

TO: Tom Berry, Senator Leahy's Staff
FROM: Anson Tebbetts, Secretary
Diane Bothfeld, Director of Administrative Services and Dairy Policy
DATE: September 20, 2022
REASON: Organic Dairy Situation in Vermont

In August of 2021, Danone Horizon notified officials in Vermont that they would end contacts with organic dairy farmers in 2022. This was later extended to February 28, 2023, but in the interim, Vermont Secretary of Agriculture Anson Tebbetts, instituted a task force to address issues within the Organic Dairy Industry. Vermont has worked hard with the members of the task force to secure markets for all the farms that were impacted by the Danone Horizon decision. The task force also brought to light other issues impacting all organic dairy farmers in Vermont including costs to access new markets, changes needed to infrastructure to continue in markets and an immediate issue with the costs impacting organic dairy farmers. The USDA Dairy Business Innovation Center granting programs are assisting farmers with the first two issues but the remaining price cost squeeze impacting dairy farmers is of the utmost importance.

Vermont Organic Dairy farms are experiencing a cost price squeeze on multiple fronts in 2022. The squeeze is the result of higher fuel prices and extraordinary high grain prices, especially for organic soybean meal. The milk price paid is contractual and set for a period of time. There are concerns from organic milk buyers that the marketplace for organic dairy products has slowed its growth and prices paid to farmers cannot be substantially raised at this time. The Cost of Production for organic milk has continued to increase at a time when prices paid to farmers are static. A final impact to all dairies in Vermont is drought conditions but the lack of homegrown forage will have a greater impact on organic dairies where organic forage may not be readily available to purchase. While we are providing this data on behalf of the state of Vermont, the task force supporting this work has a regional perspective and it is the understanding of the task force that this situation is not unique to Vermont farmers, and this data reflects trends that are playing out across the Northeast and more broadly across the nation.

Grain Prices

The specific area of concern for organic dairy farmers is the price of grain for the dairy cattle. There are several grains that are used but soybeans are one of the most protein rich sources of feed grain for milking dairy cow. The rich protein is combined with the oils and fats found in soybeans to provide high energy and protein to milking dairy cattle. The USDA collects some spot price information on Organic soybean meal per ton and the Mercaris Company collects data on organic soybeans with a per bushel price. The Mercaris Price is weighted average, delivered transaction price, of USDA Organic feed grade commodities as reported to Mercaris via the Mercaris Market Survey™ in the US and Canada. Prices are subject to change as transactions are added to the survey. Both of these price series show tremendous increases in the price of organic soybeans in 2021 and continuing to rise in 2022.

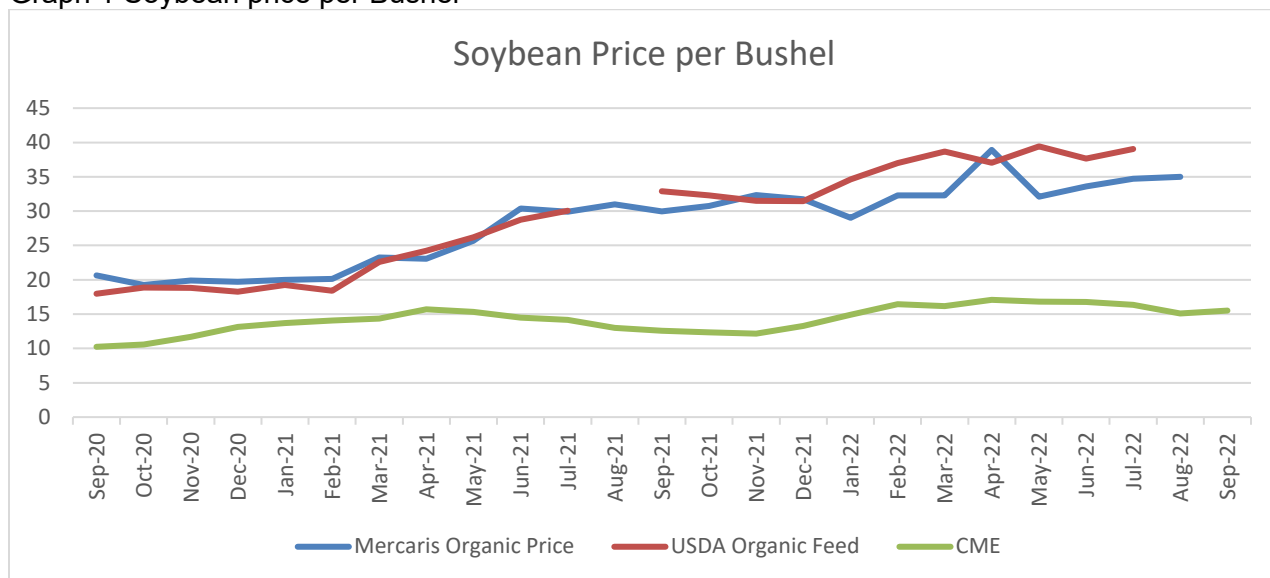


Table 1 – Organic Grain Prices – USDA Soybean Meal Spot prices per ton and Mercaris Feed Grade Organic Soybeans per bushel

	USDA Dealer FOB Elevator/Warehouse Organic Grain	Mercaris Feed Grade Organic Soybeans Price Series
	Spot Transactions	Volume Weighted Average Price per bushel
	Soybean meal per ton	
2017	\$827.68	\$19.59
2018	\$849.88	\$19.63
2019	\$857.60	\$19.73
2020	\$844.59	\$22.49
2021	\$1,334.47	\$31.67
2022 thru July	\$1,582.81	\$34.37

There is a continued divergence between the conventional price of soybeans and the price for organic soybeans. In the past, the two commodities tracked closely with a premium on organic soybeans. The divergence in price has increased rapidly since February 2021. There has been a slight increase in price for conventional soybeans but the price increases for organic soybeans by a factor of 1.75 to 1.8 over late 2020.

Graph 1 Soybean price per Bushel



Corn is another grain used extensively in feed for lactating dairy cattle. Corn meal provides energy and is readily digestible to match the pasture grass consumed by dairy cattle with the organic requirement to graze. The data below on corn meal was provided by a local feed mill in Vermont,



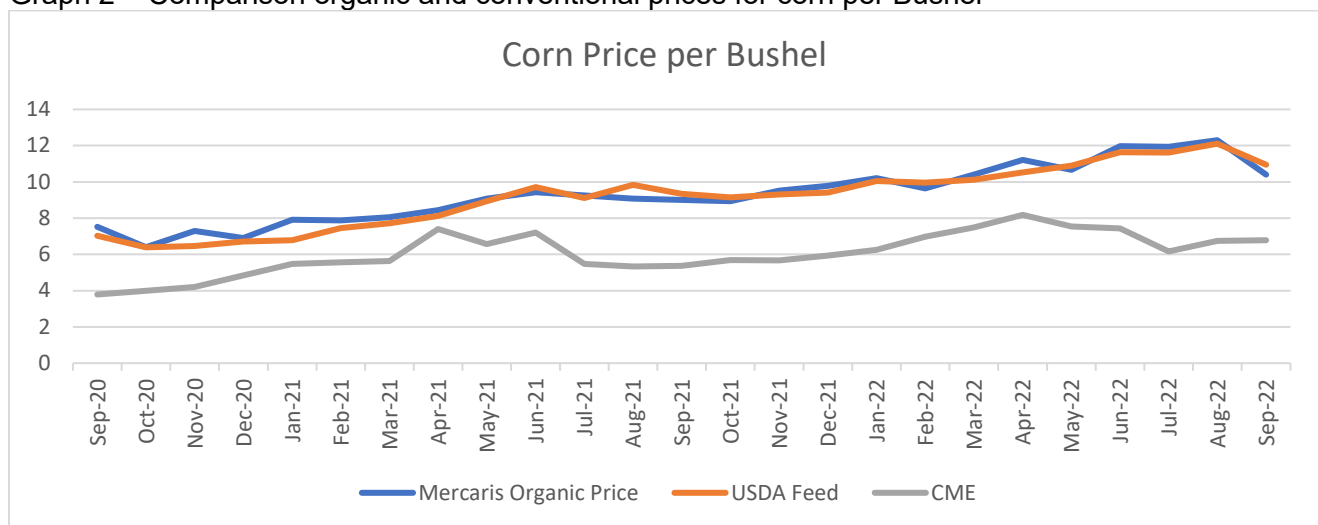
Morrison Feeds, who provides feed grains to many Vermont Organic Dairy Farmers. Their field staff are hearing directly from farmers that the prices for organic grain are impacting the bottom line. Organic Corn meal and Organic Feed Grade Corn have both increased in price in 2022 impacting most organic dairy farmers. The Mercaris Price is weighted average, delivered transaction price, of USDA Organic feed grade commodities as reported to Mercaris via the Mercaris Market Survey™ in the US and Canada.

Table 2 Morrison Feed Organic Corn Meal Price per ton and Mercaris Feed Grade Organic Corn per bushel

	Morrison Feed Vermont Corn Meal/Ton	Mercaris Feed Grade Organic Corn Price per bushel
2018	\$439.67	\$9.89
2019	\$395.83	\$9.11
2020	\$363.33	\$8.28
2021	\$335.00	\$9.73
2022 thru July	\$408.57	\$11.99

There is a continued divergence between the conventional price of corn and the price for organic corn. In the past, the two commodities tracked closely with a premium on organic corn. The divergence in price has increased in the last few months. There has been a slight increase in price for conventional corn but the price increases for organic soybeans by a factor of 1.67 to 1.8 over late 2020.

Graph 2 – Comparison organic and conventional prices for corn per Bushel



The impact of feed price increase has been greater on organic dairy producers in Vermont than that of conventional dairy producers in the same time frame.

Fuel prices

Diesel fuel prices have been extremely high in the Northeast as shown by data from US Energy Information Administration. The price is for retail on-road diesel but shows a steady increase in 2021 and into 2022. Most organic dairy farms in Vermont rely on diesel tractors to produce feed crops for winter, move feed to dairy cattle on farms and remove agricultural wastes such as spent feed and manure from barns. Filling a tractor with diesel fuel during the cropping season can run hundreds of dollars per day and the increased price of fuel is exacerbating the situation. The cost of fuel impacts all types of agriculture (organic and conventional) in Vermont.

Table 3 New England (PADD 1A) No 2 Diesel Retail Prices (Dollars per Gallon) US Energy Information Administration

Year	2017	2018	2019	2020	2021	2022 thru July
Diesel all types	\$2.69	\$3.24	\$3.13	\$2.73	\$3.22	\$5.18

Overall Organic Dairy Cost of Production

The Northeast Organic Farmers Association in Vermont has been conducting organic dairy cost of production studies for more than 5 years. The data from 2021 is being collected and the full number of usual participants is not complete, but this data show a marked increase in cost of production for 2021 over 2019 and 2020.

Table 4 – NOFA-VT Cost of Production Study Averages for 2019 through 2021

Category	2019	2020	2021 – no DMC	Differences – 2021 & 2020
<u>Demographics</u>				
Herd Size	79	77	81	
Total milk sold	1,163,100	1,191,156	1,269,493	
Milk Per cow	15,835	15,608	16,527	
<u>Farm Income</u>				
Milk Price	\$34.35	\$33.85	\$33.43	
Gross Milk Income	\$401,714	\$409,051	\$422,525	
Calves, cow & crop sales & all other income	\$30,231	\$27,869	\$35,596	
Total gross income	\$431,944	\$436,920	\$459,122	
Total Gross Income per cwt.	\$37.14	\$36.68	\$36.09	\$0.59 lower
<u>Expenses</u>				
Bedding	\$0.90	\$0.98	\$0.83	
Breeding Fees	\$0.29	\$0.31	\$0.32	



Custom Hire and Machine Rental	\$1.17	\$1.33	\$0.84	
Land Rental	\$0.78	\$0.89	\$0.96	
Supplies	\$1.81	\$1.76	\$1.71	
Farm Insurance	\$0.73	\$0.77	\$0.85	
Fuel, Gas and Oil	\$0.89	\$0.72	\$0.91	\$0.19 higher
Hired Labor	\$3.09	\$2.90	\$2.67	
Property Taxes	\$0.69	\$0.54	\$0.52	
Purchased Forages	\$1.37	\$1.66	\$1.32	
Grain & Minerals	\$9.02	\$8.63	\$9.17	\$0.54 higher
Repairs	\$1.76	\$2.20	\$2.31	\$0.11 higher
Seed & Fertilizer	\$0.20	\$0.39	\$0.44	
Utilities	\$1.18	\$1.24	\$1.23	
Veterinary & Medicine	\$0.39	\$0.43	\$0.42	
Stop & Hauling	\$0.41	\$0.64	\$0.46	
Other	\$1.23	\$1.35	\$0.88	
Total Cash Expense	\$26.03	\$26.86	\$25.82	
Difference Total Gross Income minus Total Cash Expense Per CWT.	\$11.11	\$9.82	\$10.27	\$0.45 higher
Non-cash costs				
Inventory change	-\$1.52	-\$0.60	-\$0.73	
Inventory adjustments - Feed	\$0.22	\$0.71	\$0.87	
Supplies and other	\$0.02	\$0.03	\$0.01	
Breeding Livestock	\$0.72	-\$0.19	\$0.19	
Income change	\$0.92	\$0.57	\$1.08	
Machinery and Equipment	-\$0.35	\$0.74	\$0.74	
Land and Buildings	-\$0.15	\$0.62	\$0.61	
Other adjustments	\$0.01	\$0.03	\$0.18	
Expense change	\$0.49	-\$1.42	-\$1.53	
Capital Purchases minus sales adjustment	\$1.96	\$2.60	\$3.34	
4% equity	\$3.89	\$3.69	\$3.58	
Unpaid Labor cost	\$5.12	\$4.23	\$4.17	
Total non-cash cost	\$11.33	\$11.02	\$12.53	
Total costs Cash expense + total non-cash costs	\$37.36	\$37.88	\$38.35	
Income – total costs= net	-\$0.22	-\$1.20	-\$2.26	Overall loss higher by \$1.06

The information from NOFA-VT shows a stagnant pay price for milk and rising costs in 2021 versus 2020 and 2019. Organic Dairy Farms have been able to cover cash expenses, but the non-cash



costs of equity investment and unpaid labor have impacted a farms overall profitability – not being able to invest in the business or to offset unpaid labor. Costs have continued to rise into 2022.

NOFA-VT also requested information from farms to look at income and expense for 2021 and 2022 through May. The increase in expenses is dramatic for feed-grain, gas, fuel and oil, labor, repairs and maintenance and supplies- showing a 50% decline in net as compared to 2021.

Table 5 -Full year 2021 vs 2022 Jan – May Income/Expense Comparison CASH BASIS

	Average % Change (n=8)
Income	
Milk Sales	-4.7%
Other	19.5%
Total Income	-1.4%
Expense	
Bedding	8.7%
Breeding	-8.0%
Custom-Hire	-35.2%
Feed Grain	27.9%
Feed – Forage	-21.3%
Feed – other	-47.5%
Total Feed	24.4%
Fertilizer	-30.1%
Gas Fuel and Oil	75.7%
Insurance	35.2%
Labor	137.3%
Repairs and Maintenance	64.5%
Supplies	34.0%
Utilities	22.1%
Vet and Medicine	10.1%
Net Cash income (all cash expenses factored in)	-50.0%

Vermont Organic Dairy Size and Estimated Milk Production 2021

Vermont Organic Dairy Farm numbers are tracked by NOFA- Vermont through certification. The number of dairy farms certified by NOFA-VT for calendar year 2021 was 162. The Agency of Agriculture made CARES act payments to a majority of these farms and the payment rates were based on farm size. The table below shows the breakout of organic dairy farm size based on the following designation in Vermont – Small Farm Operation (SFO) 1 to 50 milking cows; Certified Small Farms (CSFO) 51 to 200 milking cows; Medium Farm Operations 201 to 699 milking cows.



Table 6 – Vermont Organic Dairy Farm Size for 2021

Size Category	Number in Category
SFO	91
CSFO	66
MFO	5

NOFA-VT also collects demographic information as a part of their cost of production study. Here are the averages for the data collected from their study:

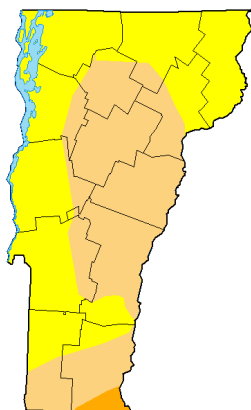
Table 7 Average Demographic information from NOFA-VT Cost of Production Study

	2019	2020	2021
Herd Size (# cows)	79	77	81
Acres	293	313	347
Total Milk Sold (lbs.)	1,163,100	1,191,156	1,269,493
Milk Per Cow (lbs./cow)	15,835	15,608	16,527

Drought conditions are also impacting organic and conventional dairy farms throughout Vermont. Harvest of hay crops and the availability of pasture have been limited by drought conditions. Farms are also feeding winter feed to cattle early due to a lack of feed on pastures. With the price of fuel high, some farms have chosen not to try and harvest drought impacted hay due to the cost of operating equipment for the low level of hay on the field due to drought. Many farms are looking to reduce herd size to match cow numbers to available feed for the winter months. The US Drought Monitor for the state of Vermont on September 6 shows abnormally dry conditions throughout the State with Moderate drought conditions in 4 counties with Severe drought in the far southeastern corner of the state.

**U.S. Drought Monitor
Vermont**

September 6, 2022
(Released Thursday, Sep. 8, 2022)
Valid 8 a.m. EDT



Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:

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*** FOR INTERNAL USE ONLY - DRAFT DATA AGGREGATION 9.8.22 ***										
2021 VERMONT ORGANIC DAIRY COP No DMC 2019 Sample Size = 25 2020 Sample Size = 24 2021 Sample Size = 22	Average			Min			Max			
	2019	2020	2021	2019	2020	2021	2019	2020	2021	
Farm Information										
Herd Size	79	77	81	25	24	30	168	185	190	
Acres	293	313	347	40	48	75	617	899	899	
Acres per cow	3.68	3.98	4.3	0.75	0.71	1.03	6.78	7.93	8.00	
Fertilizer & seed expenses (\$/cow)	\$34.09	62.91	\$73.45	\$0.00	\$0.00	\$0.00	\$178.98	\$414.80	\$351.33	
Fertilizer & seed expenses (\$/acre)	\$8.79	15.19	\$15.65	\$0.00	\$0.00	\$0.00	\$35.00	\$64.55	\$55.69	
Purchased forage expense (\$/cow)	\$240.67	292.53	\$205.23	\$0.00	\$0.00	\$0.00	\$1,038.00	\$971.60	\$966.45	
Purchased forage expense (\$/acre)	\$118.32	122.51	\$108.52	\$0.00	\$0.00	\$0.00	\$984.18	\$978.08	\$766.87	
Milk Information										
Total milk sold (lbs/year)	1,163,100	1,191,156	1,269,493	298,300	309,617	292,425	2,749,700	2,850,593	3,359,600	
Total milk sold (CWTs)	11,631	11,912	12,695	2,983	3,096	2,924	27,497	28,506	33,596	
Total milk sold (CWT eq.)	12,826	12,935	14,175	3,490	3,152	3,208	30,205	29,670	37,443	
Milk per cow (lbs/cow)	15,835	15,608	16,527	11,378	6,008	11,430	21,415	20,862	24,332	
Milk per acre (lbs/acre)	4,915	4,745	4,428	1,840	1,568	1,533	16,900	17,298	10,646	
Fat per cow (lbs/cow)	617	623	637	428	435	431	813	978	933	
Fat per acre (lbs/acre)	209	197	174	72	55	88	727	744	419	
Labor Efficiency										
Full Time Equivalents (FTEs)	2.7	2.84	2.8	1.3	1.01	1.3	4.4	4.39	4.3	
Cows per FTE	31	27.9	30	11	11.9	14	63	65.5	67	
Milk sold per FTE (CWT eq.)	4,887	4,401	5,057	2,207	1,551	2,341	11,702	11,405	16,271	
Return to labor	\$37,580	\$41,883	\$28,820	(\$73,973)	(\$40,502)	(\$7,799)	\$268,752	\$523,731	\$118,579	
Labor earnings per hour	\$9.17	\$8.16	\$9.61	(\$4.93)	(\$7.20)	(\$2.60)	\$28.07	\$49.01	\$39.53	
Unpaid labor cost	\$59,516	\$50,384.00	\$53,000	\$17,333	\$0	\$40,000	\$80,000	\$80,000	\$80,000	
Upaid labor (hours)	5,481	5,802	5,548	1,300	1,300	3,150	8,788	10,556	10,556	
Farm Income										
Milk price (\$/CWT)	\$34.35	\$33.85	\$33.43	\$28.63	\$29.22	\$29.37	\$43.56	\$41.37	\$39.38	
Gross milk income	\$401,714	\$409,051	\$422,525	\$104,690	\$92,335	\$102,678	\$1,077,141	\$1,179,392	\$1,147,697	
Gross cull, calf, and livestock sales	\$12,620	\$13,763	\$18,130	\$711	\$0	\$895	\$31,700	\$42,562	\$40,389	
Gross crop sales	\$1,433	\$1,216	\$5,401	\$0	\$0	\$0	\$13,128	\$7,050	\$43,000	
Other income	\$16,178	\$12,890	\$12,065	\$3,941	\$1,685	\$0	\$47,868	\$35,885	\$34,213	
Total gross income	\$431,944	\$436,920	\$458,122	\$112,954	\$98,794	\$110,871	\$1,107,141	\$1,204,303	\$1,173,163	
Farm Expenses (\$/CWT eq.)										
Bedding	\$0.90	\$0.98	\$0.83	\$0.00	\$0.00	\$0.07	\$1.99	\$2.35	\$2.30	
Breeding Fees	\$0.29	\$0.31	\$0.32	\$0.00	\$0.00	\$0.07	\$0.86	\$0.86	\$0.91	
Custom Hire	\$1.07	\$1.21	\$0.73	\$0.00	\$0.00	\$0.00	\$4.04	\$4.16	\$6.48	
Machine Rentals	\$0.10	\$0.12	\$0.11	\$0.00	\$0.00	\$0.00	\$1.44	\$1.34	\$1.08	
Land Rental	\$0.78	\$0.89	\$0.96	\$0.00	\$0.00	\$0.00	\$6.48	\$6.60	\$6.76	
Supplies	\$1.81	\$1.76	\$1.71	\$0.74	\$0.00	\$0.90	\$4.28	\$4.26	\$3.21	
Farm Insurance	\$0.73	\$0.77	\$0.85	\$0.00	\$0.00	\$0.00	\$1.70	\$1.60	\$1.59	
Fuel, Gas, and Oil	\$0.89	\$0.72	\$0.91	\$0.29	\$0.27	\$0.40	\$1.91	\$1.99	\$1.74	
Hired Labor	\$3.09	\$2.90	\$2.67	\$0.00	\$0.00	\$0.00	\$8.92	\$7.06	\$6.88	
Interest*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Property Taxes	\$0.69	\$0.54	\$0.52	\$0.00	\$0.00	\$0.00	\$2.33	\$1.11	\$1.19	
Purchased Forages	\$1.37	\$1.66	\$1.32	\$0.00	\$0.00	\$0.00	\$5.18	\$5.79	\$6.64	
Grain & Minerals	\$9.02	\$8.63	\$9.17	\$6.46	\$1.09	\$4.97	\$12.83	\$15.67	\$12.91	
Repairs	\$1.76	\$2.20	\$2.31	\$0.57	\$0.34	\$1.03	\$5.28	\$4.95	\$4.94	
Seed & Fertilizer	\$0.20	\$0.39	\$0.44	\$0.00	\$0.00	\$0.00	\$0.92	\$2.77	\$1.90	
Utilities	\$1.18	\$1.24	\$1.23	\$0.20	\$0.22	\$0.19	\$2.06	\$2.28	\$2.07	
Veterinary & Medicine	\$0.39	\$0.43	\$0.42	\$0.07	\$0.00	\$0.04	\$0.84	\$1.12	\$0.97	
Stop & Hauling	\$0.41	\$0.64	\$0.46	\$0.00	\$0.14	\$0.08	\$0.87	\$2.99	\$0.87	
Other	\$1.23	\$1.35	\$0.88	\$0.00	\$0.29	\$0.20	\$3.74	\$4.43	\$2.27	
Total Cash Expense (\$/CWT eq.)	\$26.03	\$26.86	\$25.82	\$18.84	\$21.26	\$19.89	\$32.43	\$35.45	\$34.41	
Farm Expenses (\$/cow)										
Bedding	\$153	\$167	\$133	\$0	\$0	\$11	\$387	\$462	\$341	
Breeding Fees	\$48	\$50	\$53	\$0	\$0	\$9	\$126	\$131	\$157	
Custom Hire	\$175	\$200	\$114	\$0	\$0	\$0	\$650	\$620	\$826	
Machine Rentals	\$17	\$31	\$20	\$0	\$0	\$0	\$203	\$223	\$234	
Land Rental	\$123	\$147	\$164	\$0	\$0	\$0	\$861	\$922	\$899	
Supplies	\$288	\$276	\$284	\$115	\$0	\$163	\$595	\$562	\$462	
Farm Insurance	\$115	\$4	\$139	\$0	\$0	\$0	\$226	\$60	\$287	
Fuel, Gas, and Oil	\$139	\$116	\$154	\$34	\$29	\$43	\$222	\$368	\$346	
Hired Labor	\$490	\$458	\$465	\$0	\$0	\$0	\$1,579	\$1,321	\$1,331	
Interest*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

*** FOR INTERNAL USE ONLY - DRAFT DATA AGGREGATION 9.8.22 ***										
2021 VERMONT ORGANIC DAIRY COP No DMC 2019 Sample Size = 25	Average			Min			Max			
Property Taxes	\$107	\$88	\$84	\$0	\$0	\$0	\$277	\$241	\$191	
Purchased Forages	\$241	\$289	\$205	\$0	\$0	\$0	\$1,038	\$981	\$966	
Grain & Minerals	\$1,448	\$1,409	\$1,554	\$846	\$175	\$721	\$2,217	\$2,368	\$3,122	
Repairs	\$275	\$358	\$400	\$65	\$45	\$162	\$861	\$1,102	\$1,048	
Seed & Fertilizer	\$34	\$63	\$76	\$0	\$0	\$0	\$179	\$415	\$351	
Utilities	\$187	\$198	\$196	\$41	\$43	\$41	\$290	\$438	\$333	
Veterinary & Medicine	\$63	\$71	\$68	\$9	\$0	\$8	\$140	\$222	\$171	
Stop & Hauling	\$68	\$106	\$73	\$19	\$20	\$21	\$163	\$579	\$113	
Other	\$199	\$215	\$359	\$76	\$37	\$204	\$563	\$581	\$654	
Total Cash Expense (\$/cow)	\$4,185	\$4,353	\$4,348	\$2,192	\$2,605	\$2,290	\$5,624	\$5,905	\$7,056	
Farm Expenses (\$/farm)										
Bedding	\$11,744	\$13,466	\$11,988	\$0	\$0	\$700	\$25,100	\$48,571	\$55,757	
Breeding Fees	\$3,468	\$3,526	\$4,083	\$0	\$0	\$544	\$9,100	\$7,586	\$14,097	
Custom Hire	\$16,623	\$17,898	\$12,208	\$0	\$0	\$0	\$94,897	\$114,769	\$156,974	
Machine Rentals	\$1,194	\$2,763	\$2,464	\$0	\$0	\$0	\$16,606	\$19,626	\$26,062	
Land Rental	\$9,886	\$11,283	\$12,977	\$0	\$0	\$0	\$53,407	\$53,462	\$52,162	
Supplies	\$21,093	\$20,224	\$22,485	\$4,377	\$0	\$5,166	\$40,005	\$47,354	\$43,000	
Farm Insurance	\$8,862	\$9,166	\$10,922	\$0	\$0	\$0	\$21,200	\$27,500	\$25,500	
Fuel, Gas, and Oil	\$11,433	\$9,405	\$13,011	\$1,005	\$855	\$1,284	\$23,134	\$25,929	\$37,414	
Hired Labor	\$35,319	\$33,778	\$37,822	\$0	\$0	\$0	\$110,500	\$92,500	\$115,030	
Interest*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Property Taxes	\$8,905	\$6,955	\$6,508	\$0	\$0	\$0	\$34,922	\$32,983	\$13,310	
Purchased Forages	\$19,586	\$25,078	\$15,839	\$0	\$0	\$0	\$112,095	\$147,576	\$68,134	
Grain & Minerals	\$118,734	\$115,304	\$133,713	\$27,533	\$7,348	\$21,628	\$280,000	\$288,816	\$398,000	
Repairs	\$21,778	\$27,487	\$32,536	\$5,304	\$3,728	\$8,841	\$92,155	\$93,665	\$91,469	
Seed & Fertilizer	\$2,869	\$4,380	\$6,195	\$0	\$0	\$0	\$15,750	\$22,399	\$26,350	
Utilities	\$14,539	\$15,394	\$15,837	\$2,378	\$2,565	\$2,240	\$38,418	\$43,296	\$42,400	
Veterinary & Medicine	\$4,523	\$4,998	\$4,909	\$713	\$0	\$702	\$14,723	\$20,837	\$16,410	
Stop & Hauling	\$5,157	\$8,203	\$5,460	\$0	\$942	\$1,585	\$14,319	\$40,530	\$11,463	
Other	\$13,950	\$15,330	\$10,812	\$3,789	\$3,347	\$4,418	\$45,900	\$58,706	\$20,836	
Total Cash Expense (\$/farm)	\$331,358	\$343,892	\$361,281	\$65,746	\$78,158	\$68,688	\$723,004	\$827,554	\$835,125	
Net										
Net Cash Income	\$100,587	\$93,029	\$96,841	\$9,236	\$12,851.00	\$18,984	\$384,137	\$412,861	\$391,755	
Inventory Change	(\$17,711)	(\$7,180)	(\$9,259)	(\$119,128)	(\$86,931.28)	(\$63,729)	\$82,050	\$216,316	\$99,350	
Inventory adjustments - Feed	\$2,594	\$8,496	\$11,015	(\$17,825)	(\$12,644)	(\$24,004)	\$66,591	\$71,648	\$155,100	
Supplies and other	\$206	\$399	\$163	(\$3,000)	(\$220)	(\$2,000)	\$5,000	\$6,100	\$3,900	
Breeding Livestock	\$8,405	(\$2,233)	\$2,411	(\$17,500)	(\$29,600)	(\$22,000)	\$78,700	\$23,400	\$95,094	
Income Change	\$10,745	\$6,841	\$13,771	(\$32,915)	(\$19,918)	(\$26,290)	\$89,900	\$87,948	\$133,100	
Prepaid Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Accounts Payable (+)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Machinery & Equipment	(\$4,036)	\$8,840	\$9,439	(\$57,598)	(\$31,855)	(\$70,650)	\$68,306	\$120,483	\$116,250	
Land and Buildings	(\$1,776)	\$7,383	\$7,741	(\$23,408)	(\$56,250)	(\$15,131)	\$7,167	\$239,593	\$120,389	
Other Adjustments	\$124	\$302	\$2,222	(\$6,490)	(\$20,059)	(\$3,500)	\$10,702	\$14,800	\$20,888	
Expense Change	\$5,688	(\$16,925)	(\$19,401)	(\$67,649)	(\$374,876)	(\$144,063)	\$57,598	\$87,375	\$65,083	
Capital Purchases Minus Sales Adjustment	\$22,768	\$30,946	\$42,432	(\$37,000)	\$0	(\$600)	\$165,400	\$181,800	\$313,736	
4% Equity	\$45,295	\$43,965	\$45,498	\$11,310	\$13,237	\$12,291	\$134,727	\$106,368	\$119,390	
Unpaid labor cost	\$59,516	\$50,384	\$53,000	\$17,333	\$0	\$40,000	\$80,000	\$80,000	\$80,000	
Total Cost	\$464,624	\$448,929	\$482,809	\$137,826	\$151,360	\$141,643	\$994,480	\$996,891	\$1,110,471	
Total Cost (\$/cow)	\$6,008	\$5,903	\$4,348	\$4,360	\$4,293	\$2,290	\$8,079	\$7,802	\$7,056	
Total Cost (\$/CWT eq.)	\$37.72	\$37.02	\$36.18	\$30.82	\$24.75	\$27.02	\$49.05	\$50.56	\$44.30	
Depreciation FM Value	\$25,275	\$27,166	\$27,980	\$2,498	\$3,866	\$5,001	\$99,903	\$106,125	\$109,673	
Capital Costs (\$/cow)	\$866	\$920	\$871	\$259	\$252	\$259	\$1,607	\$1,592	\$1,421	
Capital Invested (\$/cow)	\$13,449	\$13,674	\$12,702	\$3,979	\$4,719	\$4,424	\$28,556	\$29,625	\$20,265	
Net Farm Income from Operations (NFIFO)	\$82,876	\$85,848	\$87,582	(\$24,769)	(\$2,999)	(\$2,941)	\$362,477	\$629,176	\$328,026	
Rate of Return on Assets (ROA)	0.7%	1.0%	1.6%	-13.3%	-11.5%	-8.7%	12%	23%	14%	
Operating Profit Margin (OPM)	0.1%	0.5%	1.6%	-40%	-41%	-27%	24%	49%	23%	
Asset Turnover Ratio (ATR)	49%	45%	48%	16%	13%	23%	113%	96%	127%	