



## 2014 Dairy Farm Business Summary

Farm Educator  
 Sample Farm

02/08/2015  
 NOT APPROVED

Progress of the Farm Business			
SELECTED FACTORS	2012	2013	2014
<b>Size of Business</b>			
Average number of cows	309	303	312
Average number of heifers	286	271	270
Milk sold, pounds	7,993,589	8,356,617	8,649,737
Worker equivalent	7.06	6.96	7.29
Total tillable acres	658	658	658
<b>Rates of Production</b>			
Milk sold per cow, pounds	25,869	27,580	27,724
Hay DM per acre, tons	3.25	3.15	3.38
Corn silage per acre, tons	20	22.1	25.71
<b>Labor Efficiency</b>			
Cows per worker	44	44	43
Milk sold per worker, pounds	1,132,236	1,200,663	1,186,521
<b>Cost Control and Milk Price</b>			
Grain & concentrate purchased as a % milk sales	36%	35%	31%
Dairy feed & crop expense per cwt. Milk	\$8.79	\$9.26	\$9.22
Labor and machinery costs per cow	\$1,787	\$1,830	\$2,107
Purchased input cost of producing milk per cwt.	\$17.96	\$17.77	\$19.04
Total cost of producing milk per cwt.	\$20.61	\$20.51	\$21.98
Operating cost of producing milk per cwt.	\$15.66	\$15.44	\$16.35
Net milk price	\$18.76	\$20.26	\$24.88
<b>Capital Efficiency (average for year)</b>			
Farm Capital per cow	\$11,241	\$12,577	\$13,364
Machinery and equipment per cow	\$2,032	\$2,338	\$2,631
Asset turnover ratio	0.6	0.59	0.6
<b>Profitability</b>			
Net farm income without appreciation	\$121,637	\$290,252	\$561,908
Net farm income per cow without appreciation	\$394	\$958	\$1,801
Net farm income with appreciation	\$346,932	\$436,447	\$571,424
Net farm income per cow with appreciation	\$1,123	\$1,440	\$1,831
Labor & management income per operator/manager	\$5,889	\$83,893	\$212,041
Rate return on equity capital with appreciation	11.65%	14.11%	17.22%
Rate return on all capital with appreciation	8.97%	10.31%	12.24%
<b>Financial Summary</b>			
Farm net worth, end year	\$2,127,406	\$2,450,387	\$2,729,905
Debt to asset ratio	0.43	0.37	0.38
Farm debt per cow	\$5,116	\$4,691	\$5,454
Debt coverage ratio	1.01	1.71	2.37

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>		\$161,794	\$0	\$0	\$161,794
Gross pay	\$140,886				
Health insurance & retirement contribution	\$0				
FICA/ Workers compensation	\$16,661				
Other benefits	\$4,247				
<u>Feed</u>					
Dairy grain & concentrate		\$656,918	\$-25,000	\$0	\$681,918
Dairy roughage		\$0	\$0	\$0	\$0
Nondairy feed		\$0	\$0	\$0	\$0
Professional fees		\$0	\$0	\$0	\$0
<u>Machinery</u>					
Machine hire, rent & lease		\$74,669	\$0	\$0	\$74,669
Machinery repairs & farm vehicle expense		\$91,327	\$0	\$0	\$91,327
Equipment repair	\$91,327				
Milking system repair	\$0				
Vehicle Expense	\$0				
Parts & supplies	\$0				
Fuel, oil & grease		\$66,196	\$0	\$0	\$66,196
<u>Livestock</u>					
Replacement livestock		\$0	\$0	\$0	\$0
Breeding		\$36,091	\$0	\$0	\$36,091
Veterinary & medicine		\$39,374	\$0	\$0	\$39,374
Veterinary service	\$12,641				
Medicine	\$21,823				
Hoof trimming	\$4,910				
Milk marketing		\$61,467	\$0	\$-5,382	\$56,085
Milk hauling	\$44,682				
Advertising & Promotion	\$12,653				
Cooperative dues	\$4,132				
Bedding		\$81,817	\$0	\$0	\$81,817
Milking Supplies		\$46,877	\$0	\$0	\$46,877
Cattle lease & rent		\$0	\$0	\$0	\$0
Custom boarding		\$38,266	\$0	\$0	\$38,266
bST		\$0	\$0	\$0	\$0
Professional fees		\$0	\$0	\$0	\$0
Other livestock expense		\$3,777	\$0	\$0	\$3,777
<u>Crops</u>					
Fertilizer & lime		\$76,697	\$0	\$0	\$76,697
Seeds & plants		\$67,591	\$36,156	\$0	\$31,435
Spray, other crop expense		\$0	\$0	\$0	\$0
Professional fees		\$7,177	\$0	\$0	\$7,177

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	\$34,506		\$0		\$0		\$34,506
Taxes	\$14,879		\$0		\$0		\$14,879
Rent & lease	\$25,229		\$0		\$0		\$25,229
<u>Other</u>							
Insurance	\$13,964		\$0		\$0		\$13,964
Utilities (farm share)	\$44,071		\$0		\$0		\$44,071
Interest	\$64,333		\$0		\$0		\$64,333
Professional fees	\$6,828		\$0		\$0		\$6,828
Miscellaneous	\$10,773		\$0		\$0		\$10,773
TOTAL OPERATING EXPENSES	\$1,724,621		\$11,156		\$-5,382		\$1,708,083
Expansion livestock	\$0		\$0		\$0		\$0
Extraordinary Expense	\$0		\$0		\$0		\$0
Machinery depreciation							\$135,940
Building depreciation							\$96,512
TOTAL ACCRUAL EXPENSES							\$1,940,535

Farm Receipts	Cash Detail Receipts	+	Total Cash Receipts	+	Change in Inventory	+	Change in Accounts Receivable	=	Accrual Receipts
<u>Milk</u>									
Butterfat	\$745,024						\$71,224		\$816,248
Protein	\$926,821						\$62,759		\$989,580
Other Solids	\$216,608						\$17,097		\$233,705
Producer Price Differential	\$80,891						\$-3,327		\$77,564
Quality	\$49,089						\$3,749		\$52,838
Volume	\$17,334						\$1,312		\$18,646
Compact Payment	\$0						\$0		\$0
Patronage Dividend	\$51,808						\$-34,509		\$17,299
Other Milk	\$2,455						\$187		\$2,642
Futures/Contracts	\$0						\$0		\$0
Total Milk			\$2,090,030				\$118,492		\$2,208,522
Raised Cattle Sales	\$153,345								
Purchased Cattle Sales	\$0								
Total Cattle Sales			\$153,345		\$-1,100		\$0		\$152,245
Dairy Calves			\$36,274		\$3,500		\$0		\$39,774
Other Livestock			\$0		\$0		\$0		\$0
Crops			\$0		\$44,550		\$16,000		\$60,550
Government Receipts			\$25,337		\$0		\$0		\$25,337
Custom Machine Work			\$10,658		\$0		\$0		\$10,658
Gas Tax Refunds			\$0		\$0		\$0		\$0
Other			\$5,357		\$0		\$0		\$5,357
-Noncash capital transfer					\$0		\$0		\$0
TOTAL FARM RECEIPTS			\$2,321,001		\$46,950		\$134,492		\$2,502,443

Profitability Analysis

	Without <u>Appreciation</u>	<u>+ Appreciation</u>	With <u>= Appreciation</u>
<u>RETURN TO OPERATOR(S) &amp; UNPAID FAMILY LABOR, MANAGEMENT, &amp; EQUITY CAPITAL:</u>			
Total Accrual Receipts	\$2,502,443		
+ Livestock Appreciation		\$0	
+ Machinery Appreciation		\$5,763	
+ Real Estate Appreciation		\$3,753	
+ Other Stock & Certificate Appreciation		\$0	
Total Accrual Receipts Including Appreciation			\$2,511,959
- Total Accrual Expenses	\$1,940,535		\$1,940,535
= NET FARM INCOME BEFORE TAX	\$561,908		\$571,424
- Estimated State and Federal Income Tax	\$0		
= NET FARM INCOME AFTER TAX	\$561,908		
<u>RETURN TO OPERATOR(S) LABOR &amp; MANAGEMENT:</u>			
Net Farm Income Before Tax	\$561,908		
- Unpaid Family Labor @ 2,600/month	\$8,320		
- Interest on 2,590,146 Average Equity Capital @ 5.000% Real Rate	\$129,507		
= LABOR & MANAGEMENT INCOME PER FARM	\$424,081		(2 Operator(s)/farm)
LABOR & MGMT. INCOME PER OPERATOR/MGR	\$212,041		
<u>RETURN TO EQUITY CAPITAL:</u>			
Net Farm Income Before Tax	\$561,908		\$571,424
- Unpaid Family Labor @ 2,600/month	\$8,320		\$8,320
- Value of Operator(s) Labor & Management	\$117,000		\$117,000
= RETURN TO EQUITY CAPITAL	\$436,588		\$446,104
Rate of Return on Equity Capital	16.86%		17.22%
<u>RETURN TO ALL CAPITAL:</u>			
Return to Equity Capital	\$436,588		\$446,104
+ Interest Paid	\$64,333		\$64,333
= RETURN TO ALL CAPITAL	\$500,921		\$510,437
Rate of Return on All Capital	12.01%		12.24%
Net Farm Income from Operations Ratio	0.22		

Balance Sheet of the Farm January 1, 2014

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	\$172,595	\$172,595
			Long term	\$40,582	\$40,582
			Deferred taxes	\$0	---
			TOTAL CURRENT	\$258,559	\$258,559
<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	\$4,576	\$4,576
Heifers: Raised	\$278,900	\$172,500	#3: FC Capital	\$236,167	\$236,167
Bulls/Other Livestock: Raised	\$0	\$0	#4: Truck Loan	\$16,661	\$16,661
Dairy cows: Purchased	\$1,300}		#5: Comb Bank 2	\$22,850	\$22,850
Heifers: Purchased	\$0}	\$0	#6: Dealer 1	\$7,281	\$7,281
Bulls/Other Lvstk: Purchased	\$0}		#7: Dealer 3	\$0	\$0
Mach. & equipment owned	\$710,000	\$0	#8: Dealer 2	\$4,648	\$4,648
Mach. & equipment leased	\$10,855	\$10,855	#9: Dealer 4	\$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	\$435,664	\$435,664
			<u>LONG TERM</u>		
<u>LONG TERM</u>			#1: House Mort	\$631,876	\$631,876
Land & buildings			#2: Land 1	\$105,599	\$105,599
Owned	\$1,450,000	\$0	#3:	\$0	\$0
Leased	\$0	\$0	#4: Com Mort	\$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	\$773,992	\$773,992
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)		

Balance Sheet of the Farm December 31, 2014

ASSETS	Market Value	Cost Value	LIABILITIES & NET WORTH	Market Value	Cost Value
<u>CURRENT</u>			<u>CURRENT</u>		
Farm cash, check & savings	\$2,816	\$2,816	Accounts payable	\$0	\$0
Accounts receivable	\$352,154	\$352,154	Operating debt:		
Prepaid expenses	\$0	\$0	#1: Operating Loans BOC	\$193,000	\$193,000
Feed & supplies	\$483,606	\$483,606	#2: Operating Loans BOC	\$0	\$0
TOTAL CURRENT	\$838,576	\$838,576	#3:	\$0	\$0
			Short term:		
			#1:	\$0	\$0
			#2:	\$0	\$0
			Advanced Government Receipts	\$0	\$0
			Current portion:		
			Intermediate	\$183,740	\$183,740
			Long term	\$50,310	\$50,310
			Deferred taxes	\$0	---
			TOTAL CURRENT	\$427,050	\$427,050
<u>INTERMEDIATE</u>			<u>INTERMEDIATE</u>		
Dairy cows: Raised	\$403,000	\$310,000	#1: Revolving Line	\$39,424	\$39,424
Leased	\$0	\$0	#2: Com Bank 1	\$25	\$25
Heifers: Raised	\$285,200	\$178,800	#3: FC Capital	\$371,992	\$371,992
Bulls/Other Livestock: Raised	\$0	\$0	#4: Truck Loan	\$10,696	\$10,696
Dairy cows: Purchased	\$0}		#5: Comb Bank 2	\$9,975	\$9,975
Heifers: Purchased	\$0}	\$0	#6: Dealer 1	\$74	\$74
Bulls/Other Lvstk: Purchased	\$0}		#7: Dealer 3	\$16,471	\$16,471
Mach. & equipment owned	\$915,000	\$0	#8: Dealer 2	\$0	\$0
Mach. & equipment leased	\$5,617	\$5,617	#9: Dealer 4	\$26,949	\$26,949
FCB stock	\$1,000	\$1,000	Financial lease (cattle & mach.)	\$5,617	\$5,617
Other stock & certificates	\$447,383	\$447,383	FCB stock	\$1,000	\$1,000
TOTAL INTERMEDIATE	\$2,057,200	\$942,800	Deferred taxes	\$0	---
			TOTAL INTERMEDIATE	\$482,223	\$482,223
			<u>LONG TERM</u>		
<u>LONG TERM</u>			#1: House Mort	\$598,044	\$598,044
Land & buildings			#2: Land 1	\$101,257	\$101,257
Owned	\$1,525,000	\$0	#3:	\$0	\$0
Leased	\$0	\$0	#4: Com Mort	\$49,822	\$49,822
			#5: Land 3	\$32,475	\$32,475
			Financial lease (structures)	\$0	\$0
TOTAL LONG TERM	\$1,525,000	\$0	Deferred taxes	\$0	---
			TOTAL LONG TERM	\$781,598	\$781,598
TOTAL FARM ASSETS	\$4,420,776	\$1,781,376	TOTAL FARM LIABILITIES	\$1,690,871	\$1,690,871
			FARM NET WORTH	\$2,729,905	\$90,505
			FARM NET WORTH	\$2,729,905	
			(excluding deferred taxes)		

2014 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

2014 FARM & NONFARM MARKET VALUE BALANCE SHEET

Total Farm & Nonfarm Assets	\$3,918,602	\$4,420,776
Total Farm & Nonfarm Liabilities	\$1,468,215	\$1,690,871
FARM & NONFARM NET WORTH	\$2,450,387	\$2,729,905

Balance Sheet Analysis (excluding deferred taxes)

Financial Ratios	Farm Business, End Year			
	Market Value	Cost Value	Farm & Nonfarm	
Percent equity	62%	5%	62%	
Debt to asset ratios:				
Total	0.38	0.95	0.38	
Long-term	0.51	0		
Intermediate/current	0.31	0.51		
Leverage ratio	0.62	18.68		
Current ratio	1.96	1.96		
Working capital	\$411,526	\$411,526		
As % of total expenses	21%	21%		
<u>Debt Analysis</u>				
Accounts payable as percent of total debt	0%			
Long-term debt as a percent of total debt	46%			
Current & intermediate debt as % of total debt	54%			
Cost of term debt (weighted average)	4.6%			
<u>Debt Levels</u>	<u>Per Cow</u>	<u>Per Tillable Acre Owned</u>		
Total farm debt	\$5,454	\$4,144		
Long term debt	\$2,521	\$1,916		
Intermediate & long term	\$4,077	\$3,098		
Intermediate & current	\$2,933	\$2,229		
<u>Farm Inventory (Market Value)</u>	<u>Real Estate</u>	<u>Machinery &amp; Equipment</u>	<u>Livestock</u>	<u>Feed &amp; Supplies</u>
Beginning of year	\$1,450,000	\$710,000	\$685,800	\$427,900
Purchases	\$237,759*	\$335,177		
+ Noncash transfer to farm	\$0	\$0		
- Lost capital	\$70,000			
- Net sales	\$0	\$0		
- Depreciation	\$96,512	\$135,940		
= Net investment	\$71,247	\$199,237	\$2,400**	
Appreciation	\$3,753	\$5,763	\$0	
End of Year	\$1,525,000	\$915,000	\$688,200	\$483,606

\* 0 land + 237,759 building.

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

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Statement of Owner Equity (Reconciliation)

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	<u>FARM BUSINESS</u>	
Beginning of year farm net worth (excluding deferred taxes)		\$2,450,387
Net farm income without appreciation	\$561,908	
+ Nonfarm cash income	+\$0	
- Personal withdrawals and family expenditures excluding nonfarm borrowings	-\$221,833	
RETAINED EARNINGS		+\$340,075
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	\$9,516	
- Lost capital	-\$70,000	
CHANGE IN VALUATION EQUITY		+-\$60,484
IMBALANCE/ERROR		-\$73
End of year farm net worth		=\$2,729,905
Change in net worth with appreciation		\$279,518

<u>Change in Net Worth</u>	<u>Farm</u>	<u>Farm &amp;</u>
	<u>Business</u>	<u>Nonfarm</u>
Without appreciation	\$270,002	
With appreciation	\$279,518	\$279,518

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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).



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Annual Cash Flow Statement

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CASH FLOW FROM OPERATING ACTIVITIES

Cash farm receipts	\$2,321,001	
- Cash farm expenses	\$1,724,621	
- Extraordinary expenses	\$0	
= Net cash farm income		\$596,380
Personal withdrawals & family expenses, including nonfarm debt payments	\$221,833	
- Nonfarm income	\$0	
- Net cash withdrawals from the farm		\$221,833
= Net Provided by Operating Activities		\$374,547

CASH FLOW FROM INVESTING ACTIVITIES

Sale of assets: machinery	\$0	
+ real estate	\$0	
+ other stock and certificates	\$0	
= Total asset sales		\$0
Capital purchases: expansion livestock	\$0	
+ machinery	\$335,177	
+ real estate	\$237,759	
+ other stock and certificates	\$37,581	
- Total invested in farm assets		\$610,517
= Net Provided by Investing Activities		\$-610,517

CASH FLOW FROM FINANCING ACTIVITIES

Money borrowed (intermediate & long term)	\$260,358	
+ Money borrowed (short term)	\$0	
+ Increase in operating debt	\$153,000	
+ Cash from nonfarm capital used in business	\$0	
+ Money borrowed (nonfarm)	\$0	
= Cash inflow from financing		\$413,358
Principal payments (intermediate & long term)	\$180,082	
+ Principal payments (short term)	\$0	
+ Decrease in operating debt	\$0	
- Cash outflow for financing		\$180,082
= Net Provided by Financing Activities		\$233,276

CASH FLOW FROM RESERVES

Beginning farm cash, checking & savings	\$5,583	
- Ending farm cash, checking & savings	\$2,816	
= Net Provided from Reserves		\$2,767

IMBALANCE (ERROR)		\$73
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Repayment Analysis

<u>Debt Payments</u>	<u>Planned for 2014*</u>	<u>Made in 2014</u>	<u>Planned for 2015</u>
Long term	\$80,568	\$82,921	\$90,048
Intermediate term	\$187,611	\$160,714	\$207,195
Short term	\$0	\$0	\$0
Operating (net reduction)	\$0	\$0	\$0
Accounts payable (net reduction)	\$0	\$5,382	\$0
Total	\$268,179	\$249,017	\$297,243
(Percent made of planned = 93%)			
Per cow	\$860	\$798	
Per cwt 2014 milk	\$3.1	\$2.88	
Percent of total 2014 receipts	12%	10%	
Percent of 2014 milk receipts	13%	11%	

\*If on business summary in 2013.

<u>Cash Flow Coverage Ratio</u>		<u>Debt Coverage Ratio</u>	
Cash farm receipts	\$2,321,001	Net farm income (without appreciation)	\$561,908
- Cash farm expenses	\$1,724,621	+ Depreciation	\$232,452
+ Interest paid (cash)	\$64,333	+ Interest paid (accrual)	\$64,333
- Net personal withdrawals from farm**	\$221,833	- Net personal withdrawals from farm**	\$221,833
(A) = Amount available for debt service	\$438,880	(A) = Repayment capacity	\$636,860
(B) = Debt payments planned for 2014	\$268,179	(B) = Debt payments planned for 2014	\$268,179
(A/B) Cash Flow Coverage Ratio for 2014	1.64	(A/B) Debt Coverage Ratio for 2014	2.37

\*\*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		186 tons DM	
Hay crop silage		950 tons DM	
Total Hay Crop Production	336.00	1,136 tons DM	3.38 tons DM
Corn silage	280.00	7,200.00 tons	25.71 tons
		2,376 tons DM	8.49 tons DM
Other forage	0.00	0 tons DM	0 tons DM
Total Forage	616	3,512 tons DM	5.7 tons DM
Corn grain	42.00	5,900.00 bushels	140.48 bushels
Oats	0.00	0.00 bushels	0 bushels
Wheat	0.00	0.00 bushels	0 bushels
Other crops	0.00		
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	\$116.56	\$0.00	\$0.00	\$0.00
Seeds & plants	\$47.77	\$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	\$164.33	\$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	\$66,196	\$100.60
Machinery repair & farm vehicle expense	\$91,327	\$138.79
Machine hire, rent & lease	\$74,669	\$113.48
Interest (5.000% of average market value, owned & leased)	\$41,037	\$62.37
Depreciation	<u>\$135,940</u>	<u>\$206.60</u>
Total Machinery Cost	\$409,169	\$621.84

CROP PER COW FACTORS

Total tillable acres per cow	2.11
Total forage acres per cow	1.97
Harvested forage dry matter per cow	11.26

**Dairy Analysis**

**DAIRY INVENTORY**

(Market Values)	Dairy Cows		Bred Heifers		Open Heifers		Calves	
	No.	Value	No.	Value	No.	Value	No.	Value
Beginning of Year	313	\$406,900	86	\$120,400	130	\$130,000	57	\$28,500
+ Change in inventory (without apprec.)		\$-3,900		\$58,800		\$-56,000		\$3,500
+ Appreciation		\$0		\$0		\$0		\$0
= End of Year	310	\$403,000	128	\$179,200	74	\$74,000	64	\$32,000
Total End (including leased)	310							
Average number	312		270		All Age Groups			

**MILK PRODUCTION**

Total milk sold	8,649,737 lbs.
Milk sold per cow	27,724 lbs.
Average milk plant test	3.97% butterfat

**ANIMALS LEAVING THE HERD**

	Number	Percent
Cows sold for beef	107	34
Cows sold for dairy	0	0
Cows died	17	5
Culling rate		39

**ACCRUAL RECEIPTS FROM DAIRY**

	Total	Per Cow	Per Cwt.
Milk	\$2,208,522	\$7,079	\$25.53
Dairy cattle (including culls)	\$152,245	\$488	\$1.76
Dairy calves	\$39,774	\$127	\$0.46
Total	\$2,400,541	\$7,694	\$27.75
Net milk receipts	\$2,152,437	\$6,899	\$24.88

**ACCRUAL COSTS AND PROFITABILITY**

	Total	Per Cow	Per Cwt.
Operating cost of producing milk	\$1,414,162	\$4,533	\$16.35
Purchased inputs cost of producing milk*	\$1,646,614	\$5,278	\$19.04
Total cost of producing milk	\$1,901,441	\$6,094	\$21.98
Net farm income with appreciation	\$571,424	\$1,831	\$6.61
Net farm income without appreciation	\$561,908	\$1,801	\$6.50

**DAIRY RELATED ACCRUAL EXPENSES**

	Total	Per Cow	Per Cwt.
Purchased dairy grain & concentrates	\$681,918	\$2,186	\$7.88
Purchase dairy roughage	\$0	\$0	\$0.00
Total purchased dairy feed	\$681,918	\$2,186	\$7.88
Purchased grain & concentrates as % of milk receipts	31%		
Purchased feed and crop expense	\$797,227	\$2,555	\$9.22
Purchased feed and crop expense as % of milk receipts	36%		
Breeding	\$36,091	\$116	\$0.42
Veterinary & medicine	\$39,374	\$126	\$0.46
Milk marketing	\$56,085	\$180	\$0.65
Bedding	\$81,817	\$262	\$0.95
Milking supplies	\$46,877	\$150	\$0.54
Cattle lease	\$0	\$0	\$0.00
Custom boarding	\$38,266	\$123	\$0.44
bST expense	\$0	\$0	\$0.00
Professional fees	\$0	\$0	\$0.00
Other livestock expense	\$3,777	\$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
<b>BASE FARM PRICE</b>						
Butterfat	343,186	3.97%	\$2.38	\$816,248	\$9.44	\$2,616
Protein	260,623	3.01%	\$3.8	\$989,580	\$11.44	\$3,172
Solids	497,792	5.75%	\$0.47	\$233,705	\$2.7	\$749
Total Component Contribution					\$23.58	\$6,537
PPD	8,649,737			\$77,564	\$0.90	\$249
Base Farm Price					\$24.48	\$6,786
<u>Premiums</u>						
Quality				\$52,838	\$0.61	\$169
Volume				\$18,646	\$0.22	\$60
Market Premiums				\$2,642	\$0.03	\$8
Total Premiums					\$0.86	\$237
BASE FARM PRICE + PREMIUM					\$25.34	\$7,023
<u>Deductions</u>						
Promotion				\$12,653	\$0.15	\$41
Hauling & Stop Charges.				\$44,682	\$0.52	\$143
Market Fees & Coop Dues				\$4,132	\$0.05	\$13
Total Deductions					\$0.72	\$197
BASE FARM PRICE + PREMIUMS - DEDUCTIONS					\$24.62	\$6,826
Marketing Programs						
Compact				\$0	\$0.00	\$0
Futures Contracts, Forward Contracting, Etc.				\$0	\$0.00	\$0
Total Marketing Income					\$0.00	\$0
Patronage Dividends				\$17,299	\$0.20	\$55
NET PRICE RECEIVED ON FARM, ALL SOURCES					\$24.82	\$6,881
PPD - Hauling					\$0.38	\$106
PPD - Hauling + Market Premiums					\$0.41	\$114
Net Marketing Value (PPD + Total Premiums - Total Deductions)					\$1.04	\$289

Capital & Labor Efficiency Analysis

CAPITAL EFFICIENCY (Average Market Value)	Per Worker	Per Cow	Per Tillable Acre	Per Tillable Acre Owned
Farm capital	\$571,974	\$13,364	\$6,337	\$10,220
Real estate		\$4,768		\$3,646
Machinery & equipment	\$112,584	\$2,631	\$1,247	

RATIOS	Asset Turnover	Operating Expense	Interest Expense	Depreciation Expense
	0.6	0.66	0.03	0.09

LABOR FORCE	Months	Age	Years of Education	Value of Labor & Management
Operator number 1	15.0	59	0	\$60,000
Operator number 2	15.0	37	0	\$57,000
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	54.3			
<b>Total</b>	<b>87.5</b>	<b>/12 = 7.29</b>	<b>Worker Equivalent</b>	<b>Operator/Manager Equivalent</b>
		<b>2</b>		

LABOR EFFICIENCY	Total	Per Worker
Cows, average number	312	43
Milk sold, pounds	8,649,737	1,186,521
Tillable acres	658	90

LABOR COST	Total	Per Cow	Per Cwt.
Value of operator(s) labor (\$ 2,600 / month)*	\$78,000	\$250	\$0.90
Family unpaid (\$2,600 / month)*	\$8,320	\$27	\$0.10
Hired	\$161,794	\$519	\$1.87
Gross pay	\$140,886		
Health insurance & retirement contribution	\$0		
FICA/worker compensation	\$16,661		
Other benefits	\$4,247		
<b>Total Labor</b>	<b>\$248,114</b>	<b>\$795</b>	<b>\$2.87</b>
<b>Machinery Cost (see page 11)</b>	<b>\$409,169</b>	<b>\$1,311</b>	<b>\$4.73</b>
<b>Total Labor &amp; Machinery Cost</b>	<b>\$657,283</b>	<b>\$2,107</b>	<b>\$7.60</b>
Hired labor expense per hired worker equivalent	\$35,756		
Hired labor expense as % of milk sales	7.33%		

\*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. 2012 - 2014

Item	2012		2013		2014	
	Per Cow	Per Cwt.	Per Cow	Per Cwt.	Per Cow	Per Cwt.
Average number of cows	309		303		312	
Cwt. of milk sold		79,935.89		83,566.17		86,497.37
<b>ACCRUAL OPERATING RECEIPTS</b>						
Milk	\$5,040	\$19.48	\$5,859	\$21.24	\$7,079	\$25.53
Dairy cattle	\$406	\$1.57	\$380	\$1.38	\$488	\$1.76
Dairy calves	\$39	\$0.15	\$52	\$0.19	\$127	\$0.46
Other livestock	\$0	\$0	\$0	\$0	\$0	\$0
Crops	\$269	\$1.04	\$388	\$1.41	\$194	\$0.70
Miscellaneous receipts	\$307	\$1.19	\$231	\$0.84	\$133	\$0.48
Total Operating Receipts	\$6,060	\$23.43	\$6,910	\$25.05	\$8,021	\$28.93
<b>ACCRUAL OPERATING EXPENSES</b>						
Hired labor	\$438	\$1.69	\$452	\$1.64	\$519	\$1.87
Dairy grain & concentrate	\$1,805	\$6.98	\$2,027	\$7.35	\$2,186	\$7.88
Dairy roughage	\$63	\$0.24	\$61	\$0.22	\$0	\$0.00
Nondairy feed	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
Professional nutritional services	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
Machine hire, rent & lease	\$275	\$1.06	\$184	\$0.67	\$239	\$0.86
Machine repair & vehicle expense	\$184	\$0.71	\$236	\$0.86	\$293	\$1.06
Fuel, oil & grease	\$199	\$0.77	\$202	\$0.73	\$212	\$0.77
Replacement livestock	\$7	\$0.03	\$0	\$0.00	\$0	\$0.00
Breeding	\$106	\$0.41	\$104	\$0.38	\$116	\$0.42
Veterinary & medicine	\$118	\$0.46	\$142	\$0.52	\$126	\$0.46
Milk marketing	\$186	\$0.72	\$272	\$0.99	\$180	\$0.65
Bedding	\$219	\$0.85	\$185	\$0.67	\$262	\$0.95
Milking supplies	\$243	\$0.94	\$171	\$0.62	\$150	\$0.54
Cattle lease	\$11	\$0.04	\$0	\$0.00	\$0	\$0.00
Custom boarding	\$166	\$0.64	\$177	\$0.64	\$123	\$0.44
BST expense	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
Professional fees (livestock)	\$1	\$0.01	\$7	\$0.03	\$0	\$0.00
Other livestock expense	\$16	\$0.06	\$12	\$0.04	\$12	\$0.04
Fertilizer & lime	\$205	\$0.79	\$339	\$1.23	\$246	\$0.89
Seeds & plants	\$180	\$0.69	\$107	\$0.39	\$101	\$0.36
Spray & other crop expense	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
Professional fees (crops)	\$20	\$0.08	\$19	\$0.07	\$23	\$0.08
Land, building & fence repair	\$75	\$0.29	\$52	\$0.19	\$111	\$0.40
Taxes	\$55	\$0.21	\$45	\$0.16	\$48	\$0.17
Real estate rent & lease	\$56	\$0.22	\$59	\$0.22	\$81	\$0.29
Insurance	\$43	\$0.17	\$59	\$0.21	\$45	\$0.16
Utilities	\$94	\$0.36	\$109	\$0.40	\$141	\$0.51
Interest paid	\$243	\$0.94	\$234	\$0.85	\$206	\$0.74
Professional fees (other)	\$34	\$0.13	\$32	\$0.12	\$22	\$0.08
Miscellaneous	\$29	\$0.11	\$20	\$0.07	\$35	\$0.12
Total Operating Expenses	\$5,070	\$19.60	\$5,308	\$19.25	\$5,475	\$19.75
Expansion livestock	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
Extraordinary expense	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
Machinery depreciation	\$311	\$1.20	\$354	\$1.28	\$436	\$1.57
Real estate depreciation	\$285	\$1.10	\$290	\$1.05	\$309	\$1.12
Total Expenses	\$5,666	\$21.90	\$5,952	\$21.58	\$6,220	\$22.43
Net Farm Income						
Without Appreciation	\$394	\$1.52	\$958	\$3.47	\$1,801	\$6.50