

# Bunge North America



## Virginia State Feed Association Conference And Nutritional Management “Cow” College



February 15-17, 2012  
Roanoke Virginia



U.S. Census Bureau People | Business | Geography | Measurement | Subjects Area | Search@Census

### U.S. POPClock Projection

You are here: [Data Library](#) / [U.S. and World Population Clocks](#) / U.S. POPClock

According to the U.S. Census Bureau, the resident population of the United States, projected to 01/31/12 at 15:00 UTC (EST+5) is

# 312,939,091

COMPONENT SETTINGS FOR JANUARY 2012  
 One birth every 9 seconds  
 One death every 12 seconds  
 One international migrant (net) every 46 seconds  
 Net gain of one person every 17 seconds

01/31/11 was 310,819,404 (added 2,119,687 YOY)



# World 6,991,365,792

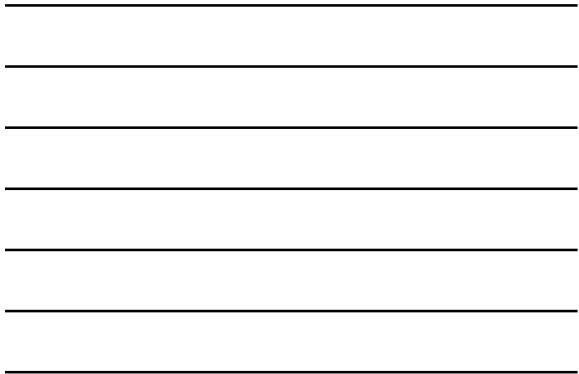
15:25 UTC (EST+5) Jan 31, 2012

YOY net gain of 91,422,326

### International Data Base World Vital Events

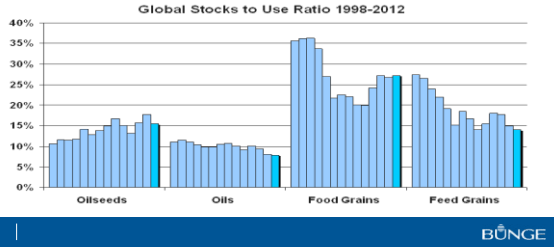
Time Unit	Births	Deaths	Natural Increase
Year	134,475,195	56,224,607	78,250,587
Month	11,206,266	4,686,391	6,520,876
Day	367,419	153,619	213,799
Minute	255	107	148
Second	4.3	1.8	2.5

2012 is a Leap Year. All figures are calculated based on a 366 day Leap Year.  
 Figures may not add to totals due to rounding.  
 Source: U.S. Census Bureau, International Data Base



Global Stocks Overall Increased in 2011 due to high prices

- Two years ago Ag commodities had to stay high due to FSU drought, back to back lower harvests in U.S.
- Approaching 2012 outlook is different; first time in five years the slant is lower as high prices stuck around for too long increasing world production numbers
- IF crops end up normal production in South America, will add to growing carryout in corn, soybeans, and wheat
- Argentine weather is now the wild card in stocks building



December USDA Report: World Supplies Higher

World wheat production record 689 million tonnes, up 6 percent from previous crop

- World corn crop record at 867.5 million tonnes
- World rice crop a record at 460.8 million tonnes
  - China grows record 191.75 million tonnes of corn, up 4 percent from last month and 8 percent larger than a year ago
  - Australia grew record 28.3 million tonne crop
  - Argentina wheat up 1.5 mmt to 14.50 mmt
  - Canada wheat up 1.1 mmt to 25.26 mmt
  - Brazil corn: 55-65 mmt
  - Ukraine corn: 11-17 mmt

Macros Put Investors on the Sidelines: \*MF Global customer: My entire account is missing\*

- Perfect storm on global macroeconomic basis worry commodity investors
- Ending of US QE2, and debt ceiling worries
- Will the US need QE3?
- Will Greece default; will the Eurodollar continue?
- MF Global bankruptcy highlights counter-party risk
- The House Agriculture Committee in Congress voted to subpoena Corzine to testify about MF Global's collapse
- Ag prices are cyclical, so the 2008-2011 year cycle could give way to where we work through lower priced end of the cycle; traders seem to be sitting on the sidelines for the moment



### Calendar year 2012-2014

- Volatile and challenging markets
- Highest correlation between Ags and bond, energies and other markets than ever before
- Macro weights continue to weigh on price action
- Lowest fund positions in Ags at end of 2011
- Futures/options ctrs.combined at end of 2011:
  - Corn: 51,462 long
  - Soybeans: 6,000 long
  - Wheat: 72,918 short
  - Fund interest in grains will depend on South American production outcome

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### US DISCUSSION



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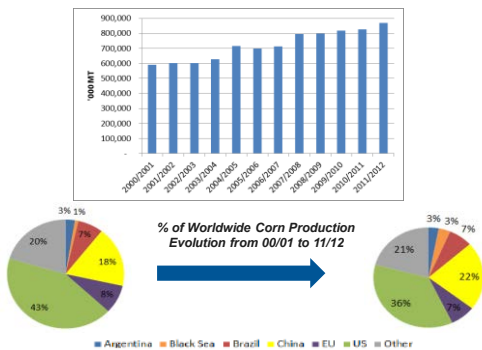
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### Worldwide Corn Production



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## USDA US Corn S&D Sep/Aug (MBU)

CORN - US BALANCE min bushels SEP/AUG					
	07/08	08/09	09/10	10/11	11/12
Planted Acres (Min Acres)	93.5	86.0	86.4	88.2	91.9
Harvested Acres	86.5	78.6	79.5	81.4	84.0
Percent Harvested	93%	91%	92%	92%	91%
Yield Bu/Acre	150.7	153.9	164.7	152.9	147.1
<b>Beg. Stocks</b>	1,304	1,624	1,673	1,708	1,127
Production	13,038	12,092	13,092	12,447	12,358
Imports	20	14	8	28	15
<b>Total Supply</b>	<b>14,362</b>	<b>13,729</b>	<b>14,774</b>	<b>14,183</b>	<b>13,500</b>
FSI	4,387	5,025	5,961	6,428	6,405
FSI for Fuel	3,049	3,709	4,591	5,021	5,000
FSI non for fuel	1,338	1,316	1,370	1,407	1,405
Feed and Residual	5,913	5,182	5,125	4,793	4,600
Exports	2,437	1,849	1,980	1,835	1,650
<b>Total Use</b>	<b>12,737</b>	<b>12,056</b>	<b>13,066</b>	<b>13,056</b>	<b>12,655</b>
Ending Stocks	1,624	1,673	1,708	1,127	845
Stocks to use%	12.8%	13.9%	13.1%	8.6%	6.7%
Stocks in Days of use	47	51	48	32	24

Source: USDA




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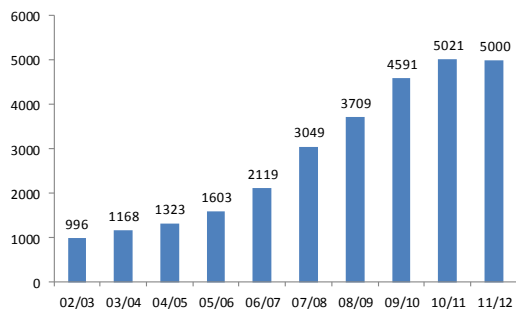
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## US Corn Use for Ethanol (MBU)



Source: USDA




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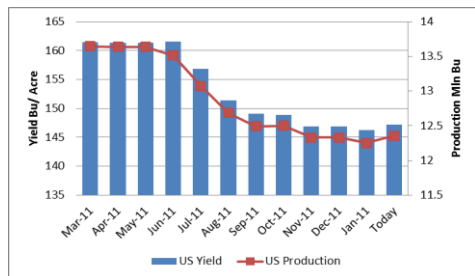
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## US Corn Yield & Production Evolution 2011/12




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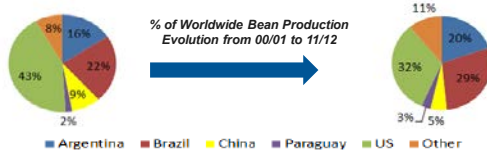
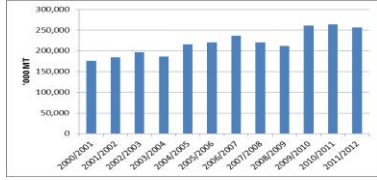
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### Worldwide Bean Production

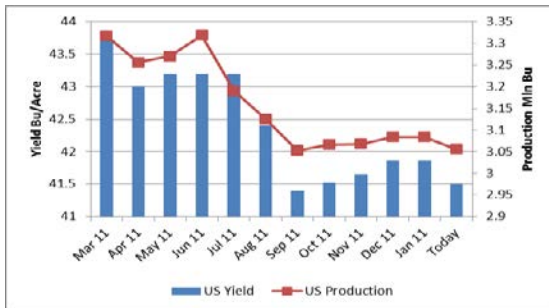


### USDA US Soybeans S&D

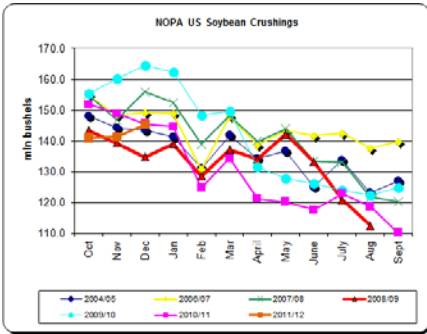
SOYBEANS - US BALANCE					
Mln bushels SEP/AUG					
	07/08	08/09	09/10	10/11	11/12
Planted Acres (Mln Acres)	64.7	75.7	77.5	77.4	75.0
Harvested Acres	64.1	74.7	76.4	76.6	73.6
Percent Harvested	99.1%	98.7%	98.5%	99.0%	1.0
Yield Bu/Acre	41.7	39.7	44.0	43.5	41.5
Beg. Stocks	574	205	138	151	215.0
Production	2,677	2,967	3,369	3,329	3056.0
Imports	10	13	15	14	15.0
Total Supply	3,261	3,185	3,512	3,495	3,286
Crush	1,801	1,662	1,752	1,648	1,615
Feed, Seed & Residual	93	106	110	130	120
Domestic Use	1,894	1,768	1,862	1,778	1,735
Exports	1,161	1,279	1,499	1,501	1,275
Total Use	3,056	3,047	3,361	3,280	3,011
Ending Stocks	205	138	151	215	275
Stocks to use%	6.7%	4.5%	4.5%	6.6%	9.1%
Stocks in Days of use	25	17	16	24	33

Source: USDA

### Soybean Yield & Production Evolution 2011/12 - US



### NOPA Crush



### USDA US Soyoil S&D

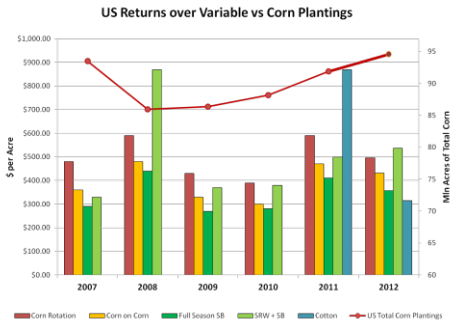
SOYBEAN OIL - US BALANCE					
Mln lbs OCT/SEP					
	07/08	08/09	09/10	10/11	11/12
Beg. Stocks	3,085	2,485	2,861	3,406	2,425
Production	20,568	18,745	19,615	18,888	18,605
Yield	11.42	11.28	11.20	11.57	11.45
Imports	65	90	103	159	185
<b>Total Supply</b>	<b>23,718</b>	<b>21,319</b>	<b>22,578</b>	<b>22,453</b>	<b>21,215</b>
Exports	2,908	2,193	3,359	3,233	1,200
Non Biodiesel Domestic Use	15,346	14,244	14,134	14,245	14,100
Biodiesel Use	2,981	2,021	1,680	2,550	3,600
<b>Total Use</b>	<b>21,235</b>	<b>18,459</b>	<b>19,173</b>	<b>20,028</b>	<b>18,900</b>
End. Stocks	2,483	2,861	3,406	2,425	2,315
Stocks to Use %	11.7%	15.5%	17.8%	12.1%	12.2%
Stocks in Days of use	43	57	65	44	45

### USDA US Soymeal S&D

SOYBEAN MEAL - US BALANCE					
T Short tons OCT/SEP					
	07/08	08/09	09/10	10/11	11/12
Beg. Stocks	346	294	235	302	350
Production	42,242	39,102	41,707	39,251	38,685
Yield	46.91	47.05	47.61	48.07	47.61
Imports	141	88	160	179	165
<b>Total Supply</b>	<b>42,729</b>	<b>39,484</b>	<b>42,101</b>	<b>39,731</b>	<b>39,200</b>
Exports	9,280	8,497	11,160	9,104	8,800
Domestic	33,155	30,752	30,640	30,277	30,100
<b>Total Use</b>	<b>42,435</b>	<b>39,249</b>	<b>41,800</b>	<b>39,381</b>	<b>38,900</b>
End. Stocks	294	235	302	350	300
Stocks to Use %	0.7%	0.6%	0.7%	0.9%	0.8%
Stocks in Days of use	3	2	3	3	3



## Returns vs Variable




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## Corn/Bean




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## SAM DISCUSSION

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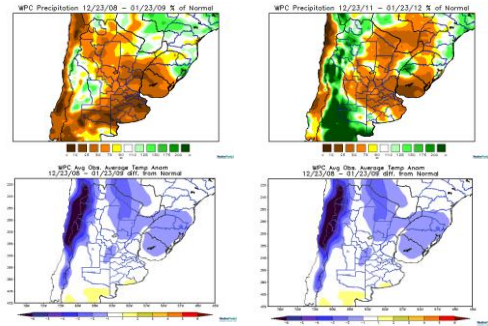
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### Argentinian Weather 08/09 vs 11/12




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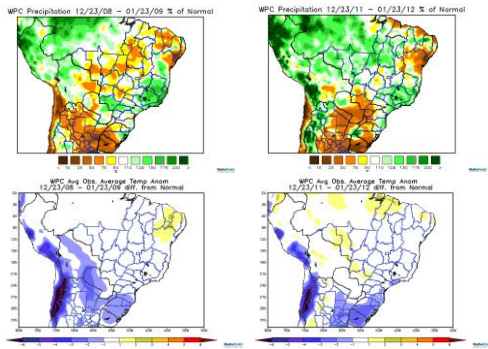
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### Brazilian Weather 08/09 vs 11/12




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### USDA Brazil Corn S&D Jan/Dec (MMT)

CORN - BRAZIL BALANCE					
mln mt - JAN/DEC					
	07/08	08/09	09/10	10/11	11/12
Harvested Area	14.70	14.10	12.93	13.30	13.50
Yield mt/ha	3.99	3.62	4.34	4.14	4.22
<b>Beg. Stocks</b>	3.6	12.6	12.1	10.0	8.7
<b>Production</b>	58.6	51.0	56.1	55.0	57.0
<b>Imports</b>	0.7	1.1	0.4	1.0	1.0
<b>Total Supply</b>	<b>62.9</b>	<b>64.7</b>	<b>68.6</b>	<b>66.0</b>	<b>66.7</b>
<b>FSI</b>	6.5	7.0	7.0	7.0	7.0
<b>Feed and Residual</b>	36.0	38.5	40.0	41.8	43.5
<b>Exports</b>	7.8	7.1	11.6	8.5	8.0
<b>Total Use</b>	<b>50.3</b>	<b>52.6</b>	<b>58.6</b>	<b>57.3</b>	<b>58.5</b>
<b>Ending Stocks</b>	<b>12.6</b>	<b>12.1</b>	<b>10.0</b>	<b>8.7</b>	<b>8.2</b>
Stocks to use%	25.0%	23.0%	17.0%	15.2%	14.0%
Stocks in Days of use	91	84	62	55	51

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### USDA Argentina Corn S&D Mar/Feb (MMT)

CORN - ARGENTINA BALANCE					
mIn mt - MAR/FEB					
	07/08	08/09	09/10	10/11	11/12
<b>Harvested Area</b>	3.41	2.50	2.75	3.20	3.40
<b>Yield mt/ha</b>	6.45	6.20	8.47	6.88	7.65
<b>Beg. Stocks</b>	1.5	1.9	0.7	0.7	1.1
<b>Production</b>	22.0	15.5	23.3	22.0	26.0
<b>Imports</b>	0.0	0.0	0.0	0.0	0.0
<b>Total Supply</b>	<b>23.5</b>	<b>17.5</b>	<b>24.0</b>	<b>22.7</b>	<b>27.1</b>
<b>FSI</b>	1.9	1.9	1.9	2.0	2.1
<b>Feed and Residual</b>	4.9	4.5	5.0	5.1	5.5
<b>Exports</b>	14.8	10.3	16.5	14.5	18.5
<b>Total Use</b>	<b>21.6</b>	<b>16.7</b>	<b>23.4</b>	<b>21.6</b>	<b>26.1</b>
<b>Ending Stocks</b>	1.9	0.7	0.7	1.1	1.0
<b>Stocks to use %</b>	9.0%	4.4%	2.8%	4.9%	3.7%
<b>Stocks in Days of use</b>	33	16	10	18	14

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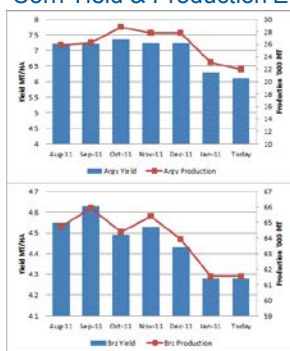
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### Corn Yield & Production Evolution 2012/13 – SAM



- Weather conditions of hot / dry continue to negatively impact crop yield in Argentina, Paraguay, and southern Brazil

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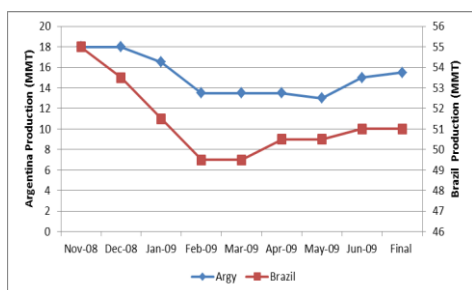
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### SAM Drought in 2009 – Production MMT



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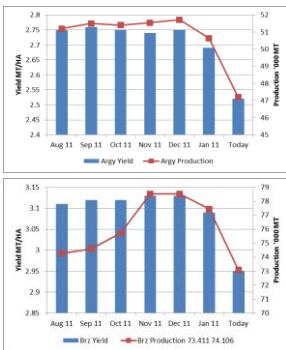
### USDA Brazil Soybean S&D

BRAZIL SOYBEAN BALANCE					
1000's MT					
Oct/Sep	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012
HARVESTED Area 1000 Hectares	21,300	21,700	23,500	24,200	25,000
YIELD mt/hectares	2.86	2.66	2.94	3.12	2.96
Beginning Stocks	18,189	18,898	12,037	15,836	22,189
Production	61,000	57,800	69,000	75,500	74,000
Imports	150	44	174	37	50
<b>TOTAL SUPPLY</b>	<b>79,339</b>	<b>76,742</b>	<b>81,211</b>	<b>91,373</b>	<b>96,239</b>
FSR	2,960	2,850	3,097	3,300	3,400
Exports	25,364	29,987	28,578	29,951	39,000
Crush	32,117	31,868	33,700	35,933	36,475
<b>TOTAL DISAPPEARANCE</b>	<b>60,441</b>	<b>64,705</b>	<b>65,375</b>	<b>69,184</b>	<b>78,875</b>
<b>CARRY OUT</b>	<b>18,898</b>	<b>12,037</b>	<b>15,836</b>	<b>22,189</b>	<b>17,364</b>
Stocks to Use	31.3%	18.6%	24.2%	32.1%	22.0%
Stocks Express in Days of Use	114	68	88	117	80

### USDA Argentina Soybean S&D

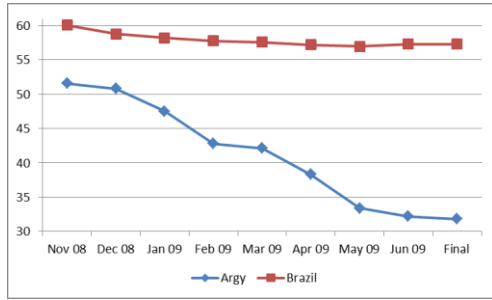
ARGENTINA SOYBEAN BALANCE					
1000's MT					
Oct/Sep	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012
HARVESTED Area 1000 Hectares	16,371	16,000	16,600	18,300	18,700
YIELD mt/hectares	2.82	2.00	2.93	2.68	2.70
Beginning Stocks	22,606	21,760	16,588	22,277	22,850
Production	46,200	32,000	54,500	49,000	50,500
Imports	2,954	1,241	1	13	-
<b>TOTAL SUPPLY</b>	<b>71,760</b>	<b>55,001</b>	<b>71,089</b>	<b>71,290</b>	<b>73,350</b>
FSR	1,554	1,500	1,597	1,623	1,650
Exports	13,839	5,590	13,088	9,205	9,800
Crush	34,607	31,243	34,127	37,612	39,500
<b>TOTAL DISAPPEARANCE</b>	<b>50,000</b>	<b>38,413</b>	<b>48,812</b>	<b>48,440</b>	<b>50,950</b>
<b>CARRY OUT</b>	<b>21,760</b>	<b>16,588</b>	<b>22,277</b>	<b>22,850</b>	<b>22,400</b>
Stocks to Use	43.5%	43.2%	45.6%	47.2%	44.0%
Stocks Express in Days of Use	159	158	167	172	161

### Bean Yield & Production Evolution SAM Current



- Yield and Production decreases just starting to take shape as weather progress and crop tours show the damage that was done from the hot/dry weather

## SAM Drought in 2009 – Yield Evolution



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## LIVESTOCK

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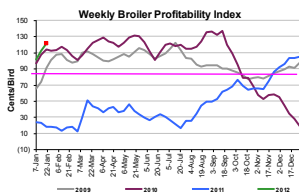
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## Chicken Margins

- Margins climb higher as a result of:
  - Decreased feed costs
  - Increased meat prices



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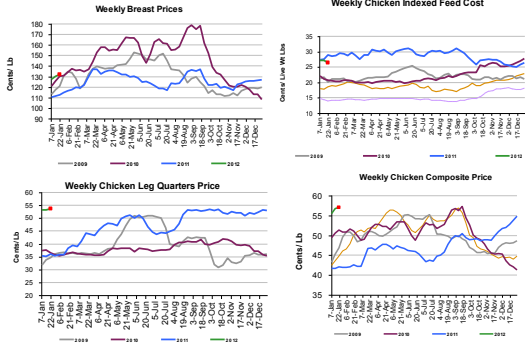
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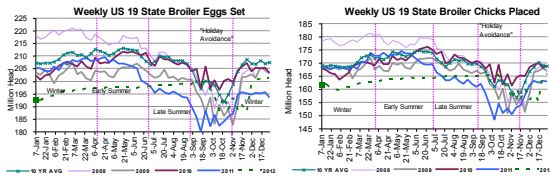
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## Price Breakdown

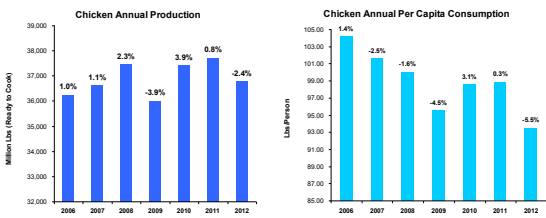


## Continued Low Placement

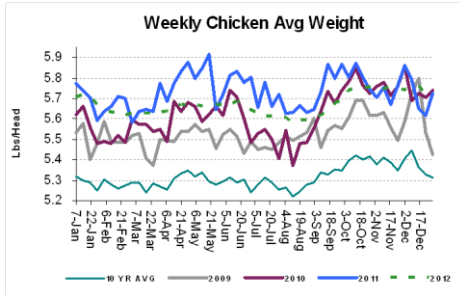


Depending on slaughter weights, low placements now will lead to lower production for Q1 2012

## Poultry Production and Consumption

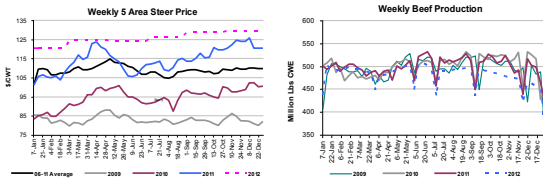


### Production Break Down



### Cattle

- Futures prices are supported by expectation of less production in 2012



### Pigs

- 2012 Margins are expected to be profitable as prices stay high from strong export demand

