

Dear Farm 1,

Thank you for participating in this dairy cost of production study! I hope that the information is valuable to you, and that you consider using the template to plug in 2021 numbers and future years of data to compare and learn from. You will receive a check for \$200 for your time and participation, and also have access to technical assistance including grazing/pasture consultant Sarah Flack, independent dairy nutritionist Bill Kipp, any/all of my time you would like to go over numbers, or if you have another request we can probably make it happen! Please do not hesitate to reach out with any questions concerning the data, and if you have questions about a specific farm's data, I'm happy to connect you with them once I've checked in about confidentiality on both sides.

Based on a quick assessment of your numbers, here are some quick facts and areas of interest:

Congratulations on:

- Cell count is nice and low
- Your pay price is slightly higher than the other farms in this study... well done!
- Keep it up with the dairy program payments- what does caring dairy look like for 2021?
- It's great that you are able to make all of your own feed now, is this the case for 2022 as well?
- Low supplies and vet expenses
- Low breeding, custom hire, labor, vet
- Overall, lower fixed expenses, lets talk about pushing your base a little bit.

Some key leverage points that you could think about include:

- Slightly high grain:milk ratio. Should be around 0.3 and you are at 0.39. We talked about this with Bill... we can either focus on increasing production or decreasing grain but worth keeping an eye on.
- You have a slightly high ratio of dry cows: milking, which we have discussed. Let's re-visit 2021 numbers.
- Bedding is high- what does this look like now and how will it look with and without shed?
- Grain is high, which we have discussed
- Overall variable expenses are a bit high for your production and cow numbers, we can work on a lot of these.
- Bumping up other income streams

**Overall, your cost of production fell a bit higher than the average of the group, which is as expected given your debt service, but there are plenty of ways to whittle it down. In the coming years we have a few areas to work on, but already 2021 numbers look better than these and with the JH price coming in things are looking up for 2022 especially as we bulk up the raw milk and farm store sales and look towards a potential employee in the future.**

Best,

Silene