

# USSEC Global Strategy Session

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# NOPA Members

- ▶ 13 NOPA member companies
- ▶ Account for 95% of U.S. soybean crush
- ▶ Operate 63 processing plants in 19 states, including 57 that process soybeans
- ▶ Crush 1.645 billion bushels, comprising almost 52% of U.S. soybean farmers' production in 2013/14



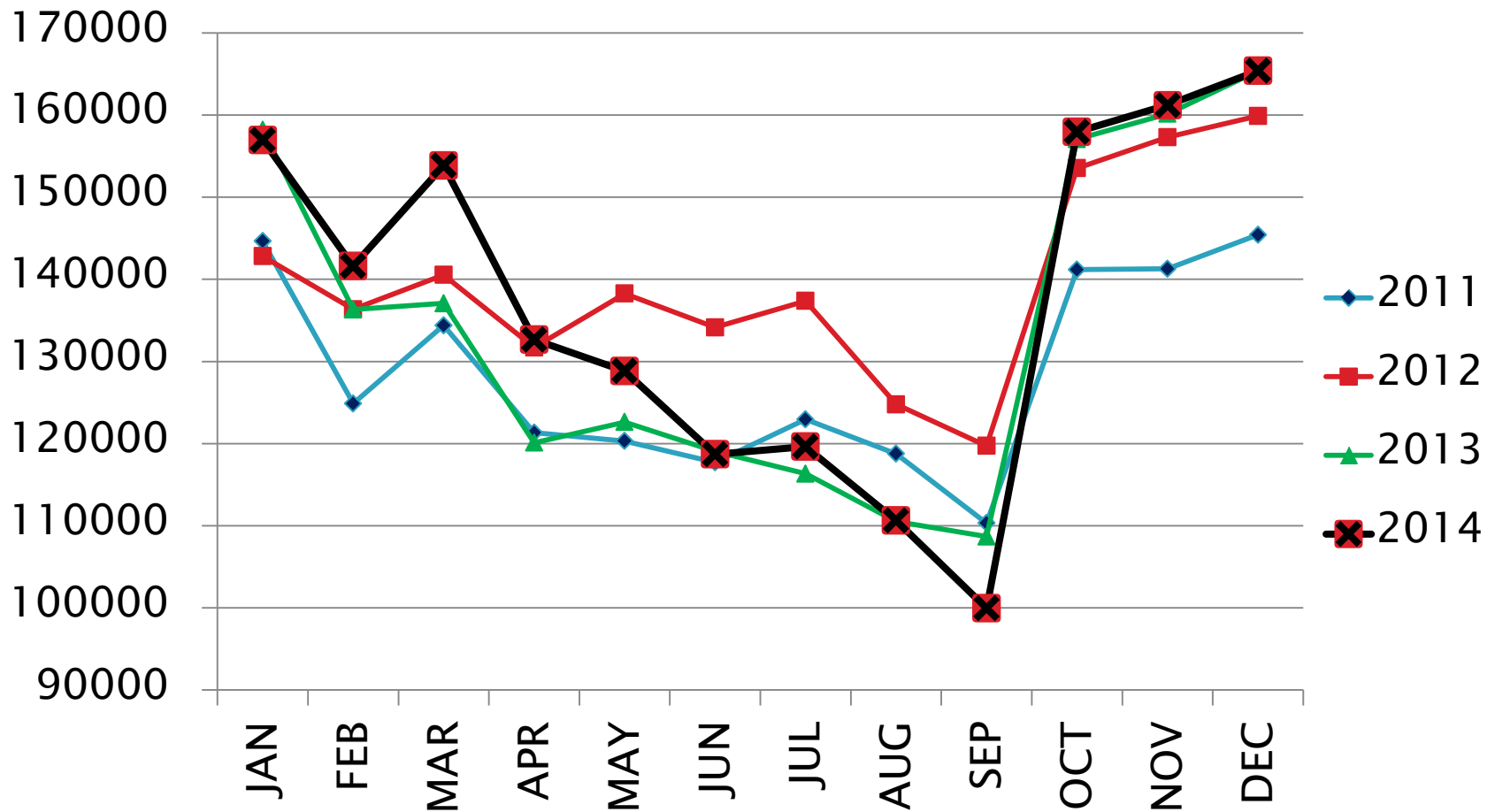
# NOPA Membership

- ▶ Ag Processing Inc.
  - ▶ Archer Daniels Midland Company
  - ▶ Bunge North America
  - ▶ Cargill, Incorporated
  - ▶ CHS
  - ▶ Consolidated Grain and Barge Company
  - ▶ Incobrasa Industries, Ltd.
  - ▶ Louis Dreyfus Commodities
  - ▶ Northstar Agri Industries
  - ▶ Owensboro Grain Company
  - ▶ Perdue Grain & Oilseed, LLC
  - ▶ Riceland Foods, Inc.
  - ▶ Zeeland Farm Soya
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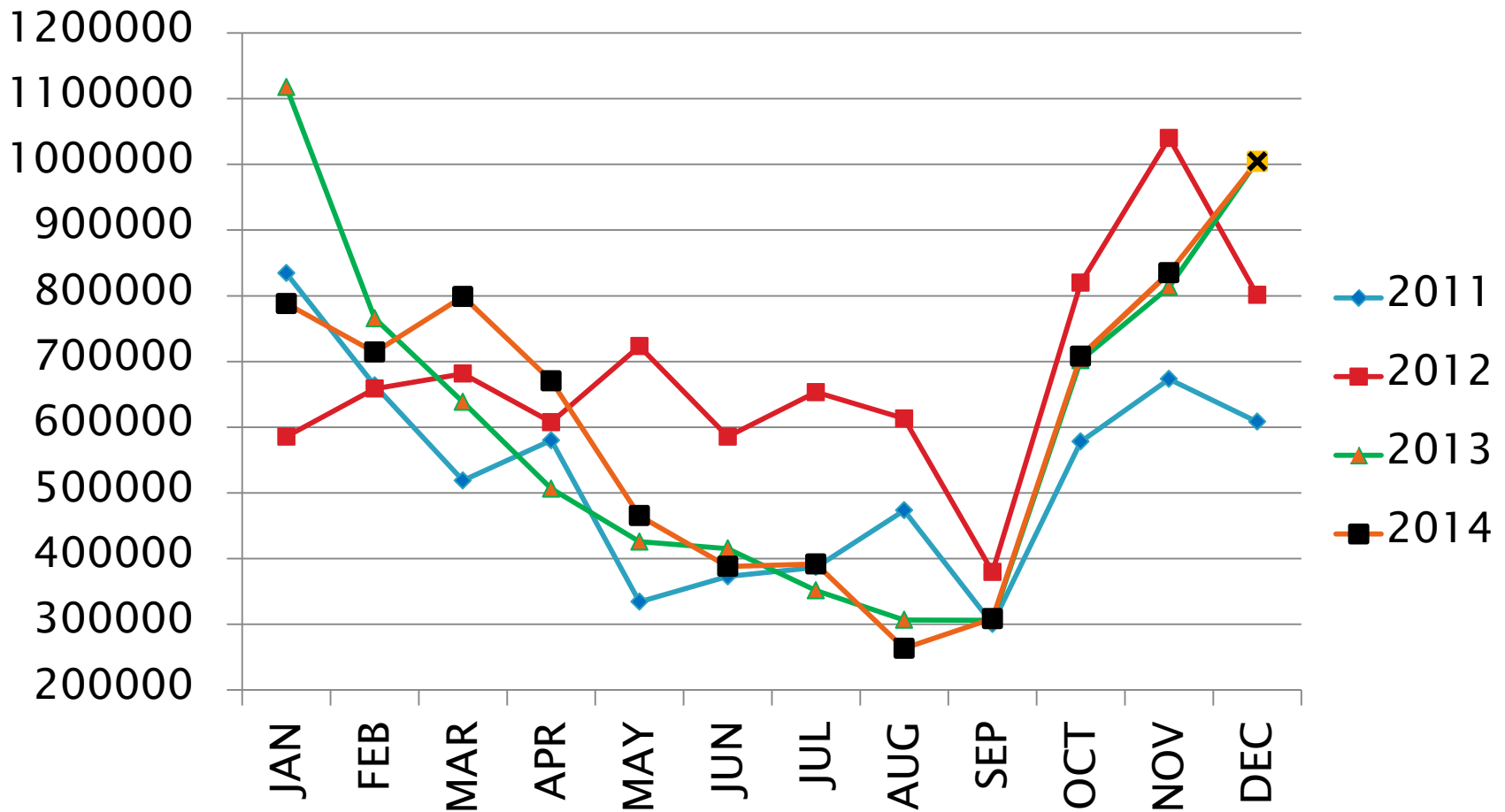
# Can U.S. Crushers Export more Soybean Meal?

- ▶ U.S. processors investing in their crush plants to increase efficiency and capacity
- ▶ NOPA monthly crush & export numbers are at record levels
- ▶ Volume of U.S. soymeal exports is now 30% of total production – up steadily over the past decade
- ▶ Steady growth in U.S. meat & poultry exports provides steady growth of soymeal disappearance
- ▶ With this year's larger soybean production (and other crops) – the transport system is functioning
- ▶ **U.S. soybean crushers can & will export more soymeal – as long as the domestic soybean crop continues to expand through the use of enhanced technology and improved farming practices & protein levels remain competitive!**

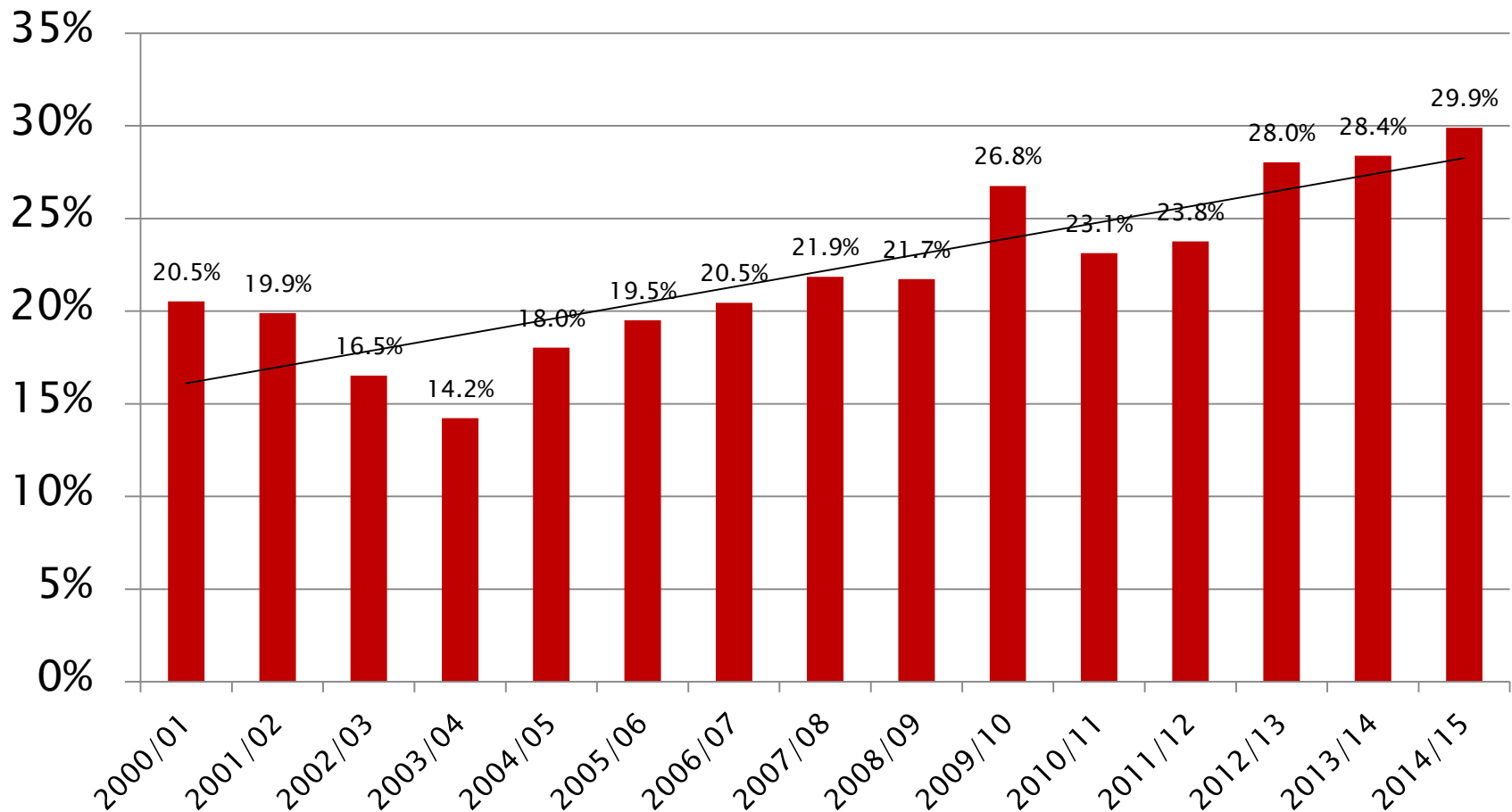
# NOPA Soybean Crush CY2011-2014 (000Bu.)



# NOPA Soybean Meal Exports CY2011 – 2014 (tons)



# U.S. Soymeal Exports As Share of Soymeal Production [2000/01 - 2014/15]



Source: John C. Baize & Associates

# Top 10 Destinations for US Soy Meal

## JAN -DEC 2013 (Value/Quantities in thousands)

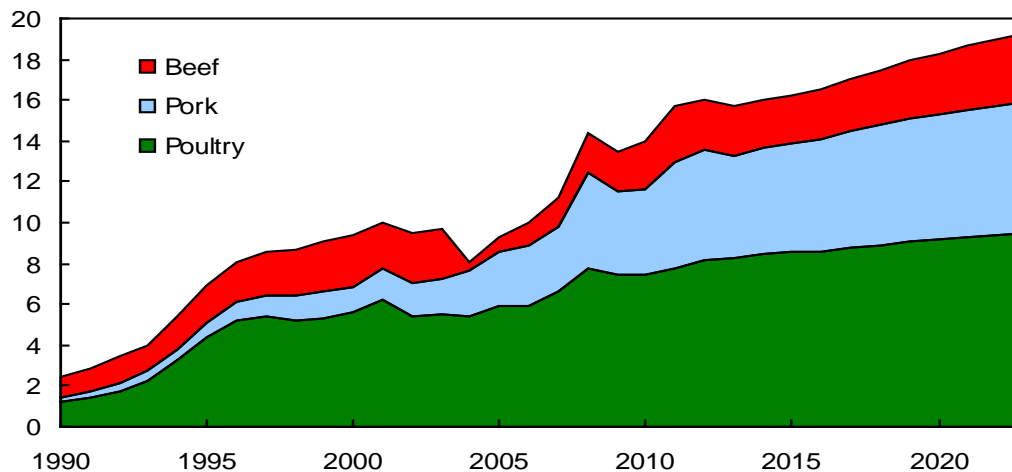
Country	Rank	Value (\$)	Quantity (M/T)
Mexico	1	\$ 672,494	1,269,452
Philippines	2	605,118	1,120,642
Canada	3	450,645	895,096
Venezuela	4	395,482	755,097
Turkey	5	218,243	397,787
Poland	6	211,594	408,512
Vietnam	7	201,226	377,450
Ecuador	8	183,807	366,468
Egypt	9	178,781	328,499
Dominican Republic	10	174,236	331,602
<b>Grand Total (all countries)</b>		<b>\$5,423,942</b>	<b>10,160,713</b>

Source: USDA/FAS

# U.S. Red Meat & Poultry Exports = Steady Growth for Soymeal Usage

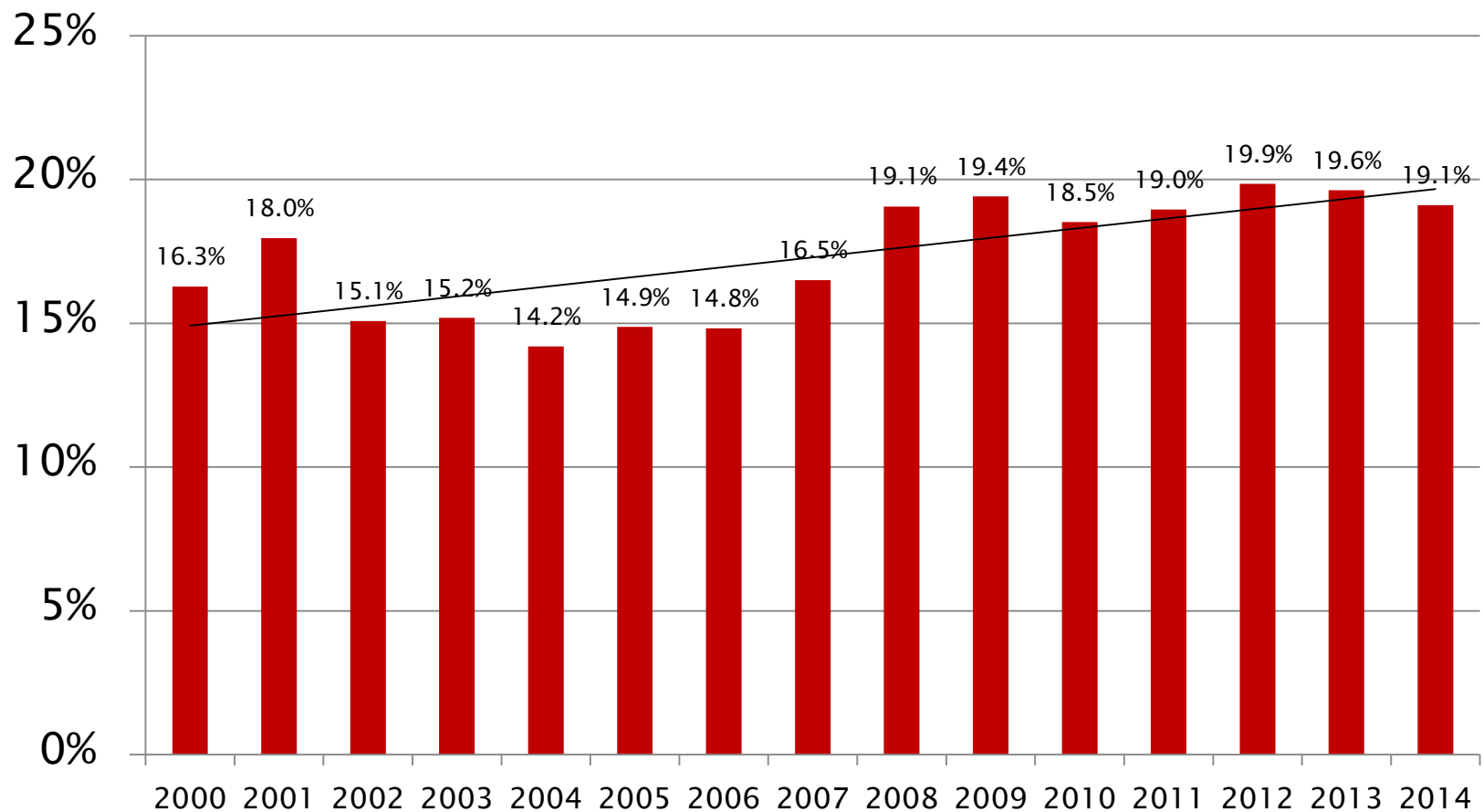
## U.S. meat exports

Billion pounds



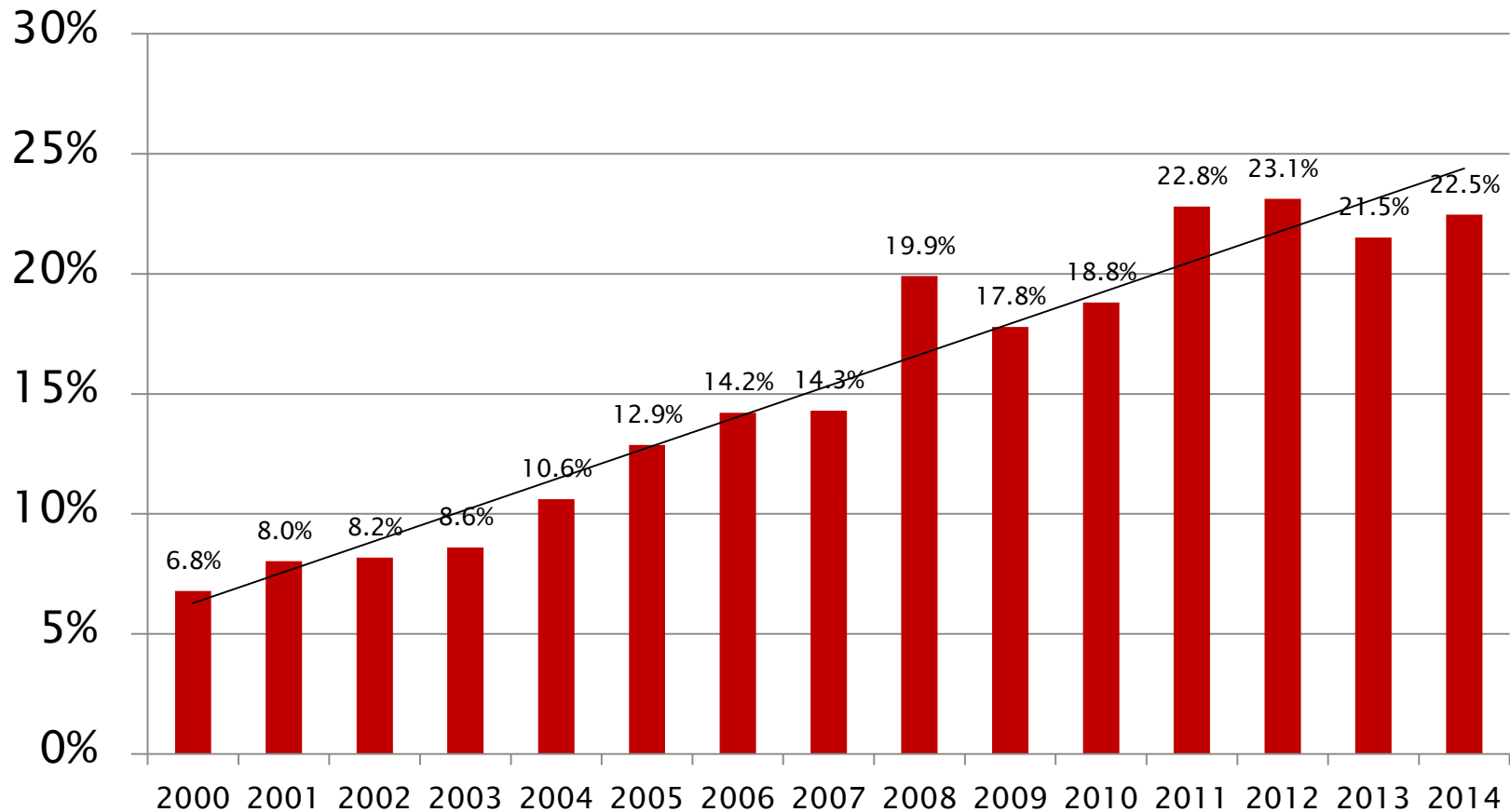
*Source: USDA Long-term Projections, February 2014*

# U.S. Broiler Meat Exports As Share of Broiler Meat Production (2000 – 2014)



*Source: John C. Baize Associates*

# U.S. Pork Exports As Share of Pork Production (2000 - 2014)



*Source: John C. Baize Associates*

# Domestic Constraints to Exporting more U.S. Soybean Meal?

- ▶ Continuing need for greater supply of domestic soybeans
- ▶ Improving protein levels for domestic soybeans
- ▶ Increasing struggle for acres between soybeans & corn
- ▶ Making critical investments in U.S. transportation systems
- ▶ Terminating work stoppages at U.S. port facilities
- ▶ Ending unnecessary/costly Federal & State environmental & safety/health regulations on U.S. processors and farmers
- ▶ Combating anti-GMO Federal & State legislation
- ▶ Maintaining market-oriented farm programs
- ▶ Overcoming anti-trade sentiment from far Left & Right

# Global Constraints to Exporting more U.S. Soybean Meal?

- ▶ Increased competition/production – South America, India, etc.
- ▶ Increased competition from mid-level proteins: DDGs, canola, etc.
- ▶ Negative effect of the stronger U.S. dollar on exports
- ▶ Slowdown in economic growth rates in key markets
- ▶ Anti-competitive trade policies: DETs, GMO-labeling
- ▶ Lack of synchronous approvals and low level presence (LLP) policy for biotech crops in major foreign markets
- ▶ Not concluding regional free trade agreements: TTP, TTIP
- ▶ Breakdown of World Trade Organization (WTO): Doha

# U.S. Soymeal is Very Competitive

- ▶ Best farm-to-market system in world
- ▶ Best farm crop management
- ▶ Best delivery system
- ▶ Best risk management programs
- ▶ Diverse growing areas
- ▶ Overall quality of the soybean is world-class



Adding Value for our  
Global Customers

# U.S. Soybeans are Unequaled

- ▶ U.S. soybeans are the **most** sustainable in the world.
- ▶ U.S. laws & regulations governing farmers, grain handlers, processors & exporters are the **most** rigorous in the world.
- ▶ U.S. soybean meal is the **best** overall value in the world.



# Top Ten Reasons to Buy U.S. Soy Meal

1. Nutritional Advantages
2. Availability of Supply
3. Reliability of Product
4. Consistency of Product
5. Quality/Claims Process
6. Quality Adjustments for Feed Ingredient Buyer
7. Transportation Diversity
8. Sustainable Production
9. Market-Driven Policies
10. **USSEC Real-Time Support to Foreign Buyers with “Boots on the Ground”**



# NOPA Values its Partnership with USSEC

- ▶ Thanks for allowing me to be a part of this important Global Strategy Session.
- ▶ On behalf of NOPA's soybean processing members, we value your ongoing efforts to promote the global use of U.S. soymeal.
- ▶ We look forward to an even closer partnership in the future.





# QUESTIONS & DISCUSSION

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