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Argentina: Grains & Oilseeds Projections

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ARGENTINA : Grains & Oilseeds Projections

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South America it’s called to be the Food Reserve of the World

World Bank, United Nations, FAO

*Brazil & Argentina together, are the largest exporters of Soybeans, Soybean Oil, Soybean Meal, Beef and Poultry. We are in the second place as exporters of Corn.
*It was during this last two decades when South America could increased their participation in the global food market.

Is this a MIRACLE…????

ARGENTINA:

1995-2012

"TO PROJECT THE FUTURE NEEDS TO UNDERSTAND THE PAST"

* Since 1995 has duplicate the total grain production from 46 M tons to 100 M tons, actually.

* We have particularly increased our market share in Corn exports.

* We have increased "Very Strong" our participation in the growth of global trade of Soybean Oil and Soybean Meal

* We have increased at a good pace the domestic consumption of Poultry and Pork meat.

* Despite that , we have not reached our potential ……

Meanwhile, see what happened in the world……

Soybeans, Corn, Wheat, Cotton, and Rice
Percentage Change in Global Consumption
1990/91 – 2010/11 and Forecast for 2011/12

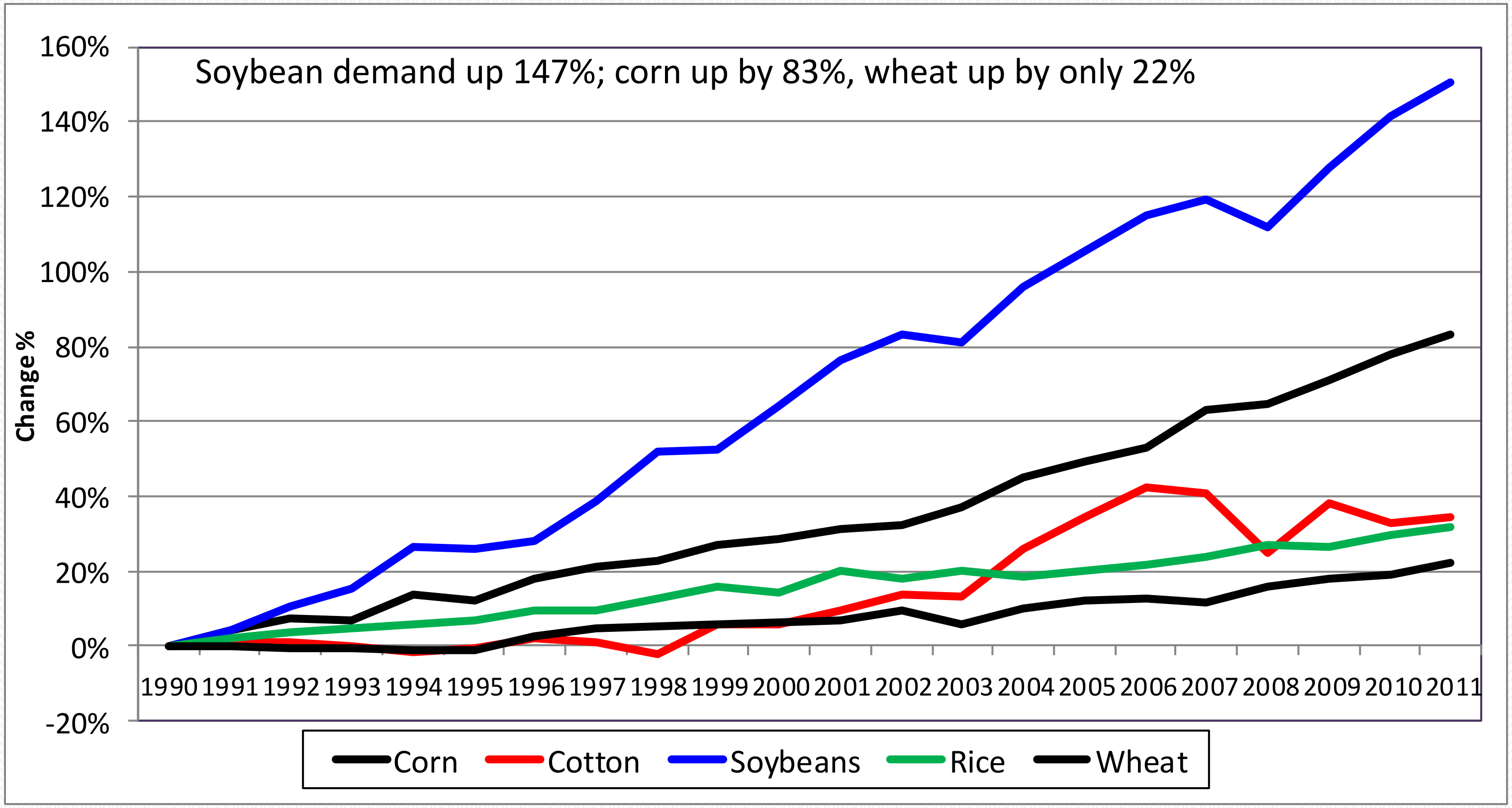


Table Nr. "1"

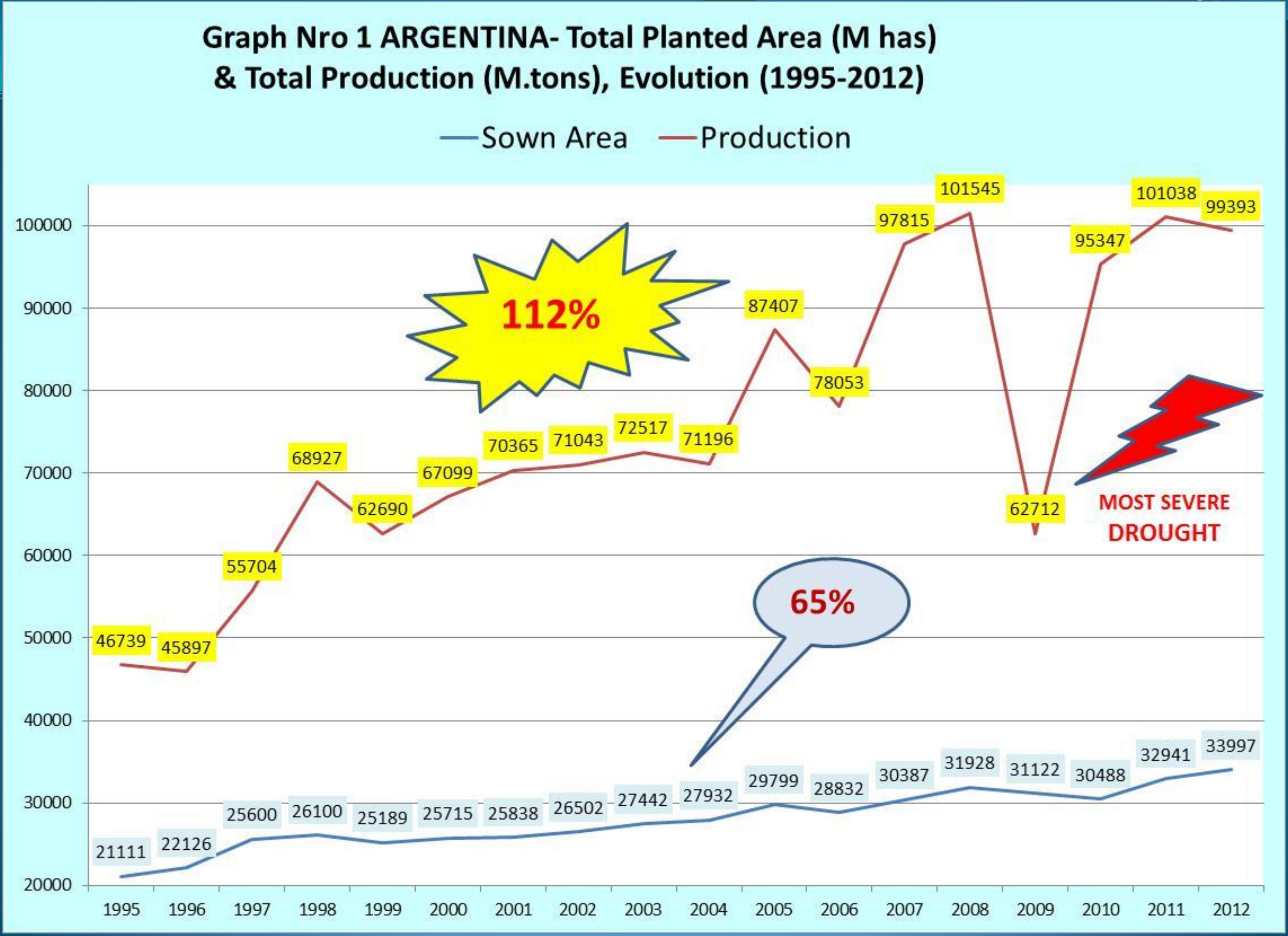
Variation in Grain Production World, US & Argentina				
(in Mmtons)				
	1995	2012	Abs. Var.	% Var.
Total Grains	1761	2761	1000	57%
US Grains	246	447	201	82%
	14%	16%	**2%**	
Arg. Grains	26	50	24	92%
	1,5%	1,8%	**0,3%**	

Table Nr. "2"

Variation in Oilseeds Production World, US & Argentina

(in Mmtons)

	1995	2012	Abs. Var.	% Var.
Total Oilseeds	280	537	257	92%
US Oilseeds	87	100	13	15%
	31%	19%	**-12%**	
Arg Oilseeds	18	50	32	178%
	6%	9%	**3%**	

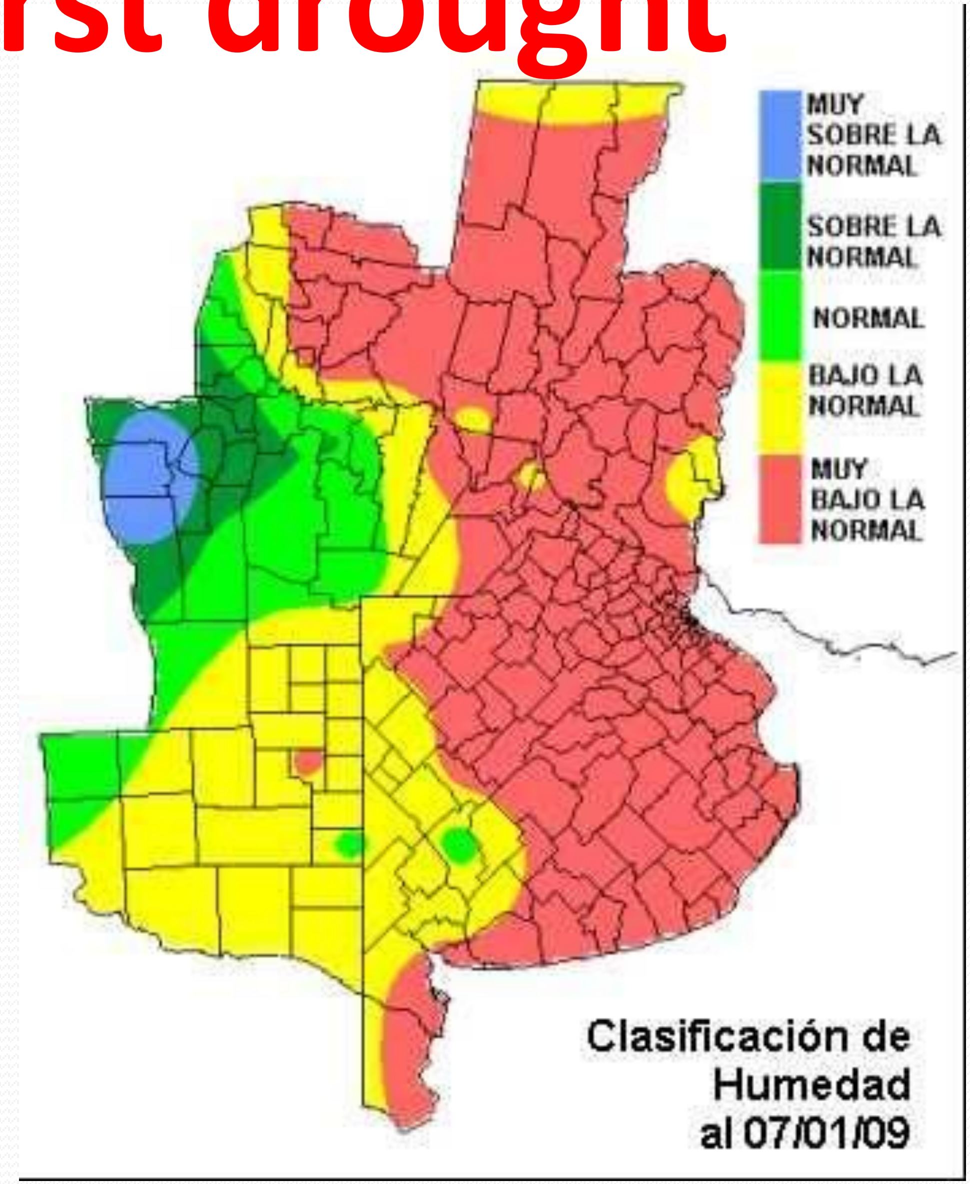

Graph Nro 1 ARGENTINA- Total Planted Area (M has)
& Total Production (M.tons), Evolution (1995-2012)
Sown Area
Production
112%
65%
MOST SEVERE
DROUGHT
46739
45897
55704
68927
62690
67099
70365
71043
72517
71196
87407
78053
97815
101545
62712
95347
101038
99393
21111
22126
25600
26100
25189
25715
25838
26502
27442
27932
29799
28832
30387
31928
31122
30488
32941
33997
100000
90000
80000
70000
60000
50000
40000
30000
20000
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012

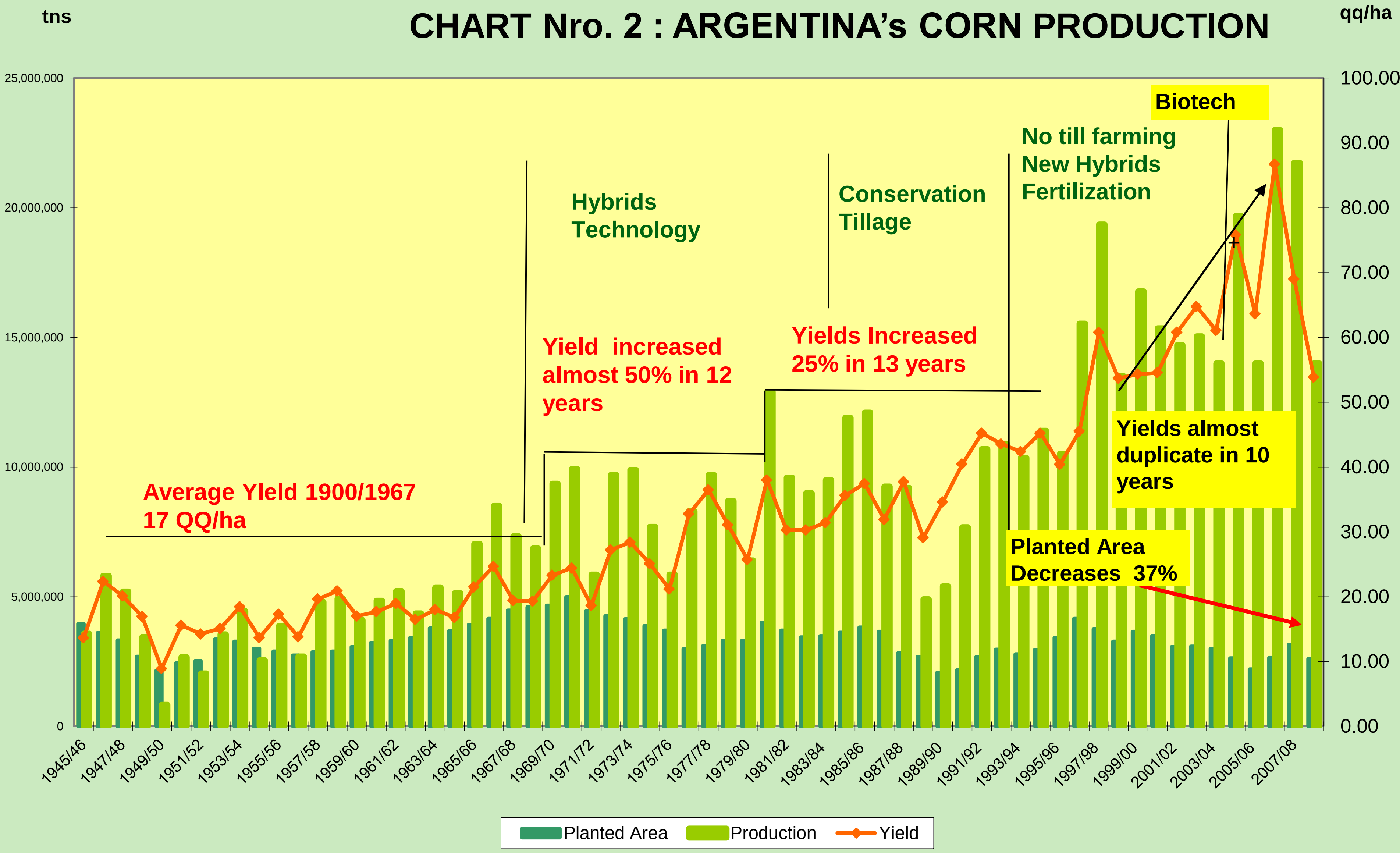
2009- The worst drought last 50 years,

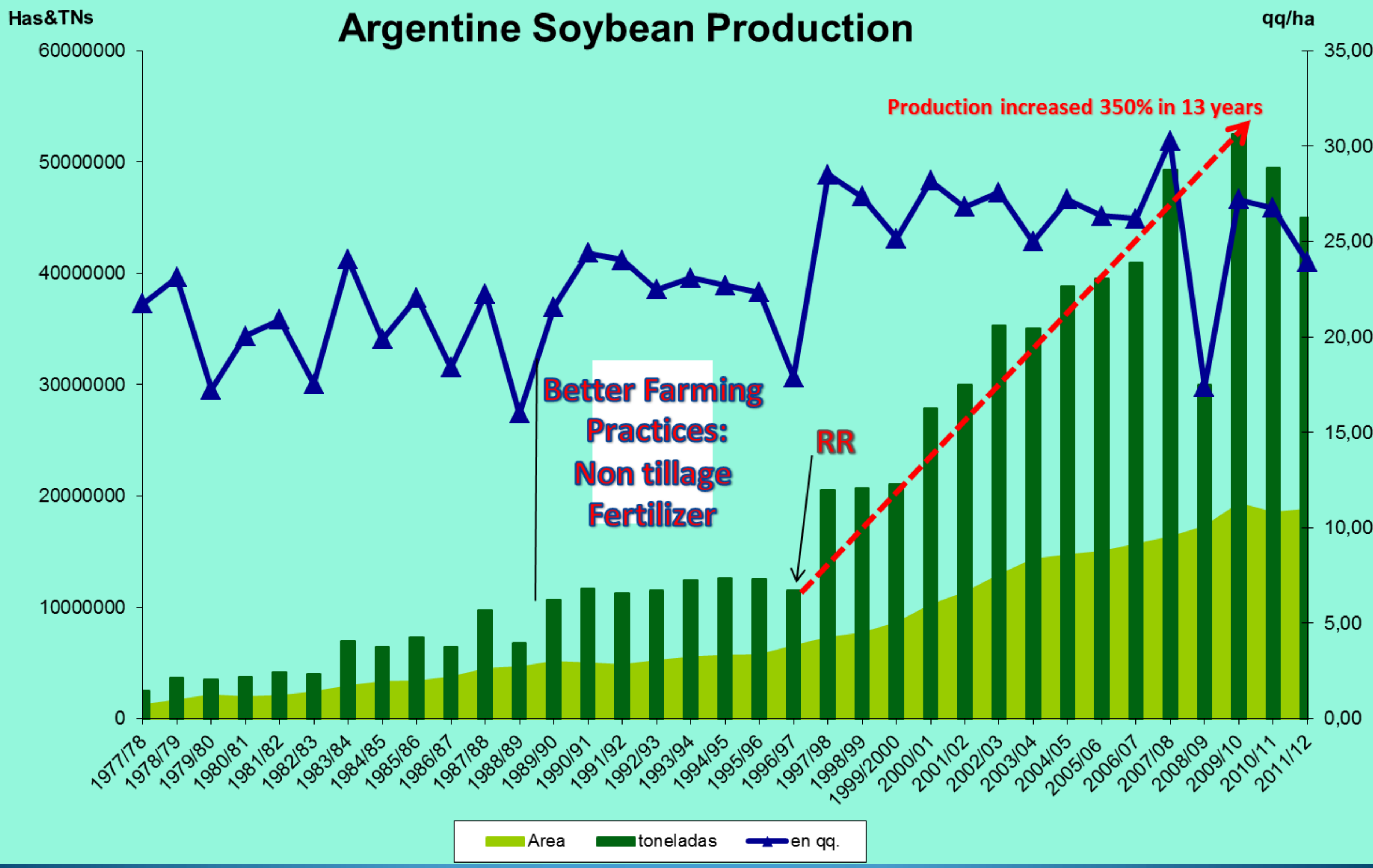
Argentina lost:

* **20** M. tons Soybeans
* **10** M. tons Corn
* **8** M. tons Wheat
* **3** M.tons Sunflower

Total Lost Almost **40%** of the crop : **41** million tons.




tns
CHART Nro. 2 : ARGENTINA's CORN PRODUCTION
qq/ha
Biotech
No till farming
New Hybrids
Fertilization
Hybrids
Technology
Conservation
Tillage
Yield increased almost 50% in 12 years
Yields Increased 25% in 13 years
Yields almost duplicate in 10 years
Average YIeld 1900/1967
17 QQ/ha
Planted Area
Decreases 37%
Planted Area
Production
Yield



Argentine Soybean Production
Has&TNs
qq/ha
60000000
50000000
40000000
30000000
20000000
10000000
0
35,00
30,00
25,00
20,00
15,00
10,00
5,00
0,00
Production increased 350% in 13 years
Better Farming Practices: Non tillage Fertilizer
RR
1977/78
1978/79
1979/80
1980/81
1981/82
1982/83
1983/84
1984/85
1985/86
1986/87
1987/88
1988/89
1989/90
1990/91
1991/92
1992/93
1993/94
1994/95
1995/96
1996/97
1997/98
1998/99
1999/2000
2000/01
2001/02
2002/03
2003/04
2004/05
2005/06
2006/07
2007/08
2008/09
2009/10
2010/11
2011/12
Area
toneladas
en qq.

Technology & Biotechnology………
The main factors given the answer to more productivity..

- The Mercosur countries (Argentina, Brazil, Paraguay and Uruguay) have approved an internal procedure within all the country's member, to approve the new biotech traits, all at the same time. It is call synchronization of all the biotech approvals .
- Government has confirmed that Argentina will allow that all new biotech traits that have been approved previously and have already completed regulatory process , in Brazil, could be directly approved in Argentina. This means that Argentina don't need to wait 4 o 5 years to complete his own regulatory process, if this new biotech event has previously approved in Brazil.
- Therefore, a new Regulatory Frame has been approved in Argentina, in order to reach these goals.

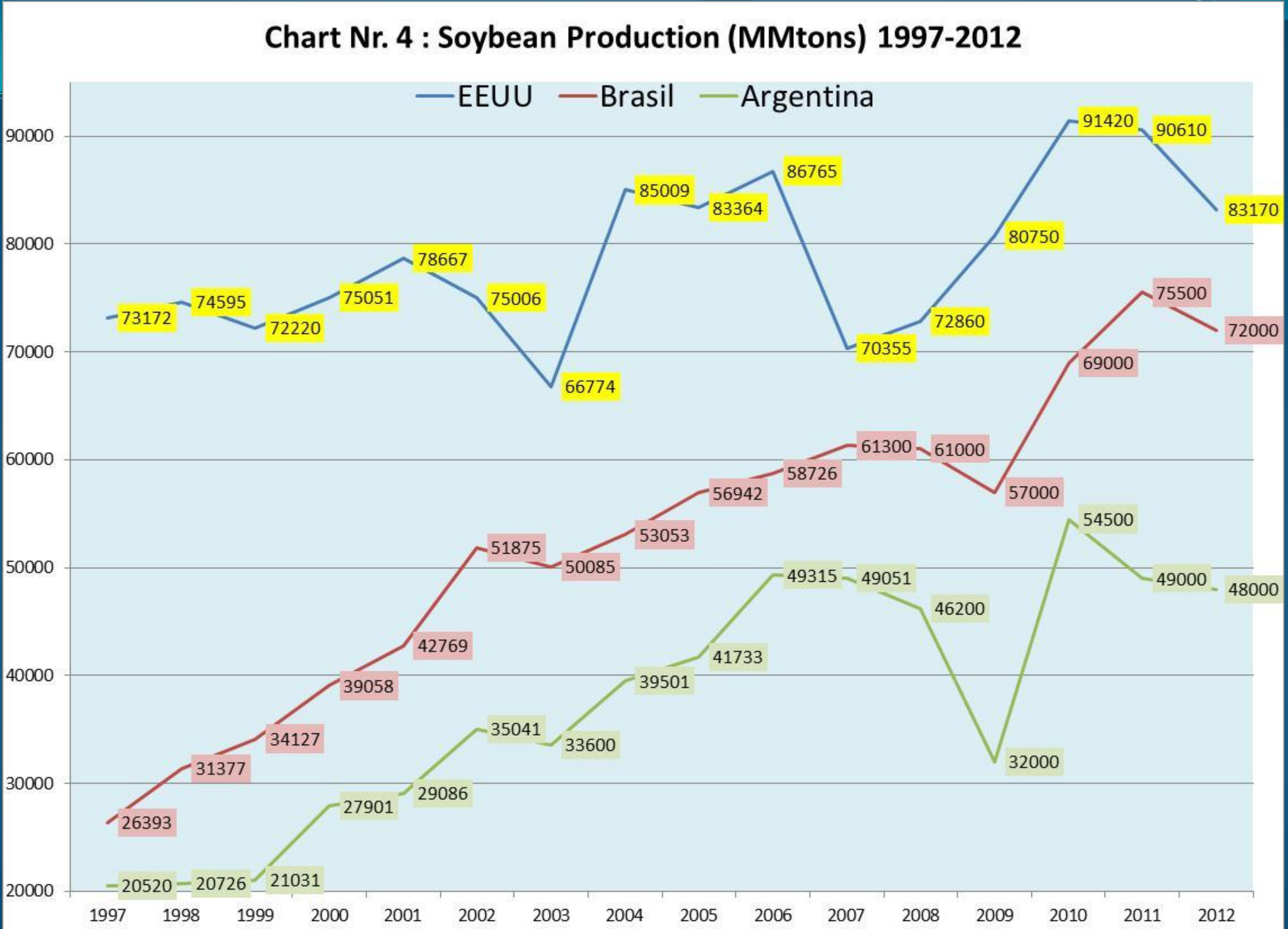


Chart Nr. 4 : Soybean Production (MMtons) 1997-2012
EEUU
Brasil
Argentina
90000
80000
70000
60000
50000
40000
30000
20000
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
73172
74595
72220
75051
78667
75006
66774
85009
83364
86765
70355
72860
80750
91420
90610
83170
26393
31377
34127
39058
42769
51875
50085
53053
56942
58726
61300
61000
57000
69000
75500
72000
20520
20726
21031
27901
29086
35041
33600
39501
41733
49315
49051
46200
32000
54500
49000
48000

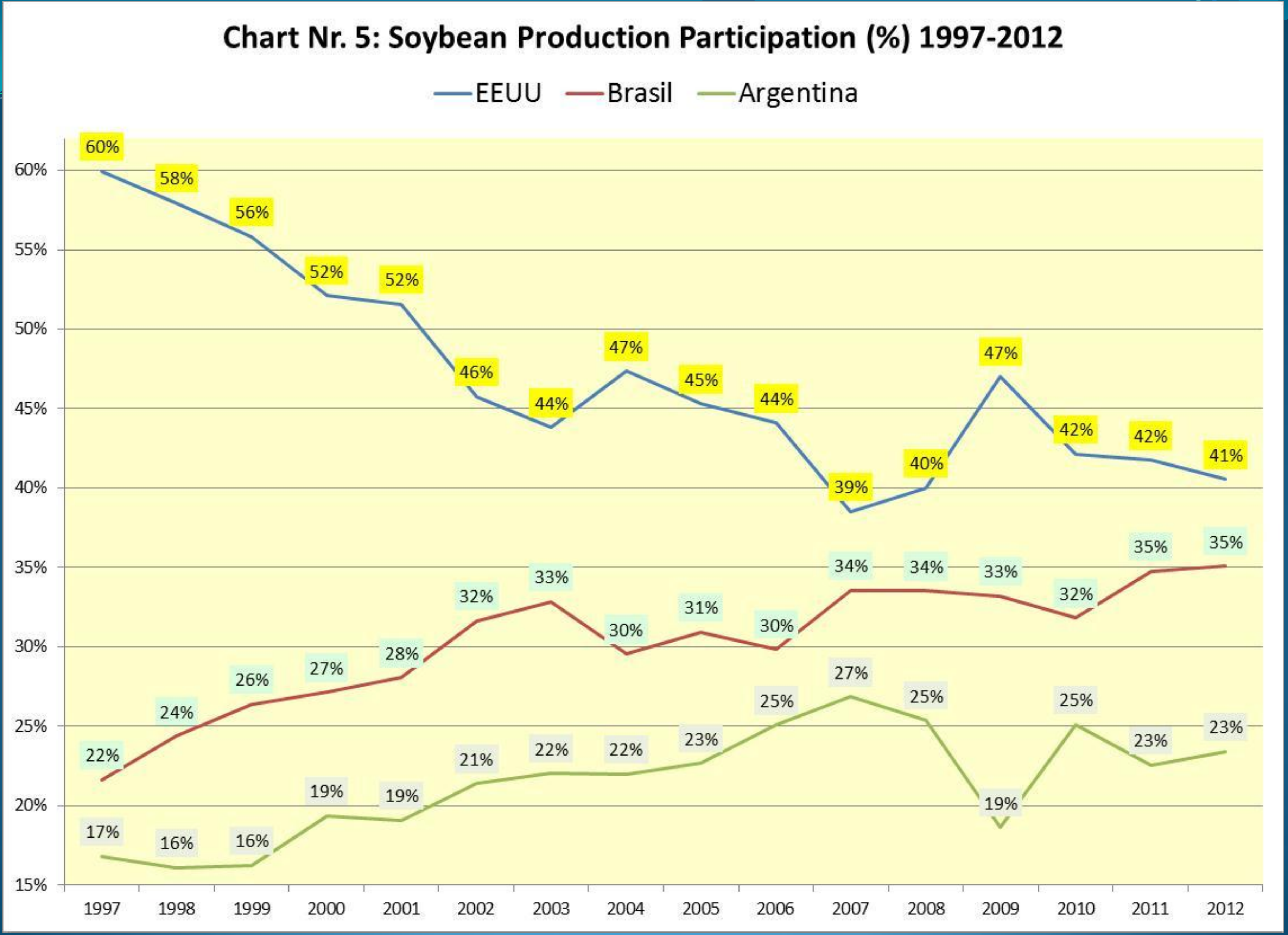


Chart Nr. 5: Soybean Production Participation (%) 1997-2012
EEUU
Brasil
Argentina
60%
55%
50%
45%
40%
35%
30%
25%
20%
15%
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
60%
58%
56%
52%
52%
46%
44%
47%
45%
44%
39%
40%
47%
42%
42%
41%
22%
24%
26%
27%
28%
32%
33%
30%
31%
30%
34%
34%
33%
32%
35%
35%
17%
16%
16%
19%
19%
21%
22%
22%
23%
25%
27%
25%
19%
25%
23%
23%

Chart Nr.6 : Soybean Exports (MMtons) 1997-2012

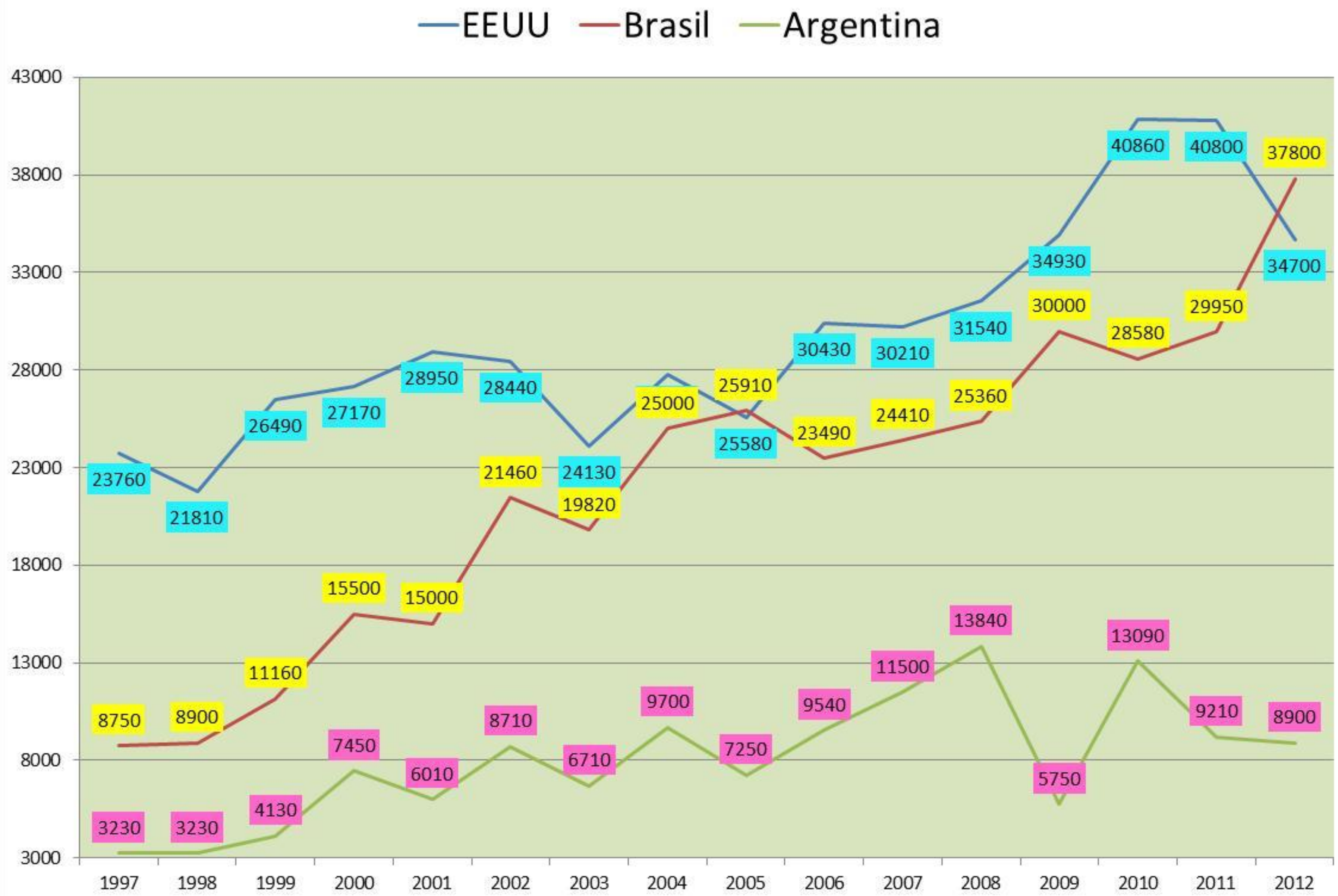


Table Nr. "3"

SOYBEAN WORLD TRADE EVOLUTION

	1995/96	2011/12	Absolute Var. .-in mill tons-	Precentage Var. (%)
World	32	92,8	60,8	190%
USA	23,2	34,7	11,5	50%
Brazil	3,5	37,8	34,3	**980%**
Argentina	2,1	9	6,9	**329%**
Sub Total 3	28,8	81,5	52,7	183%
SubTtl %	90%	88%	87%	

Source: USDA

Market Share (%)

	1995/96	2011/12	
USA	**73%**	37%	**-35%**
Brazil	11%	**41%**	**30%**
Argentina	7%	10%	

Char Nr. 7: Soybean Production (MM tons) EEUU Vs. ARG + BZL 1997-2012

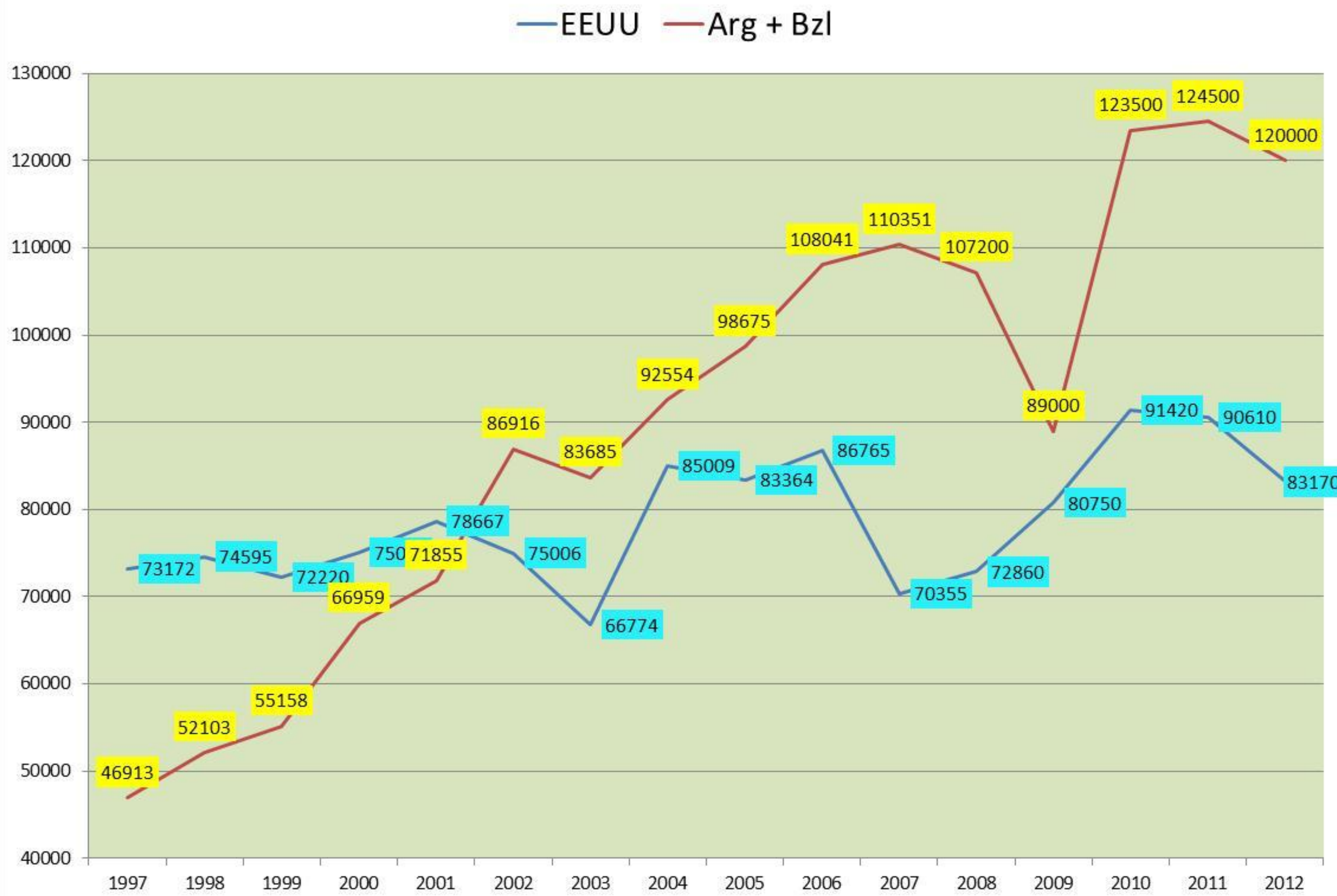


Table Nr. "4"

SOYBEAN PRODUCTION EVOLUTION				
	1995/96	2011/12	Absolute Var. .-in mill tons-	Precentage Var. (%)
World	125	251,5	126,5	101%
USA	59,2	83,2	24,0	40%
Brazil	24,2	72	47,8	**198%**
Argentina	12,4	48	35,6	**287%**
Sub Total 3	95,8	203,17	107,4	112%
SubTtl %	77%	81%	85%	

Source: USDA

Table Nr. "5"

SOYBEAN MEAL WORLD TRADE EVOLUTION

	1995/96	2011/12	Absolute Var. .-in mill tons-	% Var. (%)	Increased Trade Captured
World	33,7	60,3	26,6	79%	
USA	5,5	8,0	2,5	45%	9%
Brazil	11,94	14,65	2,7	**23%**	10%
Argentina	8,2	29,3	21,1	**257%**	**79%**
Sub Total 3	25,64	51,93	26,3	103%	
SubTtl %	76%	86%	99%		

Source: USDA

Market Share (%)

	1995/96	2011/12	
USA	16%	13%	-3%
Brazil	35%	24%	-11%
Argentina	24%	**49%**	**24%**

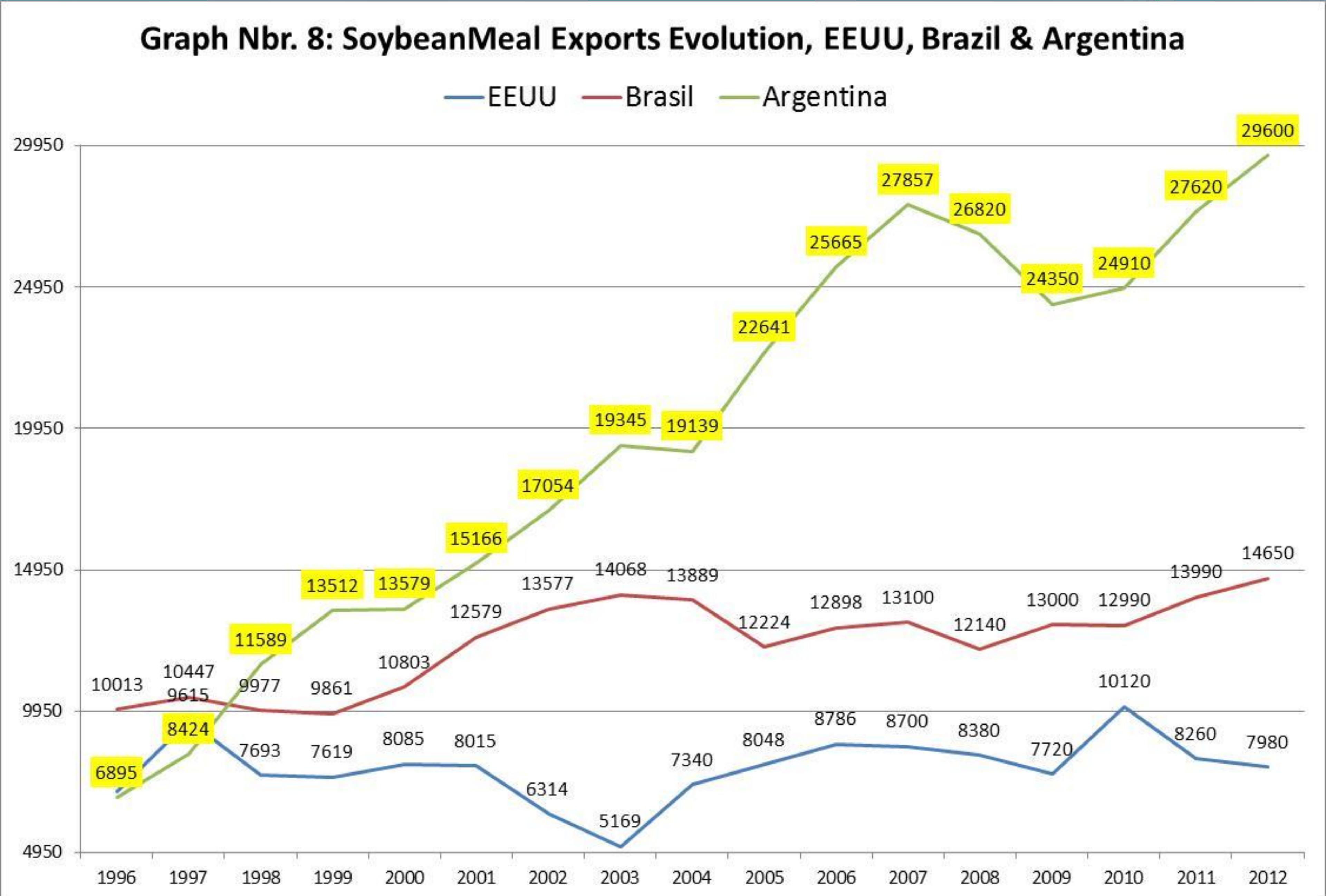

Graph Nbr. 8: SoybeanMeal Exports Evolution, EEUU, Brazil & Argentina
EEUU
Brasil
Argentina
29950
24950
19950
14950
9950
4950
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
6895
8424
11589
13512
13579
15166
17054
19345
19139
22641
25665
27857
26820
24350
24910
27620
29600
10013
10447
9977
9861
10803
12579
13577
14068
13889
12224
12898
13100
12140
13000
12990
13990
14650
9615
7693
7619
8085
8015
6314
5169
7340
8048
8786
8700
8380
7720
10120
8260
7980

Table Nr. "6"

SOYBEAN OIL WORLD TRADE EVOLUTION

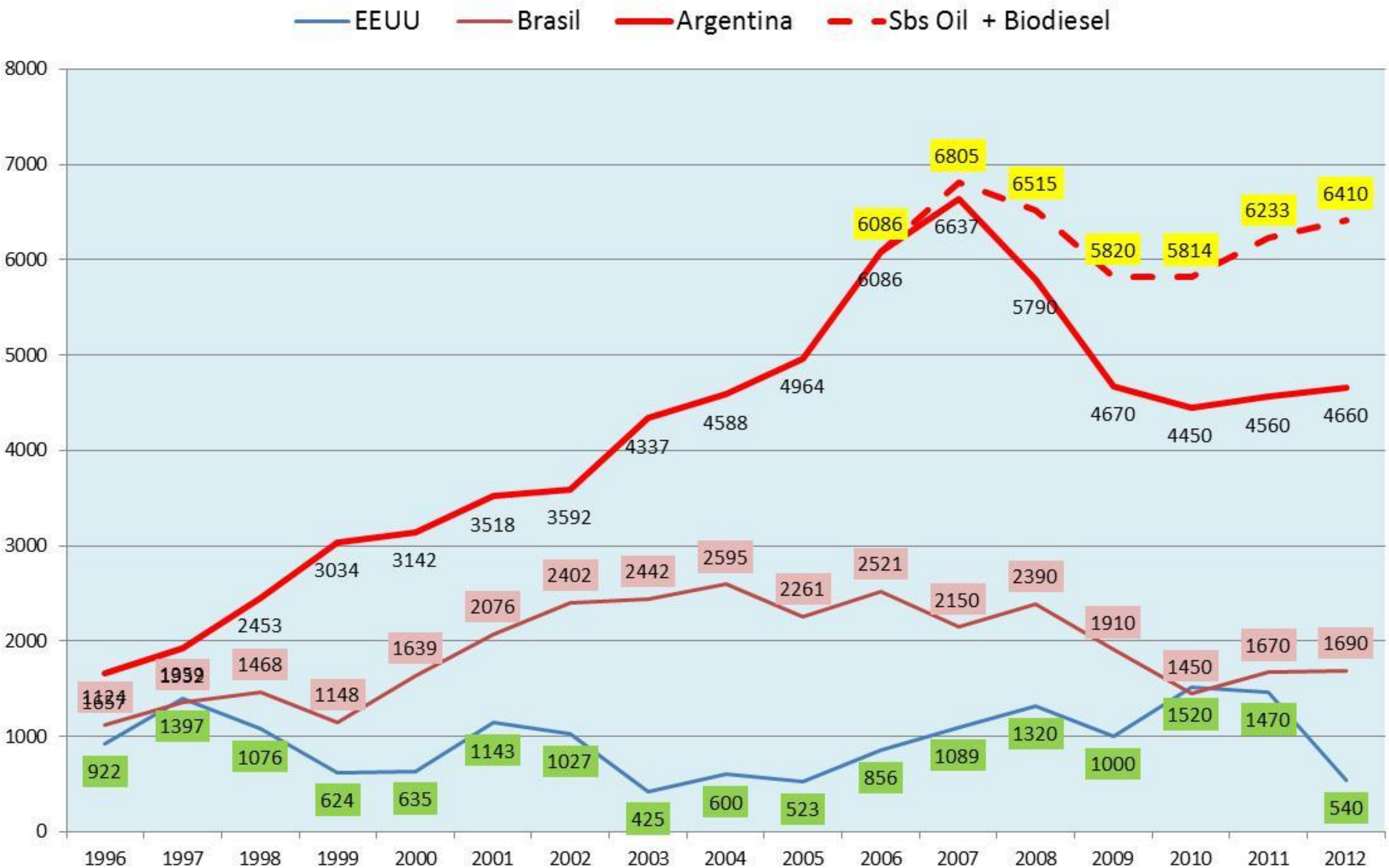
	1995/96	2011/12	Absolute Var. .-in mill tons-	% Var. (%)	Increased Trade Captured
World	5,3	8,6	3,3	62%	
USA	0,45	0,5	0,1	20%	3%
Brazil	1,6	1,69	0,1	**6%**	3%
Argentina	1,56	4,66	3,1	**199%**	**95%**
Sub Total 3	3,61	6,89	3,3	91%	
SubTtl %	68%	80%	100%		

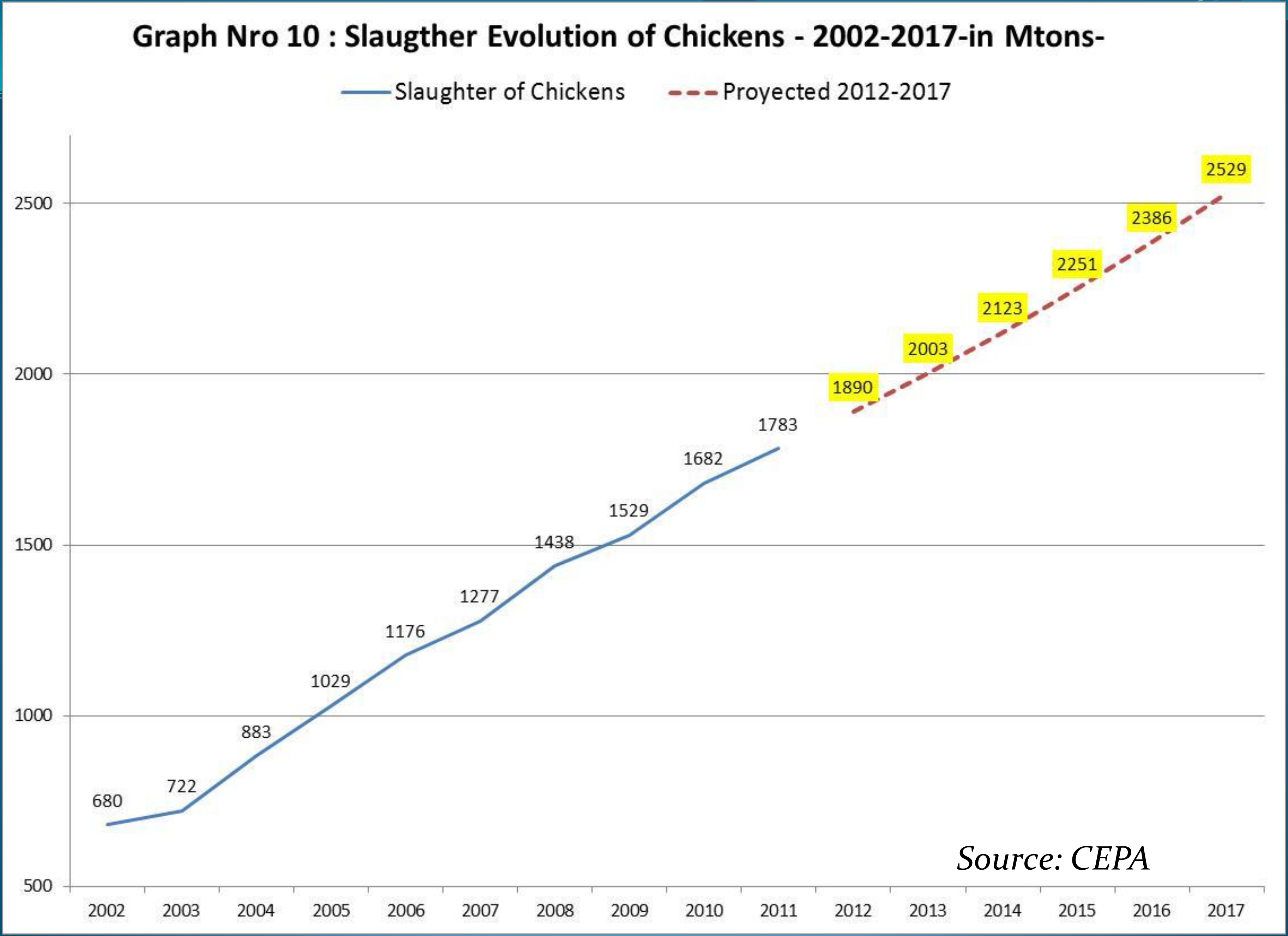
Source: USDA

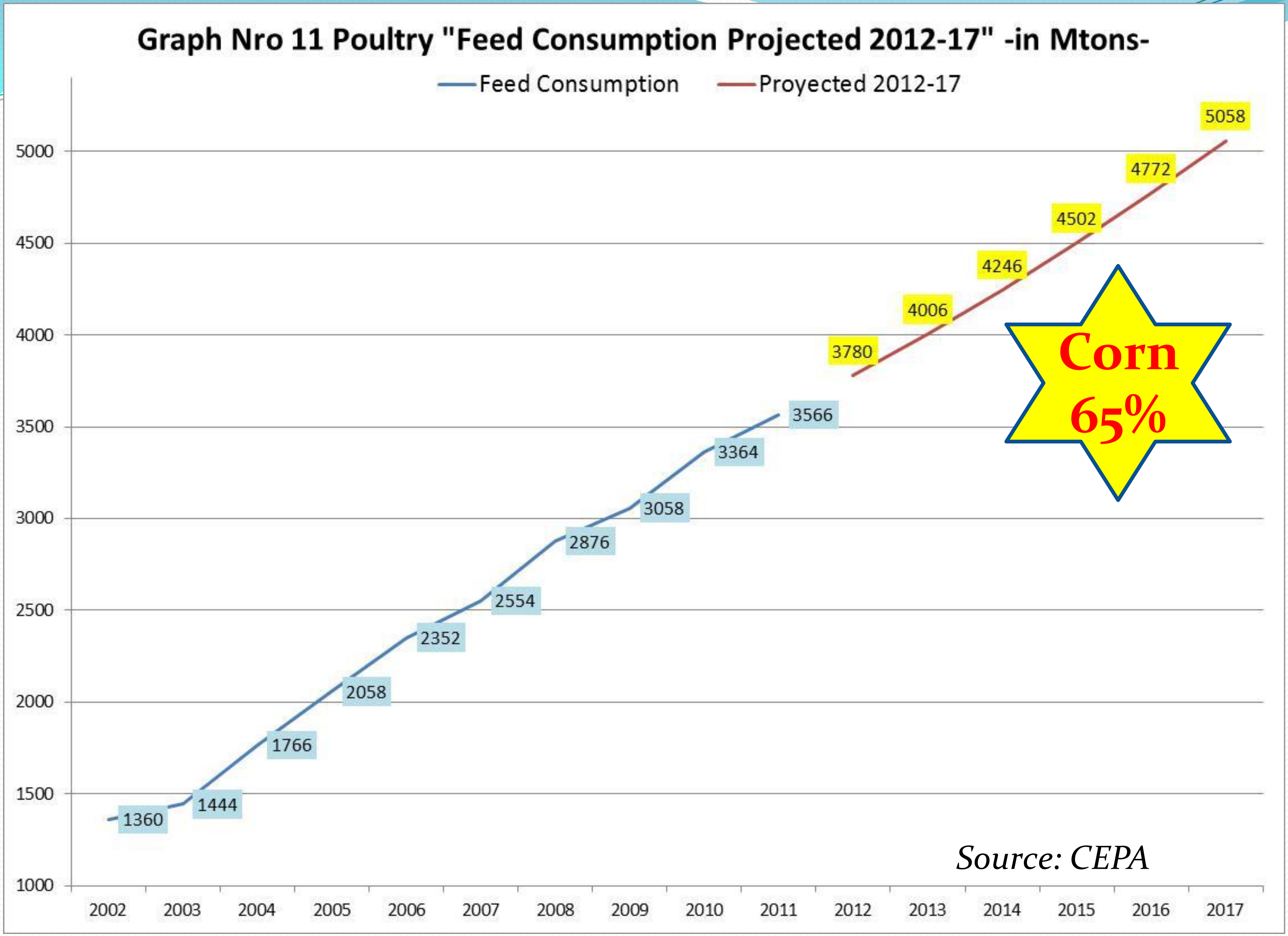
Market Share (%)

	1995/96	2011/12	
USA	8%	6%	-2%
Brazil	30%	20%	-10%
Argentina	29%	**54%**	**25%**

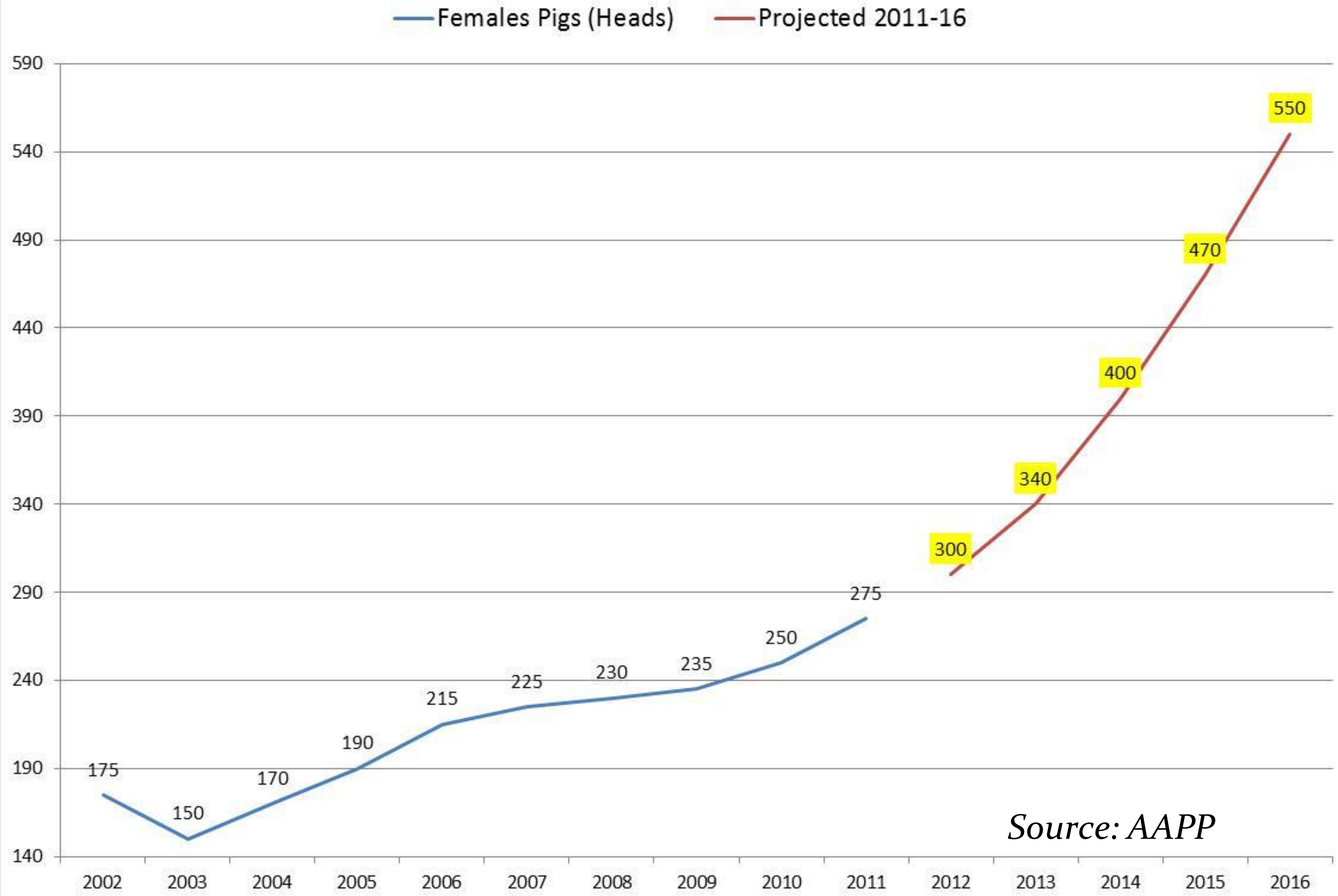
Graph Nr. 9: Soybean Oil Exports Evolution, EEUU, Brazil & Argentina



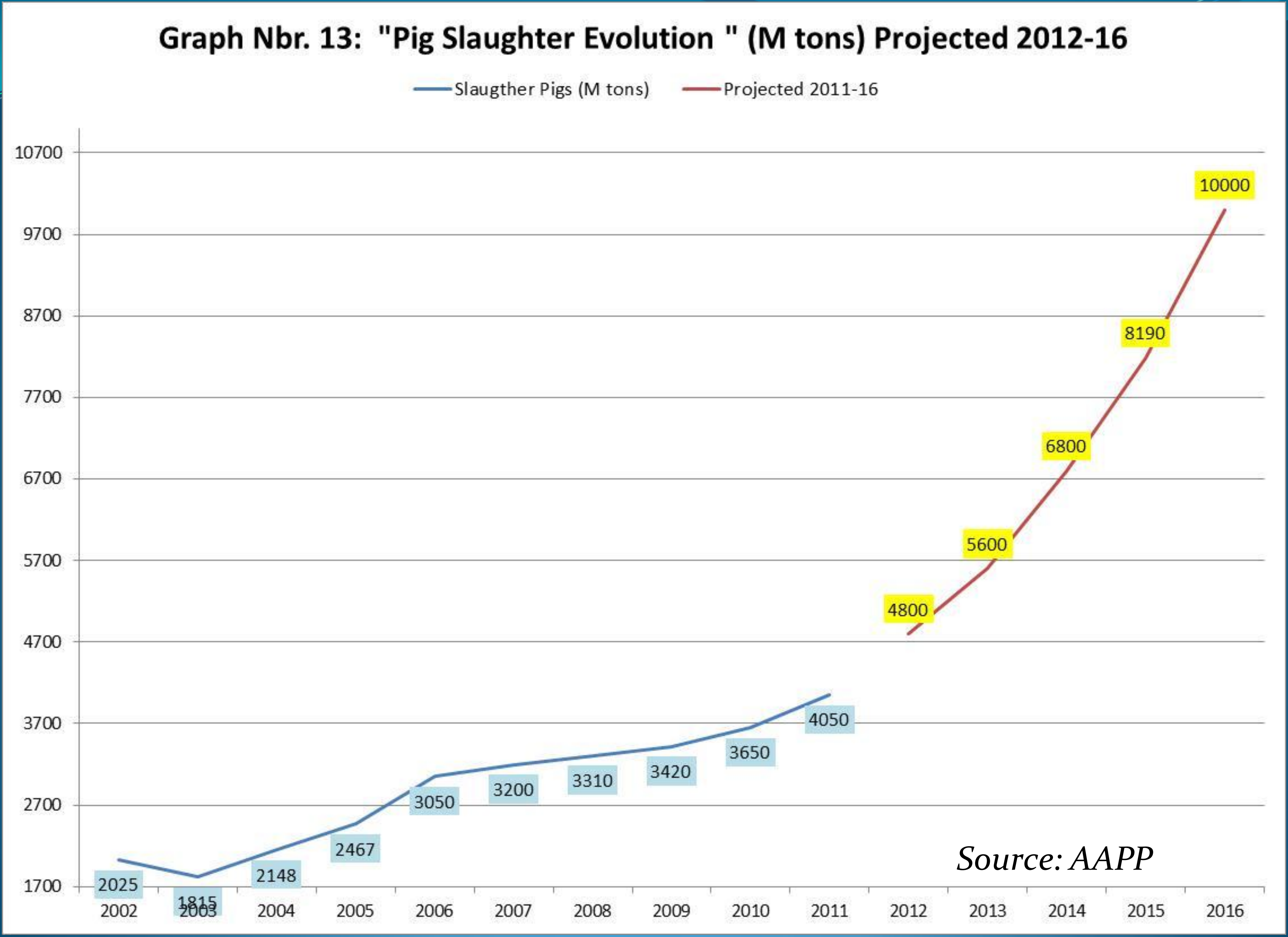

Graph Nro 10 : Slaugther Evolution of Chickens - 2002-2017-in Mtons-
Slaughter of Chickens
Proyected 2012-2017
2500
2000
1500
1000
500
680
722
883
1029
1176
1277
1438
1529
1682
1783
1890
2003
2123
2251
2386
2529
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
Source: CEPA


Graph Nro 11 Poultry "Feed Consumption Projected 2012-17" -in Mtons-
Feed Consumption
Proyected 2012-17
5000
4500
4000
3500
3000
2500
2000
1500
1000
1360
1444
1766
2058
2352
2554
2876
3058
3364
3566
3780
4006
4246
4502
4772
5058
Corn 65%
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
Source: CEPA

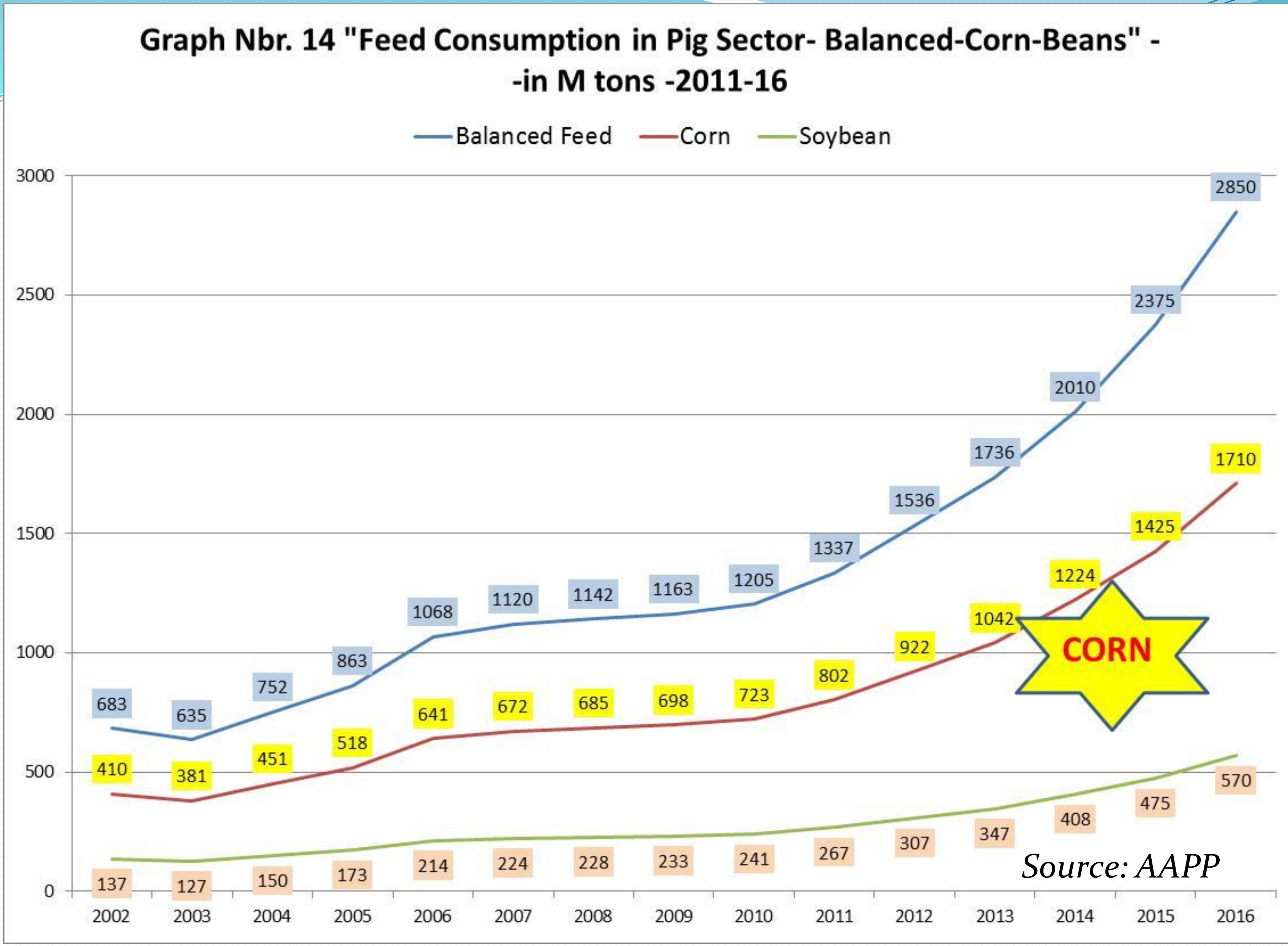
Graph Nbr. 12 "Pig Herd Evolution" - M Heads- Projections 2011-16



Source: AAPP



Graph Nbr. 13: "Pig Slaughter Evolution " (M tons) Projected 2012-16
Slaugther Pigs (M tons)
Projected 2011-16
10700
9700
8700
7700
6700
5700
4700
3700
2700
1700
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2025
1815
2148
2467
3050
3200
3310
3420
3650
4050
4800
5600
6800
8190
10000
Source: AAPP

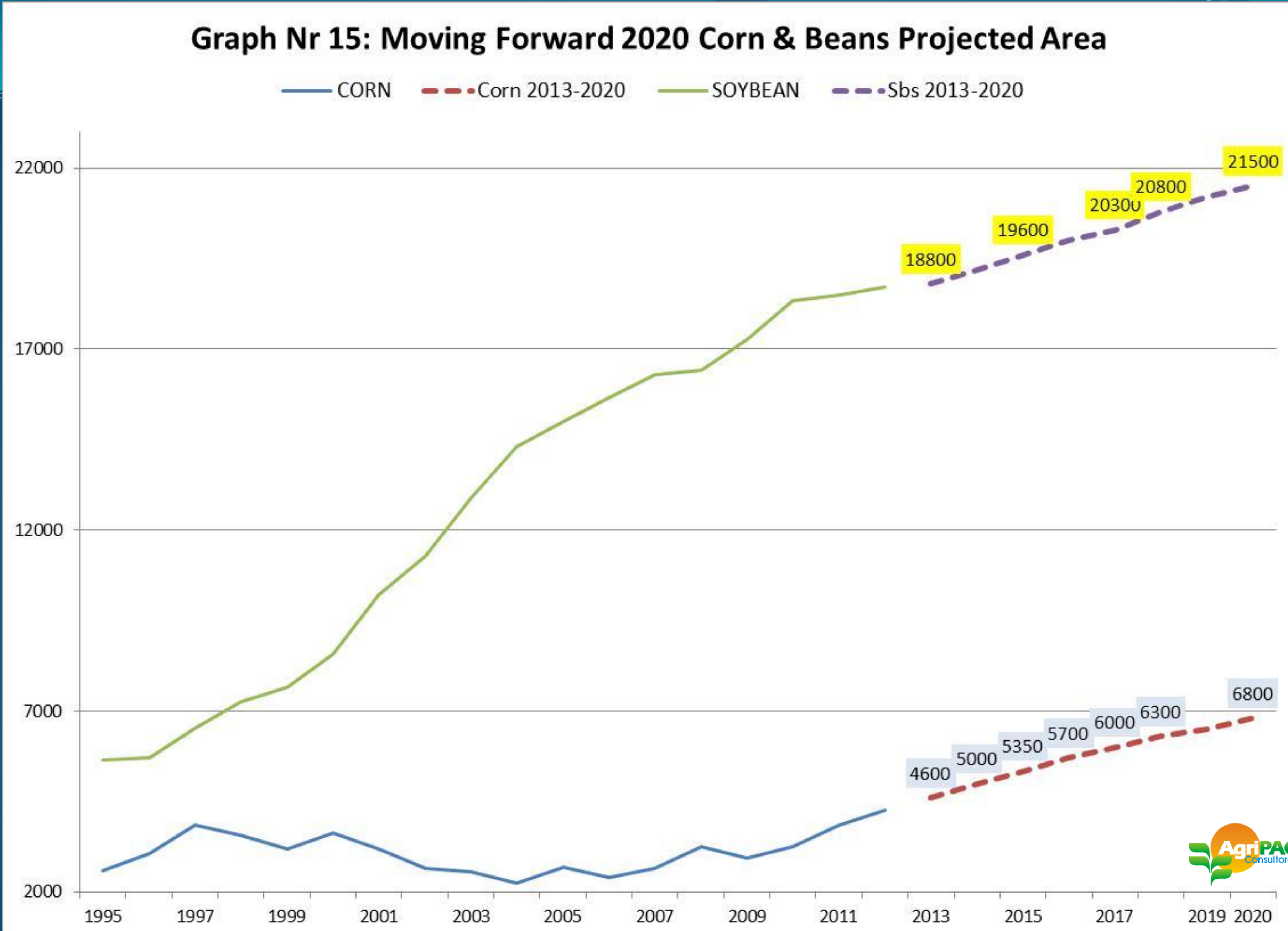

Graph Nbr. 14 "Feed Consumption in Pig Sector- Balanced-Corn-Beans" -
-in M tons -2011-16
Balanced Feed
Corn
Soybean
3000
2500
2000
1500
1000
500
0
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
683
635
752
863
1068
1120
1142
1163
1205
1337
1536
1736
2010
2375
2850
410
381
451
518
641
672
685
698
723
802
922
1042
1224
1425
1710
137
127
150
173
214
224
228
233
241
267
307
347
408
475
570
CORN
Source: AAPP

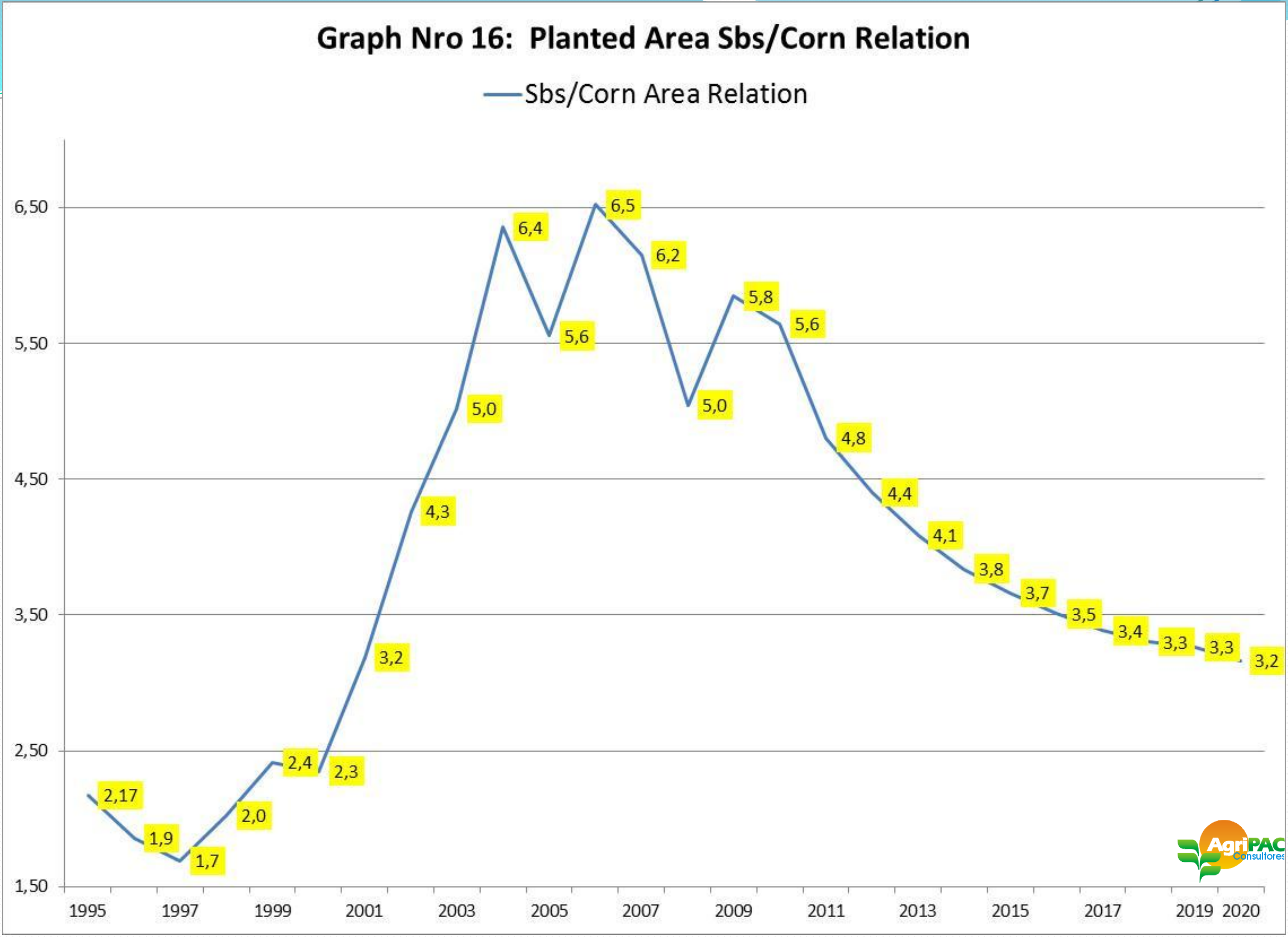
Crops Proyections 2020

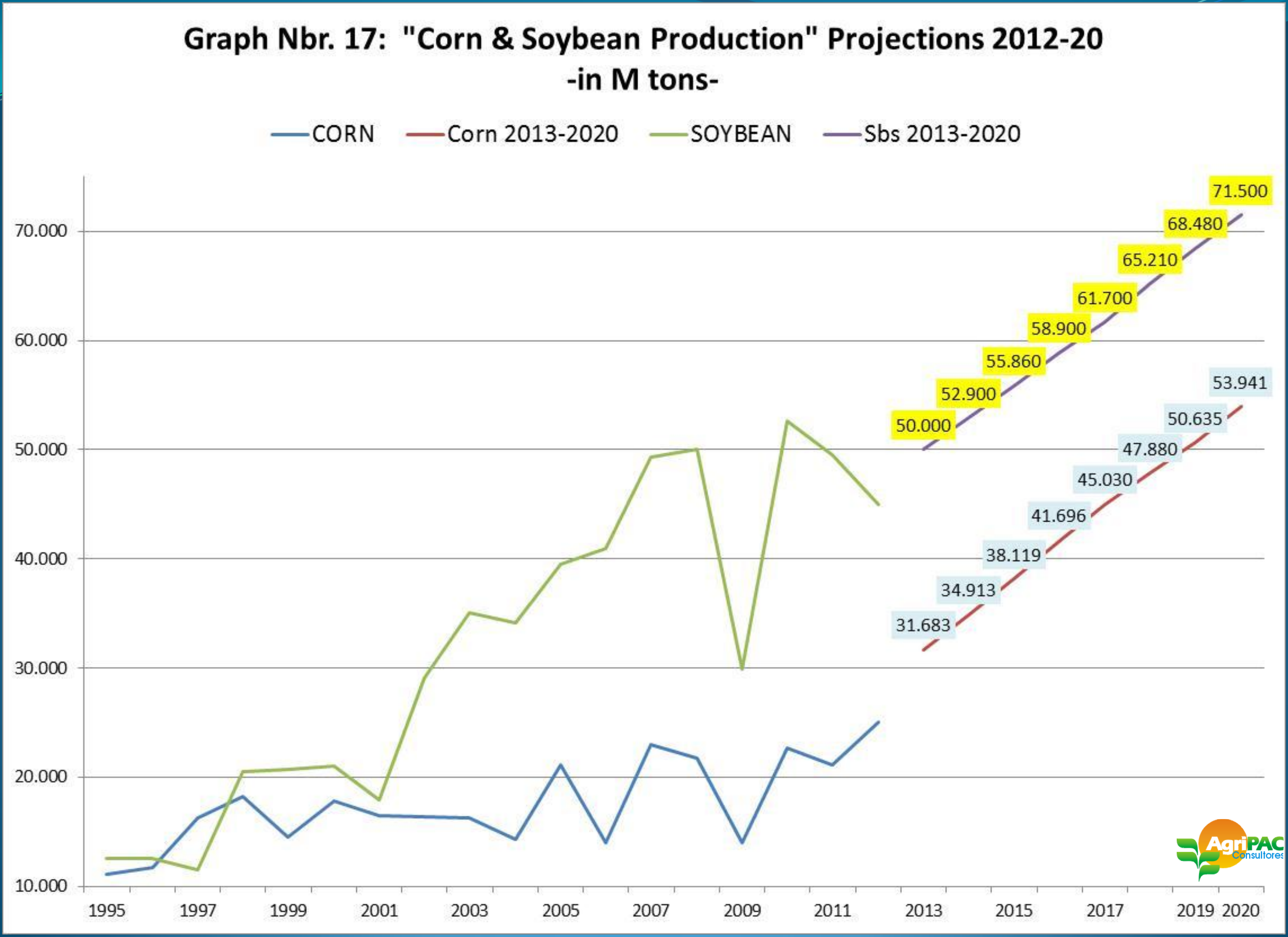
	Wheat	Corn	Soybeans	Sunflower	Total
Area Planted (000 has)					
- Average 2007/09	4.587	3.531	17.495	2.035	31.210
- Proy. 2002 al 2010	6.354	3.745	16.747	3.697	34.088
- Proy. 2007 al 2015	6.300	6.100	19.100	2.300	37.300
- Proy. 2010 al 2020	*5.800*	*5.200*	*21.900*	*2.900*	*39.500*
Productión (000 tons)					
- Average 2007/09	9.367	18.778	43.670	3.440	83.417
- Proy. 2002 al 2010	17.477	35.810	44.757	7.849	100.000
- Proy. 2007 al 2015	17.760	37.688	55.093	4.348	122.000
- Proy. 2010 al 2020	*16.139*	*37.113*	*67.149*	*5.549*	*135.143*

Note: Proyec. 2010 (2002), Proyec. 2015 (2007), Proyec. 2020 (2010)

Source: Fundación Producir Conservando


Graph Nr 15: Moving Forward 2020 Corn & Beans Projected Area
CORN
Corn 2013-2020
SOYBEAN
Sbs 2013-2020
22000
17000
12000
7000
2000
1995
1997
1999
2001
2003
2005
2007
2009
2011
2013
2015
2017
2019
2020
18800
19600
20300
20800
21500
4600
5000
5350
5700
6000
6300
6800
AgriPAC
Consultores


Graph Nro 16: Planted Area Sbs/Corn Relation
Sbs/Corn Area Relation
6,50
5,50
4,50
3,50
2,50
1,50
2,17
1,9
1,7
2,0
2,4
2,3
3,2
4,3
5,0
6,4
5,6
6,5
6,2
5,0
5,8
5,6
4,8
4,4
4,1
3,8
3,7
3,5
3,4
3,3
3,3
3,2
1995
1997
1999
2001
2003
2005
2007
2009
2011
2013
2015
2017
2019
2020
AgriPAC
Consultores



Graph Nbr. 17: "Corn & Soybean Production" Projections 2012-20
-in M tons-
CORN
Corn 2013-2020
SOYBEAN
Sbs 2013-2020
70.000
60.000
50.000
40.000
30.000
20.000
10.000
1995
1997
1999
2001
2003
2005
2007
2009
2011
2013
2015
2017
2019
2020
50.000
52.900
55.860
58.900
61.700
65.210
68.480
71.500
31.683
34.913
38.119
41.696
45.030
47.880
50.635
53.941
AgriPAC
Consultores

NEXT STEPS……

*The production level achieved was done with structural changes still in process…. That required huge investments of the private sector in Ports, Terminal Elevators, Crushing facilities , Technology, ………

*It is obvious that to reach 150 million tons production level, structural changes will have to be completed…….
*Improves in the storage capacity…….
*Improves roads , railways system, further dredging of the Upriver terminal ports ……
* Clear commercial rules local and to exports, Crop Insurance, Intellectual property rights,……
*Technological advances are crucial……

Do we need another MIRACLE…??

We need what we did in the past, Technology, Technology , and More Technology

<u>This is our DESTINY……………….</u>