

Annual Cash Budget updated May 2025

Name: **South Waikato, Owner with CM, Sys 5** Budget Period **1** / **6** / **2025** to **31** / **5** / **2026**

Farm Details: **131800 kgMS** **293 cows** **73.0 ha** **450 kgMS/cow** **1805 kgMS/ha** **4.01 cows/ha**

Income						\$ Total	\$/kgMS	\$/cow	\$/ha	
Net Milk Income		Share of milk cheque received		100%						
Milk Solids	advance	131,800	kgMS	x \$	9.50	/kgMS	\$1,238,600	\$9.40	\$4,227	\$16,967
Milk Solids retrospective		126,978	kgMS	x \$		/kgMs				
Milk Solids	dividend	129,000	shares	x \$	0.46	/share	\$77,200	\$0.59	\$263	\$1,058
Other Milk Income										
DairyNZ levy <small>enter as negative number</small>										
Net Dairy livestock sales (calves + culls + other - purchases)						\$50,000	\$0.38	\$171	\$685	
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting						\$14,000	\$0.11	\$48	\$192	
Net Dairy Cash Income						\$1,374,300	\$10.43	\$4,690	\$18,826	

Expenses	\$ Total	\$/kgMs	\$/cow	\$/ha
Wages	\$240,000	\$1.82	\$819	\$3,288
Animal health	\$10,900	\$0.08	\$37	\$149
Breeding and herd improvement	\$20,500	\$0.16	\$70	\$281
Farm dairy	\$6,000	\$0.05	\$20	\$82
Electricity (farm dairy, water supply)				
Supplements made (incl. Contractors)	\$4,500	\$0.03	\$15	\$62
Supplements purchased	\$232,200	\$1.76	\$792	\$3,181
Calf rearing	\$9,600	\$0.07	\$33	\$132
Young and dry stock grazing	\$63,300	\$0.48	\$216	\$867
Winter cow grazing	\$6,500	\$0.05	\$22	\$89
Run-off lease				
Fertiliser (incl. N)	\$51,400	\$0.39	\$175	\$704
Irrigation				
Regrassing and cropping				
Weed and pest	\$700	\$0.01	\$2	\$10
Vehicles and fuel	\$4,400	\$0.03	\$15	\$60
R&M (land, buildings, plant, machinery)	\$17,900	\$0.14	\$61	\$245
Freight and general farm expenses	\$3,100	\$0.02	\$11	\$42
Administration e.g. accountant, consultant, phone	\$4,500	\$0.03	\$15	\$62
Insurance	\$7,600	\$0.06	\$26	\$104
ACC				
Rates	\$13,500	\$0.10	\$46	\$185
Total Farm Working Expenses	\$696,600	\$5.29	\$2,377	\$9,542

Cash Surplus / Deficit	\$677,700	\$5.14	\$2,313	\$9,284
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Non Cash adjustments				
Value of change in livestock numbers	\$1,400	\$0.01	\$5	\$19
Labour adjustment	\$3,500	\$0.03	\$12	\$48
Less Feed inventory Adjustment				
Owned support block adjustment				
Depreciation	\$50,000	\$0.38	\$171	\$685
Dairy Gross Farm Revenue	\$1,375,700	\$10.44	\$4,695	\$18,845
Dairy Operating Expenses	\$750,100	\$5.69	\$2,560	\$10,275
Dairy Operating Profit	\$625,600	\$4.75	\$2,135	\$8,570

Notes for Budget

Net Milk Income	Budget is based on milk production for the year of 131,800 kg MS @ \$9.40/kgMS advance and deferred payments, plus a Fonterra dividend of \$0.46 per share on 129,000 shares. Milk revenue is net of the DairyNZ levy 4.2 cents per kg MS. ** 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)	Expect to have about 42-44 MA cull or surplus cows and 3 empty heifers for sale, plus 10 beef calves and 200 bobby calves. Prices should be approximately \$950-\$1,000/head for MA cows, \$800 for empty heifers, \$100 for beef calves, and \$26 for bobby calves. Cow sales are a mix of culls, in milk empty cows and budget cows.
Other dairy income	Rent for surplus housing on the property.
Expenses	
Wages	This is payment to the contract milker and covers remuneration for 1.6 FTE plus some relief milking and allowances for calves reared. This also covers the contract milkers share of shed, power, farm bike and communication costs. A new contract milker has been employed for the 2025-26 season.
Animal health	Covers teat spray, mastitis treatment, dry cow, teat seal, antibiotics, vaccinations , lameness, metabolic treatments and general vet costs.
Breeding and herd improvement	Heifers are mated to start calving a week earlier than mature cows. AB is for 5 weeks or until 330-34 inseminations have been done. Budget covers 330-34 insemination's with the majority @ \$17.5 /straw. Some low cost unproven straws are used as well. Costs include a \$6.00 per insemination fee. Herd test 4 times per year one milking only. Six bulls will be leased, to use with the herd after AB is finished. Mating goes for 11 weeks.
Farm dairy	Contract milker pays for farm dairy costs such as rubberware and detergent. This cost is for milking machine testing and sundry items that are the owner's responsibility.
Electricity (farm dairy, water supply)	Contract milker pays for the farm and shed electricity.
Supplements made (incl. Contractors)	This is pit silage made on the milking platform. The amount varies each year depending on the spring growth. Budget is for about 25 t DM harvested at \$0.18 c/kg DM in the stack.
Supplements purchased	The budget is for 311 t PKE at \$340/t landed, approximately 312 t DM of maize silage at \$340/t DM in the stack and 20 t DM of silage @ \$0.27/kgDM. An allowance of \$15,000 is included for minerals which are added to the feed.
Calf rearing	This covers 1.0 t milk powder along with 3-4 t of meal, shavings for bedding, de-horning and young calf animal health costs. Expect to rear about 50 replacement heifer calves, similar to the 24-25 season.
Young and dry stock grazing	Calves leave the farm December 1st as weaners and return to the farm May 1st as in calf heifers. Prices are \$12.50 per head per week for 50 calves for 22 weeks and \$17.50 per head per week for 50 yearling heifers for 52 weeks, (bulls for mating are included in the per head price). This includes freight and all animal health including zinc and PKE fed at no extra charge.
Winter cow grazing	25 cows for 51 days at \$5/head/day.
Run-off lease	
Fertiliser (incl. N)	This is net of fertiliser rebates. 65% of the farm is irrigated with effluent. Over the whole year the effluent area gets an additional 90 kg N per ha applied and the non-effluent area gets 120 kg N per ha. Fertiliser applied is urea, PhasedN and sulphur depending on the time of year and the soil conditions. August and September fertiliser and nitrogen for the whole farm is now applied by helicopter, as is the autumn fertiliser for the non-effluent area. This costs about \$6,500. Contour and soil conditions in the late winter and early spring mean that a much better coverage can be achieved with the helicopter. The contour of the non-effluent area is difficult to evenly spread fertiliser using land based spreaders so using a helicopter on this land gives more efficient use of fertiliser.
Irrigation	
Regrassing and cropping	No regrassing planned for the 2025-26 season.

Weed and pest	Weeds are not a problem.
Vehicles and fuel	Vehicle costs are low as only have to pay for the maintenance and running of one tractor, which was replaced in 2020-21. Feed pad and stacks are near the dairy shed so the tractor is not running very much. The contract milker supplies and pays the running costs for farm bikes.
R&M (land, buildings, plant, machinery)	The dairy shed, feed pad and effluent system are twelve years old and other infrastructure is in good order so R & M is usually relatively low.
Freight and general farm expenses	Includes bio security levy of \$0.008/kg MS, and some freight.
Administration e.g. accountant, consultant, phone	Covers accountancy, bank charges, and general office costs. This is lower than for an owner operator as the contract milker does a lot of the day to day organising so communication costs for the farm owner are low. Do own GST returns which keeps costs down.
Insurance	As per latest invoice.
ACC	No owner ACC paid.
Rates	As per current rates demand.
Other farm working expenses (not included in any of the above)	
Non Cash adjustments	
Value of change in livestock numbers	Expect to have minimal changes to stock numbers.
Labour adjustment	This covers about 2 part days per month on farm as well as governance and administration for the business, it equates to 0.1 FTE for the year of unpaid owner input.
Less Feed inventory Adjustment	The amount of supplement taken in to the 2026 winter is likely to be similar to the start of the season, 275 t DM).
Owned support block adjustment	
Depreciation	This has been based on 2023-24 Financial statements plus some allowance for additional years depreciation. No major fixed asset purchase/sales are planned for the 2025-26 season.