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Investment Banking at National – Where Agriculture Meets the Capital Markets

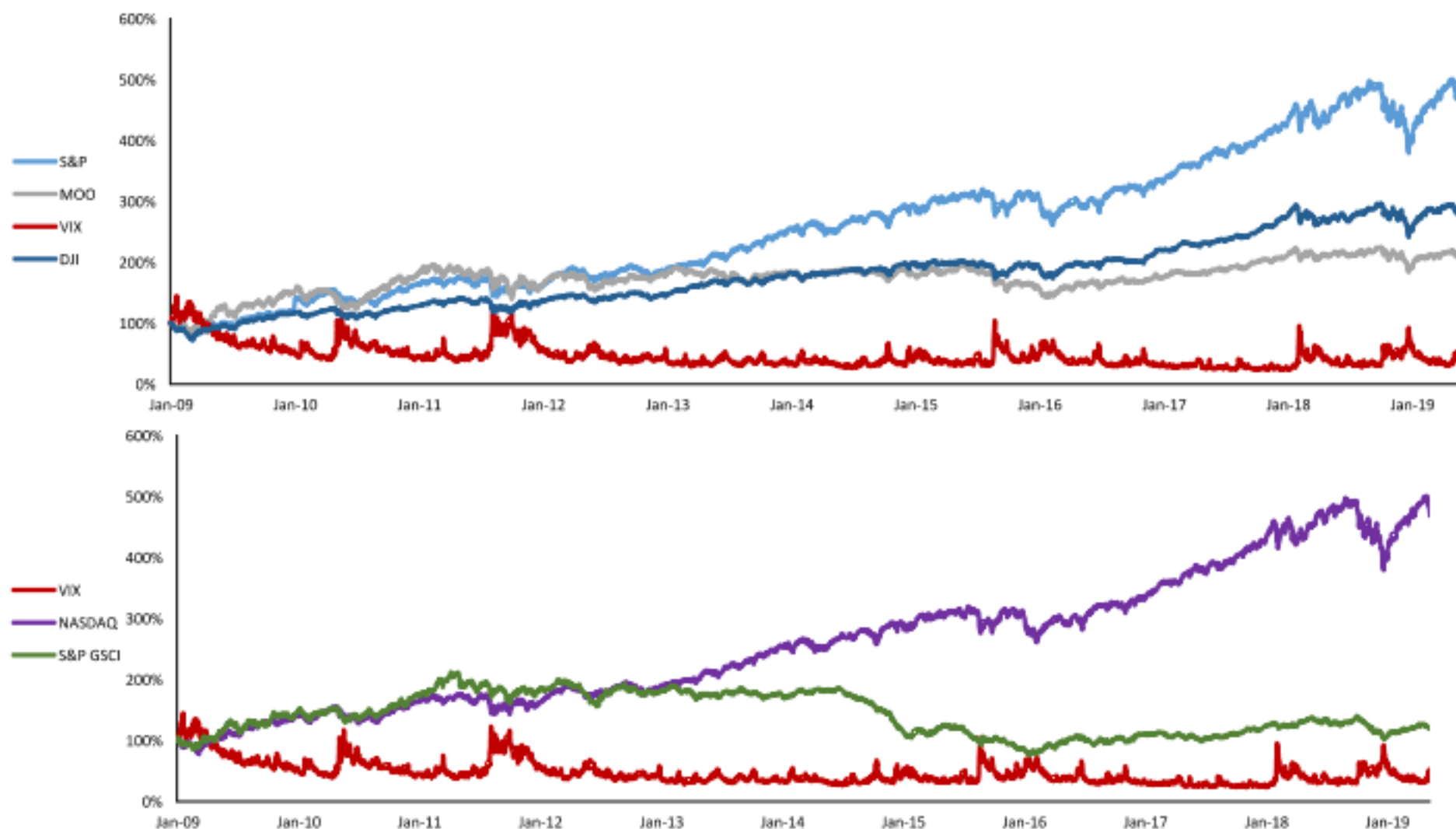
November 2019

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FOOD, BEV. & AGRICULTURE – EQUITY PERFORMANCE | 2009 – 1Q19



THE FARMER TRADE WINDS

A CHALLENGING SCENARIO

9.7bn

Expected world population by 2050, translating into 70% required growth in global food supply from current levels.

58yrs

Average age of a farmer (in years) in the US – a number that has consistently moved up over the past 30 years.

76%

Global percent growth of meat consumption by 2050.

DEPRESSED FARMER ECONOMICS

\$263.7bn

Farm real estate debt highest since 1980s.

16:1

Debt to equity increasing since 2012 to global financial crisis 2008 levels. 20:1 considered highly, over leveraged.

474

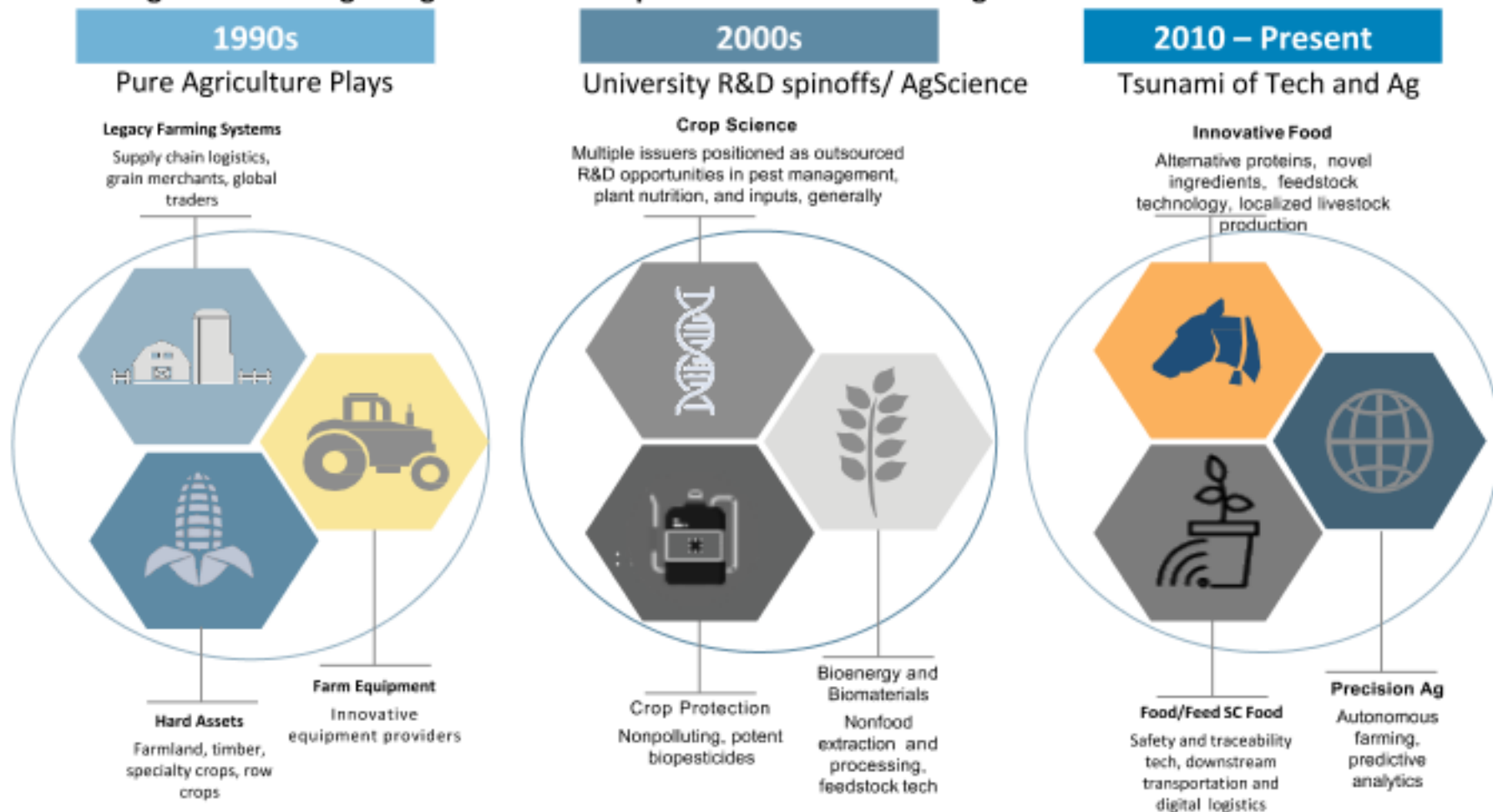
Bankruptcies from farmers, a 50% increase in the last four years.

Farmers need solutions to do much more with less



MIDSTREAM AGRIBUSINESS CAPITAL MARKETS EVOLUTION

Agriculture is Beginning to Meet the Capital Markets as a Meaningful Selection Set for Investors



A Growing Number of Agri Investment Opportunities



SELECT 2018 AGTECH PRIVATE FINANCING. LIQUIDITY HORIZON?



Source: Minister Ventures

Organic Sales

U.S. Organic Food vs. Total Food Sales, Growth and Penetration, 2008-2017

Category	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Organic Food	20,393	21,266	22,961	25,148	27,965	31,378	35,099	39,006	42,507	45,209
Growth (%)	17.5%	4.3%	8.0%	9.5%	11.2%	12.2%	11.9%	11.1%	9.0%	6.4%
Total Food	659,012	669,556	677,354	713,985	740,450	760,486	787,575	807,998	812,907	822,160
Growth (%)	4.9%	1.6%	1.2%	5.4%	3.7%	2.7%	3.6%	2.6%	0.6%	1.1%
Organic (as % Total)	3.1%	3.2%	3.4%	3.5%	3.8%	4.1%	4.5%	4.8%	5.2%	5.5%

Source: Organic Trade Association's 2018 Organic Industry Survey conducted 1/25/2018 - 3/26/2018 (\$mil., consumer sales).

Organic Corn and Soy Premiums

Organic corn averaged \$5.75/bu (168%) over conventional and \$601/acre (91%) over conventional

Organic soy has averaged \$10.18/bu (109%) over conventional and \$345/acre (62%) over conventional

	2015/16		2016/17		2017/18		2018/19 ¹	
	Organic ²	Conventional ¹	Organic ²	Conventional ¹	Organic ²	Conventional ¹	Organic ²	Conventional ¹
Corn								
MY Average Price ²	\$9.31	\$3.56	\$8.25	\$3.37	\$9.57	\$3.34	\$9.50	\$3.49
Yield (bu/acre) ⁴	115.4	175.0	143.2	197.0	146.0	201.0	152.1	210.0
Revenue Per Acre	\$1,074.85	\$623.29	\$1,180.92	\$664.71	\$1,396.61	\$670.34	\$1,444.49	\$732.48
Organic Premium Per Acre	\$452		\$516		\$726		\$712	
Soybeans								
MY Average Price ³	\$20.64	\$9.34	\$18.67	\$9.56	\$19.34	\$9.31	\$19.23	\$8.27
Yield (bu/acre) ⁴	44.6	56.0	45.9	59.0	45.2	58.0	48.8	65.0
Revenue Per Acre	\$920.69	\$522.95	\$856.84	\$563.79	\$874.02	\$540.03	\$938.23	\$537.68
Organic Premium Per Acre	\$398		\$293		\$334		\$401	

Source: ²Mercaris, ¹USDA

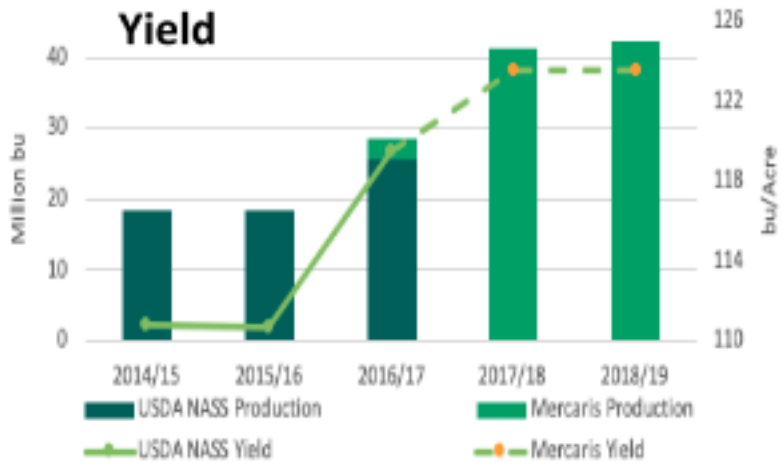
Notes: 1. Based on observations from Sep 2018-June 2019, 2. Corn organic prices are Corn Belt average delivered to first handler, conventional prices are USDA Central II, Yellow No. 2 delivered

3. Soybean organic prices are Corn Belt average delivered to first handler, conventional prices are USDA Central II, Yellow No. 1 delivered

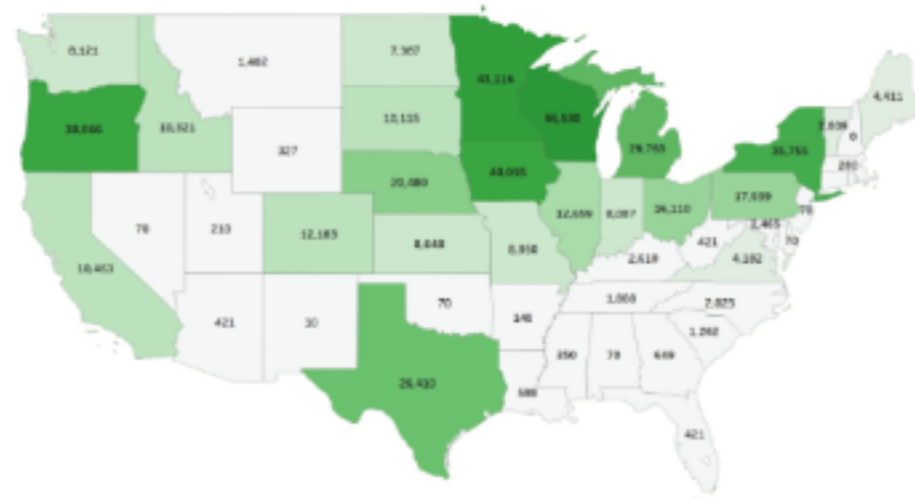
4. Average yields for Illinois

Total Organic Corn Acres

Mercaris and USDA NASS Organic Corn Production & Yield



Source: Mercaris 2019, USDA NASS



Total Organic SB Acres

Mercaris and USDA NASS Organic Soybean Production & Yield



Source: Mercaris 2019, USDA NASS

