

Dairy Farm Operating Trends

December 31, 2010



Moore Stephens Wurth Frazer and Torbet, LLP

Relationships backed by performance

To Our Valued Clients and Other Friends in the Dairy Industry

The following pages contain the Moore Stephens Wurth Frazer and Torbet, LLP's Dairy Farm Operating Trends for the year ended December 31, 2010.

The data is compiled from dairy operations in Southern California, the San Joaquin Valley, Kern County, Arizona, Idaho, New Mexico, Panhandle, and the Northwest, which consists of Washington and Oregon operating collectively, with a combined milk production of over 5.9 billion pounds and more than 281,000 head of mature cows for the year ended December 31, 2010.

This report includes a comparison of the results in the regions listed above for the year ended December 31, 2010 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. Moore Stephens Wurth Frazer and Torbet, 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 Moore Stephens Wurth Frazer and Torbet, LLP. If you have any comments or questions, please contact Tim Gulling or Sharon A. Davis at our Brea office at (714) 990-1040 and 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.mswft.com.

Sincerely,

Moore Stephens Wurth Frazer and Torbet LLP

Moore Stephens Wurth Frazer and Torbet, LLP
Certified Public Accountants and Consultants

May 2011

DAIRY FARM OPERATING TRENDS

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Herd Turnover Rate By Region:

Herd turnover rates decreased in about half the regions in 2010; however in Southern California, Arizona, and Panhandle, it increased. The increase or decrease in beefing cows has a direct relationship to milk, beef, and feed prices, coupled with production per cow, and more volatile changes in weather patterns in the various regions during the past two years

	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Northwest
2010	35.8%	37.4%	34.4%	31.2%	34.3%	29.9%	33.1%	34.0%
2009	30.2%	38.6%	36.1%	29.9%	35.8%	36.0%	29.3%	
Change	5.6%	-1.2%	-1.7%	1.3%	-1.5%	-6.1%	3.8%	

Average Cost of Replacement Per Head By Region:

The cost of replacements decreased or remained constant in all regions during 2010, except in Arizona. This shows more of a price lag in the value of replacements versus the economic times during the past two years.

	Southern California	San Joaquin Valley	Kern County	Arizona	Idaho	New Mexico	Panhandle	Northwest
2010	\$ 1,439	\$ 1,332	\$ 1,275	\$ 1,413	\$ 1,167	\$ 1,384	\$ 1,332	\$ 1,109
2009	1,490	1,330	1,505	1,377	1,290	1,378	1,448	
Change	(51)	2	(230)	36	(123)	6	(116)	

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2010
(BASED ON AVERAGE AMOUNTS PER HEAD)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	\$ 3,271	\$ 3,311	\$ 3,169
Calves and other	58	21	30
Total income	\$ 3,329	\$ 3,332	\$ 3,199
Cost of operations:			
Feed:			
Grain	\$ 1,117	\$ 1,262	\$ 1,135
Hay and other	482	387	467
Total feed	\$ 1,599	\$ 1,649	\$ 1,602
Labor, (including fringe costs)	\$ 371	\$ 310	\$ 273
Herd replacement costs	\$ 371	\$ 250	\$ 256
Other costs:			
Milk hauling	\$ 88	\$ 73	\$ 70
State and association charges	31	46	39
Veterinary, breeding, testing, etc.	72	92	59
Supplies	105	124	91
Repairs and maintenance	126	97	91
Utilities	63	75	77
Occupancy costs	128	139	108
Depreciation - equipment	40	61	62
Interest	112	137	130
Miscellaneous	134	138	99
Total other costs	\$ 899	\$ 982	\$ 826
Total cost of operations	\$ 3,240	\$ 3,191	\$ 2,957
Net income	\$ 89	\$ 141	\$ 242

Arizona	Idaho	New Mexico	Panhandle	Northwest	Your December 31, 2010 Amounts
\$ 3,510 22	\$ 3,307 37	\$ 3,219 42	\$ 3,376 30	\$ 3,606 59	\$
\$ 3,532	\$ 3,344	\$ 3,261	\$ 3,406	\$ 3,665	\$
\$ 1,032 562	\$ 1,125 546	\$ 1,098 457	\$ 1,046 526	\$ 1,266 509	\$
\$ 1,594	\$ 1,671	\$ 1,555	\$ 1,572	\$ 1,775	\$
\$ 334	\$ 352	\$ 302	\$ 325	\$ 315	\$
\$ 316	\$ 243	\$ 243	\$ 351	\$ 366	\$
\$ 80 101 50 146 94 86 143 33 159 144	\$ 60 47 71 166 142 47 90 83 123 159	\$ 155 83 73 119 103 54 81 57 101 173	\$ 153 64 91 126 79 44 121 60 115 138	\$ 137 64 138 90 97 39 171 65 154 164	\$
\$ 1,036	\$ 988	\$ 999	\$ 991	\$ 1,119	\$
\$ 3,280	\$ 3,254	\$ 3,099	\$ 3,239	\$ 3,575	\$
\$ 252	\$ 90	\$ 162	\$ 167	\$ 90	\$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

COMPARISON BY AREA
FOR THE YEAR ENDED DECEMBER 31, 2010
(BASED ON AVERAGE AMOUNTS
PER HUNDREDWEIGHT OF MILK)

	Southern California	San Joaquin Valley	Kern County
Income:			
Milk sales	\$ 15.68	\$ 14.94	\$ 15.31
Calves and other	0.23	0.10	0.15
Total income	\$ 15.91	\$ 15.04	\$ 15.46
Cost of operations:			
Feed:			
Grain	\$ 5.36	\$ 5.70	\$ 5.49
Hay and other	2.30	1.76	2.26
Total feed	\$ 7.66	\$ 7.46	\$ 7.75
Labor, (including fringe costs)	\$ 1.78	\$ 1.40	\$ 1.31
Herd replacement costs	\$ 1.78	\$ 1.13	\$ 1.24
Other costs:			
Milk hauling	\$ 0.42	\$ 0.33	\$ 0.34
State and association charges	0.15	0.21	0.19
Veterinary, breeding, testing, etc.	0.35	0.42	0.28
Supplies	0.51	0.56	0.44
Repairs and maintenance	0.61	0.44	0.43
Utilities	0.30	0.34	0.37
Occupancy costs	0.61	0.62	0.52
Depreciation - equipment	0.19	0.27	0.30
Interest	0.54	0.62	0.63
Miscellaneous	0.65	0.61	0.47
Total other costs	\$ 4.33	\$ 4.42	\$ 3.97
Total cost of operations	\$ 15.55	\$ 14.41	\$ 14.27
Net income	\$ 0.36	\$ 0.63	\$ 1.19

Arizona	Idaho	New Mexico	Panhandle	Northwest	Your December 31, 2010 Amounts
\$ 16.47	\$ 15.15	\$ 17.02	\$ 16.89	\$ 16.59	\$
0.11	0.16	0.18	0.14	0.27	
\$ 16.58	\$ 15.31	\$ 17.20	\$ 17.03	\$ 16.86	\$
\$ 4.85	\$ 5.16	\$ 5.81	\$ 5.23	\$ 5.82	\$
2.64	2.50	2.42	2.62	2.33	
\$ 7.49	\$ 7.66	\$ 8.23	\$ 7.85	\$ 8.15	\$
\$ 1.58	\$ 1.62	\$ 1.60	\$ 1.62	\$ 1.44	\$
\$ 1.49	\$ 1.12	\$ 1.28	\$ 1.75	\$ 1.68	\$
\$ 0.38	\$ 0.27	\$ 0.82	\$ 0.76	\$ 0.63	\$
0.48	0.21	0.44	0.32	0.30	
0.24	0.32	0.39	0.44	0.62	
0.69	0.76	0.63	0.63	0.41	
0.44	0.65	0.54	0.39	0.45	
0.40	0.22	0.29	0.22	0.18	
0.68	0.41	0.43	0.60	0.79	
0.16	0.38	0.30	0.30	0.30	
0.73	0.56	0.53	0.57	0.71	
0.69	0.70	0.85	0.69	0.75	
\$ 4.89	\$ 4.48	\$ 5.22	\$ 4.92	\$ 5.14	\$
\$ 15.45	\$ 14.88	\$ 16.33	\$ 16.14	\$ 16.41	\$
\$ 1.13	\$ 0.43	\$ 0.87	\$ 0.89	\$ 0.45	\$

SUMMARY OF FINANCIAL STATISTICS

COMPARISON BY AREA FOR THE YEAR ENDED DECEMBER 31, 2010

	Southern California	San Joaquin Valley	Kern County
1. Current Ratio	0.33 : 1	0.62 : 1	0.79 : 1
2. Total Debt Per Cow	\$ 2,082	\$ 2,724	\$ 3,390
3. Debt to Equity Ratio	1.09 : 1	2.10 : 1	1.65 : 1
4. Return on Total Assets	1.9%	2.4%	1.6%
5. Income per milking cow per month	\$ 9.87	\$ 20.60	\$ 20.47

1. The current ratio represents current assets divided by current liabilities.
2. 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.
3. Debt to equity ratio represents total debt divided by total equity.
4. The return on total assets represents the net income divided by the total assets, stated at cost.
5. Income per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by 12.

**Your
December 31, 2010
Results**

Arizona	Idaho	New Mexico	Panhandle	Northwest	
0.57 : 1	0.64 : 1	0.85 : 1	0.51 : 1	0.49 : 1	
\$ 2,964	\$ 2,635	\$ 2,155	\$ 2,551	\$ 2,292	\$
5.15 : 1	1.94 : 1	1.53 : 1	2.89 : 1	2.23 : 1	
5.3%	1.6%	3.3%	4.8%	1.8%	
\$ 28.71	\$ 18.16	\$ 27.80	\$ 17.85	\$ 16.80	\$

CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2010, 2009, AND 2008
SOUTHERN CALIFORNIA
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2010	2009	2008
Income:			
Milk sales	\$ 3,271	\$ 2,423	\$ 3,508
Calves and other	58	96	60
Total income	\$ 3,329	\$ 2,519	\$ 3,568
Cost of operations:			
Feed:			
Grain	\$ 1,117	\$ 1,028	\$ 1,492
Hay and other	482	674	686
Total feed	\$ 1,599	\$ 1,702	\$ 2,178
Labor, (including fringe costs)	\$ 371	\$ 363	\$ 388
Herd replacement costs	\$ 371	\$ 322	\$ 325
Other costs:			
Milk hauling	\$ 88	\$ 79	\$ 88
State and association charges	31	35	38
Veterinary, breeding, testing, etc.	72	60	72
Supplies	105	107	122
Repairs and maintenance	126	114	144
Utilities	63	63	71
Occupancy costs	128	123	117
Depreciation - equipment	40	38	36
Interest	112	132	129
Miscellaneous	134	140	193
Total other costs	\$ 899	\$ 891	\$ 1,010
Total cost of operations	\$ 3,240	\$ 3,278	\$ 3,901
Net income (loss)	\$ 89	\$ (759)	\$ (333)

PER CWT. OF MILK			YOUR 2010 RESULTS	
2010	2009	2008	PER HEAD	PER CWT. OF MILK
\$ 15.68	\$ 12.42	\$ 17.22		
0.23	0.46	0.28		
\$ 15.91	\$ 12.88	\$ 17.50		
\$ 5.36	\$ 5.28	\$ 7.33		
2.30	3.46	3.36		
\$ 7.66	\$ 8.74	\$ 10.69		
\$ 1.78	\$ 1.86	\$ 1.90		
\$ 1.78	\$ 1.65	\$ 1.60		
\$ 0.42	\$ 0.41	\$ 0.43		
0.15	0.18	0.19		
0.35	0.30	0.35		
0.51	0.55	0.60		
0.61	0.59	0.72		
0.30	0.32	0.35		
0.61	0.64	0.58		
0.19	0.19	0.17		
0.54	0.68	0.63		
0.65	0.70	0.93		
\$ 4.33	\$ 4.56	\$ 4.95		
\$ 15.55	\$ 16.81	\$ 19.14		
\$ 0.36	\$ (3.93)	\$ (1.64)		

SUMMARY OF FINANCIAL STATISTICS

SOUTHERN CALIFORNIA

	December 31, 2010	December 31, 2009	December 31, 2008
1. Current Ratio	0.33 : 1	0.22 : 1	0.60 : 1
2. Total Debt Per Cow	\$ 2,082	\$ 2,622	\$ 2,319
3. Debt to Equity Ratio	1.09 : 1	2.00 : 1	1.98 : 1
4. Return on Total Assets	1.9%	-15.5%	-6.9%
5. Income (loss) per milking cow per month	\$ 9.87	\$ (74.43)	\$ (34.34)

1. The current ratio represents current assets divided by current liabilities.
2. 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.
3. Debt to equity represents the total debt divided by the total equity.
4. The return on total assets represents the net income divided by the total assets, stated at cost.
5. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by 12.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2010, 2009, AND 2008
SOUTHERN CALIFORNIA
(BASED ON AVERAGE AMOUNTS)

	2010	2009	2008
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	20,834	19,490	20,363
Daily pounds of milk, per milking cow	67.8	61.2	66.1
Butterfat test	3.44 %	3.42 %	3.45 %
Solids-non-fat test	8.78 %	8.72 %	8.71 %
Blend price per hundredweight	\$ 15.68	\$ 12.42	\$ 17.22
Milk receipts, per milking cow	\$ 3,884	\$ 2,778	\$ 4,156
HERD INFORMATION:			
Herd size - total	1,359	1,259	1,203
Percent of dry cows	15.8 %	12.8 %	15.5 %
Herd turnover rate	35.8 %	30.2 %	35.7 %
Composition of herd:			
Purchased cows	29 %	34 %	4 %
Self-raised cows	71 %	66 %	96 %
Cost of purchased cows	\$ 1,439	\$ 1,490	\$ 2,350
Beef price received	\$ 633	\$ 513	\$ 530
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	34.2 %	42.5 %	42.6 %
Hay and other	14.7 %	27.9 %	19.5 %
Totals	48.9 %	70.4 %	62.1 %

INCOME AND COST OF OPERATIONS

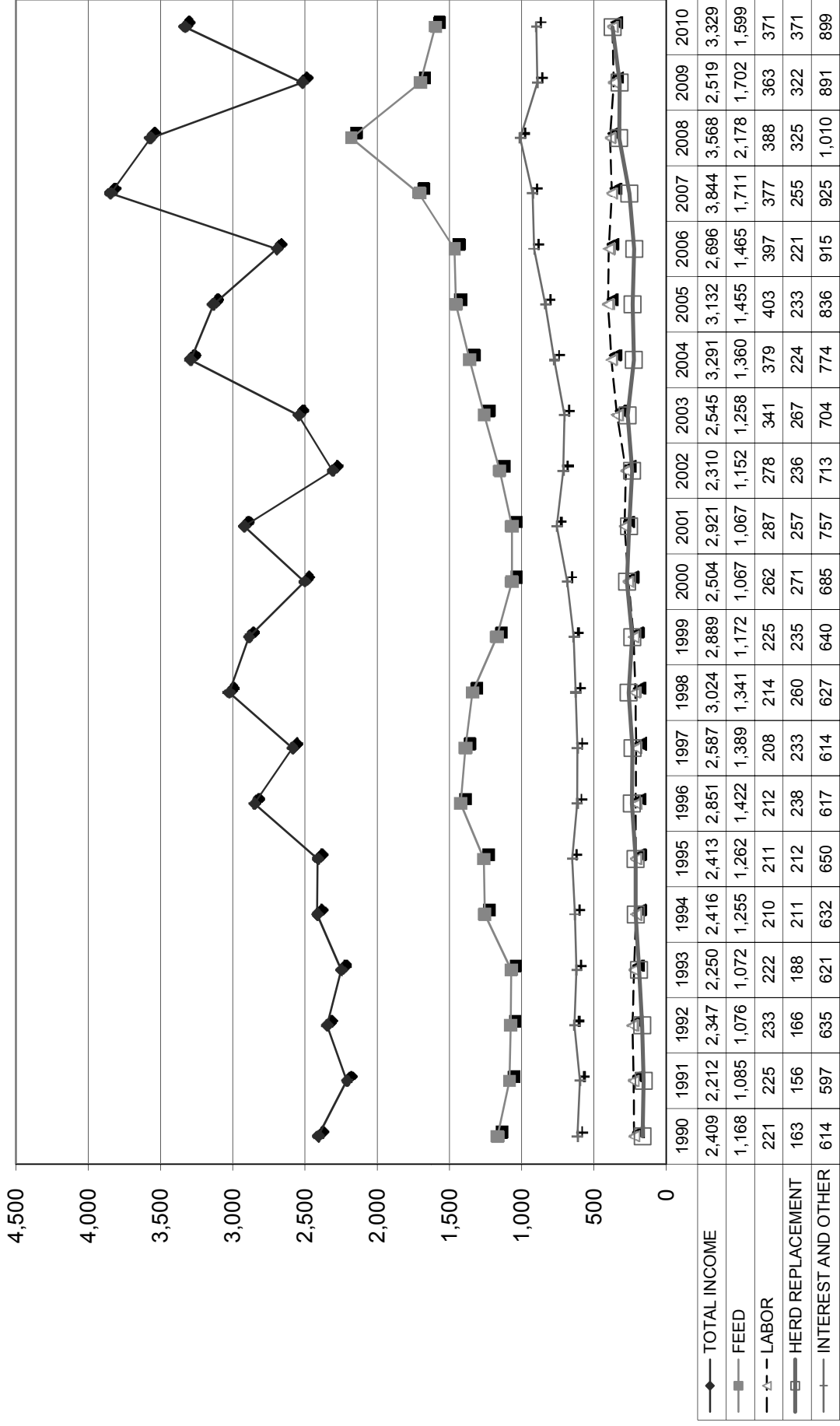
SOUTHERN CALIFORNIA

(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

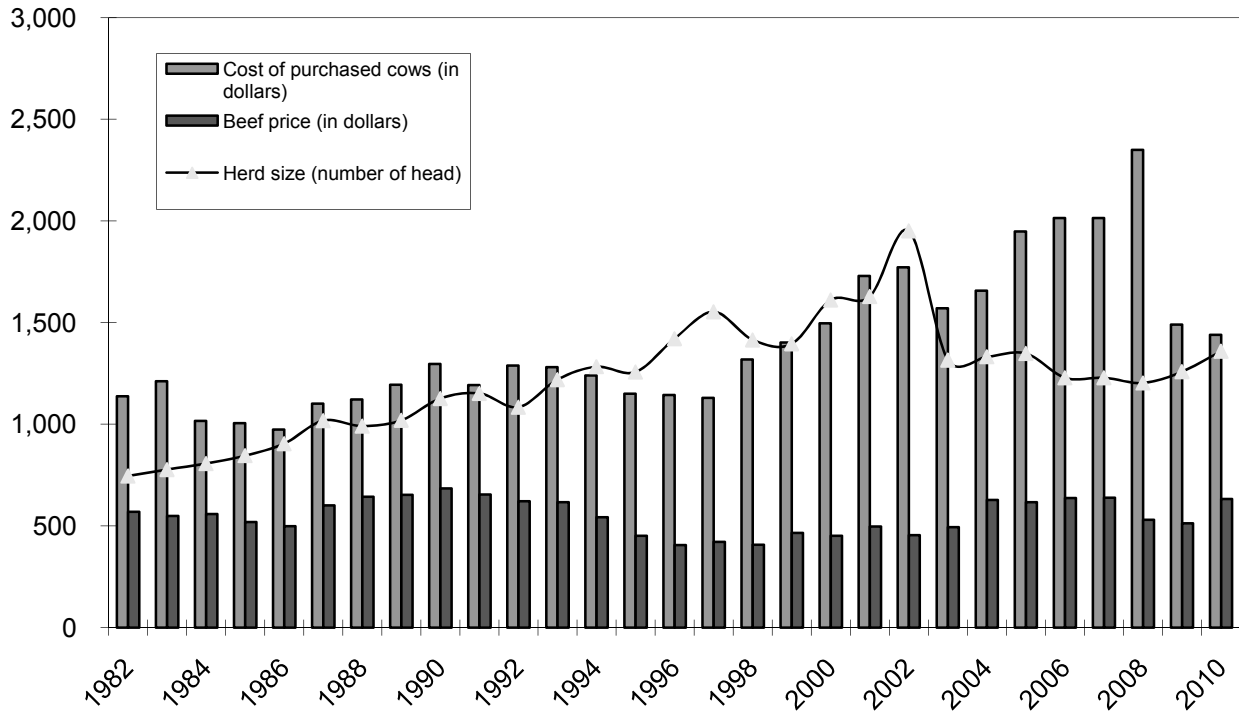
	December 31, 2010	December 31, 2009	December 31, 2008
Income:			
Milk Sales	\$ 15.68	\$ 12.42	\$ 17.22
Calves and other	0.23	0.46	0.28
Total income	\$ 15.91	\$ 12.88	\$ 17.50
Total cost of operations:			
Feed	\$ 7.66	\$ 8.74	\$ 10.69
Labor	1.78	1.86	1.90
Herd replacement costs	1.78	1.65	1.60
Other costs	4.33	4.56	4.95
Total costs of operations	\$ 15.55	\$ 16.81	\$ 19.14
Net income (loss)	\$ 0.36	\$ (3.93)	\$ (1.64)
Cost of operations as a percentage of income	97.74%	130.51%	109.37%
Feed costs as a percentage of milk sales	48.85%	70.37%	62.08%
Net income (loss) per milking cow per month	\$ 9.87	\$ (74.43)	\$ (34.34)
Cumulative net loss per cwt. from 2004 to 2010	\$ (0.15)		

	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2004
\$	18.46	\$ 12.25	\$ 14.75	\$ 15.48
	0.23	0.48	0.42	0.38
\$	18.69	\$ 12.73	\$ 15.17	\$ 15.86
\$	8.31	\$ 6.90	\$ 7.05	\$ 6.56
	1.83	1.86	1.95	1.83
	1.24	1.05	1.13	1.08
	4.51	4.30	4.04	3.75
\$	15.89	\$ 14.11	\$ 14.17	\$ 13.22
\$	2.80	\$ (1.38)	\$ 1.00	\$ 2.64
	85.02%	110.84%	93.41%	83.35%
	45.02%	56.33%	47.80%	42.38%
\$	53.99	\$ (33.82)	\$ 18.33	\$ 48.78

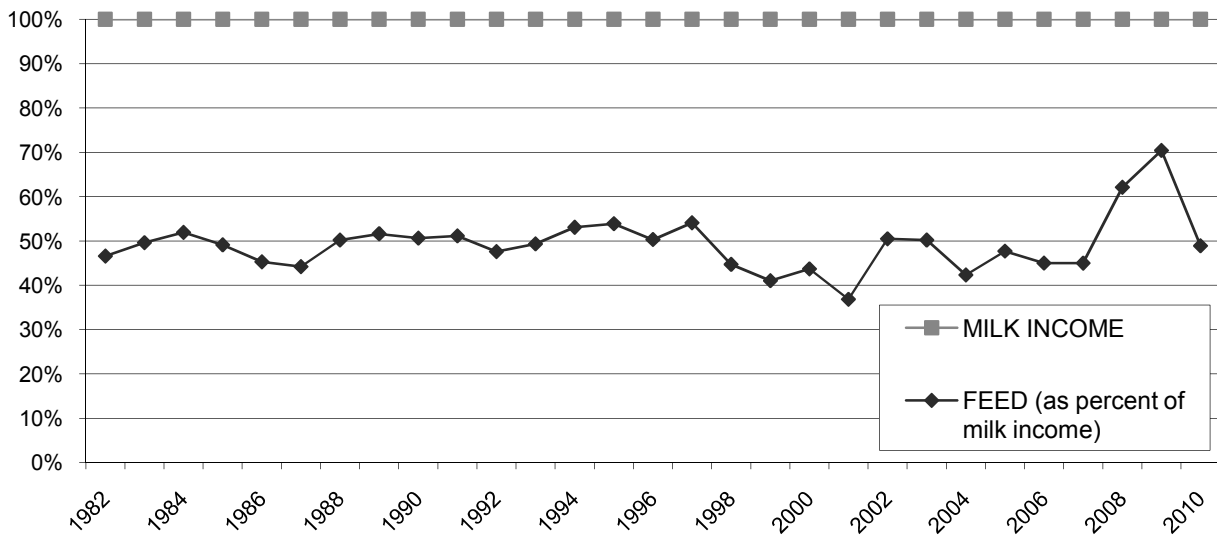
**LONG-TERM TREND - ON A "PER HEAD" BASIS
SOUTHERN CALIFORNIA
INCOME AND OPERATING COSTS
1990 - 2010**



LONG TERM TREND - COST OF PURCHASED COWS, BEEF PRICE, AND HERD SIZE SOUTHERN CALIFORNIA



FEED COST vs. MILK INCOME SOUTHERN CALIFORNIA



CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2010, 2009, AND 2008
SAN JOAQUIN VALLEY
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2010	2009	2008
Income:			
Milk sales	\$ 3,311	\$ 2,534	\$ 3,677
Calves and other	21	50	32
Total income	\$ 3,332	\$ 2,584	\$ 3,709
Cost of operations:			
Feed:			
Grain	\$ 1,262	\$ 1,267	\$ 1,492
Hay and other	387	640	558
Total feed	\$ 1,649	\$ 1,907	\$ 2,050
Labor, (including fringe costs)	\$ 310	\$ 324	\$ 337
Herd replacement costs	\$ 250	\$ 280	\$ 260
Other costs:			
Milk hauling	\$ 73	\$ 71	\$ 69
State and association charges	46	52	67
Veterinary, breeding, testing, etc.	92	95	122
Supplies	124	129	134
Repairs and maintenance	97	97	133
Utilities	75	82	79
Occupancy costs	139	153	141
Depreciation - equipment	61	69	78
Interest	137	125	151
Miscellaneous	138	162	240
Total other costs	\$ 982	\$ 1,035	\$ 1,214
Total cost of operations	\$ 3,191	\$ 3,546	\$ 3,861
Net income (loss)	\$ 141	\$ (962)	\$ (152)

PER CWT. OF MILK			YOUR 2010 RESULTS
2010	2009	2008	PER HEAD PER CWT. OF MILK
\$ 14.94 0.10	\$ 11.71 0.23	\$ 16.84 0.14	
\$ 15.04	\$ 11.94	\$ 16.98	
\$ 5.70 1.76	\$ 5.86 2.95	\$ 6.83 2.55	
\$ 7.46	\$ 8.81	\$ 9.38	
\$ 1.40	\$ 1.48	\$ 1.54	
\$ 1.13	\$ 1.30	\$ 1.19	
\$ 0.33 0.21 0.42 0.56 0.44 0.34 0.62 0.27 0.62 0.61	\$ 0.33 0.24 0.43 0.60 0.45 0.38 0.70 0.32 0.58 0.75	\$ 0.31 0.30 0.56 0.61 0.61 0.36 0.64 0.35 0.69 1.09	
\$ 4.42	\$ 4.78	\$ 5.52	
\$ 14.41	\$ 16.37	\$ 17.63	
\$ 0.63	\$ (4.43)	\$ (0.65)	

SUMMARY OF FINANCIAL STATISTICS

SAN JOAQUIN VALLEY

	December 31, 2010	December 31, 2009	December 31, 2008
1. Current Ratio	0.62 : 1	0.67 : 1	1.25 : 1
2. Total Debt Per Cow	\$ 2,724	\$ 2,767	\$ 2,362
3. Debt to Equity Ratio	2.10 : 1	2.30 : 1	1.30 : 1
4. Return on Total Assets	2.4%	-16.5%	-2.4%
5. Income (loss) per milking cow per month	\$ 20.60	\$ (91.89)	\$ (1.40)

1. The current ratio represents current assets divided by current liabilities.
2. 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.
3. Debt to equity represents the total debt divided by the total equity.
4. The return on total assets represents the net income divided by the total assets, stated at cost.
5. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by 12.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2010, 2009, AND 2008
SAN JOAQUIN VALLEY
(BASED ON AVERAGE AMOUNTS)

	2010	2009	2008
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	22,134	21,638	21,831
Daily pounds of milk, per milking cow	71.6	70.0	70.5
Butterfat test	3.58 %	3.57 %	3.61 %
Solids-non-fat test	8.73 %	8.71 %	8.76 %
Blend price per hundredweight	\$ 14.94	\$ 11.71	\$ 16.84
Milk receipts, per milking cow	\$ 3,910	\$ 2,992	\$ 4,331
HERD INFORMATION:			
Herd size - total	2,809	2,861	2,720
Percent of dry cows	15.3 %	15.3 %	15.1 %
Herd turnover rate	37.4 %	38.6 %	36.1 %
Composition of herd:			
Purchased cows	5 %	6 %	20 %
Self-raised cows	95 %	94 %	80 %
Cost of purchased cows	\$ 1,332	\$ 1,330	\$ 1,847
Beef price received	\$ 702	\$ 549	\$ 607
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	38.2 %	50.0 %	40.6 %
Hay and other	11.8 %	25.2 %	15.1 %
Totals	50.0 %	75.2 %	55.7 %

INCOME AND COST OF OPERATIONS

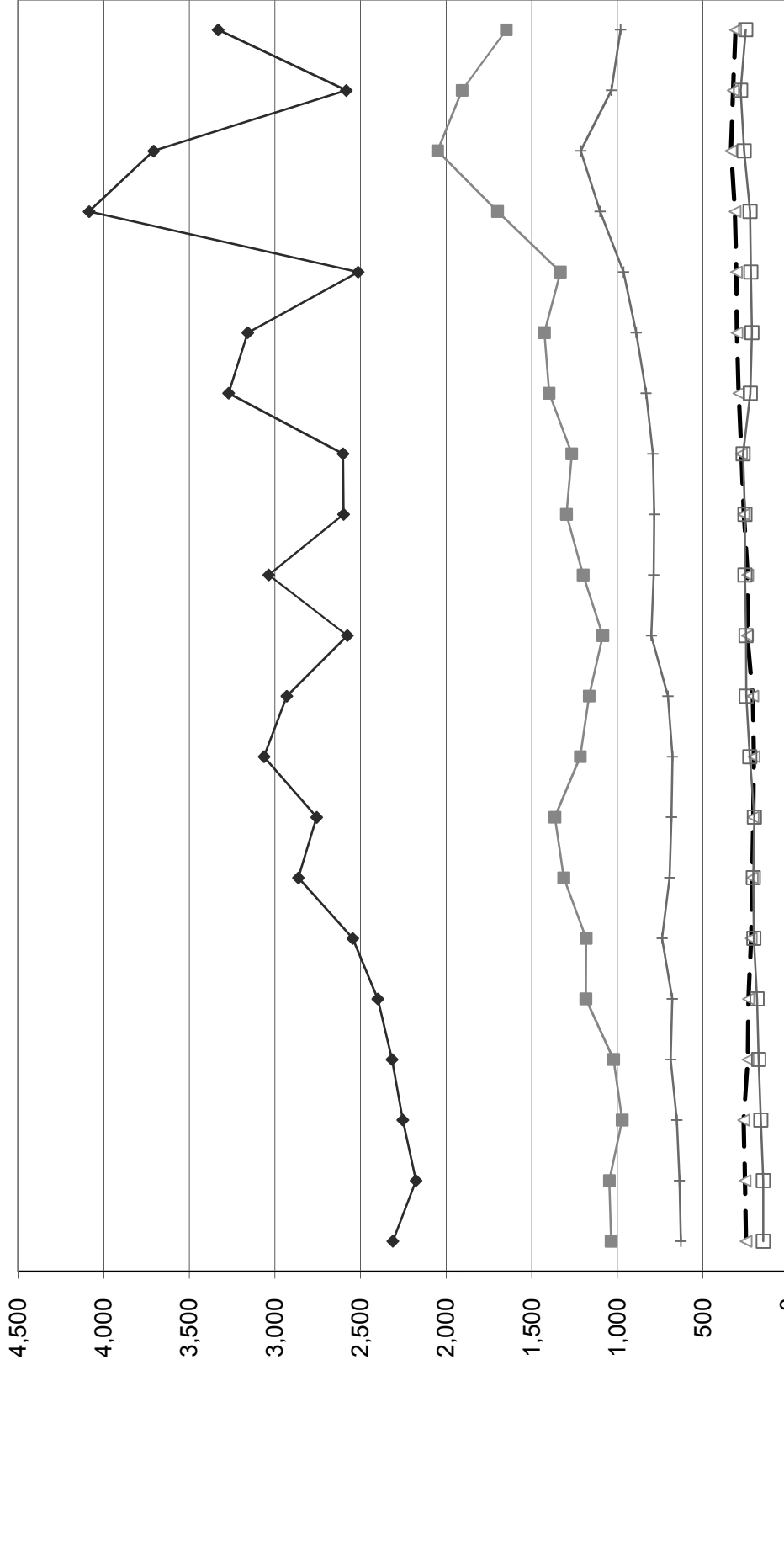
SAN JOAQUIN VALLEY

(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

	December 31, 2010	December 31, 2009	December 31, 2008
Income:			
Milk Sales	\$ 14.94	\$ 11.71	\$ 16.84
Calves and other	0.10	0.23	0.14
Total income	\$ 15.04	\$ 11.94	\$ 16.98
Total cost of operations:			
Feed	\$ 7.46	\$ 8.81	\$ 9.38
Labor	1.40	1.48	1.54
Herd replacement costs	1.13	1.30	1.19
Other costs	4.42	4.78	5.52
Total costs of operations	\$ 14.41	\$ 16.37	\$ 17.63
Net income (loss)	\$ 0.63	\$ (4.43)	\$ (0.65)
Cost of operations as a percentage of income	95.81%	137.10%	103.83%
Feed costs as a percentage of milk sales	49.93%	75.23%	55.70%
Net income (loss) per milking cow per month	\$ 20.60	\$ (91.89)	\$ (1.40)
Cumulative net income per cwt. from 2004 to 2010	\$ 1.57		

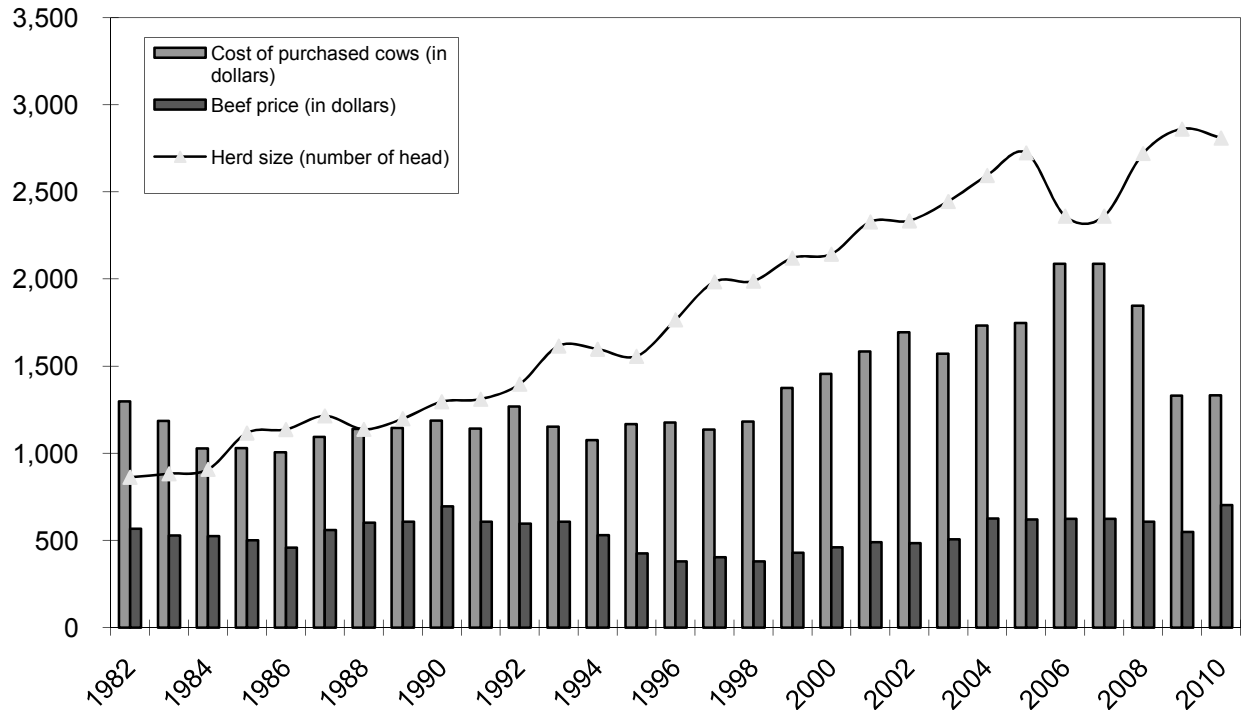
December 31, 2007		December 31, 2006		December 31, 2005		December 31, 2004	
\$	18.48	\$	11.82	\$	14.45	\$	15.30
	0.35		0.38		0.25		0.42
\$	18.83	\$	12.20	\$	14.70	\$	15.72
\$	7.84	\$	6.47	\$	6.64	\$	6.72
	1.44		1.48		1.41		1.40
	1.04		1.07		1.00		1.08
	5.03		4.68		4.13		4.00
\$	15.35	\$	13.70	\$	13.18	\$	13.20
\$	3.48	\$	(1.50)	\$	1.52	\$	2.52
	81.52%		112.30%		89.66%		83.97%
	42.42%		54.74%		45.95%		43.92%
\$	88.56	\$	(27.19)	\$	31.96	\$	82.13

**LONG-TERM TREND - ON A "PER HEAD" BASIS
SAN JOAQUIN VALLEY
INCOME AND OPERATING COSTS
1990 - 2010**

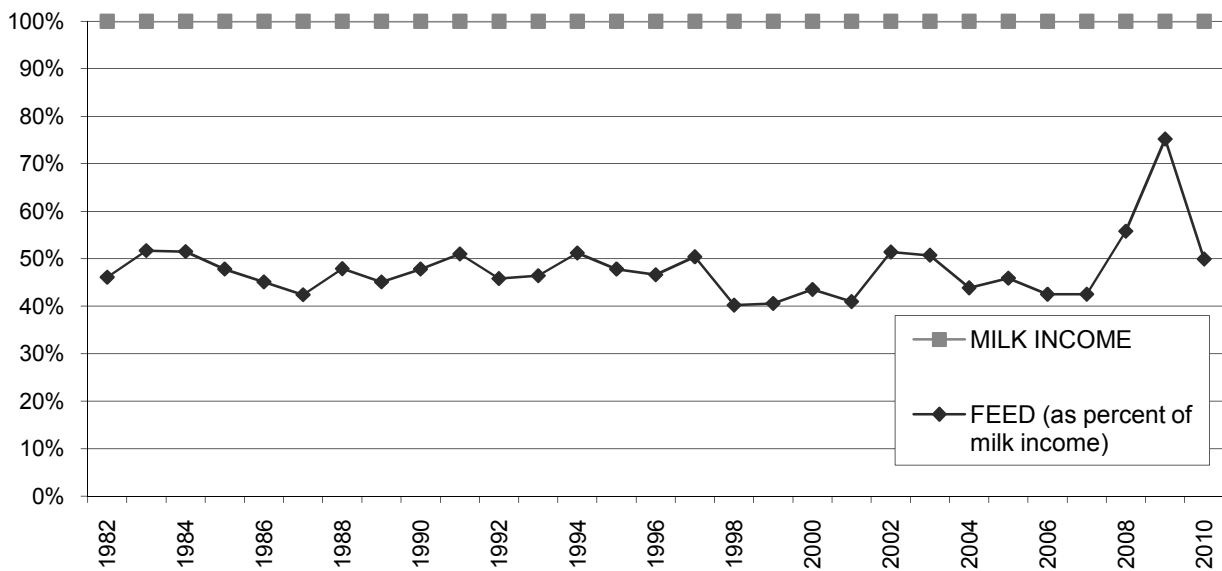


	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
◆ TOTAL INCOME	2,312	2,176	2,253	2,316	2,399	2,546	2,863	2,756	3,064	2,931	2,577	3,037	2,599	2,602	3,271	3,159	2,515	4,086	3,709	2,584	3,332
■ FEED	1,037	1,047	972	1,023	1,185	1,183	1,313	1,365	1,217	1,165	1,086	1,200	1,298	1,267	1,399	1,427	1,333	1,700	2,050	1,907	1,649
▲ LABOR	249	255	263	238	235	219	213	207	203	210	241	239	262	276	291	302	305	313	337	324	310
● HERD REPLACEMENT	149	148	163	175	185	203	206	201	227	247	249	255	256	266	224	214	221	225	260	280	250
+ INTEREST AND OTHER	629	638	653	689	680	739	695	685	679	705	802	788	785	793	833	891	964	1,101	1,214	1,035	982

LONG TERM TREND - COST OF PURCHASED COWS, BEEF PRICE, AND HERD SIZE SAN JOAQUIN VALLEY



FEED COST vs. MILK INCOME SAN JOAQUIN VALLEY



CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2010, 2009, AND 2008
KERN COUNTY
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2010	2009	2008
Income:			
Milk sales	\$ 3,169	\$ 2,427	\$ 3,496
Calves and other	30	23	28
Total income	\$ 3,199	\$ 2,450	\$ 3,524
Cost of operations:			
Feed:			
Grain	\$ 1,135	\$ 1,170	\$ 1,411
Hay and other	467	700	703
Total feed	\$ 1,602	\$ 1,870	\$ 2,114
Labor, (including fringe costs)	\$ 273	\$ 272	\$ 276
Herd replacement costs	\$ 256	\$ 281	\$ 251
Other costs:			
Milk hauling	\$ 70	\$ 68	\$ 71
State and association charges	39	43	51
Veterinary, breeding, testing, etc.	59	55	57
Supplies	91	100	102
Repairs and maintenance	91	101	102
Utilities	77	74	72
Occupancy costs	108	102	110
Depreciation - equipment	62	71	67
Interest	130	117	105
Miscellaneous	99	123	191
Total other costs	\$ 826	\$ 854	\$ 928
Total cost of operations	\$ 2,957	\$ 3,277	\$ 3,569
Net income (loss)	\$ 242	\$ (827)	\$ (45)

PER CWT. OF MILK			YOUR 2010 RESULTS	
2010	2009	2008	PER HEAD	PER CWT. OF MILK
\$ 15.31	\$ 12.27	\$ 17.37	\$	\$
0.15	0.10	0.14		
\$ 15.46	\$ 12.37	\$ 17.51	\$	\$
\$ 5.49	\$ 5.91	\$ 7.01	\$	\$
2.26	3.54	3.49		
\$ 7.75	\$ 9.45	\$ 10.50	\$	\$
\$ 1.31	\$ 1.38	\$ 1.36	\$	\$
\$ 1.24	\$ 1.42	\$ 1.25	\$	\$
\$ 0.34	\$ 0.34	\$ 0.35	\$	\$
0.19	0.22	0.25		
0.28	0.28	0.29		
0.44	0.50	0.50		
0.43	0.51	0.51		
0.37	0.37	0.36		
0.52	0.52	0.55		
0.30	0.36	0.34		
0.63	0.59	0.52		
0.47	0.63	0.93		
\$ 3.97	\$ 4.32	\$ 4.60	\$	\$
\$ 14.27	\$ 16.57	\$ 17.71	\$	\$
\$ 1.19	\$ (4.20)	\$ (0.20)	\$	\$

SUMMARY OF FINANCIAL STATISTICS

KERN COUNTY

	December 31, 2010	December 31, 2009	December 31, 2008
1. Current Ratio	0.79 : 1	1.30 : 1	1.84 : 1
2. Total Debt Per Cow	\$ 3,390	\$ 2,994	\$ 2,907
3. Debt to Equity Ratio	1.65 : 1	1.40 : 1	1.01 : 1
4. Return on Total Assets	1.6%	-11.3%	-0.6%
5. Income (loss) per milking cow per month	\$ 20.47	\$ (88.01)	\$ (1.22)

1. The current ratio represents current assets divided by current liabilities.
2. 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.
3. Debt to equity represents the total debt divided by the total equity.
4. The return on total assets represents the net income divided by the total assets, stated at cost.
5. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by 12.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2010, 2009, AND 2008
KERN COUNTY
(BASED ON AVERAGE AMOUNTS)

	2010	2009	2008
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	20,700	19,793	20,132
Daily pounds of milk, per milking cow	68.2	66.2	67.2
Butterfat test	3.64 %	3.68 %	3.69 %
Solids-non-fat test	8.77 %	8.79 %	8.78 %
Blend price per hundredweight	\$ 15.31	\$ 12.27	\$ 17.37
Milk receipts, per milking cow	\$ 3,809	\$ 2,962	\$ 4,257
HERD INFORMATION:			
Herd size - total	3,365	3,126	2,963
Percent of dry cows	16.8 %	18.1 %	17.9 %
Herd turnover rate	34.4 %	36.1 %	34.5 %
Composition of herd:			
Purchased cows	7 %	6 %	8 %
Self-raised cows	93 %	94 %	92 %
Cost of purchased cows	\$ 1,275	\$ 1,505	\$ 1,800
Beef price received	\$ 645	\$ 514	\$ 536
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	35.9 %	48.2 %	40.4 %
Hay and other	14.8 %	28.9 %	20.1 %
Totals	50.7 %	77.1 %	60.5 %

INCOME AND COST OF OPERATIONS

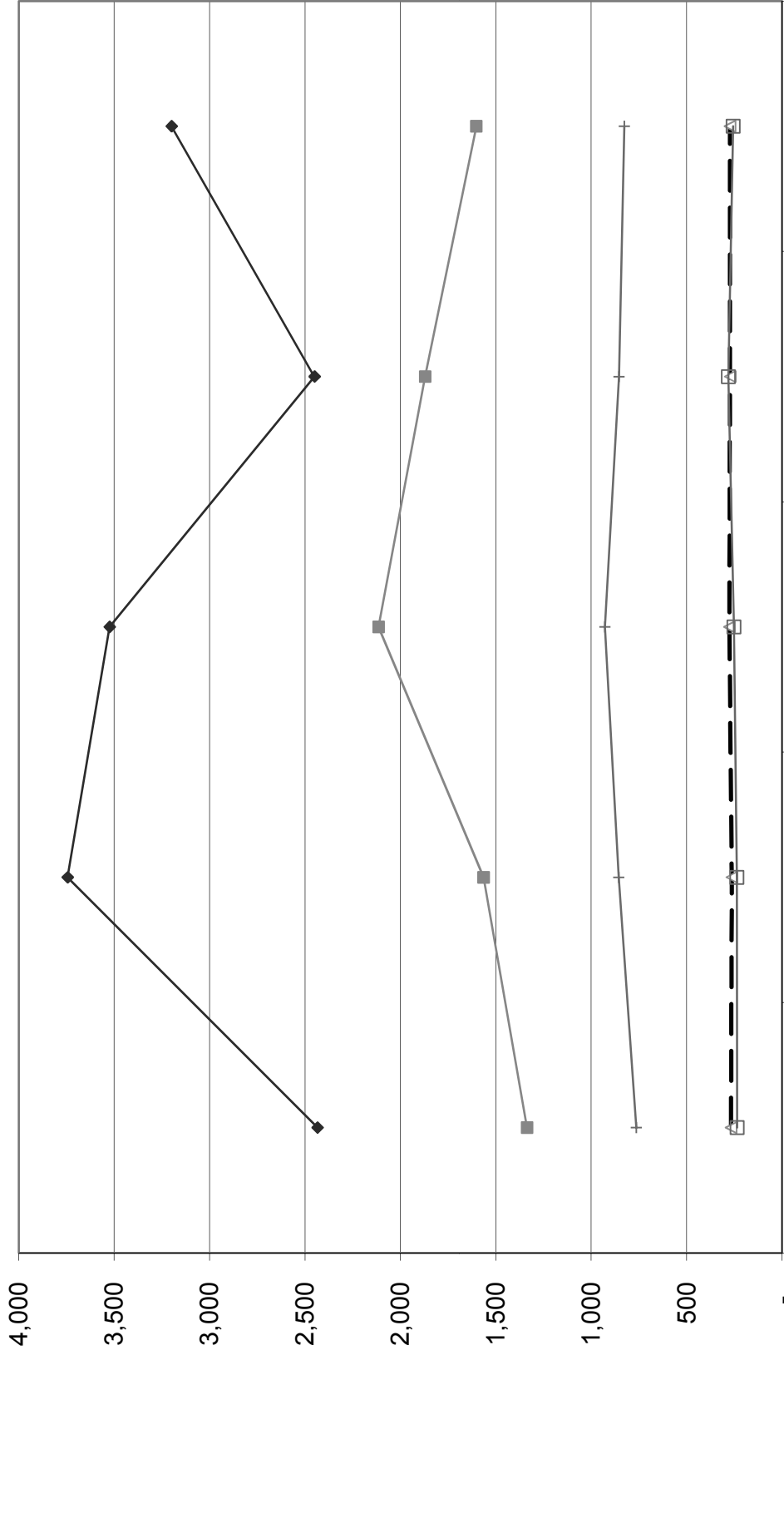
KERN COUNTY

(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

	December 31, 2010	December 31, 2009	December 31, 2008
Income:			
Milk Sales	\$ 15.31	\$ 12.27	\$ 17.37
Calves and other	0.15	0.10	0.14
Total income	\$ 15.46	\$ 12.37	\$ 17.51
Total cost of operations:			
Feed	\$ 7.75	\$ 9.45	\$ 10.50
Labor	1.31	1.38	1.36
Herd replacement costs	1.24	1.42	1.25
Other costs	3.97	4.32	4.60
Total costs of operations	\$ 14.27	\$ 16.57	\$ 17.71
Net income (loss)	\$ 1.19	\$ (4.20)	\$ (0.20)
Cost of operations as a percentage of income	92.30%	133.95%	101.14%
Feed costs as a percentage of milk sales	50.62%	77.02%	60.45%
Net income (loss) per milking cow per month	\$ 20.47	\$ (88.01)	\$ (1.22)
Cumulative net income per cwt. from 2006 to 2010	\$ 0.08		

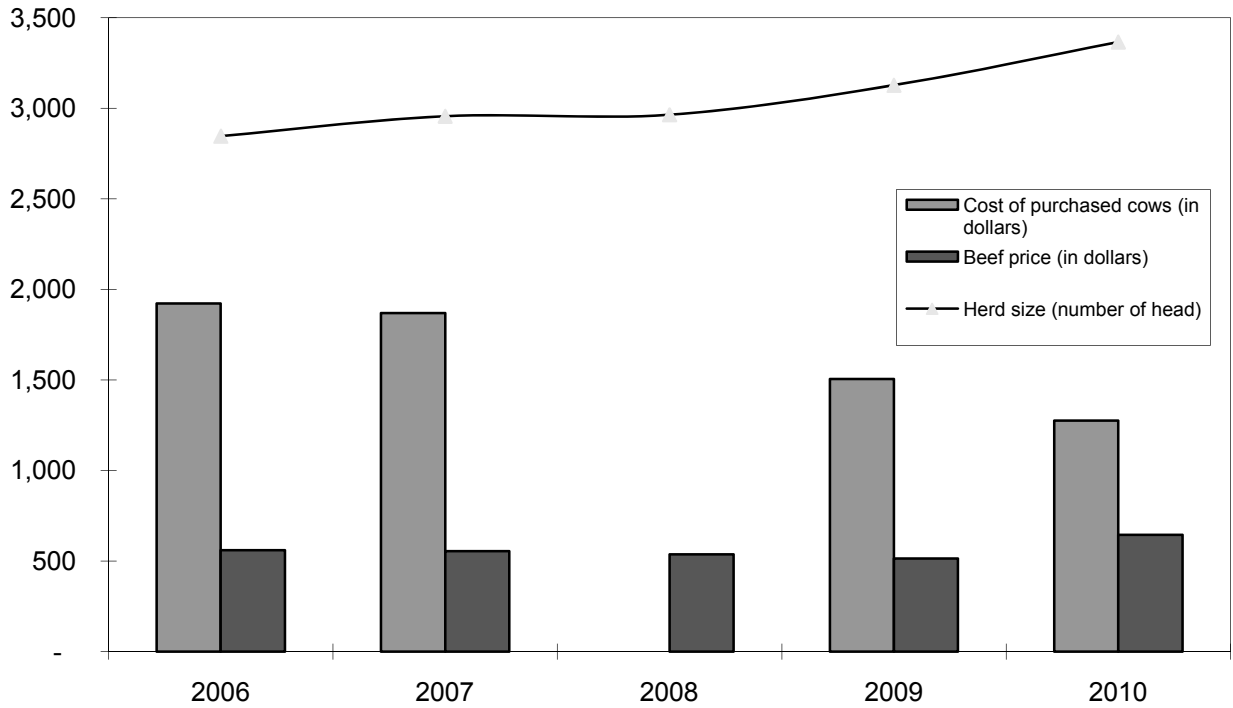
December 31, 2007	December 31, 2006
\$ 18.53	\$ 12.21
0.35	0.31
\$ 18.88	\$ 12.52
\$ 7.89	\$ 6.89
1.33	1.37
1.19	1.21
4.31	3.92
\$ 14.72	\$ 13.39
\$ 4.16	\$ (0.87)
77.97%	106.95%
42.58%	56.43%
\$ 84.69	\$ (21.76)

**LONG-TERM TREND - ON A "PER HEAD" BASIS
KERN COUNTY
INCOME AND OPERATING COSTS
2006 - 2010**

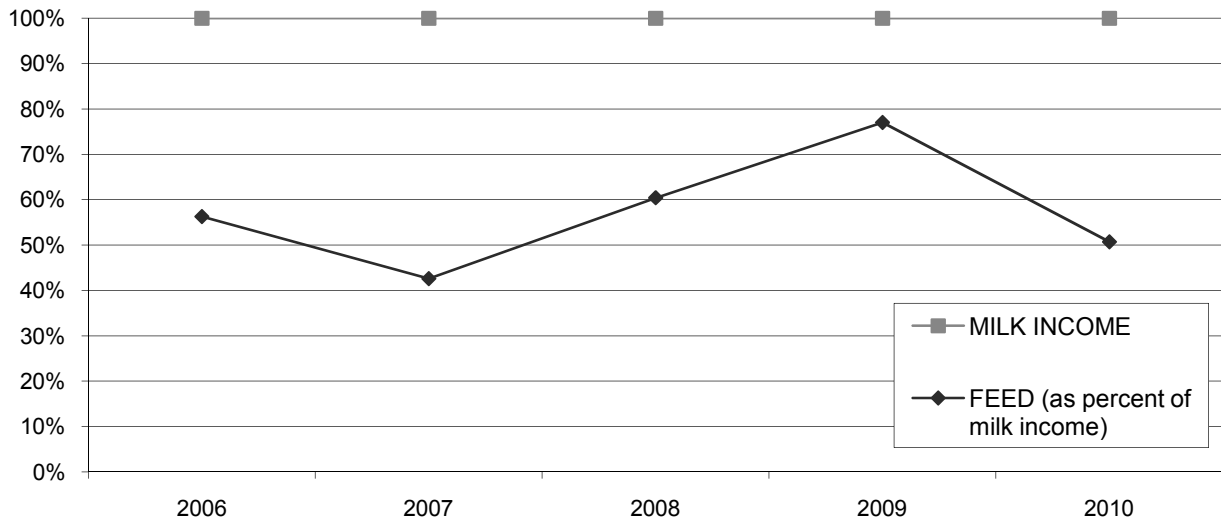


	2006	2007	2008	2009	2010
TOTAL INCOME	2,434	3,744	3,524	2,450	3,199
FEED	1,336	1,564	2,114	1,870	1,602
LABOR	267	263	276	272	273
HERD REPLACEMENT	235	236	251	281	256
INTEREST AND OTHER	763	855	928	854	826

LONG TERM TREND - COST OF PURCHASED COWS, BEEF PRICE, AND HERD SIZE KERN COUNTY



FEED COST vs. MILK INCOME KERN COUNTY



CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2010, 2009, AND 2008
ARIZONA
(BASED ON AVERAGE AMOUNTS)

PER HEAD

	2010	2009	2008
Income:			
Milk sales	\$ 3,510	\$ 2,569	\$ 3,702
Calves and other	22	52	63
Total income	\$ 3,532	\$ 2,621	\$ 3,765
Cost of operations:			
Feed:			
Grain	\$ 1,032	\$ 1,103	\$ 1,289
Hay and other	562	625	564
Total feed	\$ 1,594	\$ 1,728	\$ 1,853
Labor, (including fringe costs)	\$ 334	\$ 323	\$ 322
Herd replacement costs	\$ 316	\$ 399	\$ 351
Other costs:			
Milk hauling	\$ 80	\$ 73	\$ 78
State and association charges	101	97	120
Veterinary, breeding, testing, etc.	50	60	81
Supplies	146	144	148
Repairs and maintenance	94	85	115
Utilities	86	83	81
Occupancy costs	143	151	109
Depreciation - equipment	33	30	57
Interest	159	140	202
Miscellaneous	144	129	162
Total other costs	\$ 1,036	\$ 992	\$ 1,153
Total cost of operations	\$ 3,280	\$ 3,442	\$ 3,679
Net income (loss)	\$ 252	\$ (821)	\$ 86

PER CWT. OF MILK			YOUR 2010 RESULTS	
2010	2009	2008	PER HEAD	PER CWT. OF MILK
\$ 16.47	\$ 12.58	\$ 18.11	\$	\$
0.11	0.25	0.30		
\$ 16.58	\$ 12.83	\$ 18.41	\$	\$
\$ 4.85	\$ 5.40	\$ 6.31	\$	\$
2.64	3.06	2.76		
\$ 7.49	\$ 8.46	\$ 9.07	\$	\$
\$ 1.58	\$ 1.60	\$ 1.59	\$	\$
\$ 1.49	\$ 1.95	\$ 1.72	\$	\$
\$ 0.38	\$ 0.36	\$ 0.38	\$	\$
0.48	0.48	0.59		
0.24	0.30	0.40		
0.69	0.70	0.72		
0.44	0.42	0.56		
0.40	0.41	0.40		
0.68	0.74	0.53		
0.16	0.14	0.28		
0.73	0.68	0.98		
0.69	0.64	0.80		
\$ 4.89	\$ 4.87	\$ 5.64	\$	\$
\$ 15.45	\$ 16.88	\$ 18.02	\$	\$
\$ 1.13	\$ (4.05)	\$ 0.39	\$	\$

SUMMARY OF FINANCIAL STATISTICS

ARIZONA

	December 31, 2010	December 31, 2009	December 31, 2008
1. Current Ratio	0.57 : 1	0.48 : 1	0.48 : 1
2. Total Debt Per Cow	\$ 2,964	\$ 2,708	\$ 3,150
3. Debt to Equity Ratio	5.15 : 1	6.45 : 1	2.44 : 1
4. Return on Total Assets	5.3%	-19.0%	0.9%
5. Income (loss) per milking cow per month	\$ 28.71	\$ (84.26)	\$ 5.99

1. The current ratio represents current assets divided by current liabilities.
2. 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.
3. Debt to equity represents the total debt divided by the total equity.
4. The return on total assets represents the net income divided by the total assets, stated at cost.
5. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by 12.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2010, 2009, AND 2008
ARIZONA
(BASED ON AVERAGE AMOUNTS)

	2010	2009	2008
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	21,303	20,417	20,427
Daily pounds of milk, per milking cow	66.4	66.6	65.3
Butterfat test	3.41 %	3.41 %	3.44 %
Blend price per hundredweight	\$ 16.47	\$ 12.58	\$ 18.11
Milk receipts, per milking cow	\$ 4,492	\$ 3,058	\$ 4,301
HERD INFORMATION:			
Herd size - total	3,301	3,178	3,662
Percent of dry cows	12.1 %	16.0 %	14.3 %
Herd turnover rate	31.2 %	29.9 %	32.7 %
Composition of herd:			
Purchased cows	44 %	43 %	35 %
Self-raised cows	56 %	57 %	65 %
Cost of purchased cows	\$ 1,413	\$ 1,377	\$ 2,187
Beef price received	\$ 690	\$ 561	\$ 568
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	29.4 %	42.9 %	34.8 %
Hay and other	16.0 %	24.3 %	15.2 %
Totals	45.4 %	67.2 %	50.0 %

INCOME AND COST OF OPERATIONS

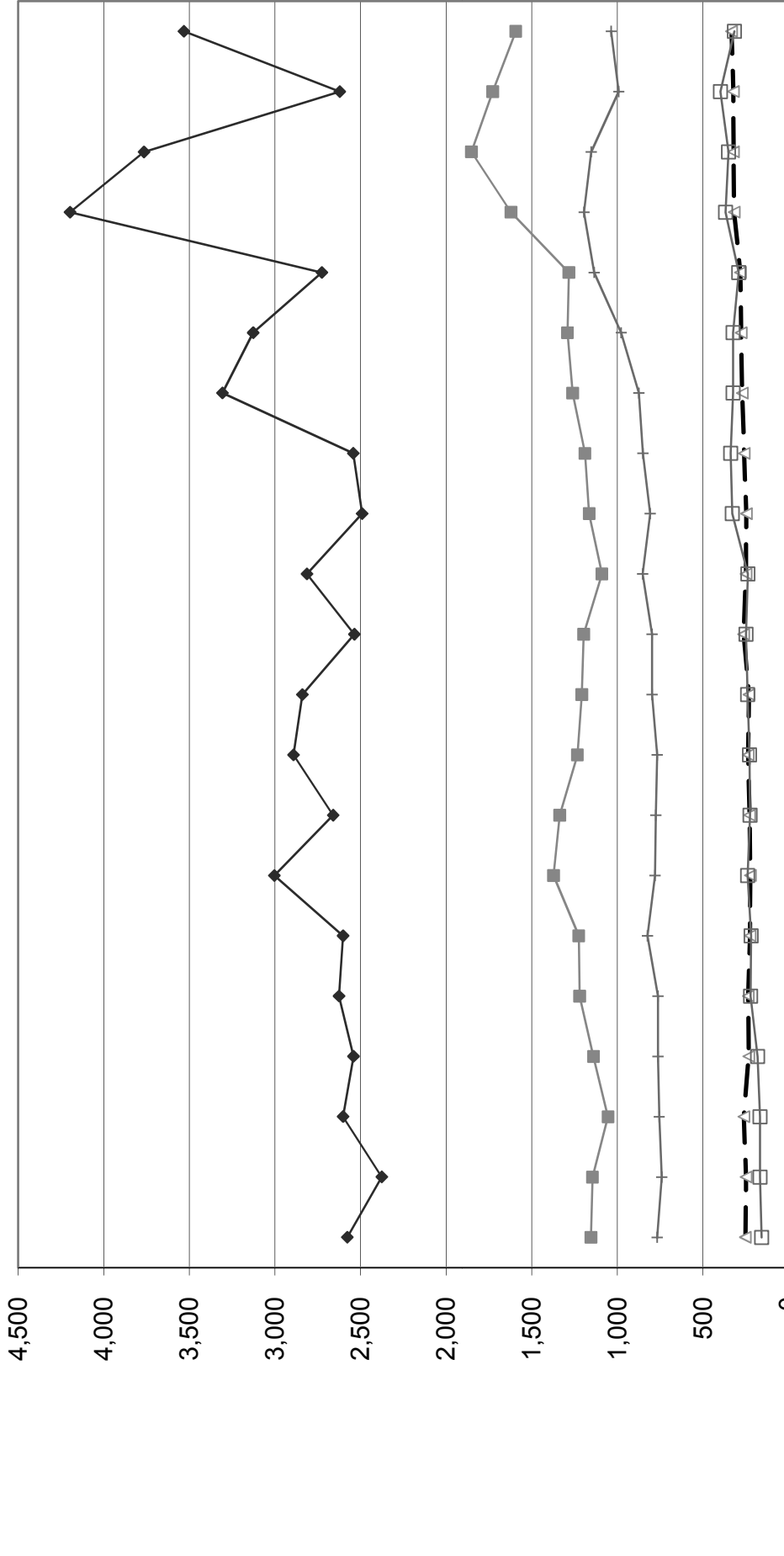
ARIZONA

(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

	December 31, 2010	December 31, 2009	December 31, 2008
Income:			
Milk Sales	\$ 16.47	\$ 12.58	\$ 18.11
Calves and other	0.11	0.25	0.30
Total income	\$ 16.58	\$ 12.83	\$ 18.41
Total cost of operations:			
Feed	\$ 7.49	\$ 8.46	\$ 9.07
Labor	1.58	1.60	1.59
Herd replacement costs	1.49	1.95	1.72
Other costs	4.88	4.88	5.64
Total costs of operations	\$ 15.44	\$ 16.89	\$ 18.02
Net income (loss)	\$ 1.14	\$ (4.06)	\$ 0.39
Cost of operations as a percentage of income	93.12%	131.64%	97.88%
Feed costs as a percentage of milk sales	45.48%	67.25%	50.08%
Net income (loss) per milking cow per month	\$ 28.71	\$ (84.26)	\$ 5.99
Cumulative net income per cwt. from 2004 to 2010	\$ 3.64		

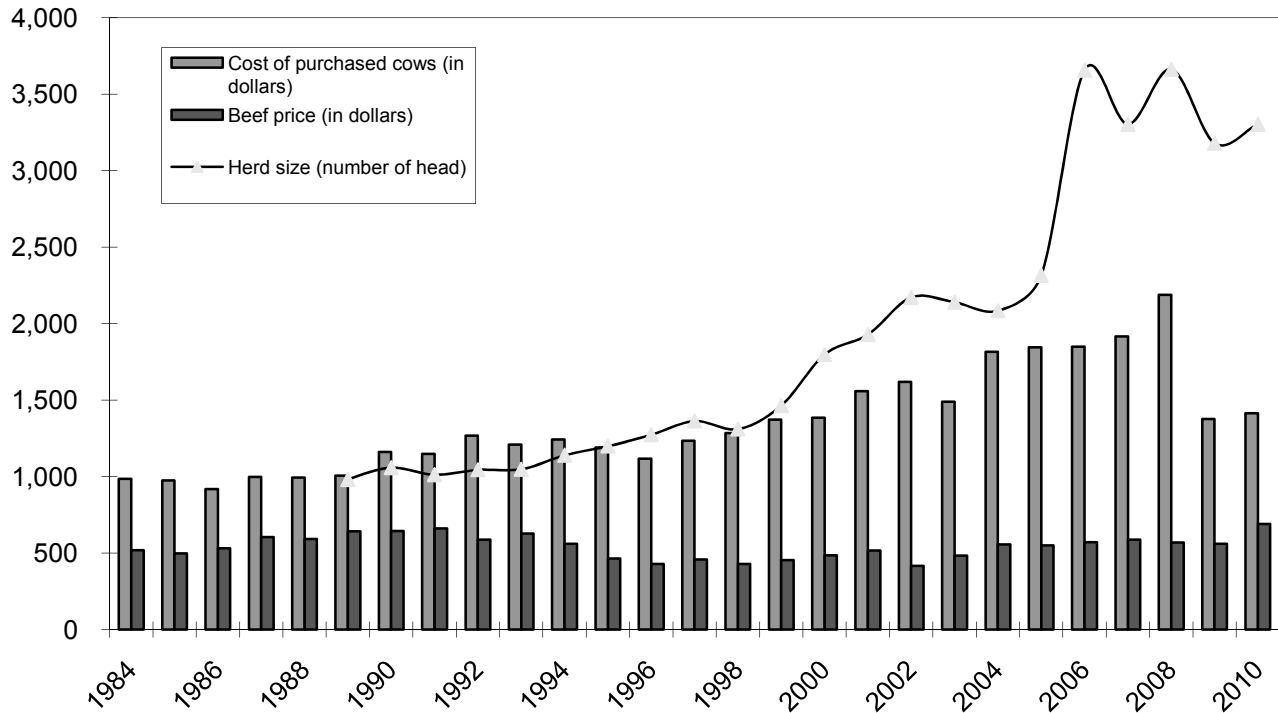
December 31, 2007		December 31, 2006		December 31, 2005		December 31, 2004	
\$	19.87	\$	12.92	\$	15.25	\$	16.06
	0.40		0.40		0.50		0.55
\$	20.27	\$	13.32	\$	15.75	\$	16.61
\$	7.85	\$	6.28	\$	6.51	\$	6.35
	1.54		1.39		1.40		1.36
	1.78		1.42		1.64		1.63
	5.73		5.56		4.93		4.41
\$	16.90	\$	14.65	\$	14.48	\$	13.75
\$	3.37	\$	(1.33)	\$	1.27	\$	2.86
	83.37%		109.98%		91.94%		82.78%
	39.51%		48.61%		42.69%		39.54%
\$	64.56	\$	(22.53)	\$	37.37	\$	65.39

**LONG-TERM TREND - ON A "PER HEAD" BASIS
ARIZONA
INCOME AND OPERATING COSTS
1990 - 2010**

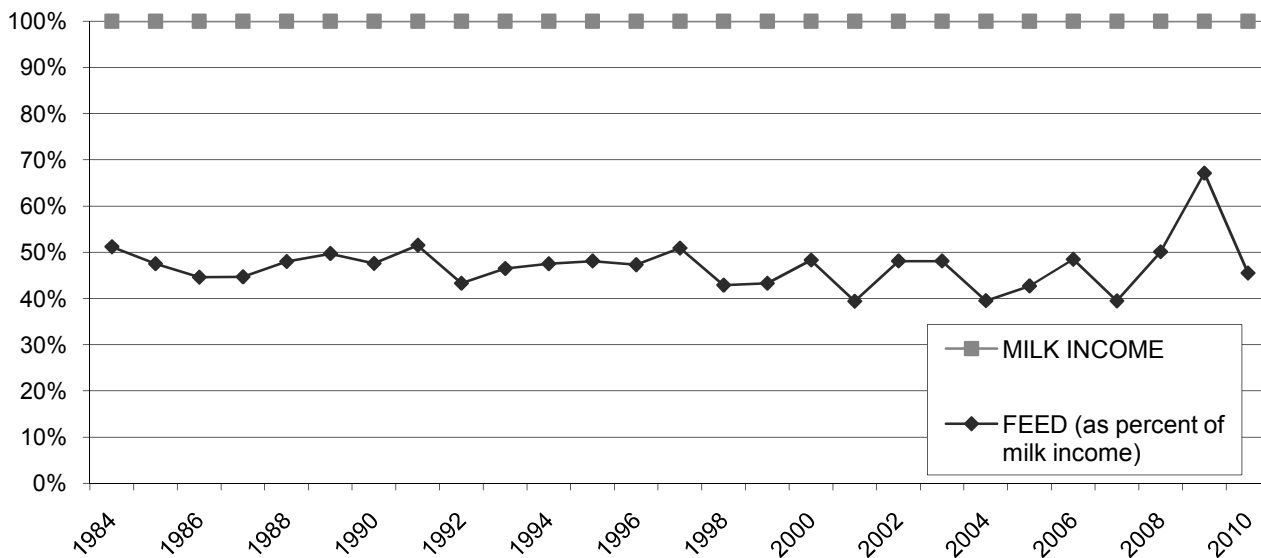


	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL INCOME	2,577	2,376	2,602	2,542	2,626	2,602	3,003	2,660	2,892	2,840	2,536	2,813	2,491	2,543	3,307	3,127	2,726	4,197	3,765	2,621	3,532
FEED	1,155	1,146	1,055	1,140	1,221	1,226	1,373	1,337	1,234	1,208	1,197	1,091	1,165	1,190	1,262	1,292	1,284	1,622	1,853	1,728	1,594
LABOR	253	249	262	233	236	225	224	229	237	232	263	249	247	260	271	278	282	318	322	323	334
HERD REPLACEMENT	158	167	167	181	223	219	240	225	228	239	249	238	330	338	325	325	291	368	351	399	316
INTEREST AND OTHER	768	741	756	763	763	825	781	776	768	798	798	853	809	851	875	978	1,136	1,195	1,153	992	1,036

LONG TERM TREND - COST OF PURCHASED COWS, BEEF PRICE, AND HERD SIZE ARIZONA



FEED COST vs. MILK INCOME ARIZONA



CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2010, 2009, AND 2008
IDAHO
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2010	2009	2008
Income:			
Milk sales	\$ 3,307	\$ 2,667	\$ 4,046
Calves and other	37	54	42
Total income	\$ 3,344	\$ 2,721	\$ 4,088
Cost of operations:			
Feed:			
Grain	\$ 1,125	\$ 1,186	\$ 1,310
Hay and other	546	803	720
Total feed	\$ 1,671	\$ 1,989	\$ 2,030
Labor, (including fringe costs)	\$ 352	\$ 359	\$ 366
Herd replacement costs	\$ 243	\$ 287	\$ 259
Other costs:			
Milk hauling	\$ 60	\$ 55	\$ 68
State and association charges	47	46	62
Veterinary, breeding, testing, etc.	71	86	89
Supplies	166	171	168
Repairs and maintenance	142	147	151
Utilities	47	54	50
Occupancy costs	90	99	97
Depreciation - equipment	83	84	83
Interest	123	117	133
Miscellaneous	159	160	181
Total other costs	\$ 988	\$ 1,019	\$ 1,082
Total cost of operations	\$ 3,254	\$ 3,654	\$ 3,737
Net income (loss)	\$ 90	\$ (933)	\$ 351

PER CWT. OF MILK			YOUR 2010 RESULTS
2010	2009	2008	PER HEAD PER CWT. OF MILK
\$ 15.15	\$ 12.27	\$ 18.15	
0.16	0.25	0.18	
\$ 15.31	\$ 12.52	\$ 18.33	
\$ 5.16	\$ 5.45	\$ 5.87	
2.50	3.69	3.22	
\$ 7.66	\$ 9.14	\$ 9.09	
\$ 1.62	\$ 1.65	\$ 1.65	
\$ 1.12	\$ 1.32	\$ 1.16	
\$ 0.27	\$ 0.25	\$ 0.31	
0.21	0.21	0.28	
0.32	0.40	0.39	
0.76	0.78	0.75	
0.65	0.68	0.67	
0.22	0.25	0.23	
0.41	0.45	0.44	
0.38	0.39	0.37	
0.56	0.54	0.60	
0.70	0.75	0.81	
\$ 4.48	\$ 4.70	\$ 4.85	
\$ 14.88	\$ 16.81	\$ 16.75	
\$ 0.43	\$ (4.29)	\$ 1.58	

SUMMARY OF FINANCIAL STATISTICS

IDAHO

	December 31, 2010	December 31, 2009	December 31, 2008
1. Current Ratio	0.64 : 1	0.86 : 1	1.45 : 1
2. Total Debt Per Cow	\$ 2,635	\$ 2,880	\$ 2,628
3. Debt to Equity Ratio	1.94 : 1	2.28 : 1	1.34 : 1
4. Return on Total Assets	1.6%	-15.9%	5.5%
5. Income (loss) per milking cow per month	\$ 18.16	\$ (81.62)	\$ 42.46

1. The current ratio represents current assets divided by current liabilities.
2. 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.
3. Debt to equity represents the total debt divided by the total equity.
4. The return on total assets represents the net income divided by the total assets, stated at cost.
5. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by 12.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2010, 2009, AND 2008
IDAHO
(BASED ON AVERAGE AMOUNTS)

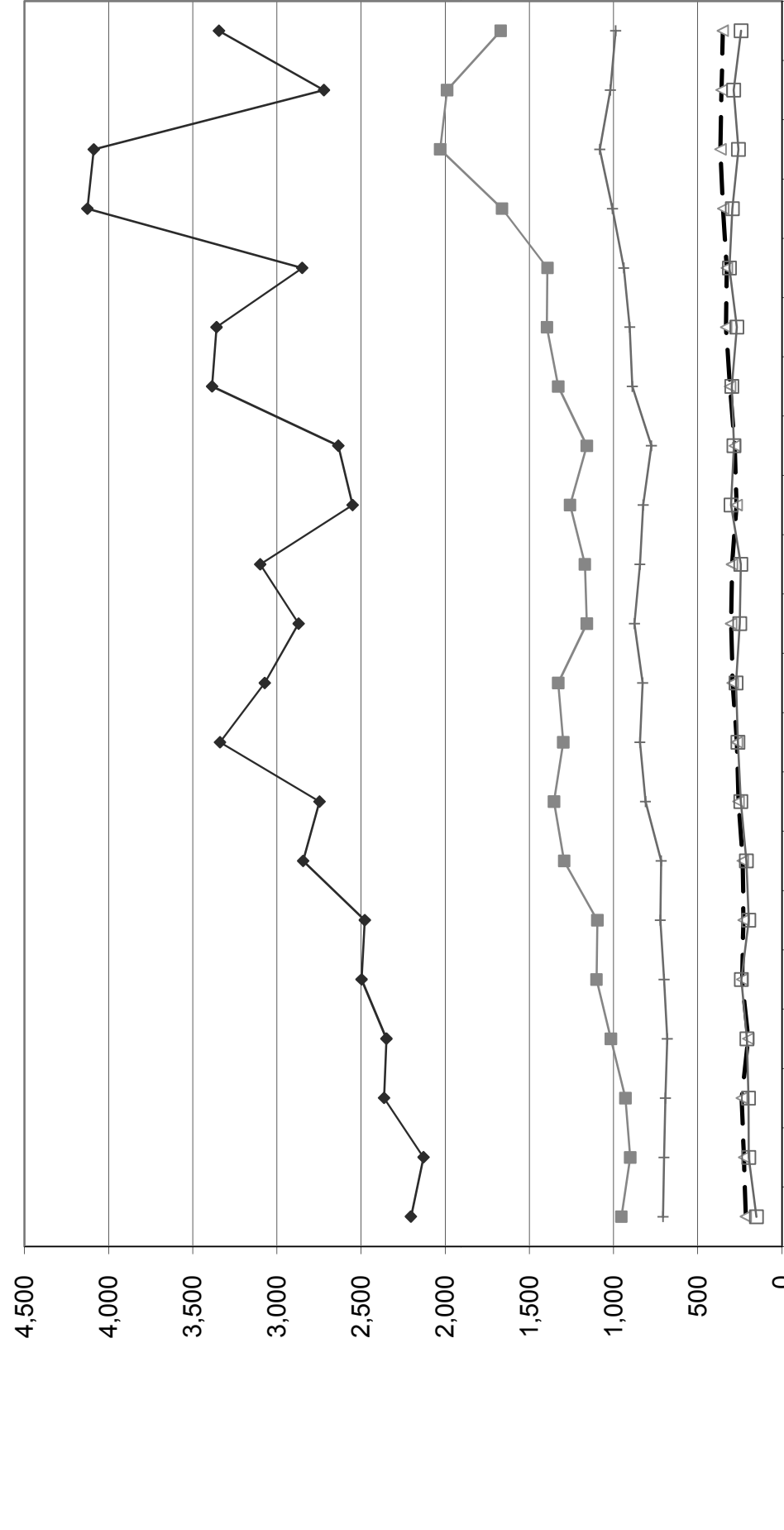
	2010	2009	2008
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	21,829	21,741	22,307
Daily pounds of milk, per milking cow	68.9	68.6	70.2
Butterfat test	3.61 %	3.54 %	3.57 %
Blend price per hundredweight	\$ 15.15	\$ 12.27	\$ 18.15
Milk receipts, per milking cow	\$ 3,810	\$ 3,071	\$ 4,650
HERD INFORMATION:			
Herd size - total	2,959	2,661	2,419
Percent of dry cows	13.2 %	13.1 %	13.0 %
Herd turnover rate	34.3 %	35.8 %	33.9 %
Composition of herd:			
Purchased cows	7 %	8 %	12 %
Self-raised cows	93 %	92 %	88 %
Cost of purchased cows	\$ 1,167	\$ 1,290	\$ 1,655
Beef price received	\$ 622	\$ 497	\$ 587
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	34.1 %	44.4 %	32.3 %
Hay and other	16.5 %	30.1 %	17.7 %
Totals	50.6 %	74.5 %	50.0 %

INCOME AND COST OF OPERATIONS

	IDAHO		
	(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2010	December 31, 2009	December 31, 2008
Income:			
Milk Sales	\$ 15.15	\$ 12.27	\$ 18.15
Calves and other	0.16	0.25	0.18
Total income	\$ 15.31	\$ 12.52	\$ 18.33
Total cost of operations:			
Feed	\$ 7.66	\$ 9.14	\$ 9.09
Labor	1.62	1.65	1.65
Herd replacement costs	1.12	1.32	1.16
Other costs	4.49	4.70	4.85
Total costs of operations	\$ 14.89	\$ 16.81	\$ 16.75
Net income (loss)	\$ 0.42	\$ (4.29)	\$ 1.58
Cost of operations as a percentage of income	97.26%	134.27%	91.38%
Feed costs as a percentage of milk sales	50.56%	74.49%	50.08%
Net income (loss) per milking cow per month	\$ 18.16	\$ (81.62)	\$ 42.46
Cumulative net income per cwt. from 2004 to 2010	\$ 5.51		

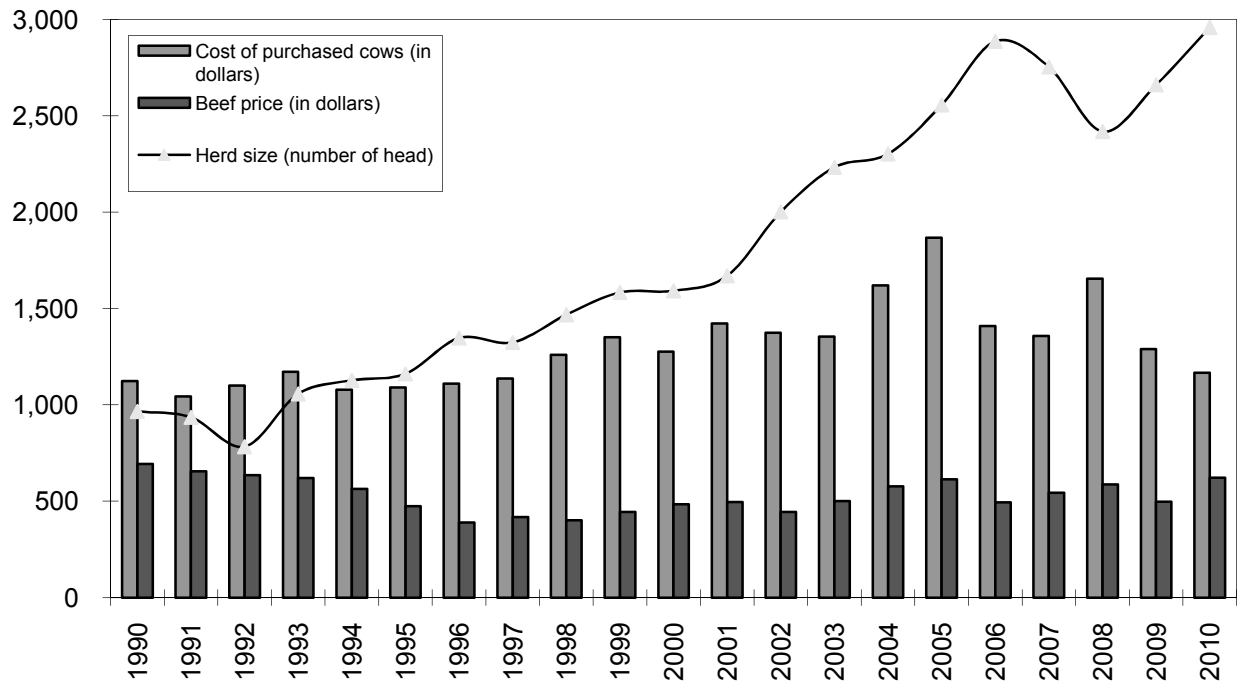
	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2004
\$	18.07	\$ 12.15	\$ 14.18	\$ 15.09
	0.43	0.35	0.48	0.22
\$	18.50	\$ 12.50	\$ 14.66	\$ 15.31
\$	7.37	\$ 6.11	\$ 6.09	\$ 6.01
	1.55	1.43	1.45	1.40
	1.31	1.37	1.17	1.35
	4.46	4.11	3.94	4.05
\$	14.69	\$ 13.02	\$ 12.65	\$ 12.81
\$	3.81	\$ (0.52)	\$ 2.01	\$ 2.50
	79.41%	104.16%	86.29%	83.67%
	40.79%	50.29%	42.95%	39.83%
\$	95.04	\$ (11.16)	\$ 42.08	\$ 56.97

**LONG-TERM TREND - ON A "PER HEAD" BASIS
IDAHO
INCOME AND OPERATING COSTS
1990 - 2010**

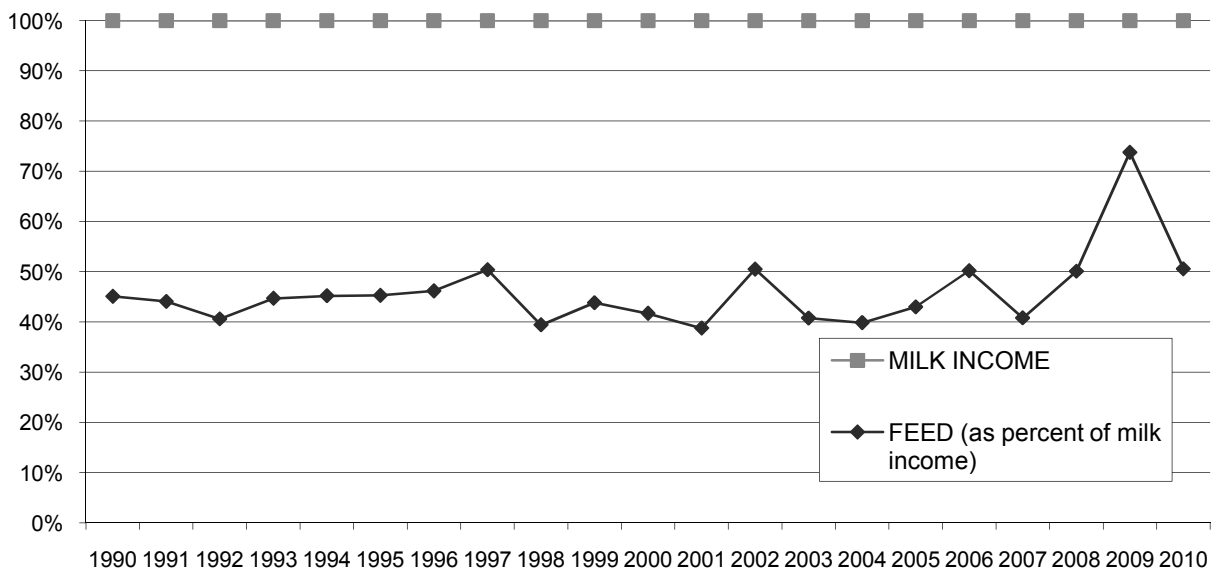


	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL INCOME	2,204	2,129	2,363	2,350	2,497	2,478	2,845	2,747	3,338	3,073	2,871	3,099	2,551	2,635	3,385	3,358	2,850	4,126	4,088	2,721	3,344
FEED	954	902	930	1,016	1,102	1,097	1,294	1,354	1,299	1,329	1,159	1,171	1,259	1,159	1,329	1,396	1,393	1,663	2,030	1,989	1,671
LABOR	215	225	239	200	237	228	233	259	268	293	303	297	270	281	309	332	328	349	366	359	352
HERD REPLACEMENT	151	197	199	209	242	198	211	245	261	273	250	244	303	285	298	268	312	294	259	287	243
INTEREST AND OTHER	707	701	693	682	700	723	718	811	844	828	876	844	825	776	889	904	940	1,007	1,082	1,019	988

LONG TERM TREND - COST OF PURCHASED COWS, BEEF PRICE, AND HERD SIZE IDAHO



FEED COST vs. MILK INCOME IDAHO



CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2010, 2009, AND 2008
NEW MEXICO
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2010	2009	2008
Income:			
Milk sales	\$ 3,219	\$ 2,449	\$ 3,526
Calves and other	42	48	57
Total income	\$ 3,261	\$ 2,497	\$ 3,583
Cost of operations:			
Feed:			
Grain	\$ 1,098	\$ 1,184	\$ 1,330
Hay and other	457	472	482
Total feed	\$ 1,555	\$ 1,656	\$ 1,812
Labor, (including fringe costs)	\$ 302	\$ 298	\$ 310
Herd replacement costs	\$ 243	\$ 258	\$ 236
Other costs:			
Milk hauling	\$ 155	\$ 121	\$ 147
State and association charges	83	77	76
Veterinary, breeding, testing, etc.	73	69	77
Supplies	119	102	102
Repairs and maintenance	103	100	116
Utilities	54	50	59
Occupancy costs	81	80	79
Depreciation - equipment	57	55	58
Interest	101	76	98
Miscellaneous	173	140	199
Total other costs	\$ 999	\$ 870	\$ 1,011
Total cost of operations	\$ 3,099	\$ 3,082	\$ 3,369
Net income (loss)	\$ 162	\$ (585)	\$ 214

PER CWT. OF MILK			YOUR 2010 RESULTS	
2010	2009	2008	PER HEAD	PER CWT. OF MILK
\$ 17.02	\$ 12.83	\$ 17.92		
0.18	0.25	0.29		
\$ 17.20	\$ 13.08	\$ 18.21		
\$ 5.81	\$ 6.21	\$ 6.76		
2.42	2.47	2.46		
\$ 8.23	\$ 8.68	\$ 9.22		
\$ 1.60	\$ 1.56	\$ 1.58		
\$ 1.28	\$ 1.35	\$ 1.20		
\$ 0.82	\$ 0.63	\$ 0.75		
0.44	0.40	0.38		
0.39	0.36	0.39		
0.63	0.53	0.52		
0.54	0.52	0.59		
0.29	0.26	0.30		
0.43	0.42	0.40		
0.30	0.29	0.29		
0.53	0.40	0.50		
0.85	0.73	0.99		
\$ 5.22	\$ 4.54	\$ 5.11		
\$ 16.33	\$ 16.13	\$ 17.11		
\$ 0.87	\$ (3.05)	\$ 1.10		

SUMMARY OF FINANCIAL STATISTICS

NEW MEXICO

	December 31, 2010	December 31, 2009	December 31, 2008
1. Current Ratio	0.85 : 1	1.02 : 1	1.22 : 1
2. Total Debt Per Cow	\$ 2,155	\$ 2,324	\$ 1,996
3. Debt to Equity Ratio	1.53 : 1	1.80 : 1	1.08 : 1
4. Return on Total Assets	3.3%	-11.7%	4.0%
5. Income (loss) per milking cow per month	\$ 27.80	\$ (55.60)	\$ 41.90

1. The current ratio represents current assets divided by current liabilities.
2. 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.
3. Debt to equity represents the total debt divided by the total equity.
4. The return on total assets represents the net income divided by the total assets, stated at cost.
5. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by 12.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2010, 2009, AND 2008
NEW MEXICO
(BASED ON AVERAGE AMOUNTS)

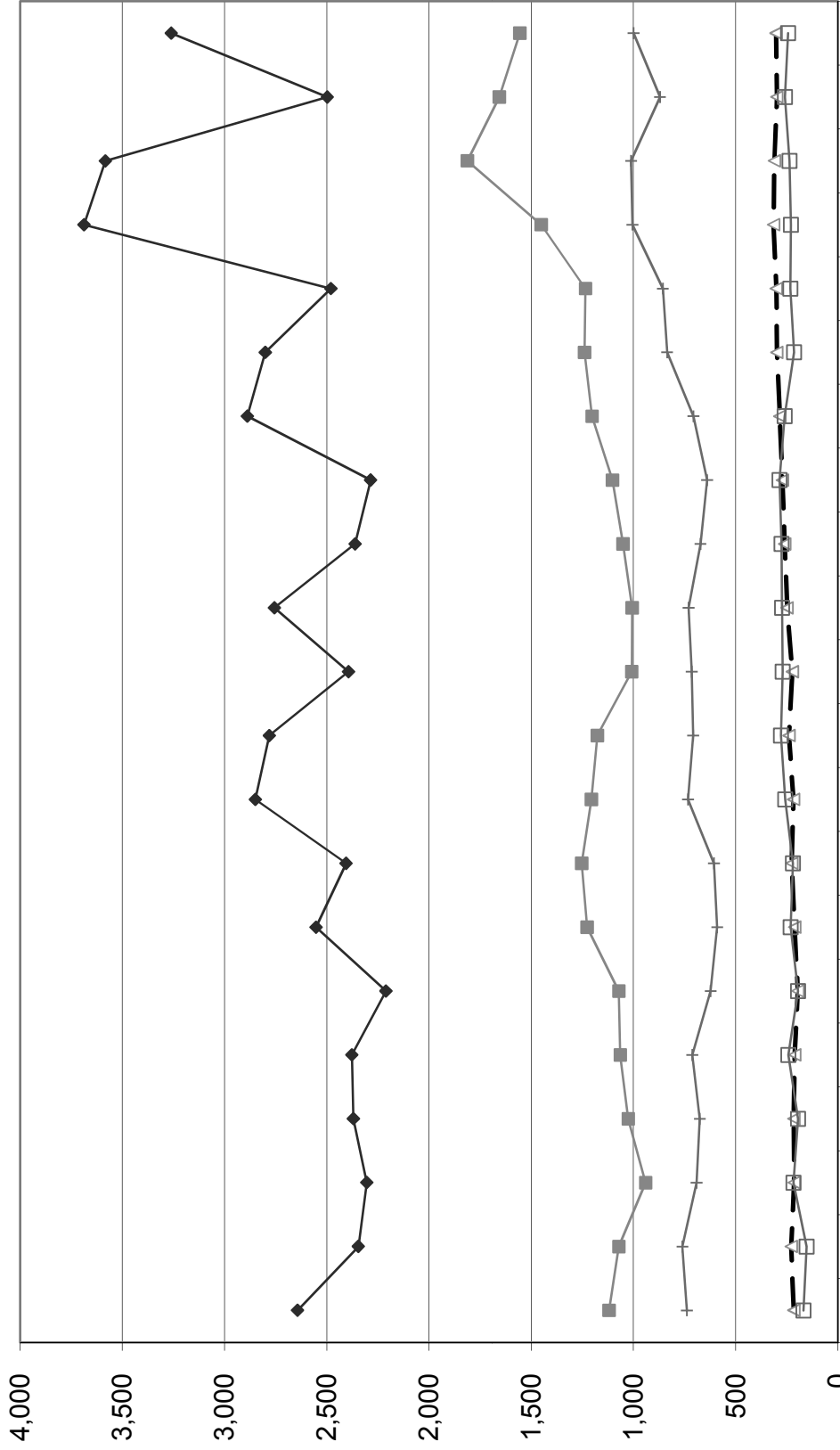
	2010	2009	2008
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	18,914	19,086	19,672
Daily pounds of milk, per milking cow	65.3	65.7	66.0
Butterfat test	3.49 %	3.44 %	3.51 %
Blend price per hundredweight	\$ 17.02	\$ 12.83	\$ 17.92
Milk receipts, per milking cow	\$ 4,055	\$ 3,075	\$ 4,315
HERD INFORMATION:			
Herd size - total	5,148	3,077	3,369
Percent of dry cows	20.6 %	20.4 %	18.3 %
Herd turnover rate	29.9 %	28.8 %	33.5 %
Composition of herd:			
Purchased cows	21 %	22 %	26 %
Self-raised cows	79 %	78 %	74 %
Cost of purchased cows	\$ 1,384	\$ 1,378	\$ 1,603
Beef price received	\$ 633	\$ 533	\$ 686
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	34.1 %	48.4 %	37.7 %
Hay and other	14.2 %	19.3 %	13.7 %
Totals	48.3 %	67.7 %	51.4 %

INCOME AND COST OF OPERATIONS

	NEW MEXICO		
	(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)		
	December 31, 2010	December 31, 2009	December 31, 2008
Income:			
Milk Sales	\$ 17.02	\$ 12.83	\$ 17.92
Calves and other	0.18	0.25	0.29
Total income	\$ 17.20	\$ 13.08	\$ 18.21
Total cost of operations:			
Feed	\$ 8.23	\$ 8.68	\$ 9.22
Labor	1.60	1.56	1.58
Herd replacement costs	1.28	1.35	1.20
Other costs	5.22	4.53	5.11
Total costs of operations	\$ 16.33	\$ 16.12	\$ 17.11
Net income (loss)	\$ 0.87	\$ (3.04)	\$ 1.10
Cost of operations as a percentage of income	94.94%	123.24%	93.96%
Feed costs as a percentage of milk sales	48.35%	67.65%	51.45%
Net income (loss) per milking cow per month	\$ 27.80	\$ (55.60)	\$ 41.90
Cumulative net income per cwt. from 2004 to 2010	\$ 5.24		

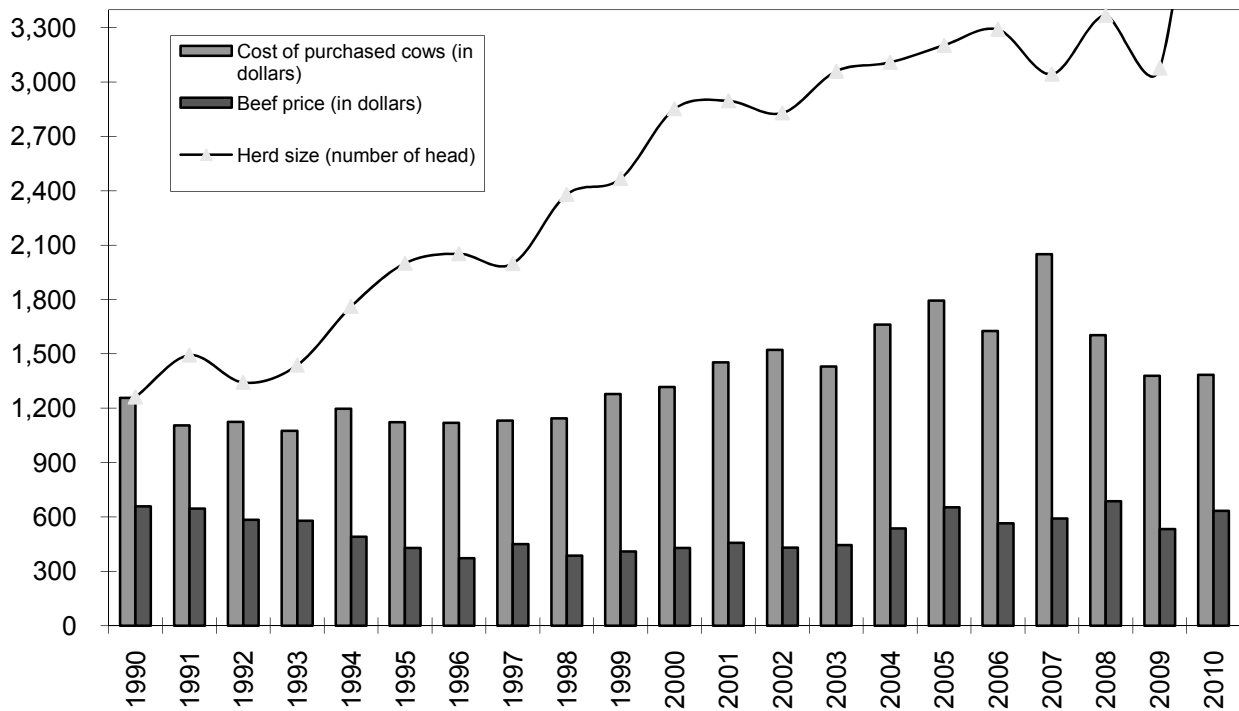
December 31, 2007		December 31, 2006		December 31, 2005		December 31, 2004	
\$	18.62	\$	11.86	\$	13.78	\$	14.79
	0.60		0.65		0.49		0.40
\$	19.22	\$	12.51	\$	14.27	\$	15.19
\$	7.57	\$	6.24	\$	6.31	\$	6.32
	1.63		1.52		1.52		1.50
	1.19		1.17		1.09		1.37
	5.20		4.30		4.26		3.69
\$	15.59	\$	13.23	\$	13.18	\$	12.88
\$	3.63	\$	(0.72)	\$	1.09	\$	2.31
	81.11%		105.76%		92.36%		84.79%
	40.66%		52.61%		45.79%		42.73%
\$	93.36	\$	(7.28)	\$	25.79	\$	55.56

**LONG-TERM TREND - ON A "PER HEAD" BASIS
NEW MEXICO
INCOME AND OPERATING COSTS
1990 - 2010**

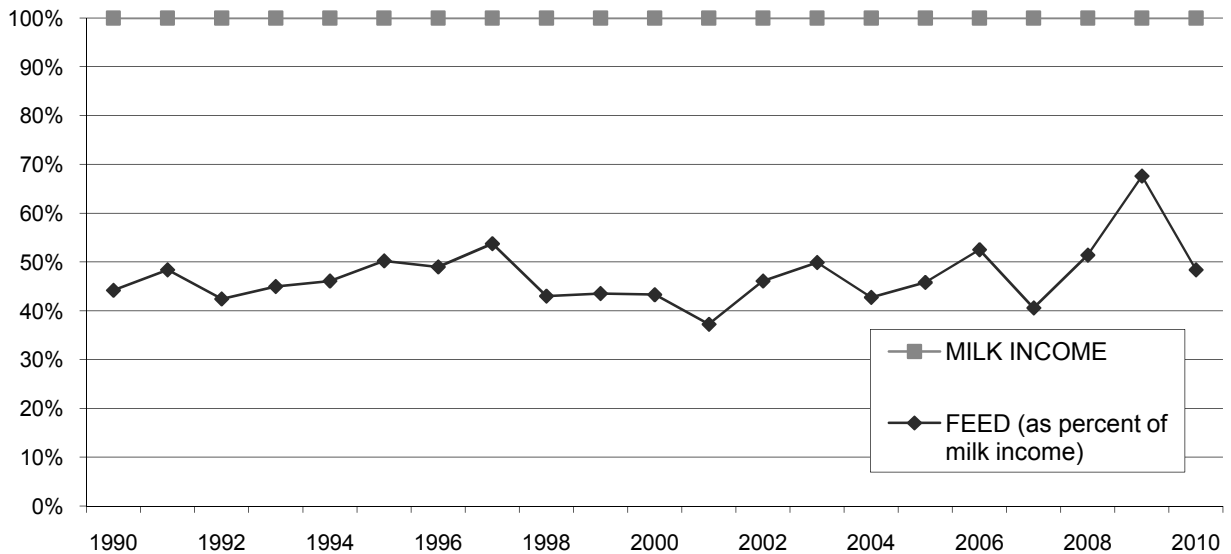


	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL INCOME	2,643	2,345	2,304	2,369	2,377	2,210	2,552	2,405	2,849	2,781	2,393	2,756	2,361	2,285	2,888	2,800	2,480	3,688	3,583	2,497	3,261
FEED	1,119	1,071	940	1,025	1,064	1,071	1,226	1,253	1,205	1,176	1,008	1,006	1,051	1,102	1,202	1,239	1,234	1,451	1,812	1,656	1,555
LABOR	215	228	214	215	211	196	211	225	217	239	222	248	260	271	284	298	301	314	310	298	302
HERD REPLACEMENT	168	152	217	195	242	195	231	219	257	278	270	273	275	285	260	214	232	229	236	258	243
INTEREST AND OTHER	738	760	691	675	712	622	590	606	733	708	715	730	672	639	706	835	856	1,005	1,011	870	999

LONG TERM TREND - COST OF PURCHASED COWS, BEEF PRICE, AND HERD SIZE NEW MEXICO



FEED COST vs. MILK INCOME NEW MEXICO



CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEARS ENDED
DECEMBER 31, 2010, 2009 AND 2008
PANHANDLE
(BASED ON AVERAGE AMOUNTS)

	PER HEAD		
	2010	2009	2008
Income:			
Milk sales	\$ 3,376	\$ 2,876	\$ 3,522
Calves and other	30	42	18
Total income	\$ 3,406	\$ 2,918	\$ 3,540
Cost of operations:			
Feed:			
Grain	\$ 1,046	\$ 1,289	\$ 1,150
Hay and other	526	631	493
Total feed	\$ 1,572	\$ 1,920	\$ 1,643
Labor, (including fringe costs)	\$ 325	\$ 349	\$ 327
Herd replacement costs	\$ 351	\$ 401	\$ 315
Other costs:			
Milk hauling	\$ 153	\$ 132	\$ 141
State and association charges	64	59	59
Veterinary, breeding, testing, etc.	91	71	78
Supplies	126	138	127
Repairs and maintenance	79	85	88
Utilities	44	49	49
Occupancy costs	121	146	123
Depreciation - equipment	60	79	62
Interest	115	138	157
Miscellaneous	138	150	161
Total other costs	\$ 991	\$ 1,047	\$ 1,045
Total cost of operations	\$ 3,239	\$ 3,717	\$ 3,330
Net income (loss)	\$ 167	\$ (799)	\$ 210

PER CWT. OF MILK			YOUR 2010 RESULTS	
2010	2009	2008	PER HEAD	PER CWT. OF MILK
\$ 16.89	\$ 13.63	\$ 19.11		
0.14	0.20	0.09		
\$ 17.03	\$ 13.83	\$ 19.20		
\$ 5.23	\$ 6.11	\$ 6.24		
2.62	2.98	2.67		
\$ 7.85	\$ 9.09	\$ 8.91		
\$ 1.62	\$ 1.65	\$ 1.77		
\$ 1.75	\$ 1.90	\$ 1.71		
\$ 0.76	\$ 0.62	\$ 0.77		
0.32	0.28	0.32		
0.44	0.32	0.41		
0.63	0.65	0.69		
0.39	0.40	0.48		
0.22	0.23	0.27		
0.60	0.69	0.66		
0.30	0.37	0.34		
0.57	0.65	0.85		
0.69	0.71	0.90		
\$ 4.92	\$ 4.92	\$ 5.69		
\$ 16.14	\$ 17.56	\$ 18.08		
\$ 0.89	\$ (3.73)	\$ 1.12		

SUMMARY OF FINANCIAL STATISTICS

PANHANDLE

	December 31, 2010	December 31, 2009	December 31, 2008
1. Current Ratio	0.51 : 1	0.59 : 1	0.83 : 1
2. Total Debt Per Cow	\$ 2,551	\$ 3,099	\$ 3,001
3. Debt to Equity Ratio	2.89 : 1	4.01 : 1	2.13 : 1
4. Return on Total Assets	4.8%	-15.2%	3.3%
5. Income (loss) per milking cow per month	\$ 17.85	\$ (61.10)	\$ 19.04

1. The current ratio represents current assets divided by current liabilities.
2. 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.
3. Debt to equity represents the total debt divided by the total equity.
4. The return on total assets represents the net income divided by the total assets, stated at cost.
5. Income (loss) per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by 12.

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEARS ENDED
DECEMBER 31, 2010, 2009, AND 2008
PANHANDLE
(BASED ON AVERAGE AMOUNTS)

	2010	2009	2008
PRODUCTION AND PRICE INFORMATION:			
Annual pounds of milk, per cow (including dry cows)	20,412	21,113	18,426
Daily pounds of milk, per milking cow	64.7	61.8	59.9
Butterfat test	3.69 %	3.81 %	3.83 %
Blend price per hundredweight	\$ 16.89	\$ 13.63	\$ 19.11
Milk receipts, per milking cow	\$ 3,984	\$ 3,074	\$ 4,178
HERD INFORMATION:			
Herd size - total	3,918	2,988	2,940
Percent of dry cows	15.2 %	17.2 %	15.7 %
Herd turnover rate	33.1 %	29.3 %	23.6 %
Composition of herd:			
Purchased cows	19 %	35 %	42 %
Self-raised cows	81 %	65 %	58 %
Cost of purchased cows	\$ 1,332	\$ 1,448	\$ 1,825
Beef price received	\$ 569	\$ 490	\$ 549
FEED INFORMATION:			
Cost of feed as a percent of milk income:			
Grain	31.0 %	44.8 %	32.7 %
Hay and other	15.5 %	21.9 %	14.0 %
Totals	46.5 %	66.7 %	46.7 %

INCOME AND COST OF OPERATIONS

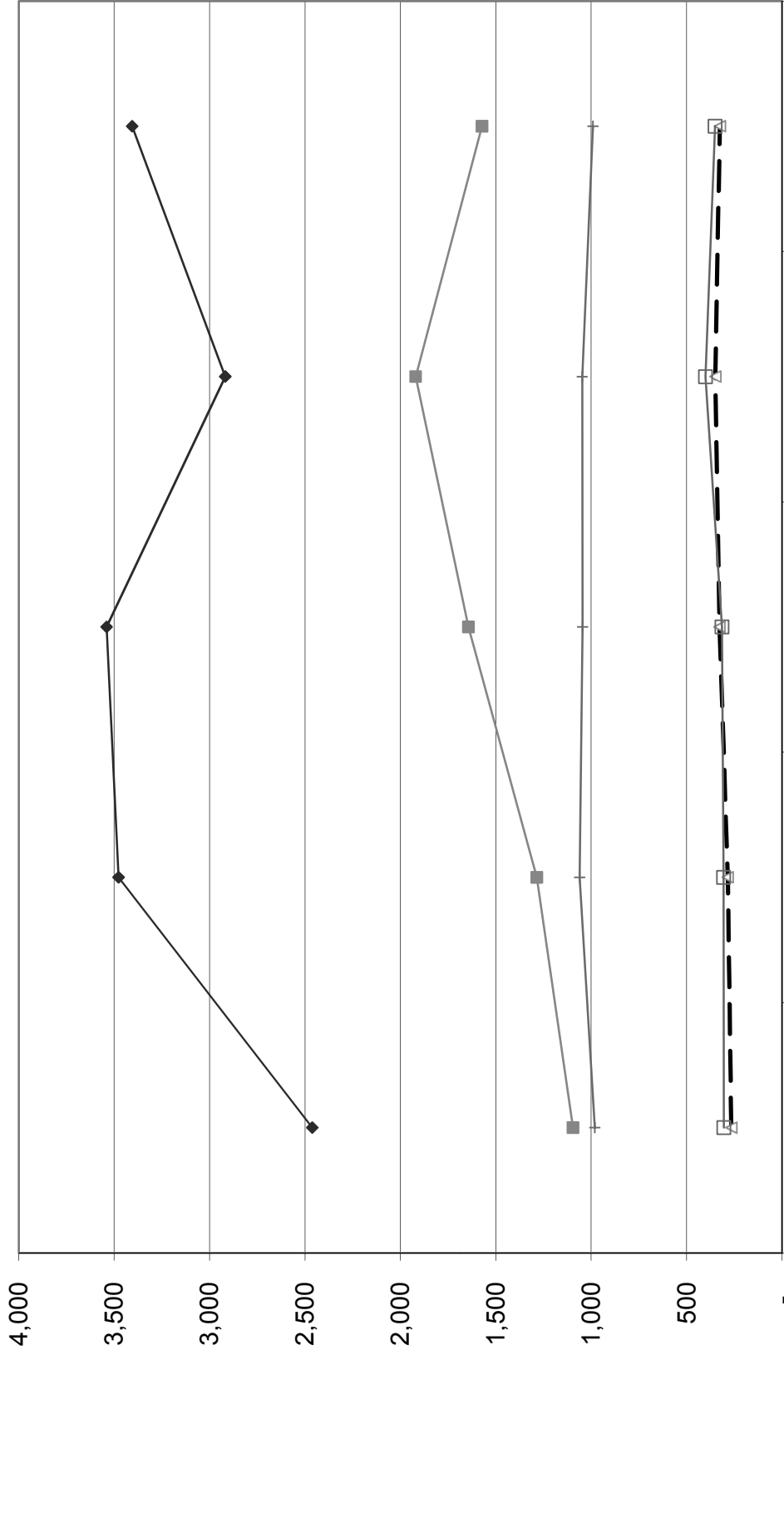
PANHANDLE

(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

	December 31, 2010	December 31, 2009	December 31, 2008
Income:			
Milk Sales	\$ 16.89	\$ 13.63	\$ 19.11
Calves and other	0.14	0.20	0.09
Total income	\$ 17.03	\$ 13.83	\$ 19.20
Total cost of operations:			
Feed	\$ 7.85	\$ 9.09	\$ 8.91
Labor	1.62	1.65	1.77
Herd replacement costs	1.75	1.90	1.71
Other costs	4.92	4.92	5.69
Total costs of operations	\$ 16.14	\$ 17.56	\$ 18.08
Net income (loss)	\$ 0.89	\$ (3.73)	\$ 1.12
Cost of operations as a percentage of income	94.77%	126.97%	94.17%
Feed costs as a percentage of milk sales	46.48%	66.69%	46.62%
Net income (loss) per milking cow per month	\$ 17.85	\$ (61.10)	\$ 19.04
Cumulative net income per cwt. from 2006 to 2010	\$ 0.44		

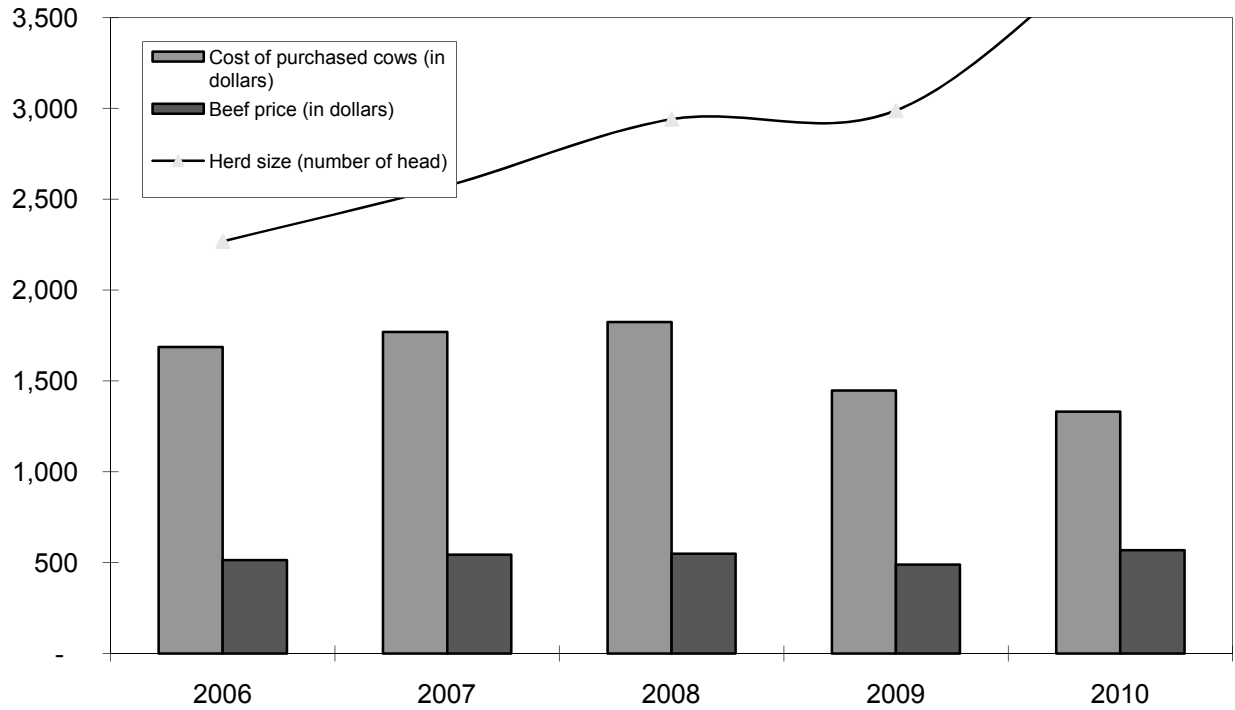
December 31, 2007	December 31, 2006
\$ 20.01	\$ 12.63
0.27	0.49
\$ 20.28	\$ 13.12
\$ 7.50	\$ 5.84
1.66	1.41
1.79	1.62
6.18	5.24
\$ 17.13	\$ 14.11
\$ 3.15	\$ (0.99)
84.47%	107.55%
37.48%	46.24%
\$ 82.81	\$ (14.35)

**LONG-TERM TREND - ON A "PER HEAD" BASIS
PANHANDLE
INCOME AND OPERATING COSTS
2006 - 2010**

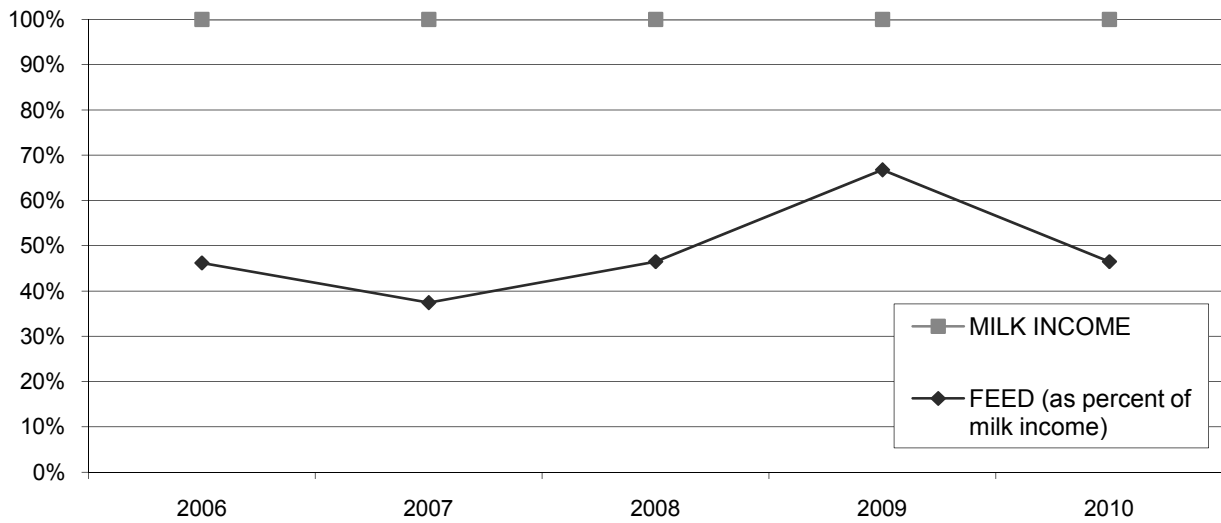


	2006	2007	2008	2009	2010
TOTAL INCOME	2,462	3,477	3,540	2,918	3,406
FEED	1,095	1,285	1,643	1,920	1,572
LABOR	265	284	327	349	325
HERD REPLACEMENT	304	306	315	401	351
INTEREST AND OTHER	981	1,060	1,045	1,047	991

LONG TERM TREND - COST OF PURCHASED COWS, BEEF PRICE, AND HERD SIZE THE PANHANDLE



FEED COST vs. MILK INCOME THE PANHANDLE



CONDENSED STATEMENT OF DAIRY FARM INCOME AND COSTS

FOR THE YEAR ENDED
DECEMBER 31, 2010
NORTHWEST
(BASED ON AVERAGE AMOUNTS)

PER HEAD

2010

Income:	
Milk sales	\$ 3,606
Calves and other	59
Total income	\$ 3,665
Cost of operations:	
Feed:	
Grain	\$ 1,266
Hay and other	509
Total feed	\$ 1,775
Labor, (including fringe costs)	\$ 315
Herd replacement costs	\$ 366
Other costs:	
Milk hauling	\$ 137
State and association charges	64
Veterinary, breeding, testing, etc.	138
Supplies	90
Repairs and maintenance	97
Utilities	39
Occupancy costs	171
Depreciation - equipment	65
Interest	154
Miscellaneous	164
Total other costs	\$ 1,119
Total cost of operations	\$ 3,575
Net income	\$ 90

PER CWT. OF MILK		YOUR 2010 RESULTS	
2010		PER HEAD	PER CWT. OF MILK
\$	16.59 0.27		
\$	16.86		
\$	5.82 2.33		
\$	8.15		
\$	1.44		
\$	1.68		
\$	0.63 0.30 0.62 0.41 0.45 0.18 0.79 0.30 0.71 0.75		
\$	5.14		
\$	16.41		
\$	0.45		

SUMMARY OF FINANCIAL STATISTICS

NORTHWEST

December 31,
2010

1. Current Ratio	0.49 : 1
2. Total Debt Per Cow	\$ 2,292
3. Debt to Equity Ratio	2.23 : 1
4. Return on Total Assets	1.8%
5. Income per milking cow per month	\$ 16.80

1. The current ratio represents current assets divided by current liabilities.
2. 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.
3. Debt to equity represents the total debt divided by the total equity.
4. The return on total assets represents the net income divided by the total assets, stated at cost.
5. Income per milking cow per month represents each region's accrual based financial results divided by the number of milking cows, divided by 12.

INCOME AND COST OF OPERATIONS

NORTHWEST

(BASED ON PER HUNDREDWEIGHT OF MILK BASIS)

December 31,
2010

Income:	
Milk Sales	\$ 16.59
Calves and other	0.27
Total income	\$ 16.86
Total cost of operations:	
Feed	\$ 8.15
Labor	1.44
Herd replacement costs	1.68
Other costs	5.14
Total costs of operations	\$ 16.41
Net income	\$ 0.45
Cost of operations as a percentage of income	97.33%
Feed costs as a percentage of milk sales	49.13%
Net income per milking cow per month	\$ 16.80
Cumulative net income per cwt. for 2010	\$ 0.45

SUMMARY OF DAIRY FARM STATISTICAL ANALYSIS

FOR THE YEAR ENDED
DECEMBER 31, 2010
NORTHWEST
(BASED ON AVERAGE AMOUNTS)

2010

PRODUCTION AND PRICE INFORMATION:

Annual pounds of milk, per cow
(including dry cows) 21,746

Daily pounds of milk, per milking cow 68.6

Butterfat test 3.69 %

Blend price per hundredweight \$ 16.59

Milk receipts, per milking cow \$ 4,149

HERD INFORMATION:

Herd size - total 2,146

Percent of dry cows 13.1 %

Herd turnover rate 34.0 %

Composition of herd:

Purchased cows 16 %

Self-raised cows 84 %

Cost of purchased cows \$ 1,109

Beef price received \$ 616

FEED INFORMATION:

Cost of feed as a percent of milk
income:

Grain 35.1 %

Hay and other 14.0 %

Totals 49.1 %

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 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 commodities, minerals and supplements.
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

Moore Stephens Wurth Frazer and Torbet, 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. Moore Stephens Wurth Frazer and Torbet, 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, Moore Stephens Wurth Frazer and Torbet, LLP has clients in California, Arizona, Texas, New Mexico, Colorado, Utah, 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. 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. 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 into 2011 and bottom lines have been slowly improving since the end of 2009, volatility in futures and commodities markets seem to be the norm for producers. Banks have continued tightening their policies on obtaining further credit, and current and long term bank ratios have not improved significantly since the end of 2009 to provide much flexibility in further lending or provide further assurance between the producer and the lender.

Milk production throughout the nation rose in 2010 and continues to rise through the beginning of this year. Exports remain a bright spot for producers due to increased world-wide demand, but rising feed costs due to higher fuel prices and exporting of alfalfa and corn to other nations create much uncertainty for this year's budget forecasting and cash flow modeling.

All of these factors require producers to do as much as they can to conserve resources and make the right decisions to insure a viable future for their operations.

Moore Stephens Wurth Frazer and Torbet, LLP will be instrumental in providing the assistance needed to make these decisions.



Moore Stephens Wurth Frazer and Torbet, LLP

Relationships backed by performance

135 South State College Blvd.
Suite 300
Brea, CA 92821
(714) 990-1040

2250 W. Main Street
Suite B
Visalia, CA 93291
(559) 732-4135

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