

**South Owner Waikato with CM System 5**  
**2024-25 Season review May 2025**  
**Season numbers at a glance**

KPI's	Budget	Updated forecast Budget/Actuals
Milk Production (kgMS/ha)	1,845	1,739
Milk Production (kgMS/cow)	464	444
Net Dairy Cash Income (\$/kgMS)	\$9.03	\$10.94
Total Farm Working Expenses (\$/kgMS)	\$5.05	\$5.14
Cash Operating Surplus/Deficit (\$/kgMS)	\$3.97	\$5.79
Gross Farm Revenue (\$/kgMS)	\$9.02	\$10.86
Operating Expenses (\$/kgMS)	\$5.49	\$5.65
Operating Profit (\$/ha)	\$6,515	\$9,062

\* These KPI's are based on cash book budget/actuals to the 31/51/2025 and estimated non-cash adjustments. The final financial performance based on financial statements may differ

**Key Points**

- The 2024-25 season overall was good from a financial perspective. From a milk production perspective it was a season of two halves.
- Milk production for the season is 1.2% up on last season but 5.7% behind budget.
- Rainfall for the season is 1000 mm which is well below the annual average.
- February and March were particularly dry and despite some rain in early April the drought didn't really break until the end of April.
- Total farm working expenses are about 4% below budget but will be up about \$0.10 per kg MS due to lower than budgeted milksolids.
- Milk price received will be about \$1.80/kg MS up on budget which offsets the lower milk production, so net Dairy Cash income is 14% up on budget.
- Operating expenses of \$5.65/kg MS is good result considering how dry the autumn has been.
- Pasture cover and cow body condition score are on track to meet targets for planned start of calving.

**Comments**

Production for the season 126,978 kg MS compared with 125 434 last season. The budgeted Milksolids was quite optimistic so final season production was 5.7% below 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 better milksolids to the end of January (up 5% on the previous season to date).  
February to late April were particularly hot and dry and drought was declared in the area. As per usual the younger cows were milked once a day from early April.  
There were 200 cows still milking in late April and the herd was dried off May 17th.  
Supplements fed for the year will be 280 t PKE, (252 tDM), and 330 t DM maize silage and 31 t DM grass silage. This equates to 2,433 kg DM/cow which is up on last season. Most of the extra supplement fed was during the late summer and autumn.  
Fertiliser and nitrogen applications are as per budget. Nitrogen applied for the year is 100 kg N/ha, (90kg N/ha on effluent area and 120 kg N/ha on non-effluent areas).

Total milk price this season, (advance plus deferred plus dividend), is expected to be about \$10.30/kg MS whereas the budget was based on \$8.50, so total milk income is up 14% on budget.  
Total farm working expenses for the season are on track to be about 4% lower than budgeted. With 5.7% less production, FWE will be \$5.14/kg MS, about 2.5% up on the forecast of \$5.05.  
With the feed adjustment, unpaid labour and depreciation taken into account the operating expenses are on track to be about \$5.65/kg MS, which is on a par with last season (\$5.71/kg MS).  
Repairs and maintenance costs are up over 40%, (+\$6,000), as major cowshed under concrete work was needed.  
Savings were made with reduced feed costs due to lower maize prices and less payments to the contract milker due to lower milk production.

**Current situation**

There are currently 299 MA cows and in-calf heifers on farm, all dry, which is 4.1 cows per ha. The 25 cows to go to winter grazing will leave on June 1st.  
Pasture cover is 2,300 kg DM/ha and growth rates are still about 35-40 kg DM/ha/day. Supplements are still being feed to ensure liveweight gain on the lighter cows and that pasture cover continues to increase.  
At the end of May there will still be 260 t DM of Maize silage and 15 t DM of silage to carry into the next season. This is within the normal range for the farm.

**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 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 pregnancy testing was 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 as there were fewer heifer calves born. This is below budget which was for 65 replacements.

Annual Cash Actuals updated May 2025

Name:	South Owner Waikato with CM System 5			Budget Period		1	/	6	/	2024	to	31	/	5	/	2025
Farm Details:																
Budget	134,700 kgMS	290 Cows	73.0 ha	464	kgMS/cow	1845	kgMS/ha	3.97	cows/ha							
Farm Details:																
Budget/Actual	126,978 kgMS	286 cows	73.0 ha	444	kgMS/cow	1739	kgMS/ha	3.92	cows/ha							
Variance (Actual less Budget)	-7,722 kgMS	-4 cows	ha	-21	kgMS/cow	-106	kgMS/ha	-0.05	cows/ha							
Income				Budget			Budget/Actual			Variance						
Net Milk Sales				\$1,144,850			\$1,307,634			\$162,784						
Net Dairy livestock sales (calves + culls + other - purchases)				\$57,200			\$67,206			\$10,006						
Other dairy cash income				\$14,050			\$13,780			-\$270						
Net Dairy Cash Income				\$1,216,100			\$1,388,620			\$172,520						
Expenses				Budget			Budget/Actual			Variance						
Wages				\$204,400			\$190,541			-\$13,859						
Animal health				\$10,850			\$15,339			\$4,489						
Breeding and herd improvement				\$20,000			\$19,363			-\$637						
Farm dairy				\$6,000			\$883			-\$5,117						
Electricity (farm dairy, water supply)																
Supplements made (incl. Contractors)				\$4,800			\$3,520			-\$1,280						
Supplements purchased				\$233,700			\$222,396			-\$11,304						
Calf rearing				\$10,400			\$8,612			-\$1,788						
Young and dry stock grazing				\$79,200			\$77,881			-\$1,319						
Winter cow grazing				\$5,600			\$6,375			\$775						
Run-off lease																
Fertiliser (incl. N)				\$60,000			\$58,408			-\$1,592						
Irrigation																
Regrassing and cropping																
Weed and pest																
Vehicles and fuel				\$4,300			\$2,032			-\$2,268						
R&M (land, buildings, plant, machinery)				\$15,400			\$21,712			\$6,312						
Freight and general farm expenses				\$3,400			\$2,527			-\$873						
Administration e.g. accountant, consultant, phone				\$4,000			\$4,066			\$66						
Insurance				\$7,550			\$7,599			\$49						
ACC																
Rates				\$11,300			\$11,658			\$358						
Other expenses																
Total Farm Working Expenses				\$680,900			\$652,912			-\$27,988						
Cash Operating Surplus / Deficit				\$535,200			735,708			\$200,508						
Non Cash Adjustments				Budget			Actual			Variance						
Value of change in livestock numbers				-\$1,100			-9,148			-8,048						
Labour adjustment				\$3,500			3,500									
Less Feed inventory Adjustment							-9,500			-9,500						
Owned support block adjustment																
Depreciation				\$55,000			52,000			-3,000						
Dairy Gross Farm Revenue				\$1,215,000			\$1,379,472			\$164,472						
Dairy Operating Expenses				\$739,400			\$717,912			-\$21,488						
Dairy Operating Profit				\$475,600			\$661,560			\$185,960						
Dairy Operating Profit/ha				\$6,515			\$9,062			\$2,547						

## Commentary re variance

	Actual to Budget Variance	
Milksolids	-7,722	Had budgeted high. Production was still 5% up on last season in mid-February but the very dry late summer and early autumn cut that advantage so the season ended 1.2% up on the previous year and 5.7% down on budget.
Cows	-4	Had a few more losses/early culls this year.
Hectares	0	
Net Milk Income	162784	Milk price is \$1.80/kgMS up on budget which has helped offset the lower milksolids.
Net Dairy livestock sales (calves + culls + other - purchases)	10006	With fewer empties this year, (7% not in calf rate), there have been more cull cows sold at a premium as in calf cows. Average cull/surplus cow price is about \$1,000. 10 beef calves were sold as feeder calves at 4 days old for \$100/hd rather than bobby price.
Other dairy income	-270	

<b>Net Dairy Cash Income</b>	<b>172520</b>
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Expenses		
Wages	-13859	Milksolids are down 5.7% on budget so payments to CM is down.
Animal health	4489	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	-637	
Farm dairy	-5117	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	-11304	The quantity of supplements purchased is on target as per budget although more maize silage was purchased and less PKE. The cost of maize was only \$317/t DM in the stack as harvesting costs were lower this season, (budget was \$340/t DM).
Calf rearing	-1788	
Young and dry stock grazing	-1319	Fewer weaners at grazing as only 50 heifer calves were born/reared compared with 60 in the budget.
Winter cow grazing	775	The 25 cows at winter grazing had an extra 6 days away as there was plenty of feed at the winter grazing.
Run-off lease	0	
Fertiliser (incl. N)	-1592	
Irrigation	0	

Regrassing and cropping	0	
Weed and pest	0	
Vehicles and fuel	-2268	No unforeseen repairs needed on tractors.
R&M (land, buildings, plant, machinery)	6312	Major repairs were required to fix the effluent pipe infrastructure under the concrete at the cowshed.
Freight and general farm expenses	-873	
Administration e.g. accountant, consultant, phone	66	
Insurance	49	
ACC	0	
Rates	358	
Other Expenses	0	
<b>Total Farm Working Expenses</b>	<b>-27988</b>	
<b>Non Cash adjustments</b>		
Value of change in livestock numbers	-8048	With less calves reared there are 15 fewer R 1 on hand than originally budgeted. These are valued at IRD 2025 NAMV which are significantly higher than the 2024 values - nearly 50% higher for R 1 heifers.
Labour adjustment	0	
Less Feed inventory Adjustment	-9500	Finished the season with 25 t DM less on hand as used more maize and silage in March and April due to the dry weather. Could afford to drop the amount of supplement on hand at the end of the season and still have enough to take into the next season - 275 t DM or 940 t DM/cow.
Owned support block adjustment	0	
Depreciation	-3000	Updated depreciation estimate based on the 2023-24 financial statements which were just under \$50,000.