

Dairy Farming Group Averages



2008, 2009 and 2010 Dairy Seasons

Owners with Sharemilkers



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CooperAitken and Dairybase Report

To add more value this year we have combined our statistics with Dairybase. You may notice some changes in the format which will provide you with a better understanding of New Zealand dairy farm businesses. These reports provide a range of business performance averages for CooperAitken clients. They will assist you to identify areas of your business performance where you consider you might be able to make changes and increase your profitability.

Maximise the value from this report

To really benefit from these reports you need to request a personalised one. This will benchmark your farm against the groups average. Powerful information to allow you to easily see the areas of your business which are out performing others and those where you can make changes to increase your profitability. We can help to make sure the information is interpreted correctly.

A personalised report will help you with budgeting, business planning and discussions with your bank. To obtain a personalised report contact CooperAitken.

Disclaimer

This report is a compilation and is limited to the collection, classification and summarisation of financial information supplied by selected clients.

A compilation does not involve the verification of that information. We have not carried out an Audit or a Review Assignment on the Financial Statements and therefore neither we nor any of our employees accept any responsibility for the accuracy of the information from which the Financial Statements have been prepared. Further, the report has been prepared for the purpose of our clients only and neither we nor any of our employees accept any responsibility on any ground whatever, including liability in negligence, to any other person.

Farm business description

Benchmark name	Owners with Sharemilkers
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Season	2009-10
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Land (ha)	
Total Dairying area	90
Less un-grazable area	3
Effective Dairying area	87
Dairy run-off effective area	8

Labour	
FTE paid labour	0.9
FTE unpaid labour	0.0
FTE unpaid management	0.4
Total FTEs	1.3

Stock	
Peak cows milked	258
Predominant breed	Crossbred
Cows per FTE	198

Production	Total milk solids (kg)
2009-10	82,679
2008-09	90,234
2007-08	84,981
2009-10	
Milksolids per hectare	948
Milksolids per cow	321
Milksolids per FTE	63,599

Financial	
Cash Farm Working Expenses (\$/kgMS)	1.45
Operating profit per hectare (\$/ha)	1047
Operating profit margin (%)	35.5%

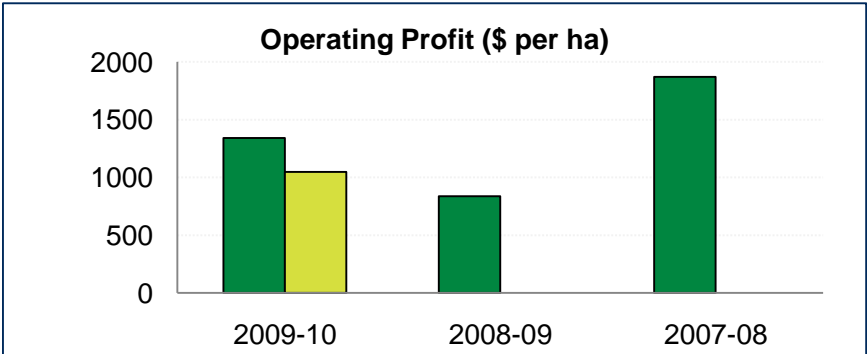
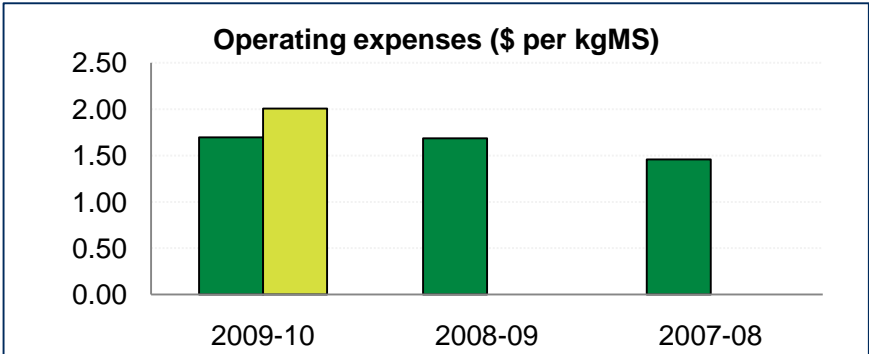
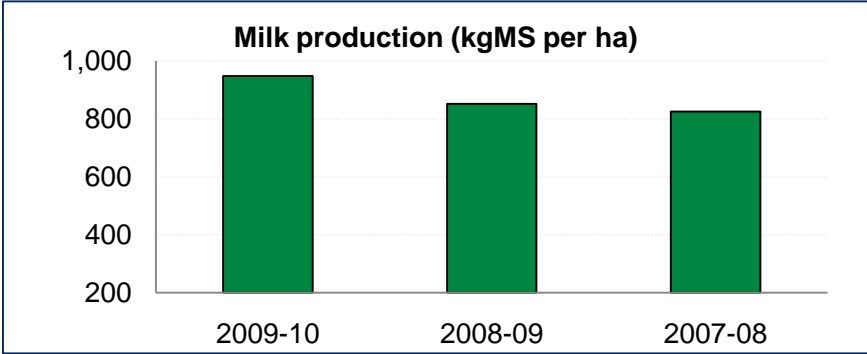
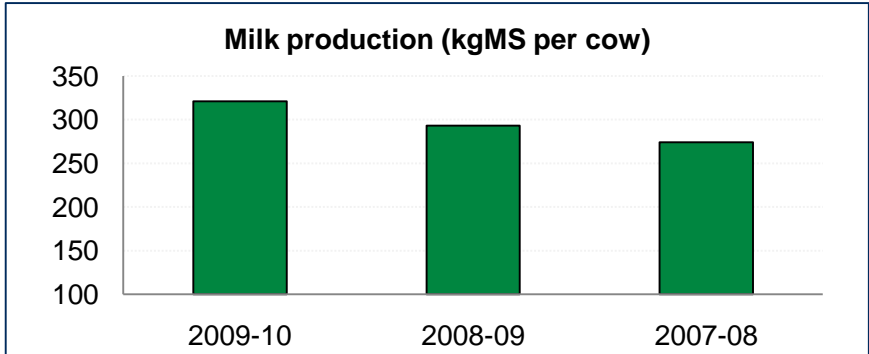
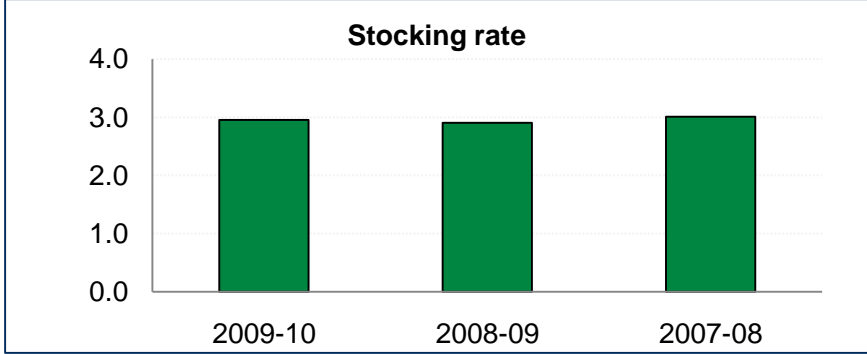
Business Performance Summary - Overview

█ Owners with Sharemilkers - without adjustments


█ -with adjustments for unpaid labour, change in feed inventory and runoff owned added to expenses


(only applies as of 2009-10)

Time series Commentary
 2007-08 was a season with extensive summer and autumn droughts severely affecting pasture growth and production, however this was offset financially by high payouts. Expenses rose and these remained higher in the following season despite a drop in payout, and there were residual physical effects from the previous seasons droughts. 09-10 again had severe droughts in some areas and payout recovered although not to the same levels as 2007-08.



Business Performance Summary - major expense categories

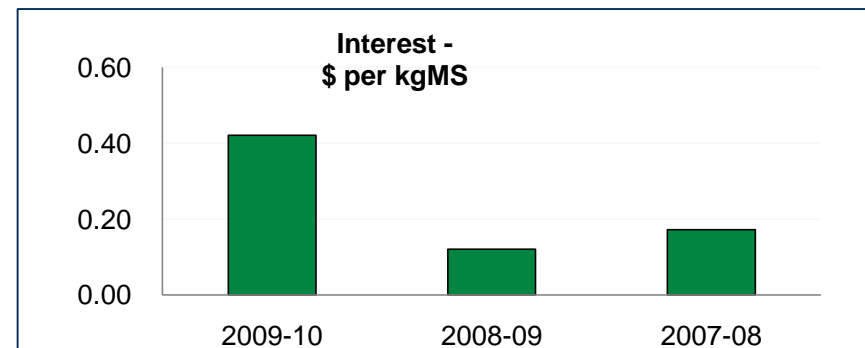
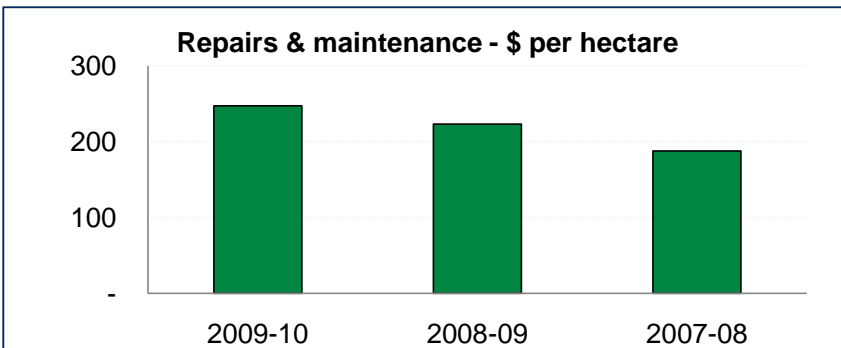
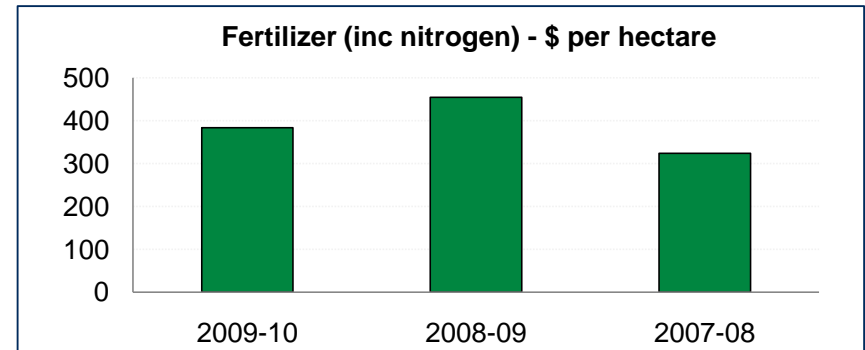
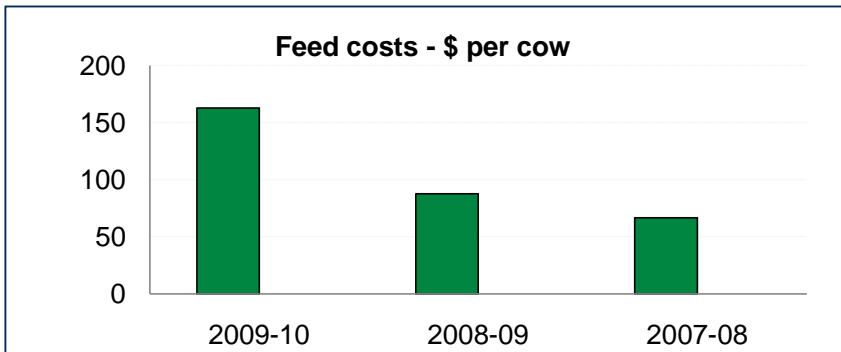
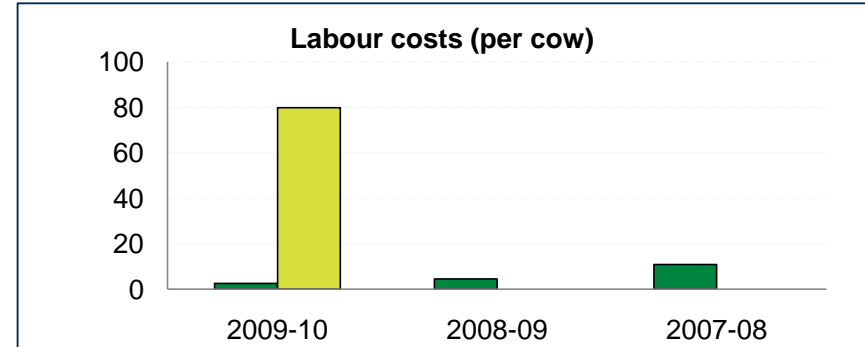
 Owners with Sharemilkers - without adjustments

 -with adjustments for unpaid labour and runoff owned added to expenses

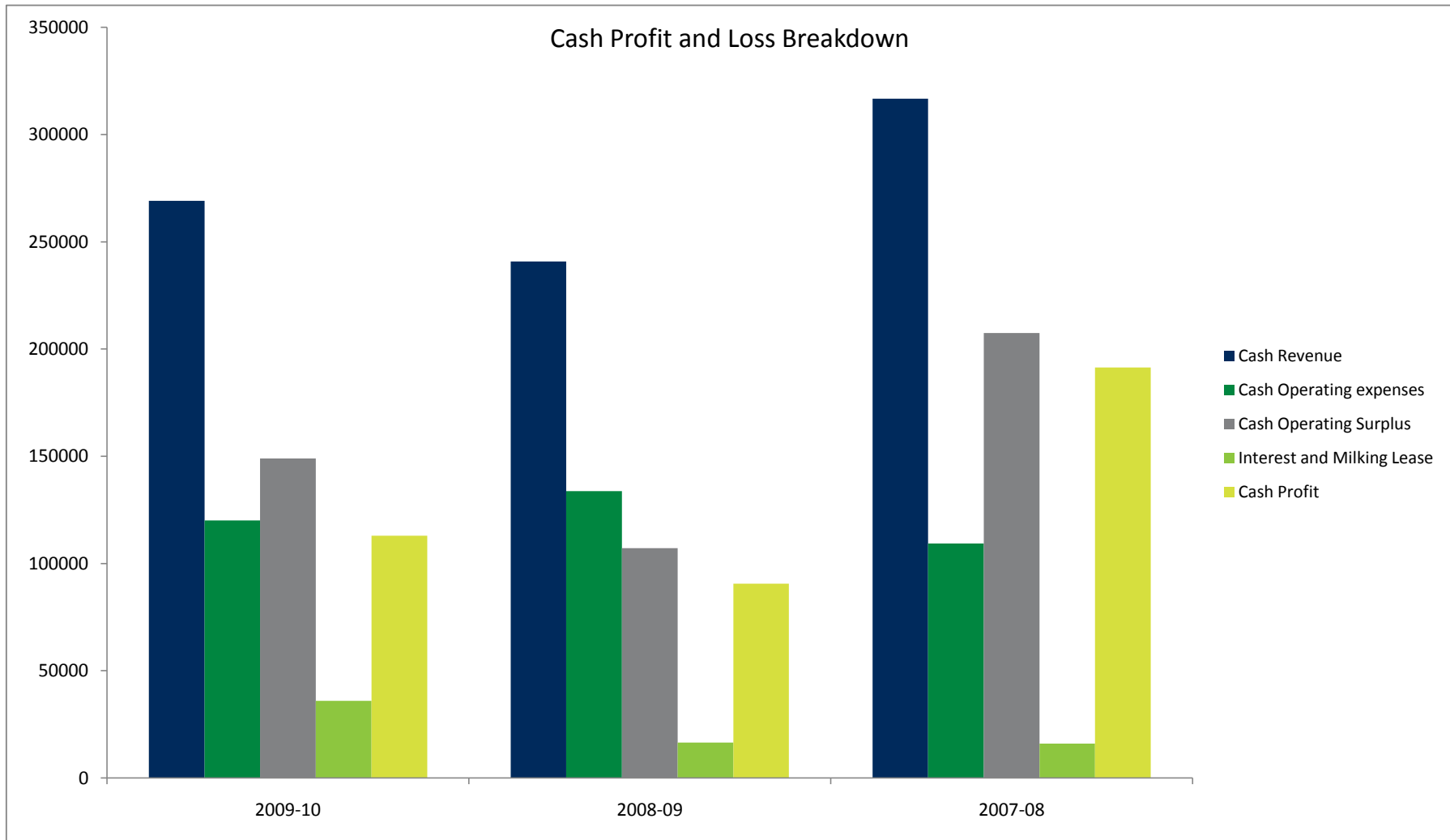
(only applies as of 2009-10)

Time series Commentary

2007-08 was a season of increased costs across all major categories from the previous season due to the combination of high payout and drought conditions. In 2008-09 costs eased back but still remained significantly higher than 2006-07. High farm input prices lingered and initial expectations were for a high payout. 2009-10 showed another decline in farm costs, although they still remain high compared to 2006-07. (Commentary based on DairyNZ Economic Survey 2009-10)

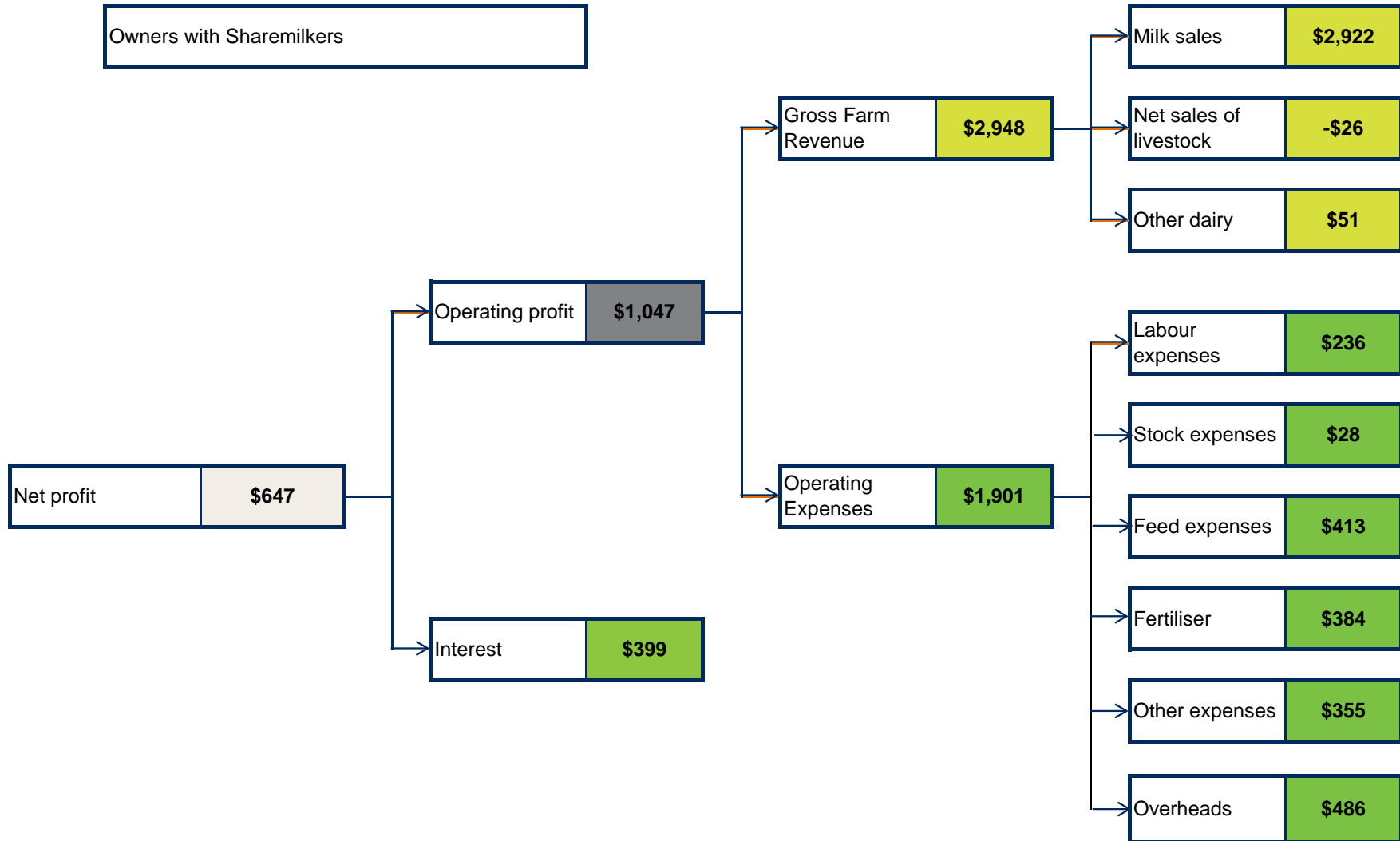


New Zealand Owners with Sharemilkers



What drives the operating profit? (\$ per ha)

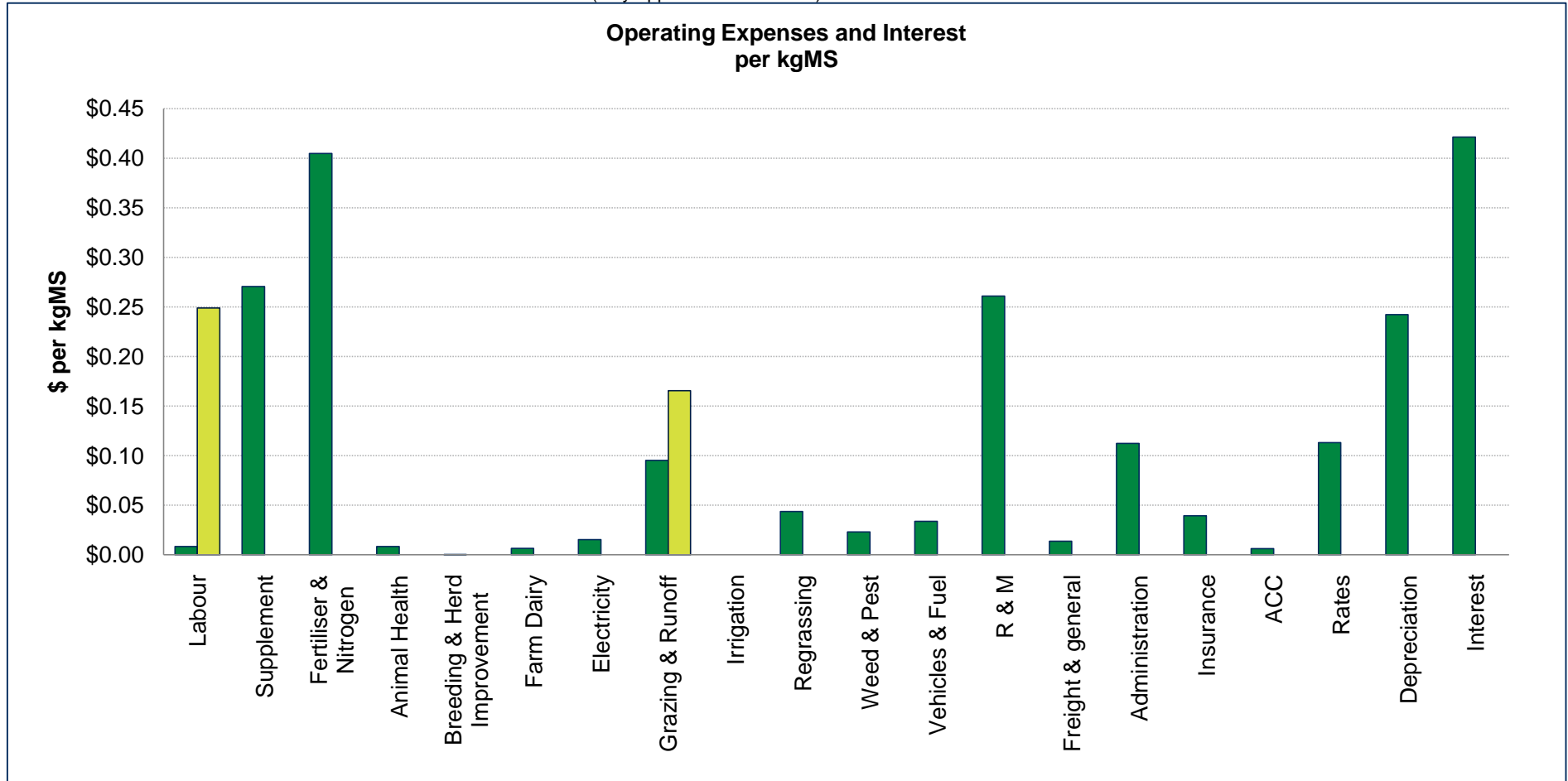
This page shows how the operating Profit is generated. Interested is then included to show a net profit



How do costs compare?

This chart shows how the operating expenses breakdown. Note - the costs plotted here include adjustments for non-cash costs like family labour and depreciation.

█ Owners with Sharemilkers 2009-10
 █ -with adjustments for unpaid labour, change in feed inventory and runoff owned added to expenses (only applies as of 2009-10)



Financial Detail: Owners with Sharemilkers

This page shows how Operating Profit is generated, based on the DairyBase format, for the current season only

GROSS FARM REVENUE (GFR)	Total \$	% of GFR	\$ Per kg MS	\$ Per Ha	\$ Per Cow
Net Milk Sales	254,967	99.1%	3.08	2,922	990
Net Dairy Livestock Sales	9,674	3.8%	0.12	111	38
Value of Change in Dairy Livestock	-11,910	-4.6%	-0.14	-137	-46
Other Dairy Revenue	4,482	1.7%	0.05	51	17
Dairy Gross Farm Revenue	257,213	100.0%	3.11	2,948	999
OPERATING EXPENSES					
Labour Expenses					
Wages	672	0.3%	0.01	8	3
Labour Adjustment - Unpaid	683	0.3%	0.01	8	3
Labour Adjustment - Management	19,212	7.5%	0.23	220	75
Total Labour Expenses	20,567	8.0%	0.25	236	80
Stock Expenses					
Animal Health	672	0.3%	0.01	8	3
Breeding & Herd Improvement	3	0.0%	0.00	0	0
Farm Dairy	533	0.2%	0.01	6	2
Electricity (Farm Dairy, Water Supply)	1,261	0.5%	0.02	14	5
Total Stock Expenses	2,469	1.0%	0.03	28	10
Feed Expenses					
<u>Supplement Expenses.</u>					
Crops and supplements made	-1,297	-0.5%	-0.02	-15	-5
Crops and supplements purchased	23,155	9.0%	0.28	265	90
Less Feed Inventory Adjustment	0	0.0%	0.00	0	0
Calf Feed	508	0.2%	0.01	6	2
Total Supplement Expenses	22,366	8.7%	0.27	256	87
<u>Grazing & Run Off Expenses.</u>					
Young & Dry Stock Grazing	8,221	3.2%	0.10	94	32
Winter Cow Grazing	0	0.0%	0.00	0	0
Run-off Lease	-367	-0.1%	0.00	-4	-1
Owned Run-off Adjustment	5,831	2.3%	0.07	67	23
Total Grazing & Run-Off Expenses	13,685	5.3%	0.17	157	53
Total Feed Expenses	36,051	14.0%	0.44	413	140
Other Working Expenses					
Fertiliser	23,156	9.0%	0.28	265	90
Nitrogen	10,307	4.0%	0.12	118	40
Irrigation	0	0.0%	0.00	0	0
Regrassing	3,594	1.4%	0.04	41	14
Weed & Pest	1,887	0.7%	0.02	22	7
Vehicles	2,404	0.9%	0.03	28	9
Fuel	369	0.1%	0.00	4	1
R & M - land & buildings	17,729	6.9%	0.21	203	69
R & M - plant and equipment	3,848	1.5%	0.05	44	15
Freight and General	1,121	0.4%	0.01	13	4
Total Other Working Expenses	64,416	25.0%	0.78	738	250
Overheads					
Administration	9,276	3.6%	0.11	106	36
Insurance	3,240	1.3%	0.04	37	13
ACC	506	0.2%	0.01	6	2
Rates	9,349	3.6%	0.11	107	36
Depreciation	20,024	7.8%	0.24	230	78
Total Overheads	42,395	16.5%	0.51	486	165
Total Dairy Operating Expenses	165,897	64.5%	2.01	1,901	644
DAIRY OPERATING PROFIT	91,316	35.5%	1.10	1,047	355
Other Items					
Other leases (excl Run off)	1,163	0.5%	0.01	13	5
Interest	34,823	13.5%	0.42	399	135
Drawings	94,255	36.6%	1.14	1,080	366

Financial Detail: Owners with Sharemilkers: Last 3 Years

	2009-10				2008-09				2007-08			
	Total \$	\$/kgMS	\$/Ha	\$/cow	Total \$	\$/kgMS	\$/Ha	\$/cow	Total \$	\$/kgMS	\$/Ha	\$/cow
Vehicles												
*Car expenses	514	0.01	6	2	1,704	0.02	16	6	1,728	0.02	17	6
Tractor	763	0.01	9	3	589	0.01	6	2	538	0.01	5	2
Truck	876	0.01	10	3	1,849	0.02	17	6	873	0.01	8	3
Farm bike	129	0.00	1	1	39	0.00	0	0	49	0.00	0	0
Ute	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0
Other vehicle expenses	123	0.00	1	0	454	0.01	4	1	400	0.00	4	1
Fuel	369	0.00	4	1	0	0.00	0	0	0	0.00	0	0
R & M												
Private buildings	345	0.00	4	1	7,298	0.08	69	24	2,622	0.03	25	8
Other buildings	5,750	0.07	66	22	2,372	0.03	22	8	2,818	0.03	27	9
Drains & Races, Tracks & Bridges	2,791	0.03	32	11	3,041	0.03	29	10	5,077	0.06	49	16
Yards & loafing platforms	61	0.00	1	0	0	0.00	0	0	0	0.00	0	0
Fences & Hedges	3,242	0.04	37	13	1,858	0.02	18	6	1,895	0.02	18	6
Water Supply	3,076	0.04	35	12	2,259	0.03	21	7	2,900	0.03	28	9
Other land & buildings	2,462	0.03	28	10	1,238	0.01	12	4	570	0.01	6	2
Plant and Equipment	3,848	0.05	44	15	5,565	0.06	53	18	3,428	0.04	33	11
Overheads												
Administration	9,276	0.11	106	36	8,159	0.09	77	26	9,970	0.12	97	32
*Insurance	3,240	0.04	37	13	3,082	0.03	29	10	2,580	0.03	25	8
ACC	506	0.01	6	2	330	0.00	3	1	600	0.01	6	2
Rates	9,349	0.11	107	36	8,671	0.10	82	28	8,208	0.10	80	26
Depreciation	20,024	0.24	230	78	18,398	0.20	174	60	14,658	0.17	142	47
Other Leases (excl Run off)	1,163	0.01	13	5	5,652	0.06	53	18	1,327	0.02	13	4
Interest	34,823	0.42	399	135	10,916	0.12	103	35	14,662	0.17	142	47
Total expenses	176,156	2.11	1995	678	168,681	1.87	1591	548	139,950	1.65	1359	451
Net profit	81,057	1.00	953	321	72,175	0.80	681	234	176,799	2.08	1716	570
Profit reconciliation to DairyBase (includes labour, run-off and change in feed inventory adjustments, excludes interest and other leases)												
Feed Inventory Adjustment	0	0.00	0	0								
Owned Run-off Adjustment	5,831	0.07	67	23								
Labour Adjustment	19,895	0.24	228	77								
Dairy Operating Profit	91,316	1.10	1,047	355								
Drawings	94,255	1.14	1080	366	67,102	0.74	633	218	56,837	0.67	552	183

* Refer to previous page for description

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