



Agribusiness in schools

WORKSHEET FOUR : PROFITABILITY & PERFORMANCE EXERCISE



Use the EFS report provided on page 4

In this exercise, you'll explore **farm performance** and learn how farmers use key metrics to measure how well their business is running and how profitable it is.

You'll use the **Economic Farm Surplus (EFS) Report** to identify important numbers and performance indicators that help track farm performance and profitability, and the figures farmers use to set goals and benchmark their business against others.

Stock units are a standard way to measure the amount of stock on a farm based on how much feed they require, helping farmers compare stock numbers, plan feed, and understand how intensively their farm is stocked.

1

What is the total number of stock units (SU) on this farm at the start of the year?

The breeding % is calculated by dividing the number of lambs or calves born by the number of breeding ewes or cows; Expressed as a percentage. It tells farmers how successful their animals are at reproducing.

2

What is this farm's primary breeding % for sheep?

Effective hectares are the area that can be used to grow grass or crops and support animals. It does not include unproductive areas like gullies, buildings or land planted in forestry.

3

What is this farm's total effective hectares?

GFR is the Gross Farm Revenue. This is the total revenue that the farm business has made from livestock (adjusted for changes in stock numbers), wool (for sheep farmers), milk production (for dairy farmers) and any other farm income (like house rental, forestry, honey or grazing). This tells the farmer the total revenue the business is generating.

4

What is the total revenue generated from this farm's sheep livestock?



5

What is the total sheep livestock revenue as a percentage of this farms gross revenue?

6

What is the total revenue generated on this farm?

The farm expenses are the expenses incurred to generate the farming revenue, so the farm bills only. This tells the farmer how much money is being spent in each area.

7

How much is spent on this farm's Animal Health?

8

What is this farm's Animal Health expense per hectare?

9

How much is spent on this farm's Repairs & Maintenance?

10

What is this farm's Repairs & Maintenance expense per stock unit?

11

What is the farm expenses total for this farm?

12

For this farm what are the total farm expenses as a % of the revenue total?



Economic Farm Surplus (EFS), also known as EBITR (earnings before interest, tax, and rent), is the amount of money left from total revenue after all farm operating expenses are paid. Expressed per hectare, per stock unit for sheep and beef farmers (or per cow or per kg of milk solids for dairy farmers), it allows farmers to compare performance with other farms because it focuses only on farm operations and excludes personal factors like debt, ownership structure, and drawings - making it one of the best measures of how well a farm business is performing.

13

What is this farm's Economic Farm Surplus total?

14

What is this farm's Economic Farm Surplus per stock unit?

15

What is this farm's Economic Farm Surplus per hectare?

16

What is this farms' total cost of the interest payments?

17

How much does this farm business pay to lease the farm?

Profitability & Performance exercise



2024/25 Actuals

2 Apr 2026 16:00

PHYSICAL DATA

Livestock	Opening SU	Closing SU	Change %	Deaths & Missing (%)	Breeding	Born %
Sheep	4,408	4,440	0.73	(3.48)	Primary	142.01
					Secondary	90.00
Beef	798	954	19.55	(4.20)	Primary	101.25
Totals	5,206	5,394	3.61			

Stocking rate	Opening / Ha	Closing / Ha
750 Hectares	6.94	7.19

KPI REPORTING GROUP	/SU (\$)	/SU CLASS (\$)	GFR (%)	/HA (\$)	KGCW	TOTAL
REVENUE						
Sheep Livestock	117.99	139.35	89.08	818.98	96,573	614,235
Wool	4.14	4.89	3.12	28.72		21,540
Cattle Livestock	4.96	32.34	3.74	34.41	(2,990)	25,808
Honey Income	1.37		1.03	9.51		7,130
Other Farm Income	4.00		3.02	27.73		20,800
REVENUE TOTAL	132.45		100.00	919.35	93,583	689,514
FARM EXPENSES						
Wages & Keep	(17.01)		(12.84)	(118.04)		(88,530)
Animal Health	(4.93)		(3.72)	(34.23)		(25,671)
Breeding	(1.03)		(0.78)	(7.14)		(5,357)
Shearing	(5.07)		(3.83)	(35.18)		(26,383)
Fertiliser	(13.67)		(10.32)	(94.92)		(71,189)
Nitrogen	(5.22)		(3.94)	(36.26)		(27,192)
Pasture Renewal	(2.15)		(1.62)	(14.93)		(11,200)
Electricity	(1.61)		(1.22)	(11.19)		(8,390)
Feed Purchased	(1.73)		(1.31)	(12.00)		(9,000)
Vehicle Operating Expenses	(6.68)		(5.04)	(46.35)		(34,764)
Repairs & Maintenance	(5.82)		(4.39)	(40.36)		(30,273)
Freight	(0.11)		(0.09)	(0.78)		(586)
Administration	(2.21)		(1.67)	(15.35)		(11,509)
Rates, Insurance, ACC	(6.02)		(4.55)	(41.79)		(31,339)
Health and Safety	(0.02)		(0.01)	(0.13)		(94)
Weed and Pest	(2.45)		(1.85)	(16.99)		(12,744)
Other Farm Expenses	(1.02)		(0.77)	(7.06)		(5,295)
FARM EXPENSES TOTAL	(76.74)		(57.94)	(532.69)		(399,517)
FARM SURPLUS OR (DEFICIT)	55.70		42.06	386.66	93,583	289,996
ADJUSTMENTS						
Depreciation	0.00		0.00	0.00		0
Fertiliser	0.00		0.00	0.00		0
Management Wages	0.00		0.00	0.00		0
Product on hand	0.00		0.00	0.00		0
Repairs and Maintenance	0.00		0.00	0.00		0
ECONOMIC FARM SURPLUS	55.70		42.06	386.66	93,583	289,996



KPI REPORTING GROUP	/SU (\$)	/SU CLASS (\$)	GFR (%)	/HA (\$)	KGCW	TOTAL
INTEREST AND RENT						
Interest Payments	(17.24)		(13.02)	(119.67)		(89,754)
Rent & Lease	(46.10)		(34.81)	(320.00)		(240,000)
OPERATING SURPLUS	(7.64)		(5.77)	(53.01)	93,583	(39,757)
NON OPERATING						
Taxation	0.38		0.29	2.67		2,000
Personal Drawings	(9.96)		(7.52)	(69.10)		(51,827)
Loan Repayments	(1.90)		(1.43)	(13.16)		(9,867)
OVERALL TOTAL	(19.10)		(14.42)	(132.60)	93,583	(99,451)



WORKSHEET FOUR : **ANSWERS**

Q1. 5206 SU

Q2. 142.01%

Q3. 750 hectares

Q4. \$614,235

Q5. 89.08%

Q6. \$689,514

Q7. \$25,671

Q8. \$34.23

Q9. \$30,273

Q10. \$5.82

Q11. \$399,517

Q12. 57.94%

Q13. \$289,996

Q14. \$55.70

Q15. \$386.66

Q16. \$89,754

Q17. \$240,000