



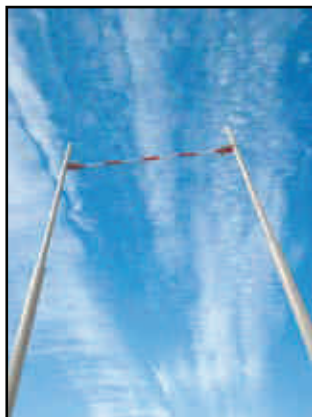
The Point



Raising the bar

Gary Smith, general manager

NorthStar will distribute a record amount of patronage to common stockowners as a result of our fiscal 2008 sales success. In fact, the bar has been raised for coming years as nearly every performance area measurable reached new company records. As a result, common stockowners will receive an 8.3 percent return on their purchases, of which 50 percent (\$435,000) will be distributed in cash. Additionally, preferred stockowners will enjoy a distribution of .57 cents per share, which totals over \$21,000 in dividends.



NorthStar's consolidated sales and service revenues climbed 18.5 percent to a new level of over \$21 million. Many factors played a role in this success including providing quality products and services, new technologies, as well as satisfied customers and stockowners. Certainly a more knowledgeable field staff was also a key ingredient, which is the direct result of our new focus towards employee development and training. The good dairy economy also played a role; but it took more than just that to reach these record levels.

New technologies created many opportunities for growth. Our shared leadership through Select Sires to develop the highest quality, most reliable "sexed" semen product definitely impacted the market and our bottom line. This combined with advancements in bull collection to produce more *gender* SELECTed™ semen allowed our field personnel to capture a larger share of the market. *gender* SELECTed sales grew to 51,454 units, an 80 percent increase over last year. Additionally, advancements in collection processes for conventional semen, combined with industry leading genetics, enabled us to reach a new record of 806,948 units sold. This 9.7 percent increase in unit sales was possible because of the focused expansion efforts in reproduction services through the addition of several new reproduction specialists.

A dedicated team effort by our DHI Services personnel resulted in 5.4 percent more cows on test compared to last year, helping us to reach over 2.5 million cows tested for the year. Both of our milk processing labs turned-in banner years analyzing 2.7 million samples in total. These successes were accomplished while maintaining record turnaround times within the industry. In addition, we expanded our involvement with data collection through a cooperative project including AntelBio and Select Sires to verify animal identification.

The joint efforts of all our field personnel had a tremendous impact on sales of ag products. This past year sales increased over \$430,000, allowing us to reach another milestone of more than \$2.3 million in sales.

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New web site launched

NorthStar Cooperative has a new web site. With a focus on ease of use the home page has several changes including links to the most often viewed pages, as well as a "What's New" section to keep visitors aware of what's new or changing with products, services and technologies. New information has also been added to the site including an "Events" calendar which lists upcoming NorthStar meetings and workshops, as well as key industry events.

The NorthStar web site will continue to undergo updates to ensure that the site is even more useful to visitors. Take some time and visit northstarcooperative.com to see what's new.

Change in semen extender

For more than five

years, Select Sires has been evaluating the use of a milk-based semen extender. After careful analysis the decision has been made to begin using this milk-based semen extender, which Select Sires feels will provide a higher quality product to producers.

The recommendation for thawing and handling semen remains the same as what producers have been used to for more than 35 years (thaw in 95°F water for 45 seconds and protect from environmental temperature changes). The only difference producers may notice is the color of the semen—white, rather than yellow. ★

Enhancing producer profitability through integrated services.