

HEART OF AMERICA



2012 *Annual Summary*

April 2013

Another year has passed, and those of us in the industry that survived are ready to do it for another year. Between weather, prices, and politics, the challenges just keep coming. Dairy producers should be congratulated and esteemed for consistently producing such a wholesome, nutritious and quality product year after year. Thank you.

Similar to producers, Heart of America DHIA constantly faces challenges; for example locating, training, and managing employees in ten states. We try to encourage hard-working, dedicated people who care about their responsibility to Heart of America and the dairymen that constitute the Association. We are working hard to ensure that we are able to comply with the Affordable Care Act's provisions that begin on January 1 of 2014.

We are making and planning several changes in the milk analysis laboratory in Manhattan, Kansas. Some are cosmetic and procedural while others will be more substantial such as software upgrades, equipment replacement, and furnishings upgrades. Our lab has a long history of quality results, and we are committed to maintaining that record. In February, we again passed the national Quality Certification audit after a planned on-site visit. The staff at the lab is to be congratulated for their efforts.

This past year saw several new options for members, including Pocket Dairy for Android devices and continued ELISA tests such as Johne's and pregnancy. Let us know how we can help you manage your operation more efficiently.

Dennis Drudik
General Manager

Heart of America 2012 Summary Tables

Table 1. Current and historical participation in various DHIA testing programs

Code	Type of Test	Herds	Cows	Cows/ Herd	2009	2010	2011	2012
0	DHI	7	8,610	1,230	3.0	3.0	2.7	5.8
1	DHI-AP-T				2.4	2.4	0.0	0.0
2	DHI-APCS	27	24,024	890	7.9	7.9	8.2	16.3
20	DHIR	11	6,760	615	0.7	0.7	0.6	4.6
21	DHIA-AP-T				1.3	1.3	0.0	0.0
22	DHIR-APCS	13	8,563	659	2.1	2.0	2.1	5.8
23	DHIR-APCS	66	9,912	150	10.7	10.7	10.2	6.7
31	DHI-AP	201	46,653	232	39.5	39.5	34.7	31.6
40	OS	8	1,964	246	1.2	1.2	1.1	1.3
41	OS-AP	56	10,629	190	10.2	10.2	10.4	7.2
42	OS-APCS	12	2,110	176	2.7	2.7	2.1	1.4
43	OS-MO	1	229	229	1.9	1.9	0.4	0.2
44	OS-MO-AP				0.5	0.5	0.0	0.0
45	OS-BA	1	545	545	0.0	0.0	0.0	0.4
70	SS				2.0	2.0	0.0	0.0
71	SS-AP	33	23,957	726	10.1	10.2	21.3	16.2
72	SS-APCS	3	3,655	1,218	3.8	3.9	3.6	2.5

Table 2. HOA State Averages 2012

State	Cow/ Herd	RHA Milk	RHA lbs Fat	RHA lbs Prot	SCC Actual
Arkansas	230	17,564	661	553	318
Colo.-Texas	1,494	24,470	855	759	211
Iowa	492	20,397	814	660	198
Kansas	144	20,159	774	642	272
Missouri	91	16,838	639	537	326
Nebraska	267	20,707	776	658	253
Oklahoma	152	16,604	617	528	266
N. Dakota	245	19,580	723	692	255
S. Dakota	390	20,488	782	644	248

Table 3. Total Herds and Total Cows by State 2009-12

State	Total Herds				Total Cows			
	2009	2010	2011	2012	2009	2010	2011	2012
Arkansas	14	13	6	5	1,823	1,457	1,046	1,151
Iowa	20	21	21	20	4,264	4,356	9,594	9,838
Kansas	180	175	159	149	21,159	20,946	23,161	21,504
Nebraska	124	112	109	94	23,073	21,652	26,286	25,084
N. Dakota	34	31	31	22	5,711	6,292	6,512	5,389
Oklahoma	40	39	38	32	6,251	5,941	5,776	4,869
S. Dakota	94	90	87	81	26,473	27,590	31,131	31,614
Missouri	8	5	5	4			474	366
CO-TX			33	32			45,167	47,797
Totals	514	486	489	439	88,754	106,819	149,147	147,612

Heart of America 2012 Summary Tables

Table 4. HOA Breed Averages 2012

Breed	Cows	Cow/ Herd	Milk	Fat	Protein	SCC Actual 1000	Calving Interval (mo.)
Ayrshire	0	0	0	0	0	0	0.0
Brown Swiss	305	61	17,402	740	607	280	17.6
Guernsey	72	72	12,735	594	442	378	19.3
Holstein	120,922	368	23,649	848	723	259	14.2
Jersey	10,108	281	18,418	896	669	226	13.8
M. Shorthorn	182	61	15,707	555	496	301	14.4
Crossbred	16,022	246	20,105	792	658	247	14.0

Table 5. Total herds by breed 2008-12

Breed	Total Herds				
	2008	2009	2010	2011	2012
Ayrshire	6	3	1	1	0
Brown Swiss	13	14	10	10	5
Guernsey	3	2	1	1	1
Holstein	479	431	389	394	329
Jersey	45	45	41	44	36
M. Shorthorn	7	6	4	4	3
Crossbred	79	72	87	90	65
Totals	632	573	533	544	439

Table 6. Statistical summary of HOA herds 2008-12

Item	2008	2009	2010	2011	2012
Cow/herd	173	196	208	304	336
RHA milk, lbs.	20,717	20,934	21,208	22,345	22,878
Avg. milk fat %	3.7	3.7	3.7	3.8	3.8
Avg. milk protein %	3.1	3.2	3.2	3.2	3.2
Avg. SCC, (1000)	306	270	272	294	255
Calving Interval, months	14.0	14.0	13.8	14.2	14.2

Table 7. Production and SCC Quartiles by Herd Size

Herd Size	Cows	Herds	RHA Milk	SCC Avg
14-69	5,499	111	17,803	278
70-115	9,909	111	19,318	268
116-249	17,322	106	20,936	241
251-6918	110,868	103	23,277	232

Heart of America 2012 Summary Tables

Table 8. DRMS Statistical Summary of Holstein Herds as of April, 2013

Item	# Herds	Average	Minimum	Maximum
General				
Number of Cows-All Lact	325	267	20	8,444
Number of Cows-1st Lact	324	113	2	4,278
In Milk on Test Day %	325	91	64	100
Days in Milk	325	193.1	99	308
Age of 1st Lact Cows	325	26.6	22	38
Cows Left Herd-All Lact %	316	41.4	12	90
Production				
Rolling Milk	317	20,589	9,990	31,388
Summit Milk 1st Lact	322	66.6	33	92
Summit Milk 2nd Lact	323	82.9	40	128
Summit Milk 3rd+ Lact	322	89.4	46	131
Standardized 150 Day Milk	325	71.5	34.6	101.7
Udder Health				
SCC Actual	307	269	75	1055
Cows (SCC of 0-3) %	313	68	8	97
Cows (<41D with SCC>4) %	308	27	0	100
Reproduction				
Days Open-Proj Min-Total Herd	325	167.2	85	330
Days to 1st Serv-Total Herd	314	99.1	53	224
Heats Observed for Year %	293	36.6	1	90
Dry Less Than 40 Days %	293	13.9	0	63
Dry More Than 70 Days %	319	28.8	1	82
Genetics				
Herd Bred to Proven AI Bulls %	250	50.6	0.5	100
Herd Bred to Young AI Bulls %	325	0.1	0	13
Herd Bred to Non-AI Bulls %	325	31.5	0	100

Heart of America 2012 Balance Sheet

HEART OF AMERICA D H I A, INC BALANCE SHEET December 31, 2012

	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
CURRENT ASSETS			
Cash Accounts	\$ 39,445	\$ 87,930	\$ 39,231
Savings Accounts	\$ 1,491	\$ 1,490	\$ 28,485
Certificates of Deposit	\$ 261,837	\$ 246,834	\$ 291,807
Lab Equipment Future Purchases	\$ 40,000	\$ 40,000	\$ 40,000
Meter Parts Inventory	\$ 29,712	\$ 31,260	\$ 47,200
Prepaid Insurance	\$ 13,000	\$ 1,537	\$ -
Accounts Receivable	\$ 98,683	\$ 80,058	\$ 79,324
Total Current Assets	\$ 484,168	\$ 489,109	\$ 526,047
FIXED ASSETS			
Field Tech Computers	\$ 19,654	\$ 20,330	\$ 18,730
Lab & Office Equipment	\$ 236,632	\$ 235,667	\$ 230,489
Meter Trailer & Equipment	\$ 11,557	\$ 11,557	\$ 11,557
Real Estate - Lab Building	\$ 47,000	\$ 47,000	\$ 47,000
Field Testing Equipment	\$ 49,108	\$ 48,543	\$ -
Accumulated Depreciation	\$ (319,643)	\$ (284,620)	\$ (255,022)
Total Long Term Assets	\$ 44,308	\$ 78,476	\$ 52,753
OTHER ASSETS			
Patronage Capital Credits	\$ 3,830	\$ 3,821	\$ 3,811
Total Assets	<u>\$ 532,305</u>	<u>\$ 571,406</u>	<u>\$ 582,611</u>
LIABILITIES			
Accounts Payable ¹	\$ 4,534	\$ 13,956	\$ 1,153
Payroll Taxes Payable	\$ 88	\$ 4,630	\$ 2,211
Flex Plan Payable	\$ 2,728	\$ 2,378	\$ 538
Field Tech Compensation Payable	\$ 22,087	\$ 18,530	\$ 29,716
Total Liabilities	\$ 29,436	\$ 39,493	\$ 33,618
NET ASSETS			
Unrestricted Capital	\$ 531,912	\$ 538,343	\$ 568,993
Net Profit (Loss)	\$ (29,043)	\$ (6,431)	\$ (20,000)
Total Net Assets	\$ 502,869	\$ 531,912	\$ 548,993
Total Liabilities & Net Assets	<u>\$ 532,305</u>	<u>\$ 571,406</u>	<u>\$ 582,611</u>

¹ Accounts Payable do not include estimated accrued expenses of \$51,719

Heart of America 2012 General Operating Budget

GENERAL OPERATING BUDGET FOR 2012

Account	2012 Budget
INCOME	
Affiliate fees	\$ 425,000
Lab BFP & SCC fees	\$ 341,950
Lab other income	\$ 11,400
Lab return vials fee	\$ 32,400
Meter calibration center income	\$ 13,975
Meter usage fees	\$ 50,000
Other general income	\$ 32,200
Total Income	\$ 906,925
EXPENSES	
Accounting services (audit, etc.)	\$ 13,000
Board of directors	\$ 13,000
Depreciation	\$ 14,600
Field services	\$ 14,000
Field Tech training & development	\$ 24,300
Field Tech vacation	\$ 11,000
Health insurance	\$ 77,000
Insurance - liability, work comp	\$ 45,000
Lab chemicals, supplies, calib. samples	\$ 47,100
Lab employee compensation expenses	\$ 147,000
Lab equipment repairs	\$ 27,500
Lab health Insurance	\$ 16,000
Lab other expenses	\$ 14,900
Lab return shipping expense	\$ 78,000
Lab vial pilling, capping & preservative	\$ 28,000
Management compensation	\$ 124,600
Meter maintenance fees	\$ 53,000
Meter calibration center expenses	\$ 14,500
Other general expenses	\$ 41,700
Quality Certification fees	\$ 9,700
Payroll taxes	\$ 29,400
Retirement Benefits contributions	\$ 40,200
Telephone	\$ 14,050
Total Expenses	\$ 897,550
Net Income - Expenses	\$ 9,375

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, a combined one shown here.

Heart of America 2012 Field Techs

Heart of America DHIA Field Technicians for 2012					
name	city	started	name	city	started
NORTH DAKOTA			KANSAS		
KEITH JORGENSON	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
SOUTH DAKOTA			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	PARKER	2006	GERALD WEISS	WAMEGO	2000
ARKANSAS			MICKEY MITCHELL	HOLYOKE, CO	2006
EDDIE FINNEY	BOONEVILLE	2001	DOROTHY WYRICK	WAVERLEY	2007
OKLAHOMA			NEBRASKA		
DON MCLEMORE	CHANDLER	1986	BETH STARK	HASTINGS	1983
RICK & JANELLE REID	CHICKASHA	1983	RICHARD EILERS	NELIGH	1969
RUSTY SHIPLEY	DEER CREEK	1988	TONIE DINSLAGE	DODGE	1996
COLORADO			GERALD NOLTE	HUMBOLDT	1987
VIKI MCLAIN	GILL	2009	GREGG ROESLER	WESTERN	1996
HEATHER BRANDNER	YUMA	2009	MITCH SWANSON	O'NEILL	1989
ZACH MONAGHAN	BROOMFIELD	2006	TOM OLANDER	BLOOMFIELD	1984
LINDSAY DYE	KERSEY	2011	RICK SCHEELE	ODELL	2002
			PEG STRONG	STANTON	2007
			IOWA		
			MERLIN SANDERSFELD	HARRIS	1993
			CHARLOTTE ROLLEFSON	SIBLEY	2012

2012 Field Tech Association Board			
Beth Stark	Deb Pederson	Rick Scheele	Jim Wells
Advisory Board Members: Tom Olander Sheila Leiker-Page			