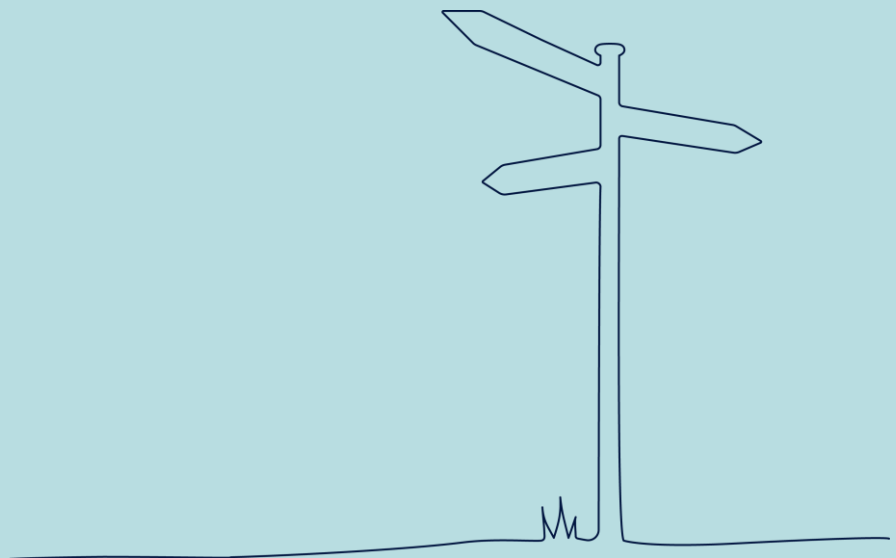


DAIRY FARM BUSINESS ANALYSIS ONLINE

Participant Workshop Guide



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Dairy Farm Business Analysis Online

Dairy Farm Business Analysis is a fully supported online learning experience, that assists participants to pull together meaningful financial and physical data about their farm that can be used to track that farms performance over time and to provide a solid base to make future decisions.

This course is about linking the 'getting the big picture settings right' (eg. how many cows do I milk, how exposed should I be to the purchased feed market and to debt) with the day-to-day decisions (eg should I feed another kg of grain per cow, should I put on 80 or 100 kg / ha of urea).

The program is delivered fully online through Enlight, Dairy Australia's online learning space (<https://enlight.dairyaustralia.com.au/>). Enlight can be accessed through a web browser at the URL provided above, on both desktop computers and mobile phones. We recommend accessing Enlight using Chrome.

Learning outcomes

In completing a program, it is important to know what will be learnt. Below are the learnings that participants will achieve in completing the Dairy Farm Business Analysis program.



Learnings for Participants

At the end of this program, you be able to:

1. identify the types of information required to complete a farm business analysis
2. differentiate and complete analysis components of a farm business (cash, profit and wealth) and identify why each view is unique
3. use DairyBase to extract information to analyse a farm business
4. populate DairyBase with their own farming business figures, leading to detailed analysis of the business
5. recognise the law of diminishing marginal returns and how it applies to a unique dairying system
6. calculate the profit maximising level of an input and the required 'break-even' output to various inputs
7. identify and describe the benefits of risk vs reward for a farming system
8. apply accrual accounting concepts to farm business invoices
9. calculate cost of production for a farm business
10. complete a farm business analysis using existing DairyBase information from two example farms.

Working online

To achieve the above learnings, participants complete 7 independent online learning modules, and 7 group workshop sessions across program. Below outlines the activities and when they occur.

Activities to be Completed	
Online Module 1: Why analyse	<p>Timelines: Each online module should be completed before attending the online workshop session.</p> <p>Each module will take between 60 and 90 minutes to complete, depending on learner digital capability. They are designed to be able to be completed as smaller chunks or the entire module at once to fit around people's life.</p>
Online Module 2: Foundation Principles	
Online Module 3: Risk and Reward	
Online Module 4: Using DairyBase	
Online Module 5: If you can't measure it, you can't manage it	
Online Module 6: Margins farm Case Study	
Online Module 7: Nubies Farm Case Study	
<p>Online Workshop</p> <ul style="list-style-type: none"> - Introduction to the course and Enlight - Session 1: Why analyse - Session 2: Foundation Principles - Session 3: Risk and Reward - Session 4: Using DairyBase - Session 5: If you can't measure it, you can't manage it - Session 6: Margins farm Case Study - Session 7: Nubies Farm Case Study 	<p>Time for completion: Each online workshop is 60-90min in duration and scheduled once.</p>

Timing of Activities to be Completed

Week	Activities	Time
1	Online modules: Why analyse Online Workshop	60 minutes 90 minutes
2	Online module: Foundation Principles Online workshop	60 minutes 90 minutes
3	Online module: Risk and Reward Online workshop	90 minutes 90 minutes
4	Online module: Using DairyBase Online workshop	90 minutes 90 minutes
5	Online module: If you can't measure it, you can't manage it Online workshop	90 minutes 90 minutes
6	Online module: Margins farm Case Study Online workshop	60 minutes 90 minutes
7	Online module: Nubies Farm Case Study Online workshop	90 minutes 90 minutes

The online workshop sessions are normally at a scheduled time each week over the duration of the course. Facilitators will provide information about this through Enlight. The link to access each online workshop is also published in Enlight, in the online workshop tile and in the discussion forum weekly – so the information is automatically emailed to all participants.

The people delivering the course to your group will support everyone with the technical aspects of learning, while the Regional Extension Officer will be a key contact point for you and will support you if you have any issues with accessing the links to the workshops.

Enlight also has a support email address, where you can send any questions and get guidance on what to do: elearning.support@dairyaustralia.com.au. Enlight has a specific area on the website where everybody can find resources that help them navigate Enlight if they are having problems.

Why do the modules?

The seven online modules that make up Dairy Farm Business Analysis provide the background information that support the group discussion. Completing these before coming to the online workshop will help you to contribute to the group discussion and to learn from others in the group.

The great thing about learning online is the flexibility. Where and what time of day the online modules are completed is up to you - they can be done in the morning, midday or midnight. We do recommend they are completed at a time when other tasks are not distracting. Each module will take 60 – 90 minutes to complete, depending on your experience and ability to work online.

It is expected that all participants will complete all sessions and modules. If a live online workshop session needs to be missed due to personal/work circumstances, the learner should contact the facilitator beforehand and arrange for it to be recorded so it can be viewed at a later date, before attending the next workshop. This will mean that the learning content is not missed, and the next workshop will not be confusing.

Using this guide

A space has been provided under most tasks which you can populate with responses or ideas that you draw from the online workshops.

Help using Enlight

Video guides have been created to help all participants use Enlight. These videos are accessed via YouTube. It is recommended that you view these videos, which will assist you to access and use the course.

Obtaining username and password, logging in and resetting password

<https://www.youtube.com/watch?v=QTcBqhLrAUQ>

Navigating Enlight

<https://www.youtube.com/watch?v=0Eol7Kv0A4Q>

Navigating a Course

<https://www.youtube.com/watch?v=hQdfIRy9dm4>

Learning in Enlight

<https://www.youtube.com/watch?v=UKokiiJsRAI>

Communicating in Enlight

<https://www.youtube.com/watch?v=qVI95B8Hmd0>

Personalising Enlight and MyEnlight

<https://www.youtube.com/watch?v=UTQWXu4me9g>

My Action Plan

As you progress through the Dairy Farm Business Analysis workshops you will come across practical ideas and options that you could apply in your farm business. Make a note of things you intend to put into ACTION.

You get what you focus on. So, focus on what you want.

Action	WHO	BY WHEN

Online Workshop 1: Why analyse? Learner Guide content

Recommended Resources

The online module for Dairy Farm Business Analysis

<https://enlight.dairyaustralia.com.au/>

Prior to Workshop

Prior to attending the workshop, please complete the Enlight Module: *Why analyse?* located in the Dairy Farm Business Analysis Online Program in the *MyEnlight* dashboard.

There are also a small number of online activities to be completed which will help you grasp the material being presented.

Download the Glossary of Terms found in the Welcome section of the course.

Overview of Session

The first online workshop focusses on a review of the online course material. Several of the concepts will be revisited through discussion questions and the analysis of one situation. The purpose of the session is to consolidate and expand on concepts and material presented in the online course.

Task 1: Recap of the online content

A brief round the group intro from everyone, descriptor of your farm business. An introduction to the course and the opportunities it offers.

To ensure the discussion during the online workshop goes smoothly, it is important to have some “rules of engagement” and make sure everyone is comfortable using the online video conference software. The consultant and facilitator will show the group all the features that will be used, and then open the floor to any questions. They will also bring the group together to confirm what “rules” the group would like to have. Some suggested “rules” for great online discussions for the group to think about are:

- 1) Participate:** People must contribute to the conversations. A shared learning environment is only effective if everyone involved shares their stories and opinions on the topic.
- 2) Help Others:** The benefit of interactive online discussion for learning is that people who are completing the program can act as additional facilitators. A good facilitator will also allow themselves to learn from people involved in the discussion, so the whole group is learning. No one is an expert in all-things dairy farming or technology. Everyone is encouraged to be an advocate, and educator of others. This is particularly important when the group has more early dairy career farmers alongside those who have been dairy farming for a longer time. A chance to mentor the next generation.
- 3) Use Appropriate Communication:** This is a requirement! A virtual program is a professional environment. Speak as you would like to be spoken to. Use language others will understand. Try to keep concise with the story you are telling, so that everyone has a moment to speak. Do not speak over others, although this can be a challenge online when there is a lag in internet speed. Use the “mute” function of the software when you are not speaking, so noise around you does not distract others. “Raise your hand” when you would like to contribute, which can be done literally or using the software function. This allows the facilitator to know you would like to contribute and to control who speaks when, for smoother group discussions.
- 4) Respect Diversity:** Your virtual workshop should be, without question, a safe space for people of all races, genders, sexes, ages, sexual orientations, religions, disabilities and socioeconomic statuses. Derogatory and sarcastic comments and jokes that marginalize anyone are fundamentally unacceptable. Offensive language—or language that could be construed as offensive—should be avoided. Our ethnically rich and diverse, multi-cultural world should be highly celebrated.
- 5) No “Flaming”:** In an online environment, you can feel distanced from others and people can easily misinterpret what is being said. Criticism, although a central part of

learning, must be constructive, well-meaning, and well-said. Rants directed at any contributor are highly unacceptable. In addition, profanity should be not appropriate.

As a group, confirm what you all consider to be appropriate engagement online during the next 5 weeks.

Task 2: Identify which future actions and changes are possible after a farm business analysis has been conducted using DairyBase.

The facilitator will lead the discussion around farm business analysis. The discussion questions include

1. Why would you want to analyse your or any farm business?

2. With the information you draw from an analysis what decisions or actions could you take?

3. Has anyone worked with DairyBase before? How do you think using it will improve your Farm Business Analysis?

When participating in this discussion try to use as much farm business terminology as you can, which will help you pinpoint your perspective on analysis.

Task 3: Identify why each view is unique and important.

Your facilitator will revise and expand on some of the key principles around cash, tax and business efficiency views, through the following discussion questions:

1. Why are these three views (cash, tax, business efficiency) so different?

2. Why do we need these three different views to understand the whole farm business?

Task 4: Understanding physical indicators.

Your facilitator will lead a discussion on understanding how to best use physical indicators. The discussion will be based on the question:

- If a farm chose to increase the per cow milk production, as a result what else might change on the farm?

Task 5: Choosing the right indicators.

Read the case study presented, analyse the partial DairyBase report which can be found under the Module 1 tile in Enlight, and discuss the question below.

Case Study:

The following case study is based on an example farm (not real a farm) in the 2018/19 financial year. An abbreviated/shortened DairyBase comparison report is provided comparing this example farm to a combined/averaged 23 other Dairy Farm Monitor Farms from the region for the same year (2018/19) and the Top 25% of these same 23 farms based on Return on Total Assets (ROTA).

The example farm is a farm that has strong focus on physical performance. This exercise is not provided to promote one system of farming over another, but for you to think about why this farms strong physical performance was not enough for it to be in the top 25% of farms in terms of profitability (e.g. Earnings Before Interest and Tax (EBIT), Return on Total Assets (ROTA), Return on Equity (ROE) and Change in Net Worth.

Discussion question:

What are three possible explanations of why this business may not be converting the strong physical performance into strong financial performance?

Task 6: Understanding indicators that are in ratio.

Your facilitator will briefly revise material presented in the online module and then you can contribute to the topic by participating in the discussion, which will be based around this question:

1. Why would you measure feed costs as “feed costs per kg of MS”?

2. Why might someone be more interested in labour costs “per kg of MS” instead of per cow?

3. Why would someone want to know the farms EBIT as “EBIT per Kg of MS” instead of just the total EBIT?

Task 7: Difference between associative and causation.

Your facilitator will briefly revise material presented in the online module and then you can contribute to the topic by participating in the discussion, which will be based around the question:

- If the top 25% most profitable farms from the south west dairy farm monitor report all had higher than average feed costs per kg of MS, why might it not be appropriate to tell all the other farms to spend more on their feed?

Online Workshop 2: Foundation Principles Learner Guide content

Recommended Resources

The online module for Dairy Farm Business Analysis

<https://enlight.dairyaustralia.com.au/>

Prior to Workshop

Prior to attending the workshop, please complete the Enlight Module: Foundation Principles located in the Dairy Farm Business Analysis Online Program in the *MyEnlight* dashboard.

There are several online activities to be completed which will help you grasp the material being presented.

Overview of Session

This workshop focusses on Foundation Principles. Several of the activities, presented in the online material will be revisited through discussion questions. The Excel tools used will be discussed and demonstrated in more detail, and will be used as a basis to expand the concepts raised online.

Task 1: Recognise and give examples of the law of diminishing marginal returns and how it applies to a unique dairying system

Your facilitator will lead a discussion on around the law of diminishing marginal returns. The discussion will be based on the question:

- What are some examples of diminishing marginal returns from your farming life?

Task 2: Nitrogen tool recap

Your facilitator will present the nitrogen tool, used in the online module and demonstrate approaches for using this. There will also be a discussion on the tool based on the questions:

1. How could this tool be used to calculate risk position on nitrogen activities?

2. Do you find this tool useful and how might you use it on your farm?

Task 3: Recap of Excel tools with simple exercises on screen.

Your facilitator will demonstrate the two Excel tools presented in the online module and discuss how they could be used for making decisions on your farm. Discussion about the use of the tools will be based on these questions:

1. Do you find these tools useful?

2. Would you use these on your farm? Why/Why not?

3. What other calculating tools might be useful on your farm?

Task 4: A discussion on inputs and profits across multiple years.

The facilitator will share data with you from a single farm across multiple years. You will have a chance to analyse these numbers and discuss the following question:

- The farm increased inputs in this year, did it result in greater overall profit or not? Was this a positive outcome or not?

Online Workshop 3: Risk and Reward Learner Guide content

Recommended Resources

The online module for Dairy Farm Business Analysis
<https://enlight.dairyaustralia.com.au/>

Prior to Workshop

Prior to attending the workshop, please complete the Enlight Module: Risk and Reward located in the Dairy Farm Business Analysis Online Program in the *MyEnlight* dashboard.

There are a number of online activities to be completed which will help you grasp the material being presented.

Overview of Session

This workshop focusses on a review of the Risk and Reward module. Several of the online activities will be revisited through discussion questions. The purpose of the session is to consolidate and expand on concepts and material presented in the online course. It's a great time to ask questions or seek clarification about any of the material presented.

Task 1: Tower of Resilience

Your facilitator will lead a discussion around applying the Tower of Resilience for these different farming scenarios:

1. No debt, no supplementary feed, no employed labour.

2. Feedlot/TMR farm.

3. How does Tower of resilience work for Leppin?

Task 2: Assessing Risk using the Farm Business Performance Sheet

Your facilitator will revise the Farm Business Performance Sheet activities and then lead a discussion using the following questions as starters:

1. Which aspects of the tower look solid for each business?

2. Which elements of the tower look particularly exposed to risk?

3. Overall, which of the towers look the most solid to you?

4. What options would you consider to manage the areas that are particularly exposed to risk?

5. How would the goals of the people, attitude to risk, stage of life etc impact on this?

Task 3: Use your own numbers to populate the Analysing Farm Business Performance Sheet

Your facilitator will lead a discussion around using the tool for farming businesses. This will include the following questions.

1. Who completed the Analysing Farm Business Performance Sheet and were there any major surprises?

2. Did everyone in your business agree with the interpretation?

3. Did you come up with any ideas with how you could manage the risk better?

4. For anyone that did not use it, would you find it valuable?

Task 4: Decision making influences, the head, the heart and the gut

Decision making material will be revised and the facilitator will lead a discussion using these starter questions:

1. What do you think we mean when we say head, heart and gut?

2. Do you use head, heart and gut to make decisions?

3. What is balance of head, heart and gut?

4. How do you currently go about making strategic decisions?

Online Workshop 4: If you can't measure it, you can't manage it Learner Guide content

Recommended Resources

The online module for Dairy Farm Business Analysis

<https://enlight.dairyaustralia.com.au/>

Prior to Workshop

Prior to attending the workshop, please complete the **Enlight Module: If you can't measure it, you can't manage it** located in the Dairy Farm Business Analysis Online Program in the *MyEnlight* dashboard.

There are a number of online activities to be completed which will help you grasp the material being presented.

Overview of Session

This workshop focusses on a review of the online material. Several of the activities will be revisited through discussion questions. The purpose of the session is to consolidate and expand on concepts and material presented in the online course.

Task 1: Standard Chart of Accounts

Your facilitator will revise the Dairy Standard Chart of Accounts (SCoA) and lead a discussion using these questions:

1. Why use the Dairy SCoA?

2. What are the benefits of using this?

3. Why is accurate information crucial for farm business analysis?

Task 2: Profit and Loss statements into DairyBase collection template

Your facilitator will revise the DairyBase collection template and explain its importance and use. A discussion around the tool using these questions will also be conducted:

1. Did you complete the activity using the DairyBase collection template?

2. Did you find this tool handy?

3. What's the purpose of the tool and how does it make your farm analysis more accurate?

Task 3: Cash and accrual accounting

Your facilitator will revise the cash and accrual accounting concept and the online activity. A discussion using these questions will also take place:

1. Why is it important to make the effort to use the matching principle on milk income rather than simply using the cash basis?

2. What answer did you calculate for the question on milk income? How did you get to that answer?

Task 4: Industry definitions in DairyBase

Knowing the correct definitions are essential for accurate DairyBase analysis. Your facilitator will expand on this concept using this discussion question:

- How are you going to determine the number of cows milked for the year on your farm and how can "common sense" check if this number is in the right ballpark?

Task 5: Income

The following were stated as "grey areas" for income in DairyBase:

1. Income from rebates, for example the fuel rebate.

2. Rebates should be deducted from the relevant expense.

3. Income from contracting, such as fodder conservation.

Why do you think these are grey areas? How, when and why should they be included in DairyBase?

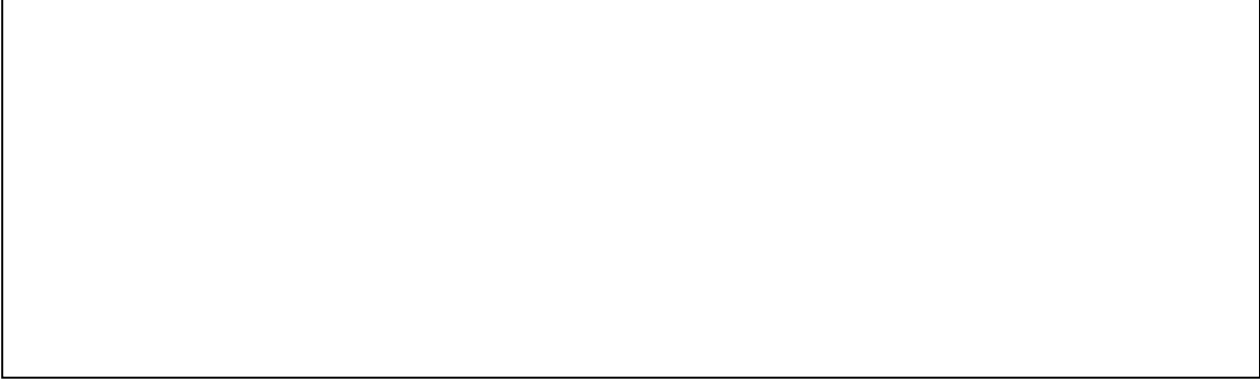
Task 6: Cost of Production?

Your facilitator will revise and clarify the cost of production concept and then lead a discussion question using this question:

- Will the lowest Cost of Production lead to the most profitable overall outcome? Why or why not?

Task 7: Scoring the season

Think about the last financial year that has passed and score the season for your farming business. Share your thoughts and outcomes with the group.

A large, empty rectangular box with a thin black border, intended for the user to write their thoughts and outcomes regarding the last financial year of their farming business.

Online Workshop 5: DairyBase Learner Guide content

Recommended Resources

The online module for Dairy Farm Business Analysis
<https://enlight.dairyaustralia.com.au/>

Prior to Workshop

Prior to attending the workshop, please complete the Enlight Module: DairyBase located in the Dairy Farm Business Analysis Online Program in the *MyEnlight* dashboard.

Watch the videos presented and complete the tasks in your DairyBase Login.

Overview of Session

This workshop focusses on DairyBase. Several of the activities will be revisited through discussion questions. The purpose of the session is to consolidate and expand on concepts and material presented in the online course. It's a great chance for you to ask any questions about the application.

Task 1: DairyBase review

The facilitator will demonstrate a few additional functionalities that have not been covered and will then lead a discussion on DairyBase based on these discussion questions:

1. How did you go with the DairyBase videos?

2. Were you able to log in and complete the activities outlined in the videos?

3. Was there any physical or financial data that you didn't feel confident about? If so, why not and what could you do to change that?

4. Does the view of your business on the basis of cash, profit and wealth make sense to you?

5. Which KPIs stood out to you in the cash report?

6. Which KPIs stood out to you in the profit report?

7. Which KPIs stood out to you in the wealth report?

8. How can you see yourself using the information from DairyBase for better decision making on your farm?

9. If this were your farm business, what kind of decisions would this type of information help you make?

Online Workshop 6: Margins farm Case Study Learner Guide content

Recommended Resources

The online module for Dairy Farm Business Analysis
<https://enlight.dairyaustralia.com.au/>

Prior to Workshop

Prior to attending the workshop, please complete the Enlight Module: Margins farm Case Study located in the Dairy Farm Business Analysis Online Program in the *MyEnlight* dashboard.

There are a number of online activities to be completed which will help you grasp the material being presented.

Overview of Session

This workshop focusses on a review of the Margins farm Case Study. Several of the activities will be revisited through discussion questions. The purpose of the session is to consolidate and expand on concepts and material presented in the online course.

Task 1: Margins farm Case Study review

The facilitator will lead the discussion around farm Margins farm Case Study. The discussion questions will include:

1. How did you go with the Margins farm Case Study activity?

2. Did you get up to putting the numbers into DairyBase?

3. What was challenging about completing this analysis?

4. Did you get to use the DairyBase data input sheets?

5. How did you go adjusting the summary of accounts?

6. What worked well? What did you find useful?

7. If you had the chance to speak with the Margins, what would you ask them?

8. Looking at your DairyBase report for 2016/17 are there aspects of the Margins business that stood out to you?

9. What are the strengths and weaknesses that you have picked up with 2016/17 information?

10. If this were your farm business, what kind of decisions would this type of information help you make?

Online Workshop 7: Nubies farm Case Study Learner Guide content

Recommended Resources

The online module for Dairy Farm Business Analysis

<https://enlight.dairyaustralia.com.au/>

Prior to Workshop

Prior to attending the workshop, please complete the Enlight Module: Nubies farm Case Study located in the Dairy Farm Business Analysis Online Program in the *MyEnlight* dashboard.

There are a number of online activities to be completed which will help you grasp the material being presented.

Overview of Session

This workshop focusses on a review of the Nubies farm Case Study. Several of the activities will be revisited through discussion questions. The purpose of the session is to consolidate and expand on concepts and material presented in the online course.

Task 1: Nubies farm Case Study review

The facilitator will review the case study and answer any of your questions about the material or the activities.

Task 2: Complete the farm business performance sheet

The facilitator will break the cohort up into 3 groups and each will use the Farm Business Performance Sheet to analyse and discuss the primary, secondary and tertiary indicators from the Nubies farm.

Task 3: Comparing the Nubies to other farm businesses

Your facilitator will lead a discussion on comparing the Nubies to other farm businesses. The following questions will be discussed:

1. In light of the additional information in presented (in Task 2), do you have anything additional to say in relation to the Nubies performance in 2015/16?
2. How did they compare to other farms in the report?

Task 4: Future scenarios and Scenario comparison report

Your facilitator will lead a discussion on the following scenario:

With one year under their belt the Nubies wanted to investigate what the future possibilities for the business might be. They worked with OMJ (a consultant) to develop the scenarios which were developed considering:

1. What had been achieved in 2015/16

2. What terms of trade and seasonal conditions might be like in a normal or average season?

3. What reasonable improvements might be achievable in the performance of the business.

With this in mind do you consider the future scenarios to be optimistic, pessimistic/realistic?

Task 5: Scenario vs Real Life comparison report

Your facilitator will lead a discussion using the questions:

1. Given that we can analyse what happened in the years following have they shown improvement in critical areas. Has the performance of their business, physical, cash and profit improved?

2. Has the improvement been due to underlying performance gains or has it been due to external factors like terms of trade?