

Dairy Farm Operating Trends

December 31, 2020



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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, 2020.

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 8.5 billion pounds and approximately 390,000 head of mature cows for the year ended December 31, 2020.

This report includes a comparison of the results in the regions listed above for the year ended December 31, 2020 both on a "Per head" basis and on an "Actual per hundredweight of milk" basis. For 2020, we have inserted a Fat Corrected Milk (FCM) calculation per hundredweight of milk for all California regions and an Energy Corrected Milk (ECM) calculation per hundredweight of milk for all Federal Order regions, please see pages 7 to 8. Also included are selected financial ratios and other statistical analysis for the year.

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

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

We appreciate all of your past and present support and thank you for your continued reliance on Frazer, LLP. If you have any comments or questions, please contact our Agribusiness partners, Ralph Lizardo or Tim Gulling at our Brea office at (714) 990-1040, and Angela Blaylock, 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 2021

DAIRY FARM OPERATING TRENDS

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2020 IN REVIEW

Comparative Net Income By Region:

Net income per head increased for a majority of the regions during 2020; mostly due to the help of government subsidies and grant programs. Profits from farming operations also helped during 2020. In the first quarter, the world entered into the COVID-19 pandemic, and milk prices along with most other financial markets quickly plummeted. However, the 2nd half of 2020 Class III milk futures have shown strength, and as the COVID-19 restrictions begin to be lifted in 2021, only time will tell as to whether we will see milk prices returning back to their pre-pandemic levels. As of now, 2021 milk futures have fluctuated mostly to the downside due to increased herd numbers and milk supply.

Net income (loss) per head:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest
2020	\$ 372	\$ 352	\$ 297	\$ (18)	\$ 505	\$ (125)	\$ 1,275	\$ 233
2019	\$ 302	\$ 250	\$ 473	\$ (352)	\$ 335	\$ (709)	\$ 459	\$ 468
Change	\$ 70	\$ 102	\$ (176)	\$ 334	\$ 170	\$ 584	\$ 816	\$ (235)

Comparative Feed Cost By Region:

Feed costs rose for a majority of the regions during 2020. 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 and commodity prices have continued spiking during 2021 with little relief in site in most markets.

Feed cost per head:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest
2020	\$ 2,429	\$ 2,481	\$ 2,310	\$ 2,155	\$ 1,999	\$ 2,346	\$ 1,991	\$ 1,826
2019	\$ 2,487	\$ 2,265	\$ 2,207	\$ 2,109	\$ 1,935	\$ 2,577	\$ 1,829	\$ 1,781
Change	\$ (58)	\$ 216	\$ 103	\$ 46	\$ 64	\$ (231)	\$ 162	\$ 45

Comparative Production By Region:

The nation's milk production grew by a large margin of 2.2% in 2020, which is a big increase over the 2019. California and Arizona milk regions had large increases in our study, whereas the remaining regions had fairly neutral 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
2020	78.7	79.3	72.4	69.2	69.1	73.5	67.6	64.1
2019	75.7	75.1	71.3	66.1	69.0	73.3	68.4	64.7
Change	3.0	4.2	1.1	3.1	0.1	0.2	(0.8)	(0.6)

Herd Turnover Rate By Region:

Herd turnover rates increased for majority of the regions, with a mix in California, and a decrease in the New Mexico region during 2020. 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
2020	33.4%	56.4%	41.9%	41.6%	42.7%	31.9%	40.6%	41.4%
2019	41.2%	44.8%	39.6%	33.4%	41.5%	37.8%	36.4%	37.6%
Change	-7.8%	11.6%	2.3%	8.2%	1.2%	-5.9%	4.2%	3.8%

Average Cost of Replacement Per Head By Region:

Costs of replacements decreased for a majority of the regions during 2020. Given the COVID-19 pandemic, more dairy operations had 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
2020	\$ 1,623	\$ 1,379	\$ 1,490	\$ 1,297	\$ 1,277	N/A	\$ 924	\$ 1,600
2019	\$ 1,645	\$ 1,563	\$ 1,557	\$ 1,458	\$ 1,197	\$ 1,810	\$ 925	\$ 1,302
Change	\$ (22)	\$ (184)	\$ (67)	\$ (161)	\$ 80	N/A	\$ (1)	\$ 298

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEAR ENDED DECEMBER 31, 2020
(BASED ON AVERAGE AMOUNTS PER HEAD)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	\$ 4,315	\$ 4,506	\$ 4,152
Calves and other	396	194	56
Total income	\$ 4,711	\$ 4,700	\$ 4,208
Cost of operations:			
Feed:			
Grain	\$ 1,536	\$ 1,862	\$ 1,545
Hay and other	893	619	765
Total feed	\$ 2,429	\$ 2,481	\$ 2,310
Labor, (including fringe costs)	\$ 531	\$ 466	\$ 362
Herd replacement costs	\$ 352	\$ 370	\$ 314
Other costs:			
Milk hauling	\$ 94	\$ 98	\$ 128
State and association charges	36	46	42
Veterinary, breeding, testing, etc.	201	140	86
Supplies	65	130	110
Repairs and maintenance	146	149	148
Utilities	65	89	102
Occupancy costs	106	147	91
Depreciation - equipment	47	86	59
Interest	103	101	78
Miscellaneous	164	209	184
Total other costs	\$ 1,027	\$ 1,195	\$ 1,028
Total cost of operations	\$ 4,339	\$ 4,512	\$ 4,014
Income (loss) from dairy operations	\$ 372	\$ 188	\$ 194
Farming operations, net	\$ -	\$ 164	\$ 103
Net income (loss)	\$ 372	\$ 352	\$ 297



Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your December 31, 2020 Amounts
\$ 4,125	\$ 4,283	\$ 3,832	\$ 4,814	\$ 4,021	\$
230	108	67	97	117	
\$ 4,355	\$ 4,391	\$ 3,899	\$ 4,911	\$ 4,138	\$
\$ 1,664	\$ 1,372	\$ 1,536	\$ 1,624	\$ 1,275	\$
491	627	810	367	551	
\$ 2,155	\$ 1,999	\$ 2,346	\$ 1,991	\$ 1,826	\$
\$ 552	\$ 366	\$ 462	\$ 388	\$ 601	\$
\$ 371	\$ 458	\$ 212	\$ 357	\$ 364	\$
\$ 118	\$ 74	\$ 152	\$ 194	\$ 144	\$
84	39	124	35	64	
70	109	58	115	128	
195	80	206	140	123	
135	133	141	105	177	
87	39	35	30	42	
139	147	86	97	112	
59	103	49	91	110	
182	119	113	79	117	
232	271	197	173	187	
\$ 1,301	\$ 1,114	\$ 1,161	\$ 1,059	\$ 1,204	\$
\$ 4,379	\$ 3,937	\$ 4,181	\$ 3,795	\$ 3,995	\$
\$ (24)	\$ 454	\$ (282)	\$ 1,116	\$ 143	\$
\$ 6	\$ 51	\$ 157	\$ 159	\$ 90	\$
\$ (18)	\$ 505	\$ (125)	\$ 1,275	\$ 233	\$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2020
(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	\$ 18.49	\$ 17.41	\$ 18.58
Calves and other	1.70	0.78	0.25
Total income	\$ 20.19	\$ 18.19	\$ 18.83
Cost of operations:			
Feed:			
Grain	\$ 6.58	\$ 7.40	\$ 6.91
Hay and other	3.83	2.46	3.41
Total feed	\$ 10.41	\$ 9.86	\$ 10.32
Labor, (including fringe costs)	\$ 2.28	\$ 1.86	\$ 1.62
Herd replacement costs	\$ 1.51	\$ 1.47	\$ 1.41
Other costs:			
Milk hauling	\$ 0.40	\$ 0.39	\$ 0.57
State and association charges	0.15	0.18	0.19
Veterinary, breeding, testing, etc.	0.85	0.55	0.38
Supplies	0.28	0.52	0.49
Repairs and maintenance	0.62	0.59	0.66
Utilities	0.28	0.35	0.46
Occupancy costs	0.46	0.58	0.41
Depreciation - equipment	0.20	0.34	0.26
Interest	0.44	0.40	0.36
Miscellaneous	0.71	0.82	0.84
Total other costs	\$ 4.39	\$ 4.72	\$ 4.62
Total cost of operations	\$ 18.59	\$ 17.91	\$ 17.97
Income (loss) from dairy operations	\$ 1.60	\$ 0.28	\$ 0.86
Farming operations, net	\$ -	\$ 0.65	\$ 0.46
Net income (loss)	\$ 1.60	\$ 0.93	\$ 1.32

Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your December 31, 2020 Amounts
\$ 18.58	\$ 19.50	\$ 17.57	\$ 22.49	\$ 19.71	\$
1.05	0.49	0.30	0.46	0.59	
\$ 19.63	\$ 19.99	\$ 17.87	\$ 22.95	\$ 20.30	\$
\$ 7.49	\$ 6.25	\$ 7.04	\$ 7.58	\$ 6.25	\$
2.22	2.86	3.70	1.73	2.70	
\$ 9.71	\$ 9.11	\$ 10.74	\$ 9.31	\$ 8.95	\$
\$ 2.48	\$ 1.66	\$ 2.12	\$ 1.82	\$ 2.95	\$
\$ 1.67	\$ 2.08	\$ 0.97	\$ 1.67	\$ 1.78	\$
\$ 0.53	\$ 0.34	\$ 0.70	\$ 0.91	\$ 0.71	\$
0.38	0.18	0.57	0.16	0.31	
0.32	0.49	0.26	0.54	0.63	
0.88	0.36	0.95	0.65	0.60	
0.61	0.61	0.65	0.49	0.87	
0.39	0.18	0.16	0.14	0.21	
0.63	0.67	0.40	0.45	0.55	
0.26	0.47	0.23	0.43	0.54	
0.82	0.54	0.52	0.37	0.58	
1.92	1.24	0.90	0.81	0.89	
\$ 6.74	\$ 5.08	\$ 5.34	\$ 4.95	\$ 5.89	\$
\$ 20.60	\$ 17.93	\$ 19.17	\$ 17.75	\$ 19.57	\$
\$ (0.97)	\$ 2.06	\$ (1.30)	\$ 5.20	\$ 0.73	\$
\$ 0.03	\$ 0.23	\$ 0.72	\$ 0.74	\$ 0.44	\$
\$ (0.94)	\$ 2.29	\$ (0.58)	\$ 5.94	\$ 1.17	\$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2020
(BASED ON FAT CORRECTED MILK
PER HUNDREDWEIGHT OF MILK BASIS)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	\$ 17.38	\$ 16.86	\$ 17.78
Calves and other	1.60	0.73	0.24
Total income	\$ 18.98	\$ 17.59	\$ 18.02
Cost of operations:			
Feed:			
Grain	\$ 6.18	\$ 6.97	\$ 6.61
Hay and other	3.59	2.32	3.27
Total feed	\$ 9.77	\$ 9.29	\$ 9.88
Labor, (including fringe costs)	\$ 2.14	\$ 1.74	\$ 1.55
Herd replacement costs	\$ 1.42	\$ 1.38	\$ 1.35
Other costs:			
Milk hauling	\$ 0.38	\$ 0.37	\$ 0.55
State and association charges	0.15	0.17	0.18
Veterinary, breeding, testing, etc.	0.81	0.52	0.37
Supplies	0.26	0.49	0.47
Repairs and maintenance	0.59	0.56	0.63
Utilities	0.26	0.33	0.44
Occupancy costs	0.43	0.55	0.39
Depreciation - equipment	0.19	0.32	0.25
Interest	0.42	0.38	0.33
Miscellaneous	0.66	0.78	0.79
Total other costs	\$ 4.15	\$ 4.47	\$ 4.40
Total cost of operations	\$ 17.48	\$ 16.88	\$ 17.18
Income (loss) from dairy operations	\$ 1.50	\$ 0.71	\$ 0.84
Farming operations, net	\$ -	\$ 0.61	\$ 0.44
Net income (loss)	\$ 1.50	\$ 1.32	\$ 1.28

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2020
(BASED ON ENERGY CORRECTED MILK
PER HUNDREDWEIGHT OF MILK BASIS)

Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your December 31, 2020 Amounts
\$ 14.65	\$ 17.11	\$ 17.01	\$ 19.87	\$ 17.08	\$
0.82	0.43	0.30	0.40	0.50	
\$ 15.47	\$ 17.54	\$ 17.31	\$ 20.27	\$ 17.58	\$
\$ 5.91	\$ 5.48	\$ 6.82	\$ 6.70	\$ 5.42	\$
1.74	2.51	3.59	1.51	2.34	
\$ 7.65	\$ 7.99	\$ 10.41	\$ 8.21	\$ 7.76	\$
\$ 1.96	\$ 1.46	\$ 2.05	\$ 1.60	\$ 2.55	\$
\$ 1.32	\$ 1.83	\$ 0.94	\$ 1.48	\$ 1.54	\$
\$ 0.42	\$ 0.30	\$ 0.68	\$ 0.80	\$ 0.61	\$
0.30	0.16	0.55	0.14	0.27	
0.25	0.43	0.26	0.47	0.55	
0.69	0.32	0.92	0.58	0.52	
0.48	0.53	0.63	0.43	0.75	
0.31	0.16	0.16	0.12	0.18	
0.49	0.59	0.38	0.40	0.47	
0.21	0.41	0.22	0.38	0.47	
0.65	0.48	0.50	0.32	0.50	
0.83	1.09	0.87	0.71	0.79	
\$ 4.63	\$ 4.47	\$ 5.17	\$ 4.35	\$ 5.11	\$
\$ 15.56	\$ 15.75	\$ 18.57	\$ 15.64	\$ 16.96	\$
\$ (0.09)	\$ 1.79	\$ (1.26)	\$ 4.63	\$ 0.62	\$
\$ 0.02	\$ 0.20	\$ 0.70	\$ 0.66	\$ 0.38	\$
\$ (0.07)	\$ 1.99	\$ (0.56)	\$ 5.29	\$ 1.00	\$

SUMMARY OF FINANCIAL STATISTICS

COMPARISON BY AREA FOR THE YEAR ENDED DECEMBER 31, 2020

	Southern California	San Joaquin Valley	Kern County
1 Current Ratio	0.74 : 1	0.99 : 1	1.08 : 1
2 Herd Line Debt Per Cow	\$ 772	\$ 721	\$ 831
3 Total Debt Per Cow	\$ 3,849	\$ 3,209	\$ 2,963
4 Debt to Equity Ratio	1.28 : 1	1.29 : 1	0.83 : 1
5 Return on Total Assets	4.8%	2.2%	2.0%
6 Income (loss) per milking cow per month	\$ 38.36	\$ 17.92	\$ 19.07

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, 2020 Results
0.58 : 1	1.37 : 1	1.08 : 1	2.21 : 1	1.09 : 1	
\$ 1,383	\$ 734	\$ 164	\$ 563	\$ 658	\$
\$ 4,632	\$ 2,607	\$ 2,408	\$ 2,658	\$ 2,600	\$
9.46 : 1	1.40 : 1	1.18 : 1	0.96 : 1	1.12 : 1	
-0.3%	6.6%	-4.6%	14.3%	2.0%	
\$ (2.40)	\$ 43.35	\$ (28.96)	\$ 107.43	\$ 13.77	\$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2020, 2019, AND 2018
SOUTHERN CALIFORNIA
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2020	2019	2018
Income:			
Milk sales	\$ 4,315	\$ 4,540	\$ 3,855
Calves and other	396	179	110
Total income	\$ 4,711	\$ 4,719	\$ 3,965
Cost of operations:			
Feed:			
Grain	\$ 1,536	\$ 1,579	\$ 1,505
Hay and other	893	908	826
Total feed	\$ 2,429	\$ 2,487	\$ 2,331
Labor, (including fringe costs)	\$ 531	\$ 532	\$ 476
Herd replacement costs	\$ 352	\$ 409	\$ 403
Other costs:			
Milk hauling	\$ 94	\$ 73	\$ 89
State and association charges	36	45	43
Veterinary, breeding, testing, etc.	201	211	186
Supplies	65	43	44
Repairs and maintenance	146	161	170
Utilities	65	48	39
Occupancy costs	106	86	83
Depreciation - equipment	47	43	35
Interest	103	149	136
Miscellaneous	164	130	120
Total other costs	\$ 1,027	\$ 989	\$ 945
Total cost of operations	\$ 4,339	\$ 4,417	\$ 4,155
Income (loss) from dairy operations	\$ 372	\$ 302	\$ (190)
Farming operations, net	\$ -	\$ -	\$ -
Net income (loss)	\$ 372	\$ 302	\$ (190)

ACTUAL PER CWT. OF MILK			YOUR 2020 RESULTS	
2020	2019	2018	PER HEAD	PER CWT. OF MILK
\$ 18.49 1.70	\$ 19.50 0.77	\$ 16.51 0.47	\$	\$
\$ 20.19	\$ 20.27	\$ 16.98	\$	\$
\$ 6.58 3.83	\$ 6.78 3.89	\$ 6.45 3.54	\$	\$
\$ 10.41	\$ 10.67	\$ 9.99	\$	\$
\$ 2.28	\$ 2.28	\$ 2.04	\$	\$
\$ 1.51	\$ 1.75	\$ 1.72	\$	\$
\$ 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	\$ 0.38 0.19 0.80 0.19 0.73 0.17 0.36 0.15 0.58 0.51	\$	\$
\$ 4.39	\$ 4.25	\$ 4.06	\$	\$
\$ 18.59	\$ 18.95	\$ 17.81	\$	\$
\$ 1.60	\$ 1.32	\$ (0.83)	\$	\$
\$ -	\$ -	\$ -	\$	\$
\$ 1.60	\$ 1.32	\$ (0.83)	\$	\$

SUMMARY OF FINANCIAL STATISTICS

SOUTHERN CALIFORNIA

	December 31, 2020	December 31, 2019	December 31, 2018
1. Current Ratio	0.74 : 1	0.48 : 1	0.39 : 1
2. Herd Line Debt Per Cow	\$ 772	\$ 948	\$ 1,322
3. Total Debt Per Cow	\$ 3,849	\$ 3,302	\$ 3,182
4. Debt to Equity Ratio	1.28 : 1	1.22 : 1	1.38 : 1
5. Return on Total Assets	4.8%	4.5%	-3.1%
6. Income (loss) per milking cow per month	\$ 38.36	\$ 29.93	\$ (18.68)

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, 2020, 2019, AND 2018
SOUTHERN CALIFORNIA
(BASED ON AVERAGE AMOUNTS)

	2020	2019	2018
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	23,335	23,292	23,345
Daily pounds of milk, per milking cow	78.7	75.7	75.5
Daily pounds of milk, per milking cow (Fat corrected milk pounds)	83.78	79.41	78.14
Butterfat test	3.83 %	3.81 %	3.72 %
Blend price per hundredweight	\$ 18.49	\$ 19.50	\$ 16.51
Milk receipts, per milking cow	\$ 4,874	\$ 5,288	\$ 4,522
HERD INFORMATION:			
Herd size - total	3,177	2,743	2,382
Percent of dry cows	23.5 %	18.6 %	18.0 %
Herd turnover rate	33.4 %	41.2 %	36.8 %
Composition of herd:			
Purchased cows	69 %	72 %	73 %
Self-raised cows	31 %	28 %	27 %
Cost of purchased cows	\$ 1,623	\$ 1,645	\$ 1,507
Beef price received	\$ 730	\$ 673	\$ 735
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	40.3 %	34.8 %	39.1 %
Hay and other	11.9 %	19.9 %	21.4 %
Totals	52.2 %	54.7 %	60.5 %

INCOME AND COST OF OPERATIONS

SOUTHERN CALIFORNIA

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	December 31, 2020	December 31, 2019	December 31, 2018
Income:			
Milk Sales	\$ 18.49	\$ 19.50	\$ 16.51
Calves and other	1.70	0.77	0.47
Total income	\$ 20.19	\$ 20.27	\$ 16.98
Cost of operations:			
Feed	\$ 10.41	\$ 10.67	\$ 9.99
Labor	2.28	2.28	2.04
Herd replacement costs	1.51	1.75	1.72
Other costs	4.39	4.25	4.06
Total cost of operations	\$ 18.59	\$ 18.95	\$ 17.81
Income (loss) from dairy operations	\$ 1.60	\$ 1.32	\$ (0.83)
Farming operations, net	\$ -	\$ -	\$ -
Net income (loss)	\$ 1.60	\$ 1.32	\$ (0.83)
Cost of operations as a percentage of income	92.08%	93.49%	104.89%
Feed costs as a percentage of milk sales	56.30%	54.72%	60.51%
Income (loss) per milking cow per month	\$ 38.36	\$ 29.93	\$ (18.68)
Cumulative net income per cwt. from 2014 to 2020	\$ 7.41		

December 31, 2017		December 31, 2016		December 31, 2015		December 31, 2014	
\$	17.57	\$	15.91	\$	16.03	\$	22.79
	0.46		0.54		1.08		0.93
\$	18.03	\$	16.45	\$	17.11	\$	23.72
\$	9.37	\$	9.02	\$	10.25	\$	11.45
	2.28		2.16		1.92		1.87
	2.04		1.65		1.00		0.93
	4.11		3.79		3.98		4.23
\$	17.80	\$	16.62	\$	17.15	\$	18.48
\$	0.23	\$	(0.17)	\$	(0.04)	\$	5.24
\$	-	\$	0.02	\$	0.02	\$	0.02
\$	0.23	\$	(0.15)	\$	(0.02)	\$	5.26
	98.72%		101.03%		100.23%		77.91%
	53.33%		56.69%		63.94%		50.24%
\$	5.18	\$	(4.26)	\$	(2.17)	\$	114.66

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2020, 2019, AND 2018
SAN JOAQUIN VALLEY
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2020	2019	2018
Income:			
Milk sales	\$ 4,506	\$ 4,311	\$ 3,759
Calves and other	194	110	95
Total income	\$ 4,700	\$ 4,421	\$ 3,854
Cost of operations:			
Feed:			
Grain	\$ 1,862	\$ 1,754	\$ 1,626
Hay and other	619	511	540
Total feed	\$ 2,481	\$ 2,265	\$ 2,166
Labor, (including fringe costs)	\$ 466	\$ 449	\$ 403
Herd replacement costs	\$ 370	\$ 377	\$ 360
Other costs:			
Milk hauling	\$ 98	\$ 91	\$ 85
State and association charges	46	42	45
Veterinary, breeding, testing, etc.	140	118	132
Supplies	130	131	125
Repairs and maintenance	149	145	134
Utilities	89	66	70
Occupancy costs	147	138	135
Depreciation - equipment	86	84	85
Interest	101	160	132
Miscellaneous	209	238	182
Total other costs	\$ 1,195	\$ 1,213	\$ 1,125
Total cost of operations	\$ 4,512	\$ 4,304	\$ 4,054
Income (loss) from dairy operations	\$ 188	\$ 117	\$ (200)
Farming operations, net	\$ 164	\$ 133	\$ 133
Net income (loss)	\$ 352	\$ 250	\$ (67)

ACTUAL PER CWT. OF MILK			YOUR 2020 RESULTS	
2020	2019	2018	PER HEAD	PER CWT. OF MILK
\$ 17.41 0.78	\$ 18.19 0.46	\$ 15.52 0.40	\$	\$
\$ 18.19	\$ 18.65	\$ 15.92	\$	\$
\$ 7.40 2.46	\$ 7.40 2.14	\$ 6.74 2.23	\$	\$
\$ 9.86	\$ 9.54	\$ 8.97	\$	\$
\$ 1.86	\$ 1.90	\$ 1.66	\$	\$
\$ 1.47	\$ 1.59	\$ 1.49	\$	\$
\$ 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	\$ 0.35 0.19 0.54 0.52 0.56 0.29 0.57 0.35 0.55 0.73	\$	\$
\$ 4.72	\$ 5.09	\$ 4.65	\$	\$
\$ 17.91	\$ 18.12	\$ 16.77	\$	\$
\$ 0.28	\$ 0.53	\$ (0.85)	\$	\$
\$ 0.65	\$ 0.41	\$ 0.55	\$	\$
\$ 0.93	\$ 0.94	\$ (0.30)	\$	\$

SUMMARY OF FINANCIAL STATISTICS

SAN JOAQUIN VALLEY

	December 31, 2020	December 31, 2019	December 31, 2018
1. Current Ratio	0.99 : 1	1.07 : 1	0.99 : 1
2. Herd Line Debt Per Cow	\$ 721	\$ 1,049	\$ 859
3. Total Debt Per Cow	\$ 3,209	\$ 3,632	\$ 3,217
4. Debt to Equity Ratio	1.29 : 1	1.51 : 1	1.47 : 1
5. Return on Total Assets	2.2%	1.3%	-2.4%
6. Income (loss) per milking cow per month	\$ 17.92	\$ 11.31	\$ (19.36)

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, 2020, 2019, AND 2018
SAN JOAQUIN VALLEY
(BASED ON AVERAGE AMOUNTS)

	2020	2019	2018
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	25,164	23,700	24,115
Daily pounds of milk, per milking cow	79.3	75.1	76.9
Daily pounds of milk, per milking cow (Fat corrected milk pounds)	84.20	78.68	80.87
Butterfat test	3.88 %	3.80 %	3.82 %
Solids-non-fat test	8.99 %	8.84 %	8.94 %
Blend price per hundredweight	\$ 17.41	\$ 18.19	\$ 15.52
Milk receipts, per milking cow	\$ 4,703	\$ 4,858	\$ 4,299
HERD INFORMATION:			
Herd size - total	3,840	4,545	3,583
Percent of dry cows	15.0 %	13.5 %	14.1 %
Herd turnover rate	56.4 %	44.8 %	45.3 %
Composition of herd:			
Purchased cows	4 %	6 %	3 %
Self-raised cows	96 %	94 %	97 %
Cost of purchased cows	\$ 1,379	\$ 1,563	\$ 1,493
Beef price received	\$ 725	\$ 680	\$ 726
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	41.3 %	40.7 %	43.4 %
Hay and other	13.7 %	11.8 %	14.4 %
Totals	55.0 %	52.5 %	57.8 %

INCOME AND COST OF OPERATIONS

SAN JOAQUIN VALLEY

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	December 31, 2020	December 31, 2019	December 31, 2018
Income:			
Milk Sales	\$ 17.41	\$ 18.19	\$ 15.52
Calves and other	0.78	0.46	0.40
Total income	\$ 18.19	\$ 18.65	\$ 15.92
Cost of operations:			
Feed	\$ 9.86	\$ 9.54	\$ 8.97
Labor	1.86	1.90	1.66
Herd replacement costs	1.47	1.59	1.49
Other costs	4.72	5.09	4.65
Total cost of operations	\$ 17.91	\$ 18.12	\$ 16.77
Income (loss) from dairy operations	\$ 0.28	\$ 0.53	\$ (0.85)
Farming operations, net	\$ 0.65	\$ 0.41	\$ 0.55
Net income (loss)	\$ 0.93	\$ 0.94	\$ (0.30)
Cost of operations as a percentage of income	98.46%	97.16%	105.34%
Feed costs as a percentage of milk sales	56.63%	52.45%	57.80%
Income (loss) per milking cow per month	\$ 17.92	\$ 11.31	\$ (19.36)
Cumulative net income per cwt. from 2014 to 2020	\$ 6.27		

	December 31, 2017		December 31, 2016		December 31, 2015		December 31, 2014
	\$ 16.88	\$	14.86	\$	16.39	\$	22.29
	0.45		0.30		0.79		0.63
	\$ 17.33	\$	15.16	\$	17.18	\$	22.92
	\$ 8.88	\$	8.68	\$	10.87	\$	11.54
	1.82		1.72		1.80		1.45
	1.63		1.49		0.73		0.65
	4.75		4.45		4.75		4.30
	\$ 17.08	\$	16.34	\$	18.15	\$	17.94
	\$ 0.25	\$	(1.18)	\$	(0.97)	\$	4.98
	\$ 0.32	\$	0.26	\$	0.43	\$	0.61
	\$ 0.57	\$	(0.92)	\$	(0.54)	\$	5.59
	98.56%		107.78%		105.65%		78.27%
	52.61%		58.41%		66.32%		51.77%
	\$ 5.59	\$	(23.12)	\$	(13.20)	\$	128.26

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2020, 2019, AND 2018
KERN COUNTY
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2020	2019	2018
Income:			
Milk sales	\$ 4,152	\$ 4,147	\$ 3,443
Calves and other	56	66	161
Total income	\$ 4,208	\$ 4,213	\$ 3,604
Cost of operations:			
Feed:			
Grain	\$ 1,545	\$ 1,490	\$ 1,352
Hay and other	765	717	695
Total feed	\$ 2,310	\$ 2,207	\$ 2,047
Labor, (including fringe costs)	\$ 362	\$ 341	\$ 327
Herd replacement costs	\$ 314	\$ 313	\$ 297
Other costs:			
Milk hauling	\$ 128	\$ 118	\$ 85
State and association charges	42	41	44
Veterinary, breeding, testing, etc.	86	77	71
Supplies	110	121	116
Repairs and maintenance	148	121	128
Utilities	102	89	97
Occupancy costs	91	90	89
Depreciation - equipment	59	56	55
Interest	78	115	106
Miscellaneous	184	154	150
Total other costs	\$ 1,028	\$ 982	\$ 941
Total cost of operations	\$ 4,014	\$ 3,843	\$ 3,612
Income (loss) from dairy operations	\$ 194	\$ 370	\$ (8)
Farming operations, net	\$ 103	\$ 103	\$ 120
Net income	\$ 297	\$ 473	\$ 112

ACTUAL PER CWT. OF MILK			YOUR 2020 RESULTS	
2020	2019	2018	PER HEAD	PER CWT. OF MILK
\$ 18.58 0.25	\$ 18.86 0.29	\$ 16.14 0.75	\$	\$
\$ 18.83	\$ 19.15	\$ 16.89	\$	\$
\$ 6.91 3.41	\$ 6.78 3.25	\$ 6.33 3.25	\$	\$
\$ 10.32	\$ 10.03	\$ 9.58	\$	\$
\$ 1.62	\$ 1.55	\$ 1.53	\$	\$
\$ 1.41	\$ 1.42	\$ 1.39	\$	\$
\$ 0.57 0.19 0.38 0.49 0.66 0.46 0.41 0.26 0.36 0.84	\$ 0.54 0.19 0.35 0.55 0.55 0.41 0.41 0.26 0.53 0.71	\$ 0.40 0.21 0.33 0.54 0.60 0.45 0.41 0.26 0.50 0.72	\$	\$
\$ 4.62	\$ 4.50	\$ 4.42	\$	\$
\$ 17.97	\$ 17.50	\$ 16.92	\$	\$
\$ 0.86	\$ 1.65	\$ (0.03)	\$	\$
\$ 0.46	\$ 0.47	\$ 0.56	\$	\$
\$ 1.32	\$ 2.12	\$ 0.53	\$	\$

SUMMARY OF FINANCIAL STATISTICS

KERN COUNTY

	December 31, 2020	December 31, 2019	December 31, 2018
1. Current Ratio	1.08 : 1	1.14 : 1	1.20 : 1
2. Herd Line Debt Per Cow	\$ 831	\$ 859	\$ 812
3. Total Debt Per Cow	\$ 2,963	\$ 2,996	\$ 3,074
4. Debt to Equity Ratio	0.83 : 1	0.88 : 1	0.97 : 1
5. Return on Total Assets	2.0%	3.9%	-0.1%
6. Income (loss) per milking cow per month	\$ 19.07	\$ 36.38	\$ (0.61)

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, 2020, 2019, AND 2018
KERN COUNTY
(BASED ON AVERAGE AMOUNTS)

	2020	2019	2018
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	22,353	21,987	21,351
Daily pounds of milk, per milking cow	72.4	71.3	69.5
Daily pounds of milk, per milking cow (Fat corrected milk pounds)	75.63	73.94	73.58
Butterfat test	3.78 %	3.73 %	3.87 %
Solids-non-fat test	8.94 %	8.79 %	8.85 %
Blend price per hundredweight	\$ 18.58	\$ 18.86	\$ 16.14
Milk receipts, per milking cow	\$ 4,300	\$ 4,772	\$ 4,090
HERD INFORMATION:			
Herd size - total	3,795	3,840	3,798
Percent of dry cows	18.2 %	15.6 %	15.8 %
Herd turnover rate	41.9 %	39.6 %	38.3 %
Composition of herd:			
Purchased cows	1 %	1 %	1 %
Self-raised cows	99 %	99 %	99 %
Cost of purchased cows	\$ 1,490	\$ 1,557	\$ 1,543
Beef price received	\$ 672	\$ 636	\$ 668
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	37.2 %	35.9 %	39.2 %
Hay and other	18.4 %	17.2 %	20.1 %
Totals	55.6 %	53.1 %	59.3 %

INCOME AND COST OF OPERATIONS

KERN COUNTY

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	December 31, 2020	December 31, 2019	December 31, 2018
Income:			
Milk Sales	\$ 18.58	\$ 18.86	\$ 16.14
Calves and other	0.25	0.29	0.75
Total income	\$ 18.83	\$ 19.15	\$ 16.89
Cost of operations:			
Feed	\$ 10.32	\$ 10.03	\$ 9.58
Labor	1.62	1.55	1.53
Herd replacement costs	1.41	1.42	1.39
Other costs	4.62	4.50	4.42
Total cost of operations	\$ 17.97	\$ 17.50	\$ 16.92
Income (loss) from dairy operations	\$ 0.86	\$ 1.65	\$ (0.03)
Farming operations, net	\$ 0.46	\$ 0.47	\$ 0.56
Net income (loss)	\$ 1.32	\$ 2.12	\$ 0.53
Cost of operations as a percentage of income	95.43%	91.38%	100.18%
Feed costs as a percentage of milk sales	55.54%	53.18%	59.36%
Income (loss) per milking cow per month	\$ 19.07	\$ 36.38	\$ (0.61)
Cumulative net income per cwt. from 2014 to 2020	\$ 11.13		

	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
	\$ 17.04	\$ 15.34	\$ 15.81	\$ 22.46
	0.24	0.34	0.69	0.45
	\$ 17.28	\$ 15.68	\$ 16.5	\$ 22.91
	\$ 9.03	\$ 9.92	\$ 11.09	\$ 11.77
	1.54	1.48	1.40	1.28
	1.36	1.22	0.80	0.77
	4.28	4.11	3.89	4.00
	\$ 16.21	\$ 16.73	\$ 17.18	\$ 17.82
	\$ 1.07	\$ (1.05)	\$ (0.68)	\$ 5.09
	\$ 0.08	\$ 0.15	\$ 1.14	\$ 1.36
	\$ 1.15	\$ (0.90)	\$ 0.46	\$ 6.45
	93.81%	106.70%	104.12%	77.78%
	52.99%	64.67%	70.15%	52.40%
	\$ 21.95	\$ (23.52)	\$ (14.95)	\$ 149.10

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2020, 2019, AND 2018
ARIZONA
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2020	2019	2018
Income:			
Milk sales	\$ 4,125	\$ 3,931	\$ 3,432
Calves and other	230	208	73
Total income	\$ 4,355	\$ 4,139	\$ 3,505
Cost of operations:			
Feed:			
Grain	\$ 1,664	\$ 1,547	\$ 1,377
Hay and other	491	562	599
Total feed	\$ 2,155	\$ 2,109	\$ 1,976
Labor, (including fringe costs)	\$ 552	\$ 530	\$ 505
Herd replacement costs	\$ 371	\$ 579	\$ 411
Other costs:			
Milk hauling	\$ 118	\$ 112	\$ 111
State and association charges	84	87	83
Veterinary, breeding, testing, etc.	70	77	78
Supplies	195	182	166
Repairs and maintenance	135	127	110
Utilities	87	78	81
Occupancy costs	139	149	166
Depreciation - equipment	59	58	58
Interest	182	226	177
Miscellaneous	232	197	211
Total other costs	\$ 1,301	\$ 1,293	\$ 1,241
Total cost of operations	\$ 4,379	\$ 4,511	\$ 4,133
Loss from dairy operations	\$ (24)	\$ (372)	\$ (628)
Farming operations, net	\$ 6	\$ 20	\$ 92
Net loss	\$ (18)	\$ (352)	\$ (536)

ACTUAL PER CWT. OF MILK			YOUR 2020 RESULTS	
2020	2019	2018	PER HEAD	PER CWT. OF MILK
\$ 18.58	\$ 18.73	\$ 16.31	\$	\$
1.05	1.01	0.34		
\$ 19.63	\$ 19.74	\$ 16.65	\$	\$
\$ 7.49	\$ 7.37	\$ 6.55	\$	\$
2.22	2.67	2.85		
\$ 9.71	\$ 10.04	\$ 9.40	\$	\$
\$ 2.48	\$ 2.53	\$ 2.41	\$	\$
\$ 1.67	\$ 2.76	\$ 1.95	\$	\$
\$ 0.53	\$ 0.53	\$ 0.53	\$	\$
0.38	0.41	0.40		
0.32	0.36	0.37		
0.88	0.86	0.79		
0.61	0.61	0.52		
0.39	0.37	0.38		
0.63	0.71	0.78		
0.26	0.28	0.28		
0.82	1.08	0.84		
1.92	0.95	0.99		
\$ 6.74	\$ 6.16	\$ 5.88	\$	\$
\$ 20.60	\$ 21.49	\$ 19.64	\$	\$
\$ (0.97)	\$ (1.75)	\$ (2.99)	\$	\$
\$ 0.03	\$ 0.10	\$ 0.44	\$	\$
\$ (0.94)	\$ (1.65)	\$ (2.55)	\$	\$

SUMMARY OF FINANCIAL STATISTICS

ARIZONA

	December 31, 2020	December 31, 2019	December 31, 2018
1. Current Ratio	0.58 : 1	0.63 : 1	0.44 : 1
2. Herd Line Debt Per Cow	\$ 1,383	\$ 1,249	\$ 1,482
3. Total Debt Per Cow	\$ 4,632	\$ 4,287	\$ 3,576
4. Debt to Equity Ratio	9.46 : 1	10.50 : 1	4.85 : 1
5. Return on Total Assets	-0.3%	-5.6%	-11.1%
6. Loss per milking cow per month	\$ (2.40)	\$ (35.57)	\$ (60.15)

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 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, 2020, 2019, AND 2018
ARIZONA
(BASED ON AVERAGE AMOUNTS)

	2020	2019	2018
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	22,194	21,002	21,037
Daily pounds of milk, per milking cow	69.2	66.1	66.3
Daily pounds of milk, per milking cow (Energy corrected milk pounds)	75.55	67.32	65.71
Butterfat test	3.81 %	3.57 %	3.57 %
Blend price per hundredweight	\$ 17.55	\$ 18.73	\$ 16.31
Milk receipts, per milking cow	\$ 4,182	\$ 4,320	\$ 3,751
HERD INFORMATION:			
Herd size - total	6,693	6,427	4,734
Percent of dry cows	13.7 %	13.0 %	13.0 %
Herd turnover rate	41.6 %	33.4 %	37.3 %
Composition of herd:			
Purchased cows	42 %	46 %	51 %
Self-raised cows	58 %	54 %	49 %
Cost of purchased cows	\$ 1,297	\$ 1,458	\$ 1,398
Beef price received	\$ 677	\$ 764	\$ 787
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	40.3 %	39.3 %	40.2 %
Hay and other	11.9 %	14.3 %	17.5 %
Totals	52.2 %	53.6 %	57.7 %

INCOME AND COST OF OPERATIONS

ARIZONA

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	December 31, 2020	December 31, 2019	December 31, 2018
Income:			
Milk Sales	\$ 18.58	\$ 18.73	\$ 16.31
Calves and other	1.05	1.01	0.34
Total income	\$ 19.63	\$ 19.74	\$ 16.65
Cost of operations:			
Feed	\$ 9.71	\$ 10.04	\$ 9.40
Labor	2.48	2.53	2.41
Herd replacement costs	1.67	2.76	1.95
Other costs	6.74	6.16	5.88
Total cost of operations	\$ 20.60	\$ 21.49	\$ 19.64
Income (loss) from dairy operations	\$ (0.97)	\$ (1.75)	\$ (2.99)
Farming operations, net	\$ 0.03	\$ 0.10	\$ 0.44
Net income (loss)	\$ (0.94)	\$ (1.65)	\$ (2.55)
Cost of operations as a percentage of income	104.94%	108.87%	117.96%
Feed costs as a percentage of milk sales	52.26%	53.60%	57.63%
Income (loss) per milking cow per month	\$ (2.40)	\$ (35.57)	\$ (60.15)
Cumulative net income per cwt. from 2014 to 2020	\$ (0.44)		

	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
\$	17.20 0.77	\$ 15.56 0.57	\$ 16.33 0.87	\$ 23.35 1.2
\$	17.97	\$ 16.13	\$ 17.2	\$ 24.55
\$	9.03 2.21 1.62 5.50	\$ 8.63 2.03 1.33 5.03	\$ 9.49 1.97 0.87 5.01	\$ 10.74 2.06 0.69 5.30
\$	18.36	\$ 17.02	\$ 17.34	\$ 18.79
\$	(0.39)	\$ (0.89)	\$ (0.14)	\$ 5.76
\$	0.14	\$ 0.09	\$ 0.04	\$ 0.09
\$	(0.25)	\$ (0.80)	\$ (0.10)	\$ 5.85
	102.17%	105.52%	100.81%	76.54%
	52.50%	55.46%	58.11%	46.00%
\$	(9.45)	\$ (20.02)	\$ (0.14)	\$ 124.79

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2020, 2019, AND 2018
IDAHO
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2020	2019	2018
Income:			
Milk sales	\$ 4,283	\$ 4,128	\$ 3,623
Calves and other	108	82	56
Total income	\$ 4,391	\$ 4,210	\$ 3,679
Cost of operations:			
Feed:			
Grain	\$ 1,372	\$ 1,307	\$ 1,270
Hay and other	627	628	550
Total feed	\$ 1,999	\$ 1,935	\$ 1,820
Labor, (including fringe costs)	\$ 366	\$ 369	\$ 385
Herd replacement costs	\$ 458	\$ 490	\$ 495
Other costs:			
Milk hauling	\$ 74	\$ 65	\$ 51
State and association charges	39	21	40
Veterinary, breeding, testing, etc.	109	104	109
Supplies	80	94	107
Repairs and maintenance	133	114	117
Utilities	39	39	42
Occupancy costs	147	138	99
Depreciation - equipment	103	81	90
Interest	119	178	190
Miscellaneous	271	277	242
Total other costs	\$ 1,114	\$ 1,111	\$ 1,087
Total cost of operations	\$ 3,937	\$ 3,905	\$ 3,787
Income (loss) from dairy operations	\$ 454	\$ 305	\$ (108)
Farming operations, net	\$ 51	\$ 30	\$ 51
Net income (loss)	\$ 505	\$ 335	\$ (57)

ACTUAL PER CWT. OF MILK			YOUR 2020 RESULTS	
2020	2019	2018	PER HEAD	PER CWT. OF MILK
\$ 19.50 0.49	\$ 18.79 0.37	\$ 16.71 0.26	\$	\$
\$ 19.99	\$ 19.16	\$ 16.97	\$	\$
\$ 6.25 2.86	\$ 5.95 2.86	\$ 5.86 2.55	\$	\$
\$ 9.11	\$ 8.81	\$ 8.41	\$	\$
\$ 1.66	\$ 1.67	\$ 1.77	\$	\$
\$ 2.08	\$ 2.23	\$ 2.29	\$	\$
\$ 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	\$ 0.24 0.18 0.50 0.50 0.54 0.20 0.45 0.41 0.88 1.11	\$	\$
\$ 5.08	\$ 5.06	\$ 5.01	\$	\$
\$ 17.93	\$ 17.77	\$ 17.48	\$	\$
\$ 2.06	\$ 1.39	\$ (0.51)	\$	\$
\$ 0.23	\$ 0.14	\$ 0.24	\$	\$
\$ 2.29	\$ 1.53	\$ (0.27)	\$	\$

SUMMARY OF FINANCIAL STATISTICS

IDAHO

	December 31, 2020	December 31, 2019	December 31, 2018
1. Current Ratio	1.37 : 1	1.02 : 1	1.10 : 1
2. Herd Line Debt Per Cow	\$ 734	\$ 787	\$ 758
3. Total Debt Per Cow	\$ 2,607	\$ 2,909	\$ 3,223
4. Debt to Equity Ratio	1.40 : 1	1.80 : 1	1.96 : 1
5. Return on Total Assets	6.6%	4.4%	-1.5%
6. Income (loss) per milking cow per month	\$ 43.35	\$ 29.02	\$ (10.40)

1. Current ratio represents current assets divided by current liabilities.

2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.

3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.

4. Debt to equity ratio represents the total debt divided by the total equity.

5. Return on total assets represents the net income divided by the total assets, stated at cost.

6. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by twelve months.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2020, 2019, AND 2018
IDAHO
(BASED ON AVERAGE AMOUNTS)

	2020	2019	2018
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	21,962	21,968	21,677
Daily pounds of milk, per milking cow	69.1	69.0	68.2
Daily pounds of milk, per milking cow (Energy corrected milk pounds)	78.77	77.01	75.42
Butterfat test	4.35 %	4.16 %	4.11 %
Blend price per hundredweight	\$ 19.50	\$ 18.79	\$ 16.71
Milk receipts, per milking cow	\$ 4,525	\$ 4,702	\$ 4,097
HERD INFORMATION:			
Herd size - total	9,725	9,170	7,406
Percent of dry cows	14.9 %	12.8 %	12.9 %
Herd turnover rate	42.7 %	41.5 %	38.6 %
Composition of herd:			
Purchased cows	1 %	5 %	8 %
Self-raised cows	99 %	95 %	92 %
Cost of purchased cows	\$ 1,277	\$ 1,197	\$ 1,363
Beef price received	\$ 591	\$ 591	\$ 614
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	32.0 %	31.7 %	35.1 %
Hay and other	14.6 %	15.2 %	15.3 %
Totals	46.6 %	46.9 %	50.4 %

INCOME AND COST OF OPERATIONS

IDAHO

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	December 31, 2020	December 31, 2019	December 31, 2018
Income:			
Milk Sales	\$ 19.50	\$ 18.79	\$ 16.71
Calves and other	0.49	0.37	0.26
Total income	\$ 19.99	\$ 19.16	\$ 16.97
Cost of operations:			
Feed	\$ 9.11	\$ 8.81	\$ 8.41
Labor	1.66	1.67	1.77
Herd replacement costs	2.08	2.23	2.29
Other costs	5.08	5.06	5.01
Total cost of operations	\$ 17.93	\$ 17.77	\$ 17.48
Income (loss) from dairy operations	\$ 2.06	\$ 1.39	\$ (0.51)
Farming operations, net	\$ 0.23	\$ 0.14	\$ 0.24
Net income (loss)	\$ 2.29	\$ 1.53	\$ (0.27)
Cost of operations as a percentage of income	89.69%	92.75%	103.01%
Feed costs as a percentage of milk sales	46.72%	46.89%	50.33%
Income (loss) per milking cow per month	\$ 43.35	\$ 29.02	\$ (10.40)
Cumulative net income per cwt. from 2014 to 2020	\$ 11.95		

	December 31, 2017		December 31, 2016		December 31, 2015		December 31, 2014
	\$ 17.35	\$	15.52	\$	15.90	\$	22.55
	0.26		0.23		0.79		0.62
	\$ 17.61	\$	15.75	\$	16.69	\$	23.17
	\$ 8.43	\$	8.44	\$	8.93	\$	10.48
	1.85		1.70		1.60		1.75
	1.83		1.79		1.09		0.66
	4.65		4.19		4.09		4.69
	\$ 16.76	\$	16.12	\$	15.71	\$	17.58
	\$ 0.85	\$	(0.37)	\$	0.98	\$	5.59
	\$ 0.41	\$	0.29	\$	0.25	\$	0.40
	\$ 1.26	\$	(0.08)	\$	1.23	\$	5.99
	95.17%		102.35%		94.13%		75.87%
	48.59%		54.38%		56.16%		46.47%
	\$ 18.80	\$	(1.69)	\$	27.14	\$	138.34

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2020, 2019, AND 2018
NEW MEXICO
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2020	2019	2018
Income:			
Milk sales	\$ 3,832	\$ 3,858	\$ 3,534
Calves and other	67	49	104
Total income	\$ 3,899	\$ 3,907	\$ 3,638
Cost of operations:			
Feed:			
Grain	\$ 1,536	\$ 1,747	\$ 1,557
Hay and other	810	830	856
Total feed	\$ 2,346	\$ 2,577	\$ 2,413
Labor, (including fringe costs)	\$ 462	\$ 478	\$ 432
Herd replacement costs	\$ 212	\$ 299	\$ 319
Other costs:			
Milk hauling	\$ 152	\$ 105	\$ 247
State and association charges	124	88	86
Veterinary, breeding, testing, etc.	58	120	129
Supplies	206	129	116
Repairs and maintenance	141	103	135
Utilities	35	76	57
Occupancy costs	86	67	81
Depreciation - equipment	49	62	64
Interest	113	298	187
Miscellaneous	197	214	189
Total other costs	\$ 1,161	\$ 1,262	\$ 1,291
Total cost of operations	\$ 4,181	\$ 4,616	\$ 4,455
Loss from dairy operations	\$ (282)	\$ (709)	\$ (817)
Farming operations, net	\$ 157	\$ -	\$ 296
Net loss	\$ (125)	\$ (709)	\$ (521)

ACTUAL PER CWT. OF MILK			YOUR 2020 RESULTS	
2020	2019	2018	PER HEAD	PER CWT. OF MILK
\$ 17.57	\$ 17.37	\$ 15.61	\$	\$
0.30	0.22	0.46		
\$ 17.87	\$ 17.59	\$ 16.07	\$	\$
\$ 7.04	\$ 7.87	\$ 6.87	\$	\$
3.70	3.74	3.78		
\$ 10.74	\$ 11.61	\$ 10.65	\$	\$
\$ 2.12	\$ 2.16	\$ 1.91	\$	\$
\$ 0.97	\$ 1.35	\$ 1.41	\$	\$
\$ 0.70	\$ 0.47	\$ 1.09	\$	\$
0.57	0.40	0.38		
0.26	0.55	0.57		
0.95	0.58	0.51		
0.65	0.47	0.59		
0.16	0.34	0.25		
0.40	0.30	0.36		
0.23	0.28	0.28		
0.52	1.34	0.83		
0.90	0.96	0.83		
\$ 5.34	\$ 5.69	\$ 5.69	\$	\$
\$ 19.17	\$ 20.81	\$ 19.66	\$	\$
\$ (1.30)	\$ (3.22)	\$ (3.59)	\$	\$
\$ 0.72	\$ -	\$ 1.31	\$	\$
\$ (0.58)	\$ (3.22)	\$ (2.28)	\$	\$

SUMMARY OF FINANCIAL STATISTICS

NEW MEXICO

	December 31, 2020	December 31, 2019	December 31, 2018
1. Current Ratio	1.08 : 1	0.77 : 1	0.75 : 1
2. Herd Line Debt Per Cow	\$ 164	\$ 717	\$ 811
3. Total Debt Per Cow	\$ 2,408	\$ 3,314	\$ 3,327
4. Debt to Equity Ratio	1.18 : 1	1.54 : 1	1.50 : 1
5. Return on Total Assets	-4.6%	-9.0%	-10.2%
6. Loss per milking cow per month	\$ (28.96)	\$ (71.24)	\$ (81.14)

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, 2020, 2019, AND 2018
NEW MEXICO
(BASED ON AVERAGE AMOUNTS)

	2020	2019	2018
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	21,807	22,194	22,651
Daily pounds of milk, per milking cow	73.5	73.3	74.1
Daily pounds of milk, per milking cow (Energy corrected milk pounds)	75.91	76.97	75.75
Butterfat test	3.65 %	3.70 %	3.59 %
Blend price per hundredweight	\$ 17.57	\$ 17.37	\$ 15.61
Milk receipts, per milking cow	\$ 4,345	\$ 4,535	\$ 4,119
HERD INFORMATION:			
Herd size - total	4,318	8,213	3,415
Percent of dry cows	23.3 %	17.1 %	16.2 %
Herd turnover rate	31.9 %	37.8 %	40.5 %
Composition of herd:			
Purchased cows	0 %	0 %	0 %
Self-raised cows	100 %	100 %	100 %
Cost of purchased cows	\$ -	\$ 1,810	\$ 1,425
Beef price received	\$ 732	\$ 667	\$ 643
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	40.1 %	45.3 %	44.0 %
Hay and other	21.1 %	21.5 %	24.2 %
Totals	61.2 %	66.8 %	68.2 %

INCOME AND COST OF OPERATIONS

NEW MEXICO

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	December 31, 2020	December 31, 2019	December 31, 2018
Income:			
Milk Sales	\$ 17.57	\$ 17.37	\$ 15.61
Calves and other	0.30	0.22	0.46
Total income	\$ 17.87	\$ 17.59	\$ 16.07
Cost of operations:			
Feed	\$ 10.74	\$ 11.61	\$ 10.65
Labor	2.12	2.16	1.91
Herd replacement costs	0.97	1.35	1.41
Other costs	5.34	5.69	5.69
Total cost of operations	\$ 19.17	\$ 20.81	\$ 19.66
Income (loss) from dairy operations	\$ (1.30)	\$ (3.22)	\$ (3.59)
Farming operations, net	\$ 0.72	\$ -	\$ 1.31
Net income (loss)	\$ (0.58)	\$ (3.22)	\$ (2.28)
Cost of operations as a percentage of income	107.27%	118.31%	122.34%
Feed costs as a percentage of milk sales	61.13%	66.84%	68.23%
Income (loss) per milking cow per month	\$ (28.96)	\$ (71.24)	\$ (81.14)
Cumulative net income per cwt. from 2014 to 2020	\$ (3.16)		

	December 31, 2017		December 31, 2016		December 31, 2015		December 31, 2014
	\$ 16.75	\$	15.84	\$	16.50	\$	23.46
	0.51		0.37		0.75		1.03
	\$ 17.26	\$	16.21	\$	17.25	\$	24.49
	\$ 9.25	\$	9.18	\$	10.39	\$	11.98
	2.09		2.09		2.05		1.81
	1.37		1.38		0.95		0.57
	5.73		5.55		5.80		6.03
	\$ 18.44	\$	18.20	\$	19.19	\$	20.39
	\$ (1.18)	\$	(1.99)	\$	(1.94)	\$	4.10
	\$ 1.88	\$	0.11	\$	1.22	\$	0.72
	\$ 0.70	\$	(1.88)	\$	(0.72)	\$	4.82
	106.84%		112.28%		111.25%		83.26%
	55.22%		57.95%		62.97%		51.07%
	\$ (24.33)	\$	(36.35)	\$	(14.91)	\$	99.60

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2020, 2019, AND 2018
PANHANDLE
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2020	2019	2018
Income:			
Milk sales	\$ 4,814	\$ 4,076	\$ 3,384
Calves and other	97	(8)	48
Total income	\$ 4,911	\$ 4,068	\$ 3,432
Cost of operations:			
Feed:			
Grain	\$ 1,624	\$ 1,537	\$ 1,452
Hay and other	367	292	272
Total feed	\$ 1,991	\$ 1,829	\$ 1,724
Labor, (including fringe costs)	\$ 388	\$ 387	\$ 397
Herd replacement costs	\$ 357	\$ 373	\$ 411
Other costs:			
Milk hauling	\$ 194	\$ 205	\$ 162
State and association charges	35	29	48
Veterinary, breeding, testing, etc.	115	117	118
Supplies	140	119	158
Repairs and maintenance	105	110	123
Utilities	30	34	36
Occupancy costs	97	99	96
Depreciation - equipment	91	93	90
Interest	79	127	122
Miscellaneous	173	155	155
Total other costs	\$ 1,059	\$ 1,088	\$ 1,108
Total cost of operations	\$ 3,795	\$ 3,677	\$ 3,640
Income (loss) from dairy operations	\$ 1,116	\$ 391	\$ (208)
Farming operations, net	\$ 159	\$ 68	\$ 85
Net income (loss)	\$ 1,275	\$ 459	\$ (123)

ACTUAL PER CWT. OF MILK			YOUR 2020 RESULTS	
2020	2019	2018	PER HEAD	PER CWT. OF MILK
\$ 22.49 0.46	\$ 18.97 (0.04)	\$ 15.92 0.24	\$	\$
\$ 22.95	\$ 18.93	\$ 16.16	\$	\$
\$ 7.58 1.73	\$ 7.16 1.36	\$ 6.83 1.29	\$	\$
\$ 9.31	\$ 8.52	\$ 8.12	\$	\$
\$ 1.82	\$ 1.80	\$ 1.87	\$	\$
\$ 1.67	\$ 1.74	\$ 1.93	\$	\$
\$ 0.91 0.16 0.54 0.65 0.49 0.14 0.45 0.43 0.37 0.81	\$ 0.95 0.13 0.54 0.55 0.52 0.16 0.46 0.43 0.59 0.72	\$ 0.76 0.23 0.56 0.74 0.58 0.17 0.45 0.42 0.57 0.74	\$	\$
\$ 4.95	\$ 5.05	\$ 5.22	\$	\$
\$ 17.75	\$ 17.11	\$ 17.14	\$	\$
\$ 5.20	\$ 1.82	\$ (0.98)	\$	\$
\$ 0.74	\$ 0.32	\$ 0.40	\$	\$
\$ 5.94	\$ 2.14	\$ (0.58)	\$	\$

SUMMARY OF FINANCIAL STATISTICS

PANHANDLE

	December 31, 2020	December 31, 2019	December 31, 2018
1. Current Ratio	2.21 : 1	1.23 : 1	0.97 : 1
2. Herd Line Debt Per Cow	\$ 563	\$ 675	\$ 267
3. Total Debt Per Cow	\$ 2,658	\$ 2,907	\$ 2,615
4. Debt to Equity Ratio	0.96 : 1	1.48 : 1	1.54 : 1
5. Return on Total Assets	14.3%	5.5%	-3.2%
6. Income (loss) per milking cow per month	\$ 107.43	\$ 37.85	\$ (20.40)

1. Current ratio represents current assets divided by current liabilities.

2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.

3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.

4. Debt to equity ratio represents the total debt divided by the total equity.

5. Return on total assets represents the net income divided by the total assets, stated at cost.

6. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by twelve months.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2020, 2019, AND 2018
PANHANDLE
(BASED ON AVERAGE AMOUNTS)

	2020	2019	2018
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	21,413	21,473	21,260
Daily pounds of milk, per milking cow	67.6	68.4	68.4
Daily pounds of milk, per milking cow (Energy corrected milk pounds)	76.47	75.25	75.77
Butterfat test	4.22 %	4.04 %	3.91 %
Blend price per hundredweight	\$ 22.49	\$ 18.97	\$ 15.92
Milk receipts, per milking cow	\$ 4,874	\$ 4,601	\$ 3,899
HERD INFORMATION:			
Herd size - total	4,521	4,412	4,044
Percent of dry cows	15.5 %	13.9 %	14.8 %
Herd turnover rate	40.6 %	36.4 %	42.7 %
Composition of herd:			
Purchased cows	3 %	2 %	35 %
Self-raised cows	97 %	98 %	65 %
Cost of purchased cows	\$ 924	\$ 925	\$ 1,481
Beef price received	\$ 639	\$ 552	\$ 572
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	33.7 %	37.7 %	42.9 %
Hay and other	7.6 %	7.2 %	8.1 %
Totals	41.3 %	44.9 %	51.0 %

INCOME AND COST OF OPERATIONS

PANHANDLE

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	December 31, 2020	December 31, 2019	December 31, 2018
Income:			
Milk Sales	\$ 22.49	\$ 18.97	\$ 15.92
Calves and other	0.46	(0.04)	0.24
Total income	\$ 22.95	\$ 18.93	\$ 16.16
Cost of operations:			
Feed	\$ 9.31	\$ 8.52	\$ 8.12
Labor	1.82	1.80	1.87
Herd replacement costs	1.67	1.74	1.93
Other costs	4.95	5.05	5.22
Total cost of operations	\$ 17.75	\$ 17.11	\$ 17.14
Income (loss) from dairy operations	\$ 5.20	\$ 1.82	\$ (0.98)
Farming operations, net	\$ 0.74	\$ 0.32	\$ 0.40
Net income (loss)	\$ 5.94	\$ 2.14	\$ (0.58)
Cost of operations as a percentage of income	77.34%	90.39%	106.06%
Feed costs as a percentage of milk sales	41.40%	44.91%	51.01%
Income (loss) per milking cow per month	\$ 107.43	\$ 37.85	\$ (20.40)
Cumulative net income per cwt. from 2014 to 2020	\$ 16.51		

	December 31, 2017		December 31, 2016		December 31, 2015		December 31, 2014
	\$ 17.77	\$	17.41	\$	17.69	\$	23.85
	0.40		0.25		0.68		0.46
	\$ 18.17	\$	17.66	\$	18.37	\$	24.31
	\$ 7.80	\$	8.25	\$	9.45	\$	10.79
	1.84		2.18		1.95		1.65
	2.08		1.56		1.01		0.67
	4.97		5.79		5.65		5.37
	\$ 16.69	\$	17.78	\$	18.06	\$	18.48
	\$ 1.48	\$	(0.12)	\$	0.31	\$	5.83
	\$ 0.15	\$	0.28	\$	0.69	\$	0.39
	\$ 1.63	\$	0.16	\$	1.00	\$	6.22
	91.85%		100.68%		98.31%		76.02%
	43.89%		47.39%		53.42%		45.24%
	\$ 31.40	\$	(1.46)	\$	16.08	\$	129.99

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2020, 2019, AND 2018
PACIFIC NORTHWEST
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2020	2019	2018
Income:			
Milk sales	\$ 4,021	\$ 4,201	\$ 3,779
Calves and other	117	52	48
Total income	\$ 4,138	\$ 4,253	\$ 3,827
Cost of operations:			
Feed:			
Grain	\$ 1,275	\$ 1,278	\$ 1,173
Hay and other	551	503	539
Total feed	\$ 1,826	\$ 1,781	\$ 1,712
Labor, (including fringe costs)	\$ 601	\$ 567	\$ 513
Herd replacement costs	\$ 364	\$ 326	\$ 305
Other costs:			
Milk hauling	\$ 144	\$ 135	\$ 138
State and association charges	64	66	61
Veterinary, breeding, testing, etc.	128	137	125
Supplies	123	134	123
Repairs and maintenance	177	153	135
Utilities	42	49	41
Occupancy costs	112	119	199
Depreciation - equipment	110	105	82
Interest	117	138	100
Miscellaneous	187	203	203
Total other costs	\$ 1,204	\$ 1,239	\$ 1,207
Total cost of operations	\$ 3,995	\$ 3,913	\$ 3,737
Income from dairy operations	\$ 143	\$ 340	\$ 90
Farming operations, net	\$ 90	\$ 128	\$ 100
Net income	\$ 233	\$ 468	\$ 190

ACTUAL PER CWT. OF MILK			YOUR 2020 RESULTS	
2020	2019	2018	PER HEAD	PER CWT. OF MILK
\$ 19.71 0.59	\$ 20.18 0.24	\$ 17.65 0.23	\$	\$
\$ 20.30	\$ 20.42	\$ 17.88	\$	\$
\$ 6.25 2.70	\$ 6.14 2.42	\$ 5.48 2.52	\$	\$
\$ 8.95	\$ 8.56	\$ 8.00	\$	\$
\$ 2.95	\$ 2.73	\$ 2.40	\$	\$
\$ 1.78	\$ 1.57	\$ 1.43	\$	\$
\$ 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	\$ 0.64 0.29 0.59 0.58 0.63 0.19 0.92 0.38 0.47 0.94	\$	\$
\$ 5.89	\$ 5.94	\$ 5.63	\$	\$
\$ 19.57	\$ 18.80	\$ 17.46	\$	\$
\$ 0.73	\$ 1.62	\$ 0.42	\$	\$
\$ 0.44	\$ 0.61	\$ 0.47	\$	\$
\$ 1.17	\$ 2.23	\$ 0.89	\$	\$

SUMMARY OF FINANCIAL STATISTICS

PACIFIC NORTHWEST

	December 31, 2020	December 31, 2019	December 31, 2018
1. Current Ratio	1.09 : 1	1.17 : 1	1.04 : 1
2. Herd Line Debt Per Cow	\$ 658	\$ 611	\$ 684
3. Total Debt Per Cow	\$ 2,600	\$ 2,463	\$ 2,187
4. Debt to Equity Ratio	1.12 : 1	1.04 : 1	1.02 : 1
5. Return on Total Assets	2.0%	4.7%	1.4%
6. Income per milking cow per month	\$ 13.77	\$ 32.10	\$ 8.49

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, 2020, 2019, AND 2018
PACIFIC NORTHWEST
(BASED ON AVERAGE AMOUNTS)

	2020	2019	2018
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	20,396	20,812	21,402
Daily pounds of milk, per milking cow	64.1	64.7	66.5
Daily pounds of milk, per milking cow (Energy corrected milk pounds)	74.00	74.04	75.40
Butterfat test	4.44 %	4.30 %	4.23 %
Blend price per hundredweight	\$ 19.71	\$ 20.18	\$ 17.65
Milk receipts, per milking cow	\$ 4,343	\$ 4,698	\$ 4,235
HERD INFORMATION:			
Herd size - total	4,187	4,064	2,363
Percent of dry cows	14.7 %	11.9 %	11.8 %
Herd turnover rate	41.4 %	37.6 %	29.6 %
Composition of herd:			
Purchased cows	6 %	6 %	7 %
Self-raised cows	94 %	94 %	93 %
Cost of purchased cows	\$ 1,600	\$ 1,302	\$ 1,511
Beef price received	\$ 583	\$ 621	\$ 646
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	31.7 %	30.4 %	31.0 %
Hay and other	13.7 %	12.0 %	14.3 %
Totals	45.4 %	42.4 %	45.3 %

INCOME AND COST OF OPERATIONS

PACIFIC NORTHWEST

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	December 31, 2020	December 31, 2019	December 31, 2018
Income:			
Milk Sales	\$ 19.71	\$ 20.18	\$ 17.65
Calves and other	0.59	0.24	0.23
Total income	\$ 20.30	\$ 20.42	\$ 17.88
Cost of operations:			
Feed	\$ 8.95	\$ 8.56	\$ 8.00
Labor	2.95	2.73	2.40
Herd replacement costs	1.78	1.57	1.43
Other costs	5.89	5.94	5.63
Total cost of operations	\$ 19.57	\$ 18.80	\$ 17.46
Income (loss) from dairy operations	\$ 0.73	\$ 1.62	\$ 0.42
Farming operations, net	\$ 0.44	\$ 0.61	\$ 0.47
Net income (loss)	\$ 1.17	\$ 2.23	\$ 0.89
Cost of operations as a percentage of income	96.40%	92.07%	97.65%
Feed costs as a percentage of milk sales	45.41%	42.42%	45.33%
Income (loss) per milking cow per month	\$ 13.77	\$ 32.10	\$ 8.49
Cumulative net income per cwt. from 2014 to 2020	\$ 12.84		

	December 31, 2017		December 31, 2016		December 31, 2015		December 31, 2014
	\$ 19.05	\$	17.21	\$	16.79	\$	23.19
	0.28		0.22		0.4		0.43
	\$ 19.33	\$	17.43	\$	17.19	\$	23.62
	\$ 8.69	\$	9.27	\$	9.58	\$	11.18
	2.29		2.07		1.85		1.83
	1.44		1.27		0.69		0.72
	5.52		4.96		5.23		5.36
	\$ 17.94	\$	17.57	\$	17.35	\$	19.09
	\$ 1.39	\$	(0.14)	\$	(0.16)	\$	4.53
	\$ 0.54	\$	1.11	\$	0.66	\$	0.62
	\$ 1.93	\$	0.97	\$	0.50	\$	5.15
	92.81%		100.80%		100.93%		80.80%
	45.62%		53.86%		57.06%		48.21%
	\$ 27.37	\$	(3.90)	\$	(3.06)	\$	110.56

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 2021, milk prices have struggled to keep pace mostly due to increased herd numbers put on in 2020 and large increases in milk production, that continues through the first half of 2021; making matters worse has been the spiking of the commodity markets. The onslaught of the COVID-19 pandemic has not only caused the devastating health crisis, but has also grounded most economies to a halt, which has adversely affected milk prices. There are some signs of relief, at least through the date of this report, and there is hope on the horizon for trade markets and demand to open up, which will bring a welcome boost to milk prices. Major issues looming for producers in the nation are domestic and global demand, and worldwide competition. Sources of quality labor is getting more competitive while there are increased demand on higher wages and benefits that are putting additional strains on producers. Milk and feed futures continue to react with volatility, and obtaining future credit has become increasingly difficult as lending regulations remain strenuous at best. Milk production continues to rise, and heifer inventories are rising dramatically with the impact of improved breeding, sexed semen, and continuous beefing of lower end producing cows, which started several years ago. All of these factors require that producers do as much as they can to conserve resources, improve efficiencies, and make the right decisions day-to-day for their operations, in order to insure a viable future. Frazer, LLP will be instrumental in providing the assistance needed to make these decisions.

