

GREGORY FEEDLOTS, INC.

Custom Cattle Feeding



GENETICS DRIVES PROFIT

You need a strategic working partner to maximize your return ...

The commercial cow-calf producer is the genetic engineer of the beef industry. You have done your homework, made the hard decisions, and purchased the genetics. You have put the value in your cattle but to achieve the maximum return on your investment you need to receive the added value at market time. Size, location, facilities or time may limit your ability to capitalize on the investment you have already made. Smaller producers find it discouraging to feed in large commercial feedlots and difficult to market feeders in lot load numbers. Your area may lack markets for finished cattle. The investment in facilities to finish and handle cattle is expensive making smaller feeding operations cost prohibitive. All these can limit your ability to achieve maximum genetic and financial potential of your cattle. Your time is better spent on managing and producing the best calf crop possible.

You need a strategic working partner to maximize your return on investment in your genetically superior herd. Someone that will work with your size of operation, your animal's genetic potential, your financial needs and your need for information. Gregory Feedlots, Inc. (GFL) is the partner you are looking for. GFL will customize all parts of your cattle feeding needs. We will start by giving you the information you need to make the right decisions involving retained ownership for your financial situation. Starting with a customized projection of the costs and profit potential of your cattle, GFL provides a step by step description of how we will manage, feed and market your cattle. Our Total Management Program describes all aspects of finishing cattle: rations, implants, vaccinations, health care, sorting, marketing and data retrieval.

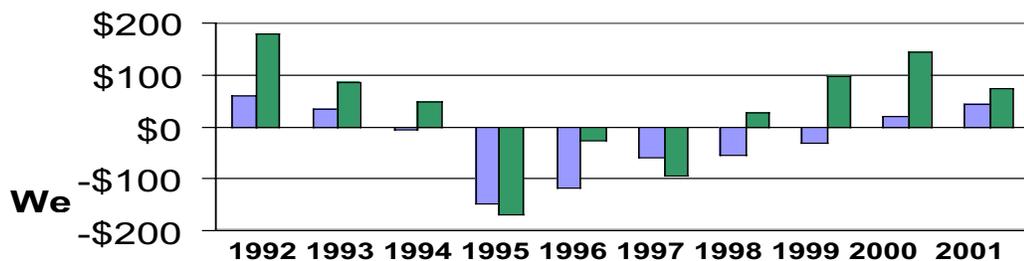
GFL RETAINED OWNERSHIP PROGRAM

Retained ownership programs offer the cow-calf producer increased profit potential.

Retained ownership programs offer the cow-calf producer increased profit potential. It gives the producer the only good chance to recoup their investment in superior genetics and management. The GFL Customized Data Program gives you the ability to evaluate the performance and carcass merit of individual animals. The GFL Customized Marketing Program will make sure that each individual animal is marketed in such a way that the financial merit of that animal is maximized. This information is invaluable in the development of a genetically

and financially superior cowherd. This data is the only way you can insure that the cattle you are producing are the ones that achieve the highest maximum value. Studies by Cattle-Fax, Kansas State University and Iowa State University have all shown retained ownership to add revenue to the producers bottom line at least 7 out of 10 years, while selling feeder cattle has been profitable only 7 out of 14 years. All these studies have been done using average returns, on average cattle under average management. GFL closeouts show that the top end,

Retained Ownership Returns, 1992 - 2001 Calf Crops



Source Lawrence, Iowa State Extension Office m-1276 2002

■ Wean & Sell ■ Wean Sep, Finish Apr 15



GREGORY FEEDLOTS, INC.

1164 305th Ave.
Tabor IA 51653-9743

(712) 625-2311

Serving the cattle industry for 40 years.

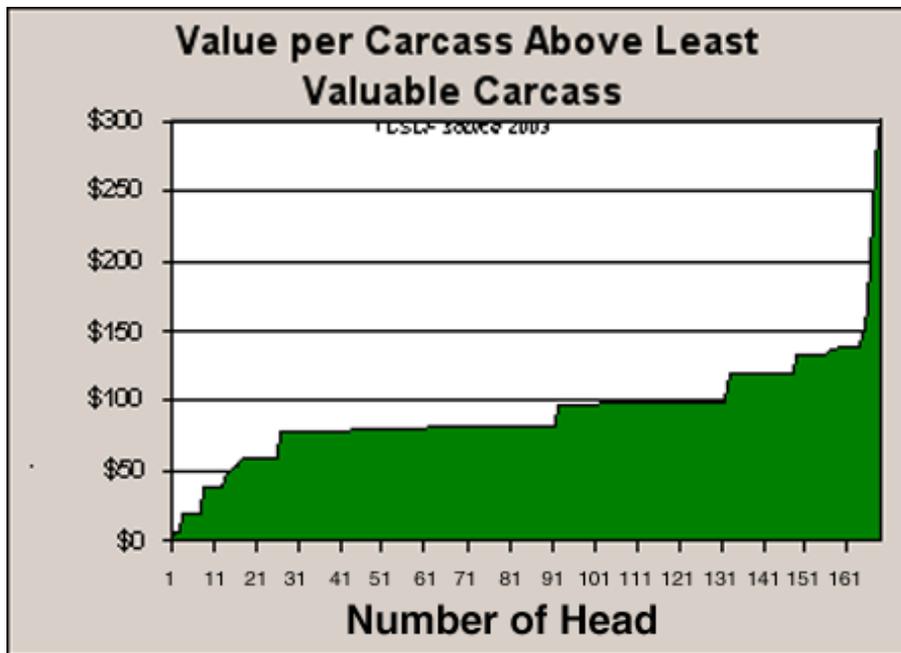
FAX: (712) 625-2321

gregfeed@heartland.net
www.gregoryfeedlots.com

superior genetic cattle will perform financially better than these studies indicate. It only makes sense that the cattle with the highest performance and best carcass qualities will return on the upper end of the marketing graph.

In a study prepared by D. Strohbehn for Iowa State University large differences in cattle value within a group were observed. Of the 66 groups with full carcass data, the average difference between the most valuable carcass and the least valuable carcass within a group was \$358. Marketing group

size ranged from 168 head to 12 head, with an average of 40 head. The most uniform market group had a \$156 difference, while the least uniform group had a \$746 difference between the top and bottom carcass. Upon further sorting, it was found that the top 25% lots for uniformity had an average top-to-bottom difference of \$225, while the bottom 25% lots had an average top-to-bottom difference of \$474. Carcass and performance data are the only way to eliminate the lower value animals from your herd.



GFL FINANCIAL PACKAGE

Financing of up to 70% of the value of your cattle...

GFL will offer you a financial package that can be used to assist you in a retained ownership program. Financing the cost of feeding your cattle will allow for you to use your money as you are now. The financing of up to 70% of the value of your cattle on arrival will allow your cash flow to remain

constant. These programs are available with minimum paperwork and hassle. We will work with your present lender to facilitate this change in business practice. Access to all information, and to the cattle themselves is readily available to yourself and your lender or anyone else you want.



We have fed cattle at Gregory Feedlot for years. Gregory Feedlots was the first Nichols Farms Alliance Feed Yard. They have always utilized the latest in nutrition, animal health, marketing, and focused on good cattle with the best genetics. But even more important— Owner Jim Gregory and Manager David Trowbridge still believe in, and practice, good old fashioned “animal husbandry” and “honest-straight forward-dealings” with their customers.





GFL STRATEGIC PARTNERSHIP

The future of the beef industry is through integrated, strategic partnerships...

GFL is looking for the cow-calf producers that are producing genetically superior, predictable and profitable cattle. The future of the beef industry is through integrated, strategic partnerships that can retrieve the maximum genetic potential of your superior cattle. The high value animal is a product of a Customized Total Management Program. This process starts with you making the best decisions when choosing bulls to breed to your cows, calf hood vaccination, implant programs, and weaning management. You know that each and every detail in your operation is crucial. You must then make the critical decision on whether you will market your cattle as feeders or retain ownership. To retain your investment and achieve the maximum potential profit you need to continue your ownership in your cattle. Remember when someone buys your cattle they do it with the idea of making money. You have put the most risk into the production of your calves and then you sell them

Gregory Feedlot Inc. - Tabor, Iowa			
2003 Tri-County - Missouri Steer Test			
(39) Nichols sired steers compared to (100) Non-Nichols	LESS FEED COST	HIGHER CARCASS VALUE	ADDED \$VALUE PER HEAD
ADVANTAGE	-\$41.93	+\$46.02	+\$87.95

at average market price. With all your investment in time, money and management, you have greatly reduced their risk when buying your calves. The potential of well managed, genetically superior cattle to increase your return, even in a poor market, is great.

You need to work with a partner that will achieve these goals for you. You can not afford to leave any potential revenue on the table. GFL is that partner. GFL has been working with progressive producers to increase their profitability through customized management programs for 30 years. GFL will develop a program customized to your specific genetics, financial, and personal needs. No matter the size of your operation, or what your goals are GFL will put together a package that will capitalize on the efforts you have already utilized in your cattle management.

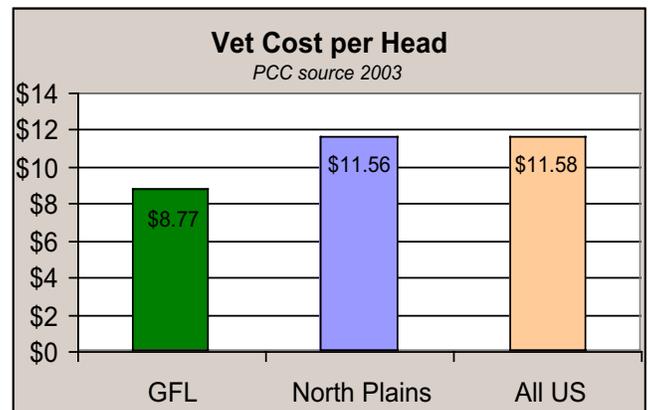
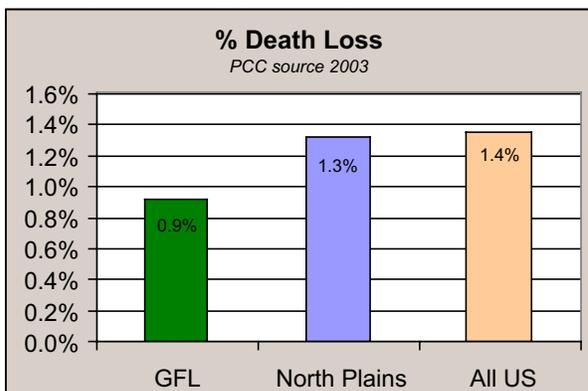
GFL CUSTOMIZED HEALTH CARE

...dedicated professionals will act quickly and thoroughly ...

The health care of your cattle is a critical issue at GFL. We have worked with our local veterinarian clinic for over 30 years. Our trained, experienced staff of cattle managers monitors your cattle for any sign of distress. This team of dedicated professionals will act quickly and thoroughly to prevent or eliminate any disease problems that may arise. GFL has employed the eMerge CattleLog EID chuteside system to track animals that have required treatments and are able to report on a daily basis the health status of your cattle.

GFL will administer a vaccination, deworming, receiving program that does not overlap with what the cattle have already had, saving you money. Vaccinations will be on

an age, weight, and history basis. Implanting programs will compliment both the previous products and time administered along with the genetic potential of the cattle. The products and scheduling of implanting are a basic and important issue in the expression of genetic potential. The customized program for your cattle will be ready before your cattle arrive at GFL. Each step in the development of your cattle, to the maximum value achievable, will be presented to you for your review. As much as possible your cattle will be managed on an individual basis. This means implementing an individual market date and target program.



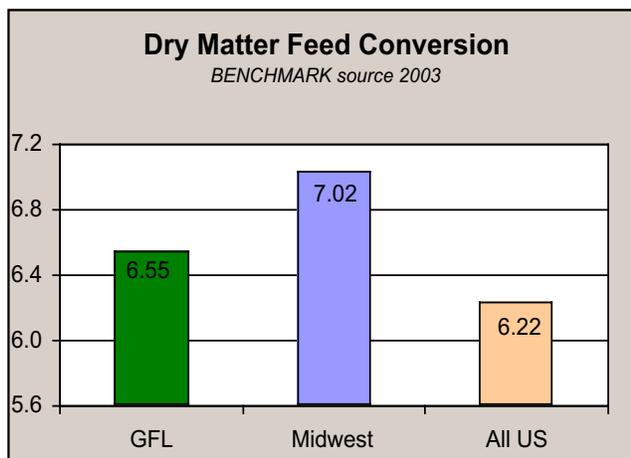
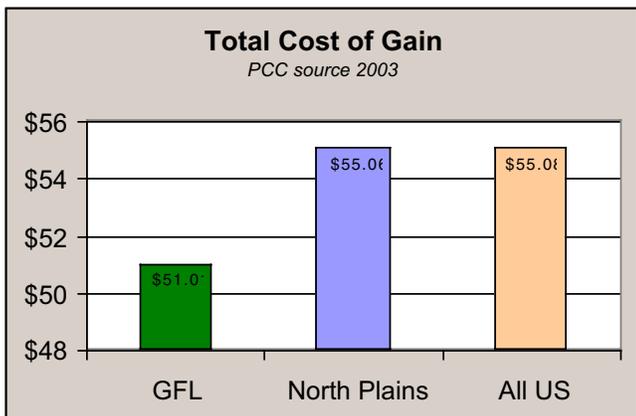


GFL CUSTOMIZED NUTRITIONAL MANAGEMENT

Total Quality Management of your cattle is GFL's central focus

The most experienced nutritionists in the cattle feeding industry oversee GFL nutritional management. From receiving rations, to acclimate your cattle to GFL and reduce the stress upon your cattle, to the high-energy rations that put the finish on your cattle. Each pound of

get your cattle to this level of excellence is important to GFL's planning. Cattle that have been on a high level of nutritional management will have different management demands at GFL than cattle that have been on a lower nutritional program. The integrated program that GFL



feed is matched to the nutritional potential of your cattle's genetics. The nutritional management of each pen of cattle is planned based on their past management program, genetic potential and your marketing objectives. Each step of the feeding process is precisely implemented to capitalize on the genetic potential of your animals. Utilizing the work you have already done to

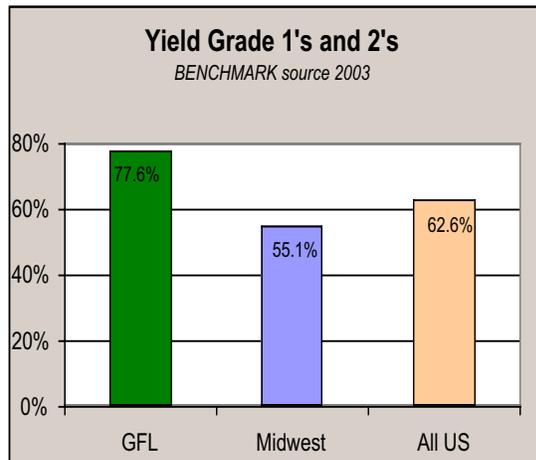
employs will combine and utilize the additive effects that will enhance the implanting and nutritional management and capitalize on the maximum genetic potential of your cattle. Total Quality Management of your cattle is GFL's central focus. We want to earn your repeat business by improving your bottom line.

GFL CUSTOMIZED MARKETING SYSTEM

The future of marketing will be value-based pricing

GFL's Customized Marketing is a process that begins before the cattle arrive at GFL and is constantly analyzed during the feeding period. The genetics, age, processing, nutritional and management aspects of each animal is reviewed to assure that each animal is managed to the most profitable endpoint genetically possible. A nutritional program matched to the genetic program, an implant program matched to the nutritional program and a marketing program matched to each animal and to your individual goals. GFL will match the feeding and management programs to your genetic program, then as the feeding period progresses we will analyze the growth of your cattle and carefully track the various market avenues available. This will allow us to market each

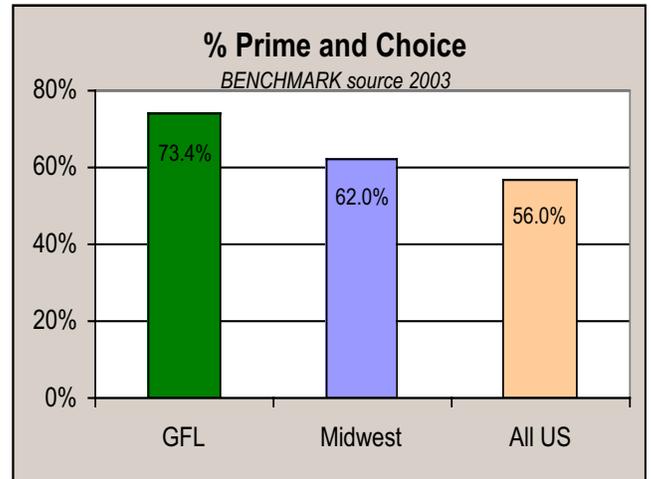
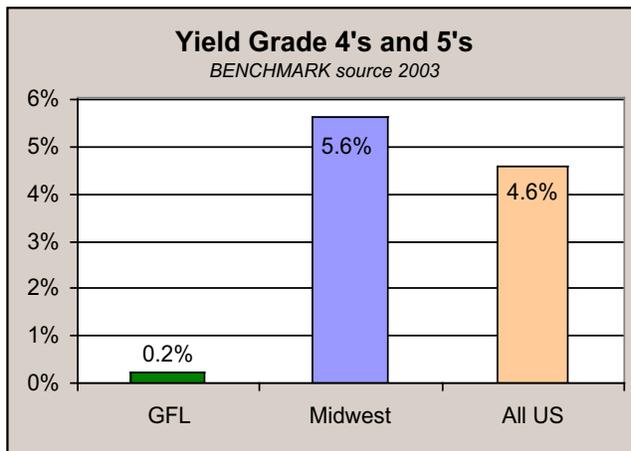
individual animal in the most profitable and advantageous way possible.





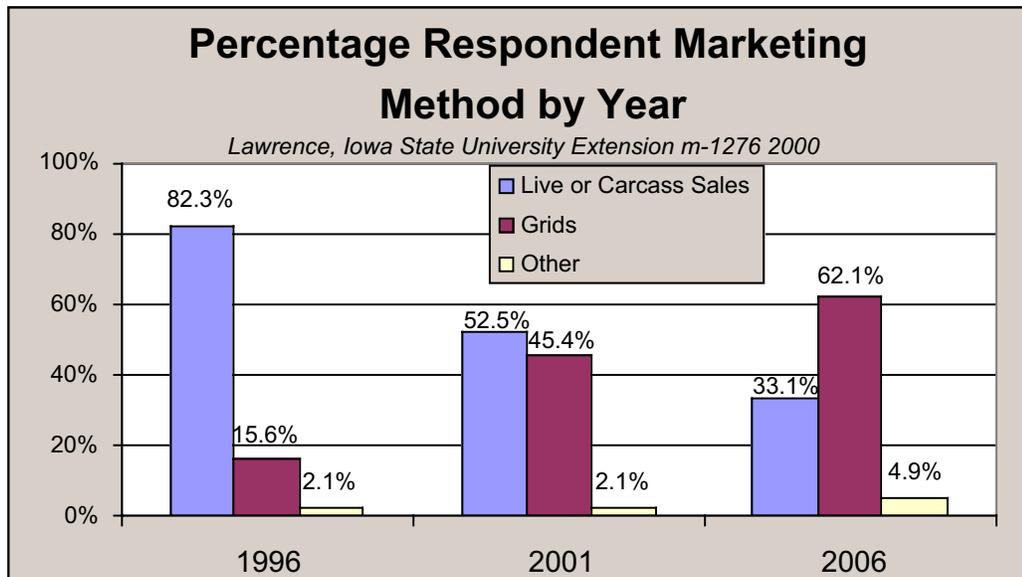
GFL Customized Marketing Program has allowed cattle marketed by GFL to exceed the national averages for positive carcass traits. We are able to sort and market your cattle to achieve their maximum financial potential. Sorting to different market dates will reduce the number of cattle that receive discounts and increases the number that bring premiums. Different marketing strategies for different types of cattle will capitalize on your cattle's positive traits.

GFL is in a position to market through numerous packers. Each packer has different attributes. We will be able to select the correct packer and marketing program within each packer to maximize the genetic characteristics of each of your cattle. We will sort, group and package your cattle to capitalize on their positive features. GFL has years of experience selecting cattle for various programs and a great reputation with the packers.



The fed cattle marketing environment has changed dramatically over the last decade. Increased use of various pricing methods including value-based pricing, price grids, formula pricing, marketing agreements, and alliances have displaced once dominant negotiated cash live and dressed weight fed cattle trade.

The future of marketing will be value-based pricing. As this trend develops the actual value of higher quality cattle will increase while inferior cattle values will decrease. This has made GFL Customized Marketing system critical to the profitability of your cattle.





GREGORY FEEDLOTS, INC.

1164 305th Ave.
Tabor IA 51653-9743

(712) 625-2311

Serving the cattle industry for 40 years.

FAX: (712) 625-2321

gregfeed@heartland.net
www.gregoryfeedlots.com

GFL AFFILIATIONS

The future of your cattle will thrive on our affiliations.



Gregory Feedlots Inc. is a family owned and operated business located in southwest Iowa. Gregory's have been in the cattle feeding business for generations and the custom cattle feeding business for 30 years. GFL's experienced and skilled work force offer the best management of all aspects of cattle finishing. We have considered it a privilege to work with many progressive producers. GFL has had the opportunity to form relationships with individual producers and form alliances with several organizations. These alliances allow GFL to offer producers specialized opportunities in the areas of marketing and data collection.

CAB is the premiere branded beef label providing the worlds leading brand of fresh beef. GFL is a charter member of CAB Feedlot Partners program. We have worked closely with CAB to refine our management programs to maximize the number of carcasses qualifying. GFL was one of



the first feedlots to qualify for the Thirty-Aught (30-0) Program. This is for marketing cattle that have at least 30% CAB qualifiers and zero "out" cattle. GFL fed the Region 1, winning "Best of the Breed" pen of steers in 2002 Angus Challenge. GFL had 4 of the top ten highest value pens of steers in the 2003 National Angus Carcass Challenge, including the first place pen of steers. GFL has been selected as Feedlot of the Month 3 times and had the honor of being selected as the 2002 CAB Licensed Feedlot Partner of the Year 20,000 head or less.

Iowa State University Extension
Helping you become your best.



TCSCF

GFL has been fortunate to be associated with TriCounty Steer Carcass Futurity Cooperative as a selected feedlot. TCSCF is a cooperative effort of the TCSCF board, Iowa State University Extension and southwest Iowa feeders. The principle objective of TCSCF is to provide the information beef producers can

use in managing and marketing their product. They specialize in detailed data collection and analysis for cow-calf producers of all sizes. TCSCF is an excellent program for producers to use to collect specialized and complete breeding herd to finished animal information.



GFL is a Nichols Farm Alliance Feedlot. Nichols Farms association with Merial SUREHEALTH and ADM Alliance Nutrition offers you opportunities to produce Value Added Cattle that will excel under GFL's Customized Total Management Program. Nichols Superior Genetic cattle fed at GFL qualify for Nichols Value Added Marketing Programs through Iowa Quality Beef and US Premium Beef.

PCC

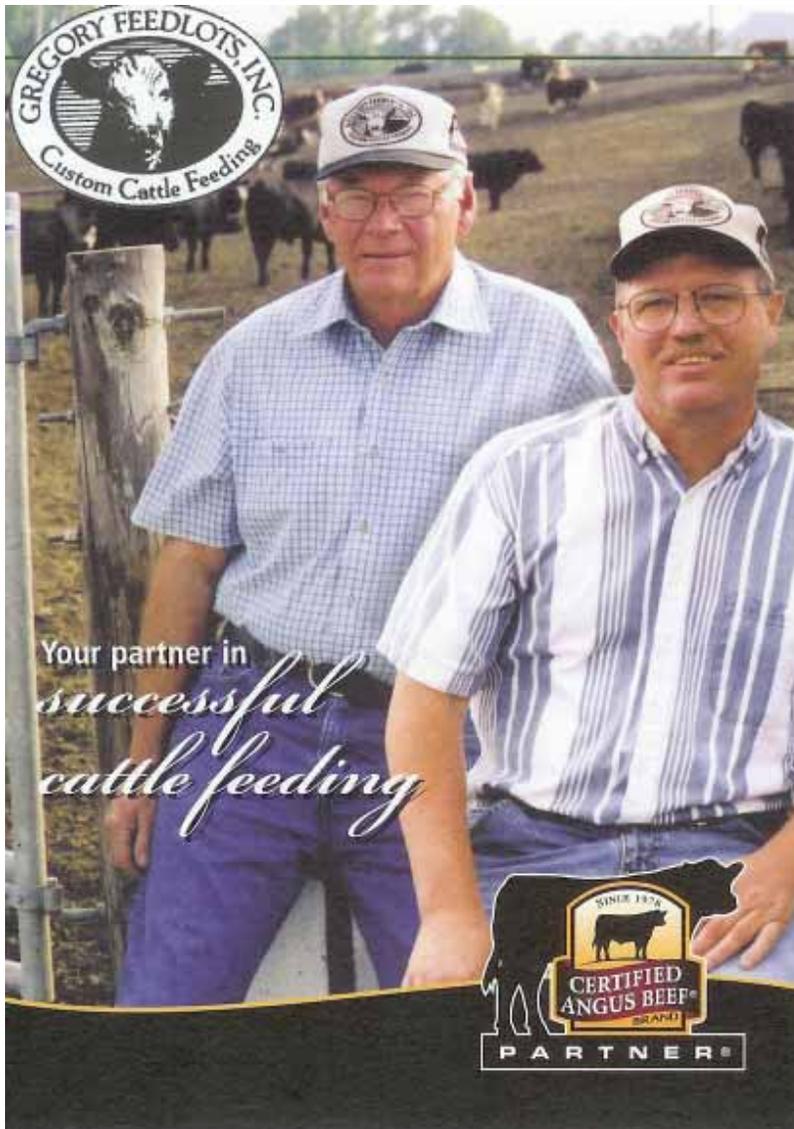
GFL is a member of Professional Cattle Consultants. An eMerge Interactie Service. PCC is an industry leader in feedlot data management, compiling information on approximately 3.4 million head annually. It provides members accurate comparative analysis each month of efficiency, ration prices and closeout comparisons by weight groups and cattle sex. This allows GFL to compare feeding performance against regional and national industry averages.



GFL is also a member of VetLife's Benchmark data collection service. VetLife introduced the Benchmark Performance Program in 1996 as an information management service to the feedlot industry. Since its introduction, the data, analysis and interpretation that are included in the Benchmark program have become a valuable management program for nearly 250 of the largest feedlots, representing approximately one-half of the cattle on feed in the United States and Canada. The Benchmark database now includes performance data on more than 36 million head of cattle and carcass data on more than 12 million head.

GREGORY FEEDLOTS, INC

SERVING THE CATTLE INDUSTRY FOR 40 YEARS.



OWNER - Jim Gregory

MANAGER - David Trowbridge

MISSION: To provide our customers with effective management, health, and nutrition products that will have maximum impact on the performance and profitability of their investment.

GREGORY FEEDLOTS, INC
1164 305 AVE
TABOR, IA 51653-9743

PHONE: (712) 625-2311

FAX: (712) 625-2321

E-MAIL:
gregfeed@heartland.net

WEB PAGE:
www.gregoryfeedlots.com

Jim Gregory
(712) 625-2391

David Trowbridge
(712) 629-7665