

Farm statistical survey 2019

All Categories

STATISTICAL FIVE YEAR FARMING SURVEY

YEARS ENDING 2015, 2016, 2017, 2018 and 2019

Suggested summary:

- (1) The average net profit before tax over the five years for all six groups has been \$149,337.
- (2) The average Farm Working Expenses to Gross Farm Income over the five years for all six groups has been 66.03%.
- (3) The significant losses in the dairy groups in the 2016 year has had quite an effect on the five year dairy averages.
- (4) The overall net equity in the land owning groups is very sound - much sounder relatively than the average profitability in these land owning groups.
- (5) The net capital plant purchases over the five years across all six groups averaged \$86,071 - this area eats up a lot of hard-earned capital cash.
- (6) In the main, the five year data confirms that the average Balance Sheet is strong but the average revenue statement is weak, particularly when compared with the net total assets employed - nothing new here, though.
- (7) This overall five year data involves two large specialised farm accounting practices in Christchurch who have compiled this data now for many years. The key benchmark is the interest return on Total Farm Capital employed but many other benchmarks are recorded - the data is always late, this being the nature of making sure the sample is sound in size and accuracy.
- (8) What are a few key features that have taken place over the year ended 30 June 2019:
 - (a) Australia now controls approximately 85% of New Zealand's agriculture banking.
 - (b) There is a strong and determined push by the banking industry for annual loan principal repayments of around 1% - 2.5% which many New Zealand farmers will struggle with.
 - (c) If it was not for low interest rates over the last ten years, New Zealand agriculture would, by now, be very subdued.
 - (d) Farming is such an enjoyable industry that it does seem to be possible to make losses but at the same time, still in some cases, obtain job satisfaction - this would not apply in very many other occupations.
- (9) What about the current economic scene?
 - (a) The world right now is a very uncertain place - I have never seen it so uncertain.
 - (b) Potential capital expenditure needs to be particularly well researched as to how critical it is.
 - (c) Just purchasing something because of low interest rates is not a decision, it is an emotion.
 - (d) Listen to your spouse - two heads are much better than one - particularly if you disagree.
 - (e) If you can't afford it - you can't afford it.
 - (f) Keep your children off motorbikes on the open road - find the cash to get them into a car with airbags and ABS brakes.

- (g) Inequality around the world regarding income and assets amongst people is to a significant degree about lack of skills, but little is framed in the media on the subject in this regard - your children will need more skills than you and I - this needs to be drilled in hard.
- (h) There is never a better time than the present and foreseeable future to live well within your income.
- (i) Many people can talk the talk on all sorts of subjects, but much fewer can actually walk the walk - listen to those who have skin in the game and who have lost some of it.
- (j) Is all of this straightforward - no.
Is it possible for everyone - no.
Is it possible with no skills - almost certainly no.
Can government keep taking money from the workers and thinkers and planners and giving it to those not in this group - no, not for long.

If you have read this far, it almost certainly means you understand what works and what doesn't work and that you have a quiet plan to move forward and stay forward.



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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

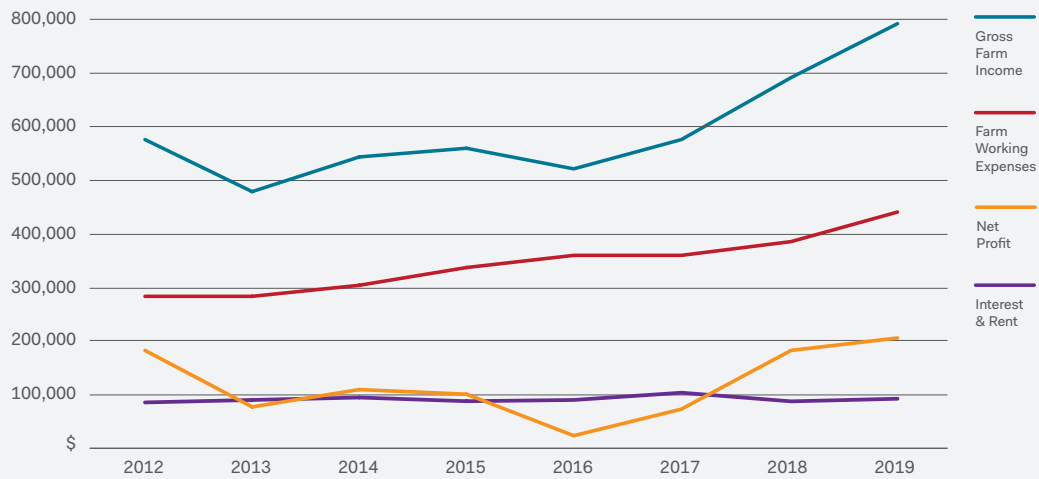
\$78.45

top 10%

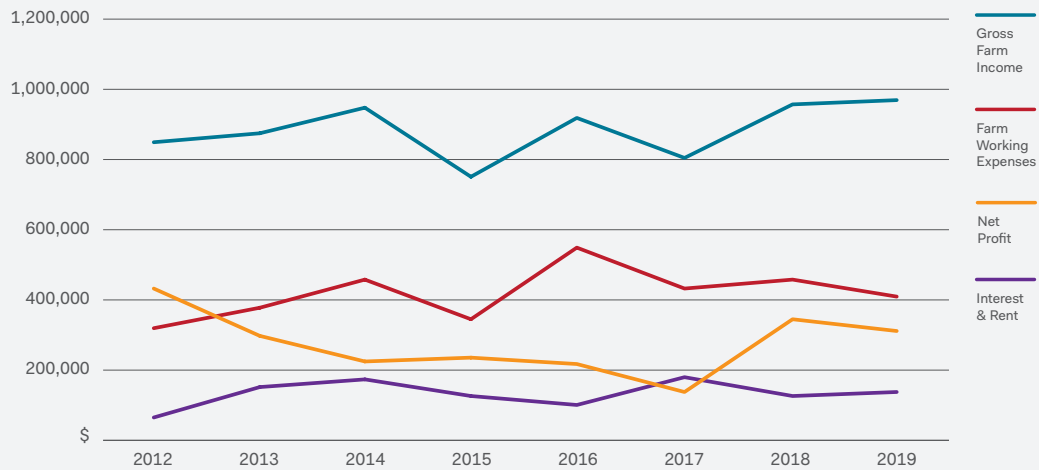
Survey

	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

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.

Farm statistical survey 2019

Sheep & Beef Hill Country

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- 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	8,840	7,252	8,334	8,353	8,766	14,526	
GFI per SU	\$93.18	\$97.99	\$99.82	\$124.32	\$131.89	\$157.51	
FWE per SU	\$56.40	\$60.72	\$64.90	\$63.85	\$74.47	\$70.59	
Interest & Rent Paid per SU	\$16.16	\$20.30	\$17.56	\$16.12	\$16.19	\$14.45	
Net Farm Profit	\$140,276	\$60,882	\$84,481	\$295,873	\$324,193	\$918,408	
Ave Sale Value Lambs	\$79.47	\$72.66	\$83.82	\$107.52	\$117.70	\$135.20	
GP Sheep & Wool per Sheep SU	\$94.93	\$88.20	\$97.34	\$125.53	\$134.66	\$169.66	
GP Cattle per Cattle SU	\$81.59	\$86.12	\$96.81	\$98.61	\$85.62	\$113.41	
GP Deer per Deer SU	\$97.45	\$98.36	\$125.61	\$140.99	\$297.54	-	
Fertiliser Expense per SU	\$9.13	\$7.47	\$10.39	\$9.19	\$9.92	\$14.06	

Key features

1. Average stock units over the five years - 8,309.
2. Average Gross Farm Income over the five years - \$921,523.
3. Average Farm Working Expenses over the five years - \$549,268.
4. Average Farm Working Expenses to Gross Farm Income ratio over the five years - 61.3%.
5. Average Farm Working Expenses per stock unit over the five years - \$64.07.
6. Average interest and rent paid over the five years - \$132,898.
7. Average net farm profit over the five years - \$181,141.
8. Average lambing percentage over the five years - 122.4%.
9. Average lamb sales value over the five years - \$92.23.
10. Average ewes sale value over the five years - \$91.95.
11. Average wool sale value per kg over the five years - \$5.93.
12. Average calf sales value over the five years - \$729.
13. Average gross profit from deer per stock unit over the five years - \$151.99.
14. Average net capital plant purchases over the five years - \$63,268.
15. Average Total Farm Capital over the five years - \$8,801,844.
16. Average term debt over the five years - \$1,949,140.
17. The areas where the benchmark group in the 2019 year show up strongly were:
 - Much higher overall stock unit scale;
 - Higher returns to stock unit;
 - Lower Farm Working Expenses to Gross Farm Income ratio;
 - Higher interest and rent payments;
 - Higher fertilizer per stock unit.

Key production ratios for the 2019 year

Gross farm income per stock unit

\$131.89

overall

\$157.51

top 10%

Farm working expenses per stock unit

\$74.47

overall

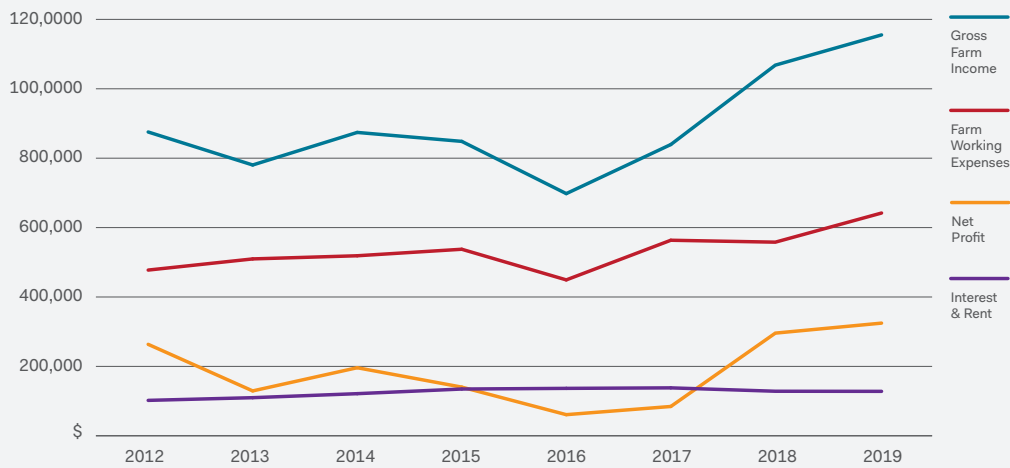
\$70.59

top 10%

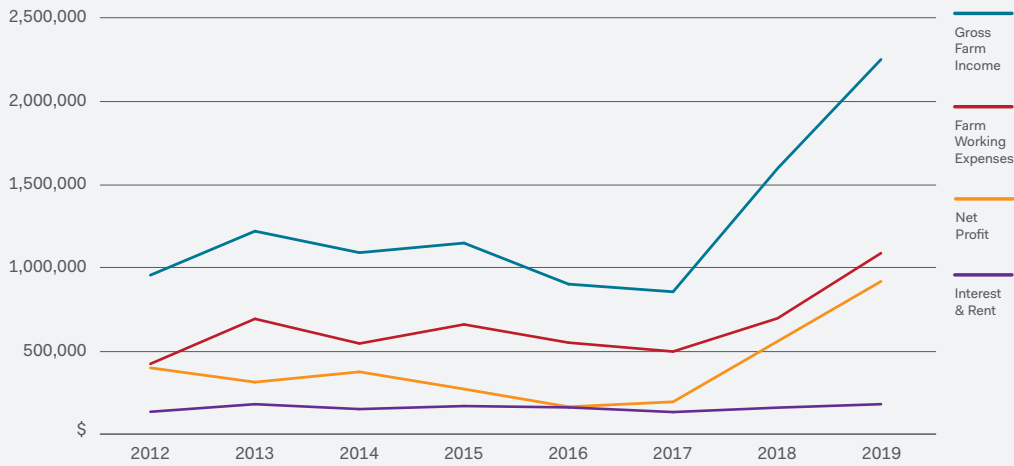
Survey

	Overall Average 2015	Overall Average 2016	Overall Average 2017	Overall Average 2018	Overall Average 2019	Benchmark Group 2019	Your Figures
Total Area Grazed (Ha)	3,156	2,856	3,378	3,026	3,345	6,540	
Stock Units (SU) Carried	8,840	7,252	8,334	8,353	8,766	14,526	
SU/Grazed Area	4.9	4.7	4.3	4.7	5.0	3.6	
Gross Farm Income (GFI)	\$848,438	\$697,912	\$839,342	\$1,068,132	\$1,153,792	\$2,258,471	
GFI per SU	\$93.18	\$97.99	\$99.82	\$124.32	\$131.89	\$157.51	
Farm Working Expenses (FWE)	\$537,569	\$449,279	\$563,510	\$557,994	\$637,989	\$1,074,277	
FWE as a % of GFI	62.6%	66.2%	67.3%	53.0%	57.3%	45.0%	
FWE/SU	\$56.40	\$60.72	\$64.90	\$63.85	\$74.47	\$70.59	
Interest & Rent Paid	\$134,763	\$136,664	\$138,122	\$128,381	\$126,564	\$180,717	
Interest & Rent Paid as a % of GFI	17.2%	20.7%	18.0%	13.4%	11.6%	8.8%	
Interest & Rent Paid/SU	\$16.16	\$20.30	\$17.56	\$16.12	\$16.19	\$14.45	
Net Farm Profit	\$140,276	\$60,882	\$84,481	\$295,873	\$324,193	\$918,408	
Net Farm Profit as a % of GFI	14.9%	6.4%	9.7%	27.4%	25.5%	42.0%	
Gross Profit Sheep Account	\$399,712	\$329,100	\$395,761	\$532,412	\$576,660	\$978,618	
Lambing %	126%	120%	122%	120%	124%	114%	
Ave Sale Value Lambs	\$79.47	\$72.66	\$83.82	\$107.52	\$117.70	\$135.20	
Ave Sale Value Ewes	\$71.83	\$62.73	\$77.29	\$116.07	\$131.81	\$140.42	
Gross Wool Revenue	\$188,290	\$159,885	\$192,064	\$216,968	\$267,896	\$742,701	
Wool Production (Kg)	32,190	26,979	29,924	31,376	33,620	59,223	
Ave Value of Wool Sold/Kg	\$5.27	\$5.70	\$5.56	\$6.04	\$7.07	\$11.70	
GP Sheep & Wool/Sheep SU	\$94.93	\$88.20	\$97.34	\$125.53	\$134.66	\$169.66	
Gross Profit Cattle Account	\$208,874	\$147,133	\$211,424	\$240,949	\$249,397	\$471,346	
Ave Sale Value Calves	\$522	\$676	\$843	\$896	\$710	\$914	
Ave Sale Value Steers	\$1,207	\$1,260	\$1,370	\$1,595	\$1,589	\$1,970	
Ave Sale Value Heifers	\$1,024	\$956	\$1,188	\$1,303	\$1,255	\$1,325	
GP Cattle/Cattle SU	\$81.59	\$86.12	\$96.81	\$98.61	\$85.62	\$113.41	
Gross Profit Deer Account	\$137,204	\$211,019	\$158,894	\$246,975	\$260,210	\$9,314	
GP Deer/ Deer SU	\$97.45	\$98.36	\$125.61	\$140.99	\$297.54	-	
Fertiliser Expenditure	\$90,598	\$67,140	\$96,708	\$87,170	\$92,061	\$193,270	
Fertiliser Expense/SU	\$9.13	\$7.47	\$10.39	\$9.19	\$9.92	\$14.06	
Personal Drawings (excl Allowances)	\$60,901	\$46,391	\$50,426	\$58,323	\$75,615	\$121,640	
Net Plant Purchases	\$77,613	\$37,172	\$44,146	\$70,932	\$86,478	\$174,751	
Est Total Farm Capital (TFC)	\$7,888,395	\$8,147,619	\$8,803,296	\$9,265,041	\$9,904,870	\$13,380,571	
Est TFC/SU	\$934	\$1,199	\$1,144	\$1,157	\$1,288	\$942	
Est Interest on TFC	2.5%	2.5%	1.8%	4.0%	3.7%	7.7%	
Total Term Debt	\$1,585,166	\$2,022,782	\$2,063,149	\$2,059,821	\$2,014,781	\$2,077,660	
Term Debt as % of TFC	20.5%	26.8%	23.4%	22.3%	19.0%	11.7%	
GFI to Plant Ownership	5.5	4.0	3.9	4.9	4.7	5.1	
Earnings Before Interest, Rent & Tax (EBIT)	\$271,523	\$197,546	\$221,984	\$422,131	\$450,757	\$1,099,125	
EBIT/SU	\$32.07	\$30.95	\$29.07	\$52.22	\$49.22	\$80.11	
"Misery Index"	80%	87%	85%	66%	69%	54%	

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



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



Total farm capital

\$9,904,870.00
overall

\$13,380,571.00
top 10%

Interest/Rent as a % of gross farm income

11.6% overall **8.8%** 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.

Farm statistical survey 2019

Dairy Owner/Operator – Irrigated

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
Average Cows Milked (ACM)	1,092	978	1,019	1,061	1,004	732	
Average Value of MS per Kg	\$5.63	\$3.85	\$5.80	\$6.65	\$6.30	\$6.39	
Milk Solids/ ACM (Kg)	443	448	444	441	455	512	
Milk Solids/ EGA (Kg)	1560	1557	1486	1,528	1,580	1,850	
FWE per kg of MS	\$4.19	\$3.59	\$3.78	\$4.24	\$4.27	\$3.66	
Interest & Rent Paid per Kg MS	\$1.36	\$1.29	\$1.35	\$1.34	\$1.23	\$1.31	
Net Farm Profit (Loss)	\$169,247	(\$337,890)	\$365,146	\$555,676	\$414,049	\$631,020	
Total Term Debt	\$9,855,664	\$9,583,996	\$10,818,876	\$10,280,128	\$10,388,863	\$8,816,340	
Total Cost of Production per Kg MS	\$5.93	\$5.18	\$5.47	\$5.85	\$5.81	\$5.28	

Key features

1. Average cows milked for the five years - 1,031 head.
2. Average milksolid production over the five years of 460,934 kg.
3. Average milksolid receipt over the five years - \$5.65 kg/ms.
4. Average milksolid production over the five years per Average Cows Milked - 446 kg/ms.
5. Average milksolid production per Effective Grazing Area over the five years - 1,542 kg/ms.
6. Average Farm Working Expenses as a percentage of Gross Farm Income over the five years - 66.3%.
7. Average Farm Working Expenses per kg/ms over the five years - \$4.01 per kg/ms.
8. Average wages cost per Average Cows Milked over the five years - \$298.
9. Average Stockfood cost per Average Cows Milked over the five years - \$550.
10. Average interest and rent paid per kg/ms over the five years - \$1.31 kg/ms.
11. Average net farm profit over the five years - \$233,246.
12. Average net farm profit per kg/ms over the five years - 53.6 cents per kg/ms.
13. Average net capital plant purchases over the five years - \$146,265.
14. Average Economic Farm Surplus per Effective Grazing Area over the five years - \$2,830.
15. Average overall cost of production over the five years per kg/ms - \$5.65.
16. The areas where the benchmark group in the 2019 year show up strongly were:
 - Higher production per Effective Grazing Area at 1,850 kg;
 - Lower Farm Working Expenses per kg/ms at \$3.66;
 - Lower overall cost of production at \$5.28 per kg/ms.

Key data for the 2019 year

Average value of milk solids receipt was almost the same

\$6.30

overall

\$6.39

top 10%

Cost of production per kg/ms

\$5.81

overall

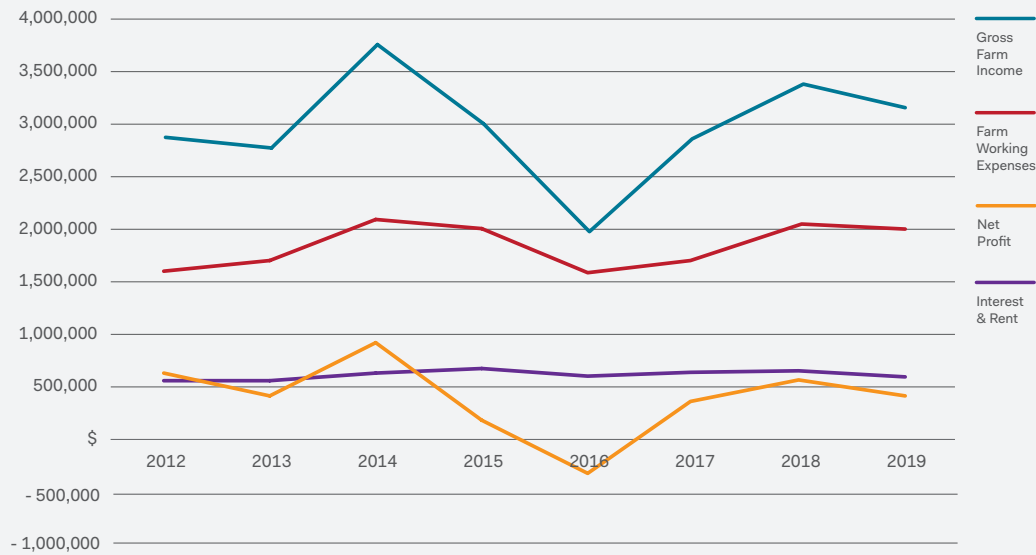
\$5.28

top 10%

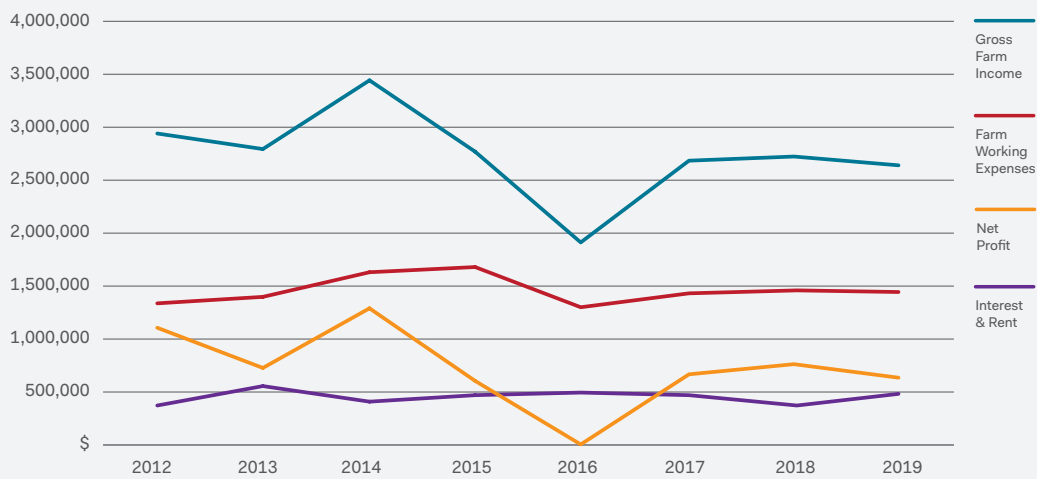
Survey

	Overall Average 2015	Overall Average 2016	Overall Average 2017	Overall Average 2018	Overall Average 2019	Benchmark Group 2019	Your Figures
Effective Grazing Area (Ha) (EGA)	306	276	300	301	287	207	
Average Cows Milked (ACM)	1,092	978	1,019	1,061	1,004	732	
ACM/EGA	3.5	3.5	3.4	3.5	3	3.6	
Milk Revenue	\$2,773,556	\$1,718,698	\$2,617,946	\$3,079,589	\$2,898,485	\$2,456,531	
Milk Solids Production (Kg)	484,243	436,474	453,118	468,536	462,303	384,258	
Average Value of Milk Solid Sales/Kg	\$5.63	\$3.85	\$5.80	\$6.65	\$6.30	\$6.39	
Milk Solid Revenue/ACM	\$2,487	\$1,727	\$2,576	\$2,903	2,865	\$3,278	
Milk Solid Revenue/EGA	\$8,726	\$5,978	\$8,688	\$10,047	9,955	\$11,839	
Milk Solids/ACM (Kg)	443	448	444	441	455	512	
Milk Solids/EGA (Kg)	1,560	1,557	1,486	1,528	1,580	1,850	
Milk Solids as a % of GFI	91.4%	87.7%	91.5%	92.1%	93%	93%	
Gross Farm Income (GFI)	\$3,019,471	\$1,972,820	\$2,856,235	\$3,353,269	\$3,152,510	\$2,643,787	
Farm Working Expenses (FWE)	\$2,004,222	\$1,592,845	\$1,718,323	\$2,006,183	\$1,993,547	\$1,437,260	
FWE as a % of GFI	68.0%	81.6%	60.0%	59.3%	62.6%	53.1%	
FWE/ACM	\$1,845	\$1,609	\$1,682	\$1,868	\$1,946	\$1,885	
FWE/Kg of Milk Solids	\$4.19	\$3.59	\$3.78	\$4.24	\$4.27	\$3.66	
Wages/ACM	\$291	\$300	\$288	\$307	\$303	\$288	
Animal Health/ACM	\$96	\$85	\$95	\$102	\$108	\$89	
Livestock Improvement/ACM	\$54	\$48	\$51	\$59	\$64	\$69	
Stockfood/ACM	\$615	\$497	\$470	\$586	\$583	\$635	
Fertiliser/ACM	\$219	\$188	\$194	\$190	\$214	\$174	
R & M/ACM	\$138	\$102	\$118	\$154	\$161	\$131	
Vehicle Expenses & Fuel/ACM	\$62	\$58	\$66	\$64	\$70	\$74	
Dairy Shed Expenses/ACM	\$17	\$18	\$23	\$23	\$19	\$21	
Interest & Rent Paid	\$660,916	\$590,603	\$627,270	\$645,285	\$592,773	\$461,015	
Interest & Rent Paid as a % of GFI	22.0%	29.4%	21.4%	18.6%	18.0%	19.0%	
Interest & Rent Paid/Kg MS	\$1.36	\$1.29	\$1.35	\$1.34	\$1.23	\$1.31	
Cost of Prodn/Kg MS (excl Interest & Rent)	\$4.59	\$3.89	\$4.12	\$4.51	\$4.58	\$3.98	
Net Farm Profit	\$169,247	(\$337,890)	\$365,146	\$555,676	\$414,049	\$631,020	
Net Farm Profit as a % of GFI	6.3%	(17.9%)	13.3%	18.3%	14.8%	23.2%	
Net Plant Purchases	\$187,996	\$124,232	\$131,730	\$161,241	\$126,125	\$100,249	
Personal Drawings/Family (excl Allowances)	\$68,617	\$72,980	\$90,475	\$86,067	\$74,416	\$72,339	
Est Total Farm Capital (TFC)	\$19,625,817	\$17,732,007	\$20,229,820	\$20,656,430	\$18,779,519	\$12,355,500	
Est TFC/Kg Milk Solids	\$42.02	\$41.72	\$45.84	\$43.70	\$43.07	\$33.25	
Est TFC/Ha	\$63,367	\$63,200	\$64,108	\$66,719	\$65,354	\$60,861	
Est Interest on TFC	3.5%	3.5%	4.1%	5.4%	4.7%	8.1%	
Total Term Debt	\$9,855,664	\$9,583,996	\$10,818,876	\$10,280,128	\$10,388,863	\$8,816,340	
Term Debt as % TFC	46.7%	52.3%	52.7%	54.0%	53.0%	73.4%	
GFI to Plant Ownership Ratio	4.7	3.1	4.4	5.3	5.0	4.6	
Earnings Before Interest, Rent & Tax (EBIT)	\$827,483	\$250,345	\$991,272	\$1,200,960	\$1,006,821	\$1,092,034	
EBIT/ACM	\$710	\$241	\$976	\$1,170	\$1,016	\$1,485	
EBIT/EGA	\$2,526	\$827	\$3,262	\$4,035	\$3,502	\$5,366	
EBIT/Kg Milk Solids	\$1.59	\$0.53	\$2.19	\$2.66	\$2.24	\$2.92	
Net Profit/Kg Milk Solids	\$0.25	(\$0.75)	\$0.85	\$1.32	\$1.01	\$1.61	
Total Cost of Production/Kg MS	\$5.93	\$5.18	\$5.47	\$5.85	\$5.81	\$5.28	
MS Margin over and above MS Payout /Kg MS	\$0.71	(\$1.33)	\$0.33	\$0.55	\$0.49	\$1.11	
"Misery Index"	80%	111%	81%	78%	81%	72%	

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



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



Interest/Rent paid per kg/ms

\$1.23 overall
\$1.31 top 10%

Farm working expenses per kg/ms

\$4.27 overall
\$3.66 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).
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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.
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BG	Benchmark Group.

Farm statistical survey 2019

Dairy Owner/Operator – Non Irrigated

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.
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- 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
Average Cows Milked (ACM)	531	510	506	480	473	507	
Average Value of MS per kg	\$5.42	\$3.83	\$5.12	\$6.23	\$5.86	\$6.42	
Milk Solids/ ACM (kg)	404	391	389	395	395	394	
Milk Solids/ EGA (kg)	965	923	921	950	920	1131	
FWE per kg of MS	\$3.86	\$3.33	\$3.76	\$4.01	\$4.18	\$4.28	
Interest & Rent Paid per kg of MS	\$1.18	\$1.22	\$1.24	\$1.11	\$1.04	\$0.80	
Net Farm Profit (Loss)	\$61,916	(\$126,472)	\$50,576	\$212,249	\$182,402	\$254,856	
Total Term Debt	\$3,924,616	\$4,055,210	\$3,959,073	\$3,829,608	\$3,510,589	\$2,060,635	
Total Cost of Production per kg of MS	\$5.34	\$4.80	\$5.34	\$5.38	\$5.52	\$5.23	

Key features

1. Average cows milked for the five years - 500 cows.
2. Average milksolid production for the five years - 197,989 kg.
3. Average milksolid production per Average Cows Milked for the five years - 395 kg.
4. Average milksolid production per Effective Grazing Area - 936 kg.
5. Average Gross Farm Income over the five years - \$1,114,515.
6. Average Farm Working Expenses per kg/ms over the five years - \$3.83.
7. Average Farm Working Expenses as a percentage of Gross Farm Income over the five years - 67.2%.
8. Average interest and rent paid per kg/ms - \$1.16.
9. Average net farm profit over the five years - \$76,134.
10. Average milksolid receipt over the five years - \$5.29.
11. Average net capital plant purchases over the five years - \$48,261.
12. Average personal drawings over the five years - \$53,362.
13. Average total term debt over the five years - \$3,855,819.
14. Average total cost of production per kg/ms over the five years - \$5.28 kg.
15. The areas where the benchmark group in the 2019 year show up strongly were:
 - Higher milksolid production per Effective Grazing Area;
 - Higher stock food cost per Average Cows Milked;
 - Lower interest cost;
 - Lower overall cost of production per kg/ms.

Four key ratios for the 2019 year

Average value of milk solids receipt

\$5.86

overall

\$6.42

top 10%

Cost of production per kg/ms

\$5.52

overall

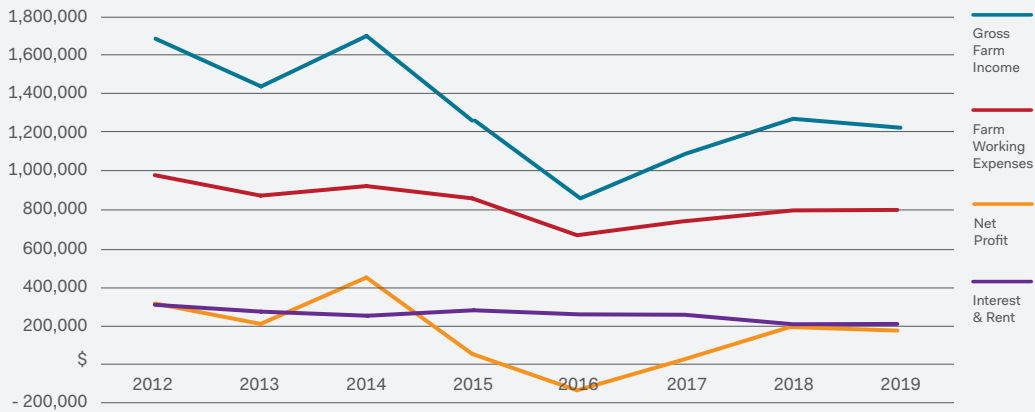
\$5.23

top 10%

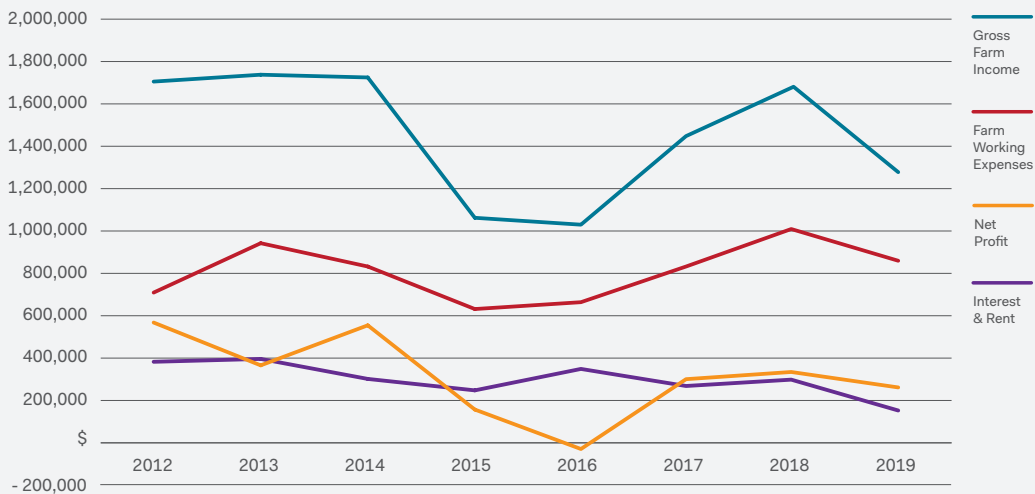
Survey

	Overall Average 2015	Overall Average 2016	Overall Average 2017	Overall Average 2018	Overall Average 2019	Benchmark Group 2019	Your Figures
Effective Grazing Area (Ha) (EGA)	223	216	215	200	207	180	
Average Cows Milked (ACM)	531	510	506	480	473	507	
ACM/EGA	2.4	2.4	2.4	2.4	2.3	2.9	
Milk Solids Revenue	\$1,160,125	\$758,037	\$994,993	\$1,163,919	\$1,100,721	\$1,233,770	
Milk Solids Production (Kg)	216,771	199,632	196,119	190,017	187,408	192,975	
Average Value of Milk Solid Sales (Kg)	\$5.42	\$3.83	\$5.12	\$6.23	\$5.86	\$6.42	
Milk Solid Revenue/ACM	\$2,188	\$1,505	\$1,960	\$2,384	\$2,316	\$2,536	
Milk Solid Revenue/EGA	\$5,259	\$3,545	\$4,728	\$6,237	\$5,449	\$7,280	
Milk Solids/ACM (Kg)	404	391	389	395	395	394	
Milk Solids/EGA (Kg)	965	923	921	950	920	1,131	
Milk Solids as a % of GFI	93.4%	89.6%	90.1%	91.6%	89.9%	95.4%	
Gross Farm Income (GFI)	\$1,257,208	\$855,770	\$1,099,848	\$1,271,612	\$1,233,136	\$1,286,119	
Farm Working Expenses (FWE)	\$855,987	\$667,290	\$736,464	\$796,604	\$793,418	\$856,705	
FWE as a % of GFI	66.4%	78.0%	67.5%	60.6%	63.5%	63.7%	
FWE/ACM	\$1,562	\$1,298	\$1,457	\$1,585	\$1,660	\$1,702	
FWE/Kg of Milk Solids	\$3.86	\$3.33	\$3.76	\$4.01	\$4.18	\$4.28	
Wages/ACM	\$242	\$241	\$239	\$247	\$231	\$365	
Animal Health/ACM	\$80	\$68	\$78	\$79	\$89	\$79	
Livestock Improvement/ACM	\$47	\$42	\$45	\$48	\$57	\$58	
Stockfood/ACM	\$455	\$359	\$394	\$428	\$432	\$615	
Fertiliser/ACM	\$295	\$241	\$282	\$274	\$292	\$138	
R & M/ACM	\$131	\$88	\$105	\$117	\$122	\$91	
Vehicle Expenses & Fuel/ACM	\$81	\$74	\$98	\$88	\$102	\$45	
Dairy Shed Expenses/ACM	\$19	\$16	\$16	\$21	\$16	\$13	
Interest & Rent Paid	\$280,493	\$262,934	\$253,537	\$215,297	\$203,309	\$149,846	
Interest & Rent Paid as a % of GFI	20.4%	28.7%	22.7%	16.9%	15.8%	12.0%	
Interest & Rent Paid/Kg MS	\$1.18	\$1.22	\$1.24	\$1.11	\$1.04	\$0.80	
Cost of Prodn/Kg MS (excl Interest & Rent)	\$4.16	\$3.58	\$3.95	\$4.27	\$4.48	\$4.43	
Net Farm Profit	\$61,916	(\$126,472)	\$50,576	\$212,249	\$182,402	\$254,856	
Net Farm Profit as a % of GFI	8.6%	(12.7%)	3.9%	18.6%	16.2%	22.3%	
Net Plant Purchases	\$62,250	\$33,854	\$41,579	\$49,486	\$54,135	\$47,672	
Personal Drawings (excl Allowances)	\$50,337	\$49,100	\$59,078	\$58,615	\$49,679	\$41,821	
Est Total Farm Capital (TFC)	\$8,546,091	\$7,792,038	\$8,554,551	\$7,934,348	\$7,440,556	\$6,038,667	
Est TFC/Kg Milk Solids	\$41.04	\$40.33	\$45.15	\$43.61	\$41.81	\$33.73	
Est TFC/Ha	\$38,800	\$36,637	\$39,934	\$40,452	\$37,694	\$38,250	
Est Interest on TFC	2.8%	1.1%	2.2%	4.3%	4.3%	6.0%	
Total Term Debt	\$3,924,616	\$4,055,210	\$3,959,073	\$3,829,608	\$3,510,589	\$2,060,635	
Total Term Debt as % TFC	41.9%	45.4%	44.4%	47.7%	44.0%	33.6%	
GFI to Plant Ownership Ratio	4.6	3.2	3.1	5.7	5.3	8.9	
Earnings Before Interest, Rent & Tax (EBIT)	\$342,408	\$136,461	\$304,113	\$427,545	\$385,711	\$404,702	
EBIT/ACM	\$672	\$290	\$594	\$919	\$1,056	\$1,795	
EBIT/EGA	\$1,587	\$654	\$1,502	\$2,220	\$1,974	\$2,590	
EBIT/Kg Milk Solids	\$1.67	\$0.71	\$1.53	\$2.33	\$2.11	\$2.30	
Total Cost of Production/Kg	\$5.34	\$4.80	\$5.34	\$5.38	\$5.52	\$5.23	
Margin/Kg MS	\$0.08	(\$0.97)	(\$0.81)	\$0.04	\$0.34	\$1.20	
"Misery Index"	87%	107%	90%	77%	79%	76%	

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



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



Interest/Rent paid per kg/ms

\$1.04 **\$0.80**

overall

top 10%

Farm working expenses per kg/ms

\$4.18 **\$4.28**

overall

top 10%

Glossary

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FWE	Farm Working Expenses.
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BG	Benchmark Group.

Farm statistical survey 2019

50/50 Sharemilker – Irrigated

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
Average Cows Milked (ACM)	927	973	853	850	851	942	
Average Value of MS per kg	\$2.93	\$1.84	\$2.80	\$3.23	\$3.11	\$3.46	
Milk Solid Revenue/ACM	\$1,248	\$817	\$1,228	\$1,373	\$1,280	\$1,420	
Milk Solid Revenue/EGA	\$4,605	\$2,848	\$3,970	\$4,703	\$4,319	\$4,395	
FWE per kg of MS	\$2.57	\$2.22	\$2.40	\$2.81	\$2.49	\$2.15	
Interest & Rent Paid per kg MS	\$0.26	\$0.31	\$0.31	\$0.33	\$0.36	\$0.71	
Net Farm Profit	\$147,377	(\$126,330)	\$240,706	\$217,771	\$188,143	\$233,187	
Total Term Debt	\$1,329,115	\$1,676,774	\$1,619,885	\$1,691,146	\$1,270,686	\$683,734	
Total Cost of Production/kg MS	\$2.93	\$2.72	\$2.84	\$3.13	\$3.10	\$3.49	

Key features

1. Average cows milked over the five years - 891 cows.
2. Average milksolid production over the five years - 380,211 kg.
3. Average milksolid receipt over the five years per kg/ms - \$2.78 per kg.
4. Average milksolid production per Average Cows Milked over the five years - 428 kg.
5. Average milksolid production over the five years per Effective Grazing Area - 1,474 kg.
6. Average Gross Farm Income over the five years - \$1,251,946.
7. Average Farm Working Expenses over the five years - \$947,217.
8. Average Farm Working Expenses per kg of milksolids over the five years - \$2.50 kg.
9. Average Farm Working Expenses as a percentage of the Gross Farm Income over the five years - 77.46%.
10. Average interest and rent paid per kg/ms over the five years - \$0.31 kg.
11. Average net farm profit over the five years - \$133,533.
12. Average net capital plant purchases over the five years - \$53,455.
13. Average personal drawings over the five years - \$74,194.
14. Average total term debt over the five years - \$1,517,521.
15. Average total cost of production per kg/ms - \$2.94 kg.
16. The areas where the benchmark group in the 2019 year show up strongly were:
 - Higher Average Cows Milked;
 - Lower Farm Working Expenses per kg/ms;
 - Higher interest payments;
 - Some sharemilkers own runoffs.

Four key ratios for the 2019 year

Total cost of production per kilogram of milk solid

\$3.10

overall

\$3.49

average

Average value of milk solids receipt

\$3.11

overall

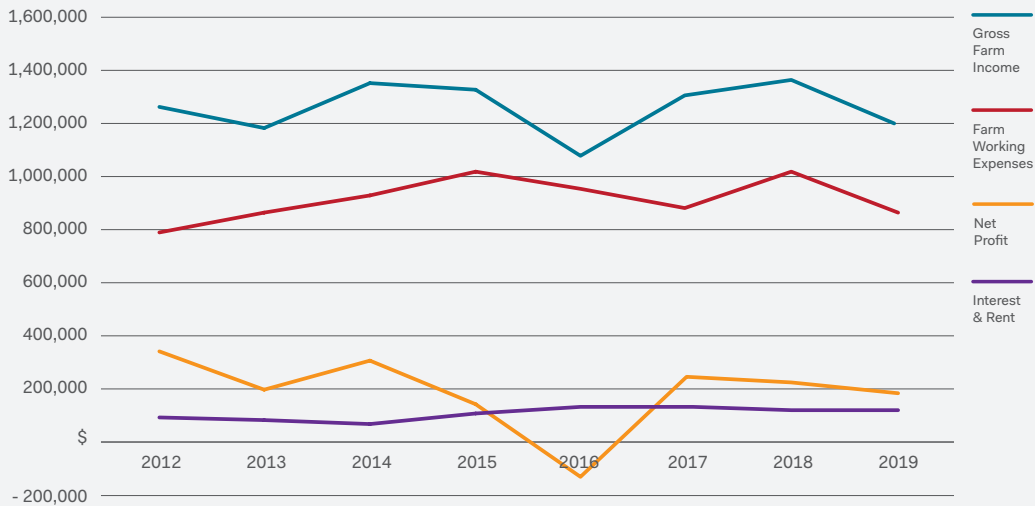
\$3.46

top 10%

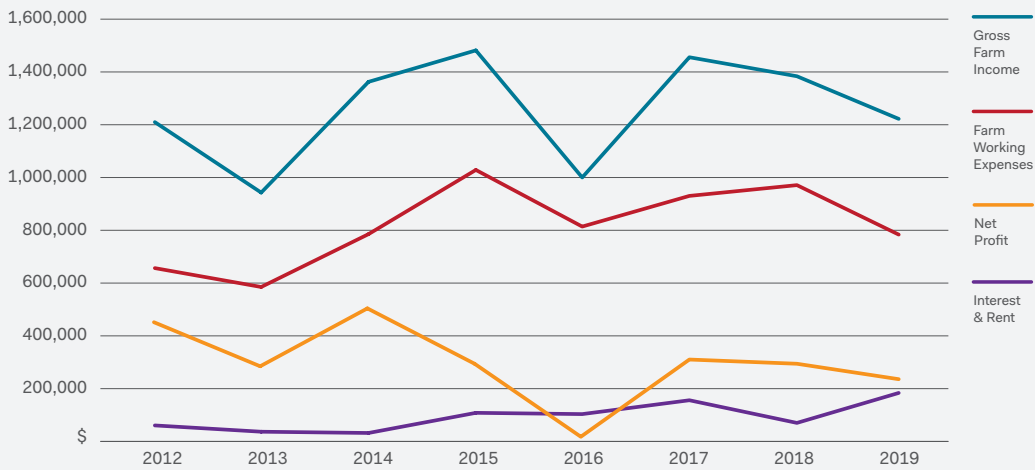
Survey

	Overall Average 2015	Overall Average 2016	Overall Average 2017	Overall Average 2018	Overall Average 2019	Benchmark Group 2019	Your Figures
Effective Grazing Area (Ha) (EGA)	251	275	257	245	249	289	
Average Cows Milked (ACM)	927	973	853	850	851	942	
ACM/EGA	3.7	3.5	3.3	3.4	3.4	3.2	
Milk Revenue	\$1,158,861	\$782,942	\$1,074,876	\$1,168,332	\$1,015,065	\$959,465	
Milk Solids Production (Kg)	394,963	428,952	369,810	359,268	348,161	363,826	
Average Value of Milk Solid Sales (Kg)	\$2.93	\$1.84	\$2.80	\$3.23	\$3.11	\$3.46	
Milk Solid Revenue/ACM	\$1,248	\$817	\$1,228	\$1,373	\$1,280	\$1,420	
Milk Solid Revenue/EGA	\$4,605	\$2,848	\$3,970	\$4,703	\$4,319	\$4,395	
Milk Solids/ACM (Kg)	426	443	433	425	412	400	
Milk Solids/EGA (Kg)	1,571	1,540	1,400	1,453	1,405	1,292	
Milk Solids as a % of GFI	88.3%	77.2%	82.6%	87.6%	85.9%	78.3%	
Gross Farm Income (GFI)	\$1,321,607	\$1,073,149	\$1,304,223	\$1,359,856	\$1,200,894	\$1,223,370	
Farm Working Expenses (FWE)	\$1,016,390	\$953,107	\$889,171	\$1,009,563	\$867,856	\$782,819	
FWE as a % of GFI	76.4%	95.8%	68.1%	74.1%	72.9%	62.7%	
FWE/ACM	\$1,076	\$1,029	\$1,031	\$1,176	\$1,085	\$1,116	
FWE/Kg of Milk Solids	\$2.57	\$2.22	\$2.40	\$2.81	\$2.49	\$2.15	
Wages/ACM	\$227	\$235	\$233	\$257	\$253	\$231	
Animal Health/ACM	\$75	\$72	\$87	\$93	\$82	\$61	
Livestock Improvement/ACM	\$47	\$39	\$45	\$59	\$53	\$39	
Stockfood/ACM	\$374	\$302	\$288	\$356	\$331	\$312	
R & M/ACM	\$30	\$26	\$31	\$31	\$30	\$50	
Vehicle Expenses & Fuel/ACM	\$51	\$40	\$51	\$58	\$60	\$85	
Dairy Shed Expenses/ACM	\$17	\$15	\$18	\$21	\$18	\$10	
Interest & Rent Paid	\$110,638	\$134,576	\$129,522	\$127,898	\$113,112	\$182,350	
Interest & Rent Paid as a % of GFI	7.7%	12.5%	8.9%	8.8%	9.2%	15.0%	
Interest & Rent Paid/Kg MS	\$0.26	\$0.31	\$0.31	\$0.33	\$0.36	\$0.71	
Net Farm Profit	\$147,377	(\$126,330)	\$240,706	\$217,771	\$188,143	\$233,187	
Net Farm Profit as a % of GFI	12.3%	(14.3%)	19.2%	15.7%	15.1%	20.3%	
Net Plant Purchases	\$91,128	\$54,081	\$46,524	\$47,321	\$28,223	\$24,340	
Personal Drawings (excl Allowances)	\$75,930	\$59,294	\$75,103	\$83,127	\$77,516	\$71,650	
Est Total Farm Capital (TFC)	\$2,656,559	\$2,141,357	\$2,692,037	\$2,473,813	\$2,070,158	\$1,164,000	
Est TFC/Kg Milk Solids	\$6.94	\$5.53	\$6.07	\$6.90	\$6.25	\$4.20	
Est Interest on TFC	6.5%	0.6%	9.6%	10.0%	9.6%	21.3%	
Total Term Debt	\$1,329,115	\$1,676,774	\$1,619,885	\$1,691,146	\$1,270,686	\$683,734	
Term Debt as % of TFC	49.3%	65.9%	53.6%	72.1%	69.3%	54.1%	
GFI to Plant Ownership Ratio	6.3	4.8	6.9	7.2	7.8	12.0	
Earnings Before Interest, Rent & Tax (EBIT)	\$258,015	\$16,669	\$370,228	\$345,669	\$301,255	\$415,537	
EBIT/ACM	\$297	\$9	\$427	\$410	\$381	\$586	
EBIT/EGA	\$1,089	\$42	\$1,441	\$1,421	\$1,278	\$1,797	
EBIT/Kg Milk Solids	\$0.70	\$0.03	\$0.99	\$0.97	\$0.93	\$1.45	
Net Profit/Kg Milk Solids	\$0.44	(\$0.30)	\$0.68	\$0.64	\$0.57	\$0.75	
Total Cost of Production/Kg MS	\$2.93	\$2.72	\$2.84	\$3.13	\$3.10	\$3.49	
Milk solid Margin/Kg MS	0.00	(0.89)	(0.54)	0.10	0.02	(0.03)	
"Misery Index"	84%	109%	77%	83%	82%	77%	

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



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



Interest/Rent paid per kg/ms

\$0.36 overall
\$0.71 top 10%

Farm working expenses per kg/ms

\$2.49 overall
\$2.15 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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Mixed Cropping

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Key statistics

	Overall Average 2015	Overall Average 2016	Overall Average 2017	Overall Average 2018	Overall Average 2019	Benchmark Group 2019	Your Figures
Area Cropped Grain & Seeds (Ha)	250	267	259	264	265	539	
FWE as a % of GFI	60.2%	61.0%	58.6%	64.1%	63.8%	57.2%	
Interest & Rent Paid as a % of GFI	16.1%	16.3%	15.8%	17.9%	15.5%	15.4%	
Net Farm Profit	\$157,618	\$187,897	\$147,246	\$118,156	\$149,793	\$743,661	
Gross Profit Cropping per Ha	\$3,634	\$3,407	\$3,570	\$3,453	\$3,415	\$6,236	
Ave Sale Value Lambs	\$114.28	\$107.01	\$108.62	\$136.94	\$137.42	\$176.66	
Net Plant Purchases	\$157,469	\$130,605	\$140,713	\$191,561	\$137,484	\$361,740	
Est Total Farm Capital (TFC)	\$8,672,113	\$10,339,128	\$11,055,091	\$10,815,670	\$11,087,840	\$17,468,000	
Total Term Debt	\$2,063,159	\$2,645,853	\$2,717,223	\$2,936,863	\$2,808,091	\$8,082,723	

Key features

1. Average area cropped over the five years - 261 ha.
2. Average Gross Farm Income over the five years - \$1,360,368.
3. Average Farm Working Expenses as a percentage of Gross Farm Income over the five years - 61.54%.
4. Average interest and rent paid as a percentage of Gross Farm Income over the five years - 16.32%.
5. Average net farm profit over the five years - \$152,142.
6. Average gross cropping income per ha over the five years - \$3,496.
7. Average net capital plant purchases over the five years - \$151,566.
8. Average term debt over the five years - \$2,634,238.
9. Average term debt as a percentage of Total Farm Capital over the five years - 24.1%.
10. The areas where the benchmark group in the 2019 year show up strongly were:
 - Much more overall scale - approximately three times more Gross Farm Income;
 - Lower Farm Working Expenses to Gross Farm Income ratio by 7%;
 - Much higher gross cropping income per ha;
 - Better plant utilisation;
 - Higher personal drawings;
 - Some intensive cropping showing up (vegetables and different crops).

Key data for the 2019 year

Top group has more scale
than the overall average at

593 ha

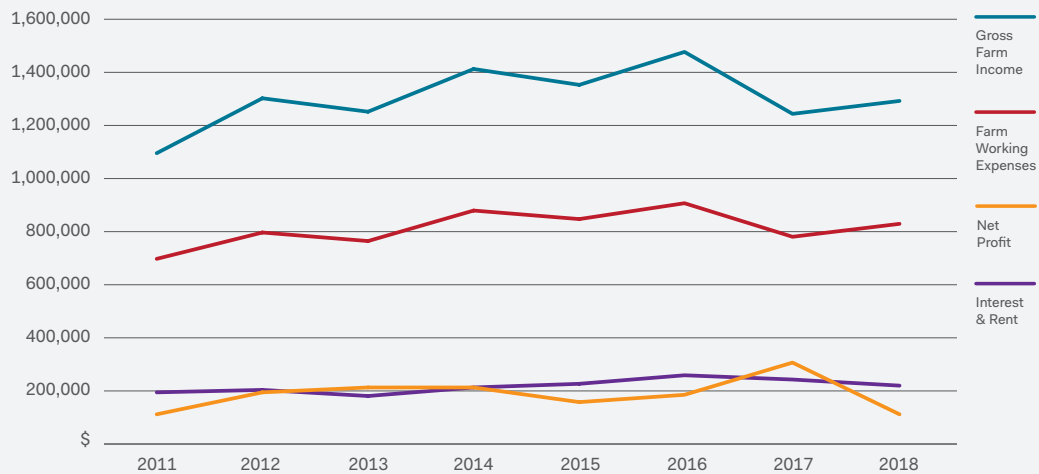
Top group has higher gross return per hectare cropped

\$3,415 overall **\$6,236** top 10%

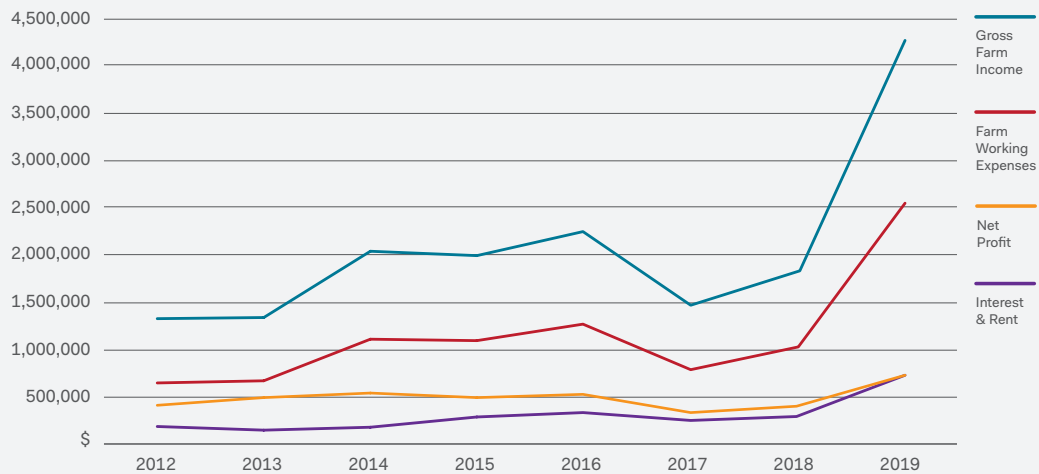
Survey

	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) (EGA)	345	356	354	355	343	593	
Area Cropped Grain & Seeds (Ha)	250	267	259	264	265	539	
Gross Farm Income (GFI)	\$1,356,033	\$1,479,159	\$1,243,565	\$1,295,461	\$1,427,623	\$4,265,374	
Farm Working Expenses (FWE)	\$850,350	\$907,359	\$752,459	\$826,054	\$912,361	\$2,542,332	
FWE as a % of GFI	60.2%	61.0%	58.6%	64.1%	63.8%	57.2%	
Interest & Rent Paid	\$226,815	\$261,824	\$215,674	\$232,345	\$238,916	\$750,650	
Interest & Rent Paid as a % of GFI	16.1%	16.3%	15.8%	17.9%	15.5%	15.4%	
Net Farm Profit	\$157,618	\$187,897	\$147,246	\$118,156	\$149,793	\$743,661	
Net Farm Profit as a % of GFI	15.6%	12.9%	14.6%	7.3%	12.9%	22.0%	
Gross Profit Cropping Account	\$1,047,428	\$1,132,214	\$979,334	\$977,076	\$1,088,776	\$3,806,252	
Gross Profit Cropping/Ha	\$3,634	\$3,407	\$3,560	\$3,453	\$3,415	\$6,236	
Gross Profit Cropping as a % of GFI	68.7%	67.4%	73.6%	65.5%	67.3%	86.9%	
Gross Profit Sheep	\$155,969	\$164,312	\$152,096	\$164,461	\$189,254	\$369,846	
Ave Sale Value Lambs	\$114.28	\$107.01	\$108.62	\$136.94	\$137.42	\$176.66	
Net Plant Purchases	\$157,469	\$130,605	\$140,713	\$191,561	\$137,484	\$361,740	
GFI To Plant Ownership	2.5	2.1	1.7	1.9	2.2	2.9	
Weed & Pest/Cropped Area	\$356	\$429	\$426	\$375	\$448	\$763	
Fertiliser/Total EGA	\$419	\$388	\$358	\$360	\$399	\$517	
Personal Drawings (excl Allowances)	\$69,013	\$70,748	\$73,845	\$75,737	\$96,697	\$125,198	
Est Total Farm Capital (TFC)	\$8,672,113	\$10,339,128	\$11,055,091	\$10,815,670	\$11,087,840	\$17,468,000	
Est TFC/EGA	\$25,731	\$29,509	\$32,110	\$30,734	\$37,638	\$28,675	
Est Interest on TFC	3.4%	3.4%	2.5%	2.2%	2.3%	6.3%	
Total Term Debt	\$2,063,159	\$2,645,853	\$2,717,223	\$2,936,863	\$2,808,091	\$8,082,723	
Term Debt as % of TFC	24.7%	22.5%	23.0%	23.9%	26.2%	35.0%	
Earnings Before Interest, Rent & Tax (EBIT)	\$384,433	\$435,618	\$350,060	\$337,836	\$377,042	\$1,377,638	
EBIT as a % of GFI	30.2%	28.8%	30.0%	25.2%	25.4%	34.9%	
EBIT/Cropped Ha	\$1,131	\$1,022	\$1,021	\$875	\$1,249	\$2,114	
"Misery Index"	76%	77%	74%	82%	79%	73%	

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



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



Farm working expenses as a % of gross farm income

63.8%

overall

57.2%

top 10%

Interest/Rent paid as a % of gross income

15.5%

overall

15.4%

top 10%

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