



DAIRY FARM SURVEY

For the 2022/2023 Season

AN ECONOMIC SURVEY OF

FACTORY SUPPLY DAIRY FARMERS

FOR THE 2022/2023 SEASON
FROM THE PRACTICE OF
GRAHAM BROWN & CO LTD

A. THOSE SURVEYED

1. The population includes categories for Farm Owners, Sharemilkers and Farm Owners with Sharemilkers, of the practice of Graham Brown & Co Ltd, who:
 - (i) are factory supply, and
 - (ii) derive at least 95% of their gross income from dairying

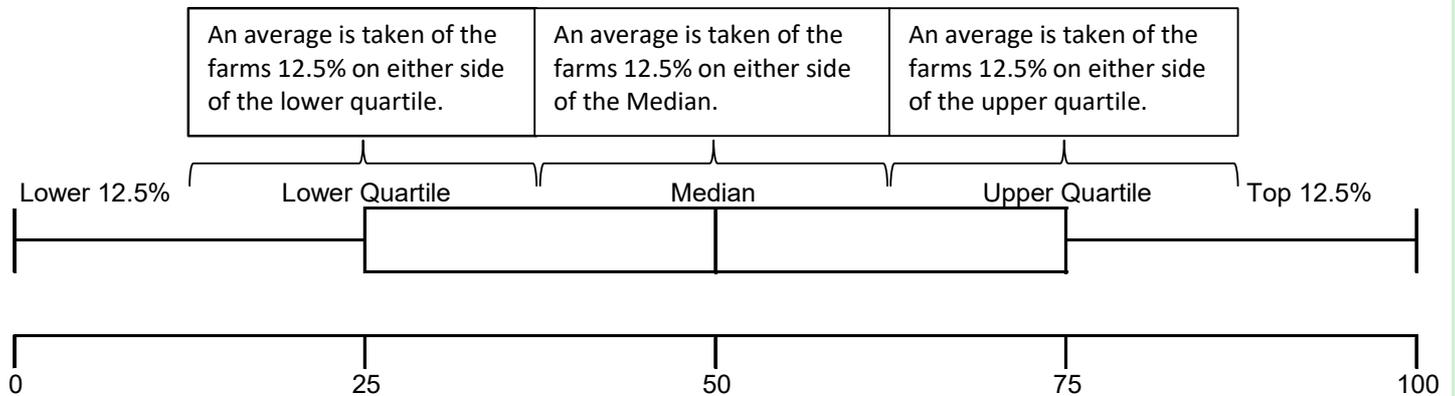
2. The area represented by this survey is predominantly that of the South Waikato.

B. ECONOMIC FARM SURPLUS (EFS)

The surplus remaining after expenditure on farming operations (ie. repairs and maintenance, vehicle and standing charges) is called EFS. It measures relative profitability per hectare without being influenced by such items as levels of indebtedness, capital expenditure, taxation and personal drawings. For this reason we are firstly taking the farm surplus from the farm working account. This is prior to book entries for building depreciation, off farm income such as interest received and taxation provisions. It includes any increase or decrease in stock numbers at market values. Secondly, we are adding back interest and lease payments for stock and for land which is milked on. We are leaving in lease payments for land which is used as a run-off. Thirdly, we are deducting a management salary based on “unpaid” labour utilised in the farming operation. This primarily gives the proprietor a return for their labour. It also eliminates any anomalies which may exist where there are more or less than one full time proprietor.

C. FORMAT OF COMPARISONS

We have collated the data as averages of the Lower, Median and Upper Quartile. ie. If 100 farms were in the survey, we would first order them from smallest to largest by their EFS and the average of the quartiles would be calculated as per the following



D. OTHER POINTS

1. Separate statistics are prepared for the three distinct areas of:
 - Farm Owners
 - Sharemilkers
 - Farm Owners Employing Sharemilkers
2. No adjustment is made for interim and deferred final payments when calculating EFS which may in isolated circumstances cause some distortions.
3. Where a farmer utilises a run-off the effective hectares used for these calculations are those that are milked upon.
4. Effective hectares only excludes from total hectares unfarmable areas, (by way of contour for example) and does not exclude areas for tanker tracks, houses etc.
5. In some instances the figures will not add vertically. This is due to rounding when the figures are averaged.

STATISTICS 2022-2023 YEAR

FARM OWNERS

	AVERAGE Around LOWER QUARTILE	AVERAGE Around MEDIAN	AVERAGE Around UPPER QUARTILE	AVERAGE OF TOP 10%
<u>BASIC DATA</u>				
EFFECTIVE HA's	200	151	164	125
COWS AS AT 31st October	520	437	489	425
<u>PRODUCTION</u>				
TOTAL MILK SOLIDS				
KG's/HA	1080	1219	1439	1758
KG's/COW	412	410	485	486
<u>INCOME/HA</u>				
TOTAL SOLIDS	8665.73	9973.37	12081.55	15633.91
OTHER INCOME	90.66	222.78	131.95	515.62
LIVESTOCK INCOME				
- CASH	521.63	655.53	557.49	690.95
- NUMBER CHANGE	-38.20	-68.80	34.27	44.35
<u>TOTAL INCOME/HA</u>	9239.83	10782.88	12805.26	16884.82
<u>COSTS/HA</u>				
FARM WORKING	4906.89	5013.52	5858.70	7564.49
LABOUR	898.66	894.20	1274.65	1150.75
FINANCIAL EXPENSES	1576.08	1790.41	2026.49	3151.05
ADMINISTRATION	380.42	379.24	381.90	505.12
<u>EXPENSES/HA</u>	7762.05	8077.37	9541.75	12371.42
<u>FARM SURPLUS/HA</u>	1477.78	2705.51	3263.52	4513.40
<u>ECONOMIC FARM SURPLUS</u>				
<u>ADJUSTMENT/HA</u>				
INTEREST & LEASE CHARGES	1574.82	1790.68	2025.93	3151.08
INCREASE IN FEED ON HAND	0.00	0.00	0.00	0.00
EXTRAORDINARY EXPENSES	0.28	0.00	0.00	0.00
<u>Less</u>				
Managerial Salary & Unpaid Labour/Ha	222.33	310.28	337.59	490.45
Decrease in Feed on Hand	0.00	0.00	0.00	0.00
Depreciation	387.11	541.31	497.35	891.12
Runoff Rental	25.74	23.21	14.12	24.86
<u>ECONOMIC FARM SURPLUS/HA</u>	2417.71	3621.39	4440.37	6258.05
Return on Dairy Assets (Plant at Opening Book, Stock at Opening MV, Land, Building & Shares at MV)	4.76%	6.07%	8.02%	7.67%
<u>RATIOS</u>				
Term Debt & OD/Total Assets	0.56	0.45	0.53	0.52
Interest Cover (Farm Cash Surplus <i>before</i> Interest, Lease & Long-term grazing <i>less</i> Tax & Drawings/Interest, Lease & Long Term Grazing)	1.51	2.54	1.73	1.82

STATISTICS 2022-2023 YEAR

FARM OWNERS

	AVERAGE Around LOWER QUARTILE	AVERAGE Around MEDIAN	AVERAGE Around UPPER QUARTILE	AVERAGE OF TOP 10%
<u>ANALYSIS/KG OF MILKSOLIDS</u>				
EXPENSES:				
FARM WORKING	4.45	4.10	4.00	4.15
LABOUR	0.78	0.72	0.88	0.70
ADMINISTRATION	0.10	0.09	0.09	0.06
STANDING CHARGES	0.25	0.21	0.18	0.22
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	5.57	5.12	5.15	5.14
Less				
OTHER INCOME	0.12	0.23	0.11	0.35
LIVESTOCK CASH INCOME	0.49	0.58	0.38	0.41
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	4.97	4.31	4.66	4.38
Plus				
INTEREST & LEASE CHARGES	1.58	1.52	1.45	1.85
PRINCIPAL	0.49	0.76	0.45	0.50
DRAWINGS	0.33	0.46	0.54	0.44
TAX	0.27	0.34	0.35	0.38
NET CAPITAL REPLACEMENT	0.50	0.30	0.40	0.36
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<u>NET FARM COSTS</u>	8.13	7.69	7.86	7.92
BREAKDOWN OF FARM WORKING COSTS:				
<u>VARIABLE COSTS:</u>				
FERTILISER & SPREADING/HA	641.36	644.74	626.83	967.93
REPAIRS & MAINTENANCE/HA	643.14	593.10	517.43	746.00
NITROGEN/HA	111.14	189.60	172.97	99.34
<u>SEMI-VARIABLE COSTS:</u>				
ANIMAL HEALTH/COW	156.43	131.09	146.26	197.91
BREEDING/COW	63.18	61.95	56.77	57.84
CALF REARING/COW	23.35	33.01	29.69	61.08
HERD TESTING/COW	9.70	4.34	5.10	6.04
BROUGHT IN FEED/COW	715.73	716.21	1017.03	813.84
CONCENTRATES/COW	202.94	181.72	105.71	162.09
CROPPING EXPENSES/COW	50.75	32.66	51.84	55.14
GRASS SILAGE/COW	48.16	41.41	54.37	77.11
GRAZING CALVES/COW	5.75	4.16	40.77	7.11
GRAZING HEIFERS/COW	80.76	97.64	108.38	87.60
GRAZING COWS/COW	20.17	4.90	60.94	38.52
GRAZING LAND/COW	13.99	0.00	20.83	0.00
HAY/COW	7.98	15.03	21.78	16.73
MAIZE/COW	22.01	75.37	90.96	117.35
NITROGEN/COW	42.22	69.51	57.89	25.91
MEAL/PALM KERNEL/GRAIN ETC	268.54	262.05	440.91	252.19
HARVESTING/COW	72.84	34.24	60.13	118.21
PASTURE RENOVATION	75.55	49.22	50.25	51.96
WEED & PEST CONTROL/HA	51.50	44.73	37.65	65.13
VEHICLE EXPENSES/HA	311.51	295.04	235.06	499.43
WAGES/CONTRACT MILKING/COW	328.97	288.64	416.66	337.36
WAGES/CONTRACT MILKING & MANAGERIAL SALARY/COW	421.62	393.68	530.45	470.73
<u>FIXED COSTS:</u>				
FARM POWER/COW	41.16	39.20	32.01	44.76
SHED EXPENSES/COW	30.82	31.63	28.24	44.80
DRAWINGS	58159	82286	150238	100204

STATISTICS 2022-2023 YEAR

SHAREMILKERS

	AVERAGE Around LOWER QUARTILE	AVERAGE Around MEDIAN	AVERAGE Around UPPER QUARTILE	AVERAGE OF TOP 10%
<u>BASIC DATA</u>				
EFFECTIVE HA's	161	200	177	80
COWS AS AT 31st October	447	577	527	247
<u>PRODUCTION</u>				
TOTAL MILK SOLIDS				
KG's/HA	1187	1156	1338	1383
KG's/COW	419	404	456	445
<u>INCOME/HA</u>				
TOTAL SOLIDS	5023.28	4880.75	5574.35	7429.11
OTHER INCOME	113.57	179.89	72.62	66.68
LIVESTOCK INCOME				
- CASH	338.31	622.38	604.81	400.96
- NUMBER CHANGE	74.20	55.35	-11.37	114.04
<u>TOTAL INCOME/HA</u>	5549.36	5738.37	6240.40	8010.79
<u>COSTS/HA</u>				
FARM WORKING	2836.64	2749.35	2832.06	3172.95
LABOUR	738.76	780.64	846.51	761.85
FINANCIAL EXPENSES	284.44	326.25	220.45	124.60
ADMINISTRATION	224.24	181.49	155.65	343.65
<u>EXPENSES/HA</u>	4084.07	4037.73	4054.67	4403.05
<u>FARM SURPLUS/HA</u>	1465.29	1700.64	2185.73	3607.74
<u>ECONOMIC FARM SURPLUS</u>				
<u>ADJUSTMENT/HA</u>				
INTEREST & LEASE CHARGES	282.91	325.11	220.01	124.60
INCREASE IN FEED ON HAND	0.00	0.00	0.00	0.00
EXTRAORDINARY EXPENSES	0.00	0.00	0.00	0.00
<u>Less</u>				
Managerial Salary & Unpaid Labour/Ha	399.85	345.54	335.23	399.53
Decrease in Feed	0.00	0.00	0.00	0.00
Depreciation	301.31	227.23	211.85	177.57
Runoff Rental	0.00	0.00	0.00	0.00
<u>ECONOMIC FARM SURPLUS/HA</u>	1047.03	1452.99	1858.66	3155.24
Return on Dairy Assets (Plant at Opening Book, Stock at Opening MV, Shares at MV)	14.95%	19.57%	25.08%	38.15%
<u>RATIOS</u>				
Term Debt & OD/Total Assets	0.27	0.42	0.26	0.16
Interest Cover (Farm Cash Surplus <i>before</i> Interest, Lease & Long-term Grazing <i>less</i> Tax & Drawings/Interest, Lease & Long Term Grazing)	3.76	2.43	2.78	5.32

STATISTICS 2022-2023 YEAR

SHAREMILKERS

	AVERAGE Around LOWER QUARTILE	AVERAGE Around MEDIAN	AVERAGE Around UPPER QUARTILE	AVERAGE OF TOP 10%
<u>ANALYSIS/KG OF MILKSOLIDS</u>				
EXPENSES:				
FARM WORKING	2.38	2.32	2.09	2.29
LABOUR	0.63	0.62	0.62	0.63
ADMINISTRATION	0.08	0.10	0.08	0.22
STANDING CHARGES	0.11	0.07	0.04	0.04
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	3.19	3.11	2.82	3.19
Less				
OTHER INCOME	0.10	0.20	0.32	0.08
LIVESTOCK CASH INCOME	0.27	0.57	0.45	0.29
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	2.82	2.35	2.06	2.82
Plus				
INTEREST & LEASE CHARGES	0.25	0.28	0.16	0.09
PRINCIPAL	0.16	0.14	0.92	0.15
DRAWINGS	0.59	0.57	0.52	0.61
TAX	0.17	0.21	0.22	0.27
NET CAPITAL REPLACEMENT	0.15	0.12	0.34	0.33
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<u>NET FARM COSTS</u>	4.14	3.66	4.22	4.26
BREAKDOWN OF FARM WORKING COSTS:				
<u>VARIABLE COSTS:</u>				
FERTILISER & SPREADING/HA	94.77	128.38	86.95	98.37
REPAIRS & MAINTENANCE/HA	149.64	134.81	98.41	162.00
NITROGEN/HA	30.11	50.67	109.79	153.34
<u>SEMI-VARIABLE COSTS:</u>				
ANIMAL HEALTH/COW	124.05	107.52	131.89	130.14
BREEDING/COW	57.67	52.83	50.85	53.93
CALF REARING/COW	32.10	28.64	26.71	38.06
HERD TESTING/COW	6.56	12.47	8.20	11.31
BROUGHT IN FEED/COW	421.90	378.68	375.50	390.45
CONCENTRATES/COW	33.53	20.80	60.13	27.95
CROPPING EXPENSES/COW	15.07	18.15	16.83	13.13
GRASS SILAGE/COW	10.89	60.39	32.68	0.00
GRAZING CALVES/COW	7.13	48.20	15.44	13.48
GRAZING HEIFERS/COW	54.80	51.19	71.20	77.84
GRAZING COWS/COW	37.26	51.70	19.60	0.00
GRAZING LAND/COW	0.00	3.68	0.00	0.00
HAY/COW	7.15	10.35	11.70	12.01
MAIZE/COW	90.88	34.24	46.32	70.79
NITROGEN/COW	12.01	17.27	38.64	48.85
OTHER BROUGHT IN FEED/SQUASH ETC	150.71	79.98	101.60	175.25
HARVESTING/COW	30.59	19.74	43.44	43.18
PASTURE RENOVATION	41.25	20.11	18.43	31.18
WEED & PEST CONTROL/HA	21.63	7.43	14.17	6.09
VEHICLE EXPENSES/HA	246.30	317.52	332.48	371.93
WAGES/CONTRACT MILKING/COW	270.64	270.41	293.42	251.63
WAGES/CONTRACT MILKING & MANAGERIAL SALARY/COW	412.08	398.59	408.39	377.83
<u>FIXED COSTS:</u>				
FARM POWER/COW	58.16	45.06	40.63	36.48
SHED EXPENSES/COW	28.21	21.47	17.46	22.87
DRAWINGS	95618	88160	91599	74929

STATISTICS 2022-2023 YEAR

FARM OWNERS WITH SHAREMILKERS

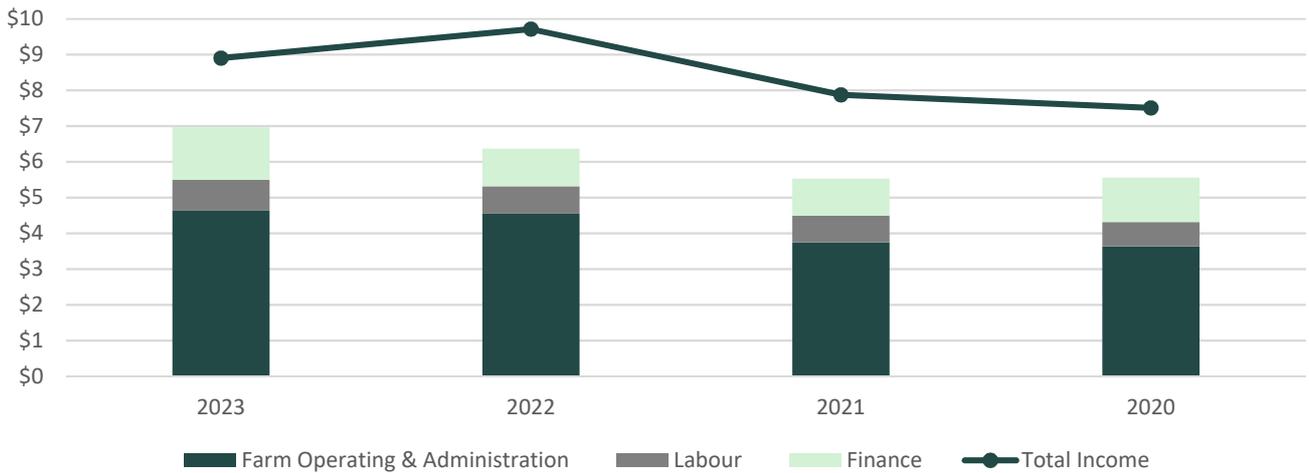
	AVERAGE Around LOWER QUARTILE	AVERAGE Around MEDIAN	AVERAGE Around UPPER QUARTILE
<u>BASIC DATA</u>			
EFFECTIVE HA's	150	124	143
COWS AS AT 31st October	453	376	426
<u>PRODUCTION</u>			
TOTAL MILK SOLIDS			
KG's/HA	1158	1023	1503
KG's/COW	398	350	493
<u>INCOME/HA</u>			
TOTAL SOLIDS	4937.20	4594.87	6347.71
OTHER INCOME	154.08	155.17	99.45
LIVESTOCK INCOME			
- CASH	0.00	43.34	0.00
- NUMBER CHANGE	0.00	-34.23	0.00
<u>TOTAL INCOME/HA</u>	5091.27	4759.16	6447.16
<u>COSTS/HA</u>			
FARM WORKING	2933.68	1570.13	2756.47
LABOUR	58.37	35.86	8.14
FINANCIAL EXPENSES	675.14	709.57	554.78
ADMINISTRATION	271.24	366.26	261.24
<u>EXPENSES/HA</u>	3938.43	2681.82	3580.63
<u>FARM SURPLUS/HA</u>	1152.84	2077.34	2866.53
<u>ECONOMIC FARM SURPLUS/HA</u>			
<u>ADJUSTMENT/HA</u>			
INTEREST & LEASE CHARGES	675.14	709.57	554.78
INCREASE IN FEED ON HAND	0.00	0.00	0.00
EXTRAORDINARY EXPENSES	0.00	0.00	0.00
<u>Less</u>			
Decrease in Feed	0.00	0.00	0.00
Depreciation	337.45	353.56	440.32
Runoff Rental	0.00	0.00	0.00
<u>ECONOMIC FARM SURPLUS/HA</u>	1490.52	2433.35	2980.99
Return on Dairy Assets (Plant at Opening Book, Land, Building & Shares at MV)	3.38%	3.83%	7.05%
<u>RATIOS</u>			
Term Debt & OD/Total Assets	0.34	0.20	0.23
Interest Cover (Farm Cash Surplus <i>before</i> Interest, Lease & Long-term Grazing <i>less</i> Tax & Drawings/Interest, Lease & Long Term Grazing)	2.47	4.55	6.92

STATISTICS 2022-2023 YEAR

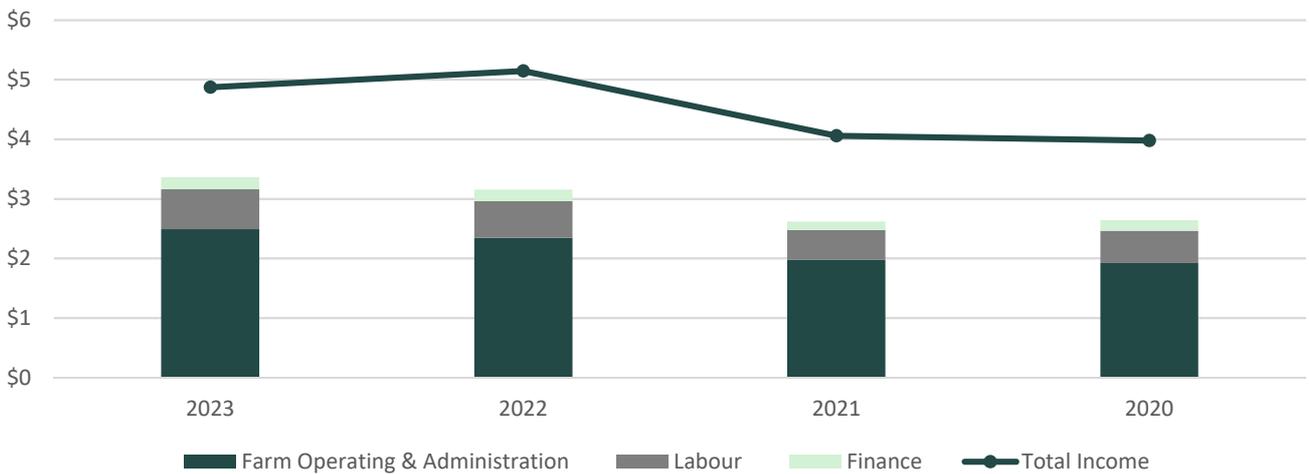
FARM OWNERS WITH SHAREMILKERS

	AVERAGE Around LOWER QUARTILE	AVERAGE Around MEDIAN	AVERAGE Around UPPER QUARTILE
<u>ANALYSIS/KG OF MILKSOLIDS</u>			
EXPENSES:			
FARM WORKING	2.49	1.47	1.81
LABOUR	0.04	0.04	0.00
ADMINISTRATION	0.05	0.10	0.05
STANDING CHARGES	0.20	0.26	0.13
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	2.78	1.87	1.99
Less			
OTHER INCOME	0.13	0.20	0.09
LIVESTOCK CASH INCOME	0.00	0.05	0.00
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	2.65	1.61	1.90
Plus			
INTEREST & LEASE CHARGES	0.64	0.67	0.33
PRINCIPAL	0.59	0.27	0.42
DRAWINGS	0.66	0.17	0.38
TAX	0.22	0.44	0.34
NET CAPITAL REPLACEMENT	-0.17	0.29	0.08
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<u>NET FARM COSTS</u>	5.49	3.45	3.45
BREAKDOWN OF FARM WORKING COSTS:			
<u>VARIABLE COSTS:</u>			
FERTILISER & SPREADING/HA	712.90	415.20	545.43
REPAIRS & MAINTENANCE/HA	532.87	374.24	458.60
NITROGEN/HA	61.54	82.88	71.00
<u>SEMI-VARIABLE COSTS:</u>			
ANIMAL HEALTH/COW	2.01	0.01	2.02
BREEDING/COW	0.00	0.00	0.00
CALF REARING/COW	8.36	1.81	3.89
HERD TESTING/COW	0.00	0.00	0.00
BROUGHT IN FEED/COW	412.45	162.46	500.46
CONCENTRATES/COW	49.93	48.22	115.57
CROPPING EXPENSES/COW	17.09	3.00	3.89
GRASS SILAGE/COW	0.00	10.30	102.03
GRAZING CALVES/COW	20.36	0.00	20.07
GRAZING HEIFERS/COW	28.96	27.13	67.70
GRAZING COWS/COW	0.00	0.00	9.63
GRAZING LAND/COW	0.00	33.11	0.00
HAY/COW	4.11	0.00	17.00
MAIZE/COW	55.56	0.00	18.71
NITROGEN/COW	22.23	27.16	22.63
OTHER BROUGHT IN FEED/SQUASH ETC	236.44	40.70	145.88
HARVESTING/COW	42.09	16.03	5.97
PASTURE RENOVATION	28.78	13.07	28.93
WEED & PEST CONTROL/HA	31.94	26.02	26.98
VEHICLE EXPENSES/HA	30.90	69.03	17.74
WAGES/CONTRACT MILKING/COW	17.85	13.56	2.62
<u>FIXED COSTS:</u>			
FARM POWER/COW	0.77	1.66	0.12
SHED EXPENSES/COW	23.72	12.27	4.19
DRAWINGS	102849	26174	19933

Practice Averages for Farm Owners



Practice Averages for Sharemilkers



Practice Averages for Farm Owners with Sharemilkers

