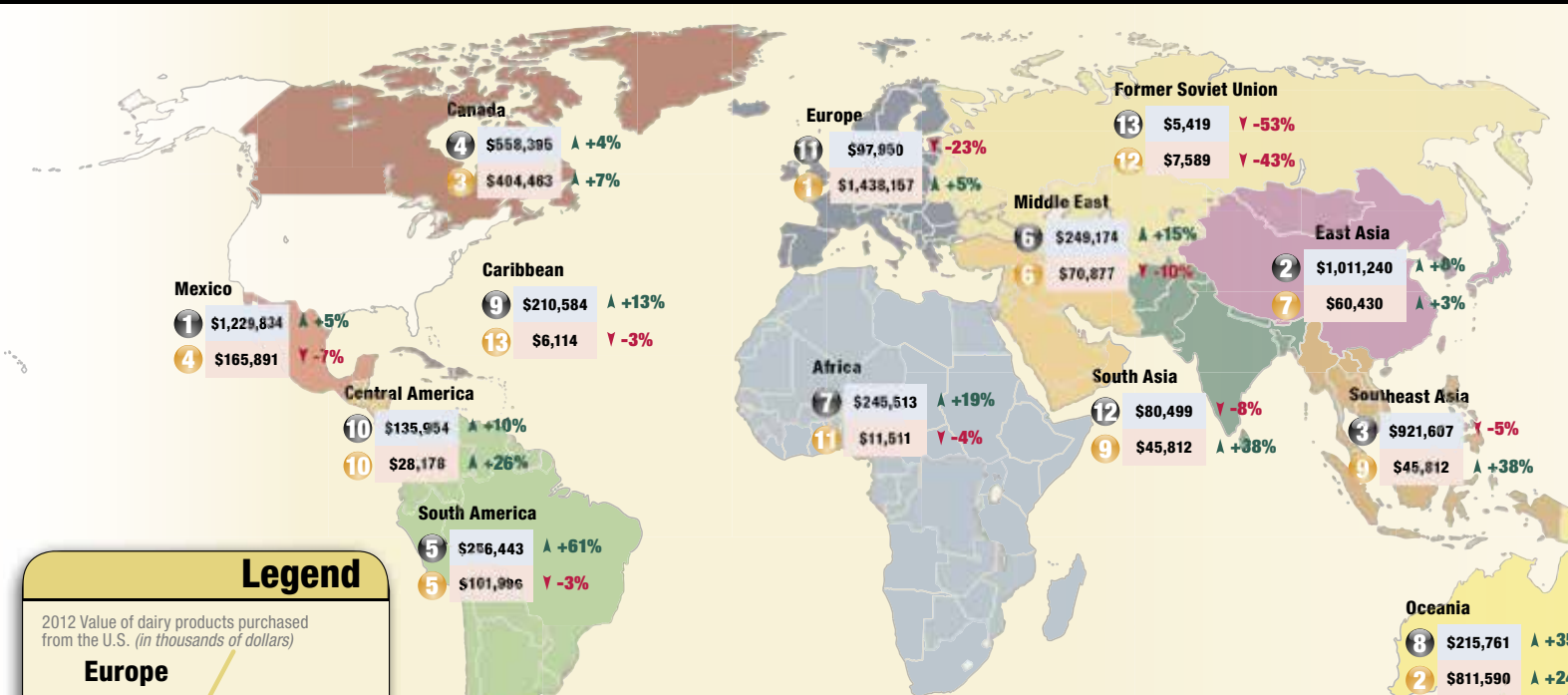


2012 U.S. & International dairy trade

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Top 15 countries selling dairy products to the U.S.

Rank	Country	2012 Imports (in thousands of dollars)	Percent change from 2011
1	New Zealand	734,311	+30%
2	Canada	404,463	+7%
3	Italy	319,567	-2%
4	France	206,577	-3%
5	Mexico	165,891	-7%
6	Netherlands	156,186	+4%
7	Ireland	131,418	-5%
8	Denmark	125,542	+20%
9	Germany	117,984	+68%
10	Switzerland	81,337	+7%
11	Australia	77,150	-14%
12	United Kingdom	63,292	+38%
13	Spain	62,337	+6%
14	Argentina	53,058	-22%
15	Turkey	53,595	+26%

Milk production for selected countries

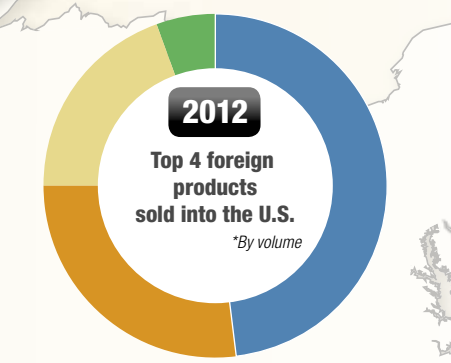
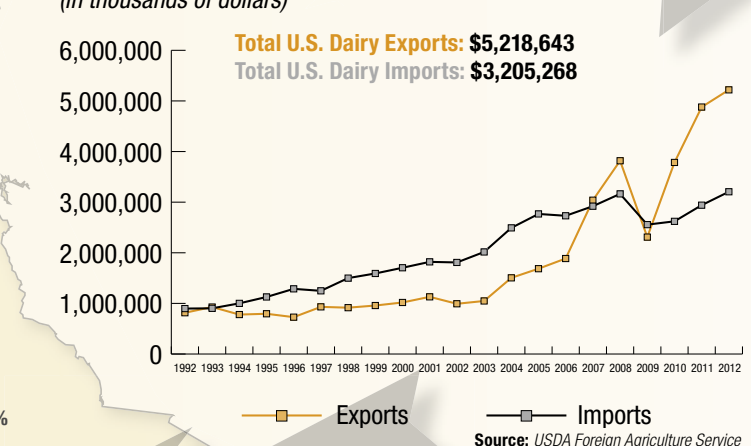
Milk production rank	Country	Total milk production (in million lbs.)		Cows in milk (in million head)	Milk production per cow (in lbs/cow)		Per capita milk production (in gallons per month)	Domestic fluid milk consumption as % of total milk production					
		2012*	% change from 2011-2012		2012*	% change from 2011-2012							
1	European Union	308,644,000	+1.3%	22877	-1.1%	13,491	+2.4%	5.9	+1.1%	24%			
2	United States	199,648,576	+1.7%	4	9225	+0.3%	2,1642	+1.4%	4	6.1	+0.9%	32%	
3	India	122,355,500	+3.7%	1	46400	+5.3%	16	2,637	+0.4%	12	1.0	+3.7%	94%
4	China	71,649,500	+5.9%	6	8000	+5.0%	10	8,956	+0.8%	14	0.5	+5.3%	41%
5	Russia	70,877,890	+1.3%	5	8600	-0.6%	12	8,242	+1.9%	8	4.8	+1.0%	35%
6	Brazil	69,422,854	+2.5%	3	19900	+3.6%	14	3,489	-1.1%	9	3.5	+1.7%	37%
7	New Zealand	44,859,201	+7.3%	8	5021	+4.3%	11	8,934	+2.9%	1	97.5	+6.9%	1.5%
8	Argentina	26,047,349	+3.0%	10	2193	-2.0%	8	11,877	+1.0%	3	6.3	+3.0%	18%
9	Mexico	24,587,904	+1.0%	7	6350	-0.8%	13	3,872	+1.8%	10	2.0	-3.0%	37%
10	Ukraine	24,030,140	+0.9%	9	2582	-1.9%	9	9,307	+2.8%	7	5.1	+1.1%	49%
11	Australia	22,079,069	+4.7%	11	1650	+1.9%	6	13,811	+2.8%	2	9.3	+4.4%	25%
12	Canada	18,626,870	+0.6%	12	985	+0.2%	4	18,913	+0.4%	6	5.2	-3.8%	38%
13	Japan	16,688,822	+1.3%	13	813	+1.0%	3	20,527	+0.3%	11	1.3	+1.6%	53%
14	South Korea	4,221,809	+1.4%	14	194	+1.6%	1	21,762	-0.1%	13	0.8	-1.5%	80%
15	Taiwan	696,654	-6.0%	15	57	+3.6%	7	12,222	-9.3%	15	0.3	-6.3%	103%
16	Philippines	39,683	+5.9%	16	15	+7.1%	15	2,646	-1.2%	16	0.004	+7.8%	317%

Top 15 countries buying U.S. dairy products

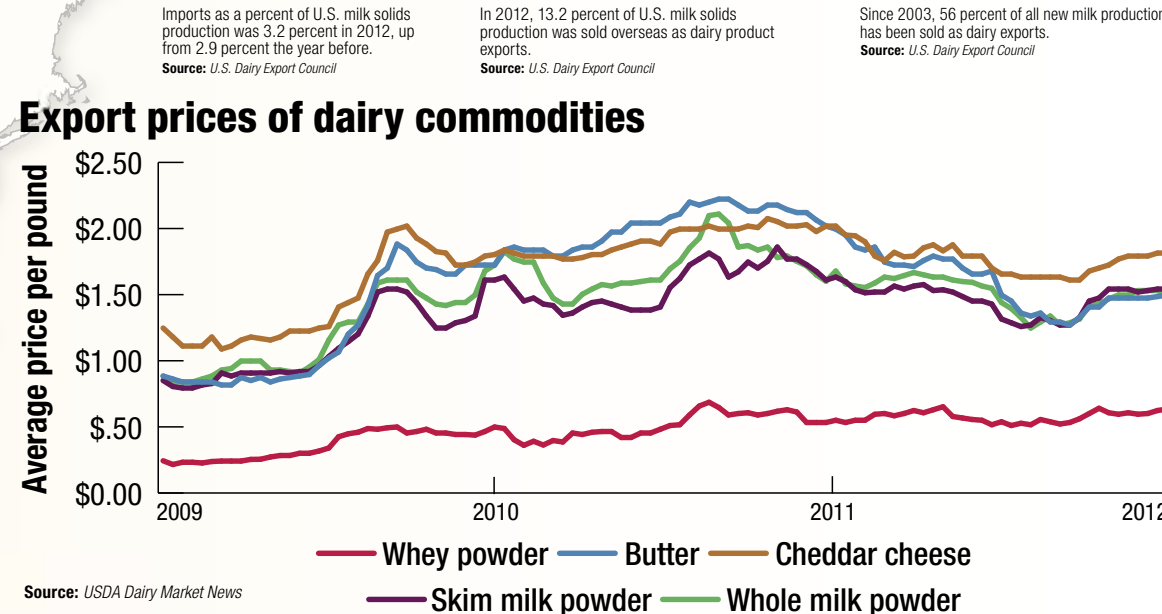
Rank	Country	2012 Exports (in thousands of dollars)	Percent change from 2011
1	Mexico	1,229,834	+5%
2	Canada	558,395	+4%
3	China	416,002	+15%
4	Philippines	316,969	+13%
5	Japan	284,764	+3%
6	South Korea	226,104	+2%
7	Indonesia	190,260	-11%
8	Vietnam	139,582	-25%
9	Malaysia	133,094	-3%
10	Saudi Arabia	126,903	+13%
11	New Zealand	107,580	+58%
12	Australia	105,667	+18%
13	Singapore	87,647	+12%
14	Egypt	73,866	-20%
15	Brazil	72,427	+79%



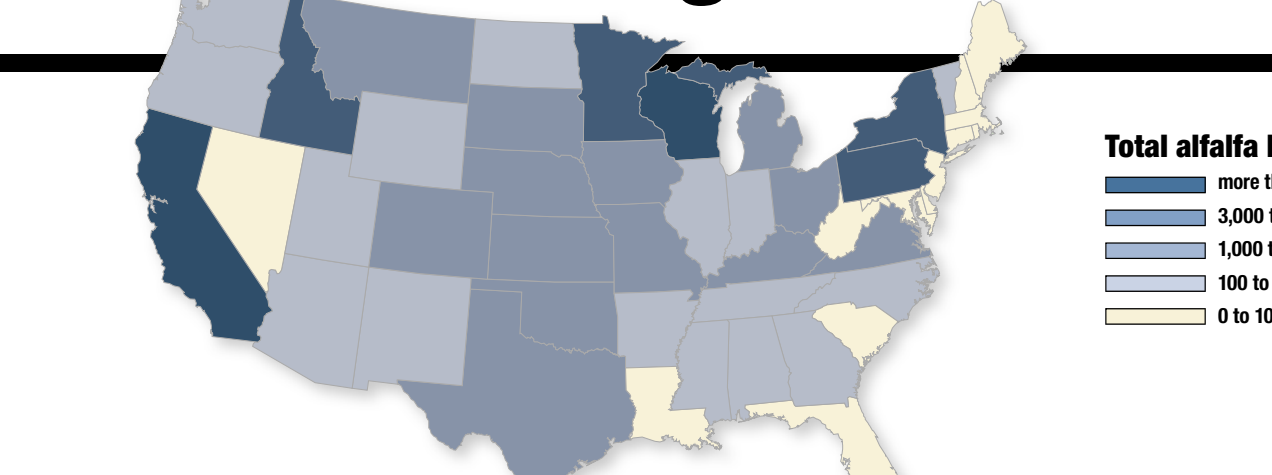
U.S. dairy exports/imports



Export prices of dairy commodities



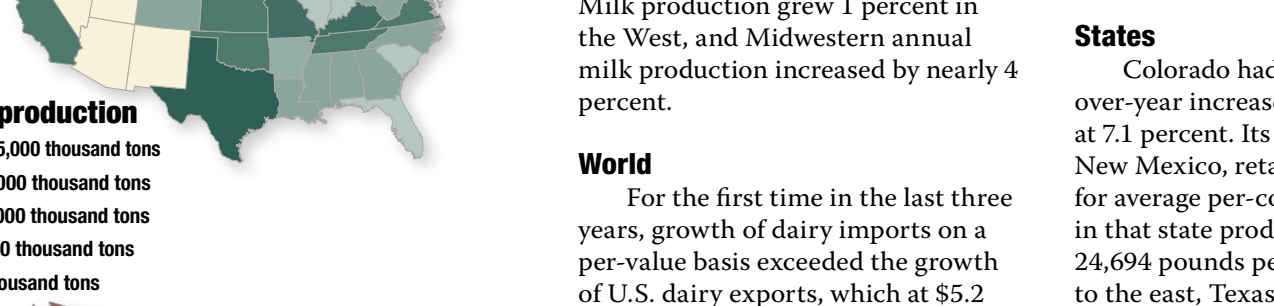
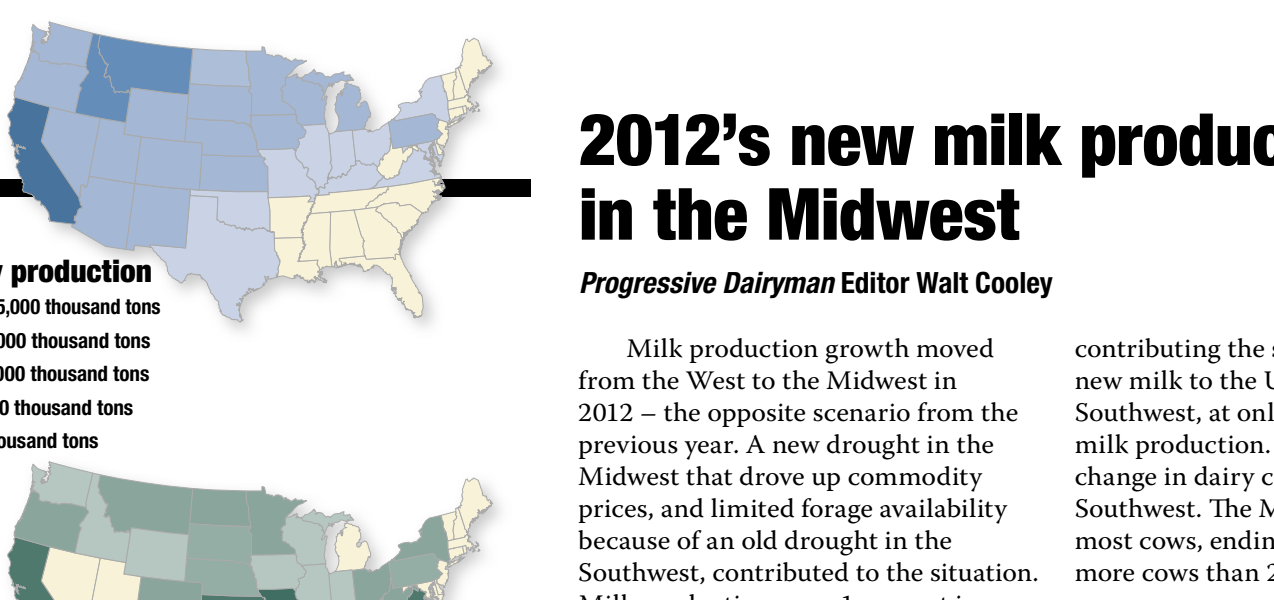
2012 U.S. forage statistics



Top 15 forage states

State ranking-production	State	Total forage production (in thousand tons)	Total alfalfa (in thousand tons)	Total other hay (in thousand tons)	Total corn silage (in thousand tons)	Total greenchop (in thousand tons)		
1	Wisconsin	24,045	7,245	30	600	1	6,820	
2	California	20,338	1,655	9	2,160	2	11,263	
3	Texas	13,112	27	490	1	9,000	11	3,610
4	New York	12,959	23	902	14	1,725	3	8,075
5	Pennsylvania	12,464	20	1,040	11	1,938	4	7,920
6	Minnesota	12,325	6	2,465	16	1,530	5	6,650
7	Idaho	11,720	2	4,160	30	600	6	5,940
8	South Dakota	8,963	5	2,590	17	1,500	8	4,800
9	Nebraska	8,668	8	2,272	12	1,800	9	4,400
10	Kansas	8,422	13	1,820	7	2,520	10	4,050
11	Iowa	8,339	9	2,117	28	697	7	4,875
12	Missouri	7,074	26	494	2	4,760	19	1,760
13	Colorado	6,961	4	2,625	23	1,136	13	3,200
14	Michigan	6,837	16	1,386	35	465	12	3,600
15	Kentucky	6,047	25	522	3	4,400	25	1,125
Top 15 Totals		168,274	31,853	34,631	85,478	16,112		
U.S. total		250,918	52,049	67,829	113,450	17,590		

Source: Crop Production 2012 Summary Report, USDA, NASS; statistical ties are represented by the same numerical ranking.



2012's new milk produced in the Midwest

Milk production growth moved from the West to the Midwest in 2012 – the opposite scenario from the previous year. A new drought in the Midwest that drove up commodity prices, and limited forage availability because of an old drought in the Southwest, contributed to the situation. Milk production grew 1 percent in the West, and Midwestern annual milk production increased by nearly 4 percent.

World
For the first time in the last three years, growth of dairy imports on a per-value basis exceeded the growth of U.S. dairy exports, which at \$5.2 billion was still the largest-ever export sales figure. Imports as a percentage of U.S. milk solids production rose from 2.9 percent in 2011 to 3.2 percent in 2012. The percentage of U.S. milk solids bound for export markets ticked lower to 13.2 percent, down from the highest peak ever of 13.3 percent in 2011.

Nation
Industry consolidation moved slightly above the five-year average in 2012 as 3.8 percent of licensed dairies exited the industry. The average U.S. dairy herd size grew by eight cows to 187. For the second year in a row, the U.S. dairy herd expanded, adding 39,000 cows. However, the U.S. herd size has not returned to pre-2009 levels. The average dairy cow had an average annual production of 21,697 pounds, which was a new record.

Region
More than half of all of the country's new milk produced last year came from the Midwest. The region



U.S. dairy industry continues to consolidate

Year	All U.S. licensed herds	Change in herds	1-99 cows	100-199 cows	200-499 cows	500+ cows
2002	74,110	-2,765	54,655	11,555	4,990	2,910
2003	70,375	-3,735	51,665	10,980	4,765	2,965
2004	66,830	-3,545	48,675	10,445	4,700	3,010
2005	64,540	-2,290	46,750	10,055	4,662	3,073
2006	62,070	-2,470	44,600	9,760	4,567	3,143
2007	59,130	-2,940	42,440	9,011	4,359	3,320
2008	57,127	-2,003	41,127	8,700	3,950	3,350
2009	54,942	-2,185	39,142	8,600	3,850	3,350
2010	53,132	-1,810	37,232	8,600	3,950	3,350
2011	51,291	-1,841	35,591	8,300	4,000	3,400
2012	49,331	-1,960	34,331	7,900	3,800	3,300

Milk per cow (lbs. of milk)		Number of licensed herds		Value of milk (cents per lb.)	
Top 5		Top 10		Top 5	
New Mexico	24,694	Wisconsin	11,490	Hawaii	0.351
Arizona	23,979	Pennsylvania	7,140	Alaska	0.242
Colorado	23,978	New York	5,150	Florida	0.241
Washington	23,794	Minnesota	4,125	Alabama	0.236
Michigan	23,704	Ohio	3,060	Virginia	0.231
Bottom 5		Bottom 5		Bottom 5	
Alaska	14,250	Michigan	2,130	Wyoming	0.196
Hawaii	14,200	California	1,650	Utah	0.196
Arkansas	13,300	Iowa	1,580	New Mexico	0.194
Alabama	13,200	Indiana	1,570	California	0.185
Louisiana	13,176	Missouri	1,430	Idaho	0.184

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2012 U.S. dairy statistics

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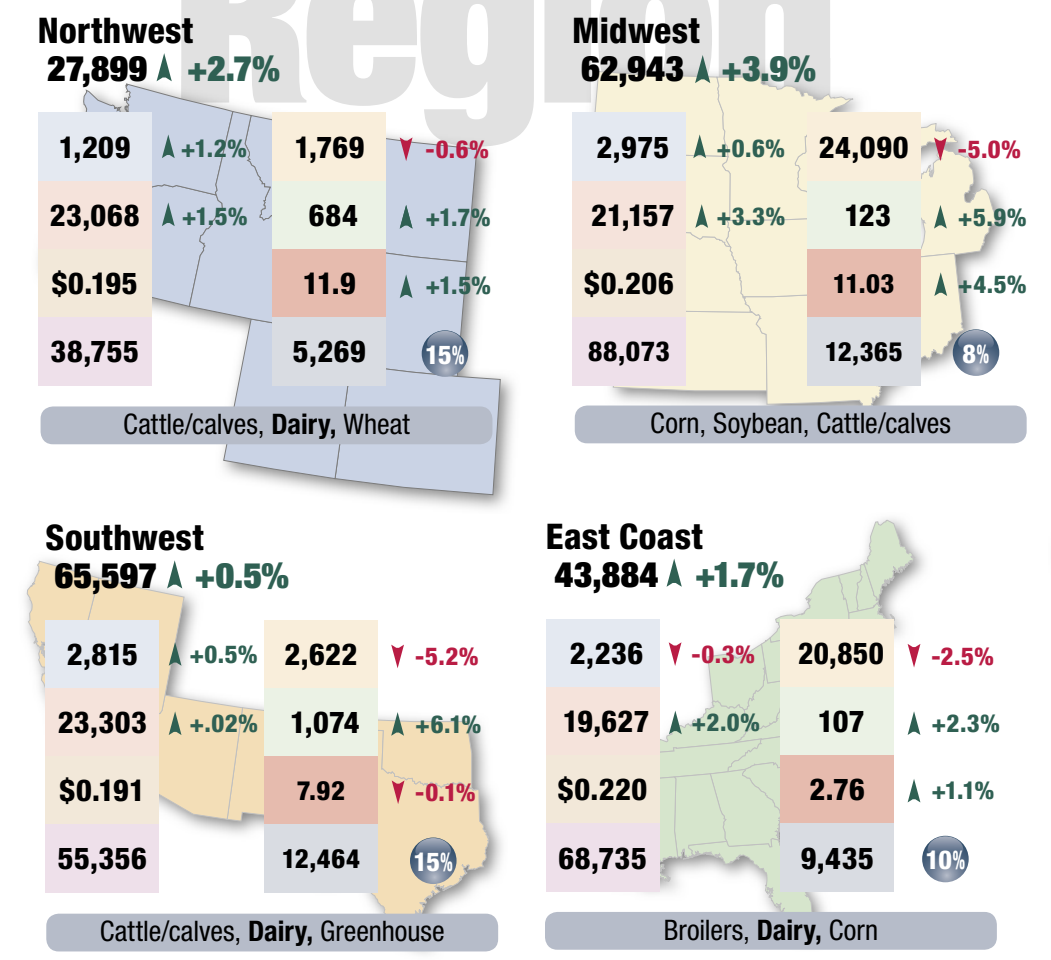
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All states
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State rank	State	Total milk production (in millions of lbs.)	Percentage increase/decrease in total milk from 2011-2012	Number of cows (in thousands)	Percentage increase/decrease in number of cows from 2011-2012	Milk per cow (lbs. per year)	Percentage increase/decrease in milk per cow from 2011-2012	Number of licensed dairy herds	Change in licensed herds from 2011-2012	Average herd size	Change in avg. herd size from 2011-2012
1	California	41,801	+0.9%	1,782	+0.7%	23,457	+0.1%	1,650	-25	1,080	+24
2	Wisconsin	27,224	+4.5%	1,270	+0.4%	21,436	+4.1%	11,490	-610	1,111	+6
3	Idaho	13,558	+2.3%	580	+0.3%	23,376	+1.9%	565	-10	1,027	+21
4	New York	13,196	+2.8%	610	NC	21,633	+2.8%	5,150	-100	118	+2
5	Pennsylvania	10,493	-0.5%	536	-0.9%	19,576	+0.4%	7,140	-100	75	NC
6	Texas	9,596	+0.1%	436	+1.1%	22,009	-1.0%	500	-90	872	+141
7	Minnesota	9,071	+2.0%	465	-0.6%	19,508	+2.7%	4,125	-200	113	+5
8	Michigan	8,889	+4.8%	375	+2.5%	23,704	+2.3%	2,130	-30	176	+7
9	New Mexico	8,149	-0.4%	330	+0.3%	24,694	-0.6%	140	NC	2,357	-7
10	Washington	6,234	+1.1%	262	+0.8%	23,794	+0.3%	480	+10	546	-7
11	Ohio	5,355	+4.1%	270	+0.7%	19,833	+3.3%	3,060	-110	88	+4
12	Arizona	4,508	+2.2%	188	NC	23,979	+2.2%	110	NC	1,709	NC
13	Iowa	4,433	+2.0%	204	NC	21,730	+2.0%	1,580	-90	-90	+7
14	Indiana	3,739	+5.2%	175	+1.7%	21,366	+3.4%	1,570	-80	111	+7
15	Colorado	3,213	+7.2%	134	+4.7%	23,978	+2.3%	130	NC	1,031	+46
16	Kansas	2,731	+5.6%	126	+2.4%	21,675	+3.1%	340	-30	371	+38
17	Vermont	2,569	+1.2%	133	-0.7%	19,316	+2.0%	970	-30	137	+3
18	Oregon	2,513	+1.4%	123	+1.7%	20,431	-0.3%	270	NC	456	+7
19	Florida	2,338	+3.0%	123	+3.4%	19,008	-0.3%	130	-10	946	+96
20	South Dakota	1,968	+0.1%	92	+1.1%	21,991	+0.4%	325	-25	283	+23
21	Illinois	1,951	+2.8%	100	+2.0%	19,510	+0.8%	760	-50	132	+11
22	Utah	1,951	+5.2%	90	+2.3%	21,678	+2.9%	230	-10	391	+25
23	Virginia	1,727	+0.5%	96	NC	17,990	-0.5%	680	-10	141	+2
24	Georgia	1,530	+5.5%	80	+1.3%	19,125	+4.2%	250	-10	320	+16
25	Missouri	1,404	+1.2%	94	-1.1%	14,936	+2.2%	1,430	-100	66	+4
26	Nebraska	1,186	+1.1%	56	-1.8%	21,179	+2.9%	210	-35	267	+34
27	Kentucky	1,120	+2.8%	74	-2.6%	15,135	+5.5%	840	-60	88	+4
28	Maryland	979	+0.9%	51	-1.9%	19,196	+2.9%	500	-10	102	NC
29	North Carolina	940	+4.0%	46	+2.2%	20,435	+1.7%	270	-20	170	+15
30	Oklahoma	849	-8.0%	48	-9.4%	17,688	+1.6%	200	-30	240	+10
31	Tennessee	805	-0.6%	50	-0.6%	16,100	-0.6%	420	-30	119	+8
32	Nevada	666	-0.7%	29	NC	22,966	-0.7%	20	NC	1,450	NC
33	Maine	613	+2.5%	33	+3.1%	18,576	-0.6%	310	NC	106	+3
34	Connecticut	358	-0.8%	18	-5.3%	19,889	+4.7%	130	-10	138	+3
35	North Dakota	347	+0.6%	18	-5.3%	19,278	+6.2%	130	-15	138	+7
36	Montana	299	+3.8%	14	NC	21,357	+3.8%	70	NC	200	NC
37	South Carolina	277	-0.7%	16	NC	17,313	-0.7%	80	NC	200	NC
38	New Hampshire	275	-3.8%	14	NC	19,643	-3.8%	120	NC	117	NC
39	Louisiana	224	-3.4%	17	-5.6%	13,176	+2.2%	140	NC	121	-7
40	Massachusetts	219	-0.5%	12	-7.7%	18,250	+7.9%	150	-10	80	-1
41	Mississippi	201	-1.5%	14	NC	14,357	-1.5%	110	-10	127	+11
42	West Virginia	158	+1.3%	10	NC	15,800	+1.3%	95	NC	105	NC
43	Arkansas	133	-6.3%	10	-16.7%	13,300	+12.4%	110	-10	91	-9
44	Alabama	132	-9.0%	10	-9.1%	13,200	+0.1%	50	-5	200	NC
45	New Jersey	130	-3.7%	7	-12.6%	18,571	+10.0%	80	-5	88	-7
46	Wyoming	125	+1.5%	6	NC	20,817	+1.5%	20	NC	300	NC
47	Diamond	93.8	+2.5%	4.9	-2.0%	19,143	4.6%	50	NC	98	-2
48	Hawaii	28.4	+3.6%	2	+5.3%	14,200	-1.6%	2	NC	1,000	+50
49	Rhode Island	18.3	-7.1%	1	-9.1%	18,300	+2.2%	15	NC	67	-7
50	Alaska	5.7	-17.4%	0.4	-20.0%	14,250	+3.3%	4	NC	100	-25
U.S. total		200,324	+2.1%	9,233	+0.4%	21,697	+1.7%	49,331	-1,960	187	+8

Source: February 2012 Milk Production Report, USDA
Statistical ties are represented by the same numerical ranking.



10-year growth
Additional milk production from 2003 to 2012 (millions of lbs. of milk)

3-year growth
Additional milk production from 2009 to 2012 (millions of lbs. of milk)

1-year growth
Additional milk production from 2011 to 2012 (millions of lbs. of milk)

State	10-year growth	3-year growth	1-year growth
California	6,364	2,289	1,166
Wisconsin	4,958	1,985	411
Idaho	4,784	1,408	358
Texas	3,966	921	339
Michigan	2,514	772	302
New Mexico	1,483	756	214
New York	1,244	673	211
Colorado	1,060	432	186
Arizona	956	374	181
Ohio	865	356	146
Minnesota	813	265	-
Indiana	800	260	-
Washington	653	245	-5
South Dakota	638	243	-5
Iowa	623	184	-5
Louisiana	-295	-58	-9
Kentucky	-345	-72	-11
Tennessee	-400	-104	-13
Oklahoma	-463	-153	-28
Missouri	-482	-164	-54
Pennsylvania	-	-	-54
Alabama	-	-	-74

Legend

State ranking - total milk production

State ranking - number of cows

State ranking - milk per cow

State ranking - 2011 Value of milk per lb.

State ranking - all forage production

State ranking - total forage production

Percentage increase/decrease in total milk from 2011-2012

Number of licensed dairy herds

Average herd size

State ranking - GMPM

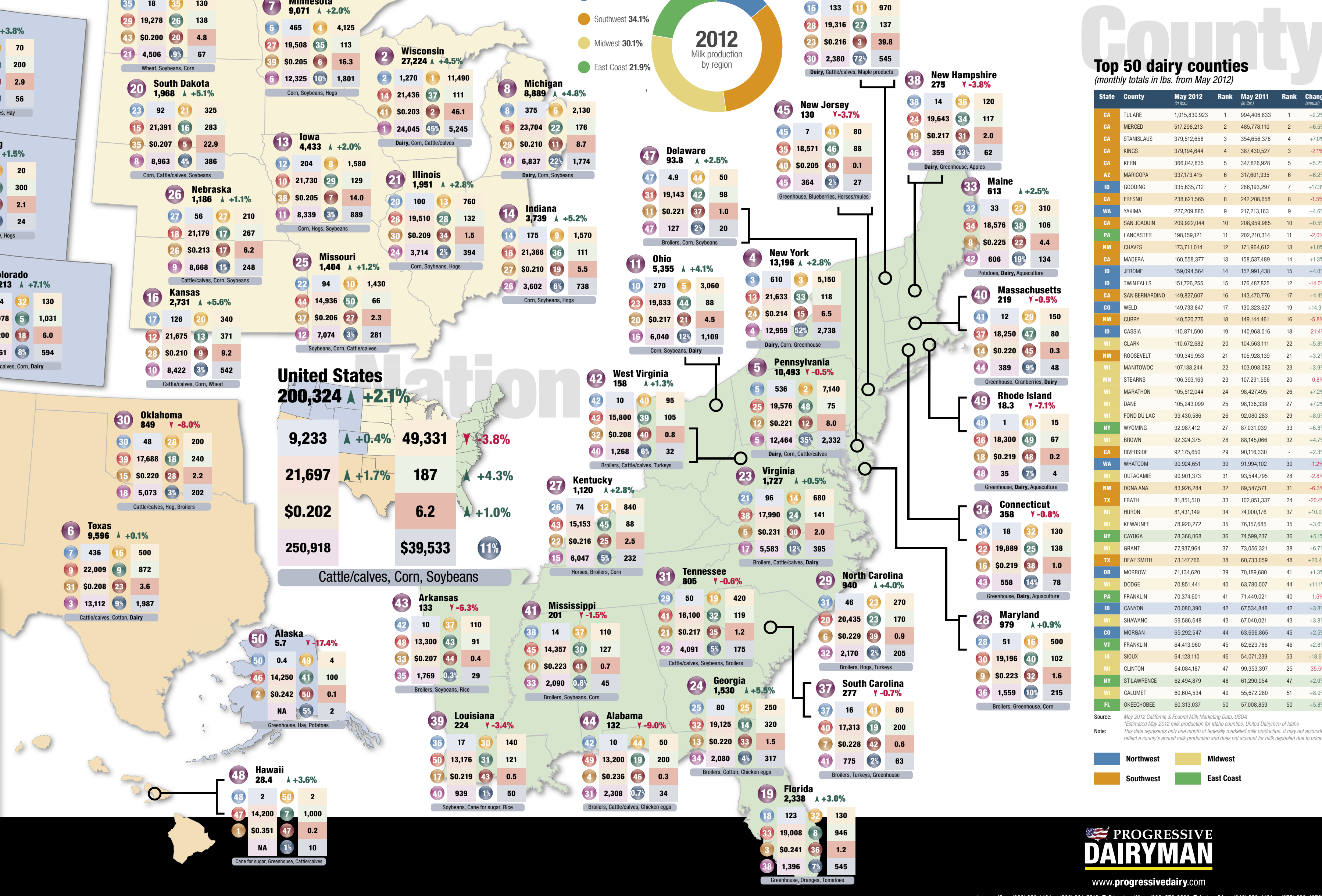
Gallons of milk per person per month (GMPM)

2011 dairy receipts as a percentage of state's total farm receipts

2011 dairy receipts annual total (in millions of dollars)

State's top 3 farm commodities

All information is from 2012, unless otherwise noted.



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