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Accelerate Success

Soy 2020 Round 10
Index Results Report

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Review of Scenario Planning

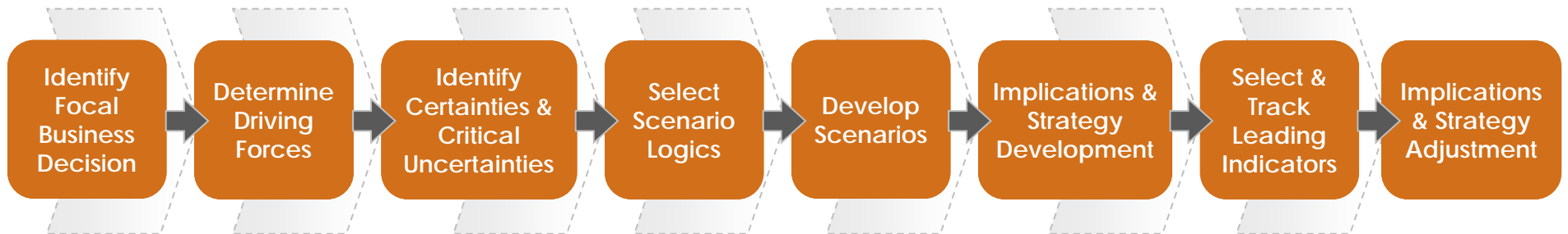
Scenario Planning Overview

- Soy 2020 utilizes a Long Range Planning Methodology called Scenario Planning
- Scenario Planning has several benefits, it helps organizations:
 - Think out-of-the-box
 - Take a long-term view of the industry/market to guide critical decisions
 - Isolate the most critical and influential factors influencing success
 - Provide structure to consider and quantify the impact of these factors
 - Create robust strategies for success in an uncertain market
 - Establish a process to adjust strategies as needed
- As a result of the Scenario Planning Process, the soy industry gains:
 - An effective approach to Long Range Planning
 - Clarity regarding specific critical market place drivers
 - Focus on critical market factors (leading indicators) to track moving forward
 - An ongoing process to support the proactive adjustment of business strategies

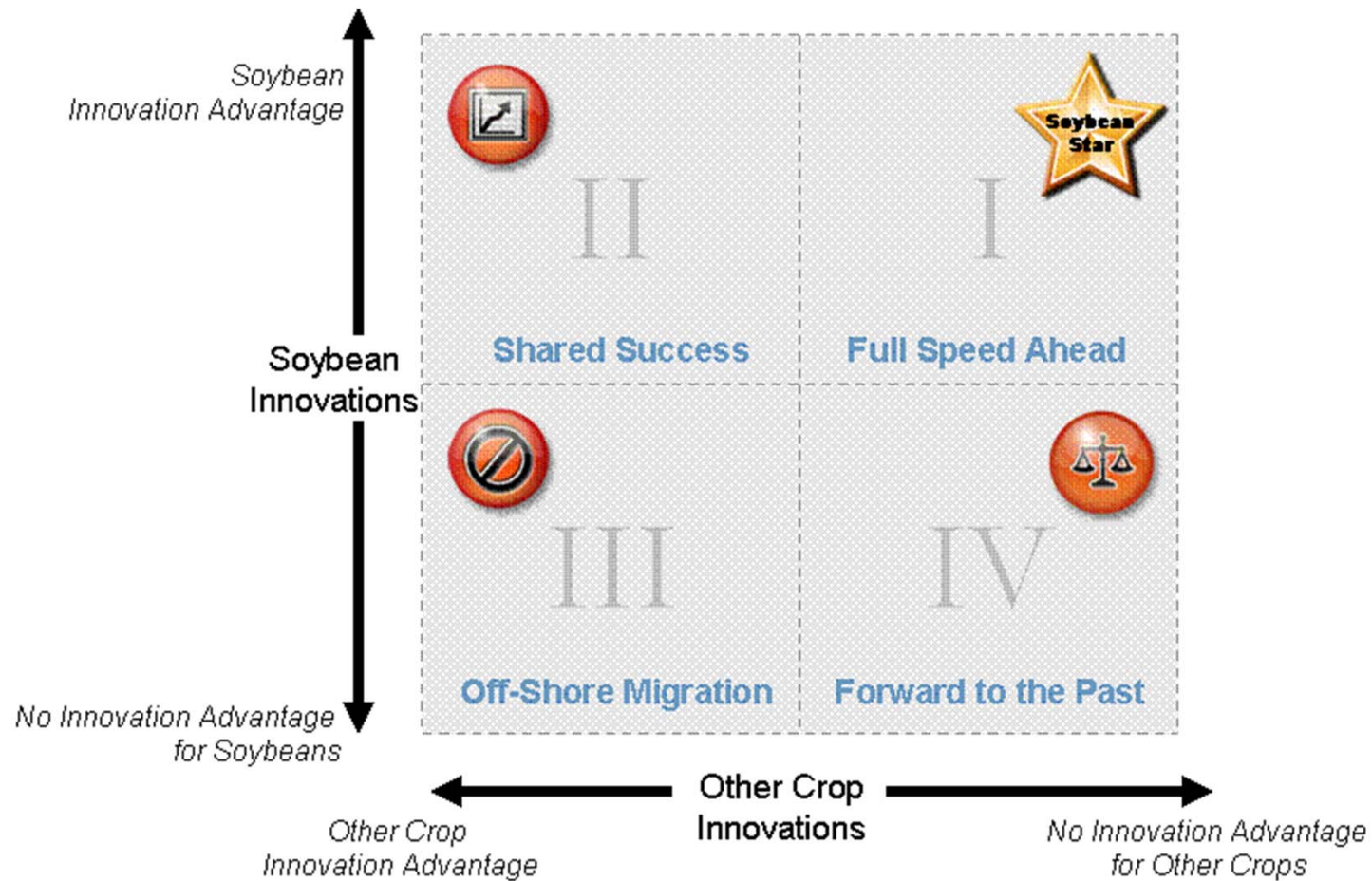


Scenario Planning Process

SOY 2020 SCENARIO PLANNING PROCESS



Recall, scenarios were developed based on innovation levels



Detailed summaries were then created for each potential future scenario

Full Speed Ahead

- Integrated and specialized channel
- Increased investment dollars for output technologies
- Sustainable, balanced portfolio of soybean technology innovations
- Strong animal Ag industry as a primary market for improved soy meal, which helped deal with odor problems
- Consumers benefit from soy's new nutritional and pharmaceutical benefits
- Soy continued to be preferred feedstock for biodiesel
- Dual marketing system compensates specialty soy and allows U.S. to compete with global commodity soy

Shared Success

- Technology innovations have enhanced corn, soy, and other crops
- Integrated distribution channel
- Largest share of research dollars aims to improve logistics and infrastructure
- Commercialization of higher energy corn and DDGs with higher protein content, which compete with soybean meal as feed sources
- Increased commodity prices and the expansion of ethanol and biodiesel production have boosted the rural economy
- Consumers and producers have multiple appealing choices

Off-Shore Migration

- Soybeans produced in and for traditional commodity markets, with channel shifting to off-shore resources
- Research and capital investment are growing rapidly outside the U.S.
- South America adapts similar recognition of intellectual property rights as in North America
- Other crops compete with soy oil as a feedstock for biodiesel
- New technologies in corn have been developed and adopted, reducing need for soy in crop rotations
- Producers find increased profits in crops other than soybeans, and research and processing innovations do not focus on soy

Forward to the Past

- Little change over the last 15 years in growth or new technology
- Production and distribution support traditional commodity world: soybeans, corn and other crops are produced domestically for efficiency
- Investment dollars focus primarily on agronomic traits
- Biodiesel production enhanced the U.S. soy industry for, but newer technologies put a ceiling on demand on growth potential for biodiesel production
- Consolidation along each step of the distribution channel has continued, reducing the number of producers and Ag input suppliers



Once the scenarios were identified, common strategies for shared success were developed

Anticipate

- Look for ways to improve the way things are done in the soybean industry and ensure improvements are adopted by providing incentives industry wide (i.e. - networks, relationships, and integration)
- Analyze, understand and prioritize customer wants and needs
- Lead global soy improvements by focusing R&D expenditures to improve yield, quality, and functionality of U.S. soy in food, feed, fuel and other end-user markets

Collaborate

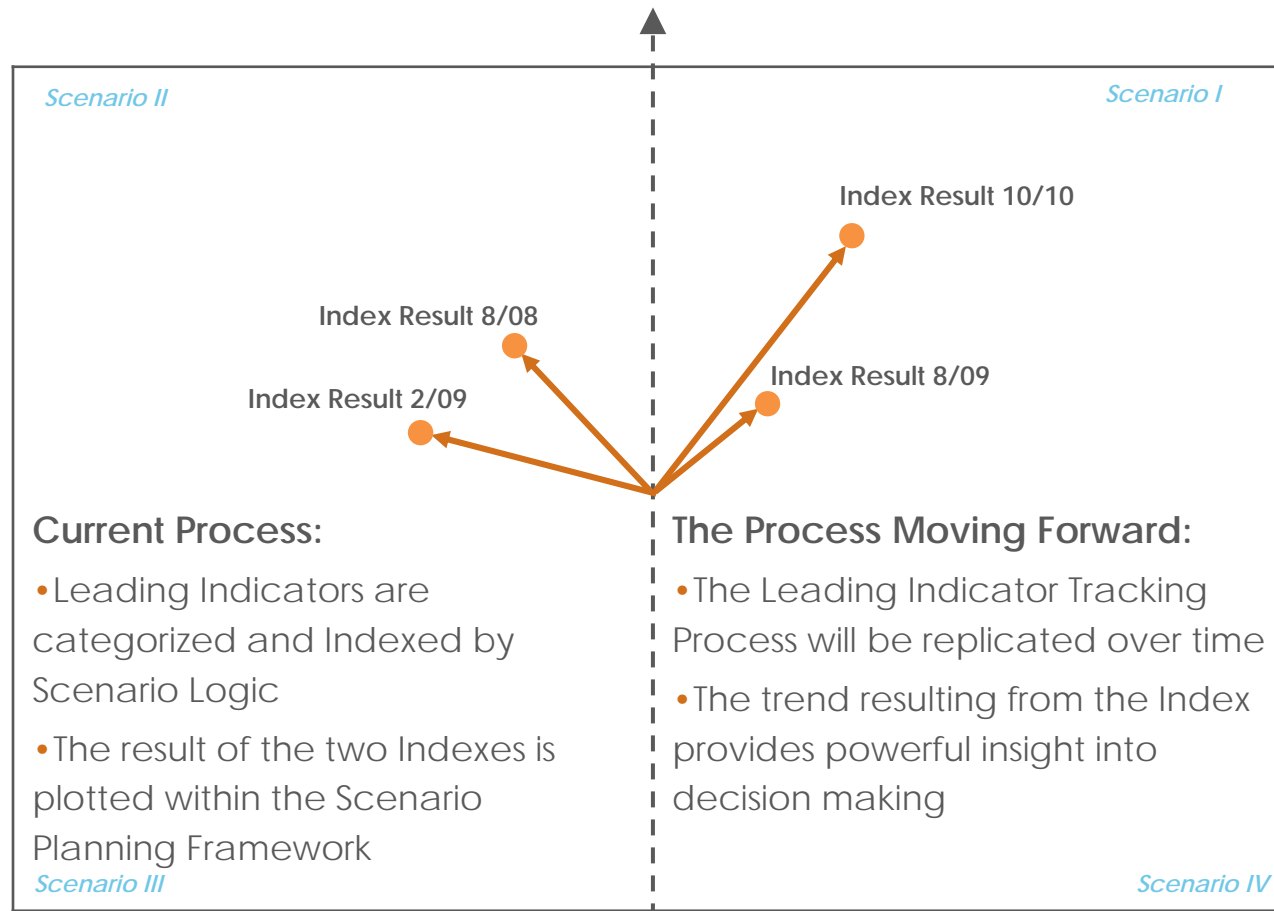
- Promote mutually beneficial relationships and efforts to address environmental, regulatory, trade and other policy issues
- Work with related agricultural and complementary non-agricultural industries to improve infrastructure and logistics systems and develop global markets

Act

- Ensure policy framework that supports innovation, minimizes disruptive regulatory policies, and promotes producers' adoption of new technologies through early adopter incentives that will improve U.S. soy's competitiveness
- Encourage an infrastructure that enables all groups of U.S. soybean stakeholders to remain successful
- Continue to improve soy quality and processing systems
- Promote soy health and nutrition benefits, environmental sustainability and technology safety to global consumers of food, fuel and feed
- Support the viability and growth of animal agriculture, renewable energy and other soy-consuming industries



This example illustrates how Leading Indicators yield an index which can be plotted and tracked within the Scenario Framework



Indicator Tracking Process

The following process was used to track leading indicators



Eight leading indicator categories were identified for Soy 2020

1. Crop acreage and yields
2. Investment in research
3. Status of renewable fuels
4. Soybeans consumption
5. Value chain profitability
6. Investment in infrastructure
7. Utilized crush capacity
8. Technology adoption

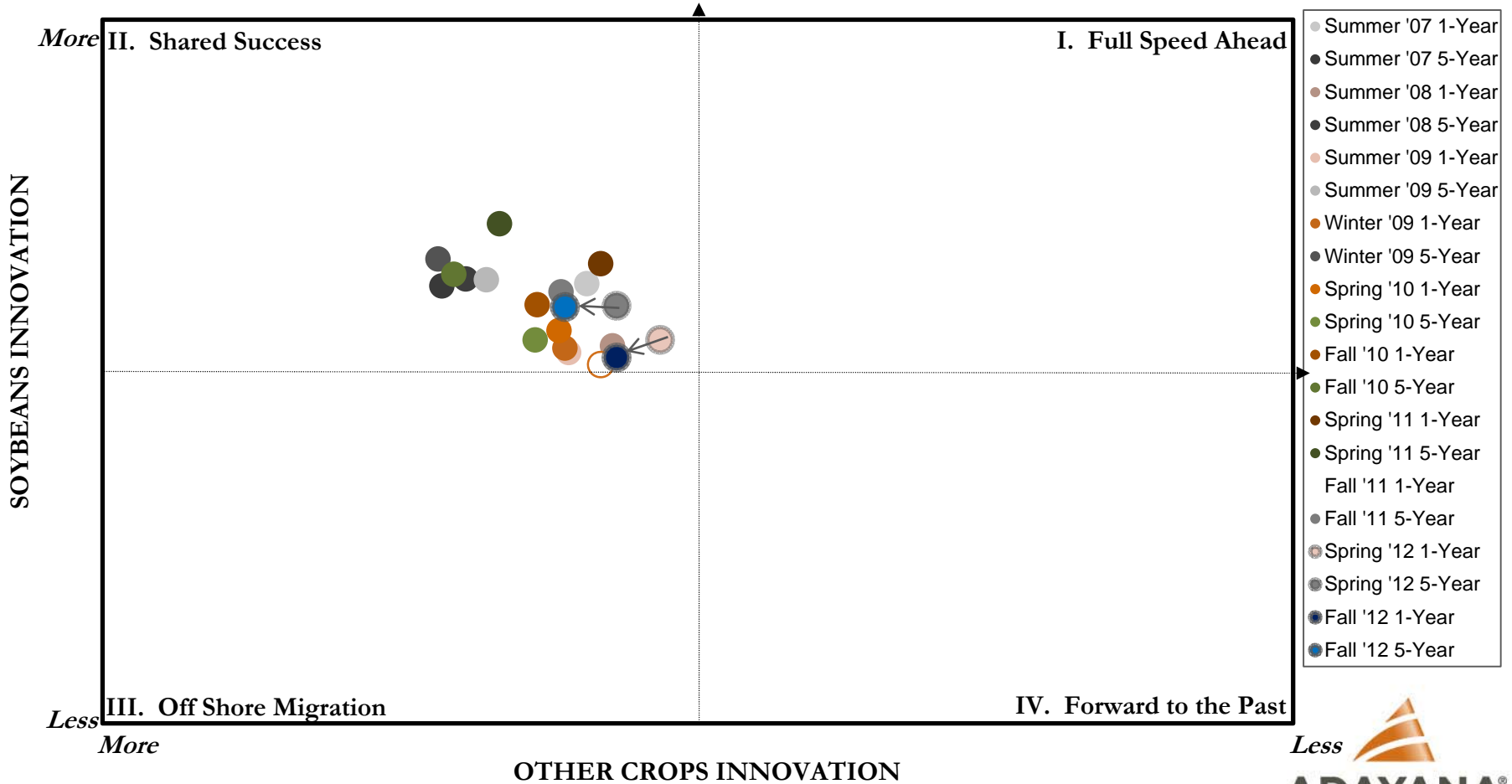
Each Indicator has sub-factors that provide needed clarity

Market Factor	Crop	Reach
1. Crop acreage and yield	<ul style="list-style-type: none"> • Corn • Soybeans • Palm • Other crops 	<ul style="list-style-type: none"> • U.S. • Argentina • Brazil
2. Investment in research	<ul style="list-style-type: none"> • Corn • Soybeans • Other crops 	<ul style="list-style-type: none"> • U.S. <ul style="list-style-type: none"> – <i>Public</i> – <i>Private</i>
3. Status of renewable fuels	<ul style="list-style-type: none"> • Corn • Soybeans 	<ul style="list-style-type: none"> • U.S.
4. Soybean consumption	<ul style="list-style-type: none"> • Soybeans 	<ul style="list-style-type: none"> • U.S. • China (meat) • Rest of the world
5. Value chain profitability	<ul style="list-style-type: none"> • Corn • Soybeans • Other crops 	<ul style="list-style-type: none"> • U.S.
6. Investment in infrastructure	<ul style="list-style-type: none"> • Corn • Soybeans • Other crops 	<ul style="list-style-type: none"> • U.S. <ul style="list-style-type: none"> – <i>Public</i> – <i>Private</i>
7. Utilized crush capacity	<ul style="list-style-type: none"> • Soybeans 	<ul style="list-style-type: none"> • U.S. • Argentina • Brazil
8. Technology adoption	<ul style="list-style-type: none"> • Soybeans • Corn 	<ul style="list-style-type: none"> • U.S. • Argentina • Brazil

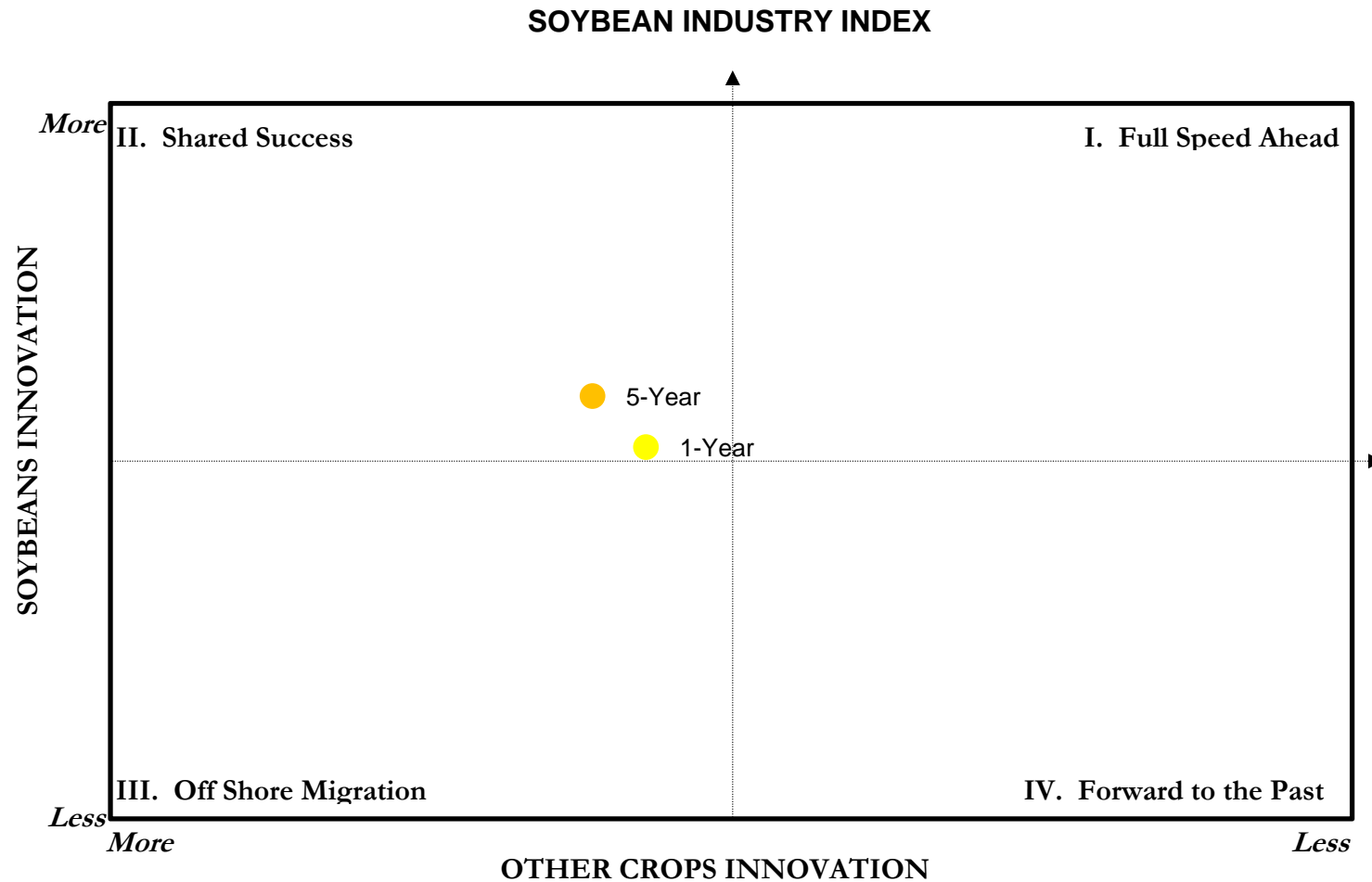
Index Results

Recall, Rounds 1-9 all indicated Shared Success for the short- and long-term

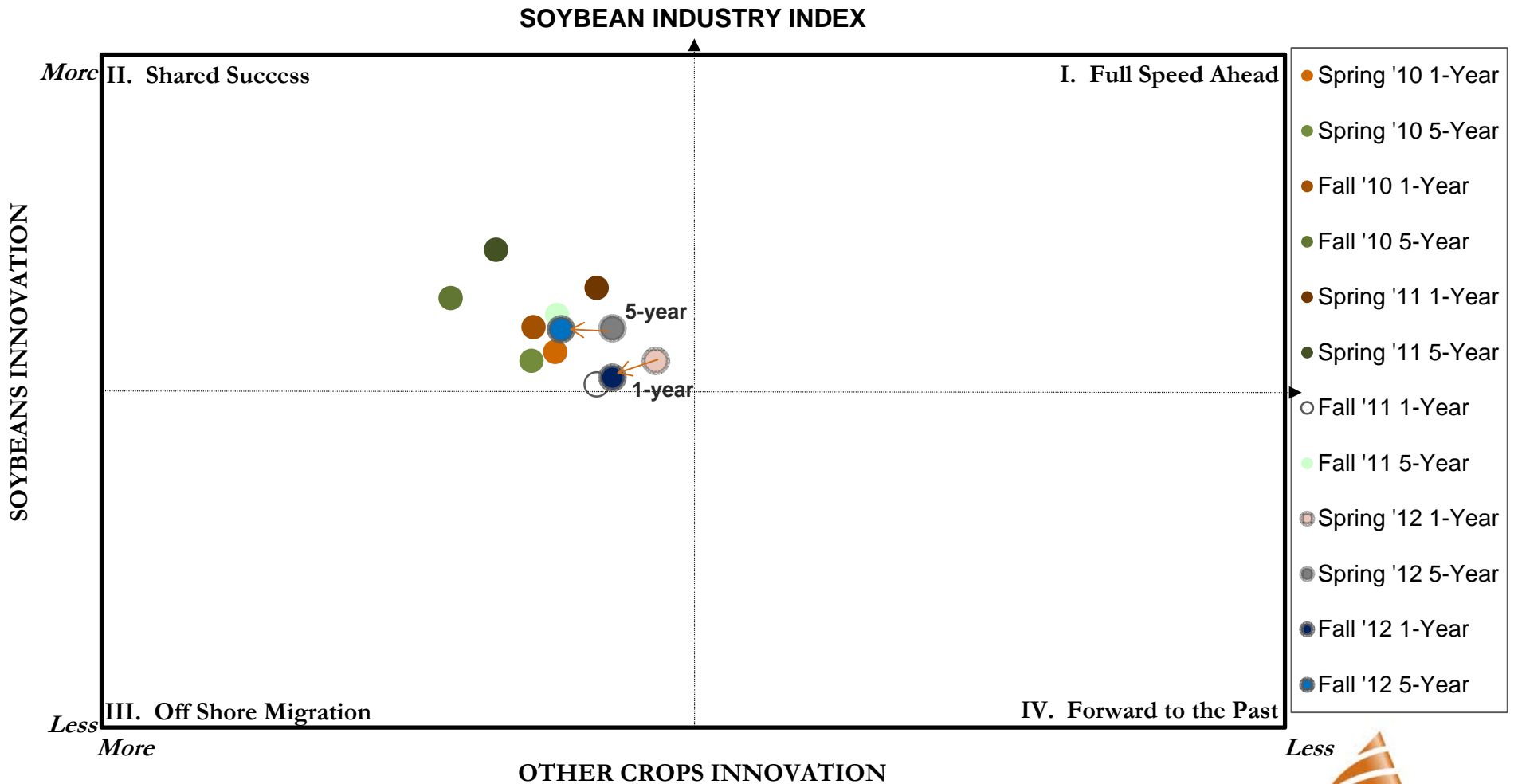
SOYBEAN INDUSTRY INDEX



Round 10 results once again indicate shared success for the soybean industry

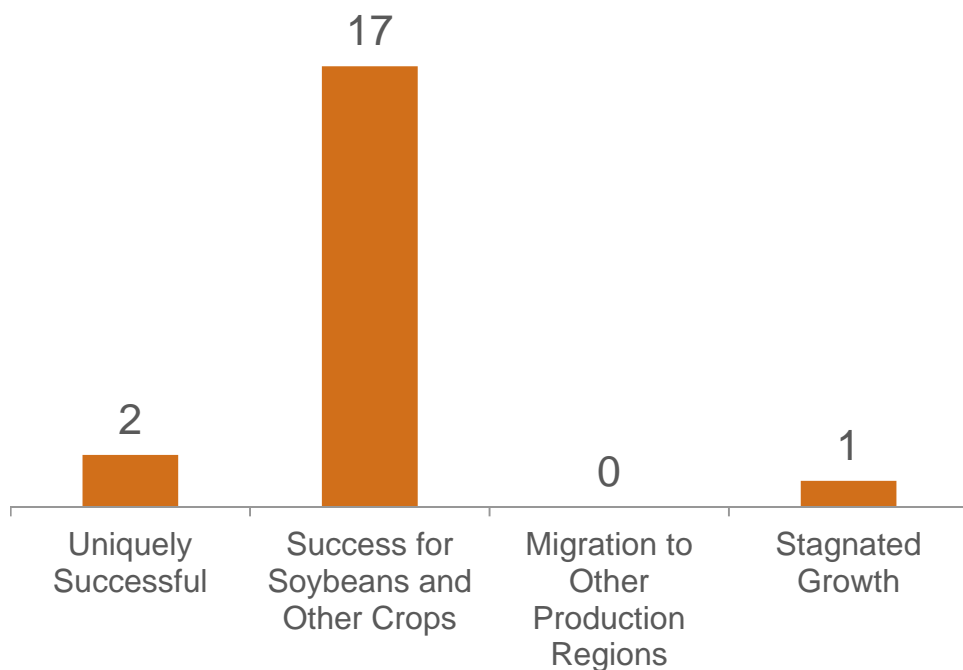


Compared to R9 results, the R10 results indicate a shift deeper into Quadrant II



Experts have an optimistic outlook for U.S. soy in the short term

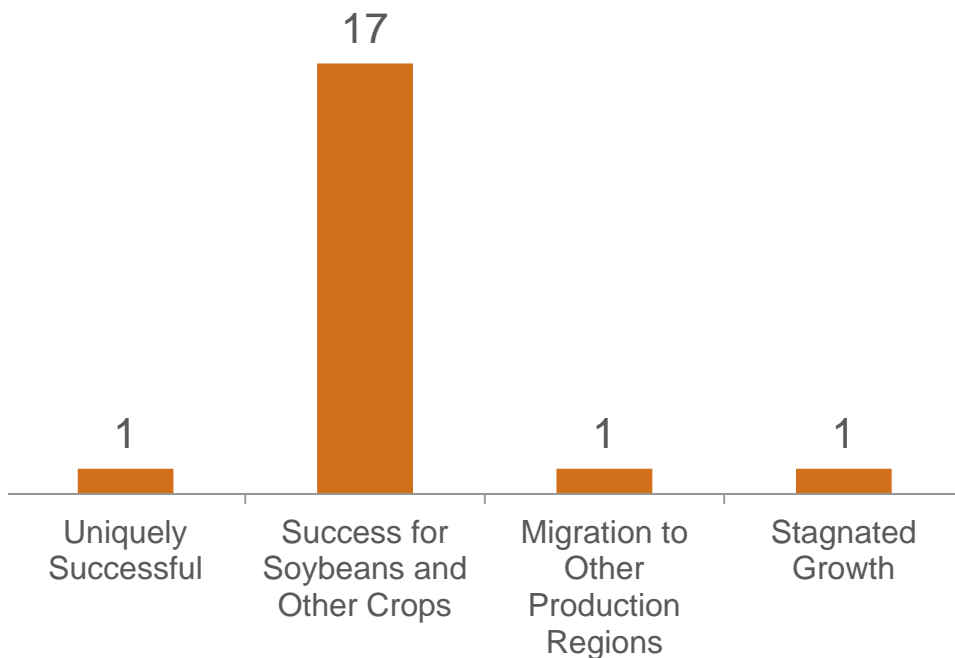
What do you think will happen to the U.S. soybean industry next year?
 (# of mentions)



Answer	Supporting Quotes
Uniquely Successful	<ul style="list-style-type: none"> • Prices are as high as they have ever been, yields came in higher than anyone expected. There is little competition until the new South American crop is harvested in 2013 which should slow price declines and keep the market for US beans going a little longer. • The drought has put stress on corn profitability, and producers will to diversify their production practices as soybeans fared the drought better.
Success for Soybeans and Other Crops	<ul style="list-style-type: none"> • Soybean yields in 2012 have been stronger than initially projected, as a result prices have softened. 2013 acres will likely remain constant against planned corn acres. Producers will still find corn to be the most profitable crop, but soybeans will be a strong second. • U.S. will see strong global demand, but also stepped-up competition from South America and from palm oil. • The soy industry will have 2 halves this year. The first 6 months with plenty of beans and plenty of crush; the last 6 months will be slow and stagnated.
Stagnated Growth	<ul style="list-style-type: none"> • Processors will struggle as production run rates are reduced due to smaller crops.

Experts believe success will continue for U.S. soy due to strong demand and growing economies

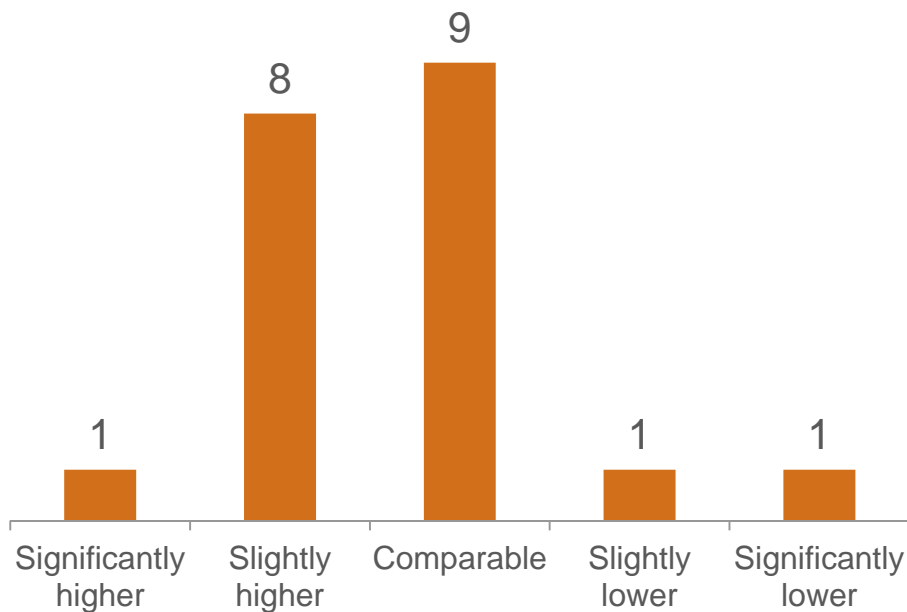
What do you think will happen to the U.S. soybean industry in 5 years?
 (# of mentions)



Answer	Supporting Quotes
Uniquely Successful	<ul style="list-style-type: none"> High oleic soybean oil plus associated effects on protein quality will enhance demand for US soybean products.
Success for Soybeans and Other Crops	<ul style="list-style-type: none"> Trends point to China demand keeping pace with soybean production growth. Expect China to become an increasing force in soybean meal export market, particularly in Asia if/when India meal exports decline or stagnate. U.S. growers should benefit from increased crush in China as some of that exported meals will be made from US soybeans. Corn production will be lower next year as producer learn lessons from the drought. In a few years, many will forget and go back to their old ways. Global demand for protein feed and veg oil will continue to expand as will demand for energy feed.
Migration to Other Regions	<ul style="list-style-type: none"> We needs investment in soy tech that will keep it viable. Other regions such as Africa haven't even started major soy production.

Experts see U.S. soy as having comparable to higher value than soy from other regions

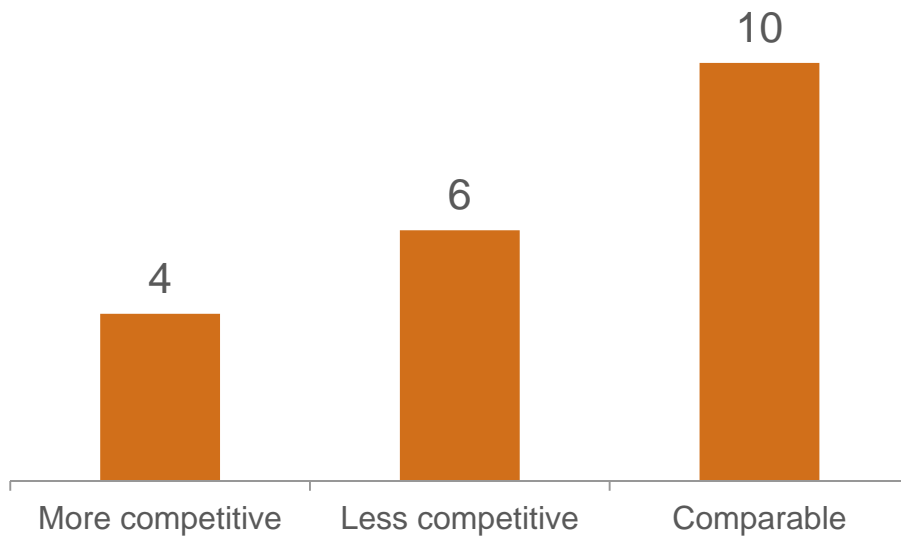
How does the value of U.S. soy compare to the value of soy produced from other countries in general?
(# of mentions)



Answer	Supporting Quotes
Higher	<ul style="list-style-type: none"> • South American countries lack substantial domestic markets for soybeans, and depend on exports. The storage, handling, and processing conditions S. America have a negative impact on quality. USDA FAS backs the quality of US soybeans in global trade. • Brazilian soybeans often have greater value compared to US based on oil yield. US soybean meal often has greater value than Brazil or Argentina in terms of nutritional value (i.e. higher level of digestible amino acids). US soybean meal also has a value advantage related to supplier performance.
Comparable	<ul style="list-style-type: none"> • By protein (amino acids) and oil, the U.S. is behind Brazil, but higher than other soybean countries in S. America. U.S. soy is ahead of India, but may be on par in with soybeans from China.
Lower	<ul style="list-style-type: none"> • Oil and meal components of US beans continue to lag behind Brazil.

Most say U.S. soy has maintained competitiveness in the global market

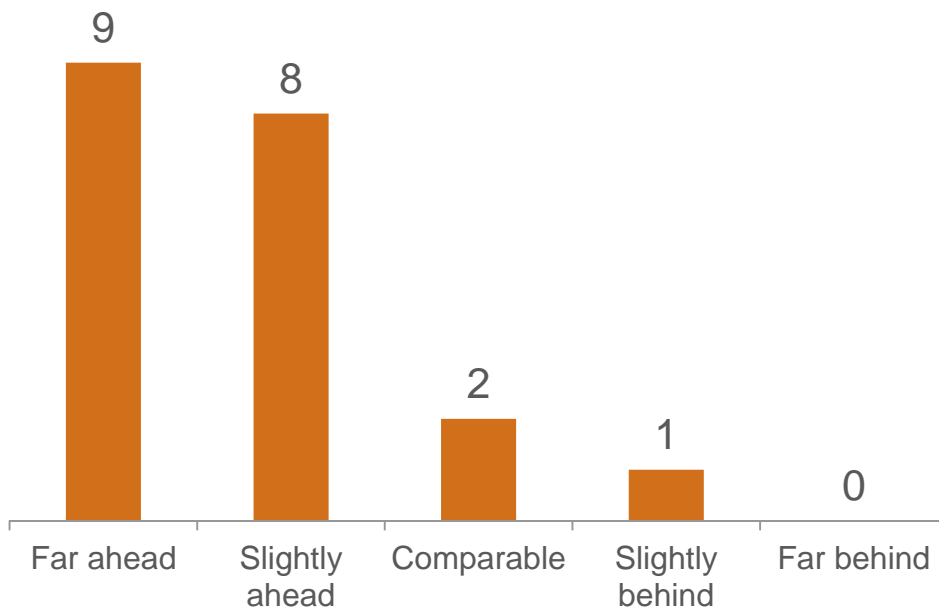
Over the past five years, would you say U.S. soy has become more or less competitive in the global marketplace?
 (# of mentions)



Answer	Supporting Quotes
More Competitive	<ul style="list-style-type: none"> • Driven primarily by soybean imports from US to China. • World demand has gone up and the US made improvements to facilities/logistics.
Less Competitive	<ul style="list-style-type: none"> • Protein/oil quality is deteriorating which affects the perception and reality of global customers. When S. America is increasing its production, the global market focus/attention will be on that continent. • U.S protein/oil contents have declined and production has stagnated because of loss of acreage to corn. • There are lower production costs in S.A. and some concerns over U.S. protein content.
Comparable	<ul style="list-style-type: none"> • The EU has essentially ceased imports of corn and soybean from the US due to GM restrictions. However, US exports have been strong due to increased markets in developing countries. • US infrastructure offsets competition. • US bean is as competitive as it needs to be to get rid of supply, but the value of what the US producers get compared to Brazilian producers in the world market is less.

The U.S. is ahead of other regions in terms of introducing new technologies

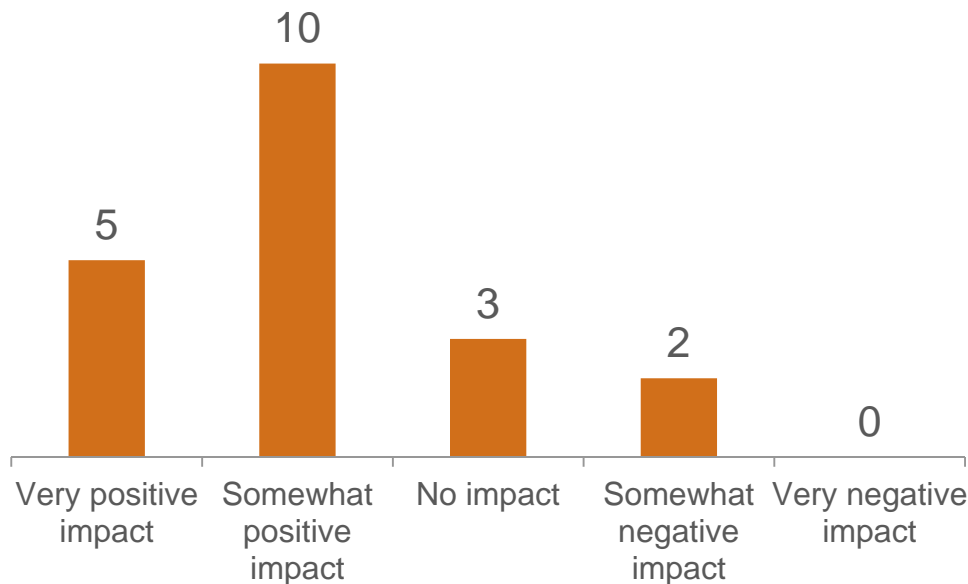
How do you perceive the U.S. compared to other soybean producing regions globally in terms of bringing new technologies to the market?
 (# of mentions)



Answer	Supporting Quotes
Ahead	<ul style="list-style-type: none"> •The U.S. is still the leader in developing technology, but other countries are improving. As technology moves towards a global enterprise, companies are looking beyond the US when developing/marketing new technologies. •We are far ahead in developing technologies, but only slightly ahead in implementation. •We are far ahead, but the private sector is global, and technology easily moves. So this does not translate into significant advantage for U.S. producers.
Comparable	<ul style="list-style-type: none"> •New processing facilities in S. America and China are state of the art.
Behind	<ul style="list-style-type: none"> •The market growth in the U.S. for soybean production is stagnant, while it is growing in other markets. These other markets are also getting much larger and will attract more interests by input supplier/technology companies. Our approval system for new biotech varieties is slowing down, while other markets are facing less "policy" hurdles.

Experts believe component-based pricing would have a positive impact

If a system were implemented that paid farmers based on “component value” for soybeans based on protein and oil levels, do you think this would have a positive or negative impact on raising the level of protein and oil content in U.S. beans?



Answer	Supporting Quotes
Positive Impact	<ul style="list-style-type: none"> • The impact would be over time and benefit seed companies first. Improving the quality of soybeans produced only has value if the grower can realize a higher return. • Foreign buyers would see U.S. soybeans and soymeal as being more valuable and would pay more for them.
No Impact	<ul style="list-style-type: none"> • I used to be in the camp of positive impact. I now don't think it will matter until biotech can breakdown the restrictions on yield. The minute you try to alter the composition you pay a yield penalty which drowns out additional value in oil and protein. • It is hard to judge the impact, it will depend upon the main use of the bean in the particular market. I'd encourage you study grains traded on the Minneapolis Grain Exchange that trade on the basis of premiums/discounts for grain quality attributes.
Negative Impact	<ul style="list-style-type: none"> • Component value will only be REALIZED if it results from a "pull" by processors, rather than a "push" by growers. 5 years of "push" promotions have had no effect on grower or processor behavior.

Most say the U.S. is faster at adopting new technologies

How would you evaluate the U.S. soy value chain's speed of adopting new technologies compared to value chains in other soybean producing regions?

- U.S. producers may be somewhat faster in adaptation partly because they often have first crack at new technologies and may be more likely to focus on small margin increases afforded by new technologies. The approval process tends to run more smoothly in this country and the initial data collection from test plots often come from the U.S. In countries where the approval process, licensing or copyright laws are more complicated, the introduction of new technology is slowed.
- The U.S. was in the lead with the new technologies, but there have been only 2 biotech soybean events in the U.S. and those same two events are available in other global markets. The U.S. crop production industry may be a steady and reliable source of revenues for the global technology providers (seed, production equipment, etc), and with producers that are enticed into buying new and bigger equipment (that they really don't need) we'll continue to see adoption in the U.S., but with quicker and hungrier global crop producers, they'll be adopting and surpassing the U.S. with new technologies
- The US will be first but not the fastest. New technologies will be launched in the US and if successful will rapidly be copied in other areas.
- The US farmer has made significant investments in state of the art technology, e.g., precision. They are poised for a rapid adoption of new technologies.

Round 9 to Round 10

1-Year Outlook

Soy Axis: Gap Analysis of 1-Year Outlook for Major Factors

Soy Axis Market Factors	1-Year (R9)	1-Year (R10)	Gap* (R9 to R10)
• Status of Renewable Fuels	0.44	0.54	0.10
• Investment in Infrastructure	0.37	0.43	0.06
• Investment in Research	0.66	0.68	0.02
• Crop Acreage and Yields	0.79	0.79	0.00
• Crush Capacity	0.30	0.24	-0.06
• Soybean Consumption	0.56	0.48	-0.08
• Technology Adoption	0.58	0.50	-0.08
• Value Chain Profitability	0.55	0.44	-0.11



Denotes factors that push index value up



Denotes factors that hold index value down

*Positive gap from the soy axis perspective indicates a more favorable scenario for soybeans while a negative indicates a decrease for that factor



Soy 1-Year Outlook: Gap Analysis Summary

Factor	Sub-Factors
Status of Renewable Fuels	<ul style="list-style-type: none">• Soybean prices• Biodiesel prices• Trade barriers
Value Chain Profitability	<ul style="list-style-type: none">• Soybean farmer profitability



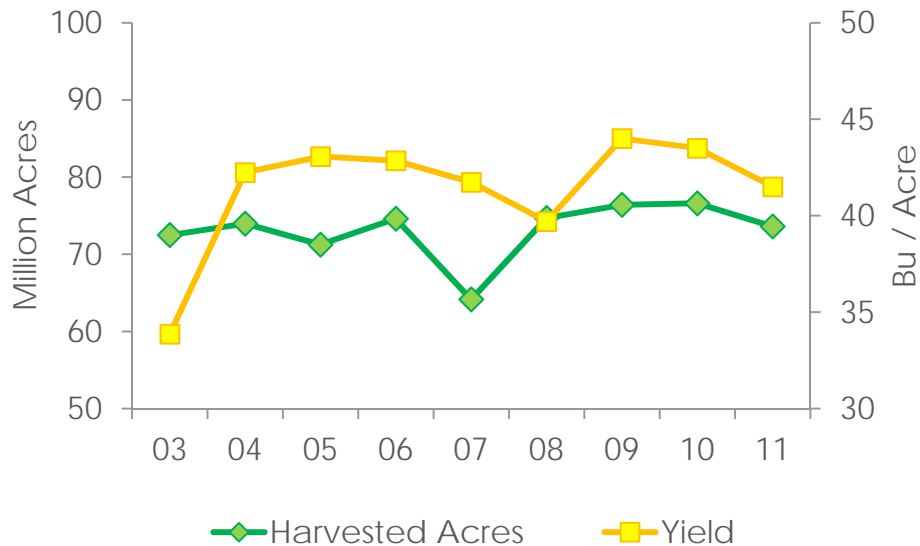
Soy 1-Year Outlook: Supporting Quotes

Factor	Supporting Quotes
Status of Renewable Fuels	<ul style="list-style-type: none"> • I think competitive gasoline prices/rising gasoline prices will be the primary driver. • There will be lower trade barriers as we seek lower fuel prices. • Rising petroleum diesel prices will help the industry. • In terms of profitability, I believe we will see costs flattening and sale prices rising. • Feedstock prices go down and crude will stay high.
Value Chain Profitability	<ul style="list-style-type: none"> • Next year, price declines if there is no drought/better weather. • Depends on if yield doesn't increase and input costs do. Drought aside. Corn has been going up in yield faster than input costs. Not same for soy. • There will be lower prices for soy as we see the market normalize. • We'll over produce soy and input costs are really high.

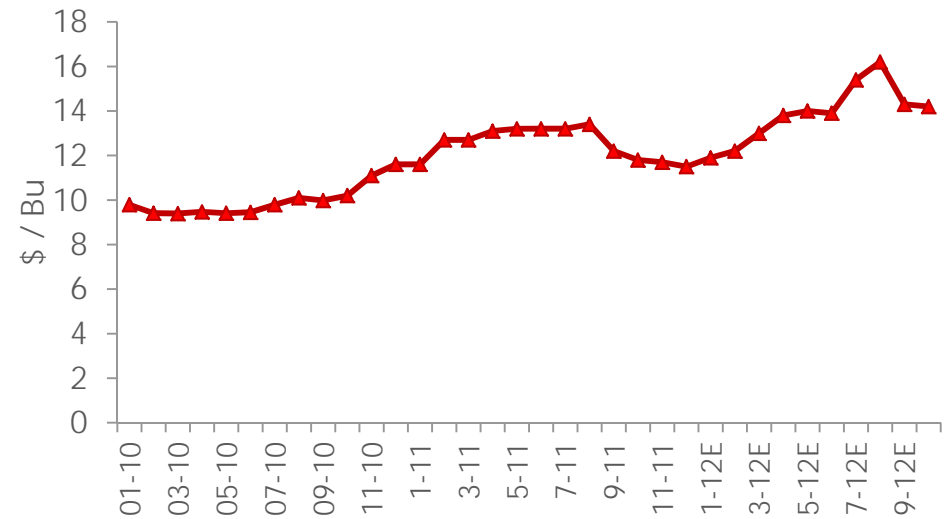


Soy: Supporting Research

U.S. Harvested Soybean Acres and Yield



Average Farm Price Received for Soybeans



Strong corn prices are have caused soybean acres to remain stable or decline slightly. Soy prices have stayed strong.



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Other Crops Axis: Gap Analysis of 1-Year Outlook for Major Factors

Other Crops Axis Market Factor	1-Year (R9)	1-Year (R10)	Gap* (R9 to R10)
• Crop Acreage and Yields	0.99	1.22	0.24
• Investment in Infrastructure	0.46	0.54	0.08
• Investment in Research	0.85	0.85	0.00
• Value Chain Profitability	0.56	0.56	0.00
• Status of Renewable Fuels	0.58	0.58	0.00
• Technology Adoption	0.75	0.65	-0.10



Denotes factors that push index value up



Denotes factors that hold index value down

*Positive gap from the other crops axis perspective indicates a more favorable scenario for other crops while a negative indicates a decrease for that factor



Other Crops 1-Year Outlook: Gap Analysis Summary

Factor	Sub-Factors
Crop Acreage and Yields	<ul style="list-style-type: none">• U.S. corn acres• U.S. corn yields
Technology Adoption	<ul style="list-style-type: none">• Farmer adoption



Other Crops 1-Year Outlook: Supporting Quotes

Factor	Supporting Quotes
Crop Acreage and Yields	<ul style="list-style-type: none">• Regarding corn, there are still incentives such as strong demand and continued high prices.• As E-10 goes to E-15, I think we will see corn acres driven up in both the short and long terms.• There will be continued genetic yield improvement for corn.• We will see a return to trend-line corn yields after the recent drought.
Technology Adoption	<ul style="list-style-type: none">• Farmers will have much lower profits due to the drought. I think this will have some downward pressure on short-term adoption.• Currently, there is already a high level of technology adoption.



Round 9 to Round 10

5-Year Outlook

Soy Axis: Gap Analysis of 5-Year Outlook for Major Factors

Soy Axis Market Factors	5-Year (R9)	5-Year (R10)	Gap* (R8 to R10)
• Crop Acreage and Yields	0.79	0.89	0.10
• Technology Adoption	0.60	0.68	0.08
• Crush Capacity	0.19	0.22	0.03
• Investment in Research	0.75	0.77	0.02
• Status of Renewable Fuels	0.49	0.50	0.01
• Soybean Consumption	0.66	0.64	-0.02
• Value Chain Profitability	0.55	0.44	-0.11
• Investment in Infrastructure	0.51	0.40	-0.11



Denotes factors that push index value up



Denotes factors that hold index value down

*Positive gap from the soy axis perspective indicates a more favorable scenario for soybeans while a negative indicates a decrease for that factor



Soy 5-Year Outlook: Gap Analysis Summary

Factor	Sub-Factors
Crop Acreage and Yields	<ul style="list-style-type: none"> • U.S. Soybean planted acres • U.S. Soybean yields
Value Chain Profitability	<ul style="list-style-type: none"> • Soybean farmer profitability
Investment in Infrastructure	<ul style="list-style-type: none"> • Public investment in roads • Public investment in waterways, locks, and dams • Public investment in rails • Private investment in waterways, locks, and dams • Private investment in rails

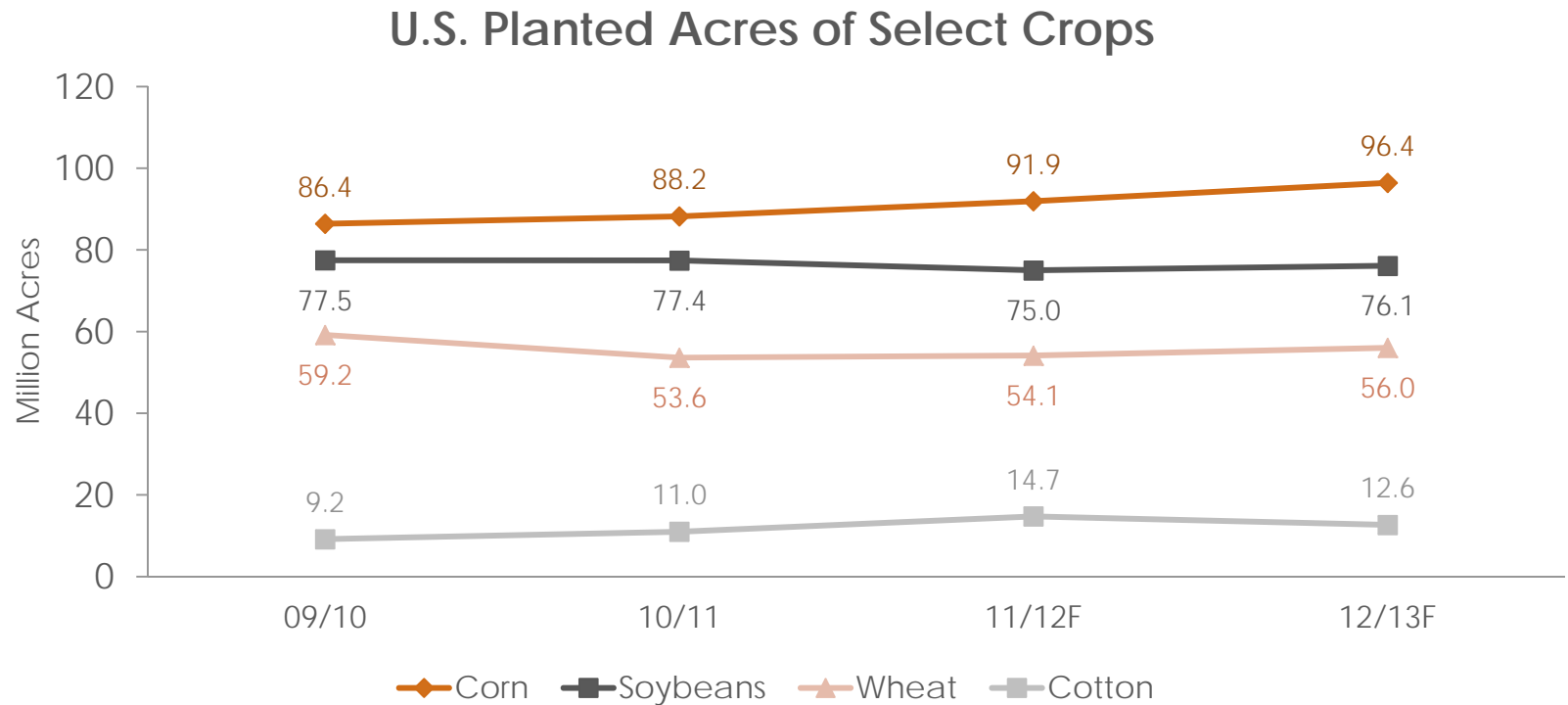


Soy 5-Year Outlook: Supporting Quotes

Factor	Supporting Quotes
Crop Acreage and Yields	<ul style="list-style-type: none"> • There will continue to be strong demand for soy and thus higher prices. • Soy will see genetic yield improvement due to biotech innovations. • Current high soy prices will entice farmer to plant more acres. • Corn acreage will be down because we really need to rotate corn into soy,
Investment in Infrastructure	<ul style="list-style-type: none"> • US will have to find a way to cut a trillion of budget (15%). For roads, cutting 5% is lower compared to rest of government. It's a matter of cash not need. • Both state and federal governments are in a financial crunch . We will have no new money for a while. • The decrease is a function of the federal budget and the fiscal cliff. • Regarding railroads, there are few public rails anyway. Private is doing ok. I don't see private enterprises getting into roads. • The barge companies don't own the waterways. There is currently very little private investment in waterways. I would not expect any change.
Value Chain Profitability	<ul style="list-style-type: none"> • Soy farmer profitability will decline. The market won't allow soy prices to stay this high for too long. • Depends on if yield doesn't increase and input costs do. Drought aside. Corn has been going up in yield faster than input costs. Not same for soy. • There will be lower prices for soy as we see the market normalize over the 5 year period.



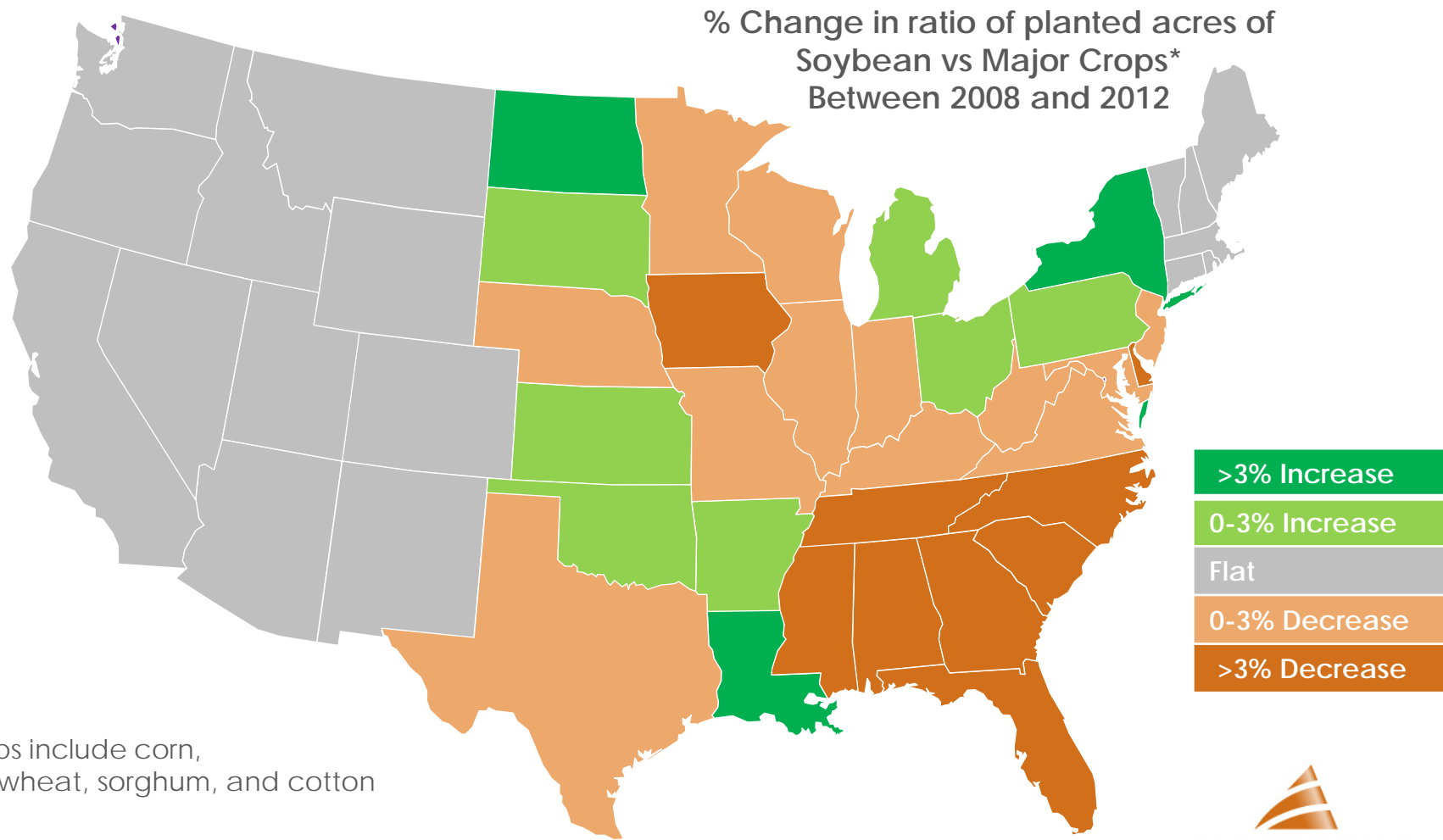
Soy 5-Year Outlook: Supporting Research



Cotton planted acres for 2012 are down approximately 14%. Corn and wheat planted acres for 2012 are up 4.9% and 3.5%, respectively. Soybean planted acres are up approximately 1.5%.



Soy 5-Year Outlook: Supporting Research

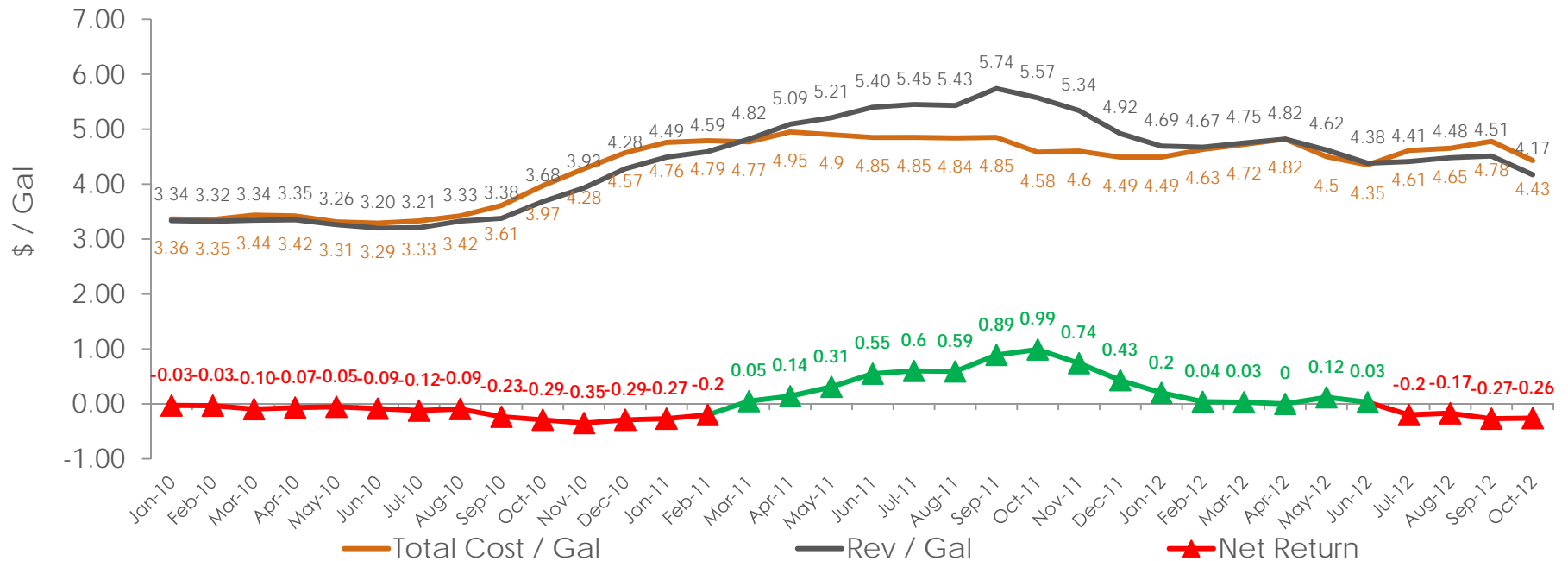


*Major Crops include corn, soybeans, wheat, sorghum, and cotton



Soy 5-Year Outlook: Supporting Research

Biodiesel Rev, Costs, Profit (Past 18 months)

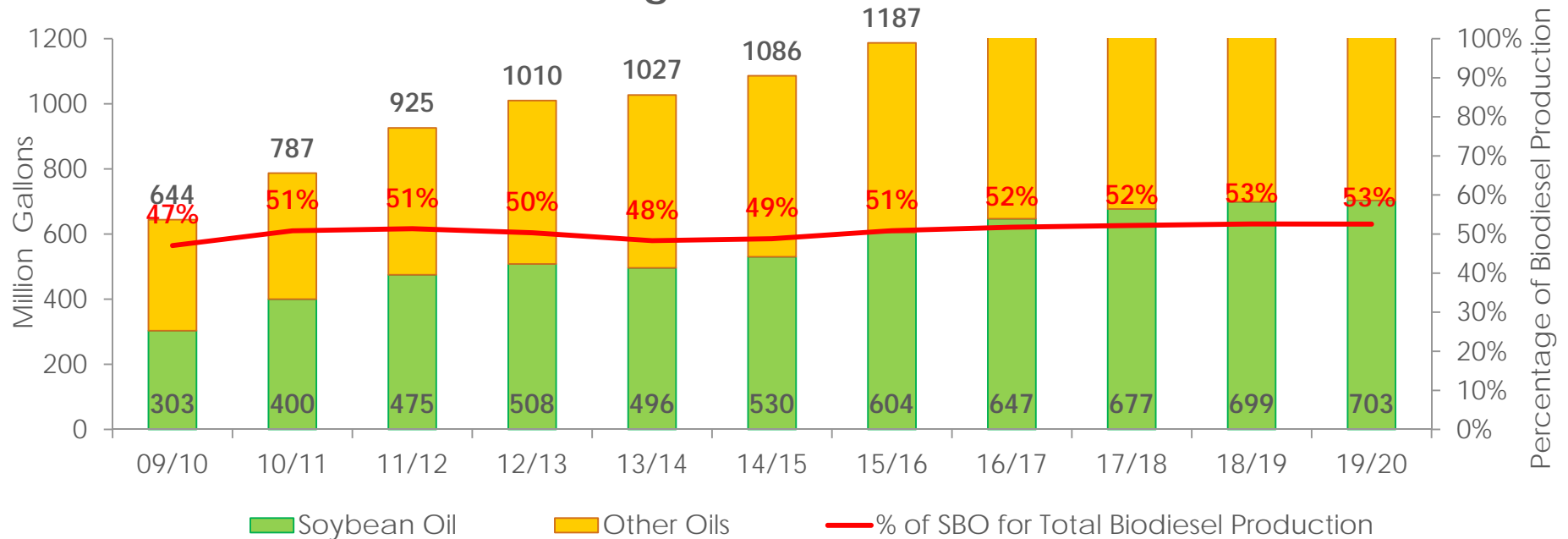


In the second half of 2011, biodiesel production became profitable for the first time since 2009. Profitability has continued into 2012.



Soy 5-Year Outlook: Supporting Research

% SBO Accounting For Total Biodiesel Production



Biodiesel production is expected to slightly increase over the next ten years to meet RFS2 standards, but the proportion of soybean oil is expected to decline over the same period.



Other Crops Axis: Gap Analysis of 5-Year Outlook for Major Factors

Other Crops Axis Market Factor	5-Year (R9)	5-Year (R10)	Gap* (R9 to R10)
• Crop Acreage and Yields	1.01	1.20	0.18
• Value Chain Profitability	0.45	0.56	0.11
• Technology Adoption	0.78	0.88	0.10
• Investment in Research	0.89	0.91	0.03
• Status of Renewable Fuels	0.70	0.66	-0.04
• Investment in Infrastructure	0.60	0.46	-0.13



Denotes factors that push index value up



Denotes factors that hold index value down

*Positive gap from the other crops axis perspective indicates a more favorable scenario for other crops while a negative indicates a decrease for that factor



Other Crops 5-Year Outlook: Gap Analysis Summary

Factor	Supporting Quotes
Crop Acreage and Yields	<ul style="list-style-type: none"> • U.S. corn acres • U.S. other crops planted acres
Technology Adoption	<ul style="list-style-type: none"> • Corn processor profitability • Other crop farmer profitability
Value Chain Profitability	<ul style="list-style-type: none"> • Farmer adoption
Investment in Infrastructure	<ul style="list-style-type: none"> • Public investment in roads • Public investment in waterways, locks, and dams • Public investment in rails • Private investment in waterways, locks, and dams



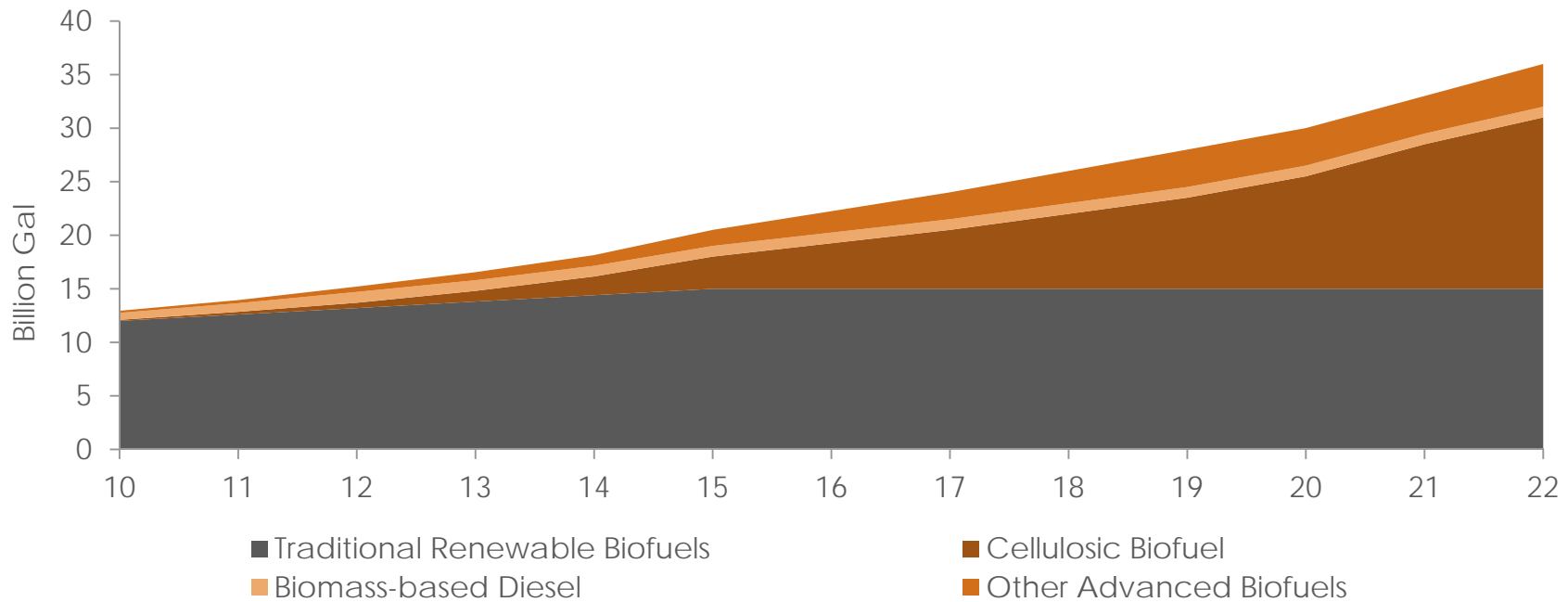
Other Crops 5-Year Outlook: Supporting Quotes

Factor	Supporting Quotes
Crop Acreage and Yields	<ul style="list-style-type: none"> • As E-10 goes to E-15, I think we will see corn acres driven up in the short and long terms. • We will follow trend growth rate and have a slight increase in demand/price of for other crops.
Technology Adoption	<ul style="list-style-type: none"> • Farmers will need to find new ways to make new money, and as a newer generation takes over the farms we should see better production and financial management strategies. • Tech availability will increase at decreased costs to farmers.
Value Chain Profitability	<ul style="list-style-type: none"> • Over supply of grain will reduce input costs for corn processors. • Corn processor profitability will normalize after we get through the droughts. • Corn processors will have more raw material to work with. Corn loss will displace wheat and soy. Easier to put biotech traits for corn. • Other crop processors will see prices and margins normalize.
Investment in Infrastructure	<ul style="list-style-type: none"> • My reasoning for the 5-year period is the same as my reasoning for the 1-year term. The problem is a long term issue.



Other Crops 5-Year Outlook: Supporting Research

RSF II Requirements



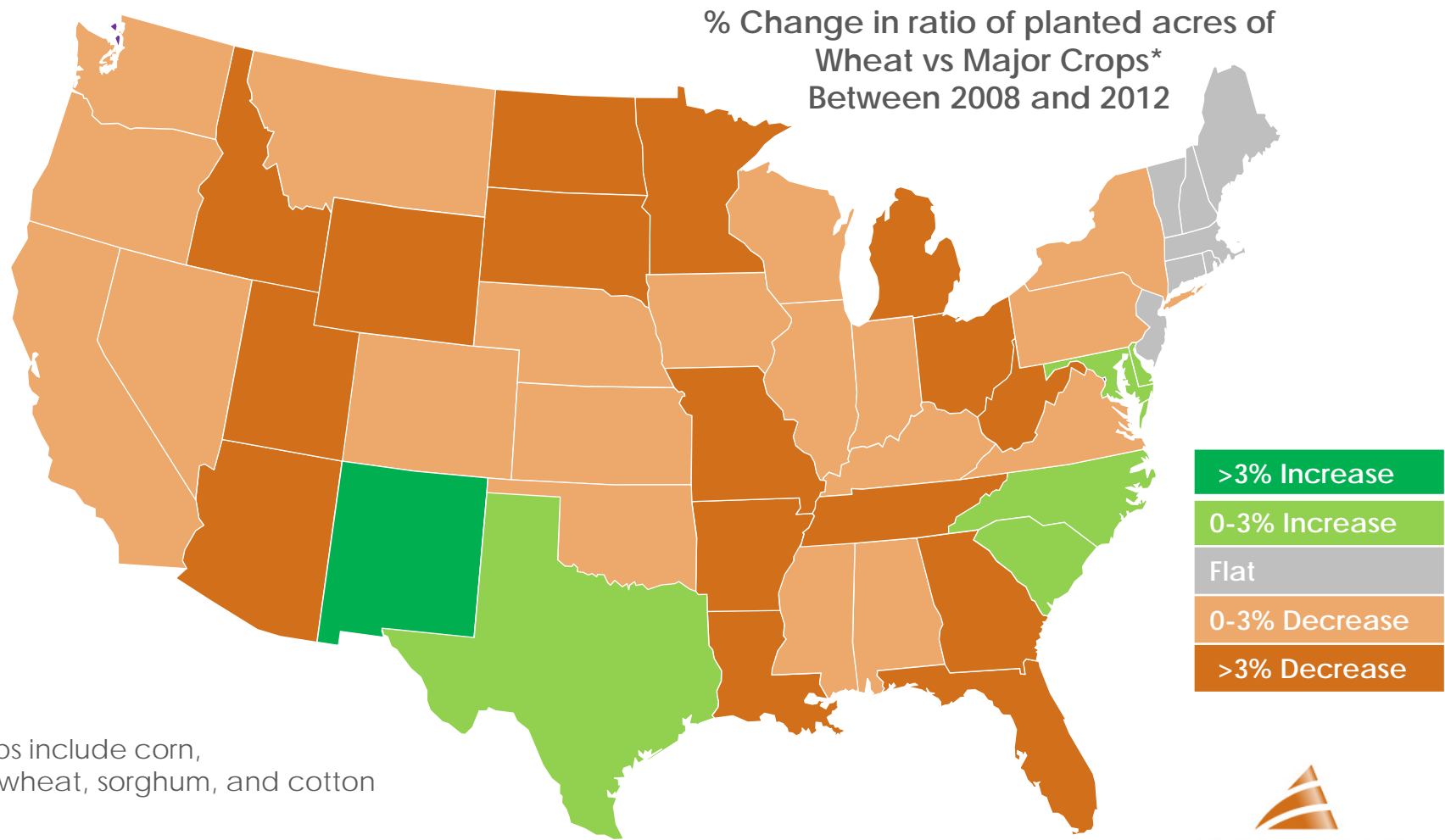
RFS II caps traditional grain-based ethanol production in favor of advanced biofuels.



ADAYANA[®]

Source: Adayana Analysis, Agricultural Marketing Resource Center, USDA ERS
<http://www.epa.gov/otaq/renewablefuels/420f09023.htm>

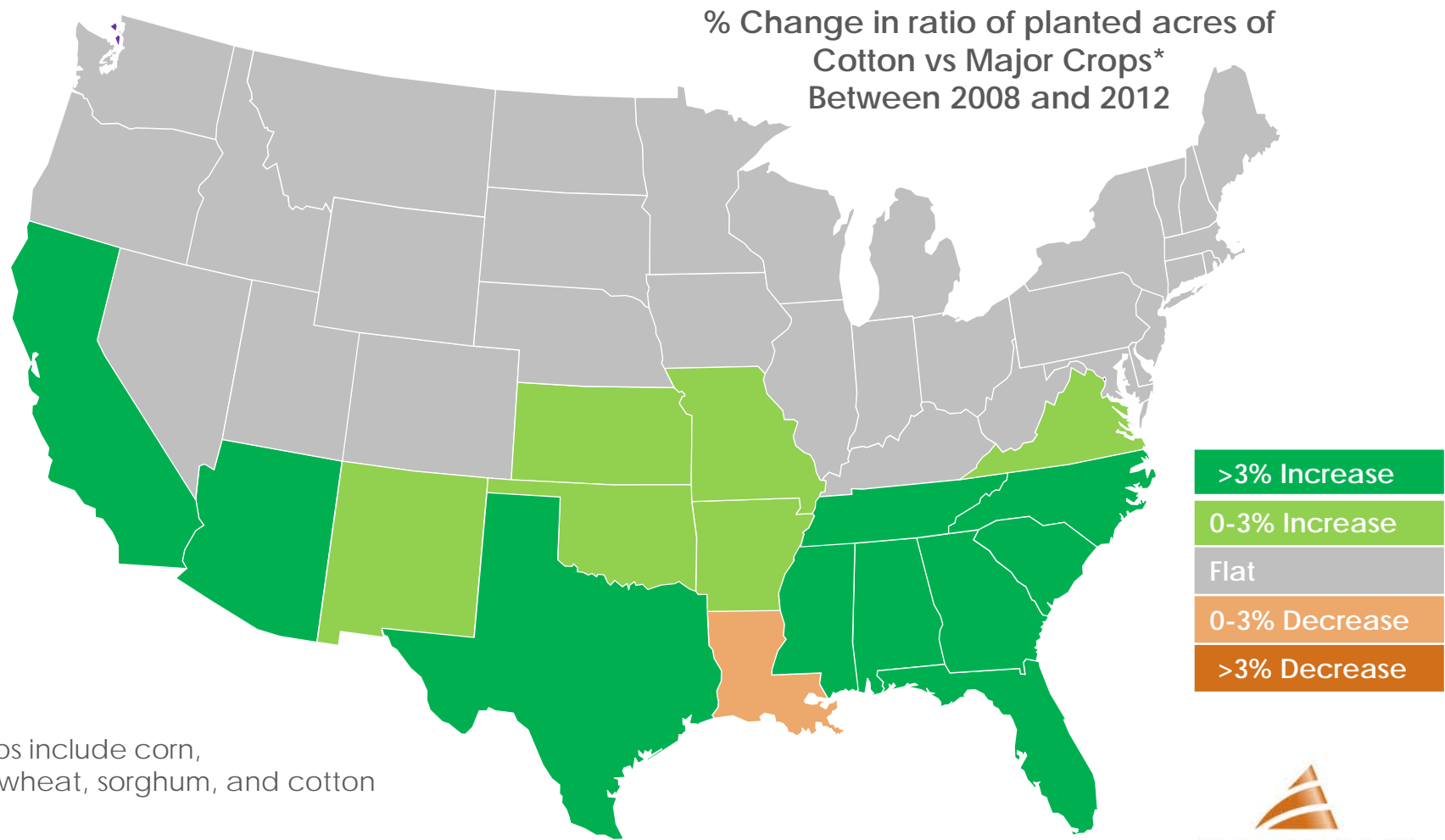
Other Crops 5-Year Outlook: Supporting Research



*Major Crops include corn, soybeans, wheat, sorghum, and cotton



Other Crops 5-Year Outlook: Supporting Research



*Major Crops include corn, soybeans, wheat, sorghum, and cotton



Round 10: Gap Analysis

1-Year to 5-Year Outlook

Soy Axis: 1-Year and 5-Year Index Values

Soy Axis Market Factors	Year 1	Year 5	Gap
• Soybean Consumption	0.48	0.64	0.18
• Technology Adoption	0.50	0.68	0.18
• Crop Acreage and Yield	0.79	0.89	0.10
• Investment in Research	0.68	0.777	0.09
• Value Chain Profitability	0.44	0.44	0.00
• Crush Capacity	0.24	0.22	-0.02
• Investment in Infrastructure	0.43	0.40	-0.04
• Status of Renewable Fuels	0.54	0.50	-0.04

Positive gap from the soy axis perspective indicates a more favorable scenario for soybeans while a negative indicates a decrease for that factor



Denotes factors that push index value up



Denotes factors that hold index value down

Soy: Round 10 Gap Analysis Summary of Year 1 and Year 5 Outlooks

Factor	Sub-Factors
Soybean Consumption	<ul style="list-style-type: none"> • U.S. exports for animal consumption • U.S. animal consumption • U.S. exports for industrial consumption • U.S. industrial consumption • U.S. meat consumption • U.S. exports for human consumption • China meat consumption • Rest of the world meat consumption
Technology Adoption	<ul style="list-style-type: none"> • Farmer adoption • Processor adoption
Crop Acreage and Yield	<ul style="list-style-type: none"> • U.S. Soybean planted acres • U.S. Soybean yields

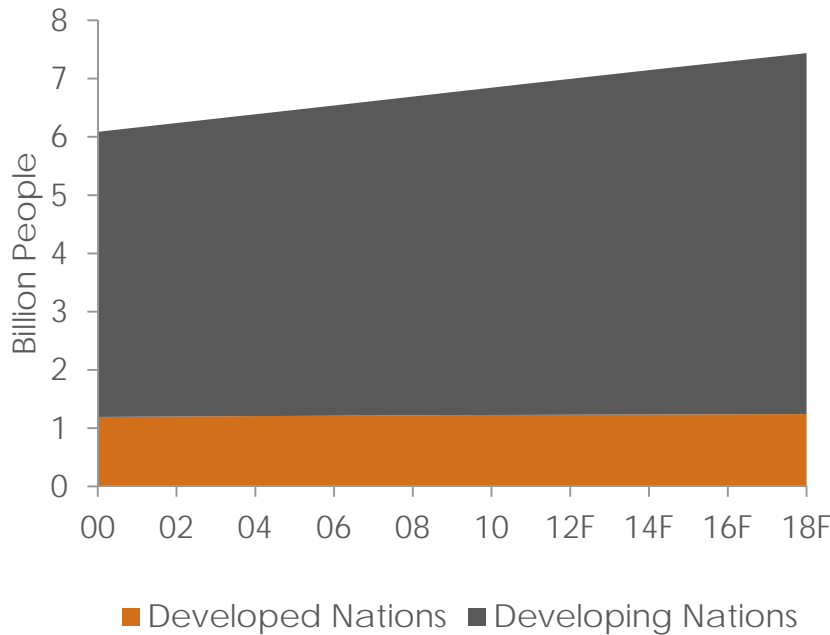


Soy: R10 1-Year and 5-Year Index Supporting Quotes

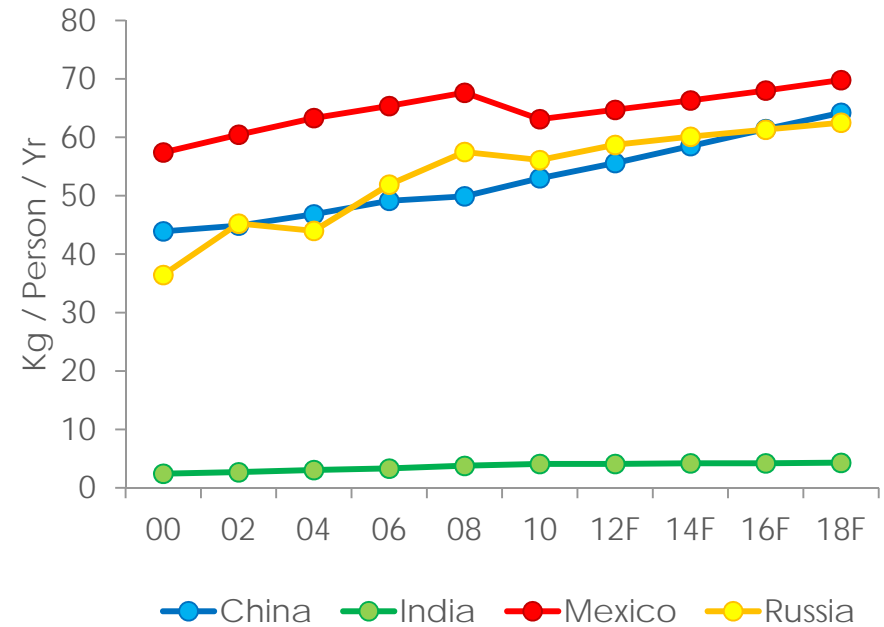
Factor	Supporting Quotes
Soybean Consumption	<ul style="list-style-type: none"> • Soy protein is a substitute for meat. Soy will offset the predicted meat consumption decrease. • Primary drivers will be population growth and the U.S. economic recovery. • High oleic soy will recapture market share. • Increased livestock feeding will be a factor. • Less corn will mean more SBM in the U.S. animal ag diets. • Basic economics: larger supply and lower prices. • Increasing U.S. corn ethanol DDGS is strong competition for soy. • Demand side for oil will go up. • Biodiesel demand will play a key role.
Technology Adoption	<ul style="list-style-type: none"> • In the long-term, there will be increase tech availability and perceived value, and decreased costs. • More stacked trait varieties are expected • Processor adoption will increase but at a slower rate overall compared to farmers. The U.S. processor industry is not a market maker but taker.
Crop Acreage and Yield	<ul style="list-style-type: none"> • There will continue to be strong demand for soy and thus higher prices. • Soy will see genetic yield improvement due to biotech innovations. • Current high soy prices will entice farmer to plant more acres. • Corn acreage will be down because we really need to rotate corn into soy,

Soy: Supporting Research

World Population Trend



Per Capita Meat Consumption

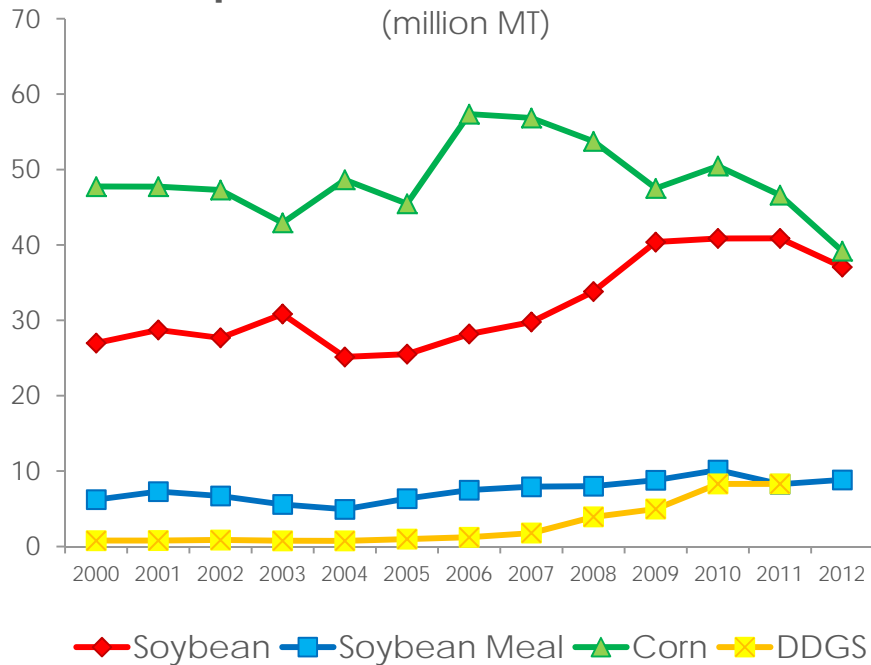


Approximately 97% of global population growth over the next 35 years will be in developing countries.

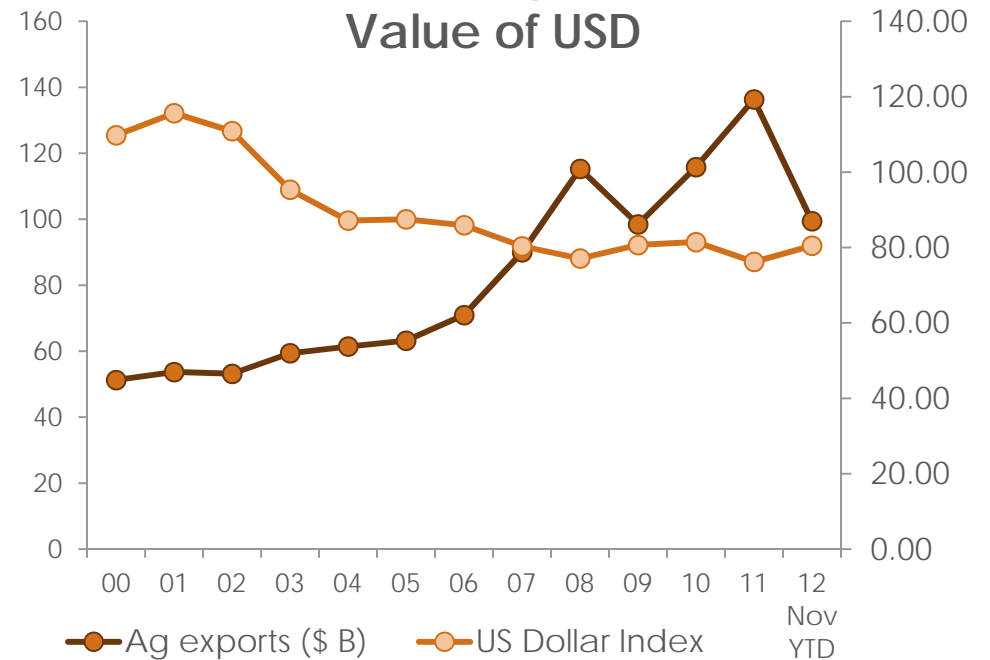


Soy: Supporting Research

Exports of U.S. Feed Grains (million MT)



Value of U.S. Ag Exports vs. Value of USD



Corn exports have decreased steadily since 2007. Exports of soybeans have been relatively stable with a slight drop in 2012. Soybean meal and DDGS have been fairly stable, with DDGS growing slightly in recent years.



Other Crops Axis: 1-Year and 5-Year Index Values

Other Crops Axis Market Factor	Year 1	Year 5	Gap
• Technology Adoption	0.65	0.88	0.23
• Status of Renewable Fuels	0.58	0.66	0.08
• Investment in Research	0.85	0.91	0.06
• Value Chain Profitability	0.56	0.56	0.00
• Crop Acreage and Yield	1.22	1.20	-0.03
• Investment in Infrastructure	0.54	0.46	-0.08

Positive gap from the other crops perspective indicates a more favorable scenario for other crops while a negative gap indicates a less favorable scenario for that factor



Denotes factors that push index value up



Denotes factors that hold index value down



Other Crops: Round 10 Gap Analysis Summary of Year 1 and Year 5 Outlooks

Factor	Sub-Factors
Technology Adoption	<ul style="list-style-type: none">• Farmer adoption• Processor adoption



Other Crops Year 1 and Year 5 Index

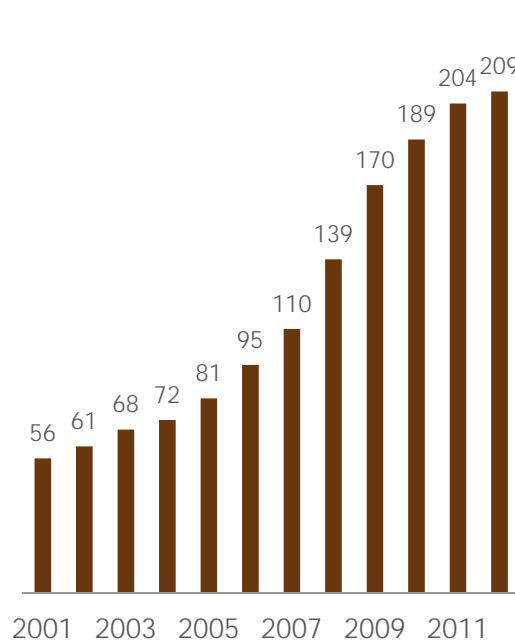
Supporting Quotes

Factor	Supporting Quotes
Technology Adoption	<ul style="list-style-type: none">• Farmers will need to find new ways to make new money, and as a newer generation takes over the farms we should see better production and financial management strategies.• Tech availability will increase at decreased costs to farmers.

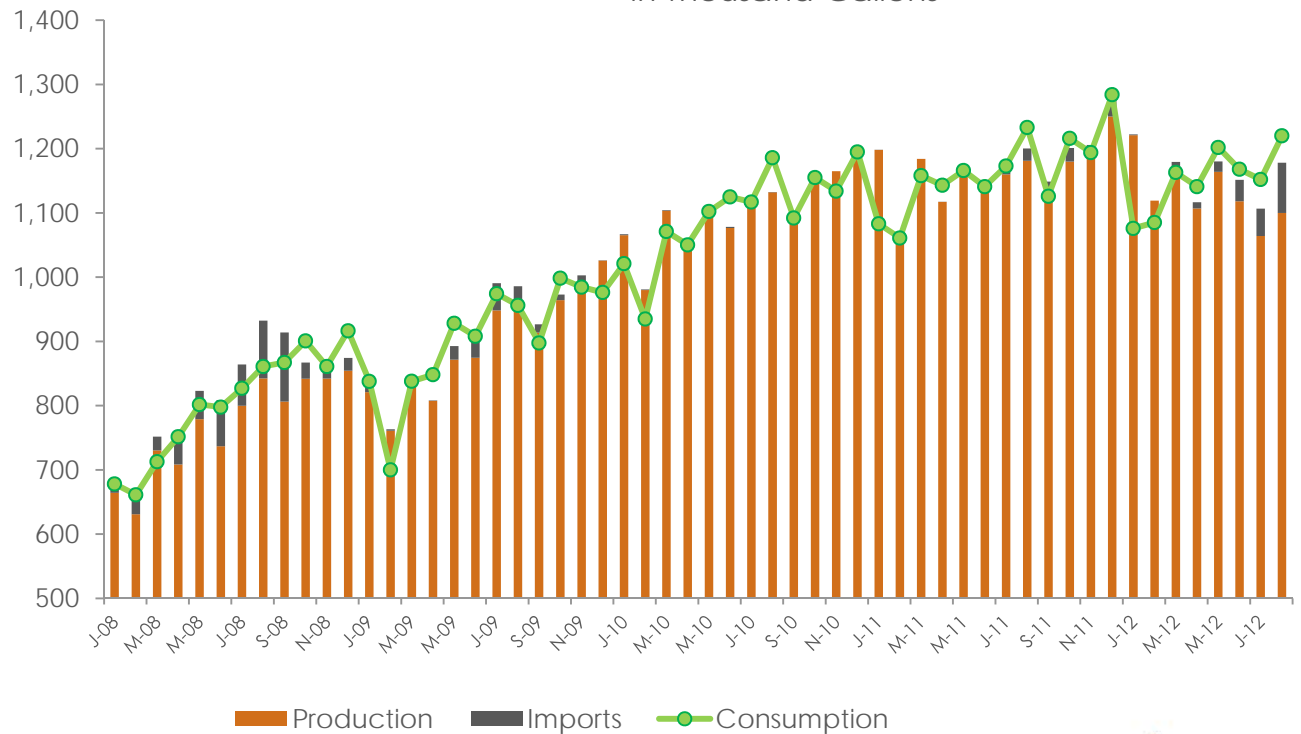


Other Crops: Supporting Research

U.S. Ethanol Plants

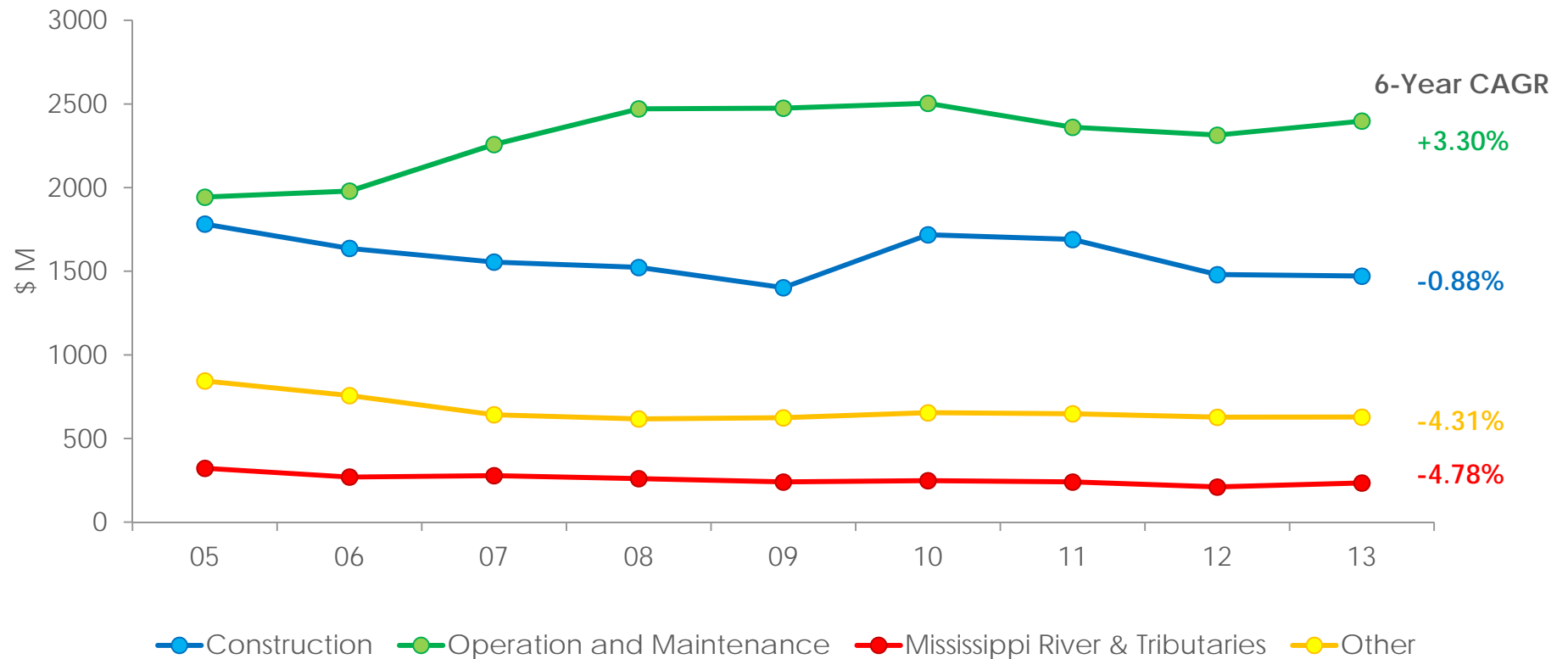


Monthly Ethanol Production in Thousand Gallons



Other Crops: Supporting Research

Historical Fiscal Year Budget for Civil Works



Strategies

Once the scenarios were identified, common strategies for shared success were developed

Anticipate

- Look for ways to improve the way things are done in the soybean industry and ensure improvements are adopted by providing incentives industry wide (i.e. - networks, relationships, and integration)
- Analyze, understand and prioritize customer wants and needs
- Lead global soy improvements by focusing R&D expenditures to improve yield, quality, and functionality of U.S. soy in food, feed, fuel and other end-user markets

Collaborate

- Promote mutually beneficial relationships and efforts to address environmental, regulatory, trade and other policy issues
- Work with related agricultural and complementary non-agricultural industries to improve infrastructure and logistics systems and develop global markets

Act

- Ensure policy framework that supports innovation, minimizes disruptive regulatory policies, and promotes producers' adoption of new technologies through early adopter incentives that will improve U.S. soy's competitiveness
- Encourage an infrastructure that enables all groups of U.S. soybean stakeholders to remain successful
- Continue to improve soy quality and processing systems
- Promote soy health and nutrition benefits, environmental sustainability and technology safety to global consumers of food, fuel and feed
- Support the viability and growth of animal agriculture, renewable energy and other soy-consuming industries



Strategies specific to the Shared Success scenario

Shared Success Scenario-Specific Strategies	Producer Role	Input Channel Role	Output Channel Role
Leverage the differential advantages of soy technology in a shared market environment by taking an active role in marketing, educating and promoting of the <u>comparative</u> soy technology and trait advantages to producers as well as industry and consumer stakeholders	Support	Leadership	Leadership
Influence favorable trade policies and trait adoption incentives through soy value chain and other crop industry collaboration and advocacy with legislators	Leadership	Support	Leadership
Focus greater resources and cooperation with non-soy crop stakeholders in specialized systems and innovations, including segregated processing, transportation, and storage mechanisms to maximize efficiencies in a multiple trait specific crop output environment	Support	Limited	Leadership
Leverage and protect a larger share of technology investment dollars and collaborate within the channel to ensure a large portion of dollars are focused on soy innovation	Support	Leadership	Leadership
Increase competitive intelligence efforts through collaboration with soybean value chain	Support	Leadership	Leadership
Create the foundation for aggressive innovation and efficient market sharing through collaborative influence of domestic and global policy and intellectual property rights protection	Support	Leadership	Leadership
Communicate the benefits of innovation for food, feed and fuel and other output uses and promote the use of environmentally-friendly processes in the development of new innovations	Limited	Leadership	Leadership
Foster profit management resources and incentives for producers to support attribute-specific soy adoption, production and marketing	Support	Leadership	Leadership