Agricultural Pricing and Purchasing Service

ABOUT IHS
IHS (NYSE: IHS) is the leading source of information, insight and analytics in critical areas that shape today’s business landscape. Businesses and governments in more than 165 countries around the globe rely on the comprehensive content, expert independent analysis and flexible delivery methods of IHS to make high-impact decisions and develop strategies with speed and confidence. IHS has been in business since 1959 and became a publicly traded company on the New York Stock Exchange in 2005. Headquartered in Englewood, Colorado, USA, IHS is committed to sustainable, profitable growth and employs approximately 8,000 people in 31 countries around the world.

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Delivering Supply Chain Savings

IHS Global Insight’s Agricultural Pricing and Purchasing Service provides timely, accurate cost and price analysis that helps companies manage supplier relationships and estimate costs. Covering over 500 prices and wages across the globe, the service uses a rigorous analytic framework to provide clients with a comprehensive look at price formation. Armed with a better understanding of suppliers’ cost structures and market dynamics, clients can negotiate prices effectively, reduce supply chain costs, and boost the bottom line.

Enabling Smarter Purchasing Decisions

IHS Global Insight’s detailed analysis of prices, costs, demand, productivity, and margins enables clients to:
- Understand suppliers’ cost structure
- Quantify sources of price change
- Assess supplier price quotes
- Benchmark company performance
- Establish target prices
- Monitor prices and time buys

Unmatched Coverage

Up to 500 global prices, wages, and costs
- Oilseeds, Meals, and Oils
- Grains
- Dairy
- Livestock
- Sugars and Sweeteners
- Biofuels
- Traditional Fuels & Utilities
- Chemicals
- Plastics
- Rubber
- Aluminum & Tin
- Packaging Materials
- Overhead & Transport
- Capital Equipment
- Wages
- Exchange Rates

Flexible access to vital information

The Agricultural Pricing and Purchasing Service offers clients a comprehensive array of solutions and services via IHS Global Insight’s client Web site, MyInsight. MyInsight provides written analysis for varied industry and commodity areas.

IHS Global Insight’s Industry Analysis

The ultimate tool for understanding costs and improving supplier negotiations, our comprehensive analysis provides:
- Segmented reviews of prices, supply, and demand by industry and geography
- Dynamic tables outlining market conditions
- Access to the latest analysis of industry trends
- Weekly updates regarding the latest price movements.

The Cost Analyzer

Available via MyInsight, the Cost Analyzer is a Web-based wizard that allows clients to perform customized cost analysis. The Cost Analyzer enables clients to:
- Analyze specific material buys
- Build composite cost indexes
- Review input costs for crops and non-agricultural
- inputs to production
- Create customized business-unit or product-line reports
- Check the competitiveness of a supplier’s price

Case Study

Benefit from a proven track record of accuracy. Our forecasts have saved our clients millions.

Client Need:
A manufacturing client buys large amounts of aluminum. Each year, the client signs a new yearly contract based on the spot market price for aluminum. The client had wondered when would be the best time in the year to lock in a new rate.

Our Insights Mean Cost Savings
IHS experts forecasted a 33.9% drop in the price of aluminum (actual decline was 35.3%).

When the client’s contract came due, he reviewed the forecast. He decided to float the price on the spot market for a few months before locking into a new year-long contract.

When he did lock into the contract, aluminum prices were much lower. As a result, he saved 10 –15% on the year’s aluminum purchases.

Result:
10 –15% savings on the year’s aluminum purchases.

Experts on call

The Pricing and Purchasing Service’s most powerful tool is IHS Global Insight’s dedicated staff of industry analysts. Experts in their respective fields, IHS Global Insight analysts serve as valuable extensions to a client’s internal staff—always available to analyze, interpret, and advise.

The world raw sugar price has remained constrained between 12.5 and 13.6 cents per pound since the end of April. The global market is well supplied with sugar and demand growth remains slow. End-of-season estimates of Indian sugar production continue to creep higher. The pace of sugarcane crush in the first month of the season for Brazil has started strong. Chinese sugar imports have been increasing, although the government is looking to slow the pace of imports to help the domestic market. The European Union market is holding large stocks, which has lowered overall import needs. Overall global growth in sugar supplies needs to moderate further before the sugar price will see any strong upward pressure. The bottom line is Global sugar prices remain low over the next few quarters.

Volatility is expected, though, as the weather factors change the pace of Brazilian sugarcane crush, along with the potential for El Niño to affect the Indian monsoon. Prices are projected to start to appreciate during fourth-quarter 2015, when sugar crop area is projected to decline.

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