

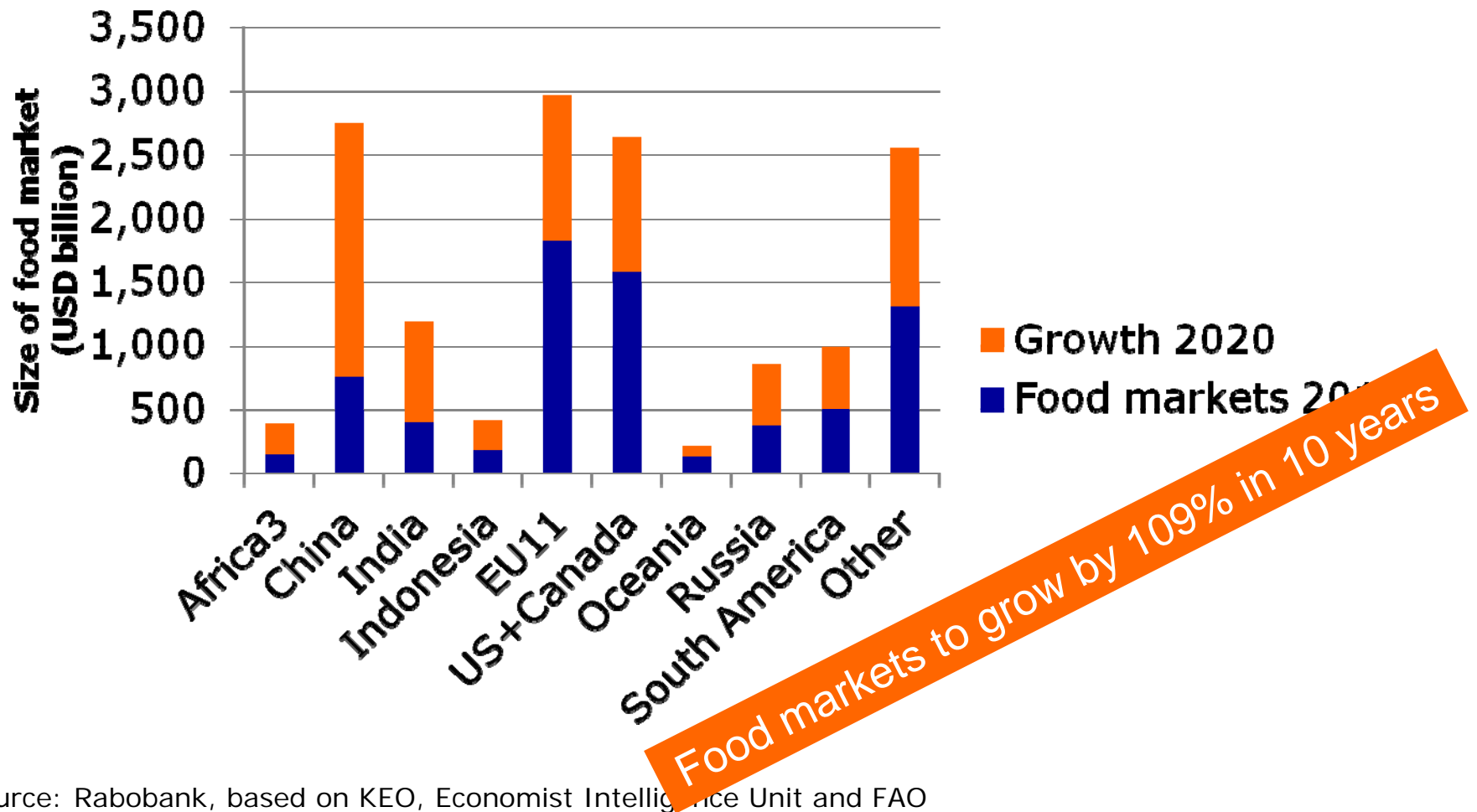


Industry reaction to the recent changing Business Environment

IAMA Conference Boston, 2010
Berry Marttin



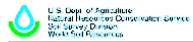
DEMAND: Economic prosperity and population growth



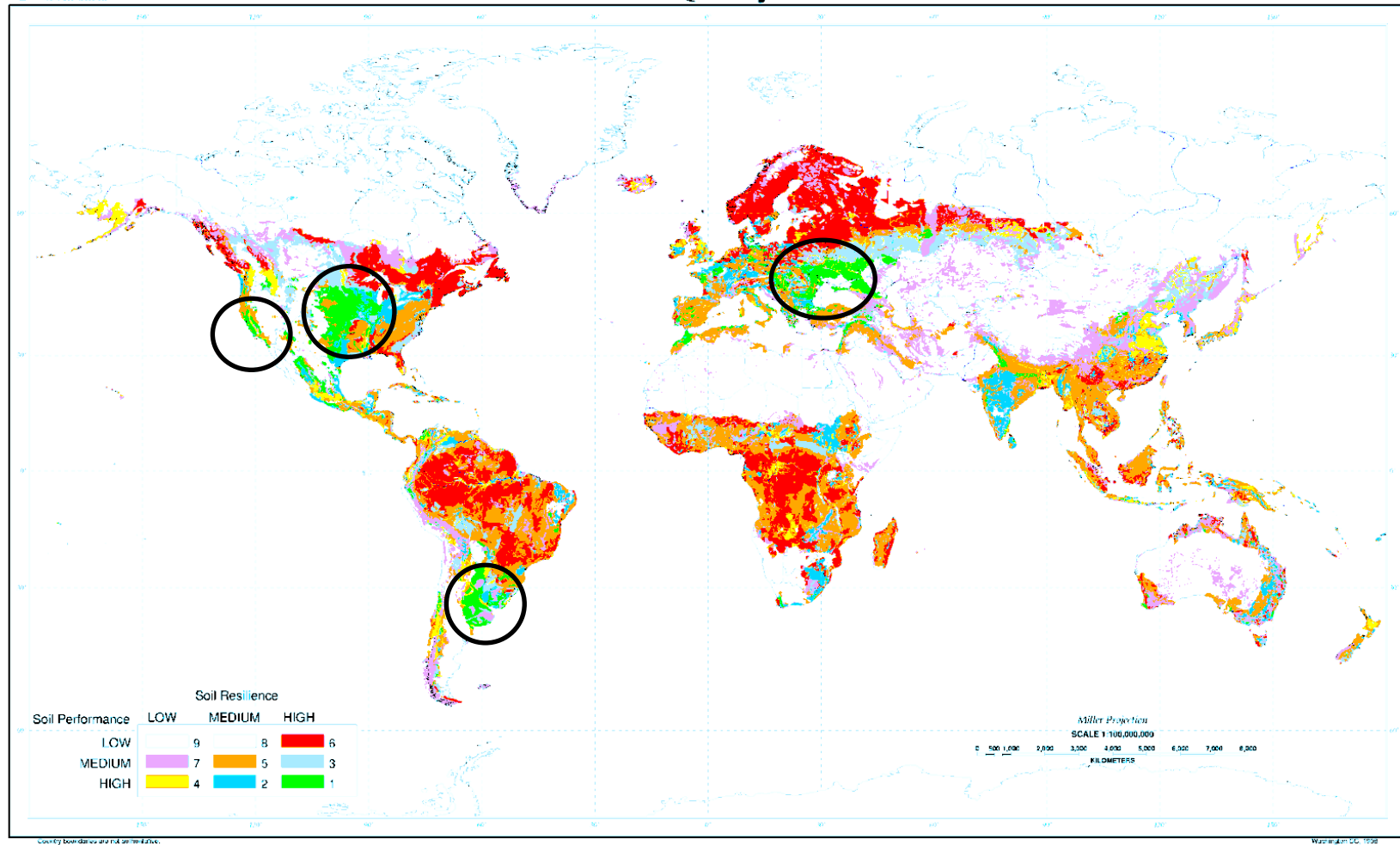
Source: Rabobank, based on KEO, Economist Intelligence Unit and FAO

SUPPLY: soil determines yield potential

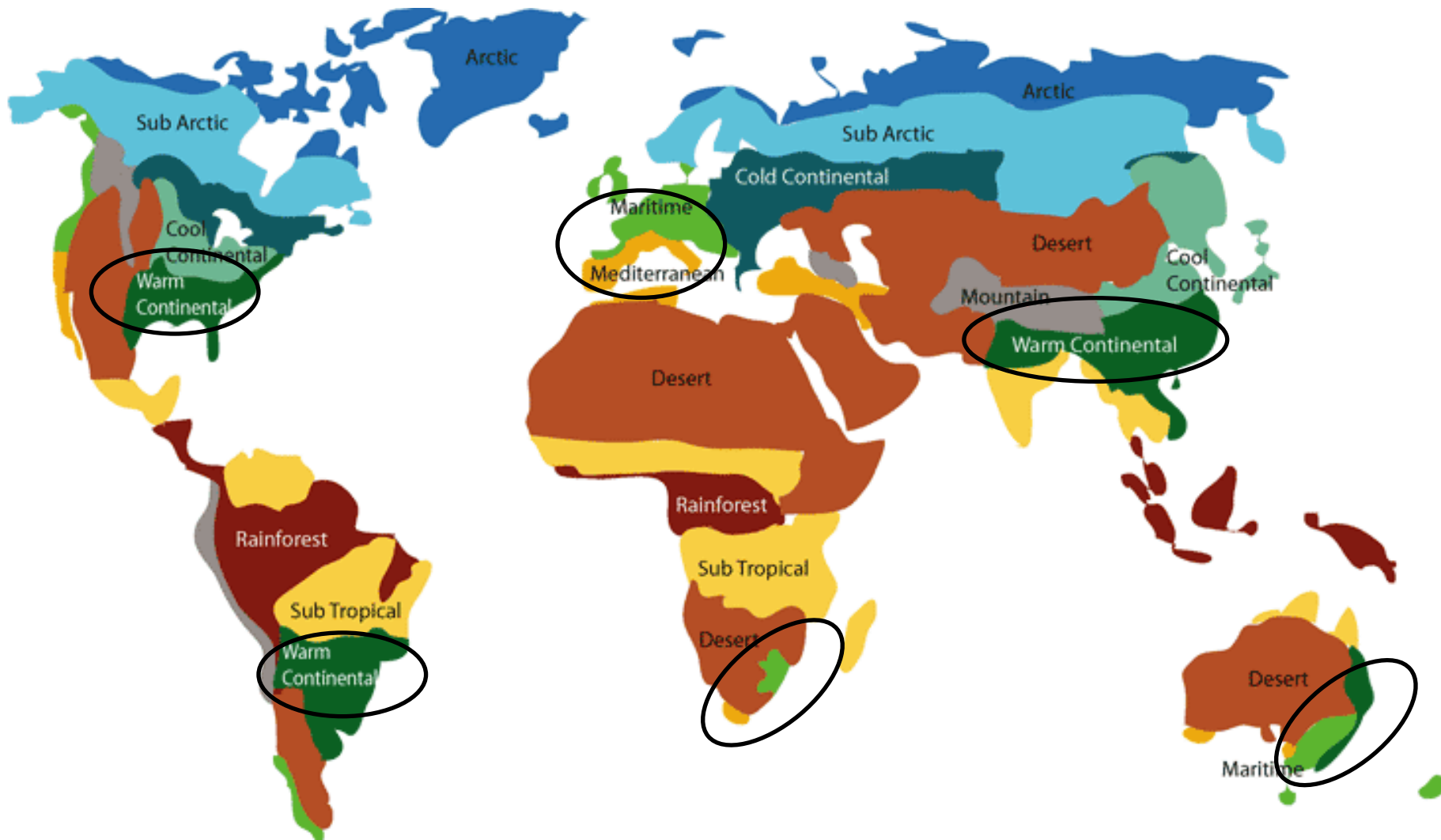
Best soils: US (Midwest), Ukraine and Argentina



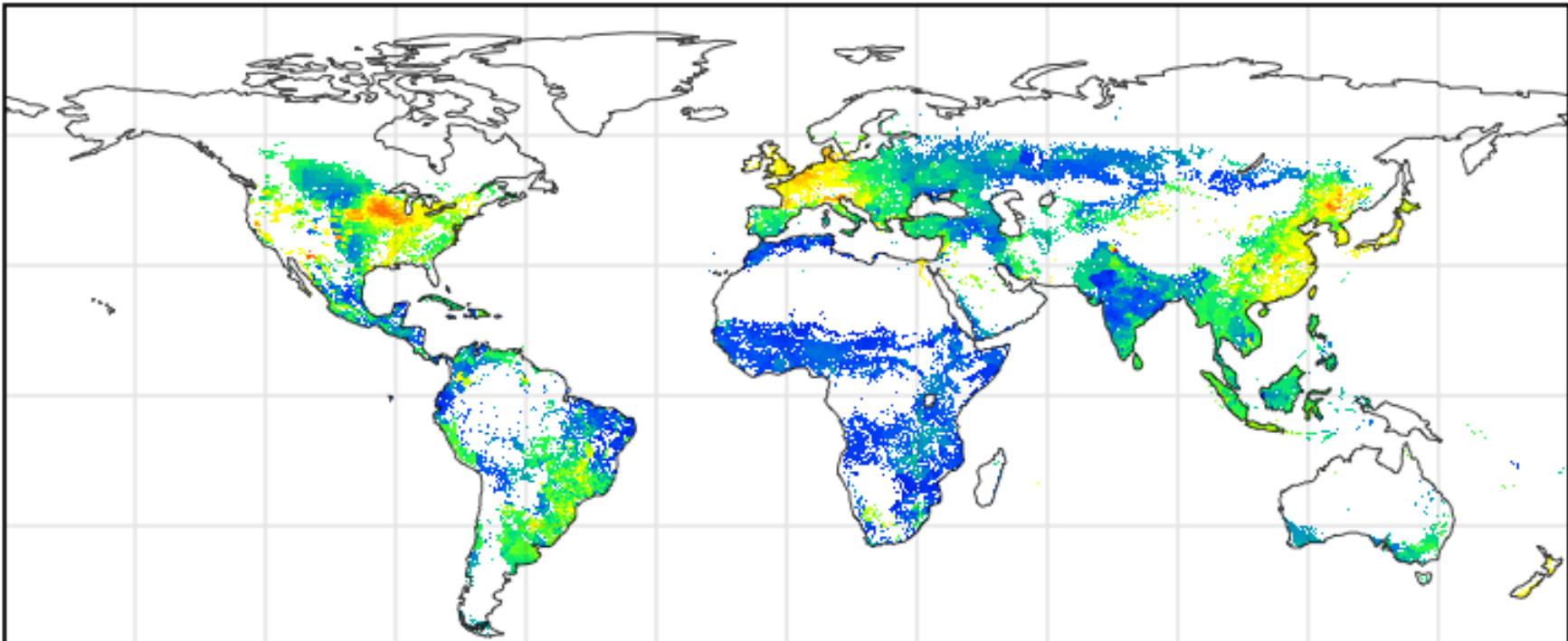
Inherent Land Quality Assessment



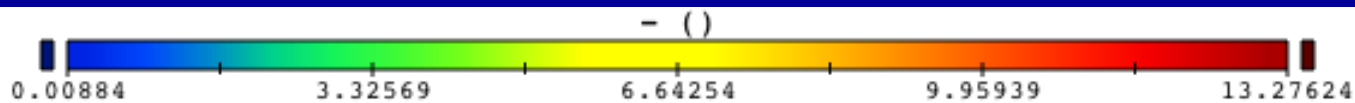
SUPPLY: Climate also determines yield potential



Total yield potential determined by soil, climate and enabling factors



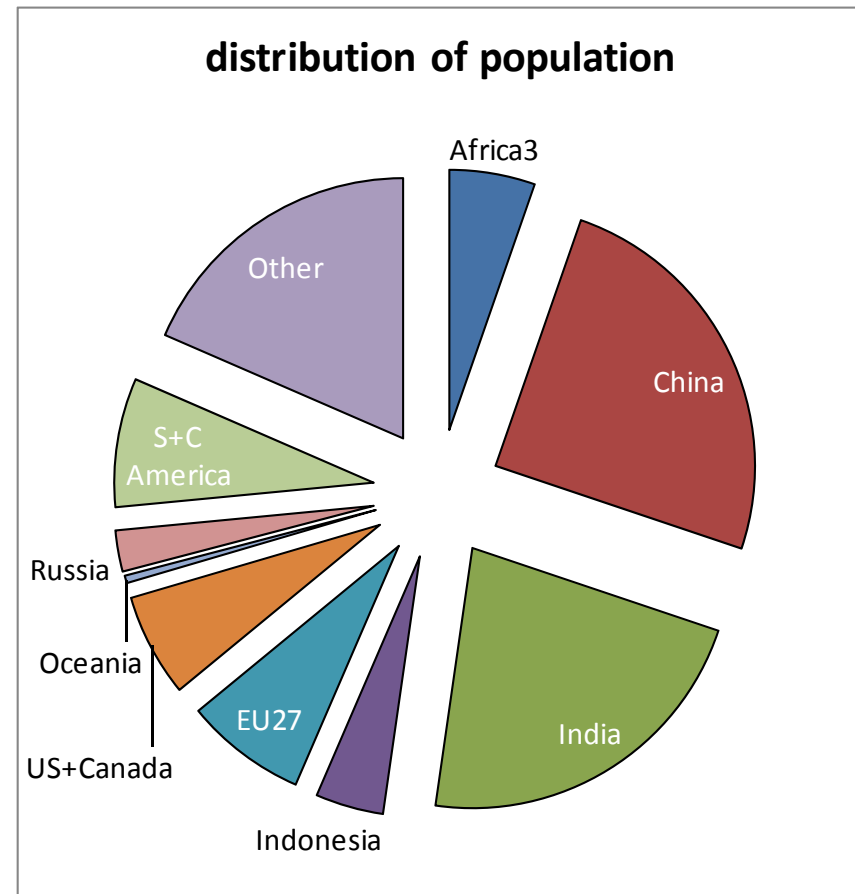
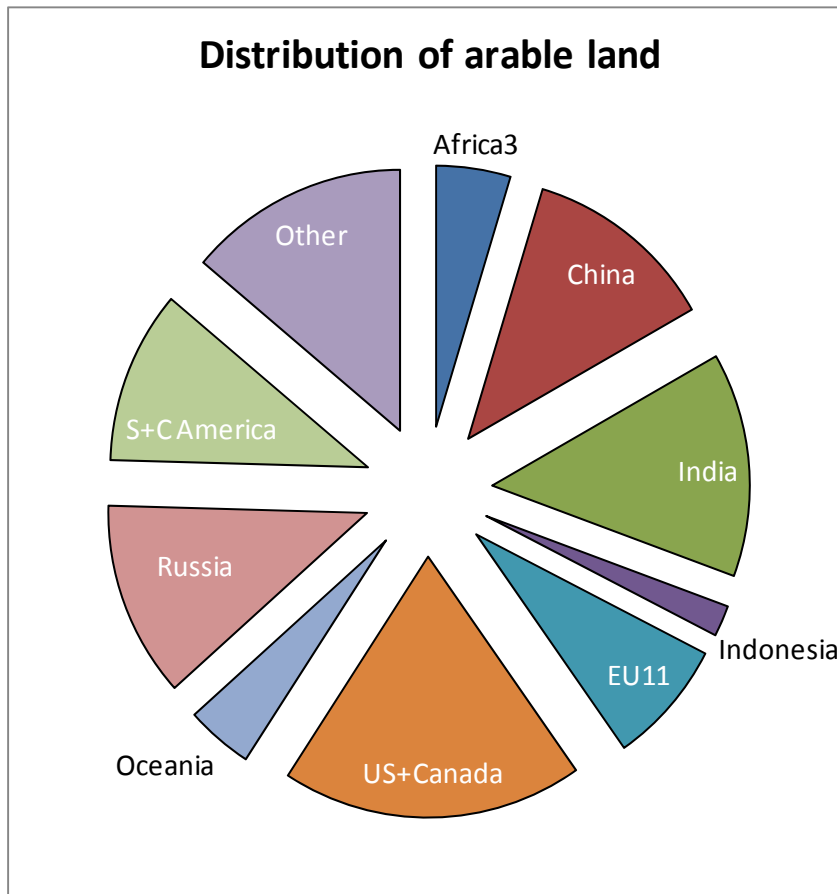
enabling factors are amongst others: government policies, country risks, functioning of markets, availability of credit, R&D investments, and access to world markets,.



Equirectangular projection centered on 0.0°E

Data Min = 0.00884, Max = 13.27624

EFFECT: Larger fraction of agricultural production to move through trade



Conclusion

Supply

- Enabling environment is key for agri and aqua production!!
- 85% of volume increase to be realized through productivity increases in agri sector
- Only modest increase in production expected in aqua sector
- Production growth of raw materials predominantly in South America, eastern Europe and potentially Russia.
- Asia, US, western Europe: growth only possible through productivity growth

Demand

- Drivers: population growth and economic growth
- Food demand volume growth: +1.5% to 2% per year, doubling in 40 years
- Food demand value growth: +7.5% per year, doubling in 10 years
- US, EU, Oceania: value growth
- South America and Asia: volume growth and value growth

F&A nominal market value expected to double in 10 years (+7.5%/year)
 Most relevant to Processing industry



F&A market volume expected to double in 40 years (+1.5-2%/year)
 Most relevant to Farming

Rabobank's contribution to the Enabling Environment



- Access to Knowledge: Research on Farming and Food
- Access to farm credit: Rabobank Retail/Development
- Access to world markets: global trade finance in ag commodities
- Full banking services for Food Industry: Rabobank Wholesale
- Advisory services on cooperative structuring