



# ADM Direct

## Opportunities in Oilseed Rape

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- Who is ADM?
- Rapeseed Market Prospects
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- Food Safety



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# Who is ADM?

ADM is one of the world's largest processors of:

- Oilseeds
- Corn
- Wheat
- Ethanol
- Biodiesel
- Cocoa



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# Who is ADM?

ADM has its world headquarters in  
Decatur, Illinois

It has

- 240 processing plants worldwide
- 26,000 employees
- annual net sales of over US\$ 37 billion



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# Who is ADM?

ADM is one of the largest food, feed and biofuel processors in the world

➤ Processing:

- 51,000 MT of Maize each day
- 88,000 MT of Oilseeds each day
- 31,000 MT of Wheat each day



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# ADM Europe

- Employees: 5,000 (approx.)
- Facilities: 44 plants & sales offices
- Countries: 10
- HQ: Rolle, Switzerland



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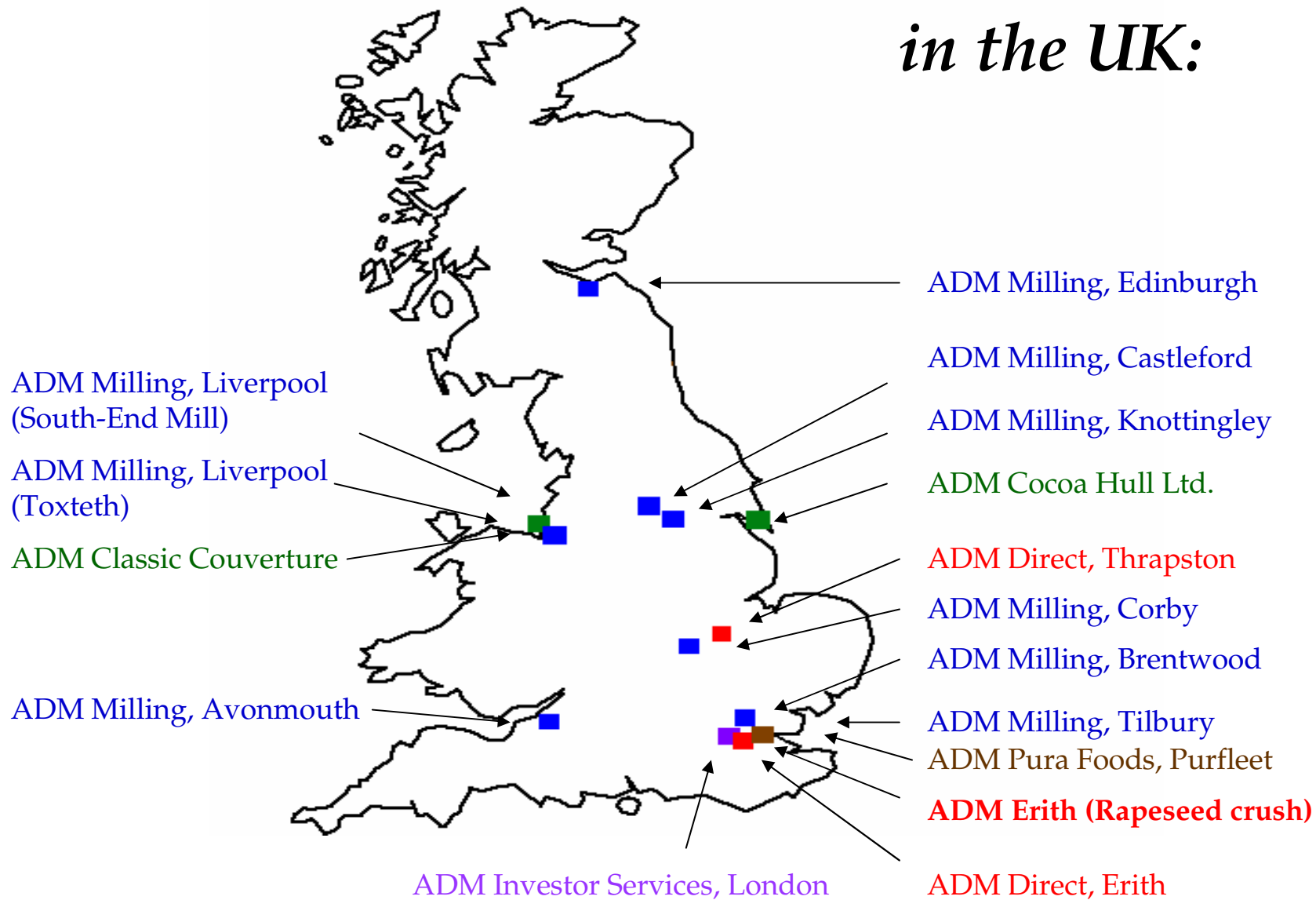
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# ADM UK

*in the UK:*



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# Price Prospects

- Very low world stocks of:
  - Oilseeds
  - Corn
  - Wheat
- Higher prices in all commodities
- Increased volatility
- Weather and growing conditions
- New demand created by Governments



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# New Demand

- UK RTFO
- 750,000 -1,000,000 metric tons of vegetable oil per year



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# USA Corn

in Million mto						
	2004/5	2005/6	2006/7	2007/8	2008/9	2009/2010
Production	299.91	282.31	267.60	332.09	315.46	345.58
Feed Use	159.06	155.99	142.20	151.14	147.33	139.71
Fuel	33.61	40.72	53.77	73.66	93.98	119.39



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# USA End Stock Forecasts

USA End stocks/usage					
	2004/5	2005/6	2006/7	2007/8	2008/9
Wheat	24.20%	26.50%	22.30%	9.80%	23.90%
Corn	17.35%	11.60%	11.10%	12.60%	7.20%
Soya	8.60%	15.60%	18.70%	4.10%	3.60%



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# General Prospects

- Wheat stocks will be rebuilt first
- Oilseeds will have to fight for acres
- Expect oilseed prices to gain on wheat
- No room for weather problems
- High volatility for 18 months plus



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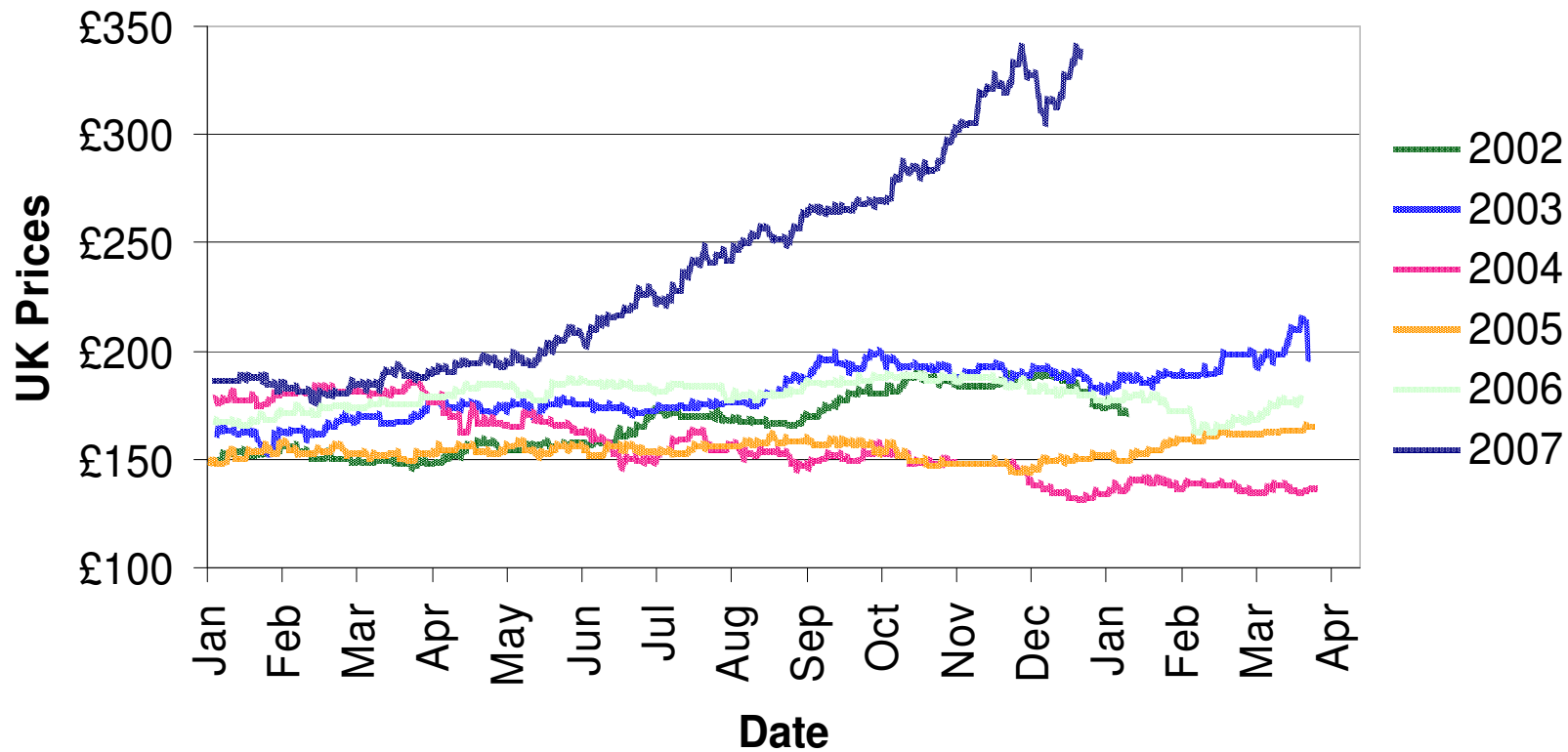
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# UK Rapeseed Prices

Apr-June



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# New Opportunities

## Biofuels:

- Carbon Data

## New Oil Profiles:

- Hi-Oleic Low-Linolenic rapeseed



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# RTFO

Do we have an opportunity to supply the market with better carbon and sustainability data, than any other country in the world?



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# Carbon Data

- Whole farm rapeseed yield?
- Fertiliser use per hectare?
- Was the crop artificially dried?
- Was the crop grown on land that been in arable production for some time?



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# Carbon Data

- Customer requirement
- Farming and the Processing Industry must react positively



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# Why New Demand?

- Traditional frying oils were chemically processed (hydrogenated)
- Increased Trans Fatty Acids
- Industry and Government demand reduction in TFAs
- ADM closed hydrogenation plant last year



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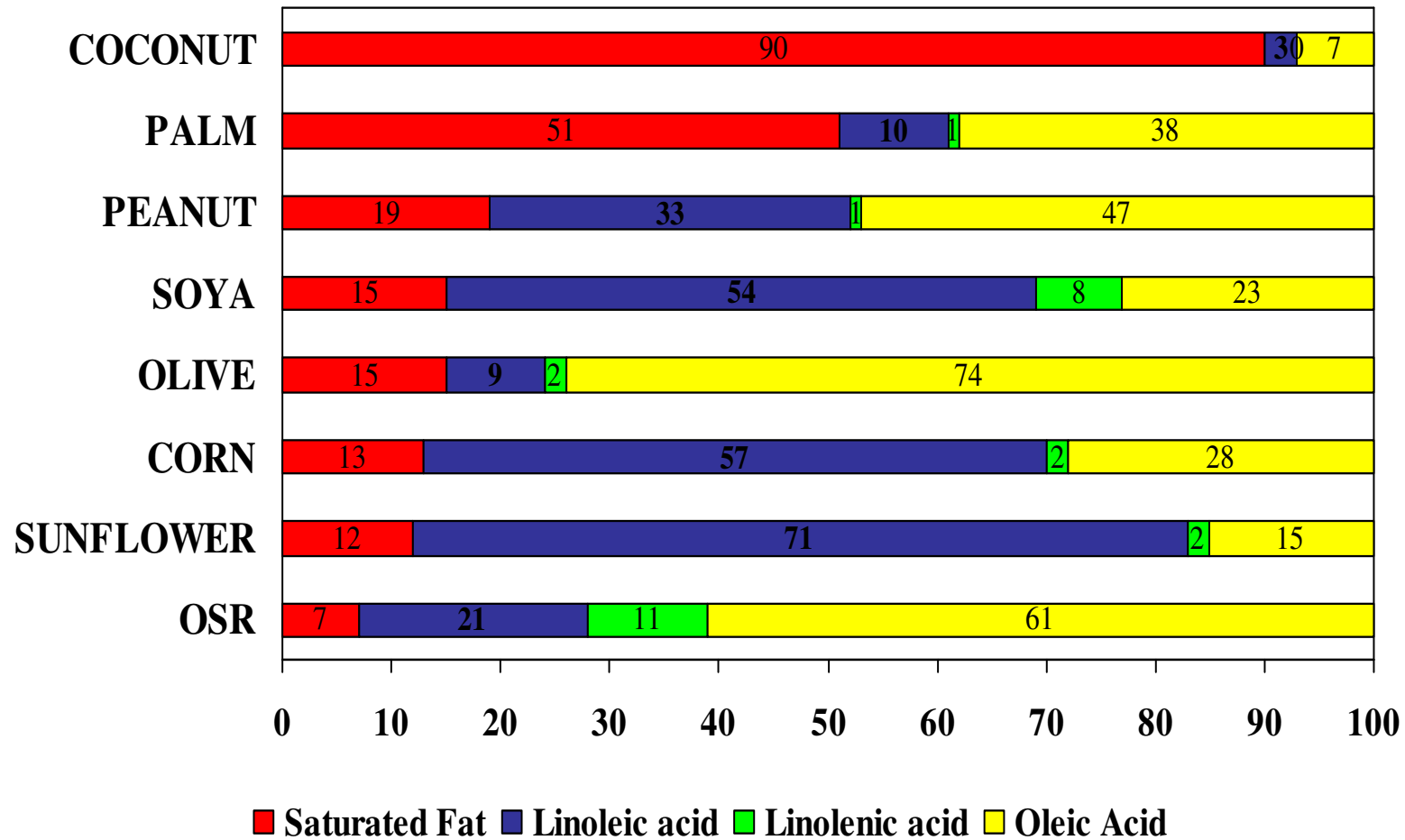
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# Oil Crops - Fatty Acid Profiles



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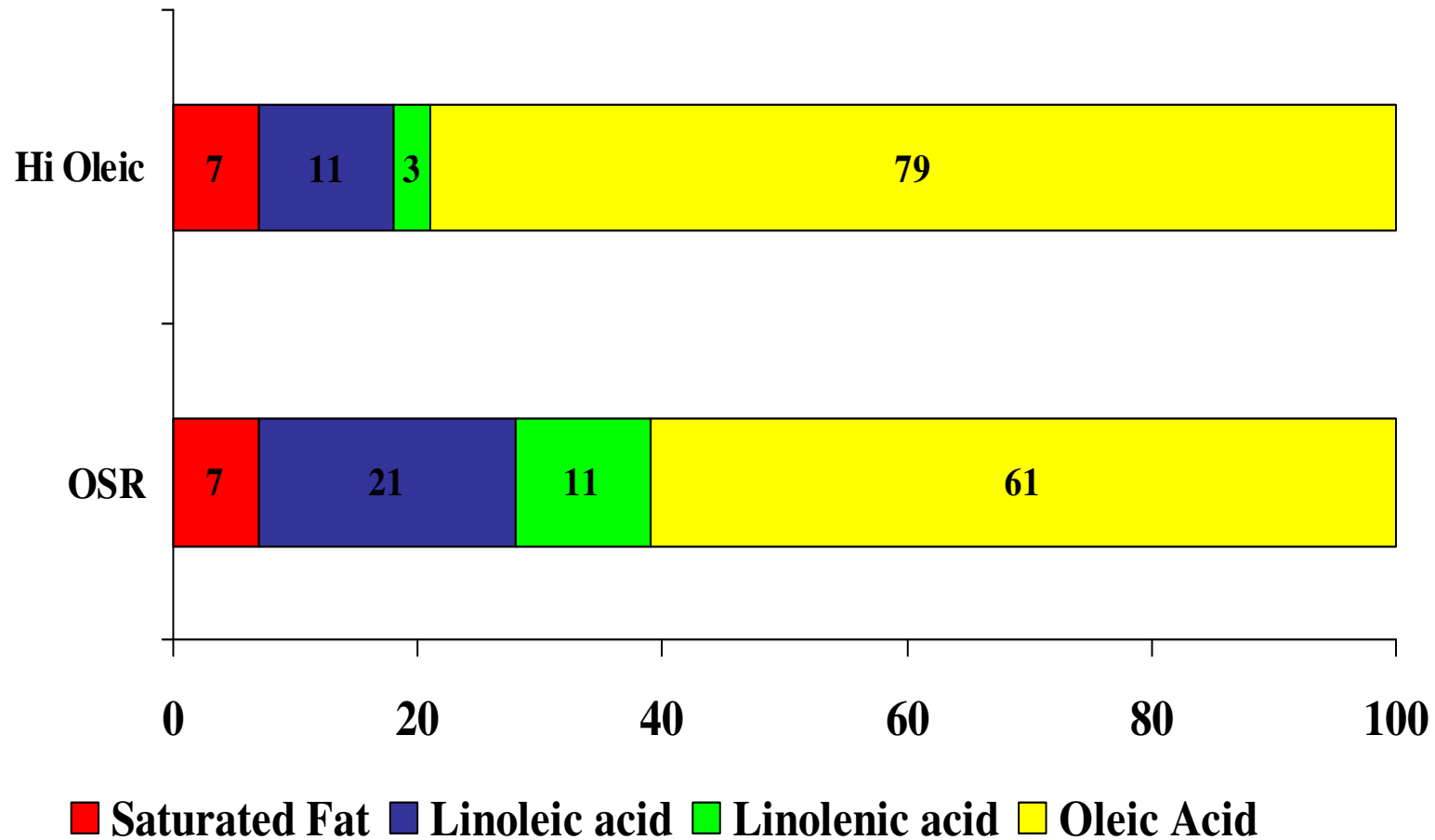
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# Oil Crops - Fatty Acid Profiles



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# Growing Hi Oleic, Low Linolenic

- Not new – 16 years of conventional breeding already
- ADM and Monsanto have developed Vistive™ cautiously to ensure highest quality and best on farm performance
- Cautious development has taught us a lot
- 2006/07 quality was good, we can move forward with confidence



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# Growing Hi Oleic, Low Linolenic

- Our initial caution to guarantee highest quality led us to:
  - Virgin rapeseed land or long breaks (5yrs plus)
  - Robust agronomy approach for volunteer control (stale seedbeds, Roundup etc)
  - Big isolation distances
  - Robust quality assurance programme with rapid analysis service



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# Growing Hi Oleic, Low Linolenic

- Good farmers with:
  - Good volunteer control
  - Good attention to detail
  - Good agronomy



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# Listened to Our Growers

- Premium:
  - Must be competitive
  - Flexible
  - Fixed
  - Percentage
- Movement:
  - Greater flexibility



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# Big Future!

- Hi Oleic, Low Linolenic has a big future:
  - Good farmers with a professional approach to OSR
  - Improved contract with a sustainable premium
  - Add value to commodity crop
  - Ideally suited to the UK
  - Details soon



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# A Note of Caution

**Farmer or Food Producer?**

**BOTH!**



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# Food Safety



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# Food Producers

**For the sake of us all please be  
careful !!**



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# The Future

- Volatile and better prices
- Biofuel customers will demand information about raw material.
- Hi Oleic that we can grow for a customer driven market
- We need to be vigilant over food safety



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