

Annual Cash Budget/Actuals Updated January 2025

Name: Lower North Island 50-50 SM System 3 Budget Period 1 / 6 / 2024 to 31 / 5 / 2025

Farm Details: 185000 kgMS 378 cows 165.0 ha 489 kgMS/cow 1121 kgMS/ha 2.29 cows/ha

Income					\$ Total	\$/kgMS	\$/cow	\$/ha
Net Milk Income	Share of milk cheque received		50%					
Milk Solids advance	185,000	kgMS x \$	8.22	/kgMS	\$759,664	\$4.11	\$2,010	\$4,604
Milk Solids retrospective	170,000	kgMS x \$	1.55	/kgMS	\$131,430	\$0.71	\$348	\$797
Milk Solids dividend		shares x \$		/share				
Other Milk Income								
DairyNZ levy	enter as negative number				-\$3,666	-\$0.02	-\$10	-\$22
Net Dairy livestock sales (calves + culls + other - purchases)					-\$23,874	-\$0.13	-\$63	-\$145
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting								
Net Dairy Cash Income					\$863,554	\$4.67	\$2,285	\$5,234
Expenses					\$ Total	\$/kgMS	\$/cow	\$/ha
Wages/payment to contract milker					\$112,880	\$0.61	\$299	\$684
Animal health					\$69,359	\$0.37	\$183	\$420
Breeding and herd improvement					\$29,114	\$0.16	\$77	\$176
Farm dairy					\$6,768	\$0.04	\$18	\$41
Electricity (farm dairy, water supply)					\$27,657	\$0.15	\$73	\$168
Supplements made (incl. Contractors)					\$2,730	\$0.01	\$7	\$17
Supplements purchased					\$41,568	\$0.22	\$110	\$252
Calf rearing					\$23,939	\$0.13	\$63	\$145
Young and dry stock grazing					\$30,891	\$0.17	\$82	\$187
Winter cow grazing								
Run-off lease					\$30,677	\$0.17	\$81	\$186
Fertiliser (incl. N)					\$43,510	\$0.24	\$115	\$264
Irrigation								
Regrassing and cropping					\$70,353	\$0.38	\$186	\$426
Weed and pest								
Vehicles and fuel					\$44,482	\$0.24	\$118	\$270
R&M (land, buildings, plant, machinery)					\$25,589	\$0.14	\$68	\$155
Freight and general farm expenses					\$16,410	\$0.09	\$43	\$99
Administration e.g. accountant, consultant, phone					\$12,028	\$0.07	\$32	\$73
Insurance					\$15,000	\$0.08	\$40	\$91
ACC					\$750	\$0.00	\$2	\$5
Rates								
Total Farm Working Expenses					\$603,705	\$3.26	\$1,597	\$3,659
Cash Surplus / Deficit					\$259,850	\$1.40	\$687	\$1,575
Non Cash adjustments								
Value of change in livestock numbers					\$190,000	\$1.03	\$503	\$1,152
Labour adjustment					\$100,000	\$0.54	\$265	\$606
Less Feed inventory Adjustment								
Owned support block adjustment								
Depreciation					\$40,000	\$0.22	\$106	\$242
Dairy Gross Farm Revenue					\$1,053,554	\$5.69	\$2,787	\$6,385
Dairy Operating Expenses					\$743,705	\$4.02	\$1,967	\$4,507
Dairy Operating Profit					\$309,850	\$1.67	\$820	\$1,878

Notes for Budget

Net Milk Income	Milk revenue is based on a 50% share of 185,000 kg MS @ an advance rate of \$8.22/kgMS to April (payment received in May), and a 50% share of the deferred payment of \$1.55/kg MS on 170,000 kgMS. A portion of the production is on fixed milk price so the average is milk price received is different from benchmarks. This is net of the DairyNZ levy of \$0.036/kgMS. ** 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)	Includes sale of 84 MA cull cows @ \$960-990/head as well as the sale of 30 autumn born weaners @ \$610-620/head, 23 spring born weaners @\$520-540/head, 154 bobby calves @ \$24/head, 68 beef feeder calves and the purchase and sale of 32 bulls, (the sale price averaged \$350-400 more than the purchase price). Also includes the purchase of 120 empty in milk cows in March/April.
Other dairy income	

Expenses

Wages	Employees on farm this season equates close to 2 FTE. This is up on is up on last season where 1.4 FTE were employee. This is net of staff rent and includes employer ACC costs.
Animal health	Covers custom blended AgVance minerals for transtion and early lactation, vet visits, metri checking prior to mating, BVD testing for any incoming animals, (herd bulls mainly), mastitis control, calf dehorning,drenches, and vaccinations. The SAMM plan is followed for drying off. The SCC season to date average is 114,000 which is similar to last season. Includes extra to cover extra 120 cows from April.
Breeding and herd improvement	Covers 3-4 weeks of AB using premier sires and some sexed semen. Friesian bulls are run with the herd for the rest of mating. Bulls are removed from the herd late December to give a 9 week mating period. Heifers are run with low birthweight Angus bulls, (the resulting calves are sold to the owners calf rearing operation). Also includes mating of 120-150 cows in May with Wagyu semen, (to give 120 in calf for February 2026 calving).
Farm dairy	Covers detergents, rubberware, and other shed consumables. Rubberware is changed once a year in the autumn. Plant washing system has a metered detergent system.
Electricity (farm dairy, water supply)	Covers shed electricity to run the 50 bail rotary shed and the effluent irrigator, for 365 days, (milking is all year round). Solar panels installed in the winter 2024 are now delivering savings of 20%-25% on last season.
Supplements made (incl. Contractors)	The amount of silage made varies depending on the season. This season 56 t DM of pit silage was harvested from 12 ha.
Supplements purchased	This covers 50% share of purchased supplement. To date for the milking platform this is 195 t DM of grass for pit silage, and 30 t DM hay.
Calf rearing	117 replacement calves and 30 beef calves were reared on colstrum, wholemilk and meal. Includes about 18 t meal at about \$1,100/t and \$4,000 for bedding and equipment.
Young and dry stock grazing	86 yearlings for 52 weeks @\$12/head/week, 50% share. Includes freight and grazing for bulls during mating.
Winter cow grazing	
Run-off lease	The cost shown in the budget is the net cost of leasing and operating the 38 ha adjacent support block. This covers the lease paid, rates, fertiliser, cropping and harvesting costs, offset by revenue from the owners share of grazing and feed costs, plus any external revenue if there is surplus feed not required for the farming operation. The support block provides winter grazing for 200 cows for 8 weeks and weaner grazing for upto 120 calves from mid-November until May. In addition about 120-150 t DM maize silage and 18-27 t DM of baleage is harvested and taken to the milking platform. Other feed grown on the support block includes 7-8 ha of winter oats, plus 50 t DM of baleage and some hay retained for use on the support block. The farm owner pays market rates for a 50% share of the winter grazing, weaner grazing and any supplements that are brought back to the milking area.

Fertiliser (incl. N)	This is for a 50% share of nitrogen on the milking area, (115 kg N/ha), plus 50% cartage and spreading for all other farm fertiliser. 50% for crop fertiliser is included here for crops grown on the milking area.
Irrigation	
Regrassing and cropping	5 ha of maize is grown on the milking area along with 13 ha of chicory. This cost covers the sharemilkers share, (50%),for contractors for ground work/drilling, spraying and chemicals and seed including the regrassing costs.
Weed and pest	Have own gear to spray weeds, the owner provides the chemical.
Vehicles and fuel	About 600 hours a year is done on the tractor for feeding out, mowing, scraping the feed pad, race work etc. Covers \$16,000 for fuel, the balance is for servicing and maintenance on the tractor and bikes.
R&M (land, buildings, plant, machinery)	This cost is machinery services and breakdowns, general maintenance and loose tools.
Freight and general farm expenses	Includes freight for livestock plus protective clothing, dog and horse expenses and biosecurity levy, (\$0.008/kgMS).
Administration e.g. accountant, consultant, phone	Do own GST and pay roll. Includes accounting, computer, communication and general administration costs.
Insurance	This is reviewed regularly to ensure it remains relevant.
ACC	As per previous season.
Rates	
Other farm working expenses (not included in any of the above)	
Non Cash adjustments	
Value of change in livestock numbers	Expect to have about 31 more R 1 heifers and 115 more MA and R 2 heifers on hand at the end of the season as well as 30 less autumn weaners.
Labour adjustment	Unpaid farm business owner input is 1.4 FTE.
Less Feed inventory Adjustment	At this stage plans are for no change in feed on hand, however this can change depending on crop yields, weather and price of feed.
Owned support block adjustment	
Depreciation	As per the previous seasons financial statements plus allowance another years depreciation and for asset purchases and sales.