



**Core per DSE Cost** = (Animal Health + Breeding + Electricity + 50% Nitrogen Fertiliser + Freight + Other Expenses + 50% Repairs & Maintenance + 50% Vehicle Expenses + 50% Depreciation) / Total DSE's

**Core per Hectare Cost per tDM Pasture Harvested** = (Administration + 50% Nitrogen Fertiliser + Phosphate & All Other Fertiliser + Irrigation + Pasture Maintenance & Renovation + 50% Repairs & Maintenance + Standing Charges + 50% Vehicle Expenses + Weed & Pest + 50% Depreciation) / Effective Area / tDM Pasture Harvested per Hectare

	Demo Beef Example	Demo Benchmark Average	Demo Benchmark Top Quartile
<b>PHYSICAL PARAMETERS</b>			
<b>Total DSE</b>	<b>3 967</b>	<b>4 133</b>	<b>5 106</b>
Effective Hectares	700,6	667,2	802,3
<b>Stocking Rate (DSE per Hectare)</b>	<b>5,7</b>	<b>6,2</b>	<b>6,4</b>
Calving Percentage	83,1 %	83,1 %	77,1 %
Average Beef Value per kg (Liveweight)	R 16,60	R 17,21	R 17,44
<b>Average Liveweight of Beef Sold</b>	<b>434,0</b>	<b>434,0</b>	<b>461,6</b>
<b>Beef Produced per DSE (kgs)</b>	<b>36,77</b>	<b>37,05</b>	<b>38,54</b>
<b>Total Liveweight Beef Sold / DSE</b>	<b>42,5</b>	<b>42,5</b>	<b>43,4</b>
<b>Average Value of Beef Sold per DSE</b>	<b>R 702</b>	<b>R 733</b>	<b>R 763</b>
Total Weight of Beef Sold per Hectare	240,8	263,4	276,1
<b>Total Liveweight of Beef Produced/Ha</b>	<b>208,2</b>	<b>229,5</b>	<b>245,3</b>
Liveweight of Beef Produced/Ha/100mm rainfall	30,8	34,0	35,3
<b>Pasture Dry Matter Harvested (tDM/Ha)</b>	<b>3,05</b>	<b>3,34</b>	<b>3,83</b>
<b>KEY PERFORMANCE INDICATORS</b>			
<b>Operating Profit per Hectare</b>	<b>R 110</b>	<b>R 281</b>	<b>R 1 559</b>
Operating Profit per DSE	R 19,45	R 45,39	R 244,95
Total Assets per Ha at Start of Year (Average Values)	R 65 709	R 66 373	R 64 815
<b>EQUITY % at Average Values</b>	<b>93,2 %</b>	<b>92,9 %</b>	<b>97,8 %</b>
<b>RETURN ON CAPITAL (ROC) at Average Values</b>	<b>0,1 %</b>	<b>0,3 %</b>	<b>1,9 %</b>
<b>Return on Assets (ROA) at Average Values</b>	<b>0,0 %</b>	<b>0,3 %</b>	<b>2,0 %</b>
ROA including Capital Gain at Average Values	0,6 %	0,8 %	2,2 %
<b>RETURN ON EQUITY (ROE) at Average Values</b>	<b>-0,5 %</b>	<b>-0,3 %</b>	<b>1,9 %</b>
ROE including Capital Gain at Average Values	0,1 %	0,3 %	2,1 %
<b>OPERATING PROFIT MARGIN</b>	<b>3,1 %</b>	<b>7,1 %</b>	<b>32,2 %</b>
<b>Cost of Production per Liveweight kg Meat</b>	<b>R 16,33</b>	<b>R 16,09</b>	<b>R 13,36</b>
Total Operating Expenses as % Gross Revenue	77,2 %	68,1 %	42,7 %
Financing Costs as % Gross Revenue	14,1 %	13,0 %	3,3 %
<b>Core per DSE Cost</b>	<b>R 148,83</b>	<b>R 142,87</b>	<b>R 116,17</b>
Core per Ha Cost	R 1 569	R 1 605	R 1 350
<b>Core per Hectare Cost per tDM Pasture Harvest</b>	<b>R 514</b>	<b>R 481</b>	<b>R 353</b>
Management + Staff Costs per DSE	R 135,58	R 172,99	R 163,17
<b>DSE per Full Time Staff Equivalent</b>	<b>3 243</b>	<b>2 458</b>	<b>2 397</b>
Feeds/Supplements per DSE	R 52,95	R 34,84	R 29,05
<b>Pasture Cost (Per tDM)</b>	<b>R 1 990</b>	<b>R 1 852</b>	<b>R 1 487</b>

	Demo Beef Example	Demo Benchmark Average	Demo Benchmark Top Quartile
<b>PHYSICAL PARAMETERS</b>			
<b>Total DSE</b>	<b>3 967</b>	<b>4 133</b>	<b>5 106</b>
Effective Hectares	700,6	667,2	802,3
<b>Stocking Rate (DSE per Hectare)</b>	<b>5,7</b>	<b>6,2</b>	<b>6,4</b>
Calving Percentage	83,1 %	83,1 %	77,1 %
Death / Loss Percentage	1,0 %	1,0 %	1,3 %
Average Beef Value per kg (Liveweight)	R 16,60	R 17,21	R 17,44
<b>Average Liveweight of Beef Sold</b>	<b>434,0</b>	<b>434,0</b>	<b>461,6</b>
Total Carcass Weight of Beef Sold (excl. grazing)	167 613,5	174 601,0	220 269,0
Total Carcass Weight of Beef Sold (incl. grazing)	168 725,0	175 712,5	221 498,4
<b>Total Liveweight Beef Sold / DSE</b>	<b>42,5</b>	<b>42,5</b>	<b>43,4</b>
Average Value of Beef Sold	R 7 205	R 7 471	R 8 049
<b>Average Value of Beef Sold per DSE</b>	<b>R 702</b>	<b>R 733</b>	<b>R 763</b>
<b>Total Weight of Beef Sold per Hectare</b>	<b>240,8</b>	<b>263,4</b>	<b>276,1</b>
<b>Total Value of Beef Sold per Hectare</b>	<b>R 3 972</b>	<b>R 4 542</b>	<b>R 4 858</b>
<b>PASTURE &amp; SUPPLEMENTS</b>			
<b>Pasture Dry Matter Harvested (tDM/Ha)</b>	<b>3,05</b>	<b>3,34</b>	<b>3,83</b>
<b>Pasture as % of Total Consumed</b>	<b>98,5 %</b>	<b>99,2 %</b>	<b>99,7 %</b>
Total Feed/Supplement Costs per DSE	R 52,95	R 34,84	R 29,05
<b>Average Cost of All Consumed Feed (/tDM)</b>	<b>R 1 997</b>	<b>R 1 863</b>	<b>R 1 486</b>
<b>Pasture Cost (Per tDM)</b>	<b>R 1 990</b>	<b>R 1 852</b>	<b>R 1 487</b>
- Direct Pasture Cost (Per tDM)	R 285	R 252	R 177
- Variable Pasture Cost (Per tDM)	R 186	R 208	R 164
- Capital Pasture Cost Per tDM	R 1 518	R 1 392	R 1 145
Average Cost of All Supplements (/tDM Consumed)	R 2 520	R 3 339	R 1 263
Pasture Dry Matter Harvested / Megalitre (tDM)	0,8	0,9	0,5
Megalitres Used per Hectare	5,3	5,3	10,8
<b>MANAGEMENT &amp; STAFF</b>			
Total Equivalent Full Time Staff	1,2	1,7	2,1
<b>DSE per Full Time Staff Equivalent</b>	<b>3 243</b>	<b>2 458</b>	<b>2 397</b>
Management + Staff Costs per DSE	R 135,58	R 172,99	R 163,17
Revenue per Full Time Staff Equivalent	R 2 009 559	R 1 576 961	R 1 821 286
Revenue per R1 of Employment Expense	R 45,71	R 37,09	R 46,56
Total Hours Worked per Week	61,2	84,1	106,5
Total Imputed Labour & Management	R 424 683	R 600 772	R 790 401

	Demo Beef Example	Demo Benchmark Average	Demo Benchmark Top Quartile
<b>REVENUE</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>
Beef Livestock Sales	2 782 384	3 005 430	3 840 770
- Less Livestock Purchases	(654 269)	(681 544)	(170 093)
Other Revenue	193 086	186 973	196 085
<b>Total Operating Revenue</b>	<b>2 321 200</b>	<b>2 510 859</b>	<b>3 866 762</b>
<b>EXPENSES</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>
Administration (incl. professional fees)	102 114	100 173	98 992
Animal Health	75 713	75 042	91 938
Breeding	13 276	13 801	717
Electricity	22 139	22 340	21 732
Feeds / Supplements (Total)	210 132	144 081	148 243
- Grazing / Support Area	14 887	15 507	49 013
- Cropping (green feed)	1 756	1 694	0
- Hay & Pasture Silage	145 832	77 235	91 083
- Other Feeds / Supplements	47 658	49 645	8 147
Fertiliser (Total)	518 548	501 217	510 387
- Nitrogen	77 233	75 494	79 400
- Phosphate & All Other Fertiliser	441 314	425 723	430 987
Freight	76 550	79 742	80 198
Irrigation	15 789	15 232	0
Pasture Maintenance & Renovation	49 757	47 987	21 772
Rates, Licenses, Levies & Insurance	219 728	214 289	227 961
Repairs & Maintenance	304 310	302 650	232 170
Vehicle Expenses (including fuel & oil)	176 160	175 356	177 615
Wages, Salaries & Employment Exp.	113 166	114 095	42 833
<b>Total Operating Expenses</b>	<b>1 897 383</b>	<b>1 806 004</b>	<b>1 654 559</b>
<b>OPERATING SURPLUS</b>	<b>423 817</b>	<b>704 855</b>	<b>2 212 203</b>
<b>ADJUSTMENTS</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>
+ Change in Livestock Numbers	85 322	88 462	(35 234)
+ Change in Feeds/Supplements on Hand	2 059	2 059	3 621
- Imputed Labour & Management	424 683	600 772	790 401
- Depreciation	260 114	257 792	314 770
+ Other Revenue Adjustments	51 878	51 878	47 820
- Other Expenses Adjustments	(198 898)	(198 898)	(127 623)
<b>Total Adjustments</b>	<b>(346 641)</b>	<b>(517 266)</b>	<b>(961 342)</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>77 176</b>	<b>187 589</b>	<b>1 250 861</b>

**Operating Profit Per Hectare - Beef**  
**Red Sky Beef Demo Farms**  
**South Africa Beef Demo Farms**



	Demo Beef Example	Demo Benchmark Average	Demo Benchmark Top Quartile
<b>REVENUE</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>
Livestock Revenue	3 159	3 616	4 531
Other Revenue	350	358	304
<b>Gross Revenue</b>	<b>3 509</b>	<b>3 974</b>	<b>4 835</b>
<b>EXPENSES</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>
Administration (incl. professional fees)	138	142	117
Animal Health	107	112	115
Breeding	19	21	1
Electricity	30	32	21
Feeds / Supplements (Total)	299	215	186
- Grazing / Support Area	23	25	67
- Cropping (green feed)	3	3	0
- Hay & Pasture Silage	207	115	115
- Other Feeds / Supplements	66	72	4
Fertiliser (Total)	634	639	555
- Nitrogen	107	110	99
- Phosphate & All Other Fertiliser	526	529	456
Freight	109	120	100
Irrigation	23	23	0
Pasture Maintenance & Renovation	71	72	27
Rates, Licenses, Levies & Insurance	314	321	284
Repairs & Maintenance	277	289	218
Vehicle Expenses (including fuel & oil)	240	251	221
Management & Staff Expenses	768	1 071	1 039
- Wages, Salaries & Employment Exp.	162	171	53
- Imputed Labour & Management	606	900	985
Depreciation	371	386	392
<b>Gross Expenses</b>	<b>3 399</b>	<b>3 692</b>	<b>3 276</b>
Gross Exp excl. Imputed Labour/Mgmt & Dep'n	2 421	2 406	1 899
Core per Hectare Cost	1 569	1 605	1 350
<b>OPERATING PROFIT/(LOSS)</b>	<b>110</b>	<b>281</b>	<b>1 559</b>



**Operating Profit Per DSE - Beef**  
**Red Sky Beef Demo Farms**  
**South Africa Beef Demo Farms**



	Demo Beef Example	Demo Benchmark Average	Demo Benchmark Top Quartile
<b>REVENUE</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>
Livestock Revenue	557,94	583,75	711,93
Other Revenue	49,98	46,50	39,34
<b>Gross Revenue</b>	<b>607,92</b>	<b>630,25</b>	<b>751,26</b>
<b>EXPENSES</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>
Administration (incl. professional fees)	25,60	24,10	19,28
Animal Health	19,07	18,14	18,00
Breeding	3,35	3,34	0,14
Electricity	5,55	5,38	4,16
Feeds / Supplements (Total)	52,95	34,84	29,05
- Grazing / Support Area	3,78	3,78	9,69
- Cropping (green feed)	0,44	0,41	0,00
- Hay & Pasture Silage	36,75	18,68	17,86
- Other Feeds / Supplements	11,98	11,98	1,50
Fertiliser (Total)	128,83	119,48	98,68
- Nitrogen	19,41	18,22	15,55
- Phosphate & All Other Fertiliser	109,41	101,26	83,13
Freight	19,30	19,30	15,71
Irrigation	3,98	3,69	0,00
Pasture Maintenance & Renovation	12,54	11,61	4,26
Rates, Licenses, Levies & Insurance	55,39	51,85	44,64
Repairs & Maintenance	73,94	70,58	44,34
Vehicle Expenses (including fuel & oil)	44,20	42,24	34,78
Management & Staff Expenses	135,58	172,99	163,17
- Wages, Salaries & Employment Exp.	28,53	27,61	8,39
- Imputed Labour & Management	107,05	145,38	154,78
Depreciation	65,57	62,38	61,64
<b>Gross Expenses</b>	<b>645,83</b>	<b>639,92</b>	<b>537,87</b>
Gross Exp excl. Imputed Labour/Mgmt & Dep'n	473,21	432,16	321,44
Core per DSE Cost	148,83	142,87	116,17
<b>OPERATING PROFIT/(LOSS)</b>	<b>(37,91)</b>	<b>(9,67)</b>	<b>213,40</b>



**Operating Profit Per Kg Meat - Beef**  
**Red Sky Beef Demo Farms**  
**South Africa Beef Demo Farms**



	Demo Beef Example	Demo Benchmark Average	Demo Benchmark Top Quartile
<b>REVENUE</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>
Livestock Revenue	13,12	13,73	16,41
Other Revenue	1,45	1,36	1,10
<b>Gross Revenue</b>	<b>14,57</b>	<b>15,09</b>	<b>17,51</b>
<b>EXPENSES</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>
Administration (incl. professional fees)	0,57	0,54	0,42
Animal Health	0,45	0,42	0,42
Breeding	0,08	0,08	0,00
Electricity	0,12	0,12	0,08
Feeds / Supplements (Total)	1,24	0,81	0,67
- Grazing / Support Area	0,09	0,09	0,24
- Cropping (green feed)	0,01	0,01	0,00
- Hay & Pasture Silage	0,86	0,44	0,42
- Other Feeds / Supplements	0,27	0,27	0,01
Fertiliser (Total)	2,63	2,43	2,01
- Nitrogen	0,45	0,42	0,36
- Phosphate & All Other Fertiliser	2,19	2,01	1,65
Freight	0,45	0,45	0,36
Irrigation	0,09	0,09	0,00
Pasture Maintenance & Renovation	0,29	0,27	0,10
Rates, Licenses, Levies & Insurance	1,30	1,22	1,03
Repairs & Maintenance	1,15	1,10	0,79
Vehicle Expenses (including fuel & oil)	1,00	0,95	0,80
Management & Staff Expenses	3,19	4,07	3,76
- Wages, Salaries & Employment Exp.	0,67	0,65	0,19
- Imputed Labour & Management	2,52	3,42	3,57
Depreciation	1,54	1,47	1,42
<b>Gross Expenses</b>	<b>14,11</b>	<b>14,02</b>	<b>11,87</b>
Gross Exp excl. Imputed Labour/Mgmt & Dep'n	10,05	9,13	6,88
Core per Hectare Cost	12,44	12,81	11,08
<b>OPERATING PROFIT/(LOSS)</b>	<b>0,46</b>	<b>1,07</b>	<b>5,65</b>



**Operating Profit as Percent of Revenue - Beef**  
**Red Sky Beef Demo Farms**  
**South Africa Beef Demo Farms**



	Demo Beef Example	Demo Benchmark Average	Demo Benchmark Top Quartile
<b>REVENUE</b>			
Livestock Revenue	90,0 %	91,0 %	93,7 %
Other Revenue	10,0 %	9,0 %	6,3 %
<b>Gross Revenue</b>	<b>100,0 %</b>	<b>100,0 %</b>	<b>100,0 %</b>
<b>EXPENSES</b>			
Administration (incl. professional fees)	3,9 %	3,6 %	2,4 %
Animal Health	3,1 %	2,8 %	2,4 %
Breeding	0,5 %	0,5 %	0,0 %
Electricity	0,9 %	0,8 %	0,4 %
Feeds / Supplements (Total)	8,5 %	5,4 %	3,9 %
- Grazing / Support Area	0,7 %	0,6 %	1,4 %
- Cropping (green feed)	0,1 %	0,1 %	0,0 %
- Hay & Pasture Silage	5,9 %	2,9 %	2,4 %
- Other Feeds / Supplements	1,9 %	1,8 %	0,1 %
Fertiliser (Total)	18,1 %	16,1 %	11,5 %
- Nitrogen	3,1 %	2,8 %	2,0 %
- Phosphate & All Other Fertiliser	15,0 %	13,3 %	9,4 %
Freight	3,1 %	3,0 %	2,1 %
Irrigation	0,6 %	0,6 %	0,0 %
Pasture Maintenance & Renovation	2,0 %	1,8 %	0,6 %
Rates, Licenses, Levies & Insurance	8,9 %	8,1 %	5,9 %
Repairs & Maintenance	7,9 %	7,3 %	4,5 %
Vehicle Expenses (including fuel & oil)	6,8 %	6,3 %	4,6 %
Management & Staff Expenses	21,9 %	27,0 %	21,5 %
- Wages, Salaries & Employment Exp.	4,6 %	4,3 %	1,1 %
- Imputed Labour & Management	17,3 %	22,7 %	20,4 %
Depreciation	10,6 %	9,7 %	8,1 %
<b>Gross Expenses</b>	<b>96,9 %</b>	<b>92,9 %</b>	<b>67,8 %</b>
Gross Exp excl. Imputed Labour/Mgmt & Dep'n	69,0 %	60,5 %	39,3 %
<b>OPERATING PROFIT/(LOSS)</b>	<b>3,1 %</b>	<b>7,1 %</b>	<b>32,2 %</b>





## Balance Sheet Summary (Market Values) - Beef

Red Sky Beef Demo Farms  
South Africa Beef Demo Farms



	Demo Beef Example	Demo Benchmark Average	Demo Benchmark Top Quartile
<b>ASSETS AT START OF YEAR</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>
Land & Buildings	49 771 269	47 398 500	59 578 100
Livestock	5 120 169	5 333 620	7 124 497
Vehicles, Plant & Machinery	1 999 231	1 956 133	1 669 615
Other Assets	1 988	1 978	0
<b>TOTAL ASSETS AT START OF YEAR</b>	<b>56 892 655</b>	<b>54 690 231</b>	<b>68 372 212</b>
Total Assets per Hectare	70 542	71 206	75 447
Land & Buildings per Hectare	61 712	61 712	65 743
<b>ASSETS AT END OF YEAR</b>			
Land & Buildings	47 835 483	45 555 000	50 230 400
Livestock	5 125 990	5 339 684	6 926 254
Vehicles, Plant & Machinery	2 096 586	2 051 390	2 050 923
Other Assets	1 988	1 978	0
<b>TOTAL ASSETS AT END OF YEAR</b>	<b>55 060 047</b>	<b>52 948 052</b>	<b>59 207 577</b>
Total Assets per Hectare	68 057	68 723	65 334
Land & Buildings per Hectare	59 127	59 127	55 428
<b>LIABILITIES AT START OF YEAR</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>
Current Liabilities less Current Assets	434 235	431 755	258 794
Long Term Liabilities	3 045 365	3 043 714	649 137
<b>Total Liabilities at Start of Year</b>	<b>3 479 600</b>	<b>3 475 468</b>	<b>907 931</b>
<b>LIABILITIES AT END OF YEAR</b>			
Current Liabilities less Current Assets	355 203	353 175	(48 010)
Long Term Liabilities	3 295 742	3 293 955	1 376 112
<b>Total Liabilities at End of Year</b>	<b>3 650 946</b>	<b>3 647 130</b>	<b>1 328 102</b>
<b>EQUITY</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>
Equity at Start of Year	53 413 055	51 214 762	67 464 281
<b>Equity at End of Year</b>	<b>51 409 101</b>	<b>49 300 922</b>	<b>57 879 475</b>
Equity % at Start of Year	93,9 %	93,6 %	98,7 %
<b>Equity % at End of Year</b>	<b>93,4 %</b>	<b>93,1 %</b>	<b>97,8 %</b>
<b>FINANCING COSTS</b>			
Bank Charges & Loan Fees	10 305	10 263	6 732
Interest	276 872	276 434	75 200
Lease Fees & Rentals	60 133	57 266	47 842
<b>TOTAL FINANCING COSTS</b>	<b>347 310</b>	<b>343 963</b>	<b>129 773</b>
<b>Financing Costs as % Gross Revenue</b>	<b>14,1 %</b>	<b>13,0 %</b>	<b>3,3 %</b>
Financing Costs per Hectare	496	516	162
Financing Costs per DSE	88	83	25
<b>Interest Cover</b>	<b>0,2</b>	<b>0,5</b>	<b>9,6</b>

