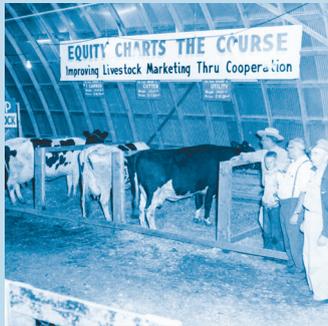


## 2021 ANNUAL REPORT



Time tested and true, and still the most reliable,  
secure way for you to sell livestock.



A Century of Excellence in Livestock Marketing

# From the Chairman of the Board

Your Cooperative had a strong financial year in 2021, despite operating in a very challenging environment. Combined earnings for all segments of our coop will total over \$2.7 million dollars this year. Commodity prices continue to rise, and this will benefit our patrons on their farms as well.

COVID related problems continue to affect our markets, both in trying to keep markets fully staffed and disrupting the schedule of the major packing plants and their buyers. The Board of Directors and I truly appreciate the flexibility and hard work of the marketing staff throughout this past year. We realize people are this Coop's greatest asset!

COVID has also highlighted some of the weak points of our meatpacking industry. Years of packer consolidation and reliance on very large slaughter facilities has proven to have some drawbacks. The Board is monitoring some of the reform proposals and will support changes that can add buyers to our markets as some smaller local and regional packing houses open.

The Coop is currently planning to host our annual meetings again scheduled in March. We need to hold a number of Director elections, which have been delayed these past two years. We look forward to seeing those patrons that feel comfortable attending, but please remember you can also request a mail in ballot if you will not be attending your local annual meeting.

Thank you for your market support this past year.



*Les Danielson, Chairman of the Board*



# From the President & CEO

The employees of your cooperative really went above and beyond in 2021 to continue providing high quality livestock marketing services! COVID-19 continued to cause many obstacles throughout the year. With an already short staff and continually dealing with COVID-19 absences, staffing was a tremendous challenge. I am very proud of our employees for the way they stepped up and the personal sacrifices they made to travel and assist at other locations to ensure we could continue offering marketing services throughout another year of pandemic.

Our 2021 livestock volumes improved over 2020, however, we are not back to the pre-COVID levels we saw in 2017-2019. We did expect those years to be the higher years in the cycle and we should be coming through the bottom of the trough now in 2022, if COVID hasn't disrupted the cycle too much. According to the history of these livestock cycles, we should see more improved volumes in 2023.

The financial position of the cooperative remains strong. The 2021 profit is largely based on the forgiveness of two Payroll Protection Program (PPP) loans, one from 2020 and one from early 2021. These loans allowed the cooperative to pay employees and maintain our sales schedules throughout the pandemic. Without these funds, we would have been forced to eliminate sales, close markets, and layoff employees.

Equity Livestock Credit Corporation, the cooperative's wholly owned subsidiary, continues to perform well and contribute to the bottom line of the cooperative. We continue to add additional sources of funding, allowing us to increase our lending portfolio and grow our business. The portfolio is very strong with over 99% of the credit classified at acceptable.

The last two years have really shown us the importance of good people. I truly witnessed how good employees, led by good leaders, working with good producers can achieve great things, even in dire situations!



*Curt Larson, President & CEO*





## Equity Cooperative Livestock Sales Association Market Contact Information:

Altoona ..... 715.835.3104  
Arlington ..... 608.635.4376  
Barron ..... 715.537.5618  
Bonduel ..... 715.758.2125  
Johnson Creek ..... 920.699.3588  
Lomira ..... 920.269.4351

Monroe ..... 608.328.8344  
Reedsville ..... 920.754.4361  
Richland Center ..... 608.647.6151  
Sparta ..... 608.269.3104  
Stratford ..... 715.687.4101  
Waukon ..... 563.568.4501

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We utilize our unchanging principles and members input to guide our cooperative that is focused on our patron's needs. As a cooperative we value our members who make up Equity Cooperative Livestock Sales Association. We honor their partnership and commitment and are thankful for their trust. All principles that help make our cooperative successful!

### Concern for Community

- Helping today's youth become tomorrow's leaders by supporting Future Farmers of America & 4-H Foundations
- Providing scholarships to future agriculture leaders

### Working Together

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

### Education, Training & Information

- Work with our future young leaders on the benefits of cooperatives
- Annual District Meetings
- Beef Quality Assurance programs

### Control is in Your Hands & One Member One Vote

- Members control our future

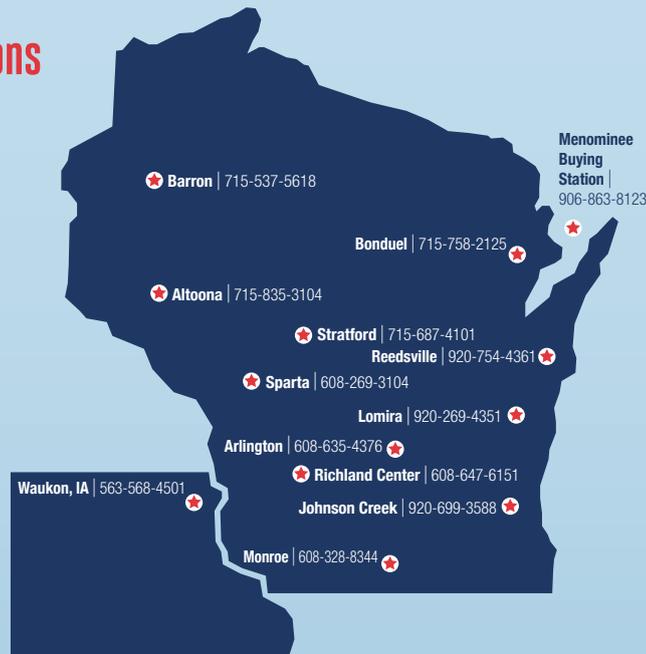
### Open to all People Who Can Use Our Services

- You don't have to be a member to use our services

### Your Contribution Counts

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

## Our Locations



P.O. Box 1003 • Baraboo, Wisconsin 53913  
608.356.8311 • 800.362.3989  
Fax 608.356.0117  
www.equitycoop.com

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# Financial Statement

## ASSETS

	2021	2020	2019
Current Assets	\$21,192,966	\$20,686,230	\$17,182,709
Property and Equipment	5,531,915	5,710,084	5,666,590
Investments and Other Assets	3,868,403	1,823,391	2,607,177
<b>TOTAL ASSETS</b>	<b>\$30,593,284</b>	<b>\$28,219,705</b>	<b>\$25,456,476</b>

## LIABILITIES AND PATRON EQUITIES

Current Liabilities	\$17,002,180	\$15,910,302	\$13,324,962
Long Term Debt, Less Current Maturities	1,602,637	3,440,156	2,403,959
Minimum Pension Liability	519,348	1,033,914	982,133
<b>TOTAL LIABILITIES</b>	<b>\$19,124,165</b>	<b>\$20,384,372</b>	<b>\$16,711,054</b>
Patron Equities	11,469,119	7,835,333	8,745,422
<b>TOTAL LIABILITIES AND PATRON EQUITIES</b>	<b>\$30,593,284</b>	<b>\$28,219,705</b>	<b>\$25,456,476</b>

## CONSOLIDATED STATEMENTS OF OPERATION

Gross Operating Revenues	\$433,705,762	\$386,869,128	\$425,434,931
Payment to Producers	(421,467,583)	(375,162,277)	(411,999,825)
<b>NET OPERATING REVENUES</b>	<b>12,238,179</b>	<b>11,706,851</b>	<b>13,435,106</b>
Operating Expenses	12,377,939	12,103,228	13,029,652
<b>NET PROCEEDS FROM OPERATIONS</b>	<b>(139,760)</b>	<b>(396,377)</b>	<b>405,454</b>
Non Operating Income / (Expense)	3,018,069	(48,849)	(94,457)
<b>NET PROCEEDS BEFORE INCOME TAXES</b>	<b>2,878,309</b>	<b>(445,226)</b>	<b>310,997</b>
Credit for Income Taxes	—	0	(21)
<b>NET PROCEEDS</b>	<b>\$2,878,309</b>	<b>\$(445,226)</b>	<b>\$311,018</b>

A summary of the audited financial statements may be found at [www.equitycoop.com](http://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.



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 608.356.8311 • 800.362.3989  
 Fax 608.356.0117  
[www.equitycoop.com](http://www.equitycoop.com)

# Board of Directors



**DAN LEISCHER**  
DISTRICT I



**DAVID WILKE**  
DISTRICT II  
VICE CHAIRMAN OF THE BOARD



**STEVE SCHLEIS**  
DISTRICT III  
SECRETARY/TREASURER



**PETE KLEIMAN**  
DISTRICT IV



**ALLAN CIHLAR**  
DISTRICT V



**LES DANIELSON**  
DISTRICT VI  
CHAIRMAN OF THE BOARD



**KARL MEROW**  
DISTRICT VII  
ASSISTANT SECRETARY/TREASURER



**DWIGHT TRUTTMANN**  
DISTRICT VIII



**BRAD SOLCHENBERGER**  
DISTRICT IX



**ADAM QUANDAHL**  
DISTRICT X

# Management Team



**CURT LARSON**  
PRESIDENT AND CEO



**TODD FLEMING**  
EXECUTIVE VICE PRESIDENT  
OF MARKETING & COO



**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