



## DAIRY FARM SURVEY

For the 2023/2024 Season

AN ECONOMIC SURVEY OF

# FACTORY SUPPLY DAIRY FARMERS

FOR THE 2023/2024 SEASON  
FROM THE PRACTICE OF  
GRAHAM BROWN & CO LTD

## A. THOSE SURVEYED

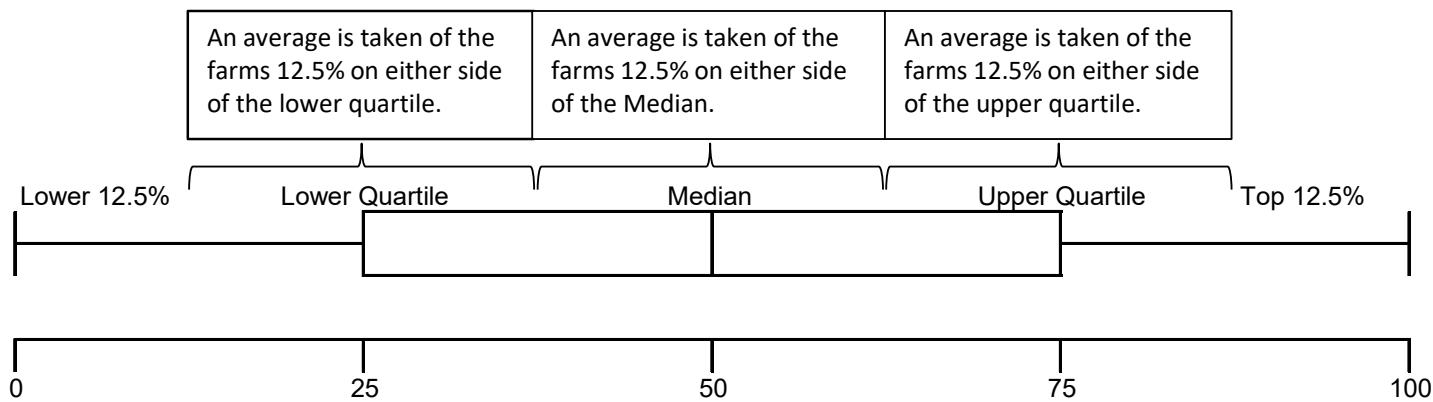
1. The population includes categories for Farm Owners, Sharemilkers and Farm Owners with Sharemilkers, of the practice of Graham Brown & Co Ltd, who:
  - (i) are factory supply, and
  - (ii) derive at least 95% of their gross income from dairying
2. The area represented by this survey is predominantly 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 2023-2024 YEAR

## FARM OWNERS

	AVERAGE Around LOWER QUARTILE	AVERAGE Around MEDIAN	AVERAGE Around UPPER QUARTILE	AVERAGE OF TOP 10%
<b>BASIC DATA</b>				
EFFECTIVE HA's	204	193	182	136
COWS AS AT 31st October	572	556	557	438
<b>PRODUCTION</b>				
TOTAL MILK SOLIDS				
KG's/HA	1166	1210	1419	1682
KG's/COW	426	415	476	506
<b>INCOME/HA</b>				
TOTAL SOLIDS	8973.86	10053.52	12406.43	14559.37
OTHER INCOME	200.69	220.46	306.79	295.53
LIVESTOCK INCOME				
- CASH	748.02	643.58	773.36	576.05
- NUMBER CHANGE	-104.98	76.10	-77.81	355.68
<b>TOTAL INCOME/HA</b>	9817.58	10993.66	13408.76	15786.64
<b>COSTS/HA</b>				
FARM WORKING	4766.77	4779.90	5534.01	6351.17
LABOUR	928.17	1133.05	1582.24	1650.02
FINANCIAL EXPENSES	2262.06	2243.10	2902.41	2784.72
ADMINISTRATION	400.70	433.29	425.55	443.82
<b>EXPENSES/HA</b>	8357.70	8589.33	10444.22	11229.72
<b>FARM SURPLUS/HA</b>	1459.89	2404.33	2964.55	4556.92
<b>ECONOMIC FARM SURPLUS</b>				
<u>ADJUSTMENT/HA</u>				
INTEREST & LEASE CHARGES	2261.84	2242.81	2901.32	2784.00
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	370.03	270.63	252.98	311.85
Decrease in Feed on Hand	0.00	0.00	0.00	0.00
Depreciation	450.20	498.08	557.09	660.24
Runoff Rental	25.57	7.50	49.26	3.33
<b>ECONOMIC FARM SURPLUS/HA</b>	2875.92	3870.92	5006.54	6365.49
Return on Dairy Assets (Plant at Opening Book, Stock at Opening MV, Land, Building & Shares at MV)	5.10%	6.48%	7.55%	10.26%
<b>RATIOS</b>				
Term Debt & OD/Total Assets	0.54	0.43	0.42	0.42
Interest Cover (Farm Cash Surplus <i>before</i> Interest, Lease & Long-term grazing <i>less</i> Tax & Drawings/Interest, Lease & Long Term Grazing)	1.53	2.15	1.85	1.87

# STATISTICS 2023-2024 YEAR

## FARM OWNERS

	AVERAGE Around LOWER QUARTILE	AVERAGE Around MEDIAN	AVERAGE Around UPPER QUARTILE	AVERAGE OF TOP 10%
<b><u>ANALYSIS/KG OF MILKSOLIDS</u></b>				
EXPENSES:				
FARM WORKING	4.05	3.79	3.84	3.72
LABOUR	0.76	0.90	1.11	0.98
ADMINISTRATION	0.11	0.09	0.09	0.07
STANDING CHARGES	0.24	0.27	0.21	0.18
	5.16	5.05	5.26	4.96
Less				
OTHER INCOME	0.21	0.30	0.36	0.25
LIVESTOCK CASH INCOME	0.69	0.50	0.56	0.34
	4.25	4.25	4.33	4.36
Plus				
INTEREST & LEASE CHARGES	2.06	1.92	2.08	1.68
PRINCIPAL	0.46	0.55	0.55	0.48
DRAWINGS	0.43	0.44	0.37	0.34
TAX	0.09	0.24	0.29	0.35
NET CAPITAL REPLACEMENT	0.02	0.19	0.12	0.30
<b><u>NET FARM COSTS</u></b>	<b>7.30</b>	<b>7.60</b>	<b>7.75</b>	<b>7.51</b>
BREAKDOWN OF FARM WORKING COSTS:				
<b><u>VARIABLE COSTS:</u></b>				
FERTILISER & SPREADING/HA	593.72	537.79	652.42	459.00
REPAIRS & MAINTENANCE/HA	474.40	507.00	711.09	503.16
NITROGEN/HA	109.84	104.88	121.48	140.89
<b><u>SEMI-VARIABLE COSTS:</u></b>				
ANIMAL HEALTH/COW	149.10	152.55	156.99	129.11
BREEDING/COW	55.54	56.05	57.69	62.67
CALF REARING/COW	32.05	52.74	34.51	36.04
HERD TESTING/COW	8.63	4.41	4.11	6.73
BROUGHT IN FEED/COW	761.20	674.28	777.30	1044.71
CONCENTRATES/COW	126.52	78.79	105.32	256.92
CROPPING EXPENSES/COW	64.75	40.89	56.51	47.98
GRASS SILAGE/COW	50.43	50.82	39.35	30.06
GRAZING CALVES/COW	13.49	9.24	22.55	55.46
GRAZING HEIFERS/COW	96.27	101.86	89.31	132.87
GRAZING COWS/COW	36.79	12.62	16.68	46.49
GRAZING LAND/COW	0.00	24.41	2.90	0.28
HAY/COW	9.10	8.65	13.31	17.70
MAIZE/COW	77.86	18.13	56.63	131.14
NITROGEN/COW	37.14	36.00	39.71	40.42
MEAL/PALM KERNEL/GRAIN ETC	279.93	326.66	361.10	317.50
HARVESTING/COW	59.64	60.03	78.16	70.84
PASTURE RENOVATION	93.21	76.25	61.17	57.34
WEED & PEST CONTROL/HA	49.04	46.30	47.83	28.17
VEHICLE EXPENSES/HA	284.70	273.20	243.34	328.08
WAGES/CONTRACT MILKING/COW	320.63	378.49	505.53	489.26
WAGES/CONTRACT MILKING & MANAGERIAL	458.70	474.02	597.03	582.69
SALARY/COW				
<b><u>FIXED COSTS:</u></b>				
FARM POWER/COW	28.64	30.56	42.13	35.52
SHED EXPENSES/COW	28.48	20.94	22.55	34.89
DRAWINGS	86573	86864	99892	86661

# STATISTICS 2023-2024 YEAR

## SHAREMILKERS

	AVERAGE Around LOWER QUARTILE	AVERAGE Around MEDIAN	AVERAGE Around UPPER QUARTILE	AVERAGE OF TOP 10%
<b><u>BASIC DATA</u></b>				
EFFECTIVE HA's	196	175	121	140
COWS AS AT 31st October	621	493	373	395
<b><u>PRODUCTION</u></b>				
TOTAL MILK SOLIDS				
KG's/HA	1264	1207	1270	1311
KG's/COW	394	423	423	452
<b><u>INCOME/HA</u></b>				
TOTAL SOLIDS	5078.48	5302.75	5418.46	6312.57
OTHER INCOME	83.07	85.61	205.37	133.74
LIVESTOCK INCOME				
- CASH	445.27	517.57	494.08	487.66
- NUMBER CHANGE	-105.64	70.78	135.59	69.87
<b><u>TOTAL INCOME/HA</u></b>	5501.16	5976.71	6253.50	7003.86
<b><u>COSTS/HA</u></b>				
FARM WORKING	2814.37	2791.21	2569.79	2782.81
LABOUR	995.82	832.38	811.71	480.48
FINANCIAL EXPENSES	329.33	242.14	204.37	285.82
ADMINISTRATION	144.72	193.04	258.92	223.61
<b><u>EXPENSES/HA</u></b>	4284.23	4058.77	3844.78	3772.72
<b><u>FARM SURPLUS/HA</u></b>	1216.93	1917.94	2408.71	3231.14
<b><u>ECONOMIC FARM SURPLUS</u></b>				
<b><u>ADJUSTMENT/HA</u></b>				
INTEREST & LEASE CHARGES	328.45	238.57	201.29	285.69
INCREASE IN FEED ON HAND	0.00	0.00	0.00	0.00
EXTRAORDINARY EXPENSES	0.00	0.00	0.00	0.00
<b><u>Less</u></b>				
Managerial Salary & Unpaid Labour/Ha	378.65	376.16	407.26	478.56
Decrease in Feed	0.00	0.00	0.00	0.00
Depreciation	217.01	387.78	210.97	290.46
Runoff Rental	0.00	0.00	0.00	0.00
<b><u>ECONOMIC FARM SURPLUS/HA</u></b>	949.73	1392.57	1991.77	2747.81
Return on Dairy Assets (Plant at Opening Book, Stock at Opening MV, Shares at MV)	14.22%	16.10%	27.14%	32.48%
<b><u>RATIOS</u></b>				
Term Debt & OD/Total Assets	0.38	0.33	0.17	0.47
Interest Cover (Farm Cash Surplus <i>before</i> Interest, Lease & Long-term Grazing <i>less</i> Tax & Drawings/Interest, Lease & Long Term Grazing)	2.22	5.51	2.45	3.25

# STATISTICS 2023-2024 YEAR

## SHAREMILKERS

	AVERAGE Around LOWER QUARTILE	AVERAGE Around MEDIAN	AVERAGE Around UPPER QUARTILE	AVERAGE OF TOP 10%
<b><u>ANALYSIS/KG OF MILKSOLIDS</u></b>				
EXPENSES:				
FARM WORKING	2.18	2.30	2.01	2.11
LABOUR	0.77	0.69	0.63	0.31
ADMINISTRATION	0.07	0.10	0.15	0.12
STANDING CHARGES	0.04	0.06	0.06	0.06
	3.07	3.14	2.85	2.60
Less				
OTHER INCOME	0.07	0.08	0.19	0.30
LIVESTOCK CASH INCOME	0.34	0.47	0.40	0.38
	2.66	2.60	2.27	1.92
Plus				
INTEREST & LEASE CHARGES	0.27	0.20	0.16	0.21
PRINCIPAL	0.64	0.10	0.10	0.03
DRAWINGS	0.39	0.49	0.61	0.94
TAX	0.08	0.10	0.12	0.26
NET CAPITAL REPLACEMENT	0.17	0.27	-0.01	0.02
<b>NET FARM COSTS</b>	<b>4.21</b>	<b>3.76</b>	<b>3.24</b>	<b>3.37</b>
BREAKDOWN OF FARM WORKING COSTS:				
<b><u>VARIABLE COSTS:</u></b>				
FERTILISER & SPREADING/HA	72.21	76.45	73.65	131.89
REPAIRS & MAINTENANCE/HA	114.15	136.65	104.48	187.53
NITROGEN/HA	78.26	77.00	87.22	97.42
<b><u>SEMI-VARIABLE COSTS:</u></b>				
ANIMAL HEALTH/COW	126.60	133.64	130.04	116.99
BREEDING/COW	56.56	66.47	53.60	54.37
CALF REARING/COW	22.95	25.20	19.18	25.82
HERD TESTING/COW	7.47	8.94	5.01	11.37
BROUGHT IN FEED/COW	380.04	349.32	331.54	304.57
CONCENTRATES/COW	8.09	15.21	8.62	51.70
CROPPING EXPENSES/COW	20.20	19.24	28.23	22.17
GRASS SILAGE/COW	45.91	11.05	13.22	12.65
GRAZING CALVES/COW	16.69	7.04	21.90	59.70
GRAZING HEIFERS/COW	62.56	42.03	74.81	32.12
GRAZING COWS/COW	53.85	13.06	0.09	1.22
GRAZING LAND/COW	3.56	2.02	2.16	0.00
HAY/COW	4.42	9.76	0.86	20.08
MAIZE/COW	33.92	39.64	42.84	28.83
NITROGEN/COW	25.06	26.75	28.81	31.66
OTHER BROUGHT IN FEED/SQUASH ETC	130.39	190.27	137.60	76.10
HARVESTING/COW	26.88	39.25	8.76	68.56
PASTURE RENOVATION	10.05	32.43	16.56	15.40
WEED & PEST CONTROL/HA	21.78	13.15	23.72	12.71
VEHICLE EXPENSES/HA	221.98	339.83	322.30	353.83
WAGES/CONTRACT MILKING/COW	310.10	297.00	269.29	166.98
WAGES/CONTRACT MILKING & MANAGERIAL	429.90	429.36	407.99	334.71
SALARY/COW				
<b><u>FIXED COSTS:</u></b>				
FARM POWER/COW	50.10	60.61	39.79	52.80
SHED EXPENSES/COW	21.39	22.46	20.65	22.18
DRAWINGS	90782	91846	81859	118093

# STATISTICS 2023-2024 YEAR

## FARM OWNERS WITH SHAREMILKERS

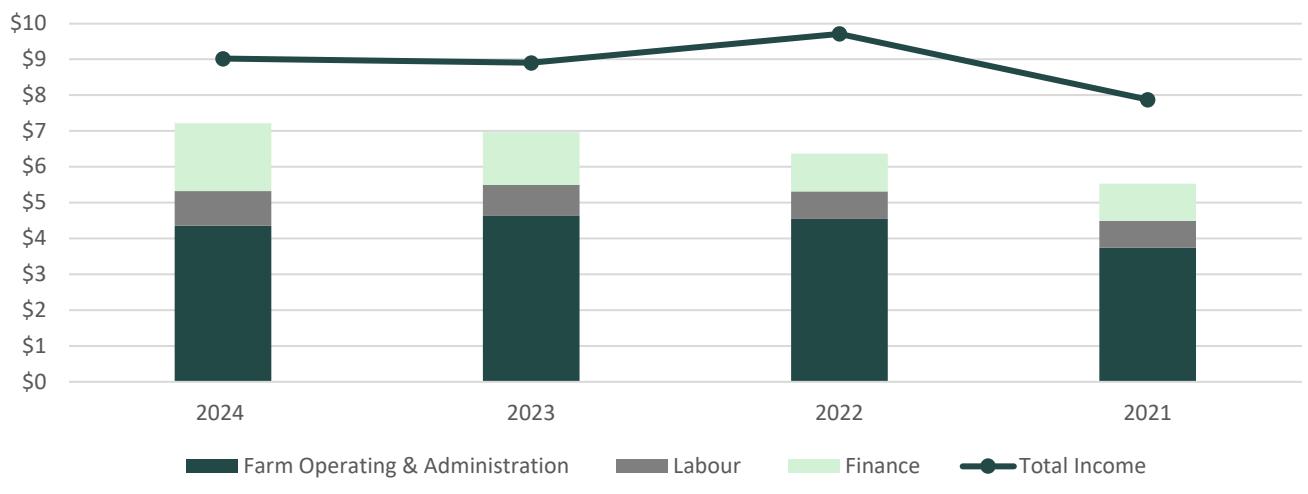
	AVERAGE Around LOWER QUARTILE	AVERAGE Around MEDIAN	AVERAGE Around UPPER QUARTILE
<b><u>BASIC DATA</u></b>			
EFFECTIVE HA's	126	155	163
COWS AS AT 31st October	387	436	494
<b><u>PRODUCTION</u></b>			
TOTAL MILK SOLIDS			
KG's/HA	1128	1290	1395
KG's/COW	379	429	470
<b><u>INCOME/HA</u></b>			
TOTAL SOLIDS	4931.85	5858.65	6111.88
OTHER INCOME	104.06	93.28	86.30
LIVESTOCK INCOME			
- CASH	0.00	0.00	46.74
- NUMBER CHANGE	0.00	1.18	-12.67
<b><u>TOTAL INCOME/HA</u></b>	<b>5035.91</b>	<b>5953.11</b>	<b>6232.25</b>
<b><u>COSTS/HA</u></b>			
FARM WORKING	2005.18	2422.80	2185.58
LABOUR	38.27	24.91	24.54
FINANCIAL EXPENSES	1021.95	1101.82	1045.60
ADMINISTRATION	363.14	319.75	363.20
<b><u>EXPENSES/HA</u></b>	<b>3428.54</b>	<b>3869.28</b>	<b>3618.92</b>
<b><u>FARM SURPLUS/HA</u></b>	<b>1607.37</b>	<b>2083.84</b>	<b>2613.34</b>
<b><u>ECONOMIC FARM SURPLUS/HA</u></b>			
<b><u>ADJUSTMENT/HA</u></b>			
INTEREST & LEASE CHARGES	1021.95	1101.78	1045.60
INCREASE IN FEED ON HAND	0.00	0.00	0.00
EXTRAORDINARY EXPENSES	0.00	0.00	0.00
<b><u>Less</u></b>			
Decrease in Feed	0.00	0.00	0.00
Depreciation	437.53	369.20	308.94
Runoff Rental	0.00	0.00	0.00
<b><u>ECONOMIC FARM SURPLUS/HA</u></b>	<b>2191.79</b>	<b>2816.41</b>	<b>3349.99</b>
Return on Dairy Assets (Plant at Opening Book, Land, Building & Shares at MV)	4.48%	6.00%	7.29%
<b><u>RATIOS</u></b>			
Term Debt & OD/Total Assets	0.26	0.27	0.19
Interest Cover (Farm Cash Surplus <i>before</i> Interest, Lease & Long-term Grazing <i>less</i> Tax & Drawings/Interest, Lease & Long Term Grazing)	1.87	3.75	3.96

# STATISTICS 2023-2024 YEAR

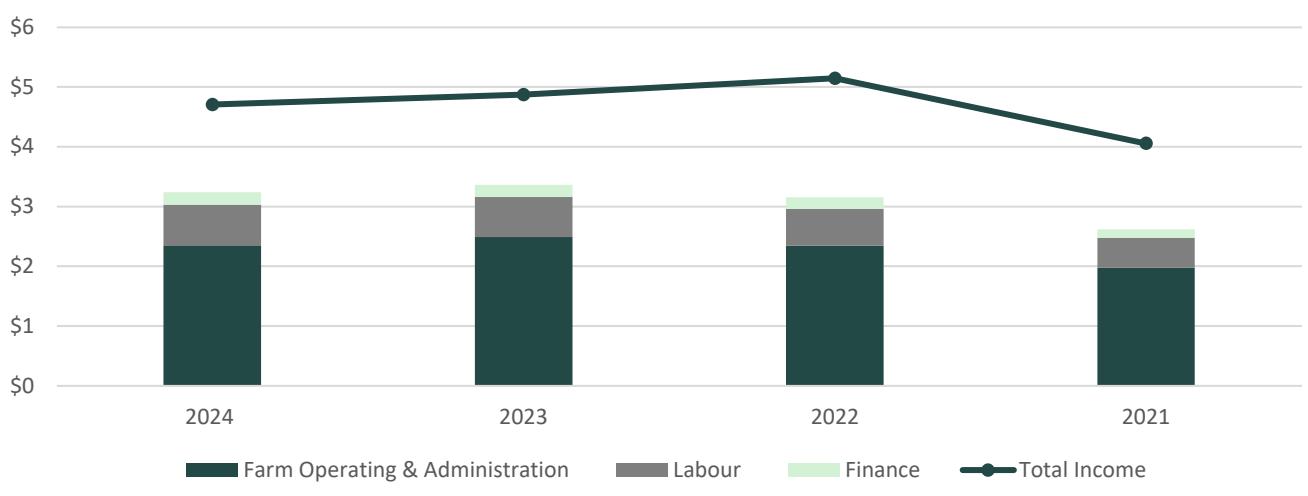
## FARM OWNERS WITH SHAREMILKERS

	AVERAGE Around LOWER QUARTILE	AVERAGE Around MEDIAN	AVERAGE Around UPPER QUARTILE
<b><u>ANALYSIS/KG OF MILKSOLIDS</u></b>			
EXPENSES:			
FARM WORKING	1.73	1.79	1.54
LABOUR	0.03	0.02	0.01
ADMINISTRATION	0.10	0.06	0.08
STANDING CHARGES	0.22	0.21	0.18
	2.08	2.08	1.82
Less			
OTHER INCOME	0.15	0.22	0.32
LIVESTOCK CASH INCOME	0.00	0.63	0.04
	1.93	1.23	1.46
Plus			
INTEREST & LEASE CHARGES	0.89	0.88	0.71
PRINCIPAL	1.35	1.02	0.31
DRAWINGS	0.23	0.21	0.31
TAX	0.40	0.45	0.27
NET CAPITAL REPLACEMENT	0.13	-0.09	0.01
<b><u>NET FARM COSTS</u></b>	<b>4.93</b>	<b>3.70</b>	<b>3.08</b>
BREAKDOWN OF FARM WORKING COSTS:			
<b><u>VARIABLE COSTS:</u></b>			
FERTILISER & SPREADING/HA	461.87	512.80	493.42
REPAIRS & MAINTENANCE/HA	438.14	651.23	381.98
NITROGEN/HA	75.61	34.66	70.16
<b><u>SEMI-VARIABLE COSTS:</u></b>			
ANIMAL HEALTH/COW	1.73	0.90	0.68
BREEDING/COW	0.49	1.98	0.42
CALF REARING/COW	1.79	2.01	1.45
HERD TESTING/COW	0.00	0.00	0.00
BROUGHT IN FEED/COW	268.82	326.44	334.27
CONCENTRATES/COW	40.72	71.03	37.12
CROPPING EXPENSES/COW	4.91	30.83	15.77
GRASS SILAGE/COW	8.39	46.78	18.86
GRAZING CALVES/COW	8.00	26.92	13.46
GRAZING HEIFERS/COW	52.67	53.95	38.13
GRAZING COWS/COW	0.07	1.55	0.72
GRAZING LAND/COW	23.33	0.00	0.00
HAY/COW	0.00	6.93	5.30
MAIZE/COW	23.85	11.82	24.92
NITROGEN/COW	23.68	11.16	23.92
OTHER BROUGHT IN FEED/SQUASH ETC	106.87	76.63	180.00
HARVESTING/COW	11.44	5.45	22.97
PASTURE RENOVATION	25.04	20.20	20.32
WEED & PEST CONTROL/HA	19.45	16.23	40.39
VEHICLE EXPENSES/HA	61.10	82.85	57.74
WAGES/CONTRACT MILKING/COW	11.61	8.09	7.33
<b><u>FIXED COSTS:</u></b>			
FARM POWER/COW	0.91	2.34	1.46
SHED EXPENSES/COW	5.53	10.42	5.80
DRAWINGS	29374	37549	79857

### Practice Averages for Farm Owners



### Practice Averages for Sharemilkers



### Practice Averages for Farm Owners with Sharemilkers

