

Threemile Canyon Farms

Boardman, Ore., July 2013. Marty Myers, general manager of Threemile Canyon Farms (TMCF) was reviewing the output records of the company's latest project — a \$26 million methane digester. Since its completion in January 2013, the digester had been steadily ramped up to its current 3.5 megawatts (MW) with the expectation of reaching its operating capacity of 4.2 MW by August.

This investment was projected to initially generate nearly 30 percent of the electricity needed to pump water from the Columbia River to irrigate the company's 39,500 acres of farmland currently under center-pivot irrigation. When expanded to process all the manure from the farm's dairy operations and byproducts of its potato operations, the digester would eventually provide 50 percent of its power requirements and contribute an important hedge against future electrical power rate increases.

Of equal importance, the digester closed the loop in the company's elaborate recycling system: manure and potato byproduct converted to energy for irrigation, fertilizer for crop production and sterile, recycled bedding material for dairy cow comfort. In reviewing the digester's strong performance since startup, Marty concisely summarized a key to the company's success toward a sustainable future: "We use everything we create. We waste nothing."

Wasting nothing was particularly important in the modern, turbulent dairy industry. To the west, the dairy industry was once again under tremendous economic pressure. To his south, north and east, Marty was witnessing major trouble in the California, Washington and Idaho dairy industries.

Dairy operator margins had become increasingly volatile as feed prices, once reasonably stable, were now fluctuating wildly (Exhibit 1). Milk prices had become progressively more volatile (Exhibit 2), and the historical linkage between grain prices and their markets as inputs to the dairy, beef cattle, poultry and hog industries had been largely uncoupled. From 2007 until

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2012, grain prices were being driven increasingly by the domestic ethanol industry (Exhibit 3), projected to consume nearly 40 percent (27 percent after adding back the ethanol byproduct, distillers grain, to the feed supply) of the corn crop (Exhibit 4).

Ethanol prices, in turn, were related to oil prices, creating the linkage between corn and oil. Carryout stocks of corn from the 2011 crop, at 6 percent, had reached 15-year lows, just in time for a drought-shortened crop in 2012. As a result, feed prices had surged to new highs during the summer and fall of 2012 and into 2013. An expansion of corn acreage, plenty of Midwestern rainfall during the spring and less robust demand from ethanol plants in 2013 suggested that some feed cost relief might finally arrive in late 2013.

The majority of Western dairies were built on low-cost, imported Midwestern grain, high-density dairy facilities, high debt, rising land prices, and supplying predominantly low priced commodity butter, milk powder and cheese markets. The environment of high grain and fuel prices, unmatched by comparable rises in milk prices wreaked havoc upon Western dairymen, particularly those in California. Industry analysts estimate that more than 100 California dairies were lost to bankruptcy, foreclosure and sales in 2012.

Indicative of the Western dairy industry’s financial stress, California’s milk production in July and August 2012 was down by 1.0 percent and 5.8 percent respectively, and that directional trend was continuing into 2013 as shown below:

Recent U.S. Milk Production Growth Trends in Top Milk Producing States			
	Total Milk Production (in billions of pounds)	Percent Change from Previous Year	
	<u>May 2013</u>	<u>April</u>	<u>May</u>
California	3.726	<0.2>	<0.5>
Wisconsin	2.366	1.3	1.2
New York	1.177	1.7	2.1
Idaho	1.175	0.5	0.3
Pennsylvania	.935	<0.0>	2.3
Texas	.840	<3.2>	<0.8>
Minnesota	.791	1.8	1.8
Michigan	.784	1.3	2.5
New Mexico	.714	<2.5>	<1.1>
<u>Washington</u>	<u>.558</u>	<u>1.7</u>	<u>1.5</u>
50 State Total	16.377	0.7	<0.3>

Meanwhile, Midwestern dairies were generally profitable, the beneficiaries of their proximity and access to lower-cost grain and higher-priced milk markets (Exhibit 5). In August 2012, year-over-year (YOY) milk production in the three largest Midwestern dairying states rose 4.8

percent and was continuing that trend with a 1.4 percent YOY rise in May 2013, an indication of the industry in transition.

Despite TMCF's physical location within the Western dairy industry, Marty had taken great care to create an entity largely insulated from the boom-bust cycles increasingly characteristic of dairying. In fact, TMCF continued to produce record earnings year after year. Much of this care arose from how and why the company initially entered the dairy business, its relationship to its parent company, R.D. Offutt Co., and its vision of sustainable agriculture. Marty intended to exercise that same care as he considered future growth opportunities.

R.D. Offutt Co.

Founded in 1964 and headquartered in Fargo, N.D., R.D. Offutt Co. is a farming, dairy, food processing and equipment distribution and servicing company. Capitalizing on its strength in agricultural production, the company has entered selective joint ventures and contractual arrangements to bring growth and stability to its earnings, value to its farm products and growth to its revenues.

The company was built around potato farming. It is the largest potato grower in the United States, operating farms in nine states and one Canadian province (Exhibit 6). With annual potato production of more than 50,000 acres destined for processing and fresh markets, R.D. Offutt Co. is also involved in 11 potato-processing facilities in five states that produce frozen potato products, dehydrated potato flakes and fresh-pack potatoes. These products are sold in both retail and food service markets. In addition, the company owns three and operates two dairies, renting out the third. Its affiliate, RDO Equipment Co., operates agricultural, construction and integrated control equipment stores in 11 Western and Midwestern states and two former Soviet Bloc countries (Exhibits 7 and 8).

R.D. Offutt's roots are in North Dakota and the Midwestern potato production business. These roots led the company to the Pacific Northwest in 1992, where frozen and dehydrated potato industries were expanding rapidly. Lamb Weston, acquired by Conagra in 1988, was particularly aggressive in its growth strategy, acquiring, expanding and building multiple plants throughout the Pacific Northwest, including one in Boardman, Ore., in 1987. Lamb Weston's aggressive growth plans and its multiple plants throughout the Pacific Northwest made the potato processor an attractive partner to the Offutt organization. By 1992, R.D. Offutt was farming 1,500 acres of potatoes in the region, all contracted to Lamb Weston and all on rented land.

In 1994, Marty, a fifth-generation Oregon native, joined the company charged with creating and implementing a business plan directing Offutt's Western farming operations. Within months, Marty had identified, purchased and converted a 4,000 acre dry-land wheat farm in Eastern Washington into irrigated potato acreage using water from the Columbia River. Potatoes were sold for processing under contract to Lamb Weston. The success of this venture convinced Offutt management of the potential for further growth in the region.

The Boeing Company

Thus, the company's sights were set on a more substantial acreage to expand their farming operations. One property, in particular, was intriguing. For many years, The Boeing Company had been leasing a large parcel of property just south of the Columbia River from the state of Oregon. The property had been used as a practice area for bomber training during WWII, but Boeing management had a grander vision for the property: they saw it as the future site of the nation's Space Age Industrial Park. Boeing's plans abruptly changed in 1963 when President Lyndon Johnson settled NASA in its new permanent home in Houston, Texas.

With its plan for the Space Age Industrial Park no longer viable, Boeing management decided to convert the property to irrigated agriculture. In 1968, Boeing was issued 65,000 acres of water rights from the state of Oregon and began constructing an elaborate pumping and irrigation system to service the property. The company's farming skills, however, did not match its engineering prowess: Boeing's farming venture was unsuccessful.

In 1978, Pete Taggares assumed Boeing's farming operations, leasing 26,000 acres from the aircraft manufacturer. Taggares formed a joint venture with J.R. Simplot, which operated until the late 1980s when Taggares bought out Simplot's interest. But, by the late 1990s, Taggares' deteriorating health motivated him to sell the leasehold interest. He notified Ron Offutt, who dispatched Marty to perform due diligence.

Marty saw Taggares' leasehold as an entry into what he had envisioned since accepting the position with Offutt. Under his leadership, in 1998, Offutt acquired Taggares and its 26,000-acre leasehold interest in the property, renaming it Threemile Canyon Farms. The lease extended through 2040, providing TMCF stability to make long-term improvements. This acquisition also provided the company the base to approach Boeing about leasing more land.

Boeing owned leasehold rights on an additional 65,000 acres contiguous to the Taggares property that was not generating income. Marty recognized that R.D. Offutt Co. could offer Boeing an attractive proposal to acquire its leasehold rights and create economic value for Offutt. But, to generate this value, he needed profitable commodities to produce, the ability to finance development of the property, uncontested rights to irrigate and farm the property, and the means to manage earnings volatility. Ownership of the Taggares leasehold interest was a start, but other pieces were necessary to create an economically attractive farming entity.

Tillamook Cooperative Creamery Association

In September 1998, another key piece appeared. The Portland Oregonian published an article noting Tillamook Cooperative Creamery Association's decision to expand production outside the Tillamook Valley. The cooperative, almost a century old and the owner of the country's best-selling cheddar cheese brand, was growing briskly, but its membership was declining

in numbers. Therefore, its milk supply projections were not likely to be met from existing members in the Tillamook Valley. The cooperative needed relationships with large-scale, efficient dairies to supply a new cheese production facility. Specifically, the cooperative was evaluating 20 desert sites. Boardman, Ore., was not on the list.

Marty recognized that Tillamook could be the game-changer for TMCF. A favorable supply contract with Tillamook would allow TMCF to optimize the value of its production through the cows. Immediately, he called Ron Offutt, recommending that the company submit a proposal for the Tillamook business. Ron was somewhat familiar with the dairy business, having examined a potential joint project in Minnesota with Land O'Lakes, Inc., in the 1990s. The Land O'Lakes deal was never consummated, but in the assessment process, the Offutt organization learned the cost structure of dairying and acquired the industry knowledge necessary to assess Tillamook's needs.

With Ron's support, Marty contacted Tillamook's CEO to explain the advantages of Boardman as a plant location. The advantages included an attractive local source of milk supply from a new joint venture between R.D. Offutt and a large, successful dairyman. The supplying partnership dairy would not be a cooperative member. The partnership would be willing to expand supply as needed by the cooperative. Milk pricing would be based on the Class III milk price plus quality premiums. Unlike cooperative members, the partnering dairymen would not share in the cooperative's profitability.

Shortly after that call, Boardman became the 21st potential site on Tillamook's list. Over the next several months, as additional details were provided, the list was shortened to four, then to two.

John Bos was selected as Offutt's dairy partner. Bos had been successful at running large-scale dairy operations in California and appeared to be a good partner for the new venture. In June 2000, days after the Offutt-Bos agreement was signed, Tillamook announced the selection of Boardman for its new cheese plant.

With a commitment from Tillamook, Marty and R.D. Offutt Co. now looked to secure their land base. Negotiations with Boeing were productive and, by May 2000, TMCF had completed the purchase of Boeing's leasehold interest in all of the 93,000 contiguous acres of state-owned property. With a lease valid through 2040, TMCF was positioned to construct the dairies and build the relationship with Tillamook.

The Environmental Community

Ownership of the leasehold interests also gave TMCF the right to address the environmental litigation that the project had generated. Environmental groups were suing over water withdrawals from the Columbia River and protection of the state-listed Washington ground squirrel.

Within six months (by December 2000), TMCF and the environmental community constructed a plan and reached a settlement agreement. At a special press event in the governor's office in Salem, Ore., officials announced that a settlement had been reached. The parcel would be split between farming acreage and land reserved for conservation. Irrigated agricultural development would be limited to 41,000 acres. The 23,000 acre conservation easement would remain unfarmed forever.

The settlement was highly popular among politicians, environmental groups and the general public. The goodwill generated from the agreement would prove valuable almost immediately.

With the critical pieces in place — the Tillamook plant in Boardman, long-term leasehold interests in the property, the settled environmental lawsuit and the signed dairy partnership with John Bos Family Oregon Farms and Dairies — TMCF was in business. In April 2001, the first loads of TMCF milk were delivered to Tillamook's Boardman plant.

The State of Oregon

TMCF's ownership of leasehold interests through 2040 provided the company the long-term stability to develop the farm and dairies. But leasehold interests had their limitations. Financial institutions were more inclined to lend on owned property than on leasehold interests in property. TMCF also anticipated substantial investment in property upgrades, so owning the land was preferred. Ownership of the leasehold rights and the goodwill emanating from the environmental settlement put the company in the position to discuss the outright purchase of the property with the state.

Oregon governor John Kitzhaber recognized the value that immediate revenue from the sale would bring to Oregon. The ongoing tax revenue from commercial ownership of the TMCF property would also be beneficial to the state. Kitzhaber was impressed by TMCF's good stewardship in settling the water and upland issues with the environmental groups. Thus, he was open to discussions regarding the state's sale of the property and TMCF's purchase proposal. With the governor's support, legislation was passed by both houses of the state legislature and signed, allowing the sale of the property to R.D. Offutt Co. Final acquisition of the property was completed in February 2002.

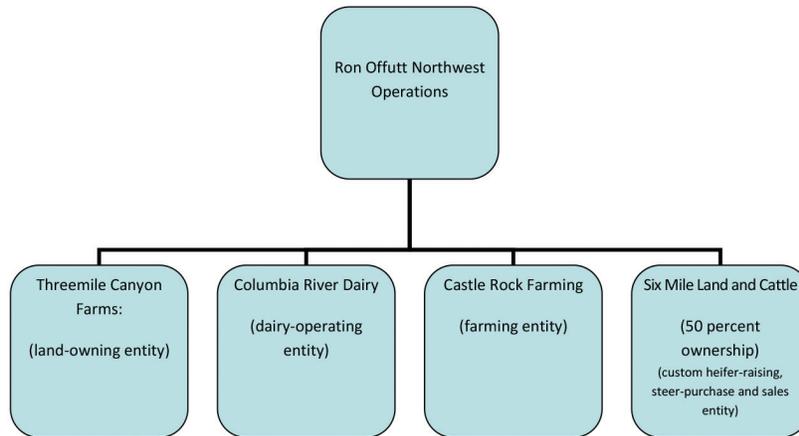
John Bos: A Clash of Cultures

The disparity in cultures between the hands-off approach of the Offutt organization and the hands-on style of John Bos surfaced almost immediately, negatively impacting performance and relationships. The heavy-handed Bos approach created an environment ripe for unionization of the dairies. Furthermore, Tillamook was dissatisfied with their working relationship with Bos. After five tumultuous years, the Offutt organization dissolved the joint venture and purchased the interests of John Bos Family Oregon Farms and Dairies in 2007.

The dissolution of the Bos partnership opened new opportunities with Tillamook. The percentage of TMCF's milk marketed to the cooperative rose from 50 percent to 100 percent. Furthermore, TMCF became a Class B member of the cooperative, the only dairy with this membership classification. While TMCF did not get assessed membership retains or participate in the cooperative's profitability, it was guaranteed the Class III milk price plus quality incentives that were averaging a 2 to 3 percent premium.

Threemile Canyon Farms

Today, TMCF, a vertically and contractually integrated farming, dairying and heifer-raising company, is one of four subsidiaries of Ron Offutt Northwest Operations. TMCF is the land-owning entity, Castle Rock Farming is the farming entity, Columbia River Dairy is the dairy-operating entity and Six Mile Land and Cattle is a joint-venture, custom heifer-raising and steer-purchase/sales entity.



For purposes of this case study, all four of the above entities are referred to as TMCF. The farm consists of 93,000 contiguous acres of land (145 square miles) adjacent to the Columbia River, 130 miles east of Portland, Ore. (Exhibit 9). Approximately 39,500 acres is currently irrigated farm ground, another 1,500 acres will eventually be developed for irrigated farming, 23,000 acres is in permanent Conservation Reserve and the remaining 29,000 acres is range land, open space and roads.

The farm ground is irrigated via 345 center pivots: water is lifted from the Columbia River, pumped through 231 miles of underground pipeline at a capacity of 482 cubic feet per second (216,000 gallons per minute). The property is served via pumps totaling 50,000 horsepower, consuming about 90 million kilowatt hours of electricity per year.

The 2013 cropping program included 7,400 acres of potatoes, 7,600 acres of various organic crops, 3,000 acres of onions, 8,000 acres of alfalfa, 7,000 acres of corn/wheat, 2,000 acres of wheat, 1,200 acres of mint, 500 acres of carrots and 2,800 acres rented to other parties. The

7,600 acres of organic crops consist of potatoes (300 acres), onions (700 acres), alfalfa (500 acres), corn (3,500 acres), peas (1,500 acres), carrots (500 acres) and triticale (600 acres). Organic acreage grew rapidly from 2002 (272 acres) through 2010 (5,194 acres), leveled off in 2010, but grew again in 2013 to supply its newly acquired vegetable freezer, CRF Frozen Foods (Exhibit 10).

Dairying activities include three free-stall dairies (two company operated and one leased to a third party with seven years remaining on the lease), 32,000 milk cows (of which 24,000 are company-owned), 21,000 Jerseys, 11,000 Holsteins and 35,000 replacement heifers. Sixty percent of the dairies' feed requirements are grown by TMCF.

All three dairies feature capital-intensive but labor-efficient rotary milking parlors that the company seeks to further automate. Each rotary parlor has a rated capacity of 1,000 cows per hour. Cows are milked twice per day; cows are not administered the artificial hormone rBST. The dairies produce 1.9 million pounds of milk per day. Initially, 50 percent of the three dairies' milk production went to Tillamook Cooperative Creamery. Today, all the milk from the three dairies is contracted to Tillamook. The three dairies produce 65 percent of the milk supplied to the Boardman plant, less than 20 miles away. Among Tillamook's suppliers, TMCF's milk is the highest quality; its cost is the lowest.

RCF (RDO Calbee Foods)

On November 14, 2007, R.D. Offutt and Calbee Foods Co. announced that the two companies were partnering to form RCF, a 50-50 joint venture potato-processing company and building a plant in Boardman, Ore. Calbee Foods is a \$2.1 billion in sales, publically owned, Japanese diversified snack-food company. It is the largest snack-food company in Japan. Its products are highly popular in Japan, China and throughout Asia. Included in Calbee's product line is a shelf-stable, salted and fried potato snack sold in cups.

Calbee purchases frozen potato dough in the United States and ships the raw product to Japan for final processing and packaging. Given the product's success in the Far East, Calbee decided to backward integrate through the construction and operation of a potato dough processing facility in the United States. R.D. Offutt, the largest potato producer in the country, was an obvious partner in this venture. Within a year, the plant was up and operational.

In early 2012, Calbee decided to extend the marketing of this product to the United States. The decision meant expanding the Boardman plant and installing a fry line and packaging line to produce the finished product. Frito Lay, a division of Pepsico that owns 20 percent of Calbee Foods, was chosen to distribute the product domestically.

The plant began production for the U.S. market in April 2013. The product is marketed under the label "Ruffles Crispy Fries." Calbee's decision to enter the U.S. market is expected to increase TMCF's potato volume supplied to the plant from 1,000 acres to 2,000 acres by 2017.

The RCF joint venture is important to TCMF as it diversifies its market outlets for its potatoes. Currently, potato sales to Lamb Weston constitute 85 percent of total potato sales; RCF constitutes the remaining 15 percent.

This venture is now called Calbee North America (CNA) and includes a plant in California that produces savory snacks out of peas, chickpeas and lentils. These products are marketed in the United States.

The Methane Digester

Methane digesters collect manure (often supplemented with other feedstock, such as food processing wastes and wastewater) and convert the energy stored in its organic matter into methane, which is used to produce energy (gas or electricity) for on-farm or off-farm use. The conversion to methane is the result of anaerobic digestion — a biochemical process in which organic matter is decomposed by bacteria in the absence of oxygen.

The Minnesota Department of Agriculture identifies several economic and environmental benefits of methane digesters for animal agriculture:

1. Turns manure into a source of renewable energy that can be used onsite or sold
2. Aids manure management by making solid-liquid separation easier
3. Results in potentially higher-quality manure for use on crops (more nutrient rich and fewer weed seeds)
4. Enables animal bedding to be reused
5. Reduces feedlot problems with flies
6. May qualify for carbon credit payments
7. Improves air quality by reducing odors and greenhouse gas emissions
8. Protects water quality by reducing the potential for pathogens to enter surface or ground water

TCMF's decision to invest in its methane digester was driven by all of these factors. The farming entity had a ready use for the electrical energy generated from the digester. With a 4.8 megawatt (MW) rated generation capacity (4.5 MW operating capacity), the project could eventually replace 50 percent of the power currently being purchased from PacifiCorp for use by the irrigation pumps. The immediate energy cost savings versus the current utility rate of \$0.07 per kilowatt hour did not economically justify plant construction. However, as power rates rose as projected, the ability to generate power from internally produced byproducts would become increasingly valuable.

Furthermore, the digester provided a similar hedge against rising fertilizer prices. Despite the general decline in natural gas prices, nitrogen fertilizer prices were rising (Exhibit 12), increasingly following corn prices (their primary market) rather than natural gas prices (their primary component).

The total capital cost of the project would be \$26 million, or about \$1,080 per cow. The investment would qualify for approximately \$7 million in federal grants that supported renewable energy projects. In addition, it would qualify for \$2 million in Business Energy Tax Credits from the state of Oregon. Thus, the effective capital investment to the company was \$17 million.

The digester would provide both operational and environmental efficiencies and benefits. Operational improvements would include more efficient handling of manure, concentrating nutrient content for fertilization, recycling bedding material and reducing flies. Environmental benefits would include the protection of water quality and the reduction of gas emissions and odor.

Prospects for the Future

With the objective of bringing value to the farm, TMCF has pursued a strategy of low-cost production, high-quality crop production, vertical and contractual integration and joint venturing to achieve revenue and earnings growth and stability. Its low-cost producer status is based on a natural resource base of competitive, plentiful and secure water; fertile crop ground; a long growing season; an ideal climate for growing crops and raising milk cows; and complementary business activities enabling the company to benefit from its byproduct streams. The company's status as a low-cost producer and its ability to produce premium-quality commodities increases the attractiveness of the company to potential partners. Marty views this strategy as sustainable agriculture. He does not see this basic strategy changing.

Building on this strategy and the company's strengths, Marty sees several possibilities for future growth:

Organic Farming

TMCF's organic farming has proven to be highly profitable. Because much of the property's ground was not farmed prior to its acquisition by TMCF, the ground readily qualifies for organic farming. Organic corn is a particularly attractive crop: easy to produce and readily marketable. Its well-established customer base includes organic egg producers, organic dairies and regional grain merchandisers. Corn farming, however, requires rotation crops to maintain production levels and quality. So the company also produces organic potatoes, carrots, peas and onions under contract for organic marketers. Marty is confident he could expand his organic acreage under contract to organic marketers should he choose this alternative for growth.

Organic Dairy

Through its partnership in its heifer-raising operation, TMCF has a relationship with one of the nation's largest retail grocery chains that is seeking to increase its supply of organic milk. While none of the milk produced by TMCF currently qualifies as organic, the company could build such a facility providing organic feed produced on the farm. Premiums to dairies producing organic milk are substantial and some organic dairies are among the most successful

in the industry. While Marty knew TMCF was well-positioned to build and provide feed internally for such a dairy operation, he also saw potential downsides. First, it would likely stretch his existing management team. Secondly, the top national organic milk brand, Dean Foods' Horizon, was showing signs of weakness and had cut back production from some of its suppliers. Some believed that a reduction in the use of rBST in the conventional milk supply, a protracted weak economy, and a general downturn in fluid milk consumption were all factors flattening the growth in the organic milk category.

Expand with Tillamook

Tillamook's milk needs at the Boardman plant had more than doubled since the plant was built in 2001 (Exhibit 11). Company sales were continuing to grow, yet the cooperative was barely visible beyond the Mississippi. Tillamook was exploring two alternative means to reach these more distant markets: further expand the Boardman plant and absorb the logistical costs of transporting product from Oregon to the East or building a Midwest plant to reduce logistical costs. Either alternative meant the cooperative would need additional milk supplies. Marty was considering how TMCF could best serve Tillamook's growing need for milk.

Other Value-Added Processing

TMCF had recently established a joint venture with Tillamook to form Columbia River Technologies (CRT). The joint venture was building a new whey- and lactose-processing facility at the Boardman cheese plant to convert a relatively low-value byproduct (condensed liquid whey) to a stable, marketable and high-protein product in demand domestically as well as internationally. A global dairy marketing company was selected to market the products.

On February 21, 2013, R.D. Offutt announced it was investing in Bybee Foods, a full-line IQF (individually quick-frozen) vegetable processor located in Pasco, Wash. (Exhibit 13). The company produces private-label and branded conventional and value-added frozen vegetables. Twenty-five percent of the company's produce was organic, and the company had a 20 percent share of the organic vegetable market. The plant's 100-million pound capacity will process up to 10,000 acres of vegetables annually.

The whey-processing plant joint venture and the investment in Bybee Foods were precisely the kind of joint ventures and acquisitions that TMCF sought: projects that brought value back to the farm and upgraded byproduct streams without adding significant marketing responsibilities. While these two investments provided growth prospects for the immediate future, Marty wondered if he should consider other, similar opportunities consistent with the TMCF strategy.

Discussion Questions

1. Marty has described the TMCF model as sustainable. What is sustainability in agriculture and why is it important? Does Marty's model conform to the popular definition of sustainable agriculture? If so, how? If not, how does it differ?
2. What are the key differences between TMCF's dairy model and the model most Western dairies continue to pursue?
3. Which option that Marty is currently considering do you support? Why?
4. What lessons can be drawn from the TMCF experience that can be applied to other agribusinesses?

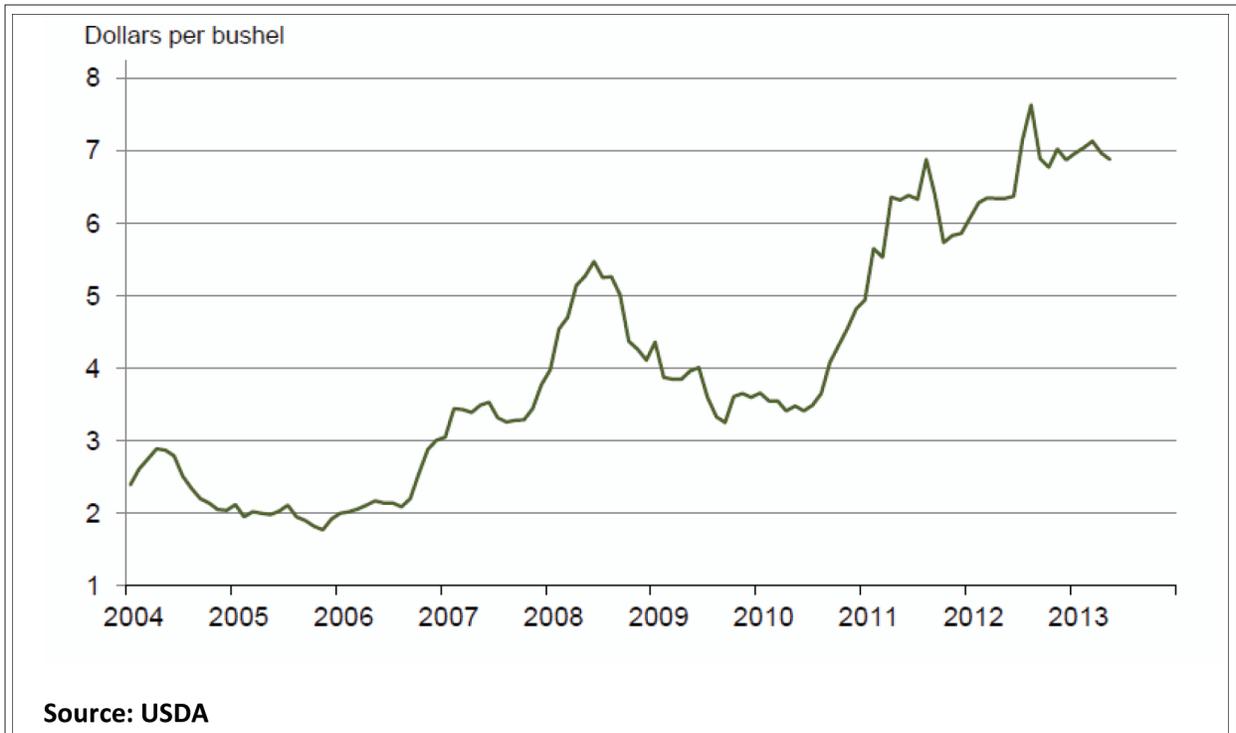


Exhibit 1. Prices Received for Corn by Month (United States)

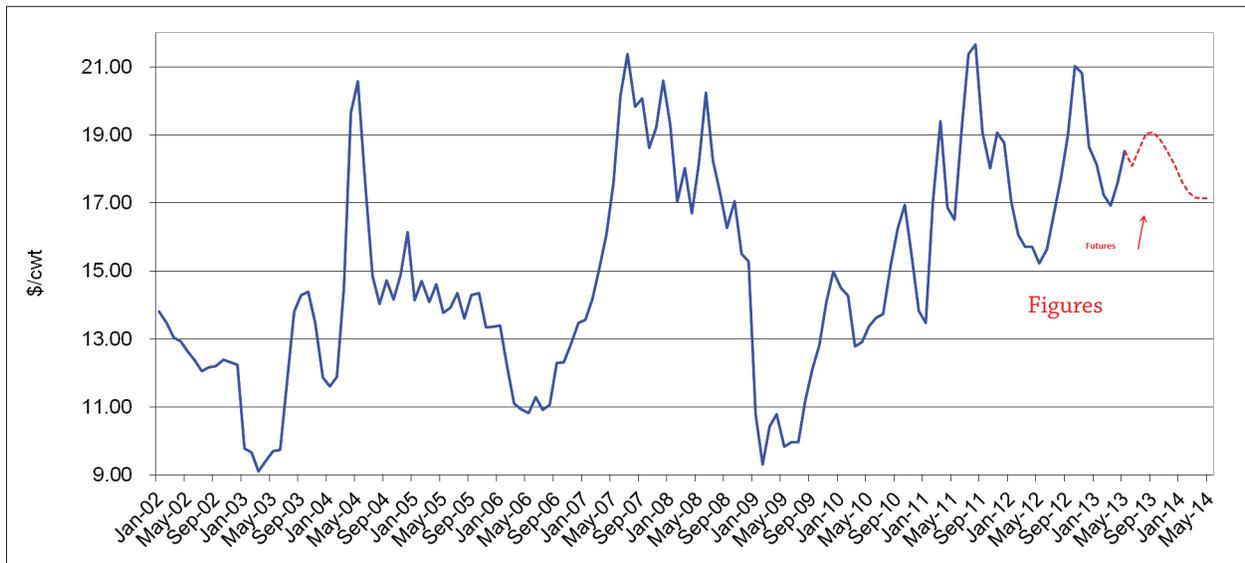
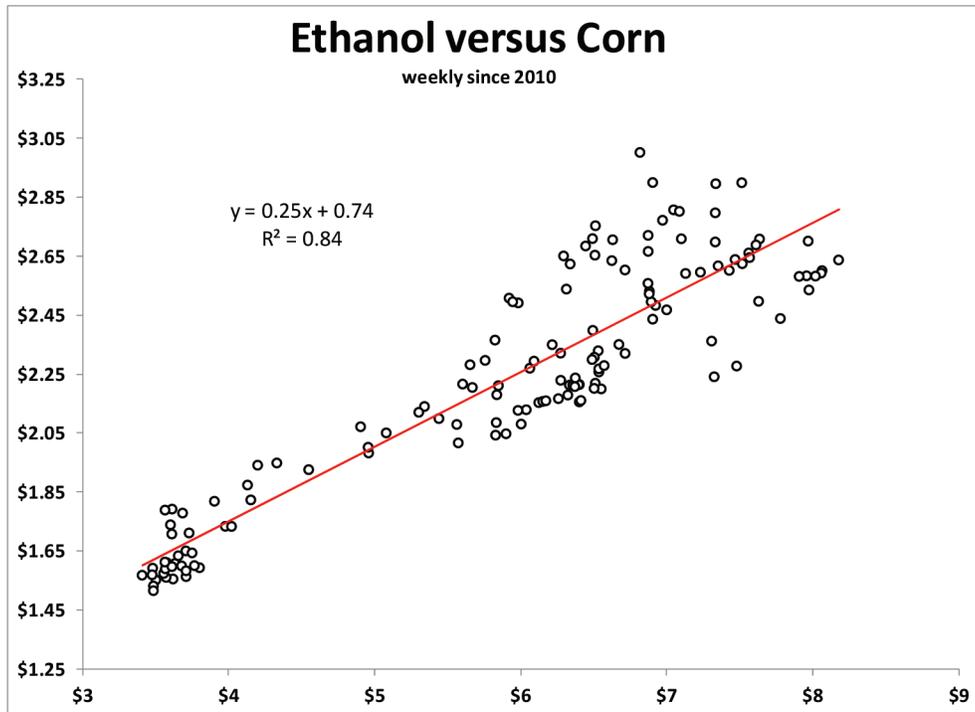
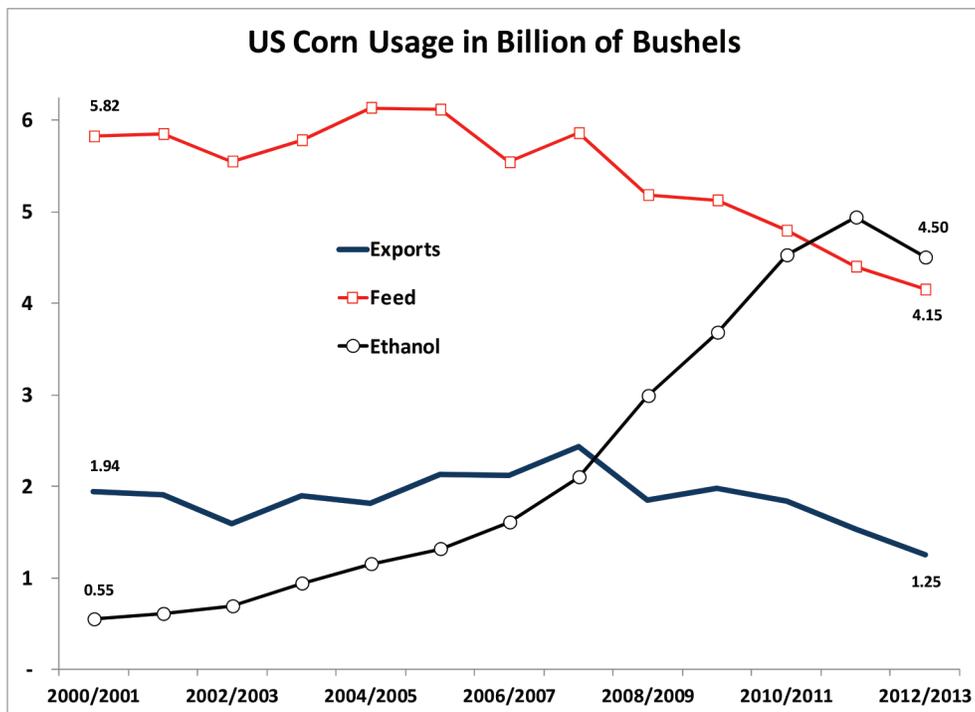


Exhibit 2. Class 3 Milk Prices (2002-P2013/14)



Source: Wells Fargo's Ag Industries

Exhibit 3. Ethanol versus Corn



Source: Wells Fargo Ag Industries

Exhibit 4. U.S. Corn Usage

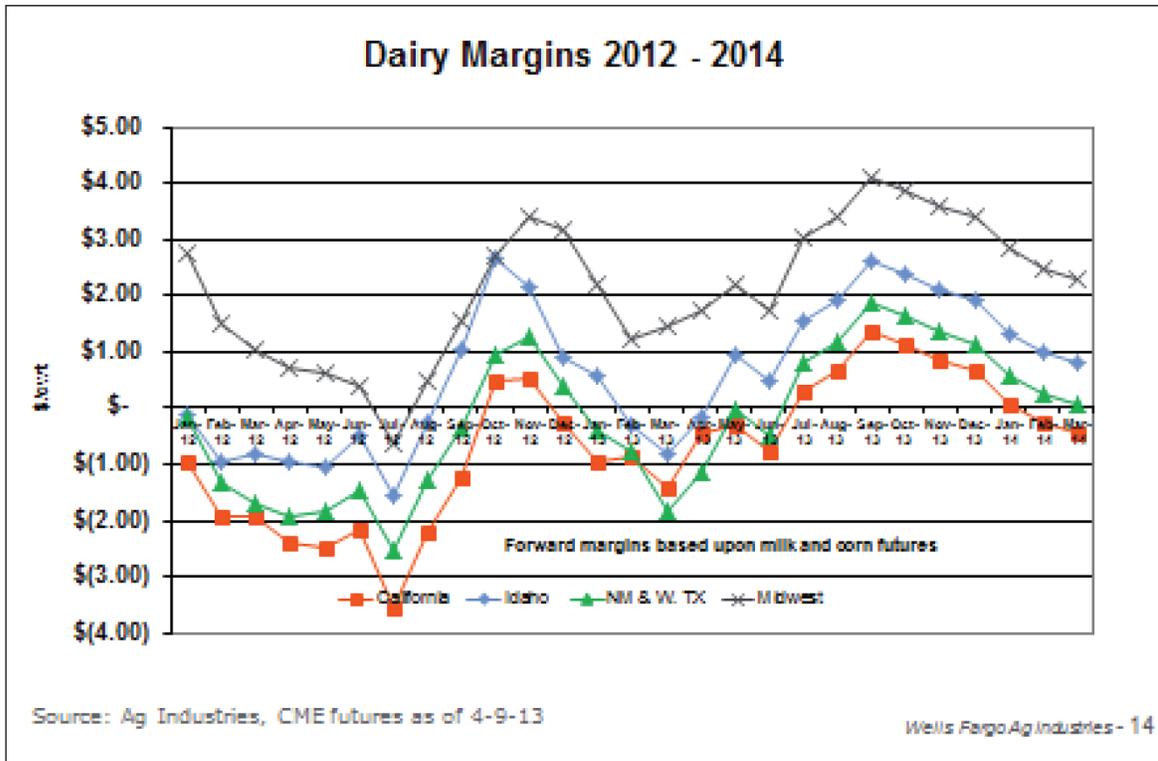


Exhibit 5. Projected Dairy Margins by Region

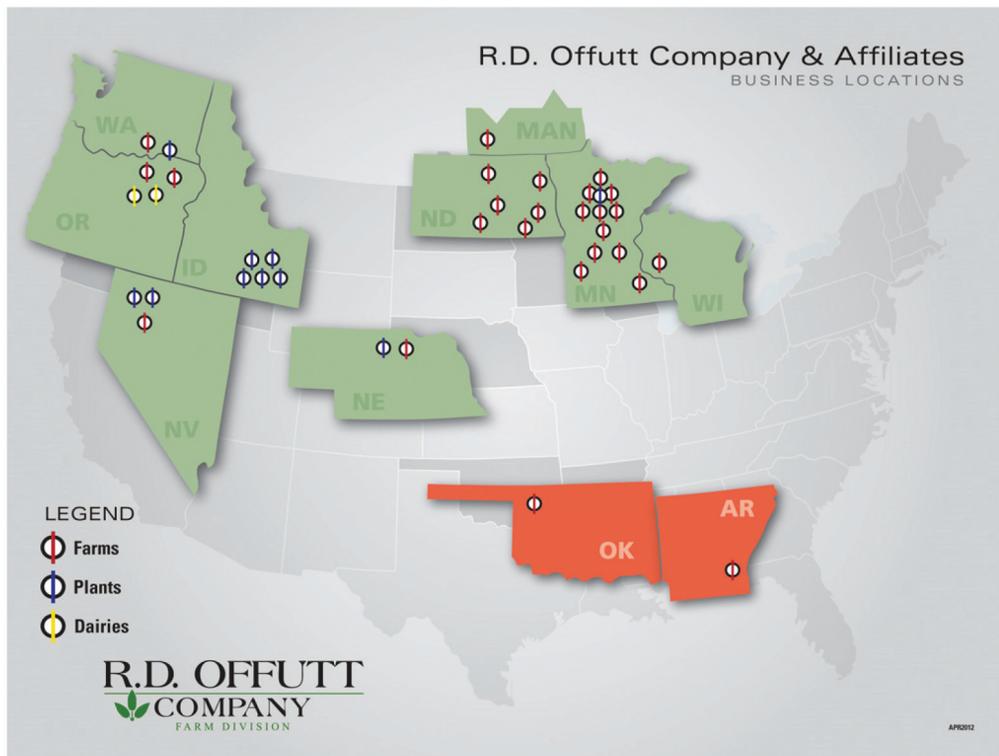


Exhibit 6. R.D. Offutt Co. and Affiliates

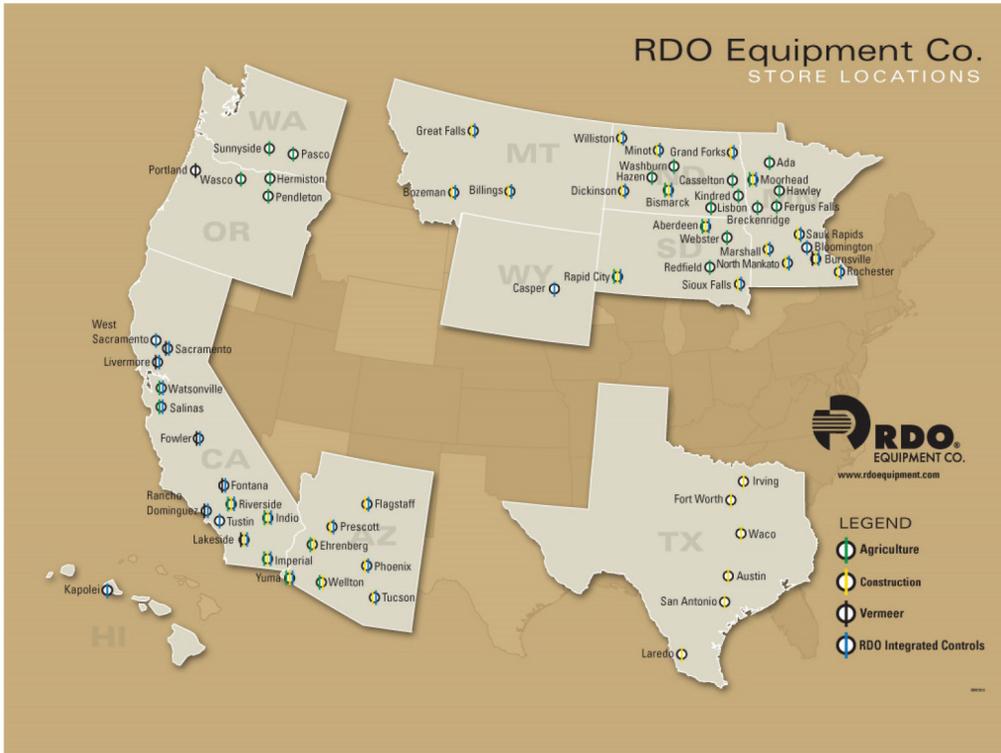


Exhibit 7. RDO Equipment Co. U.S. Store Locations



Exhibit 8. RDO Equipment Co. Ukraine and Russian Locations

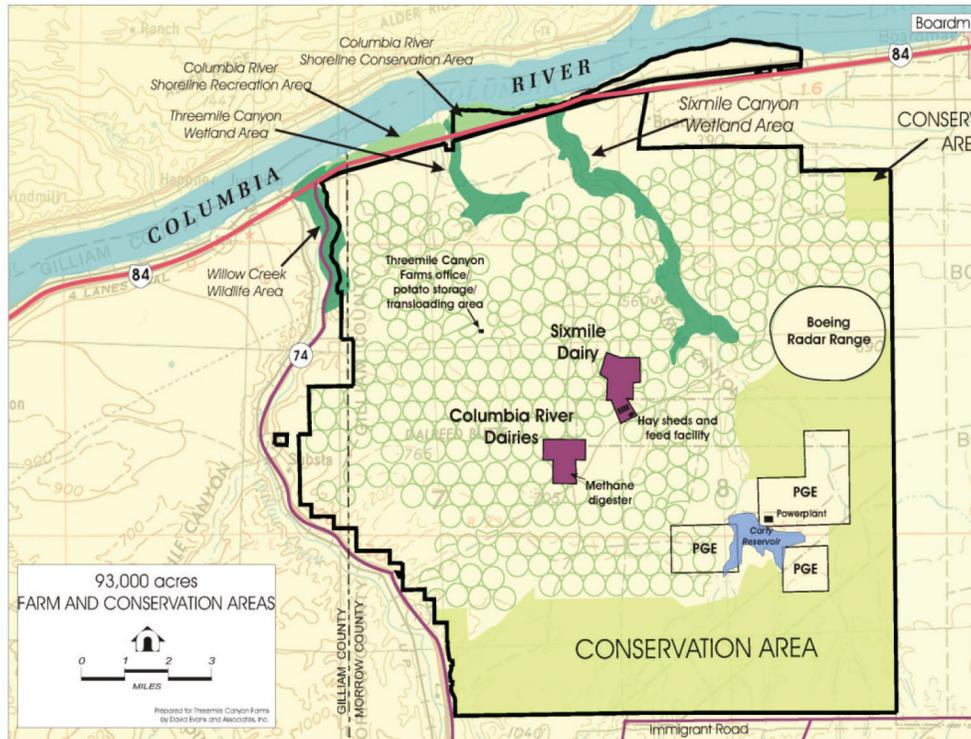


Exhibit 9. Threemile Canyon Farms

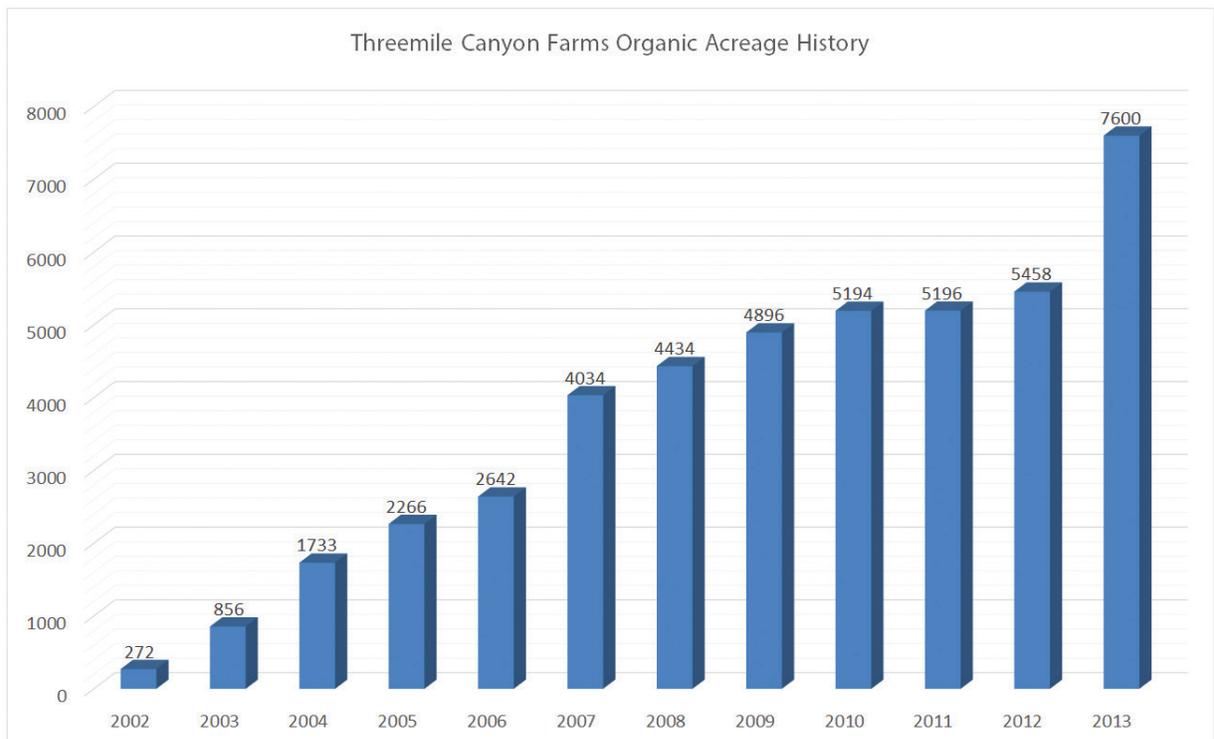


Exhibit 10. TCMF Organic Acreage History

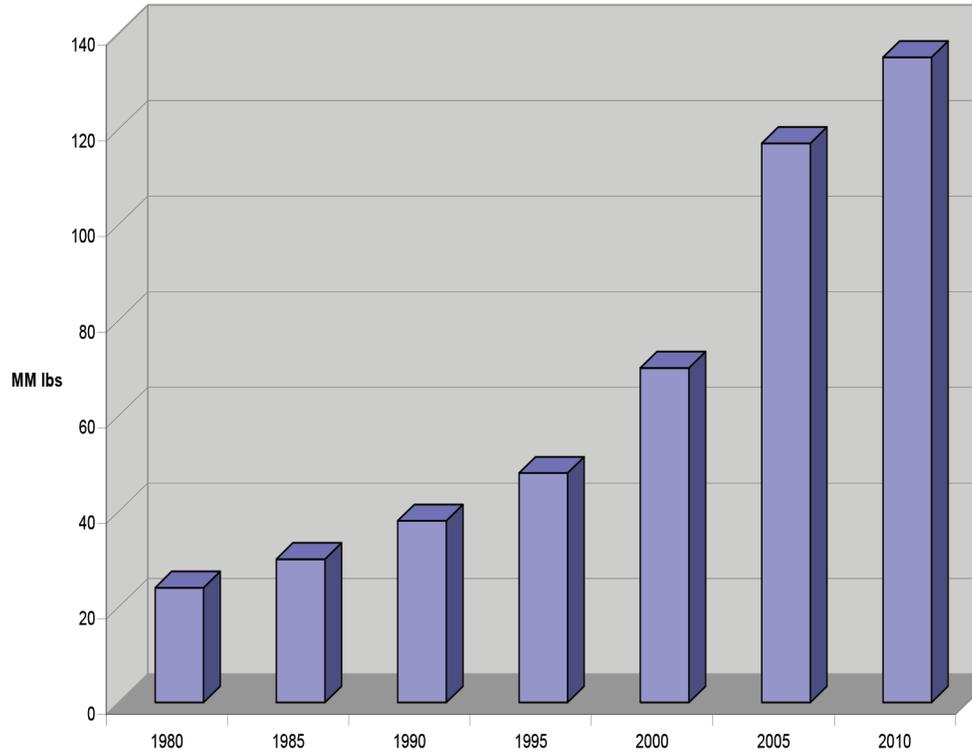


Exhibit 11. Tillamook Cheese Sales History (1980-2010)

Source: TCCA Records