Laura J. Meyer: Good afternoon, everyone and welcome. This is our eighth Whistle Stop Field Tour event for our investors. I see a lot of familiar faces out here, a few new faces. Some of you may have been to all eight of our Whistle Stop. I see a few raising their hands. So, welcome to the event. I’m Laura Meyer. I lead our Investor Relations Group here at Monsanto. And I, together with my investor relations team and 50 of our leaders here at Monsanto are thrilled to host you for the next few days.

As is always the case here at Monsanto, we're all about innovation, accelerating innovation for agriculture, and the next two days are really about showcasing that. Both here at Chesterfield, one of our leading R&D facilities around the globe, as well as tomorrow at our Jerseyville Agronomy Center, where you're going to be able to see some of our very latest technologies in the field. SmartStax PRO, Roundup Ready 2 Xtend. So, we've got a lot planned for you.

Before we get started, I'll do a quick overview on the agenda for you, which is also in your field guide, which is in front of you, behind the first tab. So, you can refer to it throughout the next two days. To get things started, Brett Begemann, our Chief Operating Officer; and Hugh Grant, our CEO, will share some opening insights with you, give you a strategic overview, as well as share our growth drivers for the business. Following that, their comments we’re going to break into seven groups. We'll do a shot gun start, and we'll do seven different stops here at the Chesterfield facility. You'll be accompanied by members of management and investor relations throughout those tours.

At the close of the day, which will be around five o'clock, we'll convene back here before we load the buses. We have a nice evening planned for you at a local winery. Yes, there are a some good wines in Missouri. Chandler Hill Winery and we have a grower panel there as well this evening and you'll see some of our grower guests in the room with us today. After that, we'll take you back to the Ritz to get an early start tomorrow where we'll have a kick off from Dr. Fraley and then we'll hit back out into the field to Jerseyville.

So, that's the next two days in a nutshell, but before we begin the presentation, as a reminder, today's presentations will contain statements concerning future events and financial results because of these statements are based on assumptions and factors that involve risk and uncertainty. The company's actual performance and results may vary in a material way from those expressed or implied in any forward-looking statements.

A description of factors that may cause such a variance is included in our most recent 10-Q, in these slides and our press release, which are available on our website. The forward-looking statements are current only as of today and the company disclaims any obligation to update them or the factors that may affect the actual results. Further, when we refer to non-GAAP financial measures, we reconcile to GAAP in the slide at the end of this presentation, in your field guide, which are also on our website.

Let me now hand it over to our Chairman and CEO, Hugh Grant for some opening comments.
Hugh M. Grant: Thanks, Laura. So good afternoon. Welcome to everybody, it’s great to have you here in St. Louis and welcome to the people who are listening in on the webcast today as well and also the brave souls there from Europe. So, good evening to you as well. So, we’re really delighted to have you here. We’re looking forward to sharing a deep dive in our technology pipeline updates, as Laura said, this is the eighth and I know many of you have done eighth in a row, so for those of you, who have done all of them is great have you back. And for some of you who are new to Whistle Stop, we look forward to catching out with you, but thanks for making the trip.

Before I begin our eighth Whistle Stop Tour, I wanted to take just a couple of minutes right at the start to address the topic, I believe is top of mind for many of you here today, and that's an update on the potential for Monsanto to be involved in strategic transactions with other companies, including Bayer. So I wanted to address at the beginning. Throughout this process Monsanto has often stated that it remains open to continued and constructive conversations with Bayer and other parties and that continues to be the case today.

Similarly, Bayer's executive leadership has previously stated in public statements that we've engaged in discussions with them and they've looked forward to private discussions with Monsanto. So we concur with that and the discussions are now ongoing with them and with others. So, obviously, our board continues to assess whether a transaction in the best interests of our shareholders can be realized, as you'd fully expect them to. And as you can appreciate today and you’re going to - Laura said 50; I think it’s actually near 70 when you include the fuel teams. As you can appreciate, my team and Brett’s team here won’t be commenting further on this topic during the event. That doesn’t mean you can’t ask, but I think you’re going to hear the same answer. And as always, in these things there’s no assurance any transaction will be entered into or consummated or in what terms.

So I like to open with that, and I’m trying to address upfront with you. So let’s start, let’s move to the business before us today and our innovations in agriculture, and I’d begin by welcoming you again and the growers. You got a chance to meet a bunch of people here from Monsanto. Let me ask - maybe my executive team are I think in the middle over here. Could you just raise your hands? I want to - in the interest of time. So my executive team is here. We have geographic leadership here as well from around the world. So you got chance to meet with them.

And this is a meeting that’s focused entirely on innovation. So it’s a look forward to what’s in our pipeline, what’s the progress. And even in a tough Ag economy, growers still look to the best innovation they can find to offset the challenges that we face. So if you look at population growth and demographics - and it’s a well pooled story. This snapshot looks to - it’s usually 2050. Usually, [indiscernible] (07:33) 2050 on how the world is going to change. I think if you take 2030, it’s a little bit closer in; and by 2030, there’s 8.5 billion people on the planet. So it's a crowded, dustier, drier, more [indiscernible] (07:48) place than today. And at Monsanto, we believe strongly that it's a warmer place. And I won’t get in the debate on climate change, but we believe as we look at agriculture out to 2030, you start to see the front-end effects, the climate change occurring.

Long-term demand remains robust during this time. So as population grows, you see long-term demand continuing to rise and the middle class doubles during this period; from here to 2030, the middle class goes to about five billion people. And that’s our strong belief that as a result of that you need integrated solutions driven by Climate Corp. - and we'll take a bit of time to talk about Climate Corp. - that drives productivity and also drives cost savings. So makes for a more efficient and a more cost effective agriculture. So absolutely no doubt that in this timeframe you need innovation; and innovation is the heart of what meets or satisfies this growing end demand. If you look at corn and soybeans, our two core crops - and we'll spend quite a bit of time in the next 24 hours talking about corn and soy. If you look at corn and soy and you reflect from the WASDE data from last week, so fresh numbers, you see that demand - our estimates are that demand rises in corn by about 2.9% (sic) [2.5%] year-on-year.
So you're seeing a clip every year of about a billion bushels of incremental demand. And in soybeans, demand rises by 3.7%. So a year-on-year clip in soybeans of about 0.5 billion bushels. This year, demand we think will grow by about 400 million bushels in corn. And if you look at the last week projections for 2016-2017, so crop year 2016-2017, you're back to about that billion bushel end demand.

So satisfying demand is critical, and winning on yield drives success. So whoever wins on yield developed for that demand curve is going to stay in front. There's an often heard assertion and I probably could take $10 in an envelope over this that will come up at dinner tonight, but there's an often repeated assertion that there is no need for anymore productivity, although we've outgrown our own success because of the lift in yields. If you look at the numbers and you look forward, the projections would argue against that. In fact, the projections would say that we need to double our rate of growth or double our yield performance in corn to match these demand curves. And in soybeans by 2030, it's closer to 4x.

So rather than saying that technology has maxed in this, I think the reality is in the other side of the curve. We're going to need twice as much corns we have today on a year-on-year yield performance and we're going to need four times the amount of soybeans. So there's plenty of headroom in this and that'll be an interesting conversation with the growers tonight. So to meet demand, we have to squeeze more of every acre and use less stuff. That's against the backdrop of climate change and it's against the backdrop of a reduced footprint.

The question that we've been wrestling with, and you'll see it in our pipeline development, is how do you bring together breeding, biotech, biologicals and chemistry; and how do you integrate them more intimately and more productively on an acre? Climate Corp. we think is the glue of the catalysts that helps deliver on that by bringing better insight to growers on optimizing their yields. And we'll talk today about some of the progress that we've made in the last two short years.

If you scale this, if you say, what's the long-term opportunity? We're looking at total arable acres around the world of about 3.5 billion acres. Today, we're on about 400 million acres. So if you look at total arable acreage, it's about 3.5 billion acres. And if you look at the inputs on that footprint, it's about $285 billion of inputs today and roughly half of that is fertilizer. So there's an opportunity here for optimization. There's an opportunity for being more cost-effective for growers.

So we see Climate Corp. is the heart of the ability to drive new yield insights for the grower on how we apply the right amount of chemistry at the right time on the right acres, and there's clearly opportunities in each step in that today. In the future, we'll manage inputs with a data-driven approach and we'll do a better job in controlling diseases, controlling bugs, before they become a major problem and using fertilizer in a more timely basis. We think by the end of this plan, if you look at gross profit, we anticipate the gross profit from the Climate platform will be in the range of a few hundred million dollars. And we anticipate that our paying acres on the platform will be somewhere between 300 million and 400 million acres by 2025. And we'll talk today about the progress that we've made there.

But as we think about Climate, we see it as the Amazon of agriculture, where we're bringing additional apps up on to that platform and we have the best apps win. So that's performance in the field and we'll come back in detail with some these.

But performance in the field translates to performance in the market. And if you look at our returns or cash returns to shareholders over the last years, we've returned about $13 billion in cash over the last three years. And our dividend on a compounded basis, we've been growing our dividend about 15% a year since 2011.

So the engine room, the core crops in this business even in tough ag times have been strong cash generators. And that's the kind of natural segue into financial discipline. So during challenging times for agriculture, we've been exercising strong financial discipline that I think reflects in many ways what our grower customers are facing right now as well. They're in exactly the same challenge.
We’re on track for $500 million in annual savings by 2018. If you look at fiscal year 2016, so the 2016 season, we anticipate savings in the $165 million to $200 million range, but I think the important thing in this is, isn’t simply tailoring that cost. It's a lot more sustainable than that. We're looking at how we do business a lot smarter.

We've moved now to four geographic hubs. We're operating the business out of those four hubs around the world. As we've been taking out costs, we have been reinvesting here. You saw some of the building work when you came in today. So, Chesterfield has become our R&D center of excellence as we've been closing other facilities. And we've been taking our data analytics. So a lot of the work that started in Climate Corp., we've been taking data analytics from the field and we've been applying that against broad pieces of the business. And I think you've got an opportunity to talk to some of my leadership of each of those three areas.

So when you think about it, I'd say that our position in these core crops continues to be unrivaled. That's what makes us so interesting in so many other people right now. It drives growth and also drives upgrades. So, as we think about the installed base, as we think about the crop platform, there's an extraordinary opportunity to continue to upgrade that. And we'll look at some of these upgrades today and then Robb Fraley will take time and look at them tomorrow again.

If you just - a rough flavor in this, we're about 1.3 billion acres of upgrades between now and 2025. And if you break it down, it's about 0.25 billion acres of upgrades in corn between Seeds & Traits. If you look at our Roundup Ready Xtend Crops, it's about 0.3 billion acres of upgrades. And INTACTA, even with the growth we've seen in the last two years, there's another 145 million acres of upgrades to go. And in NEMASTRIKE, which we haven't talked a lot about, it's a new chemical approach to control nematodes, worms that prune roots, we see an opportunity there of 145 million acres (sic) [125 million acres].

And then in the two platforms between Biologicals and our Climate Corp. business, we see about 550 million acres to 900 million acres of opportunity in the near to mid-term. So we got strong engine of growth. We've made good progress in the last year in terms of technology development in a tough agricultural market.

And I'd leave you with one thought, which is around Climate after two summers, but rapid development. We see Climate in many ways where biotech was in the mid-1990s. The longer we look at it, the more we believe that there's a game-changing opportunity here with Climate. And I think that's another reason that there's so much interest in Monsanto today.

So, we look forward to getting a bit more detail across some of these broad areas, identifying the value that goes with them and sharing some of our time lines and assumptions. And I would like to end where I started by thanking you very much for taking time and joining us today.

So with that, let me make the transition to Brett Begemann, our President and COO. And Brett’s going to get a bit more detail and look to a bit more granularity at these growth opportunities. Brett?

Brett D. Begemann: Thanks. So thank you, Hugh, and good afternoon to all of you. It's great to have all of you here and let me add my welcome. Appreciate you taking the time to join us here today.

It's also my pleasure to get to introduce our farmer customers that have been referred to a couple of times, and I'm going to really embarrass you. I'm not just going to mention your name; I'm going to ask you stand up. And if you would, turn and face the group so everybody knows who you are, so that they can spot you later today because you're my truth serum because you - I'm hoping you're going to tell them things that are consistent with how I see the world, but that's the purpose of having you here so you can see us all. With us today, we have Todd and Tanya Yackley from Yackley Ranches in South Dakota, pure South Dakotan. Thank you. And next, we have Brian Shouse from S&S Farms in Morganfield, Kentucky. And we have Marty White from Jonesboro, Arkansas. And we have Joe Sullivan with Sullivan Farms in Franklin, Minnesota. And finally, we have Jordan Brewer of Brewer Farms in Clinton County, Indiana.
So, it's really great to have you here. I really appreciate you taking the time off the farm to come join us here. And I look forward to the panel discussion tonight, where we'll all have an opportunity to hear together from our farmer customers and the challenges that they're facing in their farming operations and how the innovation that we're trying to drive here at Monsanto can help them as they look forward.

I have to tell you as challenging 2016 has been and it has been, it's been a long time since I've been as excited about the growth potential in our business. And the real driver on that, quite frankly, is we have a lot of really cool things going on. And we're going to talk about a lot of those today and tomorrow.

And I know a lot of companies talk about what they're doing or what they're going to do. The really cool part about today and tomorrow is we're going to show you. We're going to show you what we've already got underway. I want to start though thinking back a little bit on 2016 and just punctuate some of the things in 2016. As I mentioned, it was a tough year. That being said, we stayed focused on our strategy and executing against the things that we needed to manage. Hugh already mentioned some of the cost reductions that we focused on, but with the real intent of moving ourselves forward with the strategy that we had planned for the future.

I can tell you today that we still expect to achieve the low end of our ongoing fiscal year 2016 per share guidance in the range of $4.40 to $5.10 and that assumes about $0.85 worth of currency headwinds since our third quarter call.

Also since our third quarter call, we've had a couple of really pieces of good news. One of the things that's important in our plan going forward is our Xtend soybean and we received the approval of our Xtend soybeans in Europe, which we have been waiting on. So, a milestone and one more step closer to full approval. We still need the dicamba approval over the top, which we expect in the late summer to fall.

We also have our returns pretty much solidified now for corn, soybeans and cotton in the U.S. and those came in a bit better than what we were anticipating. So, we're in a really good place with that. In fact, I would tell you for some of you that had some concerns about our corn business, this was a record year of corn sales for Monsanto in the United States. So, even in this challenging year, we've set a record. It wasn't the highest acreage that we've seen in the U.S. or our corn business is staying solid.

A couple of things that we focused on this past year and I think made good progress. We stuck with our approach to continue to drive innovation, as Hugh was talking about. We moved forward on some of our portfolio optimization, particularly with alfalfa and sorghum and the deals we announced there earlier in the year.

I'm really pleased with both of those because it allows better focus on two crops than what we were able to focus on before by ourselves. And then with really strong partners that give us access to those products went forward, but at the same time, strengthened the R&D and supply chain around those. We are on track with our restructuring plans as has already been noted. So, I feel good about where we're landing in 2016, even though it was a very difficult year.

So with that, I want to transition out of 2016 and start looking forward to 2017 and beyond, and I think the key here is 2017 is the year we're going to return to growth. So we're going to see growth coming out of our portfolio in 2017. And I would say from the end of 2017 through 2021, we expect to see that be in the mid-teens range.

It's not expected to be linear; we've talked about this before. It will be up and down, but we believe that that's a reasonable target for us to be able to achieve based on what we already know we have on our hands because much of what drives that growth is driven from products that we already have. They're not products that we're waiting for. Excuse me, I forgot to advance my slide. If you think about this, it really comes down to the core things that we've talked about. It's our soybean business
with two blockbuster products with the Xtend and INTACTA, and I'm going to talk more about both of those. And it's also about the strength of the base of our corn business that we're going to rely on.

And then with - after 2017, you really start to see the acceleration of Xtend in that portfolio, which really starts to drive us forward. So, if you think about 2017 returning to growth, the end of 2017 to 2021 looking at mid-teens growth going forward.

Let's talk about corn. It's the largest crop that we have. It's very important to us, and there is a ton of really cool things going on in corn and you're going to see some of that here, particularly with the breeding work that's going on and some of the new technologies that we're going to apply to corn.

But I want to go right to one of the things that I know is on a lot of people's mind. Corn commodity price, the WASDE report that Hugh referenced and where we sit today, it's lower than anyone would want it to be that's involved in agriculture, that's a certainty. But we're in a business where we think about our innovation over the long term and we have to invest six to 10 years in advance to drive innovation in our portfolio, and we continue to do that and that's how we continue to think about it.

And we're sitting here today, our farmer customers haven't made it to the field yet to harvest. They're going to - the gentleman in our consult is probably going to start pretty soon with corn and work their way through the North. But we're sitting here today, thinking about what's it going to be in springtime when they face the planner and what decision are they going to make. So, that's a long way off. We're probably going to have the fourth big crop in a row in the U.S., every indication is that the corn crop is going to be quite large. And that puts us in a position where as Hugh mentioned before with our own cost reductions, et cetera, we're really linked with our farmers and our farmer customers on how we go about this. So, we have to keep the balance between us and our customers in mind as we think about how we go into this year and we're going to do that. We've started our pricing process. It's a process, not an event.

We've started that process a week or two ago with some of our brands in some of the geographies. We'll continue that over the next days and weeks to finish up that pricing process. And as we are going through that, if we're doing it similar to the way we've looked at it in the past, we will keep our farmer customers in mind and the challenging environment they face. We will look at the innovation that we're bringing, namely, the new yield increases that we bring and our latest hybrids, we'll price those to the value that's generated by those new products. The vast majority of the rest of the portfolio is going to look a lot like it did last year. Don't see substantial change from that. So, it's really about what new products that we bring into the marketplace and what's the value placed on them and it's that mix that lifts our overall corn product portfolio worldwide.

I think it's important too to think beyond the North America market, when we think about corn, with the advent that's occurring in the rest of the world, share increases in South America, share increases across Europe. We're at that point where we're transitioning the portfolio there, just like we are in the U.S. We're having good success with those products. We have a couple of really exciting products coming in into our U.S. market, with SmartStax PRO, with Trecepta coming in a couple of years, probably before the end of the decade, that are going to help us in our corn business. Trecepta, particularly in the southern part of the United States. But we'll look at it much more broadly than that as we continue to look at the information. I also say that within corn, because it's our biggest profits, one of the first places that we look at the other products that we bring forward such as Climate. So much of our work in Climate is directed at corn, and that will prowl right on top of our corn business.

NEMASTRIKE, that Hugh mentioned before, the new nematicide; and you're going to actually see it in the field and see some roots and talk to some of the researchers working on it. It's a great new product. That's going to fit in corn and we'll see that coming in corn, along with some of the developments in BioAg and how that's going to fit in corn.
So I sit here today and tell you that I feel good about our corn portfolio and our corn position. And I think we can continue to grow our corn business, and at the same time keep in mind that balance with our farmer customers and the challenges that they’re going to be faced with the lower commodity prices, but yet at the same time not tune down the innovation that we’re going to need to hit the long-term demand curves in the future.

I want to shift from corn and move to soybean. And I think one of the things to keep in mind is, at least from my standpoint, is I’ve been saying for a couple of years and in fact I’ve started several years ago saying the decade of the soybean and then I started saying soybeans are going to start looking like corn. And what I meant by that is we were going to bring stacks; and we were going to bring stacks in soybeans and we’re going to start to transition soybeans, and we’re there. And we’re seeing that happen in spades. And two of the big products that are doing that and driving that force is INTACTA and Roundup Ready 2 Xtend here in the U.S. And I’m going to talk specifically about both of those products. But they’re both really exciting products and I think bring great potential for us in the future.

I’m going to start with Xtend, and you’ll have the opportunity to see Xtend tomorrow in the field. And Lisa Safarian, our North America lead for our U.S. business and the rest of North America, will be there to talk with you about it. But it’s a really exciting time for this product. And I think about it from the standpoint of it’s our largest platform that we have, our Roundup Ready system, on over 350 million acres. And between now and a number of years from now, we’re going to flip that entire platform from Roundup Ready to Roundup Ready Xtend. And that cuts across soybeans, which will be the first crop that we go to, cotton, corn, canola and potentially other crops. So this is a big transition that we’re going to go through, and it presents to us a substantial opportunity.

I mentioned that we received our EU approval; one big step out of the way. We’re still waiting on the dicamba approval over the top, which we expect from the EPA. And from what they’re saying is, late summer to early fall, which will put us on track for about 15 million acres of Xtend next year in our U.S. business, but the opportunity to move to 55 million acres by 2019. So a product that we think will be great demand. Farmers are challenged right now with some of the difficult-to-control-weeds, particularly some of the weeds are resistant to glyphosate and dicamba is going to be a great opportunity to help address that.

We’re also, excuse me, thinking about how we supply the dicamba and make sure that the farmers have a reliable supply for that as you think about the soybeans, the corn, the cotton, et cetera. We anticipate that there’s going to be 200 million acres to 250 million acres of dicamba-ready crops out there. So we continue our investment in our plant to bring on our own supply of dicamba. In the meantime, we have sourcing agreements with many around the world to ensure that we can supply that in the near-term. And along with that, we have the VaporGrip technology. And I know some of you may have picked up some things about what’s going on in the marketplace this year with some of the challenges; and I’ll be the first to tell you, we don’t condone the misuse of - or mislabeled use of any product and that we just don’t support that. But at the same time, the VaporGrip technology is the formulation we’re developing that will be available with the Xtend crops, not the formulations that are being used today.

So we believe we have a good way to address those concerns. And again, it’s one of the stops tomorrow out in Jerseyville. You have the opportunity, we’ll have a demonstration for you to show you exactly how we plan to do that. And I think that hopefully will give you the confidence we have that this is going to not only be a great product, but that the concern that we’ve experienced this year will melt away quickly.

The other big soybean opportunity is INTACTA that we’ve talked about for a couple of years. I feel really good about what we achieved this past year, moving from 15 million acres to 35 million acres and by 2019 - or excuse me, looking at next year, 2017, we see it being somewhere between 45 million acres and 55 million acres of Xtend; and by 2019, 75 million acres. A bit wider range than what you
would normally expect from us at this time, considering South America is going to start planting pretty soon. It’s really thinking about how fast do we make continued progress in Argentina working with the government there and the industry stakeholders. We feel reasonably good about the position we’re in today, but we’d like to see continued improvements so that the integrity of that system continues to elevate and we find ourselves in a better place.

So that’s the reason for the range. But even still, seeing about 75 million by 2019, this is a product that continues to deliver. The yield increase from the Roundup Ready to yield part of INTACTA and the insect control from the Bts in there to control it. One of the things that’s super exciting there is we have access now to almost 90% of the market in Brazil. We just added DuPont as a licensee to that platform as well in South America. So we’re in a really strong place to accelerate and move that to the 75 million acres. You’re also going to have the opportunity to see out in Jerseyville tomorrow in the hoop house the replacement for INTACTA. So here we are talking about the penetration of INTACTA and where we’re going to be in four years. And Rob and his team already have the replacement for INTACTA sitting in the hoop house, already in the queue over the regulatory process moving forward, to ensure that we have the durability of that product with extending both the spectrum of insect control as well as the durability of the insects that we have down there today. And Rodrigo Santos – Hugh mentioned some of our leaders will be with us at that stop tomorrow. He runs our South America business. So he will be there to talk with you about INTACTA and what he see in there.

Beyond that, I want to talk briefly about some of the other crops. I won’t spend there as much time on them. But I think I’d be remiss to skip over them because there are some pretty exciting things going on within some of those other crops as well. And particularly in cotton, I would highlight, with the Xtend approval, we have Xtend in cotton, but we include glufosinate. So it’s Roundup plus glufosinate plus dicamba. So for the past couple of years, farmers have had the alternative to use two modes of action, not dicamba yet, but the other two modes of action and it’s really taken off in our cotton business.

In fact, on the back of that registration, last year we grew three share points in cotton. This year, we grew another three share points in cotton in our branded business; and our licensing business is up over five points. So we’ve got a really good run in the last couple of years, and I think it just speaks to the demand and the challenge that farmers have in managing some of the difficult-to-control weed. So we’ve really good run with cotton. We anticipate it will be on 3 million acres this year which will be 4x what we were able to do in the very first year and I am even more excited when we get the over the top label for the cotton.

Also wanted to mention the vegetables. We’ve made great progress within our vegetable business. I think we’ve achieved now the operational excellence we were pursuing within this business and today, it continues to operate very well. We’re at seven year low on inventory. We’re managing the inventory very effectively now. We have nice growth, gross profit growth within our vegetable business, built in for the next few years. And feel really good about what we’re going to be able to achieve there.

I want to move next to the Ag Productivity business and talk a little bit about particularly Roundup and - I’d highlight that when we think about this business, we're really in a phase of that product, where we talking about cost discipline and portfolio optimization. I mean that’s really what drives it. Our strategy has been to price just above the generics in the marketplace and follow that market and we make about 300 million gallons a year, we sell that 300 million primarily on the back of 350 million acres of Roundup Ready crops around the world, that's by far our biggest market. We continue to do that. That's a market and a product that you know came down substantially this year from a profitability standpoint.

We talked at the third quarter call, we talked about seeing that the pressure of that again in the first half of next year and what I would describe as the prices that we saw currently in 2016 is kind of what we expect to see in the first half of 2017, so that's what makes the bit of step down. We have
changed our prices in the U.S. we've done that recently, so some of you may have heard some of that, that's very consistent with exactly that expectation. That's why we were saying we were expecting some of that softness in the first half because we intended to make that transition. That will effective September 1, so it's really for the 2017 crop year for most of our customers in the U.S.

I think it's important to keep in mind when we think about Ag Productivity though the impact that dicamba starts to have in the next few years as we get the Xtend soybeans approved and the other crops and it starts to come in. And for the bit longer term as you think about it, I envision that in the number of years, Roundup will continue to be the world's number one selling herbicide and I would expect that dicamba will take the second chair, it will be the second largest selling herbicide in the world, both of those products. So we firmly positioned in our portfolio and allow us to participate in a bit more of that value creation around the dicamba soybeans than maybe we had in the past.

We're also looking at other potential opportunities within the chemistry side of our business and I'll let the researches do the justice to this and talk about it when Rob talks about it, and the other team, but I think of it as kind of an asset-light approach, where we're working with other partners in the marketplace. We recently announced an agreement with Sumitomo and a PPO herbicide that you're actually going to get to see some examples of, both here and out at Jerseyville, which is super exciting, but it's the opportunity to participate both in the chemistry as well as the seed opportunity and I'll leave that for Rob and his team to spend more time talking about.

So I want to leave the core business, if you will, the Ag Productivity and our Seeds & Traits business and move the conversation to Climate and continue to build on what Hugh already talked about within Climate, which I have to tell you every year that clicks by, I get more excited about what we're doing in Climate and the opportunity within Climate. I think the analogy we used earlier - the early days of biotech and how that accelerated and I think we're seeing some of the same things in Climate, sometimes I have to pinch myself. It wasn't even three years ago that we were talking to you about the acquisition of Climate and here we sit today with an incredible platform in the marketplace and I really feel we're in the best position in the market right now with Climate versus anyone else. And I know there's a lot of others talking about it and working on it and that's a good thing, because that will continue to drive innovation in this space. And as Hugh described, we're going to need lots more innovation to keep driving productivity.

One of the things that gives me a lot of confidence that this will shape the future of agriculture and our business and help us drive that is when I think about the factors that affect corn yield today. And of course we all know the impact that weather can have and it can be dynamic. But two-thirds of the remaining variables that drive the difference of yield in corn are actually controllable variables, that the Climate platform can help us help the farmer draw better insights and make real time decisions to minimize that variability. And it's that management of the real time variability and making decisions real time that can help us help them increase the productivity of those fields. We talk often about those 40 decisions that a farmer has to make every year in the field. These are those 40 decisions that are driving the variability across the field. And we'll never get to a place where we can control all of those or even influence all of those but we can find ourselves in a place where we can make a substantial contribution to how a farmer is working on that, that decision making process on their farm.

If you shift for a minute, let me give you a different approach to looking at kind of the same thing. Imagine the last couple of years the National Corn Growers every year do a yield contest, it's plus or minus 500 bushels per acre, phenomenal, so there is always this question, is there genetic potential there, can you even get to these kinds of yields. Well, we know it's there because farmers have actually done it. Now they manage it on a relatively small scale compared to our customers here in the room when they're doing these yield contests and they can manage a lot of these variables that we're talking about and they can manage those variables a lot more effectively than you can in the big, big open field. And that's why you end up with the overall yields across the country being more like 170 bushels across
the country, now there is highs and lows in that. We completely realized that you're going to grow higher corn yields in the core or the corn belt than you do on some of the edges and that affects it as well. But the reality is it shows that when we can help manage that variability, we can make a substantial contribution to managing the yields to a higher level, which we are going to need to increase the productivity of our overall business.

I think then as I think about the Climate and taking it one step forward, I said it before I don't think anyone else is better positioned than where we are today with the progress that we've made. And I give the Climate team phenomenal marks for doing this. We now have more data scientists and engineers focused on agriculture than anybody else. It doesn't guarantees success, but it gives you the opportunity to win. We have relationships with the six largest retail organizations across the U.S., and those continue to expand, which gives us access to 3,000 advisors to help our farmers as they go about making the decisions.

We have relationships now with the three largest equipment companies and how we're working with them to make sure that we have seamless flow of information and data from the equipment and through the cloud database that I would remind you the farmer owns, it's their data, to manage it the way they want to manage that data, and hopefully they give us and others the access to help them use that data to come up with insights that drive the productivity gains.

So when we start looking at that, that moves you to where we are today on 92 million acres that the platform already exists on today. We had 14 million acres that we are paid for today or for in 2016. I expect in 2017 that's going to be more like 25 million acres of paid services going forward. But what I have to tell you it's not always about just how much we're getting on those acres, it's about the fit that that platform has across all of the inputs and the integrated solutions that farmers are making or the integrated decisions that farmers are making and that's what drives us to the whole conversation around the integrated solution.

So if you think about where we are in Climate, and we have that platform, we have 92 million acres already signed up, farmers working with us collectively. We've made the decision and announced it recently that we're going to open up the ecosystem, if you will, to others that are participating in this space within agriculture and want to help farmers improve their operations and making up decisions. Mark Young, with our Climate organization, will be here on one of the tour stops talking to you about this, about how we're thinking about that. Hugh used the analogy of Amazon or Google. Amazon started out selling books, Google started out doing search and their business has evolved to very different places with a very broad platform, and I'm not suggesting we'll be Google or Amazon, but what I am suggesting is that concept that they utilized to expand their businesses very real and how we think about it, which is why we've been so quick to invite others on to the platform. We want others to participate with us, so that we can bring all of this information together. And the winners in this are those that can help the farmer make better decisions with better insights. It isn't about storing the data and get the data, it's about helping the farmer make better decisions. And I think we're in a great place to do that. I will have to tell you that this is one of fastest moving areas within our business right now and it's moving really, really quickly.

Just to put that in perspective, we announced recently the opening up of our platform and letting others expand on to that platform and we've had phenomenal response at this point already with other companies reaching out to us, wanting access to that platform and wanting to talk. Let me come back to kind of where I started and summarize. We have a core based business that's doing really well. When I think about our share position around the world and the strength we have, some of the best share positions in the core crops, corn, soybeans and cotton around the world, we believe that we'll return to growth in 2017 and at the end of 2017 to 2021, return to mid-teens kind of growth as we continue to bring these new technologies and products into the marketplace. I believe a lot of that growth is going to be driven more on the back of integrated solutions, the farmers are looking for, to
help with the help of making decisions for those interconnected decisions across the farm. I believe that
data science and the Climate business model is the integrator. It will ultimately be the thing that helps
see that interconnectivity and help the farmers make better decisions, and I feel incredibly good about
where we are in that position with our Climate business.

So at the end of the day, I think Climate will drive the integration and bring those together. And not if, but when we do those things well. What happens is we get the kind of returns that Hugh was
talking about earlier, our EBITDA margins continue to lead in the industry. We'll continue to be ahead of
others in the industry driven on the back of the true innovation in the space and we continue to be the
innovation leader. And as we manage those and we manage it with discipline, we also deliver a return
on capital that's extraordinary for a business like this. So I'm super excited about where we are today
and the opportunities that we have before us. I want to thank our farmer customers again for being with
us here today. And with that, Laura and Hugh, we'll switch it over to Q&A. Thank you.

Laura J. Meyer: So we're going to do the Q&A for the next 10 to 15 minutes before we kick off
the tours. We have folks from the IR team, who are running microphones, so if you could wait to get the
microphones, so we can all hear your question. If we have any investors in the back, we also have
somebody back there, we'd ask you to come forward if you are in the back to ask questions. So, we have
Hugh, Pierre, and Brett all on the stage, so floor is yours. Bob?

Q&A: Thanks. Good morning. Bob Koort from Goldman Sachs. Brett, you mentioned that pricing
environment seems similar for next year or this year, does that mean flattish pricing overall again, is that
what we should expect?
: Yeah. So, I think, if you step back and you look at the environment that we're in. And our customers
are here. It's a challenging environment, and last year was challenging too, but commodity price hasn't
improved much. So, I think, we find ourselves in the same place. We're a long ways from planting corn
next spring. So, I don't know what's going to happen between now and then. So we play the long game,
not the short game. But I think about it, how we typically price our products, which is bringing new
products into the marketplace, they yield a bit more than the products that they're replacing. We price
those to that value, and that's really the pricing game that we get, it's the mix lift. The rest of the
portfolio we're looking at it to be flattish in this year. There's tweaks, we adjust. But it's essentially
flattish. So, I think there'll be some room for price improvement but not a lot. We have to stay in
balance with our customers and the challenges that they face. It's a tough environment.
: And on the variability for INTACTA in Argentina, what are the mileposts you're looking for that would
sway it to the high or low end there?
: So, we have in place with the Argentine government the process that we wanted for testing, so that's
been approved. There's been a resolution that's been passed now. The test has been approved. We
have a company in Argentina that's been approved to do the testing and we're permitted to invoice.

So, that's all working fine. But what we don't have is the experience to ensure that there's
integrity within the system that all those pieces work. So, it's really about integrity in the system. And
we've been crystal clear from the beginning of this that if there's not integrity in the system, and we're
not paying, the technology doesn't go. And that's why a couple of months ago we pulled Xtend back
from Argentina. And we have not gone forward with it, and we won't until we can demonstrate integrity
in the system.

So some of the mileposts that I'm looking for is the government continuing to support what
they've said. There's a government board of trade that actually does the testing and ensures that the
farmers pay their invoices, which is a different process in Argentina than it is here in the U.S. So don't
confuse the board of trade. It's not like the Chicago Board of Trade. It's more of a local system that's set
up, that farmers are used to working with. Think of it as a credit management. You don't want to be on
the wrong side of the board of trade, because no one sells you because your credit is bad. So think of it
as a credit.
So I will look for that and see how we’re setting up with that, and then how do we progress through the selling season and farmer's willingness to pay because they'll still be able to prepay. They can pay in advance. So that would be the milepost I've been looking for, Bob.

: We've got a question over here. Looks like P.J.

: Good afternoon. P.J. Juvekar from Citi. If you look at what's going on in the ag sector with the consolidation, if you think about the first deal, Dow-DuPont, if they get together, the combined company would have sort of better germplasm or better traits. And so, if that happens, how do you think about competition three to five years down the road? And is that something - or and you can talk about Syngenta-ChemChina, if that were to be approved. I mean, how do you think in the long-term about some of these big deals that are taking place and how that impacts you five years down the road?

: Yeah. That's the great thing about five years down the road, everybody's an expert. We've been talking or I've been talking about the inevitability of consolidation for a long time. I think it makes for a more competitive marketplace. Just to pick up on one of your points, there'll be better germplasm. I think germplasm is the same. But I think the competitive element in this increases. And in many ways, [indiscernible] (53:37) when you look at the challenges the growers are facing right now. So I think our competitive position I think is good because in the space that we’re in, the key for the grower - and good years other than bad - so we’re looking at the fourth record harvest. The growers are going to look for the best possible innovation at the best possible price. And the growers I guess will hear some of this tonight, P.J., but they're going to look for performance. So I kind of like the cards that we have.

If you look at the next three, five years, I think the new element in agriculture - and we've been talking about for a couple of seasons - is this integrated platform [ph] play (54:20). So how do you bring these solutions together, not by bundling or marketing spend or how do you bring these together to produce better technological solutions to unlock yields that the growers never seen before. And regardless how that shakes out in the next three to five years, we believe that Climate Corp. will be an integrating hub in this.

And the way we're developing that today, it will be open architecture. We will license in the same way that we've done in biotech. We'll be welcoming people up on that platform. So regardless how the competitive set plays out, I think the Climate platform has moved from the hypothetical three years ago to a market reality. And I think regardless of the geometry of how those company shake up, we see Climate as a really important fulcrum looking forward. Because growers are going to be looking for that information.

: Don? : Don Carson with Susquehanna. I want to go back to near term. You talked about return to growth next year. You've got a tough pricing environment, hard to see how acreage is going to be up. So is the growth really more cost-driven or the absence of FX headwinds, if you could address that? And then also, Pierre, have you finalized how much you’re going to spend on this dicamba investment going forward?

: So two different questions. So coming to the growth, actually, so we said, at the end of the third quarter that we were looking into growth getting into 2017. And I mean, we have full confidence that we were going to see growth in 2017. And we've talked a lot about corn so far. And definitely I mean the latest news from the USDA, I mean, led the discussion. But don't forget that, the key driver, one of the key drivers for growth next year is soybeans. And this one, at this point in time, as Brett was describing both on Xtend and on INTACTA, I mean, we've got really good market momentum there.

So, if you look at soybeans, if you think about the negatives we have this year in terms of COGS, actually both in corn and soybeans, if you take them out of the picture and if you think, as you mentioned, currency is getting a little more favorable and absent the significant devaluation we saw in Argentina, if you take all those components together, you definitely look at a picture of growth. The key question around corn is going to determine how much growth we see next year. But we feel at this point in time very confident about that.
And then the investment in dicamba?

So in terms of the investment in dicamba, we are making progress in terms of the design. I mean we've been talking about $1 billion and that's still the order of magnitude we're looking at over a period of four to five years.

Thank you. We have a question in the back there, John Roberts.

John Roberts, UBS. Over here. So I think since the last meeting, China has announced that it's going to open up to GM corn. Do you see that playing out in that timeframe? Do you think it will take longer? How do you think that will become as a commercial opportunity?

On maybe spread side first. I think it's good. It's taken a long time. So it's encouraging news. We've always viewed that the race in China for who is going to be second because I think the first technologies and the first crops are going to be Chinese. That's where my money would be. So it's a big market. It desperately needs. They've talked about consolidating this and bringing all these small mom and pop seed companies together. So with the joint venture there for a long time, we kind of like our chances. But it's encouraging to see the government now being a bit more liberal in their public statements on biotech. But I don't know if you'd add anything, Brett?

Well, I think you nailed it. I think the key is, is that the government is now behind it and it isn't us pushing uphill, it's them getting behind it. And it creates the real opportunity for us to participate. When we think about our germplasm position, our technology position, we're in a great position to compete with others there just having the opportunity.

Okay. We got one right here.

Two quick ones. On glyphosate, has your thinking evolved on how you could create strategic options for that business? And given the size of the potential yield gains that you're seeing in Climate, what is your appetite for equity investments to improve the health of the ecosystem and accelerate the development of that ecosystem?

Can you just say a little bit more on the second question?

So to what degree would you want to invest in smaller technology companies to give them a healthy enough sort of ecosystem to develop to the point where you can leverage them for your business?

Yeah. So I'll maybe let Brett talk about on Roundup and glyphosate. On investment in small companies, we've been quietly active in that area in the last three, four, five years with external investment funds, what could have been in the West Coast mainly. That was really where Climate came from. But I think to Brett's point, we've seen the phone ringing off the hook in the last few weeks. And I think the shift in some of this is app development and encouraging people are part of the platform and being able to share. I don't think we're going to see three or four competing platforms in this space. I think the competition will be between the apps. And the competition will be between the other seed companies and other chemical companies sharing in that platform but being firedwalled off. And I think that makes - I don't think that will make for a very rich innovation field in the space, that's going to change our agriculture.

And when you look at my opening couple of graphs on the demand curves, soft prices, fourth record harvest. If you can get past the noise of the demand curves [indiscernible] (01:00:53). And we think the convergence - so many industries, and so the convergence of data science, biology and chemistry, we're going to unlock more yield and lot of that is going to be smaller companies.

And then, Roundup, Brett on our commitment to how we think about it going forward.

Yeah. So I would tell you we're open to possibilities on the Roundup franchise and how we look at it. I would tell you that we haven't come up with anything nor is anyone has approached us for something that's better than what we are. And the thing is, as we run that business pretty efficiently today, particularly compared even to anyone else in the crop protection business. It's more linked to our Roundup Ready seed franchise than it is to other chemistry portfolios. So, it's kind of an optimized unique animal sitting there. So it's not for lack of interested it's just a kind of fit together with the
Roundup Ready seed system more effectively. And probably, the most important thing is, we never want to find ourselves in a place where Roundup is not available to a farmer that paid for Roundup Ready seed to control weeds. And so, we want to make sure that we have influence over that and make sure that happens.

: Okay just two more questions. We have Steve Byrne in front.
: Steve Byrne of BofA. Can you just comment on potential offsets to the Xtend launch and that being potentially less over-the-top sprays of Roundup, potentially less use of acetochlor? And do you see the margin benefit down the road from the incremental acre being more on the seed royalties or share gains?
: Yeah. I think so. If I think about the system approach; number one, we will continue to encourage farmers to add some residual in with the Roundup Ready system. Even though we moved to the Xtend system, we would still encourage them to do that, so whether its acetochlor or a number of other products that they could chose and now the premix is available for them to do that.

I think it's important to remember that if the typical farmer is trying to control, I'll make-up a number because it's always big and I don't know how many it is, 100 weeds in the field. Roundup most likely is controlling 98, 99 of them pretty darn effectively and it's pretty cost-effective. So the idea of going away from Roundup and using something else, economically keep Roundup in, it's going to control the weeds add something else to control, we're still going to want the residual. Now does it minimize the number of second applications? It could, but that's still a really good day for our farmer customer, because they are optimizing the weed control, which adds value to the system and encourages more acres, more penetration faster, because the outcome is better for them. So I think at the end of the day we're not looking at it as how much applications go away as much as how much can we help them with efficiency and drive penetration of the product.

: Steve I just add one thing. I know we are a bit tight on time. We pulled seeds back out of the market this year, waiting on approvals. We had a committed number to our owners and we had our back pocket number and we’ve resolved more than both of those numbers. So the pent-up demand is enormous, the feedback for growers has been extraordinarily encouraging, so when you look at the area under the curve, we’re going to sell a lot of seeds and there will be some cannibalization but when you look at the net summon list, it's a huge growth opportunity and it’s frustrating that we’ve had to wait this long. But I think we’re - this is going to be a big product and then with one last question.

: One last question, we have Jeff here.
: Jeff?
: Jeff Zekauskas, JPMorgan. Maybe I have a question for Brett and one for Pierre. I apologize for the nave take, how much dicamba do you put on an acre? Is it a pint or two pints in a growing season or is it a different number? And then for Pierre, why did Monsanto chose to wholly owned the dicamba asset? That is why - if that's what you've chosen to do or why wasn't a joint venture structure chosen for a way where maybe a separate structure could be chosen, where it could be leveraged up and so that you don't have so much capital flowing into the dicamba asset or is that the best way to go, when you the return on that capital over time is optimal from Monsanto wholly owning it?
: So, really quickly on the rate, I don't know the absolute rate. But most of that's going to be... : Relatively (01:06:08).
: Most likely in a pre-mix that you're - the rates that you're talking about pints to half pints is in that range. But more often than not I expect it will be in some form of pre-mix with other products that will potentially change the rate. What I can tell you is as we can use higher rates because we have the tolerance in the crop. Because we have the tolerance in the crop means a little bit high rate, we get a little bit longer residual, a little bit longer performance and now that's one of the differentiating factors with dicamba versus some of the other systems out there to get the benefit of the residual.
: Half a pound and a cup.
: Half a pound?
: Half a pound.
: A Pound.
: Okay.
: Long before we used kilograms, half a pound.
: And regarding the decision for us to invest in the manufacturing plants, I mean this is really based on our projections of demands in dicamba. Very clearly, even after we built this first plant, there is going to be plenty of capacity to be brought to the market. Early on, we've really needed to make sure dicamba would be available two years, four years down on the road for the farmers to use.

In terms of the exact way we will finance the plant, I mean we still have a little time to work on that, but definitely the key decision for us was to make sure the product was available. And at this point in time since we are leading the efforts there in terms of promoting, we decided we would set basically the base and put this plant into production. So, this is really the reason why - in terms of the pure financing and how we can get there, at this point in time we are self-financing that.

: Okay. Thanks.

: I think (ph) the PR (01:07:49) would say we are wide open. If there is some money (indiscernible) (01:07:52) we would be wide open to that. But to Steve's point, you can't compromise launch of this kind of growth rates by not having product available. So we're playing to pump. If there is anybody who wants to (indiscernible) (01:08:13) we'd be open to that, but the opportunity is when you look at the velocity of growth in this, we need to be sure there is product available and get them.

: Thank you.

: Okay. We will close up Q&A.

Before we get started on our tours though, I wanted to do just a few minutes' overview on this site. Gentleman you can stay or leave, whatever you would like to do. Where we are today, we have the shades down so you can see the slides, otherwise you'd get a little bit of a good view. So, this site is here is our largest field testing site here in the U.S. now given all the advances we have made with technology in R&D, it sits on 200 acres here in West St. Louis County, we overlook, you can't quite see in the pictures of Missouri River, we have right around 1,000 employees at the site, when the expansion is complete, I'm sure you'll notice the lot of construction going on outside, we'll have close to 2,000 employees at this location.

It's part of our centralization efforts that we are making, as a part of our transformation process. We have 250 labs at this site. We have 122 plant growth chambers and two acres of greenhouses, all rooftop greenhouses. The expansion will add another 38 greenhouses to the facility and 80 additional lab space, so we have a lot of innovation going on at this location. We expect the greenhouses to be open this fall. We just missed it for this tour, the rest of the facility complete by the spring of 2017. So, as you'll see as we do each of the seven stops today, we do critical research in every single one of our platforms at this location. So, you're at really at the hub of our R&D work here at Monsanto.

But while you're here with us today and we want to make sure you're safe, so it's always the priority for us here at Monsanto. So I'm going to briefly go over the safety guidelines before we break. Make sure you keep this number with you. We are not planning on any emergencies, but if you have any situation the numbers are on the bottom of your field guide. If you are at any kind of a phone here in the building you dial 77777, if there is any kind of an emergency and you need help immediately.

All the plant materials at this location are regulated and may not be removed. We do allow you to take pictures, you'll be in one location where we'll specifically tell you we're not allowing photos based on where we're taking you back in the lab. No smoking at the site. You'll have an IR representative as well as the Chesterfield tour guide with you throughout the tour. In case of a fire, we'll get you evacuated out of the building, in case of inclement weather but it looks beautiful, we have secured hallways down in the basement where we'll move everybody to. As always you have any kind of
concerns, don't hesitate to reach out any Monsanto employee we’re happy to help you, it is a priority for us here and always has been.

So, let's get to the actual tour. So, in your fields guide, you will see, there are seven different stops we're going to go to today. The IR representatives and IR alumni you'll recognize some familiar faces from the past as well are holding a placard. On the back of your name tag is a group number for today. So if you'll join your group this is the circuit we're going to follow you'll see, all sorts of innovation at all of these locations.

We're going to do a shot gun start, once we begin you'll be 20 minutes at each site so, a quick burst of information 10 minutes to transition to the next and we'll take a break, in the middle. And welcome to those of you who joined so late, I know we had a plane that was delayed. So, welcome to the tours.

Everybody needs to have safety glasses, there're in front of you take them with you. They'll tell you when you need to put them on in some of the labs. So, enjoy the tour we'll see you back here at five. I'm group one by the way, so group one you come up front. This transcript may not be 100 percent accurate and may contain misspellings and other inaccuracies.

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