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ACCELERATED GENETICS®

People. Products. Pride



AGRICULTURAL OUTLOOK FORUM 2013

- ▶ Talk about Accelerated Genetics
- ▶ Industry Export Growth Numbers
- ▶ Accelerated Genetics Export Growth
 - ▶ How we grew
 - ▶ What programs we used
- ▶ Barriers and Challenges we experience
- ▶ Future Focus

HOW WE BEGAN...



- ▶ **1941** - Vernon County Breeders and, Trempealeau County Breeders Cooperative were established.
- ▶ **1947** – The two companies consolidated to form Tri-State Breeders Cooperative.



WHO WE ARE...

- ▶ **Tri-State Breeders Cooperative – DBA Accelerated Genetics**
 - ▶ A farmer-owned and controlled cooperative
 - ▶ A network of dedicated employees, independent sales representatives and dealers
 - ▶ Providing service to dairy and beef customers in all 50 states and throughout the world.

Currently one of the leading A.I. companies in the world.

234 Employees

126 Dealers

156 ISR's

Serving customers in over 96 Countries Around the World

COMPANY STRUCTURE

- ▶ Global market, broken into three basic geographical regions:

Member Domestic Market

(Wisconsin, Minnesota, Illinois, and Iowa)

Non-Member Domestic Market

(remaining states)

International Market

(Direct sales to Canada and Latin America)

(All other countries, thru World Wide Sires, Ltd.)



ACCELERATED GENETICS LOCATIONS

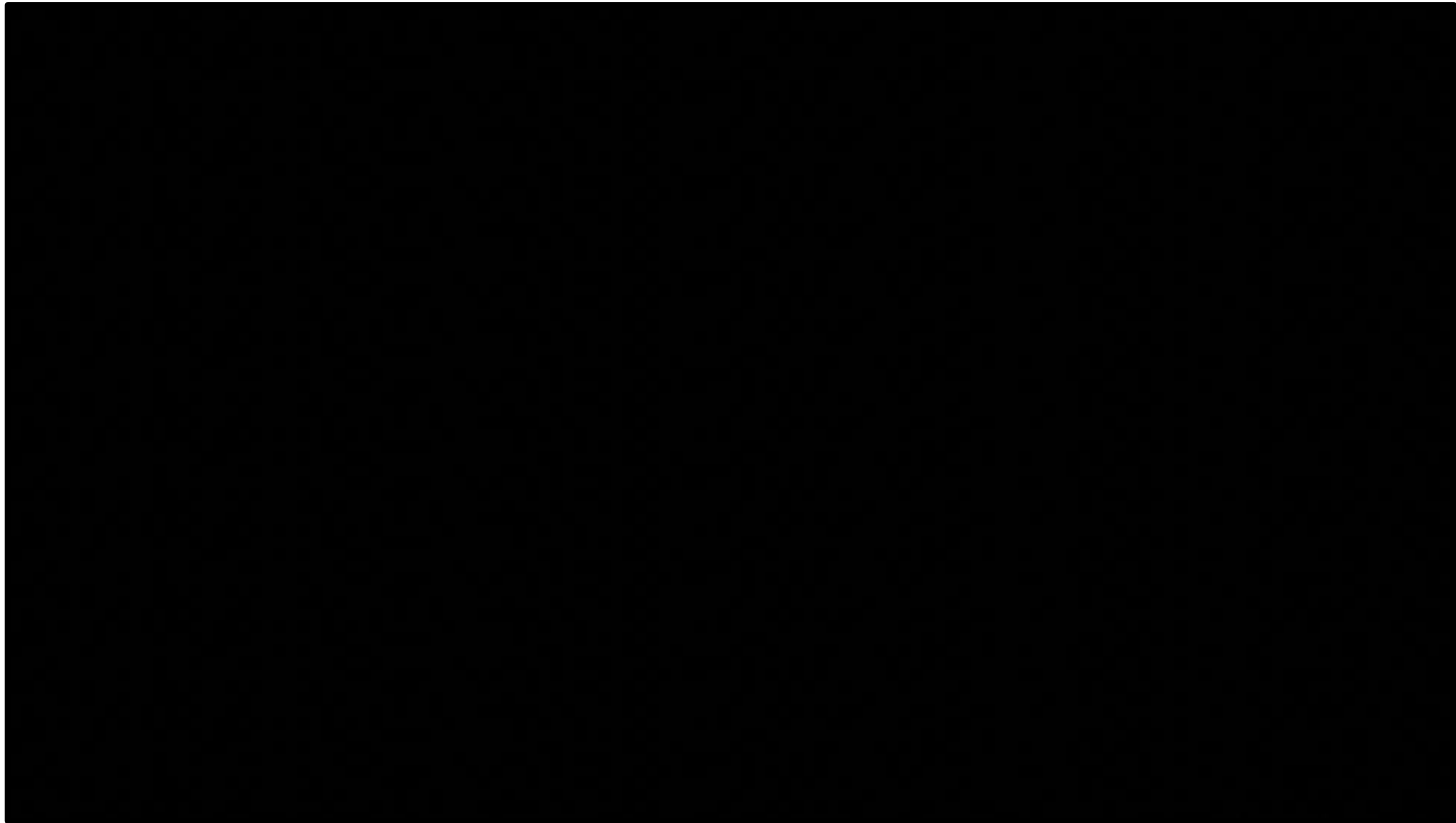


- ▶ **Administrative offices** – Baraboo, Wisconsin (about 35 miles from our state capitol in Madison, Wisconsin.)



- ▶ **Production Facilities** – Westby, Wisconsin (about 90 miles west of Baraboo, Wisconsin.)

ACCELERATED GENETICS LOCATIONS



Genetic Visions[®]

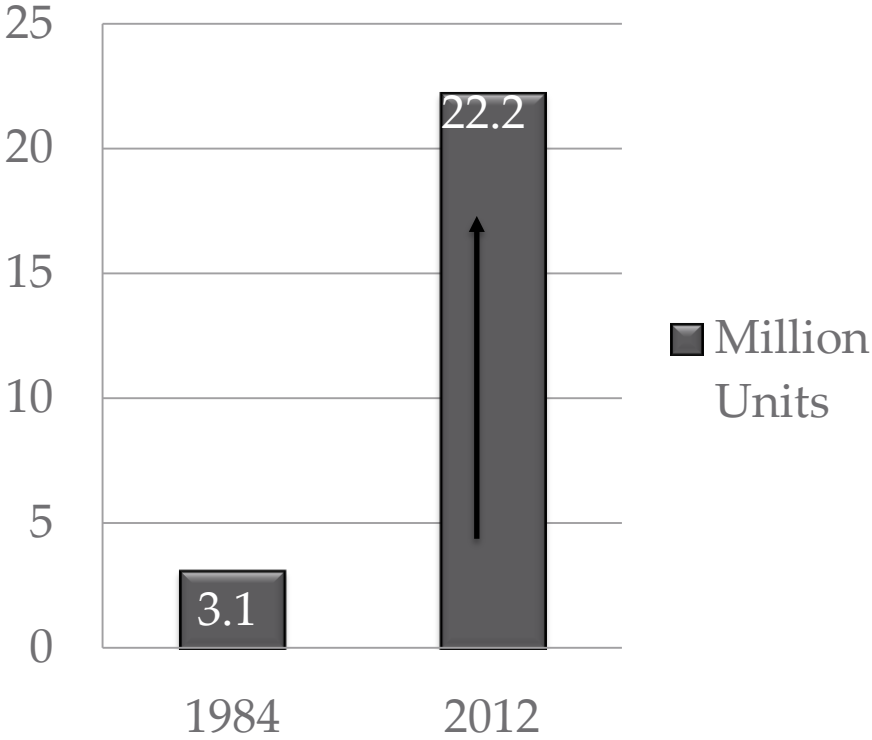


ACCELERATED GENETICS LOCATIONS

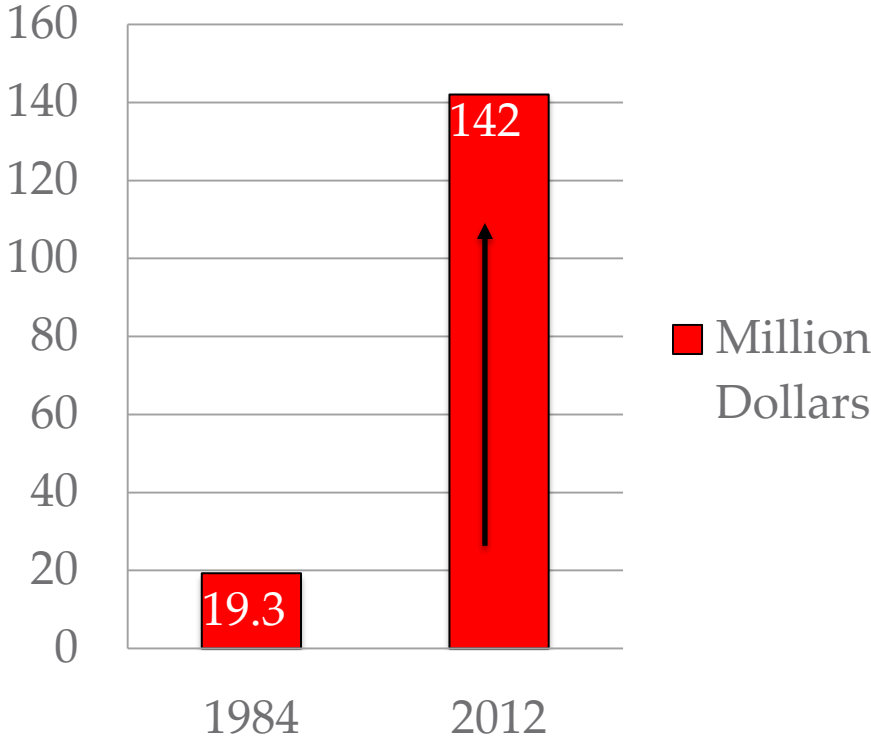


U.S. EXPORT GROWTH (30-YEAR SPAN)

Million Units
514% Growth

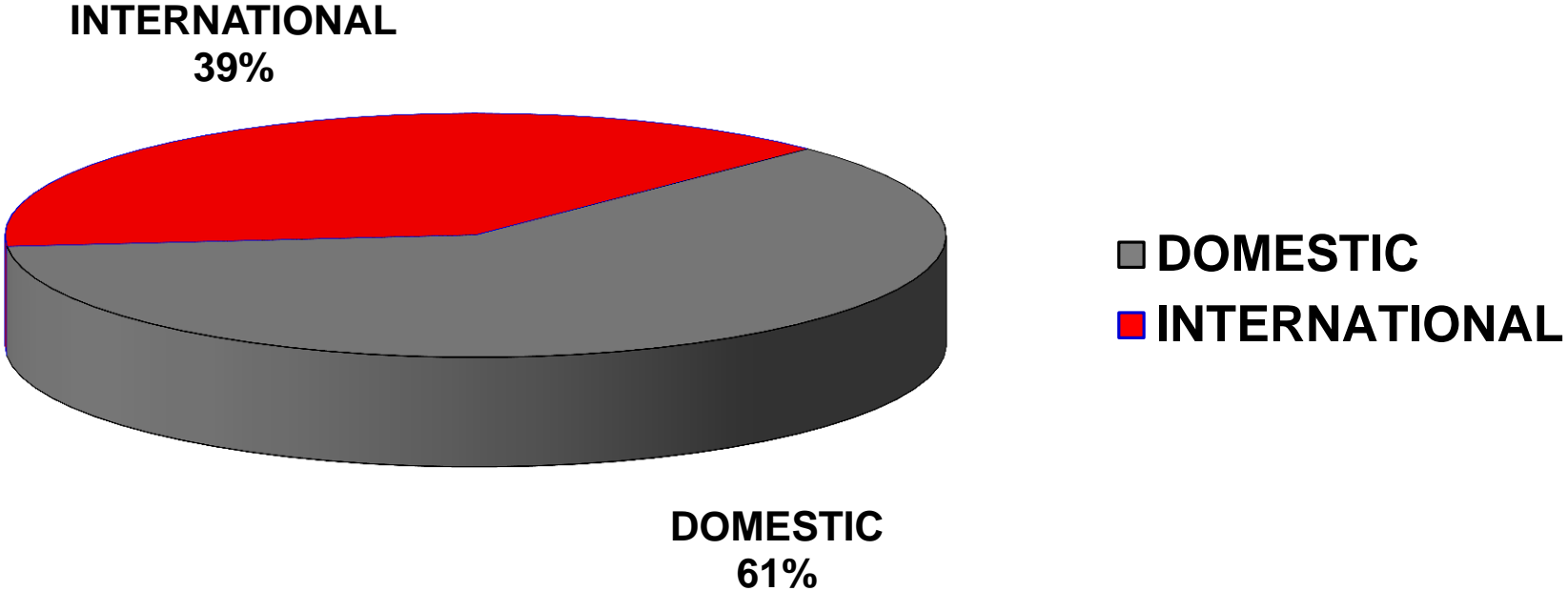


Million Dollars
541% Growth



DOMESTIC VS. INTERNATIONAL SALES

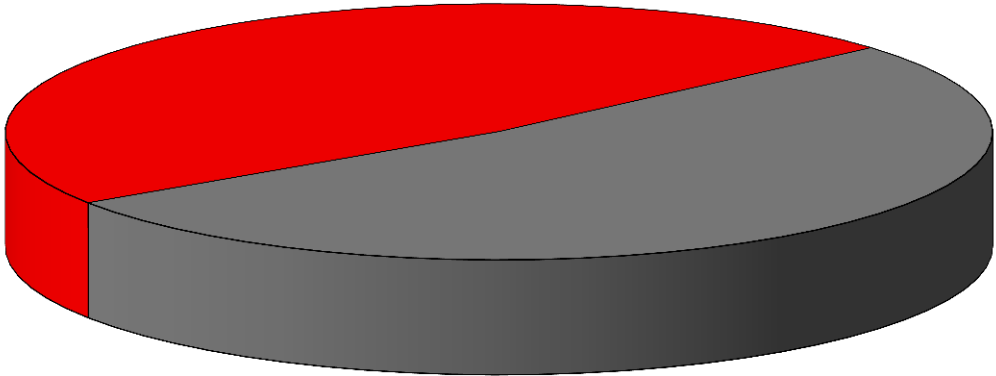
ACCELERATED GENETICS - 2000



DOMESTIC VS. INTERNATIONAL SALES

ACCELERATED GENETICS - 2012

INTERNATIONAL
48%



- **DOMESTIC**
- **INTERNATIONAL**

DOMESTIC
52%

ACQUISITION OF WORLD WIDE SIRES

- ▶ In 2001, purchased 50% of World Wide Sires.



WORLD WIDE SIRES, LTD.



2001-2012 – WWS SALES TRIPLED AS A RESULT OF ACQUISITION



EMERGING MARKETS



EDUCATION • GLOBAL TRAINING CENTER



TRADE BARRIERS / EXPORT CHALLENGES

- ▶ Semen exports classified as “live animal”
- ▶ U.S. industry standard regulated by Certified Semen Services (CSS) group
 - ▶ Organizations subscribe to CSS for annual inspection that includes:
 - ▶ Semen handling and processing
 - ▶ Semen straw labeling
 - ▶ Bull health and sanitation
 - ▶ Diseases of concern
 - ▶ Tuberculosis
 - ▶ Brucellosis
 - ▶ Leptospirosis
 - ▶ Campylobacteriosis
 - ▶ Trichomoniasis
 - ▶ Bovine Virus Diarrhea (BVD)

TRADE BARRIERS / EXPORT CHALLENGES

- ▶ Not all nations have the same requirements for standards
 - ▶ Some accept CSS standards
 - ▶ Many have additional requirements – based on perceived transmission risk of certain diseases
 - ▶ Some do not accept CSS standards – develop their own
 - ▶ Negotiate individually with our US Import/Export staff - Set up standards for semen produced in the US.
 - ▶ We rely on the negotiator to represent us
 - ▶ Often extreme barriers to export the semen are allowed to remain and appear to be in place only to protect the semen business within that country.
 - ▶ Countries with the highest regulation level typically are the ones that cannot spend much money on genetics.
 - ▶ Testing costs at current levels make some of these markets extremely unprofitable

COMMITMENT TO OUR FUTURE



Expansion



MOVING FORWARD...

- ▶ Continue to focus on Emerging Market Program (EMP)
 - ▶ Designed to financially assist U.S. entities in developing, maintaining and expanding exports of agricultural commodities and products
 - ▶ Conduct market assessments to identify market opportunities and challenges
 - ▶ Reduce potential trade barriers
 - ▶ Provide technical assistance or training
- ▶ Continue to utilize Global Training Center
 - ▶ Offer intensive dairy management and reproductive training for dairy managers and A.I. technicians from around the world.

MOVING FORWARD...

- ▶ Make financial investments in targeted countries to enhance market growth.
 - ▶ Personnel
 - ▶ Distribution / Dealer network
 - ▶ Livestock facilities
 - ▶ In-country seminars and training sessions
- ▶ Work with the National Association of Animal Breeders (NAAB) and the U.S. Government to attempt to minimize trade barriers and limitations for exporting our product.

Accelerated Genetics[®]



People.

Products.

Pride.