

Farm statistical survey 2015

Dairy Owner/Operator - Non Irrigated

2015 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 2015-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 31/3/2015, 31/5/2015 or 30/6/2015.
- The averages referred to are per farm and as per that farm's actual financial statements for the 2015-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 Group. On the right-hand side of the survey summary for each sector, we have shown the average figures for the top 10% "Benchmark Group" 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. Some benchmarks and ratios look at specific areas and issues very well, but are only looking at one side of the equation. We readily acknowledge that there could be other benchmark approaches equally meaningful.
- We have added in a column at the end of each statistic where you can insert your own farming data.
- We have always considered that the data contained in your financial statements and in the Survey is a powerful management tool. Our role is not simply to be your accountants – it is to assist as your advisors. Accordingly we would welcome the chance to discuss your data and where it sits in the overall survey.

Key statistics

	Overall Average 2011	Overall Average 2012	Overall Average 2013	Overall Average 2014	Overall Average 2015	Benchmark Group 2015	Your Figures
Average Cows Milked (ACM)	537	579	540	530	531	487	
Average Value of Milk Solid Sales/Kg	\$7.49	\$6.69	\$5.98	\$7.41	\$5.42	\$5.38	
Milk Solids/ ACM (Kg)	397	407	403	401	404	405	
Milk Solids/ EGA (Kg)	940	1005	992	982	965	935	
FWE per kg of Milk Solids	\$4.14	\$4.01	\$3.88	\$4.22	\$3.86	\$3.38	
Interest & Rent Paid/KG MS	\$1.36	\$1.24	\$1.18	\$1.13	\$1.18	\$1.12	
Net Farm Profit	\$439,479	\$322,019	\$214,804	\$451,186	\$61,916	\$154,516	
Total Term Debt	\$3,822,070	\$3,748,195	\$3,590,059	\$3,573,431	\$3,924,616	\$3,443,063	
Total Cost of Production per Kg MS	\$5.63	\$5.54	\$5.39	\$5.66	\$5.34	\$4.72	

Key features

- 1. The top 10% group has a MS production (191,144 kg) that is 88% of the overall average of 216,771 kg.
- 2. MS production per ACM and per EGA is fairly similar in both groups.
- 3. Milk solids receipt for both the overall group and benchmark group are very similar at around \$5.40.
- 4. The top 10% group has a FWE cost per kg/ms of \$3.38, compared with \$3.86 for the overall group - this 48 cents per kg lower cost (or 12.4%) is a key difference between the two groups - all individual FWE per ACM are lower with wages and stock food being the main lower cost items.
- 5. The top 10% group has a lower term debt by \$481,000 and a lower estimated total farm capital employed figure of \$703,000.
- 6. Net plant purchases are similar across both groups.
- 7. Overall group term debt is \$350,000 higher than the previous year.
- 8. Overall group cost of production per kg/ms is \$5.34 compared with \$4.72 for the top 10% group.
- 9. The net equity in both groups is very similar at around \$4,500,000.
- 10. Key difference is the lower overall cost of production re FWE there is very little other difference between the two groups - but that difference provides the top group with a higher net farm profit of \$154,516 compared with \$61,916.

Average value of milk solid receipts was almost the same for both groups

\$5.42

Cost of production per Kg/ms

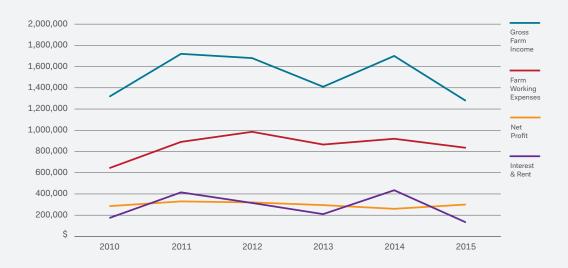
overall

\$5.34 \$4.72

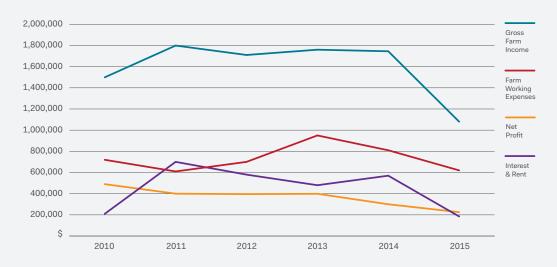
Survey

Perfective Gracing Area (bo) (EGA) 2014 2025 2020		Overall Average	Overall Average	Overall Average	Overall Average	Overall Average	Benchmark Group	Your Figures
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Milk Solids Fivereum S. 10,000	Effective Grazing Area (ha) (EGA)	224	233	220	218	223	212	
Milk Solids Production (bg)	Average Cows Milked (ACM)	537	579	540	530	531	478	
Milk Solids Production (kg)	ACM/EGA	2.4	2.5	2.5	2.4	2.4	2.3	
Average Value of Milk Solid Sales (Kg)	Milk Solids Revenue	\$1,606,380	\$1,549,404	\$1,311,719	\$1,576,591	\$1,160,125	\$988,040	
Milk Solid Revenue/ACM \$2,944 \$2,751 \$2,430 \$2,080 \$2,188 \$2,189 Milk Solids/ACM (Ng) \$7,055 \$8,723 \$5,000 \$7,313 \$5,050 \$5,000 Milk Solids/ACM (Ng) \$91 \$100 \$1005 \$92.2 \$92.2 \$98.2 \$98.2 Milk Solids ZGA (Ng) \$91.0 \$10.05 \$92.2 \$92.2 \$98.2 \$98.2 Milk Solids ZGA (Ng) \$91.0 \$10.05 \$92.2 \$98.2 \$98.2 \$98.2 Form Working Expenses (PWC) \$82.89 \$91.72.47 \$11.081.00 \$15.70.8 \$10.04.28 FWE ZAS A'S GET \$14.44 \$52.85 \$98.35 \$2.285 \$88.98.9 \$88.98.90 FWE ZAG \$15.00 \$1.690 \$1.690 \$1.705 \$1.802.0 \$1.070 FWE ZAG \$1.600 \$1.600 \$1.600 \$1.600 \$1.000 \$1.000 \$1.000 \$1.000 \$1.000 \$1.000 \$1.000 \$1.000 \$1.000 \$1.000 \$1.000 \$1.000 \$1.000	Milk Solids Production (kg)	213,241	230,566	217,897	213,500	216,771	191,144	
Milk Solid Revenue/EGA \$7,083 \$6,773 \$6,898 \$7,318 \$6,879 \$6,079 Milk Solids/CM (kg) 907 407 403 401 404 405 Milk Solids/CM (kg) 908 902 902 902 902 908 903 Milk Solids as a % of GFI 95 15% 93,07% \$1,277,070 \$1,697,706 \$1,777,070 \$1,692,170 \$1,207,000 \$2,20% \$1,207,000 \$2,20% \$1,207,000 \$2,20% \$1,207,000 \$1,20%	Average Value of Milk Solid Sales (Kg)	\$7.49	\$6.69	\$5.98	\$7.41	\$5.42	\$5.38	
Milk Solids/CM (vg) 367 407 408 401 404 405 Milk Solids as S of GFI 96.0 1005 982 982 982 985 985 Gross Farm Income (GF) 51.71 / 2086 \$1.674 / 748 \$1.427 / 787 \$1.888,140 \$1.287 / 208 \$1.084,298 Farm Working Expenses (FWE) \$882,000 \$973,247 \$872,505 \$822,189 \$66,498 \$898 FWE as a % of GFI 49.4% \$6.2% \$9.3% \$2.29% \$66,498 \$898 FWE Card (GFI) 49.4% \$6.2% \$9.3% \$1.00 \$1.00 \$1.00 FWE per kg of Milk Solids \$1.14 \$6.01 \$3.88 \$4.22 \$3.10 \$3.38 Vages/ACM \$9.01 \$2.21 \$2.37 \$2.33 \$2.42 \$3.91 Value of king of Milk Solids \$9.14 \$6.11 \$3.87 \$2.23 \$2.42 \$3.91 Value of Milk Solids \$9.14 \$4.01 \$3.88 \$8.4 \$9.2 \$1.0 \$3.91	Milk Solid Revenue/ACM	\$2,984	\$2,731	\$2,430	\$2,980	\$2,188	\$2,189	
Milk Solids/EGA (bg) 940 1005 902 982 905 935 Milk Solids as a % of GFI 95.1% 93.0% 92.3% 93.0% 93.2% 93.2% 93.2% Forms Farm Income (GFI) \$1.17.058 \$1.56.74.48 \$1.47.7767 \$1.8819.40 \$3.27.208 \$1.004.498 FWE as a % of GFI 49.4% 50.2% 89.3% \$2.9% 66.4% \$88.8% FWE EACM \$1.802 \$1.898 \$1.99 \$1.07.0 \$6.2% \$1.370 FWE per kg of Milk Solids \$6.141 \$4.01 \$1.888 \$4.22 \$1.888 \$1.338 Wagea/K/M \$201 \$2.21 \$2.37 \$2.23 \$2.42 \$1.01 Livestock Improvement/ACM \$4.6 \$4.7 \$4.7 \$4.5 \$4.7 \$4.3 Eventurian Improvement/ACM \$4.6 \$4.7 \$4.7 \$4.5 \$4.7 \$4.3 Vehicle Expenses Fuel/ACM \$1.22 \$1.19 \$1.10 \$1.13 \$1.31 \$1.31 Bay Shale Sephenses Fuel/ACM <th>Milk Solid Revenue/EGA</th> <th>\$7,053</th> <th>\$6,723</th> <th>\$5,999</th> <th>\$7,318</th> <th>\$5,259</th> <th>\$5,079</th> <th></th>	Milk Solid Revenue/EGA	\$7,053	\$6,723	\$5,999	\$7,318	\$5,259	\$5,079	
Milk Solids as 8 % of GF1 95.1% 93.0% 92.8% 93.6% 93.4% 93.2% Gross Farm Income (GF1) \$1,717,056 \$1,674,748 \$1,427,767 \$1,898,140 \$1,527,008 \$1,064,288 FWE Farm Working Expresses (FWE) \$888,260 \$978,247 \$872,506 \$892,100 \$15,000 \$68,8% FWE CAM \$1,600 \$1,600 \$1,600 \$1,600 \$1,700 \$1,500 \$1,500 FWE Eyer kg of Milk Solids \$4.14 \$4.01 \$3.88 \$4.22 \$3.80 \$3.83 Wages ACM \$201 \$221 \$237 \$3.33 \$242 \$3.91 Animal Health/ACM \$301 \$385 \$84 \$382 \$300 \$72 Livestock Improvement/ACM \$46 \$47 \$47 \$46 \$47 \$43 StockGood/ACM \$448 \$400 \$499 \$526 \$456 \$406 R & M/ACM \$310 \$318 \$294 \$300 \$281 \$406 R & M/ACM \$100 <t< th=""><th>Milk Solids/ACM (kg)</th><th>397</th><th>407</th><th>403</th><th>401</th><th>404</th><th>405</th><th></th></t<>	Milk Solids/ACM (kg)	397	407	403	401	404	405	
Gross Farm Income (GIF) \$1,717,056 \$1,614,748 \$1,427,767 \$1,689,140 \$1,257,008 \$1,064,248 Farm Working Expenses (FWE) \$882,000 \$973,247 \$872,505 \$922,100 \$855,007 \$202,000 FWE PME as % GIF 48,44% \$5,27% \$82,37% \$22,87% \$6,67% \$8,83% FWE per kg of Milk Solids \$1,620 \$1,650 \$1,850 \$1,705 \$1,662 \$1,370 FWE per kg of Milk Solids \$4,14 \$4,01 \$3.88 \$422 \$3.86 \$3.38 Animal Hoalth/ACM \$90 \$85 \$84 \$82 \$80 \$72 Livestock Improvement/ACM \$46 \$47 \$47 \$46 \$47 \$43 \$46 \$47 \$46 \$47 \$46 \$47 \$43 \$46 \$44 \$448 \$480 \$826 \$49 \$43 Fertiliser/ACM \$310 \$318 \$294 \$330 \$295 \$226 Fertiliser/ACM \$132 \$119 \$110 \$113 \$1	Milk Solids/EGA (kg)	940	1005	992	982	965	935	
Farm Working Expenses (PWE)	Milk Solids as a % of GFI	95.1%	93.0%	92.3%	93.6%	93.4%	93.2%	
FWE as a % of GFI	Gross Farm Income (GFI)	\$1,717,056	\$1,674,748	\$1,427,767	\$1,689,140	\$1,257,208	\$1,064,298	
FWE/ACM	Farm Working Expenses (FWE)	\$882,660	\$973,247	\$872,505	\$922,169	\$855,987	\$626,950	
FWE per kg of Milk Solids	FWE as a % of GFI	49.4%	55.2%	59.3%	52.8%	66.4%	58.8%	
Wages/ACM \$201 \$221 \$237 \$233 \$242 \$191 Animal Health/ACM \$90 \$85 \$84 \$82 \$80 \$72 Livestock Improvement/ACM \$48 \$47 \$47 \$45 \$47 \$43 Stockfood/ACM \$448 \$490 \$489 \$526 \$455 \$405 Fortiliser/ACM \$310 \$318 \$294 \$330 \$295 \$286 R & M/ACM \$132 \$119 \$110 \$113 \$116 \$20 Vehicle Expenses & Fuel/ACM \$100 \$104 \$95 \$95 \$81 \$78 Dairy Shed Expenses/ACM \$21 \$16 \$20 \$24 \$19 \$20 Interest & Rent Paid \$222 \$314,004 \$278,483 \$294,115 \$280,493 \$244,933 Interest & Rent Paid so & of GFI \$17,2% \$13,404 \$278,483 \$294,115 \$280,493 \$244,933 Interest & Rent Paid was & of GFI \$17,2% \$13,30 \$18,24 \$11	FWE/ACM	\$1,620	\$1,659	\$1,590	\$1,705	\$1,562	\$1,370	
Animal Health/ACM	FWE per kg of Milk Solids	\$4.14	\$4.01	\$3.88	\$4.22	\$3.86	\$3.38	
Stockhod/ACM	Wages/ACM	\$201	\$221	\$237	\$233	\$242	\$191	
Stockfood/ACM	Animal Health/ACM	\$90	\$85	\$84	\$82	\$80	\$72	
Fertiliser/ACM	Livestock Improvement/ACM	\$46	\$47	\$47	\$45	\$47	\$43	
R & M/ACM \$132 \$119 \$110 \$113 \$131 \$116 Vehicle Expenses & Fuel/ACM \$100 \$104 \$95 \$95 \$81 \$78 Dairy Shed Expenses/ACM \$21 \$16 \$20 \$24 \$19 \$20 Interest & Rent Paid \$329,221 \$314,084 \$278,483 \$254,115 \$280,493 \$244,393 Interest & Rent Paid as a % of GFI \$17.2% \$17.3% \$18.2% \$1.4.4% \$20.4% \$19.6% Interest & Rent Paid as a % of GFI \$17.2% \$17.3% \$18.2% \$1.4.4% \$20.4% \$19.6% Interest & Rent Paid /KG MS \$1.36 \$1.24 \$1.18 \$1.13 \$1.18 \$1.12 Cost of Prodn per KG MS (excl Interest & Rent) \$4.24 \$4.30 \$4.18 \$4.54 \$4.16 \$3.80 Net Farm Profit as a % of GFI \$29.3% \$24.8% \$1.95% \$28.9% \$6.9.16 \$154.516 Net Farm Profit as a % of GFI \$29.3% \$24.8% \$1.95% \$28.9% \$8.6% \$1.77% <th>Stockfood/ACM</th> <th>\$448</th> <th>\$490</th> <th>\$469</th> <th>\$526</th> <th>\$455</th> <th>\$405</th> <th></th>	Stockfood/ACM	\$448	\$490	\$469	\$526	\$455	\$405	
Vehicle Expenses & Fuel/ACM \$100 \$104 \$95 \$95 \$81 \$78 Dairy Shed Expenses/ACM \$21 \$16 \$20 \$24 \$19 \$20 Interest & Rent Paid \$329,221 \$314,064 \$278,483 \$254,115 \$280,493 \$244,393 Interest & Rent Paid as a % of GFI 17.2% 17.3% 18.2% 14.4% 20.4% 19.6% Interest & Rent Paid JKG MS \$1.36 \$1.24 \$1.18 \$1.13 \$1.18 \$1.12 Cost of Produ per KG MS (excl Interest & Rent) \$4.24 \$4.30 \$4.18 \$4.54 \$4.16 \$3.60 Net Farm Profit \$439,479 \$322,019 \$214,804 \$451,186 \$61,916 \$154,516 Net Farm Profit as a % of GFI 29.3% 24.8% 19.5% 28.9% 8.6% 17.7% Net Farm Profit as a % of GFI 29.3% 24.8% 19.5% 28.9% 8.6% 17.7% Net Farm Profit as a % of GFI 29.3% 24.8% 19.5% 28.9% 8.6% 17.7% <	Fertiliser/ACM	\$310	\$318	\$294	\$330	\$295	\$286	
Dairy Shed Expenses/ACM	R & M/ACM	\$132	\$119	\$110	\$113	\$131	\$116	
Interest & Rent Paid	Vehicle Expenses & Fuel/ACM	\$100	\$104	\$95	\$95	\$81	\$78	
Interest & Rent Paid as a % of GFI	Dairy Shed Expenses/ACM	\$21	\$16	\$20	\$24	\$19	\$20	
Interest & Rent Paid/KG MS	Interest & Rent Paid	\$329,221	\$314,064	\$278,483	\$254,115	\$280,493	\$244,393	
Cost of Prodn per KG MS (excl Interest & Rent) \$4.24 \$4.30 \$4.18 \$4.54 \$4.16 \$3.60 Net Farm Profit \$439,479 \$322,019 \$214,804 \$451,186 \$61,916 \$154,516 Net Farm Profit as a % of GFI 29.3% 24.8% 19.5% 28.9% 8.6% 17.7% Net Plant Purchases \$131,980 \$73,336 \$61,611 \$60,668 \$62,250 \$63,517 Personal Drawings (excl Allowances) \$60,082 \$63,277 \$63,205 \$58,022 \$50,337 \$55,776 Est Total Farm Capital (TFC) \$8,084,615 \$8,359,310 \$8,097,749 \$8,508,160 \$8,546,091 \$7,843,125 Est TFC per kg Milk Solids \$39,53 \$37,39 \$38,777 \$41.11 \$41.04 \$41.57 Est TFC per Ha \$36,846 \$37,778 \$38,518 \$39,796 \$38,800 \$38,960 Est Interest on TFC 7.8% 6.9% 4.8% 7.2% 2.8% 3.8% Total Term Debt as % TFC 47.3% 44.8% 41.8% 40.1% <th< th=""><th>Interest & Rent Paid as a % of GFI</th><th>17.2%</th><th>17.3%</th><th>18.2%</th><th>14.4%</th><th>20.4%</th><th>19.6%</th><th></th></th<>	Interest & Rent Paid as a % of GFI	17.2%	17.3%	18.2%	14.4%	20.4%	19.6%	
Net Farm Profit \$439,479 \$322,019 \$214,804 \$451,186 \$61,916 \$154,516 Net Farm Profit as a % of GFI 29.3% 24.8% 19.5% 28.9% 8.6% 17.7% Net Plant Purchases \$131,980 \$73,336 \$61,611 \$60,668 \$62,250 \$63,517 Personal Drawings (excl Allowances) \$60,082 \$63,277 \$63,205 \$58,022 \$50,337 \$55,776 Est Total Farm Capital (TFC) \$8,084,615 \$8,359,310 \$8,097,749 \$8,508,160 \$8,546,091 \$7,843,125 Est TFC per kg Milk Solids \$39,53 \$37,39 \$38,77 \$41.11 \$41.04 \$41.57 Est TFC per kg Milk Solids \$36,846 \$37,778 \$38,518 \$39,796 \$38,800 \$38,960 Est Interest on TFC 7.8% 6.9% 4.8% 7.2% 2.8% 3.8% Total Term Debt \$3,822,070 \$3,748,195 \$3,590,059 \$3,573,431 \$3,924,616 \$3,443,063 Total Term Debt as % TFC 47.3% 44.8% 41.8% 40.1%	Interest & Rent Paid/KG MS	\$1.36	\$1.24	\$1.18	\$1.13	\$1.18	\$1.12	
Net Farm Profit as a % of GFI 29.3% 24.8% 19.5% 28.9% 8.6% 17.7% Net Plant Purchases \$131,980 \$73,336 \$61,611 \$60,668 \$62,250 \$63,517 Personal Drawings (excl Allowances) \$60,082 \$63,277 \$63,205 \$58,022 \$50,337 \$55,776 Est Total Farm Capital (TFC) \$8,084,615 \$8,359,310 \$8,097,749 \$8,508,160 \$8,546,091 \$7,843,125 Est TFC per kg Milk Solids \$39,53 \$37.39 \$38.77 \$41.11 \$41.04 \$41.57 Est TFC per Ha \$36,846 \$37,778 \$38,518 \$39,796 \$38,800 \$38,960 Est Interest on TFC 7.8% 6.9% 4.8% 7.2% 2.8% 3.8% Total Term Debt \$3,822,070 \$3,748,195 \$3,590,059 \$3,573,431 \$3,924,616 \$3,443,063 Total Term Debt as % TFC 47.3% 44.8% 41.8% 40.1% 41.9% 39.7% GFI to Plant Ownership Ratio 5.8 6.3 6.4 5.7 4.6	Cost of Prodn per KG MS (excl Interest & Rent)	\$4.24	\$4.30	\$4.18	\$4.54	\$4.16	\$3.60	
Net Plant Purchases \$131,980 \$73,336 \$61,611 \$60,668 \$62,250 \$63,517 Personal Drawings (excl Allowances) \$60,082 \$63,277 \$63,205 \$58,022 \$50,337 \$55,776 Est Total Farm Capital (TFC) \$8,084,615 \$8,359,310 \$8,097,749 \$8,508,160 \$8,546,091 \$7,843,125 Est TFC per kg Milk Solids \$39,53 \$37,399 \$38,777 \$41.11 \$41.04 \$41.57 Est TFC per Ha \$36,846 \$37,778 \$38,518 \$39,796 \$38,800 \$38,960 Est Interest on TFC 7.8% 6.9% 4.8% 7.2% 2.8% 3.8% Total Term Debt \$3,822,070 \$3,748,195 \$3,590,059 \$3,573,431 \$3,924,616 \$3,443,063 Total Term Debt as % TFC 47.3% 44.8% 41.8% 40.1% 41.9% 39.7% GFI to Plant Ownership Ratio 5.8 6.3 6.4 5.7 4.6 5.5 Earnings Before Interest, Rent & Tax (EBIT) \$768,700 \$636,083 \$493,287 \$705,301	Net Farm Profit	\$439,479	\$322,019	\$214,804	\$451,186	\$61,916	\$154,516	
Personal Drawings (excl Allowances) \$60,082 \$63,277 \$63,205 \$58,022 \$50,337 \$55,776 Est Total Farm Capital (TFC) \$8,084,615 \$8,359,310 \$8,097,749 \$8,508,160 \$8,546,091 \$7,843,125 Est TFC per kg Milk Solids \$39,53 \$37.39 \$38.77 \$41.11 \$41.04 \$41.57 Est TFC per Ha \$36,846 \$37,778 \$38,518 \$39,796 \$38,800 \$38,960 Est Interest on TFC 7.8% 6.9% 4.8% 7.2% 2.8% 3.8% Total Term Debt \$3,822,070 \$3,748,195 \$3,590,059 \$3,573,431 \$3,924,616 \$3,443,063 Total Term Debt as % TFC 47.3% 44.8% 41.8% 40.1% 41.9% 39.7% GFI to Plant Ownership Ratio 5.8 6.3 6.4 5.7 4.6 5.5 Earnings Before Interest, Rent & Tax (EBIT) \$768,700 \$636,083 \$493,287 \$705,301 \$342,408 \$398,908 EBIT/ACM \$1,415 \$1,196 \$943 \$1,376 \$672 </th <th>Net Farm Profit as a % of GFI</th> <th>29.3%</th> <th>24.8%</th> <th>19.5%</th> <th>28.9%</th> <th>8.6%</th> <th>17.7%</th> <th></th>	Net Farm Profit as a % of GFI	29.3%	24.8%	19.5%	28.9%	8.6%	17.7%	
Est Total Farm Capital (TFC) \$8,084,615 \$8,359,310 \$8,097,749 \$8,508,160 \$8,546,091 \$7,843,125 Est TFC per kg Milk Solids \$39.53 \$37.39 \$38.77 \$41.11 \$41.04 \$41.57 Est TFC per Ha \$36,846 \$37,778 \$38,518 \$39,796 \$38,800 \$38,960 Est Interest on TFC 7.8% 6.9% 4.8% 7.2% 2.8% 3.8% Total Term Debt \$3,822,070 \$3,748,195 \$3,590,059 \$3,573,431 \$3,924,616 \$3,443,063 Total Term Debt as % TFC 47.3% 44.8% 41.8% 40.1% 41.9% 39.7% GFI to Plant Ownership Ratio 5.8 6.3 6.4 5.7 4.6 5.5 Earnings Before Interest, Rent & Tax (EBIT) \$768,700 \$636,083 \$493,287 \$705,301 \$342,408 \$398,908 EBIT/ACM \$1,415 \$1,196 \$943 \$1,376 \$672 \$883 EBIT/EGA \$3,323 \$2,922 \$2,297 \$3,305 \$1,587 \$2,062 <th>Net Plant Purchases</th> <th>\$131,980</th> <th>\$73,336</th> <th>\$61,611</th> <th>\$60,668</th> <th>\$62,250</th> <th>\$63,517</th> <th></th>	Net Plant Purchases	\$131,980	\$73,336	\$61,611	\$60,668	\$62,250	\$63,517	
Est TFC per kg Milk Solids \$39.53 \$37.39 \$38.77 \$41.11 \$41.04 \$41.57 Est TFC per Ha \$36,846 \$37,778 \$38,518 \$39,796 \$38,800 \$38,960 Est Interest on TFC 7.8% 6.9% 4.8% 7.2% 2.8% 3.8% Total Term Debt \$3,822,070 \$3,748,195 \$3,590,059 \$3,573,431 \$3,924,616 \$3,443,063 Total Term Debt as % TFC 47.3% 44.8% 41.8% 40.1% 41.9% 39.7% GFI to Plant Ownership Ratio 5.8 6.3 6.4 5.7 4.6 5.5 Earnings Before Interest, Rent & Tax (EBIT) \$768,700 \$636,083 \$493,287 \$705,301 \$342,408 \$398,908 EBIT/ACM \$1,415 \$1,196 \$943 \$1,376 \$672 \$883 EBIT/EGA \$3,323 \$2,922 \$2,297 \$3,305 \$1,587 \$2,062 EBIT/kg Milk Solids \$3.66 \$2.93 \$2.32 \$3.42 \$1.67 \$2.16 Total Cost of P	Personal Drawings (excl Allowances)	\$60,082	\$63,277	\$63,205	\$58,022	\$50,337	\$55,776	
Est TFC per Ha \$36,846 \$37,778 \$38,518 \$39,796 \$38,800 \$38,960 Est Interest on TFC 7.8% 6.9% 4.8% 7.2% 2.8% 3.8% Total Term Debt \$3,822,070 \$3,748,195 \$3,590,059 \$3,573,431 \$3,924,616 \$3,443,063 Total Term Debt as % TFC 47.3% 44.8% 41.8% 40.1% 41.9% 39.7% GFI to Plant Ownership Ratio 5.8 6.3 6.4 5.7 4.6 5.5 Earnings Before Interest, Rent & Tax (EBIT) \$768,700 \$636,083 \$493,287 \$705,301 \$342,408 \$398,908 EBIT/ACM \$1,415 \$1,196 \$943 \$1,376 \$672 \$883 EBIT/EGA \$3,323 \$2,922 \$2,297 \$3,305 \$1,587 \$2,062 EBIT/kg Milk Solids \$3.66 \$2.93 \$2.32 \$3.42 \$1.67 \$2.16 Total Cost of Production/Kg \$5.63 \$5.54 \$5.39 \$5.66 \$5.34 \$4.72 Margin/Kg MS	Est Total Farm Capital (TFC)	\$8,084,615	\$8,359,310	\$8,097,749	\$8,508,160	\$8,546,091	\$7,843,125	
Est Interest on TFC 7.8% 6.9% 4.8% 7.2% 2.8% 3.8% Total Term Debt \$3,822,070 \$3,748,195 \$3,590,059 \$3,573,431 \$3,924,616 \$3,443,063 Total Term Debt as % TFC 47.3% 44.8% 41.8% 40.1% 41.9% 39.7% GFI to Plant Ownership Ratio 5.8 6.3 6.4 5.7 4.6 5.5 Earnings Before Interest, Rent & Tax (EBIT) \$768,700 \$636,083 \$493,287 \$705,301 \$342,408 \$398,908 EBIT/ACM \$1,415 \$1,196 \$943 \$1,376 \$672 \$883 EBIT/EGA \$3,323 \$2,922 \$2,297 \$3,305 \$1,587 \$2,062 EBIT/kg Milk Solids \$3.66 \$2.93 \$2.32 \$3.42 \$1.67 \$2.16 Total Cost of Production/Kg \$5.63 \$5.54 \$5.39 \$5.66 \$5.34 \$4.72 Margin/Kg MS \$1.86 \$1.15 \$0.60 \$1.75 \$0.08 \$0.66	Est TFC per kg Milk Solids	\$39.53	\$37.39	\$38.77	\$41.11	\$41.04	\$41.57	
Total Term Debt \$3,822,070 \$3,748,195 \$3,590,059 \$3,573,431 \$3,924,616 \$3,443,063 Total Term Debt as % TFC 47.3% 44.8% 41.8% 40.1% 41.9% 39.7% GFI to Plant Ownership Ratio 5.8 6.3 6.4 5.7 4.6 5.5 Earnings Before Interest, Rent & Tax (EBIT) \$768,700 \$636,083 \$493,287 \$705,301 \$342,408 \$398,908 EBIT/ACM \$1,415 \$1,196 \$943 \$1,376 \$672 \$883 EBIT/EGA \$3,323 \$2,922 \$2,297 \$3,305 \$1,587 \$2,062 EBIT/kg Milk Solids \$3.66 \$2.93 \$2.32 \$3.42 \$1.67 \$2.16 Total Cost of Production/Kg \$5.63 \$5.54 \$5.39 \$5.66 \$5.34 \$4.72 Margin/Kg MS \$1.86 \$1.15 \$0.60 \$1.75 \$0.08 \$0.66	Est TFC per Ha	\$36,846	\$37,778	\$38,518	\$39,796	\$38,800	\$38,960	
Total Term Debt as % TFC 47.3% 44.8% 41.8% 40.1% 41.9% 39.7% GFI to Plant Ownership Ratio 5.8 6.3 6.4 5.7 4.6 5.5 Earnings Before Interest, Rent & Tax (EBIT) \$768,700 \$636,083 \$493,287 \$705,301 \$342,408 \$398,908 EBIT/ACM \$1,415 \$1,196 \$943 \$1,376 \$672 \$883 EBIT/EGA \$3,323 \$2,922 \$2,297 \$3,305 \$1,587 \$2,062 EBIT/kg Milk Solids \$3.66 \$2.93 \$2.32 \$3.42 \$1.67 \$2.16 Total Cost of Production/Kg \$5.63 \$5.54 \$5.39 \$5.66 \$5.34 \$4.72 Margin/Kg MS \$1.86 \$1.15 \$0.60 \$1.75 \$0.08 \$0.66	Est Interest on TFC	7.8%	6.9%	4.8%	7.2%	2.8%	3.8%	
GFI to Plant Ownership Ratio 5.8 6.3 6.4 5.7 4.6 5.5 Earnings Before Interest, Rent & Tax (EBIT) \$768,700 \$636,083 \$493,287 \$705,301 \$342,408 \$398,908 EBIT/ACM \$1,415 \$1,196 \$943 \$1,376 \$672 \$883 EBIT/EGA \$3,323 \$2,922 \$2,297 \$3,305 \$1,587 \$2,062 EBIT/kg Milk Solids \$3.66 \$2.93 \$2.32 \$3.42 \$1.67 \$2.16 Total Cost of Production/Kg \$5.63 \$5.54 \$5.39 \$5.66 \$5.34 \$4.72 Margin/Kg MS \$1.86 \$1.15 \$0.60 \$1.75 \$0.08 \$0.66	Total Term Debt	\$3,822,070	\$3,748,195	\$3,590,059	\$3,573,431	\$3,924,616	\$3,443,063	
Earnings Before Interest, Rent & Tax (EBIT) \$768,700 \$636,083 \$493,287 \$705,301 \$342,408 \$398,908 EBIT/ACM \$1,415 \$1,196 \$943 \$1,376 \$672 \$883 EBIT/EGA \$3,323 \$2,922 \$2,297 \$3,305 \$1,587 \$2,062 EBIT/kg Milk Solids \$3.66 \$2.93 \$2.32 \$3.42 \$1.67 \$2.16 Total Cost of Production/Kg \$5.63 \$5.54 \$5.39 \$5.66 \$5.34 \$4.72 Margin/Kg MS \$1.86 \$1.15 \$0.60 \$1.75 \$0.08 \$0.66	Total Term Debt as % TFC	47.3%	44.8%	41.8%	40.1%	41.9%	39.7%	
EBIT/ACM \$1,415 \$1,196 \$943 \$1,376 \$672 \$883 EBIT/EGA \$3,323 \$2,922 \$2,297 \$3,305 \$1,587 \$2,062 EBIT/kg Milk Solids \$3.66 \$2.93 \$2.32 \$3.42 \$1.67 \$2.16 Total Cost of Production/Kg \$5.63 \$5.54 \$5.39 \$5.66 \$5.34 \$4.72 Margin/Kg MS \$1.86 \$1.15 \$0.60 \$1.75 \$0.08 \$0.66	GFI to Plant Ownership Ratio	5.8	6.3	6.4	5.7	4.6	5.5	
EBIT/EGA \$3,323 \$2,922 \$2,297 \$3,305 \$1,587 \$2,062 EBIT/kg Milk Solids \$3.66 \$2.93 \$2.32 \$3.42 \$1.67 \$2.16 Total Cost of Production/Kg \$5.63 \$5.54 \$5.39 \$5.66 \$5.34 \$4.72 Margin/Kg MS \$1.86 \$1.15 \$0.60 \$1.75 \$0.08 \$0.66	Earnings Before Interest, Rent & Tax (EBIT)	\$768,700	\$636,083	\$493,287	\$705,301	\$342,408	\$398,908	
EBIT/kg Milk Solids \$3.66 \$2.93 \$2.32 \$3.42 \$1.67 \$2.16 Total Cost of Production/Kg \$5.63 \$5.54 \$5.39 \$5.66 \$5.34 \$4.72 Margin/Kg MS \$1.86 \$1.15 \$0.60 \$1.75 \$0.08 \$0.66	EBIT/ACM	\$1,415	\$1,196	\$943	\$1,376	\$672	\$883	
Total Cost of Production/Kg \$5.63 \$5.54 \$5.39 \$5.66 \$5.34 \$4.72 Margin/Kg MS \$1.86 \$1.15 \$0.60 \$1.75 \$0.08 \$0.66	EBIT/EGA	\$3,323	\$2,922	\$2,297	\$3,305	\$1,587	\$2,062	
Margin/Kg MS \$1.86 \$1.15 \$0.60 \$1.75 \$0.08 \$0.66	EBIT/kg Milk Solids	\$3.66	\$2.93	\$2.32	\$3.42	\$1.67	\$2.16	
	Total Cost of Production/Kg	\$5.63	\$5.54	\$5.39	\$5.66	\$5.34	\$4.72	
"Misery Index" 67% 73% 77% 67% 87% 78%	Margin/Kg MS	\$1.86	\$1.15	\$0.60	\$1.75	\$0.08	\$0.66	
	"Misery Index"	67%	73%	77%	67%	87%	78%	

Average GFI, FWE, Interest + Rent & Net Profit 2010-2015



Benchmark GFI, FWE, Interest + Rent & Net Profit 2010-2015



Interest/Rent paid per kg/ms

Farm working expenses per kg/ms

\$1.18

\$1.12

\$3.86

\$3.38

overall

top 10%

overall

top 10%

Glossary

SU Stock Units (or Ewe Equivalents).

GFI Gross Farm Income.

FWE Farm Working Expenses.

Personal Drawings (excluding allowances) Personal Drawings but excluding:

Life Assurance Personal Insurances

Superannuation Taxation

Personal Insurance, Electricity & Car Allowances

School Fees

Health & Sickness Insurance Personal ACC Levies.

Net Plant Purchases

Gross Capital Plant Purchases less Capital Plant Sales/Trade-ins.

TFC

Estimated Total Farm Capital Employed in the farming operation in the form of Land, Stock & All Plant (+ Dairy

Shares where relevant).

EGA Effective Grazing or Milking Area (in hectares).

ACM Average Cows Milked (usually taken at or around early to mid January each year).

MS (kg) Milk Solids (kg).

EBIT Gross Earnings before interest and tax = Gross Farm Income less all expenses except Interest and/or Rent and

Net Farm Profit 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).

GFI to Plant Ownership

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.

Total Term Deb Includes all external debt and family debt. Some family debt may involve a low to nil interest cost.

Interest Earned on **Total Farm Capital** Employed (TFC)

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.

Farm Sector Groups 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.

'Misery Index' 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.

BG Benchmark Group.



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