

Annual Cash Budget

Name: **West Coast Owner System 4** Budget Period **1 / 6 / 2024** to **31 / 5 / 2025**

Farm Details: **72700 kgMS** **151 cows** **74.0 ha** **481 kgMS/cow** **982 kgMS/ha** **2.04 cows/ha**

Income					\$ Total	\$/kgMS	\$/cow	\$/ha
Net Milk Income	Share of milk cheque received	100%						
Milk Solids advance	72,700 kgMS x \$ 7.24 /kgMS				\$526,300	\$7.24	\$3,485	\$7,112
Milk Solids retrospective	72,700 kgMS x \$ 1.23 /kgMS				\$89,200	\$1.23	\$591	\$1,205
Milk Solids dividend	shares x \$ /share							
Other Milk Income								
DairyNZ levy	enter as negative number				-\$2,600	-\$0.04	-\$17	-\$35
Net Dairy livestock sales (calves + culls + other - purchases)					\$14,400	\$0.20	\$95	\$195
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting								
Net Dairy Cash Income					\$627,300	\$8.63	\$4,154	\$8,477
Expenses					\$ Total	\$/kgMs	\$/cow	\$/ha
Wages/payment to contract milker					\$15,900	\$0.22	\$105	\$215
Animal health					\$15,000	\$0.21	\$99	\$203
Breeding and herd improvement					\$13,200	\$0.18	\$87	\$178
Farm dairy					\$4,100	\$0.06	\$27	\$55
Electricity (farm dairy, water supply)					\$10,800	\$0.15	\$72	\$146
Supplements made (incl. Contractors)					\$9,000	\$0.12	\$60	\$122
Supplements purchased					\$74,000	\$1.02	\$490	\$1,000
Calf rearing					\$2,500	\$0.03	\$17	\$34
Young and dry stock grazing								
Winter cow grazing								
Run-off lease								
Fertiliser (incl. N)					\$47,700	\$0.66	\$316	\$645
Irrigation					\$4,000	\$0.06	\$26	\$54
Regrassing and cropping					\$18,800	\$0.26	\$125	\$254
Weed and pest					\$1,900	\$0.03	\$13	\$26
Vehicles and fuel					\$20,400	\$0.28	\$135	\$276
R&M (land, buildings, plant, machinery)					\$13,000	\$0.18	\$86	\$176
Freight and general farm expenses					\$4,300	\$0.06	\$28	\$58
Administration e.g. accountant, consultant, phone					\$13,600	\$0.19	\$90	\$184
Insurance					\$13,100	\$0.18	\$87	\$177
ACC					\$1,000	\$0.01	\$7	\$14
Rates					\$5,400	\$0.07	\$36	\$73
Total Farm Working Expenses					\$287,700	\$3.96	\$1,905	\$3,888
Cash Surplus / Deficit					\$339,600	\$4.67	\$2,249	\$4,589
Non Cash adjustments								
Value of change in livestock numbers					\$4,200	\$0.06	\$28	\$57
Labour adjustment					\$91,500	\$1.26	\$606	\$1,236
Less Feed inventory Adjustment								
Owned support block adjustment								
Depreciation					\$37,000	\$0.51	\$245	\$500
Dairy Gross Farm Revenue					\$631,500	\$8.69	\$4,182	\$8,534
Dairy Operating Expenses					\$416,200	\$5.72	\$2,756	\$5,624
Dairy Operating Profit					\$215,300	\$2.96	\$1,426	\$2,909

Notes for Budget

Net Milk Income	The budget is prepared on an advance milk price of \$7.24 per kg MS for 72,700 kg MS, (being 85% of the forecast milk price). Deferred income is estimated at about \$1.23/ kg MS. The assumption is that 85% of the seasons total milk price will be paid out by the end of May. ** 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)	Based on the sale of 25 cull cows and R2 heifers @ \$590/head, 100 bobby calves @\$30/head, 6 bulls @ \$1,180-1,320/head less the purchase of 6 bulls @ \$1,700-1,900/head.
Other dairy income	
Expenses	
Wages	Permanent relief staff for 400 hours per year equating to 0.17 FTE.
Animal health	Animal health philosophy is to be very observant, keep good records and be pro-active, with much of the costs being for preventative rather than remedial treatments. Mineral supplements are provided via inline water supplementation. At risk cows are monitored post calving, (difficult calving or retained mebranes), these cows are metrichecked once or twice prior to mating and treated as appropriate, (no cows have needed treatment for the last 2 years). The average SCC average is under 150,000. In-calf heifers are teat sealed in June.
Breeding and herd improvement	This covers 3 weeks of AB using premier sires for the majority of the herd and yearling heifers. Lower PW/BW cows will be mated to short gestation beef semen in the first week of AB and then short gestation dairy semen for the remaining 2 weeks. 6 Jersey bulls will be purchased to run with the herd and the heifers for 6 weeks. The bulls will be removed on January 1st and 2 weeks of AB using short gestation length semen will follow. No anoestous treatments are planned for the 2024-25 season. Herd testing is done 4 times a year. Includes pregnancy testing with the vet.
Farm dairy	Covers all rubberware, detergents and consumables and milking machine testing for the 20 a-side herringbone shed. Standard recommended cleaning procedures are used.
Electricity (farm dairy, water supply)	The plan is to go to 3 milkings in 2 days when the cows get to 1.8 MS/cow/day in late January and then OAD at 1.5 MS/cow/day in April, but the timing is weather dependent.
Supplements made (incl. Contractors)	The budget is for contractors make about 250 bales of silage, (50 t DM), baling and wrapping only, (about \$35/bale).
Supplements purchased	Includes \$73,800 for PKE, (160 t @ \$380/t landed), this is yet to be contracted. \$12,600 has been allocated for 130-140 large bales of hay for use during the winter at \$90/ bale landed.
Calf rearing	30 replacement heifers will be reared this season. Calves are reared on colostrum, whole milk, meal/starter muesli while in pens then pasture only. Calves are weaned off milk at 85 kg. Costs include about 10 bags of meal plus equipment.
Young and dry stock grazing	All young stock are carried on farm. For 2024-25 this will be 30 yearlings and 30 weaners.
Winter cow grazing	Cows and in calf heifers are all wintered on the 74 ha platform.
Run-off lease	

Fertiliser (incl. N)	This is net of fertiliser rebates. Fertiliser is applied as per fertiliser company recommendations and are in line with best practice guidelines for the region and soil types. All fertiliser is spread with own gear. Products used are Ammo31/36, Ureammopot, and a mix of Cropmaster DAP/Pot Chloride/Ammonium Sulphate. Farm fertility is high, (Olsen P are in the range of 34-50).
Irrigation	Irrigation is used on 27 ha, over a 6 weeks period each year, between January and March. For the last 3 years the average number of days irrigation is used is about 25. Cost is for electricity for pumping water from the nearby creek and running the centre pivot irrigation. Daily running costs are about \$150 per day, plus overheads.
Regrassing and cropping	The plan is for a 4.0 ha winter crop, (swedes) to be planted late spring. Regrassing of the previous winter crop area, (4.0 ha swedes + 2 ha pasture used in conjunction with feeding off the swedes), will also be done in spring. This area will be planted in a short rotation ryegrass (SRR), clover, plantain and chicory mix. The cropping cost also allows for some repair of SRR pasture that may not be performing but aren't in line for cropping. This cost includes weed and pest control.
Weed and pest	Pasture weed control is mainly spot spraying scotch thistles and ragwort.
Vehicles and fuel	Vehicles and machinery are kept clean and maintained regularly. Includes \$10,600 for fuel. Care is taken to minimise damage, tractor hours per year are medium to low. Feeding PKE takes 5-10 minutes per day.
R&M (land, buildings, plant, machinery)	Farm buildings and infrastructure are in very good order so very little maintenance is planned for 2024-25. Includes about \$5,000 for upgrading the race near the cowshed entrance and exit.
Freight and general farm expenses	Includes dog related expenses, protective clothing, general freight and bio-security levy.
Administration e.g. accountant, consultant, phone	Do all own GST, pay roll and budgeting. Includes accountant's fees, computer consumables, subscriptions and communications costs.
Insurance	This has increased on the previous year. The farms insurance cover is reviewed regularly to ensure it continues to be relevant.
ACC	Similar to last year.
Rates	As per 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 about 5 fewer R 2 heifers but 7 more MA cows. 2023 IRD NAMV used to value the change in livestock numbers.
Labour adjustment	This is for 1.4 Full time equivalent unpaid shareholder input.
Less Feed inventory Adjustment	Expect to have no significant change in feed on hand for the year.
Owned support block adjustment	
Depreciation	Based on the previous year's depreciation and adjusted for subsequent planned asset purchases and sales.