



2013 Dairy Farm Business Summary

Farm Educator
 Sample Farm

02/08/2015
 NOT APPROVED

Progress of the Farm Business			
SELECTED FACTORS	2011	2012	2013
Size of Business			
Average number of cows		309	303
Average number of heifers		286	271
Milk sold, pounds		7,993,589	8,356,617
Worker equivalent		7.06	6.96
Total tillable acres		658	658
Rates of Production			
Milk sold per cow, pounds		25,869	27,580
Hay DM per acre, tons		3.25	3.15
Corn silage per acre, tons		20	22.1
Labor Efficiency			
Cows per worker		44	44
Milk sold per worker, pounds		1,132,236	1,200,663
Cost Control and Milk Price			
Grain & concentrate purchased as a % milk sales	%	36%	35%
Dairy feed & crop expense per cwt. Milk	\$	\$8.79	\$9.26
Labor and machinery costs per cow	\$	\$1,787	\$1,830
Purchased input cost of producing milk per cwt.	\$	\$17.96	\$17.77
Total cost of producing milk per cwt.	\$	\$20.61	\$20.51
Operating cost of producing milk per cwt.	\$	\$15.66	\$15.44
Net milk price	\$	\$18.76	\$20.26
Capital Efficiency (average for year)			
Farm Capital per cow	\$	\$11,241	\$12,577
Machinery and equipment per cow	\$	\$2,032	\$2,338
Asset turnover ratio		0.6	0.59
Profitability			
Net farm income without appreciation	\$	\$121,637	\$290,252
Net farm income per cow without appreciation	\$	\$394	\$958
Net farm income with appreciation	\$	\$346,932	\$436,447
Net farm income per cow with appreciation	\$	\$1,123	\$1,440
Labor & management income per operator/manager	\$	\$5,889	\$83,893
Rate return on equity capital with appreciation	%	11.65%	14.11%
Rate return on all capital with appreciation	%	8.97%	10.31%
Financial Summary			
Farm net worth, end year	\$	\$2,127,406	\$2,450,387
Debt to asset ratio		0.43	0.37
Farm debt per cow	\$	\$5,116	\$4,691
Debt coverage ratio		1.01	1.71

Income Statement

Farm Expenses	Cash Detail	Total Cash Amount Paid	- Change in Inventory or Prepaid Expenses	+ Change in Accounts Payable	= Accrual Expenses
<u>Hired Labor</u>		\$136,839	\$0	\$0	\$136,839
Gross pay	\$120,724				
Health insurance & retirement contribution	\$0				
FICA/ Workers compensation	\$16,115				
Other benefits	\$0				
<u>Feed</u>					
Dairy grain & concentrate		\$668,136	\$54,000	\$0	\$614,136
Dairy roughage		\$18,556	\$0	\$0	\$18,556
Nondairy feed		\$0	\$0	\$0	\$0
Professional fees		\$0	\$0	\$0	\$0
<u>Machinery</u>					
Machine hire, rent & lease		\$56,246	\$0	-\$450	\$55,796
Machinery repairs & farm vehicle expense		\$76,605	\$5,000	\$0	\$71,605
Equipment repair	\$76,605				
Milking system repair	\$0				
Vehicle Expense	\$0				
Parts & supplies	\$0				
Fuel, oil & grease		\$61,154	\$0	\$0	\$61,154
<u>Livestock</u>					
Replacement livestock		\$0	\$0	\$0	\$0
Breeding		\$32,333	\$900	\$0	\$31,433
Veterinary & medicine		\$43,095	\$0	\$0	\$43,095
Veterinary service	\$10,824				
Medicine	\$28,151				
Hoof trimming	\$4,120				
Milk marketing		\$82,084	\$0	\$454	\$82,538
Milk hauling	\$65,349				
Advertising & Promotion	\$12,543				
Cooperative dues	\$4,192				
Bedding		\$55,920	\$0	\$0	\$55,920
Milking Supplies		\$51,904	\$0	\$0	\$51,904
Cattle lease & rent		\$0	\$0	\$0	\$0
Custom boarding		\$53,611	\$0	\$0	\$53,611
bST		\$0	\$0	\$0	\$0
Professional fees		\$2,100	\$0	\$0	\$2,100
Other livestock expense		\$3,543	\$0	\$0	\$3,543
<u>Crops</u>					
Fertilizer & lime		\$102,753	\$0	\$0	\$102,753
Seeds & plants		\$32,496	\$0	\$0	\$32,496
Spray, other crop expense		\$0	\$0	\$0	\$0
Professional fees		\$5,813	\$0	\$0	\$5,813

Income Statement (continued)

Farm Expenses	Total Cash Amount Paid	-	Change in Inventory or Prepaid Expenses	+	Change in Accounts Payable	=	Accrual Expenses
<u>Real Estate</u>							
Land, building & fence repair	\$15,745		\$0		\$0		\$15,745
Taxes	\$13,539		\$0		\$0		\$13,539
Rent & lease	\$18,025		\$0		\$0		\$18,025
<u>Other</u>							
Insurance	\$17,778		\$0		\$0		\$17,778
Utilities (farm share)	\$33,053		\$0		\$0		\$33,053
Interest	\$70,860		\$0		\$0		\$70,860
Professional fees	\$9,841		\$0		\$0		\$9,841
Miscellaneous	\$6,176		\$0		\$0		\$6,176
TOTAL OPERATING EXPENSES	\$1,668,205		\$59,900		\$4		\$1,608,309
Expansion livestock	\$0		\$0		\$0		\$0
Extraordinary Expense	\$0		\$0		\$0		\$0
Machinery depreciation							\$107,222
Building depreciation							\$87,917
TOTAL ACCRUAL EXPENSES							\$1,803,448

Farm Receipts	Cash Detail Receipts	+	Total Cash Receipts	+	Change in Inventory	+	Change in Accounts Receivable	=	Accrual Receipts
<u>Milk</u>									
Butterfat	\$537,563						\$3,346		\$540,909
Protein	\$806,749						\$7,271		\$814,020
Other Solids	\$196,259						\$-3,814		\$192,445
Producer Price Differential	\$94,294						\$6,377		\$100,671
Quality	\$51,896						\$60		\$51,956
Volume	\$18,206						\$21		\$18,227
Compact Payment	\$0						\$0		\$0
Patronage Dividend	\$79,935						\$-28,127		\$51,808
Other Milk	\$5,275						\$3		\$5,278
Futures/Contracts	\$0						\$0		\$0
Total Milk			\$1,790,177				\$-14,863		\$1,775,314
Raised Cattle Sales	\$87,852								
Purchased Cattle Sales	\$2,048								
Total Cattle Sales			\$89,900		\$25,100		\$0		\$115,000
Dairy Calves			\$18,677		\$-3,000		\$0		\$15,677
Other Livestock			\$0		\$0		\$0		\$0
Crops			\$89,614		\$28,000		\$0		\$117,614
Government Receipts			\$44,643		\$0		\$0		\$44,643
Custom Machine Work			\$21,213		\$0		\$0		\$21,213
Gas Tax Refunds			\$0		\$0		\$0		\$0
Other			\$4,239		\$0		\$0		\$4,239
-Noncash capital transfer					\$0		\$0		\$0
TOTAL FARM RECEIPTS			\$2,058,463		\$50,100		\$-14,863		\$2,093,700

Profitability Analysis

	<u>Without Appreciation</u>	<u>+ Appreciation</u>	<u>With = Appreciation</u>
<u>RETURN TO OPERATOR(S) & UNPAID FAMILY LABOR, MANAGEMENT, & EQUITY CAPITAL:</u>			
Total Accrual Receipts	\$2,093,700		
+ Livestock Appreciation		\$0	
+ Machinery Appreciation		\$8,278	
+ Real Estate Appreciation		\$137,917	
+ Other Stock & Certificate Appreciation		\$0	
Total Accrual Receipts Including Appreciation			\$2,239,895
- Total Accrual Expenses	\$1,803,448		\$1,803,448
= NET FARM INCOME BEFORE TAX	\$290,252		\$436,447
- Estimated State and Federal Income Tax	\$0		
= NET FARM INCOME AFTER TAX	\$290,252		
<u>RETURN TO OPERATOR(S) LABOR & MANAGEMENT:</u>			
Net Farm Income Before Tax	\$290,252		
- Unpaid Family Labor @ 2,600/month	\$8,320		
- Interest on 2,282,912 Average Equity Capital @ 5.000% Real Rate	\$114,146		
= LABOR & MANAGEMENT INCOME PER FARM	\$167,786		(2 Operator(s)/farm)
LABOR & MGMT. INCOME PER OPERATOR/MGR	\$83,893		
<u>RETURN TO EQUITY CAPITAL:</u>			
Net Farm Income Before Tax	\$290,252		\$436,447
- Unpaid Family Labor @ 2,600/month	\$8,320		\$8,320
- Value of Operator(s) Labor & Management	\$106,000		\$106,000
= RETURN TO EQUITY CAPITAL	\$175,932		\$322,127
Rate of Return on Equity Capital	7.71%		14.11%
<u>RETURN TO ALL CAPITAL:</u>			
Return to Equity Capital	\$175,932		\$322,127
+ Interest Paid	\$70,860		\$70,860
= RETURN TO ALL CAPITAL	\$246,792		\$392,987
Rate of Return on All Capital	6.48%		10.31%
Net Farm Income from Operations Ratio	0.14		

Balance Sheet of the Farm January 1, 2013

ASSETS	Market Value	Cost Value	LIABILITIES & NET WORTH	Market Value	Cost Value
<u>CURRENT</u>			<u>CURRENT</u>		
Farm cash, check & savings	\$12,802	\$12,802	Accounts payable	\$5,378	\$5,378
Accounts receivable	\$232,525	\$232,525	Operating debt:		
Prepaid expenses	\$0	\$0	#1: Operating Loans BOC	\$20,000	\$20,000
Feed & supplies	\$340,000	\$340,000	#2: Operating Loans BOC	\$11,969	\$11,969
TOTAL CURRENT	\$585,327	\$585,327	#3:	\$0	\$0
			Short term:		
			#1:	\$0	\$0
			#2:	\$0	\$0
			Advanced Government Receipts	\$0	\$0
			Current portion:		
			Intermediate	\$160,785	\$160,785
			Long term	\$38,895	\$38,895
			Deferred taxes	\$0	---
			TOTAL CURRENT	\$237,027	\$237,027
<u>INTERMEDIATE</u>			<u>INTERMEDIATE</u>		
Dairy cows: Raised	\$399,100	\$307,000	#1: Revolving Line	\$219,271	\$219,271
Leased	\$0	\$0	#2: Com Bank 1	\$7,763	\$7,763
Heifers: Raised	\$263,300	\$162,000	#3: FC Capital	\$217,323	\$217,323
Bulls/Other Livestock: Raised	\$0	\$0	#4: Truck Loan	\$22,245	\$22,245
Dairy cows: Purchased	\$1,300}		#5: Com Bank 2	\$34,202	\$34,202
Heifers: Purchased	\$0}	\$0	#6: Dealer 1	\$9,999	\$9,999
Bulls/Other Lvstk: Purchased	\$0}		#7:	\$0	\$0
Mach. & equipment owned	\$680,000	\$0	#8: Dealer 2	\$6,740	\$6,740
Mach. & equipment leased	\$15,740	\$15,740	#9:	\$0	\$0
FCB stock	\$1,000	\$1,000	Financial lease (cattle & mach.)	\$15,740	\$15,740
Other stock & certificates	\$357,546	\$357,546	FCB stock	\$1,000	\$1,000
TOTAL INTERMEDIATE	\$1,717,986	\$843,286	Deferred taxes	\$0	---
			TOTAL INTERMEDIATE	\$534,283	\$534,283
			<u>LONG TERM</u>		
			#1: House Mort	\$666,124	\$666,124
<u>LONG TERM</u>			#2: Land 1	\$109,359	\$109,359
Land & buildings			#3:	\$0	\$0
Owned	\$1,400,000	\$0	#4:	\$0	\$0
Leased	\$0	\$0	#5: Land 3	\$41,083	\$41,083
			Financial lease (structures)	\$0	\$0
TOTAL LONG TERM	\$1,400,000	\$0	Deferred taxes	\$0	---
			TOTAL LONG TERM	\$816,566	\$816,566
TOTAL FARM ASSETS	\$3,703,313	\$1,428,613	TOTAL FARM LIABILITIES	\$1,587,876	\$1,587,876
			FARM NET WORTH	\$2,115,437	-\$159,263
			FARM NET WORTH	\$2,115,437	
			(excluding deferred taxes)		

Balance Sheet of the Farm December 31, 2013

ASSETS	Market Value	Cost Value	LIABILITIES & NET WORTH	Market Value	Cost Value
<u>CURRENT</u>			<u>CURRENT</u>		
Farm cash, check & savings	\$5,583	\$5,583	Accounts payable	\$5,382	\$5,382
Accounts receivable	\$217,662	\$217,662	Operating debt:		
Prepaid expenses	\$0	\$0	#1: Operating Loans BOC	\$40,000	\$40,000
Feed & supplies	\$427,900	\$427,900	#2: Operating Loans BOC	\$0	\$0
TOTAL CURRENT	\$651,145	\$651,145	#3:	\$0	\$0
			Short term:		
			#1:	\$0	\$0
			#2:	\$0	\$0
			Advanced Government Receipts	\$0	\$0
			Current portion:		
			Intermediate	\$164,839	\$164,839
			Long term	\$40,964	\$40,964
			Deferred taxes	\$0	---
			TOTAL CURRENT	\$251,185	\$251,185
<u>INTERMEDIATE</u>			<u>INTERMEDIATE</u>		
Dairy cows: Raised	\$405,600	\$312,000	#1: Revolving Line	\$131,626	\$131,626
Leased	\$0	\$0	#2: Com Bank 1	\$3,392	\$3,392
Heifers: Raised	\$278,900	\$172,500	#3: FC Capital	\$254,026	\$254,026
Bulls/Other Livestock: Raised	\$0	\$0	#4: Truck Loan	\$16,661	\$16,661
Dairy cows: Purchased	\$1,300}		#5: Com Bank 2	\$22,850	\$22,850
Heifers: Purchased	\$0}	\$0	#6: Dealer 1	\$3,020	\$3,020
Bulls/Other Lvstk: Purchased	\$0}		#7:	\$0	\$0
Mach. & equipment owned	\$710,000	\$0	#8: Dealer 2	\$-10	\$-10
Mach. & equipment leased	\$10,855	\$10,855	#9:	\$0	\$0
FCB stock	\$1,000	\$1,000	Financial lease (cattle & mach.)	\$10,855	\$10,855
Other stock & certificates	\$409,802	\$409,802	FCB stock	\$1,000	\$1,000
TOTAL INTERMEDIATE	\$1,817,457	\$906,157	Deferred taxes	\$0	---
			TOTAL INTERMEDIATE	\$443,420	\$443,420
			<u>LONG TERM</u>		
			#1: House Mort	\$631,863	\$631,863
<u>LONG TERM</u>			#2: Land 1	\$105,230	\$105,230
Land & buildings			#3:	\$0	\$0
Owned	\$1,450,000	\$0	#4:	\$0	\$0
Leased	\$0	\$0	#5: Land 3	\$36,517	\$36,517
			Financial lease (structures)	\$0	\$0
TOTAL LONG TERM	\$1,450,000	\$0	Deferred taxes	\$0	---
			TOTAL LONG TERM	\$773,610	\$773,610
TOTAL FARM ASSETS	\$3,918,602	\$1,557,302	TOTAL FARM LIABILITIES	\$1,468,215	\$1,468,215
			FARM NET WORTH	\$2,450,387	\$89,087
			FARM NET WORTH	\$2,450,387	
			(excluding deferred taxes)		

2013 Nonfarm Balance Sheet

NONFARM ASSETS	January 1	Dec. 31	NONFARM LIABILITIES	January 1	Dec. 31
Personal cash, checking & savings	\$0	\$0	#1 0	\$0	\$0
Cash value of life insurance	\$0	\$0	#2 0	\$0	\$0
Nonfarm real estate	\$0	\$0			
Auto (personal share)	\$0	\$0	TOTAL NONFARM LIABILITIES	\$0	\$0
Stocks & bonds	\$0	\$0			
Household furnishings	\$0	\$0			
All other	\$0	\$0			
TOTAL NONFARM ASSETS	\$0	\$0	NONFARM NET WORTH	\$0	\$0

2013 FARM & NONFARM MARKET VALUE BALANCE SHEET

Total Farm & Nonfarm Assets	\$3,703,313	\$3,918,602
Total Farm & Nonfarm Liabilities	\$1,587,876	\$1,468,215
FARM & NONFARM NET WORTH	\$2,115,437	\$2,450,387

Balance Sheet Analysis (excluding deferred taxes)

Financial Ratios	Farm Business, End Year			
	Market Value	Cost Value	Farm & Nonfarm	
Percent equity	63%	6%	63%	
Debt to asset ratios:				
Total	0.37	0.94	0.37	
Long-term	0.53	0		
Intermediate/current	0.28	0.45		
Leverage ratio	0.6	16.48		
Current ratio	2.59	2.59		
Working capital	\$399,960	\$399,960		
As % of total expenses	22%	22%		
<u>Debt Analysis</u>				
Accounts payable as percent of total debt	0%			
Long-term debt as a percent of total debt	53%			
Current & intermediate debt as % of total debt	47%			
Cost of term debt (weighted average)	4.7%			
<u>Debt Levels</u>	<u>Per Cow</u>	<u>Per Tillable Acre Owned</u>		
Total farm debt	\$4,691	\$3,599		
Long term debt	\$2,472	\$1,896		
Intermediate & long term	\$3,888	\$2,983		
Intermediate & current	\$2,219	\$1,702		
<u>Farm Inventory (Market Value)</u>	<u>Real Estate</u>	<u>Machinery & Equipment</u>	<u>Livestock</u>	<u>Feed & Supplies</u>
Beginning of year	\$1,400,000	\$680,000	\$663,700	\$340,000
Purchases	\$0*	\$131,455		
+ Noncash transfer to farm	\$0	\$0		
- Lost capital	\$0			
- Net sales	\$0	\$2,511		
- Depreciation	\$87,917	\$107,222		
= Net investment	-\$87,917	\$21,722	\$22,100**	
Appreciation	\$137,917	\$8,278	\$0	
End of Year	\$1,450,000	\$710,000	\$685,800	\$427,900

* 0 land + 0 building.

** See page 12, "Dairy Inventory Analysis", for dairy cow and heifer inventory detail.

Statement of Owner Equity (Reconciliation)

	<u>FARM BUSINESS</u>	
Beginning of year farm net worth (excluding deferred taxes)		\$2,115,437
Net farm income without appreciation	\$290,252	
+ Nonfarm cash income	+\$0	
- Personal withdrawals and family expenditures excluding nonfarm borrowings	-\$112,113	
RETAINED EARNINGS		+\$178,139
Nonfarm noncash transfers to farm	\$0	
+ Cash used in business from nonfarm capital	+\$0	
- Note/mortgage from farm real estate sold (nonfarm)	-\$0	
CONTRIBUTED/WITHDRAWN CAPITAL	=	+\$0
Appreciation	\$146,195	
- Lost capital	-\$0	
CHANGE IN VALUATION EQUITY		+\$146,195
IMBALANCE/ERROR		-\$-10,616
End of year farm net worth		=\$2,450,387
Change in net worth with appreciation		\$334,950

<u>Change in Net Worth</u>	<u>Farm</u>	<u>Farm &</u>
	<u>Business</u>	<u>Nonfarm</u>
Without appreciation	\$188,755	
With appreciation	\$334,950	\$334,950

The Statement of Owner Equity has two purposes: It allows:

1. Verification that the accrual income statement and market value balance sheet are interrelated and consistent (in accountants' terms, they reconcile) and
2. Identification of the causes of change in equity that occurred on the farm during the year.

The Statement of Owner Equity allows you to determine to what degree the change in equity was caused by:

1. Earnings from the business, and nonfarm income, in excess of withdrawals being retained in the business (called retained earnings),
2. Outside capital being invested in the business or farm capital being removed from the business (called contributed/withdrawn capital), and
3. Increases or decreases in the value (price) of assets owned by the business (called change in valuation equity).

Annual Cash Flow Statement

CASH FLOW FROM OPERATING ACTIVITIES

Cash farm receipts	\$2,058,463	
- Cash farm expenses	\$1,668,205	
- Extraordinary expenses	\$0	
= Net cash farm income		\$390,258
Personal withdrawals & family expenses, including nonfarm debt payments	\$112,113	
- Nonfarm income	\$0	
- Net cash withdrawals from the farm		\$112,113
= Net Provided by Operating Activities		\$278,145

CASH FLOW FROM INVESTING ACTIVITIES

Sale of assets: machinery	\$2,511	
+ real estate	\$0	
+ other stock and certificates	\$0	
= Total asset sales		\$2,511
Capital purchases: expansion livestock	\$0	
+ machinery	\$131,455	
+ real estate	\$0	
+ other stock and certificates	\$52,256	
- Total invested in farm assets		\$183,711
= Net Provided by Investing Activities		\$-181,200

CASH FLOW FROM FINANCING ACTIVITIES

Money borrowed (intermediate & long term)	\$78,030	
+ Money borrowed (short term)	\$0	
+ Increase in operating debt	\$8,031	
+ Cash from nonfarm capital used in business	\$0	
+ Money borrowed (nonfarm)	\$0	
= Cash inflow from financing		\$86,061
Principal payments (intermediate & long term)	\$200,841	
+ Principal payments (short term)	\$0	
+ Decrease in operating debt	\$0	
- Cash outflow for financing		\$200,841
= Net Provided by Financing Activities		\$-114,780

CASH FLOW FROM RESERVES

Beginning farm cash, checking & savings	\$12,802	
- Ending farm cash, checking & savings	\$5,583	
= Net Provided from Reserves		\$7,219

IMBALANCE (ERROR)		\$-10,616
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Repayment Analysis

<u>Debt Payments</u>	<u>Planned for 2013*</u>	<u>Made in 2013</u>	<u>Planned for 2014</u>
Long term	\$80,556	\$81,064	\$80,568
Intermediate term	\$178,752	\$190,637	\$187,611
Short term	\$0	\$0	\$0
Operating (net reduction)	\$0	\$0	\$0
Accounts payable (net reduction)	\$0	\$0	\$0
Total	\$259,308	\$271,701	\$268,179
(Percent made of planned = 105%)			
Per cow	\$856	\$897	
Per cwt 2013 milk	\$3.1	\$3.25	
Percent of total 2013 receipts	13%	13%	
Percent of 2013 milk receipts	14%	15%	

*If on business summary in 2012.

<u>Cash Flow Coverage Ratio</u>		<u>Debt Coverage Ratio</u>	
Cash farm receipts	\$2,058,463	Net farm income (without appreciation)	\$290,252
- Cash farm expenses	\$1,668,205	+ Depreciation	\$195,139
+ Interest paid (cash)	\$70,860	+ Interest paid (accrual)	\$70,860
- Net personal withdrawals from farm**	\$112,113	- Net personal withdrawals from farm**	\$112,113
(A) = Amount available for debt service	\$349,005	(A) = Repayment capacity	\$444,138
(B) = Debt payments planned for 2013	\$259,308	(B) = Debt payments planned for 2013	\$259,308
(A/B) Cash Flow Coverage Ratio for 2013	1.35	(A/B) Debt Coverage Ratio for 2013	1.71

**Personal withdrawals & family expenditures less nonfarm income and nonfarm money borrowed.

Cropping Program Analysis

<u>LAND</u>	<u>Owned</u>	<u>Rented</u>	<u>Total</u>
Tillable	408	250	658
Nontillable pasture	5	0	5
Other nontillable	43	0	43
Total	456	250	706

<u>CROP YIELDS</u>	<u>Acres</u>	<u>Total Production</u>	<u>Production Per Acre</u>
Dry hay		0 tons DM	
Baleage		0 tons DM	
Hay crop silage		973 tons DM	
Total Hay Crop Production	309.00	973 tons DM	3.15 tons DM
Corn silage	223.00	4,928.00 tons	22.1 tons
		1,774 tons DM	7.96 tons DM
Other forage	0.00	0 tons DM	0 tons DM
Total Forage	532	2,747 tons DM	5.16 tons DM
Corn grain	0.00	0.00 bushels	0 bushels
Oats	0.00	0.00 bushels	0 bushels
Wheat	64.00	4,800.00 bushels	75 bushels
Other crops	62.00		
Tillable pasture	0.00		
Idle tillable land	0.00		
Less doublecropped acres	0		
Total tillable acres	658.00		

CROP RELATED ACCRUAL EXPENSES

<u>Crop Expenses</u>	<u>Total Per Tillable Acre</u>	<u>All Corn Per Acre</u>	<u>Corn Silage Per TonDM</u>	<u>Corn Grain Per Dry Shell Bushel</u>
Fertilizer & lime	\$156.16	\$0.00	\$0.00	\$0.00
Seeds & plants	\$49.39	\$0.00	\$0.00	\$0.00
Spray & other crop expenses	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total Crop Expense	\$205.55	\$0.00	\$0.00	\$0.00

<u>Crop Expenses</u>	<u>Hay Crop</u>		<u>Pasture Crop</u>	
	<u>Per Acre</u>	<u>Per Ton DM</u>	<u>Per Tillable Acre</u>	<u>Per Total Acre</u>
Fertilizer & lime	\$0.00	\$0.00	\$0.00	\$0.00
Seeds & plants	\$0	\$0.00	\$0.00	\$0.00
Spray & other crop expenses	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total Crop Expense	\$0.00	\$0.00	\$0.00	\$0.00

<u>MACHINERY</u>	<u>Total</u>	<u>Per Tillable Acre</u>
Fuel, oil & grease	\$61,154	\$92.94
Machinery repair & farm vehicle expense	\$71,605	\$108.82
Machine hire, rent & lease	\$55,796	\$84.80
Interest (5.000% of average market value, owned & leased)	\$35,415	\$53.82
Depreciation	<u>\$107,222</u>	<u>\$162.95</u>
Total Machinery Cost	\$331,192	\$503.33

CROP PER COW FACTORS

Total tillable acres per cow	2.17
Total forage acres per cow	1.76
Harvested forage dry matter per cow	9.07

Dairy Analysis

DAIRY INVENTORY

(Market Values)	Dairy Cows		Bred Heifers		Open Heifers		Calves	
	No.	Value	No.	Value	No.	Value	No.	Value
Beginning of Year	308	\$400,400	67	\$93,800	138	\$138,000	63	\$31,500
+ Change in inventory (without apprec.)		\$6,500		\$26,600		\$-8,000		\$-3,000
+ Appreciation		\$0		\$0		\$0		\$0
= End of Year	313	\$406,900	86	\$120,400	130	\$130,000	57	\$28,500
Total End (including leased)	313							
Average number	303		271		All Age Groups			

MILK PRODUCTION

Total milk sold	8,356,617 lbs.
Milk sold per cow	27,580 lbs.
Average milk plant test	3.89% butterfat

ANIMALS LEAVING THE HERD

	Number	Percent
Cows sold for beef	76	25
Cows sold for dairy	0	0
Cows died	32	11
Culling rate		36

ACCRUAL RECEIPTS FROM DAIRY

	Total	Per Cow	Per Cwt.
Milk	\$1,775,314	\$5,859	\$21.24
Dairy cattle (including culls)	\$115,000	\$380	\$1.38
Dairy calves	\$15,677	\$52	\$0.19
Total	\$1,905,991	\$6,290	\$22.81
Net milk receipts	\$1,692,776	\$5,587	\$20.26

ACCRUAL COSTS AND PROFITABILITY

	Total	Per Cow	Per Cwt.
Operating cost of producing milk	\$1,289,923	\$4,257	\$15.44
Purchased inputs cost of producing milk*	\$1,485,062	\$4,901	\$17.77
Total cost of producing milk	\$1,713,528	\$5,655	\$20.51
Net farm income with appreciation	\$436,447	\$1,440	\$5.22
Net farm income without appreciation	\$290,252	\$958	\$3.47

DAIRY RELATED ACCRUAL EXPENSES

	Total	Per Cow	Per Cwt.
Purchased dairy grain & concentrates	\$614,136	\$2,027	\$7.35
Purchase dairy roughage	\$18,556	\$61	\$0.22
Total purchased dairy feed	\$632,692	\$2,088	\$7.57
Purchased grain & concentrates as % of milk receipts	35%		
Purchased feed and crop expense	\$773,754	\$2,554	\$9.26
Purchased feed and crop expense as % of milk receipts	44%		
Breeding	\$31,433	\$104	\$0.38
Veterinary & medicine	\$43,095	\$142	\$0.52
Milk marketing	\$82,538	\$272	\$0.99
Bedding	\$55,920	\$185	\$0.67
Milking supplies	\$51,904	\$171	\$0.62
Cattle lease	\$0	\$0	\$0.00
Custom boarding	\$53,611	\$177	\$0.64
bST expense	\$0	\$0	\$0.00
Professional fees	\$2,100	\$7	\$0.03
Other livestock expense	\$3,543	\$12	\$0.04

*Total cost of producing milk excluding unpaid family labor and operator's labor, management and capital.

No Testing Service	Limited Liability Corporation	Farm coded full-time
Parabone	On - farm accounting software Quickbooks	Farm coded owner
Freestall	100% Holstein, 0% Jersey, 0% Other.	Farm coded dairy
3X per day		
bST usage = 0.00		

Milk Income and Marketing Report

	Pounds	Percent	Price Per Pound	Total	Per Cwt. Milk	Per Cow
BASE FARM PRICE						
Butterfat	324,994	3.89%	\$1.66	\$540,909	\$6.47	\$1,785
Protein	246,249	2.95%	\$3.31	\$814,020	\$9.74	\$2,687
Solids	478,705	5.73%	\$0.4	\$192,445	\$2.3	\$635
Total Component Contribution					\$18.51	\$5,107
PPD	8,356,617			\$100,671	\$1.20	\$332
Base Farm Price					\$19.71	\$5,439
<u>Premiums</u>						
Quality				\$51,956	\$0.62	\$171
Volume				\$18,227	\$0.22	\$60
Market Premiums				\$5,278	\$0.06	\$17
Total Premiums					\$0.90	\$248
BASE FARM PRICE + PREMIUM					\$20.61	\$5,687
<u>Deductions</u>						
Promotion				\$12,543	\$0.15	\$41
Hauling & Stop Charges.				\$65,349	\$0.78	\$216
Market Fees & Coop Dues				\$4,192	\$0.05	\$14
Total Deductions					\$0.98	\$271
BASE FARM PRICE + PREMIUMS - DEDUCTIONS					\$19.63	\$5,416
<u>Marketing Programs</u>						
Compact				\$0	\$0.00	\$0
Futures Contracts, Forward Contracting, Etc.				\$0	\$0.00	\$0
Total Marketing Income					\$0.00	\$0
Patronage Dividends				\$51,808	\$0.62	\$171
NET PRICE RECEIVED ON FARM, ALL SOURCES					\$20.25	\$5,587
PPD - Hauling					\$0.42	\$116
PPD - Hauling + Market Premiums					\$0.48	\$133
Net Marketing Value (PPD + Total Premiums - Total Deductions)					\$1.12	\$309

Capital & Labor Efficiency Analysis

CAPITAL EFFICIENCY (Average Market Value)	Per Worker	Per Cow	Per Tillable Acre	Per Tillable Acre Owned
Farm capital	\$547,551	\$12,577	\$5,792	\$9,341
Real estate		\$4,703		\$3,493
Machinery & equipment	\$101,767	\$2,338	\$1,076	

RATIOS	Asset Turnover	Operating Expense	Interest Expense	Depreciation Expense
	0.59	0.73	0.03	0.09

LABOR FORCE	Months	Age	Years of Education	Value of Labor & Management
Operator number 1	15.0	58	0	\$54,000
Operator number 2	15.0	36	0	\$52,000
Operator number 3	0.0	0	0	\$0
Operator number 4	0.0	0	0	\$0
Operator number 5	0.0	0	0	\$0
Operator number 6	0.0	0	0	\$0
:				
Family paid	0.0			
Family unpaid	3.2			
Hired	50.3			
Total	83.5	/12 = 6.96	Worker Equivalent	
		2	Operator/Manager Equivalent	

LABOR EFFICIENCY	Total	Per Worker
Cows, average number	303	44
Milk sold, pounds	8,356,617	1,200,663
Tillable acres	658	95

LABOR COST	Total	Per Cow	Per Cwt.
Value of operator(s) labor (\$ 2,600 / month)*	\$78,000	\$257	\$0.93
Family unpaid (\$2,600 / month)*	\$8,320	\$27	\$0.10
Hired	\$136,839	\$452	\$1.64
Gross pay	\$120,724		
Health insurance & retirement contribution	\$0		
FICA/worker compensation	\$16,115		
Other benefits	\$0		
Total Labor	\$223,159	\$736	\$2.67
Machinery Cost (see page 11)	\$331,192	\$1,093	\$3.96
Total Labor & Machinery Cost	\$554,351	\$1,830	\$6.63
Hired labor expense per hired worker equivalent	\$32,645		
Hired labor expense as % of milk sales	7.71%		

*When comparing to previous years' data, please note 1998 constants used in calculations were \$1600/month for both the value of operator(s) labor and unpaid family labor. In 1999, these values were \$1800/month, 2000 = \$1900/month, 2001 = \$2000/month, and in 2002 = \$2100/month. For 2003 through 2005 these values were \$2200/month and in 2006 = \$2300/month.

Receipts and Expenses per Cow and per Cwt. 2011 - 2013

Item	2011		2012		2013	
	Per Cow	Per Cwt.	Per Cow	Per Cwt.	Per Cow	Per Cwt.
Average number of cows			309		303	
Cwt. of milk sold				79,935.89		83,566.17
ACCRUAL OPERATING RECEIPTS						
Milk	\$	\$	\$5,040	\$19.48	\$5,859	\$21.24
Dairy cattle	\$	\$	\$406	\$1.57	\$380	\$1.38
Dairy calves	\$	\$	\$39	\$0.15	\$52	\$0.19
Other livestock	\$	\$	\$0	\$0	\$0	\$0
Crops	\$	\$	\$269	\$1.04	\$388	\$1.41
Miscellaneous receipts	\$	\$	\$307	\$1.19	\$231	\$0.84
Total Operating Receipts	\$	\$	\$6,060	\$23.43	\$6,910	\$25.05
ACCRUAL OPERATING EXPENSES						
Hired labor	\$	\$	\$438	\$1.69	\$452	\$1.64
Dairy grain & concentrate	\$	\$	\$1,805	\$6.98	\$2,027	\$7.35
Dairy roughage	\$	\$	\$63	\$0.24	\$61	\$0.22
Nondairy feed	\$	\$	\$0	\$0.00	\$0	\$0.00
Professional nutritional services	\$	\$	\$0	\$0.00	\$0	\$0.00
Machine hire, rent & lease	\$	\$	\$275	\$1.06	\$184	\$0.67
Machine repair & vehicle expense	\$	\$	\$184	\$0.71	\$236	\$0.86
Fuel, oil & grease	\$	\$	\$199	\$0.77	\$202	\$0.73
Replacement livestock	\$	\$	\$7	\$0.03	\$0	\$0.00
Breeding	\$	\$	\$106	\$0.41	\$104	\$0.38
Veterinary & medicine	\$	\$	\$118	\$0.46	\$142	\$0.52
Milk marketing	\$	\$	\$186	\$0.72	\$272	\$0.99
Bedding	\$	\$	\$219	\$0.85	\$185	\$0.67
Milking supplies	\$	\$	\$243	\$0.94	\$171	\$0.62
Cattle lease	\$	\$	\$11	\$0.04	\$0	\$0.00
Custom boarding	\$	\$	\$166	\$0.64	\$177	\$0.64
BST expense	\$	\$	\$0	\$0.00	\$0	\$0.00
Professional fees (livestock)	\$	\$	\$1	\$0.01	\$7	\$0.03
Other livestock expense	\$	\$	\$16	\$0.06	\$12	\$0.04
Fertilizer & lime	\$	\$	\$205	\$0.79	\$339	\$1.23
Seeds & plants	\$	\$	\$180	\$0.69	\$107	\$0.39
Spray & other crop expense	\$	\$	\$0	\$0.00	\$0	\$0.00
Professional fees (crops)	\$	\$	\$20	\$0.08	\$19	\$0.07
Land, building & fence repair	\$	\$	\$75	\$0.29	\$52	\$0.19
Taxes	\$	\$	\$55	\$0.21	\$45	\$0.16
Real estate rent & lease	\$	\$	\$56	\$0.22	\$59	\$0.22
Insurance	\$	\$	\$43	\$0.17	\$59	\$0.21
Utilities	\$	\$	\$94	\$0.36	\$109	\$0.40
Interest paid	\$	\$	\$243	\$0.94	\$234	\$0.85
Professional fees (other)	\$	\$	\$34	\$0.13	\$32	\$0.12
Miscellaneous	\$	\$	\$29	\$0.11	\$20	\$0.07
Total Operating Expenses	\$	\$	\$5,070	\$19.60	\$5,308	\$19.25
Expansion livestock	\$	\$	\$0	\$0.00	\$0	\$0.00
Extraordinary expense	\$	\$	\$0	\$0.00	\$0	\$0.00
Machinery depreciation	\$	\$	\$311	\$1.20	\$354	\$1.28
Real estate depreciation	\$	\$	\$285	\$1.10	\$290	\$1.05
Total Expenses	\$	\$	\$5,666	\$21.90	\$5,952	\$21.58
Net Farm Income						
Without Appreciation	\$	\$	\$394	\$1.52	\$958	\$3.47