

# Annual Cash Budget updated February 2025

Name: **South Waikato, Owner with CM, Sys 5** Budget Period **1 / 6 / 2024** to **31 / 5 / 2025**

Farm Details: **128800 kgMS** **286 cows** **73.0 ha** **450 kgMS/cow** **1764 kgMS/ha** **3.92 cows/ha**

Income					\$ Total	\$/kgMS	\$/cow	\$/ha
<b>Net Milk Income</b>	Share of milk cheque received	100%						
Milk Solids advance	128,800 kgMS x \$ 9.61 /kgMS				\$1,237,227	\$9.61	\$4,326	\$16,948
Milk Solids retrospective	kgMS x \$ /kgMS							
Milk Solids dividend	129,000 shares x \$ 0.56 /share				\$71,510	\$0.56	\$250	\$980
Other Milk Income								
DairyNZ levy	enter as negative number				-\$4,637	-\$0.04	-\$16	-\$64
Net Dairy livestock sales (calves + culls + other - purchases)					\$58,000	\$0.45	\$203	\$795
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting					\$14,050	\$0.11	\$49	\$192
<b>Net Dairy Cash Income</b>					<b>\$1,376,150</b>	<b>\$10.68</b>	<b>\$4,812</b>	<b>\$18,851</b>
Expenses					\$ Total	\$/kgMs	\$/cow	\$/ha
Wages					\$195,866	\$1.52	\$685	\$2,683
Animal health					\$14,394	\$0.11	\$50	\$197
Breeding and herd improvement					\$18,990	\$0.15	\$66	\$260
Farm dairy					\$2,561	\$0.02	\$9	\$35
Electricity (farm dairy, water supply)								
Supplements made (incl. Contractors)					\$3,520	\$0.03	\$12	\$48
Supplements purchased					\$236,624	\$1.84	\$827	\$3,241
Calf rearing					\$10,112	\$0.08	\$35	\$139
Young and dry stock grazing					\$72,098	\$0.56	\$252	\$988
Winter cow grazing					\$6,375	\$0.05	\$22	\$87
Run-off lease								
Fertiliser (incl. N)					\$58,888	\$0.46	\$206	\$807
Irrigation								
Regrassing and cropping								
Weed and pest								
Vehicles and fuel					\$2,754	\$0.02	\$10	\$38
R&M (land, buildings, plant, machinery)					\$23,645	\$0.18	\$83	\$324
Freight and general farm expenses					\$2,541	\$0.02	\$9	\$35
Administration e.g. accountant, consultant, phone					\$3,509	\$0.03	\$12	\$48
Insurance					\$7,599	\$0.06	\$27	\$104
ACC								
Rates					\$12,266	\$0.10	\$43	\$168
<b>Total Farm Working Expenses</b>					<b>\$671,742</b>	<b>\$5.22</b>	<b>\$2,349</b>	<b>\$9,202</b>
<b>Cash Surplus / Deficit</b>					<b>\$704,408</b>	<b>\$5.47</b>	<b>\$2,463</b>	<b>\$9,649</b>
Non Cash adjustments								
Value of change in livestock numbers					-\$11,200	-\$0.09	-\$39	-\$153
Labour adjustment					\$3,500	\$0.03	\$12	\$48
Less Feed inventory Adjustment								
Owned support block adjustment								
Depreciation					\$55,000	\$0.43	\$192	\$753
<b>Dairy Gross Farm Revenue</b>					<b>\$1,364,950</b>	<b>\$10.60</b>	<b>\$4,773</b>	<b>\$18,698</b>
<b>Dairy Operating Expenses</b>					<b>\$730,242</b>	<b>\$5.67</b>	<b>\$2,553</b>	<b>\$10,003</b>
<b>Dairy Operating Profit</b>					<b>\$634,708</b>	<b>\$4.93</b>	<b>\$2,219</b>	<b>\$8,695</b>

## Notes for Budget

Net Milk Income	Revised Feb 2025 and now based on milk production for the year of 128,800 kg MS @ \$9.61/kgMS advance and deferred payments. Includes Fonterra dividend of \$0.56 per share on 129,000 shares. Milk revenue is net of the DairyNZ levy 3.6 cents per kg MS. <b>** This milk income is the farmers best estimate of their likely net milk sales. It may or may not be out of date based on new information from Dairy Companies. It does not necessarily reflect DairyNZ's milk price forecast.</b>
Net Dairy livestock sales (calves + culls + other - purchases)	43 MA cows @\$819, 12 surplus R 2 heifers @\$1300, 4 empty heifers @\$650, 10 beef calves @ \$100 and 200 bobby calves @ \$26. Cow sales are a mix of culls, in milk empty cows and budget cows. This could be higher as the not in calf rate is low this year so more cows could be sold as budget cows rather than in milk empty or culls.
Other dairy income	Rent for surplus housing on the property.

## Expenses

Wages	This is payment to the contract milker and covers remuneration for 1.6 FTE plus some relief milking and allowances for calves reared. This also covers the contract milkers share of shed, power, farm bike and communication costs.
Animal health	Covers teat spray, mastitis treatment, dry cow, teat seal, antibiotics, vaccinations , lameness, metabolic treatments and general vet costs. Included a Johnes test this year.
Breeding and herd improvement	Heifers are mated to start calving a week earlier than mature cows. AB is for 5 weeks or until 330-34 inseminations have been done. Budget covers 330-340 insemination's with the majority @ \$17.5 /straw. Some low cost unproven straws are used as well. Costs include a \$6.00 per insemination fee. Herd test 4 times per year one milking only. Six bulls will be leased, to use with the herd after AB is finished. Mating goes for 11 weeks.
Farm dairy	Contract milker pays for farm dairy costs such as rubberware and detergent. This cost is for milking machine testing and sundry items that are the owner's responsibility.
Electricity (farm dairy, water supply)	Contract milker pays for the farm and shed electricity.
Supplements made (incl. Contractors)	This is pit silage made on the milking platform. The amount varies each year depending on the spring growth. This year 11 ha (22 t DM) was harvested at \$0.16 c/kg DM in the stack.
Supplements purchased	The budget is for 311 t PKE at \$348/t landed, (already contracted), and approximately 312 t DM of maize silage at \$340/t DM in the stack. Also included is the purchase of 16 t DM of silage at \$400/t DM in the stack on farm. An allowance of \$14,800 is included for minerals which are added to the feed.
Calf rearing	This covers 1.0 t milk powder along with 3-4 t of meal, shavings for bedding, de-horning and young calf animal health costs. This year only 50 replacement heifer calves were reared, (15 less than usual as fewer heifer calves were born).
Young and dry stock grazing	Calves leave the farm December 1st as weaners and return to the farm May 1st as in calf heifers. Prices are now \$12.50 per head per week for 50 calves for 22 weeks and \$17.50 per head per week for 69 yearling heifers for 52 weeks, (bulls for mating are included in the per head price). This includes freight and all animal health including zinc and PKE fed at no extra charge.
Winter cow grazing	25 cows for 51 days at \$5/head/day.
Run-off lease	
Fertiliser (incl. N)	This is net of fertiliser rebates. 65% of the farm is irrigated with effluent. Over the whole year the effluent area gets an additional 90 kg N per ha applied and the non-effluent area gets 120 kg N per ha. Fertiliser applied is urea, PhasedN and sulphur depending on the time of year and the soil conditions. August and September fertiliser and nitrogen for the whole farm is now applied by helicopter, as is the autumn fertiliser for the non-effluent area. This costs about \$6,500. Contour and soil conditions in the late winter and early spring mean that a much better coverage can be achieved with the helicopter. The contour of the non-effluent area is difficult to evenly spread fertiliser using land based spreaders so using a helicopter on this land gives more efficient use of fertiliser.
Irrigation	
Regrassing and cropping	No regrassing planned for the 2024-25 season.
Weed and pest	Weeds are not a problem.

Vehicles and fuel	Vehicle costs are low as only have to pay for the maintenance and running of one tractor, which was replaced in 2020-21. Feed pad and stacks are near the dairy shed so the tractor is not running very much. The contract milker supplies and pays the running costs for farm bikes.
R&M (land, buildings, plant, machinery)	The dairy shed, feed pad and effluent system are ten years old and other infrastructure is in good order so R & M is usually relatively low. This year major repairs were needed to the effluent pipes under the concrete at the entrance to the cowshed which has increased R & M by about \$10,000 compared with the original budget.
Freight and general farm expenses	Includes bio security levy of \$0.008/kg MS, and some freight.
Administration e.g. accountant, consultant, phone	Covers accountancy, bank charges, and general office costs. This is lower than for an owner operator as the contract milker does a lot of the day to day organising so communication costs for the farm owner are low. Do own GST returns which keeps costs down.
Insurance	As per latest invoice.
ACC	No owner ACC paid.
Rates	As per current rates demand.
Other farm working expenses (not included in any of the above)	
<b>Non Cash adjustments</b>	
Value of change in livestock numbers	Expect to have 15 less rising 1 year old heifers on hand at the end of the season as fewer heifer calves were born. MA cows/in calf heifer numbers to winter will be the same, about 294-295.
Labour adjustment	This covers about 2 part days per month on farm as well as governance and administration for the business, it equates to 0.1 FTE for the year of unpaid owner input.
Less Feed inventory Adjustment	The amount of supplement taken in to the 2025 winter is likely to be similar to the start of the season, (300 t DM).
Owned support block adjustment	
Depreciation	This has been based on 2022-23 Financial statements plus some allowance for additional years depreciation. No major fixed asset purchase/sales are planned for the 2024-25 season.