets remain strong
  - In 2002 China imported 2.8 mill tons of soybeans
  - In 2014 78 million tons
  - China has 20% of the worlds population, 8% of the worlds arable land and only 30% of the worlds fresh water.
  - It has been estimated by 2030, in order to meet their populations food demands, they will consume 30% of non Chinese grown food supplies.
- China's economy is changing

Economy



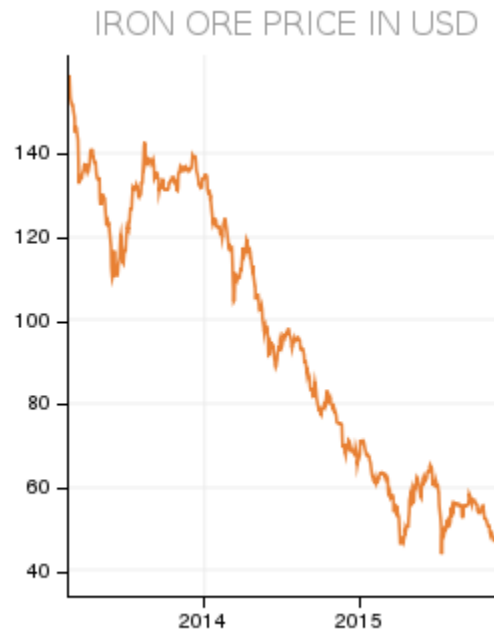


# World Steel Prices



The current, as of 07-Dec-2015, price of steel is 170.0 dollars per tonne

- Desperate Chinese steelmakers dump iron ore stocks
- selling at a loss to generate cash flow

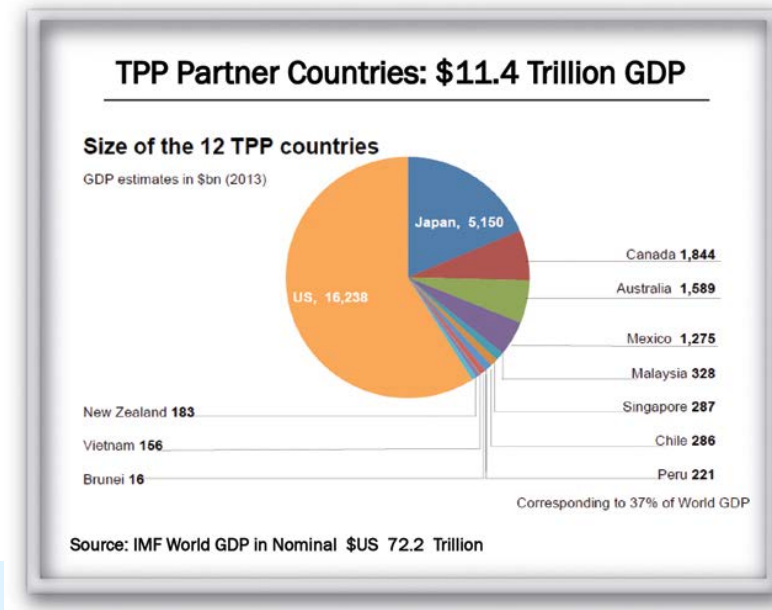


Economy



# Opportunity

- Agricultural grains and oilseeds
- Agricultural Equipment & related technology
- Automobiles
- Energy
- Innovation
- Emerging markets in Central & South America
  - South American population expected to grow at double the rate of Europe & North America and is expected to reach 700 million by 2025
- With a population of over 11 million people Cuba imports over 80% of its food needs
- TPP trade agreement



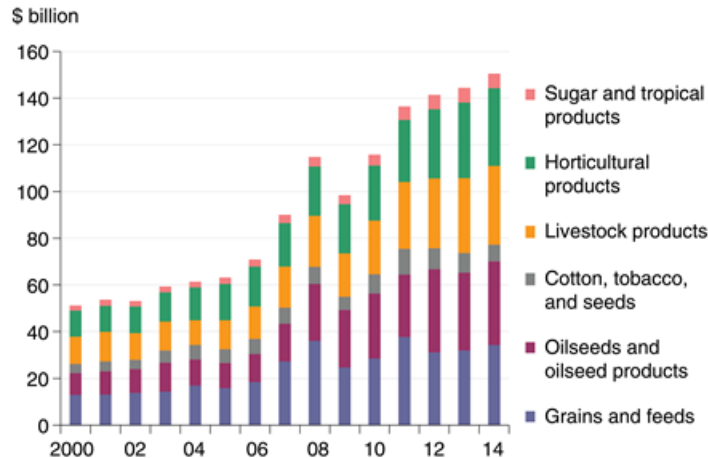
Economy



# Silver Linings for Missouri

- The US holds the number 2 spot world wide in exports
- U.S. agricultural exports more than doubled from 2006 to 2014
- Cuba has potential for regions grain, pork & poultry exports
- TPP has immense potential for agricultural exports

U.S. agricultural exports, 2000-14



Source: USDA, Economic Research Service using data from U.S. Department of Commerce, U.S. Census Bureau, Foreign Trade Database.



2016

