

# Farm statistical survey 2018

Sheep & Beef Hill Country

# 2018 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 2018 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 31/3/2018, 31/5/2018 or 30/6/2018.
- The averages referred to are per farm and as per that farm's actual Financial Statements for the 2018 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 2014	Overall Average 2015	Overall Average 2016	Overall Average 2017	Overall Average 2018	Benchmark Group 2018	Your Figures
Stock Units (SU) Carried	9,293	8,840	7,252	8,334	8,353	10,091	
GFI per SU	\$91.37	\$93.18	\$97.99	\$99.82	\$124.32	\$157.48	
FWE per SU	\$51.34	\$56.40	\$60.72	\$64.90	\$63.85	\$68.38	
Interest & Rent Paid per SU	\$13.48	\$16.16	\$20.30	\$17.56	\$16.12	\$18.49	
Net Farm Profit	\$196,149	\$140,276	\$60,882	\$84,481	\$295,873	\$558,739	
Ave Sale Value Lambs	\$85.31	\$79.47	\$72.66	\$83.82	\$107.52	\$117.92	
GP Sheep & Wool per Sheep SU	\$93.98	\$94.93	\$88.20	\$97.34	\$125.53	\$165.26	
GP Cattle per Cattle SU	\$65.53	\$81.59	\$86.12	\$96.81	\$98.61	\$103.79	
GP Deer per Deer SU	\$71.72	\$97.45	\$98.36	\$125.61	\$140.99	\$170.60	
Fertiliser Expense per SU	\$7.28	\$9.13	\$7.47	\$10.39	\$9.19	\$10.69	

# Key features

1. Stock units at 8,353.
2. Interest and rent at \$16.12 per stock unit.
3. Lambing percentage at 119%
4. Farm Working Expenses at \$557,994.
5. Farm Working Expenses per stock unit at \$63.85.
6. Gross wool income at \$216,968.
7. Wool production at 31,376.
8. Average value of wool sold at \$6.04 per kg.
9. Average sale value calves at \$896.
10. Interest and rent paid at \$128,381.
11. Gross profit per cattle stock unit at \$98.61 stock unit.
12. Fertiliser expenditure at \$87,170.
13. Fertiliser expenditure per stock unit at \$9.19.
14. Personal drawings at \$58,323.
15. Total Farm Capital at \$9,265,000.
16. Total Term Debt at \$2,059,000.
17. Total Term Debt as a percentage of TFC at 22.3%.
18. Gross farm income to plant ownership ratio at 4.9.
19. GFI up sharply at \$1,068,132.
20. FWE as a percentage of Gross Farm Income down sharply to 53%.
21. Net Farm Profit up sharply to \$295,873.
22. Sheep, cattle and deer values much higher - sheep in particular.
23. Net capital plant expenditure higher at \$70,932.
24. Interest surplus return higher at 3.9%.
25. No term debt reduction noticeable.
26. 'Misery' Index soundly lower at 66%.
27. All in all a sound year regarding all sale livestock coupled with a holding of Farm Working Expenses.

# Areas the 10% group differ to the overall average group

1. Increase scale by 1,738 stock units - 21%.
2. Lower Farm Working Expenses to Gross Farm Income at 44.1%.
3. Lambing percentage at 124%.
4. Slightly higher sale values for all livestock sold.
5. Slightly higher fertiliser per stock units.
6. Slightly higher capital plant purchases.
7. Slightly higher TFC.
8. A very sound net profit of \$558,739 which is a function of very sound scale, similar term debt to main group, higher values for all sale livestock including wool couple with a well controlled FWE.

Gross farm income per stock unit

**\$124.32**

overall

**\$157.48**

top 10%

Farm working expenses per stock unit

**\$63.85**

overall

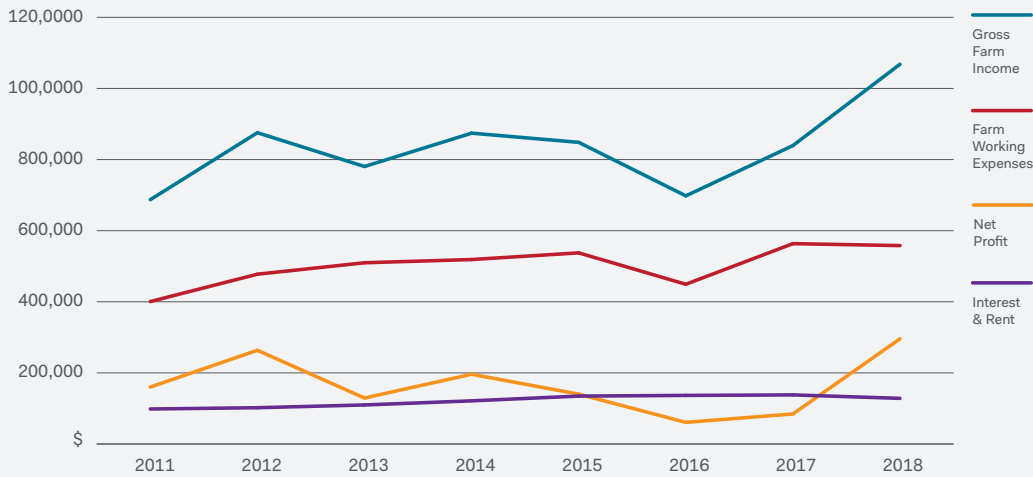
**\$68.38**

top 10%

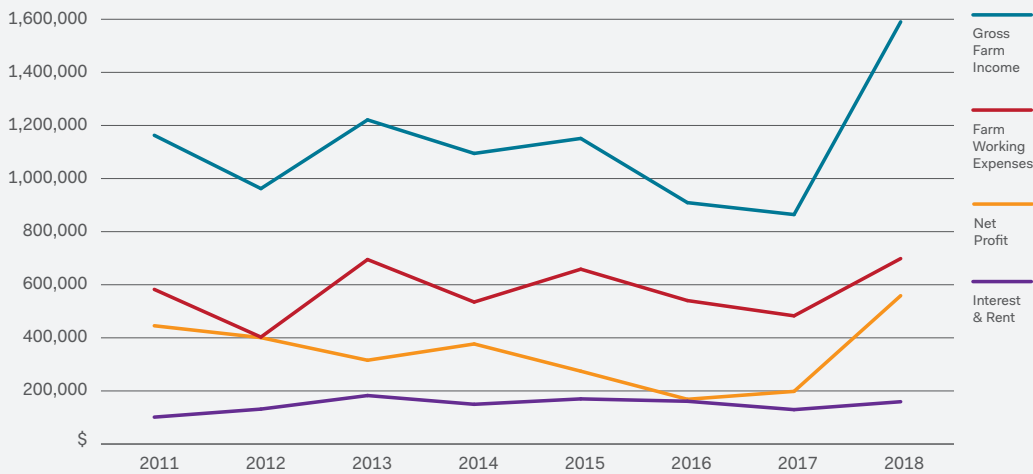
# Survey

	Overall Average 2014	Overall Average 2015	Overall Average 2016	Overall Average 2017	Overall Average 2018	Benchmark Group 2018	Your Figures
Total Area Grazed (Ha)	3,452	3,156	2,856	3,378	3,026	2,802	
Stock Units (SU) Carried	9,293	8,840	7,252	8,334	8,353	10,091	
SU/Grazed Area	4.9	4.9	4.7	4.3	4.7	5.0	
Gross Farm Income (GFI)	\$874,245	\$848,438	\$697,912	\$839,342	\$1,068,132	\$1,590,231	
GFI per SU	\$91.37	\$93.18	\$97.99	\$99.82	\$124.32	\$157.48	
Farm Working Expenses (FWE)	\$518,813	\$537,569	\$449,279	\$563,510	\$557,994	\$698,545	
FWE as a % of GFI	57.5%	62.6%	66.2%	67.3%	53.0%	44.1%	
FWE/SU	\$51.34	\$56.40	\$60.72	\$64.90	\$63.85	\$68.38	
Interest & Rent Paid	\$121,394	\$134,763	\$136,664	\$138,122	\$128,381	\$159,368	
Interest & Rent Paid as a % of GFI	14.6%	17.2%	20.7%	18.0%	13.4%	12.5%	
Interest & Rent Paid/SU	\$13.48	\$16.16	\$20.30	\$17.56	\$16.12	\$18.49	
Net Farm Profit	\$196,149	\$140,276	\$60,882	\$84,481	\$295,873	\$558,739	
Net Farm Profit as a % of GFI	23.0%	14.9%	6.4%	9.7%	27.4%	37.2%	
Gross Profit Sheep Account	\$386,442	\$399,712	\$329,100	\$395,761	\$532,412	\$841,659	
Lambing %	119%	126%	120%	122%	119%	124%	
Ave Sale Value Lambs	\$85.31	\$79.47	\$72.66	\$83.82	\$107.52	\$117.92	
Ave Sale Value Ewes	\$79.40	\$71.83	\$62.73	\$77.29	\$116.07	\$124.98	
Gross Wool Revenue	\$197,893	\$188,290	\$159,885	\$192,064	\$216,968	\$289,171	
Wool Production (Kg)	31,654	32,190	26,979	29,924	31,376	36,588	
Ave Value of Wool Sold/Kg	\$5.36	\$5.27	\$5.70	\$5.56	\$6.04	\$7.23	
GP Sheep & Wool/Sheep SU	\$93.98	\$94.93	\$88.20	\$97.34	\$125.53	\$165.26	
Gross Profit Cattle Account	\$182,026	\$208,874	\$147,133	\$211,424	\$240,949	\$319,105	
Ave Sale Value Calves	\$518	\$522	\$676	\$843	\$896	\$952	
Ave Sale Value Steers	\$1,107	\$1,207	\$1,260	\$1,370	\$1,595	\$1,662	
Ave Sale Value Heifers	\$911	\$1,024	\$956	\$1,188	\$1,303	\$1,386	
GP Cattle/Cattle SU	\$65.53	\$81.59	\$86.12	\$96.81	\$98.61	\$103.79	
Gross Profit Deer Account	\$141,762	\$137,204	\$211,019	\$158,894	\$246,975	\$342,057	
GP Deer/ Deer SU	\$71.72	\$97.45	\$98.36	\$125.61	\$140.99	\$170.60	
Fertiliser Expenditure	\$80,466	\$90,598	\$67,140	\$96,708	\$87,170	\$112,029	
Fertiliser Expense/SU	\$7.28	\$9.13	\$7.47	\$10.39	\$9.19	\$10.69	
Personal Drawings (excl Allowances)	\$55,396	\$60,901	\$46,391	\$50,426	\$58,323	\$59,549	
Net Plant Purchases	\$59,098	\$77,613	\$37,172	\$44,146	\$70,932	\$80,627	
Est Total Farm Capital (TFC)	\$8,030,551	\$7,888,395	\$8,147,619	\$8,803,296	\$9,265,041	\$9,603,677	
Est TFC/SU	\$925	\$934	\$1,199	\$1,144	\$1,157	\$961	
Est Interest on TFC	3.9%	2.5%	2.5%	1.8%	3.9%	7.6%	
Total Term Debt	\$1,440,290	\$1,585,166	\$2,022,782	\$2,063,149	\$2,059,821	\$1,902,138	
Term Debt as % of TFC	16.8%	20.5%	26.8%	20.9%	22.3%	22.1%	
GFI to Plant Ownership	5.1	5.5	4.0	3.9	4.9	5.8	
Earnings Before Interest, Rent & Tax (EBIT)	\$312,111	\$271,523	\$197,546	\$221,984	\$422,131	\$683,186	
EBIT/SU	\$34.19	\$32.07	\$30.95	\$29.07	\$52.22	\$76.52	
"Misery Index"	72%	80%	87%	85%	66%	57%	

### Average GFI, FWE, Interest + Rent & Net Profit 2011-2018



### Benchmark GFI, FWE, Interest + Rent & Net Profit 2011-2018



Total farm capital very sound overall & similar for both groups

**\$9,265,000**

Interest/Rent as a % of gross farm income

**13.4%**

overall

**12.5%**

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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