

# *World Cereal , Oilseed & Pork Outlook*

September 19, 2006



INTERNATIONAL AGRIBUSINESS GROUP, L.L.C.

*Pork*



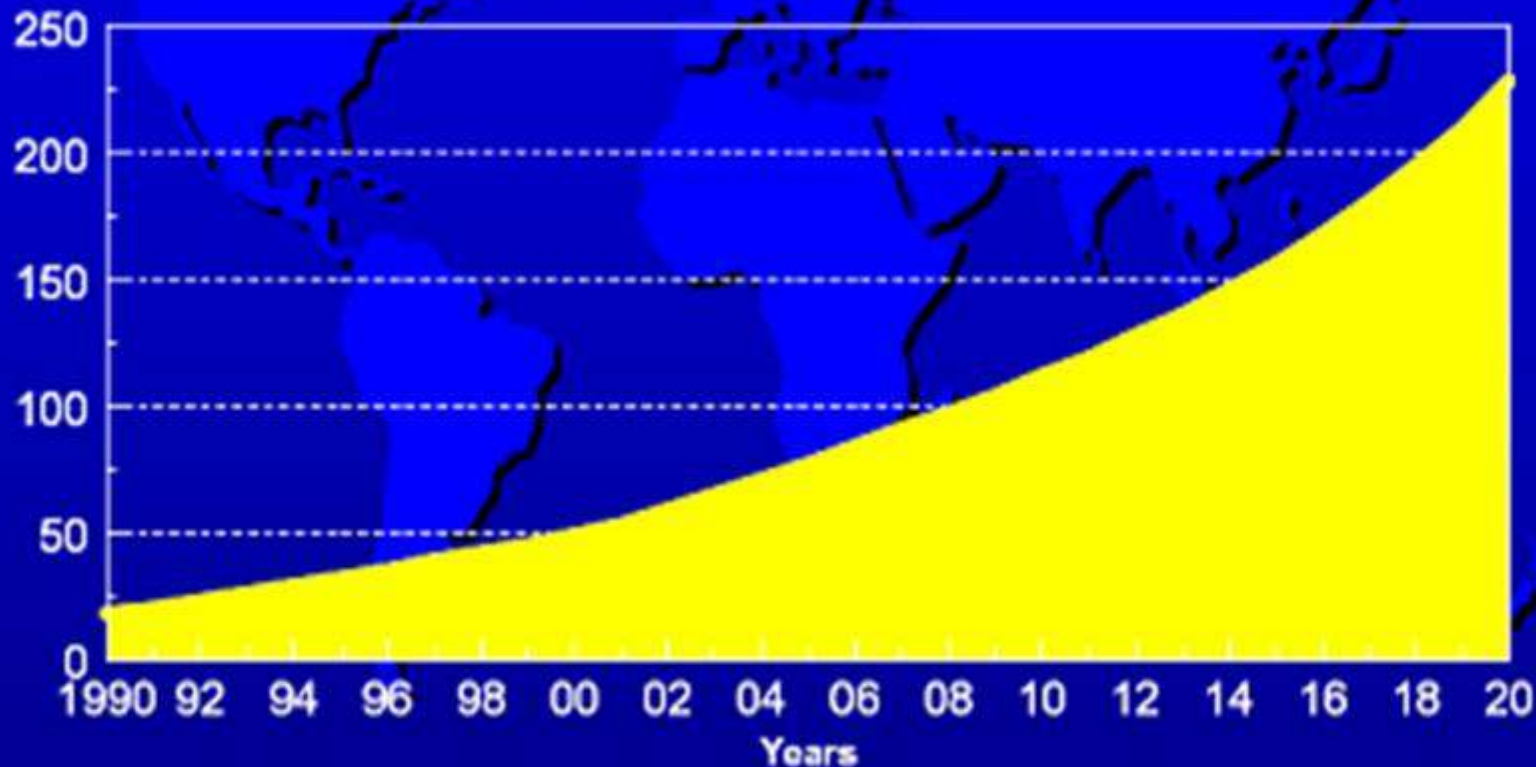
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# Rapid Expansion of China's Middle Class

*By 2020, there could be 229 million middle class households, up from 49 million in 2000, transforming China's food market and boosting imports.*

*By 2020, China will have 500 million households. 45% will have incomes sufficient to buy most food products exported by the U.S., up from just 14% in 2000.*

Millions of households w/real PPP incomes over \$20k

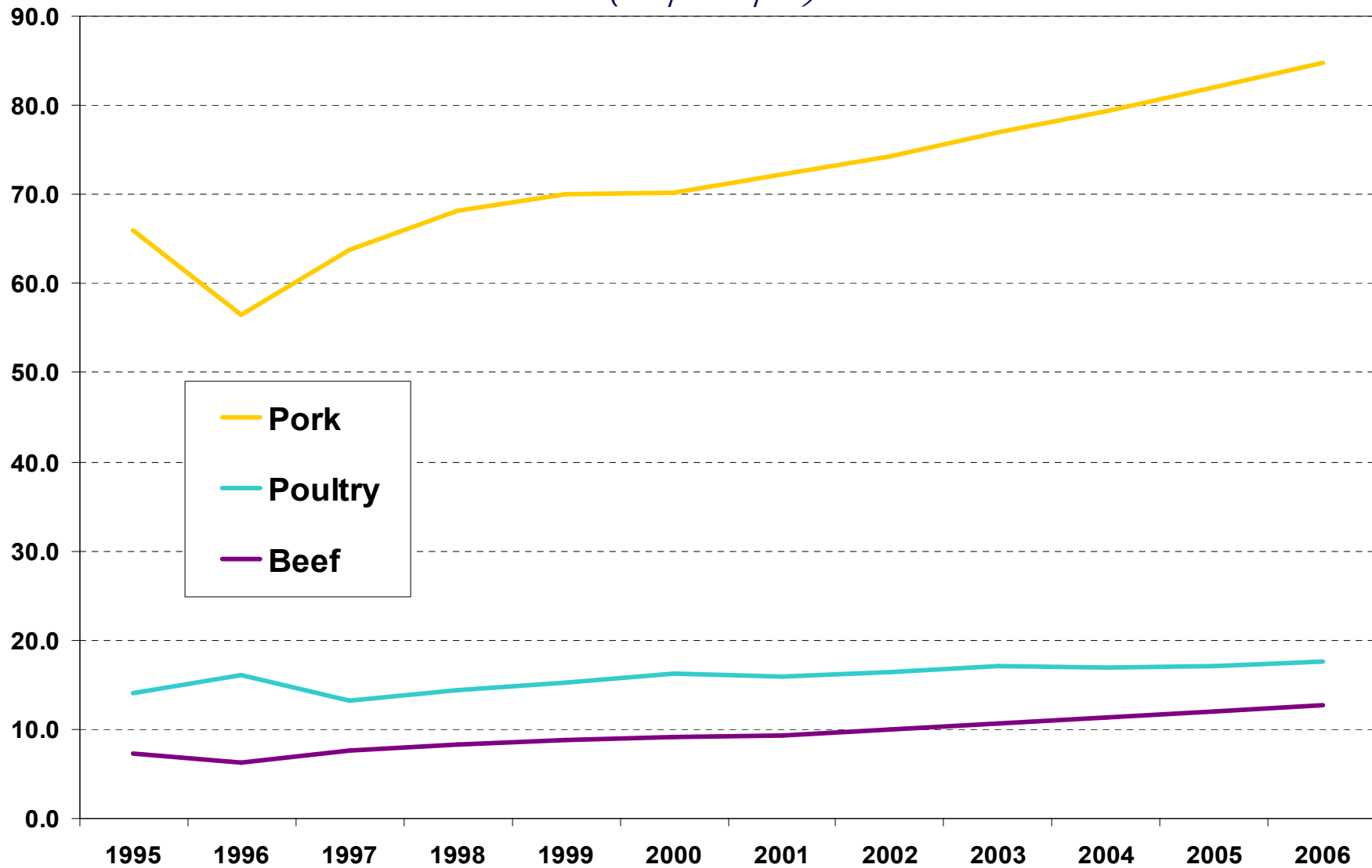


Middle class defined as households having real PPP adjusted incomes over \$20k

Source: Global Insight's Global Consumer Markets Service

# China: Per Capita Protein Consumption

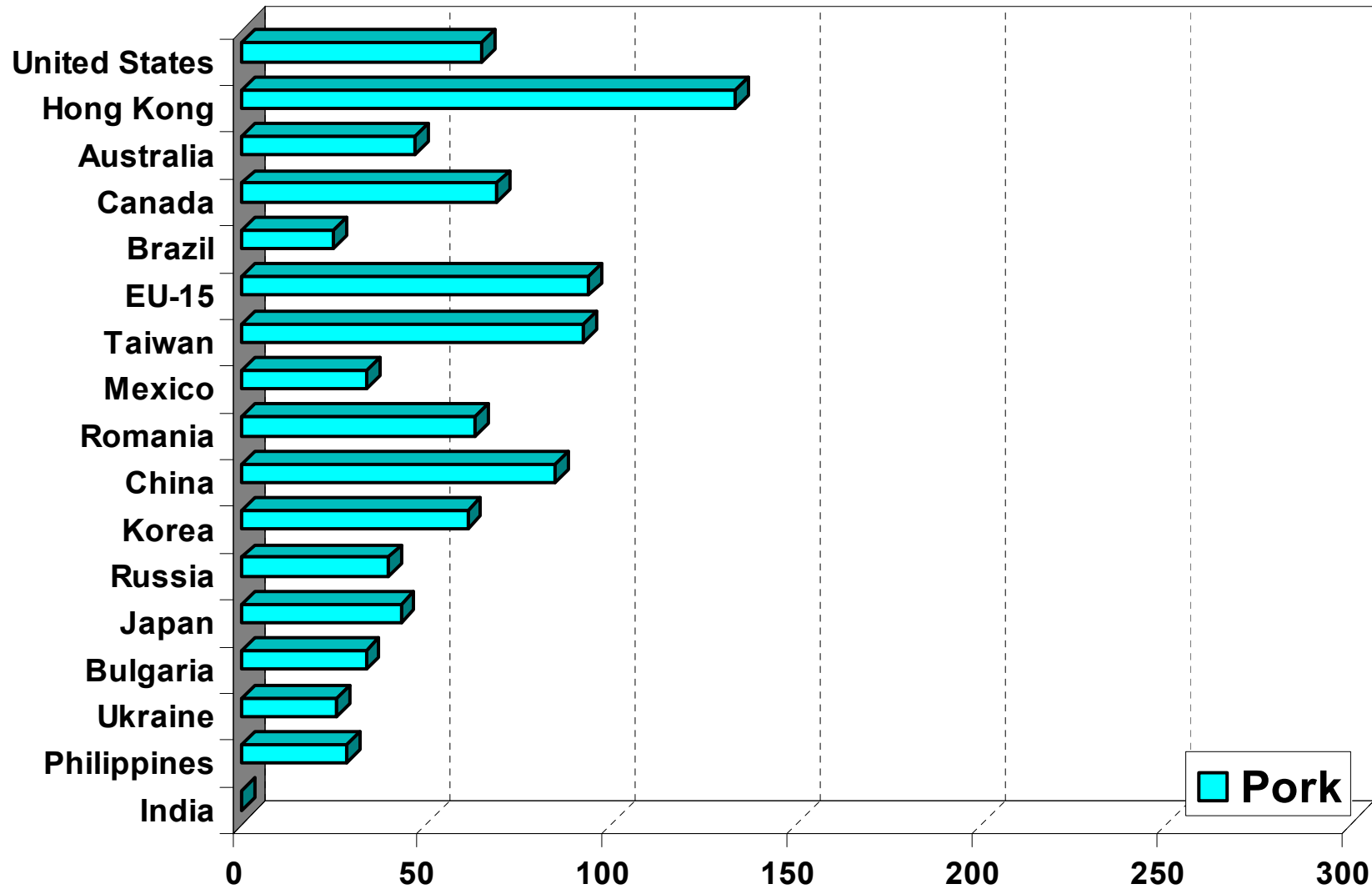
*(lbs per capita)*



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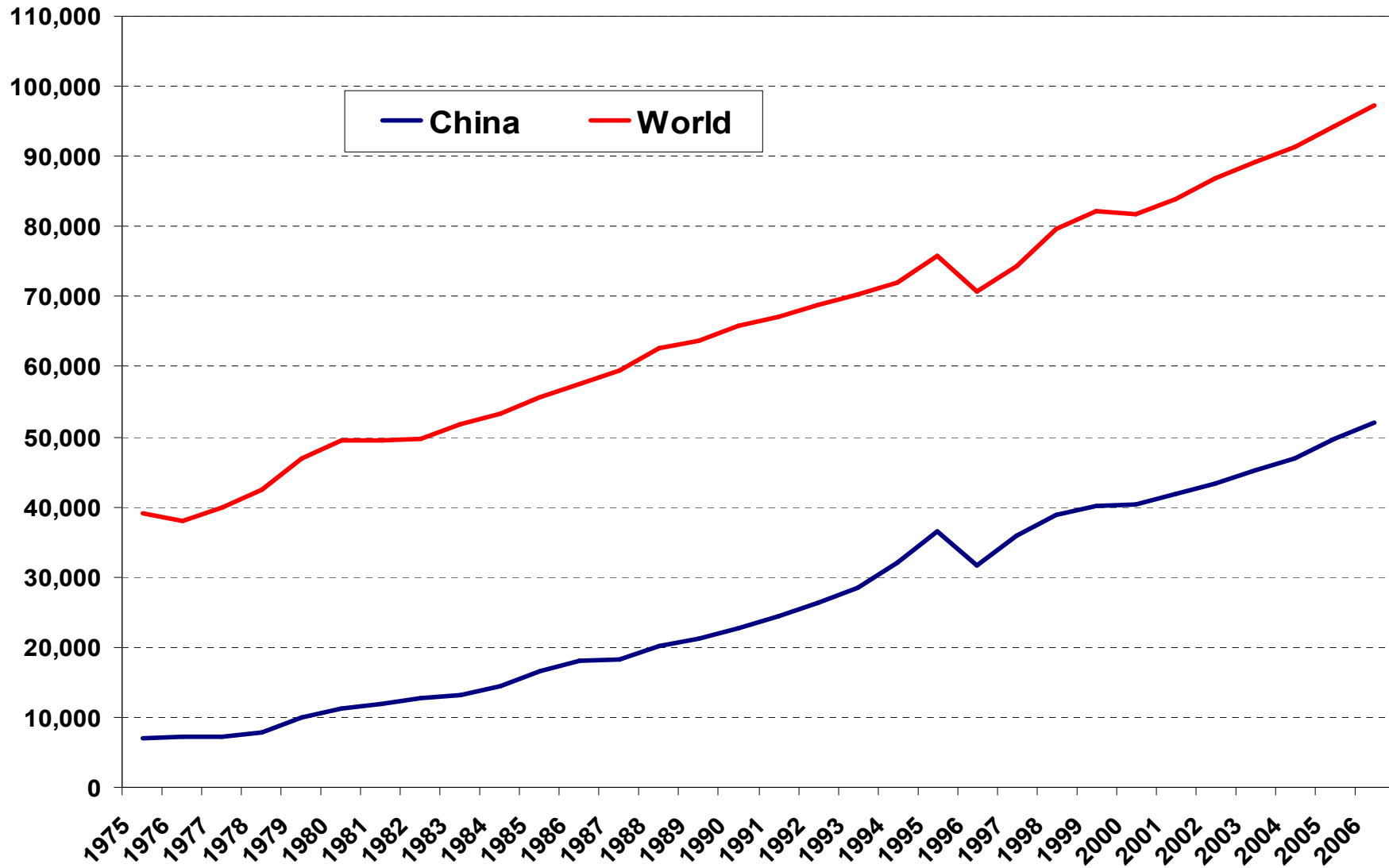
# Yearly Per Capita Protein Consumption

*(lbs per capita)*



# Pork Production

(000 MT)



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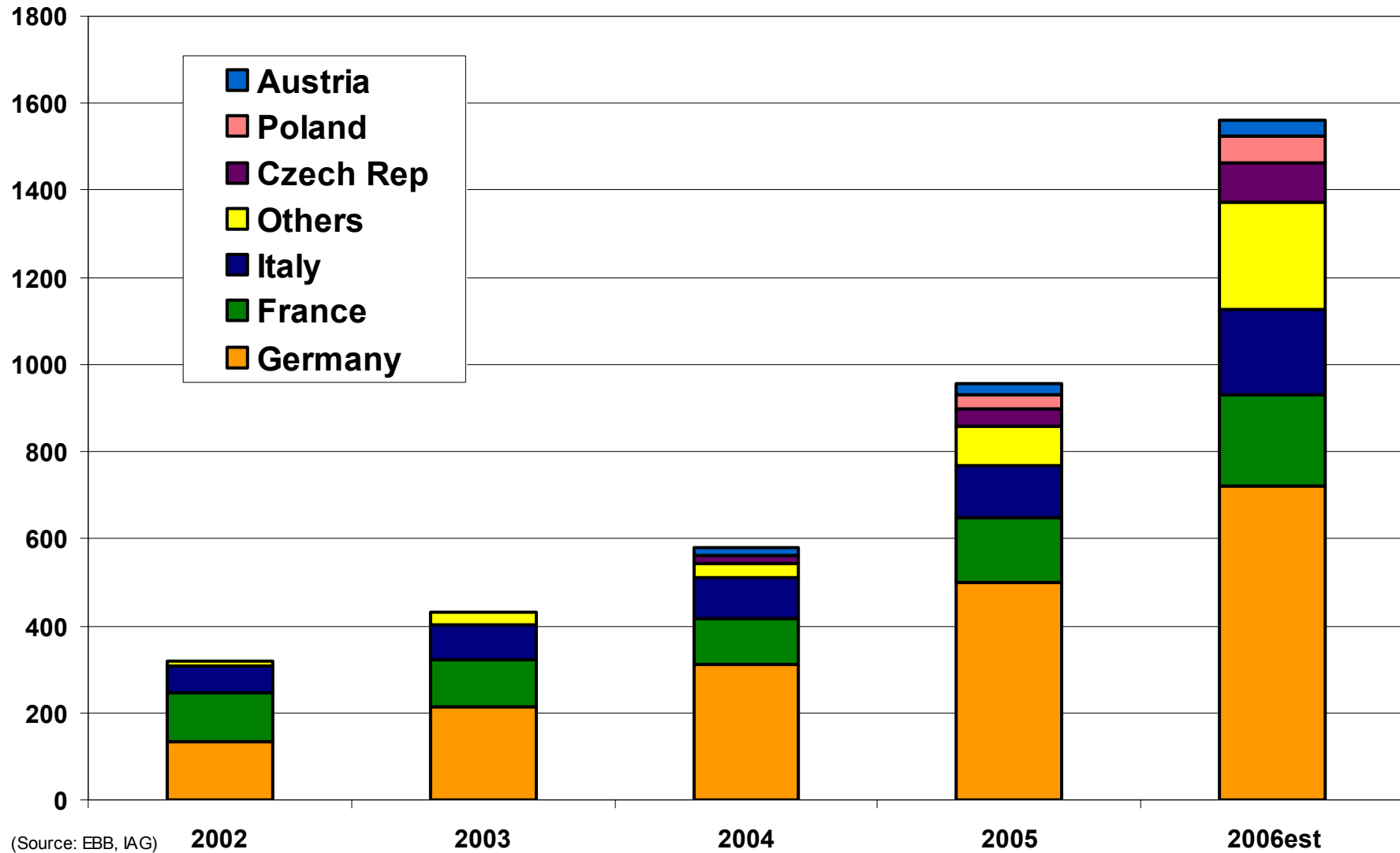
# *Bio-Fuels*



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# EU-25 Biodiesel Production

*(million gallons)*



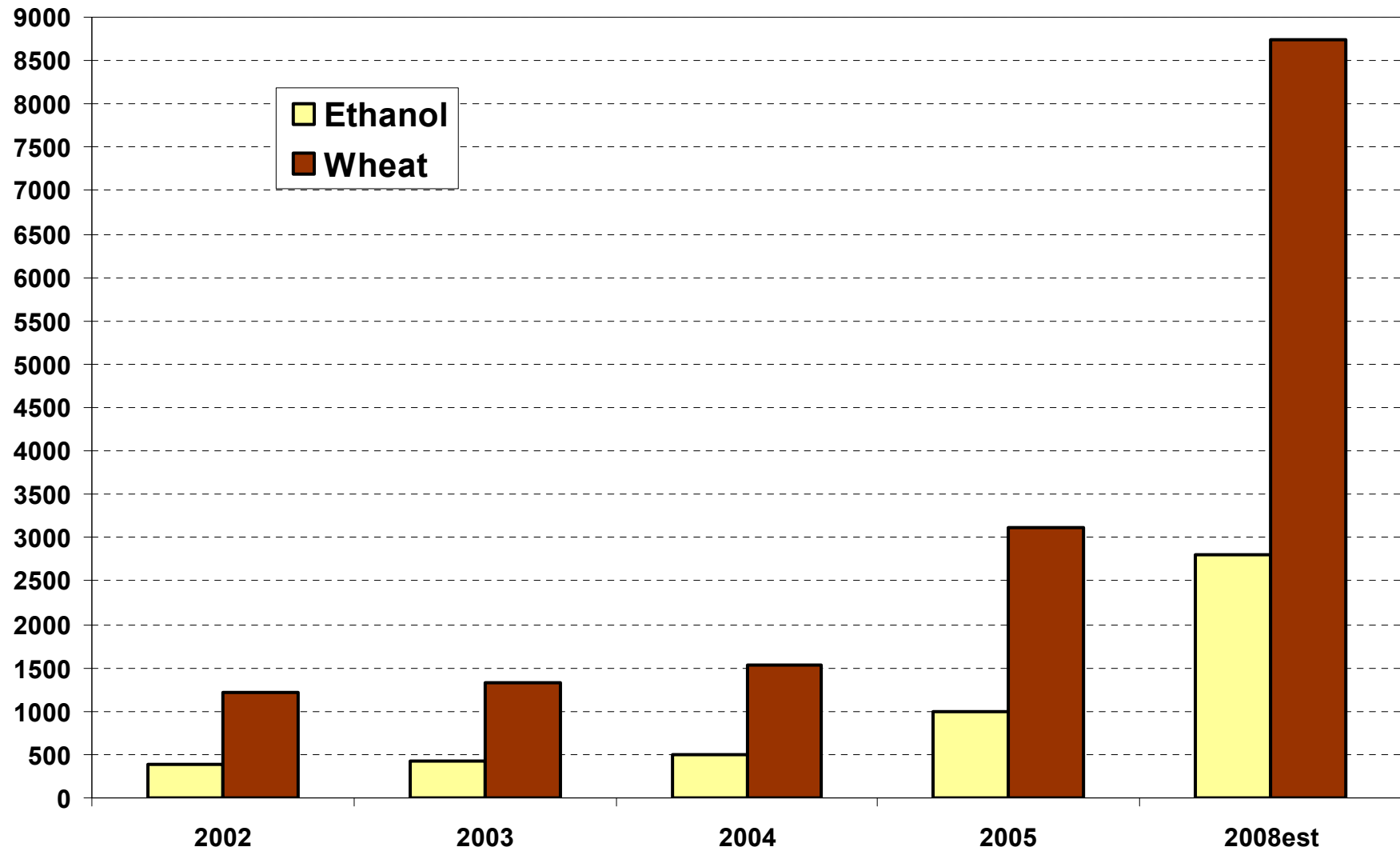
(Source: EBB, IAG)



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# EU-25 Wheat for Ethanol

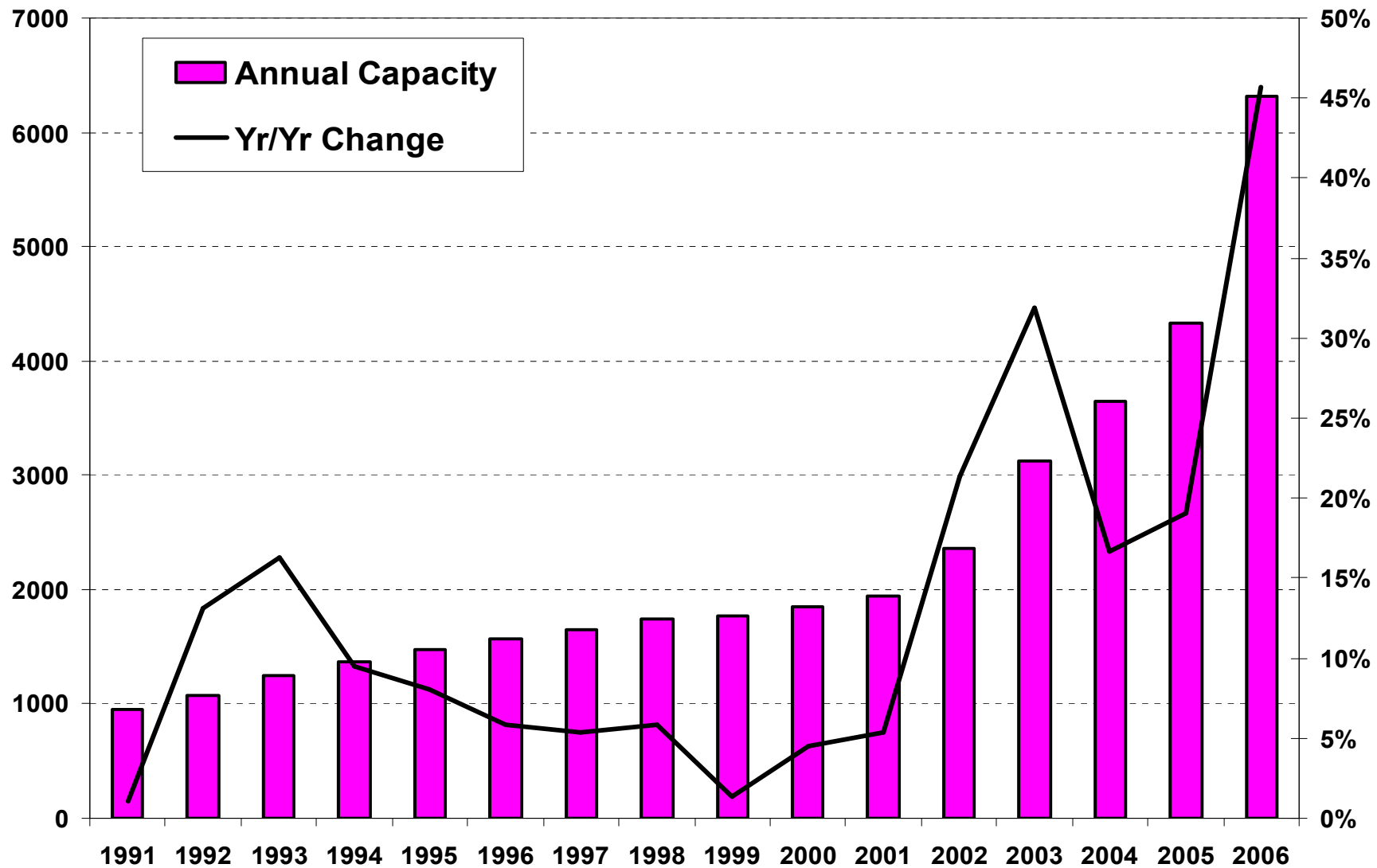
(000 MT)



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# US Ethanol Capacity

(million gallons)



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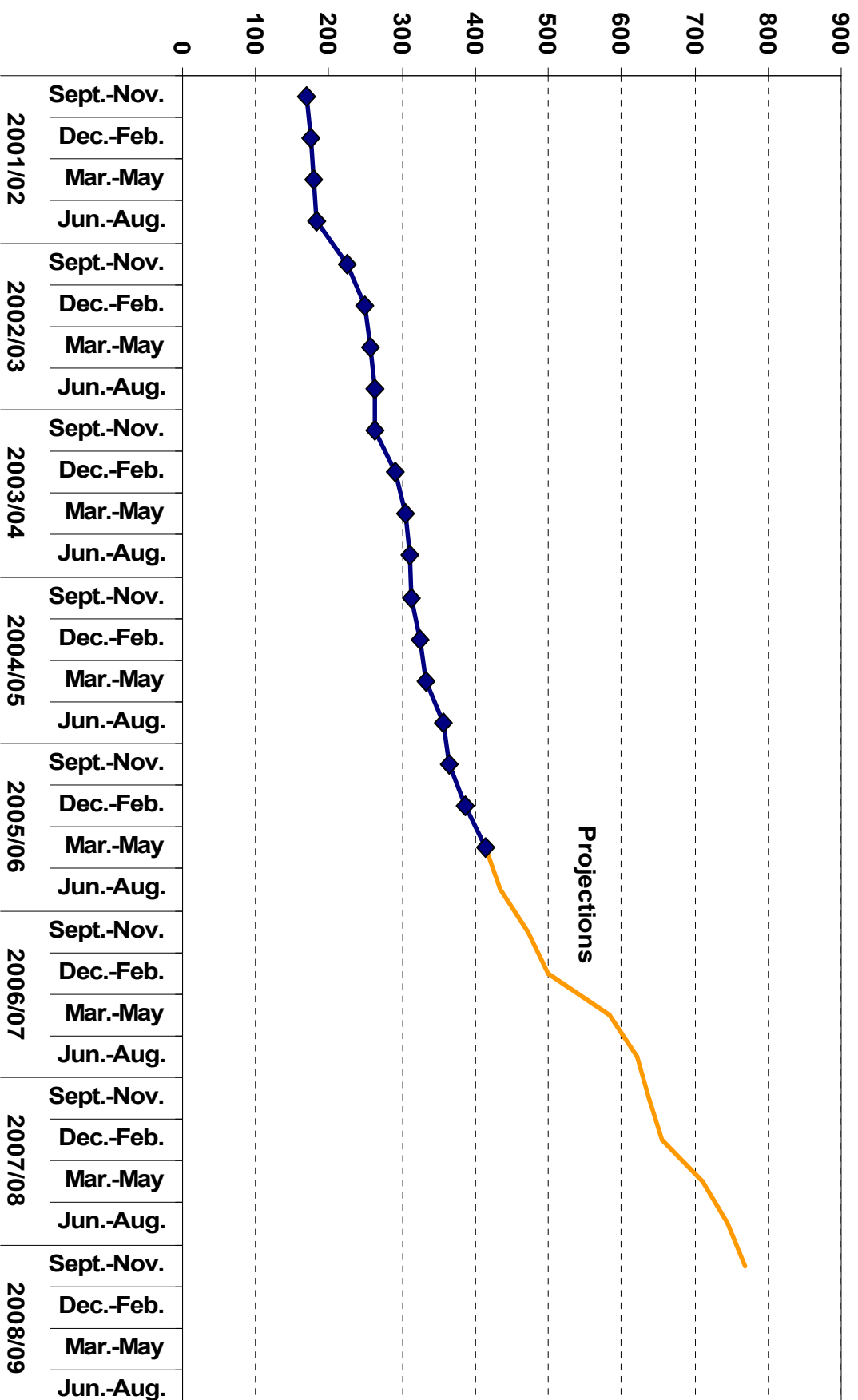
*CORN*



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# Quarterly Usage for Fuel Ethanol

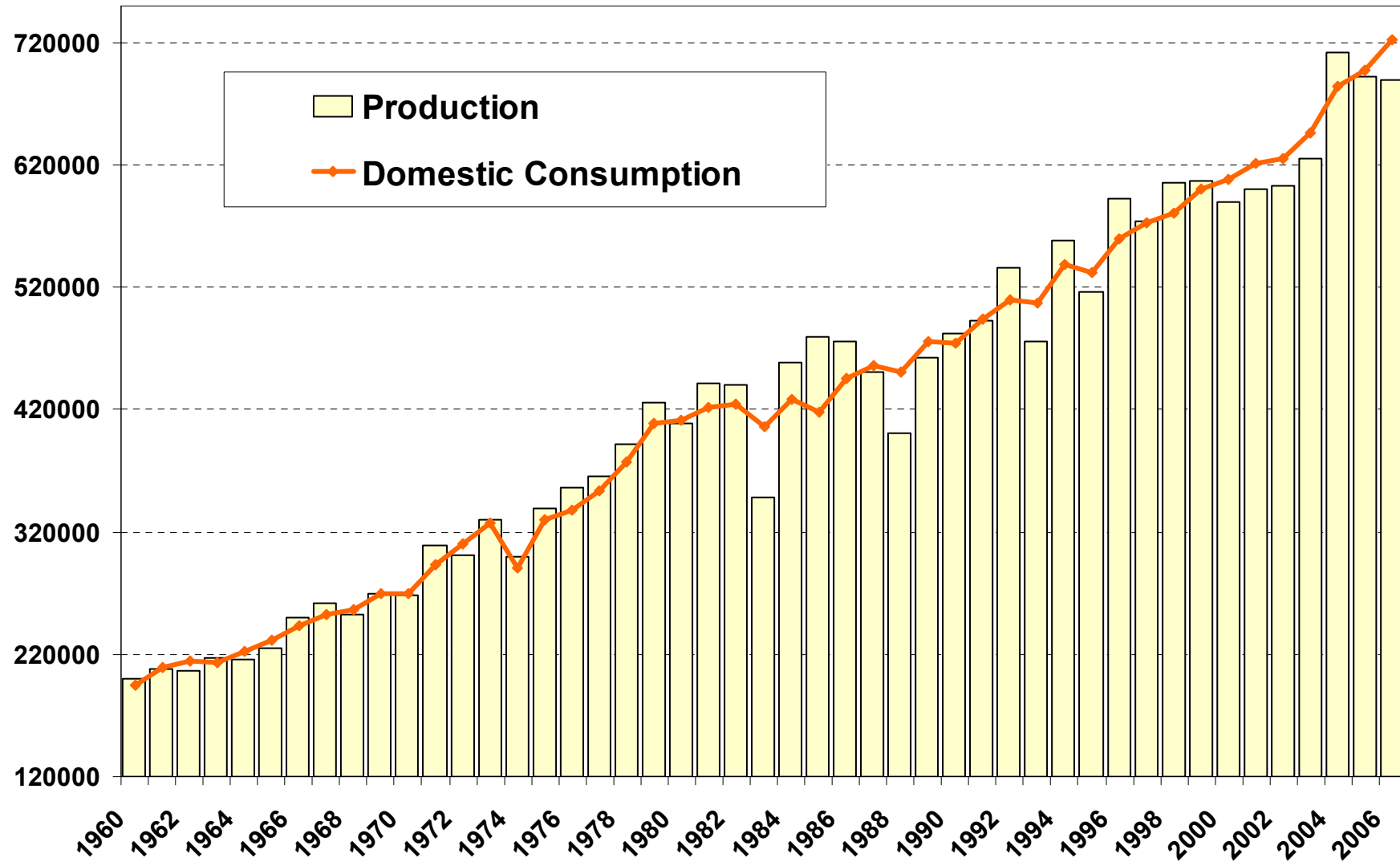
*(million bushels)*



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# World Corn

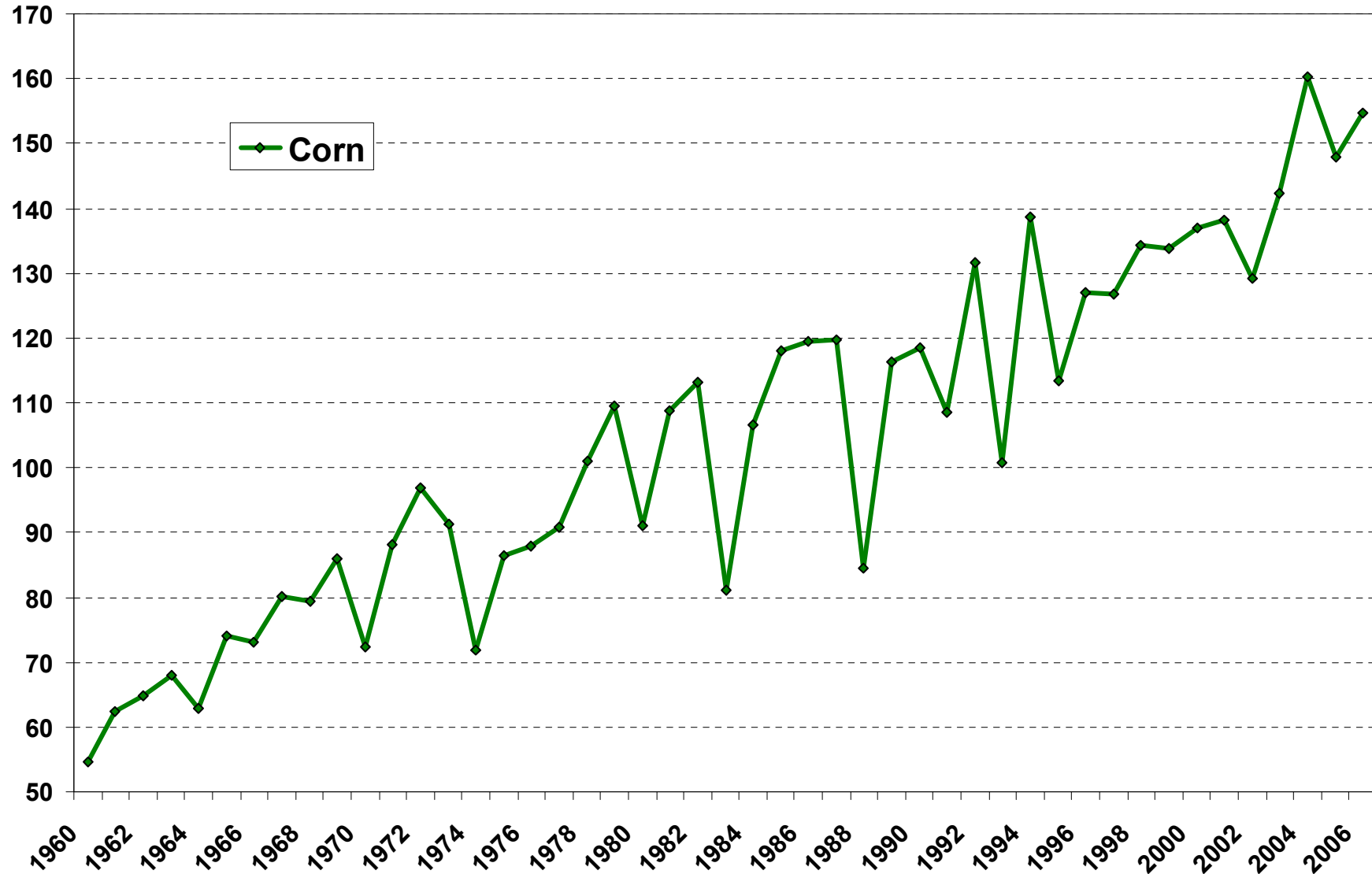
(000 MT)



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# US Corn Yields

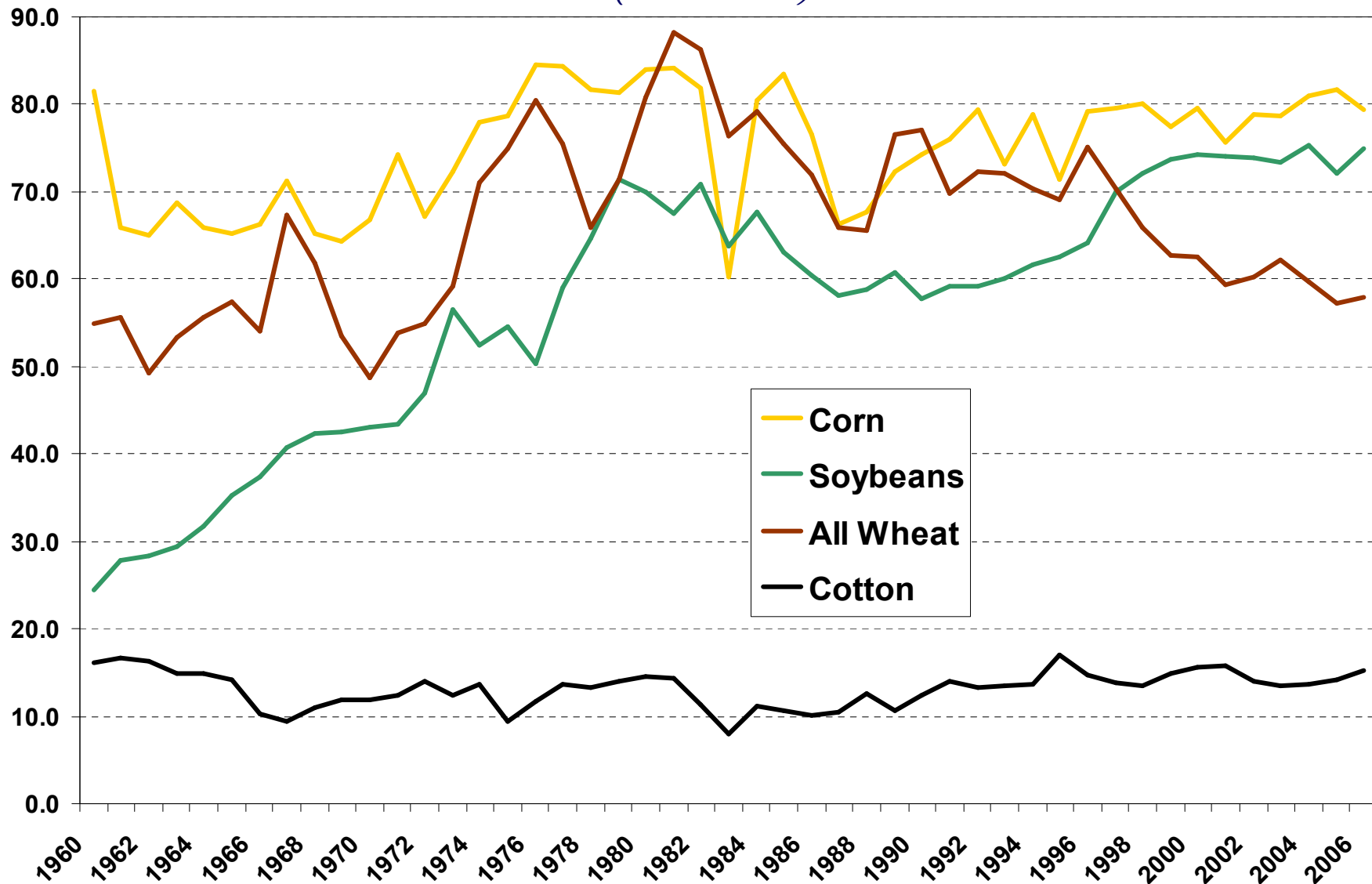
*(bushels per acre)*



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# US Planted Acres

(million acres)



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# US Corn Supply and Demand

Millions of Acres					06/07 USDA Estimates		ABN Estimates	
Millions of Bushels	02/03	03/04	04/05	05/06	August	September	06/07	07/08
Area Planted	78.9	78.6	80.9	81.8	79.4	79.4	79.4	83.4
Area Harvested	69.3	70.9	73.6	75.1	72.1	71.8	71.8	76.7
Percent Harvested	88%	90%	91%	91.8%	91%	90%	91%	92%
Yield Per Acre	129.3	142.2	160.4	147.9	152.2	154.7	154.8	155.0
Beginning Stocks	1,596	1,087	958	2,114	2,062	2,012	2,012	1,495
Production	8,967	10,089	11,807	11,112	10,976	11,114	11,123	11,893
Imports	14	14	11	11	10	10	10	10
Total Supply	10,578	11,190	12,776	13,237	13,047	13,135	13,145	13,398
Feed and Residual	5,563	5,795	6,158	6,100	6,125	6,125	6,000	6,000
Food, Seed and Industrial	2,340	2,537	2,686	2,975	3,540	3,540	3,500	4,100
Ethanol Usage	996	1,168	1,323	1,600	2,150	2,150	2,100	2,700
Total Domestic	7,903	8,332	8,844	9,075	9,665	9,665	9,500	10,100
Exports	1,588	1,900	1,818	2,150	2,150	2,250	2,150	2,100
Total Demand	9,491	10,232	10,662	11,225	11,815	11,915	11,650	12,200
Ending Stocks	1,087	958	2,114	2,012	1,232	1,220	1,495	1,198
Stocks to Usage	11.45%	9.36%	19.83%	17.92%	10.43%	10.24%	13%	9.82%
Average Farm Price	\$2.32	\$2.42	\$2.06	\$1.99	\$2.15 - \$2.55	\$2.15 - \$2.55	-527	-307

USDA Estimates



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# World Corn Supply and Demand

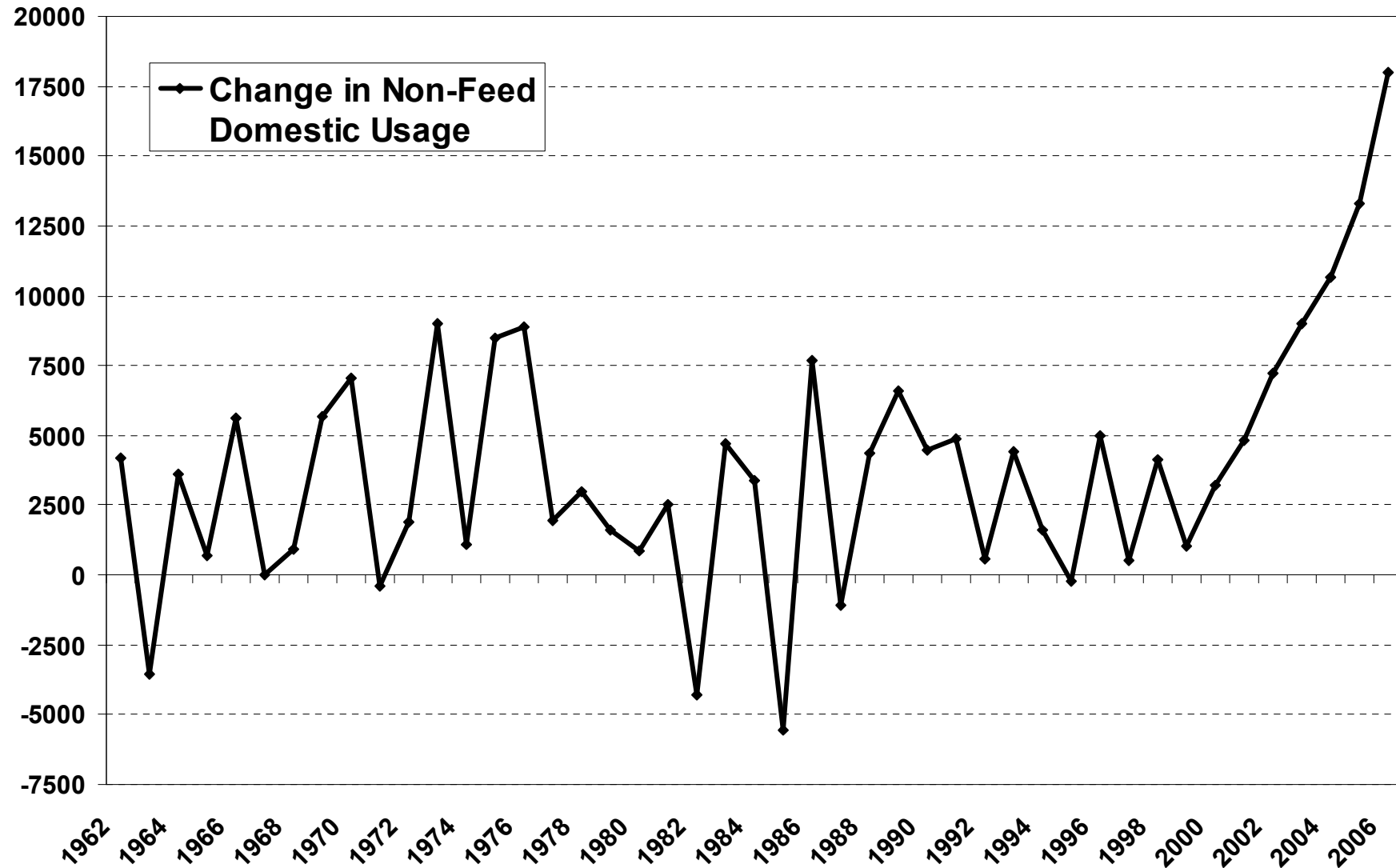
(million metric tons) September Report	04/05	05/06	USDA 06/07		ABN 06/07
			August	September	
Beginning Stocks	103.23	130.53	127.04	126.15	126.15
Production	712.31	692.44	689.31	690.78	691.00
Imports	77.11	77.04	76.66	78.41	76.00
Total Supply	892.65	900.01	893.01	895.34	893.15
Feed	471.53	472.04	478.19	478.36	474.00
Implied Ethanol	38.43	47.68	68.20	69.18	70.91
Total Domestic	685.01	696.81	723.48	724.63	722.00
Exports	78.18	76.01	78.29	80.28	77.00
Total Demand	763.19	772.82	801.77	804.91	799.00
Ending Stocks	130.53	126.15	92.88	92.31	94.15
Stocks to Usage	17.10%	16.32%	11.58%	11.47%	11.78%

USDA Estimates



# World Corn: Non-Feed Domestic Usage

(000 MT)

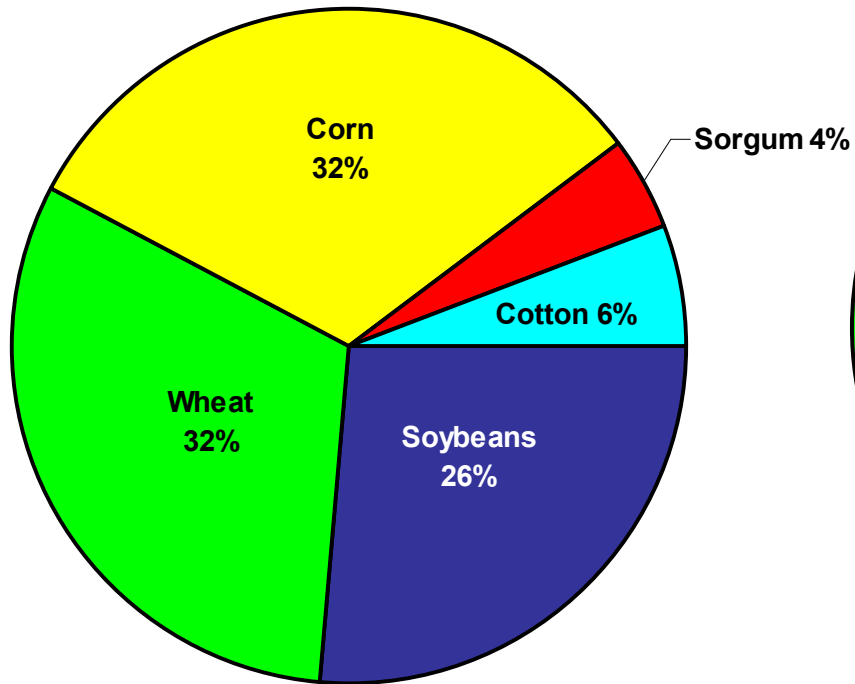


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# United States Harvested Area

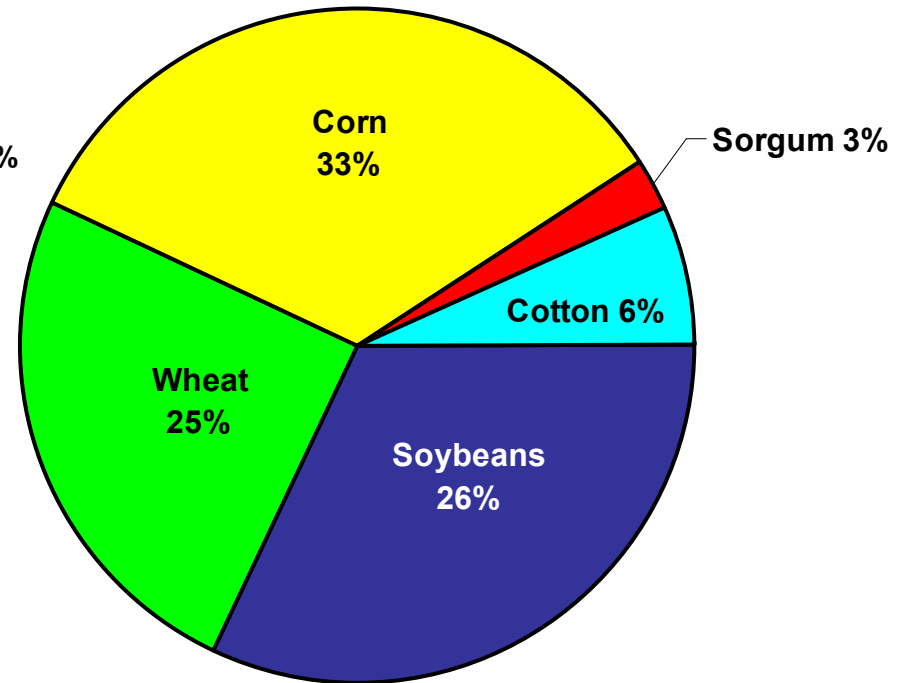
(million hectares)

## 1993



Total = 82.8 million hectares

## 2006



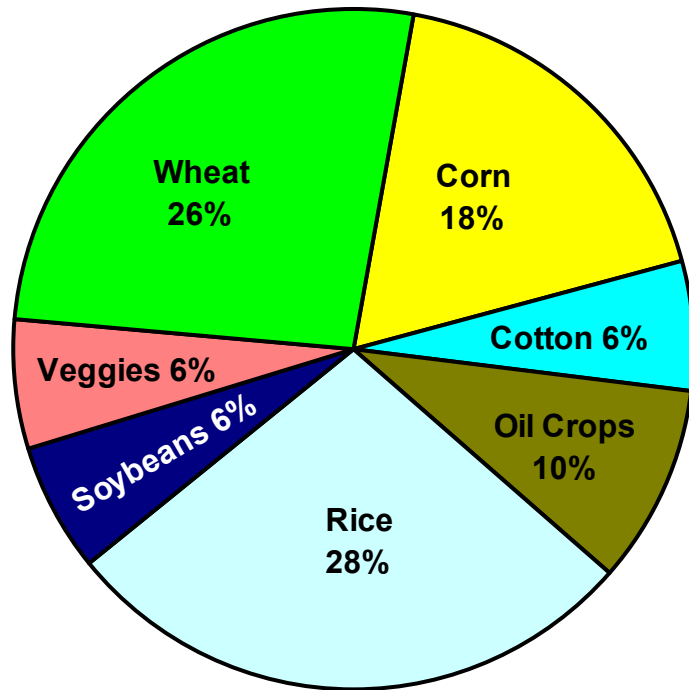
Total = 85.5 million hectares



# China Harvested Area

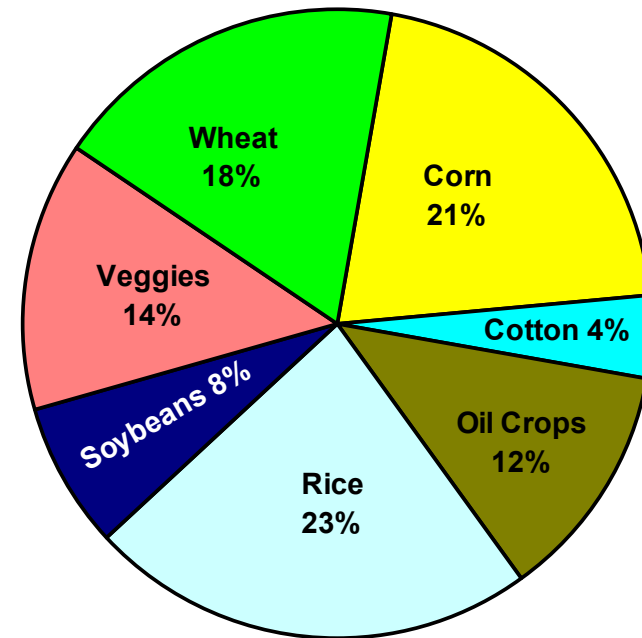
(million hectares)

## 1992



Total = 109.2 million hectares

## 2005



Total = 106.1 million hectares

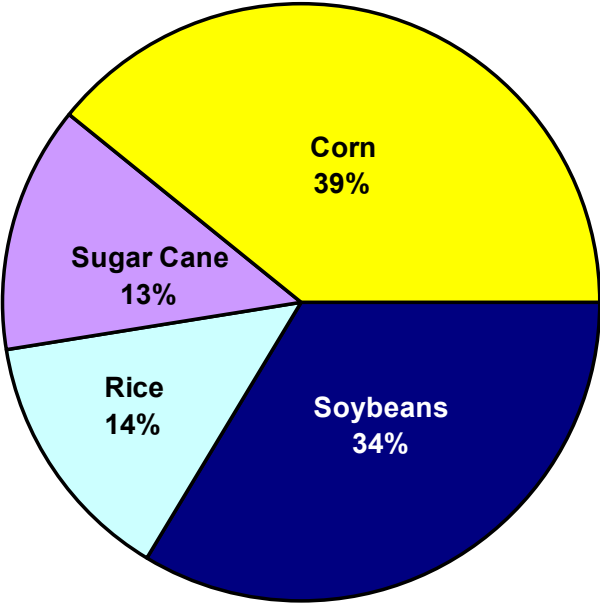


# Brazil Harvested Acres

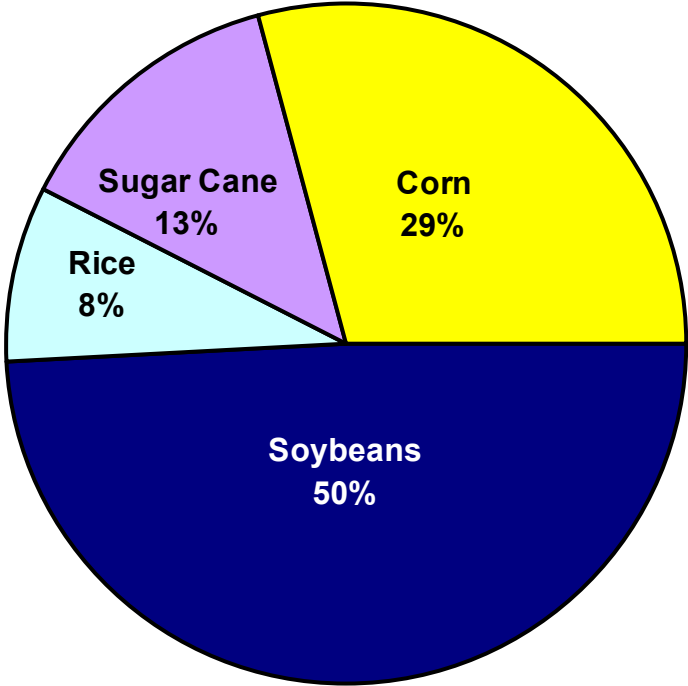
(million hectares)

## 2006

## 1992



Total = 30.4 million hectares



Total = 44.1 million hectares

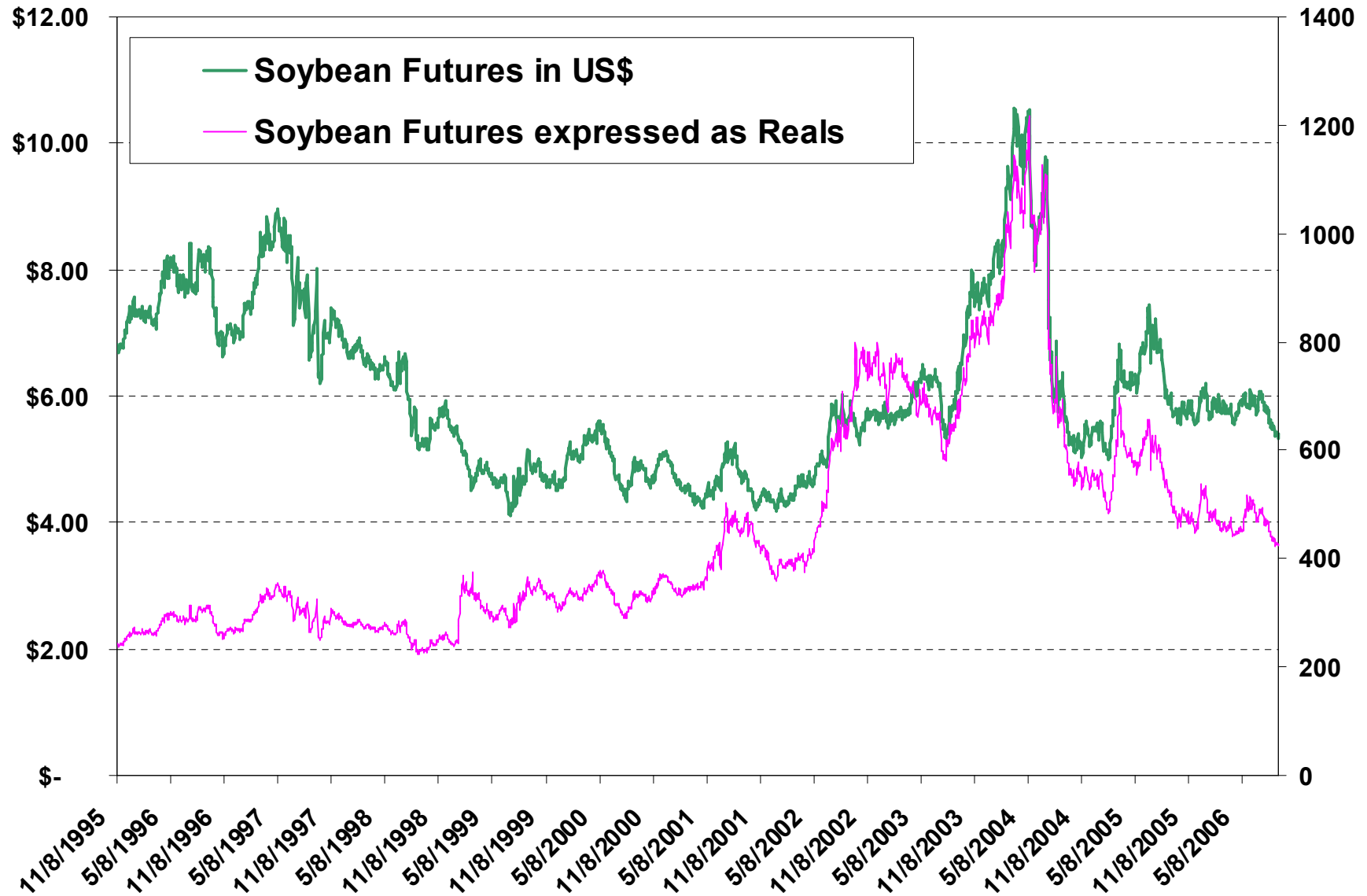


# *SOYBEANS*



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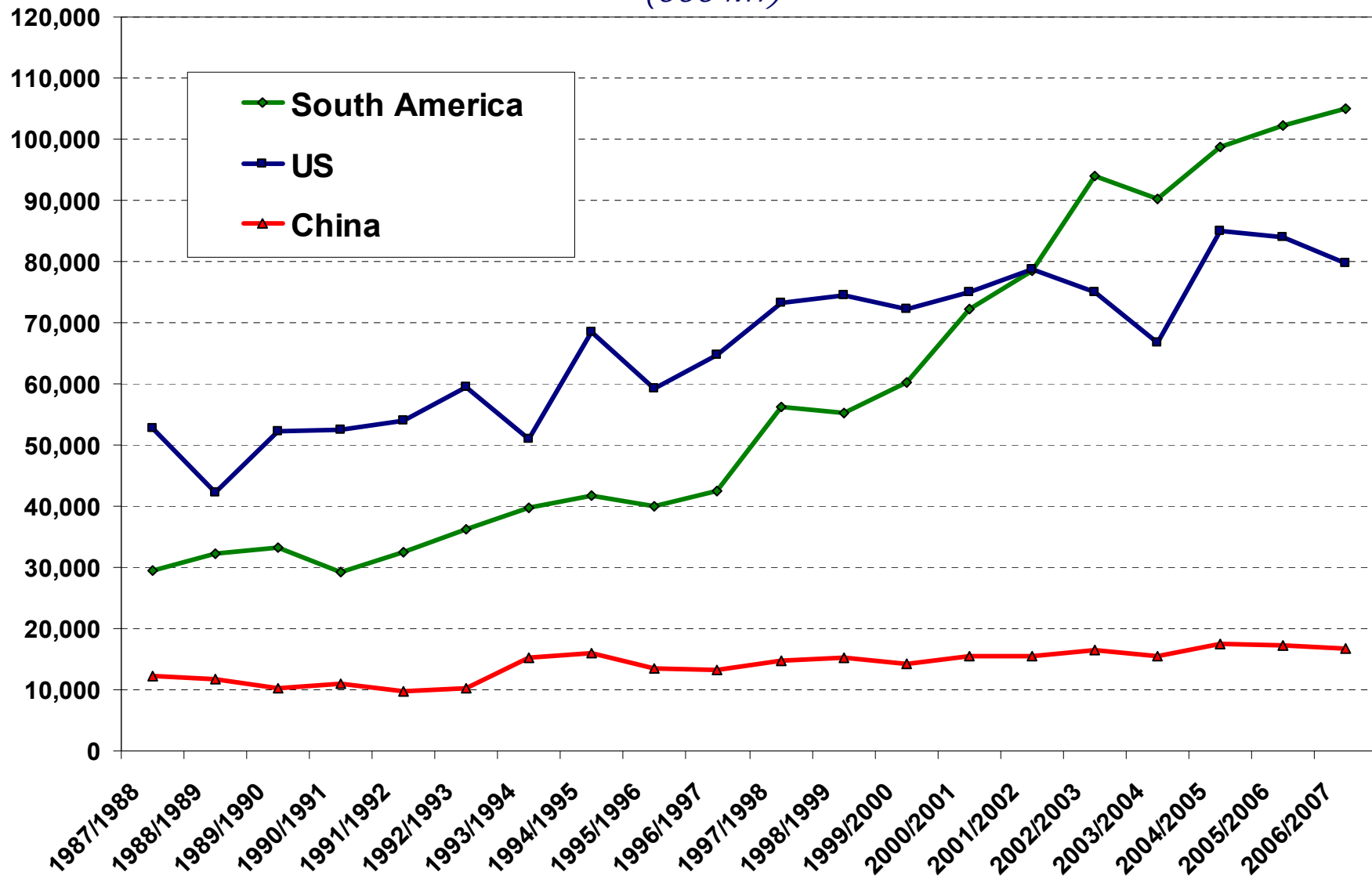
# Soybeans in Reals



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# World Major Soybean Producers

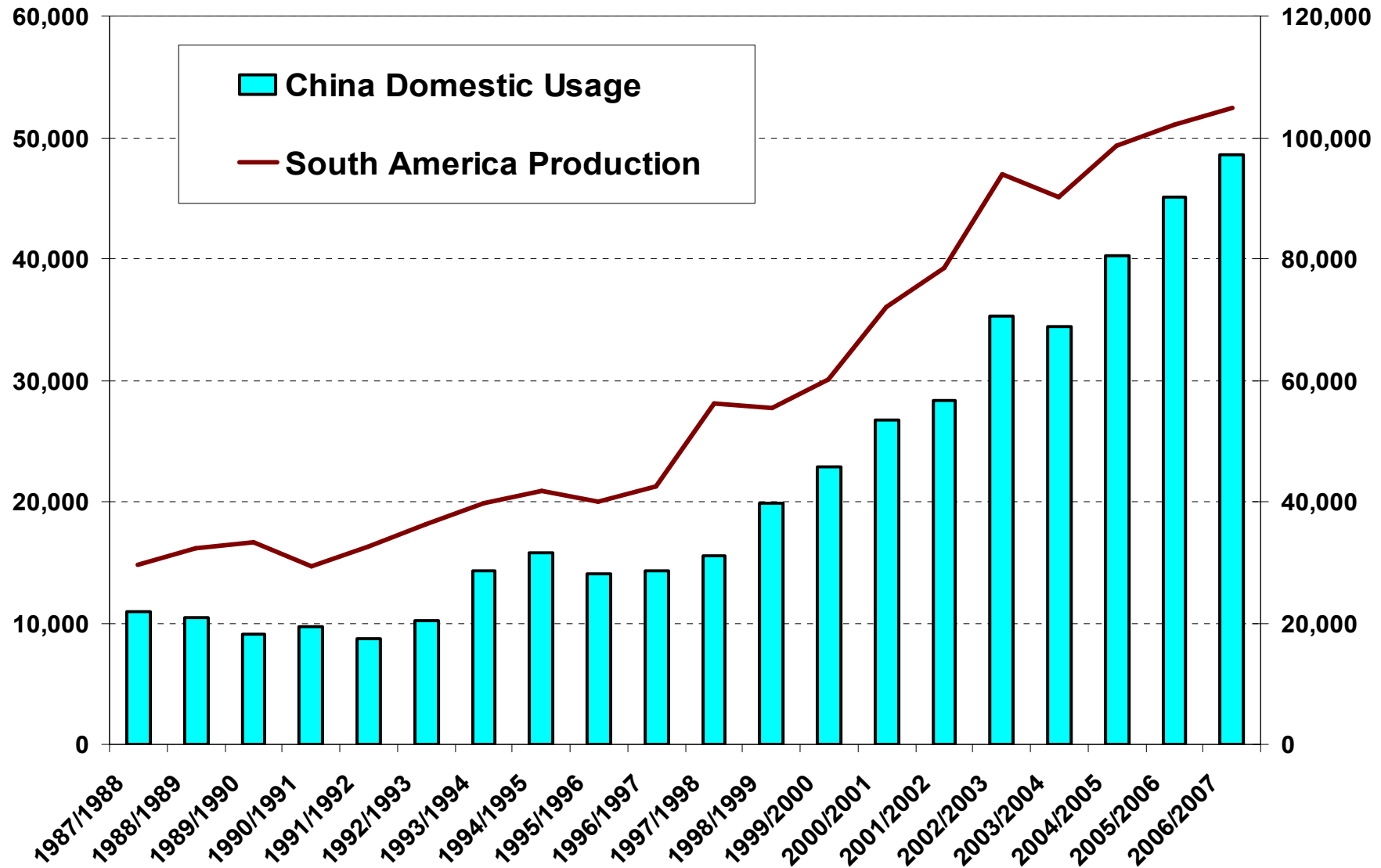
(000 MT)



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# Soybeans South America Production and China Usage

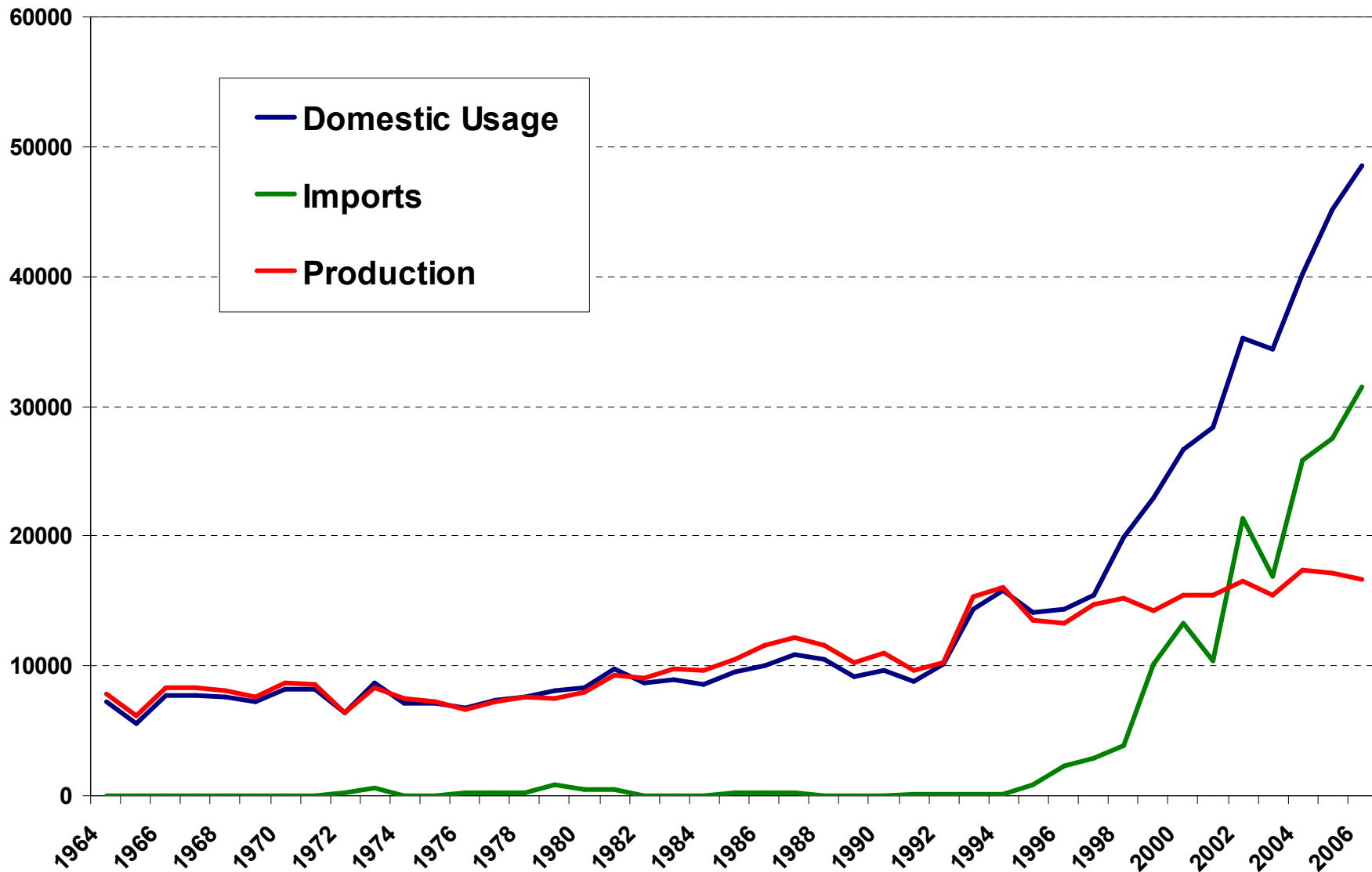
(000 MT)



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# China: Soybeans

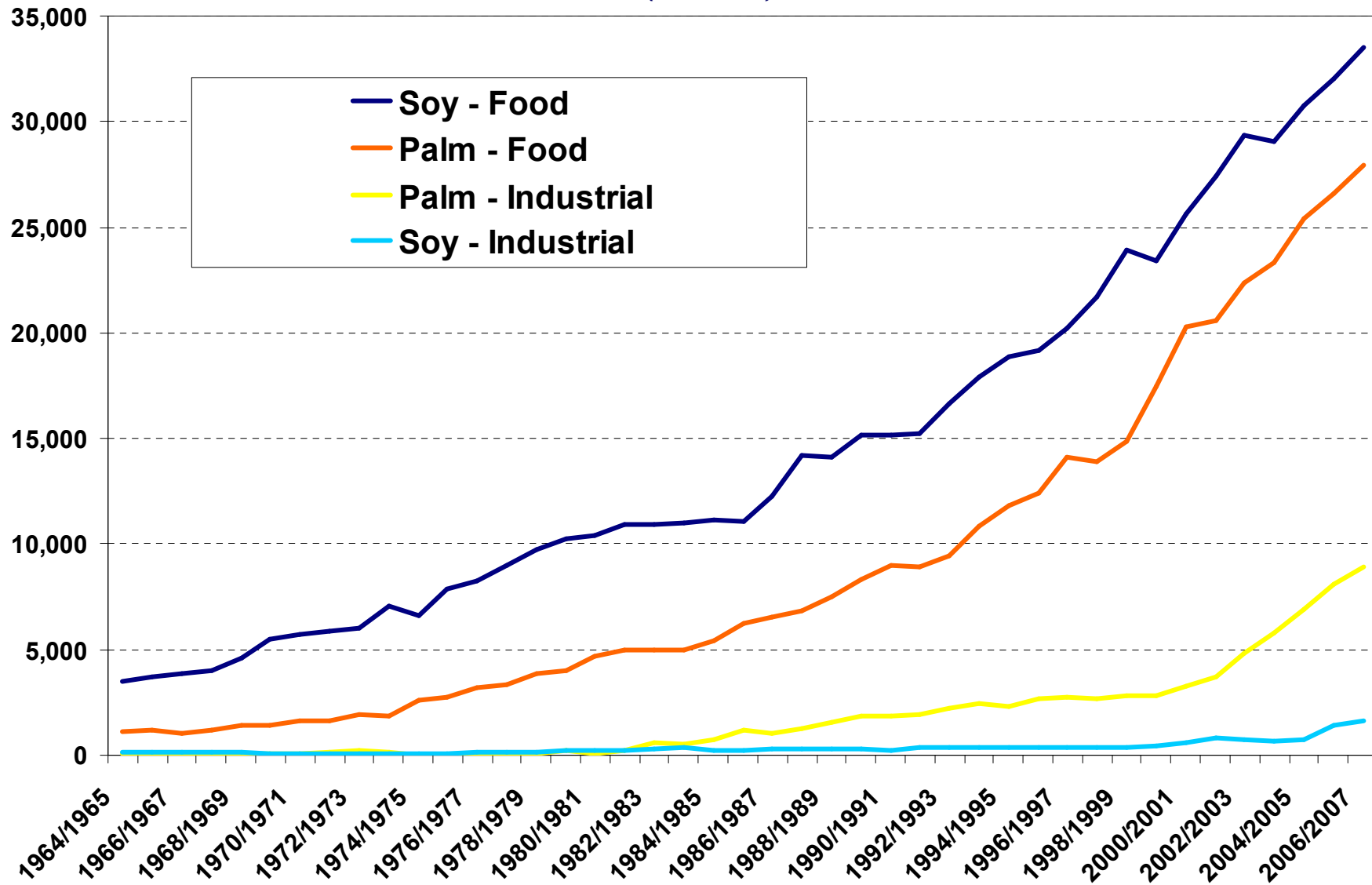
(000 MT)



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# World Vegetable Oil Usage

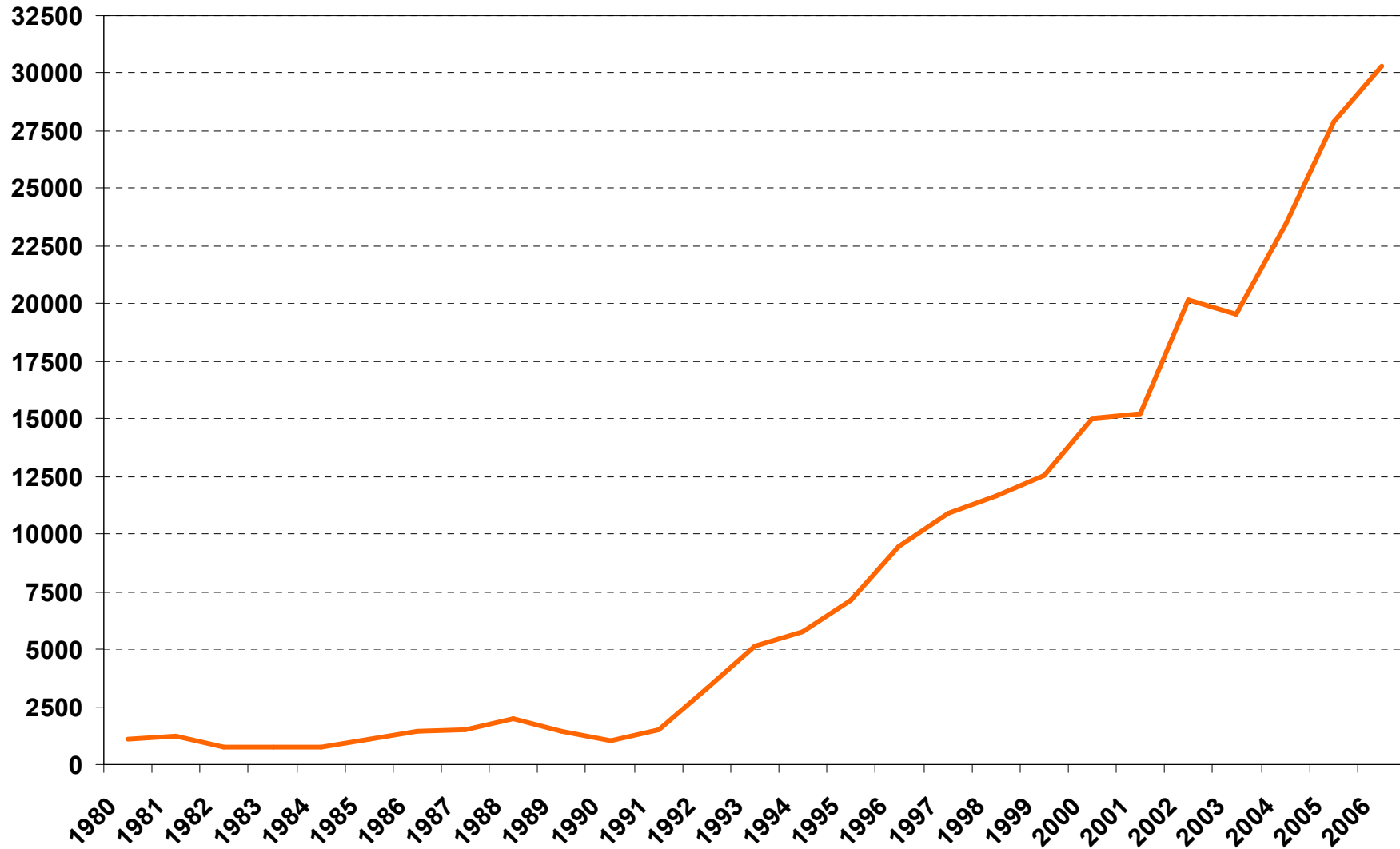
(000 MT)



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# China Soybean Meal Demand

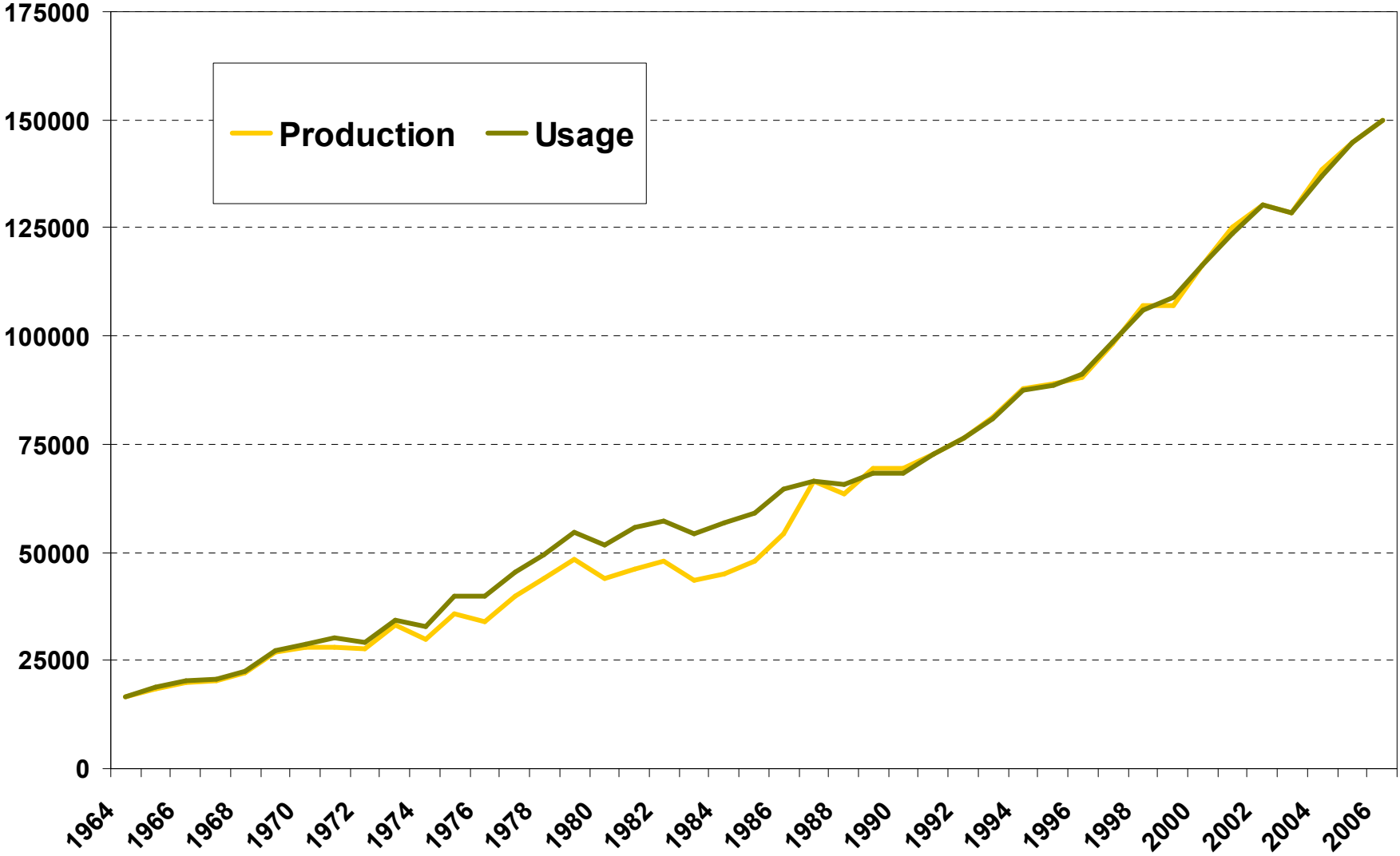
(000 MT)



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# World Soybean Meal

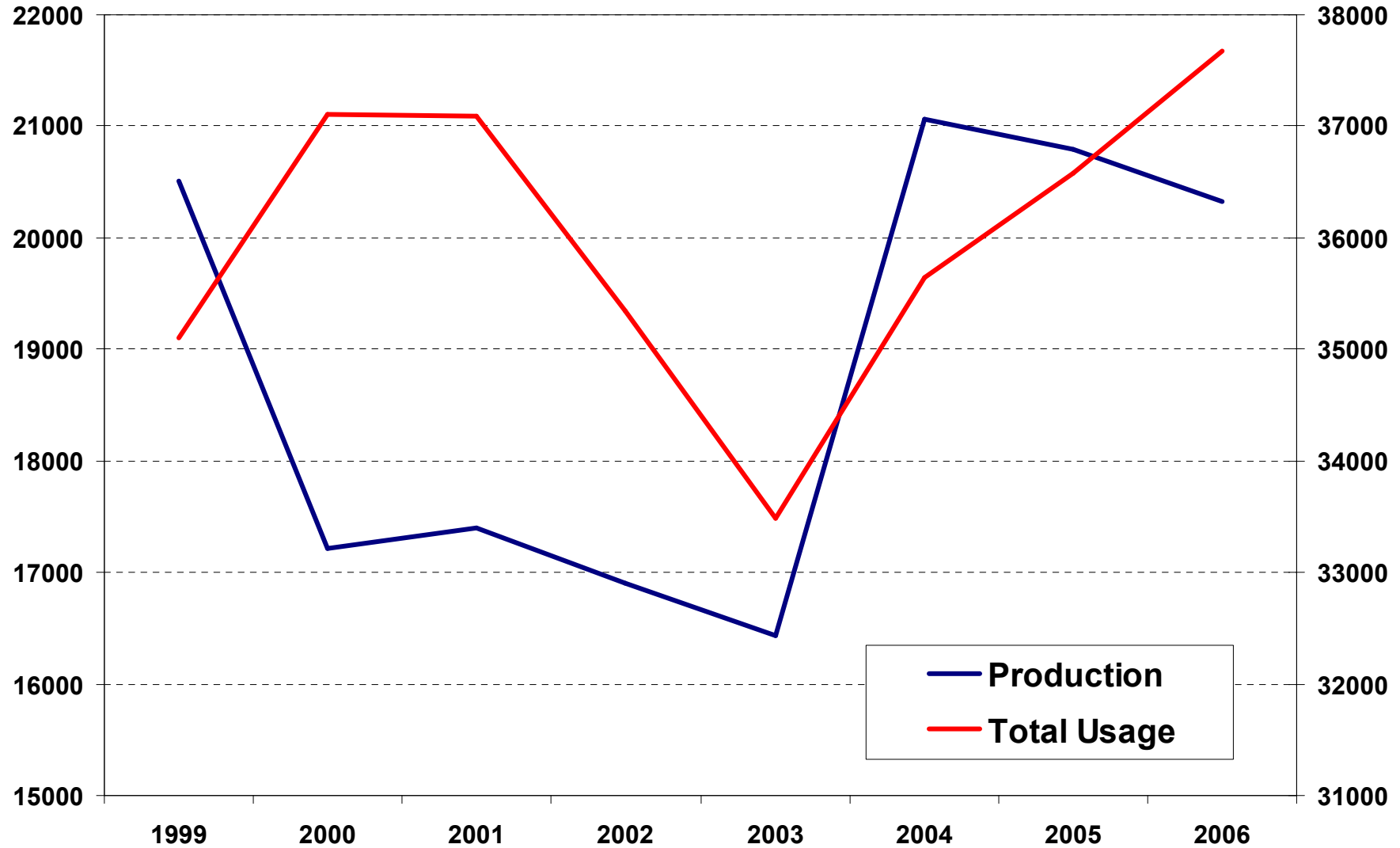
(000 MT)



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# EU-25 Oilseeds

*(Units)*



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# US Soybean Supply & Demand

(million bushels, million acres)

					06/07 USDA Projections		ABN Estimates	
	02/03	03/04	04/05	05/06	August	September	06/07	07/08
Acres Planted	74.0	73.4	75.2	72.1	74.9	74.9	74.9	70.4
Acres Harvested	72.5	72.5	74.0	71.4	73.9	73.9	73.9	69.0
Percent Harvested	98.0%	98.8%	98.4%	99.0%	98.7%	98.7%	98.0%	98.0%
Yield Per Harvested Acre	38.0	33.9	42.2	43.3	39.6	41.8	42.7	41.5
Beginning Stocks	208	178	112	256	515	485	466	565
Production	2,756	2,454	3,124	3,086	2,928	3,093	3,154	2,863
Imports	5	6	6	4	4	4	5	5
<b>Total Supply</b>	<b>2,969</b>	<b>2,638</b>	<b>3,242</b>	<b>3,346</b>	<b>3,446</b>	<b>3,581</b>	<b>3,625</b>	<b>3,433</b>
Crushings	1,615	1,530	1,696	1,740	1,750	1,765	1,800	1,875
Exports	1,044	887	1,097	945	1,090	1,125	1,100	1,000
Seed	131	109	192	177	156	161	160	150
<b>Total Demand</b>	<b>2,791</b>	<b>2,525</b>	<b>2,986</b>	<b>2,862</b>	<b>2,996</b>	<b>3,051</b>	<b>3,060</b>	<b>3,025</b>
Ending Stocks	178	112	256	485	450	530	565	408
Average Farm Price	\$ 5.53	\$7.34	\$5.74	\$5.68	\$5.00 - \$6.00	\$4.90 - \$5.90		
Stocks to Usage	6.38%	4.44%	8.57%	16.95%	15.02%	17.37%	18.47%	13.50%

Source: USDA



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# World Soybean Supply & Demand

(million metric tons) September Report	04/05	05/06	06/07		ABN
			August	September	06/07
<b>Beginning Stocks</b>	<b>38.60</b>	<b>48.26</b>	<b>52.51</b>	<b>51.39</b>	<b>51.39</b>
<b>Production</b>	<b>215.95</b>	<b>218.64</b>	<b>217.74</b>	<b>221.89</b>	<b>222.00</b>
<b>Imports</b>	<b>63.50</b>	<b>64.17</b>	<b>69.10</b>	<b>69.42</b>	<b>71.50</b>
<b>Total Supply</b>	<b>318.05</b>	<b>331.07</b>	<b>339.35</b>	<b>342.70</b>	<b>344.89</b>
<b>Crushings</b>	<b>175.65</b>	<b>185.08</b>	<b>190.15</b>	<b>190.76</b>	<b>191.50</b>
<b>Total Domestic Usage</b>	<b>205.26</b>	<b>214.49</b>	<b>220.15</b>	<b>220.12</b>	<b>221.50</b>
<b>Exports</b>	<b>64.54</b>	<b>65.20</b>	<b>69.23</b>	<b>70.08</b>	<b>71.50</b>
<b>Total Demand</b>	<b>269.80</b>	<b>279.69</b>	<b>289.38</b>	<b>290.20</b>	<b>293.00</b>
<b>Ending Stocks</b>	<b>48.26</b>	<b>51.39</b>	<b>49.97</b>	<b>52.49</b>	<b>51.89</b>
<b>Stocks to Usage</b>	<b>17.89%</b>	<b>18.37%</b>	<b>17.27%</b>	<b>18.09%</b>	<b>17.71%</b>

USDA Estimates



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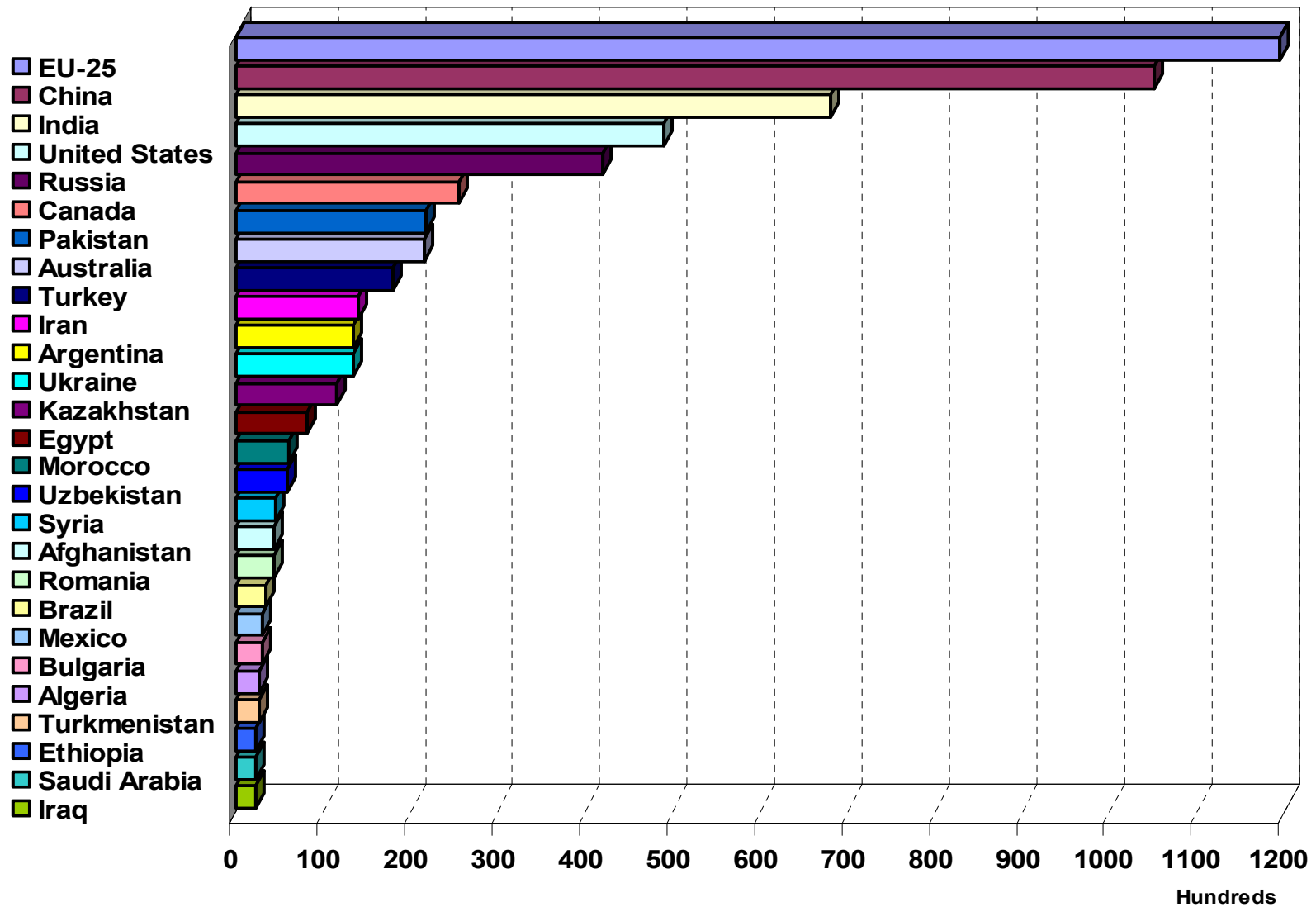
# *WHEAT*



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# World Top Wheat Producers

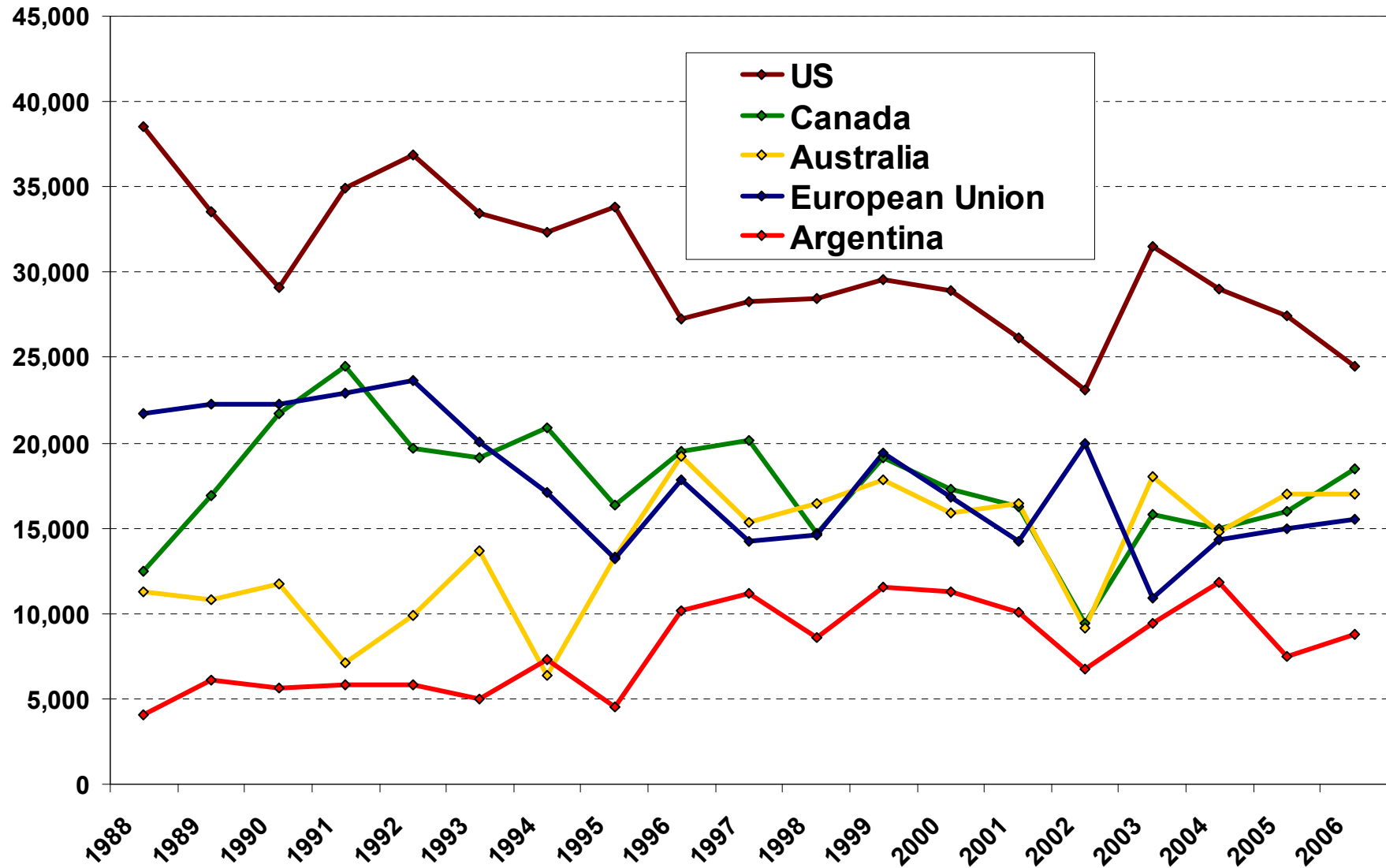
(000 MT)



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# Wheat: World Exporters

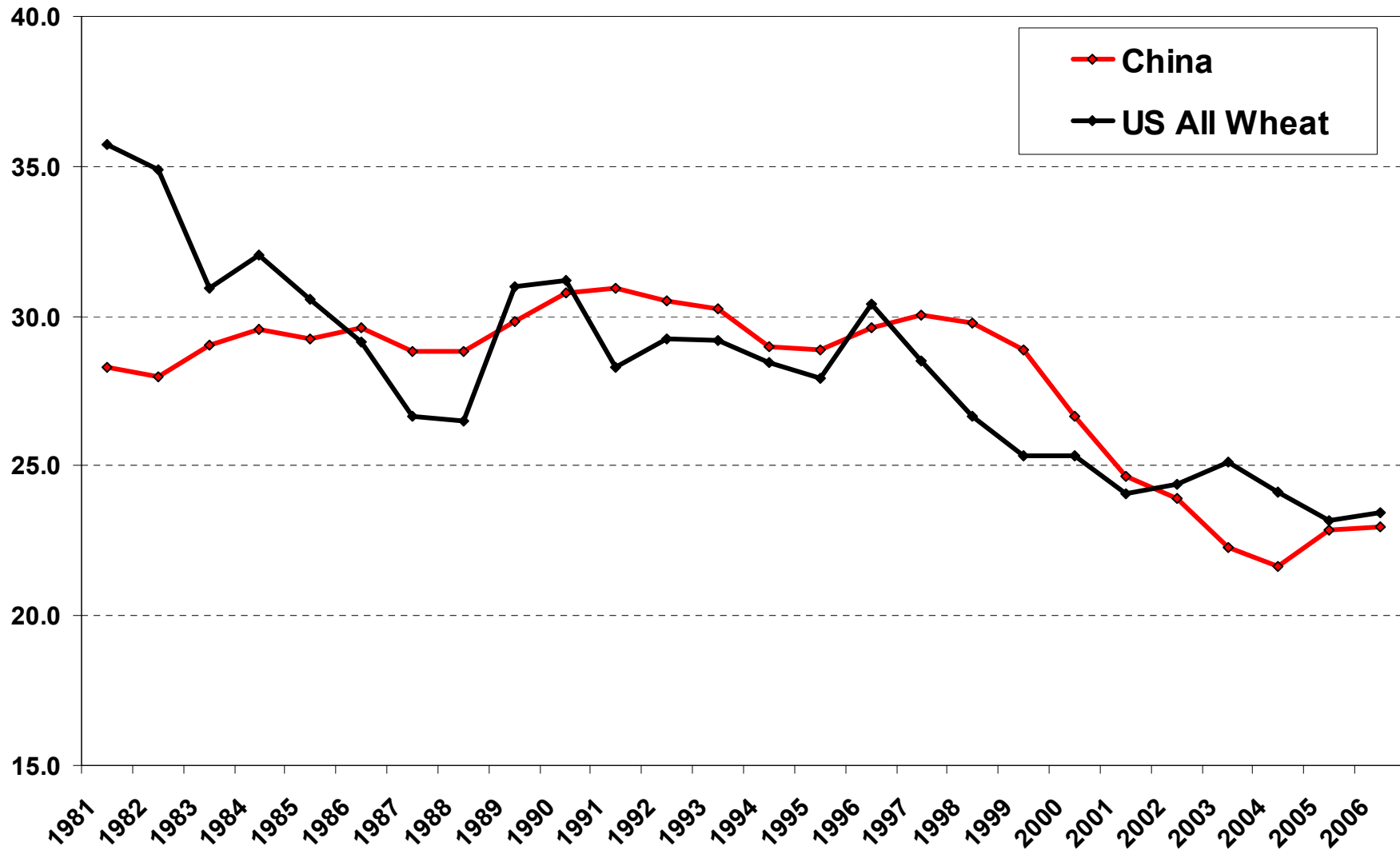
(000 MT)



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# Wheat Harvested Area

*(million hectares)*



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# World Wheat Supply & Demand

(million tonnes) September Report	04/05	Estimated 05/06	2006-07 Projections	
			August	September
Beginning Stocks	132.73	151.45	145.69	146.07
Production	628.84	618.35	598.00	596.10
Imports	109.90	110.15	110.43	111.63
Total Supply	871.47	879.95	854.12	853.80
Feed	106.64	111.95	104.68	104.28
Total Domestic	610.13	623.73	615.27	615.79
Exports	110.97	115.02	110.11	110.71
Total Demand	721.10	738.75	725.38	726.50
Ending Stocks	151.45	146.07	128.42	126.38
Stocks to Usage	21.00%	19.77%	17.70%	17.40%

USDA Estimates



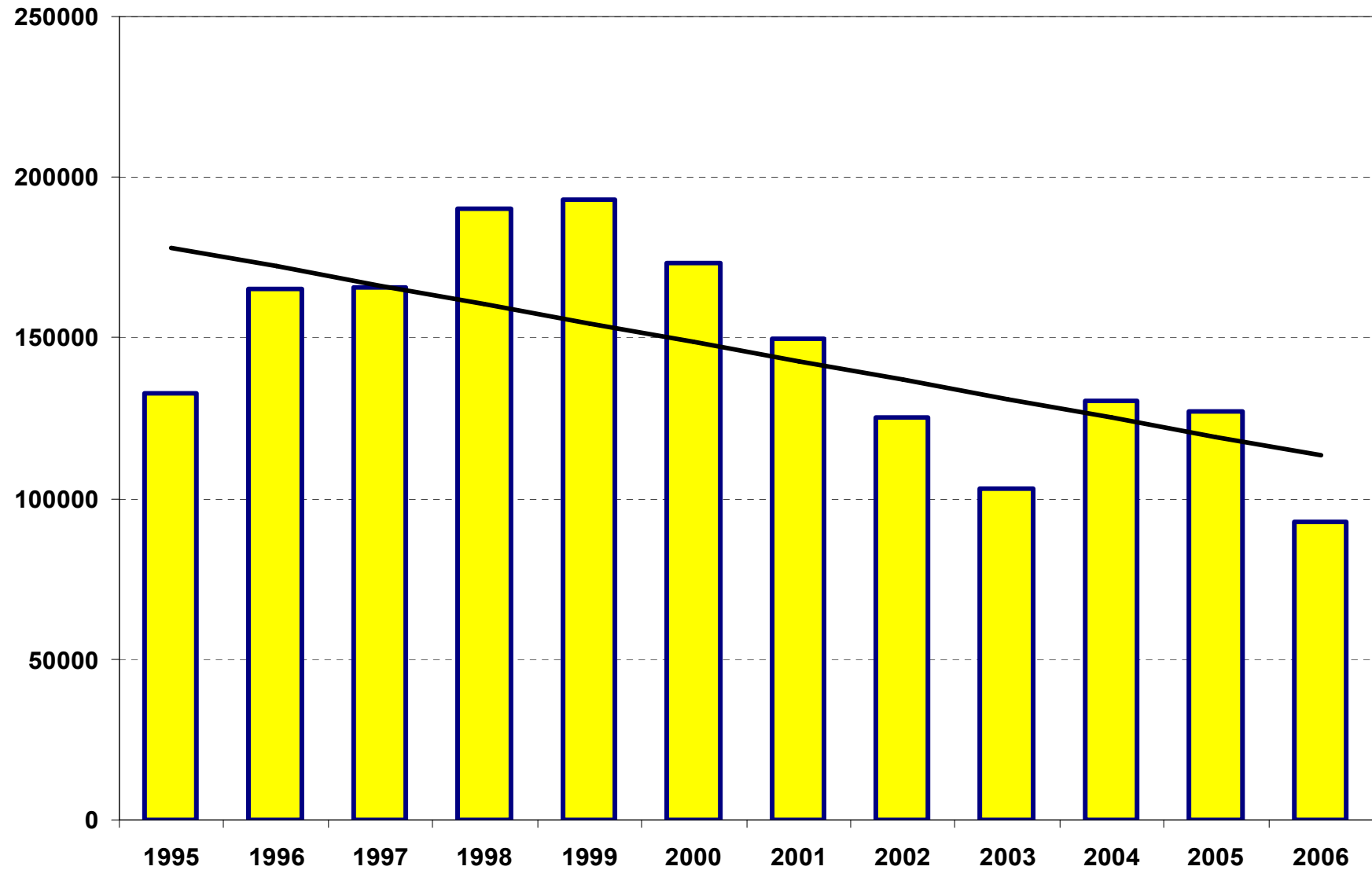
# *Outlook*



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# World Corn Ending Stocks

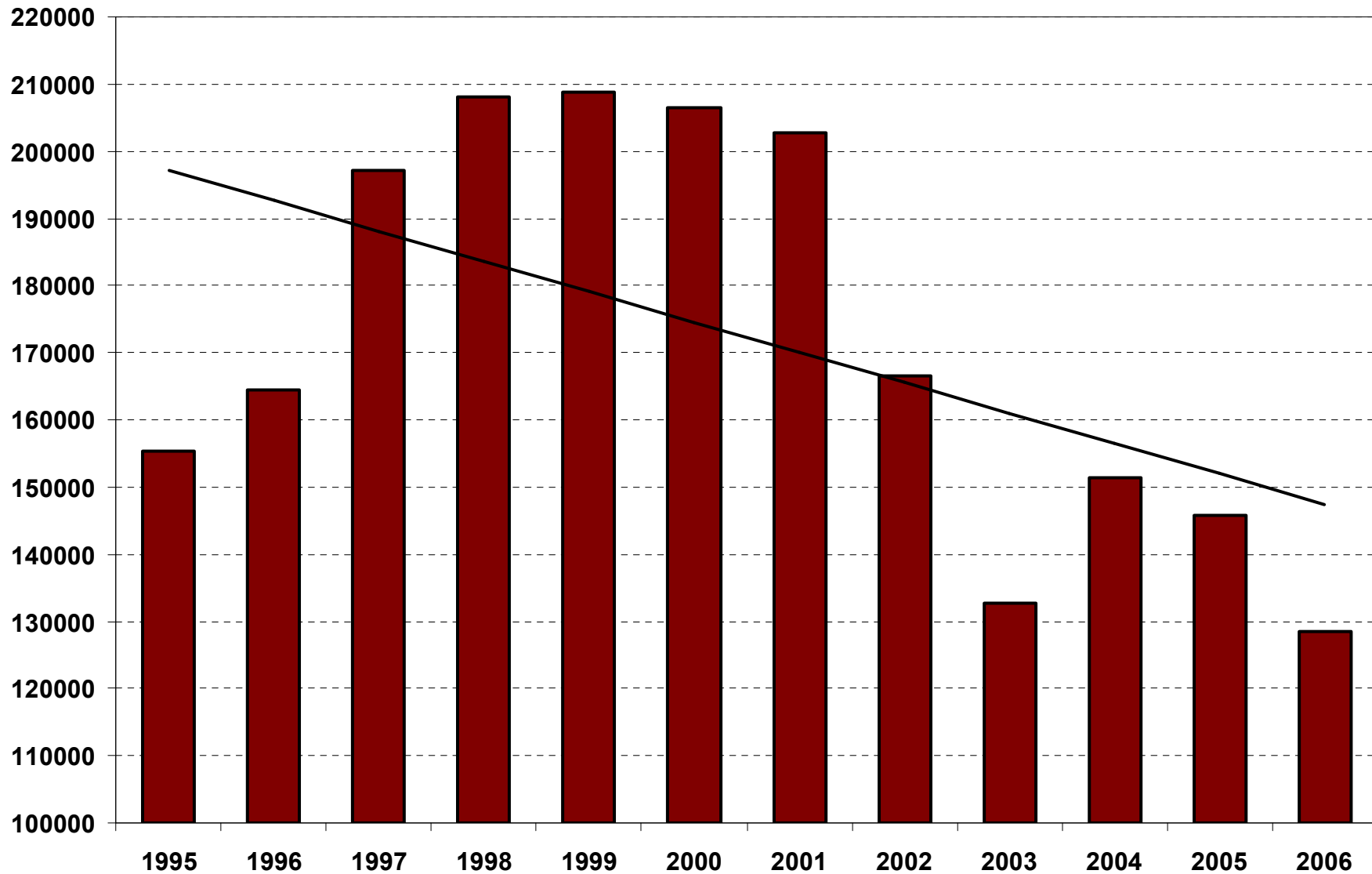
*(000 MT)*



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# World Wheat Ending Stocks

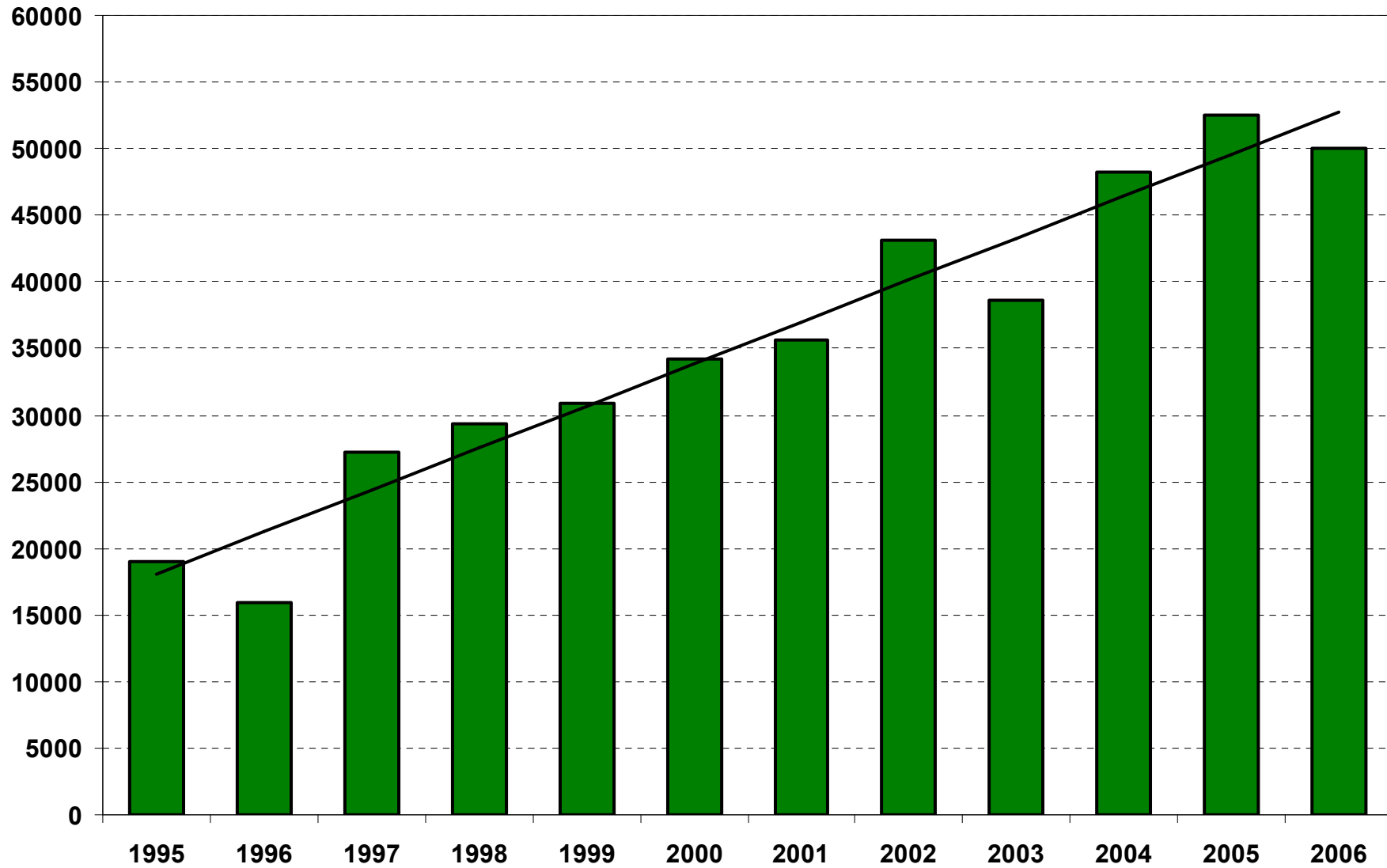
(000 MT)



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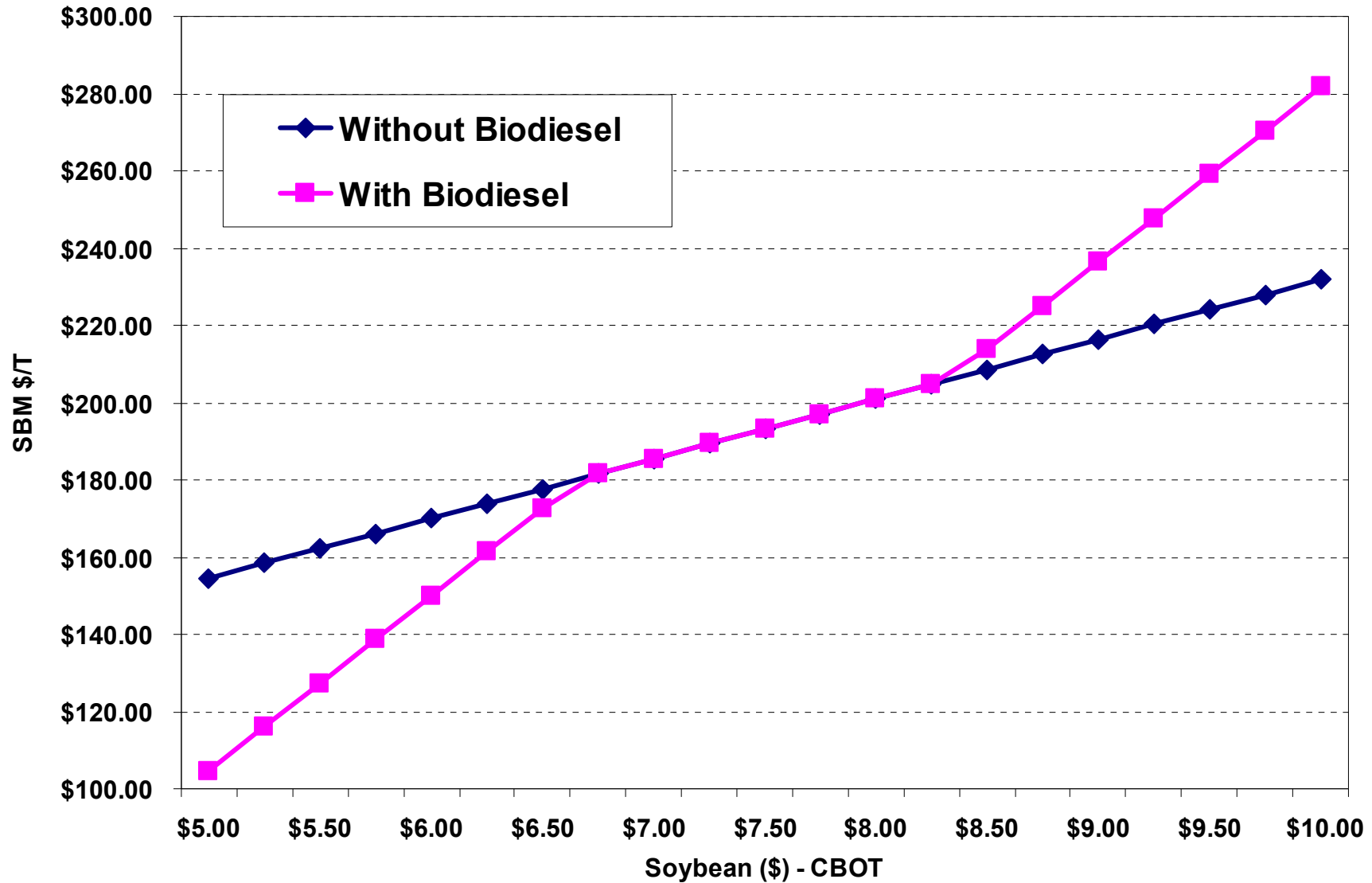
# Soybean World Ending Stocks

(000 MT)



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# Soybean Meal and Biodiesel



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