

Annual Cash Budget updated June 2025

Name: East Waikato Owner/Owner with CM System 3 Budget Period 1 / 6 / 25 to 31 / 5 / 26

Farm Details: 215000 kgMS 535 cows 177.0 ha 402 kgMS/cow 1215 kgMS/ha 3.02 cows/ha

Income						\$ Total	\$/kgMS	\$/cow	\$/ha
Net Milk Income Share of milk cheque received 100%									
Milk Solids	advance	235,000	kgMS x \$	9.15	/kgMS	\$1,800,400	\$8.37	\$3,365	\$10,172
Milk Solids retrospective		223,601	kgMS x \$	1.06	/kgMS	\$279,500	\$1.30	\$522	\$1,579
Milk Solids	dividend	99,900	shares x \$	0.50	/share	\$50,000	\$0.23	\$93	\$282
Other Milk Income									
DairyNZ levy enter as negative number						-\$10,100	-\$0.05	-\$19	-\$57
Net Dairy livestock sales (calves + culls + other - purchases)						\$89,700	\$0.42	\$168	\$507
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting						\$600	\$0.00	\$1	\$3
Net Dairy Cash Income						\$2,210,100	\$10.28	\$4,131	\$12,486
Expenses						\$ Total	\$/kgMS	\$/cow	\$/ha
Wages/payment to contract milker						\$263,800	\$1.23	\$493	\$1,490
Animal health						\$30,900	\$0.14	\$58	\$175
Breeding and herd improvement						\$26,700	\$0.12	\$50	\$151
Farm dairy						\$7,500	\$0.03	\$14	\$42
Electricity (farm dairy, water supply)						\$17,200	\$0.08	\$32	\$97
Supplements made (incl. Contractors)									
Supplements purchased						\$173,700	\$0.81	\$325	\$981
Calf rearing						\$9,800	\$0.05	\$18	\$55
Young and dry stock grazing						\$128,900	\$0.60	\$241	\$728
Winter cow grazing									
Run-off lease									
Fertiliser (incl. N)						\$117,700	\$0.55	\$220	\$665
Irrigation									
Regrassing and cropping						\$114,800	\$0.53	\$215	\$649
Weed and pest						\$7,800	\$0.04	\$15	\$44
Vehicles and fuel						\$37,400	\$0.17	\$70	\$211
R&M (land, buildings, plant, machinery)						\$69,300	\$0.32	\$130	\$392
Freight and general farm expenses						\$10,400	\$0.05	\$19	\$59
Administration e.g. accountant, consultant, phone						\$10,600	\$0.05	\$20	\$60
Insurance						\$14,300	\$0.07	\$27	\$81
ACC						\$3,700	\$0.02	\$7	\$21
Rates						\$20,700	\$0.10	\$39	\$117
Total Farm Working Expenses						\$1,065,200	\$4.95	\$1,991	\$6,018
Cash Surplus / Deficit						\$1,144,900	\$5.33	\$2,140	\$6,468
Non Cash adjustments									
Value of change in livestock numbers									
Labour adjustment						\$120,000	\$0.56	\$224	\$678
Less Feed inventory Adjustment									
Owned support block adjustment									
Depreciation						\$50,000	\$0.23	\$93	\$282
Dairy Gross Farm Revenue						\$2,210,100	\$10.28	\$4,131	\$12,486
Dairy Operating Expenses						\$1,235,200	\$5.75	\$2,309	\$6,979
Dairy Operating Profit						\$974,900	\$4.53	\$1,822	\$5,508

Notes for Budget

Net Milk Income	This budget covers 2 supply numbers. The advance milk price is based on 215,000 kg MS @ an advance of \$8.35/kgMS and deferred income on 223,601 @ \$1.25/kgMS, (includes payments for milk sent May 2025). Income includes a total Fonterra dividend of \$0.50/share on 99,900 shares. This is net of the DairyNZ levy of \$0.042/kgMS. <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 sales of a minimum of about 100 MA cull cows and empty R 2 heifers to sell @ \$850/head plus about 355 bobby calves @ \$25/head. Includes purchasing 16 Jersey breeding bulls @ \$2,400/head, and sold for \$2,150/hd.
Other dairy income	Trading rebates.

Expenses

Wages	This covers paid wages for one full time staff member and one apprentice to assist owners on farm, (300 cows), and remuneration for one contract milker with some owner support over calving and at key times, on the second farm, (235 cows). This is net of staff housing and apprentice subsidies and includes employer contributions to Kiwisaver. The contract milker is responsible for shed and electricity costs for the 235 cow farm, plus the provision and running of a farm bike.
Animal health	The approach to animal health is to be proactive and vigilant. Animal health costs include mineral supplements as required. This is mainly Mg in winter and late spring. Cu levels as per liver tests are normal so supplementation here is not required at present. Zinc supplementation is carried out summer and autumn based on spore count levels published by the vets. Lameness is not an issue on the farm. Mastitis management is based on industry recommended guidelines. Wastage is about 3% deaths and around 10% empties. An additional pre-mating drench for the herd is carried out to ensure optimal health going into mating.
Breeding and herd improvement	This covers 4 weeks of AB with premier sires followed by 8 weeks with bulls. 16 Jersey bulls will be purchased, 6 to run with 133 replacement heifers and 10 to run with the cows after AB. As there are 2 herds, the bulls will be split into 4 teams, and 2 teams rotated with each herd. Herd testing is ionly for 1 herd test at end of season for SCC dry off, (over 2 milkings unless on once a day) this year as the plan is to DNA test the remaining 300 cows in the herd still to do. Nearly half have been done when they were part of the sire proving scheme. Anoestrous treatments are included.
Farm dairy	This is for the farm dairy consumable costs for the 28 a side herringbone shed. The contract milker remunerations covers their share of the shed costs for the 22 a side shed.
Electricity (farm dairy, water supply)	This is the shed and farm electricity for the 300 cow farm, 28 bail herringbone shed.
Supplements made (incl. Contractors)	Only make supplement on the milking area if there is surplus. Not included in the budget.
Supplements purchased	The budget is for about 350 t (wet), 315 t DM of PKE blend, (with soybean hull), @ about \$495/t landed. This is yet to be contracted but prices are looking promising. Both sheds have in shed feeding systems so wastage is low. This equates to about 590 kg DM/cow.
Calf rearing	The budget is for 135 replacement calves being reared. Calves are reared on colostrum/whole milk twice a day plus meal and hay. They are weaned off meal at 100 kg at about 10 weeks old. Includes bedding and equipment.
Young and dry stock grazing	The yearlings, (133), are off farm for 52 weeks and weaners, (133), for 26 weeks. This does not include freight.

Winter cow grazing	All cows are wintered on.
Run-off lease	
Fertiliser (incl. N)	Focus is on increasing clover performance so that nitrogen application can be reduced. Nitrogen applications will likely be under 120 kg N/ha/year over 5 applications, but are dependent on soil moisture and pasture cover. Product used varies depending on the time of year and expected rainfall. All fertiliser is applied with own gear.
Irrigation	
Regrassing and cropping	This covers the cultivation, seed, planting, weed and pest control and harvesting of 14.5 ha of Maize for silage, along with the cultivation, seed, planting and weed and pest control for 3-4 ha of fodder beet and 2.5-3 ha of turnips. In addition this cost includes the regrassing of these areas in the autumn plus an allowance for some remedial regrassing or patching if needed. An undersower is now owned so all undersowing is done in house.
Weed and pest	This covers costs for general weed spray and some pest control.
Vehicles and fuel	The aim is to keep vehicles well maintained and try to be efficient with vehicle use.
R&M (land, buildings, plant, machinery)	Have been generous with the budget to allow for contingencies. There will be continued maintenance of roads and races (\$20,000), fencing (\$9,000) and water supply, (\$11,500).
Freight and general farm expenses	This includes freight, (on stock sold/purchased and young stock to grazing), protective clothing and bio security levies.
Administration e.g. accountant, consultant, phone	Do own financial management, (budgeting and GST), and administration. Accounting costs are low as one shareholder is a qualified accountant. Includes subscription for payroll management package.
Insurance	Have a higher excess than standard to save premiums and self-insure the small stuff where appropriate. Have a \$1000 excess on most things. Included under insurance is "key person insurance", which has a 13 week stand down to reduce premiums but is good cover if something major happens.
ACC	Includes ACC for 1 FTE of owners cover paying for cover plus Xtra.
Rates	Council and regional rates for both farms.
Other farm working expenses (not included in any of the above)	
Non Cash adjustments	
Value of change in livestock numbers	Expect to have similar stock numbers on hand at the end of the season.
Labour adjustment	This covers 1.25 FTE of unpaid owner input, including all on farm work, administration, strategic planning and governance.
Less Feed inventory Adjustment	Feed on hand should not change significantly.
Owned support block adjustment	
Depreciation	Based on 2023-24 financial statements depreciation with allowance for another two years depreciation charge and asset purchases and sales during the year.