

## Season numbers at a glance

KPI's	Budget	Updated forecast Budget/Actuals
Milk Production (kgMS/ha)	1,845	1,764
Milk Production (kgMS/cow)	464	450
Net Dairy Cash Income (\$/kgMS)	\$9.03	\$10.68
Total Farm Working Expenses (\$/kgMS)	\$5.05	\$5.22
Cash Operating Surplus/Deficit (\$/kgMS)	\$3.97	\$5.47
Gross Farm Revenue (\$/kgMS)	\$9.02	\$10.60
Operating Expenses (\$/kgMS)	\$5.49	\$5.67
Operating Profit (\$/ha)	\$6,515	\$8,695

\* 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

- Milk production for the season is 5% up on last season but is 6% behind budget.
- Daily production is currently 5% up on last season.
- It is very dry on farm at present and growth rates are down 50% on average.
- Farm working expenses are forecast to be about 1% below budget but will be up about \$0.15-\$0.20 per kg MS due to lower than budgeted milksolids.

### Comments

Production to the end of January is 93,445 kg MS compared with 89,422 the same time last season, so 5% up but still 6% behind budget. Peak cows milked is 286, just 4 less than budgeted, 285 were still milking at the end of December. The herd peaked at 2.04 kgMS/cow/day for the first week in October which is similar to last year.

The calving rate for the first 3 weeks was quicker than last season so the extra early days in milk has contributed to the better milksolids to date compared with last season.

Supplements fed to date include 216 t PKE, (194 tDM), and 243 tDM maize silage and 30 t DM grass silage (from inventory). This equates to 1,633 kg DM/cow which is up on last season to the same time. Most of the extra supplement fed has been in the last month with it being drier.

The amount of supplements made on farm this year was 11 ha of silage, (a light crop so only 22 t DM). This is down on last season when 30 t DM was harvested from 12 ha.

In addition to this, 16 t DM of standing pasture for silage was imported. This is slightly below the budget of 20 t DM.

Rainfall for the last 6 weeks has been below average and day time temperatures recently have been very hot, (above 25degrees C). This is starting to impact the herd and pasture growth.

Fertiliser and nitrogen applications are as per budget with all spring fertiliser on and 3 application of N made for the season to date. Sustain Ammo was used late winter/early spring and sustain was used for the later spring applications. Nitrogen applied to date is 86 kgN/ha.

Forecast milk production has been revised down 4% to 128,800 kg MS. The revised budget has milk income 14% up on budget due to the higher advance milk price. Total milk price expected this season, (advance plus deferred) is expected to be just over \$10/kg MS whereas the budget was based on \$8.50.

Total farm working expenses for the season are on track to be about 3% lower than budgeted. With 4.0% less production, FWE will be up about 1-2% or about \$0.05-\$0.10/kg MS.

Repairs and maintenance costs are up over 50%, (+\$10,000), as major cowshed under concrete work was needed.

### Current situation

There are currently 284 cows on farm, (milking twice a day), which is 3.84 cows per hectare. Last year there were still 290 cows in milk. The herd is producing 1.40 kg MS/cow/day.

Daily intakes are 16 kg DM/cow/day, made up of 3.5 kg DM maize silage, 5.0 kg DM PKE, 1 kg DM grass silage and 6.5 kg DM from pasture. For comparison, last year supplements fed totalled 5 kg DM/cow and pasture was 11 kg DM/cow/day.

Average daily total production for February is 5% up on last season (from 6 less cows), and daily per cow production is 6% up.

Pasture cover is well down on the same time as last year, currently 1,850 kg DM/ha, (300kgDM/ha below last year), and with estimated growth rates of 25 kg DM/ha/day, and daily pasture demand at 25 kg DM/cow/day pasture cover is just holding. The rotation length is currently just over 30 days which is normal for this time of year.

Supplementation is being adjusted regularly to ensure post grazing residuals do not go too low and cover does not drop too much more. Maize and silage can each increase by another 1 kg DM/cow to reduce grazing pressure on pastures.

There have been enough isolated showers to keep a tinge of green to the pasture but a decent rain soon would be appreciated.

## Looking forward

At current rates of feeding, there is enough maize silage still on hand to last until mid-March when the new season's maize comes on farm. From mid-March there is still about another 50 t DM of contracted PKE available for the season and 40 t DM of new season's maize available to be fed to the end of May. This equates to about 4.5 kgDM/cow/day.

One more application of PhaSed N at 30 kg N/ha will be applied in the autumn so N use for the year will be on budget at about 116 kg N /ha.

If pasture growth continues to be below average there is scope in the budget to purchase more supplement, (maize and or PKE) so that the majority of the 284 cows can be milked through to mid-May.

Once a day milking will also be used if necessary, particularly with the younger cows and drying off will likely be min-May.

Frequent monitoring and updating of pasture growth rates and feed on hand will be carried out to ensure feed budgets are on track so that end of season targets for pasture cover, (of 2,400 kgDM/ha), and cow body condition score will not be compromised.

The benefits of good pasture cover and cow condition at calving have been evident this season with the much improved mating results so achieving these targets is non-negotiable.

## Calving and reproduction

- The calving rate for 2024-25 was 67% of the herd calved in 3 weeks, 87% in 6 weeks and 99% in 9 weeks. Last season which was 62%, 87% and 95% respectively, so the first 3 weeks was faster than last year.
- The 3 week submission rate 86% which much higher than last season, (75%).
- The six week in calf rate is 69% (estimated), this a bit lower than last season (73% E).
- The not in calf rate after recent pregnancy testing is 7% which is a very good result for this herd and a reflection of the much better cow condition at calving.
- 50 replacement calves were reared. This is below budget which was for 65 replacements

## Other points of interest

- Calf rearing costs are up as this year despite fewer calves reared as more milk powder was used - 1.0 t rather than the .6 t budgeted.
- Young stock grazing is down as there are 15 less weaners at grazing
- Payments to the contract milker are down 6% with the reduction in forecast milksolids.

# Annual Cash Budget and updated forecast February 2025

Name:		South Owner Waikato with CM System 5		Budget Period		1 / 6 / 2024 to 31 / 5 / 2025	
<b>Farm Details:</b>							
Budget	134,700 kgMS	290 Cows	73.0 ha	464 kgMS/cow	1845 kgMS/ha	3.97 cows/ha	
<b>Farm Details:</b>							
Budget/Actual	128,800 kgMS	286 cows	73.0 ha	450 kgMS/cow	1764 kgMS/ha	3.92 cows/ha	
<b>Variance (Actual less Budget)</b>							
	-5,900 kgMS	-4 cows	ha	-14 kgMS/cow	-81 kgMS/ha	-0.05 cows/ha	
<b>Income</b>				<b>Budget</b>	<b>Budget/Actual</b>	<b>Variance</b>	
Net Milk Sales				\$1,144,850	\$1,304,100	\$159,250	
Net Dairy livestock sales (calves + culls + other - purchases)				\$57,200	\$58,000	\$800	
Other dairy cash income				\$14,050	\$14,050		
<b>Net Dairy Cash Income</b>				<b>\$1,216,100</b>	<b>\$1,376,150</b>	<b>\$160,050</b>	
<b>Expenses</b>							
				<b>Budget</b>	<b>Budget/Actual</b>	<b>Variance</b>	
Wages				\$204,400	\$195,866	-\$8,534	
Animal health				\$10,850	\$14,394	\$3,544	
Breeding and herd improvement				\$20,000	\$18,990	-\$1,010	
Farm dairy				\$6,000	\$2,561	-\$3,439	
Electricity (farm dairy, water supply)							
Supplements made (incl. Contractors)				\$4,800	\$3,520	-\$1,280	
Supplements purchased				\$233,700	\$236,624	\$2,924	
Calf rearing				\$10,400	\$10,112	-\$288	
Young and dry stock grazing				\$79,200	\$72,098	-\$7,102	
Winter cow grazing				\$5,600	\$6,375	\$775	
Run-off lease							
Fertiliser (incl. N)				\$60,000	\$58,888	-\$1,112	
Irrigation							
Regrassing and cropping							
Weed and pest							
Vehicles and fuel				\$4,300	\$2,754	-\$1,546	
R&M (land, buildings, plant, machinery)				\$15,400	\$23,645	\$8,245	
Freight and general farm expenses				\$3,400	\$2,541	-\$859	
Administration e.g. accountant, consultant, phone				\$4,000	\$3,509	-\$491	
Insurance				\$7,550	\$7,599	\$49	
ACC							
Rates				\$11,300	\$12,266	\$966	
Other expenses							
<b>Total Farm Working Expenses</b>				<b>\$680,900</b>	<b>\$671,742</b>	<b>-\$9,158</b>	
<b>Cash Operating Surplus / Deficit</b>				<b>\$535,200</b>	<b>704,408</b>	<b>\$169,208</b>	
<b>Non Cash Adjustments</b>							
				<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	
Value of change in livestock numbers				-\$1,100	-11,200	-10,100	
Labour adjustment				\$3,500	3,500		
Less Feed inventory Adjustment							
Owned support block adjustment							
Depreciation				\$55,000	55,000		
<b>Dairy Gross Farm Revenue</b>				<b>\$1,215,000</b>	<b>\$1,364,950</b>	<b>\$149,950</b>	
<b>Dairy Operating Expenses</b>				<b>\$739,400</b>	<b>\$730,242</b>	<b>-\$9,158</b>	
<b>Dairy Operating Profit</b>				<b>\$475,600</b>	<b>\$634,708</b>	<b>\$159,108</b>	
<b>Dairy Operating Profit/ha</b>				<b>\$6,515</b>	<b>\$8,695</b>	<b>\$2,180</b>	

## Commentary re variance

	Actual to Budget Variance	
Milksolids	-5,900	Had budgeted high - still 5% up on last season even though that is 6% down on budget.
Cows	-4	Had a few more losses/early culls this year.
Hectares	0	
Net Milk Income	159250	Milk price is over \$1.60/kgMS up on budget now which has helped offset the lower milksolids.
Net Dairy livestock sales (calves + culls + other - purchases)	800	With fewer empties this year, (7% not in calf rate), there will be more cull cows sold at a premium as in calf cows. 10 beef calves were sold as feeder calves at 4 days old for \$100/hd rather than bobby price.
Other dairy income	0	
<b>Net Dairy Cash Income</b>	<b>160050</b>	
<b>Expenses</b>		
Wages	-8534	Milksolids are down 6% on budget so payments to CM is down.
Animal health	3544	Carried out testing for Johnes that was not in the budget - fortunately not too many cows identified. Spent a lot more on metabolic treatments in September than was budgeted.
Breeding and herd improvement	-1010	
Farm dairy	-3439	Original budget was based on last season which had high chiller repair costs. This has not been an issue so far this season.
Electricity (farm dairy, water supply)	0	
Supplements made (incl. Contractors)	-1280	Made a bit less silage this year, 11 ha, (22 t DM), the budget was for about 30 t DM.
Supplements purchased	2924	The quantity of supplements purchased is on target as per budget although the average price for the PKE is about \$8/t higher than the original budget. If it stays dry more supplement will be purchased if the prices stay reasonable.
Calf rearing	-288	50 calves reared but more milk powder used - 1 t compared with .6 t in the budget.
Young and dry stock grazing	-7102	Fewer weaners at grazing.
Winter cow grazing	775	The 25 cows at winter grazing had an extra 6 days away.

Run-off lease	0
Fertiliser (incl. N)	-1112
Irrigation	0
Regrassing and cropping	0
Weed and pest	0
Vehicles and fuel	-1546
R&M (land, buildings, plant, machinery)	8245
Freight and general farm expenses	-859
Administration e.g. accountant, consultant, phone	-491
Insurance	49
ACC	0
Rates	966
Other Expenses	0

Fertiliser applications are on budget.

Major repairs were required to fix the effluent pipe infrastructure under the concrete at the cowshed.

<b>Total Farm Working Expenses</b>	<b>-9158</b>
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### Non Cash adjustments

Value of change in livestock numbers	-10100
Labour adjustment	0
Less Feed inventory Adjustment	0
Owned support block adjustment	0
Depreciation	0

With less calves reared there will be 15 fewer R 1 on hand than originally budgeted.