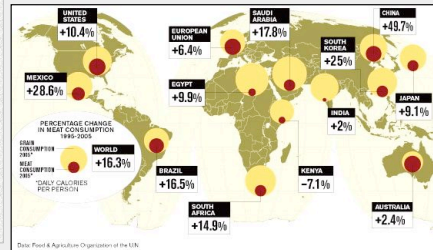




Dave Nichols
Bridgewater - Iowa

Nichols Farms
Superior Beef Genetics

Changing from a Supply Driven Market to a Demand Driven Market



This 60 Million Gallon Ethanol Plant Uses 21 Million Bushels of Corn a year Enough Corn to Finish 525,000 steers



Texas Feedlot
Hereford, Texas
June 18, 2008

- 750 lbs. Feeder Steer
- \$862.50 @ \$115.00 cwt.
- \$8.30 per bushel - Corn
- \$111.08 - Cost of gain - cwt.
- \$111.00 - Sale price - cwt.

\$30.74 Profit

Iowa Feedlot
Bridgewater, Iowa
June 18, 2008

- 750 lbs. Okie Steer
- \$862.50 @ \$115.00 cwt.
- \$7.50 per bushel - Corn
- \$97.52 - Cost of gain - cwt.
- \$111.00 - Sale price - cwt.

\$41.67 Profit

What's For Breakfast ???



**Composite Genetics
& Transferable Heterosis...**



step #1 Exploit Heterosis

Crossbred beef cows producing Composite sired calves provide a 23.3% Improvement in Pounds of Calf per cow exposed than Straight Bred cows and calves
—USDA Meat Animal Research Center



**Step #2
Select for rapid early growth by using—
Expected Progeny Differences (EPDs)**

- Weaning Weight EPD
- Yearling Weight EPD
- \$\$ Feedlot (Angus)

Feeder Cattle, Yearlings, Finished Cattle, Boxed Beef, Retail Beef, Big Mac Hamburgers and Steaks at White Table Restaurants are ALL Sold— Weight Times the Money!

**Step #3
Utilize Current Technology to improve
Quality Grades, Yield Grades and
Consumers eating experiences**

- Marbling EPDs
- \$\$ Beef (Angus)
- Retail Yield EPDs
- TPI Index (Simmental)
- Real Time Ultra-sound



**Step #4
Utilize DNA genetic profiles in the selection
and systematic culling of seedstock.**

- Tenderness
- Ribeye Area
- Hair Color
- Carcass Weight
- % Choice
- Marbling
- Yield Grade
- Polled



National Beef Cattle Evaluation Consortium

- Feed efficiency - Residual Feed Intake
- Healthfulness of Beef for Humans
- Bovine Resistance to Disease
- Genetic Improvement in Cattle Adaptation
- Decision Support Software

Step #5
Aggressively pursue
Marketing Partners.

Nichols Corporate Partnerships

Tying Nutrition and Genetics Together

A Sure Way To Add Value

ADM - ANI and Nichols will begin to produce 10 million lbs of US Premium Beef

SuroHealth

Alliance Nutrition



Nichols Genetic Source Feeder Sales



Nichols Genetic Source Breed Heifers



Nichols Alliance Feedlots

Critical - Absolute Necessity!

Those farms, ranches, seed stock breeders, and industries, who ignore their customers' real or perceived values, and lack the guts or the tools to control costs are doomed to the trash can of history — e.g. Rock Island Railroad, Braniff Airlines, Farmland Industries, and Enron.



Smart People Told
Columbus the World
Was Flat. He Didn't
Insist It Was Round ...
He Got In the Boat!



Beef producers, their associations, and Universities should harness their best minds and allocate the necessary resources to improve the efficiency and heterosis of their beef herds with specific genetic inputs, while improving the tenderness, taste, and healthfulness of beef.

Nichols Farms is a National Full Service Genetic Provider with locations in five states. Nichols Farms have set and lived up to tough standards, utilized science based technology, and employed good people. In '08 Nichols Farms was the 5th largest seedstock company in the USA.



Nichols Farms
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