

# WAIKATO DAIRY FARMING BENCHMARKING 2023





# WAIKATO DAIRY FARMING BENCHMARKING 2023

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## Introduction

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The team at CooperAitken are pleased to present our Annual Farming Statistics package for the 2022/23 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, including those on Fixed Milk Price Contracts.

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

We will continue to obtain authority from more clients to add to the data pool, and from there we can 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 and 4 year trendlines for farmers
- 2) Trendline of Cash Available – 4 year Comparison of how the total Cash Income was spent and what is left over for Tax, Debt Repayment & Other Investment
- 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 2023

## Commentary

### Overarching comments

- The 2023 season was an unusual one, the farmer came off the back of a drought, therefore striving to have enough feed on hand. At the start of the season more feed was being purchased and feed contracts being entered early in the season to give some level of drought coverage if there was another one. It wasn't an easy season to manage.
- Then the inflation started to kick in, on farm inflation was around 15.3% (as recorded by Westpac) for 2023. However, there were some costs that saw significant increases, namely interest (finance), fertilizer, feed and fuel. To make matters worse the payout dropped from the \$9.30 to \$8.22 – not all in this season but none the less a drop in income. The timing of deferred payments mitigated some of this risk.
- Significant increase in on farm costs. Consistent across all Farm Owner categories with 14-16% increases in Operating costs and 17-19% increases in Cost of Production. With Cost of production including finance costs increasing 44-45% for our herd and land-owning farmers, farmers have already started decreasing other farm operating costs to allow debt servicing
- On client's balance sheets we have seen a slowdown of both capital investment and debt repayment during the year to hold reserves for the follow on effects of higher cost of finance and expectation of a lower payout (acknowledging the full drop-in payout announced in August 2023).
- Taxation is important for Farmer cashflows, with many clients opting to utilise Income Equalisation provisions to shift income between years for better utilisation of differing tax rates. Any shifting of income for tax purposes are not included in our statistics.
- Our stats showed 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 we can produce individualised reports when required.

### Comments per subset

#### 1. Farm Owner

- General season trend of increased production per cow, but less cows per Ha
- Gross income little change, with slight drop, assisted by an increase on livestock income
- Follows trends of other data groupings with 14% increase in Operating Costs, and 18% increase in Cost of Production
- Increase in cost structures lead by Fertiliser (34%), Feed (21%) and Interest (45%) increases

#### 2. Farm Owner with 50/50 Sharemilker

- Similar effective farming Ha, with an increase in production
- Gross income down with no increase in stock income to assist
- Follows trends of other data groupings with 14% increase in Operating Costs, and 17.5% increase in Cost of Production
- Increase in cost structures lead by Fertiliser (56%), Feed (21%) and Interest (23%) increases
- Lower increase in interest cost reflective of Farm Owner with 50/50 normally carrying less debt than a Farm Owner



### 3. 50/50 Sharemilker

- Also follows the season trend of an increase production per cow
- Follows trends of other data groupings with 8% increase in Operating Costs, and 11% increase in Cost of Production
- Increase in cost structures, led by Feed (30%) and Interest (50%) increases, pushed Gross Income down
- Most fluid category of movement, 2023 saw larger sized clients join the data pool

### 4. Farm Owner with Contract Milker

- Less number of milking Cows and Cows per Ha, in a similar effective farming area
- Also follows seasonal trend increase in production per cow
- Gross income basically the same with increase in stock income to assist
- Follows trends of other data groupings with 16% increase in Operating Costs, and 19% increase in Cost of Production
- Increase in cost structures lead by Fertiliser (40%), Feed (7%) and Interest (44%) increases

### The trend going forward

- With varying payout announcements, currently projecting to be a decrease of 2023 season, we have worked with farmers to plan for a significant change in cash flow and profitability
- With Fonterra farmers receiving higher dividend as well as a return of capital, cash flow at the start of the season has been assisted.
- With the majority of banks supporting clients on either interest only terms or reduced loan repayments cash flow is been managed, however planning and caution is needed for the end of the season to ensure cashflow is sufficient for the start of the 2024/25 season.
- Currently we see Farmers and their bankers supporting draw down on loans, effectively re-advancing a portion of previous year debt repayment, which ensures working capital for the current season.
- In forward planning, significant cutting of costs is planned and therefore caution is needed over longer term management of fertiliser levels, feed reserves, asset replacement and deferred maintenance items
- Mindful that majority of client base not yet experiencing the full effect of increase in interest rates with significant increases from June 2022 to May 2023 in cost of finance, (majority averaging 6-7% compared to currently 8.5-9.5%)

Overall we are currently experiencing tougher financial conditions for the Dairy industry, however careful planning and forecasting is positive action allowing farmers to work through these challenges.

# WAIKATO DAIRY FARMING BENCHMARKING 2023

## 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 & wet share dividends.

**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;

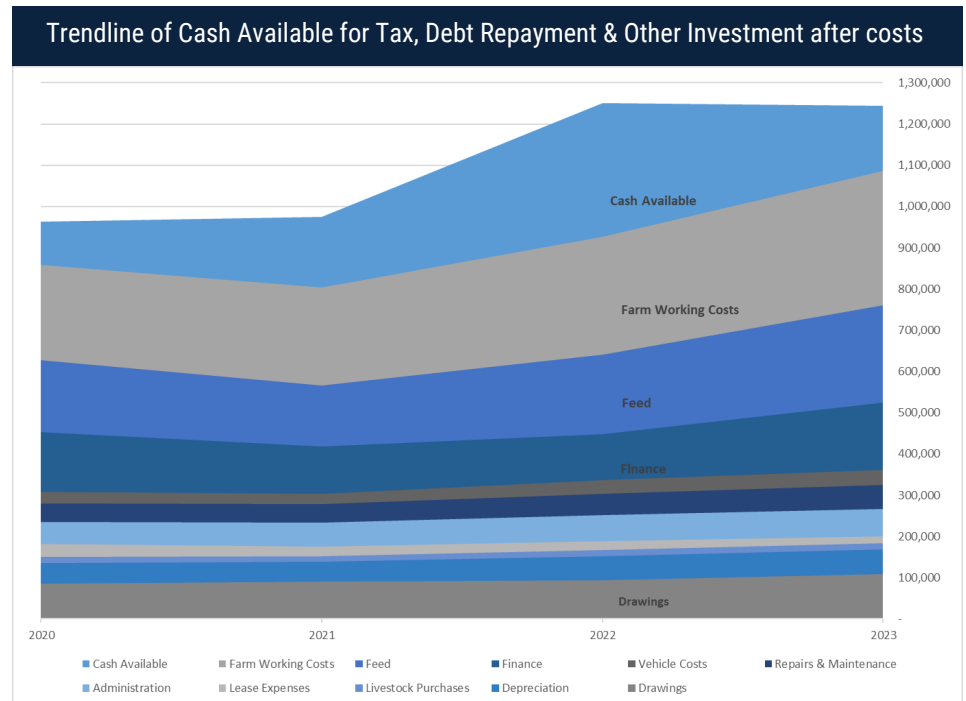
	Farm Operating Costs	Cost of Production	Gross Operating Income	Net Income
Livestock Sales				
Livestock Purchases				
Milk Income				
Other Farm Trading Income				
Farm Working Costs				
Feed				
Repairs & Maintenance				
Vehicle Costs				
Administration (excl. Lease)				
Lease Expenses				
Finance Expenses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



# WAIKATO DAIRY FARMING BENCHMARKING 2023

## Statistics Snapshot | Farm Owner / Operator

Statistics Snapshot	2020	2021	2022	2023	Trends
Number in Group	40	40	36	37	
Total Effective Farming area (ha)	109.85	114.23	115.73	116.55	
Cows milked	306	325	329	323	
Cows milked per ha	2.78	2.84	2.84	2.77	
Total kg/MS	106,151	117,822	119,169	120,259	
Production per ha	966	1,031	1,030	1,032	
Production per Cow	347	363	362	373	
Dairy Payout per kg/MS	\$7.18	\$7.49	\$9.60	\$9.41	
Livestock Sales per kg/MS	\$0.68	\$0.62	\$0.69	\$0.74	
Farm Operating costs per kg/MS	\$4.26	\$4.37	\$5.26	\$6.00	
Cost of Production per kg/MS	\$5.40	\$5.30	\$6.14	\$7.26	
Gross Operating Income per kg/MS	\$3.50	\$3.62	\$4.91	\$4.03	
Net Income per kg/MS	\$1.80	\$2.22	\$3.51	\$2.23	
Animal Health cost per Cow	\$110.28	\$118.22	\$144.60	\$150.32	
Fertiliser cost per ha	\$417.71	\$423.14	\$587.19	\$786.52	
Repairs & Maintenance cost per ha	\$333.81	\$400.01	\$450.08	\$502.64	
Feed cost per kg/MS	\$1.25	\$1.26	\$1.62	\$1.96	
Interest cost per ha	\$1,269.42	\$1,002.76	\$961.55	\$1,399.07	
Interest cost per kg/MS	\$1.31	\$0.97	\$0.93	\$1.36	
Drawings per kg/MS	\$0.90	\$0.77	\$0.79	\$0.90	
Drawings per ha	\$866.61	\$789.93	\$811.96	\$929.92	
Drawings per Cow	\$311.48	\$277.86	\$285.47	\$335.79	



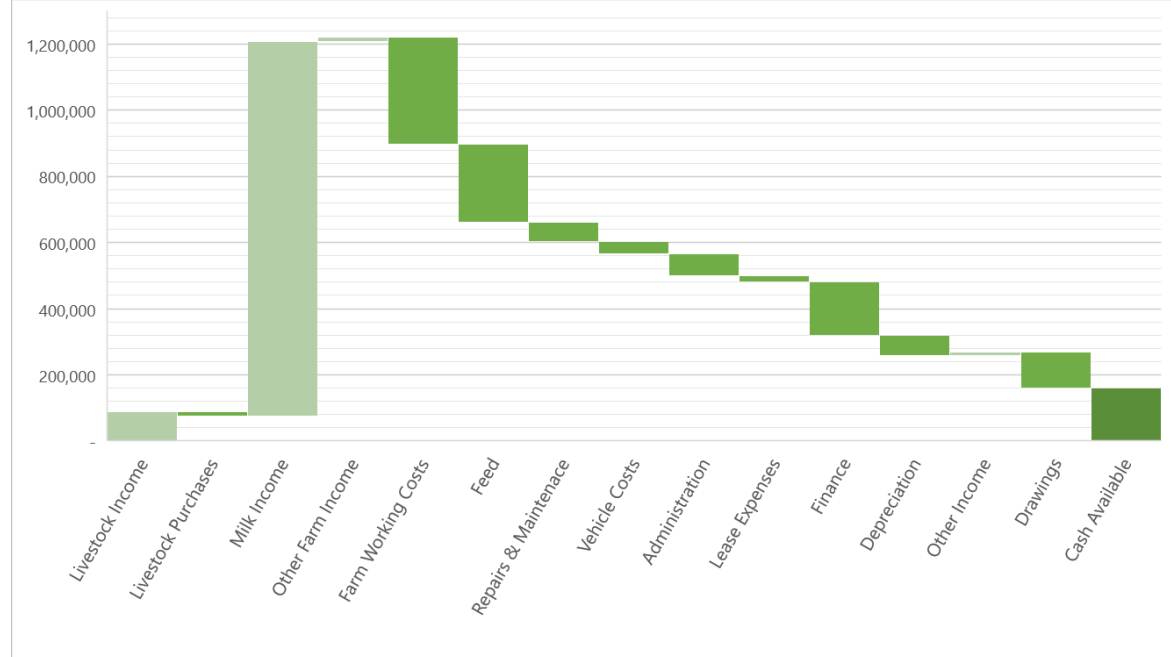
# WAIKATO DAIRY FARMING BENCHMARKING 2023

## Statistics Profit & Loss | Farm Owner / Operator

### Profit and Loss Summary

	\$ Average	kg/MS	\$ Per Cow
Gross Cash Income			
Production Income	1,131,927	9.41	3,507.00
Stock Income (nett)	74,535	0.62	230.93
	1,206,461	10.03	3,737.93
Less Farm Operating Expenses			
Feed	235,513	1.96	729.68
Wages	93,747	0.78	290.45
Other Farm Operating costs (excludes Interest & Lease)	392,433	3.26	1,215.86
	721,692	6.00	2,235.99
<b>Gross Operating Cash Income</b>	<b>484,769</b>	<b>4.03</b>	<b>1,501.94</b>
Plus Other Cash Income	24,237	0.20	75.09
Less Interest & Lease	180,733	1.50	559.96
Net cash from farming	328,273	2.73	1,017.07
Less Drawings (excludes Tax)	108,380	0.90	335.79
Less Depreciation (Asset Replacement)	60,653	0.50	187.92
<b>Cash available for Tax, Debt Repayment &amp; Other Investment</b>	<b>159,239</b>	<b>1.32</b>	<b>493.36</b>

### Cash Available for Tax, Debt Repayment & Other Investment





# WAIKATO DAIRY FARMING BENCHMARKING 2023

## Statistics Profit & Loss | Farm Owner / Operator

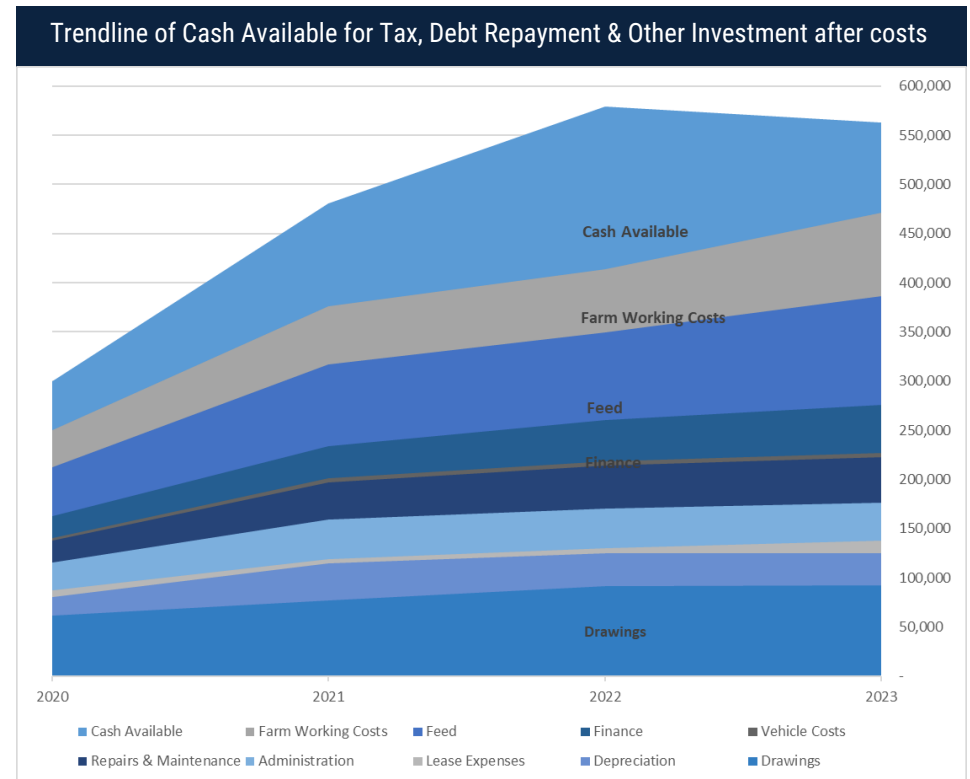
### Profit and Loss Detail

	\$ Average	kg/MS	\$ Per Cow		\$ Average	kg/MS	\$ Per Cow		\$ Average	kg/MS	\$ Per Cow
<b>Farm Income</b>								<b>Administration Expenses</b>			
<b>Livestock Trading</b>								Accountancy & Advisory	12,194	0.10	37.78
Sales Dairy	88,469	0.74	274.10		18,920	0.16	58.62	ACC Levies	4,205	0.03	13.03
less Purchases Dairy	(13,934)	(0.12)	(43.17)		1,296	0.01	4.02	Bank Fees & Charges	728	0.01	2.26
- Total	74,535	0.62	230.93		405	0.00	1.25	Communication	448	0.00	1.39
<b>Dairy Produce Income</b>					4,317	0.04	13.37	Computer, Software & Office Expenses	231	0.00	0.72
Milk Income	1,131,927	9.41	3,507.00		12,238	0.10	37.92	DairyNZ	7,347	0.06	22.76
- Total	1,131,927	9.41	3,507.00		92,433	0.77	286.38	Directors' Fees	-	-	-
<b>Other Farm Trading Income</b>					1,300	0.01	4.03	Donations	74	0.00	0.23
Calf Rearing	32	0.00	0.10		5,454	0.05	16.90	Entertainment	154	0.00	0.48
Contracting	1,144	0.01	3.54		324,888	2.70	1,006.59	Health & Safety	93	0.00	0.29
Grazing	239	0.00	0.74	<b>Feed</b>				Insurance	12,752	0.11	39.51
Hay & Silage	50	0.00	0.15	Feed Supplements - Purchased	153,620	1.28	475.96	Lease	17,673	0.15	54.76
Sundry Milk	533	0.00	1.65	Feed Supplements - Made	22,959	0.19	71.13	Legal Fees	688	0.01	2.13
Sale of Calves	-	-	-	Maize Expenses	33,982	0.28	105.28	Other Administration Expenses	860	0.01	2.66
Sundry Farm Income	138	0.00	0.43	Grazing	24,951	0.21	77.30	Owners Residence	4,229	0.04	13.10
Lease Received	1,195	0.01	3.70	- Total	235,513	1.96	729.68	Rates	16,908	0.14	52.39
Rent Received	4,404	0.04	13.64	<b>Repairs and Maintenance</b>				Staff Recruitment	77	0.00	0.24
Rebates	2,021	0.02	6.26	Buildings	1,239	0.01	3.84	Subscriptions, Licences & Permits	4,356	0.04	13.50
Other	5,462	0.05	16.92	Dairy Shed Plant	7,988	0.07	24.75	Travel Expenses	-	-	-
- Total	15,218	0.13	47.15	Drainage	3,796	0.03	11.76	Valuation Fees	25	0.00	0.08
<b>Total Farming Income</b>	1,221,680	10.16	3,785.08	Effluent System	839	0.01	2.60	Wages - Administration	13	0.00	0.04
<b>Less Expenses</b>				Employee Residence	10,933	0.09	33.87	- Total	83,055	0.69	257.33
<b>Farm Working Expenses</b>				Farm Tracks & Races	11,242	0.09	34.83	<b>Finance Expenses</b>			
Animal Health	48,518	0.40	150.32	Fencing & Hedges	8,699	0.07	26.95	- Total	163,060	1.36	505.20
Calf Rearing	18,800	0.16	58.25	Plant & Equipment	7,024	0.06	21.76	<b>Depreciation Expenses</b>			
Consultancy Fees	1,728	0.01	5.35	Water Reticulation	5,640	0.05	17.47	- Total	60,653	0.50	187.92
Contracting	19	0.00	0.06	Yards & Surrounds	1,182	0.01	3.66	<b>Total Expenses</b>	963,079	8.01	2,983.87
Cultivation Costs	410	0.00	1.27	- Total	58,581	0.49	181.50	<b>Other Income</b>			
Dairy Shed Expenses	9,429	0.08	29.21	<b>Vehicle Expenses</b>				Dividends Received	6,748	0.06	20.91
Electricity & Gas	17,954	0.15	55.63	Car Expenses	4,068	0.03	12.60	Interest Received	652	0.01	2.02
Fertiliser	59,434	0.49	184.14	Farm Bike Expenses	5,635	0.05	17.46	MSD Wage Subsidy	81	0.00	0.25
Fertiliser - Urea	29,370	0.24	91.00	Fuel & Oil	10,274	0.09	31.83	FIF and PIE Income	352	0.00	1.09
Freight & Cartage	2,863	0.02	8.87	Tractor Expenses	11,533	0.10	35.73	FBT Contribution	1,185	0.01	3.67
				Truck Expenses	5,818	0.05	18.03	- Total	9,018	0.07	27.94
				- Total	37,328	0.31	115.65	<b>Net Income</b>	267,619	2.23	829.15

# WAIKATO DAIRY FARMING BENCHMARKING 2023

## Statistics Snapshot | Farm Owner with 50/50 Sharemilker

Statistics Snapshot	2020	2021	2022	2023	Trends
Number in Group	20	21	24	25	
Total Effective Farming area (ha)	101.35	103.48	100.67	100.04	
Total kg/MS	112,037	123,371	113,940	117,117	
Production per ha	1,105	1,192	1,132	1,219	
Dairy Payout per kg/MS	\$3.63	\$3.79	\$4.90	\$4.66	
Farm Operating costs per kg/MS	\$1.62	\$1.82	\$2.12	\$2.43	
Cost of Production per kg/MS	\$2.25	\$2.35	\$2.69	\$3.16	
Gross Operating Income per kg/MS	\$2.01	\$1.96	\$2.78	\$2.24	
Net Income per kg/MS	\$1.40	\$1.47	\$2.26	\$1.57	
Fertiliser cost per ha	\$300.80	\$380.88	\$411.94	\$642.32	
Repairs & Maintenance cost per ha	\$300.73	\$363.85	\$432.71	\$478.67	
Feed cost per kg/MS	\$0.59	\$0.68	\$0.78	\$0.95	
Interest cost per ha	\$379.48	\$309.82	\$417.89	\$512.91	
Interest cost per kg/MS	\$0.34	\$0.26	\$0.37	\$0.42	
Drawings per kg/MS	\$0.69	\$0.63	\$0.81	\$0.79	
Drawings per ha	\$767.15	\$746.94	\$913.29	\$966.30	





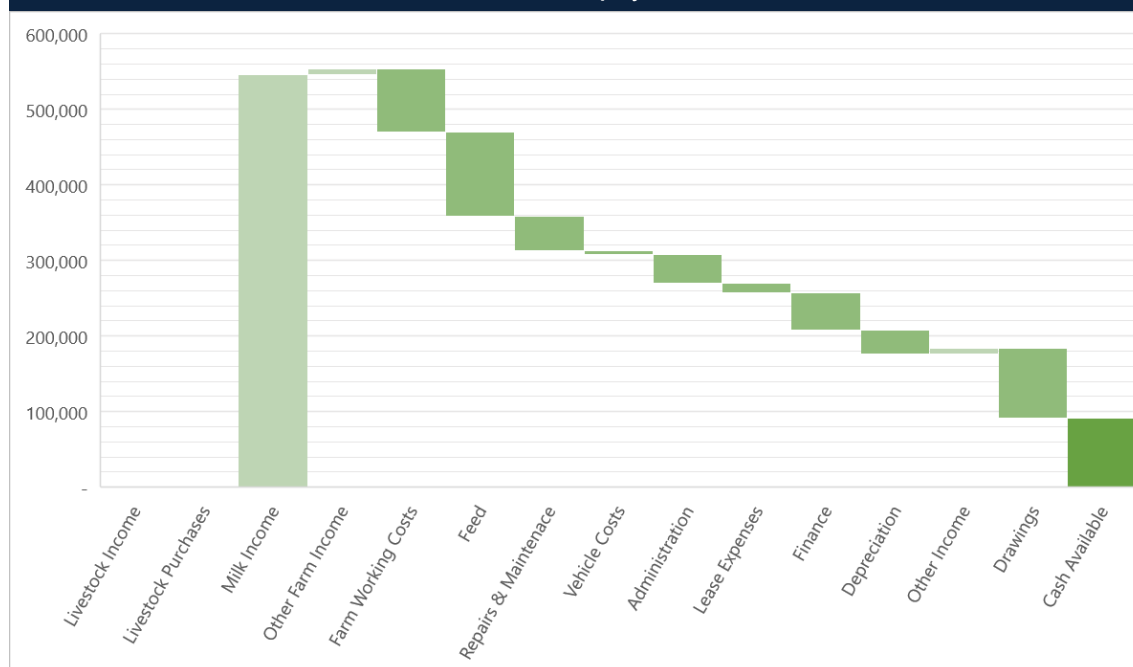
# WAIKATO DAIRY FARMING BENCHMARKING 2023

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

### Profit and Loss Summary

	<u>\$ Average</u>	<u>kg/MS</u>
Gross Cash Income		
Production Income	546,076	4.66
Stock Income (nett)	-	-
	546,076	4.66
Less Farm Operating Expenses		
Feed	110,893	0.95
Wages	-	-
Other Farm Operating costs (excludes Interest & Lease)	173,317	1.48
	284,210	2.43
<b>Gross Operating Cash Income</b>	<b>261,866</b>	<b>2.24</b>
Plus Other Cash Income	16,492	0.14
Less Interest & Lease	62,428	0.53
<b>Net cash from farming</b>	<b>215,929</b>	<b>1.84</b>
Less Drawings (excludes Tax)	92,803	0.79
Less Depreciation (Asset Replacement)	31,987	0.27
<b>Cash available for Tax, Debt Repayment &amp; Other Investment</b>	<b>91,140</b>	<b>0.78</b>

### Cash Available for Tax, Debt Repayment & Other Investment



# WAIKATO DAIRY FARMING BENCHMARKING 2023

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

### Profit and Loss Detail

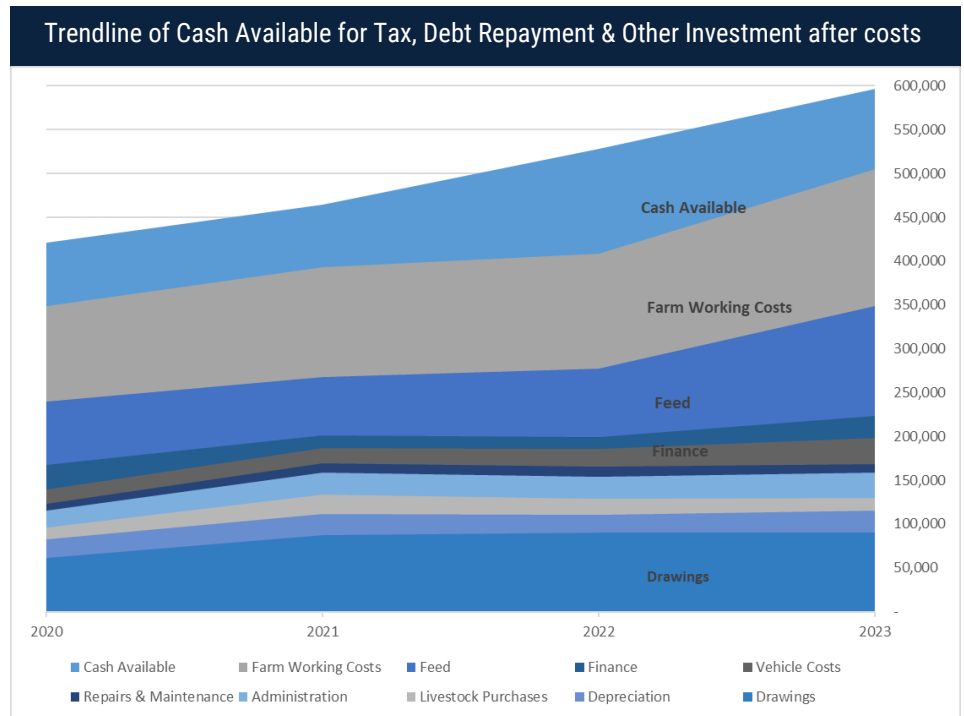
	\$ Average	kg/MS		\$ Average	kg/MS		\$ Average	kg/MS
<b>Farm Income</b>						<b>Administration Expenses</b>		
<b>Livestock Trading</b>			Herd Improvement	261	0.00	Accountancy & Advisory	7,980	0.07
Sales Dairy	-	-	Irrigation & Effluent Disposal	365	0.00	ACC Levies	56	0.00
Less Purchases Dairy	-	-	Lease of Cows	-	-	Bank Fees & Charges	352	0.00
- Total	-	-	Other Farm Working Expenses	716	0.01	Communication	154	0.00
<b>Dairy Produce Income</b>			Pasture Seed & Sowing	6,366	0.05	Computer, Software & Office Expenses	40	0.00
Milk Income	546,076	4.66	Wages	-	-	DairyNZ	3,495	0.03
- Total	546,076	4.66	Wages - Contract Labour	-	-	Directors' Fees	-	-
<b>Other Farm Trading Income</b>			Weed & Pest Control	4,438	0.04	Donations	28	0.00
Calf Rearing	-	-	- Total	84,627	0.72	Entertainment	149	0.00
Contracting	118	0.00	<b>Feed</b>			Health & Safety	4	0.00
Grazing	-	-	Feed Supplements - Purchased	66,996	0.57	Insurance	7,858	0.07
Hay & Silage	-	-	Feed Supplements - Made	7,735	0.07	Lease	13,168	0.11
Sundry Milk	-	-	Maize Expenses	17,151	0.15	Legal Fees - Deductible	772	0.01
Sale of Calves	229	0.00	Grazing	19,011	0.16	Other Administration Expenses	322	0.00
Sundry Farm Income	2,496	0.02	- Total	110,893	0.95	Owners Residence	2,522	0.02
Lease Received	480	0.00	<b>Repairs and Maintenance</b>			Rates	14,124	0.12
Rent Received	554	0.00	Buildings	2,494	0.02	Staff Recruitment	-	-
Rebates	1,369	0.01	Dairy Shed Plant	5,672	0.05	Subscriptions, Licences & Permits	618	0.01
Other	2,885	0.02	Drainage	2,072	0.02	Travel Expenses	40	0.00
- Total	8,131	0.07	Effluent System	2,863	0.02	Valuation Fees	24	0.00
<b>Total Farming Income</b>	554,208	4.73	Employee Residence	10,630	0.09	Wages - Administration	-	-
<b>Less Expenses</b>			Farm Tracks & Races	6,973	0.06	- Total	51,705	0.44
<b>Farm Working Expenses</b>			Fencing & Hedges	8,548	0.07	<b>Finance Expenses</b>		
Animal Health	1,951	0.02	Plant & Equipment	2,165	0.02	- Total	49,260	0.42
Calf Rearing	3,029	0.03	Water Reticulation	3,218	0.03	<b>Depreciation Expenses</b>		
Consultancy Fees	2,580	0.02	Yards & Surrounds	1,335	0.01	- Total	31,987	0.27
Contracting	1,164	0.01	- Total	45,971	0.39	<b>Total Expenses</b>	378,625	3.23
Cultivation Costs	285	0.00	<b>Vehicle Expenses</b>			<b>Other Income</b>		
Dairy Shed Expenses	1,079	0.01	Car Expenses	1,078	0.01	Dividends Received	4,214	0.04
Electricity & Gas	704	0.01	Farm Bike Expenses	176	0.00	Interest Received	4,121	0.04
Fertiliser	45,055	0.38	Fuel & Oil	584	0.00	MSD Wage Subsidy	-	-
Fertiliser - Urea	16,129	0.14	Tractor Expenses	702	0.01	FIF and PIE Income	26	0.00
Freight & Cartage	503	0.00	Truck Expenses	1,642	0.01	FBT Contribution	-	-
			- Total	4,182	0.04	- Total	8,360	0.07
						<b>Net Income</b>	183,943	1.57



# WAIKATO DAIRY FARMING BENCHMARKING 2023

## Statistics Snapshot | 50/50 Sharemilker

Statistics Snapshot	2020	2021	2022	2023	Trends
Number in Group	12	14	15	18	
Cows milked	283	299	306	324	
Total kg/MS	101,698	109,135	97,616	119,101	
Production per Cow	359	364	320	368	
Dairy Payout per kg/MS	\$3.49	\$3.67	\$4.69	\$4.35	
Livestock Sales per kg/MS	\$0.45	\$0.49	\$0.58	\$0.62	
Farm Operating costs per kg/MS	\$2.18	\$2.24	\$2.71	\$2.93	
Cost of Production per kg/MS	\$2.19	\$2.22	\$2.56	\$2.83	
Gross Operating Income per kg/MS	\$1.64	\$1.72	\$2.37	\$1.93	
Net Income per kg/MS	\$1.31	\$1.45	\$2.15	\$1.53	
Animal Health cost per Cow	\$98.51	\$91.46	\$98.65	\$110.38	
Feed cost per kg/MS	\$0.68	\$0.60	\$0.80	\$1.04	
Interest cost per kg/MS	\$0.19	\$0.14	\$0.14	\$0.21	
Drawings per kg/MS	\$0.63	\$0.80	\$0.93	\$0.76	
Drawings per Cow	\$225.83	\$290.10	\$295.75	\$278.09	



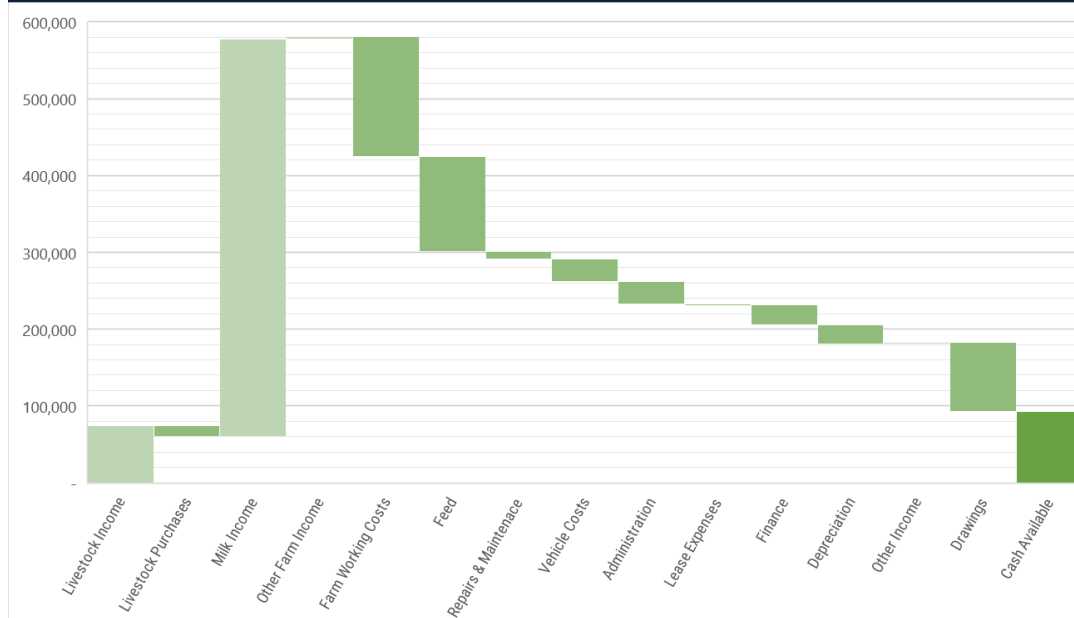
# WAIKATO DAIRY FARMING BENCHMARKING 2023

## Statistics Profit & Loss | 50/50 Sharemilker

### Profit and Loss Summary

	\$ Average	kg/MS	Per Cow
Gross Cash Income			
Production Income	518,124	4.35	1,599.65
Stock Income (nett)	59,735	0.50	184.43
	577,859	4.85	1,784.08
Less Farm Operating Expenses			
Feed	123,739	1.04	382.03
Wages	46,562	0.39	143.76
Other Farm Operating costs (excludes Interest & Lease)	178,172	1.50	550.09
	348,473	2.93	1,075.88
<b>Gross Operating Cash Income</b>	<b>229,385</b>	<b>1.93</b>	<b>708.20</b>
Plus Other Cash Income	4,627	0.04	14.29
Less Interest & Lease	26,657	0.22	82.30
Net cash from farming	207,356	1.74	640.19
Less Drawings (excludes Tax)	90,071	0.76	278.09
Less Depreciation (Asset Replacement)	24,941	0.21	77.00
<b>Cash available for Tax, Debt Repayment &amp; Other Investment</b>	<b>92,344</b>	<b>0.78</b>	<b>285.10</b>

### Cash Available for Tax, Debt Repayment & Other Investment



# WAIKATO DAIRY FARMING BENCHMARKING 2023

## Statistics Profit & Loss | 50/50 Sharemilker

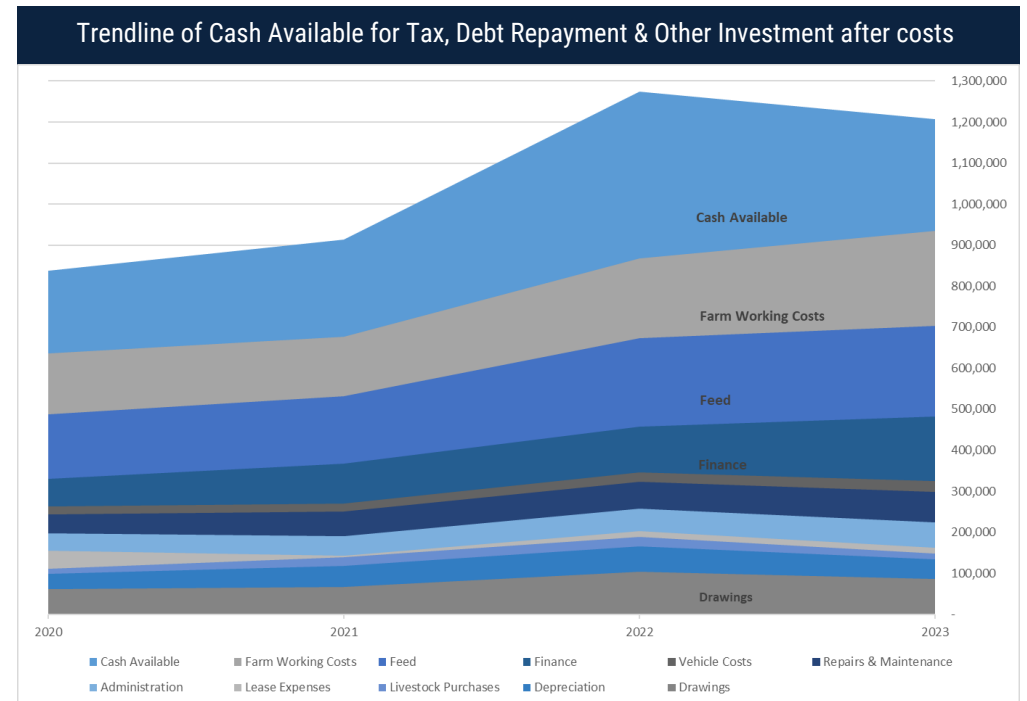
### Profit and Loss Detail

	\$ Average	kg/MS	Per Cow		\$ Average	kg/MS	Per Cow		\$ Average	kg/MS	Per Cow
<b>Farm Income</b>								<b>Administration Expenses</b>			
<b>Livestock Trading</b>				Herd Improvement	15,363	0.13	47.43	Accountancy & Advisory	9,855	0.08	30.43
Sales Dairy	74,089	0.62	228.74	Irrigation & Effluent Disposal	86	0.00	0.27	ACC Levies	3,685	0.03	11.38
Less Purchases Dairy	(14,354)	(0.12)	(44.32)	Lease of Cows	-	-	-	Bank Fees & Charges	336	0.00	1.04
- Total	59,735	0.50	184.43	Other Farm Working Expenses	3,751	0.03	11.58	Communication	502	0.00	1.55
<b>Dairy Produce Income</b>				Pasture Seed & Sowing	2,030	0.02	6.27	Computer, Software & Office Expenses	87	0.00	0.27
Milk Income	518,124	4.35	1,599.65	Wages	46,155	0.39	142.50	DairyNZ	3,455	0.03	10.67
- Total	518,124	4.35	1,599.65	Wages - Contract Labour	407	0.00	1.26	Directors' Fees	-	-	-
<b>Other Farm Trading Income</b>				Weed & Pest Control	1,582	0.01	4.89	Donations	45	0.00	0.14
Calf Rearing	-	-	-	- Total	156,238	1.31	482.37	Entertainment	303	0.00	0.94
Contracting	38	0.00	0.12	<b>Feed</b>				Health & Safety	77	0.00	0.24
Grazing	604	0.01	1.86	Feed Supplements - Purchased	67,017	0.56	206.91	Insurance	4,582	0.04	14.15
Hay & Silage	250	0.00	0.77	Feed Supplements - Made	7,959	0.07	24.57	Lease	1,135	0.01	3.50
Sundry Milk	331	0.00	1.02	Maize Expenses	15,499	0.13	47.85	Legal Fees - Deductible	320	0.00	0.99
Sale of Calves	-	-	-	Grazing	33,819	0.28	104.41	Other Administration Expenses	365	0.00	1.13
Sundry Farm Income	740	0.01	2.29	- Total	124,295	1.04	383.75	Owners Residence	3,435	0.03	10.60
Lease Received	-	-	-	<b>Repairs and Maintenance</b>				Rates	1,285	0.01	3.97
Rent Received	-	-	-	Buildings	233	0.00	0.72	Staff Recruitment	83	0.00	0.26
Rebates	638	0.01	1.97	Dairy Shed Plant	1,329	0.01	4.10	Subscriptions, Licences & Permits	768	0.01	2.37
Other	516	0.00	1.59	Drainage	571	0.00	1.76	Travel Expenses	-	-	-
- Total	3,117	0.03	9.62	Effluent System	296	0.00	0.91	Valuation Fees	-	-	-
<b>Total Farming Income</b>	580,975	4.88	1,793.70	Employee Residence	128	0.00	0.40	Wages - Administration	-	-	-
<b>Less Expenses</b>				Farm Tracks & Races	143	0.00	0.44	- Total	30,320	0.25	93.61
<b>Farm Working Expenses</b>				Fencing & Hedges	2,595	0.02	8.01	<b>Finance Expenses</b>			
Animal Health	35,752	0.30	110.38	Plant & Equipment	4,163	0.03	12.85	- Total	25,610	0.22	79.07
Calf Rearing	6,742	0.06	20.82	Water Reticulation	714	0.01	2.20	<b>Depreciation Expenses</b>			
Consultancy Fees	508	0.00	1.57	Yards & Surrounds	86	0.00	0.27	- Total	24,941	0.21	77.00
Contracting	349	0.00	1.08	- Total	10,258	0.09	31.67	<b>Total Expenses</b>	400,714	3.36	1,237.16
Cultivation Costs	623	0.01	1.92	<b>Vehicle Expenses</b>				<b>Other Income</b>			
Dairy Shed Expenses	5,685	0.05	17.55	Car Expenses	4,210	0.04	13.00	Dividends Received	999	0.01	3.08
Electricity & Gas	14,577	0.12	45.00	Farm Bike Expenses	5,163	0.04	15.94	Interest Received	512	0.00	1.58
Fertiliser	5,808	0.05	17.93	Fuel & Oil	7,289	0.06	22.50	MSD Wage Subsidy	-	-	-
Fertiliser - Urea	12,710	0.11	39.24	Tractor Expenses	9,117	0.08	28.15	FIF and PIE Income	-	-	-
Freight & Cartage	4,109	0.03	12.69	Truck Expenses	3,273	0.03	10.11	FBT Contribution	-	-	-
				- Total	29,053	0.24	89.70	- Total	1,511	0.01	4.66
								<b>Net Income</b>	181,772	1.53	561.20

# WAIKATO DAIRY FARMING BENCHMARKING 2023

## Statistics Snapshot | Farm Owner with Contract Milker

Statistics Snapshot	2020	2021	2022	2023	Trends
Number in Group	13	13	16	14	
Total Effective Farming area (ha)	114.97	116.77	130.63	128.87	
Cows milked	328	333	383	361	
Cows milked per ha	2.86	2.85	2.93	2.80	
Total kg/MS	125,648	128,328	140,918	134,946	
Production per ha	1,093	1,099	1,079	1,047	
Production per Cow	383	386	368	374	
Dairy Payout per kg/MS	\$6.04	\$6.31	\$8.20	\$8.12	
Livestock Sales per kg/MS	\$0.58	\$0.57	\$0.61	\$0.67	
Farm Operating costs per kg/MS	\$3.64	\$3.41	\$3.93	\$4.56	
Cost of Production per kg/MS	\$4.50	\$3.99	\$4.65	\$5.53	
Gross Operating Income per kg/MS	\$2.80	\$3.30	\$4.73	\$4.13	
Net Income per kg/MS	\$1.58	\$2.36	\$3.62	\$2.65	
Animal Health cost per Cow	\$102.76	\$107.20	\$139.34	\$127.78	
Fertiliser cost per ha	\$489.10	\$434.52	\$548.24	\$771.43	
Repairs & Maintenance cost per ha	\$457.94	\$508.78	\$507.25	\$581.85	
Feed cost per kg/MS	\$1.48	\$1.29	\$1.53	\$1.64	
Interest cost per ha	\$1,180.57	\$825.04	\$848.26	\$1,222.58	
Interest cost per kg/MS	\$1.08	\$0.75	\$0.79	\$1.17	
Drawings per kg/MS	\$0.46	\$0.52	\$0.73	\$0.64	
Drawings per ha	\$497.89	\$569.55	\$790.02	\$670.77	
Drawings per Cow	\$174.26	\$199.87	\$269.55	\$239.41	





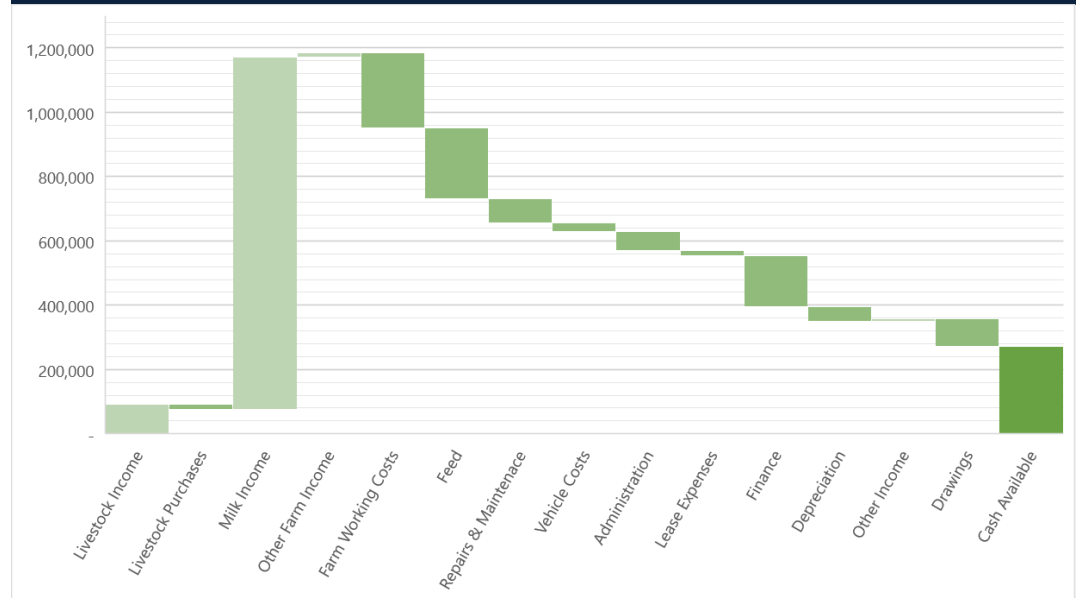
# WAIKATO DAIRY FARMING BENCHMARKING 2023

## Statistics Profit & Loss | Farm Owner with Contract Milker

### Profit and Loss Summary

	\$ Average	kg/MS	Per Cow
Gross Cash Income			
Production Income	1,095,278	8.12	3,033.44
Stock Income (nett)	76,827	0.57	212.78
	1,172,105	8.69	3,246.22
Less Farm Operating Expenses			
Feed	220,728	1.64	611.32
Wages	14,202	0.11	39.33
Other Farm Operating costs	379,966	2.82	1,052.34
(excludes Interest & Lease)	614,895	4.56	1,702.99
<b>Gross Operating Cash Income</b>	<b>557,210</b>	<b>4.13</b>	<b>1,543.23</b>
Plus Other Cash Income	19,876	0.15	55.05
Less Interest & Lease	172,788	1.28	478.55
Net cash from farming	404,297	3.00	1,119.73
Less Drawings (excludes Tax)	86,445	0.64	239.41
Less Depreciation (Asset Replacement)	46,815	0.35	129.66
<b>Cash available for Tax, Debt Repayment &amp; Other Investment</b>	<b>271,037</b>	<b>2.01</b>	<b>750.65</b>

### Cash Available for Tax, Debt Repayment & Other Investment



## Statistics Profit & Loss | Farm Owner with Contract Milker

Profit and Loss Detail											
Farm Income											
	\$ Average	kg/MS	Per Cow		\$ Average	kg/MS	Per Cow		\$ Average	kg/MS	Per Cow
Livestock Trading				Herd Improvement	23,563	0.17	65.26	Administration Expenses			
Sales Dairy	91,038		252.14	Irrigation & Effluent Disposal	221	0.00	0.61	Accountancy & Advisory	9,318	0.07	25.81
Less Purchases Dairy	(14,211)	(0.11)	(39.36)	Lease of Cows	-	-	-	ACC Levies	2,027	0.02	5.61
- Total	76,827	0.57	212.78	Other Farm Working Expenses	3,520	0.03	9.75	Bank Fees & Charges	536	0.00	1.48
Dairy Produce Income				Pasture Seed & Sowing	9,549	0.07	26.45	Communication	141	0.00	0.39
Milk Income	1,095,278	8.12	3,033.44	Wages	13,605	0.10	37.68	Computer, Software & Office Expenses	158	0.00	0.44
- Total	1,095,278	8.12	3,033.44	Wages - Contract Labour	596	0.00	1.65	DairyNZ	7,958	0.06	22.04
Other Farm Trading Income				Weed & Pest Control	5,138	0.04	14.23	Directors' Fees	698	0.01	1.93
Calf Rearing	-	-	-	- Total	231,952	1.72	642.41	Donations	229	0.00	0.63
Contracting	-	-	-	Feed				Entertainment	176	0.00	0.49
Grazing	-	-	-	Feed Supplements - Purchased	129,869	0.96	359.68	Health & Safety	153	0.00	0.42
Hay & Silage	-	-	-	Feed Supplements - Made	25,950	0.19	71.87	Insurance	12,879	0.10	35.67
Sundry Milk	-	-	-	Maize Expenses	26,154	0.19	72.43	Lease	15,229	0.11	42.18
Sale of Calves	-	-	-	Grazing	38,756	0.29	107.34	Legal Fees - Deductible	55	0.00	0.15
Sundry Farm Income	754	0.01	2.09	- Total	220,728	1.64	611.32	Other Administration Expenses	872	0.01	2.41
Lease Received	25	0.00	0.07	Repairs and Maintenance				Owners Residence	3,362	0.02	9.31
Rent Received	2,692	0.02	7.46	Buildings	4,199	0.03	11.63	Rates	20,859	0.15	57.77
Rebates	1,933	0.01	5.35	Dairy Shed Plant	12,575	0.09	34.83	Staff Recruitment	107	0.00	0.30
Other	6,215	0.05	17.21	Drainage	1,805	0.01	5.00	Subscriptions, Licences & Permits	1,833	0.01	5.08
- Total	11,619	0.09	32.18	Effluent System	3,029	0.02	8.39	Travel Expenses	26	0.00	0.07
Total Farming Income	1,183,725	8.77	3,278.40	Employee Residence	15,893	0.12	44.02	Valuation Fees	54	0.00	0.15
Less Expenses				Farm Tracks & Races	10,649	0.08	29.49	Wages - Administration	-	-	-
Farm Working Expenses				Fencing & Hedges	11,396	0.08	31.56	- Total	76,671	0.57	212.34
Animal Health	46,138	0.34	127.78	Plant & Equipment	7,017	0.05	19.43	Finance Expenses			
Calf Rearing	19,586	0.15	54.24	Water Reticulation	6,321	0.05	17.51	- Total	157,559	1.17	436.37
Consultancy Fees	4,463	0.03	12.36	Yards & Surrounds	2,102	0.02	5.82	Depreciation Expenses			
Contracting	-	-	-	- Total	74,985	0.56	207.68	- Total	46,815	0.35	129.66
Cultivation Costs	-	-	-	Vehicle Expenses				Total Expenses	834,499	6.18	2,311.20
Dairy Shed Expenses	3,058	0.02	8.47	Car Expenses	1,524	0.01	4.22	Other Income			
Electricity & Gas	3,099	0.02	8.58	Farm Bike Expenses	1,539	0.01	4.26	Dividends Received	7,145	0.05	19.79
Fertiliser	72,208	0.54	199.99	Fuel & Oil	8,770	0.06	24.29	Interest Received	1,111	0.01	3.08
Fertiliser - Urea	23,306	0.17	64.55	Tractor Expenses	11,391	0.08	31.55	MSD Wage Subsidy	-	-	-
Freight & Cartage	3,903	0.03	10.81	Truck Expenses	2,564	0.02	7.10	FIF and PIE Income	-	-	-
				- Total	25,789	0.19	71.42	FBT Contribution	-	-	-
								- Total	8,256	0.06	22.87
								Net Income	357,482	2.65	990.07