

TURLOCK AND HILMAR AREA DAIRY FARM INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006
FOR HOLSTEIN AND JERSEY HERDS

(Based on Average Number of Total Cows)

| | <u>HOLSTEINS</u> | | <u>JERSEYS</u> | | <u>SIMPLE AVERAGE</u> | |
|---|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|
| | <u>PER COW</u> | <u>PER DAY</u> | <u>PER COW</u> | <u>PER DAY</u> | <u>PER COW</u> | <u>PER DAY</u> |
| Milk income | \$ 2,531.38 | \$ 6.94 | \$ 2,401.90 | \$ 6.58 | \$ 2,450.00 | \$ 6.71 |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | 201.37 | 0.55 | 160.05 | 0.44 | 175.40 | 0.48 |
| Gain (Loss) on Sale of Livestock | <u>160.00</u> | <u>0.44</u> | <u>38.30</u> | <u>0.10</u> | <u>83.51</u> | <u>0.23</u> |
| Total Income | 2,892.75 | 7.93 | 2,600.25 | 7.12 | 2,708.91 | 7.42 |
| Assessments | 85.88 | 0.24 | 66.41 | 0.18 | 73.64 | 0.20 |
| Breeding and testing | 27.47 | 0.08 | 39.94 | 0.11 | 35.31 | 0.10 |
| Feed | 1,260.24 | 3.45 | 1,199.96 | 3.29 | 1,222.35 | 3.35 |
| Fertilizers and chemicals | 33.91 | 0.09 | 19.86 | 0.05 | 25.08 | 0.07 |
| Fuel | 75.13 | 0.21 | 45.77 | 0.13 | 56.68 | 0.16 |
| Heifer raising | 17.60 | 0.05 | 209.80 | 0.57 | 138.40 | 0.38 |
| Insurance | 95.49 | 0.26 | 91.93 | 0.25 | 93.25 | 0.26 |
| Interest | 160.91 | 0.44 | 162.23 | 0.44 | 161.74 | 0.44 |
| Labor | 322.95 | 0.88 | 318.59 | 0.87 | 320.21 | 0.88 |
| Machine hire and Outside services | 200.31 | 0.55 | 190.71 | 0.52 | 194.27 | 0.53 |
| Rent - Land and other | 103.32 | 0.28 | 110.03 | 0.30 | 107.54 | 0.29 |
| Repairs and maintenance | 91.91 | 0.25 | 85.60 | 0.23 | 87.94 | 0.24 |
| Supplies | 70.72 | 0.19 | 80.90 | 0.22 | 77.12 | 0.21 |
| Taxes - Payroll and other | 64.23 | 0.18 | 58.34 | 0.16 | 60.53 | 0.17 |
| Utilities | 75.57 | 0.21 | 54.29 | 0.15 | 62.19 | 0.17 |
| Veterinary | 85.16 | 0.23 | 144.36 | 0.40 | 122.37 | 0.34 |
| Other expenses | 68.66 | 0.19 | 153.29 | 0.42 | 121.85 | 0.33 |
| Allocation to raised animals and growing crops | <u>-</u> | <u>-</u> | <u>(279.62)</u> | <u>(0.77)</u> | <u>(175.74)</u> | <u>(0.48)</u> |
| Total Operating Expenses | <u>2,839.45</u> | <u>7.78</u> | <u>2,752.39</u> | <u>7.54</u> | <u>2,784.73</u> | <u>7.63</u> |
| Income (Loss) Before Depreciation | 53.30 | 0.15 | (152.14) | (0.42) | (75.82) | (0.21) |
| Depreciation expense | <u>199.97</u> | <u>0.55</u> | <u>321.69</u> | <u>0.88</u> | <u>276.47</u> | <u>0.76</u> |
| Income (Loss) from Operations | <u>\$ (146.67)</u> | <u>\$ (0.40)</u> | <u>\$ (473.83)</u> | <u>\$ (1.30)</u> | <u>\$ (352.29)</u> | <u>\$ (0.97)</u> |

COMPARATIVE DAIRY FARM INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006
TURLOCK AND HILMAR AREA VERSUS
YOUR *HOLSTEIN* DAIRY

(Based on Average Number of *Total Cows*)

| Average # of Total Cows = _____ | YOUR <i>HOLSTEIN</i> DAIRY | | | LOCAL HOLSTEIN INDUSTRY | | DIFFERENCE | |
|--|----------------------------|----------|---------|-------------------------|------------------|------------|---------|
| | AMOUNT | PER HEAD | PER DAY | PER HEAD | PER DAY | PER HEAD | PER DAY |
| Milk income | | | | \$ 2,531.38 | \$ 6.94 | | |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | | | | 201.37 | 0.55 | | |
| Gain (Loss) on Sale of Livestock | | | | 160.00 | 0.44 | | |
| Total Income | | | | 2,892.75 | 7.93 | | |
| Assessments | | | | 85.88 | 0.24 | | |
| Breeding and testing | | | | 27.47 | 0.08 | | |
| Feed | | | | 1,260.24 | 3.45 | | |
| Fertilizers and chemicals | | | | 33.91 | 0.09 | | |
| Fuel | | | | 75.13 | 0.21 | | |
| Heifer raising | | | | 17.60 | 0.05 | | |
| Insurance | | | | 95.49 | 0.26 | | |
| Interest | | | | 160.91 | 0.44 | | |
| Labor | | | | 322.95 | 0.88 | | |
| Machine hire and Outside services | | | | 200.31 | 0.55 | | |
| Rent - Land and other | | | | 103.32 | 0.28 | | |
| Repairs and maintenance | | | | 91.91 | 0.25 | | |
| Supplies | | | | 70.72 | 0.19 | | |
| Taxes - Payroll and other | | | | 64.23 | 0.18 | | |
| Utilities | | | | 75.57 | 0.21 | | |
| Veterinary | | | | 85.16 | 0.23 | | |
| Other expenses | | | | 68.66 | 0.19 | | |
| Allocation to raised animals and growing crops | | | | - | - | | |
| Total Operating Expenses | | | | 2,839.45 | 7.78 | | |
| Income (Loss) Before Depreciation | | | | 53.30 | 0.15 | | |
| Depreciation expense | | | | 199.97 | 0.55 | | |
| Income (Loss) from Operations | | | | \$ (146.67) | \$ (0.40) | | |

COMPARATIVE DAIRY FARM INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006
TURLOCK AND HILMAR AREA VERSUS
YOUR *JERSEY* DAIRY

(Based on Average Number of *Total Cows*)

| Average # of Total Cows = _____ | <u>YOUR <i>JERSEY</i> DAIRY</u> | | | <u>LOCAL JERSEY INDUSTRY</u> | | <u>DIFFERENCE</u> | |
|--|---------------------------------|-----------------|----------------|------------------------------|------------------|-------------------|----------------|
| | <u>AMOUNT</u> | <u>PER HEAD</u> | <u>PER DAY</u> | <u>PER HEAD</u> | <u>PER DAY</u> | <u>PER HEAD</u> | <u>PER DAY</u> |
| Milk income | | | | \$ 2,401.90 | \$ 6.58 | | |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | | | | 160.05 | 0.44 | | |
| Gain (Loss) on Sale of Livestock | | | | 38.30 | 0.10 | | |
| Total Income | | | | 2,600.25 | 7.12 | | |
| Assessments | | | | 66.41 | 0.18 | | |
| Breeding and testing | | | | 39.94 | 0.11 | | |
| Feed | | | | 1,199.96 | 3.29 | | |
| Fertilizers and chemicals | | | | 19.86 | 0.05 | | |
| Fuel | | | | 45.77 | 0.13 | | |
| Heifer raising | | | | 209.80 | 0.57 | | |
| Insurance | | | | 91.93 | 0.25 | | |
| Interest | | | | 162.23 | 0.44 | | |
| Labor | | | | 318.59 | 0.87 | | |
| Machine hire and Outside services | | | | 190.71 | 0.52 | | |
| Rent - Land and other | | | | 110.03 | 0.30 | | |
| Repairs and maintenance | | | | 85.60 | 0.23 | | |
| Supplies | | | | 80.90 | 0.22 | | |
| Taxes - Payroll and other | | | | 58.34 | 0.16 | | |
| Utilities | | | | 54.29 | 0.15 | | |
| Veterinary | | | | 144.36 | 0.40 | | |
| Other expenses | | | | 153.29 | 0.42 | | |
| Allocation to raised animals and growing crops | | | | (279.62) | (0.77) | | |
| Total Operating Expenses | | | | 2,752.39 | 7.54 | | |
| Income (Loss) Before Depreciation | | | | (152.14) | (0.42) | | |
| Depreciation expense | | | | 321.69 | 0.88 | | |
| Income (Loss) from Operations | | | | \$ (473.83) | \$ (1.30) | | |

TURLOCK AND HILMAR AREA DAIRY FARM INCOME AND EXPENSES
LONG-TERM TREND ANALYSIS - 2002-2006
FOR HOLSTEIN AND JERSEY HERDS
(Based on Simple Annual Averages - Number of Total Cows)

| | <u>2006</u> | | <u>2005</u> | | <u>2004</u> | | <u>2003</u> | | <u>2002</u> | |
|--|------------------------|----------------------|---------------------|--------------------|----------------------|--------------------|-----------------------|----------------------|------------------------|----------------------|
| | <u>PER COW</u> | <u>PER DAY</u> | <u>PER COW</u> | <u>PER DAY</u> | <u>PER COW</u> | <u>PER DAY</u> | <u>PER COW</u> | <u>PER DAY</u> | <u>PER COW</u> | <u>PER DAY</u> |
| Milk income | \$ 2,450.00 | \$ 6.71 | \$ 2,986.04 | \$ 8.18 | \$ 3,008.62 | \$ 8.24 | \$ 2,356.74 | \$ 6.46 | \$ 2,327.67 | \$ 6.38 |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | 175.40 | 0.48 | 173.39 | 0.48 | 143.87 | 0.39 | 148.96 | 0.41 | 173.28 | 0.47 |
| Gain (Loss) on Sale of Livestock | <u>83.51</u> | <u>0.23</u> | <u>94.07</u> | <u>0.26</u> | <u>76.59</u> | <u>0.21</u> | <u>87.59</u> | <u>0.24</u> | <u>101.58</u> | <u>0.28</u> |
| Total Income | 2,708.91 | 7.42 | 3,253.51 | 8.91 | 3,229.08 | 8.85 | 2,593.29 | 7.10 | 2,602.57 | 7.13 |
| Assessments | 73.64 | 0.20 | 81.76 | 0.22 | 84.84 | 0.23 | 68.38 | 0.19 | 64.33 | 0.18 |
| Breeding and testing | 35.31 | 0.10 | 44.92 | 0.12 | 40.29 | 0.11 | 37.60 | 0.10 | 38.23 | 0.10 |
| Feed | 1,222.35 | 3.35 | 1,324.22 | 3.63 | 1,225.64 | 3.36 | 1,024.35 | 2.81 | 1,053.88 | 2.89 |
| Fertilizers and chemicals | 25.08 | 0.07 | 32.05 | 0.09 | 37.89 | 0.10 | 36.35 | 0.10 | 27.91 | 0.08 |
| Fuel | 56.68 | 0.16 | 47.07 | 0.13 | 38.18 | 0.10 | 38.10 | 0.10 | 26.03 | 0.07 |
| Heifer raising | 138.40 | 0.38 | 116.62 | 0.32 | - | - | - | - | - | - |
| Insurance | 93.25 | 0.26 | 111.68 | 0.31 | 112.44 | 0.31 | 106.10 | 0.29 | 92.17 | 0.25 |
| Interest | 161.74 | 0.44 | 99.44 | 0.27 | 88.26 | 0.24 | 77.00 | 0.21 | 77.18 | 0.21 |
| Labor | 320.21 | 0.88 | 328.06 | 0.90 | 323.27 | 0.89 | 317.04 | 0.87 | 323.86 | 0.89 |
| Machine hire and Outside services | 194.27 | 0.53 | 197.75 | 0.54 | 173.25 | 0.47 | 155.85 | 0.43 | 162.44 | 0.45 |
| Rent - Land and other | 107.54 | 0.29 | 154.30 | 0.42 | 161.72 | 0.44 | 146.22 | 0.40 | 126.31 | 0.35 |
| Repairs and maintenance | 87.94 | 0.24 | 104.98 | 0.29 | 89.68 | 0.25 | 71.07 | 0.19 | 80.87 | 0.22 |
| Supplies | 77.12 | 0.21 | 84.79 | 0.23 | 87.59 | 0.24 | 79.68 | 0.22 | 87.86 | 0.24 |
| Taxes - Payroll and other | 60.53 | 0.17 | 62.94 | 0.17 | 63.83 | 0.17 | 55.15 | 0.15 | 52.18 | 0.14 |
| Utilities | 62.19 | 0.17 | 61.24 | 0.17 | 61.02 | 0.17 | 55.23 | 0.15 | 52.93 | 0.15 |
| Veterinary | 122.37 | 0.34 | 127.36 | 0.35 | 106.13 | 0.29 | 112.84 | 0.31 | 108.96 | 0.30 |
| Other expenses | 121.85 | 0.33 | 108.90 | 0.30 | 86.94 | 0.24 | 32.51 | 0.09 | 66.77 | 0.18 |
| Allocation to raised animals and growing crops | <u>(175.74)</u> | <u>(0.48)</u> | <u>(197.51)</u> | <u>(0.54)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Operating Expenses | <u>2,784.73</u> | <u>7.63</u> | <u>2,890.55</u> | <u>7.92</u> | <u>2,780.97</u> | <u>7.62</u> | <u>2,413.47</u> | <u>6.61</u> | <u>2,441.91</u> | <u>6.69</u> |
| Income (Loss) Before Depreciation | (75.82) | (0.21) | 362.95 | 0.99 | 448.11 | 1.23 | 179.82 | 0.49 | 160.61 | 0.44 |
| Depreciation expense | <u>276.47</u> | <u>0.76</u> | <u>292.70</u> | <u>0.80</u> | <u>339.20</u> | <u>0.93</u> | <u>263.86</u> | <u>0.72</u> | <u>283.71</u> | <u>0.78</u> |
| Income (Loss) from Operations | <u>\$ (352.29)</u> | <u>\$ (0.97)</u> | <u>\$ 70.25</u> | <u>\$ 0.19</u> | <u>\$ 108.91</u> | <u>\$ 0.30</u> | <u>\$ (84.03)</u> | <u>\$ (0.23)</u> | <u>\$ (123.10)</u> | <u>\$ (0.34)</u> |

TURLOCK AND HILMAR AREA DAIRY FARM INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006
FOR HOLSTEIN AND JERSEY HERDS

(Based on Average Number of Milk Cows)

| | <u>HOLSTEINS</u> | | <u>JERSEYS</u> | | <u>SIMPLE AVERAGE</u> | |
|---|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|
| | <u>PER COW</u> | <u>PER DAY</u> | <u>PER COW</u> | <u>PER DAY</u> | <u>PER COW</u> | <u>PER DAY</u> |
| Milk income | \$ 2,950.08 | \$ 8.08 | \$ 2,858.45 | \$ 7.83 | \$ 2,892.94 | \$ 7.93 |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | 234.68 | 0.64 | 190.47 | 0.52 | 207.11 | 0.57 |
| Gain (Loss) on Sale of Livestock | <u>186.47</u> | <u>0.51</u> | <u>45.58</u> | <u>0.12</u> | <u>98.61</u> | <u>0.27</u> |
| Total Income | 3,371.22 | 9.24 | 3,094.51 | 8.48 | 3,198.66 | 8.76 |
| Assessments | 100.09 | 0.27 | 79.04 | 0.22 | 86.96 | 0.24 |
| Breeding and testing | 32.02 | 0.09 | 47.53 | 0.13 | 41.69 | 0.11 |
| Feed | 1,468.68 | 4.02 | 1,428.05 | 3.91 | 1,443.34 | 3.95 |
| Fertilizers and chemicals | 39.52 | 0.11 | 23.64 | 0.06 | 29.62 | 0.08 |
| Fuel | 87.56 | 0.24 | 54.47 | 0.15 | 66.93 | 0.18 |
| Heifer raising | 20.51 | 0.06 | 249.68 | 0.68 | 163.42 | 0.45 |
| Insurance | 111.28 | 0.30 | 109.41 | 0.30 | 110.11 | 0.30 |
| Interest | 187.52 | 0.51 | 193.06 | 0.53 | 190.98 | 0.52 |
| Labor | 376.36 | 1.03 | 379.15 | 1.04 | 378.10 | 1.04 |
| Machine hire and Outside services | 233.44 | 0.64 | 226.96 | 0.62 | 229.40 | 0.63 |
| Rent - Land and other | 120.41 | 0.33 | 130.95 | 0.36 | 126.98 | 0.35 |
| Repairs and maintenance | 107.11 | 0.29 | 101.87 | 0.28 | 103.84 | 0.28 |
| Supplies | 82.42 | 0.23 | 96.28 | 0.26 | 91.06 | 0.25 |
| Taxes - Payroll and other | 74.85 | 0.21 | 69.43 | 0.19 | 71.47 | 0.20 |
| Utilities | 88.07 | 0.24 | 64.61 | 0.18 | 73.44 | 0.20 |
| Veterinary | 99.25 | 0.27 | 171.80 | 0.47 | 144.50 | 0.40 |
| Other expenses | 80.02 | 0.22 | 182.42 | 0.50 | 143.88 | 0.39 |
| Allocation to raised animals and growing crops | <u>-</u> | <u>-</u> | <u>(332.77)</u> | <u>(0.91)</u> | <u>(207.52)</u> | <u>(0.57)</u> |
| Total Operating Expenses | <u>3,309.11</u> | <u>9.07</u> | <u>3,275.56</u> | <u>8.97</u> | <u>3,288.19</u> | <u>9.01</u> |
| Income (Loss) Before Depreciation | 62.12 | 0.17 | (181.06) | (0.50) | (89.53) | (0.25) |
| Depreciation expense | <u>233.05</u> | <u>0.64</u> | <u>382.84</u> | <u>1.05</u> | <u>326.46</u> | <u>0.89</u> |
| Income (Loss) from Operations | <u>\$ (170.93)</u> | <u>\$ (0.47)</u> | <u>\$ (563.89)</u> | <u>\$ (1.54)</u> | <u>\$ (415.99)</u> | <u>\$ (1.14)</u> |

COMPARATIVE DAIRY FARM INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006
TURLOCK AND HILMAR AREA VERSUS
YOUR *HOLSTEIN* DAIRY

(Based on Average Number of *Milk Cows*)

| Average # of Milk Cows = _____ | <u>YOUR <i>HOLSTEIN</i> DAIRY</u> | | | <u>LOCAL HOLSTEIN INDUSTRY</u> | | <u>DIFFERENCE</u> | |
|--|-----------------------------------|-----------------|----------------|--------------------------------|------------------|-------------------|----------------|
| | <u>AMOUNT</u> | <u>PER HEAD</u> | <u>PER DAY</u> | <u>PER HEAD</u> | <u>PER DAY</u> | <u>PER HEAD</u> | <u>PER DAY</u> |
| Milk income | | | | \$ 2,950.08 | \$ 8.08 | | |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | | | | 234.68 | 0.64 | | |
| Gain (Loss) on Sale of Livestock | | | | 186.47 | 0.51 | | |
| Total Income | | | | 3,371.22 | 9.24 | | |
| Assessments | | | | 100.09 | 0.27 | | |
| Breeding and testing | | | | 32.02 | 0.09 | | |
| Feed | | | | 1,468.68 | 4.02 | | |
| Fertilizers and chemicals | | | | 39.52 | 0.11 | | |
| Fuel | | | | 87.56 | 0.24 | | |
| Heifer raising | | | | 20.51 | 0.06 | | |
| Insurance | | | | 111.28 | 0.30 | | |
| Interest | | | | 187.52 | 0.51 | | |
| Labor | | | | 376.36 | 1.03 | | |
| Machine hire and Outside services | | | | 233.44 | 0.64 | | |
| Rent - Land and other | | | | 120.41 | 0.33 | | |
| Repairs and maintenance | | | | 107.11 | 0.29 | | |
| Supplies | | | | 82.42 | 0.23 | | |
| Taxes - Payroll and other | | | | 74.85 | 0.21 | | |
| Utilities | | | | 88.07 | 0.24 | | |
| Veterinary | | | | 99.25 | 0.27 | | |
| Other expenses | | | | 80.02 | 0.22 | | |
| Allocation to raised animals and growing crops | | | | - | - | | |
| Total Operating Expenses | | | | 3,309.11 | 9.07 | | |
| Income (Loss) Before Depreciation | | | | 62.12 | 0.17 | | |
| Depreciation expense | | | | 233.05 | 0.64 | | |
| Income (Loss) from Operations | | | | \$ (170.93) | \$ (0.47) | | |

COMPARATIVE DAIRY FARM INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006
TURLOCK AND HILMAR AREA VERSUS
YOUR JERSEY DAIRY

(Based on Average Number of *Milk Cows*)

| Average # of Milk Cows = _____ | <u>YOUR JERSEY DAIRY</u> | | | <u>LOCAL JERSEY INDUSTRY</u> | | <u>DIFFERENCE</u> | |
|--|--------------------------|-----------------|----------------|------------------------------|------------------|-------------------|----------------|
| | <u>AMOUNT</u> | <u>PER HEAD</u> | <u>PER DAY</u> | <u>PER HEAD</u> | <u>PER DAY</u> | <u>PER HEAD</u> | <u>PER DAY</u> |
| Milk income | | | | \$ 2,858.45 | \$ 7.83 | | |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | | | | 190.47 | 0.52 | | |
| Gain (Loss) on Sale of Livestock | | | | 45.58 | 0.12 | | |
| Total Income | | | | 3,094.51 | 8.48 | | |
| Assessments | | | | 79.04 | 0.22 | | |
| Breeding and testing | | | | 47.53 | 0.13 | | |
| Feed | | | | 1,428.05 | 3.91 | | |
| Fertilizers and chemicals | | | | 23.64 | 0.06 | | |
| Fuel | | | | 54.47 | 0.15 | | |
| Heifer raising | | | | 249.68 | 0.68 | | |
| Insurance | | | | 109.41 | 0.30 | | |
| Interest | | | | 193.06 | 0.53 | | |
| Labor | | | | 379.15 | 1.04 | | |
| Machine hire and Outside services | | | | 226.96 | 0.62 | | |
| Rent - Land and other | | | | 130.95 | 0.36 | | |
| Repairs and maintenance | | | | 101.87 | 0.28 | | |
| Supplies | | | | 96.28 | 0.26 | | |
| Taxes - Payroll and other | | | | 69.43 | 0.19 | | |
| Utilities | | | | 64.61 | 0.18 | | |
| Veterinary | | | | 171.80 | 0.47 | | |
| Other expenses | | | | 182.42 | 0.50 | | |
| Allocation to raised animals and growing crops | | | | (332.77) | (0.91) | | |
| Total Operating Expenses | | | | 3,275.56 | 8.97 | | |
| Income (Loss) Before Depreciation | | | | (181.06) | (0.50) | | |
| Depreciation expense | | | | 382.84 | 1.05 | | |
| Income (Loss) from Operations | | | | \$ (563.89) | \$ (1.54) | | |

TURLOCK AND HILMAR AREA DAIRY FARM INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006
FOR HOLSTEIN AND JERSEY HERDS

(Based on Simple Annual Averages - Percentage of *Total Income*)

| | <u>HOLSTEINS</u> | <u>JERSEYS</u> | <u>SIMPLE AVERAGE</u> |
|--|-------------------|--------------------|---------------------------|
| Milk income | 87.51% | 92.37% | 90.44% |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | 6.96% | 6.16% | 6.47% |
| Gain (Loss) on Sale of Livestock | <u>5.53%</u> | <u>1.47%</u> | <u>3.08%</u> |
| Total Income | 100.00% | 100.00% | 100.00% |
| Assessments | 2.97% | 2.55% | 2.72% |
| Breeding and testing | 0.95% | 1.54% | 1.30% |
| Feed | 43.57% | 46.15% | 45.12% |
| Fertilizers and chemicals | 1.17% | 0.76% | 0.93% |
| Fuel | 2.60% | 1.76% | 2.09% |
| Heifer raising | 0.61% | 8.07% | 5.11% |
| Insurance | 3.30% | 3.54% | 3.44% |
| Interest | 5.56% | 6.24% | 5.97% |
| Labor | 11.16% | 12.25% | 11.82% |
| Machine hire and Outside services | 6.92% | 7.33% | 7.17% |
| Rent - Land and other | 3.57% | 4.23% | 3.97% |
| Repairs and maintenance | 3.18% | 3.29% | 3.25% |
| Supplies | 2.44% | 3.11% | 2.85% |
| Taxes - Payroll and other | 2.22% | 2.24% | 2.23% |
| Utilities | 2.61% | 2.09% | 2.30% |
| Veterinary | 2.94% | 5.55% | 4.52% |
| Other expenses | 2.37% | 5.90% | 4.50% |
| Allocation to raised animals and growing crops | <u>0.00%</u> | <u>-10.75%</u> | <u>-6.49%</u> |
| Total Operating Expenses | <u>98.16%</u> | <u>105.85%</u> | <u>102.80%</u> |
| Income (Loss) Before Depreciation | 1.84% | -5.85% | -2.80% |
| Depreciation expense | <u>6.91%</u> | <u>12.37%</u> | <u>10.21%</u> |
| Income (Loss) from Operations | <u>-5.07%</u> | <u>-18.22%</u> | <u>-13.00%</u> |

COMPARATIVE DAIRY FARM INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006
TURLOCK AND HILMAR AREA VERSUS
YOUR *HOLSTEIN* DAIRY

(Based on Simple Annual Average Amounts - Percentage of *Total Income*)

| | <u>YOUR <i>HOLSTEIN</i> DAIRY</u> | | <u>LOCAL HOLSTEIN</u> | <u>DIFFERENCE</u> |
|--|-----------------------------------|-----------------|--------------------------|-------------------|
| | <u>AMOUNT</u> | <u>PER CENT</u> | <u>INDUSTRY PER CENT</u> | <u>PER CENT</u> |
| Milk income | | | 87.51% | |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | | | 6.96% | |
| Gain (Loss) on Sale of Livestock | | | <u>5.53%</u> | |
| Total Income | | 100.00% | 100.00% | 0.00% |
| Assessments | | | 2.97% | |
| Breeding and testing | | | 0.95% | |
| Feed | | | 43.57% | |
| Fertilizers and chemicals | | | 1.17% | |
| Fuel | | | 2.60% | |
| Heifer raising | | | 0.61% | |
| Insurance | | | 3.30% | |
| Interest | | | 5.56% | |
| Labor | | | 11.16% | |
| Machine hire and Outside services | | | 6.92% | |
| Rent - Land and other | | | 3.57% | |
| Repairs and maintenance | | | 3.18% | |
| Supplies | | | 2.44% | |
| Taxes - Payroll and other | | | 2.22% | |
| Utilities | | | 2.61% | |
| Veterinary | | | 2.94% | |
| Other expenses | | | 2.37% | |
| Allocation to raised animals and growing crops | | | <u>0.00%</u> | |
| Total Operating Expenses | | | <u>98.16%</u> | |
| Income (Loss) Before Depreciation | | | 1.84% | |
| Depreciation expense | | | <u>6.91%</u> | |
| Income (Loss) from Operations | | | <u><u>-5.07%</u></u> | |

COMPARATIVE DAIRY FARM INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006
TURLOCK AND HILMAR AREA VERSUS
YOUR *JERSEY* DAIRY

(Based on Simple Annual Average Amounts - Percentage of *Total Income*)

| | <u>YOUR <i>JERSEY</i> DAIRY</u> | | <u>LOCAL JERSEY</u> | <u>DIFFERENCE</u> |
|--|---------------------------------|-----------------|--------------------------|-------------------|
| | <u>AMOUNT</u> | <u>PER CENT</u> | <u>INDUSTRY PER CENT</u> | <u>PER CENT</u> |
| Milk income | | | 92.37% | |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | | | 6.16% | |
| Gain (Loss) on Sale of Livestock | | | 1.47% | |
| Total Income | | 100.00% | 100.00% | 0.00% |
| Assessments | | | 2.55% | |
| Breeding and testing | | | 1.54% | |
| Feed | | | 46.15% | |
| Fertilizers and chemicals | | | 0.76% | |
| Fuel | | | 1.76% | |
| Heifer raising | | | 8.07% | |
| Insurance | | | 3.54% | |
| Interest | | | 6.24% | |
| Labor | | | 12.25% | |
| Machine hire and Outside services | | | 7.33% | |
| Rent - Land and other | | | 4.23% | |
| Repairs and maintenance | | | 3.29% | |
| Supplies | | | 3.11% | |
| Taxes - Payroll and other | | | 2.24% | |
| Utilities | | | 2.09% | |
| Veterinary | | | 5.55% | |
| Other expenses | | | 5.90% | |
| Allocation to raised animals and growing crops | | | -10.75% | |
| Total Operating Expenses | | | 105.85% | |
| Income (Loss) Before Depreciation | | | -5.85% | |
| Depreciation expense | | | 12.37% | |
| Income (Loss) from Operations | | | -18.22% | |

TURLOCK AND HILMAR AREA DAIRY FARM INCOME AND EXPENSES
LONG-TERM TREND ANALYSIS - 1996-2006
FOR HOLSTEIN AND JERSEY HERDS

(Based on Simple Annual Averages - Percentage of Total Income)

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> | <u>1996</u> |
|--|----------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Milk income | 90.44% | 91.78% | 93.17% | 90.88% | 89.44% | 90.96% | 89.05% | 87.45% | 90.20% | 89.94% | 91.66% |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | 6.47% | 5.33% | 4.46% | 5.74% | 6.66% | 5.30% | 6.62% | 9.93% | 4.81% | 6.73% | 5.70% |
| Gain (Loss) on Sale of Livestock | <u>3.08%</u> | <u>2.89%</u> | <u>2.37%</u> | <u>338.00%</u> | <u>3.90%</u> | <u>3.74%</u> | <u>4.34%</u> | <u>2.62%</u> | <u>4.99%</u> | <u>3.33%</u> | <u>2.64%</u> |
| Total Income | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Assessments | 2.72% | 2.51% | 2.63% | 2.64% | 2.47% | 2.01% | 2.28% | 1.67% | 1.85% | 2.30% | 2.14% |
| Breeding and testing | 1.30% | 1.38% | 1.25% | 1.45% | 1.47% | 1.42% | 1.41% | 1.08% | 1.29% | 1.20% | 1.27% |
| Feed | 45.12% | 40.70% | 37.96% | 39.50% | 40.49% | 40.35% | 42.58% | 43.04% | 48.46% | 49.86% | 51.19% |
| Fertilizers and chemicals | 0.93% | 0.99% | 1.17% | 1.40% | 1.07% | 1.27% | 1.38% | 1.25% | 1.38% | 1.48% | 1.38% |
| Fuel | 2.09% | 1.45% | 1.18% | 1.47% | 1.00% | 1.09% | 1.24% | 0.96% | 0.85% | 1.13% | 1.07% |
| Heifer raising | 5.11% | 3.58% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Insurance | 3.44% | 3.43% | 3.48% | 4.09% | 3.54% | 2.59% | 2.41% | 2.38% | 1.96% | 2.37% | 1.93% |
| Interest | 5.97% | 3.06% | 2.73% | 2.97% | 2.97% | 3.64% | 4.79% | 3.83% | 4.68% | 5.61% | 5.26% |
| Labor | 11.82% | 10.08% | 10.01% | 12.23% | 12.44% | 10.25% | 11.50% | 9.65% | 9.05% | 10.42% | 8.66% |
| Machine hire and Outside services | 7.17% | 6.08% | 5.37% | 6.01% | 6.24% | 5.58% | 5.77% | 5.46% | 2.82% | 2.31% | 2.52% |
| Rent - Land and other | 3.97% | 4.74% | 5.01% | 5.64% | 4.85% | 3.62% | 4.07% | 4.04% | 3.55% | 3.27% | 3.57% |
| Repairs and maintenance | 3.25% | 3.23% | 2.78% | 2.74% | 3.11% | 3.27% | 3.50% | 4.12% | 3.68% | 3.50% | 2.83% |
| Supplies | 2.85% | 2.61% | 2.71% | 3.07% | 3.38% | 2.90% | 3.30% | 3.18% | 2.59% | 2.88% | 2.61% |
| Taxes - Payroll and other | 2.23% | 1.93% | 1.98% | 2.13% | 2.01% | 2.06% | 2.37% | 1.90% | 1.97% | 1.99% | 1.82% |
| Utilities | 2.30% | 1.88% | 1.89% | 2.13% | 2.03% | 1.85% | 2.02% | 1.78% | 1.71% | 2.17% | 2.25% |
| Veterinary | 4.52% | 3.91% | 3.29% | 4.35% | 4.19% | 3.45% | 2.80% | 2.27% | 3.12% | 2.51% | 2.46% |
| Other expenses | 4.50% | 3.35% | 2.69% | 1.25% | 2.57% | 0.37% | 2.67% | 4.23% | 5.79% | 5.84% | 4.60% |
| Allocation to raised animals and growing crops | <u>-6.49%</u> | <u>-6.07%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> |
| Total Operating Expenses | <u>102.80%</u> | <u>88.84%</u> | <u>86.12%</u> | <u>93.07%</u> | <u>93.83%</u> | <u>85.71%</u> | <u>94.10%</u> | <u>90.85%</u> | <u>94.76%</u> | <u>98.85%</u> | <u>95.56%</u> |
| Income (Loss) Before Depreciation | -2.80% | 11.16% | 13.88% | 6.93% | 6.17% | 14.29% | 5.90% | 9.15% | 5.24% | 1.15% | 4.44% |
| Depreciation expense | <u>10.21%</u> | <u>9.00%</u> | <u>10.50%</u> | <u>10.17%</u> | <u>10.90%</u> | <u>8.43%</u> | <u>6.52%</u> | <u>5.94%</u> | <u>4.93%</u> | <u>5.37%</u> | <u>4.92%</u> |
| Income (Loss) from Operations | <u>-13.00%</u> | <u>2.16%</u> | <u>3.37%</u> | <u>-3.24%</u> | <u>-4.73%</u> | <u>5.86%</u> | <u>-0.62%</u> | <u>3.21%</u> | <u>0.31%</u> | <u>-4.22%</u> | <u>-0.49%</u> |

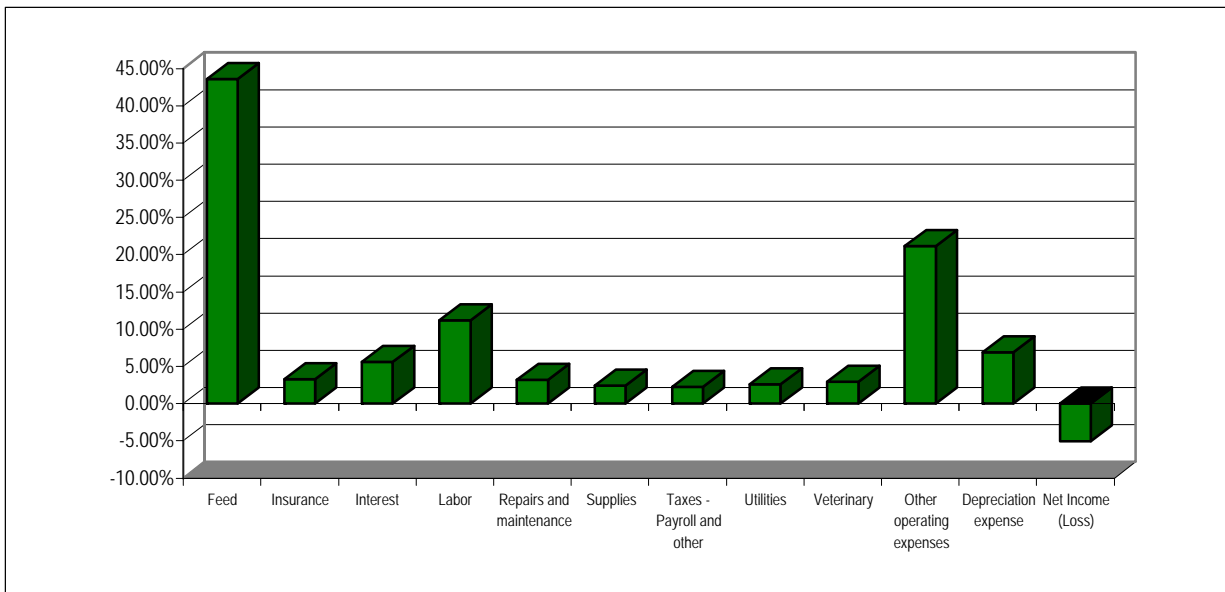
TURLOCK AND HILMAR AREA DAIRY FARM INCOME AND EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2006
FOR HOLSTEIN HERDS ONLY

(Based on Simple Annual Averages - Percentage of Total Income)

CONDENSED INFORMATION:

| | |
|---------------------------------------|------------|
| Total income | 100.00% |
| Feed | 43.57% |
| Insurance | 3.30% |
| Interest | 5.56% |
| Labor | 11.16% |
| Repairs and maintenance | 3.18% |
| Supplies | 2.44% |
| Taxes - Payroll and other | 2.22% |
| Utilities | 2.61% |
| Veterinary | 2.94% |
| Other operating expenses | 21.17% |
| Total Operating Expenses | 98.16% |
| Income (Loss) Before Depreciation | 1.84% |
| Depreciation expense | 6.91% |
| Income (Loss) from Operations | -5.07% |

The following chart is a graphical presentation of the above information:



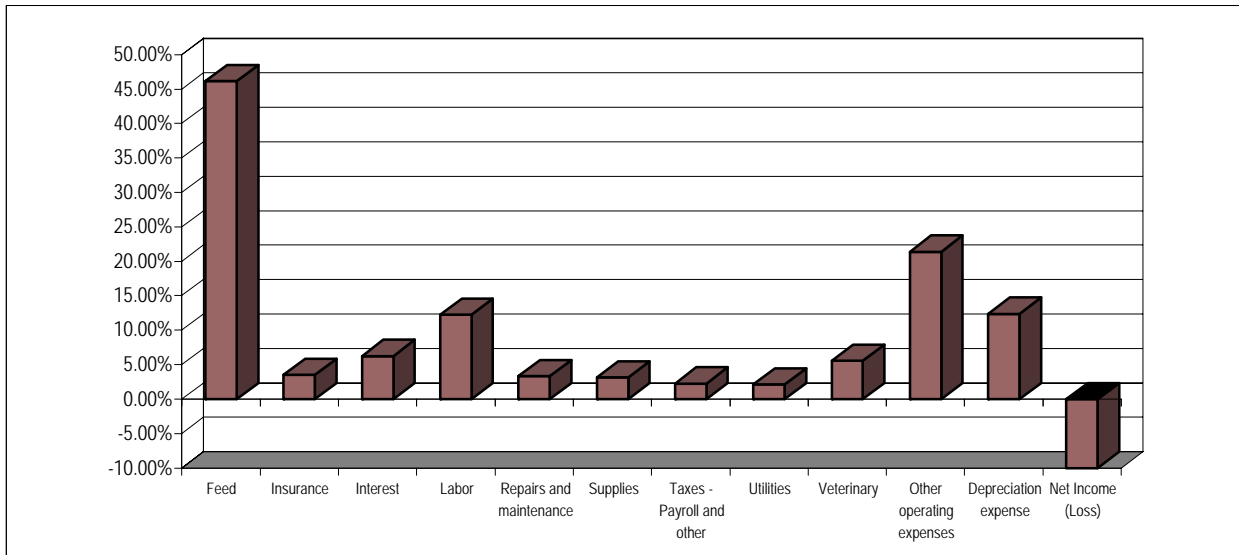
TURLOCK AND HILMAR AREA DAIRY FARM INCOME AND EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2006
FOR JERSEY HERDS ONLY

(Based on Simple Annual Averages - Percentage of Total Income)

CONDENSED INFORMATION:

| | |
|---------------------------------------|-------------|
| Total income | 100.00% |
| Feed | 46.15% |
| Insurance | 3.54% |
| Interest | 6.24% |
| Labor | 12.25% |
| Repairs and maintenance | 3.29% |
| Supplies | 3.11% |
| Taxes - Payroll and other | 2.24% |
| Utilities | 2.09% |
| Veterinary | 5.55% |
| Other operating expenses | 21.39% |
| Total Operating Expenses | 105.85% |
| Income (Loss) Before Depreciation | -5.85% |
| Depreciation expense | 12.37% |
| Income (Loss) from Operations | -18.22% |

The following chart is a graphical presentation of the above information:



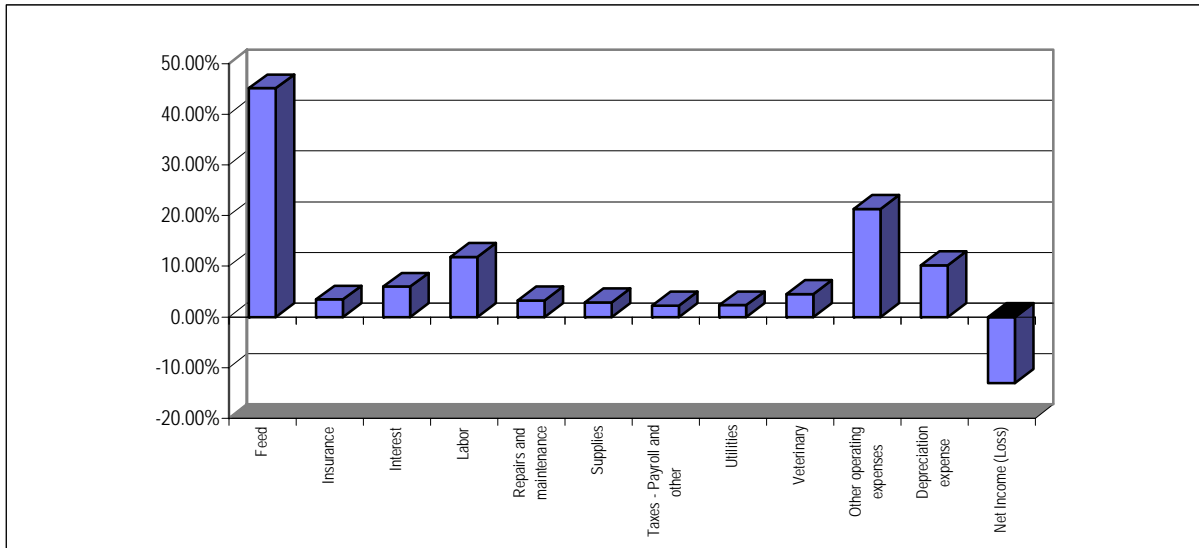
TURLOCK AND HILMAR AREA DAIRY FARM INCOME AND EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2006
FOR HOLSTEIN AND JERSEY HERDS

(Based on Simple Annual Averages - Percentage of Total Income)

CONDENSED INFORMATION:

| | |
|-----------------------------------|-------------|
| Total income | 100.00% |
| Feed | 45.12% |
| Insurance | 3.44% |
| Interest | 5.97% |
| Labor | 11.82% |
| Repairs and maintenance | 3.25% |
| Supplies | 2.85% |
| Taxes - Payroll and other | 2.23% |
| Utilities | 2.30% |
| Veterinary | 4.52% |
| Other operating expenses | 21.30% |
| Total Operating Expenses | 102.80% |
| Income (Loss) Before Depreciation | -2.80% |
| Depreciation expense | 10.21% |
| Income (Loss) from Operations | -13.00% |

The following chart is a graphical presentation of the above information:



TURLOCK AND HILMAR AREA DAIRY FARM INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006
FOR HOLSTEIN AND JERSEY HERDS

(Based on Simple Annual Averages - Percentage of Gross Milk Income)

| | <u>HOLSTEINS</u> | <u>JERSEYS</u> | <u>SIMPLE AVERAGE</u> |
|--|------------------|----------------|---------------------------|
| Milk income | 100.00% | 100.00% | 100.00% |
| Assessments | 3.39% | 2.76% | 3.01% |
| Breeding and testing | 1.09% | 1.66% | 1.44% |
| Feed | 49.78% | 49.96% | 49.89% |
| Fertilizers and chemicals | 1.34% | 0.83% | 1.02% |
| Fuel | 2.97% | 1.91% | 2.31% |
| Heifer raising | 0.70% | 8.73% | 5.65% |
| Insurance | 3.77% | 3.83% | 3.81% |
| Interest | 6.36% | 6.75% | 6.60% |
| Labor | 12.76% | 13.26% | 13.07% |
| Machine hire and Outside services | 7.91% | 7.94% | 7.93% |
| Rent - Land and other | 4.08% | 4.58% | 4.39% |
| Repairs and maintenance | 3.63% | 3.56% | 3.59% |
| Supplies | 2.79% | 3.37% | 3.15% |
| Taxes - Payroll and other | 2.54% | 2.43% | 2.47% |
| Utilities | 2.99% | 2.26% | 2.54% |
| Veterinary | 3.36% | 6.01% | 4.99% |
| Other expenses | 2.71% | 6.38% | 4.97% |
| Allocation to raised animals and growing crops | <u>0.00%</u> | <u>-11.64%</u> | <u>-7.17%</u> |
| Total Operating Expenses | <u>112.17%</u> | <u>114.59%</u> | <u>113.66%</u> |
| Income (Loss) Before Depreciation | -12.17% | -14.59% | -13.66% |
| Depreciation expense | <u>7.90%</u> | <u>13.39%</u> | <u>11.28%</u> |
| Income (Loss) Over Gross Milk Income | -20.07% | -27.99% | -24.95% |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | 7.95% | 6.66% | 7.16% |
| Gain (Loss) on Sale of Livestock | <u>6.32%</u> | <u>1.59%</u> | <u>3.41%</u> |
| Income (Loss) from Operations | <u>-5.79%</u> | <u>-19.73%</u> | <u>-14.38%</u> |

COMPARATIVE DAIRY FARM INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006
TURLOCK AND HILMAR AREA VERSUS
YOUR HOLSTEIN DAIRY

(Based on Simple Annual Average Amounts - Percentage of *Gross Milk Income*)

| | <u>YOUR HOLSTEIN DAIRY</u> | | <u>LOCAL HOLSTEIN</u> | <u>DIFFERENCE</u> |
|--|----------------------------|-----------------|--------------------------|-------------------|
| | <u>AMOUNT</u> | <u>PER CENT</u> | <u>INDUSTRY PER CENT</u> | <u>PER CENT</u> |
| Milk income | | 100.00% | 100.00% | 0.00% |
| Assessments | | | 3.39% | |
| Breeding and testing | | | 1.09% | |
| Feed | | | 49.78% | |
| Fertilizers and chemicals | | | 1.34% | |
| Fuel | | | 2.97% | |
| Heifer raising | | | 0.70% | |
| Insurance | | | 3.77% | |
| Interest | | | 6.36% | |
| Labor | | | 12.76% | |
| Machine hire and Outside services | | | 7.91% | |
| Rent - Land and other | | | 4.08% | |
| Repairs and maintenance | | | 3.63% | |
| Supplies | | | 2.79% | |
| Taxes - Payroll and other | | | 2.54% | |
| Utilities | | | 2.99% | |
| Veterinary | | | 3.36% | |
| Other expenses | | | 2.71% | |
| Allocation to raised animals and growing crops | | | <u>0.00%</u> | |
| Total Operating Expenses | | | <u>112.17%</u> | |
| Income (Loss) Before Depreciation | | | -12.17% | |
| Depreciation expense | | | <u>7.90%</u> | |
| Income (Loss) Over Gross Milk Income | | | -20.07% | |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | | | 7.95% | |
| Gain (Loss) on Sale of Livestock | | | <u>6.32%</u> | |
| Income (Loss) from Operations | | | <u>-5.79%</u> | |

COMPARATIVE DAIRY FARM INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006
TURLOCK AND HILMAR AREA VERSUS
YOUR *JERSEY* DAIRY

(Based on Simple Annual Average Amounts - Percentage of *Gross Milk Income*)

| | <u>YOUR <i>JERSEY</i> DAIRY</u> | | <u>LOCAL <i>JERSEY</i></u> | <u>DIFFERENCE</u> |
|--|---------------------------------|-----------------|----------------------------|-------------------|
| | <u>AMOUNT</u> | <u>PER CENT</u> | <u>INDUSTRY PER CENT</u> | <u>PER CENT</u> |
| Milk income | | 100.00% | 100.00% | 0.00% |
| Assessments | | | 2.76% | |
| Breeding and testing | | | 1.66% | |
| Feed | | | 49.96% | |
| Fertilizers and chemicals | | | 0.83% | |
| Fuel | | | 1.91% | |
| Heifer raising | | | 8.73% | |
| Insurance | | | 3.83% | |
| Interest | | | 6.75% | |
| Labor | | | 13.26% | |
| Machine hire and Outside services | | | 7.94% | |
| Rent - Land and other | | | 4.58% | |
| Repairs and maintenance | | | 3.56% | |
| Supplies | | | 3.37% | |
| Taxes - Payroll and other | | | 2.43% | |
| Utilities | | | 2.26% | |
| Veterinary | | | 6.01% | |
| Other expenses | | | 6.38% | |
| Allocation to raised animals and growing crops | | | <u>-11.64%</u> | |
| Total Operating Expenses | | | <u>114.59%</u> | |
| Income (Loss) Before Depreciation | | | -14.59% | |
| Depreciation expense | | | <u>13.39%</u> | |
| Income (Loss) Over Gross Milk Income | | | -27.99% | |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | | | 6.66% | |
| Gain (Loss) on Sale of Livestock | | | <u>1.59%</u> | |
| Income (Loss) from Operations | | | <u>-19.73%</u> | |

TURLOCK AND HILMAR AREA DAIRY FARM EXPENSES
LONG-TERM TREND ANALYSIS - 1986-2006

FOR HOLSTEIN AND JERSEY HERDS

(Based on Simple Annual Averages - Percentage of *Gross Milk Income*)

| | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 | 1986 | |
|--|----------------|---------------|---------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Milk income | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | |
| Assessments | 3.01% | 2.74% | 2.82% | 2.90% | 2.76% | 2.21% | 2.56% | 1.91% | 2.05% | 2.56% | 2.33% | 3.36% | 3.30% | 3.56% | 3.75% | 3.58% | 3.00% | 3.06% | 4.20% | 5.45% | 6.68% | |
| Breeding and testing | 1.44% | 1.50% | 1.34% | 1.60% | 1.64% | 1.57% | 1.58% | 1.24% | 1.43% | 1.33% | 1.38% | 1.46% | 1.38% | 1.40% | 1.45% | 1.38% | 1.44% | 1.38% | 1.41% | 1.36% | 1.09% | |
| Feed | 49.89% | 44.35% | 40.74% | 43.46% | 45.28% | 44.36% | 47.82% | 49.22% | 53.72% | 55.44% | 55.86% | 52.64% | 51.26% | 50.53% | 48.42% | 53.11% | 55.43% | 51.98% | 51.98% | 45.54% | 49.31% | |
| Fertilizers and chemicals | 1.02% | 1.07% | 1.26% | 1.54% | 1.20% | 1.40% | 1.55% | 1.43% | 1.53% | 1.65% | 1.50% | 1.31% | 1.57% | 1.75% | 1.65% | 1.27% | 1.99% | 2.13% | 2.20% | 1.97% | 1.78% | |
| Fuel | 2.31% | 1.58% | 1.27% | 1.62% | 1.12% | 1.20% | 1.39% | 1.10% | 0.95% | 1.26% | 1.17% | 1.16% | 1.24% | 1.35% | 1.23% | 1.11% | 1.24% | 1.16% | 1.42% | 0.98% | 1.19% | |
| Heifer raising | 5.65% | 3.91% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| Insurance | 3.81% | 3.74% | 3.74% | 4.50% | 3.96% | 2.85% | 2.71% | 2.73% | 2.18% | 2.64% | 2.11% | 2.74% | 2.87% | 3.77% | 3.32% | 3.56% | 3.16% | 3.07% | 2.86% | 2.18% | 2.14% | |
| Interest | 6.60% | 3.33% | 2.93% | 3.27% | 3.32% | 4.01% | 5.38% | 4.37% | 5.19% | 6.24% | 5.74% | 6.81% | 5.55% | 5.94% | 7.19% | 7.90% | 8.28% | 8.36% | 8.35% | 8.39% | 10.22% | |
| Labor | 13.07% | 10.99% | 10.74% | 13.45% | 13.91% | 11.27% | 12.92% | 11.03% | 10.03% | 11.59% | 9.45% | 10.55% | 9.95% | 11.77% | 10.61% | 11.46% | 10.87% | 10.20% | 11.11% | 8.91% | 9.25% | |
| Machine hire and Outside services | 7.93% | 6.62% | 5.76% | 6.61% | 6.98% | 6.14% | 6.48% | 6.24% | 3.12% | 2.57% | 2.75% | 2.75% | 3.64% | 3.37% | 3.76% | 3.39% | 3.20% | 3.11% | 3.02% | 4.22% | 3.76% | |
| Rent - Land and other | 4.39% | 5.17% | 5.38% | 6.20% | 5.43% | 3.98% | 4.57% | 4.62% | 3.94% | 3.64% | 3.89% | 3.70% | 3.18% | 2.42% | 4.18% | 2.40% | 2.94% | 2.71% | 2.55% | 3.02% | 2.87% | |
| Repairs and maintenance | 3.59% | 3.52% | 2.98% | 3.02% | 3.47% | 3.59% | 3.93% | 4.72% | 4.08% | 3.90% | 3.08% | 3.18% | 3.48% | 4.20% | 4.74% | 3.72% | 4.60% | 4.07% | 4.85% | 3.71% | 3.18% | |
| Supplies | 3.15% | 2.84% | 2.91% | 3.38% | 3.77% | 3.19% | 3.71% | 3.63% | 2.89% | 3.20% | 2.85% | 3.31% | 3.42% | 3.12% | 3.53% | 3.36% | 3.29% | 3.02% | 3.27% | 2.35% | 2.43% | |
| Taxes - Payroll and other | 2.47% | 2.11% | 2.12% | 2.34% | 2.24% | 2.26% | 2.66% | 2.17% | 2.18% | 2.21% | 1.99% | 2.31% | 2.37% | 2.54% | 2.93% | 2.35% | 2.31% | 2.20% | 2.41% | 2.10% | 2.73% | |
| Utilities | 2.54% | 2.05% | 2.03% | 2.34% | 2.27% | 2.03% | 2.27% | 2.03% | 1.89% | 2.41% | 2.45% | 2.94% | 3.38% | 3.48% | 3.26% | 3.14% | 2.54% | 2.47% | 3.05% | 2.60% | 2.42% | |
| Veterinary | 4.99% | 4.27% | 3.53% | 4.79% | 4.68% | 3.79% | 3.15% | 2.59% | 3.46% | 2.79% | 2.69% | 2.60% | 2.43% | 2.20% | 2.18% | 1.96% | 1.93% | 1.74% | 1.87% | 1.61% | 1.48% | |
| Other expenses | 4.97% | 3.65% | 2.89% | 1.38% | 2.87% | 0.40% | 3.00% | 4.84% | 6.42% | 6.49% | 5.02% | 6.00% | 4.49% | 4.20% | 4.41% | 3.52% | 3.30% | 3.27% | 4.29% | ** | ** | |
| Allocation to raised animals and growing crops | <u>-7.17%</u> | <u>-6.61%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> |
| Total Operating Expenses | <u>113.66%</u> | <u>96.80%</u> | <u>92.43%</u> | <u>102.40%</u> | <u>104.90%</u> | <u>94.25%</u> | <u>105.68%</u> | <u>103.88%</u> | <u>105.05%</u> | <u>109.91%</u> | <u>104.26%</u> | <u>106.80%</u> | <u>103.51%</u> | ** | ** | ** | ** | ** | ** | ** | ** | ** |
| Income (Loss) Before Depreciation | -13.66% | 3.20% | 7.57% | -2.40% | -4.90% | 5.75% | -5.68% | -3.88% | -5.05% | -9.91% | -4.26% | -6.80% | -3.51% | ** | ** | ** | ** | ** | ** | ** | ** | ** |
| Depreciation expense | <u>11.28%</u> | <u>9.80%</u> | <u>11.27%</u> | <u>11.20%</u> | <u>12.19%</u> | <u>9.27%</u> | <u>7.32%</u> | <u>6.79%</u> | <u>5.46%</u> | <u>5.97%</u> | <u>5.37%</u> | <u>5.63%</u> | <u>6.51%</u> | <u>6.86%</u> | <u>8.52%</u> | <u>6.50%</u> | <u>7.19%</u> | <u>6.02%</u> | <u>8.32%</u> | <u>9.50%</u> | <u>9.54%</u> | |
| Income (Loss) Over Gross Milk Income | -24.95% | -6.60% | -3.71% | -13.60% | -17.09% | -3.52% | -13.00% | -10.67% | -10.52% | -15.88% | -9.63% | -12.44% | 10.02% | -12.45% | -15.12% | -13.72% | -16.70% | -9.96% | -17.17% | ** | ** | |
| Calves, Co-Op Distributions, Ag Program Payments, and Other Income | 7.16% | 5.81% | 4.78% | 6.32% | 7.44% | 5.82% | 7.43% | 11.36% | 5.33% | 7.48% | 6.22% | 6.42% | 4.89% | ** | ** | ** | ** | ** | ** | ** | ** | ** |
| Gain (Loss) on Sale of Livestock | <u>3.41%</u> | <u>3.15%</u> | <u>2.55%</u> | <u>3.72%</u> | <u>4.36%</u> | <u>4.11%</u> | <u>4.87%</u> | <u>2.99%</u> | <u>5.33%</u> | <u>3.70%</u> | <u>2.89%</u> | <u>4.92%</u> | <u>4.69%</u> | ** | ** | ** | ** | ** | ** | ** | ** | ** |
| Income (Loss) from Operations | <u>-14.38%</u> | <u>2.35%</u> | <u>3.62%</u> | <u>-3.57%</u> | <u>-5.29%</u> | <u>6.41%</u> | <u>-0.70%</u> | <u>3.68%</u> | <u>0.35%</u> | <u>-4.69%</u> | <u>-0.53%</u> | <u>-1.10%</u> | <u>-0.44%</u> | ** | ** | ** | ** | ** | ** | ** | ** | ** |

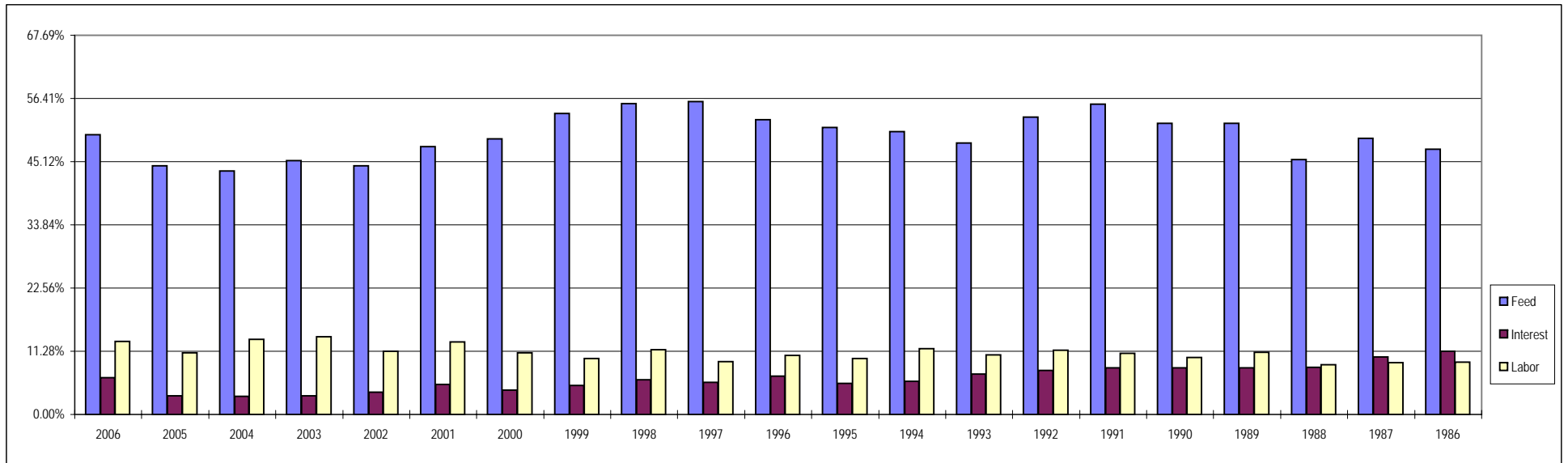
NOTE: The percentages marked by ** were not compiled for the indicated year.

TURLOCK AND HILMAR AREA DAIRY FARM EXPENSES
LONG-TERM TREND ANALYSIS - 1986-2006

FOR HOLSTEIN AND JERSEY HERDS

(Based on Simple Annual Averages - Percentage of Gross Milk Income)

| | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 | 1986 |
|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Feed | 49.89% | 44.35% | 43.46% | 45.28% | 44.36% | 47.82% | 49.22% | 53.72% | 55.44% | 55.86% | 52.64% | 51.26% | 50.53% | 48.42% | 53.11% | 55.43% | 51.98% | 51.98% | 45.54% | 49.31% | 47.33% |
| Interest | 6.60% | 3.33% | 3.27% | 3.32% | 4.01% | 5.38% | 4.37% | 5.19% | 6.24% | 5.74% | 6.81% | 5.55% | 5.94% | 7.19% | 7.90% | 8.28% | 8.36% | 8.35% | 8.39% | 10.22% | 11.31% |
| Labor | 13.07% | 10.99% | 13.45% | 13.91% | 11.27% | 12.92% | 11.03% | 10.03% | 11.59% | 9.45% | 10.55% | 9.95% | 11.77% | 10.61% | 11.46% | 10.87% | 10.20% | 11.11% | 8.91% | 9.25% | 9.35% |



PER HUNDREDWEIGHT (CWT.) POOL PRICES PER MONTH
For the Years Ended December 31, 1996 - 2006

(As announced by Milk Pooling Branch - Department of Food & Agriculture)

QUOTA

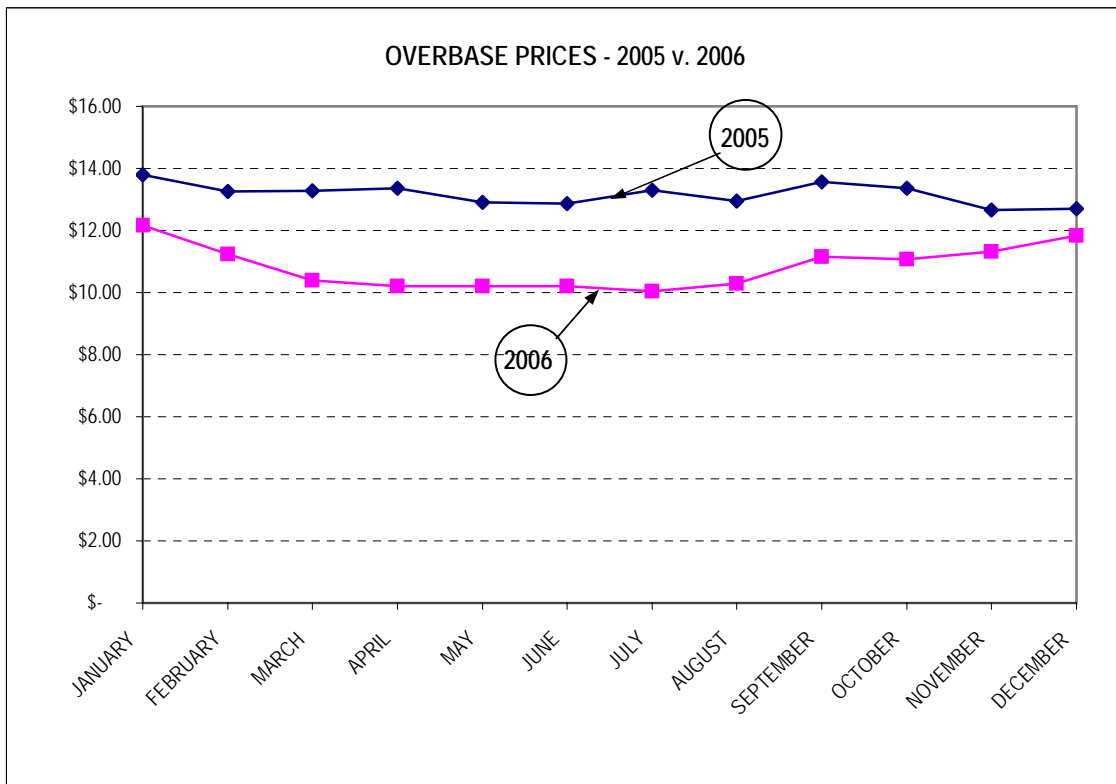
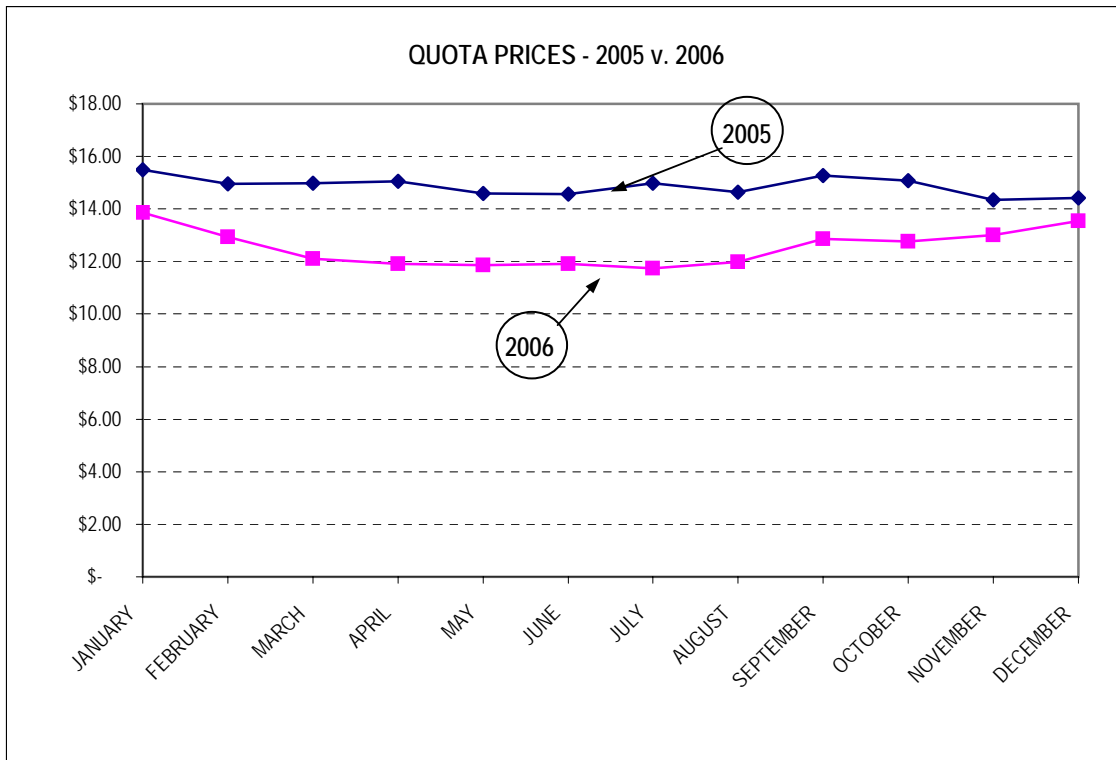
| MONTH | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2005-2006 | 1996-2006 | 1996-2006 |
|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------------|-----------------|-----------|-----------|-----------|
| | | | | | | | | | | | | VAR. | VAR. | AVG |
| JANUARY | \$ 13.49 | \$ 13.94 | \$ 14.12 | \$ 16.46 | \$ 11.75 | \$ 12.73 | \$ 13.18 | \$ 11.40 | \$ 12.71 | \$ 15.50 | \$ 13.87 | \$ (1.63) | \$ 0.38 | \$ 13.56 |
| FEBRUARY | 13.21 | 13.49 | 14.61 | 14.90 | 11.65 | 13.04 | 12.53 | 11.11 | 13.32 | 14.96 | 12.94 | \$ (2.02) | \$ (0.27) | \$ 13.25 |
| MARCH | 13.15 | 13.59 | 14.19 | 14.86 | 11.73 | 13.88 | 12.37 | 10.93 | 15.44 | 14.98 | 12.10 | \$ (2.88) | \$ (1.05) | \$ 13.38 |
| APRIL | 13.29 | 13.30 | 13.99 | 13.26 | 12.06 | 14.65 | 12.41 | 11.02 | 18.23 | 15.06 | 11.90 | \$ (3.16) | \$ (1.39) | \$ 13.56 |
| MAY | 13.87 | 12.74 | 13.91 | 13.11 | 12.24 | 15.70 | 12.06 | 11.05 | 18.69 | 14.60 | 11.87 | \$ (2.73) | \$ (2.00) | \$ 13.62 |
| JUNE | 14.67 | 12.64 | 15.05 | 13.85 | 12.78 | 16.46 | 11.60 | 11.17 | 17.46 | 14.56 | 11.91 | \$ (2.65) | \$ (2.76) | \$ 13.83 |
| JULY | 15.10 | 12.78 | 15.53 | 14.40 | 13.00 | 16.35 | 11.28 | 12.72 | 15.03 | 14.99 | 11.75 | \$ (3.24) | \$ (3.35) | \$ 13.90 |
| AUGUST | 16.49 | 13.56 | 16.84 | 16.14 | 13.02 | 16.70 | 11.48 | 13.96 | 14.74 | 14.65 | 11.99 | \$ (2.66) | \$ (4.50) | \$ 14.51 |
| SEPTEMBER | 16.76 | 13.27 | 17.73 | 15.32 | 13.31 | 16.95 | 11.58 | 14.34 | 15.21 | 15.26 | 12.86 | \$ (2.40) | \$ (3.90) | \$ 14.78 |
| OCTOBER | 16.57 | 14.22 | 18.64 | 14.55 | 12.29 | 14.71 | 11.84 | 14.45 | 14.81 | 15.07 | 12.77 | \$ (2.30) | \$ (3.80) | \$ 14.54 |
| NOVEMBER | 14.42 | 14.40 | 17.85 | 13.81 | 12.69 | 13.67 | 11.44 | 13.56 | 15.74 | 14.35 | 13.01 | \$ (1.34) | \$ (1.41) | \$ 14.09 |
| DECEMBER | 13.78 | 14.54 | 17.64 | 12.16 | 12.98 | 12.93 | 11.48 | 13.09 | 15.74 | 14.41 | 13.54 | \$ (0.87) | \$ (0.24) | \$ 13.84 |
| AVERAGE | \$ 14.57 | \$ 13.54 | \$ 15.84 | \$ 14.40 | \$ 12.46 | \$ 14.81 | \$ 11.94 | \$ 12.40 | \$ 15.59 | \$ 14.87 | \$ 12.54 | \$ (2.32) | \$ (2.02) | \$ 13.91 |

OVERBASE

| MONTH | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2005-2006 | 1996-2006 | 1996-2006 |
|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------------|-----------------|-----------|-----------|-----------|
| | | | | | | | | | | | | VAR. | VAR. | AVG |
| JANUARY | \$ 11.79 | \$ 12.24 | \$ 12.42 | \$ 14.76 | \$ 10.05 | \$ 11.03 | \$ 11.48 | \$ 9.70 | \$ 11.01 | \$ 13.80 | \$ 12.17 | \$ (1.63) | \$ 0.38 | \$ 11.86 |
| FEBRUARY | 11.51 | 11.79 | 12.91 | 13.20 | 9.95 | 11.34 | 10.83 | 9.41 | 11.62 | 13.26 | 11.24 | \$ (2.02) | \$ (0.27) | \$ 11.55 |
| MARCH | 11.45 | 11.89 | 12.49 | 13.16 | 10.03 | 12.18 | 10.67 | 9.23 | 13.74 | 13.28 | 10.40 | \$ (2.88) | \$ (1.05) | \$ 11.68 |
| APRIL | 11.59 | 11.60 | 12.29 | 11.56 | 10.36 | 12.95 | 10.71 | 9.32 | 16.53 | 13.36 | 10.20 | \$ (3.16) | \$ (1.39) | \$ 11.86 |
| MAY | 12.17 | 11.04 | 12.21 | 11.41 | 10.54 | 14.00 | 10.36 | 9.35 | 16.99 | 12.90 | 10.21 | \$ (2.69) | \$ (1.96) | \$ 11.93 |
| JUNE | 12.97 | 10.94 | 13.35 | 12.15 | 11.08 | 14.76 | 9.90 | 9.47 | 15.76 | 12.86 | 10.21 | \$ (2.65) | \$ (2.76) | \$ 12.13 |
| JULY | 13.40 | 11.08 | 13.83 | 12.70 | 11.30 | 14.65 | 9.58 | 11.02 | 13.33 | 13.29 | 10.05 | \$ (3.24) | \$ (3.35) | \$ 12.20 |
| AUGUST | 14.79 | 11.86 | 15.14 | 14.44 | 11.32 | 15.00 | 9.78 | 12.23 | 13.04 | 12.95 | 10.29 | \$ (2.66) | \$ (4.50) | \$ 12.80 |
| SEPTEMBER | 15.06 | 11.57 | 16.03 | 13.62 | 11.61 | 15.25 | 9.88 | 12.64 | 13.51 | 13.56 | 11.16 | \$ (2.40) | \$ (3.90) | \$ 13.08 |
| OCTOBER | 14.87 | 12.52 | 16.94 | 12.85 | 10.59 | 13.01 | 10.14 | 12.75 | 13.11 | 13.37 | 11.07 | \$ (2.30) | \$ (3.80) | \$ 12.84 |
| NOVEMBER | 12.72 | 12.70 | 16.15 | 12.11 | 10.99 | 11.97 | 9.74 | 11.86 | 14.04 | 12.65 | 11.31 | \$ (1.34) | \$ (1.41) | \$ 12.39 |
| DECEMBER | 12.09 | 12.84 | 15.94 | 10.46 | 11.28 | 11.23 | 9.78 | 11.39 | 14.04 | 12.71 | 11.84 | \$ (0.87) | \$ (0.25) | \$ 12.15 |
| AVERAGE | \$ 12.87 | \$ 11.84 | \$ 14.14 | \$ 12.70 | \$ 10.76 | \$ 13.11 | \$ 10.24 | \$ 10.70 | \$ 13.89 | \$ 13.17 | \$ 10.85 | \$ (2.32) | \$ (2.02) | \$ 12.21 |

PER HUNDREDWEIGHT (CWT.) PRICES PER MONTH
For the Years Ended December 31, 2005 v. 2006

(As announced by Milk Pooling Branch - Department of Food & Agriculture)



AVERAGE PER HUNDREDWEIGHT (CWT.) POOL PRICES
For the Years Ended December 31, 1996 - 2006

| YEAR | QUOTA AVERAGE | OVERBASE AVERAGE |
|------|------------------|---------------------|
| 1996 | 14.57 | 12.87 |
| 1997 | 13.54 | 11.84 |
| 1998 | 15.84 | 14.14 |
| 1999 | 14.40 | 12.70 |
| 2000 | 12.46 | 10.76 |
| 2001 | 14.81 | 13.11 |
| 2002 | 11.94 | 10.24 |
| 2003 | 12.40 | 10.70 |
| 2004 | 15.59 | 13.89 |
| 2005 | 14.87 | 13.17 |
| 2006 | 12.54 | 10.85 |

