



## Credit Suisse 23<sup>rd</sup> Annual Chemical and Ag Science Conference

MONSANTO



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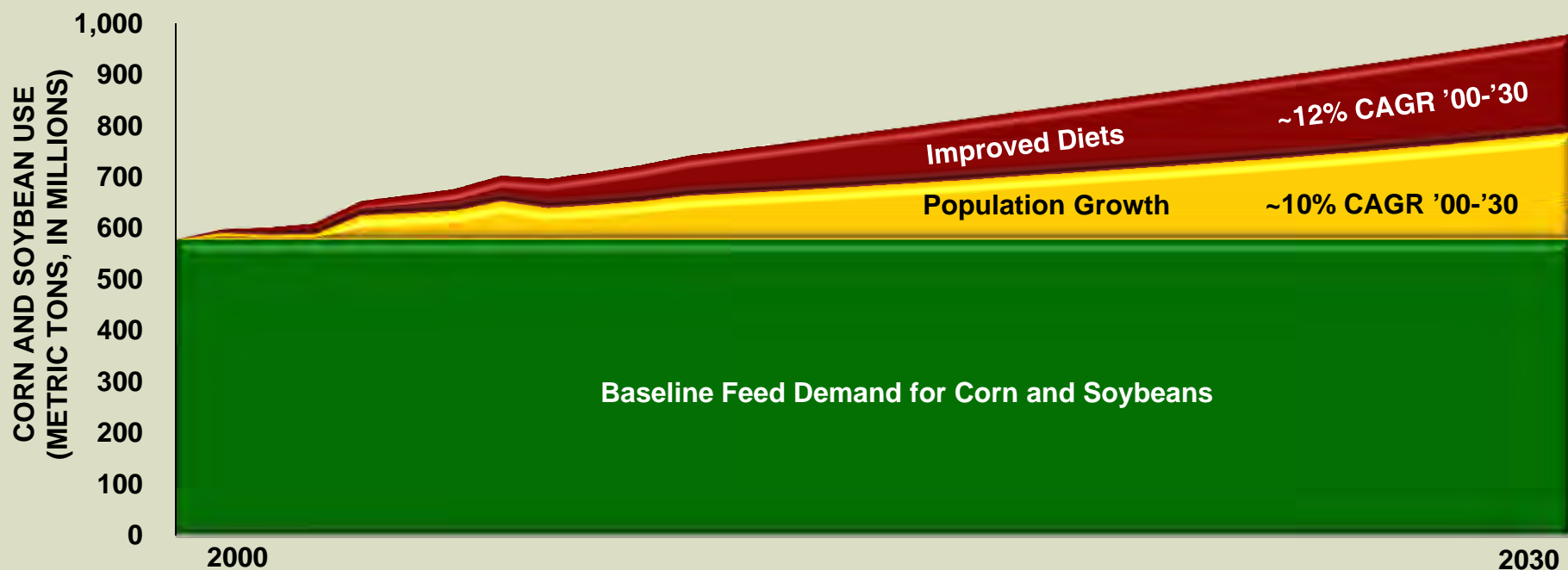
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# World Population Growth and Improving Diets Drive Long-Term Demand for Corn and Soybeans

## INCREASING GLOBAL CORN AND SOYBEAN DEMAND FOR FEED



- World population growth, particularly Asia, drives feed demand for increased food consumption
- Growth in per capita income in Asia and Latin America drives greater demand for meat in the diet
- Arable land per capita decreasing
- Global corn ending stock-to-use ratio trending well below historical average

# Monsanto Has Streamlined Operational Focus to Maximize Near-Term and Long-Term Opportunity

## Monsanto's Strategic Advantage:

...Our ability to discover, develop and deliver products that matter and create value for farmers – and be the first to do it ...

### Industry's Best R&D Engine

#### Leading R&D Program

Monsanto R&D spend leads the sector, and in 15 years since the first biotech trait, Monsanto invested >\$8 billion in seeds-and-traits R&D

#### Products That Create Value

From the first *Roundup Ready* traits to next-gen platforms like *Genuity SmartStax*, *Genuity Roundup Ready 2 Yield*, and drought, the products from our pipeline *produce* – more yield and value farmers appreciate

#### Data, Data, Data

Before a product comes to market its been tested through a network of 9 global biotech centers, >100 breeding sites and >8 million breeding and biotech field tests producing millions of data points that support its performance



**Monsanto's opportunity lies at the intersection of outstanding technology and commercial leadership**

### Commercial Leadership

#### Clear Focus on Seeds-and-Traits

*Roundup* transition complete – Monsanto is focused on seed-and-trait opportunity and execution

#### Proven Track Record of Creating Value

When Monsanto brings value, farmers recognize and reward it

- *Pricing strategies informed by success and learning of 15+ years of commercial adoption*

#### More Product and Pricing Tools in the Toolkit

Monsanto is the only company that can offer more products and more price points to give customers the right value for their farm

# Technology Innovation and Best-in-Class Seed Performance Drive Monsanto's Global Strategy

<b>EU 27</b>	<b>CORN</b>
<b>1</b>	<b>Increase Conventional Seed Footprint</b> Utilize extensive germplasm library and high tech breeding tools to grow share

<b>U.S.</b>	<b>CORN</b>	<b>SOYBEANS</b>	<b>COTTON</b>
<b>1</b>	<b>Game Changing Technologies</b> <i>Genuity SmartStax</i> and <i>Genuity Roundup Ready 2 Yield</i> lead the way in the commercialization of robust pipeline of products		
<b>2</b>	<b>Differentiated Product Strategy</b> Increase flexibility to invigorate adoption with margin-upgrade potential		

<b>INDIA</b>	<b>COTTON</b>	<b>CORN</b>
<b>1</b>	<b>Drive Trait Penetration</b> Expected conversion to <i>Genuity Bollgard II</i> cotton platform	
<b>2</b>	<b>Emerging Corn Market</b> Increase share footprint in growing hybrid market	

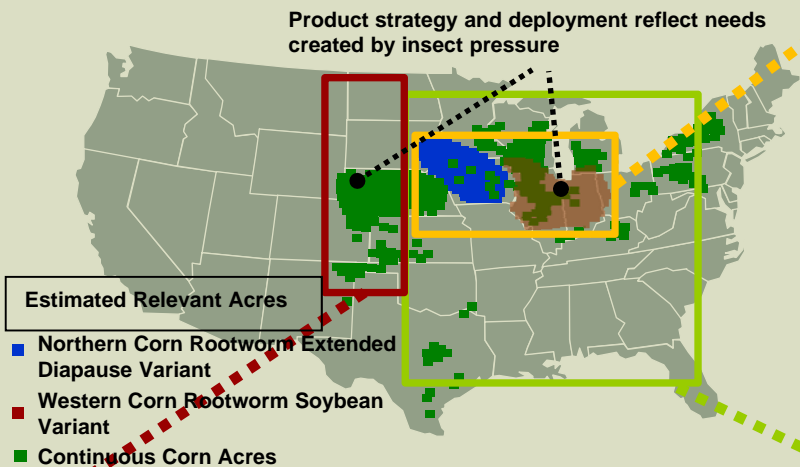
<b>LA-NORTH</b>	<b>CORN</b>
<b>1</b>	<b>Increase Conventional Seed Footprint</b> Facilitate conversion to hybrid market Mexico allows biotech field trials for 2010

<b>BRAZIL</b>	<b>CORN</b>	<b>SOYBEANS</b>
<b>1</b>	<b>Drive Trait Penetration</b> First- and now second-generation <i>YieldGard</i> Corn Borer sets pace for trait penetration; Transition over time to higher value, multiple-stack product offerings Increase penetration of <i>Roundup Ready</i> soybeans; First double stack <i>Roundup Ready 2 Yield</i> with insect protection in Phase IV	

<b>ARGENTINA</b>	<b>CORN</b>
<b>1</b>	<b>Drive Trait Penetration</b> Increase trait penetration of double-stack product to set the stage for launch of higher, multiple-stack product offerings

# Innovative Corn Product Strategy Deploys Differentiated Technology and Pricing to Reduce Grower Risk

## U.S. CORN MARKET SEGMENTATION



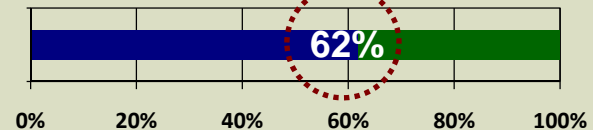
### Central Corn Belt – *Genuity SmartStax*

- Highest yielding corn in the heart of the Corn Belt
- Highest Monsanto relative brand share

ACRES: 40M-50M      Avg. Yield: 165-300 bu/ac

LIKELY TO PLANT *SMARTSTAX* IN 2011?<sup>1</sup>

PERCENT OF RESPONDENTS



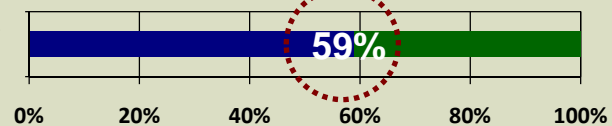
### Western Corn Belt – *Genuity VT Double PRO*

- Challenging dryland growing conditions mixed with high yielding irrigation acres
- Lower Monsanto relative brand share

ACRES: 10M-20M      Avg. Yield: 70-130 bu/ac (non-irrigated)

LIKELY TO SWITCH BRANDS TO *GENUITY VT DOUBLE PRO*?

PERCENT OF RESPONDENTS



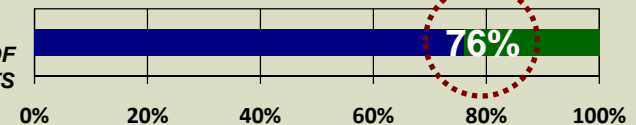
### Surrounding Corn Belt and South – *Genuity VT Triple PRO*

- Consistently strong yields in horseshoe around Central Corn Belt
- Moderate Monsanto relative brand share

ACRES: 25M-35M      Avg. Yield: 130-200 bu/ac

PLANNING OR INTERESTED IN PLANTING *VT TRIPLE PRO*<sup>1</sup>

PERCENT OF RESPONDENTS



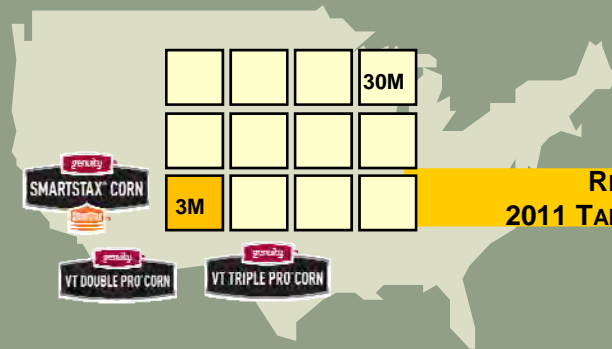
# Genuity SmartStax and Refuge-Reduction Family Focused On Upgrade Of Triple: Priced So Farmers See Benefit Even With Low Insect Pressure

## REDUCED-REFUGE FAMILY

### 2010 BENCHMARK

#### Strategic Approach:

Focus of *SmartStax* and Refuge-Reduction Family is to repopulate triple-stack acres

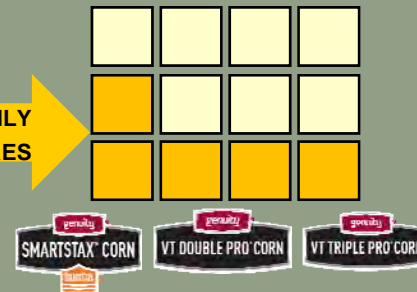


- In 2010, approximately 30M acres were planted to triple-stacks
- *SmartStax* foundation of 3M acres as Reduced-Refuge Family begins upgrade of triple acres

### 2011

#### Strategic Approach:

*SmartStax* is priced to highlight value of reduced refuge



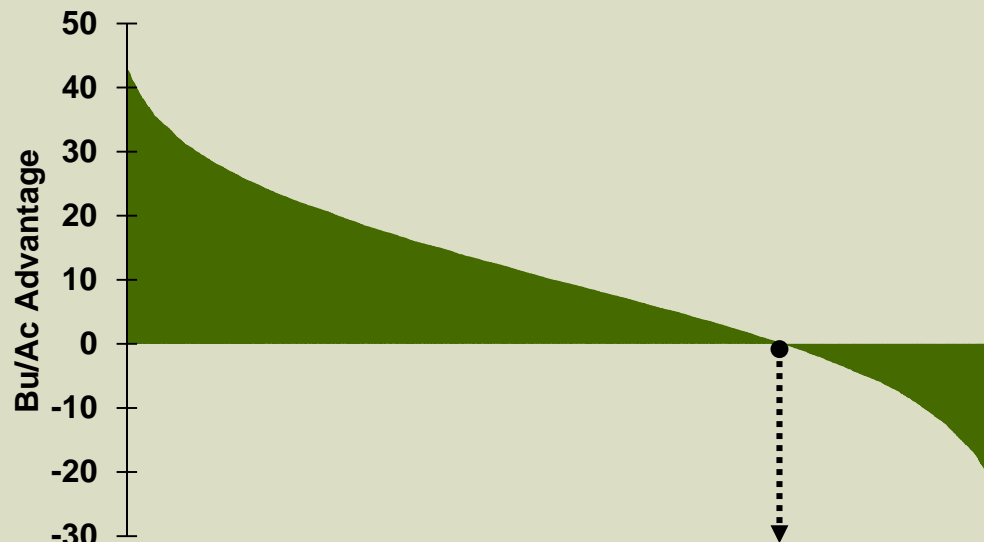
- With mid-teens acres target in 2011, nearly half triple acres have potential to be upgraded

### ACCESSIBLE MARKET

Markets	Acres
Central	40M-50M
Surrounding Areas	25M-35M
West	10M-20M

# Given Early Planting, U.S. Harvest Off to Strong Start with Good Early Indicators on Yield Performance

## COMPARATIVE YIELD TRIALS: GAUGING EXPECTED PERFORMANCE WITH YIELD ADVANTAGES



### Superior germplasm wins approximately 75 percent of trials

- Yield is a function of genetics by environment, so local conditions create some variability
- Example: Monsanto's *YieldGard VT Triple* has an average yield advantage of 9.9 bu/ac<sup>1</sup> over competitors. Over the spectrum of conditions that means *YieldGard VT Triple* wins ~75 percent of individual comparisons

## 2010 HARVEST PROGRESS

- With early planting, harvest started earlier across major growing areas

### CORN PROGRESS AND OUTLOOK

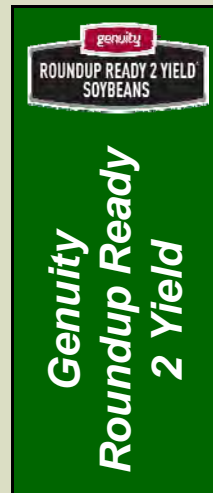
- 11 percent total corn harvested<sup>2</sup>
  - Harvest moving quickly in South
  - Heart of the Corn Belt beginning: In progress in core central region; Just beginning in Northern portion
- Crop condition is good to excellent
- Farmers, for the first time, experiencing the benefits of earworm control from Monsanto's dual mode technology
- Onset of disease is at typical levels – Monsanto's genetics are well suited

### SOYBEAN PROGRESS AND OUTLOOK

- Harvest is underway in the South – earlier than normal
- Crop condition is good to excellent
- Sudden Death Syndrome is more prevalent this year impacting varieties from all seed companies – Monsanto's germplasm screening minimizes impact

1. Source: 2009 Monsanto and third party head-to-head comparisons as of December 02, 2009 for Zone 1 from 2007 to 2009  
2. Source: USDA as of September 12, 2010

# Successful Commercialization of Today's Innovation Rooted in Experience and Delivering True Incremental Value on Farm



- Controlled commercial release
- Less than 15 commercial varieties
- Breeding focus on expanding varieties and maturity-group reach
- Comparator: 1996 *Roundup Ready* varieties less than 15

- Commercial varieties ramped up to >60
- Newest, highest performing Class of 2010 varieties represents 70 percent of branded portfolio
- >40 percent of branded customers trialing

## 2010: In-Season Update

- Limited results as harvest is just beginning
- Farmers and dealers impressed with pod development versus *Roundup Ready*
- Early Monsanto breeding trial results indicating good yield differentiation versus *Roundup Ready* checks

## INTRODUCTION - 2009

## RAMP UP - 2010



- Limited commercial introduction with nine commercial hybrids available
- Focused launch on relative-maturities in the South
- Comparator: 2005 Triple stack hybrids=10

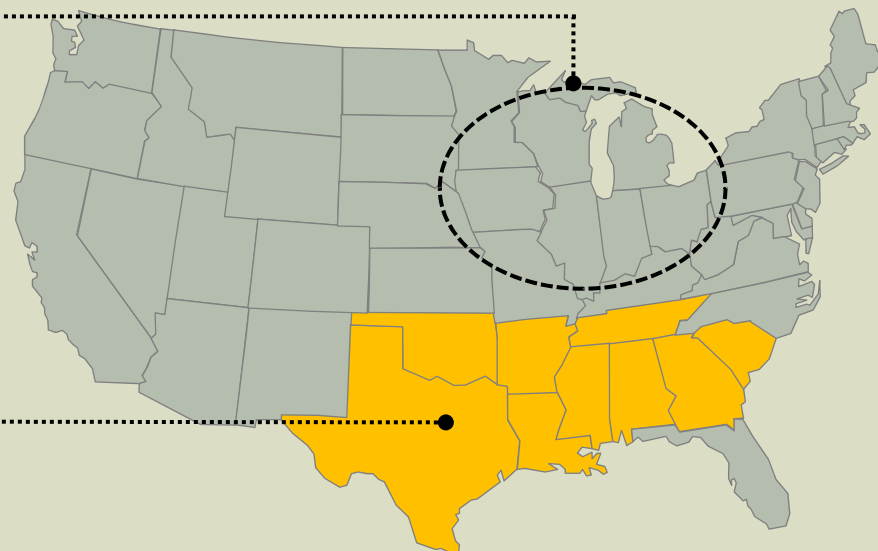
- Commercial hybrids ramped up to 18
- Full availability in the South and good availability in other maturity zones

- Harvest nearing completion in the South
- Corn earworm was a significant issue this year
- *VT Triple PRO* demonstrated superior yield versus competitors

# With Southern Harvest Nearly Complete – *Genuity VT Triple PRO* Showing Strong Results

## ***Genuity SmartStax* Harvest Beginning in Core Region**

- Critical mass for *Genuity SmartStax* hybrids lie in the northern portion
- Based on impressive plant root and ear protection this season, *SmartStax* expected to prove performance and value in launch year
- Refuge reduction adds to the *SmartStax* whole farm yield value proposition
- 2011 pricing strategy allows farmers to see value in refuge reduction alone



## **Preliminary Yield Results in South<sup>1</sup>**

**Monsanto's field-test harvest: 50%-75% complete**

	<i>VT Triple PRO</i>
Approximated Bushel per Acre Advantage versus Competitors:	8.5
Win %:	72%
Number of Comparisons:	>1,400

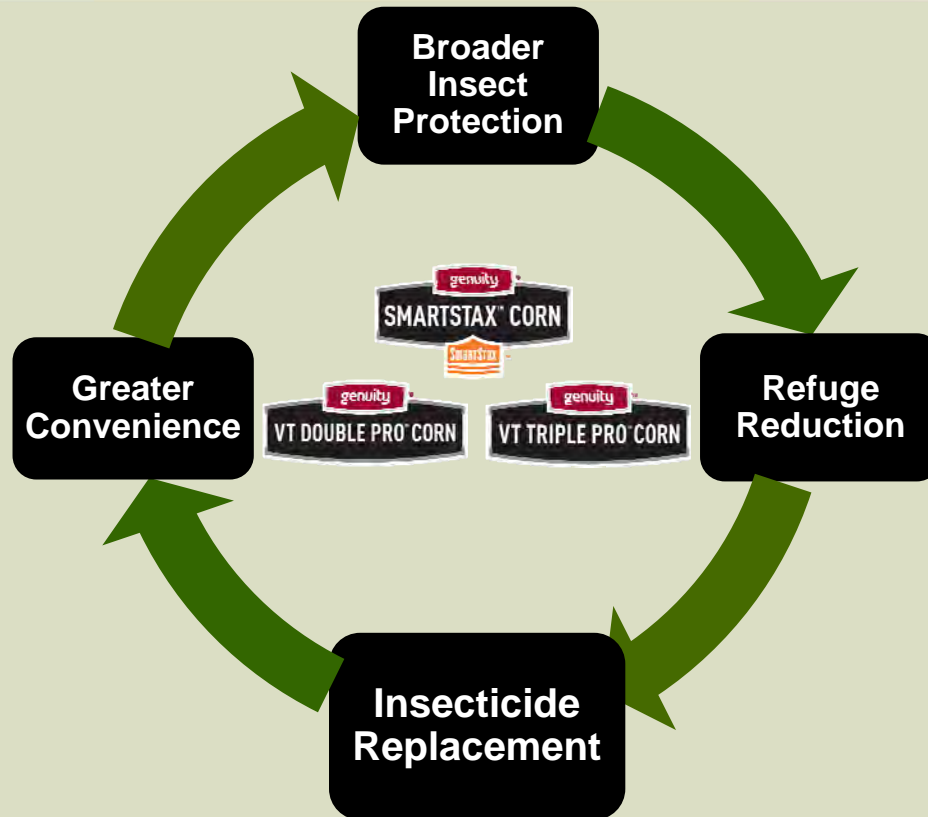
## ***VT Triple PRO* Preliminary Results Offer First Proof Point of Reduced-Refuge Family Strategy**

- Dual modes of action providing unmatched control of corn earworm this season
- Breeding advancements paying off with newest class of genetics demonstrating a true advantage especially at longer relative maturities
- Structured refuge reduction from 50% to 20% provides a significant source of additional value for farmers

1. Source: Preliminary 2010 head-to-head comparisons of 5 leading *DEKALB* hybrids within a RM zone,  $\pm 2$  RM days, to all competitors containing similar crop protection traits as of September 9, 2010. Results calculated to 15% moisture. *Genuity VT Triple PRO* hybrids designed for 115-120 relative maturities in the South.

# Whole-Farm Yield Value Proposition Differentiates Monsanto's Lower-Refuge Corn-Product Family

## WHOLE FARM YIELD PLUS ELITE GERmplasm



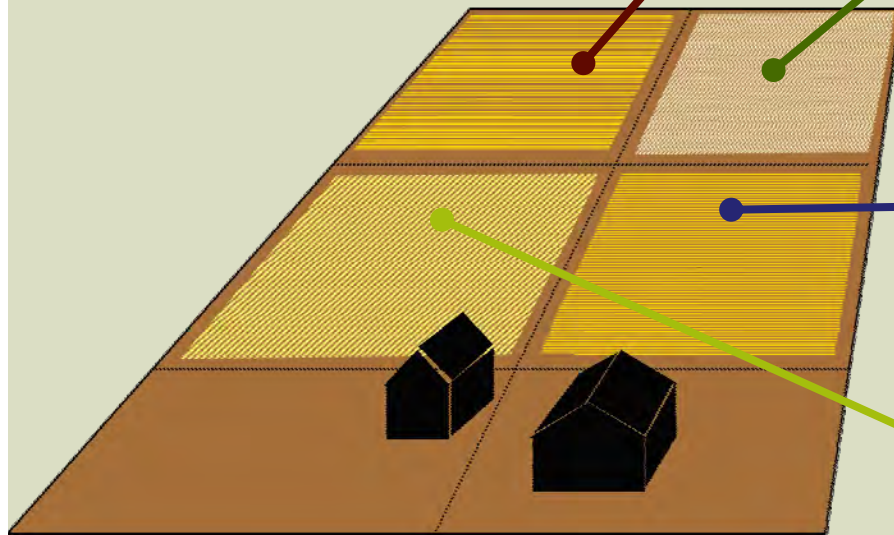
## REDUCED-REFUGE FAMILY

- More choice at more price points
- Promote adoption and increase trialing
- Multiple modes of action to broaden insect protection
- Industry's first and only 5% refuge product in Corn Belt
- Insecticide replacement on reduced refuge acres
  - 20% to 5% in the Corn Belt
  - 50% to 20% in the Cotton Belt
- *Genuity SmartStax* and *Genuity VT Double PRO* platforms for Refuge In the Bag (RIB) and drought-tolerance technologies

# The Majority of Industry Sales Reps Support Monsanto's Brands and Traits – Focus Shifts to Reduced-Refuge Corn Family

## MODEL FARM CHARACTERISTICS

LOCATION:	Central Illinois
BRANDS OF SEED CORN PLANTED:	3
INDIVIDUAL HYBRIDS PLANTED:	6



- Preferred seed for growers in high yielding areas who are rapid technology adopters
- Services growers who prefer retail purchasing experience



- Combines high tech with high touch
- Customized, top-performing genetic and traits for local growing conditions
- Designed for growers seeking full service
- Sales reps focused on 90 percent of sales that are direct to grower



- Customized, proven genetic and trait combinations with superior consistent performance
- Leverages trust of local relationships

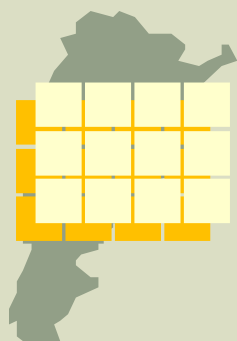


- Broad licensing delivers differentiated performance
- Provides local seed companies with tools to meet grower needs

# Trait-Intensity Progression And Share Gains Drives Mix Benefit As New Margin Opportunities Are Created Per Acre

## LATIN AMERICA TRAITS

### Double-Stack in Argentina



**2010 Double-Stack Trait Status**

**64%**  
penetration in Monsanto brands in 3<sup>rd</sup> year of introduction

**Approved Double-Stack Traits**

- *YieldGard* Corn Borer  
*Roundup Ready* Corn 2 (2008)

### Single-Stack Traits in Brazil



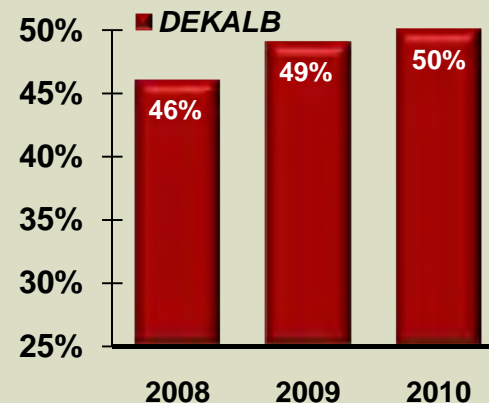
**2010 Single-Stack Trait Status**

**47%**  
penetration in Monsanto brands in 2<sup>nd</sup> year of introduction

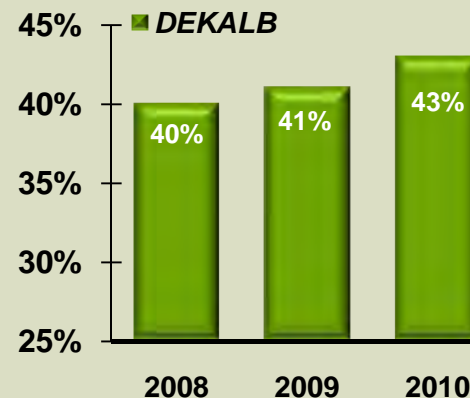
**Approved Single-Stack Traits**

- 1<sup>st</sup> Gen: *YieldGard* Corn Borer (2009)
- 2<sup>nd</sup> Gen: *YieldGard* VT PRO (2011)

### Argentina Hybrid Corn Share



### Brazil Hybrid Acres Corn Share



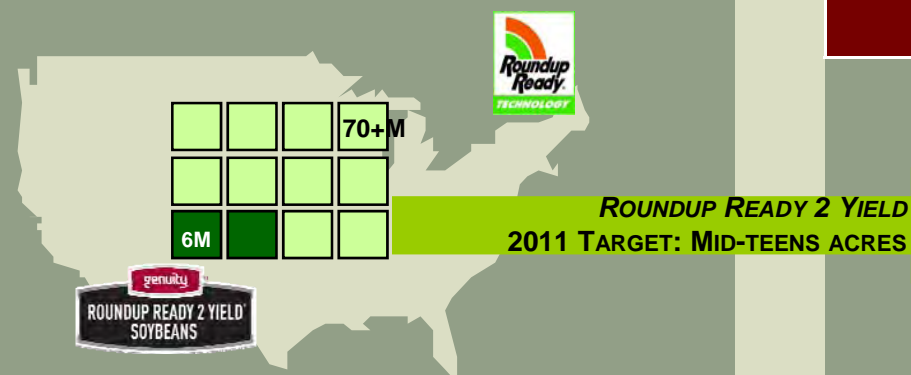
# Genuity Roundup Ready 2 Yield Becoming Established As Industry Platform

## ROUNDUP READY 2 YIELD

### 2010 BENCHMARK

#### Strategic Approach:

Focus on replacing first-generation technology as core soybean platform

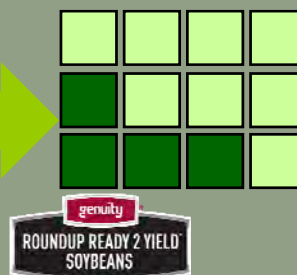


- Since the late 1990s, there have been 70M+ acres planted to *Roundup Ready* soybeans annually
- By acreage share, two-thirds of the industry has embraced the *Roundup Ready 2 Yield* platform

### 2011

#### Strategic Approach:

*Roundup Ready 2 Yield* pricing creates more choices and highlights yield advantage



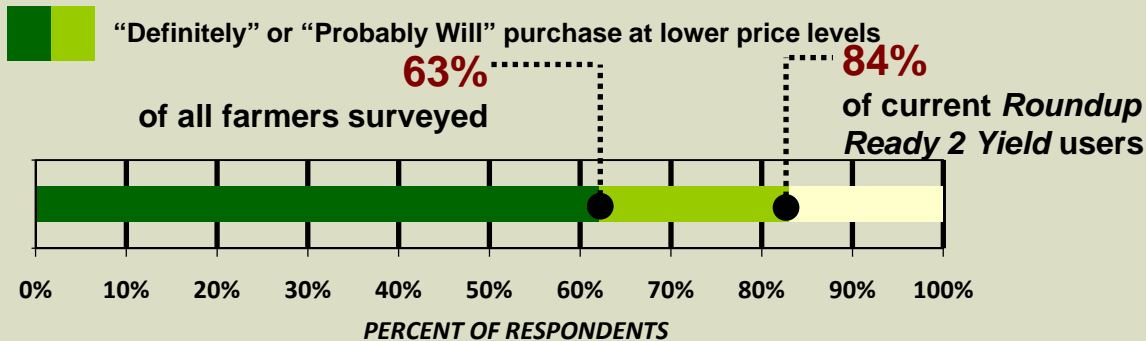
- With mid-teens acres target in 2011, *Roundup Ready 2 Yield* is expected to be on plan to meet accessible-market opportunity

### ACCESSIBLE MARKET

MARKETS	ACRES
Monsanto brands and licensed users	45M-55M

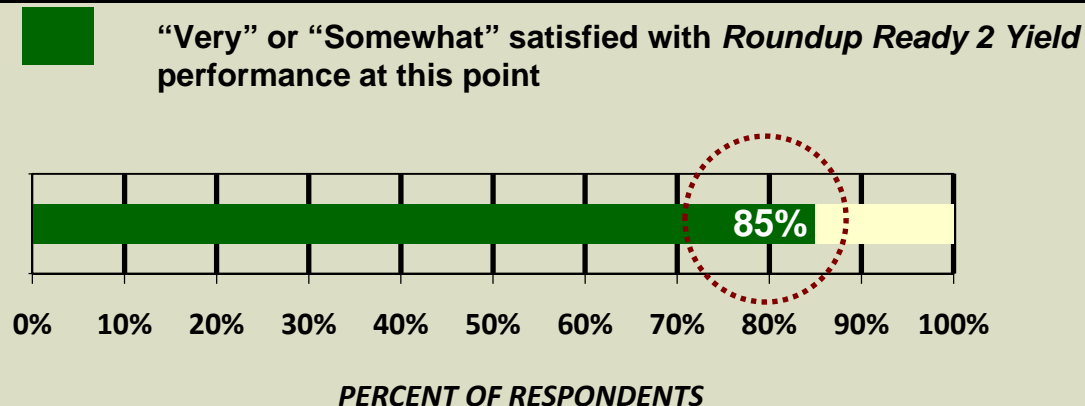
# New Farmer Surveys Indicate New Market Approach Building Interest in *Genuity Roundup Ready 2 Yield*

## Market Research: *Genuity Roundup Ready 2 Yield*



- Almost **two-thirds** of all farmers surveyed and **84 percent** of current users said at lower prices *Roundup Ready 2 Yield* would be their soybean-trait platform of choice

## *Genuity Roundup Ready 2 Yield* 2010 User Early-Indicator Data

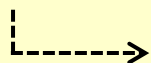


- **85 percent** of 2010 *Roundup Ready 2 Yield* users are satisfied with its performance
- Among those users, the top three benefits cited at this point are:
  1. *Overall plant health*
  2. *Yield potential at this point*
  3. *Better emergence*

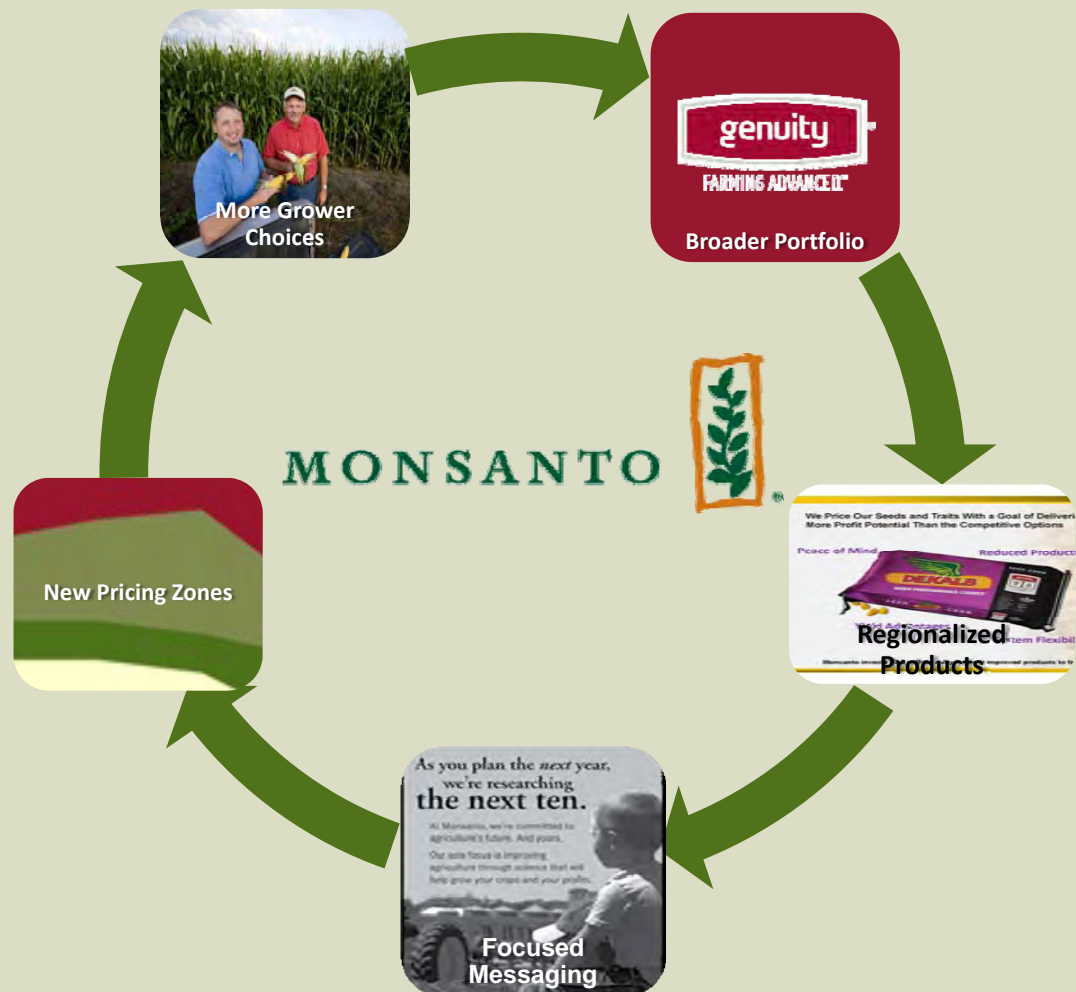
# Monsanto's Product Strategy Increases Grower Returns and Enables Broad Technology Adoption

## Monsanto 100% Focused on the Farmer

- 1 More products to meet local needs
- 2 Game-changing technologies through *Reduced-Refuge* corn family and *Genuity Roundup Ready 2 Yield* increase farm productivity
- 3 Modified pricing strategy balances farmer risk/reward to drive biotech and germplasm adoption
- 4 Next wave of innovation<sup>1</sup> to further enhance productivity
  - Corn: *Refuge-in-a-bag (RIB)* and transgenic drought tolerance
  - Soybeans: *Dicamba* tolerance, insect-protected and higher-yielding
- 5 Enhanced Grower Outreach Efforts



An industry-first program to help grow rural American communities



<sup>1</sup>Refuge In the Bag (RIB) is currently not a registered product. Commercialization is dependent upon many factors, including successful conclusion of regulatory process.