

Sustainable development of animal production: 10 years CSR in Nutreco

Wout Dekker, CEO
Hamburg | 11 June 2010

feeding the future

Nutreco – who we are

- A leading global player in animal nutrition and fish feed
- Founded in 1994 and listed at Amsterdam Stock Exchange since 1997
- Revenue in 2009 EUR 4.5 billion
- Over 120 plants in 30 countries
- A workforce of almost 10,000 employees
- Nutreco ranks the top 3 of the global animal nutrition industry in revenues

Nutreco: a global player in animal nutrition and fish feed

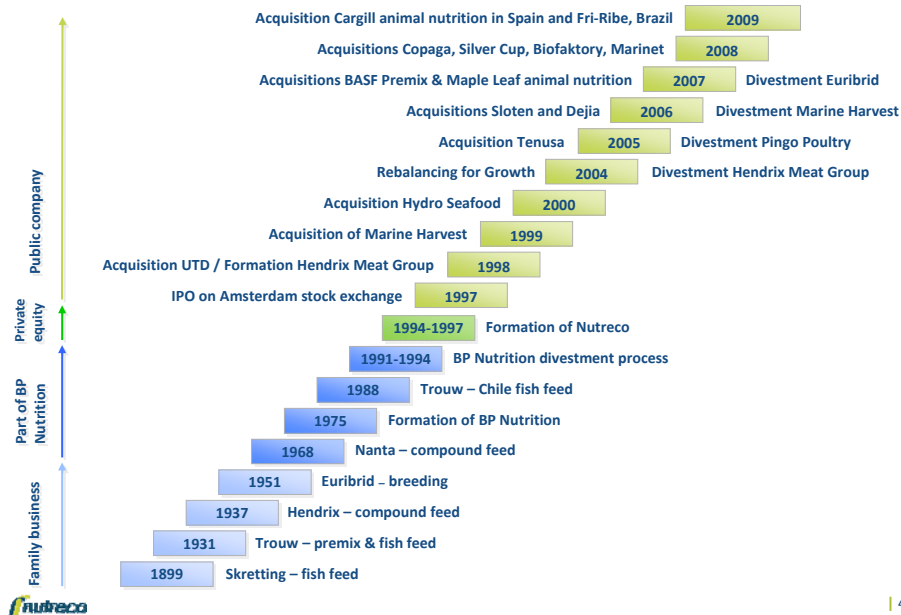
- Nutreco ranks the top 3 of the global animal nutrition industry in revenues
- Leading local positions in compound feed industry
 - Market shares Nutreco: Canada 23%, The Netherlands 14%, Spain 14%
- Premix and feed specialties industry is more consolidated
 - 4 global players with a joint global market share of about 50%
 - Nutreco's Trouw Nutrition has a global number 2 position in premix with a 12% market share
- Global salmon feed industry is concentrated: top 3 >90%
 - Nutreco's Skretting is the number 1 salmon feed producer with 38% market share
 - Leading position in fish feed for other species in developed markets

Nutreco's main brands



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Nutreco – where we come from



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Animal Nutrition at a critical junction

Struggling Supplies

Plant Growers

- Scarce Resources
- High price volatility
- Climate Change
- Low stocks
- Government policies
- Bio-energy

Animal Nutrition and Fish Feed



Surging Demand

Protein Processors

- Global food demand will double
- 850 mln underfed, >1 bln overweight
- 'Slow food' versus 'Laboratory food'
- Higher food prices (agflation)

Stressed Surroundings

Co-products

"More food will have to be produced over the next decades than has been produced during the past 10,000 years combined" (FAO)



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Evolution of food production & consumption



- **1945-1960: Food security**
Elimination of poverty
- **1960-1980: Rationalisation and modernisation**
- **1980-2000: Consciousness**
Environment, animal welfare, antibiotics, ...
- **2000-2010: Food safety & food quality**
Healthy, fresh, tasty, convenient, ...
- **> 2010: Sustainability & Technology**

% of total income spend on food

Africa, North-Korea >40-65%

China, India >20-40%

East Europe

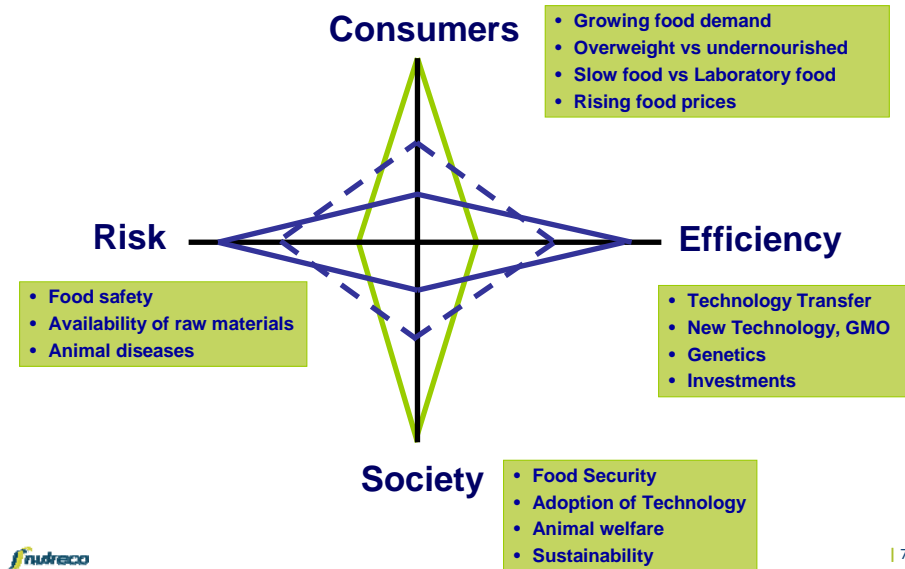
N-America, W-Europe, Japan, Australia >10-20%

Source: OECD – FAO 2008



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Technology is Key again



Improving efficiency animal production

- From 1975 to 2005, animal output in NL increased significantly
 - Milk production per cow >60%
 - Piglets raised per sow per year >55%
- And animal production became more efficient and sustainable
 - Pig Feed Conversion Ratio improvement (NL) >20%
 - Reduction of P, N and ammonia emissions per ha (NL) ≈50%
 - Reduction of Fish meal & Fishoil in fish feed* >25%
(* Realised in 4 years time from 2004 to 2007)
- Still there is large variation, so potential to gain (NL, 2005)

	<u>20% 'worst'</u>	<u>20% 'best'</u>
■ Piglets raised/sow/year	21.6	26.7
■ Pig feed conversion ratio	2.89	2.43



Nutreco Agri Vision and AquaVision: > 4,500 participants

Themes AquaVision:



- 1996: The Nutreco Aqua Business Conference
- 1998: Managing a sustainable annual growth
- 2000: Seafood opportunities in the new millennium
- 2002: Take hold of the future or the future will take hold of you
- 2004: The sustainable Blue Revolution
- 2006: Oceans of opportunities
- 2008: Know the fundamentals – Create your future
- 2010: Open your eyes – Oceans of opportunities**



Themes Agri Vision:

- 2000: Future scenarios for animal food production in Europe
- 2003: Inspired by Consumers, Endorsed by Society
- 2005: Empowering Partnerships
- 2007: Balance the Challenge – Feed, Food & Fuel
- 2009: Shifting Horizons**

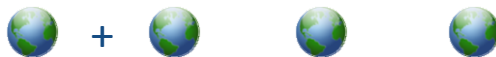


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Booklet Nutreco 2010 – Feeding the Future

Can we feed 9 billion people in 2050 in a sustainable way?

- AquaVision & Agri Vision Conferences from 1996 onwards
> 4500 participants, multi stakeholders from all continents, over 50 countries
- 2007: we need 3 additional planets to allow 9 billion people to have a North American lifestyle while addressing the concerns of Europe on climate change, animal welfare and sustainability



- Agri Vision 2009:
 - Feeding the World in 2050
 - Shifting Horizons

“Doubling the food production while halving the footprint”

- 2010:
 - Sharing the optimism with a wider audience



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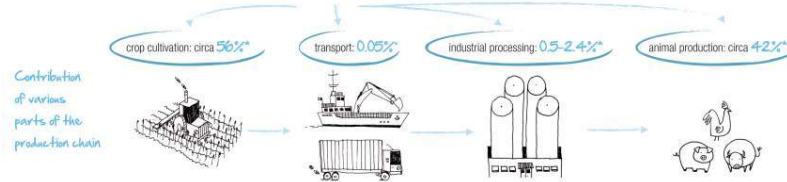
Nutreco in the value chain



Greenhouse gas emissions (GHG) from livestock activities — All figures are based on estimates published in 'Livestock's Long Shadow', see pages 13 and 47 of this report.

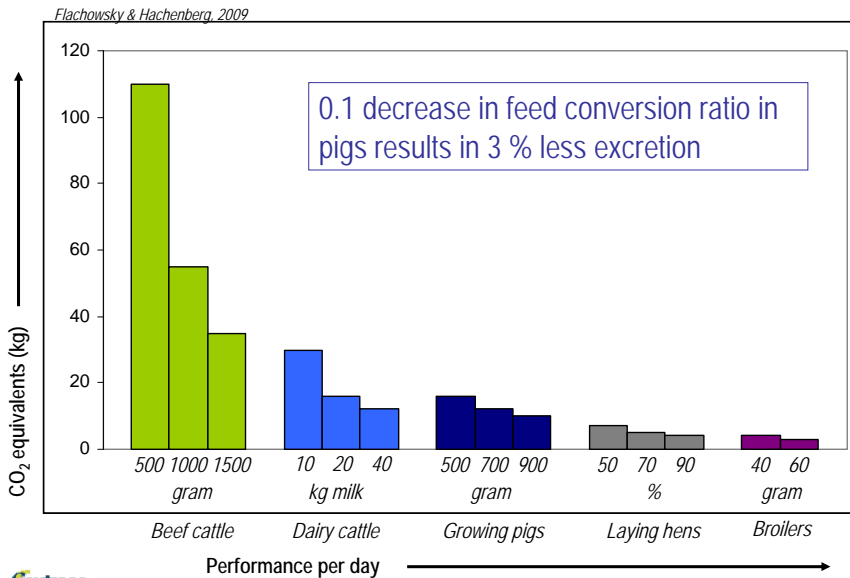
18% of total anthropogenic (from human activity) GHG emissions are from livestock activities

- 13% are from EXTENSIVE livestock production systems (e.g. grazing cattle, sheep and goats)
- 5% are from INTENSIVE livestock production systems (e.g. pork, poultry and dairy production)

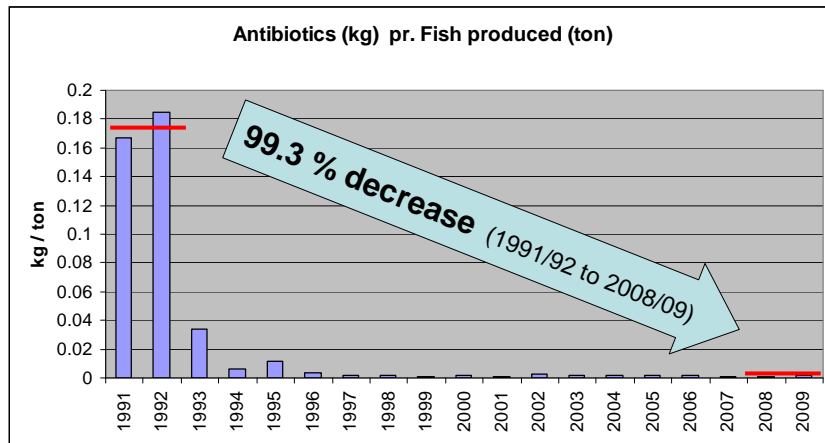
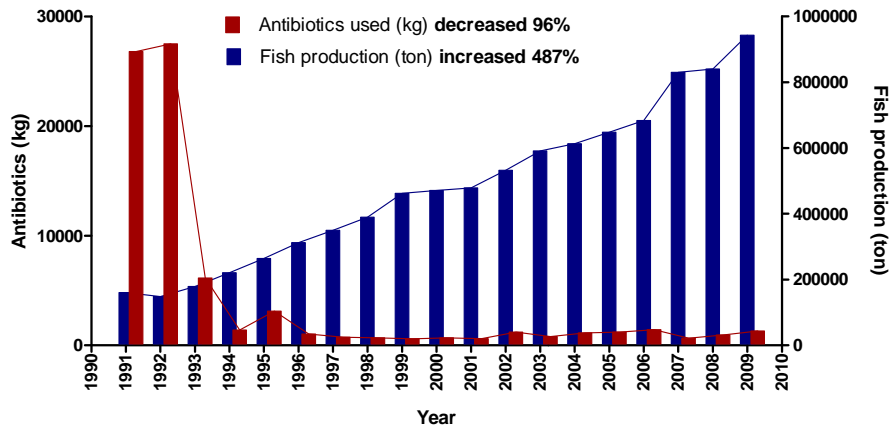


* Contribution to total greenhouse gas emissions from intensive livestock production systems, including deforestation.

Example: emissions per kg edible protein the higher the efficiency, the lower the emissions



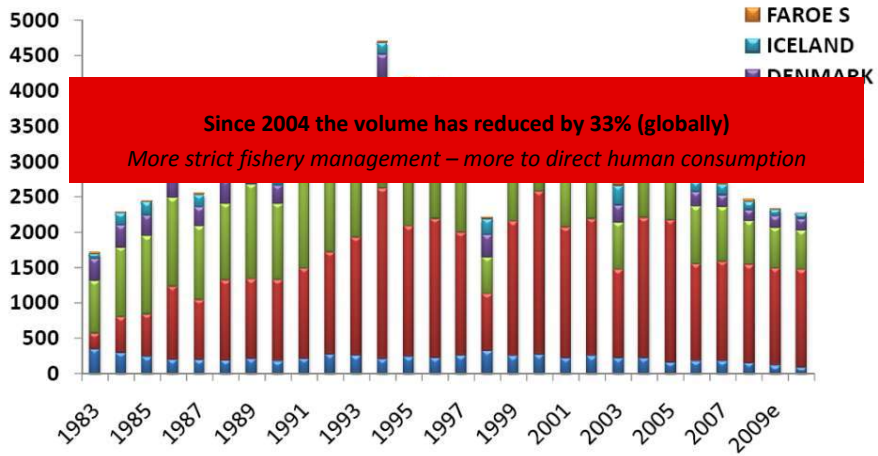
Fish production and use of antibiotics 1991-2009



- Most of the decrease happened in 1992-1996. The level has been kept at a very low level since then.

Fishmeal supply

Fishmeal – exporting countries, 1000 t



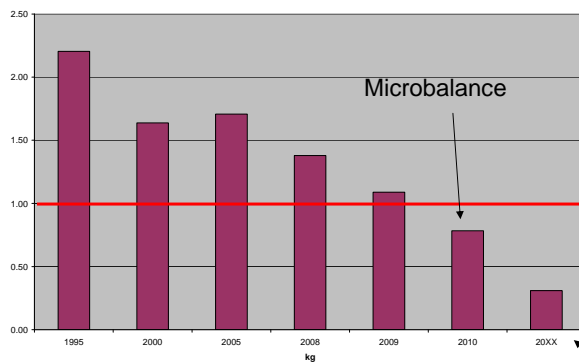
Source: Holtermann, September 2009



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Reduced marine protein dependency

Fish protein used versus fish protein produced (per kg farmed salmon)



Microbalance potential



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Quote

AquaVision2006



John Natsbitt, 'mega-trend' author and philosopher

**“You have a great story to tell,
but you are not telling it”**

Excellent environmental report FEFAC



Environment report

1st edition - September 2009