

May 2013



Press Release - Dairy Farming Averages Report, 2011/2012 season

CooperAitken Limited, a Morrinsville and Matamata based accountancy firm, unveiled their Dairy Farming Averages with their clients on 14 May 2013.

CooperAitken clients and professional peers attended a fun interactive quiz session to introduce the Dairy Farming Averages reports. The session gave farmers the opportunity to explore some of the different ways the reports can be used to add value to their business. The session also allowed farmers to be hand-ons, and taught them how to use the reports to analyse their farm's business performance

CooperAitken produces the statistics yearly and combined these with DairyBase who have the National Dairy Farm Business Database. The statistics are welcomed by many, giving an excellent overview of dairy farming businesses in the Waikato area.

Peter Hexter, Director at CooperAitken said "2012 was an outstanding season. The great grass growth allowed cows to produce to their full potential. Production was up by nearly 10% across the board which was on par with the national average and this was achieved without increasing cow numbers.

There are three categories for the reports: Farm Owners, Sharemilkers and Owners with Sharemilkers. They all follow the same format, provide easy to read and understand tables and graphs, useful ratios.

At first glance of the reports you could draw the conclusion that farmers managed their costs well as all achieved a lower cost per milk solid, however this is skewed with the great production we had this year. A better measure is looking at what happened to the expenses per hectare and then we see expenses increase except for Owners with Sharemilkers. The highest percentage increase was in repairs and maintenance.

Again at first glance profit per hectare is up for all categories, noticeable 20% for sharemilkers, but a main factor that contributed towards this was the change in livestock values, increasing by \$422per Hectare. Actual cash profit across all the groups was static.

Interest costs fell across the board per hectare but are still a significant cost for farm owners at \$1300 per hectare.

For Owners with ShareMilkers, this was all very positive - production climbed 9% but even more heartening was that profit per hectare increased by 11%. This was the only group where expenses fell per Ha achieving a 6.5% decrease in expenses now below \$2000 at \$1898 per Ha. 4 of the 5 major expenses fell with the only increase being in Repairs and Maintenance.

Farm Owners broke the operating profit per hectare threshold off \$3000 achieving \$3212. This profit was a combination of an increased in production of 16%, milk income which increased by \$582 per Ha and livestock value increasing by \$232 per Ha

It's interesting to note that milk solids per cow in this category are 12% higher than the national average at 407kg.

The report shows Sharemilkers with an increase in profit per hectare of over 20%, this was mainly achieved due to the increase in livestock value by \$422 per Ha. Expenses increased per Ha by 6%. Feed and fertilizer costs remained more or less static.

The main purpose of the reports is to give farmers a really good indication of where they could make changes to improve profitability, and they also assist our banking colleagues to help clients with budgets and cashflows.”

CooperAitken also offer their clients a personalised report. This would benchmark their actual farm performance against the group, which is powerful information showing where their farm is outperforming others and areas where improvements can be made to increase profitability.

To view the reports <http://www.cooperaitken.co.nz/Services/Dairy-Farming-Group-Averages>

Or call CooperAitken on 07 889 7153

Peter Hexter, Director