

Beef bites:

- The Wisconsin Grass-fed Beef Coop now has **119 members**.
- **New Contracting opportunity**—see page 5.
- *WGBC is actively seeking members who produce high quality grass-fed beef according to our protocol requirements. We are expanding and plan to establish regions of producers all across the state who will supply local restaurants, markets, and foodservice customers in their local area..*
- **Invest in YOUR Co-op's future! WGBC Class B stock is still available at \$100 per share.**

Co-op Number:

1-800-745-9093

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Producer Profile – Jason & Anna Gough

by Kevin Moore, Board Member



Driving into the yard of Cottonwood Farms I see oldest son Riley age 12 learning to mow the lawn on a John Deere mower. Calvin age 10 and George 7 are taking turns swinging in a tire suspended from a long rope in the branches of one of the farms signature cottonwood trees. For the last 8 years, this beautiful farm at the end of a dead end road in southern St Croix County has been home for Jason and Anna Gough, their 3 sons and a large German Shepherd named Bruno.

Jason and Anna were living in northeast Minneapolis and looking for some land when Anna's father, Don decided to semi-retire from farming. Don had retired early and has been raising beef for over 20 years. Jason and Anna moved back to the farm

where she grew up with her brother and sister to help with the operation. Jason described their operation as a little bit of a hybrid. Don runs the cow/calf operation with 44 cows calving this year. Jason and Anna are finishing 10 steers purchased from her father this year with 9 of them destined for the Co-op. Anna commented "It's really fun to be out here and know the cows and see how they grow and see their body frame and how they milk and when their calves are born and have all that information when we pick our steers". The two operations are separate but they do all their hay production together and Jason and Anna handle the winter chores while her parents winter in Arizona. They share the rest of the work and Jason said "It is nice to have an experienced hand on board that we can ask when there is trouble".

The farm consists of 280 acres of pasture and hay with very little woods. Jason and Anna own 60 of the acres and the rest of the land is rented from her siblings. Their herd is predominately Red Angus with one Hereford bull mixed in. Some of the older cows have traces of Simmental and Limousin but they are being culled out. Jason said "We are still trying to find that sweet spot of how many animals we can raise and maintain without buying hay and stressing our pastures."

Before the couple joined the Co-op, they were interested in raising their own beef and they knew they wanted to raise grass fed. Anna said "We looked into being certified organic but we are more interested in the ethics side of things than the organic side of things. We really wanted a connection where we could produce what we wanted to produce and have it handled the way we want it to be handled start to finish. We looked through a few different avenues and the coop seemed to be the most straight forward and ethically aligned with what we wanted to do." Anna and middle son Calvin toured Johnson's facility before making their first shipment.

Jason is an Arborist and Operations Manager at Premium Tree Protection, a private tree care company in the Twin Cities. Anna is a substitute teacher and is finishing a Masters in Elementary Education at UW-River Falls.

WGBC General Manager's Update - Q2 2014

It is a great time to be a member of the Wisconsin Grass-fed Beef Cooperative!

Improved distribution, strong sales and consistent profitability have allowed us to continue to pay our producer members significant and consistent premiums vs the conventional market. We are currently paying our producers a base price of \$2.70 per lb hanging weight. That's up over 15% from this time last year. Year to date, sales are up 39% vs 2013, and up 47% for the second quarter vs the same time last year. Despite our premium producer pay price vs the conventional market, we are still short of the cattle that we need to fully supply demand and continue our rapid growth. We are counting on you, our producer owners to fill that gap. You own the cooperative, and the cooperative needs your cattle. If you know of any grass-fed beef producers who could qualify for the Co-op, please have them contact Pete Prochnow for more information.

In April we conducted a successful trial of marketing grass-fed lamb, and will repeat that again in September.

With the coming of summer, we our all beef hot dogs and brats, with organic spices and no nitrates or MSGs are back to high sales levels. The significant growth in the second quarter vs 2013, was driven largely by the pipeline fill of a new Outpost store in Mequon, WI. Outpost remains our largest customer and key cooperative partner.

Other highlights over the past few months include multiple product promotions and brat launch/sampling events at all three Metcalfes and Outpost store locations. We attended the Wisconsin Restaurant Association trade show in Milwaukee and were featured at the REAP "Burgers and Brew" event at Capital Brewery in Madison. Consumers want to know where their food comes from. The connection to producers, who tell the story behind our product, is highly valued by our customers and consumers alike. Such events are critical to helping maintain sales growth and increase awareness of our brand, however we are very short of volunteers. If you are willing to consider supporting such an event, and helping your co-op grow, please call me and I will add you to the list of potential candidates. Actual events dates will vary, but can often be scheduled around your availability and can be booked individually.

Many of our current customers were referred to us by friends or members of the co-op and we need your help to continue to grow. If you know of anyone who would like to enjoy Wisconsin Meadows Brand 100% Grass-fed Beef, please have them contact me at sales@wisconsingrassfed.coop or call 608-451-2861.

Rod Ofte – General Manager, WGBC - 608-451-2861

Message from the Board

When you received our last newsletter, we were still in the icy grips of a very long winter. Warm temps and abundant rain have really turned things around. Pastures and crops are growing well and hopefully your new calves are too.

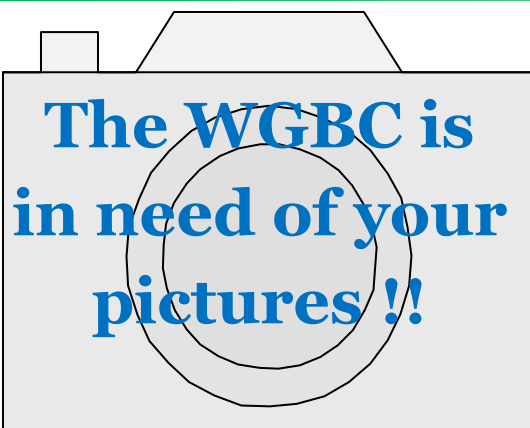
Your Co-op operations team and board of directors have been busy this spring. We've tackled a few items that needed to be addressed to allow us to continue to grow and return a premium price to our members.

First, we needed to address our perennial problem of a very lean cattle supply in the late winter, early spring timeframe. We modified our previous contracting program to encourage producers to bring on and/or retain heavy feeders in the summer to be finished in Jan – April of 2015. All members should have received the information packet regarding this program from Pete within the last few weeks. Please give serious consideration to participating in this program. With a guaranteed price floor, you should be able to quickly determine if it makes sense to purchase or retain feeders based on current prices and your local forage supply/costs.

Second, you've asked us to provide some clarification to our protocol. We've done that and are just finishing up with the review process. The updated protocol should be in your hands shortly. Thank you to all members who have provided input on this over the years.

Lastly, based on customer demand, we are laying out a plan to begin a limited weekly delivery. Many times, due to our every other week delivery, some of our larger retailers had empty space in the meat case where our product belongs. That doesn't do either of us any good and actually opens the door for the competition. So we will be running a trial in the near future to determine how we can fill this need while keeping our costs in line. This has the potential to generate additional growth for us yet this year. We'll keep you posted on the progress.

As always, if you have any questions or comments for the board, please don't hesitate to contact any one of us. Our contact information is on the back page of this mailing. Thank you for your continued support of our Co-op.



Especially ones with the farm family in it, and some "action shots" on the tractor/ATV, moving cattle, putting up fence, etc. What we may think is boring everyday stuff is quite exotic and interesting to the non-farming public! Also any wildlife shots would be good, to emphasize the ecology angle of grazing.

Your photos (with acknowledgement) will be used on the website and for promotional flyers promoting the WI Grass-fed Beef Co-op.

You can forward them via email to Mandy McGee at driftlessdells@aol.com. Or if you have actual photo prints, she can scan and mail back. Her mailing address is on the back page. Thank you!

WGBC Production Report & Contracting

Dear Producer Members,

As we all catch up with this year's late developing growing season it is important to keep thinking ahead. Optimism rises around the improved nutritional resources available for our grazing animals. So far, forage production and the harvest season looks good and will hopefully present opportunities to stockpile pasture and stored feed alike. With so much happening, it is easy to put off marketing plans for finishing beef animals and/or marketing calves depending on individual farm operational plans.

We simply ask you take a few minutes to consider your marketing plans and send an email or give me a call to share your plans. Our producer pay prices are keeping pace with the current historically high beef prices so there is little reason to delay planning sales. As we progress through summer and fall there is often an increase in animals to market – the further ahead we know our supply picture we can work to develop demand opportunities for your animals and return premium prices to your our member producers.

Also, a significant number of producer members are actively purchasing calves to graze and/or feed to finish. Again, you can contact me or utilize the WGBC website to post what you might have for sale or are interested in buying – a no cost effective way to network and make connections.

I look forward to hearing from you. Thank you. Pete Prochnow 920-210-9177

The Wisconsin Grass-fed Beef Cooperative's (WGBC) primary focus is marketing producing member's finished cattle. This focus includes soliciting orders from our customers, buying cattle, organizing processing, coordinating orders and delivery of fresh beef products year round.

The WGBC's mission is to provide our member owners a consistent premium price for 100% grass finished cattle. Our premium versus the conventional market usually runs around 20% and is compared monthly to the USDA Choice/Select pricing report. (<http://www.ams.usda.gov/mnreports/lswwklyblue.pdf>) Any significant changes result in the board of directors voting on a price adjustment.

One of the WGBC's biggest challenges is scheduling cattle shipments to supply the demand of our customers. We can't sell beef that we do not have, and we can't ship more beef to the processor than we have immediate demand for. Customers will not partner with us if they cannot count on consistent supply. This balance requires constant communication so that you can ship your cattle when they are properly finished and the Co-op can have the ability to ensure a market for them.

As our Co-op grows, it is essential that our members become more active in planning and scheduling shipments of their cattle. In order to properly plan demand, we ask you to plan shipments 3 or more months in advance.

Continued on page 5

WGBC 2015 Contract and Pricing Protocol

WGBC 2015 Winter/ Spring Contract Incentive Program

Each year, around Jan thru April, we experience a dangerously low supply of cattle. There are many natural reasons for this, but the result for the WGBC is lost sales opportunity and the risk of substandard product being delivered to the market which puts our business and brand at risk. To help improve this issue, the WGCB is offering a contract premium to those producers who are willing or able to commit to delivering finished animals during that time frame.

Premiums offered are as follows:

Jan-Feb Delivery: Guaranteed base price of \$2.75/lb hanging weight

Mar Delivery: Guaranteed base price of \$2.80/lb hanging weight

Apr Delivery: Guaranteed base price of \$2.85/lb hanging weight

Contracting requirements:

The WGBC will take commitments for up to 50 hd per month during the Jan-Apr timeframe. If a month is filled, no additional contracts for that time period can be written.

All cattle must meet the standard of the WGBC grass-fed protocol.

Contracts are offered on a first come, first serve basis.

Commitments must be signed and received no later than Oct 31st 2014. Confirmation to those accepted will be sent via e-mail. If you do not get confirmation, do not assume your contract has been accepted.

Delivery by the producer **MUST** be made during the timeframe committed in order to receive the premium. Delays may be allowed if approved by the WGBC due to business/supply situation.

Delivery will be to the processor designated by the WGBC

Should the base price increase in the time between contracts, the producer will receive the higher of the two.

If you are contemplating the financial return of keeping feeders over the winter, please see attachment A which explains potential returns. Note, any change in the assumptions, (positive or negative) can result in significantly different outcomes.

To initiate a contract, please contact Pete Prochnow (920-210-9177)

WGBC 2015 Contract and Pricing Protocol

Contracting Financials

WGBC Contract Finishing Program	Cattle purchased June-Aug for delivery Jan-Apr 2015
Cost per cwt	\$1.70
Weight of calf	700
Total cost - calf	\$1190
Finished weight	1,200
Average wt from weaning to finish	950
ADG (Average Daily Gain) Lbs	2.25
Days from wean to finish	222
Daily DM (Dry Matter) intake	3.0%
DM total wean to finish (tons)	3.2
Cost of harvested forage*	\$80
Yield DM per acre - harvested forage	3.5
Storage/feeding waste - harvested forage	15%
Cost per ton of DM consumed	\$94
Cost per acre of pasture*	\$60
DM yield Available - Pasture	4.5
Waste on pasture	25%
Cost per ton of pasture DM consumed	\$18
Average of cost of DM pasture and hay.	\$56
Total cost of farm-grown feed in finishing phase	\$177
Purchased feed	\$50
Non-feed cost	\$107
Total cost	\$1,524
Price per pound	\$2.80
Total Revenue	\$1,949
Margin \$	\$425
Acres needed/head (pasture and harvested forage)	1.0
Return per acre	\$426



**Wisconsin
Grass-Fed Beef Cooperative**

PO Box 945
Elkhorn, WI 53121

Return Service Requested

*Where the grass is greener
and the beef is leaner!*

General info: info@wisconsingrassfed.coop or

call **1-800-745-9093**

Member assistance:

production@wisconsingrassfed.coop

Wholesale sales: sales@wisconsingrassfed.coop



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