

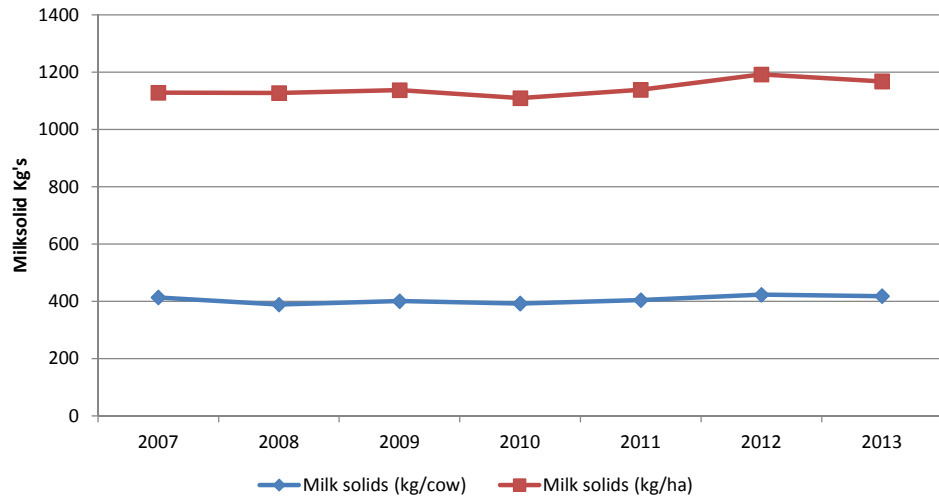
2013 Dairy Farm Statistics	Owners average	Owners top 20%	50/50 s/milkers average	50/50 s/milkers top 20%	LOSM & c/milkers average	Owners with 50/50 s/milkers	Owners with LOSM & c/milkers
<b>PRODUCTION DATA</b>							
Effective milking hectares	212	225	188	213	225	183	247
Runoff hectares	121	116	47	98	23	21	64
Cattle on hand at year end	836	930	705	742	101	0	938
Peak cows milked	593	642	526	638	646	527	719
Cows per milking hectare	2.79	2.86	2.80	3.00	2.87	2.88	2.91
Milk solids (kg)	248,000	271,506	214,239	264,995	265,875	224,473	291,548
Milk solids (kg/cow)	419	423	408	416	412	426	405
Milk solids (kg/ha)	1,168	1,209	1,141	1,246	1,181	1,224	1,179
Milk solids price (\$/kg)	6.42	6.41	3.02	3.06	1.31	3.25	6.23
Average calf price (\$)	41	35	41	42	61	0	39
Average cull cow price (\$)	546	579	627	830	0	0	539
<b>FINANCIAL ANALYSIS</b>							
<b>Per milking hectare</b>							
Gross farm income	8,371	8,860	4,383	5,321	1,700	4,030	8,014
Farm working expenses	5,273	4,518	3,093	3,366	959	2,211	5,473
Operating surplus	3,097	4,342	1,290	1,955	741	1,819	2,541
Economic farm surplus	2,289	3,600	750	1,497	429	1,620	2,120
<b>Per Cow</b>							
Gross farm income	2,999	3,101	1,565	1,776	593	1,402	2,754
Farm working expenses	1,890	1,581	1,105	1,123	334	769	1,881
Operating surplus	1,110	1,520	461	652	258	633	873
<b>Per Milk solids (kg)</b>							
Gross farm income	7.17	7.33	3.84	4.27	1.44	3.29	6.79
Farm working expenses	4.51	3.74	2.71	2.70	.81	1.81	4.64
Operating surplus	2.65	3.59	1.13	1.57	.63	1.49	2.15
<b>PROFITABILITY</b>							
Milk sales income	1,592,865	1,741,080	646,002	810,644	348,993	729,556	1,817,305
Cattle trading <sup>+</sup>	142,278	157,510	144,290	231,957	24,289	0	117,480
<b>Gross farm income</b>	<b>1,777,224</b>	<b>1,990,267</b>	<b>822,660</b>	<b>1,132,145</b>	<b>382,781</b>	<b>739,009</b>	<b>1,981,002</b>
Farm working expenses	1,119,635	1,014,874	580,515	716,216	215,941	405,449	1,352,949
Interest	433,416	480,051	79,200	122,070	20,710	187,218	362,199
<b>Net farm trading profit*</b>	<b>224,173</b>	<b>495,342</b>	<b>162,945</b>	<b>293,858</b>	<b>146,130</b>	<b>146,341</b>	<b>265,854</b>
Personal expenses	82,657	80,942	55,236	51,081	63,211	73,824	94,265
Net plant purchases	54,293	87,296	47,498	28,565	44,183	21,111	50,385
<b>EXPENSES (\$/kgms)</b>							
Animal health	.21	.17	.24	.20	.01	.00	.19
Breeding expenses	.13	.13	.14	.12	.00	.00	.14
Contract, cultivation and regrassing	.19	.14	.09	.16	.00	.08	.10
Dairyshed expenses	.08	.08	.06	.07	.02	.00	.03
Electricity	.10	.07	.10	.08	.07	.00	.02
Fertiliser	.57	.53	.19	.25	.01	.36	.54
Freight	.05	.02	.05	.03	.00	.03	.04
Grazing costs	.34	.35	.39	.31	.03	.45	.84
Owned/Rented grazing block	.34	.29	.10	.20	.00	.07	.18
Repairs & maintenance	.32	.24	.10	.11	.02	.30	.29
Stock food costs	.86	.65	.31	.28	.04	.30	.60
Vehicle costs	.27	.22	.19	.20	.10	.02	.11
Wages	.71	.55	.48	.46	.35	.00	1.20
Administration	.11	.08	.11	.12	.06	.05	.15
Insurance, rates and ACC	.16	.15	.06	.05	.04	.09	.11
<b>Farm working expenses</b>	<b>4.51</b>	<b>3.74</b>	<b>2.71</b>	<b>2.70</b>	<b>.81</b>	<b>1.81</b>	<b>4.64</b>
Farm working expenses as % of GFI	63%	51%	71%	63%	56%	55%	68%
Interest	1.71	1.82	.27	.36	.04	.81	1.17
Interest paid as % of GFI	24%	25%	7%	8%	3%	25%	17%
<b>OTHER DATA</b>							
Total farm assets (land, stock & plant)	11,378,644	12,330,622	1,795,037	2,519,759	247,976	7,738,917	12,861,573
Return on total farm assets	4.4%	6.7%	9.6%	21.4%	259.2%	3.9%	4.0%
Increase (decrease) in term liabilities	214,238	(383,023)	143,039	322,167	43,809	(42,657)	229,266
Term liabilities per kgms	24.93	21.81	3.79	5.77	.70	13.77	19.73
Min farm trading profit req. for viability	345,968	291,790	106,659	124,484	97,787	201,695	236,631

2013 Sheep, Beef & Deer Farm Statistics	Average < 3000 su	Top 20% < 3000 su	Average 3000 su > 5000 su	Top 20% 3000 su > 5000 su	Average > 5000 su	Top 20% > 5000 su
<b>PRODUCTION DATA</b>						
Effective Area (ha)	192	172	396	320	1,238	891
Sheep on hand at year end	1,924	2,191	3,337	3,319	6,373	4,986
Cattle on hand at year end	34	21	83	13	346	730
Deer on hand at year end	140	156	143	159	427	336
Ave. stock units carried	2,052	2,178	4,018	3,868	8,067	7,470
Ave. stock units per ha	10.7	12.7	10.1	12.1	6.5	8.4
Lambing %	144%	155%	140%	142%	137%	143%
Ave. lamb price	83.58	84.36	80.33	89.79	81.17	85.76
Ave. ewe price	71.95	75.92	73.64	78.87	74.95	80.47
Total wool production (kg)	9,575	9,453	18,414	21,194	31,797	32,655
Wool production per sheep stock unit (kg)	5.8	5.3	6.0	7.2	7.4	7.6
Average wool price per kg	2.79	2.88	2.81	2.85	3.14	3.38
<b>FINANCIAL ANALYSIS</b>						
<b>Per hectare</b>						
Gross farm income	1,316	1,536	1,229	1,791	742	1,396
Farm working expenses	736	602	706	938	436	702
Operating surplus	580	934	523	852	306	694
Economic farm surplus	163	551	304	496	304	564
<b>Per stock unit</b>						
Sheep - Gross Profit	105.49	114.03	108.73	130.89	105.16	133.43
Cattle - Gross Profit	65.86	83.37	67.31	60.76	72.26	97.78
Deer - Gross Profit	22.82	15.91	25.48	27.57	28.60	31.99
Gross farm income	123.04	121.30	121.18	148.28	113.83	166.38
Farm working expenses	68.82	47.53	69.61	77.71	66.84	83.71
Operating surplus	54.23	73.77	51.58	70.57	46.99	82.68
<b>PROFITABILITY</b>						
Sheep trading <sup>+</sup>	157,585	179,636	283,559	322,531	470,524	454,366
Wool sales	26,672	27,233	51,801	60,343	99,872	110,344
Cattle trading <sup>+</sup>	17,405	20,790	33,027	15,172	115,231	247,959
Deer trading <sup>+</sup>	22,808	25,736	24,085	31,572	66,440	78,366
Grazing, cropping and other	27,966	10,811	94,466	143,837	166,210	351,774
<b>Gross farm income</b>	<b>252,436</b>	<b>264,206</b>	<b>486,939</b>	<b>573,456</b>	<b>918,277</b>	<b>1,242,809</b>
Farm working expenses	141,187	103,520	279,700	300,537	539,190	625,237
Interest and rent	42,344	44,204	71,538	102,019	227,356	427,260
<b>Net farm trading profit*</b>	<b>55,433</b>	<b>103,347</b>	<b>106,670</b>	<b>130,093</b>	<b>148,500</b>	<b>325,301</b>
Personal expenses	57,050	51,826	60,244	52,980	87,034	56,091
Net plant purchases	12,492	10,379	35,932	29,723	62,959	73,851
<b>EXPENSES (\$/su)</b>						
Animal health	6.06	5.28	6.07	7.57	4.82	4.49
Fertiliser	13.72	9.30	12.24	14.83	13.87	18.99
Freight	1.20	1.21	1.68	2.07	1.37	2.88
Repairs & maintenance	7.39	5.43	5.81	4.57	7.13	7.10
Shearing	5.73	3.43	7.27	5.40	6.58	5.81
Stock feed	5.36	1.80	5.85	10.15	3.35	5.36
Vehicle	8.02	5.07	8.74	10.58	7.66	7.14
Wages	2.28	.97	4.29	7.87	7.31	11.43
Administration	4.65	4.22	3.33	2.99	2.89	3.47
Insurance, rates and ACC	5.99	5.05	5.22	6.62	3.84	3.79
<b>Farm working expenses</b>	<b>68.82</b>	<b>47.53</b>	<b>69.61</b>	<b>77.71</b>	<b>66.84</b>	<b>83.71</b>
Farm working expenses as % of GFI	56%	39%	57%	52%	59%	50%
Interest & rent	20.64	20.29	17.80	26.38	28.18	57.20
Interest and rent paid as % of GFI	17%	17%	15%	18%	20%	18%
<b>OTHER DATA</b>						
Total farm assets (land, stock & plant)	3,440,246	3,210,504	5,469,219	7,675,000	9,470,273	9,045,498
Return on total farm assets	3.9%	13.1%	2.2%	2.0%	6.8%	25.1%
Increase (decrease) in term liabilities	60,043	180,629	2,632	7,826	150,494	138,855
Term debt as % of total farm assets	12%	9%	17%	18%	33%	71%
Min farm trading profit req. for viability	102,887	98,871	102,634	83,750	207,763	160,063

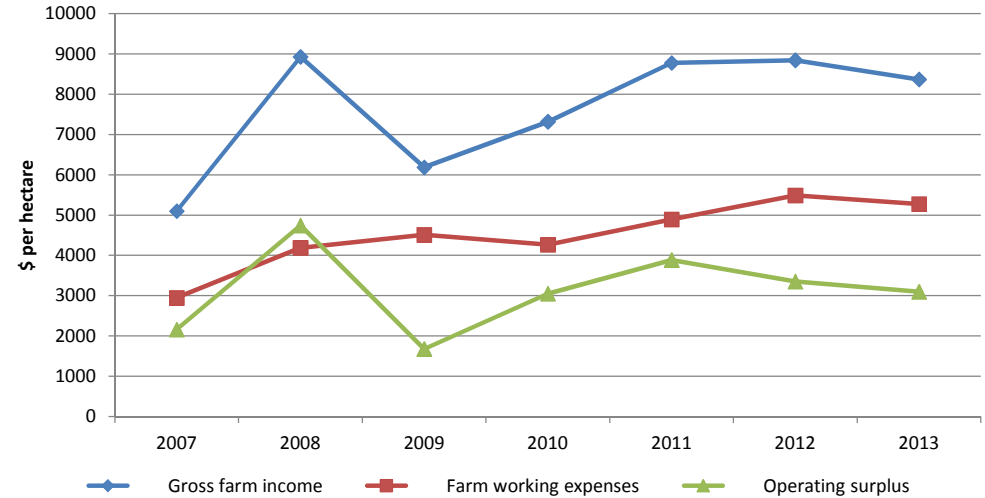
## Dairy Owner Operator - Seven Year Trend

Date updated: 25/06/2014

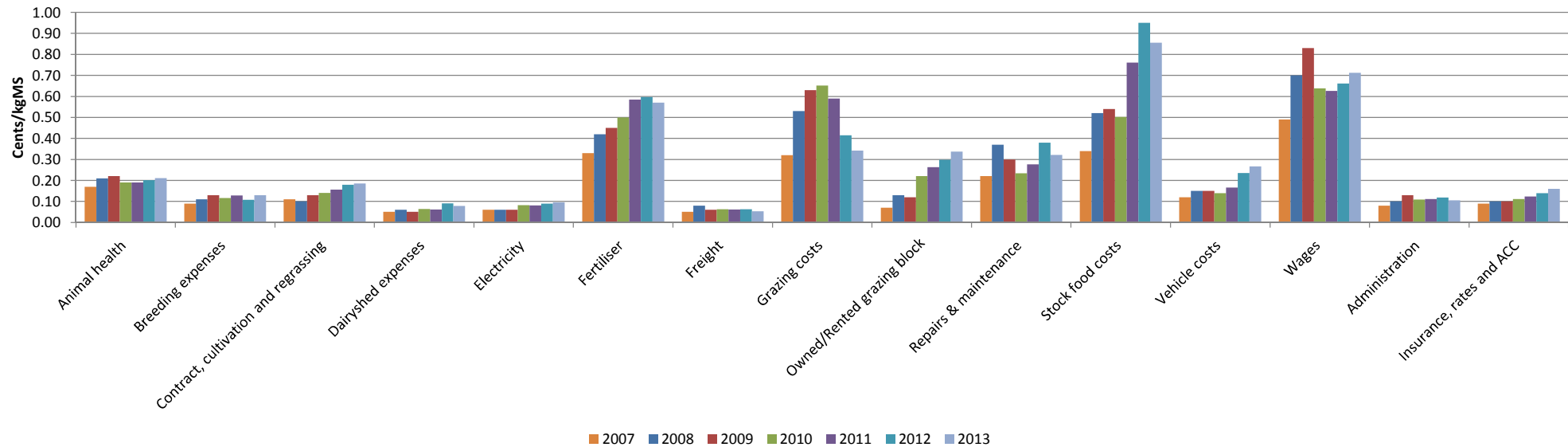
### Production Trend



### Income & Profitability



### Farm Working Cost Trend



## Farm Stats Interpretation Guide

### FINANCIAL ANALYSIS

***Operating surplus = gross farm income – farm working expenses***

***Economic farm surplus = net farm trading profit – (interest and rent + labour adjustment)***

- The labour adjustment is added when farmer is an owner operator and is included where working owners are not paid for their labour. It is calculated as follows:-

**Peak cows milked x \$140 labour rate**

If *less than* \$30,800 use \$30,800

If *between* \$30,801 and \$69,999 calculate peak cows milked x \$140

If *greater than* \$70,000 use \$70,000 as maximum labour adjustment

### PROFITABILITY

***Milk sales income = total milk income – Dairy Insight fee + Fonterra dividend (if any)***

***Cattle account surplus = cash surplus from accounts +/- change in value of livestock on hand***

- Bear in mind this change in value is always based on herd values, never national standard cost which is why it could be different to accounts.
- Farm working expenses are as per accounts but not including depreciation.
- Interest expenses should match up to accounts. If any inter entity interest is paid then this is backed out.

***Net farm trading profit = gross farm income (GFI) – farm working expenses – interest – plant and machinery depreciation – owned runoff adjustment***

- The owned runoff adjustment is calculated as if the runoff was leased so that it is comparable to other entities that lease their run off and there is a separate line for this in expenses section of our stats.

***Owned runoff adjustment = market value of runoff land x 5%***

***Personal expenses = drawings + private share expenses***

- Current account items that are non cash are not included in this line as it represents the actual money withdrawn from the entity throughout the year.
- Net plant purchases exclude land and land development asset purchases.

### OTHER DATA

- Total farm assets – This is a combination of land, plant and stock valued at balance date.
  - Land – Current market value based on location and size
  - Stock – Herd value
  - Plant – Closing book value from asset schedule in accounts

***Return on farm assets = (economic farm surplus per Ha x effective Ha) ÷ total farm assets***

- Increase (decrease) in term liabilities is change from last year to this year in term liabilities not including inter entity loans.
- Minimum farm trading profit required for viability is calculated to show the profit before tax required so that the farm can meet tax of 25% and debt obligations over 20 years. It is calculated as follows:-

***= [(Term liabilities ÷ 20 years) + total drawings] ÷ 75%***