



Arable Cropping Benchmarking Report 2024 Financial Year

brophy|knight

chartered accountants and business advisers

Welcome to the Brophy Knight Limited Arable Cropping Benchmark Report covering the 2023/2024 season.

Method

This year's sample includes 44 arable cropping farms from our client base. We have then grouped the Top 5 Farms and Bottom 5 Farms based on the Total Economic Farm Surplus result for the year. All results presented for the Top 5 Farms and Bottom 5 Farms are averaged results including the totals. We have also presented the Average results for the whole sample. Where appropriate we have made adjustments to normalise the results. The copy that we have sent to you also has your individual farm result, for ease of comparison, and includes a comparison of your individual farm across the past 5 years for which we have data available.

Result Highlights

Top 5 Farms (Comparison of 2023 year to 2024 year) – 1 of the Top 5 were new to this group in 2024

When comparing the 2023 to 2024 years average results of the Top 5 Farms, we noted the following:

- Per hectare, Cropping Income was up 16%, Sheep Income was up 51%, Cattle Income was down 8%, Grazing Income was down 35% and Sundry Farm Income was down 40%
- Total Gross Farm Incomes were down \$2,844 on the prior year, Total Farm Expenses were down \$284,996 and Economic Farm Surplus was up \$282,151
- Gross Farm Income for the 2024 year was \$6,329/ha and Total Farm Expenses \$3,725/ha
- Per hectare, Fertiliser was down 24%, Weed & Pest was down 4.5%, Labour Costs were down 7%, Irrigation Electricity was up 28% and Other Operating Costs were up 14%
- Rental Paid has increased 33% and Interest Paid has increased 42%
- Economic Farm Surplus at \$2,604/ha was 41.1% of Total Gross Farm Income compared to 35% last year

Bottom 5 Farms (Comparison of 2023 year to 2024 year) – 2 of the Bottom 5 were new to this group in 2024

When comparing the 2023 to 2024 years average results of the Bottom 5 Farms, we noted the following:

- Per hectare, Sheep Income was down 11%, Cattle Income was down 33%, Grazing Income was down 76%, Cropping Income was up 25%, and Sundry Farm Income was up 108%
- Gross Farm Incomes were down \$666,186 in 2024, while the Economic Farm Surplus increased \$32,101. Total Farm Expenses were down \$698,288, it should be noted that this decrease was largely due to the \$572,636 decrease in Other Operating Costs
- Gross Farm Income for the 2024 year was \$3,154/ha and Total Farm Expenses \$2,763/ha
- Per hectare, Fertiliser was down 11%, Labour Costs were down 5%, Weed & Pest was up 44.2%, Irrigation Power was up 32% and Other Operating Costs were down 54%
- Interest Paid has decreased 15% and Depreciation has also decreased 53%
- Economic Farm Surplus at \$390/ha was 12.4% of Total Gross Farm Income compared to 4.5% last year

Average (Comparison of 2023 year to 2024 year)

When comparing the 2023 to 2024 years average results for all participants, we noted the following:

- Per hectare Cropping Income was up 19%, Grazing Income was down 21%, Sheep Income was down 36% and Cattle Income decreased by 36%
- Total Gross Farm Income increased \$228/ha or 4% over the period. Total Farm Expenses decreased over the year by only \$123/ha or 3%, resulting in an increase in the Economic Farm Surplus of \$351/ha or 22%
- Gross Farm Incomes were up \$25,467 on the prior year, Total Farm Expenses were down \$84,324 and Economic Farm Surplus was up \$109,791
- Gross Farm Income for the 2024 year was \$5,528/ha and Total Farm Expenses were \$3,563/ha and Economic Farm Surplus \$1,964/ha
- Per Hectare, Fertiliser was down 20%, Weed & Pest was up 1%, Labour Costs were down 4%, Irrigation Electricity was up 38% and Other Operating Costs were down 2%
- Economic Farm Surplus was 35.5% of Total Gross Income compared to 30.4% last year

Other

- Average Effective Hectares overall in our sample decreased from 374 ha in the 2023 year to 363 ha in the 2024 year. The Bottom 5 Farms decreased from 338 ha in 2023 to 248 ha in 2024. The Top 5 Farms Effective Hectares decreased from 800 ha in 2023 to 731 ha in the 2024 year
- Total Debts at the end of 2024 for all participants averaged \$5.177m or \$14,273/ha. The Top 5 Farms Total Debt increased by 4% up to \$11.567m or 15,829/ha, and the Bottom 5 Farms decreased by 43% to \$2.651m or \$10,699/ha. It is worth noting that our Total Debt figure excludes 'family' debt which may be on the balance sheet. We only include debt funding where there is an expectation of repayment. Also, the farms included in the Top 5 Farms and Bottom 5 Farms data vary each year based on their Economic Farm Surplus
- Net Capital Expenditure (excluding land) has increased by \$7,956 up to \$447,940 in 2024, as compared to Net Capital Expenditure of \$439,984 in 2023. Net Capital Expenditure for the 2024 year averaged \$1,234/ha

Five Year Income Trend

- Over the past five years (2020 – 2024) the average Total Gross Farm Income has increased by 30.1% or 27.9%/ha, Total Farm Expenses have also increased over this period by 30.6% or 28.4%/ha and Net Economic Farm Surpluses have increased by 29.2% or 27%/ha. Effective Hectares have increased by 6 ha over this 5 year period.

Please contact us if you have any feedback on this report or require any further explanation of the details.

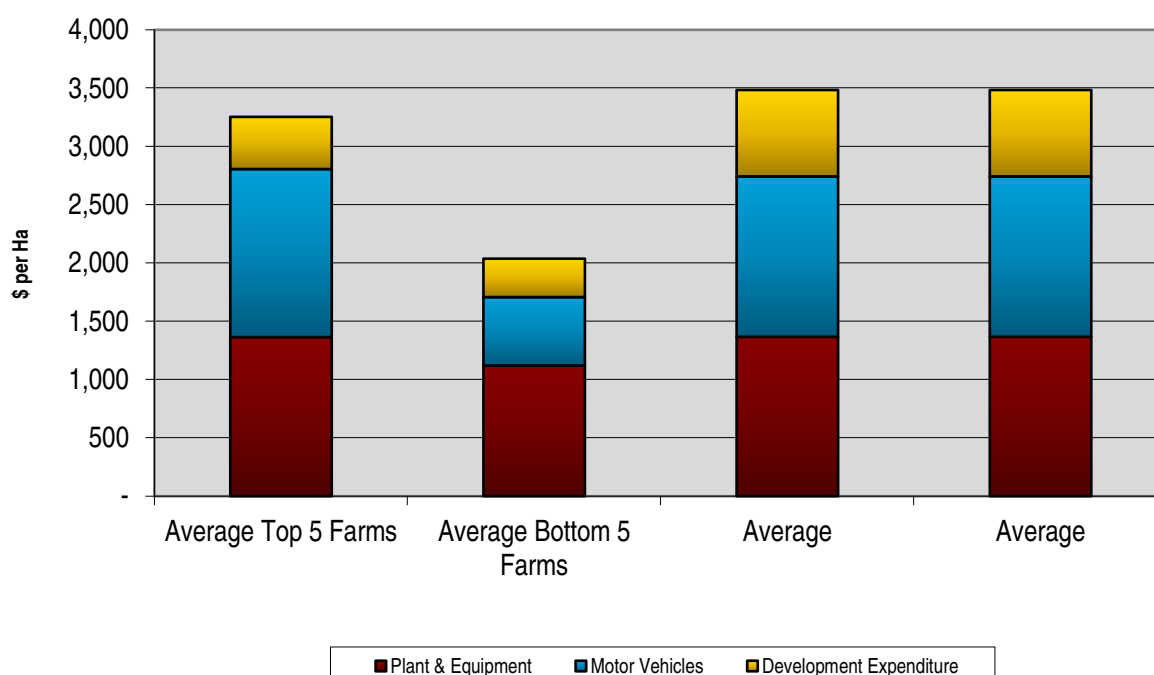
Arable Cropping Benchmark Report For the 2024 Financial Year

	Sample	Avg Top 5 Farms	Avg Bottom 5 Farms	Median	Average	Average
Effective Hectares	44	731	248	317	363	363
Farm Income						
Sheep Account	38	259,882	87,228	123,503	157,937	157,937
<i>Sheep Farming Per Hectare</i>		356	352	390	435	435
Cattle Account	14	296,027	310,926	27,961	155,655	155,655
<i>Cattle Farming Per Hectare</i>		405	1,255	88	429	429
Grazing Income	29	154,955	134,999	126,975	236,384	236,384
<i>Grazing Per Hectare</i>		212	545	401	652	652
Cropping Account	44	3,995,570	390,923	1,203,680	1,565,812	1,565,812
<i>Produce Per Hectare</i>		5,468	1,577	3,797	4,316	4,316
Sundry Income	37	150,996	122,658	102,369	116,119	116,119
Total Gross Farm Income		4,625,061	781,647	1,497,680	2,005,183	2,005,183
<i>Income Per Hectare</i>		6,329	3,154	4,724	5,528	5,528
Farm Expenses						
Administration Costs	44	41,498	25,061	29,216	33,257	33,257
<i>Administration Costs Per Hectare</i>		57	101	92	92	92
Fixed Costs	44	135,300	42,447	67,459	74,661	74,661
<i>Fixed Costs Per Hectare</i>		185	171	213	206	206
Fertiliser	44	518,046	109,302	168,584	240,801	240,801
<i>Fertiliser Per Hectare</i>		709	441	532	664	664
Labour Costs	36	261,412	126,658	76,749	112,526	112,526
<i>Labour Per Hectare</i>		358	511	242	310	310
Weed & Pest	44	553,242	71,676	183,219	226,763	226,763
<i>Weed & Pest Per Hectare</i>		757	289	578	625	625
Irrigation Power	44	107,104	48,163	62,007	69,724	69,724
<i>Irrigation Power Per Hectare</i>		147	194	196	192	192
Other Operating Costs	44	1,105,493	286,909	436,878	555,306	555,306
<i>Operating Costs Per Hectare</i>		1,513	1,158	1,378	1,531	1,531
Total Farm Expenses		2,722,094	684,883	1,019,014	1,292,579	1,292,579
<i>Total Farm Expenses Per Hectare</i>		3,725	2,763	3,214	3,563	3,563
<i>% of Gross Farm Income</i>		58.9%	87.6%	68.0%	64.5%	64.5%
Economic Farm Surplus / (Deficit)		1,902,967	96,764	574,679	712,604	712,604
<i>Net Return Per Hectare</i>		2,604	390	1,813	1,964	1,964
<i>% of Gross Farm Income</i>		41.1%	12.4%	38.4%	35.5%	35.5%

Arable Cropping Benchmark Report For the 2024 Financial Year

	Sample	Avg Top 5 Farms	Avg Bottom 5 Farms	Median	Average	Average
Interest Paid	43	784,394	179,756	280,665	377,948	377,948
<i>Interest Coverage Ratio</i>		<i>2.7 Times</i>	<i>2 Times</i>	<i>2.1 Times</i>	<i>362.4 Times</i>	<i>362.4 Times</i>
Rental Paid	20	264,926	68,805	22,953	83,638	83,638
Depreciation	44	358,032	84,878	153,900	188,212	188,212
<i>Depreciation Per Hectare</i>		<i>490</i>	<i>342</i>	<i>485</i>	<i>519</i>	<i>519</i>
Net Earnings / (Loss) Before Tax		656,614	(104,256)	237,044	215,991	215,991
<i>Net Earnings Per Hectare</i>		<i>899</i>	<i>(421)</i>	<i>748</i>	<i>595</i>	<i>595</i>
Indebtedness						
Total Debts	43	11,567,617	2,651,663	3,806,752	5,177,519	5,177,519
<i>Per Hectare</i>		<i>15,829</i>	<i>10,699</i>	<i>12,007</i>	<i>14,273</i>	<i>14,273</i>
Capital Items at Book Value						
Net Capital Purchases	42	1,956,479	16,264	93,813	447,940	447,940
Plant & Equipment	44	996,510	277,660	397,277	495,793	495,793
<i>Per Hectare</i>		<i>1,364</i>	<i>1,120</i>	<i>1,253</i>	<i>1,367</i>	<i>1,367</i>
Motor Vehicles	44	1,052,979	145,427	324,827	498,491	498,491
<i>Per Hectare</i>		<i>1,441</i>	<i>587</i>	<i>1,025</i>	<i>1,374</i>	<i>1,374</i>
Development Expenditure	41	327,039	81,631	183,613	269,497	269,497
<i>Per Hectare</i>		<i>448</i>	<i>329</i>	<i>579</i>	<i>743</i>	<i>743</i>

Fixed Assets per Hectare



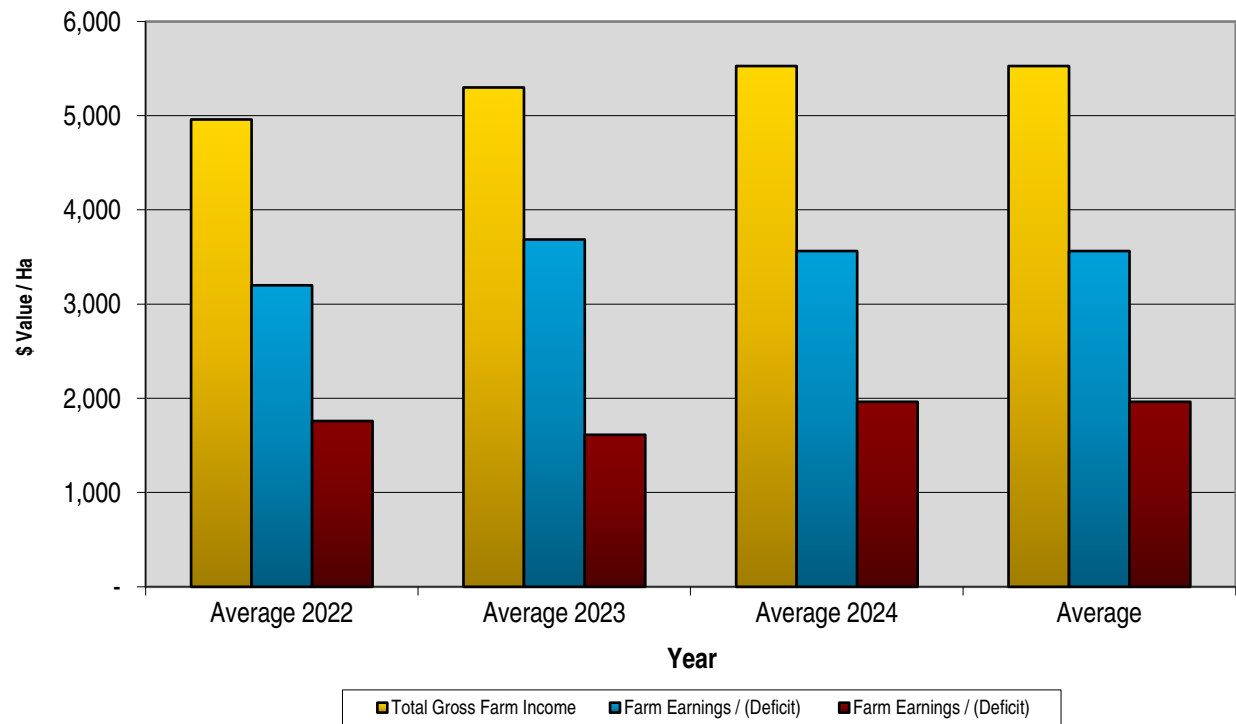
Arable Cropping Benchmark Report Five Year Comparison Average

	2020	2021	2022	2023	2024
Effective Hectares	357	356	367	374	363
Farm Income					
Sheep Account	240,343	165,582	287,432	252,891	157,937
<i>Sheep Farming Per Hectare</i>	674	465	784	677	435
Cattle Account	225,292	248,162	226,430	251,298	155,655
<i>Cattle Farming Per Hectare</i>	632	697	617	673	429
Grazing Income	206,794	224,346	265,386	308,441	236,384
<i>Grazing Per Hectare</i>	580	630	723	826	652
Cropping Account	1,054,181	1,172,411	1,266,089	1,355,333	1,565,812
<i>Produce Per Hectare</i>	2,955	3,295	3,452	3,628	4,316
Sundry Income	83,885	88,810	110,344	134,820	116,119
<i>Sundry Income Per Hectare</i>	235	250	301	361	320
Total Gross Farm Income	1,541,687	1,630,343	1,853,044	1,979,716	2,005,183
<i>Income Per Hectare</i>	4,322	4,582	5,052	5,300	5,528
Farm Expenses					
Administration Costs	30,667	29,255	31,991	35,332	33,257
<i>Administration Costs Per Hectare</i>	86	82	87	95	92
Fixed Costs	52,753	59,857	63,700	68,682	74,661
<i>Fixed Costs Per Hectare</i>	148	168	174	184	206
Fertiliser	188,204	178,618	251,116	309,722	240,801
<i>Fertiliser Per Hectare</i>	528	502	685	829	664
Labour Costs	96,375	96,580	112,305	120,799	112,526
<i>Labour Per Hectare</i>	270	271	306	323	310
Weed & Pest	164,714	178,610	211,267	231,950	226,763
<i>Weed & Pest Per Hectare</i>	462	502	576	621	625
Irrigation Power	61,748	57,654	47,136	51,918	69,724
<i>Irrigation Power Per Hectare</i>	173	162	129	139	192
Other Operating Costs	416,948	427,147	503,967	582,135	555,306
<i>Operating Costs Per Hectare</i>	1,169	1,200	1,374	1,558	1,531
Total Farm Expenses	990,077	1,001,494	1,195,745	1,376,903	1,292,579
<i>Total Farm Expenses Per Hectare</i>	2,776	2,815	3,260	3,686	3,563
<i>% of Gross Farm Income</i>	64.2%	61.4%	64.5%	69.6%	64.5%
Economic Farm Surplus / (Deficit)	551,610	628,849	657,299	602,813	712,604
<i>Net Return Per Hectare</i>	1,546	1,767	1,792	1,614	1,964
<i>% of Gross Farm Income</i>	35.8%	38.6%	35.5%	30.4%	35.5%

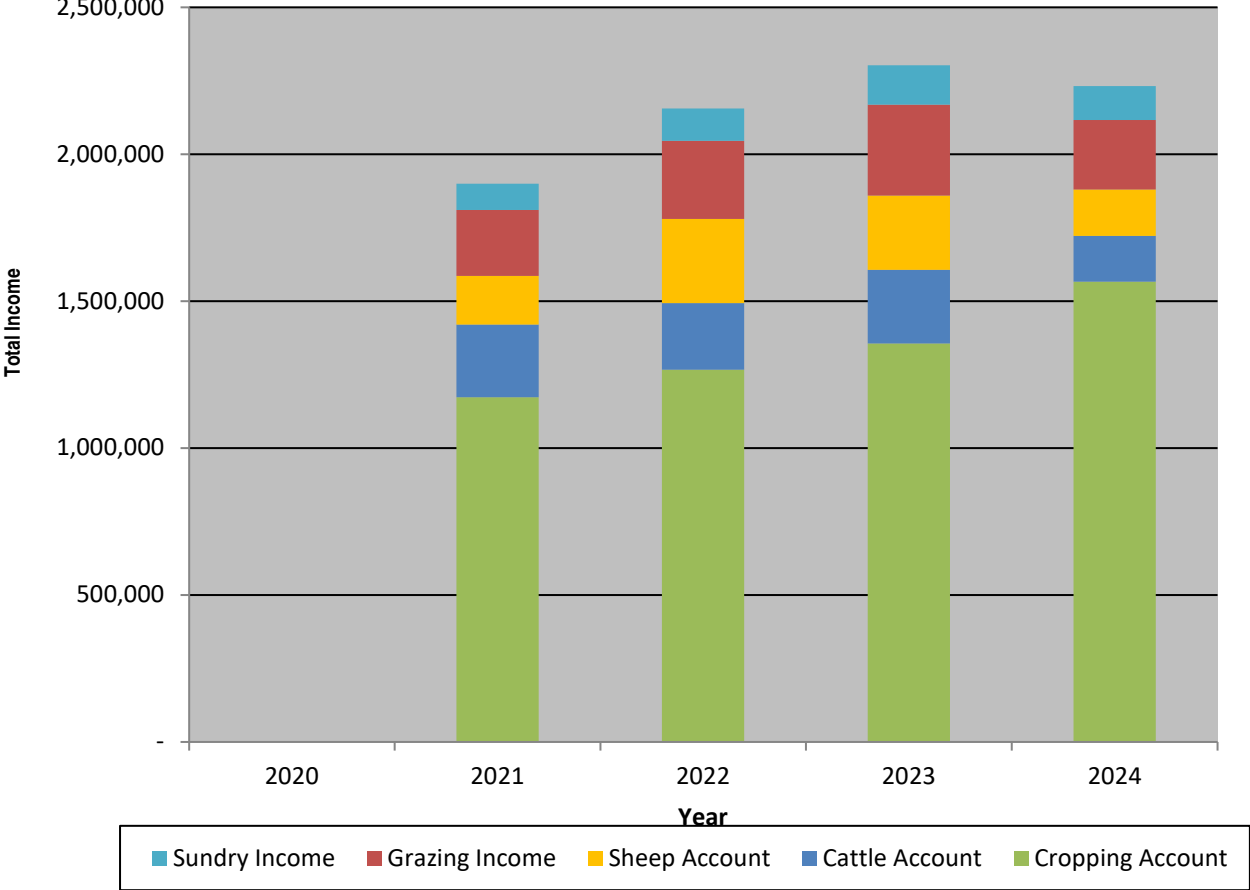
Arable Cropping Benchmark Report Five Year Comparison Average

	2020	2021	2022	2023	2024
Interest Paid	192,324	157,479	159,405	278,083	377,948
<i>Interest Coverage Ratio (Based on Reported Profit)</i>	<i>6.8 Times</i>	<i>6.4 Times</i>	<i>7 Times</i>	<i>6.3 Times</i>	<i>362.4 Times</i>
Rental Paid	91,681	68,972	90,674	72,158	83,638
Depreciation	173,816	179,901	181,753	189,859	188,212
<i>Depreciation Per Hectare</i>	<i>487</i>	<i>506</i>	<i>495</i>	<i>508</i>	<i>519</i>
Net Earnings / (Loss) Before Tax	219,377	331,911	322,760	269,035	215,991
<i>Net Earnings Per Hectare</i>	<i>615</i>	<i>933</i>	<i>880</i>	<i>720</i>	<i>595</i>
Indebtedness					
Total Debts	4,656,768	4,453,417	4,667,901	5,120,362	5,177,519
<i>Per Hectare</i>	<i>13,055</i>	<i>12,515</i>	<i>12,726</i>	<i>13,708</i>	<i>14,273</i>
Capital Items at Book Value					
Net Capital Purchases	271,066	146,484	63,775	439,984	447,940
Plant & Equipment	444,760	464,708	502,230	548,072	495,793
<i>Per Hectare</i>	<i>1,247</i>	<i>1,306</i>	<i>1,369</i>	<i>1,467</i>	<i>1,367</i>
Motor Vehicles	452,147	459,758	475,316	520,346	498,491
<i>Per Hectare</i>	<i>1,268</i>	<i>1,292</i>	<i>1,296</i>	<i>1,393</i>	<i>1,374</i>
Development Expenditure	316,651	309,616	295,189	312,870	269,497
<i>Per Hectare</i>	<i>888</i>	<i>870</i>	<i>805</i>	<i>838</i>	<i>743</i>

Income, Expenses & Profit per Hectare



Income Comparison 5 Year Average





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Services Provided

- Preparation of annual financial accounts
- Monthly or periodic accounting and taxation advice.
- GST Returns
- Payroll processing and reporting
- Farm budgeting including dairy farm conversion
- Costing
- Share valuation work
- Investigation and restructuring services
- Company, trust and estate administration
- All aspects of farm financing advice
- Succession planning

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