

East Waikato System 3 Tatua supply Owner with CM
2024-25 Season Review May 2025
Season numbers at a glance

KPI's	Budget	Actuals
Milk Production (kgMS/ha)	1,470	1,452
Milk Production (kgMS/cow)	462	452
Net Dairy Cash Income (\$/kgMS)	\$10.45	\$11.81
Total Farm Working Expenses (\$/kgMS)	\$6.02	\$6.38
Cash Operating Surplus/Deficit (\$/kgMS)	\$4.43	\$5.42
Gross Farm Revenue (\$/kgMS)	\$10.46	\$11.89
Operating Expenses (\$/kgMS)	\$6.63	\$6.82
Operating Profit (\$/ha)	\$5,627	\$7,357

* These KPI's are based on cash book budget/actuals to the 31/05/2025 and estimated non-cash adjustments. The final financial performance based on financial statements may differ

Key points

- Better than average late winter and spring pasture growth rates saw milk production up on budget.
- Below target calving pattern cost about 2,500 kg MS at the start of the season.
- Steps taken in the spring to improve the calving pattern has paid off with excellent reproduction performance from the 2024 mating.
- The summer and early autumn have been dry with pasture growth rates well down on average.
- As a result of the dry period, gains from the good spring and early summer were eroded.
- Rainfall in the first half of April helped the season finish on a better note, with milksolids for the season finishing at 95,800 kg, 1.2% down on budget.
- Net milk income will be up about \$116,000, (up 12%), due to increases in milk price.
- Total farm working expenses are up \$38,600, (up 7%).
- Vehicles, R & M and wages were the main contributors to increased costs.

Comments

The reproductive performance of the herd from the spring mating has been exceptional considering the calving pattern was below targets due to semen batch quality issues the previous mating. The 3, 6 and 9 week calving figures for 2024 were 62%, 82% and 95%. Increased use of CIDRs, (20% of the herd treated), to tighten the calving pattern paid off with 3 week submission rates of 95%. The six week in calf rate for the herd (Actual) is 78% and the not in calf rate is 9%. All metrics are at or above industry targets again. With the drier summer, all the maize silage carried forward from the spring, (about 50 T DM), was feed out to keep cows milking and protect post grazing residuals. As a result, for insurance against the impending drought, an additional 40 t DM of maize silage was purchased, at \$0.42/kg DM in the stack, to cover what was fed out and make up for planting a reduce area of maize on farm, (a decision made at the time as there was surplus maize silage in the stack). Maize grown on the milking area was harvested March 7th and the area was regressed in late March. The yields were about 136 t DM total (22 t DM/ha, which is average for the farm). The herd went to once a day milking in mid-January with 209 cows out of 212 peak milked still milking in early March.

As at 1/4/2025

There were 197 cows in milk, producing 1.2kMS/cow/day and being fed maize silage, PKE and pasture. The whole herd was assessed for body condition score which 4.2 average. From this a drying off plan was formulated with the early calving, thinner cows to be dried off through April. The local area has not been as affected as other areas of the Waikato with dry start to the year. Despite rainfall for the first 3 months for 2025 being well below average, there were enough showers that the pastures were green and at the first leaf stage with very little dead matter in the pasture. Rain fell at the end of the first week in April and with pasture cover at 1800 kgDM/ha, pastures responded well. There was sufficient rainfall (over 25 mm), so the herd went to a 200 day round for 10 days – using the same two paddocks. They were fully feed with supplements, 12 kgDM/c/day, (4 kg grass silage, 3 kg DM maize silage and 5 kg PKE – Tatua does not monitor for FEI). This maintained milk production at about 1 kgMS/c/day and ensured minimal to no weight loss. Experience has shown that with this management, in 10 days the farm cover will go from 1,800 kgDM/ha to 2,200, and this is indeed what happened. The two paddocks used for 10 days were ones identified for future cropping – they have since been undersown and will be cropped with maize in the spring. Nitrogen was applied at 40 kgN/ha over the whole farm, once pasture started to recover. A follow up application was made on some paddocks. This brought the total N applied to 100-110/ha which is below target. Less N was applied in the spring due to better growth rates and pasture cover, and it was too dry from January to early April to apply any.

As at 23/5/2025

The herd was dried off on May 9th. Pasture cover is on target to be 2,400 kgDM/ha by May 31st and cow body condition score, (BCS), will be 4.9-5.0 for MA cows by then too. The R 2 heifers are now on farm and are at 5.5 BCS. There are 220 animals on farm to go into the winter with the plan to peak milk 215 cows. They are being fed all pasture and currently pasture growth is exceeding demand. There is 164.4 t DM to take into next season. This is higher than previous years but is a good insurance policy against a wet second half of the year. Rainfall from January to now is well below the district average, so the likelihood of a wet winter and/or spring is high. Imported Supplements fed this year will end up at 120 t DM maize that was on hand at the start of the season, plus 158 t DM of PKE, plus 26 t DM of Maize silage (from the 40 t DM bought in the autumn). All the maize silage grown on farm plus 14 t DM of maize purchased ie 150 t DM will be carried forward to next season.

Annual Cash Budget

Name: East Waikato Tatua supply Owner with CM System 3 Budget Period 1 / 6 / 2024 to 31 / 5 / 2025

Farm Details: 95800 kgMS 212 cows 66.0 ha 452 kgMS/cow 1452 kgMS/ha 3.21 cows/ha

Income							\$ Total	\$/kgMS	\$/cow	\$/ha
Net Milk Income							Share of milk cheque received 100%			
Milk Solids	advance	95,800	kgMS	x	\$	9.70 /kgMS	\$932,800	\$9.74	\$4,400	\$14,133
Milk Solids	retrospective	97,005	kgMS	x	\$	1.58 /kgMs	\$153,300	\$1.60	\$723	\$2,323
Milk Solids	dividend		shares	x	\$	/share		\$0.00	\$0	\$0
Other Milk Income								\$0.00	\$0	\$0
DairyNZ levy enter as negative number							-\$3,400	-\$0.04	-\$16	-\$52
Net Dairy livestock sales (calves + culls + other - purchases)							\$41,000	\$0.43	\$193	\$621
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting							\$7,500	\$0.08	\$35	\$114
Net Dairy Cash Income							\$1,131,200	\$11.81	\$5,336	\$17,139
Expenses							\$ Total	\$/kgMs	\$/cow	\$/ha
Wages/payment to contract milker							\$160,600	\$1.68	\$758	\$2,433
Animal health							\$38,000	\$0.40	\$179	\$576
Breeding and herd improvement							\$20,670	\$0.22	\$98	\$313
Farm dairy							\$4,500	\$0.05	\$21	\$68
Electricity (farm dairy, water supply)							\$640	\$0.01	\$3	\$10
Supplements made (incl. Contractors)							\$10,000	\$0.10	\$47	\$152
Supplements purchased							\$78,200	\$0.82	\$369	\$1,185
Calf rearing							\$9,500	\$0.10	\$45	\$144
Young and dry stock grazing							\$48,000	\$0.50	\$226	\$727
Winter cow grazing								\$0.00	\$0	\$0
Run-off lease								\$0.00	\$0	\$0
Fertiliser (incl. N)							\$65,000	\$0.68	\$307	\$985
Irrigation								\$0.00	\$0	\$0
Regrassing and cropping							\$30,000	\$0.31	\$142	\$455
Weed and pest							\$4,200	\$0.04	\$20	\$64
Vehicles and fuel							\$40,000	\$0.42	\$189	\$606
R&M (land, buildings, plant, machinery)							\$59,400	\$0.62	\$280	\$900
Freight and general farm expenses							\$5,300	\$0.06	\$25	\$80
Administration e.g. accountant, consultant, phone							\$15,500	\$0.16	\$73	\$235
Insurance							\$5,100	\$0.05	\$24	\$77
ACC							\$4,100	\$0.04	\$19	\$62
Rates							\$12,800	\$0.13	\$60	\$194
Total Farm Working Expenses							\$611,510	\$6.38	\$2,884	\$9,265
Cash Surplus / Deficit							\$519,690	\$5.42	\$2,451	\$7,874
Non Cash adjustments										
Value of change in livestock numbers							\$7,700	\$0.08	\$36	\$117
Labour adjustment							\$6,300	\$0.07	\$30	\$95
Less Feed inventory Adjustment							\$13,500	\$0.14	\$64	\$205
Owned support block adjustment								\$0.00	\$0	\$0
Depreciation							\$49,000	\$0.51	\$231	\$742
Dairy Gross Farm Revenue							\$1,138,900	\$11.89	\$5,372	\$17,256
Dairy Operating Expenses							\$653,310	\$6.82	\$3,082	\$9,899
Dairy Operating Profit							\$485,590	\$5.07	\$2,291	\$7,357

Annual Cash Budget and updated forecast April 2025

Name:	East Waikato Tatua supply Owner with CM System 3			Budget Period		1	/	6	/	2024	to	31	/	5	/	2025
Farm Details:																
Budget	97,000 kgMS	210 Cows	66.0 ha	462	kgMS/cow	1470	kgMS/ha	3.18	cows/ha							
Farm Details:																
Budget/Actual	95,800 kgMS	212 cows	66.0 ha	452	kgMS/cow	1452	kgMS/ha	3.21	cows/ha							
Variance (Actual less Budget)	-1,200 kgMS	2 cows	ha	-10	kgMS/cow	-18	kgMS/ha	0.03	cows/ha							
Income					Budget		Budget/Actual		Variance							
Net Milk Sales					\$966,500		\$1,082,700		\$116,200							
Net Dairy livestock sales (calves + culls + other - purchases)					\$39,700		\$41,000		\$1,300							
Other dairy cash income					\$7,500		\$7,500									
Net Dairy Cash Income					\$1,013,700		\$1,131,200		\$117,500							
Expenses					Budget		Budget/Actual		Variance							
Wages					\$145,500		\$160,600		\$15,100							
Animal health					\$38,000		\$38,000									
Breeding and herd improvement					\$22,400		\$20,670		-\$1,730							
Farm dairy					\$2,100		\$4,500		\$2,400							
Electricity (farm dairy, water supply)					\$400		\$640		\$240							
Supplements made (incl. Contractors)					\$10,000		\$10,000									
Supplements purchased					\$76,000		\$78,200		\$2,200							
Calf rearing					\$12,000		\$9,500		-\$2,500							
Young and dry stock grazing					\$48,000		\$48,000									
Winter cow grazing																
Run-off lease																
Fertiliser (incl. N)					\$65,300		\$65,000		-\$300							
Irrigation																
Regrassing and cropping					\$30,000		\$30,000									
Weed and pest					\$9,100		\$4,200		-\$4,900							
Vehicles and fuel					\$30,000		\$40,000		\$10,000							
R&M (land, buildings, plant, machinery)					\$48,800		\$59,400		\$10,600							
Freight and general farm expenses					\$5,000		\$5,300		\$300							
Administration e.g. accountant, consultant, phone					\$17,500		\$15,500		-\$2,000							
Insurance					\$9,000		\$5,100		-\$3,900							
ACC					\$2,500		\$4,100		\$1,600							
Rates					\$12,500		\$12,800		\$300							
Other expenses																
Total Farm Working Expenses					\$584,100		\$611,510		\$27,410							
Cash Operating Surplus / Deficit					\$429,600		519,690		\$90,090							
Non Cash Adjustments					Budget		Actual		Variance							
Value of change in livestock numbers					\$500		7,700		7,200							
Labour adjustment					\$6,300		6,300									
Less Feed inventory Adjustment					-\$3,400		13,500		16,900							
Owned support block adjustment																
Depreciation					\$49,000		49,000									
Dairy Gross Farm Revenue					\$1,014,200		\$1,138,900		\$124,700							
Dairy Operating Expenses					\$642,800		\$653,310		\$10,510							
Dairy Operating Profit					\$371,400		\$485,590		\$114,190							
Dairy Operating Profit/ha					\$5,627		\$7,357		\$1,730							

Commentary re variance

	Actual to Budget Variance	
Milksolids	-1,200	The very hot and dry summer and early autumn eroded the 3000 kg MS advantage from the spring and early summer. As at early April MS produced was still 1.8% up for the season but daily milk to the factory was down 14%. Good pasture growth in response to rain in the first week of April enabled the last of the herd the be milked to May 9th.
Cows	2	Wintered 215 cows, so pleased that wastage was low and ended with 212 peak cow numbers.
Hectares	0	
Net Milk Income	116200	Milk solids were down just over 1% , however the milk price received is up on the November 2024 budget.
Net Dairy livestock sales (calves + culls + other - purchases)	1300	Have increased the number of cows to be wintered for 2025-26, so there are 5 fewer cows to sell. However, prices have been well up on budget. High BW, empty, in milk cows sold for \$1,200/cow in March and early March culls netted just over \$1,000/head. Sold the remainder of culls in April for between \$800 and \$900/head.
Other dairy income	0	

Net Dairy Cash Income	117500
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Expenses

Wages	15100	Employed a calf rearer and some casual labour.
Animal health	0	
Breeding and herd improvement	-1730	Only did 6 weeks of AB followed by bulls rather than finishing with 3 weeks of AB using short gestation semen.
Farm dairy	2400	
Electricity (farm dairy, water supply)	240	
Supplements made (incl. Contractors)	0	
Supplements purchased	2200	Purchased 40 t DM of maize silage for \$420/t DM landed. Had opted to plant less maize in the spring as there was still plenty of maize silage left from opening feed on hand. This was all fed out in the summer to fill feed gap due to the extended dry weather. Good pasture growth following autumn rain meant last 45 t PKE on contract was not uplifted and will be carried forward to the 2025-26 season, so costs finished close to budget.
Calf rearing	-2500	Fed less meal as there was plenty of pasture on hand so stopped feeding in November.
Young and dry stock grazing	0	
Winter cow grazing	0	

Run-off lease	0	
Fertiliser (incl. N)	-300	
Irrigation	0	
Regrassing and cropping	0	
Weed and pest	-4900	Weeds not such a problem this year as the spring was not too wet.
Vehicles and fuel	10000	Price rises for servicing and fuel, plus extra R & M needed.
R&M (land, buildings, plant, machinery)	10600	Had a few unbudgeted expenses earlier this season; a tornado flattened a calf shed prior to calving, insurance covered replacing the shed but additional costs were incurred updating the race and access to the new shed; AB stock handling facilities were upgraded prior to mating to ensure stock handler safety; safety covers were fitted to the milking machine slide pulsators.
Freight and general farm expenses	300	
Administration e.g. accountant, consultant, phone	-2000	
Insurance	-3900	
ACC	1600	
Rates	300	

Total Farm Working Expenses	27410	
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Non Cash adjustments		
Value of change in livestock numbers	7200	Had a good reproduction performance so with fewer empties will have 5 more cows/R 2 heifers on hand at the end of the season than budgeted, and will take 220 cows into the winter.
Labour adjustment	0	
Less Feed inventory Adjustment	16900	Exceptional pasture growth from mid-April to the end of May meant that less maize silage and PKE were needed so more supplement has been carried forward. Finished the season with 45 t DM more on hand than at the start of the season.
Owned support block adjustment	0	
Depreciation	0	