

# LUDF

## 2019/20 Review

MRB - Profit Focus LUDF - 2019/20 Actual	
<b>FARM PHYSICAL KPI'S</b>	<b>2019/20</b>
Total Production (kgMS)	279,611
Effective Area	160
Cows in Milk	560
Kg Milksolids/ha	1,748
Kg Milksolids/cow	499
Stocking Rate	3.50
<b>FINANCIAL INDICES</b>	<b>2019/20</b>
Payout (Milk Price)	\$ 7.15
Gross Farm Revenue/ha	\$ 13,306
Operating Expenses/ha	\$ 7,684
Operating Profit (EFS)/ha	\$ 5,622
Gross Farm Revenue/Kg MS	\$ 7.61
Operating Expenses/Kg MS - Excl. Depreciation	\$ 4.40
Operating Profit (EFS)/Kg MS	\$ 3.22
Where	
Demonstration Exp.	-\$ 0.35
<b>PROFITABILITY</b>	<b>2019/20</b>
Gross Farm Revenue	2,101,221
Operating Expenditure	1,229,433
Operating Profit	871,788
Demonstration Exp.	-97,256
Net Farm Surplus	969,044
Dividend, Capital & Tax+introduced+Fonterra Div	0
Suplus / Deficit	969,044
+/- Change in Stock and Milk Income+Adjustments	1,999,219
=Cash Surplus/Deficit	-1,030,175
<b>Feeding Levels</b>	
Feed Harvested / Ha	15.20 TDM/Ha
Pasture+fodder Harvested /Cow	4,343 kgDM/cow
Supplement Use	234 kgDM/cow
Total Feed Intake	4,577 kgDM/cow
Response Rate	9.17 kgDM/kgMS
<b>FINANCIAL KPI'S</b>	
Labour (adjusted)	
kgMS per FTE	69,903
\$ / cow	446
\$ / kgMS	0.89
Animal Health + Breeding	
\$ / cow	272
\$ / kgMS	0.54
Feed + Grazing (incl lease)	
\$ / cow	779
\$ / kgMS	1.56
Fertiliser + Nitrogen	
\$ / Ha	596.82
\$ / kgMS	0.34
kgN/Ha	166
Repairs & Maintenance	
\$ / Ha	618
\$ / kgMS	0.35
Overheads (Admin, Rates, Ins)	
\$ / Ha	297
\$ / kgMS	0.17
Electricity (Shed + Irrigation)	
\$ / Ha	469
\$ / kgMS	0.27
Vehicles + Fuel	
\$ / Ha	217
\$ / kgMS	0.12

### Milk Income

2019/20 Season

- 279,000 kgMS
- Peak Cows 552 cows
- 502 kgMS/cow
- 160 Ha = 1,733 kgMS/HA

## Commentary:

Total Farm working expenditure was significantly higher than budget. The main areas costs were high were:

Feed		+\$0.60 / kgMS
Repairs and Maintenance		+\$0.09 / kgMS
Electricity		+\$0.08 / kgMS
Breeding		+\$0.08 / kgMS

## Feed

Feed Over			\$0.60/ kgMS
Calf Rearing	\$52 K	=	\$0.20 / kgMS
Silage +134 kgDM/cow	\$29 K	=	\$0.11 / kgMS
Pukeko Damage	\$13 K	=	\$0.05 / kgMS

There is still higher costs than we have been able to identify. We need to improve on our monitoring and reconciliation of feed. Calves will all be sold at 4 days old this season.

## Breeding

The drop of heifer calves in far in excess of what we require. This is using expensive sexed / dairy semen. We will be dropping the amount of dairy semen used, mating to only our highest genetic merit cows and increasing the amount of cheaper beef semen.

## Repairs and Maintenance

New plant has been purchased (silage Wagon). We have an 18 year old cow shed with a lot of aging technology. The challenge is when to replace this equipment Vs when to scrap it.

<b>LUDF 2019/2020 SEASON</b>				
<b>Accqunt</b>	<b>Actual 2019/20</b>	<b>Budget 2019/20</b>		
<b>Production</b>	<b>279611</b>	<b>274358</b>		
<b>REVENUE</b>				
Fonterra Dividend Income	3,910	25,368	21,458	0.08
Sales - Bobby Calves	14,147	13,101	-1,046	0.00
Sales - R2 Heifers	7,042	3,000	-4,042	-0.01
Sales - Cows	87,353	87,560	207	0.00
Sales - Bulls	4,005	0	-4,005	-0.01
Sales - other Livestock	13,290	0	-13,290	-0.05
Sales - Milk Solids Current Season	1,581,188	1,379,038	-202,150	-0.74
Payments Milk Solids Prev Season	351,302	335,921	-15,381	-0.06
Milk Levy	11,184	0	-11,184	-0.04
Income - Rent	0	17,842	17,842	0.07
Income - other	375	0	-375	0.00
<b>TOTAL REVENUE</b>	<b>2,073,796</b>	<b>1,861,830</b>	<b>-211,966</b>	<b>-0.77</b>
<b>EXPENSES</b>				
<u>Salary Costs</u>				
Farm Salaries Perm & F/Term	226,164	(252,000)		
Farm Casuals	13,087	(30,000)		
Allowances	2,080	0		
Superan,ACC,Incr Provison	8,434	(12,240)		
<b>Total Farm Salary Costs</b>	<b>249,765</b>	<b>(294,240)</b>	<b>-44,475.34</b>	<b>-0.16</b>
<u>Operating Expenses</u>				
Internal Sales; Grazing, Feed	0		0.00	0.00
Internal Services; Fees, LU Rentals	0		0.00	0.00
Appointment Expenses	2,402	(1,000)	1,401.93	0.01
H&S/Prot Clothing/BioSecurity	1,181	(1,500)	-319.01	0.00
Staff Development	0	(10,000)	-10,000.00	-0.04
Livestock Purchases				0.00
Animal Health	88,750	(82,673)	6,077.02	0.02
Breeding	63,402	(42,621)	20,781.40	0.08
Feed & Grazing	436,203	(270,925)	165,278.38	0.60
Crops/Pastures	56	(7,260)	-7,204.00	-0.03
Seed	3,362	0	3,362.00	0.01
Fertilisers	95,491	(97,500)	-2,008.94	-0.01
Weed & Pest Control	478	(509)	-30.44	0.00
Contractors	7,792	(6,000)	1,791.50	0.01
Electricity	81,932	(59,014)	22,917.66	0.08
Freight	12,170	(19,059)	-6,889.50	-0.03
Vehicle Expenses	22,618	(24,480)	-1,861.89	-0.01
R&M (except Farm Houses)	98,809	(75,000)	23,808.66	0.09
R & M (Farm Houses)	0	(800)	-800.25	0.00
Dairy Shed operating Expenses	6,373	(12,653)	-6,280.50	-0.02
Farm Demonstration Costs	0		0.00	0.00
Administration	26,944	(25,000)	1,943.62	0.01
Fixed Charges	20,523	(21,721)	-1,198.22	0.00
Livestock Decreases (Increases)	0	0	0.00	0.00
Feed Decrease (Increase) Stock	0	0	0.00	0.00
Milk Levy Deducted	11,184		11,184.42	0.04
other Expenses	0	(369)	-369.40	0.00
<b>Total Farm operating Costs</b>	<b>996,229</b>	<b>(758,084)</b>	<b>238,144.44</b>	<b>0.87</b>