

U.S. High Oleic Soy Update

November 2021



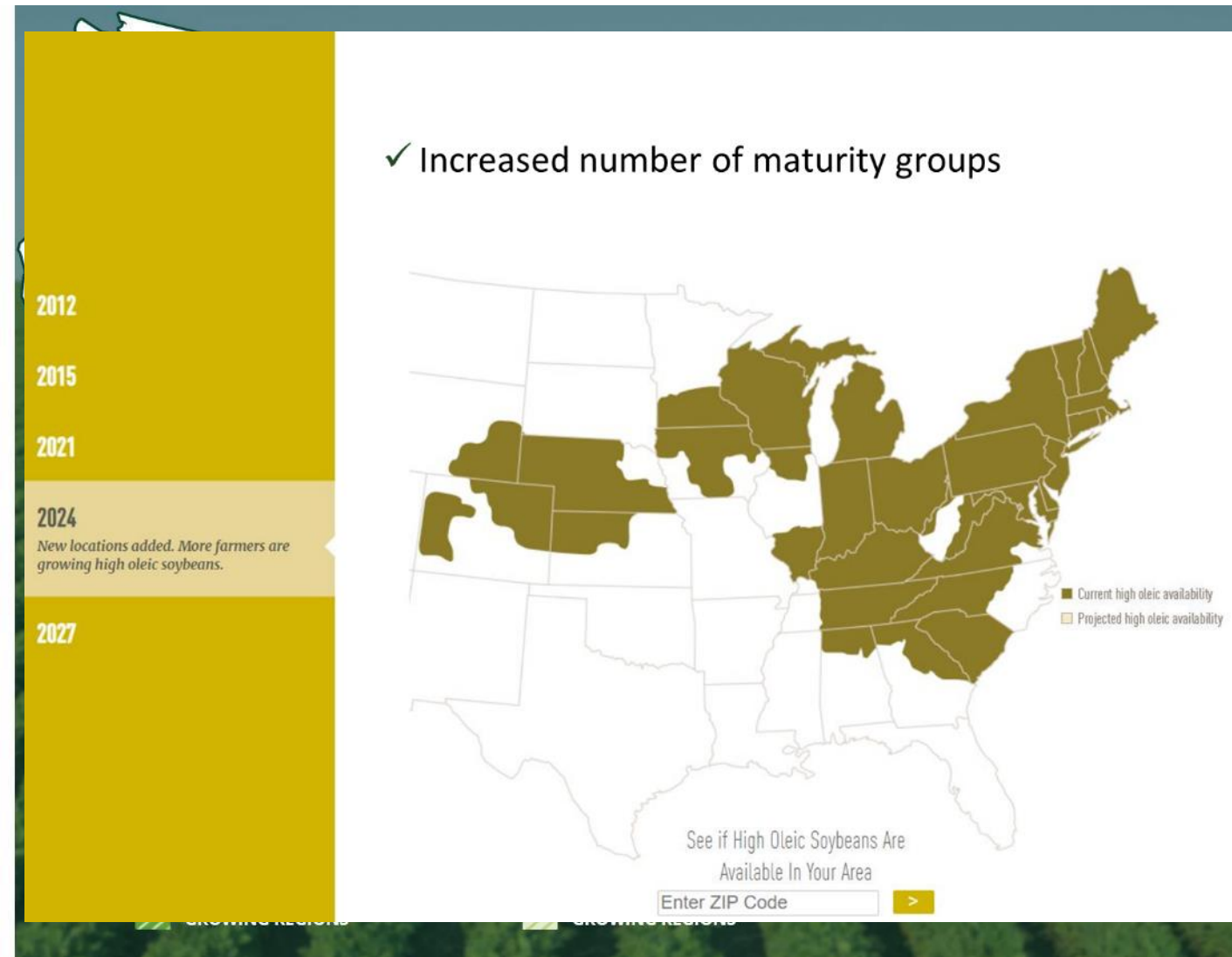
David Tegeder
Tegeder Consulting

Today's Agenda

- ✓ Current Market Highlights
- ✓ Factors Impacting Supply & Demand
- ✓ How High Oleic Soybean Oil is being Utilized in the U.S. Market



High Oleic Soy – Current Market Highlights



Source: Soy Innovation

Variety development continues

Improved weed control by 2024

Demand exceeding supply

Soy complex rally's impact

U.S. farmers increasing acres

High Oleic Soy – Current Market Highlights



Photo courtesy of USB

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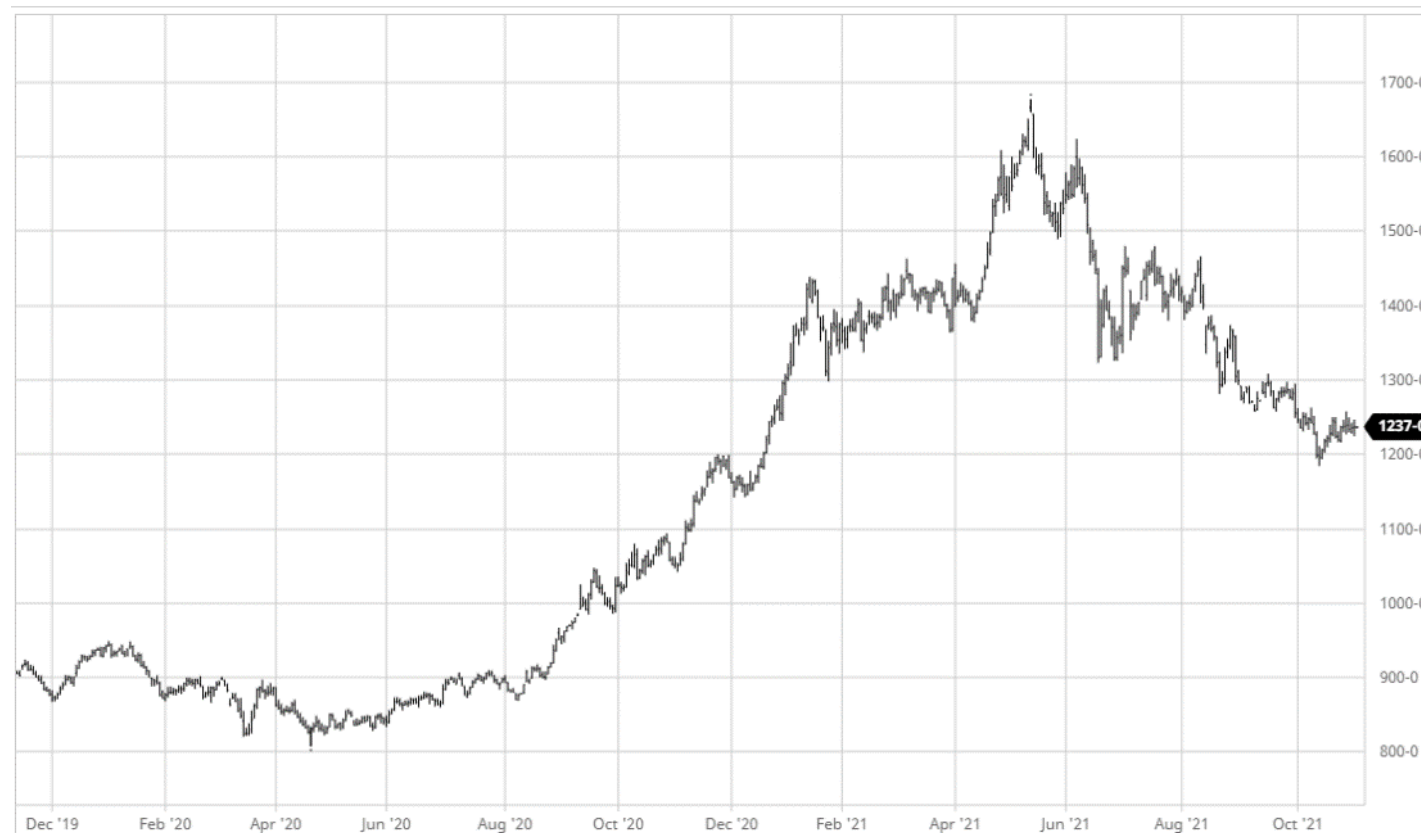
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High Oleic Soy – Current Market Highlights

November 2021 CME Soybean Futures



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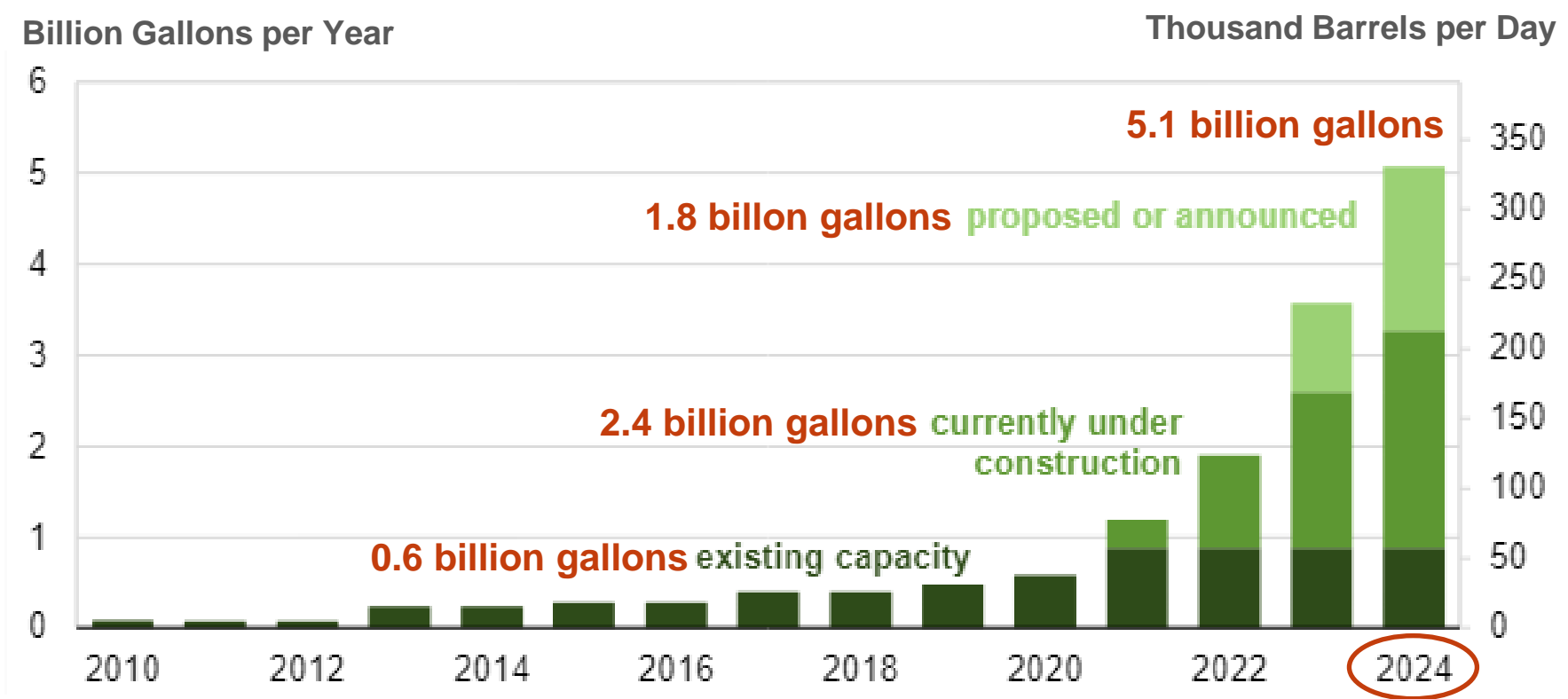
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Extraordinary Times!



Existing and Expected U.S. Renewable Diesel Production Capacity (2010 – 2024)



Source: U.S. Energy Information Administration (EIA)

Solely from a Soybean Perspective:

5.1 billion gallons of RD is approximately:

- 35 billion pounds of RBD SBO
- 38 billion pounds of crude SBO
- 3.1 billion bushels of soybeans

2021/22 USDA estimates:

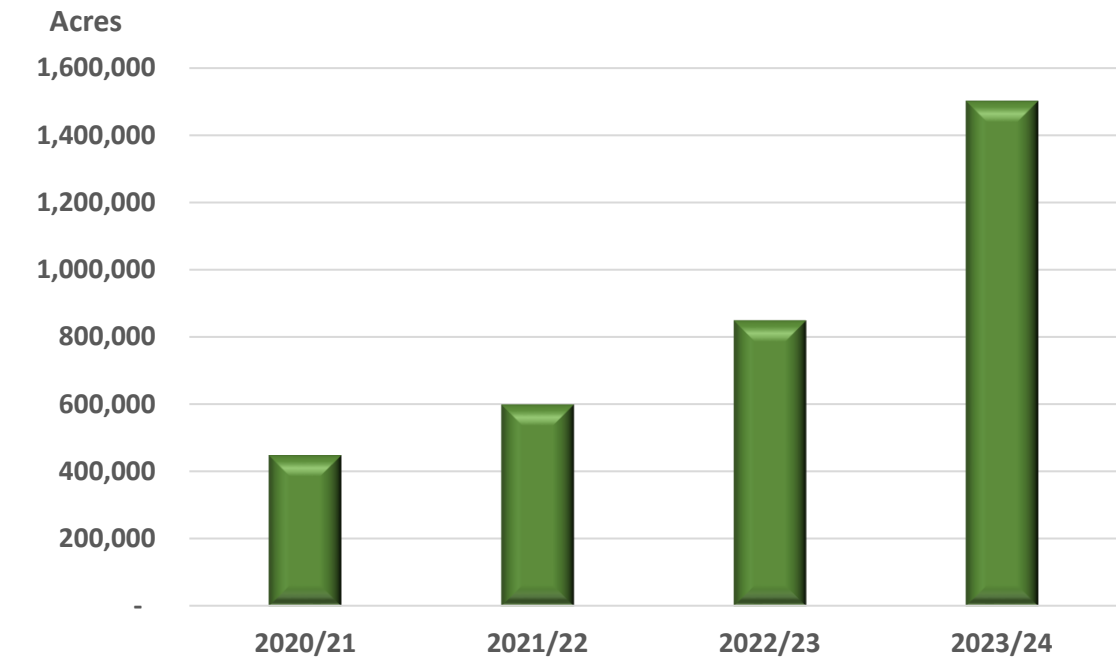
- 25.5 billion pounds SBO production
- 11.0 billion pounds used in Biofuels
OR 43% of annual production

Soybean Oil’s increasing demand for use in Biofuels = Increased need to plan ahead for your High Oleic Soy Requirements

High Oleic Soy – Current Supply and Demand Highlights

- ✓ **HO Soy Oil demand outpacing current supply**
 - Key Factors: CPG shift from HO Canola and Palm oils
 - Large domestic end-users now contracting for multi-year volume commitments
- ✓ **2021 SB complex price rally impacted all contract acreage production programs**
- ✓ **USB estimating 600,000 acres of HO Soybeans for this year's 2021 crop**
- ✓ **USB forecasting approx. 850,000 acres of HO Soybeans for next year's 2022 crop**

HO Soy Oil Acreage Projection



USB High Oleic Soybean acreage projections – subject to fluctuate

Forward contracting provides the advance demand signals needed to assure coordination among all supply chain participants for large commercial volumes

Current High Oleic Soybean Oil Economics – U.S. Market View for 2022 Crop Year / 2023 Oil



2022 farmer premiums¹ averaging \$1.05 per bushel, up 63% vs 2021

- At 11.4 pounds of oil per bushel = \$.0921 per pound



- Processor costs include identity preservation management of grain and oil, market development



***U.S. Market HO Soy Oil Price Range as of Q4 2021 for **2023** sales:
+ **\$.15 - \$.25 / pound** over commodity RBD soybean oil²***

¹ Farmer premiums for biotech Plenish® 2022 contract acreage programs

² Assuming HO Soybean seed varieties with yields equivalent to commodity soybean varieties. HO Soybean traits with significantly lower yields (bushels per acre) may have a higher premium.

Equivalent Oil Premium from Whole High Oleic Soybeans

HOS Premium per Bushel (Farmer, Seed Developer, Elevator)	+\$1.25	Bu.
Conversion Factor Bushels to Metric Ton	36.74	
Equivalent HOS Premium per metric ton	\$45.93	per MT
HOS Oil Pounds yield per metric ton (19%)	418.87	lbs.
Equivalent HOS premium per Pound	+\$0.1096	per lb.
Equivalent HOSBO premium per metric ton	\$241.71	per MT

U.S. High Oleic Soybean Oil Market Utilization Examples

Strong Position in Non-dairy Creamers



Formulation Approvals in Many Consumer Packaged Food Products



Extensive Evaluation and Testing with Major Fast-Food Companies



High Oleic Soy Oil / Olive Oil Blends (Foodservice)



Restaurant Fry Oil / Blends (Foodservice)



And Others.....



Additional information available at:

www.QUALISOY.com

&

www.USSEC.org

Updated USSEC High Oleic Soy Sourcing Guide

- ✓ Comprehensive demand overview and supply chain development guide for international customers
- ✓ New information on SOYLEIC® non-GMO HO Soy trait
- ✓ Includes cost estimates supplier market feedback

Thanks!



**US High Oleic Soybeans
& High Oleic Soybean Oil
Sourcing Guide for
International Customers**

Second Edition – September 2021

Prepared for
US Soybean Export Council

Prepared by
Russ Sanders, Sanders Advisors
David Tegeder, Tegeder Consulting