AgriFuture
Speaker Presentations

This year we had the opportunity to hear some amazing presentations and discussions. The variety of presentations at this year's conference was spectacular and we're happy to be able to provide you with some of the information from those sessions here.

Presentations below:

Kerin Clark - Wyomin Farm Bureau Federation
Damian Mason - Keynote Speaker
Dallas Mount - University of Wyoming Extension
Matt Tripoli - EuroMonitor
Robert Tse - USDA Rural Development
Loyd WIlson - Missouri Department of Agriculture
Pamela Rose - Canadian Consulate
Gregor Gertz - Farm Services Agency
James Fischer - J.R. Fischer & Associates

AgriFuture
Growing the future of Ag today

Kerin Clark
Wyoming Farm Bureau Federation

"Mentorship in Agriculture"
Kerin Clark, Wyoming Farm Bureau Federation
Oct. 17, 2012 presentation at Agri-Future

- An important component of an agricultural operation's business plan is that of agriculture advocacy.
  - Telling your story about what you do on your farm or ranch is essential. If you don't tell it; somebody else will and it won't be accurate.
  - Get involved in the issues that affect you!

- The Wyoming Farm Bureau Young Farmer & Rancher program provides an opportunity for young agriculturalists between the ages of 18-35 to get involved in agriculture issues.
  - The program provides opportunities in leadership development, legislative awareness, educational conferences, networking with other farmers and ranchers around the world, competitive events and involvement in the whole Farm Bureau program.
  - The objective of the Farm Bureau YF&R program is to provide leadership in building a more effective Farm Bureau to preserve our individual freedoms and expand our opportunities in agriculture.
  - The YF&R program is a committee centered, fully integrated part of Farm Bureau at the county, state and national level.
  - There is something for everyone's interests. Whether you like agriculture competitions, leadership, promoting agriculture, legislative involvement or want to attend educational conferences, the program offers all of this and more.
  - Through the Farm Bureau Young Farmer & Rancher program, young agriculturalists are mentored by veteran producers and Farm Bureau leaders. It is a great opportunity to learn from those who have been involved for many years as well as share new ideas.
  - Opportunities for mentorship and agriculture advocacy are available in many different areas where YF&R members can:
    - Shadow a Farm Bureau lobbyist
    - Read agriculture books in the classroom
    - Attend legislative hearings
    - Talk to a local community group
    - Share agriculture's story on a radio talk show
    - Serve on a county Farm Bureau board
    - Endless opportunities
- To learn more, visit www.wyfb.org and click on the "YF&R" tab. Also on Facebook/Wyoming Farm Bureau Young Farmers and Ranchers.

Kerin Clark, Media and Member Relations Director • P.O. Box 685, Torrington, WY 82240 • 307.532.2002 •
kclark@wyfb.org • www.wyfb.org

Damian Mason

Keynote Speaker

Damian Mason

Agriculture: Trends, Topics & Tomorrow

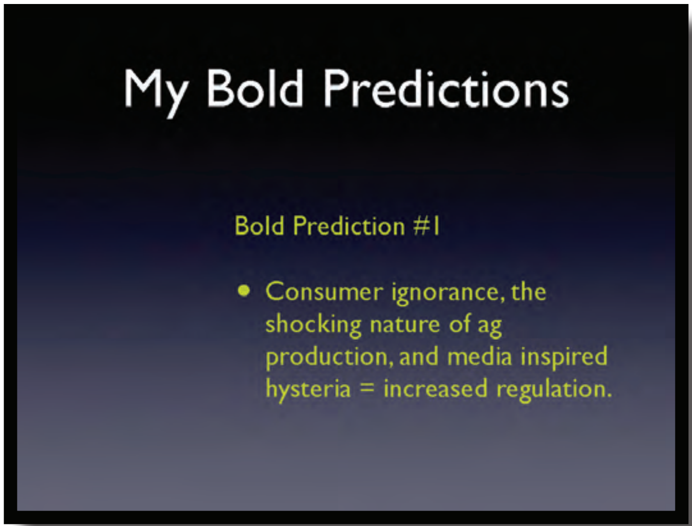
To understand the issues facing agriculture, we must first understand the 98% who don't farm, and the 93% who don't work in the business of agriculture.

Fear & Follow the Leader

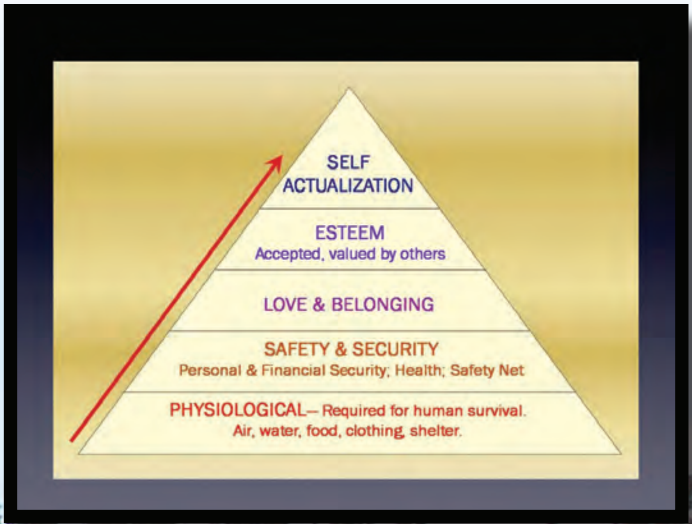
If you grow it they will eat it...... but they won't understand it.

"Shock Effect"


Pork Producers Ache From Swine Flu
StarTribune | business
Swine flu outbreak takes toll on pork prices, hog firms


My Bold Predictions
Bold Prediction #1
Consumer ignorance, the shocking nature of ag production, and media inspired hysteria = increased regulation.


Coal..... to Pipeline


SELF ACTUALIZATION
ESTEEM
Accepted, valued by others
LOVE & BELONGING
SAFETY & SECURITY
Personal & Financial Security; Health; Safety Net
PHYSIOLOGICAL– Required for human survival.
Air, water, food, clothing, shelter.


The case for "Factory Farms"

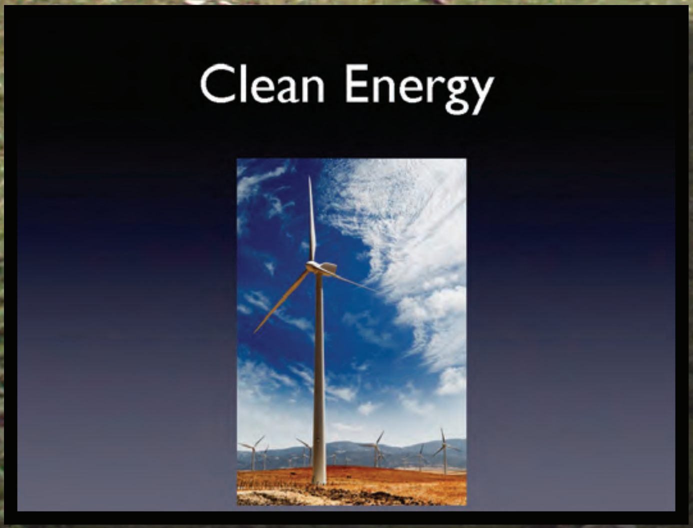

The Economist
The euro crisis, continued
Attacking the Fed
What's up with North Korea
Germany's model Mittel-management
Saving Fiat from Italy
How to live with climate change
"... to feed today's population with 1960's yields would require an area of extra farmland roughly as big as Russia."


$$$$ > Butterball


ORGANIC
Mini Peeled
CARROTS
MINI-CAROTTES
USDA ORGANIC
Organic is a crock of compost.


STANFORD
SCHOOL of MEDICINE
Little evidence of health benefits from organic foods, Stanford study finds
Stanford
Study


My Bold Predictions
Bold Prediction #2
• Increased funding and support for conservation programs and "small environmentally friendly" agriculture

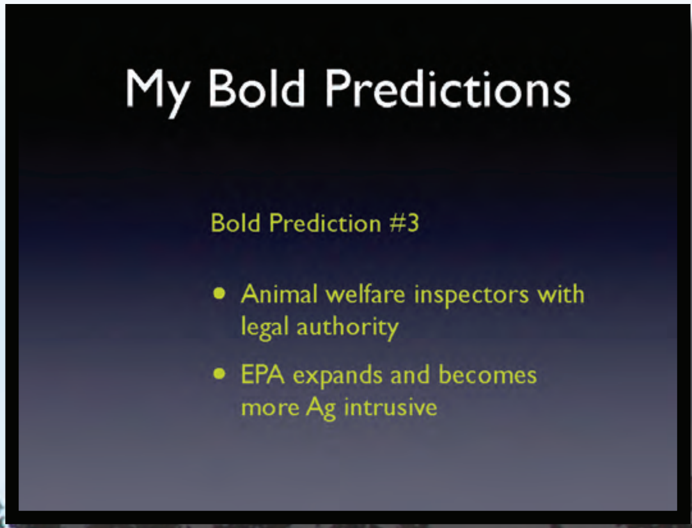

Clean Energy

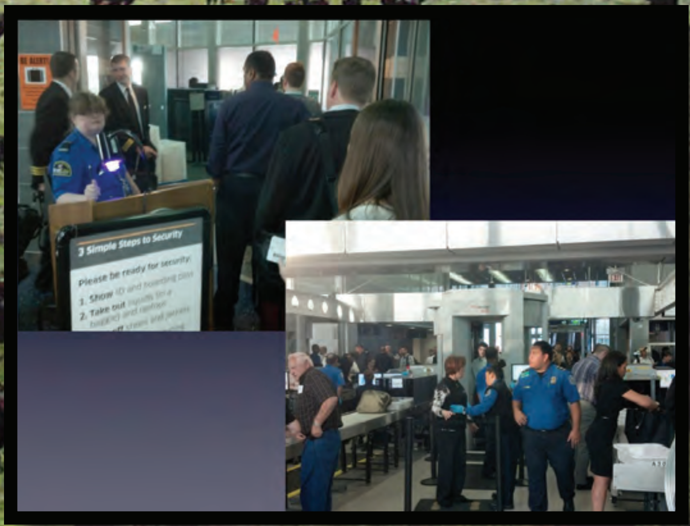

How do we talk to the people we feed?
You Tube

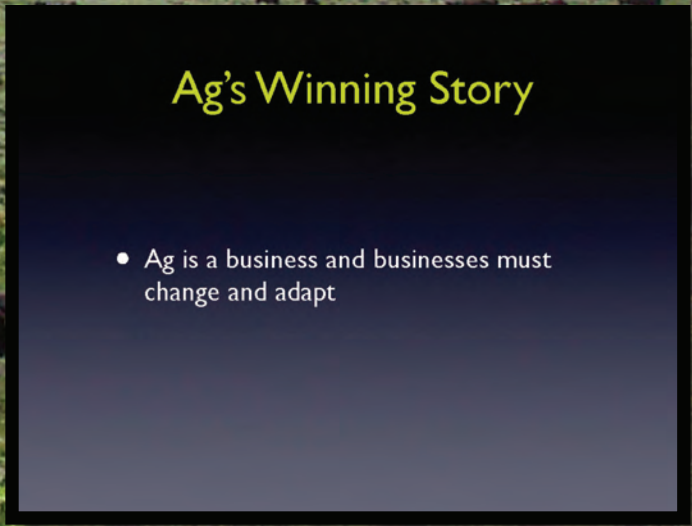

Honey Boo Boo
• 1.4 Million views


Meet America's Farmers
• Kuehnert's Dairy Farm, 109 views

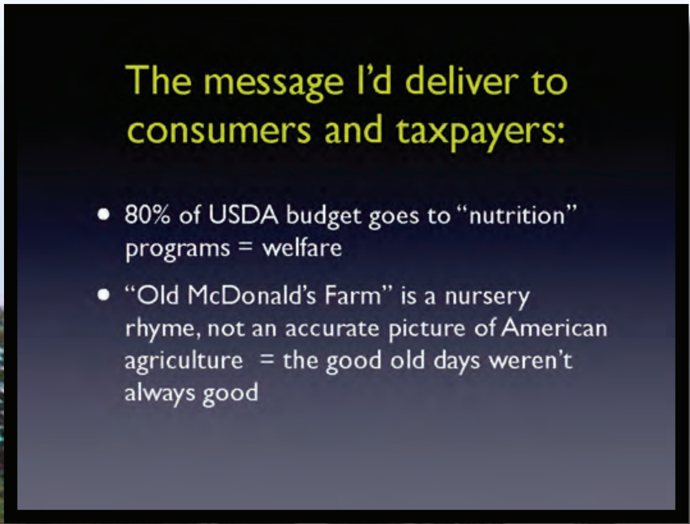

Seriously, how do we talk to the people we feed?

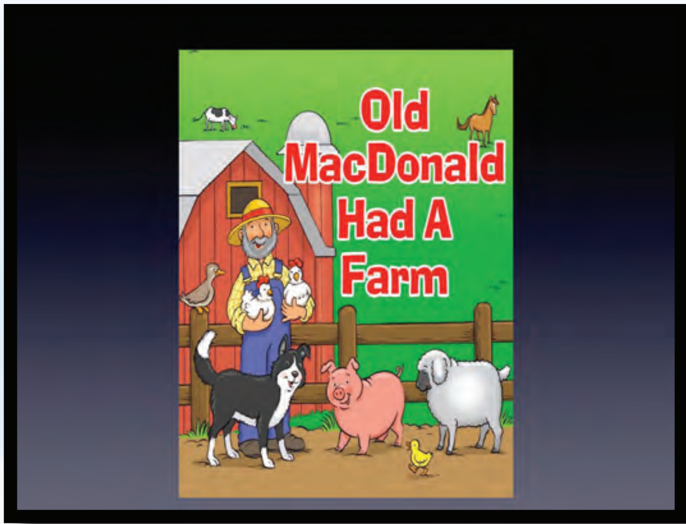

My Bold Predictions
Bold Prediction #3
• Animal welfare inspectors with legal authority
• EPA expands and becomes more Ag intrusive

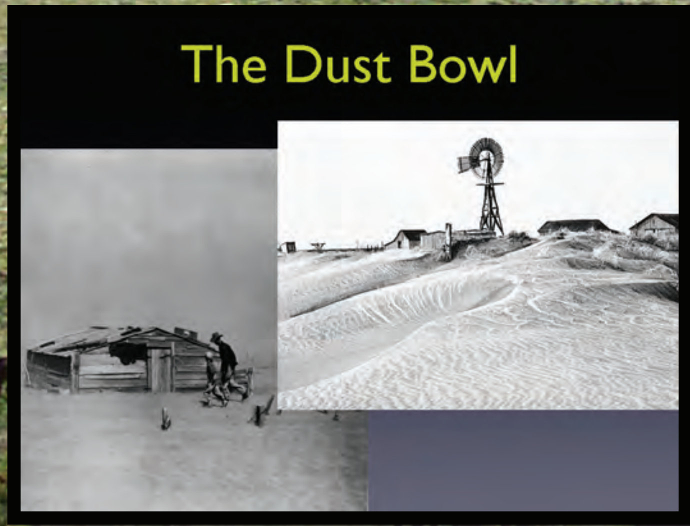


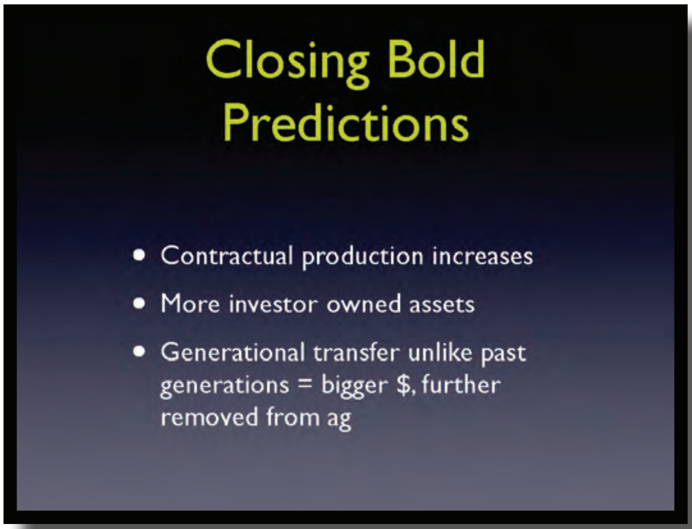

Ag's Winning Story
• Ag is a business and businesses must change and adapt

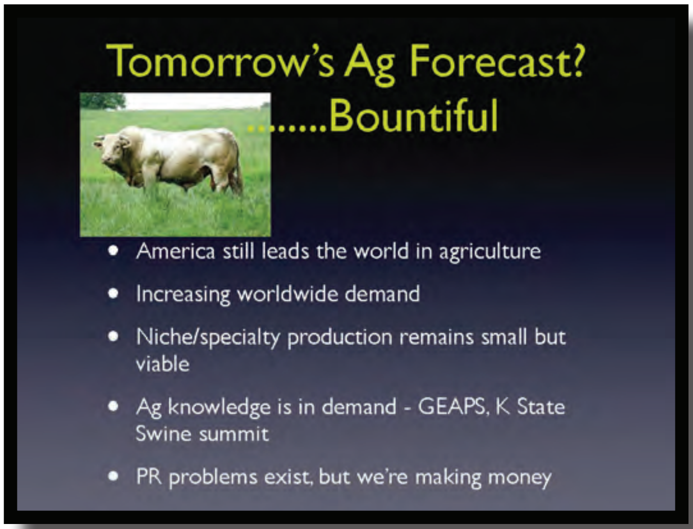

Ag's Winning Story
• Food choice = freedom of choice
• Food = security

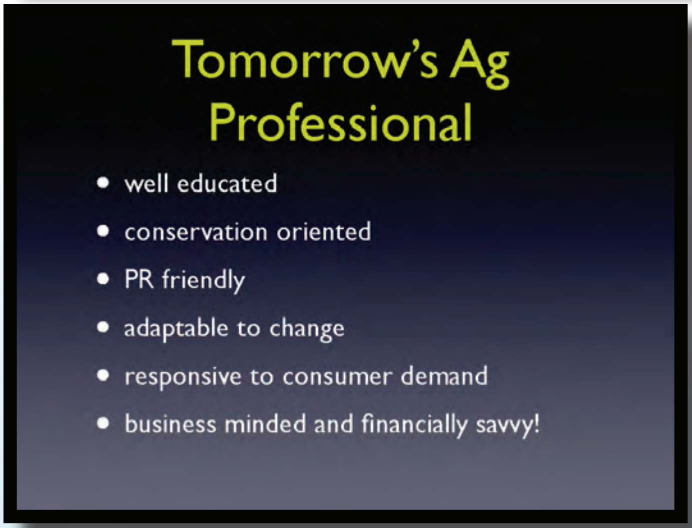

The message I'd deliver to consumers and taxpayers:
• 80% of USDA budget goes to "nutrition" programs = welfare
• "Old McDonald's Farm" is a nursery rhyme, not an accurate picture of American agriculture = the good old days weren't always good


Old MacDonald Had A Farm


The Dust Bowl







Dallas Mount

UW Extension

Key points shared during panel comments in mentoring session

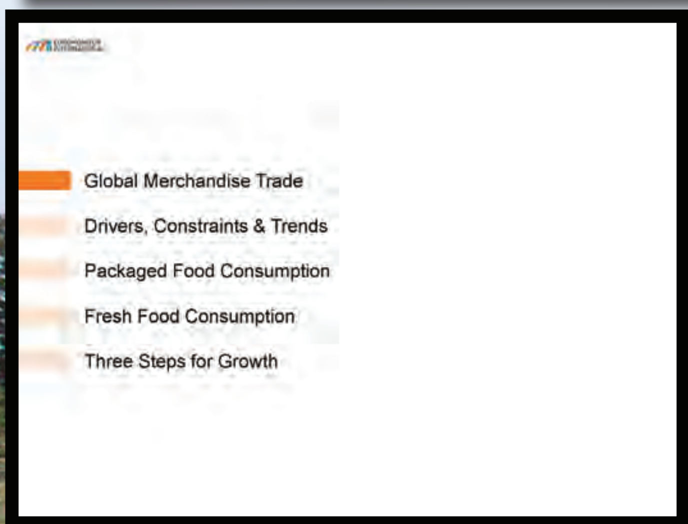
The WAGON (Wyoming Ag Ownership Network) program is a partnership effort to link young or beginning producers with established producers to offer business opportunities as well as business development coaching. Information on the program can be found here: http://www.wyomingbusiness.org/program/wagon-program/5724

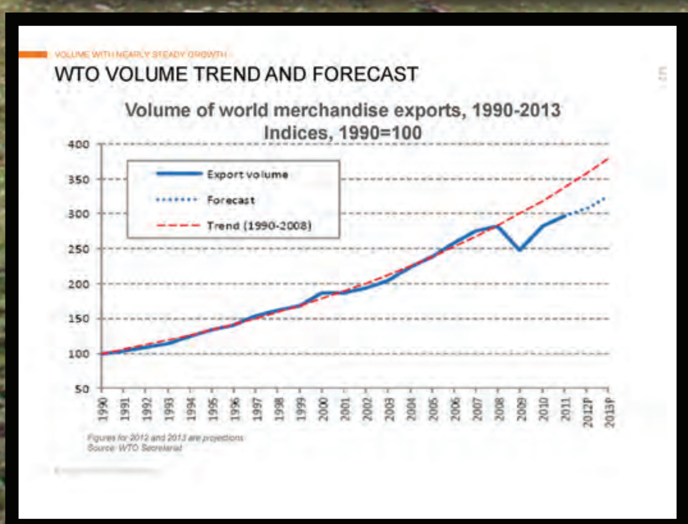
Recommendations to young and beginning ag business owners:

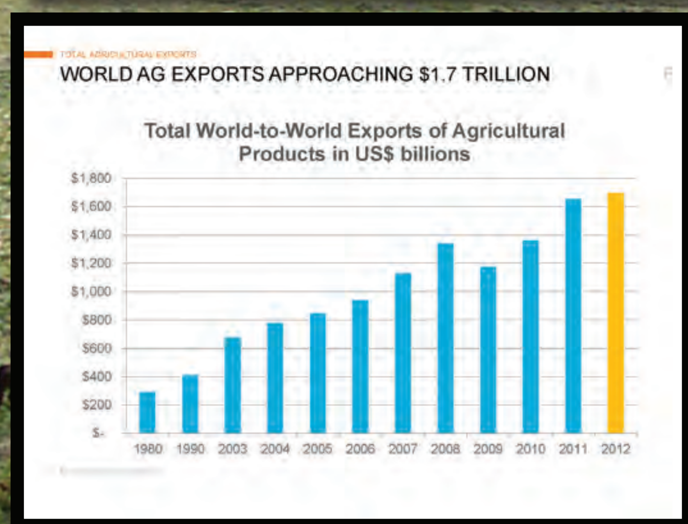
- Don't be afraid to be aggressive about find mentors - approach successful operators and ask them to consider partnering with you, ask them to help you be successful. Most of these people would love the opportunity to help an enthusiastic young person.
- Surround yourself with quality people – don't just focus on mentors above you – look for a peer group of mentors who can challenge your way of thinking and be interested in your success, then return the favor.
- Find the time to "work on the business" and not just "in" the business. If all you want to do is ride a horse or drive a tractor then get a job working for someone else – don't try and be a business owner. If you want to be a business owner then be willing to make the time to work "on" the business.

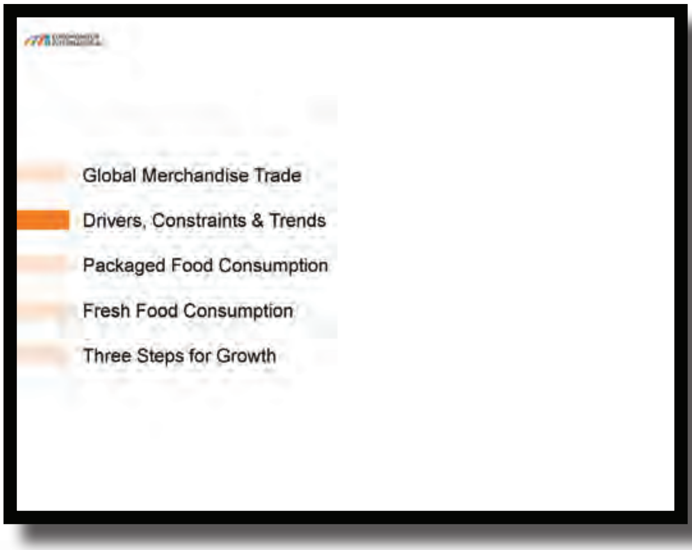
Matt Tripoli

EuroMonitor

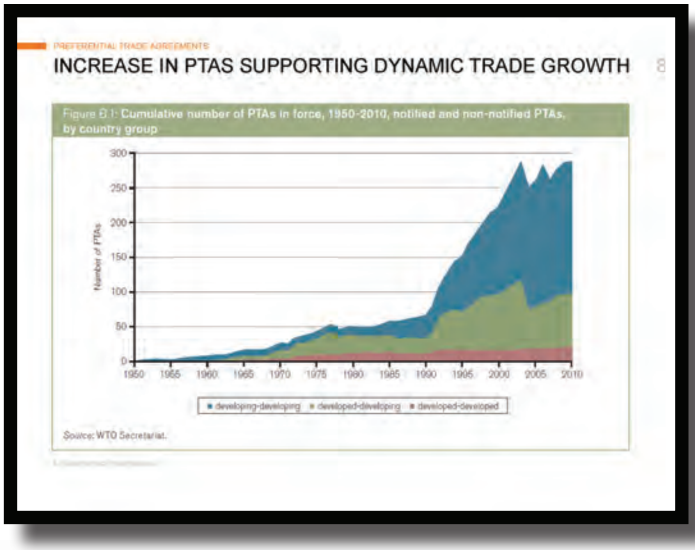




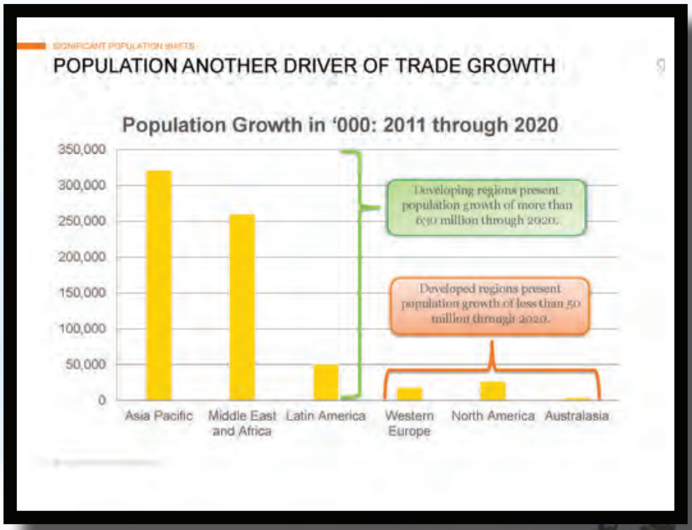




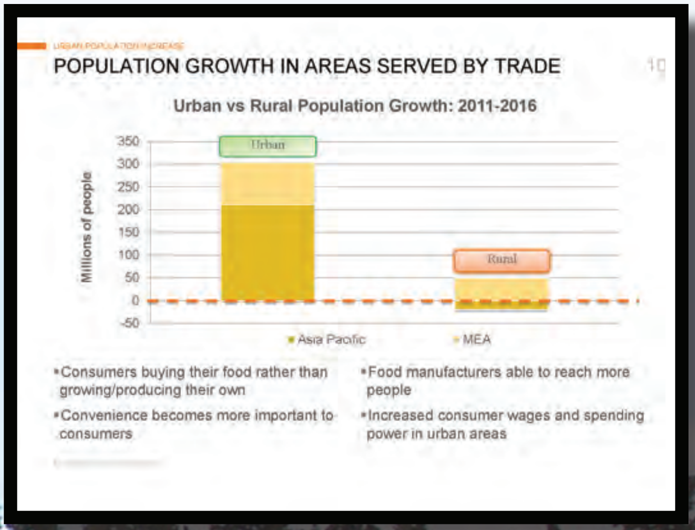
Global Merchandise Trade
Drivers, Constraints & Trends
Packaged Food Consumption
Fresh Food Consumption
Three Steps for Growth



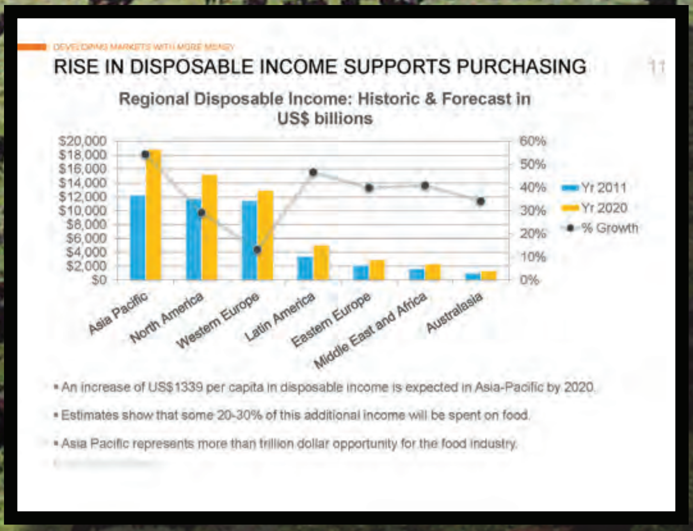
PREFERENTIAL TRADE AGREEMENTS
INCREASE IN PTAS SUPPORTING DYNAMIC TRADE GROWTH
8
Figure B.1: Cumulative number of PTAs in force, 1950-2010, notified and non-notified PTAs, by country group
Number of PTAs
300
250
200
150
100
50
0
1950 1955 1960 1965 1970 1975 1980 1985 1990 1995 2000 2005 2010
developing-developing
developed-developing
developed-developed
Source: WTO Secretariat.



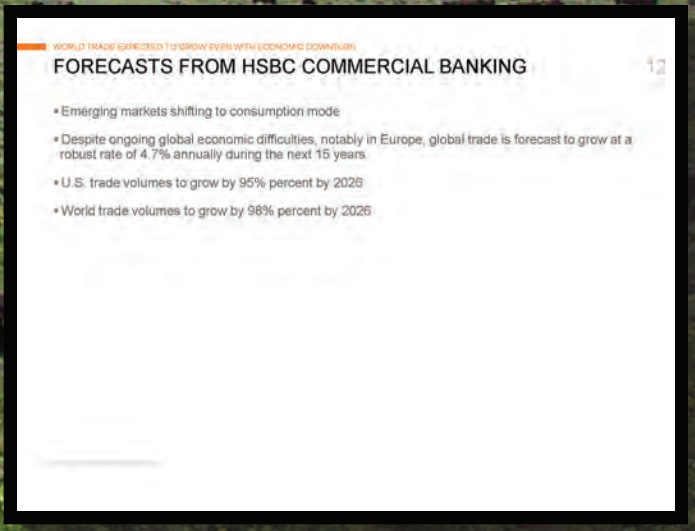
SIGNIFICANT POPULATION SHIFTS
POPULATION ANOTHER DRIVER OF TRADE GROWTH
9
Population Growth in '000: 2011 through 2020
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
Developing regions present population growth of more than 630 million through 2020.
Developed regions present population growth of less than 50 million through 2020.
Asia Pacific
Middle East and Africa
Latin America
Western Europe
North America
Australasia



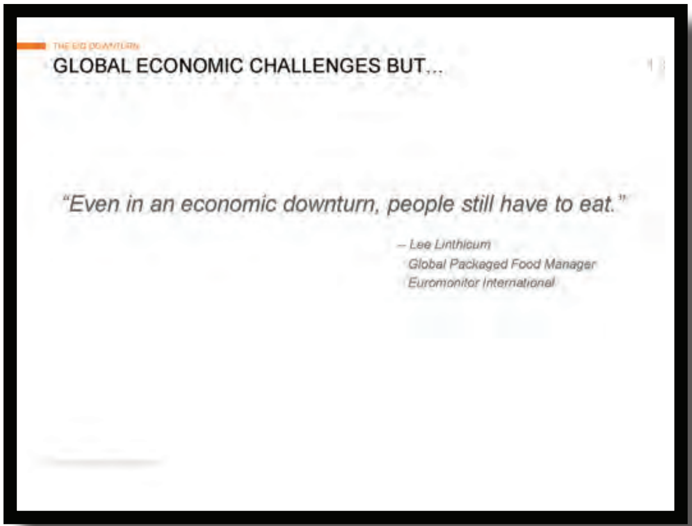
URBAN POPULATION INCREASE
POPULATION GROWTH IN AREAS SERVED BY TRADE
10
Urban vs Rural Population Growth: 2011-2016
Millions of people
350
300
250
200
150
100
50
0
-50
Urban
Rural
Asia Pacific
MEA
Consumers buying their food rather than growing/producing their own
Convenience becomes more important to consumers
Food manufacturers able to reach more people
Increased consumer wages and spending power in urban areas

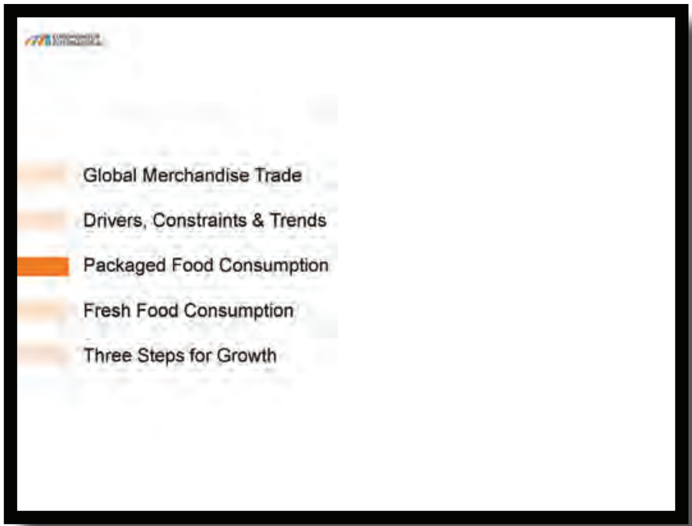


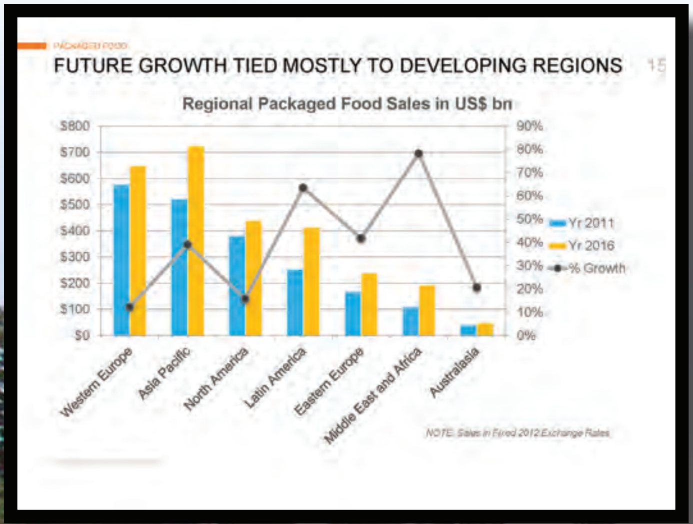
RISE IN DISPOSABLE INCOME SUPPORTS PURCHASING
11
Regional Disposable Income: Historic & Forecast in US$ billions
$20,000
$18,000
$16,000
$14,000
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$0
60%
50%
40%
30%
20%
10%
0%
Yr 2011
Yr 2020
% Growth
Asia Pacific
North America
Western Europe
Latin America
Eastern Europe
Middle East and Africa
Australasia
An increase of US$1339 per capita in disposable income is expected in Asia-Pacific by 2020
Estimates show that some 20-30% of this additional income will be spent on food.
Asia Pacific represents more than trillion dollar opportunity for the food industry.

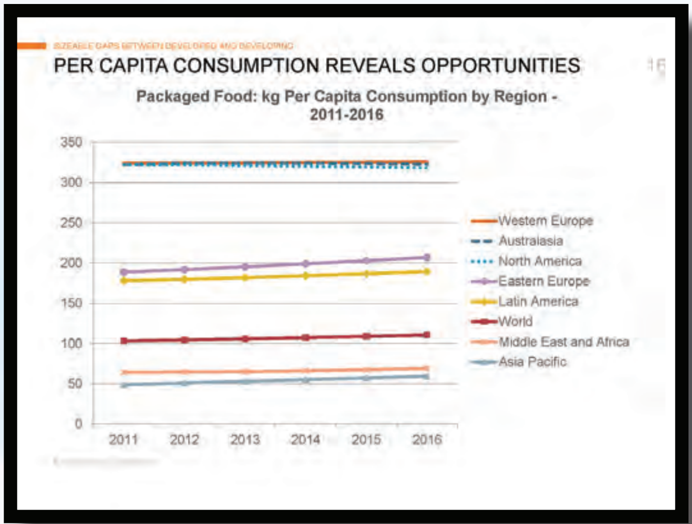


FORECASTS FROM HSBC COMMERCIAL BANKING
12
Emerging markets shifting to consumption mode
Despite ongoing global economic difficulties, notably in Europe, global trade is forecast to grow at a robust rate of 4.7% annually during the next 15 years
U.S. trade volumes to grow by 95% percent by 2026
World trade volumes to grow by 98% percent by 2026







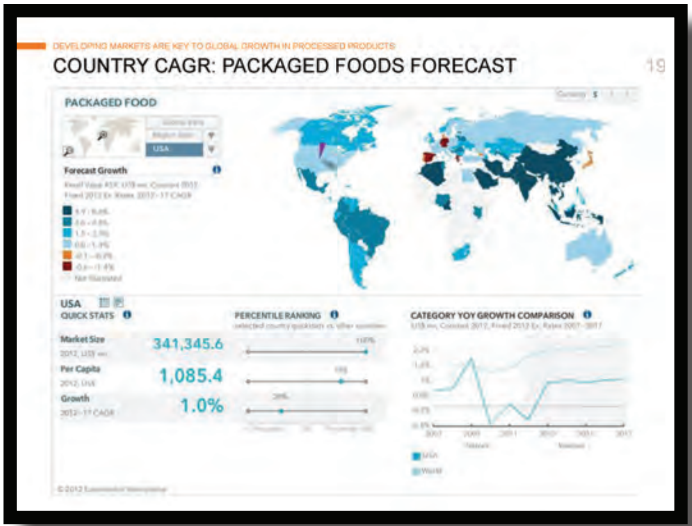


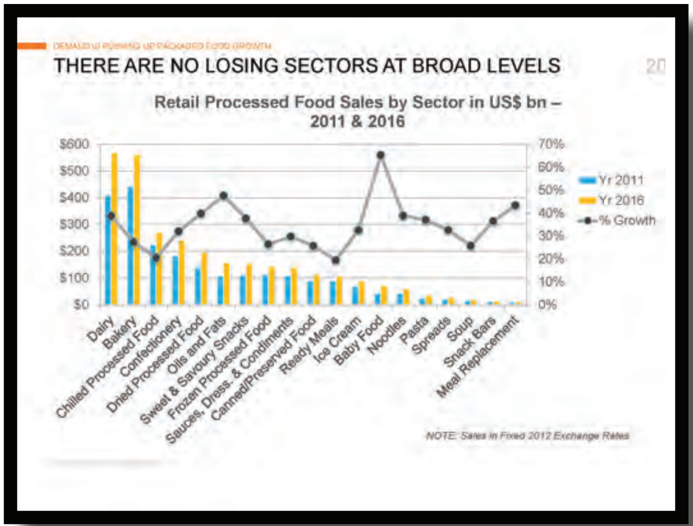
Change View	2007-11 %	2007-11 CAGR %	2007-11 Absolute
Packaged Food			
World	20.2	4.7	343,083.4
Asia Pacific	20.5	4.8	81,786.1
Latin America	42.4	9.2	77,677.8
Western Europe	9.9	2.4	53,753.9
Eastern Europe	38.2	8.4	47,395.2
North America	11.3	2.7	39,242.0
Middle East and Africa	52.8	11.2	36,089.4
Australasia	25.9	5.5	7,139.0

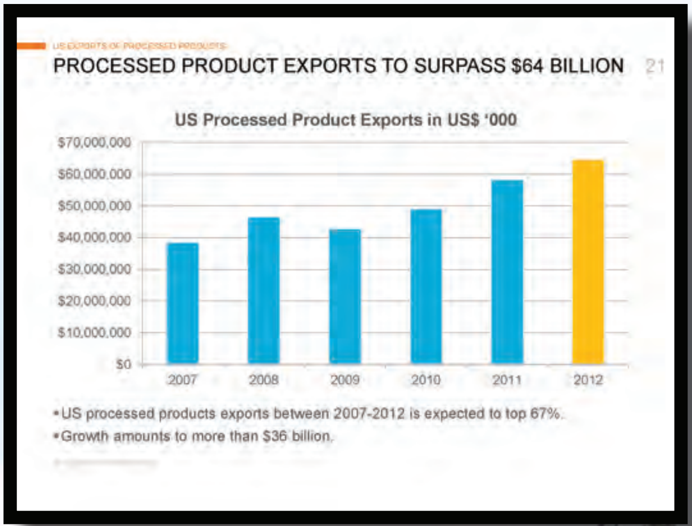
- Asia-Pacific, Western Europe, and Latin America with largest value growth since 2007; North America trails most other regions in value growth.
- Asia-Pacific & Latin American combined for 44% of global value growth since 2007.
- Eastern Europe growth exceeded the North America's by more than US$7 billion.

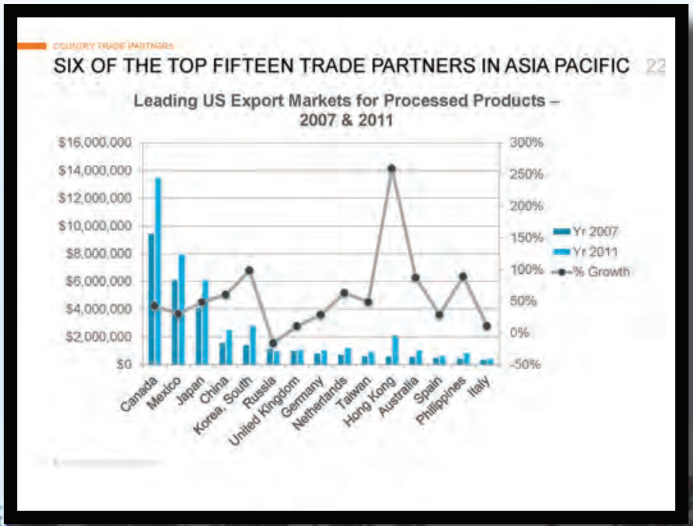
Change View	2011-16 %	2011-16 CAGR %	2011-16 Absolute
Packaged Food			
World	13.0	2.5	92,924.6
Asia Pacific	27.4	5.0	51,960.9
Middle East and Africa	19.9	3.7	16,111.6
Latin America	11.9	2.3	12,449.5
Eastern Europe	8.5	1.6	5,274.1
Western Europe	2.7	0.5	4,205.3
North America	2.1	0.4	2,333.4
Australasia	6.8	1.3	589.9

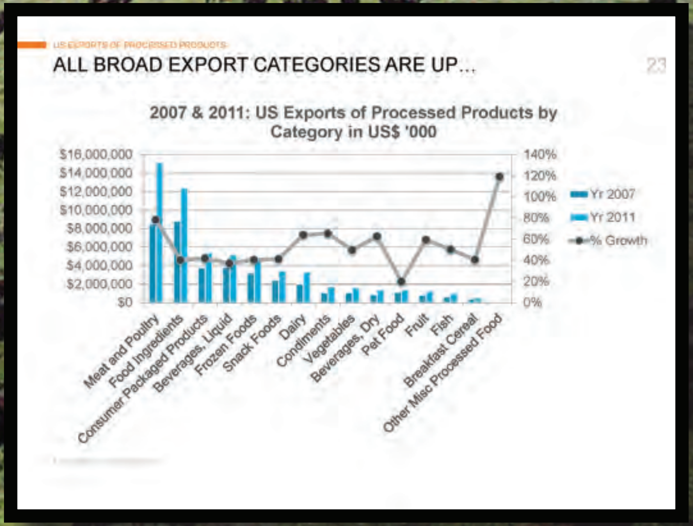
- Asia-Pacific, Middle East & Africa and Latin America are expected to combine for approximately 87% global volume growth in packaged foods from 2011-2016.
- Asia-Pacific is expected to be 56% of total global volume growth.
- Western Europe and North America experiencing flat per capita consumption.

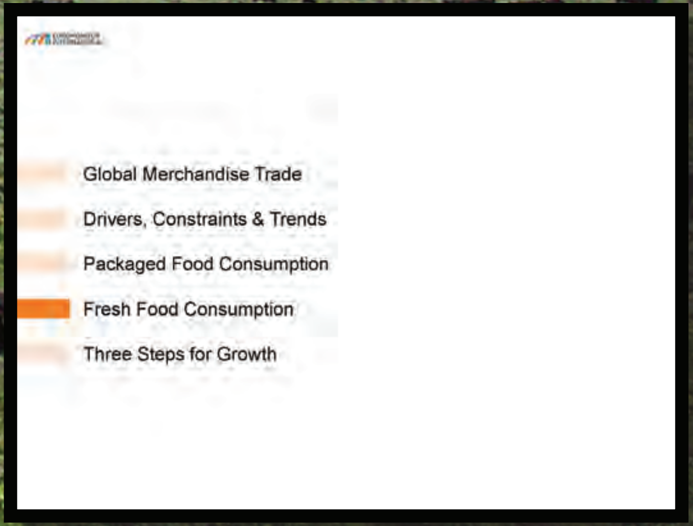

DEVELOPING MARKETS ARE KEY TO GLOBAL GROWTH IN PROCESSED PRODUCTS
COUNTRY CAGR: PACKAGED FOODS FORECAST
19
PACKAGED FOOD
Forecast Growth
USA
QUICK STATS
Market Size
341,345.6
Per Capita
1,085.4
Growth
1.0%
PERCENTILE RANKING
CATEGORY YOY GROWTH COMPARISON


THERE ARE NO LOSING SECTORS AT BROAD LEVELS
20
Retail Processed Food Sales by Sector in US$ bn – 2011 & 2016
$600
$500
$400
$300
$200
$100
$0
70%
60%
50%
40%
30%
20%
10%
0%
Yr 2011
Yr 2016
% Growth
Dairy
Bakery
Chilled Processed Food
Confectionery
Dried Processed Food
Oils and Fats
Sweet & Savoury Snacks
Frozen Processed Food
Sauces, Dress. & Condiments
Canned/Preserved Food
Ready Meals
Ice Cream
Baby Food
Noodles
Pasta
Spreads
Soup
Snack Bars
Meal Replacement
NOTE: Sales in Fixed 2012 Exchange Rates


US EXPORTS OF PROCESSED PRODUCTS
PROCESSED PRODUCT EXPORTS TO SURPASS $64 BILLION
21
US Processed Product Exports in US$ '000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
2007
2008
2009
2010
2011
2012
•US processed products exports between 2007-2012 is expected to top 67%.
•Growth amounts to more than $36 billion.

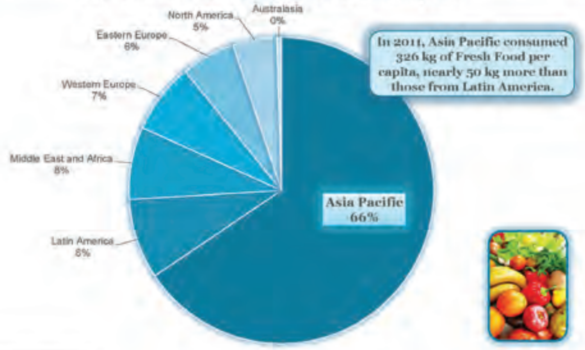

COUNTRY TRADE PARTNERS
SIX OF THE TOP FIFTEEN TRADE PARTNERS IN ASIA PACIFIC
22
Leading US Export Markets for Processed Products – 2007 & 2011
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$0
300%
250%
200%
150%
100%
50%
0%
-50%
Yr 2007
Yr 2011
% Growth
Canada
Mexico
Japan
China
Korea, South
Russia
United Kingdom
Germany
Netherlands
Taiwan
Hong Kong
Australia
Spain
Philippines
Italy


US EXPORTS OF PROCESSED PRODUCTS
ALL BROAD EXPORT CATEGORIES ARE UP…
23
2007 & 2011: US Exports of Processed Products by Category in US$ '000
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$0
140%
120%
100%
80%
60%
40%
20%
0%
Yr 2007
Yr 2011
% Growth
Meat and Poultry
Food Ingredients
Consumer Packaged Products
Beverages, Liquid
Frozen Foods
Snack Foods
Dairy
Condiments
Vegetables
Beverages, Dry
Pet Food
Fruit
Fish
Breakfast Cereal
Other Misc Processed Food


Global Merchandise Trade
Drivers, Constraints & Trends
Packaged Food Consumption
Fresh Food Consumption
Three Steps for Growth

ASIA PACIFIC CONSUMES VAST MAJORITY OF FRESH FOOD

2011 Share of Global Fresh Food Consumption

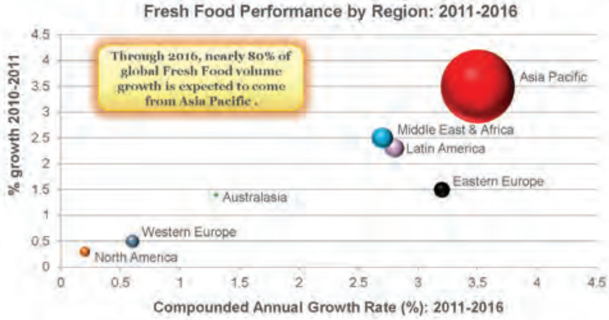


FRESH FOOD CONSUMPTION FORECAST

2016 Share of Global Fresh Food Consumption

EMERGING REGIONS TO DRIVE GROWTH

Fresh Food Performance by Region: 2011-2016



Note: Size of bubble denotes absolute volume growth for 2011-2016. Range shown of 0.6 million tonnes to 295.5 million tonnes.

CONSUMPTION OF BEEF AND VEAL

Market Sizes | Historic | Total Volume | '000 tonnes

Key: Related Analysis | Chart this Row

Beef and Veal	2007	2008	2009	2010	2011
World	44,853.5	45,293.7	45,935.4	46,728.6	47,425.0
Latin America	12,893.4	13,149.4	13,490.7	13,867.1	14,199.2
Asia Pacific	10,700.9	10,797.7	11,354.8	11,870.7	12,409.6
North America	9,290.2	9,235.0	9,017.8	8,837.2	8,585.1
Western Europe	5,237.7	5,176.5	5,109.8	5,086.5	5,029.5
Middle East and Africa	3,295.7	3,390.8	3,500.0	3,610.8	3,732.8
Eastern Europe	2,573.8	2,693.9	2,622.3	2,627.9	2,648.0
Australasia	861.7	850.4	840.1	828.3	820.8

ASIA PACIFIC DRIVING GLOBAL CONSUMPTION GROWTH

Market Sizes | *Forecast* | Total Volume | '000 tonnes | Period Growth

Key: Related Analysis

Six of our top ten export markets for Livestock & Meats are now in Asia Pacific.

Beef and Veal	2011-16 %	2011-16 CAGR %	2011-16 Absolute
World	10.0	1.9	4,762.4
Asia Pacific	23.0	4.2	2,850.4
Australasia	-3.6	-0.7	-29.6
Eastern Europe	11.3	2.2	299.7
Latin America	6.3	1.2	899.8
Middle East and Africa	19.3	3.6	720.2
North America	-1.0	-0.2	-83.9
Western Europe	2.1	0.4	105.9

- Developing regions eyeing 6-23% consumption growth; developed 2% or less.
- Asia Pacific drives nearly 60% of global growth – predicted to become the leading region by 2016.

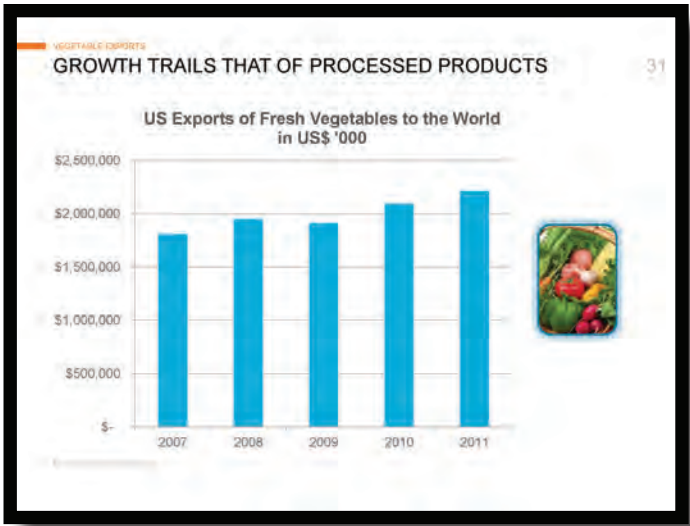
THE STORY CONTINUES IN OTHER MEAT CATEGORIES

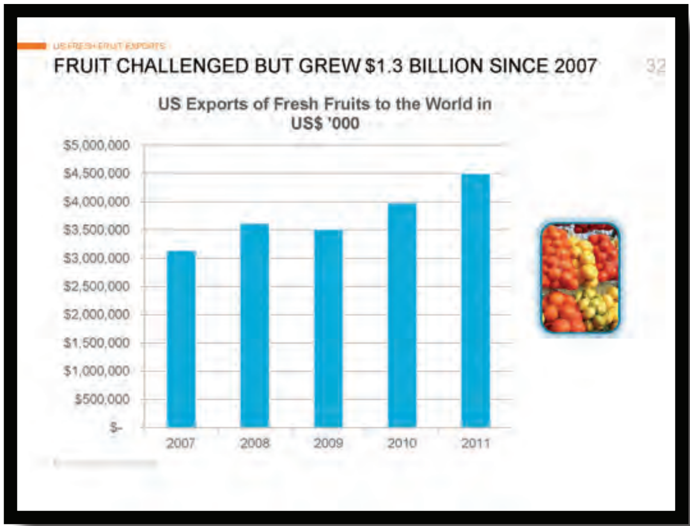
Market Sizes | Historic/*Forecast* | Total Volume | '000 tonnes

Key: Related Analysis | Chart this Row

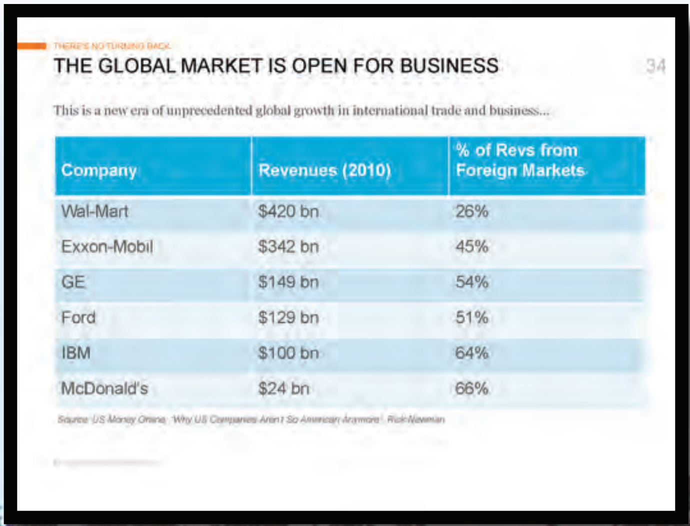
Lamb, Mutton and Goat	2011	2012	2013	2014	2015	2016
World	10,602.2	11,210.4	11,687.7	12,207.7	12,755.1	13,339.9
Asia Pacific	5,966.0	6,308.4	6,706.7	7,139.2	7,601.8	8,095.3
Middle East and Africa	2,405.8	2,458.5	2,515.7	2,575.3	2,637.0	2,698.9
Western Europe	1,134.1	1,130.7	1,136.4	1,142.5	1,148.7	1,155.2
Latin America	418.4	430.0	438.4	450.7	457.0	468.9
Australasia	439.1	441.2	443.0	445.7	448.6	451.1
Eastern Europe	324.4	332.5	340.6	348.9	357.1	366.0
North America	114.3	109.2	106.9	105.5	104.9	104.6

- Asia Pacific, the Middle East and Africa to represent 80% of global consumption by 2016.
- Asia Pacific to see a per capita growth in consumption of 0.5 kg between 2011 and 2016.


VEGETABLE EXPORTS
GROWTH TRAILS THAT OF PROCESSED PRODUCTS
31
US Exports of Fresh Vegetables to the World in US$ '000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$-
2007
2008
2009
2010
2011

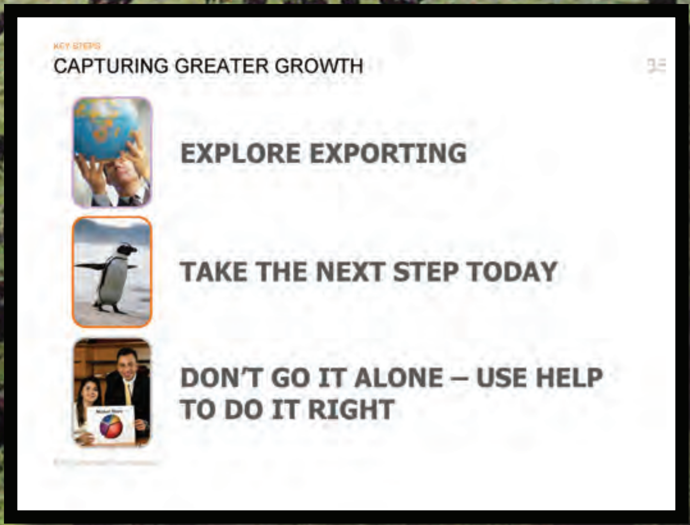

US FRESH FRUIT EXPORTS
FRUIT CHALLENGED BUT GREW $1.3 BILLION SINCE 2007
32
US Exports of Fresh Fruits to the World in US$ '000
$5,000,000
$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$-
2007
2008
2009
2010
2011

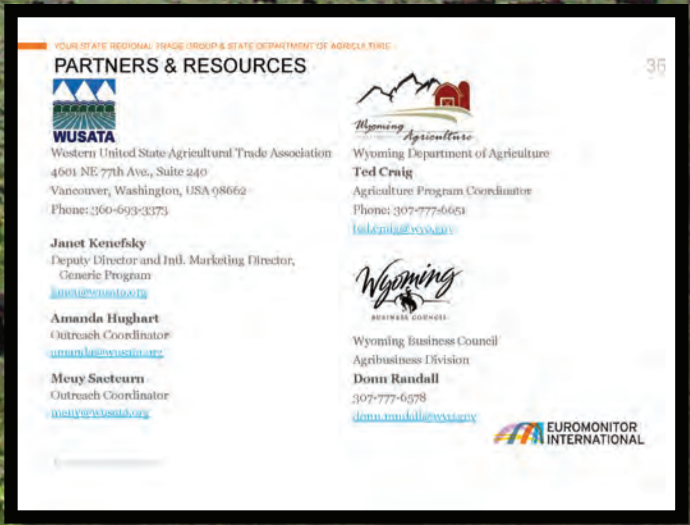

Global Merchandise Trade
Drivers, Constraints & Trends
Packaged Food Consumption
Fresh Food Consumption
No Turning Back, Three Steps for Growth

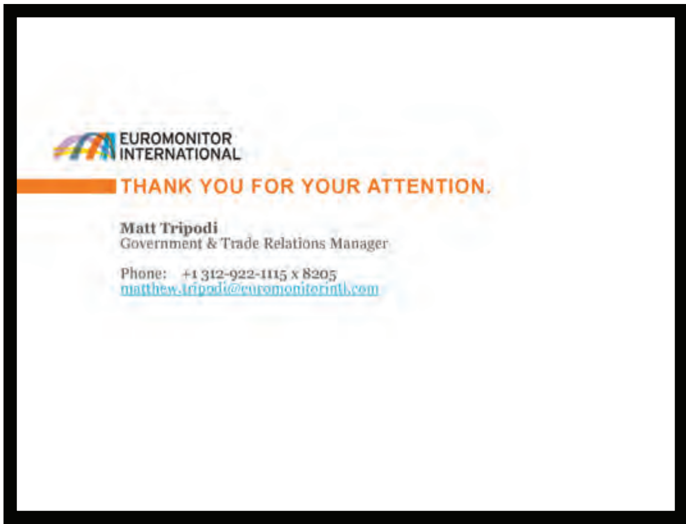

THERE'S NO TURNING BACK
THE GLOBAL MARKET IS OPEN FOR BUSINESS
34
This is a new era of unprecedented global growth in international trade and business...

Company	Revenues (2010)	% of Revs from Foreign Markets
Wal-Mart	$420 bn	26%
Exxon-Mobil	$342 bn	45%
GE	$149 bn	54%
Ford	$129 bn	51%
IBM	$100 bn	64%
McDonald's	$24 bn	66%

Source: US Money Online, 'Why US Companies Aren't So American Anymore', Rick Newman


KEY STEPS
CAPTURING GREATER GROWTH
35
EXPLORE EXPORTING
TAKE THE NEXT STEP TODAY
DON'T GO IT ALONE – USE HELP TO DO IT RIGHT


YOUR STATE REGIONAL TRADE GROUP & STATE DEPARTMENT OF AGRICULTURE
PARTNERS & RESOURCES
36
WUSATA
Western United State Agricultural Trade Association
4601 NE 77th Ave., Suite 240
Vancouver, Washington, USA 98662
Phone: 360-693-3373
Janet Kenefsky
Deputy Director and Intl. Marketing Director, Generic Program
Amanda Hughart
Outreach Coordinator
Meuy Saeteurn
Outreach Coordinator
Wyoming Agriculture
Wyoming Department of Agriculture
Ted Craig
Agriculture Program Coordinator
Phone: 307-777-6651
Wyoming
BUSINESS COUNCIL
Wyoming Business Council
Agribusiness Division
Donn Randall
307-777-6578
EUROMONITOR INTERNATIONAL

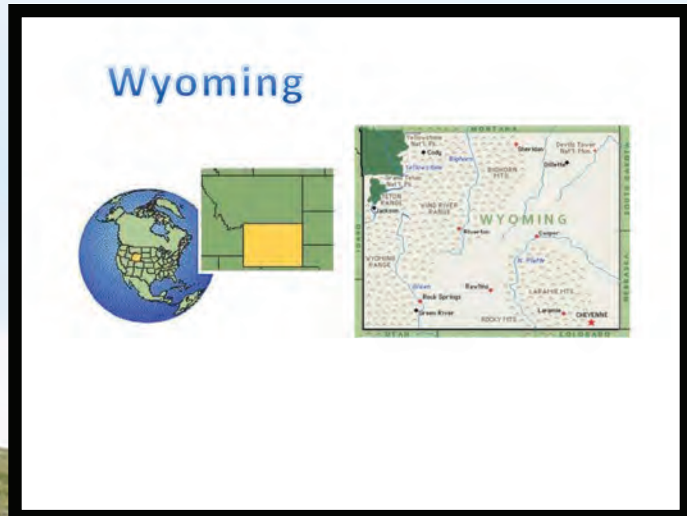


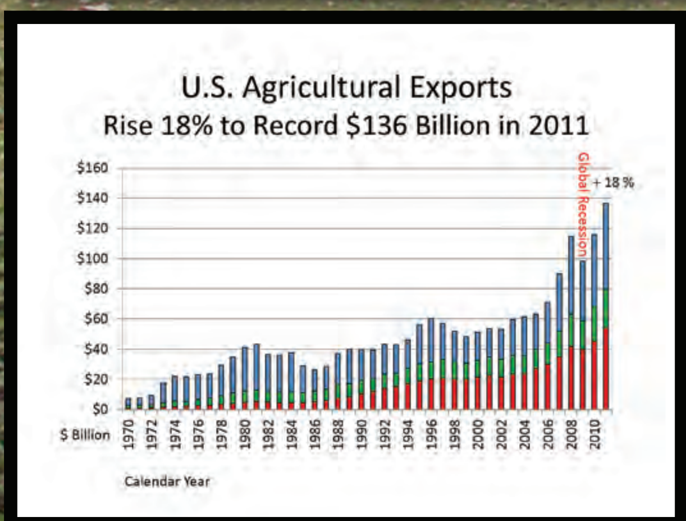
AgriFuture Feedback

It helped me understand the current issues and concerns within agriculture. It also helped me to develop more ideas about ways to address these issues, both now and in the future within in a career.

Robert Tse

USDA Rural Development

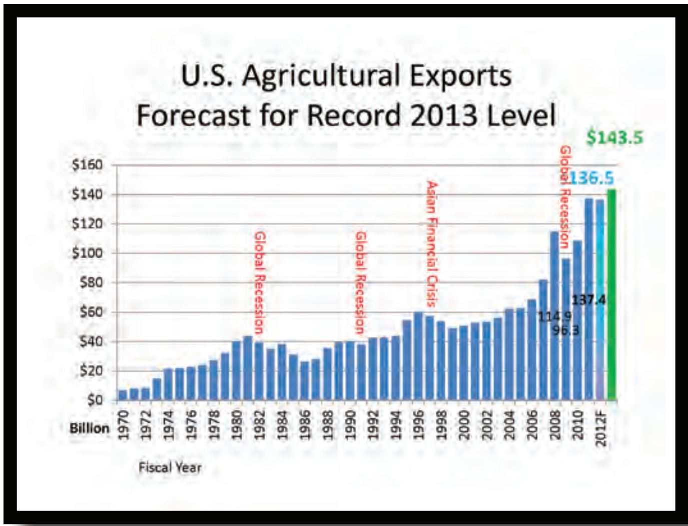




Top U.S. Export Markets 2010-2011
Recession Recovery

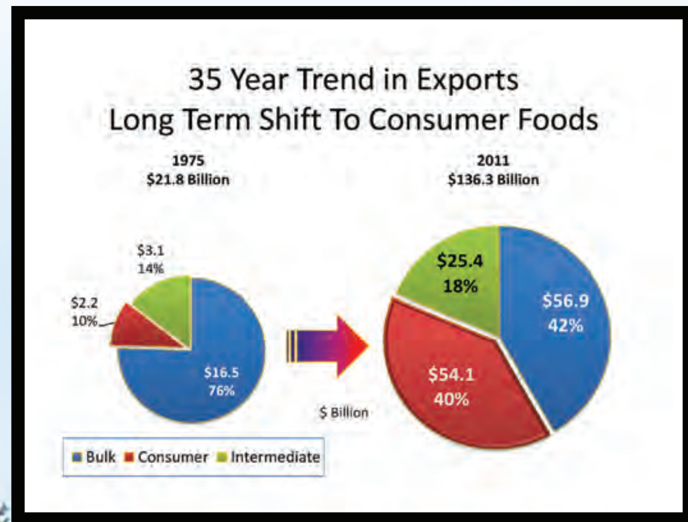
Rank	Country	2010 $ Billion	Rank	Country * Record	2011 $ Billion	% Growth Over 2010
1	China	$17.5	1	Canada*	$19	+12%
2	Canada	$16.9	2	China*	$18.9	+8%
3	Mexico	$14.6	3	Mexico*	$18.3	+26%
4	Japan	$11.8	4	Japan*	$14.1	+19%
5	EU-27	$8.9	5	EU-27	$9.7	+8%
6	S. Korea	$5.3	6	S. Korea*	$7	+31%
7	Taiwan	$3.2	7	Taiwan*	$3.6	+14%
	World	$115.8		World*	$136.4	+18%
				Exports Rise	$21	

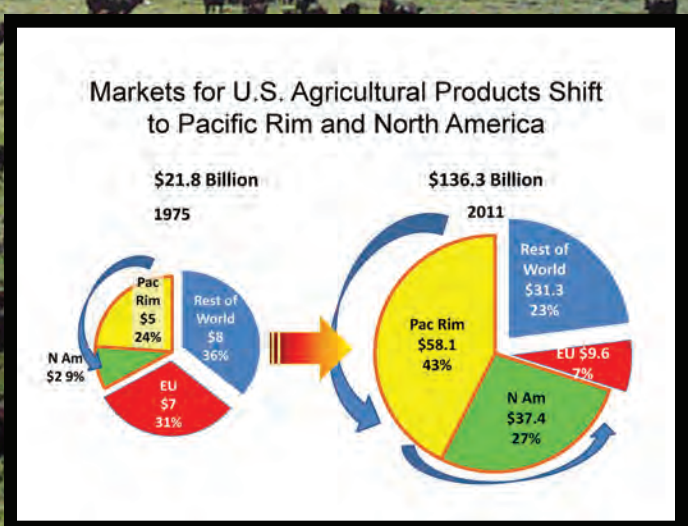
USDA, Foreign Agricultural Service

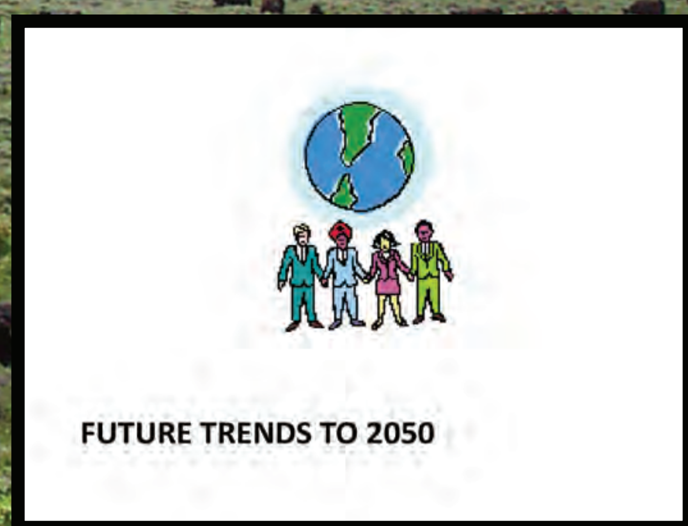

U.S. Agricultural Exports
Forecast for Record 2013 Level
$143.5
136.5
137.4
114.9
96.3
Global Recession
Global Recession
Asian Financial Crisis
Global Recession
$160
$140
$120
$100
$80
$60
$40
$20
$0
Billion
1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010 2012F
Fiscal Year


FY 2012 & 2013
U.S. Agricultural Trade Forecasts
Initial FY 2013 Forecasts
Exports = $143.5 Billion
Imports = $117 Billion
Surplus =$26.5 Billion
Changes Since May in 2012 Forecast
Exports $2.0 Billion to $136.5 Billion
Imports $1.0 Billion to $106.5 Billion
Surplus $3.0 Billion to $30.0 Billion
USDA's "Outlook for U.S. Agricultural Trade"
Released on August 30, 4:00 pm EST
Slides prepared by Office of Global Analysis/FAS

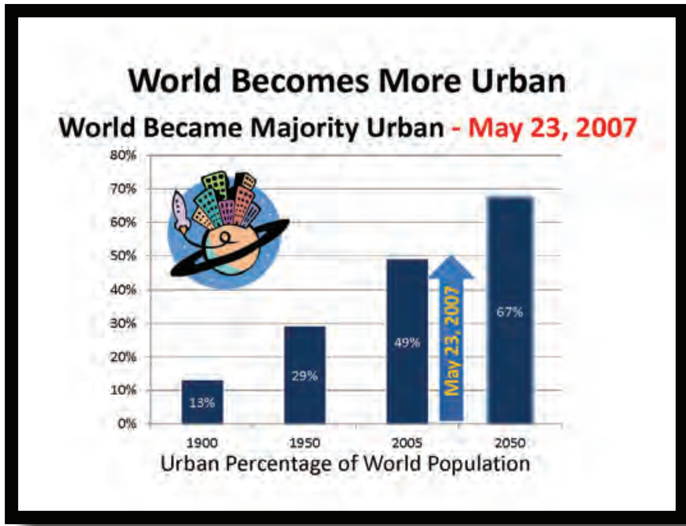

Long Term Past Trends Continue
PAST TRENDS
U.S. AG EXPORTS


35 Year Trend in Exports
Long Term Shift To Consumer Foods
1975
$21.8 Billion
2011
$136.3 Billion
$3.1
14%
$2.2
10%
$16.5
76%
$25.4
18%
$56.9
42%
$54.1
40%
$ Billion
Bulk
Consumer
Intermediate

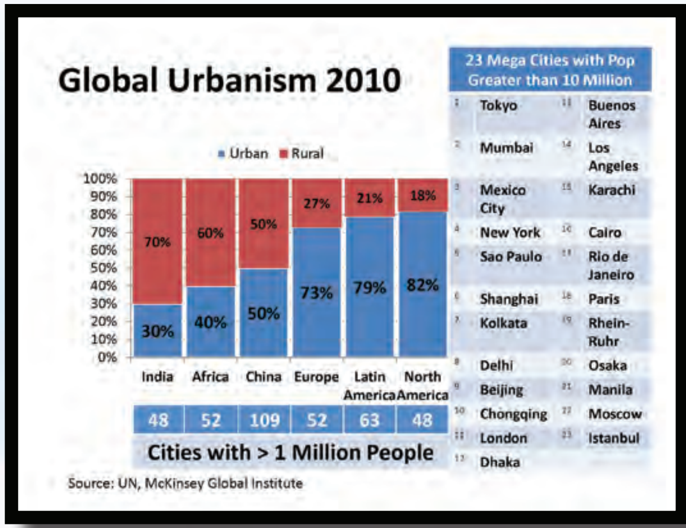

Markets for U.S. Agricultural Products Shift
to Pacific Rim and North America
$21.8 Billion
1975
$136.3 Billion
2011
Pac Rim $5 24%
Rest of World $8 36%
N Am $2 9%
EU $7 31%
Rest of World $31.3 23%
Pac Rim $58.1 43%
EU $9.6 7%
N Am $37.4 27%

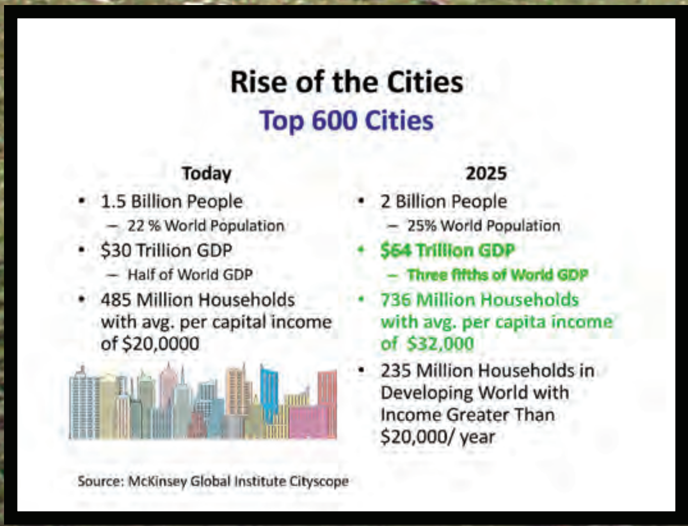

FUTURE TRENDS TO 2050


Urbanization will be one of this century's biggest drivers of global economic growth.
McKinsey Global Institute March 31, 2011
Urban World: Mapping the economic power of cities


World Becomes More Urban
World Became Majority Urban - May 23, 2007
80%
70%
60%
50%
40%
30%
20%
10%
0%
13%
29%
49%
May 23, 2007
67%
1900
1950
2005
2050
Urban Percentage of World Population


1.5
50%
77%
8.75
15.04
221
23
40%
75%
$265bn
McKinsey Global Institute


Global Urbanism 2010
Urban
Rural
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
India 30% 70%
Africa 40% 60%
China 50% 50%
Europe 73% 27%
Latin America 79% 21%
North America 82% 18%
48 52 109 52 63 48
Cities with > 1 Million People
Source: UN, McKinsey Global Institute
23 Mega Cities with Pop Greater than 10 Million
1 Tokyo
2 Mumbai
3 Mexico City
4 New York
5 Sao Paulo
6 Shanghai
7 Kolkata
8 Delhi
9 Beijing
10 Chongqing
11 London
12 Dhaka
13 Buenos Aires
14 Los Angeles
15 Karachi
16 Cairo
17 Rio de Janeiro
18 Paris
19 Rhein-Ruhr
20 Osaka
21 Manila
22 Moscow
23 Istanbul


Rise of the Cities
Top 600 Cities
Today
• 1.5 Billion People
– 22 % World Population
• $30 Trillion GDP
– Half of World GDP
• 485 Million Households with avg. per capital income of $20,0000
2025
• 2 Billion People
– 25% World Population
• $64 Trillion GDP
– Three fifths of World GDP
• 736 Million Households with avg. per capita income of $32,000
• 235 Million Households in Developing World with Income Greater Than $20,000/ year
Source: McKinsey Global Institute Cityscope

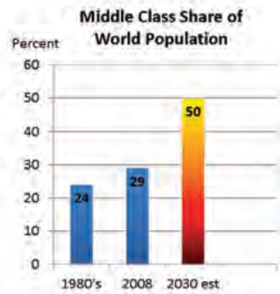

Rise of Asian Cities
Economic Growth Shifts toward Asia
Top 25 cities by GDP
Dropout—included in 2007 but not in 2025
Top 25 in both 2007 and 2025
Newcomer—absent in 2007 but included in 2025
Source: McKinsey Global Institute Cityscope 1.0

Beijing

RISE OF THE GLOBAL MIDDLE CLASS

Photo, May 11, 2011 The Christian Science Monitor, The Rising Global Middle Class

Rise of the Global Middle Class



- By 2030, 50% of world population will be middle income ($6 – 30,000 PPP)

Source: Goldman Sachs Economic Research

Flatter Distribution of Income

- Potentially 2 BILLION people will join global middle class by 2030
  - 30% of World population
- Middle class expansion at about 70 million/ year
- More even distribution of income,
- Global middle class share of income rises toward 40 % by 2050

Road to 2050: Global Middle Class Rises
Major Impact on Consumer Spending Patterns and Food Consumption

Consumer Spending Power Shifts Toward Middle Income Countries

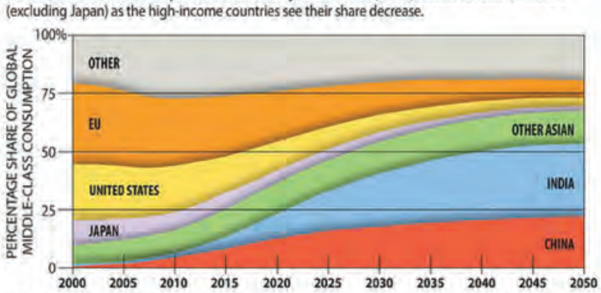
- Middle Income countries to dominate global spending over OECD (Rich) countries
- **BRIC + 6 of N-11, China, India, Brazil, Egypt, Philippines, Indonesia, Iran, Mexico, Vietnam could account for 60% of World GDP by 2050**
- China and India Drive Shift but other countries economies rise, particularly in southeast Asia

Middle Class Expands in Number

- **Potentially 2 BILLION people will join global middle class by 2030**
- **50% of World population**
- Middle class expansion at about 70 million/ year
- More even distribution of income, **Global middle class share of income rises toward 40 % by 2050**

The global middle-class wave

Global middle-class consumption will shift heavily toward China, India, and other Asian countries (excluding Japan) as the high-income countries see their share decrease.



SOURCE: H. Kharas (2010), 'The Emerging Middle Class in Developing Countries,' OECD Development Centre Working Paper No. 285

RICH CLABAUGH/STAFF

Christian Science Monitor May 17, 2011

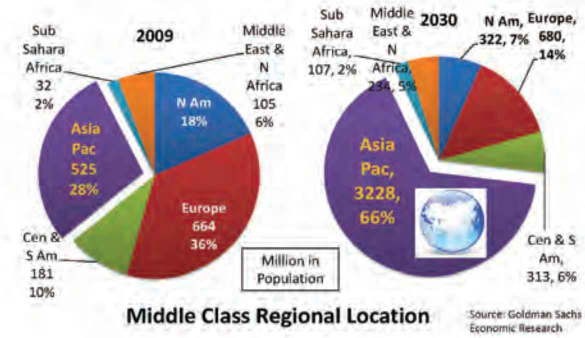
New Global Middle Class Characteristics

- Sharp Expansion in SIZE
  - More Customers
- Broader Distribution of Global Income
  - More People Have More Money –
- Shift in LOCATION to middle income countries

Global Middle Class

- Shift in LOCATION
- Show me (WHERE) the money (Is)

Middle Class Moves to Asia



Twin Towers: China and India

China Middle Class	India Middle Class
• Today – 150- 290 Million • *Tomorrow 2025*: – **520 – 700 Million** – **79% urban households** – **+11% mass and global affluent (150 million)** • **Consumer Spending ('25)** – **$1.5 Trillion / yr**	• Today – 50 Million est. • *Tomorrow 2025* – **585 Million est.** – **¾ of urban households** – **+ 9.5 Million global and upper income affluent** • **Consumer Spending ('25)** – **70 Trillion Rupees Aggregate**

Source: McKensey, Euromonitor

China - India facts: URBANIZATION 2030

China's Urban Pop. will approach 1 Billion
India's Urban Pop. Will approach 590 Million

McKinsey Global Institute "Preparing for China's urban billion" March 2009
"India's urban awakening" April 2010

Middle Class - India

Dr. Swaruyma Yadav and his friend Nirupma (r.) and Dr. Sumit Shukla (l.) have lunch at Haldiram's, an Indian fast food chain. "Historically, sociologists have defined 'middle class' as those with salaries.... I think 'middle class' is very much a state of mind" says Sonalde Desai, a sociologist with the National Council of Applied Economic Research in Delhi (NCAER

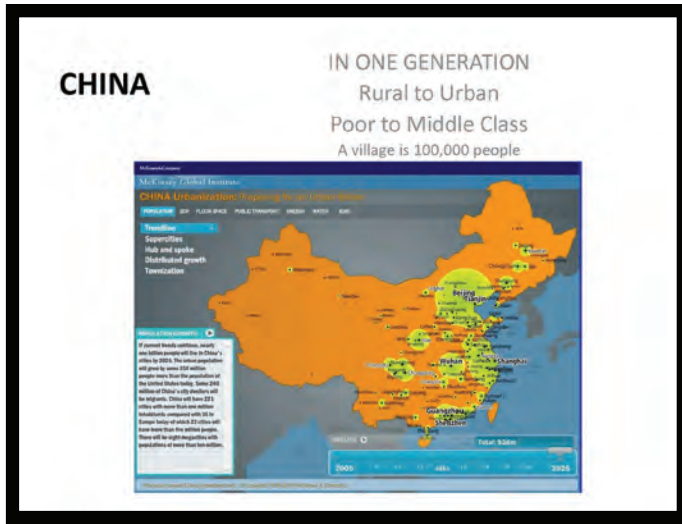
May 11, 2011 The Christian Science Monitor, The Rising Global Middle Class

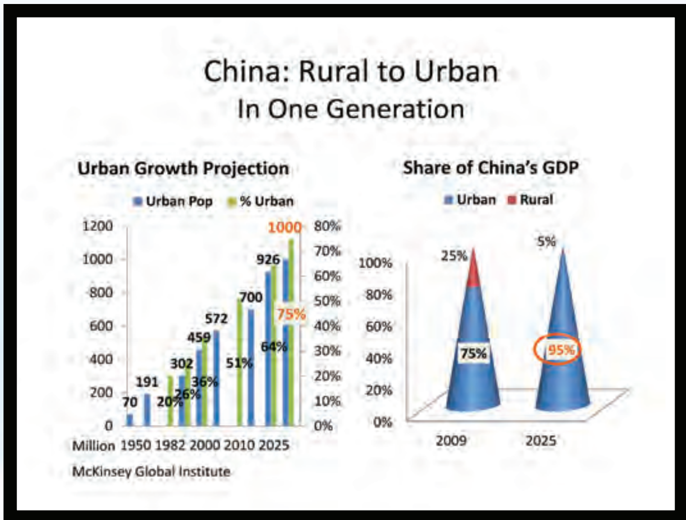
India Middle Class

Middle Class and Spread of Automobiles

May 11, 2011 The Christian Science Monitor, The Rising Global Middle Class


James Bond Drives a Jaguar
Now Owned by India's Tata Motors
JAGUAR
TATA United Car Group
JAGUAR


CHINA
IN ONE GENERATION
Rural to Urban
Poor to Middle Class
A village is 100,000 people
Beijing
Tianjin
Wuhan
Shanghai
Guangzhou
2005
2025


China: Rural to Urban
In One Generation
Urban Growth Projection
Urban Pop
% Urban
1200
1000
800
600
400
200
0
Million
1950 1982 2000 2010 2025
70
191
302
459
572
700
926
1000
20%
26%
36%
51%
64%
75%
80%
70%
60%
50%
40%
30%
20%
10%
0%
McKinsey Global Institute
Share of China's GDP
Urban
Rural
100%
80%
60%
40%
20%
0%
25%
75%
5%
95%
2009
2025


Urban Growth China
Urban Population Increases by 250 Million by 2030
Urban Pop
Total Pop
1600
1400
1200
1000
800
600
400
200
0
Million
1960 1980 1990 2000 2010 2015F 2020F 2025P 2030P
658
983
1269
1341
1388
1470
1460
191
300
459
666
700
926
1000
McKinsey Global Institute
UN Department of Economic and Social Affairs
Population Division
8 Mega Cities in 2025
Beijing
Shanghai
Tianjin
Shenzhen
Wuhan
Chongqing
Chengdu
Guangzhou
Mega City: > 10 million in population


Shanghai Pudong Pearl Radio Tower


View from Pearl Tower - Pudong Shanghai

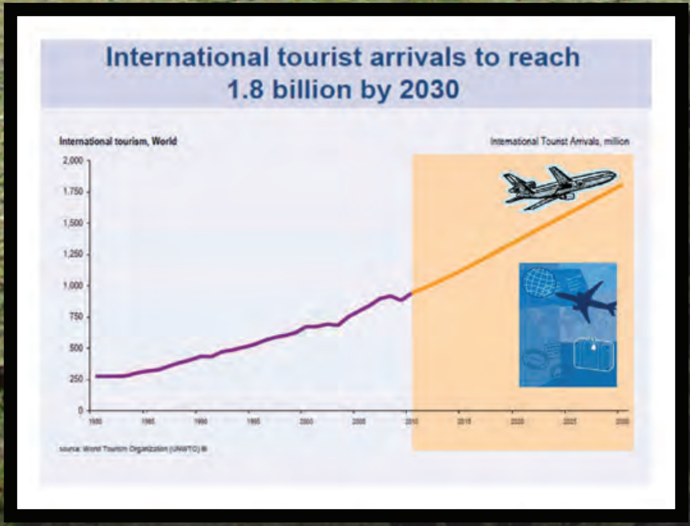
Order Up | China's 1.34 billion diners feed the food industry's rise
McDonald's restaurant in Shenzhen
China's food-service industry, sales in billions of yuan
1,000
800
600
400
200
0
Forecast
2005
'10
'13
1 billion yuan = $158.7 million
Five-biggest quick service food companies in China
Company
Market share in 2010
Yum Brands 5.2%
McDonald's 2.0
Ting Hsin International 1.2
Hua Lai Shi Catering Management and Service 0.5
Shigemitsu Industry 0.4
Source: Euromonitor; Reuters (photo)
The Wall Street Journal

Next Generation of Consumers

Next Generation of Consumers

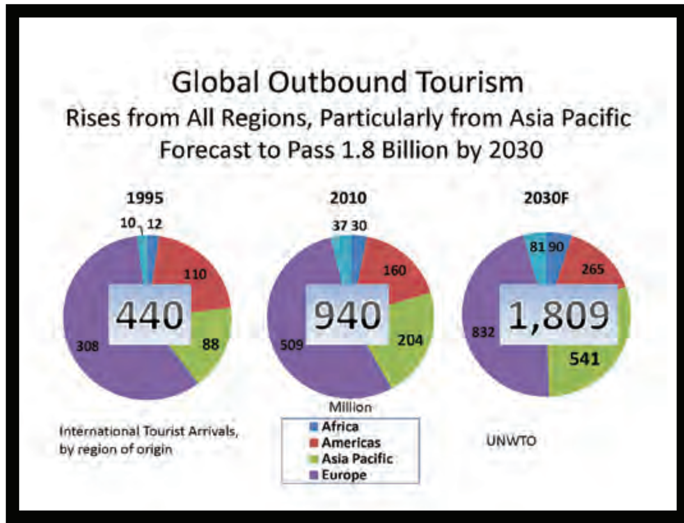
Another Form of Export
GLOBAL TOURISM

Global Tourism Snap Shot (2011)
GLOBAL
2011
Tourism Receipts
$1 Trillion
+3.6%
Transportation
$196 Billion
Total International
$1.2 Trillion
Travelers
982 Million
+ 4.6 %
Expenditures/ day
$3.4 Billion/ Day
Global Tourism =
30% of Global Exports of Services
6% of Global Exports of Goods and Services
UNWTO



International tourist arrivals to reach 1.8 billion by 2030
International tourism, World
International Tourist Arrivals, million
2,000
1,750
1,500
1,250
1,000
750
500
250
0


Global Tourism Rises
Tourists
2000
1800
1600
1400
1200
1000
800
600
400
200
0
Million
1950
2011
2030F
25
983
1800
Tourism Dollars
$1,400
$1,200
$1,000
$800
$600
$400
$200
$0
$Billion
1950
2011
$2
$1,200
UNWTO


Global Outbound Tourism
Rises from All Regions, Particularly from Asia Pacific
Forecast to Pass 1.8 Billion by 2030
1995
10 12
110
440
308
88
2010
37 30
160
940
509
204
2030F
81 90
265
1,809
832
541
Million
International Tourist Arrivals, by region of origin
Africa
Americas
Asia Pacific
Europe
UNWTO


International Visitors to the U.S. and Projections
(2000-2016)
Arrivals in Millions
100
80
60
40
20
0
51.2
62.3
76.6
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
Sources: U.S. Department of Commerce, ITA, Office of Travel & Tourism Industries; Secretaria de Turismo (Mexico); Statistics Canada. – April 2012 forecast


U.S. Tourism Snapshot (2011)
UNITED STATES
2011
Tourism Receipts
$116 Billion
+ $13 Billion
International Visitors
62.3 Million
76.6 Million (2016F)
International Visitors to Mountain West¹
3.7 Million
International Visitors to Colorado¹
446 Thousand
International Visitors to Denver¹
279 Thousand
USDOC ITA OTTI
¹ Excludes Canada and Mexico


Wyoming Tourism Snapshot (2011)
2011 Wyoming
Total Visitor
International*
Total Tourism Receipts
$2.9 Billion
$141 Million
Food
$739 Million
$37 Million
Visitors to Yellowstone
3.4 Million
340,000 ¹
Ag Exports
$13 Million
DOC ITA
* Assumes Int. visitors account for 5% of spending
¹Based on estimate from U.S. Park Service Survey
Wyoming Travel and Tourism


Global Demand Drivers to 2050
Global Middle Class
– Purchasing Power
– Numbers
– Geographic Shift to Asia
Urbanization
Global Travel

Global Trends

Resulting in:

- **Rising and Shifting Demand for Food**
- **Shifting Demand from cereals to meats …processed foods**
- **Per Capita Demand Rises**
- **Rising Food Prices**
- **Need to Double Food Supply**
- **Rising Trade In Food**
- **Driven by Middle Class Demand … in China and India**

Global Opportunities

- **Production Agriculture**
  (Incentive of Higher Prices)
- **Biotech (Increase Yield)**
- **Global Transportation Logistics**
- **Cold Chain Logistics**
- **Distribution and Warehousing**
- **In Bound Tourism – Agri Tourism**
  "Export Through International Visitors"

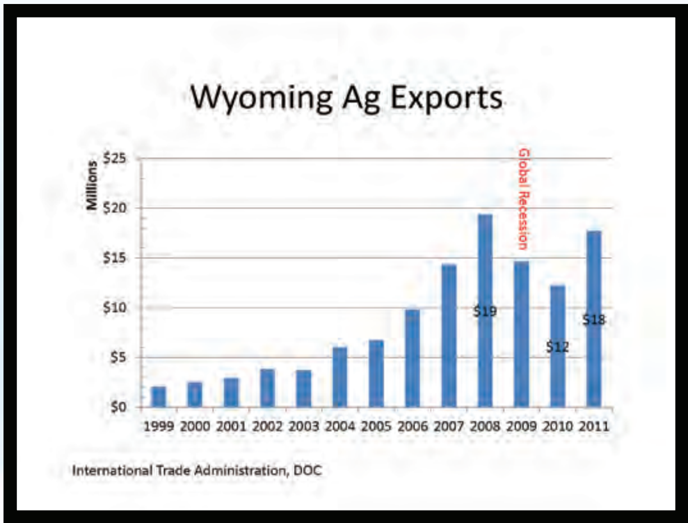
Global Trends Driving Value Added Opportunities

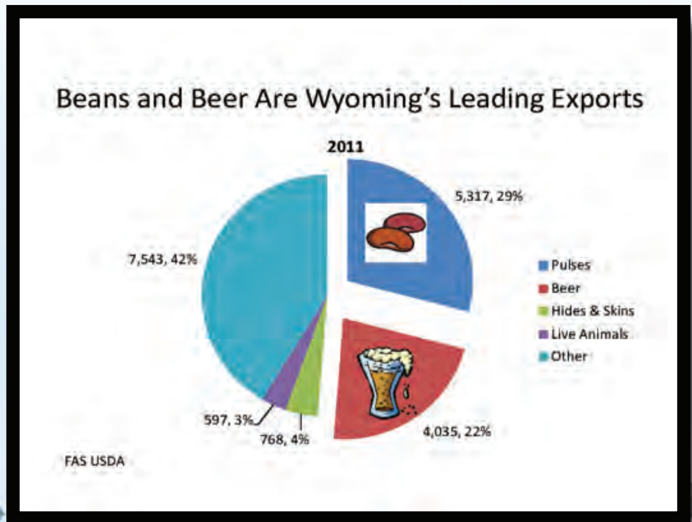
- **FOOD RETAIL**
  - **Supermarkets**
  - **HRI**
- **LIFESTYLE FOODS**
  - **Convenience – Buy Time**
  - **Healthy Food – Counter Unhealthy Lifestyle**
- **Global Brands**

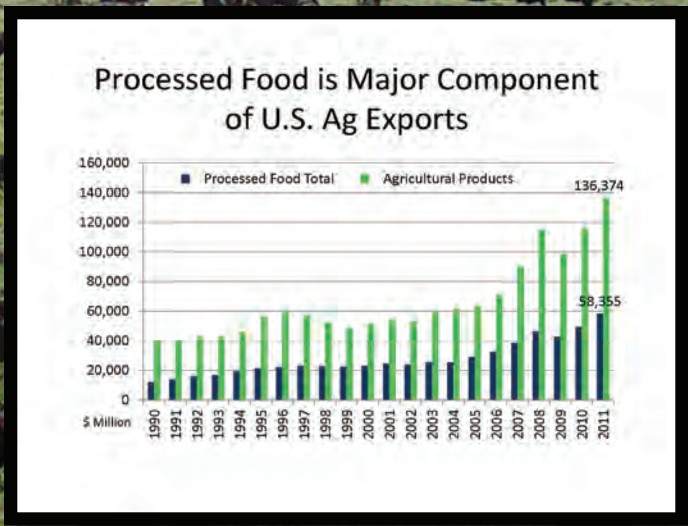
Globalization of U.S. Food Franchises

Number of Outlets	WORLD	U.S.	OUTSIDE U.S.	CHINA
STARBUCKS COFFEE	17,000	6,000	11,000	500
	15,000	5,200	9,800	3,400
	13,100	7,500	5,600	520
i'm lovin' it	32,000	14,000	18,000	1,125

Source: Corporate and Media







AgriFuture Feedback

The Local/Global: feed the neighbors and the world was extremely well done and was probably the best component of the conference.