

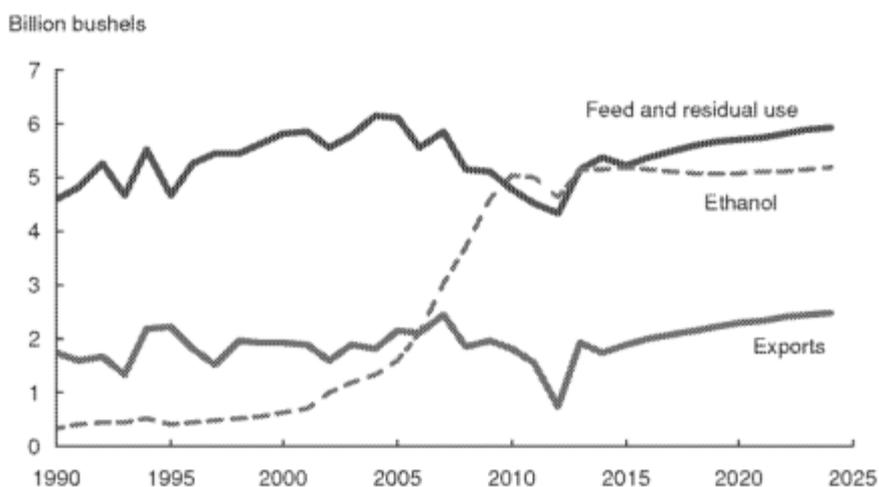
Global population is growing. According to data from the U.S. Census Bureau, in the next five years (2014 - 2019), the world is projected to gain more than 381 million people (approximately 26% of which are forecasted to come from China and India), and by 2028, the world is projected to gain more than 1 billion people (24% of which are forecasted to come from China and India).

The USDA expects that by 2023/2024 China's soybean imports will have continued to rise and will reach over 70% of the global soybean imports. The U.S. is a significant soybean supplier with over 40% of China's soybean imports in most years.

As emerging markets advance and earnings rise, diets are expected to improve by becoming more diverse and by integrating more protein (from both crops and livestock). Agricultural crops high in protein include grains (wheat and oats), beans, soybeans, oilseed, lentils and amaranth as well as nut crops. As diets around the world continue to integrate greater amounts of livestock, there will also be an increased need for crops that comprise the feed for those animals. According to data provided by the USDA, approximately two times the amount of processed feeds are required to produce each grain-consuming animal unit (1,000 metric tons).

The overall trend toward reducing the global "carbon footprint" has led to increased demand for alternative energy. Key alternative energy commodities include corn, for ethanol, and soybeans, for biodiesel among other crops that can be used for biofuel. These alternative fuels provide a cleaner burning alternative to hydrocarbon fuels and can help reduce the nation's dependency on foreign oil. According to the USDA, while growth moderates, current high levels of U.S. ethanol production are anticipated to continue over the next ten years, and are projected to account for 35% of total expected corn use.

U.S. corn: Feed and residual use, ethanol, and exports



Source: USDA Economic Research Service.

Farmland can be used to produce alternative energy, including geothermal, solar and wind. Through wind farms and solar panel installations, farmers can receive additional revenues. For example with wheat farms, a farm operator can lease fields as locations for clean electricity generation. This dual use of farmland can be mutually beneficial to both the farmer and the environment.

Decreasing supply of arable farmland

Land resources are finite and arable land with access to ample water sources are further limited. Even with technological advances improving productivity, the availability of arable land for agricultural