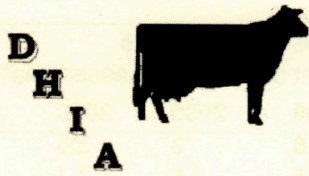


HEART OF AMERICA



## 2011 Annual Summary

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It is my great privilege to write this note for the Heart of America DHIA 2011 Annual Summary. I have worked for DHIA since 1982, but just took over recently as General Manager. I look forward to continuing the work and maintaining the performance record started by my predecessor.

With the retirement of Dave Sukup, there have been several changes in personnel in recent months. Long time district manager Bryan Stout is now the Director of Field Services. Carrie Fiest was hired as the Lab Manager. I am confident that Carrie and her staff will continue to provide excellent service from our milk analysis laboratory in Manhattan, Kansas. Bryan will maintain his location in Wagoner, Oklahoma, and I plan to keep my office in Lincoln, Nebraska.

I want to thank all of the Field Technicians for their hard work and dedication. Not many people are willing to work the hours that they do at the hours of the day that they must. They are required to travel farther than ever before as the number of members continues to decrease. Overall, our Field Technicians are great and caring people who know and understand how important accurate data collection is to Heart of America members. Thank you.

During 2011, a large number of herds and cows from Colorado joined Heart of America DHIA when former independent service provider Zach Monaghan chose to join the Association. We welcome them and hope we can provide the service they need.

As part of the rapidly changing dairy industry in the Midwest, Heart of America DHIA faces some unique challenges and opportunities to continue to provide quality data information and service to our members. Declining herd and cow numbers, aging equipment, maintaining quality employees, and servicing the largest geographic DHIA area in the country are just some of those challenges and opportunities. The Board of Directors and management are working to formulate a Strategic Plan for the Association as a guide for the future. If any member has suggestions for this endeavor, they are encouraged to contact a Director or management. Thank you.

Finally, we need to not forget what DHIA is all about: our members. As your non-profit association, run by dairymen members, you will continue to be the focus of all that we do. We plan to ensure that Heart of America DHIA continues to be around for years to come, providing the data, information, and service that you need to efficiently operate your farm in a profitable manner. I wish you the best of luck in the coming year.

Dennis Drudik  
General Manager



**HEART OF AMERICA**  
2011 Annual Summary Tables

Code	Type of Test	Herds	Cows	Cows/ Herd	Percent participation passed years			
					2008	2009	2010	2011
0	DHI	7	9,079	1,297	3.6	3	3.0	2.7
1	DHI-AP-T				2.5	2.4	2.4	0
2	DHI-APCS	31	24,463	789	6.9	7.9	7.9	8.2
20	DHIR	11	5,641	513	0.6	0.7	0.7	0.6
21	DHIA-AP-T				1	1.3	1.3	0
22	DHIR-APCS	16	8,324	520	4.9	2.1	2.0	2.1
23	DHIR-APCS	71	10,538	148	9.6	10.7	10.7	10.2
31	DHI-AP	229	48,215	211	36.7	39.5	39.5	34.7
40	OS	8	1,186	148	1.2	1.2	1.2	1.1
41	OS-AP	56	10,083	180	11.1	10.2	10.2	10.4
42	OS-APCS	15	2,548	170	2.9	2.7	2.7	2.1
43	OS-MO	2	455	228	1.3	1.9	1.9	0.4
44	OS-MO-AP	0			0.4	0.5	0.5	0
70	SS	0				2	2.0	0
71	SS-AP	40	24,587	615	13.4	10.1	10.2	21.3
72	SS-APCS	3	3,501	1,167	3.5	3.8	3.9	3.6

State	Cow/ Herd	RHA Milk	RHA lbs Fat	RHA lbs Prot	SCC Actual	Calving Int. (mo.)
Arkansas	174	17,281	635	544	341	14.0
Colo. - Tex.	436	23,928	847	737	224	N/A
Iowa	146	20,434	887	702	145	14.1
Kansas	95	21,459	799	662	283	14.4
Missouri	241	16,580	628	531	462	14.8
Nebraska	152	22,520	835	704	239	13.9
Oklahoma	210	17,187	627	543	319	14.5
N. Dakota	358	21,504	896	783	278	14.4
S. Dakota		22,798	856	709	254	14.1

State	Total Herds				Total Cows			
	2008	2009	2010	2011	2008	2009	2010	2011
Arkansas	18	14	13	6	2,412	1,823	1,457	1,046
Iowa	22	20	21	21	4,419	4,264	4,356	9,594
Kansas	194	180	175	159	22,024	21,159	20,946	23,161
Nebraska	141	124	112	109	24,916	23,073	21,652	26,286
N. Dakota	39	34	31	31	7,032	5,711	6,292	6,512
Oklahoma	45	40	39	38	6,850	6,251	5,941	5,776
S. Dakota	103	94	90	87	28,180	26,473	27,590	31,131
Missouri	8	8	5	5				474
Colo. - Tex.				33				45,167
<b>Totals</b>	<b>570</b>	<b>514</b>	<b>486</b>	<b>489</b>	<b>95,833</b>	<b>88,754</b>	<b>106,819</b>	<b>149,147</b>



**Table 4. HOA Breed Averages 2011**

Breed	Cows	Cow/ Herd	Milk	Fat	Protein	SCC Actual 1000	Calving Interval (mo.)
Ayrshire	101	101	12,732	477	430	607	18.5
Brown Swiss	391	39	15,914	667	546	237	15.6
Guernsey	75	75	13,853	654	471	449	17.0
Holstein	124,438	316	23,105	837	748	295	14.3
Jersey	10,000	227	17,872	850	646	294	13.6
M. Shorthorn	305	76	13,694	492	430	270	14.1
Crossbred	13,836	154	18,731	729	614	268	13.8

**Table 5. Total herds by breed 2006-11**

Breed	Total Herds					
	2006	2007	2008	2009	2010	2011
Ayrshire	3	8	6	3	1	1
Brown Swiss	11	22	13	14	10	10
Guernsey	4	3	3	2	1	1
Holstein	539	534	479	431	389	394
Jersey	35	51	45	45	41	44
M. Shorthorn	4	8	7	6	4	4
Crossbred	60	99	79	72	87	90
Totals	652	725	632	573	533	544

**Table 6. Statistical summary of HOA herds 2006-11**

Item	2006	2007	2008	2009	2010	2011
Cow/herd	161	175	173	196	208	304
RHA milk, lbs.	19,618	20,837	20,717	20,934	21,208	22,345
Avg. milk fat %	3.7	3.7	3.7	3.7	3.7	3.8
Avg. milk protein %	3.1	3.1	3.1	3.2	3.2	3.2
Avg. SCC, (1000)	352	328	306	270	272	294
Calving Interval, months	14.4	13.9	14.0	14.0	13.8	14.2

**Table 7. Production and SCC by Herd Size**

Herd Size	Cows	Herds	RHA Milk	SCC Avg
11-100	14,287	222	18,234	320
101-487	43,932	214	20,684	281
500-892	15,026	22	23,856	258
1000-6548	75,902	32	24,147	214



**Table 8. DRMS Statistical Summary of Holstein Herds in AR, KS, NE, ND, OK and SD - 5/25/2012**

Item	Herds less than 300 cows (n=305)		Herds more than 300 cows (n=48)	
	Average	Range	Average	Range
Number of cows	114	21-298	809	304-3444
Cows in milk on test day, %	88.9	56-100	88.2	80-97
Days in milk	210	212-318	195	158-245
Average age of 1st lactation cows,	27	22-36	25.3	23-31
Cows left herd, %	39	9-77	37.7	18-60
RHA milk, lbs.	19926	9,117-	23,712	16,527-
Summit milk 1st lactation lbs.	65	36-96	76	61-92
Summit milk 2nd lactation lbs.	87	47-125	97	68-116
Summit milk 3rd lactation &> lbs.	85.7	44-120	104	76-124
Standardized 150 day milk lbs.	71	38.4-105.9	83	59.6-109.4
Days open-projected min-all	178.6	92-357	143.9	106-197
Days 1st Service-total herd	105.6	49-285	80.9	62-130
Percent of heats observed for year	32.8	1-86	53.5	1-76
Cows dry less than 40 days, %	14.7	1-100	11.1	0-55
Cows dry more than 70 days, %	30.1	1-80	20.6	1-73
Somatic cell count actual	292.3	77-962	265.2	131-601
Percent cows with SCCS of 0-3	65.5	8-92	68.8	44-84
Fresh cows <41 DIM with SCCS > 4, %	30.9	0-100	22.1	0-50
Percent of herd bred to proven AI bulls	58.5	.9-100	42.3	2-96
Percent of herd bred to young bulls	.1	0-9	0	0-1
Percent of herd bred to non-AI bulls	32.5	0-100	18.1	0-100

**Table 9.****DRMS Statistical summary of Jersey and mixed breeds in AR, KS, NE, ND, OK and SD - 5-25-2012**

Item	Jersey herds (n=33)		Mixed breeds (n=77)	
	Average	Range	Average	Range
Number of cows	101	25-427	199	21-3454
Cows in milk on test day, %	87.4	72-100	88.1	64-100
Days in milk	193	102-257	198	90-377
Average age of 1st lactation cows, months	24.8	22-33	26.5	21-35
Cows left herd, %	38.1	7-85	38.6	14-80
RHA milk, lbs.	1,5399	9,799-19,597	17,940	7,236-25,928
Summit milk 1st lactation lbs.	48.9	29-97	58.7	22-82
Summit milk 2nd lactation lbs.	59.7	36-81	73.6	32-105
Summit milk 3rd lactation &> lbs.	65.3	42-86	78.5	36-116
Standardized 150 day milk lbs.	51.3	31.5-65.5	63.7	31.7-92.9
Days open-projected min-all	143.6	87-188	171.4	98-354
Days 1st Service-total herd	89.2	64-126	100.2	61-177
Percent of heats observed for year	44.3	23-64	32.5	1-76
Cows dry less than 40 days, %	11.7	0-50	12.6	1-57
Cows dry more than 70 days, %	23	3-65	33.7	3-90
Somatic cell count actual	251	78-528	261	77-505
Percent cows with SCCS of 0-3	64.8	29-92	65.3	38-92
Fresh cows <41 DIM with SCCS > 4, %	30.3	0-100	27.5	0-100
Percent of herd bred to proven AI bulls	59.7	6-100	46.3	1-100
Percent of herd bred to young bulls	.5	0-8	2.4	0-57
Percent of herd bred to non-AI bulls	22.7	0-100	41.4	0-100



### Heart of America DHIA Field Technicians for 2011

name	city	started	name	city	started
<b>NORTH DAKOTA</b>			<b>KANSAS</b>		
KEITH JORGENSEN	ALEXANDRIA, MN	1988	SHEILA LEIKER-PAGE	VICTORIA	1975
RON & GAIL BERG	STANTON	2006	GALEN ENSZ	HILLSBORO	1983
RACHEL KARSKY	DICKINSON	2006	DEAN FLEHARTY	PRAIRIE HOME, MO	1965
<b>SOUTH DAKOTA</b>			KELLY FRANKLIN	ATCHISON	1989
NOLA BAUER	MOUND CITY	1990	RICHARD HIEBERT	HILLSBORO	1980
ORIN FREEMAN	ETHAN	1990	JIM WELLS	CLEARWATER	1988
DEB PEDERSON	MILBANK	2001	MARY KROPF	WESTPHALIA	1997
KEVIN PEDERSON	MILBANK	2003	CALVIN YODER	HUTCHINSON	1999
SARAH & TYLER HOTCHKISS	COLTON	2006	GERALD WEISS	WAMEGO	2000
<b>ARKANSAS</b>			MICKEY MITCHELL	WIGGINS, CO	2006
EDDIE FINNEY	BOONEVILLE	2001	DOROTHY WYRICK	WAVERLEY	2007
<b>OKLAHOMA</b>			BRANDI NIOCE	BERN	2010
DON MCLEMORE	CHANDLER	1986	<b>NEBRASKA</b>		
RICK & JANELL REID	CHICKASHA	1983	BETH STARK	HASTINGS	1983
RUSTY SHIPLEY	DEER CREEK	1988	RICHARD EILERS	NELIGH	1969
<b>COLORADO</b>			GERALD NOLTE	HUMBOLDT	1987
VIKI MCLAIN	GILL	2009	GREGG ROESLER	WESTERN	1996
HEATHER BRANDNER	YUMA	2009	MITCH SWANSON	O'NEILL	1989
ZACH MONAGHAN	GREELEY	2006	TOM OLANDER	BLOOMFIELD	1984
LINDSAY DYE	KERSEY	2011	RICK SCHEELE	ODELL	2002
			PEG STRONG	STANTON	2007
			<b>IOWA</b>		
			MERLIN SANDERSFELD	HARRIS	1993

#### 2011 Field Tech Association Board

Beth Stark      Deb Pederson      Rick Scheele      Jim Wells  
 Advisory Board Members: Tom Olander      Sheila Leiker-Page



**HEART OF AMERICA D H I A, INC**  
**BALANCE SHEET**  
December 31, 2011

	<u>12/31/2011</u>	<u>12/31/2010</u>	<u>12/31/2009</u>
<b>CURRENT ASSETS</b>			
Cash Accounts	\$ 87,930	\$ 39,231	\$ 59,450
Savings Accounts	\$ 1,490	\$ 28,485	\$ 28,383
Certificates of Deposit	\$ 246,834	\$ 291,807	\$ 291,262
Lab Equipment Future Purchases	\$ 40,000	\$ 40,000	\$ 40,000
Meter Parts Inventory	\$ 31,260	\$ 47,200	\$ 47,602
Prepaid Insurance	\$ 1,537	\$ -	\$ -
Accounts Receivable	\$ 80,058	\$ 79,324	\$ 81,514
Total Current Assets	<u>\$ 489,109</u>	<u>\$ 526,047</u>	<u>\$ 548,211</u>
<b>FIXED ASSETS</b>			
Field Tech Computers	\$ 20,330	\$ 18,730	\$ 18,486
Lab & Office Equipment	\$ 235,667	\$ 230,489	\$ 228,785
Meter Trailer & Equipment	\$ 11,557	\$ 11,557	\$ 11,557
Real Estate - Lab Building	\$ 47,000	\$ 47,000	\$ 47,000
Field Testing Equipment	\$ 48,543	\$ -	\$ -
Accumulated Depreciation	\$ (284,620)	\$ (255,022)	\$ (251,063)
Total Long Term Assets	<u>\$ 78,476</u>	<u>\$ 52,753</u>	<u>\$ 54,765</u>
<b>OTHER ASSETS</b>			
Patronage Capital Credits	\$ 3,821	\$ 3,811	\$ 3,778
Total Assets	<u><u>\$ 571,406</u></u>	<u><u>\$ 582,611</u></u>	<u><u>\$ 606,755</u></u>
<b>LIABILITIES</b>			
Accounts Payable <sup>1</sup>	\$ 13,956	\$ 1,153	\$ 7,139
Payroll Taxes Payable	\$ 4,630	\$ 2,211	\$ 2,422
Flex Plan Payable	\$ 2,378	\$ 538	\$ 2,999
Field Tech Compensation Payable	\$ 18,530	\$ 29,716	\$ 25,202
Total Liabilities	<u>\$ 39,493</u>	<u>\$ 33,618</u>	<u>\$ 37,762</u>
<b>NET ASSETS</b>			
Unrestricted Capital	\$ 538,343	\$ 568,993	\$ 561,019
Net Profit (Loss)	\$ (6,431)	\$ (20,000)	\$ 7,974
Total Net Assets	<u>\$ 531,912</u>	<u>\$ 548,993</u>	<u>\$ 568,993</u>
Total Liabilities & Net Assets	<u><u>\$ 571,406</u></u>	<u><u>\$ 582,611</u></u>	<u><u>\$ 606,755</u></u>

<sup>1</sup> Accounts Payable do not include estimated accrued expenses of \$50,558



## GENERAL OPERATING BUDGET FOR 2011

Account	2011 Budget
<b>INCOME</b>	
Affiliate fees	\$ 420,000
Lab BFP & SCC fees	\$ 295,500
Lab other income	\$ 13,500
Lab return vials fee	\$ 28,860
Meter calibration center income	\$ 25,000
Meter usage fees	\$ 40,000
Other general income	\$ 35,200
Total Income	\$ 858,060
<b>EXPENSES</b>	
Accounting services (audit, etc.)	\$ 12,500
Board of directors	\$ 14,000
Depreciation	\$ 34,455
Field services	\$ 11,000
Field Tech training & development	\$ 16,600
Field Tech vacation	\$ 10,000
Health insurance	\$ 73,000
Insurance - liability, work comp	\$ 25,000
Lab chemicals, supplies, calib. samples	\$ 36,000
Lab employee compenstion expenses	\$ 145,000
Lab equipment repairs	\$ 22,000
Lab health Insurance	\$ 9,200
Lab other expenses	\$ 44,600
Lab return shipping expense	\$ 72,000
Lab vial pilling, capping & preservative	\$ 31,000
Management compensation	\$ 115,000
Meter maintenance fees	\$ 30,000
Meter calibration center expenses	\$ 21,650
Other general expenses	\$ 74,350
Payroll taxes	\$ 13,000
Retirement Benefits contributions	\$ 35,000
Telephone	\$ 14,000
Total Expenses	\$ 859,355
Net Income - Expenses	\$ (1,295)

If any member would like further details about the financial information, please call:  
800-793-2511.

There were several rate adjustments included this year.

The Association actually formulates three separate budgets, not the combined one shown here.

