

Operating Profit Adjustments

The following adjustments are used in the DairyBase system when calculating the Operating Profit, as described in the DairyBase report description handbook. These values are reviewed annually.

Feed Inventory adjustments

Season	\$ per kg DM
2007-08	.25c
2008-09	.23c
2009-10	.25c

Note: This values reflects an average cost for feed that tends to be stored and fed out over different seasons, and also a combination of purchased and made

Labour Adjustments – Management

Season	Number of cows	Basic rate	Per cow rate	
2007-08	<= 100	\$36,000	N/A	
	101-400	\$36,000	Herd size-100	70
	401-999	\$55,000	Herd size-400	50
	>=1000	\$88,000	N/A	
2008-09	<= 100	\$37,000	N/A	
	101-400	\$37,000	Herd size-100	70
	401-999	\$58,000	Herd size-400	50
	>=1000	\$88,000	N/A	
2009-10	<= 100	\$37,000	N/A	
	101-400	\$37,000	Herd size-100	70
	401-999	\$58,000	Herd size-400	33
	>=1000	* \$96,000 (O-S) \$78,000 (Rest NZ)	N/A	

e.g. herd size 200 in 2005-06 = (100 cows * 70) + 34,000 = \$41,000

Note: This adjustment applies to 1.0 management FTE at 2400 hours annually. Surplus hours up to 0.5FTE are calculated at family unpaid rate (see below). *Higher rate applies to Otago-Southland as of 2009-10.

Labour Adjustments – Unpaid family

Season	\$
2007-08	\$31,630
2008-09	\$32,350
2009-10	* \$40,800 (O-S) \$33,600 (Rest NZ)

Note: \$Unpaid family labour = \$Adjustment * (annual hours worked / 2400). *Higher rate applies to Otago-Southland as of 2009-10.

Run-off Adjustment - \$ per ha

Season	Northland	Waikato	Bay of Plenty	Taranaki	Lower North Island	West Coast - Tasman	Marlborough - Canterbury	Otago - Southland
2007-08	450	700	600	700	550	500	550	600
2008-09	450	650	550	750	550	550	600	650
2009-10	450	700	400	750	550	550	800	570