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Dairy Farm Operating Trends

June 30, 2013

 **FRAZER**, LLP
Certified Public Accountants and Consultants

To Our Valued Clients and Other Friends in the Dairy Industry

The following pages contain the Frazer, LLP's Dairy Farm Operating Trends for the six months ended June 30, 2013.

The data is compiled from dairy operations in Southern California, the San Joaquin Valley, Kern County, Arizona, Idaho, New Mexico, Panhandle, and the Pacific Northwest, which consists of Washington and Oregon operating collectively, with a combined milk production of over 3.3 billion pounds and more than 305,000 head of mature cows for the six months ended June 30, 2013.

This report includes a comparison of the results in the regions listed above for the six months ended June 30, 2013 both on a "per hundredweight of milk" basis and on a "per head" basis. Also included are selected financial ratios and other information for the period.

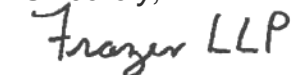
This publication is designed as a reference tool and a management aid for dairy farm managers and advisors. Frazer, LLP believes the information to be reliable, but is not responsible for errors in reported source information.

Our publication continues to be recognized as the top industry source for relevant dairy statistics. This report is provided to and widely utilized by dairy farmers, lending institutions, universities, colleges and other agribusiness industries.

We appreciate all of your past and present support and thank you for your continued reliance on Frazer, LLP. If you have any comments or questions, please contact our Agribusiness partners, Ralph Lizardo, Tim Gulling or Sharon A. Davis at our Brea office at (714) 990-1040 and David Bekedam, Mike Edwards or Bob Matlick at our Visalia office at (559) 732-4135.

For more information regarding our firm, our Agribusiness department and our publication, please visit our website at www.frazerllp.com.

Sincerely,



FRAZER, LLP

Certified Public Accountants and Consultants

November 2013

DAIRY FARM OPERATING TRENDS

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JUNE 30, 2013

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CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE SIX MONTHS ENDED JUNE 30, 2013
(BASED ON AVERAGE AMOUNTS PER HEAD)

	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your June 30, 2013 Amounts
Income:									
Milk sales	\$ 2,238	\$ 2,032	\$ 2,046	\$ 2,227	\$ 2,150	\$ 1,946	\$ 2,089	\$ 2,158	\$
Calves and other	24	25	23	31	46	119	33	22	
Total income	\$ 2,262	\$ 2,057	\$ 2,069	\$ 2,258	\$ 2,196	\$ 2,065	\$ 2,122	\$ 2,180	\$
Cost of operations:									
Feed:									
Grain	\$ 998	\$ 987	\$ 872	\$ 889	\$ 832	\$ 935	\$ 941	\$ 884	\$
Hay and other	448	350	478	635	438	415	417	376	
Total feed	\$ 1,446	\$ 1,337	\$ 1,350	\$ 1,524	\$ 1,270	\$ 1,350	\$ 1,358	\$ 1,260	\$
Labor, (including fringe costs)	\$ 207	\$ 155	\$ 135	\$ 196	\$ 187	\$ 169	\$ 183	\$ 181	\$
Herd replacement costs	\$ 135	\$ 123	\$ 121	\$ 116	\$ 120	\$ 76	\$ 120	\$ 124	\$
Other costs:									
Milk hauling	\$ 48	\$ 39	\$ 40	\$ 33	\$ 34	\$ 90	\$ 55	\$ 70	\$
State and association charges	23	21	21	12	22	37	32	33	
Veterinary, breeding, testing, etc.	47	44	30	30	44	44	44	62	
Supplies	40	55	50	72	88	42	69	66	
Repairs and maintenance	88	46	51	61	91	48	54	56	
Utilities	31	30	32	38	20	31	28	19	
Occupancy costs	51	51	47	55	50	40	49	100	
Depreciation - equipment	13	32	26	34	43	29	32	30	
Interest	30	50	40	75	46	48	46	43	
Miscellaneous	53	74	50	84	92	95	104	72	
Total other costs	\$ 424	\$ 442	\$ 387	\$ 494	\$ 530	\$ 504	\$ 513	\$ 551	\$
Total cost of operations	\$ 2,212	\$ 2,057	\$ 1,993	\$ 2,330	\$ 2,107	\$ 2,099	\$ 2,174	\$ 2,116	\$
Net income (loss)	\$ 50	\$ 0	\$ 76	\$ (72)	\$ 89	\$ (34)	\$ (52)	\$ 64	\$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE SIX MONTHS ENDED JUNE 30, 2013
(BASED ON AVERAGE AMOUNTS
PER HUNDREDWEIGHT OF MILK)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	\$ 18.65	\$ 18.16	\$ 18.62
Calves and other	0.19	0.23	0.21
Total income	\$ 18.84	\$ 18.39	\$ 18.83
Cost of operations:			
Feed:			
Grain	\$ 8.32	\$ 8.82	\$ 7.94
Hay and other	3.75	3.13	4.34
Total feed	\$ 12.07	\$ 11.95	\$ 12.28
Labor, (including fringe costs)	\$ 1.72	\$ 1.39	\$ 1.23
Herd replacement costs	\$ 1.13	\$ 1.10	\$ 1.10
Other costs:			
Milk hauling	\$ 0.40	\$ 0.35	\$ 0.36
State and association charges	0.19	0.19	0.19
Veterinary, breeding, testing, etc.	0.41	0.39	0.27
Supplies	0.33	0.49	0.45
Repairs and maintenance	0.73	0.41	0.46
Utilities	0.25	0.27	0.29
Occupancy costs	0.43	0.45	0.42
Depreciation - equipment	0.11	0.28	0.24
Interest	0.25	0.45	0.36
Miscellaneous	0.44	0.66	0.45
Total other costs	\$ 3.54	\$ 3.94	\$ 3.49
Total cost of operations	\$ 18.46	\$ 18.38	\$ 18.10
Net income (loss)	\$ 0.38	\$ 0.01	\$ 0.73

	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your June 30, 2013 Amounts
Income:						
Milk sales	\$ 19.05	\$ 18.79	\$ 18.92	\$ 20.33	\$ 20.02	\$
Calves and other	0.27	0.41	1.16	0.32	0.20	
Total income	\$ 19.32	\$ 19.20	\$ 20.08	\$ 20.65	\$ 20.22	\$
Cost of operations:						
Feed:						
Grain	\$ 7.61	\$ 7.27	\$ 9.10	\$ 9.17	\$ 8.20	\$
Hay and other	5.41	3.83	4.03	4.07	3.49	
Total feed	\$ 13.02	\$ 11.10	\$ 13.13	\$ 13.24	\$ 11.69	\$
Labor, (including fringe costs)	\$ 1.68	\$ 1.64	\$ 1.65	\$ 1.79	\$ 1.68	\$
Herd replacement costs	\$ 0.99	\$ 1.04	\$ 0.74	\$ 1.17	\$ 1.15	\$
Other costs:						
Milk hauling	\$ 0.28	\$ 0.29	\$ 0.87	\$ 0.54	\$ 0.65	\$
State and association charges	0.10	0.20	0.36	0.31	0.31	
Veterinary, breeding, testing, etc.	0.26	0.38	0.42	0.43	0.58	
Supplies	0.61	0.77	0.41	0.67	0.61	
Repairs and maintenance	0.52	0.79	0.47	0.52	0.52	
Utilities	0.32	0.18	0.30	0.27	0.18	
Occupancy costs	0.47	0.43	0.39	0.48	0.92	
Depreciation - equipment	0.29	0.38	0.28	0.31	0.28	
Interest	0.64	0.40	0.47	0.46	0.40	
Miscellaneous	0.73	0.80	0.92	1.00	0.68	
Total other costs	\$ 4.22	\$ 4.62	\$ 4.89	\$ 4.99	\$ 5.13	\$
Total cost of operations	\$ 19.91	\$ 18.40	\$ 20.41	\$ 21.19	\$ 19.65	\$
Net income (loss)	\$ (0.59)	\$ 0.80	\$ (0.33)	\$ (0.54)	\$ 0.57	\$

SUMMARY OF FINANCIAL STATISTICS

COMPARISON BY AREA FOR THE SIX MONTHS ENDED JUNE 30, 2013

	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Pacific Northwest	Your June 30, 2013 Results
1. Current Ratio	0.71 : 1	0.87 : 1	1.06 : 1	0.36 : 1	0.85 : 1	0.61 : 1	0.50 : 1	0.77 : 1	
2. Herd Line Debt Per Cow	\$ 891	\$ 990	\$ 585	\$ 1,277	\$ 611	\$ 616	\$ 882	\$ 897	\$
3. Total Debt Per Cow	\$ 1,824	\$ 2,918	\$ 2,510	\$ 3,507	\$ 2,251	\$ 2,368	\$ 2,266	\$ 2,847	\$
4. Debt to Equity Ratio	0.95 : 1	2.07 : 1	1.06 : 1	2.94 : 1	1.07 : 1	1.59 : 1	1.60 : 1	2.46 : 1	
5. Return on Total Assets	1.02%	-0.01%	1.12%	-1.64%	1.45%	1.71%	1.05%	1.14%	
6. Income (loss) per milking cow per month	\$ 5.63	\$ 11.10	\$ 23.30	\$ (18.14)	\$ 20.63	\$ (7.01)	\$ (11.22)	\$ 17.07	\$

1. The current ratio represents current assets divided by current liabilities.
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.
4. Debt to equity ratio represents total debt divided by total equity.
5. The return on total assets represents the net income divided by the total assets, stated at cost.
6. Income per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by six.

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013
AND YEAR ENDED DECEMBER 31, 2012
SOUTHERN CALIFORNIA
(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

June 30,
2013

December 31,
2012

Income:		
Milk sales	\$ 18.65	\$ 16.91
Calves and other	0.19	0.26
Total income	\$ 18.84	\$ 17.17
Cost of operations:		
Feed:		
Grain	\$ 8.32	\$ 8.14
Hay and other	3.75	3.85
Total feed	\$ 12.07	\$ 11.99
Labor, (including fringe costs)	\$ 1.72	\$ 1.67
Herd replacement costs	\$ 1.13	\$ 1.44
Other costs:		
Milk hauling	\$ 0.40	\$ 0.41
State and association charges	0.19	0.15
Veterinary, breeding, testing, etc.	0.41	0.44
Supplies	0.33	0.34
Repairs and maintenance	0.73	0.65
Utilities	0.25	0.26
Occupancy costs	0.43	0.52
Depreciation - equipment	0.11	0.12
Interest	0.25	0.27
Miscellaneous	0.44	0.49
Total other costs	\$ 3.54	\$ 3.65
Total cost of operations	\$ 18.46	\$ 18.75
Net income (loss)	\$ 0.38	\$ (1.58)

See accompanying explanation of income and cost factors.

SUMMARY OF FINANCIAL STATISTICS

SOUTHERN CALIFORNIA

June 30,
2013

December 31,
2012

1. Current Ratio	0.71 : 1	0.42 : 1
2. Herd Line Debt Per Cow	\$ 891	\$ 800
3. Total Debt Per Cow	\$ 1,824	\$ 1,994
4. Debt to Equity Ratio	0.95 : 1	1.58 : 1
5. Return on Total Assets	1.02%	-8.9%
6. Income (loss) per milking cow per month	\$ 5.63	\$ (31.10)
	1. The current ratio represents current assets divided by current liabilities.	
	2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.	
	3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.	
	4. Debt to equity represents the total debt divided by the total equity.	
	5. The return on total assets represents the net income divided by the total assets, stated at cost.	
	6. Income per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by six.	

INCOME AND COST OF OPERATIONS

SOUTHERN CALIFORNIA

(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

June 30, 2013 December 31, 2012 December 31, 2011

Income:			
Milk Sales	\$ 18.65	\$ 16.91	\$ 18.85
Calves and other	0.19	0.26	0.44
Total income	\$ 18.84	\$ 17.17	\$ 19.29
Total cost of operations:			
Feed	\$ 12.07	\$ 11.99	\$ 11.64
Labor	1.72	1.67	1.72
Herd replacement costs	1.13	1.44	1.54
Other costs	3.54	3.65	4.39
Total costs of operations	\$ 18.46	\$ 18.75	\$ 19.29
Net income (loss)	\$ 0.38	\$ (1.58)	\$ 0
Cost of operations as a percentage of income	97.98%	109.20%	100.00%
Feed costs as a percentage of milk sales	64.72%	70.90%	61.75%
Net income (loss) per milking cow per month	\$ 5.63	\$ (31.10)	\$ 0.24

December 31, 2010 December 31, 2009 December 31, 2008 December 31, 2007

\$ 15.68	\$ 12.42	\$ 17.22	\$ 18.46
0.23	0.46	0.28	0.23
\$ 15.91	\$ 12.88	\$ 17.50	\$ 18.69
\$ 7.66	\$ 8.74	\$ 10.69	\$ 8.31
1.78	1.86	1.90	1.83
1.78	1.65	1.60	1.24
4.33	4.56	4.95	4.51
\$ 15.55	\$ 16.81	\$ 19.14	\$ 15.89
\$ 0.36	\$ (3.93)	\$ (1.64)	\$ 2.80
97.74%	130.51%	109.37%	85.02%
48.85%	70.37%	62.08%	45.02%
\$ 9.87	\$ (74.43)	\$ (34.34)	\$ 53.99

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013
AND YEAR ENDED DECEMBER 31, 2012
SAN JOAQUIN VALLEY
(BASED ON A PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2013	December 31, 2012
Income:		
Milk sales	\$ 18.16	\$ 16.66
Calves and other	0.23	0.34
Total income	\$ 18.39	\$ 17.00
Cost of operations:		
Feed:		
Grain	\$ 8.82	\$ 8.39
Hay and other	3.13	3.11
Total feed	\$ 11.95	\$ 11.50
Labor, (including fringe costs)	\$ 1.39	\$ 1.43
Herd replacement costs	\$ 1.10	\$ 1.15
Other costs:		
Milk hauling	\$ 0.35	\$ 0.33
State and association charges	0.19	0.20
Veterinary, breeding, testing, etc.	0.39	0.43
Supplies	0.49	0.46
Repairs and maintenance	0.41	0.37
Utilities	0.27	0.26
Occupancy costs	0.45	0.50
Depreciation - equipment	0.28	0.32
Interest	0.45	0.58
Miscellaneous	0.66	0.63
Total other costs	\$ 3.94	\$ 4.08
Total cost of operations	\$ 18.38	\$ 18.16
Net income (loss)	\$ 0.01	\$ (1.16)

See accompanying explanation of income and cost factors.

SUMMARY OF FINANCIAL STATISTICS

SAN JOAQUIN VALLEY

	June 30, 2013	December 31, 2012
1. Current Ratio	0.87 : 1	0.88 : 1
2. Herd Line Debt Per Cow	\$ 990	\$ 994
3. Total Debt Per Cow	\$ 2,918	\$ 3,192
4. Debt to Equity Ratio	2.07 : 1	2.45 : 1
5. Return on Total Assets	-0.01%	-4.2%
6. Income (loss) per milking cow per month	\$ 11.10	\$ (11.93)

1. The current ratio represents current assets divided by current liabilities.
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.
4. Debt to equity represents the total debt divided by the total equity.
5. The return on total assets represents the net income divided by the total assets, stated at cost.
6. Income per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by six.

INCOME AND COST OF OPERATIONS

SAN JOAQUIN VALLEY
(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

June 30, 2013 December 31, 2012 December 31, 2011

Income:			
Milk Sales	\$ 18.16	\$ 16.66	\$ 18.68
Calves and other	0.23	0.34	0.32
Total income	\$ 18.39	\$ 17.00	\$ 19.00
Total cost of operations:			
Feed	\$ 11.95	\$ 11.50	\$ 10.37
Labor	1.39	1.43	1.45
Herd replacement costs	1.10	1.15	1.18
Other costs	3.94	4.08	4.39
Total costs of operations	\$ 18.38	\$ 18.16	\$ 17.39
Net income (loss)	\$ 0.01	\$ (1.16)	\$ 1.61
Cost of operations as a percentage of income	99.95%	106.82%	91.53%
Feed costs as a percentage of milk sales	65.80%	69.03%	55.51%
Net income (loss) per milking cow per month	\$ 11.10	\$ (11.93)	\$ 59.07

December 31, 2010 December 31, 2009 December 31, 2008 December 31, 2007

	\$ 14.94	\$ 11.71	\$ 16.84	\$ 18.48
	0.10	0.23	0.14	0.35
	\$ 15.04	\$ 11.94	\$ 16.98	\$ 18.83
	\$ 7.46	\$ 8.81	\$ 9.38	\$ 7.84
	1.40	1.48	1.54	1.44
	1.13	1.30	1.19	1.04
	4.42	4.78	5.52	5.03
	\$ 14.41	\$ 16.37	\$ 17.63	\$ 15.35
	\$ 0.63	\$ (4.43)	\$ (0.65)	\$ 3.48
	95.81%	137.10%	103.83%	81.52%
	49.93%	75.23%	55.70%	42.42%
	\$ 20.60	\$ (91.89)	\$ (1.40)	\$ 88.56

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013
AND YEAR ENDED DECEMBER 31, 2012
KERN COUNTY
(BASED ON A PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2013	December 31, 2012
Income:		
Milk sales	\$ 18.62	\$ 16.97
Calves and other	0.21	0.25
Total income	\$ 18.83	\$ 17.22
Cost of operations:		
Feed:		
Grain	\$ 7.94	\$ 7.80
Hay and other	4.34	4.35
Total feed	\$ 12.28	\$ 12.15
Labor, (including fringe costs)	\$ 1.23	\$ 1.25
Herd replacement costs	\$ 1.10	\$ 1.20
Other costs:		
Milk hauling	\$ 0.36	\$ 0.35
State and association charges	0.19	0.19
Veterinary, breeding, testing, etc.	0.27	0.30
Supplies	0.45	0.44
Repairs and maintenance	0.46	0.45
Utilities	0.29	0.36
Occupancy costs	0.42	0.52
Depreciation - equipment	0.24	0.31
Interest	0.36	0.45
Miscellaneous	0.45	0.55
Total other costs	\$ 3.49	\$ 3.92
Total cost of operations	\$ 18.10	\$ 18.52
Net income (loss)	\$ 0.73	\$ (1.30)

See accompanying explanation of income and cost factors.

SUMMARY OF FINANCIAL STATISTICS

KERN COUNTY

	June 30, 2013	December 31, 2012
1. Current Ratio	1.06 : 1	1.15 : 1
2. Herd Line Debt Per Cow	\$ 585	\$ 1,005
3. Total Debt Per Cow	\$ 2,510	\$ 3,029
4. Debt to Equity Ratio	1.06 : 1	1.26 : 1
5. Return on Total Assets	1.12%	-3.6%
6. Income (loss) per milking cow per month	\$ 23.30	\$ (8.21)

1. The current ratio represents current assets divided by current liabilities.
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.
4. Debt to equity represents the total debt divided by the total equity.
5. The return on total assets represents the net income divided by the total assets, stated at cost.
6. Income per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by six.

INCOME AND COST OF OPERATIONS

KERN COUNTY
(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

June 30, 2013 December 31, 2012 December 31, 2011

	June 30, 2013	December 31, 2012	December 31, 2011
Income:			
Milk Sales	\$ 18.62	\$ 16.97	\$ 19.02
Calves and other	0.21	0.25	0.19
Total income	\$ 18.83	\$ 17.22	\$ 19.21
Total cost of operations:			
Feed	\$ 12.28	\$ 12.15	\$ 9.78
Labor	1.23	1.25	1.31
Herd replacement costs	1.10	1.20	1.24
Other costs	3.49	3.92	3.86
Total costs of operations	\$ 18.10	\$ 18.52	\$ 16.19
Net income (loss)	\$ 0.73	\$ (1.30)	\$ 3.02
Cost of operations as a percentage of income	96.12%	107.55%	84.28%
Feed costs as a percentage of milk sales	65.95%	71.60%	51.42%
Net income (loss) per milking cow per month	\$ 23.30	\$ (8.21)	\$ 82.44

December 31, 2010 December 31, 2009 December 31, 2008 December 31, 2007

	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007
Income:				
Milk Sales	\$ 15.31	\$ 12.27	\$ 17.37	\$ 18.53
Calves and other	0.15	0.10	0.14	0.35
Total income	\$ 15.46	\$ 12.37	\$ 17.51	\$ 18.88
Total cost of operations:				
Feed	\$ 7.75	\$ 9.45	\$ 10.50	\$ 7.89
Labor	1.31	1.38	1.36	1.33
Herd replacement costs	1.24	1.42	1.25	1.19
Other costs	3.97	4.32	4.60	4.31
Total costs of operations	\$ 14.27	\$ 16.57	\$ 17.71	\$ 14.72
Net income (loss)	\$ 1.19	\$ (4.20)	\$ (0.20)	\$ 4.16
Cost of operations as a percentage of income	92.30%	133.95%	101.14%	77.97%
Feed costs as a percentage of milk sales	50.62%	77.02%	60.45%	42.58%
Net income (loss) per milking cow per month	\$ 20.47	\$ (88.01)	\$ (1.22)	\$ 84.69

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013
AND YEAR ENDED DECEMBER 31, 2012
ARIZONA
(BASED ON A PER HUNDREDWEIGHT OF MILK BASIS)

June 30,
2013

December 31,
2012

Income:		
Milk sales	\$ 19.05	\$ 18.48
Calves and other	0.27	0.32
Total income	\$ 19.32	\$ 18.80
Cost of operations:		
Feed:		
Grain	\$ 7.61	\$ 8.01
Hay and other	5.41	3.48
Total feed	\$ 13.02	\$ 11.49
Labor, (including fringe costs)	\$ 1.68	\$ 1.89
Herd replacement costs	\$ 0.99	\$ 1.02
Other costs:		
Milk hauling	\$ 0.28	\$ 0.43
State and association charges	0.10	0.26
Veterinary, breeding, testing, etc.	0.26	0.26
Supplies	0.61	0.65
Repairs and maintenance	0.52	0.54
Utilities	0.32	0.38
Occupancy costs	0.47	0.44
Depreciation - equipment	0.29	0.23
Interest	0.64	0.57
Miscellaneous	0.73	0.88
Total other costs	\$ 4.22	\$ 4.64
Total cost of operations	\$ 19.91	\$ 19.04
Net loss	\$ (0.59)	\$ (0.24)

See accompanying explanation of income and cost factors.

SUMMARY OF FINANCIAL STATISTICS

ARIZONA

June 30,
2013

December 31,
2012

1. Current Ratio	0.36 : 1	0.46 : 1
2. Herd Line Debt Per Cow	\$ 1,277	\$ 987
3. Total Debt Per Cow	\$ 3,507	\$ 3,272
4. Debt to Equity Ratio	2.94 : 1	2.40 : 1
5. Return on Total Assets	-1.64%	-0.8%
6. Loss per milking cow per month	\$ (18.14)	\$ (4.28)
1. The current ratio represents current assets divided by current liabilities.		
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.		
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.		
4. Debt to equity represents the total debt divided by the total equity.		
5. The return on total assets represents the net income divided by the total assets, stated at cost.		
6. Income per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by six.		

INCOME AND COST OF OPERATIONS

ARIZONA
(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

June 30,
2013 December 31,
2012 December 31,
2011

	June 30, 2013	December 31, 2012	December 31, 2011
Income:			
Milk Sales	\$ 19.05	\$ 18.48	\$ 20.74
Calves and other	0.27	0.32	0.28
Total income	\$ 19.32	\$ 18.80	\$ 21.02
Total cost of operations:			
Feed	\$ 13.02	\$ 11.49	\$ 10.61
Labor	1.68	1.89	1.67
Herd replacement costs	0.99	1.02	1.29
Other costs	4.22	4.64	5.39
Total costs of operations	\$ 19.91	\$ 19.04	\$ 18.96
Net income (loss)	\$ (0.59)	\$ (0.24)	\$ 2.06
Cost of operations as a percentage of income	103.05%	101.28%	90.20%
Feed costs as a percentage of milk sales	68.35%	62.18%	51.16%
Net income (loss) per milking cow per month	\$ (18.14)	\$ (4.28)	\$ 42.84

December 31,
2010 December 31,
2009 December 31,
2008 December 31,
2007

	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007
Income:				
Milk Sales	\$ 16.47	\$ 12.58	\$ 18.11	\$ 19.87
Calves and other	0.11	0.25	0.30	0.40
Total income	\$ 16.58	\$ 12.83	\$ 18.41	\$ 20.27
Total cost of operations:				
Feed	\$ 7.49	\$ 8.46	\$ 9.07	\$ 7.85
Labor	1.58	1.60	1.59	1.54
Herd replacement costs	1.49	1.95	1.72	1.78
Other costs	4.88	4.88	5.64	5.73
Total costs of operations	\$ 15.44	\$ 16.89	\$ 18.02	\$ 16.90
Net income (loss)	\$ 1.14	\$ (4.06)	\$ 0.39	\$ 3.37
Cost of operations as a percentage of income	93.12%	131.64%	97.88%	83.37%
Feed costs as a percentage of milk sales	45.48%	67.25%	50.08%	39.51%
Net income (loss) per milking cow per month	\$ 28.71	\$ (84.26)	\$ 5.99	\$ 64.56

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013
AND YEAR ENDED DECEMBER 31, 2012
IDAHO
(BASED ON A PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2013	December 31, 2012
Income:		
Milk sales	\$ 18.79	\$ 18.07
Calves and other	0.41	0.43
Total income	\$ 19.20	\$ 18.50
Cost of operations:		
Feed:		
Grain	\$ 7.27	\$ 7.15
Hay and other	3.83	3.14
Total feed	\$ 11.10	\$ 10.29
Labor, (including fringe costs)	\$ 1.64	\$ 1.64
Herd replacement costs	\$ 1.04	\$ 1.00
Other costs:		
Milk hauling	\$ 0.29	\$ 0.32
State and association charges	0.20	0.21
Veterinary, breeding, testing, etc.	0.38	0.34
Supplies	0.77	0.97
Repairs and maintenance	0.79	0.62
Utilities	0.18	0.22
Occupancy costs	0.43	0.36
Depreciation - equipment	0.38	0.37
Interest	0.40	0.45
Miscellaneous	0.80	0.81
Total other costs	\$ 4.62	\$ 4.67
Total cost of operations	\$ 18.40	\$ 17.60
Net income	\$ 0.80	\$ 0.90

See accompanying explanations of income and cost factors.

SUMMARY OF FINANCIAL STATISTICS

	IDAHO	
	June 30, 2013	December 31, 2012
1. Current Ratio	0.85 : 1	0.68 : 1
2. Herd Line Debt Per Cow	\$ 611	\$ 586
3. Total Debt Per Cow	\$ 2,251	\$ 2,487
4. Debt to Equity Ratio	1.07 : 1	1.38 : 1
5. Return on Total Assets	1.45%	3.2%
6. Income per milking cow per month	\$ 20.63	\$ 32.95
1. The current ratio represents current assets divided by current liabilities.		
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.		
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.		
4. Debt to equity represents the total debt divided by the total equity.		
5. The return on total assets represents the net income divided by the total assets, stated at cost.		
6. Income per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by six.		

INCOME AND COST OF OPERATIONS

IDAHO
(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

June 30, 2013 December 31, 2012 December 31, 2011

Income:			
Milk Sales	\$ 18.79	\$ 18.07	\$ 18.88
Calves and other	0.41	0.43	0.20
Total income	\$ 19.20	\$ 18.50	\$ 19.08
Total cost of operations:			
Feed	\$ 11.10	\$ 10.29	\$ 9.78
Labor	1.64	1.64	1.63
Herd replacement costs	1.04	1.00	1.02
Other costs	4.62	4.67	4.77
Total costs of operations	\$ 18.40	\$ 17.60	\$ 17.20
Net income (loss)	\$ 0.80	\$ 0.90	\$ 1.88
Cost of operations as a percentage of income	95.83%	95.14%	90.15%
Feed costs as a percentage of milk sales	59.07%	56.95%	51.80%
Net income (loss) per milking cow per month	\$ 20.63	\$ 32.95	\$ 56.87

December 31, 2010 December 31, 2009 December 31, 2008 December 31, 2007

\$ 15.15	\$ 12.27	\$ 18.15	\$ 18.07
0.16	0.25	0.18	0.43
\$ 15.31	\$ 12.52	\$ 18.33	\$ 18.50
\$ 7.66	\$ 9.14	\$ 9.09	\$ 7.37
1.62	1.65	1.65	1.55
1.12	1.32	1.16	1.31
4.49	4.70	4.85	4.46
\$ 14.89	\$ 16.81	\$ 16.75	\$ 14.69
\$ 0.42	\$ (4.29)	\$ 1.58	\$ 3.81
97.26%	134.27%	91.38%	79.41%
50.56%	74.49%	50.08%	40.79%
\$ 18.16	\$ (81.62)	\$ 42.46	\$ 95.04

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013
AND YEAR ENDED DECEMBER 31, 2012
NEW MEXICO
(BASED ON A PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2013	December 31, 2012
Income:		
Milk sales	\$ 18.92	\$ 18.31
Calves and other	1.16	0.39
Total income	\$ 20.08	\$ 18.70
Cost of operations:		
Feed:		
Grain	\$ 9.10	\$ 8.86
Hay and other	4.03	3.68
Total feed	\$ 13.13	\$ 12.54
Labor, (including fringe costs)	\$ 1.65	\$ 1.70
Herd replacement costs	\$ 0.74	\$ 0.82
Other costs:		
Milk hauling	\$ 0.87	\$ 0.87
State and association charges	0.36	0.36
Veterinary, breeding, testing, etc.	0.42	0.52
Supplies	0.41	0.51
Repairs and maintenance	0.47	0.52
Utilities	0.30	0.33
Occupancy costs	0.39	0.43
Depreciation - equipment	0.28	0.29
Interest	0.47	0.49
Miscellaneous	0.92	0.88
Total other costs	\$ 4.89	\$ 5.20
Total cost of operations	\$ 20.41	\$ 20.26
Net loss	\$ (0.33)	\$ (1.56)

See accompanying explanation of income and cost factors.

SUMMARY OF FINANCIAL STATISTICS

NEW MEXICO

	June 30, 2013	December 31, 2012
1. Current Ratio	0.61 : 1	0.61 : 1
2. Herd Line Debt Per Cow	\$ 616	\$ 728
3. Total Debt Per Cow	\$ 2,368	\$ 2,414
4. Debt to Equity Ratio	1.59 : 1	1.72 : 1
5. Return on Total Assets	1.71%	-5.50%
6. Loss per milking cow per month	\$ (7.01)	\$ (15.48)

- The current ratio represents current assets divided by current liabilities.
- Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.
- Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.
- Debt to equity represents the total debt divided by the total equity.
- The return on total assets represents the net income divided by the total assets, stated at cost.
- Income per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by six.

INCOME AND COST OF OPERATIONS

NEW MEXICO
(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

June 30,
2013 December 31,
2012 December 31,
2011

	June 30, 2013	December 31, 2012	December 31, 2011
Income:			
Milk Sales	\$ 18.92	\$ 18.31	\$ 19.89
Calves and other	1.16	0.39	0.29
Total income	\$ 20.08	\$ 18.70	\$ 20.18
Total cost of operations:			
Feed	\$ 13.13	\$ 12.54	\$ 10.62
Labor	1.65	1.70	1.62
Herd replacement costs	0.74	0.82	1.12
Other costs	4.89	5.20	5.03
Total costs of operations	\$ 20.41	\$ 20.26	\$ 18.39
Net income (loss)	\$ (0.33)	\$ (1.56)	\$ 1.79
Cost of operations as a percentage of income	101.64%	108.34%	91.13%
Feed costs as a percentage of milk sales	69.40%	68.49%	53.39%
Net income (loss) per milking cow per month	\$ (7.01)	\$ (15.48)	\$ 49.14

December 31,
2010 December 31,
2009 December 31,
2008 December 31,
2007

	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007
Income:				
Milk Sales	\$ 17.02	\$ 12.83	\$ 17.92	\$ 18.62
Calves and other	0.18	0.25	0.29	0.60
Total income	\$ 17.20	\$ 13.08	\$ 18.21	\$ 19.22
Total cost of operations:				
Feed	\$ 8.23	\$ 8.68	\$ 9.22	\$ 7.57
Labor	1.60	1.56	1.58	1.63
Herd replacement costs	1.28	1.35	1.20	1.19
Other costs	5.22	4.53	5.11	5.20
Total costs of operations	\$ 16.33	\$ 16.12	\$ 17.11	\$ 15.59
Net income (loss)	\$ 0.87	\$ (3.04)	\$ 1.10	\$ 3.63
Cost of operations as a percentage of income	94.94%	123.24%	93.96%	81.11%
Feed costs as a percentage of milk sales	48.35%	67.65%	51.45%	40.66%
Net income (loss) per milking cow per month	\$ 27.80	\$ (55.60)	\$ 41.90	\$ 93.36

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013
AND YEAR ENDED DECEMBER 31, 2012
PANHANDLE
(BASED ON A PER HUNDREDWEIGHT OF MILK BASIS)

	June 30, 2013	December 31, 2012
Income:		
Milk sales	\$ 20.33	\$ 19.05
Calves and other	0.32	0.49
Total income	\$ 20.65	\$ 19.54
Cost of operations:		
Feed:		
Grain	\$ 9.17	\$ 8.36
Hay and other	4.07	3.76
Total feed	\$ 13.24	\$ 12.12
Labor, (including fringe costs)	\$ 1.79	\$ 1.65
Herd replacement costs	\$ 1.17	\$ 1.11
Other costs:		
Milk hauling	\$ 0.54	\$ 0.65
State and association charges	0.31	0.30
Veterinary, breeding, testing, etc.	0.43	0.44
Supplies	0.67	0.65
Repairs and maintenance	0.52	0.42
Utilities	0.27	0.21
Occupancy costs	0.48	0.64
Depreciation - equipment	0.31	0.28
Interest	0.46	0.40
Miscellaneous	1.00	0.76
Total other costs	\$ 4.99	\$ 4.75
Total cost of operations	\$ 21.19	\$ 19.63
Net loss	\$ (0.54)	\$ (0.09)

See accompanying explanation of income and cost factors.

SUMMARY OF FINANCIAL STATISTICS

PANHANDLE

	June 30, 2013	December 31, 2012
1. Current Ratio	0.50 : 1	0.68 : 1
2. Herd Line Debt Per Cow	\$ 882	\$ 729
3. Total Debt Per Cow	\$ 2,266	\$ 2,604
4. Debt to Equity Ratio	1.60 : 1	1.88 : 1
5. Return on Total Assets	1.05%	-0.2%
6. Loss per milking cow per month	\$ (11.22)	\$ (1.12)

- The current ratio represents current assets divided by current liabilities.
- Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.
- Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.
- Debt to equity represents the total debt divided by the total equity.
- The return on total assets represents the net income divided by the total assets, stated at cost.
- Income per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by six.

INCOME AND COST OF OPERATIONS

PANHANDLE
(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

June 30,
2013 December 31,
2012 December 31,
2011

	June 30, 2013	December 31, 2012	December 31, 2011
Income:			
Milk Sales	\$ 20.33	\$ 19.05	\$ 20.57
Calves and other	0.32	0.49	0.26
Total income	\$ 20.65	\$ 19.54	\$ 20.83
Total cost of operations:			
Feed	\$ 13.24	\$ 12.12	\$ 10.10
Labor	1.79	1.65	1.76
Herd replacement costs	1.17	1.11	1.35
Other costs	4.99	4.75	4.81
Total costs of operations	\$ 21.19	\$ 19.63	\$ 18.02
Net income (loss)	\$ (0.54)	\$ (0.09)	\$ 2.81
Cost of operations as a percentage of income	102.62%	100.46%	86.51%
Feed costs as a percentage of milk sales	65.13%	63.62%	49.10%
Net income (loss) per milking cow per month	\$ (11.22)	\$ (1.12)	\$ 53.28

December 31,
2010 December 31,
2009 December 31,
2008 December 31,
2007

	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007
Income:				
Milk Sales	\$ 16.89	\$ 13.63	\$ 19.11	\$ 20.01
Calves and other	0.14	0.20	0.09	0.27
Total income	\$ 17.03	\$ 13.83	\$ 19.20	\$ 20.28
Total cost of operations:				
Feed	\$ 7.85	\$ 9.09	\$ 8.91	\$ 7.50
Labor	1.62	1.65	1.77	1.66
Herd replacement costs	1.75	1.90	1.71	1.79
Other costs	4.92	4.92	5.69	6.18
Total costs of operations	\$ 16.14	\$ 17.56	\$ 18.08	\$ 17.13
Net income (loss)	\$ 0.89	\$ (3.73)	\$ 1.12	\$ 3.15
Cost of operations as a percentage of income	94.77%	126.97%	94.17%	84.47%
Feed costs as a percentage of milk sales	46.48%	66.69%	46.62%	37.48%
Net income (loss) per milking cow per month	\$ 17.85	\$ (61.10)	\$ 19.04	\$ 82.81

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013
AND YEAR ENDED DECEMBER 31, 2012
PACIFIC NORTHWEST
(BASED ON A PER HUNDREDWEIGHT OF MILK BASIS)

June 30,
2013 December 31,
2012

Income:		
Milk sales	\$ 20.02	\$ 18.56
Calves and other	0.20	0.83
Total income	\$ 20.22	\$ 19.39
Cost of operations:		
Feed:		
Grain	\$ 8.20	\$ 7.15
Hay and other	3.49	3.38
Total feed	\$ 11.69	\$ 10.53
Labor, (including fringe costs)	\$ 1.68	\$ 1.70
Herd replacement costs	\$ 1.15	\$ 1.29
Other costs:		
Milk hauling	\$ 0.65	\$ 0.66
State and association charges	0.31	0.29
Veterinary, breeding, testing, etc.	0.58	0.63
Supplies	0.61	0.55
Repairs and maintenance	0.52	0.52
Utilities	0.18	0.21
Occupancy costs	0.92	0.70
Depreciation - equipment	0.28	0.35
Interest	0.40	0.47
Miscellaneous	0.68	0.80
Total other costs	\$ 5.13	\$ 5.18
Total cost of operations	\$ 19.65	\$ 18.70
Net income	\$ 0.57	\$ 0.69

See accompanying explanation of income and cost factors.

SUMMARY OF FINANCIAL STATISTICS

PACIFIC NORTHWEST

June 30,
2013 December 31,
2012

1. Current Ratio	0.77 : 1	0.95 : 1
2. Herd Line Debt Per Cow	\$ 897	\$ 793
3. Total Debt Per Cow	\$ 2,847	\$ 2,594
4. Debt to Equity Ratio	2.46 : 1	1.50 : 1
5. Return on Total Assets	1.14%	2.2%
6. Income per milking cow per month	\$ 17.07	\$ 19.67
1. The current ratio represents current assets divided by current liabilities.		
2. Herd line debt per cow equals the total debt secured by the herd divided by the average total herd size. Heifers are included on a mature equivalent basis.		
3. Total debt per cow equals the total current liabilities and long-term debt divided by the average total herd size. Heifers are included on a mature equivalent basis.		
4. Debt to equity represents the total debt divided by the total equity.		
5. The return on total assets represents the net income divided by the total assets, stated at cost.		
6. Income per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by six.		

INCOME AND COST OF OPERATIONS

PACIFIC NORTHWEST
(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

June 30,
2013

December 31,
2012

December 31,
2011

December 31,
2010

	June 30, 2013	December 31, 2012	December 31, 2011	December 31, 2010
Income:				
Milk Sales	\$ 20.02	\$ 18.56	\$ 20.58	\$ 16.59
Calves and other	0.20	0.83	0.57	0.27
Total income	\$ 20.22	\$ 19.39	\$ 21.15	\$ 16.86
Total cost of operations:				
Feed	\$ 11.69	\$ 10.53	\$ 9.87	\$ 8.15
Labor	1.68	1.70	1.71	1.44
Herd replacement costs	1.15	1.29	1.36	1.68
Other costs	5.13	5.18	5.22	5.14
Total costs of operations	\$ 19.65	\$ 18.70	\$ 18.16	\$ 16.41
Net income	\$ 0.57	\$ 0.69	\$ 2.99	\$ 0.45
Cost of operations as a percentage of income	97.18%	96.44%	85.86%	97.33%
Feed costs as a percentage of milk sales	58.39%	56.73%	47.96%	49.13%
Net income per milking cow per month	\$ 17.07	\$ 19.67	\$ 74.13	\$ 16.80

EXPLANATION OF INCOME AND COST FACTORS

Basis of presentation	Information is included both on a "per head" basis and a "per hundredweight of milk" basis. The "per head" statistics are based on the total average number of milking and dry cows in a herd for the period. The Panhandle region includes the triangle from Clovis, New Mexico to Amarillo, Texas to Lubbock, Texas. The Pacific Northwest region includes the states of Washington and Oregon.
Milk sales	Includes milk income, quality and production bonuses, patronage dividends, USDA program payments, and milk futures.
Calves and other income	This is primarily composed of the sale of calves, heifers, other livestock and equipment, and miscellaneous other income.
Feed	Grain includes all minerals, supplements, and vitamins.
Labor	Includes wages and fringe costs such as payroll taxes, workers' compensation insurance, medical insurance, union benefits, etc. Compensation to owner-employees or partners is not included.
Herd replacement cost	Represents the difference between the actual price paid for purchased cows (or estimated cost of self-raised cows) at the time the cows were added to the milking herd less the sales price received for cows disposed of. This difference is amortized over the productive life of the cows.
Occupancy cost	Includes property taxes and depreciation of buildings on owner occupied facilities, rent paid and depreciation of improvements on leased facilities. It does not include interest paid on real property.
Miscellaneous cost	Includes auto, truck and fuel expenses, insurance, professional fees, quality penalties and other dairy expenses not specifically classified in another category.
Net income	Is stated before a provision for income taxes or a return on the dairy owner's investment.

OUR FIRM AND THE DAIRY INDUSTRY

Frazer, LLP has been associated with the dairy industry since the early 1950's. At that time, many immigrants from Europe were arriving in California's "Dairy Valley" and establishing their farming operations. These early dairies averaged 50 cows and the families provided most of the labor. Frazer, LLP's partners, situated in "Dairy Valley," were instrumental in the creation of federal and state laws to help dairymen. We have consistently supported pro-agricultural organizations in their efforts to help shape policy and better the living and working environments for dairy families.

As development expanded in the dairy farming area, our firm helped many dairies relocate throughout California, and other states throughout the West and Mid-West. Many families we are servicing now have their third generation stepping into the operation's management. We have grown with these families into their multiple operations, often totaling 10,000 cows or more. Today, Frazer, LLP has clients in California, Arizona, Texas, New Mexico, Colorado, Idaho, Nevada, Oregon, Washington, Nebraska, Kansas, Wisconsin, Iowa, and South Dakota. Also, we actively consult with many dairies throughout the United States.

As we look to the future, the trend towards efficiently operated dairies will continue. Along with this trend, the dairy industry is facing continued challenges in its operations, expansion and relocation activities including the ability to construct new dairies. The dairy industry brings many jobs to an area and allows associated businesses to grow and flourish. This creates further conflict between the local communities, governments and the environmentalists. Dairy producers face volatility in many facets of their business. Milk pricing and feed market updates can be monitored daily by producers via the CME website boards. Making the correct market decision with respect to milk and feed pricing are crucial to the successful operations of any facility. These decisions to contract any pricing of commodities often carry substantial risk/reward to the producers operation.

As we are well through 2013, milk prices have been steady for far, but milk futures are softening for producers and high feed costs which have persisted for the majority of this year have rendered most regions breakeven at best on a cash basis. Although corn futures have taken a dramatic drop and feed costs are getting less expensive, milk production is rising on a per cow basis throughout each dairy region in the nation, and throughout the major dairy centers internationally. This is putting a strain on the milk futures and international prices. Major issues still loom for most producers in the nation. Obtaining and securing future credit has become increasingly difficult. Current and long-term bank ratios have not improved during this year enough to provide any assurance or stability to the producers and their financing relationships. Also there is no current Farm or Immigration Bills on the table in Congress which also leads to uncertainty in the Dairy industry. All of these factors require that producers must do as much as they can to conserve resources and make the right decisions day to day for their operations in order to insure a viable future.

Frazer, LLP will be instrumental in providing the assistance needed to make these decisions.



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