



Finding the New Center of Gravity for Agriculture Policy

National Grain and Feed Association

115th Annual Convention

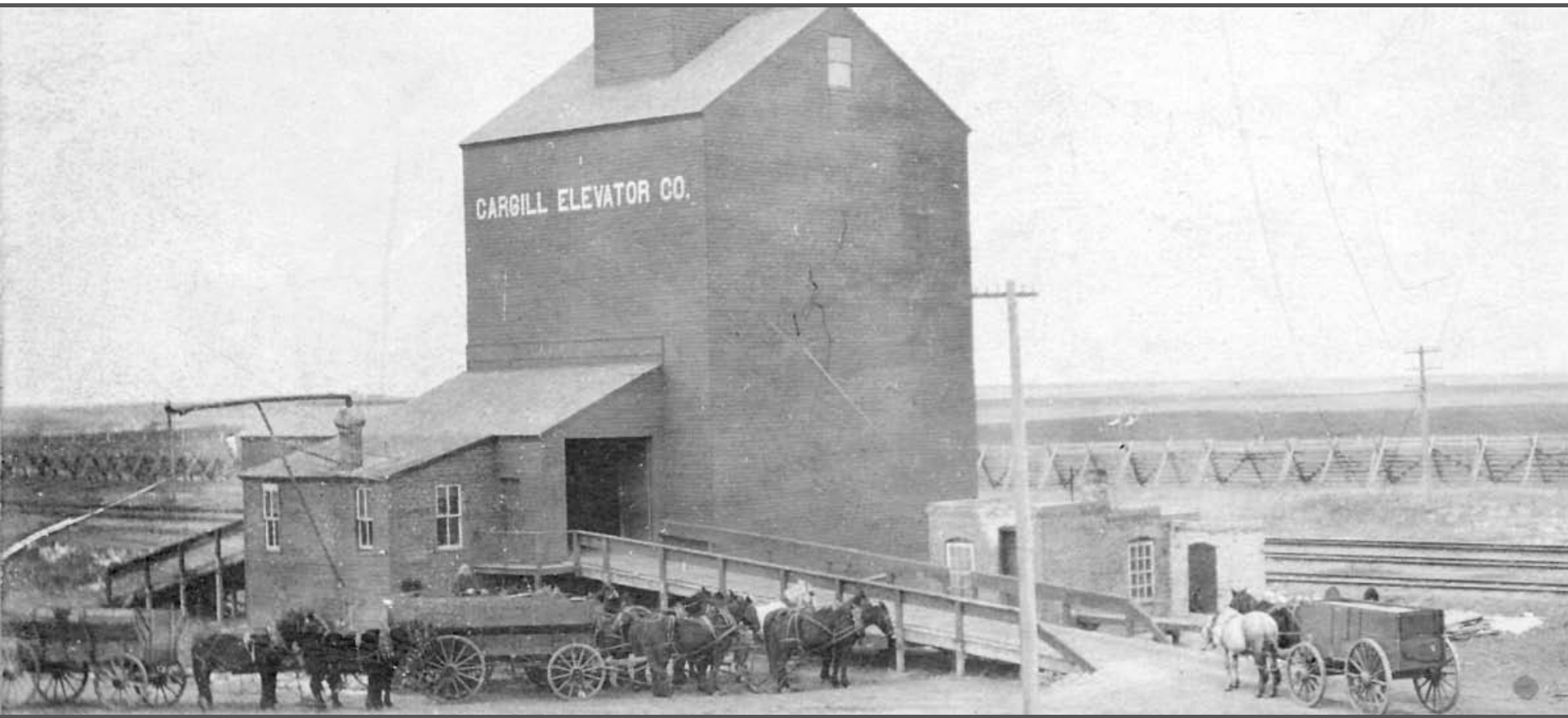
March 15, 2011

Greg Page

Chairman and Chief Executive Officer

Cargill, Incorporated

CARGILL AND NGFA HISTORY



CARGILL TODAY



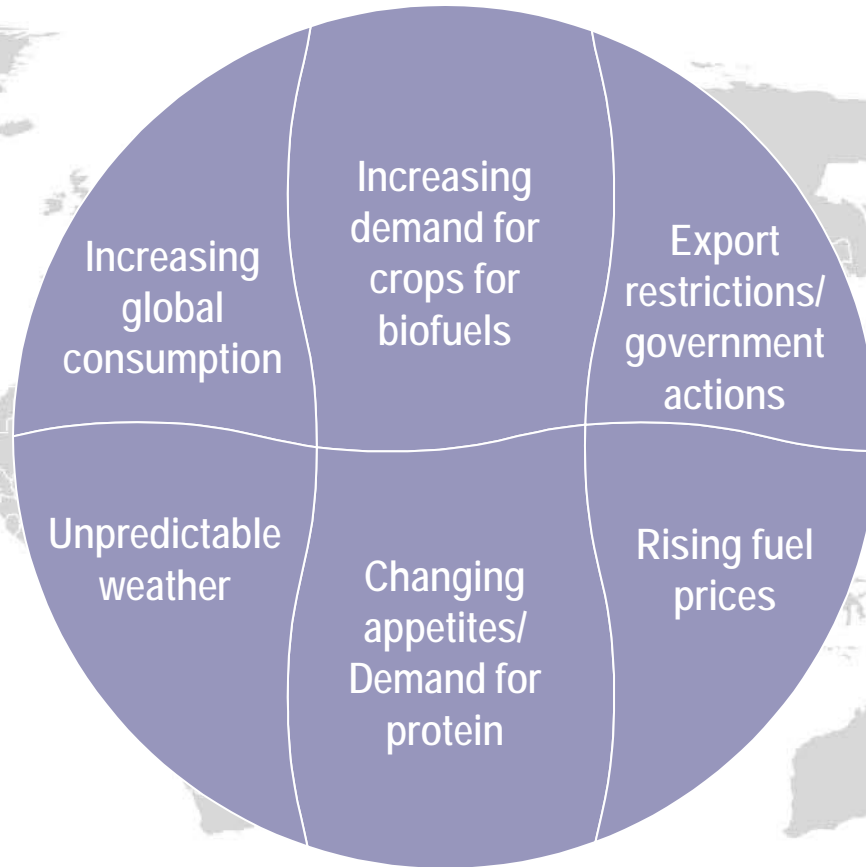
- Creating supply chains and shipping products to over 6,000 ports worldwide
- Helping farmers optimize yields, store crops and access the best markets
- Formulating better-tasting recipes for restaurants and packaged foods
- Creating food ingredients that promote health
- Managing risk and pricing for farmers and corporate customers



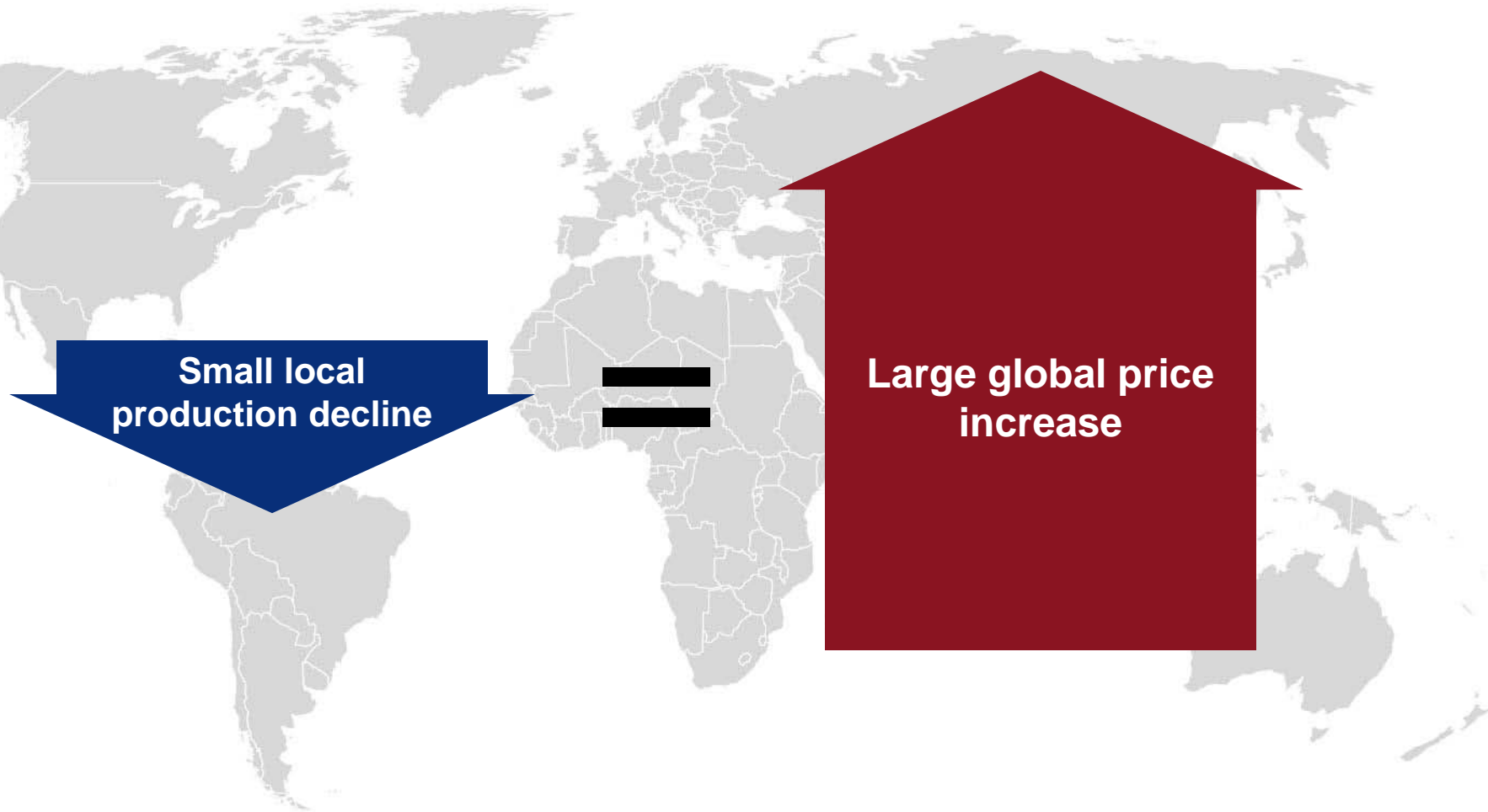
A NEW CENTER OF GRAVITY FOR AGRICULTURE?

COMMODITIES VOLATILITY / FOOD PRICES

In the mix:

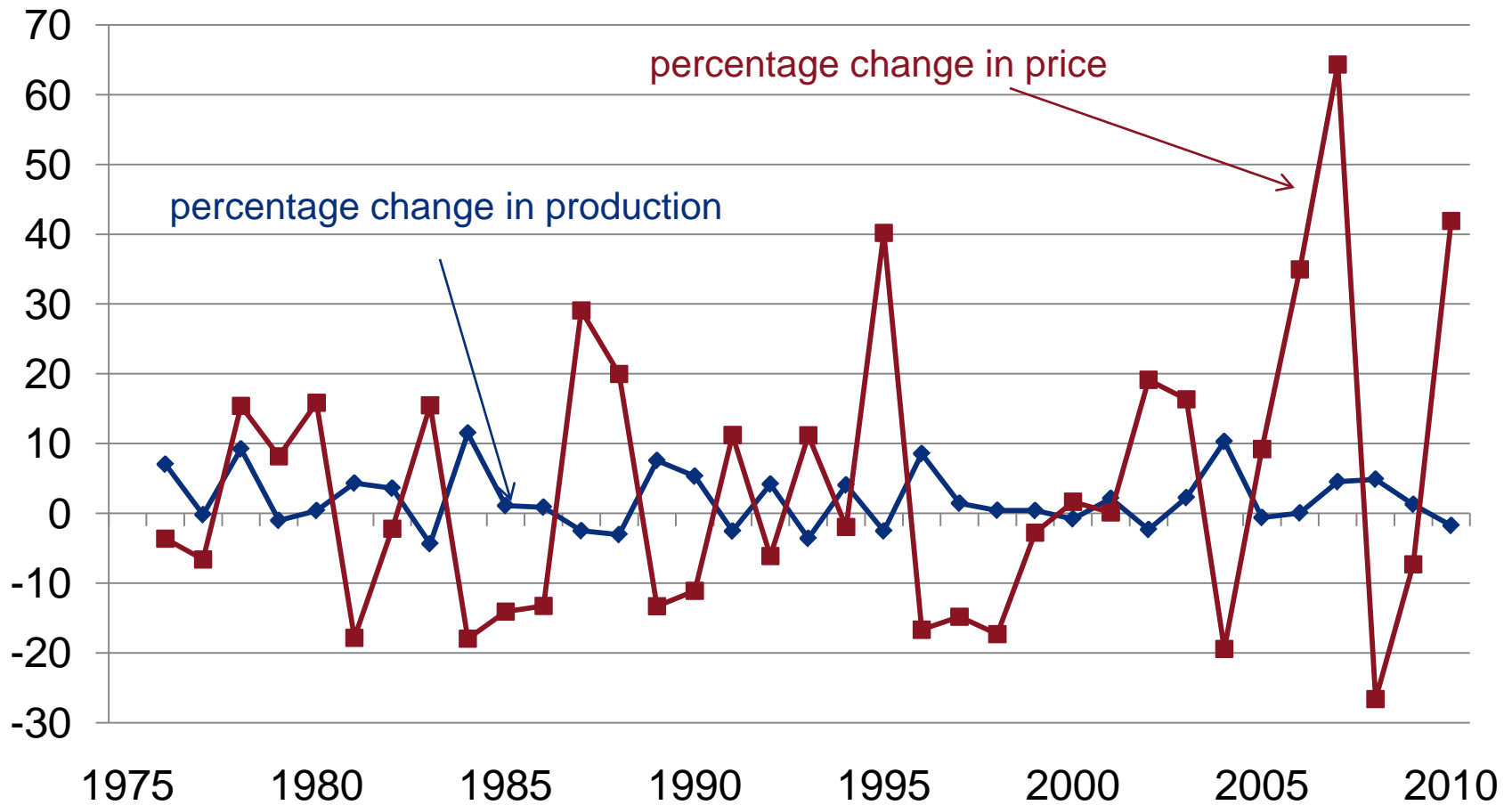


AGRICULTURE: STATE OF DISEQUILIBRIUM



GLOBAL FOOD PRODUCTION VS. PRICE

(production of grain, rice, major oilseeds, PO, FSHM vs. corn/soybean/wheat futures price index)





~1 billion x 200 kcals = 30 Million Tons

Malnourished
people

Average daily
calorie deficit

Whole grain

1/6 the amount
of grain we
convert to fuel



BIOFUELS – AN ISSUE OF SIZING



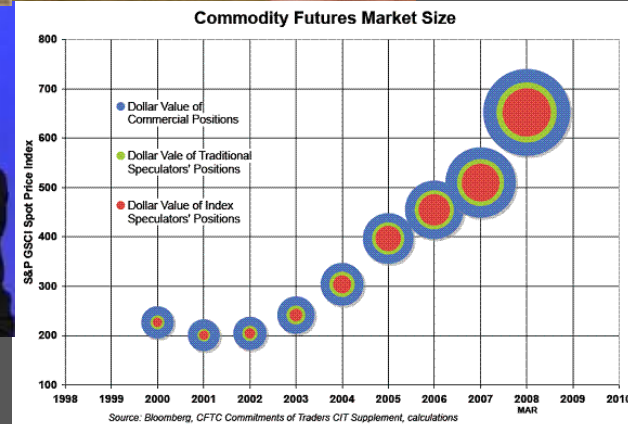
THE POWER OF PRICE

THE POLITICS OF PRICE

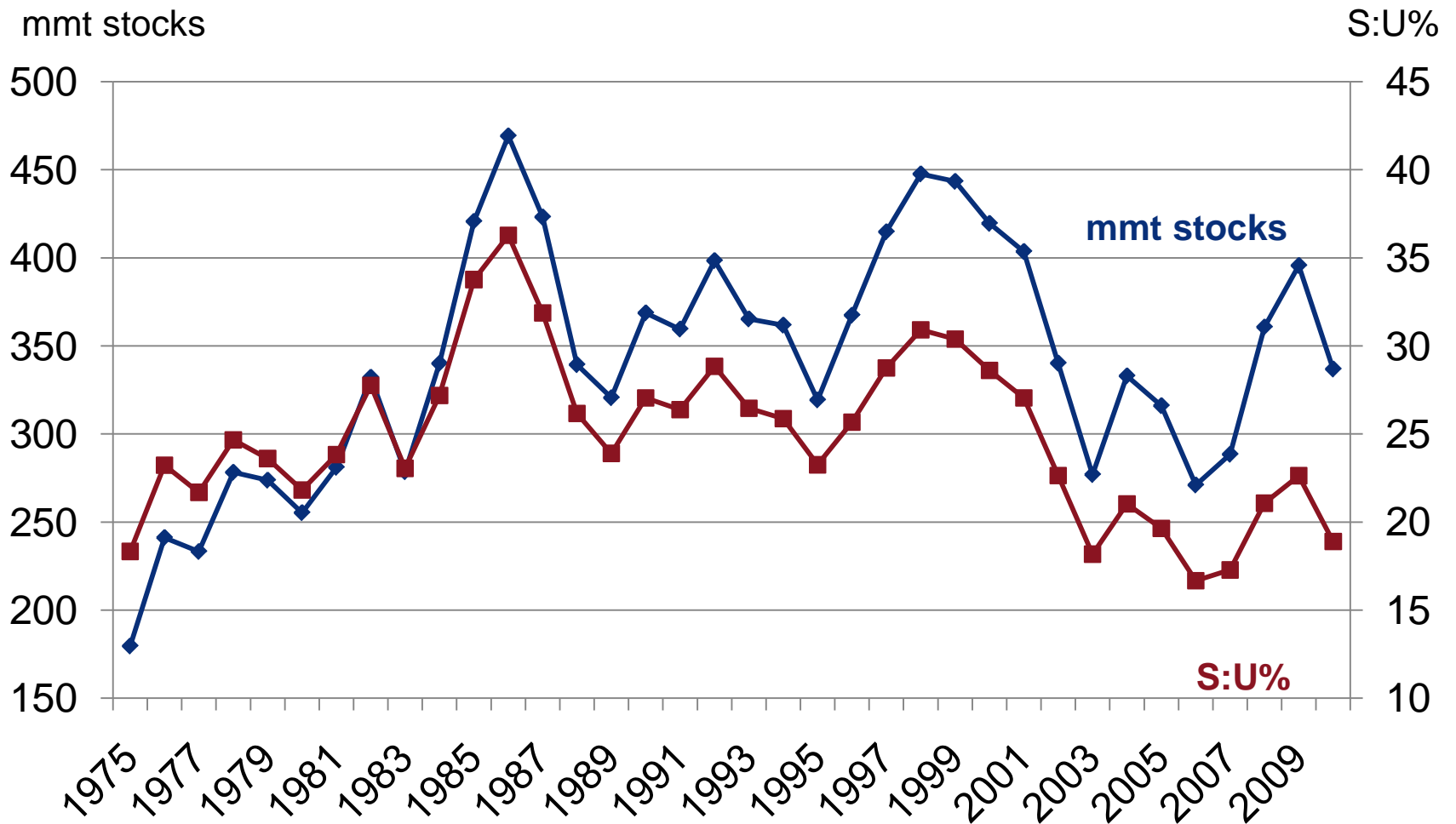


"Before you go any further, let me reiterate that I, for one, see nothing wrong with killing the messenger."

SPECULATORS, HOARDERS, LIQUIDITY PROVIDERS...



WORLD GRAIN STOCK AND STOCKS: USE



COMPARATIVE ADVANTAGE

The world will always raise the most food the most economically if every farmer plants the right crop for the soil and climate, and then trades with others.



DAVID RICARDO

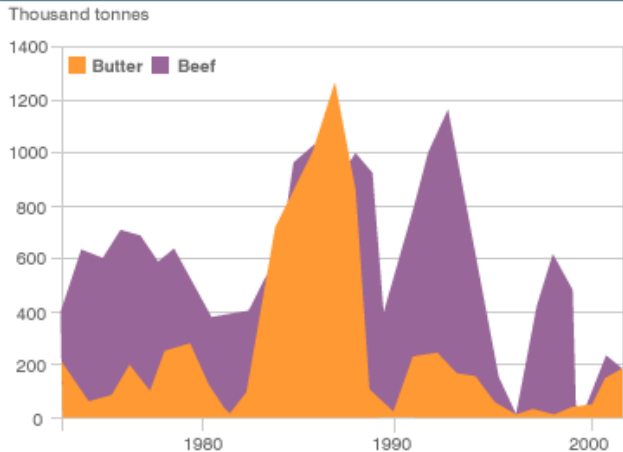
SPOT THE DIFFERENCE?



NEW CENTER OF GRAVITY

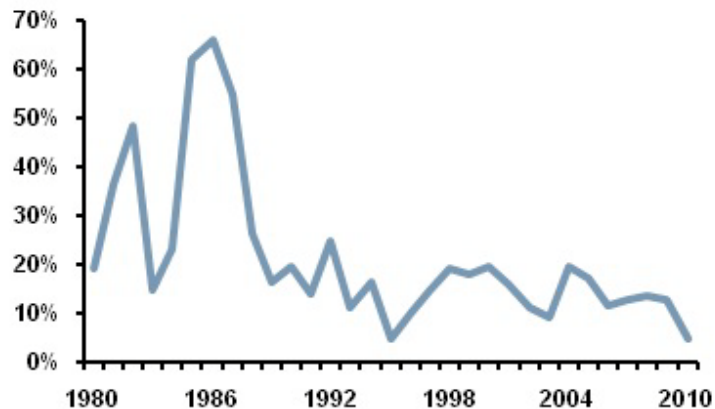
Yesterday's Policies, Tomorrow's News

BEEF AND BUTTER MOUNTAINS



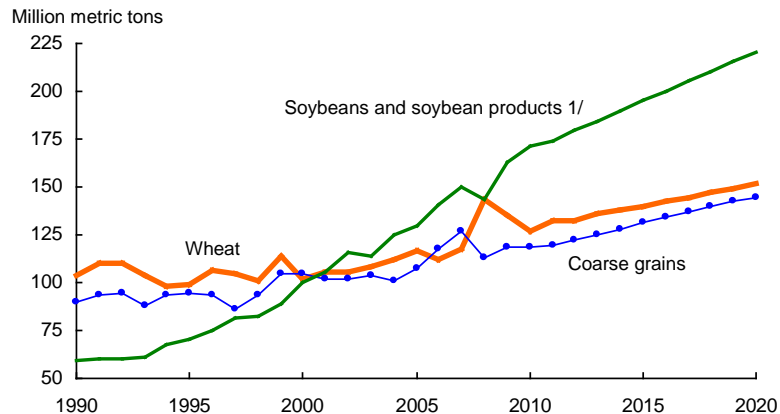
SOURCE: European Commission

U.S. Corn Stocks / Usage Ratio



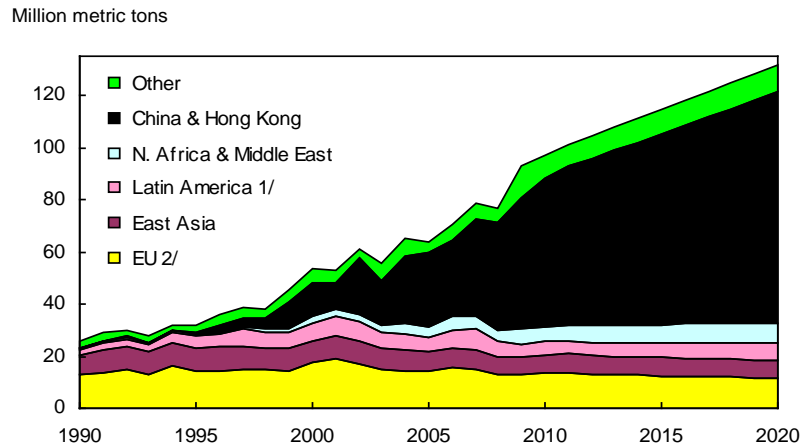
Source: ERS/USDA

Global trade: Wheat, coarse grains, and soybeans and soybean products



1/ Soybeans and soybean meal in soybean-equivalent units.

Global soybean imports



1/ Includes Mexico. 2/ Excludes intra-EU trade.

NGFA INDUSTRY LEADERSHIP



National
Grain and Feed
Association



*Elevating
Your Voice!*



Nebraska
Grain & Feed
ASSOCIATION

OPEN MARKETS



- Governments need to support trade
- Short-term trade restrictions are harmful and increase volatility
- Open markets create food security
- Trade leads to a more nourished world

INFRASTRUCTURE: KEY TO US COMPETITIVENESS



INFRASTRUCTURE: RE-INVESTMENT IN THE U.S.



**Mato Grosso,
Brazil to
Coastal Port
= \$3.00/bu**



**Newton, Iowa
to New
Orleans =
\$0.70/bu**



CRITICAL POLICY CHOICES

Farm Policy

Energy Policy

Trade Policy

Food Safety

Financial Reforms

Others??



THE NEW CENTER OF GRAVITY: GET GROUNDED

Well-Reasoned, Educated Debates

Tell the Whole Story

Rules Get Written by Those Who Participate



