

# Consolidated Beef Producers

**“To Optimize Value by Enhancing Beef  
Production and Marketing in an  
Ever Changing Marketplace.”**



# CBP History

- Formed in April 2000
- Non-Profit Agricultural Marketing Cooperative
- 130 Members
  - 106 Feedyards
  - 24 Feeders
- Twelve-Member Board of Directors



# Why Sell Through CBP?

- We market cattle to 4 packers plus other small ones.
- Better feel for market.
- Know what packer is best suited to certain types of cattle.
- Time Management – Feedlot manager can concentrate on feedlot production not on markets.
- Leverage – Manage market power.



# What do we bring to the table?

- We look at cattle and work with members on what cattle to sell grid vs. cash vs. in the beef and help match cattle to the appropriate plant.
- Participation of all buyers in the marketplace.
- Contact with head buyers gives us an advantage in selling quantity to several different locations (collective bargaining).



# What do we bring to the table?

Continued.

- We have a large database of information and carcass data by feedyard and CBP as an aggregate.
- Experience and knowledge.
- Current Market Situation: We have the best opportunity since we began to add value to our services.



# CBP Staff Members

## **Lanny Binger**

### *General Manager*

- ★ Retired from Excel Corp., A Cargill Foods Company in 1999 as senior vice president of sales and procurement after 30 years of service.
- ★ Responsible for cattle procurement/feeding, all beef sales and scheduling of beef processing in Excel's plants.
- ★ Started with Excel (formerly Missouri Beef Packers) in 1969 as a cattle buyer based in Amarillo.
- ★ Prior to his career with Excel, he was with Armour and Co. for 10 years in South Dakota.

## **Dan Mercer**

### *Director of Marketing*

- ★ IBP Cattle Buyer for 23 years.
- ★ Intermittent experience in running IBP's cattle procurement for 2 years.
- ★ Extensive experience in lining up and matching cattle to different grids.

## **Casey Bradshaw**

### *Director of Marketing*

- ★ Excel Cattle Buyer in Nebraska.
- ★ Extensive knowledge working with value-based grids.



# CBP Staff Members

## **Heather Peoples**

### *Executive Assistant*

- ★ Analyst for the Food and Agricultural Education Information System (FAEIS) at Texas A&M.
- ★ Extensive computer skills and excellent communicator.
- ★ Bachelors & Masters in Agribusiness from Texas A&M University.

## **Tracy Dowty**

### *Director of Business Development*

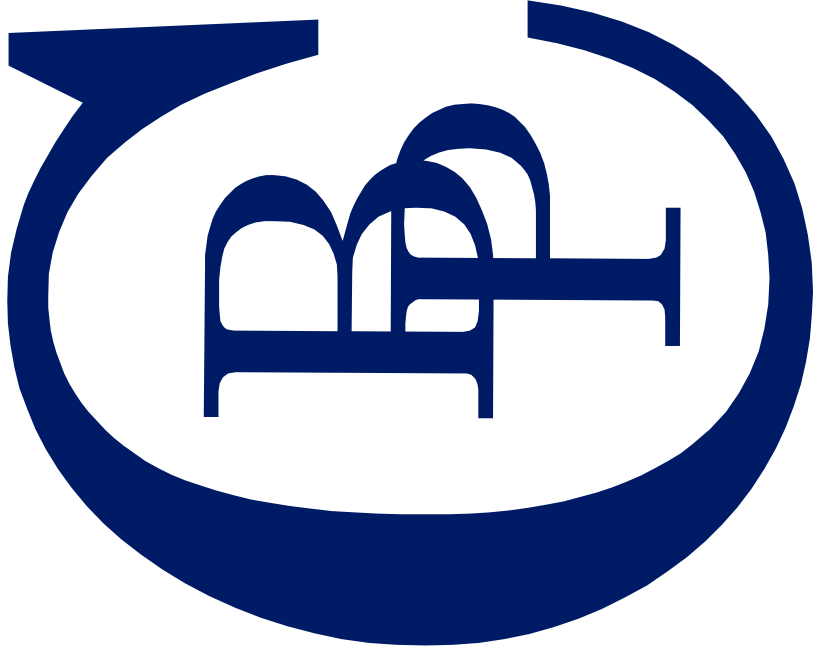
- ★ Economic Consultant for the Halliburton Energy Services Group.
- ★ Competition Branch Economist for the Packers & Stockyards Administration.
- ★ Economic Analyst for Excel Corp. in Wichita, KS.



# Goals

- Differentiate ourselves.
- Leverage to balance market power.
- Work with retailers and others on branded products.
- Look at the majority of the cattle on our showlist each week.
- Match cattle with the right packer and programs.
- To become excellent in the area of cattle performance analysis and feedback.
- Expand to other regions when conditions and timing present themselves.
- Work towards exclusion of CBP negotiated prices from plant average marketing agreements as a term of trade.





Consolidated Beef Producers

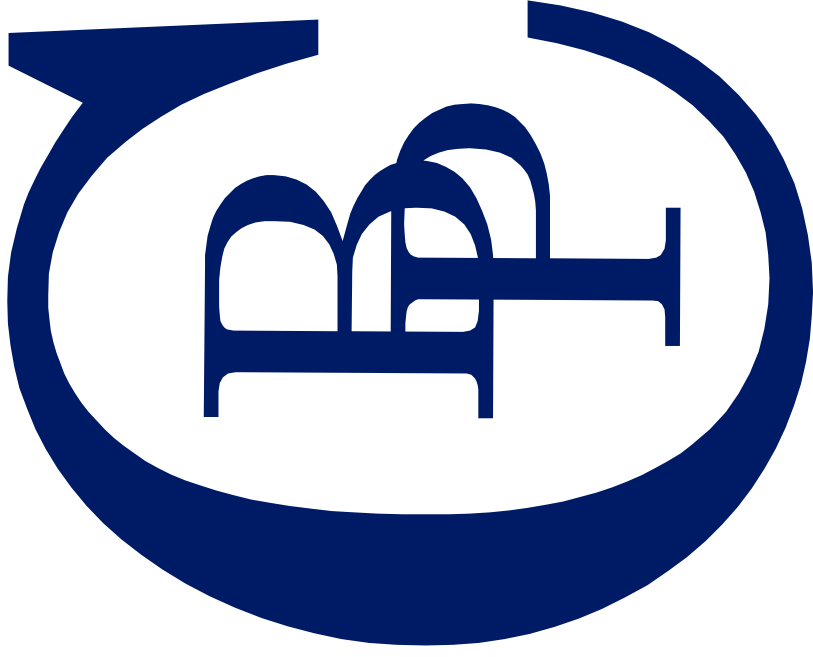
**Current Structure & Operations**



# Cattle Sales Summary

By Fiscal Year Ending

Fiscal Year	Total Sold	Avg. Showlist	Avg. Sold	% Sold
2001	479,422	26,156	16,532	64%
2002	954,477	33,032	18,347	56%
YTD	310,074	26,230	19,380	73.8%



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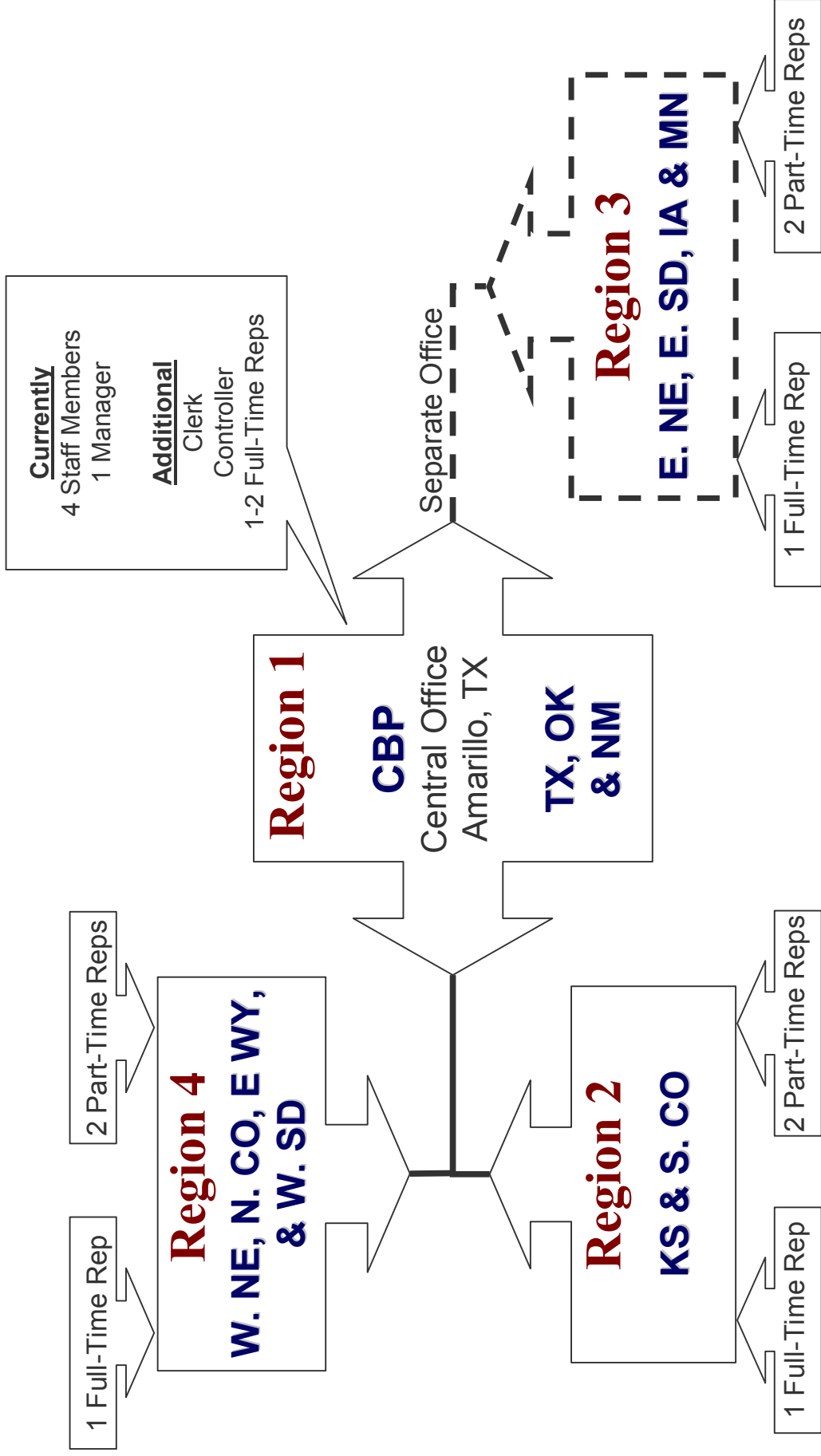
**Expansion**



# What's needed to expand?

- Total commitment and discipline.
- There will be stumbling blocks.
- Cooperation and patience are imperative.
- Must look at cattle.
- What constitutes success?

# Four Regions



**Note:** Personnel needs depend on sign up.



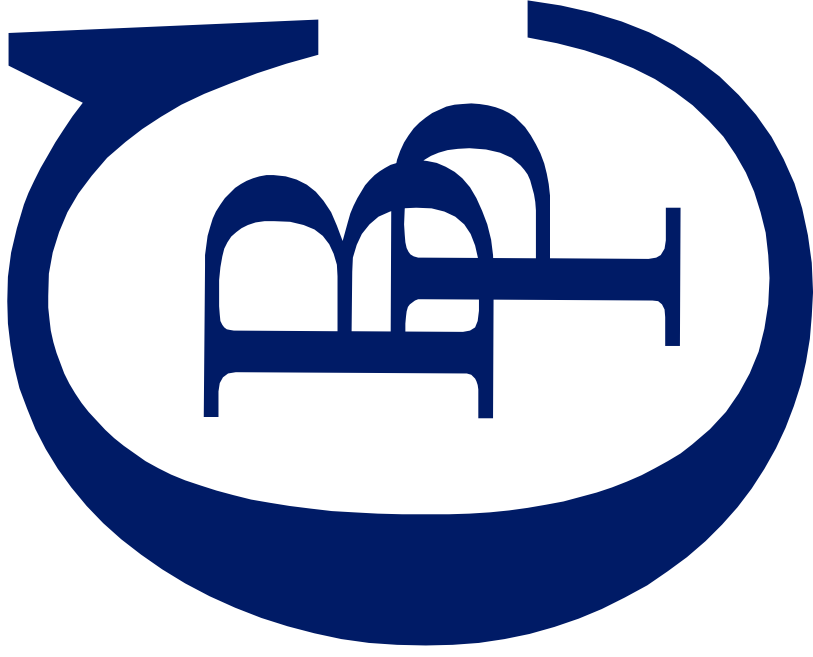
# Membership Set-Up

- **Member Category**
  - \$3,000 one-time membership fee
  - \$1.00 per head service fee
  - 1-year commitment of at least one-time capacity required
- **Associate Member Category**
  - \$1.50 per head, of which, \$0.50 goes toward membership fee and \$1.00 goes toward service fee.
  - Full member when total reaches \$3,000.
  - 1-year commitment of at least one-time capacity required.
  - Less voting privileges than a full-member.



# Other Areas of Consideration

- Must have all of showlist or none at all for a given week.
- All cattle will be managed and submitted to the Control Center in Amarillo via the web based trading platform.
- All members will be required to give CBP out front marketing projections.
- CBP would expand our Board of Directors to allow representation from each region.



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**CBP Web Based Trading  
Platform**