



Benchmark Report

2025 Dairy Season

Demo Farm



Welcome to *your* Benchmark

This report provides a comprehensive overview of your farm's financial performance for the 2025 dairy season, placing your results in the context of the wider New Zealand dairy industry through benchmarking. It outlines the contents of the report and offers a clear path forward to help you leverage these insights for improved profitability.

Getting the Most Out of Your Numbers

Dairy farming is the backbone of New Zealand's primary sector, and navigating the seasons successfully requires more than just hard work—it demands smart decisions. In an industry with fluctuating milk prices and rising costs, understanding exactly how your farm is performing financially is more crucial than ever.

This report is designed to help you do just that. By using benchmarking, we compare your farm's performance against the average of similar farms either by Region, Island or across the Country. This is not about judging; it is about identifying what you are doing well and where there might be opportunities to improve efficiency and profitability. Think of it as a health check for your business, giving you a clear, unbiased view of where you stand. Knowing your numbers is the first step to controlling your financial future.

What's Inside This Report?

This report breaks down your farm's performance into key areas, making it easy to see the complete picture. You will find detailed analysis on:

- **Profitability Overview:** A look at how much profit your farm has generated, using key metrics like EBIT and EBITDA.
- **Income Performance:** An assessment of your total cash inflow and where it comes from, including milk and livestock sales.
- **Costs & Expense Analysis:** A detailed breakdown of your top five expense groups, helping you understand key cost drivers like feed, fertiliser, and staffing.
- **Key Financial Ratios:** An evaluation of your farm's financial efficiency and borrowing risk, including your Interest Cover Ratio.

Each section compares your actual results against the benchmark, helping you pinpoint your unique strengths and areas for focus.

Let's Plan Your Next Move

This report provides the "what," but the real value comes from understanding the "why" and planning "what's next." The numbers on these pages are a powerful tool for making better decisions today to improve this year's outcome.

At Sidekick Rural, we are here to help you turn these insights into action. Whether it is through regular quarterly coaching to keep you on track, building a robust business plan for the future, or taking a closer look at this season's forecast, we can help you get ahead of the game.

***"Book a time with us to work through this report together.
Let's make a plan to ensure this season is your most profitable yet!"***



Farm Summary

Farm Name Demo Farm	Location Canterbury, NZ	Entity Type Company	Farm Size (Effective Area) 281.00 ha
Benchmark Group Dairy - Farm Owner With Contract Milker - South Island - Fonterra	Financial Year 2025	Milking Platform 191.00 ha	Peak Cows 600.00

Report Summary

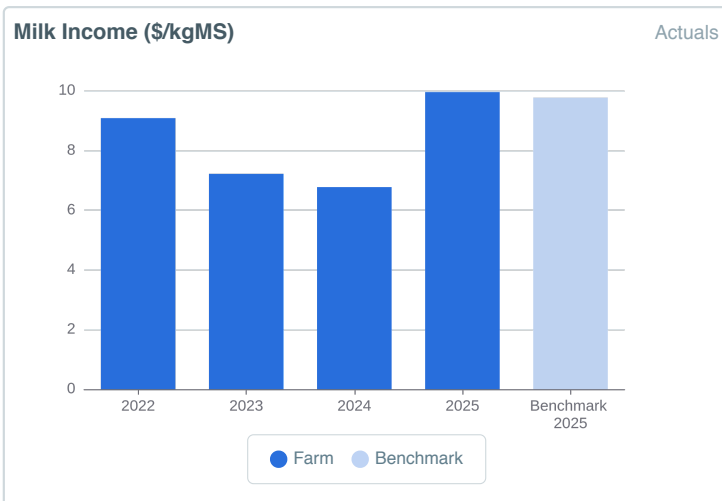
In the 2025 dairy farming season, Canterbury farmers experienced a moderate improvement in market conditions, with the milk payout rising to **\$10.06** per kgMS, representing a **\$2.31 increase** from the previous year. This uplift in payout provides a more positive financial landscape for dairy farmers, potentially offering some relief after recent challenging seasons.

The farm's financial performance suggests mixed outcomes in key metrics. While the net profit per kgMS has decreased to **\$1.59** compared to the benchmark of **\$2.42**, the farm has maintained lower operating expenses at **\$4.17 per kgMS** versus the benchmark of **\$5.13**. However, the farm's breakeven milk price has increased to **\$7.30**, marginally higher than the benchmark of **\$7.09**, which may indicate potential pressures on operational efficiency. Notable variances in expense categories include lower feed costs at **\$0.93** compared to the benchmark's **\$1.87**, but higher interest costs at **\$1.61** versus the benchmark's **\$1.18**, which might warrant closer financial management and strategic review.

The data suggests the farm appears to be navigating challenging market conditions with a cautious approach to cost management. While not achieving top-quartile performance, the farm demonstrates potential for improved financial strategies by continuing to control operating expenses and exploring opportunities to enhance net profitability per kgMS.

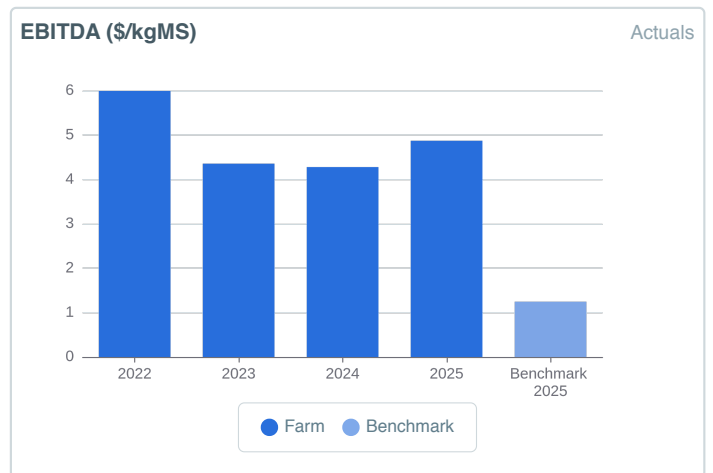
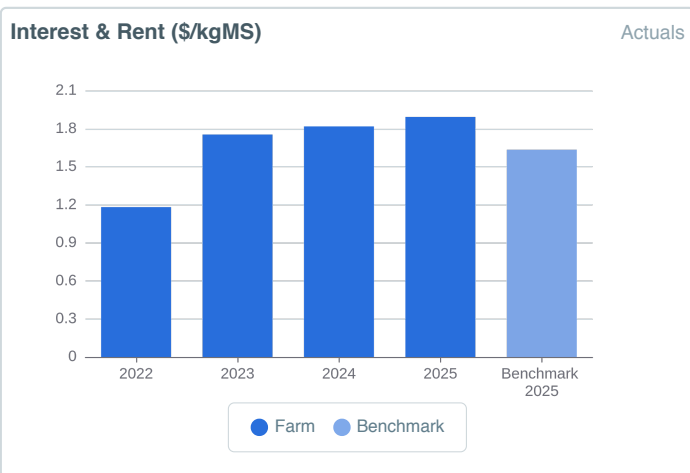
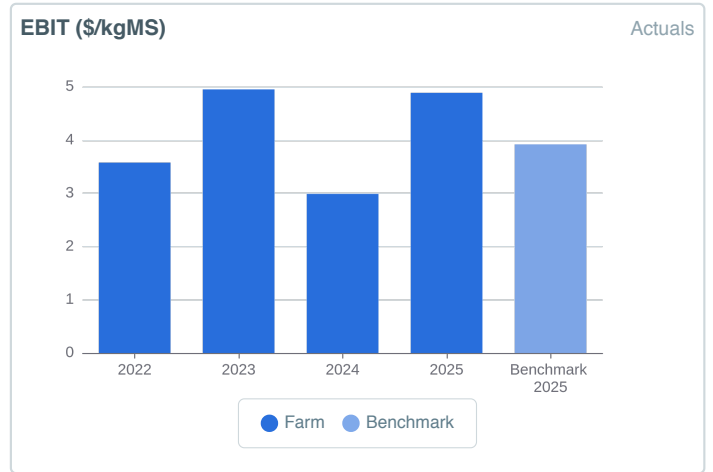
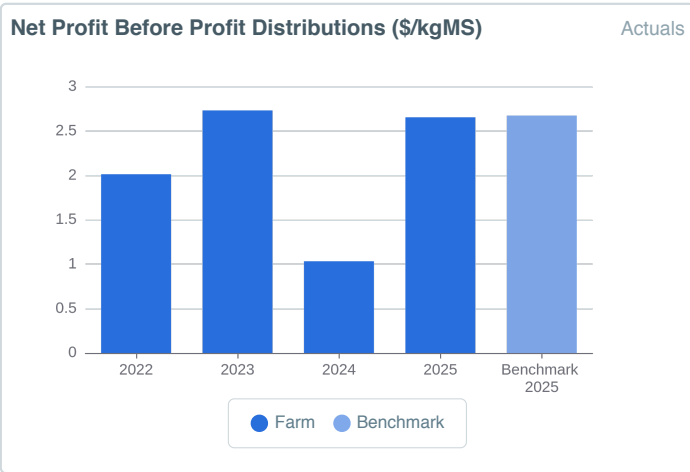
Key Performance Indicators

<p>Milk Gross Profit (\$/kgMS)</p> <p>\$8.51 2025 Actual</p> <p>\$8.41 2025 Benchmark</p> <p>+1%</p>	<p>Operating Costs (\$/kgMS)</p> <p>\$4.17 2025 Actual</p> <p>\$5.13 2025 Benchmark</p> <p>-19%</p>	<p>EBITDA (\$/kgMS)</p> <p>\$5.46 2025 Actual</p> <p>\$4.47 2025 Benchmark</p> <p>+22%</p>
<p>Breakeven Milk Price (\$/kgMS)</p> <p>\$7.30 2025 Actual</p> <p>\$7.09 2025 Benchmark</p> <p>+3%</p>	<p>Breakeven Production (kgMS)</p> <p>206,269 2025 Actual</p> <p>288,892 2025 Benchmark</p> <p>-29%</p>	<p>Interest (\$/kgMS)</p> <p>\$1.61 2025 Actual</p> <p>\$1.18 2025 Benchmark</p> <p>+37%</p>



Profitability Overview

Purpose: Evaluate how much profit the farm has generated.



Income Performance

Purpose: Assess total cash inflow and its structure.

↑
+2%

Milk Income (\$/kgMS)

\$9.95

2025 Actual

\$9.77

2025 Benchmark

↓
-39%

Net Livestock Sales (\$/kgMS)

\$0.41

2025 Actual

\$0.66

2025 Benchmark

↑
+25%

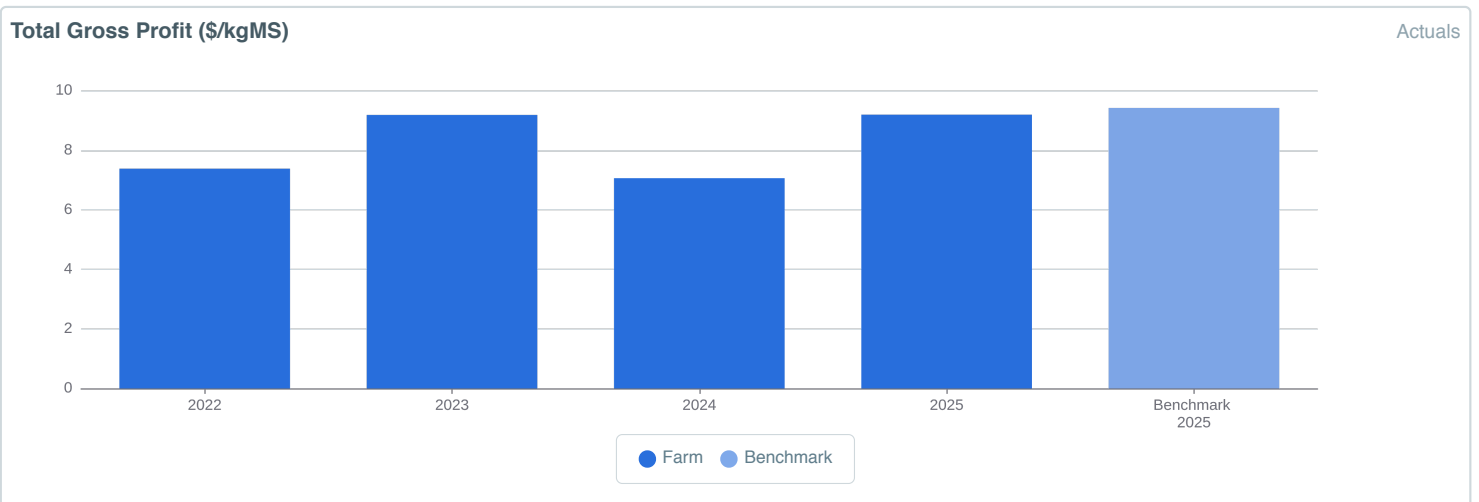
Non-Operating Income (\$/kgMS)

\$0.82

2025 Actual

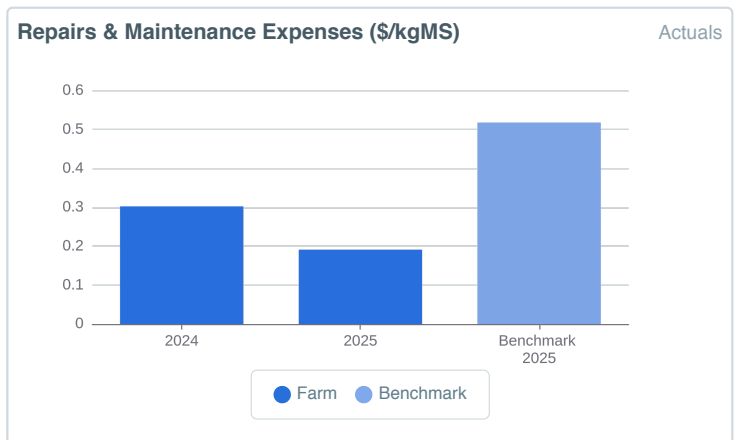
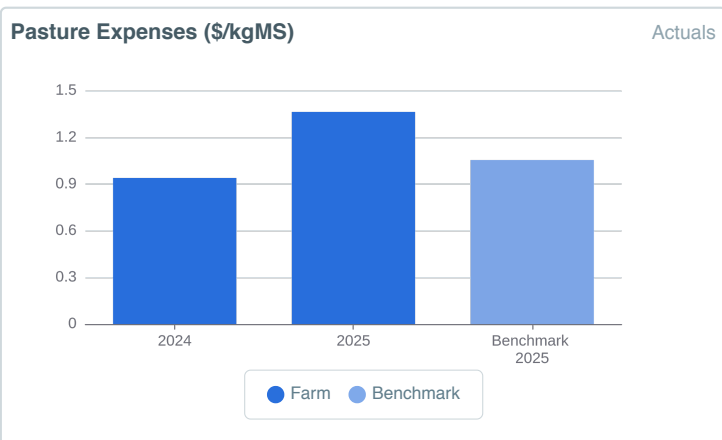
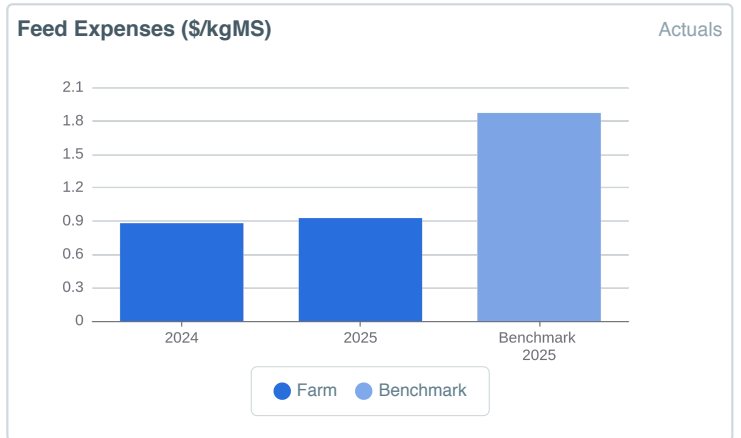
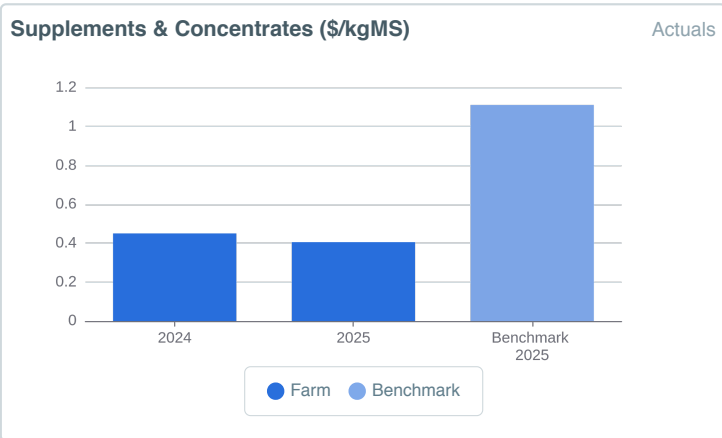
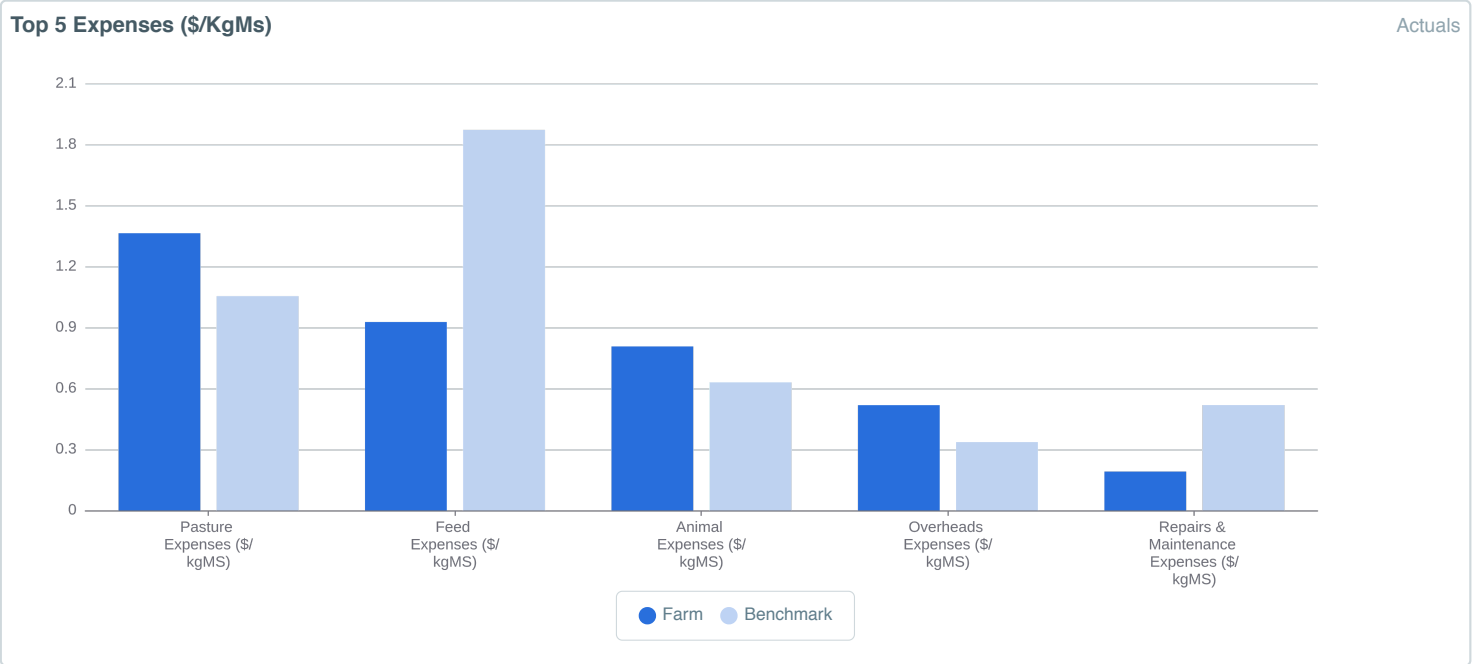
\$0.66

2025 Benchmark



Costs & Expense Analysis

Purpose: To break down the farm's top five expense groups and provide a detailed analysis of key costs drivers such as feed, fertiliser, animal and staff costs.



↓
-42%

Staff Costs Expenses (\$/kgMS)

\$0.14

2025 Actual

\$0.24

2025 Benchmark

↑
+54%

Overheads Expenses (\$/kgMS)

\$0.52

2025 Actual

\$0.34

2025 Benchmark

↓
-19%

Operating Costs (\$/kgMS)

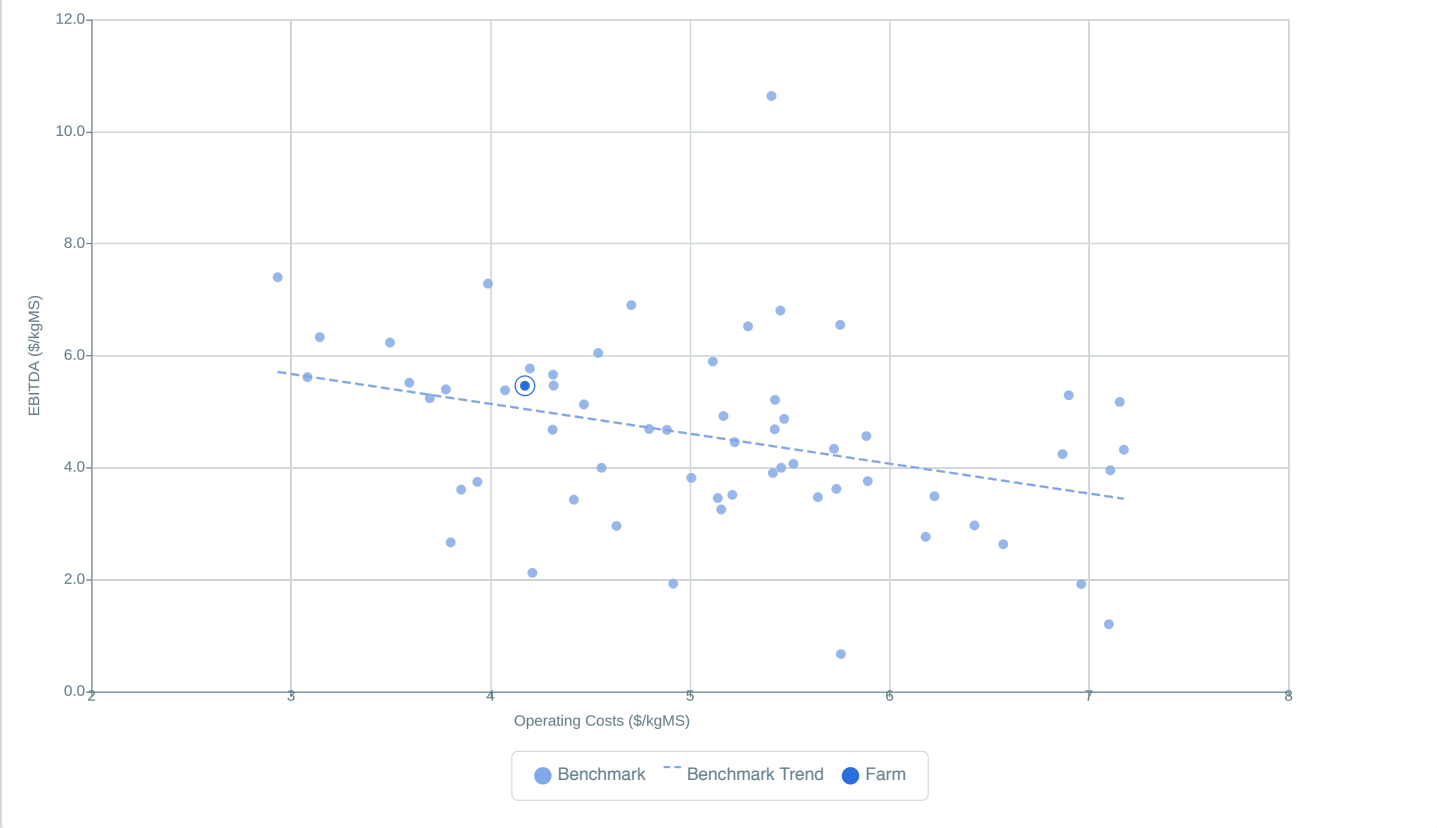
\$4.17

2025 Actual

\$5.13

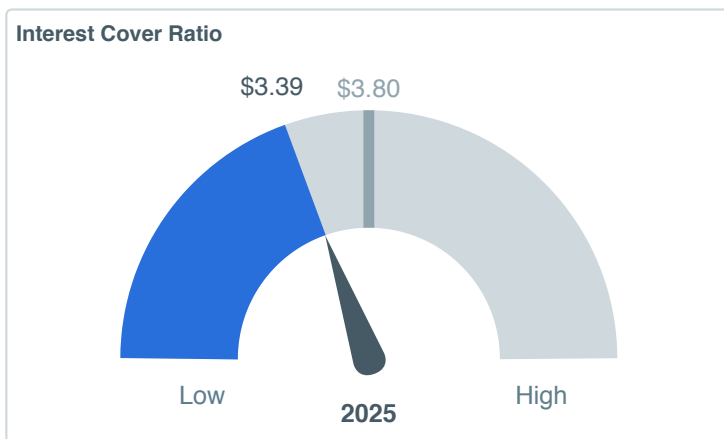
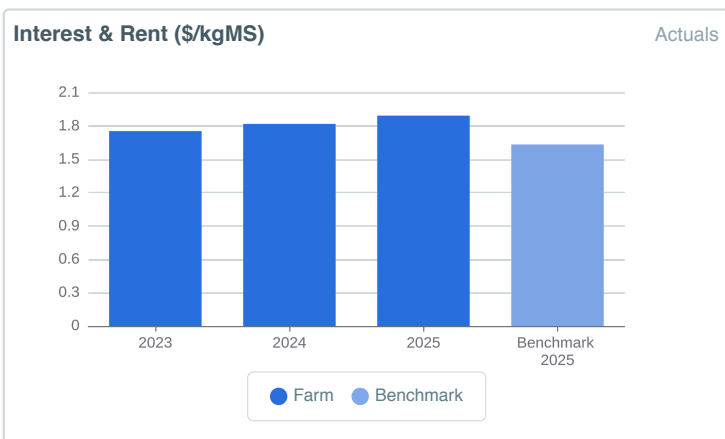
2025 Benchmark

Operating Costs (\$/kgMS) vs EBITDA (\$/kgMS)



Key Financial Ratios

Purpose: To evaluate the farm's interest costs and key ratios, providing insight into financial efficiency and borrowing risk.



Profit & Loss (\$/kgMS)

				\$/kgMS	%
	2023	2024	2025	2025	Var
	Actual	Actual	Actual	Benchmark Average	Farm vs Benchmark Average
Income					
Milk Gross Profit	7.01	6.61	8.51	8.41	1.2%
Net Livestock Sales	0.57	0.73	0.41	0.66	(38.6%)
Other Gross Profit	0.17	0.12	0.13	0.05	163.8%
Adjustments	(0.09)	(0.34)	0.36	0.30	20.8%
Total Gross Profit	7.67	7.11	9.40	9.42	(0.2%)
Operating Expenses					
Animal Health	0.30	0.40	0.39	0.31	27.0%
Breeding	0.18	0.28	0.33	0.21	56.9%
Calf Rearing	0.08	0.16	0.08	0.11	(24.2%)
Home Grown Feed Costs	0.31	0.24	0.38	0.12	220.5%
Grazing	0.16	0.19	0.14	0.64	(77.6%)
Supplements & Concentrates	0.47	0.45	0.41	1.11	(63.5%)
Fertiliser	0.63	0.46	0.53	0.63	(15.0%)
Irrigation	0.36	0.43	0.78	0.22	249.1%
Weed & Pest	0.00	0.00	0.01	0.06	(81.7%)
Pasture Renewal	0.08	0.04	0.04	0.04	(11.4%)
Cropping	-	-	-	0.10	-
Contracting	-	-	-	0.06	-
Effluent	0.00	0.01	0.00	0.02	(80.7%)
Electricity	-	-	-	0.03	-
Farm Working	0.01	0.01	0.01	0.02	(48.6%)
Freight	0.02	0.03	0.03	0.07	(51.8%)
Repairs and Maintenance	0.45	0.30	0.19	0.52	(63.1%)
Shed Expenses	0.00	0.00	0.01	0.04	(79.0%)
Staff Costs	0.07	0.09	0.14	0.24	(42.0%)
Vehicle Expenses	0.18	0.14	0.17	0.12	39.8%
Administration	0.10	0.12	0.15	0.11	38.8%
Advisory	0.03	0.02	0.02	0.04	(46.5%)
Health and Safety	0.00	0.00	0.00	0.00	16.3%
Insurance	0.14	0.13	0.16	0.09	85.9%
Levies	0.01	0.02	0.01	0.01	(30.3%)
Rates	0.10	0.10	0.11	0.08	26.8%
Operating Lease	0.00	-	-	0.02	-
Other Operating Expenses	0.03	0.04	0.06	0.11	(41.1%)
Operating Expenses	3.71	3.67	4.17	5.13	(18.7%)
Operating Surplus	3.95	3.44	5.23	4.29	22.0%
Non Operating Income	0.39	0.64	0.82	0.66	24.8%
Non Operating Lease	0.31	0.27	0.28	0.46	(38.7%)
Other Non Operating Expenses	(1.52)	0.21	0.31	0.02	1,490.9%
EBITDA	5.55	3.60	5.46	4.47	22.2%
Interest	1.45	1.55	1.61	1.18	37.1%
Depreciation	0.60	0.62	0.58	0.30	95.1%
Tax	0.77	0.40	0.62	0.32	90.9%
Net Profit Before Profit Distributions	2.73	1.03	2.66	2.67	(0.7%)
Profit Distributions	0.75	-	1.07	0.26	315.9%
Net Profit	1.98	1.03	1.59	2.42	(34.3%)

Benchmarking Report - Supporting Information

This appendix outlines the process and data used in benchmarking, providing a structured comparison of farm performance. It includes:

- How data was cleaned and prepared.
- What is included or excluded in each formula.

Data Preparation: Inclusion and Exclusion Rules

- All farms are auto-categorised to the Figured standard category definitions (see definitions below)
- Farms must meet activity and data timeliness checks including Xero sync, last tax reconciliation, livestock valuations and farm activity criteria
- Dairy farms must have > 60% milk income for primary income source
- **Production Requirements:** At least one milk tracker and ≥ 9 months of kgMS data in-season
- **Calculation Methods:** Default aggregation: Ratio of averages unless noted
- The benchmarking report categorises farms into various groups based on region, ownership structure, and supplier.
- Minimum sample size per line item: 50 farms
- The benchmarking data has been refreshed to be available for a wider range of farms to use. This data was first extracted in September 2025 and provides actuals data to 31 May 2025. Any additional financial information entered into Figured for your 2025 season between the data extraction and refresh will be included in the latest actuals to data.

Important Notes on Top 25% Groups:

The Top 25% group represents the most financially efficient farms, ranked by Operating Surplus per kgMS. The Top 25% is calculated consistently across all metrics within the benchmark group - it always includes the same farms within the benchmark group, regardless of which financial category is analysed.

Formula Definitions

FORMULA NAME	FORMULA BREAKDOWN	FORMULA DESCRIPTION
EBITDA (\$/kgMS)	(Net Profit + Interest + Tax + Depreciation + Profit Distributions) / kgMS	Earnings before interest, tax, depreciation and amortisation.
EBIT (\$/kgMS)	(Operating Surplus + Non Operating Income - (Total Non Operating Expenses + Interest + Tax)) / kgMS	Earnings before interest and tax.
Breakeven Milk Price (\$/kgMS)	(Dairy Income - (Net Profit + Profit Distributions)) / kgMS	The minimum milk price required to cover all costs and achieve targeted profit. It represents the price at which the farm breaks even before taking into account profit distributions.
Breakeven Milk Production (\$/kgMS)	(Dairy Income - (Net Profit + Profit Distributions)) / (Dairy Income / kgMS)	The minimum production volume required to cover all costs and achieve targeted profit. Expressed as a percentage of current production, it indicates the farm's resilience to production shortfalls before accounting for profit distributions
Operating Expense Ratio	Total Operating Expenses / Total Operating Income	Proportion of total operating income spent on total operating expenses. Ideal ratio range is typically between 0.6 to 0.8, and the lower it is, the better.
Interest Cover Ratio	EBITDA / Interest Costs	Measures the farm's ability to meet interest payments from earnings
Net Profit Before Profit Distributions (\$/kgMS)	(Net Profit + Profit Distributions) / kgMS	Net profit before distributions to owners or shareholder salaries.

INCOME CATEGORIES

Dairy Income	Dairy Income is revenue from milk solids (including colostrum), plus related payments, bonuses, and incentives. This includes proceeds from dairy companies, deferred payments and quality premiums.
Dairy Gross Profit	Dairy Income less Dairy Direct Costs (dairy levies and sharemilker/contract milker deductions).
Net Livestock Sales	Net Livestock Sales is Livestock Income less Livestock Direct Cost categories. It represents net revenue received from the sale of live animals, animal products (i.e. wool, etc), and livestock purchases. It excludes capital gains or losses from valuation changes.
Other Gross Profit	Other Gross Profit includes any other income that is not Dairy or Livestock Income less any other direct costs.
Adjustments	Accounting adjustments for changes in valuations of livestock, crops, or inventory movements. It is net adjustments based on valuations accounts being a mixed of revenue or expense account types.
Non-Operating Income	Non Operating Income includes Investment Income, Off Farm Income and Other Non Operating Income categories.

EXPENSE CATEGORIES

Animal Health	Expenses used to treat, and improve livestock health and welfare, including vet fees, medicines, drench, vaccines, minerals, animal remedies, disease prevention, diagnostic testing, and related animal management supplies. Excludes animal wearables.
Breeding	Management, identification, genetic improvement, and reproductive processes of livestock, including artificial insemination, bull/ram leasing, pregnancy testing, herd testing, and animal identification for breeding purposes. Excludes animal wearables.
Calf Rearing	Expenses incurred in the care, feeding, health, housing, and management of calves from birth until they are weaned. Includes Calf Feed, Calf Meal, Calf Milk Powder, Calf Health, Calf Bedding/Sawdust, Calf Rearing - Animal Health
Home Grown Feed Costs	Costs of growing, harvesting, and making feed crops or conserved forage (such as silage, hay, baleage, fodder beet, winter and summer crops) produced on the farm for livestock consumption, including seed, cultivation, fertiliser, crop protection, and contracting expenses related to on-farm feed production.
Grazing	Payments for having livestock grazed away from the home farm—either on other properties, run-offs, or with contractors—including winter grazing, agistment, calf/heifer/cow/sheep grazing, and associated transport or feed costs specifically for off-farm grazing.
Supplements & Concentrates	'Supplements & Concentrates' are purchased feeds or supplements that are not grown on-farm, but include grains, meals, pellets, protein meals (e.g., PKE, DDG, Canola Meal), minerals, licks, and molasses.
Fertiliser	Purchasing, and applying fertiliser, lime, urea, and soil conditioners to pastures, crops, forage, including related services such as spreading, aerial/topdressing, soil testing, cartage, and manure application.
Irrigation	Managing, and maintaining water for crops, pasture, and livestock, including water charges, resource consents, electricity and fuel for pumps, repairs and maintenance of irrigation systems, water monitoring, and reticulation costs.
Weed & Pest	Costs incurred for the prevention, control, and eradication of weeds and pests affecting farm production. Keywords: Herbicides, Insecticides, Fungicides, Herbicides, Chemicals, Biological Pest Control.
Pasture Renewal	Spending on renewing, or improving permanent pastures for grazing, including costs for seed, cultivation, spraying, fertiliser, soil testing, chemical application, and contracting works related specifically to pasture renewal (but not supplementary feed crops).
Cropping	Costs related to cropping or renewing paddocks for the purpose of pasture renewal/reseeding (aimed at growing more/better pasture for grazing, not for feed conservation).

EXPENSE CATEGORIES

Contracting Expenses	Includes payments to external contractors or businesses for services performed on the farm, such as earthworks, mustering, and other farm-related contract work, but excludes employee wages.
Effluent	Costs directly related to the management, compliance, disposal, and maintenance of effluent (farm dairy waste). Keywords: Effluent Disposal costs, Effluent Monitoring, Effluent Spreading, Effluent Pond, Effluent - Nitrogen Test, etc
Electricity	Costs incurred for the supply and use of electrical power on the farm, including lighting, heating, machinery operation, and powering buildings or equipment. Keywords: Farm Electricity, House Electricity, Power, Heating, Electricity & Gas
Farm Working	Miscellaneous operational expenses crucial for farm business operation, covering low-value assets, working animals (dogs, horses), maintenance, waste disposal, minor tools, and unclassified general supplies or services.
Freight	Costs incurred to transport goods, livestock, feed, fertiliser, or other farm inputs and outputs to or from the farm, including charges for cartage, shipping, and delivery.
Repairs & Maintenance	Costs related to the upkeep and repair of physical assets (buildings, fences, plant and machinery, etc.).
Shed Expenses	Operating costs for farm sheds and facilities used in production. Keywords: shed, milking shed, dairy shed, cleaning, maintenance (shed), shed supplies, rubberware, shed detergents
Staff Costs	Expenses incurred by a business in relation to employing people, including wages, salaries, bonuses, leave, superannuation/KiwiSaver, staff training, recruitment, and employee benefits. Excludes Shareholder salaries which are categorised to profit distributions.
Vehicle Expenses	Costs directly associated with running of farm vehicles (utes, trucks, tractors, motorbikes, etc.) and machinery (tractors, harvesters, diggers, etc.).
Administration	Costs related to the general management, office operations, and administrative support of the farm business, including accounting, legal, stationery, office supplies, telecommunications, IT, subscriptions, professional fees, and bank charges, but excluding costs directly associated with production activities.
Advisory	Costs for professional consulting or technical advice services supporting farm business decision-making, strategy, technical operations, or compliance, provided by third-party experts or specialist organisations.
Health & Safety	Accounts directly related to workplace health, safety, compliance, protective equipment, training. Keywords: health & safety, H&S, safety, workplace safety, compliance, protective clothing, PPE, safety gear, uniforms, safety equipment, protective equipment, training, staff health & safety, hazard management, safety compliance, safety costs.
Insurance	Premiums paid to provide cover for insurable risks affecting the farm business, including property, crop, vehicle, livestock, liability, business interruption, as well as insurance on dwellings, rentals, and contents used in the business.
Levies	Mandatory fees and charges paid to industry bodies, government agencies, or regulatory authorities including accident compensation (ACC), biosecurity, research, environmental, and product-specific levies. Excludes DairyNZ levies as these are categorised to Dairy Direct Costs.
Rates	Charges and levies imposed by local or regional authorities including council rates, land rates, water rates, and related property taxes and levies.
Operating Lease	Costs incurred from regular payments for the use of assets—such as machinery, vehicles, equipment, buildings—acquired under a lease or rental agreement, typically covering short- or medium-term needs essential to farm operations. Excludes land leases as these are categorised as non operating lease.
Other Operating Expenses	All remaining operating categories not listed above—such as Forestry, Horse Expenses, Horticulture Expenses, Shearing Expenses, Viticulture Expenses, Winter Grazing, Other Animal Expenses, Kid Rearing, Animal Welfare, Other Feed, Other Pasture Costs, Other Overheads, and Environmental Expenses—have been combined under "Other Operating Expenses." This grouping is used because these costs are less common across most dairy farms. By including them in a single category, we help minimise skew in the average calculations and provide a clearer comparison across farms.
Non Operating Lease	Expenses for using land or property (including run-off blocks, grazing land) not owned by the farm business but rented or leased from another party are classified as non-operating lease costs
Interest	Costs incurred for borrowing funds, including interest payments on bank loans, mortgages, overdrafts, credit lines, equipment finance, hire purchase agreements, shareholder or related party loans, and late payment interest charges.
Depreciation	The systematic allocation of the cost of tangible fixed assets (such as plant, machinery, and equipment) over their useful economic lives as an expense in the financial accounts.
Tax	Costs related to business income tax, provisional tax, fringe benefit tax, income equalisation schemes, and other tax obligations (including payments, refunds, and tax provisions).
Profit Distributions	Payments of business profits to owners, partners, shareholders, or beneficiaries but excluding regular wages or salaries paid for employment.
Other Non Operating Expenses	Expenses, losses, or write-downs not directly related to day-to-day farm operations, including asset sales, amortisation, penalties, unrecoverable tax, personal and prior period adjustments, and other exceptional or irregular items.