

AVERAGE INCOME AND EXPENSE REPORT FOR TOP 25% DAIRY CLIENTS BY MARKET

FOR THE SIX MONTHS ENDED JUNE 30, 2016

(BASED ON AVERAGE AMOUNTS PER HUNDREDWEIGHT OF MILK AND PER COW)

	CALIFORNIA		TEXAS		NEW MEXICO		COLORADO	
	PER CWT	PER COW	PER CWT	PER COW	PER CWT	PER COW	PER CWT	PER COW
INCOME								
Gross milk revenue	14.55	1,733	15.51	1,686	14.83	1,538	15.20	1,900
Less milk haul/industry assessments	0.52	62	1.12	122	0.60	62	0.74	92
Net Milk	\$ 14.02	\$ 1,670	\$ 14.39	\$ 1,564	\$ 14.24	\$ 1,476	\$ 14.46	\$ 1,808
Milk hedging	0.02	2	0.13	15	0.00	0	0.30	37
Other income	0.65	77	0.77	84	0.76	79	0.54	67
Total income	\$ 14.69	\$ 1,750	\$ 15.30	\$ 1,662	\$ 15.00	\$ 1,555	\$ 15.29	\$ 1,912
EXPENSES								
Total feed expense	\$ 9.53	\$ 1,135	\$ 8.47	\$ 921	\$ 9.31	\$ 966	\$ 8.21	\$ 1,026
Herd replacement cost	1.58	189	1.79	194	1.62	168	1.50	188
Interest	0.53	63	0.36	40	0.47	49	0.63	79
Rent & equipment lease	0.26	31	0.29	31	0.20	21	0.28	36
Labor	1.55	185	1.69	184	1.80	187	2.09	262
Depreciation	0.53	63	0.65	71	0.39	41	0.98	123
Supplies and vet/breeding expense	0.93	111	1.10	119	0.97	100	1.25	157
Repairs and maintenance	0.54	65	0.60	65	0.46	47	0.64	80
Utilities	0.28	34	0.24	26	0.24	25	0.38	47
Fuel & oil	0.12	15	0.18	19	0.16	17	0.17	22
Other expenses	0.30	35	0.00	0	0.13	14	0.51	64
Total expenses	\$ 16.16	\$ 1,925	\$ 15.37	\$ 1,670	\$ 15.75	\$ 1,634	\$ 16.66	\$ 2,083
Net income (loss) from operations	\$ (1.47)	\$ (175)	\$ (0.07)	\$ (8)	\$ (0.76)	\$ (79)	\$ (1.37)	\$ (171)
KEY PERFORMANCE INDICATORS								
Average butterfat test	3.83%		3.67%		3.63%		3.61%	
Average daily pounds per milking cow	75		70		71		81	
Average herd size		2,816		2,894		3,296		4,200
Herd turnover rate	43%		36%		41%		42%	
Breakeven milk price	\$14.82		\$13.55		\$14.65		\$15.00	
Current ratio	1.95		1.26		2.37		1.32	
Working capital per cow		\$ 1,330		\$ 339		\$ 1,291		\$ 440
Loan-to-value (LTV)	49%		42%		50%		59%	
Total debt per cow		\$ 3,241		\$ 2,681		\$ 2,373		\$ 4,557