The Rapid Structural Changes In Agriculture – The Golden Age –

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US Corn Demand since 1980

Million Bushels
Deere & Co Stock since 2000

$30.00
$40.00
$50.00
$60.00
$70.00
$80.00
$90.00
$100.00
$110.00
$120.00

1/7/2000
1/7/2001
1/7/2002
1/7/2003
1/7/2004
1/7/2005
1/7/2006
1/7/2007

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CBOT Corn Open Interest

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Global Grain Stocks in Decline
Major Crop Production
Not Keeping up with Demand

MMT

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Southeast Asian Commodity Demand is Rising
China’s Growing Caloric Intake
(Soybean Oil Food Use Consumption)
China’s Growing Caloric Intake
(Beef & Veal Consumption)
The Growing Importance of Energy in Agriculture
Chinese Petroleum Demand

Mil Brl/Day

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Crude Oil Consumption Generates Economic Power
(Barrels per Capita per Year)

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World Crude Oil Prices
Corn Prices in Terms of Crude

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Farm Commodity vs. Energy Prices
A 200 Year Perspective
World Politicians’ Love Affair With Bio Fuels

- Fuel Security – Reduced Mideast Oil imports and helps in the balance of trade.
- Aids domestic economy
  - Jobs in Rural Areas.
- Reduce CO2 emissions
  - It is good for the environment
  - As the world population ages, more concerned about leaving a clean environment. Fight global warming!
- Increased Farm Income with reductions in Government payments to producers (US/EU).
- A WTO Agricultural solution by 2010?
Nations That Have Bio Fuel Mandates

<table>
<thead>
<tr>
<th>Nation</th>
<th>Mandate Description</th>
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<tbody>
<tr>
<td>United States</td>
<td>2005 Energy Bill that offered tax incentives for ethanol and bio diesel.</td>
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<tr>
<td>European Union</td>
<td>Targeting a 5.75% bio diesel blend by 2010</td>
</tr>
<tr>
<td>Brazil</td>
<td>5% mandatory bio diesel/25% ethanol mandate by 2010.</td>
</tr>
<tr>
<td>Canada</td>
<td>5% green fuel mandate by 2010 for grain and bio diesel. Ontario installed theirs in Dec 1st.</td>
</tr>
<tr>
<td>Thailand</td>
<td>Targeting a 5% blend by 2011.</td>
</tr>
<tr>
<td>India</td>
<td>Targeting a 5% bio diesel blend by 2007</td>
</tr>
<tr>
<td>China</td>
<td>$200 Bil investment and 5% green fuel mandate by 2010.</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Targeting 6 mil. Tones of palm oil for bio diesel.</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Targeting 6 mil. Tones of palm oil for bio diesel.</td>
</tr>
<tr>
<td>The Philippines</td>
<td>2% Bio diesel blend by 2007</td>
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</tbody>
</table>
Their View of Corn
Deviation of Global Average Temperature

Temperature Anomaly – Degrees Celsius

2006 Is the Warmest in 1100 years
Chinese Industrial Corn Use

MMT


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US corn seeding is projected to be significantly increased in 2007 to meet both food and fuel demands. The graph shows the historical data from 1960 to 2008, indicating a trend of increased seeding over the years, with a projected increase in 2007.

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DDG Grain Production

MMT

[Bar chart showing DDG grain production from 1985 to 2006, with years on the x-axis and MMT on the y-axis. The chart includes two categories: Wet and Dry.]
For The Rest of the World
- It’s Bio Diesel -
Thank You

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