

# Sanford C. Bernstein's 27th Annual Strategic Decisions Conference

MONSANTO



# Forward-Looking Statements

*Certain statements contained in this presentation are "forward-looking statements," such as statements concerning the company's anticipated financial results, current and future product performance, regulatory approvals, business and financial plans and other non-historical facts. These statements are based on current expectations and currently available information. However, since these statements are based on factors that involve risks and uncertainties, the company's actual performance and results may differ materially from those described or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, among others: continued competition in seeds, traits and agricultural chemicals; the company's exposure to various contingencies, including those related to intellectual property protection, regulatory compliance and the speed with which approvals are received, and public acceptance of biotechnology products; the success of the company's research and development activities; the outcomes of major lawsuits; developments related to foreign currencies and economies; successful operation of recent acquisitions; fluctuations in commodity prices; compliance with regulations affecting our manufacturing; the accuracy of the company's estimates related to distribution inventory levels; the company's ability to fund its short-term financing needs and to obtain payment for the products that it sells; the effect of weather conditions, natural disasters and accidents on the agriculture business or the company's facilities; and other risks and factors detailed in the company's most recent periodic report to the SEC. Undue reliance should not be placed on these forward-looking statements, which are current only as of the date of this presentation. The company disclaims any current intention or obligation to update any forward-looking statements or any of the factors that may affect actual results.*

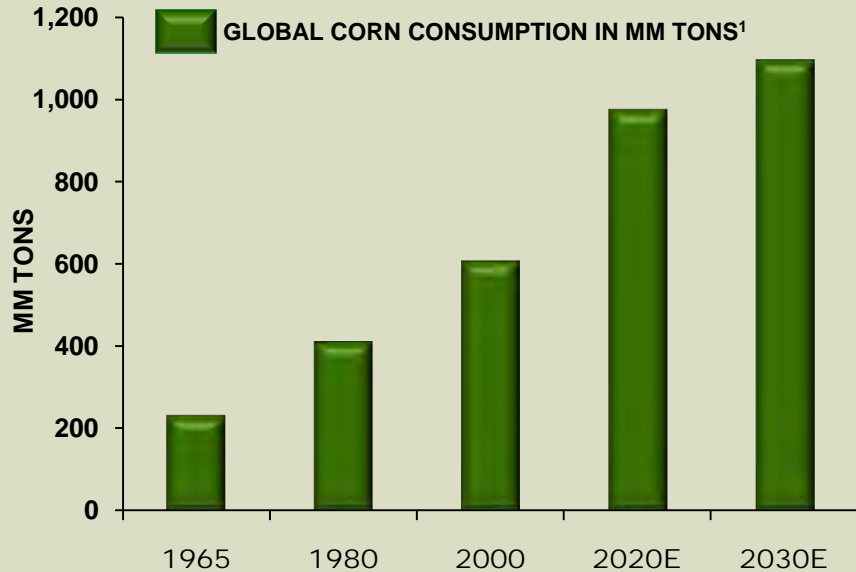
## Trademarks

*Trademarks owned by Monsanto Company and its wholly-owned subsidiaries are italicized in this presentation. All other trademarks are the property of their respective owners.*

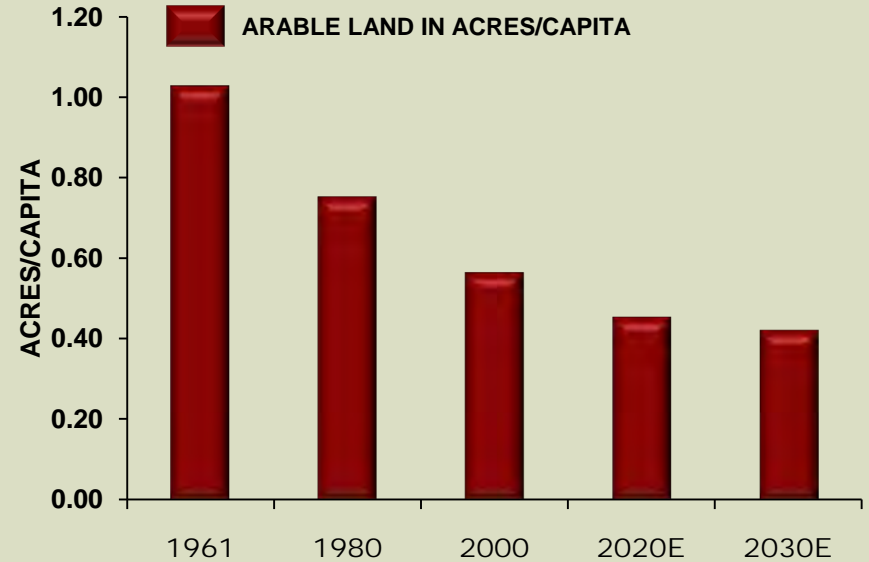
© 2011 Monsanto Company

# Global Demand Pull on Grain Becoming Even More Pronounced; Sustainably Increasing Productivity Per Acre Vitally Important

**STRETCHING SUPPLY**  
GLOBAL CORN DEMAND<sup>1</sup>



**ARABLE LAND PER CAPITA**  
WORLDWIDE<sup>1</sup>



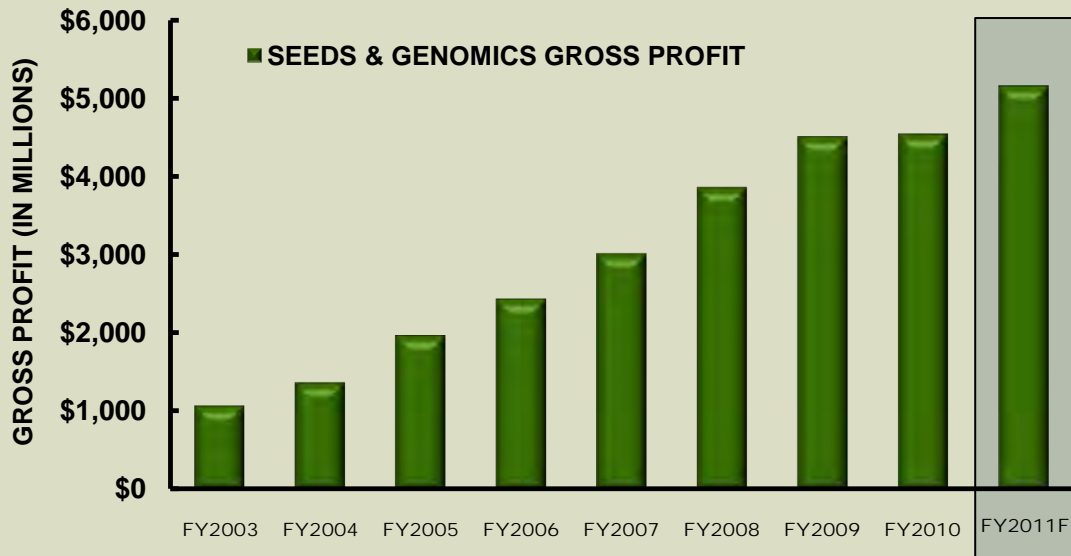
**STATE OF AGRICULTURE FACTORS:**  
INCREASING GRAIN DEMAND FOR FEED

- ❶ Global corn ending stocks-to-use ratio projected to be 15% percent for 2011<sup>1</sup>
- ❷ February 2011 USDA ten-year projections forecast 2-to-3 percent CAGR for corn and soybean global demand<sup>1</sup>
- ❸ Arable land per capita decreasing; yields must grow steadily each year to meet demand
- ❹ GDP and population growth in emerging economies like China and Brazil are driving protein demand

1. USDA PSD view database query for global corn and long term estimates based on Global Insights projections.

# In 2011, Seeds-and-Traits Recaptures Growth, Creates Momentum and Sets Up Mid-Teens Earnings Growth Opportunity

## SEEDS AND TRAITS DRIVE GROWTH: EVOLUTION OF CONTRIBUTED GROWTH FY2003-FY2011F



### SEED-AND-TRAIT GROWTH PLATFORM

- ▶ Expect ~90% of total company gross profit in FY2011F
- ▶ On track to deliver double-digit gross-profit growth to reach \$5.1B to \$5.2B range in FY2011F from increasing global contribution and renewed U.S. seed momentum
- ▶ Restructuring essentially completed supporting seeds and trait growth

## FY2011 SEEDS AND TRAITS STRATEGY DRIVERS

### U.S. CORN

*Implement new product strategy and trait pricing adjustments to reinvigorate growth*

- ▶ Establish *Genuity Reduced-Refuge Product Family Platform*
- ▶ Achieve volume and mix growth

### LATIN AMERICAN CORN

- ▶ Set Stage for *Genuity VT Triple PRO* and *Genuity VT Double PRO* broad trait launches in Argentina and Brazil

### SOYBEANS

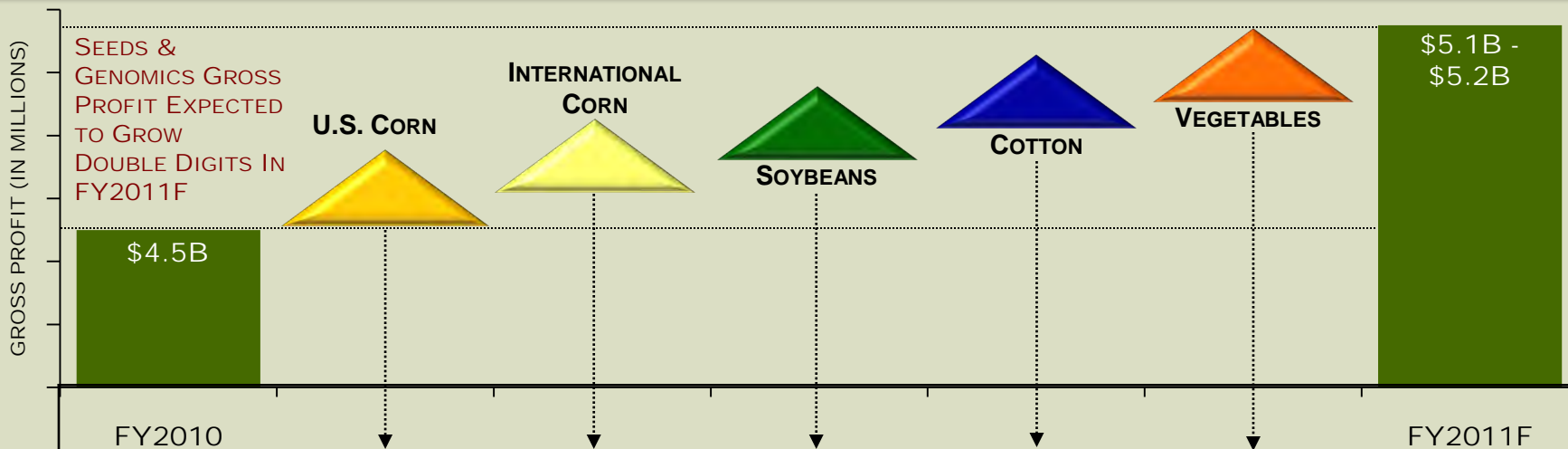
- ▶ Establish *Genuity Roundup Ready 2 Yield Platform* in U.S.
- ▶ Ready *Intacta RR2 PRO* soybeans in Brazil for launch in FY2013

### OTHER SEED & TRAIT

- ▶ Focus on shift to second-generation traits and germplasm mix as acres recover in cotton
- ▶ Focus on higher margin crops in vegetables

# Monsanto's Seeds-and-Traits Growth is Balanced – Across Crops, Geographies and Product Offerings

## BALANCE DRIVES GROWTH: SOURCES OF SEEDS & GENOMICS GROSS-PROFIT GROWTH – FY2011F



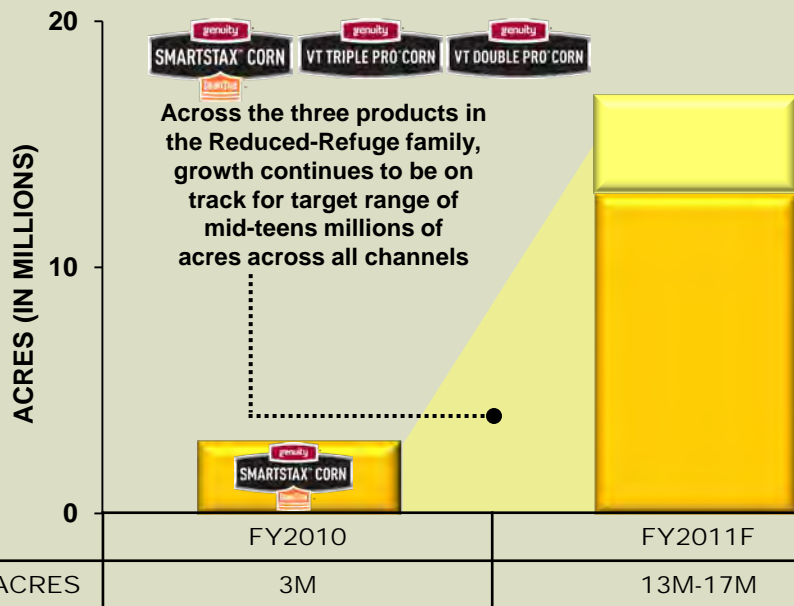
|                |  |  |   |   |   |
|----------------|--|--|---|---|---|
| FY2011 DRIVERS | REDUCED-REFUGE FAMILY DRIVES UPGRADE                 | ADOPTION OF TRAITS IN LATIN AMERICA ACCELERATES ON BROAD BRAND FOOTPRINT | FOCUS ON MIX UPGRADE WITH <i>GENUITY ROUNDUP READY 2 YIELD</i> SOYBEANS | U.S. ACCELERATES 2 <sup>nd</sup> -GEN TRAITS AND BETTER VARIETIES | IMPROVING GLOBAL MIX FROM FOCUSED, HIGHER-VALUE PORTFOLIO |
|                | VOLUME & MIX OPPORTUNITY WITH BETTER-PERFORMING SEED |  |   | TRAIT GROWTH IN INDIA AND AUSTRALIA                               |   |

|                                       |  |  |   |   |   |
|---------------------------------------|--|--|---|---|---|
| R&D PIPELINE LEVERAGE (BEYOND FY2011) | TOP-PERFORMING BREEDING                      | TOP-PERFORMING BREEDING                    | TOP-PERFORMING BREEDING                 | TOP-PERFORMING BREEDING                       | REALIZATION OF MOLECULAR BREEDING TO COMMERCIALIZE HIGHER-VALUE BREEDING TRAITS |
|                                       | REFUGE IN A BAG (RIB) OFFERINGS              | INTRODUCTION OF <i>GENUITY</i> CORN TRAITS | LAUNCH OF FIRST EX-U.S. TRAIT IN BRAZIL | 2 <sup>nd</sup> -GEN AGRONOMIC TRAIT LAUNCHES |   |
|                                       | LAUNCH OF YIELD & STRESS TRAITS <sup>1</sup> |  | LAUNCH OF FIRST SOYBEAN STACKS          |   |   |

1. Part of the Monsanto-BASF Yield and Stress R&D Collaboration. R&D Pipeline commercialization is dependent on many factors, including successful completion of regulatory process

# On-Track to Reach Mid-Teens Million Acres - *Genuity* Reduced Refuge Family and *Genuity Roundup Ready 2 Yield* Become Platform Technologies

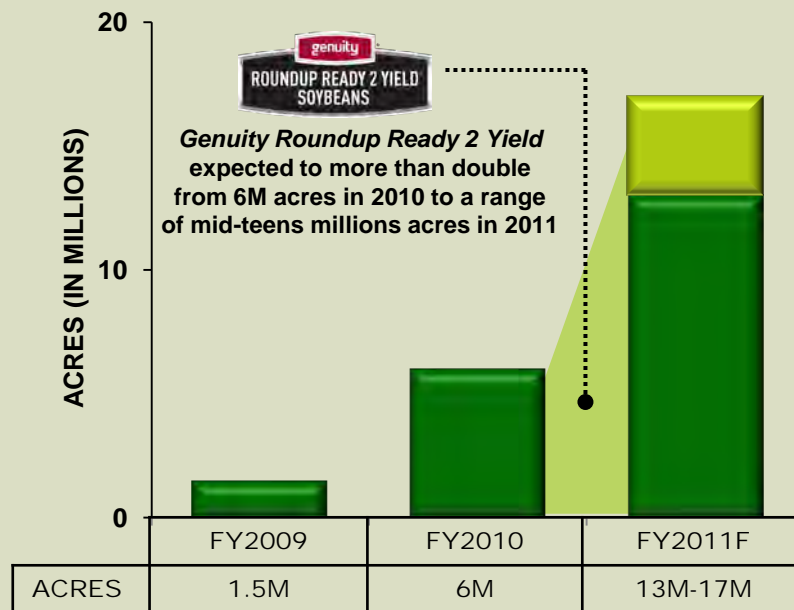
## GENUITY REDUCED-REFUGE FAMILY CORN MIX UPGRADE: FY2010-FY2011F



### STATUS AND OUTLOOK

- Portfolio deployed regionally – lead product in each segment, but all products available in each area to meet farmer interest
- *Genuity SmartStax* and *Genuity VT Triple PRO* create the upgrade opportunity relative to triple stacks
- *Genuity VT Double PRO* is a new opportunity

## GENUITY ROUNDUP READY 2 YIELD SOYBEAN MIX UPGRADE: FY2009-FY2011F



### STATUS AND OUTLOOK

- FY2011 variety deployment expanded across more maturity groups and >200 varieties
- FY2012 to offer full suite of varieties across all maturity groups
- Ramp up of *Genuity Roundup Ready 2 Yield* availability through Monsanto brands and licensed partners

# Differentiated Strategy Creates New Product Ladder To Give Farmers More Options

Superior genetic package forms the base for the most complete trait offering in the industry

**YieldGard VT Triple**

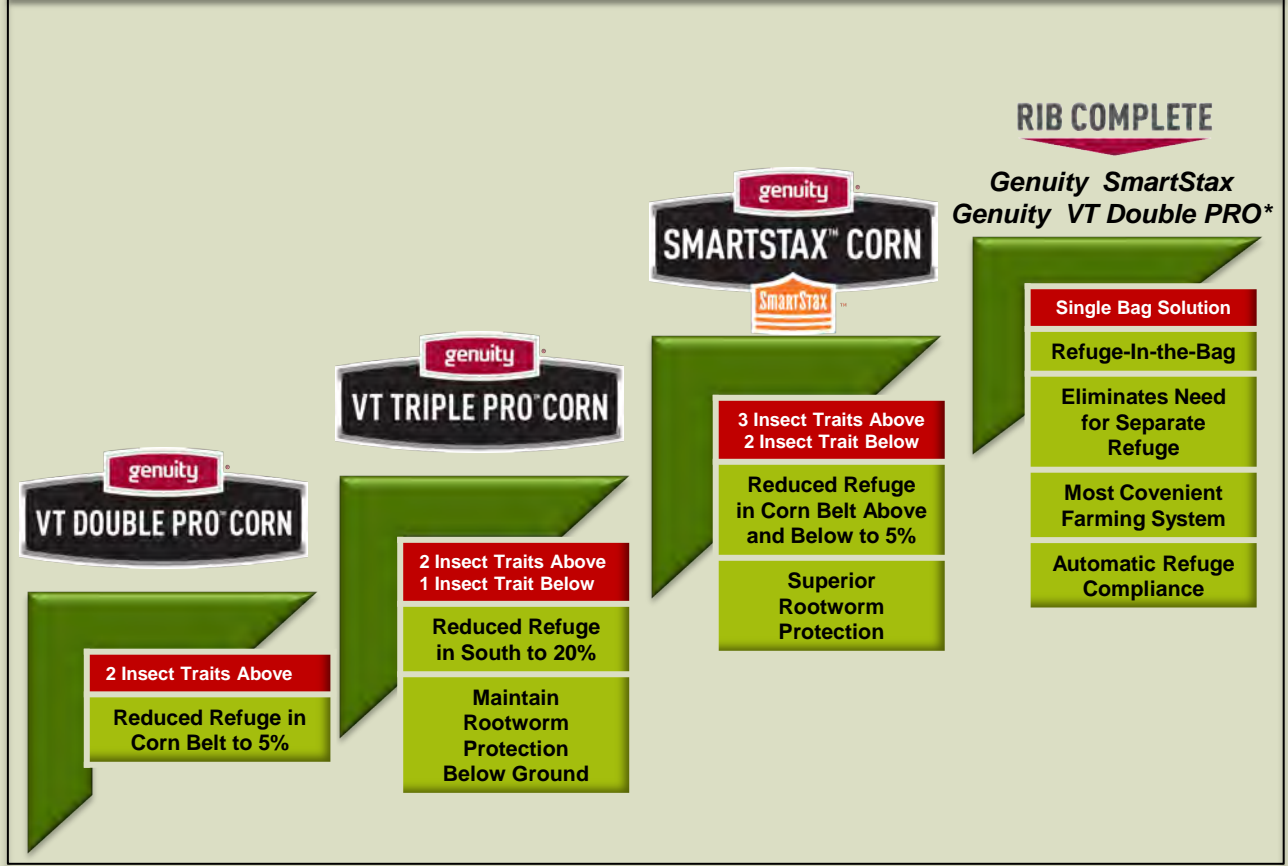


Typically this product serves as the planted refuge

1 Insect Trait Above  
1 insect Trait Below

20% Refuge in Corn Belt;  
50% Refuge in South

## GENUITY REDUCED-REFUGE FAMILY OF PRODUCTS<sup>1</sup> Industry's Only Portfolio of Reduced-Refuge Products



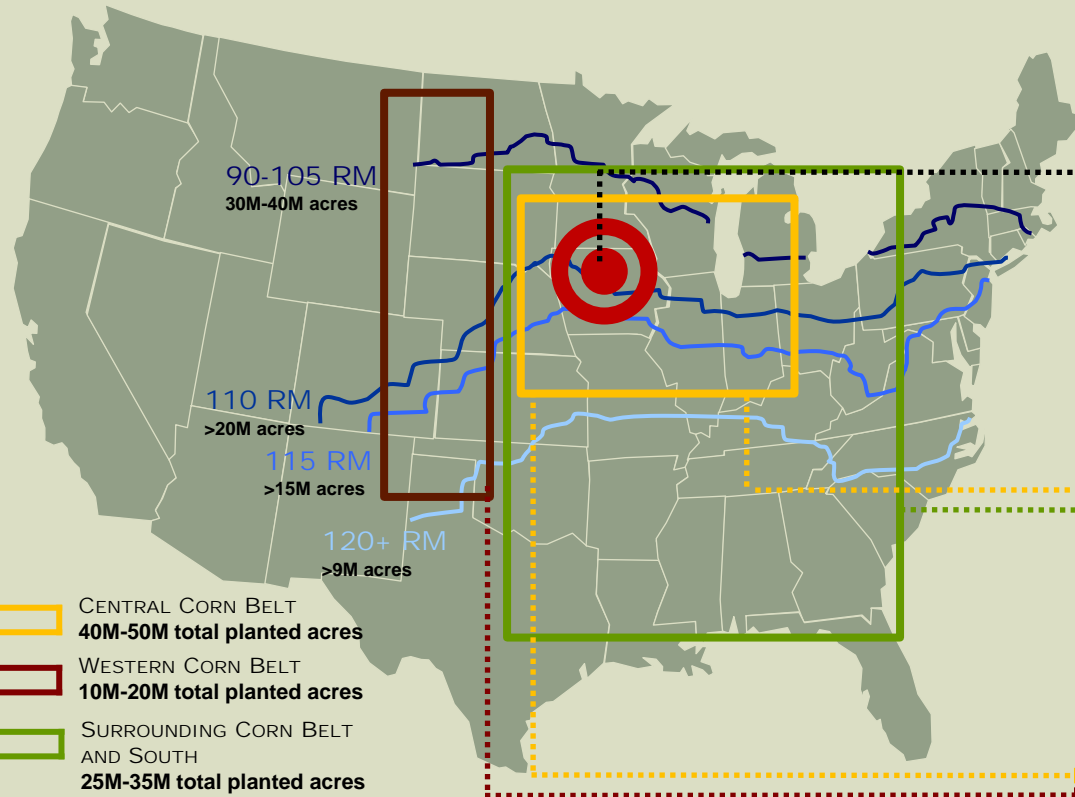
TECHNICAL DIFFERENTIATION

1. Required refuge varies by geography. Refer to the IRM guide for details and always follow IRM requirements.

\* Genuity SmartStax RIB Complete received EPA approval on April 11, 2011. Commercialization of RIB Complete for Genuity VT Double PRO is pending EPA approval.

# 2011 Deployment of *Genuity* Reduced-Refuge Family Tracking As Planned; Good Customer Response to More Product Options

## U.S. CORN PORTFOLIO BY MARKET SEGMENT



## 2011 DEPLOYMENT UPDATE GENUITY REDUCED-REFUGE FAMILY



*GENUITY SMARTSTAX*

- Stronghold of interest and sales is in 90-105 RM
- Deployment focused in this area because of strong rootworm presence and majority of available hybrids fit 90-105 RM
- Future hybrid availability builds out from this area as *SmartStax* hybrids still limited in other RM regions in 2011
- Key area for *SmartStax RIB Complete*



*GENUITY VT TRIPLE PRO*

- In the South, *VT Triple PRO* getting established as first choice for reduced refuge
- In mid- to long-maturities in Central Corn Belt, *VT Triple PRO* is primary upgrade to triple stack given limited *SmartStax* availability in 2011



*GENUITY VT DOUBLE PRO*

- *VT Double PRO* reaches new acres in Western Corn Belt with reduced-refuge benefit
- In Central Corn Belt, where rootworm is limited and double-stack segment has developed, *VT Double PRO* is new entrant for Monsanto
- Key area for *VT Double PRO RIB Complete*<sup>1</sup>

**2011 deployment and sales tracking operational plan:**  
Availability of three products in the family creates more choices and allows farmers to upgrade to next level of product offerings, but not on a one-size-fits-all approach

# For 2012, New Products That Deliver New Value Create Pricing Opportunity Across Seed Portfolio

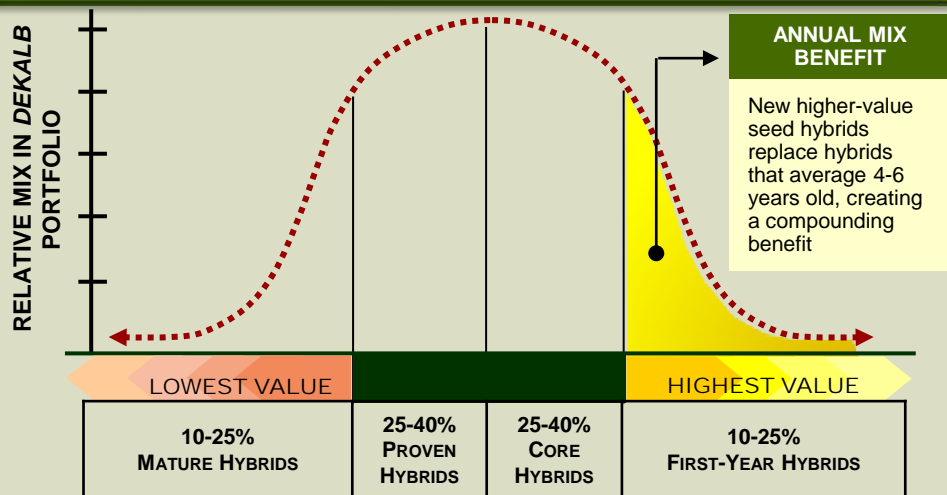
## FY2012 PRICING OPPORTUNITY

- 1 Annual introduction of new genetics drives mix improvement
- 2 Continue penetration trait pricing offers opportunity through performance and innovation
  - Technology upgrade at existing premiums driver of gross profit growth through mix
- 3 Near-term cost inflation coverage

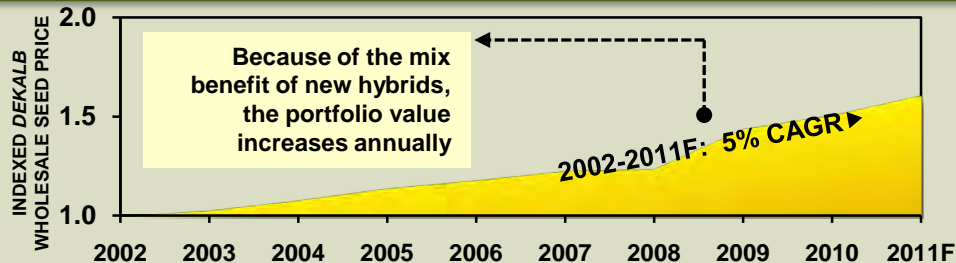
## Fundamental Price Drivers

- ▶ Adoption momentum of newest technology platforms
- ▶ Commodity prices set tone but not price
- ▶ Sustain value versus competitors

## 1 Example: Annual Higher-Value Seed Introductions

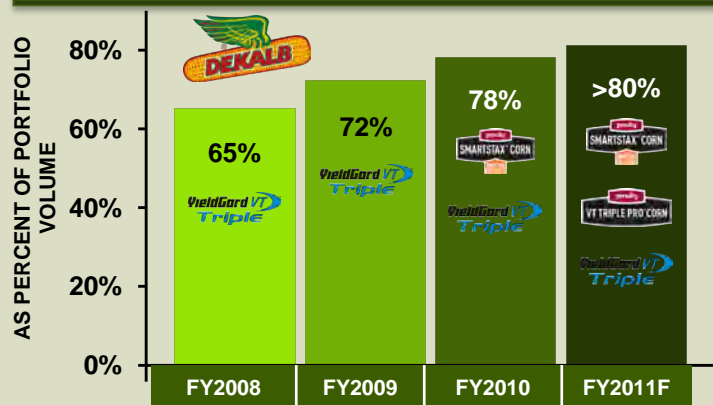


## SEED INDEXED VALUE



Accelerated breeding efforts producing better products in the last 3 years with an annual price lift exceeding 5% across DEKALB seed portfolio

## 2 Example: Biotech Trait Penetration

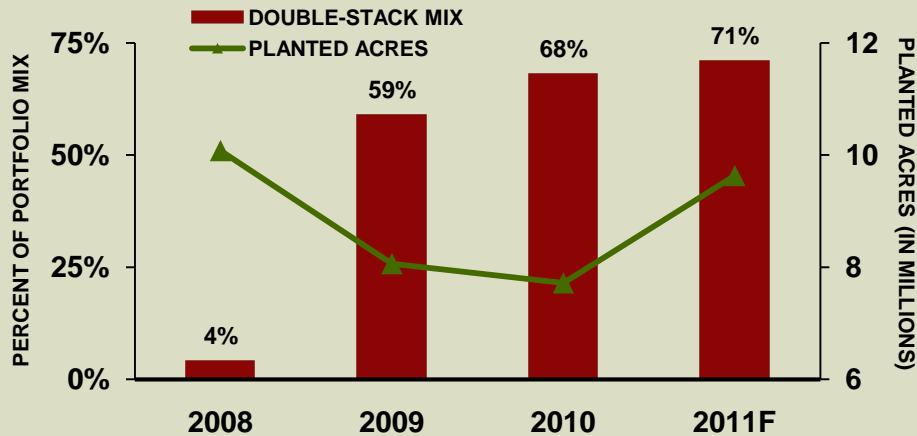


# With Large Footprint Relative to U.S., Argentina Corn Business Accelerating Mix Upgrade Through Trait Adoption

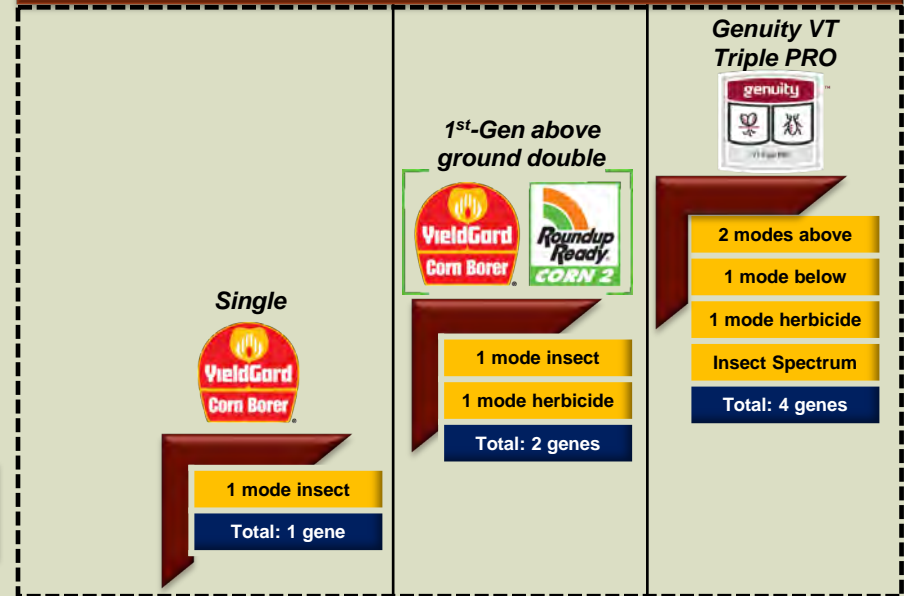
## ARGENTINA – CORN

|   | KEY METRICS |
|---|-------------|
| PLANTED HYBRID ACRES <sup>1</sup>   | 7M-10M      |
| YIELD BU/AC <sup>2</sup><br><small>THREE-YEAR AVERAGE</small>             | 121         |
| SEED POSITION   | #1          |
| RELATIVE SEED VALUE<br><small>BASED ON SEED RETAIL PRICE TRENDS</small>   | Mid         |
| RELATIVE TRAIT VALUE<br><small>BASED ON INSECT PRESSURE INTENSITY</small> | High        |
| TRAIT PENETRATION<br><small>BASED ON BIOTECH ADOPTION TRENDS</small>      | High        |

### ARGENTINA: DEKALB DOUBLE-STACK TRAIT PENETRATION TRENDS



## ARGENTINA CORN PORTFOLIO



|             |                      |                             |                             |
|-------------|----------------------|-----------------------------|-----------------------------|
| Approval:   | 2000                 | + 8 yrs later               | + 3 yrs later               |
| Technology: | 1 <sup>st</sup> -Gen | 1 <sup>st</sup> -Gen Double | 2 <sup>nd</sup> -Gen Triple |

### GENUITY VT TRIPLE PRO

#### STATUS AND OUTLOOK

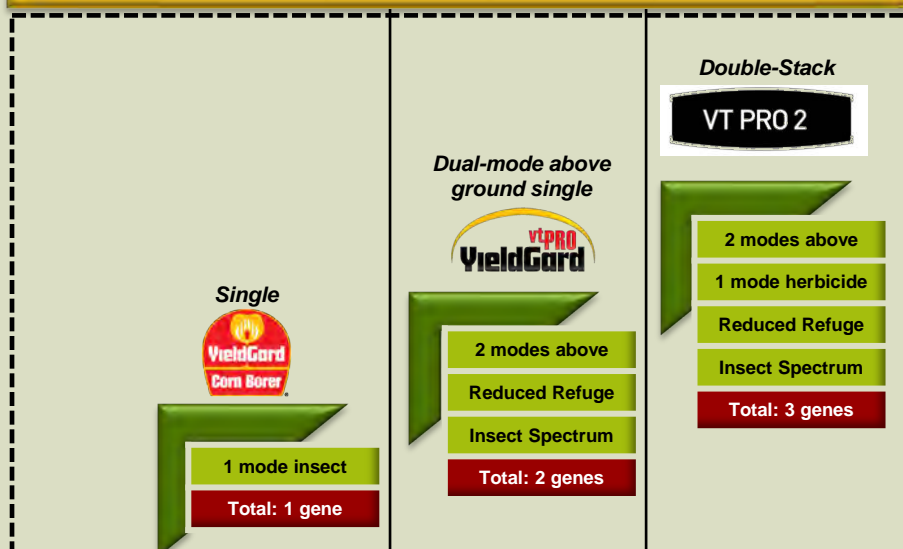
- Expect full commercial launch in fall of calendar year 2011
- Strong farmer interest because of second-generation multiple-mode-of-action insect control
- Introduction marks a significant compression of the technology gap with the U.S.

1. Monsanto estimated acres  
2. Global Insight

# Brazil Is a Rapidly Evolving Biotech Opportunity, Accelerating Corn Growth in Largest Latin American Region

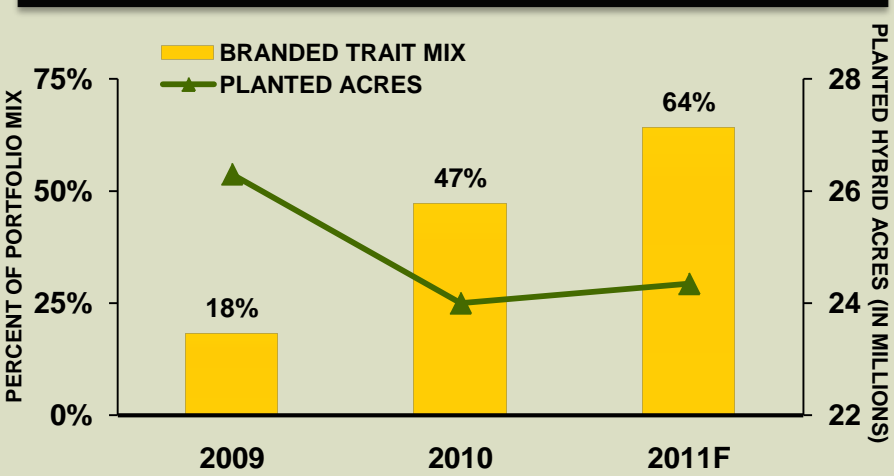
| BRAZIL – CORN   |   |
|---|---|
|   | KEY METRICS                                       |
| PLANTED HYBRID ACRES <sup>1</sup>   | 24M-27M   |
| YIELD BU/AC <sup>2</sup><br><small>THREE-YEAR AVERAGE</small>             | 80-100<br><small>HYBRID YIELD<sup>3</sup></small> |
| SEED POSITION   | #1  |
| RELATIVE SEED VALUE<br><small>BASED ON SEED RETAIL PRICE TRENDS</small>   | Mid   |
| RELATIVE TRAIT VALUE<br><small>BASED ON INSECT PRESSURE INTENSITY</small> | High  |
| TRAIT PENETRATION<br><small>BASED ON BIOTECH ADOPTION TRENDS</small>      | Low   |

## BRAZIL CORN PORTFOLIO



|             |                      |                             |                             |
|-------------|----------------------|-----------------------------|-----------------------------|
| Approval:   | 2009                 | → + 2 yrs later             | → + 1 yr later              |
| Technology: | 1 <sup>st</sup> -Gen | 2 <sup>nd</sup> -Gen Single | 2 <sup>nd</sup> -Gen Double |

### BRAZIL: BRANDED TRAIT PENETRATION TRENDS



### VT PRO 2

STATUS AND OUTLOOK

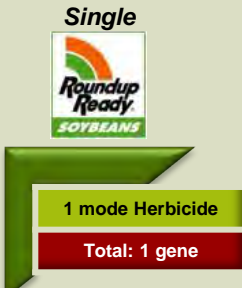
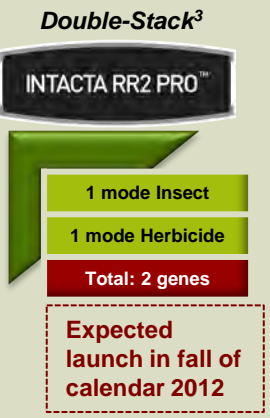
- Expect commercial launch in fall of calendar year 2011
- Strong farmer interest because of second-generation multiple-mode-of-action insect control
- Introduction marks a significant compression of the technology gap with the U.S.
- CTNBio granted approval for five-gene above-ground stack product<sup>4</sup>

1. Monsanto estimated acres, includes primary and Safrinha seasons in Brazil  
 2. Global Insight

3. Kleffmann Data  
 4. Five-gene above-ground stack product is in collaboration with Dow AgroSciences

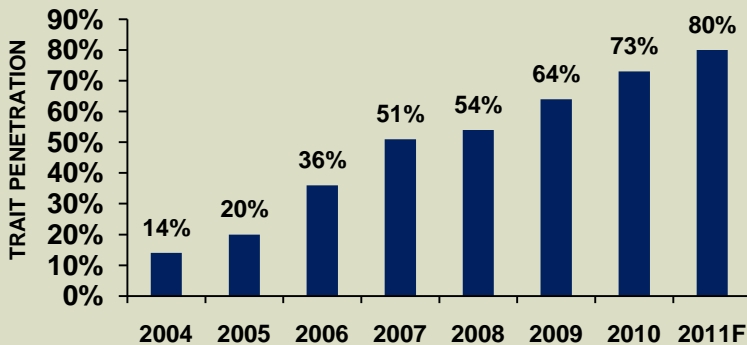
# Planned Launch of First-Ever Ex-U.S. Biotech Trait Provides Catalyst for Next Wave of Soybean Growth in Brazil

| BRAZIL – SOYBEANS   |             |
|---|-------------|
|   | KEY METRICS |
| PLANTED ACRES <sup>1</sup>  | 52M-60M     |
| YIELD BU/AC <sup>2</sup><br><small>THREE-YEAR AVERAGE</small>                             | 42          |
| SEED POSITION   | N/A         |
| RELATIVE SEED VALUE<br><small>BASED ON SEED RETAIL PRICE TRENDS</small>                   | Low         |
| RELATIVE TRAIT VALUE<br><small>BASED ON INSECT PRESSURE INTENSITY AND PERFORMANCE</small> | High        |
| HERBICIDE TRAIT PENETRATION<br><small>BASED ON BIOTECH ADOPTION TRENDS</small>            | High        |

| BRAZIL SOY PORTFOLIO |   |   |
|----------------------|---|---|
|                      |  |  |
| Approval:            | FY2004  | FY2013  |
| Technology:          | 1 <sup>st</sup> -Gen  | 2 <sup>nd</sup> -Gen Double   |

## BRAZIL: SOYBEAN TRAIT PENETRATION TRENDS

■ BRAZIL ROUNDUP READY TRAIT PENETRATION



## INTACTA RR2 PRO

### STATUS AND OUTLOOK

- Received in-country regulatory approvals. Pending global approvals.

### VALUE CONSIDERATIONS

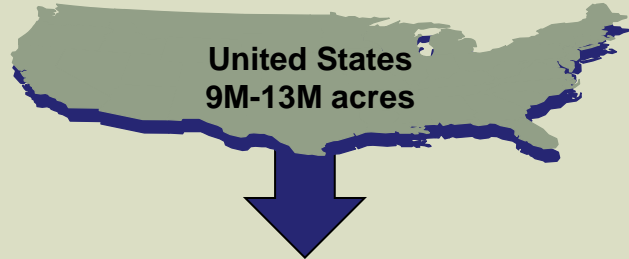
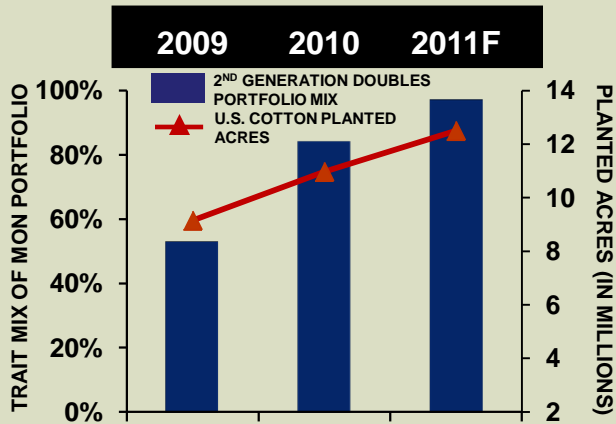
- Stack of *Roundup Ready 2 Yield* and Bt trait for excellent weed control, insect control, and yield enhancement.
- This product would also offer at least \$5-to-\$6 per acre for insecticide treatment for two treatments per season.
- Additional yield benefits are expected from improved insect control and *Genuity RR2Y* technologies

1. Monsanto estimated acres

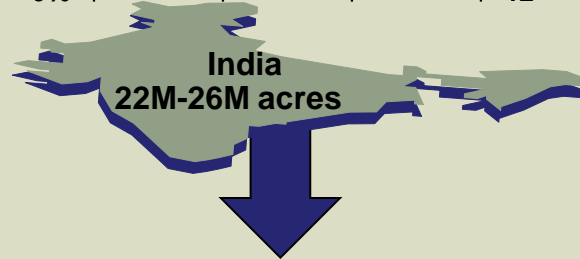
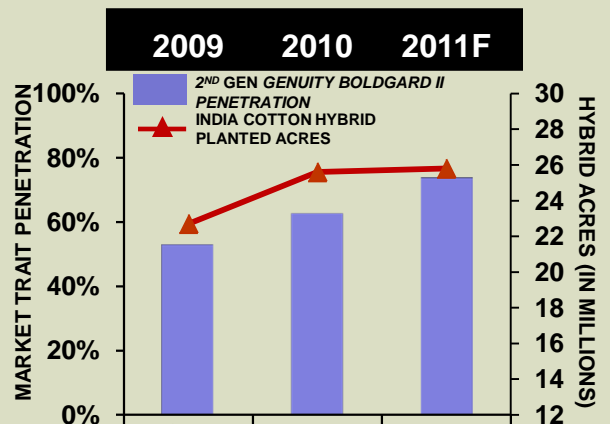
2. Global Insight

3. *Intacta RR2 PRO* received CTNBIO in country approvals, however launch is pending international regulatory import approvals

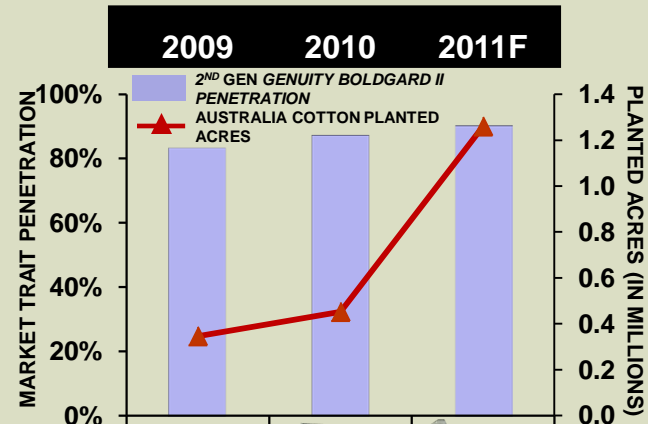
# 2011 Global Cotton Platform Grows on Increased Acres, Improved Germplasm and Next-Generation Traits



| U.S. COTTON   |           |
|---|-----------|
| U.S. MACRO DATA   |           |
| 2011 USDA PLANTED ACRES:  | 12.6M     |
| AVERAGE YIELD:  | 821 LB/AC |
| STATUS AND OUTLOOK  |           |
| <ul style="list-style-type: none"> <li>• <i>Deltapine</i> classes of 2009 and 2010 momentum continues showing germplasm advantage of 5 to 7 percent in the Southern and Northern Tiers</li> <li>• Step-change performance in Texas</li> </ul> |           |



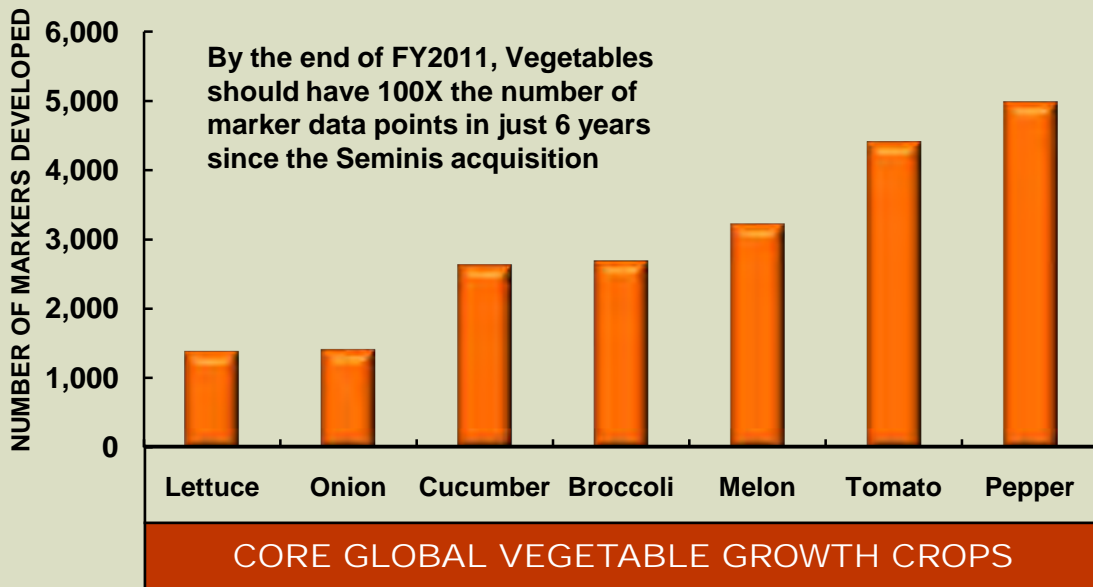
| INDIA COTTON   |           |
|--|-----------|
| INDIA MACRO DATA   |           |
| 2011 PLANTED HYBRID ACRES:   | ~26M      |
| AVERAGE YIELD:   | 464 LB/AC |
| STATUS AND OUTLOOK   |           |
| <ul style="list-style-type: none"> <li>• Increasing farm productivity through rapid penetration of second-generation <i>Genuity Bollgard II</i> trait</li> </ul> |           |



| AUSTRALIA COTTON  |             |
|---|-------------|
| AUSTRALIA MACRO DATA  |             |
| 2011 PLANTED ACRES:   | ~1.3M       |
| AVERAGE YIELD:  | 1,804 LB/AC |
| STATUS AND OUTLOOK  |             |
| <ul style="list-style-type: none"> <li>• Australia planted acres increasing by more than double driven by higher cotton commodity prices and favorable weather</li> </ul> |             |

# In Vegetables, Advanced Breeding Capability Accelerates New Product Development and Growth Opportunity

## APPLYING MOLECULAR MARKERS IN VEGETABLES FY2011 MARKER STATUS



### MARKER CAPABILITY UPDATE:

*Monsanto molecular marker capabilities allow for advanced breeding solutions to enhance taste, texture, color and disease resistance*

- ▶ Over 140 trait-linked markers are being used to accelerate product development

## VEGETABLES

GLOBAL MACRO DATA<sup>1</sup>

GLOBAL PLANTED ACRES: ~65M

INDUSTRY SALES ESTIMATE: ~\$4B

*With open-field and protected-culture presence, Monsanto has leading platform competing in more than 190 countries across 23 crops*

### STATUS/OUTLOOK

- ▶ Completed integration of Seminis and DeRuijter
- ▶ Leveraging integrated business to focus on operational performance and mix improvement through key high margin global growth crops
- ▶ Successfully applied marker-assisted breeding techniques from row crops into vegetables
- ▶ On track with development of pipeline of enhanced high margin products based on molecular markers and advanced breeding techniques

# R&D Pipeline Built on Unmatched Investment in Breeding and Biotechnology to Position Monsanto for Continued Leadership

## BIOTECHNOLOGY

### COMMERCIAL ADVANTAGES

BASF and Monsanto yield-and-stress collaboration joins two powerhouse discovery teams

Robust pipeline includes 29 projects – almost two-thirds advancing in the past two years

### OUTLOOK

Drought-tolerant corn to have on-farm trial plots with key growers and expected to generate hybrid performance data in 2012

More resources put behind field work in early stages, increasing the amount of testing done in the field vs. the lab.

## Monsanto Introduced and Continues to Lead Commercial Biotech Adoption

1996



2010

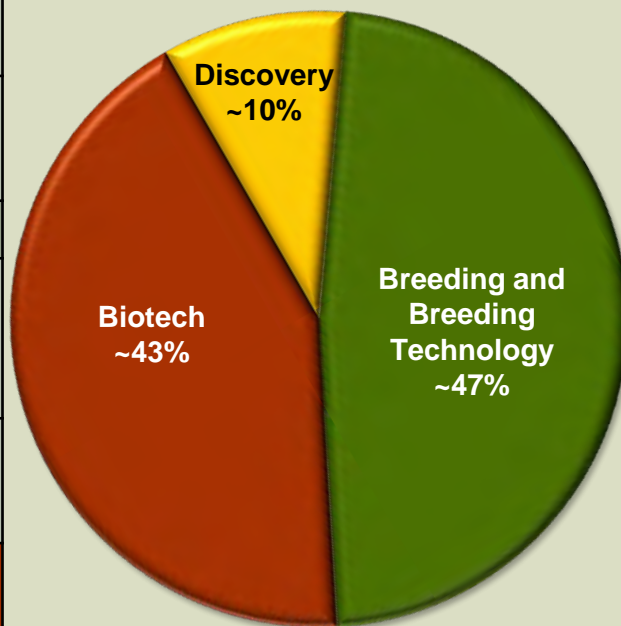
### WEED CONTROL



### INSECT CONTROL



## R&D SPENDING BY CATEGORY FY2011F



## BREEDING

### COMMERCIAL ADVANTAGES

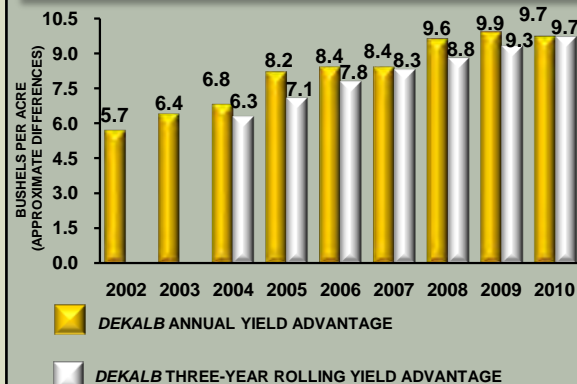
► Strong germplasm has led to increasing yields year-over-year.

### OUTLOOK

► Global germplasm and marker assisted breeding will continue to create strong yield gains

► Research continues to address disease and pest resistance through breeding. Projects include Goss's Wilt Resistance, Soy Fungal Resistance and Nematode Resistance.

## 2010 U.S. COMPETITIVE CORN YIELD COMPARISON: DEKALB



# Pipeline Builds On New Commercial Platforms; Proven Capability Positions Monsanto to Be First With Newest Products

## CURRENT PRODUCTS AND PIPELINE PROJECTS IN CORN AND SOYBEANS

### CURRENT TECHNOLOGIES



**GENUITY REDUCED-REFUGE FAMILY**

### NEARER-TERM OPPORTUNITY



**DROUGHT-TOLERANT CORN<sup>1</sup>**

### MID-TERM PIPELINE

**CORN ROOTWORM III**

**CORN BORER III**

**DICAMBA-, GLUFOSINATE-, AND GLYPHOSATE-TOLERANT CORN**

**SECOND-GENERATION DROUGHT-TOLERANT CORN<sup>1</sup>**

**HIGHER-YIELDING CORN<sup>1</sup>**

### LONGER-TERM PIPELINE

**NITROGEN-UTILIZATION CORN**

**FOPS-TOLERANT CORN**



**INTACTA RR2 PRO™**

**(BRAZIL)**

**SOYMEGA™ SDA OMEGA SOYBEANS<sup>2</sup>**

**VISTIVE GOLD SOYBEANS**

**DICAMBA-TOLERANT SOYBEANS**

**HIGHER-YIELDING SOYBEANS<sup>1</sup>**

**SOYBEAN NEMATODE-RESISTANCE**

**SECOND-GENERATION HIGHER-YIELDING SOYBEANS<sup>1</sup>**

**SECOND-GENERATION INSECT-PROTECTED SOYBEANS (BRAZIL)**

**BREEDING ADVANCES WILL ALSO PROVIDE TOOLS TO ENHANCE YIELDS AND IMPROVE DISEASE AND PEST RESISTANCE**



1. Part of the BASF Yield-and-Stress Collaboration  
 2. Part of the Monsanto-Solae Collaboration

# Seed-and-Trait Opportunity Positions Monsanto to Target Mid-Teens Earnings Growth and Strong Cash Generation



## MONSANTO'S BALANCED GLOBAL PORTFOLIO: BUSINESS DRIVERS BY CROP IN KEY REGIONS

**UNITED STATES**    


- Mix and volume drive corn via differentiated Reduced-Refuge Family
- *Genuity Roundup Ready 2 Yield* becomes platform for soybeans
- Expanding second-generation trait penetration and germplasm improvement in cotton

**EU 27**  




- Increase conventional seed footprint in high-value market
- Largest Monsanto vegetable presence

**INDIA**  


- Expanding second-generation trait penetration in cotton
- Build footprint in growing hybrid corn market

**LATIN AMERICA NORTH** 


- Expanding conventional seed footprint

**BRAZIL**   

- Expanding second-generation trait penetration in corn
- Planning for introduction of *Intacta RR2 PRO* soybeans in Brazil in fiscal 2013

**AUSTRALIA** 

- Strong second-generation trait penetration in cotton

**ARGENTINA** 

- Expanding trait penetration in corn

| FINANCIAL PROFILE           |   |
|-----------------------------|---|
| <b>EARNINGS GROWTH</b>      | MID-TEENS   |
| <b>FREE-CASH GENERATION</b> | STRONG FREE-CASH FLOW                                   |
| <b>SPENDING</b>             | BELOW-THE-LINE LEVERAGE<br><i>Via disciplined spend</i> |

| BUSINESS PROFILE                    |   |
|-------------------------------------|---|
| <b>SEED POSITION (GERMPLASM)</b>    | LEADING POSITION<br><i>Broadest global germplasm enables leading position and performance</i>       |
| <b>TECHNOLOGY POSITION (TRAITS)</b> | INDUSTRY LEADER<br><i>First to market with traits, upgrades, international traits and next wave</i> |
| <b>R&amp;D PIPELINE</b>             | BROADEST & DEEPEST<br><i>Industry's most proven breeding and biotech pipeline</i>                   |

