

Land O'Lakes CEO Outlines Vision For The Future

MINNEAPOLIS, Minn. — In a speech focusing on Land O'Lakes vision for the future, the national food and agricultural cooperative's President and Chief Executive Officer Jack Gherty not only outlined the organization's key strategies for ongoing success, but announced a new feed joint venture and unification talks with a major West Coast dairy cooperative.

Gherty opened his remarks to the nearly 3,000 delegates and visitors at Land O'Lakes annual meeting by citing four 1997 achievements which helped position Land O'Lakes for future success: the growth of Land O'Lakes aligned pork production system; the merger with Atlantic Dairy Cooperative; record volumes and continued market share growth in the Agronomy area; and the acquisition of Alpine Lace, a leading deli cheese company.

Land O'Lakes is absolutely committed to the development of a world-class aligned pork production system, "offering independent producers a viable alternative to the growing force of large, vertical integrators," Gherty told the Minneapolis Convention Center audience, adding that this goal will be accomplished by delivering genetically superior and consistent feeder pigs to independent producers through local cooperatives.

Land O'Lakes fast-growing pork production system will not only protect the interests of independent producers, but also the cooperative system's feed assets, Gherty said.

Discussing the 1997 merger with Atlantic Dairy Cooperative, Gherty said it not only doubled Land O'Lakes milk production and improved access to key East Coast markets, but also "represented important progress in the establishment of a truly national dairy sourcing and production system — which is absolutely essential to our ability to leverage our national marketing system into increased returns for members."

Continued growth in Agronomy (plant food and crop protection products) market share is vital in an industry where market share, critical mass and economies of scale are essential to effectively and economically meeting customer needs, Gherty said.

Moving on to the Alpine Lace acquisition, Gherty said it increased Land O'Lakes number-one market share in the deli cheese category from 13 percent to 17 percent, adding that, "As industry after industry consolidates, it is becoming even more important to solidify our position in value-added, branded categories."

Gherty continued his focus on the future, outlining six major trends he said will shape the new era in which agriculture and agribusiness must operate. Those trends included:

- the continued restructuring of agriculture;
- the withdrawal of government from the marketplace;
- ongoing economic globalization and consolidation;
- the increased importance of value-added products in world agricultural markets;

- the explosive advance of technology; and
- the growing importance of knowledge workers.

Land O'Lakes has strategies in place for continued success in a marketplace shaped by those trends, Gherty said.

"In Agronomy, we will continue our passion for growth," he said, adding that key strategies include: facilitating local cooperative retail acquisitions; expanding direct partnering with local cooperatives; exploring ways to work with other regional cooperatives; and expanding the cooperative system's plant food production capacity.

"In Feed, we will remain committed to system focus," Gherty said, "and to working with local cooperatives to be the best feed company in the world."

Land O'Lakes Feed strategies include restructuring its Upper Midwest feed system; expanded partnering with local cooperatives; and working with other regional cooperatives to become a truly national feed organization.

Land O'Lakes also is committed to continuing its growth and momentum in the development of an aligned pork production system, Gherty said, adding that the cooperative will "explore ways to leverage our pork production strength and food industry knowledge into a strong position in the pork marketing arena."

In Seed, Gherty said Land O'Lakes is committed to remaining a world leader in alfalfa research and production, as well as to "delivering the best ideas in seed genetics to members."

Key to accomplishing those strategies will be leveraging the Seed Division's alignment with Land O'Lakes Feed operations, the Cenex/Land O'Lakes Agronomy Company and the local cooperative distribution system.

In Dairy Foods, Land O'Lakes is committed to aggressive, focused growth.

"We are already a national marketing company," Gherty said. "To add maximum value for our dairy producers, we must build a national sourcing and production system."

In pursuit of that goal, Land O'Lakes is currently involved in unification talks with Dairyman's Cooperative Creamery Association, a major California dairy cooperative, Gherty announced.

Land O'Lakes Dairy Foods' strategies also include aggressive growth in such areas as fluid dairy and next-generation whey fractions.

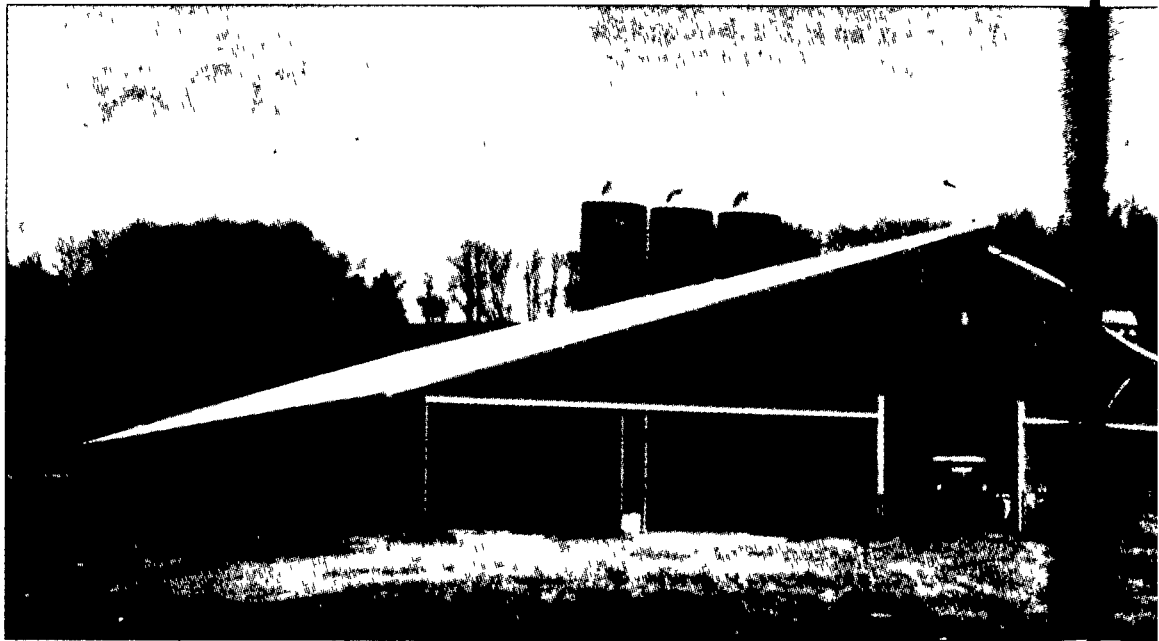
Gherty concluded by stressing that Land O'Lakes strategies for the future are based on a "passion for performance and a commitment to serving customer and shareholder needs."

Land O'Lakes, Inc. is a national food and agricultural cooperative. It is a leading marketer of dairy products across the U.S.; serves international customers with a variety of food and animal feed products; and is owned by and provides family farmers and member cooperatives in the U.S. with an extensive line of feeds, seed, plant food and crop protection products.

Thanks & Co Wanner Pride on the complete



Alfred Wanner with sons John and Matt.



280-Cow Free-Stall barn and milking center. Featuring Paul B. Zimmer system, cow mattresses, and Ritchie energy-free waterers. Detailed Construction.

JB
Zimmerman & Sons
Since 1931

Dairy Equipment Division
Blue Ball, PA 17506 • 717-354-8030

Alfa Laval
Univers

BLUE BALL
MANUFACTURING

Financing Provided By:



1-800-ANYTIME



1-800-732-0467

Quality - Value - Service

PRECISE

CONCRETE WALLS, INC.

601 Overly Grove Road
New Holland, PA 17557

717-355-0726

Cenex

For Service Call:

1-800-424-3639

"A tradition of genetic excellence"

"Quo Cui"



AG SYS

240 G

burn,

00-21



12 Indust

Stamp

100-6