

Farm statistical survey 2017

Sheep & Beef Downlands & Flatlands

2017 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 2017 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 31/3/2017, 31/5/2017 or 30/6/2017.
- The averages referred to are per farm and as per that farm's actual Financial Statements for the 2017 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 2013	Overall Average 2014	Overall Average 2015	Overall Average 2016	Overall Average 2017	Benchmark Group 2017	Your Figures
Stock Units (SU) Carried	4,332	4,487	4,593	4,656	4,671	5,662	
GFI per SU	\$109.77	\$124.41	\$130.89	\$110.79	\$126.79	\$147.96	
FWE per SU	\$68.97	\$70.19	\$78.92	\$76.36	\$78.34	\$77.17	
Interest & Rent Paid per SU	\$20.89	\$22.82	\$19.76	\$19.24	\$21.32	\$32.64	
Net Farm Profit	\$82,038	\$113,325	\$104,730	\$30,882	\$75,511	\$150,018	
Ave Sale Value Lambs	\$76.71	\$91.96	\$90.31	\$82.77	\$91.93	\$94.76	
GP Sheep & Wool per Sheep SU	\$91.39	\$114.45	\$118.81	\$102.21	\$115.04	\$121.23	
GP Cattle per Cattle SU	\$75.56	\$84.62	\$110.27	\$72.31	\$113.77	\$110.10	
GP Deer per Deer SU	\$53.96	\$94.20	\$81.66	\$103.43	\$137.40	\$153.41	
Fertiliser Expense per SU	\$11.78	\$12.69	\$13.62	\$12.05	\$12.46	\$13.69	

Key features

1. Stock units carried - 4,671 stock units - 5 year average was 4,548 stock units.
2. Stock units per effective ha - 7.3 - 5 year average was 7.28.
3. GFI - \$577,582 - 5 year average was \$536,986.
4. FWE - \$362,033 - 5 year average was \$330,304.
5. FWE to GFI ratio - 65.0% - 5 year average was 64.4%.
6. FWE per stock units - \$78.34 - 5 year average was \$74.56.
7. GFI per stock units - \$126.79 - 5 year average was \$120.53.
8. Interest and rent paid - \$104,600 - 5 year average was \$93,742.
9. Interest and rent paid as percentage of GFI - 16.6% - 5 year average was 18.2%.
10. Net farm profit - \$75,511 - 5 year average was \$81,297.
11. Net profit as percentage of GFI - 14.8% - 5 year average was 12.2%.
12. Lambing percentage - 142% - 5 year average was 139.8%.
13. GP sheep account - \$295,395 - 5 year average was \$273,488.
14. GP cattle account - \$148,584 - 5 year average was \$134,184.
15. Dairy grazing income - \$159,264 - 5 year average was \$145,689.
16. Average sale value lambs - \$91.93 - 5 year average was \$86.74.
17. Average wool price (kg) - \$3.26 - 5 year average was \$3.79.
18. GP deer account - \$150,471 - 5 year average was \$96,438.
19. Fertiliser expenses per stock units - \$12.46 - 5 year average was \$12.52.
20. Personal drawings - \$52,268 - 5 year average was \$51,342.
21. Net capital plant purchases - \$63,531 - 5 year average was \$49,682.
22. Net capital plant purchases per stock units - \$13.60 - 5 year average was \$10.92.
23. Estimated TFC - \$6,626,286 - 5 year average was \$5,748,106.
24. Total term debt - \$1,068,490 - 5 year average was \$859,168.
25. Term debt as percentage of TFC - 15% - 5 year average was 16.2%.
26. Net farm profit per stock units - \$16.16 per stock units - 5 year average was \$17.88 per stock units.
27. Estimated net equity/assets - \$5,557,796 - 5 year average was \$4,888,938.

Areas the 10% group differ to the overall average group

1. Higher scale - an extra 990 stock units (21% higher).
2. Slightly higher stocking rate (13.7% higher).
3. Slightly higher wool price.
4. Much more income from deer at high return per stock units.
5. Much higher dairy grazing income.

Gross farm income per stock unit

\$126.79

overall

\$147.96

top 10%

Farm working expenses per stock unit

\$78.34

overall

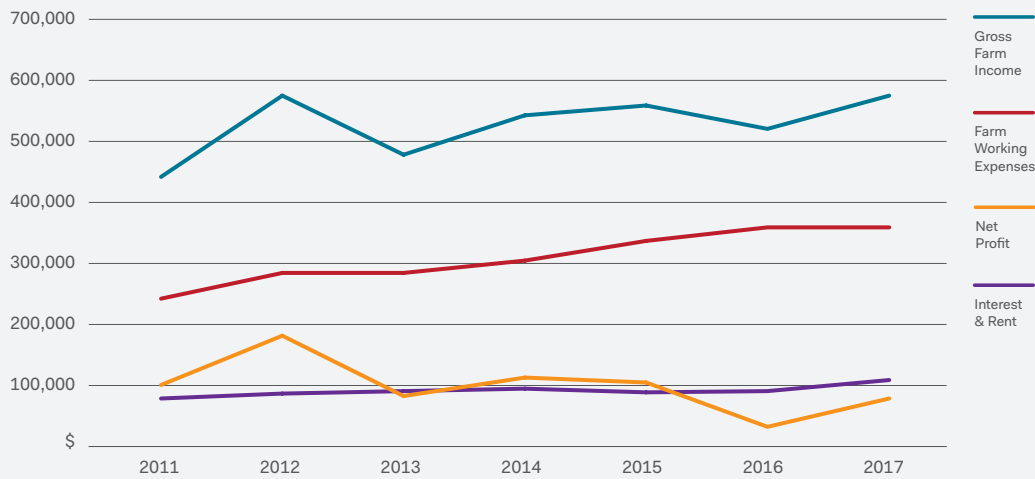
\$77.17

top 10%

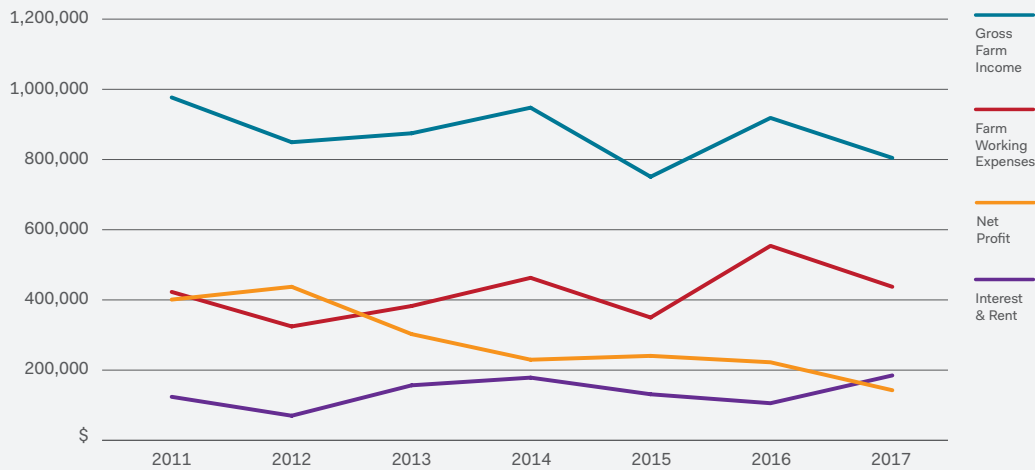
Survey

	Overall Average 2013	Overall Average 2014	Overall Average 2015	Overall Average 2016	Overall Average 2017	Benchmark Group 2017	Your Figures
Total Effective Area Farmed (Ha)	720	735	761	815	751	795	
Stock Units (SU) Carried	4,332	4,487	4,593	4,656	4,671	5,662	
SU per Effective Ha	7.8	7.4	6.9	7.0	7.3	8.3	
Gross Farm Income (GFI)	\$479,278	\$544,786	\$561,402	\$521,883	\$577,582	\$807,593	
GFI/SU	\$109.77	\$124.41	\$130.89	\$110.79	\$126.79	\$147.96	
GFI/Effective Ha	\$854	\$890	\$913	\$798	\$913	\$1,150	
Farm Working Expenses (FWE)	\$285,476	\$304,894	\$338,681	\$360,437	\$362,033	\$433,125	
FWE as a % of GFI	64.9%	58.5%	61.7%	71.8%	65.0%	53.8%	
FWE per SU	\$68.97	\$70.19	\$78.92	\$76.36	\$78.34	\$77.17	
Interest & Rent Paid	\$89,942	\$95,413	\$88,144	\$90,607	\$104,600	\$186,195	
Interest & Rent Paid as a % of GFI	20.6%	19.9%	15.5%	18.4%	16.6%	21.2%	
Interest & Rent Paid/SU	\$20.89	\$22.82	\$19.76	\$19.24	\$21.32	\$32.64	
Net Farm Profit	\$82,038	\$113,325	\$104,730	\$30,882	\$75,511	\$150,018	
Net Farm Profit as a % of GFI	9.2%	17.9%	16.8%	2.1%	14.8%	19.9%	
Gross Profit Sheep Account	\$236,872	\$284,885	\$297,086	\$253,202	\$295,395	\$355,853	
Lambing %	138%	137%	141%	141%	142%	144%	
Ave Sale Value Lambs	\$76.71	\$91.96	\$90.31	\$82.77	\$91.93	\$94.76	
Ave Sale Value Ewes	\$67.88	\$84.66	\$80.35	\$69.26	\$87.75	\$86.01	
Gross Wool Revenue	\$47,175	\$56,907	\$63,924	\$65,996	\$43,954	\$61,437	
Wool Production (Kg)	15,167	15,360	15,628	15,326	14,153	19,392	
Ave Value of Wool Sold/Kg	\$3.29	\$3.88	\$4.16	\$4.35	\$3.26	\$3.55	
GP Sheep & Wool/Sheep SU	\$91.39	\$114.45	\$118.81	\$102.21	\$115.04	\$121.23	
Gross Profit Cattle Account	\$113,008	\$118,633	\$149,842	\$140,853	\$148,584	\$153,400	
Ave Sale Value Calves	\$471	\$487	\$567	\$600	\$774	\$723	
Ave Sale Value Steers	\$1,075	\$1,117	\$1,297	\$1,347	\$1,453	\$1,614	
Ave Sale Value Heifers	\$928	\$910	\$1,059	\$1,114	\$1,255	\$1,289	
GP Cattle/Cattle SU	\$75.56	\$84.62	\$110.27	\$72.31	\$113.77	\$110.10	
Gross Profit Deer Account	\$50,406	\$62,624	\$49,781	\$168,880	\$150,471	\$267,057	
GP Deer/Deer SU	\$53.96	\$94.20	\$81.66	\$103.43	\$137.40	\$153.41	
Grazing/Lease Income	\$138,346	\$139,196	\$147,290	\$144,347	\$159,264	\$259,963	
Fertiliser Expenditure	\$49,592	\$56,711	\$56,722	\$56,999	\$63,256	\$96,592	
Fertiliser Expense/SU	\$11.78	\$12.69	\$13.62	\$12.05	\$12.46	\$13.69	
Personal Drawings (excl Allowances)	\$50,310	\$49,365	\$55,295	\$49,471	\$52,268	\$51,250	
Net Plant Purchases	\$43,037	\$48,182	\$37,117	\$56,541	\$63,531	\$44,498	
Est Total Farm Capital (TFC)	\$5,046,254	\$5,539,979	\$5,478,688	\$6,049,326	\$6,626,286	\$7,487,130	
Est Total Farm Capital/SU	\$1,355	\$1,390	\$1,412	\$1,465	\$1,544	\$1,064	
Est Interest on TFC	2.6%	3.2%	2.6%	2.6%	2.1%	3.3%	
Total Term Debt	\$808,386	\$752,110	\$684,715	\$982,140	\$1,068,490	\$1,501,321	
Term Debt as % of TFC	18.6%	18.8%	12.2%	16.5%	15.0%	22.6%	
GFI to Plant Ownership	4.5	4.8	4.4	3.7	3.4	4.2	
Earnings Before Interest, Rent & Tax (EBIT)	\$170,797	\$206,810	\$193,033	\$121,886	\$179,633	\$334,982	
EBIT/SU	\$35.86	\$45.98	\$44.20	\$25.62	\$37.51	\$63.51	
"Misery Index"	84%	77%	77%	90%	82%	75%	

Average GFI, FWE, Interest + Rent & Net Profit 2011-2017



Benchmark GFI, FWE, Interest + Rent & Net Profit 2011-2017



Term debt as a % of total farm capital

15.0% overall
22.6% top 10%

Interest/Rent as a % of gross farm income

16.6% overall
21.2% 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: <ul style="list-style-type: none">Life AssurancePersonal InsurancesSuperannuationTaxationPersonal Insurance, Electricity & Car AllowancesSchool FeesHealth & Sickness InsurancePersonal 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 Income Tax.
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 Debt	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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