

August 13, 2018

Dear Member:

U.S. Premium Beef has closed its books for the second quarter of fiscal year 2018. For the quarter, which ended on June 30, 2018, USPB recorded net income of \$27.8 million, which represented a \$16.8 million increase over the same period a year ago. For the year-to-date period, USPB realized net income of \$37.0 million, which was \$18.5 million higher than in the prior year. The improvement for both periods was the result of substantially higher net income at National Beef Packing Company.

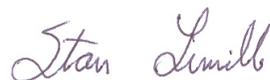
For the second quarter, National Beef recorded net income of \$188.0 million, an improvement of \$110.1 million over the same period a year ago. Through the end of June, National Beef realized net income of \$256.6 million, an increase of \$121.5 million over the prior year. The combined effects of increased margin per head and an increase in number of cattle processed led to higher profitability for the first half of 2018.

In June 2018, USPB made two distributions to its members, totaling \$40.9 million, or \$54.30 per combined Class A and Class B unit. The first was a tax distribution, which was based on estimated taxable income for the first half of 2018. The second was a discretionary distribution, which was paid to members of record as of May 9, 2018.

During the first half of 2018, USPB producers delivered 452,294 head of cattle through USPB to National Beef. Average gross premiums for all of the cattle delivered was \$50.87 per head, with the top 25% and 50% receiving premiums of \$87.41 and \$73.27, respectively.

USPB's unique advantage continues to be the superior quality cattle delivered by our producers, which enables National Beef to generate more value from the cattle we deliver and provides more opportunities in the consumer marketplace. Please call our office if you have questions about USPB's financial and operational results. Thank you.

Sincerely,



Stanley D. Linville  
Chief Executive Officer

*This letter contains discussion of some of our expectations regarding U.S. Premium Beef, LLC's future performance. These forward-looking statements are based on our current views and assumptions. Actual results could differ materially from these current expectations and projections, and from historical performance. For example, our future results could be affected by such factors as: the competitive dynamics in the U.S. and international beef markets, the rate of our unit volume growth and our product mix, and fluctuations in the cost and availability of supply-chain resources. Further discussions of these matters can be found in the securities filings of U.S. Premium Beef through the Securities and Exchange Commission's Electronic Data Gathering and Retrieval (EDGAR) system at [www.SEC.gov](http://www.SEC.gov).*