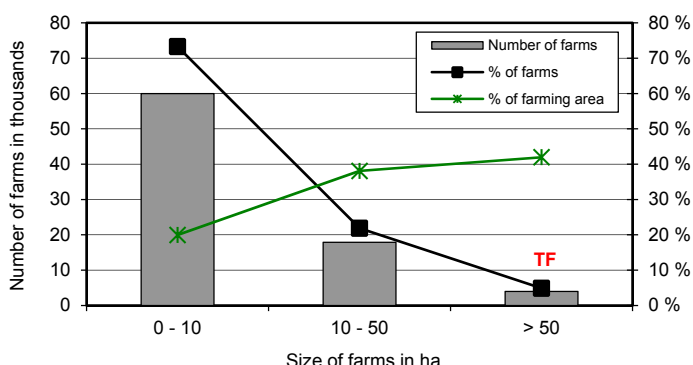


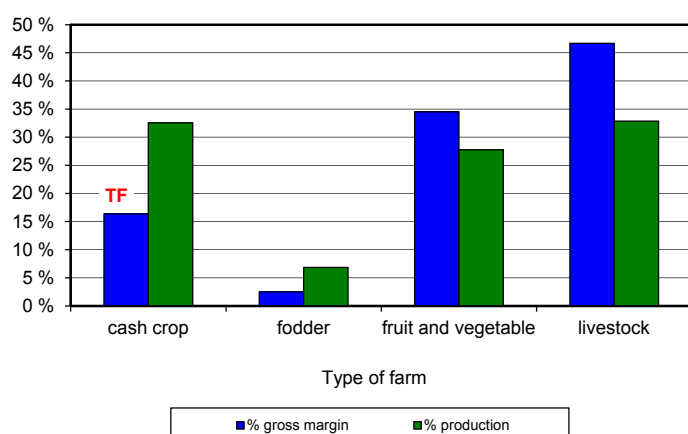
The typical farm It240ER in Emilia-Romagna, Italy

Farm structure - Emilia-Romagna (2007)



Source: ISTAT, 2007

Farm classification - Emilia-Romagna (2010)

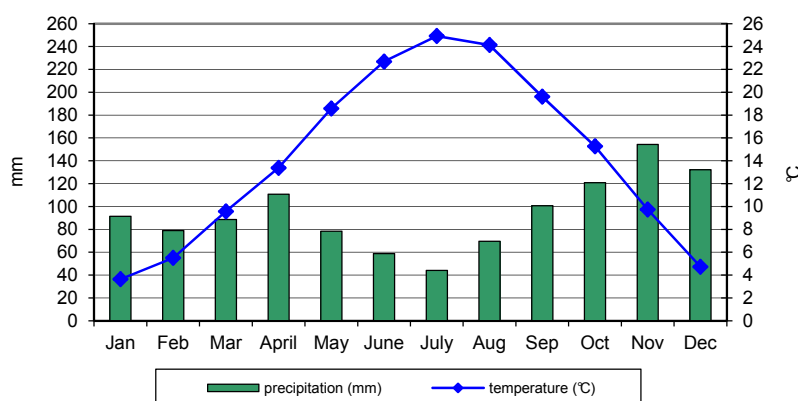


Source: Emilia-Romagna Statistics 2011

Given the large percentage of high value crops such as fruits and vegetable grown, most farms in the Emilia-Romagna region, as overall Italy, are small. In fact, only 27 % of the region's farms exceed 10 hectares and over 80 % of the latter are between 10 and 50 hectares. However it is important to emphasize how, on the contrary, over 40 % of agricultural land pertains to farms of over 50 hectares. Since the typical farm shall represent a cash crop enterprise that can survive in the long run, it was constructed to have 240 ha.

While examining the different types of farms with relation to the crops they are specialized in, one sees how the crop farms and farms raising animals comprise a large proportion of the region's farms. In fact, they represent up to 66 % of Emilia-Romagna's agricultural volume of production. However, it is important to point out that, while gross margins connected to cash crops are low (16 % of the total) compared to the volume produced (33 % of the total), regional animal raising operations enjoy a very high gross margin of 47 % of the entire agricultural gross margin, thanks also to the acclaimed, typical products Parmigiano Reggiano cheese and Prosciutto di Parma ham which are produced in the northern part of the region. Fruits and vegetables comprise 28 % of the regional agricultural production by volume, with gross margins corresponding to 35 % of the Emilia-Romagna region's total. This shows how important this high value sector is to regional agriculture, specifically to the southern part of the region as well as to the areas around Parma and Piacenza which are specialized in tomatoes for industrial use.

Mean climate data 2001 - 2010 Emilia-Romagna



Source: ARPA - Emilia-Romagna, 2011

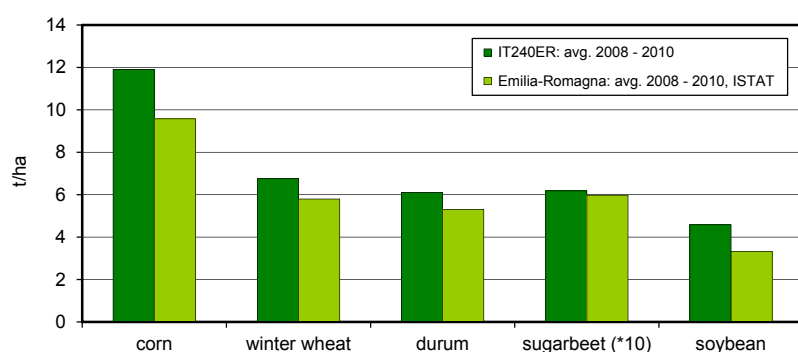
The Emilia-Romagna region's climate is primarily sub-continental (Po valley), tending towards Mediterranean along the coastline and having some regions with mountainous climate.

Winters are fairly cold with precipitation and snow reaching the plains, with occasional hard frosts. Summer, on the other hand, is hot and muggy. Highs can exceed 35 °C and low temperatures don't drop below 20 °C. Spring is rather rainy but pleasant from April to May. Autumn is similar. It is mild and pleasant until November when it gets cooler, humid and sometimes cold.

Precipitation is light in the plains, generally from 650 to 800 mm per year on average. As we move upwards through the hilly lands and into the mountains, rainfall increases rapidly and becomes decidedly copious in the upper Apennines.

It is important to point out that over the past twenty years the Emilia-Romagna region has undergone drastic climate change with respect to the period from 1961 to 1990. Average temperatures have risen significantly (+1.1 °C) with extreme increases occurring particularly during the summer season (+ 2 °C) with consequent changes in seasonality and in the intensity of precipitation.

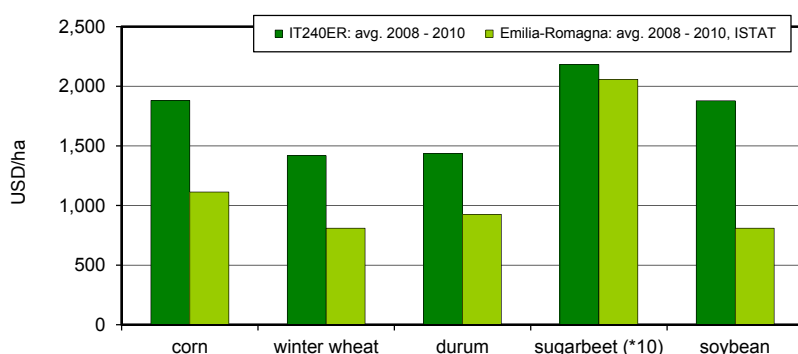
Comparison of average yields



Source: National Institute of Statistics (ISTAT) 2011; agri benchmark 2011

The figure on the left shows the comparison between the average yields of the region's five primary extensive crops and in the typical farm. In all crops under scrutiny, we can see that the typical farm IT240ER has yields that are slightly higher than the regional average which also takes into account the yields of small farms run on a part-time basis. The yields of the typical farm are higher thanks to its modern technology, the above average size and the good management specialized in crop farming.

Gross margin comparison



Source: National Institute of Statistics (ISTAT) 2011; agri benchmark 2011

By comparing gross margins, we see that the economic performance of IT240ER is above the regional average for the five crops taken into consideration. This corresponds to the higher yields produced by the typical farm and goes back to its technical specialization and efficient management.