

# Annual Cash Budget

Name:		Taranaki System 1		Budget Period		1 / 6 / 2016 to 31 / 5 / 2017	
<b>Farm Details:</b>							
Budget	140,000 kgMS	440 Cows	168.0 ha	318 kgMS/cow	833 kgMS/ha	2.62 cows/ha	
<b>Farm Details: Actual</b>							
	129,236 kgMS	426 cows	168.0 ha	303 kgMS/cow	769 kgMS/ha	2.54 cows/ha	
<b>Variance (Actual less Budget)</b>							
	-10,764 kgMS	-14 cows	ha	kgMS/cow	kgMS/ha	cows/ha	
<b>Income</b>				<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	
Net Milk Sales				\$659,674	\$777,131	\$117,457	
Net Dairy livestock sales (calves + culls + other - purchases)				\$40,000	\$47,029	\$7,029	
Other dairy cash income							
<b>Net Dairy Cash Income</b>				<b>\$699,674</b>	<b>\$824,160</b>	<b>\$124,486</b>	
<b>Expenses</b>				<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	
Wages				\$55,000	\$53,395	-\$1,605	
Animal health				\$20,000	\$23,792	\$3,792	
Breeding and herd improvement				\$15,000	\$23,680	\$8,680	
Farm dairy				\$6,000	\$5,561	-\$439	
Electricity (farm dairy, water supply)				\$14,000	\$13,462	-\$538	
Supplements made (incl. Contractors)				\$5,000	\$5,889	\$889	
Supplements purchased							
Calf rearing				\$4,000	\$5,190	\$1,190	
Young and dry stock grazing							
Winter cow grazing							
Run-off lease							
Fertiliser (incl. N)				\$45,000	\$48,261	\$3,261	
Irrigation							
Regrassing and cropping				\$2,000	\$2,903	\$903	
Weed and pest				\$1,500	\$1,055	-\$445	
Vehicles and fuel				\$22,000	\$28,023	\$6,023	
R&M (land, buildings, plant, machinery)				\$26,000	\$37,305	\$11,305	
Freight and general farm expenses				\$4,000	\$1,533	-\$2,467	
Administration e.g. accountant, consultant, phone				\$14,960	\$16,852	\$1,892	
Insurance				\$12,000	\$13,046	\$1,046	
ACC				\$2,500	\$575	-\$1,925	
Rates				\$16,000	\$16,884	\$884	
Other farm working expenses (not included in any of the above)							
<b>Total Farm Working Expenses</b>				<b>\$264,960</b>	<b>\$297,406</b>	<b>\$32,446</b>	
<b>Cash Operating Surplus / Deficit</b>				<b>\$434,714</b>	<b>526,754</b>	<b>\$92,040</b>	
<b>Non Cash Adjustments</b>				<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	
Value of change in livestock numbers				-\$9,492	3,628	13,120	
Labour adjustment				\$83,350	83,350		
Less Feed inventory Adjustment					3,390	3,390	
Owned support block adjustment							
Depreciation				\$38,000	38,000		
<b>Dairy Gross Farm Revenue</b>				<b>\$690,182</b>	<b>\$827,788</b>	<b>\$137,606</b>	
<b>Dairy Operating Expenses</b>				<b>\$386,310</b>	<b>\$415,366</b>	<b>\$29,056</b>	
<b>Dairy Operating Profit</b>				<b>\$303,872</b>	<b>\$412,422</b>	<b>\$108,550</b>	
<b>Dairy Operating Profit/ha</b>				<b>\$1,809</b>	<b>\$2,455</b>	<b>\$646</b>	

## Commentary re variance

	Actual to Budget Variance	
Milksolids	-10,764	The wet spring meant that production was down by 8% by the end of December. Despite good summer rainfall this lost production was not regained so the final season's production was 8% down on the budget.
Cows	-14	Cow numbers were down a bit on the budgeted peak cows as we culled early in the spring during the wet period
Hectares	0	
Net Milk Income	117457	There was a \$1.30 increase in milk price above budget that was received to the end of May 2017. (\$6.01 per kg MS compared with a budgeted figure of \$4.71)
Net Dairy livestock sales (calves + culls + other - purchases)	7029	Cull prices were higher than the \$375 budgeted
Other dairy income	0	

**Net Dairy Cash Income** 124486

### Expenses

Wages	-1605	2 IC was on ACC for 8 weeks (non work related injury). The cost of additional relief staff was less than the budgeted.
Animal health	3792	Still learning the options, cost and quantities for organic remedies.
Breeding and herd improvement	8680	Forgot to add to the budget the 50% share of the one off cost for Gene marking for entry to the Sire Proving Scheme.
Farm dairy	-439	
Electricity (farm dairy, water supply)	-538	
Supplements made (incl. Contractors)	889	Made 50 more bales of hay.
Supplements purchased	0	
Calf rearing	1190	Due to the wet spring, (and six more calves) made the decision to an additional tonne of calf meal. Being organic means there is no choice and prices are higher than conventional calf meal.
Young and dry stock grazing	0	
Winter cow grazing	0	
Run-off lease	0	
Fertiliser (incl. N)	3261	Still learning the cost and quantities for organic fertilisers
Irrigation	0	

Regrassing and cropping	903	
Weed and pest	-445	
Vehicles and fuel	6023	The ute needed a new gear box, starter motor and clutch. Made the decision to repair rather than replace the vehicle.
R&M (land, buildings, plant, machinery)	11305	Did some extra R&M on the houses and dairy shed with the payout increase. Also includes \$4,000 of unplanned repair to cowshed plant (pump breakdown).
Freight and general farm expenses	-2467	
Administration e.g. accountant, consultant, phone	1892	
Insurance	1046	
ACC	-1925	
Rates	884	
Other farm working expenses (not included in any of the above)	0	

<b>Total Farm Working Expenses</b>	<b>32446</b>	
------------------------------------	--------------	--

### Non Cash adjustments

Value of change in livestock numbers	13120	Reared 7 more R 1 heifers than budgeted
Labour adjustment	0	
Less Feed inventory Adjustment	3390	11.25 t DM extra on hand at the end of the season. Good late summer/autumn grass growth meant not as much supplement as usual was fed out
Owned support block adjustment	0	
Depreciation	0	