

*WHAT THE FINANCIAL CREDIT CRISIS
MEANS TO THE AGRICULTURE AND
FOOD INDUSTRIES*

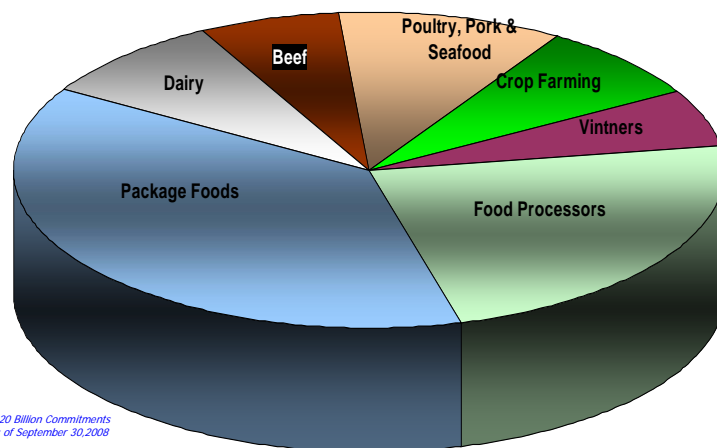
Corny Gallagher
Agribusiness Executive

NOVEMBER 18, 2008



Bank of America in Agribusiness

- One of the largest providers of financial services to the Food and Agribusiness industry sectors.
- Food and Agribusiness is a significant part of our Commercial Banking portfolio.



*\$20 Billion Commitments
As of September 30, 2008



U.S. FOOD AND FIBER SYSTEM GDP

(ERS.USDA 2001)

- SERVICES \$339 billion
- TRADE \$334 billion
- FARMING \$74 billion
- JOBS 23.7 million 16.7%
- SYSTEM GDP \$1.24 trillion 12.3%

U.S. FARM EQUITY (\$ billions)

	2007	2008	2009	2012
SOURCE (EST)	USDA	USDA	FSE	FSE
• Real Estate	1,912	2,052	2,134	1,826
• Total Assets	2,210	2,359	2,451	
• Total Debt	212	212	217	
• Equity	\$1,998	\$2,147	\$2,231	
• Net Income	\$87	\$96	\$85	\$64
• ROA	3.9%	4.1%	3.5%	
• Corn Ave	\$3.40	\$4.60	\$4.70	\$2.25

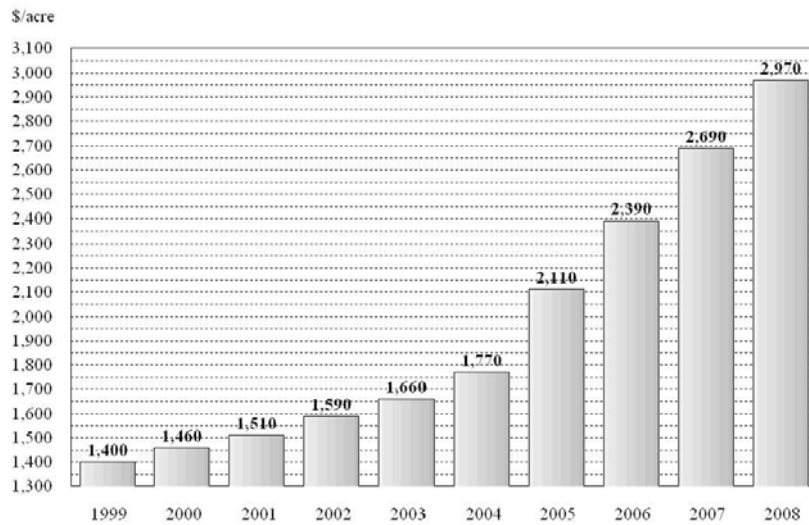
Corn price history – CBOT

<http://futures.tradingcharts.com/chart/CN/M>



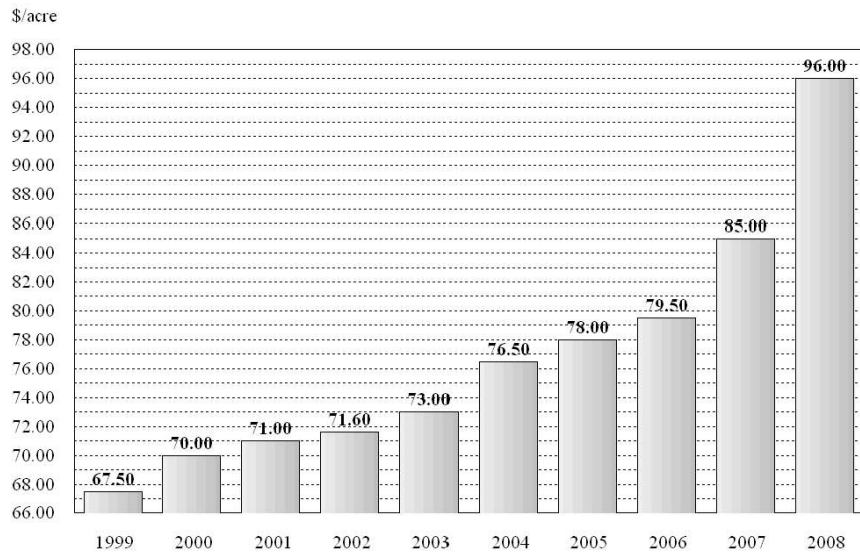
U.S. Average Cropland Value

Dollars per Acre, 1999 - 2008

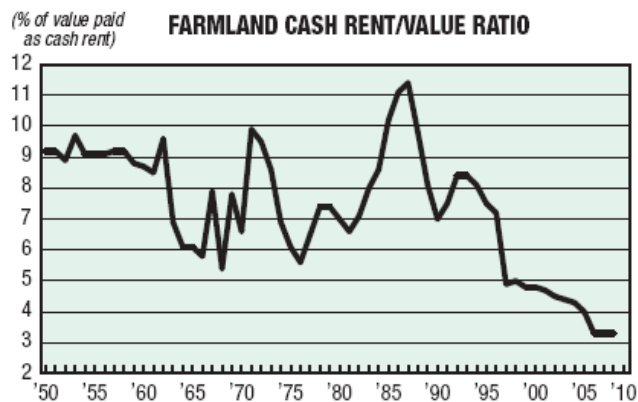


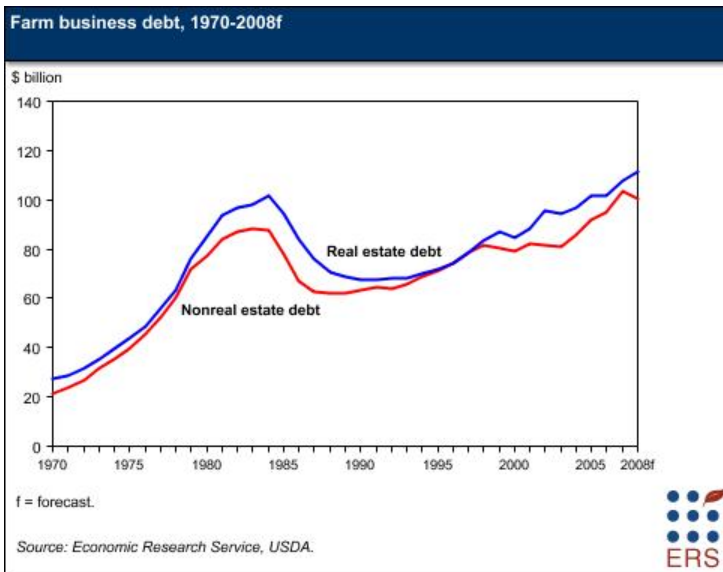
U.S. Average Cropland Cash Rent

Dollars per Acre, 1999 - 2008



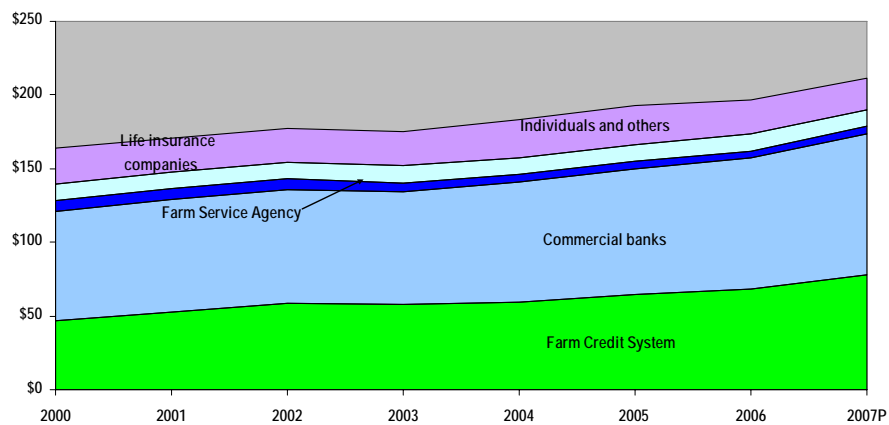
Doane's Report 9-19-08 Land Values Peaking?

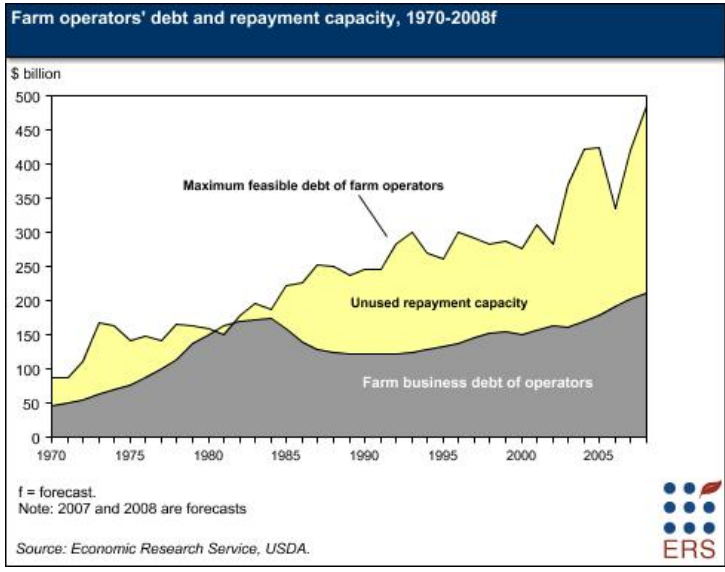




SOURCE OF FARM DEBT

ERS.USDA.GOV





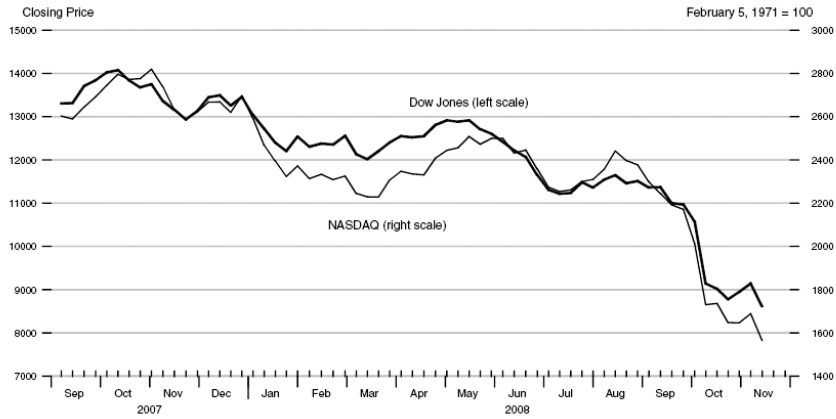
UNITED STATES AT NIGHT (WHERE THE PEOPLE ARE)



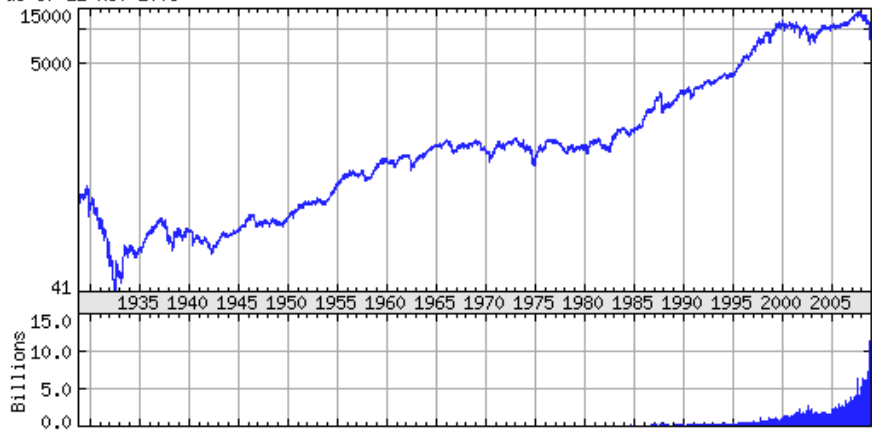
U.S. Financial Data

updated through
11/13/08

Dow Jones Industrial Average and NASDAQ Composite®
Averages of Daily Figures

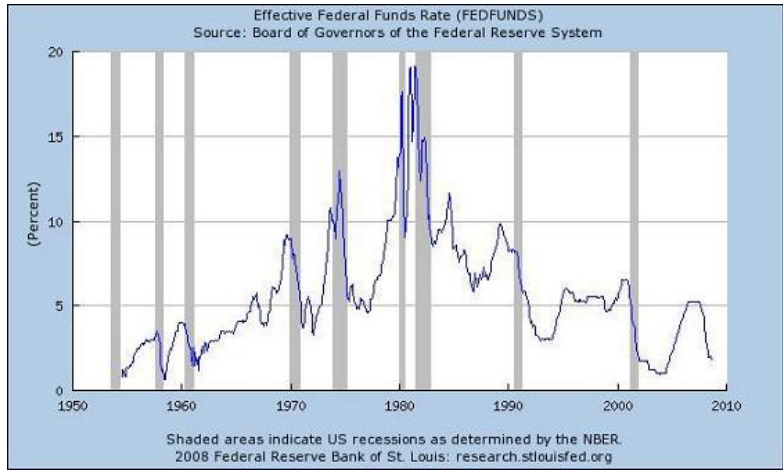


DJ INDU AVERAGE (DOW JONES & CO)
as of 12-Nov-2008



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The chart above shows the effective fed funds rate (the rate banks charge one another for overnight loans) since 1950, and it does not even include the effects of the latest move by the FOMC to lower the targeted rate to 1%.

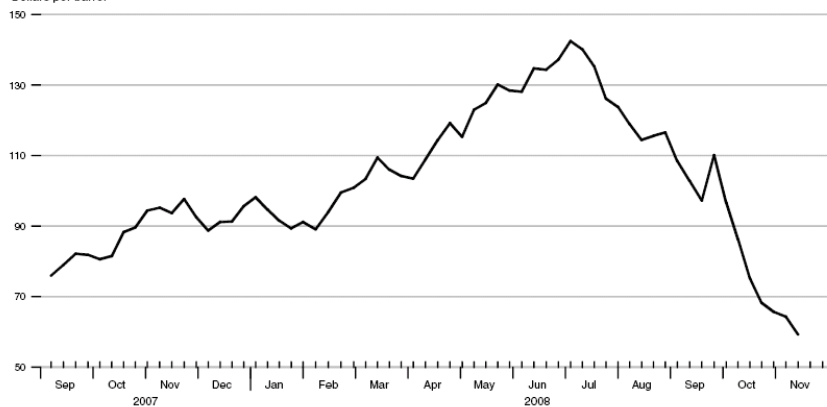
updated through
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U.S. Financial Data

Crude Oil Spot Prices

West Texas Intermediate, Averages of Daily Figures

Dollars per barrel

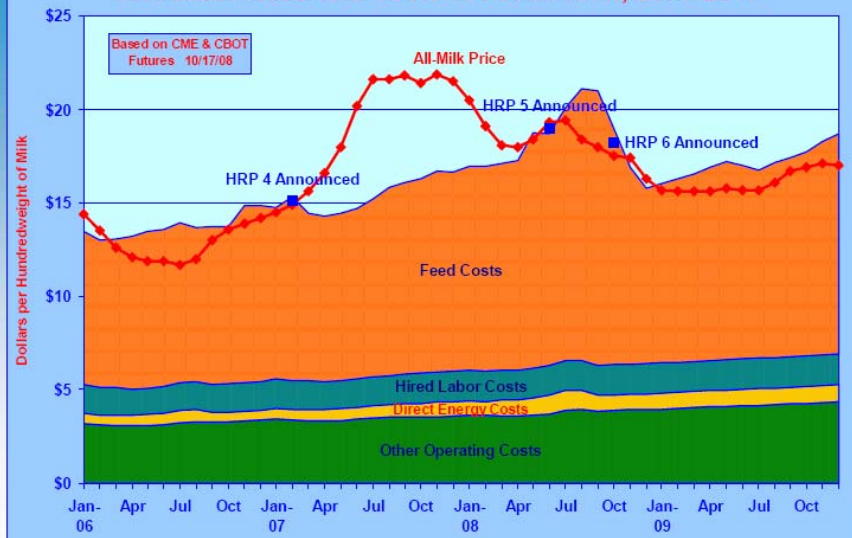


Dairy Situation and Outlook

USDA is projecting a drop in U.S. commercial dairy exports in 2009 equivalent to 2.3 billion pounds of milk



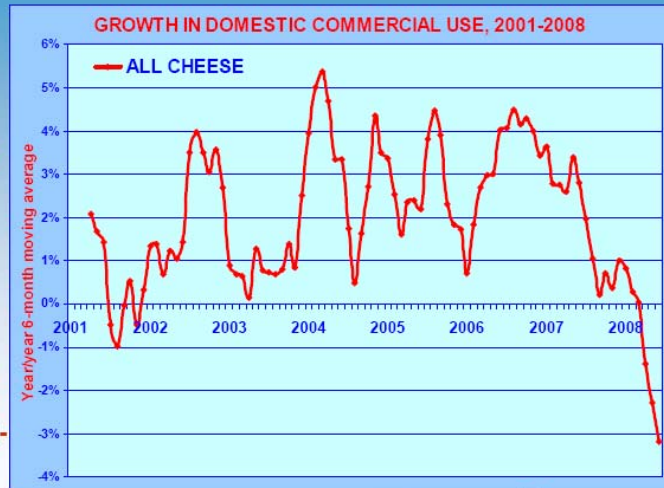
U.S. Milk Prices and Costs of Production, 2006-2009



Dairy Situation and Outlook

Domestic cheese consumption is down, following many years of positive growth


Use is down both for American and especially for non-American types



cwt Cooperatives®
Working Together

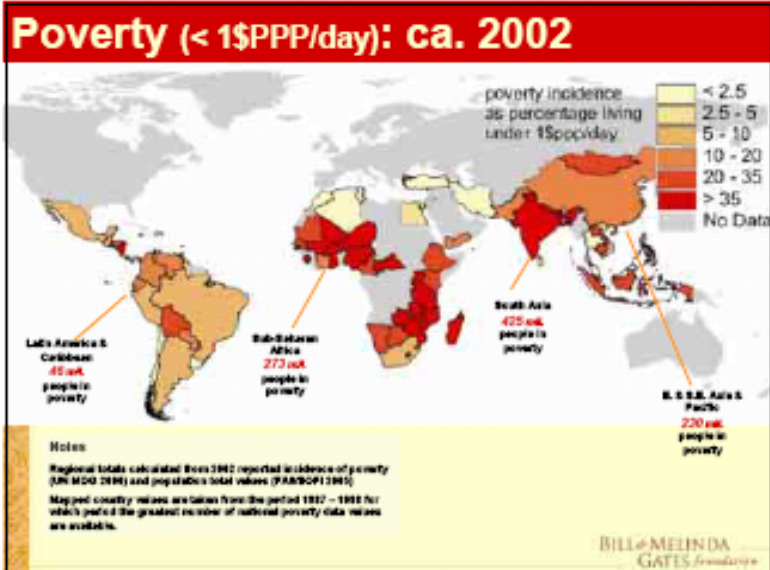
GLOBAL FOOD ISSUES

- Global commodity price volatility at historic highs...input costs up...
- Food costs increase.
- Global food crisis a growing story...
- Historic low value of U.S. \$ drove U.S. ag exports up but...monetary policy has changed...
- Global food system consolidation continues...
- Global food supply is so fragile that any one crisis could change the food issue landscape overnight...



*Accelerating
Global Development
Perspectives from the
Bill & Melinda Gates Foundation*
September 17, 2008
Lutz Goedde
Global Development

BILL & MELINDA
GATES foundation



Jared Diamond

Professor of geography at the University of California LA
Author of "Collapse" and "Guns, Germs and Steel."

- If India, as well as China, were to catch up (to the consumption rate of the United States), world consumption rates would triple.
- If the whole developing world were suddenly to catch up, world rates would increase eleven fold.
- It would be as if the world population ballooned to 72 billion people (retaining present consumption rates).

