

COST OF PRODUCTION ANALYSIS

2021

Operational Summary

800

AVG NO OF MATURE COWS

196,490

VOLUME OF MILK SOLD(CWTS)

368

CORN FORAGE ACRES

93

CORN GRAIN ACRES

268

ALFALFA ACRES

Financial Insight

OVERVIEW	
Total Cash Operating Cost	\$22.24
Total Accrual Adjustments	\$(1.21)
Total Identified Cost of Production	\$21.04
NET COP/BREAKEVEN MILK \$	\$17.28
Class 3 Basis	\$1.46
Net COP Class 3 Breakeven	\$15.82
Class 4 Basis	\$0.81
Net COP Class 4 Breakeven	\$16.47

CASH PLUS DEPPRECIATION	
Total cash plus Depreciation	
Cash Plus Depr breakeven	
Cash plus Depr CL3 Breakeven	
Cash plus Depr CL4 Breakeven	
CASH PLUS PRINCIPAL	
Total cash plus Princ	
Cash Plus Princ Breakeven	
Cash plus Princ CL3 Breakeven	

WE WILL DO THE MATH FOR YOU.

THE PROCESS OF UNDERSTANDING YOUR COST OF PRODUCTION WILL HELP YOU:

- Improve your financial expertise
- Understand your cost centers and their trends
- Build a sound risk management plan
- Better manage market price risk
- Know what target milk price will achieve a particular level of profitability
- Determine a target price that will meet the farm's operating margin goals

HOW THE LAND O'LAKES RISK MANAGEMENT TEAM CAN HELP:

Our team of dedicated risk management experts offers cost of production analysis and insights free of charge to all Land O'Lakes dairy members. Here is the typical process:

- You provide your Dairy Business Advisor your financial information
- Your DBA will input the data into our secure Risk Management Insights tool
- You and your DBA will discuss the reporting results, insights and recommendations for optimization and available risk services

CONTACT YOUR DBA TODAY.