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Corn Products Q2 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

The question-and-answer session will be conducted electronically. [Operator Instructions].

We will take our first question from David Driscoll with Citi.

David Driscoll - Citigroup

Good morning, everyone.

Samuel C. Scott, III - Chairman, President, and Chief Executive Officer

Hi, David.

Cheryl K. Beebe - Vice President and Chief Financial Officer

Good morning, David.

David Driscoll - Citigroup

Well, first off, congratulations on this results today. You guys continue to be just doing an excellent job running the business, and it's a real pleasure to see after all these years and the various hard times that we had in the past they sure seem like a distant memory.

Samuel C. Scott, III - Chairman, President, and Chief Executive Officer

We agree.

David Driscoll - Citigroup

Sam; wanted to address a couple of topics. The first one is, can you give us a little bit of detail on the variants in the earnings guidance between the last time and this time. So, it's maybe a little different in Cheryl's prepared remarks, she talked a lot about what was driving the results. But can you just really address the variants between in your earnings guidance for '07 from three months ago to what you have got today?

Samuel C. Scott - Chairman, President and Chief Executive Officer

The key issue was net corn, which is composed of both better than we expected co-product. As you know the corn numbers stayed pretty high into the second quarter. And we are able to capitalize on

that both in the quarter and perhaps a little bit going forward. Secondly, we saw a better bases result than we had expected as part of the net corn complex with corn being that high the basis number was lower or less than we thought it was going to be as a charge to our corn costs.

We saw better volumes throughout the regions? all of the regions actually, in total than we had forecast. And then lastly, we saw strong driven expected? or a weaker than expected dollar, stronger than expected foreign currencies depending upon the country that we originally forecast, because we did not expect the dollar to continue to weaken as much as it has. So, those were the major factors that impacted it. And we have those under control now. We have forecasted again in the new guidance where we think things will go. And we have given a range that wraps it and where we believe we are set to be over the next six months.

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