

Annual Cash Budget updated November 2024

Name: East Waikato Tatua Owner with CM Sys 3 Budget Period 1 / 6 / 2024 to 31 / 5 / 2025
 Farm Details: 97000 kgMS 212 cows 66.0 ha 458 kgMS/cow 1470 kgMS/ha 3.21 cows/ha

Income					\$ Total	\$/kgMS	\$/cow	\$/ha
Net Milk Income	Share of milk cheque received	100%						
Milk Solids advance	97,000 kgMS x \$ 10.00 /kgMS				\$970,000	\$10.00	\$4,575	\$14,697
Milk Solids retrospective	97,005 kgMS x \$ /kgMS							
Milk Solids dividend	shares x \$ /share							
Other Milk Income								
DairyNZ levy	enter as negative number				-\$3,500	-\$0.04	-\$17	-\$53
Net Dairy livestock sales (calves + culls + other - purchases)					\$39,700	\$0.41	\$187	\$602
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting					\$7,500	\$0.08	\$35	\$114
Net Dairy Cash Income					\$1,013,700	\$10.45	\$4,782	\$15,359
Expenses					\$ Total	\$/kgMS	\$/cow	\$/ha
Wages/payment to contract milker					\$145,500	\$1.50	\$686	\$2,205
Animal health					\$38,000	\$0.39	\$179	\$576
Breeding and herd improvement					\$22,400	\$0.23	\$106	\$339
Farm dairy					\$2,100	\$0.02	\$10	\$32
Electricity (farm dairy, water supply)					\$400	\$0.00	\$2	\$6
Supplements made (incl. Contractors)					\$10,000	\$0.10	\$47	\$152
Supplements purchased					\$76,000	\$0.78	\$358	\$1,152
Calf rearing					\$12,000	\$0.12	\$57	\$182
Young and dry stock grazing					\$48,000	\$0.49	\$226	\$727
Winter cow grazing								
Run-off lease								
Fertiliser (incl. N)					\$65,300	\$0.67	\$308	\$989
Irrigation								
Regrassing and cropping					\$30,000	\$0.31	\$142	\$455
Weed and pest					\$9,100	\$0.09	\$43	\$138
Vehicles and fuel					\$30,000	\$0.31	\$142	\$455
R&M (land, buildings, plant, machinery)					\$48,800	\$0.50	\$230	\$739
Freight and general farm expenses					\$5,000	\$0.05	\$24	\$76
Administration e.g. accountant, consultant, phone					\$17,500	\$0.18	\$83	\$265
Insurance					\$9,000	\$0.09	\$42	\$136
ACC					\$2,500	\$0.03	\$12	\$38
Rates					\$12,500	\$0.13	\$59	\$189
Total Farm Working Expenses					\$584,100	\$6.02	\$2,755	\$8,850
Cash Surplus / Deficit					\$429,600	\$4.43	\$2,026	\$6,509
Non Cash adjustments								
Value of change in livestock numbers					\$500	\$0.01	\$2	\$8
Labour adjustment					\$6,300	\$0.06	\$30	\$95
Less Feed inventory Adjustment					-\$3,400	-\$0.04	-\$16	-\$52
Owned support block adjustment								
Depreciation					\$49,000	\$0.51	\$231	\$742
Dairy Gross Farm Revenue					\$1,014,200	\$10.46	\$4,784	\$15,367
Dairy Operating Expenses					\$642,800	\$6.63	\$3,032	\$9,739
Dairy Operating Profit					\$371,400	\$3.83	\$1,752	\$5,627

Notes for Budget

Net Milk Income	<p>This farm is a Tatua supplier. Milk income is conservatively based on receiving a total of \$10.00/kg MS, (advance and deferred), on 97,000 kg MS from June 2024 to May 2025. The milk price received for 2023-24 was \$11.12/kg MS. This is net of Dairy NZ levy of \$0.036/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.</p>
Net Dairy livestock sales (calves + culls + other - purchases)	<p>Stock sold will be about 48 MA cows and empty heifers @ \$740/head average plus 140 4 day old calves @ \$30/head.</p>
Other dairy income	<p>Rent for surplus house, plus small amount of trading rebates.</p>
Expenses	
Wages	<p>Remuneration for the contract milker, including calf rearing allowance. They are responsible for any relief milkers, shed and farm electricity, (including running the effluent pump), shed consumables and providing a motorbike.</p>
Animal health	<p>Animal health philosophy is to follow best practice guidelines to ensure a high level of animal well being. Preventative treatments, observation, quick response and good record keeping are key for this. Cow manager technology is used to assist with this. Included under animal health costs is mineral supplementation, (done via in line dispenser or dusting), vaccinations for salmonella and leptospirosis, calcium boluses for cows over 4 years old, testing for BVD and Johnes disease for the herd, plus drenches, vaccinations, Cu boluses and minerals for young stock. Mastitis management includes dry cow therapy for the herd and teat sealing all cows and first calvers. The SCC for 2023-24 was 105,000, which was higher than usual in part due to the very wet spring. Lameness has also been a problem in 2023-24 due to the wet weather.</p>
Breeding and herd improvement	<p>Mating is for 12 weeks with the last 3 weeks using short gestation, (SG), dairy semen, to give a 10 1/2 week calving period. Usually the first 6 weeks are with AB using premier sires/genomically tests bulls, plus some short gestation beef bulls on the lower 20% BW/PW cows. This season frozen semen has been used to reduce risk of semen batch failure, (which happened last season), and resulted in a spread calving this season. Bulls are rotated with the herd for 3 weeks before finishing mating with the 3 weeks of SG AB. Usually about 7-10% of the herd is treated for anoestrous using CIDR's. This year 20% of the herd have been treated with CIDR's to tighten the calving spread. Included under AB and herd testing is DNA testing of about 50 replacement heifer calves. Herd testing covers 3 test over 2 milkings each, unless the herd is on once a day milking, (OAD).</p>
Farm dairy	<p>This covers any shed costs that are the farm owners' responsibility.</p>
Electricity (farm dairy, water supply)	<p>Farm owners' business share of house power.</p>
Supplements made (incl. Contractors)	<p>About 200 bales of baleage are made each year depending on the season. The budget has \$10,000 for raking, baling and wrapping 200, (180 kg Bales), @ \$50/bale.</p>
Supplements purchased	<p>Have budgeted for 220 t PKE @ 330/t landed. Fed on feed pad.</p>
Calf rearing	<p>50 replacement heifer calves have been reared. Calves are reared on colostrum and whole milk plus pasture and meal. All colostrum milk is tested and the best quality is frozen so that it can be used to ensure every calf gets fed "gold" colostrum with in 12 hours of birth. This provides better lifetime immunity for each calf and results in healthier cows long term. Meal is fed until February, (up to 2 kg meal/calf/day). The calves are then 6 months old and go to external grazing. They are consistently well above industry recommended live weights. Costs cover about 10 t 20% protein meal purchased bulk @ \$900/t and fed through a hopper. Being able to handle bulk calf meal has reduced the costs of calf meal by 30%. Bedding and equipment costs are included.</p>
Young and dry stock grazing	<p>50 yearling heifers for 52 weeks @ \$13/head/week and 51 weaners for 18 weeks @ \$11/head/week, plus freight.</p>
Winter cow grazing	<p>Cows are wintered on farm.</p>
Run-off lease	

Fertiliser (incl. N)	This includes crop fertiliser, maintenance fertiliser, nitrogen, cartage and spreading. Spreading contractors have GPS precision spreaders. N applied is about 130 kg N/ha on pasture. Applications are at 25 kgN/ha, and there are 5-6 applications per year depending on pasture growth, soil moisture and weather conditions. Products used are N rich urea or PhaSedN. Farm fertility is good, with Olsen P levels of 31-61 and pH of 5.7-6.1. Effluent is applied to about 2/3 of the farm.
Irrigation	
Regrassing and cropping	About 8 ha of maize is usually grown each year. This year only 6.2 ha has been planted as there was surplus maize silage left over in the spring. The budget includes \$18,600, (\$3000/ha), for seed, cultivation, planting, weed and pest control, harvesting and stacking. Yields are typically 22-23 t DM/ha. Pasture renovation allowance of \$11,400 includes regrassing the maize areas after harvest with permanent pasture. Each year paddocks are ranked 1-5 on performance. The worst, (ranked at 1), are earmarked for next year's maize crop and under sown with annual rye grass in the autumn, any ranked 2 or 3 are under sown with permanent pasture and any areas that have been affected by drought, pugging or insects area are also repaired. One third of the farm is broadcast with plantain each year which results in about 20% of the sward being plantain in year 1, 10% in year 2 and 5% in year 3. This helps to mitigate N losses.
Weed and pest	Includes general weed spray for 1/3 of the farm, (the area with the least amount of plantain in the sward), crop and regrassing sprays, and spray for aesthetics, (round buildings, races and riparian areas).
Vehicles and fuel	Fuel costs are relatively low, (about \$3000-5,000), as all feeding is done on the feed pad which is near the dairy shed and feed bunkers.
R&M (land, buildings, plant, machinery)	R & M for 5 of the last 6 seasons have been in excess of \$100,000 per year and last year was about \$52,000. Had a few unbudgeted expenses earlier this season; a tornado flattened a calf shed prior to calving, insurance covered replacing the shed but additional costs were incurred updating the race and access to the new shed; AB stock handling facilities were upgraded prior to mating to ensure stock handler safety; safety covers were fitted to the milking machine slide pulsators.
Freight and general farm expenses	Includes protective clothing, dog expenses, rubbish disposal and bio-security levy, (\$0.008/kgMS)
Administration e.g. accountant, consultant, phone	Do all own admin, financial management, budgeting and GST. This includes accounting costs and subscriptions for cow manager and HALO systems, (technology for monitoring vat temperature, water pump and supply and effluent irrigator).
Insurance	Review frequently to ensure it remains relevant.
ACC	
Rates	As per latest rates demands, includes district and regional rates.
Other farm working expenses (not included in any of the above)	
Non Cash adjustments	
Value of change in livestock numbers	Expect to have similar numbers of stock on hand at the end of the season.
Labour adjustment	This covers about 0.1 FTE of unpaid owner input for work on farm as well as administration and governance. Equates to about 5 hours per week.
Less Feed inventory Adjustment	Expect to have about 9 t DM less on hand than at the start of the year.
Owned support block adjustment	
Depreciation	Based on 2023-24 financial statements plus allowance for asset purchases and sales for the current year, as well as one years depreciation claimed.