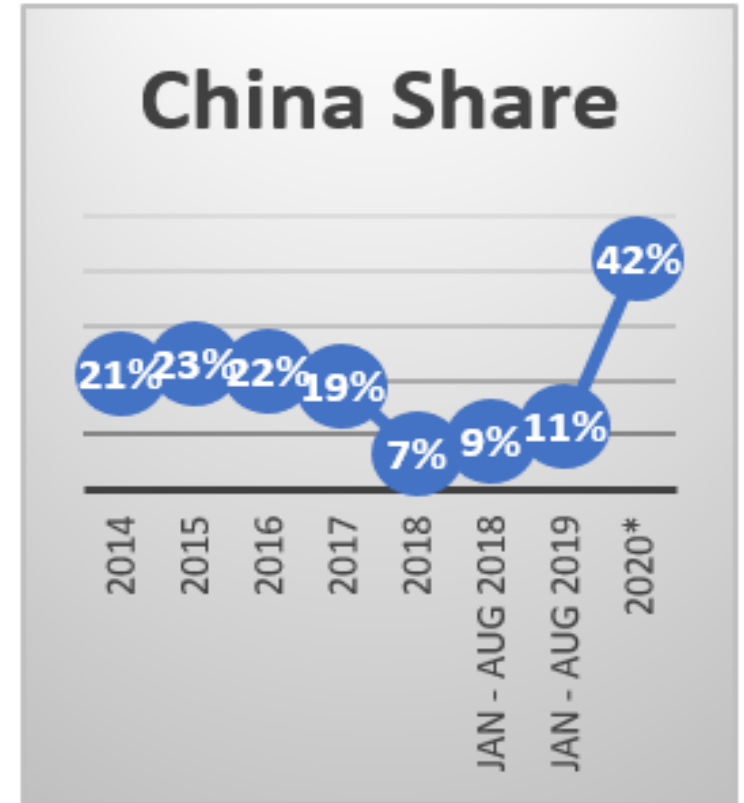
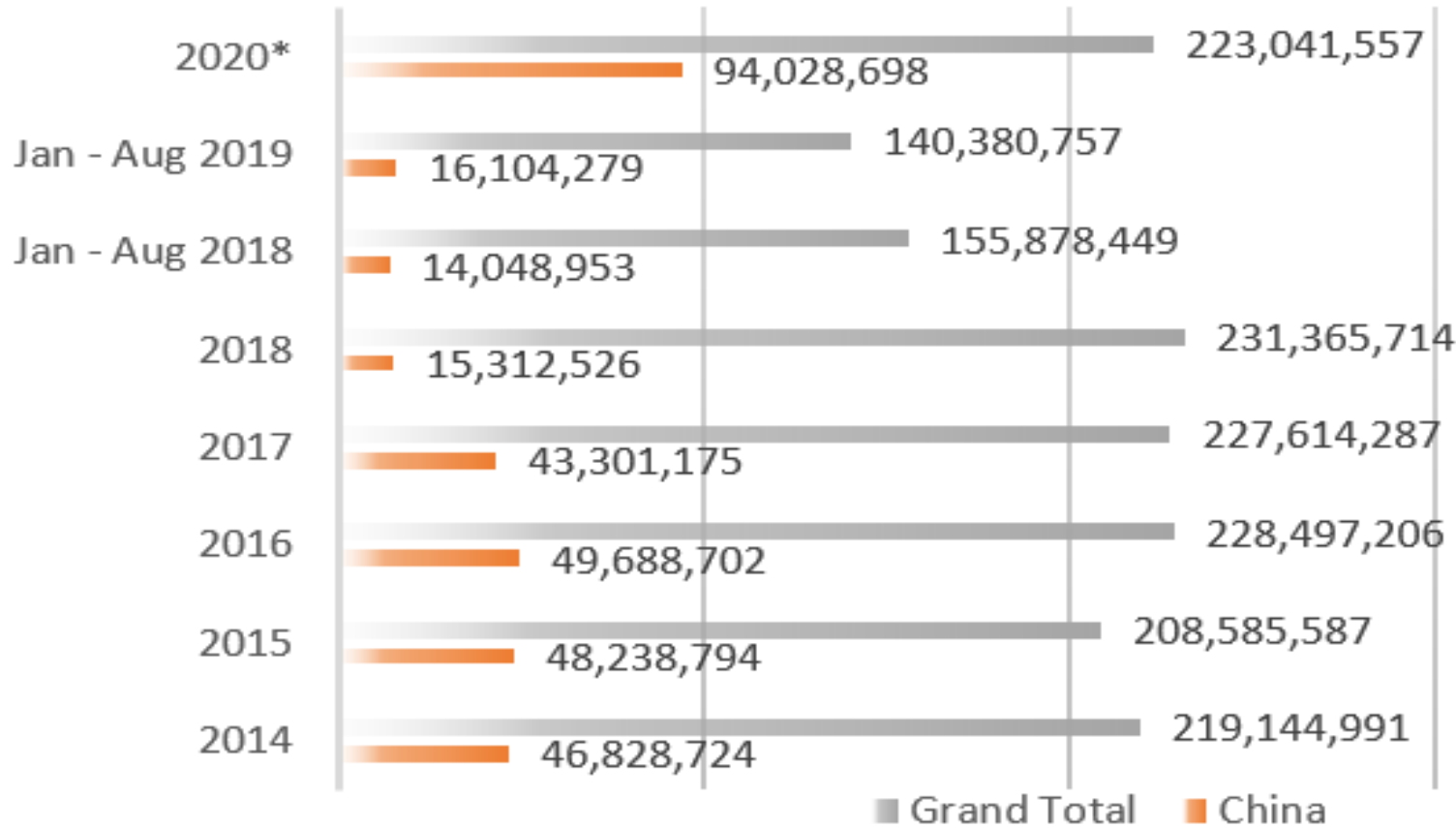




Trade Matters: Global trade and impacts to growers and global customers

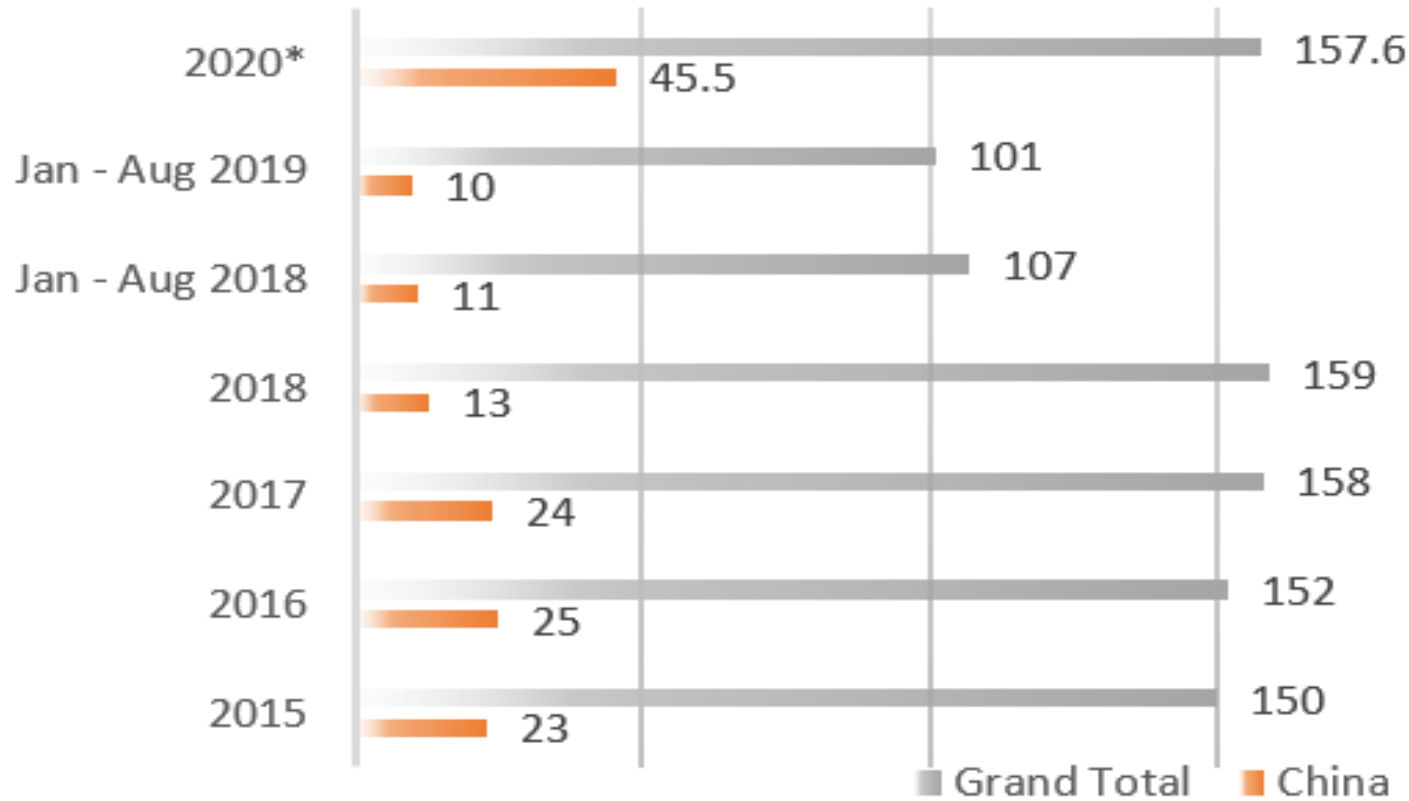
Bruce Weber Director of Global Wheat Product Line
November 7, 2019

U.S. AGRICULTURE EXPORTS MT



Note: 2020 projection based on average of past 5 years. China imports projection is double of average from past 5 years

U.S. AGRICULTURE EXPORTS BILLION

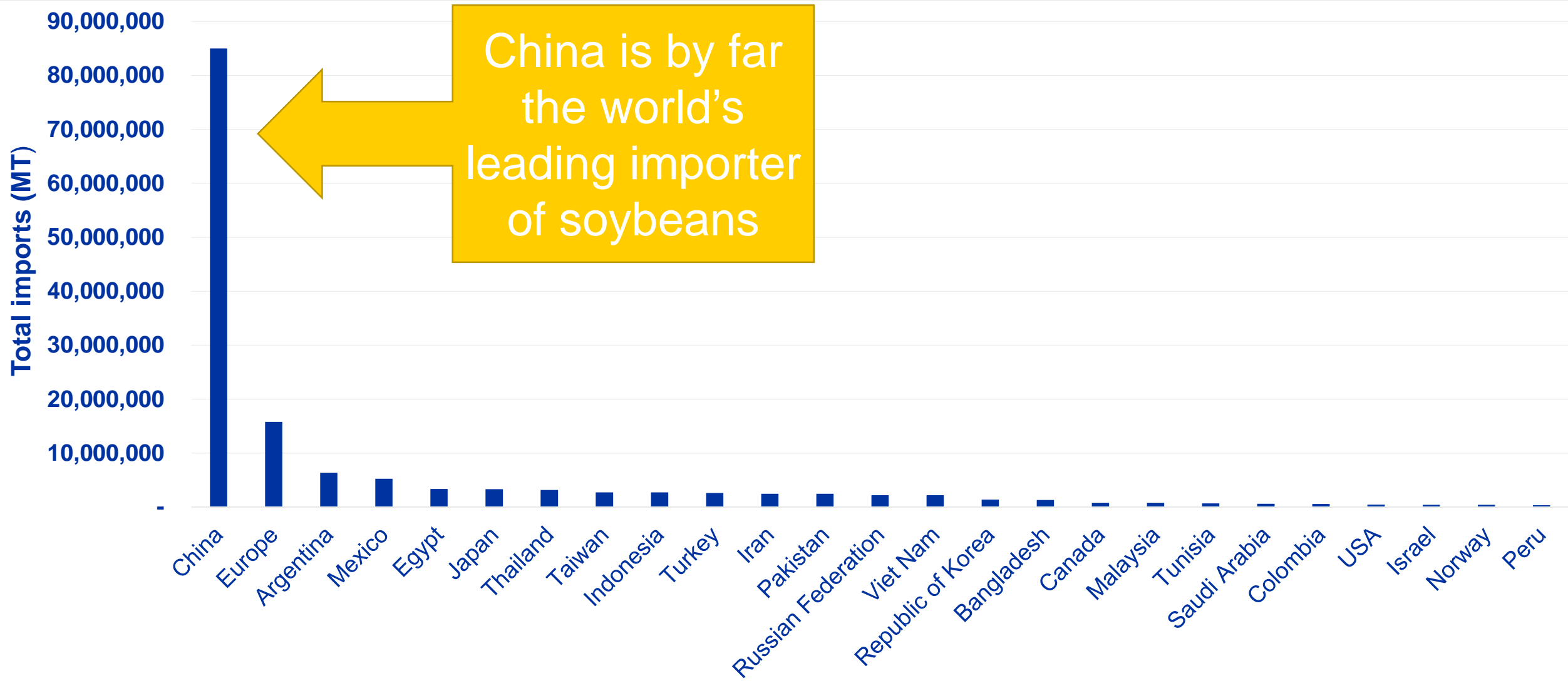


China Agriculture imports aggregate 125.86 billion dollars in 2017.

Timeline for tariffs imposed on main U.S. agricultural products

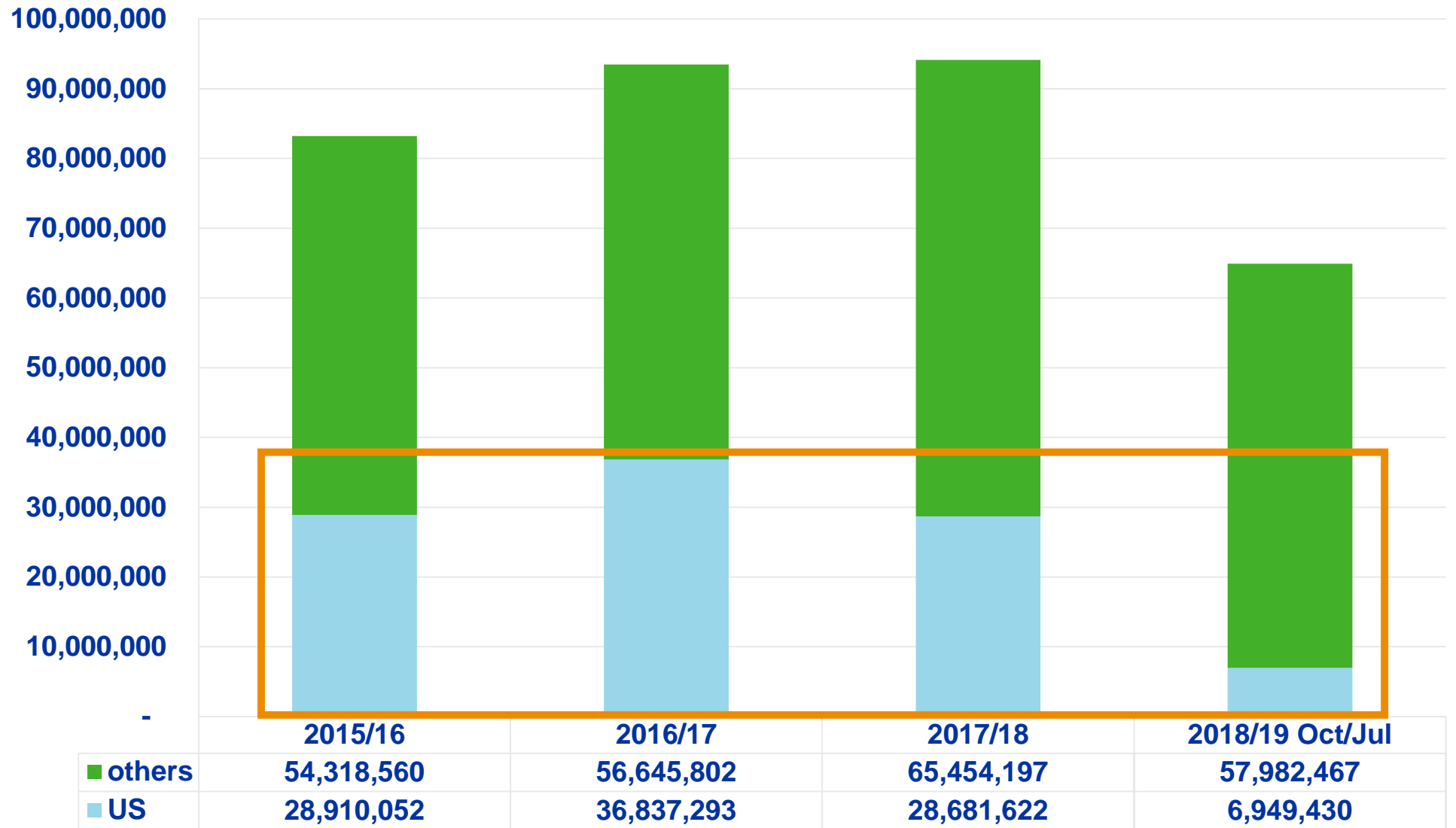
Effective date	Soybean	Corn	Sorghum	DDGs	Wheat	Barley	Pork
02-Apr-18							25%
06-Jul-18	25%	25%	25%	25%	25%		25%
23-Aug-18					25%		
01-Jun-19					25%		
01-Sep-19	5%					10%	10%
15-Dec-19		10%	10%	5%	10%		
Accumulated tax	30%	35%	35%	30%	85%	10%	60%
MFN/Quota	3%	1%	2%	66%	3%	3%	12%
Total	33%	36%	37%	96%	88%	13%	72%

Global soybean importers (2018-2019)



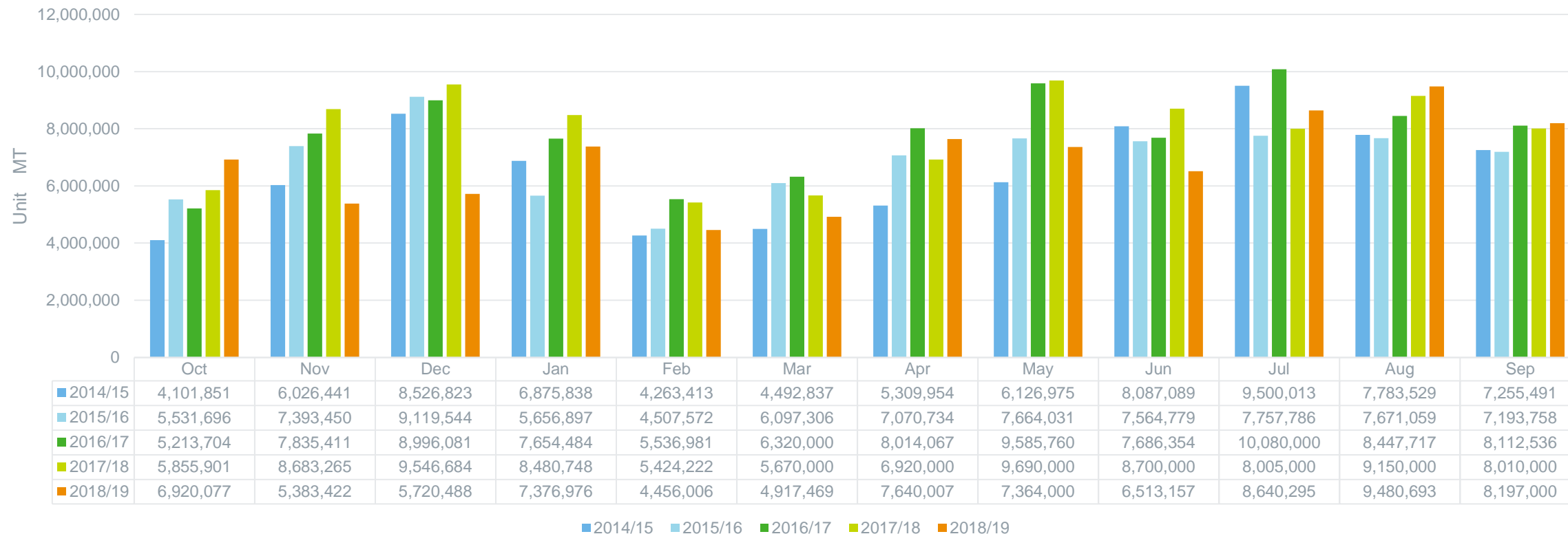
China is finding new supply partners

China soybean imports



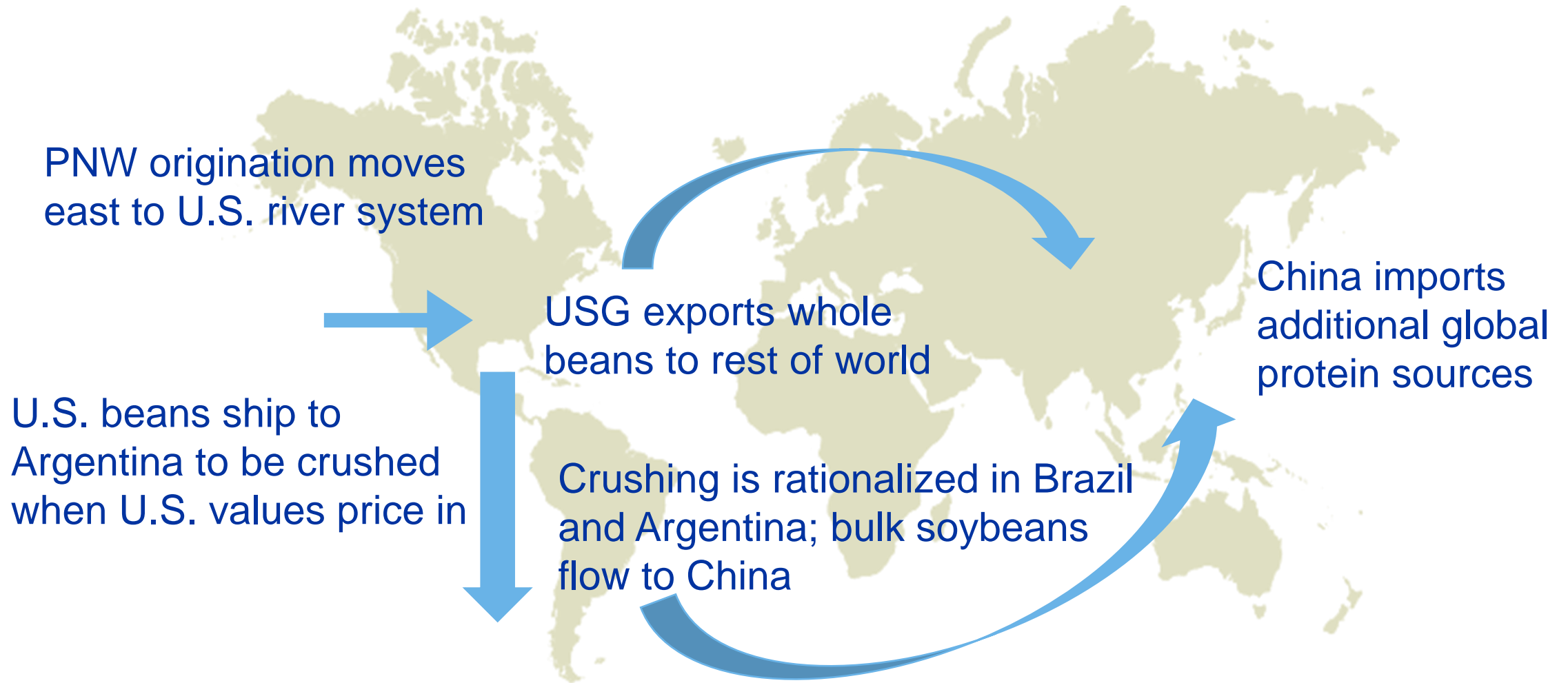
China soybean imports Oct-Sept -12.24% YOY

Soybean Imports



China imported total 82.6mmt soybeans in MKY18/19, lower than expected for smaller arrival on Sept.

Tariffs impact on trade flows



Feed consumption change	2018/2019 est.	2019/2020 proj.
Swine	-35%	-5%
Layer	11%	10%
Broiler	13%	16%
Aquatic and others	-2%	1%
TOTAL	-11.8%	6.0%

Significant decline in swine feed due to African swine fever

Projected rebound in China feed consumption

Impacts of reduced China soybean demand

Short-term

- U.S. forced to capture non-China demand
- U.S. soybean carryout grown to record levels
- Negative impact to supply chain resulting in price decline



Long-term

- Global soybean production shift
- U.S. status as a preferred supplier is subject
- China substitutes protein sources for feed needs

