

Creekstone Farms, Joe Bill Meng — Director of Genetics and Supply Development

Creekstone Farms Premium Black Angus Beef is a unique program relative to other niche market programs. John Stewart, founder and president of Creekstone Farms has over thirty years experience in the meats business. Mr. Stewart identified the opportunity for this market and began developing the concept in the mid 90 s. Following the identification of the market, the systems to create the product for this market were developed.

The concept was built around a goal of supplying food service, retail and export markets with a consistent, high quality Angus based product. The foundation for the program began with the development of superior genetics in the Creekstone Angus herd and the identification of existing genetics from other like-minded programs. These genetics were to be complimented with a uniform management system designed to maximize the health and performance of the animal. Protocol at every stage of the animal s life is based on the soundest and best scientific knowledge available. The intent is to identify producers, both purebred and commercial, feedyards and processors who are willing to adopt this protocol and partner with them. In many cases, partners were available that were already utilizing the practices we wished to incorporate. Animal welfare, bio-security and food safety all receive major emphasis.

The centerpiece for Creekstone Farms is 1200 acres of rolling grassland located in Henry Co., Kentucky. The farms is used to develop and market genetics, develop live animal protocol and expose our retail and food service customers to the live animal piece of the operation. Operations for Creekstone are located in Thornton, CO.

Before the first animal was harvested in April, 2001, markets had been identified and developed that would utilize the entire carcass and provide the opportunity to add value to each cut, rather than expecting the middle meats to carry the burden of offsetting the added costs involved with an integrated program. We understood that all phases of the production process had to function properly in order to achieve the desired end product; however, the size of our program made it difficult to have the leverage we needed at the harvesting and fabrication level. When we began working with Future Beef we knew that we had found a partner that appreciated our goals, and the Arkansas City, KS state-of-the-art facility was able to give our raw product the attention it needed in terms of processing, food safety and packaging, to enable us to deliver the product to our customer we had envisioned.

The misfortunes of Future Beef have been well documented, but Creekstone appreciated the cooperation and talent they provided when we were harvesting cattle in their facility. As fate would have it, we were successful in acquiring their Arkansas city facility and now are faced with an expanded set of opportunities and challenges.

At Creekstone, we feel more confident than ever that our direction is correct and we are realistically optimistic about the future of the beef industry. We look forward to working with the progressive programs and people in all phases of this industry and have faith in

their support organizations and their leadership. We feel, that with all segments of the industry will work together in a spirit of cooperation and unity, there is opportunity to grow beef's market share and enhance profit opportunities at all levels.