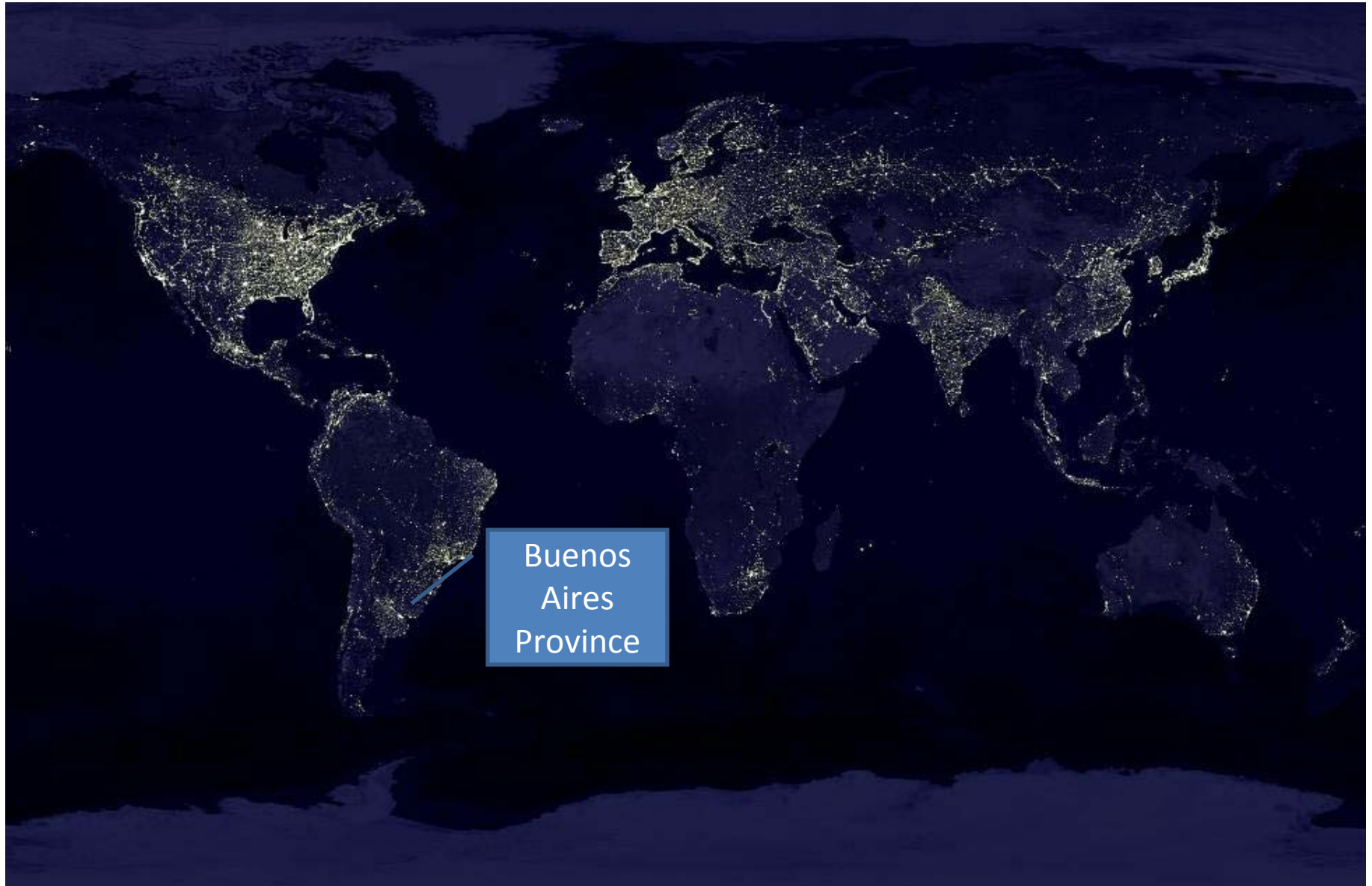


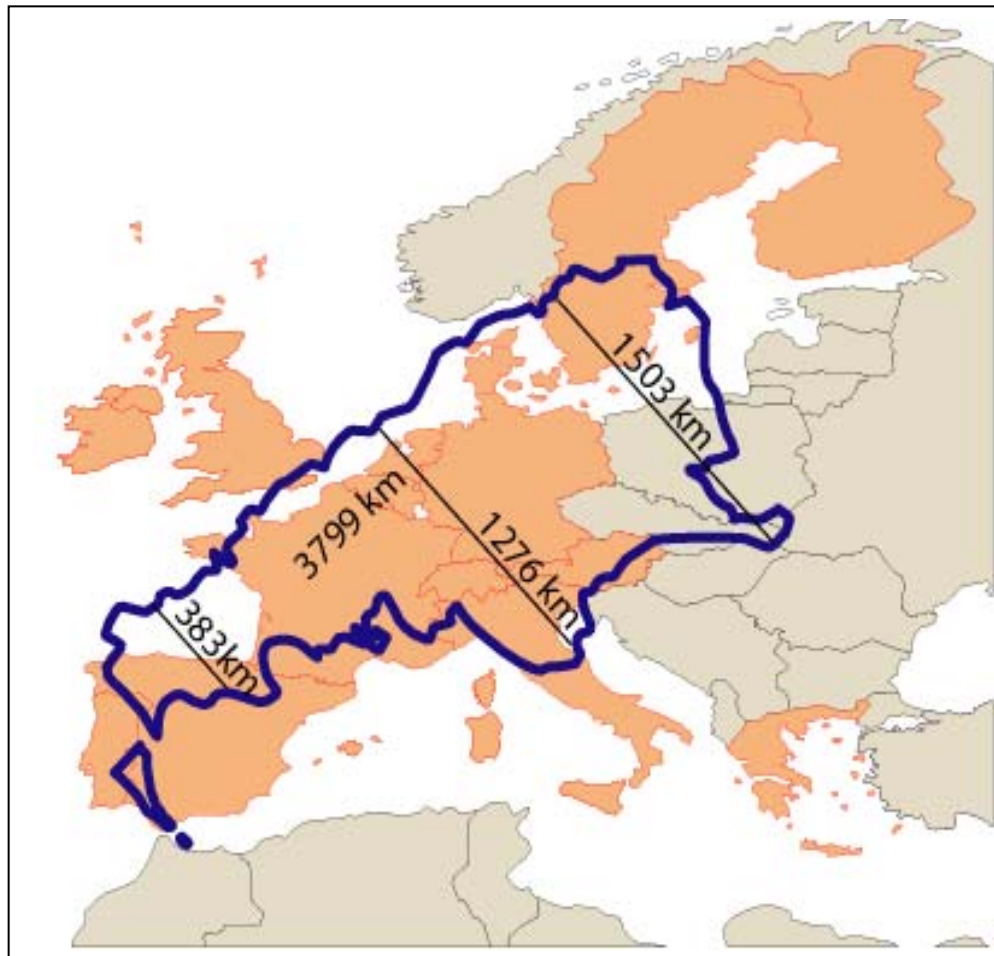
International Panel Presentation Farm Management in Argentina

David Hughes, M.Sc Agricultural Economics
CEO TraulenCo

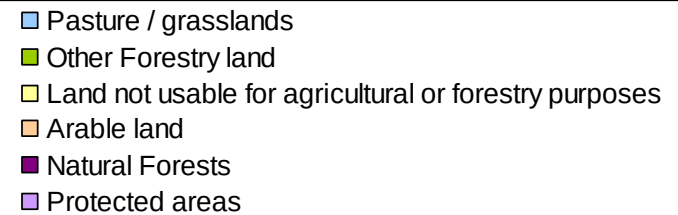
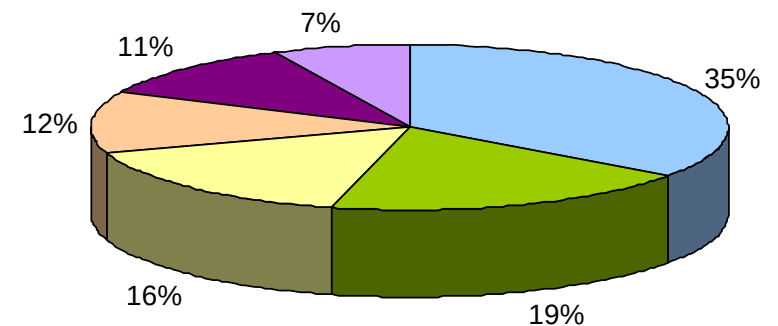
Were I come from: far away and sparsely populated Argentina....



Only 12% of Argentina's total area is used for crop production

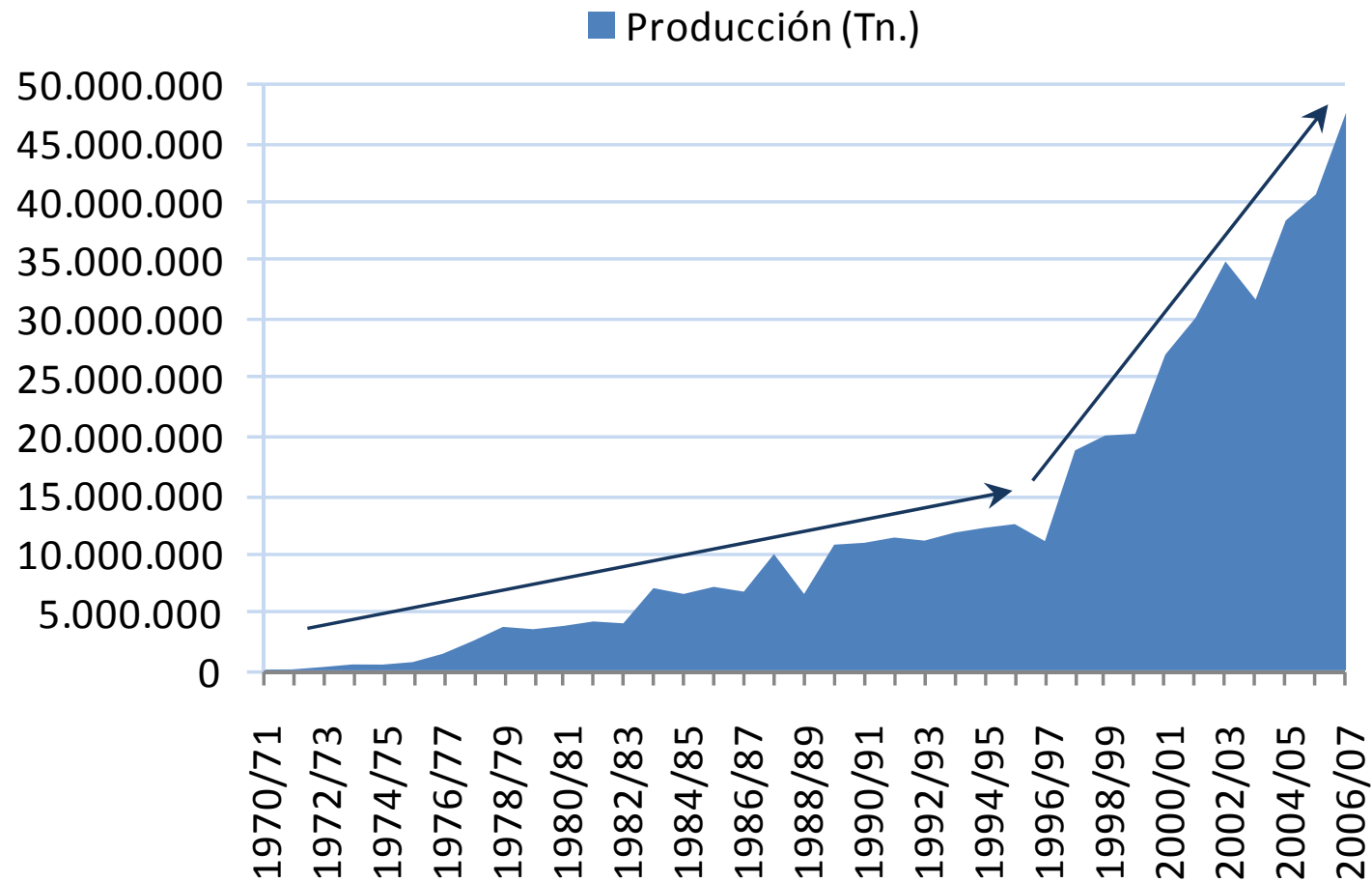


At the beginning of 2007, Argentina's total area of 279 million hectares was utilized as follows:



Source: Key Players in Argentina Report and INTA

Soybean Production in Argentina



Fuente: AACREA en base a datos de la SAGPyA

Argentina as an Exporter (2007)

#1 in Soy Meal

#1 in Soy Oil

#1 in Sunflower Meal

#1 in Sunflower Oil

#1 in Concentrated Lemon Juice

#1 in Pears

#2 in Corn

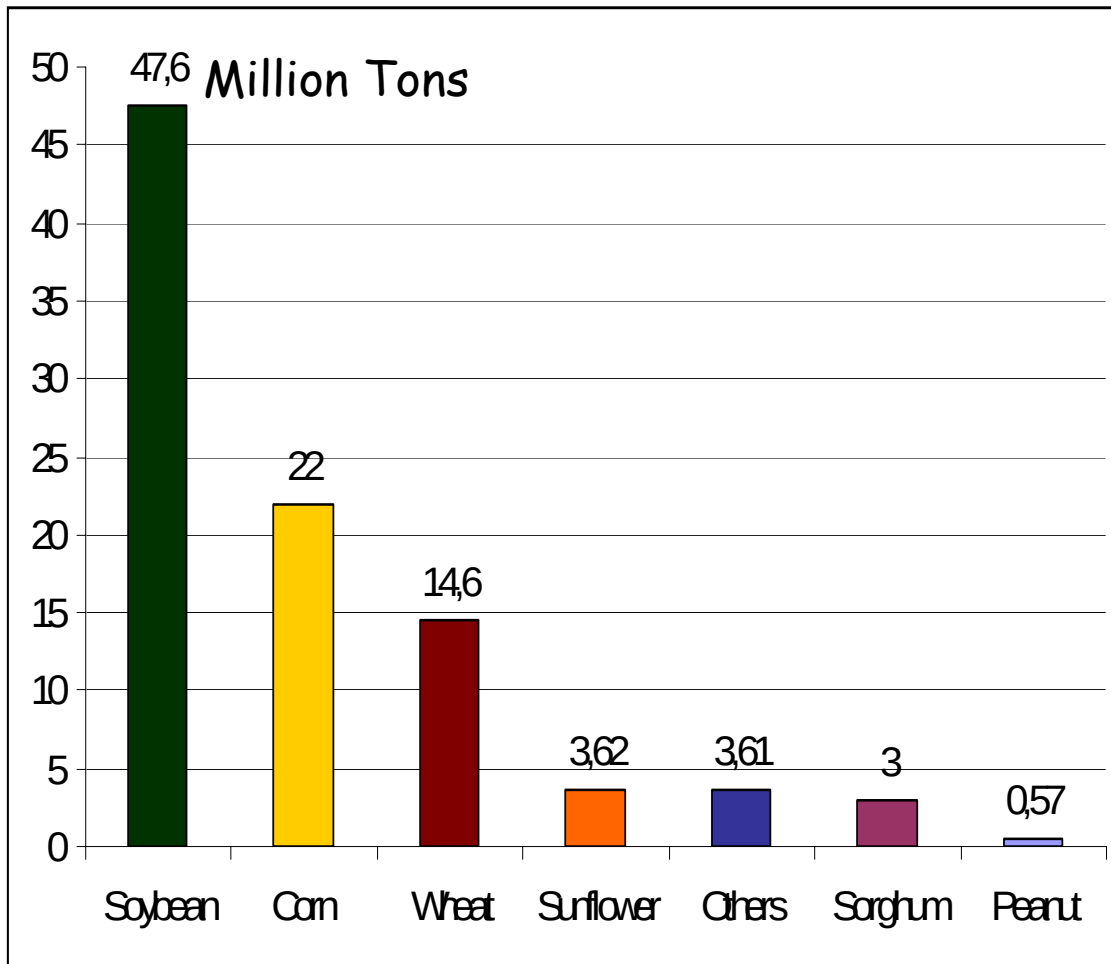
#2 in Honey

#3 in Lime & Lemons

#3 in Soybeans

Agriculture in Argentina

Production of Principal grains – 2006/2007 Campaign



SOURCE: INTA

- Extensive crops under no tillage farming (72% is No till)
- Mean farmer size: 350 – 500 ha.
- Range: 150 to 15.000 ha.
- 55% of the crops are produced by farmers who do not own the land

A wide-angle photograph of a dirt road that stretches from the foreground into the distance, flanked by lush green crops. The sky is filled with soft, white clouds. The road has visible tire tracks and is bordered by a simple wooden fence on the right side.

Main Production: Wheat, Soybeans, Corn, Sunflower, Cow-Calf, Finish Cattle on Pastures.

Locations:

Buenos Aires Province, (500 km between farms)
La Rioja Province. (1,200 km from headquarters)

Area:

Buenos Aires: 13,700 hectares
La Rioja: 20,000 hectares

People Involve:

33 full times Employees, Contractors, Agronomists, Veterinarians, CPA, and Business Owners.

Contractors for all machinery & labor
Business does not own machinery



Long term relationship with contractors



No till planting of Second Soy in Wheat stubble

Management Tools:

- Individual field records linked to activity based accounting
- Management Information Systems
- GlobalGAP norms
- Traceability in livestock
- Accrual Accounting



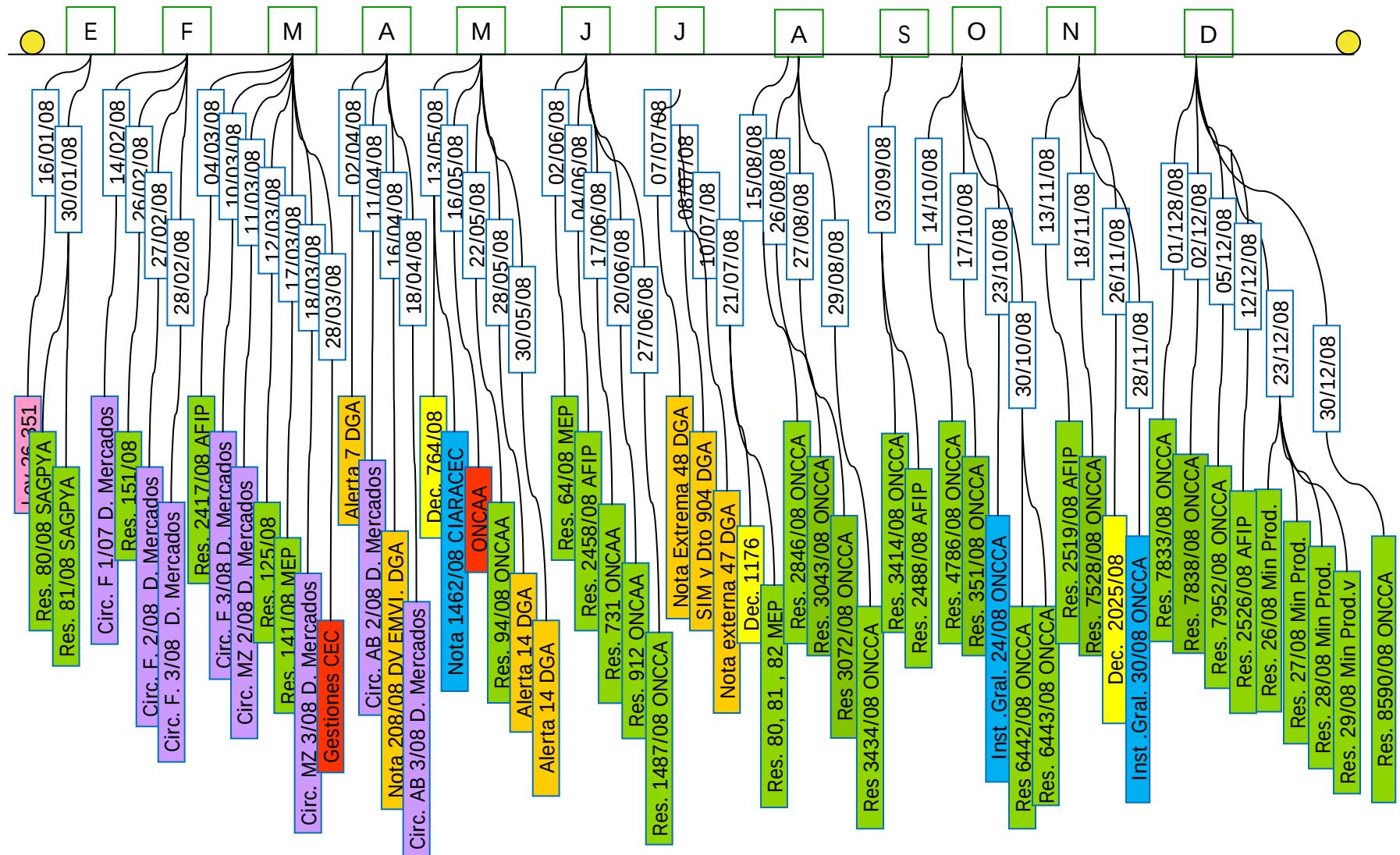
- Primary and secondary roads:
 - 61,000 km paved routes.
 - 37,000 km “improved” routes.
 - 117,000 km unpaved roads.
- Other minor Roads:
 - Over 400,000 km unpaved.



Silo bags, variable cost storage
30 million tons stored (30%)
Cost approx U\$S 3/ton



Cronological description of Resolutions, Laws, Decrees and Circulars during 2008



How the price is formed for the farmer (July 7th, 2009)

	Corn			Soybean			Wheat		
F.O.B.*		160,0 U\$\$/ton	100%		430,0 U\$\$/ton	100%		240,0 U\$\$/ton	100%
Export taxes	20,0%	32,0 U\$\$/ton		35,0%	150,5 U\$\$/ton		23,0%	55,2 U\$\$/ton	
	8,3			12,9			11,8		
Other costs**	U\$\$/ton	8,3 U\$\$/ton		U\$\$/ton	12,9 U\$\$/ton		U\$\$/ton	11,8 U\$\$/ton	
F.A.S.***		119,7 U\$\$/ton	74,8%		266,6 U\$\$/ton	62,0%		173,0 U\$\$/ton	72,1%
Market Price		118,4 U\$\$/ton	74,0%		252,6 U\$\$/ton	58,8%		147,4 U\$\$/ton	61,4%
<i><u>Difference between actual market price and expected market price</u></i>									
		-1,3 U\$\$/ton			-14,0 U\$\$/ton			-25,6 U\$\$/ton	
Long Distance									
Trucking	450 km	26,6 U\$\$/ton			26,6 U\$\$/ton			26,6 U\$\$/ton	
Marketing Costs									
Commission	1%	1,2 U\$\$/ton		1%	2,5 U\$\$/ton		1%	1,5 U\$\$/ton	
Gross Income									
Taxes	1%	1,2 U\$\$/ton		1%	2,5 U\$\$/ton		1%	1,5 U\$\$/ton	
Price to farmer at farm gate		89,4 U\$\$/ton	55,9%		220,9 U\$\$/ton	51,4%		117,8 U\$\$/ton	49,1%

* F.O.B = Free on Board

** Other Costs: Port Costs and Commercial Costs on F.A.S.

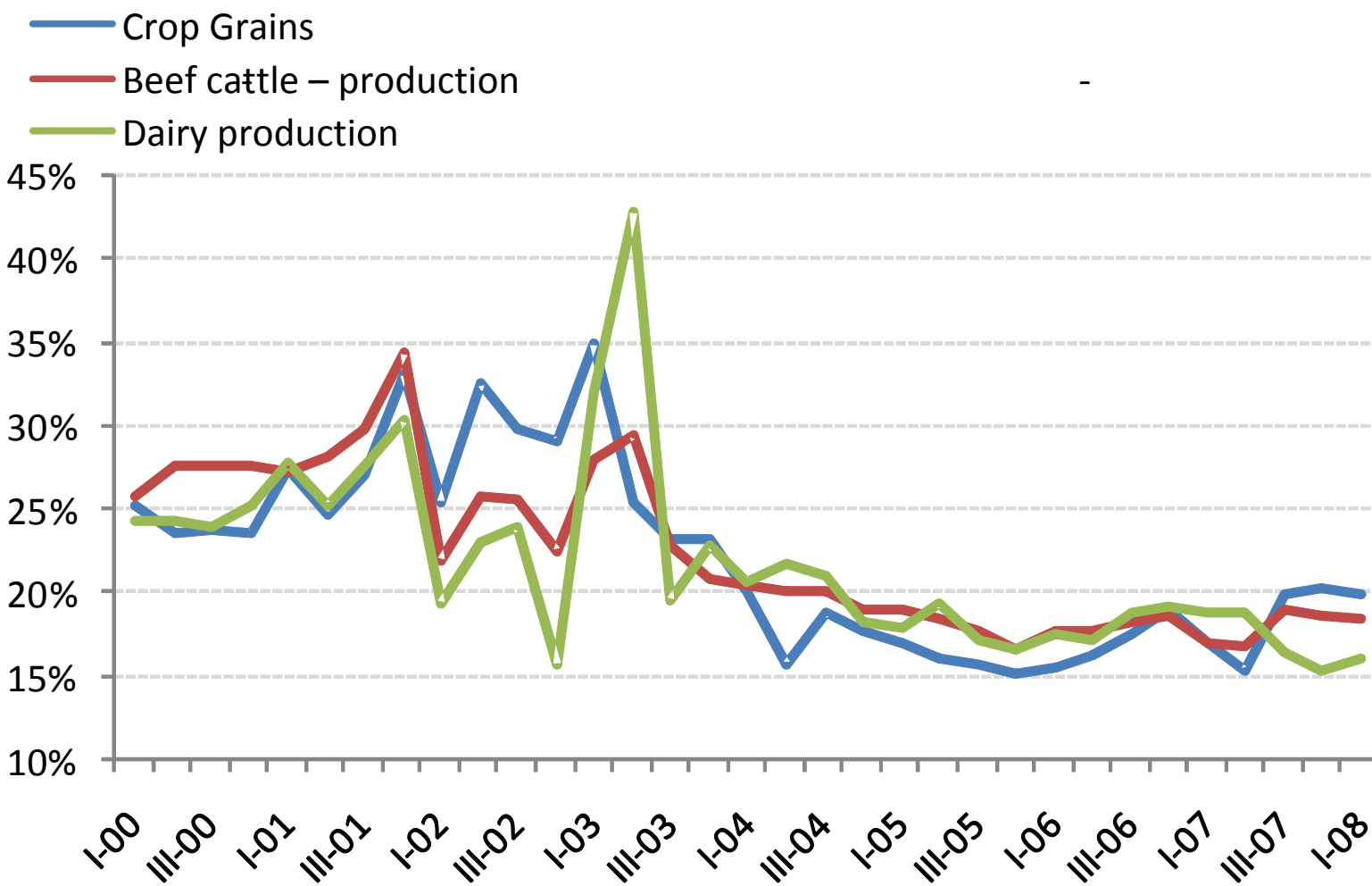
*** F.A.S = Free

AsideShip



20 3 2008

Interest Rates per Activity (in A\$)



Source: AACREA from information from INDEC y BCRA

Future of the Ag Sector in Argentina

- Ag sector is still competitive and profitable
- All major International Agri Business are present in Argentina and have been there for many years
- Present Administration has lost majority in both houses
- Future looks bright