NIETZKE & FAUPEL, P.C.
September 30, 2018 and 2017 Dairy Averages

	All Dairies Nine Months Ended September 30, 2018	All Dairies Nine Months Ended September 30, 2017
QUANTITY OF MILK IN CWT	**636,250**	**547,491**
AVERAGE NUMBER OF COWS MILKED PER DAY	**2,944**	**2,501**
POUNDS OF MILK PER COW PER DAY	**79**	**80**
NUMBER OF CULL COWS	**962**	**831**
ANNUALIZED HERD TURNOVER RATE	**37.52%**	**38.22%**
AVERAGE COWS ON FARM FOR THE PERIOD	**3,428**	**2,907**
NUMBER OF DAYS IN PERIOD	**273**	**273**
BREAKEVEN MILK PRICE	**$ 15.90**	**$ 15.71**
BREAKEVEN MILK PRODUCTION PER COW PER DAY	**83**	**74**

	Amount	Per CWT Produced	Per Cow Per Day	Amount	Per CWT Produced	Per Cow Per Day
REVENUE FROM OPERATIONS:						
Milk	$ 9,698,312	$ 15.24	$ 10.36	$ 9,302,239	$ 16.99	$ 11.72
Livestock	277,293	0.44	0.30	260,622	0.47	0.33
Cull cows	537,365	0.84	0.57	508,928	0.93	0.64
Other income	272,236	0.43	0.29	183,081	0.33	0.23
TOTAL REVENUE FROM OPERATIONS	10,785,206	16.95	11.52	10,254,870	18.72	12.92
OPERATING COSTS AND EXPENSES:						
Animal health	310,179	0.49	0.33	258,062	0.47	0.33
Bank charges	2,277	-	-	1,647	-	-
Bedding	99,136	0.16	0.11	98,623	0.18	0.12
Breeding expense	66,032	0.10	0.07	59,701	0.11	0.08
Cull cow expense	1,648,764	2.59	1.76	1,502,647	2.74	1.89
Custom hire - waste removal	176,871	0.28	0.19	156,129	0.29	0.20
Depreciation	656,922	1.03	0.70	545,051	1.00	0.69
Feed	4,874,572	7.66	5.21	4,235,069	7.74	5.34
Fuel	133,405	0.21	0.14	88,167	0.16	0.11
Hauling - milk	522,099	0.82	0.56	435,295	0.81	0.55
Insurance	70,077	0.11	0.08	47,705	0.09	0.06
Interest	384,339	0.60	0.41	242,453	0.44	0.31
Labor, benefits and taxes	1,086,383	1.71	1.16	855,766	1.56	1.08
Marketing and promotion	133,956	0.21	0.14	116,103	0.21	0.15
Miscellaneous	15,755	0.02	0.02	11,468	0.02	0.01
Professional fees and DHIA	55,546	0.09	0.06	51,834	0.09	0.07
Repairs and maintenance	302,775	0.48	0.32	259,446	0.47	0.33
Rent	113,557	0.18	0.12	139,137	0.25	0.18
Supplies	283,048	0.45	0.30	212,107	0.39	0.27
Taxes	50,618	0.08	0.05	42,718	0.08	0.05
Utilities	217,904	0.34	0.23	183,450	0.34	0.23
TOTAL OPERATING COSTS AND EXPENSES	11,204,215	17.61	11.96	9,542,578	17.44	12.05
INCOME (LOSS) FROM OPERATIONS	$ (419,009)	$ (0.66)	$ (0.44)	$ 712,292	$ 1.28	$ 0.87

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Nietzke & Faupel, PC
The Dairy Advantage

NIETZKE & FAUPEL, P.C.
September 30, 2018 and 2017 Dairy Averages

	All Dairies Over 1,500 Cows on the Farm Nine Months Ended September 30, 2018			All Dairies Over 1,500 Cows on the Farm Nine Months Ended September 30, 2017		
QUANTITY OF MILK IN CWT		**738,329**			**680,875**	
AVERAGE NUMBER OF COWS MILKED PER DAY		**3,428**			**3,119**	
POUNDS OF MILK PER COW PER DAY		**79**			**80**	
NUMBER OF CULL COWS		**1,123**			**1,046**	
ANNUALIZED HERD TURNOVER RATE		**37.57%**			**38.48%**	
AVERAGE COWS ON FARM FOR THE PERIOD		**3,996**			**3,634**	
NUMBER OF DAYS IN PERIOD		**273**			**273**	
BREAKEVEN MILK PRICE		**$ 15.89**			**$ 15.65**	
BREAKEVEN MILK PRODUCTION PER COW PER DAY		**82**			**74**	
REVENUE FROM OPERATIONS:	**Amount**	**Per CWT Produced**	**Per Cow Per Day**	**Amount**	**Per CWT Produced**	**Per Cow Per Day**
Milk	$ 11,249,115	$ 15.24	$ 10.31	$ 11,510,957	$ 16.91	$ 11.60
Livestock	328,505	0.44	0.30	330,531	0.49	0.33
Cull cows	628,375	0.85	0.58	645,132	0.95	0.65
Other income	318,554	0.43	0.29	238,828	0.35	0.24
TOTAL REVENUE FROM OPERATIONS	12,524,549	16.96	11.48	12,725,448	18.70	12.82
OPERATING COSTS AND EXPENSES:						
Animal health	356,921	0.48	0.33	319,747	0.47	0.32
Bank charges	2,129	-	-	1,899	-	-
Bedding	115,483	0.16	0.11	123,416	0.18	0.12
Breeding expense	75,618	0.10	0.07	73,331	0.11	0.07
Cull cow expense	1,922,922	2.60	1.76	1,898,215	2.79	1.91
Custom hire - waste removal	210,467	0.29	0.19	201,762	0.30	0.20
Depreciation	758,539	1.03	0.70	672,464	0.99	0.68
Feed	5,665,427	7.67	5.19	5,260,174	7.73	5.31
Fuel	156,352	0.21	0.14	109,035	0.16	0.11
Hauling - milk	597,127	0.81	0.55	539,256	0.79	0.54
Insurance	78,526	0.11	0.07	57,474	0.08	0.06
Interest	454,107	0.62	0.42	301,250	0.44	0.30
Labor, benefits and taxes	1,259,381	1.71	1.16	1,059,830	1.56	1.07
Marketing and promotion	155,181	0.21	0.14	146,169	0.21	0.15
Miscellaneous	18,431	0.01	0.02	13,670	0.02	0.01
Professional fees and DHIA	62,281	0.08	0.06	61,852	0.09	0.06
Repairs and maintenance	347,323	0.47	0.32	315,130	0.46	0.32
Rent	131,240	0.18	0.12	175,961	0.26	0.18
Supplies	329,235	0.45	0.30	260,472	0.38	0.26
Taxes	59,193	0.08	0.05	53,574	0.08	0.05
Utilities	249,865	0.34	0.23	223,800	0.34	0.23
TOTAL OPERATING COSTS AND EXPENSES	13,005,748	17.61	11.93	11,868,481	17.44	11.95
INCOME (LOSS) FROM OPERATIONS	$ (481,199)	$ (0.65)	$ (0.45)	$ 856,967	$ 1.26	$ 0.87

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NIETZKE & FAUPEL, P.C.
September 30, 2018 and 2017 Dairy Averages

	All Dairies Under 1,500 Cows on the Farm Nine Months Ended September 30, 2018			All Dairies Under 1,500 Cows on the Farm Nine Months Ended September 30, 2017		
QUANTITY OF MILK IN CWT		**193,909**			**202,917**	
AVERAGE NUMBER OF COWS MILKED PER DAY		**848**			**905**	
POUNDS OF MILK PER COW PER DAY		**84**			**82**	
NUMBER OF CULL COWS		**265**			**275**	
ANNUALIZED HERD TURNOVER RATE		**36.56%**			**35.77%**	
AVERAGE COWS ON FARM FOR THE PERIOD		**969**			**1,028**	
NUMBER OF DAYS IN PERIOD		**273**			**273**	
BREAKEVEN MILK PRICE		**$ 16.13**			**$ 16.07**	
BREAKEVEN MILK PRODUCTION PER COW PER DAY		**88**			**74**	
REVENUE FROM OPERATIONS:	**Amount**	**Per CWT Produced**	**Per Cow Per Day**	**Amount**	**Per CWT Produced**	**Per Cow Per Day**
Milk	$ 2,978,165	$ 15.36	$ 11.26	$ 3,596,384	$ 17.73	$ 12.81
Livestock	55,375	0.29	0.21	80,023	0.39	0.29
Cull cows	142,988	0.74	0.54	157,067	0.77	0.56
Other income	71,528	0.37	0.27	39,067	0.19	0.14
TOTAL REVENUE FROM OPERATIONS	3,248,056	16.76	12.28	3,872,541	19.08	13.80
OPERATING COSTS AND EXPENSES:						
Animal health	107,630	0.55	0.41	98,709	0.49	0.35
Bank charges	2,918	0.01	0.01	996	-	-
Bedding	28,299	0.15	0.11	34,575	0.17	0.12
Breeding expense	24,495	0.13	0.09	24,489	0.12	0.09
Cull cow expense	460,746	2.38	1.74	480,764	2.37	1.71
Custom hire - waste removal	31,289	0.16	0.12	38,243	0.19	0.14
Depreciation	216,581	1.12	0.82	215,902	1.06	0.77
Feed	1,447,532	7.46	5.47	1,586,880	7.82	5.66
Fuel	33,967	0.17	0.13	34,258	0.17	0.12
Hauling - milk	196,979	1.02	0.74	166,730	0.82	0.60
Insurance	33,464	0.17	0.13	22,469	0.11	0.08
Interest	82,012	0.42	0.31	90,560	0.45	0.32
Labor, benefits and taxes	336,725	1.74	1.27	328,602	1.62	1.17
Marketing and promotion	41,983	0.22	0.16	38,431	0.19	0.14
Miscellaneous	4,158	0.02	0.02	5,778	0.03	0.02
Professional fees and DHIA	26,364	0.14	0.10	25,954	0.13	0.09
Repairs and maintenance	109,733	0.57	0.41	115,593	0.57	0.41
Rent	36,933	0.19	0.14	44,007	0.22	0.16
Supplies	82,901	0.43	0.31	87,164	0.43	0.31
Taxes	13,463	0.07	0.05	14,674	0.07	0.05
Utilities	79,407	0.41	0.30	79,212	0.39	0.28
TOTAL OPERATING COSTS AND EXPENSES	3,397,579	17.53	12.84	3,533,990	17.42	12.59
INCOME (LOSS) FROM OPERATIONS	$ (149,523)	$ (0.77)	$ (0.56)	$ 338,551	$ 1.66	$ 1.21

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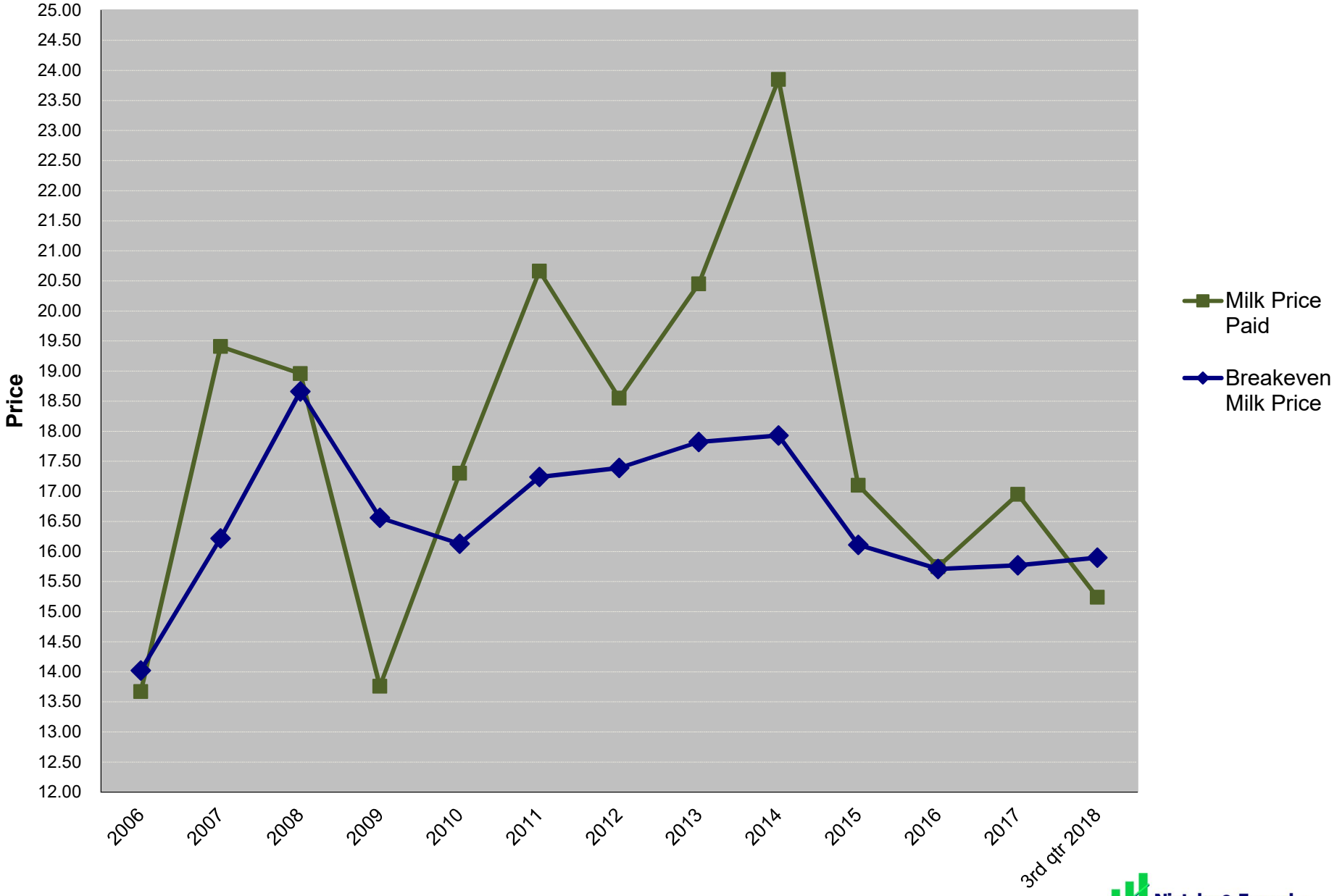
NIETZKE & FAUPEL, P.C.
September 30, 2018 and 2017 Dairy Averages

	Top 30% Net Income Nine Months Ended September 30, 2018			Top 30% Net Income Nine Months Ended September 30, 2017		
QUANTITY OF MILK IN CWT		**534,579**			**995,644**	
AVERAGE NUMBER OF COWS MILKED PER DAY		**2,437**			**4,360**	
POUNDS OF MILK PER COW PER DAY		**80**			**84**	
NUMBER OF CULL COWS		**759**			**1,494**	
ANNUALIZED HERD TURNOVER RATE		**36.15%**			**39.43%**	
AVERAGE COWS ON FARM FOR THE PERIOD		**2,807**			**5,066**	
NUMBER OF DAYS IN PERIOD		**273**			**273**	
BREAKEVEN MILK PRICE		**$ 15.48**			**$ 14.91**	
BREAKEVEN MILK PRODUCTION PER COW PER DAY		**77**			**74**	
REVENUE FROM OPERATIONS:	**Amount**	**Per CWT Produced**	**Per Cow Per Day**	**Amount**	**Per CWT Produced**	**Per Cow Per Day**
Milk	$ 8,683,888	$ 16.24	$ 11.33	$ 16,864,099	$ 16.94	$ 12.19
Livestock	248,527	0.46	0.32	528,592	0.53	0.38
Cull cows	441,636	0.83	0.58	956,196	0.96	0.69
Other income	244,405	0.46	0.32	394,417	0.40	0.29
TOTAL REVENUE FROM OPERATIONS	9,618,456	17.99	12.55	18,743,304	18.83	13.55
OPERATING COSTS AND EXPENSES:						
Animal health	257,486	0.48	0.34	450,468	0.45	0.33
Bank charges	2,630	0.01	-	1,164	-	-
Bedding	79,008	0.15	0.10	182,239	0.18	0.13
Breeding expense	65,155	0.12	0.09	84,265	0.08	0.06
Cull cow expense	1,260,788	2.36	1.65	2,689,816	2.70	1.94
Custom hire - waste removal	102,259	0.19	0.13	249,150	0.25	0.18
Depreciation	643,506	1.20	0.84	944,095	0.95	0.68
Feed	4,045,285	7.57	5.28	7,572,824	7.61	5.48
Fuel	142,269	0.27	0.19	148,614	0.15	0.11
Hauling - milk	379,138	0.71	0.49	852,484	0.86	0.62
Insurance	57,777	0.11	0.08	64,577	0.06	0.05
Interest	276,290	0.52	0.36	325,272	0.33	0.24
Labor, benefits and taxes	924,461	1.73	1.21	1,408,528	1.41	1.02
Marketing and promotion	103,365	0.19	0.13	220,162	0.22	0.16
Miscellaneous	16,165	0.03	0.02	18,610	0.02	0.01
Professional fees and DHIA	39,551	0.07	0.05	71,336	0.07	0.05
Repairs and maintenance	269,748	0.50	0.35	442,209	0.44	0.32
Rent	52,446	0.10	0.07	284,685	0.29	0.21
Supplies	253,619	0.47	0.33	336,928	0.34	0.24
Taxes	67,417	0.13	0.09	83,936	0.08	0.06
Utilities	172,372	0.32	0.22	309,710	0.31	0.22
TOTAL OPERATING COSTS AND EXPENSES	9,210,735	17.23	12.02	16,741,072	16.80	12.11
INCOME (LOSS) FROM OPERATIONS	$ 407,721	$ 0.76	$ 0.53	$ 2,002,232	$ 2.03	$ 1.44

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Breakeven Compared to Average Milk Price
2006 through 2018



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