

Land O'Lakes, Inc.

4001 Lexington Ave. North
Arden Hills, Minnesota 55112

Financial Accounting Standards Board

Director, Technical Application and Implementation Activities
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

FASB:

I am writing to comment on SFAS 150 and Proposed FASB Staff Position No. FAS 150-c. First with respect to SFAS 150-c, I support deferring the effective date of SFAS 150 for mandatorily redeemable stock and other financial instruments of non-public entities by at least one year. I request that the Board consider deferring the effective date for these instruments two years to fiscal periods beginning after December 15, 2005. It could take cooperative businesses and other nonpublic entities at least that long to assess the impact on covenants and lender relationships and make the changes in their capitalization plans and structures that this pronouncement might require them to make.

With respect to SFAS 150, I am concerned that, unless clarified, it will require Land O'Lakes, Inc., a private cooperative, to consider classifying a substantial amount of equities as liabilities. Redemption or revolvement of patronage equities issued by Land O'Lakes, in all respects, is at the discretion of the Board of Directors. Although the discretionary nature of the revolvement decision should cause SFAS 150 to not apply, we would prefer the matter be more clear. Accordingly, I request that the FASB clarify that member equity in a cooperative business is not mandatorily redeemable when the board of directors retains the authority to redeem that equity.

I also wish to notify you of our agreement with and support for the comments and positions separately provided by Richard J. Dines, Director of Co-op Business Development and Member Services, at the National Cooperative Business Association.

Sincerely yours,

Daniel Knutson

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