

2016 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	236	235	174	153	218	203	274
Runoff hectares	132	76	32	35	9	59	73
Cattle on hand at year end	933	960	631	639	61	47	962
Peak cows milked	688	707	498	484	665	564	749
Cows per milking hectare	2.91	3.01	2.85	3.17	3.05	2.78	2.74
Milk solids (kg)	283,655	303,819	207,737	218,440	274,028	245,923	303,129
Milk solids (kg/cow)	412	430	418	451	412	436	405
Milk solids (kg/ha)	1,200	1,292	1,191	1,430	1,255	1,211	1,108
Milk solids price (\$/kg)	3.95	3.94	1.87	1.88	.99	2.08	3.92
Average calf price (\$)	52	41	61	45	25	0	43
Average cull cow price (\$)	692	729	687	733	898	227	697
<b>FINANCIAL ANALYSIS</b>							
<b>Per milking hectare</b>							
Gross farm income	5,391	6,435	2,830	3,541	1,388	3,080	4,783
Farm working expenses	5,221	4,919	3,005	3,149	979	2,547	5,128
Operating surplus	170	1,516	(175)	392	409	533	(345)
Economic farm surplus	(211)	929	(664)	(240)	15	237	(607)
<b>Per Cow</b>							
Gross farm income	1,853	2,141	992	1,117	456	1,109	1,748
Farm working expenses	1,795	1,637	1,053	994	321	917	1,874
Operating surplus	58	504	(61)	124	134	192	(126)
<b>Per Milk solids (kg)</b>							
Gross farm income	4.49	4.98	2.38	2.48	1.11	2.54	4.32
Farm working expenses	4.35	3.81	2.52	2.20	.78	2.10	4.63
Operating surplus	.14	1.17	(.15)	.27	.33	.44	(.31)
<b>PROFITABILITY</b>							
Milk sales income	1,120,079	1,197,275	387,893	410,163	270,316	510,473	1,189,767
Cattle trading <sup>+</sup>	99,355	161,187	79,718	82,645	15,708	47,555	81,705
<b>Gross farm income</b>	<b>1,274,661</b>	<b>1,513,552</b>	<b>493,537</b>	<b>540,865</b>	<b>303,107</b>	<b>625,629</b>	<b>1,308,755</b>
Farm working expenses	1,234,456	1,157,016	524,043	481,023	213,805	517,370	1,403,220
Interest	443,577	378,530	71,335	109,327	24,529	237,247	402,011
<b>Net farm trading profit*</b>	<b>(403,372)</b>	<b>(21,994)</b>	<b>(101,841)</b>	<b>(49,485)</b>	<b>64,773</b>	<b>(128,989)</b>	<b>(496,476)</b>
Personal expenses	78,621	82,664	52,019	74,596	59,700	88,935	105,752
Net plant purchases	41,131	41,041	35,315	14,297	16,850	52,302	34,066
<b>EXPENSES (\$/kgms)</b>							
Animal health	.18	.15	.19	.16	.01	.01	.21
Breeding expenses	.12	.15	.13	.12	.00	.01	.14
Contract, cultivation and regrassing	.17	.09	.08	.04	.00	.09	.14
Dairyshed expenses	.07	.06	.04	.03	.02	.00	.02
Electricity	.10	.09	.09	.08	.08	.01	.03
Fertiliser	.47	.39	.16	.14	.01	.34	.53
Freight	.05	.06	.03	.01	.00	.03	.05
Grazing costs	.46	.71	.45	.36	.03	.41	.78
Owned/Rented grazing block	.41	.22	.10	.09	.00	.20	.22
Repairs & maintenance	.24	.23	.06	.04	.02	.32	.25
Stock food costs	.75	.62	.33	.40	.02	.34	.66
Vehicle costs	.20	.16	.16	.17	.08	.05	.09
Wages	.73	.58	.48	.38	.39	.04	1.08
Administration	.12	.08	.07	.07	.05	.07	.19
Insurance, rates and ACC	.15	.14	.06	.06	.03	.12	.12
<b>Farm working expenses</b>	<b>4.35</b>	<b>3.81</b>	<b>2.52</b>	<b>2.20</b>	<b>.78</b>	<b>2.10</b>	<b>4.63</b>
Farm working expenses as % of GFI	97%	76%	106%	89%	71%	83%	107%
Interest	1.46	1.22	.28	.45	.04	1.02	1.28
Interest paid as % of GFI	33%	24%	12%	18%	4%	40%	30%
<b>OTHER DATA</b>							
Total farm assets (land, stock & plant)	12,047,940	13,197,155	1,554,167	2,611,521	159,111	9,946,284	13,060,650
Return on total farm assets	-1.0%	1.7%	-32.6%	-2.7%	0.9%	0.3%	-1.4%
Increase (decrease) in term liabilities	428,710	559,953	132,916	30,336	50,805	(226,608)	825,533
Term liabilities per kgms	24.33	24.20	3.91	6.25	.75	16.10	22.84
Min farm trading profit req. for viability	570,296	553,182	120,576	200,153	90,896	366,369	530,727

2016 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)	202	196	445	363	1,353	738
Sheep on hand at year end	1,782	1,938	3,345	3,495	7,150	4,961
Cattle on hand at year end	53	88	91	0	254	107
Deer on hand at year end	122	0	140	321	178	0
Ave. stock units carried	1,998	2,150	3,792	3,494	8,793	6,454
Ave. stock units per ha	9.9	11.0	8.5	9.6	6.5	8.8
Lambing %	147%	161%	148%	162%	138%	149%
Ave. lamb price	88.86	92.19	85.34	89.38	79.97	78.44
Ave. ewe price	61.90	67.01	67.01	68.27	65.05	70.08
Total wool production (kg)	8,225	9,920	16,179	19,790	34,828	35,252
Wool production per sheep stock unit (kg)	5.2	5.6	5.4	6.3	5.1	5.6
Average wool price per kg	4.23	4.42	4.15	3.47	4.36	4.52
<b>FINANCIAL ANALYSIS</b>						
<b>Per hectare</b>						
Gross farm income	1,447	2,088	1,044	1,414	747	1,295
Farm working expenses	911	1,039	656	721	482	711
Operating surplus	536	1,049	388	694	265	584
Economic farm surplus	107	716	232	456	233	454
<b>Per stock unit</b>						
Sheep - Gross Profit	123.53	146.52	121.29	131.03	111.32	150.73
Cattle - Gross Profit	105.25	214.10	114.38	143.09	95.42	116.83
Deer - Gross Profit	23.16	0.00	33.06	55.54	20.71	0.00
Gross farm income	146.54	189.84	122.53	147.06	114.95	147.99
Farm working expenses	92.24	94.46	76.98	74.95	74.22	81.24
Operating surplus	54.30	95.39	45.56	72.12	40.73	66.75
<b>PROFITABILITY</b>						
Sheep trading <sup>+</sup>	157,917	210,365	292,703	344,367	548,025	511,768
Wool sales	34,781	43,880	67,126	68,750	151,910	159,184
Cattle trading <sup>+</sup>	34,634	75,726	51,756	23,933	150,371	124,738
Deer trading <sup>+</sup>	22,034	0	17,678	45,403	29,615	0
Grazing, cropping and other	43,360	78,247	35,361	31,445	130,850	159,483
<b>Gross farm income</b>	<b>292,727</b>	<b>408,217</b>	<b>464,624</b>	<b>513,898</b>	<b>1,010,771</b>	<b>955,173</b>
Farm working expenses	184,259	203,104	291,876	261,895	652,636	524,344
Interest and rent	41,065	53,453	92,162	100,825	189,573	153,527
<b>Net farm trading profit*</b>	<b>51,565</b>	<b>137,191</b>	<b>56,169</b>	<b>126,519</b>	<b>101,676</b>	<b>222,940</b>
Personal expenses	51,185	53,104	64,863	63,219	110,091	95,745
Net plant purchases	20,611	22,931	39,653	62,090	104,350	87,536
<b>EXPENSES (\$/su)</b>						
Animal health	6.38	5.09	6.26	7.20	4.90	6.23
Fertiliser	16.96	17.12	15.33	16.44	16.47	19.44
Freight	2.73	3.40	2.47	2.10	.84	.87
Repairs & maintenance	7.28	10.45	8.87	7.86	6.96	5.58
Shearing	7.25	7.75	7.55	7.38	7.54	9.02
Stock feed	10.98	7.89	3.72	2.30	3.05	2.36
Vehicle	8.52	10.79	7.81	6.00	7.42	8.72
Wages	5.14	1.78	5.54	7.36	8.85	9.55
Administration	5.45	5.28	3.28	3.82	2.78	2.84
Insurance, rates and ACC	7.37	7.38	5.04	5.38	4.14	5.11
<b>Farm working expenses</b>	<b>92.24</b>	<b>94.46</b>	<b>76.98</b>	<b>74.95</b>	<b>74.22</b>	<b>81.24</b>
Farm working expenses as % of GFI	63%	50%	63%	51%	65%	55%
Interest & rent	20.56	24.86	24.31	28.85	21.56	23.79
Interest and rent paid as % of GFI	14%	13%	20%	20%	19%	16%
<b>OTHER DATA</b>						
Total farm assets (land, stock & plant)	4,247,520	4,532,058	6,125,011	6,278,576	11,699,414	8,768,601
Return on total farm assets	0.5%	3.5%	1.6%	3.4%	3.3%	3.8%
Increase (decrease) in term liabilities	92,827	365,540	86,131	66,010	87,008	(78,975)
Term debt as % of total farm assets	15%	26%	21%	23%	23%	22%
Min farm trading profit req. for viability	111,141	143,419	168,840	169,138	343,706	256,771

## 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 NZ 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 or inter entity interest.
- 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%***

## Dairy Owner Operator - Ten Year Trend

Date updated: 18/07/2017



