

Annual Cash Budget updated May 2025

Name: **BoP Owner Sys 2** Budget Period **1** / **6** / **2025** to **31** / **5** / **2026**

Farm Details: **216000** kgMS **580** cows **160.0** ha **372** kgMS/cow **1350** kgMS/ha **3.63** cows/ha

Income						\$ Total	\$/kgMS	\$/cow	\$/ha
Net Milk Income									
Share of milk cheque received 100%									
Milk Solids	advance	216,000	kgMS	x \$	8.03 /kgMS	\$1,733,600	\$8.03	\$2,989	\$10,835
Milk Solids	retrospective	232,000	kgMS	x \$	1.34 /kgMs	\$310,100	\$1.44	\$535	\$1,938
Milk Solids	dividend	240,000	shares	x \$	0.55 /share	\$132,000	\$0.61	\$228	\$825
Other Milk Income									
DairyNZ levy <small>enter as negative number</small>						-\$9,700	-\$0.04	-\$17	-\$61
Net Dairy livestock sales (calves + culls + other - purchases)						\$92,000	\$0.43	\$159	\$575
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting									
Net Dairy Cash Income						\$2,258,000	\$10.45	\$3,893	\$14,113

Expenses						\$ Total	\$/kgMs	\$/cow	\$/ha
Wages						\$234,000	\$1.08	\$403	\$1,463
Animal health						\$57,300	\$0.27	\$99	\$358
Breeding and herd improvement						\$47,600	\$0.22	\$82	\$298
Farm dairy						\$24,900	\$0.12	\$43	\$156
Electricity (farm dairy, water supply)						\$24,300	\$0.11	\$42	\$152
Supplements made (incl. Contractors)						\$20,800	\$0.10	\$36	\$130
Supplements purchased						\$37,000	\$0.17	\$64	\$231
Calf rearing						\$9,400	\$0.04	\$16	\$59
Young and dry stock grazing									
Winter cow grazing						\$75,000	\$0.35	\$129	\$469
Run-off lease									
Fertiliser (incl. N)						\$86,200	\$0.40	\$149	\$539
Irrigation									
Regrassing and cropping						\$1,800	\$0.01	\$3	\$11
Weed and pest						\$7,800	\$0.04	\$13	\$49
Vehicles and fuel						\$24,000	\$0.11	\$41	\$150
R&M (land, buildings, plant, machinery)						\$46,900	\$0.22	\$81	\$293
Freight and general farm expenses						\$8,600	\$0.04	\$15	\$54
Administration e.g. accountant, consultant, phone						\$12,100	\$0.06	\$21	\$76
Insurance						\$10,300	\$0.05	\$18	\$64
ACC						\$5,700	\$0.03	\$10	\$36
Rates						\$108,200	\$0.50	\$187	\$676
Total Farm Working Expenses						\$841,900	\$3.90	\$1,452	\$5,262

Cash Surplus / Deficit						\$1,416,100	\$6.56	\$2,442	\$8,851
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Non Cash adjustments									
Value of change in livestock numbers						\$2,100	\$0.01	\$4	\$13
Labour adjustment						\$30,000	\$0.14	\$52	\$188
Less Feed inventory Adjustment									
Owned support block adjustment						\$39,800	\$0.18	\$69	\$249
Depreciation						\$85,000	\$0.39	\$147	\$531
Dairy Gross Farm Revenue						\$2,260,100	\$10.46	\$3,897	\$14,126
Dairy Operating Expenses						\$996,700	\$4.61	\$1,718	\$6,229
Dairy Operating Profit						\$1,263,400	\$5.85	\$2,178	\$7,896

Notes for Budget

Net Milk Income	<p>Milk production for the season is budgeted at 216,000 kg MS which is the average of the last 3 seasons. The advance milk price total of \$8.03/kg MS, is based on a farm gate milk price of \$9.50 as 25% of milk for the 25-26 season is fixed at \$9.60/kgMS. The deferred milk price is \$1.34/kg MS on 232,000 kg MS. This is net of the DairyNZ levy, (4.5 c/kg MS total). A dividend of \$.55 /share on 240,000 shares is included in the budget.</p> <p><i>Milk income: 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></p>
Net Dairy livestock sales (calves + culls + other - purchases)	This is based on selling 115 surplus/cull MA cows or R 2 heifers @ \$650, about 60 Hereford bull calves @ \$100, (sold to own beef enterprise), and approximately 370 bobbies @ \$30.
Other dairy income	
Expenses	
Wages	Covers 2 full time herd managers - one for each farm. Provided with a 3 bedroom house each, each herd manager is on a 2 week roster, with 1 day off the first week and 2 days off the second week, plus all statutory holidays and 4 weeks a year annual leave. An additional full time staff member is employed and shared between both farms to provide relief milking, tractor work and any other support needed. They work 5 days on, 2 days off.
Animal health	This covers minerals via trough treatment, lepta vaccinations, annual blood tests, calf dehorning (with anaesthetic), young stock drenches. BVD status is monitored through bulk milk sampling. Cows with low SCC are treated with teat seal at drying off and those with high SCC, (over 150,000), are treated with dry cow therapy. Includes about \$1,300 for pregnancy testing.
Breeding and herd improvement	The breeding and herd improvement plan is for 5 weeks of AB, followed by 7 weeks with Jersey bulls and 4 herd tests per year, (across 2 milkings). The number of herd tests for 2025-26 have increased from 3 -4 as the last herd test gives better information for selective dry cow therapy and teat sealing. Plus, with now having a more targeted mating programme based on BW, it gives better information to make those decisions. There is no reproductive intervention, (anoestrus treatments or metricheck). The breeding policy now is to use sexed semen on the early calving high BW cows, premiere sires for the rest of the herd, with some lower BW cows, (about 120), being mated to Hereford semen. Short gestation semen is used for the last week of AB. Jersey bulls are used after the 5 weeks of AB. The cost includes leasing 12 Jersey bulls, (4 for the heifers and 8 for the herd). Includes cost of heat detection aids.
Farm dairy	Follow recommended milk plant hygiene programme. Use the cheapest priced detergents. This covers two 20 a-side herringbone sheds and includes machine testing.
Electricity (farm dairy, water supply)	Power is for two 20 a-side herringbone sheds.
Supplements made (incl. Contractors)	Between 25-40 ha of supplement is usually harvested each year. The majority is on the support blocks with the budget based on all baleage being made. The cost covers contractors for raking, baling and wrapping plus incidentals, @ \$45/bale. Budget is based on 400 bales, (180 kg DM) and includes paying for the recycling of baleage wrap and transport of some baleage back to the milking area.
Supplements purchased	Plan to contract 100 t PKE, with an estimated price of @ \$370 per t landed. Equates to about 150-160 kg DM per cow. This is mainly for summer and autumn use. It will be contracted in June, around fielddays time so is very much an estimate.
Calf rearing	Will rear all replacement heifer calves - somewhere between 135-145. The calves all go to the support block at 2 weeks of age. Costs includes 7-8 t calf meal, and \$2000 for bedding and equipment.
Young and dry stock grazing	All yearlings are grazed on the support blocks from July until early May, but may return to the milking platform in the late spring early summer to help control surplus feed. Calves go to the support block at 2 weeks old and finish being reared there. They are wintered on the milking area as yearlings from May 1 and return to the support block in July when the cows come home.

Winter cow grazing	The in-calf heifers will go to external winter grazing for about 9 weeks, from May 1st until just prior to calving in mid-July. This cost is for about 130 in calf heifers@ \$28 per head including freight. External grazing has also been secured from mid-May for 55 MA cows for 7 Weeks and 80 MA cows for 8 weeks @ \$28/hd. Includes freight costs for the in-calf heifers. The balance of MA cows are wintered on the support blocks from June until just prior to calving.
Run-off lease	
Fertiliser (incl. N)	This is net of fertiliser rebates. Includes 75-80 kg N per ha for the milking area. One application of Phased N (20-30 kg N/ha) is used over the whole farm in the early spring to follow the herd. The non-effluent area of 124 ha gets another application, (approx 25 kg N per ha), in the spring and one in the autumn - applied with the general fertiliser. The non-effluent block gets 340 kg per ha spring and autumn of fertiliser mix as per Balance recommendations, (contains biophos, MoP if required and DAP). Support block gets spring and autumn fertiliser including N. The effluent area gets no additional fertiliser apart from the early spring N application.
Irrigation	
Regrassing and cropping	Pasture renovation is a regular part of the farming plan, mainly to repair any damage done in the spring and from mobbing in the summer heat. Any paddocks that are under performing will be regrassed as well, so the area renovated each year can vary. Undersowing is done by farm owner. Seed used is whatever the recommended rye/white clover mix is at the time. No cropping is done as soils are too wet.
Weed and pest	Attention is given to keeping the farm weed free so as much area as possible is available for grass to grow. Covers annual weed spray to control yellow bristle grass, docks, buttercup and thistles on both the milking area and the support block. Yellow bristle grass has been a particular problem.
Vehicles and fuel	Have 2 tractors between the 2 farms and 2 two wheel motorbikes. No 4 wheelers used. One tractor was upgraded 24-25 season so maintenance costs a bit lower than previously. Have an electric car so car running costs minimal.
R&M (land, buildings, plant, machinery)	Policy is to keep up to date with R and M so that in low pay out years spending can be cut to a minimum. Having herringbone sheds means very little R and M needed on milking shed and plant. Have own mower and undersower but very little other machinery. This budget includes \$12,000 for buildings, \$12,000 for drains and tracks, \$4,000 for plant, \$3,000 for fencing, and \$10,000 for water supply.
Freight and general farm expenses	Protective clothing, health and safety costs and bio security levy are included here.
Administration e.g. accountant, consultant, phone	Do all own administration, budgets, and payroll. Use accountants for tax advice.
Insurance	Keep insurance cover to a minimum. It is a deliberate decision to under insure and take the risk. Insurance is only for buildings, vehicles and plant, and all are insured for minimal values. There is no business interruption cover. Prepared to take the risk as priority is given to ensure the business is strong with good equity so the business could withstand significant disruption if necessary.
ACC	This is ACC for owners and employees.
Rates	A large portion of rates is paid to Environment BoP for flood protection. Rates now include extra rates to cover repairs and improvements to flood control in the region after the 2017 floods.
Non Cash adjustments	
Value of change in livestock numbers	Estimate there will be minimal change in livestock on hand.
Labour adjustment	Covers owners unpaid input of 0.3 FTE. The owners no longer relief milk but do milk when staff are on holiday, for herd testing, tail painting and to cover sick leave. This labour adjustment also covers all administration, strategic planning and governance.
Less Feed inventory Adjustment	Expect there will be very little change in feed on hand for the year although this is very dependent on how much supplement is made and how dry the summer is.
Owned support block adjustment	53 ha of owned support land valued at a market rental equivalent of \$750 per ha per year.
Depreciation	Based on 2023-24 actuals, and adjusted to allow for additions/sales to fixed assets in 2024 and 2025. Farm has a low cost infrastructure and minimal machinery.