

# One-Off Event Analysis

**EVENT:** 2010 DROUGHT

## LOSS OF INCOME

							Value		
Milk Income	10,000	kgMS Lost	x	6.00	payout		60,000		
Quality Grades		kgMS	x		lost payout				
Stock Sales									
Bulls		kg cc lost / hd	x		no. head	x		schedule	-
Steers		kg cc lost / hd	x		no. head	x		schedule	-
Heifers		kg cc lost / hd	x		no. head	x		schedule	-
Cows	20	kg cc lost / hd	x	30	no. head	x	2	schedule	1,200
Lambs		kg cc lost / hd	x		no. head	x		schedule	-
Crops (cash)									
Maize		lost yield (t/ha)	x		area (ha)	x		contract price	
Other		lost yield (t/ha)	x		area (ha)	x		contract price	

## ADDITIONAL EXPENSES (over and above normal purchases)

### Total Lost Income (A)

Feed Purchased	Palm Kernel	4kg/cow for 180 cows for 8 weeks							61,200
	Maize								
	Silage								13,392
	Meal								5,000
	Hay								
Grazing / Lease									
Electricity (Pumping)									
Animal Health									
Re-Grassing									3,000
Nitrogen	32 tonne (30kgN / ha EXTRA to hald the farm)								19,500
.									
.									
.									

PRODUCTION SUMMARY		
Original Production	81000	
Revised Production	71000	
Lost Production	10000	12%

**DROUGHT COST**  
1.26 / kgMS

### Total Additional Expenses (B)

### Total Event Costs (C = A+B)

102,092

60,000

1,200

0

## CASH - BREAK-EVEN

Monthly Fixed Costs (AP's, D/D's)

Amount

MONTH:

Apr-10

Wages	1,667
Electricity	500
Shed Expenses	600
Fuel	1,000
Term Loan Payments	8,130
Overdraft Interest	1,500
HP Payments	-
Tax	-
Lease / Rent	225
Groceries	1,200
General Insurance	500
Life Insurance	450
Superannuation / Savings	-
Grazing	2,275
<b>Total Monthly Fixed Costs</b>	<b>18,047</b>

(A)

Monthly Income

65,000

(B)

Cash Available to Pay Variable Costs

46,953

C = (B-A)

### MONTHLY VARIABLE COSTS

Planned

Amended

	Planned	Amended
Animal Health	2,500	2,500
Breeding	1,700	1,700
Effluent	1,200	1,200
<b>Feed</b> 2kg/cow/day	<b>8,000</b>	<b>4,000</b>
Cartage & Freight	-	
<b>Fertiliser incl Nitrogen</b>	<b>24,000</b>	<b>12,000</b>
<b>Seeds</b>	<b>5,000</b>	<b>5,000</b>
Weed and Pest	250	250
Shed Expenses	1,200	1,200
Repairs and maintenance	3,500	3,500
Vehicle expenses	1,000	1,000
Admin expenses	1,200	1,200
Standing Charges	1,200	1,200
<b>Short term Grazing</b> 80 cows, 6 wks'	<b>5,760</b>	<b>5,760</b>
Capital Expenditure		-
<b>Total Monthly Variable Costs</b>	<b>56,510</b>	<b>40,510</b>

(D)

Shortfall / Surplus

(9,557)

E = (C-D)

6,443

*Question: is your overdraft facility sufficient to cover a shortfall?*

# PARTIAL BUDGET

Date: 40263

INCOME		MARCH	APRIL	MAY	TOTAL
Milk Income			50,000	8,387	58,387
Stock Sales			7,050	5,310	12,360
less Stock Purchaes	less		-		-
Net Stock Sale Income		0	7,050	5,310	12,360
Dividends			-		-
Off Farm Income			-		-
GST			7,127	1,712	8,839
<b>GROSS FARM INCOME</b>	(A)	0	64,177	15,409	79,586
<b>EXPENSES</b>					
Wages			1,667	1,667	3,334
Animal Health			313		313
Breeding			1,705		1,705
Effluent			1,200		1,200
Electrical			341	455	796
Feed			4,000		4,000
Cartage and freight				548	548
Fertiliser			12,000	5,856	17,856
Seeds not crop			5,000		5,000
Weed and pest control			250		250
Shed expenses			1,200	568	1,768
Repairs and maintenance			3,500	400	3,900
Vehicle expenses			1,000	1,990	2,990
Admin expenses			1,200	1,214	2,414
Standing Charges			1,200	1,260	2,460
Short term Grazing			5,760	2,275	8,035
Other			355	355	710
GST payable			2,076	6,700	8,776
<b>FARM WORKING EXP</b>	(B)	0	42,767	23,288	66,055
Debt Servicing (incl HP, C/C)			8,130	8,130	16,260
Overdraft Interest			1,481	1,406	2,887
Lease			225	225	450
Tax				(2,134)	(2,134)
Drawings			3,333	3,333	6,666
Capital Expenditure Planned				3,000	3,000
<b>OTHER EXPENSES</b>	(C)	0	13,169	13,960	27,129
<b>CASH RESULT (D=A-B-C)</b>	(D)	0	8,241	(21,839)	(13,598)

Closing ODFT Balance                      \$    (130,000)    \$    (121,759)    \$    (143,598)

# EXISTING FINANCIAL POSITION

Date: 40263

LIABILITIES			ASSETS			
	I/Rate	Charges	VALUE	LAND AND BUILDINGS		VALUE
Term Loan			\$ 1,300,000	Area	Location	
LOAN				100 ha	Northland	\$ 2,700,000
LOAN						
			\$ 1,300,000			
OVERDRAFT			\$ 130,000	PLANT AND MACHINERY		
FAMILY DEBT			\$ -	Tractor		\$ 45,000
HP			\$ -	Sundry		\$ 75,000
CREDIT CARD				VEHICLES		
Visa			\$ 2,300	Car		\$ 30,000
				Ute		\$ 20,000
CREDITORS				STOCK ON HAND		
Fertiliser			\$ -	MA Dairy Cows	No. Price/hd	
Contractor			\$ 12,000			
			\$ 12,000			
<b>TOTAL LIABILITIES</b>	(B)		<b>\$ 1,444,300</b>	R2yr Heifers		
<b>EQUITY</b>	C = (A-B)	55%	<b>\$ 1,774,950</b>	R1yr Heifers	70	450 \$ 31,500
(Total assets less Total liabilities)				Calves		
				MA Beef Cows		
				R2yr Heifers	5	750 \$ 3,750
				R1yr Heifers		
				Calves		
				Breeding Bulls		
				R3yr Strs/Bulls		
				R2yr Strs/Bulls		
				R1yr Strs/Bulls		
				MA Ewes		
				Ewe Hoggets		
				Whether Hoggets		
				Rams		
				Other Stock		
				SHARE PORTFOLIO		\$ 12,000
				SAVINGS		\$ 10,500
				SUPERANNUATION		\$ -
				DEBTORS		\$ -
<b>TOTAL</b>			<b>\$ 3,219,250</b>	<b>TOTAL ASSETS</b>	(A)	<b>\$ 3,219,250</b>