

ANDERSONS INC  
Form DEF 14A  
March 21, 2003

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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box

Preliminary Proxy Statement

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

The Andersons, Inc.

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(I)(1) and 0-11.

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

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**THE ANDERSONS, INC.  
480 West Dussel Drive  
Maumee, Ohio 43537**

**March 14, 2003**

Dear Shareholder:

You are cordially invited to attend the annual meeting of shareholders that will be held on Thursday, May 1, 2003, at 1:30 p.m., local time, at The Andersons Activities Building, 1833 South Holland-Sylvania Road, Maumee, Ohio 43537.

This booklet includes the formal notice of the meeting and the proxy statement. The proxy statement tells you more about the agenda, how to vote your proxy and procedures for the meeting. It also describes how the board operates and gives you information about our director candidates. A form of proxy for voting at the meeting and our 2002 annual report to shareholders are included with this booklet.

It is important that your shares are represented and voted at the annual meeting, regardless of the size of your holdings. I urge you to vote your proxy as soon as possible so that your shares may be represented at the meeting. If you attend the annual meeting, you may revoke your proxy in writing and vote your shares in person, if you wish.

I look forward to seeing you on May 1.

Sincerely,

/s/ Richard P. Anderson

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Richard P. Anderson  
Chairman, Board of Directors

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**THE ANDERSONS, INC.  
480 West Dussel Drive  
Maumee, Ohio 43537**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**Date: May 1, 2003  
Time: 1:30 P.M  
Place: The Andersons Activities Building  
1833 South Holland-Sylvania Road  
Maumee, Ohio 43537**

Matters to be voted upon:

1. The election of ten directors to hold office for a one-year term.
  2. The ratification of the appointment of PricewaterhouseCoopers LLP as independent accountants for the year ending December 31, 2003.
  3. Any other matters that may properly come before the Annual Meeting and any adjournments or postponements thereof.
- Holders of record of The Andersons, Inc. Common Shares as of the close of business on February 28, 2003 will be entitled to vote at the Annual Meeting.

By order of the Board of Directors

Maumee, Ohio  
March 14, 2003

/s/ Beverly J. McBride

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Beverly J. McBride  
Secretary

**Whether or not you plan to attend the Annual Meeting in person and regardless of the number of shares you own, please vote your shares by proxy, either by mailing the enclosed proxy card or by telephone. If you attend the Annual Meeting, you may revoke your proxy in writing and vote your shares in person, if you wish.**

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**THE ANDERSONS, INC.  
480 West Dussel Drive  
Maumee, Ohio 43537**

**PROXY STATEMENT**

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Annual Meeting of Shareholders  
May 1, 2003

**Introduction**

The Board of Directors is soliciting your proxy to encourage your participation in the voting at the Annual Meeting and to obtain your support on each of the proposals. You are invited to attend the Annual Meeting and vote your shares directly. However, even if you do not attend, you may vote by proxy, which allows you to direct another person to vote your shares at the meeting on your behalf.

**This Proxy Solicitation**

Included in this package are the proxy card and this proxy statement. The proxy card and the identification number on it is the means by which you authorize another person to vote your shares in accordance with your instructions.

This proxy statement provides you with information about the proposals and about The Andersons, Inc. ( Corporation ) that you may find useful in deciding how to vote. After this introduction, you will find the following six sections:

Voting

Proposals

Board of Directors

Share Ownership

Executive Compensation

Other Information

**The Annual Meeting**

As shown on the Notice of Annual Meeting, the Annual Meeting will be held on Thursday, May 1, 2003, at The Andersons Activities Building in Maumee, Ohio. The Corporation's Code of Regulations requires that a majority of our Common Shares be represented at the Annual Meeting, either in person or by proxy, in order to transact business. Abstentions and broker non-votes (proxies held in street name by brokers that are not voted on all proposals) will be treated as present for purposes of determining whether a majority is represented.

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Representatives from PricewaterhouseCoopers LLP are expected to attend the meeting. They will have an opportunity to make a statement at the meeting if they desire to do so and are expected to be available to respond to questions.

There were no shareholder proposals submitted for the Annual Meeting. We must receive any shareholder proposals for the 2004 Annual Meeting at our principal offices in Maumee, Ohio by December 31, 2003.

**Common Shares Outstanding**

On February 28, 2003, The Andersons, Inc. had issued and outstanding 7,206,361 shares of common stock.

**Voting**

You are entitled to one vote at the Annual Meeting for each Common Share of The Andersons, Inc. that you owned of record as of the close of business on February 28, 2003.

**How to Vote Your Shares**

You may vote your shares at the Annual Meeting by proxy or in person. Even if you plan to attend the meeting, we urge you to vote in advance. If you own your shares in record name, you may cast your vote in one of two ways:

Vote by telephone: You can vote by phone at any time by calling the toll-free number (for residents of the U.S.) listed on your proxy card. To vote, enter the control number listed on your proxy card and follow the simple recorded instructions. **If you vote by phone, you do not need to return your proxy card.**

Vote by mail: If you choose to vote by mail, simply mark your proxy card, and then date, sign and return it in the postage-paid envelope provided.

Shareholders who hold their shares beneficially in street name through a nominee (such as a bank or a broker) may be able to vote by telephone or the Internet as well as by mail. You should follow the instructions you receive from your nominee to vote these shares.

When you vote by proxy, the shares you hold will be voted in accordance with your instructions. Your telephone or mail proxy vote will direct the designated persons (known as proxies) to vote your shares at the Annual Meeting in accordance with your instructions. The Board has designated Beverly J. McBride, John P. Kraus and Matthew C. Anderson to serve as the proxies for the Annual Meeting.

**How to Revoke Your Proxy**

You may revoke your proxy at any time before it is exercised by any of the following means:

Notifying Beverly J. McBride, our Corporate Secretary, in writing prior to the Annual Meeting;  
Submitting a later dated proxy card or telephone vote;



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Attending the Annual Meeting and revoking your proxy in writing. Your attendance at the Annual Meeting will not, by itself, revoke a proxy.

**Voting at the Annual Meeting**

Your shares will be voted at the meeting as directed by the instructions on your proxy card or voting instructions if: (1) you are entitled to vote, (2) your proxy was properly executed, (3) we received your proxy prior to the annual meeting, and (4) you did not revoke your proxy prior to the meeting.

**The Board's Recommendations**

If you send a properly executed proxy without specific voting instructions, the designated proxies will vote your shares for the election of the nominated directors and the ratification of the independent accountants.

**Votes Required to Approve Each Item**

The Code of Regulations also states that the nominees for director receiving the greatest number of votes shall be elected. Therefore, abstentions and broker non-votes will not count as a vote for or against the election of directors. The ratification of independent accountants requires a majority of the common shares present and eligible to vote. A broker non-vote or abstention will count as a vote against this proposal.

**Where to Find Voting Results**

We will announce the voting results at the Annual Meeting and will publish the voting results in the Corporation's Form 10-Q for the second quarter ended June 30, 2003. We will file that Form 10-Q with the Securities and Exchange Commission in August 2003.

**Proposals**

The Board has nominated ten directors each for a one-year term. The Board has approved PricewaterhouseCoopers LLP as the Corporation's independent accountants for the year 2003 and recommends that you vote for their ratification.

**Election of Directors**

The Board of Directors has nominated and recommends the election of each of the nominees listed below. Each Director that is elected will serve until the next Annual Meeting or until their earlier removal or resignation. Each of the nominees listed is currently a Director of the Corporation. The Board of Directors expects all nominees named below to be available for election. In case any nominee is not available, the proxy holders may vote for a substitute, unless the Board of Directors reduces the number of directors.

Directors will be elected at the Annual Meeting by a plurality of the votes cast at the Annual Meeting by the holders of shares represented in person or by proxy. There is no right to cumulate voting as to any matter, including the election of directors.

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The following is a brief biography of each nominee. Information as to their ownership of the Common Shares can be found in the Share Ownership section at page 8 All information provided is current as of the record date February 28, 2003.

**Michael J. Anderson**, 51, has served as a Director since 1988. He began his employment with the Corporation in 1978 in the Grain Group and held the position of Vice President and General Manager Grain Group from 1990 to February 1994. He served as Vice President and General Manager of the Retail Group from 1994 to 1996 when he was named President and Chief Operating Officer. He was named President and Chief Executive Officer effective January 1, 1999. He is also a director of Interstate Bakeries Corporation and Fifth Third Bank, Northwest Ohio.

**Richard P. Anderson**, 73, has served as a Director since 1987. He served as Chief Executive Officer from 1987 to 1998 and was named Chairman of the Board in 1996. He served as Managing Partner of The Andersons from 1984 to 1987, after serving as a general partner of The Andersons and a member of its Managing Committee from 1947 through 1987.

**Thomas H. Anderson**, 79, was named Chairman Emeritus in 1996. He served as Chairman of the Board from 1987 until 1996. He formerly held the position of Manager-Company Services of The Andersons for several years, was named Senior Partner in 1987 and served as a general partner of The Andersons and a member of its Managing Committee from 1947 through 1987.

**John F. Barrett**, 53, has served as a Director since 1992. He has served in various capacities at The Western and Southern Life Insurance Company, including Executive Vice President and Chief Financial Officer and President and Chief Operating Officer, and currently serves as Chairman, President and Chief Executive Officer. Mr. Barrett is also a director of Convergys Corp., Inc and Fifth Third Bancorp.

**Paul M. Kraus**, 70, has served as a Director since 1988. He is of counsel to the Toledo, Ohio law firm of Marshall & Melhorn, LLC, of which he has been a member since 1962.

**Donald L. Mennel**, 56, was named as a Director in February 1998. He has served as President and Treasurer of The Mennel Milling Company since 1984. He has served as a member of the Federal Grain Inspection Service Advisory Board and is past chairman of the Eastern Soft Wheat Technical Board.

**David L. Nichols**, 61, has served as a Director since 1995. He has served as President of the Richards-Macy's/Lazarus/Goldsmith's Division of Federated Department Stores, Inc. since August 2000. Prior to that, he served as Chairman and Chief Executive Officer of Mercantile Stores, Inc. He is a past director of the Federal Reserve Bank, Cleveland, Ohio.

**Dr. Sidney A. Ribeau**, 55, was named as a Director in February 1997. He has served as President of Bowling Green State University since 1995. Prior to that, he served as Vice President for Academic Affairs at California State Polytechnic University, Pomona. He is also a director of Worthington Industries, Inc. and Convergys Corp., Inc.

**Charles A. Sullivan**, 67, was named as a Director in 1996. He serves as Chairman of the Board of Interstate Bakeries Corporation, and previously served as their Chief Executive Officer. He is also a director of UMB Bank of Kansas City, Missouri.

**Jacqueline F. Woods**, 55, was named as a Director in February 1999. She has served in various capacities at Ameritech Ohio and its predecessor, Ohio Bell, retiring in 2000 as its President. She is also a director of The Timken Company and OfficeMax, Inc.

Richard P. and Thomas H. Anderson are brothers; Paul M. Kraus is their brother-in-law.

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Michael J. Anderson is a nephew of Richard P. and Thomas H. Anderson and Paul M. Kraus. The Board of Directors recommends a vote **FOR** the election of the ten directors as presented.

**Approval of Independent Accountants**

The Board of Directors, upon recommendation by the Audit Committee, has appointed PricewaterhouseCoopers LLP as our independent accountants to examine the financial statements of the Corporation for fiscal year 2003.

If the shareholders do not ratify this appointment by a majority of the shares represented in person or by proxy at the Annual Meeting, the Board of Directors will consider other independent accountants upon recommendation by the Audit Committee.

The Board of Directors recommends a vote **FOR** ratification of the appointment of PricewaterhouseCoopers LLP as our independent accountants.

**Other Business**

At the date of this Proxy Statement, we have no knowledge of any business other than the proposals described above that will be presented at the Annual Meeting. If any other business should properly come before the Annual Meeting, the proxies will be voted in the discretion of the proxy holders.

**Board of Directors**

Name	Committees of the Board			
	Board	Audit	Compensation	Governance / Nominating
Michael J. Anderson	X			
Richard P. Anderson	X*			
Thomas H. Anderson	X			
John F. Barrett	X		X	X
Paul M. Kraus	X			
Donald L. Mennel	X	X		X
David L. Nichols	X	X*		X
Dr. Sidney A. Ribeau	X		X	X
Charles A. Sullivan	X	X		X*
Jacqueline F. Woods	X		X*	X

\* Chairman

**Board Meetings and Committees**

The Board of Directors held five meetings in 2002. Each director attended 75% or more of the 2002 meetings of the Board of Directors and its committees except for Jacqueline F. Woods who attended three of the five Board meetings and both Compensation Committee meetings and Dr. Sidney A. Ribeau who attended four of the five Board meetings and one of the two Compensation Committee meetings. The Governance / Nominating Committee is a new committee in 2003; the previous Nominating Committee consisted of the entire Board of Directors and met as part of the normal Board of Directors meetings.

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**Audit Committee:** The Audit Committee, among other duties, reviews the internal audit and external financial reporting of the Corporation, reviews the scope of the independent audit and considers comments by the independent accountants regarding internal controls and accounting procedures and management's response to those comments. The Audit Committee met four times in 2002.

**Compensation Committee:** The Compensation Committee reviews and makes recommendations to the Board of Directors regarding salaries, compensation and benefits of executive officers and key employees of the Corporation and, under the Corporation's Amended and Restated Long Term Performance Compensation Plan, grants equity compensation to participants. The Compensation Committee met twice in 2002.

**Governance / Nominating Committee:** In 2003 the Nominating Committee was reconstituted as the Governance / Nominating Committee comprised solely of independent directors. This Committee recommends to the Board of Directors actions to be taken regarding its structure, organization and functioning, selects and reviews candidates to be nominated to the Board, reports to the Board regarding the qualifications of such candidates, recommends a slate of directors to be submitted to the shareholders for approval and conducts regular committee meetings without management being present. The Governance / Nominating Committee recommends the election to the Board of each nominee named in this Proxy Statement. The Governance / Nominating Committee will consider individuals recommended by shareholders as potential future nominees to the Board. The names of such individuals, together with a full statement of their qualifications, should be mailed to the Governance / Nominating Committee, care of the Secretary of the Corporation at 480 West Dussel Drive, Maumee, Ohio 43537.

**Director Compensation**

Directors who are not employees of the Corporation receive an annual retainer of \$20,000. The chairpersons of the Audit, Compensation and Governance / Nominating Committees each receive a retainer of \$3,000 provided he or she is not an employee of the Corporation. Directors may elect to take their annual retainer in cash, Common Shares, stock options on the Corporation's Common Shares or as deferred compensation.

Directors who are not employees of the Corporation receive a fee of \$1,000 for each Board Meeting and Annual Shareholders Meeting attended. Members of the Audit and Compensation Committees, including the chairpersons, who are not employees of the corporation, receive \$1,000 for each committee meeting attended. Members of the Governance / Nominating Committee, including the chairperson, will not receive the \$1,000 meeting fee unless a meeting is required on a day other than the day of a regular Board of Directors meeting. Participation in Board of Directors and Committee meetings by phone will be paid at a rate of one half of the regular meeting amount. Beginning in 2002, directors participating in telephone conference meetings with management that are not regularly scheduled Committee meetings, also receive a fee of the greater of \$500 or one half of the regular meeting amount.

Directors also receive an option grant on January 1 of each year based on the past year's performance. These grants vest after one year, expire in five years and are granted at the market price on the date of grant. Each director received a grant of 2,100 options on January 1, 2003.

Thomas Anderson, chairman emeritus, receives a payment of \$55,000 annually from the Corporation for business consulting and advisory services.

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**Audit Fees**

Following are the fees billed by PricewaterhouseCoopers LLP for professional services rendered to the Corporation for the year ended December 31, 2002:

Audit fees for the audit of the Corporation's financial statements for the year ended December 31, 2002 and the year 2002 quarterly reviews	\$ 375,170
Other fees	201,951
	<hr/>
Total	\$ 577,121
	<hr/>

**Audit Committee Report**

The Audit Committee of The Andersons, Inc. Board of Directors is comprised of three independent directors and operates under a written charter. The Audit Committee recommends to the Board of Directors the selection of the Corporation's independent accountants. The Board's appointment is then presented to the shareholders in the annual proxy statement for their vote.

Management is responsible for the Corporation's internal controls, financial reporting process and compliance with laws and regulations and ethical business standards. The Corporation's independent accountants are responsible for performing an independent audit of the consolidated financial statements in accordance with generally accepted auditing standards and for issuing their report. The Audit Committee is responsible to monitor and oversee these processes.

In this context, the Audit Committee has met and held discussions with management and the independent accountants. Management represented to the Audit Committee that the consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent accountants. The Audit Committee also discussed with the independent accountants matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees).

The Corporation's independent accountants also provided to the Audit Committee the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Audit Committee discussed with the independent accountants that firm's independence.

The Audit Committee has also reviewed the services provided by the independent accountants (as disclosed above under the caption "Audit Fees") when considering their independence.

Based upon the Audit Committee's discussion with management and the independent accountants and the Audit Committee's review of the representation of management and the report of the independent accountants to the Audit Committee, the Audit Committee recommended that the Board of Directors include the audited consolidated financial statements in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2002 filed with the Securities and Exchange Commission.

AUDIT COMMITTEE  
 David L. Nichols (chair), Donald L.  
 Mennel, Charles A. Sullivan

**Table of Contents****Share Ownership****Shares Owned by Directors and Executive Officers**

This table indicates the number of Common Shares owned by the executive officers and directors as of February 28, 2003. The table displays this information for the group as a whole, for each director individually and for the five most highly compensated executive officers.

Name	Amount and Nature of Shares Beneficially Owned as of February 28, 2003		Percent of Class (b)
	Options(a)	Aggregate Number Of Shares Beneficially Owned	
Dennis J. Addis	23,050	10,395(g)	*
Daniel T. Anderson	12,000	137,343	2.07%
Michael J. Anderson	161,832	133,128(c)	4.00%
Richard P. Anderson	174,542	338,025(d)	6.94%
Thomas H. Anderson	4,650	263,923(e)	3.72%
John F. Barrett	6,650	9,137	*
Paul M. Kraus	6,650	113,649(f)	1.67%
Donald L. Mennel	6,650	5,173	*
David L. Nichols	6,650	6,299	*
Harold M. Reed	43,100	9,600	*
Dr. Sidney A. Ribeau	8,457	3,140	*
Rasesh H. Shah	32,650	5,450	*
Charles A. Sullivan	6,650	25,244	*
Jacqueline F. Woods	5,650	5,914	*
All directors and executive officers as a group (21 persons)	634,733	1,245,900	23.98%

(a) Includes options exercisable within 60 days of February 28, 2003.

(b) An asterisk denotes percentages less than one percent.

(c) Includes 51,546 Common Shares held by Mrs. Carol H. Anderson, Mr. Anderson's spouse; 6,032 Common Shares held by Michael J. Anderson, Jr., Mr. Anderson's son; 6,532 Common Shares held by Laura J. Anderson, Mr. Anderson's daughter; and 6,532 Common Shares held by Colin J. Anderson, Mr. Anderson's son. Mr. Anderson disclaims beneficial ownership of such Common Shares.

(d) Includes 332,811 Common Shares held by Richard P. Anderson, LLC. Richard P. Anderson holds all options on Common Shares. Voting shares of the LLC are held 50% by Richard P. Anderson and 50% by Mrs. Frances H. Anderson, Mr. Anderson's spouse. Nonvoting shares are held 31.7% each by Mr. Anderson and Mrs. Anderson. Mr. and Mrs. Anderson's children hold the remaining nonvoting shares. Mr. Anderson disclaims beneficial ownership of such Common Shares.

(e) Includes 143,028 Common Shares held by Mrs. Mary P. Anderson, Mr. Anderson's spouse. Mr. Anderson disclaims beneficial ownership of such Common Shares.

(f) Includes 55,558 Common Shares held by Mrs. Carol A. Kraus, Mr. Kraus's spouse. Mr. Kraus disclaims beneficial ownership of such Common Shares.

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- (g) Includes 100 Common Shares owned by Jeremy Addis, Mr. Addis's son; 100 Common Shares owned by Jennifer Addis, Mr. Addis's daughter; and 100 Common Shares owned by Jonathan Addis, Mr. Addis's son. Mr. Addis disclaims beneficial ownership of such Common Shares.

**Share Ownership of Certain Beneficial Owners**

<b>Title of Class</b>	<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class</b>
Common Shares	Dimensional Fund Advisors, Inc. 1299 Ocean Avenue 11th floor Santa Monica, California 90401	366,147 shares	5.08%
Common Shares	Berno, Gamble & Barbee 1100 North Glebe Road Suite 1040 Arlington, Virginia 22201	495,780 shares	5.76%

**Compliance with Section 16(a) of the Securities Exchange Act of 1934**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires officers and directors to file reports of securities ownership and changes in such ownership with the Securities and Exchange Commission. In addition, persons that are not officers or directors but who beneficially own more than ten percent of Common Shares, must also report under Section 16(a). Copies of all Section 16(a) forms filed by officers, directors and greater-than-10% owners are required to be provided to the Corporation.

We have reviewed the reports and written representations from the executive officers and directors. Based on our review, we believe that all filing requirements were met during 2002, except for Dan Anderson filing a late Form 4 for transfers to him of non-voting shares of Richard P. Anderson, LLP.

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This section contains charts that show the amount of compensation (both cash and Common Shares) earned by the Corporation's five most highly paid executive officers. It also contains the performance graph comparing the Corporation's performance relative to our peer group of companies and the report of our Compensation Committee explaining the compensation philosophy for the Corporation's most highly paid executive officers.

**Summary Compensation Table**

Name and Position	Year	Annual Compensation		Long Term Compensation	All Other Compensation
		Salary	Bonus	Option Grants	(a)
Michael J. Anderson	2002	\$ 300,000	\$ 200,000	40,000	\$ 6,000
President and Chief Executive Officer	2001	325,000	75,000	35,000	5,100
	2000	328,750	125,000	40,000	5,100
Dennis J. Addis	2002	162,833	110,000	7,500	6,000
President	2001	152,000	80,000	6,000	3,990
Wholesale Fertilizer Division	2000	132,000	50,000	5,000	4,185
Daniel T. Anderson	2002	199,169	90,000	10,000	6,000
President	2001	195,715	6,000	14,000	5,100
Retail Group	2000	185,769	55,000	14,000	5,100
Harold M. Reed	2002	193,333	150,000	10,000	5,500
President	2001	185,000	160,000	14,000	3,100
Grain Division	2000	160,000	120,000	14,000	3,100
Rasesh H. Shah	2002	181,333	45,000	7,500	5,890
President	2001	178,000	15,000	10,000	5,100
Rail Group	2000	168,000	12,500	9,300	5,100

(a) Corporation's matching contributions to the 401(k) retirement plan and the deferred compensation plan.



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	2002 Individual Grants				Potential Realizable Value at Assumed Annual rates of Share Price Appreciation for Option Term (b)	
	Number of Securities Underlying Options Granted (a)	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price	Expiration Date	5%	10%
Dennis J. Addis	7,500	4.39%	\$ 10.00	1/1/07	\$ 20,721	\$ 45,788
Michael J. Anderson	30,000	17.55%	\$ 10.00	1/1/07	82,884	183,153
Michael J. Anderson(c)	10,000	5.85%	\$ 10.00	1/1/12	62,889	159,374
Daniel T. Anderson	10,000	5.85%	\$ 10.00	1/1/07	27,628	61,051
Harold M. Reed	10,000	5.85%	\$ 10.00	1/1/07	27,628	61,051
Rasesh H. Shah	7,500	4.39%	\$ 10.00	1/1/07	20,721	45,788

- (a) These options, granted on January 1, 2002, were 40% vested at the date of grant, 30% after one year and 30% after two years. Annual growth of 5% results in a share price of \$12.76 per share and 10% results in a price of \$16.11 per share for the five-year option term. See (b) for a discussion of these annual growth factors used in calculating potential realizable value.
- (b) Potential realizable value is based on the assumed annual growth of the Corporation's Common Shares for the option term. Actual gains, if any, on share option exercises are dependent on the future performance of the shares. There can be no assurance that the amounts reflected in this table will be achieved.
- (c) These options, granted on January 1, 2002, were 100% vested immediately and were taken in lieu of salary. Annual growth of 5% results in a stock price of \$16.29 per share and 10% growth results in a price of \$25.94 per share for the ten-year option term. See (b) for a discussion of these annual growth factors used in calculating potential realizable value.

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**Aggregated Option Exercises in 2002 and Year-End Values**

<b>Unexercised Options at Year</b>	<b>Value of In-the- Money Options at</b>
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