

MACALISTER RESEARCH FARM CO-OPERATIVE LIMITED.

ANNUAL REPORT 2003

Notice of Annual Meeting

Notice is hereby given that the 44th Annual Meeting of the Co-operative will be held at the Macalister Research Farm, Boggy Creek Rd, Riverslea on Thursday October 2, 2003, at 10.00 am

Agenda

1. Confirm the Minutes of the 43rd Annual Meeting of the Macalister Research Farm Co-operative Ltd. held on October 2nd, 2002.
2. Receive and consider the Reports of the Chairman and Directors.
3. Receive and consider the Financial Reports and Auditor's Report for the year ended 30th June, 2003.
4. Election of Directors.
5. Fix remuneration.
6. Any other business or resolution that the Chairman may permit.

By order of the Board,
R. Pitman, Secretary.

Directors

- | | |
|--|---|
| * Mrs M. Stewart - Chairman | # Dr M. Larcombe |
| # Mrs Andrea Killeen - Deputy Chairman | * Mr B. Walker |
| * Mr G. Green | * Vacancy (Mr J. McAinch resigned July '03) |
| # Mr T. Henry | |
| * Retire 2004 | # Retire 2003 |

Auditors: Armitage Downie, Sale
Bankers: Commonwealth Bank

Notice of Annual Field Day

The Macalister Research Farm's Annual Field Day will be held at the Farm, immediately after the AGM, commencing at 10.30 am on Thursday October 2, 2003

Field Day Programme

1. Inspection of MRF's newly constructed round yard and extended dairy
2. **"CowTime Shed Shake-up"** – A presentation by staff from the Milking Research Centre at Ellinbank, aimed at improving cow-flow through the dairy, at little or no cost. It's a field day with a difference, combining ideas from technical experts, a visit to the dairy and the opportunity to talk to local dairy equipment suppliers
3. A report and farm walk to describe the feeding strategy in place at MRF, and plans for the rest of the season
4. Free barbecue lunch and lucky door prize

All visitors welcome to both the AGM and Field Day

MACALISTER RESEARCH FARM CO-OPERATIVE LIMITED

CHAIRMAN'S REPORT

It is with pleasure that I present the Annual Report for your Co-operative for the year ended 30th, June 2003. The year has seen a complete turn-around, compared with the previous 12 months, with weaker milk prices, a drought that reduced the district's water entitlement to 110 percent and higher grain prices.

The financial statement for the 12 months produced a very disappointing result with a loss of \$145,655. Cow production was down considerably on our expectations, and cattle prices experienced an unwelcome decline. Our expenses, compared to those of the previous year, show a substantial difference in grain costs for this year. We must remember that the split herd demonstration concluded in June, 2002 and, shortly afterwards, the Board decided to limit the grain intake, but use more nitrogen to enhance grass growth. Irrigation costs increased due to the purchase of "Grady's" and the use of bores to fill the re-use system and irrigate a portion of the farm from this source. The rise in finance costs resulted from the land purchase.

In November last year, Project Manager Karen Atkinson commenced maternity leave and, shortly afterwards, she and Richard welcomed a second daughter, Caitlin, into their family. Unfortunately, an on-going illness suffered by Caitlin prevented Karen's return to work at the conclusion of her maternity leave, and she has since resigned. We wish her family well during this difficult time. The Board appointed Alex Quinsey as Acting Project Manager, while Karen was on leave, but, due to lack of ongoing funding, was unable to refill the position later in the year. Since then, Alex has continued to monitor the Ryegrass trial and has agreed to do so until its completion.

The Board is constantly endeavoring to obtain funding to pursue worthwhile demonstrations. Last year, I announced that we had received money from the Gardiner Foundation to continue a split herd demonstration under a new format. Unfortunately, because our financial goals could not be met, with low cow numbers and an uncertain seasonal water allocation, the Board decided to forgo the project. We did apply for separate funding, from both Dairy Australia and the Gardiner Foundation, to reappoint a full time Project Manager and to demonstrate the recommendations of Dairy Australia's five National Dairy Extension Projects, on a commercial dairy farm. This was enthusiastically received by GippsDairy and resulted in an offer of part-funding by Dairy Australia. However, with insufficient funds of our own to proceed, we were forced to delay commencement of this demonstration for at least twelve months.

This financial year, we acknowledge the following organisations for their generous contributions: Gippsland Herd Improvement (for office accommodation); GippsDairy and DRDC (for project funding); Genetics Australia (for semen supply and an agreement to further its involvement for several more years); Southern Rural Water; D.N.R.E./ D.P.I.; Rural Finance Corporation; University of Melbourne; and the Commonwealth Bank. In addition, MRF received \$2000 as a prize in the ANSA Irrigation and Drainage awards.

The Board took the initiative to review the farm's dairy and holding yard and, looking ahead, commenced works to meet likely future requirements. Already a new holding yard, capable of handling 500 head, and an extension to the existing dairy, providing 30 swing-over units, have been constructed. The yard will be suitable for a new dairy, whenever that need arises. We thank Reeves Engineering for assisting with the purchase of a pump for the new effluent pit.

Since the purchase of the “Grady” farm, the Board has decided not to make any major changes to farm layout at present, but to pursue ridding the farm of noxious weeds, and to upgrade delvers for more efficient irrigation. The Board experimented with growing turnips in one paddock and oats in another area, before sod-seeding a large area of the farm with pasture.

The Farm’s staff consisted of Kane Stephens (Farm Manager), Iain Fulford and a relief milker. Like all other farmers in the district, the staff were forced to cope with drought conditions, while implementing the Board’s policy of growing as much grass as possible on the home farm and efficiently conserving water. After three years as our employee, Iain Fulford resigned in July 2003. The Board thanks all staff for their contribution, and extends its good wishes to Iain for his future.

Despite having to drop our Project Manager position, MRF did continue to host several important research and demonstration projects during the year. These included the Paddock to Farm Scaling of Nutrient Transfer; Fixed Spray Irrigation Demonstration; Advance Tall Fescue Trial; and Agriculture Victoria’s Perennial Ryegrass evaluation trial.

Throughout the year, Board members attended numerous meetings of many hours duration, to determine the best approach to the severe drought being encountered by all district farmers. All Directors contributed considerably and unselfishly, and worked as a team. However, I intend to single out Garry Green for his contribution and dedication in pursuing the building of the new holding yard and extensions to the Dairy. Not only did he obtain prices for construction, but relentlessly kept the contractors to their dead lines for completion. On your behalf I thank him for the task he undertook and his achievements in getting this job completed.

Throughout the year, the Board also gave much consideration to the future of the farm and the management of its expansion programme. This resulted in the recent commencement of a joint project with the Department of Primary Industries in Maffra to again apply and demonstrate the farming principles being promoted by Target 10. To achieve this, D.P.I. and MRF are jointly funding the appointment of Dairy Extension Officer Jason McAinch as part time overseer at the Farm. Jason now spends 1½ days a week in a management consulting and reporting role for MRF.

Jason McAinch resigned from the Board to take up this D.P.I. position on the farm. Andrea Killeen the Deputy Chairman is not seeking re-election; Michael Larcombe and Trevor Henry have offered themselves for a further term. Garry Green, Brian Walker and I are continuing in our current terms. All Board members have carried out their duties in a responsible and efficient manner, and I thank Andrea for her contribution during her many years as a dedicated member.

Our Secretary Bob Pitman has maintained a high standard in this position; I thank him for his dedication to the MRF. As Chairman it has been a privilege to be part of this team and I thank you all.



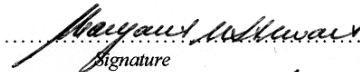
Margaret Stewart
Chairman

DIRECTORS' DECLARATION

We, Margaret Stewart and Andrea Killeen, being two of the Directors of the MACALISTER RESEARCH FARM CO-OPERATIVE LIMITED state on behalf of and in accordance with a resolution of the Directors, declare that, in the opinion of the Directors:

- 1) The accompanying financial statements and notes for the financial year ended 30th June 2003 are prepared in accordance with the requirements of the Co-operative Act 1996, and:
 - a) give and true and fair view of the financial position and performance of the Co-operative at the end of the financial year, and:
 - b) comply with applicable accounting standards.
- 2) At the date of this declaration, there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.
- 3) The Co-operative has kept such accounting records that correctly record and explain the transactions and financial position of the Co-operative.

Declared at and dated at Tinamba this twenty fifth day of August 2003, on behalf of the Board


.....
Signature

Director Margaret Stewart


.....
Signature

Director Andrea Killeen

DIRECTORS' REPORT

To the Members of the Macalister Research Farm Co-operative Limited,
Your Directors submit their Report, together with the audited financial statements of the Co-operative for the year ended 30th June, 2003.

Directors

The Directors of the Co-operative in office at any time during or since the end of the financial year and up to the date of this Report are: M. Stewart (Chairman), A. Killeen (Deputy Chairman), G. Green, T. Henry, M. Larcombe, G. McAinch (up to July 2003) and B. Walker.

Principal Activities

The primary activity of the Co-operative in the course of the financial year was the provision of research, information and extension services to its Members.

No significant changes in either the nature of this primary activity or the Co-operative's state of affairs took place during the financial year.

Review and Result for the Year

As the Commissioner of Taxation has exempted your Co-operative from liability for Income Tax, no provision is required. Net loss for the year was \$145,655 (compared with net profit of \$159,300 in 2002).

At the date of this report your Directors are not aware of any circumstances that would render the values attributed to current assets in the financial statements misleading.

No charge on the assets of the Co-operative has arisen since the end of the financial year to the date of this report, nor has any contingent liability arisen.

No contingent or other liability in the Co-operative has become enforceable or is likely to become enforceable within a period of 12 months after the end of the financial year, which, in the opinion of the Directors of the Co-operative, will or may affect the ability of the Co-operative to meet its obligations as and when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in the report or the financial statements that would render any amount stated in the financial statements misleading.

The results of the operations of the Co-operative during this financial year have not, in the opinion of the Directors, been substantially affected by any item, transaction or event of a material or unusual nature.

Dividends

In accordance with its current Rules, the Co-operative does not declare dividends for members

Matters Subsequent to the End of the Financial Year

From the 30th June, 2003 to the date of this report, no item, transaction or event of a material or unusual nature, which is likely, in the opinion of the Directors, to affect substantially the results of the Co-operative's operations for the next succeeding year has arisen, other than mentioned elsewhere in this report.

Future Developments and Results

Your Co-operative will be operated to continue and enhance its primary activity (the provision of research, information and extension services for its members). This will require continuing improvements to the long term viability of its farming enterprise, to retain both the relevance of the farm to members and its role as a major source of funding.

Environmental Regulation

The operations of the Co-operative are subject to the same environmental regulations as apply to all irrigated dairy farms in the State of Victoria.

Share Options

The Co-operative has not during the course of the year or since the end thereof granted to a person a formal option to have issued to him/her shares in the Co-operative or any controlled entity.

Directors' and Executives' Benefits and Contracts

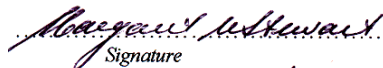
During or since the end of the previous financial year, no Director/Executive of the Co-operative has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors/Executives shown in the accounts or the fixed salary of a full-time employee of the Co-operative), by reason of a contract made by the Co-operative with the Director/Executive or with a firm of which he/she is a member or with a Company in which he/she has a substantial interest.

Indemnification and Insurance of Officers/Auditor

Indemnities and insurance premiums paid during or since the end of the financial year for a person who is or has been an officer or auditor of the Co-operative were \$72.60 for AMP Business Insurance (Fraud and Dishonesty).

This report is made in accordance with a resolution of the Board and is signed for and on behalf of the Directors.

Signed at Tinamba on the twenty fifth day of August, 2003


.....
Signature

Director Margaret Stewart



.....
Signature

Director Andrea Killeen

STATEMENT BY PRINCIPAL ACCOUNTING OFFICER

I, Bob Pitman, being the Principal Accounting Officer of the Macalister Research Farm Co-operative Limited, state that to the best of my knowledge and belief, the accompanying financial statements of the Co-operative give a true and fair view of the matters required by Section 238 of the Co-operatives Act 1996, to be dealt with in the financial statements.

Declared at and dated at Tinamba this twenty fifth day of August 2003


.....
Signature

Secretary Bob Pitman

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
MACALISTER RESEARCH FARM CO-OPERATIVE LIMITED**

Scope

We have audited the attached financial report consisting of a statement of financial performance, statement of financial position, statement of cash flows and notes to the financial report of Macalister Research Farm Co-operative Limited for the year ended 30 June 2003. The Co-operative's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on them to the members of the co-operative.

Our audit has been conducted in accordance with the Australian Auditing Standards to provide reasonable assurance whether the financial report is free from material misstatement. Our procedures included examinations, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the co-operative's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion the financial report of the Macalister Research Farm Co-operative Limited is in accordance with:

- (a) The provisions of the Co-operatives Act 1996, including:
 - (1) giving a true and fair view of the co-operative's financial position as at 30 June 2003 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
 - (2) the other matters required by Section 238 of that Act to be dealt with in the financial report;
 - (3) the accounting records and other records, and the registers required by the Act to be kept by the co-operative have been properly kept in accordance with the provisions of the Act.



**JOHN K HOWSON CA RCA
Partner
ARMITAGE DOWNIE & CO**

Sale
Dated: 28 August 2003

MACALISTER RESEARCH FARM CO-OPERATIVE LIMITED
ABN: 89 984 202 071
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003

	Note	2003
Revenue from Ordinary Activities	2	476,278
Supplies and Consumables	3	244,996
Employee Benefits Expense	3	165,971
Depreciation and Amortisation Expense	3	54,137
Borrowing Expenses	3	63,326
Other Expenses from Ordinary Activities	3	93,503
Loss from Ordinary Activities before Income Tax Expense		(145,655)
Income Tax Expense Relating to Ordinary Activities	1d	-
Net Loss from Ordinary Activities after Income Tax Expense		(145,655)
Total Changes in Equity other than those resulting from transactions with owners as owners		(145,655)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2003

	Note	2003
CURRENT ASSETS		\$
Cash	13	(49,954)
Inventories	5	367,100
Other	6	5,623
TOTAL CURRENT ASSETS		322,769
NON-CURRENT ASSETS		
Other financial assets	7	64,175
Property, plant & equipment	8	1,710,773
TOTAL NON-CURRENT ASSETS		1,774,948
TOTAL ASSETS		2,097,717
CURRENT LIABILITIES		
Interest bearing liabilities	9	27,033
TOTAL CURRENT LIABILITIES		27,033
NON-CURRENT LIABILITIES		
Interest bearing liabilities	9	617,085
TOTAL NON-CURRENT LIABILITIES		617,085
TOTAL LIABILITIES		644,118
NET ASSETS		1,453,599
EQUITY		
Issued Share Capital	10	11,302
Reserves	11	604,683
Retained Profits	12	837,614
		1,453,599

The accompanying notes form part of this financial report

MACALISTER RESEARCH FARM CO-OPERATIVE LIMITED
ABN: 89 984 202 071
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from farm income		404,274
Receipts from research & extension account - grants		36,684
Receipts from house rental		4,160
Interest received		128
Dividends received		8708
Borrowing costs		(63,326)
Payments to suppliers and employees		(459,822)
Net cash used in Operating Activities	13	(69,194)
CASHFLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant & equipment		(501,152)
Purchase of Shares		(10,406)
Net cash used in Investing Activities		(511,558)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sale of shares		25
Proceeds from Borrowings		470,274
Net cash from Financing Activities		470,299
NET INCREASE IN CASH		(110,453)
CASH AT BEGINNING OF YEAR		60,499
CASH AT END OF YEAR	13	(49,954)

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2003

NOTE 1

(a) Statement of Accounting Policies

This general purpose financial report has been prepared for the first time in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the Co-Operatives Act 1996. The financial report has also been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. This is the first year the Co-Operative has applied these Accounting Standards and as such comparative information has not been provided.

(b) Depreciation

All Improvements, plant and equipment are depreciated on a straight-line basis to write off the assets over their useful life.

(c) Inventories

Livestock on hand at reporting date is valued at Market Value. Values used at 30 June 2003 were: mature cows \$900, heifers \$800, yearling heifers \$400 and bulls \$500.

(d) Income Tax

As the Commissioner of Taxation has exempted the Co-Operative from liability for income tax, no provision has been made and accordingly tax effect accounting has not been adopted.

(e) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

(f) Property, Plant & Equipment

Each class of property, plant & equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Freehold land is measured at both cost and directors valuation. It is the directors' opinion that these assets are stated at fair value.

NOTE 2 – REVENUE

OPERATING ACTIVITIES

	2003
	\$
Farm Income	
Milk Income	392,823
Additional Farm Income:	
Cattle Trading - Gross Profit	11,630
Calf Sales	3,170
Rebates	4,587
Dairy Adjustment Package	14,388
Research and Extension Account – Grants	
Gippsland Herd Improvement	6,000
GippsDairy (DRDC)	8,238
Genetics Australia	11,208
Southern Rural Water	700
DNRE	6,397
Rural Finance Corp	500
ANC Irrigation and Drainage Award	2,000
University of Melbourne	789
Commonwealth Bank	851
Other Income	
Interest Received	128
Dividends Received	8,708
House rental	4,160
Total Revenue	476,278

NOTE 3 - EXPENSES (DETAILED)

Farm Expenses	
Feed Costs	192,963
Herd Costs	42,677
Shed Costs	9,355
Labour Costs	122,045
Overhead Costs	
Depreciation	54,137
Repairs and Maintenance	33,313
Occ. Health and Safety	485
Rates	5,027
Administration	4,203
UDV Subscription	576
Insurance	3,327
Rent of four-wheelers	5,408
Bank Fees	4,457

EXPENSES (continued)		
Borrowing Costs		
Borrowing Costs-Bank Bills		24,889
Interest - New Farm Loan (Comm Bank)		28,779
Interest - Old Farm Loan (Nat Bank)		383
Interest - Lateral Spray Loan		37
Interest - Tractor loan		4,286
Interest - DAP Loan		3,843
Interest on overdraft		1,109
Co-operative Account		
Audit Fees		900
Advertising		855
Catering		532
Insurance		2,093
Operating		1,930
Consulting Fees		2,560
Directors' Fees		7,000
Secretarial Fees (incl Superannuation)		12,571
Research and Extension Account – Expenses		
Extension		13,300
Research Support		1,456
Project Manager		19,935
Acting Project Manager		10,468
WorkCover for R and E staff		953
Office rent and administration		6,000
Bank Fees		79
Total expenses		<u><u>621,933</u></u>
NOTE 4 - CATTLE TRADING ACCOUNT	Number	Value \$
Sales	124	36,148
Deaths	18	
Opening Stock	505	390,900
Purchases	1	718
Natural Increase	103	
Closing Stock	467	367,100
Gross Profit from Trading		11,630
NOTE 5 – INVENTORIES		
Livestock at Market Value		<u><u>367,100</u></u>
NOTE 6 - OTHER ASSETS		
Prepaid Interest Tractor Loan		<u><u>5623</u></u>
NOTE 7 - OTHER FINANCIAL ASSETS		
Shares in unlisted companies, at cost		<u><u>64,175</u></u>
NOTE 8 - PROPERTY, PLANT & EQUIPMENT		
Land at Directors Valuation 06/95		805,000
Land at Cost		440,000
Total Land		<u>1,245,000</u>
Improvements at Cost		635,473
Accumulated Depreciation		<u>(239,614)</u>
		395,859
Plant & Equipment at Cost		381,331
Accumulated Depreciation		<u>(311,417)</u>
		69,914
Total Property Plant & Equipment		<u><u>1,710,773</u></u>

NOTE 9 - INTEREST BEARING LIABILITIES**Current**

Dairy Deregulation Loan	14,388
NAB-Tractor Loan	12,645
Total Current	<u>27,033</u>

Non-Current

Dairy Deregulation Loan	44,955
NAB-Tractor Loan	22130
Commonwealth Bank Bills	550,000
Total Non-Current	<u>617,085</u>

NOTE 10 - ISSUED SHARE CAPITAL**Authorised Capital**

100,000 Ordinary Shares of \$0.50	11,302
Issued & Paid up Capital	<u>11,302</u>

22,605 Ordinary Shares

NOTE 11 – RESERVES

General Reserve	33,095
Land Revaluation Reserve	506,468
Livestock Revaluation Reserve	65,120
	<u>604,683</u>

NOTE 12 - RETAINED PROFITS

Retained profits at the beginning of the financial year	983,269
Net loss for the year	(145,655)
Retained profits at the end of the financial year	<u>837,614</u>

NOTE 13 – STATEMENT OF CASHFLOWS**(a) Cash at the end of the year, as shown in the Statement of Cashflows, is reconciled to the related items in the Statement of Financial Position as follows:**

Cash at Bank - Farm Account	(71,667)
Cash at Bank - Research & Extension Account	21,713
	<u>(49,954)</u>

(b) Reconciliation of Net cash used in operating activities to Net Loss from Ordinary**Activities**

Net Loss from Ordinary Activities	(145,655)
Add:	
Depreciation	54,137
Reduction in Livestock	23,800
Movement in Other Assets	(1,476)
Net cash used in Operating Activities	<u>(69,194)</u>

NOTE 14 - SEGMENT REPORTING

	FARM ACCOUNT	CO-OP ACCOUNT	R & D ACCOUNT	TOTAL
	\$	\$	\$	\$
INCOME	439,515	-	36,763	476,278
EXPENDITURE	(541,302)	(28,440)	(52,191)	(621,933)
NET RESULT	<u>(101,787)</u>	<u>(28,440)</u>	<u>(15,428)</u>	<u>(145,655)</u>

FIVE YEAR FARM PERFORMANCE SUMMARY

	2002/03	2001/02	2000/01	1999/00	1998/99
Irrigated hectares	* 120	80	80	80	80
Milking Cows	370	308	307	300	290
Litres – total	1,600,855	1,909,601	1,816,690	1,829,682	1,395,635
litres/cow	4,327	6,200	5,918	6,099	4,813
litres/ha	13,340	23,870	22,709	22,871	17,445
Fat - total kg	66,506	81,981	78,192	75,868	58,208
kg/cow	180	266	255	253	201
kg/ha	554	1,025	977	948	728
Protein - total kg	51,434	64,318	61,990	62,049	45,572
kg/cow	139	209	202	207	157
kg/ha	429	804	775	776	570
Milk Income \$	392,823	619,513	570,428	443,372	372,951
Cattle Trading Profit \$	11,630	63,744	32,056	6,055	36,741
Calf Sales \$	3,170	9,249	4,862	3,697	2,869
Total Farm Income \$	439,515	722,350	632,269	461,481	419,406
Grain tonnes	102	519	568	484	313
Grain \$	30,400	149,392	132,461	90,722	46,431
Hay tonnes	98	167	553	130	92
Hay \$	18,814	27,330	73,691	19,896	14,626
Nitrogen tonnes	43	25	18	18	9
Nitrogen \$	48,281	25,563	18,397	13,224	7,471
Supplementary Feed Costs \$	158,936	272,141	271,234	163,952	89,890
Irrigation Water ML	728	468	540	541	483
Irrigation Water \$	25,028	12,214	14,912	15,159	14,372
Total Feed Costs \$	192,963	293,076	302,186	191,682	124,853
Feed Costs/cow	522	952	984	639	431
Total Herd Costs \$	42,677	40,943	40,816	38,800	25,483
Herd Costs/cow	115	133	133	129	88
Total Shed Costs \$	9,355	11,359	10,880	8,996	9,483
Shed Costs/cow	25	37	35	30	33
Total Labour Costs \$	122,045	111,286	106,359	98,111	92,445
Labour Costs/cow	330	361	346	327	319
Finance Costs \$	67,783	14,142	10,882	10,092	14,955
Total Farm Operating Costs \$	367,041	457,339	460,718	339,472	251,746
Farm Operating Costs/cow	992	1,485	1,501	1,132	868
Total Farm Operating Surplus \$	25,782	162,174	109,710	104,426	121,204
Operating Surplus/cow	70	527	357	348	418
Feeding Performance (Milk Income less Supp Feed Costs)	233,887	347,372	299,194	279,420	283,061
Feed Performance/cow	632	1,128	975	931	976
Feed Performance/ha	1,949	4,342	3,740	3,493	3,538

* Additional 40 ha purchased in August 2002