

Dairy Farm Operating Trends

December 31, 2021



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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, 2021.

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 7.3 billion pounds and approximately 340,000 head of mature cows for the year ended December 31, 2021.

This report includes a comparison of the results in the regions listed above for the year ended December 31, 2021 both on a "Per head" basis and on an "Actual per hundredweight of milk" basis. We also include 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 Anaheim office at (714) 990-1040, and Angela Blaylock, Leland Kootstra or 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

June 2022

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2021 IN REVIEW

Comparative Net Income By Region:

Net income per head decreased for a majority of the regions during 2021; mostly due to milk prices not keeping up with inflation and rising costs. Profits from farming operations helped somewhat in 2021, but overall, it was not a profitable year in the dairy industry. However, the milk futures and prices which began to rise in late 2021 have gone up dramatically in 2022 and with a lot of dairies locking in feed costs, there are signs of good profit margins through the first half of 2022, even though corn, wheat, alfalfa and soy, and most other feeds are still skyrocketing.

Net income (loss) per head:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest
2021	\$ 160	\$ 138	\$ 91	\$ (1)	\$ 179	\$ (47)	\$ (160)	\$ 135
2020	\$ 372	\$ 352	\$ 297	\$ (18)	\$ 505	\$ (125)	\$ 1,275	\$ 233
Change	\$ (212)	\$ (214)	\$ (206)	\$ 17	\$ (326)	\$ 78	\$ (1,435)	\$ (98)

Comparative Feed Cost By Region:

Feed costs rose for a majority of the regions during 2021, and continues its ascent throughout 2022. Trade concerns, costs of feed production and dollar strength all remain issues. 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
2021	\$ 2,766	\$ 2,634	\$ 2,770	\$ 2,730	\$ 2,252	\$ 2,027	\$ 2,592	\$ 2,001
2020	\$ 2,429	\$ 2,481	\$ 2,310	\$ 2,155	\$ 1,999	\$ 2,346	\$ 1,991	\$ 1,826
Change	\$ 337	\$ 153	\$ 460	\$ 575	\$ 253	\$ (319)	\$ 601	\$ 175

Comparative Production By Region:

The nation's milk production grew by a large margin of 1.3% in 2021. California and Arizona milk regions had large increases in our study, whereas the remaining regions had fairly neutral or lower changes 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 and increased herd numbers in the U.S.

Lbs. per milk cow per day:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest
2021	78.1	83.8	74.5	72.9	68.5	67.4	67.2	59.0
2020	78.7	79.3	72.4	69.2	69.1	73.5	67.6	64.1
Change	(0.6)	4.5	2.1	3.7	(0.6)	(6.1)	(0.4)	(5.1)

Herd Turnover Rate By Region:

Herd turnover rates increased for Idaho, New Mexico and the Panhandle, while decreasing in California, Arizona and the Pacific Northwest. Cow care is always an issue and the scarcity of quality labor continues to affect turnover.

Herd turnover rate by region:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest
2021	30.8%	45.6%	42.2%	40.7%	50.1%	35.8%	48.1%	37.0%
2020	33.4%	56.4%	41.9%	41.6%	42.7%	31.9%	40.6%	41.4%
Change	-2.6%	-10.8%	0.3%	-0.9%	7.4%	3.9%	7.5%	-4.4%

Average Cost of Replacement Per Head By Region:

Costs of replacements increased for a majority of the regions during 2021. More dairy operations still liquidated, bringing in larger numbers of cows to the market. Additionally, increased breeding efficiencies have reduced the need to purchase replacements, but 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
2021	\$ 1,565	\$ 1,423	\$ 1,523	\$ 1,455	\$ 1,496	N/A	N/A	\$ 2,232
2020	\$ 1,623	\$ 1,379	\$ 1,490	\$ 1,297	\$ 1,277	N/A	\$ 924	\$ 1,600
Change	\$ (58)	\$ 44	\$ 33	\$ 158	\$ 219	N/A	N/A	\$ 632

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEAR ENDED DECEMBER 31, 2021
(BASED ON AVERAGE AMOUNTS PER HEAD)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	\$ 4,604	\$ 4,456	\$ 4,386
Calves and other	176	152	148
Total income	\$ 4,780	\$ 4,608	\$ 4,534
Cost of operations:			
Feed:			
Grain	\$ 1,749	\$ 1,968	\$ 2,057
Hay and other	1,017	666	713
Total feed	\$ 2,766	\$ 2,634	\$ 2,770
Labor, (including fringe costs)	\$ 541	\$ 443	\$ 422
Herd replacement costs	\$ 293	\$ 387	\$ 324
Other costs:			
Milk hauling	\$ 106	\$ 100	\$ 132
State and association charges	20	44	44
Veterinary, breeding, testing, etc.	213	128	86
Supplies	42	119	128
Repairs and maintenance	121	144	165
Utilities	55	86	74
Occupancy costs	125	135	64
Depreciation - equipment	60	83	60
Interest	93	94	82
Miscellaneous	185	226	190
Total other costs	\$ 1,020	\$ 1,159	\$ 1,025
Total cost of operations	\$ 4,620	\$ 4,623	\$ 4,541
Income (loss) from dairy operations	\$ 160	\$ (15)	\$ (7)
Farming operations, net	\$ -	\$ 153	\$ 98
Net income (loss)	\$ 160	\$ 138	\$ 91



Arizona		Idaho		New Mexico		Panhandle		Pacific Northwest		Your December 31, 2021 Amounts	
\$	4,421 439	\$	4,148 110	\$	3,662 27	\$	4,017 326	\$	4,136 183	\$	
\$	4,860	\$	4,258	\$	3,689	\$	4,343	\$	4,319	\$	
\$	2,078 652	\$	1,533 719	\$	1,723 304	\$	2,002 590	\$	1,632 369	\$	
\$	2,730	\$	2,252	\$	2,027	\$	2,592	\$	2,001	\$	
\$	548	\$	385	\$	440	\$	471	\$	680	\$	
\$	307	\$	432	\$	127	\$	305	\$	385	\$	
\$	109 78 95 191 138 103 100 58 148 251	\$	77 40 102 120 116 44 133 91 114 258	\$	125 82 66 205 163 83 70 89 46 196	\$	210 50 155 159 149 35 122 83 35 192	\$	145 48 128 119 187 39 105 111 125 240	\$	
\$	1,271	\$	1,095	\$	1,125	\$	1,190	\$	1,247	\$	
\$	4,856	\$	4,164	\$	3,719	\$	4,558	\$	4,313	\$	
\$	4	\$	94	\$	(30)	\$	(215)	\$	6	\$	
\$	(5)	\$	85	\$	(17)	\$	55	\$	129	\$	
\$	(1)	\$	179	\$	(47)	\$	(160)	\$	135	\$	

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2021
(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

**Southern
California** **San Joaquin
Valley** **Kern
County**

Income:				
Milk sales	\$	19.71	\$	18.49
Calves and other		0.75		0.61
Total income	\$	20.46	\$	19.10
Cost of operations:				
Feed:				
Grain	\$	7.49	\$	8.16
Hay and other		4.35		2.76
Total feed	\$	11.84	\$	10.92
Labor, (including fringe costs)	\$	2.31	\$	1.83
Herd replacement costs	\$	1.26	\$	1.60
Other costs:				
Milk hauling	\$	0.45	\$	0.42
State and association charges		0.09		0.19
Veterinary, breeding, testing, etc.		0.91		0.53
Supplies		0.18		0.49
Repairs and maintenance		0.52		0.60
Utilities		0.24		0.36
Occupancy costs		0.53		0.56
Depreciation - equipment		0.26		0.34
Interest		0.40		0.39
Miscellaneous		0.78		0.93
Total other costs	\$	4.36	\$	4.81
Total cost of operations	\$	19.77	\$	19.16
Income (loss) from dairy operations	\$	0.69	\$	(0.06)
Farming operations, net	\$	-	\$	0.63
Net income (loss)	\$	0.69	\$	0.57



Your December 31, 2021 Amounts											
Arizona		Idaho		New Mexico		Panhandle		Pacific Northwest			
\$ 18.82		\$ 18.67		\$ 18.15		\$ 19.12		\$ 21.46		\$	
1.86		0.49		0.13		1.55		0.95			
\$ 20.68		\$ 19.16		\$ 18.28		\$ 20.67		\$ 22.41		\$	
\$ 8.84		\$ 6.90		\$ 8.54		\$ 9.53		\$ 8.47		\$	
2.78		3.23		1.51		2.81		1.91			
\$ 11.62		\$ 10.13		\$ 10.05		\$ 12.34		\$ 10.38		\$	
\$ 2.34		\$ 1.73		\$ 2.18		\$ 2.24		\$ 3.53		\$	
\$ 1.31		\$ 1.94		\$ 0.63		\$ 1.45		\$ 2.00		\$	
\$ 0.46		\$ 0.34		\$ 0.62		\$ 1.00		\$ 0.75		\$	
0.33		0.18		0.41		0.24		0.25			
0.41		0.46		0.33		0.73		0.66			
0.81		0.54		1.02		0.76		0.62			
0.59		0.53		0.81		0.71		0.97			
0.44		0.20		0.41		0.17		0.20			
0.42		0.60		0.34		0.58		0.55			
0.25		0.41		0.44		0.39		0.58			
0.63		0.51		0.23		0.17		0.65			
1.08		1.16		0.97		0.92		1.25			
\$ 5.42		\$ 4.93		\$ 5.58		\$ 5.67		\$ 6.48		\$	
\$ 20.69		\$ 18.73		\$ 18.44		\$ 21.70		\$ 22.39		\$	
\$ (0.01)		\$ 0.43		\$ (0.16)		\$ (1.03)		\$ 0.02		\$	
\$ (0.02)		\$ 0.38		\$ (0.08)		\$ 0.26		\$ 0.67		\$	
\$ (0.03)		\$ 0.81		\$ (0.24)		\$ (0.77)		\$ 0.69		\$	

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2021
(BASED ON FAT CORRECTED MILK
PER HUNDREDWEIGHT OF MILK BASIS)

**Southern
California** **San Joaquin
Valley** **Kern
County**

Income:				
Milk sales	\$	18.24	\$	17.07
Calves and other		0.70		0.58
Total income	\$	18.94	\$	17.65
Cost of operations:				
Feed:				
Grain	\$	6.93	\$	7.54
Hay and other		4.03		2.55
Total feed	\$	10.96	\$	10.09
Labor, (including fringe costs)	\$	2.14	\$	1.70
Herd replacement costs	\$	1.16	\$	1.48
Other costs:				
Milk hauling	\$	0.42	\$	0.38
State and association charges		0.08		0.17
Veterinary, breeding, testing, etc.		0.84		0.49
Supplies		0.16		0.46
Repairs and maintenance		0.48		0.55
Utilities		0.22		0.33
Occupancy costs		0.49		0.52
Depreciation - equipment		0.24		0.32
Interest		0.37		0.36
Miscellaneous		0.73		0.87
Total other costs	\$	4.03	\$	4.45
Total cost of operations	\$	18.29	\$	17.72
Income (loss) from dairy operations	\$	0.65	\$	(0.07)
Farming operations, net	\$	-	\$	0.58
Net income (loss)	\$	0.65	\$	0.51

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2021
(BASED ON ENERGY CORRECTED MILK
PER HUNDREDWEIGHT OF MILK BASIS)

Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your December 31, 2021 Amounts
\$ 17.58 1.75	\$ 16.13 0.43	\$ 17.27 0.13	\$ 16.91 1.37	\$ 18.00 0.79	\$
\$ 19.33	\$ 16.56	\$ 17.40	\$ 18.28	\$ 18.79	\$
\$ 8.26 2.59	\$ 5.96 2.80	\$ 8.12 1.43	\$ 8.43 2.48	\$ 7.10 1.60	\$
\$ 10.85	\$ 8.76	\$ 9.55	\$ 10.91	\$ 8.70	\$
\$ 2.18	\$ 1.50	\$ 2.08	\$ 1.98	\$ 2.96	\$
\$ 1.22	\$ 1.68	\$ 0.60	\$ 1.29	\$ 1.68	\$
\$ 0.43 0.31 0.38 0.76 0.55 0.41 0.40 0.23 0.59 1.00	\$ 0.30 0.15 0.40 0.47 0.45 0.17 0.52 0.35 0.44 1.00	\$ 0.59 0.39 0.31 0.97 0.77 0.39 0.33 0.42 0.22 0.93	\$ 0.88 0.21 0.65 0.67 0.63 0.15 0.51 0.35 0.15 0.81	\$ 0.63 0.21 0.56 0.52 0.81 0.17 0.46 0.48 0.55 1.04	\$
\$ 5.06	\$ 4.25	\$ 5.32	\$ 5.01	\$ 5.43	\$
\$ 19.31	\$ 16.19	\$ 17.55	\$ 19.19	\$ 18.77	\$
\$ 0.02	\$ 0.37	\$ (0.15)	\$ (0.91)	\$ 0.02	\$
\$ (0.02)	\$ 0.33	\$ (0.08)	\$ 0.23	\$ 0.56	\$
\$ -	\$ 0.70	\$ (0.23)	\$ (0.68)	\$ 0.58	\$

SUMMARY OF FINANCIAL STATISTICS

COMPARISON BY AREA FOR THE YEAR ENDED DECEMBER 31, 2021

	Southern California	San Joaquin Valley	Kern County
1 Current Ratio	0.88 : 1	1.23 : 1	0.84 : 1
2 Herd Line Debt Per Cow	\$ 1,192	\$ 818	\$ 1,005
3 Total Debt Per Cow	\$ 3,959	\$ 3,216	\$ 3,279
4 Debt to Equity Ratio	1.19 : 1	1.23 : 1	1.12 : 1
5 Return on Total Assets	2.0%	1.6%	1.0%
6 Income (loss) per milking cow per month	\$ 16.23	\$ 14.69	\$ 8.79

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, 2021 Results
0.52 : 1	0.99: 1	2.15 : 1	1.08 : 1	0.69 : 1	
\$ 1,334	\$ 829	\$ 646	\$ 717	\$ 833	\$
\$ 4,808	\$ 3,299	\$ 1,311	\$ 1,765	\$ 3,141	\$
3.92 : 1	1.55 : 1	0.26 : 1	0.62 : 1	1.63 : 1	
-0.03%	2.1%	-0.5%	-2.5%	1.8%	
\$ (0.24)	\$ 16.75	\$ (4.78)	\$ (15.68)	\$ 12.55	\$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2021, 2020, AND 2019
SOUTHERN CALIFORNIA
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2021	2020	2019
Income:			
Milk sales	\$ 4,604	\$ 4,315	\$ 4,540
Calves and other	176	396	179
Total income	\$ 4,780	\$ 4,711	\$ 4,719
Cost of operations:			
Feed:			
Grain	\$ 1,749	\$ 1,536	\$ 1,579
Hay and other	1,017	893	908
Total feed	\$ 2,766	\$ 2,429	\$ 2,487
Labor, (including fringe costs)	\$ 541	\$ 531	\$ 532
Herd replacement costs	\$ 293	\$ 352	\$ 409
Other costs:			
Milk hauling	\$ 106	\$ 94	\$ 73
State and association charges	20	36	45
Veterinary, breeding, testing, etc.	213	201	211
Supplies	42	65	43
Repairs and maintenance	121	146	161
Utilities	55	65	48
Occupancy costs	125	106	86
Depreciation - equipment	60	47	43
Interest	93	103	149
Miscellaneous	185	164	130
Total other costs	\$ 1,020	\$ 1,027	\$ 989
Total cost of operations	\$ 4,620	\$ 4,339	\$ 4,417
Income from dairy operations	\$ 160	\$ 372	\$ 302
Farming operations, net	\$ -	\$ -	\$ -
Net income	\$ 160	\$ 372	\$ 302

ACTUAL PER CWT. OF MILK						YOUR 2021 RESULTS	
2021		2020		2019		PER HEAD	PER CWT. OF MILK
\$	19.71 0.75	\$	18.49 1.70	\$	19.50 0.77	\$	\$
\$	20.46	\$	20.19	\$	20.27	\$	\$
\$	7.49 4.35	\$	6.58 3.83	\$	6.78 3.89	\$	\$
\$	11.84	\$	10.41	\$	10.67	\$	\$
\$	2.31	\$	2.28	\$	2.28	\$	\$
\$	1.26	\$	1.51	\$	1.75	\$	\$
\$	0.45 0.09 0.91 0.18 0.52 0.24 0.53 0.26 0.40 0.78	\$	0.40 0.15 0.85 0.28 0.62 0.28 0.46 0.20 0.44 0.71	\$	0.32 0.19 0.91 0.18 0.70 0.21 0.37 0.19 0.64 0.54	\$	\$
\$	4.36	\$	4.39	\$	4.25	\$	\$
\$	19.77	\$	18.59	\$	18.95	\$	\$
\$	0.69	\$	1.60	\$	1.32	\$	\$
\$	-	\$	-	\$	-	\$	\$
\$	0.69	\$	1.60	\$	1.32	\$	\$

SUMMARY OF FINANCIAL STATISTICS

SOUTHERN CALIFORNIA

	December 31, 2021	December 31, 2020	December 31, 2019
1. Current Ratio	0.88 : 1	0.74 : 1	0.48 : 1
2. Herd Line Debt Per Cow	\$ 1,192	\$ 772	\$ 948
3. Total Debt Per Cow	\$ 3,959	\$ 3,849	\$ 3,302
4. Debt to Equity Ratio	1.19 : 1	1.28 : 1	1.22 : 1
5. Return on Total Assets	2.0%	4.8%	4.5%
6. Income per milking cow per month	\$ 16.23	\$ 38.36	\$ 29.93

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, 2021, 2020, AND 2019
SOUTHERN CALIFORNIA
(BASED ON AVERAGE AMOUNTS)

	2021	2020	2019
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	23,352	23,335	23,292
Daily pounds of milk, per milking cow	78.1	78.7	75.7
Daily pounds of milk, per milking cow (Fat corrected milk pounds)	84.43	83.78	79.41
Butterfat test	3.95 %	3.83 %	3.81 %
Blend price per hundredweight	\$ 19.71	\$ 18.49	\$ 19.50
Milk receipts, per milking cow	\$ 5,391	\$ 4,874	\$ 5,288
HERD INFORMATION:			
Herd size - total	3,777	3,177	2,743
Percent of dry cows	22.1 %	23.5 %	18.6 %
Herd turnover rate	30.8 %	33.4 %	41.2 %
Composition of herd:			
Purchased cows	77 %	69 %	72 %
Self-raised cows	23 %	31 %	28 %
Cost of purchased cows	\$ 1,565	\$ 1,623	\$ 1,645
Beef price received	\$ 748	\$ 730	\$ 673
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	38.0 %	40.3 %	34.8 %
Hay and other	22.1 %	11.9 %	19.9 %
Totals	60.1 %	52.2 %	54.7 %

INCOME AND COST OF OPERATIONS

SOUTHERN CALIFORNIA

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

**December 31,
2021**

**December 31,
2020**

**December 31,
2019**

Income:				
Milk Sales	\$	19.71	\$	18.49
Calves and other		0.75		1.70
				\$
				19.50
				0.77
Total income	\$	20.46	\$	20.19
				\$
				20.27
Cost of operations:				
Feed	\$	11.84	\$	10.41
Labor		2.31		2.28
Herd replacement costs		1.26		1.75
Other costs		4.36		4.25
Total cost of operations	\$	19.77	\$	18.59
				\$
				18.95
Income (loss) from dairy operations	\$	0.69	\$	1.60
				\$
				1.32
Farming operations, net	\$	-	\$	-
				\$
				-
Net income (loss)	\$	0.69	\$	1.60
				\$
				1.32
Cost of operations as a percentage of income		96.63%		92.08%
				93.49%
Feed costs as a percentage of milk sales		60.07%		56.30%
				54.72%
Income (loss) per milking cow per month	\$	16.23	\$	38.36
				\$
				29.93
Cumulative net income per cwt. from 2015 to 2021	\$	2.84		

December 31, 2018		December 31, 2017		December 31, 2016		December 31, 2015	
\$	16.51 0.47	\$	17.57 0.46	\$	15.91 0.54	\$	16.03 1.08
\$	16.98	\$	18.03	\$	16.45	\$	17.11
\$	9.99 2.04 1.72 4.06	\$	9.37 2.28 2.04 4.11	\$	9.02 2.16 1.65 3.79	\$	10.25 1.92 1.00 3.98
\$	17.81	\$	17.80	\$	16.62	\$	17.15
\$	(0.83)	\$	0.23	\$	(0.17)	\$	(0.04)
\$	-	\$	-	\$	0.02	\$	0.02
\$	(0.83)	\$	0.23	\$	(0.15)	\$	(0.02)
104.89%		98.72%		101.03%		100.23%	
60.51%		53.33%		56.69%		63.94%	
\$	(18.68)	\$	5.18	\$	(4.26)	\$	(2.17)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2021, 2020, AND 2019
SAN JOAQUIN VALLEY
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2021	2020	2019
Income:			
Milk sales	\$ 4,456	\$ 4,506	\$ 4,311
Calves and other	152	194	110
Total income	\$ 4,608	\$ 4,700	\$ 4,421
Cost of operations:			
Feed:			
Grain	\$ 1,968	\$ 1,862	\$ 1,754
Hay and other	666	619	511
Total feed	\$ 2,634	\$ 2,481	\$ 2,265
Labor, (including fringe costs)	\$ 443	\$ 466	\$ 449
Herd replacement costs	\$ 387	\$ 370	\$ 377
Other costs:			
Milk hauling	\$ 100	\$ 98	\$ 91
State and association charges	44	46	42
Veterinary, breeding, testing, etc.	128	140	118
Supplies	119	130	131
Repairs and maintenance	144	149	145
Utilities	86	89	66
Occupancy costs	135	147	138
Depreciation - equipment	83	86	84
Interest	94	101	160
Miscellaneous	226	209	238
Total other costs	\$ 1,159	\$ 1,195	\$ 1,213
Total cost of operations	\$ 4,623	\$ 4,512	\$ 4,304
Income (loss) from dairy operations	\$ (15)	\$ 188	\$ 117
Farming operations, net	\$ 153	\$ 164	\$ 133
Net income	\$ 138	\$ 352	\$ 250

ACTUAL PER CWT. OF MILK						YOUR 2021 RESULTS	
2021		2020		2019		PER HEAD	PER CWT. OF MILK
\$	18.49 0.61	\$	17.41 0.78	\$	18.19 0.46	\$	\$
\$	19.10	\$	18.19	\$	18.65	\$	\$
\$	8.16 2.76	\$	7.40 2.46	\$	7.40 2.14	\$	\$
\$	10.92	\$	9.86	\$	9.54	\$	\$
\$	1.83	\$	1.86	\$	1.90	\$	\$
\$	1.60	\$	1.47	\$	1.59	\$	\$
\$	0.42 0.19 0.53 0.49 0.60 0.36 0.56 0.34 0.39 0.93	\$	0.39 0.18 0.55 0.52 0.59 0.35 0.58 0.34 0.40 0.82	\$	0.38 0.18 0.50 0.55 0.61 0.28 0.58 0.35 0.68 0.98	\$	\$
\$	4.81	\$	4.72	\$	5.09	\$	\$
\$	19.16	\$	17.91	\$	18.12	\$	\$
\$	(0.06)	\$	0.28	\$	0.53	\$	\$
\$	0.63	\$	0.65	\$	0.41	\$	\$
\$	0.57	\$	0.93	\$	0.94	\$	\$

SUMMARY OF FINANCIAL STATISTICS

SAN JOAQUIN VALLEY

	December 31, 2021	December 31, 2020	December 31, 2019
1. Current Ratio	1.23 : 1	0.99 : 1	1.07 : 1
2. Herd Line Debt Per Cow	\$ 818	\$ 721	\$ 1,049
3. Total Debt Per Cow	\$ 3,216	\$ 3,209	\$ 3,632
4. Debt to Equity Ratio	1.23 : 1	1.29 : 1	1.51 : 1
5. Return on Total Assets	1.6%	2.2%	1.3%
6. Income per milking cow per month	\$ 14.69	\$ 17.92	\$ 11.31

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, 2021, 2020, AND 2019
SAN JOAQUIN VALLEY
(BASED ON AVERAGE AMOUNTS)

	2021	2020	2019
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	24,105	25,164	23,700
Daily pounds of milk, per milking cow	83.8	79.3	75.1
Daily pounds of milk, per milking cow (Fat corrected milk pounds)	90.76	84.20	78.68
Butterfat test	3.96 %	3.88 %	3.80 %
Solids-non-fat test	5.76 %	8.99 %	8.84 %
Blend price per hundredweight	\$ 18.49	\$ 17.41	\$ 18.19
Milk receipts, per milking cow	\$ 5,463	\$ 4,703	\$ 4,858
HERD INFORMATION:			
Herd size - total	3,936	3,840	4,545
Percent of dry cows	26.9 %	15.0 %	13.5 %
Herd turnover rate	45.6 %	56.4 %	44.8 %
Composition of herd:			
Purchased cows	3 %	4 %	6 %
Self-raised cows	97 %	96 %	94 %
Cost of purchased cows	\$ 1,423	\$ 1,379	\$ 1,563
Beef price received	\$ 690	\$ 725	\$ 680
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	44.1 %	41.3 %	40.7 %
Hay and other	14.9 %	13.7 %	11.8 %
Totals	59.0 %	55.0 %	52.5 %

INCOME AND COST OF OPERATIONS

SAN JOAQUIN VALLEY

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

**December 31,
2021**

**December 31,
2020**

**December 31,
2019**

Income:				
Milk Sales	\$	18.49	\$	17.41
Calves and other		0.61		0.78
				\$
				18.19
				0.46
Total income	\$	19.10	\$	18.19
				\$
				18.65
Cost of operations:				
Feed	\$	10.92	\$	9.86
Labor		1.83		1.86
Herd replacement costs		1.60		1.47
Other costs		4.81		4.72
Total cost of operations	\$	19.16	\$	17.91
				\$
				18.12
Income (loss) from dairy operations	\$	(0.06)	\$	0.28
				\$
				0.53
Farming operations, net	\$	0.63	\$	0.65
				\$
				0.41
Net income (loss)	\$	0.57	\$	0.93
				\$
				0.94
Cost of operations as a percentage of income		100.31%		98.46%
				97.16%
Feed costs as a percentage of milk sales		59.06%		56.63%
				52.45%
Income (loss) per milking cow per month	\$	14.69	\$	17.92
				\$
				11.31
Cumulative net income per cwt. from 2015 to 2021	\$	1.25		

December 31, 2018		December 31, 2017		December 31, 2016		December 31, 2015	
\$	15.52	\$	16.88	\$	14.86	\$	16.39
	0.40		0.45		0.30		0.79
\$	15.92	\$	17.33	\$	15.16	\$	17.18
\$	8.97	\$	8.88	\$	8.68	\$	10.87
	1.66		1.82		1.72		1.80
	1.49		1.63		1.49		0.73
	4.65		4.75		4.45		4.75
\$	16.77	\$	17.08	\$	16.34	\$	18.15
\$	(0.85)	\$	0.25	\$	(1.18)	\$	(0.97)
\$	0.55	\$	0.32	\$	0.26	\$	0.43
\$	(0.30)	\$	0.57	\$	(0.92)	\$	(0.54)
105.34%		98.56%		107.78%		105.65%	
57.80%		52.61%		58.41%		66.32%	
\$	(19.36)	\$	5.59	\$	(23.12)	\$	(13.20)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2021, 2020, AND 2019
KERN COUNTY
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2021	2020	2019
Income:			
Milk sales	\$ 4,386	\$ 4,152	\$ 4,147
Calves and other	148	56	66
Total income	\$ 4,534	\$ 4,208	\$ 4,213
Cost of operations:			
Feed:			
Grain	\$ 2,057	\$ 1,545	\$ 1,490
Hay and other	713	765	717
Total feed	\$ 2,770	\$ 2,310	\$ 2,207
Labor, (including fringe costs)	\$ 422	\$ 362	\$ 341
Herd replacement costs	\$ 324	\$ 314	\$ 313
Other costs:			
Milk hauling	\$ 132	\$ 128	\$ 118
State and association charges	44	42	41
Veterinary, breeding, testing, etc.	86	86	77
Supplies	128	110	121
Repairs and maintenance	165	148	121
Utilities	74	102	89
Occupancy costs	64	91	90
Depreciation - equipment	60	59	56
Interest	82	78	115
Miscellaneous	190	184	154
Total other costs	\$ 1,025	\$ 1,028	\$ 982
Total cost of operations	\$ 4,541	\$ 4,014	\$ 3,843
Income (loss) from dairy operations	\$ (7)	\$ 194	\$ 370
Farming operations, net	\$ 98	\$ 103	\$ 103
Net income	\$ 91	\$ 297	\$ 473

ACTUAL PER CWT. OF MILK						YOUR 2021 RESULTS	
2021		2020		2019		PER HEAD	PER CWT. OF MILK
\$	18.85	\$	18.58	\$	18.86	\$	\$
	0.63		0.25		0.29		
\$	19.48	\$	18.83	\$	19.15	\$	\$
\$	8.85	\$	6.91	\$	6.78	\$	\$
	3.08		3.41		3.25		
\$	11.93	\$	10.32	\$	10.03	\$	\$
\$	1.82	\$	1.62	\$	1.55	\$	\$
\$	1.40	\$	1.41	\$	1.42	\$	\$
\$	0.57	\$	0.57	\$	0.54	\$	\$
	0.19		0.19		0.19		
	0.37		0.38		0.35		
	0.55		0.49		0.55		
	0.71		0.66		0.55		
	0.32		0.46		0.41		
	0.27		0.41		0.41		
	0.26		0.26		0.26		
	0.35		0.36		0.53		
	0.82		0.84		0.71		
\$	4.41	\$	4.62	\$	4.50	\$	\$
\$	19.56	\$	17.97	\$	17.50	\$	\$
\$	(0.08)	\$	0.86	\$	1.65	\$	\$
\$	0.42	\$	0.46	\$	0.47	\$	\$
\$	0.34	\$	1.32	\$	2.12	\$	\$

SUMMARY OF FINANCIAL STATISTICS

KERN COUNTY

	December 31, 2021	December 31, 2020	December 31, 2019
1. Current Ratio	0.84 : 1	1.08 : 1	1.14 : 1
2. Herd Line Debt Per Cow	\$ 1,005	\$ 831	\$ 859
3. Total Debt Per Cow	\$ 3,279	\$ 2,963	\$ 2,996
4. Debt to Equity Ratio	1.12 : 1	0.83 : 1	0.88 : 1
5. Return on Total Assets	1.0%	2.0%	3.9%
6. Income per milking cow per month	\$ 8.79	\$ 19.07	\$ 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 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, 2021, 2020, AND 2019
KERN COUNTY
(BASED ON AVERAGE AMOUNTS)

	2021	2020	2019
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	23,248	22,353	21,987
Daily pounds of milk, per milking cow	74.5	72.4	71.3
Daily pounds of milk, per milking cow (Fat corrected milk pounds)	79.14	75.63	73.94
Butterfat test	3.89 %	3.78 %	3.73 %
Blend price per hundredweight	\$ 18.85	\$ 18.58	\$ 18.86
Milk receipts, per milking cow	\$ 4,161	\$ 4,300	\$ 4,772
HERD INFORMATION:			
Herd size - total	3,688	3,795	3,840
Percent of dry cows	14.5 %	18.2 %	15.6 %
Herd turnover rate	42.2 %	41.9 %	39.6 %
Composition of herd:			
Purchased cows	1 %	1 %	1 %
Self-raised cows	99 %	99 %	99 %
Cost of purchased cows	\$ 1,523	\$ 1,490	\$ 1,557
Beef price received	\$ 649	\$ 672	\$ 636
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	46.9 %	37.2 %	35.9 %
Hay and other	16.3 %	18.4 %	17.2 %
Totals	63.2 %	55.6 %	53.1 %

INCOME AND COST OF OPERATIONS

	KERN COUNTY		
	(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2021	December 31, 2020	December 31, 2019
Income:			
Milk Sales	\$ 18.85	\$ 18.58	\$ 18.86
Calves and other	0.63	0.25	0.29
Total income	\$ 19.48	\$ 18.83	\$ 19.15
Cost of operations:			
Feed	\$ 11.93	\$ 10.32	\$ 10.03
Labor	1.82	1.62	1.55
Herd replacement costs	1.40	1.41	1.42
Other costs	4.41	4.62	4.50
Total cost of operations	\$ 19.56	\$ 17.97	\$ 17.50
Income (loss) from dairy operations	\$ (0.08)	\$ 0.86	\$ 1.65
Farming operations, net	\$ 0.42	\$ 0.46	\$ 0.47
Net income (loss)	\$ 0.34	\$ 1.32	\$ 2.12
Cost of operations as a percentage of income	100.41%	95.43%	91.38%
Feed costs as a percentage of milk sales	63.29%	55.54%	53.18%
Income (loss) per milking cow per month	\$ 8.79	\$ 19.07	\$ 36.38
Cumulative net income per cwt. from 2015 to 2021	\$ 5.02		

December 31, 2018		December 31, 2017		December 31, 2016		December 31, 2015	
\$	16.14 0.75	\$	17.04 0.24	\$	15.34 0.34	\$	15.81 0.69
\$	16.89	\$	17.28	\$	15.68	\$	16.5
\$	9.58 1.53 1.39 4.42	\$	9.03 1.54 1.36 4.28	\$	9.92 1.48 1.22 4.11	\$	11.09 1.40 0.80 3.89
\$	16.92	\$	16.21	\$	16.73	\$	17.18
\$	(0.03)	\$	1.07	\$	(1.05)	\$	(0.68)
\$	0.56	\$	0.08	\$	0.15	\$	1.14
\$	0.53	\$	1.15	\$	(0.90)	\$	0.46
100.18%		93.81%		106.70%		104.12%	
59.36%		52.99%		64.67%		70.15%	
\$	(0.61)	\$	21.95	\$	(23.52)	\$	(14.95)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2021, 2020, AND 2019
ARIZONA
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2021	2020	2019
Income:			
Milk sales	\$ 4,421	\$ 4,125	\$ 3,931
Calves and other	439	230	208
Total income	\$ 4,860	\$ 4,355	\$ 4,139
Cost of operations:			
Feed:			
Grain	\$ 2,078	\$ 1,664	\$ 1,547
Hay and other	652	491	562
Total feed	\$ 2,730	\$ 2,155	\$ 2,109
Labor, (including fringe costs)	\$ 548	\$ 552	\$ 530
Herd replacement costs	\$ 307	\$ 371	\$ 579
Other costs:			
Milk hauling	\$ 109	\$ 118	\$ 112
State and association charges	78	84	87
Veterinary, breeding, testing, etc.	95	70	77
Supplies	191	195	182
Repairs and maintenance	138	135	127
Utilities	103	87	78
Occupancy costs	100	139	149
Depreciation - equipment	58	59	58
Interest	148	182	226
Miscellaneous	251	232	197
Total other costs	\$ 1,271	\$ 1,301	\$ 1,293
Total cost of operations	\$ 4,856	\$ 4,379	\$ 4,511
Income (loss) from dairy operations	\$ 4	\$ (24)	\$ (372)
Farming operations, net	\$ (5)	\$ 6	\$ 20
Net loss	\$ (1)	\$ (18)	\$ (352)

ACTUAL PER CWT. OF MILK						YOUR 2021 RESULTS	
2021		2020		2019		PER HEAD	PER CWT. OF MILK
\$	18.82	\$	18.58	\$	18.73	\$	\$
	1.86		1.05		1.01		
\$	20.68	\$	19.63	\$	19.74	\$	\$
\$	8.84	\$	7.49	\$	7.37	\$	\$
	2.78		2.22		2.67		
\$	11.62	\$	9.71	\$	10.04	\$	\$
\$	2.34	\$	2.48	\$	2.53	\$	\$
\$	1.31	\$	1.67	\$	2.76	\$	\$
\$	0.46	\$	0.53	\$	0.53	\$	\$
	0.33		0.38		0.41		
	0.41		0.32		0.36		
	0.81		0.88		0.86		
	0.59		0.61		0.61		
	0.44		0.39		0.37		
	0.42		0.63		0.71		
	0.25		0.26		0.28		
	0.63		0.82		1.08		
	1.08		1.92		0.95		
\$	5.42	\$	6.74	\$	6.16	\$	\$
\$	20.69	\$	20.60	\$	21.49	\$	\$
\$	(0.01)	\$	(0.97)	\$	(1.75)	\$	\$
\$	(0.02)	\$	0.03	\$	0.10	\$	\$
\$	(0.03)	\$	(0.94)	\$	(1.65)	\$	\$

SUMMARY OF FINANCIAL STATISTICS

ARIZONA

	December 31, 2021	December 31, 2020	December 31, 2019
1. Current Ratio	0.52 : 1	0.58 : 1	0.63 : 1
2. Herd Line Debt Per Cow	\$ 1,334	\$ 1,383	\$ 1,249
3. Total Debt Per Cow	\$ 4,808	\$ 4,632	\$ 4,287
4. Debt to Equity Ratio	3.92 : 1	9.46 : 1	10.50 : 1
5. Return on Total Assets	-0.03%	-0.3%	-5.6%
6. Loss per milking cow per month	\$ (0.24)	\$ (2.40)	\$ (35.57)

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, 2021, 2020, AND 2019
ARIZONA
(BASED ON AVERAGE AMOUNTS)

2021 2020 2019

PRODUCTION AND PRICE INFORMATION:

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

23,499 22,194 21,002

Daily pounds of milk, per milking cow

72.9 69.2 66.1

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

77.97 75.55 67.32

Butterfat test

3.78 % 3.81 % 3.57 %

Blend price per hundredweight

\$ 18.82 \$ 17.55 \$ 18.73

Milk receipts, per milking cow

\$ 4,126 \$ 4,182 \$ 4,320

HERD INFORMATION:

Herd size - total

8,289 6,693 6,427

Percent of dry cows

11.6 % 13.7 % 13.0 %

Herd turnover rate

40.7 % 41.6 % 33.4 %

Composition of herd:

Purchased cows

35 % 42 % 46 %

Self-raised cows

65 % 58 % 54 %

Cost of purchased cows

\$ 1,455 \$ 1,297 \$ 1,458

Beef price received

\$ 776 \$ 677 \$ 764

FEED INFORMATION:

Cost of feed as a percent of milk
income:

Grain

47.0 % 40.3 % 39.3 %

Hay and other

14.8 % 11.9 % 14.3 %

Totals

61.8 % 52.2 % 53.6 %

INCOME AND COST OF OPERATIONS

	ARIZONA		
	(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2021	December 31, 2020	December 31, 2019
Income:			
Milk Sales	\$ 18.82	\$ 18.58	\$ 18.73
Calves and other	1.86	1.05	1.01
Total income	\$ 20.68	\$ 19.63	\$ 19.74
Cost of operations:			
Feed	\$ 11.62	\$ 9.71	\$ 10.04
Labor	2.34	2.48	2.53
Herd replacement costs	1.31	1.67	2.76
Other costs	5.42	6.74	6.16
Total cost of operations	\$ 20.69	\$ 20.60	\$ 21.49
Loss from dairy operations	\$ (0.01)	\$ (0.97)	\$ (1.75)
Farming operations, net	\$ (0.02)	\$ 0.03	\$ 0.10
Net loss	\$ (0.03)	\$ (0.94)	\$ (1.65)
Cost of operations as a percentage of income	100.05%	104.94%	108.87%
Feed costs as a percentage of milk sales	61.74%	52.26%	53.60%
Loss per milking cow per month	\$ (0.24)	\$ (2.40)	\$ (35.57)
Cumulative net income per cwt. from 2015 to 2021	\$ (6.32)		

December 31, 2018		December 31, 2017		December 31, 2016		December 31, 2015	
\$	16.31 0.34	\$	17.20 0.77	\$	15.56 0.57	\$	16.33 0.87
\$	16.65	\$	17.97	\$	16.13	\$	17.2
\$	9.40 2.41 1.95 5.88	\$	9.03 2.21 1.62 5.50	\$	8.63 2.03 1.33 5.03	\$	9.49 1.97 0.87 5.01
\$	19.64	\$	18.36	\$	17.02	\$	17.34
\$	(2.99)	\$	(0.39)	\$	(0.89)	\$	(0.14)
\$	0.44	\$	0.14	\$	0.09	\$	0.04
\$	(2.55)	\$	(0.25)	\$	(0.80)	\$	(0.10)
117.96%		102.17%		105.52%		100.81%	
57.63%		52.50%		55.46%		58.11%	
\$	(60.15)	\$	(9.45)	\$	(20.02)	\$	(0.14)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2021, 2020, AND 2019
IDAHO
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2021	2020	2019
Income:			
Milk sales	\$ 4,148	\$ 4,283	\$ 4,128
Calves and other	110	108	82
Total income	\$ 4,258	\$ 4,391	\$ 4,210
Cost of operations:			
Feed:			
Grain	\$ 1,533	\$ 1,372	\$ 1,307
Hay and other	719	627	628
Total feed	\$ 2,252	\$ 1,999	\$ 1,935
Labor, (including fringe costs)	\$ 385	\$ 366	\$ 369
Herd replacement costs	\$ 432	\$ 458	\$ 490
Other costs:			
Milk hauling	\$ 77	\$ 74	\$ 65
State and association charges	40	39	21
Veterinary, breeding, testing, etc.	102	109	104
Supplies	120	80	94
Repairs and maintenance	116	133	114
Utilities	44	39	39
Occupancy costs	133	147	138
Depreciation - equipment	91	103	81
Interest	114	119	178
Miscellaneous	258	271	277
Total other costs	\$ 1,095	\$ 1,114	\$ 1,111
Total cost of operations	\$ 4,164	\$ 3,937	\$ 3,905
Income from dairy operations	\$ 94	\$ 454	\$ 305
Farming operations, net	\$ 85	\$ 51	\$ 30
Net income	\$ 179	\$ 505	\$ 335

ACTUAL PER CWT. OF MILK						YOUR 2021 RESULTS	
2021		2020		2019		PER HEAD	PER CWT. OF MILK
\$	18.67 0.49	\$	19.50 0.49	\$	18.79 0.37	\$	\$
\$	19.16	\$	19.99	\$	19.16	\$	\$
\$	6.90 3.23	\$	6.25 2.86	\$	5.95 2.86	\$	\$
\$	10.13	\$	9.11	\$	8.81	\$	\$
\$	1.73	\$	1.66	\$	1.67	\$	\$
\$	1.94	\$	2.08	\$	2.23	\$	\$
\$	0.34 0.18 0.46 0.54 0.53 0.20 0.60 0.41 0.51 1.16	\$	0.34 0.18 0.49 0.36 0.61 0.18 0.67 0.47 0.54 1.24	\$	0.30 0.10 0.47 0.43 0.52 0.18 0.63 0.37 0.81 1.25	\$	\$
\$	4.93	\$	5.08	\$	5.06	\$	\$
\$	18.73	\$	17.93	\$	17.77	\$	\$
\$	0.43	\$	2.06	\$	1.39	\$	\$
\$	0.38	\$	0.23	\$	0.14	\$	\$
\$	0.81	\$	2.29	\$	1.53	\$	\$

SUMMARY OF FINANCIAL STATISTICS

IDAHO

	December 31, 2021	December 31, 2020	December 31, 2019
1. Current Ratio	0.99 : 1	1.37 : 1	1.02 : 1
2. Herd Line Debt Per Cow	\$ 829	\$ 734	\$ 787
3. Total Debt Per Cow	\$ 3,299	\$ 2,607	\$ 2,909
4. Debt to Equity Ratio	1.55 : 1	1.40 : 1	1.80 : 1
5. Return on Total Assets	2.1%	6.6%	4.4%
6. Income per milking cow per month	\$ 16.75	\$ 43.35	\$ 29.02

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, 2021, 2020, AND 2019
IDAHO
(BASED ON AVERAGE AMOUNTS)

2021 2020 2019

PRODUCTION AND PRICE INFORMATION:

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

22,225 21,962 21,968

Daily pounds of milk, per milking cow

68.5 69.1 69.0

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

79.30 78.77 77.01

Butterfat test

4.40 % 4.35 % 4.16 %

Blend price per hundredweight

\$ 18.67 \$ 19.50 \$ 18.79

Milk receipts, per milking cow

\$ 4,597 \$ 4,525 \$ 4,702

HERD INFORMATION:

Herd size - total

10,807 9,725 9,170

Percent of dry cows

12.6 % 14.9 % 12.8 %

Herd turnover rate

50.1 % 42.7 % 41.5 %

Composition of herd:

Purchased cows

5 % 1 % 5 %

Self-raised cows

95 % 99 % 95 %

Cost of purchased cows

\$ 1,496 \$ 1,277 \$ 1,197

Beef price received

\$ 624 \$ 591 \$ 591

FEED INFORMATION:

Cost of feed as a percent of milk
income:

Grain

37.0 % 32.0 % 31.7 %

Hay and other

17.3 % 14.6 % 15.2 %

Totals

54.3 % 46.6 % 46.9 %

INCOME AND COST OF OPERATIONS

	IDAHO		
	(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2021	December 31, 2020	December 31, 2019
Income:			
Milk Sales	\$ 18.67	\$ 19.50	\$ 18.79
Calves and other	0.49	0.49	0.37
Total income	\$ 19.16	\$ 19.99	\$ 19.16
Cost of operations:			
Feed	\$ 10.13	\$ 9.11	\$ 8.81
Labor	1.73	1.66	1.67
Herd replacement costs	1.94	2.08	2.23
Other costs	4.93	5.08	5.06
Total cost of operations	\$ 18.73	\$ 17.93	\$ 17.77
Income (loss) from dairy operations	\$ 0.43	\$ 2.06	\$ 1.39
Farming operations, net	\$ 0.38	\$ 0.23	\$ 0.14
Net income (loss)	\$ 0.81	\$ 2.29	\$ 1.53
Cost of operations as a percentage of income	97.76%	89.69%	92.75%
Feed costs as a percentage of milk sales	54.26%	46.72%	46.89%
Income (loss) per milking cow per month	\$ 16.75	\$ 43.35	\$ 29.02
Cumulative net income per cwt. from 2015 to 2021	\$ 6.77		

December 31, 2018		December 31, 2017		December 31, 2016		December 31, 2015	
\$	16.71 0.26	\$	17.35 0.26	\$	15.52 0.23	\$	15.90 0.79
\$	16.97	\$	17.61	\$	15.75	\$	16.69
\$	8.41 1.77 2.29 5.01	\$	8.43 1.85 1.83 4.65	\$	8.44 1.70 1.79 4.19	\$	8.93 1.60 1.09 4.09
\$	17.48	\$	16.76	\$	16.12	\$	15.71
\$	(0.51)	\$	0.85	\$	(0.37)	\$	0.98
\$	0.24	\$	0.41	\$	0.29	\$	0.25
\$	(0.27)	\$	1.26	\$	(0.08)	\$	1.23
103.01%		95.17%		102.35%		94.13%	
50.33%		48.59%		54.38%		56.16%	
\$	(10.40)	\$	18.80	\$	(1.69)	\$	27.14

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2021, 2020, AND 2019
NEW MEXICO
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2021	2020	2019
Income:			
Milk sales	\$ 3,662	\$ 3,832	\$ 3,858
Calves and other	27	67	49
Total income	\$ 3,689	\$ 3,899	\$ 3,907
Cost of operations:			
Feed:			
Grain	\$ 1,723	\$ 1,536	\$ 1,747
Hay and other	304	810	830
Total feed	\$ 2,027	\$ 2,346	\$ 2,577
Labor, (including fringe costs)	\$ 440	\$ 462	\$ 478
Herd replacement costs	\$ 127	\$ 212	\$ 299
Other costs:			
Milk hauling	\$ 125	\$ 152	\$ 105
State and association charges	82	124	88
Veterinary, breeding, testing, etc.	66	58	120
Supplies	205	206	129
Repairs and maintenance	163	141	103
Utilities	83	35	76
Occupancy costs	70	86	67
Depreciation - equipment	89	49	62
Interest	46	113	298
Miscellaneous	196	197	214
Total other costs	\$ 1,125	\$ 1,161	\$ 1,262
Total cost of operations	\$ 3,719	\$ 4,181	\$ 4,616
Loss from dairy operations	\$ (30)	\$ (282)	\$ (709)
Farming operations, net	\$ (17)	\$ 157	\$ -
Net loss	\$ (47)	\$ (125)	\$ (709)

ACTUAL PER CWT. OF MILK						YOUR 2021 RESULTS	
2021		2020		2019		PER HEAD	PER CWT. OF MILK
\$	18.15	\$	17.57	\$	17.37	\$	\$
	0.13		0.30		0.22		
\$	18.28	\$	17.87	\$	17.59	\$	\$
\$	8.54	\$	7.04	\$	7.87	\$	\$
	1.51		3.70		3.74		
\$	10.05	\$	10.74	\$	11.61	\$	\$
\$	2.18	\$	2.12	\$	2.16	\$	\$
\$	0.63	\$	0.97	\$	1.35	\$	\$
\$	0.62	\$	0.70	\$	0.47	\$	\$
	0.41		0.57		0.40		
	0.33		0.26		0.55		
	1.02		0.95		0.58		
	0.81		0.65		0.47		
	0.41		0.16		0.34		
	0.34		0.40		0.30		
	0.44		0.23		0.28		
	0.23		0.52		1.34		
	0.97		0.90		0.96		
\$	5.58	\$	5.34	\$	5.69	\$	\$
\$	18.44	\$	19.17	\$	20.81	\$	\$
\$	(0.16)	\$	(1.30)	\$	(3.22)	\$	\$
\$	(0.08)	\$	0.72	\$	-	\$	\$
\$	(0.24)	\$	(0.58)	\$	(3.22)	\$	\$

SUMMARY OF FINANCIAL STATISTICS

NEW MEXICO

	December 31, 2021	December 31, 2020	December 31, 2019
1. Current Ratio	2.15 : 1	1.08 : 1	0.77 : 1
2. Herd Line Debt Per Cow	\$ 646	\$ 164	\$ 717
3. Total Debt Per Cow	\$ 1,311	\$ 2,408	\$ 3,314
4. Debt to Equity Ratio	0.26 : 1	1.18 : 1	1.54 : 1
5. Return on Total Assets	-0.5%	-4.6%	-9.0%
6. Loss per milking cow per month	\$ (4.78)	\$ (28.96)	\$ (71.24)

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, 2021, 2020, AND 2019
NEW MEXICO
(BASED ON AVERAGE AMOUNTS)

2021 2020 2019

PRODUCTION AND PRICE INFORMATION:

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

20,177 21,807 22,194

Daily pounds of milk, per milking cow

67.4 73.5 73.3

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

70.86 75.91 76.97

Butterfat test

3.76 % 3.65 % 3.70 %

Blend price per hundredweight

\$ 18.15 \$ 17.57 \$ 17.37

Milk receipts, per milking cow

\$ 4,288 \$ 4,345 \$ 4,535

HERD INFORMATION:

Herd size - total

1,265 4,318 8,213

Percent of dry cows

22.0 % 23.3 % 17.1 %

Herd turnover rate

35.8 % 31.9 % 37.8 %

Composition of herd:

Purchased cows

0 % 0 % 0 %

Self-raised cows

100 % 100 % 100 %

Cost of purchased cows

\$ - \$ - \$ 1,810

Beef price received

\$ 802 \$ 732 \$ 667

FEED INFORMATION:

Cost of feed as a percent of milk
income:

Grain

47.1 % 40.1 % 45.3 %

Hay and other

8.3 % 21.1 % 21.5 %

Totals

55.4 % 61.2 % 66.8 %

INCOME AND COST OF OPERATIONS

	NEW MEXICO		
	(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2021	December 31, 2020	December 31, 2019
Income:			
Milk Sales	\$ 18.15	\$ 17.57	\$ 17.37
Calves and other	0.13	0.30	0.22
Total income	\$ 18.28	\$ 17.87	\$ 17.59
Cost of operations:			
Feed	\$ 10.05	\$ 10.74	\$ 11.61
Labor	2.18	2.12	2.16
Herd replacement costs	0.63	0.97	1.35
Other costs	5.58	5.34	5.69
Total cost of operations	\$ 18.44	\$ 19.17	\$ 20.81
Income (loss) from dairy operations	\$ (0.16)	\$ (1.30)	\$ (3.22)
Farming operations, net	\$ (0.08)	\$ 0.72	\$ -
Net income (loss)	\$ (0.24)	\$ (0.58)	\$ (3.22)
Cost of operations as a percentage of income	100.88%	107.27%	118.31%
Feed costs as a percentage of milk sales	55.37%	61.13%	66.84%
Loss per milking cow per month	\$ (4.78)	\$ (28.96)	\$ (71.24)
Cumulative net income per cwt. from 2015 to 2021	\$ (8.22)		

December 31, 2018		December 31, 2017		December 31, 2016		December 31, 2015	
\$	15.61	\$	16.75	\$	15.84	\$	16.50
	0.46		0.51		0.37		0.75
\$	16.07	\$	17.26	\$	16.21	\$	17.25
\$	10.65	\$	9.25	\$	9.18	\$	10.39
	1.91		2.09		2.09		2.05
	1.41		1.37		1.38		0.95
	5.69		5.73		5.55		5.80
\$	19.66	\$	18.44	\$	18.20	\$	19.19
\$	(3.59)	\$	(1.18)	\$	(1.99)	\$	(1.94)
\$	1.31	\$	1.88	\$	0.11	\$	1.22
\$	(2.28)	\$	0.70	\$	(1.88)	\$	(0.72)
122.34%		106.84%		112.28%		111.25%	
68.23%		55.22%		57.95%		62.97%	
\$	(81.14)	\$	(24.33)	\$	(36.35)	\$	(14.91)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2021, 2020, AND 2019
PANHANDLE
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2021	2020	2019
Income:			
Milk sales	\$ 4,017	\$ 4,814	\$ 4,076
Calves and other	326	97	(8)
Total income	\$ 4,343	\$ 4,911	\$ 4,068
Cost of operations:			
Feed:			
Grain	\$ 2,002	\$ 1,624	\$ 1,537
Hay and other	590	367	292
Total feed	\$ 2,592	\$ 1,991	\$ 1,829
Labor, (including fringe costs)	\$ 471	\$ 388	\$ 387
Herd replacement costs	\$ 305	\$ 357	\$ 373
Other costs:			
Milk hauling	\$ 210	\$ 194	\$ 205
State and association charges	50	35	29
Veterinary, breeding, testing, etc.	155	115	117
Supplies	159	140	119
Repairs and maintenance	149	105	110
Utilities	35	30	34
Occupancy costs	122	97	99
Depreciation - equipment	83	91	93
Interest	35	79	127
Miscellaneous	192	173	155
Total other costs	\$ 1,190	\$ 1,059	\$ 1,088
Total cost of operations	\$ 4,558	\$ 3,795	\$ 3,677
Income (loss) from dairy operations	\$ (215)	\$ 1,116	\$ 391
Farming operations, net	\$ 55	\$ 159	\$ 68
Net income (loss)	\$ (160)	\$ 1,275	\$ 459

ACTUAL PER CWT. OF MILK						YOUR 2021 RESULTS	
2021		2020		2019		PER HEAD	PER CWT. OF MILK
\$	19.12	\$	22.49	\$	18.97	\$	\$
	1.55		0.46		(0.04)		
\$	20.67	\$	22.95	\$	18.93	\$	\$
\$	9.53	\$	7.58	\$	7.16	\$	\$
	2.81		1.73		1.36		
\$	12.34	\$	9.31	\$	8.52	\$	\$
\$	2.24	\$	1.82	\$	1.80	\$	\$
\$	1.45	\$	1.67	\$	1.74	\$	\$
\$	1.00	\$	0.91	\$	0.95	\$	\$
	0.24		0.16		0.13		
	0.73		0.54		0.54		
	0.76		0.65		0.55		
	0.71		0.49		0.52		
	0.17		0.14		0.16		
	0.58		0.45		0.46		
	0.39		0.43		0.43		
	0.17		0.37		0.59		
	0.92		0.81		0.72		
\$	5.67	\$	4.95	\$	5.05	\$	\$
\$	21.70	\$	17.75	\$	17.11	\$	\$
\$	(1.03)	\$	5.20	\$	1.82	\$	\$
\$	0.26	\$	0.74	\$	0.32	\$	\$
\$	(0.77)	\$	5.94	\$	2.14	\$	\$

SUMMARY OF FINANCIAL STATISTICS

PANHANDLE

	December 31, 2021	December 31, 2020	December 31, 2019
1. Current Ratio	1.08 : 1	2.21 : 1	1.23 : 1
2. Herd Line Debt Per Cow	\$ 717	\$ 563	\$ 675
3. Total Debt Per Cow	\$ 1,765	\$ 2,658	\$ 2,907
4. Debt to Equity Ratio	0.62 : 1	0.96 : 1	1.48 : 1
5. Return on Total Assets	-2.5%	14.3%	5.5%
6. Income (loss) per milking cow per month	\$ (15.68)	\$ 107.43	\$ 37.85

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, 2021, 2020, AND 2019
PANHANDLE
(BASED ON AVERAGE AMOUNTS)

2021 2020 2019

PRODUCTION AND PRICE INFORMATION:

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

21,003 21,413 21,473

Daily pounds of milk, per milking cow

67.2 67.6 68.4

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

76.01 76.47 75.25

Butterfat test

4.14 % 4.22 % 4.04 %

Blend price per hundredweight

\$ 19.12 \$ 22.49 \$ 18.97

Milk receipts, per milking cow

\$ 4,398 \$ 4,874 \$ 4,601

HERD INFORMATION:

Herd size - total

2,228 4,521 4,412

Percent of dry cows

16.8 % 15.5 % 13.9 %

Herd turnover rate

48.1 % 40.6 % 36.4 %

Composition of herd:

Purchased cows

0 % 3 % 2 %

Self-raised cows

100 % 97 % 98 %

Cost of purchased cows

\$ - \$ 924 \$ 925

Beef price received

\$ 705 \$ 639 \$ 552

FEED INFORMATION:

Cost of feed as a percent of milk
income:

Grain

49.8 % 33.7 % 37.7 %

Hay and other

14.7 % 7.6 % 7.2 %

Totals

64.5 % 41.3 % 44.9 %

INCOME AND COST OF OPERATIONS

	PANHANDLE (BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2021	December 31, 2020	December 31, 2019
Income:			
Milk Sales	\$ 19.12	\$ 22.49	\$ 18.97
Calves and other	1.55	0.46	(0.04)
Total income	\$ 20.67	\$ 22.95	\$ 18.93
Cost of operations:			
Feed	\$ 12.34	\$ 9.31	\$ 8.52
Labor	2.24	1.82	1.80
Herd replacement costs	1.45	1.67	1.74
Other costs	5.67	4.95	5.05
Total cost of operations	\$ 21.70	\$ 17.75	\$ 17.11
Income (loss) from dairy operations	\$ (1.03)	\$ 5.20	\$ 1.82
Farming operations, net	\$ 0.26	\$ 0.74	\$ 0.32
Net income (loss)	\$ (0.77)	\$ 5.94	\$ 2.14
Cost of operations as a percentage of income	104.98%	77.34%	90.39%
Feed costs as a percentage of milk sales	64.54%	41.40%	44.91%
Income (loss) per milking cow per month	\$ (15.68)	\$ 107.43	\$ 37.85
Cumulative net income per cwt. from 2015 to 2021	\$ 9.52		

December 31, 2018		December 31, 2017		December 31, 2016		December 31, 2015	
\$	15.92 0.24	\$	17.77 0.40	\$	17.41 0.25	\$	17.69 0.68
\$	16.16	\$	18.17	\$	17.66	\$	18.37
\$	8.12 1.87 1.93 5.22	\$	7.80 1.84 2.08 4.97	\$	8.25 2.18 1.56 5.79	\$	9.45 1.95 1.01 5.65
\$	17.14	\$	16.69	\$	17.78	\$	18.06
\$	(0.98)	\$	1.48	\$	(0.12)	\$	0.31
\$	0.40	\$	0.15	\$	0.28	\$	0.69
\$	(0.58)	\$	1.63	\$	0.16	\$	1.00
106.06%		91.85%		100.68%		98.31%	
51.01%		43.89%		47.39%		53.42%	
\$	(20.40)	\$	31.40	\$	(1.46)	\$	16.08

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2021, 2020, AND 2019
PACIFIC NORTHWEST
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2021	2020	2019
Income:			
Milk sales	\$ 4,136	\$ 4,021	\$ 4,201
Calves and other	183	117	52
Total income	\$ 4,319	\$ 4,138	\$ 4,253
Cost of operations:			
Feed:			
Grain	\$ 1,632	\$ 1,275	\$ 1,278
Hay and other	369	551	503
Total feed	\$ 2,001	\$ 1,826	\$ 1,781
Labor, (including fringe costs)	\$ 680	\$ 601	\$ 567
Herd replacement costs	\$ 385	\$ 364	\$ 326
Other costs:			
Milk hauling	\$ 145	\$ 144	\$ 135
State and association charges	48	64	66
Veterinary, breeding, testing, etc.	128	128	137
Supplies	119	123	134
Repairs and maintenance	187	177	153
Utilities	39	42	49
Occupancy costs	105	112	119
Depreciation - equipment	111	110	105
Interest	125	117	138
Miscellaneous	240	187	203
Total other costs	\$ 1,247	\$ 1,204	\$ 1,239
Total cost of operations	\$ 4,313	\$ 3,995	\$ 3,913
Income from dairy operations	\$ 6	\$ 143	\$ 340
Farming operations, net	\$ 129	\$ 90	\$ 128
Net income	\$ 135	\$ 233	\$ 468

ACTUAL PER CWT. OF MILK						YOUR 2021 RESULTS	
2021		2020		2019		PER HEAD	PER CWT. OF MILK
\$	21.46 0.95	\$	19.71 0.59	\$	20.18 0.24	\$	\$
\$	22.41	\$	20.30	\$	20.42	\$	\$
\$	8.47 1.91	\$	6.25 2.70	\$	6.14 2.42	\$	\$
\$	10.38	\$	8.95	\$	8.56	\$	\$
\$	3.53	\$	2.95	\$	2.73	\$	\$
\$	2.00	\$	1.78	\$	1.57	\$	\$
\$	0.75 0.25 0.66 0.62 0.97 0.20 0.55 0.58 0.65 1.25	\$	0.71 0.31 0.63 0.60 0.87 0.21 0.55 0.54 0.58 0.89	\$	0.65 0.31 0.66 0.65 0.74 0.23 0.57 0.50 0.67 0.96	\$	\$
\$	6.48	\$	5.89	\$	5.94	\$	\$
\$	22.39	\$	19.57	\$	18.80	\$	\$
\$	0.02	\$	0.73	\$	1.62	\$	\$
\$	0.67	\$	0.44	\$	0.61	\$	\$
\$	0.69	\$	1.17	\$	2.23	\$	\$

SUMMARY OF FINANCIAL STATISTICS

PACIFIC NORTHWEST

	December 31, 2021	December 31, 2020	December 31, 2019
1. Current Ratio	0.69 : 1	1.09 : 1	1.17 : 1
2. Herd Line Debt Per Cow	\$ 833	\$ 658	\$ 611
3. Total Debt Per Cow	\$ 3,141	\$ 2,600	\$ 2,463
4. Debt to Equity Ratio	1.63 : 1	1.12 : 1	1.04 : 1
5. Return on Total Assets	1.8%	2.0%	4.7%
6. Income per milking cow per month	\$ 12.55	\$ 13.77	\$ 32.10

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, 2021, 2020, AND 2019
PACIFIC NORTHWEST
(BASED ON AVERAGE AMOUNTS)

2021 2020 2019

PRODUCTION AND PRICE INFORMATION:

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

19,266 20,396 20,812

Daily pounds of milk, per milking cow

59.0 64.1 64.7

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

70.43 74.00 74.04

Butterfat test

4.57 % 4.44 % 4.30 %

Blend price per hundredweight

\$ 21.46 \$ 19.71 \$ 20.18

Milk receipts, per milking cow

\$ 4,317 \$ 4,343 \$ 4,698

HERD INFORMATION:

Herd size - total

3,415 4,187 4,064

Percent of dry cows

11.9 % 14.7 % 11.9 %

Herd turnover rate

37.0 % 41.4 % 37.6 %

Composition of herd:

Purchased cows

4 % 6 % 6 %

Self-raised cows

96 % 94 % 94 %

Cost of purchased cows

\$ 2,232 \$ 1,600 \$ 1,302

Beef price received

\$ 502 \$ 583 \$ 621

FEED INFORMATION:

Cost of feed as a percent of milk
income:

Grain

39.5 % 31.7 % 30.4 %

Hay and other

8.9 % 13.7 % 12.0 %

Totals

48.4 % 45.4 % 42.4 %

INCOME AND COST OF OPERATIONS

PACIFIC NORTHWEST

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	December 31, 2021	December 31, 2020	December 31, 2019
Income:			
Milk Sales	\$ 21.46	\$ 19.71	\$ 20.18
Calves and other	0.95	0.59	0.24
Total income	\$ 22.41	\$ 20.30	\$ 20.42
Cost of operations:			
Feed	\$ 10.38	\$ 8.95	\$ 8.56
Labor	3.53	2.95	2.73
Herd replacement costs	2.00	1.78	1.57
Other costs	6.48	5.89	5.94
Total cost of operations	\$ 22.39	\$ 19.57	\$ 18.80
Income (loss) from dairy operations	\$ 0.02	\$ 0.73	\$ 1.62
Farming operations, net	\$ 0.67	\$ 0.44	\$ 0.61
Net income	\$ 0.69	\$ 1.17	\$ 2.23
Cost of operations as a percentage of income	99.91%	96.40%	92.07%
Feed costs as a percentage of milk sales	48.37%	45.41%	42.42%
Income (loss) per milking cow per month	\$ 12.55	\$ 13.77	\$ 32.10
Cumulative net income per cwt. from 2015 to 2021	\$ 8.38		

December 31, 2018		December 31, 2017		December 31, 2016		December 31, 2015	
\$	17.65	\$	19.05	\$	17.21	\$	16.79
	0.23		0.28		0.22		0.4
\$	17.88	\$	19.33	\$	17.43	\$	17.19
\$	8.00	\$	8.69	\$	9.27	\$	9.58
	2.40		2.29		2.07		1.85
	1.43		1.44		1.27		0.69
	5.63		5.52		4.96		5.23
\$	17.46	\$	17.94	\$	17.57	\$	17.35
\$	0.42	\$	1.39	\$	(0.14)	\$	(0.16)
\$	0.47	\$	0.54	\$	1.11	\$	0.66
\$	0.89	\$	1.93	\$	0.97	\$	0.50
97.65%		92.81%		100.80%		100.93%	
45.33%		45.62%		53.86%		57.06%	
\$	8.49	\$	27.37	\$	(3.90)	\$	(3.06)

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 2022, milk prices have gone up and in most cases are doing a decent job of keeping up with operating costs (so far). We are seeing generally good profit margins through the first half of 2022, albeit there are some exceptions. But overall labor costs, availability of quality labor, and concerning feed costs are plaguing the industry and remain concerning to all. There are 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.