

MONSANTO



July 8, 2010

MONSANTO COMPANY

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<http://www.monsanto.com>

Bob Stallman  
President  
American Farm Bureau Federation  
600 Maryland Avenue SW  
Suite 1000W  
Washington, DC 20024

Dear Bob:

Last December, Monsanto committed to continue to engage with stakeholders on the transition of the Roundup Ready® soybean trait ("RR1") to a post patent market for the generic product. We value your engagement in the transition. With your support and recommendations, Monsanto is continuing to take steps to provide for an orderly transition of the technology to the public domain and make clear that upon expiration of the RR1 patents the technology can be used by seed companies and their farmer customers without any royalty payments to Monsanto.

We are pleased to confirm that Monsanto will extend its commitment to maintain international regulatory support for RR1 from 2017 through 2021. We are in the process of notifying licensees of this extension. As you may know, no new regulatory action is needed in the United States for commercialization of generic seed following the RR1 patent expiration. The extension of international regulatory support gives farmers and the industry more than a decade to develop plans for ongoing support for import approvals in other countries beyond 2021.

We also want to thank you for your support and participation with other stakeholders in an effort to develop an industry-wide solution that can apply to all biotech traits after individual patents expire. The Biotechnology Industry Organization ("BIO") has initiated this process. As members of BIO, biotech trait developers will collaborate with U.S. farm, commodity, seed, grain processing and exporting organizations to address international registration, stewardship and liability issues for all biotech traits after patents expire. Once a long-term industry solution is in place, we will either use that for RR1 post patent regulatory maintenance or choose to continue providing that support ourselves.

This extension is one more step to assist the industry in the creation of a long-term solution to the question of providing regulatory support. Soybean breeders and seed companies have development and marketing rights that run through patent expiration, which means they are in a position to offer RR1 seeds as a generic product beginning in 2015.

Biotech trait developers that want to develop new, proprietary (patented) stacks with the RR1 trait have a route to market that permits development of those stacks prior to expiration of the RR1 patents. For all stacks other than those involving another glyphosate tolerance event, Monsanto has already enabled multiple channels for on-patent development and commercialization of stacks with the RR1 event (e.g.,

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stacks with other herbicide tolerance genes or with oil quality genes). In the case of a glyphosate-on-glyphosate stack (with Optimum® GAT®/RR1 being the only example), we have recently offered DuPont a license to develop the Optimum® GAT®/RR1 stack prior to patent expiration with discounted royalties on RR1.

We believe that most farmers who try them will prefer the higher yields available with our new Genuity® Roundup Ready 2 Yield® soybeans. We recognize some farmers may want to rely on generic glyphosate-tolerant soybeans and stacks containing a generic glyphosate tolerance trait. Breeders and seed companies have the ability to respond to that demand. As originally outlined in December, Monsanto will not use its soybean variety patents to stop U.S. farmers from saving Monsanto-developed varieties of RR1 soybeans for planting on their own farms. Some varieties sold by Monsanto's seed businesses may be the product of breeding collaborations with other companies. Our commitment regarding variety patents does not in any way limit the ability of such collaborators to enforce their property rights in those varieties. Farmers will need to check with seed suppliers regarding RR1 seed varieties developed or owned by other companies.

Genuity® Roundup Ready 2 Yield® soybeans, and every other company's new patented soybean product, will have to prove their worth against a generic choice with the RR1 trait. U.S. soybean farmers should benefit from that competition.

As always, please let me know if you have further questions.

Kind regards,

A handwritten signature in black ink that reads "James P. Tobin". The signature is written in a cursive, flowing style.

James P. Tobin

Vice President, Industry Affairs

cc: Mark Maslyn  
Russell Williams  
Michael Dykes