

WAIKATO DAIRY FARMING BENCHMARKING 2022



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WAIKATO DAIRY FARMING BENCHMARKING 2022

Introduction

The team at CooperAitken are pleased to present our Annual Farming Statistics package for the 2021/22 season.

These results are based on a selection of our clients who fit the group criteria and who also did not have significant business anomalies during the year, such as a significant restructure. Therefore the makeup of clients in the groups can vary each year. We note that the groups contain a variety of farm supplies, with the majority of those being Fonterra.

Our aim each year is to publish results just after season end, based on actual cash trading data.

Going forward we will be obtaining authority from more clients to add to the data pool, and from there we will provide tailored solutions and data for individuals.

The Statistics package is broken into four main client groups;

1. Farm Owner Operators
2. Farm Owner with 50/50 Sharemilkers
3. 50/50 Sharemilkers
4. Farm Owner with Contract Milker

Each Group analysis has five sections;

- 1) Statistics Snapshot – a good quick snap shot of key KPI's for farmers
- 2) Farm Operating Costs – a comparison graph of main cost groupings
- 3) Cash Available “Water fall Graph” – a graphic view of where Cash Income was generated, where it was spent, then the remaining cash available (for Investment, Debt Repayment and Tax)
- 4) Profit and Loss Summary – overview of Income and Expenditure and the funds remaining for Investment, Debt and Tax
- 5) Profit and Loss Detail – the full details reflected in dollars, per kg of milksolids, and per cow

WAIKATO DAIRY FARMING BENCHMARKING 2022

Commentary

Overarching comments

- Season was not an easy season with the dry weather kicking in early and being prolonged up to May – put pressure on production, feed and animal health and the farmers morale.
- Opposing this was the record cash pay-out and profits which allowed the farmers to pay down debt, replace capital and do maintenance and personal drawings. Many farmers had significant increases in tax commitments which had been funded in the following season. Some of these excess profits were spent combatting drought.
- Cost rises starting to show through with inflation on costs and fuel costs being high and scarcity, which had an overarching impact on the 3 F's (Fuel, Feed and Fertiliser) and started to see interest rate movement up.
- Our stats, showed consistency and solid trends. They are Waikato based so we do have Tatua and OCD included in here which can sway the subsets with Dairy Payout (inclusive of Dividend). Our unique difference is publishing reports for the different categories and the ability to produce individualised reports when required.

Comments per subset

1. Farm Owner

- Steady trends here in cows milked per Hectare and milk solids per cow. Production bucking the NZ trend by being only slightly down on a per hectare basis compared to the industry being down by 4% as the national average.
- Payout per MS up by 28%.
- Core Farm operating cost up by 20% but interesting to note that total cost of production is only up 16% - which shows that all costs have not moved in the same direction, and having an increase in Livestock Income per kg/MS of 7 cents has helped buffer this cost.
- Net Income per kg/MS up a stunning \$1.29, a 58% increase.
- Solid increase in costs for Fertiliser (39%) and Feed (29%).

2. Farm Owner with 50/50 Sharemilker

- Production per Ha was more in line with the nationwide trend, down 5%.
- As per above category, Dairy Payout up by 29%.
- Interestingly the Farm Operating Costs were not up as much as the Farm Owner – only up 16%, this is due to the increased wages costs that the Farm Owner Operator incurred, these were up 10%.
- Solid result with Net Income per kg/MS up 54%.
- Interestingly for this category there was a significant lift in in Drawings (29%) and Interest cost per kg/MS (42%).

3. 50/50 Sharemilker

- Bucked the trend with a 12% decrease in production per cow.
- Dairy Payout up 28%, virtually a \$1 per MS.

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Commentary

- Cost of production had climbed 15%, with solid increases in Feed Cost, up 33% and Animal Health up 8%.
- Net Income per kg/MS showed a 48% increase, the lowest category, wages were up \$0.04 (13%) per MS on the previous year and as a portion of the variable expenses (FWE) these were proportionately higher (21%).
- Drawings were slightly higher at 16%, and Interest Cost per kg/MS had little movement and stayed proportionately the same.

4. Farm Owner with Contract Milker

- Production only slightly down (2%) on a per hectare basis.
- Dairy Payout per kg/MS up by 30%.
- Farm Operating Costs were 15%. Interestingly the cost of production per kg/MS bucked the trend for this category compared to the above with a 17% increase. Indicating that farm owners flexibility to pay for production.
- Net Income per kg/MS up 53%.
- Drawings per kg/MS had a solid increase by 40% and Animal Health Costs per cow had climbed 30%.

The trend going forward

- Taxation will be up significantly with Net Income per kg/MS up by a minimum of 48% for 50/50 sharemilkers to a 58% increase for Farm Owner/Operator. Clients of CooperAitken have had the benefit of a June 2022 forecast to ensure no surprises in their cash flow. This means tax has been paid or budgeted for.
- Costs are rising, in reviewing 22/23 budgets with clients we are seeing a 10-15% increase in operating costs, however significantly more in key components like the 3 F's. Farmers with debt are facing almost a doubling of interest rates from 18 months ago. Interest rates are heavily influenced by factors outside the banks control with their cost of funding being influenced by OCR and Overseas economies. The majority of clients are floating their term debt, therefore any movement in interest rates will have an immediate effect.
- Living costs are facing inflationary pressures as well.
- Overall impact of the above factors is that we are predicting a more volatile year and lower profits to be made. With significant variables like overseas conflicts, supply chain issues, staff shortages, environmental and political influences – farms should plan for uncertainty.
- Strategies to go forward:
 - Controlling costs where possible
 - Reviewing fertiliser requirements
 - Working alongside your bank with margins and debt repayment strategy.
 - Focus on growing feed on farm versus buying in
 - Stocking numbers going forward
 - Utilising budgets to predict likely outcomes and working with your accountant to monitor tax position and breakeven point

In conclusion, it is good to see farmers bottom line improving noting the need for conservatism in the future with increased cost structures.

WAIKATO DAIRY FARMING BENCHMARKING 2022

Interpretation and Components of Statistics

Interpretation of Statistics;

Dairy Payout per kg/MS : Average cash basis payout per milk solid. Includes last season's deferred.

Farm Operating Costs per kg/MS : The average farm's basic Direct Cost's incurred per kg of milk solid. These are all the farm costs except for Lease, Depreciation and Interest.

Cost of Production per kg/MS: Are all the costs for the farm less nett Livestock Income and Other Farm Trading Income, and it is also known as the breakeven point. It is a measure of resilience, and is the minimum base milk price required.

Gross Operating Income per kg/MS: Measures the sustainability and viability of the core Milk Production activity is calculated as the Gross Milk Income, plus/less Stock Movement, less Farm Operating Costs.

Net Income per kg/MS: This is essentially what is leftover for drawings, taxes, principal repayments and reinvestment. It can be used as an indicator of overall financial health.

Drawings : Solely personal living expenses. Therefore this excludes personal taxes.

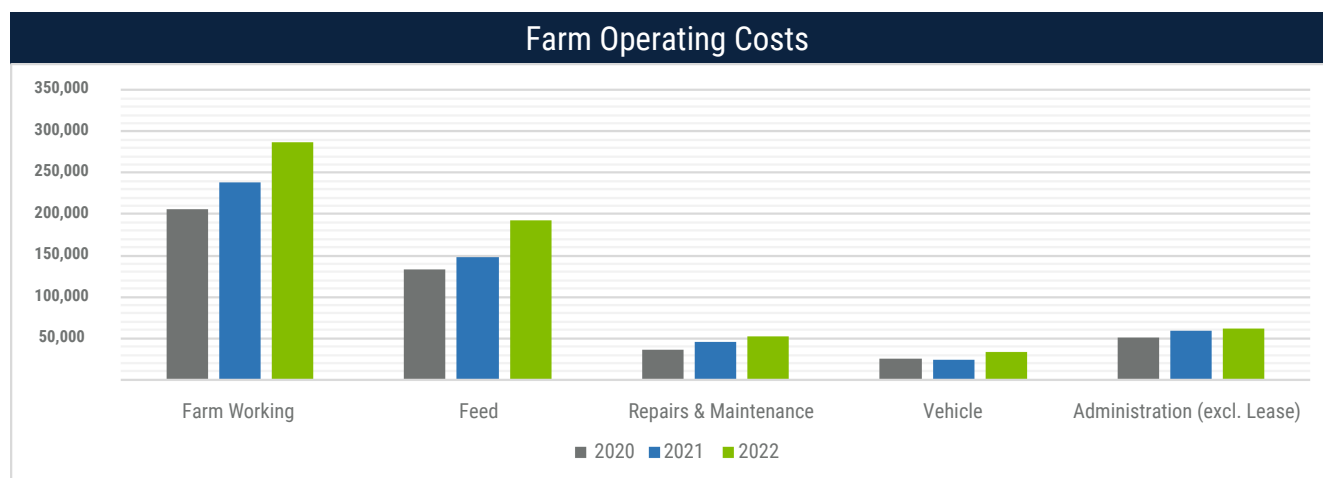
Components of Statistics;

	Farm Operating Costs	Cost of Production	Gross Operating Income	Net Income
Livestock Sales				
Livestock Purchases				
Milk Income				
Other Farm Trading Income				
Farm Working Costs				
Feed				
Repairs & Maintenance				
Vehicle Costs				
Administration (excl. Lease)				
Lease Expenses				
Finance Expenses				
Depreciation				
Other Income				

WAIKATO DAIRY FARMING BENCHMARKING 2022

Statistics Snapshot | Farm Owner / Operator

Statistics Snapshot	2020	2021	2022
Number in Group	40	40	36
Total Effective Farming area (ha)	109.85	114.23	115.73
Cows milked	306	325	329
Cows milked per ha	2.78	2.84	2.84
Total kg/MS	106,151	117,822	119,169
Production per ha	966	1,031	1,030
Production per Cow	347	363	362
Dairy Payout per kg/MS	\$7.18	\$7.49	\$9.60
Livestock Income per kg/MS	\$0.68	\$0.62	\$0.69
Farm Operating costs per kg/MS	\$4.26	\$4.37	\$5.26
Cost of Production per kg/MS	\$5.40	\$5.30	\$6.14
Gross Operating Income per kg/MS	\$3.50	\$3.62	\$4.91
Net Income per kg/MS	\$1.80	\$2.22	\$3.51
Animal Health cost per Cow	\$110.28	\$118.22	\$144.60
Fertiliser cost per ha	\$417.71	\$423.14	\$587.19
Repairs & Maintenance cost per ha	\$333.81	\$400.01	\$450.08
Feed cost per kg/MS	\$1.25	\$1.26	\$1.62
Interest cost per ha	\$1,269.42	\$1,002.76	\$961.55
Interest cost per kg/MS	\$1.31	\$0.97	\$0.93
Drawings per kg/MS	\$0.90	\$0.77	\$0.79
Drawings per ha	\$866.61	\$789.93	\$811.96
Drawings per Cow	\$311.48	\$277.86	\$285.47



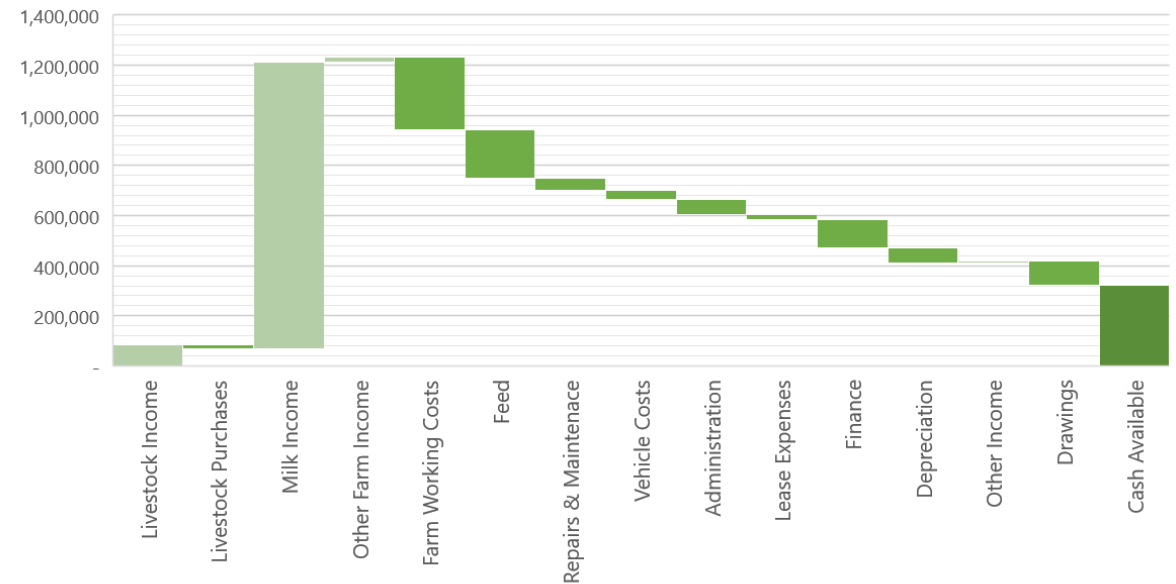
WAIKATO DAIRY FARMING BENCHMARKING 2022

Statistics Profit & Loss | Farm Owner / Operator

Profit and Loss Summary

	\$ Average	kg/MS	\$ Per Cow
Gross Cash Income			
Production Income	1,143,484	9.60	3,473.79
Stock Income (nett)	68,075	0.57	206.80
	1,211,558	10.17	3,680.59
Less Farm Operating Expenses			
Feed	192,728	1.62	585.49
Wages	92,068	0.77	279.69
Other Farm Operating costs (excludes Interest & Lease)	341,703	2.87	1,038.06
	626,499	5.26	1,903.24
Gross Operating Cash Income	585,060	4.91	1,777.35
Plus Other Cash Income	24,553	0.21	74.59
Less Interest & Lease	132,963	1.12	403.93
Net cash from farming	476,649	4.00	1,448.01
Less Drawings (excludes Tax)	93,969	0.79	285.47
Less Depreciation (Asset Replacement)	58,740	0.49	178.45
Cash available for Tax, Debt Repayment & Other Investment	323,941	2.72	984.10

Cash Available for Tax, Debt Repayment & Other Investment



WAIKATO DAIRY FARMING BENCHMARKING 2022

Statistics Profit & Loss | Farm Owner / Operator

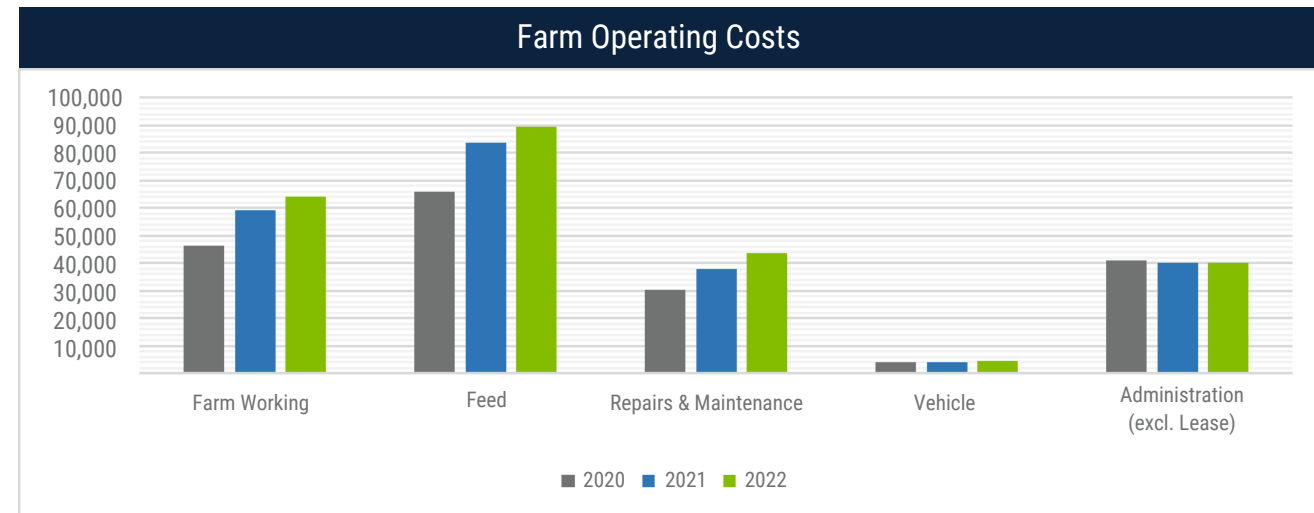
Profit and Loss Detail

	\$ Average	kg/MS	\$ Per Cow		\$ Average	kg/MS	\$ Per Cow		\$ Average	kg/MS	\$ Per Cow
Farm Income								Administration Expenses			
Livestock Trading				Herd Improvement	18,237	0.15	55.40	Accountancy & Advisory	10,517	0.09	31.95
Sales Dairy	82,798	0.69	251.53	Irrigation & Effluent Disposal	1,035	0.01	3.14	ACC Levies	4,228	0.04	12.84
less Purchases Dairy	(14,724)	(0.12)	(44.73)	Other Farm Working Expenses	3,832	0.03	11.64	Bank Fees & Charges	599	0.01	1.82
- Total	68,075	0.57	206.80	Pasture Seed & Sowing	10,548	0.09	32.04	Communication	390	0.00	1.18
Dairy Produce Income				Wages	91,140	0.76	276.87	Computer, Software & Office Expenses	192	0.00	0.58
Milk Income	1,143,484	9.60	3,473.79	Wages - Contract Labour	928	0.01	2.82	DairyNZ	7,249	0.06	22.02
- Total	1,143,484	9.60	3,473.79	Weed & Pest Control	3,956	0.03	12.02	Directors' Fees	-	-	-
Other Farm Trading Income				- Total	286,647	2.41	870.80	Donations	210	0.00	0.64
Contracting	1,485	0.01	4.51	Feed				Entertainment	74	0.00	0.23
Grazing	298	0.00	0.91	Feed Supplements - Purchased	119,163	1.00	362.00	Fringe Benefit Tax	150	0.00	0.45
Hay & Silage	353	0.00	1.07	Feed Supplements - Made	21,372	0.18	64.93	Health & Safety	70	0.00	0.21
Sundry Milk	694	0.01	2.11	Maize Expenses	25,696	0.22	78.06	Insurance	12,570	0.11	38.19
Sale of Calves	-	-	-	Grazing	26,497	0.22	80.49	Lease	21,683	0.18	65.87
Sundry Farm Income	237	0.00	0.72	- Total	192,728	1.62	585.49	Legal Fees	800	0.01	2.43
Lease Received	1,445	0.01	4.39	Repairs and Maintenance				Other Administration Expenses	780	0.01	2.37
Rent Received	4,835	0.04	14.69	Buildings	1,435	0.01	4.36	Owners Residence	3,135	0.03	9.52
Rebates	3,673	0.03	11.16	Dairy Shed Plant	7,412	0.06	22.52	Rates	19,510	0.16	59.27
Other	5,706	0.05	17.33	Drainage	3,255	0.03	9.89	Seminars & Conferences	-	-	-
- Total	18,725	0.16	56.89	Effluent System	2,236	0.02	6.79	Staff Recruitment	170	0.00	0.52
Total Farming Income	1,230,284	10.32	3,737.48	Employee Residence	9,211	0.08	27.98	Subscriptions, Licences & Permits	1,484	0.01	4.51
Less Expenses				Farm Tracks & Races	8,236	0.07	25.02	Travel Expenses	-	-	-
Farm Working Expenses				Fencing & Hedges	6,854	0.06	20.82	Valuation Fees	178	0.00	0.54
Animal Health	47,599	0.40	144.60	Plant & Equipment	8,012	0.07	24.34	- Total	83,987	0.70	255.14
Calf Rearing	16,113	0.14	48.95	Water Reticulation	5,347	0.04	16.24	Finance Expenses			
Consultancy Fees	1,130	0.01	3.43	Yards & Surrounds	79	0.00	0.24	- Total	111,281	0.93	338.06
Contracting	-	-	-	- Total	52,078	0.44	158.21	Depreciation Expenses			
Cultivation Costs	1,465	0.01	4.45	Vehicle Expenses				- Total	58,740	0.49	178.45
Dairy Shed Expenses	6,260	0.05	19.02	Car Expenses	2,199	0.02	6.68	Total Expenses	818,193	6.87	2,485.59
Electricity & Gas	16,448	0.14	49.97	Farm Bike Expenses	4,421	0.04	13.43	Other Income			
Fertiliser	46,772	0.39	142.09	Fuel & Oil	7,429	0.06	22.57	Dividends Received	5,395	0.05	16.39
Fertiliser - Urea	17,916	0.15	54.43	Tractor Expenses	12,642	0.11	38.41	Interest Received	162	0.00	0.49
Freight & Cartage	3,268	0.03	9.93	Truck Expenses	6,041	0.05	18.35	MSD Wage Subsidy	33	0.00	0.10
				- Total	32,733	0.27	99.44	FIF and PIE Income	238	0.00	0.72
								- Total	5,828	0.05	17.70
								Net Income	417,919	3.51	1,269.59

WAIKATO DAIRY FARMING BENCHMARKING 2022

Statistics Snapshot | Farm Owner with 50/50 Sharemilker

Statistics Snapshot	2020	2021	2022
Number in Group	20	21	24
Total Effective Farming area (ha)	101.35	103.48	100.67
Total kg/MS	112,037	123,371	113,940
Production per ha	1,105	1,192	1,132
Dairy Payout per kg/MS	\$3.63	\$3.79	\$4.90
Farm Operating costs per kg/MS	\$1.62	\$1.82	\$2.12
Cost of Production per kg/MS	\$2.25	\$2.35	\$2.69
Gross Operating Income per kg/MS	\$2.01	\$1.96	\$2.78
Net Income per kg/MS	\$1.40	\$1.47	\$2.26
Fertiliser cost per ha	\$300.80	\$380.88	\$411.94
Repairs & Maintenance cost per ha	\$300.73	\$363.85	\$432.71
Feed cost per kg/MS	\$0.59	\$0.68	\$0.78
Interest cost per ha	\$379.48	\$309.82	\$417.89
Interest cost per kg/MS	\$0.34	\$0.26	\$0.37
Drawings per kg/MS	\$0.69	\$0.63	\$0.81
Drawings per ha	\$767.15	\$746.94	\$913.29



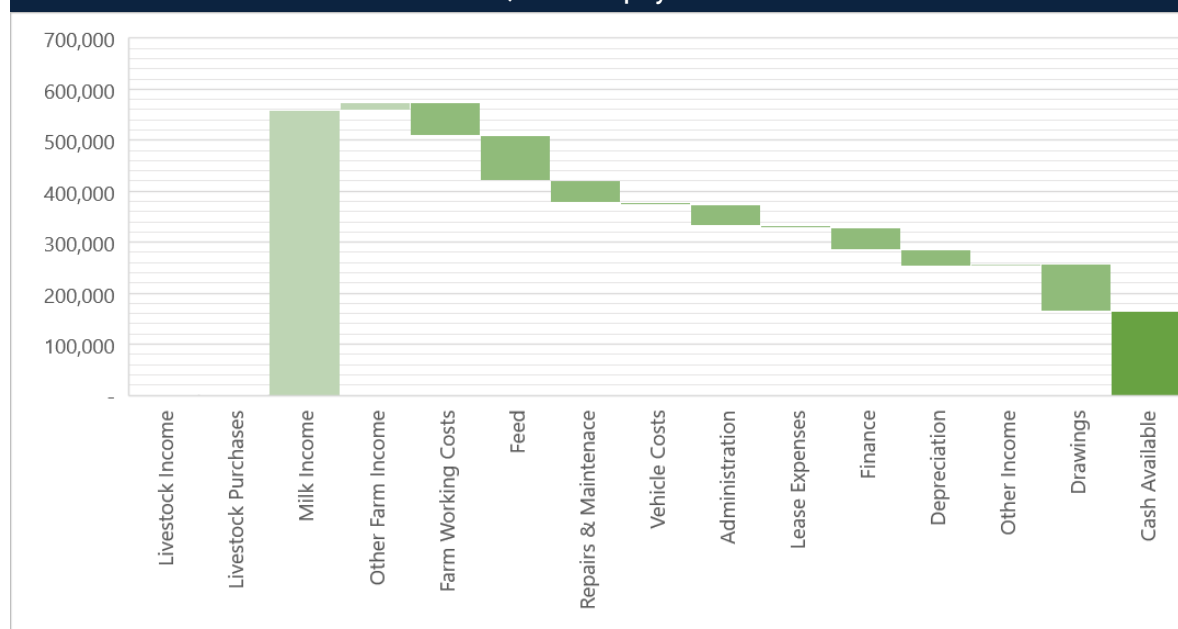
WAIKATO DAIRY FARMING BENCHMARKING 2022

Statistics Profit & Loss | Farm Owner with 50/50 Sharemilker

Profit and Loss Summary

	\$ Average	kg/MS
Gross Cash Income		
Production Income	558,441	4.90
Stock Income (nett)	-	-
	558,441	4.90
Less Farm Operating Expenses		-
Feed	89,206	0.78
Wages	130	0.00
Other Farm Operating costs (excludes Interest & Lease)	152,369	1.34
	241,706	2.12
Gross Operating Cash Income	316,735	2.78
Plus Other Cash Income	20,834	0.18
Less Interest & Lease	47,075	0.41
Net cash from farming	290,495	2.55
Less Drawings (excludes Tax)	91,938	0.81
Less Depreciation (Asset Replacement)	33,411	0.29
Cash available for Tax, Debt Repayment & Other Investment	165,146	1.45

Cash Available for Tax, Debt Repayment & Other Investment



WAIKATO DAIRY FARMING BENCHMARKING 2022

Statistics Profit & Loss | Farm Owner with 50/50 Sharemilker

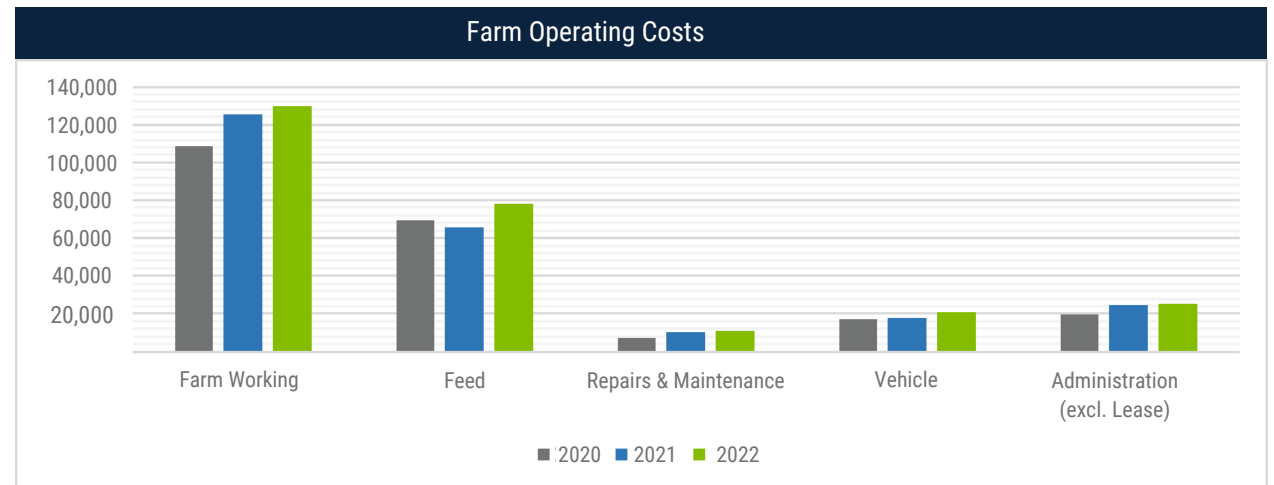
Profit and Loss Detail

	\$ Average	kg/MS		\$ Average	kg/MS		\$ Average	kg/MS
Farm Income						Administration Expenses		
Livestock Trading			Herd Improvement	49	0.00	Accountancy & Advisory	8,645	0.08
Sales Dairy	-	-	Irrigation & Effluent Disposal	207	0.00	ACC Levies	298	0.00
Less Purchases Dairy	-	-	Other Farm Working Expenses	2,094	0.02	Bank Fees & Charges	257	0.00
- Total	-	-	Pasture Seed & Sowing	5,566	0.05	Communication	194	0.00
Dairy Produce Income			Wages	-	-	Computer, Software & Office Expenses	132	0.00
Milk Income	558,441	4.90	Wages - Contract Labour	130	0.00	DairyNZ	3,341	0.03
- Total	558,441	4.90	Weed & Pest Control	4,164	0.04	Directors' Fees	-	-
Other Farm Trading Income			- Total	64,188	0.56	Donations	-	-
Contracting	-	-	Feed			Entertainment	253	0.00
Grazing	-	-	Feed Supplements - Purchased	47,680	0.42	Fringe Benefit Tax	-	-
Hay & Silage	-	-	Feed Supplements - Made	6,509	0.06	Health & Safety	25	0.00
Sundry Milk	878	0.01	Maize Expenses	17,343	0.15	Insurance	7,275	0.06
Sale of Calves	507	0.00	Grazing	17,674	0.16	Lease	5,008	0.04
Sundry Farm Income	820	0.01	- Total	89,206	0.78	Legal Fees - Deductible	311	0.00
Lease Received	602	0.01	Repairs and Maintenance			Other Administration Expenses	397	0.00
Rent Received	590	0.01	Buildings	1,374	0.01	Owners Residence	3,018	0.03
Rebates	2,566	0.02	Dairy Shed Plant	5,407	0.05	Rates	15,142	0.13
Other	9,924	0.09	Drainage	1,970	0.02	Seminars & Conferences	-	-
- Total	15,887	0.14	Effluent System	1,097	0.01	Staff Recruitment	-	-
Total Farming Income	574,328	5.04	Employee Residence	13,365	0.12	Subscriptions, Licences & Permits	423	0.00
Less Expenses			Farm Tracks & Races	8,969	0.08	Travel Expenses	-	-
Farm Working Expenses			Fencing & Hedges	4,380	0.04	Valuation Fees	417	0.00
Animal Health	2,705	0.02	Plant & Equipment	1,922	0.02	- Total	45,136	0.40
Calf Rearing	1,359	0.01	Water Reticulation	4,285	0.04	Finance Expenses		
Consultancy Fees	2,203	0.02	Yards & Surrounds	790	0.01	- Total	42,067	0.37
Contracting	884	0.01	- Total	43,560	0.38	Depreciation Expenses		
Cultivation Costs	258	0.00	Vehicle Expenses			- Total	33,411	0.29
Dairy Shed Expenses	2,499	0.02	Car Expenses	741	0.01	Total Expenses	322,191	2.83
Electricity & Gas	599	0.01	Farm Bike Expenses	369	0.00	Other Income		
Fertiliser	34,142	0.30	Fuel & Oil	520	0.00	Dividends Received	3,534	0.03
Fertiliser - Urea	6,563	0.06	Tractor Expenses	1,521	0.01	Interest Received	1,391	0.01
Freight & Cartage	764	0.01	Truck Expenses	1,473	0.01	MSD Wage Subsidy	-	-
			- Total	4,624	0.04	FIF and PIE Income	22	0.00
						- Total	4,947	0.04
						Net Income	257,084	2.26

WAIKATO DAIRY FARMING BENCHMARKING 2022

Statistics Snapshot | 50/50 Sharemilker

Statistics Snapshot	2020	2021	2022
Number in Group	12	14	15
Cows milked	283	299	306
Total kg/MS	101,698	109,135	97,616
Production per Cow	359	364	320
Dairy Payout per kg/MS	\$3.49	\$3.67	\$4.69
Livestock Income per kg/MS	\$0.45	\$0.49	\$0.58
Farm Operating costs per kg/MS	\$2.18	\$2.24	\$2.71
Cost of Production per kg/MS	\$2.19	\$2.22	\$2.56
Gross Operating Income per kg/MS	\$1.64	\$1.72	\$2.37
Net Income per kg/MS	\$1.31	\$1.45	\$2.15
Animal Health cost per Cow	\$98.51	\$91.46	\$98.65
Feed cost per kg/MS	\$0.68	\$0.60	\$0.80
Interest cost per kg/MS	\$0.19	\$0.14	\$0.14
Drawings per kg/MS	\$0.63	\$0.80	\$0.93
Drawings per Cow	\$225.83	\$290.10	\$295.75



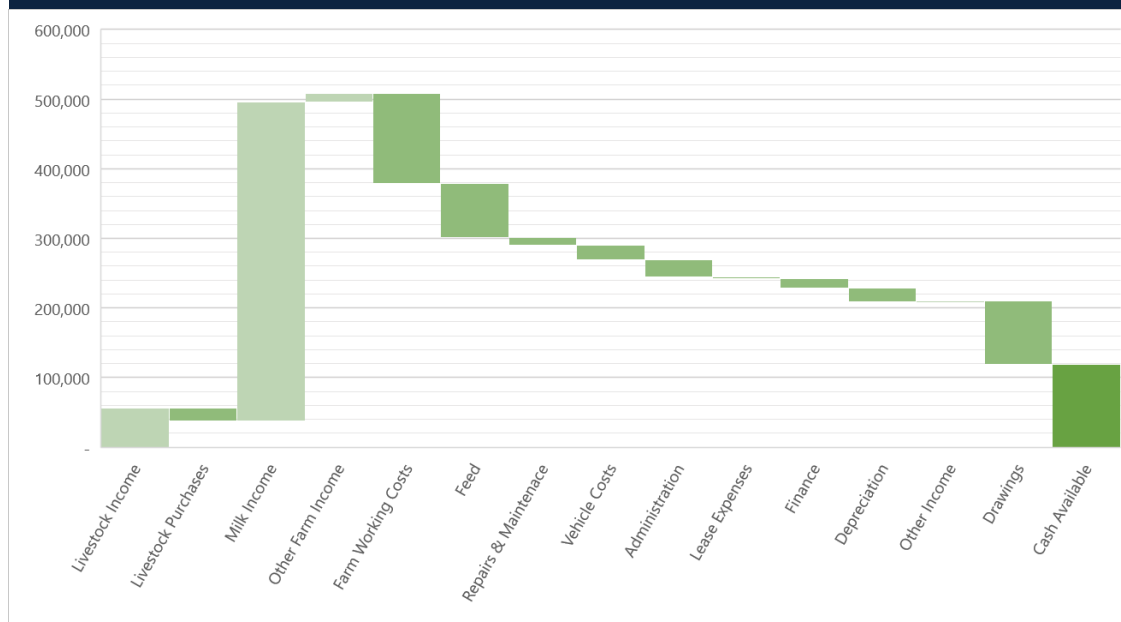
WAIKATO DAIRY FARMING BENCHMARKING 2022

Statistics Profit & Loss | 50/50 Sharemilker

Profit and Loss Summary

	\$ Average	kg/MS	Per Cow
Gross Cash Income			
Production Income	457,912	4.69	1,498.79
Stock Income (nett)	38,037	0.39	124.50
	495,949	5.08	1,623.29
Less Farm Operating Expenses			
Feed	77,924	0.80	255.05
Wages	34,195	0.35	111.92
Other Farm Operating costs (excludes Interest & Lease)	152,305	1.56	498.51
	264,424	2.71	865.49
Gross Operating Cash Income	231,525	2.37	757.81
Plus Other Cash Income	13,910	0.14	45.53
Less Interest & Lease	15,106	0.15	49.44
Net cash from farming	230,329	2.36	753.89
Less Drawings (excludes Tax)	90,358	0.93	295.75
Less Depreciation (Asset Replacement)	20,568	0.21	67.32
Cash available for Tax, Debt Repayment & Other Investment	119,403	1.22	390.82

Cash Available for Tax, Debt Repayment & Other Investment



WAIKATO DAIRY FARMING BENCHMARKING 2022

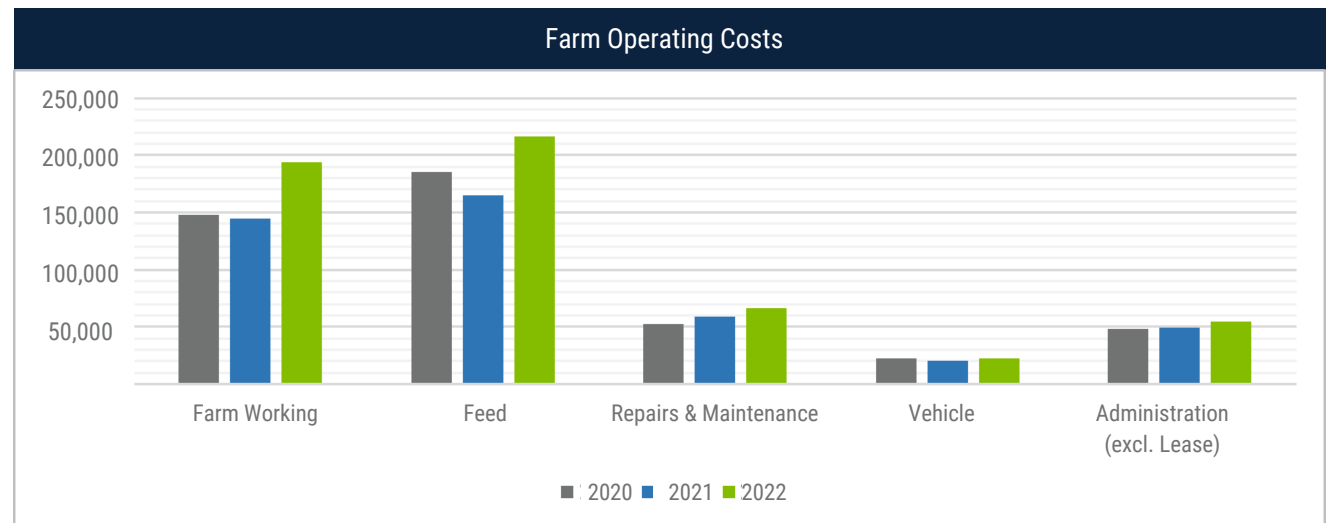
Statistics Profit & Loss | 50/50 Sharemilker

Profit and Loss Detail											
	\$ Average	kg/MS	Per Cow		\$ Average	kg/MS	Per Cow		\$ Average	kg/MS	Per Cow
Farm Income											
Livestock Trading											
Sales Dairy	56,310	0.58	184.31	Herd Improvement	16,445	0.17	53.83	Accountancy & Advisory	7,552	0.08	24.72
Less Purchases Dairy	(18,273)	(0.19)	(59.81)	Irrigation & Effluent Disposal	-	-	-	ACC Levies	4,286	0.04	14.03
- Total	38,037	0.39	124.50	Other Farm Working Expenses	3,125	0.03	10.23	Bank Fees & Charges	373	0.00	1.22
Dairy Produce Income				Pasture Seed & Sowing	1,145	0.01	3.75	Communication	471	0.00	1.54
Milk Income	457,912	4.69	1,498.79	Wages	34,052	0.35	111.46	Computer, Software & Office Expenses	296	0.00	0.97
- Total	457,912	4.69	1,498.79	Wages - Contract Labour	142	0.00	0.47	DairyNZ	2,434	0.02	7.97
Other Farm Trading Income				Weed & Pest Control	1,001	0.01	3.28	Directors' Fees	-	-	-
Contracting	-	-	-	- Total	129,896	1.33	425.16	Donations	47	0.00	0.15
Grazing	560	0.01	1.83	Feed				Entertainment	134	0.00	0.44
Hay & Silage	2,809	0.03	9.19	Feed Supplements - Purchased	40,188	0.41	131.54	Fringe Benefit Tax	-	-	-
Sundry Milk	6	0.00	0.02	Feed Supplements - Made	9,032	0.09	29.56	Health & Safety	39	0.00	0.13
Sale of Calves	-	-	-	Maize Expenses	7,853	0.08	25.70	Insurance	4,305	0.04	14.09
Sundry Farm Income	409	0.00	1.34	Grazing	20,851	0.21	68.25	Lease	1,724	0.02	5.64
Lease Received	-	-	-	- Total	77,924	0.80	255.05	Legal Fees - Deductible	-	-	-
Rent Received	-	-	-	Repairs and Maintenance				Other Administration Expenses	386	0.00	1.26
Rebates	747	0.01	2.45	Buildings	107	0.00	0.35	Owners Residence	1,989	0.02	6.51
Other	8,116	0.08	26.56	Dairy Shed Plant	1,220	0.01	3.99	Rates	1,510	0.02	4.94
- Total	12,646	0.13	41.39	Drainage	25	0.00	0.08	Seminars & Conferences	139	0.00	0.46
Total Farming Income	508,595	5.21	1,664.69	Effluent System	26	0.00	0.08	Staff Recruitment	746	0.01	2.44
				Employee Residence	402	0.00	1.31	Subscriptions, Licences & Permits	310	0.00	1.02
				Farm Tracks & Races	181	0.00	0.59	Travel Expenses	-	-	-
				Fencing & Hedges	1,936	0.02	6.34	Valuation Fees	-	-	-
				Plant & Equipment	6,191	0.06	20.26	- Total	26,740	0.27	87.52
				Water Reticulation	824	0.01	2.70	Finance Expenses			
				Yards & Surrounds	-	-	-	- Total	13,383	0.14	43.80
				- Total	10,910	0.11	35.71	Depreciation Expenses			
				Vehicle Expenses				- Total	20,568	0.21	67.32
				Car Expenses	1,897	0.02	6.21	Total Expenses	300,098	3.07	982.25
				Farm Bike Expenses	4,085	0.04	13.37	Other Income			
				Fuel & Oil	4,961	0.05	16.24	Dividends Received	1,054	0.01	3.45
				Tractor Expenses	5,544	0.06	18.15	Interest Received	170	0.00	0.56
				Truck Expenses	4,191	0.04	13.72	MSD Wage Subsidy	40	0.00	0.13
				- Total	20,677	0.21	67.68	FIF and PIE Income	-	-	-
								- Total	1,264	0.01	4.14
								Net Income	209,761	2.15	686.57

WAIKATO DAIRY FARMING BENCHMARKING 2022

Statistics Snapshot | Farm Owner with Contract Milker

Statistics Snapshot	2020	2021	2022
Number in Group	13	13	16
Total Effective Farming area (ha)	114.97	116.77	130.63
Cows milked	328	333	383
Cows milked per ha	2.86	2.85	2.93
Total kg/MS	125,648	128,328	140,918
Production per ha	1,093	1,099	1,079
Production per Cow	383	386	368
Dairy Payout per kg/MS	\$6.04	\$6.31	\$8.20
Livestock Income per kg/MS	\$0.58	\$0.57	\$0.61
Farm Operating costs per kg/MS	\$3.64	\$3.41	\$3.93
Cost of Production per kg/MS	\$4.50	\$3.99	\$4.65
Gross Operating Income per kg/MS	\$2.80	\$3.30	\$4.73
Net Income per kg/MS	\$1.58	\$2.36	\$3.62
Animal Health cost per Cow	\$102.76	\$107.20	\$139.34
Fertiliser cost per ha	\$489.10	\$434.52	\$548.24
Repairs & Maintenance cost per ha	\$457.94	\$508.78	\$507.25
Feed cost per kg/MS	\$1.48	\$1.29	\$1.53
Interest cost per ha	\$1,180.57	\$825.04	\$848.26
Interest cost per kg/MS	\$1.08	\$0.75	\$0.79
Drawings per kg/MS	\$0.46	\$0.52	\$0.73
Drawings per ha	\$497.89	\$569.55	\$790.02
Drawings per Cow	\$174.26	\$199.87	\$269.55



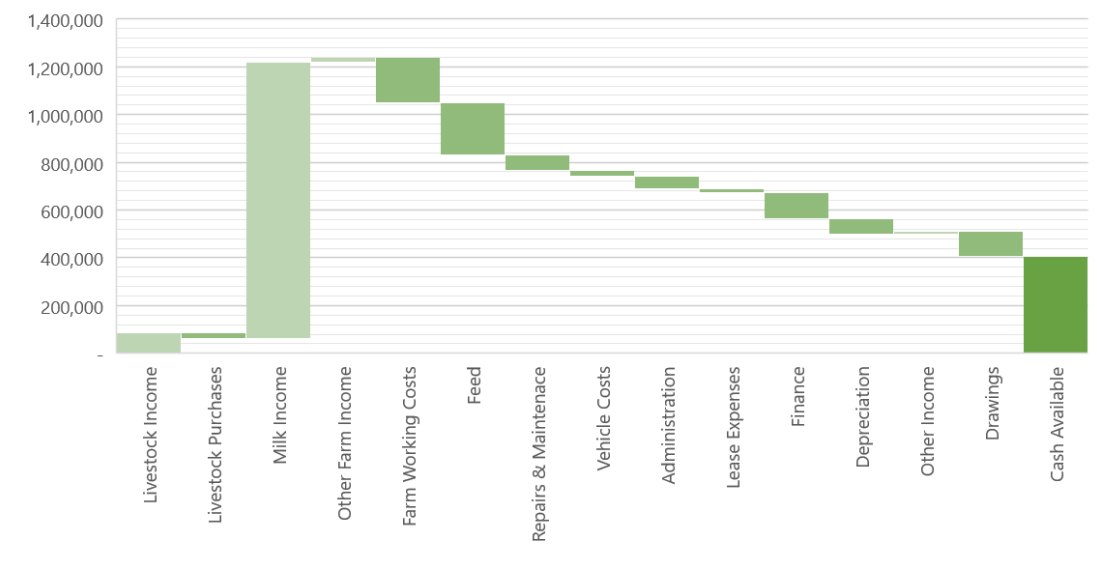
WAIKATO DAIRY FARMING BENCHMARKING 2022

Statistics Profit & Loss | Farm Owner with Contract Milker

Profit and Loss Summary

	\$ Average	kg/MS	Per Cow
Gross Cash Income			
Production Income	1,156,128	8.20	3,019.79
Stock Income (nett)	63,019	0.45	164.60
	1,219,147	8.65	3,184.40
Less Farm Operating Expenses			
Feed	216,019	1.53	564.24
Wages	5,786	0.04	15.11
Other Farm Operating costs (excludes Interest & Lease)	331,350	2.35	865.48
	553,155	3.93	1,444.83
Gross Operating Cash Income	665,992	4.73	1,739.56
Plus Other Cash Income	31,313	0.22	81.79
Less Interest & Lease	124,390	0.88	324.91
Net cash from farming	572,916	4.07	1,496.45
Less Drawings (excludes Tax)	103,196	0.73	269.55
Less Depreciation (Asset Replacement)	63,142	0.45	164.93
Cash available for Tax, Debt Repayment & Other Investment	406,577	2.89	1,061.98

Cash Available for Tax, Debt Repayment & Other Investment



WAIKATO DAIRY FARMING BENCHMARKING 2022

Statistics Profit & Loss | Farm Owner with Contract Milker

Profit and Loss Detail

	\$ Average	kg/MS	Per Cow		\$ Average	kg/MS	Per Cow		\$ Average	kg/MS	\$ Per Cow
Farm Income								Administration Expenses			
Livestock Trading				Herd Improvement	23,342	0.17	60.97	Accountancy & Advisory	8,376	0.06	21.88
Sales Dairy	86,183	0.61	225.11	Irrigation & Effluent Disposal	1,517	0.01	3.96	ACC Levies	1,736	0.01	4.53
Less Purchases Dairy	(23,164)	(0.16)	(60.51)	Other Farm Working Expenses	1,890	0.01	4.94	Bank Fees & Charges	534	0.00	1.39
- Total	63,019	0.45	164.60	Pasture Seed & Sowing	7,099	0.05	18.54	Communication	385	0.00	1.01
Dairy Produce Income				Wages	4,524	0.03	11.82	Computer, Software & Office Expenses	392	0.00	1.02
Milk Income	1,156,128	8.20	3,019.79	Wages - Contract Labour	1,262	0.01	3.30	DairyNZ	8,359	0.06	21.83
- Total	1,156,128	8.20	3,019.79	Weed & Pest Control	5,457	0.04	14.25	Directors' Fees	748	0.01	1.95
Other Farm Trading Income				- Total	193,833	1.38	506.29	Donations	6	0.00	0.02
Contracting	-	-	-	Feed				Entertainment	136	0.00	0.35
Grazing	392	0.00	1.02	Feed Supplements - Purchased	121,612	0.86	317.65	Fringe Benefit Tax	-	-	-
Hay & Silage	-	-	-	Feed Supplements - Made	19,879	0.14	51.92	Health & Safety	233	0.00	0.61
Sundry Milk	135	0.00	0.35	Maize Expenses	31,826	0.23	83.13	Insurance	12,019	0.09	31.39
Sale of Calves	-	-	-	Grazing	42,702	0.30	111.54	Lease	13,586	0.10	35.49
Sundry Farm Income	262	0.00	0.68	- Total	216,019	1.53	564.24	Legal Fees - Deductible	15	0.00	0.04
Lease Received	512	0.00	1.34	Repairs and Maintenance				Other Administration Expenses	485	0.00	1.27
Rent Received	2,399	0.02	6.27	Buildings	5,738	0.04	14.99	Owners Residence	3,002	0.02	7.84
Rebates	3,521	0.02	9.20	Dairy Shed Plant	8,951	0.06	23.38	Rates	17,082	0.12	44.62
Other	14,943	0.11	39.03	Drainage	2,521	0.02	6.58	Seminars & Conferences	-	-	-
- Total	22,164	0.16	57.89	Effluent System	4,201	0.03	10.97	Staff Recruitment	40	0.00	0.11
Total Farming Income	1,241,311	8.81	3,242.29	Employee Residence	11,637	0.08	30.40	Subscriptions, Licences & Permits	855	0.01	2.23
Less Expenses				Farm Tracks & Races	6,822	0.05	17.82	Travel Expenses	48	0.00	0.12
Farm Working Expenses				Fencing & Hedges	7,230	0.05	18.88	Valuation Fees	-	-	-
Animal Health	53,346	0.38	139.34	Plant & Equipment	6,551	0.05	17.11	- Total	68,035	0.48	177.71
Calf Rearing	15,878	0.11	41.47	Water Reticulation	6,146	0.04	16.05	Finance Expenses			
Consultancy Fees	4,085	0.03	10.67	Yards & Surrounds	6,463	0.05	16.88	- Total	110,805	0.79	289.42
Contracting	-	-	-	- Total	66,260	0.47	173.07	Depreciation Expenses			
Cultivation Costs	-	-	-	Vehicle Expenses				- Total	63,142	0.45	164.93
Dairy Shed Expenses	1,722	0.01	4.50	Car Expenses	1,746	0.01	4.56	Total Expenses	740,687	5.26	1,934.67
Electricity & Gas	2,098	0.01	5.48	Farm Bike Expenses	987	0.01	2.58	Other Income			
Fertiliser	46,871	0.33	122.43	Fuel & Oil	5,885	0.04	15.37	Dividends Received	8,920	0.06	23.30
Fertiliser - Urea	19,828	0.14	51.79	Tractor Expenses	10,300	0.07	26.90	Interest Received	113	0.00	0.30
Freight & Cartage	4,915	0.03	12.84	Truck Expenses	3,676	0.03	9.60	MSD Wage Subsidy	-	-	-
				- Total	22,593	0.16	59.01	FIF and PIE Income	116	0.00	0.30
								- Total	9,150	0.06	23.90
								Net Income	509,774	3.62	1,331.52

Overall

There is good value in benchmarking and we encourage everyone to measure their results against our statistics.

If you would like to look into specific benchmarking and budgeting for your own situation, please contact our team. We can discuss how we can assist your farming business through benchmarking and our wider range of specialised agri based services.



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