

Highlights of the 2007 Northeast Dairy Farm Summary

- Net earnings rose to \$908 up from (\$64) per cow in 2006.
- Farm milk price increased \$6.71 per cwt. to \$20.52.
- Net cost of production was \$16.30, up from \$14.09 per cwt. in 2006, due to expenses up in nearly all categories.
- Per cow production increased, but by less than 1%.
- Cash flow was more than sufficient to meet all financial commitments (e.g., operating expenses, debt repayment, family living, and income taxes).
- Borrowed funds decreased to 46.5% of capital purchases.
- Percent net worth increased to 73% and liquidity improved.
- The earnings gap between the Top 25% and Bottom 25% profit groups continues to widen further.
- Among dairy farm businesses that are the most profitable, several different business strategies work well.
- Larger dairy operations have certain advantages, but size is no guarantee of financial success.

The competitive standard for the Northeast dairy industry has been rising for many years. Change and progress are critical to remaining profitable in this challenging industry.

Profile of the Average Dairy Farmer		
	<u>2007</u>	<u>2006</u>
Number of Cows	277	242
Milk Sold per Cow	21,866 lbs.	21,782 lbs.
Milk Sold per Worker	1,009,500 lbs.	958,418 lbs.
Milk Price per Cwt.	\$20.52	\$13.81
Cost of Production per Cwt.	\$16.30	\$14.09
Net Worth	73%	70%
Net Earnings per Cow	\$908	\$(64)
Return on Assets	11.7%	1.2%