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High Oleic Soybean Oil

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NOPA Industry Forum

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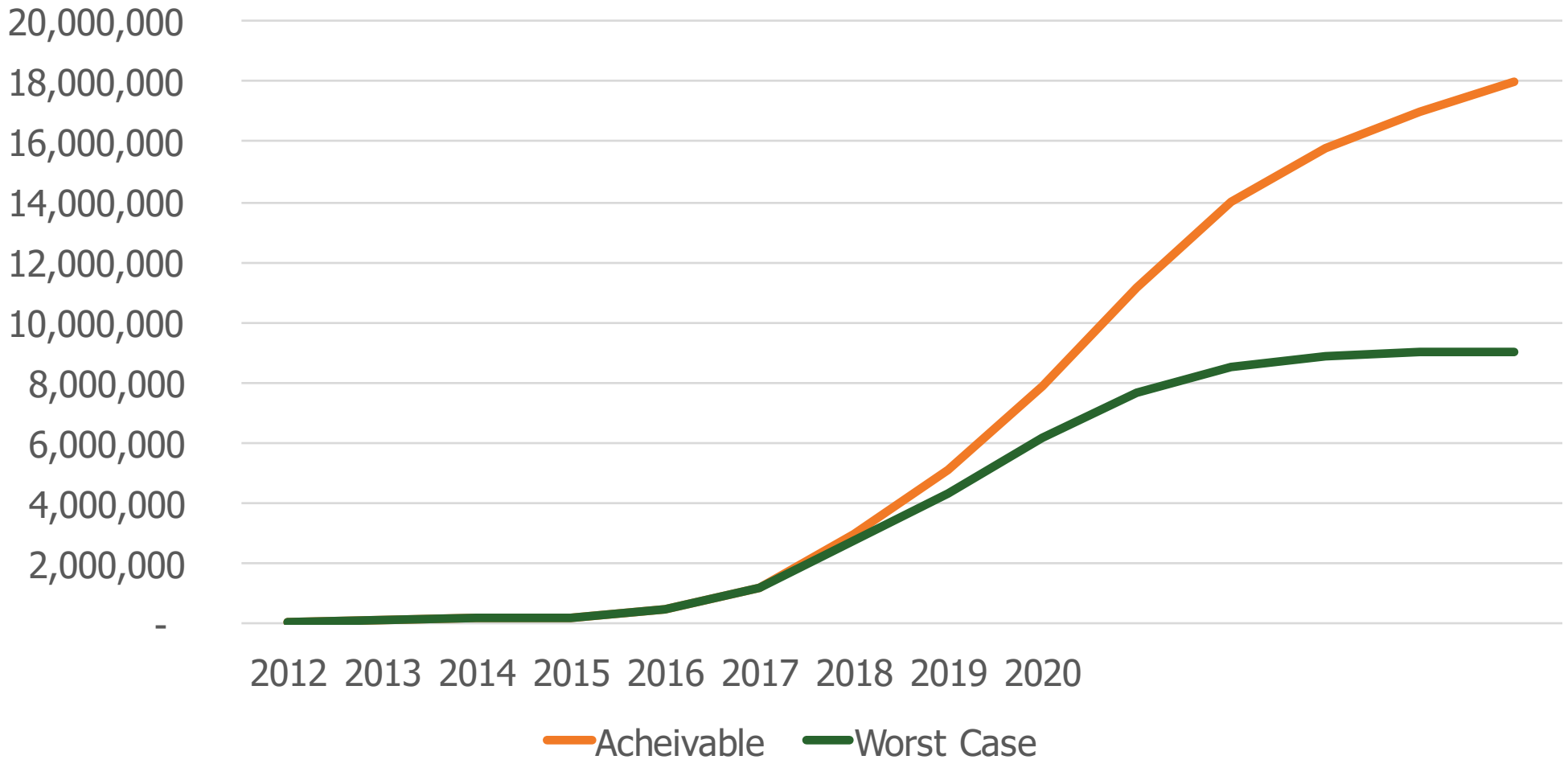
USB
UNITED SOYBEAN BOARD

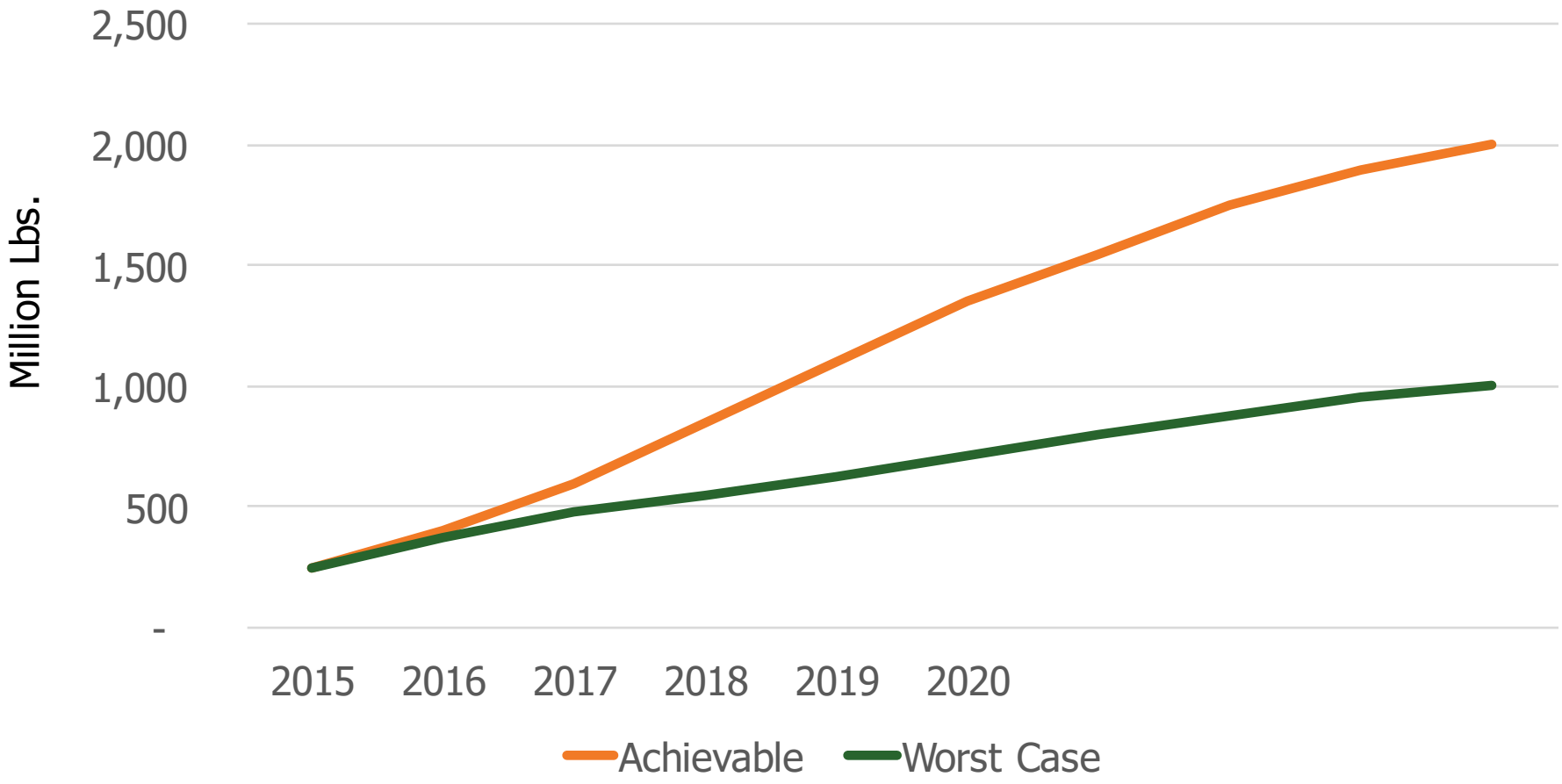
HOS Acreage Projections



Scenario Assumptions Compared as of 2023-24

	Achievable	Worst Case
North American Edible Usage	6,040	3,775
North American Inedible Usage	1,540	365
Exports (in lbs. of oil & oil equivalent soybeans)		
HO Soybeans	1,500	360
HO Oil	220	110
Million HOS Acres Required	18.000	9.000

Growth in EIE Soy Utilization (includes HOS portion)



Impact on Industry Crush Margins

- "Achievable" Success Scenario
  - Annual domestic soybean crush – 1,970 million bu.
  - Average annual crush margin – 84c/bu

- "Failure" Scenario
  - Annual domestic soybean crush – 1,866 million bu.
  - Average annual crush margin – 70c/bu

- Value of "Achievable" Success in HOS Commercialization

$319 million annually

Does not include the full benefit from EIE

This projection will be revised this summer, at which time NOPA members will be provided with the updated projection

Drivers of Achievable Success

Factors that Potentially Drive Success toward the Achievable Scenario

Drivers of Maximum Success

Factors that Potentially Drive Success toward the "Achievable" Scenario

- Reduce farmer premiums needed to attract acreage
- Reduce or eliminate market system IP costs between farm and processor
- Reduce or eliminate crusher IP costs

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- Resellers and distributors market HOS as mainstream products instead of high price premium products

Promotional Strategies

- Promote the common interests in HOS success to farmers
- Promote HOS and EIE at major food industry events
- Aggressive interaction with the food industry media
- Direct contact with prospective users of HOS and EIE
- Develop Case Study examples of success
- Source of information to the processing and refining industries
- Undertake third party functionality testing and sensory evaluations

Functionality Testing

- Fry life
  - Measured polar compounds and FFA
  - HOS performed similarly to HO sun and superior to all other high stability oils
- Donut frying
  - Compares EIE/HOS, EIE/commodity soy and palm
- Bakery shortening
  - Compares PHO, EIE commodity soy, EIE HOS and palm
- Veg oil blends
  - HOS with commodity soy, corn, cottonseed and peanut oils
  - Cost effectiveness and flavor

THANK YOU

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