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AVERAGE OF OUR DAIRY CLIENTS
AVERAGE INCOME AND EXPENSE REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

	SOUTH OF BAKERSFIELD CALIFORNIA				BAKERSFIELD TO FRESNO CALIFORNIA				NORTH OF FRESNO CALIFORNIA				TOTAL CALIFORNIA			
	AMOUNT	PER CWT	PER COW	PER-CENT	AMOUNT	PER CWT	PER COW	PER-CENT	AMOUNT	PER CWT	PER COW	PER-CENT	AMOUNT	PER CWT	PER COW	PER-CENT
INCOME:																
Milk	\$7,300,920	\$15.42	\$3,465	94.7 %	\$9,947,681	\$15.23	\$3,519	93.5 %	\$9,381,306	\$15.47	\$3,666	94.8 %	\$9,478,817	\$15.37	\$3,595	94.2 %
Cooperative inventory loss allocation	54	-	-	-	(5,229)	(0.01)	(2)	(0.1)	-	-	-	-	(2,027)	-	(1)	-
Milk futures	-	-	-	-	(714)	-	-	-	12,229	0.02	5	0.1	6,484	0.01	2	0.1
Calves and heifers	368,382	0.78	175	4.8	502,063	0.77	178	4.7	359,237	0.59	140	3.6	415,225	0.67	157	4.1
Patronage dividend	15,433	0.03	7	0.2	83,367	0.13	29	0.8	46,997	0.08	18	0.5	59,261	0.10	22	0.6
Other	20,671	0.04	10	0.3	112,240	0.17	40	1.1	99,291	0.16	39	1.0	99,693	0.16	38	1.0
Total income	\$7,705,460	\$16.27	\$3,657	100.0 %	\$10,639,408	\$16.29	\$3,764	100.0 %	\$9,899,060	\$16.32	\$3,868	100.0 %	\$10,057,453	\$16.31	\$3,813	100.0 %
EXPENSES:																
Feed:																
Hay, silage and farming	\$2,444,023	\$5.16	\$1,160	31.7 %	\$3,642,779	\$5.58	\$1,289	34.2 %	\$3,511,586	\$5.79	\$1,372	35.5 %	\$3,499,722	\$5.67	\$1,327	34.8 %
Grain	2,862,555	6.05	1359	37.1	4,827,724	7.39	1708	45.4	4,326,608	7.14	1691	43.7	4,435,038	7.19	1682	44.1
Less cost of feeding heifers	(656,181)	(1.39)	(311)	(8.5)	(1,759,440)	(2.70)	(622)	(16.5)	(1,532,887)	(2.53)	(599)	(15.5)	(1,569,272)	(2.54)	(595)	(15.6)
Total feed	\$4,650,397	\$9.82	\$2,208	60.3 %	\$6,711,063	\$10.27	\$2,375	63.1 %	\$6,305,307	\$10.40	\$2,464	63.7 %	\$6,365,488	\$10.32	\$2,414	63.3 %
Herd replacement cost:																
Depreciation - dairy cows	\$678,597	\$1.43	\$322	8.8 %	\$639,076	\$0.98	\$226	6.0 %	\$695,634	\$1.15	\$272	7.0 %	\$672,674	\$1.09	\$255	6.7 %
(Gain)Loss on sale of cows	(108,977)	(0.23)	(52)	(1.4)	56,452	0.09	20	0.5	(85,058)	(0.14)	(33)	(0.9)	(31,526)	(0.05)	(12)	(0.3)
Total herd replacement cost	\$569,620	\$1.20	\$270	7.4 %	\$695,528	\$1.07	\$246	6.5 %	\$ 610,576	\$1.01	\$239	6.1 %	\$641,148	\$1.04	\$243	6.4 %
Other operating expenses:																
Interest and rent	\$118,721	\$0.25	\$56	1.5 %	\$436,230	\$0.67	\$154	4.1 %	\$404,571	\$0.67	\$158	4.1 %	\$400,048	\$0.65	\$152	4.0 %
Current debt repayment and owners' draws	1,168,332	2.47	555	15.2	1,256,344	1.92	444	11.8	910,429	1.50	356	9.2	1,059,896	1.72	402	10.5
Equipment lease	-	-	-	-	3,123	-	1	-	4,063	0.01	2	-	3,459	0.01	1	-
Labor	582,297	1.23	276	7.6	809,181	1.24	286	7.6	880,094	1.45	344	8.9	835,045	1.35	317	8.3
Depreciation - other	151,207	0.32	72	2.0	323,178	0.49	114	3.0	305,727	0.50	119	3.1	303,413	0.49	115	3.0
Milk hauling	138,138	0.29	66	1.8	219,541	0.34	78	2.1	211,177	0.35	83	2.1	210,128	0.34	80	2.1
Industry assessments	81,120	0.17	39	1.1	129,366	0.20	46	1.2	124,634	0.21	49	1.3	123,912	0.20	47	1.2
Supplies	219,235	0.46	104	2.8	403,717	0.62	143	3.8	427,238	0.70	167	4.3	405,871	0.66	154	4.0
BST	-	-	-	-	54,123	0.08	19	0.5	31,049	0.05	12	0.3	38,181	0.06	14	0.4
Manure management and environmental costs	49,740	0.11	24	0.6	49,607	0.07	18	0.5	48,901	0.08	19	0.5	49,225	0.08	19	0.5
Repairs and maintenance	320,282	0.68	152	4.2	373,875	0.57	132	3.5	351,379	0.58	137	3.5	358,283	0.58	136	3.6
Utilities	175,053	0.37	83	2.3	194,414	0.30	69	1.8	226,837	0.37	89	2.3	211,203	0.34	80	2.1
Taxes and licenses	95,419	0.20	45	1.2	142,803	0.22	51	1.3	146,005	0.24	57	1.5	141,786	0.23	54	1.4
Insurance	163,128	0.35	77	2.1	140,798	0.22	50	1.3	139,841	0.23	55	1.4	141,582	0.23	54	1.4
Fuel and oil	82,485	0.17	39	1.1	88,134	0.13	31	0.8	91,681	0.15	36	0.9	89,763	0.15	34	0.9
Professional services	39,271	0.08	19	0.5	36,890	0.06	13	0.3	33,337	0.05	13	0.3	35,065	0.06	13	0.3
Employee benefits	27,590	0.06	13	0.4	69,109	0.11	24	0.6	72,697	0.12	28	0.7	68,651	0.11	26	0.7
Veterinary and breeding	95,506	0.20	45	1.2	162,697	0.25	58	1.5	181,541	0.30	71	1.8	169,164	0.27	64	1.7
Testing and trimming	42,407	0.09	20	0.6	55,705	0.09	20	0.5	48,331	0.08	19	0.5	50,845	0.08	19	0.5
Hauling livestock	15,306	0.03	7	0.2	22,423	0.03	8	0.2	7,160	0.01	3	0.1	13,565	0.02	5	0.1
Miscellaneous	62	-	-	-	7,311	0.01	3	0.1	18,946	0.03	7	0.2	13,318	0.02	5	0.1
Less cost of raising heifers	(112,154)	(0.24)	(53)	(1.5)	(354,809)	(0.54)	(126)	(3.3)	(244,708)	(0.40)	(96)	(2.5)	(279,656)	(0.45)	(106)	(2.8)
Total other operating expenses	\$3,453,145	\$7.29	\$1,639	44.9 %	\$4,623,760	\$7.08	\$1,636	43.2 %	\$ 4,420,930	\$7.28	\$1,728	44.5 %	\$4,442,747	\$7.20	\$1,685	44.0 %
Total expenses	\$8,673,162	\$18.31	\$4,117	112.6 %	\$12,030,351	\$18.42	\$4,257	112.8 %	\$11,336,813	\$18.69	\$4,431	114.3 %	\$11,449,383	\$18.56	\$4,342	113.7 %
NET LOSS	(\$967,702)	(\$2.04)	(\$460)	(12.6) %	(\$1,390,943)	(\$2.13)	(\$493)	(12.8) %	(\$1,437,753)	(\$2.37)	(\$563)	(14.3) %	(\$1,391,930)	(\$2.25)	(\$529)	(13.7) %

AVERAGE DAIRY STATISTICAL DATA:

Average number of milking cows	1,720	2,459	2,209	2,277
Average daily production per cow	75	73	75	74
Average butterfat test	3.45 %	3.66 %	3.67 %	3.65 %
Average solids-non-fat test	8.86 %	8.93 %	8.92 %	8.92 %
Herd turnover rate	41.92 %	46.52 %	43.76 %	44.82 %
Average cost of production	\$18.31	\$18.42	\$18.69	\$18.56
Net mailbox price	\$14.96	\$14.69	\$14.91	\$14.83

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AVERAGE OF OUR CALIFORNIA DAIRY CLIENTS
AVERAGE INCOME AND EXPENSE REPORT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

	SOUTH OF BAKERSFIELD CALIFORNIA			BAKERSFIELD TO FRESNO CALIFORNIA			NORTH OF FRESNO CALIFORNIA			TOTAL CALIFORNIA		
	PER CWT	PER COW	PER-CENT	PER CWT	PER COW	PER-CENT	PER CWT	PER COW	PER-CENT	PER CWT	PER COW	PER-CENT
INCOME:												
Milk	\$14.49	\$2,141	89.7 %	\$14.38	\$2,489	94.8 %	\$14.67	\$2,748	97.1 %	\$14.55	\$2,606	95.8 %
Cooperative inventory loss allocation	-	-	-	-	-	-	-	-	-	-	-	-
Milk futures	-	-	-	0.02	4	0.1	-	1	-	0.01	2	0.1
Calves and heifers	0.63	94	4.0	0.26	45	1.7	0.19	36	1.3	0.24	44	1.6
Patronage dividend	0.13	20	0.8	0.27	46	1.8	0.13	25	0.9	0.18	33	1.2
Other	0.89	132	5.5	0.24	42	1.6	0.11	20	0.7	0.21	37	1.3
Total income	\$16.14	\$2,387	100.0 %	\$15.17	\$2,626	100.0 %	\$15.10	\$2,830	100.0 %	\$15.19	\$2,722	100.0 %
EXPENSES:												
Feed:												
Hay	\$4.78	\$707	29.6 %	\$5.27	\$912	34.7 %	\$5.45	\$1,021	36.1 %	\$5.34	\$957	35.2 %
Grain	5.14	760	31.9	7.10	1,229	46.8	6.22	1,165	41.2	6.47	1,157	42.5
Less cost of feeding heifers	(1.99)	(295)	(12.3)	(2.84)	(492)	(18.7)	(2.59)	(485)	(17.1)	(2.64)	(473)	(17.4)
Total feed	\$7.93	\$1,172	49.2 %	\$9.53	\$1,649	62.8 %	\$9.08	\$1,701	60.2 %	\$9.17	\$1,641	60.3 %
Herd replacement cost:												
Depreciation - dairy cows	\$1.24	\$183	7.7 %	\$1.04	\$180	6.9 %	\$1.21	\$227	8.0 %	\$1.15	\$207	7.6 %
Loss on sale of cows	0.29	43	1.8	0.63	108	4.1	0.33	62	2.2	0.44	78	2.9
Total herd replacement cost	\$1.53	\$226	9.5 %	\$1.67	\$288	11.0 %	\$1.54	\$289	10.2 %	\$1.59	\$285	10.5 %
Other operating expenses:												
Interest and rent	\$0.73	\$108	4.5 %	\$0.71	\$123	4.7 %	\$0.59	\$110	3.9 %	\$0.64	\$115	4.2 %
Equipment lease	-	-	-	0.01	1	-	0.01	3	0.1	0.01	2	0.1
Labor	1.86	275	11.5	1.24	214	8.2	1.59	298	10.5	1.48	266	9.8
Depreciation - other	0.33	49	2.1	0.58	100	3.8	0.47	88	3.1	0.50	90	3.3
Milk hauling	0.24	36	1.5	0.34	59	2.2	0.34	65	2.3	0.34	60	2.2
Industry assessments	0.24	35	1.5	0.20	35	1.3	0.20	37	1.3	0.20	36	1.3
Supplies	0.34	50	2.1	0.54	94	3.6	0.77	145	5.1	0.66	119	4.4
BST	-	-	-	0.05	9	0.4	0.06	12	0.4	0.06	10	0.4
Manure management and environmental costs	0.03	5	0.2	0.06	11	0.4	0.05	10	0.3	0.05	10	0.4
Repairs and maintenance	0.91	134	5.6	0.52	89	3.4	0.58	108	3.8	0.58	103	3.8
Utilities	0.56	83	3.5	0.28	48	1.8	0.33	62	2.2	0.33	58	2.1
Taxes and licenses	0.25	38	1.6	0.20	34	1.3	0.22	41	1.5	0.21	38	1.4
Insurance	0.34	50	2.1	0.18	32	1.2	0.22	41	1.4	0.21	38	1.4
Fuel and oil	0.25	37	1.5	0.10	18	0.7	0.13	25	0.9	0.13	23	0.9
Professional services	0.17	25	1.1	0.07	12	0.5	0.07	13	0.5	0.08	14	0.5
Employee benefits	0.05	8	0.3	0.07	12	0.5	0.14	26	0.9	0.11	20	0.7
Veterinary and breeding	0.50	74	3.1	0.29	50	1.9	0.31	58	2.0	0.31	56	2.1
Testing and trimming	0.12	17	0.7	0.08	15	0.6	0.07	13	0.5	0.08	14	0.5
Hauling livestock	0.46	68	2.8	0.03	5	0.2	0.01	3	0.1	0.05	8	0.3
Miscellaneous	-	-	-	0.01	2	0.1	0.05	9	0.3	0.03	6	0.2
Less cost of raising heifers	(0.27)	(40)	(1.7)	(0.53)	(92)	(3.5)	(0.33)	(62)	(2.2)	(0.40)	(71)	(2.6)
Total other operating expenses	\$7.11	\$1,052	44.0 %	\$5.03	\$871	33.3 %	\$5.88	\$1,105	38.9 %	\$5.66	\$1,015	37.4 %
Total expenses	\$16.57	\$2,450	102.7 %	\$16.23	\$2,808	107.1 %	\$16.50	\$3,095	109.3 %	\$16.42	\$2,941	108.2 %
NET LOSS BEFORE DEBT & DRAWS	(\$0.43)	(\$63)	(2.7) %	(\$1.06)	(\$182)	(7.1) %	(\$1.40)	(\$265)	(9.3) %	(\$1.23)	(\$219)	(8.2) %
Net debt repayment and owners' draws	1.37	203	8.5 %	0.79	136	5.2 %	1.88	353	12.5 %	1.46	262	9.6 %
NET LOSS AFTER DEBT & DRAWS	(\$1.80)	(\$266)	(11.2) %	(\$1.85)	(\$318)	(12.3) %	(\$3.28)	(\$618)	(21.8) %	(\$2.69)	(\$481)	(17.8) %
AVERAGE DAIRY STATISTICAL DATA:												
Average number of milking cows	1,522			2,232			2,413			2,249		
Average daily production per cow	66			74			79			76		
Average butterfat test	3.62 %			3.71 %			3.71 %			3.70 %		
Average solids-non-fat test	8.87 %			8.93 %			8.88 %			8.90 %		
Herd turnover rate	31.50 %			43.41 %			46.52 %			44.35 %		
Average cost of production	\$16.57			\$16.23			\$16.50			\$16.42		
Net mailbox price	\$14.01			\$13.84			\$14.13			\$14.01		

NOTE: This report is intended for use by our clients to benchmark their operation against the financial averages of most of our clients in this region. It does not include the effects of deferred costs or necessary capital expenditures. This report is not intended for use by those not familiar with its contents or preparation.