

Annual Cash Budget

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

Farm Details: 134700 kgMS 290 cows 73.0 ha 464 kgMS/cow 1845 kgMS/ha 3.97 cows/ha

Income				\$ Total	\$/kgMS	\$/cow	\$/ha	
Net Milk Income	Share of milk cheque received		100%					
Milk Solids advance	134,700	kgMS x \$	8.34	/kgMS	\$1,123,900	\$8.34	\$3,876	\$15,396
Milk Solids retrospective		kgMS x \$		/kgMS				
Milk Solids dividend	129,000	shares x \$	0.20	/share	\$25,800	\$0.19	\$89	\$353
Other Milk Income								
DairyNZ levy	enter as negative number				-\$4,850	-\$0.04	-\$17	-\$66
Net Dairy livestock sales (calves + culls + other - purchases)					\$57,200	\$0.42	\$197	\$784
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting					\$14,050	\$0.10	\$48	\$192
Net Dairy Cash Income					\$1,216,100	\$9.03	\$4,193	\$16,659

Expenses				\$ Total	\$/kgMs	\$/cow	\$/ha
Wages				\$204,400	\$1.52	\$705	\$2,800
Animal health				\$10,850	\$0.08	\$37	\$149
Breeding and herd improvement				\$20,000	\$0.15	\$69	\$274
Farm dairy				\$6,000	\$0.04	\$21	\$82
Electricity (farm dairy, water supply)							
Supplements made (incl. Contractors)				\$4,800	\$0.04	\$17	\$66
Supplements purchased				\$233,700	\$1.73	\$806	\$3,201
Calf rearing				\$10,400	\$0.08	\$36	\$142
Young and dry stock grazing				\$79,200	\$0.59	\$273	\$1,085
Winter cow grazing				\$5,600	\$0.04	\$19	\$77
Run-off lease							
Fertiliser (incl. N)				\$66,100	\$0.49	\$228	\$905
Irrigation							
Regrassing and cropping							
Weed and pest							
Vehicles and fuel				\$4,300	\$0.03	\$15	\$59
R&M (land, buildings, plant, machinery)				\$15,400	\$0.11	\$53	\$211
Freight and general farm expenses				\$3,400	\$0.03	\$12	\$47
Administration e.g. accountant, consultant, phone				\$4,000	\$0.03	\$14	\$55
Insurance				\$7,550	\$0.06	\$26	\$103
ACC							
Rates				\$11,300	\$0.08	\$39	\$155
Total Farm Working Expenses				\$687,000	\$5.10	\$2,369	\$9,411

Cash Surplus / Deficit				\$529,100	\$3.93	\$1,824	\$7,248
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Non Cash adjustments							
Value of change in livestock numbers				-\$1,100	-\$0.01	-\$4	-\$15
Labour adjustment				\$3,500	\$0.03	\$12	\$48
Less Feed inventory Adjustment							
Owned support block adjustment							
Depreciation				\$55,000	\$0.41	\$190	\$753
Dairy Gross Farm Revenue				\$1,215,000	\$9.02	\$4,190	\$16,644
Dairy Operating Expenses				\$745,500	\$5.53	\$2,571	\$10,212
Dairy Operating Profit				\$469,500	\$3.49	\$1,619	\$6,432

Notes for Budget

Net Milk Income	Based on milk production for the year of 134,700 kg MS @ \$8.34/kgMS advance and deferred payments. Includes Fonterra dividend of \$0.20 per share on 129,000 shares. Milk revenue is net of the DairyNZ levy 3.6 cents per kg MS. ** 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.
Net Dairy livestock sales (calves + culls + other - purchases)	43MA cows @\$819, 12 surplus R 2 heifers @\$1300, 4 empty heifers @\$650 and 210 bobby calves @ \$26. Cow sales are a mix of culls, in milk empty cows and budget cows.
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.
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 uproven 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 owners 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. The budget is for 12 ha at 2.5 t DM/ha at \$0.16 c/kg DM in the stack.
Supplements purchased	The budget is for 311 t PKE at \$340/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 20 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 0.6 t milk powder along with 3-4 t of meal, shavings for bedding, de-horning and young calf animal health costs. Plan is to rear about 65 replacement heifer calves.
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 65 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 45 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 only nine years old and other infrastructure is in good order so R & M is relatively low.
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)	
Non Cash adjustments	
Value of change in livestock numbers	Expect to have on hand 4 less rising 1 year old heifers on hand at the end of the season. 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.