

Dairy Farm Operating Trends

December 31, 2022



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To Our Valued Clients and Other Friends in the Dairy Industry

The following pages contain the Frazer, LLP's Dairy Farm Operating Trends for the year ended December 31, 2022.

The data is compiled from dairy operations in Southern California, the San Joaquin Valley, Kern County, Arizona, Idaho, New Mexico, the Texas Panhandle, and the Pacific Northwest, which consists of Washington and Oregon operating collectively, with a combined milk production of over 7.1 billion pounds and approximately 320,000 head of mature cows for the year ended December 31, 2022.

This report includes a comparison of the results in the regions listed above for the year ended December 31, 2022 both on a "Per head" basis and on an "Actual per hundredweight of milk" basis. We also include a Fat Corrected Milk (FCM) calculation per hundredweight of milk for all California regions and an Energy Corrected Milk (ECM) calculation per hundredweight of milk for all Federal Order regions, please see pages 7 to 8. Also included are selected financial ratios and other statistical analysis for the year.

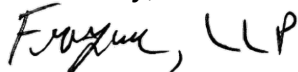
This publication is designed as a reference tool and a management aid for dairy farm managers and advisors. Frazer, LLP believes the information to be reliable, but is not responsible for errors in reported source information.

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

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

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

Sincerely,



FRAZER, LLP

Certified Public Accountants and Consultants

June 2023

DAIRY FARM OPERATING TRENDS

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2022 IN REVIEW**Comparative Net Income By Region:**

Net income per head increased for all of the regions during 2022; primarily due to historic milk prices throughout the year. Additionally, profits from farming operations contributed in 2022. Milk futures and prices which had a steady pace throughout 2022 allowed dairies to lock in feed costs, the milk price is coming back down in 2023 which will decrease profit margins because the cost of corn, wheat, alfalfa and soy, and most other feeds are still high.

Net income (loss) per head:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest
2022	\$ 767	\$ 1,027	\$ 620	\$ 994	\$ 1,065	\$ 755	\$ 436	\$ 742
2021	\$ 160	\$ 138	\$ 91	\$ (1)	\$ 179	\$ (47)	\$ (160)	\$ 135
Change	\$ 607	\$ 889	\$ 529	\$ 995	\$ 886	\$ 802	\$ 596	\$ 607

Comparative Feed Cost By Region:

Feed costs rose for a majority of the regions during 2022, and continues its ascent throughout 2023. Trade concerns, costs of feed production and dollar strength all remain issues. High end mineral and protein costs continue to rise adding to overall feed costs per head. Alfalfa and forage costs have continued their rise in prices due to the same factors that raise grain prices.

Feed cost per head:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest
2022	\$ 3,973	\$ 3,484	\$ 3,440	\$ 3,129	\$ 2,878	\$ 2,681	\$ 3,124	\$ 2,744
2021	\$ 2,766	\$ 2,634	\$ 2,770	\$ 2,730	\$ 2,252	\$ 2,027	\$ 2,592	\$ 2,001
Change	\$ 1,207	\$ 850	\$ 670	\$ 399	\$ 626	\$ 654	\$ 532	\$ 743

Comparative Production By Region:

The nation's milk production grew by a small margin of 0.1% in 2022. California and Arizona milk regions had large decreases in our study, whereas the remaining regions had fairly neutral or higher 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 decreasing because of rising inflation costs to produce.

Lbs. per milk cow per day:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest
2022	78.8	80.2	69.5	63.6	68.6	66.2	66.2	66.9
2021	78.1	83.8	74.5	72.9	68.5	67.4	67.2	59.0
Change	0.7	(3.6)	(5.0)	(9.3)	0.1	(1.2)	(1.0)	7.9

Herd Turnover Rate By Region:

Herd turnover rates increased for the Pacific Northwest, while decreasing in all other regions. 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
2022	29.6%	44.6%	41.7%	35.3%	47.1%	35.3%	32.5%	38.7%
2021	30.8%	45.6%	42.2%	40.7%	50.1%	35.8%	48.1%	37.0%
Change	-1.2%	-1.0%	-0.5%	-5.4%	-3.0%	-0.5%	-15.6%	1.7%

Average Cost of Replacement Per Head By Region:

Costs of replacements increased for a majority of the regions during 2022. More dairy operations still liquidated, bringing in larger numbers of cows to the market. Additionally, increased breeding efficiencies have reduced the need to purchase replacements, but also contributed to the lower costs of replacements.

Average cost of replacement per head by region:	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest
2022	\$ 2,237	\$ 1,659	\$ 1,829	\$ 1,723	\$ 1,171	N/A	N/A	\$ 1,794
2021	\$ 1,565	\$ 1,423	\$ 1,523	\$ 1,455	\$ 1,496	N/A	N/A	\$ 2,232
Change	\$ 672	\$ 236	\$ 306	\$ 268	\$ (325)	N/A	N/A	\$ (438)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEAR ENDED DECEMBER 31, 2022
(BASED ON AVERAGE AMOUNTS PER HEAD)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	\$ 6,651	\$ 6,232	\$ 5,583
Calves and other	573	133	87
Total income	\$ 7,224	\$ 6,365	\$ 5,670
Cost of operations:			
Feed:			
Grain	\$ 2,516	\$ 2,535	\$ 2,262
Hay and other	1,457	949	1,178
Total feed	\$ 3,973	\$ 3,484	\$ 3,440
Labor, (including fringe costs)	\$ 673	\$ 535	\$ 398
Herd replacement costs	\$ 294	\$ 326	\$ 296
Other costs:			
Milk hauling	\$ 158	\$ 131	\$ 140
State and association charges	14	47	42
Veterinary, breeding, testing, etc.	280	134	84
Supplies	27	107	138
Repairs and maintenance	298	163	172
Utilities	82	114	130
Occupancy costs	70	162	92
Depreciation - equipment	81	87	66
Interest	186	107	102
Miscellaneous	321	241	203
Total other costs	\$ 1,517	\$ 1,293	\$ 1,169
Total cost of operations	\$ 6,457	\$ 5,638	\$ 5,303
Income from dairy operations	\$ 767	\$ 727	\$ 367
Farming operations, net	\$ -	\$ 300	\$ 253
Net income	\$ 767	\$ 1,027	\$ 620

Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your December 31, 2022 Amounts	
\$ 5,661	\$ 5,813	\$ 5,719	\$ 5,268	\$ 5,527	\$	
686	98	82	332	100		
\$ 6,347	\$ 5,911	\$ 5,801	\$ 5,600	\$ 5,627	\$	
\$ 2,302	\$ 2,030	\$ 2,373	\$ 2,364	\$ 1,901	\$	
827	848	308	760	843		
\$ 3,129	\$ 2,878	\$ 2,681	\$ 3,124	\$ 2,744	\$	
\$ 539	\$ 401	\$ 540	\$ 465	\$ 508	\$	
\$ 286	\$ 378	\$ 130	\$ 248	\$ 280	\$	
\$ 114	\$ 89	\$ 186	\$ 250	\$ 186	\$	
87	39	77	49	53		
80	107	70	148	139		
191	135	246	164	158		
166	149	281	169	233		
122	49	158	49	64		
106	130	85	75	113		
61	110	106	97	86		
239	159	64	68	112		
305	318	272	305	345		
\$ 1,471	\$ 1,285	\$ 1,545	\$ 1,374	\$ 1,489	\$	
\$ 5,425	\$ 4,942	\$ 4,896	\$ 5,211	\$ 5,021	\$	
\$ 922	\$ 969	\$ 905	\$ 389	\$ 606	\$	
\$ 72	\$ 96	\$ (150)	\$ 47	\$ 136	\$	
\$ 994	\$ 1,065	\$ 755	\$ 436	\$ 742	\$	

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2022
(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	\$ 26.69	\$ 24.53	\$ 26.04
Calves and other	2.29	0.51	0.40
Total income	\$ 28.98	\$ 25.04	\$ 26.44
Cost of operations:			
Feed:			
Grain	\$ 10.10	\$ 9.98	\$ 10.55
Hay and other	5.84	3.74	5.50
Total feed	\$ 15.94	\$ 13.72	\$ 16.05
Labor, (including fringe costs)	\$ 2.70	\$ 2.11	\$ 1.85
Herd replacement costs	\$ 1.18	\$ 1.28	\$ 1.38
Other costs:			
Milk hauling	\$ 0.63	\$ 0.51	\$ 0.65
State and association charges	0.06	0.19	0.19
Veterinary, breeding, testing, etc.	1.13	0.53	0.39
Supplies	0.11	0.42	0.64
Repairs and maintenance	1.20	0.64	0.80
Utilities	0.33	0.45	0.61
Occupancy costs	0.28	0.63	0.43
Depreciation - equipment	0.32	0.34	0.31
Interest	0.75	0.42	0.48
Miscellaneous	1.29	0.95	0.94
Total other costs	\$ 6.10	\$ 5.08	\$ 5.44
Total cost of operations	\$ 25.92	\$ 22.19	\$ 24.72
Income from dairy operations	\$ 3.06	\$ 2.85	\$ 1.72
Farming operations, net	\$ -	\$ 1.18	\$ 1.18
Net income	\$ 3.06	\$ 4.03	\$ 2.90

Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your December 31, 2022 Amounts
\$ 25.94	\$ 26.57	\$ 23.88	\$ 25.45	\$ 26.82	\$
3.14	0.45	0.34	1.61	0.47	
\$ 29.08	\$ 27.02	\$ 24.22	\$ 27.06	\$ 27.29	\$
\$ 10.54	\$ 9.28	\$ 9.91	\$ 11.42	\$ 9.23	\$
3.78	3.88	1.28	3.67	4.09	
\$ 14.32	\$ 13.16	\$ 11.19	\$ 15.09	\$ 13.32	\$
\$ 2.46	\$ 1.83	\$ 2.26	\$ 2.24	\$ 2.46	\$
\$ 1.31	\$ 1.73	\$ 0.54	\$ 1.20	\$ 1.36	\$
\$ 0.52	\$ 0.41	\$ 0.78	\$ 1.21	\$ 0.90	\$
0.40	0.18	0.32	0.24	0.26	
0.37	0.49	0.29	0.71	0.67	
0.87	0.62	1.03	0.79	0.77	
0.76	0.68	1.17	0.82	1.13	
0.56	0.22	0.66	0.24	0.31	
0.48	0.58	0.36	0.36	0.55	
0.28	0.50	0.44	0.47	0.42	
1.09	0.73	0.27	0.33	0.54	
1.40	1.45	1.15	1.48	1.67	
\$ 6.73	\$ 5.86	\$ 6.47	\$ 6.65	\$ 7.22	\$
\$ 24.82	\$ 22.58	\$ 20.46	\$ 25.18	\$ 24.36	\$
\$ 4.26	\$ 4.44	\$ 3.76	\$ 1.88	\$ 2.93	\$
\$ 0.33	\$ 0.44	\$ (0.63)	\$ (0.23)	\$ 0.66	\$
\$ 4.59	\$ 4.88	\$ 3.13	\$ 1.65	\$ 3.59	\$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2022
(BASED ON FAT CORRECTED MILK
PER HUNDREDWEIGHT OF MILK BASIS)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	\$ 24.53	\$ 22.70	\$ 24.96
Calves and other	2.11	0.48	0.39
Total income	\$ 26.64	\$ 23.18	\$ 25.35
Cost of operations:			
Feed:			
Grain	\$ 9.28	\$ 9.24	\$ 10.11
Hay and other	5.37	3.46	5.27
Total feed	\$ 14.65	\$ 12.70	\$ 15.38
Labor, (including fringe costs)	\$ 2.48	\$ 1.95	\$ 1.78
Herd replacement costs	\$ 1.08	\$ 1.19	\$ 1.32
Other costs:			
Milk hauling	\$ 0.58	\$ 0.48	\$ 0.63
State and association charges	0.05	0.17	0.19
Veterinary, breeding, testing, etc.	1.03	0.49	0.38
Supplies	0.10	0.39	0.62
Repairs and maintenance	1.10	0.59	0.77
Utilities	0.30	0.42	0.58
Occupancy costs	0.26	0.59	0.41
Depreciation - equipment	0.30	0.32	0.29
Interest	0.69	0.39	0.46
Miscellaneous	1.18	0.88	0.91
Total other costs	\$ 5.59	\$ 4.72	\$ 5.24
Total cost of operations	\$ 23.80	\$ 20.56	\$ 23.72
Income from dairy operations	\$ 2.84	\$ 2.62	\$ 1.63
Farming operations, net	\$ -	\$ 1.18	\$ 1.18
Net income	\$ 2.84	\$ 3.80	\$ 2.81

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2022
(BASED ON ENERGY CORRECTED MILK
PER HUNDREDWEIGHT OF MILK BASIS)

Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your December 31, 2022 Amounts
\$ 24.02	\$ 22.76	\$ 22.96	\$ 22.84	\$ 23.90	\$
2.91	0.38	0.33	1.44	0.43	
\$ 26.93	\$ 23.14	\$ 23.29	\$ 24.28	\$ 24.33	\$
\$ 9.76	\$ 7.95	\$ 9.53	\$ 10.25	\$ 8.22	\$
3.51	3.32	1.24	3.29	3.65	
\$ 13.27	\$ 11.27	\$ 10.77	\$ 13.54	\$ 11.87	\$
\$ 2.28	\$ 1.57	\$ 2.17	\$ 2.02	\$ 2.19	\$
\$ 1.21	\$ 1.48	\$ 0.52	\$ 1.08	\$ 1.21	\$
\$ 0.48	\$ 0.35	\$ 0.75	\$ 1.08	\$ 0.80	\$
0.37	0.15	0.31	0.21	0.23	
0.34	0.42	0.28	0.64	0.60	
0.81	0.53	0.99	0.71	0.68	
0.70	0.58	1.13	0.73	1.01	
0.52	0.19	0.63	0.21	0.28	
0.45	0.51	0.34	0.32	0.49	
0.26	0.43	0.42	0.42	0.37	
1.01	0.62	0.26	0.30	0.48	
1.30	1.25	1.10	1.32	1.49	
\$ 6.24	\$ 5.03	\$ 6.21	\$ 5.94	\$ 6.43	\$
\$ 23.00	\$ 19.35	\$ 19.67	\$ 22.58	\$ 21.70	\$
\$ 3.93	\$ 3.79	\$ 3.62	\$ 1.70	\$ 2.63	\$
\$ 0.33	\$ 0.44	\$ (0.63)	\$ (0.23)	\$ 0.66	\$
\$ 4.26	\$ 4.23	\$ 2.99	\$ 1.47	\$ 3.29	\$

SUMMARY OF FINANCIAL STATISTICS

COMPARISON BY AREA FOR THE YEAR ENDED DECEMBER 31, 2022

	Southern California	San Joaquin Valley	Kern County
1 Current Ratio	2.27 : 1	1.64 : 1	1.16 : 1
2 Herd Line Debt Per Cow	\$ 1,707	\$ 662	\$ 1,082
3 Total Debt Per Cow	\$ 7,091	\$ 3,357	\$ 3,539
4 Debt to Equity Ratio	1.32 : 1	1.07 : 1	0.85 : 1
5 Return on Total Assets	6.1%	10.7%	5.6%
6 Income per milking cow per month	\$ 73.69	\$ 98.62	\$ 61.12

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	New Mexico	Panhandle	Pacific Northwest	Your December 31, 2022 Results
0.57 : 1	1.28 : 1	3.33 : 1	1.02 : 1	1.04 : 1	
\$ 1,320	\$ 498	\$ 605	\$ 575	\$ 791	\$
\$ 4,686	\$ 3,701	\$ 1,423	\$ 2,740	\$ 3,045	\$
2.70 : 1	1.34 : 1	0.28 : 1	0.86 : 1	1.34 : 1	
10.3%	11.2%	11.8%	5.4%	9.7%	
\$ 88.10	\$ 101.58	\$ 63.46	\$ 42.46	\$ 73.17	\$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2022, 2021, AND 2020
SOUTHERN CALIFORNIA
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2022	2021	2020
Income:			
Milk sales	\$ 6,651	\$ 4,604	\$ 4,315
Calves and other	573	176	396
Total income	\$ 7,224	\$ 4,780	\$ 4,711
Cost of operations:			
Feed:			
Grain	\$ 2,516	\$ 1,749	\$ 1,536
Hay and other	1,457	1,017	893
Total feed	\$ 3,973	\$ 2,766	\$ 2,429
Labor, (including fringe costs)	\$ 673	\$ 541	\$ 531
Herd replacement costs	\$ 294	\$ 293	\$ 352
Other costs:			
Milk hauling	\$ 158	\$ 106	\$ 94
State and association charges	14	20	36
Veterinary, breeding, testing, etc.	280	213	201
Supplies	27	42	65
Repairs and maintenance	298	121	146
Utilities	82	55	65
Occupancy costs	70	125	106
Depreciation - equipment	81	60	47
Interest	186	93	103
Miscellaneous	321	185	164
Total other costs	\$ 1,517	\$ 1,020	\$ 1,027
Total cost of operations	\$ 6,457	\$ 4,620	\$ 4,339
Income from dairy operations	\$ 767	\$ 160	\$ 372
Farming operations, net	\$ -	\$ -	\$ -
Net income	\$ 767	\$ 160	\$ 372

ACTUAL PER CWT. OF MILK			YOUR 2022 RESULTS	
2022	2021	2020	PER HEAD	PER CWT. OF MILK
\$ 26.69	\$ 19.71	\$ 18.49	\$	\$
2.29	0.75	1.70		
\$ 28.98	\$ 20.46	\$ 20.19	\$	\$
\$ 10.10	\$ 7.49	\$ 6.58	\$	\$
5.84	4.35	3.83		
\$ 15.94	\$ 11.84	\$ 10.41	\$	\$
\$ 2.70	\$ 2.31	\$ 2.28	\$	\$
\$ 1.18	\$ 1.26	\$ 1.51	\$	\$
\$ 0.63	\$ 0.45	\$ 0.40	\$	\$
0.06	0.09	0.15		
1.13	0.91	0.85		
0.11	0.18	0.28		
1.20	0.52	0.62		
0.33	0.24	0.28		
0.28	0.53	0.46		
0.32	0.26	0.20		
0.75	0.40	0.44		
1.29	0.78	0.71		
\$ 6.10	\$ 4.36	\$ 4.39	\$	\$
\$ 25.92	\$ 19.77	\$ 18.59	\$	\$
\$ 3.06	\$ 0.69	\$ 1.60	\$	\$
\$ -	\$ -	\$ -	\$	\$
\$ 3.06	\$ 0.69	\$ 1.60	\$	\$

SUMMARY OF FINANCIAL STATISTICS

SOUTHERN CALIFORNIA

	December 31, 2022	December 31, 2021	December 31, 2020
1. Current Ratio	2.27 : 1	0.88 : 1	0.74 : 1
2. Herd Line Debt Per Cow	\$ 1,707	\$ 1,192	\$ 772
3. Total Debt Per Cow	\$ 7,091	\$ 3,959	\$ 3,849
4. Debt to Equity Ratio	1.32 : 1	1.19 : 1	1.28 : 1
5. Return on Total Assets	6.1%	2.0%	4.8%
6. Income per milking cow per month	\$ 73.69	\$ 16.23	\$ 38.36

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 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, 2022, 2021, AND 2020
SOUTHERN CALIFORNIA
(BASED ON AVERAGE AMOUNTS)

	2022	2021	2020
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	24,921	23,352	23,335
Daily pounds of milk, per milking cow	78.8	78.1	78.7
Daily pounds of milk, per milking cow (Fat corrected milk pounds)	85.75	84.43	83.78
Butterfat test	4.03 %	3.95 %	3.83 %
Blend price per hundredweight	\$ 26.45	\$ 19.71	\$ 18.49
Milk receipts, per milking cow	\$ 7,607	\$ 5,391	\$ 4,874
HERD INFORMATION:			
Herd size - total	5,462	3,777	3,177
Percent of dry cows	15.4 %	22.1 %	23.5 %
Herd turnover rate	29.6 %	30.8 %	33.4 %
Composition of herd:			
Purchased cows	100 %	77 %	69 %
Self-raised cows	0 %	23 %	31 %
Cost of purchased cows	\$ 2,237	\$ 1,565	\$ 1,623
Beef price received	\$ 949	\$ 748	\$ 730
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	37.8 %	38.0 %	40.3 %
Hay and other	21.9 %	22.1 %	11.9 %
Totals	59.7 %	60.1 %	52.2 %

INCOME AND COST OF OPERATIONS

SOUTHERN CALIFORNIA

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	December 31, 2022	December 31, 2021	December 31, 2020
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Income:			
Milk sales	\$ 26.69	\$ 19.71	\$ 18.49
Calves and other	2.29	0.75	1.70
Total income	\$ 28.98	\$ 20.46	\$ 20.19
Cost of operations:			
Feed	\$ 15.94	\$ 11.84	\$ 10.41
Labor	2.70	2.31	2.28
Herd replacement costs	1.18	1.26	1.51
Other costs	6.10	4.36	4.39
Total cost of operations	\$ 25.92	\$ 19.77	\$ 18.59
Income (loss) from dairy operations	\$ 3.06	\$ 0.69	\$ 1.60
Farming operations, net	\$ -	\$ -	\$ -
Net income (loss)	\$ 3.06	\$ 0.69	\$ 1.60
Cost of operations as a percentage of income	89.44%	96.63%	92.08%
Feed costs as a percentage of milk sales	59.72%	60.07%	56.30%
Income (loss) per milking cow per month	\$ 73.69	\$ 16.23	\$ 38.36
Cumulative net income per cwt. from 2016 to 2022	\$ 5.92		

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

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2022, 2021, AND 2020
SAN JOAQUIN VALLEY
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2022	2021	2020
Income:			
Milk sales	\$ 6,232	\$ 4,456	\$ 4,506
Calves and other	133	152	194
Total income	\$ 6,365	\$ 4,608	\$ 4,700
Cost of operations:			
Feed:			
Grain	\$ 2,535	\$ 1,968	\$ 1,862
Hay and other	949	666	619
Total feed	\$ 3,484	\$ 2,634	\$ 2,481
Labor, (including fringe costs)	\$ 535	\$ 443	\$ 466
Herd replacement costs	\$ 326	\$ 387	\$ 370
Other costs:			
Milk hauling	\$ 131	\$ 100	\$ 98
State and association charges	47	44	46
Veterinary, breeding, testing, etc.	134	128	140
Supplies	107	119	130
Repairs and maintenance	163	144	149
Utilities	114	86	89
Occupancy costs	162	135	147
Depreciation - equipment	87	83	86
Interest	107	94	101
Miscellaneous	241	226	209
Total other costs	\$ 1,293	\$ 1,159	\$ 1,195
Total cost of operations	\$ 5,638	\$ 4,623	\$ 4,512
Income (loss) from dairy operations	\$ 727	\$ (15)	\$ 188
Farming operations, net	\$ 300	\$ 153	\$ 164
Net income	\$ 1,027	\$ 138	\$ 352

ACTUAL PER CWT. OF MILK			YOUR 2022 RESULTS	
2022	2021	2020	PER HEAD	PER CWT. OF MILK
\$ 24.53 0.51	\$ 18.49 0.61	\$ 17.41 0.78	\$	\$
\$ 25.04	\$ 19.10	\$ 18.19	\$	\$
\$ 9.98 3.74	\$ 8.16 2.76	\$ 7.40 2.46	\$	\$
\$ 13.72	\$ 10.92	\$ 9.86	\$	\$
\$ 2.11	\$ 1.83	\$ 1.86	\$	\$
\$ 1.28	\$ 1.60	\$ 1.47	\$	\$
\$ 0.51 0.19 0.53 0.42 0.64 0.45 0.63 0.34 0.42 0.95	\$ 0.42 0.19 0.53 0.49 0.60 0.36 0.56 0.34 0.39 0.93	\$ 0.39 0.18 0.55 0.52 0.59 0.35 0.58 0.34 0.40 0.82	\$	\$
\$ 5.08	\$ 4.81	\$ 4.72	\$	\$
\$ 22.19	\$ 19.16	\$ 17.91	\$	\$
\$ 2.85	\$ (0.06)	\$ 0.28	\$	\$
\$ 1.18	\$ 0.63	\$ 0.65	\$	\$
\$ 4.03	\$ 0.57	\$ 0.93	\$	\$

SUMMARY OF FINANCIAL STATISTICS

SAN JOAQUIN VALLEY

	December 31, 2022	December 31, 2021	December 31, 2020
1. Current Ratio	1.64 : 1	1.23 : 1	0.99 : 1
2. Herd Line Debt Per Cow	\$ 662	\$ 818	\$ 721
3. Total Debt Per Cow	\$ 3,357	\$ 3,216	\$ 3,209
4. Debt to Equity Ratio	1.07 : 1	1.23 : 1	1.29 : 1
5. Return on Total Assets	10.7%	1.6%	2.2%
6. Income per milking cow per month	\$ 98.62	\$ 14.69	\$ 17.92

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, 2022, 2021, AND 2020
SAN JOAQUIN VALLEY
(BASED ON AVERAGE AMOUNTS)

	2022	2021	2020
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	25,410	24,105	25,164
Daily pounds of milk, per milking cow	80.2	83.8	79.3
Daily pounds of milk, per milking cow (Fat corrected milk pounds)	86.61	90.76	84.20
Butterfat test	3.93 %	3.96 %	3.88 %
Solids-non-fat test	6.55 %	5.76 %	8.99 %
Blend price per hundredweight	\$ 24.14	\$ 18.49	\$ 17.41
Milk receipts, per milking cow	\$ 7,064	\$ 5,463	\$ 4,703
HERD INFORMATION:			
Herd size - total	4,029	3,936	3,840
Percent of dry cows	15.2 %	26.9 %	15.0 %
Herd turnover rate	44.6 %	45.6 %	56.4 %
Composition of herd:			
Purchased cows	3 %	3 %	4 %
Self-raised cows	97 %	97 %	96 %
Cost of purchased cows	\$ 1,659	\$ 1,423	\$ 1,379
Beef price received	\$ 925	\$ 690	\$ 725
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	40.7 %	44.1 %	41.3 %
Hay and other	15.2 %	14.9 %	13.7 %
Totals	55.9 %	59.0 %	55.0 %

INCOME AND COST OF OPERATIONS

SAN JOAQUIN VALLEY

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	December 31, 2022	December 31, 2021	December 31, 2020
--	----------------------	----------------------	----------------------

Income:			
Milk sales	\$ 24.53	\$ 18.49	\$ 17.41
Calves and other	0.51	0.61	0.78
Total income	\$ 25.04	\$ 19.10	\$ 18.19
Cost of operations:			
Feed	\$ 13.72	\$ 10.92	\$ 9.86
Labor	2.11	1.83	1.86
Herd replacement costs	1.28	1.60	1.47
Other costs	5.08	4.81	4.72
Total cost of operations	\$ 22.19	\$ 19.16	\$ 17.91
Income (loss) from dairy operations	\$ 2.85	\$ (0.06)	\$ 0.28
Farming operations, net	\$ 1.18	\$ 0.63	\$ 0.65
Net income (loss)	\$ 4.03	\$ 0.57	\$ 0.93
Cost of operations as a percentage of income	88.62%	100.31%	98.46%
Feed costs as a percentage of milk sales	55.93%	59.06%	56.63%
Income (loss) per milking cow per month	\$ 98.62	\$ 14.69	\$ 17.92
Cumulative net income per cwt. from 2016 to 2022	\$ 5.82		

December 31, 2019		December 31, 2018		December 31, 2017		December 31, 2016	
\$	18.19	\$	15.52	\$	16.88	\$	14.86
	0.46		0.40		0.45		0.3
\$	18.65	\$	15.92	\$	17.33	\$	15.16
\$	9.54	\$	8.97	\$	8.88	\$	8.68
	1.90		1.66		1.82		1.72
	1.59		1.49		1.63		1.49
	5.09		4.65		4.75		4.45
\$	18.12	\$	16.77	\$	17.08	\$	16.34
\$	0.53	\$	(0.85)	\$	0.25	\$	(1.18)
\$	0.41	\$	0.55	\$	0.32	\$	0.26
\$	0.94	\$	(0.30)	\$	0.57	\$	(0.92)
	97.16%		105.34%		98.56%		107.78%
	52.45%		57.80%		52.61%		58.41%
\$	11.31	\$	(19.36)	\$	5.59	\$	(23.12)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2022, 2021, AND 2020
KERN COUNTY
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2022	2021	2020
Income:			
Milk sales	\$ 5,583	\$ 4,386	\$ 4,152
Calves and other	87	148	56
Total income	\$ 5,670	\$ 4,534	\$ 4,208
Cost of operations:			
Feed:			
Grain	\$ 2,262	\$ 2,057	\$ 1,545
Hay and other	1,178	713	765
Total feed	\$ 3,440	\$ 2,770	\$ 2,310
Labor, (including fringe costs)	\$ 398	\$ 422	\$ 362
Herd replacement costs	\$ 296	\$ 324	\$ 314
Other costs:			
Milk hauling	\$ 140	\$ 132	\$ 128
State and association charges	42	44	42
Veterinary, breeding, testing, etc.	84	86	86
Supplies	138	128	110
Repairs and maintenance	172	165	148
Utilities	130	74	102
Occupancy costs	92	64	91
Depreciation - equipment	66	60	59
Interest	102	82	78
Miscellaneous	203	190	184
Total other costs	\$ 1,169	\$ 1,025	\$ 1,028
Total cost of operations	\$ 5,303	\$ 4,541	\$ 4,014
Income (loss) from dairy operations	\$ 367	\$ (7)	\$ 194
Farming operations, net	\$ 253	\$ 98	\$ 103
Net income	\$ 620	\$ 91	\$ 297

ACTUAL PER CWT. OF MILK			YOUR 2022 RESULTS	
2022	2021	2020	PER HEAD	PER CWT. OF MILK
\$ 26.04 0.40	\$ 18.85 0.63	\$ 18.58 0.25	\$	\$
\$ 26.44	\$ 19.48	\$ 18.83	\$	\$
\$ 10.55 5.50	\$ 8.85 3.08	\$ 6.91 3.41	\$	\$
\$ 16.05	\$ 11.93	\$ 10.32	\$	\$
\$ 1.85	\$ 1.82	\$ 1.62	\$	\$
\$ 1.38	\$ 1.40	\$ 1.41	\$	\$
\$ 0.65 0.19 0.39 0.64 0.80 0.61 0.43 0.31 0.48 0.94	\$ 0.57 0.19 0.37 0.55 0.71 0.32 0.27 0.26 0.35 0.82	\$ 0.57 0.19 0.38 0.49 0.66 0.46 0.41 0.26 0.36 0.84	\$	\$
\$ 5.44	\$ 4.41	\$ 4.62	\$	\$
\$ 24.72	\$ 19.56	\$ 17.97	\$	\$
\$ 1.72	\$ (0.08)	\$ 0.86	\$	\$
\$ 1.18	\$ 0.42	\$ 0.46	\$	\$
\$ 2.90	\$ 0.34	\$ 1.32	\$	\$

SUMMARY OF FINANCIAL STATISTICS

KERN COUNTY

	December 31, 2022	December 31, 2021	December 31, 2020
1. Current Ratio	1.16 : 1	0.84 : 1	1.08 : 1
2. Herd Line Debt Per Cow	\$ 1,082	\$ 1,005	\$ 831
3. Total Debt Per Cow	\$ 3,539	\$ 3,279	\$ 2,963
4. Debt to Equity Ratio	0.85 : 1	1.12 : 1	0.83 : 1
5. Return on Total Assets	5.6%	1.0%	2.0%
6. Income per milking cow per month	\$ 61.12	\$ 8.79	\$ 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 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, 2022, 2021, AND 2020
KERN COUNTY
(BASED ON AVERAGE AMOUNTS)

	2022	2021	2020
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	21,439	23,248	22,353
Daily pounds of milk, per milking cow	69.5	74.5	72.4
Daily pounds of milk, per milking cow (Fat corrected milk pounds)	72.53	79.14	75.63
Butterfat test	3.77 %	3.89 %	3.78 %
Blend price per hundredweight	\$ 25.48	\$ 18.85	\$ 18.58
Milk receipts, per milking cow	\$ 6,464	\$ 4,161	\$ 4,300
HERD INFORMATION:			
Herd size - total	3,688	3,688	3,795
Percent of dry cows	18.4 %	14.5 %	18.2 %
Herd turnover rate	41.7 %	42.2 %	41.9 %
Composition of herd:			
Purchased cows	1 %	1 %	1 %
Self-raised cows	99 %	99 %	99 %
Cost of purchased cows	\$ 1,829	\$ 1,523	\$ 1,490
Beef price received	\$ 761	\$ 649	\$ 672
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	40.5 %	46.9 %	37.2 %
Hay and other	21.1 %	16.3 %	18.4 %
Totals	61.6 %	63.2 %	55.6 %

INCOME AND COST OF OPERATIONS

	KERN COUNTY		
	(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2022	December 31, 2021	December 31, 2020
Income:			
Milk sales	\$ 26.04	\$ 18.85	\$ 18.58
Calves and other	0.40	0.63	0.25
Total income	\$ 26.44	\$ 19.48	\$ 18.83
Cost of operations:			
Feed	\$ 16.05	\$ 11.93	\$ 10.32
Labor	1.85	1.82	1.62
Herd replacement costs	1.38	1.40	1.41
Other costs	5.44	4.41	4.62
Total cost of operations	\$ 24.72	\$ 19.56	\$ 17.97
Income (loss) from dairy operations	\$ 1.72	\$ (0.08)	\$ 0.86
Farming operations, net	\$ 1.18	\$ 0.42	\$ 0.46
Net income (loss)	\$ 2.90	\$ 0.34	\$ 1.32
Cost of operations as a percentage of income	93.49%	100.41%	95.43%
Feed costs as a percentage of milk sales	61.64%	63.29%	55.54%
Income (loss) per milking cow per month	\$ 61.12	\$ 8.79	\$ 19.07
Cumulative net income per cwt. from 2016 to 2022	\$ 7.46		

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

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2022, 2021, AND 2020
ARIZONA
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2022	2021	2020
Income:			
Milk sales	\$ 5,661	\$ 4,421	\$ 4,125
Calves and other	686	439	230
Total income	\$ 6,347	\$ 4,860	\$ 4,355
Cost of operations:			
Feed:			
Grain	\$ 2,302	\$ 2,078	\$ 1,664
Hay and other	827	652	491
Total feed	\$ 3,129	\$ 2,730	\$ 2,155
Labor, (including fringe costs)	\$ 539	\$ 548	\$ 552
Herd replacement costs	\$ 286	\$ 307	\$ 371
Other costs:			
Milk hauling	\$ 114	\$ 109	\$ 118
State and association charges	87	78	84
Veterinary, breeding, testing, etc.	80	95	70
Supplies	191	191	195
Repairs and maintenance	166	138	135
Utilities	122	103	87
Occupancy costs	106	100	139
Depreciation - equipment	61	58	59
Interest	239	148	182
Miscellaneous	305	251	232
Total other costs	\$ 1,471	\$ 1,271	\$ 1,301
Total cost of operations	\$ 5,425	\$ 4,856	\$ 4,379
Income (loss) from dairy operations	\$ 922	\$ 4	\$ (24)
Farming operations, net	\$ 72	\$ (5)	\$ 6
Net loss	\$ 994	\$ (1)	\$ (18)

ACTUAL PER CWT. OF MILK			YOUR 2022 RESULTS	
2022	2021	2020	PER HEAD	PER CWT. OF MILK
\$ 25.94	\$ 18.82	\$ 18.58	\$	\$
3.14	1.86	1.05		
\$ 29.08	\$ 20.68	\$ 19.63	\$	\$
\$ 10.54	\$ 8.84	\$ 7.49	\$	\$
3.78	2.78	2.22		
\$ 14.32	\$ 11.62	\$ 9.71	\$	\$
\$ 2.46	\$ 2.34	\$ 2.48	\$	\$
\$ 1.31	\$ 1.31	\$ 1.67	\$	\$
\$ 0.52	\$ 0.46	\$ 0.53	\$	\$
0.40	0.33	0.38		
0.37	0.41	0.32		
0.87	0.81	0.88		
0.76	0.59	0.61		
0.56	0.44	0.39		
0.48	0.42	0.63		
0.28	0.25	0.26		
1.09	0.63	0.82		
1.40	1.08	1.92		
\$ 6.73	\$ 5.42	\$ 6.74	\$	\$
\$ 24.82	\$ 20.69	\$ 20.60	\$	\$
\$ 4.26	\$ (0.01)	\$ (0.97)	\$	\$
\$ 0.33	\$ (0.02)	\$ 0.03	\$	\$
\$ 4.59	\$ (0.03)	\$ (0.94)	\$	\$

SUMMARY OF FINANCIAL STATISTICS

ARIZONA

	December 31, 2022	December 31, 2021	December 31, 2020
1. Current Ratio	0.57 : 1	0.52 : 1	0.58 : 1
2. Herd Line Debt Per Cow	\$ 1,320	\$ 1,334	\$ 1,383
3. Total Debt Per Cow	\$ 4,686	\$ 4,808	\$ 4,632
4. Debt to Equity Ratio	2.70 : 1	3.92 : 1	9.46 : 1
5. Return on Total Assets	10.3%	-0.03%	-0.3%
6. Income (loss) per milking cow per month	\$ 88.10	\$ (0.24)	\$ (2.40)

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, 2022, 2021, AND 2020
ARIZONA
(BASED ON AVERAGE AMOUNTS)

	2022	2021	2020
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	21,830	23,499	22,194
Daily pounds of milk, per milking cow	63.6	72.9	69.2
Daily pounds of milk, per milking cow (Energy corrected milk pounds)	68.65	77.97	75.55
Butterfat test	3.86 %	3.78 %	3.81 %
Blend price per hundredweight	\$ 24.69	\$ 18.82	\$ 17.55
Milk receipts, per milking cow	\$ 5,729	\$ 4,126	\$ 4,182
HERD INFORMATION:			
Herd size - total	9,451	8,289	6,693
Percent of dry cows	5.9 %	11.6 %	13.7 %
Herd turnover rate	35.3 %	40.7 %	41.6 %
Composition of herd:			
Purchased cows	46 %	35 %	42 %
Self-raised cows	54 %	65 %	58 %
Cost of purchased cows	\$ 1,723	\$ 1,455	\$ 1,297
Beef price received	\$ 825	\$ 776	\$ 677
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	40.6 %	47.0 %	40.3 %
Hay and other	14.6 %	14.8 %	11.9 %
Totals	55.2 %	61.8 %	52.2 %

INCOME AND COST OF OPERATIONS

	ARIZONA		
	(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2022	December 31, 2021	December 31, 2020
Income:			
Milk sales	\$ 25.94	\$ 18.82	\$ 18.58
Calves and other	3.14	1.86	1.05
Total income	\$ 29.08	\$ 20.68	\$ 19.63
Cost of operations:			
Feed	\$ 14.32	\$ 11.62	\$ 9.71
Labor	2.46	2.34	2.48
Herd replacement costs	1.31	1.31	1.67
Other costs	6.73	5.42	6.74
Total cost of operations	\$ 24.82	\$ 20.69	\$ 20.60
Income (loss) from dairy operations	\$ 4.26	\$ (0.01)	\$ (0.97)
Farming operations, net	\$ 0.33	\$ (0.02)	\$ 0.03
Net income (loss)	\$ 4.59	\$ (0.03)	\$ (0.94)
Cost of operations as a percentage of income	85.35%	100.05%	104.94%
Feed costs as a percentage of milk sales	55.20%	61.74%	52.26%
Income (loss) per milking cow per month	\$ 88.10	\$ (0.24)	\$ (2.40)
Cumulative net income per cwt. from 2016 to 2022	\$ (1.63)		

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

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2022, 2021, AND 2020
IDAHO
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2022	2021	2020
Income:			
Milk sales	\$ 5,813	\$ 4,148	\$ 4,283
Calves and other	98	110	108
Total income	\$ 5,911	\$ 4,258	\$ 4,391
Cost of operations:			
Feed:			
Grain	\$ 2,030	\$ 1,533	\$ 1,372
Hay and other	848	719	627
Total feed	\$ 2,878	\$ 2,252	\$ 1,999
Labor, (including fringe costs)	\$ 401	\$ 385	\$ 366
Herd replacement costs	\$ 378	\$ 432	\$ 458
Other costs:			
Milk hauling	\$ 89	\$ 77	\$ 74
State and association charges	39	40	39
Veterinary, breeding, testing, etc.	107	102	109
Supplies	135	120	80
Repairs and maintenance	149	116	133
Utilities	49	44	39
Occupancy costs	130	133	147
Depreciation - equipment	110	91	103
Interest	159	114	119
Miscellaneous	318	258	271
Total other costs	\$ 1,285	\$ 1,095	\$ 1,114
Total cost of operations	\$ 4,942	\$ 4,164	\$ 3,937
Income from dairy operations	\$ 969	\$ 94	\$ 454
Farming operations, net	\$ 96	\$ 85	\$ 51
Net income	\$ 1,065	\$ 179	\$ 505

ACTUAL PER CWT. OF MILK			YOUR 2022 RESULTS	
2022	2021	2020	PER HEAD	PER CWT. OF MILK
\$ 26.57 0.45	\$ 18.67 0.49	\$ 19.50 0.49	\$	\$
\$ 27.02	\$ 19.16	\$ 19.99	\$	\$
\$ 9.28 3.88	\$ 6.90 3.23	\$ 6.25 2.86	\$	\$
\$ 13.16	\$ 10.13	\$ 9.11	\$	\$
\$ 1.83	\$ 1.73	\$ 1.66	\$	\$
\$ 1.73	\$ 1.94	\$ 2.08	\$	\$
\$ 0.41 0.18 0.49 0.62 0.68 0.22 0.58 0.50 0.73 1.45	\$ 0.34 0.18 0.46 0.54 0.53 0.20 0.60 0.41 0.51 1.16	\$ 0.34 0.18 0.49 0.36 0.61 0.18 0.67 0.47 0.54 1.24	\$	\$
\$ 5.86	\$ 4.93	\$ 5.08	\$	\$
\$ 22.58	\$ 18.73	\$ 17.93	\$	\$
\$ 4.44	\$ 0.43	\$ 2.06	\$	\$
\$ 0.44	\$ 0.38	\$ 0.23	\$	\$
\$ 4.88	\$ 0.81	\$ 2.29	\$	\$

SUMMARY OF FINANCIAL STATISTICS

IDAHO

	December 31, 2022	December 31, 2021	December 31, 2020
1. Current Ratio	1.28 : 1	0.99 : 1	1.37 : 1
2. Herd Line Debt Per Cow	\$ 498	\$ 829	\$ 734
3. Total Debt Per Cow	\$ 3,701	\$ 3,299	\$ 2,607
4. Debt to Equity Ratio	1.34 : 1	1.55 : 1	1.40 : 1
5. Return on Total Assets	11.2%	2.1%	6.6%
6. Income per milking cow per month	\$ 101.58	\$ 16.75	\$ 43.35

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, 2022, 2021, AND 2020
IDAHO
(BASED ON AVERAGE AMOUNTS)

	2022	2021	2020
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	21,880	22,225	21,962
Daily pounds of milk, per milking cow	68.6	68.5	69.1
Daily pounds of milk, per milking cow (Energy corrected milk pounds)	80.04	79.30	78.77
Butterfat test	4.46 %	4.40 %	4.35 %
Blend price per hundredweight	\$ 26.30	\$ 18.67	\$ 19.50
Milk receipts, per milking cow	\$ 6,583	\$ 4,597	\$ 4,525
HERD INFORMATION:			
Herd size - total	12,585	10,807	9,725
Percent of dry cows	14.4 %	12.6 %	14.9 %
Herd turnover rate	47.1 %	50.1 %	42.7 %
Composition of herd:			
Purchased cows	6 %	5 %	1 %
Self-raised cows	94 %	95 %	99 %
Cost of purchased cows	\$ 1,171	\$ 1,496	\$ 1,277
Beef price received	\$ 750	\$ 624	\$ 591
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	34.9 %	37.0 %	32.0 %
Hay and other	14.6 %	17.3 %	14.6 %
Totals	49.5 %	54.3 %	46.6 %

INCOME AND COST OF OPERATIONS

	IDAHO		
	(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2022	December 31, 2021	December 31, 2020
Income:			
Milk sales	\$ 26.57	\$ 18.67	\$ 19.50
Calves and other	0.45	0.49	0.49
Total income	\$ 27.02	\$ 19.16	\$ 19.99
Cost of operations:			
Feed	\$ 13.16	\$ 10.13	\$ 9.11
Labor	1.83	1.73	1.66
Herd replacement costs	1.73	1.94	2.08
Other costs	5.86	4.93	5.08
Total cost of operations	\$ 22.58	\$ 18.73	\$ 17.93
Income (loss) from dairy operations	\$ 4.44	\$ 0.43	\$ 2.06
Farming operations, net	\$ 0.44	\$ 0.38	\$ 0.23
Net income (loss)	\$ 4.88	\$ 0.81	\$ 2.29
Cost of operations as a percentage of income	83.57%	97.76%	89.69%
Feed costs as a percentage of milk sales	49.53%	54.26%	46.72%
Income (loss) per milking cow per month	\$ 101.58	\$ 16.75	\$ 43.35
Cumulative net income per cwt. from 2016 to 2022	\$ 10.42		

December 31, 2019		December 31, 2018		December 31, 2017		December 31, 2016	
\$	18.79	\$	16.71	\$	17.35	\$	15.52
	0.37		0.26		0.26		0.23
\$	19.16	\$	16.97	\$	17.61	\$	15.75
\$	8.81	\$	8.41	\$	8.43	\$	8.44
	1.67		1.77		1.85		1.70
	2.23		2.29		1.83		1.79
	5.06		5.01		4.65		4.19
\$	17.77	\$	17.48	\$	16.76	\$	16.12
\$	1.39	\$	(0.51)	\$	0.85	\$	(0.37)
\$	0.14	\$	0.24	\$	0.41	\$	0.29
\$	1.53	\$	(0.27)	\$	1.26	\$	(0.08)
	92.75%		103.01%		95.17%		102.35%
	46.89%		50.33%		48.59%		54.38%
\$	29.02	\$	(10.40)	\$	18.80	\$	(1.69)

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2022, 2021, AND 2020
NEW MEXICO
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2022	2021	2020
Income:			
Milk sales	\$ 5,719	\$ 3,662	\$ 3,832
Calves and other	82	27	67
Total income	\$ 5,801	\$ 3,689	\$ 3,899
Cost of operations:			
Feed:			
Grain	\$ 2,373	\$ 1,723	\$ 1,536
Hay and other	308	304	810
Total feed	\$ 2,681	\$ 2,027	\$ 2,346
Labor, (including fringe costs)	\$ 540	\$ 440	\$ 462
Herd replacement costs	\$ 130	\$ 127	\$ 212
Other costs:			
Milk hauling	\$ 186	\$ 125	\$ 152
State and association charges	77	82	124
Veterinary, breeding, testing, etc.	70	66	58
Supplies	246	205	206
Repairs and maintenance	281	163	141
Utilities	158	83	35
Occupancy costs	85	70	86
Depreciation - equipment	106	89	49
Interest	64	46	113
Miscellaneous	272	196	197
Total other costs	\$ 1,545	\$ 1,125	\$ 1,161
Total cost of operations	\$ 4,896	\$ 3,719	\$ 4,181
Income (loss) from dairy operations	\$ 905	\$ (30)	\$ (282)
Farming operations, net	\$ (150)	\$ (17)	\$ 157
Net income (loss)	\$ 755	\$ (47)	\$ (125)

ACTUAL PER CWT. OF MILK			YOUR 2022 RESULTS	
2022	2021	2020	PER HEAD	PER CWT. OF MILK
\$ 23.88	\$ 18.15	\$ 17.57	\$	\$
0.34	0.13	0.30		
\$ 24.22	\$ 18.28	\$ 17.87	\$	\$
\$ 9.91	\$ 8.54	\$ 7.04	\$	\$
1.28	1.51	3.70		
\$ 11.19	\$ 10.05	\$ 10.74	\$	\$
\$ 2.26	\$ 2.18	\$ 2.12	\$	\$
\$ 0.54	\$ 0.63	\$ 0.97	\$	\$
\$ 0.78	\$ 0.62	\$ 0.70	\$	\$
0.32	0.41	0.57		
0.29	0.33	0.26		
1.03	1.02	0.95		
1.17	0.81	0.65		
0.66	0.41	0.16		
0.36	0.34	0.40		
0.44	0.44	0.23		
0.27	0.23	0.52		
1.15	0.97	0.90		
\$ 6.47	\$ 5.58	\$ 5.34	\$	\$
\$ 20.46	\$ 18.44	\$ 19.17	\$	\$
\$ 3.76	\$ (0.16)	\$ (1.30)	\$	\$
\$ (0.63)	\$ (0.08)	\$ 0.72	\$	\$
\$ 3.13	\$ (0.24)	\$ (0.58)	\$	\$

SUMMARY OF FINANCIAL STATISTICS

NEW MEXICO

	December 31, 2022	December 31, 2021	December 31, 2020
1. Current Ratio	3.33 : 1	2.15 : 1	1.08 : 1
2. Herd Line Debt Per Cow	\$ 605	\$ 646	\$ 164
3. Total Debt Per Cow	\$ 1,423	\$ 1,311	\$ 2,408
4. Debt to Equity Ratio	0.28 : 1	0.26 : 1	1.18 : 1
5. Return on Total Assets	11.8%	-0.5%	-4.6%
6. Income (loss) per milking cow per month	\$ 63.46	\$ (4.78)	\$ (28.96)

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, 2022, 2021, AND 2020
NEW MEXICO
(BASED ON AVERAGE AMOUNTS)

	2022	2021	2020
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	23,944	20,177	21,807
Daily pounds of milk, per milking cow	66.2	67.4	73.5
Daily pounds of milk, per milking cow (Energy corrected milk pounds)	68.85	70.86	75.91
Butterfat test	3.68 %	3.76 %	3.65 %
Blend price per hundredweight	\$ 23.40	\$ 18.15	\$ 17.57
Milk receipts, per milking cow	\$ 5,655	\$ 4,288	\$ 4,345
HERD INFORMATION:			
Herd size - total	1,574	1,265	4,318
Percent of dry cows	0.9 %	22.0 %	23.3 %
Herd turnover rate	35.3 %	35.8 %	31.9 %
Composition of herd:			
Purchased cows	0 %	0 %	0 %
Self-raised cows	100 %	100 %	100 %
Cost of purchased cows	\$ -	\$ -	\$ -
Beef price received	\$ 971	\$ 802	\$ 732
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	41.5 %	47.1 %	40.1 %
Hay and other	5.3 %	8.3 %	21.1 %
Totals	46.8 %	55.4 %	61.2 %

INCOME AND COST OF OPERATIONS

	NEW MEXICO		
	(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2022	December 31, 2021	December 31, 2020
Income:			
Milk sales	\$ 23.88	\$ 18.15	\$ 17.57
Calves and other	0.34	0.13	0.30
Total income	\$ 24.22	\$ 18.28	\$ 17.87
Cost of operations:			
Feed	\$ 11.19	\$ 10.05	\$ 10.74
Labor	2.26	2.18	2.12
Herd replacement costs	0.54	0.63	0.97
Other costs	6.47	5.58	5.34
Total cost of operations	\$ 20.46	\$ 18.44	\$ 19.17
Income (loss) from dairy operations	\$ 3.76	\$ (0.16)	\$ (1.30)
Farming operations, net	\$ (0.63)	\$ (0.08)	\$ 0.72
Net income (loss)	\$ 3.13	\$ (0.24)	\$ (0.58)
Cost of operations as a percentage of income	84.48%	100.88%	107.27%
Feed costs as a percentage of milk sales	46.86%	55.37%	61.13%
Income (loss) per milking cow per month	\$ 63.46	\$ (4.78)	\$ (28.96)
Cumulative net income per cwt. from 2016 to 2022	\$ (4.37)		

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

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2022, 2021, AND 2020
PANHANDLE
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2022	2021	2020
Income:			
Milk sales	\$ 5,268	\$ 4,017	\$ 4,814
Calves and other	332	326	97
Total income	\$ 5,600	\$ 4,343	\$ 4,911
Cost of operations:			
Feed:			
Grain	\$ 2,364	\$ 2,002	\$ 1,624
Hay and other	760	590	367
Total feed	\$ 3,124	\$ 2,592	\$ 1,991
Labor, (including fringe costs)	\$ 465	\$ 471	\$ 388
Herd replacement costs	\$ 248	\$ 305	\$ 357
Other costs:			
Milk hauling	\$ 250	\$ 210	\$ 194
State and association charges	49	50	35
Veterinary, breeding, testing, etc.	148	155	115
Supplies	164	159	140
Repairs and maintenance	169	149	105
Utilities	49	35	30
Occupancy costs	75	122	97
Depreciation - equipment	97	83	91
Interest	68	35	79
Miscellaneous	305	192	173
Total other costs	\$ 1,374	\$ 1,190	\$ 1,059
Total cost of operations	\$ 5,211	\$ 4,558	\$ 3,795
Income (loss) from dairy operations	\$ 389	\$ (215)	\$ 1,116
Farming operations, net	\$ 47	\$ 55	\$ 159
Net income (loss)	\$ 436	\$ (160)	\$ 1,275

ACTUAL PER CWT. OF MILK			YOUR 2022 RESULTS	
2022	2021	2020	PER HEAD	PER CWT. OF MILK
\$ 25.45 1.61	\$ 19.12 1.55	\$ 22.49 0.46	\$	\$
\$ 27.06	\$ 20.67	\$ 22.95	\$	\$
\$ 11.42 3.67	\$ 9.53 2.81	\$ 7.58 1.73	\$	\$
\$ 15.09	\$ 12.34	\$ 9.31	\$	\$
\$ 2.24	\$ 2.24	\$ 1.82	\$	\$
\$ 1.20	\$ 1.45	\$ 1.67	\$	\$
\$ 1.21 0.24 0.71 0.79 0.82 0.24 0.36 0.47 0.33 1.48	\$ 1.00 0.24 0.73 0.76 0.71 0.17 0.58 0.39 0.17 0.92	\$ 0.91 0.16 0.54 0.65 0.49 0.14 0.45 0.43 0.37 0.81	\$	\$
\$ 6.65	\$ 5.67	\$ 4.95	\$	\$
\$ 25.18	\$ 21.70	\$ 17.75	\$	\$
\$ 1.88	\$ (1.03)	\$ 5.20	\$	\$
\$ (0.23)	\$ 0.26	\$ 0.74	\$	\$
\$ 1.65	\$ (0.77)	\$ 5.94	\$	\$

SUMMARY OF FINANCIAL STATISTICS

PANHANDLE

	December 31, 2022	December 31, 2021	December 31, 2020
1. Current Ratio	1.02 : 1	1.08 : 1	2.21 : 1
2. Herd Line Debt Per Cow	\$ 575	\$ 717	\$ 563
3. Total Debt Per Cow	\$ 2,740	\$ 1,765	\$ 2,658
4. Debt to Equity Ratio	0.86 : 1	0.62 : 1	0.96 : 1
5. Return on Total Assets	5.4%	-2.5%	14.3%
6. Income (loss) per milking cow per month	\$ 42.46	\$ (15.68)	\$ 107.43

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, 2022, 2021, AND 2020
PANHANDLE
(BASED ON AVERAGE AMOUNTS)

	2022	2021	2020
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	20,701	21,003	21,413
Daily pounds of milk, per milking cow	66.2	67.2	67.6
Daily pounds of milk, per milking cow (Energy corrected milk pounds)	73.70	76.01	76.47
Butterfat test	4.08 %	4.14 %	4.22 %
Blend price per hundredweight	\$ 26.26	\$ 19.12	\$ 22.49
Milk receipts, per milking cow	\$ 6,100	\$ 4,398	\$ 4,874
HERD INFORMATION:			
Herd size - total	3,255	2,228	4,521
Percent of dry cows	16.6 %	16.8 %	15.5 %
Herd turnover rate	32.5 %	48.1 %	40.6 %
Composition of herd:			
Purchased cows	7 %	0 %	3 %
Self-raised cows	93 %	100 %	97 %
Cost of purchased cows	\$ 1,756	\$ -	\$ 924
Beef price received	\$ 759	\$ 705	\$ 639
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	44.9 %	49.8 %	33.7 %
Hay and other	14.4 %	14.7 %	7.6 %
Totals	59.3 %	64.5 %	41.3 %

INCOME AND COST OF OPERATIONS

	PANHANDLE		
	(BASED ON ACTUAL PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2022	December 31, 2021	December 31, 2020
Income:			
Milk sales	\$ 25.45	\$ 19.12	\$ 22.49
Calves and other	1.61	1.55	0.46
Total income	\$ 27.06	\$ 20.67	\$ 22.95
Cost of operations:			
Feed	\$ 15.09	\$ 12.34	\$ 9.31
Labor	2.24	2.24	1.82
Herd replacement costs	1.20	1.45	1.67
Other costs	6.65	5.67	4.95
Total cost of operations	\$ 25.18	\$ 21.70	\$ 17.75
Income (loss) from dairy operations	\$ 1.88	\$ (1.03)	\$ 5.20
Farming operations, net	\$ (0.23)	\$ 0.26	\$ 0.74
Net income (loss)	\$ 1.65	\$ (0.77)	\$ 5.94
Cost of operations as a percentage of income	93.05%	104.98%	77.34%
Feed costs as a percentage of milk sales	59.29%	64.54%	41.40%
Income (loss) per milking cow per month	\$ 42.46	\$ (15.68)	\$ 107.43
Cumulative net income per cwt. from 2016 to 2022	\$ 10.17		

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

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2022, 2021, AND 2020
PACIFIC NORTHWEST
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2022	2021	2020
Income:			
Milk sales	\$ 5,527	\$ 4,136	\$ 4,021
Calves and other	100	183	117
Total income	\$ 5,627	\$ 4,319	\$ 4,138
Cost of operations:			
Feed:			
Grain	\$ 1,901	\$ 1,632	\$ 1,275
Hay and other	843	369	551
Total feed	\$ 2,744	\$ 2,001	\$ 1,826
Labor, (including fringe costs)	\$ 508	\$ 680	\$ 601
Herd replacement costs	\$ 280	\$ 385	\$ 364
Other costs:			
Milk hauling	\$ 186	\$ 145	\$ 144
State and association charges	53	48	64
Veterinary, breeding, testing, etc.	139	128	128
Supplies	158	119	123
Repairs and maintenance	233	187	177
Utilities	64	39	42
Occupancy costs	113	105	112
Depreciation - equipment	86	111	110
Interest	112	125	117
Miscellaneous	345	240	187
Total other costs	\$ 1,489	\$ 1,247	\$ 1,204
Total cost of operations	\$ 5,021	\$ 4,313	\$ 3,995
Income from dairy operations	\$ 606	\$ 6	\$ 143
Farming operations, net	\$ 136	\$ 129	\$ 90
Net income	\$ 742	\$ 135	\$ 233

ACTUAL PER CWT. OF MILK			YOUR 2022 RESULTS	
2022	2021	2020	PER HEAD	PER CWT. OF MILK
\$ 26.82 0.47	\$ 21.46 0.95	\$ 19.71 0.59	\$	\$
\$ 27.29	\$ 22.41	\$ 20.30	\$	\$
\$ 9.23 4.09	\$ 8.47 1.91	\$ 6.25 2.70	\$	\$
\$ 13.32	\$ 10.38	\$ 8.95	\$	\$
\$ 2.46	\$ 3.53	\$ 2.95	\$	\$
\$ 1.36	\$ 2.00	\$ 1.78	\$	\$
\$ 0.90 0.26 0.67 0.77 1.13 0.31 0.55 0.42 0.54 1.67	\$ 0.75 0.25 0.66 0.62 0.97 0.20 0.55 0.58 0.65 1.25	\$ 0.71 0.31 0.63 0.60 0.87 0.21 0.55 0.54 0.58 0.89	\$	\$
\$ 7.22	\$ 6.48	\$ 5.89	\$	\$
\$ 24.36	\$ 22.39	\$ 19.57	\$	\$
\$ 2.93	\$ 0.02	\$ 0.73	\$	\$
\$ 0.66	\$ 0.67	\$ 0.44	\$	\$
\$ 3.59	\$ 0.69	\$ 1.17	\$	\$

SUMMARY OF FINANCIAL STATISTICS

PACIFIC NORTHWEST

	December 31, 2022	December 31, 2021	December 31, 2020
1. Current Ratio	1.04 : 1	0.69 : 1	1.09 : 1
2. Herd Line Debt Per Cow	\$ 791	\$ 833	\$ 658
3. Total Debt Per Cow	\$ 3,045	\$ 3,141	\$ 2,600
4. Debt to Equity Ratio	1.34 : 1	1.63 : 1	1.12 : 1
5. Return on Total Assets	9.7%	1.8%	2.0%
6. Income per milking cow per month	\$ 73.17	\$ 12.55	\$ 13.77

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, 2022, 2021, AND 2020
PACIFIC NORTHWEST
(BASED ON AVERAGE AMOUNTS)

	2022	2021	2020
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	20,612	19,266	20,396
Daily pounds of milk, per milking cow	66.9	59.0	64.1
Daily pounds of milk, per milking cow (Energy corrected milk pounds)	75.13	70.43	74.00
Butterfat test	4.21 %	4.57 %	4.44 %
Blend price per hundredweight	\$ 26.36	\$ 21.46	\$ 19.71
Milk receipts, per milking cow	\$ 6,441	\$ 4,317	\$ 4,343
HERD INFORMATION:			
Herd size - total	1,153	3,415	4,187
Percent of dry cows	18.6 %	11.9 %	14.7 %
Herd turnover rate	38.7 %	37.0 %	41.4 %
Composition of herd:			
Purchased cows	8 %	4 %	6 %
Self-raised cows	92 %	96 %	94 %
Cost of purchased cows	\$ 1,794	\$ 2,232	\$ 1,600
Beef price received	\$ 864	\$ 502	\$ 583
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	34.4 %	39.5 %	31.7 %
Hay and other	15.2 %	8.9 %	13.7 %
Totals	49.6 %	48.4 %	45.4 %

INCOME AND COST OF OPERATIONS

PACIFIC NORTHWEST

(BASED ON ACTUAL PER HUNDREDWEIGHT
OF MILK BASIS)

	December 31, 2022	December 31, 2021	December 31, 2020
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Income:			
Milk sales	\$ 26.82	\$ 21.46	\$ 19.71
Calves and other	0.47	0.95	0.59
Total income	\$ 27.29	\$ 22.41	\$ 20.30
Cost of operations:			
Feed	\$ 13.32	\$ 10.38	\$ 8.95
Labor	2.46	3.53	2.95
Herd replacement costs	1.36	2.00	1.78
Other costs	7.22	6.48	5.89
Total cost of operations	\$ 24.36	\$ 22.39	\$ 19.57
Income (loss) from dairy operations	\$ 2.93	\$ 0.02	\$ 0.73
Farming operations, net	\$ 0.66	\$ 0.67	\$ 0.44
Net income	\$ 3.59	\$ 0.69	\$ 1.17
Cost of operations as a percentage of income	89.26%	99.91%	96.40%
Feed costs as a percentage of milk sales	49.66%	48.37%	45.41%
Income (loss) per milking cow per month	\$ 73.17	\$ 12.55	\$ 13.77
Cumulative net income per cwt. from 2016 to 2022	\$ 11.47		

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

EXPLANATION OF INCOME AND COST FACTORS

Basis of presentation	Information is included both on a "per head" basis and 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 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	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 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	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 includes 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 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. In addition, finding and keeping quality labor remains a constant challenge.

As we are well into 2023, milk prices have come back down from a historic 2022 high. All operating costs continue to rise during 2023, and higher interest rates which began in mid 2022 are dramatically raising costs of operations. The profit margins seen in 2022 won't be seen in 2023 because of the decreased milk prices and increased costs. But overall labor costs, availability of quality labor, and concerning feed costs are plaguing the industry and remain concerning to all. Major issues looming for producers in the nation are domestic and global demand, and worldwide competition. With a possible recession on the horizon, the demand will be effected based on location and demand of certain milk product. 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.