



## Grow Your Family Farm with Pork Production

Create opportunities for growth, efficiencies, and sustainability for your family's farm. Invest in your future and expand your operation with animal agriculture. Join our growing family of Production Partners, who share our passion for caring for pigs and feeding families. We invite you to GROW with us.

Growing demand for pork from U.S. and global consumers is driving the need for more contract finishing hog operations across the country. When you join our network of over 400 family farms in the Midwest, you become part of The Maschhoffs family. Our farm families provide high-quality pork in a productive, efficient and income-generating environment.

***The right partnership can help you reach your goals and pass your farm on to the next generation***

- Diversify to reduce risk
- Invest in long-term, income-generating assets
- Create a consistent source of planned revenue
- Add income and labor for the next generation to join the farm
- Generate renewable fertilizer (manure)
- Bolster economic activity and job opportunities for the local community

High land prices and cash rents make it difficult to acquire land to expand and bring future generations back to the farm. Adding livestock production to an existing grain farm can make this dream a reality.

As Production Partner Doug Harter noted, "This is a great opportunity to keep my three boys on the family farm. With crops, we were going to need so many acres to support three families. Growing the hog business was the best way to do it."



***"This is a great opportunity to keep my three boys on the family farm."***

- Harter Family, Barry, IL

### Building the Future with Contract Finishing

Contract hog finishing by definition is a business venture in which two or more parties share the risks, rewards, and responsibilities of producing market hogs. Contract production offers farm operations an income opportunity with more quantifiable risks than other farm business opportunities. When contracting with The Maschhoffs, price and production risk are assumed by the company. Contract finishing is generally considered to be lower risk than non-contract production and is generally more favorable to lenders.

*Production Partners pictured above: Moore Family, Sumner, IL; Coleman, Donnellson, IL*



*Production Partners: Laudwig Family, Humboldt, IA*

**"Pigs brought my wife and I together, and it's always been our dream to raise pigs of our own. We hope that adding this barn will allow our growing family a lifetime of opportunity to farm with us."**

—Josh Fanter, Havana, IL

**"Building our farm with The Maschhoffs was a great fit for our family. The values and family principles the company has is what earned our loyalty and trust."**

—Charlie Coleman, Donnellson, IA

**At The Maschhoffs, we have been partnering with family farms for more than 20 years when it comes to contract pig production. We are there to help you and your family be successful every step of the way.**

- 1. Built on Trust:** At The Maschhoffs, our relationships are built on trust and respect. As a family-owned pig producer, we know your challenges and are passionate about helping you succeed.
- 2. Location, Location, Location:** There's a lot to consider when siting a new hog barn -- site accessibility, environmental planning, neighbor relations, etc. Our Business Development team has a wealth of knowledge in this area. They are here to guide you from concept to construction.
- 3. Bottom Line:** When it's all said and done, this thing has to cash flow. We have a lot of experience in this area and a network of lenders who will work to ensure your family is financially successful.
- 4. Long-Term Partner:** The Maschhoffs never miss a payment to its partners. The fifth-generation of family owners is committed to pig production for the long-term. You can take comfort knowing you're entering into a partnership that will last for generations to come.



### **Our Core Values**

- Relationship:** Our employees and partners are foundational to our family business, and we are committed to their safety and success.
- Stewardship:** We believe in the preservation of the family farm and our natural resources, and care deeply about our animals and the environment.
- Service:** We strive to exceed customer expectations and positively impact our communities.
- Progress:** We will improve daily through our dedication to building and implementing knowledge while operating with a disciplined approach.

## **Our Story**

We are a fifth-generation, family-owned farm headquartered in Carlyle, Ill. With roots dating back to 1851, The Maschhoffs today is owned by brothers Ken and Dave Maschhoff with their wives, Julie and Karen.

We are committed to the family culture and values upon which our company was built when Ken and Dave's grandparents founded the original family farm in 1939. We are a family of family farms where you are more than a number. In providing nutritious pork to more than 12 million people each year, we strive for excellence guided by family values.

**Our purpose is simple: Feeding families and building communities for a better future.**

Each day, we strive to continuously improve how we raise pigs while keeping our people, pigs and partners front and center.

The Maschhoffs works with Production Partners based in four production regions. Each region focused on the specific needs of our Production Partners ranging from animal production, health, business development, logistics, feed supply, and community outreach. Our regional model allows us to stay local while operating across a five-state footprint.



From left: Karen, Dave, Wayne (dad), the late Marlene (mom), Ken and Julie.

### The Maschhoffs

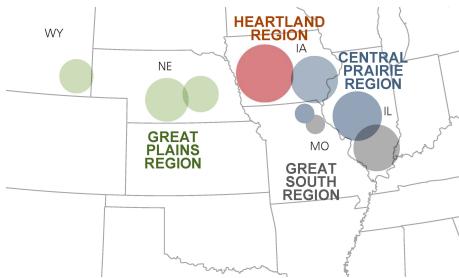
*Progressive Farming. Family Style.*

### 5th generation family-owned company

- Within largest network of family-owned pig farms in North America
- 5th largest pork producer in the U.S.
- Produce 3 million market pigs annually
- Feed 12 million consumers
- Over 300 Production Partners across five states
- 100+ years of experience raising pigs
- Financially stable

### Region-based operating model

- Four geographic regions
- Headquartered in Carlyle, Ill.



### Office locations

Carlyle, Illinois - Headquarters  
Pittsfield, Illinois  
Arapahoe, Nebraska  
Albin, Wyoming

## Partnering with You Every Step of the Way

When you partner with The Maschhoffs, you become part of a true partnership that lets you diversify your farm's income and goes beyond a rent check. We are always looking for Production Partners who want to grow their family business.

***Below is a quick overview of how The Maschhoffs work with our Production Partners:***

### The Maschhoffs work with each Production Partner to supply:

- Pigs from The Maschhoffs' proprietary line of genetics
- Animal care guidance, assistance and training
- Transportation
- Herd health, and veterinary support
- Ongoing support and assistance with your operation

The Maschhoffs handle the marketing and a 12-15 years production contract. Production Partners are paid monthly for usable square feet in the facility.

### Production Partners provide:

- Facilities, based on standard building specs for optimal herd health and finishing
- Barns are designed to hold about 2,500 pigs
- Site requirement is between 3-5 acres
- \$1.1 - \$1.2 million investment
- Loan period typically 12-15 years
- Daily labor to manage the herd and oversee facilities

Partnering with The Maschhoffs gives you access to industry-leading research and development resources to assist you with construction, environmental services, community engagement, animal health and day-to-day pig care. In addition to income, you will also have access to manure, a fertilizer source for your grain crop. The Maschhoffs team will work with you accessing your nutrient management plan and application.

### Manure Management

The manure produced from pork production reduces fertility costs and improves the soil on your crop acres.

### Adding additional value to your operation

- Improves cash flow
- Offsets fertilizer costs
- Option to sell manure to other grain farmers
- Builds healthier soils
- Provides micronutrients and organic matter
- Improves water holding capacity
- Helps achieve higher crop yields



Understanding the role of manure in your operation's financial balance sheet helps drive business decisions. Based on a manure analysis from The Maschhoffs, operations can anticipate a net total value of \$36,100 on average to their farm by using available manure from a finishing barn.

### Manure Analysis Example

Date: Fall 2018	Source: 135 barns, wean-finish Stats: Average
Laboratory: A&L Great Lakes	
<b>Manure Factors</b>	
Head capacity: 2,926Gal/pig/day: 1.0	
Additional nursery capacity: 2,926Gal/pig/day: 0.16	
<ul style="list-style-type: none"> <li>Maximum application rate based on crop need: 4,554 gal/ac</li> <li>Annual manure production: 1,117,405 gal</li> <li>Sustainable acreage requirement for this example: 491 ac</li> </ul>	

### Nutrient Value

	PAN	P205	K20	
Nutrient Availability (lbs/1000 gal)	42.6	28.8	33.9	
Nutrients Applied (lbs/ac)	194	131	154	
Maintenace Needed (lbs/ac)	194	116	109	
<i>based on corn/soybean rotation</i>				
Buildup or (drawdown) (lbs/ac)	-	15	45	
Fertilizer Product	Anhydrous	DAP	Potash	
Fertilizer Product Cost (\$/ton)	\$ 685	\$ 510	\$ 480	
<i>USDA 10yr average below Fertilizer Product Cost</i>				
Fertilizer Cost/Unit (\$/lb)	\$ 0.42	\$ 0.55	\$ 0.40	Total
Maintenace Value (\$/ac)	\$ 81.09	\$ 64.26	\$ 43.60	\$ 188.96
Soil Buildup Value (\$/ac)	-	\$ 8.31	\$ 18.00	\$ 26.31
<b>Total Unit Value (\$/ac)</b>	<b>\$ 81.09</b>	<b>\$ 72.57</b>	<b>\$ 61.60</b>	<b>\$ 215.27</b>
Total Nutrients (lbs)	47627	32161	37807	-
Total Value (\$)	<b>\$ 19,908</b>	<b>\$ 17,821</b>	<b>\$ 15,132</b>	<b>\$ 52,861</b>
App Cost	(0.015)		(68.31)	(\$16,761.08)
			Net Total Value	\$36,100

Source: The Maschhoffs

## Production Partners Profitability Plan

In a typical Production Partner arrangement for a new barn, The Maschhoffs provide a long-term contract matching the length of your loan. Production Partners are paid a monthly base rate for the use of their barn. In addition to this base rate, we have a number of incentive programs providing an opportunity to boost your overall compensation. Incentive programs enable Production Partners to earn 112-115% of market!

### Incentive Programs

#### Overload Program

- Stock at a nursery rate
- Send extras to finish barn; earn additional income on the extra head

#### Finish Pig Stocking Program

- Earn additional income by capitalizing on the proprietary genetics from The Maschhoffs, allowing you to maximize production

#### Value Share

- Packer pays a premium for consistent size hogs, and The Maschhoffs passes on a portion of the premium to Production Partners



**We look forward to you joining The Maschhoffs family. Contact us today.**

Interested in joining our family? Contact our Farm Partnership Team at [businessdevelopment@pigsrus.net](mailto:businessdevelopment@pigsrus.net) or by location below:

#### Eastern IA:

Chad Heisdorffer

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