

# Annual Cash Budget Updated February 2025

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

Farm Details: **69800 kgMS** **151 cows** **74.0 ha** **462 kgMS/cow** **943 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 \$	7.84 /kgMS	\$584,300	\$8.37	\$3,870	\$7,896
Milk Solids	retrospective	74,146	kgMS	x \$	1.22 /kgMs	\$90,500	\$1.30	\$599	\$1,223
Milk Solids	dividend		shares	x \$	/share				
Other Milk Income									
DairyNZ levy <small>enter as negative number</small>						-\$2,500	-\$0.04	-\$17	-\$34
Net Dairy livestock sales (calves + culls + other - purchases)						\$27,700	\$0.40	\$183	\$374
Other dairy income <small>e.g. farm cottage rent, trading rebates, small amounts of contracting</small>									
Net Dairy Cash Income						\$700,000	\$10.03	\$4,636	\$9,459

Expenses	\$ Total	\$/kgMs	\$/cow	\$/ha
Wages/payment to contract milker	\$19,400	\$0.28	\$128	\$262
Animal health	\$13,600	\$0.19	\$90	\$184
Breeding and herd improvement	\$10,500	\$0.15	\$70	\$142
Farm dairy	\$3,000	\$0.04	\$20	\$41
Electricity (farm dairy, water supply)	\$14,400	\$0.21	\$95	\$195
Supplements made (incl. Contractors)	\$6,300	\$0.09	\$42	\$85
Supplements purchased	\$79,200	\$1.13	\$525	\$1,070
Calf rearing	\$1,600	\$0.02	\$11	\$22
Young and dry stock grazing				
Winter cow grazing				
Run-off lease				
Fertiliser (incl. N)	\$46,900	\$0.67	\$311	\$634
Irrigation	\$6,700	\$0.10	\$44	\$91
Regrassing and cropping	\$19,100	\$0.27	\$126	\$258
Weed and pest	\$2,000	\$0.03	\$13	\$27
Vehicles and fuel	\$25,100	\$0.36	\$166	\$339
R&M (land, buildings, plant, machinery)	\$8,900	\$0.13	\$59	\$120
Freight and general farm expenses	\$3,900	\$0.06	\$26	\$53
Administration e.g. accountant, consultant, phone	\$12,900	\$0.18	\$85	\$174
Insurance	\$13,500	\$0.19	\$89	\$182
ACC	\$4,000	\$0.06	\$26	\$54
Rates	\$9,000	\$0.13	\$60	\$122
Total Farm Working Expenses	\$300,000	\$4.30	\$1,987	\$4,054

<b>Cash Surplus / Deficit</b>					<b>\$400,000</b>	<b>\$5.73</b>	<b>\$2,649</b>	<b>\$5,405</b>	
<b>Non Cash adjustments</b>									
Value of change in livestock numbers					\$2,300	\$0.03	\$15	\$31	
Labour adjustment					\$91,500	\$1.31	\$606	\$1,236	
Less Feed inventory Adjustment									
Owned support block adjustment									
Depreciation					\$37,000	\$0.53	\$245	\$500	
<b>Dairy Gross Farm Revenue</b>					<b>\$702,300</b>	<b>\$10.06</b>	<b>\$4,651</b>	<b>\$9,491</b>	
<b>Dairy Operating Expenses</b>					<b>\$428,500</b>	<b>\$6.14</b>	<b>\$2,838</b>	<b>\$5,791</b>	
<b>Dairy Operating Profit</b>					<b>\$273,800</b>	<b>\$3.92</b>	<b>\$1,813</b>	<b>\$3,700</b>	

Notes for Budget

Net Milk Income	The revised budget is prepared on an advance milk price of \$8.37 per kg MS for 69,800 kg MS, (down on the original budget of 72,700 kgMS). The milk price is based on 85% of the January updated forecast milk price being paid out by May 2025). Deferred income is the actual final payout announced September 2024 of \$1.22/kg MS over 74,146 kg MS. <i>** 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.</i>
Net Dairy livestock sales (calves + culls + other - purchases)	Based on the sale of 28 cull cows and R2 heifers @ \$850/head, 100 bobby calves @\$30/head, 6 bulls @ \$1,900 /head less the purchase of 6 bulls @ \$1,900/head. Prices are well up on the original budget.
Other dairy income	

Expenses

Wages	Permanent relief staff for 400 hours per year, (more or less), 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 membranes), 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 Premiere sires forward pack 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)	This covered contractors making about 180 bales of silage, (36 t DM), baling and wrapping only, (about \$35/bale).
Supplements purchased	Includes \$66,600 for PKE, (160 t @ \$416/t landed). \$12,600 has been spent on 138 large bales of hay for use during the winter at \$90/ bale landed.
Calf rearing	32 replacement heifers have been 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 85-90 kg for small framed crossbred animals and 95-100 kg for larger framed cross bred calves. 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 is 30 yearlings and 32 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. Paddocks with Olsen P levels above the optimum range will not receive any phosphate. 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	There have been 3.8 ha winter crop, (swedes), planted late spring. The previous winter crop area, (4.0 ha swedes + 1.8 ha pasture used in conjunction with feeding off the swedes), were planted in Japanese millet in late November/early December. This area will be planted in a short rotation ryegrass (SRR), in the early autumn. 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 \$3,000 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. Up over 30% on previous season.
Other farm working expenses (not included in any of the above)	
<b>Non Cash adjustments</b>	
Value of change in livestock numbers	Expect to have 2 more R 1 heifers, 5 fewer R 2 heifers and 5 more MA cows. 2024 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.