

2024-25 Mid Season Update February 11th 2025
Season numbers at a glance

KPI's	Budget	Updated
		forecast Budget/Actual
Milk Production (kgMS/ha)	1,387	1,387
Milk Production (kgMS/cow)	383	392
Net Dairy Cash Income (\$/kgMS)	\$8.63	\$11.44
Total Farm Working Expenses (\$/kgMS)	\$3.80	\$3.68
Cash Operating Surplus/Deficit (\$/kgMS)	\$4.82	\$7.76
Gross Farm Revenue (\$/kgMS)	\$8.63	\$11.51
Operating Expenses (\$/kgMS)	\$4.48	\$4.35
Operating Profit (\$/ha)	\$5,763	\$9,921

* These KPI's are based on cash book budget/actuals to the 31/01/2025 and estimated non-cash adjustments. The final financial performance based on financial statements may differ

Key Points

- Production is up 5-6% on last season and budget from fewer cows.
- Costs have remained on budget.
- Late winter/early spring growth rates were well above average.
- Staff experience is paying off and performance has been excellent which is reflected in improved milk production, and more efficient use of resources as well as job satisfaction.

Comments

Production to the end of January is 175,326 kg MS which is 5-6% up on budget and last year. This is from 566 cows, which is 14 less than budget. Losses were higher than normal with 11 deaths from a variety of causes including, Johnes, Theileria, and a couple from milk fever. Good cow condition at calving, good animal health management and a better calving pattern (more cow milking days early in the season), have contributed to the increased production to date, despite lower cow numbers.

Only a small amount of hay and baleage was used at calving during transition, otherwise cows have been fully fed on pasture until late January. The cows peaked at 2.02 kgMS/cow/day which is 12% up on last season's peak of 1.08 kgMS/cow/day.

It has been a good winter and spring although July was wetter than usual. Late August and through September the weather and grass growth was well above average, with early baleage harvested to maintain grazing residuals. Some topping was done in late spring to maintain quality, in previous seasons the R 2 heifers have come back to the milking area to increase grazing pressure.

With the better pasture growth, lower peak cow numbers and not bringing the heifer's home, 183 bales, (33 t DM), of baleage were made on the milking platform, more than double last season.

Less nitrogen has been applied this spring, (58 kg N/ha compared with 70 in previous years), as pasture cover was sufficiently high in November, (when the main spring fertiliser applications were due), so the N content was reduced and more potash added as per recommendations.

Overall, pasture quality has again been good this season and there has been good clover content. The presence of yellow bristle grass is down, likely due to less pugging this season.

The support block is currently grazing 132 R 2 heifers, 143 weaner heifers and 50 beef weaners. Supplements made are 199 bales of baleage, (36 T DM), which will be sufficient for the winter in conjunction with baleage on the milking platform.

There have been very few animal health issues so far this year. As per the previous season, at drying off all cows over 150000 SCC were treated with long acting antibiotic. The incidence of mastitis has been lower, (helped by a good spring). Somatic cell counts season to date 116,000 for the older herd compared with 160,000 to the same time last season. The young herd is 90,000 which is similar to last year.

So far this season there have been no unscheduled repairs and maintenance or vehicle breaks downs so cost savings here have offset rates rises that were higher than budgeted.

Current situation

The herd is currently producing 1.46/c/d (TAD) from 557 cows, 10% up on the daily per cow for the same time last year. Total daily production is 3.8% up from fewer cows.

Intakes are 17.5 kg DM/cow day made up of 16 kg DM from pasture and 1.5 kgDM from PKE. Supplementation started in late January when pasture growth and cover dipped due to drier conditions.

Cow condition is estimated to be about 4.4-4.5 which is better than last season and is reflective of the fact that the cows have been in better conditions all season.

Pasture cover is 2300 kgDM/ha/day and with growth rates in the past week of 45-50 pasture cover has been dropping slowly.

There have been regular overnight showers sin late January which has helped to keep the paspalum growing.

Zinc supplementation was started in early February and spore count levels are being watched via the local vets.

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Looking forward

Pasture cover and quality is good for this time of year and the cows are in better than average conditions.

There is still 70 t PKE contracted available for this season and also still about 50 t DM of baleage from last season on hand that can be fed. This equates to about 240-250 or about 3 kgDM/cow/day until early May.

Higher day time temperatures seem to really affect the cows regardless of how much feed is available, and with water tables lower than last year so the prospect of a dry autumn is still likely. Therefore the forecast milk solids for the season has been kept at 221,850 kg MS despite actually being 5% up on budget and 220,000 kg MS still looks achievable.

There will be at least one more application of nitrogen, (about 23kgN/ha), so the total for the year will likely be close to the budget of 80 kgN/ha. The plan is to milk the majority of the remaining 557 cows twice a day through until early May but this will be dependent on feed budgets. If the price of PKE stays at current levels there is scope to purchase another 30 t PKE and still stay within the original budget. With the current milk price this is a reasonable course of action.

Calving and reproduction

- The calving rate was 63% after 3 weeks, 80% after 6 weeks was 89% after 9 weeks. This is similar to last season.
- Submission rate is 82% which is well up on last year, (74%).
- 150 replacement calves were reared plus 115 beef animals. This is up on the budget of 130 as more heifer calves were born. Extra beef calves were reared as it was cheaper to rear them than purchase weaners for the beef block. The beef calves were reared on milk powder at the support block and have now been sold to the beef enterprise.

Other points of interest

- The staff on farm are the same as last year and the extra years' experience is paying off. Performance has been excellent and this is showing not only in output but in more efficient use of resources as well as job satisfaction.
- Net Dairy Cash income is likely to be up about 30% on budget, largely due to the higher than budgeted milk price but also due to higher cull prices and extra beef weaners sold.
- Total farm working expenses will likely be similar to budget, but with the significant increase in income the forecast net profit for the farm is well up on budget.

Annual Cash Budget and updated forecast February 2025

Name: BoP Owner System 2		Budget Period 1 / 6 / 2024 to 31 / 5 / 2025				
Farm Details:						
Budget	221,850 kgMS	580 Cows	160.0 ha	383 kgMS/cow	1387 kgMS/ha	3.63 cows/ha
Farm Details:						
Budget/Actual	221,850 kgMS	566 cows	160.0 ha	392 kgMS/cow	1387 kgMS/ha	3.54 cows/ha
Variance (Actual less Budget)	kgMS	-14 cows	ha	9 kgMS/cow	kgMS/ha	-0.09 cows/ha
Income				Budget	Budget/Actual	Variance
Net Milk Sales				\$1,818,800	\$2,376,200	\$557,400
Net Dairy livestock sales (calves + culls + other - purchases)				\$95,000	\$162,200	\$67,200
Other dairy cash income						
Net Dairy Cash Income				\$1,913,800	\$2,538,400	\$624,600
Expenses				Budget	Budget/Actual	Variance
Wages				\$234,000	\$228,600	-\$5,400
Animal health				\$46,800	\$49,500	\$2,700
Breeding and herd improvement				\$41,100	\$43,600	\$2,500
Farm dairy				\$23,100	\$26,500	\$3,400
Electricity (farm dairy, water supply)				\$19,600	\$20,000	\$400
Supplements made (incl. Contractors)				\$20,000	\$22,000	\$2,000
Supplements purchased				\$46,500	\$34,900	-\$11,600
Calf rearing				\$12,000	\$15,900	\$3,900
Young and dry stock grazing						
Winter cow grazing				\$52,000	\$34,200	-\$17,800
Run-off lease						
Fertiliser (incl. N)				\$90,900	\$96,200	\$5,300
Irrigation						
Regrassing and cropping				\$6,900	\$2,200	-\$4,700
Weed and pest				\$7,700	\$7,300	-\$400
Vehicles and fuel				\$38,700	\$26,200	-\$12,500
R&M (land, buildings, plant, machinery)				\$47,600	\$46,900	-\$700
Freight and general farm expenses				\$9,200	\$8,000	-\$1,200
Administration e.g. accountant, consultant, phone				\$15,700	\$13,900	-\$1,800
Insurance				\$19,800	\$18,000	-\$1,800
ACC				\$6,400	\$6,400	
Rates				\$105,400	\$115,800	\$10,400
Other expenses						
Total Farm Working Expenses				\$843,400	\$816,100	-\$27,300
Cash Operating Surplus / Deficit				\$1,070,400	1,722,300	\$651,900
Non Cash Adjustments				Budget	Actual	Variance
Value of change in livestock numbers				\$1,500	14,900	13,400
Labour adjustment				\$30,000	30,000	
Less Feed inventory Adjustment						
Owned support block adjustment				\$39,800	39,800	
Depreciation				\$80,000	80,000	
Dairy Gross Farm Revenue				\$1,915,300	\$2,553,300	\$638,000
Dairy Operating Expenses				\$993,200	\$965,900	-\$27,300
Dairy Operating Profit				\$922,100	\$1,587,400	\$665,300
Dairy Operating Profit/ha				\$5,763	\$9,921	\$4,158

Commentary re variance

	Actual to Budget Variance	
Milksolids	0	Have kept the milksolids forecast the same as budget despite being 5-6% up on last year and budget. It is still early days and high summer temperatures and/or a late summer/autumn drought can still have a big impact on final production even though the farm is a good summer farm.
Cows	-14	
Hectares	0	
Net Milk Income	557400	This updated budget is based on a total milk price received to the end of May of \$10.71/kgMS for deferred, advance and dividend payments using Fonterra forecasts as at February 2025). This is over \$2.50/kgMS up on the budget set in May 2024.
Net Dairy livestock sales (calves + culls + other - purchases)	67200	Average cull prices have been significantly higher than the \$500/hd budgeted, plus sold 65 more weaner beef calves to the beef enterprise.
Other dairy income	0	
Net Dairy Cash Income	624600	
Expenses		
Wages	-5400	Staff member was on ACC for 4 months and replacement was on lower pay scale.
Animal health	2700	There have been very few animal health issues so far this year. At drying off last season all cows over 150000 SCC were treated with long acting antibiotic which definitely reduced the incidence of mastitis in the early part of the season. Somatic cell counts have been good during the early part of the season and incidences of mastitis in the early season have been lower.
Breeding and herd improvement	2500	
Farm dairy	3400	
Electricity (farm dairy, water supply)	400	
Supplements made (incl. Contractors)	2000	Made more supplement on the milking platform than budget, 183 bales, 180 kgDM/bale, more than double the surplus compared the last season, although this season no young stock were brought back to the milking platform to tidy up in the spring. All winter supplement has been made on the support block now, (200 bales of baleage).
Supplements purchased	-11600	Had budgeted on 100 t PKE @ \$465/t landed but have been buying it at about \$355/t landed. Could potentially buy a truck and trailer load more and still stay with in the original budget if needs be.
Calf rearing	3900	Includes calf milk replacer for the beef calves. Reared about 20 more replacement heifers as numbers born were up, plus reared and additional 65 beef calves to sell to the beef enterprise as the beef price was high and it was cheaper to rear calves for there than to purchase weaners externally.
Young and dry stock grazing	0	
Winter cow grazing	-17800	Had budgeted the same as the previous season which was particularly high as extra winter grazing was purchased due to lower pasture cover going into the winter. So in essence had over budgeted.
Run-off lease	0	

Fertiliser (incl. N)	5300	Less nitrogen has been applied this spring, (58 kg N/ha compared with 70 in previous years), as pasture cover was sufficiently high in November, (when the main spring fertiliser applications were due), so the N content was reduced and more potash added.
Irrigation	0	
Regrassing and cropping	-4700	Very little pasture damage occurred over the winter and spring so less pasture repairs have been needed.
Weed and pest	-400	
Vehicles and fuel	-12500	Budget was based on previous year which had a big tractor repair included. So far there have been no major breakdowns. Car costs are well down as now have an electric car.
R&M (land, buildings, plant, machinery)	-700	Again no unplanned for breakdowns or repairs needed.
Freight and general farm expenses	-1200	
Administration e.g. accountant, consultant, phone	-1800	
Insurance	-1800	
ACC	0	
Rates	10400	More rates increases after the budget was done in May.
Other Expenses	0	

Total Farm Working Expenses	-27300	
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Non Cash adjustments

Value of change in livestock numbers	13400	Will have about 18 more R 1 heifers on hand at the end of the season than originally budgeted for.
Labour adjustment	0	
Less Feed inventory Adjustment	0	
Owned support block adjustment	0	
Depreciation	0	