

# Farm statistical survey 2019

Sheep & Beef Downlands & Flatlands

# 2019 Farm statistical survey

Produced by Alexanders in association  
with Brown Glassford

## Background

- The survey data has been taken from the two Practices' clients' actual Financial Statements for the 2019 year. As in previous years, we have combined the survey so that all farm sector groups have a reasonably sound sample size.
- All financial data is GST exclusive.
- Most of the balance dates are 31/3/2019, 31/5/2019 or 30/6/2019.
- The averages referred to are per farm and as per that farm's actual Financial Statements for the 2019 year – the averages are not weighted averages which would produce slightly different data again – as a result of this there is some rounding of data.
- Benchmark. On the right hand side of each survey summary for each sector, we have shown the average figures for the top 10% based on the interest return on total farm capital employed. Figures in the right column are the average of those top farms for each statistic. We could have chosen other benchmarks or several benchmarks but the interest return on total farm capital employed means we can compare farmers with differing levels of debt, scale and production and also make a comparison between sectors. This approach also means we are looking at both the income and expense side of the equation, and the net farm profit, whereas some benchmarks and ratios look at specific areas and issues very well but many are only looking at one side of the equation. We readily acknowledge though that there could be other benchmark approaches equally meaningful.

# Key statistics

	Overall Average 2015	Overall Average 2016	Overall Average 2017	Overall Average 2018	Overall Average 2019	Benchmark Group 2019	Your Figures
Stock Units (SU) Carried	4,593	4,656	4,671	5,248	5,491	5,309	
GFI per SU	\$130.89	\$110.79	\$126.79	\$134.95	\$150.29	\$191.01	
FWE per SU	\$78.92	\$76.36	\$78.34	\$75.61	\$84.24	\$78.45	
Interest & Rent Paid per SU	\$19.76	\$19.24	\$21.32	\$18.09	\$17.73	\$29.09	
Net Farm Profit	\$104,730	\$30,882	\$75,511	\$183,501	\$204,516	\$320,063	
Ave Sale Value Lambs	\$90.31	\$82.77	\$91.93	\$119.47	\$123.76	\$133.28	
GP Sheep & Wool per Sheep SU	\$118.81	\$102.21	\$115.04	\$131.13	\$148.69	\$174.21	
GP Cattle per Cattle SU	\$110.27	\$72.31	\$113.77	\$104.71	\$96.22	\$79.67	
GP Deer per Deer SU	\$81.66	\$103.43	\$137.40	\$138.90	\$129.07	\$186.43	
Fertiliser Expense per SU	\$13.62	\$12.05	\$12.46	\$11.61	\$15.74	\$16.36	

# Key features

1. Average stock units carried over the five years - 4,931 stock units.
2. Average Gross Farm Income over the five years - \$628,367.
3. Average Gross Farm Income per stock unit over the five years - \$130.74 per stock unit.
4. Average Farm Working Expenses over the five years - \$376,721.
5. Average Farm Working Expenses per stock unit over the five years - \$78.69.
6. Average Farm Working Expenses to Gross Farm Income ratio over the five years - 62.4%.
7. Average interest and rent paid over the five years - \$93,841.
8. Average net farm profit over the five years - \$119,828.
9. Average lambing percentage over the five years - 142%.
10. Average lamb sale value over the five years - \$101.64 per head.
11. Average ewe sale value over the five years - \$100.89 per head.
12. Average wool price over the five years - \$3.49 per kg.
13. Average sale value of calves over the five years - \$668 per head.
14. Average deer gross profit per stock unit over the five years - \$118.09.
15. Average dairy grazing gross income over the five years - \$144,303.
16. Average net capital plant purchases over the five years - \$53,609.
17. Average Total Farm Capital over the five years - \$6,632,661.
18. Average term debt over the five years - \$975,348.
19. The areas where the benchmark group in the 2019 year show up strongly were:
  - High Gross Farm Income per stock unit;
  - Lower Farm Working Expenses per stock unit;
  - Significant deer income;
  - No calf sales.

# Key production ratios for the 2019 year

Gross farm income per stock unit

**\$150.29**

overall

**\$191.01**

top 10%

Farm working expenses per stock unit

**\$84.24**

overall

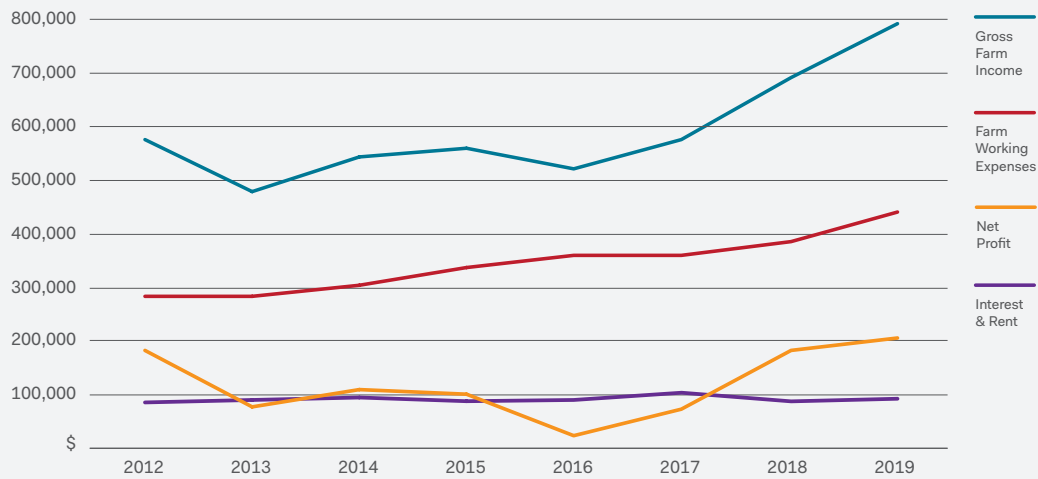
**\$78.45**

top 10%

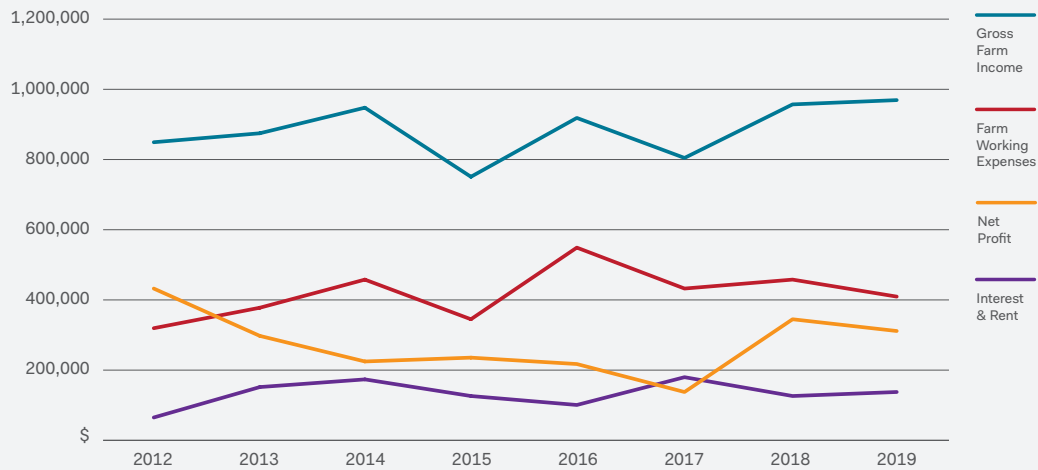
# Survey

	Overall Average 2015	Overall Average 2016	Overall Average 2017	Overall Average 2018	Overall Average 2019	Benchmark Group 2019	Your Figures
Total Effective Area Farmed (Ha)	761	815	751	856	868	605	
Stock Units (SU) Carried	4,593	4,656	4,671	5,248	5,491	5,309	
SU per Effective Ha	6.9	7.0	7.3	7.1	7.4	8.8	
Gross Farm Income (GFI)	\$561,402	\$521,883	\$577,582	\$692,420	\$788,548	\$970,993	
GFI/SU	\$130.89	\$110.79	\$126.79	\$134.95	\$150.29	\$191.01	
GFI/Effective Ha	\$913	\$798	\$913	\$994	\$1,152	\$1,844	
Farm Working Expenses (FWE)	\$338,681	\$360,437	\$362,033	\$382,685	\$439,771	\$414,255	
FWE as a % of GFI	61.7%	71.8%	65.0%	56.9%	56.6%	40.8%	
FWE per SU	\$78.92	\$76.36	\$78.34	\$75.61	\$84.24	\$78.45	
Interest & Rent Paid	\$88,144	\$90,607	\$104,600	\$92,321	\$93,537	\$137,832	
Interest & Rent Paid as a % of GFI	15.5%	18.4%	16.6%	13.2%	11.3%	14.1%	
Interest & Rent Paid/SU	\$19.76	\$19.24	\$21.32	\$18.09	\$17.73	\$29.09	
Net Farm Profit	\$104,730	\$30,882	\$75,511	\$183,501	\$204,516	\$320,063	
Net Farm Profit as a % of GFI	16.8%	2.1%	14.8%	23.9%	27.5%	37.7%	
Gross Profit Sheep Account	\$297,086	\$253,202	\$295,395	\$384,225	\$450,403	\$577,667	
Lambing %	141%	141%	142%	137%	149%	154%	
Ave Sale Value Lambs	\$90.31	\$82.77	\$91.93	\$119.47	\$123.76	\$133.28	
Ave Sale Value Ewes	\$80.35	\$69.26	\$87.75	\$125.78	\$141.35	\$143.86	
Gross Wool Revenue	\$63,924	\$65,996	\$43,954	\$45,700	\$50,357	\$76,863	
Wool Production (Kg)	15,628	15,326	14,153	17,566	17,985	17,409	
Ave Value of Wool Sold/Kg	\$4.16	\$4.35	\$3.26	\$2.74	\$2.94	\$4.93	
GP Sheep & Wool/Sheep SU	\$118.81	\$102.21	\$115.04	\$131.13	\$148.69	\$174.21	
Gross Profit Cattle Account	\$149,842	\$140,853	\$148,584	\$192,786	\$180,959	\$94,290	
Ave Sale Value Calves	\$567	\$600	\$774	\$834	\$565	-	
Ave Sale Value Steers	\$1,297	\$1,347	\$1,453	\$1,500	\$1,398	\$1,403	
Ave Sale Value Heifers	\$1,059	\$1,114	\$1,255	\$1,379	\$1,206	\$1,170	
GP Cattle/Cattle SU	\$110.27	\$72.31	\$113.77	\$104.71	\$96.22	\$79.67	
Gross Profit Deer Account	\$49,781	\$168,880	\$150,471	\$141,009	\$159,182	\$437,488	
GP Deer/Deer SU	\$81.66	\$103.43	\$137.40	\$138.90	\$129.07	\$186.43	
Grazing/Lease Income	\$147,290	\$144,347	\$159,264	\$141,047	\$129,565	\$169,570	
Fertiliser Expenditure	\$56,722	\$56,999	\$63,256	\$59,777	\$76,656	\$73,870	
Fertiliser Expense/SU	\$13.62	\$12.05	\$12.46	\$11.61	\$15.74	\$16.36	
Personal Drawings (excl Allowances)	\$55,295	\$49,471	\$52,268	\$53,462	\$66,834	\$69,711	
Net Plant Purchases	\$37,117	\$56,541	\$63,531	\$51,129	\$59,728	\$78,995	
Est Total Farm Capital (TFC)	\$5,478,688	\$6,049,326	\$6,626,286	\$7,375,873	\$7,633,133	\$5,071,432	
Est Total Farm Capital/SU	\$1,412	\$1,465	\$1,544	\$1,645	\$1,702	\$1,107	
Est Interest on TFC	2.6%	2.6%	2.1%	2.8%	3.4%	10.7%	
Total Term Debt	\$684,715	\$982,140	\$1,068,490	\$1,014,359	\$1,127,090	\$1,502,597	
Term Debt as % of TFC	12.2%	16.5%	15.0%	13.5%	14.1%	33.9%	
GFI to Plant Ownership	4.4	3.7	3.4	4.4	4.7	6.3	
Earnings Before Interest, Rent & Tax (EBIT)	\$193,033	\$121,886	\$179,633	\$276,900	\$298,053	\$457,895	
EBIT/SU	\$44.20	\$25.62	\$37.51	\$51.63	\$57.11	\$112.92	
"Misery Index"	77%	90%	82%	70%	68%	55%	

### Average GFI, FWE, Interest + Rent & Net Profit 2012-2019



### Benchmark GFI, FWE, Interest + Rent & Net Profit 2012-2019



Term debt as a % of total farm capital

**14.1%** overall  
**33.9%** top 10%

Interest/Rent as a % of gross farm income

**11.3%** overall  
**14.1%** top 10%

# Glossary

<b>SU</b>	Stock Units (or Ewe Equivalents).
<b>GFI</b>	Gross Farm Income.
<b>FWE</b>	Farm Working Expenses.
<b>Personal Drawings (excluding allowances)</b>	Personal Drawings but excluding: <ul style="list-style-type: none"><li>Life Assurance</li><li>Personal Insurances</li><li>Superannuation</li><li>Taxation</li><li>Personal Insurance, Electricity &amp; Car Allowances</li><li>School Fees</li><li>Health &amp; Sickness Insurance</li><li>Personal ACC Levies.</li></ul>
<b>Net Plant Purchases</b>	Gross Capital Plant Purchases less Capital Plant Sales/Trade-ins.
<b>TFC</b>	Estimated Total Farm Capital Employed in the farming operation in the form of Land, Stock & All Plant (+ Dairy Shares where relevant).
<b>EGA</b>	Effective Grazing or Milking Area (in hectares).
<b>ACM</b>	Average Cows Milked (usually taken at or around early to mid January each year).
<b>MS (kg)</b>	Milk Solids (kg).
<b>EBIT</b>	Gross Earnings before interest and tax = Gross Farm Income less all expenses except Interest and/or Rent and Income Tax.
<b>Net Farm Profit</b>	True Net Farm Profit (calculated after allowing for and adjusting for any livestock number and class number changes and being reflected at the current year's Herd Scheme Values and after deducting FWE, interest, rent and depreciation).
<b>GFI to Plant Ownership</b>	The relationship of the Gross Farm Income to the book value of plant at year's end. The lower the number the more the exercise has excess plant or insufficient GFI or a combination of the two.
<b>Total Term Debt</b>	Includes all external debt and family debt. Some family debt may involve a low to nil interest cost.
<b>Interest Earned on Total Farm Capital Employed (TFC)</b>	The net farm profit plus added back interest and/or rent paid less a wages of management figure for one or both spouses as is appropriate, divided by the estimated value of the total assets employed re land, buildings, stock and plant. Where land is rented from external parties its value in general is not included in the TFC.
<b>Farm Sector Groups</b>	It is fair comment that some farms could fit either in whole or in part into several different farm sector groups but this would generally only apply to about 5% of the total. The comment applies to several downlands and several hill country farms.
<b>'Misery Index'</b>	The sum of the FWE to GFI ratio and the interest and/or rent paid to GFI ratio. Where the sum is above 80% unless the scale is significant it almost invariably means trouble because it could well mean that more than one key benchmark is being broken at any one point in time.
<b>BG</b>	Benchmark Group.





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