

**AVERAGE INCOME AND EXPENSE REPORT  
FOR GENSKE MULDER & COMPANY CALIFORNIA DAIRY CLIENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

	SOUTH OF BAKERSFIELD			BAKERSFIELD TO FRESNO			NORTH OF FRESNO			TOTAL		
	PER CWT	PER COW	PER- CENT	PER CWT	PER COW	PER- CENT	PER CWT	PER COW	PER- CENT	PER CWT	PER COW	PER- CENT
<b>INCOME:</b>												
Milk	\$ 15.50	\$ 2,309	97.5 %	\$ 16.35	\$ 2,741	95.4 %	\$ 16.61	\$ 3,100	97.3 %	\$ 16.51	\$ 2,964	96.7 %
Milk futures	-	-	-	0.01	1	-	0.02	3	0.1	0.01	3	0.1
Calves and heifers	(0.02)	(3)	(0.1)	0.34	56	2.0	0.12	23	0.7	0.19	34	1.1
Patronage dividend	0.32	48	2.0	0.31	53	1.8	0.18	33	1.0	0.22	40	1.3
Other	0.09	14	0.6	0.14	23	0.8	0.14	26	0.9	0.14	25	0.8
<b>Total income</b>	<b>15.89</b>	<b>2,368</b>	<b>100.0</b>	<b>17.15</b>	<b>2,874</b>	<b>100.0</b>	<b>17.07</b>	<b>3,185</b>	<b>100.0</b>	<b>17.07</b>	<b>3,066</b>	<b>100.0</b>
<b>EXPENSES:</b>												
<b>Feed:</b>												
Hay, silage and farming	5.11	761	32.2	4.66	781	27.2	4.70	878	27.6	4.69	842	27.5
Grain	5.24	781	33.0	6.38	1,068	37.2	6.17	1,152	36.2	6.23	1,118	36.5
Less cost of feeding heifers	(2.51)	(374)	(15.8)	(2.80)	(470)	(16.4)	(2.37)	(443)	(13.9)	(2.52)	(451)	(14.7)
<b>Total feed</b>	<b>7.84</b>	<b>1,168</b>	<b>49.4</b>	<b>8.24</b>	<b>1,379</b>	<b>48.0</b>	<b>8.50</b>	<b>1,587</b>	<b>49.9</b>	<b>8.40</b>	<b>1,509</b>	<b>49.3</b>
<b>Herd replacement cost:</b>												
Depreciation - dairy cows	1.22	181	7.7	1.08	181	6.3	1.14	212	6.7	1.12	201	6.5
Loss on sale of cows	0.35	52	2.2	0.66	110	3.8	0.46	86	2.7	0.52	94	3.1
<b>Total herd replacement cost</b>	<b>1.57</b>	<b>233</b>	<b>9.9</b>	<b>1.74</b>	<b>291</b>	<b>10.1</b>	<b>1.60</b>	<b>298</b>	<b>9.4</b>	<b>1.64</b>	<b>295</b>	<b>9.6</b>
<b>Other operating expenses:</b>												
Interest and rent	0.50	74	3.1	0.66	111	3.9	0.62	115	3.6	0.63	113	3.7
Equipment lease	-	-	-	0.01	1	0.1	0.02	3	0.1	0.01	2	0.1
Labor	1.24	184	7.8	1.38	231	8.0	1.62	303	9.5	1.54	276	9.0
Depreciation - other	0.18	27	1.1	0.53	89	3.1	0.49	91	2.9	0.50	90	2.9
Milk hauling	0.34	51	2.2	0.34	58	2.0	0.36	67	2.1	0.35	64	2.1
Industry assessments	0.24	35	1.5	0.20	33	1.2	0.20	37	1.2	0.20	36	1.2
Supplies	0.54	80	3.4	0.61	102	3.5	0.77	144	4.5	0.71	128	4.2
BST	-	-	-	-	-	-	0.04	8	0.2	0.03	5	0.2
Manure management and environmental costs	0.08	11	0.5	0.06	9	0.3	0.06	11	0.3	0.06	10	0.3
Repairs and maintenance	0.51	75	3.2	0.57	95	3.3	0.64	119	3.7	0.61	110	3.6
Utilities	0.23	34	1.4	0.30	51	1.8	0.35	65	2.1	0.33	60	2.0
Taxes and licenses	0.15	23	1.0	0.20	33	1.2	0.24	45	1.4	0.23	41	1.3
Insurance	0.46	69	2.9	0.21	35	1.2	0.22	42	1.3	0.22	40	1.3
Fuel and oil	0.17	25	1.0	0.13	22	0.8	0.15	27	0.9	0.14	25	0.8
Professional services	0.12	18	0.8	0.07	12	0.4	0.06	12	0.4	0.07	12	0.4
Employee benefits	0.02	3	0.1	0.10	17	0.6	0.13	24	0.8	0.12	21	0.7
Veterinary and breeding	0.45	67	2.8	0.30	49	1.7	0.31	58	1.8	0.31	55	1.8
Testing and trimming	0.13	19	0.8	0.10	16	0.6	0.08	15	0.5	0.08	15	0.5
Hauling livestock	0.10	15	0.6	0.05	9	0.3	0.01	1	-	0.02	4	0.1
Miscellaneous	-	-	-	0.01	2	0.1	0.04	7	0.2	0.03	5	0.2
Less cost of raising heifers	-	-	-	(0.55)	(93)	(3.2)	(0.33)	(62)	(1.9)	(0.40)	(72)	(2.4)
<b>Total other operating expenses</b>	<b>5.46</b>	<b>810</b>	<b>34.2</b>	<b>5.28</b>	<b>882</b>	<b>30.9</b>	<b>6.08</b>	<b>1,132</b>	<b>35.6</b>	<b>5.79</b>	<b>1,040</b>	<b>34.0</b>
<b>Total expenses</b>	<b>14.87</b>	<b>2,211</b>	<b>93.5</b>	<b>15.26</b>	<b>2,552</b>	<b>89.0</b>	<b>16.18</b>	<b>3,017</b>	<b>94.9</b>	<b>15.83</b>	<b>2,844</b>	<b>92.9</b>
<b>NET INCOME BEFORE DEBT AND DRAWS</b>	<b>1.02</b>	<b>157</b>	<b>6.5</b>	<b>1.89</b>	<b>322</b>	<b>11.0</b>	<b>0.89</b>	<b>168</b>	<b>5.1</b>	<b>1.24</b>	<b>222</b>	<b>7.1</b>
Current debt repayment and owners' draws	0.41	61	2.6	0.98	165	5.7	0.71	133	4.2	0.80	143	4.7
<b>NET INCOME AFTER DEBT AND DRAWS</b>	<b>\$ 0.61</b>	<b>\$ 96</b>	<b>3.9 %</b>	<b>\$ 0.91</b>	<b>\$ 157</b>	<b>5.3 %</b>	<b>\$ 0.18</b>	<b>\$ 35</b>	<b>0.9 %</b>	<b>\$ 0.44</b>	<b>\$ 79</b>	<b>2.4 %</b>

**AVERAGE DAIRY STATISTICAL DATA:**

Average number of milking cows	1,364	2,239	2,502	2,380
Average daily production per cow	62	72	78	76
Average butterfat test	3.56 %	3.71 %	3.72 %	3.71 %
Average protein test	8.89 %	8.93 %	8.91 %	8.91 %
Herd turnover rate	31.00 %	44.67 %	42.36 %	43.28 %
Average cost of production	\$ 14.87	\$ 15.26	\$ 16.18	\$ 15.83
Net mailbox price	\$ 14.92	\$ 15.81	\$ 16.05	\$ 15.96

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.