

**Willisden, Canterbury Owner System 3**  
**2024-25 Mid Season Update January 22nd 2025**  
**Season numbers at a glance**

KPI's	Budget	Updated forecast Budget/Actuals
Milk Production (kgMS/ha)	1,608	1,634
Milk Production (kgMS/cow)	469	477
Net Dairy Cash Income (\$/kgMS)	\$8.28	\$10.42
Total Farm Working Expenses (\$/kgMS)	\$5.75	\$5.72
Cash Operating Surplus/Deficit (\$/kgMS)	\$2.53	\$4.71
Gross Farm Revenue (\$/kgMS)	\$8.27	\$10.38
Operating Expenses (\$/kgMS)	\$6.02	\$6.01
Operating Profit (\$/ha)	\$3,612	\$7,148

\* These KPI's are based on cash book budget/actuals to the 31/1/2025 and estimated non-cash adjustments. The final financial performance based on financial statements may differ

### Key points

- The season has been wetter than average, although late November was quite hot which was starting to affect the cows. Summer has been wet and cloudy with soil temperatures lower than average.
- Production to the end of December is 5.6% up on budget.
- Milk income for the season is now forecast to be 28% up on budget with the increase in milk price received for the financial year.
- It has been a focus in this higher payout year to ensure costs are controlled so that the increase in payout is captured as profit.
- Operating expenses, (opex), and Farm working expenses, (FWE), are similar to budget and should be around \$6.00-6.10/kg MS for opex and \$5.70-5.80/kg MS for FWE.

### Comments

Production to date is 308,771 kg MS which is 16,393 kgMS ahead of budget. This is from 1055 cows milked at the peak (1045 to the factory), up 10 on budget. This number were still in the milking herd at the end of December.

The cows peaked early October with a 10 day average of 2.2 kgMS/cow/day. This spring all cows were milked once a day for 10-12 days post calving before being transferred to the twice a day herd. Cows have started the spring in better health and this is likely to have helped contribute to the 6% increase in daily per cow performance early in the season, (compared with last season).

At the peak this season the herd was being feed predominantly on pasture with only about 1 kgDM/day of crushed barley being supplemented. Last season they were getting 3.9 kgDM/cow/day baleage plus a little proliq.

Pasture quality has been tested regularly and has been above 12 MJME/kg DM all season. The levels of crude protein and NDF in the pasture have also been monitored. At time CP has been a little low – affected by when N was last applied.

Supplements fed for the season to date, (22 January), is about 341 kg DM/peak cow milked which is down on last season. Having cows at winter grazing an extra week, feeding high quality baleage (12.90+ME), as well as the good pasture growth in the spring have contributed to the savings in supplements fed. The plan is to feed 500-600 kg DM/cow for the year but that will depend on how the summer plays out.

As per budget 7.0 ha of fodder beet was planted in October, mainly for autumn use. Yields are on track for an average of 23 t DM/ha based on grazing commencing in late April.

Regrassing costs up as an extra 6 ha of grass to grass planting was done so a total of 42 ha regrassed including the 7 ha from last autumn's fodder beet crop. Regrassing has gone well and all new grass was back in the grazing rotation by late December.

So far there has been very little surplus pasture with only 16 t DM baleage made from about 13 ha. Current pasture growth and cover is such that there will likely be another 35 t DM from 25 ha, (yield about 5 bales/ha), to help keep residuals on target and speed up the grazing round so rotation is back to 24 days. The original budget was for no supplement harvested on the milking area.

Feed purchased to date is 217.5 t DM baleage with about another 41 t DM to come. Cost of purchased is baleage higher than budgeted at \$0.42.kgDM as price paid is linked to ME and all baleage has been tested at better than 11.5 MJME/kgDM. Total cost of purchased baleage will remain similar to budget.

Nitrogen applied to date is on budget with 120 kgN/ha average over the whole area to date

Fertiliser applied is up, as soil tests done in September indicated extra phosphate was needed on the paddocks that had been missed last year, (to mine high OlsenP levels when the payout drop was announced). Therefore, more super phosphate has been applied and fertiliser costs are up about \$25,000, (\$0.5/kgMS).

Better than average winter growth rates and good crop yields on the support block resulted in cows staying at winter grazing for longer to clean up the crops. Therefore less supplement was needed on the milking platform in the early spring so surplus, (about 42t DM), was sold to other Camden dairies. Winter grazing costs are up about \$35,000. This extra cost was offset by the sale of surplus supplement not needed in the spring.

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**Current Situation**

Current daily production is up on budget with the herd 1.89 kg MS/cow/day, from 1034 cows to the factory, (1045 cows in milk). This is 10% up on the same time last year and is a reflection of the higher daily per cow at the peak and also the cooler day time temperatures compared with January last year.

Cow intakes are about 18 kg DM/cow/day made up of 17.5 kg DM of pasture and 0.5 kg DM of proliq. The proliq is probably not needed, but it is available, only costs \$0.13/kgDM and the cows seem to be able to eat it without any substitution so it is not affecting grazing residuals.

Body condition score is 4.4. The heat in November did impact the herd and they have not gained any condition in the last 6 weeks.

Pasture cover is 2,240 kg DM/ha and growth rates for the previous 10 days averaged 89kgDM/ha/day. At current per cow daily intakes of pasture cover is increasing about 50 kgDM/ha per week.

Growth rates have been above average for January as soil temperatures have been 12-14 degrees C which is perfect for ryegrass growth. Soil temperatures 22nd January were up 17 degrees so are moving up with sunnier weather.

The grazing rotation is 28 days, (would like to be on 24 days), so some paddocks will be dropped out an a light crop of baleage will be taken, Young stock are all off farm.

Irrigation levels are down with the wetter weather so related electricity costs are down. Water used is 898,000 m3 to date, (2,945 m3 /ha). This is about 40% of the season's allocation. Last season the farm used all of the stored water allocation, (which comes at a higher cost), with the total water used of 2,016,250 m3.

The current updated budgeted costs are based on a similar level of water usage as last season however there could be some savings if less stored water usage occurs.

**Update 26-2-2025**

Soil temperatures have averaged about 5 degrees C lower than usual this summer and have not exceeded 17 degrees C yet. Pasture growth rates have been above demand so another 42 t DM of baleage has just been harvested.

There has been very little rainfall through February so a dry autumn could be likely. If that is the case irrigation will go for longer which is not a problem.

**Looking forward**

The farm is in a good position heading in the latter part of the season. Pasture cover is good and soil moisture levels and soil temperature are in better positions for this time of year compared with last season.

Milking frequency will likely change in mid to late February to "3 in 2". This has been working well this year on another Camden farm, and experience has shown that as long as feed intakes are maintained there is little impact on milk production and it reduces stress on the cows.

The aim is to be on a 34 day rotation by the end of February.

Feed supply and demand over the next 4 months will be balanced by using the existing supplements on hand, (235-335 kg DM/cow) and gradual destocking, with the aim of ensuring target pasture cover and cow condition are met at the end of May.

Nitrogen use is still on budget for 180-190 kgN/ha with another 2-3 applications, (22.5 kgN/ha), still budgeted for the next 4 months.

There is scope to up the amount of supplement if needed, but that would potentially then impact the budget for next seasons supplements.

Some early culling will take place in March with about 15 cows scheduled to go. Depending on feed supply some empties will be culled at the end of April along with drying off of about 50 low body condition score cows. The balance of works culls will go early in May and the sale of the balance of the culls will be completed at the end of May when the last of the herd is dried off.

**Calving and reproduction**

- The calving pattern for the 24-25 season was 65% after 3 weeks, 89% after 6 weeks and 98% after 9 weeks. This is similar to the previous season of 69%, 89% and 98% although the first 3 weeks were a little slower.
- Submission rates for the first 3 weeks were 88%, marginally down on last season (90%).
- Mating this year was extended by 2 weeks to 12 weeks as two more weeks of AB was carried out using short gestation semen after the bulls were removed early January. This should still mean a 10 week calving period for spring 2025.
- The early pregnancy scan done late January shows a 6 week in calf rate of 74%, an increase on the previous year, (70%). Better feed transition post calving may have helped conception rate and so contributed to the improved six week in calf rate this year.
- The number of heifer calves born this year was lower so only 240 calves reared, 24 less than budget. Still used 2 t milk powder, but other costs were down due to fewer calf numbers.

**Other points of interest**

- Have been using a mastatest machine this season to identify mastitis causing organisms so that correct treatments can be given. This may be contributing to higher mastitis treatment costs initially. SCC is currently around 100,000 on a daily basis and the average for the season to date is 126,000. This is up on last year's average to date (117,000) but is still a good result given the wetter conditions this season.
- Lameness levels have increased this season – a result of the wetter weather.
- A rooftop solar system was installed in December which has generated \$720 of energy in the past month, the budget has been reforecast for savings for the rest of the season.
- Other Camden Group farms are currently undergoing a variety of development projects including the replacement of rotorainer irrigators with electronic automated irrigation systems. The other farms have taken priority as they had more pressing irrigation issues, but Willsden's development will likely be proposed for the 27/28 season. Cost-benefit analysis is undertaken to ensure that the large sum is a wise investment, considering the likes of labour efficiency on-farm as well as water use.

# Annual Cash Budget and updated forecast *December 2023*

Name:	Canterbury Owner System 3			Budget Period 1 / 6 / 2024 to 31 / 5 / 2025		
Farm Details:						
Budget	490,000 kgMS	1045 Cows	304.8 ha	469 kgMS/cow	1608 kgMS/ha	3.43 cows/ha
Farm Details:						
Budget/Actual	498,057 kgMS	1045 cows	304.8 ha	477 kgMS/cow	1634 kgMS/ha	3.43 cows/ha
Variance (Actual less Budget)	8,057 kgMS	cows	ha	8 kgMS/cow	26 kgMS/ha	cows/ha
<b>Income</b>	<b>Budget</b>		<b>Budget/Actual</b>	<b>Variance</b>		
Net Milk Sales	\$3,958,200		\$5,074,007	\$1,115,807		
Net Dairy livestock sales (calves + culls + other - purchases)	\$92,100		\$111,302	\$19,202		
Other dairy cash income	\$6,600		\$6,600			
<b>Net Dairy Cash Income</b>	<b>\$4,056,900</b>		<b>\$5,191,909</b>	<b>\$1,135,009</b>		
<b>Expenses</b>	<b>Budget</b>		<b>Budget/Actual</b>	<b>Variance</b>		
Wages	\$524,100		\$527,142	\$3,042		
Animal health	\$88,800		\$105,853	\$17,053		
Breeding and herd improvement	\$115,200		\$117,230	\$2,030		
Farm dairy	\$30,800		\$31,051	\$251		
Electricity (farm dairy, water supply)	\$34,000		\$36,251	\$2,251		
Supplements made (incl. Contractors)			\$8,500	\$8,500		
Supplements purchased	\$323,000		\$266,814	-\$56,186		
Calf rearing	\$36,000		\$33,756	-\$2,244		
Young and dry stock grazing	\$314,000		\$307,195	-\$6,805		
Winter cow grazing	\$373,100		\$407,978	\$34,878		
Run-off lease						
Fertiliser (incl. N)	\$151,200		\$175,650	\$24,450		
Irrigation	\$406,000		\$398,680	-\$7,320		
Regrassing and cropping	\$57,500		\$64,114	\$6,614		
Weed and pest	\$5,300		\$1,785	-\$3,515		
Vehicles and fuel	\$40,500		\$46,501	\$6,001		
R&M (land, buildings, plant, machinery)	\$105,300		\$112,714	\$7,414		
Freight and general farm expenses	\$18,700		\$12,428	-\$6,272		
Administration e.g. accountant, consultant, phone	\$126,100		\$128,453	\$2,353		
Insurance	\$40,300		\$39,247	-\$1,053		
ACC						
Rates	\$25,400		\$25,600	\$200		
Other expenses						
<b>Total Farm Working Expenses</b>	<b>\$2,815,300</b>		<b>\$2,846,942</b>	<b>\$31,642</b>		
<b>Cash Operating Surplus / Deficit</b>	<b>\$1,241,600</b>		<b>2,344,967</b>	<b>\$1,103,367</b>		
<b>Non Cash Adjustments</b>	<b>Budget</b>		<b>Actual</b>	<b>Variance</b>		
Value of change in livestock numbers	-\$5,800		-20,000	-14,200		
Labour adjustment						
Less Feed inventory Adjustment			-11,400	-11,400		
Owned support block adjustment						
Depreciation	\$135,000		135,000			
<b>Dairy Gross Farm Revenue</b>	<b>\$4,051,100</b>		<b>\$5,171,909</b>	<b>\$1,120,809</b>		
<b>Dairy Operating Expenses</b>	<b>\$2,950,300</b>		<b>\$2,993,342</b>	<b>\$43,042</b>		
<b>Dairy Operating Profit</b>	<b>\$1,100,800</b>		<b>\$2,178,567</b>	<b>\$1,077,767</b>		
<b>Dairy Operating Profit/ha</b>	<b>\$3,612</b>		<b>\$7,148</b>	<b>\$3,536</b>		

## Commentary re variance

	Actual to Budget Variance	
Milksolids	8,057	Cow milking days are slightly behind last season due to a slower first week of calving, but cows peaked 10% higher than last season and are still tracking above budget so the forecast for milk production has increased 1.6%.
Cows	0	
Hectares	0	
Net Milk Income	1115807	Forecast milk price received for the financial year is up \$2.11 or 26% on the original May 2024 budget. The lift in milk price has had a significant impact on milk income. Not only is the advance rate up on budget but so are the dividend payments, deferred milk income and receipts for the co-operative difference.
Net Dairy livestock sales (calves + culls + other - purchases)	19202	Average price of culls to date is over \$200/head higher than the original \$700 in budget.
Other dairy income	0	

### Net Dairy Cash Income

1135009

### Expenses

Wages	3042	Staffing levels are higher than originally budgeted to cover for 2IC on ACC leave until November 2024, and allowing for him to phase back in. Additional junior staff employed to put in more people power to compensate for fewer senior staff. All leave balances will be at zero by the end of season if the higher staffing level is maintained.
Animal health	17053	Johnes test cost for May \$5000 was paid in June, (not included in the budget), also test in October \$6,000 so there is a doubleup. Includes unbudgeted BVD vaccinations for young stock which added another \$2,000. Still focusing on udder health and have been using test kit to identify organisms causing mastitis and basign individual cow treatments on this. This has added to an increase in early mastitis control. SCC season average to date is 126,000, up 7-8% on the same time last season but it has also been wetter this year.
Breeding and herd improvement	2030	Did an extra 2 weeks of AB at the end of mating with short gestation semen. This has increased the length of mating to 12 weeks but calving length should be unchanged.
Farm dairy	251	
Electricity (farm dairy, water supply)	2251	One meter has been upgraded to 4G which used to have a meter reading every March for the year. Rooftop solar system installed in December which has generated \$720 of energy in the past month, unsure how this will unfold for the whole season. Budget has been reforecast for savings.
Supplements made (incl. Contractors)	8500	Had budgeted for no baleage made on farm. Made a small surplus into baleage in late spring, (16 t DM), and currently have about 39 t MD to harvest in late January/early February.

Supplements purchased	-56186	Needed less supplements in the spring as cows stayed at winter grazing longer so unused baleage sold to other farms in Campden group which has partly offset the increase in winter grazing costs. Did purchase \$3,000 more straw early in the season. Barley prices are up so less barley will be purchased to stay within allocated budget. Cost of purchased baleage higher than budgeted at \$0.42/kgDM as price paid is linked to ME and all baleage has been tested at better than 11.5 MJME/kgDM.
Calf rearing	-2244	Reared fewer replacement calves, 240 compared with 261 budgeted.
Young and dry stock grazing	-6805	Fewer weaners at grazing as only reared 240 calves, (261 were budgeted).
Winter cow grazing	34878	There was more feed on the support blocks due to better than average winter growth and good crop yields, so cows were wintered off for longer.
Run-off lease	0	
Fertiliser (incl. N)	24450	Fertiliser applied is up as soil tests done in September indicated extra phospahte was needed on the paddocks that had been missed last year, (to mine high olsenP levels when payout drop was announced).
Irrigation	-7320	Water usage is down this year so electricity costs are down. There could be more savings if less stored wate usage occurs.
Regrassing and cropping	6614	Regrassed an extra 6 ha of pasture. Regrassing costs/ha are on budget at \$1,030/ha.
Weed and pest	-3515	
Vehicles and fuel	6001	More R and M than expected. Fuel costs are on budget at about \$28,000.
R&M (land, buildings, plant, machinery)	7414	Irrigation repairs are up as the drive motor needed replacing and a centre tower needed legs lifted on one side of the pivot pad to correct tilt.
Freight and general farm expenses	-6272	Had finalised budget for the bio-security levy before it was dropped from \$0.024/kgMS to \$0.008/kgMS.
Administration e.g. accountant, consultant, phone	2353	Required to install telemetry device on wells, and partial surrender of consent for wells unused. Reforecasted to include this amount.
Insurance	-1053	
ACC	0	
Rates	200	

<b>Total Farm Working Expenses</b>	<b>31642</b>	
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### Non Cash adjustments

Value of change in livestock numbers	-14200	Will have 21 fewer R 1 heifers than budgeted.
Labour adjustment	0	
Less Feed inventory Adjustment	-11400	Had over estimated how much supplement would be carried through to next season. Will take about 100 kgDM/cow of baleage, (108 t DM), and 60 t DM of Barley.
Owned support block adjustment	0	
Depreciation	0	