

Schiedam, July 3, 2006

Subject: Palm Oil Production and Sourcing

Palm oil is a major world vegetable oil that provides nourishment, employment and income for many people around the world. As part of our intent to provide agriculture and food ingredient solutions, Cargill participates in the palm oil supply chain. We own 3 palm oil plantations in Indonesia, 3 in Papua New Guinea and palm refineries in Malaysia, the Netherlands, Germany, UK and the US. Cargill markets and processes palm oil in Europe and Asia and markets palm oil in North America.

Cargill is committed to responsible palm oil production and working towards the establishment of best social and environmental practices. We work to balance development with preserving biodiversity and comply with local laws, including those related to preservation of endangered species and other aspects of sound environmental management.

In order to minimize the effect on virgin forest areas, we focus on planting palm trees in areas that had already been cultivated or previously logged. At three of our plantations, we work closely with local and international NGOs such as WWF Indonesia, the Zoological Society of London and Flora and Fauna International to monitor wildlife habitats and contribute towards the long term sustainability of some of the world's most endangered species – the Sumatran tiger, the orangutan and the Queen Alexandra Birdwing butterfly. To ensure we create an environment for sustainable agriculture, we monitor water, fertiliser and land use, implement erosion control measures and comply with all legal requirements on pollution control. The mills and plantations at 5 of the 6 plantation sites are certified to ISO9000 quality management and ISO14000 environment management. Our Malaysian refineries are also ISO 14000 certified.

We maintain our high ethical standards with respect to the rights of our employees, their compensation, health and safety. We contribute to the local community by building housing for those working on the plantation, building classrooms for their children and providing health care. Our palm plantation at Hindoli, Indonesia, which we have owned for some time, is recognized as an example of best practices in environmental and social management and the Indonesian Government has cited it as a model of development.

Not all of the palm oil we trade or process is sourced from our own plantations. Since vegetable oil is a major global commodity, we cannot always have full information about the source of supply. However, as part of our efforts to ensure better quality of supplies, we are monitoring and gaining more information about other plantations that supply palm oil, as we work to meet our customers continuing requirements for supply of both commodity oil and niche products.

We continue to explore initiatives for sustainable palm oil development involving our customers, businesses and other local stakeholders. We endorse the foundation of the Roundtable on Sustainable Palm Oil (RSPO). The principle objective of the RSPO is "to promote the growth and use of sustainable palm oil through co-operation within the supply chain and open dialogue between its stakeholders". The Cargill group is represented at RSPO by two of its entities: Cargill BV, a part of Cargill and produces, trades, processes and refines a variety of agricultural products and food ingredients including palm oil, joined RSPO in May 2004; and CTP Holdings, which manages Cargill's palm plantations in Indonesia and Papua New Guinea. The RSPO Principles and Criteria for Sustainable Palm Oil, were ratified by all members in November 2005. These criteria outline management guidelines on a range of environmental and social criteria including conservation of natural resources and

preservation of biodiversity. The Worldwide Fund for Nature (WWF) is one of RSPO's founding members. The Criteria will now be tested in the field over the next two years and Cargill has signed up to be one of the first plantation groups to pilot the process. We are also members of working groups on practical options for applying the criteria in the supply chain and establishing a credible and independent compliance verification process.

For further information on the Roundtable please visit www.sustainable-palmoil.org/
For more general information and Cargill's Citizenship Report please visit <http://www.cargill.com/about/citizenship/citizenship.htm> This details our commitment to the highest standards of ethical business practices, safe workplaces and products, treating employees with respect, protecting the environment and providing positive, measurable improvements in our communities.

Kind Regards,

Cargill Refined Oils Europe