

Freedom to Operate

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United Soybean Board
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AMERICAN FARM BUREAU FEDERATION®

Sustainability depends on profitability.



Soybean Balance Sheet

							OCT
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11F
Planted Acres	75.2	72.0	75.5	64.7	75.7	77.5	77.7
Harvested							
Acres	74.0	71.3	74.6	64.1	74.7	76.4	76.8
Yield (harv.ac.)	42.2	43.0	42.9	41.7	39.7	44.0	43.9
Beginning							
Stocks	112	256	449	574	205	138	151
Production	3,124	3,063	3,197	2,677	2,967	3,359	3,375
Imports	6	3	9	10	13	15	10
Total Supply	3,242	3,322	3,655	3,261	3,185	3,512	3,536
Crush	1,696	1,739	1,808	1,803	1,662	1,752	1,665
Exports	1,097	940	1,116	1,159	1,279	1,501	1,570
Seed	88	93	80	93	90	90	88
Residual	104	101	77	-	16	18	29
Total Use	2,986	2,873	3,081	3,056	3,047	3,361	3,351
Ending Stocks	256	449	574	205	138	151	185
Avg. Price	\$ 5.74	\$ 5.66	\$ 6.43	\$ 10.10	\$ 9.97	\$ 9.59	\$ 11.45

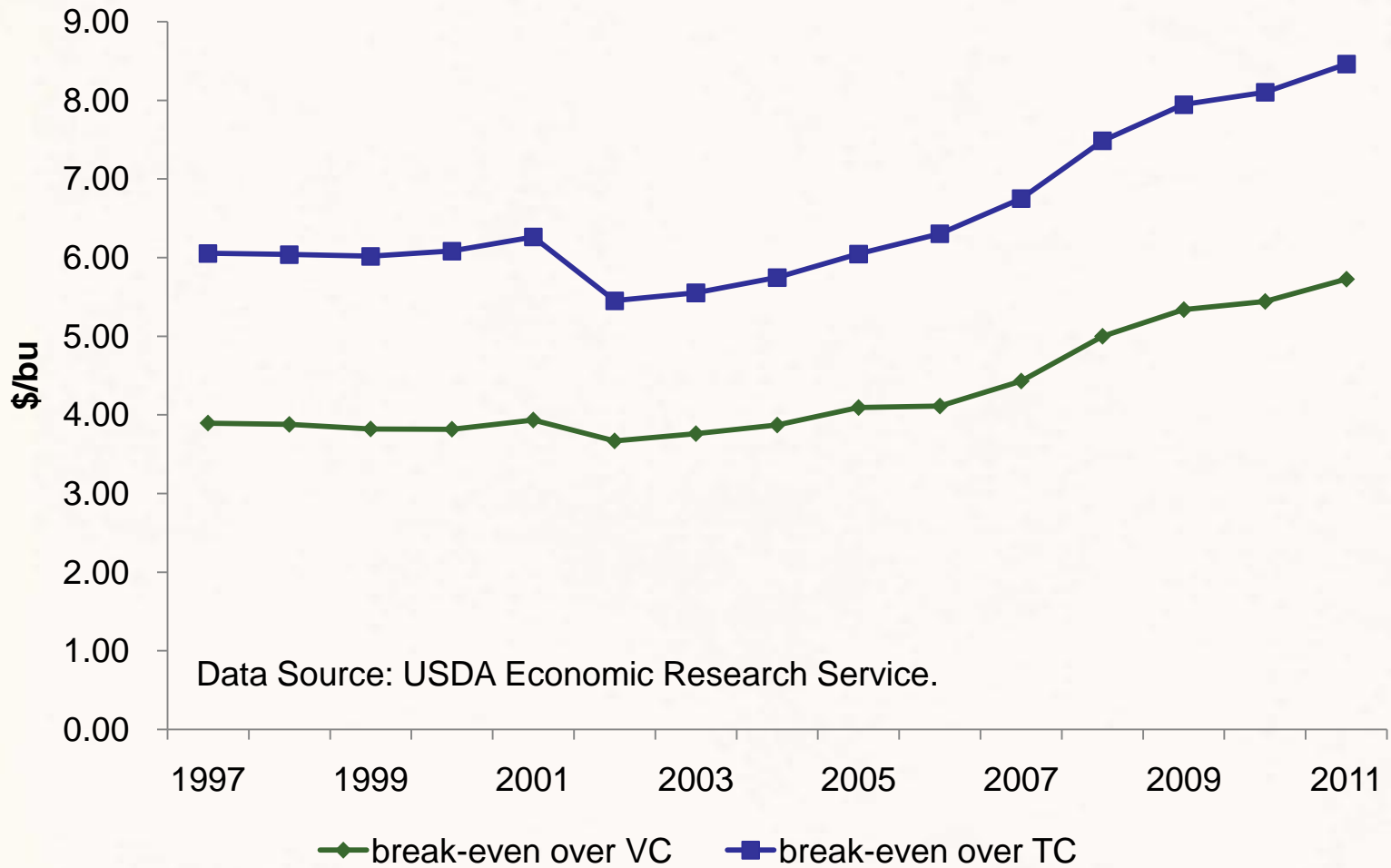
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Weekly Central IL Soybean Prices



Soybean Cost of Production



Maintaining profitability

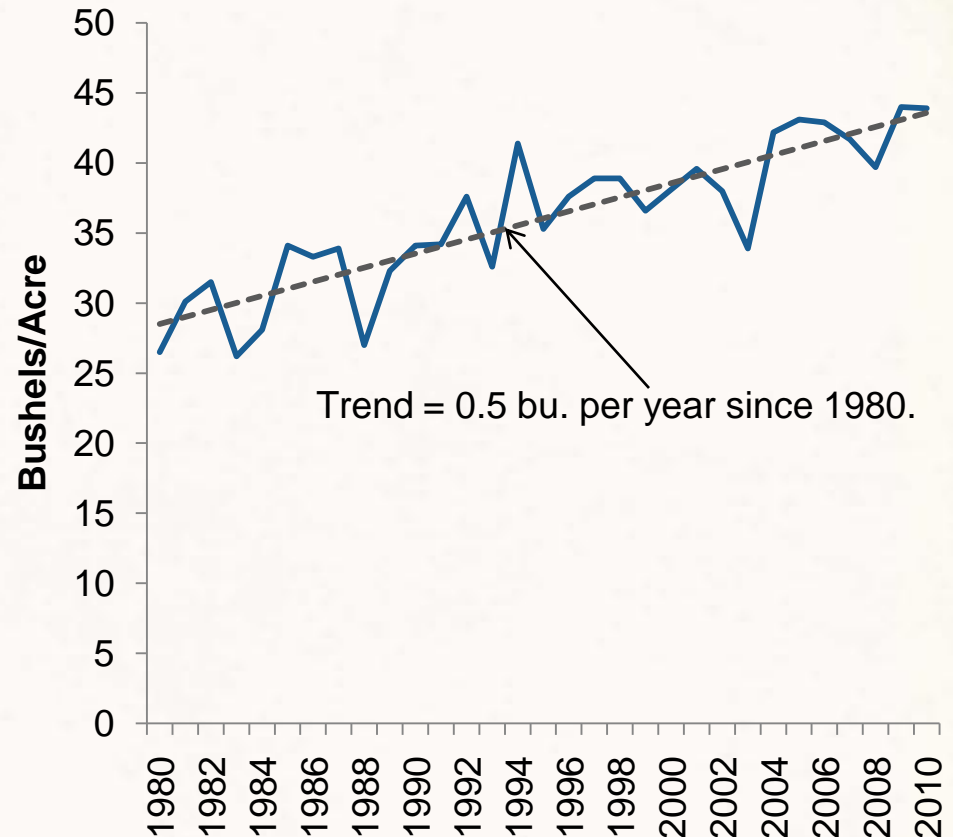
- Effective risk management
- Viable production systems
- Market access
- Fair and consistent tax/regulatory environment

Risk Management

- Farm programs
 - Largely irrelevant with current costs of production
- Federal crop insurance
 - Increasingly important tool, but its effectiveness is debated
- Market-based tools
 - Contracts
 - Futures/options
 - Must ensure that these work for purposes of producer risk management

Viabile production systems

- Need for continued innovation
 - Development of/access to improved varieties
 - Management of pesticide resistance

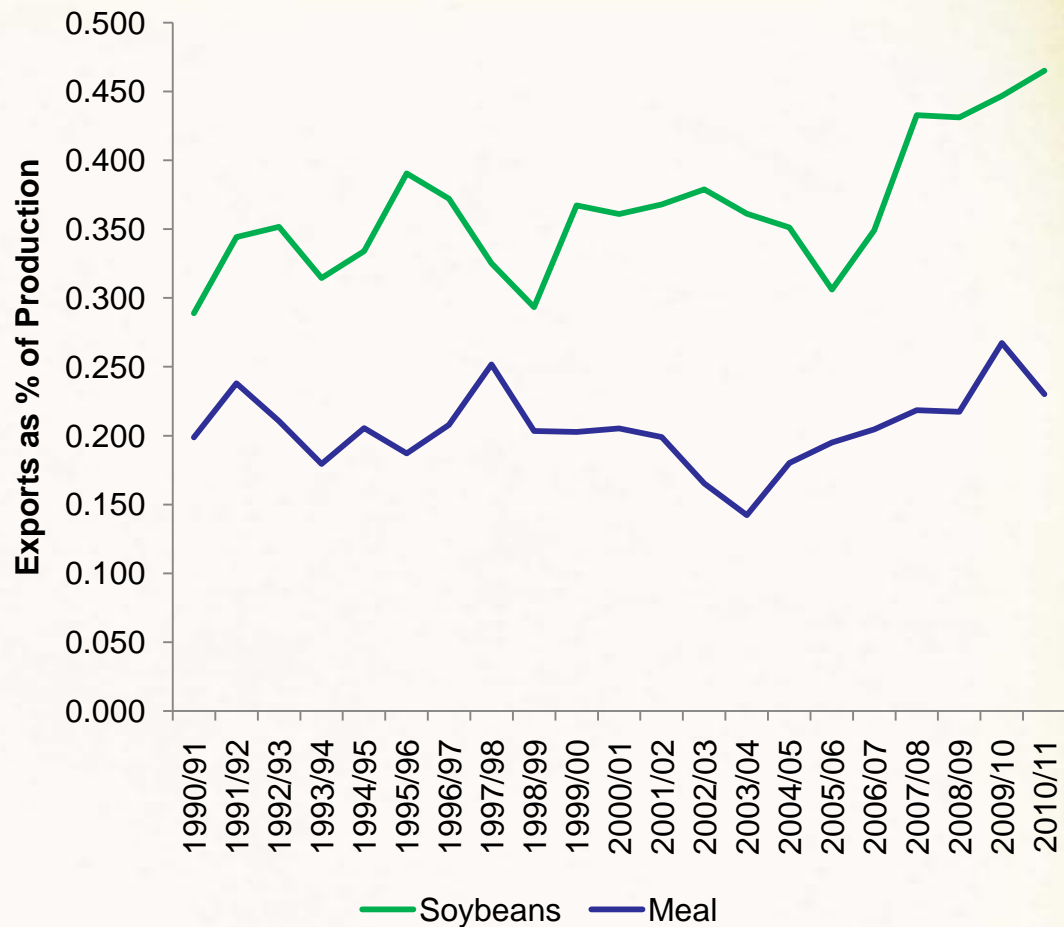


Market Access

Importance of exports will grow as demand for protein feeds increases in overseas markets such as China, Russia.

Competition for these markets from SA and other suppliers (including domestic) will be stiff.

In all markets, ensuring fair, science-based treatment of GMOs will remain critical for US producers



Tax/Regulatory Environment

- Freedom to operate implies having the ability to plan for the future
- Tax and regulatory uncertainty make this difficult, complicating long-run strategic planning and investment
- Key Issues
 - Estate Tax, water/air quality regulations