

September 12, 2011



Monsanto Seasonal Business Update: **2011 U.S. Pre-Harvest Outlook**

MONSANTO



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2011 U.S. Pre-Harvest Outlook Agenda

AGENDA

▶ 2011 GROWING-SEASON TRENDS

Monsanto has a network of more than 100 agronomists tracking regional trends to identify local indicators relevant to overall crop trends and our products

▶ PRODUCT STRATEGY AND HARVEST OUTLOOK

Review of 2011 product deployment, performance expectations, and key performance indicators of success in 2011

▶ 2012 PRICING TRENDS

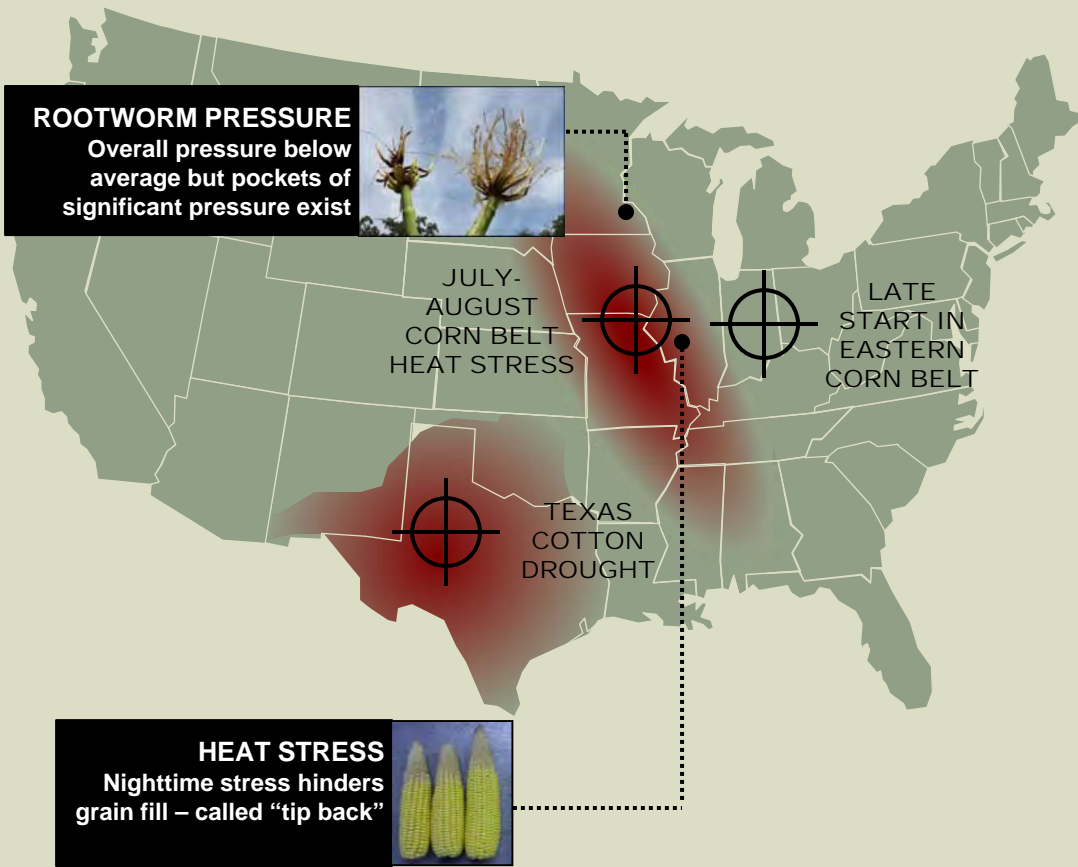
Review of aggregate trends in U.S. pricing going into the 2012 selling season

▶ Q&A PERIOD

Annual Growing-Season Variance in 2011 Revolves Around Late Planting and Mid-Season Heat Stress

IN-SEASON TRENDS: U.S. HIGHLIGHTS

Monsanto has a network of more than 100 agronomists tracking regional trends to identify local indicators relevant to overall crop trends and its products. This map highlights key 2011 trends identified by these regional agronomists.



2011 IN-SEASON TRENDS

KEY FACTORS INFLUENCING GROWING SEASON

▶ LATE PLANTING AND IN-SEASON HEAT STRESS CREATE REGIONAL VARIABILITY

Late planting in Eastern Corn Belt – along with in-season heat – create region-to-region variability on yield outlook

▶ DROUGHT HITS TEXAS COTTON ACRES

Severe drought in large-acre state likely to mean 2011 has smallest ratio of harvested-to-planted acres in decades

▶ NIGHT-TIME HEAT AFFECTED SOME CORN-BELT POLLINATION

High heat in July and August created stress during pollination and ear fill in some key corn-growing regions

▶ LIMITED DISEASE PRESSURE

- In soybeans, despite wet spring, warm weather has generally meant very limited disease pressure
- In corn, there has been some prevalence of Goss' bacterial wilt

▶ MIXED INSECT PRESSURE IN CORN

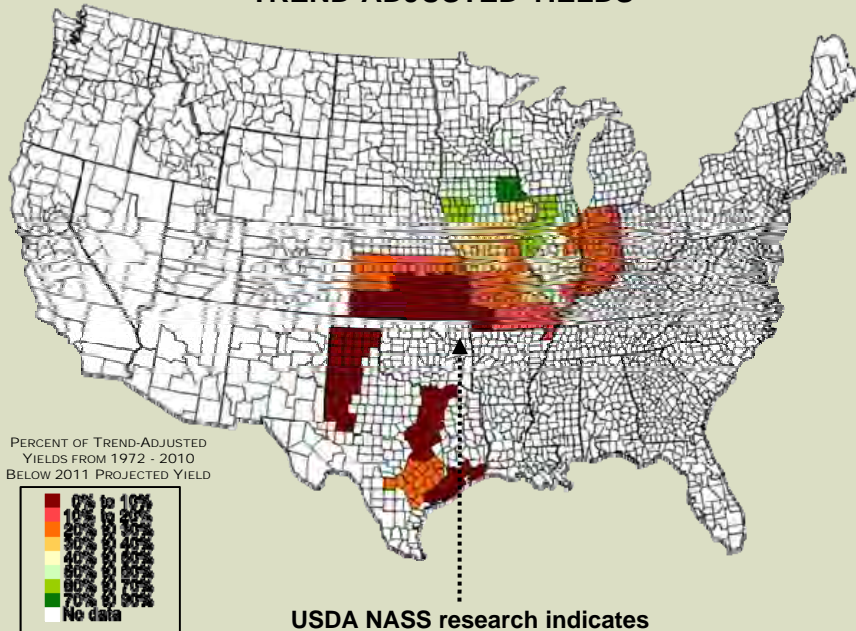
- Corn earworm is again economically relevant above-ground pest in 2011
- Corn rootworm is present in some hot-spots and in areas where consistent pressure is seen annually

Annual Growing-Season Variance in 2011 Revolves Around Late Planting and Mid-Season Heat Stress

IN-SEASON TRENDS: YIELD TRENDS¹

The USDA National Agricultural Statistics Service (NASS) tracks projected yields against the trend-adjusted historical yields for Crop Reporting Districts (CRDs) in several states (Illinois, Indiana, Iowa, Missouri, Texas and Oklahoma).

2011 PROJECTED YIELDS AS A PERCENT RANK OF TREND-ADJUSTED YIELDS

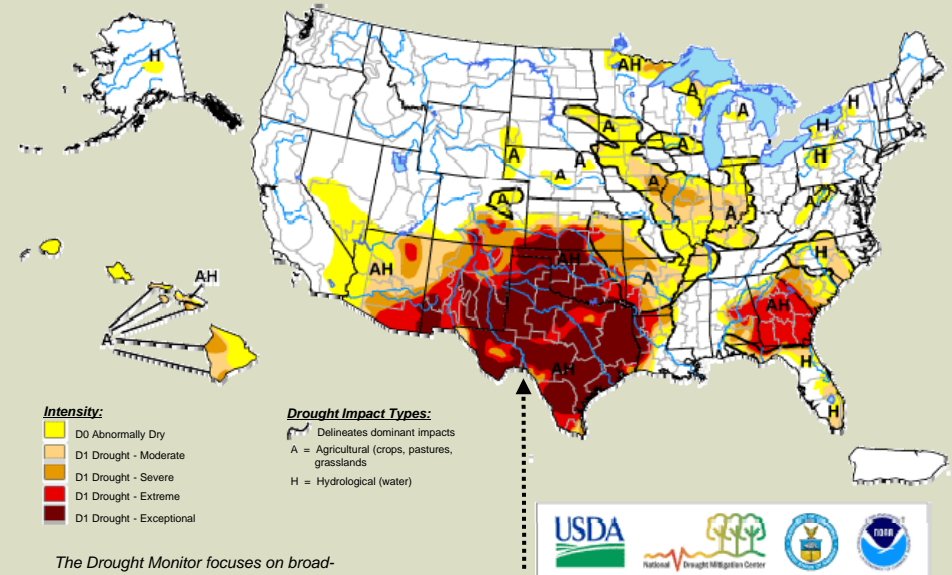


USDA NASS research indicates that in 2011 a number of regions project yields in the lower portion of trend-adjusted yields from the last ~30 years

IN-SEASON TRENDS: DROUGHT²

The National Drought Mitigation Center tracks in-season drought trends annually for the U.S., providing a regularly updated drought monitor.

DROUGHT MONITOR MAP FROM SEPTEMBER 6, 2011







The U.S. Drought Monitor clearly demonstrates the severe effect of heat and drought in critical areas, particularly Texas – where drought conditions are most pronounced

1. USDA National Agricultural Statistics Service, August 12, 2011
 2. U.S. Drought Monitor – <http://droughtmonitor.unl.edu/> - Released Thursday, Sept. 8, 2011. Author Mark Svoboda, National Drought Mitigation Center

Deployment of Product Strategy Sets Expectations for Harvest by Region; Performance Expectations Tracking Well In Core Geographies

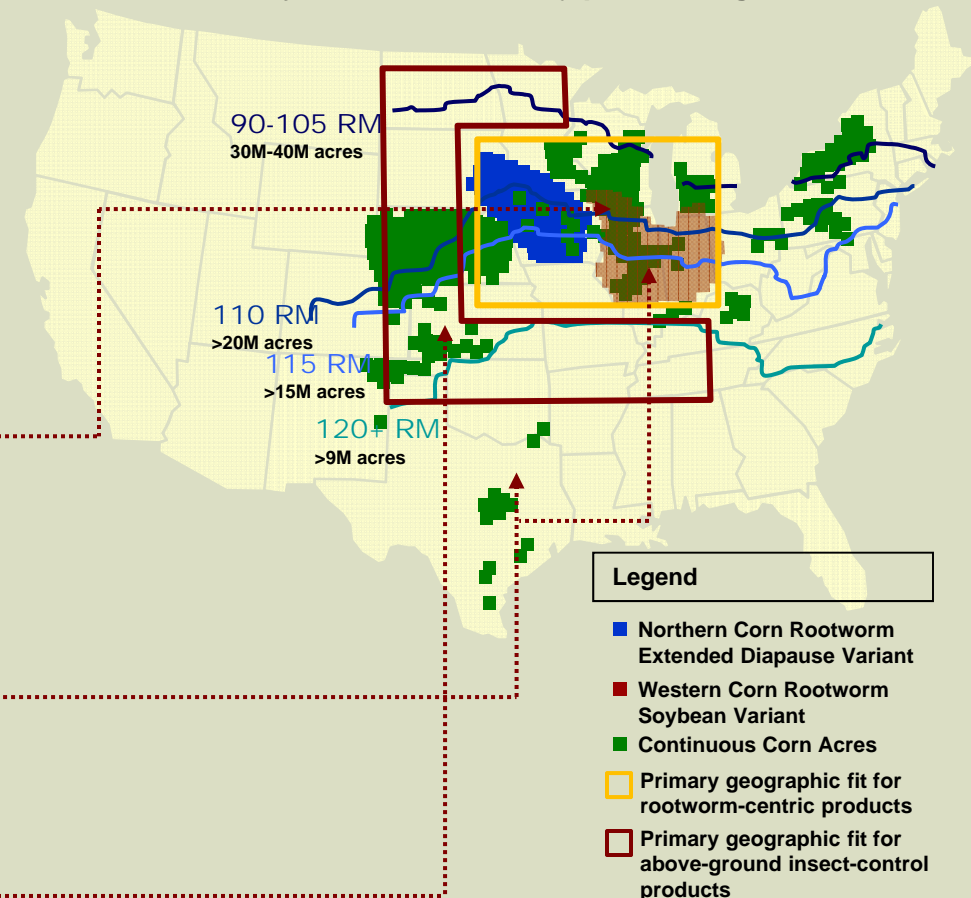
2011 HARVEST SUCCESS FACTORS: CORN

Harvest expectations track the regional deployment of the *Genuity* Reduced-Refuge family of products: products should show performance in their core markets

1 <i>DEKALB</i> GERMPLOSM 	
GEOGRAPHIC FIT:	<ul style="list-style-type: none"> National brand with fit in all maturity zones
2011 SUCCESS CRITERIA:	<ul style="list-style-type: none"> Maintain or increase genetic yield advantage versus competitors
2 <i>GENUITY SMARTSTAX</i> 	
GEOGRAPHIC FIT:	<ul style="list-style-type: none"> Geographies with consistent rootworm pressure, via corn-on-corn cycles or with rootworm variants
2011 SUCCESS CRITERIA:	<ul style="list-style-type: none"> Roughly 90% of sales volume in in 90-105RM Outyield flagship triples in Monsanto brands and from competitors in 90-105RM
3 <i>GENUITY VT TRIPLE PRO</i> 	
GEOGRAPHIC FIT:	<ul style="list-style-type: none"> Southern Corn Belt with reduced refuge in cotton areas Upgrade from first-generation triples
2011 SUCCESS CRITERIA:	<ul style="list-style-type: none"> Outyield flagship VT3 and competitive products in the South and in rootworm areas of Corn Belt
4 <i>GENUITY VT DOUBLE PRO</i> 	
GEOGRAPHIC FIT:	<ul style="list-style-type: none"> Areas where insect pressure is primarily above-ground only where rootworm pressure is limited
2011 SUCCESS CRITERIA:	<ul style="list-style-type: none"> Outyield best current competitive doubles

CORN PRODUCT STRATEGY IN ACTION: GENUITY REDUCED-REFUGE FAMILY FIT BY REGION

Aggregate view of corn geographies that overlays insect-pressure, relative maturity zones, and *Genuity* product segmentation



For *Genuity Roundup Ready 2 Yield*, 2011 Harvest Is Expected to Continue Performance Advantage Established in 2010

2011 HARVEST SUCCESS FACTORS: **SOYBEANS**

Harvest expectations revolve around continuing momentum established with *Roundup Ready 2 Yield* performance in 2010

GENUITY ROUNDUP READY 2 YIELD



- Yield results expected to prove consistency in superior performance over first-generation *Roundup Ready*

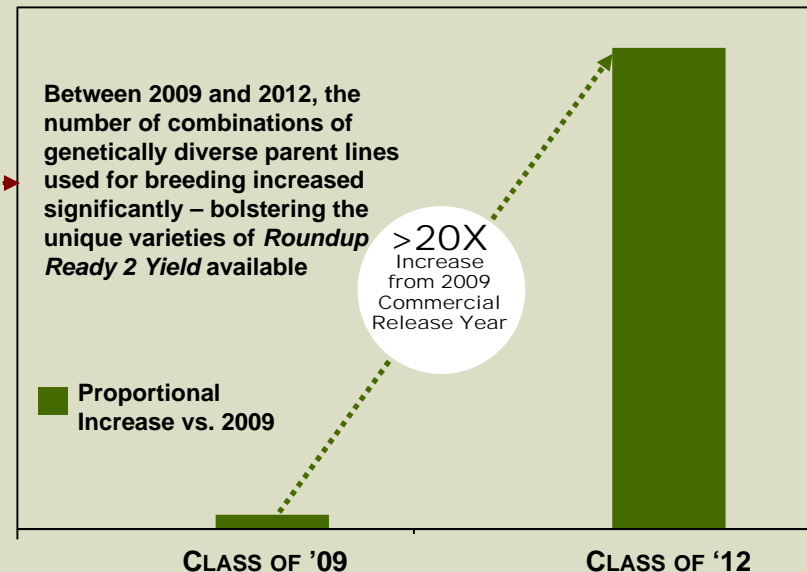
KEY PERFORMANCE FACTORS

- Four waves of new genetics from Monsanto breeding representing hundreds of commercial *Roundup Ready 2 Yield* varieties, allows farmers to select the best varieties for their farm
- Broad *Roundup Ready 2 Yield* portfolio and unconstrained production allows for large-acre soybean opportunity in 2012
- High rate of conversion to *Roundup Ready 2 Yield* in the highest acreage markets in North and Midwest (maturity groups 0-3)
- Full suite of varieties for expansion in Southern maturity groups

SOYBEAN DEPLOYMENT IN ACTION: BUILDING DIVERSITY TO SCALE UP PORTFOLIO

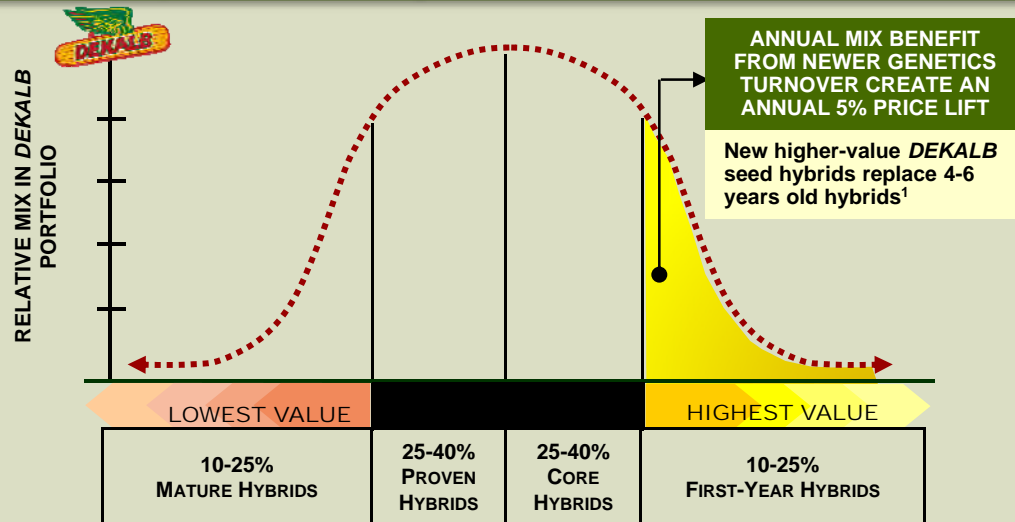
One key to scaling up the portfolio for *Roundup Ready 2 Yield* is creating more varieties, including a variety of genetic profiles to support different growing regions

INCREASE IN PARENTAL COMBINATIONS

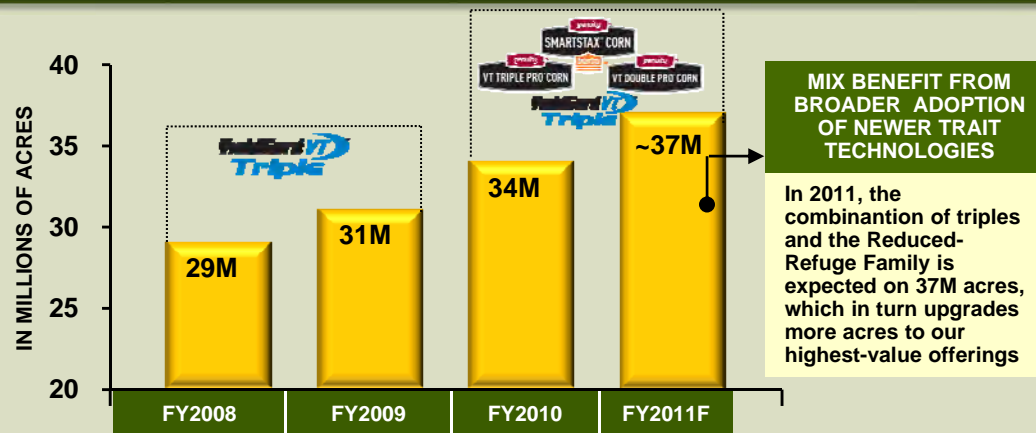


For 2012, New Products That Deliver New Value Create Pricing Opportunity Across Global Seed Portfolio

U.S. Example: Annual Higher-Value Seed Introductions¹



U.S. Example: Trait Mix Expansion²



FY2012 Pricing Opportunity:

FACTORS INFLUENCING PRICE IMPROVEMENTS

- 1 Annual turnover of new genetics drives price improvement through mix
- 2 Continued penetration trait pricing offers opportunity through performance and innovation
- 3 Near-term cost inflation coverage

FUNDAMENTAL PRICE DRIVERS

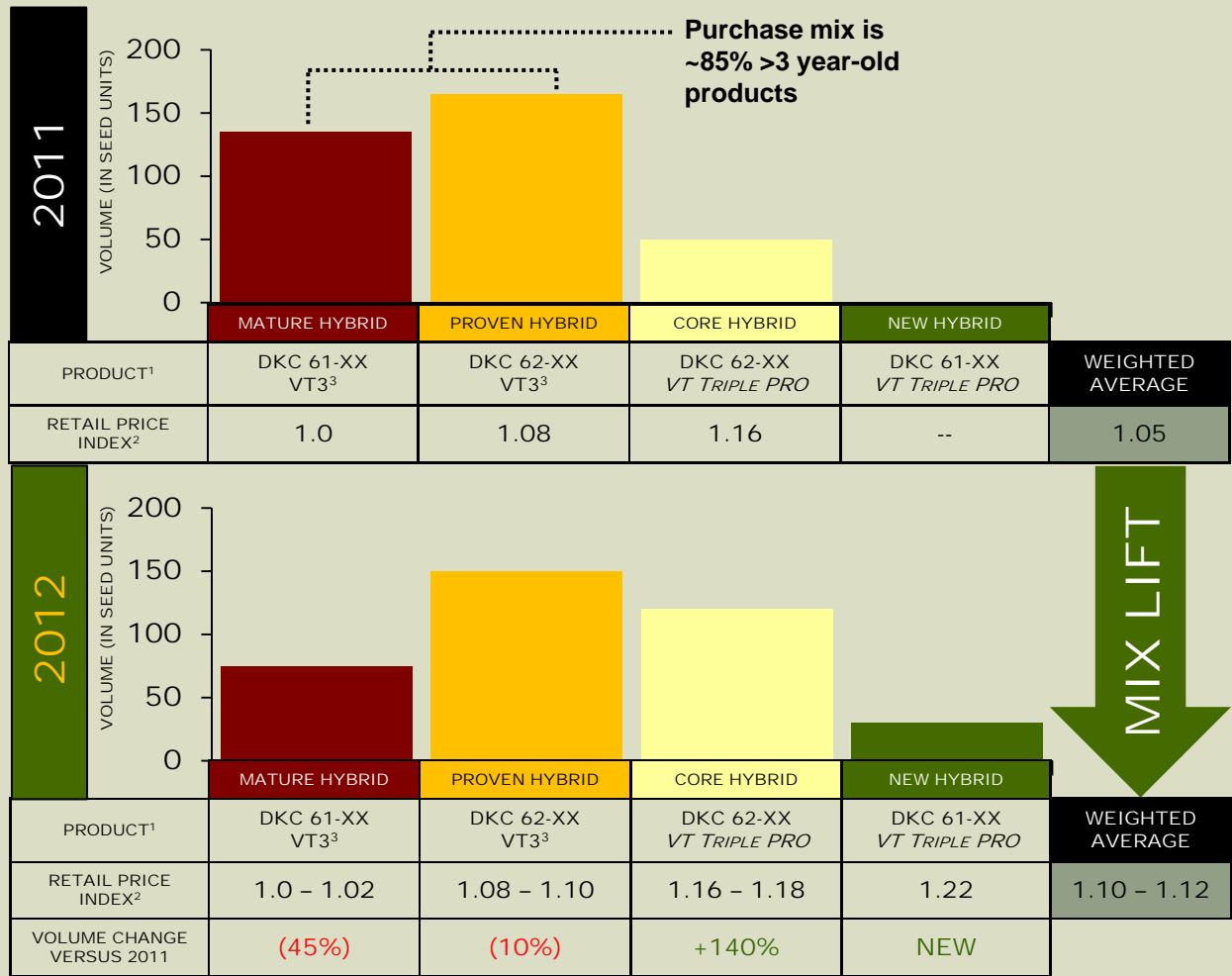
- ▶ Newer genetics and adoption momentum of newest technology platforms
- ▶ Commodity prices set tone, but not price
- ▶ Sustain value versus competitors

On a weighted average basis, 2012 bag prices for U.S. DEKALB corn increase driven by progression to higher-value seed and trait mix

1. New higher-value seed hybrids replace 4-6 years old hybrids, creating an annual 5% wholesale price lift across seed portfolio from 2002-2011F
 2. Refuge-In-the-Bag approved for SmartStax and pending approval for Genuity VT Double PRO

Example of Normal On-Farm Hybrid Decisions Demonstrates Price Mix Benefit in Seed and Trait Corn Portfolio

ON-FARM EXAMPLE: PRODUCT MIX LIFTS AVERAGE PRICE



EXAMPLE SAMPLE ON-FARM MIX LIFT

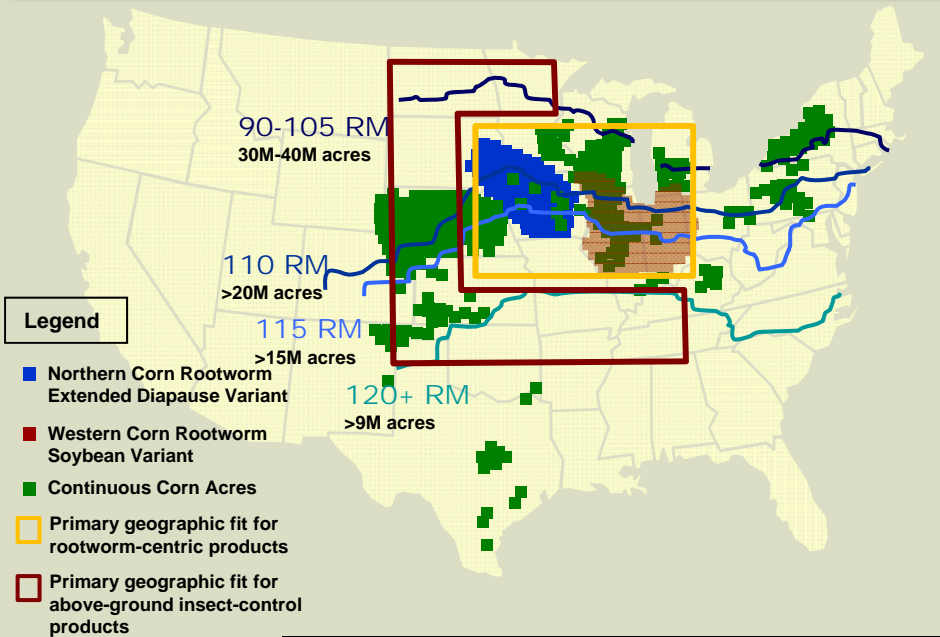
Even in an example with relative flat year-over-year pricing, mix lift from newer products lifts overall average prices

EXAMPLE FACTORS	
▶	Product mix and volume reflect typical use to support 1,000 acres of corn in Central Corn Belt region
▶	For this example, pricing assumes flat-to-inflationary pricing year-to-year for all existing hybrids
▶	Volumes of older hybrids decrease from 2011 to 2012 as mature hybrids are rotated from planting rotation
▶	New hybrids are added and increase volume as they become available in the region
▶	New hybrids reflect new genetics and leading trait packages available in the region

1. Based on product lists for 110 RM region; Select products and trait packages for illustrative purposes
 2. Index is based on the retail list price for the 2011 Mature Hybrid VT3 Trait Package = 1.0 3. VT3 = YieldGard VT Triple

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

CORN PRODUCT STRATEGY IN ACTION: GENUITY REDUCED-REFUGE FAMILY FIT BY REGION



GENUITY REDUCED-REFUGE GP-PER-ACRE INDEX	
GP/ACRE INDEX ¹	PRODUCT
1.2 – 1.3	Genuity SmartStax
0.9 – 1.0	Genuity VT Double PRO
1.1 – 1.2	Genuity VT Triple PRO

1. Index base is 2010 VT3 Triple Stack

2012 PRICE CARDS:

BRANDED PRICE TRENDS WEIGHTED ACROSS ZONES FOR KEY PRODUCTS

On a weighted average basis, 2012 bag prices for U.S. DEKALB corn increase driven by progression to higher-value seed and trait mix

KEY PRICE-CARD TRENDS



Genuity SmartStax average net selling prices are up relative to 2011 net selling prices

- 2011 marketing program discounts are reflected on price cards in 2012 as base prices relative to flagship triple stacks are institutionalized
- Refuge-in-the-Bag (RIB) pricing part of seamless bag price, but represents incremental value per bag



Genuity VT Triple PRO priced at a premium to flagship YieldGard VT Triples

- VT Triple PRO average prices lift as new products enter portfolio



Genuity VT Double PRO prices established with premium to competitive doubles as product rolls out to all geographies

- VT Double PRO was primarily sold in a single zone in 2011, so 2012 is roll-out and price establishment in all zones
- Regulatory approval still pending for RIB



Genuity Roundup Ready 2 Yield prices reflect inflationary lift

- Focus on continuing trial-and-adoption pricing as Roundup Ready 2 Yield is established as Monsanto's platform in soybeans
- With new varieties available for longer maturity groups, begin to promote new products in South