

Agribusiness in schools

WORKSHEET THREE : EXPLORING A VARIANCE REPORT



Use the Variance Report provided on page 3

In this exercise you're going to act like **budget detectives**.

You'll be **comparing two sets of numbers**: an **original working plan** and an **updated working plan**. Your mission is to figure out **where the differences are** and how big those differences are.

A variance report helps us do exactly that:

1. It shows the **difference in dollars** – how much more or less money is being spent compared to the original working plan.
2. It shows the **difference as a percentage**, but **only if the dollar difference is more than \$1,000** – so we can focus on the changes that really matter.

Think of it like checking your own phone bill: small changes might not matter, but big changes stand out –and that's exactly what we can see in a variance report!

1

What is this farm's \$ variance for Milk Production Total?

2

What is this farm's \$ variance for Dairy (Sales)?

3

What is this farm's % variance for House Rental income?

4

What is this farm's total % variance for Other Farm Income?

5

What is this farm's variance for Income Total in \$ and %?

6

What is this farm's \$ variance for NET INCOME?



7

What is this farm's % variance for Wages?

8

What is this farm's \$ variance for Animal Health?

9

What is this farm's % variance for Calf Rearing?

10

What is this farm's \$ variance for Electricity?

11

What is this farm's % variance for Fertiliser?

12

What is this farm's % variance for Vehicle Expenses?

13

What is this farm's \$ variance for Farm Expenditure Total?

14

What is this farm's % variance for Farm Surplus?

15

What is this farm's \$ variance for Operating Surplus?



Variance exercise



1 Apr 2026 11:56

Payment date Date range: 01 Jun - 31 May Amounts are: GST Exclusive

CODE	2026/27 UPDATED WORKING PLAN \$	COLUMN A 2026/27 WORKING PLAN QTY	2026/27 WORKING PLAN \$	COLUMN B 2026/27 WORKING PLAN QTY	VARIANCE BETWEEN COL A & COL B		COL A AS A % OF COL B
					\$	QTY	
INCOME							
Milk Production							
Last Seasons Defer	456,784		456,784				
This Seasons	1,327,651	153,013	1,196,982	155,040	130,669	(2,027)	111 %
Dairy NZ Levy	(6,067)		(6,067)				
OSPRI M.bovis Levy	(539)		(539)				
Milk Production Total	1,777,829	153,013	1,647,160	155,040	130,669	(2,027)	108 %
Dairy (Sales)	92,109	(369)	91,224	(369)	885		
Other Farm Income							
Paddock Lease	10,437	8	10,437	8			
Excise Fuel Rebate	7,800				7,800		
House Rental	23,600		20,800		2,800		113 %
Other Farm Income Total	41,837	8	31,237	8	10,600		134 %
Income Total	1,911,775	152,652	1,769,621	154,679	142,154	(2,027)	108 %
PURCHASES							
Dairy (Purchases)	(13,000)	2	(13,000)	2			
Purchases Total	(13,000)	2	(13,000)	2			
NET INCOME	1,898,775	152,654	1,756,621	154,681	142,154	(2,027)	108 %
FARM EXPENDITURE							
Wages	(125,560)		(110,000)		(15,560)		114 %
Animal Health	(64,219)	651	(54,655)	651	(9,564)		117 %
Breeding Expenses	(22,026)	14	(20,278)	14	(1,748)		109 %
Calf Rearing	(32,912)	613	(27,982)	613	(4,930)		118 %
Dairy Shed	(12,869)	62	(13,565)	62	696		
Electricity	(34,718)	2	(30,611)	6	(4,108)	(4)	113 %
Feed Purchased	(166,200)	1,560	(166,200)	1,560			
Fertiliser	(88,376)	120	(83,142)	120	(5,234)		106 %
Farm Working	(4,668)	24	(2,109)	35	(2,559)	(11)	221 %
Health & Safety							
Equipment	(675)	1	(75)	1	(600)		
Protective Clothing	(2,383)	9	(1,385)	9	(998)		
Health & Safety Total	(3,058)	10	(1,460)	10	(1,598)		209 %
Land Management	(4,000)		(4,000)				
Pasture Renewal			(14,729)		14,729		
Weed & Pest	(15,322)		(15,322)				
Repairs & Maintenance	(117,879)	1,781	(119,832)	1,781	1,953		98 %
Vehicle Expenses	(58,357)	98	(49,364)	7,210	(8,993)	(7,112)	118 %
Administration	(21,299)	8	(20,512)	8	(787)		
Rates Insur ACC	(63,680)		(55,593)		(8,087)		115 %
Farm expenditure Total	(835,143)	4,943	(789,353)	12,070	(45,790)	(7,127)	106 %
FARM SURPLUS	1,063,632	157,597	967,268	166,751	96,364	(9,154)	110 %
INTEREST & RENT							
Interest	(59,675)		(59,675)				
Rent & Lease	(90,000)				(90,000)		
Interest & rent Total	(149,675)		(59,675)		(90,000)		251 %
OPERATING SURPLUS	913,957	157,597	907,593	166,751	6,364	(9,154)	101 %



CODE	COLUMN A 2026/27 UPDATED WORKING PLAN		COLUMN B 2026/27 WORKING PLAN		VARIANCE BETWEEN COL A & COL B		COL A AS A % OF COL B
	\$	QTY	\$	QTY	\$	QTY	
OTHER							
Asset Purch or Sold	(160,000)		(160,000)				
Loan Repayments	(261,956)		(261,956)				
Personal	(86,520)		(86,520)				
Taxation	(225,325)		(225,325)				
Other Total	(733,801)		(733,801)				
FIN YEAR SURPLUS	180,156	157,597	173,792	166,751	6,364	(9,154)	104 %
GST							
GST	30,228		(4,045)		34,274		
Gst Total	30,228		(4,045)		34,274		
INCOME (EXPENSE)	\$ 210,384	157,597	\$ 169,746	166,751	40,637	(9,154)	124 %



WORKSHEET THREE : ANSWERS

Q1. \$130,699

Q2. \$885

Q3. 113%

Q4. 134%

Q5. \$142,154, 108%

Q6. \$142,154

Q7. 114%

Q8. \$9,564

Q9. 118%

Q10. \$4,108

Q11. 106%

Q12. 118%

Q13. \$45,790

Q14. 110%

Q15. \$6,364