NorthStar Cooperative

Service Areas

1,450 Herds
241,000 Cows
70 Total Employees
ICAR Lab Benchmarking

“An easy and timely way to compare yourself to other business entities”

- Turnaround time
- Samples per employee
- Employee Training
- Finances

Two Milk Testing Laboratories

- Wisconsin Fox Valley Lab
  - Wholly owned by NorthStar Cooperative
  - Located in Neenah, WI
  - Two lines of Bentley equipment
  - One Bentley Chem-spec MUN unit

2006 Business

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<table>
<thead>
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<tbody>
<tr>
<td>DHI samples annually</td>
<td>683,000</td>
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<tr>
<td>DHI samples monthly</td>
<td>56,900</td>
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<tr>
<td>Pay Lab samples annually</td>
<td>166,000</td>
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<tr>
<td>Pay Lab samples monthly</td>
<td>13,800</td>
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<tr>
<td>AntelBio samples annually</td>
<td>5,000</td>
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</tbody>
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NorthStar Wisconsin Lab

- Lab opens Monday through Friday at 8:00 a.m.
- First samples arrive 8:30 a.m.
- Samples arrive throughout the morning
- Lab shuts down by 3:30 p.m.
- One full-time and two 30-hour per week employees

Universal Lab Services, LLC

- Limited Liability Corporation
- Based in Lansing, MI
- Jointly owned by Indiana State Dairy Association and NorthStar Cooperative
- Business basis
  - 82% NorthStar Cooperative
  - 18% ISDA
- Two lines of Bentley Equipment
- One Bentley Chem-spec MUN unit
2006 Business

- 1,682,500 Samples annually
- 140,210 Samples monthly
- 37,000 AntelBio samples annually

- Four full-time employees and one part-time employee
- From test day until reports sent to dairyman from data processing center: 2.4 days turnaround – quickest of the large labs at DRMS

Samples Received

- Walk-ins 5%
- United Parcel Service 20%
- Route Vans 75%

All samples tested and processed on the day of arrival

Universal Lab Services

- Lab opens Monday through Friday at 7:30 a.m.
- UPS delivers at 8:00 a.m.
- Route trucks arrive between noon and 3:00 p.m.
- Lab remains open until all samples are processed
- All lab employees are hired realizing that their hours must be flexible and on the premise that; “When there are samples in the lab – we work”

Technician Training

- Four - six hour training days per year
- One per quarter
- Training topics range from lab work to field service to data processing
- All lab employees are cross trained to learn the basics of field service work
- Guest speakers are brought in for two meetings per year
- In-house speakers and trainers are used for remaining two meetings
- A minimum of 24 hours of training per year per lab technician is expected

Finances

- All equipment is purchased and paid for on a five year depreciation plan
- Competitive environment of regional area constitutes prices are conservative and profit margins for NorthStar labs are approximately 10 to 15%

Keys to a Successful Lab

- Teamwork
- Employee Cooperation
  - Field service
  - Route couriers
  - Lab personnel
- Excellent Communication
- Routine and Proper Maintenance
- Employee Ownership
  - Cleanliness!
  - Cleanliness!
  - Cleanliness!
“Surrounding yourself with good people makes your entire organization stronger, ultimately creating a more efficient environment for the dairy producer.”

Thank you for your attention!