

Enterprise Gross Margin Report

FARMAX YOUR ADVANTAGE		Gross Margin for Sheep Finishing <i>North Island Hill Ltd, Jul 16 - Jun 17</i>						
		Number	kg/hd	\$/kg	\$/hd	\$ Total	c/kg DM	
Revenue	Stock	Store Sales				0		
		Works Sales	668	21.6	5.53	119.77	80,003	
		less Purchases	600	29.0	2.92	84.73	50,838	
		Total					29,165	7.0
	Internal Sales						0	
	less Internal Purchases		1,988	29.0	2.40	69.53	138,228	
	Wool						0	
	Change in Capital Value						162,934	
	Total Revenue						53,872	12.9
	Expenses	Stock	Animal Health	1,262		2.40	3,029	
Total						3,029		
Interest on Capital						9,778		
Total Variable Expenses						12,807	3.1	
Gross Margin						41,064	9.8	

The enterprise level 'Gross Margin' report provides a valuable summary of the variable costs and revenue for the mobs contained in the enterprise. Expenses in this report are limited to stock-related items such as animal health, off-farm grazing and shearing costs.

As with the farm level Gross Margin report - revenue includes sale of stock, less purchases of stock. However, at the enterprise level, 'internal' sales and purchases are also included. This means that any transfers between the particular enterprise and other enterprises or other farms are also included as sales and purchases.

Doing this enables enterprises within the same farm to be compared with each other, and this financial comparison may assist in decision making processes.

The bottom-line Gross Margin value is equal to revenue less expenditure and interest on capital.