

Dairy Farm Operating Trends

June 30, 2022



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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 six months ended June 30, 2022.

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 3.2 billion pounds and more than 284,000 head of mature cows for the six months ended June 30, 2022.

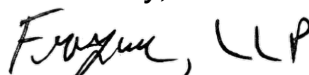
This report includes a comparison of the results in the regions listed above for the six months ended June 30, 2022, both on a "per hundredweight of milk" basis and on a "per head" basis. Also included are selected financial ratios and other statistical analysis for the year.

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

January 2023

DAIRY FARM OPERATING TRENDS

TABLE OF CONTENTS

JUNE 30, 2022

	PAGE
Comparison by Area on a Per Head Basis	1
Comparison by Area on a Per Hundredweight of Milk Basis	3
Comparison by Area - Ratios	5
Southern California	7
San Joaquin Valley	11
Kern County.....	15
Arizona	19
Idaho	23
New Mexico	27
Panhandle.....	31
Pacific Northwest.....	35
Explanation of Income and Cost Factors	39

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(BASED ON AVERAGE AMOUNTS PER HEAD)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	\$ 3,383	\$ 3,351	\$ 3,030
Calves and other	66	84	115
Total income	\$ 3,449	\$ 3,435	\$ 3,145
Cost of operations:			
Feed:			
Grain	\$ 1,175	\$ 1,238	\$ 1,250
Hay and forages	628	375	455
Total feed	\$ 1,803	\$ 1,613	\$ 1,705
Labor, (including fringe costs)	\$ 302	\$ 268	\$ 210
Herd replacement costs	\$ 128	\$ 163	\$ 147
Other costs:			
Milk hauling	\$ 76	\$ 61	\$ 76
State and association charges	6	23	22
Veterinary, breeding, testing, etc.	113	66	42
Supplies	27	64	63
Repairs and maintenance	78	88	89
Utilities	35	41	37
Occupancy costs	40	66	34
Depreciation - equipment	31	51	31
Interest	46	43	36
Miscellaneous	161	132	100
Total other costs	\$ 613	\$ 635	\$ 530
Total cost of operations	\$ 2,846	\$ 2,679	\$ 2,592
Income (loss) from dairy operations	\$ 603	\$ 756	\$ 553
Farming operations, net	\$ 0	\$ 139	\$ 91
Net income (loss)	\$ 603	\$ 895	\$ 644



Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your June 30, 2022 Amounts
\$ 3,262 143	\$ 2,811 56	\$ 2,505 9	\$ 2,715 98	\$ 2,832 62	\$
\$ 3,405	\$ 2,867	\$ 2,514	\$ 2,813	\$ 2,894	\$
\$ 1,269 423	\$ 961 388	\$ 954 382	\$ 1,132 262	\$ 942 404	\$
\$ 1,692	\$ 1,349	\$ 1,336	\$ 1,394	\$ 1,346	\$
\$ 288	\$ 188	\$ 215	\$ 236	\$ 220	\$
\$ 123	\$ 187	\$ 48	\$ 108	\$ 157	\$
\$ 67 29 43 94 92 49 50 29 96 190	\$ 42 20 48 67 70 21 67 50 61 160	\$ 69 40 33 84 66 43 32 43 16 99	\$ 127 26 67 79 64 20 61 43 23 104	\$ 91 28 65 71 104 31 58 40 48 171	\$
\$ 739	\$ 606	\$ 525	\$ 614	\$ 707	\$
\$ 2,842	\$ 2,330	\$ 2,124	\$ 2,352	\$ 2,430	\$
\$ 563	\$ 537	\$ 390	\$ 461	\$ 464	\$
\$ 46	\$ 14	\$ 9	\$ (49)	\$ 59	\$
\$ 609	\$ 551	\$ 399	\$ 412	\$ 523	\$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	\$ 27.05	\$ 26.09	\$ 26.43
Calves and other	0.53	0.63	1.00
Total income	\$ 27.58	\$ 26.72	\$ 27.43
Cost of operations:			
Feed:			
Grain	\$ 9.39	\$ 9.64	\$ 10.90
Hay and forages	5.03	2.92	3.96
Total feed	\$ 14.42	\$ 12.56	\$ 14.86
Labor, (including fringe costs)	\$ 2.41	\$ 2.10	\$ 1.83
Herd replacement costs	\$ 1.03	\$ 1.27	\$ 1.29
Other costs:			
Milk hauling	\$ 0.61	\$ 0.47	\$ 0.67
State and association charges	0.05	0.18	0.19
Veterinary, breeding, testing, etc.	0.91	0.51	0.37
Supplies	0.21	0.50	0.55
Repairs and maintenance	0.62	0.69	0.77
Utilities	0.28	0.32	0.32
Occupancy costs	0.31	0.51	0.30
Depreciation - equipment	0.25	0.40	0.27
Interest	0.36	0.34	0.31
Miscellaneous	1.28	1.01	0.89
Total other costs	\$ 4.88	\$ 4.93	\$ 4.64
Total cost of operations	\$ 22.74	\$ 20.86	\$ 22.62
Income (loss) from dairy operations	\$ 4.84	\$ 5.86	\$ 4.81
Farming operations, net	\$ 0.00	\$ 1.08	\$ 0.80
Net income	\$ 4.84	\$ 6.94	\$ 5.61



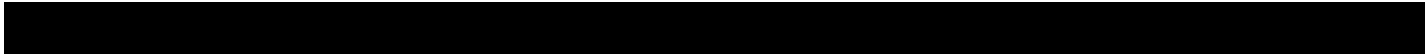
Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your June 30, 2022 Amounts
\$ 26.01 1.15	\$ 26.31 0.52	\$ 24.74 0.09	\$ 25.22 0.91	\$ 27.47 0.60	\$
\$ 27.16	\$ 26.83	\$ 24.83	\$ 26.13	\$ 28.07	\$
\$ 10.12 3.38	\$ 9.00 3.63	\$ 9.42 3.77	\$ 10.51 2.44	\$ 9.14 3.92	\$
\$ 13.50	\$ 12.63	\$ 13.19	\$ 12.95	\$ 13.06	\$
\$ 2.29	\$ 1.75	\$ 2.13	\$ 2.19	\$ 2.14	\$
\$ 0.98	\$ 1.75	\$ 0.47	\$ 1.01	\$ 1.52	\$
\$ 0.53 0.23 0.34 0.75 0.74 0.39 0.39 0.23 0.77 1.51	\$ 0.39 0.19 0.45 0.62 0.66 0.20 0.63 0.47 0.57 1.51	\$ 0.68 0.39 0.32 0.83 0.66 0.42 0.31 0.42 0.16 0.99	\$ 1.18 0.24 0.62 0.74 0.60 0.18 0.57 0.40 0.21 0.98	\$ 0.88 0.27 0.63 0.69 1.01 0.30 0.57 0.39 0.46 1.64	\$
\$ 5.88	\$ 5.69	\$ 5.18	\$ 5.72	\$ 6.84	\$
\$ 22.65	\$ 21.82	\$ 20.97	\$ 21.87	\$ 23.56	\$
\$ 4.51	\$ 5.01	\$ 3.86	\$ 4.26	\$ 4.51	\$
\$ 0.37	\$ 0.13	\$ 0.09	\$ (0.46)	\$ 0.57	\$
\$ 4.88	\$ 5.14	\$ 3.95	\$ 3.80	\$ 5.08	\$

SUMMARY OF FINANCIAL STATISTICS

COMPARISON BY AREA FOR THE SIX MONTHS ENDED JUNE 30, 2022 (RATIOS)

	Southern California	San Joaquin Valley	Kern County
1 Current Ratio	0.96 : 1	1.29 : 1	1.09 : 1
2 Herd Line Debt Per Cow	\$ 816	\$ 511	\$ 353
3 Total Debt Per Cow	\$ 3,826	\$ 2,588	\$ 2,227
4 Debt to Equity Ratio	1.05 : 1	0.83 : 1	0.56 : 1
5 Return on Total Assets	7.2%	10.7%	7.3%
6 Income per milking cow per month	\$ 120.93	\$ 170.99	\$ 127.61

1. The 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. The 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 six months.



Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your June 30, 2022 Results
0.58 : 1	1.14 : 1	5.30 : 1	1.42 : 1	1.11 : 1	
\$ 1,029	\$ 602	\$ 501	\$ 208	\$ 714	\$
\$ 4,547	\$ 2,866	\$ 826	\$ 957	\$ 2,283	\$
2.61 : 1	1.18 : 1	0.19 : 1	0.31 : 1	1.05 : 1	
6.8%	7.0%	5.4%	7.3%	8.2%	
\$ 114.49	\$ 104.29	\$ 81.65	\$ 80.11	\$ 103.24	\$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2022
AND YEAR ENDED DECEMBER 31, 2021
SOUTHERN CALIFORNIA
(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2022	December 31, 2021
Income:		
Milk sales	\$ 27.05	\$ 19.71
Calves and other	0.53	0.75
Total income	\$ 27.58	\$ 20.46
Cost of operations:		
Feed:		
Grain	\$ 9.39	\$ 7.49
Hay and forages	5.03	4.35
Total feed	\$ 14.42	\$ 11.84
Labor, (including fringe costs)	\$ 2.41	\$ 2.31
Herd replacement costs	\$ 1.03	\$ 1.26
Other costs:		
Milk hauling	\$ 0.61	\$ 0.45
State and association charges	0.05	0.09
Veterinary, breeding, testing, etc.	0.91	0.91
Supplies	0.21	0.18
Repairs and maintenance	0.62	0.52
Utilities	0.28	0.24
Occupancy costs	0.31	0.53
Depreciation - equipment	0.25	0.26
Interest	0.36	0.40
Miscellaneous	1.28	0.78
Total other costs	\$ 4.88	\$ 4.36
Total cost of operations	\$ 22.74	\$ 19.77
Income from dairy operations	\$ 4.84	\$ 0.69
Farming operations, net	\$ 0.00	\$ 0.00
Net income	\$ 4.84	\$ 0.69

SUMMARY OF FINANCIAL STATISTICS

SOUTHERN CALIFORNIA

	June 30, 2022	December 31, 2021
1 Current Ratio	0.96 : 1	0.88 : 1
2 Herd Line Debt Per Cow	\$ 816	\$ 1,192
3 Total Debt Per Cow	\$ 3,826	\$ 3,959
4 Debt to Equity Ratio	1.05 : 1	1.19 : 1
5 Return on Total Assets	7.2%	2.0%
6 Income per milking cow per month	\$ 120.93	\$ 16.23

1. The 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 represents the total debt divided by the total equity.
5. The 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 six months.

INCOME AND COST OF OPERATIONS

SOUTHERN CALIFORNIA

(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2022	December 31, 2021	December 31, 2020
Income:			
Milk sales	\$ 27.05	\$ 19.71	\$ 18.49
Calves and other	0.53	0.75	1.70
Total income	\$ 27.58	\$ 20.46	\$ 20.19
Total cost of operations:			
Feed	\$ 14.42	\$ 11.84	\$ 10.41
Labor	2.41	2.31	2.28
Herd replacement costs	1.03	1.26	1.51
Other costs	4.88	4.36	4.39
Total costs of operations	\$ 22.74	\$ 19.77	\$ 18.59
Income (loss) from dairy operations	\$ 4.84	\$ 0.69	\$ 1.60
Farming operations, net	\$ 0.00	\$ 0.00	\$ 0.00
Net income (loss)	\$ 4.84	\$ 0.69	\$ 1.60
Cost of operations as a percentage of income	82.45%	96.63%	92.08%
Feed costs as a percentage of milk sales	53.31%	60.07%	56.30%
Net income (loss) per milking cow per month	\$ 120.93	\$ 16.23	\$ 38.36

	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
	\$ 19.50	\$ 16.51	\$ 17.57	\$ 15.91
	0.77	0.47	0.46	0.54
	\$ 20.27	\$ 16.98	\$ 18.03	\$ 16.45
	\$ 10.67	\$ 9.99	\$ 9.37	\$ 9.02
	2.28	2.04	2.28	2.16
	1.75	1.72	2.04	1.65
	4.25	4.06	4.11	3.79
	\$ 18.95	\$ 17.81	\$ 17.80	\$ 16.62
	\$ 1.32	\$ (0.83)	\$ 0.23	\$ (0.17)
	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.02
	\$ 1.32	\$ (0.83)	\$ 0.23	\$ (0.15)
	93.49%	104.89%	98.72%	101.03%
	54.72%	60.51%	53.33%	56.69%
	\$ 29.93	\$ (18.68)	\$ 5.18	\$ (4.26)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2022
AND YEAR ENDED DECEMBER 31, 2021
SAN JOAQUIN VALLEY
(BASED ON A PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2022	December 31, 2021
Income:		
Milk sales	\$ 26.09	\$ 18.49
Calves and other	0.63	0.61
Total income	\$ 26.72	\$ 19.10
Cost of operations:		
Feed:		
Grain	\$ 9.64	\$ 8.16
Hay and forages	2.92	2.76
Total feed	\$ 12.56	\$ 10.92
Labor, (including fringe costs)	\$ 2.10	\$ 1.83
Herd replacement costs	\$ 1.27	\$ 1.60
Other costs:		
Milk hauling	\$ 0.47	\$ 0.42
State and association charges	0.18	0.19
Veterinary, breeding, testing, etc.	0.51	0.53
Supplies	0.50	0.49
Repairs and maintenance	0.69	0.60
Utilities	0.32	0.36
Occupancy costs	0.51	0.56
Depreciation - equipment	0.40	0.34
Interest	0.34	0.39
Miscellaneous	1.01	0.93
Total other costs	\$ 4.93	\$ 4.81
Total cost of operations	\$ 20.86	\$ 19.16
Income (loss) from dairy operations	\$ 5.86	\$ (0.06)
Farming operations, net	\$ 1.08	\$ 0.63
Net income	\$ 6.94	\$ 0.57

SUMMARY OF FINANCIAL STATISTICS

SAN JOAQUIN VALLEY

	June 30, 2022	December 31, 2021
1 Current Ratio	1.29 : 1	1.23 : 1
2 Herd Line Debt Per Cow	\$ 511	\$ 818
3 Total Debt Per Cow	\$ 2,588	\$ 3,216
4 Debt to Equity Ratio	0.83 : 1	1.23 : 1
5 Return on Total Assets	10.7%	1.6%
6 Income per milking cow per month	\$ 170.99	\$ 14.69

1. The 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 represents the total debt divided by the total equity.
5. The 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 six months.

INCOME AND COST OF OPERATIONS

SAN JOAQUIN VALLEY

(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2022	December 31, 2021	December 31, 2020
Income:			
Milk sales	\$ 26.09	\$ 18.49	\$ 17.41
Calves and other	0.63	0.61	0.78
Total income	\$ 26.72	\$ 19.10	\$ 18.19
Total cost of operations:			
Feed	\$ 12.56	\$ 10.92	\$ 9.86
Labor	2.10	1.83	1.86
Herd replacement costs	1.27	1.60	1.47
Other costs	4.93	4.81	4.72
Total costs of operations	\$ 20.86	\$ 19.16	\$ 17.91
Income (loss) from dairy operations	\$ 5.86	\$ (0.06)	\$ 0.28
Farming operations, net	\$ 1.08	\$ 0.63	\$ 0.65
Net income (loss)	\$ 6.94	\$ 0.57	\$ 0.93
Cost of operations as a percentage of income	78.07%	100.31%	98.46%
Feed costs as a percentage of milk sales	48.14%	59.06%	56.63%
Net income (loss) per milking cow per month	\$ 273.72	\$ 14.69	\$ 17.92



December 31, 2019		December 31, 2018		December 31, 2017		December 31, 2016	
\$	18.19	\$	15.52	\$	16.88	\$	14.86
	0.46		0.40		0.45		0.30
\$	18.65	\$	15.92	\$	17.33	\$	15.16
\$	9.54	\$	8.97	\$	8.88	\$	8.68
	1.90		1.66		1.82		1.72
	1.59		1.49		1.63		1.49
	5.09		4.65		4.75		4.45
\$	18.12	\$	16.77	\$	17.08	\$	16.34
\$	0.53	\$	(0.85)	\$	0.25	\$	(1.18)
\$	0.41	\$	0.55	\$	0.32	\$	0.26
\$	0.94	\$	(0.30)	\$	0.57	\$	(0.92)
	97.16%		105.34%		98.56%		107.78%
	52.45%		57.80%		52.61%		58.41%
\$	11.31	\$	(19.36)	\$	5.59	\$	(23.12)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2022
AND YEAR ENDED DECEMBER 31, 2021
KERN COUNTY
(BASED ON A PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2022	December 31, 2021
Income:		
Milk sales	\$ 26.43	\$ 18.85
Calves and other	1.00	0.63
Total income	\$ 27.43	\$ 19.48
Cost of operations:		
Feed:		
Grain	\$ 10.90	\$ 8.85
Hay and forages	3.96	3.08
Total feed	\$ 14.86	\$ 11.93
Labor, (including fringe costs)	\$ 1.83	\$ 1.82
Herd replacement costs	\$ 1.29	\$ 1.40
Other costs:		
Milk hauling	\$ 0.67	\$ 0.57
State and association charges	0.19	0.19
Veterinary, breeding, testing, etc.	0.37	0.37
Supplies	0.55	0.55
Repairs and maintenance	0.77	0.71
Utilities	0.32	0.32
Occupancy costs	0.30	0.27
Depreciation - equipment	0.27	0.26
Interest	0.31	0.35
Miscellaneous	0.89	0.82
Total other costs	\$ 4.64	\$ 4.41
Total cost of operations	\$ 22.62	\$ 19.56
Income (loss) from dairy operations	\$ 4.81	\$ (0.08)
Farming operations, net	\$ 0.80	\$ 0.42
Net income	\$ 5.61	\$ 0.34

SUMMARY OF FINANCIAL STATISTICS

KERN COUNTY

	June 30, 2022	December 31, 2021
1 Current Ratio	1.09 : 1	0.84 : 1
2 Herd Line Debt Per Cow	\$ 353	\$ 1,005
3 Total Debt Per Cow	\$ 2,227	\$ 3,279
4 Debt to Equity Ratio	0.56 : 1	1.12 : 1
5 Return on Total Assets	7.3%	1.0%
6 Income per milking cow per month	\$ 127.61	\$ 8.79

1. The 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 represents the total debt divided by the total equity.
5. The 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 six months.

INCOME AND COST OF OPERATIONS

KERN COUNTY

(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2022	December 31, 2021	December 31, 2020
Income:			
Milk sales	\$ 26.43	\$ 18.85	\$ 18.58
Calves and other	1.00	0.63	0.25
Total income	\$ 27.43	\$ 19.48	\$ 18.83
Total cost of operations:			
Feed	\$ 14.86	\$ 11.93	\$ 10.32
Labor	1.83	1.82	1.62
Herd replacement costs	1.29	1.40	1.41
Other costs	4.64	4.41	4.62
Total costs of operations	\$ 22.62	\$ 19.56	\$ 17.97
Income (loss) from dairy operations	\$ 4.81	\$ (0.08)	\$ 0.86
Farming operations, net	\$ 0.80	\$ 0.42	\$ 0.46
Net income (loss)	\$ 5.61	\$ 0.34	\$ 1.32
Cost of operations as a percentage of income	82.46%	100.41%	95.43%
Feed costs as a percentage of milk sales	56.22%	63.29%	55.54%
Net income (loss) per milking cow per month	\$ 127.61	\$ 8.79	\$ 19.07

	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
	\$ 18.86	\$ 16.14	\$ 17.04	\$ 15.34
	0.29	0.75	0.24	0.34
	\$ 19.15	\$ 16.89	\$ 17.28	\$ 15.68
	\$ 10.03	\$ 9.58	\$ 9.03	\$ 9.92
	1.55	1.53	1.54	1.48
	1.42	1.39	1.36	1.22
	4.50	4.42	4.28	4.11
	\$ 17.50	\$ 16.92	\$ 16.21	\$ 16.73
	\$ 1.65	\$ (0.03)	\$ 1.07	\$ (1.05)
	\$ 0.47	\$ 0.56	\$ 0.08	\$ 0.15
	\$ 2.12	\$ 0.53	\$ 1.15	\$ (0.90)
	91.38%	100.18%	93.81%	106.70%
	53.18%	59.36%	52.99%	64.67%
	\$ 36.38	\$ (0.61)	\$ 21.95	\$ (23.52)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2022
AND YEAR ENDED DECEMBER 31, 2021
ARIZONA
(BASED ON A PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2022	December 31, 2021
Income:		
Milk sales	\$ 26.01	\$ 18.82
Calves and other	1.15	1.86
Total income	\$ 27.16	\$ 20.68
Cost of operations:		
Feed:		
Grain	\$ 10.12	\$ 8.84
Hay and forages	3.38	2.78
Total feed	\$ 13.50	\$ 11.62
Labor, (including fringe costs)	\$ 2.29	\$ 2.34
Herd replacement costs	\$ 0.98	\$ 1.31
Other costs:		
Milk hauling	\$ 0.53	\$ 0.46
State and association charges	0.23	0.33
Veterinary, breeding, testing, etc.	0.34	0.41
Supplies	0.75	0.81
Repairs and maintenance	0.74	0.59
Utilities	0.39	0.44
Occupancy costs	0.39	0.42
Depreciation - equipment	0.23	0.25
Interest	0.77	0.63
Miscellaneous	1.51	1.08
Total other costs	\$ 5.88	\$ 5.42
Total cost of operations	\$ 22.65	\$ 20.69
Income (loss) from dairy operations	\$ 4.51	\$ (0.01)
Farming operations, net	\$ 0.37	\$ (0.02)
Net income (loss)	\$ 4.88	\$ (0.03)

SUMMARY OF FINANCIAL STATISTICS

ARIZONA

	June 30, 2022	December 31, 2021
1 Current Ratio	0.58 : 1	0.52 : 1
2 Herd Line Debt Per Cow	\$ 1,029	\$ 1,334
3 Total Debt Per Cow	\$ 4,547	\$ 4,808
4 Debt to Equity Ratio	2.61 : 1	3.92 : 1
5 Return on Total Assets	6.8%	-0.03%
6 Income (loss) per milking cow per month	\$ 114.49	\$ (0.24)

1. The 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 represents the total debt divided by the total equity.
5. The return on total assets represents the net income (loss) 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 six months.

INCOME AND COST OF OPERATIONS

	ARIZONA		
	(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)		
	June 30, 2022	December 31, 2021	December 31, 2020
Income:			
Milk sales	\$ 26.01	\$ 18.82	\$ 18.58
Calves and other	1.15	1.86	1.05
Total income	\$ 27.16	\$ 20.68	\$ 19.63
Total cost of operations:			
Feed	\$ 13.50	\$ 11.62	\$ 9.71
Labor	2.29	2.34	2.48
Herd replacement costs	0.98	1.31	1.67
Other costs	5.88	5.42	6.74
Total costs of operations	\$ 22.65	\$ 20.69	\$ 20.60
Income (loss) from dairy operations	\$ 4.51	\$ (0.01)	\$ (0.97)
Farming operations, net	\$ 0.37	\$ (0.02)	\$ 0.03
Net income (loss)	\$ 4.88	\$ (0.03)	\$ (0.94)
Cost of operations as a percentage of income	83.39%	100.05%	104.94%
Feed costs as a percentage of milk sales	51.90%	61.74%	52.26%
Net income (loss) per milking cow per month	\$ 114.49	\$ (0.24)	\$ (2.40)

	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
	\$ 18.73	\$ 16.31	\$ 17.20	\$ 15.56
	1.01	0.34	0.77	0.57
	\$ 19.74	\$ 16.65	\$ 17.97	\$ 16.13
	\$ 10.04	\$ 9.40	\$ 9.03	\$ 8.63
	2.53	2.41	2.21	2.03
	2.76	1.95	1.62	1.33
	6.16	5.88	5.50	5.03
	\$ 21.49	\$ 19.64	\$ 18.36	\$ 17.02
	\$ (1.75)	\$ (2.99)	\$ (0.39)	\$ (0.89)
	\$ 0.10	\$ 0.44	\$ 0.14	\$ 0.09
	\$ (1.65)	\$ (2.55)	\$ (0.25)	\$ (0.80)
	108.87%	117.96%	102.17%	105.52%
	53.60%	57.63%	52.50%	55.46%
	\$ (35.57)	\$ (60.15)	\$ (9.45)	\$ (20.02)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2022
AND YEAR ENDED DECEMBER 31, 2021
IDAHO
(BASED ON A PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2022	December 31, 2021
Income:		
Milk sales	\$ 26.31	\$ 18.67
Calves and other	0.52	0.49
Total income	\$ 26.83	\$ 19.16
Cost of operations:		
Feed:		
Grain	\$ 9.00	\$ 6.90
Hay and forages	3.63	3.23
Total feed	\$ 12.63	\$ 10.13
Labor, (including fringe costs)	\$ 1.75	\$ 1.73
Herd replacement costs	\$ 1.75	\$ 1.94
Other costs:		
Milk hauling	\$ 0.39	\$ 0.34
State and association charges	0.19	0.18
Veterinary, breeding, testing, etc.	0.45	0.46
Supplies	0.62	0.54
Repairs and maintenance	0.66	0.53
Utilities	0.20	0.20
Occupancy costs	0.63	0.60
Depreciation - equipment	0.47	0.41
Interest	0.57	0.51
Miscellaneous	1.51	1.16
Total other costs	\$ 5.69	\$ 4.93
Total cost of operations	\$ 21.82	\$ 18.73
Income from dairy operations	\$ 5.01	\$ 0.43
Farming operations, net	\$ 0.13	\$ 0.38
Net income	\$ 5.14	\$ 0.81

SUMMARY OF FINANCIAL STATISTICS

	IDAHO	
	June 30, 2022	December 31, 2021
1 Current Ratio	1.14 : 1	0.99 : 1
2 Herd Line Debt Per Cow	\$ 602	\$ 829
3 Total Debt Per Cow	\$ 2,866	\$ 3,299
4 Debt to Equity Ratio	1.18 : 1	1.55 : 1
5 Return on Total Assets	7.0%	2.1%
6 Income per milking cow per month	\$ 104.29	\$ 16.75

1. The 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 represents the total debt divided by the total equity.
5. The 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 six months.

INCOME AND COST OF OPERATIONS

	IDAHO		
	(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)		
	June 30, 2022	December 31, 2021	December 31, 2020
Income:			
Milk sales	\$ 26.31	\$ 18.67	\$ 19.50
Calves and other	0.52	0.49	0.49
Total income	\$ 26.83	\$ 19.16	\$ 19.99
Total cost of operations:			
Feed	\$ 12.63	\$ 10.13	\$ 9.11
Labor	1.75	1.73	1.66
Herd replacement costs	1.75	1.94	2.08
Other costs	5.69	4.93	5.08
Total costs of operations	\$ 21.82	\$ 18.73	\$ 17.93
Income (loss) from dairy operations	\$ 5.01	\$ 0.43	\$ 2.06
Farming operations, net	\$ 0.13	\$ 0.38	\$ 0.23
Net income (loss)	\$ 5.14	\$ 0.81	\$ 2.29
Cost of operations as a percentage of income	81.33%	97.76%	89.69%
Feed costs as a percentage of milk sales	48.00%	54.26%	46.72%
Net income (loss) per milking cow per month	\$ 104.29	\$ 16.75	\$ 43.35



December 31, 2019		December 31, 2018		December 31, 2017		December 31, 2016	
\$	18.79	\$	16.71	\$	17.35	\$	15.52
	0.37		0.26		0.26		0.23
\$	19.16	\$	16.97	\$	17.61	\$	15.75
\$	8.81	\$	8.41	\$	8.43	\$	8.44
	1.67		1.77		1.85		1.70
	2.23		2.29		1.83		1.79
	5.06		5.01		4.65		4.19
\$	17.77	\$	17.48	\$	16.76	\$	16.12
\$	1.39	\$	(0.51)	\$	0.85	\$	(0.37)
\$	0.14	\$	0.24	\$	0.41	\$	0.29
\$	1.53	\$	(0.27)	\$	1.26	\$	(0.08)
	92.75%		103.01%		95.17%		102.35%
	46.89%		50.33%		48.59%		54.38%
\$	43.35	\$	(10.40)	\$	18.80	\$	(1.69)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2022
AND YEAR ENDED DECEMBER 31, 2021
NEW MEXICO
(BASED ON A PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2022	December 31, 2021
Income:		
Milk sales	\$ 24.74	\$ 18.15
Calves and other	0.09	0.13
Total income	\$ 24.83	\$ 18.28
Cost of operations:		
Feed:		
Grain	\$ 9.42	\$ 8.54
Hay and forages	3.77	1.51
Total feed	\$ 13.19	\$ 10.05
Labor, (including fringe costs)	\$ 2.13	\$ 2.18
Herd replacement costs	\$ 0.47	\$ 0.63
Other costs:		
Milk hauling	\$ 0.68	\$ 0.62
State and association charges	0.39	0.41
Veterinary, breeding, testing, etc.	0.32	0.33
Supplies	0.83	1.02
Repairs and maintenance	0.66	0.81
Utilities	0.42	0.41
Occupancy costs	0.31	0.34
Depreciation - equipment	0.42	0.44
Interest	0.16	0.23
Miscellaneous	0.99	0.97
Total other costs	\$ 5.18	\$ 5.58
Total cost of operations	\$ 20.97	\$ 18.44
Income (loss) from dairy operations	\$ 3.86	\$ (0.16)
Farming operations, net	\$ 0.09	\$ (0.08)
Net income (loss)	\$ 3.95	\$ (0.24)

SUMMARY OF FINANCIAL STATISTICS

NEW MEXICO

	June 30, 2022	December 31, 2021
1 Current Ratio	5.30 : 1	2.15 : 1
2 Herd Line Debt Per Cow	\$ 501	\$ 646
3 Total Debt Per Cow	\$ 826	\$ 1,311
4 Debt to Equity Ratio	0.19 : 1	0.26 : 1
5 Return on Total Assets	5.4%	-0.5%
6 Income (loss) per milking cow per month	\$ 81.65	\$ (4.78)

1. The 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 represents the total debt divided by the total equity.
5. The return on total assets represents the net loss 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 six months.

INCOME AND COST OF OPERATIONS

	NEW MEXICO		
	(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)		
	June 30, 2022	December 31, 2021	December 31, 2020
Income:			
Milk sales	\$ 24.74	\$ 18.15	\$ 17.57
Calves and other	0.09	0.13	0.30
Total income	\$ 24.83	\$ 18.28	\$ 17.87
Total cost of operations:			
Feed	\$ 13.19	\$ 10.05	\$ 10.74
Labor	2.13	2.18	2.12
Herd replacement costs	0.47	0.63	0.97
Other costs	5.18	5.58	5.34
Total costs of operations	\$ 20.97	\$ 18.44	\$ 19.17
Income (loss) from dairy operations	\$ 3.86	\$ (0.16)	\$ (1.30)
Farming operations, net	\$ 0.09	\$ (0.08)	\$ 0.72
Net income (loss)	\$ 3.95	\$ (0.24)	\$ (0.58)
Cost of operations as a percentage of income	84.45%	100.88%	107.27%
Feed costs as a percentage of milk sales	53.31%	55.37%	61.13%
Net income (loss) per milking cow per month	\$ 81.65	\$ (4.78)	\$ (28.96)

	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
	\$ 17.37	\$ 15.61	\$ 16.75	\$ 15.84
	0.22	0.46	0.51	0.37
	\$ 17.59	\$ 16.07	\$ 17.26	\$ 16.21
	\$ 11.61	\$ 10.65	\$ 9.25	\$ 9.18
	2.16	1.91	2.09	2.09
	1.35	1.41	1.37	1.38
	5.69	5.69	5.73	5.55
	\$ 20.81	\$ 19.66	\$ 18.44	\$ 18.20
	\$ (3.22)	\$ (3.59)	\$ (1.18)	\$ (1.99)
	\$ 0.00	\$ 1.31	\$ 1.88	\$ 0.11
	\$ (3.22)	\$ (2.28)	\$ 0.70	\$ (1.88)
	118.31%	122.34%	106.84%	112.28%
	66.84%	68.23%	55.22%	57.95%
	\$ (71.24)	\$ (81.14)	\$ (24.33)	\$ (36.35)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2022
AND YEAR ENDED DECEMBER 31, 2021
PANHANDLE
(BASED ON A PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2022	December 31, 2021
Income:		
Milk sales	\$ 25.22	\$ 19.12
Calves and other	0.91	1.55
Total income	\$ 26.13	\$ 20.67
Cost of operations:		
Feed:		
Grain	\$ 10.51	\$ 9.53
Hay and forages	2.44	2.81
Total feed	\$ 12.95	\$ 12.34
Labor, (including fringe costs)	\$ 2.19	\$ 2.24
Herd replacement costs	\$ 1.01	\$ 1.45
Other costs:		
Milk hauling	\$ 1.18	\$ 1.00
State and association charges	0.24	0.24
Veterinary, breeding, testing, etc.	0.62	0.73
Supplies	0.74	0.76
Repairs and maintenance	0.60	0.71
Utilities	0.18	0.17
Occupancy costs	0.57	0.58
Depreciation - equipment	0.40	0.39
Interest	0.21	0.17
Miscellaneous	0.98	0.92
Total other costs	\$ 5.72	\$ 5.67
Total cost of operations	\$ 21.87	\$ 21.70
Income (loss) from dairy operations	\$ 4.26	\$ (1.03)
Farming operations, net	\$ (0.46)	\$ 0.26
Net income (loss)	\$ 3.80	\$ (0.77)

SUMMARY OF FINANCIAL STATISTICS

PANHANDLE

	June 30, 2022	December 31, 2021
1 Current Ratio	1.42 : 1	1.08 : 1
2 Herd Line Debt Per Cow	\$ 208	\$ 717
3 Total Debt Per Cow	\$ 957	\$ 1,765
4 Debt to Equity Ratio	0.31 : 1	0.62 : 1
5 Return on Total Assets	7.3%	-2.5%
6 Income (loss) per milking cow per month	\$ 80.11	\$ (15.68)

1. The 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 represents the total debt divided by the total equity.
5. The 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 six months.

INCOME AND COST OF OPERATIONS

	PANHANDLE		
	(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)		
	June 30, 2022	December 31, 2021	December 31, 2020
Income:			
Milk sales	\$ 25.22	\$ 19.12	\$ 22.49
Calves and other	0.91	1.55	0.46
Total income	\$ 26.13	\$ 20.67	\$ 22.95
Total cost of operations:			
Feed	\$ 12.95	\$ 12.34	\$ 9.31
Labor	2.19	2.24	1.82
Herd replacement costs	1.01	1.45	1.67
Other costs	5.72	5.67	4.95
Total costs of operations	\$ 21.87	\$ 21.70	\$ 17.75
Income (loss) from dairy operations	\$ 4.26	\$ (1.03)	\$ 5.20
Farming operations, net	\$ (0.46)	\$ 0.26	\$ 0.74
Net income (loss)	\$ 3.80	\$ (0.77)	\$ 5.94
Cost of operations as a percentage of income	83.70%	104.98%	77.34%
Feed costs as a percentage of milk sales	51.35%	64.54%	41.40%
Net income (loss) per milking cow per month	\$ 80.11	\$ (15.68)	\$ 107.43

	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
	\$ 18.97 (0.04)	\$ 15.92 0.24	\$ 17.77 0.40	\$ 17.41 0.25
	\$ 18.93	\$ 16.16	\$ 18.17	\$ 17.66
	\$ 8.52 1.80 1.74 5.05	\$ 8.12 1.87 1.93 5.22	\$ 7.80 1.84 2.08 4.97	\$ 8.25 2.18 1.56 5.79
	\$ 17.11	\$ 17.14	\$ 16.69	\$ 17.78
	\$ 1.82	\$ (0.98)	\$ 1.48	\$ (0.12)
	\$ 0.32	\$ 0.40	\$ 0.15	\$ 0.28
	\$ 2.14	\$ (0.58)	\$ 1.63	\$ 0.16
	90.39%	106.06%	91.85%	100.68%
	44.91%	51.01%	43.89%	47.39%
	\$ 37.85	\$ (20.40)	\$ 31.40	\$ (1.46)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2022
AND YEAR ENDED DECEMBER 31, 2021
PACIFIC NORTHWEST
(BASED ON A PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2022	December 31, 2021
Income:		
Milk sales	\$ 27.47	\$ 21.46
Calves and other	0.60	0.95
Total income	\$ 28.07	\$ 22.41
Cost of operations:		
Feed:		
Grain	\$ 9.14	\$ 8.47
Hay and forages	3.92	1.91
Total feed	\$ 13.06	\$ 10.38
Labor, (including fringe costs)	\$ 2.14	\$ 3.53
Herd replacement costs	\$ 1.52	\$ 2.00
Other costs:		
Milk hauling	\$ 0.88	\$ 0.75
State and association charges	0.27	0.25
Veterinary, breeding, testing, etc.	0.63	0.66
Supplies	0.69	0.62
Repairs and maintenance	1.01	0.97
Utilities	0.30	0.20
Occupancy costs	0.57	0.55
Depreciation - equipment	0.39	0.58
Interest	0.46	0.65
Miscellaneous	1.64	1.25
Total other costs	\$ 6.84	\$ 6.48
Total cost of operations	\$ 23.56	\$ 22.39
Income from dairy operations	\$ 4.51	\$ 0.02
Farming operations, net	\$ 0.57	\$ 0.67
Net income	\$ 5.08	\$ 0.69

SUMMARY OF FINANCIAL STATISTICS

PACIFIC NORTHWEST

	June 30, 2022	December 31, 2021
1 Current Ratio	1.11 : 1	0.69 : 1
2 Herd Line Debt Per Cow	\$ 714	\$ 833
3 Total Debt Per Cow	\$ 2,283	\$ 3,141
4 Debt to Equity Ratio	1.05 : 1	1.63 : 1
5 Return on Total Assets	8.2%	1.8%
6 Income per milking cow per month	\$ 103.24	\$ 12.55

1. The 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 represents the total debt divided by the total equity.
5. The 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 six months.

INCOME AND COST OF OPERATIONS

PACIFIC NORTHWEST

(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2022	December 31, 2021	December 31, 2020
Income:			
Milk sales	\$ 27.47	\$ 21.46	\$ 19.71
Calves and other	0.60	0.95	0.59
Total income	\$ 28.07	\$ 22.41	\$ 20.30
Total cost of operations:			
Feed	\$ 13.06	\$ 10.38	\$ 8.95
Labor	2.14	3.53	2.95
Herd replacement costs	1.52	2.00	1.78
Other costs	6.84	6.48	5.89
Total costs of operations	\$ 23.56	\$ 22.39	\$ 19.57
Income (loss) from dairy operations	\$ 4.51	\$ 0.02	\$ 0.73
Farming operations, net	\$ 0.57	\$ 0.67	\$ 0.44
Net income	\$ 5.08	\$ 0.69	\$ 1.17
Cost of operations as a percentage of income	83.93%	99.91%	96.40%
Feed costs as a percentage of milk sales	47.54%	48.37%	45.41%
Net income (loss) per milking cow per month	\$ 103.24	\$ 12.55	\$ 13.77

	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
	\$ 20.18	\$ 17.65	\$ 19.05	\$ 17.21
	0.24	0.23	0.28	0.22
	\$ 20.42	\$ 17.88	\$ 19.33	\$ 17.43
	\$ 8.56	\$ 8.00	\$ 8.69	\$ 9.27
	2.73	2.40	2.29	2.07
	1.57	1.43	1.44	1.27
	5.94	5.63	5.52	4.96
	\$ 18.80	\$ 17.46	\$ 17.94	\$ 17.57
	\$ 1.62	\$ 0.42	\$ 1.39	\$ (0.14)
	\$ 0.61	\$ 0.47	\$ 0.54	\$ 1.11
	\$ 2.23	\$ 0.89	\$ 1.93	\$ 0.97
	92.07%	97.65%	92.81%	100.80%
	42.42%	45.33%	45.62%	53.86%
	\$ 32.10	\$ 8.49	\$ 27.37	\$ (3.90)

EXPLANATION OF INCOME AND COST FACTORS

Basis of presentation	Information is included both on a "per head" basis and a "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.