

 **LAND O'LAKES, INC.**
growingtogether



**Chris Policinski,
President & CEO**

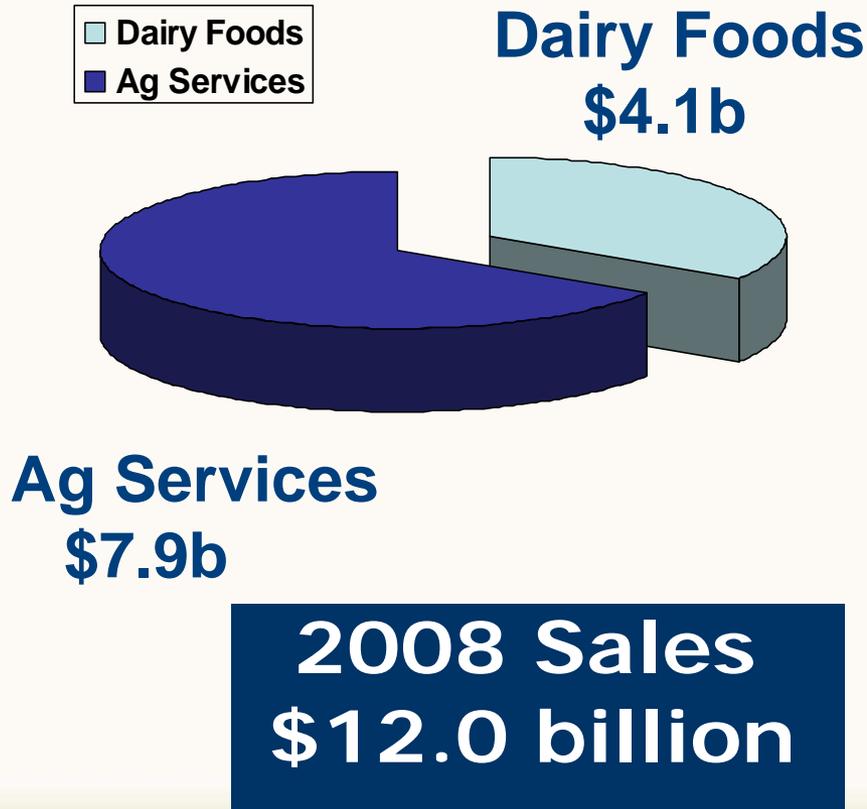
Take-Away

**Feeding a Hungry World ...
Obligation & Opportunity
for U.S. Agriculture**

Land O'Lakes—A Popular View



Land O'Lakes Today



- #294 on Fortune 500
- #3 cooperative
- 200+ facilities
- 9,000 employees
- Does business in all 50 states, 60+ countries

Land O'Lakes Today

– Leading branded goods company

- #1 in butter
- #1 in deli cheese
- #1 in foodservice butter, cheese and related products
- #1 feed company
- #1 crop protection products wholesaler
- #3 farm seed company
- #2 shell egg marketer



Land O'Lakes Today

Still member owned!

- Farm-to-market perspective
- Long-term, multi-generational, point of view



Land O'Lakes Today

**We have a deep, long-standing
interest in addressing hunger ...
at home and abroad.**

Addressing Hunger

– Land O'Lakes International Development Division

- Agricultural/Economic Development
 - 2008 300 staff, 33 projects in 28 countries
 - Since 1981 ... 160+ projects in 72 countries
- School Nutrition Programs
 - 2008 ... fed 335,000 youngsters in Bangladesh, Malawi, Pakistan and Philippines
 - Since 2001, fed 1.6 million youngsters in nine countries



Land O'Lakes
INTERNATIONAL DEVELOPMENT



USAID
FROM THE AMERICAN PEOPLE

Feeding a Hungry World

- More than 850 million people go hungry every day
-

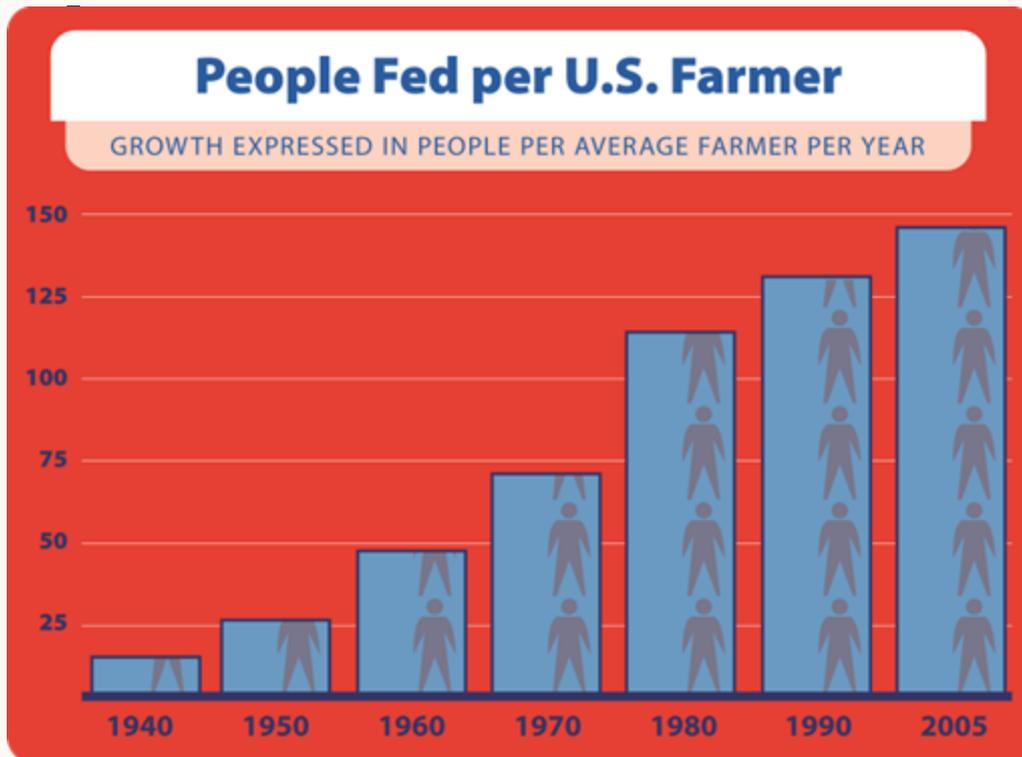
- World population is projected to grow from about 6.5 billion today to 9.0 billion by 2050

Feeding a Hungry World

World food production will need to double by 2050 to meet growing demand.

-United Nations Food and Agricultural Organization

Feeding a Hungry World



Source: American Farm Bureau Federation

In 1930, the average U.S. farmer fed 10 people

Today, that figure is close to 150

U.S. Agricultural Productivity

Productivity surge driven by:

- 1. Adoption of modern production and business management practices**
- 2. Development and adoption of safe, proven agricultural technology**

U.S. Agricultural Productivity

- **Corn yields**
 - 1930 – 20 bushels/acre
 - 1960 – 55 bushels/acre
 - Today – 150 bushels/acre (est.)
- **Wheat yields**
 - 1930 – 14 bushels/acre
 - 1960 – 26 bushels/acre
 - Today – 45 bushels/acre
- **Per-cow milk production**
 - 1930 – 4,500 lbs./cow
 - 1960 – 7,030 lbs./cow
 - Today – 20,450 lbs./cow



Feeding a Hungry World

70% of the necessary increase in food must come from “food technologies.”

– United Nations Food and Agriculture Organization



Feeding a Hungry World

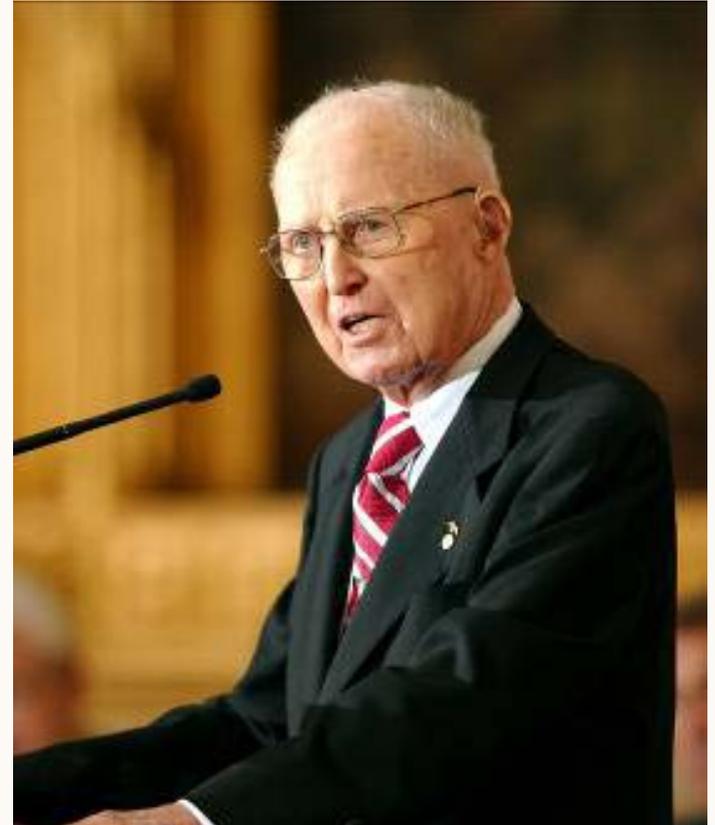
While resources are limited ...

our resourcefulness is not.

Feeding a Hungry World

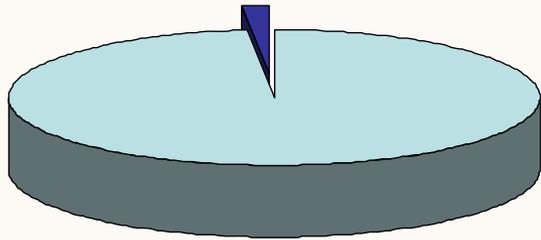
“The world has the technology — either available or well-advanced in the research pipeline— to feed a population of 10 billion people. *The more pertinent question today is whether farmers and ranchers will be permitted to use this new technology.*”

-Dr. Norman Borlaug



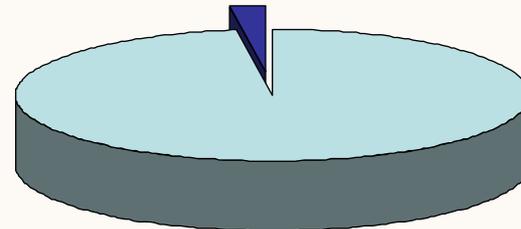
Irony of Productivity

■ Production Ag



Less than 2% of the U.S. population is directly involved in production agriculture

■ Members of Congress with Ag Background



Only 12 of 535 Members of Congress have Ag background

The Challenge

We must work together to:

- Educate the public as to the importance of continued improvement in productivity**
- Ensure decisions regarding agricultural practices are made on the basis of sound science and accurate data**

The Stakes

- **Agricultural technology can contribute to:**
 - **Productivity**
 - Our ability to feed the world
 - **Sustainability**
 - Produce more with less
 - Preserve resources for future generations

The Markets Ahead

The current economic and political situation “will present unique challenges for each commodity; but, in the end, the world will remain resource challenged.”

Terry Barr
Chief Economist
NCFC

Food is a growth industry.

2009 Marketplace

2009 Markets ... The Analysts

– Forces shaping near-term markets

- Strong markets in 2007/early 2008 drove production up
- Late 2008 global recession/stronger U.S. dollar driving demand down

2009 Markets ... The Analysts

– Grains

- Record 2007/2008 prices led to expanded production
- Late 2008, global recession and rising dollar taking toll on demand

– **Some price declines, still strong by historic standards**

- Corn ... mid- to high-\$3.00 range
- Soybeans ... \$9.00 range
- Wheat ... \$4.00 range

2009 Markets ... The Analysts

- Livestock

- Recession dampening demand and production
- Supply-side response
 - Overall production off a projected 3-4%
 - First time since 1973 simultaneously down in beef, pork and poultry

- Impact mixed

- Fed cattle ... Mid-\$90.00 range
- Pork ... \$67-\$70 range

2009 Markets ... The Analysts

– Dairy – YIKES!

- Very strong prices led to increased production in recent years
- Demand soft ... recession, stronger dollar

– Slumping markets

- \$11.00-\$14.00 range

The Markets Ahead

A bumpy ride ...

The Markets Ahead

A bumpy ride ...

but one that offers
obligation and opportunity
for U.S. agriculture