

FARM BUSINESS SNAPSHOT

The Farm Business Snapshot provides an analysis of the historical performance of a dairy farm business, helping users to better understand their production costs and overall profitability. The reports will provide additional information to support the decision-making process and enable farmers to take actions in their business that best suit their needs.

This will show the overall cash and profit position of your business and enable you to assess these as a measure of efficiency against the key inputs.

Benchmarking your own farm year on year is the best way to review your business. This enables you to determine the strengths and weaknesses of the business and identify opportunities to increase profit and manage risk. Comparing against regional benchmarks can also assist with assessing your business performance but consideration must be given to the difference in resources available to every farm.

Getting Started

The Farm Business Snapshot is accessible by registering through Dairy Australia's Salesforce communities platform. It is preferable that when registering, you use an email address that is already used by Dairy Australia for communicating with you.

Once you have registered you will initially need to agree to the terms and conditions on the way in which the data is stored by Dairy Australia. You will also be given access to the Get Started page that will provide the steps on how to use the tool.

Log in or register to get started Email Password Log in Register Forgot your password? Forgot your registered email?

Farm Business Snapshot

The online Farm Business Snapshot is part of our Farm Business Peformance program and provides an easy way for dairy farmers to effectively analyse and assess your business profitability.

Benchmarking your performance

Creating a snapshot for your business only requires five physical inputs and the annual income and expenses for a production year.

You can then compare the cash and profit position for your business against regional benchmarks, as well as use traffic lights and charts to visually assess how your business has performed over time and against benchmarks.

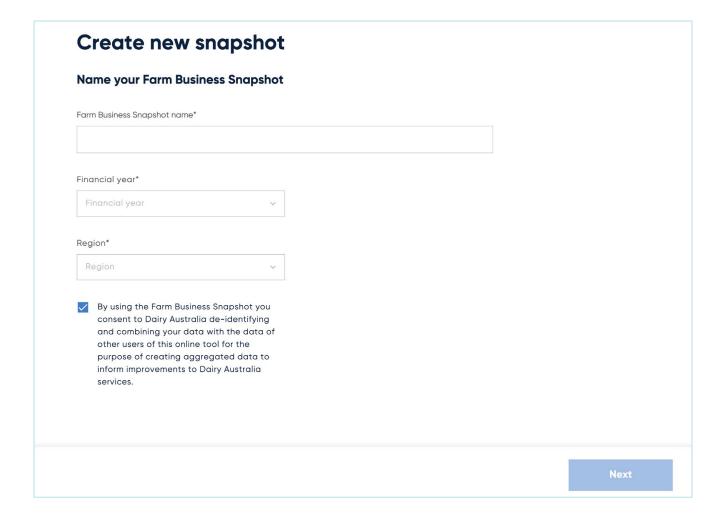
This helps you to identify the strengths and weaknesses of your business, and identify opportunities to increase profit and manage risk. Consideration must be given to the different resources available to every farm when benchmarking.

Next steps

Register or \log in here to access the online Farm Business Snapshot.

Creating a snapshot

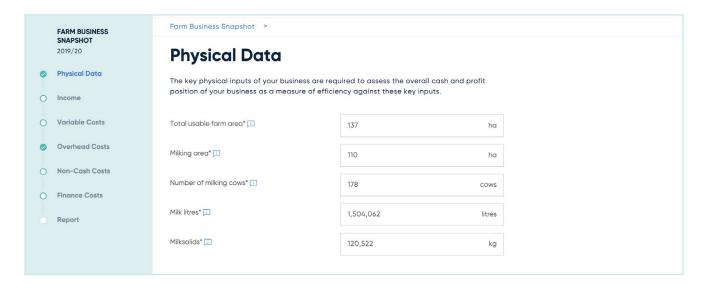
When you first create a snapshot you will need to name the snapshot and select the region and financial year to which it applies. You will also be given the option to give Dairy Australia the ability to de-identify and combine your data with the data of other users of this tool for the purpose of creating aggregated data to inform improvements to Dairy Australia services.



Entering your data

You will need access to your financial records, either from your financial statements or directly from your accounting program, along with five key pieces of physical data.

There are help icons for each data entry point which provide descriptions of the information that should be entered in each section. These are also present in the output reports to provide information about the calculated outputs.



The Matching Principle

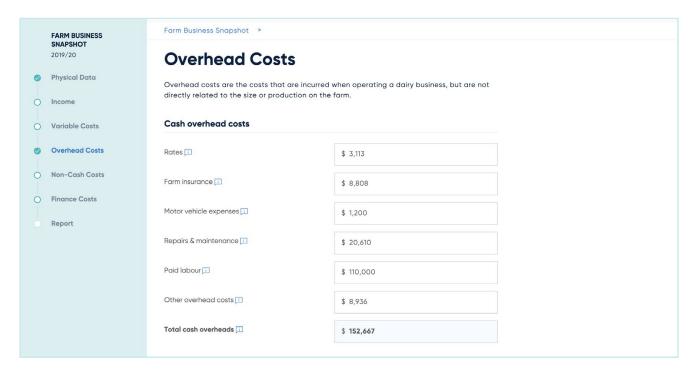
Dairy business analysis examines in detail the production of milk for a set period, commonly the financial year. So, all the income and expenses must relate to that production only, to ensure that the reported profit fairly reflects performance. Accounts need to be adjusted at the start and end of the year to ensure they match the milk production, (unless you use an accrual accounting system rather than the more common cash system). Your June milk statement is the best place to access your milk income to ensure it matches the production year.

With your costs you may need to make manual adjustments for items such as prepaid fertiliser, or prepaid interest.

If you have had considerable capital expenditure during the year that your accountant has included in your Repairs and Maintenance expense then it is also worth moving them out of Repairs and Maintenance and into Capital Purchases.

Non-cash costs

The non-cash costs are required to enable you to measure the profit position of your business versus the cash position. You will need to estimate the dollar value of the inventory changes in your business along with the depreciation and imputed labour expense, with help notes included for each item.



Reports

The reports will enable you to review the cash and profit position of your business, and also compare your performance to the regional benchmarks. Reports will provide results in actual dollars, but also in relation to the production (\$ /kg milk solids or cents/litre) and to the key assets (\$/ha or \$/cow).

Traffic Lights

There are traffic lights next to each output in both the cash and profit reports for each of the tabs, except the actual dollar tab, where comparison to benchmarks has no meaning. Each traffic light shows your performance in each measure in comparison to the regional benchmarks for that financial year. The reference is against both the regional average and Top 25%. The benchmark data comes from the Dairy Farm Monitor Project and Queensland Dairy Accounting Scheme and matches the benchmarks utilised in DairyBase.

There is more information about interpreting the traffic lights in the downloadable benchmarking document in the tool. The reports can be downloaded as both PDF and excel documents.

Linking to DairyBase

For users who would like to extend the analysis of their farm business, they can transition from the Farm Business Snapshot to DairyBase, which provides a more in-depth analysis of the business, particularly in respect to the performance of the physical resources in the business and the impact on wealth. A snapshot will automatically appear as a dataset in DairyBase for existing users or will be accessible for new users when they login. You cannot edit the snapshot in DairyBase but you can create a copy and then update information in the copied version to complete the DairyBase analysis.

FOR FURTHER INFORMATION

Visit dairyaustralia.com.au/fbs

