

Section 9: Operating Profit Forecasts

Owner-Operators

Table 9.1: Cash Operating Surplus and Operating Profit 2008-09 Estimate

Date: 26 June 2009

PHYSICAL CHARACTERISTICS:	per farm	per cow	per hectare	
Milking area (ha)	125.1			
Peak cows milked	354			
Kg Milksolids produced	123,804	350	990	
	\$ per farm	\$ per cow	\$ per milking hectare	\$ per Kg milksolids produced
DAIRY CASH INCOME:				
Milk sales (net of dairy levies)	626,175	1,769	5,005	5.06
Net livestock sales (sales - purchases)	34,785	98	278	0.28
Other dairy cash income	4,542	13	36	0.04
Net Dairy Cash Income	665,502	1,880	5,320	5.38
CASH FARM WORKING EXPENSES:				
Wages	65,326	185	522	0.53
Animal health	27,044	76	216	0.22
Breeding & herd improvement	13,980	39	112	0.11
Farm dairy	7,938	22	63	0.06
Electricity	12,118	34	97	0.10
Net feed made, purchased, cropped	95,273	269	762	0.77
Stock grazing	34,665	98	277	0.28
Run-off Lease	8,415	24	67	0.07
Fertiliser (incl nitrogen)	64,520	182	516	0.52
Irrigation	4,336	12	35	0.04
Regrassing	7,997	23	64	0.06
Weed & pest	4,448	13	36	0.04
Vehicles & fuel	21,111	60	169	0.17
Repairs & maintenance	46,562	132	372	0.38
Freight & general	8,306	23	66	0.07
Administration	14,701	42	118	0.12
Insurance	5,305	15	42	0.04
ACC	4,320	12	35	0.03
Rates	10,134	29	81	0.08
Farm Working Expenses	456,498	1,290	3,649	3.69
Cash Operating Surplus	209,003	590	1,671	1.69
ADJUSTMENTS:				
Value of change in dairy livestock	7,062	20	56	0.06
less Labour adjustment	53,421	151	427	0.43
plus Feed inventory adjustment	713	2	6	0.01
less Owned run-off adjustment	12,476	35	100	0.10
less Depreciation	50,028	141	400	0.40
Net Adjustments	-108,149	-306	-865	-0.87
OPERATING CASH & NON-CASH:				
Dairy Gross Farm Revenue	672,563	1,900	5,376	5.43
Dairy Operating Expenses	571,709	1,615	4,570	4.62
Dairy Operating Profit	100,854	285	806	0.81

Owner-Operators

9.2: Cash Operating Surplus and Operating Profit 2009-10 Forecast

Date: 26 June 2009

PHYSICAL CHARACTERISTICS:	per farm	per cow	per hectare	
Milking area (ha)	126.6			
Peak cows milked	357			
Kg Milk solids produced	127,509	357	1,007	
	\$ per farm	\$ per cow	\$ per milking hectare	\$ per Kg milk solids produced
DAIRY CASH INCOME:				
Milk sales (net of dairy levies)	610,355	1,710	4,821	4.79
Net livestock sales (sales - purchases)	32,000	90	253	0.25
Other dairy cash income	4,542	13	36	0.04
Net Dairy Cash Income	646,898	1,812	5,110	5.07
CASH FARM WORKING EXPENSES:				
Wages	66,260	186	523	0.52
Animal health	26,784	75	212	0.21
Breeding & herd improvement	13,993	39	111	0.11
Farm dairy	8,120	23	64	0.06
Electricity	12,539	35	99	0.10
Net feed made, purchased, cropped	76,364	214	603	0.60
Stock grazing	31,983	90	253	0.25
Run-off Lease	8,630	24	68	0.07
Fertiliser (incl nitrogen)	60,545	170	478	0.47
Irrigation	4,419	12	35	0.03
Regrassing	7,277	20	57	0.06
Weed & pest	4,196	12	33	0.03
Vehicles & fuel	22,097	62	175	0.17
Repairs & maintenance	36,907	103	292	0.29
Freight & general	7,945	22	63	0.06
Administration	15,081	42	119	0.12
Insurance	5,504	15	43	0.04
ACC	4,487	13	35	0.04
Rates	10,664	30	84	0.08
Farm Working Expenses	423,793	1,187	3,347	3.32
Cash Operating Surplus	223,104	625	1,762	1.75
ADJUSTMENTS:				
Value of change in dairy livestock	3,892	11	31	0.03
less Labour adjustment	53,634	150	424	0.42
plus Feed inventory adjustment	919	3	7	0.01
less Owned run-off adjustment	13,071	37	103	0.10
less Depreciation	48,661	136	384	0.38
Net Adjustments	-110,555	-310	-873	-0.87
OPERATING CASH & NON-CASH:				
Dairy Gross Farm Revenue	650,790	1,823	5,141	5.10
Dairy Operating Expenses	538,241	1,508	4,252	4.22
Dairy Operating Profit	112,549	315	889	0.88