



California
**Cost of
Production
2012 Annual**



Carl Matz Retires from the Dairy Marketing Branch

After working 31 years for the California Department of Food and Agriculture (CDFA) Dairy Marketing Branch, in the Cost of Production Unit, Carl Matz retired on June 15, 2012. Carl collected and compiled cost of production information for the counties of Kern, Tulare, Kings and Fresno for 30 of the 31 years he worked for CDFA. Carl developed many close relationships with dairy producers and other allied dairy industry personnel over the years. The hospitality Carl and his wife Nancy provided at their home in Visalia will be greatly missed. They always graciously opened their doors to CDFA staff and other visitors wanting to tour the large scale dairies located in the South Valley area or attend the World Ag Expo.



Carl and Nancy recently relocated to Carl's home town of Corning, where he was raised on a family dairy. During his youth, Carl's family participated in the CDFA cost of production survey. Carl remembered sitting at the kitchen table sharing cookies with the "state guy" collecting cost information. After high school, Carl served four years in the Air Force during the Vietnam War, before attending college at California State University, Chico, graduating with an Agricultural Business Degree.

Carl's knowledge of the dairy industry and agriculture in general, along with his warm outgoing nature, will be missed. He continues to be active with family (especially grandchildren), travel and tending his olive orchard in Corning. We would like to thank Carl for all his hard work and dedication, and wish him the best in retirement.

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In Cooperation With:

Dairy Marketing Branch's
 Economics, Statistics, and
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 Milk Pooling Branch,

and the

U.S. Department of Agriculture,
 Washington, D.C.

Tom Vilsack, Secretary

National Agricultural Statistics Service
 Cindy Clark, Administrator;
 Vic Tolomeo, Pacific Regional Director

Special Thanks

This publication would not be possible without the cooperation of the many dairy producers throughout the State who participate in the Cost of Production Program. Their willingness to voluntarily share their milk production cost data is of great benefit to the entire dairy industry.

Both corrections of errors and revisions based on receipt of more complete information and changes in methodology are the basis of all changes from previously published data.



Department of Food and Agriculture

Karen Ross, Secretary

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Introduction

The Dairy Marketing Branch, Cost of Production Unit (COP) is pleased to present the sixteenth edition of the California Cost of Production Annual Summary. The 2012 Annual Summary includes information vital to the California dairy industry. Producers need as many tools as possible to make sound management decisions and the information in this summary provides some of these tools.

Cost of Production Collection Methods

The Department's COP collects and summarizes cost data from a sample of California dairy farms. The Department has been collecting and reporting changes in milk production cost information since 1955 and is the only state in the U.S. that has an impartial government agency reporting comprehensive milk production cost information. Although the Department has the legal authority to collect cost of milk production from "Grade A" dairy farms, dairy producers find the study and resulting comparisons valuable and cooperate in the

cost studies voluntarily. Milk Production Cost Auditors specializing in cost accounting and other accounting procedures conduct the cost studies. Auditors review dairy farm financial records on-site and work with dairy management to perform a compilation of dairy expenditures. This information is provided primarily as a service to those participating in the cost studies, in order for them to compare the results of their operations with the information presented on the accompanying schedules. All published data is subject to revision.

Available on Website . . .

COP Secure Website

The COP has developed a secure website called the "Cost of Production Unit Document Library." The secure website allows participants to access their financial information that is compiled into reports labeled Feedback, Cost Comparison, and other specialized reports. This site has been developed to make sure that confidential and personal information will not be compromised. Each participant receives a username and password to access the secure website.

This website has been created to provide information in a timely manner and to store historical information. A link is located at the Department's Dairy Marketing Branch website that will take you to the Document Library. This link for the website is located at <http://www.cdfa.ca.gov/dairy> click on Cost of Production and a link for the secure website will be at this location.

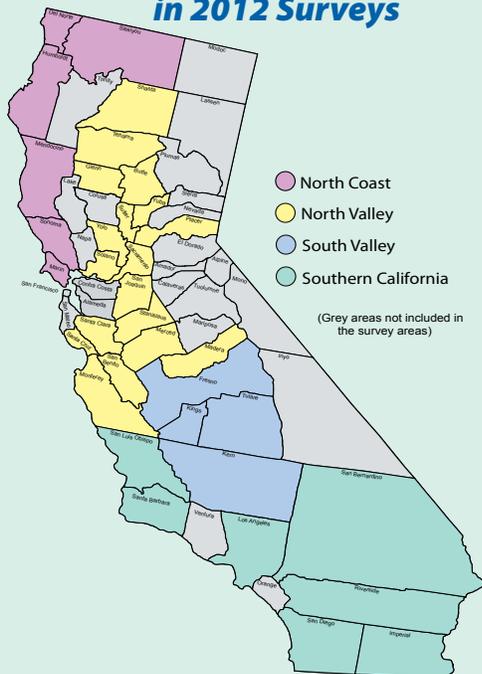
COP Public Documents

The COP is always looking for ways to provide valuable information to the dairy industry. Quarterly and annual cost of production reports are posted to the Dairy Marketing Branch website. To access these reports go to the homepage website address at <http://www.cdfa.ca.gov/dairy> then under the Dairy Marketing tab, click on Cost of Production.

Cost of Production Line Item Change

In 2012, the COP changed the methodology for calculating the "herd replacement cost." This methodology change is reflected in the 2011 cost of production summary pages for comparison purposes.

Cost of Production Survey Areas, Percent of Dairy Farms Participating in 2012 Surveys



- The Milk Production Cost Unit was established in 1955 to conduct financial reviews of individual dairy farms. The Unit collects and calculates milk production costs from the financial records of Grade A dairy farms throughout California.
- In 2012, 147 dairy farms (9.4%) in California were surveyed on a quarterly basis.

California's Dairy Industry in 2012

California remains the number one dairy state in the nation, with total milk production for 2012 slightly above previous year levels. California monthly milk production decreased every month from July through December when compared to the corresponding month in the previous year. The reduced milk production in California and slowing milk production growth nationwide contributed to increased prices of dairy products, which increased milk prices paid to producers in the latter part of the year. Dairy producers experienced increased feed costs and at times, limited feed availability, resulting from drought conditions in the nation's corn growing regions. For dairy processors, both national and global supply and demand conditions of finished dairy products were steady with national exports remaining strong in terms of volume and total value.

Throughout 2012, there continued to be signs of strength and improvement in the economy. Milk prices improved in mid-to-late 2012, with the annual average mailbox price paid to producers at \$16.23 per hundredweight (cwt.), (The lowest mailbox price of \$13.97 per cwt. was in May and highest mailbox price of \$19.71 per cwt. was in November).

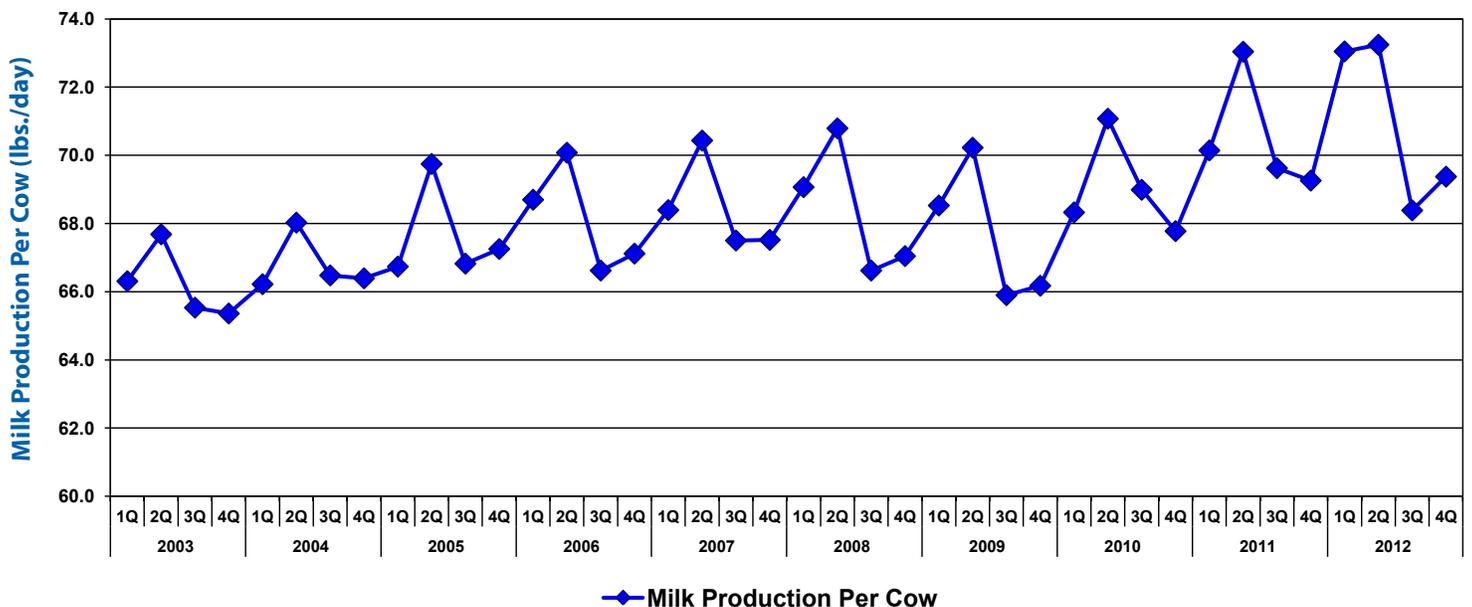
Total bulk milk production in California was up 0.8 percent from 2011, with milk per cow up 1.7 percent. The total number of dairy cows was down 0.9 percent and the number of dairies decreased 6.3 percent.

Milk Production

The year 2012 started with record high milk production, showing net increases through June when compared to the same months in 2011. The high milk production trend came to a halt after June with the last six months of the year recording net decreases when compared to 2011. The year finished at a positive 0.8 percent (+334.5 million pounds) compared to milk production totals for 2011. The five leading milk producing counties recorded 72 percent of the milk production in 2012: Tulare, Merced, Stanislaus, Kings, and Kern counties. Grade B milk production in 2012 recorded a decrease of 51.7 percent (-368.5 million pounds) compared to 2011. Milk production per cow in 2012 was estimated at 23,012 pounds and the number of cows in the state decreased slightly to 1.82 million cows.

According to the graph below, the average peak milk per cow production has taken place during the second quarter for each of the past ten years. In 2003, average peak milk per cow production for the milking herd was 67.68 pounds and in 2012 peak production is 73.24 pounds, an increase of 8.2 percent.

Pounds of Milk Per Cow
Based on California Cost of Production Survey
January 2003 through December 2012

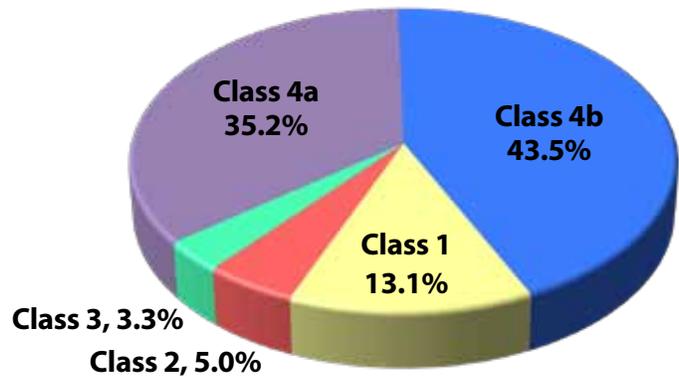


Data Source: CDFA Dairy Marketing Branch

Utilization

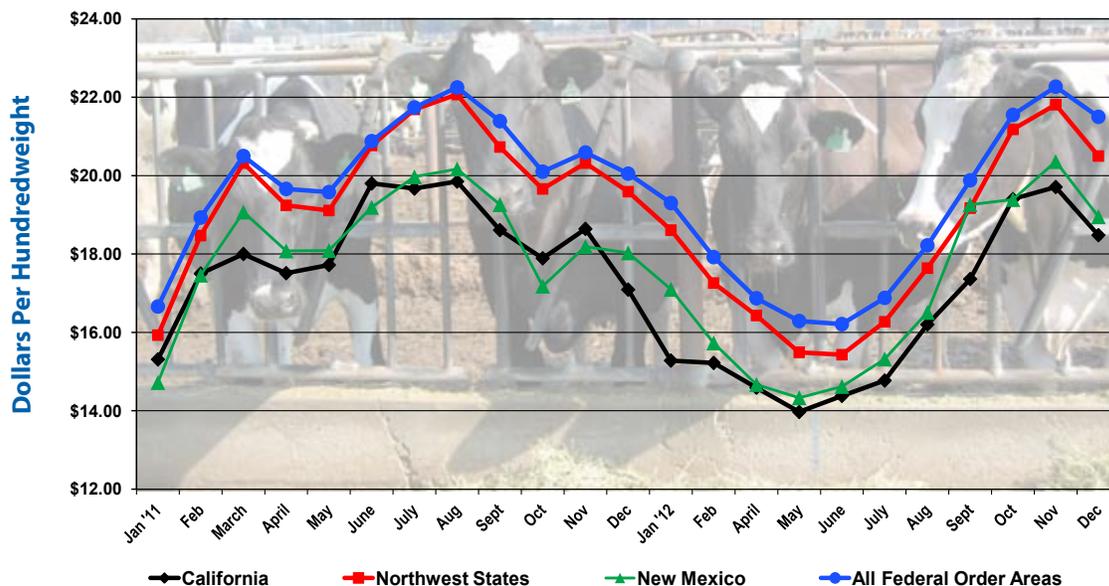
Utilization in 2012 followed last year's pattern with butter and nonfat dry milk powder (Class 4a) utilization remaining relatively the same, at 35.2 percent (compared to 35.0 percent in 2011) while the percentage of the milk supply going into cheese production (Class 4b) increased slightly to 43.4 percent in 2012 (from 43.1 percent in 2011). For 2012, compared to 2011, both California butter and nonfat dry milk production increased, 5.1 percent and 9.3 percent, respectively. Mozzarella production, which accounts for more than half of total California cheese production, remained relatively the same as 2011. For the top three cheeses (comparing 2012 to 2011): Mozzarella increased 0.1 percent, Cheddar increased 1.4 percent, and Monterey Jack showed a slight decrease of 0.7 percent. The utilization of pooled milk into Class 1 (fluid milk) products continued its downward trend in 2012, falling to 13.1 percent (down from 13.5 percent in 2011). Class 1 sales continued to decline, recording a decrease of 1.9 percent compared to 2011.

Utilization of California Pooled Milk by Class, 2012



Whole, reduced fat, lowfat, and skim milks all showed decreased sales compared to 2011, while half-and-half showed an increase of 3.4 percent.

Mailbox Milk Prices for Selected States and the All Federal Milk Order Prices, January 2011 - December 2012



Milk Prices

The 12-month average price paid to California producers in 2012 was \$16.59/cwt. compared to \$18.52/cwt. in 2011. Average prices peaked in November at \$19.91/cwt. and ended the year at \$18.61/cwt. At the end of 2012, the industry faced decreased milk production, strong inventories of dairy products, and steady prices paid to producers.

Government Assistance and Related Issues

MILC

The federal Milk Income Loss Contract (MILC) program compensates dairy producers when domestic milk prices fall below a specific level. The American Taxpayer Relief Act of 2012 authorizes MILC payments through September 30, 2013. MILC payments were available to producers for nine months of 2012, ranging from \$0.02368/cwt. to \$1.63817/cwt.

Efforts in dairy industry reform and drafting of the next Farm Bill continue into 2013.

CDFA Hearings

The California Department of Food and Agriculture (Department) held a public hearing on May 31 and June 1, 2012, to consider amendments to the Stabilization and Marketing Plans for Market Milk for the Northern California and Southern California Marketing Areas. The petitioners and alternative proposals proposed changes to the whey valuation in the Class 4b pricing formula. After carefully weighing the contents of the hearing record, the Department decided to increase the cap on the whey factor value in the Class 4b pricing formula from \$0.65/cwt. to \$0.75/cwt., while maintaining the current floor of \$0.25/cwt. For each five cent 'step' in the dry whey commodity price, the corresponding whey factor will increase in \$0.0625/cwt. increments.

The Department held a public hearing on December 21, 2012, to consider amendments to the Stabilization and Marketing Plans for Market Milk for the Northern California and Southern California Marketing Areas, called on the motion of the Secretary. Having carefully weighed the contents of the hearing record

the Department amended the Class 1, 2, 3, 4a and 4b pricing formulas on a temporary basis for the period February 1, 2013 to May 31, 2013 by:

- Increasing the Class 1 price approximately \$0.05/cwt. by adding:
 - \$0.0006 per pound to the milk fat price.
 - \$0.0045 per pound to the milk solids-not-fat price.
 - \$0.0001 per pound to the milk fluid carrier price.
- Increasing the Class 2 and 3 prices approximately \$0.10/cwt. by adding:
 - \$0.0082 per pound to both the milk fat and milk solids-not-fat prices.
- Increasing the Class 4a and 4b prices approximately \$0.30/cwt. by adding:
 - \$0.0246 per pound to both the milk fat and milk solids-not-fat prices.

Please go to the Dairy Marketing Branch website for further hearing details: http://www.cdfa.ca.gov/dairy/dairy_hearings_matrix.html

Cooperatives Working Together (CWT)

CWT is a voluntary, producer-funded national program developed by the National Milk Producers Federation (NMPF), to assist family farmers. In 2012, according to the CWT Export Assistance Program Year in Review, the program helped 10 of its member cooperatives make export sales totaling 124.5 million pounds of Cheddar, Monterey Jack and Gouda cheese and 72.8 million pounds of butter. Asia was the number one regional destination, accounting for 50.1 million pounds, with sales going to Japan representing 33.4 million pounds of that total. The Middle East was the next most popular destination, with sales totaling 34.6 million pounds. The remainder of the cheese pounds was shipped to Oceania, Central America, South America, North Africa and South Africa.

CWT assisted member cooperatives selling butter to 24 different countries. CWT export sales of butter were much more concentrated with 77 percent of the butter going to the Middle East. North Africa was the destination second to the Middle East in CWT-assisted sales while, unlike cheese, Asia was a distant third. CWT states that butter sold for the export market is not the same composition as butter sold domestically. Butter for the U.S. market contains 80 percent butterfat, while the export market requires 82 percent butterfat.

Environmental Issues and Regulations

In 2012, the California dairy industry continued to work closely with regulatory agencies and the scientific research community to better understand air and water quality issues. To ensure dairy farmers stay informed of the latest research and regulations, the California Dairy Quality Assurance (CDQAP) Program provides educational workshops for environmental stewardship. CDQAP is a voluntary partnership between dairy producers, government agencies and academia to promote health to the environment. CDQAP offers education courses that help producers understand environmental regulations, familiarize regulatory purposes and for farm management. Courses in both water and air quality provide clear, concise information on regulatory requirements, example protocols, plan templates and additional compliance tools.

Water Quality Regulations

On January 19, 2012, the North Coast Regional Water Quality Board adopted a water quality compliance program. It requires producers to complete Water Quality Plans, including maps that identify all major features of their facilities. With the assistance of CDQAP, the USDA Natural Resource Conservation Service, Western United Dairymen, and the local Resource Conservation Districts were successful in helping 112 dairy producers located in the counties of Humboldt, Mendocino, Siskiyou, Sonoma and Marin, complete dairy facility maps and create digitized maps.

Producers located in the Central Valley have continued working toward fulfilling requirements laid out in

the Waste Discharge Requirements General Order No. R5-207-0035 (General Order) for existing milk cow dairies. The General Order is carried out by the Central Valley Regional Quality Control Board (Regional Board). One of the requirements is for dairies to install groundwater monitoring wells and submit data. Dairies could also join a representative monitoring program operating under a work plan approved by the Regional Board. The Central Valley Dairy Representative Monitoring Program was developed in 2009. It is a non-profit, led by a dairy farmer board. Its membership consists of 1,200 dairy families who pay fees and agree to volunteer their dairies for shallow water quality monitoring. After review of soil types, groundwater depths, site characteristics, performed by an approved technical group, monitoring wells were installed on 42 dairies from Orland to Bakersfield. The program currently has 440 wells at 274 well sites. Data is collected monthly. Data samples are collected on groundwater levels, nitrogen compounds, salts and other constituents. Comprehensive reports are submitted annually to the Regional Board.

California/Federal Dairy Digester Working Group

In May 2011, the U.S Environmental Protection Agency, U.S. Department of Agriculture and the California Department of Food and Agriculture convened the CA/Federal Dairy Digester Working Group. This partnership of state, federal and local agencies has the common goal of identifying and removing barriers to the wide spread adoption of dairy digester systems in California. In addition to government representatives, the CA/Federal Dairy Digester Working Group includes stakeholders from academia, industry, non-profits and utilities that participated in subcommittees on economics, regulatory issues, and technology. The ultimate goals of the collaboration are to see the widespread adoption of digester systems to better manage manure and nutrients, help address air and water quality concerns, reduce greenhouse gas emissions and produce renewable energy, fertilizer, and other value-added products. In February 2013, the agencies released a series of recommendations that are designed to reduce the economic, technical and regulatory hurdles currently in place, making



digester systems more feasible in the nation's number one dairy producing state.

At a December 18, 2012 meeting of the CA/Federal Dairy Digester Working Group, this statement of principles was agreed upon by the following agencies:

- California Department of Food and Agriculture
- California Energy Commission
- California Governor's Office of Economic Development,
- Go Biz
- California Public Utilities Commission
- Cal Recycle
- Central Valley Regional Water Quality Control Board
- San Joaquin Valley Air Pollution Control District
- U.S. Department of Agriculture, Natural Resources Conservation Service
- U.S. Department of Agriculture, Rural Development
- U.S. Environmental Protection Agency

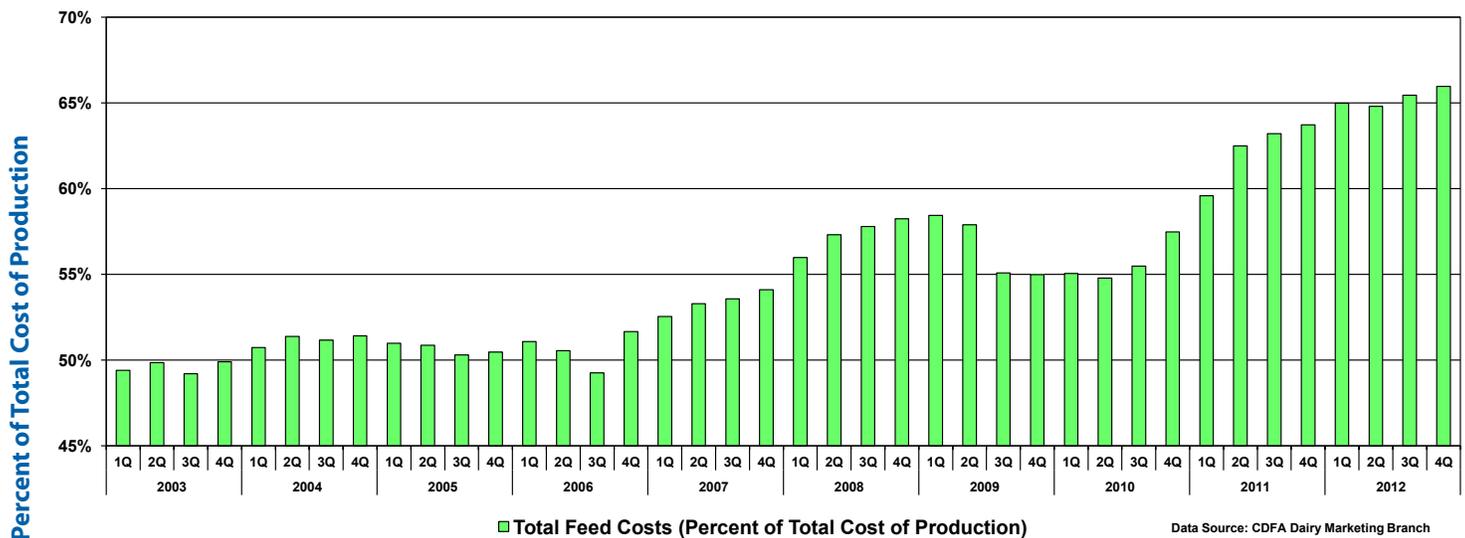
California Cost of Production - Based on CDFA Survey

In California the total cost for milk production increased by 11.2 percent compared to 2011, based on the CDFA cost survey. The increased cost was largely due to higher feed prices for milk cow hay, grain commodities, and by-products. Feed cost alone in 2012, represented 65.3 percent of the total cost to produce milk. The statewide average feed cost for 2012 averaged \$11.48 per cwt. of milk, a 13.7 percent increase compared to 2011. Other cost categories ranged from flat to little change. Milk production per cow increased by less than one percent in 2012 compared to a year ago.

Based on the CDFA cost survey, the mailbox milk price that represents the income producers received for milk averaged \$16.92 per cwt., a decrease of 8.5 percent, compared to last year. In 2012, the average income over total feed cost was \$5.45 per cwt. of milk, representing a decrease of 35.1 percent compared to 2011.

The following graph illustrates feed costs as a percentage of total cost, by quarter, for the past ten years.

**Total Feed Cost as Percentage of Total Cost of Production
Based on California Cost of Production Survey
January 2003 through December 2012**



Cost of Production Summary in 2012, by Area

California Cost of Production Unit (COP)

The COP collects and compiles cost of production data based on four unique areas of the state: North Coast, North Valley, South Valley, and Southern California. Each area provides dairy producers with a different set of natural resources for milk production. The maps displayed in each area narrative highlights the geographical boundary for each area. The cost of production information provided is based on the sample of dairies that participated in the 2012 survey.

North Coast

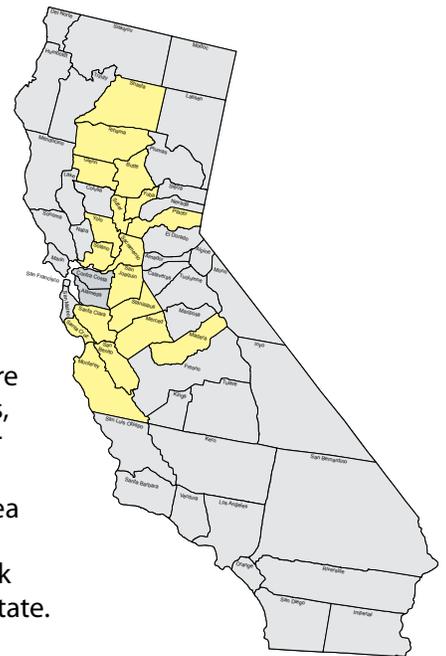
Many of today's North Coast dairies have a rich history of family roots and are working dairy facilities that their great grandparents or grandparents started in the early 1900's. The dairies in the North Coast area averaged 274 milk cows in 2012, small by California standards. The North Coast is home to many organic milk producers who take advantage of available pasture and demand for organic milk products. The counties of Del Norte, Humboldt, Mendocino, and Siskiyou receive an abundance of rain throughout the

year that provides for a scenic landscape of cows grazing on pastures with lush green grass. The southern areas of Sonoma and Marin provide these same lush pastures during winter and spring months but pastures tend to dry up in the summer months. In 2012, the North Coast area total milk production represented 2.1 percent of total milk production in the state.



North Valley

The North Valley area covers the region from Shasta County to Madera County and includes some coastal counties south of San Francisco. This area is the most diverse in terms of herd size, herd type, and weather. The dairies in the North Valley are primarily managed as freestall and dry lot operations and the herd size averaged 1,178 milk cows. This area is also home to large organic dairies that are able to provide milk cows pasture during the summer months through irrigation. There is also an abundant availability of farm land and water for growing crops during the spring and summer months. Dairy producers in this area have access to feed by-products from a variety of agriculture processing facilities, depending on their location. In 2012, the North Valley area represented 37.1 percent of total milk production in the state.



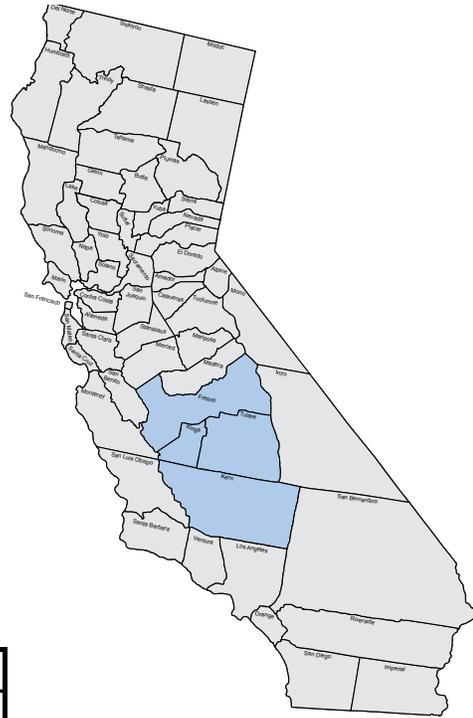
North Valley	2002	2012	% Change
Milk Production Lbs.	12,381,185	15,600,591	26.0%
Number of Cows	583,582	677,641	16.1%
Number of Dairies	989	719	-27.3%

North Coast	2002	2012	% Change
Milk Production Lbs.	1,290,026	937,392	-27.3%
Number of Cows	64,020	56,241	-12.2%
Number of Dairies	224	163	-27.2%

Cost of Production Summary in 2012, by Area

South Valley

South Valley is the largest area in terms of total milk production, producing 53.8 percent of the state's total milk production in 2012. This area covers the four counties – Fresno, Tulare, Kings, and Kern and has many state-of-the-art dairy facilities, due to the large number of dairies built in the 1990's and early 2000's. In 2012, the average herd size for South Valley averaged 1,869 milk cows. The semi-arid climate provides an excellent environment for dairies, with low annual precipitation. The region relies on water pumped from wells and water delivered by irrigation districts through a myriad of canals and ditches. The climate in this area during the summer and fall months generally provides many farmers the opportunity to double crop the land with various forages, if water is accessible.



South Valley	2002	2012	% Change
Milk Production Lbs.	15,393,479	22,314,006	45.0%
Number of Cows	743,133	956,975	28.8%
Number of Dairies	612	560	-8.5%

Southern California

The Southern California area consists of San Luis Obispo, Santa Barbara, San Bernardino, Los Angeles, Riverside, Imperial and San Diego counties. The bulk of the milk production takes place in the counties of San Bernardino and Riverside, in two regions known as Chino and San Jacinto. In 2012, the Southern California area represented 7.1 percent of the milk production in the state. This area has stabilized in the last several years in terms of cow numbers and milk production, due to the slowdown in the economy. The average herd size in Southern California for 2012 was 1,300 milk cows, which are primarily managed on dry lot operations. The majority of the dairies located in this area rely on feed ingredients grown outside of the area. Alfalfa hay, grain commodities and by-products like citrus pulp and brewer's malt are generally the main ingredients used to feed milk cows in this area.



Southern California	2002	2012	% Change
Milk Production Lbs.	5,645,560	2,912,993	-48.4%
Number of Cows	268,310	128,904	-52.0%
Number of Dairies	297	121	-59.3%

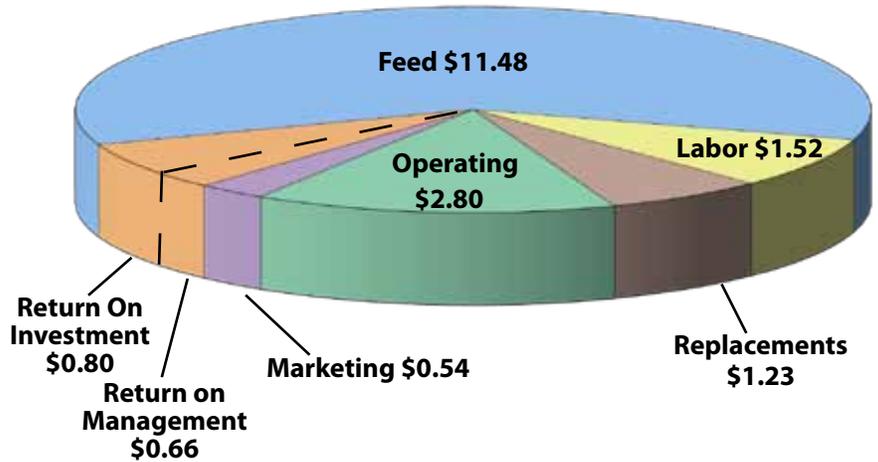
California Production Cost Summary

Milk Production Costs

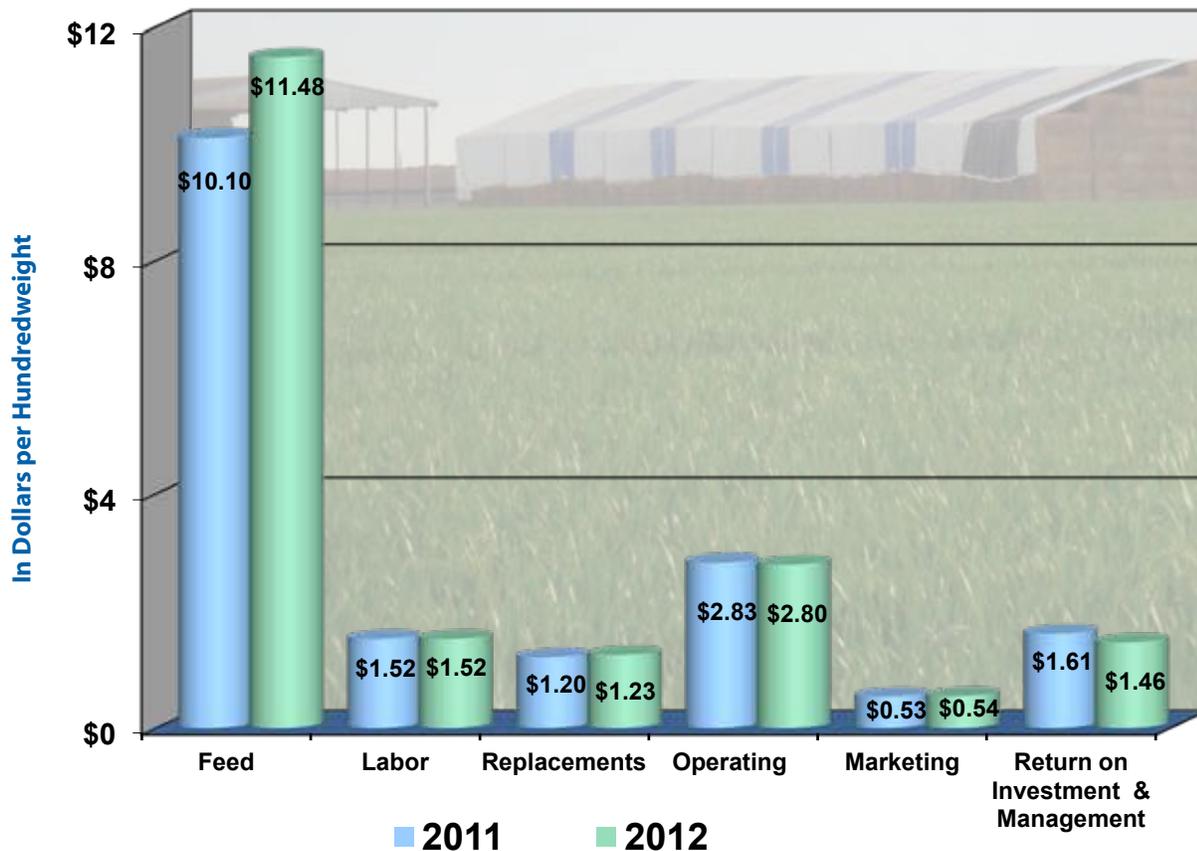
The Cost Comparison Summary is used to monitor the cost of production on dairy farms. A summary is published for each of the four production areas, based on monthly cost of production data. The comparison provides a statewide weighted average of all costs and allowances for each area.

In addition to reporting costs for feed, labor, operating, replacements and marketing, the Cost Comparison Summary includes an allowance for return on management and return on investment. The return on investment is based on the Moody's BAA Corporate Bond Index that is published monthly.

Cost Comparison Summary, 2012
(Cost per Hundredweight)



Cost Comparison, 2011 vs. 2012



California Production Cost Summary

California Production Cost Summary, 2012

All costs: per cow per month, unless noted	2011 Average	North Coast	North Valley	South Valley	Southern California	2012 Average	Percent Change
Number of Herds	142	13	58	48	7	126	
Feed Costs							
a. Dry Roughage	\$43.23	\$56.44	\$44.21	\$48.88	\$64.17	\$48.39	11.9%
b. Wet Feed & Wet Roughage	\$36.47	\$17.96	\$48.05	\$43.19	\$36.94	\$44.02	20.7%
c. Concentrates	\$97.97	\$99.50	\$105.40	\$117.15	\$111.05	\$111.99	14.3%
d. Minerals & Supplements	\$8.47	\$1.84	\$10.98	\$8.79	\$3.72	\$9.10	7.5%
e. Pasture	\$1.25	\$37.00	\$1.80	\$0.00	\$0.00	\$1.45	16.1%
Total Feed Costs	\$187.37	\$212.74	\$210.44	\$218.02	\$215.88	\$214.95	14.7%
Total Feed Costs (\$/cwt.)	\$10.10	\$15.40	\$11.15	\$11.64	\$11.13	\$11.48	13.7%
Total Feed Costs (% of total cost)	62.4%	67.0%	63.5%	66.4%	66.2%	65.3%	
Total Hired Labor	\$28.14	\$33.97	\$31.49	\$26.10	\$29.04	\$28.47	1.2%
Total Hired Labor Costs (\$/cwt.)	\$1.52	\$2.46	\$1.67	\$1.39	\$1.50	\$1.52	0.2%
Total Labor Costs (% of total cost)	9.4%	10.7%	9.5%	8.0%	8.9%	8.7%	
Total Herd Replacement ²	\$22.25	\$16.15	\$23.04	\$23.58	\$22.33	\$23.14	51.3%
Total Replacement Costs (\$/cwt.)	\$1.20	\$1.17	\$1.22	\$1.26	\$1.15	\$1.23	49.9%
Total Replacement Costs (% of total cost)	7.4%	5.1%	7.0%	7.2%	6.8%	7.0%	
Operating Costs							
a. Utilities	\$5.39	\$8.73	\$5.85	\$4.98	\$5.51	\$5.42	0.5%
b. Supplies	\$9.91	\$10.02	\$11.01	\$9.49	\$8.85	\$10.02	1.1%
c. Veterinary & Medicine	\$6.72	\$3.42	\$7.14	\$7.38	\$4.74	\$7.02	4.5%
d. Outside Services	\$3.80	\$1.88	\$4.23	\$3.42	\$3.37	\$3.69	-3.1%
e. Repairs & Maintenance	\$6.75	\$7.00	\$7.40	\$5.59	\$6.55	\$6.36	-5.7%
f. Miscellaneous	\$0.95	\$1.50	\$1.46	\$1.23	\$0.68	\$1.28	35.4%
g. Bedding & Manure Haul	\$1.32	\$1.88	\$1.16	\$0.84	\$2.55	\$1.10	-16.6%
h. Fuel & Oil	\$3.84	\$5.55	\$4.28	\$3.96	\$3.06	\$4.05	5.4%
i. Interest Expense	\$1.54	\$0.67	\$0.84	\$1.46	\$1.88	\$1.24	-19.6%
j. R E Lease Expense	\$4.49	\$1.02	\$5.15	\$4.97	\$2.89	\$4.81	7.0%
k. Depreciation	\$5.77	\$5.07	\$5.95	\$5.14	\$3.76	\$5.34	-7.3%
l. Taxes & Insurance	\$2.03	\$1.66	\$2.08	\$2.25	\$1.94	\$2.15	5.8%
Total Operating Costs	\$52.51	\$48.41	\$56.56	\$50.71	\$45.77	\$52.48	-0.1%
Total Operating Costs (\$/cwt.)	\$2.83	\$3.50	\$3.00	\$2.71	\$2.36	\$2.80	-1.0%
Total Operating Costs (% of total cost)	17.5%	15.3%	17.1%	15.4%	14.0%	15.9%	
Milk Marketing Costs							
a. Hauling	\$6.36	\$3.18	\$6.63	\$6.44	\$9.53	\$6.66	4.7%
b. State Assessments	\$2.47	\$2.24	\$2.47	\$2.40	\$2.57	\$2.43	-1.8%
c. Federal Assessments & Misc. Ded.	\$0.95	\$0.63	\$0.94	\$0.96	\$1.00	\$0.95	0.1%
Total Milk Marketing Costs	\$9.78	\$6.05	\$10.03	\$9.79	\$13.10	\$10.04	2.6%
Total Milk Marketing Costs (\$/cwt.)	\$0.53	\$0.44	\$0.53	\$0.52	\$0.68	\$0.54	1.7%
Total Milk Marketing Costs (% of total cost)	3.3%	1.9%	3.0%	3.0%	4.0%	3.1%	
Total Cost (\$/Cow/Month)	\$300.05	\$317.31	\$331.57	\$328.19	\$326.13	\$329.07	12.3%
Total Cost (\$/cwt)	\$16.17	\$22.97	\$17.57	\$17.52	\$16.81	\$17.57	11.2%
Return on Investment and Management							
a. Allowance: Return on Investment (\$/cwt.)	\$0.87	\$1.00	\$0.75	\$0.81	\$0.86	\$0.80	-8.0%
b. Allowance: Return on Management (\$/cwt.)	\$0.74	\$0.70	\$0.67	\$0.66	\$0.67	\$0.66	-10.8%
Total Costs and Allowances (\$/cwt)	\$17.78	\$24.67	\$18.99	\$18.99	\$18.34	\$19.03	9.3%
Milk Production Data							
a. Milk Sold/Total Cow/Month/ (cwt.)	18.56	13.81	18.87	18.74	19.40	18.73	0.9%
b. Lbs Milk Sold/milk cow/day	70.64	53.15	71.56	71.17	72.54	71.03	0.6%
f. Income Over Feed Cost (\$/cwt.)	\$8.39	\$8.98	\$6.36	\$4.64	\$5.34	\$5.45	-35.1%
g. Fat Test %	3.78%	3.84%	3.92%	3.78%	3.53%	3.82%	
h. SNF Test %	8.89%	8.82%	8.95%	8.89%	8.84%	8.91%	
Related Data							
i. Milk Cow Feed Costs (\$/Cow/Day)	\$6.71	\$7.73	\$7.51	\$7.79	\$7.57	\$7.67	14.2%
j. Milk Cow Feed Costs (\$/cwt.)	\$9.52	\$14.54	\$10.50	\$10.94	\$10.44	\$10.82	13.6%
l. Total Cows	1,346	274	1,178	1,869	1,300	1,355	0.7%
Milk Volume Percentages ¹	100.00%	2.10%	37.10%	53.75%	7.05%	100.00%	

¹ Weighted average computed based on 2012 milk volume percentages.

² Change in methodology of calculating replacement cost, 2012 and prior year's cost adjusted to reflect change.

California Quarterly Production Cost Summary

California Quarterly Production Cost Summary

All costs: per cow per month, unless noted	1st Quarter 2012 Average ¹	2nd Quarter 2012 Average ¹	3rd Quarter 2012 Average ¹	4th Quarter 2012 Average ¹	2012 Annual Summary
Number of Herds	138	134	129	126	126
Feed Costs					
a. Dry Roughage	\$49.06	\$48.66	\$47.04	\$49.45	\$48.39
b. Wet Feed & Wet Roughage	\$42.62	\$42.56	\$44.54	\$46.12	\$44.02
c. Concentrates	\$106.96	\$109.23	\$113.49	\$116.37	\$111.99
d. Minerals & Supplements	\$9.21	\$8.81	\$9.45	\$8.83	\$9.10
e. Pasture	\$0.95	\$2.45	\$1.77	\$0.70	\$1.45
Total Feed Costs	\$208.80	\$211.71	\$216.30	\$221.47	\$214.95
Total Feed Costs (\$/cwt.)	\$10.81	\$10.91	\$12.09	\$12.24	\$11.48
Total Feed Costs (% of total cost)	65.0%	64.8%	65.4%	66.0%	65.3%
Total Hired Labor	\$28.03	\$28.45	\$28.45	\$28.86	\$28.47
Total Hired Labor Costs (\$/cwt.)	\$1.45	\$1.47	\$1.59	\$1.60	\$1.52
Total Labor Costs (% of total cost)	8.7%	8.7%	8.6%	8.6%	8.7%
Total Herd Replacement ²	\$22.99	\$23.48	\$23.00	\$22.67	\$23.14
Total Replacement Costs (\$/cwt.)	\$1.19	\$1.21	\$1.28	\$1.25	\$1.23
Total Replacement Costs (% of total cost)	7.2%	7.2%	7.0%	6.7%	7.0%
Total Operating Costs	\$51.34	\$52.69	\$53.09	\$52.97	\$52.48
Total Operating Costs (\$/cwt.)	\$2.66	\$2.72	\$2.96	\$2.92	\$2.80
Total Operating Costs (% of total cost)	16.0%	16.1%	16.1%	15.8%	15.9%
Milk Marketing Costs					
a. Hauling	\$6.81	\$7.01	\$6.38	\$6.48	\$6.66
b. State Assessments	\$2.42	\$2.44	\$2.41	\$2.45	\$2.43
c. Federal Assessments & Misc. Ded.	\$0.98	\$0.99	\$0.92	\$0.92	\$0.95
Total Milk Marketing Costs	\$10.20	\$10.44	\$9.71	\$9.84	\$10.04
Total Milk Marketing Costs (\$/cwt.)	\$0.53	\$0.54	\$0.54	\$0.54	\$0.54
Total Milk Marketing Costs (% of total cost)	3.2%	3.2%	2.9%	2.9%	3.1%
Total Cost (\$/Cow/Month)	\$321.38	\$326.77	\$330.55	\$335.82	\$329.07
Total Cost (\$/cwt)	\$16.63	\$16.84	\$18.46	\$18.55	\$17.57
Return on Investment and Management					
a. Allowance: Return on Investment (\$/cwt.)	\$0.82	\$0.79	\$0.82	\$0.75	\$0.80
b. Allowance: Return on Management (\$/cwt.)	\$0.64	\$0.59	\$0.66	\$0.78	\$0.66
Total Costs and Allowances (\$/cwt)	\$18.09	\$18.22	\$19.94	\$20.08	\$19.03
Milk Production Data					
a. Milk Sold/Total Cow/Month/ (cwt.)	19.38	19.44	17.93	18.14	18.73
b. Lbs Milk Sold/milk cow/day	73.05	73.24	68.38	69.37	71.03
c. Gross Milk Receipts (\$/cwt.)	\$16.26	\$15.09	\$16.88	\$19.83	\$17.00
d. Mailbox Price (\$/cwt.)	\$16.16	\$15.00	\$16.75	\$19.83	\$16.92
f. Income Over Feed Cost (\$/cwt.)	\$5.35	\$4.09	\$4.66	\$7.59	\$5.45
g. Fat Test %	3.81%	3.73%	3.77%	3.93%	3.82%
h. SNF Test %	8.93%	8.88%	8.83%	8.98%	8.91%
i. Lbs Fat Sold/milk cow/month	84	83	79	83	83
j. Lbs SNF Sold/milk cow/month	198	197	185	191	193
k. Percent Quota	24%	24%	27%	26%	26%
Related Data					
i. Milk Cow Feed Costs (\$/Cow/Day)	\$7.44	\$7.53	\$7.73	\$7.93	\$7.67
j. Milk Cow Feed Costs (\$/cwt.)	\$10.22	\$10.30	\$11.32	\$11.46	\$10.82
l. Total Cows	1,335	1,315	1,350	1,338	1,355

¹ Weighted average computed based on 2012 milk volume percentages.

² Change in methodology of calculating replacement cost, 2012 and prior year's cost adjusted to reflect change.

California 5-Year Production Cost Summary

California 5-Year Production Cost Summary

All costs: per cow per month, unless noted	2008 Average	2009 Average	2010 Average	2011 Average	2012 Average
Number of Herds	157	145	147	142	126
Feed Costs					
a. Dry Roughage	\$48.10	\$40.89	\$33.27	\$43.23	\$48.39
b. Wet Feed & Wet Roughage	\$32.63	\$31.36	\$26.56	\$36.47	\$44.02
c. Concentrates	\$86.84	\$75.37	\$74.33	\$97.97	\$111.99
d. Minerals & Supplements	\$7.98	\$7.28	\$7.56	\$8.47	\$9.10
e. Pasture	\$1.37	\$1.21	\$0.80	\$1.25	\$1.45
Total Feed Costs	\$176.92	\$156.11	\$142.52	\$187.37	\$214.95
Total Feed Costs (\$/cwt.)	\$9.82	\$8.77	\$7.84	\$10.10	\$11.48
Total Feed Costs (% of total cost)	57.2%	56.7%	55.8%	62.4%	65.3%
Total Hired Labor	\$28.21	\$27.96	\$27.81	\$28.14	\$28.47
Total Hired Labor Costs (\$/cwt.)	\$1.57	\$1.57	\$1.53	\$1.52	\$1.52
Total Labor Costs (% of total cost)	9.1%	10.1%	10.9%	9.4%	8.7%
Total Herd Replacement ¹	\$41.48	\$32.31	\$24.35	\$22.25	\$23.14
Total Replacement Costs (\$/cwt.)	\$2.30	\$1.82	\$1.34	\$1.20	\$1.23
Total Replacement Costs (% of total cost)	13.4%	11.7%	9.5%	7.4%	7.0%
Total Operating Costs	\$52.61	\$49.79	\$51.49	\$52.51	\$52.48
Total Operating Costs (\$/cwt.)	\$2.92	\$2.80	\$2.83	\$2.83	\$2.80
Total Operating Costs (% of total cost)	17.0%	18.1%	20.2%	17.5%	15.9%
Milk Marketing Costs					
a. Hauling	\$6.48	\$5.95	\$6.06	\$6.36	\$6.66
b. State Assessments	\$2.37	\$2.39	\$2.32	\$2.47	\$2.43
c. Federal Assessments & Misc. Ded.	\$0.96	\$0.95	\$0.95	\$0.95	\$0.95
Total Milk Marketing Costs	\$9.81	\$9.28	\$9.33	\$9.78	\$10.04
Total Milk Marketing Costs (\$/cwt.)	\$0.54	\$0.52	\$0.51	\$0.53	\$0.54
Total Milk Marketing Costs (% of total cost)	3.2%	3.4%	3.7%	3.3%	3.1%
Total Cost (\$/Cow/Month)	\$309.04	\$275.45	\$255.50	\$300.05	\$329.07
Total Cost (\$/cwt)	\$17.15	\$15.48	\$14.06	\$16.17	\$17.57
Return on Investment and Management					
a. Allowance: Return on Investment (\$/cwt.)	\$1.33	\$1.24	\$0.90	\$0.87	\$0.80
b. Allowance: Return on Management (\$/cwt.)	\$0.67	\$0.46	\$0.59	\$0.74	\$0.66
Total Costs and Allowances (\$/cwt)	\$19.15	\$17.18	\$15.55	\$17.78	\$19.03
Milk Production Data					
a. Milk Sold/Total Cow/Month/ (cwt.)	18.02	17.79	18.17	18.56	18.73
b. Lbs Milk Sold/milk cow/day	68.37	67.83	69.17	70.64	71.03
c. Gross Milk Receipts (\$/cwt.)	\$17.14	\$11.92	\$15.05	\$18.85	\$17.00
d. Mailbox Price (\$/cwt.)	\$16.66	\$11.82	\$14.80	\$18.49	\$16.92
f. Income Over Feed Cost (\$/cwt.)	\$6.84	\$3.05	\$6.96	\$8.39	\$5.45
g. Fat Test %	3.72%	3.72%	3.71%	3.78%	3.82%
h. SNF Test %	8.83%	8.86%	8.88%	8.89%	8.91%
i. Lbs Fat Sold/milk cow/month	77	77	78	81	83
j. Lbs SNF Sold/milk cow/month	184	183	187	191	193
k. Percent Quota	29%	29%	26%	25%	26%
Related Data					
l. Milk Cow Feed Costs (\$/Cow/Day)	\$6.23	\$5.52	\$5.11	\$6.71	\$7.67
j. Milk Cow Feed Costs (\$/cwt.)	\$9.12	\$8.14	\$7.40	\$9.52	\$10.82
l. Total Cows	1,239	1,261	1,289	1,346	1,355

¹ Change in methodology of calculating replacement cost, 2012 and prior year's cost adjusted to reflect change.

Holstein Herds Summary

The Holstein cattle breed is the most prevalent type of dairy cow in California. High milk volume is a key distinct trait of this breed. The California Holstein Production Cost Comparison consists of all conventional (not organic) Holstein herds participating in the CDFA cost survey. The largest increase in cost, compared to 2011, was feed cost, increasing by 12.7 percent, or \$1.26 per cwt. Herd Replacement costs increased by 2.8 percent. Operating costs showed a decrease of 1.3 percent and Labor costs decreased by 0.9 percent. There was an increase in total marketing costs with hauling costs increasing by 5.0 percent. Overall, the total cost to produce milk increased in 2012 by 8.0 percent, or \$1.25 per cwt., compared to 2011. The mailbox milk price received by producers with conventional Holstein herds decreased in 2012 by 9.9 percent, or \$1.78 per cwt. compared to 2011 while production per-cow per-month increased 1.7 percent. The Holstein cows produced on average, 74.55 pounds of milk daily and 200.6 pounds of solids-not-fat per month. In comparison, Jersey cows produced on average, 59.82 pounds of milk daily and 170.7 pounds of solids-not-fat per month.



Based on CDFA Sample of Dairies	Holstein	Jersey
Pounds of Milk Sold Per Milk Cow, Per Day	74.55	59.82
Fat Test Percentage	3.63	4.79
Solids-Not-Fat Test Percentage	8.82	9.35
Income Over Feed Cost \$/cwt.	\$4.92	\$7.26



Holstein Herds Comparison

California Holstein Production Cost Comparison, 2012

All costs: per cow per month, unless noted	2011 Average	Holstein 1-700	Holstein 701-1500	Holstein 1500 Plus	2012 Average	Percent Change
Number of Herds	109	35	38	28	101	
Feed Costs						
a. Dry Roughage	\$45.87	\$51.85	\$49.76	\$52.30	\$51.50	12.3%
b. Wet Feed & Wet Roughage	\$37.64	\$44.32	\$47.54	\$45.92	\$46.25	22.9%
c. Concentrates	\$99.57	\$108.93	\$107.61	\$115.94	\$112.80	13.3%
d. Minerals & Supplements	\$8.89	\$7.65	\$9.44	\$9.57	\$9.35	5.2%
e. Pasture	\$0.38	\$5.56	\$0.00	\$0.00	\$0.52	39.0%
Total Feed Costs	\$192.34	\$218.32	\$214.34	\$223.73	\$220.43	14.6%
Total Feed Costs (\$/cwt.)	\$9.91	\$11.57	\$11.27	\$11.06	\$11.17	12.7%
Total Feed Costs (% of total cost)	62.8%	65.0%	65.4%	65.8%	65.6%	
Total Hired Labor	\$28.45	\$31.63	\$28.06	\$28.49	\$28.66	0.7%
Total Hired Labor Costs (\$/cwt.)	\$1.47	\$1.68	\$1.48	\$1.41	\$1.45	-0.9%
Total Labor Costs (% of total cost)	9.3%	9.4%	8.6%	8.4%	8.5%	
Total Herd Replacement ¹	\$22.69	\$20.70	\$22.45	\$24.81	\$23.72	4.5%
Total Replacement Costs (\$/cwt.)	\$1.17	\$1.10	\$1.18	\$1.23	\$1.20	2.8%
Total Replacement Costs (% of total cost)	7.4%	6.2%	6.9%	7.3%	7.1%	
Total Operating Costs	\$52.28	\$53.69	\$51.87	\$52.57	\$52.47	0.4%
Total Operating Costs (\$/cwt.)	\$2.69	\$2.85	\$2.73	\$2.60	\$2.66	-1.3%
Total Operating Costs (% of total costs)	17.1%	16.0%	15.8%	15.5%	15.6%	
Milk Marketing Costs						
a. Hauling	\$6.77	\$7.63	\$7.31	\$6.93	\$7.11	5.0%
b. State Assessments	\$2.59	\$2.73	\$2.51	\$2.56	\$2.56	-1.1%
c. Federal Assessments & Misc. Ded.	\$1.00	\$0.96	\$0.99	\$1.02	\$1.01	1.1%
Total Milk Marketing Costs	\$10.35	\$11.31	\$10.81	\$10.51	\$10.68	3.1%
Total Milk Marketing Costs (\$/cwt.)	\$0.53	\$0.60	\$0.57	\$0.52	\$0.54	1.4%
Total Milk Marketing Costs (% of total cost)	3.4%	3.4%	3.3%	3.1%	3.2%	
Total Cost (\$/Cow/Month)	\$306.12	\$335.65	\$327.52	\$340.11	\$335.94	9.7%
Total Cost (\$/cwt)	\$15.77	\$17.79	\$17.23	\$16.81	\$17.02	8.0%
Milk Production Data						
a. Milk Sold/Total Cow/Month/ (cwt.)	19.42	18.86	19.01	20.23	19.74	1.7%
b. Lbs Milk Sold/milk cow/day	73.64	70.99	71.95	76.38	74.55	1.2%
c. Gross Milk Receipts (\$/cwt)	\$18.38	\$16.78	\$16.47	\$16.42	\$16.47	-10.4%
d. Mailbox Price (\$/cwt)	\$17.86	\$16.38	\$16.04	\$16.06	\$16.08	-9.9%
f. Income Over Feed Cost (\$/cwt.)	\$7.95	\$4.80	\$4.77	\$5.00	\$4.92	-38.2%
g. Fat Test %	3.62%	3.67%	3.63%	3.63%	3.63%	
h. SNF Test %	8.82%	8.82%	8.81%	8.83%	8.82%	
i. Lbs Fat Sold/milk cow/month	81.1	79.4	79.6	84.6	82.6	1.8%
j. Lbs SNF Sold/milk cow/month	197.5	191.0	193.2	205.6	200.6	1.6%
k. Percent Quota	28.3%	45.4%	32.8%	26.5%	30.0%	
Related Data						
a. Percent Dry Cows	13%	13%	13%	13%	13%	
b. Yearly Cull Rate	39%	40%	41%	45%	43%	
d. Milk Cow Alfalfa Hay Price (\$/ton)	\$244.24	\$271.54	\$273.43	\$268.24	\$270.02	10.6%
e. Grain, Mnrls & Splmnts (\$/ton)	\$295.73	\$340.91	\$323.14	\$329.57	\$330.73	11.8%
f. Grain, Mnrls. & Splmnts. (lbs/mc/day)	28.5	25.8	27.5	29.2	28.4	-0.3%
g. Milkers (\$/hr with benefits & taxes)	\$13.84	\$14.37	\$13.82	\$14.52	\$14.28	3.2%
h. Total Labor (\$/hr)	\$14.60	\$14.55	\$14.49	\$15.36	\$15.01	2.8%
i. Milk Cow Feed Costs (\$/Cow/Day)	\$6.87	\$7.77	\$7.62	\$7.97	\$7.84	14.2%
j. Milk Cow Feed Costs (\$/cwt.)	\$9.33	\$10.95	\$10.59	\$10.43	\$10.52	12.8%
k. Milk Cows	1,199	351	922	2,429	1,188	-0.9%
l. Total Cows	1,383	403	1,064	2,797	1,369	-1.0%

¹ Change in methodology of calculating replacement cost, 2012 and prior year's cost adjusted to reflect change.

Jersey Herds Summary

The Jersey cow produces milk that contains a high component of solids which is sought after by cheese processors. In 2012, the Cost Comparison for Jersey herds showed that daily milk production averaged 59.82 pounds per-cow per-day, a 1.1 percent increase compared to 2011. Total cost to produce a cwt. of milk in 2012 was up by 9.7 percent, even though the average milk production per-cow per-day increased.

The largest increase in cost, compared to 2011, was feed, increasing by 15.8 percent. Total feed costs in 2011 represented 59.8 percent of total cost, while in 2012 it accounted for 63.1 percent of total cost. The increase in feed cost for Jersey herds is comparable to all herds on a statewide basis.

The Jersey herd mailbox milk price in 2012 decreased by 7.5 percent compared to a year ago. The lower mailbox price contributed to the income over feed cost decreasing by 31 percent. Other line item costs that increased in 2012 were: Marketing costs, up 7.9 percent;

Labor costs, up 3.2 percent; and Herd Replacement costs, up 2.6 percent. Operating costs showed a decrease of 2.2 percent, or \$0.08 per cwt.

Based on CDFA Sample of Dairies	Holstein	Jersey
Pounds of Milk Sold Per Milk Cow, Per Day	74.55	59.82
Fat Test Percentage	3.63	4.79
Solids-Not-Fat Test Percentage	8.82	9.35
Income Over Feed Cost \$/cwt.	\$4.92	\$7.26



California Jersey Production Cost Comparison, 2012

All costs: per cow per month, unless noted	2011 Average	2012 Average	Percent Change
Number of Herds	17	15	
Feed Costs			
a. Dry Roughage	\$30.88	\$35.92	16.3%
b. Wet Feed & Wet Roughage	\$33.16	\$38.26	15.4%
c. Concentrates	\$92.12	\$108.11	17.4%
d. Minerals & Supplements	\$7.59	\$10.08	32.7%
e. Pasture	\$0.39	\$0.00	-100.0%
Total Feed Costs	\$164.15	\$192.37	17.2%
Total Feed Costs (\$/cwt.)	\$10.67	\$12.35	15.8%
Total Feed Costs (% of total Cost)	59.8%	63.1%	
Total Hired Labor	\$25.90	\$27.05	4.5%
Total Hired Labor Costs (\$/cwt.)	\$1.68	\$1.74	3.2%
Total Labor Costs (% of total cost)	9.4%	8.9%	
Total Herd Replacement ¹	\$21.57	\$22.40	3.8%
Total Replacement Costs (\$/cwt.)	\$1.40	\$1.44	2.6%
Total Replacement Costs (% of total cost)	7.9%	7.4%	
Total Operating Costs	\$55.18	\$54.65	-0.9%
Total Operating Costs (\$/cwt.)	\$3.59	\$3.51	-2.2%
Total Operating Costs (% of total cost)	20.1%	17.9%	
Milk Marketing Costs			
a. Hauling	\$4.72	\$5.43	15.1%
b. State Assessments	\$2.02	\$1.99	-1.1%
c. Federal Assessments & Misc. Ded.	\$0.80	\$0.81	0.7%
Total Milk Marketing Costs	\$7.53	\$8.23	9.2%
Total Milk Marketing Costs (\$/cwt.)	\$0.49	\$0.53	7.9%
Total Milk Marketing Costs (% of total cost)	2.7%	2.7%	
Total Cost (\$/Cow/Month)	\$274.33	\$304.70	11.1%
Total Cost (\$/cwt)	\$17.83	\$19.56	9.7%
Milk Production Data			
a. Milk Sold/Total Cow/Month/ (cwt.)	15.39	15.58	1.2%
b. Lbs Milk Sold/milk cow/day	59.19	59.82	1.1%
c. Gross Milk Receipts (\$/cwt)	\$20.84	\$18.57	-10.9%
d. Mailbox Price (\$/cwt)	\$21.19	\$19.61	-7.5%
f. Income Over Feed Cost (\$/cwt.)	\$10.52	\$7.26	-31.0%
g. Fat Test %	4.72%	4.79%	
h. SNF Test %	9.31%	9.35%	
i. Lbs Fat Sold/milk cow/month	84.9	87.3	2.9%
j. Lbs SNF Sold/milk cow/month	167.6	170.7	1.8%
k. Percent Quota	2.3%	2.9%	
Related Data			
a. Percent Dry Cows	15%	15%	
b. Yearly Cull Rate	52%	47%	
d. Milk Cow Alfalfa Hay Price (\$/ton)	\$254.90	\$284.49	11.6%
e. Grain, Mnrls & Splmnts (\$/ton)	\$287.78	\$329.33	14.4%
f. Grain, Mnrls. & Splmnts. (lbs/mc/day)	26.73	27.57	3.1%
g. Milkers (\$/hr with benefits & taxes)	\$12.71	\$13.05	2.6%
h. Total Labor (\$/hr)	\$14.24	\$14.62	2.7%
i. Milk Cow Feed Costs (\$/Cow/Day)	\$5.94	\$6.92	16.5%
j. Milk Cow Feed Costs (\$/cwt.)	\$10.03	\$11.57	15.3%
k. Milk Cows	1,512	1,807	19.5%
l. Total Cows	1,769	2,117	19.6%

¹ Change in methodology of calculating replacement cost, 2012 and prior year's cost adjusted to reflect change.

Crossbred Herd Summary

Most crossbred herds are the result of breeding Holstein cows and their offspring to the breeds of Montbeliarde, Swedish Red or Red Dane. ProCross is the term being used by those that sell semen for the alternative breeds of bulls for this type of breeding program. Crossbred herds are generally looking for heterosis in their cows. Heterosis is defined as the tendency of a crossbred cow to have qualities superior to those of either parent.



Some of the positives listed on the ProCross website for crossbred cows compared to Holstein cows are increased solids production, higher fertility, and easier calving. The table below shows that in comparison to Holstein herds, crossbred herds produce 1.72 pounds less milk per-cow per-day, but have higher fat and solids-not-fat tests. Also, for 2012, the “income over feed cost” for crossbred herds was \$.55 per cwt. higher than Holstein herds.

Based on CDFA Sample of Dairies	Crossbred	Holstein	Jersey
Pounds of Milk Sold Per Milk Cow, Per Day	72.83	74.55	59.82
Fat Test Percentage	3.74	3.63	4.79
Solids-Not-Fat Test Percentage	8.98	8.82	9.35
Income Over Feed Cost \$/cwt.	\$5.47	\$4.92	\$7.26

Crossbred Herd Comparison

California Crossbred, Mixed-and-Other Herds Production Cost Comparison, 2012

All costs: per cow per month, unless noted	2011 Average	2012 Average	Percent Change
Number of Herds	6	5	
Feed Costs			
a. Dry Roughage	\$25.55	\$32.72	28.1%
b. Wet Feed & Wet Roughage	\$47.36	\$54.83	15.8%
c. Concentrates	\$91.28	\$109.67	20.2%
d. Minerals & Supplements	\$8.32	\$6.07	-27.0%
e. Pasture	\$1.99	\$0.80	-59.6%
Total Feed Costs	\$174.50	\$204.10	17.0%
Total Feed Costs (\$/cwt.)	\$9.59	\$10.76	12.2%
Total Feed Costs (% of total cost)	61.9%	65.2%	
Total Hired Labor	\$29.09	\$30.63	5.3%
Total Hired Labor Costs (\$/cwt.)	\$1.60	\$1.61	1.0%
Total Labor Costs (% of total cost)	10.3%	9.8%	
Total Herd Replacement ¹	\$19.11	\$19.86	3.9%
Total Replacement Costs (\$/cwt.)	\$1.05	\$1.05	-0.3%
Total Replacement Costs (% of total cost)	6.8%	6.3%	
Total Operating Costs	\$47.77	\$47.47	-0.6%
Total Operating Costs (\$/cwt.)	\$2.63	\$2.50	-4.7%
Total Operating Costs (% of total cost)	17.0%	15.2%	
Milk Marketing Costs			
a. Hauling	\$7.98	\$7.50	-6.0%
b. State Assessments	\$2.45	\$2.47	0.8%
c. Federal Assessments & Misc. Ded.	\$0.94	\$0.96	2.6%
Total Milk Marketing Costs	\$11.37	\$10.93	-3.8%
Total Milk Marketing Costs (\$/cwt.)	\$0.63	\$0.58	-7.8%
Total Milk Marketing Costs (% of total cost)	4.0%	3.5%	
Total Cost (\$/Cow/Month)	\$281.85	\$312.99	11.0%
Total Cost (\$/cwt)	\$15.49	\$16.50	6.5%
Milk Production Data			
a. Milk Sold/Total Cow/Month/ (cwt.)	18.19	18.97	4.3%
b. Lbs Milk Sold/milk cow/day	70.43	72.83	3.4%
c. Gross Milk Receipts (\$/cwt.)	\$18.94	\$16.58	-12.4%
d. Mailbox Price (\$/cwt.)	\$18.59	\$16.23	-12.7%
f. Income Over Feed Cost (\$/cwt.)	\$8.99	\$5.47	-39.2%
g. Fat Test %	3.82%	3.74%	
h. SNF Test %	8.97%	8.98%	
i. Lbs Fat Sold/milk cow/month	81.9	83.1	1.5%
j. Lbs SNF Sold/milk cow/month	192.2	199.4	3.7%
k. Percent Quota	18.7%	16.3%	
Related Data			
a. Percent Dry Cows	15%	15%	
b. Yearly Cull Rate	37%	38%	
d. Milk Cow Alfalfa Hay Price (\$/ton)	\$228.42	\$258.02	13.0%
e. Grain, Mnrls & Splmnts (\$/ton)	\$294.25	\$316.95	7.7%
f. Grain, Mnrls. & Splmnts. (lbs/mc/day)	26.13	27.32	4.6%
g. Milkers (\$/hr with benefits & taxes)	\$14.72	\$15.58	5.8%
h. Total Labor (\$/hr)	\$16.06	\$16.64	3.6%
i. Milk Cow Feed Costs (\$/Cow/Day)	\$6.28	\$7.29	16.0%
j. Milk Cow Feed Costs (\$/cwt.)	\$8.92	\$10.01	12.2%
k. Milk Cows	825	884	7.2%
l. Total Cows	971	1,035	6.6%

¹ Change in methodology of calculating replacement cost, 2012 and prior year's cost adjusted to reflect change.

California 3X vs. 2X Milk Production Summary

This is the fourth year of comparing three times (3X) a day milking with two times (2X) a day milking. Each producer must take a number of factors into consideration when determining whether to milk 2X or 3X per day. Following is a list of considerations that producers have shared with the Cost of Production auditors based on their experiences.

- Will the milking facility handle a third shift each day?
- Will there be additional maintenance costs?
- What are the additional labor requirements and costs?
- What effects will the additional stress be on the milking herd?
- How will increased nutritional requirements be handled?
- Is there a financial benefit of increased production?
- Will cow health (including udder health) improve?
- Will the entire herd be milked 3X or only a portion?
- Is there a plan or method to track cost and determine benefit?
- Do the positive aspects outweigh the negative?

The following information was compiled from a sample of 2X and 3X Holstein herds throughout California. The comparison of California's dairy herds in 2012 milking 2X to those milking 3X reinforces findings from previous years. Dairies utilizing a 3X milking schedule prove to have better returns on per-cow and per-cwt. of milk basis.

The table below compares the net revenue in herds over a span of four years. A closer look at the table reveals that the 3X herds have consistently had higher total costs per-cow per-month. In 2012, the total cost for 3X was \$350.83 per-cow, per-month, while 2X had a cost of \$329.68 per-cow, per-month. This higher cost for 3X dairies was offset by higher revenue, driven by higher production. The 3X dairies generated \$384.16 per-cow, per-month, while their counterparts generated \$353.68 per-cow, per-month. This shows that regardless of the milk price, 3X herds had an advantage in net revenue per cow ranging from \$3.11 per month in 2009, \$18.11 per month in 2010, \$24.17 per month in 2011, and \$9.33 per month in 2012. It is important to note that the production difference between 2X and 3X has decreased from 8.82 lbs. of milk in 2011 to 7.24 lbs. of milk in 2012, and the components test for fat and solids-not-fat favored 2X (3.66% Fat, 8.84% SNF) compared to 3X (3.58% Fat, 8.78% SNF). The table compares the two types of dairies based on value of components at overbase prices, while the cost is based on the CDFA cost survey of respective dairies.

The California Holstein 3X vs. 2X Cost Comparison illustrates that 3X dairies have a lower feed cost per cwt. and higher milk production per cow than 2X dairies by 6.1 percent and 10.0 percent, respectively. Labor cost for 3X dairies is 8.5 percent per cwt. higher than 2X dairies, due to the additional milk shift required. In 2012, the 3X milking herds had a 3.2 percent lower total cost of production per cwt. compared to 2X herds.

Cost/Revenue Analysis for 3X vs. 2X Milk Production In Dollars Per Cow/Month, Based on Overbase Milk Values 2009-2012

Items For Analysis	2009		2010		2011		2012	
	20	90	25	87	27	87	22	72
Number of Dairies	20	90	25	87	27	87	22	72
Milk Schedule	3X	2X	3X	2X	3X	2X	3X	2X
Fat Revenue	\$102.65	\$96.32	\$151.83	\$139.04	\$184.25	\$166.81	\$145.23	\$134.98
SNF Revenue	\$148.71	\$135.53	\$179.03	\$162.15	\$245.86	\$220.11	\$238.93	\$218.69
Total Revenue	\$251.37	\$231.85	\$330.86	\$301.19	\$430.11	\$386.92	\$384.16	\$353.68
Total Cost	\$289.32	\$272.91	\$261.40	\$249.84	\$311.38	\$292.36	\$350.83	\$329.68
Net Revenue	-\$37.95	-\$41.06	\$69.46	\$51.35	\$118.73	\$94.56	\$33.33	\$24.00
Advantage	\$3.11		\$18.11		\$24.17		\$9.33	

California 3X vs. 2X Milk Production Comparison

California Holstein 3X vs. 2X Milking Production Cost Comparison, 2012

All costs: per cow per month, unless noted	2011 3x	2011 2x	2012 3x	2012 2x	2012 Average	Percent Diff 2012 3X vs. 2X
Number of Herds	27	82	22	72	94	
Feed Costs						
a. Dry Roughage	\$42.31	\$47.70	\$52.32	\$51.16	\$51.50	2.3%
b. Wet Feed & Wet Roughage	\$42.31	\$35.23	\$50.95	\$44.27	\$46.25	15.1%
c. Concentrates	\$103.00	\$97.80	\$110.88	\$113.61	\$112.80	-2.4%
d. Minerals & Supplements	\$10.63	\$7.99	\$11.24	\$8.56	\$9.35	31.3%
e. Pasture	\$0.00	\$0.57	\$0.00	\$0.74	\$0.52	-100.0%
Total Feed Costs	\$198.26	\$189.29	\$225.38	\$218.34	\$220.43	3.2%
Total Feed Costs (\$/cwt.)	\$9.47	\$10.16	\$10.69	\$11.39	\$11.17	-6.1%
Total Feed Costs (% of total cost)	62.2%	63.2%	64.2%	66.2%	65.6%	
Total Hired Labor	\$31.41	\$26.92	\$32.33	\$27.11	\$28.66	19.3%
Total Hired Labor Costs (\$/cwt.)	\$1.50	\$1.44	\$1.53	\$1.41	\$1.45	8.5%
Total Labor Costs (% of total cost)	9.9%	9.0%	9.2%	8.2%	8.5%	
Total Herd Replacement ¹	\$21.78	\$23.16	\$25.10	\$23.14	\$23.72	8.5%
Total Replacement Costs (\$/cwt.)	\$1.04	\$1.24	\$1.19	\$1.21	\$1.20	-1.4%
Total Replacement Costs (% of total cost)	6.8%	7.7%	7.2%	7.0%	7.1%	
Total Operating Costs	\$56.33	\$50.20	\$56.86	\$50.62	\$52.47	12.3%
Total Operating Costs (\$/cwt.)	\$2.69	\$2.69	\$2.70	\$2.64	\$2.66	2.1%
Total Operating Costs (% of total cost)	17.7%	16.7%	16.2%	15.4%	15.6%	
Milk Marketing Costs						
a. Hauling	\$6.92	\$6.69	\$7.39	\$6.99	\$7.11	5.7%
b. State Assessments	\$2.74	\$2.51	\$2.70	\$2.50	\$2.56	7.7%
c. Federal Assessments & Misc. Ded.	\$1.07	\$0.96	\$1.07	\$0.98	\$1.01	9.4%
Total Milk Marketing Costs	\$10.74	\$10.16	\$11.16	\$10.47	\$10.68	6.5%
Total Milk Marketing Costs (\$/cwt.)	\$0.51	\$0.54	\$0.53	\$0.55	\$0.54	-3.1%
Total Milk Marketing Costs (% of total cost)	3.4%	3.4%	3.2%	3.2%	3.2%	
Total Cost (\$/Cow/Month)	\$318.51	\$299.73	\$350.83	\$329.68	\$335.94	6.4%
Total Cost (\$/cwt)	\$15.22	\$16.08	\$16.64	\$17.20	\$17.02	-3.2%
Milk Production Data						
a. Milk Sold/Total Cow/Month/ (cwt.)	20.93	18.64	21.09	19.17	19.74	10.0%
b. Lbs Milk Sold/milk cow/day	79.46	70.64	79.65	72.41	74.55	10.0%
c. Gross Milk Receipts (\$/cwt.)	\$18.15	\$18.51	\$16.33	\$16.53	\$16.47	-1.2%
d. Mailbox Price (\$/cwt.)	\$17.59	\$18.01	\$15.95	\$16.14	\$16.08	-1.2%
f. Income Over Feed Cost (\$/cwt.)	\$8.12	\$7.85	\$5.26	\$4.76	\$4.92	10.6%
g. Fat Test %	3.58%	3.65%	3.58%	3.66%	3.63%	
h. SNF Test %	8.78%	8.84%	8.78%	8.84%	8.82%	
i. Lbs Fat Sold/milk cow/month	87	78	87	81	83	7.5%
j. Lbs SNF Sold/milk cow/month	212	190	213	195	201	9.2%
k. Percent Quota	21%	32%	25%	32%	30%	
Related Data						
a. Percent Dry Cows	13%	13%	13%	13%	13%	
b. Yearly Cull Rate	36%	40%	44%	43%	43%	
d. Milk Cow Alfalfa Hay Price (\$/ton)	\$242.02	\$245.17	\$271.76	\$269.32	\$270.02	0.9%
e. Grain, Mnrls & Splmnts (\$/ton)	\$293.10	\$296.59	\$329.62	\$331.07	\$330.73	-0.4%
f. Grain, Mnrls. & Splmnts. (lbs/mc/day)	29.93	27.70	28.60	28.28	28.38	1.1%
g. Milkers (\$/hr with benefits & taxes)	\$13.59	\$14.00	\$14.23	\$14.31	\$14.28	-0.5%
h. Total Labor (\$/hr)	\$14.46	\$14.69	\$14.89	\$15.07	\$15.01	-1.2%
i. Milk Cow Feed Costs (\$/Cow/Day)	\$7.09	\$6.76	\$8.02	\$7.77	\$7.84	3.2%
j. Milk Cow Feed Costs (\$/cwt.)	\$8.93	\$9.56	\$10.07	\$10.73	\$10.52	-6.2%
k. Milk Cows	1,644	1,052	1,504	1,092	1,188	37.8%
l. Total Cows	1,899	1,213	1,733	1,258	1,369	37.8%

¹ Change in methodology of calculating replacement cost, 2012 and prior year's cost adjusted to reflect change.

Organic Herds Comparison

Organic Herd Comparison, 2012

In 2012, the cost of production per cwt. of organic milk increased by 10.6 percent when compared to 2011, an increase of \$2.54 per cwt. The largest increase in cost was the feed category, which increased by 17.6 percent, or \$2.66 per cwt., compared to the prior year. Marketing costs decreased by 25.5 percent, as more organic milk producers moved their milk to processors that pay for most or all of the hauling cost.

The 2012 mailbox organic milk price (encompassing all revenue received for farm milk) was \$30.31 per cwt., an increase of 8.5 percent, compared to 2011. The organic milk price is usually established once a year, with built-in mechanisms to adjust for quality and seasonal production levels. The monthly organic milk price is always at or exceeds the CDFA overbase milk price.

All costs: per cow per month, unless noted	2011 Organic	2012 Organic	Percent Change
Number of Herds	10	12	
Feed Costs			
a. Dry Roughage	\$47.66	\$49.81	4.5%
b. Wet Feed & Wet Roughage	\$15.83	\$21.04	32.9%
c. Concentrates	\$92.27	\$110.21	19.4%
d. Minerals & Supplements	\$3.42	\$4.77	39.5%
e. Pasture	\$30.41	\$36.18	19.0%
Total Feed Costs	\$189.58	\$222.00	17.1%
Total Feed Costs (\$/cwt.)	\$15.21	\$17.87	17.6%
Total Feed Costs (% of total Cost)	63.7%	67.7%	
Total Hiring Labor	\$33.01	\$34.02	3.1%
Total Hiring Labor Costs (\$/cwt.)	\$2.65	\$2.74	3.5%
Total Labor Costs (% of total cost)	11.1%	10.4%	
Total Herd Replacement ¹	\$16.81	\$16.59	-1.3%
Total Replacement Costs (\$/cwt.)	\$1.35	\$1.34	-1.0%
Total Replacement Costs (% of total cost)	5.6%	5.1%	
Total Operating Costs	\$54.91	\$52.97	-3.5%
Total Operating Costs (\$/cwt.)	\$4.40	\$4.27	-3.2%
Total Operating Costs (% of total costs)	18.4%	16.1%	
Milk Marketing Costs			
a. Hauling	\$1.35	\$0.45	-66.9%
b. State Assessments	\$1.76	\$1.80	2.2%
c. Federal Assessments & Misc. Ded.	\$0.36	\$0.33	-8.2%
Total Milk Marketing Costs	\$3.47	\$2.58	-25.8%
Total Milk Marketing Costs (\$/cwt.)	\$0.28	\$0.21	-25.5%
Total Milk Marketing Costs (% of total cost)	1.2%	0.8%	
Total Cost (\$/Cow/Month)	\$297.79	\$328.15	10.2%
Total Cost (\$/cwt)	\$23.88	\$26.42	10.6%
Milk Production Data			
a. Milk Sold/Total Cow/Month/ (cwt.)	12.47	12.42	-0.4%
b. Lbs Milk Sold/milk cow/day	48.86	48.12	-1.5%
c. Gross Milk Receipts (\$/cwt)	\$25.45	\$25.75	1.2%
d. Mailbox Price (\$/cwt)	\$27.95	\$30.31	8.5%
f. Income Over Feed Cost (\$/cwt.)	\$12.74	\$12.44	-2.4%
g. Fat Test %	3.92%	3.94%	
h. SNF Test %	8.89%	8.90%	
i. Lbs Fat Sold/milk cow/month	58	58	-0.7%
j. Lbs SNF Sold/milk cow/month	132	131	-1.2%
k. Percent Quota	26%	27%	
Related Data			
a. Percent Dry Cows	16%	15%	
b. Yearly Cull Rate	32%	26%	
d. Milk Cow Alfalfa Hay Price (\$/ton)	\$262.31	\$308.28	17.5%
e. Grain, Mnrls & Splmnts (\$/ton)	\$460.55	\$571.75	24.1%
f. Grain, Mnrls. & Splmnts. (lbs/mc/day)	17.08	16.15	-5.4%
g. Milkers (\$/hr with benefits & taxes)	\$13.66	\$14.43	5.6%
h. Total Labor (\$/hr)	\$13.95	\$14.50	4.0%
i. Milk Cow Feed Costs (\$/Cow/Day)	\$6.95	\$8.06	16.0%
j. Milk Cow Feed Costs (\$/cwt.)	\$14.22	\$16.74	17.8%
k. Milk Cows	374	358	-4.4%
l. Total Cows	446	423	-5.2%

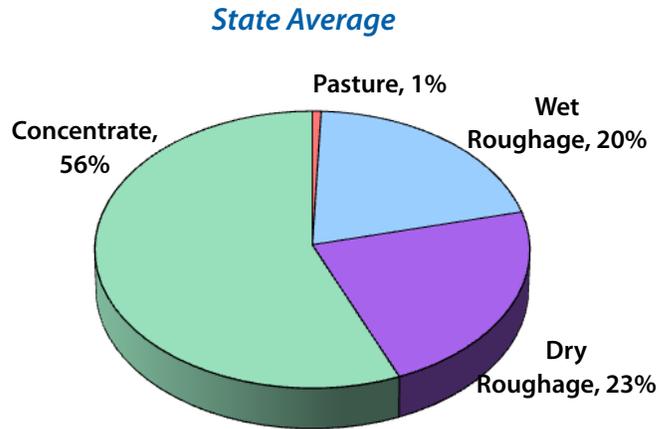
¹ Change in methodology of calculating replacement cost, 2012 and prior year's cost adjusted to reflect change.

Feed Cost Summary

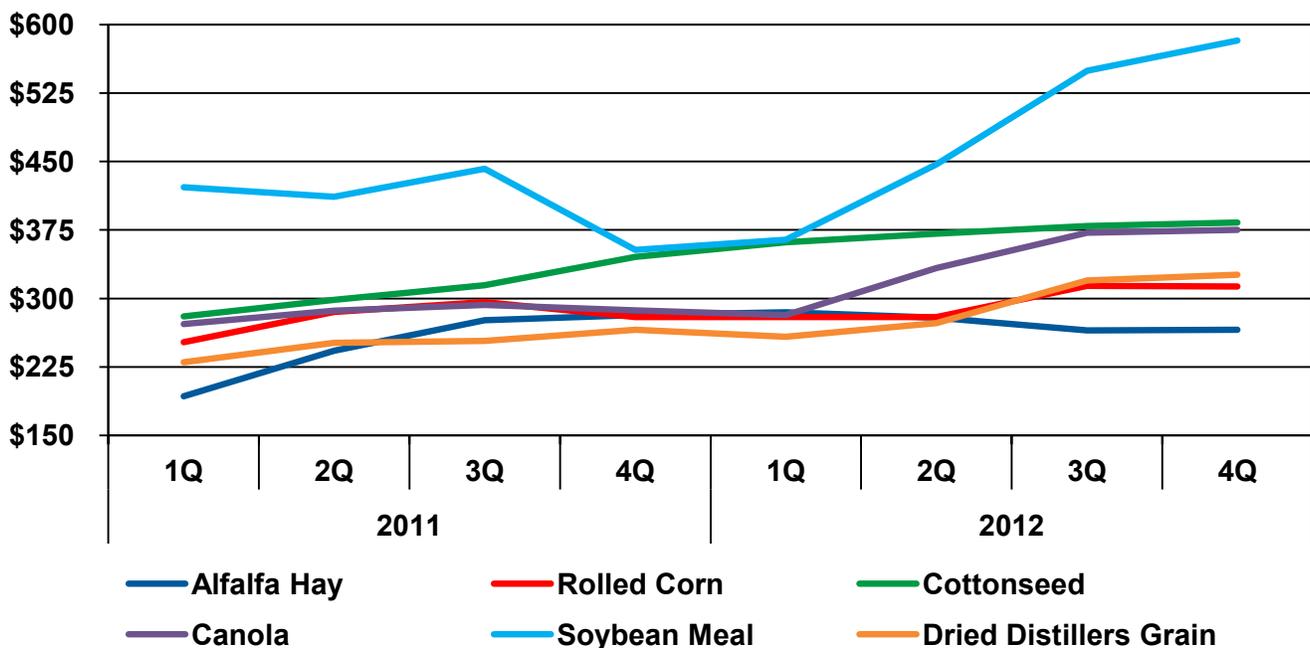
In 2012, total feed cost per cwt. increased by 13.7 percent, or \$1.38 per cwt., compared to 2011. The quarterly cost comparison shows that feed costs increased over each quarter of 2012. This increase was due to higher prices for commonly used commodities in the feed ration, such as alfalfa hay, rolled corn, whole cottonseed, and canola meal. Feed cost in 2012 represented 65.3 percent of the total cost to produce a cwt. of milk, a 2.9 percent increase from 2011.

The milk cow alfalfa hay price per ton fed averaged \$272.81 in 2012. Higher alfalfa hay prices contributed to producers reducing the amount of alfalfa hay fed in 2012, averaging 9.31 pounds per milk cow. The big decrease occurred in 2011 when alfalfa hay fed per milk cow averaged 9.46 pounds, a decrease from 11.14 pounds of alfalfa fed per milk cow in 2010. Producers also fed more lower cost dry roughages such as wheat hay, straw hay, Sudan hay, and oat hay.

**Average Monthly Cost of Feed Per Cow and Percentage by Feed Category, 2012
(Feed Costs Based on Milk Cows & Dry Cows)**



Feed Commodity Prices Paid for Premium Alfalfa, Canola, Rolled Corn, Soybean Meal, Whole Cottonseed, and Dried Distillers Grain Based on California Cost of Production Surveys January 2011-December 2012



Feed Cost Summary

In 2010, the grain mix average price per ton fed was \$233.71, in 2011 the price increased to \$297.75 per ton (an increase of 27.4 percent) and in 2012 it increased to \$337.51 (an increase of 13.4 percent). In 2012, delivered rolled corn spot prices were at their lowest in January at \$281 per ton and peaked in August at \$352 per ton. Canola prices were at their lowest in February at \$280 per ton and peaked in August at \$409 per ton. The whole cottonseed spot price peaked in August at \$409 per ton.



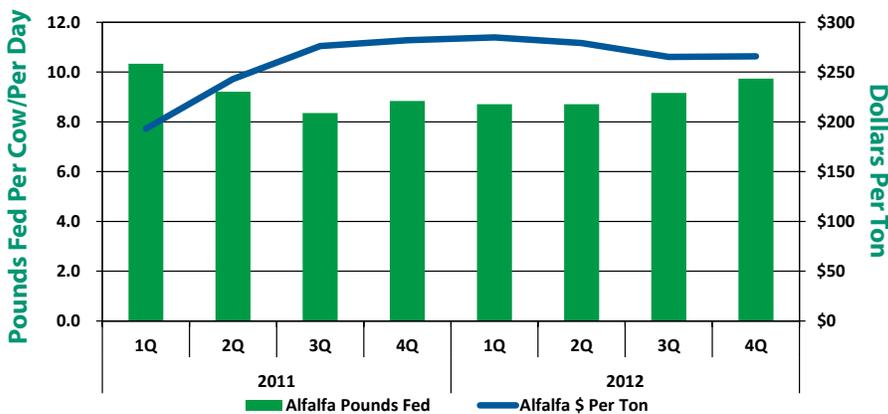
Taking a look at California feed summary graphs (on the previous page and below), by quarter, for 2011 through 2012, some trends reveal themselves. Rolled corn, canola, and dried distillers grain tend to track each other as the costs moved higher. When the 2012 new crop alfalfa hay became available the cost of alfalfa trended lower. As the price of alfalfa hay trends higher,

the pounds of alfalfa fed per cow trends lower. The same trend holds for rolled corn.

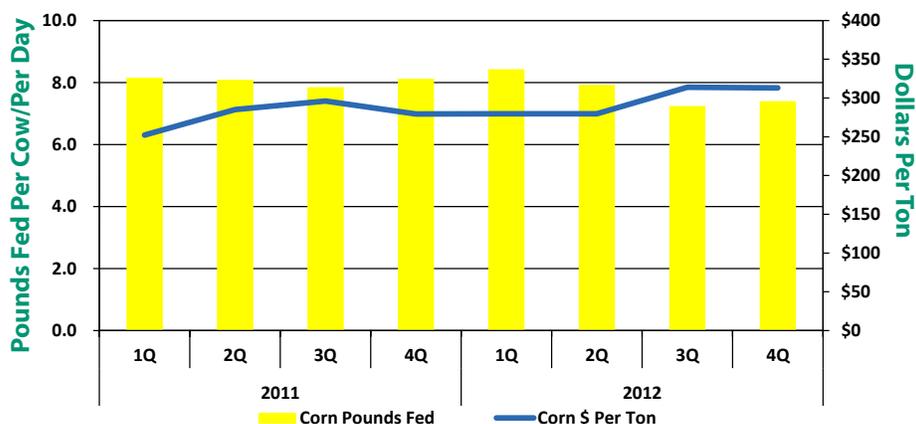
The traditional contracting in the fall for grain commodities has been very limited in the last few years. The contracts that are made available are for short time frames, generally no longer than three-to-six months. The majority of the grain concentrates and by-products are currently bought, as needed, on a month-to-month basis.

As grain commodities increased in price, producers incorporated more local by-products into their feed rations. Local by-products fed include wet distillers grain, wet corn gluten, pomegranates, carrots, potatoes, citrus, whey, etc.

Pounds of Alfalfa Fed Per Cow, Per Day/Dollars Per Ton



Pounds of Corn Fed Per Cow, Per Day/Dollars Per Ton

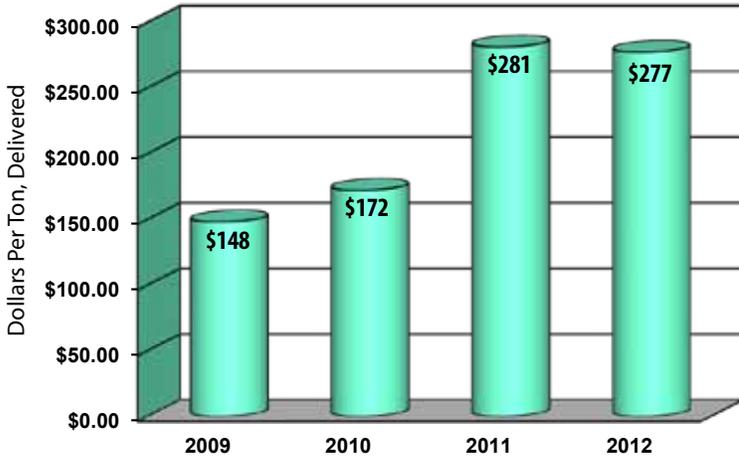


Average Premium Alfalfa Hay Prices

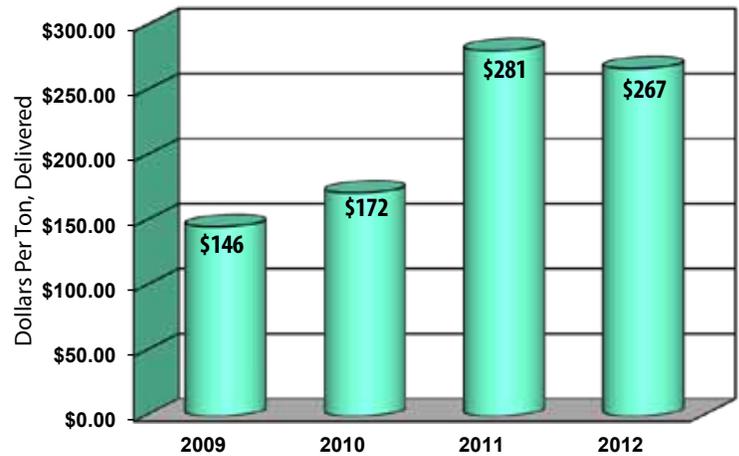
Premium Alfalfa Hay, California, Selected Areas, 2009-2012 ¹

Premium Alfalfa: Early maturity, i.e., pre-bloom in legumes and pre-head in grass hays, extra leafy and fine stemmed-factors indicative of a high nutritive content. Hay is green and free of damage.

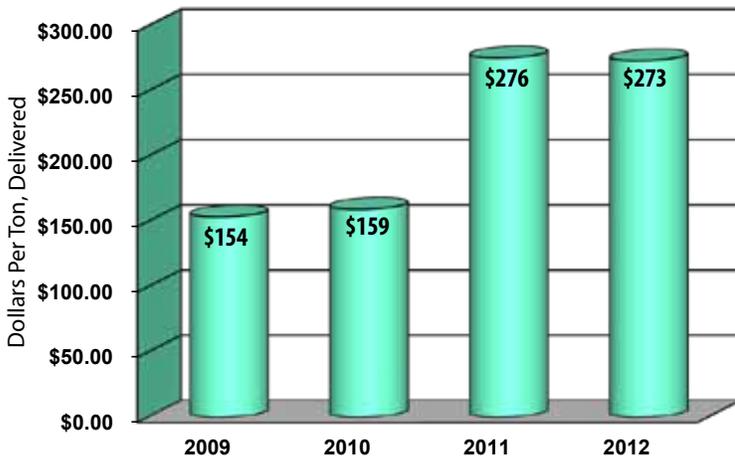
Tulare, Fresno, Kings, Madera



Merced, San Joaquin, Stanislaus



Los Angeles, Kern, San Bernardino



¹ USDA Livestock Grain and Market News revised the regions/counties for alfalfa hay data collection. The Petaluma area/region is no longer reporting alfalfa hay prices. The new chart headings indicate the new regions.

Alfalfa Guidelines (for domestic livestock use and not more than 10% grass)

Quality	ADF	NDF	*RFV	**TDN-100%	**TDN-90%	CP
Supreme	<27	<34	>185	>62	>55.9	>22
Premium	27-29	34-36	170-185	60.5-62	54.5-55.9	20-22
Good	29-32	36-40	150-170	58-60	52.5-54.5	18-20
Fair	32-35	40-44	130-150	56-58	50.5-52.5	16-18
Utility	>35	>44	<130	<56	<50.5	<16

*RFV calculated using the Wis/Minn formula. **TDN calculated using the western formula. Quantitative factors are approximate, and many factors can affect feeding value. Values based on 100 % dry matter (TDN showing both 100% & 90%). Guidelines are to be used with visual appearance and intent of sale (usage).

Source: USDA, Colorado Dept. of Ag Market News, Greeley, CO, 2012

Holstein Herd Feed Summary

This Annual Feed Summary provides a breakdown for feed ingredients fed to milk and dry cows throughout the year. The summary provides the dollars-per-ton fed for each commodity fed, feed intake per-cow per-day, estimated dry matter intake per-cow per-day, and the percent of total feed cost. This table represents all California Holstein herds. This summary table does not contain organic herds.

California Holstein Dairies - Feed Summary, 2012 12-Month Weighted Averages, Based on CDFA Cost Study Dairy Surveys

FEED	MILK COWS				DRY COWS			
	\$ Per Ton ¹	As Fed #’s Per Cow Per Day ¹	Dry Matter #’s Per Cow Per Day ²	% of Total Feed Cost ¹	\$ Per Ton ¹	As Fed #’s Per Cow Per Day ¹	Dry Matter #’s Per Cow Per Day ²	% of Total Feed Cost ¹
DRY ROUGHAGE								
Alfalfa Hay	\$270.33	9.83	8.83	17.0%	\$260.06	2.06	1.85	8.3%
Other Hay	\$148.55	0.79	0.70	0.7%	\$190.54	10.28	9.22	1.8%
Almond Hulls & Shells	\$149.72	4.68	4.21	4.2%	\$149.77	1.68	1.51	0.2%
Total Dry Roughage	\$227.18	15.29	13.74	22.2%	\$195.85	14.02	12.58	42.6%
SILAGE								
Corn Silage	\$65.88	27.70	9.23	11.7%	\$65.88	12.44	4.15	12.7%
Other Silage	\$62.11	9.25	3.06	3.7%	\$55.56	23.32	7.87	20.1%
Green Chop	\$56.12	1.33	0.25	0.5%	\$56.12	0.23	0.04	0.2%
Total Silage	\$64.63	38.28	12.54	15.8%	\$59.13	35.99	12.06	33.0%
OTHER FORAGES & WET FEEDS								
Earlage	\$141.45	0.43	0.24	0.4%	\$141.45	0.01	0.00	0.0%
Wet Distiller Grain	\$101.53	2.32	0.73	1.5%	\$101.53	0.11	0.04	0.2%
Wet Corn Gluten	\$102.70	1.08	0.35	0.7%	\$102.70	0.11	0.04	0.2%
Whey	\$37.18	3.99	0.66	0.9%	\$37.18	0.28	0.05	0.2%
Other Wet Feeds	\$32.01	4.01	0.80	0.8%	\$28.70	1.71	0.40	0.8%
Total Other Forages & Wet Feeds	\$57.77	11.82	2.77	4.4%	\$37.67	2.22	0.52	1.3%
CONCENTRATES & BYPRODUCTS								
Inside Barn Mix	\$327.08	1.79	1.54	3.7%	\$327.08	0.00	0.00	0.0%
Rolled Corn	\$297.12	8.20	7.23	15.6%	\$297.12	0.88	0.77	4.0%
Rolled Barley	\$304.82	0.45	0.40	0.9%	\$305.03	0.04	0.04	0.2%
Whole Cottonseed/Pima	\$375.03	2.58	2.37	6.2%	\$379.65	0.01	0.01	0.1%
Soybean Meal	\$389.68	0.28	0.25	0.7%	\$389.68	0.00	0.00	0.0%
Canola	\$335.41	3.35	3.07	7.2%	\$335.41	0.27	0.25	1.4%
Beet Pulp	\$265.18	0.22	0.20	0.4%	\$265.18	0.01	0.01	0.0%
Wheat Millrun	\$241.91	0.59	0.53	0.9%	\$241.91	0.07	0.07	0.3%
Dried Distillers Grain	\$293.66	1.80	1.65	3.4%	\$293.66	0.20	0.18	0.9%
Other Grains & byproducts	\$306.47	2.92	2.64	5.7%	\$312.68	1.75	1.55	7.9%
Mill/Custom Mix	\$356.94	3.85	3.35	8.8%	\$353.36	0.12	0.10	0.0%
Total Concentrates & Byproducts	\$321.08	26.04	23.24	53.4%	\$309.08	3.36	2.98	15.5%
MINERALS & ADDITIVES								
All Minerals	\$372.14	1.71	1.37	4.1%	\$521.50	0.86	0.94	6.9%
PASTURE								
Pasture	\$42.96	0.78	0.16	0.2%	\$42.96	0.92	0.18	0.6%
TOTALS	\$166.75	93.93	53.81	100.0%	\$112.57	57.37	29.26	100.0%

Cost Per Cow-Per Day \$7.83
 Cost Per Cwt. of Milk \$10.51
 Avg. Milk Cows 1,188
 Milk Production Per Cow-Per Day 74.55

Cost Per Cow-Per Day \$3.22
 Cost Per Cwt. of Milk \$0.66
 Avg. Dry Cows 181

¹ All figures based on weighted averages

² Dry Matter is estimated

Jersey Herd Feed Summary

This Annual Feed Summary provides a breakdown for feed ingredients fed to milk and dry cows throughout the year. The summary provides the dollars-per-ton fed for each commodity fed, feed intake per-cow per-day, estimated dry matter intake per-cow per-day, and the percent of total feed cost. This table represents Jersey herds throughout California. This table does not contain organic herds.

California Jersey Dairies - Feed Summary, 2012 12-Month Weighted Averages, Based on CDFA Cost Study Dairy Surveys

FEED	MILK COWS				DRY COWS			
	\$ Per Ton ¹	As Fed #s Per Cow Per Day ¹	Dry Matter #s Per Cow Per Day ²	% of Total Feed Cost ¹	\$ Per Ton ¹	As Fed #s Per Cow Per Day ¹	Dry Matter #s Per Cow Per Day ²	% of Total Feed Cost ¹
DRY ROUGHAGE								
Alfalfa Hay	\$285.48	6.19	5.54	12.8%	\$248.60	0.99	0.89	4.4%
Other Hay	\$155.87	1.71	1.47	1.8%	\$157.89	9.79	7.79	1.8%
Almond Hulls & Shells	\$146.25	2.69	2.42	2.7%	\$146.25	1.03	0.93	0.2%
Total Dry Roughage	\$229.18	10.58	9.42	17.6%	\$164.49	11.82	9.61	34.7%
SILAGE								
Corn Silage	\$64.86	27.05	9.02	12.7%	\$64.86	10.23	3.41	11.9%
Other Silage	\$61.25	7.11	2.50	3.2%	\$52.78	20.35	7.24	19.2%
Green Chop	\$0.00	0.00	0.00	0.0%	\$0.00	0.00	0.00	0.0%
Total Silage	\$64.11	34.16	11.52	15.8%	\$56.82	30.59	10.66	31.0%
OTHER FORAGES & WET FEEDS								
Earlage	\$99.84	0.21	0.14	0.2%	\$0.00	0.00	0.00	0.0%
Wet Distiller Grain	\$102.85	1.17	0.37	0.9%	\$102.85	0.04	0.01	0.1%
Wet Corn Gluten	\$95.83	1.97	0.75	1.4%	\$95.83	0.84	0.32	1.4%
Whey	\$31.07	2.20	0.24	0.5%	\$31.07	1.29	0.14	0.7%
Other Wet Feeds	\$27.15	1.05	0.22	0.2%	\$26.80	0.58	0.14	0.3%
Total Other Forages & Wet Feeds	\$64.74	6.60	1.72	3.1%	\$50.97	2.75	0.62	2.5%
CONCENTRATES & BYPRODUCTS								
Inside Barn Mix	\$0.00	0.00	0.00	0.0%	\$0.00	0.00	0.00	0.0%
Rolled Corn	\$285.89	7.89	6.96	16.3%	\$285.89	1.06	0.94	5.4%
Rolled Barley	\$319.88	0.07	0.06	0.2%	\$319.88	0.03	0.02	0.1%
Whole Cottonseed/Pima	\$371.10	3.98	3.67	10.7%	\$373.72	0.07	0.07	0.5%
Soybean Meal	\$420.27	0.60	0.54	1.8%	\$420.27	0.08	0.07	0.6%
Canola	\$344.01	3.82	3.51	9.5%	\$344.01	0.58	0.53	3.6%
Beet Pulp	\$0.00	0.00	0.00	0.0%	\$0.00	0.00	0.00	0.0%
Wheat Millrun	\$242.64	0.32	0.29	0.6%	\$0.00	0.00	0.00	0.0%
Dried Distillers Grain	\$287.41	1.30	1.19	2.7%	\$287.41	0.45	0.41	2.3%
Other Grains & byproducts	\$332.29	5.92	5.34	14.2%	\$300.56	1.03	0.92	5.5%
Mill/Custom Mix	\$368.12	1.06	0.95	2.8%	\$0.00	0.00	0.00	0.0%
Total Concentrates & Byproducts	\$325.75	24.96	22.48	58.8%	\$306.46	3.30	2.96	18.1%
MINERALS & ADDITIVES								
All Minerals	\$352.44	1.82	1.81	4.7%	\$593.08	1.29	1.41	13.7%
PASTURE								
Pasture	\$0.00	0.00	0.00	0.0%	\$0.00	0.00	0.00	0.0%
TOTALS	\$176.84	78.13	46.95	100.0%	\$112.58	49.75	25.25	100.0%

Cost Per Cow-Per Day \$6.91
 Cost Per Cwt. of Milk \$11.55
 Avg. Total Cows 1,807
 Milk Production Per Cow-Per Day 59.82

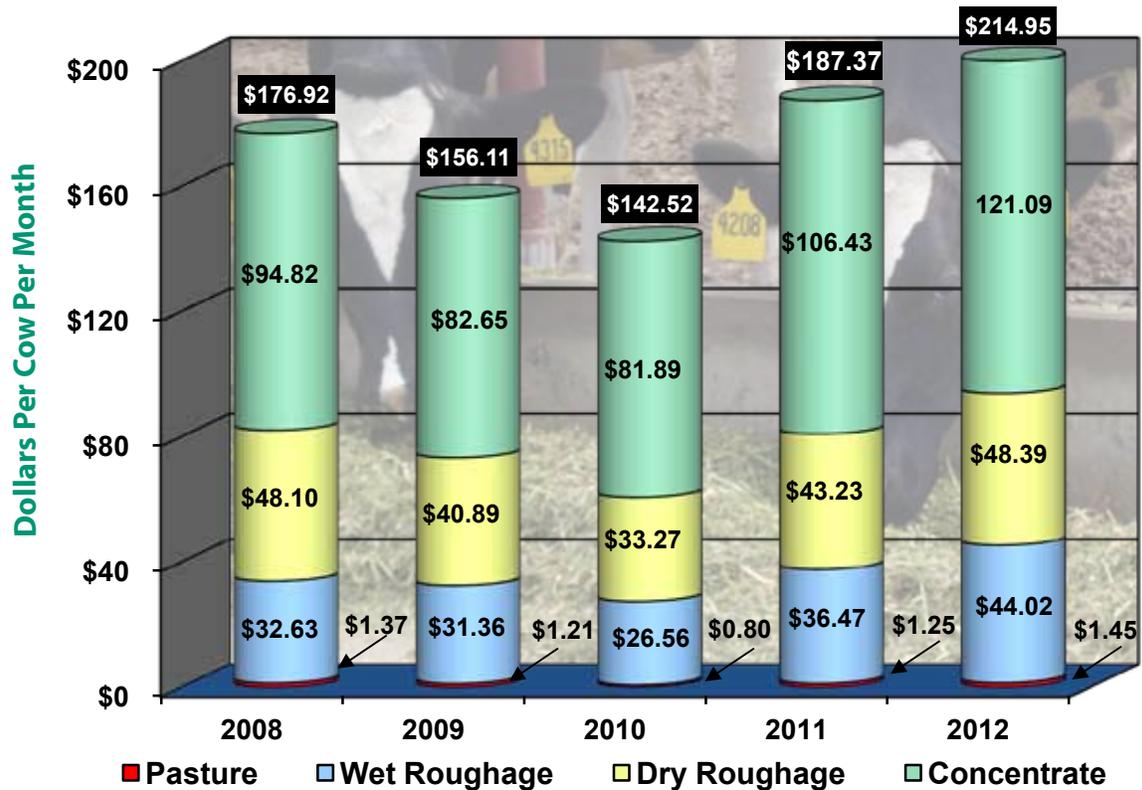
Cost Per Cow-Per Day \$2.80
 Cost Per Cwt. of Milk \$0.80
 Avg. Dry Cows 310

¹ All figures based on weighted averages

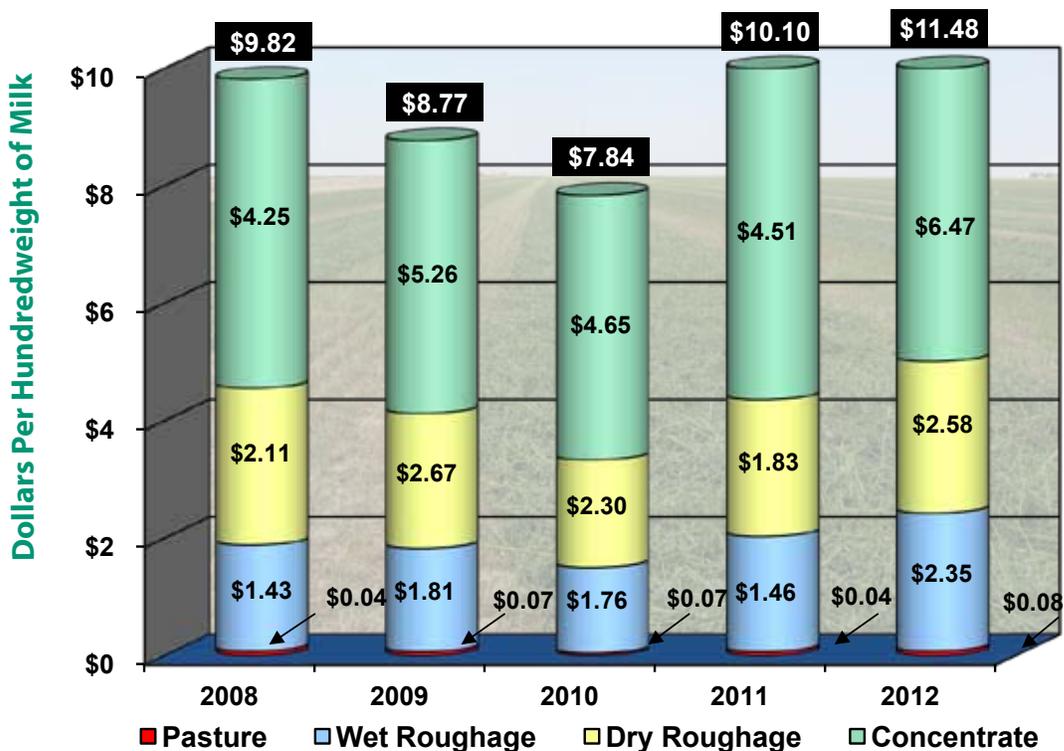
² Dry Matter is estimated

Total Feed Costs

**Total Feed Costs Per Cow, Per Month¹
California, 2008-2012**



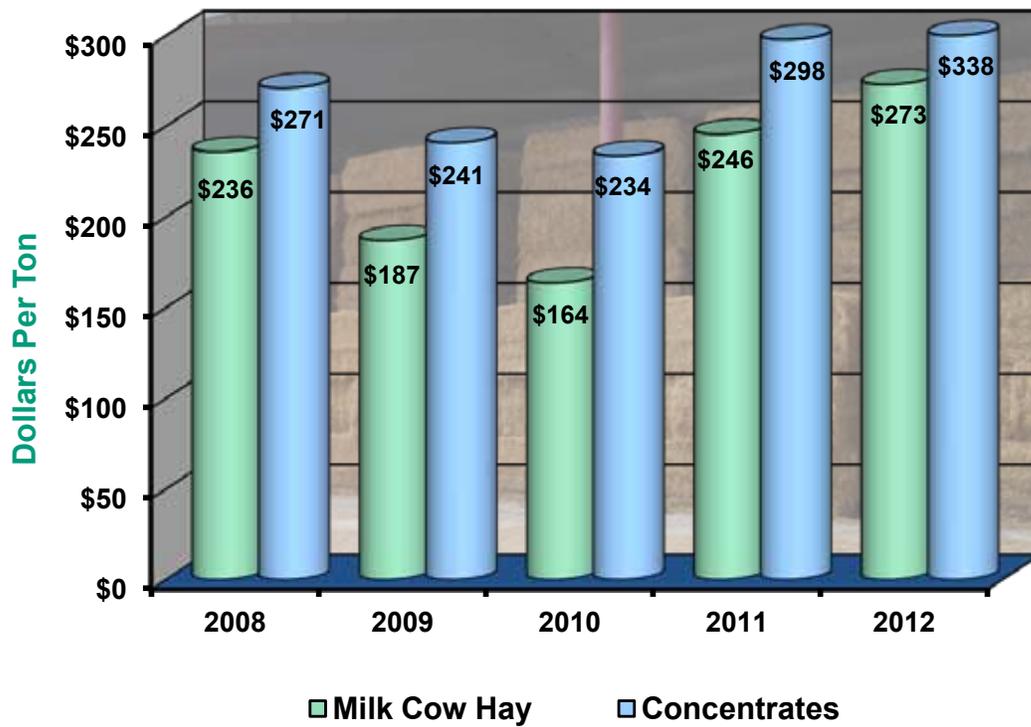
**Total Feed Cost Per Hundredweight of Milk¹
California, 2008-2012**



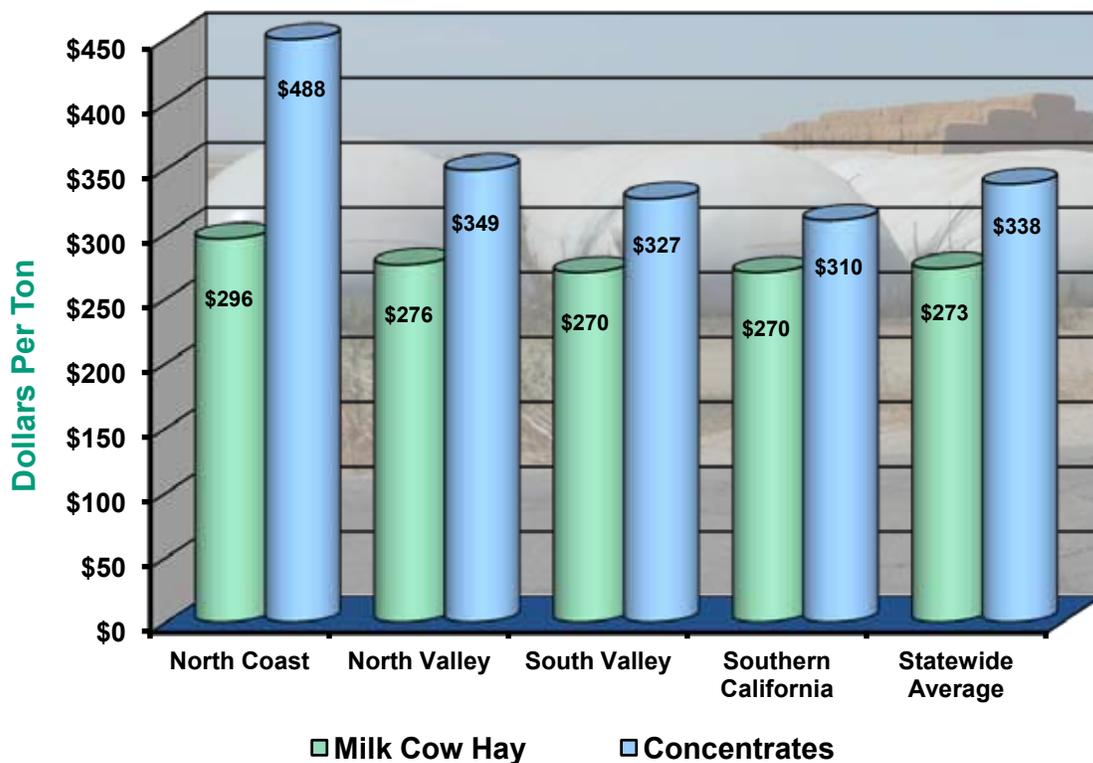
¹ Includes feed costs for both milk cows and dry cows.

Dry Roughage and Concentrate

Dry Roughage and Concentrate Costs, California, 2008-2012



Dry Roughage and Concentrate Costs, California, by Area, 2012

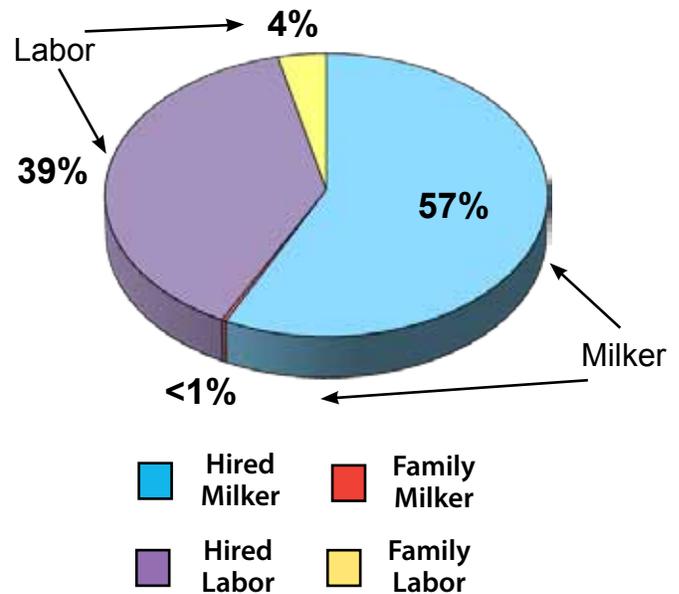


The cost of hired labor has increased in terms of cash wage for all work classifications. The Statewide Labor Comparison for 2012 on page 34 shows that cash wages compared to 2011 for hired milkers increased by 2.2 percent, hired labor by 0.7 percent and overall cash wages increased for all labor by 1.8 percent. The increased monthly wage is due to an increase in the cash hourly wage for milkers and hired labor. The perquisites and taxes have increased overall for milkers by 4.2 percent and outside labor by 0.5 percent. The amount of milk sold per-person (all labor) per-month compared to a year ago has increased 1.1 percent, an increase of 2,531 pounds.

Comparing labor costs between different areas of the state reveals that the South Valley has the least expensive labor with an average of \$14.05 per hour and the highest labor cost is Southern California at \$16.45 per hour for all hired labor. The North Coast and North Valley are at \$14.29 and \$15.97 per hour, respectively, for all hired labor. The amount of milk sold per person, however, is the lowest at the North Coast with 124,556 pounds of milk sold per-person per-month, while the other areas ranged from 220,766 pounds in North Valley to 248,615 pounds in Southern California.

The Labor Cost Comparison on page 35 also compares dairies based on Holstein-only herds milking three times a day (3X), two times a day (2X) and herd sizes for all breeds. In 2012, a column was added for Jersey herds only. Comparing 2X to 3X, it appears that 2X dairies have an advantage over 3X dairies in the amount of milk sold per-person per-month by 15 percent (254,096 pounds of milk vs. 221,399). The comparison of dairies utilizing 2X and 3X (in terms of labor only) does not consider other cost efficiencies which are shown in detail in the table displayed on page 22. The number of cows per all dairy workers for 2X milking was 133 whereas the 3X herd was at 105. This comparison also reveals large differences when comparing dairies based on herd size. The productivity of labor at herd size 701 to 1500 is 221,797 pounds of milk sold per employee, outperforming the herd size 1 to 700 by 23 percent. Even greater differences appear when comparing herd size 1500 plus producing 246,620 pounds, this herd size outperforms herd size 1 to 700 by 37 percent

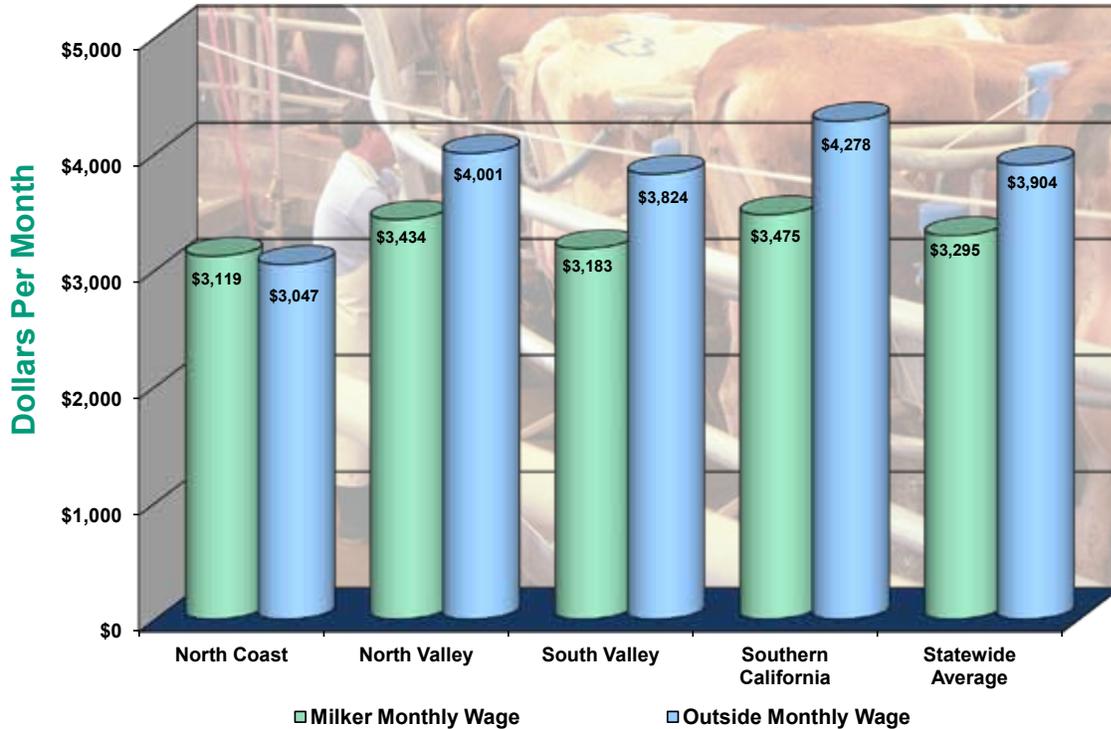
**Labor Cost Percentage, 2012
State Average**



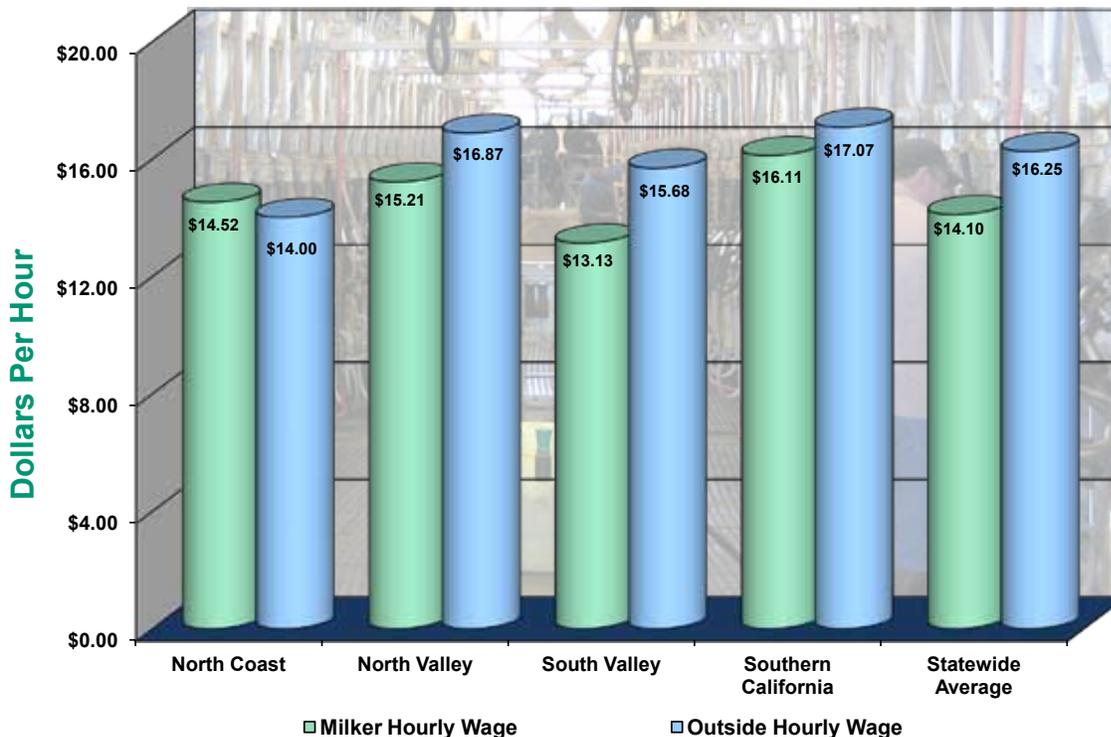
and herd size 701 to 1500 by 11 percent. The milk revenue generated follows the same pattern increasing from small dairy size to large. The revenue generated per employee goes from \$33,015 to \$37,387, to \$41,526, respectively. The different herd sizes show that the number of cows per all milkers and labor range from 104 in the smaller herds to 129 in the 1500 plus herd size, indicative of higher labor efficiency on larger dairies.

Average Milk and Outside Labor Wages

Average Milker and Outside Labor Monthly Wages Including Benefits and Employer Taxes California Cost of Production Areas, 2012



Average Milker and Outside Labor Hourly Wages Including Benefits and Employer Taxes California Cost of Production Areas, 2012



Labor Costs Comparison, by Area

Labor Statewide Comparison, by Cost of Production Area, 2012

AVERAGES	2011 Statewide Average	North Coast	North Valley	South Valley	Southern California	2012 Statewide Average	Percent Change
CASH WAGE / HIRED MILKER	\$2,534	\$2,208	\$2,661	\$2,542	\$2,746	\$2,591	2.2%
PERQUISITES / HIRED MILKER ¹	\$246	\$468	\$320	\$229	\$282	\$274	11.3%
TAXES / HIRED MILKER ²	\$430	\$444	\$454	\$412	\$447	\$431	0.2%
PERQUISITES & TAXES / HIRED MILKER ¹	\$676	\$912	\$774	\$641	\$729	\$705	4.2%
TOTAL WAGE / HIRED MILKER ²	\$3,210	\$3,119	\$3,434	\$3,183	\$3,475	\$3,295	2.7%
HOURS / MONTH / HIRED MILKER	234	215	226	242	216	234	-0.1%
HOURLY CASH WAGE / HIRED MILKER	\$10.81	\$10.27	\$11.78	\$10.49	\$12.73	\$11.09	2.6%
HOURLY PERQUISITES / HIRED MILKER ¹	\$1.05	\$2.18	\$1.42	\$0.94	\$1.31	\$1.17	11.6%
HOURLY TAXES / HIRED MILKER ²	\$1.84	\$2.07	\$2.01	\$1.70	\$2.07	\$1.84	0.2%
HOURLY PERQUISITES & TAXES / HIRED MILKER ¹	\$2.88	\$4.24	\$3.43	\$2.64	\$3.38	\$3.01	4.7%
HOURLY WAGE / HIRED MILKER ²	\$13.70	\$14.52	\$15.21	\$13.13	\$16.11	\$14.10	2.9%
LABOR							
CASH WAGE / HIRED LABOR	\$3,041	\$2,294	\$3,058	\$3,077	\$3,533	\$3,063	0.7%
PERQUISITES / HIRED LABOR ¹	\$323	\$306	\$410	\$258	\$176	\$329	1.8%
TAXES / HIRED LABOR ²	\$514	\$446	\$533	\$489	\$569	\$512	-0.4%
PERQUISITES & TAXES / HIRED LABOR ¹	\$837	\$753	\$943	\$747	\$745	\$841	0.5%
TOTAL WAGE / HIRED LABOR ²	\$3,878	\$3,047	\$4,001	\$3,824	\$4,278	\$3,904	0.7%
HOURS / MONTH / HIRED LABOR	243	218	237	244	251	240	-1.2%
HOURLY CASH WAGE / HIRED LABOR	\$12.50	\$10.54	\$12.89	\$12.61	\$14.09	\$12.75	2.0%
HOURLY PERQUISITES / HIRED LABOR ¹	\$1.33	\$1.41	\$1.73	\$1.06	\$0.70	\$1.37	3.0%
HOURLY TAXES / HIRED LABOR ²	\$2.11	\$2.05	\$2.25	\$2.01	\$2.27	\$2.13	1.0%
HOURLY PERQUISITIES & TAXES / HIRED LABOR ¹	\$3.44	\$3.46	\$3.98	\$3.06	\$2.97	\$3.50	1.8%
HOURLY WAGE / HIRED LABOR ²	\$15.93	\$14.00	\$16.87	\$15.68	\$17.07	\$16.25	2.0%
ALL HIRED							
CASH WAGE / ALL HIRED	\$2,729	\$2,244	\$2,839	\$2,734	\$2,996	\$2,778	1.8%
TOTAL WAGE / ALL HIRED ²	\$3,467	\$3,088	\$3,689	\$3,414	\$3,730	\$3,537	2.0%
HOURLY CASH WAGE / ALL HIRED	\$11.48	\$10.39	\$12.29	\$11.26	\$13.21	\$11.76	2.4%
HOURLY WAGE / ALL HIRED ²	\$14.58	\$14.29	\$15.97	\$14.05	\$16.45	\$14.97	2.7%
ALL MILKERS & LABOR							
HOURS / COW / MONTH / ALL HIRED	1.93	2.38	1.97	1.86	1.77	1.91	-1.1%
CASH COST / COW / MONTH / ALL HIRED	\$22.12	\$24.69	\$24.24	\$20.90	\$23.33	\$22.45	1.5%
COST / COW / MONTH / ALL HIRED ²	\$28.11	\$33.97	\$31.49	\$26.10	\$29.04	\$28.58	1.7%
ALL MILKERS & LABOR							
NUMBER COWS / HIRED MILKER	201	159	213	204	188	205	2.2%
NUMBER COWS / HIRED LABOR	320	213	261	364	404	311	-2.7%
NUMBER COWS / ALL MILKERS & LABOR ³	123	90	117	131	128	124	0.4%
MILK SOLD / PERSON / MONTH (LBS.) ³	228,774	124,556	220,766	244,608	248,615	231,305	1.1%
REVENUE GENERATED / PERSON / MONTH ³	\$43,095	\$28,854	\$38,156	\$40,547	\$42,241	\$39,289	-8.8%

¹ Includes Fair Market Value For Housing Supplied By Employer, Health Insurance, Meat, Etc. and Employment Taxes (FICA, Worker's Compensation, Unemployment Insurance) Paid by Employer

² Includes Cash Wages, Perquisites, and Employment Taxes Paid by Employer

³ Includes All Dairy Workers, Hired and Family

Labor Cost Comparison

Labor Comparisons 2012: Jersey Herds, Holstein 3X vs. 2X Milking, and All California Herd Size

AVERAGES	California Jersey Herds	California Holstein 3X Milking	California Holstein 2X Milking	All California Herd Size 1 to 700	All California Herd Size 701 to 1500	All California Herd Size 1500 Plus
CASH WAGE / HIRED MILKER	\$2,725	\$2,487	\$2,625	\$2,458	\$2,469	\$2,683
PERQUISITES / HIRED MILKER ¹	\$81	\$271	\$336	\$309	\$259	\$274
TAXES / HIRED MILKER ²	\$441	\$398	\$446	\$471	\$416	\$430
PERQUISITES & TAXES / HIRED MILKER ¹	\$523	\$669	\$782	\$780	\$676	\$705
TOTAL WAGE / HIRED MILKER ²	\$3,248	\$3,155	\$3,407	\$3,238	\$3,144	\$3,388
HOURS / MONTH / HIRED MILKER	249	222	238	221	232	237
HOURLY CASH WAGE / HIRED MILKER	\$10.95	\$11.22	\$11.02	\$11.11	\$10.64	\$11.32
HOURLY PERQUISITES / HIRED MILKER ¹	\$0.33	\$1.22	\$1.41	\$1.40	\$1.12	\$1.16
HOURLY TAXES / HIRED MILKER ²	\$1.77	\$1.80	\$1.87	\$2.13	\$1.79	\$1.82
HOURLY PERQUISITES & TAXES / HIRED MILKER ¹	\$2.10	\$3.02	\$3.28	\$3.53	\$2.91	\$2.97
HOURLY WAGE / HIRED MILKER ²	\$13.05	\$14.23	\$14.31	\$14.63	\$13.55	\$14.29
LABOR COSTS						
CASH WAGE / HIRED LABOR	\$3,391	\$3,013	\$3,019	\$2,519	\$2,935	\$3,231
PERQUISITES / HIRED LABOR ¹	\$155	\$314	\$375	\$401	\$368	\$296
TAXES / HIRED LABOR ²	\$593	\$475	\$506	\$487	\$499	\$523
PERQUISITES & TAXES / HIRED LABOR ¹	\$748	\$789	\$882	\$888	\$868	\$819
TOTAL WAGE / HIRED LABOR ²	\$4,139	\$3,802	\$3,901	\$3,406	\$3,803	\$4,050
HOURS / MONTH / HIRED LABOR	245	239	241	229	242	242
HOURLY CASH WAGE / HIRED LABOR	\$13.82	\$12.61	\$12.55	\$10.99	\$12.13	\$13.38
HOURLY PERQUISITES / HIRED LABOR ¹	\$0.63	\$1.31	\$1.56	\$1.75	\$1.52	\$1.23
HOURLY TAXES / HIRED LABOR ²	\$2.42	\$1.99	\$2.10	\$2.12	\$2.06	\$2.17
HOURLY PERQUISITES & TAXES / HIRED LABOR ¹	\$3.05	\$3.30	\$3.67	\$3.87	\$3.59	\$3.39
HOURLY WAGE / HIRED LABOR ²	\$16.87	\$15.92	\$16.22	\$14.86	\$15.72	\$16.77
ALL HIRED COSTS						
CASH WAGE / ALL HIRED	\$3,002	\$2,684	\$2,782	\$2,483	\$2,643	\$2,906
TOTAL WAGE / ALL HIRED ²	\$3,619	\$3,398	\$3,604	\$3,307	\$3,391	\$3,658
HOURLY CASH WAGE / ALL HIRED	\$12.13	\$11.77	\$11.63	\$11.06	\$11.21	\$12.17
HOURLY WAGE / ALL HIRED ²	\$14.62	\$14.89	\$15.07	\$14.72	\$14.38	\$15.31
PER COW COSTS						
HOURS / COW / MONTH / ALL HIRED	1.85	2.17	1.80	2.15	1.94	1.86
CASH COST / COW / MONTH / ALL HIRED	\$22.44	\$25.54	\$20.93	\$23.81	\$21.70	\$22.58
COST / COW / MONTH / ALL HIRED ²	\$27.05	\$32.33	\$27.11	\$31.71	\$27.84	\$28.42
PER PERSON COSTS						
NUMBER COWS / HIRED MILKER	229	168	221	176	195	217
NUMBER COWS / HIRED LABOR	322	280	334	257	326	316
NUMBER COWS / ALL MILKERS & LABOR ³	134	105	133	104	122	129
MILK SOLD / PERSON / MONTH (LBS.) ³	208,307	221,399	254,096	179,614	221,797	246,620
REVENUE GENERATED / PERSON / MONTH ³	\$38,676	\$36,154	\$42,043	\$33,015	\$37,387	\$41,526

¹ Includes Fair Market Value For Housing Supplied By Employer, Health Insurance, Meat, Etc. and Employment Taxes (FICA, Worker's Compensation, Unemployment Insurance) Paid by Employer

² Includes Cash Wages, Perquisites, and Employment Taxes Paid by Employer

³ Includes All Dairy Workers, Hired and Family

Commercial Production of Bulk Milk, Average Milk Fat, and Solids-Not Fat Test, Number of Cows and Heifers that have Calved on Farms, Number of Dairies, and Average Number of Cows per Dairy in California, by County and Region, 2012

County and Region ¹	Milk Production (1,000 Pounds)	Average Milk Fat Test	Average Solids-Not-Fat Test	Number of Cows	Number of Dairies ²	Average Number Cows/Dairy
Butte	5,377	4.28	9.10	290	3	97
Del Norte	47,196	4.35	9.02	2,860	8	358
Fresno	2,668,475	3.71	8.86	114,204	86	1,328
Glenn	411,058	3.74	8.82	17,715	35	506
Humboldt	229,261	4.22	8.97	13,894	64	217
Kern	4,059,115	3.69	8.82	171,931	54	3,184
Kings ⁴	4,254,355	3.68	8.84	182,018	124	1,468
Madera	1,775,753	3.65	8.85	74,929	46	1,629
Marin	152,266	3.69	8.89	9,012	25	360
Mendocino ³					2	
Merced	6,086,382	3.82	8.92	267,728	243	1,102
Monterey ³					2	
Placer ³					1	
Sacramento	344,730	3.72	8.88	14,905	34	438
San Benito ³					2	
San Joaquin ⁴	2,377,114	3.66	8.83	101,236	119	851
Santa Clara ³					1	
Siskiyou	16,025	3.77	8.82	698	3	233
Solano ³					1	
Sonoma	473,325	3.75	8.90	28,668	61	470
Stanislaus	4,304,296	3.74	8.88	187,061	216	866
Sutter ³					1	
Tehama	76,812	4.12	9.07	3,620	10	362
Tulare	11,332,062	3.75	8.90	488,821	296	1,651
Yolo ³					2	
Yuba	69,418	3.91	8.94	3,162	3	1,054
Northern California	38,851,989	3.74	8.88	1,690,856	1,442	1,173
Imperial	134,449	3.87	9.01	6,239	3	2,080
Los Angeles ³					1	
Riverside	1,022,986	3.58	8.83	45,034	36	1,251
San Bernardino	1,601,171	3.60	8.78	70,886	75	945
San Diego	50,937	3.53	8.74	2,236	4	559
San Luis Obispo ³					1	
Santa Barbara ^{3 4}					1	
Southern California	2,912,993	3.61	8.80	128,904	121	1,065
STATE TOTALS	41,764,982	3.73	8.87	1,819,760	1,563	1,164

¹ Counties omitted have no reported milk production. Data includes total milk sold, excludes milk used on ranch.

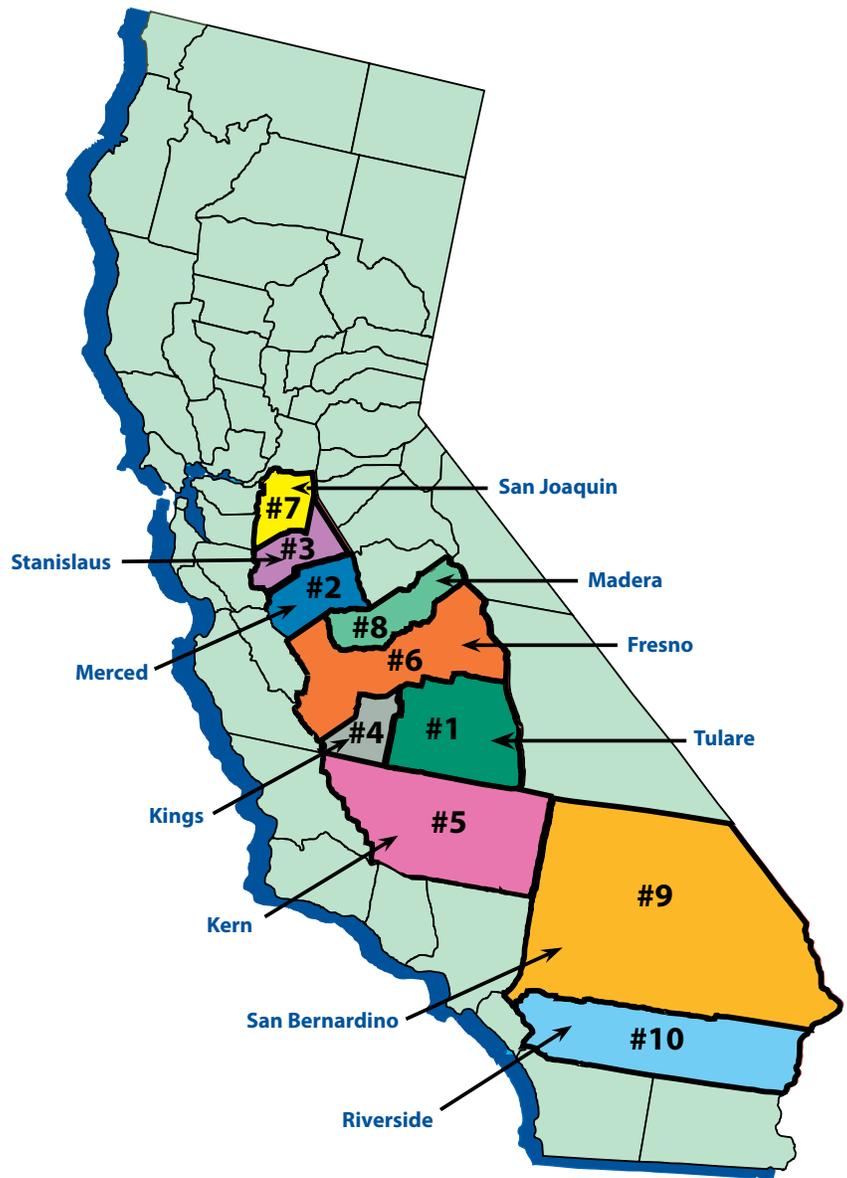
² Number of dairies source is Milk and Dairy Food Safety Branch.

³ Not published, but included in total.

⁴ Includes prison dairies.

Top 10 Milk Producing Counties in California, 2012

- The top ten milk producing counties for 2012 produced 95 percent of the state's total milk production.
- The top ten milk producing counties accounted for 83 percent of the state's total number of dairies and 94 percent of the state's total number of cows.
- Tulare leads the state in Grade A milk production and Merced leads the state in Grade B milk production for 2012.
- Total 2012 Grade B milk production decreased 51.7 percent when compared to 2011 (mostly attributable to Grade B producers electing to switch to Grade A status).
- If Tulare County were a state, it would rank fifth in milk production in the U.S.



Market Milk Production (Grade A)

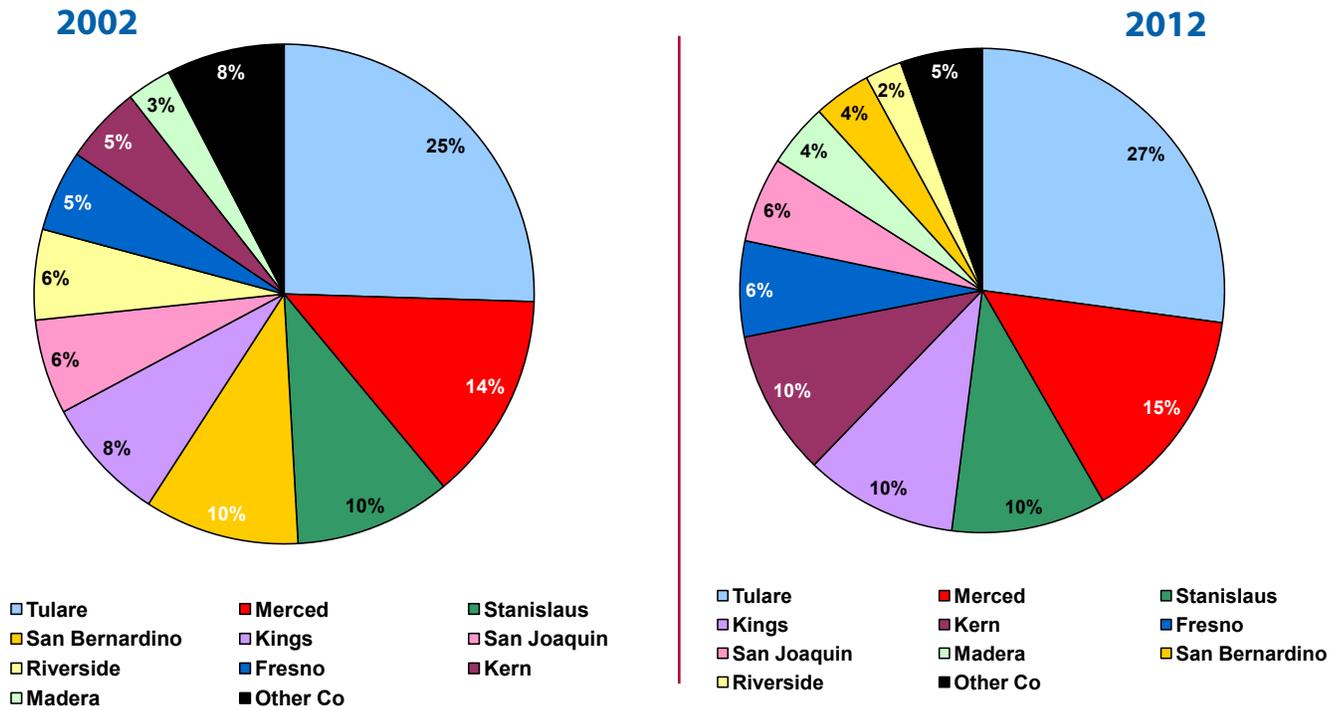
County (by rank)	Pounds of Milk Produced in 2012	% Change from 2011
Tulare	11,298,068,498	1.51%
Merced	5,876,209,726	5.72%
Stanislaus	4,291,965,584	6.70%
Kings	4,248,944,686	-2.02%
Kern	4,057,962,136	3.91%
Fresno	2,664,734,669	-1.10%
San Joaquin	2,376,070,970	0.05%
Madera	1,773,257,244	-0.27%
San Bernardino	1,601,113,301	-1.66%
Riverside	1,022,939,605	0.63%

Manufacturing Milk Production (Grade B)

County (by rank)	Pounds of Milk Produced in 2012	% Change from 2011
Merced	210,172,479	-40.32%
Humboldt	43,445,930	-3.11%
Tulare	33,993,082	-21.94%
Stanislaus	12,330,633	-82.81%
Glenn	11,783,874	-15.91%

Top Milk Producing Counties

Top Ten Milk Producing Counties, 2002 vs. 2012

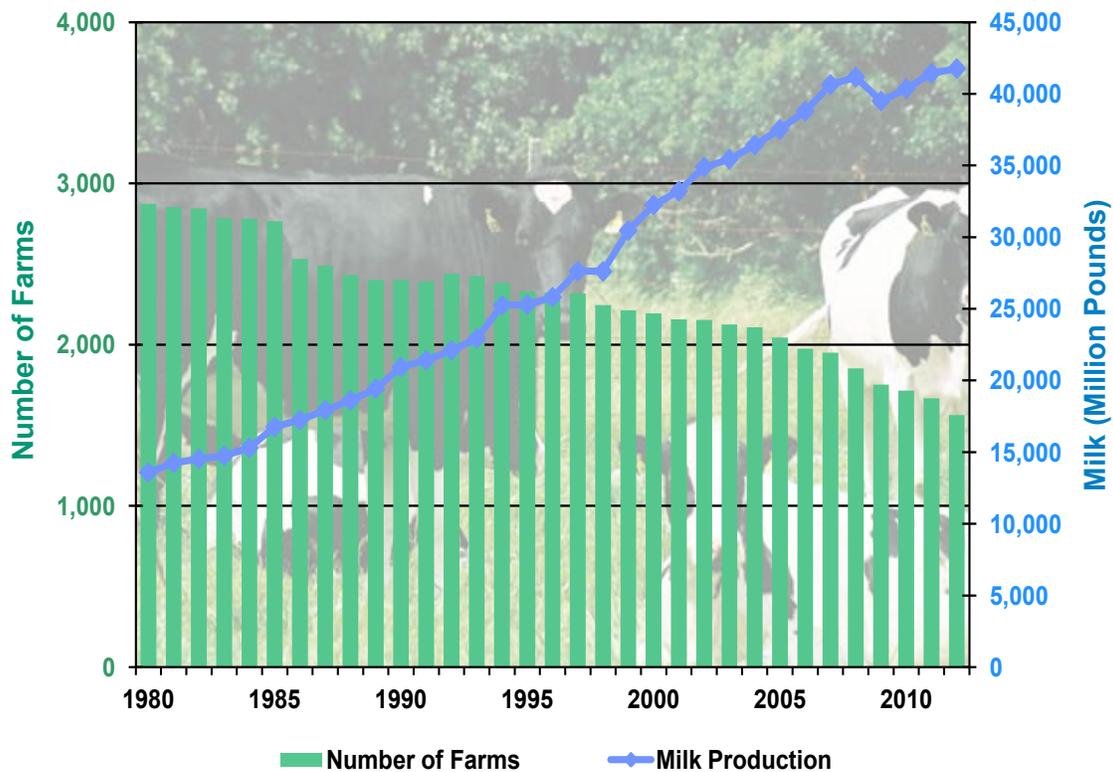


The counties for both 2002 and 2012 are designated in the same color. As the pie charts display, the "other counties" category share of milk production continues to decrease.

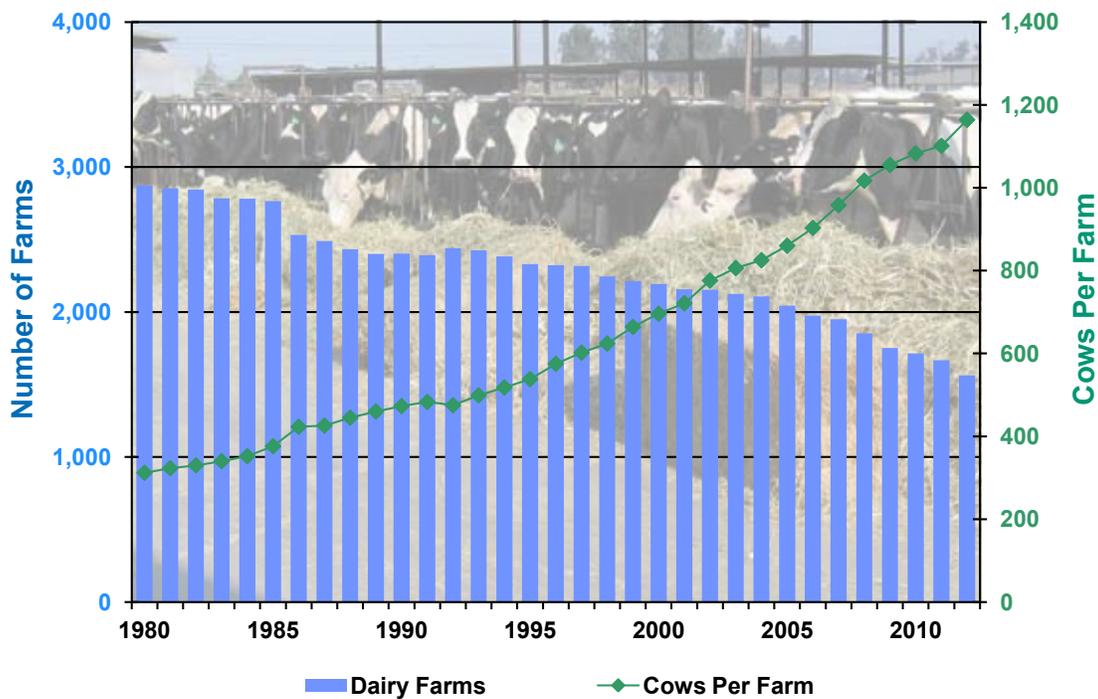
Profile of Top Ten Dairy Counties, 2012

County	Million Pounds of Milk	Number of Dairies	Number of Cows (Thousands)	Number of Cows Per Farm	Gallons of Milk Per Cow/Per Day
Tulare	11,332	296	489	1,651	7.38
Merced	6,086	243	268	1,102	7.23
Stanislaus	4,304	216	187	866	7.33
Kings	4,254	124	182	1,468	7.45
Kern	4,059	54	172	3,184	7.52
Fresno	2,669	86	114	1,328	7.46
San Joaquin	2,377	119	101	851	7.50
Madera	1,776	46	75	1,629	7.54
San Bernardino	1,601	75	71	945	7.18
Riverside	1,023	36	45	1,251	7.24
10-County Total	39,481	1,295	1,704	1,428 (Average)	7.38 (Average)
Percent of State Totals	95%	83%	94%		

Dairy Farms and Milk Production California, 1980-2012

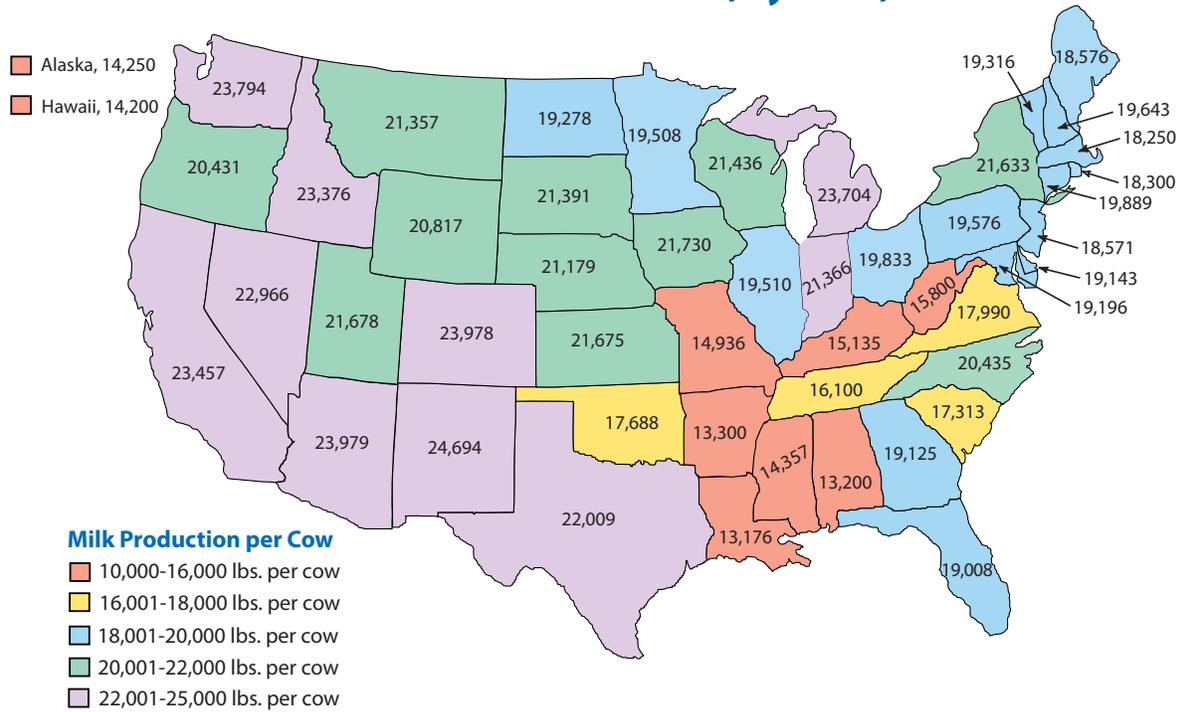


Number of Farms and Cows Per Farm California, 1980-2012

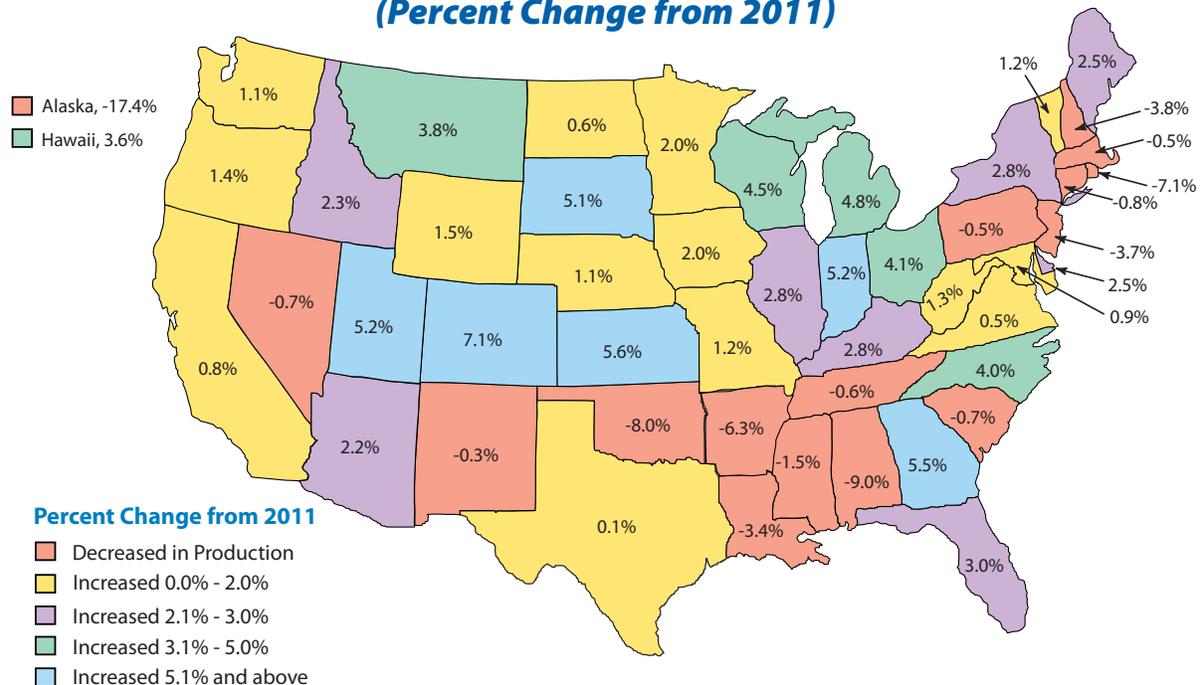


U.S. Milk Per Cow / Milk Production

USDA Milk Production Per Cow, by State, 2012



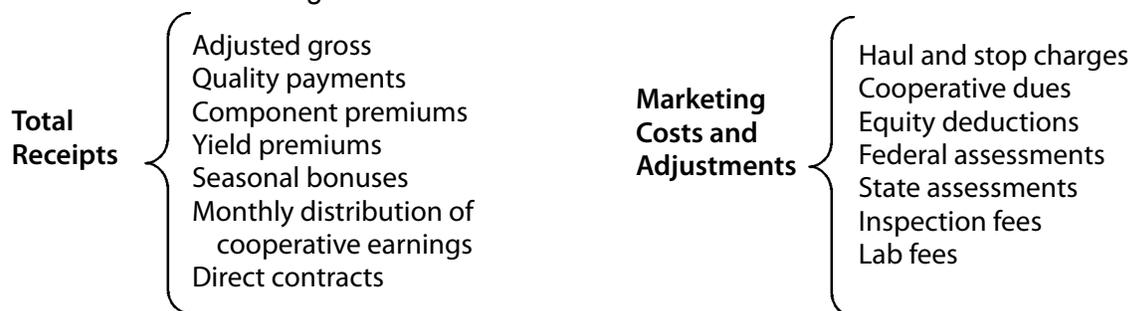
USDA Milk Production by State, 2012 (Percent Change from 2011)



U.S. Mailbox Milk Prices

The California Department of Food and Agriculture began publishing California mailbox milk prices in 1998. Mailbox price is defined as the net price received by dairy producers for milk. The mailbox price includes all payments received for milk sold and deducts costs associated with marketing the milk. It makes no difference whether a California producer is shipping milk to a cooperative or a proprietary plant. The mailbox price will be comparable.

The Department uses the same criteria to calculate the mailbox price that USDA uses to calculate mailbox prices for Federal Milk Marketing Orders.



Total Receipts less Marketing Costs & Assessments = Mailbox Price

* Please note, annual “thirteenth checks” are not included in the mailbox price.

2012 Mailbox Milk Prices for Selected Reporting Areas in Federal Milk Orders & California

Reporting Areas	Jan '12	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<i>Dollars Per Hundredweight</i>												
California	\$15.28	\$15.22	\$14.99	\$14.59	\$13.97	\$14.38	\$14.77	\$16.20	\$17.36	\$19.40	\$19.71	\$18.48
New England States	\$20.50	\$19.06	\$18.46	\$18.03	\$17.45	\$17.06	\$17.55	\$18.73	\$20.57	\$22.42	\$23.26	\$22.45
New York	\$19.24	\$17.87	\$17.33	\$16.90	\$16.32	\$15.91	\$16.79	\$18.03	\$19.51	\$21.45	\$22.21	\$21.33
Eastern Pennsylvania	\$19.98	\$18.60	\$17.92	\$17.48	\$16.83	\$16.50	\$16.88	\$18.15	\$19.65	\$21.61	\$22.36	\$21.43
Appalachian States	\$20.79	\$19.12	\$17.62	\$17.12	\$17.06	\$17.07	\$17.93	\$19.23	\$20.03	\$21.74	\$23.38	\$22.50
Southeast States	\$21.57	\$19.29	\$18.47	\$17.57	\$17.50	\$17.60	\$18.49	\$19.98	\$20.63	\$22.22	\$24.08	\$23.11
Southern Missouri	\$19.10	\$17.05	\$15.64	\$15.37	\$15.54	\$15.83	\$16.73	\$18.25	\$19.08	\$20.70	\$22.27	\$21.06
Florida	\$22.85	\$20.23	\$19.54	\$18.71	\$18.49	\$18.61	\$19.60	\$21.41	\$22.39	\$23.83	\$25.43	\$24.04
Western Pennsylvania	\$19.78	\$18.34	\$17.83	\$17.33	\$16.45	\$16.06	\$16.76	\$18.15	\$19.82	\$21.83	\$22.71	\$21.51
Ohio	\$19.77	\$18.34	\$17.82	\$17.33	\$16.18	\$15.79	\$16.59	\$17.78	\$19.44	\$21.22	\$22.19	\$21.76
Indiana	\$19.33	\$17.78	\$16.91	\$16.19	\$15.65	\$15.34	\$16.02	\$17.42	\$18.87	\$20.44	\$21.82	\$20.91
Michigan	\$19.04	\$17.60	\$16.73	\$16.25	\$15.43	\$15.06	\$15.98	\$17.45	\$19.06	\$20.45	\$21.12	\$20.74
Wisconsin	\$19.31	\$18.16	\$17.57	\$17.46	\$16.81	\$16.94	\$17.55	\$18.91	\$20.48	\$22.77	\$22.91	\$22.80
Minnesota	\$19.32	\$18.18	\$17.61	\$17.35	\$16.93	\$17.01	\$17.59	\$19.02	\$20.86	\$22.96	\$22.72	\$22.60
Iowa	\$19.38	\$18.02	\$17.40	\$17.19	\$16.58	\$16.57	\$17.12	\$18.60	\$20.10	\$22.12	\$22.71	\$21.79
Illinois	\$19.73	\$18.27	\$17.55	\$17.23	\$16.63	\$16.57	\$17.15	\$18.57	\$20.29	\$22.38	\$23.02	\$22.15
Corn Belt States	\$18.80	\$17.49	\$16.65	\$16.22	\$15.63	\$15.68	\$16.36	\$17.85	\$19.19	\$21.24	\$21.89	\$20.26
Western Texas	\$17.96	\$16.57	\$15.92	\$15.51	\$15.15	\$15.49	\$16.18	\$17.43	\$20.44	\$20.24	\$20.98	\$19.91
New Mexico	\$17.10	\$15.73	\$15.11	\$14.67	\$14.33	\$14.62	\$15.32	\$16.51	\$19.26	\$19.39	\$20.36	\$18.95
Northwest States	\$18.61	\$17.26	\$16.76	\$16.43	\$15.49	\$15.43	\$16.27	\$17.64	\$19.17	\$21.18	\$21.81	\$20.50
All Federal Order Areas	\$19.30	\$17.92	\$17.24	\$16.87	\$16.29	\$16.21	\$16.88	\$18.22	\$19.88	\$21.55	\$22.27	\$21.50

California Annual Weighted Average Mailbox Milk Prices

2011: \$18.13/cwt. 2012: \$16.23/cwt. Percent Change from 2011: 10.5% Decrease

Average Prices Paid to Producers

Average Prices Paid to Producers in California For All Bulk Milk (Grade A and Grade B), by Month, 2008-2012 ^{1,2}

Year	January	February	March	April	May	June	July	August	September	October	November	December	Annual Average
<i>Dollars Per Hundredweight</i>													
2008	18.48	17.63	16.80	16.60	17.48	18.03	17.86	16.87	16.90	16.34	15.20	13.38	16.80
2009	11.18	10.32	10.51	10.50	10.25	10.10	10.01	10.99	11.68	12.76	14.19	15.61	11.51
2010	14.42	13.94	13.11	13.30	13.57	13.96	14.68	15.42	16.39	16.89	15.88	14.86	14.70
2011	15.67	17.96	18.40	17.89	18.11	20.31	20.18	20.27	18.98	18.22	18.91	17.38	18.52
2012	16.66	15.51	15.47	14.91	14.31	14.65	15.12	16.55	17.70	19.69	19.91	18.61	16.59

¹ Prices are F.O.B. plant, at actual test.

² Includes in-state pool shipments and California milk shipped into Federal Milk Marketing Orders. Excludes bonuses and premiums.

Average Prices Paid to Producers in California For Market Milk (Grade A), by Month, 2008-2012 ^{1,2}

Year	January	February	March	April	May	June	July	August	September	October	November	December	Annual Average
<i>Dollars Per Hundredweight</i>													
2008	18.47	17.60	16.77	16.57	17.43	17.99	17.83	16.86	16.88	16.30	15.17	13.34	16.77
2009	11.23	10.29	10.47	10.46	10.25	10.09	10.01	10.94	11.64	12.71	14.13	15.56	11.48
2010	14.44	13.92	13.15	13.28	13.57	13.99	14.70	15.41	16.34	16.86	15.92	14.91	14.71
2011	15.68	17.93	18.38	17.92	18.13	20.30	20.16	20.27	18.99	18.23	18.89	17.37	18.52
2012	16.65	15.51	15.47	14.90	14.30	14.64	15.11	16.53	17.67	19.67	19.89	18.60	16.58

¹ Prices are F.O.B. plant, at actual test.

² Includes in-state pool shipments and California milk shipped into Federal Milk Marketing Orders. Excludes bonuses and premiums and exempt production.

Average Prices Paid to Producers in California For Manufacturing Milk (Grade B), by Month, 2008-2012 ¹

Year	January	February	March	April	May	June	July	August	September	October	November	December	Annual Average
<i>Dollars Per Hundredweight</i>													
2008	18.82	19.26	18.44	18.31	20.19	20.64	19.11	17.75	18.35	18.73	17.11	15.58	18.52
2009	10.15	11.14	11.45	11.36	10.37	10.29	10.09	12.10	12.36	13.91	15.46	16.70	12.11
2010	14.14	14.20	12.31	13.52	13.63	13.31	14.46	15.72	17.21	17.52	15.13	14.01	14.60
2011	15.11	19.61	19.33	16.64	16.96	21.17	21.33	20.60	18.31	17.89	19.89	17.64	18.71
2012	16.90	15.64	15.84	15.38	15.27	16.37	17.06	18.77	20.28	22.36	21.78	19.15	17.90

¹ Prices are F.O.B. plant, at actual test.

California Grade A milk producers are paid based on a system of quota and non-quota prices (pool prices). California's milk pooling system dates to 1969, when each producer with a market milk license was assigned a production base and Class 1 quota based on historical milk production during 1966 or 1967. Prior to 1969, market milk producers contracted with fluid handlers for specific volumes of milk. Since 1969, additional quota was made available to both new and existing producers. The amount of new quota allocated was based on increases in statewide Class 1 sales. Allocations to existing producers was according to the ratio of quota to production base. Specifically, to promote equity among producers, quota was allocated to "equalize" producers at a quota production base ratio of 95 percent. However, due to stagnant growth in Class 1 sales, equalization was occurring very slowly, and in 1978 a blanket allocation of new quota was made to equalize all producers holding production bases at that time. The Quota Reform legislation in 1993 introduced a fixed

price differential of \$1.70/cwt. between "quota" and "overbase" prices which changed the method of determining pool prices.

Quota and its associated base have always been freely transferable on the open market and can move anywhere in the state. A fairly active market exists for quota. Transactions are monitored by the Milk Pooling Branch which also oversees all pool operations. Quota selling prices are quoted on a per pound of solids-not-fat basis per day (formerly fat prior to the \$1.70 spread). Quota prices are related primarily to the difference between quota and overbase prices. For 2012, statewide quota holdings were valued at about \$1.04 billion.

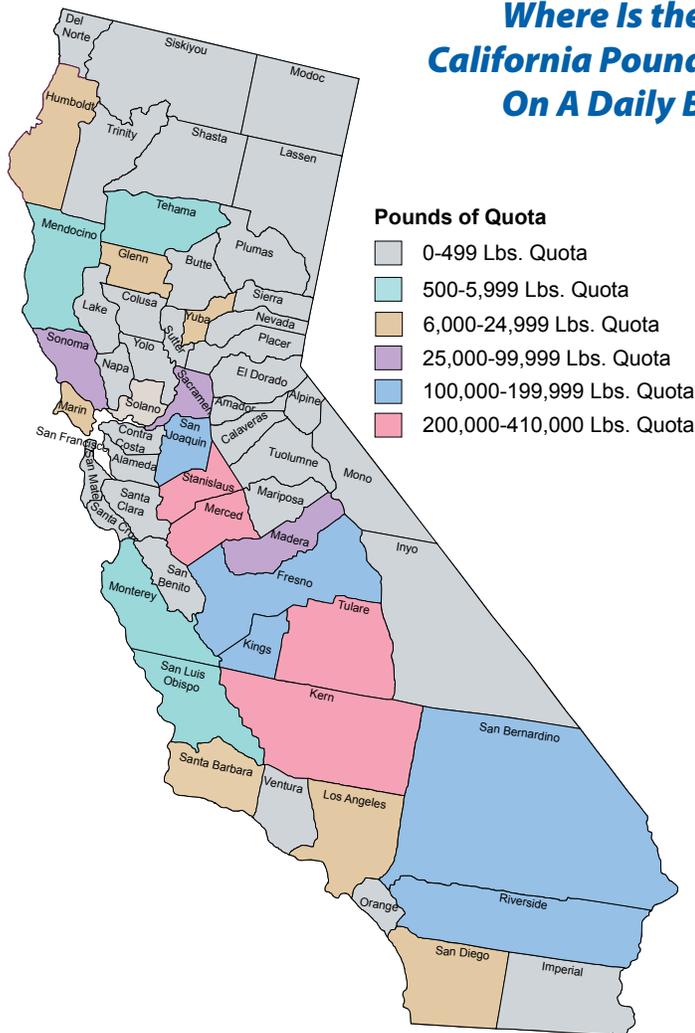
Producers can sell market milk without owning any quota. In this case, however, they receive the overbase price. In 2012, approximately 58 percent of all market milk producers held quota.

Summary of Quota Transfers, 2012

Effective 1st of the Month	No. of Sellers	No. of Buyers	No. of Sales at 100%	Sales Without Cows			Total Quota Fat Transferred	Total Quota SNF Transferred	Average Ratio ¹
				Low	Avg.	High			
January	6	6	4	\$400	\$456	\$475	2,305	5,681	2.46
February	5	8	4	\$460	\$474	\$483	1,845	4,603	2.49
March	6	6	5	\$475	\$477	\$480	3,505	8,598	2.45
April	4	5	4	\$475	\$482	\$500	966	2,328	2.41
May	7	18	5	\$477	\$491	\$500	6,295	15,468	2.46
June	5	5	3	\$490	\$498	\$500	979	2,412	2.46
July	6	10	5	\$480	\$494	\$500	4,508	11,104	2.46
August	10	10	7	\$425	\$476	\$500	4,105	10,148	2.47
September	13	9	9	\$450	\$492	\$500	6,300	15,616	2.48
October	14	14	14	\$400	\$435	\$500	6,341	15,569	2.46
November	7	15	5	\$380	\$407	\$440	5,388	13,396	2.49
December	4	12	4	\$375	\$385	\$400	7,315	17,654	2.41
TOTAL	87	118	69	\$441	\$464	\$482	49,852	122,578	2.46

¹ The average ratio is the relation of total quota fat to total quota SNF

Where Is the Quota in California? California Pounds of Solids-Not-Fat Quota On A Daily Basis, December 2012

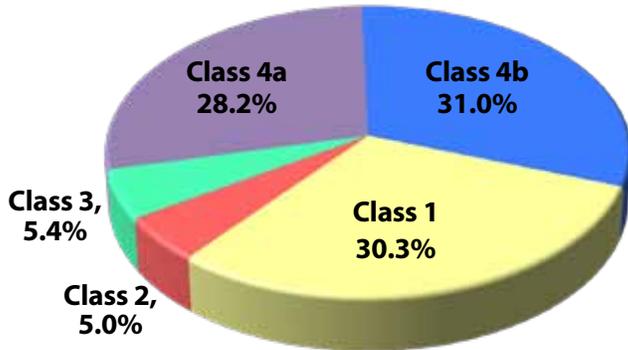


Annual Summary of Quota Transfers, 2002-2012

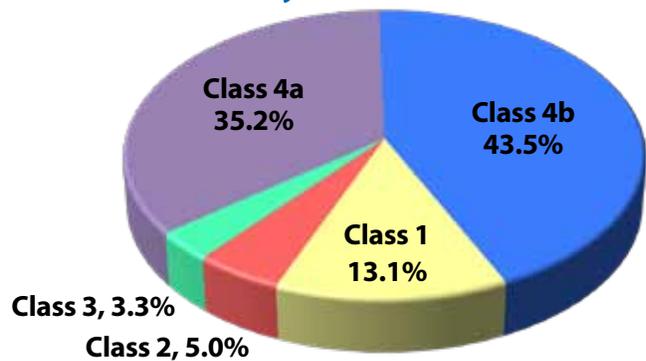
Year	No. of Sellers	No. of Buyers	Sales at 100%	Average Sales Without Cows	Total Quota Fat Transferred	Total Quota SNF Transferred
2002	53	64	39	\$445	18,047	43,612
2003	80	103	53	\$455	37,917	93,151
2004	72	108	62	\$457	31,580	77,498
2005	65	79	48	\$478	24,715	60,243
2006	52	75	41	\$501	26,107	63,249
2007	77	93	70	\$495	31,060	75,367
2008	56	68	51	\$534	40,425	98,654
2009	105	109	84	\$415	36,479	87,978
2010	52	55	34	\$422	17,801	43,654
2011	40	55	31	\$443	15,297	37,283
2012	87	118	69	\$441	49,852	122,578

California Pooled Milk Utilization

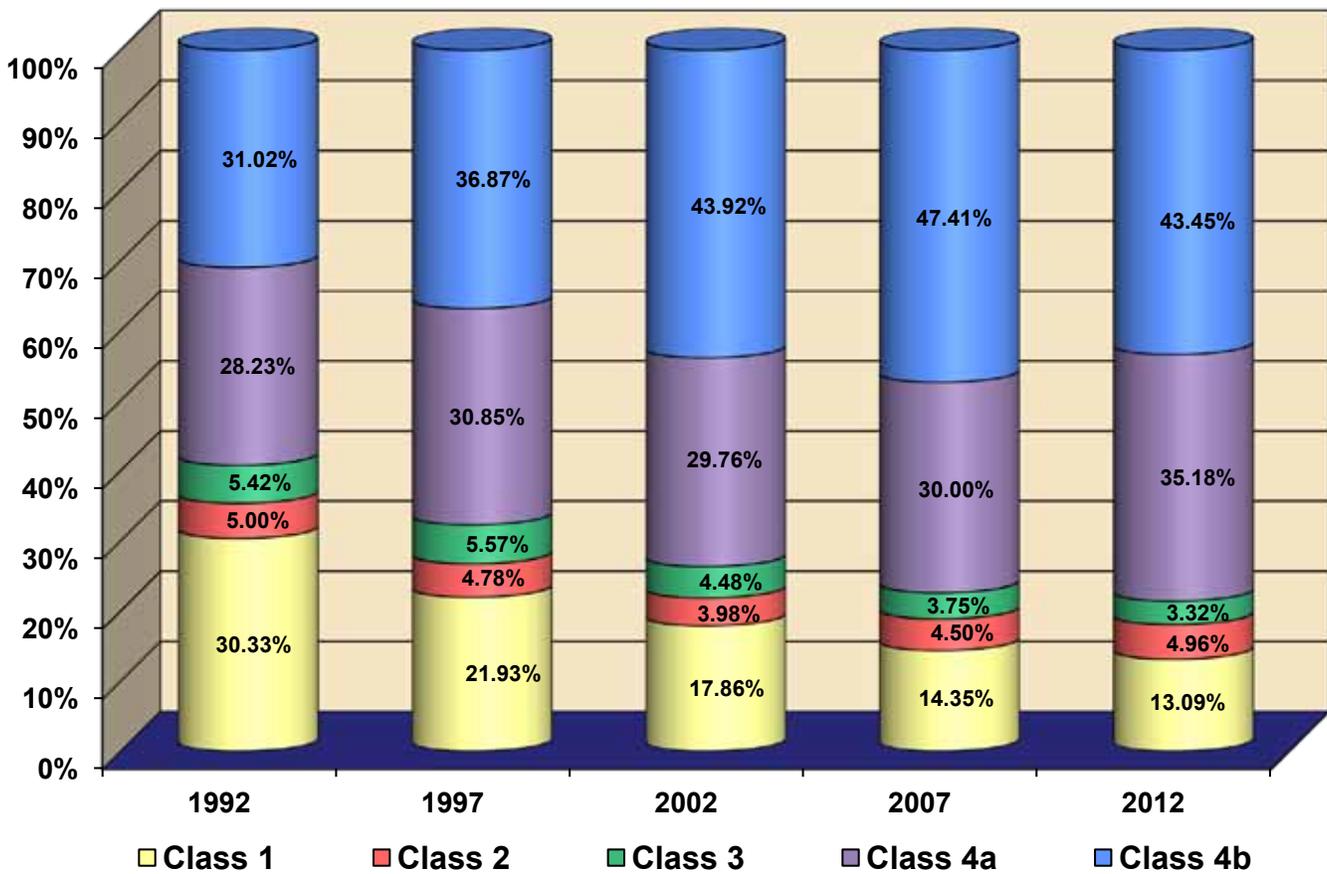
Utilization of California Pooled Milk by Class, 1992



Utilization of California Pooled Milk by Class, 2012



Utilization of California Pooled Milk, by Class: 1992 - 2012



Comparison Based on 1992 vs. 2012:

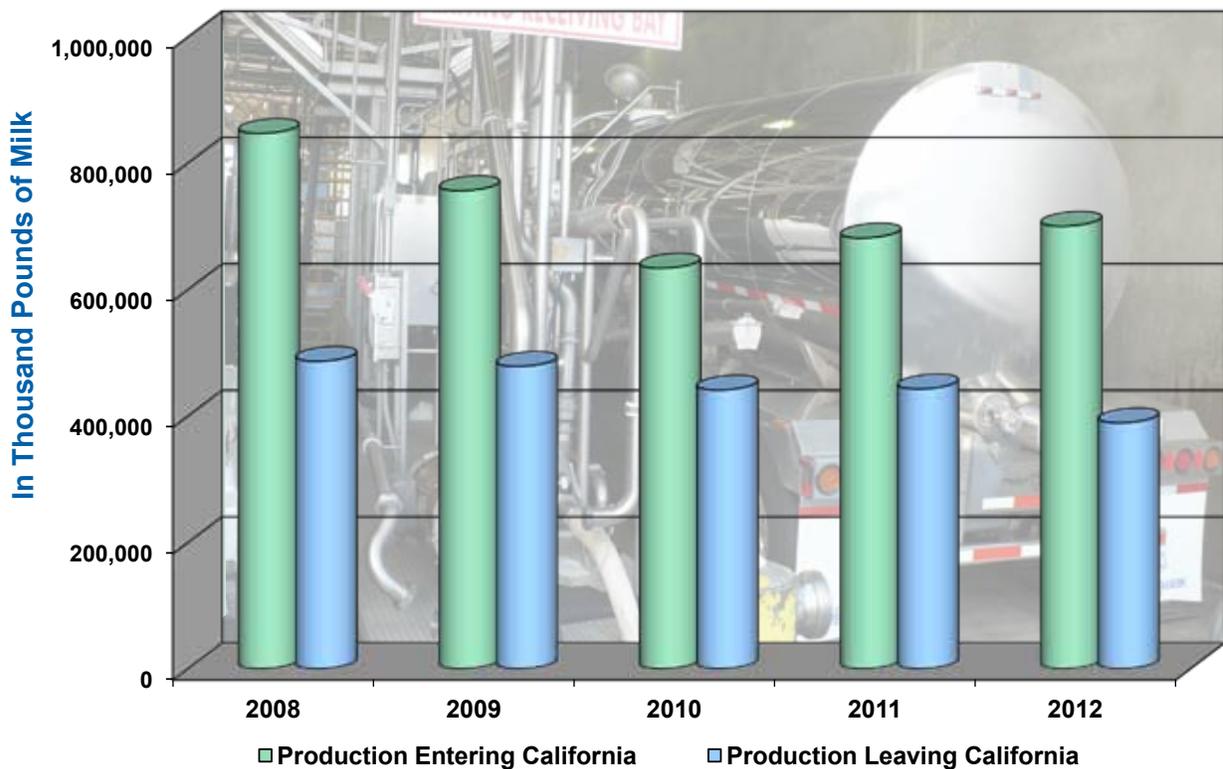
- Utilization of Class 4a has moved from approximately 739 million pounds to 1,793 million pounds on a total solids basis, an increase of 142.6 percent.
- Utilization of Class 4b has moved from approximately 812 million pounds to 2,214 million pounds on a total solids basis, an increase of 172.7 percent.
- Utilization of all market milk has moved from approximately 2,618 million pounds to 5,096 million pounds on a total solids basis, an increase of 94.7 percent.
- In total, Class 4a and 4b accounted for 78.6 percent of all milk available on a total solids basis in 2012.
- Class 1 representation of total milk, on a total solids basis, dropped from 30.33 percent in 1992 to 13.1 percent in 2012.

Net Milk Available in California

California Commercial Milk Production, Production Entering, Production Leaving, Net Milk Available, in Thousand Pounds, 2008-2012

Year	California Milk Production	Production Entering California	Production Leaving California	Net Milk Available in California
2008	41,166,115	847,054	486,799	41,526,370
2009	39,488,221	756,829	478,707	39,766,344
2010	40,355,115	633,956	441,272	40,547,799
2011	41,430,521	681,803	442,951	41,669,373
2012	41,764,982	700,448	389,279	42,076,152

California Milk Production Entering California, Leaving California, 2008-2012



CALIFORNIA DAIRY PRODUCER ASSESSMENT RATES

2012	POOL ADMIN FEE RATE (CWT)	MKT. MILK ADMIN. FEE RATE (CWT)	MFG. MILK ADMIN. FEE RATE (CWT)	DAIRY COUNCIL				MKT ORDER (MKT) RATE (CWT)	MKT ORDER (MFG) RATE (CWT)	MILK & DAIRY FOOD SAFETY (CWT)
				CLASS 1%		CLASS 1 RATE (CWT)	OTHER MILK RATE (CWT)			
				QUOTA FAT	QUOTA SNF					
Jan	0.011	0.000	0.000	36.63%	73.15%	0.0150	0.0060	0.1000	0.1000	0.001
Feb	0.011	0.000	0.000	35.91%	71.17%	0.0150	0.0060	0.1000	0.1000	0.001
Mar	0.011	0.000	0.000	35.48%	70.17%	0.0150	0.0060	0.1000	0.1000	0.001
Apr	0.011	0.000	0.000	35.66%	70.30%	0.0150	0.0060	0.1000	0.1000	0.001
May	0.011	0.000	0.000	34.67%	68.61%	0.0150	0.0060	0.1000	0.1000	0.001
June	0.011	0.000	0.000	33.85%	63.54%	0.0150	0.0060	0.1000	0.1000	0.001
July	0.011	0.008	0.012	35.82%	65.16%	0.0150	0.0060	0.1000	0.1000	0.001
Aug	0.011	0.008	0.012	36.99%	70.49%	0.0150	0.0060	0.1000	0.1000	0.001
Sept	0.011	0.008	0.012	34.16%	69.37%	0.0150	0.0060	0.1000	0.1000	0.001
Oct	0.011	0.008	0.012	37.97%	74.38%	0.0150	0.0060	0.1000	0.1000	0.001
Nov	0.011	0.008	0.012	38.17%	73.33%	0.0150	0.0060	0.1000	0.1000	0.001
Dec	0.011	0.008	0.012	37.04%	69.50%	0.0150	0.0060	0.1000	0.1000	0.001

Milk Pooling Administration Fee: (.011 cents per hundredweight) - Funds used to administer the functions of the Milk Pooling Branch. Functions include:

- Pool and distribute milk revenue
- Establish the monthly quota and overbase prices
- Administer the registration and transfer of quota holdings
- Audit monthly reports of California plants to verify receipts and usage

Market Milk Administration Fee: (.008 cents per hundredweight on Grade A milk) - Funds used to administer the functions of the Dairy Marketing Branch. Functions include:

- Establish the minimum farm price for milk
- License all milk handlers in the State
- Production and manufacturing cost audits
- California dairy industry statistics

Manufacturing Milk Administration Fee: (.012 cents per hundredweight on Grade B milk) - Funds used for the same purpose as Market Milk Administration Fee above.

Dairy Council Fee (DCC): (Class 1 milk .015 cents per hundredweight, other milk .006 cents per hundredweight)- Funds used to administer the functions of the Dairy Council. This program's function is to provide nutrition education materials that show the role of dairy products in a balanced diet.

California Milk Advisory Board Fee (CMAB): (Market milk, 10 cents per hundredweight) - Funds used to administer the functions of the California Milk Advisory Board. This program is involved in advertising, promotion and research of all dairy products.

California Manufacturing Milk Advisory Board Fee (CMMAB): (Manufacturing milk, 10 cents per hundredweight on Grade B milk). This program is similar to CMAB but does not promote fluid milk products because fluid milk products cannot contain Grade B milk.

Milk and Dairy Foods Safety Fee: (.001 cents per hundredweight) - Funds used for the testing of milk fat, solids not fat and the weighing and sampling of market milk delivered to handlers by producers.

National Dairy Promotion and Research Board (NDPRB): (.05 cents per hundredweight on all milk) - Funds used to administer the functions of the NDPRB, a federal program. This program conducts promotions and research activities on behalf of all United States dairy farmers. (not shown in table above)

Glossary of Terms

The Production Cost Comparison (Cost Comp) is a comprehensive report pertaining solely to the dairy enterprise. This information includes all costs and activities related only to milking and dry (total) cows. It does not include information relating to calf raising, heifer raising and other farming enterprises. The Cost Comp is designed to provide a constructive tool for better decision-making and to closely reflect the actual cost of producing milk. **All costs are based on a per cow/per month basis, unless otherwise noted.**

Number of Herds – number of herds in each size category.

Feed Costs - All feed costs attributed to the dairy enterprise.

- a) Dry Roughage – All forages low in moisture content and high in fiber (e.g.) alfalfa hay, oat hay and almond hulls.
- b) Wet Feed and Wet Roughage – All forages high in moisture content (e.g.) Wet Feed: brewers' malt, wet whey, wet citrus and cull vegetables. Wet Roughage: haylage, earlage, corn silage, and green chop.
- c) Concentrates – Products relatively high in energy and low in fiber, including grains, milled by-products, and protein product (e.g.) rolled corn or barley, whole cottonseed, dried distillers grain and custom premixes.
- d) Mineral & Supplements – Micro or macro minerals and any vitamins and feed additives that improve feed efficiency (e.g.) molasses and bicarbonate.
- e) Pasture – Includes any grazing on land that contains pasture grasses or legumes.

Total Feed Costs – Total of above line items, (a) through (e)

Total Feed Costs/Cwt - Total Feed cost per cow, divided by the total monthly hundredweight of milk shipped per cow.

Total Hired Labor – Comprises all paid labor attributed to the dairy enterprise.

- Salaried and hourly labor total includes gross wages earned by hired milkers, pushers, feeders, and outside workers plus employer taxes and perquisites (e.g.) Employer Taxes: workers compensation insurance, unemployment insurance, and social security; Perquisites: house, utilities, health insurance, union dues, and 401K or retirement plans..

Total Hired Labor Costs/Cwt - Total labor cost per cow, divided by the total monthly hundredweight of milk shipped per cow.

Total Herd Replacement – A twelve-month rolling average of the number and value of cows entering the herd, minus the total receipts of cows culled and dead, adjusted for the increase or decrease in herd inventory.

Total Replacement Costs/Cwt - Total herd replacement cost per cow, divided by the total monthly hundredweight of milk shipped per cow.

Operating Costs

- a) Utilities – Includes electricity, natural gas, garbage, telephone, water, etc.
- b) Supplies – Includes products needed for producing milk (e.g.) soaps, iodine, hoses, office supplies, A.I. expenses, etc.
- c) Veterinary and Medicine – All costs for veterinary work, medicine and supplies, including rBST.
- d) Outside Services – Hired services (e.g.) accountant, nutritionist, hoof trimmer, DHIA or private testing, etc.
- e) Repairs and Maintenance – All repairs and maintenance of equipment and structures used by the dairy enterprise (e.g.) milking parlor, free-stalls, corrals, feedwagons, etc.
- f) Miscellaneous – Any other operating costs not covered above (e.g.) County or state permits, regulatory fees, branding fees, subscriptions, producer association fees, etc.
- g) Bedding & Manure Haul – Cost incurred to scrape corrals and haul manure, may include any dirt or filler to maintain corrals and free-stalls.
- h) Fuel & Oil – Fuel and oil used by the dairy enterprise.
- i) Interest – Interest expense paid on outstanding short term loans for operating costs.
- j) Lease Expense – Expense for leasing dairy facility.
- k) Depreciation – Straight-line depreciation on any owned equipment or buildings used by the dairy enterprise, less a salvage value.
- l) Taxes & Insurance – Tax expense due on owned real and personal property. Insurance for public liability, property damage, fires and storm coverage.

Total Operating Costs– Total of above line items, (a) through (l).

Total Operating Costs/Cwt - Total operating cost per cow, divided by the total monthly hundredweight of milk shipped per cow.

Milk Marketing Costs – Hauling charges, mandatory assessments and miscellaneous deductions.

- a) Hauling – Fees paid to haul milk from ranch to plant, plus any stop charges.
- b) State Assessments – Dairy Marketing, Milk Pooling, Milk & Dairy Foods Control, Dairy Council and Milk Advisory Board, plus county health inspections.
- c) Federal Assessments and Misc. Deductions – National Dairy Promotion and any permits or third party component testing.

Glossary of Terms - (Continued)

Total Milk Marketing Cost/Cwt – Total marketing cost per cow, divided by the total monthly hundredweight of milk shipped per cow.

Total Cost/Cow/Month – Total of above line items, divided by total cows.

Total Cost /Cwt. – Total costs, divided by the total monthly hundredweight of milk shipped per cow.

Milk Production Data

- a) Milk Sold/Total Cow/Month (cwt) – Total hundredweight of milk shipped for the month, divided by total cows.
- b) Lbs. Milk Sold/Milk Cow/Day – Total pounds of milk shipped, divided by number of milk cows.
- c) Gross Milk Receipts (cwt) – Blend price based on California's Pool Price Announcement, minus regional quota adjuster (RQA), plus any transportation allowances. It does not include any quality or yield bonuses.
- d) Mailbox Price (\$/cwt) – Total receipts (receipts includes gross dollars, quality payments, component premiums, yield premiums, seasonal bonuses, monthly distribution of cooperative earnings) less marketing costs and assessments.
- e) Mailbox Price less Total Costs (cwt.) – Mailbox price plus marketing cost less total cost.
- f) Income Over Feed Cost (cwt.) - Mailbox price less total feed cost.
- g) Fat Test % – Total pounds of fat shipped, divided by total pounds of milk shipped for the month.
- h) SNF Test % – Total pounds of solids-not-fat shipped, divided by total pounds of milk shipped for the month.
- i) Fat Sold/Milk Cow/Month (lb.) – Total pounds of fat shipped, divided by total milk cows.
- j) SNF Sold/Milk Cow/Month (lb.) – Total pounds of solids-not-fat shipped, divided by total milk cows.
- k) Percent Quota – Total pounds of quota solids-not-fat produced divided by total pounds of solids-not-fat shipped.

Related Data

- a) Percent Dry Cows – Total number of dry cows, divided by total cows.
- b) Yearly Cull Rate – Twelve-month total of cows leaving the herd, divided by total cows.
- c) Drop Calf Revenue - Total dollars recieved for drop calves divided by total cwt's of milk sold.

- d) Milk Cow Alfalfa Hay Price (\$/ton) – Average blend price of alfalfa hay fed to milking cows.
- e) Grain, Minerals & Supplements (\$/ton) – Total grain, mineral/ supplement costs, divided by total tons fed to milking cows.
- f) Grain Minerals & Supplements (lb./mc day) – Total pounds of grain, minerals and supplements fed, divided by total milking cows, divided by the number of days in month.
- g) Milkers (\$/hr) – Average hourly wage received by milkers, plus employer taxes and perquisites.
- h) Total labor (\$/hr) – Average hourly wage received by all hired employees, plus employer taxes and perquisites.
- i) Milk Cow Feed Costs per Day – Total feed costs for milking cows, divided by number of milking cows, divided by the number of days in the month.
- j) Milk Cow Feed Costs per Cwt. – Total feed costs for milking cows, divided by total hundredweight of milk shipped.
- k) Milk Cows – Number of lactating cows in herd.
- l) Total Cows – Number of lactating and dry cows in herd.



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