

# Statewide Cost Comparison Summary

## All costs Per Cow/Per Month

| <b>Production Cost Comparison<br/>First Quarter 2012</b> | 1st Quarter<br>2011<br>Average /1 | North Coast     | North<br>Valley | South<br>Valley | Southern<br>California | 1st Quarter<br>2012<br>Average /1 | Percent<br>Change |
|--|-----------------------------------|-----------------|-----------------|-----------------|------------------------|-----------------------------------|-------------------|
| <b>2012</b>  | <b>145</b>                        | <b>13</b>       | <b>64</b>       | <b>53</b>       | <b>8</b>               | <b>138</b>                        |                   |
| <b>Feed Costs</b>  |                                   |                 |                 |                 |                        |                                   |                   |
| a. Dry Roughage  | \$36.77                           | \$75.24         | \$44.00         | \$48.59         | \$70.25                | \$49.06                           | 33.4%             |
| b. Wet Feed & Wet Roughage                               | \$31.14                           | \$19.42         | \$47.29         | \$42.34         | \$28.02                | \$42.62                           | 36.9%             |
| c. Concentrates  | \$89.21                           | \$87.32         | \$102.17        | \$111.47        | \$102.94               | \$106.96                          | 19.9%             |
| d. Minerals & Supplements                                | \$7.41                            | \$2.55          | \$11.21         | \$8.92          | \$3.36                 | \$9.21                            | 24.4%             |
| e. Pasture   | \$0.30                            | \$19.54         | \$1.51          | \$0.00          | \$0.00                 | \$0.95                            | 220.9%            |
| <b>Total Feed Costs</b>                                  | <b>\$164.82</b>                   | <b>\$204.07</b> | <b>\$206.18</b> | <b>\$211.32</b> | <b>\$204.57</b>        | <b>\$208.80</b>                   | <b>26.7%</b>      |
| <b>Total Feed Costs (\$/cwt.)</b>                        | <b>\$9.03</b>                     | <b>\$15.63</b>  | <b>\$10.64</b>  | <b>\$10.76</b>  | <b>\$10.68</b>         | <b>\$10.81</b>                    | <b>19.8%</b>      |
| Total Feed Costs (% of total Cost)                       | 59.6%                             | 66.6%           | 63.4%           | 65.9%           | 65.3%                  | 65.0%                             |                   |
| <b>Total Hired Labor</b>                                 | <b>\$27.70</b>                    | <b>\$32.56</b>  | <b>\$30.49</b>  | <b>\$26.19</b>  | <b>\$28.22</b>         | <b>\$28.03</b>                    | <b>1.2%</b>       |
| <b>Total Hired Labor Costs (\$/cwt.)</b>                 | <b>\$1.52</b>                     | <b>\$2.49</b>   | <b>\$1.57</b>   | <b>\$1.33</b>   | <b>\$1.47</b>          | <b>\$1.45</b>                     | <b>-4.5%</b>      |
| Total Labor Costs (%of total cost)                       | 10.0%                             | 10.6%           | 9.4%            | 8.2%            | 9.0%                   | 8.7%                              |                   |
| <b>Total Herd Replacement /2</b>                         | <b>\$22.95</b>                    | <b>\$18.09</b>  | <b>\$23.22</b>  | <b>\$23.40</b>  | <b>\$20.25</b>         | <b>\$22.99</b>                    | <b>0.2%</b>       |
| <b>Total Replacement Costs (\$/cwt.)</b>                 | <b>\$1.25</b>                     | <b>\$1.39</b>   | <b>\$1.20</b>   | <b>\$1.19</b>   | <b>\$1.06</b>          | <b>\$1.19</b>                     | <b>-5.3%</b>      |
| Total Replacement Costs (%of total cost)                 | 8.3%                              | 5.9%            | 7.1%            | 7.3%            | 6.5%                   | 7.2%                              |                   |
| <b>Operating Costs</b>                                   |                                   |                 |                 |                 |                        |                                   |                   |
| a. Utilities   | \$4.87                            | \$8.14          | \$5.51          | \$4.33          | \$4.72                 | \$4.87                            | -0.1%             |
| b. Supplies  | \$9.84                            | \$8.94          | \$11.00         | \$8.98          | \$9.74                 | \$9.77                            | -0.7%             |
| c. Veterinary & Medicine                                 | \$6.76                            | \$3.48          | \$6.84          | \$7.28          | \$4.04                 | \$6.80                            | 0.7%              |
| d. Outside Services                                      | \$3.61                            | \$1.85          | \$4.07          | \$3.85          | \$3.40                 | \$3.85                            | 6.7%              |
| e. Repairs & Maintenance                                 | \$6.09                            | \$6.01          | \$7.26          | \$5.26          | \$5.80                 | \$6.04                            | -0.8%             |
| f. Miscellaneous   | \$1.41                            | \$1.03          | \$1.24          | \$0.97          | \$0.47                 | \$1.03                            | -26.9%            |
| g. Bedding & Manure Haul                                 | \$1.40                            | \$2.92          | \$1.21          | \$1.06          | \$2.54                 | \$1.26                            | -10.0%            |
| h. Fuel & Oil  | \$3.57                            | \$5.21          | \$4.21          | \$4.01          | \$2.79                 | \$4.02                            | 12.5%             |
| i. Interest Expense                                      | \$1.76                            | \$0.69          | \$0.78          | \$1.53          | \$2.34                 | \$1.30                            | -26.4%            |
| j. R E Lease Expense                                     | \$4.41                            | \$0.60          | \$4.95          | \$4.23          | \$6.78                 | \$4.60                            | 4.4%              |
| k. Depreciation  | \$5.83                            | \$5.59          | \$5.98          | \$5.59          | \$3.18                 | \$5.56                            | -4.7%             |
| l. Taxes & Insurance                                     | \$2.00                            | \$1.57          | \$2.13          | \$2.36          | \$1.92                 | \$2.23                            | 11.1%             |
| <b>Total Operating Costs</b>                             | <b>\$51.58</b>                    | <b>\$46.03</b>  | <b>\$55.20</b>  | <b>\$49.44</b>  | <b>\$47.72</b>         | <b>\$51.34</b>                    | <b>-0.5%</b>      |
| <b>Total Operating Costs (\$/cwt.)</b>                   | <b>\$2.82</b>                     | <b>\$3.52</b>   | <b>\$2.85</b>   | <b>\$2.52</b>   | <b>\$2.49</b>          | <b>\$2.66</b>                     | <b>-5.9%</b>      |
| Total Operating Costs (%of total costs)                  | 18.6%                             | 15.0%           | 17.0%           | 15.4%           | 15.2%                  | 16.0%                             |                   |
| <b>Milk Marketing Costs</b>                              |                                   |                 |                 |                 |                        |                                   |                   |
| a. Hauling   | \$6.20                            | \$3.06          | \$6.76          | \$6.66          | \$9.16                 | \$6.81                            | 9.8%              |
| b. State Assessments                                     | \$2.44                            | \$2.05          | \$2.43          | \$2.42          | \$2.45                 | \$2.42                            | -0.8%             |
| c. Federal Assessments & Misc. Ded.                      | \$0.94                            | \$0.57          | \$0.96          | \$1.00          | \$1.02                 | \$0.98                            | 4.3%              |
| <b>Total Milk Marketing Costs</b>                        | <b>\$9.58</b>                     | <b>\$5.68</b>   | <b>\$10.15</b>  | <b>\$10.08</b>  | <b>\$12.63</b>         | <b>\$10.20</b>                    | <b>6.5%</b>       |
| <b>Total Milk Marketing Costs (\$/cwt.)</b>              | <b>\$0.52</b>                     | <b>\$0.43</b>   | <b>\$0.52</b>   | <b>\$0.51</b>   | <b>\$0.66</b>          | <b>\$0.53</b>                     | <b>0.3%</b>       |
| Total Milk Marketing Costs (% of total costs)            | 3.5%                              | 1.9%            | 3.1%            | 3.1%            | 4.0%                   | 3.2%                              |                   |
| <b>Total Cost (\$/Cow/Month)</b>                         | <b>\$276.63</b>                   | <b>\$306.41</b> | <b>\$325.25</b> | <b>\$320.43</b> | <b>\$313.39</b>        | <b>\$321.38</b>                   | <b>16.2%</b>      |
| <b>Total Cost (\$/cwt)</b>                               | <b>\$15.15</b>                    | <b>\$23.47</b>  | <b>\$16.79</b>  | <b>\$16.31</b>  | <b>\$16.36</b>         | <b>\$16.63</b>                    | <b>9.8%</b>       |
| <b>Return on Investment and Management</b>               |                                   |                 |                 |                 |                        |                                   |                   |
| a. Allowance: Return on Investment (\$/cwt.)             | \$0.88                            | \$1.14          | \$0.78          | \$0.83          | \$0.88                 | \$0.82                            | -6.8%             |
| b. Allowance: Return on Management (\$/cwt)              | \$0.70                            | \$0.67          | \$0.64          | \$0.63          | \$0.65                 | \$0.64                            | -8.6%             |
| <b>Total Costs and Allowances (\$/cwt)</b>               | <b>\$16.73</b>                    | <b>\$25.28</b>  | <b>\$18.21</b>  | <b>\$17.77</b>  | <b>\$17.89</b>         | <b>\$18.09</b>                    | <b>8.2%</b>       |
| <b>Milk Production Data</b>                              |                                   |                 |                 |                 |                        |                                   |                   |
| a. Milk Sold/Total Cow/Month/ (cwt.)                     | 18.30                             | 13.06           | 19.38           | 19.64           | 19.16                  | 19.38                             | 5.9%              |
| b. Lbs Milk Sold/milk cow/day                            | 70.14                             | 51.79           | 73.57           | 73.76           | 71.11                  | 73.05                             | 4.1%              |
| f. Income Over Feed Cost (\$/cwt)                        | \$8.31                            | \$8.16          | \$5.99          | \$4.84          | \$5.13                 | \$5.35                            | -35.7%            |
| <b>Related Data</b>                                      |                                   |                 |                 |                 |                        |                                   |                   |
| l. Total Cows  | 1,323                             | 300             | 1,136           | 1,825           | 1,361                  | 1,335                             | 0.9%              |
| <b>Milk Volume Percentages</b>                           | 100.00%                           | 2.05%           | 36.40%          | 54.19%          | 7.36%                  | 100.00%                           |                   |

1/ Weighted average computed based on First Quarter of 2012 milk volume percentages.

2/ Change in methodology of calculating replacement cost, 2011 cost adjusted to reflect change.