



WHERE SCIENCE SERVES NATURE

USA - Vision and challenge for row crops

MISSION

To create a **sustainable future** for people and nature.

VISION

*At Valagro we live by the **third way mindset** pursuing excellence and applying science to agriculture to produce more and healthier food with sustainability at heart.*

VALUES

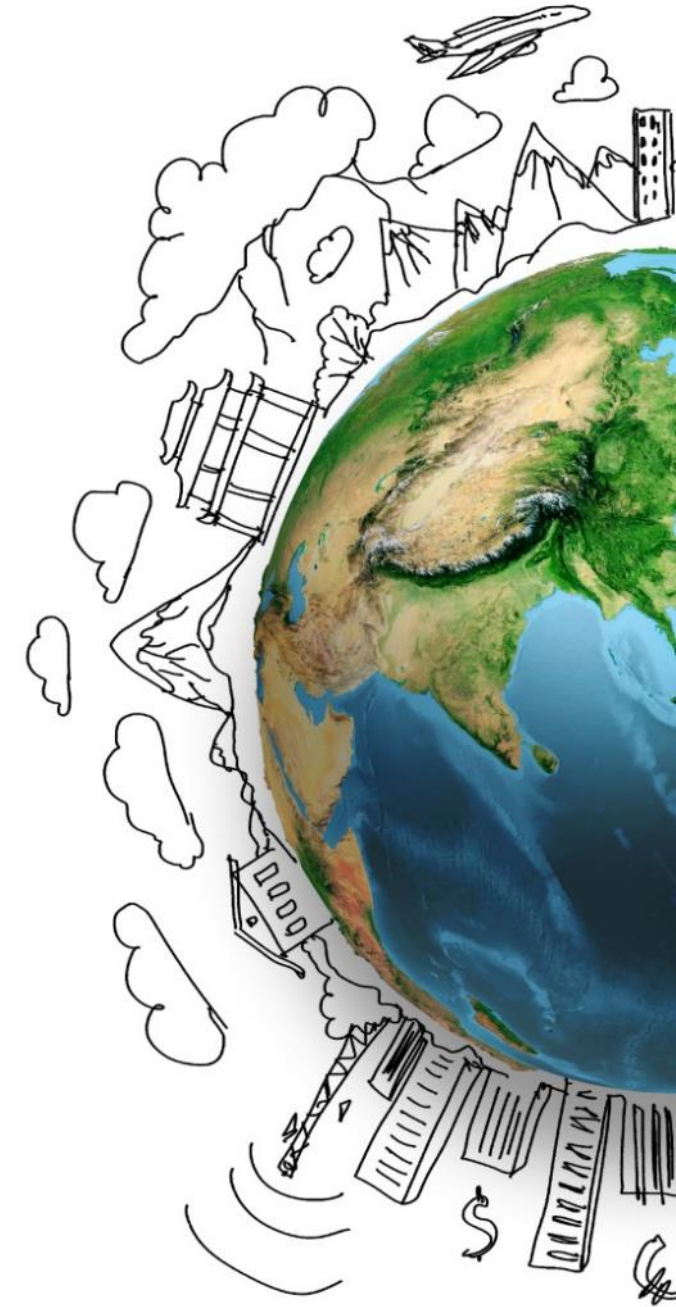
Integrity - as we act with honesty, respecting people and nature

Passion - as we are responsible for the sustainable future, we are building

Trust - as we create relationships based on doing what we say

Connections - as we see the bigger picture while recognizing individual contribution

Innovative mindsets - as we create possibilities with courage, curiosity and determination



CULTURE MANIFESTO

We **focus** on challenging what has already been done.
We match **expertise** and **business acumen** with **great results** in the constant pursuit of **excellence**.

We work for the impossible to become reality.

For those who are **curious** and **never stop learning**, those who **courageously bring change** and **openly listen to new ideas**.

For those who can transfer their **values** to others always **respecting diversity** while **leveraging inclusion**.



VALAGRO LONG AND STRONG PARTNERSHIP:

...it improved our row crops approach and knowledge, facing and providing suitable Solution for the market! Developed together with Grower and distributor



People...Products...Knowledge...

Intense sharing of knoweldge



February 2: Academy on Megafol, Axilo, Brexil, and Ferrilene on Peanuts, Cotton, Corn Soybean.
Pictured Above: 10 Helena Salesmen and 1 Product Manager



February 6: Academy on Megafol, Orbix, Axilo, Brexil and Ferrilene on Corn, Beans, and Cotton.
Pictured Above: Helena Product Specialist and Product Managers with MDM David Pattison and TAM Wes Joost



February 20: Academy on Megaol on Corn, Soybeans and Specialty crops.
Pictured Above: 2 Helena Product Specialist and 3 Product Manager and MDM David Pattison



433 scs/ha

US MARKET SNAPSHOT AND COMPETITIVE POSITIONING

Market size in M\$

4.588

The highest rate growth in US market for Nutrition

459

Plant biostimulant

616

Chelated micronutrients

Water soluble nutrients

Growth rate %

9.7%

8.5%

5.0%

MARKET POTENTIAL

- Market size of 5.5 billions \$ and **1 billion** in PBS and chelated micronutrients;
- Market growth between **8-10%** in Plant biostimulants and Chelated microelements;
- Market Penetration less than **2%** in key segments;

Source: Marketing estimation from Global Market Insights 2019 (PBS), Mordor Intelligence 2017 (Chelated micronutrients) and Market Litmus 2018 (Water soluble)

US MAIN MARKET TRENDS

- **New wave of consolidation** in the agrochemical market, likely to extend to distribution;
- **Increasing attention to plant health solution, soil health and fertility and resource management** (fertilizer, chemicals, water);
- Capital availability and market demand driving increasing number of startups looking market access through traditional distribution or alternative business models;
- New low volume, precise, **low impact application technologies** setting importance on formulation and mixability capabilities to deliver active ingredients;
- Traditional distribution eroding margin from basic products and seeking new ways to **differentiate and protect profitability**: new product segments, new tools, acquisitions of manufacturer, partnerships;
- **Consumer increasingly viewing and relating food quality to health**; increasing attention on organic farming and sustainable ways of farming driven by retailers and industry leaders;
- **Awareness that regulatory changes at federal level in the industry are key for PBS market expansion**, differentiation and innovation;

Current US market problem and challenge



Unusually wet spring; late-planted crop; **drastically reduced acreage planted**

Mild (cooler) summer temperatures retarding corn maturity; late planting of soy resulting in **pods not setting in timely fashion les yield**

Total acre reduction ACRES **CORN 10,807,000 SOYBEAN 18,000,000**



Add'l 10% tariff on \$300 billion of Chinese goods (follows 25% tariff on \$250 billion of Chinese goods) after default of China to purchase US ag products in large quantity
Sept corn dropped 7½¢, soy dropped 17¢, wheat dropped 7¢

\$21.3 billion in Market Facilitation Payments, so far since (Fall '18)

COFCO (Chinese) agrees to **ramp up soybean production investments in Brazil by 25% over the next 5 yrs**, and to finance the expansion of an add'l 60 million acres of Brazilian soybean production

Corn used for ethanol reduced by an expected 50-70 million bushels

UPDATED TENDENCIES IN THE US MARKET

End of July Farm Bureau update added that, **“As annual average loan delinquency rates have increased for 24 consecutive quarters, so too have farm bankruptcies over the prior 12 months.** Through June 2019, and over the prior 12 months, there were a total of 535 Chapter 12 bankruptcy filings, up 13%, or 60 bankruptcies. **The number of Chapter 12 filings over the previous 12 months is the highest level since 2012’s 582 filings.** The increase in bankruptcy filings is a noteworthy shift given bankruptcy levels fell during calendar year 2018 compared to 2017.”

US PLANT BIOSTIMULANT CURRENT LEGISLATION

- Biostimulant technologies are still largely ‘mysterious’ and misunderstood (nascent) throughout the U.S. and Canada
- ‘Snake Oils’ and money-making ‘Quick-Hitters’ have tainted the space for reputable biostimulant manufacturers
- Currently EPA is working on PBS definition (To be updated)
- When category eventually does emerge, registration is on the individual state level (50 states)

ACTIVE PLAYERS IN THE US MARKET

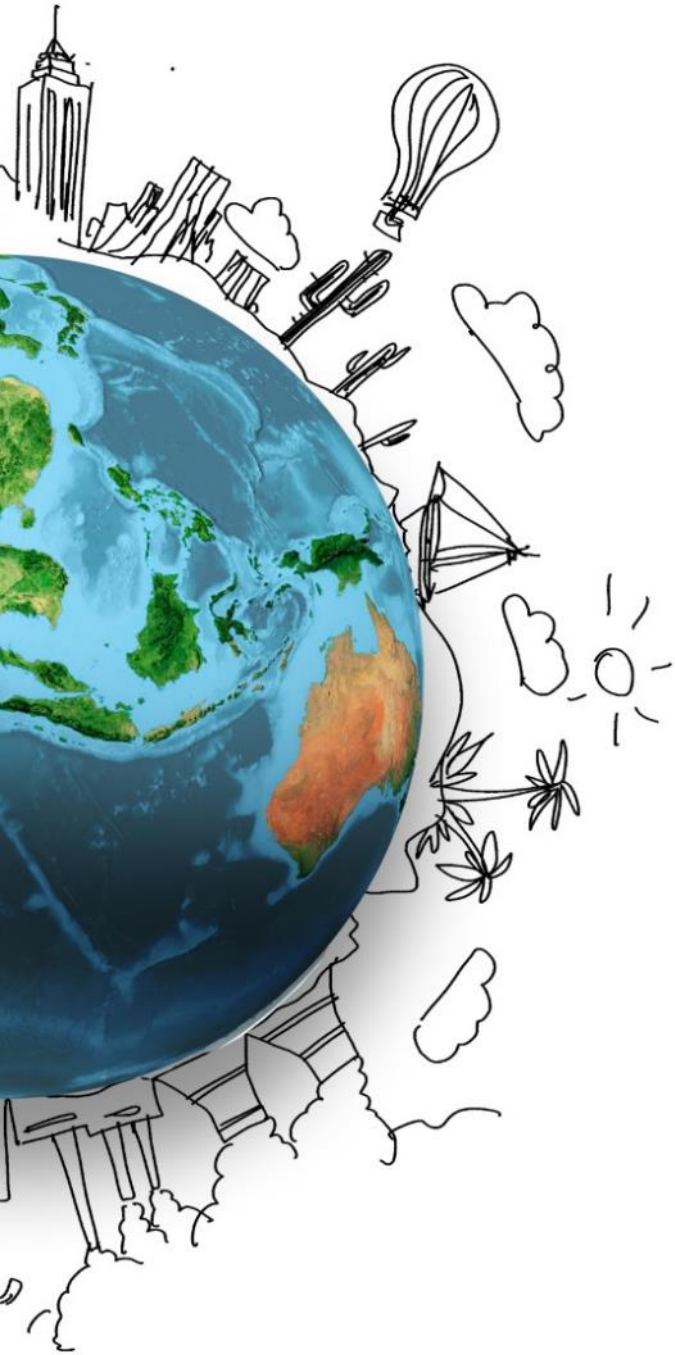
Public Companies

- BASF
- Syngenta
- Novozymes
- Agrinos
- Arysta

Private Companies

- Bayer
- Stoller
- Valagro
- Acadian
- Brandt

www.valagro.com



WIN THE GLOBAL CHALLENGE TOGETHER



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