"NLPA has thrived 94 years through many industry changes due to its members’ willingness to adapt."

It has been an honor to serve as chairman of the National Livestock Producers Association this past year. Every time this group of people involved in the livestock industry have an opportunity to meet, I come away very humbled. I truly feel that anyone sitting around our board table could step into the chairman’s seat and the organization would not skip a beat. The caliber of management that is in place at our various member entities continues to be outstanding, and the board members are to be commended for their diligence in keeping good people at the top of their organizations. The leadership of our various marketing associations and credit corporations continue to make sure our members have access to the best in livestock services. Successful marketing, credit availability, and risk management have never been more important than they are now. I am confident that NLPA’s member organizations will continue to do everything they can to make our industry viable no matter what outside forces come to bear.

While talking about leadership, I would be remiss if I did not mention the banner year our CEO, Scott Stuart, and his staff have had facilitating some very important livestock industry events. One of the most daunting and complex events was the Global Conference on Sustainable Beef held in São Paulo, Brazil this past November. This event brought together more than 280 participants from 21 different countries, and nearly 50 members of the press. I know the NLPA staff overcame many challenges to get this event organized for the Global Roundtable for Sustainable Beef (GRSB). It is a long way from Colorado Springs to São Paulo. I recently received a letter written by Cameron Bruett, the current GRSB President, in which he stated, “I want to report how pleased our organization is with the exemplary performance and service provided by Mr. Scott Stuart and the entire NLPA staff. This entire year, Scott has been very responsive to all our needs. He and his staff are prompt in addressing issues, professional in managing challenging situations and always available – day or night, weekday or weekend. He provides valuable suggestions and guidance without imposing his own agenda on our Roundtable. His manners and presence are impeccable and provide a great standard for GRSB to draw upon for years to come.” Besides Scott and the staff who were present to facilitate this event, fellow board member and former NLPA chairman, Jack Hanson from Tri-State Livestock Credit Corporation represented NLPA as a delegate to this conference. I would like to thank Jack for his contribution of both time and talent while attending this event.

NLPA will be going into its sixth year in 2015 of managing conferences, gathering sponsorships and providing management services to the National Institute for Animal Agriculture (NIAA). A very successful Annual Conference was held this past April in Omaha and a 4th symposium in Atlanta continuing the work of previous symposia in dealing with issues related to antibiotic use in animal agriculture and how it relates to human health. This symposium was one of the most successful so far. Hats off again to the NLPA staff for putting together a great event. NLPA continues to have representation on the NIAA executive committee and board provided by former chairman and fellow board member Stan Mannscheck from National Livestock Commission Association. Thank you, Stan, for your contribution.

The Beef Checkoff Program has generated a considerable amount of discussion this past year. NLPA has been, and continues to be, part of the Beef Checkoff Enhancement Working Group that has spent many hours since 2011 working to enhance the Beef Checkoff in terms of industry representation and financial soundness. We have also been involved from the contractor side, using checkoff dollars to promote our product. Stan Mannscheck, Scott Stuart, and Chuck Adam from Equity Cooperative Livestock Sales Association in Baraboo, Wisconsin have done a fine job representing NLPA in the discussion and dealing with this often thorny issue and the challenges it presents. NLPA Vice-chairman Doug Hauser and I, along with Scott and Stan had the opportunity to sit down with the current Cattlemen’s Beef Board leadership to discuss our members’ viewpoints on this issue. I think some groundwork was laid for future collaboration that can be beneficial to members of both organizations. I am proud that NLPA continues to further the interests of animal agriculture without becoming political in the process… something we have been working at for over 90 years.

The NLPA Sheep & Goat Fund continues to be an important part of our member services. Although loan demand has not been at the level of past years, it still provides a source of credit that members would not have otherwise. The current low interest rate environment we are in has presented some added competition for loan customers. The Sheep & Goat Fund is working to remain competitive as a source of funds for its producers. Through a partnership with the American Sheep Industry Association, up to $2 million has been allocated for 5 year term production loans that can be used to purchase ewes and rams. Additionally, over $39 million has revolved through the Sheep & Goat Fund’s original loan program as of our January 2014 meeting. We continue to value our relationship with ASI in serving this segment of the livestock industry.

The livestock industry is experiencing some record profits as of this writing. We will soon find out how sustainable this cycle will remain. I am confident that our member organizations will remain just as important no matter what part of the cycle we find ourselves. NLPA has thrived 94 years through many industry changes due to its members’ willingness to adapt. We will continue to seek out ways to enhance the livestock industry and NLPA. The Graduate Management Institute that was started in 2013 is a fine example of NLPA doing what it takes to keep its member organizations strong. I am proud that former and current member management leaders are willing to share their expertise with our leaders of the future. These institutes provide the same valuable function as our NLPA gatherings… a chance to share ideas, share successes and failures, and discuss industry issues. Hopefully, the end result is a more connected and vital livestock services business that will continue to survive and thrive.

Thanks again to our member organizations for your outstanding service to the livestock industry. Thank you to the NLPA staff for making our organization an entity that goes about the business of promoting animal agriculture in a respectful, well-reasoned manner. I appreciate your competence and could not be more proud to be associated with each and every one of you!

Sincerely,

Gary Smith

Gary Smith

CHAIRMAN’S REPORT 2014
LEADERSHIP

BOARD OF DIRECTORS

Cooperative Credit Company
Sioux Center, Iowa
Mark Finck, Rock Valley, Iowa
Van Veldhuizen, Sioux Center, Iowa

Empire Livestock Marketing, LLC
Syracuse, New York
William (Bill) Beeman, Syracuse, New York
Leon Graves, Syracuse, New York

Equity Cooperative Livestock Sales Association &
Equity Cooperative Livestock Credit Corporation
Baraboo, Wisconsin
Chuck Adami, Baraboo, Wisconsin
Les Danielson, Cadott, Wisconsin

National Livestock Commission Association
Oklahoma City, Oklahoma
Jim Reynolds, Oklahoma City, Oklahoma

National Livestock Credit Corporation
Oklahoma City, Oklahoma
Robert York, Oklahoma City, Oklahoma

Producers Livestock Credit Corporation
Omaha, Nebraska
Tim Meyer, Omaha, Nebraska
Mack Woodard, Trenton, Missouri

Producers Livestock Marketing Association
N. Salt Lake, Utah
Rick O’Brien, N. Salt Lake, Utah
Les Peterson, Eaton, Colorado

Producers Livestock Marketing Association
Omaha, Nebraska
Rick Keith, Omaha, Nebraska
Gary Smith, Glenwood, Iowa

Tennessee Livestock Producers
Columbia, Tennessee
Darrell Ailshie, Columbia, Tennessee
Lacy Upchurch, Columbia, Tennessee

Tri-State Livestock Credit Corporation
Rancho Cordova, California
Jack Hanson, Susanville, California
Germana Silva Suderman, Rancho Cordova, California

2014 EXECUTIVE COMMITTEE

Gary Smith, Chairman of the Board
Producers Livestock Marketing Association
Omaha, NE

Doug Hauser, Vice-Chairman of the Board
National Livestock Credit Corporation
Kingfisher, OK

Chuck Adami
Equity Cooperative Livestock Sales Association
Baraboo, WI

Darrell Ailshie
Tennessee Livestock Producers, Inc.
Columbia, TN

William (Bill) Beeman
Empire Livestock Marketing, LLC
Syracuse, NY

Jack Hanson
Tri-State Livestock Credit Corporation
Sarasvile, CA

Rick O’Brien
Producers Livestock Marketing Association
N. Salt Lake, UT

NLPA MANAGEMENT AND STAFF

R. Scott Stuart
President, Chief Executive Officer

Mona Wolverton
Operations Manager

Bobbie Williams
Brokerage

Polly Welden
Communications

LIVESTOCK MARKETED BY NLPA MEMBERS
from October 1, 2013 to September 30, 2014

<table>
<thead>
<tr>
<th>ORGANIZATION</th>
<th>LOCATION</th>
<th>CATTLE</th>
<th>SWINE</th>
<th>SHEEP/GOATS</th>
<th>TOTAL</th>
<th>GROSS</th>
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<td>Syracuse, NY</td>
<td>251,534</td>
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<td>2,314,179</td>
<td>1,072,442</td>
<td>121,630</td>
<td>3,508,251</td>
<td>$2,934,409,971</td>
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PRODUCERS COMMODITIES, LLC

Producers Commodities LLC specializes in assisting livestock producers in developing risk management strategies using futures, options, forward contracting and OTC derivatives. Producers Commodities LLC is registered with the Commodity Futures Trading Commission and the National Futures Association as an Independent Introducing Broker and has clearing relationships with FCMStone, Inc. and RJ O’Brien, Inc. in Chicago, IL.

Home Office:
Colorado Springs, Colorado (800) 237-7193

Branch Offices:
Baraboo, Wisconsin (608) 362-3899
Sioux City, Iowa (712) 831-5936
In 2000, the National Livestock Producers Association Sheep & Goat Fund Committee made its first loan to the industry. Currently the Fund has 27 loans to 23 entities in 15 states. The Fund began with $14 million and has since revolving more than $40 million into sheep and goat related projects. The Fund can be used many ways, including: purchasing land or equipment, renovations, implementing weed control, fire protection, predator control, and breeding and genetics programs. The Fund can also be a valuable tool in restructuring current financial packages to help secure longer term, fixed rate loans that may otherwise be unavailable.

NLPA and its members lend the program extensive credit experience with a focus on agriculture and the ability to service loans nationwide, often using local lenders. NLPA works closely with industry leaders who possess an in-depth understanding of the sheep and goat industries and their credit and operational challenges. The Fund is delivered through either direct loans or loan guarantees -- grants are not available through this program. Funds are available to qualified applicants at a competitive interest rate.

During 2014, the Fund, in concert with the American Sheep Industry Association (ASI) rolled out a new Flock and Herd Expansion loan program through which producers may borrow funds to increase the size of their flock. Through a term loan product and mentoring opportunities, existing and new producers are able to secure needed financing to grow the numbers of sheep and goats available in the U.S.

The applications, descriptions of funded projects, news, industry links and a downloadable presentation are available at SheepandGoatFund.com.

Livestock marketing and credit requires a high degree of management expertise. The many facets of serving livestock producers require special skills that must be developed and honed. From financial management, to human resource management, to fully understanding the regulatory environment in the industry, it is imperative that professionals continue to develop their skills.

The NLPA Graduate Institute of Management is a series of training and educational modules that provide invaluable resources to those individuals within the NLPA membership who will be tomorrow’s leaders in livestock marketing and credit. During 2014, the Graduate Institute of Management graduated 20 future leaders from within the NLPA membership.
COMMODITY CREDIT COMPANY JOINS NLPA

NLPA was pleased to welcome Cooperative Credit Company, Inc. to its membership during 2014!

Cooperative Credit Company (CCC), based in Sioux Center, Iowa, was formed by Midwestern cooperatives to provide capital to their farmer-customers, and help them meet the needs and challenges of today's agriculture. CCC has since developed into one of the fastest growing agricultural finance companies in the Midwest, with a current loan volume in excess of $80 million.

CCC has positioned itself to meet producer needs and to be a strong, vital force in the agricultural economy. CCC is unique—its credit resources are offered to producers only through sponsoring elevators, for products and services purchased from those elevators. Within this structure, producers have access to a strong, sound financing company with revolving credit facilities to underwrite their production, expansion, facilities and operating needs.

CCC's leadership and management is very strong and will bring a great deal of experience and talent to the NLPA Board of Directors!

LIVESTOCK MARKETING ORGANIZATIONS

Empire Livestock Marketing, LLC
P.O. Box 4844 / 5001 Brittonfield Parkway
E. Syracuse, New York 13221
Phone: 315-433-9129
Fax: 315-431-1328
Website: EmpireLivestock.com
Email: info@EmpireLivestock.com

Equity Cooperative Livestock Sales Association
401 Commerce Avenue
Baraboo, Wisconsin 53913-8100
Phone: 608-356-8311
Fax: 608-356-0117 or 608-356-7999
Website: EquityCoop.com
Email: Mailbag@EquityCoop.com

National Livestock Commission Association
2501 Exchange Avenue, Room 102
Oklahoma City, Oklahoma 73108
Phone: 405-232-3128
Fax: 405-232-2601
Website: NationalLivestock.com
Email: KConway@NationalLivestock.com

Producers Livestock Marketing Association
P.O. Box 540477 / 4809 South 114th Street
Omaha, Nebraska 68145-0978
Phone: 402-597-9189
Fax: 402-597-9505
Website: ProducersLivestock.net
Email: Deb@PLMCoop.com

Tennessee Livestock Producers, Inc.
147 Bear Creek Pike / P.O. Box 313
Columbia, Tennessee 38402-0313
Phone: 931-388-7872
Fax: 931-840-8689
Website: TennesseeLivestockProducers.com
Email: TLP@TFBF.com

LIVESTOCK CREDIT ORGANIZATIONS

Cooperative Credit Company
128 Third Street NW
Sioux Center, Iowa 51250-1867
Phone: 800-681-1975
Fax: 712-722-1212
Website: CooperativeCredit.com

Equity Livestock Credit Corporation
401 Commerce Avenue
Baraboo, Wisconsin 53913-8100
Phone: 608-356-8311
Fax: 608-356-0117
Website: EquityCoop.com
Email: Mailbag@EquityCoop.com

Producers Credit Corporation
P.O. Box 45978 / 4809 South 114th Street
Omaha, Nebraska 68145-0978
Phone: 402-597-9189
Fax: 402-597-9505
Website: ProducersLivestock.net
Email: TMeyer@PLMCoop.com

National Livestock Credit Corporation
2501 Exchange Avenue, Room 103
Oklahoma City, Oklahoma 73108
Phone: 405-232-3128
Fax: 405-232-2288
Website: NationalLivestock.com
Email: Mail@NationalLivestock.com

Tri-State Livestock Credit Corporation
2880 Sunrise Boulevard, Suite 224
Rancho Cordova, California 95742
Phone: 916-570-1388 or 800-778-8734
Fax: 916-570-1389
Website: Tri-StateLivestockCredit.com
Email: info@TSLCC.com

National Livestock Producers Association
13570 Meadowgrass Drive, Suite 201, Colorado Springs, Colorado 80921
Ph: (719) 538-8843, Toll-free: (800) 237-7193, Fax: (719) 538-8847, Web: nlpa.org, Email: nlpa@nlpa.org