Global Fertilizer Outlook and Trends: 2010 and Beyond

The Beginning of the Demand Recovery
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These risks and uncertainties include but are not limited to the predictability and volatility of, and customer expectations about, agriculture, fertilizer, raw material, energy and transportation markets that are subject to competitive and other pressures and the effects of the current economic and financial turmoil; the build-up of inventories in the distribution channels for crop nutrients; changes in foreign currency and exchange rates; international trade risks; changes in government policy; changes in environmental and other governmental regulation, including greenhouse gas regulation; difficulties or delays in receiving, or increased costs of, necessary governmental permits or approvals; the effectiveness of our processes for managing our strategic priorities; adverse weather conditions affecting operations in Central Florida or the Gulf Coast of the United States, including potential hurricanes or excess rainfall; actual costs of asset retirement, environmental remediation, reclamation or other environmental regulation differing from management’s current estimates; accidents and other disruptions involving Mosaic’s operations, including brine inflows at its Esterhazy, Saskatchewan potash mine and other potential mine fires, floods, explosions, seismic events or releases of hazardous or volatile chemicals, as well as other risks and uncertainties reported from time to time in The Mosaic Company’s reports filed with the Securities and Exchange Commission. Actual results may differ from those set forth in the forward-looking statements.
Topics

- Improving crop nutrient demand drivers and outlook
  - Upturn in the global economic outlook
  - Constructive agricultural fundamentals

- Tighter phosphate fundamentals begins to take hold
  - Low stocks from producer warehouses to farm field
  - Demand recovery underway

- Potash shipments remain slow
  - Waiting for a China settlement and price discovery
  - Strong demand recovery expected in 2010
  - Demand recovery at what price?

- Unpredictable factors to watch
  - Agricultural commodity prices and farm economics
  - Macroeconomic conditions
  - Government policies
Unprecedented drop in global crop nutrient use (particularly P&K)

World Nutrient Use

Changes in World Fertilizer Consumption

<table>
<thead>
<tr>
<th></th>
<th>2007/08</th>
<th>2008/09E</th>
<th>2009/10F</th>
<th>2010/11F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nitrogen</td>
<td>3.2%</td>
<td>-1.5%</td>
<td>1.6%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Phosphate</td>
<td>0.1%</td>
<td>-10.5%</td>
<td>3.0%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Potash</td>
<td>6.8%</td>
<td>-19.8%</td>
<td>-4.5%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Total</td>
<td>3.1%</td>
<td>-6.7%</td>
<td>1.0%</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

Source: IFA November 2009
More upbeat global economic outlook

World GDP Growth

GDP Growth 1990-2008 CAGR = 2.9%
2004-07 CAGR = 3.9%
Another large crop is needed in 2010

World Grain and Oilseed Stocks

Source: USDA and Mosaic (for 10/11 scenarios)
Yields are key

World Grain and Oilseed Harvested Area and Yield

Source: USDA and Mosaic (for 10/11 scenarios)
Grain and oilseed use marches upward

**World Grain and Oilseed Production and Use**

Bil Tonnes

Source: USDA and Mosaic (for 10/11 scenarios)
Futures markets trading this view

New Crop Corn Prices
Daily Close of New Crop Options June 2, 2009 to December 4, 2009

New Crop Soybean Prices
Daily Close of New Crop Options June 2, 2009 to December 4, 2009

Source: CBOT
Harvest progress has been significantly behind normal.

Source: USDA
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Tighter phosphate fundamentals begin to take hold

DAP Prices
Central Florida Rail

Source: Green Markets

DAP Prices
NOLA Barge

Source: Green Markets

DAP Prices
fob Tampa Vessel

Source: Fertecon
Raw material costs are edging up

Sulphur Prices
Source: Green Markets

Ammonia Prices
Source: Fertecon
Global import demand projected to increase in 2010

World Processed Phosphate Import Demand
(Excludes China)

Source: Fertecon, IFA and Mosaic

Processed phosphate includes DAP, MAP and TSP
India: Record import demand

India Processed Phosphate Import Demand

Source: Fertecon, IFA and Mosaic

DAP  MAP

Mil Tonnes
Latin America: Imports expected to rebound slightly

Latin America Processed Phosphate Import Demand

Source: Fertecon, IFA and Mosaic
U.S. exports are projected to increase in 2009/10

**U.S. DAP and MAP Exports**

Source: TFI and Mosaic

Fertilizer Year Ending June 30
U.S. phosphate use forecast

U.S. Phosphate Use

Source: AAPFCO and Mosaic

Million Tons P₂O₅

Fertilizer Year Ending June 30

3.00 3.25 3.50 3.75 4.00 4.25 4.50 4.75 5.00

90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09E 10F
U.S. shipments are projected to rebound.
Modest seasonal stock build followed by sharp drop is expected
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Published spot prices remain soft on limited volume

*Potash Prices*
- Blend Grade c&f Brazil
- Blend Grade fob U.S. Midwest Warehouse

*Standard MOP Prices*
- c&f SE Asia

Source: ICIS
Source: Green Markets
MOP trade is projected to rebound in 2010

World MOP Import Demand

Source: Fertecon and Mosaic
China’s implied MOP use collapsed this year

China Monthly MOP Imports

Source: China Customs

China Implied Potash Use
(Production + Imports - Re-exports)

Source: IFA and Mosaic

Net Imports
Production
Brazilian imports are projected to rebound in 2010.

Source: Fertecon and Mosaic
NA exports are expected to increase in 2009/10

North America MOP Exports

Source: IPNI and Mosaic
Fertilizer Year Ending June 30

Canada
U.S.

Mil Tons
KCL

95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10F
NA exports are expected to ramp up in 1H 2010

Source: IPNI

North America MOP Exports

MIN MAX Range (2003/04-2007/08) 2008/09 3-Yr Average

Source: IPNI

North America MOP Exports

MIN MAX Range (2004/05-2008/09) 2009/10 3-Yr Average
U.S. potash use forecast

U.S. Potash Use

Source: AAPFCO and Mosaic

Million Tons K₂O

Fertilizer Year Ending June 30
NA Potash Use and Shipments

North America Potash Use and MOP Shipments

Source: IPNI and Mosaic
Fertilizer Year Ending June 30

Ag Use | Total Shipments | Estimated Use

<table>
<thead>
<tr>
<th>Year</th>
<th>Tons</th>
<th>KCL</th>
</tr>
</thead>
<tbody>
<tr>
<td>95</td>
<td>5.0</td>
<td>6.0</td>
</tr>
<tr>
<td>96</td>
<td>5.1</td>
<td>6.1</td>
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<tr>
<td>97</td>
<td>5.3</td>
<td>6.3</td>
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<tr>
<td>98</td>
<td>5.5</td>
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<tr>
<td>99</td>
<td>5.7</td>
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<td>00</td>
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<tr>
<td>09</td>
<td>7.7</td>
<td>8.7</td>
</tr>
<tr>
<td>10F</td>
<td>7.9</td>
<td>8.9</td>
</tr>
</tbody>
</table>
MOP shipments remain at low levels
Strong recovery needed to reduce producer stocks

North America MOP Producer Stocks

Source: IPNI

MIN MAX Range (2004/05-2008/09)

Source: IPNI

MIN MAX Range (2003/04-2007/08)
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Factors to Watch – 2009/10

- Agricultural commodity prices and farm economics
  - Weather during the next six months
    - Northern Hemisphere: crop size and fertilizer application window
    - Southern Hemisphere: size of 2010 crop -- especially in Brazil
  - Oil prices and the demand for U.S. corn for ethanol production
  - Impacts of stronger economic growth and lower prices on grain demand
  - Behavior of hedge fund managers

- Macroeconomic environment
  - Exchange rates (impact of weaker dollar on crop nutrient imports and grain exports)
  - Improved credit availability

- Government policies
  - Chinese phosphate export taxes and potash import policies
  - Indian fertilizer subsidy reform
  - U.S. ethanol maximum blending rate (EPA delayed ruling)

- The intangibles
  - Price expectations and market sentiment
  - More tightly controlled buying processes
Long Term Outlook

- Strong demand drivers still intact
  - Population and income growth
  - Further increases in grain-based biofuels production

- Demand growth requires supply increases
  - Strong rebound of nutrient demand
  - Existing facilities required to operate at more “normal” rates
  - Few new projects/expansion in the near term
    - Still high capital and operating costs
    - Long lead times before production
    - Significant economic and political risk in some regions

- Key factors to watch
  - Stabilization of the global financial system
  - Global economic growth to fuel the food and energy demand story
  - Timing of the startup of new capacity
  - Government policies
    - Commitments to biofuels initiatives
    - Indian fertilizer subsidy
    - Chinese industrial and trade policies
    - Economic development policies elsewhere
Thank You!

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Fluid Fertilizer Marketing and Technology Workshop
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