

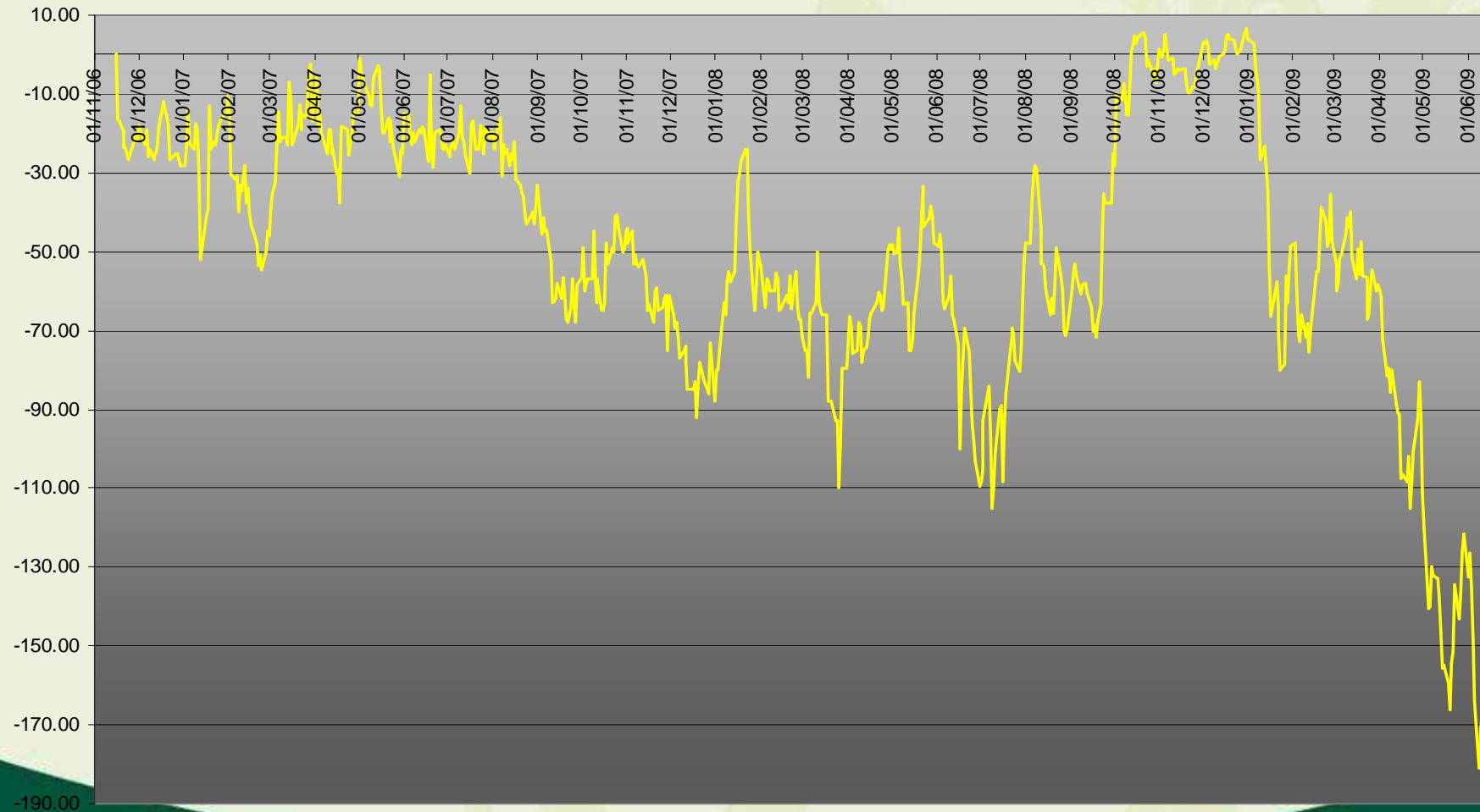


Professional

The role of spreads

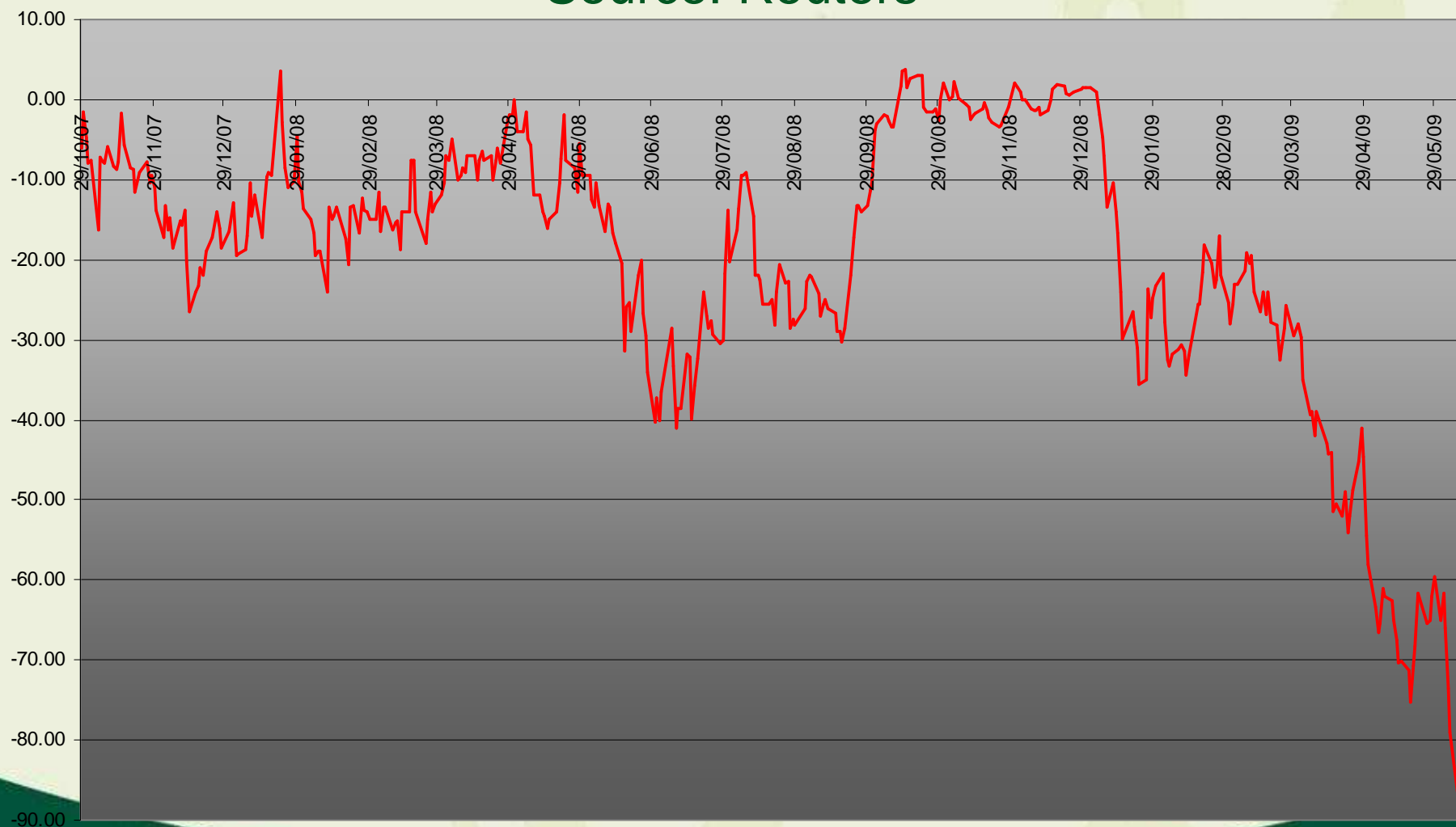
Soybeans old crop - new crop spread

Source: Reuters



Soybean meal old crop - new crop spread

Source: Reuters



Drivers of old-new crop spread

- The old crop/new crop spreads are driven by the soybean stocks/usage ratio.
- The US stocks/usage ratio has the greatest impact.
- US stocks/usage ratio for 08/09 crop will be the lowest since at least the 1950's, or the lowest in modern history.
- This requires severe rationing of old crop supply and pushes cash and nearby futures sharply higher.

US Soy Complex Supply / Demand Balance

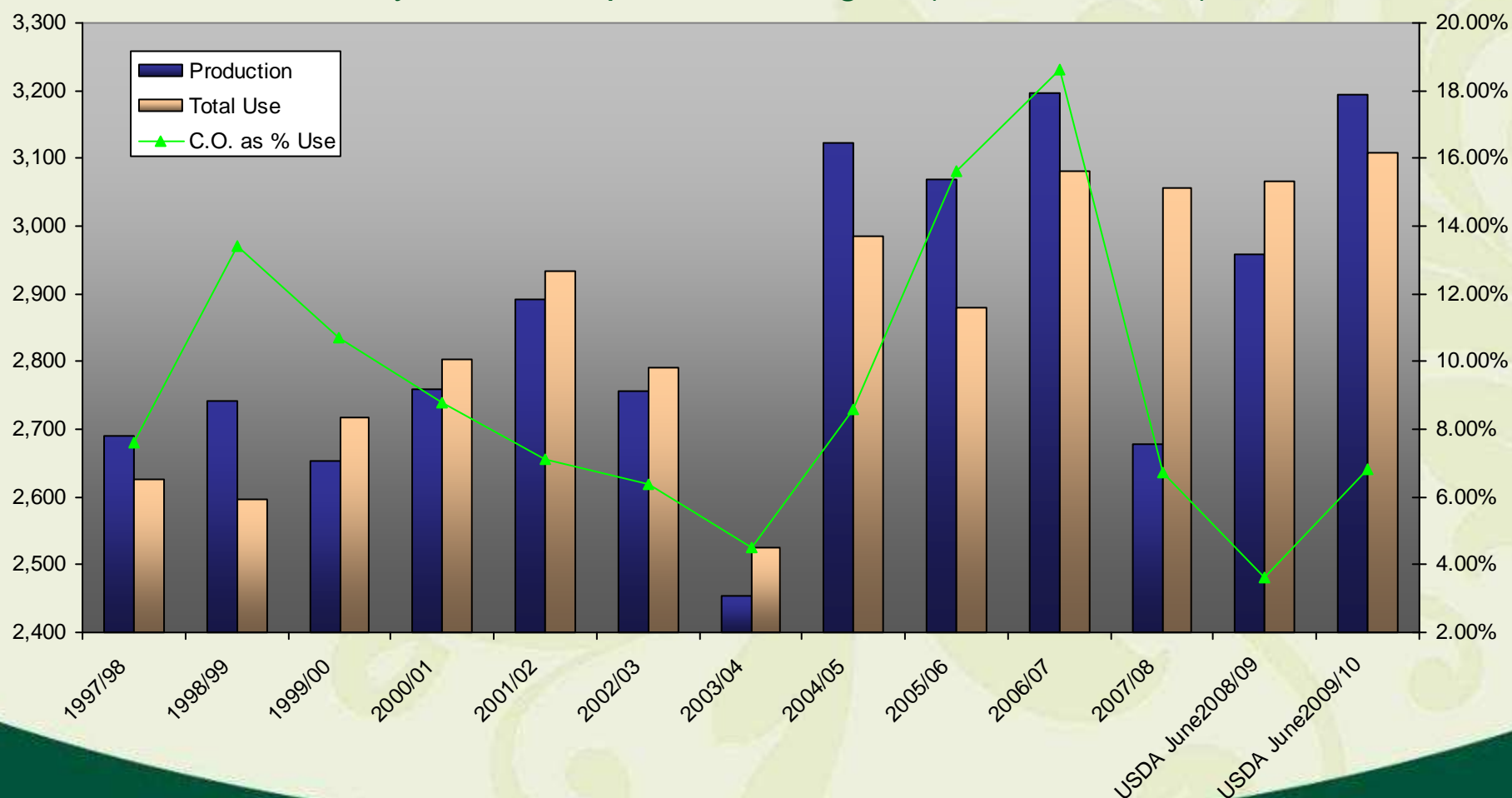
Soybeans - September - August (million bushels)

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	USDA June 2008/09	PBC 2008/09	USDA June 2009/10	PBC 2009/10
Planted Area (OOO'S)	73,963	73,404	75,208	72,032	75,522	64,741	75,718	75,718	76,025	78,500
Harvested %	0.98	0.987	0.983	0.989	98.8	99.1	98.6	98.6	98.7	98.6
Harvested Area (OOO'S)	72,497	72,476	73,958	71,251	74,602	64,146	74,641	74,641	75,000	77,400
Yield (bu / acre)	38	33.9	42.2	43.1	42.9	41.7	39.6	39.5	42.6	42
Beginning Stocks	208	178	112	256	449	574	205	205	110	114
Production	2,756	2,454	3,124	3,068	3,197	2,677	2,959	2,959	3,195	3,250
Imports	6	6	6	4	9	10	12	9	12	12
Total Supply	2,970	2,637	3,242	3,328	3,655	3,261	3,176	3,173	3,317	3,376
Crush	1,615	1,530	1,696	1,739	1,808	1,801	1,650	1,675	1,675	1,725
Exports	1045	887	1103	940	1,116	1,161	1,250	1,256	1,260	1,270
Seed	89	91	88	92	78	95	94	98	92	94
Residual	42	18	99	108	79	1-	73	30	79	72
Total Use	2,791	2,525	2,986	2,879	3,081	3,056	3,066	3,059	3,107	3,161
Carryover	178	112	256	449	574	205	110	114	210	215
C.O. as % Use	6.4%	4.5%	8.6%	15.6%	18.6%	6.7%	3.6%	3.7%	6.8%	6.8%

Source: USDA, Prudential Bache Commodities, LLC Research

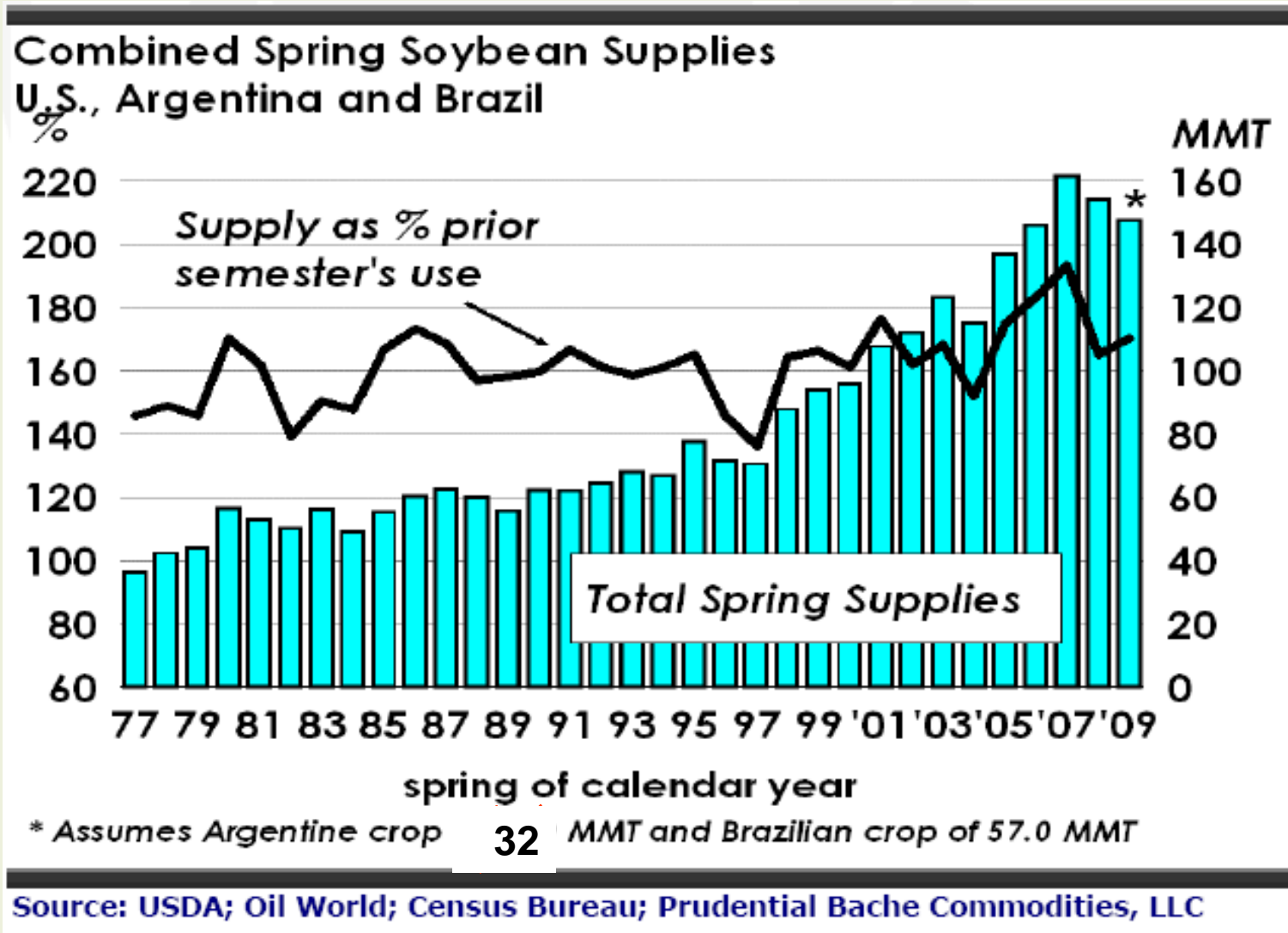
US Soy Complex Supply / Demand Balance

Soybeans - September - August (million bushels)



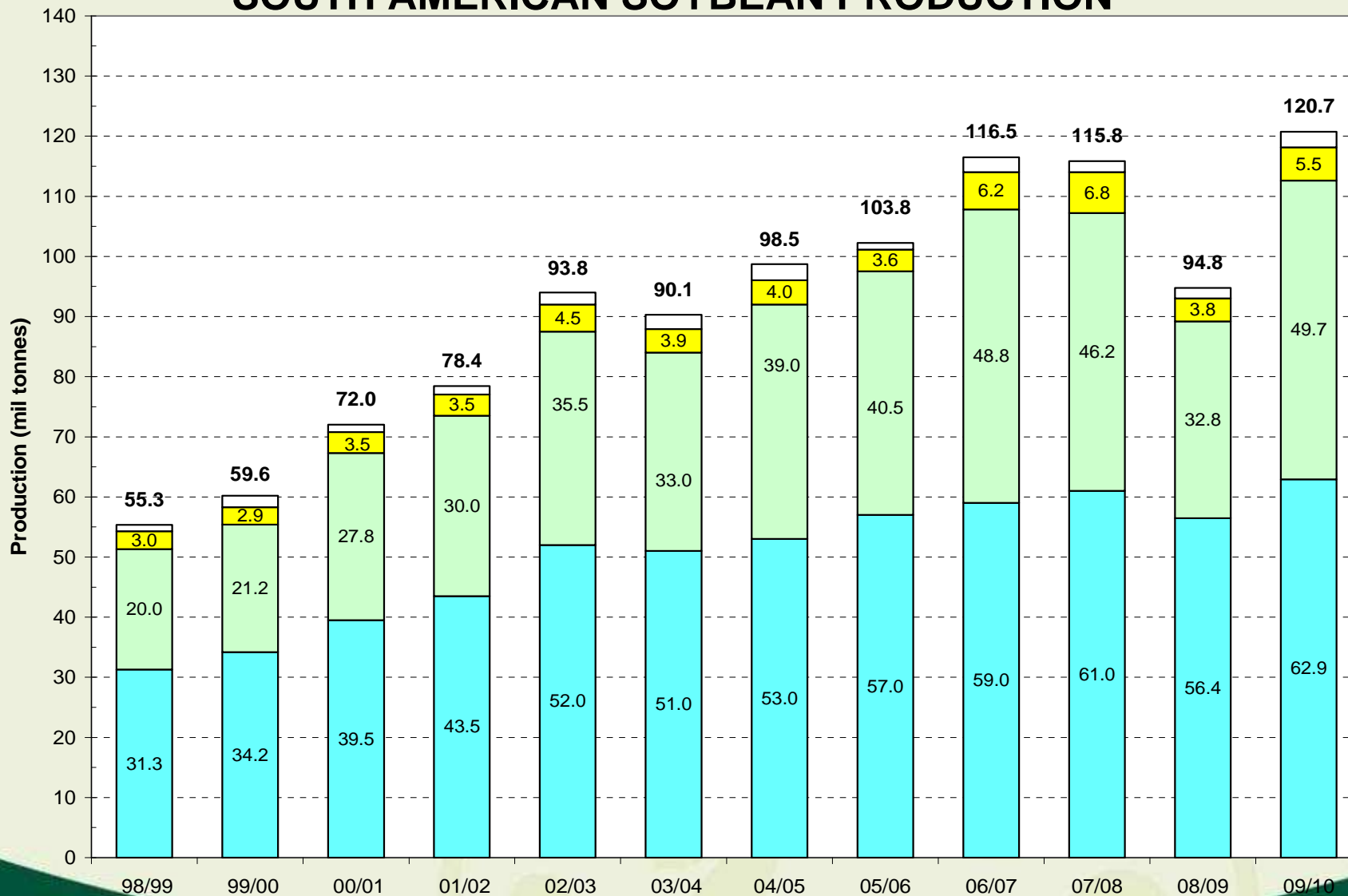
Source: USDA, Prudential Bache Commodities, LLC Research





Prudential Bache Commodities Research -- Soy Weekly Fundamental Commentary, **23.02.09**

SOUTH AMERICAN SOYBEAN PRODUCTION

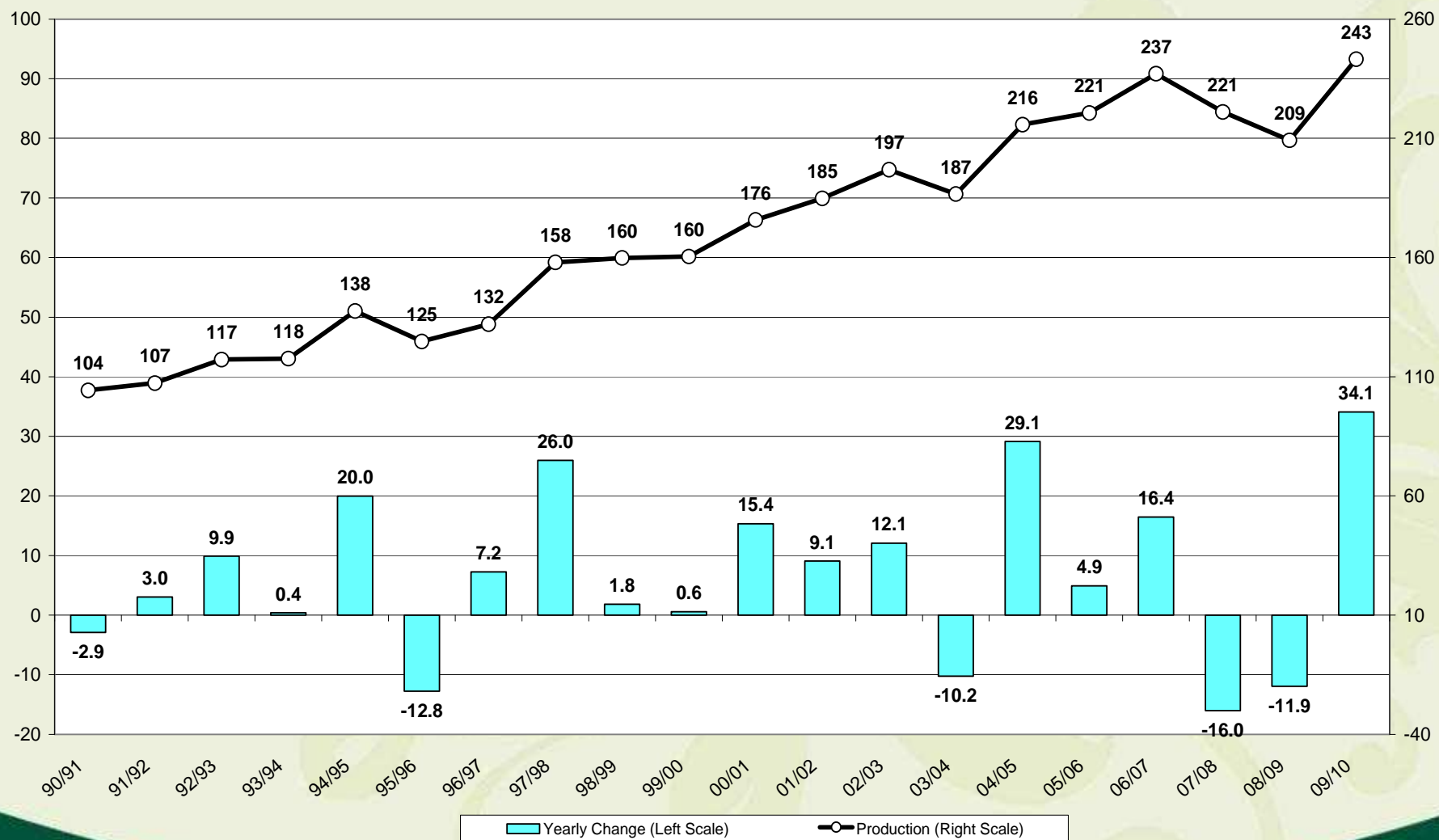


■ Brazil
 ■ Argentina
 ■ Paraguay
 ■ Other S.A.

Citi Est

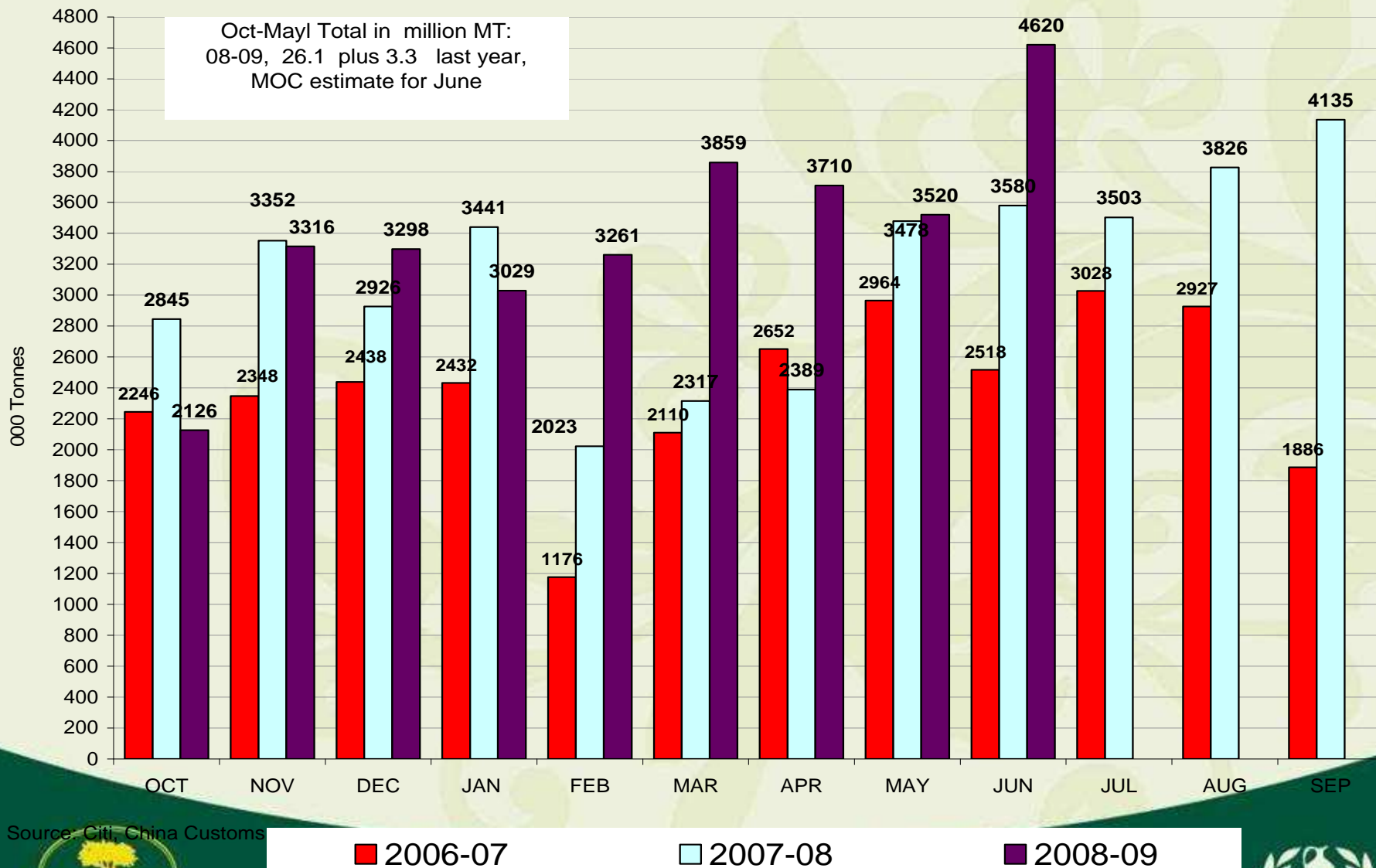


World Soybean Production, Million Tonnes



Chinese Soybean Imports, Higher than Expected

China Soybean Imports



Source: Citi, China Customs



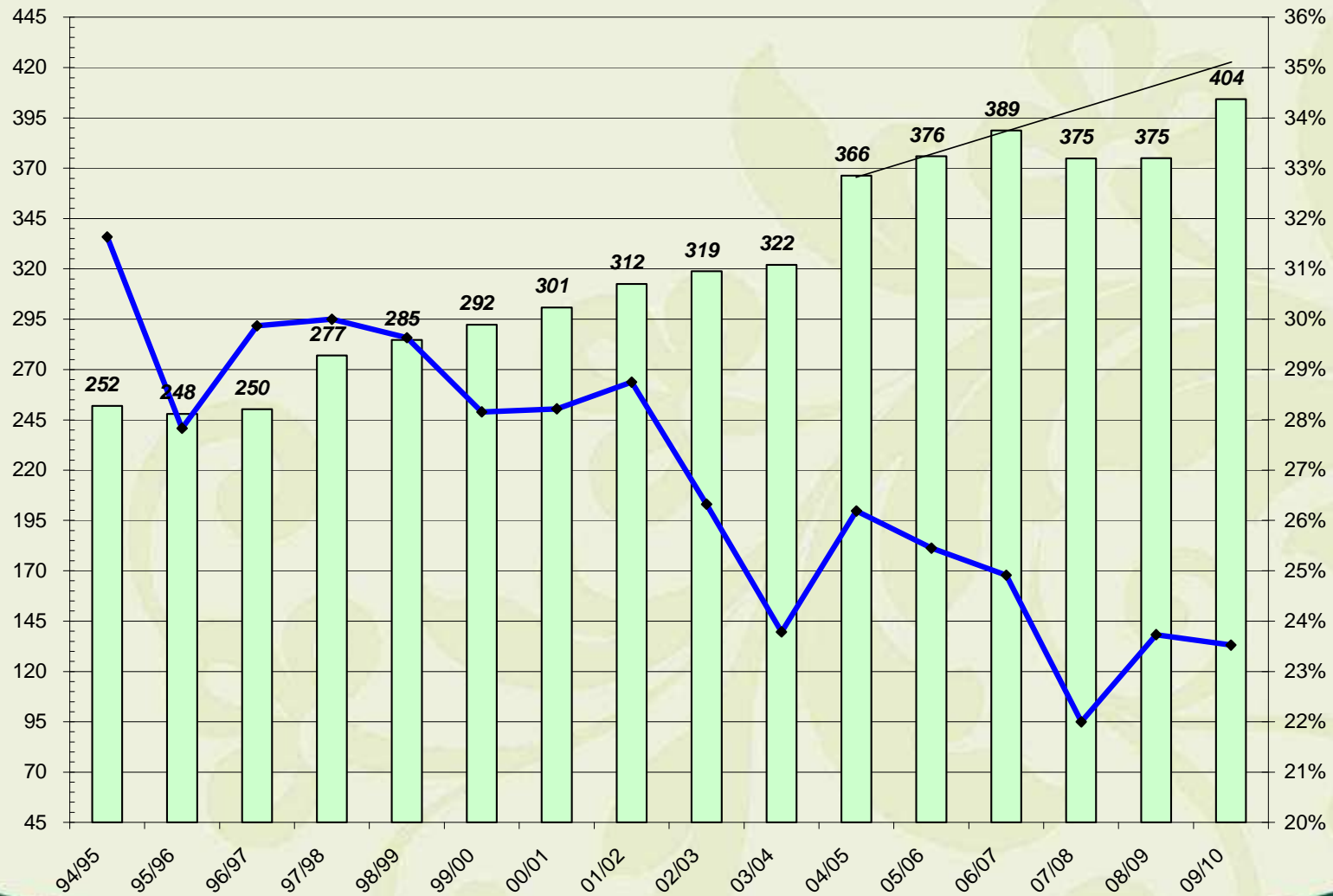
■ 2006-07

■ 2007-08

■ 2008-09



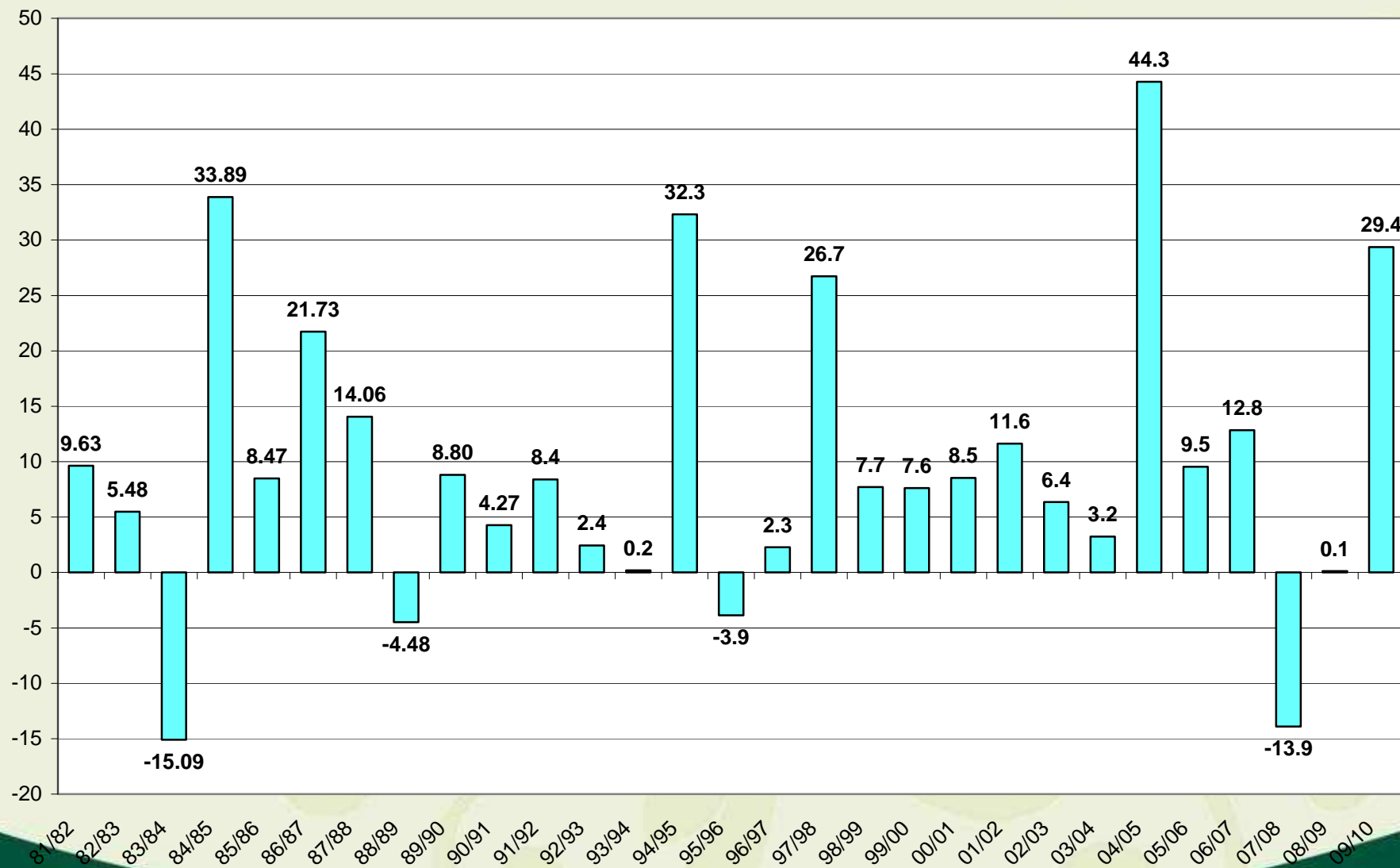
WORLD OILSEED PRODUCTION, Million Tonnes



WORLD (Left Scale)
 US Production as % of World (Right Scale)



World Oilseeds, Yearly Change, Million Tonnes



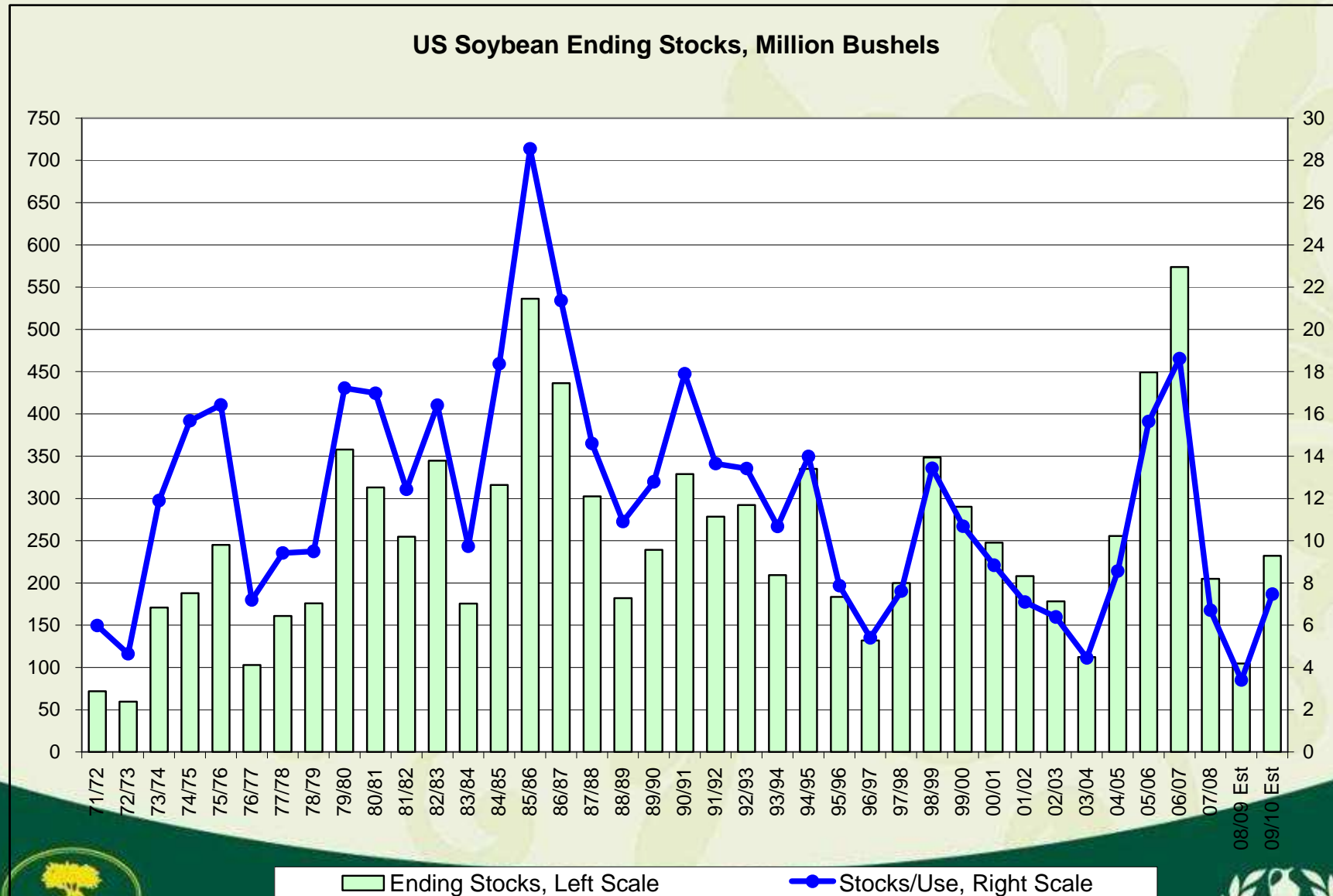
Drivers of old-new crop spread

- It would not be unusual to have SN/SX trade to a 300 cents premium if there is any unexpected new demand.
- A sustained weakening in cash basis levels for soybeans and meal would likely signal the inverses have peaked.

Drivers of old-new crop spread

- A second factor is new crop acreage. An increase in acreage in combination with tight old crop stocks is bullish for old crop/new crop spreads.
- This year, soybean acreage is expected to increase by 300,000 to 1.3 million acres from the previous year: 76-77 million acres from 75.7 million the previous year.

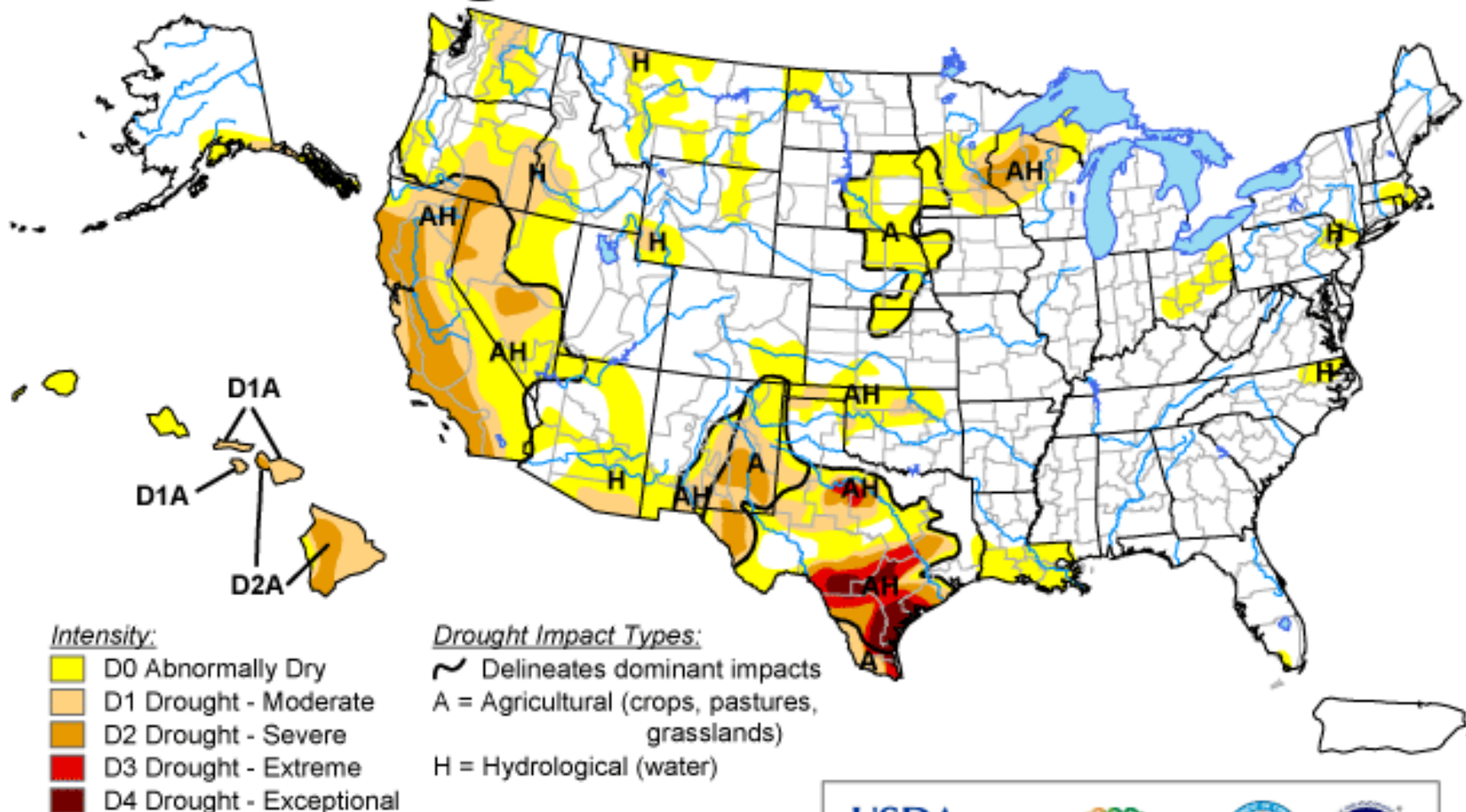
Comfortable New Crop Supply Indicated, but subject to weather uncertainty



U.S. Drought Monitor

June 9, 2009

Valid 8 a.m. EDT



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

<http://drought.unl.edu/dm>

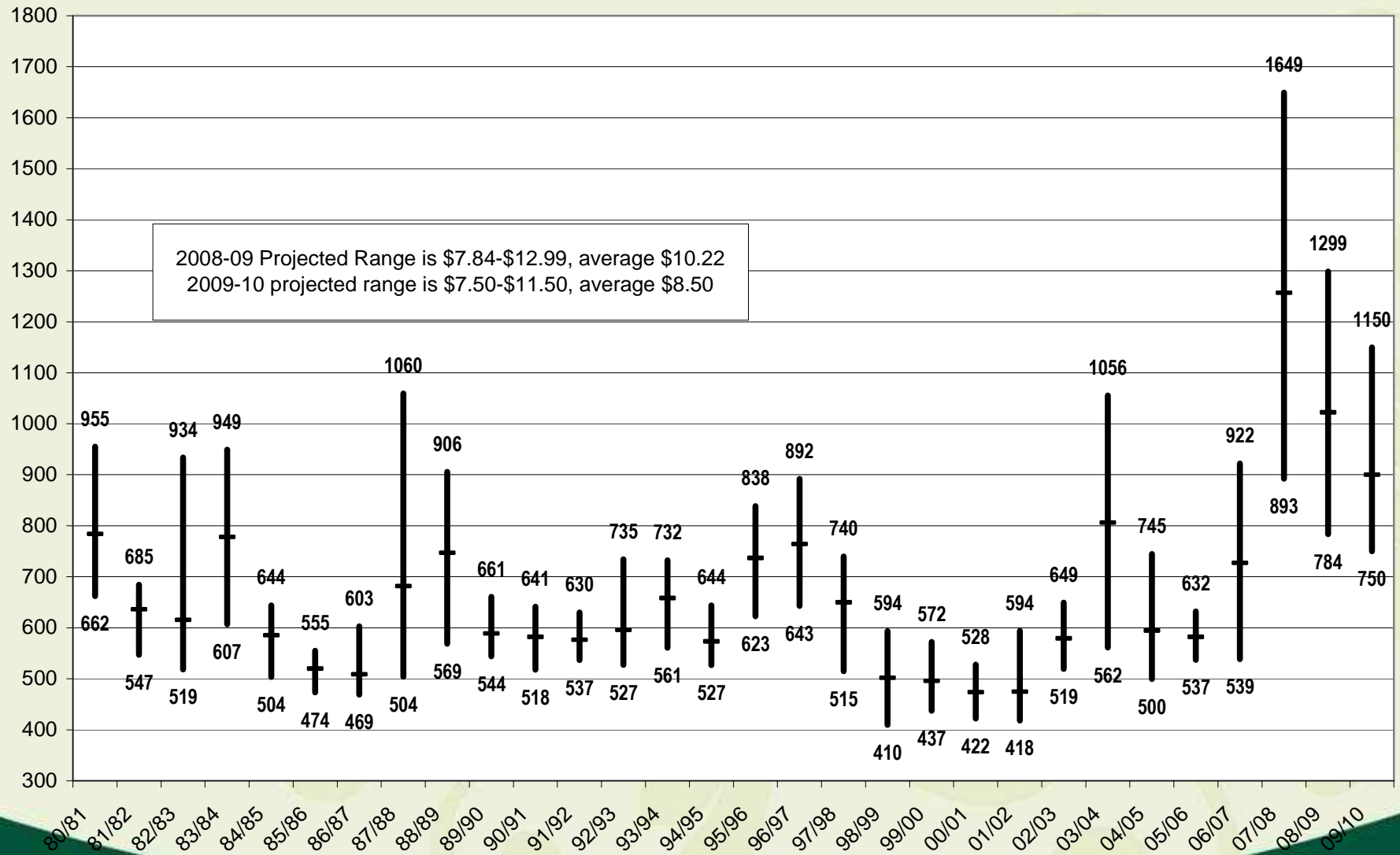


Released Thursday, June 11, 2009

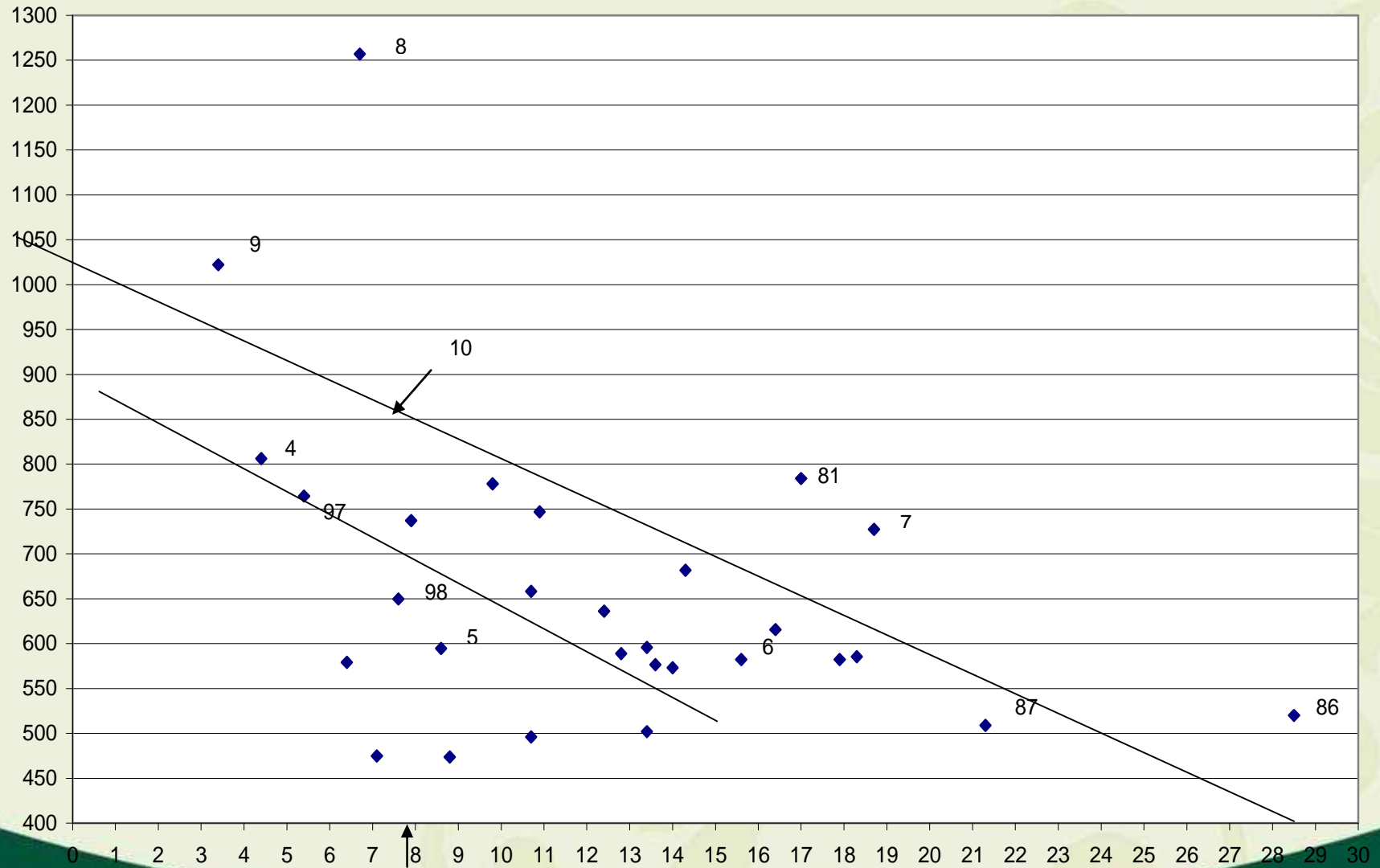
Author: Brian Fuchs, National Drought Mitigation Center

http://drought.unl.edu/DM/6_week.gif

Soybean Nearby Futures, Yearly High, Low, Average



Soybean Annual Average Nearby Futures and Stocks/Usage



Soybean Meal

Soybean Meal: Declining domestic usage

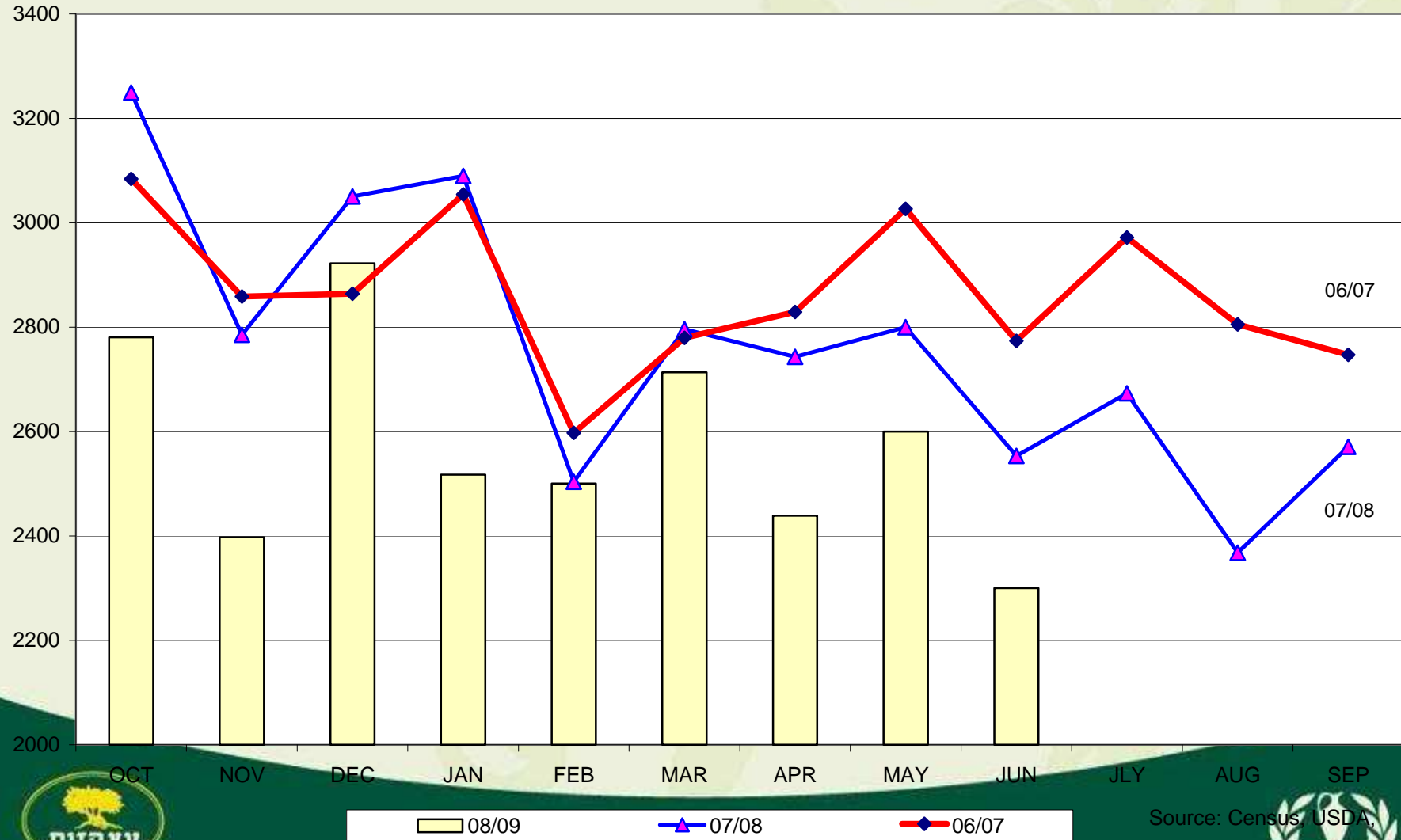
SOYBEAN MEAL SUPPLY/DEMAND BALANCE

(October-September)(thousand tons)

	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	Citi Est. 08/09	USDA June 08/09	Citi Est. 09/10	USDA June 09/10
BEGINNING STOCKS	223	212	210	218	330	293	383	240	220	211	172	314	346	294	294	318	300
PRODUCTION	32526	34210	38177	37795	37593	39385	40292	38213	36324	40715	41244	43054	42242	38897	39166	39502	39835
IMPORTS	74	102	57	99	48	51	143	166	270	147	141	156	141	158	140	100	165
TOTAL SUPPLY	32823	34524	38444	38112	37972	39729	40818	38619	36815	41073	41557	43524	42729	39349	39600	39921	40300
DOM. DISAP.	26608	27322	28895	30663	30059	31643	33076	32386	32260	33559	33195	34392	33155	30330	30500	30600	30800
EXPORTS MEAL	6003	6992	9331	7119	7620	7703	7508	6013	4344	7342	8048	8786	9280	8700	8800	8950	9200
TOTAL USAGE	32611	34314	38226	37782	37679	39346	40584	38399	36604	40901	41243	43178	42435	39030	39300	39550	40000
ENDING STOCKS	212	210	218	330	293	383	240	220	211	172	314	346	294	318	300	371	300
STOCKS TO USE MEAL EQUIVALENTS	14.03	9.79	13.05	22.87	19.14	15.99	12.82	11.63	7.87	15.35	26.72	32.46	12.21	7.21	7.41	14.93	13.28
OCT-SEP CRUSH (milbu)	1363	1445	1610	1599	1572	1641	1693	1620	1523	1708	1748	1813	1780	1641	1655	1665	1675
AVG. ANNUAL SBM YIELD	47.74	47.35	47.42	47.26	47.83	48.00	47.60	47.17	47.70	47.67	47.19	47.50	47.47	47.39	47.33	47.45	47.56

Soybean Meal: Domestic Usage is Weak

Soybean Meal Domestic Usage, Thousand Tons



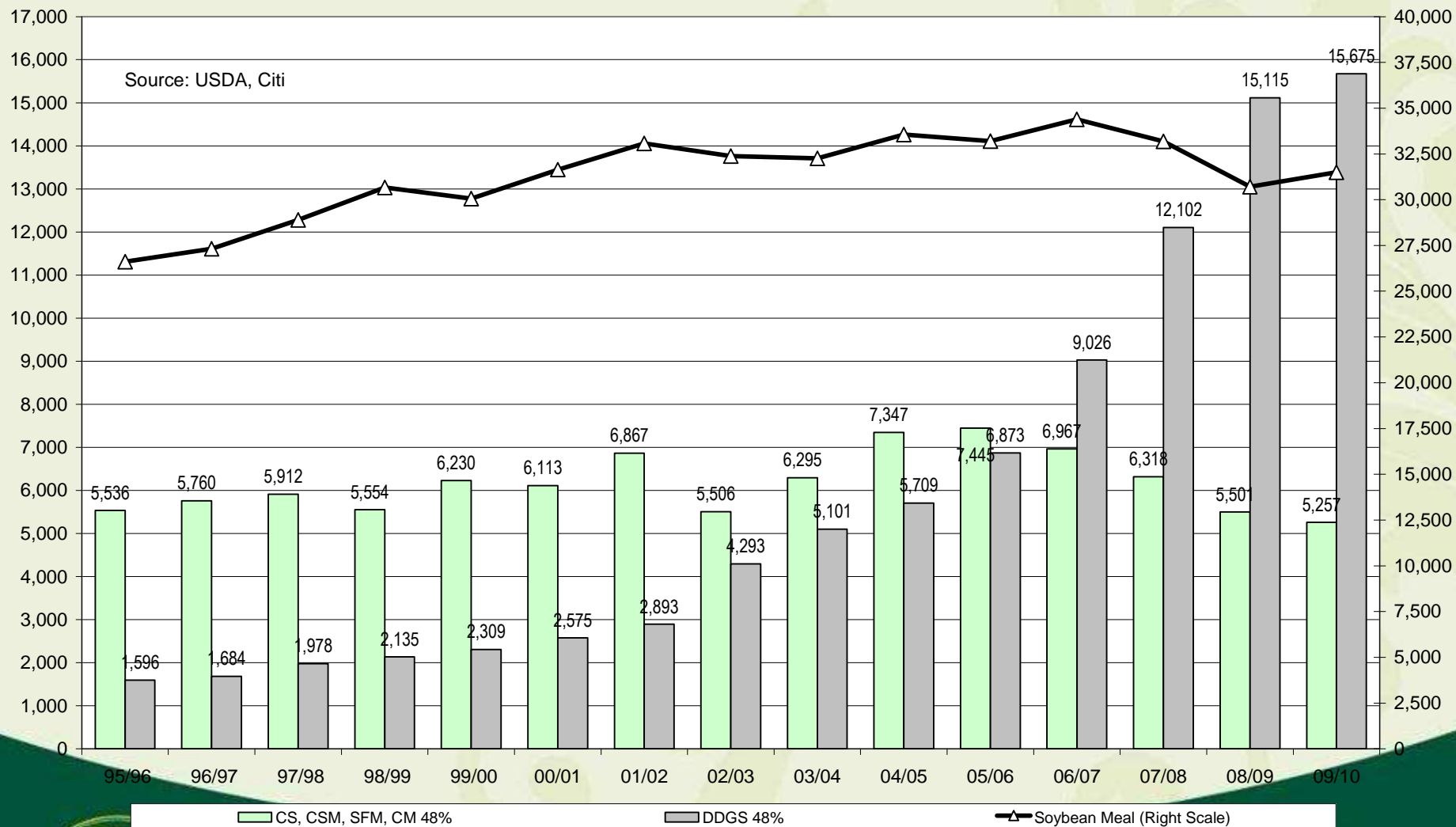
Source: USDA, ProphetX, Citi

Source: Census, USDA,

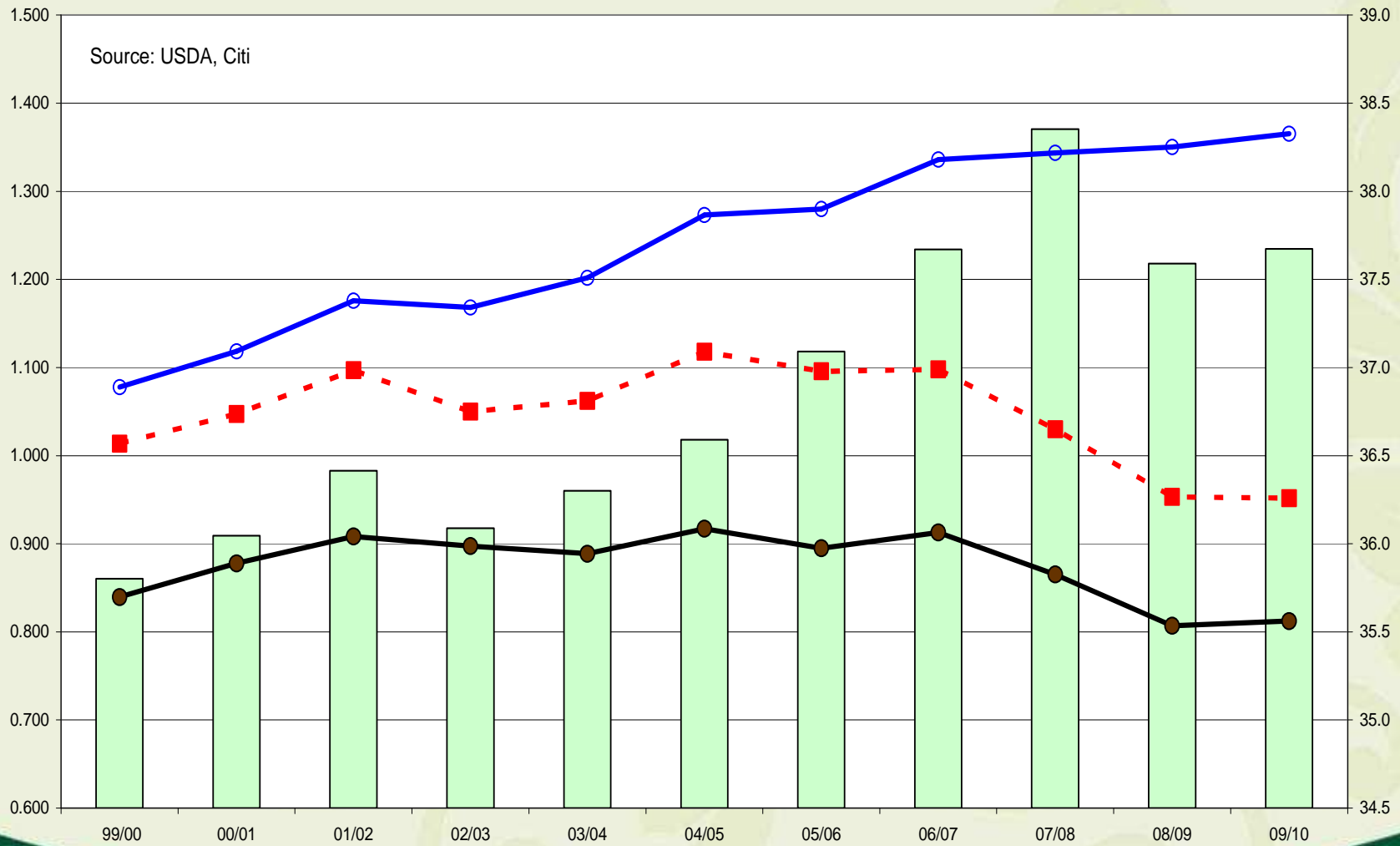


DDGS pushing out Soybean Meal

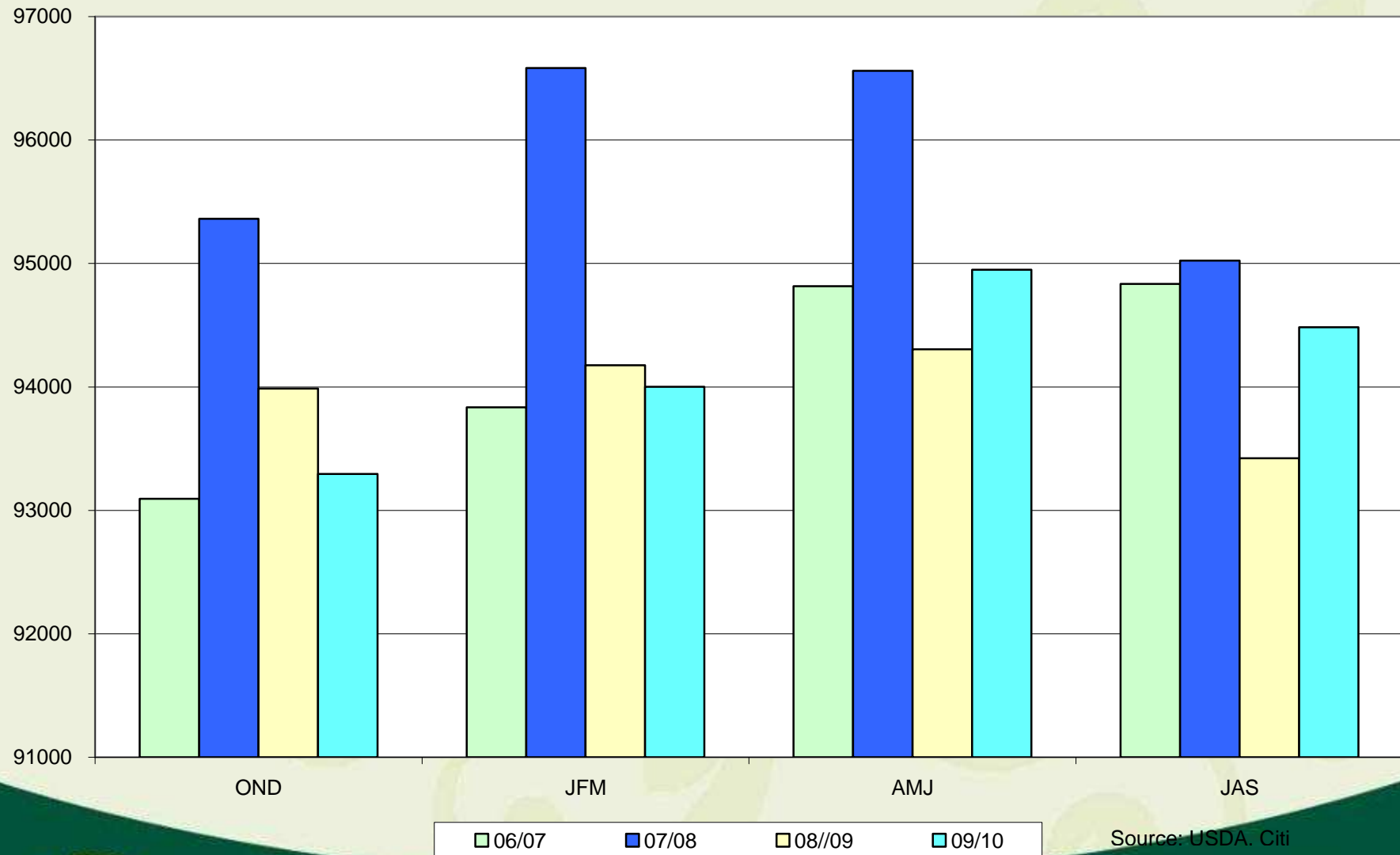
US Protein Meals Consumption, Thousand Tons 48%



Protein Meal Feeding Rates and HPCAU



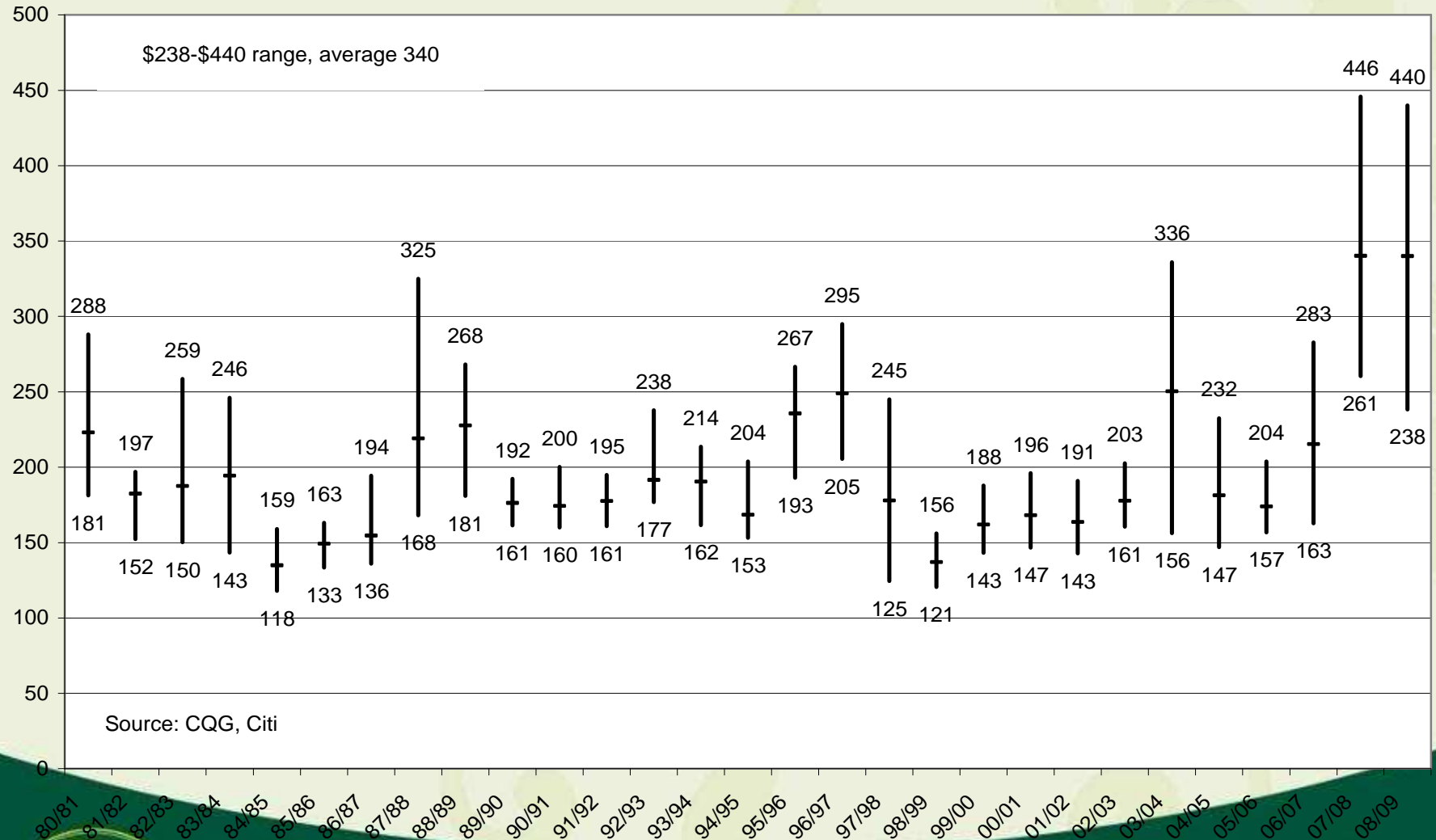
High Protein Consuming Animal Units, Millions



Source: USDA. Citi

Soybean Meal Prices:, lower longer term

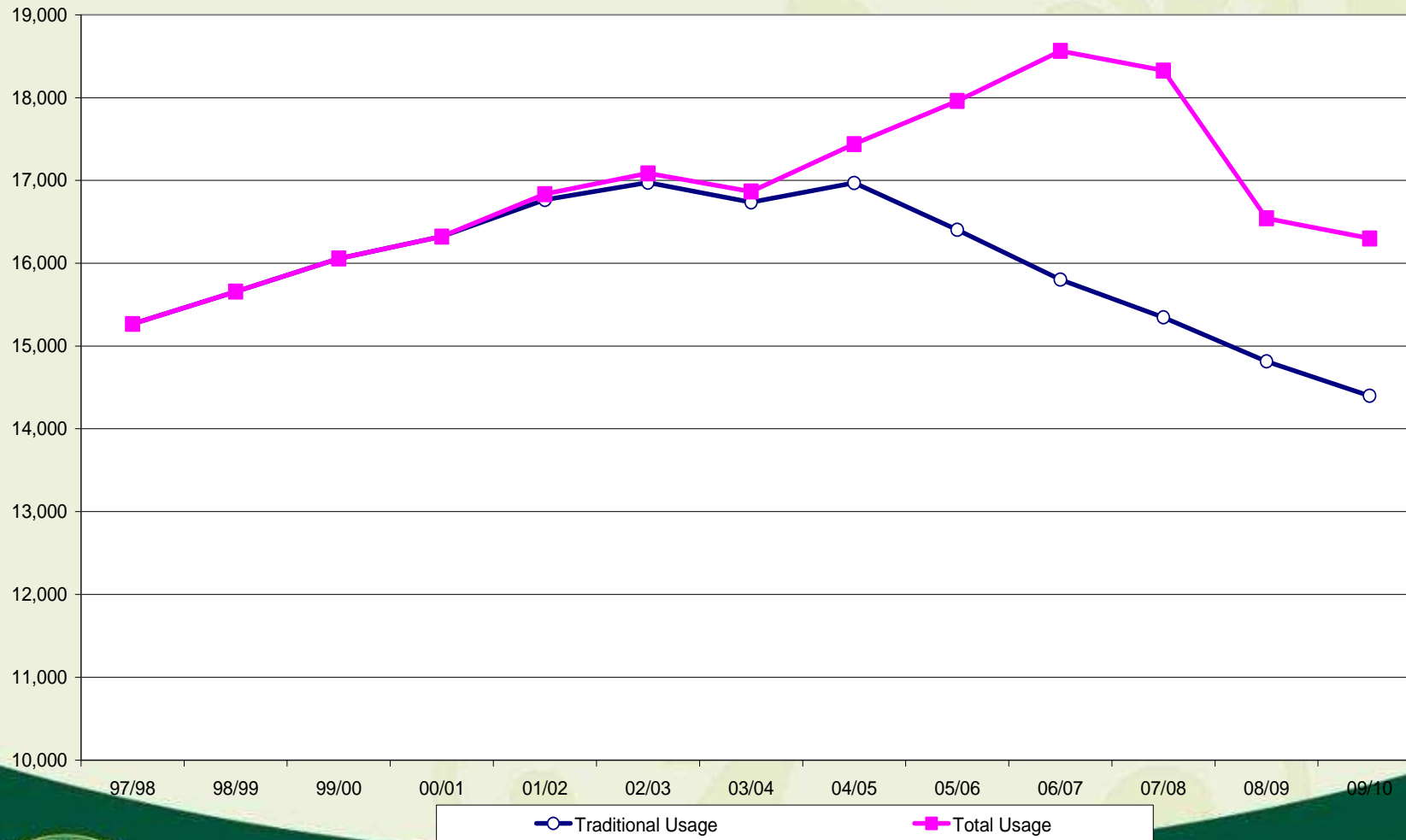
Soybean Meal Nearby Futures, Annual Hi, Low, Average, \$/ton



Soybean Oil

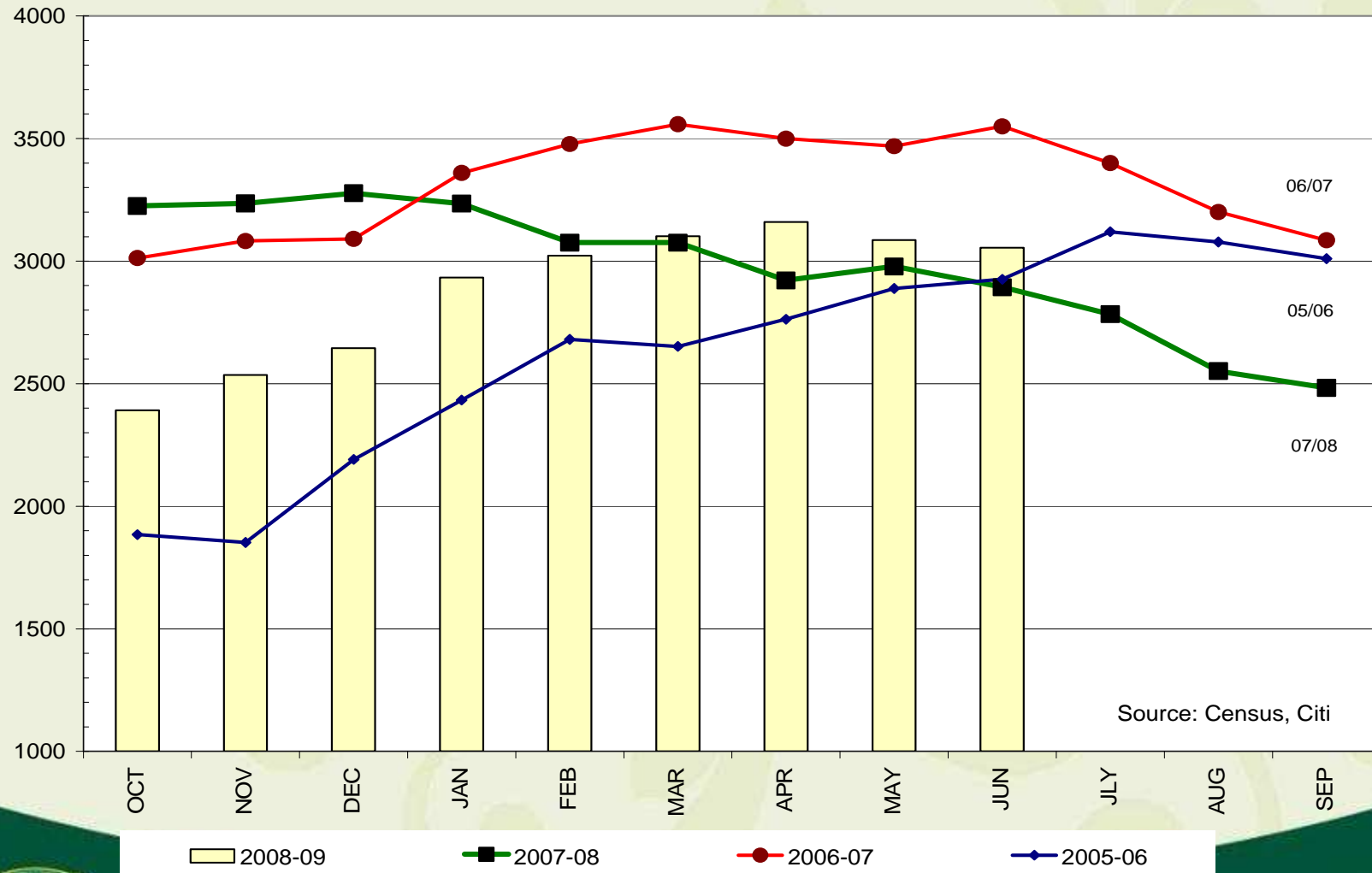
Soybean Oil: Domestic usage declining

Soybean Oil Domestic Usage, Million Pounds,
October-September



Soybean Oil: US stocks above last year

SOYBEAN OIL STOCKS, Million Pounds



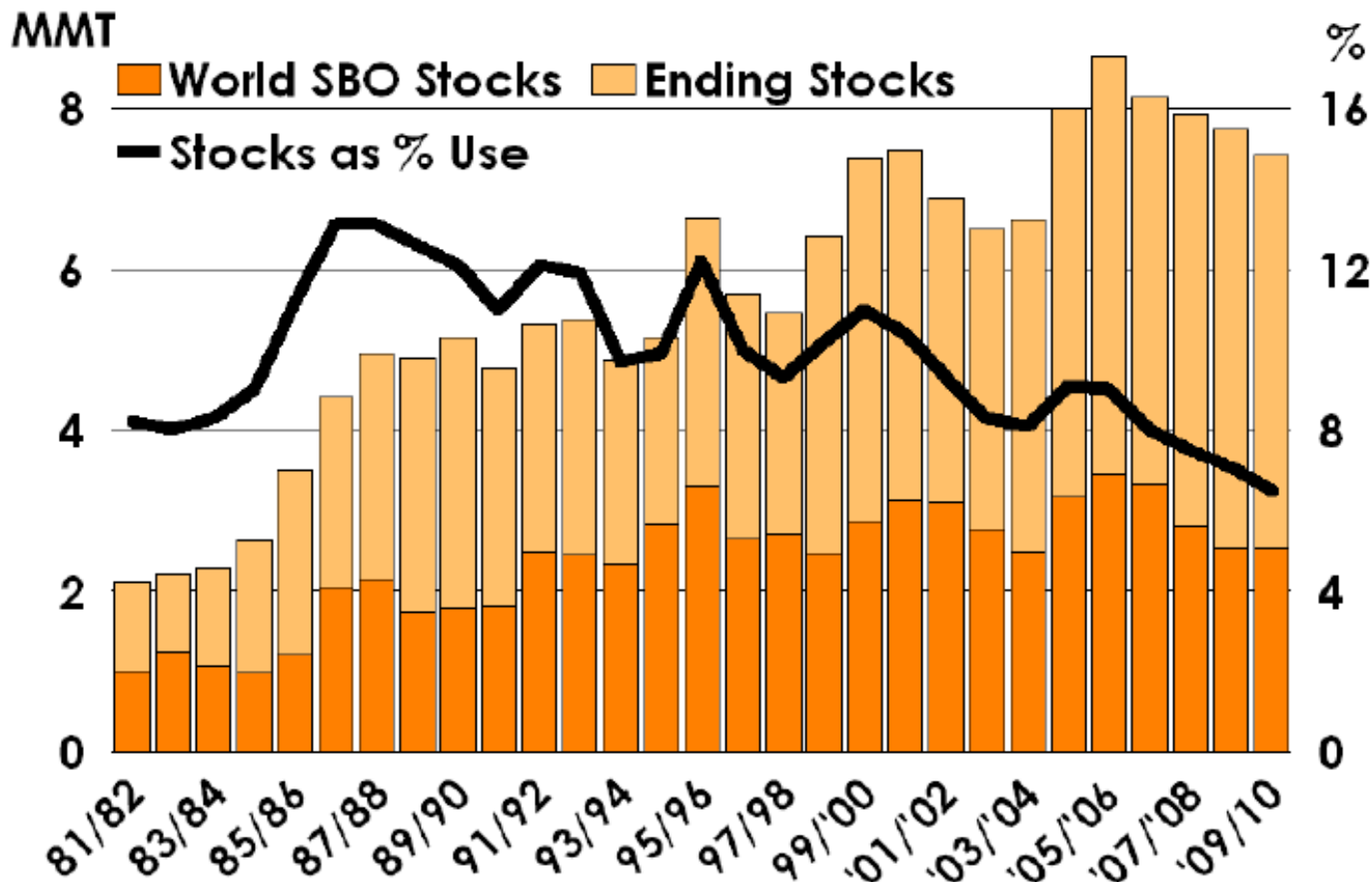
Source: Census, Citi



Source: USDA, Citi



World Stocks of 4* Major Vegetable Oils

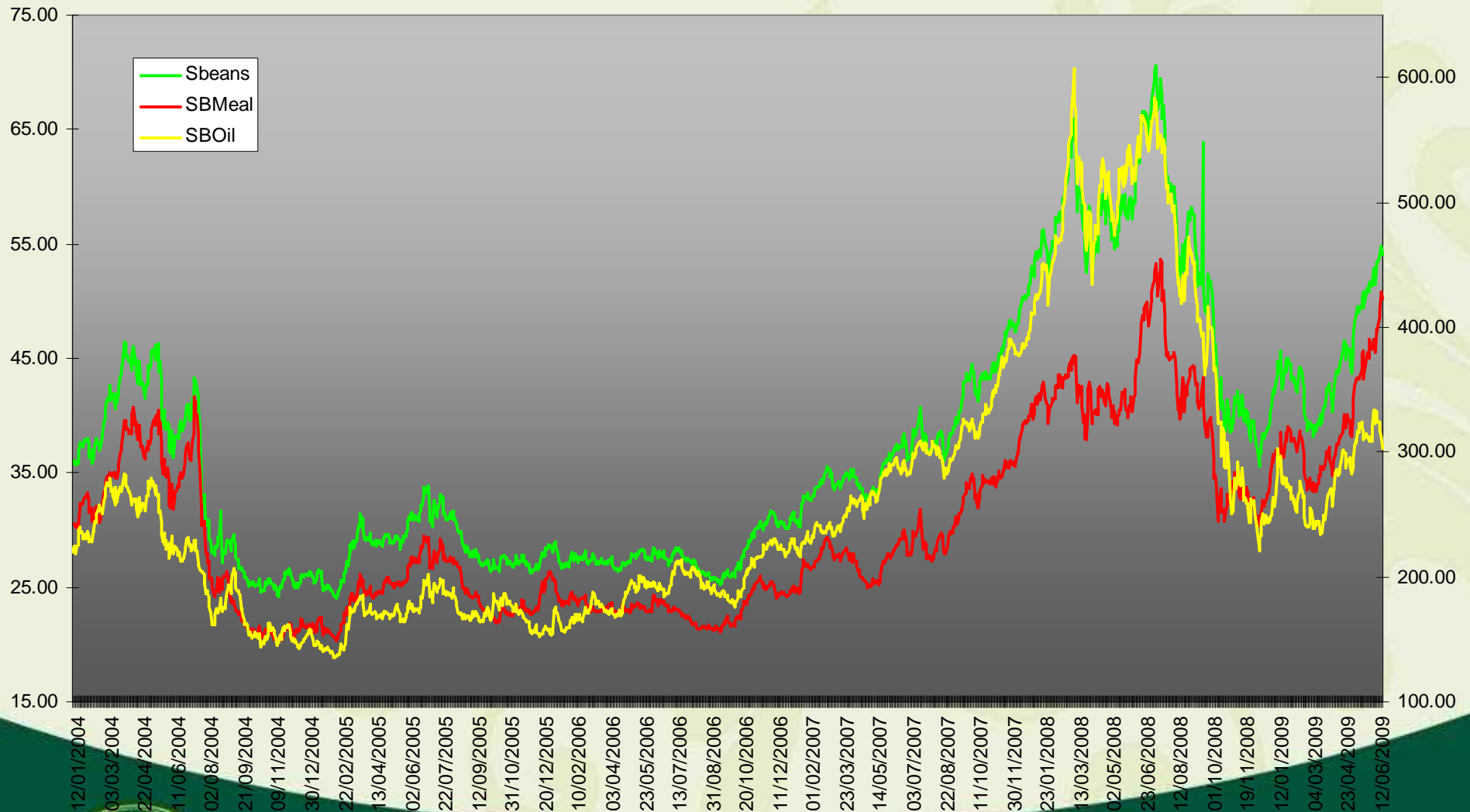


*Palm oil, soybean oil, rapeseed oil and sunseed oil
 Source: USDA; Prudential Bache Commodities, LLC

10.06.09

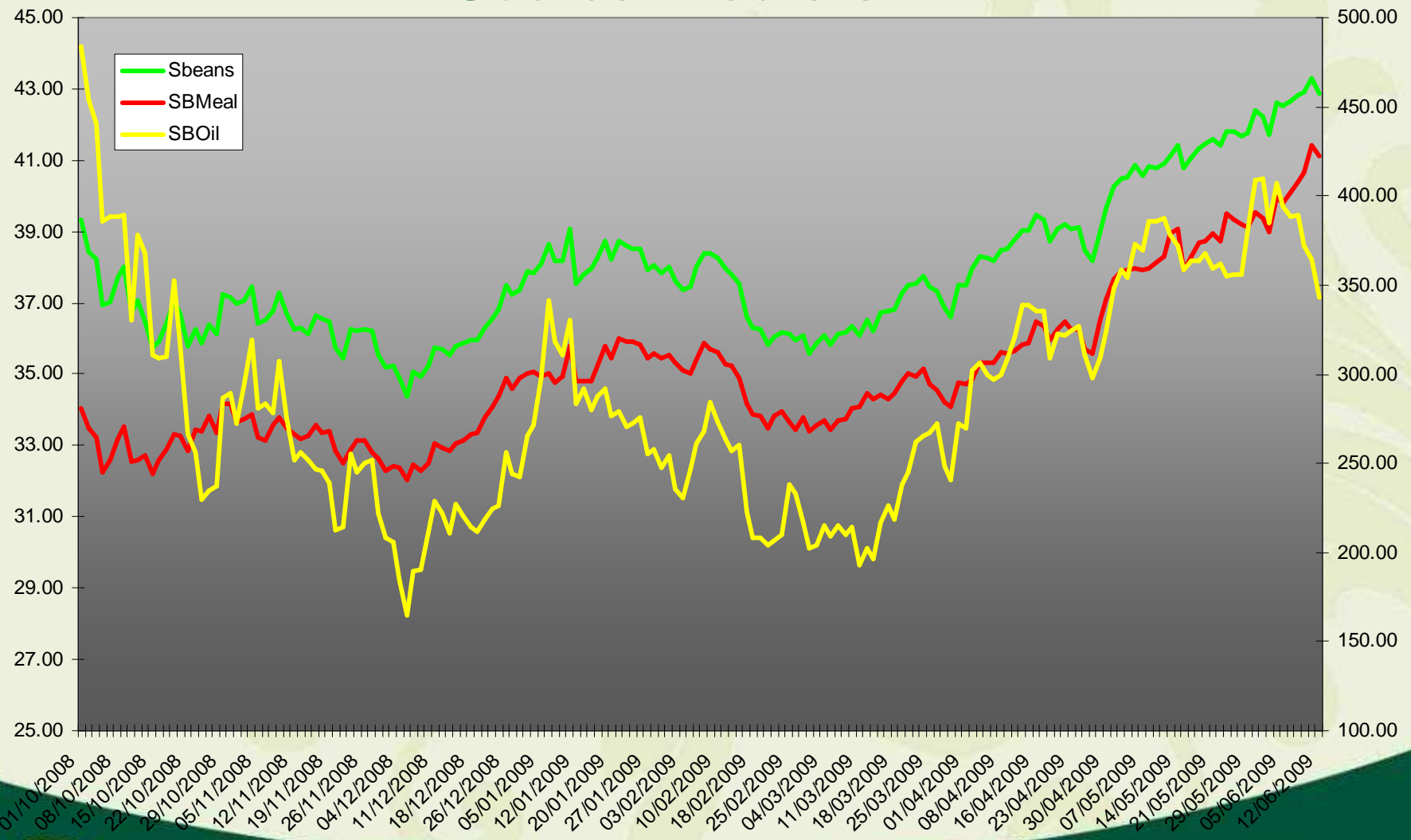
Soy Complex (2004 – today)

Source: Reuters



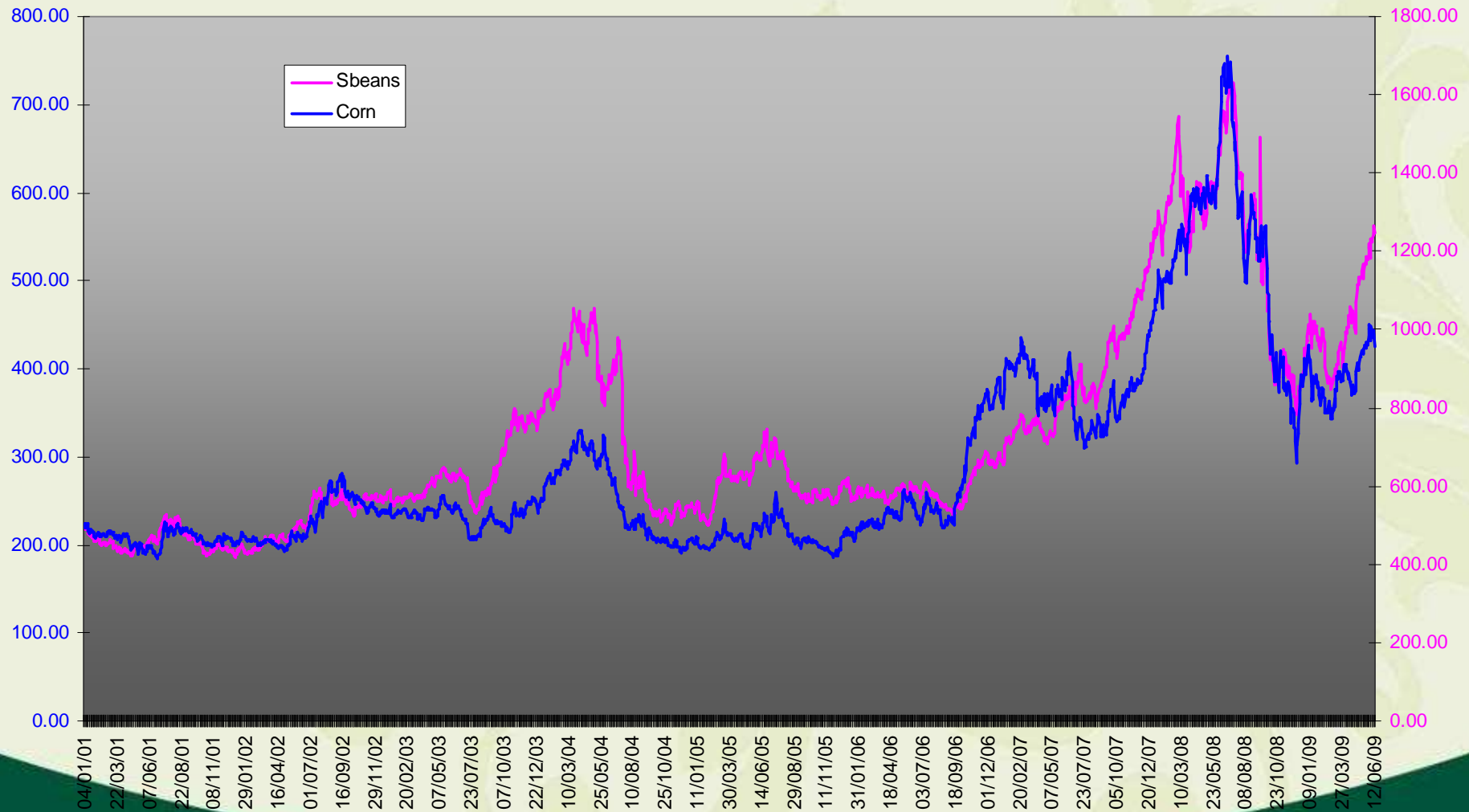
Soy Complex (2009 – today)

Source: Reuters



Soybean – Corn Ratio

Source: Reuters



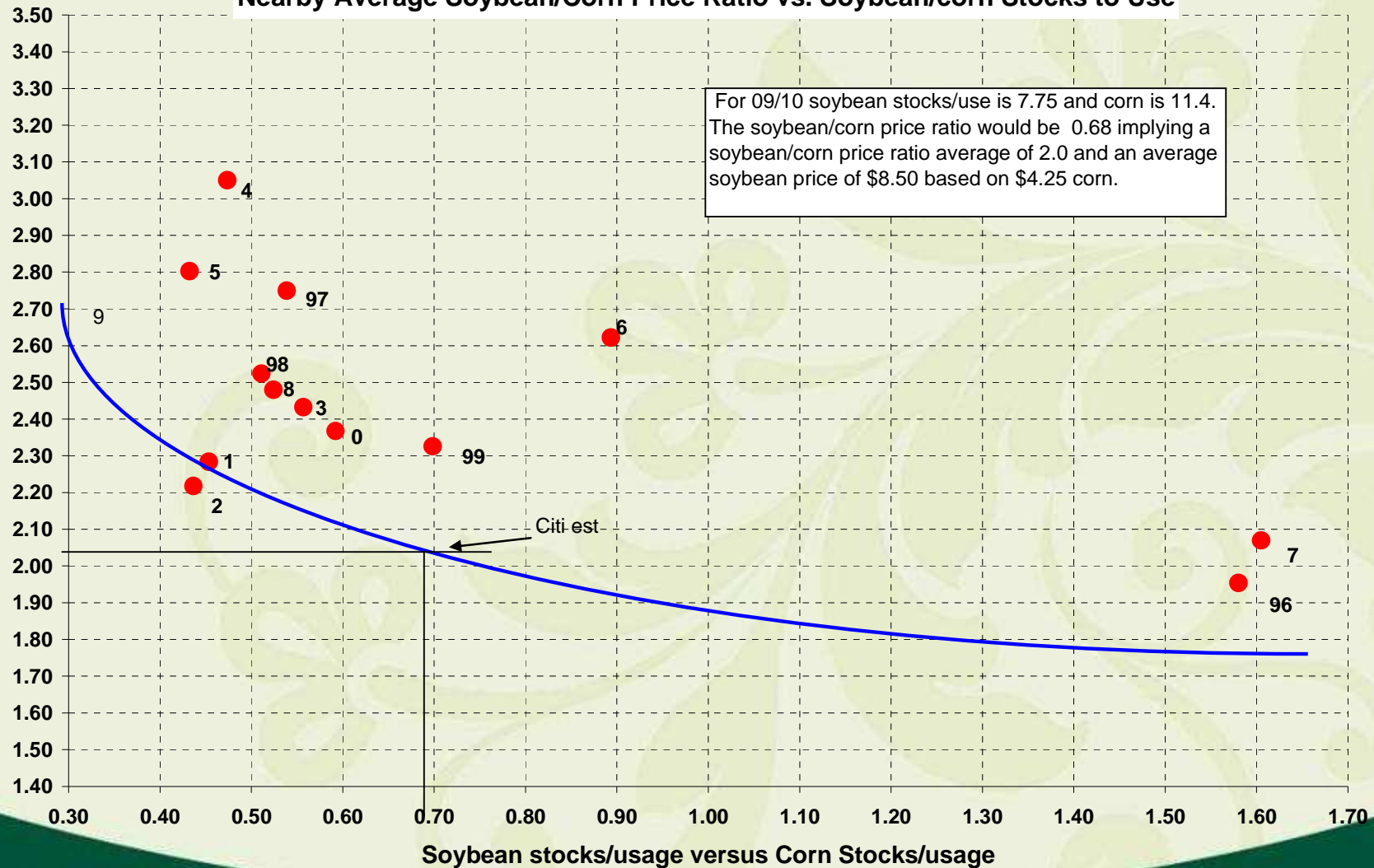
Soybean – Corn Ratio

Source: Reuters



Higher New Crop Stocks Project Lower Prices

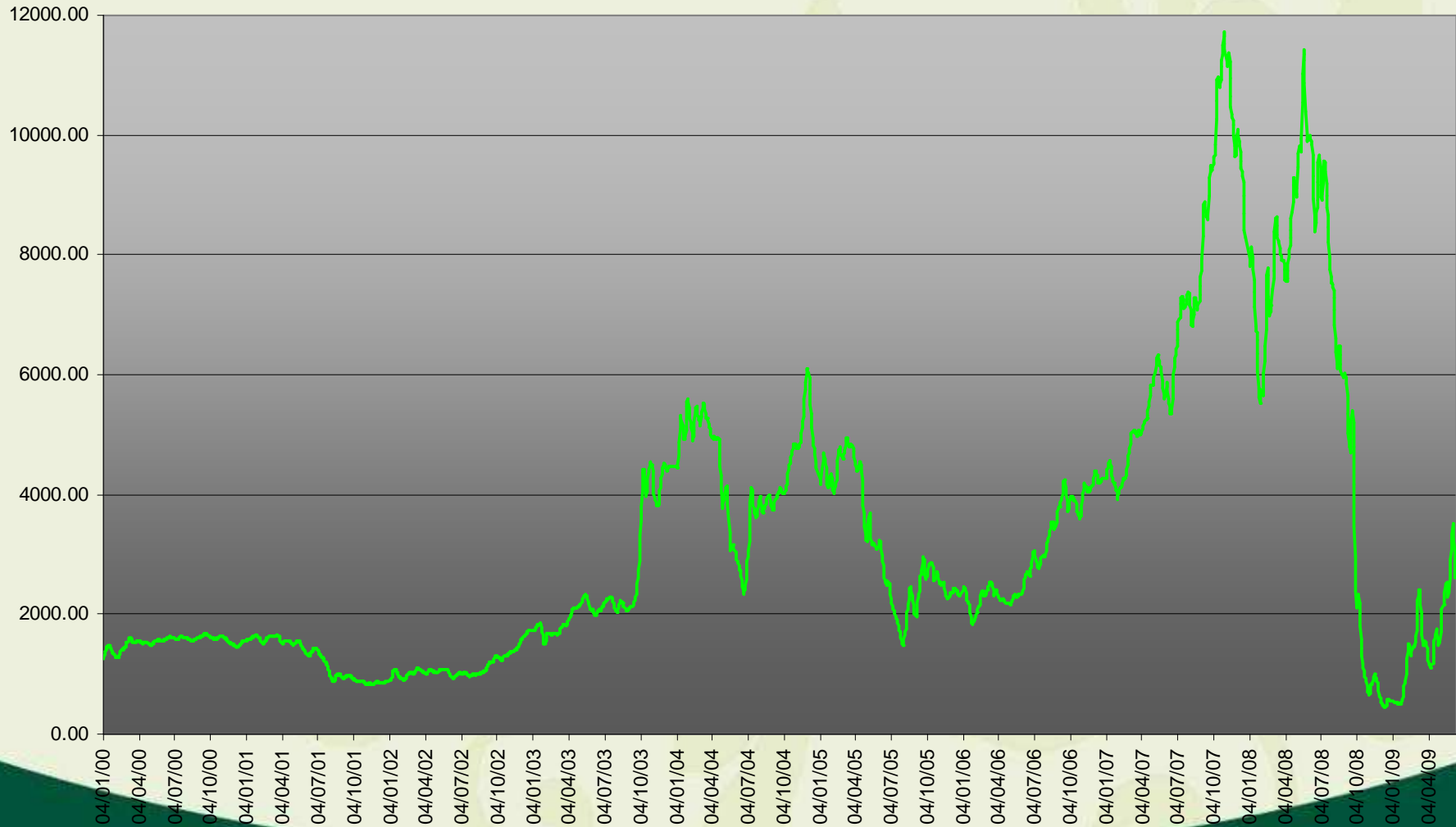
Nearby Average Soybean/Corn Price Ratio vs. Soybean/corn Stocks to Use



Source: USDA, Citi

Freight

Source: Reuters



תודה רבה



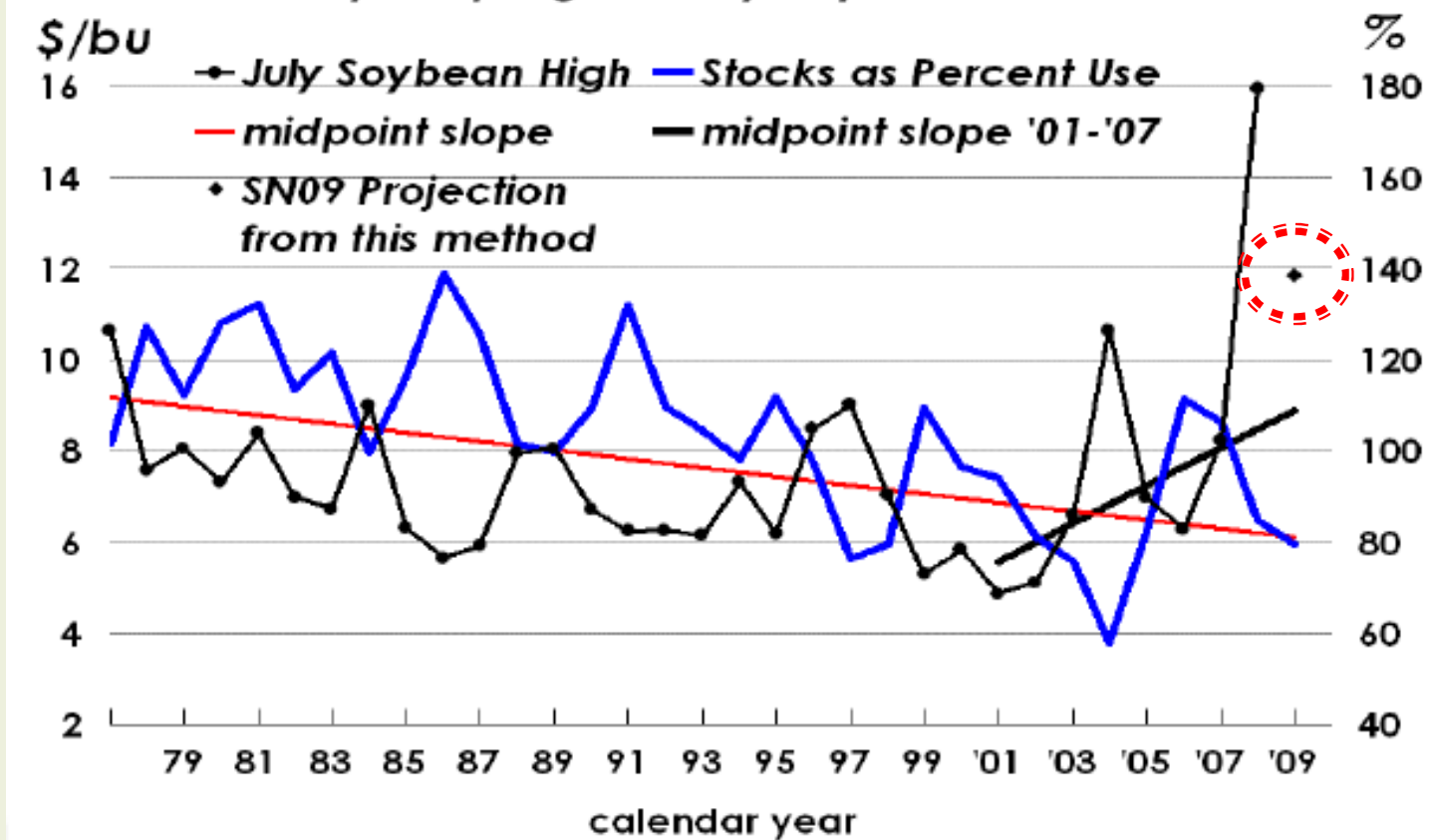
Professional

איתן שיינר

שמן תעשיות בע"מ - סמנכ"ל

מנהל חטיבת אגרו-מזון

March 1 U.S. Soybean Stocks as Percent Sept-Feb Usage versus February-May high in July Soybeans



Source: USDA; CBOT prices via CQG; Prudential Bache Commodities, LLC

Prudential Bache Commodities Research -- Soy Weekly Fundamental Commentary, 23.02.09