

# Agricultural yield

## Longer Term Investments (LTI)

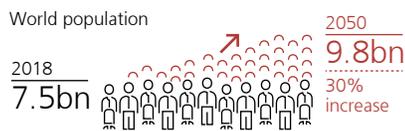
Every day, 200,000 more people need to be fed. 70% more food must be produced by 2050 than today. We think companies that help boost agricultural yields, though cyclical in the short term, can dependably increase sales along trend growth rates over the long term.



### Projections and opportunities

#### Population growth

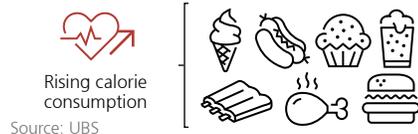
The UN estimates the current world population to be 7.5 billion. If we assume that fertility rates continue to decline and adopt the UN median scenario, world population will reach 9.8 billion by 2050, an increase of 30%.



Source: UBS, United Nations, Department of Economic and Social Affairs, Population Division (2017), Medium variant

#### Calorie consumption

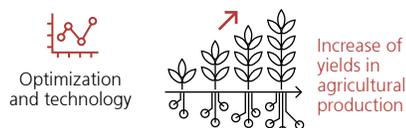
Even in countries without food shortages, calorie consumption is rising. This is due to access to a wider variety of foodstuff with urbanization and higher consumption of more resource-intensive foods, such as meats.



Source: UBS

#### Technology

Most advanced agricultural production leaders can increase already-high yields with optimization and technology.



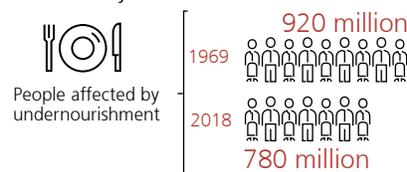
Source: UBS

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#### Undernourishment

The number of people affected by undernourishment has remained in a fairly narrow band since 1969 at between 920m and 780m people. This represents a declining percentage, but still the number is disturbingly high. How can we increase food security?



Source: United Nations, World Food Programme

#### Known bottlenecks

Removing a specific bottleneck leads to improvement. For example, areas with insufficient freshwater can benefit from irrigation, an unsuitable climate from recultivation and poor soil from fertilizers.



Source: UBS

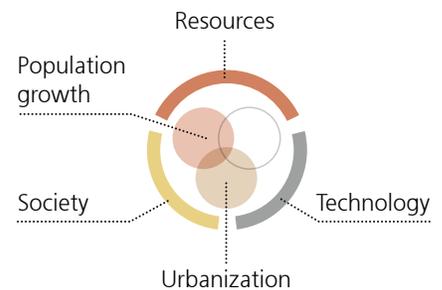
#### Capital availability

Applying already-known and tested methods while bridging the gap in capital availability in developing and least developed markets can help feed the world.



Source: UBS

#### Agricultural yield investment properties



○ Influencer    ⊗ Key drivers

#### Near-term drivers

- Soft commodity prices
- Food price inflation
- Free trade agreements

#### Sustainable investing impact

- Agricultural equipment
- Biotech
- Irrigation technology
- Fertilizer producers

#### Impact investing (UN SDGs)

- SDG 2: Zero hunger
- SDG 10: Reduced inequalities
- SDG 12: Responsible consumption and production
- SDG 15: Life on land

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