

Roundup RReady2Yield
Media Conference Call
8:00 AM CT/9:00 ET
Tuesday, July 31, 2007

GERI BERDAK:

Good afternoon everyone and thank-you for taking the time to join us today. I want to introduce myself. My name is Geri Berdak, Public Affairs director for Monsanto.

This morning, you received a copy of today's news release with, so you are aware that yesterday Monsanto's Roundup RReady2Yield soybeans were approved, or granted deregulated status, by the U.S. Department of Agriculture as well as Health Canada and the Canadian Food Inspection Agency.

We wanted to take some time to share with you why we believe this is an important milestone for a project that promises to deliver significant yield benefits to U.S. farmers. After these brief remarks, we will take time to answer your questions.

With us on the call are:

- o Ernesto Fajardo, head of Monsanto's U.S. business
- o David Nothmann, the project development lead for Roundup RReady2Yield,
- o Cindy Arnevik, the technology lead for the project, and
- o Greg Elmore, Soybean Trait Manager for Technology Development

Before we get started, I wanted to make you aware that we have an on-line media kit at Monsanto.com. It contains high-resolution photos as well as background information on Roundup RReady2Yield soybeans, which you are free to use in your publications.

Now I will ask Ernesto Fajardo, head of Monsanto's U.S. business to share his perspective on today's news.

ERNESTO FAJARDO: Thank you Geri and thanks to everyone who joined us today.

Since 1996, Monsanto has provided several new biotech solutions for farmers. We have become a company that is 100% focused on agriculture and we continue to invest more and more money in research and development—currently about \$2 million a day.

Roundup Ready soybeans are planted on the vast majority of soybean acres in the U.S. It's a real compliment to have such wide-spread adoption of a technology. It's also a demonstration of the value farmers see in the product.

Since introducing Roundup Ready soybeans in 1996, Monsanto has been investing in new soybean technologies. Corn and cotton have had several new traits including second

generation weed and insect control technologies and stacks. But when we asked soybean growers what technology they wanted us to invest in, the answer was yield.

Today we are happy to announce that we are one step closer to delivering the next generation of soybean technology to farmers' fields—Roundup RReady2Yield.

This breakthrough in soybean production will enable farmers to increase their productivity and profitability. We see a 7-11% yield advantage based on three years of testing.

At a time when acreage shifts to corn have reduced soybean acres in many areas, we think this benefit will be even more valuable as U.S. farmers work to meet the increased demand for their crops.

At Monsanto, we are very excited to be able to share this news with U.S. farmers and we believe this technology will be just as important to soybean growers as Roundup Ready.

Now I will turn it over to David Nothman, who can share more information about today's announcement.

DAVID NOTHMANN:

Thanks Ernesto.

As Ernesto said, we are very excited about today's news because it brings us one step closer to delivering a breakthrough technology to soybean producers.

Based on the research we have done to date, Roundup RReady2Yield soybeans will deliver a 7% to 11% increase in yield over Roundup Ready. This is a tremendous increase in productivity and profitability for U.S. soybean farmers.

Roundup RReady2Yield will continue to provide the simple, dependable and flexible weed control and crop safety that soybean growers expect from the Roundup Ready system.

The superior yield of Roundup RReady2Yield has been verified through three years of side-by-side tests with the same elite Roundup Ready soybean line.

In addition, data collected during the first year of large-scale breeding comparisons representing over 15,000 lines and hundreds of genetic backgrounds showed performance of Roundup RReady2Yield lines within the 7 to 11 percent range of increase over the Roundup Ready lines in the same growth development phase. Both groups were compared to the same set of commercial soybean varieties.

The yield advantage of these next generation Roundup RReady2Yield soybeans will provide farmers the opportunity to increase their productivity and profitability.

For example, in Illinois and Iowa, average soybean yield was 50 bushels per acre in 2006. The advantage associated with Roundup RReady2Yield soybeans could translate into a bushel increase of 3.5 to 5.5 bushels per acre.

Assuming soybean prices of \$7.00 per bushel, this increase could equate to \$24.50 to \$38.50 more per acre for soybean growers.

We look forward to delivering this kind of value to U.S. soybean farmers.

Even though these approvals have been granted, Monsanto does not intend to commercialize Roundup RReady2Yield until key soybean importing countries with functioning regulatory systems have granted import approvals.

We have initiated the approval process in several countries and are targeting a controlled commercial introduction in 2009.

As with Roundup Ready soybeans, Monsanto intends to broadly license this new technology, so farmers have the choice of using Roundup RReady2Yield varieties from multiple seed companies.

Now I'll turn it over to Cindy Arnevik who can speak to the technology behind the 7-11% increase in yield.

CINDY ARNEVIK:

Thanks David.

I'd like to start by pointing out that Roundup Ready to Yield is a next-generation technology—not only because it goes beyond the benefits of the first generation—but also because it was made possible by technology we didn't have when Roundup Ready soybeans were developed.

The biotech tools we use to make crop advances continue to get better and increase the possibilities for benefits we can deliver to farmers. Often these tools do not involve the insertion of a novel gene. Instead, they help us identify important areas on the plant genome that deliver better yields or other beneficial characteristics.

Technical advances in plant biotechnology and molecular-assisted breeding have enabled Monsanto to develop Roundup RReady2Yield soybeans.

The 7-11% yield increase was achieved by gene mapping. Gene mapping allowed us to identify specific DNA regions in soybeans that have a positive impact on yield.

Then, we took the best performing Roundup Ready plant/lines and we mapped where Roundup Ready gene was located, and we choose the plant/lines where the Roundup Ready gene was located near the genes associated with increased yield. This resulted in a 7-11% yield advantage.

We expect to see additional traits stacked with this technology.

Monsanto's next-generation Roundup RReady2Yield soybeans will be the preferred platform on which to introduce current and future agronomic and quality soybean traits such as dicamba tolerance and additional Vistive oil traits.

Now I'll turn it back to Geri.

GERI BERDAK:

Thanks Cindy. I'd like to thank everyone once again and remind you to visit www.monsanto.com where you can find photos or other information in the Roundup RReady2Yield on-line media kit.

This concludes today's call.