

Soybean Strategy and Industrial Markets

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and
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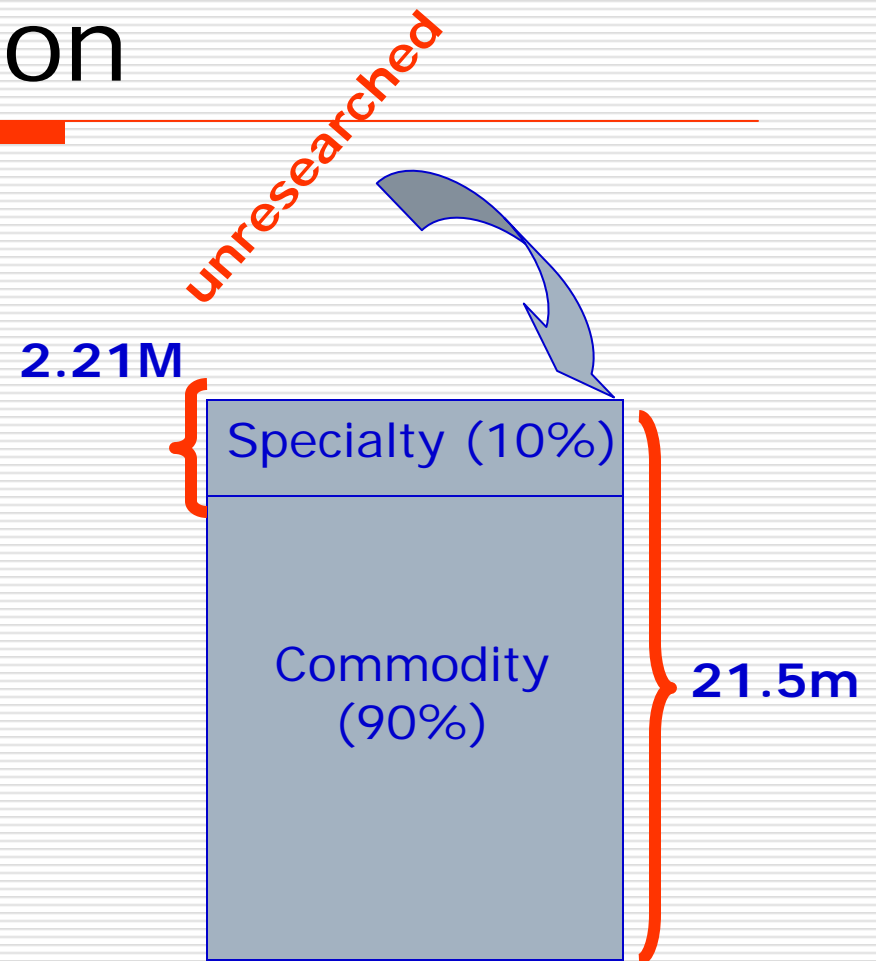
Presentation at the Illinois Soybean Association Summer Tour
July 13, 2005
University of Illinois



National Soybean Research Laboratory
Expanding the size, scope, and profitability of the U.S. soybean industry

Research Motivation

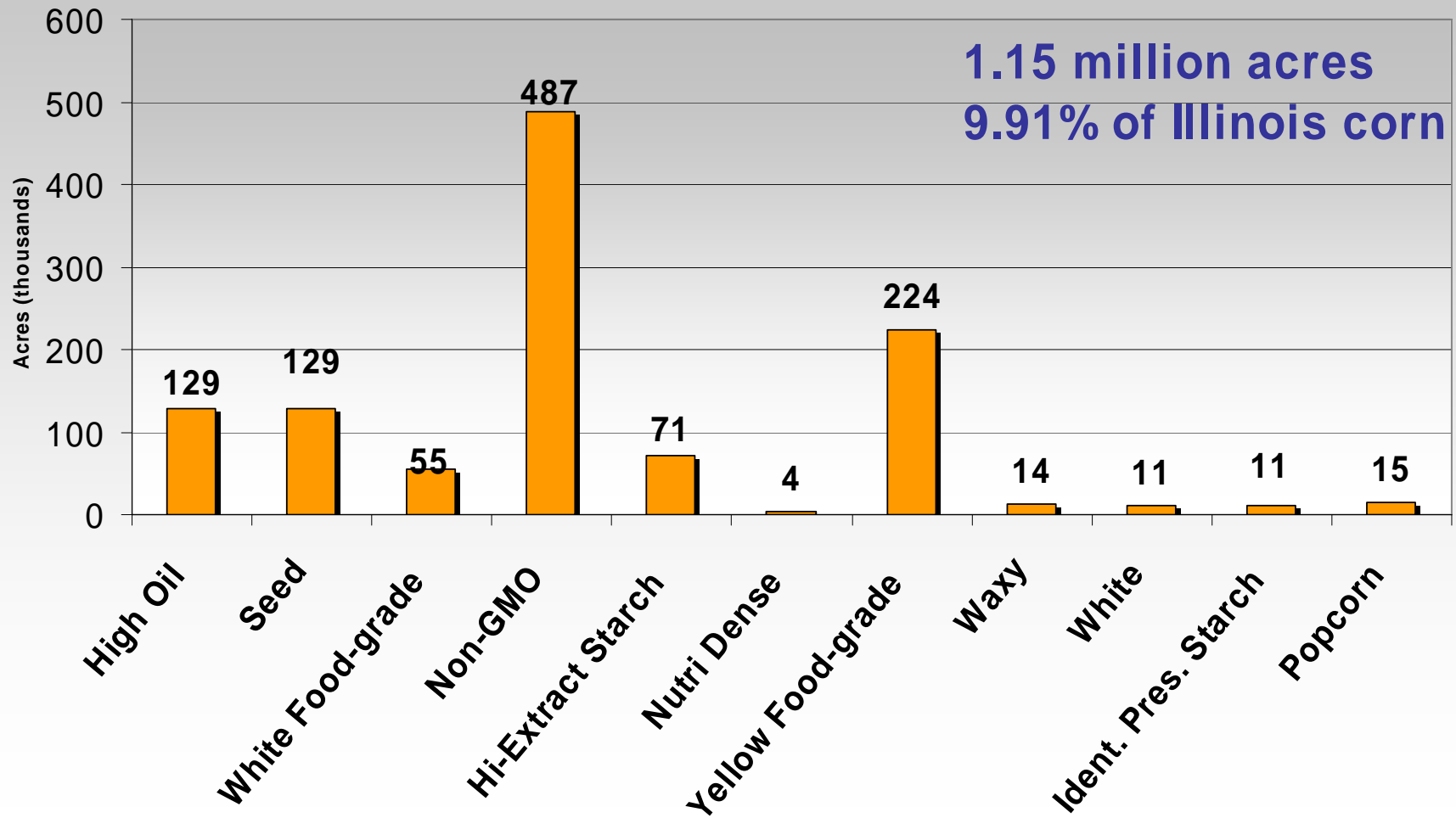
- How to increase the gross ag product?
- High expectations for value creation and capture
 - life science
 - farmers
 - handlers
- Make Ag “pie” bigger
 - Alternative #1
 - Lower costs/increase efficiency/increase scale
 - Supply markets
 - Alternative #2
 - Add value serving customers
 - An industrial marketing problem



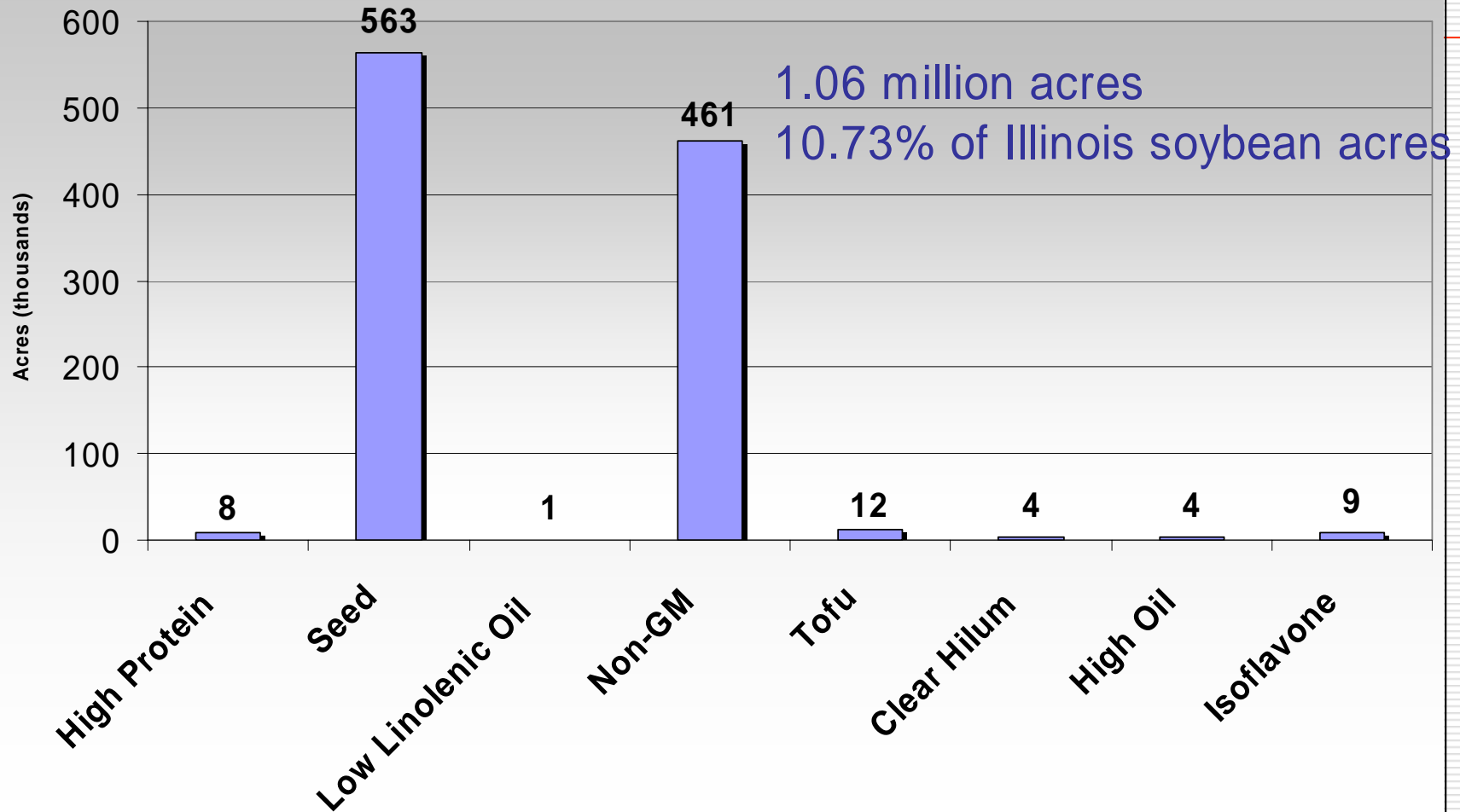
2004 Specialty Grain Survey

- 3,000 Farmers
 - Stratified random sample of C&S producers
 - Over sampled large under sampled < 50
- 1,375 respondents (45.8%)
- Conducted by Illinois Ag. Stats. Service and the U of I
- Jan-Mar 2004
- Financial support by ISPOB

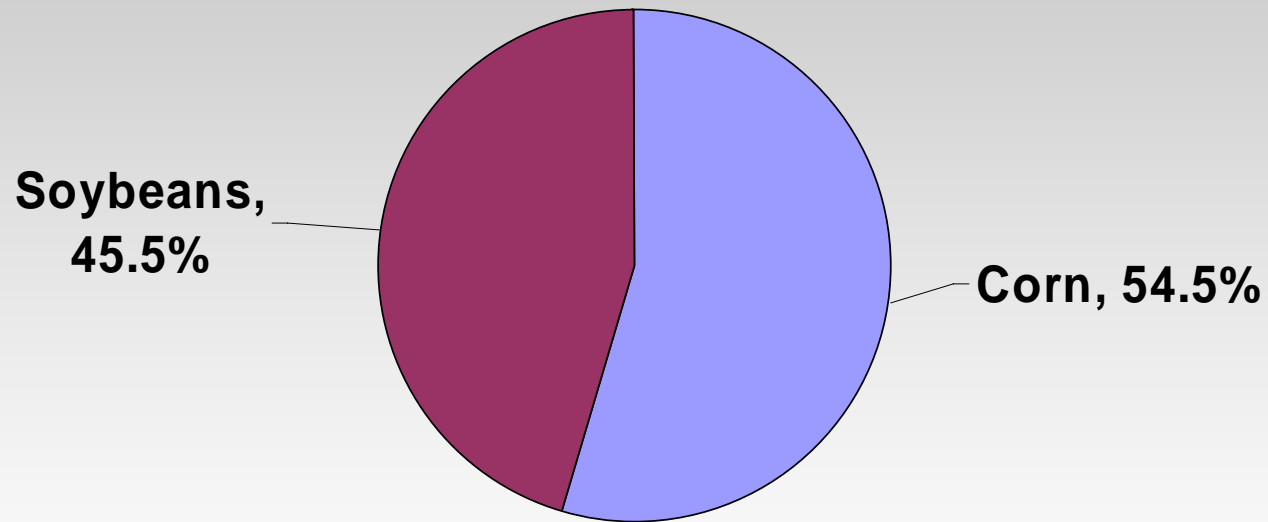
Specialty Corn Acres Planted Illinois, 2004



Specialty Soybeans Acres Planted Illinois, 2004



Land Use Illinois , 2004

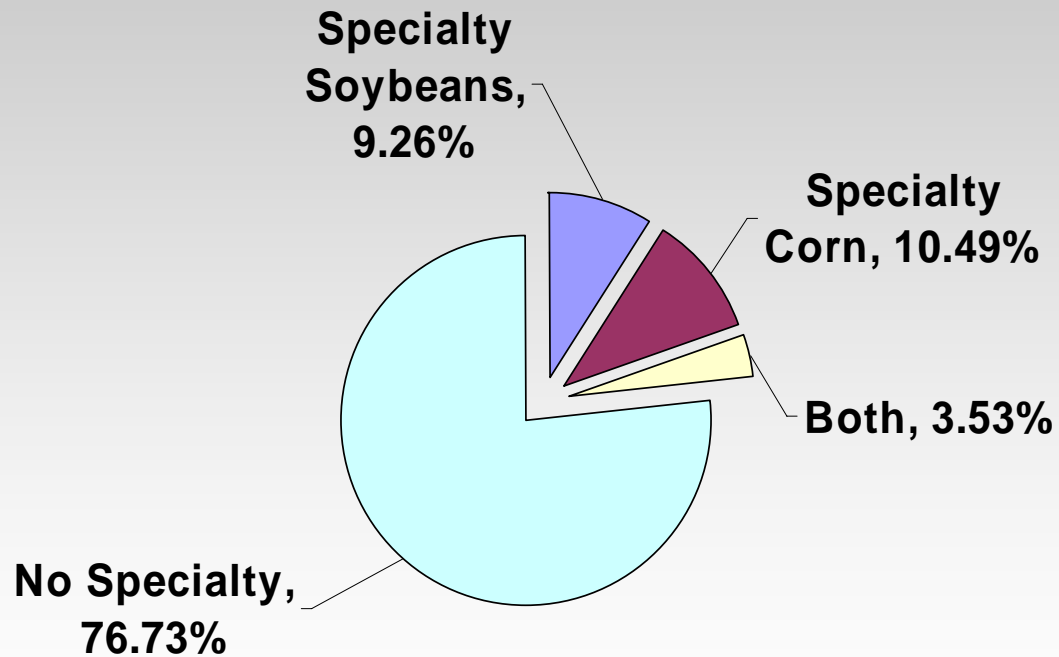


Corn:Soybean Ratio = 1.2:1

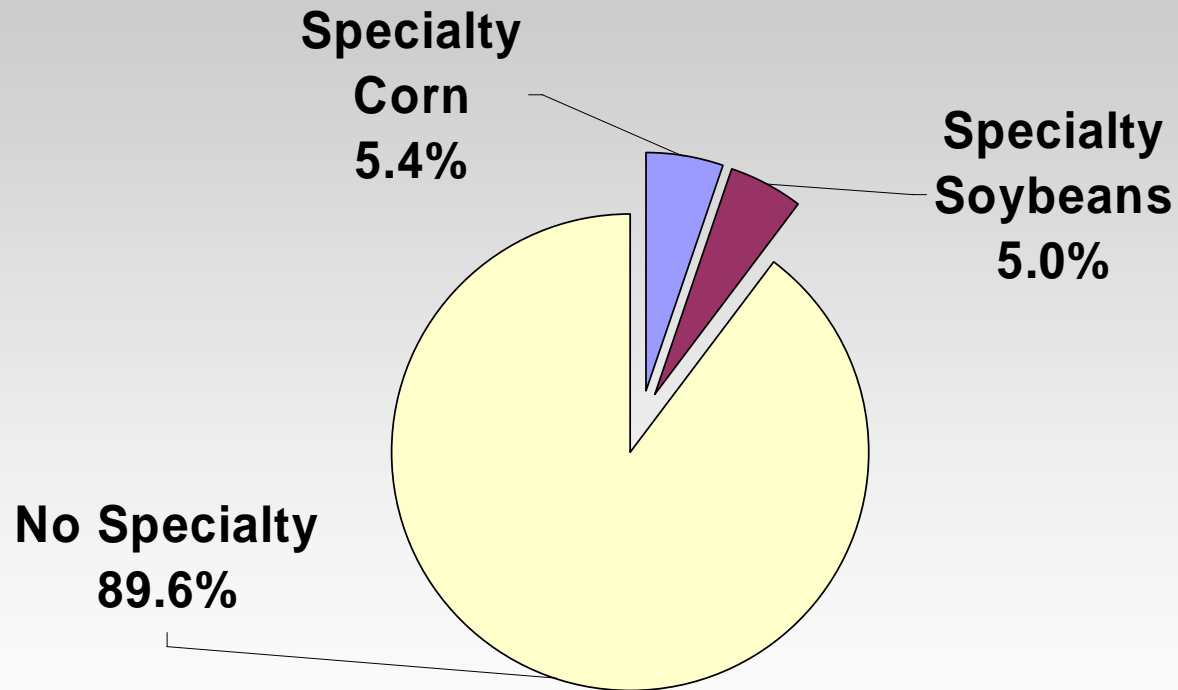
Specialty Crop Production

(% of producers)

Illinois - 2004



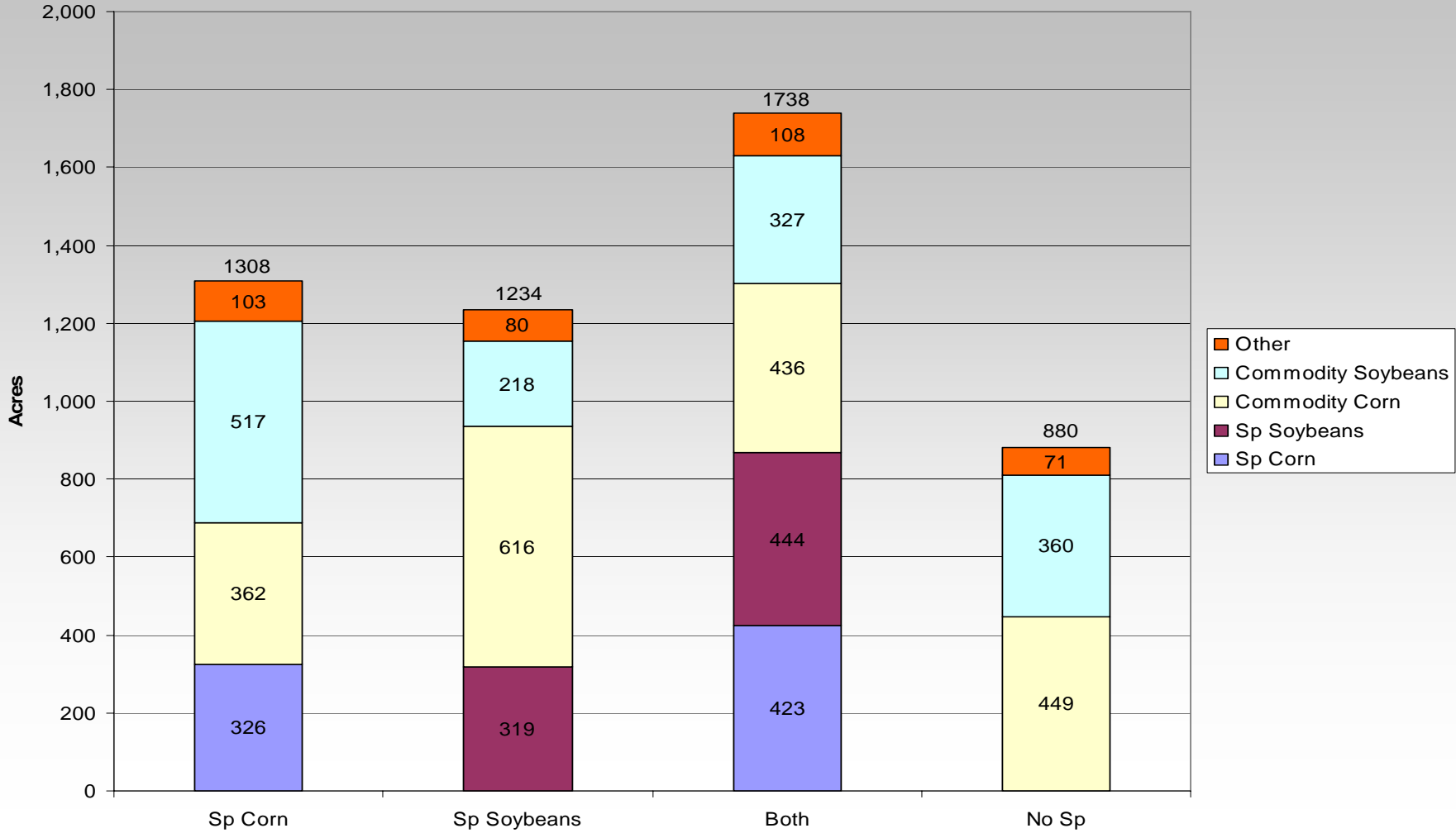
Specialty Crop Production (%of land) - Illinois , 2004



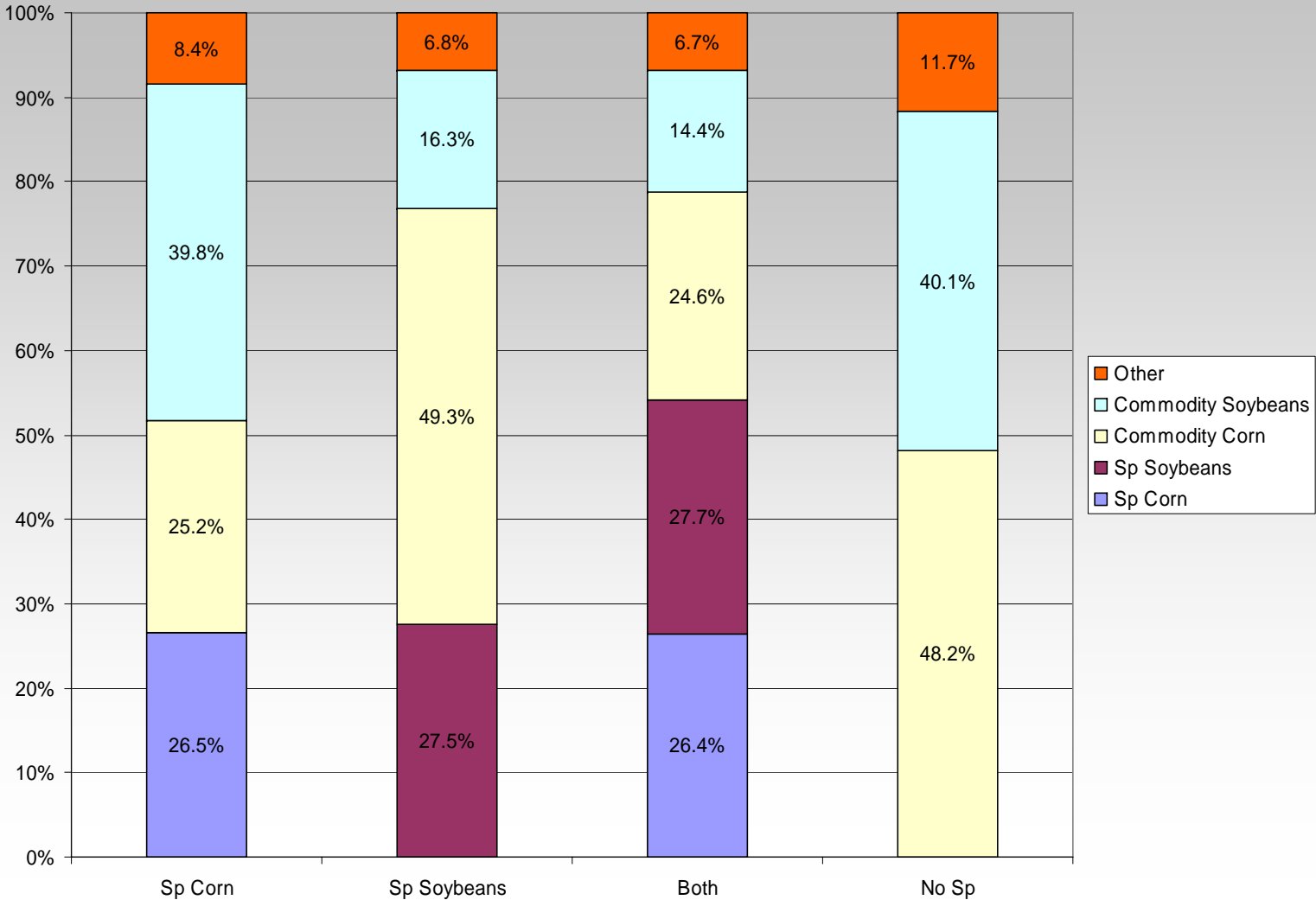
Specialty Corn:Specialty Soybean = 1.08:1

Land Use Totals

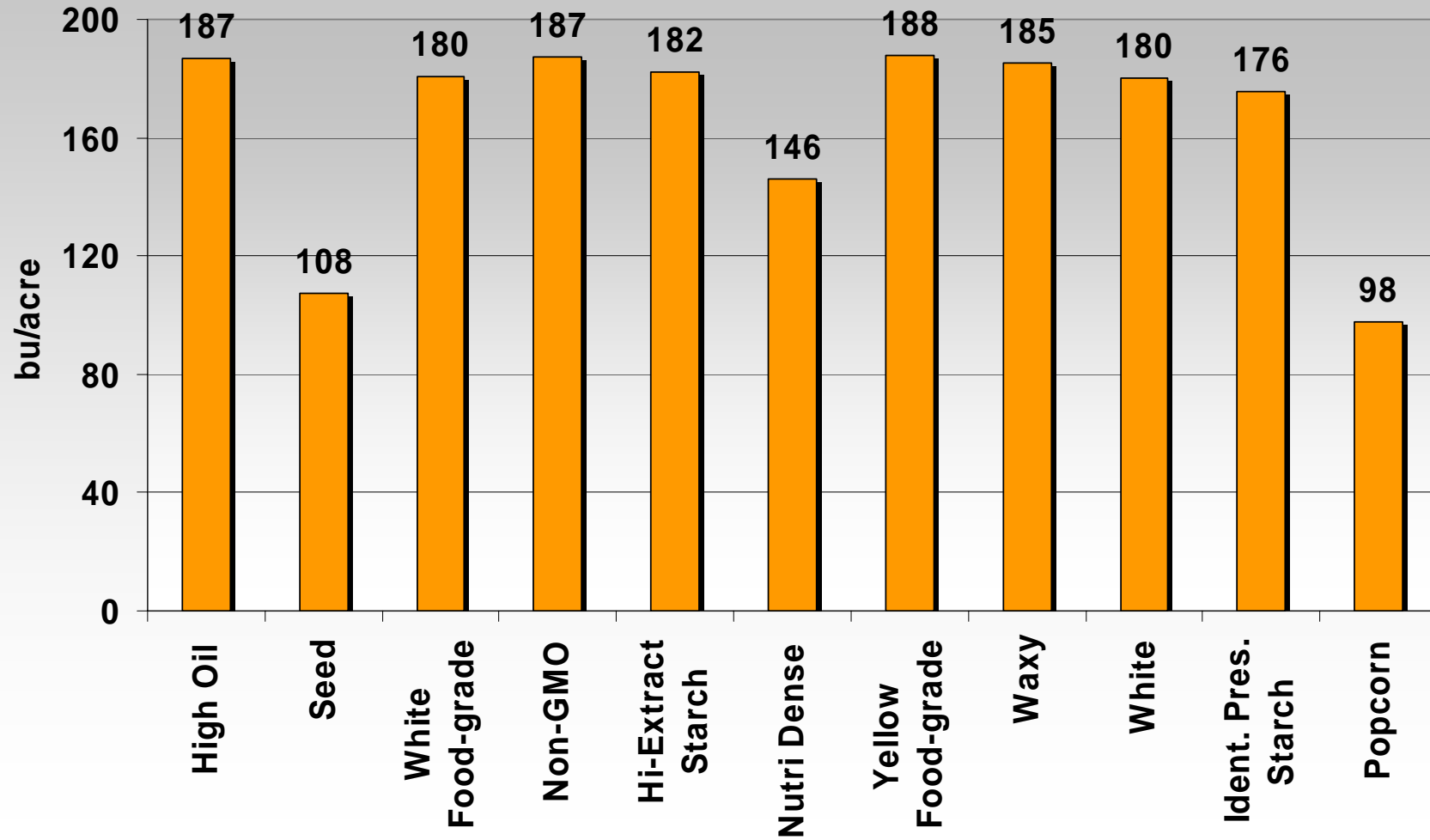
Illinois, 2004



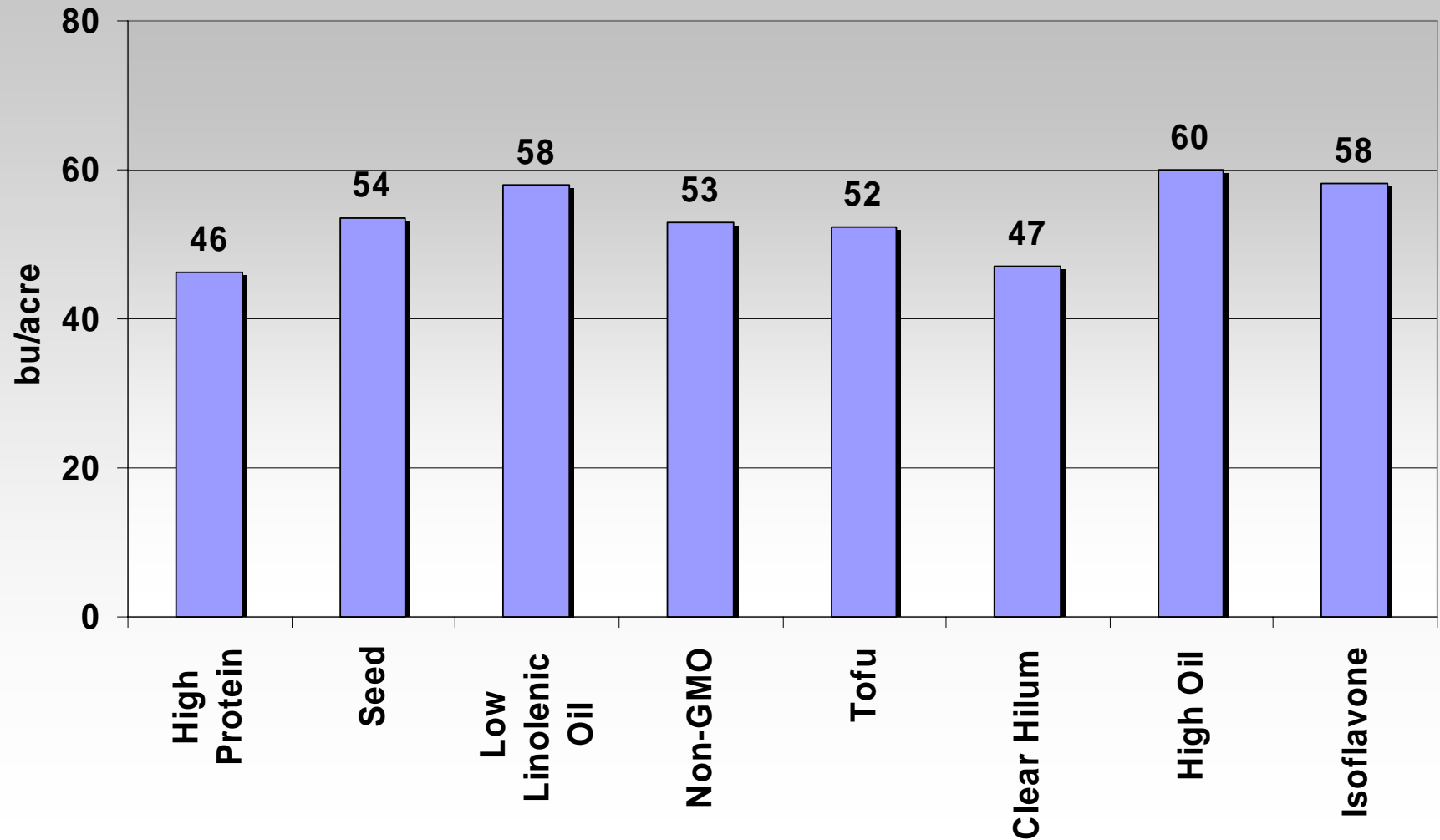
Land Use Percents Illinois, 2004 (from SAS)



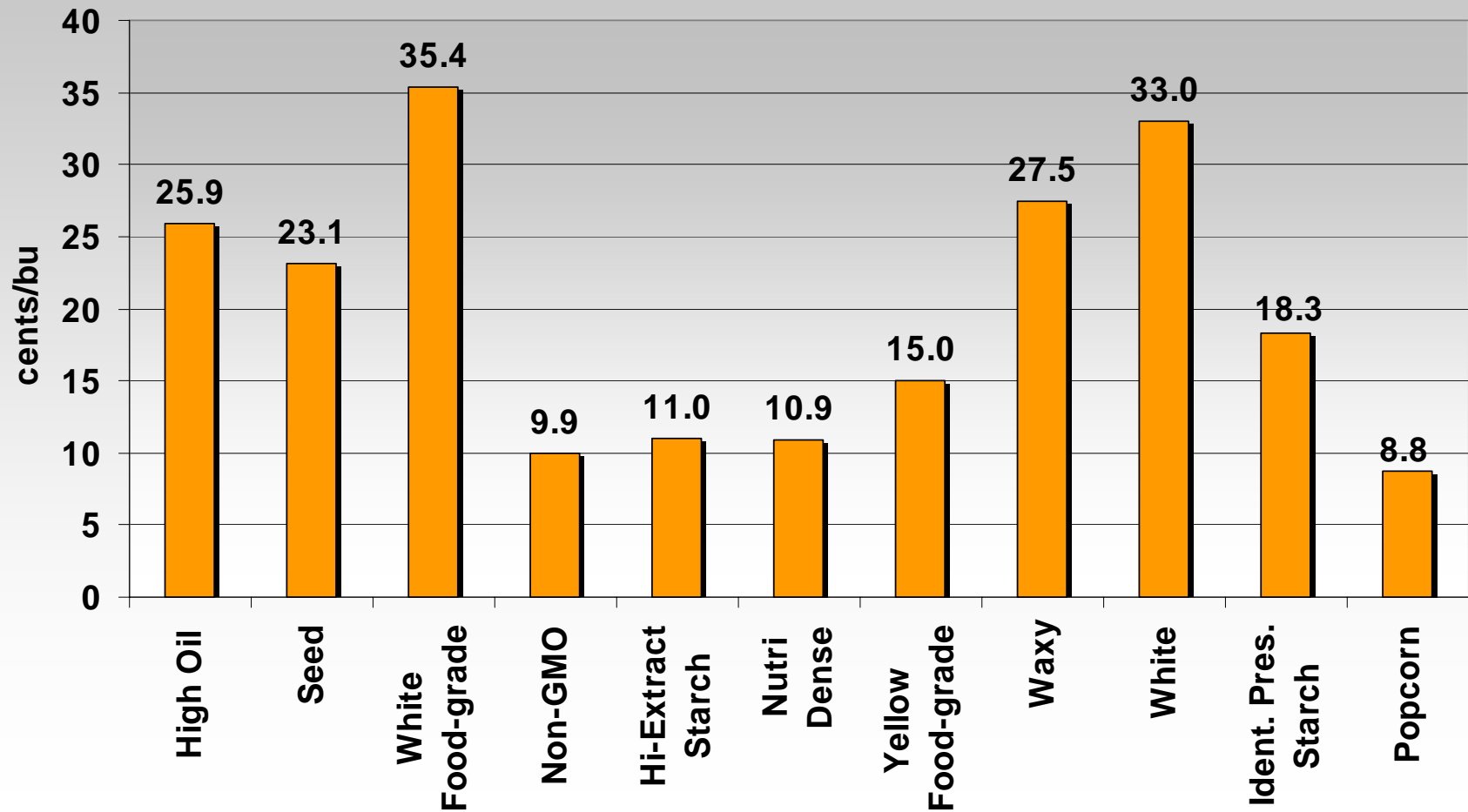
Specialty Corn Yield Illinois, 2004



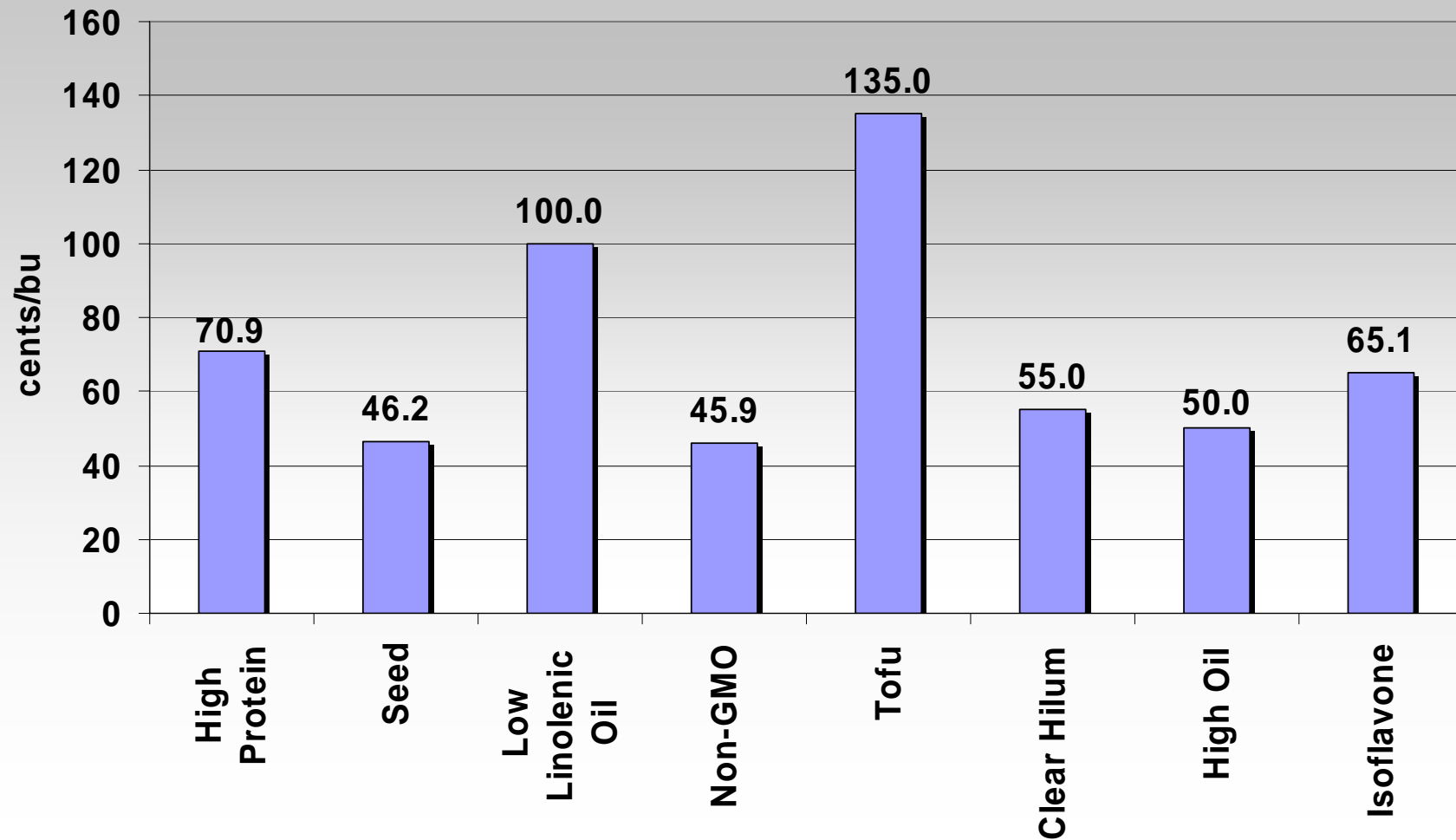
Specialty Soybeans Yield Illinois, 2004



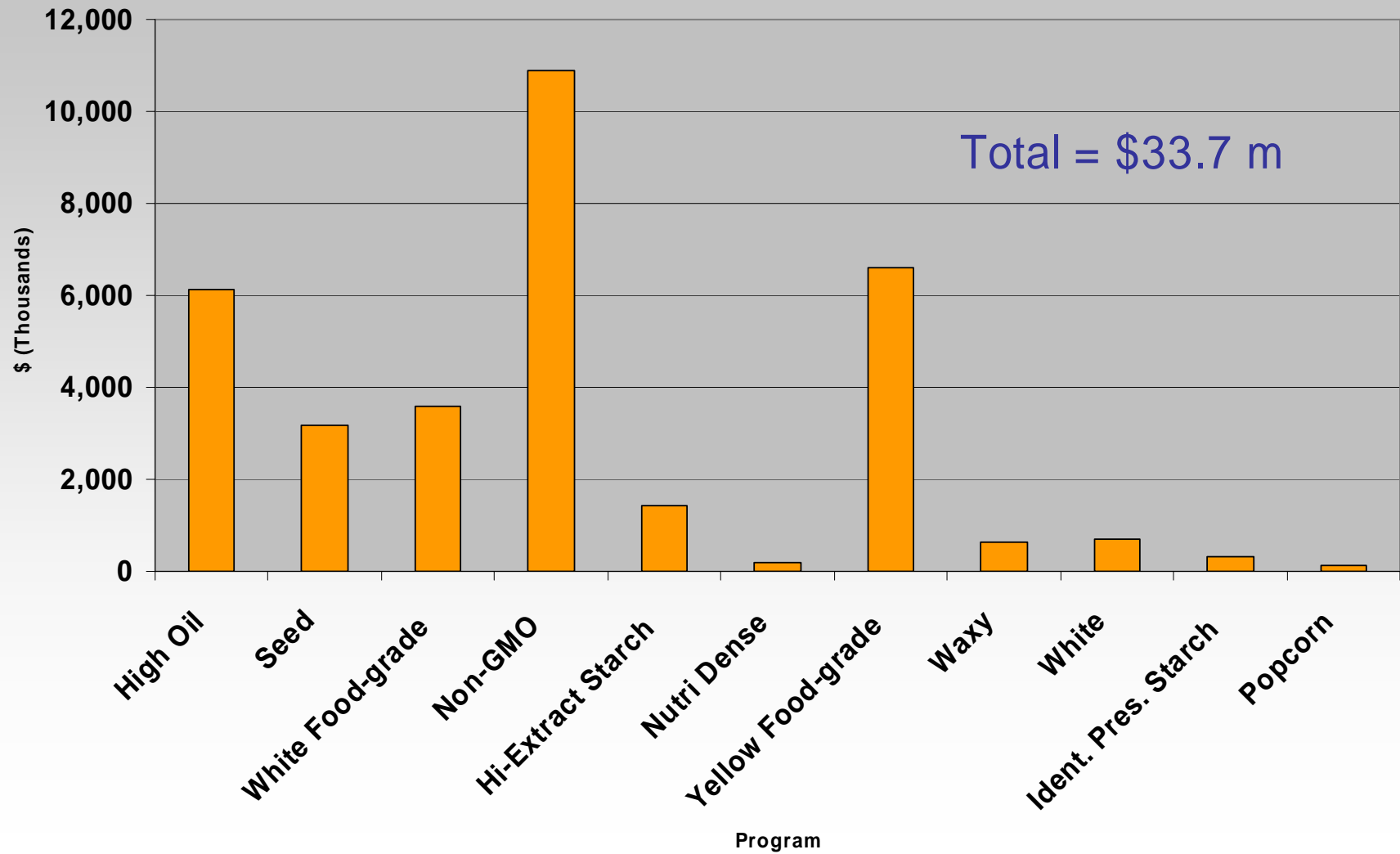
Specialty Corn Premiums Illinois, 2004



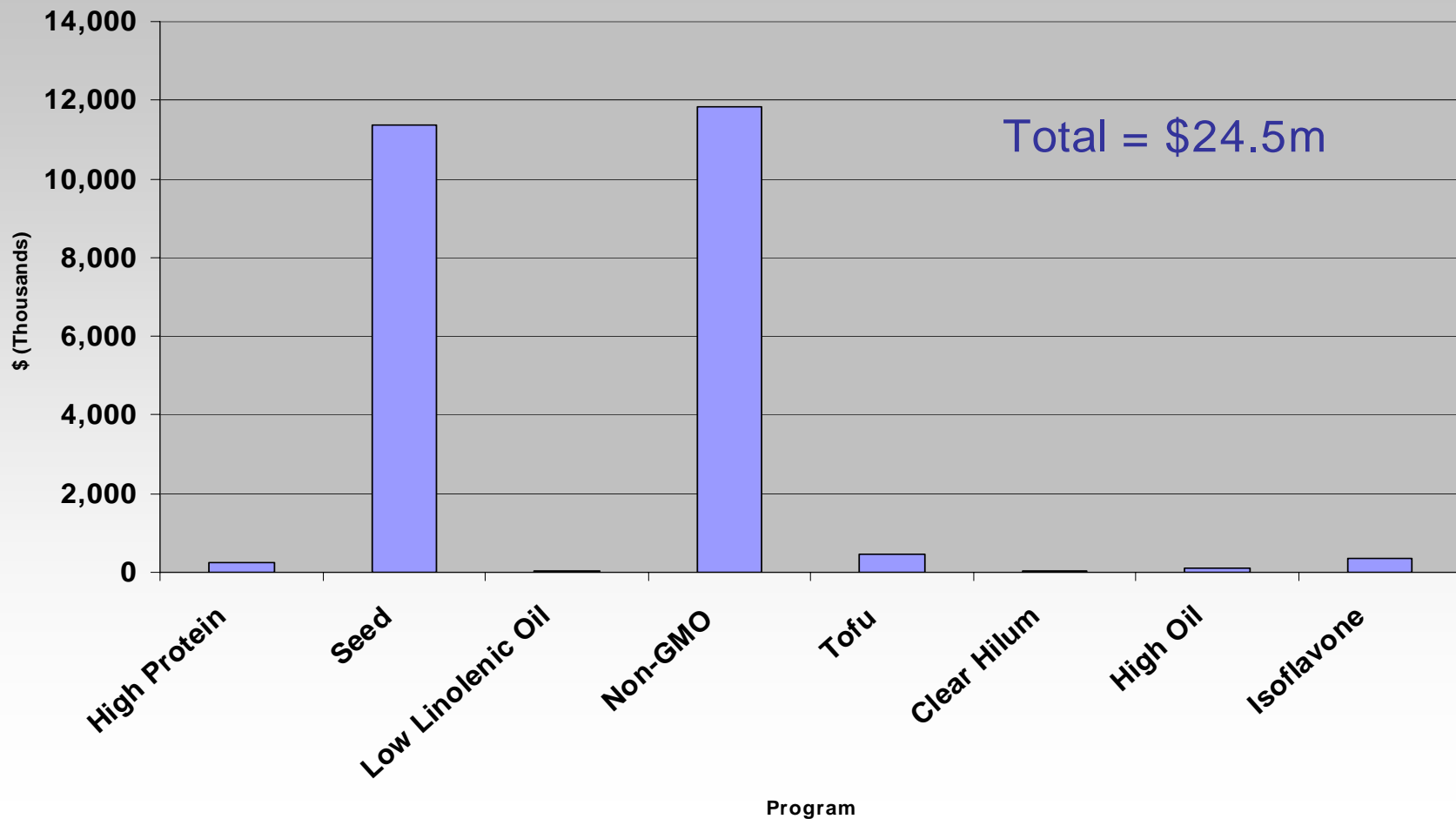
Specialty Soybeans Premiums Illinois, 2004



Total Premiums Paid: Specialty Corn Illinois 2004



Total Premiums Paid: Specialty Soybeans Illinois 2004



Total Premiums for Illinois = \$58.2M

Implications

- Specialty Crops active
 - \$58m in premiums paid
 - 23% of C&S farmers engaged in specialty production
 - Enhanced vs. un-enhanced
 - Enhanced lagging
- Strategic Questions
 - About value creation in industrial markets
 - How do you do it?
 - Increasing the Gross Ag Product
 - “Making the pie bigger”
 - www.grainqualitytechnology.org
 - Better serving e feed, food, energy customers
 - Information + Attributes = value creation

Contact information

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