

FOCUSED
ON OUR
FUTURE

EST. ★ 1922



2023 ANNUAL REPORT

BOARD OF DIRECTORS



DAN LEISCHER
DISTRICT I
ARLINGTON MARKET
JOHNSON CREEK MARKET



DAVID WILKE
DISTRICT II
LOMIRA MARKET



STEVE SCHLEIS
DISTRICT III
REEDSVILLE MARKET
SECRETARY/TREASURER



PETE KLEIMAN
DISTRICT IV
BONDUEL MARKET



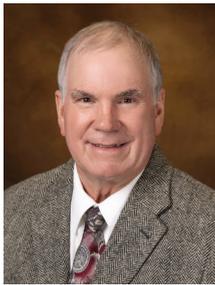
TODD CUMMINGS
DISTRICT V
STRATFORD MARKET
VICE CHAIRMAN OF THE BOARD



CHRISTINA OLSON
DISTRICT VI
ALDOONA MARKET
BARRON MARKET



MIKE KUNES
DISTRICT VII
SPARTA MARKET



DAN REESON
DISTRICT VIII
MONROE MARKET



BRAD SOLCHENBERGER
DISTRICT IX
RICHLAND CENTER MARKET
ASSISTANT SECRETARY/TREASURER



ADAM QUANDAHL
DISTRICT X
WAUKON MARKET
CHAIRMAN OF THE BOARD

MANAGEMENT TEAM



CURT LARSON
PRESIDENT AND CEO



MARK CLARKE
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



DAVE CALVERT
VICE PRESIDENT OF
MARKET OPERATIONS

EQUITY COOPERATIVE LIVESTOCK SALES ASSOCIATION

FROM THE CHAIRMAN OF THE BOARD



ADAM QUANDAHL
CHAIRMAN OF THE BOARD

Welcome to your 2023 Annual Report. 2023 was a year of change for our board with the retirement of two long-term regional directors and, with that, your board welcomed two new regional directors. Your Board stayed and continues to be focused on your cooperative's future. I am confident that the Board has the right mix of diverse skills, experience, and backgrounds to serve as a strategic asset.

Last year, we continued to be able to meet the challenges of the unpredictable market and the needs of our patron members.

We did this by focusing relentlessly on growth, maintaining strong operations and being financially responsible. This is a testament to the dedication and determination of our board, management team and staff to help our patron members succeed in their agricultural business.

During 2023, the Board was fully engaged and focused on the future of our cooperative. We began strategic planning processes with the intent of developing strategies and initiatives to achieve long-term goals. Our future strategic direction affords even more opportunities for the cooperative. I am confident in our strategy going forward and, as it always has, our strategy starts with upholding the highest standards of integrity and transparency in all aspects of our operations and putting our patron members first.

On behalf of the Board, I would like to thank our passionate and talented employees for their commitment in driving Equity's recent success and future strategies.

Thank you also to my fellow Board members and the entire Equity management team for your commitment and collaboration. I'm honored for the opportunity to work with you. Lastly, we want to thank our patron members for the trust you've shown in our growth strategies and leadership. We look forward to continuing this journey with you.

Adam Quandahl
Chairman of the Board

FROM THE PRESIDENT & CEO



CURT LARSON
PRESIDENT AND CEO

As we reflect on the past year, it becomes evident that change has been the only constant in our industry. In the face of challenges and opportunities, our resilience, adaptability, and unwavering commitment to our patron members have been the guiding forces of the regional board of directors and management staff. As the President and CEO of Equity, I am honored to present our annual report for the year 2023.

One of the major challenges that we continue to navigate through is the frozen employee pension plan. Although this plan began in the early years of Equity and was frozen back in 2001, it is not fully funded and contains substantial unrecognized losses, some of which we had to recognize in 2023, pushing our pension expense to nearly half a million dollars and giving us an operating loss for 2023. We also learned the pension will require almost half a million dollars in cash contributions from the cooperative in 2024. We recognized our fiscal responsibility to fund payments that will be made to eligible employees, and we will continue to manage the required contributions.

Focusing on our future is always an integral piece of strategy with the board of directors and management staff, and 2023 was no exception. We embraced several opportunities that unlocked new potential for growth and reaffirmed our commitment to our future. One such opportunity was to sell part of our Baraboo, Wisconsin, property that was not being used, and the sale provided a nice gain. This allowed us to use these property proceeds to reinvest in the cooperative with the purchase of the former United Auction facility in Maquoketa, Iowa. This facility is a great opportunity for the cooperative to expand our service territory and bring not only our livestock marketing services but also our lending and risk management services to producers in east central Iowa. In 2024, we will continue to push the boundaries of growth and empower our staff to pioneer groundbreaking solutions that address the evolving needs of our patron members and communities.

Diversification of services to help our patron members be successful in their agricultural businesses has always been fundamental to who we are as a cooperative. Equity Livestock Credit Corporation, our wholly owned subsidiary that offers affordable agricultural financial solutions, had a tremendous year, and continues to see good growth in lending balances while maintaining good quality loans. As we move into 2024, we have added a staff member to assist with that growth and ensure we continue to provide high quality, personal service to our lending customers.

Overall, the cooperative had a good year! We maintained our livestock volumes in a range consistent with the last three years and these volumes continue to track in line with the annual checkoff volumes being reported for Wisconsin. Although we show a loss from operations, we know there was more pension expense than operating loss and after accounting for the credit corporation income and some gain on investments and disposal of assets, the cooperative posted a reasonable profit. Again, this shows the strategic planning the board of directors and executive management have been working on over the last couple of years to diversify our income and reinvest in the cooperative to expand the number of patrons we provide services to.

Looking ahead, we remain optimistic about the future, recognizing that challenges and opportunities will continue to shape our path forward. As we embark on the future that lies ahead, we are guided by our firm commitment to excellence, integrity, and continuous improvement for our patron members, and encouraging non-member producers to take note of these services and give us an opportunity to market their livestock.

To conclude, I need to acknowledge and thank all our dedicated and loyal patrons who have trusted us to market their livestock, not only in 2023, but for over the last 100 years. I extend my heartfelt gratitude to our employees and partner livestock truckers for their support and tireless efforts and dedication. It is through your collective efforts and commitment that we have achieved the milestones outlined in this report. As we focus on the future of our cooperative, I am confident that together, we will overcome any obstacle and achieve even greater heights of success.

Curt Larson
President & CEO

FINANCIAL STATEMENT

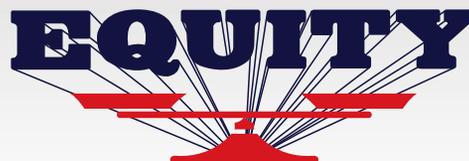


ASSETS		
	2023	2022
Current Assets	\$28,831,423	\$25,275,373
Property and Equipment	5,935,733	5,656,609
Investments and Other Assets	6,229,510	4,923,280
TOTAL ASSETS	\$40,996,666	\$35,855,262

LIABILITIES AND PATRON EQUITIES		
Current Liabilities	\$26,528,267	\$22,405,218
Long Term Debt, Less Current Maturities	1,335,123	1,313,609
Minimum Pension Liability	1,295,639	1,479,667
TOTAL LIABILITIES	\$29,159,029	\$25,198,494
Patron Equities	11,837,637	10,656,768
TOTAL LIABILITIES AND PATRON EQUITIES	\$40,996,666	\$35,855,262

CONSOLIDATED STATEMENTS OF OPERATION		
Gross Operating Revenues	\$633,761,651	\$504,285,481
Payment to Producers	(619,701,835)	(491,233,727)
NET OPERATING REVENUES	14,059,816	13,051,754
Operating Expenses	13,598,801	12,492,324
NET PROCEEDS FROM OPERATIONS	461,015	559,430
Non Operating Income / (Expense)	136,039	(177,786)
NET PROCEEDS BEFORE INCOME TAXES	597,054	381,644
Credit for Income Taxes	—	—
NET PROCEEDS	\$597,054	\$381,644

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.



EQUITY



on the farm ~ in the market ~ working together



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

Scan this code
with your phone's
camera to visit
our website ▶



- ✓ 12 Full-Service Auction Markets
- ✓ Fair and Equitable Prices
- ✓ Immediate Guaranteed Bonded Check
- ✓ On the Farm Cattle Evaluations, Sorting Purchases and Sales

- ✓ Experienced and Knowledgeable Marketing Professionals
- ✓ Trucking Services
- ✓ Contracting
- ✓ Private-Treaty Transactions

We're Much More Than Just A Livestock Auction Barn

Improve your Risk Management with the Help of our Experts

At Equity, we offer market expertise to allow producers to lock in a financially stable market position. If you are looking to hedge or contract cattle, hogs or grains, take advantage of risk protection with the advice of Equity.

- ✓ Financial Stability
- ✓ Reduced Price Risk Exposure
- ✓ Futures, Options and Forward Contracts Available

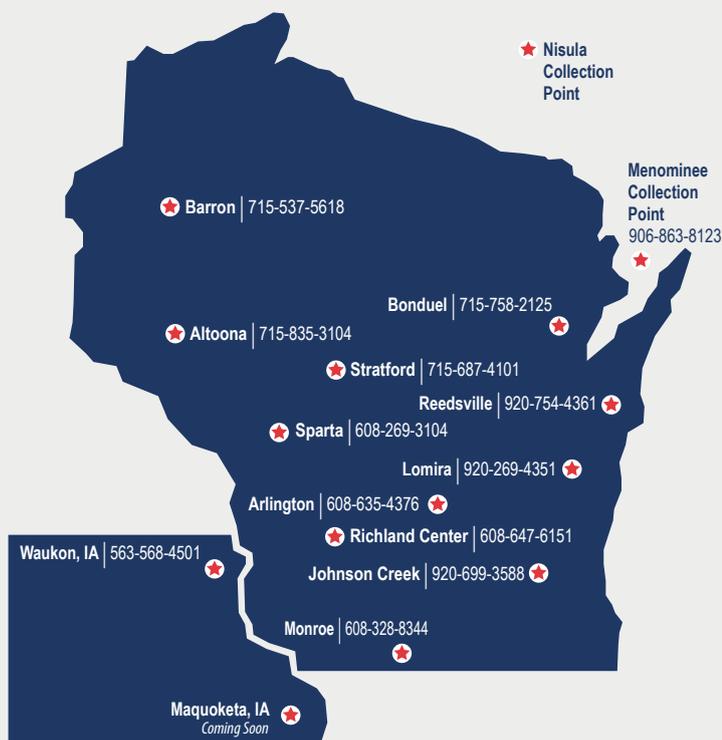
Affordable Agricultural Financial Solutions

Equity Livestock Credit Corporation (ELCC), a subsidiary of Equity Cooperative Livestock Sales Association, is focused on agriculture with a commitment of helping our customers achieve their financial goals.

- ✓ Livestock Feeding Program
- ✓ Operating Loans
- ✓ Term Loans
- ✓ Real Estate Loans



OUR LOCATIONS



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