



The Point



We're in it for you!

Gary Smith, general manager

"We are committed to providing premiere products and services which will enhance your profitability both today and in the future."

The dynamics of the agriculture industry in 2009 are much different than the previous two years. Low milk prices and high input costs have drastically affected your operations and NorthStar Cooperative has experienced a trickle-down effect as well.

Considering today's environment we feel fortunate for the solid financial position NorthStar Cooperative is in. The average price of products and services for this year is substantially lower when compared to previous years; decreasing operating profits. While some of the decline is a result of what's happening due to the agriculture economy; much of it is the outcome of strategies the board of directors and staff implemented to increase your buying power.

We implemented strategies as early as last November when the board of directors approved offering a 5 percent year-end pre-payment program. This program allowed customers to pre-pay on future purchases while earning an additional 5 percent in buying power. The program was well received with record participation and as a result NorthStar credited an additional \$25,569 to customer accounts.

Being in a strong cash flow position, the board of directors approved a 50 percent cash payout on the \$861,000 of patronage issued to common stockowners. Again, trying to maximize customer buying power, while emphasizing the value of ownership, an additional 5 percent incentive was offered to stockowners who returned the cash portion of patronage to NorthStar to be applied to their account for future purchases. This program was also well received and the Cooperative applied an additional \$11,711 to stockowner accounts as a result of the 5 percent incentive.

Throughout the year each business unit has made changes to best meet the needs of customers while providing affordable, premier products and services. In the A.I. business unit, a progressive stance has resulted in lower prices on the majority of the sires in our lineups; while the DHI business unit is offering unique, alternative solutions such as different test day intervals; testing programs and unique management reports.

While our traditional business units are holding their own, we are pleased with AntelBio's continued growth in sample volume and revenues. Clearly the affordability of testing for Johne's, leukosis and BVD in milk compared to traditional methods is driving producers and veterinarians to switch to DHI milk samples for herd health analysis.

We feel good about the strategies we have implemented that give you, our customers, more buying power, while meeting your herd's production, reproduction and herd health goals. We are in it for you and are committed to continuing to provide premiere products and services which will enhance your profitability both today and in the future. ☆



Scholarship deadlines near

NorthStar Cooperative offers scholarships for post high school study in the field of agriculture for stockowners and their children.

Up to three \$500 scholarships will be awarded. Application deadline is **October 1, 2009**. Scholarship guidelines and an application can be obtained online at northstarcooperative.com.

National DHIA also offers scholarships for DHI users, their family members or employees. Several \$500 scholarships are awarded annually at the NDHIA annual meeting in March. An application can be obtained on line at ndhia.org. Completed applications must be emailed by **October 15, 2009**.

Winners for both scholarships will be announced in March 2010.



Enhancing producer profitability through integrated services.