

Dairy Farm Operating Trends

December 31, 2019



To Our Valued Clients and Other Friends in the Dairy Industry

The following pages contain the Frazer, LLP's Dairy Farm Operating Trends for the year ended December 31, 2019.

The data is compiled from dairy operations in Southern California, the San Joaquin Valley, Kern County, Arizona, Idaho, New Mexico, the Texas Panhandle, and the Pacific Northwest, which consists of Washington and Oregon operating collectively, with a combined milk production of over 9.3 billion pounds and approximately 420,000 head of mature cows for the year ended December 31, 2019.

This report includes a comparison of the results in the regions listed above for the year ended December 31, 2019 both on a "Per head" basis and on an "Actual per hundredweight of milk" basis. For 2019, we have inserted a Fat Corrected Milk (FCM) calculation per hundredweight of milk for all California regions and an Energy Corrected Milk (ECM) calculation per hundredweight of milk for all Federal Order regions, please see pages 7 to 8. Also included are selected financial ratios and other statistical analysis for the year.

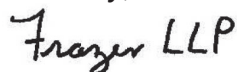
This publication is designed as a reference tool and a management aid for dairy farm managers and advisors. Frazer, LLP believes the information to be reliable, but is not responsible for errors in reported source information.

Our publication continues to be recognized as the top industry source for relevant dairy statistics. This report is provided to and widely utilized by dairy farmers, lending institutions, universities, colleges and other agribusiness industries.

We appreciate all of your past and present support and thank you for your continued reliance on Frazer, LLP. If you have any comments or questions, please contact our Agribusiness partners, Ralph Lizardo or Tim Gulling at our Brea office at (714) 990-1040 and Angela Blaylock, Mike Edwards at our Visalia office at (559) 732-4135.

For more information regarding our firm, our Agribusiness department and our publication, please visit our website at www.frazerllp.com.

Sincerely,



FRAZER, LLP

Certified Public Accountants and Consultants

July 2020

TABLE OF CONTENTS

December 31, 2019

	PAGE
2019 in Review	1
Comparison by Area on a Per Head Basis	3
Comparison by Area on an Actual Per Hundredweight of Milk Basis	5
Comparison by Area on a Fat Corrected Milk and Energy Corrected Milk Per Hundredweight of Milk Basis	7
Comparison by Area - Ratios and Analysis	9
Southern California	11
San Joaquin Valley	17
Kern County.....	23
Arizona	29
Idaho	35
New Mexico	41
Panhandle.....	47
Pacific Northwest.....	53
Explanation of Income and Cost Factors	59
Our Firm and the Dairy Industry	60

2019 IN REVIEW

Comparative Net Income By Region:

Net income per head increased for a majority of the regions during 2019. Increasing milk prices was a contributing factor to the increase in net income. Profits from farming operations also helped during 2019. Milk production has remained strong compared to demand, and continued strengthening in the U.S. dollar along with ongoing trade concerns has put strain on global export markets. In the first quarter of 2020 the world entered into the COVID-19 pandemic, and milk prices along with most other financial markets quickly plummeted. As we approach the 2nd half of 2020 Class III milk futures have shown strength but not all milk class markets are following suit, which raises concerns over what all regions will necessarily see in their net mailbox checks. Only time will tell.

Net income (loss) per head:	Southern California		San Joaquin Valley		Kern County		Arizona		Idaho		New Mexico		Panhandle		Pacific Northwest	
	\$		\$		\$		\$		\$		\$		\$		\$	
2019	302		250		473		(352)		335		(709)		459		468	
2018	(190)		(67)		112		(536)		(57)		(521)		(123)		190	
Change	492		317		361		184		392		(188)		582		278	

Comparative Feed Cost By Region:

Feed costs rose in all regions during 2019. Trade concerns, costs of feed production and dollar strength all remain issues. We shall see where these prices go for the remainder of the year of 2020, but it looks like corn will rise. High end mineral and protein costs continue to rise adding to overall feed costs per head. Alfalfa and forage costs have continued their rise in prices due to the same factors that raise grain prices.

Feed cost per head:	Southern California		San Joaquin Valley		Kern County		Arizona		Idaho		New Mexico		Panhandle		Pacific Northwest	
	\$		\$		\$		\$		\$		\$		\$		\$	
2019	2,487		2,265		2,207		2,109		1,935		2,577		1,829		1,781	
2018	2,331		2,166		2,047		1,976		1,820		2,413		1,724		1,712	
Change	156		99		160		133		115		164		105		69	

Comparative Production By Region:

The nation's milk production grew by almost 0.4% in 2019, which is a slight decrease over the gains in 2018 production. California milk regions were mixed to neutral in our study, whereas Idaho and the Panhandle showed the largest increase in overall milk production. The number of U.S. milk cows continue to stay strong, and are at the highest numbers in more than a decade. Efficiencies and technology are growing, and regardless of labor woes, milk production is rising because of technologies.

Lbs. per milk cow per day:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest
2019	75.7	75.1	71.3	66.1	69.0	73.3	68.4	64.7
2018	75.5	76.9	69.5	66.3	68.2	74.1	68.4	66.5
Change	0.2	(1.8)	1.8	(0.2)	0.8	(0.8)	-	(1.8)

Herd Turnover Rate By Region:

Herd turnover rates rose mostly in the California, Idaho and Pacific Northwest regions, but declined in Arizona, New Mexico, and Texas during 2019. Cow care is always an issue and the scarcity of quality labor can dramatically affect turnover. Milk and feed price ratios also affect the turnover rates.

Herd turnover rate by region:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest
2019	41.2%	44.8%	39.6%	33.4%	41.5%	37.8%	36.4%	37.6%
2018	36.8%	45.3%	38.3%	37.3%	38.6%	40.5%	42.7%	29.6%
Change	4.4%	-0.5%	1.3%	-3.9%	2.9%	-2.7%	-6.3%	8.0%

Average Cost of Replacement Per Head By Region:

Costs of replacements were mixed on a per head basis in all regions during 2019, mostly due to the net losses experienced in some of the regions during 2019, and most of the regions from prior years' losses, and more dairy operations liquidating has brought large numbers of cows on the market. Increased breeding efficiencies have reduced the need to purchase replacements and also contributed to the lower costs of replacements.

Average cost of replacement per head by region:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest
2019	\$ 1,645	\$ 1,563	\$ 1,557	\$ 1,458	\$ 1,197	\$ 1,810	\$ 925	\$ 1,302
2018	\$ 1,507	\$ 1,493	\$ 1,543	\$ 1,398	\$ 1,363	\$ 1,425	\$ 1,481	\$ 1,511
Change	\$ 138	\$ 70	\$ 14	\$ 60	\$ (166)	\$ 385	\$ (556)	\$ (209)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEAR ENDED DECEMBER 31, 2019
(BASED ON AVERAGE AMOUNTS PER HEAD)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	\$ 4,540	\$ 4,311	\$ 4,147
Calves and other	179	110	66
Total income	\$ 4,719	\$ 4,421	\$ 4,213
Cost of operations:			
Feed:			
Grain	\$ 1,579	\$ 1,754	\$ 1,490
Hay and other	908	511	717
Total feed	\$ 2,487	\$ 2,265	\$ 2,207
Labor, (including fringe costs)	\$ 532	\$ 449	\$ 341
Herd replacement costs	\$ 409	\$ 377	\$ 313
Other costs:			
Milk hauling	\$ 73	\$ 91	\$ 118
State and association charges	45	42	41
Veterinary, breeding, testing, etc.	211	118	77
Supplies	43	131	121
Repairs and maintenance	161	145	121
Utilities	48	66	89
Occupancy costs	86	138	90
Depreciation - equipment	43	84	56
Interest	149	160	115
Miscellaneous	130	238	154
Total other costs	\$ 989	\$ 1,213	\$ 982
Total cost of operations	\$ 4,417	\$ 4,304	\$ 3,843
Income (loss) from dairy operations	\$ 302	\$ 117	\$ 370
Farming operations, net	\$ -	\$ 133	\$ 103
Net income (loss)	\$ 302	\$ 250	\$ 473



Arizona		Idaho		New Mexico		Panhandle		Pacific Northwest		Your December 31, 2019 Amounts
\$ 3,931 208		\$ 4,128 82		\$ 3,858 49		\$ 4,076 (8)		\$ 4,201 52		\$
\$ 4,139		\$ 4,210		\$ 3,907		\$ 4,068		\$ 4,253		\$
\$ 1,547 562		\$ 1,307 628		\$ 1,747 830		\$ 1,537 292		\$ 1,278 503		\$
\$ 2,109		\$ 1,935		\$ 2,577		\$ 1,829		\$ 1,781		\$
\$ 530		\$ 369		\$ 478		\$ 387		\$ 567		\$
\$ 579		\$ 490		\$ 299		\$ 373		\$ 326		\$
\$ 112 87 77 182 127 78 149 58 226 197		\$ 65 21 104 94 114 39 138 81 178 277		\$ 105 88 120 129 103 76 67 62 298 214		\$ 205 29 117 119 110 34 99 93 127 155		\$ 135 66 137 134 153 49 119 105 138 203		\$
\$ 1,293		\$ 1,111		\$ 1,262		\$ 1,088		\$ 1,239		\$
\$ 4,511		\$ 3,905		\$ 4,616		\$ 3,677		\$ 3,913		\$
\$ (372)		\$ 305		\$ (709)		\$ 391		\$ 340		\$
\$ 20		\$ 30		\$ -		\$ 68		\$ 128		\$
\$ (352)		\$ 335		\$ (709)		\$ 459		\$ 468		\$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2019
(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	\$ 19.50	\$ 18.19	\$ 18.86
Calves and other	0.77	0.46	0.29
Total income	\$ 20.27	\$ 18.65	\$ 19.15
Cost of operations:			
Feed:			
Grain	\$ 6.78	\$ 7.40	\$ 6.78
Hay and other	3.89	2.14	3.25
Total feed	\$ 10.67	\$ 9.54	\$ 10.03
Labor, (including fringe costs)	\$ 2.28	\$ 1.90	\$ 1.55
Herd replacement costs	\$ 1.75	\$ 1.59	\$ 1.42
Other costs:			
Milk hauling	\$ 0.32	\$ 0.38	\$ 0.54
State and association charges	0.19	0.18	0.19
Veterinary, breeding, testing, etc.	0.91	0.50	0.35
Supplies	0.18	0.55	0.55
Repairs and maintenance	0.70	0.61	0.55
Utilities	0.21	0.28	0.41
Occupancy costs	0.37	0.58	0.41
Depreciation - equipment	0.19	0.35	0.26
Interest	0.64	0.68	0.53
Miscellaneous	0.54	0.98	0.71
Total other costs	\$ 4.25	\$ 5.09	\$ 4.50
Total cost of operations	\$ 18.95	\$ 18.12	\$ 17.50
Income (loss) from dairy operations	\$ 1.32	\$ 0.53	\$ 1.65
Farming operations, net	\$ -	\$ 0.41	\$ 0.47
Net income (loss)	\$ 1.32	\$ 0.94	\$ 2.12



Your December 31, 2019 Amounts											
Arizona		Idaho		New Mexico		Panhandle		Pacific Northwest			
\$	18.73	\$	18.79	\$	17.37	\$	18.97	\$	20.18	\$	
	1.01		0.37		0.22		(0.04)		0.24		
\$	19.74	\$	19.16	\$	17.59	\$	18.93	\$	20.42	\$	
\$	7.37	\$	5.95	\$	7.87	\$	7.16	\$	6.14	\$	
	2.67		2.86		3.74		1.36		2.42		
\$	10.04	\$	8.81	\$	11.61	\$	8.52	\$	8.56	\$	
\$	2.53	\$	1.67	\$	2.16	\$	1.80	\$	2.73	\$	
\$	2.76	\$	2.23	\$	1.35	\$	1.74	\$	1.57	\$	
\$	0.53	\$	0.30	\$	0.47	\$	0.95	\$	0.65	\$	
	0.41		0.10		0.40		0.13		0.31		
	0.36		0.47		0.55		0.54		0.66		
	0.86		0.43		0.58		0.55		0.65		
	0.61		0.52		0.47		0.52		0.74		
	0.37		0.18		0.34		0.16		0.23		
	0.71		0.63		0.30		0.46		0.57		
	0.28		0.37		0.28		0.43		0.50		
	1.08		0.81		1.34		0.59		0.67		
	0.95		1.25		0.96		0.72		0.96		
\$	6.16	\$	5.06	\$	5.69	\$	5.05	\$	5.94	\$	
\$	21.49	\$	17.77	\$	20.81	\$	17.11	\$	18.80	\$	
\$	(1.75)	\$	1.39	\$	(3.22)	\$	1.82	\$	1.62	\$	
\$	0.10	\$	0.14	\$	-	\$	0.32	\$	0.61	\$	
\$	(1.65)	\$	1.53	\$	(3.22)	\$	2.14	\$	2.23	\$	

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2019
(BASED ON FAT CORRECTED MILK
PER HUNDREDWEIGHT OF MILK BASIS)

	Southern California		San Joaquin Valley		Kern County	
Income:						
Milk sales	\$	18.57	\$	17.36	\$	18.20
Calves and other		0.73		0.44		0.29
Total income	\$	19.30	\$	17.80	\$	18.49
Cost of operations:						
Feed:						
Grain	\$	6.46	\$	7.07	\$	6.54
Hay and other		3.72		2.06		3.15
Total feed	\$	10.18	\$	9.13	\$	9.69
Labor, (including fringe costs)	\$	2.18	\$	1.81	\$	1.50
Herd replacement costs	\$	1.67	\$	1.52	\$	1.37
Other costs:						
Milk hauling	\$	0.30	\$	0.37	\$	0.52
State and association charges		0.18		0.17		0.18
Veterinary, breeding, testing, etc.		0.86		0.48		0.34
Supplies		0.17		0.53		0.53
Repairs and maintenance		0.66		0.58		0.53
Utilities		0.20		0.26		0.39
Occupancy costs		0.35		0.55		0.39
Depreciation - equipment		0.18		0.34		0.25
Interest		0.61		0.64		0.51
Miscellaneous		0.53		0.96		0.68
Total other costs	\$	4.04	\$	4.88	\$	4.32
Total cost of operations	\$	18.07	\$	17.34	\$	16.88
Income (loss) from dairy operations	\$	1.23	\$	0.46	\$	1.61
Farming operations, net	\$	-	\$	0.39	\$	0.45
Net income (loss)	\$	1.23	\$	0.85	\$	2.06

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2019
(BASED ON ENERGY CORRECTED MILK
PER HUNDREDWEIGHT OF MILK BASIS)

Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your December 31, 2019 Amounts
\$ 18.39 0.97	\$ 16.84 0.33	\$ 16.56 0.21	\$ 17.24 (0.03)	\$ 17.64 0.22	\$
\$ 19.36	\$ 17.17	\$ 16.77	\$ 17.21	\$ 17.86	\$
\$ 7.23 2.63	\$ 5.33 2.56	\$ 7.50 3.56	\$ 6.50 1.23	\$ 5.37 2.11	\$
\$ 9.86	\$ 7.89	\$ 11.06	\$ 7.73	\$ 7.48	\$
\$ 2.48	\$ 1.50	\$ 2.05	\$ 1.64	\$ 2.38	\$
\$ 2.71	\$ 2.00	\$ 1.28	\$ 1.58	\$ 1.37	\$
\$ 0.52 0.41 0.36 0.85 0.59 0.37 0.70 0.27 1.06 0.92	\$ 0.27 0.09 0.42 0.38 0.47 0.16 0.56 0.33 0.72 1.13	\$ 0.45 0.38 0.52 0.55 0.44 0.33 0.29 0.27 1.28 0.92	\$ 0.87 0.12 0.49 0.50 0.47 0.14 0.42 0.39 0.54 0.66	\$ 0.57 0.28 0.57 0.56 0.64 0.21 0.50 0.44 0.58 0.85	\$
\$ 6.05	\$ 4.53	\$ 5.43	\$ 4.60	\$ 5.20	\$
\$ 21.10	\$ 15.92	\$ 19.82	\$ 15.55	\$ 16.43	\$
\$ (1.74)	\$ 1.25	\$ (3.05)	\$ 1.66	\$ 1.43	\$
\$ 0.10	\$ 0.12	\$ -	\$ 0.29	\$ 0.54	\$
\$ (1.64)	\$ 1.37	\$ (3.05)	\$ 1.95	\$ 1.97	\$

SUMMARY OF FINANCIAL STATISTICS

COMPARISON BY AREA FOR THE YEAR ENDED DECEMBER 31, 2019

	Southern California	San Joaquin Valley	Kern County
1 Current Ratio	0.48 : 1	1.07 : 1	1.14 : 1
2 Herd Line Debt Per Cow	\$ 948	\$ 1,049	\$ 859
3 Total Debt Per Cow	\$ 3,302	\$ 3,632	\$ 2,996
4 Debt to Equity Ratio	1.22 : 1	1.51 : 1	0.88 : 1
5 Return on Total Assets	4.5%	1.3%	3.9%
6 Income (loss) per milking cow per month	\$ 29.93	\$ 11.31	\$ 36.38

1. Current ratio represents current assets divided by current liabilities.
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.
4. Debt to equity ratio represents total debt divided by total equity.
5. Return on total assets represents the net income divided by the total assets, stated at cost.
6. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by twelve months.



Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your December 31, 2019 Results
0.63 : 1	1.02 : 1	0.77 : 1	1.23 : 1	1.17 : 1	
\$ 1,249	\$ 787	\$ 717	\$ 675	\$ 611	\$
\$ 4,287	\$ 2,909	\$ 3,314	\$ 2,907	\$ 2,463	\$
10.50 : 1	1.80 : 1	1.54 : 1	1.48 : 1	1.04 : 1	
-5.6%	4.4%	-9.0%	5.5%	4.7%	
\$ (35.57)	\$ 29.02	\$ (71.24)	\$ 37.85	\$ 32.10	\$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
SOUTHERN CALIFORNIA
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2019	2018	2017
Income:			
Milk sales	\$ 4,540	\$ 3,855	\$ 3,885
Calves and other	179	110	103
Total income	\$ 4,719	\$ 3,965	\$ 3,988
Cost of operations:			
Feed:			
Grain	\$ 1,579	\$ 1,505	\$ 1,363
Hay and other	908	826	709
Total feed	\$ 2,487	\$ 2,331	\$ 2,072
Labor, (including fringe costs)	\$ 532	\$ 476	\$ 504
Herd replacement costs	\$ 409	\$ 403	\$ 452
Other costs:			
Milk hauling	\$ 73	\$ 89	\$ 82
State and association charges	45	43	42
Veterinary, breeding, testing, etc.	211	186	150
Supplies	43	44	67
Repairs and maintenance	161	170	192
Utilities	48	39	44
Occupancy costs	86	83	72
Depreciation - equipment	43	35	38
Interest	149	136	109
Miscellaneous	130	120	112
Total other costs	\$ 989	\$ 945	\$ 908
Total cost of operations	\$ 4,417	\$ 4,155	\$ 3,936
Income (loss) from dairy operations	\$ 302	\$ (190)	\$ 52
Farming operations, net	\$ -	\$ -	\$ -
Net income (loss)	\$ 302	\$ (190)	\$ 52

ACTUAL PER CWT. OF MILK						YOUR 2019 RESULTS	
						PER HEAD	PER CWT. OF MILK
2019			2018			2017	
\$	19.50	\$	16.51	\$	17.57	\$	\$
	0.77		0.47		0.46		
\$	20.27	\$	16.98	\$	18.03	\$	\$
\$	6.78	\$	6.45	\$	6.16	\$	\$
	3.89		3.54		3.21		
\$	10.67	\$	9.99	\$	9.37	\$	\$
\$	2.28	\$	2.04	\$	2.28	\$	\$
\$	1.75	\$	1.72	\$	2.04	\$	\$
\$	0.32	\$	0.38	\$	0.37	\$	\$
	0.19		0.19		0.19		
	0.91		0.80		0.68		
	0.18		0.19		0.30		
	0.70		0.73		0.87		
	0.21		0.17		0.20		
	0.37		0.36		0.33		
	0.19		0.15		0.17		
	0.64		0.58		0.49		
	0.54		0.51		0.51		
\$	4.25	\$	4.06	\$	4.11	\$	\$
\$	18.95	\$	17.81	\$	17.80	\$	\$
\$	1.32	\$	(0.83)	\$	0.23	\$	\$
\$	-	\$	-	\$	-	\$	\$
\$	1.32	\$	(0.83)	\$	0.23	\$	\$

SUMMARY OF FINANCIAL STATISTICS

SOUTHERN CALIFORNIA

	December 31, 2019	December 31, 2018	December 31, 2017
1. Current Ratio	0.48 : 1	0.39 : 1	0.42 : 1
2. Herd Line Debt Per Cow	\$ 948	\$ 1,322	\$ 1,176
3. Total Debt Per Cow	\$ 3,302	\$ 3,182	\$ 2,809
4. Debt to Equity Ratio	1.22 : 1	1.38 : 1	1.20 : 1
5. Return on Total Assets	4.5%	-3.1%	0.9%
6. Income (loss) per milking cow per month	\$ 29.93	\$ (18.68)	\$ 5.18

1. Current ratio represents current assets divided by current liabilities.
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.
4. Debt to equity ratio represents the total debt divided by the total equity.
5. Return on total assets represents the net income divided by the total assets, stated at cost.
6. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by twelve months.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
SOUTHERN CALIFORNIA
(BASED ON AVERAGE AMOUNTS)

	2019	2018	2017
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	23,292	23,345	22,119
Daily pounds of milk, per milking cow	75.7	75.5	70.7
Daily pounds of milk, per milking cow (Fat corrected milk pounds)	79.41	78.14	72.84
Butterfat test	3.81 %	3.72 %	3.69 %
Solids-non-fat test	8.86 %	8.88 %	8.85 %
Blend price per hundredweight	\$ 19.50	\$ 16.51	\$ 17.57
Milk receipts, per milking cow	\$ 5,288	\$ 4,522	\$ 4,471
HERD INFORMATION:			
Herd size - total	2,743	2,382	2,912
Percent of dry cows	18.6 %	18.0 %	14.2 %
Herd turnover rate	41.2 %	36.8 %	38.8 %
Composition of herd:			
Purchased cows	72 %	73 %	49 %
Self-raised cows	28 %	27 %	51 %
Cost of purchased cows	\$ 1,645	\$ 1,507	\$ 1,580
Beef price received	\$ 673	\$ 735	\$ 793
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	34.8 %	39.1 %	35.1 %
Hay and other	19.9 %	21.4 %	18.3 %
Totals	54.7 %	60.5 %	53.4 %

INCOME AND COST OF OPERATIONS

SOUTHERN CALIFORNIA

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

**December 31,
2019**

**December 31,
2018**

**December 31,
2017**

Income:				
Milk Sales	\$	19.50	\$	16.51
Calves and other		0.77		0.47
				\$
				17.57
				0.46
Total income	\$	20.27	\$	16.98
				\$
				18.03
Cost of operations:				
Feed	\$	10.67	\$	9.99
Labor		2.28		2.04
Herd replacement costs		1.75		1.72
Other costs		4.25		4.06
				\$
				9.37
				2.28
				2.04
				4.11
Total cost of operations	\$	18.95	\$	17.81
				\$
				17.80
Income (loss) from dairy operations	\$	1.32	\$	(0.83)
				\$
				0.23
Farming operations, net	\$	-	\$	-
				\$
				-
Net income (loss)	\$	1.32	\$	(0.83)
				\$
				0.23
Cost of operations as a percentage of income		93.49%		104.89%
				98.72%
Feed costs as a percentage of milk sales		54.72%		60.51%
				53.33%
Income (loss) per milking cow per month	\$	29.93	\$	(18.68)
				\$
				5.18
Cumulative net income per cwt. from 2013 to 2019	\$	6.27		

December 31, 2016		December 31, 2015		December 31, 2014		December 31, 2013	
\$	15.91	\$	16.03	\$	22.79	\$	18.90
	0.54		1.08		0.93		0.27
\$	16.45	\$	17.11	\$	23.72	\$	19.17
\$	9.02	\$	10.25	\$	11.45	\$	11.80
	2.16		1.92		1.87		1.71
	1.65		1.00		0.93		1.30
	3.79		3.98		4.23		3.90
\$	16.62	\$	17.15	\$	18.48	\$	18.71
\$	(0.17)	\$	(0.04)	\$	5.24	\$	0.46
\$	0.02	\$	0.02	\$	0.02	\$	-
\$	(0.15)	\$	(0.02)	\$	5.26	\$	0.46
101.03%		100.23%		77.91%		97.60%	
56.69%		63.94%		50.24%		62.43%	
\$	(4.26)	\$	(2.17)	\$	114.66	\$	9.54

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
SAN JOAQUIN VALLEY
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2019	2018	2017
Income:			
Milk sales	\$ 4,311	\$ 3,759	\$ 3,585
Calves and other	110	95	94
Total income	\$ 4,421	\$ 3,854	\$ 3,679
Cost of operations:			
Feed:			
Grain	\$ 1,754	\$ 1,626	\$ 1,419
Hay and other	511	540	463
Total feed	\$ 2,265	\$ 2,166	\$ 1,882
Labor, (including fringe costs)	\$ 449	\$ 403	\$ 385
Herd replacement costs	\$ 377	\$ 360	\$ 344
Other costs:			
Milk hauling	\$ 91	\$ 85	\$ 72
State and association charges	42	45	41
Veterinary, breeding, testing, etc.	118	132	108
Supplies	131	125	122
Repairs and maintenance	145	134	121
Utilities	66	70	77
Occupancy costs	138	135	129
Depreciation - equipment	84	85	77
Interest	160	132	106
Miscellaneous	238	182	158
Total other costs	\$ 1,213	\$ 1,125	\$ 1,011
Total cost of operations	\$ 4,304	\$ 4,054	\$ 3,622
Income (loss) from dairy operations	\$ 117	\$ (200)	\$ 57
Farming operations, net	\$ 133	\$ 133	\$ 91
Net income (loss)	\$ 250	\$ (67)	\$ 148

ACTUAL PER CWT. OF MILK						YOUR 2019 RESULTS	
						PER HEAD	PER CWT. OF MILK
2019			2018			2017	
\$	18.19	\$	15.52	\$	16.88	\$	\$
	0.46		0.40		0.45		
\$	18.65	\$	15.92	\$	17.33	\$	\$
\$	7.40	\$	6.74	\$	6.70	\$	\$
	2.14		2.23		2.18		
\$	9.54	\$	8.97	\$	8.88	\$	\$
\$	1.90	\$	1.66	\$	1.82	\$	\$
\$	1.59	\$	1.49	\$	1.63	\$	\$
\$	0.38	\$	0.35	\$	0.34	\$	\$
	0.18		0.19		0.20		
	0.50		0.54		0.51		
	0.55		0.52		0.57		
	0.61		0.56		0.57		
	0.28		0.29		0.36		
	0.58		0.57		0.61		
	0.35		0.35		0.37		
	0.68		0.55		0.50		
	0.98		0.73		0.72		
\$	5.09	\$	4.65	\$	4.75	\$	\$
\$	18.12	\$	16.77	\$	17.08	\$	\$
\$	0.53	\$	(0.85)	\$	0.25	\$	\$
\$	0.41	\$	0.55	\$	0.32	\$	\$
\$	0.94	\$	(0.30)	\$	0.57	\$	\$

SUMMARY OF FINANCIAL STATISTICS

SAN JOAQUIN VALLEY

	December 31, 2019	December 31, 2018	December 31, 2017
1. Current Ratio	1.07 : 1	0.99 : 1	1.12 : 1
2. Herd Line Debt Per Cow	\$ 1,049	\$ 859	\$ 890
3. Total Debt Per Cow	\$ 3,632	\$ 3,217	\$ 2,943
4. Debt to Equity Ratio	1.51 : 1	1.47 : 1	1.63 : 1
5. Return on Total Assets	1.3%	-2.4%	0.8%
6. Income (loss) per milking cow per month	\$ 11.31	\$ (19.36)	\$ 5.59

1. Current ratio represents current assets divided by current liabilities.
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.
4. Debt to equity ratio represents the total debt divided by the total equity.
5. Return on total assets represents the net income divided by the total assets, stated at cost.
6. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by twelve months.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
SAN JOAQUIN VALLEY
(BASED ON AVERAGE AMOUNTS)

	2019	2018	2017
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	23,700	24,115	21,169
Daily pounds of milk, per milking cow	75.1	76.9	69.3
Daily pounds of milk, per milking cow (Fat corrected milk pounds)	78.68	80.87	71.93
Butterfat test	3.80 %	3.82 %	3.73 %
Solids-non-fat test	8.84 %	8.94 %	8.95 %
Blend price per hundredweight	\$ 18.19	\$ 15.52	\$ 16.88
Milk receipts, per milking cow	\$ 4,858	\$ 4,299	\$ 4,181
HERD INFORMATION:			
Herd size - total	4,545	3,583	4,407
Percent of dry cows	13.5 %	14.1 %	16.3 %
Herd turnover rate	44.8 %	45.3 %	41.2 %
Composition of herd:			
Purchased cows	6 %	3 %	5 %
Self-raised cows	94 %	97 %	95 %
Cost of purchased cows	\$ 1,563	\$ 1,493	\$ 1,778
Beef price received	\$ 680	\$ 726	\$ 769
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	40.7 %	43.4 %	39.7 %
Hay and other	11.8 %	14.4 %	12.9 %
Totals	52.5 %	57.8 %	52.6 %

INCOME AND COST OF OPERATIONS

SAN JOAQUIN VALLEY

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	December 31, 2019	December 31, 2018	December 31, 2017
Income:			
Milk Sales	\$ 18.19	\$ 15.52	\$ 16.88
Calves and other	0.46	0.40	0.45
Total income	\$ 18.65	\$ 15.92	\$ 17.33
Cost of operations:			
Feed	\$ 9.54	\$ 8.97	\$ 8.88
Labor	1.90	1.66	1.82
Herd replacement costs	1.59	1.49	1.63
Other costs	5.09	4.65	4.75
Total cost of operations	\$ 18.12	\$ 16.77	\$ 17.08
Income (loss) from dairy operations	\$ 0.53	\$ (0.85)	\$ 0.25
Farming operations, net	\$ 0.41	\$ 0.55	\$ 0.32
Net income (loss)	\$ 0.94	\$ (0.30)	\$ 0.57
Cost of operations as a percentage of income	97.16%	105.34%	98.56%
Feed costs as a percentage of milk sales	52.45%	57.80%	52.61%
Income (loss) per milking cow per month	\$ 11.31	\$ (19.36)	\$ 5.59
Cumulative net income per cwt. from 2013 to 2019	\$ 6.40		

December 31, 2016		December 31, 2015		December 31, 2014		December 31, 2013	
\$	14.86	\$	16.39	\$	22.29	\$	18.86
	0.30		0.79		0.63		0.31
\$	15.16	\$	17.18	\$	22.92	\$	19.17
\$	8.68	\$	10.87	\$	11.54	\$	12.13
	1.72		1.80		1.45		1.41
	1.49		0.73		0.65		1.16
	4.45		4.75		4.30		4.12
\$	16.34	\$	18.15	\$	17.94	\$	18.82
\$	(1.18)	\$	(0.97)	\$	4.98	\$	0.35
\$	0.26	\$	0.43	\$	0.61	\$	0.71
\$	(0.92)	\$	(0.54)	\$	5.59	\$	1.06
107.78%		105.65%		78.27%		98.17%	
58.41%		66.32%		51.77%		64.32%	
\$	(23.12)	\$	(13.20)	\$	128.26	\$	20.13

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
KERN COUNTY
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2019	2018	2017
Income:			
Milk sales	\$ 4,147	\$ 3,443	\$ 3,595
Calves and other	66	161	50
Total income	\$ 4,213	\$ 3,604	\$ 3,645
Cost of operations:			
Feed:			
Grain	\$ 1,490	\$ 1,352	\$ 1,249
Hay and other	717	695	658
Total feed	\$ 2,207	\$ 2,047	\$ 1,907
Labor, (including fringe costs)	\$ 341	\$ 327	\$ 322
Herd replacement costs	\$ 313	\$ 297	\$ 287
Other costs:			
Milk hauling	\$ 118	\$ 85	\$ 71
State and association charges	41	44	41
Veterinary, breeding, testing, etc.	77	71	71
Supplies	121	116	118
Repairs and maintenance	121	128	134
Utilities	89	97	101
Occupancy costs	90	89	91
Depreciation - equipment	56	55	55
Interest	115	106	86
Miscellaneous	154	150	141
Total other costs	\$ 982	\$ 941	\$ 909
Total cost of operations	\$ 3,843	\$ 3,612	\$ 3,425
Income (loss) from dairy operations	\$ 370	\$ (8)	\$ 220
Farming operations, net	\$ 103	\$ 120	\$ 17
Net income	\$ 473	\$ 112	\$ 237

ACTUAL PER CWT. OF MILK						YOUR 2019 RESULTS	
2019		2018		2017		PER HEAD	PER CWT. OF MILK
\$	18.86 0.29	\$	16.14 0.75	\$	17.04 0.24	\$	\$
\$	19.15	\$	16.89	\$	17.28	\$	\$
\$	6.78 3.25	\$	6.33 3.25	\$	5.92 3.11	\$	\$
\$	10.03	\$	9.58	\$	9.03	\$	\$
\$	1.55	\$	1.53	\$	1.54	\$	\$
\$	1.42	\$	1.39	\$	1.36	\$	\$
\$	0.54 0.19 0.35 0.55 0.55 0.41 0.41 0.26 0.53 0.71	\$	0.40 0.21 0.33 0.54 0.60 0.45 0.41 0.26 0.50 0.72	\$	0.34 0.19 0.34 0.56 0.63 0.48 0.43 0.26 0.41 0.64	\$	\$
\$	4.50	\$	4.42	\$	4.28	\$	\$
\$	17.50	\$	16.92	\$	16.21	\$	\$
\$	1.65	\$	(0.03)	\$	1.07	\$	\$
\$	0.47	\$	0.56	\$	0.08	\$	\$
\$	2.12	\$	0.53	\$	1.15	\$	\$

SUMMARY OF FINANCIAL STATISTICS

KERN COUNTY

	December 31, 2019	December 31, 2018	December 31, 2017
1. Current Ratio	1.14 : 1	1.20 : 1	0.90 : 1
2. Herd Line Debt Per Cow	\$ 859	\$ 812	\$ 519
3. Total Debt Per Cow	\$ 2,996	\$ 3,074	\$ 2,674
4. Debt to Equity Ratio	0.88 : 1	0.97 : 1	1.21 : 1
5. Return on Total Assets	3.9%	-0.1%	-3.3%
6. Income (loss) per milking cow per month	\$ 36.38	\$ (0.61)	\$ 21.95

1. Current ratio represents current assets divided by current liabilities.
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.
4. Debt to equity ratio represents the total debt divided by the total equity.
5. Return on total assets represents the net income divided by the total assets, stated at cost.
6. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by twelve months.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
KERN COUNTY
(BASED ON AVERAGE AMOUNTS)

	2019	2018	2017
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	21,987	21,351	21,091
Daily pounds of milk, per milking cow	71.3	69.5	69.2
Daily pounds of milk, per milking cow (Fat corrected milk pounds)	73.94	73.58	70.92
Butterfat test	3.73 %	3.87 %	3.65 %
Solids-non-fat test	8.79 %	8.85 %	8.92 %
Blend price per hundredweight	\$ 18.86	\$ 16.14	\$ 17.04
Milk receipts, per milking cow	\$ 4,772	\$ 4,090	\$ 4,192
HERD INFORMATION:			
Herd size - total	3,840	3,798	3,724
Percent of dry cows	15.6 %	15.8 %	16.5 %
Herd turnover rate	39.6 %	38.3 %	40.1 %
Composition of herd:			
Purchased cows	1 %	1 %	1 %
Self-raised cows	99 %	99 %	99 %
Cost of purchased cows	\$ 1,557	\$ 1,543	\$ 1,686
Beef price received	\$ 636	\$ 668	\$ 715
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	35.9 %	39.2 %	34.7 %
Hay and other	17.2 %	20.1 %	18.3 %
Totals	53.1 %	59.3 %	53.0 %

INCOME AND COST OF OPERATIONS

	KERN COUNTY		
	(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2019	December 31, 2018	December 31, 2017
Income:			
Milk Sales	\$ 18.86	\$ 16.14	\$ 17.04
Calves and other	0.29	0.75	0.24
Total income	\$ 19.15	\$ 16.89	\$ 17.28
Cost of operations:			
Feed	\$ 10.03	\$ 9.58	\$ 9.03
Labor	1.55	1.53	1.54
Herd replacement costs	1.42	1.39	1.36
Other costs	4.50	4.42	4.28
Total cost of operations	\$ 17.50	\$ 16.92	\$ 16.21
Income (loss) from dairy operations	\$ 1.65	\$ (0.03)	\$ 1.07
Farming operations, net	\$ 0.47	\$ 0.56	\$ 0.08
Net income (loss)	\$ 2.12	\$ 0.53	\$ 1.15
Cost of operations as a percentage of income	91.38%	100.18%	93.81%
Feed costs as a percentage of milk sales	53.18%	59.36%	52.99%
Income (loss) per milking cow per month	\$ 36.38	\$ (0.61)	\$ 21.95
Cumulative net income per cwt. from 2013 to 2019	\$ 11.61		

December 31, 2016		December 31, 2015		December 31, 2014		December 31, 2013	
\$	15.34 0.34	\$	15.81 0.69	\$	22.46 0.45	\$	19.13 0.23
\$	15.68	\$	16.5	\$	22.91	\$	19.36
\$	9.92 1.48 1.22 4.11	\$	11.09 1.40 0.80 3.89	\$	11.77 1.28 0.77 4.00	\$	12.52 1.29 1.20 3.85
\$	16.73	\$	17.18	\$	17.82	\$	18.86
\$	(1.05)	\$	(0.68)	\$	5.09	\$	0.50
\$	0.15	\$	1.14	\$	1.36	\$	1.30
\$	(0.90)	\$	0.46	\$	6.45	\$	1.80
106.70%		104.12%		77.78%		97.42%	
64.67%		70.15%		52.40%		65.45%	
\$	(23.52)	\$	(14.95)	\$	149.10	\$	36.88

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
ARIZONA
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2019	2018	2017
Income:			
Milk sales	\$ 3,931	\$ 3,432	\$ 3,854
Calves and other	208	73	172
Total income	\$ 4,139	\$ 3,505	\$ 4,026
Cost of operations:			
Feed:			
Grain	\$ 1,547	\$ 1,377	\$ 1,444
Hay and other	562	599	581
Total feed	\$ 2,109	\$ 1,976	\$ 2,025
Labor, (including fringe costs)	\$ 530	\$ 505	\$ 494
Herd replacement costs	\$ 579	\$ 411	\$ 364
Other costs:			
Milk hauling	\$ 112	\$ 111	\$ 113
State and association charges	87	83	83
Veterinary, breeding, testing, etc.	77	78	84
Supplies	182	166	171
Repairs and maintenance	127	110	146
Utilities	78	81	85
Occupancy costs	149	166	132
Depreciation - equipment	58	58	62
Interest	226	177	141
Miscellaneous	197	211	222
Total other costs	\$ 1,293	\$ 1,241	\$ 1,239
Total cost of operations	\$ 4,511	\$ 4,133	\$ 4,122
Loss from dairy operations	\$ (372)	\$ (628)	\$ (96)
Farming operations, net	\$ 20	\$ 92	\$ 31
Net loss	\$ (352)	\$ (536)	\$ (65)

ACTUAL PER CWT. OF MILK						YOUR 2019 RESULTS	
2019		2018		2017		PER HEAD	PER CWT. OF MILK
\$	18.73	\$	16.31	\$	17.20	\$	\$
	1.01		0.34		0.77		
\$	19.74	\$	16.65	\$	17.97	\$	\$
\$	7.37	\$	6.55	\$	6.44	\$	\$
	2.67		2.85		2.59		
\$	10.04	\$	9.40	\$	9.03	\$	\$
\$	2.53	\$	2.41	\$	2.21	\$	\$
\$	2.76	\$	1.95	\$	1.62	\$	\$
\$	0.53	\$	0.53	\$	0.50	\$	\$
	0.41		0.40		0.37		
	0.36		0.37		0.37		
	0.86		0.79		0.76		
	0.61		0.52		0.65		
	0.37		0.38		0.38		
	0.71		0.78		0.58		
	0.28		0.28		0.28		
	1.08		0.84		0.63		
	0.95		0.99		0.98		
\$	6.16	\$	5.88	\$	5.50	\$	\$
\$	21.49	\$	19.64	\$	18.36	\$	\$
\$	(1.75)	\$	(2.99)	\$	(0.39)	\$	\$
\$	0.10	\$	0.44	\$	0.14	\$	\$
\$	(1.65)	\$	(2.55)	\$	(0.25)	\$	\$

SUMMARY OF FINANCIAL STATISTICS

ARIZONA

	December 31, 2019	December 31, 2018	December 31, 2017
1. Current Ratio	0.63 : 1	0.44 : 1	0.53 : 1
2. Herd Line Debt Per Cow	\$ 1,249	\$ 1,482	\$ 1,267
3. Total Debt Per Cow	\$ 4,287	\$ 3,576	\$ 3,192
4. Debt to Equity Ratio	10.50 : 1	4.85 : 1	2.35 : 1
5. Return on Total Assets	-5.6%	-11.1%	-1.4%
6. Loss per milking cow per month	\$ (35.57)	\$ (60.15)	\$ (9.45)

1. Current ratio represents current assets divided by current liabilities.
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.
4. Debt to equity ratio represents the total debt divided by the total equity.
5. Return on total assets represents the net income divided by the total assets, stated at cost.
6. Loss per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by twelve months.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
ARIZONA
(BASED ON AVERAGE AMOUNTS)

	2019	2018	2017
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	21,002	21,037	22,418
Daily pounds of milk, per milking cow	66.1	66.3	73.6
Daily pounds of milk, per milking cow (Energy corrected milk pounds)	67.32	65.71	76.14
Butterfat test	3.57 %	3.57 %	3.57 %
Blend price per hundredweight	\$ 18.73	\$ 16.31	\$ 17.20
Milk receipts, per milking cow	\$ 4,320	\$ 3,751	\$ 4,441
HERD INFORMATION:			
Herd size - total	6,427	4,734	4,846
Percent of dry cows	13.0 %	13.0 %	16.5 %
Herd turnover rate	33.4 %	37.3 %	36.5 %
Composition of herd:			
Purchased cows	46 %	51 %	42 %
Self-raised cows	54 %	49 %	58 %
Cost of purchased cows	\$ 1,458	\$ 1,398	\$ 1,750
Beef price received	\$ 764	\$ 787	\$ 827
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	39.3 %	40.2 %	37.4 %
Hay and other	14.3 %	17.5 %	15.1 %
Totals	53.6 %	57.7 %	52.5 %

INCOME AND COST OF OPERATIONS

	ARIZONA		
	(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2019	December 31, 2018	December 31, 2017
Income:			
Milk Sales	\$ 18.73	\$ 16.31	\$ 17.20
Calves and other	1.01	0.34	0.77
Total income	\$ 19.74	\$ 16.65	\$ 17.97
Cost of operations:			
Feed	\$ 10.04	\$ 9.40	\$ 9.03
Labor	2.53	2.41	2.21
Herd replacement costs	2.76	1.95	1.62
Other costs	6.16	5.88	5.50
Total cost of operations	\$ 21.49	\$ 19.64	\$ 18.36
Income (loss) from dairy operations	\$ (1.75)	\$ (2.99)	\$ (0.39)
Farming operations, net	\$ 0.10	\$ 0.44	\$ 0.14
Net income (loss)	\$ (1.65)	\$ (2.55)	\$ (0.25)
Cost of operations as a percentage of income	108.87%	117.96%	102.17%
Feed costs as a percentage of milk sales	53.60%	57.63%	52.50%
Income (loss) per milking cow per month	\$ (35.57)	\$ (60.15)	\$ (9.45)
Cumulative net income per cwt. from 2013 to 2019	\$ 1.44		

December 31, 2016		December 31, 2015		December 31, 2014		December 31, 2013	
\$	15.56 0.57	\$	16.33 0.87	\$	23.35 1.2	\$	20.10 0.35
\$	16.13	\$	17.2	\$	24.55	\$	20.45
\$	8.63 2.03 1.33 5.03	\$	9.49 1.97 0.87 5.01	\$	10.74 2.06 0.69 5.30	\$	11.68 1.89 1.02 4.96
\$	17.02	\$	17.34	\$	18.79	\$	19.55
\$	(0.89)	\$	(0.14)	\$	5.76	\$	0.90
\$	0.09	\$	0.04	\$	0.09	\$	0.04
\$	(0.80)	\$	(0.10)	\$	5.85	\$	0.94
105.52%		100.81%		76.54%		95.60%	
55.46%		58.11%		46.00%		58.11%	
\$	(20.02)	\$	(0.14)	\$	124.79	\$	25.32

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
IDAHO
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2019	2018	2017
Income:			
Milk sales	\$ 4,128	\$ 3,623	\$ 3,924
Calves and other	82	56	57
Total income	\$ 4,210	\$ 3,679	\$ 3,981
Cost of operations:			
Feed:			
Grain	\$ 1,307	\$ 1,270	\$ 1,235
Hay and other	628	550	671
Total feed	\$ 1,935	\$ 1,820	\$ 1,906
Labor, (including fringe costs)	\$ 369	\$ 385	\$ 422
Herd replacement costs	\$ 490	\$ 495	\$ 414
Other costs:			
Milk hauling	\$ 65	\$ 51	\$ 74
State and association charges	21	40	49
Veterinary, breeding, testing, etc.	104	109	120
Supplies	94	107	139
Repairs and maintenance	114	117	150
Utilities	39	42	44
Occupancy costs	138	99	125
Depreciation - equipment	81	90	72
Interest	178	190	94
Miscellaneous	277	242	175
Total other costs	\$ 1,111	\$ 1,087	\$ 1,042
Total cost of operations	\$ 3,905	\$ 3,787	\$ 3,784
Income (loss) from dairy operations	\$ 305	\$ (108)	\$ 197
Farming operations, net	\$ 30	\$ 51	\$ 93
Net income (loss)	\$ 335	\$ (57)	\$ 290

ACTUAL PER CWT. OF MILK						YOUR 2019 RESULTS	
						PER HEAD	PER CWT. OF MILK
2019		2018		2017			
\$	18.79	\$	16.71	\$	17.35	\$	\$
	0.37		0.26		0.26		
\$	19.16	\$	16.97	\$	17.61	\$	\$
\$	5.95	\$	5.86	\$	5.46	\$	\$
	2.86		2.55		2.97		
\$	8.81	\$	8.41	\$	8.43	\$	\$
\$	1.67	\$	1.77	\$	1.85	\$	\$
\$	2.23	\$	2.29	\$	1.83	\$	\$
\$	0.30	\$	0.24	\$	0.33	\$	\$
	0.10		0.18		0.22		
	0.47		0.50		0.53		
	0.43		0.50		0.61		
	0.52		0.54		0.66		
	0.18		0.20		0.20		
	0.63		0.45		0.56		
	0.37		0.41		0.32		
	0.81		0.88		0.42		
	1.25		1.11		0.80		
\$	5.06	\$	5.01	\$	4.65	\$	\$
\$	17.77	\$	17.48	\$	16.76	\$	\$
\$	1.39	\$	(0.51)	\$	0.85	\$	\$
\$	0.14	\$	0.24	\$	0.41	\$	\$
\$	1.53	\$	(0.27)	\$	1.26	\$	\$

SUMMARY OF FINANCIAL STATISTICS

IDAHO

	December 31, 2019	December 31, 2018	December 31, 2017
1. Current Ratio	1.02 : 1	1.10 : 1	0.89 : 1
2. Herd Line Debt Per Cow	\$ 787	\$ 758	\$ 478
3. Total Debt Per Cow	\$ 2,909	\$ 3,223	\$ 2,626
4. Debt to Equity Ratio	1.80 : 1	1.96 : 1	1.17 : 1
5. Return on Total Assets	4.4%	-1.5%	2.9%
6. Income (loss) per milking cow per month	\$ 29.02	\$ (10.40)	\$ 18.80

1. Current ratio represents current assets divided by current liabilities.
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.
4. Debt to equity ratio represents the total debt divided by the total equity.
5. Return on total assets represents the net income divided by the total assets, stated at cost.
6. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by twelve months.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
IDAHO
(BASED ON AVERAGE AMOUNTS)

2019 2018 2017

PRODUCTION AND PRICE INFORMATION:

Annual pounds of milk, per cow
(including dry cows)

21,968 21,677 22,612

Daily pounds of milk, per milking cow

69.0 68.2 70.9

Daily pounds of milk, per milking cow
(Energy corrected milk pounds)

77.01 75.42 75.65

Butterfat test

4.16 % 4.11 % 3.84 %

Blend price per hundredweight

\$ 18.79 \$ 16.71 \$ 17.35

Milk receipts, per milking cow

\$ 4,702 \$ 4,097 \$ 4,414

HERD INFORMATION:

Herd size - total

9,170 7,406 5,222

Percent of dry cows

12.8 % 12.9 % 12.6 %

Herd turnover rate

41.5 % 38.6 % 40.0 %

Composition of herd:

Purchased cows

5 % 8 % 24 %

Self-raised cows

95 % 92 % 76 %

Cost of purchased cows

\$ 1,197 \$ 1,363 \$ 1,684

Beef price received

\$ 591 \$ 614 \$ 717

FEED INFORMATION:

Cost of feed as a percent of milk
income:

Grain

31.7 % 35.1 % 31.5 %

Hay and other

15.2 % 15.3 % 17.1 %

Totals

46.9 % 50.4 % 48.6 %

INCOME AND COST OF OPERATIONS

	IDAHO		
	(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2019	December 31, 2018	December 31, 2017
Income:			
Milk Sales	\$ 18.79	\$ 16.71	\$ 17.35
Calves and other	0.37	0.26	0.26
Total income	\$ 19.16	\$ 16.97	\$ 17.61
Cost of operations:			
Feed	\$ 8.81	\$ 8.41	\$ 8.43
Labor	1.67	1.77	1.85
Herd replacement costs	2.23	2.29	1.83
Other costs	5.06	5.01	4.65
Total cost of operations	\$ 17.77	\$ 17.48	\$ 16.76
Income (loss) from dairy operations	\$ 1.39	\$ (0.51)	\$ 0.85
Farming operations, net	\$ 0.14	\$ 0.24	\$ 0.41
Net income (loss)	\$ 1.53	\$ (0.27)	\$ 1.26
Cost of operations as a percentage of income	92.75%	103.01%	95.17%
Feed costs as a percentage of milk sales	46.89%	50.33%	48.59%
Income (loss) per milking cow per month	\$ 29.02	\$ (10.40)	\$ 18.80
Cumulative net income per cwt. from 2013 to 2019	\$ 11.53		

December 31, 2016		December 31, 2015		December 31, 2014		December 31, 2013	
\$	15.52 0.23	\$	15.90 0.79	\$	22.55 0.62	\$	19.05 0.40
\$	15.75	\$	16.69	\$	23.17	\$	19.45
\$	8.44 1.70 1.79 4.19	\$	8.93 1.60 1.09 4.09	\$	10.48 1.75 0.66 4.69	\$	10.73 1.63 1.10 4.59
\$	16.12	\$	15.71	\$	17.58	\$	18.05
\$	(0.37)	\$	0.98	\$	5.59	\$	1.40
\$	0.29	\$	0.25	\$	0.40	\$	0.47
\$	(0.08)	\$	1.23	\$	5.99	\$	1.87
102.35%		94.13%		75.87%		92.80%	
54.38%		56.16%		46.47%		56.33%	
\$	(1.69)	\$	27.14	\$	138.34	\$	40.28

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
NEW MEXICO
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2019	2018	2017
Income:			
Milk sales	\$ 3,858	\$ 3,534	\$ 3,335
Calves and other	49	104	102
Total income	\$ 3,907	\$ 3,638	\$ 3,437
Cost of operations:			
Feed:			
Grain	\$ 1,747	\$ 1,557	\$ 1,404
Hay and other	830	856	439
Total feed	\$ 2,577	\$ 2,413	\$ 1,843
Labor, (including fringe costs)	\$ 478	\$ 432	\$ 415
Herd replacement costs	\$ 299	\$ 319	\$ 274
Other costs:			
Milk hauling	\$ 105	\$ 247	\$ 193
State and association charges	88	86	78
Veterinary, breeding, testing, etc.	120	129	98
Supplies	129	116	102
Repairs and maintenance	103	135	141
Utilities	76	57	62
Occupancy costs	67	81	76
Depreciation - equipment	62	64	64
Interest	298	187	182
Miscellaneous	214	189	148
Total other costs	\$ 1,262	\$ 1,291	\$ 1,144
Total cost of operations	\$ 4,616	\$ 4,455	\$ 3,676
Loss from dairy operations	\$ (709)	\$ (817)	\$ (239)
Farming operations, net	\$ -	\$ 296	\$ 375
Net income (loss)	\$ (709)	\$ (521)	\$ 136

ACTUAL PER CWT. OF MILK						YOUR 2019 RESULTS	
						PER HEAD	PER CWT. OF MILK
2019			2018			2017	
\$	17.37	\$	15.61	\$	16.75	\$	\$
	0.22		0.46		0.51		
\$	17.59	\$	16.07	\$	17.26	\$	\$
\$	7.87	\$	6.87	\$	7.05	\$	\$
	3.74		3.78		2.20		
\$	11.61	\$	10.65	\$	9.25	\$	\$
\$	2.16	\$	1.91	\$	2.09	\$	\$
\$	1.35	\$	1.41	\$	1.37	\$	\$
\$	0.47	\$	1.09	\$	0.97	\$	\$
	0.40		0.38		0.39		
	0.55		0.57		0.49		
	0.58		0.51		0.51		
	0.47		0.59		0.71		
	0.34		0.25		0.31		
	0.30		0.36		0.38		
	0.28		0.28		0.32		
	1.34		0.83		0.91		
	0.96		0.83		0.74		
\$	5.69	\$	5.69	\$	5.73	\$	\$
\$	20.81	\$	19.66	\$	18.44	\$	\$
\$	(3.22)	\$	(3.59)	\$	(1.18)	\$	\$
\$	-	\$	1.31	\$	1.88	\$	\$
\$	(3.22)	\$	(2.28)	\$	0.70	\$	\$

SUMMARY OF FINANCIAL STATISTICS

NEW MEXICO

	December 31, 2019	December 31, 2018	December 31, 2017
1. Current Ratio	0.77 : 1	0.75 : 1	0.90 : 1
2. Herd Line Debt Per Cow	\$ 717	\$ 811	\$ 519
3. Total Debt Per Cow	\$ 3,314	\$ 3,327	\$ 2,674
4. Debt to Equity Ratio	1.54 : 1	1.50 : 1	1.21 : 1
5. Return on Total Assets	-9.0%	-10.2%	-3.3%
6. Loss per milking cow per month	\$ (71.24)	\$ (81.14)	\$ (24.33)

1. Current ratio represents current assets divided by current liabilities.
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.
4. Debt to equity ratio represents the total debt divided by the total equity.
5. Return on total assets represents the net income divided by the total assets, stated at cost.
6. Loss per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by twelve months.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
NEW MEXICO
(BASED ON AVERAGE AMOUNTS)

2019 2018 2017

PRODUCTION AND PRICE INFORMATION:

Annual pounds of milk, per cow
(including dry cows)

22,194 22,651 19,901

Daily pounds of milk, per milking cow

73.3 74.1 66.4

Daily pounds of milk, per milking cow
(Energy corrected milk pounds)

76.97 75.75 68.53

Butterfat test

3.70 % 3.59 % 3.62 %

Blend price per hundredweight

\$ 17.37 \$ 15.61 \$ 16.75

Milk receipts, per milking cow

\$ 4,535 \$ 4,119 \$ 3,974

HERD INFORMATION:

Herd size - total

8,213 3,415 3,621

Percent of dry cows

17.1 % 16.2 % 17.8 %

Herd turnover rate

37.8 % 40.5 % 36.2 %

Composition of herd:

Purchased cows

0 % 0 % 4 %

Self-raised cows

100 % 100 % 96 %

Cost of purchased cows

\$ 1,810 \$ 1,425 \$ 1,675

Beef price received

\$ 667 \$ 643 \$ 789

FEED INFORMATION:

Cost of feed as a percent of milk
income:

Grain

45.3 % 44.0 % 42.1 %

Hay and other

21.5 % 24.2 % 13.1 %

Totals

66.8 % 68.2 % 55.2 %

INCOME AND COST OF OPERATIONS

	NEW MEXICO		
	(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2019	December 31, 2018	December 31, 2017
Income:			
Milk Sales	\$ 17.37	\$ 15.61	\$ 16.75
Calves and other	0.22	0.46	0.51
Total income	\$ 17.59	\$ 16.07	\$ 17.26
Cost of operations:			
Feed	\$ 11.61	\$ 10.65	\$ 9.25
Labor	2.16	1.91	2.09
Herd replacement costs	1.35	1.41	1.37
Other costs	5.69	5.69	5.73
Total cost of operations	\$ 20.81	\$ 19.66	\$ 18.44
Income (loss) from dairy operations	\$ (3.22)	\$ (3.59)	\$ (1.18)
Farming operations, net	\$ -	\$ 1.31	\$ 1.88
Net income (loss)	\$ (3.22)	\$ (2.28)	\$ 0.70
Cost of operations as a percentage of income	118.31%	122.34%	106.84%
Feed costs as a percentage of milk sales	66.84%	68.23%	55.22%
Income (loss) per milking cow per month	\$ (71.24)	\$ (81.14)	\$ (24.33)
Cumulative net income per cwt. from 2013 to 2019	\$ (1.40)		

December 31, 2016		December 31, 2015		December 31, 2014		December 31, 2013	
\$	15.84 0.37	\$	16.50 0.75	\$	23.46 1.03	\$	19.53 0.43
\$	16.21	\$	17.25	\$	24.49	\$	19.96
\$	9.18 2.09 1.38 5.55	\$	10.39 2.05 0.95 5.80	\$	11.98 1.81 0.57 6.03	\$	12.16 1.62 0.82 5.20
\$	18.20	\$	19.19	\$	20.39	\$	19.80
\$	(1.99)	\$	(1.94)	\$	4.10	\$	0.16
\$	0.11	\$	1.22	\$	0.72	\$	1.02
\$	(1.88)	\$	(0.72)	\$	4.82	\$	1.18
112.28%		111.25%		83.26%		99.20%	
57.95%		62.97%		51.07%		62.26%	
\$	(36.35)	\$	(14.91)	\$	99.60	\$	23.28

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018 AND 2017
PANHANDLE
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2019	2018	2017
Income:			
Milk sales	\$ 4,076	\$ 3,384	\$ 3,786
Calves and other	(8)	48	85
Total income	\$ 4,068	\$ 3,432	\$ 3,871
Cost of operations:			
Feed:			
Grain	\$ 1,537	\$ 1,452	\$ 1,264
Hay and other	292	272	393
Total feed	\$ 1,829	\$ 1,724	\$ 1,657
Labor, (including fringe costs)	\$ 387	\$ 397	\$ 391
Herd replacement costs	\$ 373	\$ 411	\$ 443
Other costs:			
Milk hauling	\$ 205	\$ 162	\$ 155
State and association charges	29	48	48
Veterinary, breeding, testing, etc.	117	118	103
Supplies	119	158	170
Repairs and maintenance	110	123	145
Utilities	34	36	34
Occupancy costs	99	96	98
Depreciation - equipment	93	90	84
Interest	127	122	90
Miscellaneous	155	155	131
Total other costs	\$ 1,088	\$ 1,108	\$ 1,058
Total cost of operations	\$ 3,677	\$ 3,640	\$ 3,549
Income (loss) from dairy operations	\$ 391	\$ (208)	\$ 322
Farming operations, net	\$ 68	\$ 85	\$ 32
Net income (loss)	\$ 459	\$ (123)	\$ 354

ACTUAL PER CWT. OF MILK			YOUR 2019 RESULTS	
2019	2018	2017	PER HEAD	PER CWT. OF MILK
\$ 18.97 (0.04)	\$ 15.92 0.24	\$ 17.77 0.40	\$	\$
\$ 18.93	\$ 16.16	\$ 18.17	\$	\$
\$ 7.16 1.36	\$ 6.83 1.29	\$ 5.94 1.86	\$	\$
\$ 8.52	\$ 8.12	\$ 7.80	\$	\$
\$ 1.80	\$ 1.87	\$ 1.84	\$	\$
\$ 1.74	\$ 1.93	\$ 2.08	\$	\$
\$ 0.95 0.13 0.54 0.55 0.52 0.16 0.46 0.43 0.59 0.72	\$ 0.76 0.23 0.56 0.74 0.58 0.17 0.45 0.42 0.57 0.74	\$ 0.73 0.23 0.48 0.80 0.68 0.16 0.46 0.39 0.42 0.62	\$	\$
\$ 5.05	\$ 5.22	\$ 4.97	\$	\$
\$ 17.11	\$ 17.14	\$ 16.69	\$	\$
\$ 1.82	\$ (0.98)	\$ 1.48	\$	\$
\$ 0.32	\$ 0.40	\$ 0.15	\$	\$
\$ 2.14	\$ (0.58)	\$ 1.63	\$	\$

SUMMARY OF FINANCIAL STATISTICS

PANHANDLE

	December 31, 2019	December 31, 2018	December 31, 2017
1. Current Ratio	1.23 : 1	0.97 : 1	1.33 : 1
2. Herd Line Debt Per Cow	\$ 675	\$ 267	\$ 299
3. Total Debt Per Cow	\$ 2,907	\$ 2,615	\$ 2,521
4. Debt to Equity Ratio	1.48 : 1	1.54 : 1	1.36 : 1
5. Return on Total Assets	5.5%	-3.2%	4.8%
6. Income (loss) per milking cow per month	\$ 37.85	\$ (20.40)	\$ 31.40

1. Current ratio represents current assets divided by current liabilities.
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.
4. Debt to equity ratio represents the total debt divided by the total equity.
5. Return on total assets represents the net income divided by the total assets, stated at cost.
6. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by twelve months.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
PANHANDLE
(BASED ON AVERAGE AMOUNTS)

2019 2018 2017

PRODUCTION AND PRICE INFORMATION:

Annual pounds of milk, per cow
(including dry cows)

21,473 21,260 21,298

Daily pounds of milk, per milking cow

68.4 68.4 68.6

Daily pounds of milk, per milking cow
(Energy corrected milk pounds)

75.25 75.77 74.02

Butterfat test

4.04 % 3.91 % 3.88 %

Blend price per hundredweight

\$ 18.97 \$ 15.92 \$ 17.77

Milk receipts, per milking cow

\$ 4,601 \$ 3,899 \$ 4,298

HERD INFORMATION:

Herd size - total

4,412 4,044 4,365

Percent of dry cows

13.9 % 14.8 % 15.0 %

Herd turnover rate

36.4 % 42.7 % 41.6 %

Composition of herd:

Purchased cows

2 % 35 % 15 %

Self-raised cows

98 % 65 % 85 %

Cost of purchased cows

\$ 925 \$ 1,481 \$ 1,696

Beef price received

\$ 552 \$ 572 \$ 661

FEED INFORMATION:

Cost of feed as a percent of milk
income:

Grain

37.7 % 42.9 % 33.4 %

Hay and other

7.2 % 8.1 % 10.5 %

Totals

44.9 % 51.0 % 43.9 %

INCOME AND COST OF OPERATIONS

	PANHANDLE (BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2019	December 31, 2018	December 31, 2017
Income:			
Milk Sales	\$ 18.97	\$ 15.92	\$ 17.77
Calves and other	(0.04)	0.24	0.40
Total income	\$ 18.93	\$ 16.16	\$ 18.17
Cost of operations:			
Feed	\$ 8.52	\$ 8.12	\$ 7.80
Labor	1.80	1.87	1.84
Herd replacement costs	1.74	1.93	2.08
Other costs	5.05	5.22	4.97
Total cost of operations	\$ 17.11	\$ 17.14	\$ 16.69
Income (loss) from dairy operations	\$ 1.82	\$ (0.98)	\$ 1.48
Farming operations, net	\$ 0.32	\$ 0.40	\$ 0.15
Net income (loss)	\$ 2.14	\$ (0.58)	\$ 1.63
Cost of operations as a percentage of income	90.39%	106.06%	91.85%
Feed costs as a percentage of milk sales	44.91%	51.01%	43.89%
Income (loss) per milking cow per month	\$ 37.85	\$ (20.40)	\$ 31.40
Cumulative net income per cwt. from 2013 to 2019	\$ 11.54		

December 31, 2016		December 31, 2015		December 31, 2014		December 31, 2013	
\$	17.41 0.25	\$	17.69 0.68	\$	23.85 0.46	\$	20.65 0.44
\$	17.66	\$	18.37	\$	24.31	\$	21.09
\$	8.25 2.18 1.56 5.79	\$	9.45 1.95 1.01 5.65	\$	10.79 1.65 0.67 5.37	\$	12.86 1.65 1.16 5.01
\$	17.78	\$	18.06	\$	18.48	\$	20.68
\$	(0.12)	\$	0.31	\$	5.83	\$	0.41
\$	0.28	\$	0.69	\$	0.39	\$	0.56
\$	0.16	\$	1.00	\$	6.22	\$	0.97
100.68%		98.31%		76.02%		98.06%	
47.39%		53.42%		45.24%		62.28%	
\$	(1.46)	\$	16.08	\$	129.99	\$	17.31

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
PACIFIC NORTHWEST
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2019	2018	2017
Income:			
Milk sales	\$ 4,201	\$ 3,779	\$ 3,987
Calves and other	52	48	58
Total income	\$ 4,253	\$ 3,827	\$ 4,045
Cost of operations:			
Feed:			
Grain	\$ 1,278	\$ 1,173	\$ 1,090
Hay and other	503	539	729
Total feed	\$ 1,781	\$ 1,712	\$ 1,819
Labor, (including fringe costs)	\$ 567	\$ 513	\$ 481
Herd replacement costs	\$ 326	\$ 305	\$ 301
Other costs:			
Milk hauling	\$ 135	\$ 138	\$ 130
State and association charges	66	61	59
Veterinary, breeding, testing, etc.	137	125	130
Supplies	134	123	129
Repairs and maintenance	153	135	156
Utilities	49	41	43
Occupancy costs	119	199	170
Depreciation - equipment	105	82	77
Interest	138	100	87
Miscellaneous	203	203	175
Total other costs	\$ 1,239	\$ 1,207	\$ 1,156
Total cost of operations	\$ 3,913	\$ 3,737	\$ 3,757
Income from dairy operations	\$ 340	\$ 90	\$ 288
Farming operations, net	\$ 128	\$ 100	\$ 113
Net income	\$ 468	\$ 190	\$ 401

ACTUAL PER CWT. OF MILK						YOUR 2019 RESULTS	
2019		2018		2017		PER HEAD	PER CWT. OF MILK
\$	20.18 0.24	\$	17.65 0.23	\$	19.05 0.28	\$	\$
\$	20.42	\$	17.88	\$	19.33	\$	\$
\$	6.14 2.42	\$	5.48 2.52	\$	5.21 3.48	\$	\$
\$	8.56	\$	8.00	\$	8.69	\$	\$
\$	2.73	\$	2.40	\$	2.29	\$	\$
\$	1.57	\$	1.43	\$	1.44	\$	\$
\$	0.65 0.31 0.66 0.65 0.74 0.23 0.57 0.50 0.67 0.96	\$	0.64 0.29 0.59 0.58 0.63 0.19 0.92 0.38 0.47 0.94	\$	0.62 0.28 0.63 0.62 0.74 0.20 0.81 0.37 0.41 0.84	\$	\$
\$	5.94	\$	5.63	\$	5.52	\$	\$
\$	18.80	\$	17.46	\$	17.94	\$	\$
\$	1.62	\$	0.42	\$	1.39	\$	\$
\$	0.61	\$	0.47	\$	0.54	\$	\$
\$	2.23	\$	0.89	\$	1.93	\$	\$

SUMMARY OF FINANCIAL STATISTICS

PACIFIC NORTHWEST

	December 31, 2019	December 31, 2018	December 31, 2017
1. Current Ratio	1.17 : 1	1.04 : 1	1.18 : 1
2. Herd Line Debt Per Cow	\$ 611	\$ 684	\$ 675
3. Total Debt Per Cow	\$ 2,463	\$ 2,187	\$ 2,232
4. Debt to Equity Ratio	1.04 : 1	1.02 : 1	0.76 : 1
5. Return on Total Assets	4.7%	1.4%	3.9%
6. Income per milking cow per month	\$ 32.10	\$ 8.49	\$ 27.37

1. Current ratio represents current assets divided by current liabilities.
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.
4. Debt to equity ratio represents the total debt divided by the total equity.
5. Return on total assets represents the net income divided by the total assets, stated at cost.
6. Income per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by twelve months.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018, AND 2017
PACIFIC NORTHWEST
(BASED ON AVERAGE AMOUNTS)

2019 2018 2017

PRODUCTION AND PRICE INFORMATION:

Annual pounds of milk, per cow
(including dry cows)

20,812 21,402 20,924

Daily pounds of milk, per milking cow

64.7 66.5 65.6

Daily pounds of milk, per milking cow
(Energy corrected milk pounds)

74.04 75.40 73.60

Butterfat test

4.30 % 4.23 % 4.17 %

Blend price per hundredweight

\$ 20.18 \$ 17.65 \$ 19.05

Milk receipts, per milking cow

\$ 4,698 \$ 4,235 \$ 4,473

HERD INFORMATION:

Herd size - total

4,064 2,363 2,403

Percent of dry cows

11.9 % 11.8 % 12.6 %

Herd turnover rate

37.6 % 29.6 % 31.7 %

Composition of herd:

Purchased cows

6 % 7 % 8 %

Self-raised cows

94 % 93 % 92 %

Cost of purchased cows

\$ 1,302 \$ 1,511 \$ 2,059

Beef price received

\$ 621 \$ 646 \$ 683

FEED INFORMATION:

Cost of feed as a percent of milk
income:

Grain

30.4 % 31.0 % 27.3 %

Hay and other

12.0 % 14.3 % 18.3 %

Totals

42.4 % 45.3 % 45.6 %

INCOME AND COST OF OPERATIONS

PACIFIC NORTHWEST

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

**December 31,
2019**

**December 31,
2018**

**December 31,
2017**

Income:				
Milk Sales	\$	20.18	\$	17.65
Calves and other		0.24		0.23
Total income	\$	20.42	\$	17.88
Cost of operations:				
Feed	\$	8.56	\$	8.00
Labor		2.73		2.40
Herd replacement costs		1.57		1.43
Other costs		5.94		5.63
Total cost of operations	\$	18.80	\$	17.46
Income (loss) from dairy operations	\$	1.62	\$	0.42
Farming operations, net	\$	0.61	\$	0.47
Net income (loss)	\$	2.23	\$	0.89
Cost of operations as a percentage of income		92.07%		97.65%
Feed costs as a percentage of milk sales		42.42%		45.33%
Income (loss) per milking cow per month	\$	32.10	\$	8.49
Cumulative net income per cwt. from 2013 to 2019	\$	13.24		

December 31, 2016		December 31, 2015		December 31, 2014		December 31, 2013	
\$	17.21 0.22	\$	16.79 0.4	\$	23.19 0.43	\$	20.48 0.34
\$	17.43	\$	17.19	\$	23.62	\$	20.82
\$	9.27 2.07 1.27 4.96	\$	9.58 1.85 0.69 5.23	\$	11.18 1.83 0.72 5.36	\$	11.83 1.73 1.15 5.17
\$	17.57	\$	17.35	\$	19.09	\$	19.88
\$	(0.14)	\$	(0.16)	\$	4.53	\$	0.94
\$	1.11	\$	0.66	\$	0.62	\$	0.63
\$	0.97	\$	0.50	\$	5.15	\$	1.57
100.80%		100.93%		80.80%		95.48%	
53.86%		57.06%		48.21%		57.76%	
\$	(3.90)	\$	(3.06)	\$	110.56	\$	32.97

EXPLANATION OF INCOME AND COST FACTORS

Basis of presentation	Information is included both on a "per head" basis and an "actual per hundredweight of milk" basis. The "per head" statistics are based on the total average number of milking and dry cows in a herd for the period. The Panhandle region includes the triangle from Clovis, New Mexico, up to Amarillo, Texas and down to Lubbock, Texas. The Pacific Northwest region includes the states of Washington and Oregon.
Milk sales	Includes milk income, quality and production bonuses, patronage dividends, USDA program payments, and gains and losses on milk futures.
Calves and other income	This is primarily composed of the sale of calves, heifers, other livestock and equipment, and miscellaneous other income.
Feed	Grain includes all minerals and supplements while "Hay and other" represents alfalfa and all forage costs.
Labor	Includes wages and fringe costs such as payroll taxes, workers' compensation insurance, medical insurance, union benefits, etc. Compensation to owner-employees or partners is not included.
Herd replacement cost	Represents the difference between the actual price paid for purchased cows (or estimated cost of self-raised cows) at the time the cows were added to the milking herd less the sales price received for cows disposed of. This difference is amortized over the productive life of the cows.
Occupancy cost	Includes property taxes and depreciation of buildings on owner occupied facilities, rent paid and depreciation of improvements on leased facilities. It does not include interest paid on real property.
Miscellaneous cost	Includes auto, truck and fuel expenses, insurance, professional fees, quality penalties and other dairy expenses not specifically classified in another category.
Net income	Is stated before a provision for income taxes or a return on the dairy owner's investment.

OUR FIRM AND THE DAIRY INDUSTRY

Frazer, LLP has been associated with the dairy industry since the early 1950's. At that time, many immigrants from Europe were arriving in California's "Dairy Valley" and establishing their farming operations. These early dairies averaged 50 cows and the families provided most of the labor. Frazer, LLP's partners, situated in "Dairy Valley," were instrumental in the creation of federal and state laws to help dairymen. We have consistently supported pro-agricultural organizations in their efforts to help shape policy and better the living and working environments for dairy families.

As development expanded in the dairy farming area, our firm helped many dairies relocate throughout California, and other states throughout the West and Mid-West. Many families we are servicing now have their third generation stepping into the operation's management. We have grown with these families into their multiple operations, often totaling 10,000 cows or more. Today, Frazer, LLP has clients in California, Arizona, Texas, New Mexico, Colorado, Idaho, Utah, Nevada, Oregon, Washington, Nebraska, Kansas, Wisconsin, Iowa, and South Dakota. Also, we actively consult with many dairies throughout the United States.

As we look to the future, the trend towards efficiently operated dairies will continue. Along with this trend, the dairy industry is facing continued challenges in its operations, efficiency building efforts which are continuous, expansion and relocation activities including the ability to construct new dairies. The dairy industry brings many jobs to an area and allows associated businesses to grow and flourish. Milk pricing and feed market updates can be monitored daily by producers via the CME website boards. Making the correct market decision with respect to milk and feed pricing are crucial to the successful operations of any facility. These decisions to contract any pricing of commodities often carry substantial risk/reward to the producers' operation. And finding and keeping quality labor remains a constant challenge.

As we are now well into 2020, milk prices have begun to rise, albeit slowly this year. The onslaught of the COVID-19 pandemic has not only caused the devastating health crisis, but has also grounded most economies to a halt, which has adversely affected milk prices. There are some signs of relief, at least through the date of this report, and there is hope on the horizon for trade markets and demand to open up, which will bring a welcome boost to milk prices. Major issues looming for producers in the nation are domestic and global demand, and worldwide competition. Sources of quality labor is getting more competitive while there are increased demand on higher wages and benefits that are putting additional strains on producers. Milk and feed futures continue to react with volatility, and obtaining future credit has become increasingly difficult as lending regulations remain strenuous at best. Milk production continues to rise, and heifer inventories are rising dramatically with the impact of improved breeding, sexed semen, and continuous beefing of lower end producing cows, which started several years ago. All of these factors require that producers do as much as they can to conserve resources, improve efficiencies, and make the right decisions day to day for their operations in order to insure a viable future. Frazer, LLP will be instrumental in providing the assistance needed to make these decisions.

Services Provided to the Dairy Industry:

Assurance and Accounting

- Audits, reviews, and compilations
- Budgeting and cash flow management
- Fair market value financial statements
- Payroll
- Preparation of cash or accrual basis financial statements
- QuickBooks

Tax Planning and Compliance

- Estate tax and gifting strategies
- Optimizing tax strategies
- Research tax credits
- Strategic planning for ownership changes
- Tax return preparation

Consulting and Business Advisory Services

- Asset purchase consulting
- Entity selection
- Lease or buy consulting
- Loan packaging and debt restructuring
- Tax deferred exchanges

135 South State College Blvd.
Suite 300
Brea, CA 92821
714 990 1040

2250 W. Main St.
Suite B
Visalia, CA 93291
559 732 4135

An independent firm associated
with Moore Global Network Limited



www.frazerllp.com



www.linkedin.com/company/frazer-llp



[@FrazerLLP](https://twitter.com/FrazerLLP)