Newest version
U.S. Row Crops

USLT November 18th, 2014

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Agenda

- Milestones to Date
- USDA Timing and Manufacturing Plans
- Dicamba Label Timing and Contingency Proposal
- Financial Risks of Approval Delays
- Communication Plans

Team Objectives & Outcomes

1. Align on updated Contingency Assumptions
2. Reconfirm approval on launching Bollgard II® XtendFlex™ w/o OTT Dicamba label
3. Gain approval on trait price point and rebate strategy
4. Evaluate Financial Risks and Steps to Overcome
## Team Milestones

<table>
<thead>
<tr>
<th>State</th>
<th>Available Units (40% Confirmed)</th>
<th>Available Units (50% Confirmed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA</td>
<td>16,085</td>
<td>22,095</td>
</tr>
<tr>
<td>TX</td>
<td>18,235</td>
<td>25,049</td>
</tr>
<tr>
<td>AZ</td>
<td>18,287</td>
<td>21,016</td>
</tr>
<tr>
<td>CO</td>
<td>32,395</td>
<td>34,512</td>
</tr>
<tr>
<td>SD</td>
<td>10,000</td>
<td>14,087</td>
</tr>
<tr>
<td>Total</td>
<td>95,000</td>
<td>118,759</td>
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</table>

1. 10K Regulated Seed Production Acres w/o Compliance Infractions
2. If upside is achieved, first 5K units to be designated as seed production
3. If upside >5K units, position additional supply on variety fit
4. Strong Early
Bollgard II® XtendFlex™ Timing and Manufacturing Plan

Considerations:
- No impact on XtendFlex total 750K acre launch
- Confirmed and aligned with Mfg team
- PM to provide direction on variety priority, historical treatment and package, & shipping
- Field Sales - accuracy in orders and forecasts critical; no "reworks" on XF
- Begin XtendFlex processing at deregulation

Potential Contingency Plan Risks:
- SKU mix out of position (package and treatment)
- Risk of increased obsolescence
- Increased B2RF downstream trelling
- Product availability of lower volume products
- USDA delays past late Jan - XF volume
- No major financial impacts from adjusted plan
- Shortened selling season

Notes:
Team doesn't plan to close for holidays
650K gross B2RF units by Feb 4th
as of 11/11: 500K units remaining
$5.00 per unit for reworks of treatment/package
2015 Budget
Current Dicamba Registration Assumptions

2015 Budget Assumptions:
- December deregulation with dicamba labeled in all cotton states
  - May 2014 EPA signaled 6 states; continued to push for all states
    (proactive approach with MON, NCC, and others)

Current Assumptions:
- USDA: Deregulation in mid to late January
- EPA:
  - Hopeful for draft label early to mid-December (MO, AR, TN, MS, LA, OK)
  - If follow DOW timings would have label in 6 states at mid-June
    - Mid-June limits opportunity for growers to take full benefit of dicamba
  - Unlikely to no opportunity for additional states
    - TX, GA, FL, SC, NC, AL, VA, KY, KS, NM, AZ
Reconfirm Support to Launch without Dicamba Label

Benefits
- XtendFlex – Growers will still have the choice and flexibility to use glyphosate and glufosinate
- 35%+ of cotton planted in 2014 contains Liberty® tolerance
- Key Academic support and weed management recommendations include Liberty
- Need to establish XF trait (weed control parity) and new varieties on growers farms
- Enable 2016 penetration targets
- Maintain first mover advantage

Risks
- Growers push back on increased tech fee with no dicamba
- Growers make off label applications of dicamba
- Industry and regulatory reaction

Plan
- Launch XtendFlex and implement a robust communication plan that dicamba cannot be used
# Communication and Grower & Retail Education Tactics

- Robust plan includes multiple communications to growers and dealers
- P&L approval: 7/23/14
- Review with ERSC: 12/26/14

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time Frame</th>
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</thead>
<tbody>
<tr>
<td>TUG addendum stating read and follow local and state labels</td>
<td>Feb – May 2015</td>
</tr>
<tr>
<td>Letter to all growers who purchase</td>
<td>March 2015</td>
</tr>
<tr>
<td>Letter to all dealers with inventory</td>
<td>March 2015</td>
</tr>
<tr>
<td>Communication and direction through SRP’s</td>
<td>Winter 2015</td>
</tr>
<tr>
<td>Weed Management Recommendations through RR PLUS</td>
<td>Jan – June 2015</td>
</tr>
<tr>
<td>Incorporate messages into winter grower group training</td>
<td>Jan – March 2015</td>
</tr>
<tr>
<td>Pallet and Boltbox packaging inserts</td>
<td>At Seed Delivery</td>
</tr>
<tr>
<td>Local Sales Team 1:1 outreach with select growers</td>
<td>Jan – June 2015</td>
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<tr>
<td>Attachment to dealer Bill of Lading</td>
<td>At Seed Delivery</td>
</tr>
<tr>
<td>Technical bulletins through TDA Teams</td>
<td>Spring 2015</td>
</tr>
<tr>
<td>Bulletins and notice through extension and influential academics</td>
<td>Spring 2015</td>
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50% of growers indicate intent to use OTT
XtendFlex Deregulation Timing Increases Risk of Cannibalization

<table>
<thead>
<tr>
<th>DPL (original budget)</th>
<th>DPL (adjusted plan)</th>
<th>25%</th>
<th>50%</th>
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<tbody>
<tr>
<td>3.5</td>
<td>2.5</td>
<td>$22.2</td>
<td>$14.8</td>
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- Shortened selling season
- 70% of cotton orders taken Jan to Feb
- Uncertainty limits opportunity to leverage XF
- Moving from superior to parity weed control trait offering
- New, never experienced varieties in B2XF
- Growers have experience w/ established LL varieties (ST4946GLB2 & 499WRF)

Proactive Tactics to Date:
- Direction to sales teams to minimize cannibalization
- Grower targeting focused on Alt Platform
- Positioning of Southern Distribution Strategy

Additional Tactics to be Considered:
- Grower conversion program offer
- Distribution program incentive
- SxS, trial offer against Dow, BCS
- Activate LCR holdback locally
- Reward team level for results
Overcoming '14 Share of Market Shortfall

Actions & Opportunities to Gain 2 DPL Share Points from 2014
- Investments in distribution profitability -$4.2M; parity to BCS and DOW
- Execution of Southern Distribution Strategy
- Momentum of new DPL products (1321 & 1454NR)
- New variety introductions in Texas
- Experience in variety performance due to rain in TX
- Improved moisture conditions for 2015 (71K vs 2.5K PYTD order bank)
## Communication Strategy

<table>
<thead>
<tr>
<th>Coastal RLT</th>
<th>Week of Nov 17\textsuperscript{th}</th>
<th>High level assumptions (USDA approval only)</th>
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<tbody>
<tr>
<td>Licensees</td>
<td>End Nov/Early Dec</td>
<td>New assumed USDA timing</td>
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<tr>
<td>National Cotton Council</td>
<td>Mid December</td>
<td>Reevaluate and reaction to current regulatory milestones</td>
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<tr>
<td>Field Sales/TA/TDR</td>
<td>Late Jan (post deregulation)</td>
<td>Pricing, programs, dicamba label direction, final launch</td>
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<tr>
<td>SAMs &amp; R</td>
<td>Ahead of Field</td>
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What this plan enables: Successful 2015

- Launched XtendFlex on 750K acres
- Established foundation trait price of $6/A
- Grew Deltapine share
- Maintained 1st mover advantage over DOW
- Germplasm experienced on grower's fields
- Positioned for full dicamba label in all cotton states in 2016
- Positioned to enable 1.7M acres of XtendFlex in 2016
U.S. Row Crops

BACKUP