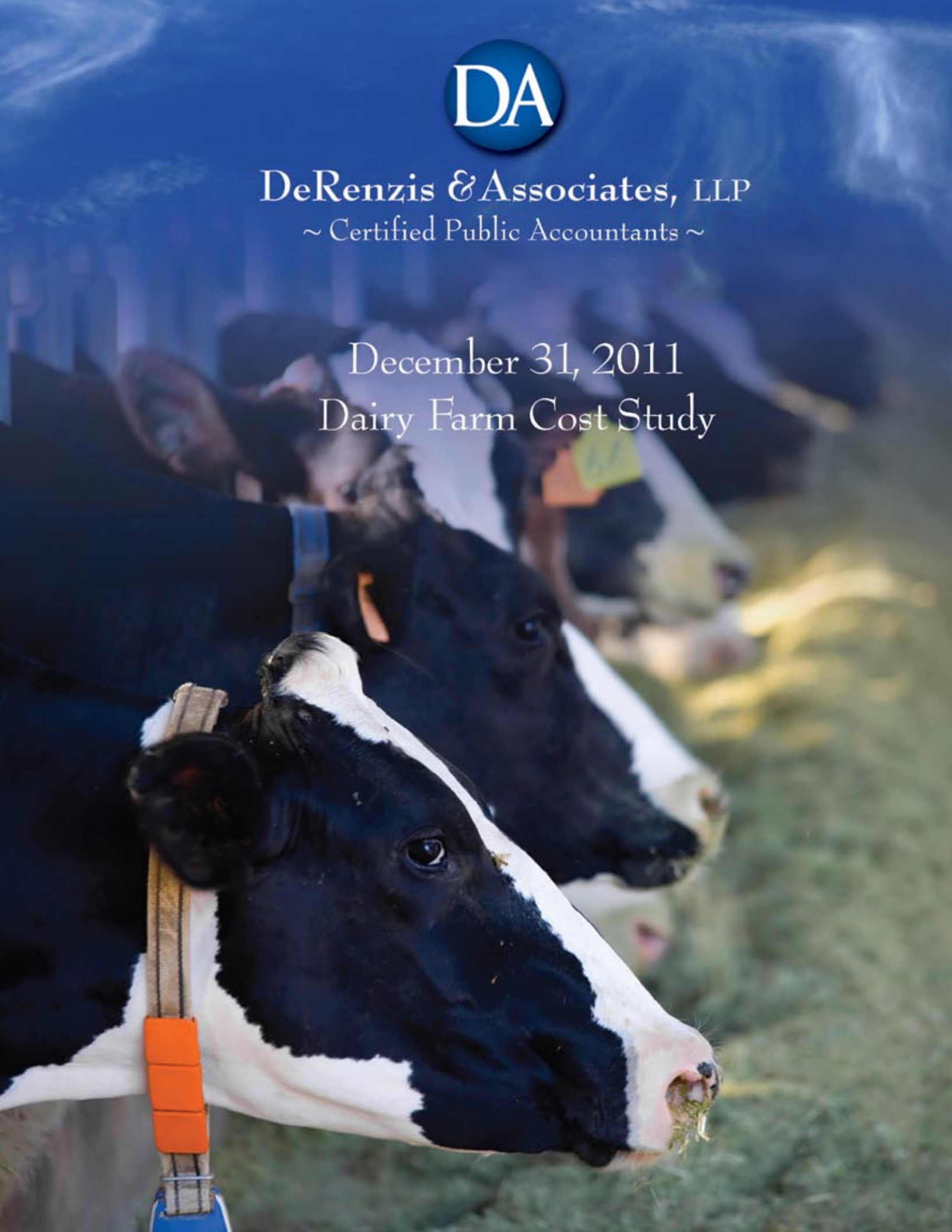




DeRenzis & Associates, LLP
~ Certified Public Accountants ~

December 31, 2011
Dairy Farm Cost Study



Available Services

Accounting:

Accrual basis financial statements, review and compilations

Process all revenue and expense activity both cash and accrual basis

Cashflow, Breakeven and Budgeting reports

Payroll services

Accounting software setup, installation and our continuous support.

Tax Services:

Income tax preparation and tax deferral

Income tax returns for individual, partnership, corporation, trust, gift and estate

IRS audit representation and meeting with auditor

Estate and Trust planning

Consulting Services:

Litigation support

Bank loan acquisition and negotiation

Partnership formation and dissolution



DeRenzis & Associates, LLP
~ Certified Public Accountants ~

“ My brethren, count it all joy when you fall into various trials, knowing that the testing of your faith produces patience. But let patience have its perfect work, that you may be perfect and complete, lacking nothing. If any of you lacks wisdom, let him ask of God, who gives to all liberally and without reproach, and it will be given to him. But let him ask in faith, with no doubting, for he who doubts is like a wave of the sea driven and tossed by the wind. For let not that man suppose that he will receive anything from the Lord; he is a double-minded man, unstable in all his ways. ”

James 1:2-8



To Our Clients and Friends of the Dairy Industry:

The following pages contain the DeRenzis & Associates, LLP Dairy Farm Cost Study for the year ended, December 31, 2011.

The data is compiled from dairy operations in Southern California, Central Valley California, Washington, Idaho, New Mexico and West Texas.

This report includes a comparison of the results in the regions stated above for the year ended December 31, 2011 both on a “per hundredweight of milk” basis and on a “per head” basis. Also included are certain financial ratios and other information for that period.

This publication of DeRenzis & Associates, LLP is designed as a reference tool and a management aid to benefit those who value such information. DeRenzis & Associates, LLP believes this information to be accurate and reliable, but is not responsible for errors in the reported information.

We appreciate your time in reviewing this information and hope it becomes useful. If you have any questions or comments please feel free to contact our firm.

For more information, prior year cost studies and pertinent data and forms, please visit our web site of www.derenzisllp.com

May God bless you and thank you for your dedication to our country.

Sincerely,

DeRenzis & Associates, LLP
Certified Public Accountants

April 2012

DAIRY FARM COST STUDY

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DECEMBER 31, 2011

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| <i>Washington</i> | <i>Pages 9 thru 12</i> |
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COST STUDY
SOUTHERN CALIFORNIA
DECEMBER 31, 2011

**COST STUDY
SOUTHERN CALIFORNIA**

**AVERAGE INCOME AND EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2011**

| | <u>AMOUNT</u> | <u>PERCENT</u> | | <u>PER CWT. OF MILK</u> | <u>PER AVERAGE HERD SIZE</u> |
|---|------------------------------|--------------------------|--------|-----------------------------|--------------------------------------|
| OPERATING INCOME: | | | | | |
| Milk | \$ 5,699,250 | 98.53 % | \$ | 18.92 | \$ 3,796 |
| Calves and heifers, net | 38,807 | 0.68 | | 0.12 | 26 |
| Patronage dividends | 40,740 | 0.70 | | 0.14 | 27 |
| Other | <u>5,246</u> | <u>0.09</u> | | <u>0.02</u> | <u>3</u> |
| Total income | \$ <u>5,784,043</u> | <u>100.00 %</u> | \$ | <u>19.20</u> | \$ <u>3,852</u> |
| OPERATING EXPENSES: | | | | | |
| Feed: | | | | | |
| Hay | \$ 1,757,077 | 30.39 % | \$ | 5.84 | \$ 1,170 |
| Grain | 2,166,281 | 37.45 | | 7.19 | 1,443 |
| Silage | 111,457 | 1.93 | | 0.37 | 74 |
| Heifer raising | 253,336 | 4.38 | | 0.84 | 169 |
| Less cost of feeding heifers | <u>(865,350)</u> | <u>(14.96)</u> | | <u>(2.87)</u> | <u>(576)</u> |
| Total feed | \$ <u>3,422,801</u> | <u>59.19 %</u> | \$ | <u>11.37</u> | \$ <u>2,280</u> |
| Herd replacement cost: | | | | | |
| Depreciation on dairy herd | \$ 426,025 | 7.38 % | \$ | 1.42 | \$ 284 |
| Loss on sale of cows | <u>86,584</u> | <u>1.50</u> | | <u>0.29</u> | <u>58</u> |
| Total herd replacement cost | \$ <u>512,609</u> | <u>8.88 %</u> | \$ | <u>1.71</u> | \$ <u>342</u> |
| Other operating expenses, Schedule 1 | | | | | |
| | \$ <u>1,418,778</u> | <u>24.53 %</u> | \$ | <u>4.71</u> | \$ <u>945</u> |
| Total operating expenses | \$ <u>5,354,188</u> | <u>92.60 %</u> | \$ | <u>17.79</u> | \$ <u>3,567</u> |
| Net income | \$ <u><u>429,855</u></u> | <u><u>7.40 %</u></u> | \$ | <u><u>1.41</u></u> | \$ <u><u>285</u></u> |

**COST STUDY
SOUTHERN CALIFORNIA**

SCHEDULE 1

**SCHEDULE OF OTHER OPERATING EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2011**

| | <u>AMOUNT</u> | <u>PERCENT</u> | | <u>PER CWT. OF MILK</u> | <u>PER AVERAGE HERD SIZE</u> |
|-------------------------------------|-------------------------|--------------------|----|-----------------------------|----------------------------------|
| <i>Interest and rent</i> | \$ 213,860 | 3.70 % | \$ | 0.71 | \$ 142 |
| <i>Labor and partners' salary</i> | 365,539 | 6.32 | | 1.21 | 243 |
| <i>Depreciation - other</i> | 49,396 | 0.85 | | 0.16 | 33 |
| <i>Milk hauling</i> | 104,055 | 1.80 | | 0.35 | 69 |
| <i>Advertising & promotion</i> | 62,797 | 1.09 | | 0.21 | 42 |
| <i>Supplies</i> | 63,949 | 1.11 | | 0.21 | 43 |
| <i>Corral cleaning</i> | 67,353 | 1.16 | | 0.22 | 45 |
| <i>Repairs and maintenance</i> | 186,664 | 3.23 | | 0.62 | 124 |
| <i>Utilities</i> | 71,499 | 1.24 | | 0.24 | 48 |
| <i>Taxes</i> | 62,956 | 1.09 | | 0.21 | 42 |
| <i>Insurance</i> | 50,841 | 0.88 | | 0.17 | 34 |
| <i>Fuel</i> | 59,185 | 1.02 | | 0.20 | 39 |
| <i>Legal and accounting</i> | 18,189 | 0.31 | | 0.06 | 12 |
| <i>Employee benefits</i> | 25,998 | 0.45 | | 0.09 | 17 |
| <i>Veterinary and medicine</i> | 97,071 | 1.68 | | 0.32 | 65 |
| <i>Breeding and semen</i> | 39,832 | 0.69 | | 0.13 | 27 |
| <i>Travel</i> | 11 | 0.00 | | 0.00 | 0 |
| <i>Livestock hauling</i> | 177 | 0.00 | | 0.00 | 0 |
| <i>Deadstock removal</i> | 8,565 | 0.15 | | 0.03 | 6 |
| <i>Testing and trimming</i> | 26,638 | 0.46 | | 0.09 | 18 |
| <i>Miscellaneous</i> | 3,028 | 0.05 | | 0.01 | 2 |
| <i>Less cost of raising heifers</i> | <u>(158,825)</u> | <u>(2.75)</u> | | <u>(0.53)</u> | <u>(106)</u> |
| <i>Total</i> | \$ <u>1,418,778</u> | <u>24.53</u> % | \$ | <u>4.71</u> | \$ <u>945</u> |

**COST STUDY
SOUTHERN CALIFORNIA**

SUPPLEMENTARY DATA

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| <u>MILK PRODUCTION</u> | | | | | |
| <i>Pounds of whole milk produced</i> | 30,119,943 | 34,413,626 | 36,156,941 | 33,045,125 | 33,979,652 |
| <i>Average butterfat test</i> | 3.60% | 3.59% | 3.62% | 3.65% | 3.67% |
| <i>Average solids-non-fat test</i> | 8.79% | 8.80% | 8.83% | 8.77% | 8.72% |
| <i>Average daily pounds per milking cow</i> | 65 | 61 | 65 | 65 | 65 |
| <u>DAIRY HERD</u> | | | | | |
| <i>Average herd size:</i> | | | | | |
| <i>Milking cows</i> | 1,270 | 1,545 | 1,520 | 1,385 | 1,425 |
| <i>Dry cows</i> | 225 | 270 | 275 | 235 | 250 |
| <i>Bulls</i> | 9 | 15 | 17 | 13 | 11 |
| <i>Springers and bulls purchased:</i> | | | | | |
| <i>Number of head</i> | 64 | 1 | 1 | 6 | 36 |
| <i>Total amount paid</i> | \$ 73,663 | \$ 1,161 | \$ 1,157 | \$ 8,853 | \$ 75,598 |
| <i>Average per head</i> | \$ 1,151 | \$ 1,161 | \$ 1,157 | \$ 1,476 | \$ 2,100 |
| <i>Self-raised heifers transferred to milking herd</i> | 484 | 516 | 511 | 564 | 478 |
| <i>Cows and bulls sold:</i> | | | | | |
| <i>Number of head</i> | 434 | 490 | 502 | 410 | 413 |
| <i>Total amount received</i> | \$ 359,754 | \$ 337,470 | \$ 268,786 | \$ 237,227 | \$ 266,437 |
| <i>Average per head</i> | \$ 829 | \$ 688 | \$ 535 | \$ 578 | \$ 645 |
| <i>Dead cows</i> | 82 | 94 | 93 | 80 | 83 |
| <i>Herd turnover rate</i> | 34% | 32% | 33% | 30% | 29% |
| <u>PRODUCT PRICE</u> | | | | | |
| <i>Average price received per cwt. of milk shipped</i> | \$ 18.92 | \$ 15.07 | \$ 11.86 | \$ 16.98 | \$ 18.17 |

COST STUDY
CENTRAL VALLEY CALIFORNIA
DECEMBER 31, 2011

**COST STUDY
CENTRAL VALLEY CALIFORNIA**

**AVERAGE INCOME AND EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2011**

| | <u>AMOUNT</u> | <u>PERCENT</u> | | <u>PER CWT. OF MILK</u> | <u>PER AVERAGE HERD SIZE</u> |
|---|--------------------------------|--------------------------|----|-----------------------------|--------------------------------------|
| OPERATING INCOME: | | | | | |
| Milk | \$ 16,854,044 | 99.38 % | \$ | 18.42 | \$ 4,058 |
| Milk futures contracts, net | (203,227) | (1.20) | | (0.22) | (49) |
| Calves and heifers, net | 82,493 | 0.49 | | 0.08 | 20 |
| U.S. Department of Agriculture Patronage dividends | 1,007 | 0.01 | | 0.00 | 0 |
| | 216,215 | 1.27 | | 0.24 | 52 |
| Other | <u>8,473</u> | <u>0.05</u> | | <u>0.01</u> | <u>2</u> |
| Total income | \$ <u>16,959,005</u> | <u>100.00</u> % | \$ | <u>18.53</u> | \$ <u>4,083</u> |
| OPERATING EXPENSES: | | | | | |
| <i>Feed:</i> | | | | | |
| Hay | \$ 2,209,058 | 13.04 % | \$ | 2.41 | \$ 532 |
| Grain | 7,085,562 | 41.78 | | 7.74 | 1,706 |
| Silage | 1,708,325 | 10.07 | | 1.87 | 411 |
| Haylage | 12,419 | 0.07 | | 0.01 | 3 |
| Heifer raising | 537,601 | 3.17 | | 0.59 | 129 |
| Less cost of feeding heifers | <u>(2,046,531)</u> | <u>(12.07)</u> | | <u>(2.24)</u> | <u>(493)</u> |
| Total feed | \$ <u>9,506,434</u> | <u>56.06</u> % | \$ | <u>10.38</u> | \$ <u>2,288</u> |
| <i>Herd replacement cost:</i> | | | | | |
| Depreciation on dairy herd | \$ 1,071,753 | 6.31 % | \$ | 1.17 | \$ 258 |
| Loss on sale of cows | <u>369,531</u> | <u>2.18</u> | | <u>0.40</u> | <u>89</u> |
| Total herd replacement cost | \$ <u>1,441,284</u> | <u>8.49</u> % | \$ | <u>1.57</u> | \$ <u>347</u> |
| <i>Other operating expenses, Schedule 2</i> | | | | | |
| | \$ <u>4,639,213</u> | <u>27.35</u> % | \$ | <u>5.10</u> | \$ <u>1,118</u> |
| Total operating expenses | \$ <u>15,586,931</u> | <u>91.90</u> % | \$ | <u>17.05</u> | \$ <u>3,753</u> |
| Net income | \$ <u><u>1,372,074</u></u> | <u><u>8.10</u></u> % | \$ | <u><u>1.48</u></u> | \$ <u><u>330</u></u> |

**COST STUDY
CENTRAL VALLEY CALIFORNIA**

SCHEDULE 2

**SCHEDULE OF OTHER OPERATING EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2011**

| | <u>AMOUNT</u> | <u>PERCENT</u> | | <u>PER CWT. OF MILK</u> | <u>PER AVERAGE HERD SIZE</u> |
|-------------------------------------|-------------------------|--------------------|--|-----------------------------|----------------------------------|
| <i>Interest and rent</i> | \$ 932,208 | 5.49 % | | \$ 1.03 | \$ 225 |
| <i>Labor and partners' salary</i> | 994,313 | 5.86 | | 1.09 | 239 |
| <i>Equipment leases</i> | 3,851 | 0.02 | | 0.00 | 1 |
| <i>Depreciation - other</i> | 519,042 | 3.06 | | 0.57 | 125 |
| <i>Milk hauling</i> | 290,873 | 1.72 | | 0.32 | 70 |
| <i>Advertising & promotion</i> | 204,345 | 1.20 | | 0.22 | 49 |
| <i>Supplies</i> | 309,293 | 1.82 | | 0.34 | 74 |
| <i>Corral cleaning</i> | 27,150 | 0.16 | | 0.03 | 7 |
| <i>Repairs and maintenance</i> | 473,858 | 2.79 | | 0.52 | 114 |
| <i>Utilities</i> | 269,099 | 1.59 | | 0.29 | 65 |
| <i>Taxes</i> | 184,006 | 1.09 | | 0.20 | 44 |
| <i>Insurance</i> | 132,635 | 0.78 | | 0.14 | 32 |
| <i>Fuel</i> | 197,837 | 1.17 | | 0.22 | 48 |
| <i>Legal and accounting</i> | 33,147 | 0.20 | | 0.04 | 8 |
| <i>Employee benefits</i> | 42,253 | 0.25 | | 0.05 | 10 |
| <i>Veterinary and medicine</i> | 302,116 | 1.78 | | 0.33 | 73 |
| <i>Breeding and semen</i> | 124,796 | 0.74 | | 0.14 | 30 |
| <i>Travel</i> | 3,256 | 0.02 | | 0.00 | 1 |
| <i>Livestock hauling</i> | 4,913 | 0.03 | | 0.01 | 1 |
| <i>Deadstock removal</i> | 11,002 | 0.06 | | 0.01 | 3 |
| <i>Testing and trimming</i> | 81,607 | 0.48 | | 0.09 | 20 |
| <i>Miscellaneous</i> | 5,208 | 0.03 | | 0.01 | 1 |
| <i>Less cost of raising heifers</i> | <u>(507,595)</u> | <u>(2.99)</u> | | <u>(0.55)</u> | <u>(122)</u> |
| <i>Total</i> | \$ <u>4,639,213</u> | <u>27.35</u> % | | \$ <u>5.10</u> | \$ <u>1,118</u> |

**COST STUDY
CENTRAL VALLEY CALIFORNIA**

SUPPLEMENTARY DATA

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--|--------------|-------------|-------------|--------------|-------------|
| <u>MILK PRODUCTION</u> | | | | | |
| <i>Pounds of whole milk produced</i> | 91,522,547 | 87,358,951 | 77,090,297 | 86,329,433 | 97,779,383 |
| <i>Average butterfat test</i> | 3.62% | 3.61% | 3.59% | 3.65% | 3.62% |
| <i>Average solids-non-fat test</i> | 8.86% | 8.84% | 8.81% | 8.81% | 8.78% |
| <i>Average daily pounds per milking cow</i> | 71 | 69 | 68 | 69 | 70 |
| <u>DAIRY HERD</u> | | | | | |
| <i>Average herd size:</i> | | | | | |
| <i>Milking cows</i> | 3,535 | 3,465 | 3,120 | 3,415 | 3,820 |
| <i>Dry cows</i> | 570 | 585 | 520 | 535 | 650 |
| <i>Bulls</i> | 51 | 50 | 49 | 40 | 44 |
| <i>Cows and bulls purchased:</i> | | | | | |
| <i>Number of head</i> | 156 | 144 | 134 | 506 | 184 |
| <i>Total amount paid</i> | \$ 190,063 | \$ 178,048 | \$ 166,421 | \$ 1,107,831 | \$ 358,921 |
| <i>Average per head</i> | \$ 1,218 | \$ 1,238 | \$ 1,241 | \$ 2,189 | \$ 1,951 |
| <i>Self-raised heifers transferred to milking herd</i> | | | | | |
| | 1,435 | 1,432 | 1,173 | 1,221 | 1,507 |
| <i>Cows and bulls sold:</i> | | | | | |
| <i>Number of head</i> | 1,358 | 1,218 | 1,096 | 1,131 | 1,207 |
| <i>Total amount received</i> | \$ 1,056,708 | \$ 845,691 | \$ 611,337 | \$ 656,280 | \$ 744,683 |
| <i>Average per head</i> | \$ 778 | \$ 694 | \$ 558 | \$ 580 | \$ 617 |
| <i>Dead cows</i> | 211 | 213 | 176 | 237 | 258 |
| <i>Herd turnover rate</i> | 37% | 35% | 34% | 34% | 32% |
| <u>PRODUCT PRICE</u> | | | | | |
| <i>Average price received per cwt. of milk shipped</i> | \$ 18.42 | \$ 14.67 | \$ 11.65 | \$ 16.72 | \$ 17.95 |

COST STUDY
WASHINGTON
DECEMBER 31, 2011

**COST STUDY
WASHINGTON**

**AVERAGE INCOME AND EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2011**

| | <u>AMOUNT</u> | <u>PERCENT</u> | | <u>PER CWT. OF MILK</u> | <u>PER AVERAGE HERD SIZE</u> |
|---|--------------------------------|------------------------|-------|-----------------------------|--------------------------------------|
| OPERATING INCOME: | | | | | |
| Milk | \$ 11,118,837 | 96.27 | % | \$ 20.37 | \$ 4,715 |
| Calves and heifers, net | 67,520 | 0.58 | | 0.12 | 28 |
| U.S. Department of Agriculture | 6,090 | 0.05 | | 0.01 | 3 |
| Patronage dividends | 310,384 | 2.69 | | 0.57 | 132 |
| Other | <u>47,046</u> | <u>0.41</u> | | <u>0.09</u> | <u>20</u> |
| Total income | \$ <u>11,549,877</u> | <u>100.00</u> | % | \$ <u>21.16</u> | \$ <u>4,898</u> |
| OPERATING EXPENSES: | | | | | |
| Feed: | | | | | |
| Hay | \$ 1,285,779 | 11.12 | % | \$ 2.36 | \$ 546 |
| Grain | 4,011,757 | 34.73 | | 7.35 | 1,701 |
| Silage | 674,628 | 5.84 | | 1.24 | 286 |
| Haylage | 400,480 | 3.47 | | 0.73 | 170 |
| Heifer raising | 271,117 | 2.35 | | 0.50 | 115 |
| Less cost of feeding heifers | <u>(1,176,147)</u> | <u>(10.18)</u> | | <u>(2.15)</u> | <u>(499)</u> |
| Total feed | \$ <u>5,467,614</u> | <u>47.33</u> | % | \$ <u>10.03</u> | \$ <u>2,319</u> |
| Herd replacement cost: | | | | | |
| Depreciation on dairy herd | \$ 597,435 | 5.17 | % | \$ 1.09 | \$ 253 |
| Loss on sale of cows | <u>292,758</u> | <u>2.53</u> | | <u>0.54</u> | <u>124</u> |
| Total herd replacement cost | \$ <u>890,193</u> | <u>7.70</u> | % | \$ <u>1.63</u> | \$ <u>377</u> |
| Other operating expenses, Schedule 3 | \$ <u>4,110,891</u> | <u>35.58</u> | % | \$ <u>7.56</u> | \$ <u>1,741</u> |
| Total operating expenses | \$ <u>10,468,698</u> | <u>90.61</u> | % | \$ <u>19.22</u> | \$ <u>4,437</u> |
| Net income | \$ <u><u>1,081,179</u></u> | <u><u>9.39</u></u> | % | \$ <u><u>1.94</u></u> | \$ <u><u>461</u></u> |

**COST STUDY
WASHINGTON**

SCHEDULE 3

**SCHEDULE OF OTHER OPERATING EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2011**

| | <u>AMOUNT</u> | <u>PERCENT</u> | | <u>PER CWT. OF MILK</u> | <u>PER AVERAGE HERD SIZE</u> |
|-------------------------------------|-------------------------|------------------|-------|-----------------------------|----------------------------------|
| <i>Interest and rent</i> | \$ 592,383 | 5.13 | % | \$ 1.09 | \$ 251 |
| <i>Labor and partners' salary</i> | 921,807 | 7.98 | | 1.69 | 391 |
| <i>Equipment leases</i> | 20,405 | 0.18 | | 0.04 | 9 |
| <i>Straw</i> | 64,718 | 0.56 | | 0.12 | 27 |
| <i>Depreciation - other</i> | 432,285 | 3.74 | | 0.79 | 183 |
| <i>Milk hauling</i> | 325,772 | 2.82 | | 0.60 | 138 |
| <i>Advertising and promotion</i> | 140,176 | 1.21 | | 0.26 | 59 |
| <i>Supplies</i> | 271,664 | 2.35 | | 0.50 | 115 |
| <i>Bedding</i> | 20,851 | 0.18 | | 0.04 | 9 |
| <i>Corral cleaning</i> | 28,738 | 0.25 | | 0.05 | 12 |
| <i>Repairs and maintenance</i> | 378,480 | 3.28 | | 0.69 | 160 |
| <i>Utilities</i> | 169,527 | 1.47 | | 0.31 | 72 |
| <i>Taxes</i> | 165,112 | 1.43 | | 0.30 | 70 |
| <i>Insurance</i> | 85,803 | 0.74 | | 0.16 | 36 |
| <i>Fuel and oil</i> | 186,145 | 1.61 | | 0.34 | 79 |
| <i>Legal and accounting</i> | 36,913 | 0.32 | | 0.07 | 16 |
| <i>Employee benefits</i> | 70,340 | 0.61 | | 0.13 | 30 |
| <i>Veterinary and medicine</i> | 325,911 | 2.82 | | 0.60 | 138 |
| <i>Breeding and semen</i> | 78,311 | 0.68 | | 0.14 | 33 |
| <i>Travel</i> | 9,441 | 0.08 | | 0.02 | 4 |
| <i>Livestock hauling</i> | 9,078 | 0.08 | | 0.02 | 4 |
| <i>Deadstock removal</i> | 9,717 | 0.08 | | 0.02 | 4 |
| <i>Testing and trimming</i> | 59,173 | 0.51 | | 0.11 | 25 |
| <i>Miscellaneous</i> | 5,052 | 0.04 | | 0.01 | 2 |
| <i>Less cost of raising heifers</i> | <u>(296,911)</u> | <u>(2.57)</u> | | <u>(0.54)</u> | <u>(126)</u> |
| <i>Total</i> | \$ <u>4,110,891</u> | <u>35.58</u> | % | \$ <u>7.56</u> | \$ <u>1,741</u> |

**COST STUDY
WASHINGTON**

SUPPLEMENTARY DATA

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| <u>MILK PRODUCTION</u> | | | | | |
| <i>Pounds of whole milk produced</i> | 54,591,641 | 51,560,206 | 50,218,026 | 52,095,198 | 42,024,994 |
| <i>Average butterfat test</i> | 3.69% | 3.58% | 3.58% | 3.59% | 3.58% |
| <i>Average protein test</i> | 3.16% | 3.07% | 3.04% | 3.06% | 3.03% |
| <i>Average daily pounds per milking cow</i> | 74 | 75 | 75 | 76 | 76 |
| <i>Average somatic cell count</i> | 224,000 | 249,000 | 213,000 | 229,000 | 181,000 |
| <u>DAIRY HERD</u> | | | | | |
| <i>Average herd size:</i> | | | | | |
| <i>Milking cows</i> | 2,015 | 1,875 | 1,830 | 1,875 | 1,510 |
| <i>Dry cows</i> | 340 | 335 | 350 | 350 | 255 |
| <i>Bulls</i> | 7 | 10 | 8 | 17 | 16 |
| <i>Cows and bulls purchased:</i> | | | | | |
| <i>Number of head</i> | 78 | 44 | NONE | 1 | 101 |
| <i>Total amount paid</i> | \$ 59,710 | \$ 52,999 | | \$ 2,000 | \$ 207,513 |
| <i>Average per head</i> | \$ 766 | \$ 1,205 | | \$ 2,000 | \$ 2,055 |
| <i>Self-raised heifers transferred to milking herd</i> | | | | | |
| | 1,024 | 964 | 873 | 798 | 471 |
| <i>Cows and bulls sold:</i> | | | | | |
| <i>Number of head</i> | 758 | 671 | 740 | 565 | 402 |
| <i>Total amount received</i> | \$ 501,885 | \$ 397,814 | \$ 355,540 | \$ 287,723 | \$ 222,460 |
| <i>Average per head</i> | \$ 662 | \$ 593 | \$ 480 | \$ 509 | \$ 554 |
| <i>Dead cows</i> | 150 | 184 | 196 | 148 | 139 |
| <i>Herd turnover rate</i> | 38% | 39% | 43% | 32% | 30% |
| <u>PRODUCT PRICE</u> | | | | | |
| <i>Average price received per cwt. of milk shipped</i> | \$ 20.37 | \$ 15.99 | \$ 12.88 | \$ 16.16 | \$ 18.46 |

COST STUDY

IDAHO

DECEMBER 31, 2011

**COST STUDY
IDAHO**

**AVERAGE INCOME AND EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2011**

| | <u>AMOUNT</u> | <u>PERCENT</u> | | <u>PER CWT. OF MILK</u> | <u>PER AVERAGE HERD SIZE</u> |
|---|--------------------------------|---------------------------|--------|-----------------------------|--------------------------------------|
| OPERATING INCOME: | | | | | |
| Milk | \$ 12,565,169 | 99.85 % | \$ | 18.78 | \$ 4,423 |
| Milk futures contracts | (206,099) | (1.64) | | (0.31) | (73) |
| Calves and heifers, net | 69,582 | 0.55 | | 0.10 | 23 |
| Patronage dividends | 121,580 | 0.97 | | 0.18 | 43 |
| Other | <u>33,356</u> | <u>0.27</u> | | <u>0.05</u> | <u>12</u> |
| Total income | \$ <u>12,583,588</u> | <u>100.00 %</u> | \$ | <u>18.80</u> | \$ <u>4,428</u> |
| OPERATING EXPENSES: | | | | | |
| <i>Feed:</i> | | | | | |
| Hay | \$ 1,606,053 | 12.78 % | \$ | 2.40 | \$ 565 |
| Grain | 4,372,973 | 34.75 | | 6.54 | 1,539 |
| Silage | 1,016,804 | 8.08 | | 1.52 | 358 |
| Haylage | 363,156 | 2.89 | | 0.54 | 128 |
| Heifer raising | 649,914 | 5.16 | | 0.97 | 229 |
| Less cost of feeding heifers | <u>(1,389,988)</u> | <u>(11.05)</u> | | <u>(2.08)</u> | <u>(489)</u> |
| Total feed | \$ <u>6,618,912</u> | <u>52.61 %</u> | \$ | <u>9.89</u> | \$ <u>2,330</u> |
| <i>Herd replacement cost:</i> | | | | | |
| Depreciation on dairy herd | \$ 754,108 | 5.99 % | \$ | 1.13 | \$ 265 |
| Loss on sale of cows | <u>327,574</u> | <u>2.60</u> | | <u>0.49</u> | <u>115</u> |
| Total herd replacement cost | \$ <u>1,081,682</u> | <u>8.59 %</u> | \$ | <u>1.62</u> | \$ <u>380</u> |
| Other operating expenses, Schedule 4 | \$ <u>3,297,294</u> | <u>26.20 %</u> | \$ | <u>4.93</u> | \$ <u>1,161</u> |
| Total operating expenses | \$ <u>10,997,888</u> | <u>87.40 %</u> | \$ | <u>16.44</u> | \$ <u>3,871</u> |
| Net income | \$ <u><u>1,585,700</u></u> | <u><u>12.60 %</u></u> | \$ | <u><u>2.36</u></u> | \$ <u><u>557</u></u> |

**COST STUDY
IDAHO**

SCHEDULE 4

**SCHEDULE OF OTHER OPERATING EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2011**

| | <u>AMOUNT</u> | <u>PERCENT</u> | | <u>PER CWT. OF MILK</u> | <u>PER AVERAGE HERD SIZE</u> |
|-------------------------------------|-------------------------|------------------|-------|-----------------------------|----------------------------------|
| <i>Interest and rent</i> | \$ 409,620 | 3.25 | % | \$ 0.62 | \$ 144 |
| <i>Labor and partners' salary</i> | 851,629 | 6.77 | | 1.27 | 300 |
| <i>Equipment leases</i> | 13,133 | 0.10 | | 0.02 | 5 |
| <i>Straw</i> | 97,222 | 0.77 | | 0.15 | 34 |
| <i>Depreciation - other</i> | 539,432 | 4.29 | | 0.81 | 190 |
| <i>Milk hauling</i> | 242,316 | 1.93 | | 0.36 | 85 |
| <i>Advertising and promotion</i> | 130,680 | 1.04 | | 0.20 | 46 |
| <i>Supplies</i> | 187,133 | 1.49 | | 0.28 | 66 |
| <i>Bedding</i> | 2,019 | 0.02 | | 0.00 | 1 |
| <i>Corral cleaning</i> | 34,585 | 0.27 | | 0.05 | 12 |
| <i>Repairs and maintenance</i> | 328,355 | 2.61 | | 0.49 | 116 |
| <i>BST</i> | 83,509 | 0.66 | | 0.12 | 29 |
| <i>Utilities</i> | 128,882 | 1.02 | | 0.19 | 45 |
| <i>Taxes</i> | 125,919 | 1.00 | | 0.19 | 44 |
| <i>Insurance</i> | 61,535 | 0.49 | | 0.09 | 22 |
| <i>Fuel and oil</i> | 167,100 | 1.33 | | 0.25 | 59 |
| <i>Legal and accounting</i> | 31,486 | 0.25 | | 0.05 | 11 |
| <i>Employee benefits</i> | 28,910 | 0.23 | | 0.04 | 10 |
| <i>Veterinary and medicine</i> | 260,976 | 2.07 | | 0.39 | 92 |
| <i>Breeding and semen</i> | 114,084 | 0.91 | | 0.17 | 40 |
| <i>Travel</i> | 4,418 | 0.04 | | 0.01 | 2 |
| <i>Livestock hauling</i> | 4,851 | 0.04 | | 0.01 | 2 |
| <i>Deadstock removal</i> | 5,637 | 0.04 | | 0.01 | 2 |
| <i>Testing and trimming</i> | 75,168 | 0.60 | | 0.11 | 26 |
| <i>Miscellaneous</i> | 7,794 | 0.06 | | 0.01 | 3 |
| <i>Less cost of raising heifers</i> | <u>(639,099)</u> | <u>(5.08)</u> | | <u>(0.96)</u> | <u>(225)</u> |
| <i>Total</i> | \$ <u>3,297,294</u> | <u>26.20</u> | % | \$ <u>4.93</u> | \$ <u>1,161</u> |

**COST STUDY
IDAHO**

SUPPLEMENTARY DATA

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| <u>MILK PRODUCTION</u> | | | | | |
| <i>Pounds of whole milk</i> | 66,905,806 | 60,574,256 | 59,784,664 | 54,279,181 | 50,947,846 |
| <i>Average butterfat test</i> | 3.70% | 3.59% | 3.52% | 3.52% | 3.57% |
| <i>Average protein test</i> | 3.06% | 3.01% | 3.02% | 3.02% | 3.02% |
| <i>Average daily pounds per milking cow</i> | 74 | 72 | 71 | 70 | 70 |
| <i>Average somatic cell count</i> | 159,000 | 161,000 | 166,000 | 191,000 | 184,000 |
| <u>DAIRY HERD</u> | | | | | |
| <i>Average herd size:</i> | | | | | |
| <i>Milking cows</i> | 2,480 | 2,305 | 2,305 | 2,125 | 2,000 |
| <i>Dry cows</i> | 350 | 345 | 365 | 310 | 290 |
| <i>Bulls</i> | 13 | 25 | 14 | 15 | 15 |
| <i>Cows and bulls purchased:</i> | | | | | |
| <i>Number of head</i> | 71 | 38 | 24 | 149 | 206 |
| <i>Total amount paid</i> | \$ 83,201 | \$ 49,521 | \$ 37,539 | \$ 315,178 | \$ 436,055 |
| <i>Average per head</i> | \$ 1,172 | \$ 1,303 | \$ 1,564 | \$ 2,115 | \$ 2,117 |
| <i>Self-raised heifers transferred to milking herd</i> | | | | | |
| | 1,079 | 979 | 962 | 792 | 618 |
| <i>Cows and bulls sold:</i> | | | | | |
| <i>Number of head</i> | 959 | 728 | 782 | 586 | 482 |
| <i>Total amount received</i> | \$ 626,395 | \$ 434,516 | \$ 344,884 | \$ 288,948 | \$ 241,993 |
| <i>Average per head</i> | \$ 653 | \$ 597 | \$ 441 | \$ 493 | \$ 502 |
| <i>Dead cows</i> | 182 | 190 | 209 | 171 | 131 |
| <i>Herd turnover rate</i> | 40% | 34% | 37% | 31% | 27% |
| <u>PRODUCT PRICE</u> | | | | | |
| <i>Average price received per cwt. of milk shipped</i> | \$ 18.78 | \$ 14.74 | \$ 11.94 | \$ 17.16 | \$ 16.95 |

COST STUDY
NEW MEXICO
DECEMBER 31, 2011

**COST STUDY
NEW MEXICO**

**AVERAGE INCOME AND EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2011**

| | <u>AMOUNT</u> | <u>PERCENT</u> | | <u>PER CWT. OF MILK</u> | <u>PER AVERAGE HERD SIZE</u> |
|---|--------------------------|---------------------|--------|-----------------------------|--------------------------------------|
| OPERATING INCOME: | | | | | |
| Milk | \$ 14,328,966 | 99.61 % | \$ | 19.68 | \$ 4,286 |
| Calves and heifers, net | (2,018) | (0.01) | | 0.00 | (1) |
| Patronage dividends | 43,790 | 0.30 | | 0.06 | 13 |
| Other | <u>14,184</u> | <u>0.10</u> | | <u>0.03</u> | <u>4</u> |
| Total income | \$ <u>14,384,922</u> | <u>100.00 %</u> | \$ | <u>19.77</u> | <u>\$ 4,302</u> |
| OPERATING EXPENSES: | | | | | |
| <i>Feed:</i> | | | | | |
| Hay | \$ 1,904,966 | 13.23 % | \$ | 2.63 | \$ 571 |
| Grain | 5,326,376 | 37.03 | | 7.32 | 1,593 |
| Silage | 1,523,439 | 10.59 | | 2.09 | 456 |
| Haylage | 71,172 | 0.49 | | 0.10 | 21 |
| Heifer raising | 448,753 | 3.12 | | 0.62 | 134 |
| Less cost of feeding heifers | <u>(1,862,219)</u> | <u>(12.95)</u> | | <u>(2.56)</u> | <u>(557)</u> |
| Total feed | \$ <u>7,412,487</u> | <u>51.51 %</u> | \$ | <u>10.20</u> | <u>\$ 2,218</u> |
| <i>Herd replacement cost:</i> | | | | | |
| Depreciation on dairy herd | \$ 838,601 | 5.83 % | \$ | 1.15 | \$ 251 |
| Loss on sale of cows | <u>328,559</u> | <u>2.28</u> | | <u>0.45</u> | <u>98</u> |
| Total herd replacement cost | \$ <u>1,167,160</u> | <u>8.11 %</u> | \$ | <u>1.60</u> | <u>\$ 349</u> |
| Other operating expenses, Schedule 5 | <u>\$ 3,785,150</u> | <u>26.34 %</u> | \$ | <u>5.19</u> | <u>\$ 1,133</u> |
| Total operating expenses | \$ <u>12,364,797</u> | <u>85.96 %</u> | \$ | <u>16.99</u> | <u>\$ 3,700</u> |
| Net income | <u>\$ 2,020,125</u> | <u>14.04 %</u> | \$ | <u>2.78</u> | <u>\$ 602</u> |

**COST STUDY
NEW MEXICO**

SCHEDULE 5

**SCHEDULE OF OTHER OPERATING EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2011**

| | <u>AMOUNT</u> | <u>PERCENT</u> | | <u>PER CWT. OF MILK</u> | <u>PER AVERAGE HERD SIZE</u> |
|-------------------------------------|-------------------------|--------------------|--|-----------------------------|----------------------------------|
| <i>Interest and rent</i> | \$ 451,837 | 3.19 % | | \$ 0.59 | \$ 136 |
| <i>Labor and partners' salary</i> | 978,267 | 6.80 | | 1.34 | 293 |
| <i>Equipment leases</i> | 4,875 | 0.03 | | 0.01 | 1 |
| <i>Depreciation - other</i> | 317,988 | 2.21 | | 0.44 | 95 |
| <i>Milk hauling</i> | 616,271 | 4.28 | | 0.85 | 184 |
| <i>Advertising & promotion</i> | 216,597 | 1.51 | | 0.30 | 65 |
| <i>Supplies</i> | 262,113 | 1.82 | | 0.36 | 78 |
| <i>Bedding</i> | 167 | 0.00 | | 0.00 | 0 |
| <i>Corral cleaning</i> | 49,170 | 0.34 | | 0.07 | 15 |
| <i>Repairs and maintenance</i> | 356,443 | 2.48 | | 0.49 | 107 |
| <i>Utilities</i> | 128,987 | 0.90 | | 0.18 | 39 |
| <i>Taxes</i> | 128,443 | 0.89 | | 0.18 | 38 |
| <i>Insurance</i> | 45,592 | 0.32 | | 0.06 | 14 |
| <i>Fuel</i> | 177,497 | 1.23 | | 0.24 | 53 |
| <i>Legal and accounting</i> | 24,794 | 0.17 | | 0.03 | 7 |
| <i>Employee benefits</i> | 42,962 | 0.30 | | 0.06 | 13 |
| <i>Veterinary and medicine</i> | 277,990 | 1.93 | | 0.38 | 83 |
| <i>Breeding and semen</i> | 84,033 | 0.58 | | 0.12 | 25 |
| <i>Travel</i> | 4,321 | 0.03 | | 0.01 | 1 |
| <i>Livestock hauling</i> | 3,522 | 0.02 | | 0.00 | 1 |
| <i>Deadstock removal</i> | 4,457 | 0.03 | | 0.01 | 1 |
| <i>Testing and trimming</i> | 79,617 | 0.55 | | 0.11 | 24 |
| <i>Miscellaneous</i> | 5,487 | 0.04 | | 0.01 | 2 |
| <i>Less cost of raising heifers</i> | <u>(476,280)</u> | <u>(3.31)</u> | | <u>(0.65)</u> | <u>(142)</u> |
| <i>Total</i> | \$ <u>3,785,150</u> | <u>26.34</u> % | | \$ <u>5.19</u> | \$ <u>1,133</u> |

**COST STUDY
NEW MEXICO**

SUPPLEMENTARY DATA

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| <u>MILK PRODUCTION</u> | | | | | |
| <i>Pounds of whole milk produced</i> | 72,792,566 | 75,834,442 | 75,834,442 | 72,298,204 | 67,240,902 |
| <i>Average butterfat test</i> | 3.54% | 3.49% | 3.49% | 3.58% | 3.54% |
| <i>Average protein test</i> | 3.03% | 3.04% | 3.04% | 3.03% | 3.09% |
| <i>Average daily pounds per milking cow</i> | 70 | 71 | 71 | 70 | 68 |
| <i>Average somatic cell count</i> | 171,000 | 164,000 | 164,000 | 204,000 | 186,000 |
| <u>DAIRY HERD</u> | | | | | |
| <i>Average herd size:</i> | | | | | |
| <i>Milking cows</i> | 2,845 | 2,940 | 2,940 | 2,810 | 2,700 |
| <i>Dry cows</i> | 470 | 535 | 535 | 495 | 445 |
| <i>Bulls</i> | 27 | 55 | 55 | 55 | 60 |
| <i>Srpingers and bulls purchased:</i> | | | | | |
| <i>Number of head</i> | 87 | 165 | 165 | 340 | 453 |
| <i>Total amount paid</i> | \$ 117,345 | \$ 238,403 | \$ 238,403 | \$ 728,349 | \$ 860,738 |
| <i>Average per head</i> | \$ 1,349 | \$ 1,447 | \$ 1,447 | \$ 2,143 | \$ 1,900 |
| <i>Self-raised heifers transferred to milking herd</i> | 1,214 | 1,244 | 1,244 | 1,038 | 979 |
| <i>Cows and bulls sold:</i> | | | | | |
| <i>Number of head</i> | 1,030 | 1,095 | 1,095 | 1,056 | 1,004 |
| <i>Total amount received</i> | \$ 739,511 | \$ 536,233 | \$ 536,233 | \$ 589,479 | \$ 538,621 |
| <i>Average per head</i> | \$ 718 | \$ 490 | \$ 490 | \$ 558 | \$ 537 |
| <i>Dead cows</i> | 186 | 180 | 180 | 198 | 194 |
| <i>Herd turnover rate</i> | 36% | 36% | 36% | 37% | 37% |
| <u>PRODUCT PRICE</u> | | | | | |
| <i>Average price received per cwt. of milk shipped</i> | \$ 19.68 | \$ 12.56 | \$ 12.56 | \$ 17.80 | \$ 18.90 |

COST STUDY

WEST TEXAS

DECEMBER 31, 2011

**COST STUDY
WEST TEXAS**

**AVERAGE INCOME AND EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2011**

| | <u>AMOUNT</u> | <u>PERCENT</u> | | <u>PER CWT. OF MILK</u> | <u>PER AVERAGE HERD SIZE</u> |
|---|--------------------------------|---------------------------|--------|-----------------------------|--------------------------------------|
| OPERATING INCOME: | | | | | |
| Milk | \$ 18,228,554 | 99.42 % | \$ | 19.84 | \$ 4,228 |
| Calves and heifers, net | 24,141 | 0.13 | | 0.03 | 6 |
| Patronage dividends | 54,229 | 0.30 | | 0.06 | 13 |
| Other | <u>32,559</u> | <u>0.15</u> | | <u>0.04</u> | <u>8</u> |
| Total income | \$ <u>18,339,483</u> | <u>100.00</u> % | \$ | <u>19.97</u> | <u>\$ 4,255</u> |
| OPERATING EXPENSES: | | | | | |
| <i>Feed:</i> | | | | | |
| Hay | \$ 2,036,545 | 11.10 % | \$ | 2.22 | \$ 471 |
| Grain | 6,687,185 | 36.46 | | 7.28 | 1,551 |
| Silage | 1,878,598 | 10.24 | | 2.05 | 436 |
| Haylage | 202,539 | 1.10 | | 0.22 | 47 |
| Heifer raising | 653,198 | 3.56 | | 0.71 | 152 |
| Less cost of feeding heifers | <u>(2,251,596)</u> | <u>(12.28)</u> | | <u>(2.45)</u> | <u>(522)</u> |
| Total feed | \$ <u>9,206,469</u> | <u>50.18</u> % | \$ | <u>10.03</u> | <u>\$ 2,135</u> |
| <i>Herd replacement cost:</i> | | | | | |
| Depreciation on dairy herd | \$ 1,039,272 | 5.67 % | \$ | 1.13 | \$ 241 |
| Loss on sale of cows | <u>432,725</u> | <u>2.36</u> | | <u>0.47</u> | <u>100</u> |
| Total herd replacement cost | \$ <u>1,471,997</u> | <u>8.03</u> % | \$ | <u>1.60</u> | <u>\$ 341</u> |
| Other operating expenses, Schedule 6 | \$ <u>4,825,146</u> | <u>26.31</u> % | \$ | <u>5.25</u> | <u>\$ 1,119</u> |
| Total operating expenses | \$ <u>15,503,612</u> | <u>84.52</u> % | \$ | <u>16.88</u> | <u>\$ 3,595</u> |
| Net income | \$ <u><u>2,835,871</u></u> | <u><u>15.48</u></u> % | \$ | <u><u>3.09</u></u> | <u><u>\$ 660</u></u> |

**COST STUDY
WEST TEXAS**

SCHEDULE 6

**SCHEDULE OF OTHER OPERATING EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2011**

| | <u>AMOUNT</u> | <u>PERCENT</u> | | <u>PER CWT. OF MILK</u> | <u>PER AVERAGE HERD SIZE</u> |
|-------------------------------------|--------------------------------|-------------------------|-------|-----------------------------|----------------------------------|
| <i>Interest and rent</i> | \$ 595,306 | 3.24 | % | \$ 0.64 | \$ 137 |
| <i>Labor and partners' salary</i> | 1,209,915 | 6.60 | | 1.32 | 281 |
| <i>Equipment leases</i> | 11,068 | 0.06 | | 0.01 | 3 |
| <i>Depreciation - other</i> | 377,164 | 2.06 | | 0.41 | 87 |
| <i>Milk hauling</i> | 817,549 | 4.46 | | 0.89 | 190 |
| <i>Advertising & promotion</i> | 277,667 | 1.51 | | 0.30 | 64 |
| <i>Supplies</i> | 321,556 | 1.75 | | 0.35 | 75 |
| <i>Bedding</i> | 156 | 0.00 | | 0.00 | 0 |
| <i>Corral cleaning</i> | 52,128 | 0.28 | | 0.06 | 12 |
| <i>Repairs and maintenance</i> | 456,979 | 2.49 | | 0.50 | 106 |
| <i>Utilities</i> | 166,418 | 0.91 | | 0.18 | 39 |
| <i>Taxes</i> | 155,089 | 0.85 | | 0.17 | 36 |
| <i>Insurance</i> | 65,813 | 0.36 | | 0.07 | 15 |
| <i>Fuel</i> | 211,656 | 1.15 | | 0.23 | 49 |
| <i>Legal and accounting</i> | 36,857 | 0.20 | | 0.04 | 9 |
| <i>Employee benefits</i> | 49,044 | 0.27 | | 0.05 | 11 |
| <i>Veterinary and medicine</i> | 334,591 | 1.82 | | 0.36 | 78 |
| <i>Breeding and semen</i> | 122,185 | 0.67 | | 0.13 | 28 |
| <i>Travel</i> | 9,284 | 0.05 | | 0.01 | 2 |
| <i>Livestock hauling</i> | 5,261 | 0.03 | | 0.01 | 1 |
| <i>Deadstock removal</i> | 5,458 | 0.03 | | 0.01 | 1 |
| <i>Testing and trimming</i> | 99,176 | 0.54 | | 0.11 | 23 |
| <i>Miscellaneous</i> | 6,586 | 0.04 | | 0.01 | 2 |
| <i>Less cost of raising heifers</i> | <u>(561,760)</u> | <u>(3.06)</u> | | <u>(0.61)</u> | <u>(130)</u> |
| <i>Total</i> | \$ <u><u>4,825,146</u></u> | <u><u>26.31</u></u> | % | \$ <u><u>5.25</u></u> | \$ <u><u>1,119</u></u> |

**COST STUDY
WEST TEXAS**

SUPPLEMENTARY DATA

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| <u>MILK PRODUCTION</u> | | | | | |
| <i>Pounds of whole milk produced</i> | 91,859,280 | 74,235,820 | 80,130,106 | 69,738,128 | 74,352,775 |
| <i>Average butterfat test</i> | 3.59% | 3.53% | 3.51% | 3.60% | 3.59% |
| <i>Average protein test</i> | 3.05% | 3.05% | 3.06% | 3.04% | 3.09% |
| <i>Average daily pounds per milking cow</i> | 68 | 68 | 69 | 69 | 65 |
| <i>Average somatic cell count</i> | 150,000 | 185,000 | 187,000 | 218,000 | 219,000 |
| <u>DAIRY HERD</u> | | | | | |
| <i>Average herd size:</i> | | | | | |
| <i>Milking cows</i> | 3,685 | 2,980 | 3,165 | 2,780 | 3,125 |
| <i>Dry cows</i> | 600 | 495 | 545 | 465 | 500 |
| <i>Bulls</i> | 27 | 35 | 47 | 43 | 55 |
| <i>Springers and bulls purchased:</i> | | | | | |
| <i>Number of head</i> | 167 | 281 | 117 | 361 | 492 |
| <i>Total amount paid</i> | \$ 226,041 | \$ 347,432 | \$ 168,466 | \$ 735,395 | \$ 922,019 |
| <i>Average per head</i> | \$ 1,353 | \$ 1,238 | \$ 1,440 | \$ 2,036 | \$ 1,874 |
| <i>Self-raised heifers transferred to milking herd</i> | 1,573 | 1,398 | 1,376 | 1,072 | 1,159 |
| <i>Cows and bulls sold:</i> | | | | | |
| <i>Number of head</i> | 1,339 | 1,089 | 1,147 | 1,004 | 1,176 |
| <i>Total amount received</i> | \$ 977,381 | \$ 647,182 | \$ 576,181 | \$ 560,690 | \$ 635,421 |
| <i>Average per head</i> | \$ 730 | \$ 595 | \$ 502 | \$ 559 | \$ 540 |
| <i>Dead cows</i> | 227 | 200 | 183 | 185 | 218 |
| <i>Herd turnover rate</i> | 36% | 37% | 35% | 36% | 38% |
| <u>PRODUCT PRICE</u> | | | | | |
| <i>Average price received per cwt. of milk shipped</i> | \$ 19.84 | \$ 16.13 | \$ 12.58 | \$ 17.86 | \$ 19.09 |

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