Dairy Farm Operating Trends

December 31, 2025

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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, 2025.

The data is compiled from dairy operations in Southern California, the San Joaquin Valley, Kern County, Arizona, Idaho, the Texas Panhandle, and the Pacific Northwest, which consists of Washington and Oregon operating collectively, with a combined milk production of over 7.4 billion pounds and approximately 315,000 head of mature cows for the year ended December 31, 2025.

This report includes a comparison of the results in the regions listed above for the year ended December 31, 2025 both on a "Per head" basis and on an "Actual per hundredweight of milk" 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 partner Ralph Lizardo at our Anaheim office at (714) 990-1040, and Angela Blaylock 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 2026

DAIRY FARM OPERATING TRENDS

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2025 IN REVIEW

Comparative Net Income By Region:

Net income per head remained positive across all regions in 2025, although year-over-year results were mixed. Lower milk prices impacted every region during the year, placing pressure on dairy revenues. However, most producers were able to offset a portion of this decline through lower feed costs, increased milk production per cow, and stronger income from calves, cull cows, and other livestock sales. Southern California, Kern County, Idaho, the Panhandle, and the Pacific Northwest reported improved profitability compared to 2024, while San Joaquin Valley and Arizona reported lower net income per head than in 2024. Despite softer milk markets, lower feed costs, increased milk production, and strong cattle values helped producers maintain positive operating margins throughout the regions represented in this study.

Net income (loss) per head:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	Panhandle	Pacific Northwest
2025	$ 842	$ 674	$ 670	$ 332	$ 566	$ 877	$ 558
2024	$ 607	$ 706	$ 335	$ 473	$ 542	$ 754	$ 423
Change	$ 235	$ (32)	$ 335	$ (141)	$ 24	$ 123	$ 135

Comparative Feed Cost By Region:

Feed costs per head decreased across all regions in 2025, continuing the relief producers experienced in 2024. The largest reductions were seen in Kern County, San Joaquin Valley, Idaho, and the Panhandle. Lower forage costs, improved feed efficiency, and more favorable crop and commodity conditions helped reduce total feed expense, although certain feed components remained mixed during the year. USDA and market reports indicated that feed prices fluctuated through 2025, with corn, soybean meal, and alfalfa hay moving unevenly, but overall feed costs remained manageable relative to milk income. These reductions helped preserve margins despite lower milk prices in many regions.

Feed cost per head:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	Panhandle	Pacific Northwest
2025	$ 3,031	$ 2,891	$ 2,517	$ 2,826	$ 2,811	$ 2,828	$ 2,396
2024	$ 3,090	$ 3,077	$ 2,879	$ 2,854	$ 2,915	$ 2,931	$ 2,446
Change	$ (59)	$ (186)	$ (362)	$ (28)	$ (104)	$ (103)	$ (50)

Comparative Production By Region:

Milk production per cow per day increased in nearly every region in 2025. Improved production reflects continued investments in herd management, genetics, cow comfort, and feed efficiency. USDA milk production reports also showed higher U.S. milk output in 2025, supported by increases in both milk cow numbers and production per cow. While higher production helped offset lower milk prices on a per-head basis, it also contributed to broader supply pressure in the national milk market.

Lbs. per milk cow per day:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	Panhandle	Pacific Northwest
2025	77.4	80.0	69.6	75.6	75.0	73.4	75.8
2024	75.2	75.1	70.3	74.3	70.2	70.3	69.3
Change	2.2	4.9	(0.7)	1.3	4.8	3.1	6.5

Herd Turnover Rate By Region:

Herd turnover rates were generally stable to lower in 2025, with declines in Southern California, San Joaquin Valley, Kern County, Idaho, and the Panhandle. Arizona and the Pacific Northwest experienced increases. Strong beef and cull cow values continued to support the economics of selling lower-producing animals, but high replacement costs and tighter replacement availability encouraged many producers to retain cows longer where possible. The mixed regional results suggest producers remained selective, balancing the benefit of strong cull values against the cost and availability of replacements.

Herd turnover rate by region:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	Panhandle	Pacific Northwest
2025	27.9%	40.3%	38.5%	33.3%	39.1%	30.3%	38.7%
2024	29.4%	42.0%	38.7%	28.7%	39.6%	31.4%	31.3%
Change	-1.5%	-1.7%	-0.2%	4.6%	-0.5%	-1.1%	7.4%

Average Cost of Replacement Per Head By Region:

Replacement costs increased across all regions in 2025. Demand for quality replacements remained strong as producers sought to maintain or expand production, while available supply stayed tight. Higher beef prices also continued to support elevated cull cow values, which increased the overall cost of replacing animals. USDA-based reporting indicated that U.S. replacement dairy cow prices reached record levels in early 2025, reinforcing the regional increases reflected in the cost study.

Average cost of replacement per head by region:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	Panhandle	Pacific Northwest
2025	$ 3,355	$ 3,030	$ 2,511	$ 2,832	$ 2,660	$ 3,450	$ 2,056
2024	$ 2,946	$ 2,555	$ 2,111	$ 2,733	$ 2,318	$ 2,670	$ 1,648
Change	$ 409	$ 475	$ 400	$ 99	$ 342	$ 780	$ 408

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2025
(BASED ON AVERAGE AMOUNTS PER HEAD)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	$ 5,704	$ 5,197	$ 4,670
Calves and other	876	691	489
Total income	$ 6,580	$ 5,888	$ 5,159
Cost of operations:			
Feed:			
Grain	$ 2,209	$ 2,070	$ 1,966
Hay and other	822	821	551
Total feed	$ 3,031	$ 2,891	$ 2,517
Labor, (including fringe costs)	$ 777	$ 622	$ 513
Herd replacement costs	$ 283	$ 138	$ 202
Other costs:			
Milk hauling	$ 222	$ 145	$ 156
State and association charges	46	48	40
Veterinary, breeding, testing, etc.	238	165	117
Supplies	69	187	129
Repairs and maintenance	247	194	204
Utilities	128	122	163
Occupancy costs	128	189	141
Depreciation - equipment	78	108	90
Interest	232	152	128
Miscellaneous	259	249	204
Total other costs	$ 1,647	$ 1,559	$ 1,372
Total cost of operations	$ 5,738	$ 5,210	$ 4,604
Income from dairy operations	$ 842	$ 678	$ 555
Farming operations, net	$ -	$ (4)	$ 115
Net income	$ 842	$ 674	$ 670

See accompanying explanation of income and cost factors.

Arizona	Idaho	Panhandle	Pacific Northwest	Your December 31, 2025 Amounts
$ 5,031	$ 5,329	$ 4,627	$ 4,938	$
733	377	608	755	
$ 5,764	$ 5,706	$ 5,235	$ 5,693	$
$ 2,382	$ 1,915	$ 1,973	$ 1,417	$
444	896	855	979	
$ 2,826	$ 2,811	$ 2,828	$ 2,396	$
$ 474	$ 479	$ 463	$ 698	$
$ 278	$ 210	$ 268	$ 3	$
$ 147	$ 114	$ 158	$ 278	$
150	126	108	289	
112	138	99	204	
239	142	193	175	
279	184	165	284	
135	71	30	80	
119	183	55	162	
81	177	73	162	
356	300	179	153	
236	308	196	360	
$ 1,854	$ 1,743	$ 1,256	$ 2,147	$
$ 5,432	$ 5,243	$ 4,815	$ 5,244	$
$ 332	$ 463	$ 420	$ 449	$
$ -	$ 103	$ 457	$ 109	$
$ 332	$ 566	$ 877	$ 558	$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2025
(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	Southern California		San Joaquin Valley		Kern County	
Income:						
Milk sales	$	23.26	$	20.13	$	21.11
Calves and other		3.58		2.67		2.21
Total income	$	26.84	$	22.80	$	23.32
Cost of operations:						
Feed:						
Grain	$	9.01	$	8.02	$	8.89
Hay and other		3.35		3.18		2.49
Total feed	$	12.36	$	11.20	$	11.38
Labor, (including fringe costs)	$	3.17	$	2.40	$	2.32
Herd replacement costs	$	1.16	$	0.54	$	0.91
Other costs:						
Milk hauling	$	0.91	$	0.56	$	0.71
State and association charges		0.19		0.19		0.18
Veterinary, breeding, testing, etc.		0.98		0.64		0.53
Supplies		0.28		0.72		0.58
Repairs and maintenance		1.01		0.75		0.92
Utilities		0.52		0.47		0.74
Occupancy costs		0.52		0.72		0.64
Depreciation - equipment		0.32		0.42		0.41
Interest		0.95		0.59		0.58
Miscellaneous		1.05		0.96		0.92
Total other costs	$	6.73	$	6.02	$	6.21
Total cost of operations	$	23.42	$	20.16	$	20.82
Income from dairy operations	$	3.42	$	2.64	$	2.50
Farming operations, net	$	-	$	(0.02)	$	0.52
Net income	$	3.42	$	2.62	$	3.02

See accompanying explanation of income and cost factors.

Arizona	Idaho	Panhandle	Pacific Northwest	Your December 31, 2025 Amounts
$ 21.34	$ 21.73	$ 20.25	$ 20.57	$
3.11	1.54	2.66	3.14	
$ 24.45	$ 23.27	$ 22.91	$ 23.71	$
$ 10.10	$ 7.81	$ 8.64	$ 5.91	$
1.88	3.66	3.75	4.08	
$ 11.98	$ 11.47	$ 12.39	$ 9.99	$
$ 2.01	$ 1.96	$ 2.03	$ 2.90	$
$ 1.18	$ 0.86	$ 1.17	$ 0.01	$
$ 0.62	$ 0.46	$ 0.69	$ 1.16	$
0.64	0.51	0.47	1.20	
0.47	0.57	0.43	0.85	
1.02	0.58	0.85	0.73	
1.18	0.76	0.72	1.18	
0.57	0.29	0.13	0.33	
0.50	0.75	0.24	0.68	
0.35	0.73	0.31	0.67	
1.51	1.22	0.78	0.64	
1.01	1.25	0.84	1.51	
$ 7.87	$ 7.12	$ 5.46	$ 8.95	$
$ 23.04	$ 21.41	$ 21.05	$ 21.85	$
$ 1.41	$ 1.86	$ 1.86	$ 1.86	$
$ -	$ 0.42	$ 2.00	$ 0.45	$
$ 1.41	$ 2.28	$ 3.86	$ 2.31	$

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2025

	Southern California	San Joaquin Valley	Kern County
1 Current Ratio	0.81 : 1	1.20 : 1	1.25 : 1
2 Herd Line Debt Per Cow	$ 1,951	$ 585	$ 903
3 Total Debt Per Cow	$ 5,708	$ 3,274	$ 2,439
4 Debt to Equity Ratio	1.29 : 1	0.98 : 1	0.65 : 1
5 Return on Total Assets	7.7%	6.9%	7.7%
6 Income per milking cow per month	$ 80.86	$ 63.49	$ 64.15

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 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	Panhandle	Pacific Northwest	Your December 31, 2025 Results
	0.54 : 1	1.27 : 1	0.87 : 1	1.33 : 1	
	$ 1,885	$ 668	$ 1,304	$ 665	$
	$ 6,726	$ 4,630	$ 3,237	$ 2,619	$
	6.76 : 1	1.62 : 1	0.93 : 1	0.59 : 1	
	3.2%	5.1%	10.6%	5.4%	
	$ 33.77	$ 52.64	$ 85.59	$ 53.58	$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2025, 2024, AND 2023
SOUTHERN CALIFORNIA
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2025	**2024**	**2023**
Income:			
Milk sales	$ 5,704	$ 5,655	$ 5,149
Calves and other	876	491	321
Total income	$ 6,580	$ 6,146	$ 5,470
Cost of operations:			
Feed:			
Grain	$ 2,209	$ 2,083	$ 2,521
Hay and other	822	1,007	1,370
Total feed	$ 3,031	$ 3,090	$ 3,891
Labor, (including fringe costs)	$ 777	$ 696	$ 652
Herd replacement costs	$ 283	$ 254	$ 269
Other costs:			
Milk hauling	$ 222	$ 194	$ 144
State and association charges	46	42	17
Veterinary, breeding, testing, etc.	238	236	235
Supplies	69	69	45
Repairs and maintenance	247	167	151
Utilities	128	107	73
Occupancy costs	128	123	133
Depreciation - equipment	78	62	65
Interest	232	259	273
Miscellaneous	259	240	266
Total other costs	$ 1,647	$ 1,499	$ 1,402
Total cost of operations	$ 5,738	$ 5,539	$ 6,214
Income (loss) from dairy operations	$ 842	$ 607	$ (744)
Farming operations, net	$ -	$ -	$ -
Net income (loss)	$ 842	$ 607	$ (744)

See accompanying explanation of income and cost factors.

ACTUAL PER CWT. OF MILK			YOUR 2025 RESULTS	
2025	2024	2023	PER HEAD	PER CWT. OF MILK
$ 23.26	$ 23.89	$ 22.06	$	$
3.58	2.08	1.38		
$ 26.84	$ 25.97	$ 23.44	$	$
$ 9.01	$ 8.80	$ 10.80	$	$
3.35	4.26	5.87		
$ 12.36	$ 13.06	$ 16.67	$	$
$ 3.17	$ 2.94	$ 2.80	$	$
$ 1.16	$ 1.07	$ 1.15	$	$
$ 0.91	$ 0.82	$ 0.62	$	$
0.19	0.17	0.07		
0.98	0.99	1.01		
0.28	0.29	0.19		
1.01	0.70	0.64		
0.52	0.45	0.31		
0.52	0.52	0.57		
0.32	0.26	0.28		
0.95	1.09	1.17		
1.05	1.03	1.12		
$ 6.73	$ 6.32	$ 5.98	$	$
$ 23.42	$ 23.39	$ 26.60	$	$
$ 3.42	$ 2.58	$ (3.16)	$	$
$ -	$ -	$ -	$	$
$ 3.42	$ 2.58	$ (3.16)	$	$

SUMMARY OF FINANCIAL STATISTICS

SOUTHERN CALIFORNIA

	December 31, 2025	December 31, 2024	December 31, 2023
1. Current Ratio	0.81 : 1	0.66 : 1	0.63 : 1
2. Herd Line Debt Per Cow	$ 1,951	$ 1,074	$ 1,797
3. Total Debt Per Cow	$ 5,708	$ 5,176	$ 5,880
4. Debt to Equity Ratio	1.29 : 1	1.72 : 1	1.96 : 1
5. Return on Total Assets	7.7%	6.7%	-7.5%
6. Income (loss) per milking cow per month	$ 80.86	$ 58.78	$ (71.62)

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, 2025, 2024, AND 2023
SOUTHERN CALIFORNIA
(BASED ON AVERAGE AMOUNTS)

	2025	2024	2023
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	24,516	23,675	23,338
Daily pounds of milk, per milking cow	77.4	75.2	73.9
Butterfat test	4.18 %	4.12 %	4.04 %
Blend price per hundredweight	$ 22.47	$ 23.14	$ 21.21
Milk receipts, per milking cow	$ 6,353	$ 6,350	$ 5,718
HERD INFORMATION:			
Herd size - total	4,973	4,140	5,213
Percent of dry cows	15.3 %	15.9 %	15.5 %
Herd turnover rate	27.9 %	29.4 %	34.3 %
Composition of herd:			
Purchased cows	46 %	63 %	61 %
Self-raised cows	54 %	37 %	39 %
Cost of purchased cows	$ 3,355	$ 2,946	$ 2,471
Beef price received	$ 1,441	$ 1,274	$ 1,078
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	38.7 %	36.8 %	49.0 %
Hay and other	14.4 %	17.8 %	26.6 %
Totals	53.1 %	54.6 %	75.6 %

INCOME AND COST OF OPERATIONS

SOUTHERN CALIFORNIA

(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)

	December 31, 2025	December 31, 2024	December 31, 2023
Income:			
Milk sales	$ 23.26	$ 23.89	$ 22.06
Calves and other	3.58	2.08	1.38
Total income	$ 26.84	$ 25.97	$ 23.44
Cost of operations:			
Feed	$ 12.36	$ 13.06	$ 16.67
Labor	3.17	2.94	2.80
Herd replacement costs	1.16	1.07	1.15
Other costs	6.73	6.32	5.98
Total cost of operations	$ 23.42	$ 23.39	$ 26.60
Income (loss) from dairy operations	$ 3.42	$ 2.58	$ (3.16)
Farming operations, net	$ -	$ -	$ -
Net income (loss)	$ 3.42	$ 2.58	$ (3.16)
Cost of operations as a percentage of income	87.26%	90.07%	113.48%
Feed costs as a percentage of milk sales	53.14%	54.67%	75.57%
Income (loss) per milking cow per month	$ 80.86	$ 58.78	$ (71.62)
Cumulative net income per cwt. from 2019 to 2025	$ 9.51		

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
	$ 26.69	$ 19.71	$ 18.49	$ 19.50
	2.29	0.75	1.70	0.77
	$ 28.98	$ 20.46	$ 20.19	$ 20.27
	$ 15.94	$ 11.84	$ 10.41	$ 10.67
	2.70	2.31	2.28	2.28
	1.18	1.26	1.51	1.75
	6.10	4.36	4.39	4.25
	$ 25.92	$ 19.77	$ 18.59	$ 18.95
	$ 3.06	$ 0.69	$ 1.60	$ 1.32
	$ -	$ -	$ -	$ -
	$ 3.06	$ 0.69	$ 1.60	$ 1.32
	89.44%	96.63%	92.08%	93.49%
	59.72%	60.07%	56.30%	54.72%
	$ 73.69	$ 16.23	$ 38.36	$ 29.93

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2025, 2024, AND 2023
SAN JOAQUIN VALLEY
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2025	2024	2023
Income:			
Milk sales	$ 5,197	$ 5,680	$ 5,171
Calves and other	691	378	484
Total income	$ 5,888	$ 6,058	$ 5,655
Cost of operations:			
Feed:			
Grain	$ 2,070	$ 2,203	$ 2,602
Hay and other	821	874	1,187
Total feed	$ 2,891	$ 3,077	$ 3,789
Labor, (including fringe costs)	$ 622	$ 544	$ 521
Herd replacement costs	$ 138	$ 228	$ 260
Other costs:			
Milk hauling	$ 145	$ 137	$ 133
State and association charges	48	45	77
Veterinary, breeding, testing, etc.	165	155	144
Supplies	187	174	144
Repairs and maintenance	194	177	179
Utilities	122	131	123
Occupancy costs	189	161	186
Depreciation - equipment	108	94	83
Interest	152	181	153
Miscellaneous	249	267	262
Total other costs	$ 1,559	$ 1,522	$ 1,484
Total cost of operations	$ 5,210	$ 5,371	$ 6,054
Income (loss) from dairy operations	$ 678	$ 687	$ (399)
Farming operations, net	$ (4)	$ 19	$ 125
Net income (loss)	$ 674	$ 706	$ (274)

See accompanying explanation of income and cost factors.

	ACTUAL PER CWT. OF MILK			YOUR 2025 RESULTS	
	2025	2024	2023	PER HEAD	PER CWT. OF MILK
	$ 20.13	$ 23.88	$ 20.90	$	$
	2.67	1.59	1.93		
	$ 22.80	$ 25.47	$ 22.83	$	$
	$ 8.02	$ 9.26	$ 10.52	$	$
	3.18	3.68	4.80		
	$ 11.20	$ 12.94	$ 15.32	$	$
	$ 2.40	$ 2.28	$ 2.10	$	$
	$ 0.54	$ 0.96	$ 1.05	$	$
	$ 0.56	$ 0.57	$ 0.54	$	$
	0.19	0.19	0.31		
	0.64	0.65	0.58		
	0.72	0.73	0.58		
	0.75	0.74	0.72		
	0.47	0.55	0.50		
	0.72	0.68	0.75		
	0.42	0.40	0.34		
	0.59	0.76	0.62		
	0.96	1.12	1.06		
	$ 6.02	$ 6.39	$ 6.00	$	$
	$ 20.16	$ 22.57	$ 24.47	$	$
	$ 2.64	$ 2.90	$ (1.64)	$	$
	$ (0.02)	$ 0.08	$ 0.51	$	$
	$ 2.62	$ 2.98	$ (1.13)	$	$

SAN JOAQUIN VALLEY

	December 31, 2025	December 31, 2024	December 31, 2023
1. Current Ratio	1.20 : 1	1.36 : 1	1.08 : 1
2. Herd Line Debt Per Cow	$ 585	$ 738	$ 800
3. Total Debt Per Cow	$ 3,274	$ 3,256	$ 3,270
4. Debt to Equity Ratio	0.98 : 1	1.04 : 1	1.22 : 1
5. Return on Total Assets	6.9%	7.6%	-3.2%
6. Income (loss) per milking cow per month	$ 63.49	$ 67.76	$ (26.18)

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

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2025, 2024, AND 2023
SAN JOAQUIN VALLEY
(BASED ON AVERAGE AMOUNTS)

	2025	2024	2023
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	25,821	23,790	24,744
Daily pounds of milk, per milking cow	80.0	75.1	78.2
Butterfat test	4.25 %	4.21 %	4.14 %
Blend price per hundredweight	$ 20.28	$ 23.29	$ 20.37
Milk receipts, per milking cow	$ 5,922	$ 6,389	$ 5,812
HERD INFORMATION:			
Herd size - total	3,523	3,536	3,401
Percent of dry cows	13.1 %	15.3 %	15.3 %
Herd turnover rate	40.3 %	42.0 %	43.1 %
Composition of herd:			
Purchased cows	6 %	6 %	4 %
Self-raised cows	94 %	94 %	96 %
Cost of purchased cows	$ 3,030	$ 2,555	$ 1,443
Beef price received	$ 1,525	$ 1,229	$ 1,077
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	39.8 %	38.8 %	50.3 %
Hay and other	15.8 %	15.4 %	23.0 %
Totals	55.6 %	54.2 %	73.3 %

INCOME AND COST OF OPERATIONS

SAN JOAQUIN VALLEY

(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)

	December 31, 2025	December 31, 2024	December 31, 2023
Income:			
Milk sales	$ 20.13	$ 23.88	$ 20.90
Calves and other	2.67	1.59	1.93
Total income	$ 22.80	$ 25.47	$ 22.83
Cost of operations:			
Feed	$ 11.20	$ 12.94	$ 15.32
Labor	2.40	2.28	2.10
Herd replacement costs	0.54	0.96	1.05
Other costs	6.02	6.39	6.00
Total cost of operations	$ 20.16	$ 22.57	$ 24.47
Income (loss) from dairy operations	$ 2.64	$ 2.90	$ (1.64)
Farming operations, net	$ (0.02)	$ 0.08	$ 0.51
Net income (loss)	$ 2.62	$ 2.98	$ (1.13)
Cost of operations as a percentage of income	88.42%	88.61%	107.18%
Feed costs as a percentage of milk sales	55.64%	54.19%	73.30%
Income (loss) per milking cow per month	$ 63.49	$ 67.76	$ (26.18)
Cumulative net income per cwt. from 2019 to 2025	$ 10.94		

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
	$ 24.53	$ 18.49	$ 17.41	$ 18.19
	0.51	0.61	0.78	0.46
	$ 25.04	$ 19.10	$ 18.19	$ 18.65
	$ 13.72	$ 10.92	$ 9.86	$ 9.54
	2.11	1.83	1.86	1.90
	1.28	1.60	1.47	1.59
	5.08	4.81	4.72	5.09
	$ 22.19	$ 19.16	$ 17.91	$ 18.12
	$ 2.85	$ (0.06)	$ 0.28	$ 0.53
	$ 1.18	$ 0.63	$ 0.65	$ 0.41
	$ 4.03	$ 0.57	$ 0.93	$ 0.94
	88.62%	100.31%	98.46%	97.16%
	55.93%	59.06%	56.63%	52.45%
	$ 98.62	$ 14.69	$ 17.92	$ 11.31

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2025, 2024, AND 2023
KERN COUNTY
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2025	**2024**	**2023**
Income:			
Milk sales	$ 4,670	$ 4,960	$ 4,610
Calves and other	489	320	247
Total income	$ 5,159	$ 5,280	$ 4,857
Cost of operations:			
Feed:			
Grain	$ 1,966	$ 1,939	$ 2,315
Hay and other	551	940	1,237
Total feed	$ 2,517	$ 2,879	$ 3,552
Labor, (including fringe costs)	$ 513	$ 472	$ 453
Herd replacement costs	$ 202	$ 213	$ 233
Other costs:			
Milk hauling	$ 156	$ 144	$ 144
State and association charges	40	41	73
Veterinary, breeding, testing, etc.	117	99	91
Supplies	129	143	140
Repairs and maintenance	204	197	204
Utilities	163	156	117
Occupancy costs	141	102	98
Depreciation - equipment	90	80	76
Interest	128	208	168
Miscellaneous	204	202	183
Total other costs	$ 1,372	$ 1,372	$ 1,294
Total cost of operations	$ 4,604	$ 4,936	$ 5,532
Income (loss) from dairy operations	$ 555	$ 344	$ (675)
Farming operations, net	$ 115	$ (9)	$ 174
Net income (loss)	$ 670	$ 335	$ (501)

See accompanying explanation of income and cost factors.

	ACTUAL PER CWT. OF MILK			YOUR 2025 RESULTS	
	2025	2024	2023	PER HEAD	PER CWT. OF MILK
	$ 21.11	$ 22.88	$ 21.08	$	$
	2.21	1.48	1.12		
	$ 23.32	$ 24.36	$ 22.20	$	$
	$ 8.89	$ 8.95	$ 10.58	$	$
	2.49	4.35	5.66		
	$ 11.38	$ 13.30	$ 16.24	$	$
	$ 2.32	$ 2.17	$ 2.07	$	$
	$ 0.91	$ 0.98	$ 1.06	$	$
	$ 0.71	$ 0.66	$ 0.66	$	$
	0.18	0.19	0.34		
	0.53	0.46	0.42		
	0.58	0.66	0.64		
	0.92	0.91	0.93		
	0.74	0.72	0.54		
	0.64	0.47	0.45		
	0.41	0.37	0.35		
	0.58	0.96	0.77		
	0.92	0.91	0.83		
	$ 6.21	$ 6.31	$ 5.93	$	$
	$ 20.82	$ 22.76	$ 25.30	$	$
	$ 2.50	$ 1.60	$ (3.10)	$	$
	$ 0.52	$ (0.04)	$ 0.80	$	$
	$ 3.02	$ 1.56	$ (2.30)	$	$

SUMMARY OF FINANCIAL STATISTICS

KERN COUNTY

	December 31, 2025	December 31, 2024	December 31, 2023
1. Current Ratio	1.25 : 1	1.11 : 1	0.96 : 1
2. Herd Line Debt Per Cow	$ 903	$ 1,210	$ 910
3. Total Debt Per Cow	$ 2,439	$ 3,547	$ 3,502
4. Debt to Equity Ratio	0.65 : 1	0.91 : 1	0.89 : 1
5. Return on Total Assets	7.7%	3.2%	-4.8%
6. Income (loss) per milking cow per month	$ 64.15	$ 33.13	$ (49.79)

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 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, 2025, 2024, AND 2023
KERN COUNTY
(BASED ON AVERAGE AMOUNTS)

	2025	2024	2023
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	22,124	21,670	21,877
Daily pounds of milk, per milking cow	69.6	70.3	71.4
Butterfat test	3.78 %	3.98 %	3.88 %
Blend price per hundredweight	$ 20.72	$ 22.40	$ 20.48
Milk receipts, per milking cow	$ 5,264	$ 5,744	$ 5,337
HERD INFORMATION:			
Herd size - total	3,225	3,982	3,970
Percent of dry cows	14.9 %	18.3 %	19.1 %
Herd turnover rate	38.5 %	38.7 %	41.9 %
Composition of herd:			
Purchased cows	9 %	5 %	5 %
Self-raised cows	91 %	95 %	95 %
Cost of purchased cows	$ 2,511	$ 2,111	$ 1,690
Beef price received	$ 1,287	$ 1,106	$ 960
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	42.1 %	39.1 %	50.2 %
Hay and other	11.8 %	19.0 %	26.8 %
Totals	53.9 %	58.1 %	77.0 %

INCOME AND COST OF OPERATIONS

KERN COUNTY

(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)

	December 31, 2025	December 31, 2024	December 31, 2023
Income:			
Milk sales	$ 21.11	$ 22.88	$ 21.08
Calves and other	2.21	1.48	1.12
Total income	$ 23.32	$ 24.36	$ 22.20
Cost of operations:			
Feed	$ 11.38	$ 13.30	$ 16.24
Labor	2.32	2.17	2.07
Herd replacement costs	0.91	0.98	1.06
Other costs	6.21	6.31	5.93
Total cost of operations	$ 20.82	$ 22.76	$ 25.30
Income (loss) from dairy operations	$ 2.50	$ 1.60	$ (3.10)
Farming operations, net	$ 0.52	$ (0.04)	$ 0.80
Net income (loss)	$ 3.02	$ 1.56	$ (2.30)
Cost of operations as a percentage of income	89.28%	93.43%	113.96%
Feed costs as a percentage of milk sales	53.91%	58.13%	77.04%
Income (loss) per milking cow per month	$ 64.15	$ 33.13	$ (49.79)
Cumulative net income per cwt. from 2019 to 2025	$ 8.96		

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
	$ 26.04	$ 18.85	$ 18.58	$ 18.86
	0.40	0.63	0.25	0.29
	$ 26.44	$ 19.48	$ 18.83	$ 19.15
	$ 16.05	$ 11.93	$ 10.32	$ 10.03
	1.85	1.82	1.62	1.55
	1.38	1.40	1.41	1.42
	5.44	4.41	4.62	4.50
	$ 24.72	$ 19.56	$ 17.97	$ 17.50
	$ 1.72	$ (0.08)	$ 0.86	$ 1.65
	$ 1.18	$ 0.42	$ 0.46	$ 0.47
	$ 2.90	$ 0.34	$ 1.32	$ 2.12
	93.49%	100.41%	95.43%	91.38%
	61.64%	63.29%	55.54%	53.18%
	$ 61.12	$ 8.79	$ 19.07	$ 36.38

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2025, 2024, AND 2023
ARIZONA
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2025	**2024**	**2023**
Income:			
Milk sales	$ 5,031	$ 5,425	$ 4,994
Calves and other	733	438	412
Total income	$ 5,764	$ 5,863	$ 5,406
Cost of operations:			
Feed:			
Grain	$ 2,382	$ 2,330	$ 2,530
Hay and other	444	524	835
Total feed	$ 2,826	$ 2,854	$ 3,365
Labor, (including fringe costs)	$ 474	$ 581	$ 591
Herd replacement costs	$ 278	$ 281	$ 257
Other costs:			
Milk hauling	$ 147	$ 128	$ 127
State and association charges	150	52	78
Veterinary, breeding, testing, etc.	112	97	86
Supplies	239	223	220
Repairs and maintenance	279	237	176
Utilities	135	137	134
Occupancy costs	119	85	118
Depreciation - equipment	81	67	71
Interest	356	328	340
Miscellaneous	236	345	358
Total other costs	$ 1,854	$ 1,699	$ 1,708
Total cost of operations	$ 5,432	$ 5,415	$ 5,921
Income (loss) from dairy operations	$ 332	$ 448	$ (515)
Farming operations, net	$ -	$ 25	$ 26
Net income (loss)	$ 332	$ 473	$ (489)

See accompanying explanation of income and cost factors.

ACTUAL PER CWT. OF MILK			YOUR 2025 RESULTS	
2025	2024	2023	PER HEAD	PER CWT. OF MILK
$ 21.34	$ 23.17	$ 21.80	$	$
3.11	1.87	1.78		
$ 24.45	$ 25.04	$ 23.58	$	$
$ 10.10	$ 9.96	$ 11.05	$	$
1.88	2.24	3.65		
$ 11.98	$ 12.20	$ 14.70	$	$
$ 2.01	$ 2.47	$ 2.58	$	$
$ 1.18	$ 1.20	$ 1.12	$	$
$ 0.62	$ 0.55	$ 0.55	$	$
0.64	0.23	0.34		
0.47	0.41	0.38		
1.02	0.95	0.96		
1.18	1.01	0.77		
0.57	0.59	0.59		
0.50	0.36	0.51		
0.35	0.29	0.31		
1.51	1.40	1.48		
1.01	1.48	1.55		
$ 7.87	$ 7.27	$ 7.44	$	$
$ 23.04	$ 23.14	$ 25.84	$	$
$ 1.41	$ 1.90	$ (2.26)	$	$
$ -	$ 0.11	$ 0.11	$	$
$ 1.41	$ 2.01	$ (2.15)	$	$

ARIZONA

	December 31, 2025	December 31, 2024	December 31, 2023
1. Current Ratio	0.54 : 1	0.50 : 1	0.50 : 1
2. Herd Line Debt Per Cow	$ 1,885	$ 1,589	$ 1,866
3. Total Debt Per Cow	$ 6,726	$ 5,368	$ 5,834
4. Debt to Equity Ratio	6.76 : 1	2.68 : 1	4.09 : 1
5. Return on Total Assets	3.2%	4.5%	-4.8%
6. Income (loss) per milking cow per month	$ 33.77	$ 45.59	$ (46.68)

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, 2025, 2024, AND 2023
ARIZONA
(BASED ON AVERAGE AMOUNTS)

	2025	2024	2023
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	23,573	23,415	22,916
Daily pounds of milk, per milking cow	75.6	74.3	71.8
Butterfat test	4.10 %	4.01 %	3.69 %
Blend price per hundredweight	$ 20.17	$ 22.33	$ 20.25
Milk receipts, per milking cow	$ 5,568	$ 6,058	$ 5,305
HERD INFORMATION:			
Herd size - total	6,361	9,502	8,830
Percent of dry cows	17.1 %	15.9 %	14.3 %
Herd turnover rate	33.3 %	28.7 %	38.7 %
Composition of herd:			
Purchased cows	36 %	32 %	40 %
Self-raised cows	64 %	68 %	60 %
Cost of purchased cows	$ 2,832	$ 2,733	$ 2,064
Beef price received	$ 1,589	$ 1,139	$ 1,103
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	47.3 %	43.0 %	50.7 %
Hay and other	8.8 %	9.7 %	16.7 %
Totals	56.1 %	52.7 %	67.4 %

INCOME AND COST OF OPERATIONS

ARIZONA

(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)

	December 31, 2025	December 31, 2024	December 31, 2023
Income:			
Milk sales	$ 21.34	$ 23.17	$ 21.80
Calves and other	3.11	1.87	1.78
Total income	$ 24.45	$ 25.04	$ 23.58
Cost of operations:			
Feed	$ 11.98	$ 12.20	$ 14.70
Labor	2.01	2.47	2.58
Herd replacement costs	1.18	1.20	1.12
Other costs	7.87	7.27	7.44
Total cost of operations	$ 23.04	$ 23.14	$ 25.84
Income (loss) from dairy operations	$ 1.41	$ 1.90	$ (2.26)
Farming operations, net	$ -	$ 0.11	$ 0.11
Net income (loss)	$ 1.41	$ 2.01	$ (2.15)
Cost of operations as a percentage of income	94.23%	92.41%	109.58%
Feed costs as a percentage of milk sales	56.14%	52.65%	67.43%
Income (loss) per milking cow per month	$ 33.77	$ 45.59	$ (46.68)
Cumulative net income per cwt. from 2019 to 2025	$ 3.24		

December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
$ 25.94	$ 18.82	$ 18.58	$ 18.73
3.14	1.86	1.05	1.01
$ 29.08	$ 20.68	$ 19.63	$ 19.74
$ 14.32	$ 11.62	$ 9.71	$ 10.04
2.46	2.34	2.48	2.53
1.31	1.31	1.67	2.76
6.73	5.42	6.74	6.16
$ 24.82	$ 20.69	$ 20.60	$ 21.49
$ 4.26	$ (0.01)	$ (0.97)	$ (1.75)
$ 0.33	$ (0.02)	$ 0.03	$ 0.10
$ 4.59	$ (0.03)	$ (0.94)	$ (1.65)
85.35%	100.05%	104.94%	108.87%
55.20%	61.74%	52.26%	53.60%
$ 88.10	$ (0.24)	$ (2.40)	$ (35.57)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2025, 2024, AND 2023
IDAHO
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2025	**2024**	**2023**
Income:			
Milk sales	$ 5,329	$ 5,387	$ 4,756
Calves and other	377	192	150
Total income	$ 5,706	$ 5,579	$ 4,906
Cost of operations:			
Feed:			
Grain	$ 1,915	$ 1,945	$ 2,157
Hay and other	896	970	846
Total feed	$ 2,811	$ 2,915	$ 3,003
Labor, (including fringe costs)	$ 479	$ 449	$ 443
Herd replacement costs	$ 210	$ 160	$ 289
Other costs:			
Milk hauling	$ 114	$ 98	$ 74
State and association charges	126	84	33
Veterinary, breeding, testing, etc.	138	125	117
Supplies	142	135	120
Repairs and maintenance	184	181	142
Utilities	71	63	54
Occupancy costs	183	158	142
Depreciation - equipment	177	158	128
Interest	300	308	253
Miscellaneous	308	287	331
Total other costs	$ 1,743	$ 1,597	$ 1,394
Total cost of operations	$ 5,243	$ 5,121	$ 5,129
Income (loss) from dairy operations	$ 463	$ 458	$ (223)
Farming operations, net	$ 103	$ 84	$ 106
Net income (loss)	$ 566	$ 542	$ (117)

See accompanying explanation of income and cost factors.

	ACTUAL PER CWT. OF MILK			YOUR 2025 RESULTS	
	2025	2024	2023	PER HEAD	PER CWT. OF MILK
	$ 21.73	$ 23.53	$ 21.40	$	$
	1.54	0.84	0.67		
	$ 23.27	$ 24.37	$ 22.07	$	$
	$ 7.81	$ 8.49	$ 9.71	$	$
	3.66	4.23	3.81		
	$ 11.47	$ 12.72	$ 13.52	$	$
	$ 1.96	$ 1.96	$ 2.00	$	$
	$ 0.86	$ 0.70	$ 1.30	$	$
	$ 0.46	$ 0.43	$ 0.33	$	$
	0.51	0.37	0.15		
	0.57	0.55	0.53		
	0.58	0.59	0.54		
	0.76	0.79	0.64		
	0.29	0.28	0.24		
	0.75	0.69	0.64		
	0.73	0.69	0.58		
	1.22	1.35	1.14		
	1.25	1.25	1.48		
	$ 7.12	$ 6.99	$ 6.27	$	$
	$ 21.41	$ 22.37	$ 23.09	$	$
	$ 1.86	$ 2.00	$ (1.02)	$	$
	$ 0.42	$ 0.37	$ 0.48	$	$
	$ 2.28	$ 2.37	$ (0.54)	$	$

SUMMARY OF FINANCIAL STATISTICS

IDAHO

	December 31, 2025	December 31, 2024	December 31, 2023
1. Current Ratio	1.27 : 1	1.08 : 1	0.88 : 1
2. Herd Line Debt Per Cow	$ 668	$ 671	$ 752
3. Total Debt Per Cow	$ 4,630	$ 4,769	$ 4,408
4. Debt to Equity Ratio	1.62 : 1	1.82 : 1	1.88 : 1
5. Return on Total Assets	5.1%	4.9%	-1.2%
6. Income (loss) per milking cow per month	$ 52.64	$ 50.70	$ (11.47)

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, 2025, 2024, AND 2023
IDAHO
(BASED ON AVERAGE AMOUNTS)

	2025	2024	2023
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	24,511	22,897	22,214
Daily pounds of milk, per milking cow	75.0	70.2	70.7
Butterfat test	4.59 %	4.58 %	4.49 %
Blend price per hundredweight	$ 21.15	$ 23.37	$ 20.92
Milk receipts, per milking cow	$ 5,793	$ 6,003	$ 5,402
HERD INFORMATION:			
Herd size - total	13,565	11,727	11,259
Percent of dry cows	11.7 %	12.2 %	16.2 %
Herd turnover rate	39.1 %	39.6 %	41.5 %
Composition of herd:			
Purchased cows	3 %	3 %	0 %
Self-raised cows	97 %	97 %	100 %
Cost of purchased cows	$ 2,660	$ 2,318	$ 1,522
Beef price received	$ 1,397	$ 1,236	$ 929
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	35.9 %	36.1 %	45.4 %
Hay and other	16.8 %	18.0 %	17.8 %
Totals	52.7 %	54.1 %	63.2 %

INCOME AND COST OF OPERATIONS

IDAHO

(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)

	December 31, 2025	December 31, 2024	December 31, 2023
Income:			
Milk sales	$ 21.73	$ 23.53	$ 21.40
Calves and other	1.54	0.84	0.67
Total income	$ 23.27	$ 24.37	$ 22.07
Cost of operations:			
Feed	$ 11.47	$ 12.72	$ 13.52
Labor	1.96	1.96	2.00
Herd replacement costs	0.86	0.70	1.30
Other costs	7.12	6.99	6.27
Total cost of operations	$ 21.41	$ 22.37	$ 23.09
Income (loss) from dairy operations	$ 1.86	$ 2.00	$ (1.02)
Farming operations, net	$ 0.42	$ 0.37	$ 0.48
Net income (loss)	$ 2.28	$ 2.37	$ (0.54)
Cost of operations as a percentage of income	92.01%	91.79%	104.62%
Feed costs as a percentage of milk sales	52.78%	54.06%	63.18%
Income (loss) per milking cow per month	$ 52.64	$ 50.70	$ (11.47)
Cumulative net income per cwt. from 2019 to 2025	$ 13.62		

December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
$ 26.57	$ 18.67	$ 19.50	$ 18.79
0.45	0.49	0.49	0.37
$ 27.02	$ 19.16	$ 19.99	$ 19.16
$ 13.16	$ 10.13	$ 9.11	$ 8.81
1.83	1.73	1.66	1.67
1.73	1.94	2.08	2.23
5.86	4.93	5.08	5.06
$ 22.58	$ 18.73	$ 17.93	$ 17.77
$ 4.44	$ 0.43	$ 2.06	$ 1.39
$ 0.44	$ 0.38	$ 0.23	$ 0.14
$ 4.88	$ 0.81	$ 2.29	$ 1.53
83.57%	97.76%	89.69%	92.75%
49.53%	54.26%	46.72%	46.89%
$ 101.58	$ 16.75	$ 43.35	$ 29.02

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2025, 2024, AND 2023
PANHANDLE
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2025	**2024**	**2023**
Income:			
Milk sales	$ 4,627	$ 4,892	$ 4,447
Calves and other	608	365	239
Total income	$ 5,235	$ 5,257	$ 4,686
Cost of operations:			
Feed:			
Grain	$ 1,973	$ 2,086	$ 2,490
Hay and other	855	845	656
Total feed	$ 2,828	$ 2,931	$ 3,146
Labor, (including fringe costs)	$ 463	$ 379	$ 394
Herd replacement costs	$ 268	$ 239	$ 296
Other costs:			
Milk hauling	$ 158	$ 188	$ 200
State and association charges	108	63	54
Veterinary, breeding, testing, etc.	99	99	84
Supplies	193	158	163
Repairs and maintenance	165	117	117
Utilities	30	29	26
Occupancy costs	55	83	82
Depreciation - equipment	73	89	82
Interest	179	180	128
Miscellaneous	196	137	170
Total other costs	$ 1,256	$ 1,143	$ 1,106
Total cost of operations	$ 4,815	$ 4,692	$ 4,942
Income (loss) from dairy operations	$ 420	$ 565	$ (256)
Farming operations, net	$ 457	$ 189	$ 248
Net income (loss)	$ 877	$ 754	$ (8)

See accompanying explanation of income and cost factors.

ACTUAL PER CWT. OF MILK			YOUR 2025 RESULTS	
2025	2024	2023	PER HEAD	PER CWT. OF MILK
$ 20.25	$ 22.53	$ 19.37	$	$
2.66	1.67	1.04		
$ 22.91	$ 24.20	$ 20.41	$	$
$ 8.64	$ 9.60	$ 10.85	$	$
3.75	3.90	2.87		
$ 12.39	$ 13.50	$ 13.72	$	$
$ 2.03	$ 1.74	$ 1.70	$	$
$ 1.17	$ 1.10	$ 1.29	$	$
$ 0.69	$ 0.87	$ 0.87	$	$
0.47	0.29	0.23		
0.43	0.46	0.36		
0.85	0.73	0.71		
0.72	0.54	0.51		
0.13	0.13	0.11		
0.24	0.38	0.36		
0.31	0.42	0.36		
0.78	0.83	0.56		
0.84	0.63	0.73		
$ 5.46	$ 5.28	$ 4.80	$	$
$ 21.05	$ 21.62	$ 21.51	$	$
$ 1.86	$ 2.58	$ (1.10)	$	$
$ 2.00	$ 0.87	$ 1.08	$	$
$ 3.86	$ 3.45	$ (0.02)	$	$

SUMMARY OF FINANCIAL STATISTICS

PANHANDLE

	December 31, 2025	December 31, 2024	December 31, 2023
1. Current Ratio	0.87 : 1	1.46 : 1	1.49 : 1
2. Herd Line Debt Per Cow	$ 1,304	$ 935	$ 627
3. Total Debt Per Cow	$ 3,237	$ 3,419	$ 3,104
4. Debt to Equity Ratio	0.93 : 1	1.14 : 1	1.11 : 1
5. Return on Total Assets	10.6%	9.3%	-0.1%
6. Income (loss) per milking cow per month	$ 85.59	$ 74.29	$ (0.69)

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, 2025, 2024, AND 2023
PANHANDLE
(BASED ON AVERAGE AMOUNTS)

	2025	2024	2023
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	22,845	21,723	22,950
Daily pounds of milk, per milking cow	73.4	70.3	73.0
Butterfat test	4.28 %	4.40 %	4.20 %
Blend price per hundredweight	$ 19.66	$ 22.12	$ 18.57
Milk receipts, per milking cow	$ 5,268	$ 5,691	$ 4,948
HERD INFORMATION:			
Herd size - total	6,605	6,469	7,072
Percent of dry cows	17.3 %	18.4 %	16.9 %
Herd turnover rate	30.3 %	31.4 %	35.2 %
Composition of herd:			
Purchased cows	42 %	37 %	36 %
Self-raised cows	58 %	63 %	64 %
Cost of purchased cows	$ 3,450	$ 2,670	$ 2,089
Beef price received	$ 1,518	$ 1,168	$ 830
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	42.7 %	42.6 %	56.0 %
Hay and other	18.5 %	17.3 %	14.8 %
Totals	61.2 %	59.9 %	70.8 %

INCOME AND COST OF OPERATIONS

PANHANDLE

(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)

	December 31, 2025	December 31, 2024	December 31, 2023
Income:			
Milk sales	$ 20.25	$ 22.53	$ 19.37
Calves and other	2.66	1.67	1.04
Total income	$ 22.91	$ 24.20	$ 20.41
Cost of operations:			
Feed	$ 12.39	$ 13.50	$ 13.72
Labor	2.03	1.74	1.70
Herd replacement costs	1.17	1.10	1.29
Other costs	5.46	5.28	4.80
Total cost of operations	$ 21.05	$ 21.62	$ 21.51
Income (loss) from dairy operations	$ 1.86	$ 2.58	$ (1.10)
Farming operations, net	$ 2.00	$ 0.87	$ (1.08)
Net income (loss)	$ 3.86	$ 3.45	$ (2.18)
Cost of operations as a percentage of income	91.88%	89.34%	105.39%
Feed costs as a percentage of milk sales	61.19%	59.92%	70.83%
Income (loss) per milking cow per month	$ 85.59	$ 74.29	$ (0.69)
Cumulative net income per cwt. from 2019 to 2025	$ 14.09		

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
	$ 25.45	$ 19.12	$ 22.49	$ 18.97
	1.61	1.55	0.46	(0.04)
	$ 27.06	$ 20.67	$ 22.95	$ 18.93
	$ 15.09	$ 12.34	$ 9.31	$ 8.52
	2.24	2.24	1.82	1.80
	1.20	1.45	1.67	1.74
	6.65	5.67	4.95	5.05
	$ 25.18	$ 21.70	$ 17.75	$ 17.11
	$ 1.88	$ (1.03)	$ 5.20	$ 1.82
	$ (0.23)	$ 0.26	$ 0.74	$ 0.32
	$ 1.65	$ (0.77)	$ 5.94	$ 2.14
	93.05%	104.98%	77.34%	90.39%
	59.29%	64.54%	41.40%	44.91%
	$ 42.46	$ (15.68)	$ 107.43	$ 37.85

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2025, 2024, AND 2023
PACIFIC NORTHWEST
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2025	2024	2023
Income:			
Milk sales	$ 4,938	$ 4,871	$ 4,591
Calves and other	755	325	133
Total income	$ 5,693	$ 5,196	$ 4,724
Cost of operations:			
Feed:			
Grain	$ 1,417	$ 1,264	$ 1,790
Hay and other	979	1,182	1,169
Total feed	$ 2,396	$ 2,446	$ 2,959
Labor, (including fringe costs)	$ 698	$ 621	$ 513
Herd replacement costs	$ 3	$ 250	$ 249
Other costs:			
Milk hauling	$ 278	$ 201	$ 205
State and association charges	289	62	53
Veterinary, breeding, testing, etc.	204	159	191
Supplies	175	173	156
Repairs and maintenance	284	267	250
Utilities	80	84	70
Occupancy costs	162	130	118
Depreciation - equipment	162	132	89
Interest	153	190	190
Miscellaneous	360	256	291
Total other costs	$ 2,147	$ 1,654	$ 1,613
Total cost of operations	$ 5,244	$ 4,971	$ 5,334
Income (loss) from dairy operations	$ 449	$ 225	$ (610)
Farming operations, net	$ 109	$ 198	$ 219
Net income (loss)	$ 558	$ 423	$ (391)

See accompanying explanation of income and cost factors.

	ACTUAL PER CWT. OF MILK						YOUR 2025 RESULTS			
	2025		2024		2023		PER HEAD		PER CWT. OF MILK	
$	20.57	$	22.43	$	21.03	$		$		
	3.14		1.51		0.61					
$	23.71	$	23.94	$	21.64	$		$		
$	5.91	$	5.82	$	8.20	$		$		
	4.08		5.45		5.36					
$	9.99	$	11.27	$	13.56	$		$		
$	2.90	$	2.86	$	2.36	$		$		
$	0.01	$	1.15	$	1.14	$		$		
$	1.16	$	0.92	$	0.94	$		$		
	1.20		0.28		0.24					
	0.85		0.73		0.87					
	0.73		0.80		0.72					
	1.18		1.23		1.14					
	0.33		0.39		0.32					
	0.68		0.60		0.54					
	0.67		0.61		0.41					
	0.64		0.88		0.87					
	1.51		1.17		1.33					
$	8.95	$	7.61	$	7.38	$		$		
$	21.85	$	22.89	$	24.44	$		$		
$	1.86	$	1.05	$	(2.80)	$		$		
$	0.45	$	0.91	$	1.00	$		$		
$	2.31	$	1.96	$	(1.80)	$		$		

PACIFIC NORTHWEST

	December 31, 2025	December 31, 2024	December 31, 2023
1. Current Ratio	1.33 : 1	1.15 : 1	0.77 : 1
2. Herd Line Debt Per Cow	$ 665	$ 818	$ 1,136
3. Total Debt Per Cow	$ 2,619	$ 3,337	$ 3,489
4. Debt to Equity Ratio	0.59 : 1	0.91 : 1	2.12 : 1
5. Return on Total Assets	5.4%	4.4%	-5.3%
6. Income (loss) per milking cow per month	$ 53.58	$ 41.20	$ (38.06)

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, 2025, 2024, AND 2023
PACIFIC NORTHWEST
(BASED ON AVERAGE AMOUNTS)

	2025	2024	2023
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	23,992	21,711	21,826
Daily pounds of milk, per milking cow	75.8	69.3	70.0
Butterfat test	4.44 %	4.42 %	4.18 %
Blend price per hundredweight	$ 21.18	$ 22.95	$ 20.61
Milk receipts, per milking cow	$ 5,860	$ 5,821	$ 5,264
HERD INFORMATION:			
Herd size - total	3,399	2,962	2,747
Percent of dry cows	15.3 %	16.8 %	17.0 %
Herd turnover rate	38.7 %	31.3 %	50.0 %
Composition of herd:			
Purchased cows	12 %	15 %	16 %
Self-raised cows	88 %	85 %	84 %
Cost of purchased cows	$ 2,056	$ 1,648	$ 1,531
Beef price received	$ 1,674	$ 1,175	$ 1,112
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	28.7 %	26.0 %	39.0 %
Hay and other	19.8 %	24.3 %	25.5 %
Totals	48.5 %	50.3 %	64.5 %

INCOME AND COST OF OPERATIONS

PACIFIC NORTHWEST

(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)

	December 31, 2025	December 31, 2024	December 31, 2023
Income:			
Milk sales	$ 20.57	$ 22.43	$ 21.03
Calves and other	3.14	1.51	0.61
Total income	$ 23.71	$ 23.94	$ 21.64
Cost of operations:			
Feed	$ 9.99	$ 11.27	$ 13.56
Labor	2.90	2.86	2.36
Herd replacement costs	0.01	1.15	1.14
Other costs	8.95	7.61	7.38
Total cost of operations	$ 21.85	$ 22.89	$ 24.44
Income (loss) from dairy operations	$ 1.86	$ 1.05	$ (2.80)
Farming operations, net	$ 0.45	$ 0.91	$ 1.00
Net income (loss)	$ 2.31	$ 1.96	$ (1.80)
Cost of operations as a percentage of income	92.16%	95.61%	112.94%
Feed costs as a percentage of milk sales	48.57%	50.25%	64.48%
Income (loss) per milking cow per month	$ 53.58	$ 41.20	$ (38.06)
Cumulative net income per cwt. from 2019 to 2025	$ 10.15		

December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
$ 26.82	$ 21.46	$ 19.71	$ 20.18
0.47	0.95	0.59	0.24
$ 27.29	$ 22.41	$ 20.30	$ 20.42
$ 13.32	$ 10.38	$ 8.95	$ 8.56
2.46	3.53	2.95	2.73
1.36	2.00	1.78	1.57
7.22	6.48	5.89	5.94
$ 24.36	$ 22.39	$ 19.57	$ 18.80
$ 2.93	$ 0.02	$ 0.73	$ 1.62
$ 0.66	$ 0.67	$ 0.44	$ 0.61
$ 3.59	$ 0.69	$ 1.17	$ 2.23
89.26%	99.91%	96.40%	92.07%
49.66%	48.37%	45.41%	42.42%
$ 73.17	$ 12.55	$ 13.77	$ 32.10

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	Milk sales include milk income, quality and production bonuses, patronage dividends, USDA program payments, gains and losses on milk futures, and cooperative loss adjustments.
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	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	Herd replacement costs represent 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	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	Miscellaneous costs include auto, truck and fuel expenses, insurance, professional fees, quality penalties and other dairy expenses not specifically classified in another category.
Net income	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 1950s. 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 Midwest. Many families we serve today have their third generation stepping into operational 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.

Going into 2026, dairy producers are facing a more challenging economic environment than they experienced during much of 2025. Milk prices weakened significantly during the first half of this year as increased milk production and expanding cow numbers contributed to greater milk supplies and downward pressure on dairy commodity markets. While many producers reported positive profitability during 2025, lower milk prices have reduced margins and increased uncertainty regarding profitability moving forward.

Looking ahead, milk markets are expected to remain sensitive to changes in domestic demand, export activity, feed costs, weather conditions, and overall economic uncertainty. While milk prices may continue to experience periods of volatility, long-term demand for dairy products both domestically and internationally continues to support the industry's long-term outlook. At the same time, producers continue to face ongoing challenges related to labor availability, regulatory compliance, environmental requirements, and rising operating costs.

Feed markets remain an important area of focus. Although feed costs improved during 2025, commodity markets continue to react to changing crop conditions, weather events, global trade developments, and geopolitical uncertainty. Likewise, interest rates remain elevated compared to historical levels, continuing to influence borrowing costs and capital investment decisions throughout the dairy industry.

In light of these factors, producers who continue to focus on operational efficiency, cost control, production performance, and risk management will be best positioned to navigate changing market conditions. Frazer, LLP remains committed to providing the financial, tax, and consulting expertise necessary to help dairy producers make informed business decisions and achieve long-term success.