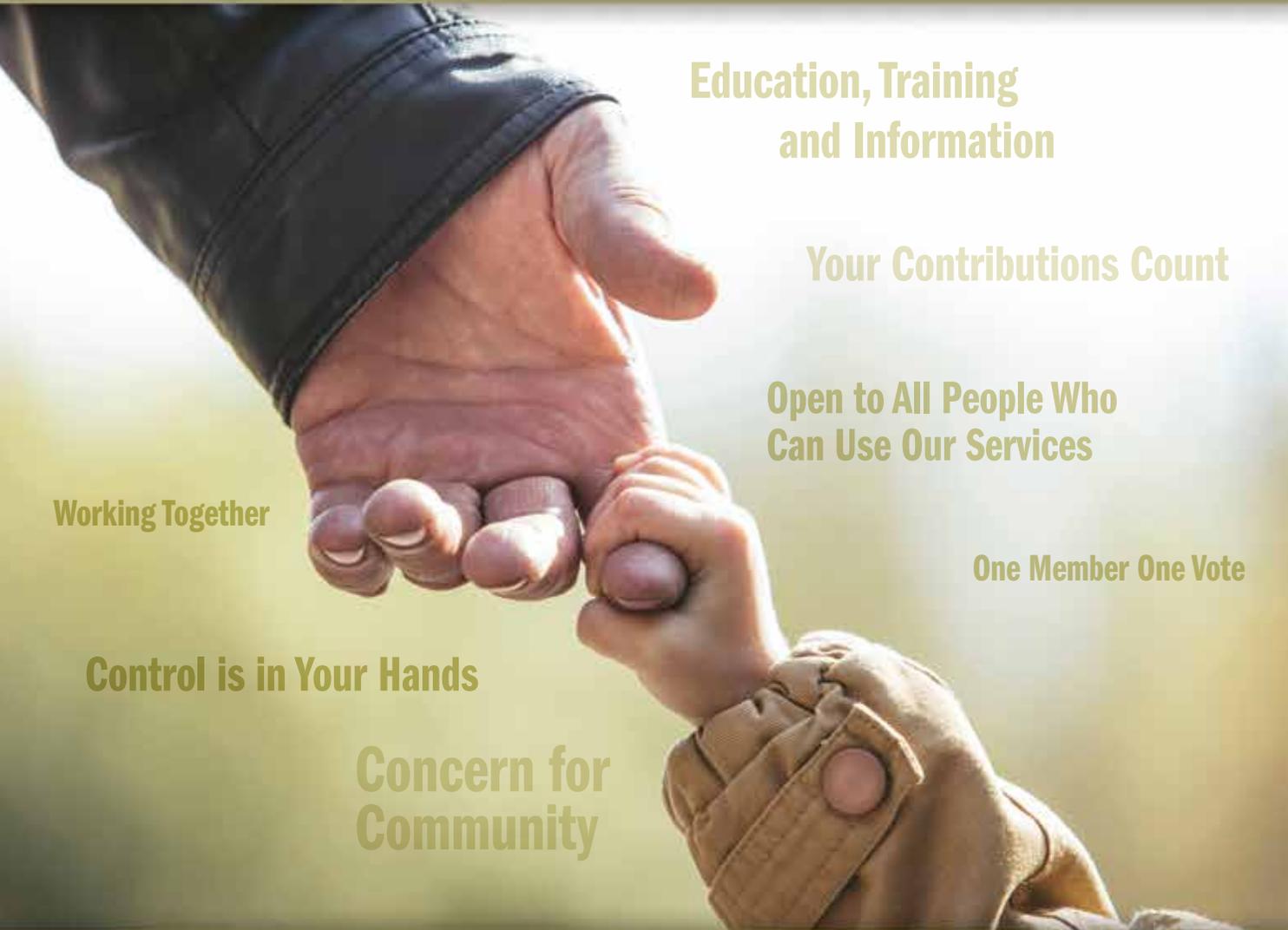


Valued Patrons + A Cooperative's Principles
Equity Cooperative Livestock Sales Association = **Family Values**



**Education, Training
and Information**

Your Contributions Count

**Open to All People Who
Can Use Our Services**

One Member One Vote

Working Together

Control is in Your Hands

**Concern for
Community**



on the farm ~ in the market ~ working together

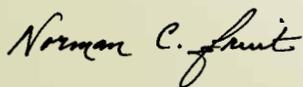
FROM THE Chairman of the Board

Nearly 100 years ago, Equity Cooperative Livestock Sales Association was formed by farmers who were searching for a better and more consistent way to realize a fair value for their livestock. Throughout the decades since Equity's beginning, member owner farms have experienced growth and modernization. Equity Cooperative Livestock has grown as well and has adapted its business to meet the livestock marketing needs of a diverse membership family while continuing to focus on the core value to maximize the net worth of member owner's livestock production.

A critical component to Equity's success is carefully listening to what member owners are saying they need in order for their businesses to grow, diversify and succeed. Field staff representatives and market personnel are excellent resources to ask advice. Member input from local association and district level meetings include voting for director representation and receiving accurate and transparent information on financial and operational activities. The exchange of ideas, particularly those that invite debate, help the cooperative board and management team to better consider the decisions that are made.

Community involvement continues to provide support to youth in 4-H and FFA at both the local level as well as through their state foundations. This provides these member owner's family members with the opportunity to take on responsibilities and learn valuable roles of leadership. Equity also supports the post-secondary education pursuits of numerous students regardless of their area of study through scholarships for university and technical college education. Wherever their career path leads them, their understanding and appreciation for production agriculture will benefit farms and the cooperative.

Your Board of Directors and Management Team are committed to providing the facilities, people, and services that are necessary in making your livestock production a success. We will continue to ask for your business, your input on how we can make improvements and appreciate your support. Simply stated, we understand that the success of your cooperative family is entirely dependent on the success of yours.



Norm Fruit, Chairman of the Board



NORM FRUIT
CHAIRMAN OF THE BOARD

FROM THE President & CEO

Greetings and Welcome to our Annual Report.

As we end 2017, reflection on the importance of our valued cooperative family and adherence to core values was needed. Through our cooperative's family and values, we focused on our patron member's needs while working toward continued strength and sustainability in our communities.

This year's annual report is centered on the seven core cooperative values. The theme was chosen to highlight the areas of governance and how we produce a difference in our communities and the services we offer to our patron members.

My mindset is such that these core cooperative values are what truly leads and makes us different! The adherence to the cooperative principles continue to grow in importance as they provide stability and sustainability for our agriculture community during these times of stress. Just as significant is our members' input which helps temper decisions and reactions to the affects of outside forces that are being placed on the industry and your cooperative.

This past year the agriculture industry continued to feel the economic stress it had begun experiencing in the year prior to last. Your cooperative has also felt the stress of an overall decline in the number of livestock we handled, experienced the added difficulty of low prices for livestock, and faced increasing costs of operation. Staying true to our cooperative value on governance, along with guidance and input from our member leaders, we took steps to mitigate the effects of the economic environment.

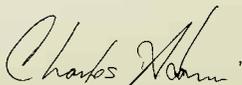
Additionally, we continue working with our member leaders to lessen the effects of the economic stress on our industry. We remain committed to serving our members and strengthen the cooperative movement by working together with numerous committees, organizations and lobbying groups at the national and state levels.

Educating and informing our agricultural youth on the benefits of cooperatives remains a founding principle. This past year we continued services to our youth by providing educational opportunities, scholarships, internships, and future careers. We keep youth involved in the cooperative movement by supporting the 4-H Foundation, FFA, and our scholarship program.

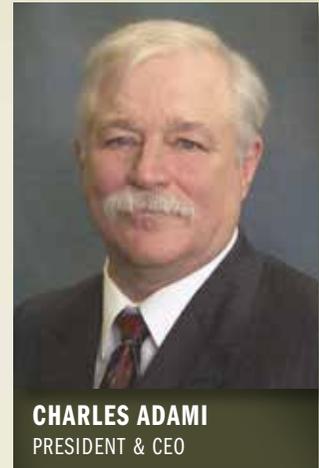
While focusing on members' needs, we were able to progress to a point in the writing of new sales software where our markets will begin its use in early 2018. We continued to build strong bonds with our members and transform the way business is done by offering dairy sales at our new location in Thorp, Wisconsin. Our involvement in legislative and new regulation issues provided a voice for our members and strengthened the cooperative environment.

Because of the involvement of members and leaders, Equity Cooperative Livestock remains strong and relevant far beyond locations because of our commitment to cooperative principles. A family of families pulling towards a common goal of protecting and enhancing the agriculture industry and its communities.

Thank you for patronage, your contributions to the cooperative, and for being an integral part of our family.



Charles Adami, President & CEO



Break-Even
Projections



Full-Service
Commodity Trading

= Risk Management

Hedge & Forward Contract Cattle
& Hogs at a Profitable Level

Auction Sales + Private Treaty Sales

Experienced Markets with Experienced Personnel

Electronic Sales + Weekly Sales

= Lamb Pools

Market Lambs Feeder Lambs Slaughter Sheep Goats

Risk Management

Equity's risk management division was established in 1985, and we continue to offer a full-service commodity trading and forward contracting program. We encourage both livestock and grain producers to manage risk by utilizing our services, which include live cattle contracts along with commodity trading for futures and options. Please call or schedule an appointment with a broker at the main office to discuss strategy and marketing opportunities that best fit your operation.

Lamb Pools

For over 60 years Equity has been operating lamb pools as an additional way for producers to market lambs and goats year-round. Equity provides producers with the ability to consign to one of the nine markets offering the lamb pool, either bi-weekly or once monthly. These sales are available electronically via the internet. All lamb pool schedules are located on our website.

Open to All People Who
Can Use Our Services

Concern for
Community

Your Contributions Count

One Member One Vote



= Livestock Marketing

On the Farm Consultations + On the Farm Livestock Evaluations

= Field Services

Experienced Marketing Personnel to Assist With Your Market Needs

Tailor-Made Loan Programs + Operational, Machinery & Livestock Lending

= Credit Corporation

Focused Expressly on Agriculture Helping Our Customers Achieve Their Unique Financial Goals

Livestock Marketing

Equity has markets conveniently located and available to handle livestock buying and selling and are ready to assist you in your marketing needs. Our markets conduct feeder cattle sales, dairy cattle sales, and fed cattle sales, in addition to sheep and goat sales and other special sales that come up from time to time. Sales schedules and market reports are easy to access by visiting our website or contacting your local Equity market.

Credit Corporation

Equity Livestock Credit Corporation, Equity's wholly-owned subsidiary, provides loans for farm, operating, machinery, feeder and breeding stock, real estate improvements, as well as long term farm financing. Farmer MAC, an approved real estate lender, assists us with many options for long term, fixed interest real estate financing. The credit corporation has been financing farms for over 27 years and is based in our Baraboo office with an experienced ag lending staff. The Credit Corporation has experienced 125 percent loan volume growth and contributed nearly a half million dollars to the Cooperative's bottom line over the past five years.

Field Services

To better serve our patron members, Equity also operates a field service division. Qualified marketing employees can provide information on marketability of the livestock and estimates of value along with providing the producer information about Equity's services.

ASSETS

	2017	2016
Current Assets	\$20,373,483	\$21,707,917
Property and Equipment	5,481,664	5,391,152
Investments and Other Assets	4,277,184	4,479,683
TOTAL ASSETS	\$30,132,331	\$31,578,752

LIABILITIES AND PATRON EQUITIES

Current Liabilities	\$16,716,695	\$19,683,132
Long Term Debt, Less Current Maturities	3,982,138	2,122,918
Minimum Pension Liability	1,421,807	2,119,014
TOTAL LIABILITIES	\$22,120,640	\$23,925,064
Patron Equities	8,011,691	7,653,688
TOTAL LIABILITIES AND PATRON EQUITIES	\$30,132,331	\$31,578,752

CONSOLIDATED STATEMENTS OF OPERATION

Gross Operating Revenues	\$477,231,988	\$514,927,769
Payment to Producers	(464,479,038)	(502,568,667)
NET OPERATING REVENUES	12,752,950	12,359,102
Operating Expenses	12,684,769	12,038,463
NET PROCEEDS FROM OPERATIONS	68,181	320,639
Non Operating Income / (Expense)	(97,916)	(91,273)
NET PROCEEDS BEFORE INCOME TAXES	(29,735)	229,366
Provision for Taxes	(20)	7,599
NET PROCEEDS	(\$29,755)	\$236,965

A summary of the audited financial statements may be found at www.equitycoop.com or a copy of the complete audited financial statements may be requested by contacting Nancy Bilz, Vice President of Finance/CFO, 401 Commerce Ave. Baraboo, WI 53913.

BOARD OF Directors



DAN LEISCHER
DISTRICT I



DAVID WILKE
DISTRICT II
ASSISTANT
SECRETARY/TREASURER



STEVE SCHLEIS
DISTRICT III
SECRETARY/TREASURER



PETE KLEIMAN
DISTRICT IV



ALLAN CIHLAR
DISTRICT V



LES DANIELSON
DISTRICT VI
VICE CHAIRMAN
OF THE BOARD



KARL MEROW
DISTRICT VII



DWIGHT TRUTTMANN
DISTRICT VIII



NORM FRUIT
DISTRICT IX
CHAIRMAN OF
THE BOARD



ADAM QUANDAHL
DISTRICT X

MANAGEMENT Team



CHARLES ADAMI
PRESIDENT & CEO



TOD FLEMING
EXECUTIVE VICE PRESIDENT
OF MARKETING & COO



CURT LARSON
VICE PRESIDENT OF
ADMINISTRATION



NANCY BILZ
VICE PRESIDENT OF
FINANCE & CFO



DAVID JOHNSON
VICE PRESIDENT OF
MARKETING



GARY WILLIAMS
VICE PRESIDENT OF
CREDIT SERVICES



ROB MEIER
VICE PRESIDENT OF
INFORMATION SYSTEMS

We utilize the cooperative's principles and our valued patrons input to create a cooperative that is focused on family values. It is through the local involvement from the 34 local associations that truly allow our cooperative to thrive. As a cooperative we value input from all of the associations and the many families who make up Equity Cooperative Livestock Sales Association. We value their partnership, honor their commitment, and are thankful for their trust. All principles that help make our family successful.

Concern for Community

- Helping today's youth become tomorrow's leaders by supporting FFA and 4-H Foundations
- Providing scholarships to future agriculture leaders

Working Together

- Our board and management team work together to improve our markets to support our member's needs
- Working on behalf of our members with other organizations at national & state levels for the betterment of our industry.
- Member input through field service reps, annual meetings, and each shipping association

Education, Training & Information

- Annual District Meetings
- Farm Technology Days
- Livestock seminars
- Work with our future young leaders on the benefits of cooperatives

Control is in Your Hands & One Member One Vote

- Members control our future
- Director elections
- Direct member involvement

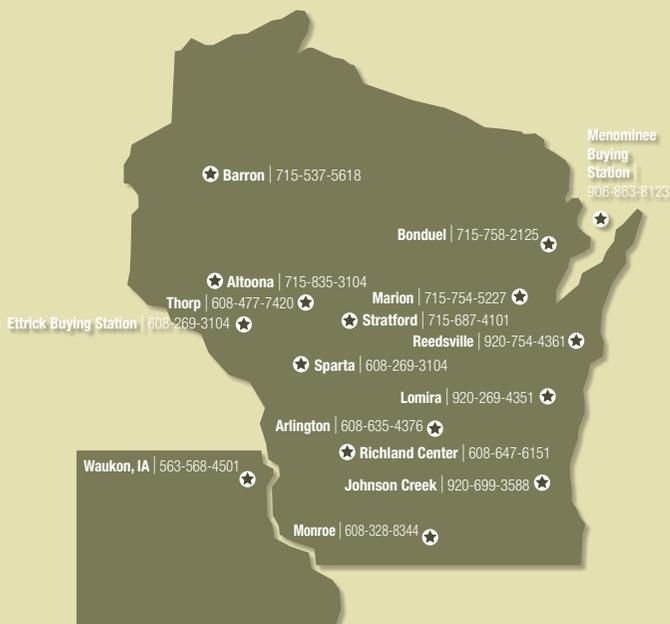
Open to all People Who Can Use Our Services

- Membership is open to everyone who markets livestock

Your Contribution Counts

- Our members contribute equitably, and democratically control the capital of their cooperative
- Board of Director elections

Our Locations



Connect with Equity...



on the farm ~ in the market ~ working together

P.O. BOX 1003
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www.equitycoop.com