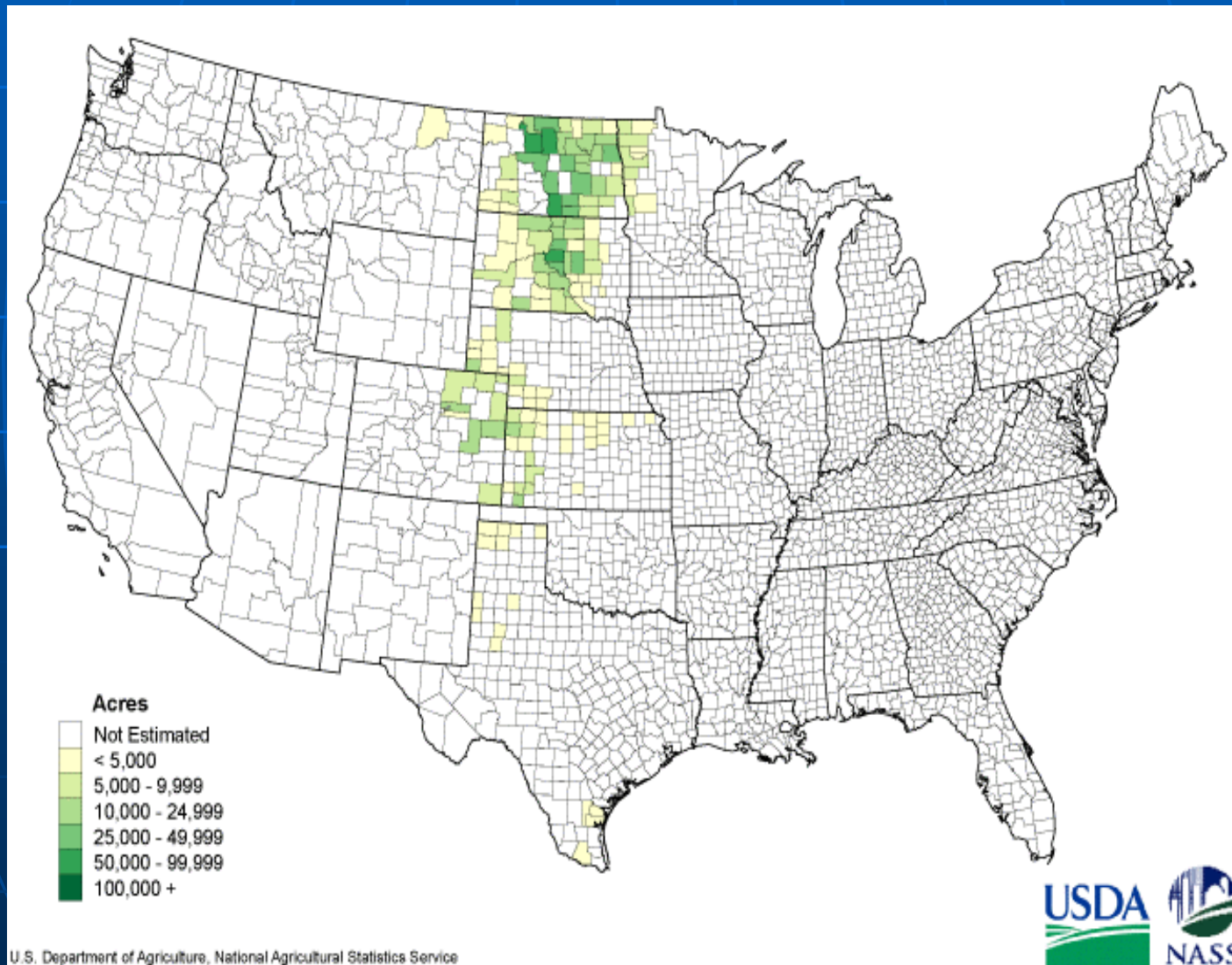


Production and Alternative Uses in the U.S.

Phil Stahlman
Agricultural Research Center-Hays
Kansas State University

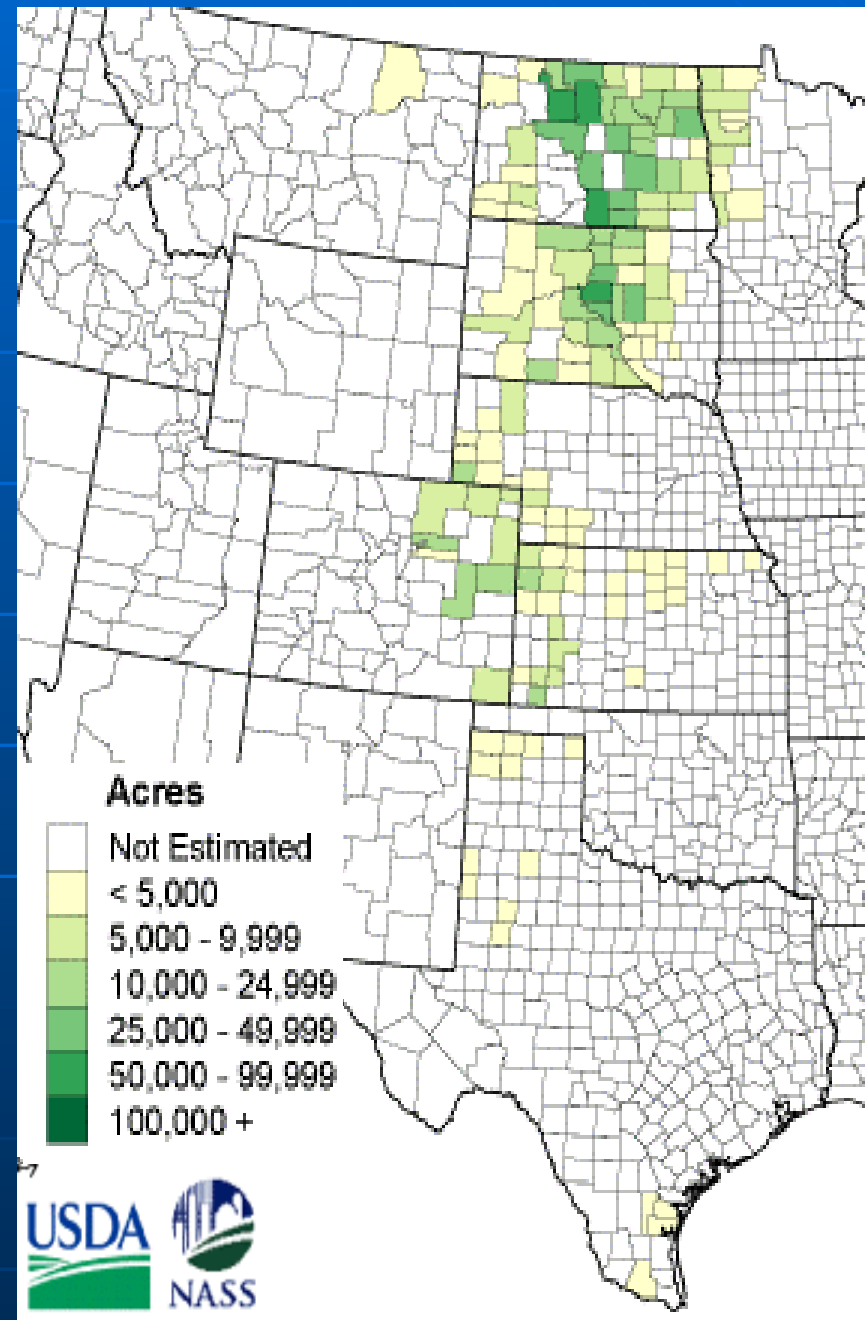
Larry Kleingartner
National Sunflower Association

U.S. Sunflower Production Harvested Acres 2004

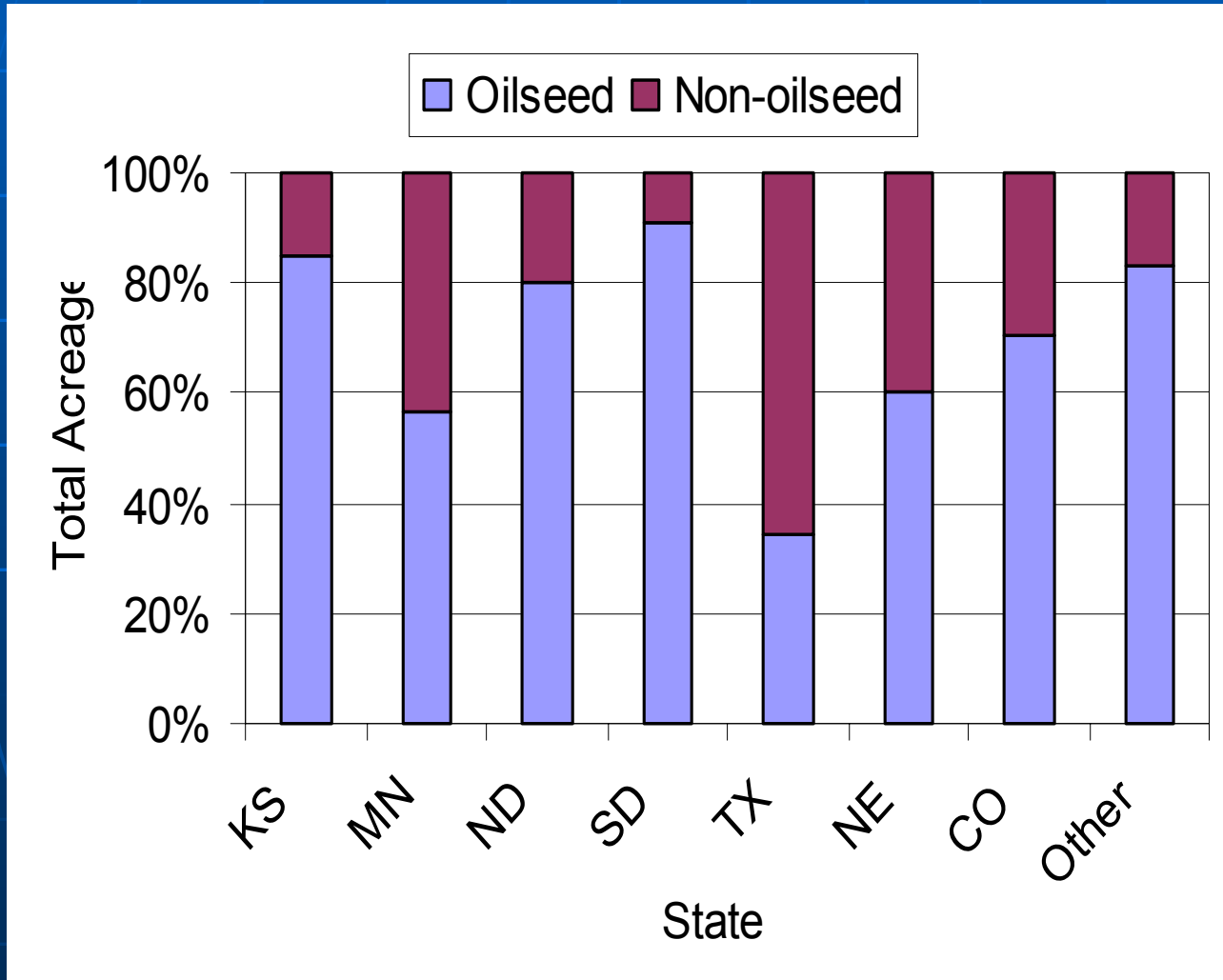


State Ranking of Harvested Sunflower Acres - 2005

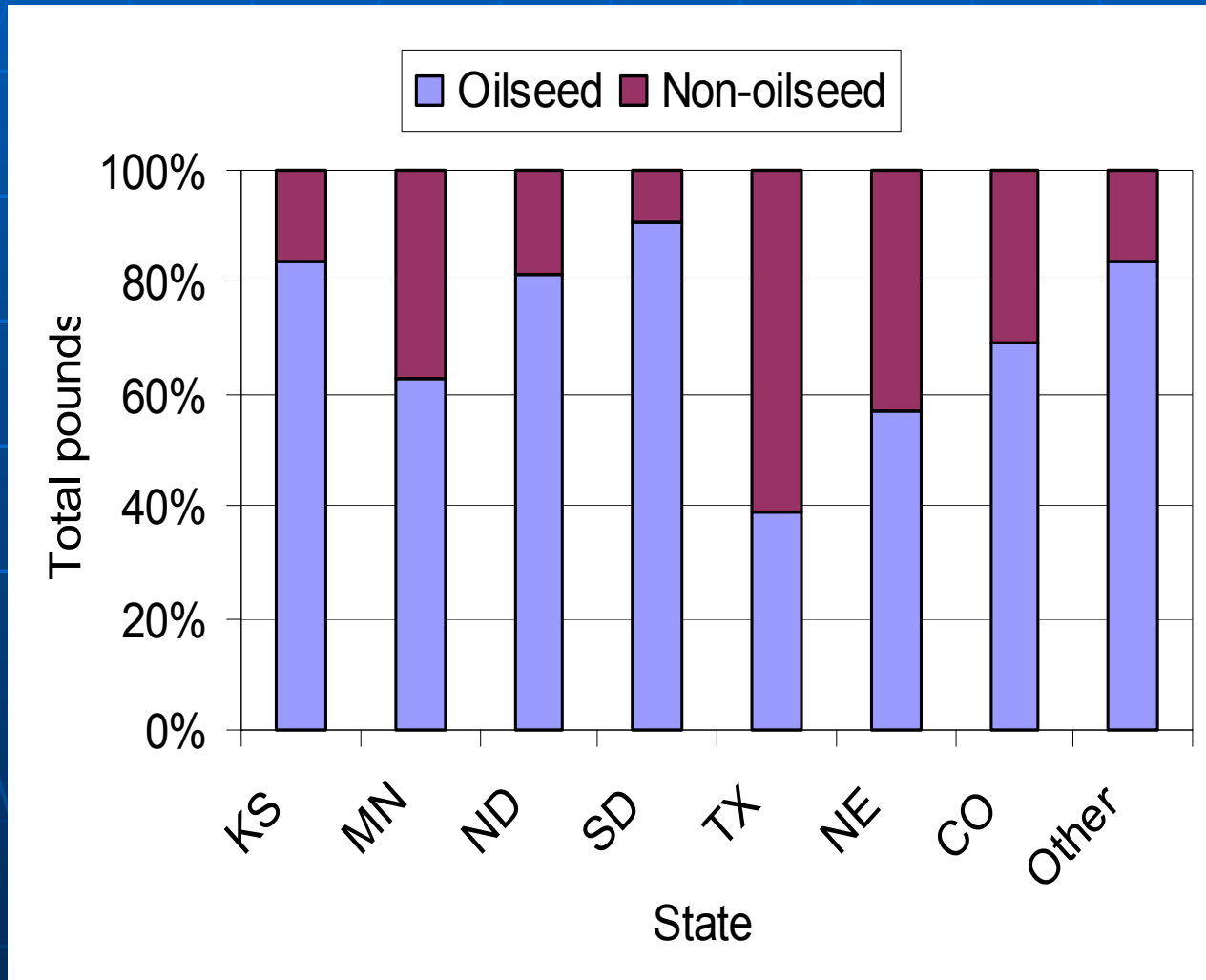
North Dakota	1,105,000
South Dakota	530,000
Kansas	289,000
Colorado	205,000
Texas	140,000
Minnesota	127,000
Nebraska	96,000
Other	118,000
Total	2,610,000
Metric Tons	1,822.7



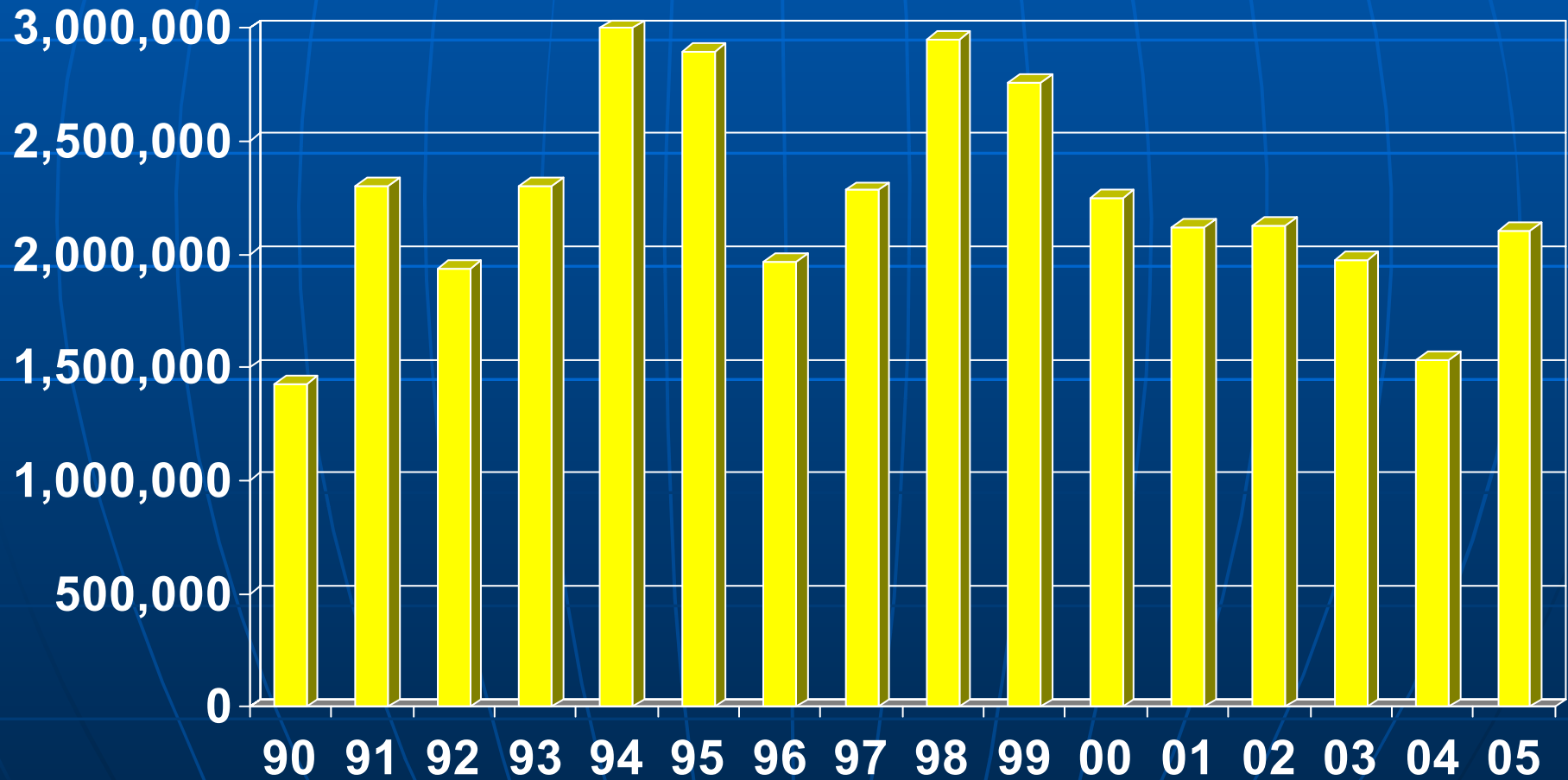
U.S. Sunflower Acreage by Type



U.S. Sunflower Production by Type

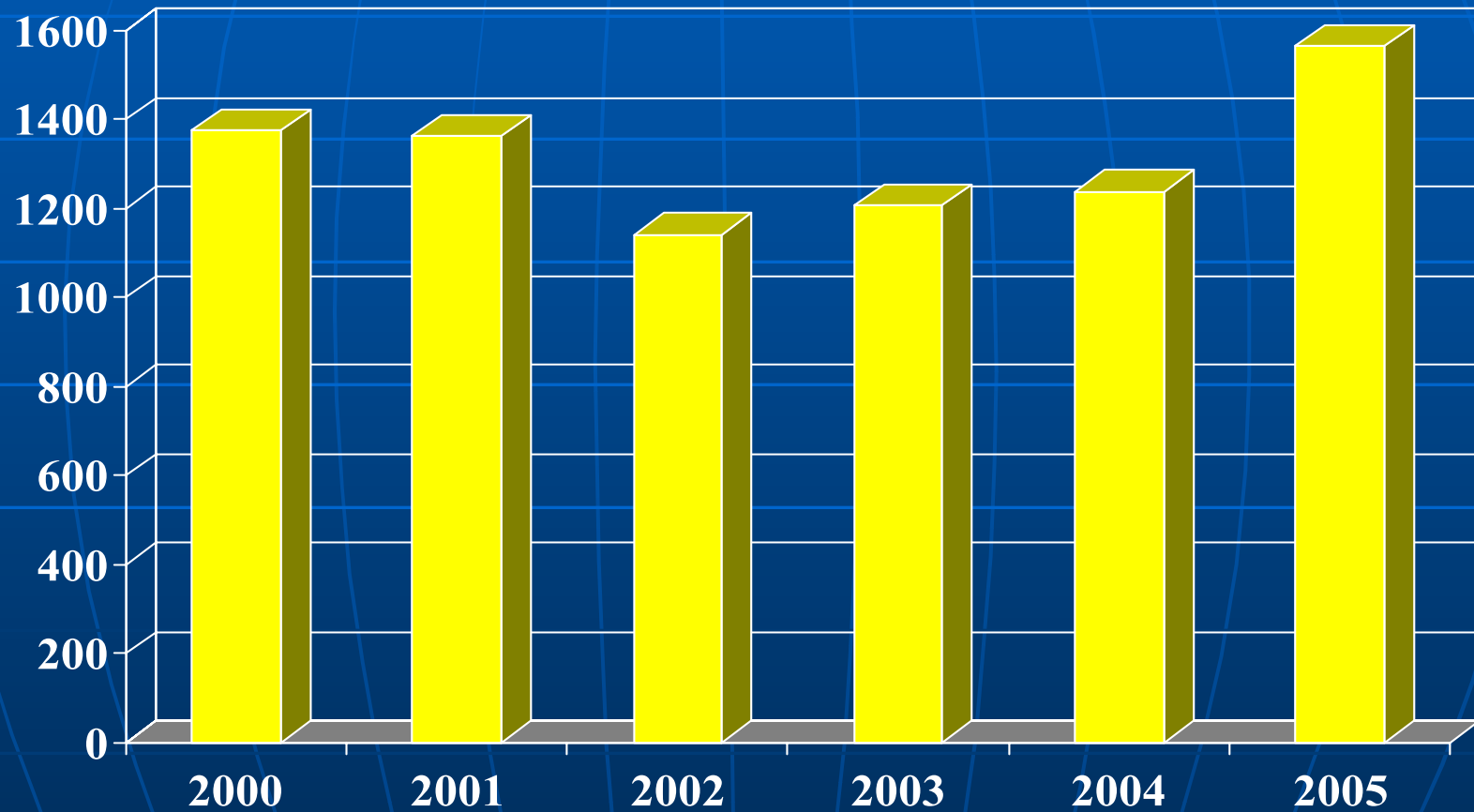


U.S. Oilseed Sunflower Planted Acres



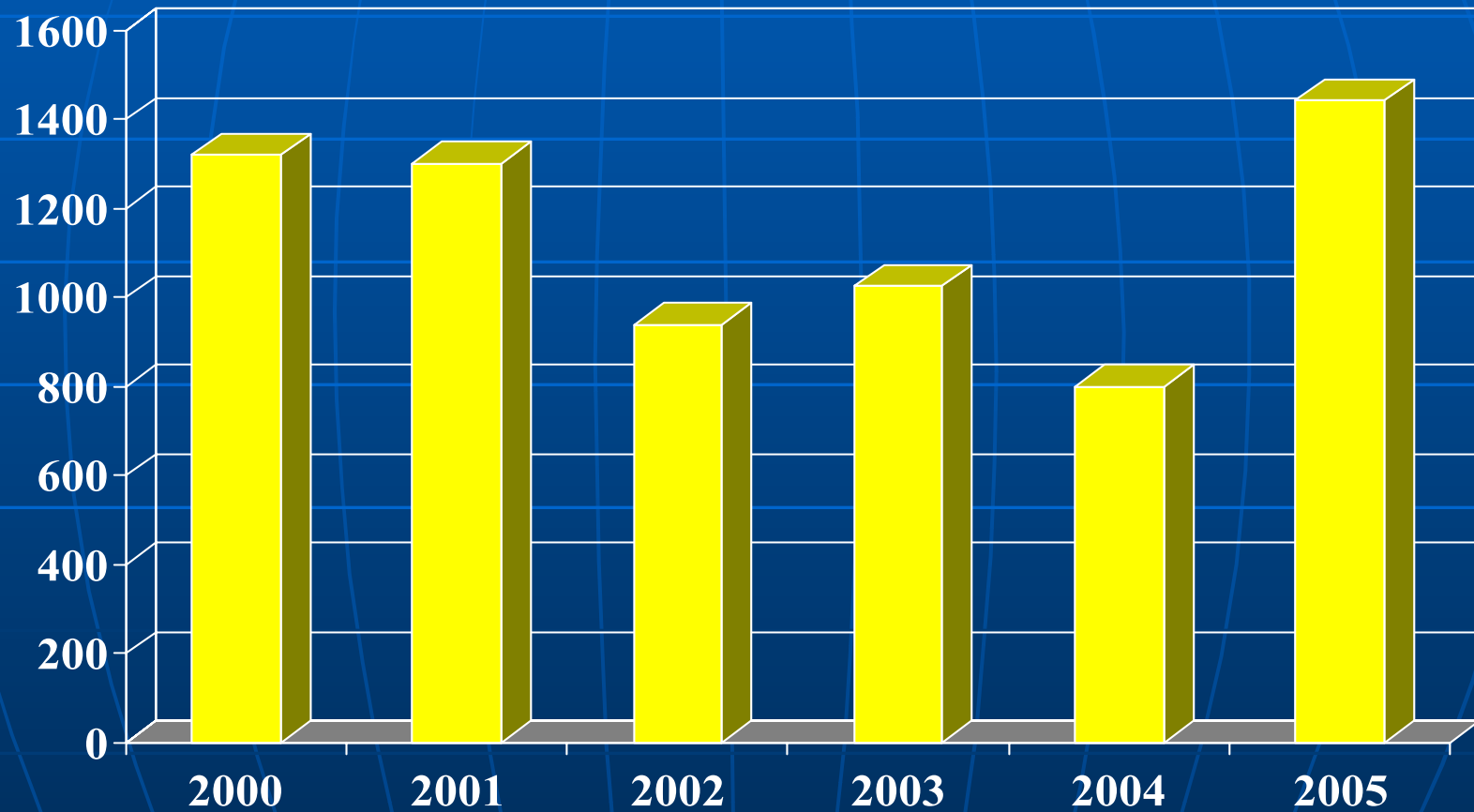
Oilseed National Average Yields

Pounds per Acre

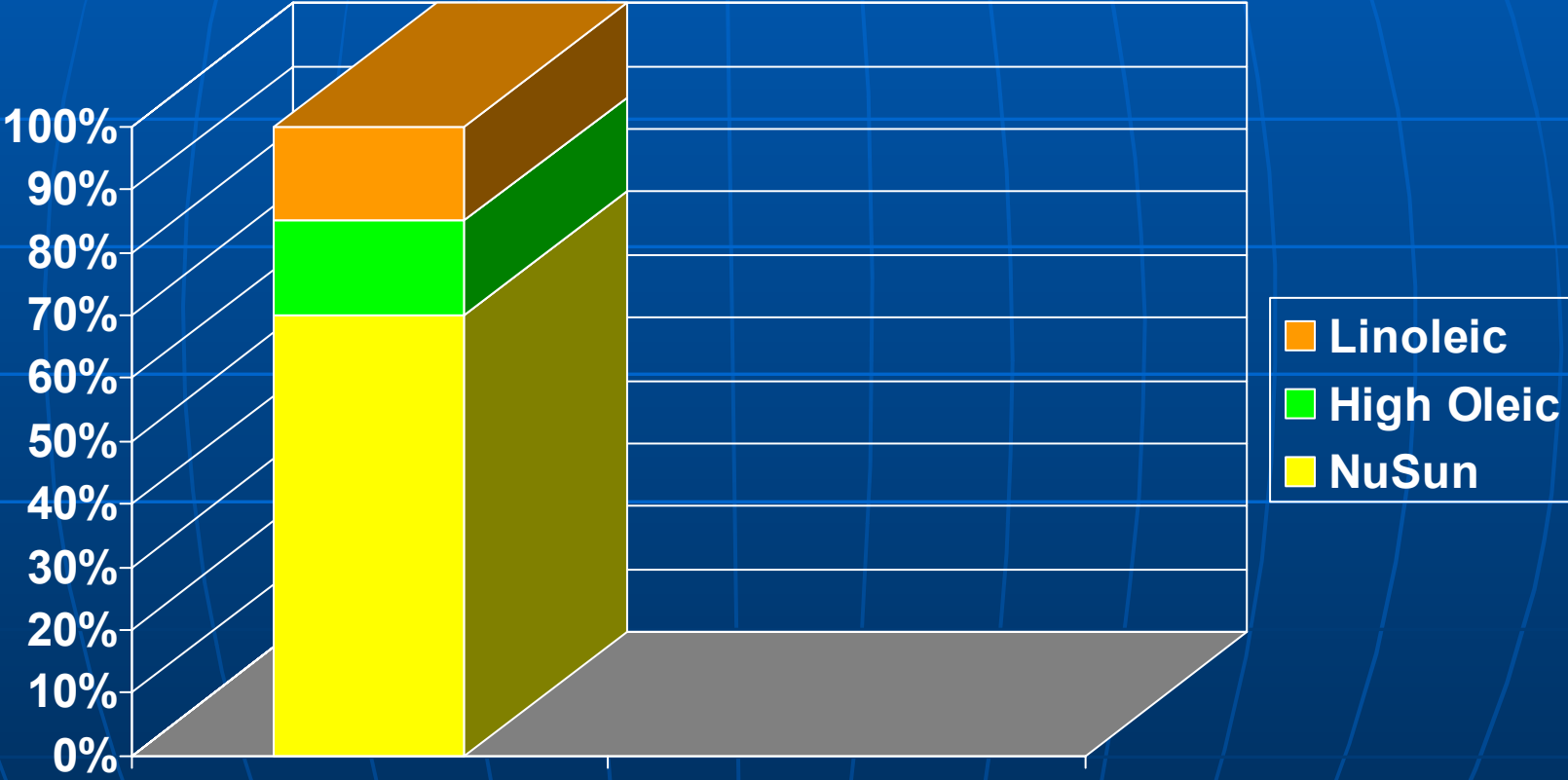


Oil Type Sunflower Production

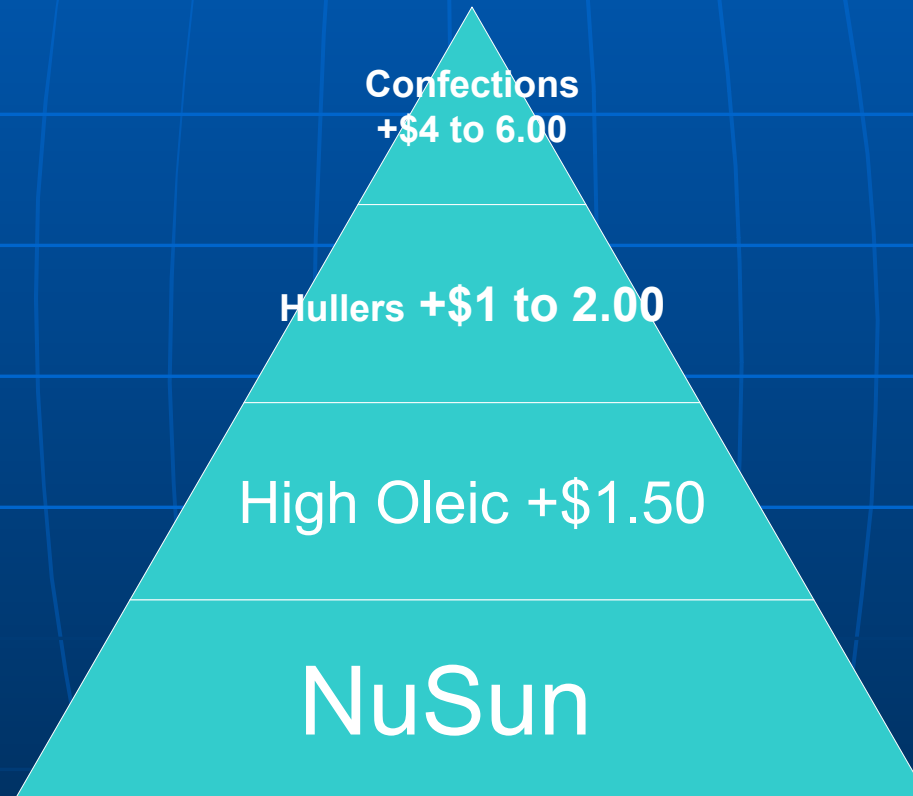
Metric Tons



2005-06 Crush



Sunflower Price Pyramid



Transition to Domestic Market

- 2005: 80% domestic oil market
 - NuSun or high oleic production
 - Little relationship to soy oil
 - 10 to 12 cent premium
 - Compete with corn and cotton oils
 - 12 month crush
 - Scheduled crushing
 - More pre-plant pricing opportunities
 - Insure production
 - Multi-year contracts

Breaking with Chicago Soy Oil Futures

- Chicago Oil December 04: \$20.50
- Old Formula: Divide by 2 and subtract 1 = \$9.25 cwt
- 05 Enderlin NuSun new crop \$13.70
+\$4.45
- 06 Enderlin NuSun new crop \$12.70
+\$2.70
- What will the market pay long term?

Comparison in Oil Market

Before

1. 80% oil exports
2. Seed prices based on soy oil
3. Crush in 6 months
4. Storage at plants
5. Little pre-harvest pricing
6. Inconsistent production
7. Little competition for acres
8. Huge price volatility
9. Good returns to grower

After

1. 80% domestic
2. Seed priced related to cotton and corn oil
3. Crush over 12 months
4. More storage on farm
5. More pre-harvest pricing
6. Must meet customer demand annually
7. Intense competition for acres
8. Less volatility
9. Among the top returns

Bird Food Demand

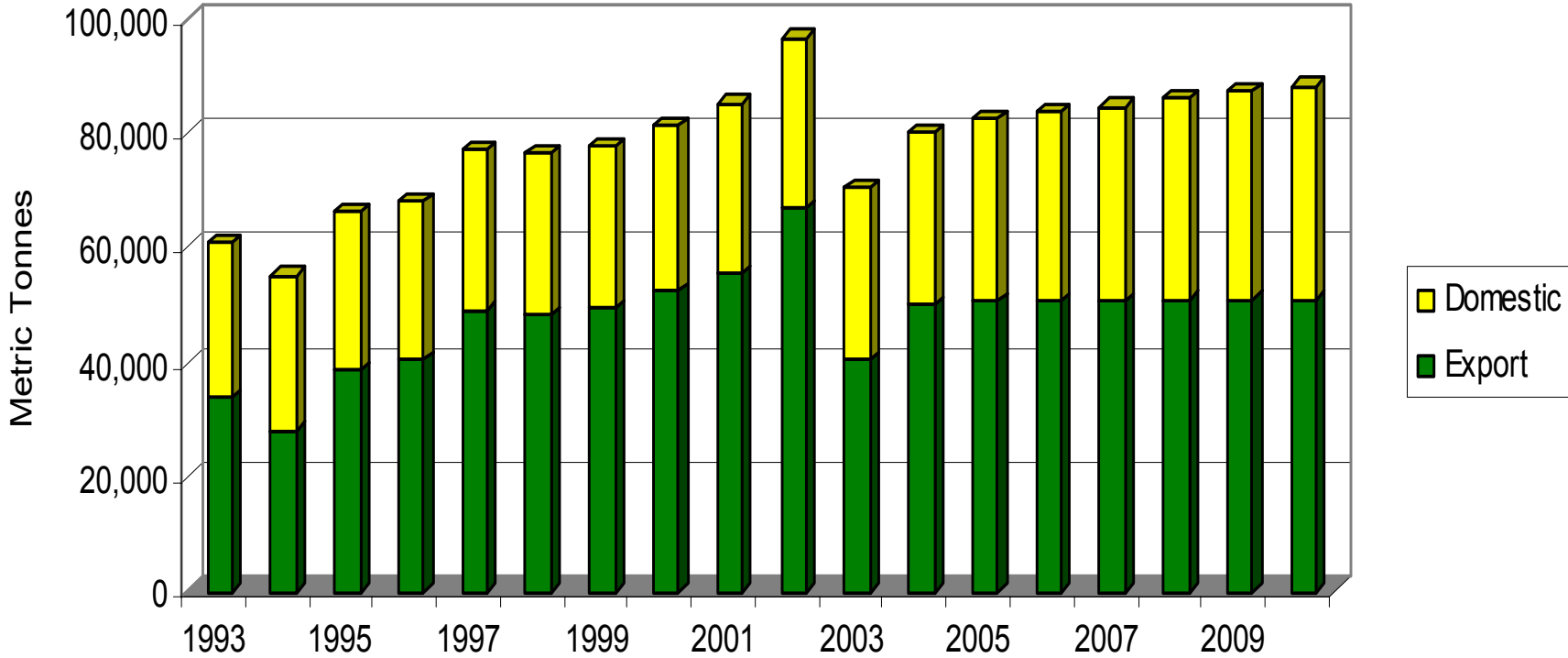
- Present demand at 600,000 acres
- Estimated flat to 3 % annual growth
 - Additional 90,000 acres by 2010
- Test weight minimums

Demand Trends – Kernel

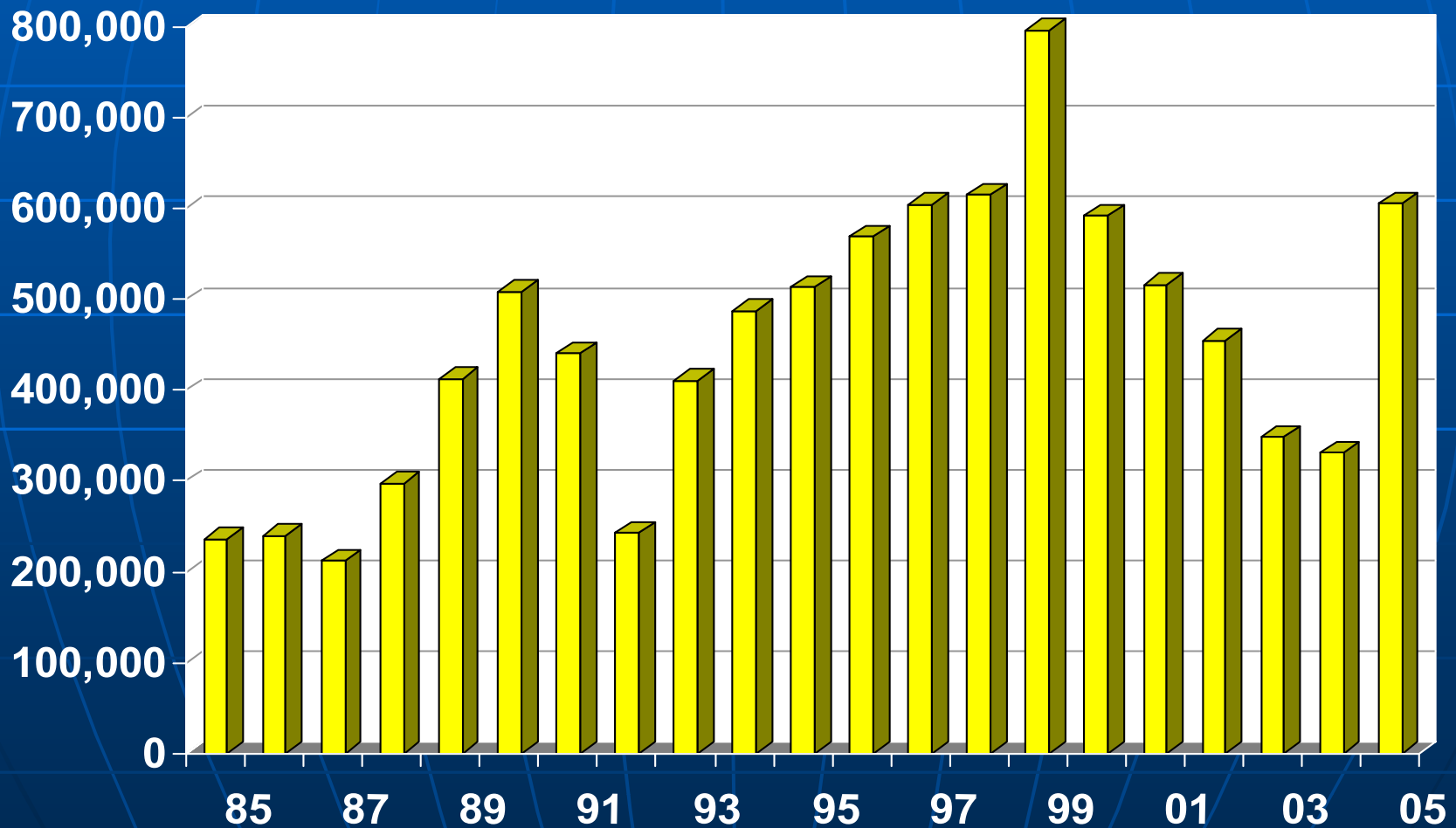
- Expect exports to stabilize and remain steady for next 7 years.
- Strong competition for export markets limit growth. Price sensitive.
- Project domestic market to make up difference and increase steadily.
- Increases due to changes in diet trends, demographics, new product introductions.

Total U.S. SF Kernel Demand (MT)

1993 - 2010 projected



U.S. Planted Confection Acres

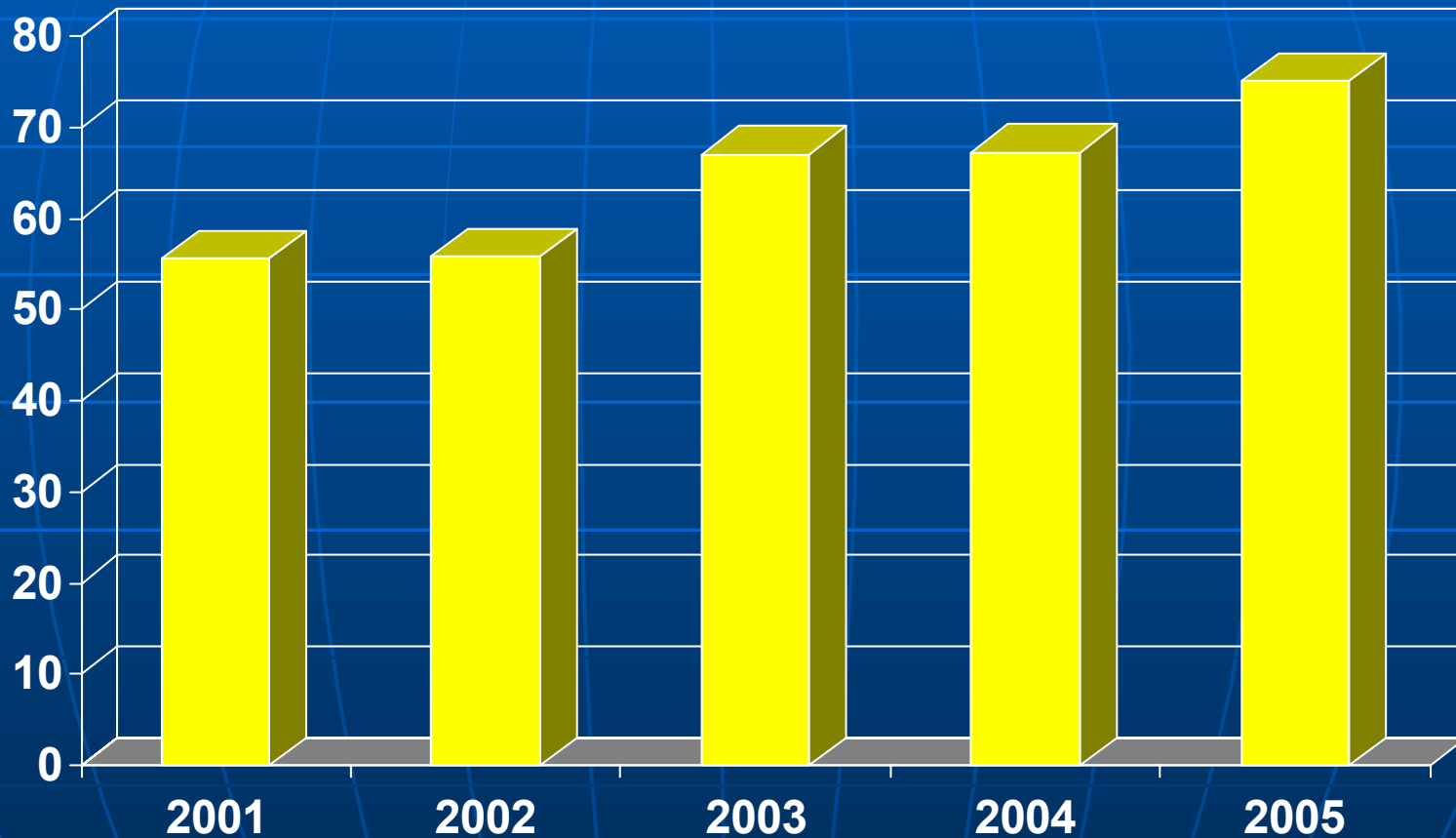


Demand Trends - Inshell

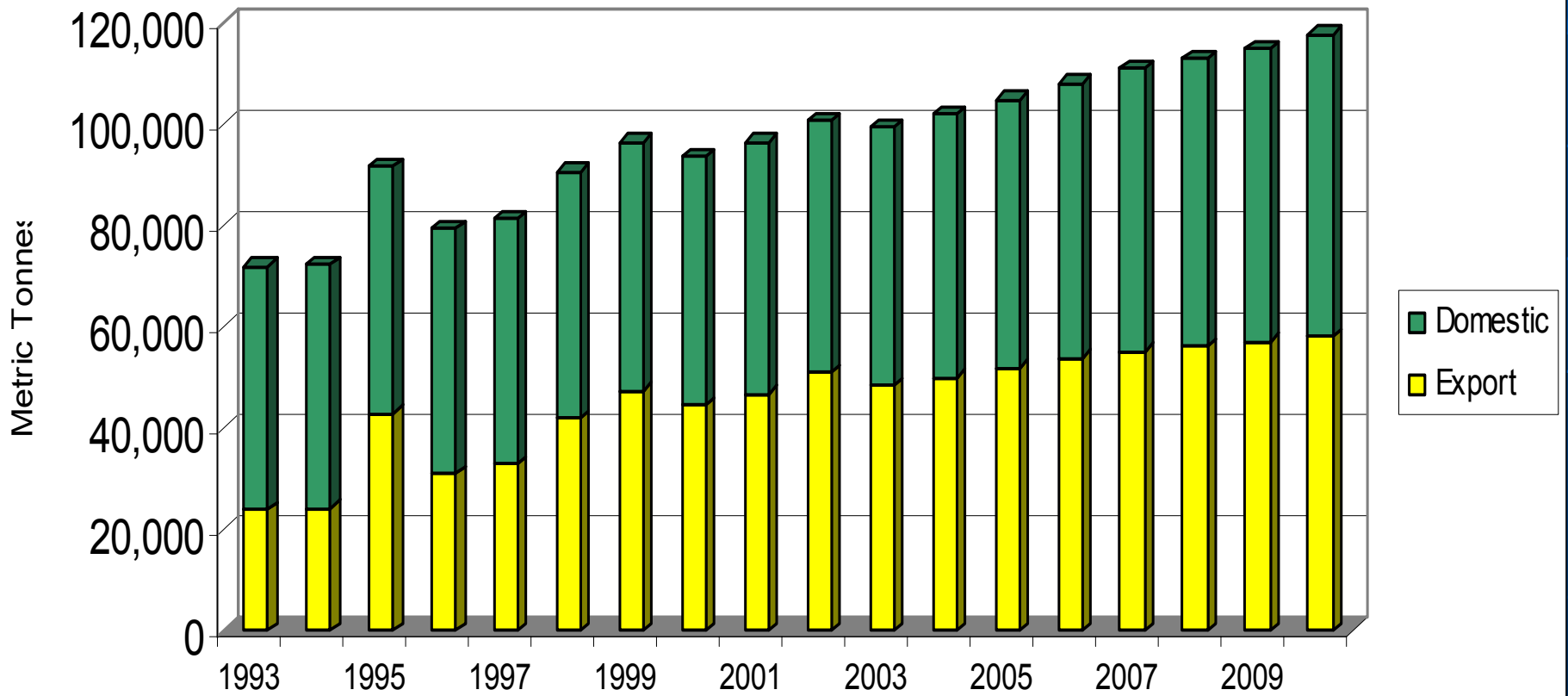
- Domestic and Export are distinctly different markets, requiring different products.
- Export focus is on “Large Seeds” or “Long types”.
- Hybrids are changing to meet demand. Goal is hybrids that produce 75% over a 20/64 screen.
- Expect demand to increase at same rate for both markets.
- Inshell a larger overall volume than Kernel over the next 7 years.

Percent In-shell over 20/64

National Average



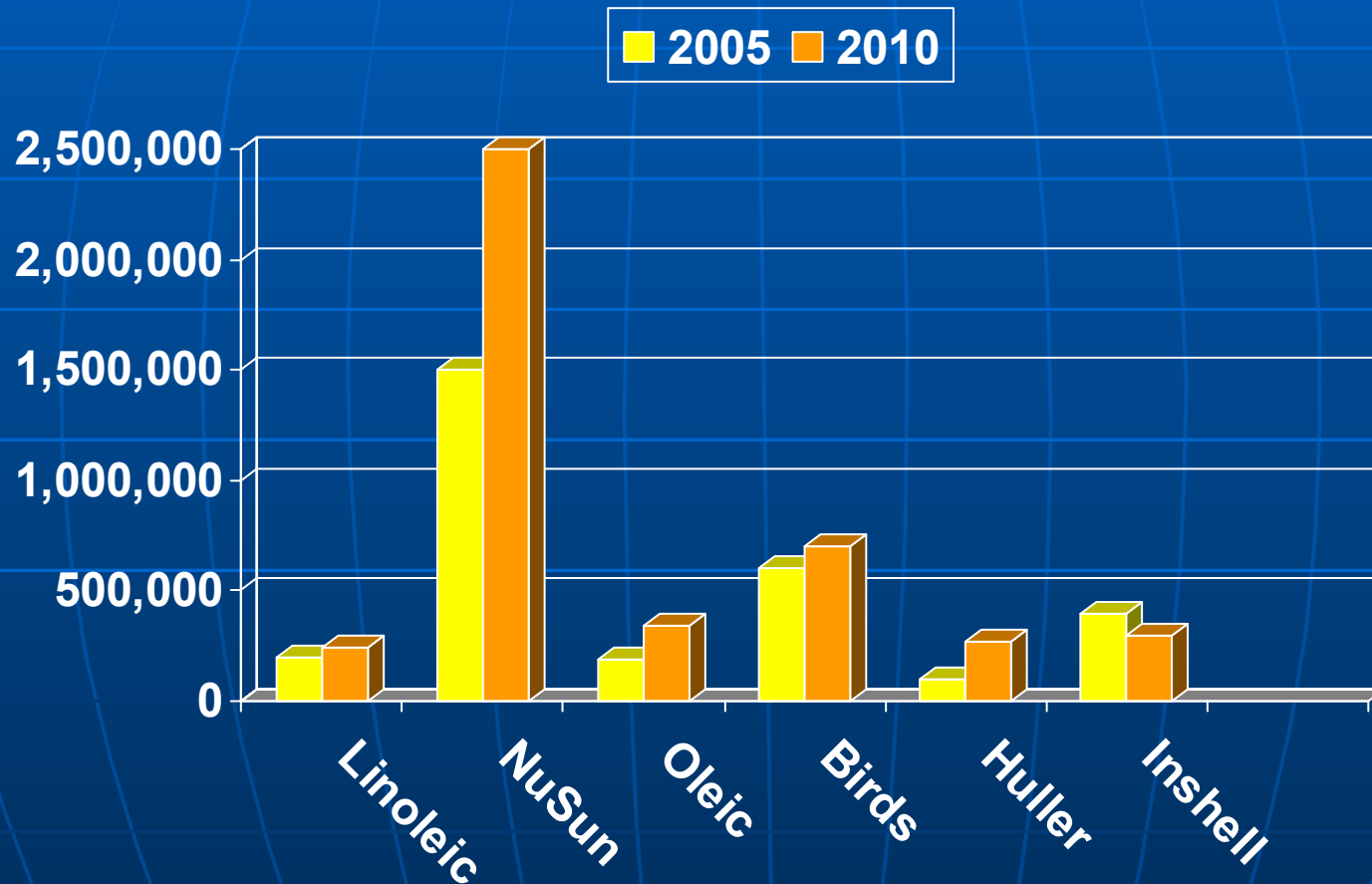
Total U.S. Inshell Demand (MT) 1993 - 2010 projected



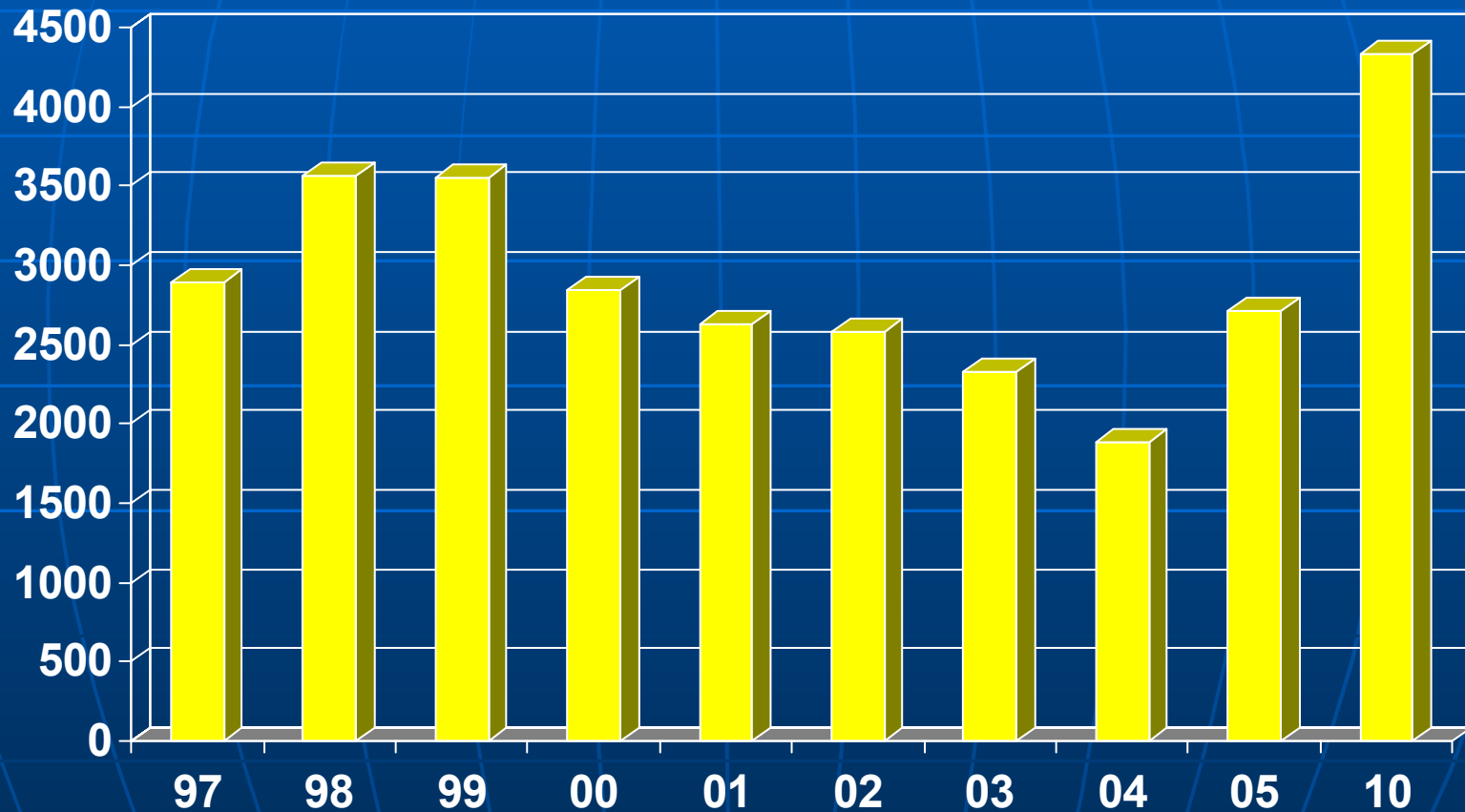
Confection Supply Side Projections Summary

- Estimate 260,000 acres of hulling types and 290,000 acres of Confection required by crop year 2010.
 - Estimates rely on average seed size increasing to 75% usable inshell by 2010.
 - Acreage projections do not include any carry over stocks.

Acreage Needs 2005 to 2010

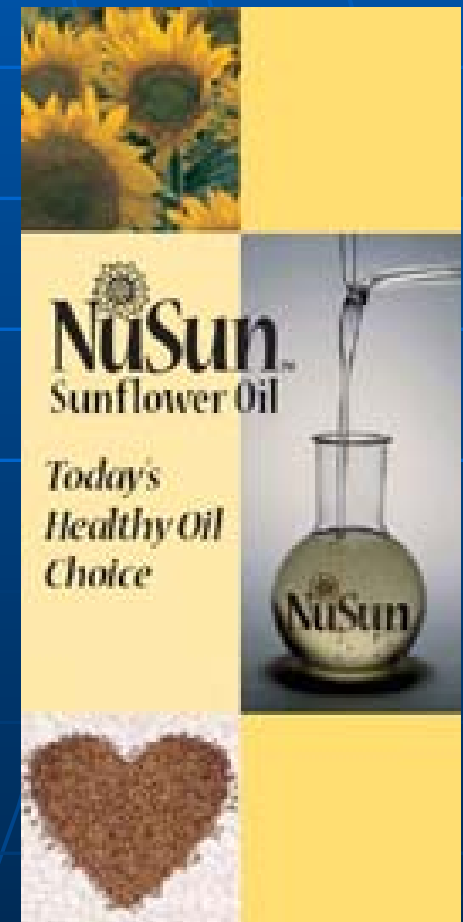


Acreage Need Comparison



Products

- Frito-Lay leads the way with full conversion to non-hydrogenated oils in 2003
- Leading maker of chips
- Sun Chips
- Beans and spreads
- Favored in-shell seeds
- Bird seed



SunGold SUNBUTTER™

- Co-developed by USDA food scientists partly to address the growing peanut allergy problem.
- Sunflower is not a top eight allergen. Peanuts and tree nuts are in the top eight which cause 90% of all food allergy reactions.
- Over 3 million people are now allergic to peanuts, tree nuts or both.



In-Shell Sunflower Seeds

- Regular salted & unsalted
- BAR.B.Q
- Dill Pickle
- Jalapeneo Hot Salsa
- Jim Beam Wiskey
- Nacho Cheese
- Pizza (Canada only)
- Ranch Flavored
- Spicy Picante
- Seasoned
- Spicy

