BUNGE

Commodities Outlook

Virginia State Feed Association / Virginia Tech Nutrition Cow College

February 2011

BUNGE

Macro View

U.S. Census Bureau

People | Business | Geography | Newsroom | Subjects A to Z | Search@Census

U.S. POPClock Projection

You are here: Census.gov > U.S. and World Population Clocks > U.S. PopClock

According to the U.S. Bureau of the Census, the resident population of the United States, projected to 02/14/11 at 19:22 UTC (EST+5) is

310,819,404

COMPONENT SETTINGS FOR FEBRUARY 2011

One birth every	7 seconds
One death every	11 seconds
One international migrant (net) every	40 seconds
Net gain of one person every	14 seconds

World 6,899,943,466

19:27 UTC (EST+5) Feb 14, 2011

U.S. Census Bureau

World Vital Events

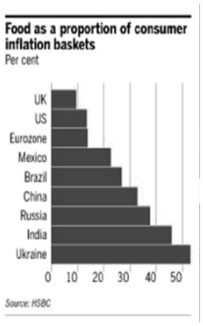
World Vital Events Per Time Unit: 2011

(Figures may not add to totals due to rounding)

Time unit	Births	Deaths	Natural increase
Year	132,697,074	56,260,324	76,436,750
Month	11,058,090	4,688,360	6,369,729
Day	363,554	154,138	209,416
Hour	15,148	6,422	8,726
Minute	252	107	145
Second	4.2	1.8	2.4

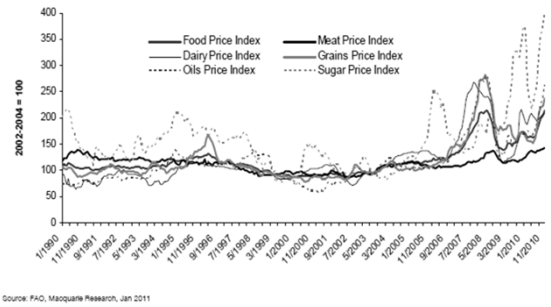
Rising World Demand for Food

- In Asia food makes up 34.5 percent of consumer prices versus 15 percent in the U.S.
- In Mexico food makes up 22.7 per cent of the consumer price index – far lower than the percentage food weightings for Brazil (27), Russia (38), India (46) or China (33), while Ukraine has a weighting of more than 50 percent.
- In countries such as India and Vietnam the cost of rice alone has a bigger impact on inflation levels than energy costs
  - A 20% increase in rice prices regionally adds 1.5 percentage points to inflation while a 50% jump adds 3.7 percentage points



BUNGE | 5

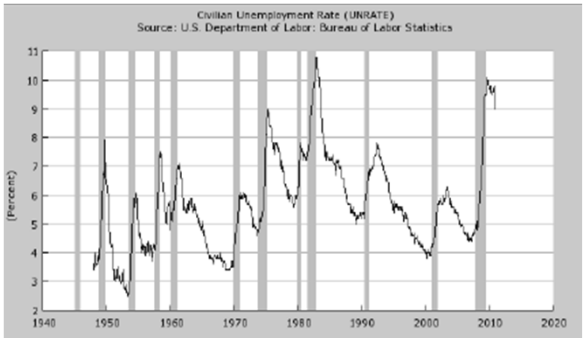
Agflation – Agricultural prices in the past 2 decades



Source: FAO, Macquarie Research, Jan 2011

BUNGE | 6

Unemployment Rate in the US



BUNGE | 7

Soybeans and Products

BUNGE | 8

US Soybeans S&D

SOYBEANS - US BALANCE
Mln bushels SEP/AUG

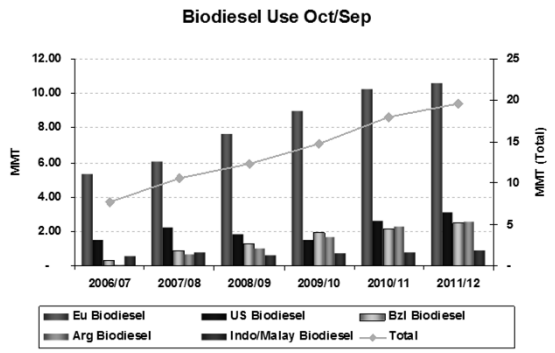
	05/06	06/07	07/08	08/09	09/10	10/11
Planted Acres (Mln Acres)	72.0	75.5	64.7	75.7	77.5	77.4
Harvested Acres	71.3	74.6	64.1	74.7	76.4	76.6
Percent Harvested	99.0%	98.8%	99.1%	98.7%	98.6%	99.0%
Yield Bu/Acre	43.0	42.7	41.8	39.7	44.0	43.5
Beg. Stocks	256	449	574	205	138	151
Production	3,063	3,188	2,677	2,967	3,359	3,329
Imports	3	9	10	13	15	15
Total Supply	3,322	3,646	3,261	3,185	3,512	3,495
Crush	1,739	1,806	1,801	1,662	1,752	1,655
Feed, Seed & Residual	194	148	93	106	108	110
Domestic Use	1,933	1,954	1,894	1,768	1,860	1,765
Exports	940	1,118	1,161	1,279	1,501	1,590
Total Use	1,933	3,072	3,055	3,047	3,361	3,355
Ending Stocks	449	574	205	138	151	140
Stocks to use%	23.2%	18.7%	6.7%	4.5%	4.5%	4.2%
Stocks in Days of use	85	68	25	17	16	15

US Soil Oil S&D

SOYBEAN OIL - US BALANCE
Mln lbs OCT/SEP

	05/06	06/07	07/08	08/09	09/10	10/11
Beg. Stocks	1,699	3,010	3,085	2,485	2,861	3,358
Production	20,387	20,487	20,568	18,745	19,614	19,000
Yield	11.72	11.34	11.42	11.28	11.20	11.48
Imports	35	37	65	90	103	115
Total Supply	22,121	23,534	23,718	21,320	22,578	22,473
Exports	1,153	1,889	2,908	2,193	3,357	2,700
Non Biodiesel Domestic Us	16,404	15,797	15,346	14,252	14,182	14,200
Biodiesel Use	1,555	2,763	2,981	2,013	1,681	2,900
Total Use	16,404	20,449	21,235	18,458	19,220	19,800
End. Stocks	3,010	3,085	2,483	2,861	3,358	2,673
Stocks to Use %	18.3%	15.1%	11.7%	15.5%	17.5%	13.5%
Stocks in Days of use	67	55	43	57	64	49

Biodiesel Use Oct/Sep

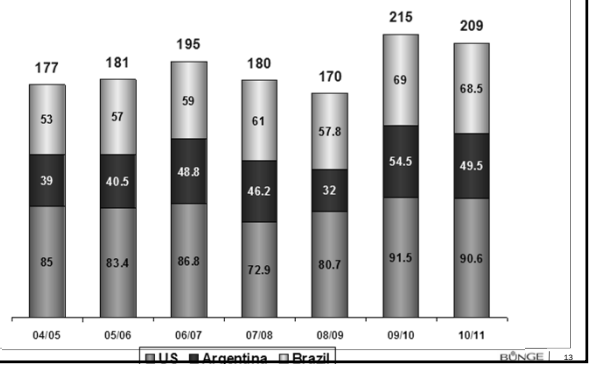


US Soybean Meal S&D

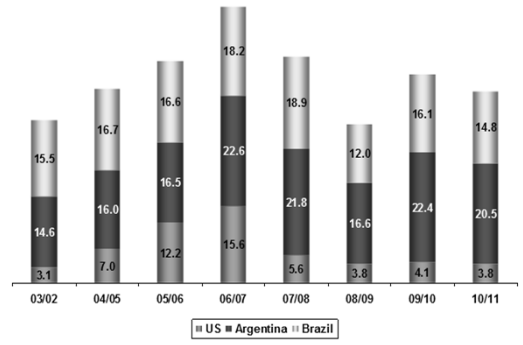
SOYBEAN MEAL - US BALANCE
T Short tons OCT/SEP

	05/06	06/07	07/08	08/09	09/10	10/11
Beg. Stocks	172	314	346	294	235	302
Production	41,244	43,027	42,242	39,102	41,700	39,533
Yield	47.43	47.65	46.91	47.05	47.60	47.77
Imports	141	156	141	88	160	165
Total Supply	41,557	43,497	42,729	39,484	42,095	40,000
Exports	8,048	8,786	9,280	8,497	11,175	9,200
Domestic	33,195	34,360	33,155	30,752	30,619	30,500
Total Use	41,243	43,146	42,435	39,249	41,794	39,700
End. Stocks	314	351	294	235	302	300
Stocks to Use %	0.8%	0.8%	0.7%	0.6%	0.7%	0.8%
Stocks in Days of use	3	3	3	2	3	3

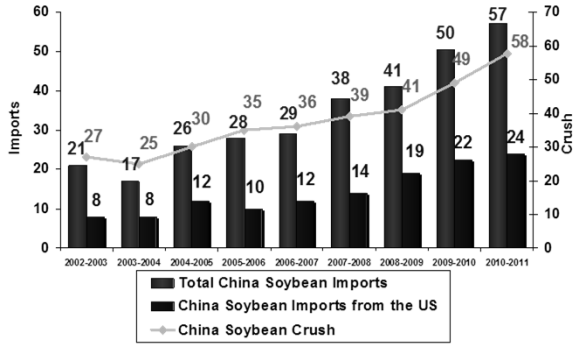
Soybeans Major Origins Production MMT



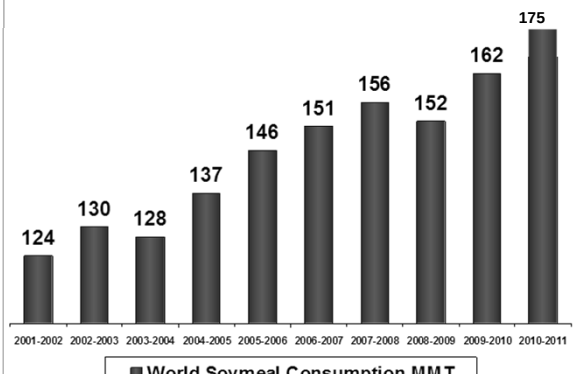
Soybean Major Origins Stocks MMT



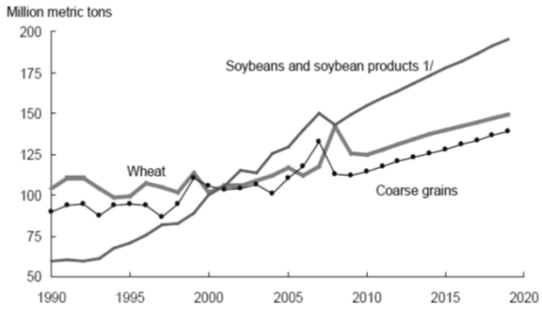
China Soybeans MMT Oct/Sep



World Soymeal Consumption MMT Oct/Sep



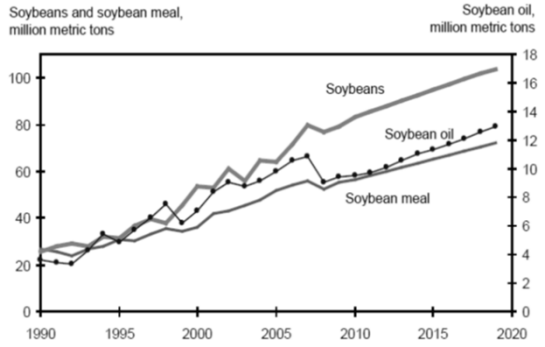
Global trade: Wheat, coarse grains, and soybeans and soybean products



1/ Soybeans and soybean meal in soybean-equivalent units.

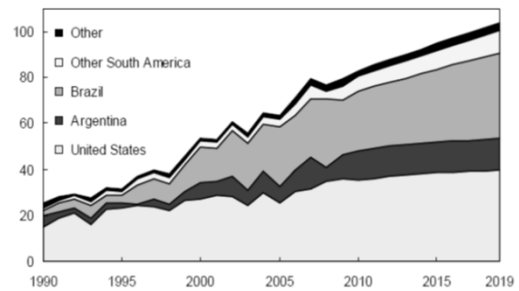
BUNGE 17

Global exports: Soybeans, soybean meal, and soybean oil



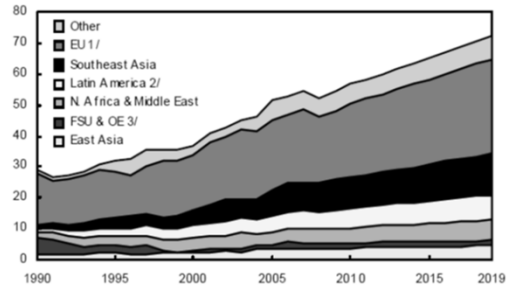
BUNGE 18

Global soybean exports



BUNGE 19

Global soybean meal imports

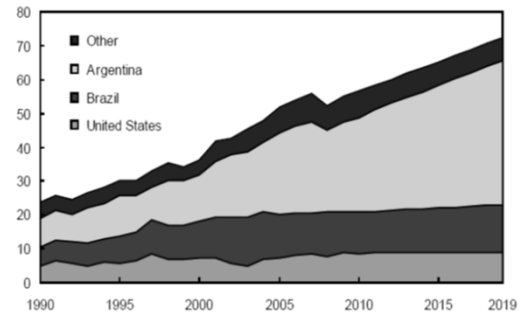


1/ Excludes intra-EU trade.
2/ Includes Mexico. 3/ Former Soviet Union and other Europe; prior to 1999, includes Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia.

BUNGE 20

Global soybean meal exports

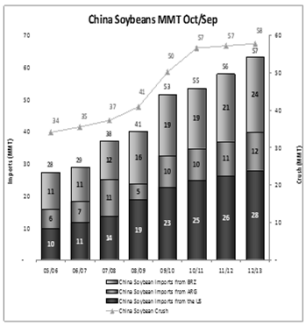
Million metric tons



BUNGE | 21

Global Demand Predominately China to Meet Oil and Protein Needs

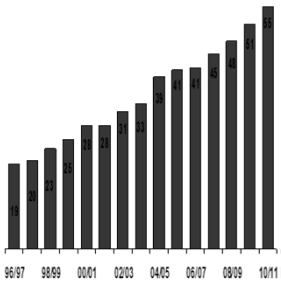
- China accounted for 70 percent of US bean exports since Sep. 1 but private estimates see China bean imports slowing from 60 mmt to 55 mmt
  - China has been less active in looking for old crop beans as their domestic margins have weakened and they have ample stocks in port
  - Wild card could be Argentina if production drops, sending China back to US after Brazil is sold out this spring



BUNGE | 22

Chinese Needs Soybeans for Meal Consumption

- China continues to build crush plants
- China's production of pork, poultry, and eggs grew by less than 50% from 1998-2008, while soybean imports grew more than six times over this period; inclusion of protein meal is critical factor behind soybean demand
- Meal consumption grew 1 mmt from 1970-1990 – now at an estimated 31.7 mmt an increase of 3000% in 18 years
- Chinese consumption in 2009 surpassed the EU-27 as the largest meal consuming market in the world, up 7.9% from 1996-2010/11



BUNGE | 23

Grains & Biofuels

BUNGE | 24

US Corn S&D MBU

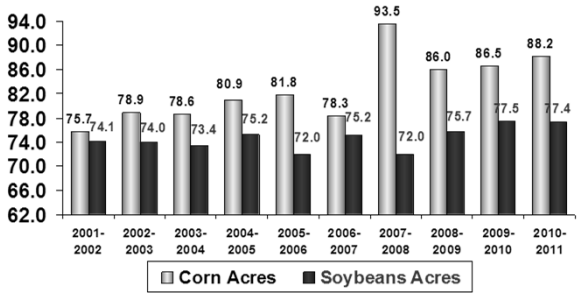
CORN - US BALANCE
mln bushels SEP/AUG

	05/06	06/07	07/08	08/09	09/10	10/11
Planted Acres (Mln Acres)	81.8	78.3	93.5	86.0	86.4	88.2
Harvested Acres	75.1	70.6	86.5	78.6	79.5	81.4
Percent Harvested	92%	90%	93%	91%	92%	92%
Yield Bu/Acre	147.9	149.1	150.7	153.9	164.7	152.8
Beg. Stocks	2,114	1,967	1,304	1,624	1,673	1,708
Production	11,112	10,531	13,038	12,092	13,093	12,447
Imports	9	12	20	14	8	20
Total Supply	13,235	12,510	14,362	13,730	14,774	14,175
FSI	2,982	3,490	4,387	4,953	5,939	6,280
FSI for Fuel	1,603	2,119	3,049	3,677	4,568	4,900
FSI non for fuel	1,378	1,371	1,338	1,276	1,371	1,380
Feed and Residual	6,125	5,562	5,913	5,246	5,140	5,200
Exports	2,161	2,154	2,437	1,858	1,987	1,950
Total Use	11,268	11,207	12,737	12,057	13,066	13,430
Ending Stocks	1,967	1,304	1,624	1,673	1,708	745
Stocks to use%	17.5%	11.6%	12.8%	13.9%	13.1%	5.5%
Stocks in Days of use	64	42	47	51	48	20

Source: USDA

25

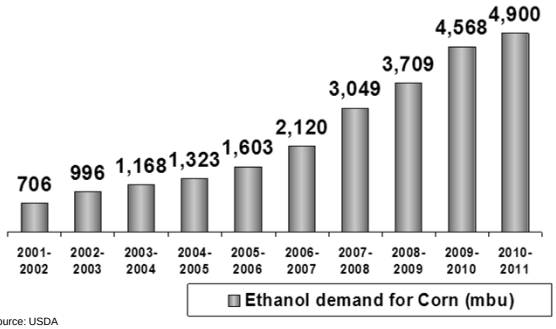
US Corn vs. Soybean Acreage - Mln Acres



Source: USDA

26

US Ethanol Demand for Corn MBU Sep/Aug



Source: USDA

27

US Ethanol Facilities

28

Dried Distillers Grains in Feed Rations

- 5 - 6 years ago, inclusion near zero
- Estimated average inclusion rates:

Beef Cattle	40%
Dairy Cows	35%
Swine	30%
Layers	15%
Broilers	8%

Key Takeaways Going Forward

- The cheap U.S.dollar, Bio-Fuel demand, high crude oil prices, increased world-wide economic growth, and supply disruptions have created a near perfect storm of high commodity prices, fueled by speculation, fear and hoarding.
- The March 31st corn and soybean plantings intention report will give us our first glance at the acreage battle that we are going to experience this crop year.
- We need to get people back to work and our economy back on its feet with real jobs.
- Per NOAA, 2010 tied 2005 as the warmest year on record, but 2010 was also was the wettest year on record. Meteorologists and climatologists are trying to explain how/why this La Nina year is so different and how they all missed projections. Some have moved on, citing a long history of 18 year drought cycles with 2011 being the year for the next major US drought. Texas corn planting typically starts in Feb, but will be delayed till March due to cold soil temps. We cannot afford any weather event this year.
- World production is growing but to rebuild stock surpluses we need genetic technology plus yield growth before we see any significant reductions in price volatility. High prices are here for at least 2 more years.
- Weather, politics, world economies, spec money, fundamentals, China. battle for acres, extremely tight ending stocks, and SA needs to finish their crop
- We continue to analyze "out of control" balance sheets, fight for acres, but if you listen hard enough you can hear whispers of 50 MMT in Argentina and 71.5 MMT in Brazil. We shall see.

Questions?