

# PROGRESS OF THE FARM BUSINESS - RECEIPTS & EXPENSES PER CWT.

Same 14 Western and Central Plain Region Dairy Farms, 2006 & Preliminary 2007

Top 25% of Farms by Rate of Return on All Capital, Without Appreciation

|                                   | 2006           | 2007           |               |
|-----------------------------------|----------------|----------------|---------------|
| Number of Cows                    | 796            | 826            |               |
| Pounds Milk Sold per Cow          | 24,324         | 24,745         |               |
| Number of Worker Equivalents      | 16.50          | 17.21          |               |
| Cows per Worker                   | 48             | 48             |               |
| Number of Tillable Acres          | 1,306          | 1,424          |               |
| Debt per Cow                      | \$2,689        | \$2,558        |               |
| Percent Equity                    | 61             | 69             |               |
|                                   |                |                |               |
| <u>Accrual Operating Receipts</u> | Per Cwt.       |                | Difference    |
| Milk                              | \$13.93        | \$20.41        | \$6.48        |
| Dairy Cattle                      | 1.10           | 1.11           | 0.01          |
| Dairy Calves                      | 0.29           | 0.21           | -0.08         |
| Other Livestock                   | 0.02           | 0.01           | -0.01         |
| Crops                             | 0.40           | 0.60           | 0.20          |
| Miscellaneous Receipts            | 0.56           | 0.43           | -0.13         |
| <b>TOTAL</b>                      | <b>\$16.30</b> | <b>\$22.78</b> | <b>\$6.48</b> |
|                                   |                |                |               |
| <u>Accrual Operating Expenses</u> |                |                |               |
| Hired Labor                       | \$ 2.82        | \$ 2.92        | \$0.10        |
| Dairy Grain & Concentrate         | 3.72           | 4.52           | 0.80          |
| Dairy Roughage                    | 0.37           | 0.36           | -0.01         |
| Professional Nutritional Services | 0.01           | 0.01           | 0.00          |
| Machinery Hire/Lease              | 0.33           | 0.33           | 0.00          |
| Machinery Repair                  | 0.67           | 0.70           | 0.03          |
| Fuel, Oil, & Grease               | 0.47           | 0.51           | 0.04          |
| Replacement Livestock             | 0.13           | 0.12           | -0.01         |
| Breeding                          | 0.18           | 0.19           | 0.01          |
| Veterinary & Medicine             | 0.63           | 0.60           | -0.03         |
| Milk Marketing                    | 0.67           | 0.70           | 0.03          |
| Bedding                           | 0.27           | 0.31           | 0.04          |
| Milking Supplies                  | 0.30           | 0.32           | 0.02          |
| Cattle Lease                      | 0.07           | 0.06           | -0.01         |
| Custom Boarding                   | 0.33           | 0.38           | 0.05          |
| bST Expense                       | 0.22           | 0.30           | 0.08          |
| Livestock Professional Fees       | 0.04           | 0.04           | 0.00          |
| Other Livestock Expense           | 0.08           | 0.08           | 0.00          |
| Fertilizer & Lime                 | 0.22           | 0.26           | 0.04          |
| Seeds & Plants                    | 0.18           | 0.25           | 0.07          |
| Spray & Other Crop Expenses       | 0.16           | 0.18           | 0.02          |
| Crop Professional Fees            | 0.02           | 0.04           | 0.02          |
| Land & Building Repair            | 0.26           | 0.33           | 0.07          |
| Taxes                             | 0.17           | 0.17           | 0.00          |
| Real Estate Rent/Lease            | 0.27           | 0.28           | 0.01          |
| Insurance                         | 0.13           | 0.13           | 0.00          |
| Utilities                         | 0.37           | 0.38           | 0.01          |
| Interest Paid                     | 0.65           | 0.66           | 0.01          |
| Other Professional Fees           | 0.07           | 0.07           | 0.00          |
| Miscellaneous                     | 0.08           | 0.10           | 0.02          |
| <b>TOTAL</b>                      | <b>\$13.87</b> | <b>\$15.32</b> | <b>\$1.45</b> |
|                                   |                |                |               |
| Net Farm Income w/o App. /Cwt.    | \$1.04         | \$6.12         | \$5.08        |
| Return on Assets w/o Apprec.      | 3.8%           | 20.2%          |               |
| Labor & Mgmt. Income/Operator     | \$15,953       | \$559,130      |               |

