

DairyNZ 

Economic Survey

2024-25



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Introduction

The 2024-25 DairyNZ Economic Survey is the twentieth annual survey of New Zealand dairy farmers using dairy farm business data from DairyNZ's DairyBase.

The Economic Survey of Factory Supply Dairy Farmers was first published in 1963-64 by the New Zealand Dairy Board. In 1988-89 the survey was undertaken by Livestock Improvement Corporation (LIC) and then Dexcel in 1999-2000, when the name was changed to Economic Survey of New Zealand Dairy Farmers. From 2005-06 DairyNZ published the survey under the new title DairyNZ Economic Survey.

DairyNZ is an industry good organisation, representing New Zealand's dairy farmers. Funded by a levy on milksolids and together with government investment, our purpose is to progress a positive future for New Zealand dairy farming and help dairy farmers successfully navigate through change. We aim to do this by leading innovation in world-class dairy farming and by working always in the best interests of New Zealand's dairy farmers. DairyBase® is owned and managed by DairyNZ on behalf of the dairy farmers of New Zealand.

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This publication is a reference compilation of dairy farmers' key financial data. DairyNZ has endeavoured to ensure that the information in this publication is accurate but does not accept liability for any error or omission. No persons involved in data collection, processing, analysis or editing will be held accountable. Data in this document can be used for other purposes provided it is correctly referenced. The correct reference for all data contained in this document is: DairyNZ Economic Survey 2024-25.

The DairyNZ Economic Survey is available as a PDF version on the DairyNZ website and as an interactive online publication allowing direct download of summary data as CSV files.



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Executive Summary

The 2024-25 season was characterised by a strong improvement in financial performance for both owner-operators and 50:50 sharemilkers, driven primarily by higher milksolids production and a significant increase in milksolids payout, along with gains in capital value. Although the 2023-24 figures are presented in nominal terms, and inflation-adjusted comparisons would show slightly smaller increases in some areas, the overall direction of change remains clearly positive. Across both business types production gains were achieved largely through improved efficiency, with higher milksolids output per hectare and per cow, and only marginal changes in farm size, herd size, and stocking rates.

The increase in payout played a central role in lifting farm revenue, which, in turn, supported substantial improvements in cashflow, profitability, and financial position. Cash operating surpluses, discretionary cash, and cash available for living and growth all increased significantly, while operating profits rose both per hectare and per kg milksolids. Operating expenses increased, but they increased at a slower rate than farm revenue, resulting in stronger margins. This translated into improved returns and reduced debt, which resulted in solid equity growth, leaving farms in a much stronger financial position overall at the end of the 2024-25 season. This translated into improved returns and reduced debt, which resulted in solid equity growth, leaving farms in a much stronger financial position overall at the end of the 2024-25 season.

Owner-operator Summary

In the 2024-25 season, owner-operators had a strong financial performance, driven by higher milksolids production per cow, per hectare and per farm, a high milksolids payout, and substantial gains in capital value.

In the 2024-25 season, farm size, herd size, and stocking rate for owner-operator farms changed only marginally compared to the previous year. Effective hectares increased from 148 to 149 and peak cows milked increased from 411 to 416, while stocking rate remained unchanged at 2.8 cows per hectare. The average milksolids production per farm increased in 2024–25, from 174,235 kg to 181,139 kg, reflecting higher milksolids production per hectare (1,180 to 1,219 kg) and per cow (423 to 435 kg). The most significant driver of financial performance was the milksolids payout, which increased from \$8.33/kg MS (or \$8.55/kg MS in inflation-adjusted terms) to \$10.02/kg MS, delivering a substantial lift in real farm revenue.

This stronger revenue flow translated into markedly improved cashflow and profitability. Cash operating surplus increased from \$612,103 (or \$628,464 inflation-adjusted) to \$903,774, while discretionary cash more than doubled from \$253,926 to \$573,715. Similarly, cash surplus increased from just over \$4,000 to \$110,829. Dairy operating profit per hectare rose from \$2,845 to \$4,849, and operating profit per kg milksolids increased from \$2.41 to \$3.98. Although operating expenses increased in both nominal and inflation-adjusted terms, the rate of increase was smaller (4% per kg MS and 8% per ha) than the increase in gross farm revenue (21% per kg MS and 25% per ha), resulting in a significant gain in margins.

The financial position of owner-operator farms also improved significantly, with operating return on dairy assets increasing from 5.3% to 8.6%, total return on assets from 3.6% to 14%, and return on equity from 0.9% to 20.9%. Risk indicators improved as debt levels declined, with the debt-to-asset ratio falling from 42% to 38% and term liabilities per kg milksolids decreasing from \$20.25 to \$19.50. Wealth creation was also strong, with equity increasing by \$924,609 (17.5%), driven by both profit (\$347,836) and capital gains (\$576,785). Overall, the 2024-25

season was characterised by strong profitability, improved liquidity, and stronger balance sheets, even after accounting for inflation.

Owner-operator Summary Table

Variable	2023-24	2024-25
PHYSICAL CHARACTERISTICS:		
Effective hectares	148	149
Peak cows milked	411	416
Stocking rate (cows/ha)	2.8	2.8
Kg milksolids sold	174,235	181,139
Milksolids sold per hectare	1,180	1,219
Milksolids sold per cow	423	435
PRICES:		
PAYOUT RECEIVED (\$/kg MS sold)	8.33	10.02
CASHFLOW:		
Cash operating surplus	612,103	903,774
Discretionary cash	253,926	573,715
Cash available for living and growth	229,715	523,190
Cash surplus/deficit	4,032	110,829
PROFITABILITY PER HA:		
Dairy gross farm revenue per ha	10,526	13,143
Dairy operating expenses per ha	7,680	8,294
Dairy operating profit per ha	2,845	4,849
Business profit before tax per all effective hectares	1,271	3,502
PROFITABILITY PER KG MILKSOLIDS:		
Dairy gross farm revenue per kg milksolids	8.92	10.78
Farm working expenses per kg milksolids	5.45	5.73
Dairy operating expenses per kg milksolids	6.51	6.80
Dairy operating profit per kg milksolids	2.41	3.98
RETURNS:		
Operating return on dairy assets %	5.3	8.6
Total return on assets %	3.6	14.0
Total return on equity %	0.9	20.9
WEALTH CREATION:		
Growth in equity	-27,714	924,609
Growth in equity from profit	37,717	347,836
Growth in equity from capital	-65,125	576,785
Growth in equity %	-0.6	17.5
RISK:		
Closing debt to asset %	46.2	37.7
Closing term liabilities per kg MS	22.30	19.50

50:50 Sharemilkers Summary

In the 2024-25 season, the financial performance of 50:50 sharemilker farms improved markedly compared to the previous year, driven by increases in milksolids production per cow, per hectare and per farm, as well as higher milksolids payout and gains in capital value. As for owner-operators, the 2023-24 figures for 50:50 sharemilkers are presented in nominal terms; when adjusted for inflation (values not shown), the increase is slightly smaller in some areas, though the overall trend remains strongly positive.

The average farm size, herd size and stocking rate of 50:50 sharemilkers declined slightly in 2024-25, with effective hectares remained the same, peak cows milked from 434 to 423 and stocking rate from 3.0 to 2.9 cows per hectare. Despite this, milksolids production increased, with total milksolids sold rising from 185,071 kg to 188,076 kg, driven by higher production per hectare (1,275 kg to 1,304 kg) and per cow (426 kg to 444 kg). The main factor contributing to improved financial operating performance was both milk production and milksolids payout, which increased from \$3.96/kg MS (or \$4.07/kg MS in inflation-adjusted terms) to \$5.03/kg MS, lifting real farm revenue.

Strong farm revenue in 2024-25 resulted in significant improvements in cashflow and profitability. Cash operating surplus more than doubled from \$204,120 (or \$209,576 inflation-adjusted) to \$445,426, while discretionary cash rose from \$128,545 to \$341,097. Cash surplus grew from \$29,048 to \$49,332. Profitability improved strongly, with operating profit per hectare increasing from \$961 (\$987 inflation-adjusted) to \$2,154, and per kg milksolids from \$0.75 (\$0.77 inflation-adjusted) to \$1.65. Although operating expenses increased, the rate of increase (9% per hectare and 7% per kg MS) was lower than the rate of increase in gross farm revenue (28% per hectare and 25% per kg MS), resulting in higher margins.

Operating return on dairy assets increased from 14.7% to 30.1%, total return on assets from 8.3% to 41.2%, and return on equity from 10.5% to 59.3%. Debt levels declined, with the debt-to-asset ratio falling from 39.4% to 24.5% and term liabilities per kg milksolids from \$2.41 to \$1.64. In the 2024-25 season, equity increased by \$404,936 (44.5%), driven by both profit and capital gains. Most of the capital gain was due to an increase in the capital value of their livestock. Overall, the 2024-25 season for 50:50 sharemilkers was marked by strong profitability, improved liquidity, and a stronger financial position.

50:50 Sharemilkers Summary Table

Variable	2023-24	2024-25
PHYSICAL CHARACTERISTICS		
Effective hectares	145	144
Peak cows milked	434	423
Stocking rate (cows/ha)	3.0	2.9
Kg milksolids sold	185,071	188,076
Milksolids sold per hectare	1,275	1,304
Milksolids sold per cow	426	444
PRICES:		
PAYOUT RECEIVED (\$/kg MS sold)	3.96	5.03
CASHFLOW:		
Cash operating surplus	204,120	445,426
Discretionary cash	128,545	341,097
Cash available for living and growth	130,568	279,762
Cash surplus/deficit	29,048	49,332
PROFITABILITY PER HA:		
Dairy gross farm revenue per ha	5,637	7,405
Dairy operating expenses per ha	4,676	5,252
Dairy operating profit per ha	961	2,154
Business profit before tax per all effective hectares	1,272	2,383
PROFITABILITY PER KG MILKSOLIDS:		
Dairy gross farm revenue per kg milksolids	4.42	5.68
Farm working expenses per kg milksolids	2.95	3.27
Dairy operating expenses per kg milksolids	3.67	4.03
Dairy operating profit per kg milksolids	0.75	1.65
RETURNS:		
Operating return on dairy assets %	14.7	30.1
Total return on assets %	8.3	41.2
Total return on equity %	10.5	59.3
WEALTH CREATION:		
Growth in equity	72,982	404,936
Growth in equity from profit	78,827	204,258
Growth in equity from capital	-5,488	200,753
Growth in equity %	9.8	44.5
RISK:		
Closing debt to asset %	39.4	24.5
Closing term liabilities per kg MS	2.41	1.64

Commentary

The 2024-25 season represented a strong improvement in the financial position of New Zealand dairy farming business. Higher milksolids production, a record milksolids payout (in nominal terms), stronger livestock values and improved capital values combined to lift farm income, profitability, cashflow and equity. For both owner-operators and 50:50 sharemilkers, the season was characterised by a significant lift in revenue, while expenditure increased at a more moderate rate. This resulted in stronger margins and provided farm businesses with greater capacity to meet tax, drawings, capital expenditure and debt repayment obligations.

For owner-operators, the 2024-25 average milksolids payout received of \$10.02 per kilogram of milksolids was the highest payout recorded in the last decade in nominal terms. When adjusted for inflation, it was the second highest of the decade, behind the 2021-22 season. This distinction is important. In nominal terms, many indicators reached new highs in 2024-25; however, when adjusted for inflation, some of these gains are slightly smaller. Even after allowing for inflation, the 2024-25 season remains one of the strongest financial seasons recorded over the last 10 years.

For an average farm, physical performance also improved. Average Milksolids sold per cow increased by 12 kg MS from the previous season to 435 kg MS per cow, the highest level of the last decade. Average Milksolids sold per hectare increased by 39 kg MS to 1,219 kg MS per hectare, while effective hectares, peak cows milked changed only marginally and stocking rate remained unchanged at 2.8. This indicates that the lift in production was achieved mainly through improved efficiency rather than a material expansion in farm scale. At the farm level, owner-operator milksolids sold increased from 174,235 kg MS in 2023-24 to 181,139 kg MS in 2024-25.

The increase in milk price and elevated production translated into record income. Milk sales, net livestock sales, other dairy cash income and net dairy cash income were all the highest of the last decade in nominal terms. Net dairy cash income for owner-operators increased to \$13,077 per hectare, up \$2,494 per hectare from the previous season. In real terms, this was still a substantial increase and the second highest level recorded over the last decade. Livestock income also improved, supported by stronger livestock values and a more favourable market environment.

The higher income environment was partly offset by increases in expenses. Farm working expenses increased to \$6,993 per effective hectare, up \$557 per effective hectare from the previous season. When adjusted for inflation, this was the third highest level of the last decade. Several cost lines reached decade highs in both nominal and inflation-adjusted terms, including farm dairy, regrassing, administration, insurance and rates. Expenses on breeding and herd improvement, feed made, purchased or cropped, support block lease, irrigation, weed and pest control, and repairs and maintenance were also higher than in the previous season.

This highlights an important feature of the current cost environment. While inflation moderated relative to the peak of recent years, the impact of previous price increases remains embedded in many farm cost lines. Inflation is often discussed as a short-term rate of change, but its effect on farm businesses can be persistent. Many input prices have moved to a higher base, meaning that even when annual inflation slows, farmers continue to operate with a cost structure that is materially higher than it was before 2020. This is particularly relevant for feed, fertiliser, insurance, rates, administration and maintenance-related costs.

Despite the increase in expenditure, the growth in revenue was considerably stronger than the growth in costs. Dairy gross farm revenue increased to \$13,143 per hectare from \$10,526 in the last season, while dairy operating expenses increased to \$8,294 per hectare from \$7,680. As a result, dairy operating profit increased to \$4,849 per hectare, the highest nominal value of the last decade and \$1,744 per hectare higher than the 10-year inflation-

adjusted average. Cash operating surplus reached \$6,084 per hectare, also a new 10-year high and \$1,736 per hectare above the 10-year inflation-adjusted average.

The 2024-25 season therefore demonstrates the buffering effect of a strong milk price and increased milk production. A high payout can absorb cost pressure and support profitability even when the underlying cost base remains elevated. However, this also highlights a risk. A cost structure of this level is much easier to sustain when milk prices are high. If milk prices were to weaken while expenses remain at their current level, margins would tighten quickly. This reinforces the importance of maintaining cost efficiency, higher productivity, and financial discipline during high payout years.

The improvement in profitability also flowed through to cashflow. For owner-operators, on average, cash operating surplus increased to \$903,774 per farm, while discretionary cash increased to \$573,715. Cash available for living and growth increased to \$523,190, more than double the level recorded in 2023-24. This stronger liquidity position enabled farmers to meet higher tax obligations, increase drawings, invest in capital expenditure and reduce debt. Tax payments, net off-farm income and drawings per kilogram of milksolids were also the highest of the last decade.

A key feature of the 2024-25 season was the improvement in balance sheets. Owner equity at the close of season reached the highest level of the decade in both nominal and inflation-adjusted terms. Increase in equity rose by \$924,609 in 2024-25. This growth was driven by both profit and capital gains, with \$347,836 from profit and \$576,785 from capital. The increase in capital value was broad-based, with land and buildings, plant, machinery and vehicles, livestock, investments and current assets all contributing to the stronger closing asset position.

At the same time, total liabilities decreased by \$74,117 for the average owner-operator farm. This was mainly due to a reduction in term liabilities of \$134,790, partly offset by an increase in current liabilities of \$60,673. Debt-to-asset ratio decreased from 42% at the start of the season to 38% at closing, the lowest level of the last decade. Term liabilities per kilogram of milksolids also decreased from \$20.25 at season opening to \$19.50 at close of season. This indicates that the stronger cash position was not only reflected in short-term profitability but also in reduced financial risk.

The improvement in debt indicators is significant for the sector's resilience. Lower debt-to-asset ratios reduce exposure to interest rate changes and provide more flexibility when milk prices or seasonal conditions change. A lower proportion of highly leveraged farms also reduces the vulnerability of the sector to shocks. The 2024-25 season provided an opportunity for farmers to repair balance sheets after the more challenging 2023-24 season, and the data suggests that many farm businesses used the improved cashflow environment to reduce debt and strengthen equity.

Returns were also the strongest of the decade. For owner-operators, operating return on dairy assets increased to 8.6 %, total return on assets increased to 14.0 %, and total return on equity increased to 20.9 %. The lift in total returns was driven by both stronger operating performance and capital gains. This is an important shift from recent seasons, where returns were often constrained by weaker capital value growth and higher financing costs. In 2024-25, both the operating and capital components moved in a positive direction.

The improvement was not limited to owner-operators. The 50:50 sharemilker sector also recorded a marked lift in financial performance. Milksolids production increased despite a small reduction in average farm size, herd size and stocking rate. The average payout received by 50:50 sharemilkers increased to \$5.03 per kilogram of milksolids, while dairy gross farm revenue increased to \$7,405 per hectare. Operating profit increased to \$2,154 per hectare, more than double the previous season, and cash operating surplus increased to \$445,426 per farm.

For 50:50 sharemilkers, the improvement in financial performance was particularly evident in cashflow and returns. Discretionary cash increased to \$341,097, while cash available for living and growth increased to \$279,762. Operating return on dairy assets increased to 30.1%, total return on assets to 41.2%, and total return on equity to 59.3%. These high return figures reflect the asset structure of 50:50 sharemilker businesses, where livestock makes up a large share of total assets and changes in livestock values can have a substantial effect on returns.

Although 2024-25 season has been a record season for several financial indicators, farm-level performance remains highly variable. Even in a strong milk price year, differences in operating profit across farms were substantial. For owner-operators, top quartile farms achieved operating profit of \$6,919 per hectare compared with \$2,033 per hectare for the bottom quartile. The difference was not primarily due to payout, which was similar across all quartiles, but was mainly associated with higher milksolids production per hectare and lower operating expenses per kilogram of milksolids. This reinforces that cost-efficient production remains a key driver of profitability.

Similarly, the distribution of operating profit also appears wider in high payout years. This may reflect a combination of factors, including different production systems, variation in feed and input strategies, differences in cost exposure, regional conditions, and differences in business capability. Higher milk prices create opportunities, but they can also increase the spread between businesses that convert revenue efficiently into profit and those that experience higher cost leakage. This has implications for farm resilience, as high revenue alone does not guarantee strong profitability if the cost base rises at the same time.

Some features of the sector remain relatively stable. Farm size, herd size and stocking rate changed only marginally for owner-operators. Milk payout was the dominant driver of the lift in revenue, but the underlying relationship between production, cost control and profit remained consistent. Feed remained the largest expenditure category for owner-operators, while labour and feed remained the largest cost categories for 50:50 sharemilkers. The farm production system itself was not a reliable indicator of profitability; farms were able to be profitable across low, medium and high input systems where production and costs were well managed.

The key message from the 2024-25 season is that the sector delivered a much stronger financial position than in the previous year. Higher payout, improved production, stronger livestock values and capital gains lifted profitability and equity, while improved cashflow enabled debt reduction. However, there is now a higher structural cost base embedded in New Zealand dairy farm businesses. The strength of the 2024-25 results should not obscure the fact that margins remain exposed to changes in milk price, input costs, interest rates and seasonal conditions.

Overall, the 2024-25 season was a high-income, high-profit and balance-sheet strengthening year for New Zealand dairy farm businesses. It provided an opportunity to rebuild financial resilience after a difficult 2023-24 season. The main challenge for the sector is to convert this improved financial position into durable resilience by maintaining cost discipline, reducing exposure to debt where appropriate, and continuing to focus on cost-efficient productivity gains.

1. Background

The 2024-25 DairyNZ Economic Survey summarises a sample of dairy farm data from the DairyBase database. DairyBase is available to all levy paying New Zealand dairy farmers. Annual surveys before 2005-06 were conducted by the Livestock Improvement Corporation (LIC) and Dexcel using a random sampling procedure stratified by region and herd size. Current participation in DairyBase is voluntary, and on average, it includes farms that have higher-than-average milk production levels. For this publication (2024-25 DairyNZ Economic Survey), groups of farms were selected to match the average regional herd size, hectares and milksolids production as published in the New Zealand Dairy Statistics 2024-25 as close as possible while maintaining a large sample size.

The purpose of DairyBase is to improve the financial understanding and performance of dairy farmers using a benchmarking approach and is designed to link the physical and financial performance of farms. DairyBase contains financial data from annual farm accounts, physical data supplied by the farmer, and estimated current market values of fixed assets. The DairyBase support centre, accredited accountants and other rural professionals enter the data on behalf of their clients, and it is validated within DairyBase. Farmers wishing to benchmark their farm performance have access to a wide range of statistics in DairyBase, including (where numbers permit) regional, district and production system data.

2. Survey Description

2.1. Survey Methodology

Groups of farms were selected to match the average regional herd size, hectares and milksolids production as published in the New Zealand Dairy Statistics 2024-25 as close as possible while maintaining a large sample size. The initial pool of farms included 820 owner-operators and 274 50:50 sharemilkers (herd-owning sharemilkers) with data validated and committed to the DairyBase database for the 2024-25 financial year. Businesses were then excluded for the following reasons:

- Multiple herds operating under one business identity.
- Herds with fewer than 50 cows.
- Businesses with a significant change in the land area during the year (>10%).
- Extreme outlier data.
- Incomplete financial data.

The sample selection process aimed to align the regional and national average herd sizes, hectares and milksolids production for each of these two ownership structures while retaining a reasonable number of farm businesses. These regional and national averages are available in the 2024-25 New Zealand Dairy Statistics publication.

The final number of herds included in this survey comprised 201 owner-operators and 73 50:50 sharemilker herds. Of the owner-operator herds, 159 (79%) were North Island herds, and 42 (21%) were from the South Island. Of the sharemilker herds, 52 (71%) were from the North Island, and 21 (29%) were South Island herds.

2.2. Ownership Structure Definitions

An owner-operator receives 100% of the milk revenue and either owns, or leases, both the herd and the land. In contrast, a 50:50 sharemilker owns the herd but not the milking land and receives 50% of the milk revenue. Although the definition of sharemilkers used in this survey is 50:50, in practice, they may receive between 40% and 60% of the milk revenue. Herds with variable order sharemilkers, and farm owners with sharemilking arrangements, were not included in this survey.

2.3. Sample Unit

The data used in this survey reflects the total dairying enterprise of each business. Where businesses have multiple ownership types, such as partnerships and trusts, the accounts of all entities are consolidated and entered as one.

2.4. Survey Weights

All national averages in this report have been weighted by the regional proportion of herds reported in the 2024-25 New Zealand Dairy Statistics (Table 2.1). Simply averaging the regional data shown in this document does not produce the same national average. Weighting the data ensures that each region contributes a representative

proportion to the national averages. The national averages for 50:50 sharemilkers are weighted by the regional proportion of sharemilkers.

Table 2.1: Dairy Statistics 2024-25

Region	Owner-operator herds	% of Owner-operator herds	50:50 Sharemilker herds	% of 50:50 Sharemilker herds
Northland	423	7.4	158	6.1
Waikato	1,769	30.8	968	37.4
Bay of Plenty	279	4.9	128	4.9
Taranaki	847	14.8	394	15.2
Lower North Island	603	10.5	172	6.6
West Coast – Top of the South	308	5.4	91	3.5
Canterbury	691	12	320	12.4
Otago – Southland	822	14.3	357	13.8
Total New Zealand	5,742	100	2,588	100

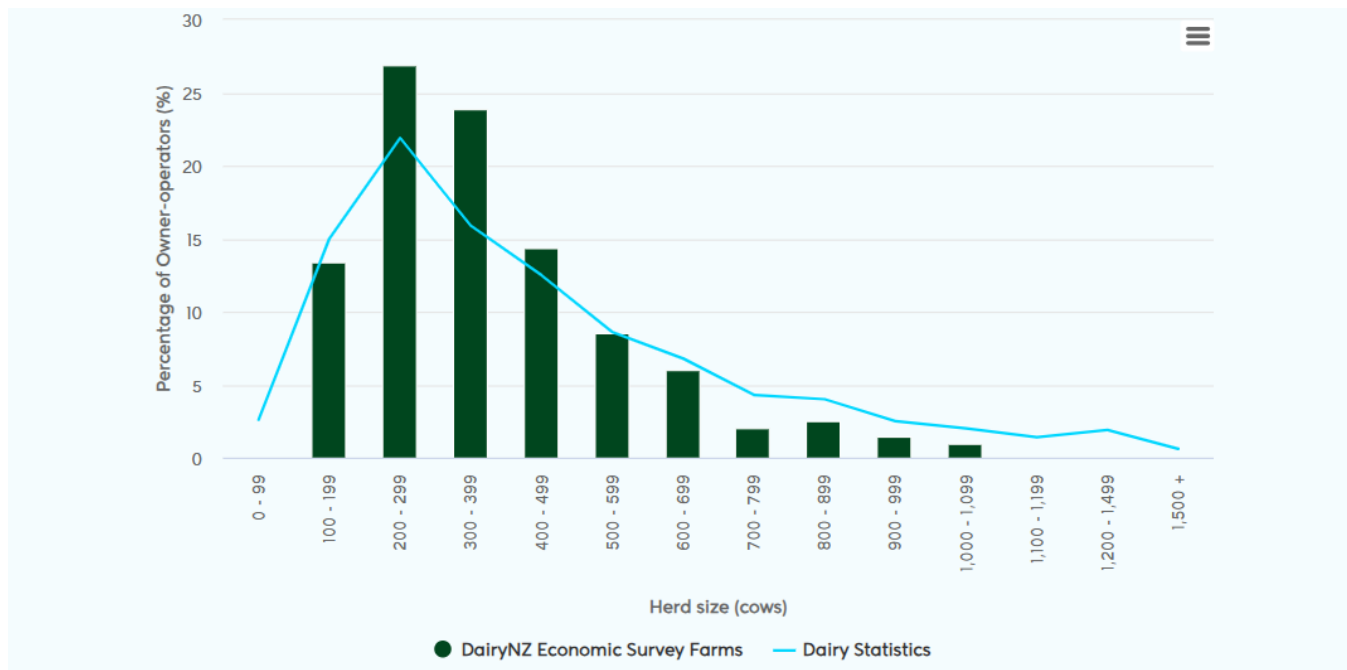
2.5. Herd Size Distributions

The average owner-operator herd in the DairyNZ Economic Survey had 416 cows, five cows more than in the 2023-24 season. In comparison to the 2024-25 New Zealand Dairy Statistics national average herd size of 451, the average DairyNZ Economic Survey farm had 38 fewer cows.

Graph 2.1 shows a comparison of the sampled owner-operator herd distribution between the 2024-25 DairyNZ Economic Survey and the 2024-25 New Zealand Dairy Statistics. In general, the DairyNZ Economic Survey:

- Is underrepresented for herds under 100 cows and herds with more than 1,100 cows.
- Is over-represented by herds between 200 and 499 cows.
- Is under-represented by herds with less than 100 cows, and by herds with 600 cows or more.

Graph 2.1: New Zealand Owner-operator Herd Size Distributions

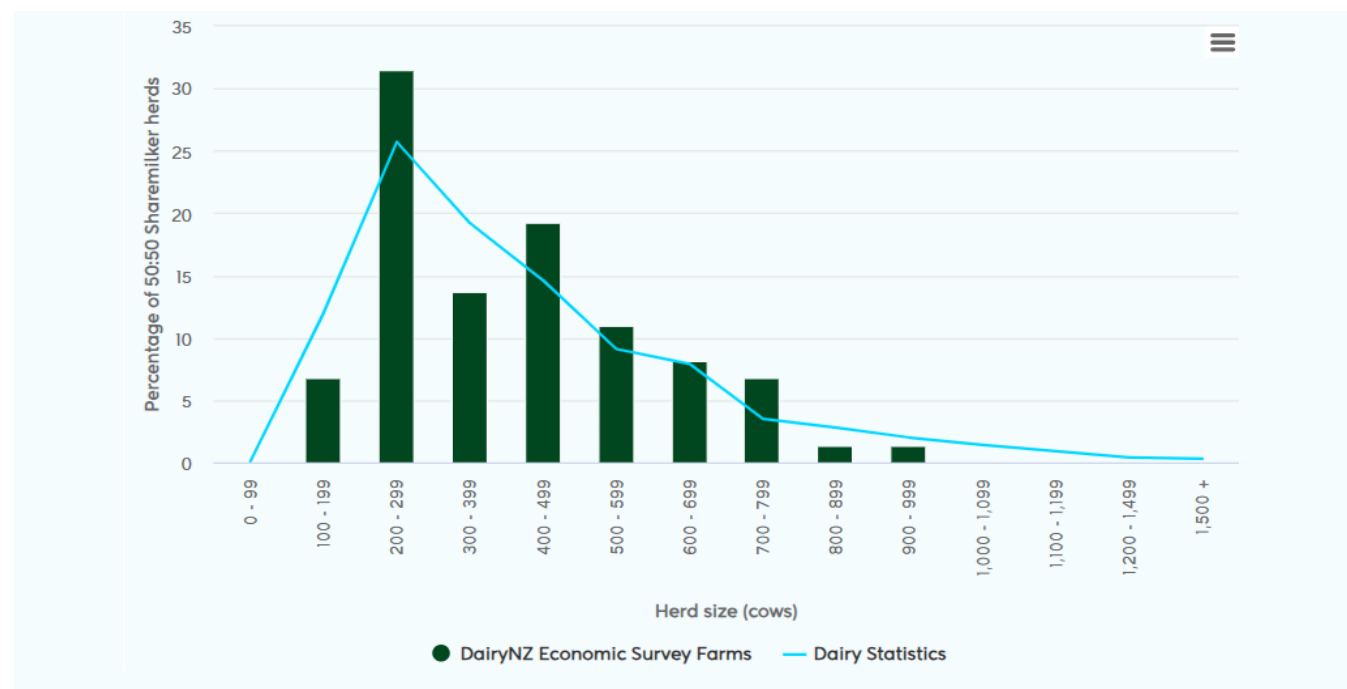


The DairyNZ Economic Survey national average herd size for 50:50 sharemilkers of 423 cows is slightly larger than the 420 cows recorded in the 2024-25 New Zealand Dairy Statistics.

As compared with the 2024-25 New Zealand Dairy Statistics (Graph 2.2), for 50:50 sharemilkers, the DairyNZ Economic Survey:

- Has no herds under 100 cows and herds with more than 1,000 cows.
- Is over-represented by herds between 200-299, 400-499, and 700-799 cows.
- Is under-represented by herds between 100-199, 300-399, and 800-999 cows.

Graph 2.2: New Zealand 50:50 Sharemilker Herd Size Distributions



2.6. Survey Regions

This survey uses geographic districts as defined by the 73 Territorial Local Authorities (TLAs). These districts are amalgamated into eight regions, five in the North Island and three in the South Island. Regions 6 and 7, and the TLAs included in them were updated in the 2021-22 DairyNZ Economic Survey, to reflect similar changes in DairyBase. Since 2021-22, the Marlborough and Kaikoura districts were moved from the Marlborough – Canterbury region to the West Coast – Top of the South region. For regions 6 and 7, part of the differences between values before and after the 2021-22 season (sections 7.1 and 10.1) is due to the rearrangement of the TLAs that were part of them.

1 Northland

1. Far North district
2. Whangarei district
3. Kaipara district
4. Rodney district
5. North Shore district
6. Waitakere district

2 Waikato

7. Auckland city
8. Thames/Coromandel district
9. Manukau city
10. Papakura district
11. Franklin district
12. Hauraki district
13. Waikato district
14. Matamata/Piako district
15. Hamilton city
16. Waipa district
17. South Waikato district
18. Otorohanga district
19. Waitomo district
20. Taupo district
21. Ruapehu district

3 Bay of Plenty

22. Tauranga district
23. Western Bay of Plenty district
24. Opotiki district
25. Kawerau district
26. Rotorua district
27. Gisborne district
28. Whakatane district
29. Wairoa district

4 Taranaki

30. New Plymouth district
31. Stratford district
32. South Taranaki district

5 Lower North Island

33. Hastings district
34. Napier city
35. Rangitikei district
36. Wanganui district
37. Central Hawkes Bay district
38. Manawatu district
39. Palmerston North city
40. Tararua district
41. Horowhenua district
42. Kapiti Coast district
43. Masterton district
44. Carterton district
45. Upper Hutt district
46. Porirua city
47. Wellington city
48. Lower Hutt city
49. South Wairarapa district

6 West Coast – Top of the South

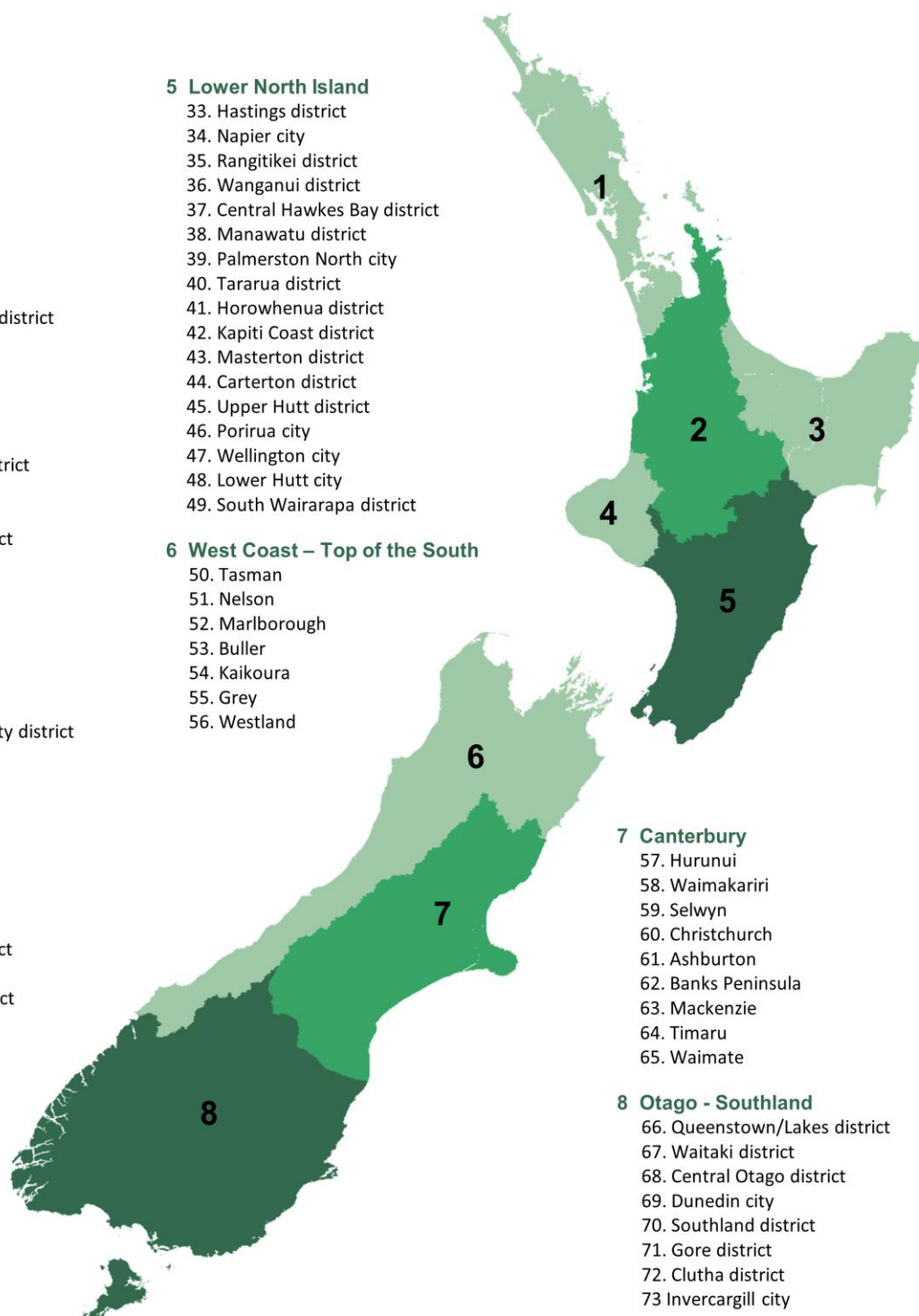
50. Tasman
51. Nelson
52. Marlborough
53. Buller
54. Kaikoura
55. Grey
56. Westland

7 Canterbury

57. Hurunui
58. Waimakariri
59. Selwyn
60. Christchurch
61. Ashburton
62. Banks Peninsula
63. Mackenzie
64. Timaru
65. Waimate

8 Otago - Southland

66. Queenstown/Lakes district
67. Waitaki district
68. Central Otago district
69. Dunedin city
70. Southland district
71. Gore district
72. Clutha district
73. Invercargill city



2.7. Production Systems

Dairy farms across New Zealand are categorised into five production systems based on the timing, purpose and amount of imported feed used, both purchased as supplements and grazing off for dry cows. Young stock grazing policies are excluded when categorising herds into the five production systems described below.

System 1: All grass, self-contained, all adult stock on the dairy platform.

- No feed is imported. No supplement is fed unless harvested off the effective milking area, and dry cows are not grazed off the effective milking area.

System 2: Feed imported fed to dry cows (either supplement or grazing off).

- 90-99 percent of total feed is homegrown feed. Variation in percentage as most cows are wintered off in high rainfall areas or cold climates.

System 3: Feed imported to extend lactation and for dry cows.

- 80-89 percent of total feed is homegrown feed.

System 4: Feed imported and used at both ends of lactation and for dry cows.

- 70-79 percent of total feed is homegrown feed.

System 5: Imported feed used all year.

- 50-69 percent of total feed is homegrown feed, though it could be less than 50 percent in some cases.

This publication, however, refers to low, medium and high input systems. These are defined as:

- **Low:** system 1 and system 2.
- **Medium:** system 3.
- **High:** system 4 and system 5.

2.8. Operating Profit Adjustments

Non-cash adjustments for resources used but not accounted for by cash income or expenditure are made when calculating the operating profit. A summary of these adjustments is shown below. For more detail, refer to the [DairyBase Operating Profit Adjustments](#) and [DairyBase Livestock Values](#) documents. An example of non-cash adjustments is the value of change in dairy livestock. This is the value due to a change in livestock numbers that is added or subtracted (if negative) to net dairy cash income to form gross farm revenue. This adjustment is made because the revenue from net dairy cash income can be affected by changes in herd size. For example, in drought years, more stock is sold and therefore, revenue through net livestock sales will be considerably higher. Similarly, livestock will be purchased in the years following a drought to increase numbers to a more normal level. The adjustment offsets these changes with a value for change in livestock on hand.

The operating profit adjustments include:

- **The value of change in dairy livestock.** This is calculated as follows: closing livestock numbers less opening livestock numbers, valued at closing herd scheme values (Inland Revenue).
- **Labour adjustment.** This has two components: unpaid management based on the size of the herd and time worked, and unpaid labour valued at an hourly market rate.

- **Feed inventory adjustment.** This is estimated as closing supplementary feed on hand less opening supplementary feed on hand, valued at a standard 41 cents per kilogram of dry matter in 2024-25.
- **Owned support block adjustment.** This value is based on the regional market lease rate per hectare.
- **Depreciation.** This is the depreciation recorded in the annual financial statements of the farm.

2.9. Asset Values

DairyBase calculates market values for land and buildings by using the most recent rateable valuations for each farm and adjusting these to 1 June 2024 and 1 June 2025 market values using sales data supplied by Quotable Value and REINZ, plus discussions with regional real estate agents and valuers. Opening and closing livestock values for each year are calculated using the Inland Revenue herd value scheme NAMV (National Average Market Values) for the appropriate age group of animals. Plant, machinery and vehicle values are recorded at book value. Off-farm assets and investments are shown as market values.

2.10. GST

The financial data is GST exclusive as these transactions are neutral to the farm operation.

2.11. Statistical Methodology

Multiple methodologies are used in the DairyNZ Economic Survey to generate statistics.

Tables and graphs that use time series data are generated using an average of sums methodology. The average of sums involves adding all values together. While per farm values will be equivalent to the arithmetic mean, values that are divided by the number of cows, hectares, and milksolids will report the average value divided by the average denominator.

The average of sums approach ensures that table entries add up to totals and sub-totals. However, a consequence of this methodology is that the averages reported are not equivalent to the arithmetic mean and can be biased depending on the data distribution. This bias can be severe in small samples, such as those used to produce the regional and production system tables. To circumvent issues of this kind, we now report the median of the data in the tables and graphs that are most at risk of showing such bias i.e. regional data. The median is the number that divides the data into two halves, such that half of the data is below, and half the data is above this value. It is a robust and unbiased representation of the centre of the data. In the affected tables, entries will no longer add up to totals and sub-totals but provide a more accurate and representative value for the data. For example, in Table 7.1, we can see that by adding milk sales (net of dairy levy), net livestock sales (sales – purchases) and other dairy cash income, they do not add up to net dairy cash income, in contrast to the equivalent table presented in the 2018-19 version of the DairyNZ Economic Survey.

The median is used in several tables:

- In Tables 7.1, 7.2, 10.1 and 10.2, we report the median values for the table entries. Issues applying the **average** of sums methodology on these tables were identified in 2020. It was decided that accurate representation of these values was more important than ensuring the values added up in the table.

3. Physical Analysis

3.1. Introduction

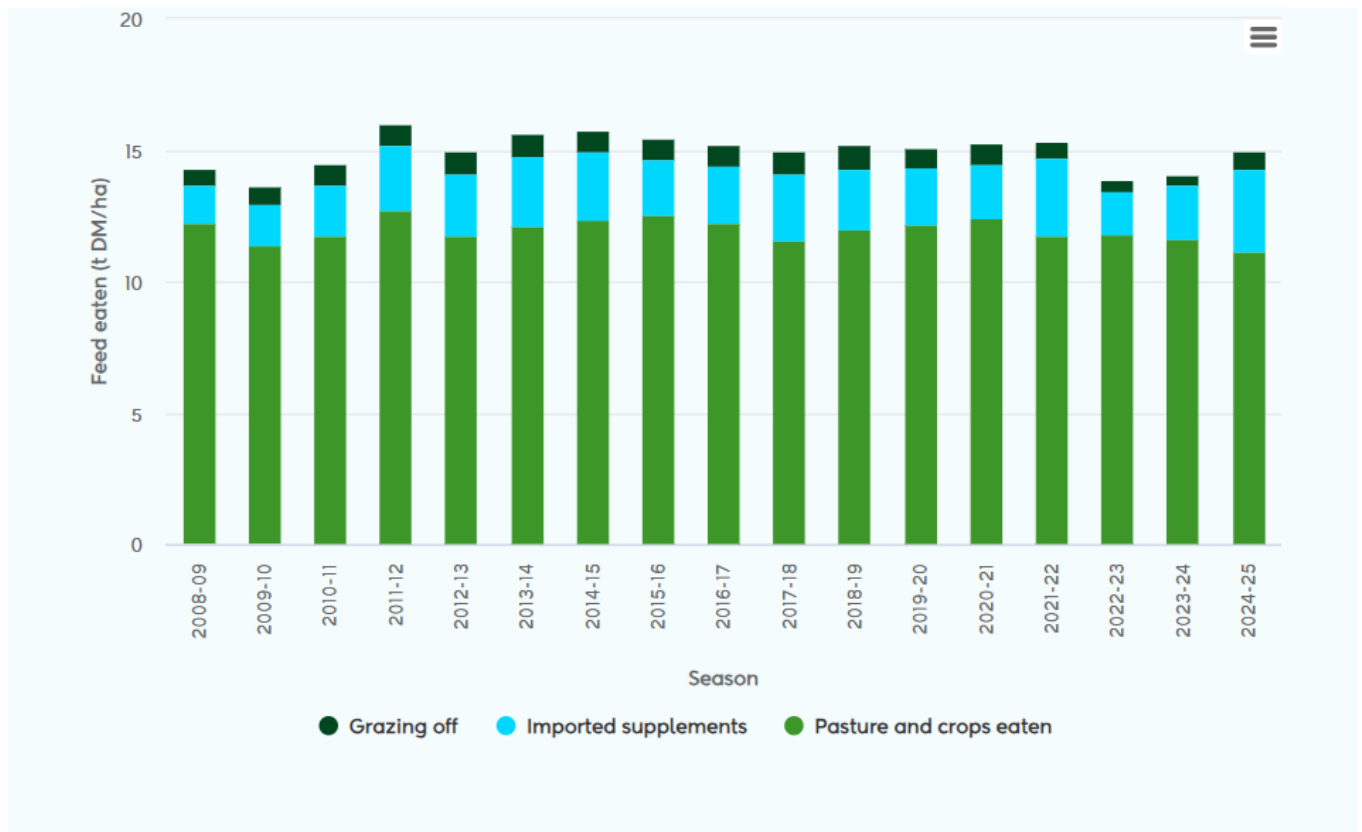
The DairyNZ Economic Survey reports the trends in the financial performance of dairy farms but there are key physical indicators of milk production such as the days in milk, cow condition, reproductive performance, soil fertility, feed and fertiliser use data available in DairyBase. It is the combination of the physical performance of the farm reflected through milksolids production, the cost of production and milk prices that drives the financial results. To find out more about the physical performance of dairy farms refer to New Zealand Dairy Statistics, available on the DairyNZ or LIC websites.

3.2. Feed Use

Pasture and crop eaten, grazing off farm, and imported feed were estimated from the subsample of farms in DairyBase that completed a physical analysis. Pasture and crop eaten marginally decreased from 11.65 tDM/ha in 2023-24 to 11.13 tDM/ha in 2024-25, while the use of imported supplements increased from 2.02 tonnes dry matter per hectare (tDM/ha) to 3.19 tDM/ha (Graph 3.2).

In 2024-25, of the total feed eaten per hectare, approximately 75% corresponded to pasture and crops eaten, 21% to imported supplements and 4% to grazing off. On average, total feed eaten per hectare in 2024-25 (14.96 tDM/ha) was similar to the 10-year average (14.96 tDM/ha).

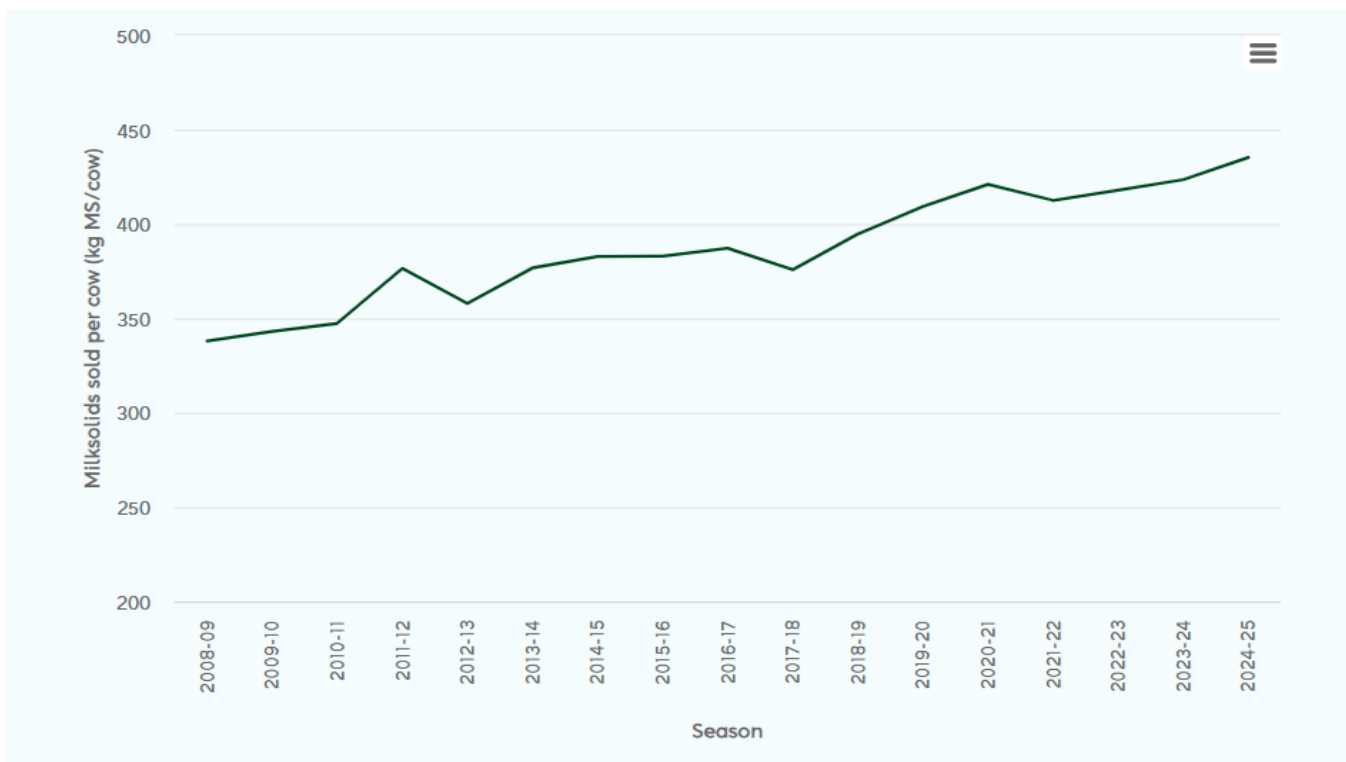
Graph 3.1: Trends in feed use



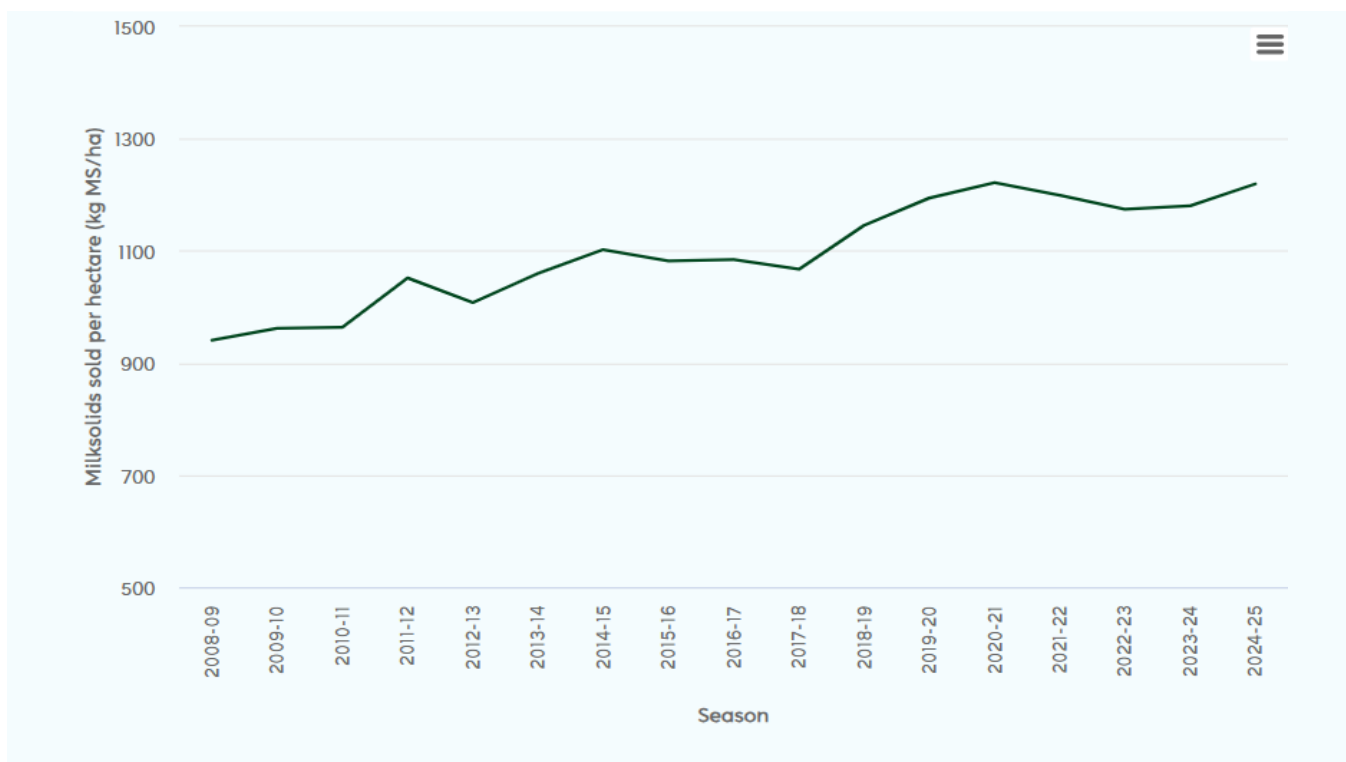
3.3. Partial Productivity

Milk production per cow and per hectare increased compared to last season as shown in Graph 3.3 and 3.4, respectively. On the average dairy farm in the DairyNZ Economic Survey, milksolids sold per cow increased from 423 kg in 2022-23 to 435 kg in 2024-25. Milksolids sold per hectare also increased by 39 kg, from 1,180 kg to 1,219 kg over the same period.

Graph 3.2: Milksolids production per cow

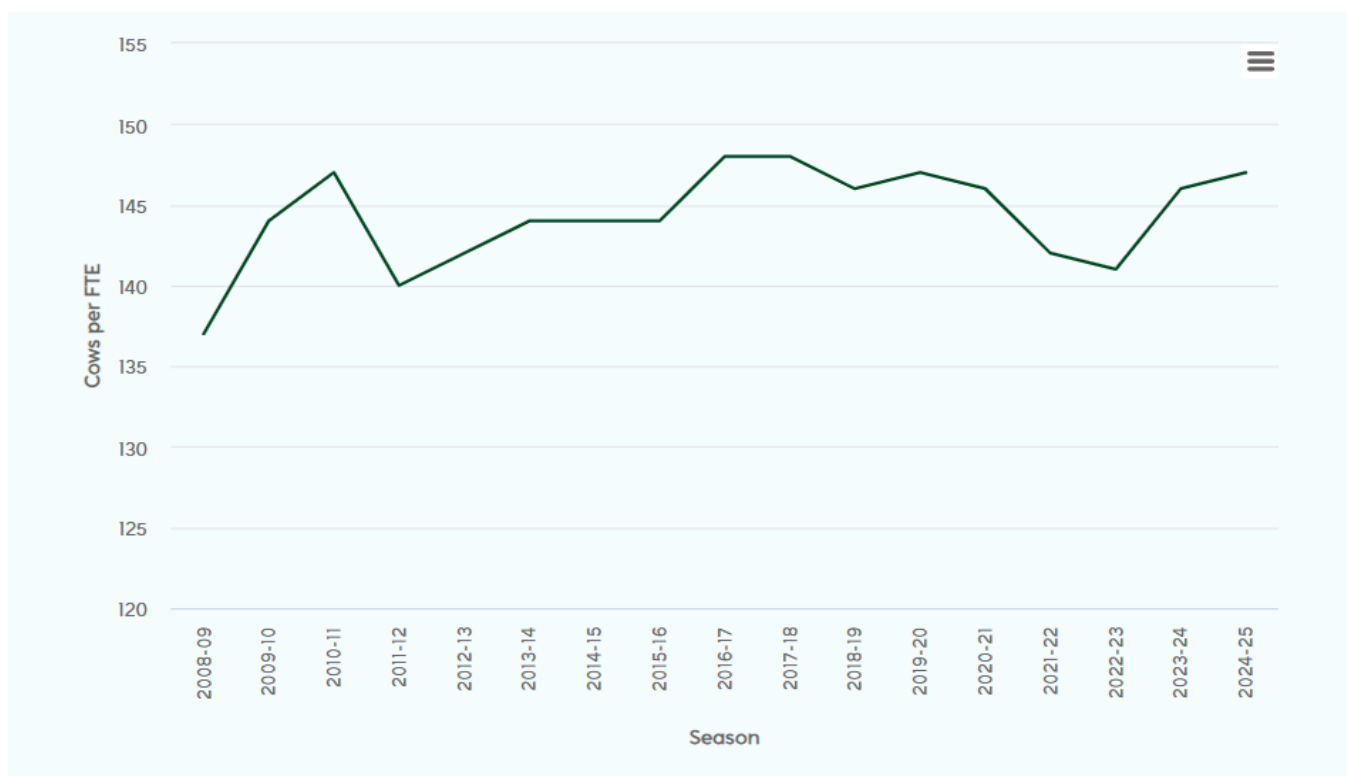


Graph 3.3: Milksolids production per hectare



Between 2019-20 and 2022-23, the number of cows per full-time equivalent (FTE) labour unit decreased from 147 to 141. However, since 2023-24 the number has increased and in the 2024-25 season it reached the same level as in the 2019-20 season (Graph 3.4).

Graph 3.4: Cows per FTE



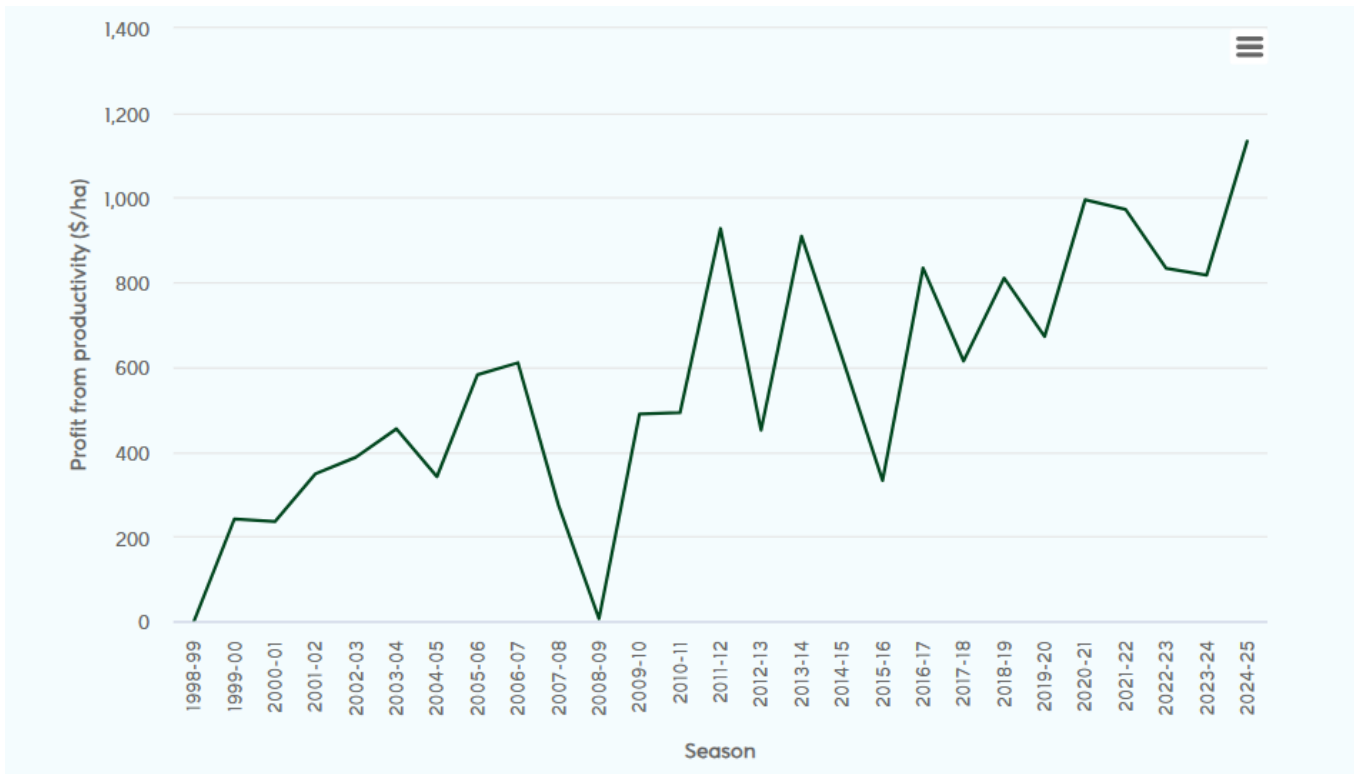
3.4. Profit from Productivity

Productivity improvements over time are essential to sustain or grow business profits and compete successfully with alternative uses for multiple resources. DairyNZ has developed a measure for productivity based on Operating Profit. Operating profit from productivity (PFP) is defined as the difference between actual operating profit and the operating profit that would have occurred with no productivity changes since a base year (i.e. in the absence of milksolids production increases and with operating expenses per kilogram of milksolids increasing annually at the rate of dairy farm input price inflation), see Figure 3.5.

PFP is a measure of cost-efficient milksolids production increases since the base year (1998-99), valued at the end of the year operating profit margin per kilogram of milksolids. It excludes the cost of capital, although depreciation and changes in hectares are accounted for. The three main contributory components of PFP are milksolids production increases since the base year, operating expenses savings in inflation-adjusted terms since the base year, and end-year operating profit per kilogram of milksolids (influenced by milk prices). DairyNZ and dairy farmers are increasingly focused on achieving cost-efficient milksolids production, and PFP provides a means for monitoring the value of productivity gains over time.

In 2024-25 PFP increased significantly after decreasing consistently for the previous three seasons. PFP increased from \$817 per hectare in 2023/24 to \$1,133 in 2024-25 (base year PFP = \$0/ha). Graph 3.6 shows the gains made in PFP were relatively steady from 1999-00 to 2006-07. However, fluctuations in milk prices, seasonal rainfall and inflation have caused PFP to be more volatile since then.

Graph 3.5: Gains in Profit from Productivity



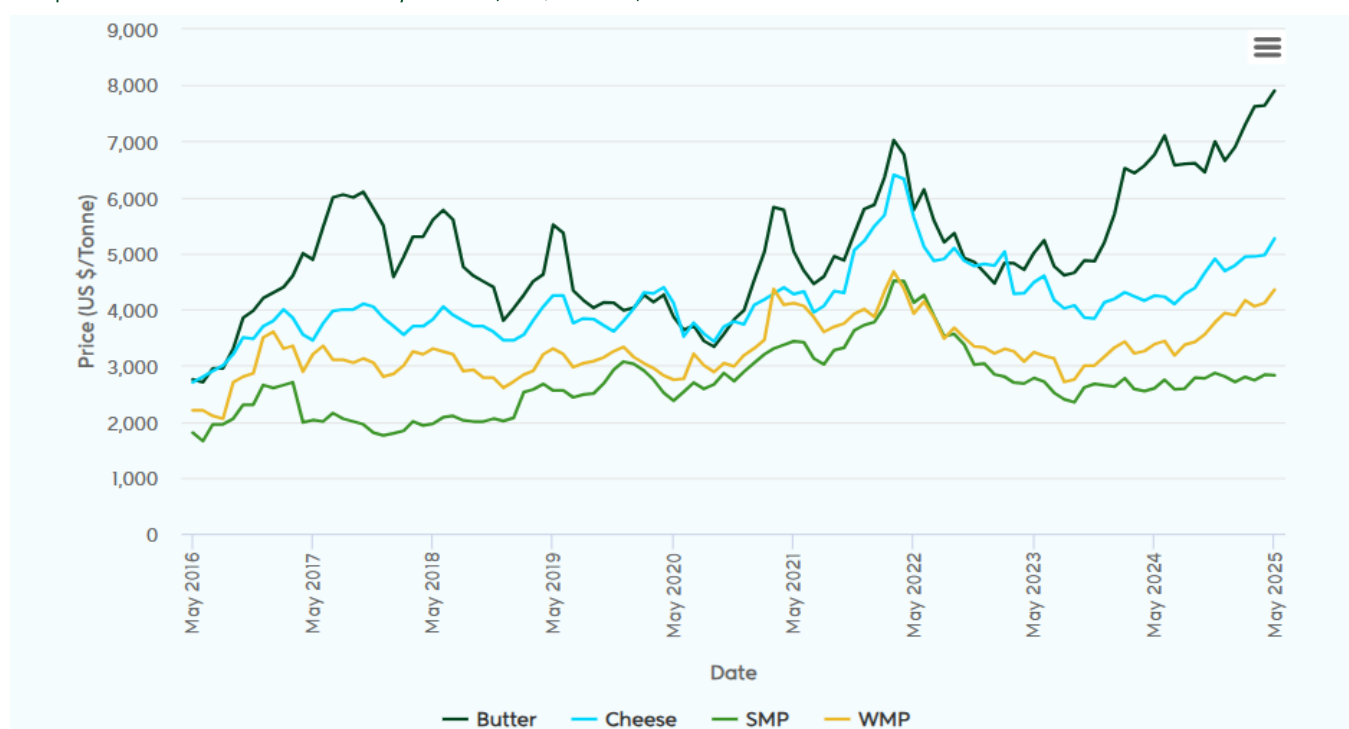
4. Prices Received and Paid

4.1. Milk Payment

In the 2024-25 season, owner-operators in DairyBase received an average cash payout of \$10.02/kg milksolids sold (this includes any applicable advance payments, retrospective payments and the industry good levy). After adjusting for inflation, the 2024-25 milksolids payout was \$1.47 higher than the previous season. The average milksolids payout (including dividend payments) reported in the 2024-25 New Zealand Dairy Statistics publication (\$10.75/kg MS) was higher than the average milksolids payout for owner-operators in the DairyNZ Economic Survey.

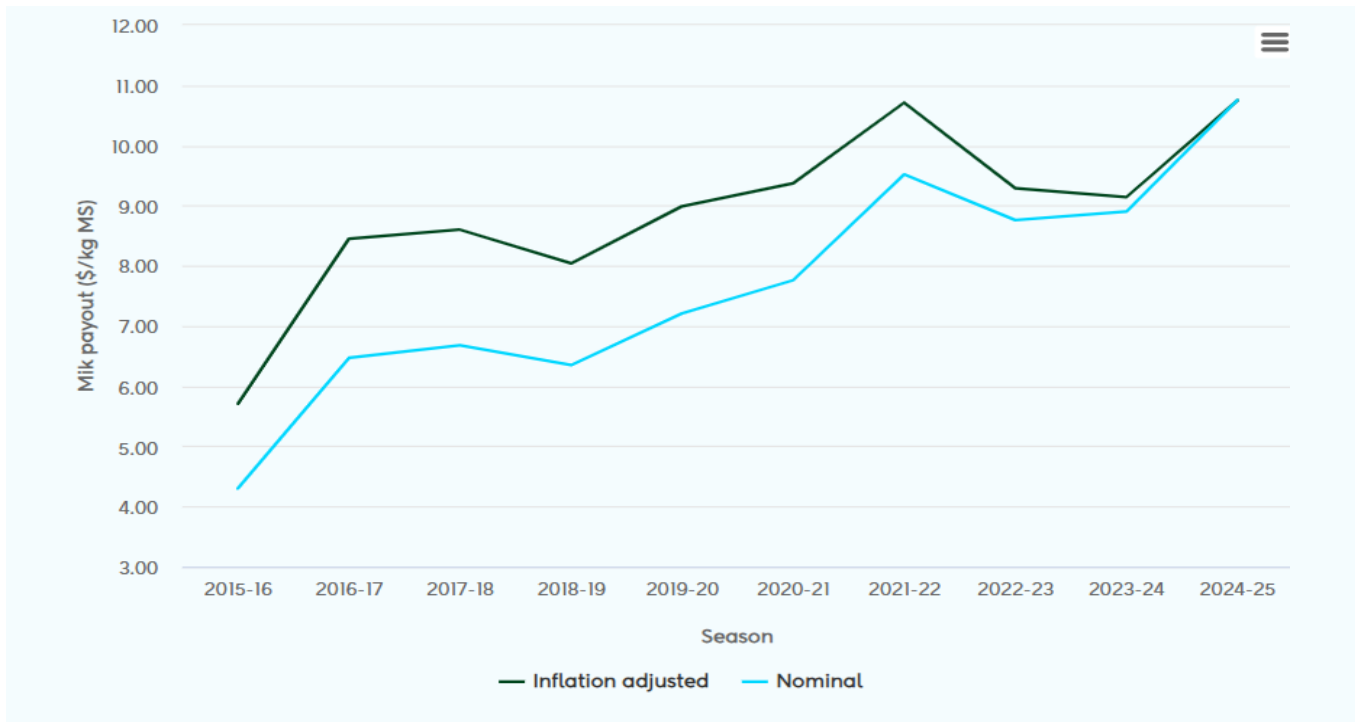
Overall, during the 2024-25 season, international dairy prices (Graph 4.1) increased during the season, although at different rates and with fluctuations. Between May 2024 and May 2025, the price of butter fluctuated during the first half of the season and increased consistently in the second half of the season, ending at US\$7,906 per tonne (from US\$6,762 per tonne at the beginning of the season). Although with small fluctuations, the price of cheese increased during the 2024-25 season from US\$4,248 per tonne in May 2024 to US\$5,263 per tonne in May 2025. The price of whole milk powder followed the same trend as the price of cheese, increasing by US\$974 per tonne between May 2024 and May 2025, to US\$4,353 per tonne. The price of skim milk powder (SMP) also increased during the season although at a slower rate compared to the other milk commodities, from US\$2,590 to US\$2,823 per tonne.

Graph 4.1: World Milk Commodity Prices (US \$/tonne)



The 2024-25 average milksolids payout reported in the New Zealand Dairy Statistics publication of \$10.75 per kilogram of milksolids (Graph 4.2) was \$1.857 above the decade average in inflation-adjusted terms (\$8.90). Even after adjusting for inflation, the 2024-25 milksolids payout is the highest of the last 10 seasons.

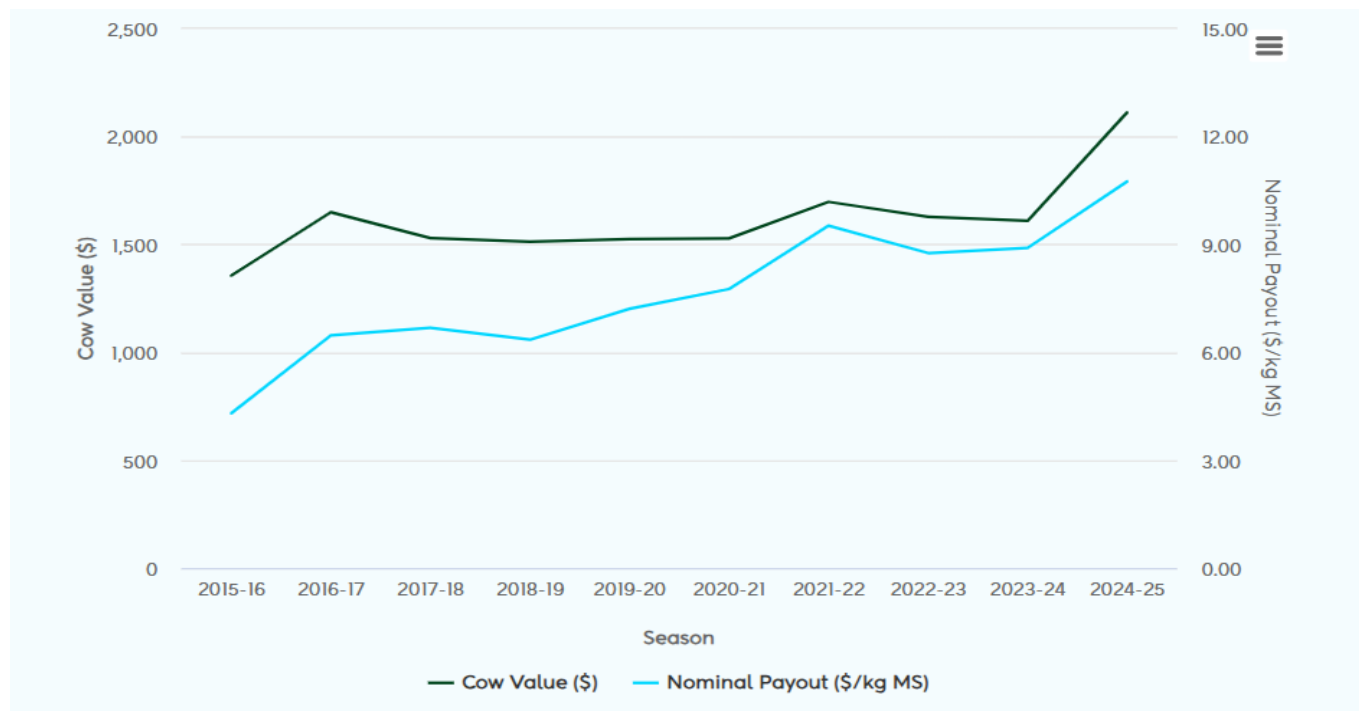
Graph 4.2: Trend in Milk Payout (Nominal and Real)



4.2. Livestock Prices

The value of mixed aged dairy cows increased significantly in the 2024-25 season, to \$2,111 per cow (from \$1,609 in the 2023-24 season). In inflation-adjusted terms, dairy cow values in the 2024-25 season were \$452 higher than in 2023-24 (\$502 higher in nominal terms), representing a 27% increase on the previous season. Compared with the 10-year average inflation-adjusted dairy cow value of \$1,898, the 2024-25 value was \$213 (11%) higher. Historically, dairy cow values have followed the trend in milk prices, often with a slight time lag (Graph 4.3).

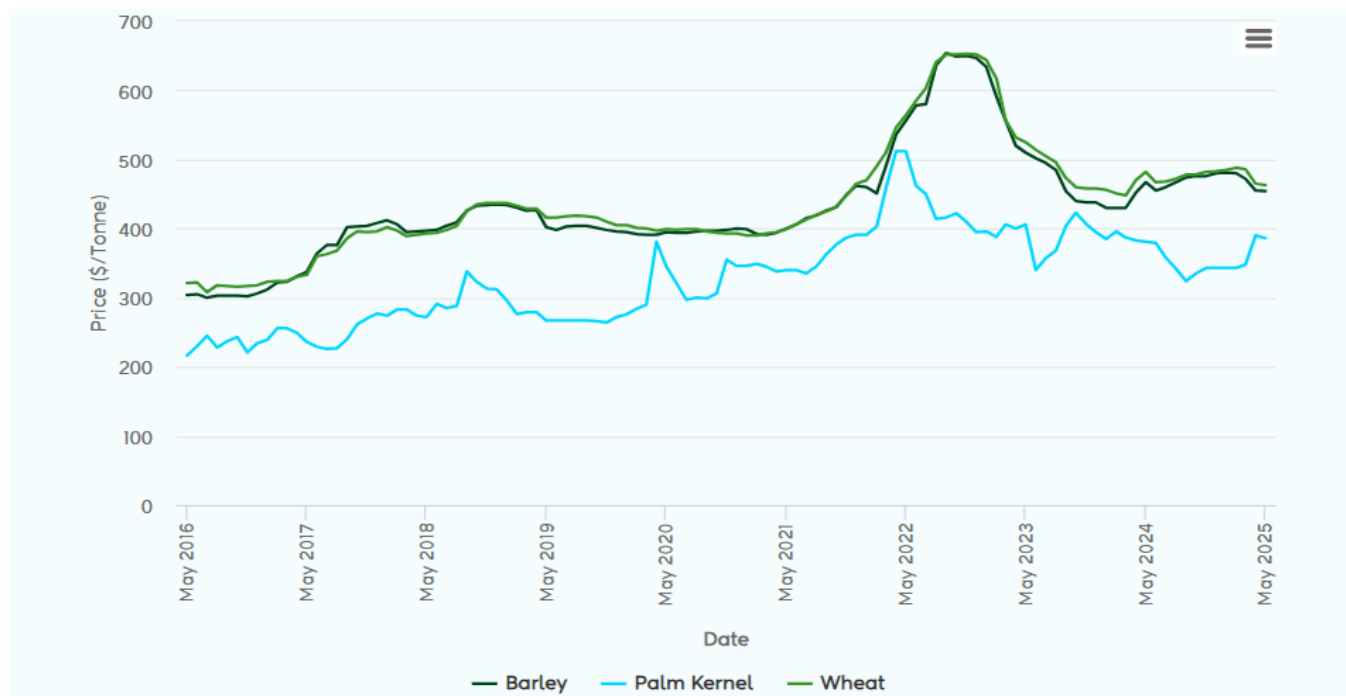
Graph 4.3: Trend in Cow Values Relative to Milk Payout



4.3. Feed and Fertiliser Prices

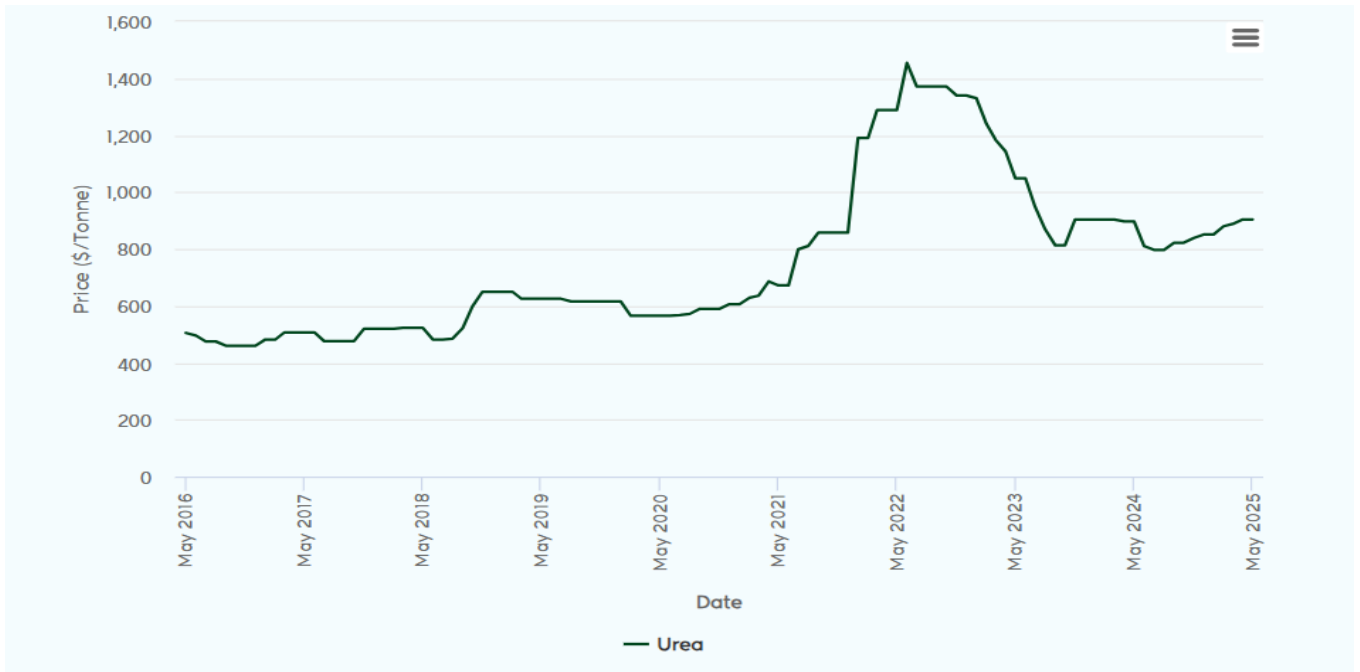
Barley and wheat prices fluctuated throughout the 2024-25 season, falling at the beginning, then increasing gradually through the middle of the season before declining again toward the end (Graph 4.4). Although barley and wheat prices were slightly higher than their opening values through the middle of the season, they closed at \$454 and \$463 per tonne, respectively, 3 and 4% lower than their opening values (\$467 and \$482 per tonne, respectively). In contrast to barley and wheat prices, the price of Palm Kernel Extract (PKE) fell from \$381 per tonne at the beginning of the season to \$324 per tonne mid-season, before rising again to slightly above its opening value, reaching \$386 per tonne by the end of the season (Graph 4.4).

Graph 4.4: Feed Prices



During the 2024-25 season the price of urea, decreased from \$897 per tonne at the start of the season to \$797 per tonne in the first three months of the season, before rising steadily to slightly above its opening value (\$904 per tonne) by the end of the season (Graph 4.5).

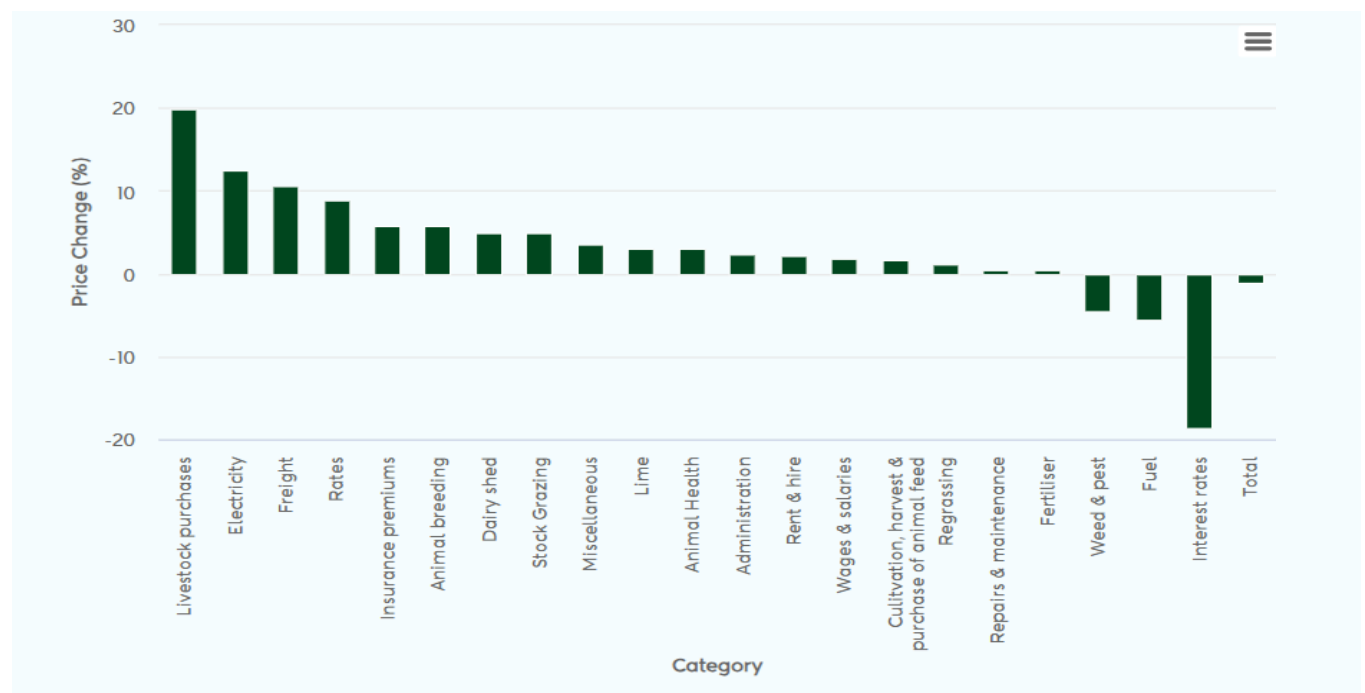
Graph 4.5: Fertiliser Prices



4.4. On-farm Inflation

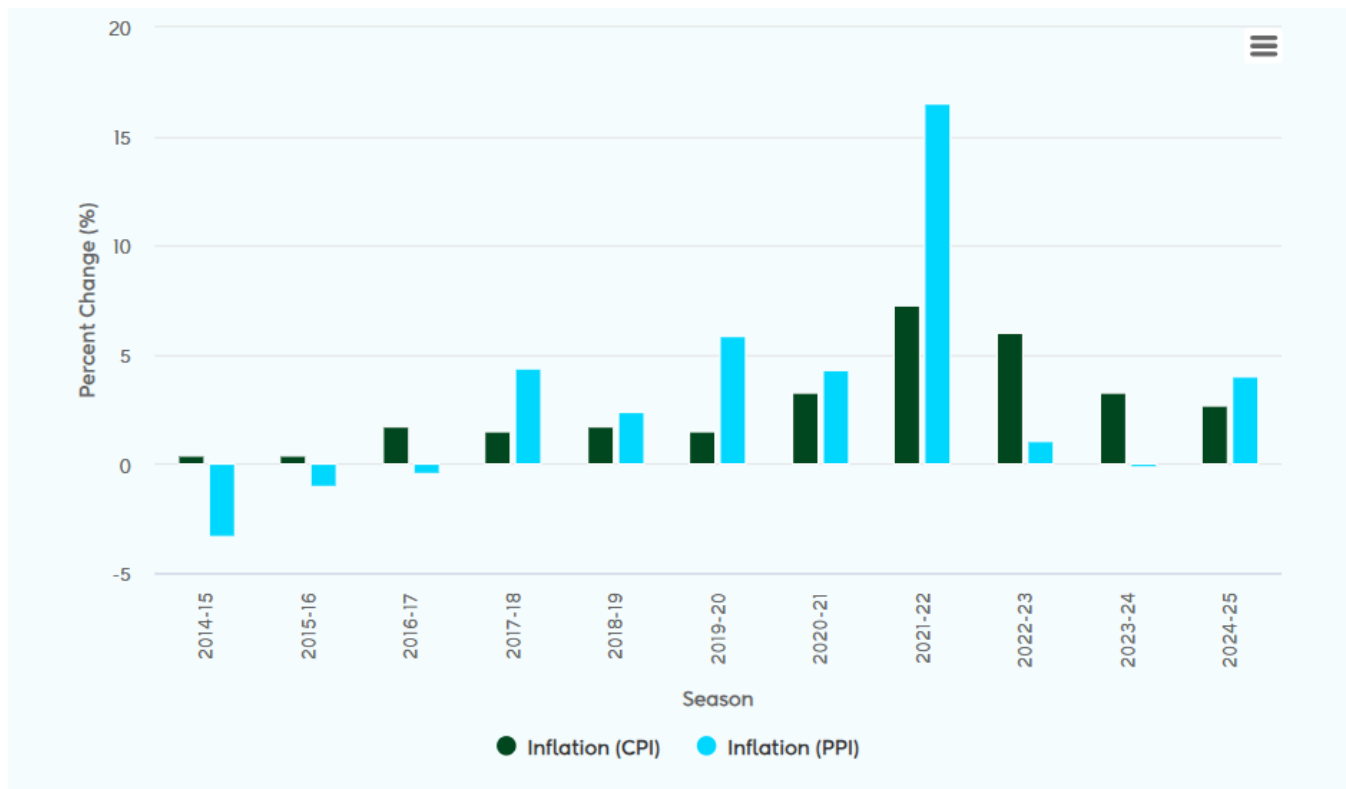
Statistics New Zealand compiles the movement of on-farm input prices in the Farm Expenses Price Index for dairy farms. The percentage movement of each category is weighted by a three-year rolling average of the contribution of each category to total expenditure. In the year to June 2025, the overall change in expense price index was a 1.1% decrease (which was 1.5 percentage points lower than in the previous season). The price movements of individual categories for the 2024-25 season are shown in Graph 4.6. The categories that experienced price reductions were weed and pest control (-5%), fuel (-6%) and interest rates (-19%). The most notable increases were for livestock purchases (+20%), electricity (+12%), freight (+11%) and rates (+9%).

Graph 4.6: Dairy Input Price Changes



The Producer Price Index (Stats NZ NZSIOC Level 3, June 2024 to June 2025) increased to 4.0%, from -0.1% the previous year (Graph 4.7). General inflation, as measured by the Consumer Price Index (CPI), decreased from 3.3% to 2.7% in 2024-25.

Graph 4.7: Dairy Farm Producer Price Index and CPI Changes



5. Owner-Operator: Operational Financial Analysis

5.1. Introduction

The 2024-25 season represented a marked improvement in the operating financial performance of owner-operator dairy farms, characterised by an increase in milksolids production and a significant lift in milksolids payout. Average milksolids production increased across all levels (per farm, per hectare, and per cow), along with a substantial increase in milksolids payout (\$10.02 per kilogram of milksolids), resulted in a significant increase in net dairy cash income. As a result, the cash operating surplus per hectare of the 2024-25 season (\$6,084) was a 10-year record in both, nominal and inflation adjusted terms (inflation-adjusted values, not shown, were estimated based on the June quarter values of the consumer price index). The dairy gross farm revenue per hectare (\$13,143) was significantly higher than the previous year and sits close to the 10-year record of the 2021-22 season (\$13,230 in inflation-adjusted terms).

While farm working expenses and operating expenses, both per hectare, continued to increase, the rate of revenue growth outpaced the rate of increase in farm expenses, resulting in significant improvements in dairy operating profit. Higher expenditure on feed, regrassing, repairs and maintenance, and several overhead categories reflects both inflationary pressures and increased on-farm activity. Nevertheless, cash operating surplus and dairy operating profit recorded large year-on-year gains, with both measures reaching decade-high inflation-adjusted levels. Overall, the 2024-25 season represented a strong season in financial performance, with profitability metrics returning to, or exceeding, long-term benchmarks despite ongoing cost challenges.

5.2. Revenue

The milk payout received (including dividend payments) in 2024-25 increased by \$1.47 in inflation-adjusted terms (\$1.68 in nominal terms), about 17% higher than the previous season, to \$10.02 per kilogram of milksolids sold. Milk sales per farm (net of dairy levies) increased by \$318,141 (21%) in inflation adjusted terms (\$363,050 in nominal terms), to \$1,815,116, the highest of the last 10 seasons. Milk revenue in 2024-25 accounted for 93% of gross farm revenue. Net revenue from livestock sales increased by \$12,780 in inflation adjusted terms (\$15,926 in nominal terms) to \$117,644 in 2024-25, also the highest of the last decade. Livestock revenue accounted for 6.1% of the total gross farm revenue per farm. Table 12.1 describes average revenue per farm, while revenue values normalised by cows, effective hectares and kilogram of milksolids can be found in tables 12.2, 12.3 and 12.4, respectively.

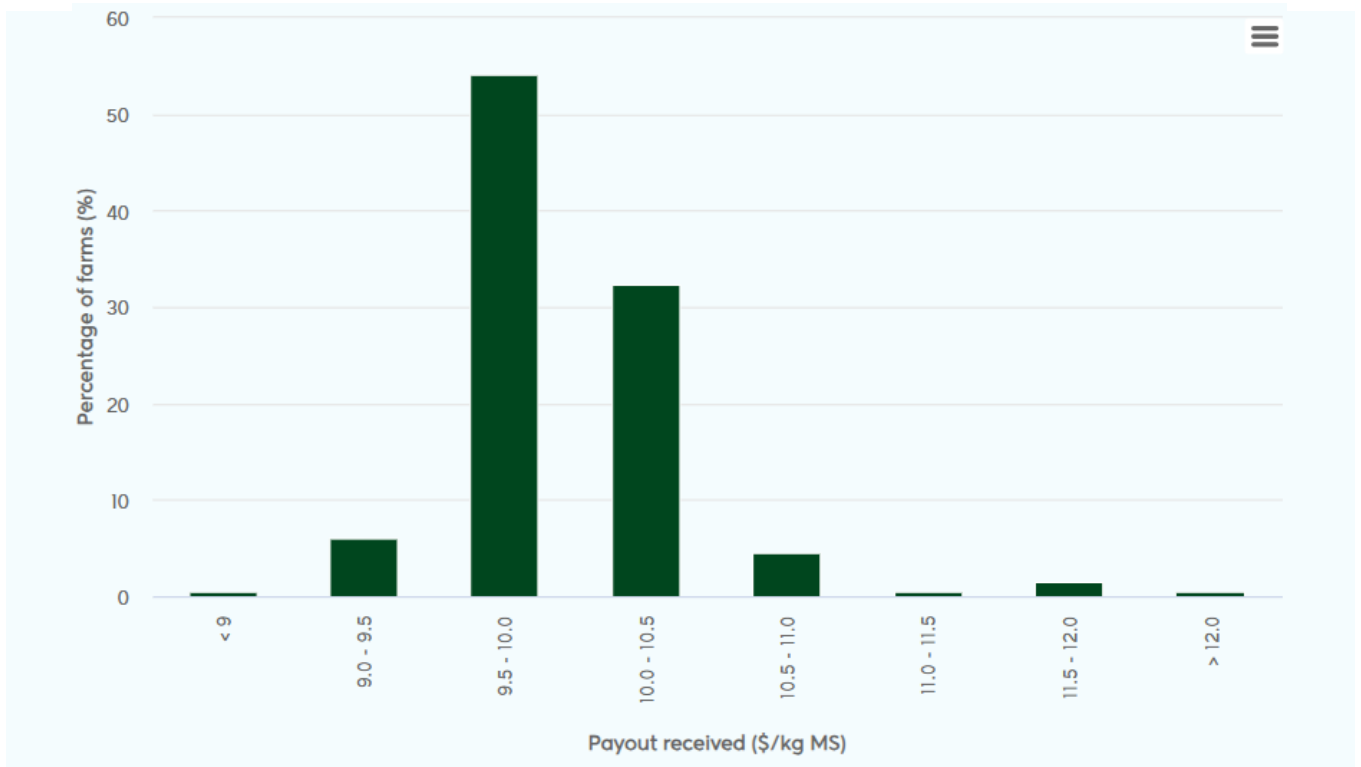
During the 2024-25 season, the milksolids payout (\$/kg MS) received by the majority of farmers (97%) varied between \$9.00 and \$11.00 (Graph 5.1). These differences are driven by:

- Variations in the milk composition (fat, protein, lactose, minerals),
- Transport distances,
- Annual account balance dates,
- Milk company supplied,
- Different systems such as organics,

- Penalties incurred,
- Whether the farm operated in the previous season.

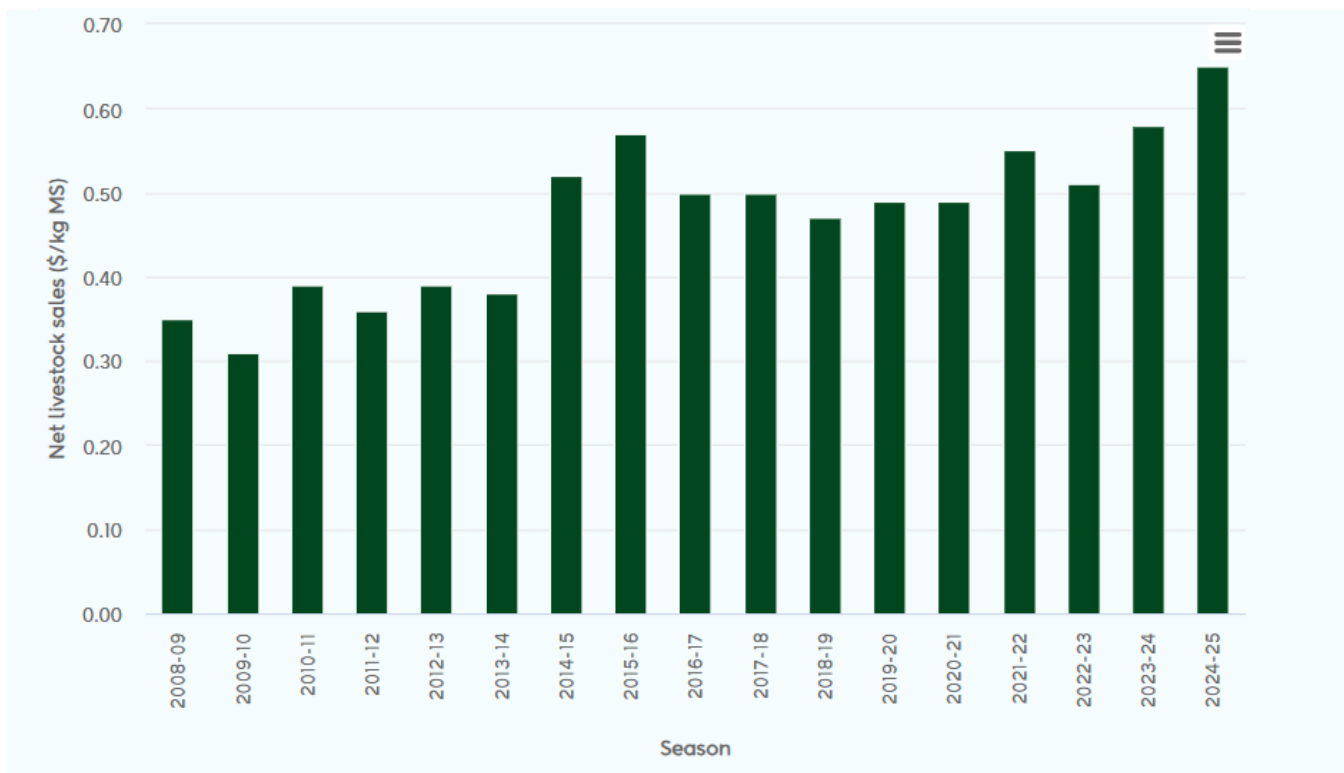
About 60% of farms received a milksolids payout (milk price plus dividend) between \$9.00 and \$10.00 per kilogram of milksolids in 2024-25 while about 37% of farms received a milksolids payout between \$10.00 and \$11.00. About 2.5% of farms received a milksolids payout above \$11.00 per kilogram of milksolids.

Graph 5.1: Distribution of Milk Payout Received in 2024-25



Cash income from net livestock sales increased by 14%, from \$0.60 per kg MS in inflation adjusted terms (\$0.58 in nominal terms) in 2023-24 to \$0.65 in 2024-25. Net livestock values have increased consistently over the previous three seasons (Graph 5.2).

Graph 5.2: Net Livestock Sales (\$/kg MS)



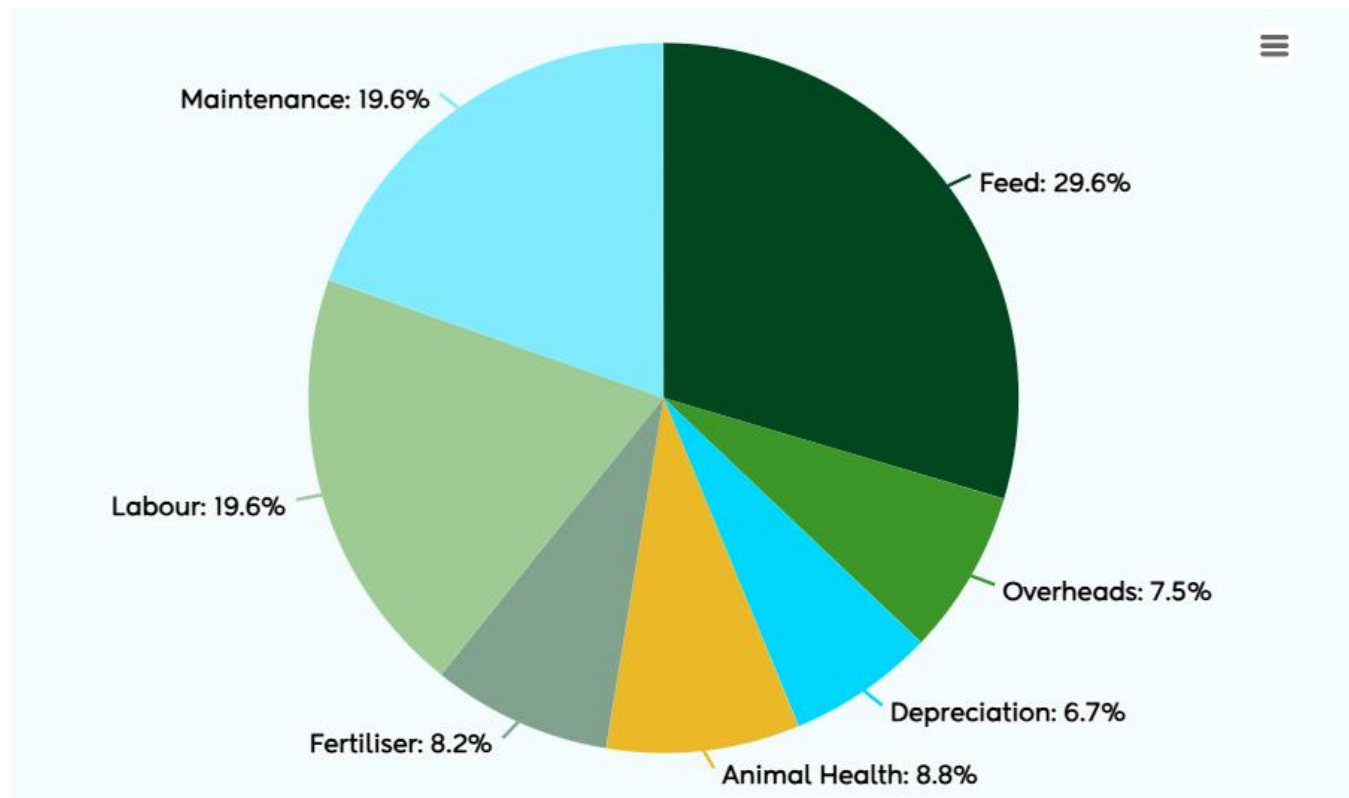
Dairy gross farm revenue on a typical New Zealand dairy farm was \$1,952,321, about 22% higher than in the previous season (percentage based on inflation-adjusted value). On a per hectare basis, gross farm revenue of \$13,143 was also 22% higher than the inflation-adjusted per hectare gross farm revenue in 2022-23 (\$10,807, \$10,851 in nominal terms). When measured on a per kilogram of milksolids sold basis, at \$10.78 per kilogram of milksolids, gross farm revenue in 2024-25 was \$1.62 (about 18%) higher (in inflation adjusted terms) than the previous season.

Tables 12.1 to 12.4 in chapter 12 show the net cash income, cash farm working expenses and the adjustments made to calculate operating profit for the average New Zealand owner-operator on a per farm, per cow, per hectare and per kilogram of milksolids sold basis, respectively.

5.3. Expenditure

Graph 5.3 shows the major 2024-25 expenditure categories. Feed continues to be the largest expenditure category at 30% in 2024-25 and has been the largest expense category since 2007-08. Labour and maintenance expenses were jointly the second-highest operating expense categories for dairy farms, each accounting for about 20% of total operating expenditure. Animal health and fertiliser expenses contributed about 9% and 8%, respectively.

Graph 5.3: Proportion of Dairy Operating Expenditure in 2024-25



Changes in the total farm expenditure are driven by the farm area, herd size and milksolids produced. Therefore, it is more appropriate to assess spending per cow, hectare, or kilogram of milksolids to track changes in individual expense items. In 2024-25, the average farm working expenses (i.e. cash expenses) per kilogram of milksolids increased by \$0.13, in inflation adjusted terms, to \$5.73. After adjusting for inflation, this is the third highest farm working expenses per kilogram of milksolids in the last decade, after the ones of the 2021-22 and 2022-23 seasons.

Table 5.1 shows the distribution (%) of dairy expenses in the last 10 seasons. The proportion (%) of feed expenditure in the 2024-25 season (30%) was the second highest in the last 10 seasons, reflecting the high feed costs on farm. In contrast, the proportion of fertiliser expenses in the 2024-25 season (8%) was the lowest of the last 10 seasons.

Table 5.1: Proportion (%) of Dairy Operating Expenditure in the last 10 years.

Season	Animal health expenditure (%)	Depreciation expenditure (%)	Feed expenditure (%)	Fertiliser expenditure (%)	Labour expenditure (%)	Maintenance expenditure (%)	Overheads expenditure (%)
2015-16	7.8	9.2	26.5	9.9	22.6	17	7
2016-17	8.6	9.2	24.6	10.2	21.4	19	7
2017-18	8.6	8.7	25.4	9.9	21.1	19.8	6.5
2018-19	8.6	8.2	27.9	9.1	20.5	18.8	6.9
2019-20	8.9	8.2	27.2	9.2	20.2	19.6	6.7
2020-21	8.8	7.9	27.9	8.8	20.3	19.5	6.8
2021-22	8.6	7.1	28.9	9.6	19.1	20.1	6.6
2022-23	8.6	6.5	30.3	10.4	19	18.7	6.5
2023-24	8.8	7.2	29.3	9	20	18.4	7.3
2024-25	8.8	6.7	29.6	8.2	19.6	19.6	7.5

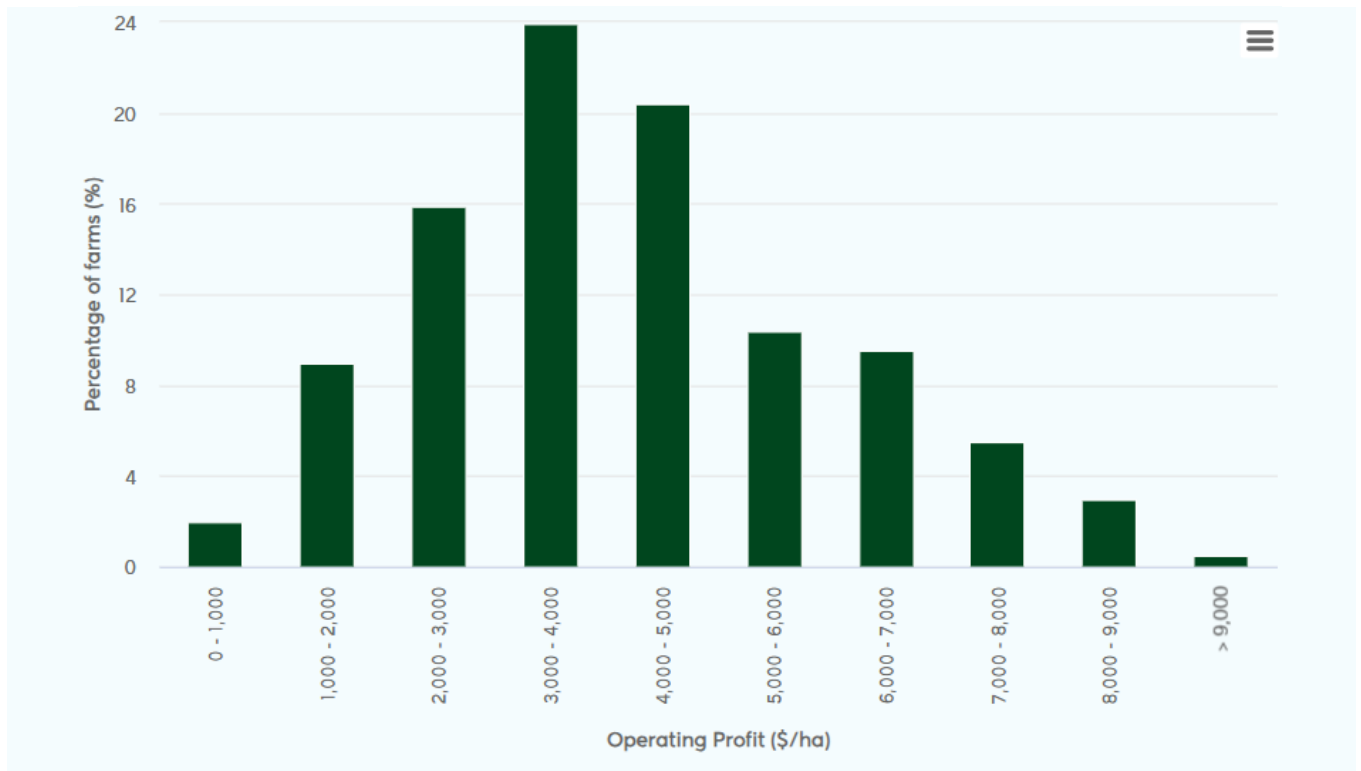
Table 12.4 shows the changes in operating expenses categories per kilogram of milksolids. Many of these expenses remained stable, closely aligning with their long-term trend. Most of the expense items per kilogram of milksolids increased in 2024-25, with fertiliser, stock grazing and animal health expenses decreasing marginally. In 2024-25, Dairy operating expenses per kilogram of milksolids were \$6.80, \$0.29 (nominal) and \$0.12 (inflation adjusted) higher than the 2023-24 season. Dairy operating expenses per kilogram of milksolids in 2024-25 was the third highest of the decade.

5.4. Profitability

Operating profit is a key indicator of dairy farm financial performance. This measure, expressed on a per hectare basis, is beneficial for comparing the profitability between farms. Operating profit incorporates adjustments to allow comparisons between farms, but does not include interest, tax, rent payments or capital expenditure. Table 12.3 shows the revenue and expenditure items included in operating profit on a per hectare basis.

Graph 5.4 shows the distribution of 2024-25 operating profit per hectare. About 90% of farms had operating profits between \$1,000 and \$7,000 per hectare, while 3.5% of farms had operating profits over \$8,000 per hectare. In contrast to the 2023-24 season where 16% of farms had an operating profit per hectare below \$1,000, about 2% of farms recorded an operating profit per hectare between \$0 and \$1,000 in 2024-25, 14 percentage points lower than the previous season.

Graph 5.4: Distribution of Owner-operators Profit (\$/hectare) in 2024-25



Graph 5.5 shows the distribution of nominal operating profit (\$/ha) in the last ten seasons. The distribution of operating profit has noticeable shifts across seasons, and it is clearly influenced by the milksolids payout received (\$/kg milksolids sold), with a higher spread at high payouts and a narrower spread at lower payouts. In 2024-25, the range in operating profit (\$/ha) was larger than in the previous season, with 50% of farms (between the 25th and 75th percentile) having an operating profit per hectare spanning \$2,415 (between \$2,932 and \$5,347), and 10% of farms having an operating profit per hectare below \$1,958.

Graph 5.5: Distribution of operating profit (\$/ha) in the last 10 seasons

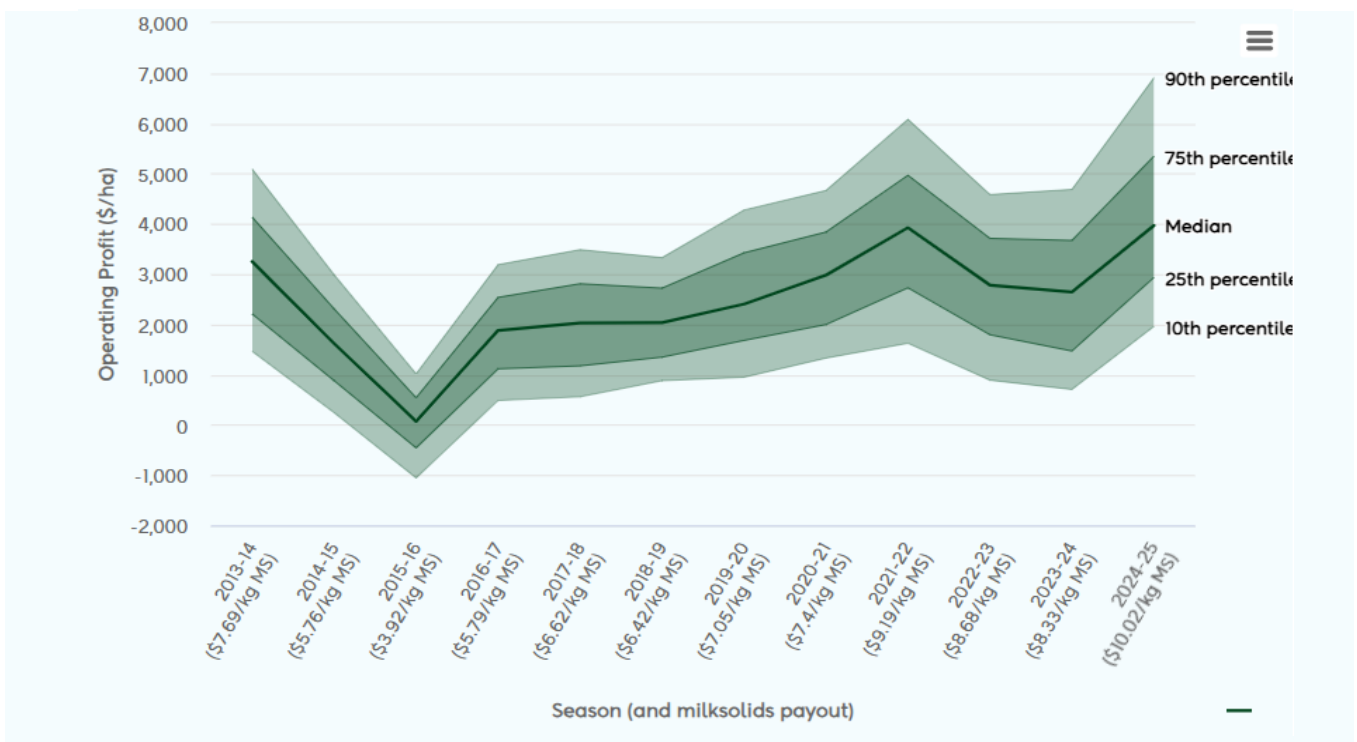


Table 5.2 and Table 5.3 show the average size and profitability of farms by quartile. Quartiles were constructed by ranking surveyed farms on operating profit per hectare across New Zealand. Top quartile farms average \$6,919 operating profit per hectare, compared with \$2,033 for the bottom quartile group. Each quartile group produced more milksolids per farm, per cow and per hectare compared with the quartile lower. Top quartile farmers produced approximately 76% more kilograms of milksolids per hectare than the bottom quartile farmers, with substantially lower dairy operating expenses per kilogram of milksolids (-26%).

There is a small difference in gross farm revenue per kg MS across the quartiles, with farmers in the top quartile having \$0.10 lower gross farm revenue per kilogram of milksolids than farmers in the bottom quartile. The differences in profit per kilogram of milksolids between the quartiles is mainly driven by significant differences in the groups operating expenses per kilogram of milksolids. Top quartile farms are more efficient as demonstrated by their lower operating expenses per kilogram of milksolids. Operating expenses per kilogram of milksolids increased from the top quartile group to the bottom quartile group from \$6.09 to \$8.31, respectively.

Table 5.2: 2024-25 Owner-operator Quartile Profit (\$/kg MS)

Variable	Bottom Quartile	Lower Middle Quartile	Upper Middle Quartile	Top Quartile
PHYSICAL CHARACTERISTICS				
Number of herds	51	50	50	50
Effective hectares	134	130	134	166
Peak cows milked	297	335	369	527
Stocking rate (cows/ha)	2.3	2.6	2.7	3.1
Kg milksolids sold	108,530	128,618	157,469	247,886
Milksolids sold per hectare	834	1,007	1,159	1,471
Milksolids sold per cow	362	390	423	467
PAYOUT RECEIVED (\$/kg MS sold)	10.02	9.96	10.00	9.99
DAIRY CASH INCOME (\$/kg MS):				
Milk sales (net of dairy levies)	10.01	9.94	9.97	10.02
Net livestock sales (sales - purchases)	0.63	0.74	0.78	0.63
Other dairy cash income	0.07	0.07	0.06	0.05
Net dairy cash income	10.71	10.76	10.81	10.70
CASH FARM WORKING EXPENSES (\$/kg MS):				
Wages	0.74	0.85	0.76	0.74
Animal health	0.33	0.30	0.34	0.28
Breeding & herd improvement	0.23	0.21	0.20	0.18
Farm dairy	0.12	0.10	0.09	0.06
Electricity	0.17	0.16	0.15	0.10
Net feed made, purchased, cropped	1.78	1.66	1.61	1.43
Stock grazing	0.34	0.28	0.32	0.64
Support block lease	0.06	0.09	0.05	0.08
Fertiliser (including Nitrogen)	0.70	0.67	0.57	0.44
Irrigation	0.00	0.02	0.09	0.15
Regrassing	0.16	0.12	0.10	0.08

Weed & pest	0.06	0.05	0.04	0.02
Vehicles & fuel	0.38	0.27	0.27	0.18
Repairs & maintenance	0.80	0.66	0.52	0.41
Freight & general	0.09	0.08	0.08	0.06
Administration	0.26	0.19	0.18	0.20
Insurance	0.17	0.15	0.13	0.11
ACC	0.03	0.03	0.03	0.03
Rates	0.15	0.14	0.17	0.10
Farm working expenses	6.59	6.05	5.72	5.30
Cash operating surplus	4.12	4.71	5.09	5.40
ADJUSTMENTS (\$/kg MS):				
Value of change in dairy livestock	0.10	0.12	0.06	0.01
Less labour adjustment	0.92	0.65	0.58	0.36
Plus feed inventory adjustment	-0.02	-0.02	-0.02	0.04
Less owned support block adjustment	0.18	0.15	0.14	0.07
Less depreciation	0.61	0.44	0.46	0.40
Net Adjustments	-1.62	-1.15	-1.14	-0.78
OPERATING CASH & NON-CASH (\$/kg MS):				
Dairy gross farm revenue	10.81	10.88	10.87	10.71
Dairy operating expenses	8.31	7.32	6.92	6.09
Dairy operating profit	2.50	3.56	3.95	4.63
OPERATING CASH & NON-CASH (\$/ha):				
Dairy gross farm revenue	8,790	10,722	12,761	16,024
Dairy operating expenses	6,757	7,215	8,120	9,105
Dairy operating profit	2,033	3,507	4,641	6,919
Operating profit margin (%)	23.6	33.3	38.0	43.2

In 2024-25, the operating return on dairy assets ranged from 5% in the bottom quartile to 10.8% in the top quartile, a range of 5.8 percentage points (Table 5.3). Closing term liabilities (\$/kg MS sold) decreased from \$22.65 in the bottom quartile to \$17.73 in the top quartile.

Table 5.3: 2024-25 Owner-operator Quartile Financial Position

Variable	Bottom Quartile	Lower Middle Quartile	Upper Middle Quartile	Top Quartile
RETURNS:				
Operating return on dairy assets %	5.0	7.3	8.5	10.8
Total return on assets %	13.0	13.8	14.3	17.6
Total return on equity %	19.4	21.0	22.2	27.8
Growth in equity %	21.2	19.5	19.4	22.3
DEBT:				
Closing term liabilities (\$/kg MS sold)	22.65	22.55	19.82	17.73
Closing debt to asset %	34.1	37.2	34.0	33.9

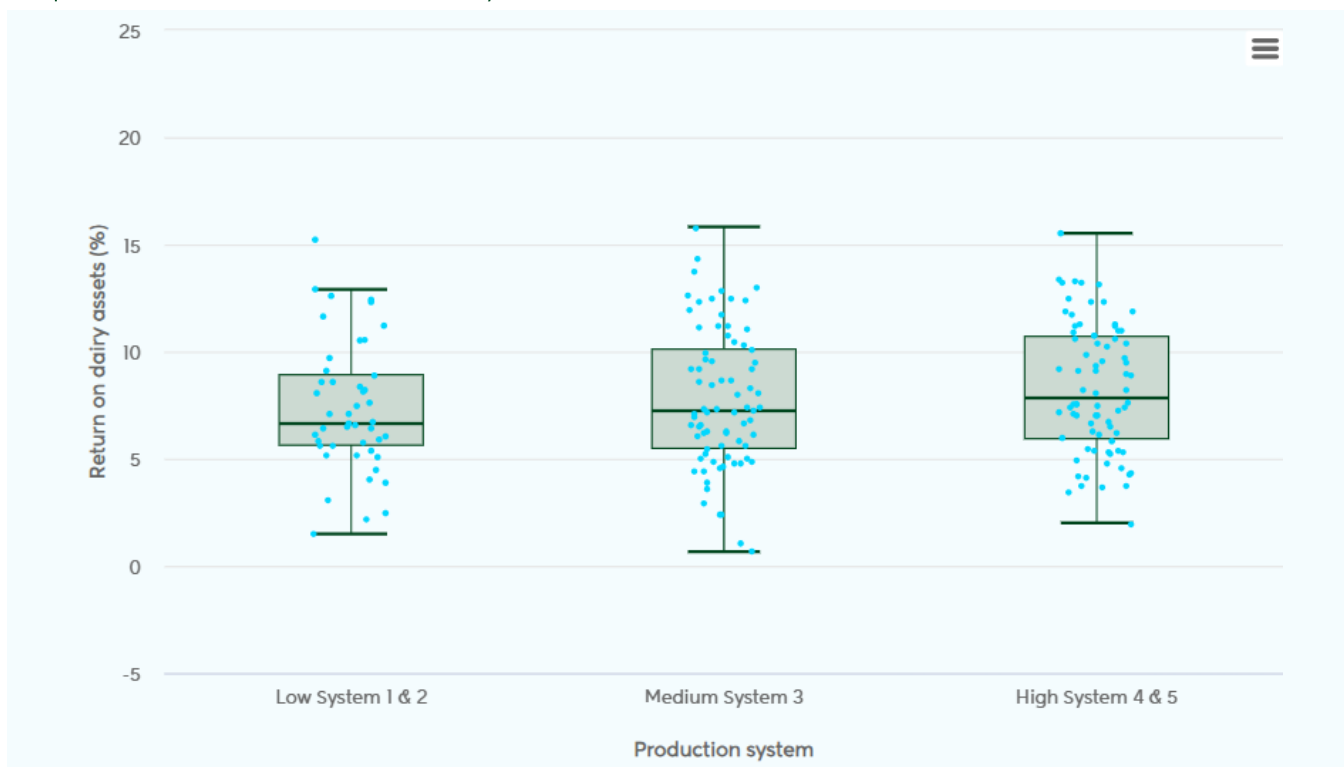
Measuring the cost efficiency of milksolids production (operating expenses/kg MS) relative to milksolids payout is more relevant than production or expenditure alone when focusing on how to achieve high profit margins. The last two rows in Table 5.4 shows the strength of the association between these variables. A value of 0% means there is no association, while a value of 100% means a perfect association. In the 2024-25 season, the relationship between dairy operating profit per hectare and kilograms of milksolids sold per hectare ($R^2= 0.6$) was higher than the previous year and the 10-year average ($R^2= 0.4$). The relationship (R^2) between dairy operating profit (\$/ha) and operating expenses (\$/kg MS) was moderate and had varied between 0.5 and 0.6 in the last 10 seasons.

Table 5.4: Relationship (R^2) between Production, Profit and Operating Expenses

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Payout received (\$/kg MS)	3.92	5.79	6.62	6.42	7.05	7.40	9.20	8.68	8.40	9.99
Milksolids (kg MS/ha)	1,082	1,085	1,067	1,145	1,125	1,154	1,143	1,114	1,095	1,116
Dairy operating expenses (\$/kg MS)	4.45	4.60	5.13	5.10	5.47	5.44	6.51	6.84	6.75	7.11
Dairy operating profit (\$/ha)	-9	1,937	2,238	2,154	2,540	2,976	3,920	2,775	2,576	4,224
R^2 (%) - dairy operating profit \$/ha & kg MS/ha	0.0	0.3	0.4	0.4	0.5	0.5	0.5	0.4	0.4	0.6
R^2 (%) - dairy operating profit \$/ha & operating expenses \$/kg MS	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5

Operating return on dairy assets is a measure of the operating profit generated by the dairy assets employed at the start of the season. This measure excludes non-dairy activities and any change in capital value. The average operating return on dairy assets was 8.6% in 2024-25. Grouping farm systems into low (systems 1 and 2), medium (system 3) and high input (systems 4 and 5) show that the median operating return on dairy assets was highest for high input farms (7.8%, Graph 5.6). There was a significant difference in the variation of operating returns on dairy assets within the groups, with the highest range in the medium input farms (0.7 to 15.8%) and the lowest range in the low input farms (1.5 to 12.9%).

Graph 5.6: Distribution of Return on Dairy Assets in 2024-25



Business profit before tax is another measure of profitability that considers the cost of borrowing and other non-dairy activities. This is the overall profitability of the business enterprise and not just the dairy farm operation, the 2024-25 figures are shown in Table 5.5.

Table 5.5: 2024-25 Business Profit before Tax

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
BUSINESS PROFIT (\$):										
Dairy operating profit	-1,291	286,227	338,871	314,435	390,831	449,132	598,081	436,843	420,064	720,280
Plus labour adjustment	56,341	61,154	63,920	62,545	62,011	70,195	79,852	80,362	84,797	90,057
Plus owned support block adjustment	14,126	14,359	16,786	13,143	16,151	16,720	18,843	20,738	22,776	22,029
Plus net non-dairy profit	-318	3,331	5,444	6,904	11,894	3,870	5,499	5,136	4,313	928
Plus net off-farm income	9,238	19,811	18,114	6,670	13,167	9,838	-199	36,366	15,647	73,358
Less rent (excluding support block)	20,047	19,582	20,703	12,499	17,280	17,069	14,929	13,227	8,845	9,355
Less interest	197,277	197,343	191,459	194,022	172,460	140,608	149,895	217,165	295,210	244,703
Business profit before tax	139,258	167,789	231,251	197,163	304,312	392,077	537,252	349,052	243,543	652,594
Business profit before tax (\$/total hectares)	-734	887	1,174	1,077	1,681	2,131	2,868	1,834	1,271	3,502

Note: Total hectares = Total effective hectares (effective dairy + effective dairy support block + effective non-dairy).

On average, total effective hectares (effective dairy + effective dairy support block + effective non-dairy) decreased by six hectares from the previous season to 186 hectares. The average dairy farm in 2024-25 made a business profit before tax of \$652,594, about 2.6 times more than the previous season. This business profit is equivalent to \$3,502 per total effective hectare, \$2,192 less than the previous year in inflation adjusted terms (\$2,231 in nominal terms). The dairy operating profit per farm increased by \$287,224, to \$720,280, compared to the previous season. Rent payments increased slightly in 2024-25, 2.6% in inflation adjusted terms (5.8% change in nominal values). Interest payments per farm in 2024-25 (\$244,703) were lower than the previous season (19% lower in inflation adjusted terms), but 4% higher than the 10-year average in inflation adjusted terms.

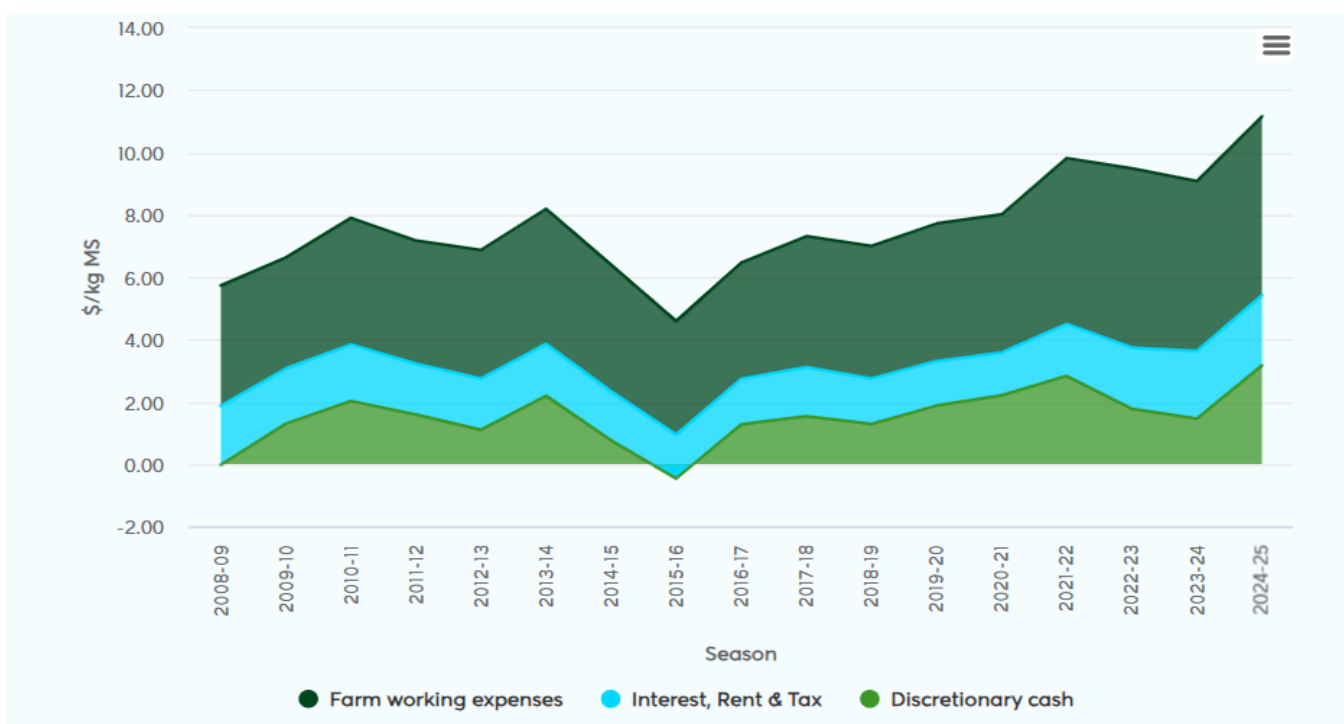
5.5. Cash Flow

The cash operating surplus is the difference between net dairy cash income and farm working expenses. In 2024-25, the cash operating surplus was \$903,774, the highest of the last 10-years. On a per kilogram of milksolids basis, the cash operating surplus in 2024-25 was \$4.99, the highest of the decade in nominal terms, but slightly lower than that of the 2021-22 season when adjusted for inflation (\$5.02). Once rent, interest and tax are paid, and net income from non-dairy farming activities are added, the amount left is discretionary cash. Total discretionary cash in 2024-25 was \$573,715, more than double the level recorded in the previous year (Table 12.5).

Many farm businesses include cash funds and off-farm income in their annual accounts. The cash available after including these activities and any change of funds deposited or withdrawn from the IRD Income Equalisation Scheme is the cash available for drawings, debt repayments and/or capital development and purchases. Cash available for living and business growth in 2024-25 followed the same trend as discretionary cash and was \$523,190 per farm, more than double the amount from the previous year.

On a per kilogram of milksolids basis, compared to the previous year, interest, rent & tax and farm working expenses increased marginally (about 4 and 5%, respectively), while discretionary cash more than doubled in the 2024-25 season (Graph 5.7).

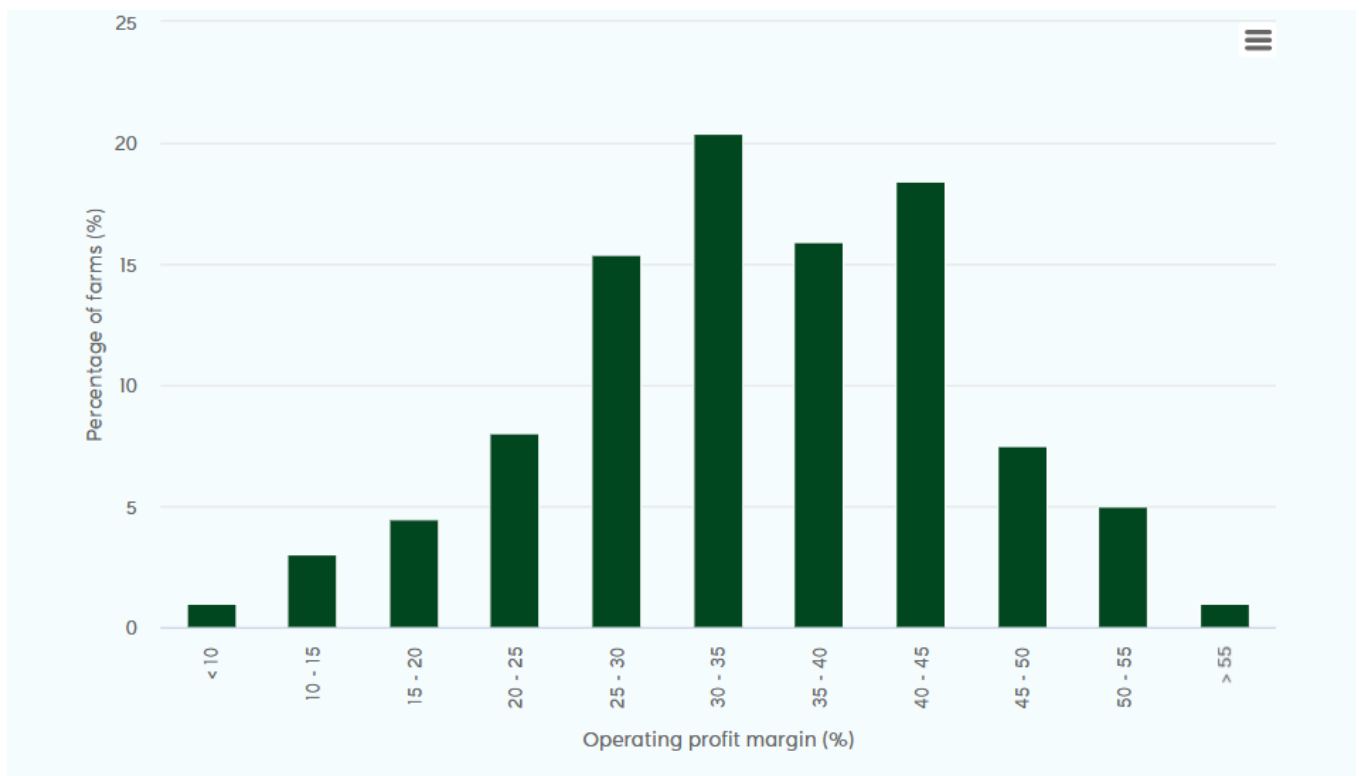
Graph 5.7: Annual Change in Revenue and Expenditure Over the Last 10 Years (\$/kg MS)



5.6. Operating Profit Margin

Operating profit margin is an indicator of dairy farm financial performance. This measurement is expressed as a percentage and describes the proportion of gross farm revenue converted to profit (Operating profit/Gross farm revenue). The ability of a farmer to convert a high proportion of their revenue to profit indicates that the farm is cost-efficient and better placed to deal with financial and production risks. The average operating profit margin in 2024-25 was 37%, 10 percentage points higher than the previous year. Graph 5.8 shows the distribution of operating profit margin in 2024-25. Ninety percent of farms had an operating profit margin between 15 and 50%, with 6% of farms having an operating profit margin above 50% and 4% of farms having an operating profit margin below 15%. No negative operating profit margins were observed in the 2024-25 season.

Graph 5.8: Distribution of Operating Profit Margin (%) in 2023-24



6. Owner-Operator: Equity and Capital Financial Analysis

6.1. Introduction

This section considers owner-operator dairy farms' equity and capital position, with additional information about trends over time.

The operating return on dairy assets increased from 5.3% in 2023-24 to 8.6% in 2024-25, and the total return on equity jumped from 0.9% in 2023-24 to 20.9% in 2024-25 (Table 12.7). Total liabilities as a percentage of total assets (debt to asset ratio) decreased from 46.2% in 2023-24 to 37.7% in 2024-25, the lowest level over the last ten seasons. Hence, closing term liabilities per kilogram of milksolids decreased to \$19.50, the lowest of the last ten seasons.

6.2. Dairy Assets

The number of dairy farms sold in 2024-25 was 196, 67% (79 farms) higher than in 2023-24. The REINZ average sales price per kilogram of milksolids and per hectare for the last 10 seasons is shown below in Table 6.1. Hectares are measured as total rather than effective area, which is generally used in this publication. The analysis only includes farms considered to be commercial farms. Raw data from REINZ prior to 2019-20 was weighted by the number of farms in each region, but from 2019-20 figures have not been weighted. The average dairy land price per kilogram of milksolids bounced back to \$37 in 2024-25, similar to the price in the 2022-23 season, and the 10-year average of \$37 but below the peak value of \$40 observed in the 2016-17 season.

Table 6.1: Average Sales Price and Number of Dairy Farms Sold

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Farms sold	192	217	226	148	113	198	200	140	117	196
Average \$ sale price/kg MS	39	40	40	38	37	35	35	37	36	37
Average \$ sale price/ha	36,557	37,835	38,015	36,846	33,410	31,393	34,427	34,600	30,584	36,231
Average \$ sale price/ha (inflation adjusted)	48,569	49,413	48,914	46,629	41,675	37,892	38,727	36,708	31,401	36,231
CPI	983	1,000	1,015	1,032	1,047	1,082	1,161	1,231	1,272	1,306

Note:

- Inflation-adjusted value (real dollar value) has been estimated using the Consumers Price Index for the end of each June quarter (Sourced from Statistics New Zealand)

6.3. Liabilities and Debt Servicing

Interest is the cash cost of borrowing funds, while rent is the cost of borrowing assets. Interest and rent per kilogram of milksolids has decreased from a high of \$1.75 in 2023-24 season to \$1.40 in 2024-25 (Table 6.2). Interest and rent represented 13.0% of gross farm revenue (GFR), about 6.6 percentage points lower than in the previous season. This means that for every dollar of gross farm income earned \$0.13 are required to pay interest and rent.

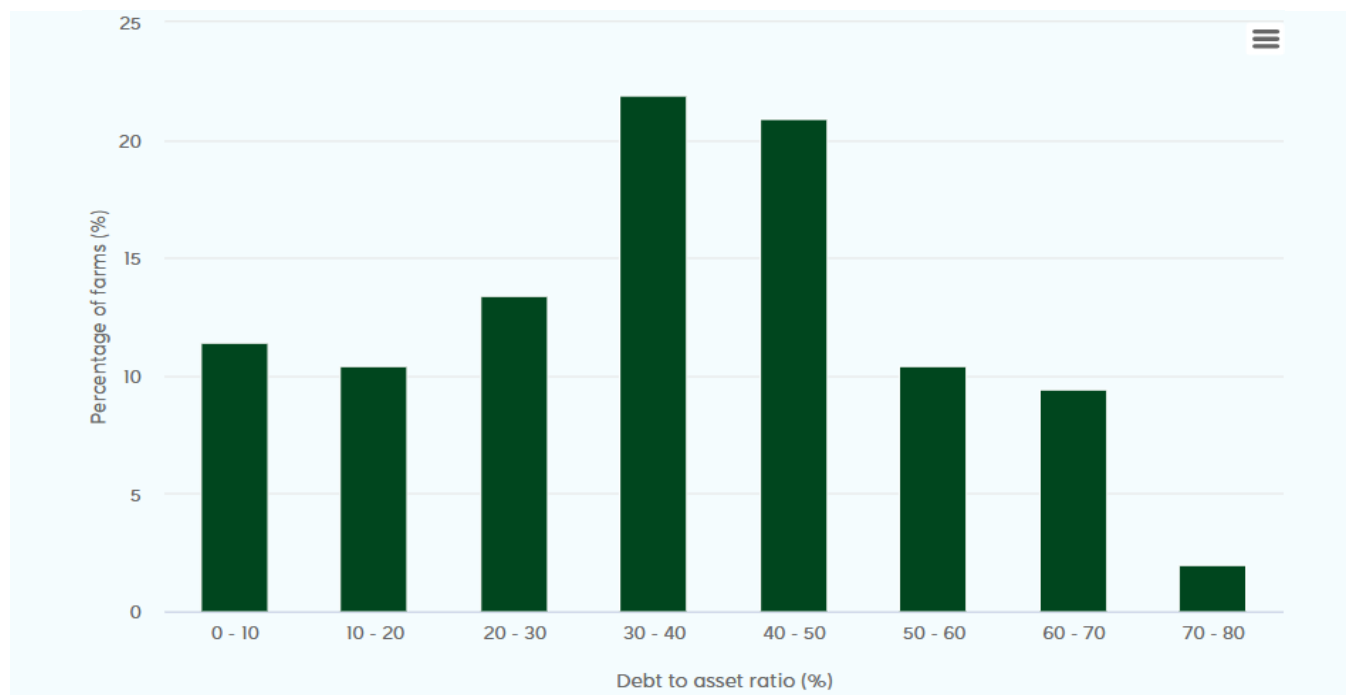
Table 6.2: Debt Servicing Ratios

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Interest & rent \$/kg MS	1.36	1.35	1.31	1.24	1.12	0.92	0.95	1.36	1.75	1.40
Interest & rent % Gross farm revenue (GFR)	30.5	21.2	18.2	17.7	14.7	11.6	9.7	14.7	19.6	13.0
Term liabilities \$/kg MS	22.49	25.00	25.31	24.92	23.25	22.37	23.56	22.22	22.30	19.50

Compared to the 2023-24 season, the debt-to-asset ratio decreased by about 8.5 percentage points in 2024-25, to 37.7% (Table 12.6). The debt-to-asset ratio in 2024-25 is the lowest of the past ten seasons, and 15.7 percentage points below the peak of 53.4% recorded in 2018-19 (Table 12.6).

Graph 6.1 shows the debt-to-asset ratio distribution among farms in 2024-25. Over 11% of farms had a debt-to-asset ratio below 10% and about 46% of farms had a debt-to-asset ratio between 10 and 40%. At the higher end about 11% of the farms had a debt-to-asset ratio exceeding 60%, with 2% in the high-risk category of over 70%.

Graph 6.1: Debt to Asset Distribution in 2024-25



Over the past ten years, the average farm has increased its milksolids production by 13%. During this same period, total liabilities have increased by about 4%, from \$3.7 million to \$3.8 million per farm. Compared to the previous season (2023-24), farmers decreased their term liabilities by 8.8% (Table 12.6).

6.4. Liquidity

Despite an increase in farm working expenses, on the back of high dairy cash income, a cash operating surplus of \$903,774 was recorded in 2024-25, an increase of \$291,671 compared to the previous season. Table 6.3 shows a breakdown of the changes in working capital, including the source and use of cash funds. The main contributors to total source of funds in 2024-25 were the cash operating surplus from the current season's farming operation and a change in working capital (\$308,976) (Table 6.3). The change in working capital increased to \$308,976 in 2024-25, \$36,963 higher than the previous season. This is mainly associated with the reduction in current assets (-\$37,106) (Table 12.6).

In 2024-25, of the total cash available (total source of funds), 22% was spent on interest payments in 2024-25 (Table 6.3). Net capital transactions (development and purchases) was the second largest cash expenditure, representing 18% of total cash expenditure. Tax payments and drawings from the dairy business for family living accounted for 13.8 and 13.7%, respectively.

Table 6.3: Flow of funds

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
WORKING CAPITAL:										
Change in current assets	-24,651	56,493	-12,326	-17,418	205,720	241,278	309,682	292,846	246,273	369,650
Less change in current liabilities	-2,678	-9,780	29,949	-5,362	-7,441	5,350	44,208	-7,982	-25,740	60,673
Change in working capital	-21,973	66,273	-42,275	-12,056	213,162	235,928	265,474	300,828	272,013	308,976
WORKING CAPITAL:										
Cash operating surplus	141,757	415,410	478,511	446,701	537,460	601,492	771,689	593,495	612,103	903,774
Plus change in working capital	-21,973	66,273	-42,275	-12,056	213,162	235,928	265,474	300,828	272,013	308,976
Plus net non-dairy cash income	904	3,371	6,064	7,040	10,682	3,378	7,614	5,411	3,586	3,294
Plus net off-farm income	9,238	19,811	18,114	6,670	13,167	9,838	-199	36,366	15,647	73,358
Plus introduced funds	77,696	-24,004	-40,908	-2,774	-18,560	-16,833	-60,186	-909	-25,385	-50,901
Plus income equalisation	16,765	1,307	40	307	-475	875	-1,643	29	1,175	376
Plus increase in term debt	111,778	75,868	92,523	74,554	-49,483	-59,719	-43,029	-38,791	-135,765	-134,790
Total source of funds	336,165	558,036	512,069	520,442	705,952	774,958	939,721	896,429	743,374	1,104,087
APPLICATION OF FUNDS:										
Rent (excluding support block)	20,047	19,582	20,703	12,499	17,280	17,069	14,929	13,227	8,845	9,355
Plus interest	197,277	197,343	191,459	194,022	172,460	140,608	149,895	217,165	295,210	244,703
Plus tax	7,939	16,773	41,532	38,315	52,696	77,161	124,502	102,018	73,356	152,653
Plus net capital transactions	76,697	109,749	238,591	207,027	113,522	148,238	267,306	137,369	-26,905	198,825
Plus drawings	78,151	82,043	104,334	95,173	92,090	106,679	114,873	117,646	132,471	152,105
Total application of funds	380,111	425,490	596,619	547,036	448,048	489,756	671,505	587,425	482,976	757,640
Total source of funds less application of funds	-43,946	132,546	-84,550	-26,593	257,903	285,202	268,215	309,003	260,398	346,448

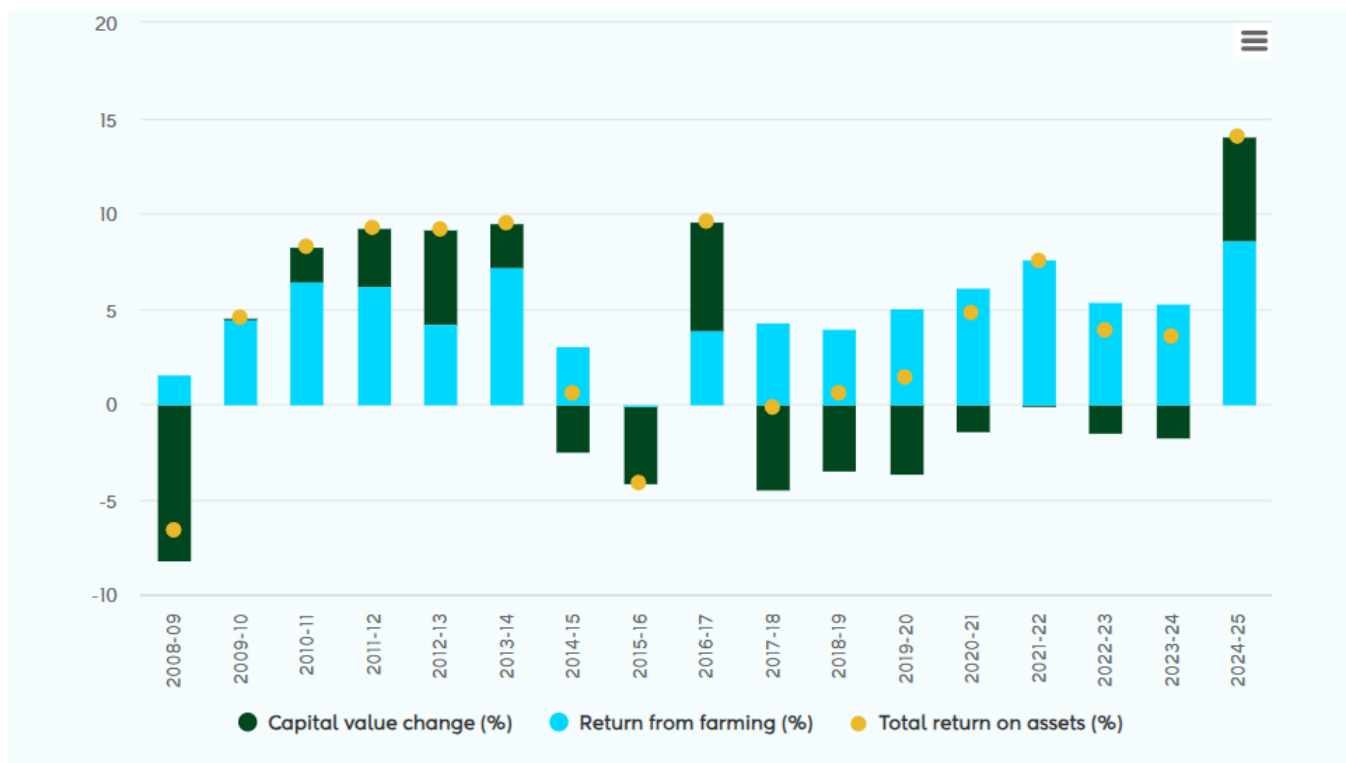
6.5. Returns

The return on dairy assets is discussed under farm profitability (section 5.4). The total return on assets considers operating profit from both dairy and non-dairy farming operations, plus the change in the value of capital assets.

The total return on assets in 2024-25 had reached a record high of 14.02%, a 10.45 percentage point increase from the previous season (3.75%). The 2024-25 total return on assets comprised 8.6% net return from all farming operations and 5.4% net return from capital (Graph 6.2).

Over the past decade and before the 2024-25 season, the percentage of total return on assets has ranged between -4.1 and 9.6%, driven by changes in the value of land and buildings, dairy company share values, livestock values, and profits (Table 12.6 and Table 12.7).

Graph 6.2: Owner-Operator Total Return on Assets



The percentage return on equity is the return on the owner’s funds, including capital changes after interest is paid (Table 12.7). The return on equity will be higher than the total return on assets when the latter is greater than the cost of debt and vice versa. In 2024-25, the total return on equity (20.9%) was higher the total return on assets (14.0%), and 20 percentage points higher than in 2023-24.

7. Owner-Operator: Regional and Systems Financial Analysis

7.1. Regional Profitability

DairyBase classifies farms into eight regions, five in the North Island and three in the South Island (refer to section 2.6). The values reported in Table 7.1 and 7.2 are median values to reduce numerical bias created by the average of sums methodology in regional samples. Thus, totals and sub-totals in these tables will not add up but will better represent the average values of the data sample. See section 2.11 for an explanation of this methodology.

Table 7.1 shows the values of key performance indicators (KPIs) per kilogram of milksolids in the eight regions, for the 2024-25 season. Dairy farms in the West Coast - Top of the South region had the smallest average herd size (216 cows), followed by Taranaki (250 cows). The Canterbury and Otago-Southland regions had the largest herd sizes in New Zealand, with 789 cows and 502 cows, respectively.

The West Coast - Top of the South, and Northland regions had the lowest stocking rates in the country, with 2.3 cows/ha. Canterbury had the highest stocking rate (3.5 cows/ha), and the remaining regions had a stocking rate that varied between 2.4 and 2.9 cows/ha.

Northland and West Coast - Top of the South recorded the lowest average milksolids production per cow of all the regions (344 and 368 kg MS/cow, respectively). The other three North Island regions recorded milksolids per cow between 401 and 436 kg MS (Table 7.1). The Otago-Southland region had the highest milksolids production per cow (500 kilograms) in the South Island and the rest of the country. However, Canterbury production is considerably higher on a per hectare basis (1,657 kilograms) due to its higher stocking rate.

The average payout received in each region varied between \$9.87 and \$10.03 per kilogram of milksolids sold. Regional average farm working expenses (FWE) per kilogram of milksolids were lowest in Taranaki (\$5.43), and the highest FWE per kilogram of milksolids was reported in Northland (\$6.16). Canterbury (\$7,144) and Otago-Southland (\$5,111) recorded the highest operating profit on a per hectare basis, while the West Coast - Top of the South region recorded the lowest operating profit per hectare (\$2,601). Farms in the Canterbury and Otago-Southland regions experienced higher levels of profitability in 2024-25 relative to other regions in terms of dairy operating profit per kilogram of milksolids, \$4.53 and \$4.46 respectively (Table 7.1).

Table 7.1: Regional Owner-operator Profitability (\$/kg MS) in 2024-25

Variable	Northland	Waikato	Bay of Plenty	Taranaki	Lower North Island	West Coast - Top of the South	Canterbury	Otago - Southland
PHYSICAL CHARACTERISTICS								
Number of herds	36	53	15	35	20	12	18	12
Effective hectares	136	116	135	97	157	99	226	194
Peak cows milked	308	320	372	250	356	216	789	502
Stocking rate (cows/ha)	2.3	2.8	2.9	2.7	2.4	2.3	3.5	2.8
Kg milksolids sold	105,504	141,970	125,706	103,184	161,072	81,556	355,392	252,392
Milksolids sold per hectare	776	1,226	1,141	1,170	986	861	1,657	1,322
Milksolids sold per cow	344	436	401	432	401	368	478	500
PAYOUT RECEIVED (\$/kg MS sold)	9.94	10.03	9.87	9.96	9.91	9.88	10.00	10.01
DAIRY CASH INCOME (\$/kg MS):								
Milk sales (net of dairy levies)	9.94	10.03	9.87	9.96	9.91	9.88	10.00	10.01
Net livestock sales (sales - purchases)	0.96	0.65	0.65	0.66	0.78	0.79	0.53	0.59
Other dairy cash income	0.05	0.02	0.01	0.03	0.01	0.00	0.00	0.05
Net dairy cash income	11.03	10.80	10.59	10.64	10.70	10.74	10.56	10.79
CASH FARM WORKING EXPENSES (\$/kg MS):								
Wages	0.78	0.71	0.73	0.16	0.82	0.69	0.96	0.60
Animal health	0.32	0.30	0.31	0.27	0.32	0.26	0.28	0.24
Breeding & herd improvement	0.23	0.18	0.19	0.20	0.22	0.23	0.20	0.17
Farm dairy	0.08	0.07	0.09	0.10	0.09	0.10	0.05	0.07
Electricity	0.16	0.15	0.15	0.14	0.16	0.16	0.08	0.12
Net feed made, purchased, cropped	1.60	1.86	1.50	1.47	1.32	0.96	0.98	1.40
Stock grazing	0.03	0.35	0.12	0.37	0.17	0.06	0.99	0.60
Support block lease	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00
Fertiliser (including Nitrogen)	0.62	0.51	0.54	0.58	0.56	1.01	0.46	0.52
Irrigation	0.00	0.00	0.00	0.00	0.00	0.00	0.27	0.00
Regrassing	0.14	0.07	0.06	0.07	0.09	0.11	0.08	0.10
Weed & pest	0.05	0.03	0.04	0.03	0.03	0.03	0.01	0.04
Vehicles & fuel	0.39	0.27	0.22	0.27	0.26	0.34	0.13	0.24
Repairs & maintenance	0.72	0.47	0.52	0.55	0.58	0.52	0.40	0.59
Freight & general	0.06	0.06	0.09	0.08	0.06	0.05	0.03	0.06
Administration	0.15	0.17	0.16	0.19	0.17	0.25	0.23	0.18
Insurance	0.16	0.12	0.15	0.16	0.15	0.22	0.10	0.12
ACC	0.04	0.03	0.03	0.02	0.04	0.05	0.03	0.03
Rates	0.14	0.13	0.17	0.13	0.15	0.10	0.06	0.12
Farm working expenses	6.16	5.77	5.80	5.43	5.62	5.94	5.73	5.46
Cash operating surplus	4.73	5.00	4.83	5.14	5.39	4.70	4.79	5.17
ADJUSTMENTS (\$/kg MS):								
Value of change in dairy livestock	0.22	0.02	-0.11	-0.03	0.06	0.02	-0.01	0.07
Less labour adjustment	0.84	0.59	0.59	1.04	0.64	1.00	0.08	0.42
Plus feed inventory adjustment	0.00	0.00	-0.01	0.00	0.03	0.01	0.03	-0.04
Less owned support block adjustment	0.00	0.00	0.00	0.00	0.16	0.00	0.00	0.13

Less depreciation	0.54	0.40	0.39	0.51	0.40	0.47	0.44	0.40
Net Adjustments	-1.53	-1.18	-1.15	-1.63	-0.80	-1.81	-0.49	-0.95
OPERATING CASH & NON-CASH (\$/kg MS):								
Dairy gross farm revenue	11.12	10.69	10.46	10.71	10.79	10.83	10.57	10.75
Dairy operating expenses	7.51	7.01	6.52	7.24	7.13	7.39	6.10	6.71
Dairy operating profit	3.62	3.89	3.70	3.52	3.81	3.04	4.53	4.46
OPERATING CASH & NON-CASH (\$/ha):								
Dairy gross farm revenue	8,981	12,810	12,051	12,511	10,465	9,481	17,464	14,157
Dairy operating expenses	5,920	8,133	7,604	7,704	6,277	6,499	10,199	8,848
Dairy operating profit	2,948	4,364	4,537	4,000	3,603	2,601	7,144	5,111
Operating profit margin (%)	30.4	34.8	36.0	32.2	34.2	29.3	42.6	40.8

Table 7.2 shows the values for the key indicators of financial position for the eight regions in 2024-25. The values reported in this table are medians; see section 2.11 for an explanation of this methodology. Regional median for operating returns on dairy assets ranged between 6.2 and 10.9%. Canterbury (10.9%) and Otago-Southland (10.9%) had the highest operating return on dairy assets in 2024-25. Taranaki region had the lowest operating returns on dairy assets (6.2%). In the case of total return on assets, West Coast - Top of the South (23.4%) and Canterbury (20.3%) recorded the highest values, while the Lower North Island (8.7%) and Otago - Southland recorded the lowest (9.7%).

Total return on equity is the return on the owner's funds, including capital changes after interest is paid. West Coast - Top of the South (33.7%) and Canterbury (29.6%) recorded the highest values, while the Lower North Island (11.0%) and Otago - Southland recorded the lowest (13.8%). Bay of Plenty and West Coast - Top of the South regions had the largest growth in equity (31.2% and 24.2%, respectively).

Average term liabilities per kilogram of milksolids in 2024-25 varied significantly between regions. The range in term liabilities was \$10.25 to \$28.38 per kilogram of milksolids. Taranaki was the region with the highest term liabilities per kilogram of milksolids (\$28.38) while West Coast - Top of the South was the lowest (\$10.25/kg MS). Debt to asset levels also varied significantly between regions. West Coast - Top of the South farms had the lowest debt-to-asset ratio (23.3%) while Otago - Southland farms had the highest debt-to-asset ratio (52.2%).

Table 7.2: Regional Owner-operator Financial Position 2024-25

Variable	Northland	Waikato	Bay of Plenty	Taranaki	Lower North Island	West Coast - Top of the South	Canterbury	Otago - Southland
RETURNS:								
Operating return on dairy assets %	6.5	7.1	7.6	6.2	7.9	7.1	10.9	10.9
Total return on assets %	15.0	13.8	17.8	10.6	8.7	23.4	20.3	9.7
Total return on equity %	22.7	19.8	27.8	20.2	11.0	33.7	29.6	13.8
Growth in equity %	22.6	17.7	24.2	16.0	8.5	31.2	22.4	8.2
DEBT:								
Closing term liabilities (\$/kg MS)	20.10	19.63	22.96	28.38	21.20	10.25	15.19	20.05
Closing debt to asset %	34.0	35.6	41.9	51.6	37.6	23.3	33.8	52.2

7.2. Production Systems

DairyBase categorises farms into five production systems based on the quantity of feed purchased (including off-farm grazing) and the timing and use of imported feed (refer to Section 2.7 for production system descriptions). For the following analysis, the systems have been combined to produce three categories: low (systems 1 and 2), medium (system 3) and high (systems 4 and 5). Within each production system, there is variation in milksolids production and profitability. The production system type is not a good indicator of profitability as a farm can be profitable (or unprofitable) operating at any system. Profit is less to do with the production system type and more to do with the management, milksolids production and the farm specific costs.

The values reported in Table 7.3 and 7.4 are median values to reduce numerical bias created by the average of sums methodology in regional samples. Thus, totals and sub-totals in these tables will not add up but will better represent average values in the data sample. See section 2.11 for an explanation of this methodology.

Table 7.3 shows the key 2024-25 performance indicators per kilogram of milksolids in the three production system categories. The average stocking rate increased from low to high production systems. Average milksolids per cow and per hectare also follow this trend, reflecting higher inputs of supplementary feed. On average low system farms recorded 322 kg MS per cow, medium system farms recorded an average of 408 kg MS per cow while high input farms recorded an average of 448 kg MS per cow. The average milksolids production per hectare in high input farms (1,245 kg) was 162 kilograms higher than in medium input farms (1,083 kg) and 423 kilograms higher than in low input farms (822 kg).

Dairy cash income per kilogram of milksolids was highest for low input systems (\$10.92) due to milk sales and livestock sales being greater than the other two systems. Medium input systems had the lowest dairy cash income per kilogram of milksolids (\$9.92) while high input systems had a cash income per kilogram of milksolids that fell between that of low and medium input systems (\$9.97). Farm working expenses per kilogram of milksolids were \$5.57 for low input systems, \$5.60 for medium input systems and \$5.82 for high input systems.

Cash operating surplus per kilogram of milksolids was the highest for low input systems (\$5.17), followed by medium input systems (\$4.86). High input systems recorded the lowest average cash operating surplus of all farm systems (\$4.81 per kilogram of milksolids). Operating profit per kilogram of milksolids was highest for low input systems (\$3.84), and lowest for high input systems (\$3.68). Medium input systems had an operating profit per kilogram of milksolids of \$3.81, which was close to that of low input systems. Operating profit per hectare was highest for high input systems (\$4,348), \$80 higher than medium input systems (\$4,268) and \$1099 higher than low input systems (\$3,258).

Table 7.3: Owner-operator Production Systems Profitability (\$/kg MS) in 2024-25

Variable	1 & 2 (Low)	3 (Medium)	4 & 5 (High)
PHYSICAL CHARACTERISTICS			
Number of herds	46	77	78
Effective hectares	110	142	139
Peak cows milked	277	369	363
Stocking rate (cows/ha)	2.6	2.6	2.7
Kg milksolids sold	90,200	135,519	161,935
Milksolids sold per hectare	822	1,083	1,245
Milksolids sold per cow	322	408	448
PAYOUT RECEIVED (\$/kg MS sold)	9.98	9.92	9.97

DAIRY CASH INCOME (\$/kg MS):			
Milk sales (net of dairy levies)	9.98	9.92	9.97
Net livestock sales (sales - purchases)	0.77	0.65	0.66
Other dairy cash income	0.02	0.01	0.02
Net dairy cash income	10.92	10.65	10.79
CASH FARM WORKING EXPENSES (\$/kg MS):			
Wages	0.71	0.77	0.71
Animal health	0.27	0.30	0.30
Breeding & herd improvement	0.23	0.20	0.18
Farm dairy	0.08	0.08	0.07
Electricity	0.16	0.15	0.14
Net feed made, purchased, cropped	0.92	1.49	1.89
Stock grazing	0.37	0.41	0.21
Support block lease	0.00	0.00	0.00
Fertiliser (including Nitrogen)	0.65	0.51	0.53
Irrigation	0.00	0.00	0.00
Regrassing	0.08	0.09	0.08
Weed & pest	0.05	0.02	0.03
Vehicles & fuel	0.31	0.29	0.26
Repairs & maintenance	0.64	0.50	0.52
Freight & general	0.08	0.06	0.06
Administration	0.17	0.17	0.17
Insurance	0.17	0.13	0.14
ACC	0.03	0.03	0.03
Rates	0.15	0.12	0.11
Farm working expenses	5.57	5.60	5.82
Cash operating surplus	5.17	4.86	4.81
ADJUSTMENTS (\$/kg MS):			
Value of change in dairy livestock	0.05	0.04	-0.01
Less labour adjustment	0.98	0.64	0.60
Plus feed inventory adjustment	0.00	0.00	0.00
Less owned support block adjustment	0.00	0.00	0.00
Less depreciation	0.44	0.44	0.43
Net Adjustments	-1.50	-1.24	-1.17
OPERATING CASH & NON-CASH (\$/kg MS):			
Dairy gross farm revenue	10.90	10.68	10.73
Dairy operating expenses	6.94	7.12	7.18
Dairy operating profit	3.84	3.81	3.68
OPERATING CASH & NON-CASH (\$/ha):			
Dairy gross farm revenue	9,121	11,518	13,254
Dairy operating expenses	5,925	7,566	8,734
Dairy operating profit	3,258	4,268	4,348
Operating profit margin (%)	35.2	34.3	33.9

Table 7.4 shows key 2024-25 average financial indicators in the three production system categories. The measures reported in this table are medians; see section 2.11 for an explanation of this methodology. The operating return on dairy assets was highest for high input farms (7.8%) and lowest for low input farms (6.7%). Once capital and non-dairy operations were included, the average total return on assets was very similar for medium (14.1%) and high input systems (14.2%). Low input farms had the lowest total return on dairy assets (13.4%), compared to medium (14.1%) and high input systems (14.2%). Low input farms had the lowest debt-to-asset ratio (30.9%), while high input farms had the highest debt to asset ratio (41.9%). Closing term liabilities per kilogram of milksolids were highest for medium input systems (/ \$19.78).

All farm system types had positive median growth in equity percentages. Medium input farms had the lowest growth in equity (17.8%) while high input farms had the highest growth in equity (20.3%) (Table 7.4).

Table 7.4: Owner-operator Production Systems Financial Position 2024-25

Variable	1 & 2 (Low)	3 (Medium)	4 & 5 (High)
RETURNS:			
Operating return on dairy assets %	6.7	7.2	7.8
Total return on assets %	13.4	14.1	14.2
Total return on equity %	21.8	22.0	22.3
Growth in equity %	19.6	17.8	20.3
DEBT:			
Closing term liabilities (\$/kg MS sold)	20.27	19.78	20.21
Closing debt to asset %	30.9	36.4	41.9

8.50:50 Sharemilkers: Operational Financial Analysis

8.1. Introduction

Operating profit per hectare for 50:50 sharemilkers (herd owning sharemilkers) increased by 124% to \$2154 per hectare in 2024-25. In terms of the revenue composition, 27% increase in payout received in 2024-25 was the major contributing factor. A marginal 2% increase in milksolids production per hectare (from 1,275 kg in 2023-24 to 1,304 kg in 2024-25) was another contributing factor. Operating expenses per kilogram of milksolids increased by 10 per cent to \$4.03. The average cash available for living and business growth reached record level of \$279,762 per farm, an increase of \$149,194 from 2023-24 (Table 13.5).

Tables 13.1 to 13.4 in Chapter 13 show net cash income, cash farm working expenses and the adjustments made to calculate operating profit for the average New Zealand 50:50 sharemilker on a per farm, per cow, per hectare and per kilogram of milksolids sold basis.

8.2. Revenue

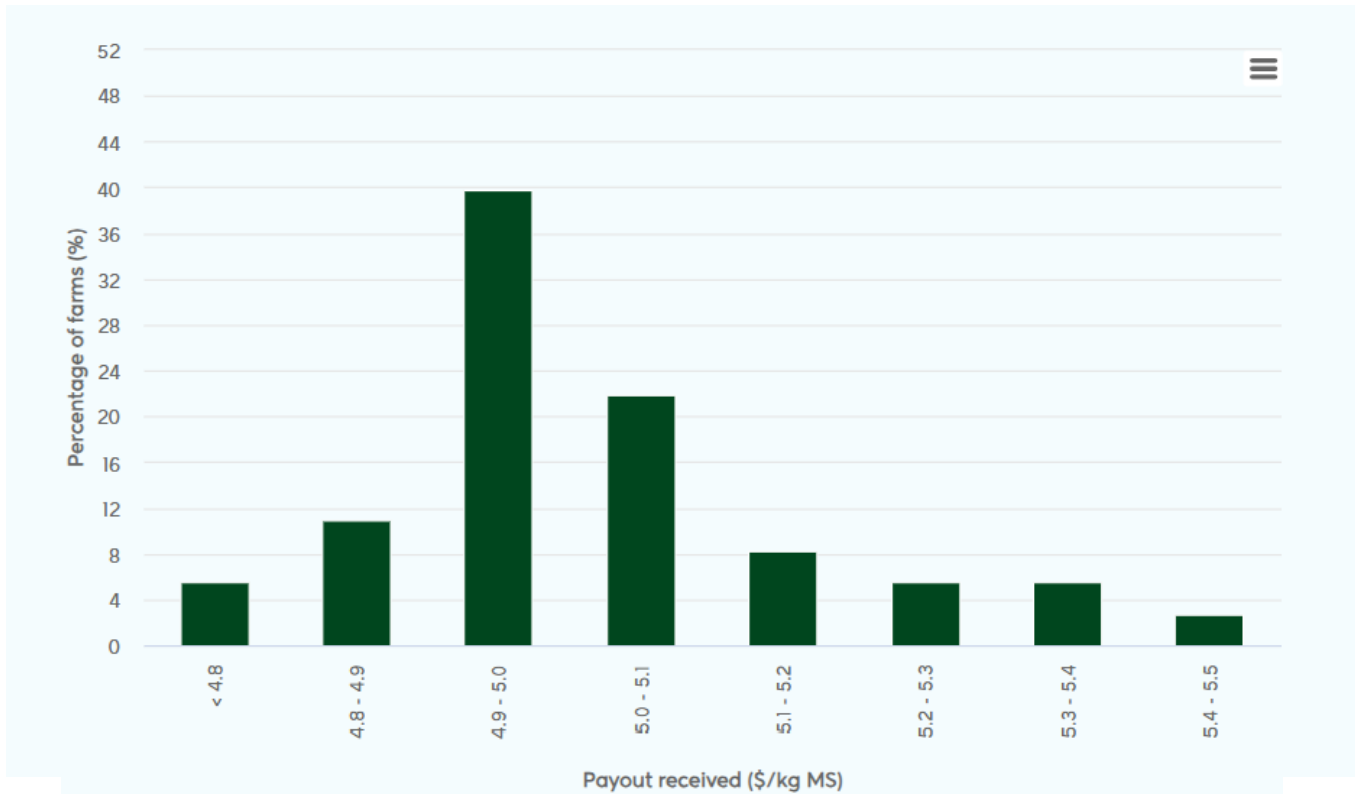
In 2024-25, the milk payout received (including dividend payments) increased \$1.07 from the previous season to \$5.03 per kilogram of milksolids. Both kilograms of milksolids sold per cow and per hectare increased from 2023-24 to 2024-25, by 18 and 29 kg MS, respectively (Table 13.1). The average milk sales (net of dairy levies) per farm of \$945,771 was higher than in the previous season (\$733,129). Milk revenue in 2024-25 accounted for 89% of gross farm revenue. Livestock revenue accounted for 10% of the total gross farm revenue per farm.

Graph 8.1 shows the variation in milksolids payout received by farmers in the 2024-25 season. These differences are driven by:

- Differences in the percentage of milk payment received (between 40% and 60%),
- Variations in the milk composition (fat, protein, lactose, minerals),
- Annual account balance dates,
- Milk company supplied,
- Different systems such as organics,
- Penalties incurred, and,
- Whether the sharemilker operated in the previous season.

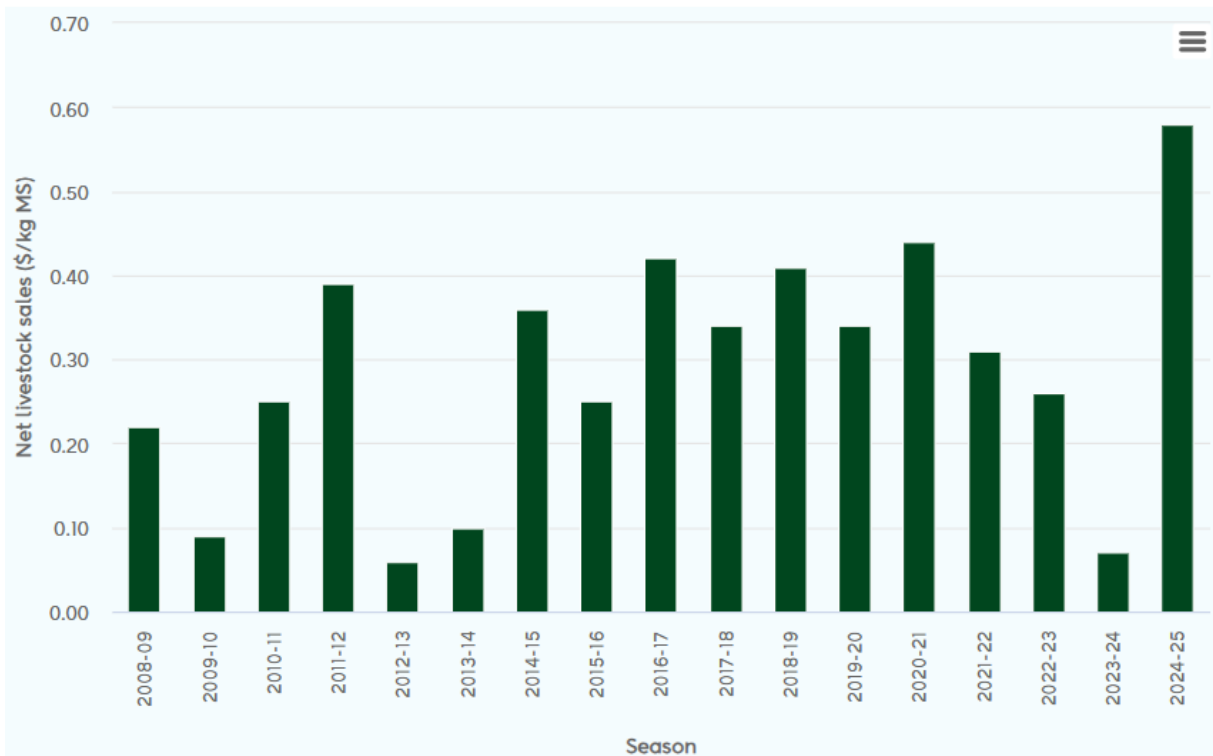
The majority (62%) of 50:50 sharemilkers received a milksolids payout between \$4.90 and \$5.10 (Graph 8.1).

Graph 8.1: Distribution of Milk Payout Received in 2024-25



Cash income from net livestock sales increased by \$0.51 to \$0.58 per kilogram of milk solids in 2024-25 (Graph 8.2), reaching a record high for the past 10 seasons. Net livestock sales per cow increased by \$228 to \$258, the highest level in the past 10 seasons.

Graph 8.2: Net Livestock Sales (\$/kg MS) 2024-25.



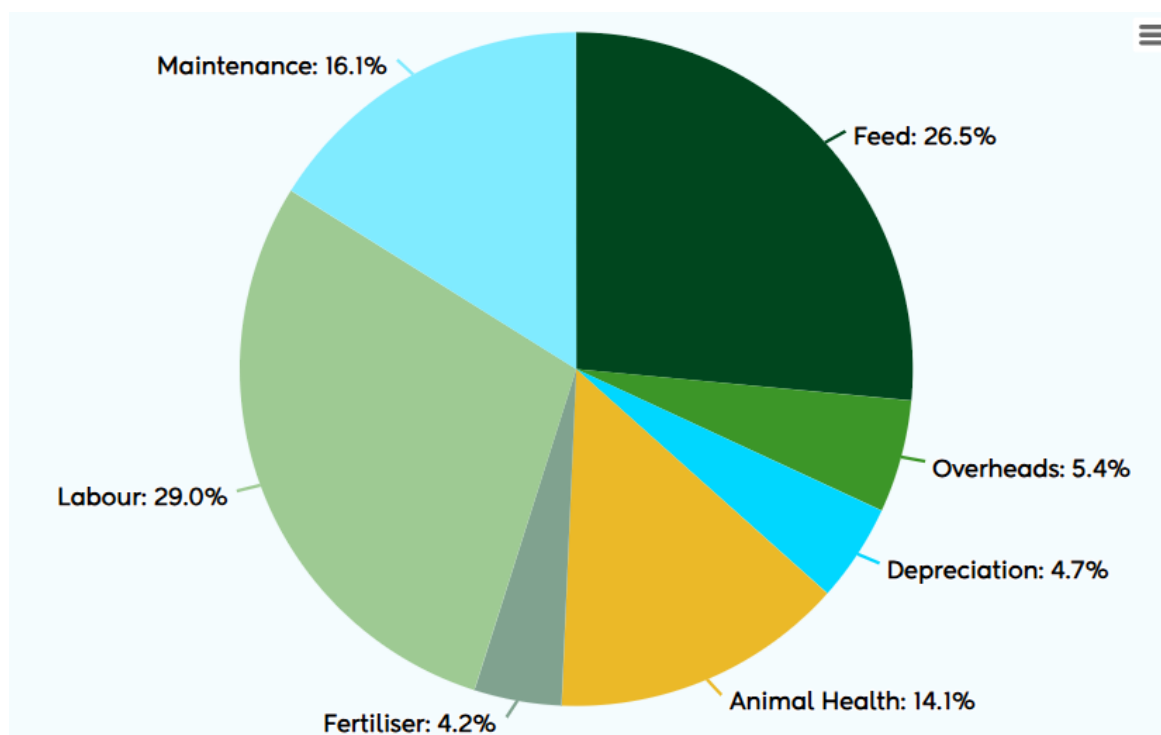
Dairy gross farm revenue for a typical 50:50 sharemilker was \$1,068,445, representing a 31% increase from the previous season (\$818,446). On a per hectare basis, gross farm revenue increased by 31%, from \$5637 in 2023-24 to \$7,405 in 2024-25.

Tables 13.1 to 13.4 show net cash income, cash farm working expenses and the adjustments made to calculate operating profit for the average New Zealand 50:50 sharemilker on a per farm, per cow, per hectare and per kilogram of milksolids sold basis, respectively.

8.3. Expenditure

In 2024-25, labour and feed were the largest expenditure categories for 50:50 sharemilkers, representing about 26 and 29% of total farm expenses, respectively. Maintenance followed as the third-largest cost at 16%, with animal health close behind at 14%. These four categories together made up the bulk of farm operating costs (86%). Graph 8.3 shows the distribution of major expenditure categories for the season.

Graph 8.3: Proportion of Dairy Operating Expenditure for 50:50 Sharemilkers in 2024-25



Changes in total farm expenditure for sharemilkers are primarily affected by the herd size, milksolids produced, and labour since sharemilkers primarily pay animal related costs and labour costs. Compared to the previous season, in 2024-25, farm working expenses (FWE) per farm increased by 13% to \$615,011. On a per kilogram of milksolids basis, FWE increased by \$0.32 to \$3.27. After non-cash adjustments, total operating expenses per kilogram of milksolids increased by \$0.36 to \$4.03.

Table 8.1 shows the historical distribution (%) of dairy expenses in the last 10 seasons. Historically, labour and feed expenses have represented the highest proportions of operating expenses for 50:50 sharemilkers. The proportions of labour and feed expenses in 2024-25 were similar to their 10-year averages. Historically, overhead and fertiliser expenses have been the smallest expense categories for 50:50 sharemilkers, averaging 4.7% over the past 10 years. However, overhead expenses in 2024-25 increased by 17% to reach \$5.40 per kilogram of milksolids.

Table 8.1: Proportion (%) of Dairy Operating Expenditure in the last 10 years.

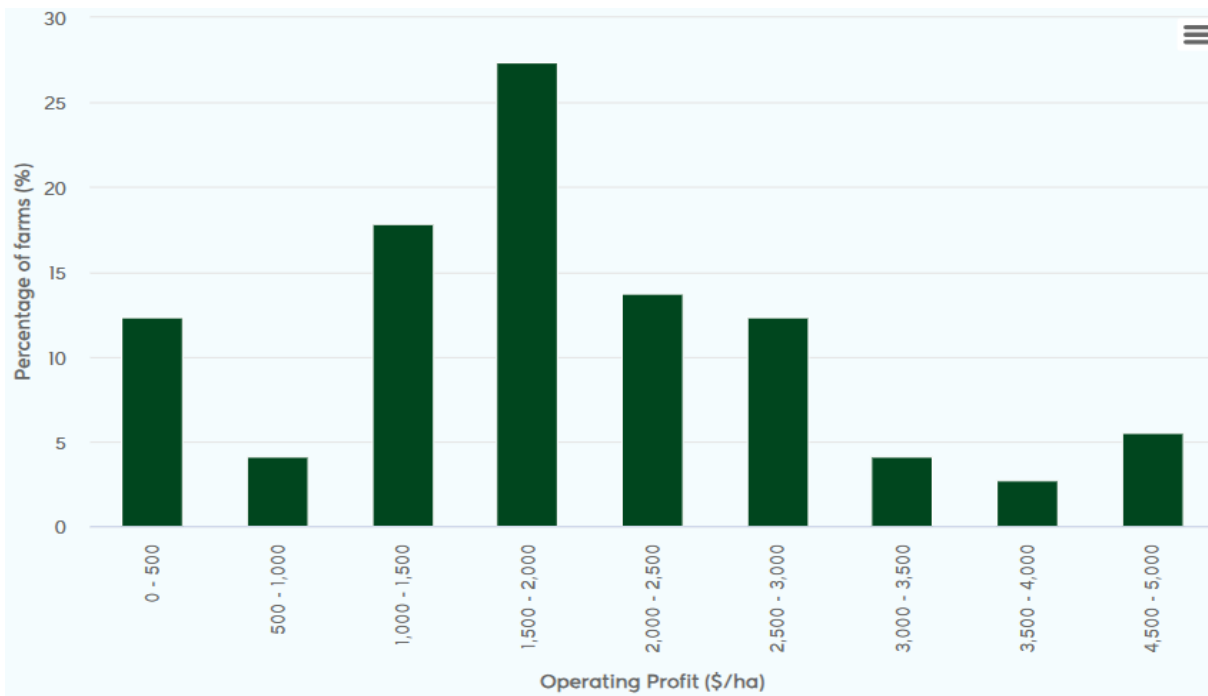
Season	Animal health expenditure (%)	Depreciation expenditure (%)	Feed expenditure (%)	Fertiliser expenditure (%)	Labour expenditure (%)	Maintenance expenditure (%)	Overheads expenditure (%)
2015-16	13.2	5.9	23.9	4.8	31.1	16.1	5
2016-17	14.1	5	22.5	4.9	31.2	17.4	4.9
2017-18	13.8	5.4	25	4.5	30.8	16	4.5
2018-19	14.4	4.8	26.7	4.7	29.1	15.6	4.7
2019-20	14.1	4.9	26.8	5.1	29	15.7	4.4
2020-21	14.2	5.1	25.6	4.4	30.4	15.8	4.5
2021-22	14.2	4.5	27.8	4.8	29.3	15.1	4.3
2022-23	13.5	4.5	28.9	5.4	28.1	15.2	4.4
2023-24	13.4	4.3	29.1	4.3	29.3	15	4.6
2024-25	14.1	4.7	26.5	4.2	29	16.1	5.4

8.4. Profitability

Operating profit is a key indicator of dairy farm financial performance. This measure, expressed on a per hectare basis, is useful for comparing the profitability between farms. Operating profit incorporates adjustments to allow comparisons between farms but does not include interest, tax or rent payments. Tables 13.1 to 13.4 show the revenue and expenditure items included in operating profit. On average, operating profit per hectare reached a new record high in the 2024-25 season (\$2,154) which was 2.2 times higher than the previous season (\$961), and well above the 10-year average operating profit (\$1,010).

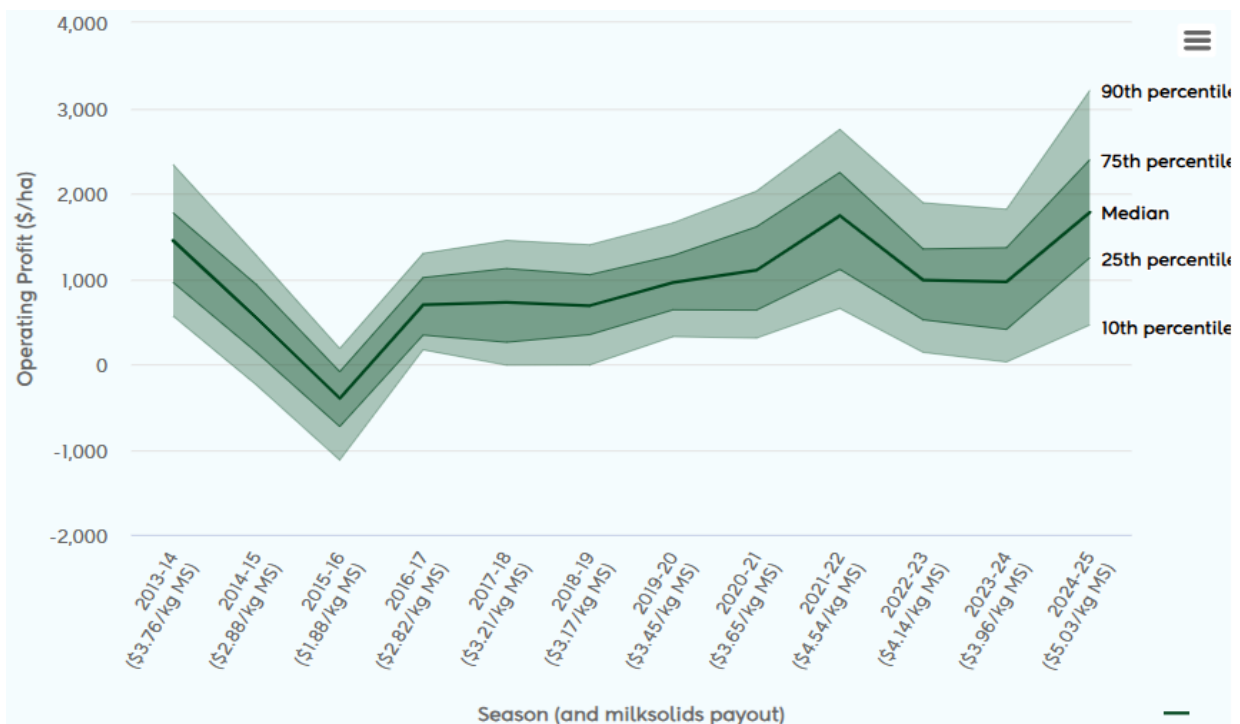
Graph 8.4 shows the distribution of operating profit per hectare in the 2024-25 season. Fifty-nine % of 50:50 sharemilkers had operating profits between \$1,000 and \$2,500 per hectare, while 12 % of farmers had operating profits between \$3,000 and \$5,000 per hectare. About 12 % of farms recorded a modest \$0.0 to \$500.0 operating profit per hectare in 2024-25 (Graph 8.4).

Graph 8.4: Distribution of Operating Profit (\$/hectare) in 2024-25



Graph 8.5 shows the distribution of operating profit (\$/ha) over the past ten seasons. Similar to owner-operators, the distribution of operating profit for 50:50 sharemilkers has noticeable shifts across seasons, largely influenced by the milksolids payout. In 2024-25, the range in operating profit (\$/ha) was wider than in the previous season, with the middle 50% of farms (between the 25th and 75th percentile) earning between \$1,245 and \$2,394 per hectare, a range of \$1,149. Ten % of farms recorded an operating profit below \$457 per hectare.

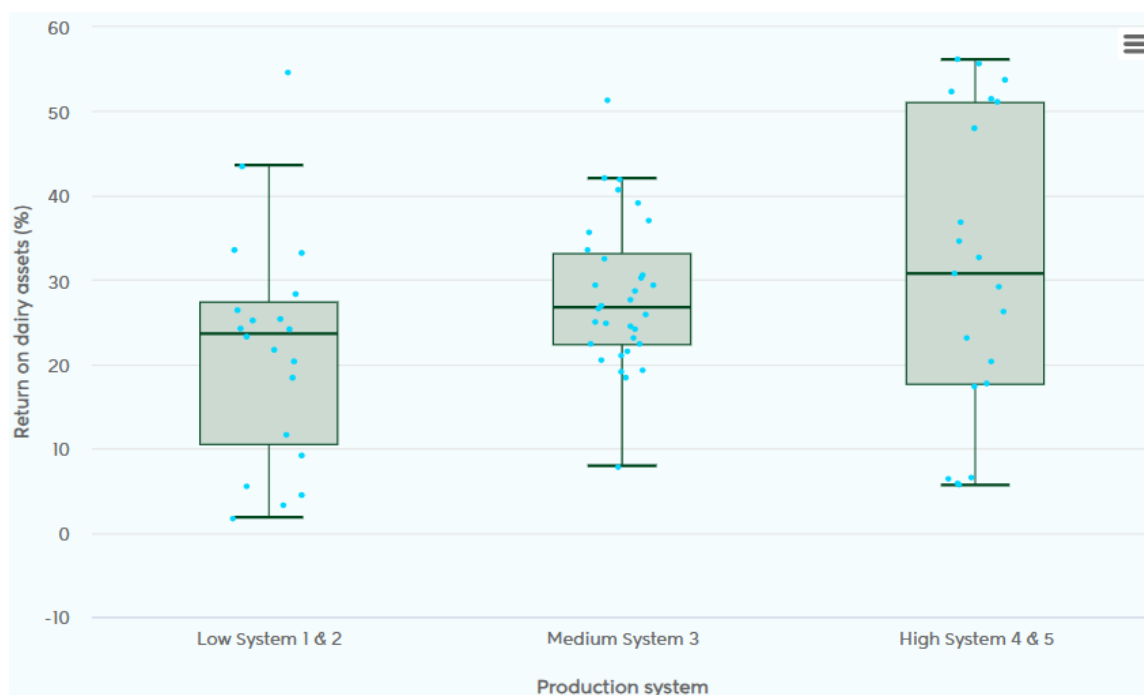
Graph 8.5: Distribution of Operating Profit (\$/ha) in the last 10 seasons



Operating return on dairy assets measures the operating profit generated by the dairy assets employed at the start of the season. This measure excludes non-dairy activities and any change in capital value. For sharemilkers,

operating returns on dairy assets are more volatile than owner-operators, as sharemilkers' dairy assets are primarily livestock, which are more susceptible to market fluctuations. The average operating return on dairy assets for sharemilkers increased from 14.7 % in 2023-24 to 30.1 % in 2024-25. Graph 8.6 shows the distribution of operating return on dairy assets by production systems. Grouping farm production systems into low (systems 1 and 2), medium (system 3), and high input (systems 4 and 5) shows that high input systems had a higher median operating return on dairy assets (30.8%) than medium and low input systems (26.7% and 23.6%, respectively).

Graph 8.6: Return on Dairy Assets Distribution in 2024-25



Business profit before tax is another measure of profitability that considers the cost of borrowing and other non-dairy activities, measuring the overall profitability of the business enterprise and not just the dairy farm operation (Table 8.2).

Table 8.2: Business Profit before Tax

BUSINESS PROFIT (\$):	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Dairy operating profit	-53,678	91,877	98,570	117,177	151,293	180,220	246,175	161,879	139,591	310,712
Plus labour adjustment	73,553	72,041	80,608	80,071	82,559	91,240	100,776	102,774	104,061	109,949
Plus owned support block adjustment	695	508	251	299	479	611	1,010	860	0	106
Plus net non-dairy profit	2,203	2,387	2,758	2,615	1,209	5,284	844	2,636	2,547	2,340
Plus net off-farm income	4,546	2,281	4,071	5,230	10,975	8,513	12,921	12,018	11,674	18,962
Less rent (excluding support block)	1,407	1,047	2,320	827	1,220	438	214	43	113	1,800
Less interest	37,949	34,629	31,626	36,976	27,516	21,389	19,725	29,384	39,163	24,186
Business profit before tax	-12,038	133,967	154,478	166,064	217,779	264,041	341,787	250,740	218,598	416,084
Business profit before tax (\$/total hectares)	-75	841	967	951	1,260	1,577	2,202	1,480	1,272	2,383

In 2024-25, the average sharemilker made a business profit before tax of \$416,084 per farm, up \$ 197,486 compared to the previous season. This business profit is equivalent to \$2,383 per all effective hectares (effective dairy + effective dairy support block + effective non-dairy). Interest paid in 2024-25 (\$24,186) declined from the previous

season's high, reflecting a reduction in official cash rate during the season. Rent payments in 2024-25 (\$1,800) were significantly higher than the 10-year average (\$848).

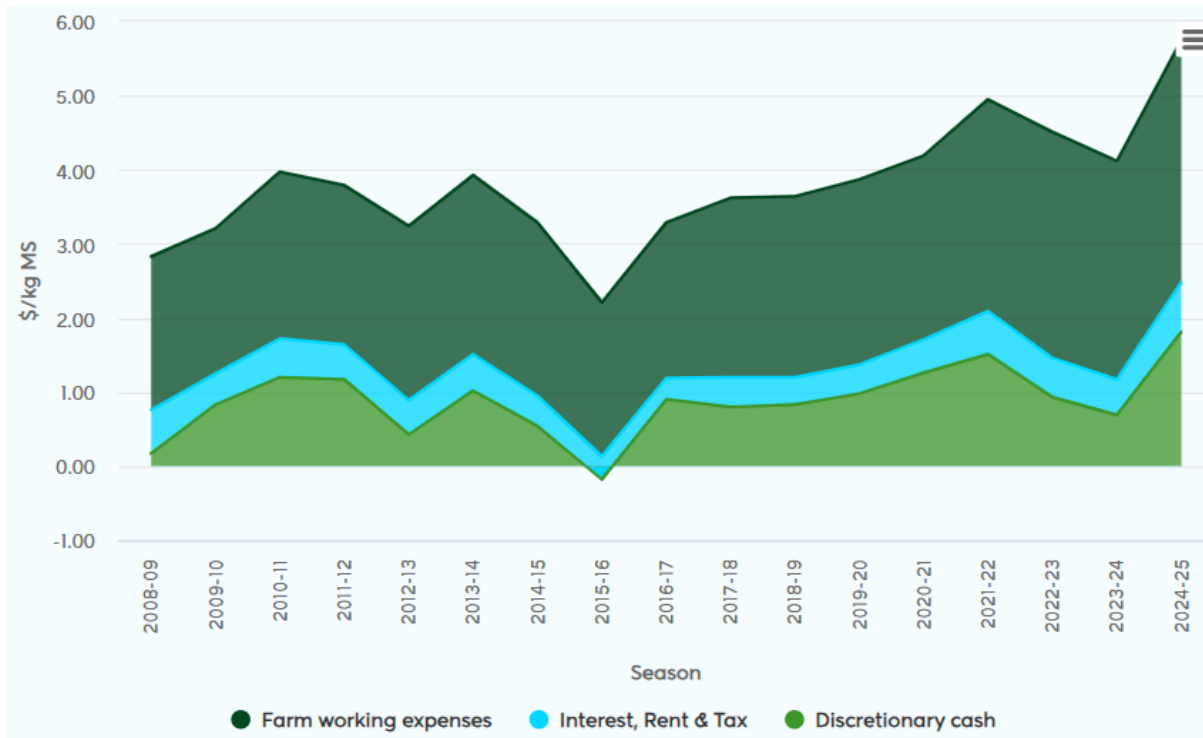
8.5. Cash Flow

The cash operating surplus is the difference between net dairy cash income and farm working expenses. In 2024-25, the average cash operating surplus of 50:50 sharemilkers (\$445,426) increased by 118 % compared to the previous season. On a per kilogram of milksolids basis, the \$2.37 cash operating surplus was up \$1.27 from last season. Once rent, interest and tax are paid, and net income from non-dairy farming activities and net off-farm income are added, the remaining value is discretionary cash. Total discretionary cash in 2024-25 was \$341,097 up \$212,552 from the previous season and equivalent to \$1.81 per kilogram of milksolids (Table 13.5).

Many farm businesses include cash funds and off-farm income in their annual accounts. The cash available after including these activities and any change of funds deposited or withdrawn from the IRD Income Equalisation Scheme is the cash available for personal living and business growth, which can be used for drawings, debt repayments and/or capital development and purchases. In 2024-25, cash available for living and business growth was \$279,762 per farm, up \$149,194 from last season (Table 13.5).

In 2024-25, on a per kilogram of milksolids basis, net dairy cash income (\$5.64) was \$1.59 lower than in the previous season (\$4.05). After farm working expenses (\$3.27) and interest, rent & tax (\$0.67) were deducted, a discretionary cash of \$1.81 was left per kilogram of milksolids (Graph 8.7). Discretionary cash per kilogram of milksolids in the 2024-25 season was higher than the previous season (\$0.69) and a record high over the past 10 years.

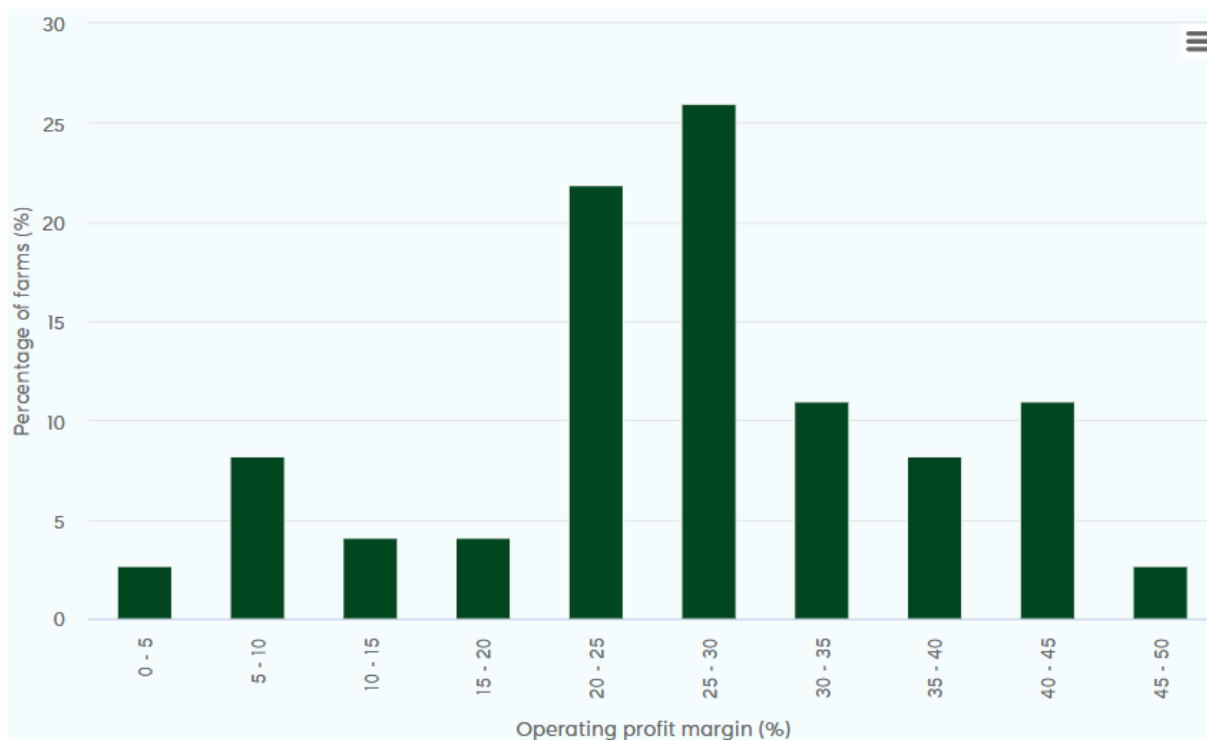
Graph 8.7: Annual Change in Revenue and Expenditure Over 10 Years (\$/kg MS)



8.6. Operating Profit Margin

Operating profit margin is an indicator of dairy farm financial performance. This measurement is expressed as a percentage and describes the proportion of gross farm revenue converted to profit. The ability of a farmer to convert a high proportion of their revenue to profit indicates that the farm is cost-efficient and better placed to deal with financial and production risks. Graph 8.8 shows the distribution of operating profit margins in the 2024-25 season. In this season, 67 % of 50:50 sharemilkers had an operating profit margin between 20 % and 40 % (Graph 8.8).

Graph 8.8: Distribution of Operating Profit Margins (%) in 2024-25



9.50:50 Sharemilkers: Equity and Capital Financial Analysis

9.1. Introduction

This section considers dairy farms' equity and capital position, with additional information about trends over time in these positions.

The average dairy operating profit per hectare for 50:50 sharemilkers in 2024-25 increased by \$1,193 to \$2,154. Cash operating surplus per farm in 2024-25 (\$445,426) was \$241,306 (118%) higher than in the previous year. The average interest paid by 50:50 sharemilkers in 2024-25 (\$24,186) was \$14,977 (38%) lower than in the previous season (Table 13.5). After the addition of introduced funds and income equalisation, the discretionary cash available in 2024-25 was \$341,097, \$212,552 (165%) higher than in the previous season (\$128,545). The cash surplus per kilogram of milksolids in 2024-25 (\$0.26) was higher than in the previous season (\$0.16) and well above the 10-year average (\$0.04). Sharemilkers' equity grew by \$404,936 in 2024-25, to \$1,315,828, driven by growth in equity from the farming operation (\$204,258) and from the growth in capital (\$200,753). Total liabilities as a percentage of total assets (the debt-to-asset ratio) decreased to 24.5% at the end of the season. Closing term liabilities per kilogram of milksolids decreased from \$2.41 in 2023-24 season to \$1.64 in 2024-25, a record low for the past 10 seasons.

9.2. Dairy Assets

Total dairy assets increased by \$406,132 during the 2024-25 season, closing at \$1,571,409 per farm (Table 13.6). Livestock constitutes the highest proportion of sharemilkers' dairy assets, comprising 71 % of total dairy assets at closing.

9.3. Liabilities and Debt Servicing

Interest is the cash cost of borrowing funds, while rent is the cost of borrowing assets. The average interest and rent per kilogram of milksolids in 2024-25 was \$0.14, lower than the 2023-24 seasons of \$0.21 (Table 9.2). The average term debt decreased by \$19,779 during the 2024-25, closing at \$308,088 per farm (Table 13.6).

The flow of funds (Table 9.1) shows the components of the change in working capital, including the source and application of cash funds. The total source of funds for 2024-25 (\$593,739) were mostly from farm operations that is cash operating surplus and change in working capital, each representing 75 % and 35 % of total source of funds, respectively. Of the funds applied, 31 % was spent on drawings (9 percentage points less than the previous season) and 23 % was used for tax payments (\$99,753). Net capital transactions (\$117,541) represented 33 % of total funds applied.

Table 9.1: Flow of Funds

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
WORKING CAPITAL:										
Change in current assets	-16,221	22,455	2,932	-24,375	112,605	161,046	195,556	153,504	150,590	242,831
Less change in current liabilities	23,954	-9,244	15,668	-10,322	-10,193	-16,512	21,208	-3,071	-17,325	34,814
Change in working capital	-40,175	31,699	-12,736	-14,053	122,798	177,558	174,349	156,575	167,916	208,017
WORKING CAPITAL:										
Cash operating surplus	11,433	167,540	169,323	213,273	230,372	298,298	344,252	250,934	204,120	445,426
Plus change in working capital	-40,175	31,699	-12,736	-14,053	122,798	177,558	174,349	156,575	167,916	208,017
Plus net non-dairy cash income	2,243	1,798	1,996	2,659	-1,380	5,060	906	1,611	2,231	2,449
Plus net off-farm income	4,546	2,281	4,071	5,230	10,975	8,513	12,921	12,018	11,674	18,962
Plus introduced funds	26,601	12,583	14,806	-19,006	-10,255	27,709	-9,120	13,246	2,037	-61,830
Plus income equalisation	5,707	1,412	0	470	0	596	0	-817	-14	495
Plus increase in term debt	37,011	-17,644	-20,730	33,643	-8,192	-20,070	-60,025	-48,487	18,092	-19,779
Total source of funds	47,366	199,669	156,730	222,216	344,318	497,664	463,283	385,080	406,056	593,739
APPLICATION OF FUNDS:										
Rent (excluding support block)	1,407	1,047	2,320	827	1,220	438	214	43	113	1,800
Plus interest	37,949	34,629	31,626	36,976	27,516	21,389	19,725	29,384	39,163	24,186
Plus tax	5,492	6,220	24,199	30,109	39,336	60,010	79,532	66,548	50,204	99,753
Plus net capital transactions	26,407	36,654	49,540	113,811	57,631	119,380	84,090	48,159	41,720	117,541
Plus drawings	56,461	57,721	74,517	67,169	65,458	76,247	79,739	90,535	89,566	112,072
Total application of funds	127,716	136,271	182,202	248,891	191,161	277,464	263,300	234,670	220,766	355,353
Total source of funds less application of funds	-80,350	63,398	-25,472	-26,675	153,157	220,200	199,984	150,411	185,290	238,387

In 2024-25, the average cash operating surplus of 50:50 sharemilkers was \$445,426, the highest recorded in the past ten seasons (Table 9.1). This translates to \$2.37 per kilogram of milksolids (Table 13.5). The 2024-25 average level of discretionary cash was \$341,097 per farm, \$212,552 higher than in the previous season and \$ 173,861 above the 10-year average (Table 13.5). The average term liabilities per kilogram of milksolids decreased by \$0.77 in the 2024-25 season, to \$2.41, the lowest of the past 10 seasons (Table 9.2).

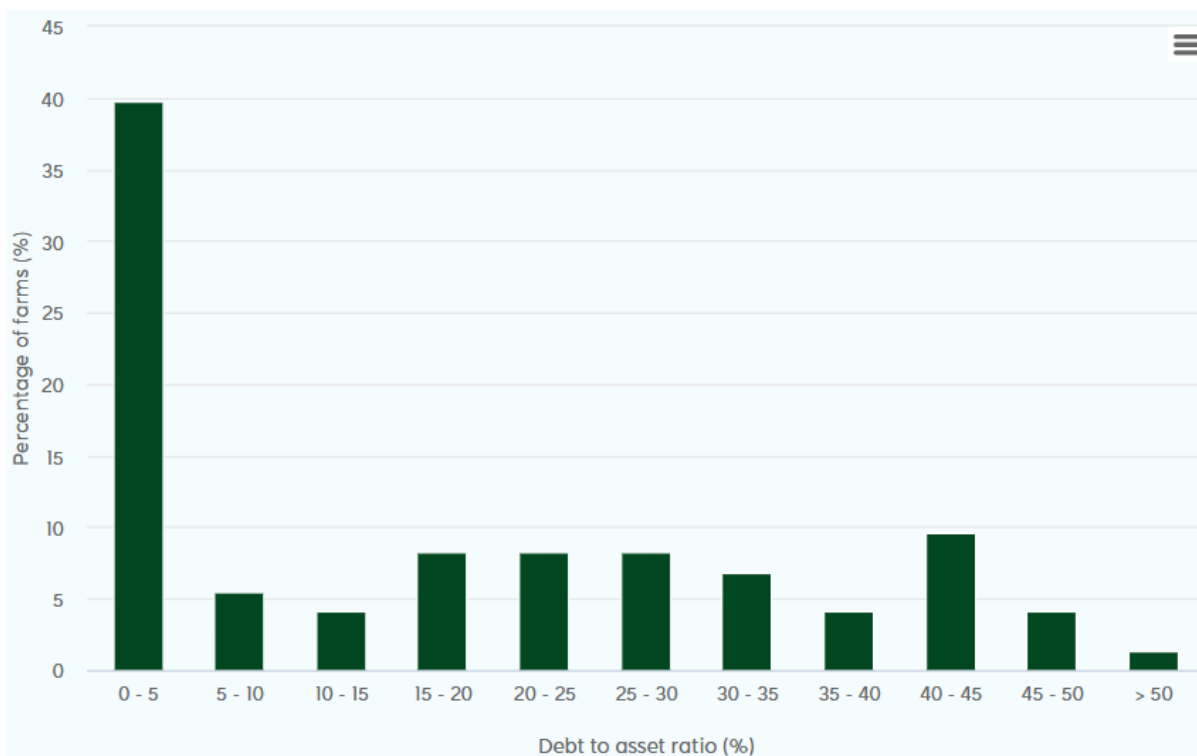
Table 9.2: Debt Servicing Ratios

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Interest & rent \$/kg MS	0.27	0.25	0.23	0.20	0.16	0.12	0.12	0.16	0.21	0.14
Interest & rent % GFR	11.5	7.3	6.1	5.6	4.1	2.9	2.3	3.5	4.8	2.4
Term liabilities \$/kg MS	4.07	4.05	3.81	3.78	3.19	2.91	2.67	2.29	2.41	1.64

The debt-to-asset ratio decreased to 24.5 % in 2024-25, down from 39.4 % and 36.6 % in the previous two seasons, respectively. This marks a reversal of the upswing observed in 2023-24. As a result, the 2024-25 debt-to-asset ratio was the lowest recorded over the past decade.

Graph 9.1 shows the distribution of debt-to-asset ratio for 50:50 sharemilkers in the 2024-25 season. About 45 % of farms had a debt-to-asset ratio below 10 %, 74 % of farms had a debt-to-asset ratio below 30 %.

Graph 9.1: Debt to Asset Distribution in 2024-25



9.4. Returns

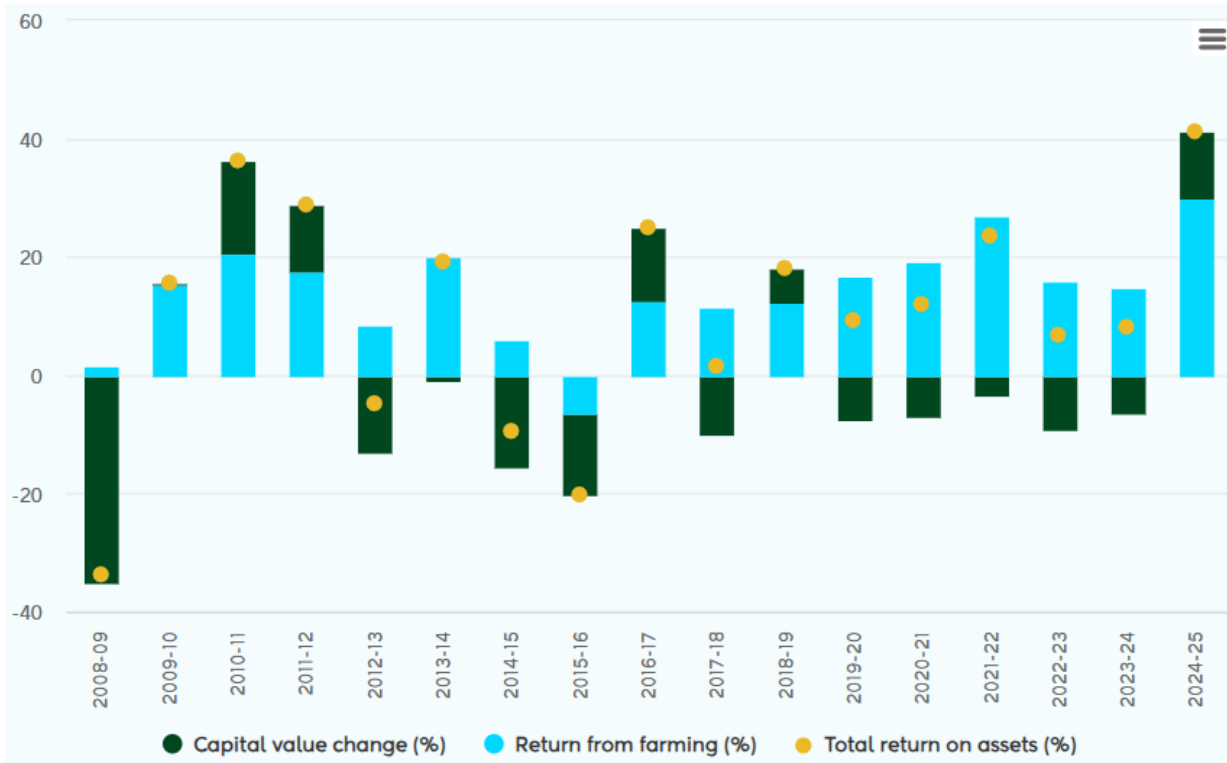
The return on dairy assets is discussed under farm profitability (section 8.4). The total return on assets considers operating profit from both dairy and non-dairy farming operations, plus the change in the value of capital assets. The total return on assets in 2024-25 was 41.2 %, an increase of 33 percentage points from the previous season (Table 13.7).

For 50:50 sharemilkers, the net return from dairy activity in the 2024-25 season was \$309,018 per farm, a record high over the previous ten seasons (Table 13.7). Combined with an average change in capital value of -\$233,723 per farm resulted in a total return of \$545,082 in the 2024-25 season. In general, 50:50 Sharemilker returns are more volatile than those earned by owner-operators due to livestock being their largest asset class and livestock values fluctuating with greater magnitude than land prices.

During the past 10 years (2015-16 to 2022-24) the total return on assets has ranged between -20.2 (2015-16) and 41.2 % (2024-25), as a result of changes in capital and returns from farming operations (Graph 9.2).

The percentage return on equity is the return on the owner's funds, including capital changes after interest is paid (Table 13.7). The return on equity will be higher than the total return on assets when the latter is greater than the cost of debt and vice versa. In 2024-25, the total return on equity was 59.3 % (Table 13.7), well above the previous season (10.5%) and the 10-year average of 21.4%.

Graph 9.2: Sharemilker Total Return on Assets



10. 50:50 Sharemilkers: Regional Financial Analysis

10.1. Regional Profitability

DairyBase classifies farms into eight regions, five in the North Island and three in the South Island (refer to section 2.6). Table 10.1 and 10.2 shows key 2024-25 average performance indicators per kilogram of milksolids for 50:50 sharemilker farms in these eight regions. The low number of farms in the regions presented here may also reduce the representativeness of the sample. Both Table 10.1 and 10.2 report median values to reduce numerical bias created by the average of sums methodology in regional samples. Thus, totals and sub-totals in these tables will better represent average values of the data sample but will not add up. See section 2.11 for an explanation of this methodology.

The average herd sizes in the South Island were considerably larger than in the North Island. Taranaki region had the smallest average herd size of 245 cows, followed by the Bay of Plenty region (300). Canterbury had the largest average herd size in the South Island and the country with 750 cows, 241 cows more than the average Otago-Southland farm (509 cows).

Between regions, range of stocking rates varies between 1.8 and 3.8 cows per hectare. Of the regions contributing data, West Coast - Top of the South region had the lowest stocking rate (1.8 cows/ha), Canterbury had the highest stocking rate (3.8 cows/ha), and the remaining regions had average stocking rates between 2.2 and 2.9 cows/ha.

For 50:50 sharemilkers, the regional averages for milksolids production per cow varied between 331 (Northland) and 506 (Canterbury) in 2024-25. The North Island regions recorded milksolids per cow between 331 and 438 kg MS. On a per hectare basis, the Canterbury and Otago - Southland regions recorded the highest milksolids production per hectare (1,968 and 1,337 kg MS/ha, respectively) (Table 10.1). In the North Island regions milksolids production per hectare varied between 724 and 1,214 kg MS.

The average payout received in each region varied between \$4.94 (West Coast - Top of the South) and \$5.02 (Waikato and Canterbury) per kilogram of milksolids. Farm working expenses (FWE) per kilogram of milksolids was lowest in the West Coast - Top of the South region (\$2.64) and highest in Otago - Southland region (\$3.50). The bottom of Table 10.1 shows the regional gross farm revenue, operating expenses and operating profit levels on a per hectare basis in 2024-25. Canterbury recorded the highest operating profit on a per hectare basis (\$4,614), and per kilogram of milksolids basis (\$2.18/kg MS). Operating profit per hectare for 50:50 sharemilker farms in the North Island ranged from \$1,332 (Bay of Plenty) to \$1,982 (Waikato) in 2024-25

Table 10.1: Regional Sharemilker Profitability (\$/kg MS) 2024-25

Variable	Northland	Waikato	Bay of Plenty	Taranaki	Lower North Island	West Coast - Top of the South	Canterbury	Otago - Southland
PHYSICAL CHARACTERISTICS								
Number of herds	6	22	10	9	5	5	7	9
Effective hectares	140	104	127	88	137	190	194	182
Peak cows milked	353	317	300	245	425	480	750	509
Stocking rate (cows/ha)	2.2	2.9	2.8	2.7	2.9	1.8	3.8	2.6
Kg milksolids sold	119,870	121,840	123,804	103,982	183,175	217,337	387,993	272,914
Milksolids sold per hectare	724	1,214	1,043	1,182	1,158	805	1,968	1,337
Milksolids sold per cow	331	404	397	438	415	400	506	503
PAYOUT RECEIVED (\$/kg MS sold)	4.99	5.02	4.96	4.99	4.96	4.94	5.02	4.98
DAIRY CASH INCOME (\$/kg MS):								
Milk sales (net of dairy levies)	4.99	5.02	4.96	4.99	4.96	4.94	5.02	4.98
Net livestock sales (sales - purchases)	0.77	0.54	0.74	0.48	0.57	0.42	0.60	0.55
Other dairy cash income	0.05	0.00	0.00	0.01	0.01	0.01	0.00	0.01
Net dairy cash income	5.80	5.61	5.79	5.52	5.50	5.50	5.76	5.63
CASH FARM WORKING EXPENSES (\$/kg MS):								
Wages	0.46	0.53	0.50	0.09	0.68	0.62	0.60	0.56
Animal health	0.27	0.31	0.36	0.33	0.33	0.32	0.31	0.25
Breeding & herd improvement	0.21	0.23	0.19	0.20	0.19	0.17	0.15	0.18
Farm dairy	0.05	0.06	0.06	0.07	0.07	0.06	0.05	0.05
Electricity	0.16	0.14	0.16	0.14	0.12	0.14	0.13	0.10
Net feed made, purchased, cropped	0.77	0.79	0.62	0.74	0.58	0.37	0.66	0.84
Stock grazing	0.03	0.26	0.18	0.26	0.26	0.09	0.69	0.61
Support block lease	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fertiliser (including Nitrogen)	0.25	0.15	0.16	0.18	0.16	0.30	0.14	0.17
Irrigation	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00
Regrassing	0.02	0.00	0.02	0.01	0.02	0.01	0.01	0.01
Weed & pest	0.07	0.01	0.00	0.02	0.00	0.01	0.00	0.00
Vehicles & fuel	0.32	0.23	0.25	0.26	0.25	0.25	0.14	0.18
Repairs & maintenance	0.08	0.12	0.11	0.11	0.07	0.16	0.06	0.12
Freight & general	0.04	0.06	0.07	0.08	0.07	0.10	0.02	0.07
Administration	0.09	0.11	0.16	0.16	0.11	0.14	0.10	0.11
Insurance	0.05	0.05	0.07	0.08	0.04	0.06	0.04	0.04
ACC	0.04	0.03	0.04	0.04	0.01	0.04	0.02	0.02
Rates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Farm working expenses	3.14	3.24	3.00	3.01	2.93	2.64	3.24	3.50
Cash operating surplus	3.05	2.41	2.61	2.40	2.65	2.85	2.59	2.24
ADJUSTMENTS (\$/kg MS):								
Value of change in dairy livestock	0.23	0.00	0.01	0.07	0.10	0.00	0.04	-0.03
Less labour adjustment	1.11	0.66	0.82	0.89	0.64	0.51	0.35	0.50
Plus feed inventory adjustment	0.00	0.00	-0.02	0.00	-0.01	0.00	0.00	0.00
Less owned support block adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less depreciation	0.19	0.21	0.25	0.21	0.12	0.23	0.12	0.14
Net Adjustments	-1.06	-0.89	-1.53	-1.10	-0.88	-0.86	-0.41	-0.76
OPERATING CASH & NON-CASH (\$/kg MS):								
Dairy gross farm revenue	6.27	5.68	5.65	5.54	5.83	5.48	5.76	5.55
Dairy operating expenses	4.31	4.06	4.32	4.15	4.19	4.10	3.72	4.09
Dairy operating profit	1.68	1.53	1.21	1.38	1.67	1.29	2.18	1.41

OPERATING CASH & NON-CASH (\$/ha):								
Dairy gross farm revenue	4,446	6,897	5,833	6,542	6,703	4,215	11,155	7,480
Dairy operating expenses	3,162	4,767	4,524	5,022	4,089	3,179	6,948	5,009
Dairy operating profit	1,342	1,982	1,332	1,713	1,912	1,037	4,614	1,836
Operating profit margin (%)	27.6	27.7	21.8	25.1	28.5	24.6	36.9	25.6

Table 10.2 shows the eight regions' 2024-25 key financial indicators for 2024-25. The values reported in this table are medians (see section 2.11 for more information). In 2024-25, the average operating returns on dairy assets ranged from 22.5 % (Bay of Plenty) to 52.4 % (Canterbury). Regional total returns on assets were higher than operating returns on dairy assets and ranged from 30.5 % (West Coast - Top of the South) to 58.5 % (Canterbury).

Total return on equity is the return on the owner's funds, including capital changes after interest is paid. All regions recorded a positive total return on equity. In 2024-25, West Coast - Top of the South had the highest closing term liabilities (\$2.1/kg MS) while Taranaki had the highest debt-to-asset ratio (30.9%). Lower North Island recorded the lowest closing term liabilities (\$0.00/kg MS) and the lowest closing debt-to-asset ratio (8.5%) (see Table 10.2).

Table 10.2: Regional 50:50 Sharemilker Financial Position 2024-25

Variable	Northland	Waikato	Bay of Plenty	Taranaki	Lower North Island	West Coast - Top of the South	Canterbury	Otago - Southland
RETURNS:								
Operating return on dairy assets %	23.5	25.5	22.5	23.0	25.3	24.0	52.4	28.7
Total return on assets %	46.0	38.8	38.6	31.6	45.5	30.5	58.5	37.6
Total return on equity %	57.9	55.2	48.4	50.2	51.2	66.5	69.6	75.8
Growth in equity %	56.8	43.9	51.7	63.6	57.7	38.1	44.1	47.8
DEBT:								
Closing term liabilities (\$/kg MS sold)	0.78	1.84	1.36	1.63	0.00	2.10	0.85	0.54
Closing debt to asset %	15.7	25.1	25.1	30.9	8.5	24.5	26.7	15.5

11. Key performance indicators of competitiveness

This chapter presents the distribution of some key performance indicators to assess the international competitiveness and economic resilience of the New Zealand dairy sector. These measures are:

- The cost of production, measured in terms of dollars per kilogram of milksolids, is a popular metric in global studies of competitiveness. In the New Zealand context, it is measured as operating expenses (\$) per kilogram of milksolids. A lower cost of production mitigates the impact of a low milk price on profitability and results in increased operating profit during high milk prices. It is a key measure of resilience as a low cost of production helps to buffer the impacts of a change in the milk price on a farm business.
- The dairy operating profit margin (%) is the ratio of operating profit and gross farm revenue. The dairy operating profit margin is a percentage most often between zero and fifty. A higher value denotes that a farm produces a given level of revenue at a lower cost, indicating that farm can better survive through turbulent market and production conditions.
- The operating return on dairy assets, measured in percentage terms, is a key financial metric used worldwide to measure how effectively a business is employing their asset base. This metric captures the ability of a farm to grow through careful, considered investment in high-performing assets.
- The equity to milksolids metric, measured in dollars per kilogram of milksolids terms, reflects resilience through its focus on the value of the farm business asset that is owned and not borrowed. Accounting for the level of milk production makes it easier to compare across farms, both nationally and globally.

These measures are reported in Tables 11.1 through 11.4 by quartiles and the mean. The quartiles can be interpreted as follows:

- The 25th percentile for a variable represents a value where 25 % of the data is lower.
- The 50th percentile or median represents the centre of the data, such that 50 % of data points are lower, and 50 % are higher than this value.
- The 75th percentile represents a value such that 75 % of observations are lower than this value.

In comparison, the mean is an average calculated by adding all values together and dividing by the number of observations. The mean provides an average across the values for all observations.

Table 11.1: Cost of Production

COST OF PRODUCTION (Operating expenses / kg MS)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
25th percentile	4.66	5.32	5.62	5.69	5.95	5.94	7.09	7.51	7.39	7.82
Mean	4.21	4.57	5.02	5.15	5.38	5.34	6.43	6.72	6.6	7.12
50th percentile	4.36	4.72	5.12	5.18	5.47	5.44	6.51	6.84	6.75	7.11
75th percentile	3.9	4.13	4.55	4.61	4.88	4.84	5.72	6.02	5.8	6.28

Note:

- Cost of production = Operating expenses

Table 11.2: Operating Profit Margin

OPERATING PROFIT MARGIN (%)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
25th percentile	-6.3	19.3	23.1	20.1	21.7	25.5	28.2	20	17.7	28.6
Mean	2.2	27.5	29.7	26.5	28.5	31.5	34.1	26.4	25.3	34.5
50th percentile	4.7	30.5	30.9	26.5	30	32.5	35.3	27.1	25.9	34.2
75th percentile	12.1	36.1	36.1	33.8	35.5	38.9	41.6	34.7	34.2	41.8

Table 11.3: Operating Return on Assets

OPERATING RETURN ON DAIRY ASSETS (%)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
25th percentile	-0.7	2.7	3.2	2.7	3.2	4.3	5.4	3.4	3.3	5.6
Mean	-0.1	4.4	5.3	4	5.2	6.3	7.6	5.3	5	7.9
50th percentile	0.1	4.3	4.5	3.9	4.8	5.8	7.3	5.2	4.8	7.4
75th percentile	1	5.4	6.3	5.2	6.8	8	9.6	6.9	6.6	10.4

Table 11.4: Equity

EQUITY (\$/kg MS)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
25th percentile	13.08	18.32	14.92	13.42	13.62	14.09	17.53	18.52	17.47	24.79
Mean	25.06	30.78	27.19	25.22	26.26	26.52	32.7	35.01	31.53	39.99
50th percentile	22.08	26.28	25.09	20.61	21.6	22.17	26.59	27.75	24.68	35.45
75th percentile	34.14	41.17	33.99	34.17	35.09	33.43	40.03	42.1	40.12	49.44

12. Time Series Tables: Owner-Operator

Table 12.1: Cash Operating Surplus and Operating Profit - \$ per farm

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PHYSICAL CHARACTERISTICS										
Number of herds	279	316	265	260	326	308	255	266	200	201
Effective hectares	148	148	151	146	142	141	144	145	148	149
Peak cows milked	418	414	430	424	415	408	419	407	411	416
Stocking rate (cows/ha)	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.8	2.8	2.8
Kg milksolids sold	160,270	160,302	161,567	167,189	169,761	171,720	172,832	169,990	174,235	181,139
Milksolids sold per hectare	1,082	1,085	1,067	1,145	1,194	1,222	1,199	1,174	1,180	1,219
Milksolids sold per cow	383	387	376	395	409	421	413	418	423	435
PAYOUT RECEIVED (\$/kg MS sold)	3.92	5.79	6.62	6.42	7.05	7.40	9.19	8.68	8.33	10.02
DAIRY CASH INCOME (\$):										
Milk sales (net of dairy levies)	628,192	928,944	1,068,927	1,073,346	1,197,023	1,271,447	1,588,525	1,475,356	1,452,066	1,815,116
Net livestock sales (sales - purchases)	90,596	79,495	80,967	77,911	82,883	83,337	95,756	86,782	101,718	117,644
Other dairy cash income	5,819	5,633	6,789	6,377	5,836	7,705	7,495	8,155	8,491	9,691
Net dairy cash income	724,607	1,014,072	1,156,683	1,157,633	1,285,742	1,362,488	1,691,776	1,570,293	1,562,276	1,942,452
CASH FARM WORKING EXPENSES (\$):										
Wages	103,689	92,630	106,331	110,011	113,880	111,931	123,332	133,711	134,291	138,894
Animal health	30,906	34,577	37,497	37,958	40,754	41,674	51,240	52,827	53,811	55,131
Breeding & herd improvement	19,702	21,986	25,043	27,336	28,626	28,930	30,470	31,339	31,256	35,516
Farm dairy	7,902	9,636	9,433	9,773	10,804	10,391	11,569	13,478	13,901	14,721
Electricity	17,646	18,352	18,256	18,521	18,818	19,217	20,233	20,242	21,824	23,719
Net feed made, purchased, cropped	118,281	120,103	151,337	167,341	175,287	186,564	245,970	259,152	245,051	284,040
Stock grazing	64,317	58,368	58,254	71,042	72,720	70,207	73,343	87,739	97,164	90,865
Support block lease	12,385	12,322	10,882	9,548	10,371	10,285	13,850	9,924	9,488	12,780
Fertiliser (including Nitrogen)	66,595	73,964	77,478	77,175	77,691	75,625	101,368	114,986	95,551	98,443
Irrigation	7,987	8,527	8,314	12,833	18,773	16,270	14,191	13,496	15,886	17,955
Regrassing	7,751	9,913	12,503	11,654	12,456	12,321	15,067	15,005	14,078	18,775
Weed & pest	5,561	5,631	5,951	5,299	5,441	5,567	7,981	6,990	6,179	7,154
Vehicles & fuel	26,704	29,220	31,584	30,955	30,230	28,783	39,257	43,802	41,441	42,631
Repairs & maintenance	35,753	46,630	63,665	58,032	61,811	70,505	89,439	85,992	76,379	96,165
Freight & general	8,666	7,755	8,518	7,912	12,330	12,109	14,389	15,164	13,871	12,463
Administration	18,974	17,895	19,675	21,182	24,213	24,300	27,755	30,497	33,066	37,068
Insurance	10,252	10,947	12,635	13,587	13,961	14,319	16,302	17,533	21,076	22,667
ACC	3,690	3,445	3,785	3,750	3,134	4,785	5,041	5,492	5,352	5,672
Rates	16,089	16,761	17,031	17,022	16,979	17,212	19,289	19,427	20,507	24,019
Farm working expenses	582,850	598,662	678,172	710,932	748,282	760,996	920,087	976,798	950,173	1,038,678
Cash operating surplus	141,757	415,410	478,511	446,701	537,460	601,492	771,689	593,495	612,103	903,774
ADJUSTMENTS (\$):										
Value of change in dairy livestock	-13,067	9,835	11,378	8,780	7,282	230	3,176	877	-8,434	9,870
Less labour adjustment	56,341	61,154	63,920	62,545	62,011	70,195	79,852	80,362	84,797	90,057
Plus feed inventory adjustment	3,453	2,790	-2,413	3,164	-3,484	5,884	-1,929	17,404	4,156	-156
Less owned support block adjustment	14,126	14,359	16,786	13,143	16,151	16,720	18,843	20,738	22,776	22,029
Less depreciation	62,967	66,295	67,899	68,522	72,265	71,559	76,161	73,834	80,186	81,122
Net Adjustments	-143,048	-129,183	-139,640	-132,266	-146,629	-152,360	-173,609	-156,653	-192,038	-183,494
OPERATING CASH & NON-CASH:										
Dairy gross farm revenue	711,540	1,023,907	1,168,061	1,166,413	1,293,024	1,362,718	1,694,953	1,571,170	1,553,841	1,952,321
Dairy operating expenses	712,831	737,680	829,190	851,978	902,193	913,587	1,096,872	1,134,328	1,133,777	1,232,042
Dairy operating profit	-1,291	286,227	338,871	314,435	390,831	449,132	598,081	436,843	420,064	720,280

Table 12.2: Cash Operating Surplus and Operating Profit - \$ per cow

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PHYSICAL CHARACTERISTICS										
Number of herds	279	316	265	260	326	308	255	266	200	201
Effective hectares	148	148	151	146	142	141	144	145	148	149
Peak cows milked	418	414	430	424	415	408	419	407	411	416
Stocking rate (cows/ha)	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.8	2.8	2.8
Kg milksolids sold	160,270	160,302	161,567	167,189	169,761	171,720	172,832	169,990	174,235	181,139
Milksolids sold per hectare	1,082	1,085	1,067	1,145	1,194	1,222	1,199	1,174	1,180	1,219
Milksolids sold per cow	383	387	376	395	409	421	413	418	423	435
PAYOUT RECEIVED (\$/kg MS sold)	3.92	5.79	6.62	6.42	7.05	7.40	9.19	8.68	8.33	10.02
DAIRY CASH INCOME (\$/cow):										
Milk sales (net of dairy levies)	1,503	2,244	2,486	2,534	2,886	3,118	3,792	3,628	3,529	4,362
Net livestock sales (sales - purchases)	217	192	188	184	200	204	229	213	247	283
Other dairy cash income	14	14	16	15	14	19	18	20	21	23
Net dairy cash income	1,734	2,449	2,690	2,733	3,100	3,341	4,038	3,861	3,797	4,667
CASH FARM WORKING EXPENSES (\$/cow):										
Wages	248	224	247	260	275	274	294	329	326	334
Animal health	74	84	87	90	98	102	122	130	131	132
Breeding & herd improvement	47	53	58	65	69	71	73	77	76	85
Farm dairy	19	23	22	23	26	25	28	33	34	35
Electricity	42	44	42	44	45	47	48	50	53	57
Net feed made, purchased, cropped	283	290	352	395	423	457	587	637	596	683
Stock grazing	154	141	135	168	175	172	175	216	236	218
Support block lease	30	30	25	23	25	25	33	24	23	31
Fertiliser (including Nitrogen)	159	179	180	182	187	185	242	283	232	237
Irrigation	19	21	19	30	45	40	34	33	39	43
Regrassing	19	24	29	28	30	30	36	37	34	45
Weed & pest	13	14	14	13	13	14	19	17	15	17
Vehicles & fuel	64	71	73	73	73	71	94	108	101	102
Repairs & maintenance	86	113	148	137	149	173	213	211	186	231
Freight & general	21	19	20	19	30	30	34	37	34	30
Administration	45	43	46	50	58	60	66	75	80	89
Insurance	25	26	29	32	34	35	39	43	51	54
ACC	9	8	9	9	8	12	12	14	13	14
Rates	38	40	40	40	41	42	46	48	50	58
Farm working expenses	1,394	1,446	1,577	1,678	1,804	1,866	2,196	2,402	2,309	2,496
Cash operating surplus	339	1,003	1,113	1,055	1,296	1,475	1,842	1,459	1,488	2,172
ADJUSTMENTS (\$/cow):										
Value of change in dairy livestock	-31	24	26	21	18	1	8	2	-21	24
Less labour adjustment	135	148	149	148	149	172	191	198	206	216
Plus feed inventory adjustment	8	7	-6	7	-8	14	-5	43	10	0
Less owned support block adjustment	34	35	39	31	39	41	45	51	55	53
Less depreciation	151	160	158	162	174	175	182	182	195	195
Net Adjustments	-342	-312	-325	-312	-353	-374	-414	-385	-467	-441
OPERATING CASH & NON-CASH (\$/cow)										
Dairy gross farm revenue	1,702	2,473	2,716	2,754	3,117	3,341	4,046	3,863	3,777	4,691
Dairy operating expenses	1,705	1,782	1,928	2,011	2,175	2,240	2,618	2,789	2,756	2,960
Dairy operating profit	-3	691	788	742	942	1,101	1,428	1,074	1,021	1,731

Table 12.3: Cash Operating Surplus and Operating Profit - \$ per effective hectare

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PHYSICAL CHARACTERISTICS										
Number of herds	279	316	265	260	326	308	255	266	200	201
Effective hectares	148	148	151	146	142	141	144	145	148	149
Peak cows milked	418	414	430	424	415	408	419	407	411	416
Stocking rate (cows/ha)	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.8	2.8	2.8
Kg milksolids sold	160,270	160,302	161,567	167,189	169,761	171,720	172,832	169,990	174,235	181,139
Milksolids sold per hectare	1,082	1,085	1,067	1,145	1,194	1,222	1,199	1,174	1,180	1,219
Milksolids sold per cow	383	387	376	395	409	421	413	418	423	435
PAYOUT RECEIVED (\$/kg MS sold)	3.92	5.79	6.62	6.42	7.05	7.40	9.19	8.68	8.33	10.02
DAIRY CASH INCOME (\$/ha):										
Milk sales (net of dairy levies)	4,242	6,285	7,060	7,353	8,421	9,046	11,022	10,189	9,836	12,220
Net livestock sales (sales - purchases)	612	538	535	534	583	593	664	599	689	792
Other dairy cash income	39	38	45	44	41	55	52	56	58	65
Net dairy cash income	4,893	6,861	7,640	7,930	9,046	9,694	11,739	10,845	10,583	13,077
CASH FARM WORKING EXPENSES (\$/ha):										
Wages	700	627	702	754	801	796	856	923	910	935
Animal health	209	234	248	260	287	296	356	365	365	371
Breeding & herd improvement	133	149	165	187	201	206	211	216	212	239
Farm dairy	53	65	62	67	76	74	80	93	94	99
Electricity	119	124	121	127	132	137	140	140	148	160
Net feed made, purchased, cropped	799	813	1,000	1,146	1,233	1,327	1,707	1,790	1,660	1,912
Stock grazing	434	395	385	487	512	499	509	606	658	612
Support block lease	84	83	72	65	73	73	96	69	64	86
Fertiliser (including Nitrogen)	450	500	512	529	547	538	703	794	647	663
Irrigation	54	58	55	88	132	116	98	93	108	121
Regrassing	52	67	83	80	88	88	105	104	95	126
Weed & pest	38	38	39	36	38	40	55	48	42	48
Vehicles & fuel	180	198	209	212	213	205	272	303	281	287
Repairs & maintenance	241	315	421	398	435	502	621	594	517	647
Freight & general	59	52	56	54	87	86	100	105	94	84
Administration	128	121	130	145	170	173	193	211	224	250
Insurance	69	74	83	93	98	102	113	121	143	153
ACC	25	23	25	26	22	34	35	38	36	38
Rates	109	113	112	117	119	122	134	134	139	162
Farm working expenses	3,936	4,050	4,479	4,870	5,264	5,414	6,384	6,746	6,436	6,993
Cash operating surplus	957	2,811	3,161	3,060	3,781	4,279	5,355	4,099	4,146	6,084
ADJUSTMENTS (\$/ha):										
Value of change in dairy livestock	-88	67	75	60	51	2	22	6	-57	66
Less labour adjustment	380	414	422	428	436	499	554	555	574	606
Plus feed inventory adjustment	23	19	-16	22	-25	42	-13	120	28	-1
Less owned support block adjustment	95	97	111	90	114	119	131	143	154	148
Less depreciation	425	449	448	469	508	509	528	510	543	546
Net Adjustments	-966	-874	-922	-906	-1,032	-1,084	-1,205	-1,082	-1,301	-1,235
OPERATING CASH & NON-CASH (\$/ha):										
Dairy gross farm revenue	4,804	6,928	7,715	7,991	9,097	9,695	11,761	10,851	10,526	13,143
Dairy operating expenses	4,813	4,991	5,477	5,837	6,347	6,500	7,611	7,834	7,680	8,294
Dairy operating profit	-9	1,937	2,238	2,154	2,750	3,195	4,150	3,017	2,845	4,849

Table 12.4: Cash Operating Surplus and Operating Profit - \$ per kg milksolids sold

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PHYSICAL CHARACTERISTICS										
Number of herds	279	316	265	260	326	308	255	266	200	201
Effective hectares	148	148	151	146	142	141	144	145	148	149
Peak cows milked	418	414	430	424	415	408	419	407	411	416
Stocking rate (cows/ha)	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.8	2.8	2.8
Kg milksolids sold	160,270	160,302	161,567	167,189	169,761	171,720	172,832	169,990	174,235	181,139
Milksolids sold per hectare	1,082	1,085	1,067	1,145	1,194	1,222	1,199	1,174	1,180	1,219
Milksolids sold per cow	383	387	376	395	409	421	413	418	423	435
PAYOUT RECEIVED (\$/kg MS sold)	3.92	5.79	6.62	6.42	7.05	7.40	9.19	8.68	8.33	10.02
DAIRY CASH INCOME (\$/kg MS):										
Milk sales (net of dairy levies)	3.92	5.79	6.62	6.42	7.05	7.40	9.19	8.68	8.33	10.02
Net livestock sales (sales - purchases)	0.57	0.50	0.50	0.47	0.49	0.49	0.55	0.51	0.58	0.65
Other dairy cash income	0.04	0.04	0.04	0.04	0.03	0.04	0.04	0.05	0.05	0.05
Net dairy cash income	4.52	6.33	7.16	6.92	7.57	7.93	9.79	9.24	8.97	10.72
CASH FARM WORKING EXPENSES (\$/kg MS):										
Wages	0.65	0.58	0.66	0.66	0.67	0.65	0.71	0.79	0.77	0.77
Animal health	0.19	0.22	0.23	0.23	0.24	0.24	0.30	0.31	0.31	0.30
Breeding & herd improvement	0.12	0.14	0.16	0.16	0.17	0.17	0.18	0.18	0.18	0.20
Farm dairy	0.05	0.06	0.06	0.06	0.06	0.06	0.07	0.08	0.08	0.08
Electricity	0.11	0.11	0.11	0.11	0.11	0.11	0.12	0.12	0.13	0.13
Net feed made, purchased, cropped	0.74	0.75	0.94	1.00	1.03	1.09	1.42	1.52	1.41	1.57
Stock grazing	0.40	0.36	0.36	0.42	0.43	0.41	0.42	0.52	0.56	0.50
Support block lease	0.08	0.08	0.07	0.06	0.06	0.06	0.08	0.06	0.05	0.07
Fertiliser (including Nitrogen)	0.42	0.46	0.48	0.46	0.46	0.44	0.59	0.68	0.55	0.54
Irrigation	0.05	0.05	0.05	0.08	0.11	0.09	0.08	0.08	0.09	0.10
Regrassing	0.05	0.06	0.08	0.07	0.07	0.07	0.09	0.09	0.08	0.10
Weed & pest	0.03	0.04	0.04	0.03	0.03	0.03	0.05	0.04	0.04	0.04
Vehicles & fuel	0.17	0.18	0.20	0.19	0.18	0.17	0.23	0.26	0.24	0.24
Repairs & maintenance	0.22	0.29	0.39	0.35	0.36	0.41	0.52	0.51	0.44	0.53
Freight & general	0.05	0.05	0.05	0.05	0.07	0.07	0.08	0.09	0.08	0.07
Administration	0.12	0.11	0.12	0.13	0.14	0.14	0.16	0.18	0.19	0.20
Insurance	0.06	0.07	0.08	0.08	0.08	0.08	0.09	0.10	0.12	0.13
ACC	0.02	0.02	0.02	0.02	0.02	0.03	0.03	0.03	0.03	0.03
Rates	0.10	0.10	0.11	0.10	0.10	0.10	0.11	0.11	0.12	0.13
Farm working expenses	3.64	3.73	4.20	4.25	4.41	4.43	5.32	5.75	5.45	5.73
Cash operating surplus	0.88	2.59	2.96	2.67	3.17	3.50	4.46	3.49	3.51	4.99
ADJUSTMENTS (\$/kg MS):										
Value of change in dairy livestock	-0.08	0.06	0.07	0.05	0.04	0.00	0.02	0.01	-0.05	0.05
Less labour adjustment	0.35	0.38	0.40	0.37	0.37	0.41	0.46	0.47	0.49	0.50
Plus feed inventory adjustment	0.02	0.02	-0.01	0.02	-0.02	0.03	-0.01	0.10	0.02	0.00
Less owned support block adjustment	0.09	0.09	0.10	0.08	0.10	0.10	0.11	0.12	0.13	0.12
Less depreciation	0.39	0.41	0.42	0.41	0.43	0.42	0.44	0.43	0.46	0.45
Net Adjustments	-0.89	-0.81	-0.86	-0.79	-0.86	-0.89	-1.00	-0.92	-1.10	-1.01
OPERATING CASH & NON-CASH (\$/kg MS):										
Dairy gross farm revenue	4.44	6.39	7.23	6.98	7.62	7.94	9.81	9.24	8.92	10.78
Dairy operating expenses	4.45	4.60	5.13	5.10	5.31	5.32	6.35	6.67	6.51	6.80
Dairy operating profit	-0.01	1.79	2.10	1.88	2.30	2.62	3.46	2.57	2.41	3.98

Table 12.5: Cashflow

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PHYSICAL CHARACTERISTICS										
Number of herds	279	316	265	260	326	308	255	266	200	201
Effective hectares	148	148	151	146	142	141	144	145	148	149
Peak cows milked	418	414	430	424	415	408	419	407	411	416
Stocking rate (cows/ha)	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.8	2.8	2.8
Kg milksolids sold	160,270	160,302	161,567	167,189	169,761	171,720	172,832	169,990	174,235	181,139
Milksolids sold per hectare	1,082	1,085	1,067	1,145	1,194	1,222	1,199	1,174	1,180	1,219
Milksolids sold per cow	383	387	376	395	409	421	413	418	423	435
PAYOUT RECEIVED (\$/kg MS sold)	3.92	5.79	6.62	6.42	7.05	7.40	9.19	8.68	8.33	10.02
CASHFLOW:										
Net dairy cash income	724,607	1,014,072	1,156,683	1,157,633	1,285,742	1,362,488	1,691,776	1,570,293	1,562,276	1,942,452
Farm working expenses	582,850	598,662	678,172	710,932	748,282	760,996	920,087	976,798	950,173	1,038,678
Cash operating surplus	141,757	415,410	478,511	446,701	537,460	601,492	771,689	593,495	612,103	903,774
DISCRETIONARY CASH										
Less rent (excluding support block)	20,047	19,582	20,703	12,499	17,280	17,069	14,929	13,227	8,845	9,355
Less interest	197,277	197,343	191,459	194,022	172,460	140,608	149,895	217,165	295,210	244,703
Less tax	7,939	16,773	41,532	38,315	52,696	77,161	124,502	102,018	73,356	152,653
Plus net non-dairy cash income	904	3,371	6,064	7,040	10,682	3,378	7,614	5,411	3,586	3,294
Plus net off-farm income	9,238	19,811	18,114	6,670	13,167	9,838	-199	36,366	15,647	73,358
Discretionary cash	-73,364	204,894	248,995	215,575	318,873	379,870	489,778	302,861	253,926	573,715
OTHER CASH INCOME										
Plus introduced funds	77,696	-24,004	-40,908	-2,774	-18,560	-16,833	-60,186	-909	-25,385	-50,901
Plus income equalisation	16,765	1,307	40	307	-475	875	-1,643	29	1,175	376
Cash available for living and growth	21,097	182,197	208,127	213,109	299,837	363,911	427,950	301,982	229,715	523,190
OTHER CASH EXPENDITURE										
Less net capital transactions	76,697	109,749	238,591	207,027	113,522	148,238	267,306	137,369	-26,905	198,825
Less net debt	-111,777	-75,867	-92,523	-74,133	49,483	59,719	43,029	38,791	135,765	134,790
Less net drawings	78,151	82,043	104,334	95,173	92,090	106,679	114,873	117,646	132,471	152,105
Cash surplus/deficit	-21,974	66,272	-42,275	-14,958	57,909	59,112	2,543	44,541	4,032	110,829
CASHFLOW (\$/kg MS)										
Net dairy cash income	4.52	6.33	7.16	6.92	7.57	7.93	9.79	9.24	8.97	10.72
Farm working expenses	3.64	3.73	4.20	4.25	4.41	4.43	5.32	5.75	5.45	5.73
Cash operating surplus	0.88	2.59	2.96	2.67	3.17	3.50	4.46	3.49	3.51	4.99
DISCRETIONARY CASH (\$/kg MS)										
Less rent (excluding support block)	0.13	0.12	0.13	0.07	0.10	0.10	0.09	0.08	0.05	0.05
Less interest	1.23	1.23	1.19	1.16	1.02	0.82	0.87	1.28	1.69	1.35
Less tax	0.05	0.10	0.26	0.23	0.31	0.45	0.72	0.60	0.42	0.84
Plus net non-dairy cash income	0.01	0.02	0.04	0.04	0.06	0.02	0.04	0.03	0.02	0.02
Plus net off-farm income	0.06	0.12	0.11	0.04	0.08	0.06	0.00	0.21	0.09	0.40
Discretionary cash	-0.46	1.28	1.54	1.29	1.88	2.21	2.83	1.78	1.46	3.17
OTHER CASH INCOME (\$/kg MS)										
Plus introduced funds	0.48	-0.15	-0.25	-0.02	-0.11	-0.10	-0.35	-0.01	-0.15	-0.28
Plus income equalisation	0.10	0.01	0.00	0.00	0.00	0.01	-0.01	0.00	0.01	0.00
Cash available for living and growth	0.13	1.14	1.29	1.27	1.77	2.12	2.48	1.78	1.32	2.89
OTHER CASH EXPENDITURE (\$/kg MS)										
Less net capital transactions	0.48	0.68	1.48	1.24	0.67	0.86	1.55	0.81	-0.15	1.10
Less net debt	-0.70	-0.47	-0.57	-0.44	0.29	0.35	0.25	0.23	0.78	0.74
Less net drawings	0.49	0.51	0.65	0.57	0.54	0.62	0.66	0.69	0.76	0.84
Cash surplus/deficit	-0.14	0.41	-0.26	-0.09	0.34	0.34	0.01	0.26	0.02	0.61

Table 12.6: Capital Structure and Wealth Creation

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PHYSICAL CHARACTERISTICS										
Number of herds	279	316	265	260	326	308	255	266	200	201
Effective hectares	148	148	151	146	142	141	144	145	148	149
Peak cows milked	418	414	430	424	415	408	419	407	411	416
Stocking rate (cows/ha)	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.8	2.8	2.8
Kg milksolids sold	160,270	160,302	161,567	167,189	169,761	171,720	172,832	169,990	174,235	181,139
Milksolids sold per hectare	1,082	1,085	1,067	1,145	1,194	1,222	1,199	1,174	1,180	1,219
Milksolids sold per cow	383	387	376	395	409	421	413	418	423	435
PAYOUT RECEIVED (\$/kg MS sold)	3.92	5.79	6.62	6.42	7.05	7.40	9.19	8.68	8.33	10.02
DAIRY ASSETS AT OPEN										
Land & buildings	5,473,880	5,518,535	5,849,932	6,091,560	6,039,561	5,752,162	6,339,284	6,711,501	6,704,369	7,030,756
Plant, machinery and vehicles	258,077	254,722	252,258	249,118	260,302	240,288	259,426	273,160	300,187	285,753
Livestock	812,241	640,378	834,061	754,230	737,092	730,625	755,462	821,996	798,105	789,046
Investments (excluding non-dairy)	688,384	791,795	800,126	815,583	660,658	585,604	586,494	413,317	432,466	434,411
Current assets	176,424	138,254	208,018	180,448	172,313	189,667	262,660	287,681	283,379	272,096
Total dairy assets at open	7,409,006	7,343,684	7,944,395	8,090,939	7,869,926	7,498,345	8,203,328	8,507,655	8,518,506	8,812,062
Plus non-dairy assets	258,166	267,387	403,636	353,525	351,490	371,716	480,669	510,527	444,186	321,082
Total assets	7,667,172	7,611,071	8,348,031	8,444,463	8,221,416	7,870,061	8,683,997	9,018,182	8,962,692	9,133,144
LIABILITIES AT OPEN										
Term liabilities	3,493,221	3,932,350	3,996,989	4,091,376	3,995,700	3,901,222	4,115,003	3,816,278	4,020,930	3,667,514
Current liabilities	197,175	160,682	149,261	189,611	178,179	156,630	173,275	258,035	192,321	171,724
Total liabilities	3,690,396	4,093,032	4,146,250	4,280,987	4,173,879	4,057,851	4,288,278	4,074,313	4,213,252	3,839,238
Owners equity at open	3,976,776	3,518,039	4,201,781	4,163,476	4,047,537	3,812,209	4,395,719	4,943,869	4,749,440	5,293,907
DAIRY ASSETS AT CLOSE										
Land & buildings	5,289,448	5,854,250	5,843,351	5,933,994	5,888,745	5,808,851	6,631,060	6,676,105	6,624,363	7,205,381
Plant, machinery and vehicles	243,360	249,436	255,794	246,538	253,497	240,804	286,344	287,910	285,937	311,264
Livestock	651,096	815,984	776,831	752,063	748,428	734,146	848,540	785,591	780,971	1,054,836
Investments (excluding non-dairy)	810,143	823,402	748,739	665,352	632,180	584,287	467,449	470,286	401,198	674,179
Current assets	151,773	194,747	195,692	163,031	205,720	241,278	309,682	292,846	246,273	369,650
Total dairy assets at close	7,145,820	7,937,819	7,820,407	7,760,977	7,728,570	7,609,364	8,543,075	8,512,738	8,338,742	9,615,309
Plus Non-dairy assets	258,766	280,232	411,434	388,794	350,613	374,638	505,088	553,792	434,730	368,327
Total assets	7,404,586	8,218,051	8,231,841	8,149,771	8,079,184	7,984,003	9,048,163	9,066,531	8,773,472	9,983,637
LIABILITIES AT CLOSE										
Term liabilities	3,604,999	4,008,218	4,089,512	4,165,930	3,946,217	3,841,503	4,071,973	3,777,487	3,885,165	3,532,724
Current liabilities	194,497	150,902	179,210	184,250	170,738	161,979	217,484	250,054	166,581	232,397
Total liabilities	3,799,496	4,159,120	4,268,722	4,350,179	4,116,954	4,003,482	4,289,457	4,027,540	4,051,746	3,765,121
Owners equity at close	3,605,090	4,058,931	3,963,119	3,799,592	3,962,230	3,980,521	4,758,706	5,038,990	4,721,726	6,218,516
EQUITY										
Growth in equity	-371,686	540,892	-238,662	-363,884	-85,307	168,312	362,987	95,121	-27,714	924,609
Growth in equity from profit	-225,348	68,973	85,385	63,675	159,527	208,237	297,876	129,388	37,717	347,836
Growth in equity from capital	-146,338	471,919	-324,047	-427,560	-244,765	-39,822	65,148	-34,231	-65,125	576,785
Growth in equity %	-9.3	15.4	-5.7	-8.7	-2.1	4.4	8.3	1.9	-0.6	17.5
Closing debt to asset %	50.3	49.4	50.7	53.4	51.0	50.1	47.4	44.4	46.2	37.7
Closing term liabilities per kg MS	22.49	25.00	25.31	24.92	23.25	22.37	23.56	22.22	22.30	19.50

Table 12.7: Returns

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PHYSICAL CHARACTERISTICS										
Number of herds	279	316	265	260	326	308	255	266	200	201
Effective hectares	148	148	151	146	142	141	144	145	148	149
Peak cows milked	418	414	430	424	415	408	419	407	411	416
Stocking rate (cows/ha)	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.8	2.8	2.8
Kg milksolids sold	160,270	160,302	161,567	167,189	169,761	171,720	172,832	169,990	174,235	181,139
Milksolids sold per hectare	1,082	1,085	1,067	1,145	1,194	1,222	1,199	1,174	1,180	1,219
Milksolids sold per cow	383	387	376	395	409	421	413	418	423	435
PAYOUT RECEIVED (\$/kg MS sold)	3.92	5.79	6.62	6.42	7.05	7.40	9.19	8.68	8.33	10.02
RETURN ON DAIRY ASSETS %										
Dairy operating profit	-1,291	286,227	338,871	314,435	390,831	449,132	598,081	436,843	420,064	720,280
Plus owned support block adjustment	14,126	14,359	16,786	13,143	16,151	16,720	18,843	20,738	22,776	22,029
Less rent	20,047	19,582	20,703	12,499	17,280	17,069	14,929	13,227	8,845	9,355
Net return from dairy	-7,212	281,004	334,954	315,079	389,701	448,783	601,995	444,354	433,995	732,954
Total dairy assets (less current) at open	7,232,582	7,205,430	7,736,377	7,910,490	7,697,613	7,308,678	7,940,668	8,219,974	8,235,127	8,539,966
Operating return on dairy assets %	-0.1	3.9	4.3	4.0	5.1	6.1	7.6	5.4	5.3	8.6
TOTAL RETURN ON ASSETS %										
Net return from dairy	-7,212	281,004	334,954	315,079	389,701	448,783	601,995	444,354	433,995	732,954
Plus net non-dairy profit	-318	3,331	5,444	6,904	11,894	3,870	5,499	5,136	4,313	928
Plus change in capital value	-301,565	430,903	-353,833	-277,275	-287,474	-78,028	46,611	-95,819	-118,124	546,218
Total return	-309,095	715,238	-13,435	44,709	114,121	374,625	654,105	353,671	320,184	1,280,101
Total assets (less current) at open	7,490,748	7,472,817	8,140,013	8,264,015	8,221,416	7,870,061	8,683,997	9,018,182	8,962,692	9,133,144
Total return on assets %	-4.1	9.6	-0.2	0.5	1.4	4.8	7.5	3.9	3.6	14.0
TOTAL RETURN ON EQUITY %										
Total return	-309,095	715,238	-13,435	44,709	114,121	374,625	654,105	353,671	320,184	1,280,101
Plus net off-farm income	9,238	19,811	18,114	6,670	13,167	9,838	-199	36,366	15,647	73,358
Less interest	197,277	197,343	191,459	194,022	172,460	140,608	149,895	217,165	295,210	244,703
Total return for equity	-497,164	537,538	-186,502	-142,643	-45,173	243,855	504,011	172,871	40,622	1,108,755
Equity at open	3,976,776	3,518,039	4,201,781	4,163,476	4,047,537	3,812,209	4,395,719	4,943,869	4,749,440	5,293,907
Total return on equity %	-12.5	15.3	-4.4	-3.4	-1.1	6.4	11.5	3.5	0.9	20.9

13. Time Series Tables: 50:50 Sharemilkers

Table 13.1: Cash Operating Surplus and Operating Profit - \$ per farm

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PHYSICAL CHARACTERISTICS										
Number of herds	109	113	108	122	124	108	87	109	96	73
Effective hectares	133	132	137	151	144	140	140	147	145	144
Peak cows milked	379	372	391	452	431	424	422	437	434	423
Stocking rate (cows/ha)	2.8	2.8	2.8	3.0	3.0	3.0	3.0	3.0	3.0	2.9
Kg milksolids sold	144,587	143,685	147,143	184,909	175,656	182,030	171,282	181,551	185,071	188,076
Milksolids sold per hectare	1,085	1,089	1,072	1,222	1,219	1,300	1,227	1,239	1,275	1,304
Milksolids sold per cow	381	386	376	410	408	429	406	416	426	444
PAYOUT RECEIVED (\$/kg MS sold)	1.88	2.82	3.21	3.17	3.45	3.65	4.54	4.14	3.96	5.03
DAIRY CASH INCOME (\$):										
Milk sales (net of dairy levies)	272,370	405,691	472,702	586,337	606,847	665,124	778,049	752,157	733,129	945,771
Net livestock sales (sales - purchases)	35,783	60,598	50,428	75,931	60,008	80,562	52,633	46,973	12,840	109,219
Other dairy cash income	3,368	2,419	2,321	2,332	3,280	4,596	3,365	6,275	4,446	5,446
Net dairy cash income	311,521	468,708	525,451	664,600	670,136	750,282	834,048	805,405	750,415	1,060,437
CASH FARM WORKING EXPENSES (\$):										
Wages	48,799	51,624	61,841	82,680	76,511	80,791	82,429	92,742	99,842	106,400
Animal health	28,668	31,232	34,238	43,264	41,198	43,119	49,737	52,314	52,457	61,163
Breeding & herd improvement	20,299	20,065	24,196	30,219	29,137	30,536	30,290	32,276	31,697	36,909
Farm dairy	6,629	6,886	7,538	8,922	9,415	8,627	8,671	10,200	10,048	10,999
Electricity	15,435	15,505	15,362	18,649	18,121	19,104	18,387	20,825	20,845	24,063
Net feed made, purchased, cropped	53,410	55,474	72,032	93,630	93,405	100,999	116,467	134,016	116,036	136,382
Stock grazing	42,034	34,075	46,703	60,678	58,204	53,146	58,865	66,699	77,087	75,072
Support block lease	2,206	1,834	1,666	1,380	2,840	1,817	891	3,194	2,613	6,744
Fertiliser (including Nitrogen)	18,608	18,616	21,151	25,577	27,222	24,985	29,510	36,403	29,937	31,570
Irrigation	3,991	2,462	2,043	5,126	6,117	4,720	4,303	3,312	4,630	6,232
Regrassing	2,502	2,442	3,026	4,270	3,428	3,776	4,651	6,009	4,668	5,280
Weed & pest	1,383	1,948	1,869	1,940	2,049	2,046	1,904	1,892	1,895	2,635
Vehicles & fuel	20,049	22,926	24,851	28,739	27,432	26,732	31,024	34,090	33,331	40,000
Repairs & maintenance	9,029	10,234	11,702	12,710	11,632	16,045	14,443	14,883	16,164	19,256
Freight & general	6,782	6,600	7,871	8,008	9,305	9,605	10,761	13,909	13,656	11,584
Administration	11,778	11,542	11,785	15,718	15,081	14,212	14,732	18,194	17,547	24,817
Insurance	4,906	4,254	4,970	5,351	5,614	6,223	6,798	7,492	7,882	8,973
ACC	3,054	2,937	2,982	3,918	2,399	5,084	5,379	5,304	5,058	5,982
Rates	526	512	302	549	656	417	553	719	904	948
Farm working expenses	300,088	301,168	356,128	451,327	439,763	451,984	489,795	554,471	546,296	615,011
Cash operating surplus	11,433	167,540	169,323	213,273	230,372	298,298	344,252	250,934	204,120	445,426
ADJUSTMENTS (\$):										
Value of change in dairy livestock	30,838	16,893	32,946	8,193	31,018	-272	31,022	39,357	68,031	8,008
Less labour adjustment	73,553	72,041	80,608	80,071	82,559	91,240	100,776	102,774	104,061	109,949
Plus feed inventory adjustment	1,708	-486	1,860	2,496	-41	2,515	1,041	6,473	2,343	2,458
Less owned support block adjustment	695	508	251	299	479	611	1,010	860	0	106
Less depreciation	23,409	19,521	24,700	26,415	27,018	28,470	28,354	31,251	30,841	35,125
Net Adjustments	-65,111	-75,663	-70,753	-96,096	-79,079	-118,078	-98,077	-89,055	-64,529	-134,714
OPERATING CASH & NON-CASH:										
Dairy gross farm revenue	342,359	485,601	558,397	672,793	701,154	750,010	865,070	844,762	818,446	1,068,445
Dairy operating expenses	396,037	393,724	459,827	555,616	549,861	569,791	618,895	682,882	678,855	757,733
Dairy operating profit	-53,678	91,877	98,570	117,177	151,293	180,220	246,175	161,879	139,591	310,712

Table 13.2: Cash Operating Surplus and Operating Profit - \$ per cow

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PHYSICAL CHARACTERISTICS										
Number of herds	109	113	108	122	124	108	87	109	96	73
Effective hectares	133	132	137	151	144	140	140	147	145	144
Peak cows milked	379	372	391	452	431	424	422	437	434	423
Stocking rate (cows/ha)	2.8	2.8	2.8	3.0	3.0	3.0	3.0	3.0	3.0	2.9
Kg milksolids sold	144,587	143,685	147,143	184,909	175,656	182,030	171,282	181,551	185,071	188,076
Milksolids sold per hectare	1,085	1,089	1,072	1,222	1,219	1,300	1,227	1,239	1,275	1,304
Milksolids sold per cow	381	386	376	410	408	429	406	416	426	444
PAYOUT RECEIVED (\$/kg MS sold)	1.88	2.82	3.21	3.17	3.45	3.65	4.54	4.14	3.96	5.03
DAIRY CASH INCOME (\$/cow):										
Milk sales (net of dairy levies)	719	1,091	1,209	1,299	1,408	1,567	1,843	1,722	1,689	2,233
Net livestock sales (sales - purchases)	94	163	129	168	139	190	125	108	30	258
Other dairy cash income	9	7	6	5	8	11	8	14	10	13
Net dairy cash income	822	1,260	1,344	1,472	1,555	1,768	1,975	1,843	1,729	2,504
CASH FARM WORKING EXPENSES (\$/cow):										
Wages	129	139	158	183	178	190	195	212	230	251
Animal health	76	84	88	96	96	102	118	120	121	144
Breeding & herd improvement	54	54	62	67	68	72	72	74	73	87
Farm dairy	17	19	19	20	22	20	21	23	23	26
Electricity	41	42	39	41	42	45	44	48	48	57
Net feed made, purchased, cropped	141	149	184	207	217	238	276	307	267	322
Stock grazing	111	92	119	134	135	125	139	153	178	177
Support block lease	6	5	4	3	7	4	2	7	6	16
Fertiliser (including Nitrogen)	49	50	54	57	63	59	70	83	69	75
Irrigation	11	7	5	11	14	11	10	8	11	15
Regrassing	7	7	8	9	8	9	11	14	11	12
Weed & pest	4	5	5	4	5	5	5	4	4	6
Vehicles & fuel	53	62	64	64	64	63	73	78	77	94
Repairs & maintenance	24	28	30	28	27	38	34	34	37	45
Freight & general	18	18	20	18	22	23	25	32	31	27
Administration	31	31	30	35	35	33	35	42	40	59
Insurance	13	11	13	12	13	15	16	17	18	21
ACC	8	8	8	9	6	12	13	12	12	14
Rates	1	1	1	1	2	1	1	2	2	2
Farm working expenses	792	810	911	1,000	1,021	1,065	1,160	1,269	1,259	1,452
Cash operating surplus	30	450	433	472	535	703	815	574	470	1,052
ADJUSTMENTS (\$/cow):										
Value of change in dairy livestock	81	45	84	18	72	-1	73	90	157	19
Less labour adjustment	194	194	206	177	192	215	239	235	240	260
Plus feed inventory adjustment	5	-1	5	6	0	6	2	15	5	6
Less owned support block adjustment	2	1	1	1	1	1	2	2	0	0
Less depreciation	62	52	63	59	63	67	67	72	71	83
Net Adjustments	-172	-203	-181	-213	-184	-278	-232	-204	-149	-318
OPERATING CASH & NON-CASH (\$/cow)										
Dairy gross farm revenue	903	1,305	1,428	1,490	1,627	1,767	2,049	1,934	1,886	2,523
Dairy operating expenses	1,045	1,058	1,176	1,231	1,276	1,342	1,466	1,563	1,564	1,789
Dairy operating profit	-142	247	252	260	351	425	583	371	322	734

Table 13.3: Cash Operating Surplus and Operating Profit - \$ per effective hectare

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PHYSICAL CHARACTERISTICS										
Number of herds	109	113	108	122	124	108	87	109	96	73
Effective hectares	133	132	137	151	144	140	140	147	145	144
Peak cows milked	379	372	391	452	431	424	422	437	434	423
Stocking rate (cows/ha)	2.8	2.8	2.8	3.0	3.0	3.0	3.0	3.0	3.0	2.9
Kg milksolids sold	144,587	143,685	147,143	184,909	175,656	182,030	171,282	181,551	185,071	188,076
Milksolids sold per hectare	1,085	1,089	1,072	1,222	1,219	1,300	1,227	1,239	1,275	1,304
Milksolids sold per cow	381	386	376	410	408	429	406	416	426	444
PAYOUT RECEIVED (\$/kg MS sold)	1.88	2.82	3.21	3.17	3.45	3.65	4.54	4.14	3.96	5.03
DAIRY CASH INCOME (\$/ha):										
Milk sales (net of dairy levies)	2,043	3,073	3,445	3,876	4,210	4,751	5,574	5,132	5,050	6,555
Net livestock sales (sales - purchases)	268	459	368	502	416	575	377	320	88	757
Other dairy cash income	25	18	17	15	23	33	24	43	31	38
Net dairy cash income	2,337	3,551	3,830	4,393	4,649	5,359	5,975	5,495	5,169	7,350
CASH FARM WORKING EXPENSES (\$/ha):										
Wages	366	391	451	547	531	577	591	633	688	737
Animal health	215	237	250	286	286	308	356	357	361	424
Breeding & herd improvement	152	152	176	200	202	218	217	220	218	256
Farm dairy	50	52	55	59	65	62	62	70	69	76
Electricity	116	117	112	123	126	136	132	142	144	167
Net feed made, purchased, cropped	401	420	525	619	648	721	834	914	799	945
Stock grazing	315	258	340	401	404	380	422	455	531	520
Support block lease	17	14	12	9	20	13	6	22	18	47
Fertiliser (including Nitrogen)	140	141	154	169	189	178	211	248	206	219
Irrigation	30	19	15	34	42	34	31	23	32	43
Regrassing	19	18	22	28	24	27	33	41	32	37
Weed & pest	10	15	14	13	14	15	14	13	13	18
Vehicles & fuel	150	174	181	190	190	191	222	233	230	277
Repairs & maintenance	68	78	85	84	81	115	103	102	111	133
Freight & general	51	50	57	53	65	69	77	95	94	80
Administration	88	87	86	104	105	102	106	124	121	172
Insurance	37	32	36	35	39	44	49	51	54	62
ACC	23	22	22	26	17	36	39	36	35	41
Rates	4	4	2	4	5	3	4	5	6	7
Farm working expenses	2,251	2,282	2,596	2,983	3,051	3,229	3,509	3,783	3,763	4,263
Cash operating surplus	86	1,269	1,234	1,410	1,598	2,131	2,466	1,712	1,406	3,087
ADJUSTMENTS (\$/ha):										
Value of change in dairy livestock	231	128	240	54	215	-2	222	269	469	56
Less labour adjustment	552	546	588	529	573	652	722	701	717	762
Plus feed inventory adjustment	13	-4	14	16	0	18	7	44	16	17
Less owned support block adjustment	5	4	2	2	3	4	7	6	0	1
Less depreciation	176	148	180	175	187	203	203	213	212	243
Net Adjustments	-488	-573	-516	-635	-549	-843	-703	-608	-444	-934
OPERATING CASH & NON-CASH (\$/ha):										
Dairy gross farm revenue	2,568	3,679	4,070	4,447	4,864	5,357	6,198	5,763	5,637	7,405
Dairy operating expenses	2,971	2,983	3,352	3,673	3,815	4,070	4,434	4,659	4,676	5,252
Dairy operating profit	-403	696	718	775	1,050	1,287	1,764	1,104	961	2,154

Table 13.4: Cash Operating Surplus and Operating Profit - \$ per kg milksolids sold

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PHYSICAL CHARACTERISTICS										
Number of herds	109	113	108	122	124	108	87	109	96	73
Effective hectares	133	132	137	151	144	140	140	147	145	144
Peak cows milked	379	372	391	452	431	424	422	437	434	423
Stocking rate (cows/ha)	2.8	2.8	2.8	3.0	3.0	3.0	3.0	3.0	3.0	2.9
Kg milksolids sold	144,587	143,685	147,143	184,909	175,656	182,030	171,282	181,551	185,071	188,076
Milksolids sold per hectare	1,085	1,089	1,072	1,222	1,219	1,300	1,227	1,239	1,275	1,304
Milksolids sold per cow	381	386	376	410	408	429	406	416	426	444
PAYOUT RECEIVED (\$/kg MS sold)	1.88	2.82	3.21	3.17	3.45	3.65	4.54	4.14	3.96	5.03
DAIRY CASH INCOME (\$/kg MS):										
Milk sales (net of dairy levies)	1.88	2.82	3.21	3.17	3.45	3.65	4.54	4.14	3.96	5.03
Net livestock sales (sales - purchases)	0.25	0.42	0.34	0.41	0.34	0.44	0.31	0.26	0.07	0.58
Other dairy cash income	0.02	0.02	0.02	0.01	0.02	0.03	0.02	0.03	0.02	0.03
Net dairy cash income	2.15	3.26	3.57	3.59	3.82	4.12	4.87	4.44	4.05	5.64
CASH FARM WORKING EXPENSES (\$/kg MS):										
Wages	0.34	0.36	0.42	0.45	0.44	0.44	0.48	0.51	0.54	0.57
Animal health	0.20	0.22	0.23	0.23	0.23	0.24	0.29	0.29	0.28	0.33
Breeding & herd improvement	0.14	0.14	0.16	0.16	0.17	0.17	0.18	0.18	0.17	0.20
Farm dairy	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.06	0.05	0.06
Electricity	0.11	0.11	0.10	0.10	0.10	0.10	0.11	0.11	0.11	0.13
Net feed made, purchased, cropped	0.37	0.39	0.49	0.51	0.53	0.55	0.68	0.74	0.63	0.73
Stock grazing	0.29	0.24	0.32	0.33	0.33	0.29	0.34	0.37	0.42	0.40
Support block lease	0.02	0.01	0.01	0.01	0.02	0.01	0.01	0.02	0.01	0.04
Fertiliser (including Nitrogen)	0.13	0.13	0.14	0.14	0.15	0.14	0.17	0.20	0.16	0.17
Irrigation	0.03	0.02	0.01	0.03	0.03	0.03	0.03	0.02	0.03	0.03
Regrassing	0.02	0.02	0.02	0.02	0.02	0.02	0.03	0.03	0.03	0.03
Weed & pest	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Vehicles & fuel	0.14	0.16	0.17	0.16	0.16	0.15	0.18	0.19	0.18	0.21
Repairs & maintenance	0.06	0.07	0.08	0.07	0.07	0.09	0.08	0.08	0.09	0.10
Freight & general	0.05	0.05	0.05	0.04	0.05	0.05	0.06	0.08	0.07	0.06
Administration	0.08	0.08	0.08	0.09	0.09	0.08	0.09	0.10	0.09	0.13
Insurance	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.05
ACC	0.02	0.02	0.02	0.02	0.01	0.03	0.03	0.03	0.03	0.03
Rates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Farm working expenses	2.08	2.10	2.42	2.44	2.50	2.48	2.86	3.05	2.95	3.27
Cash operating surplus	0.08	1.17	1.15	1.15	1.31	1.64	2.01	1.38	1.10	2.37
ADJUSTMENTS (\$/kg MS):										
Value of change in dairy livestock	0.21	0.12	0.22	0.04	0.18	0.00	0.18	0.22	0.37	0.04
Less labour adjustment	0.51	0.50	0.55	0.43	0.47	0.50	0.59	0.57	0.56	0.58
Plus feed inventory adjustment	0.01	0.00	0.01	0.01	0.00	0.01	0.01	0.04	0.01	0.01
Less owned support block adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00
Less depreciation	0.16	0.14	0.17	0.14	0.15	0.16	0.17	0.17	0.17	0.19
Net Adjustments	-0.45	-0.53	-0.48	-0.52	-0.45	-0.65	-0.57	-0.49	-0.35	-0.72
OPERATING CASH & NON-CASH (\$/kg MS):										
Dairy gross farm revenue	2.37	3.38	3.79	3.64	3.99	4.12	5.05	4.65	4.42	5.68
Dairy operating expenses	2.74	2.74	3.13	3.00	3.13	3.13	3.61	3.76	3.67	4.03
Dairy operating profit	-0.37	0.64	0.67	0.63	0.86	0.99	1.44	0.89	0.75	1.65

Table 13.5: Cashflow

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PHYSICAL CHARACTERISTICS										
Number of herds	109	113	108	122	124	108	87	109	96	73
Effective hectares	133	132	137	151	144	140	140	147	145	144
Peak cows milked	379	372	391	452	431	424	422	437	434	423
Stocking rate (cows/ha)	2.8	2.8	2.8	3.0	3.0	3.0	3.0	3.0	3.0	2.9
Kg milksolids sold	144,587	143,685	147,143	184,909	175,656	182,030	171,282	181,551	185,071	188,076
Milksolids sold per hectare	1,085	1,089	1,072	1,222	1,219	1,300	1,227	1,239	1,275	1,304
Milksolids sold per cow	381	386	376	410	408	429	406	416	426	444
PAYOUT RECEIVED (\$/kg MS sold)	1.88	2.82	3.21	3.17	3.45	3.65	4.54	4.14	3.96	5.03
CASHFLOW:										
Net dairy cash income	311,521	468,708	525,451	664,600	670,136	750,282	834,048	805,405	750,415	1,060,437
Farm working expenses	300,088	301,168	356,128	451,327	439,763	451,984	489,795	554,471	546,296	615,011
Cash operating surplus	11,433	167,540	169,323	213,273	230,372	298,298	344,252	250,934	204,120	445,426
DISCRETIONARY CASH										
Less rent (excluding support block)	1,407	1,047	2,320	827	1,220	438	214	43	113	1,800
Less interest	37,949	34,629	31,626	36,976	27,516	21,389	19,725	29,384	39,163	24,186
Less tax	5,492	6,220	24,199	30,109	39,336	60,010	79,532	66,548	50,204	99,753
Plus net non-dairy cash income	2,243	1,798	1,996	2,659	-1,380	5,060	906	1,611	2,231	2,449
Plus net off-farm income	4,546	2,281	4,071	5,230	10,975	8,513	12,921	12,018	11,674	18,962
Discretionary cash	-26,626	129,723	117,245	153,250	171,895	230,034	258,608	168,587	128,545	341,097
OTHER CASH INCOME										
Plus introduced funds	26,601	12,583	14,806	-19,006	-10,255	27,709	-9,120	13,246	2,037	-61,830
Plus income equalisation	5,707	1,412	0	470	0	596	0	-817	-14	495
Cash available for living and growth	5,682	143,718	132,051	134,715	161,640	258,338	249,488	181,016	130,568	279,762
OTHER CASH EXPENDITURE										
Less net capital transactions	26,407	36,654	49,540	113,811	57,631	119,380	84,090	48,159	41,720	117,541
Less net debt	37,011	17,644	20,730	-33,643	8,192	20,070	60,025	48,487	-18,092	19,779
Less net drawings	56,461	57,721	74,517	67,169	65,458	76,247	79,739	90,535	89,566	112,072
Cash surplus/deficit	-114,197	31,699	-12,736	-12,622	41,334	51,154	38,556	5,853	29,048	49,332
CASHFLOW (\$/kg MS)										
Net dairy cash income	2.15	3.26	3.57	3.59	3.82	4.12	4.87	4.44	4.05	5.64
Farm working expenses	2.08	2.10	2.42	2.44	2.50	2.48	2.86	3.05	2.95	3.27
Cash operating surplus	0.08	1.17	1.15	1.15	1.31	1.64	2.01	1.38	1.10	2.37
DISCRETIONARY CASH (\$/kg MS)										
Less rent (excluding support block)	0.01	0.01	0.02	0.00	0.01	0.00	0.00	0.00	0.00	0.01
Less interest	0.26	0.24	0.21	0.20	0.16	0.12	0.12	0.16	0.21	0.13
Less tax	0.04	0.04	0.16	0.16	0.22	0.33	0.46	0.37	0.27	0.53
Plus net non-dairy cash income	0.02	0.01	0.01	0.01	-0.01	0.03	0.01	0.01	0.01	0.01
Plus net off-farm income	0.03	0.02	0.03	0.03	0.06	0.05	0.08	0.07	0.06	0.10
Discretionary cash	-0.18	0.90	0.80	0.83	0.98	1.26	1.51	0.93	0.69	1.81
OTHER CASH INCOME (\$/kg MS)										
Plus introduced funds	0.18	0.09	0.10	-0.10	-0.06	0.15	-0.05	0.07	0.01	-0.33
Plus income equalisation	0.04	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash available for living and growth	0.04	1.00	0.90	0.73	0.92	1.42	1.46	1.00	0.71	1.49
OTHER CASH EXPENDITURE (\$/kg MS)										
Less net capital transactions	0.18	0.26	0.34	0.62	0.33	0.66	0.49	0.27	0.23	0.62
Less net debt	0.26	0.12	0.14	-0.18	0.05	0.11	0.35	0.27	-0.10	0.11
Less net drawings	0.39	0.40	0.51	0.36	0.37	0.42	0.47	0.50	0.48	0.60
Cash surplus/deficit	-0.79	0.22	-0.09	-0.07	0.24	0.28	0.23	0.03	0.16	0.26

Table 13.6: Capital Structure and Wealth Creation

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PHYSICAL CHARACTERISTICS										
Number of herds	109	113	108	122	124	108	87	109	96	73
Effective hectares	133	132	137	151	144	140	140	147	145	144
Peak cows milked	379	372	391	452	431	424	422	437	434	423
Stocking rate (cows/ha)	2.8	2.8	2.8	3.0	3.0	3.0	3.0	3.0	3.0	2.9
Kg milksolids sold	144,587	143,685	147,143	184,909	175,656	182,030	171,282	181,551	185,071	188,076
Milksolids sold per hectare	1,085	1,089	1,072	1,222	1,219	1,300	1,227	1,239	1,275	1,304
Milksolids sold per cow	381	386	376	410	408	429	406	416	426	444
PAYOUT RECEIVED (\$/kg MS sold)	1.88	2.82	3.21	3.17	3.45	3.65	4.54	4.14	3.96	5.03
DAIRY ASSETS AT OPEN										
Land & buildings	11,402	18,684	11,326	4,691	12,128	27,005	39,147	35,597	0	33,526
Plant, machinery and vehicles	125,820	117,301	128,521	140,793	137,363	150,045	143,249	158,672	172,406	176,008
Livestock	691,128	569,288	691,303	790,098	731,432	748,526	720,584	818,784	763,401	787,299
Investments (excluding non-dairy)	7,629	15,904	7,852	5,442	15,611	16,788	14,974	13,171	10,648	30,271
Current assets	103,524	46,993	95,392	116,653	93,939	134,284	148,911	162,320	150,532	182,132
Total dairy assets at open	939,503	768,170	934,394	1,057,677	990,474	1,076,649	1,066,865	1,188,545	1,096,988	1,209,236
Plus non-dairy assets	152,207	195,254	136,930	177,130	298,734	226,427	237,755	218,114	175,226	114,193
Total assets	1,091,710	963,424	1,071,324	1,234,807	1,289,208	1,303,076	1,304,621	1,406,659	1,272,214	1,323,429
LIABILITIES AT OPEN										
Term liabilities	552,001	599,319	581,994	665,150	569,206	549,938	517,017	464,500	427,399	327,867
Current liabilities	95,703	89,844	73,944	107,777	104,477	102,998	79,044	106,047	101,729	84,671
Total liabilities	647,704	689,163	655,938	772,928	673,683	652,936	596,061	570,546	529,129	412,537
Owners equity at open	444,006	274,261	415,386	461,880	615,525	650,141	708,560	836,113	743,085	910,892
DAIRY ASSETS AT CLOSE										
Land & buildings	10,361	19,483	11,326	14,637	31,423	54,315	39,268	35,445	0	34,758
Plant, machinery and vehicles	121,846	125,203	140,605	141,864	142,025	163,965	167,274	174,913	178,219	199,213
Livestock	594,679	734,331	667,438	787,504	766,899	752,807	837,179	819,653	822,917	1,049,350
Investments (excluding non-dairy)	7,796	23,409	8,439	10,920	16,278	17,935	15,121	15,960	13,551	45,257
Current assets	87,303	69,448	98,324	92,277	112,605	161,046	195,556	153,504	150,590	242,831
Total dairy assets at close	821,985	971,874	926,132	1,047,203	1,069,230	1,150,067	1,254,398	1,199,475	1,165,277	1,571,409
Plus Non-dairy assets	163,079	203,511	146,603	245,321	298,988	272,411	272,055	217,823	180,686	171,992
Total assets	985,064	1,175,385	1,072,735	1,292,524	1,368,218	1,422,479	1,526,452	1,417,298	1,345,963	1,743,401
LIABILITIES AT CLOSE										
Term liabilities	589,012	581,675	561,264	698,793	561,014	529,868	456,992	416,013	445,492	308,088
Current liabilities	119,657	80,600	89,612	97,455	94,284	86,486	100,252	102,975	84,404	119,485
Total liabilities	708,669	662,275	650,876	796,248	655,298	616,353	557,244	518,988	529,896	427,573
Owners equity at close	276,395	513,110	421,859	496,276	712,919	806,125	969,209	898,310	816,067	1,315,828
EQUITY										
Growth in equity	-167,611	238,849	6,473	34,397	97,394	155,984	260,649	62,197	72,982	404,936
Growth in equity from profit	-73,991	69,859	53,694	70,311	112,985	127,784	182,517	93,657	78,827	204,258
Growth in equity from capital	-93,620	168,990	-47,221	-35,914	-15,536	28,259	78,156	-31,445	-5,488	200,753
Growth in equity %	-37.7	87.1	1.6	7.4	15.8	24.0	36.8	7.4	9.8	44.5
Closing debt to asset %	69.2	53.6	56.7	61.6	47.9	43.3	36.5	36.6	39.4	24.5
Closing term liabilities per kg MS	4.07	4.05	3.81	3.78	3.19	2.91	2.67	2.29	2.41	1.64

Table 13.7: Returns

Variable	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PHYSICAL CHARACTERISTICS										
Number of herds	109	113	108	122	124	108	87	109	96	73
Effective hectares	133	132	137	151	144	140	140	147	145	144
Peak cows milked	379	372	391	452	431	424	422	437	434	423
Stocking rate (cows/ha)	2.8	2.8	2.8	3.0	3.0	3.0	3.0	3.0	3.0	2.9
Kg milksolids sold	144,587	143,685	147,143	184,909	175,656	182,030	171,282	181,551	185,071	188,076
Milksolids sold per hectare	1,085	1,089	1,072	1,222	1,219	1,300	1,227	1,239	1,275	1,304
Milksolids sold per cow	381	386	376	410	408	429	406	416	426	444
PAYOUT RECEIVED (\$/kg MS sold)	1.88	2.82	3.21	3.17	3.45	3.65	4.54	4.14	3.96	5.03
RETURN ON DAIRY ASSETS %										
Dairy operating profit	-53,678	91,877	98,570	117,177	151,293	180,220	246,175	161,879	139,591	310,712
Plus owned support block adjustment	695	508	251	299	479	611	1,010	860	0	106
Less rent	1,407	1,047	2,320	827	1,220	438	214	43	113	1,800
Net return from dairy	-54,390	91,338	96,501	116,649	150,552	180,393	246,971	162,696	139,479	309,018
Total dairy assets (less current) at open	835,979	721,177	839,002	941,025	896,535	942,365	917,954	1,026,224	946,456	1,027,103
Operating return on dairy assets %	-6.5	12.7	11.5	12.4	16.8	19.1	26.9	15.9	14.7	30.1
TOTAL RETURN ON ASSETS %										
Net return from dairy	-54,390	91,338	96,501	116,649	150,552	180,393	246,971	162,696	139,479	309,018
Plus net non-dairy profit	2,203	2,387	2,758	2,615	1,209	5,284	844	2,636	2,547	2,340
Plus change in capital value	-147,670	135,959	-84,007	82,092	-31,459	-27,117	60,109	-69,170	-36,437	233,723
Total return	-199,857	229,684	15,252	201,356	120,302	158,560	307,924	96,163	105,588	545,082
Total assets (less current) at open	988,186	916,431	975,932	1,118,155	1,289,208	1,303,076	1,304,621	1,406,659	1,272,214	1,323,429
Total return on assets %	-20.2	25.1	1.6	18.0	9.3	12.2	23.6	6.8	8.3	41.2
TOTAL RETURN ON EQUITY %										
Total return	-199,857	229,684	15,252	201,356	120,302	158,560	307,924	96,163	105,588	545,082
Plus net off-farm income	4,546	2,281	4,071	5,230	10,975	8,513	12,921	12,018	11,674	18,962
Less interest	37,949	34,629	31,626	36,976	27,516	21,389	19,725	29,384	39,163	24,186
Total return for equity	-233,264	197,355	-12,206	169,610	103,761	145,684	301,120	78,796	78,099	539,858
Equity at open	444,006	274,261	415,386	461,880	615,525	650,141	708,560	836,113	743,085	910,892
Total return on equity %	-52.5	72.0	-2.9	36.7	16.9	22.4	42.5	9.4	10.5	59.3

