



# DAIRY FINANCIAL MANAGEMENT - GROUP COMPARISONS

Tammac Consultants cc

## GROUP AVERAGE

Group rolling 12-month averages of 10 suppliers to Nov 2021.

Sun 9th Jan 2022

|                          | Rands/CIH       | Litres/CIH    | Cent/Litre (1) | Rand/Hectare (2) |
|--------------------------|-----------------|---------------|----------------|------------------|
| <b>INCOME</b>            | <b>3,573.84</b> | <b>644.07</b> | <b>601.32</b>  | <b>7,432.94</b>  |
| 1 Milk Sales (1)         | 3,295.43        | 594.33        | 554.48         | 6,853.89         |
| 2 Cattle Sales           | 132.86          | 23.74         | 22.35          | 276.33           |
| 3 Other Dairy Income     | 8.38            | 1.50          | 1.41           | 17.44            |
| 4 Non Dairy Income       | 137.17          | 24.51         | 23.08          | 285.28           |
| <b>GROSS INCOME</b>      | <b>3,573.84</b> | <b>644.07</b> | <b>601.32</b>  | <b>7,432.94</b>  |
| <b>DAIRY EXPENSES</b>    | <b>276.85</b>   | <b>49.46</b>  | <b>46.58</b>   | <b>575.80</b>    |
| 5 Vet & Medicine         | 105.64          | 18.87         | 17.77          | 219.70           |
| 6 Semen & AI Costs       | 42.51           | 7.60          | 7.15           | 88.42            |
| 7 Other Dairy Costs      | 128.70          | 22.99         | 21.66          | 267.68           |
| <b>PURCHASED FEEDS</b>   | <b>1,327.92</b> | <b>237.25</b> | <b>223.43</b>  | <b>2,761.84</b>  |
| 8 Cow Feeds              | 1,056.66        | 188.78        | 177.79         | 2,197.67         |
| 9 Heifer Feeds           | 108.77          | 19.43         | 18.30          | 226.22           |
| 10 Calf Feeds (1)        | 105.51          | 18.85         | 17.75          | 219.44           |
| 11 Other Purch Feeds     | 56.98           | 10.18         | 9.59           | 118.52           |
| <b>HOME-PROD FEEDS</b>   | <b>488.48</b>   | <b>87.27</b>  | <b>82.19</b>   | <b>1,015.96</b>  |
| 12 Fertilizer            | 264.26          | 47.21         | 44.46          | 549.61           |
| 13 Seed                  | 71.73           | 12.82         | 12.07          | 149.18           |
| 14 Weed-/Pesticides      | 44.32           | 7.92          | 7.46           | 92.18            |
| 15 Other/Transport       | 108.18          | 19.33         | 18.20          | 224.99           |
| <b>GROSS MARGIN</b>      | <b>1,480.58</b> | <b>270.09</b> | <b>249.12</b>  | <b>3,079.33</b>  |
| <b>LABOUR</b>            | <b>345.57</b>   | <b>61.74</b>  | <b>58.14</b>   | <b>718.72</b>    |
| 16 Wages                 | 314.47          | 56.18         | 52.91          | 654.04           |
| 17 Rations (1)           | 4.87            | 0.87          | 0.82           | 10.12            |
| 18 Other Labour Costs    | 26.23           | 4.69          | 4.41           | 54.55            |
| <b>MECHANICAL COSTS</b>  | <b>232.37</b>   | <b>41.52</b>  | <b>39.10</b>   | <b>483.29</b>    |
| 19 Fuel & Oils           | 111.50          | 19.92         | 18.76          | 231.91           |
| 20 Tractor R&M           | 43.47           | 7.77          | 7.31           | 90.41            |
| 21 Implement R&M         | 35.36           | 6.32          | 5.95           | 73.54            |
| 22 Other Mech Costs      | 42.03           | 7.51          | 7.07           | 87.42            |
| <b>OTHER FIXED COSTS</b> | <b>398.00</b>   | <b>71.11</b>  | <b>66.97</b>   | <b>827.77</b>    |
| 23 Insurance             | 29.37           | 5.25          | 4.94           | 61.08            |
| 24 Electricity           | 134.04          | 23.95         | 22.55          | 278.77           |
| 25 R&M Fixed Improv.     | 91.81           | 16.40         | 15.45          | 190.95           |
| 26 Other Costs           | 36.36           | 6.50          | 6.12           | 75.62            |
| 27 Sundry Costs          | 106.43          | 19.01         | 17.91          | 221.35           |
| <b>NET FARM INCOME</b>   | <b>504.64</b>   | <b>95.73</b>  | <b>84.91</b>   | <b>1,049.56</b>  |

(1) - Figures have been adjusted for saleable milk retained for calves, labour and household. (2) - Fertilized hectares only.

NB! Group Financial & Capital Costs should be used with care. These are non-comparable figures—they are producers' unique financial situation.

|                        | Rands/CIH     | Litres/CIH   | Cent/Litre (1) | Rand/Hectare (2) |
|------------------------|---------------|--------------|----------------|------------------|
| <b>FINANCIAL COSTS</b> | <b>92.15</b>  | <b>16.46</b> | <b>15.50</b>   | <b>191.65</b>    |
| 28 Interest            | 63.05         | 11.26        | 10.61          | 131.13           |
| 29 Debt Redemption     | 29.10         | 5.20         | 4.90           | 60.51            |
| <b>CAPITAL COSTS</b>   | <b>125.55</b> | <b>22.43</b> | <b>21.12</b>   | <b>261.12</b>    |
| 30 Drawings (1)        | 59.71         | 10.67        | 10.05          | 124.19           |
| 31 Fixed Improvements  | 3.82          | 0.68         | 0.64           | 7.94             |
| 32 Plant & Equipment   | 62.02         | 11.08        | 10.44          | 128.99           |
| <b>BOTTOM LINE</b>     | <b>286.94</b> | <b>56.84</b> | <b>48.28</b>   | <b>596.79</b>    |

|  | Group Average |
|--|---------------|
| Number of participants .....                                   | 10            |
| Gross Income (R/CIH) ± Standard deviation (SDev) .....         | 3574 ± 385    |
| Gross Margin (R/CIH) ± Standard deviation (SDev) .....         | 1481 ± 284    |
| Net Farm Income (R/CIH) ± Standard deviation (SDev) .....      | 505 ± 268     |
| Average number of cows in herd .....                           | 1,033         |
| Percentage cows in milk .....                                  | 88.3%         |
| Litres milk sold per cow in herd per day .....                 | 19.3 ℓ        |
| Litres milk sold per cow in milk per day .....                 | 21.9 ℓ        |
| Average milk price (cents per litre) .....                     | 554.5 c/ℓ     |
| Cow purchased feed as percent of milk income .....             | 32.1%         |
| Total feeds as percent of dairy income .....                   | 52.9%         |
| Home-produced feeds as percent of total feed costs .....       | 26.9%         |
| Margin of milk income over feed costs R/CIH monthly .....      | R 1,479       |
| Average number of hectares employed (excluding veld) .....     | 497 ha        |
| Number of cows in herd per hectare employed .....              | 2.1           |
| Average number of litres sold daily per hectare employed ..... | 40.6 ℓ        |
| Average number of labourers employed .....                     | 45            |
| Cows in herd per labour unit .....                             | 23            |
| Average wage per labour unit .....                             | R 7,263       |
| Gross Margin per R100 of associated costs .....                | R 70.73       |
| Net Farm Income per R100 of associated costs .....             | R 16.44       |

**STANDARD DEVIATION**  
 68% of the data ranges from:  
 (Avg - SDev) to (Avg + SDev)

So for 68% of the R/CIH figures the...  
 GI ranges from R3,189 to R3,959 /CIH  
 GM ranges from R1,197 to R1,764 /CIH  
 NFI ranges from R237 to R772 /CIH

(1) - Figures have been adjusted for saleable milk retained for calves, labour and household. (2) - Fertilized hectares only.

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