



The Race For Global Resources: Implications For Crop Nutrient Markets

Jim Prokopanko
President and CEO
The Mosaic Company

2008 ARA Conference and Exposition
Austin, TX
December 3, 2008

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Certain statements contained herein constitute “forward-looking statements” as that term is defined under the Private Securities Litigation Reform Act of 1995. Although we believe the assumptions made in connection with the forward-looking statements are reasonable, they do involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of The Mosaic Company, or industry results generally, to be materially different from those contemplated or projected, forecasted, estimated or budgeted (whether express or implied) by such statements.

These risks and uncertainties include but are not limited to the predictability of fertilizer, raw material, energy and transportation markets subject to competitive market pressures; changes in foreign currency and exchange rates; international trade risks; changes in governmental policy, including but not limited to governmental activities to address rising food and crop nutrient prices; changes in environmental and other governmental regulation; adverse weather conditions affecting operations in central Florida or the Gulf Coast of the United States, including potential hurricanes or excess rainfall; actual costs of asset retirement, environmental remediation, reclamation and other environmental regulation differing from management’s current estimates; accidents and other disruptions involving our operations, including brine inflows at our Esterhazy, Saskatchewan potash mine and other potential mine fires, floods, explosions, seismic events or releases of hazardous or volatile chemicals, as well as other risks and uncertainties reported from time to time in The Mosaic Company’s reports filed with the Securities and Exchange Commission. Actual results may differ from those set forth in the forward-looking statements.

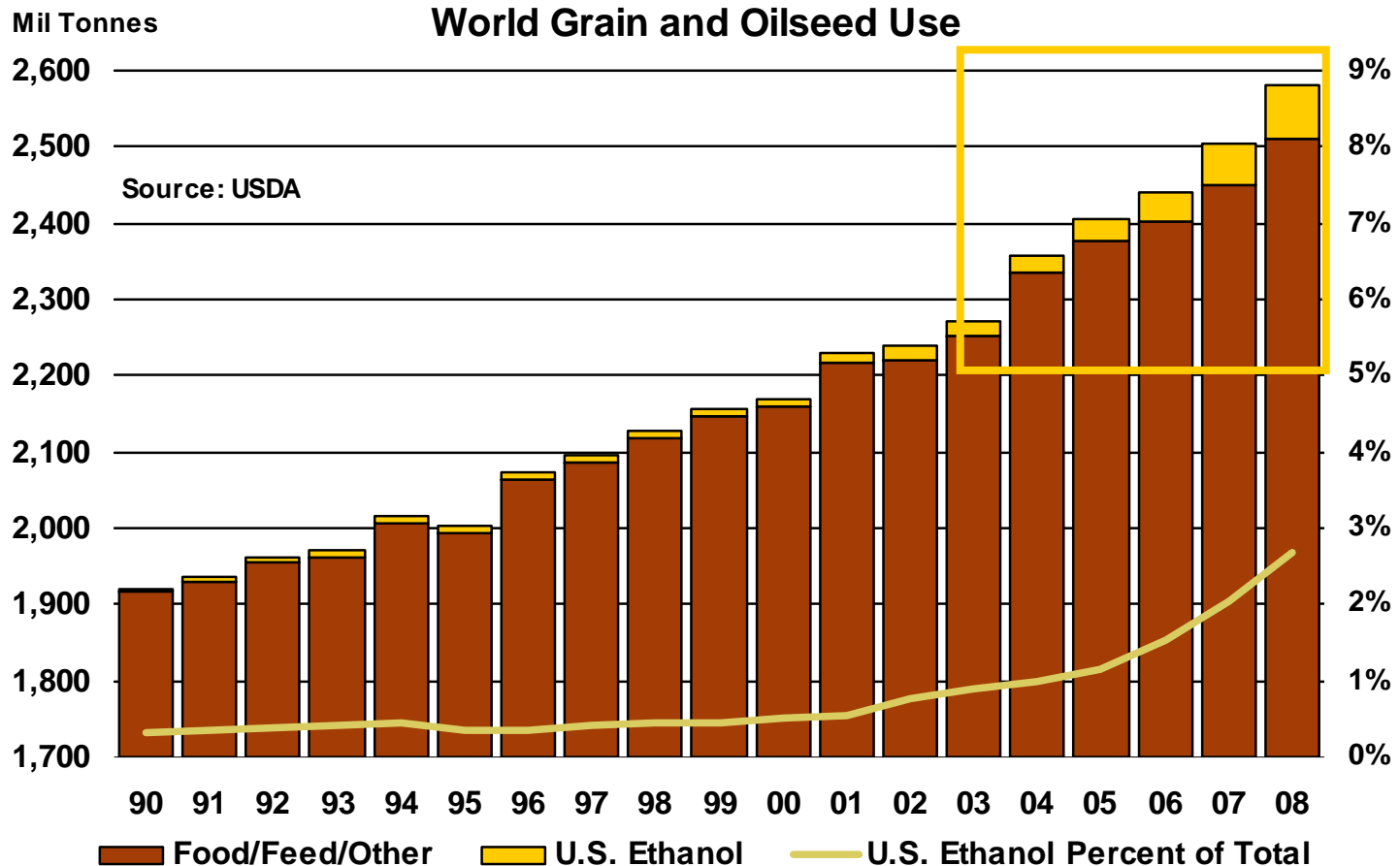


Topics

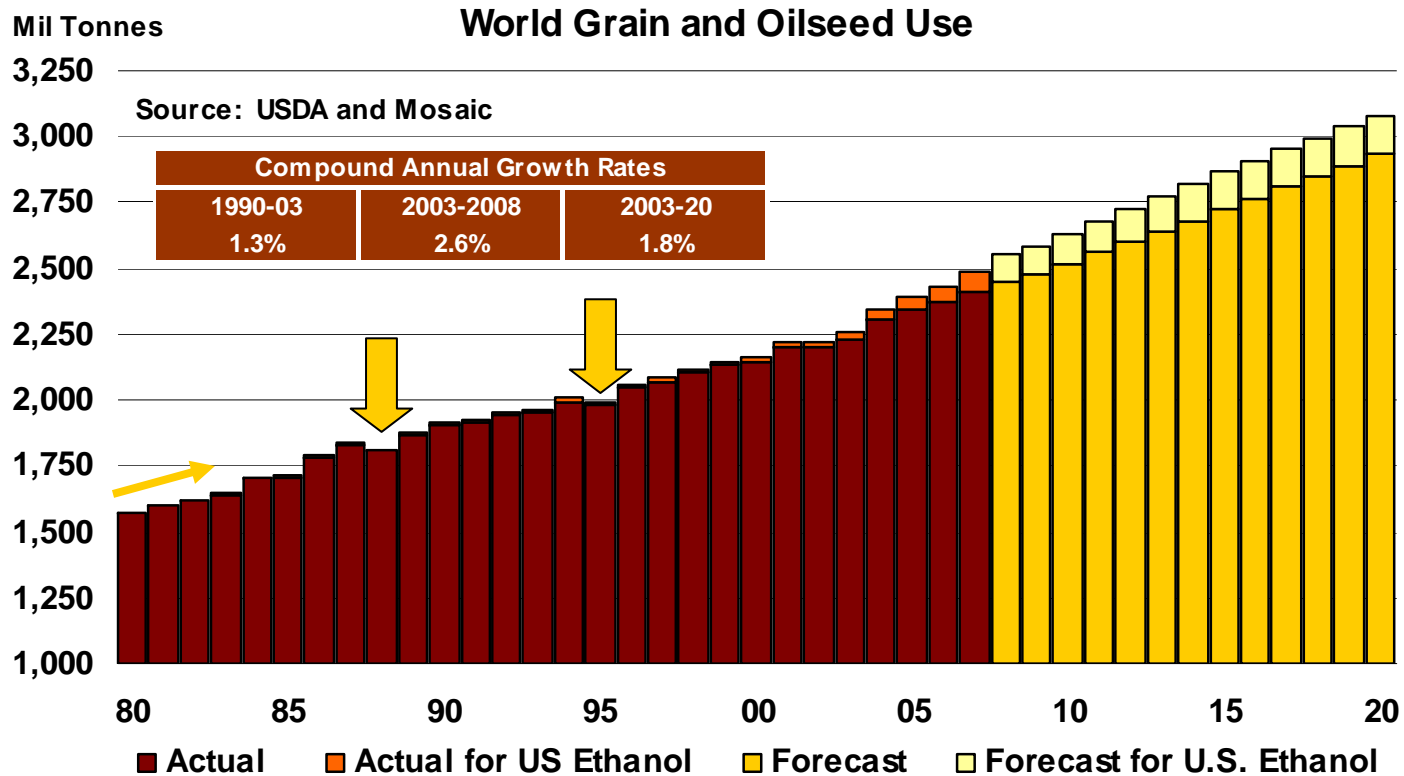
- The race for global resources: *long term opportunities*
 - ⇒ Strong grain and oilseed demand prospects
 - ✓ Traditional food demand drivers
 - ✓ The expected impact of biofuels
 - ⇒ Implications for grain and oilseed production
 - ⇒ Positive long term crop nutrient demand forecasts
- Pit stops along the way: *short term challenges*
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 - ✓ Late U.S. harvest
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 - ⇒ Risk management lessons



Grain and oilseed demand growth has accelerated

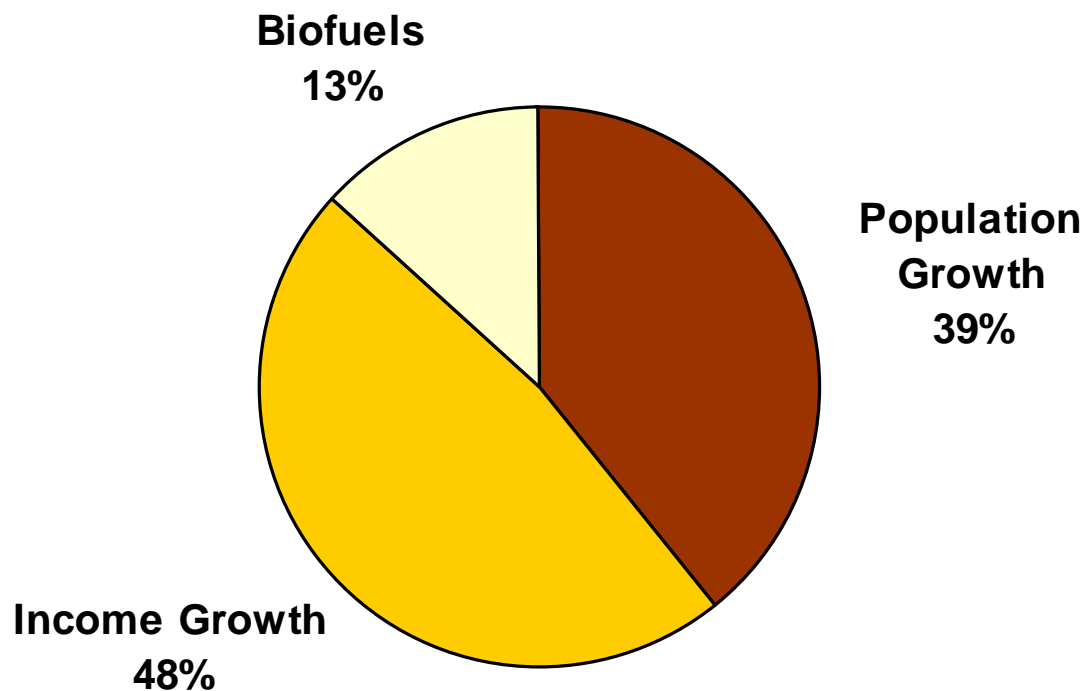


The 500 million tonne challenge

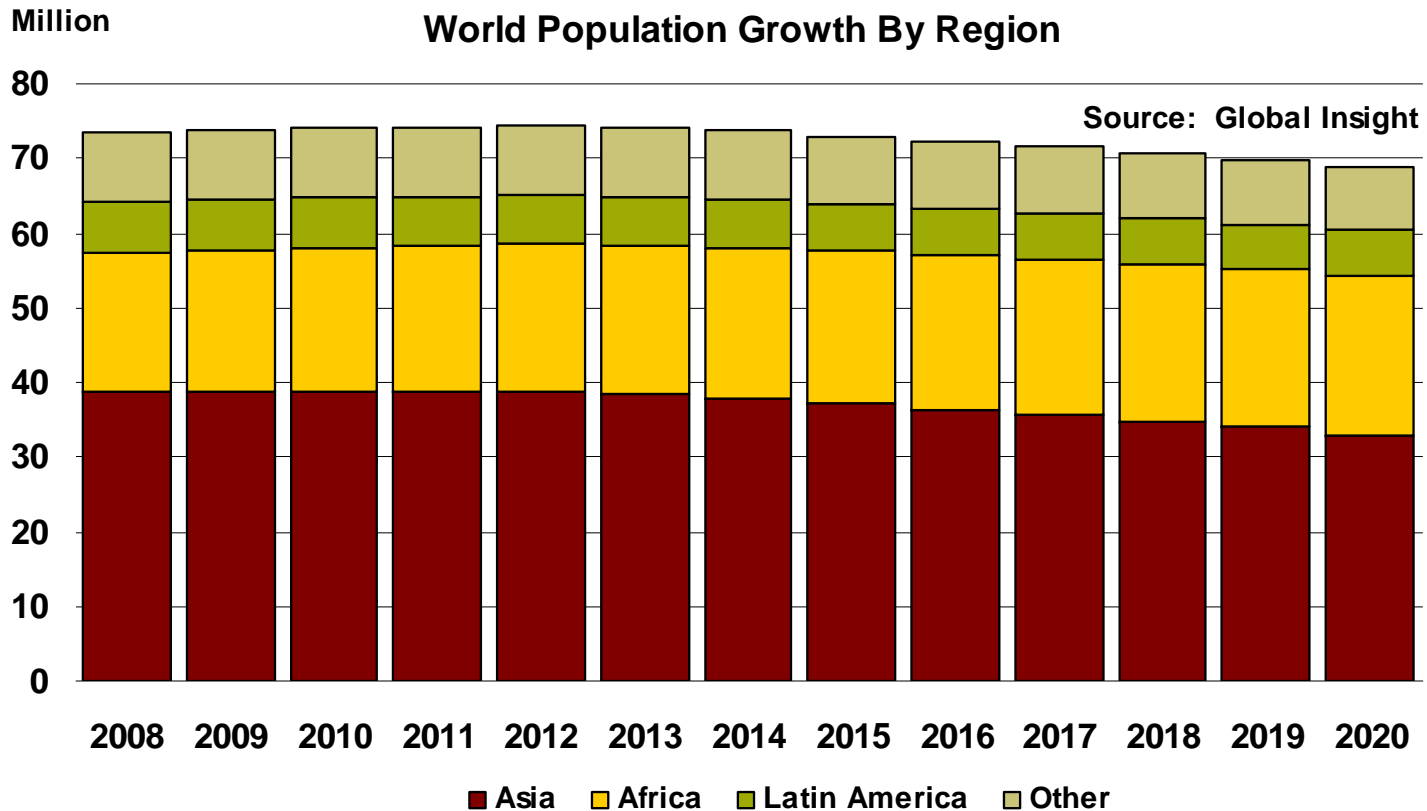


Grain and oilseed demand drivers

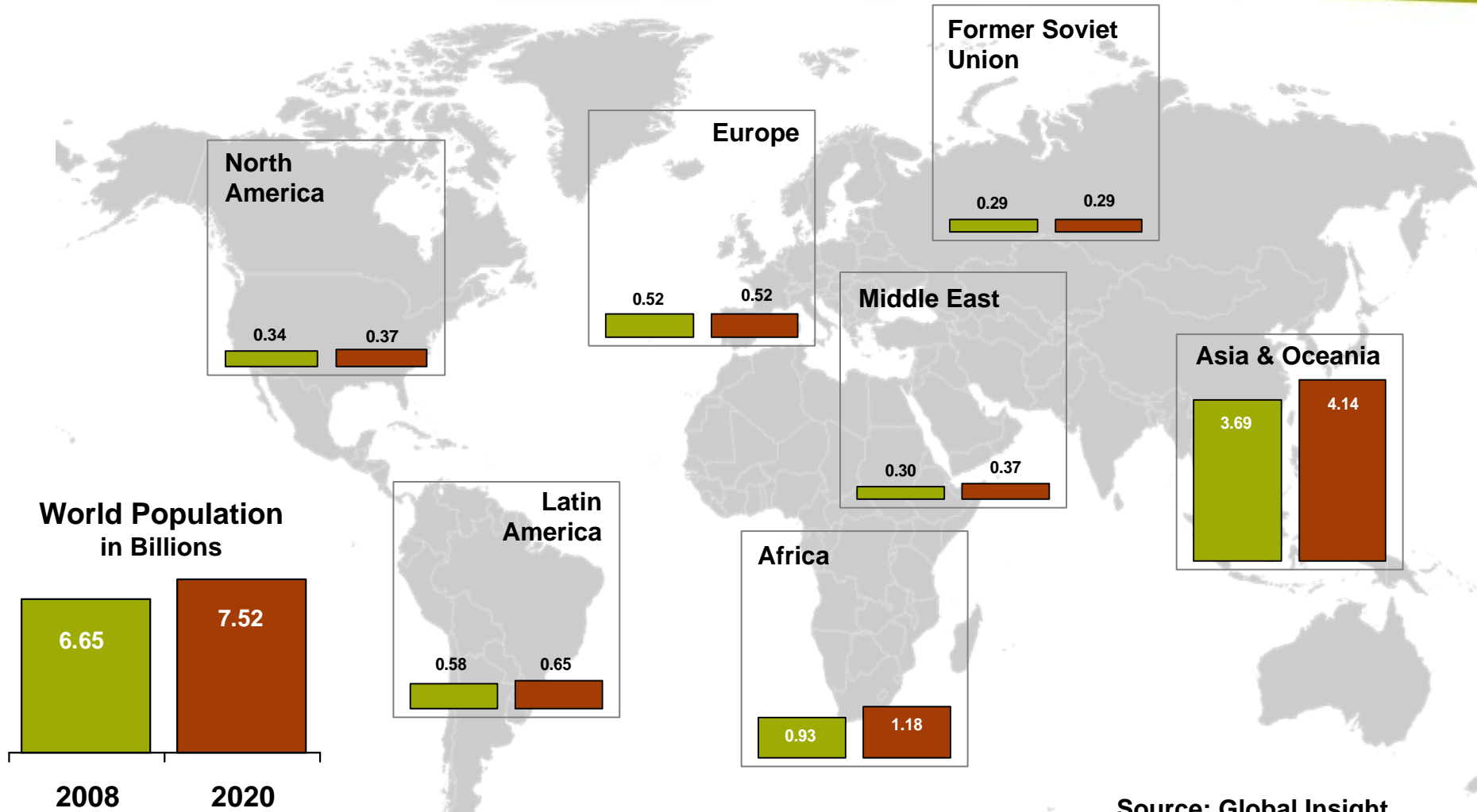
Projected Sources of Grain and Oilseed Demand Growth 2008-2020



The world adds the equivalent of another Thailand and Laos to global population each year

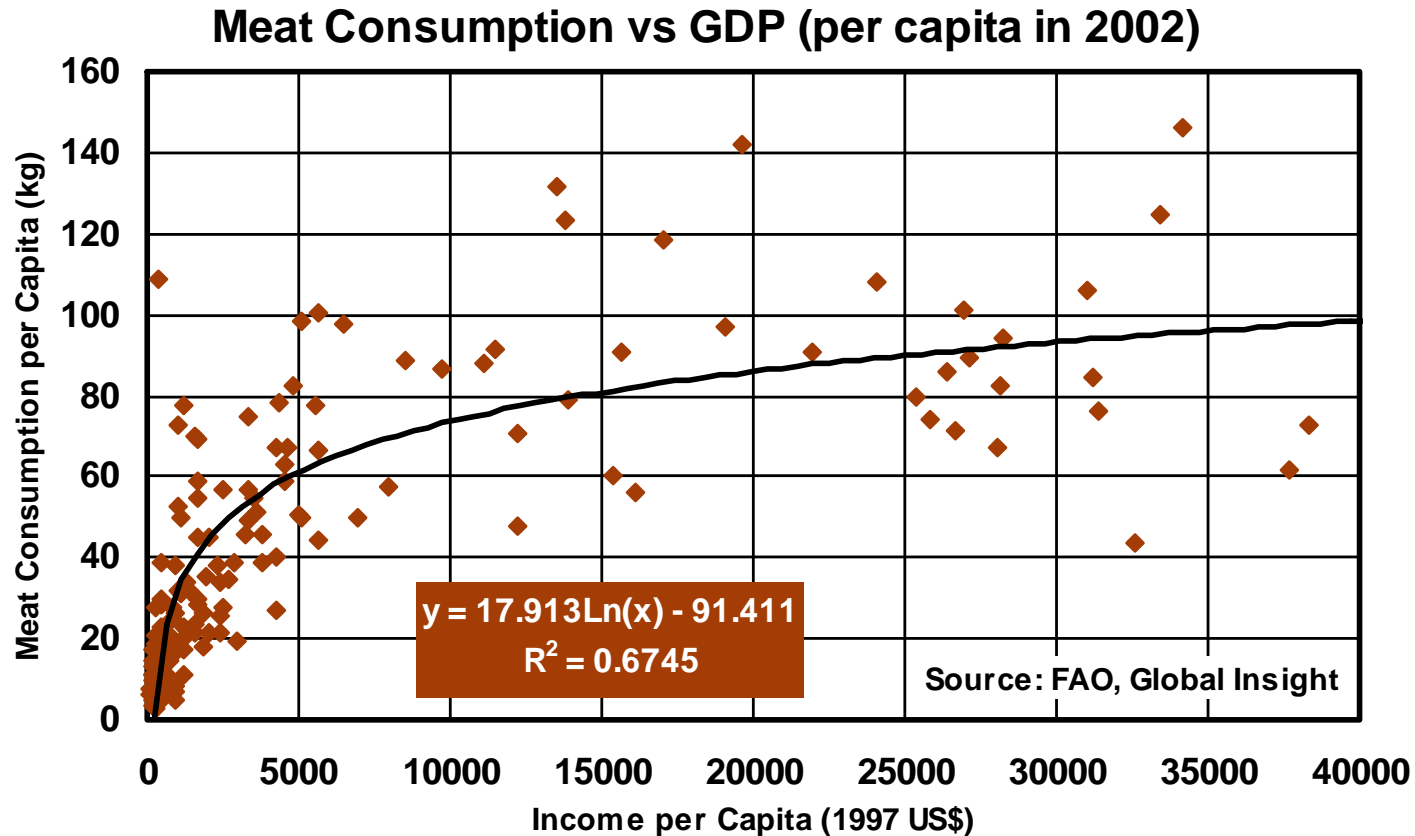


Asia and Africa projected to account for more than 80% of the growth in world population

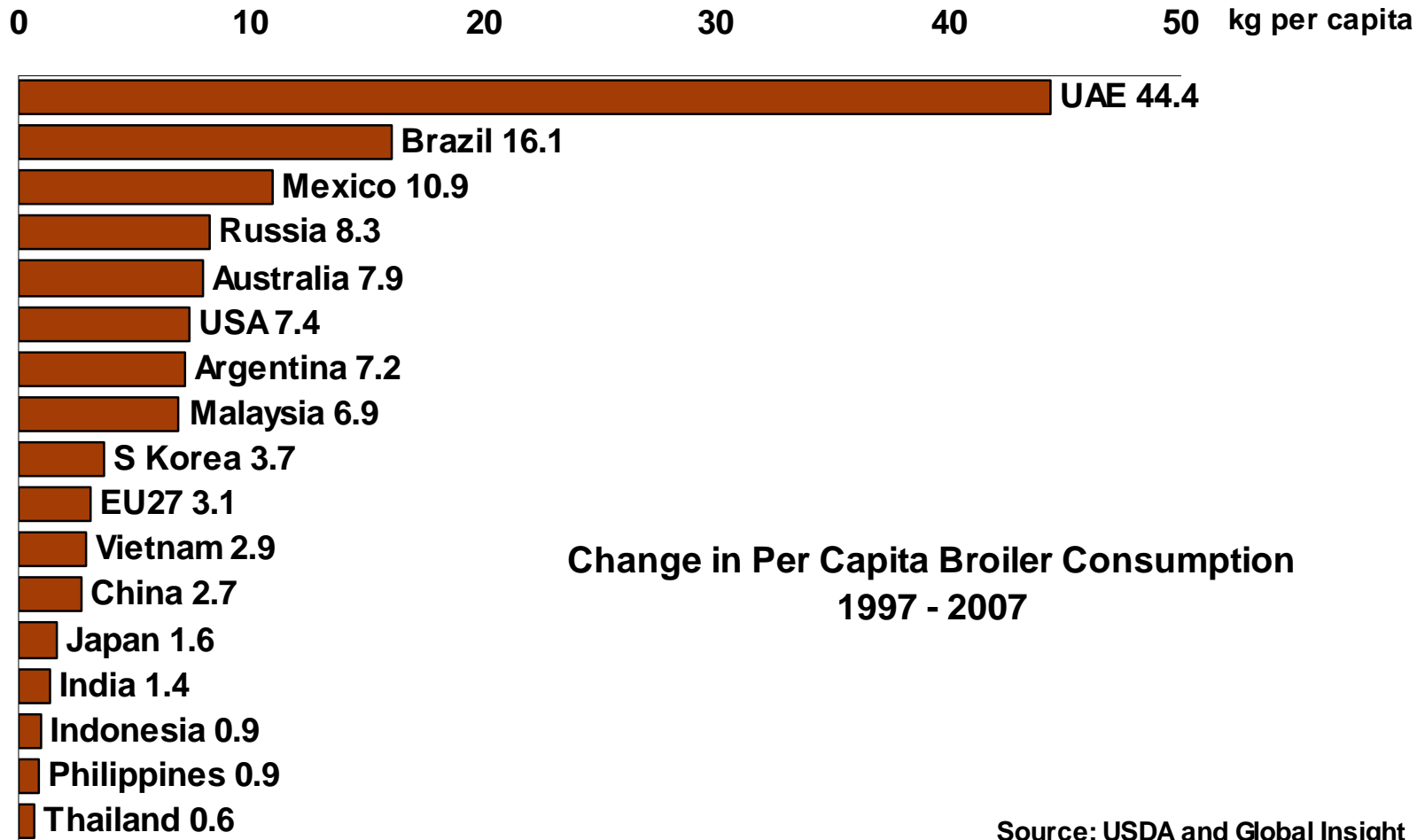


Source: Global Insight

People upgrade their diets as incomes climb from low to moderate levels



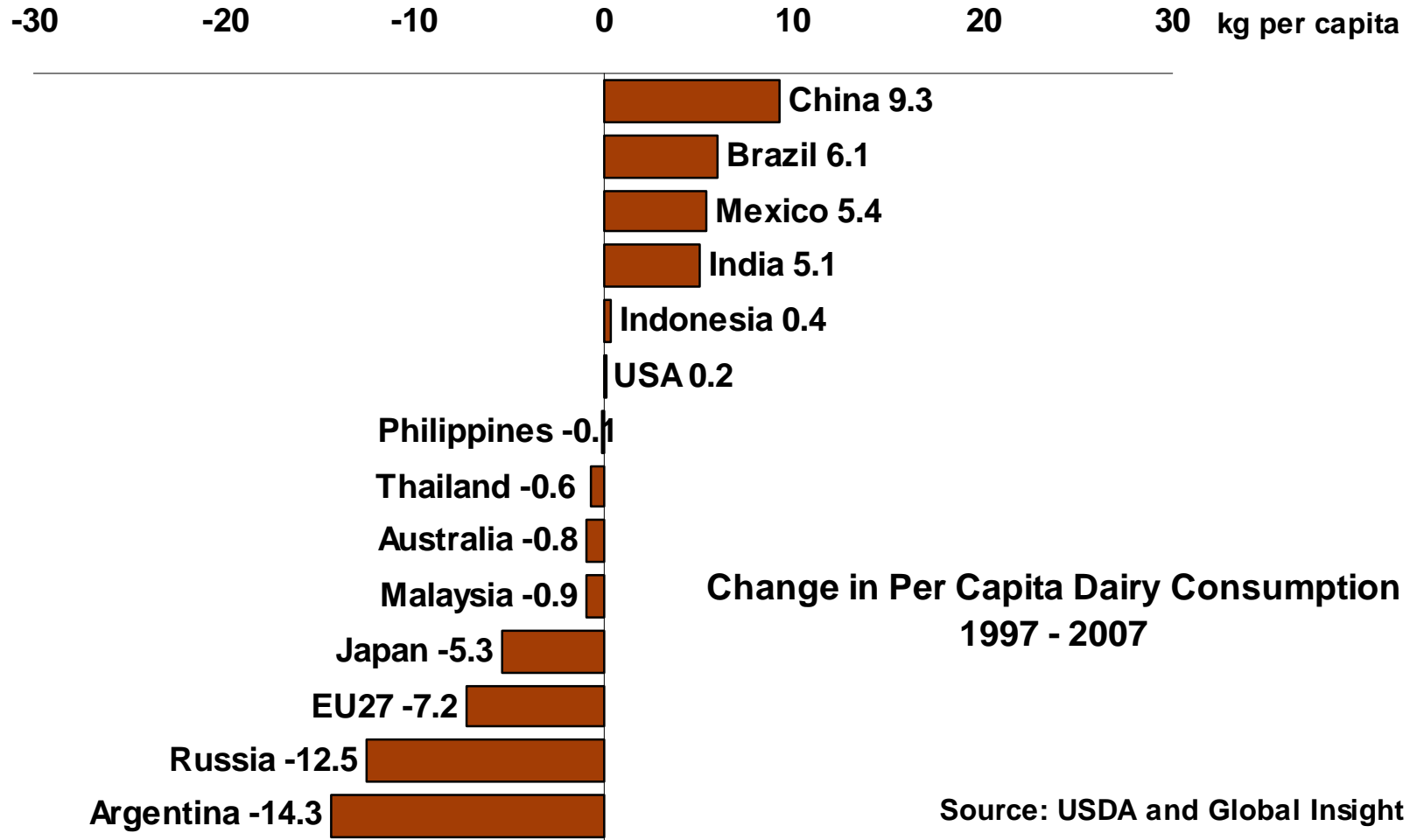
Increases have occurred during the last 10 years due to income growth in many countries



Source: USDA and Global Insight



Large gains have occurred during the last 10 years in many large developing countries



One billion people are projected to join the middle class in China and India by 2025

- McKinsey studies

- ⇒ China and India -- 1.1 billion people are projected to join the middle class between 2005 and 2025

- China

- ⇒ Middle class is projected to grow from 130 million in 2005 to 690 million in 2025

- ✓ Lower middle class: annual income of 25,000 – 40,000 RMB

- ✓ Upper middle class: annual income of 40,000 – 100,000 RMB

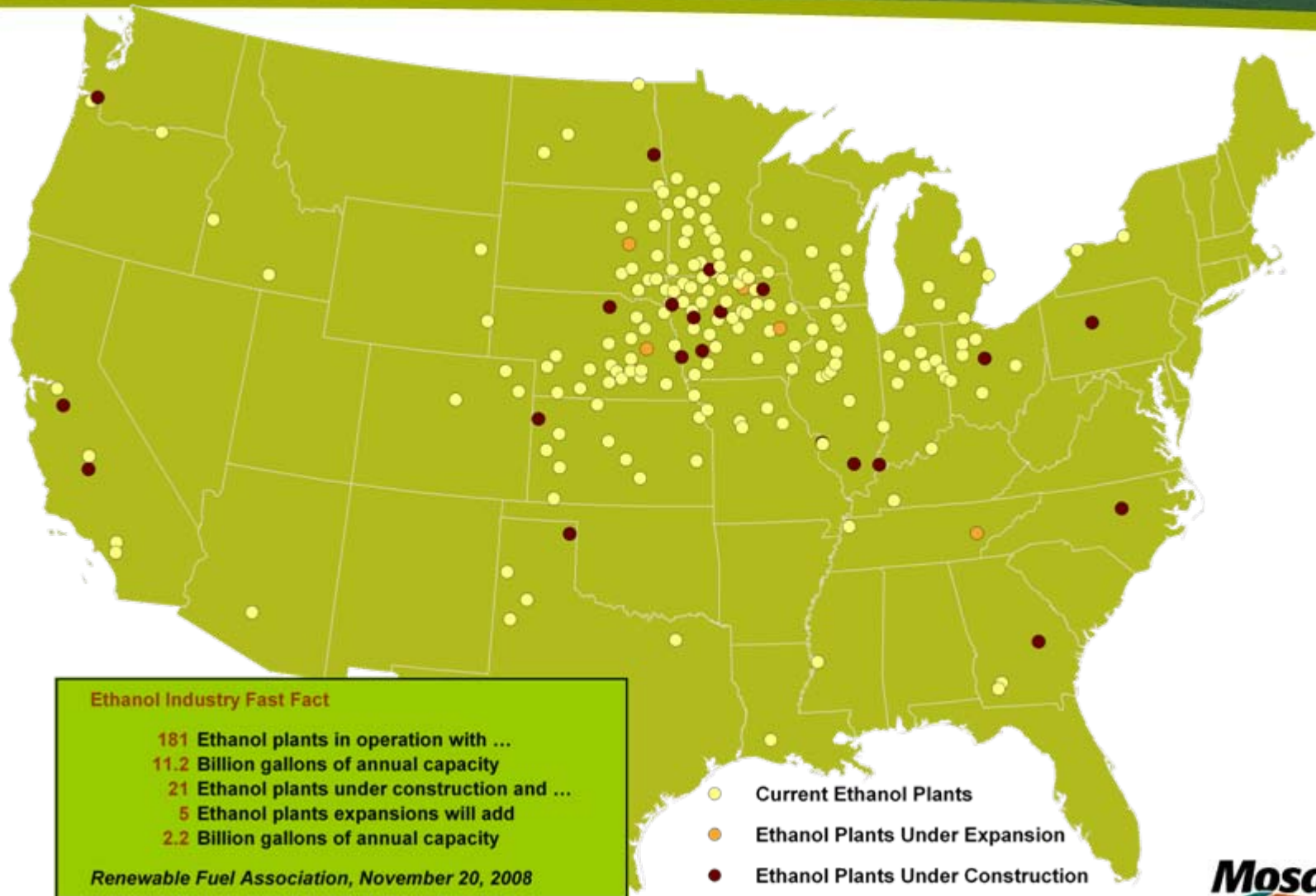
- India

- ⇒ Middle class is projected to grow from 50 million in 2005 to 580 million in 2025

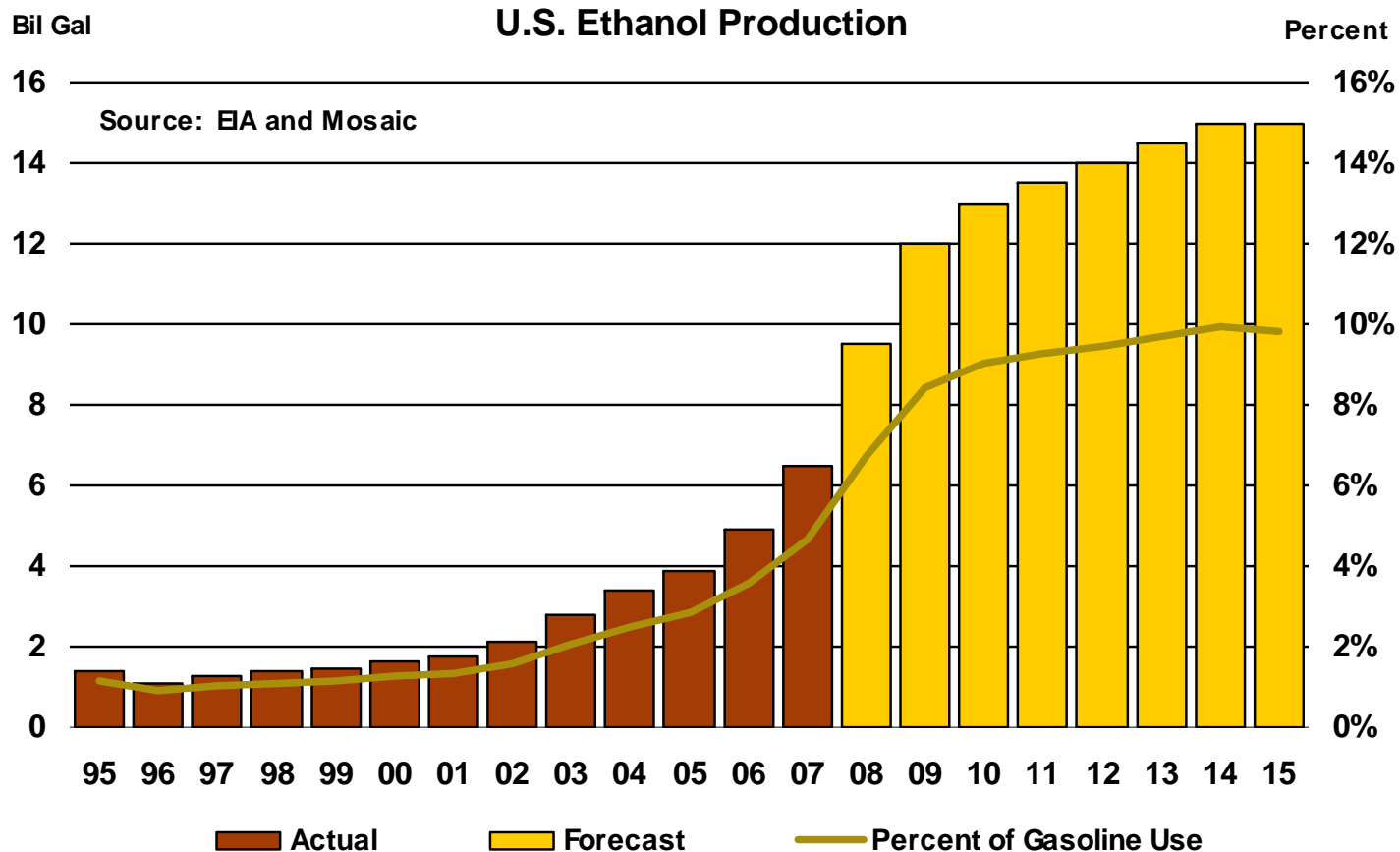
- ✓ Middle class: annual income of 200,000 – 1,000,000 Rupees



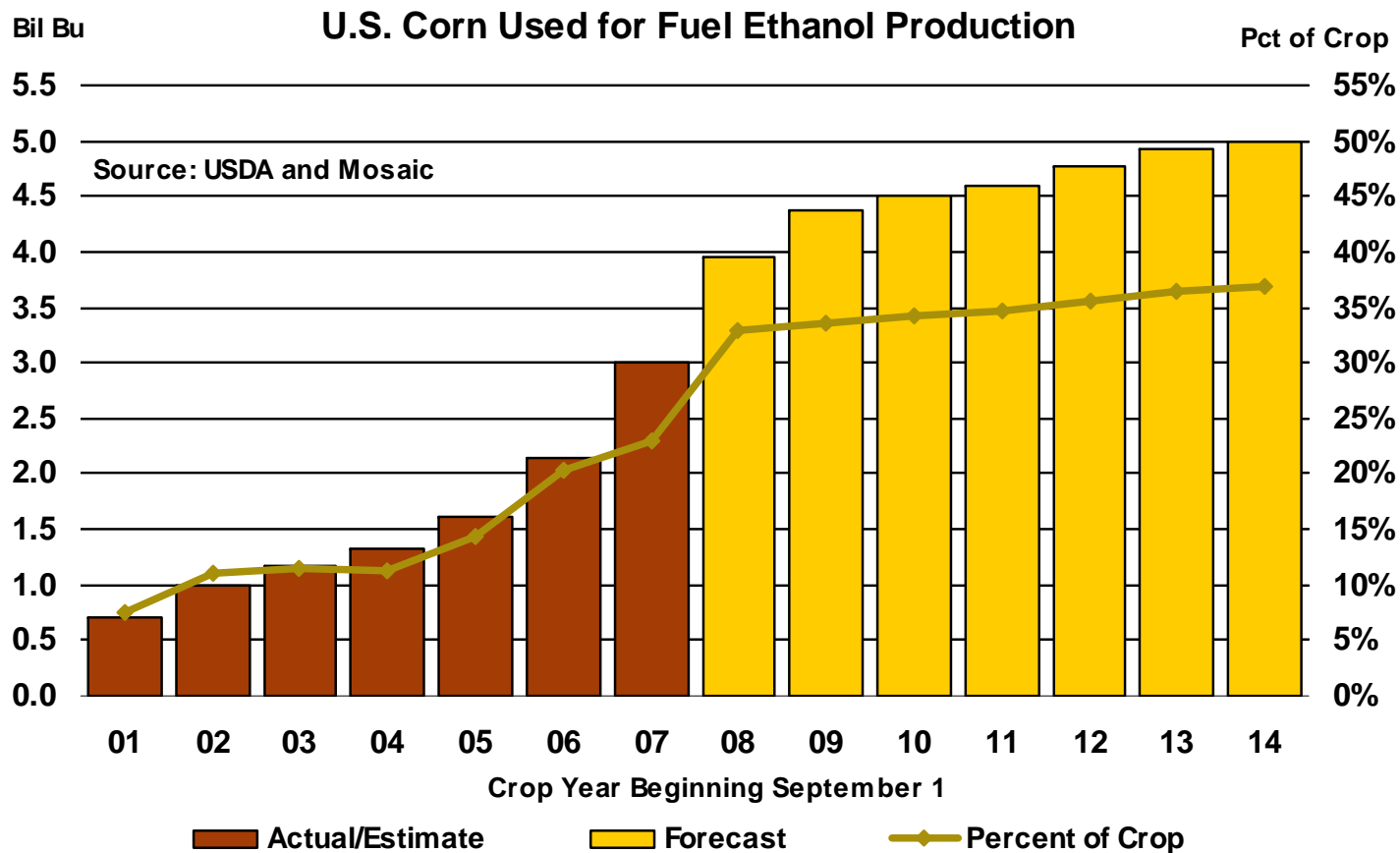
U.S. ethanol plants and capacity



Ethanol accounts for almost 7% of gasoline supplies and is projected to account for 10% by 2015



One-third of the U.S. corn crop now is used to produce ethanol

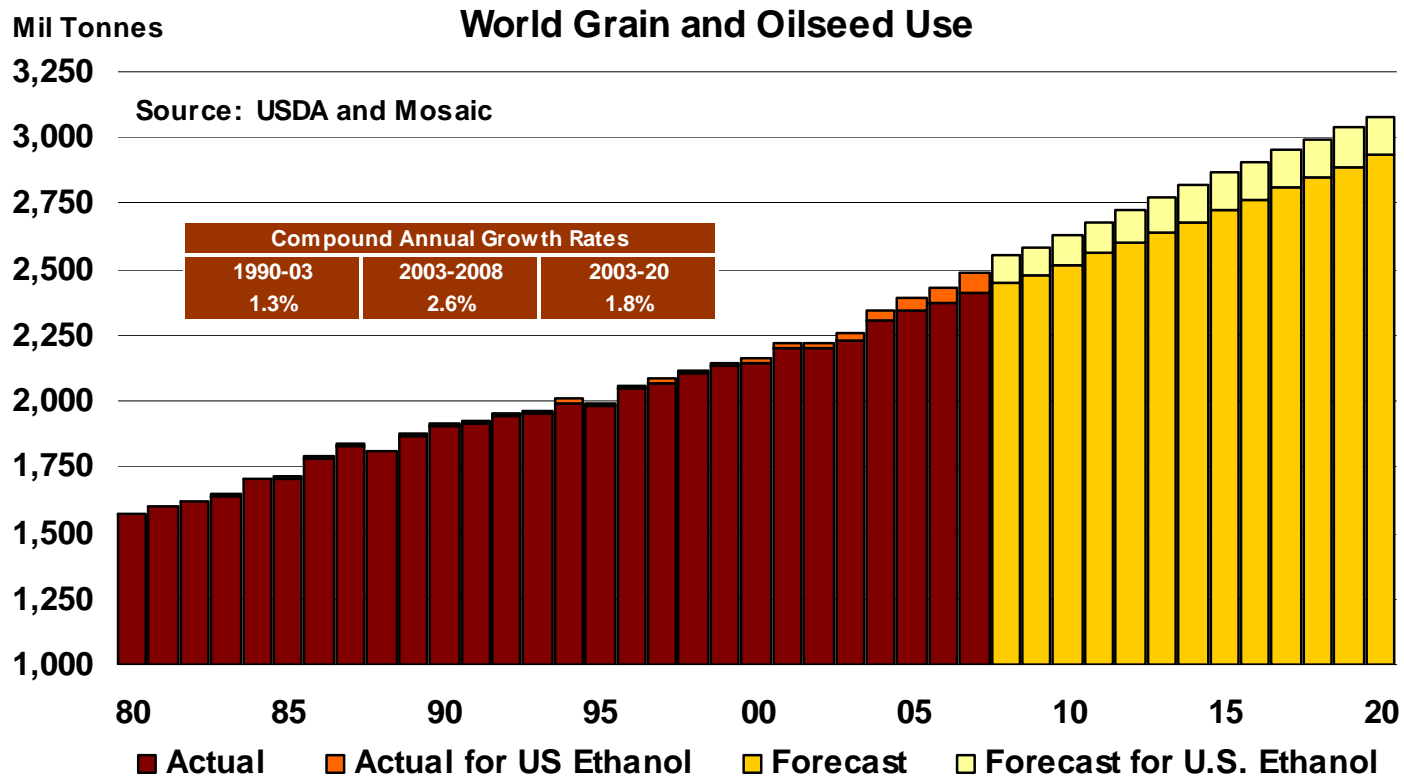


Topics

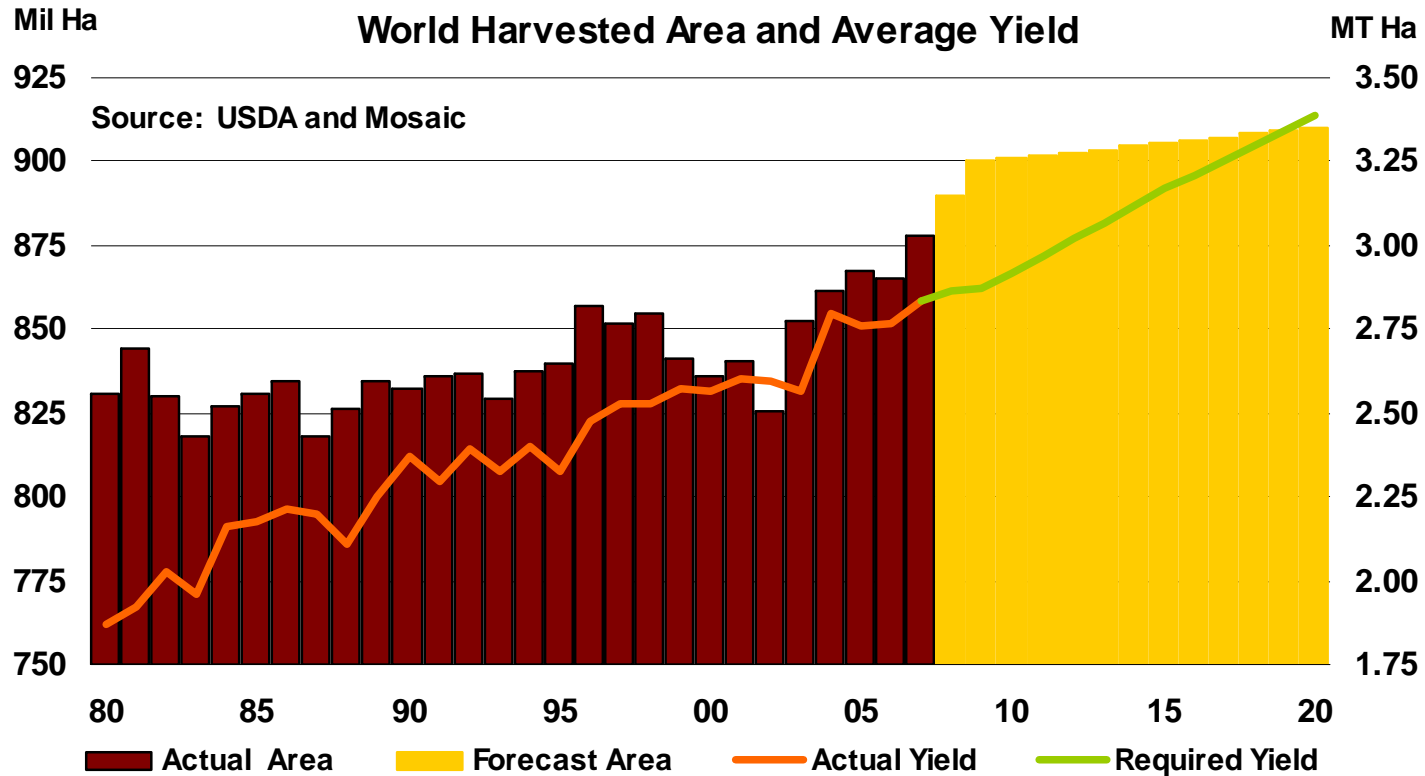
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The 500 million tonne challenge



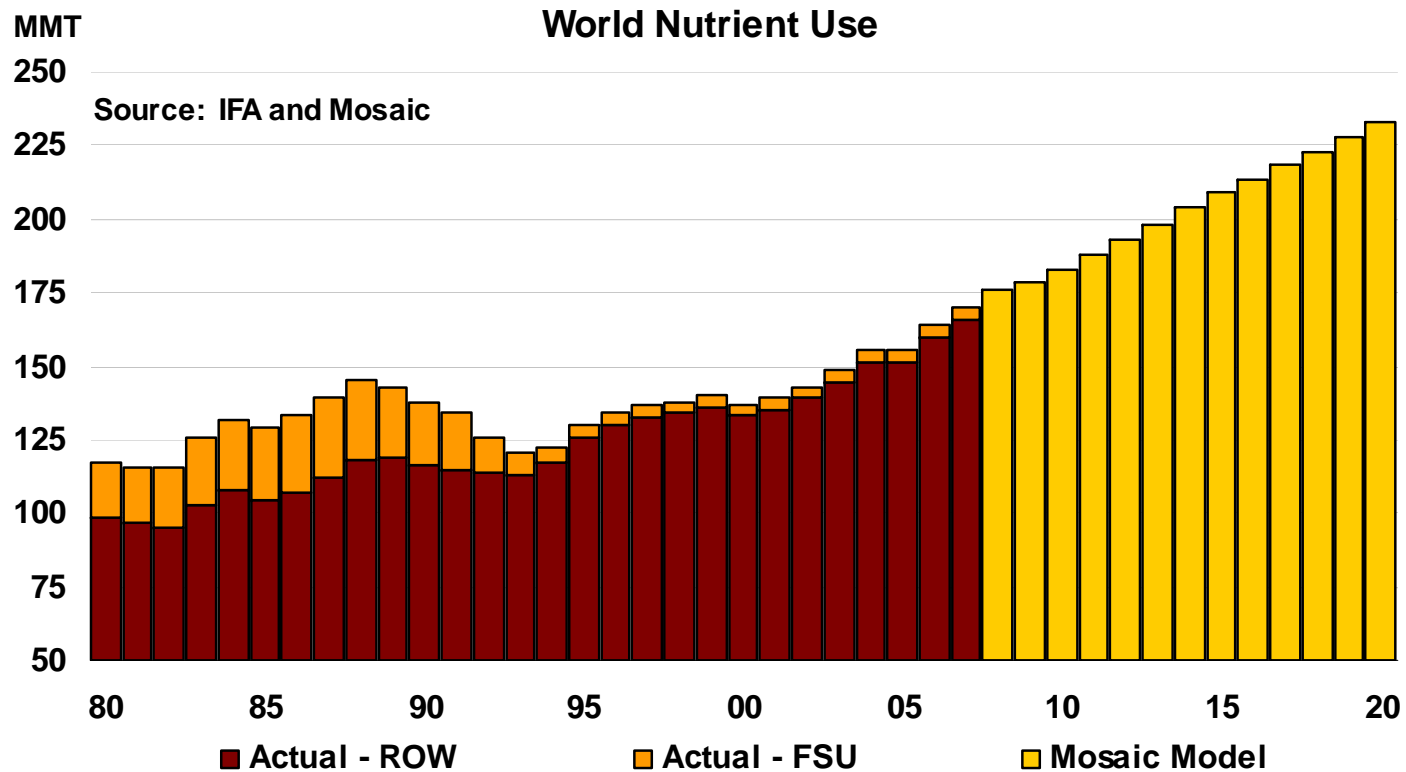
More area and higher yields are required to meet projected grain and oilseed demand



Higher application rates to achieve required yields



Model predicts that global nutrient use will increase to more than 230 million tonnes by 2020



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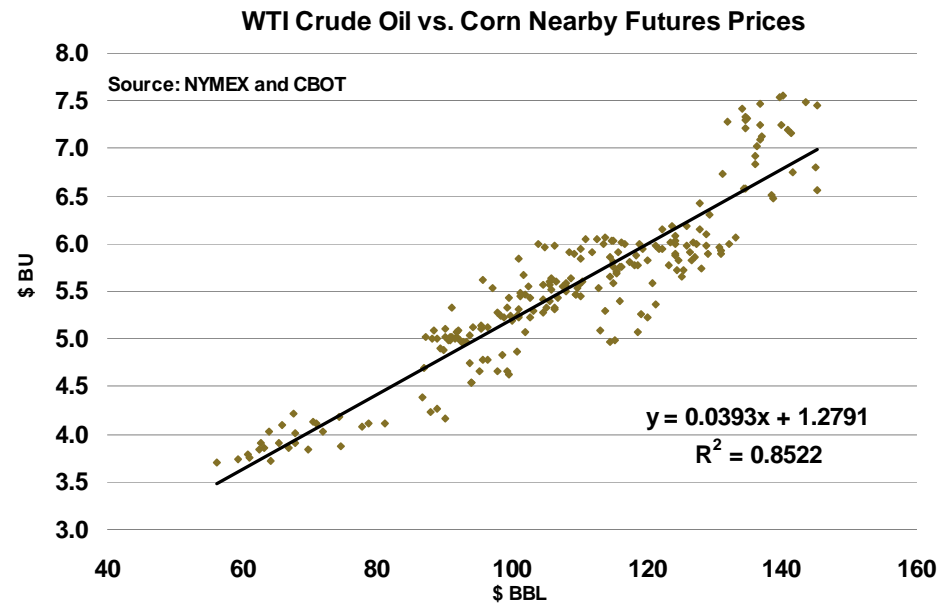
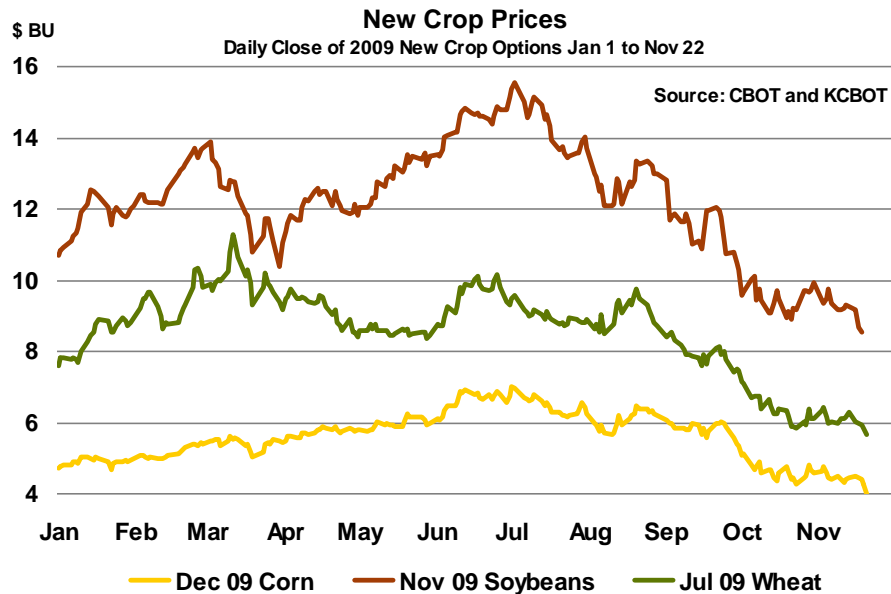


A perfect storm hits crop nutrient markets

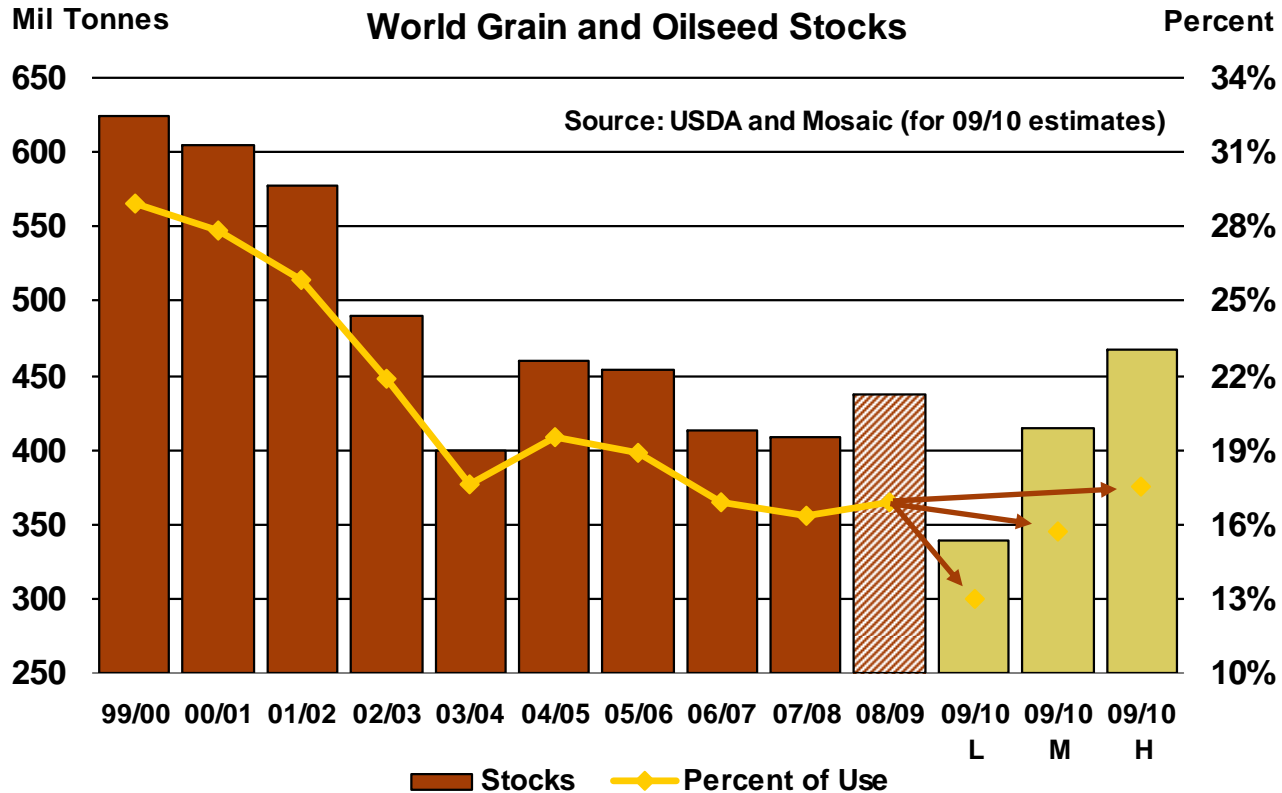
- Impact of global financial crisis on nutrient markets
 - ⇒ Credit constraints limit sales in some regions
 - ⇒ Commodity sell-off erodes farm economics and nutrient demand
 - ⇒ Slower economic growth prospects reduced energy demand and prices
 - ✓ Lower operating and raw materials costs
 - ✓ Lower biofuels prices
 - ✓ Lower freight rates
 - ⇒ The re-calibration of crop nutrient markets
- Large distribution pipeline stocks in some regions
- Late North American fall season
- Consequences
 - ⇒ Customers step out of the market due to expectations of lower prices
 - ⇒ Producers curtail production in response to stock builds
 - ⇒ Inventory risk exposure along the supply chain



New crop prices and corn vs. oil prices



Another bumper crop is required in 2009

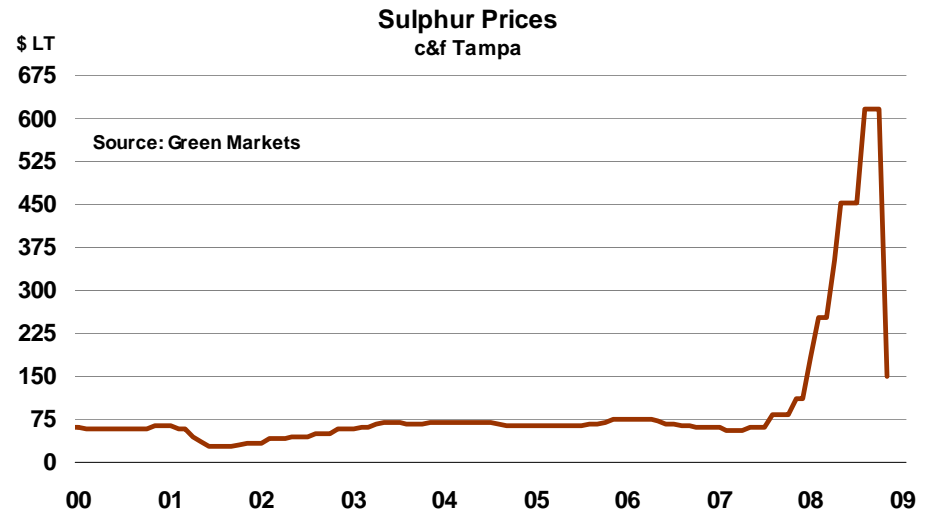
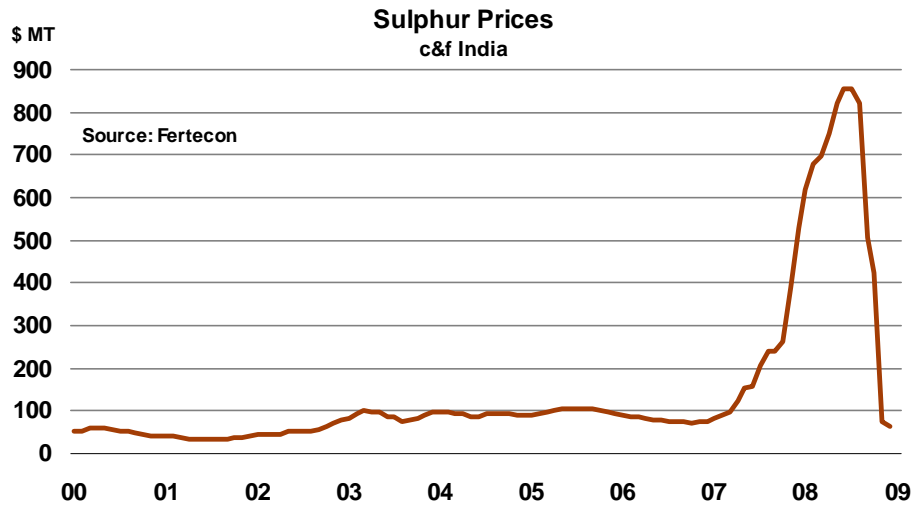


2009/10 Scenario Assumptions

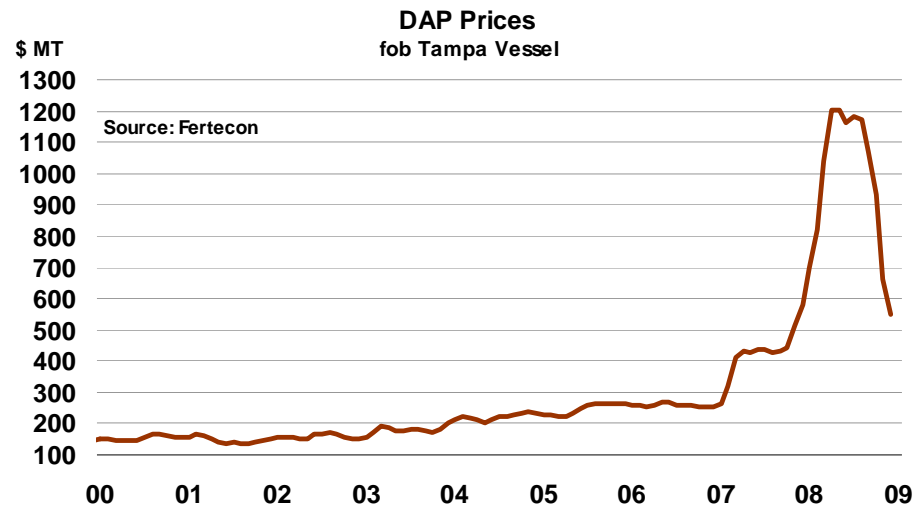
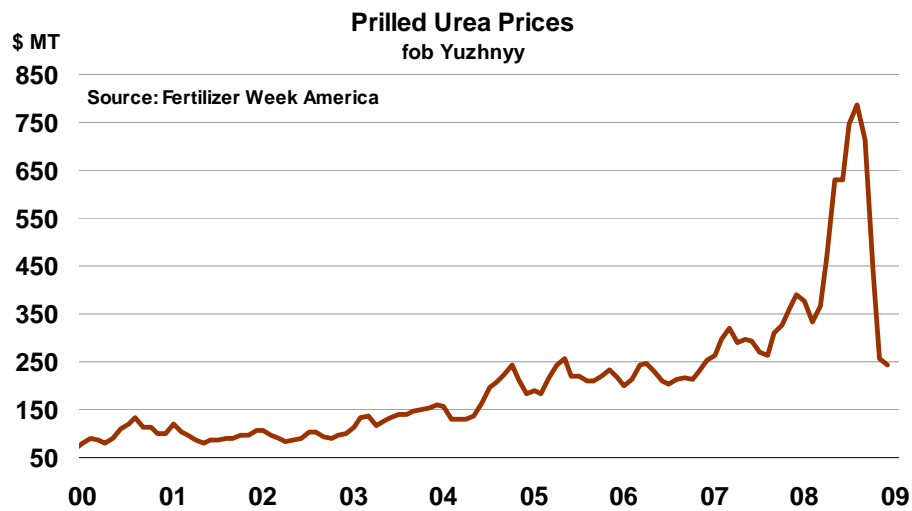
	Low	Medium	High
Increase in Harvested Area (Mil HA)	6.7	6.7	6.7
Yield (Deviation from 10-Year Trend)	Largest Negative	0	Largest Positive
Demand Growth	1.0%	2.0%	3.0%



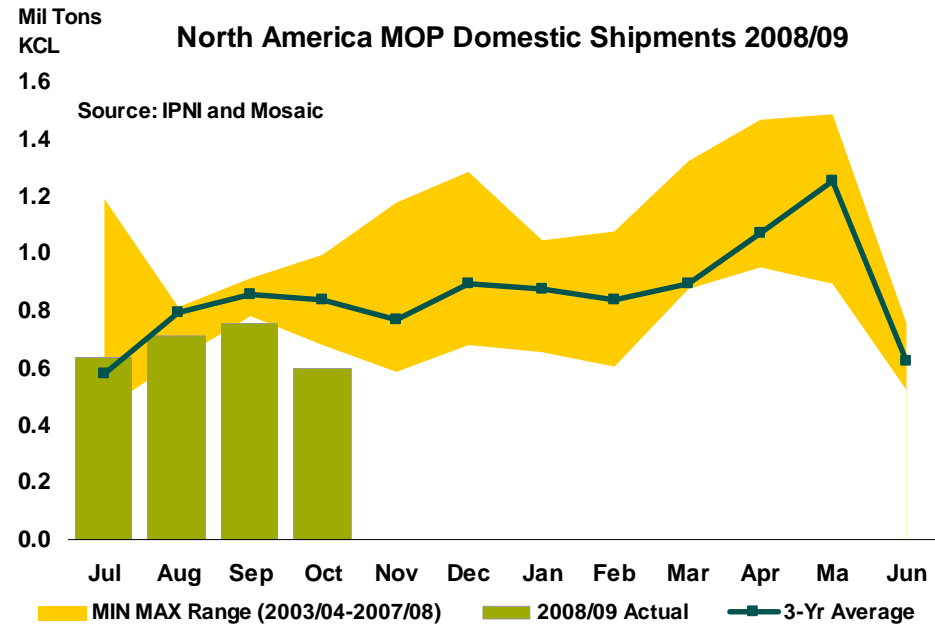
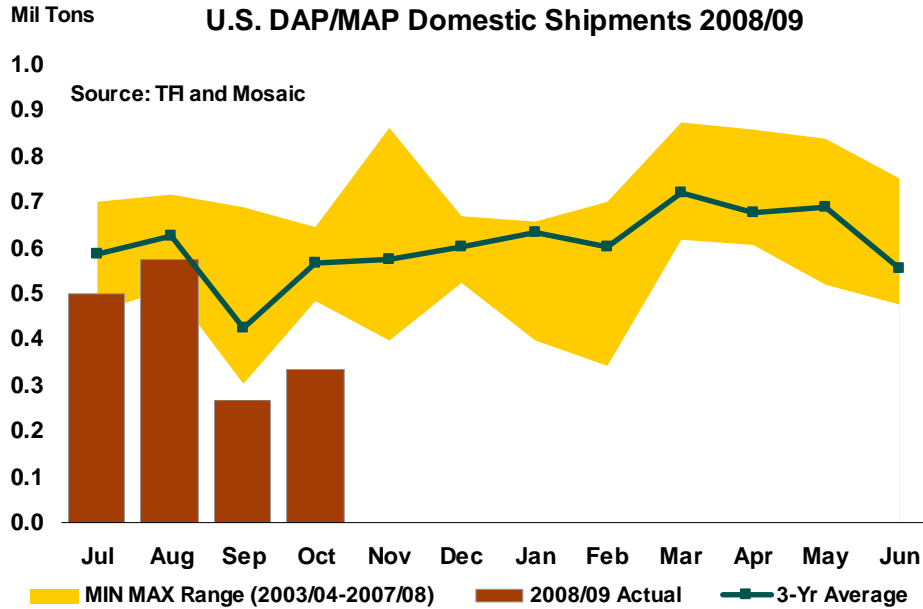
A free-fall in raw materials costs



Crop nutrient markets re-calibrate



Buyers step out of the market



A perfect storm of another kind next spring?

- Will the poor fall season result in a large spring season?
- Will farm economics improve before spring planting?
 - ⇒ Will grain prices decouple from energy prices?
 - ⇒ Will input costs fall further?
- How much were pipeline stocks drawn down?
- Will financial markets stabilize and credit availability increase?
- Can the supply chain move the volume needed next spring?
- Is this the year the sky really falls?



Risk management issues

- Volatile commodity business
- Control what you can control
- Save on the way up
- Limited risk management tools
 - ⇒ Financial instruments such as swaps
 - ⇒ No price established (NPE) contracts
 - ✓ Mosaic's FPD (future price determined) programs
 - ⇒ Exclusive storage arrangements
- Adjustments take time
 - ⇒ Cost-plus retail pricing
 - ⇒ Averaging-down retail inventory costs





Thank You for Your Business!

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