

Annual Cash Budget updated May 2025

Name: East Waikato Tatua Owner with CM Sys 3 Budget Period 1 / 6 / 2025 to 31 / 5 / 2026

Farm Details: 100000 kgMS 215 cows 66.0 ha 465 kgMS/cow 1515 kgMS/ha 3.26 cows/ha

Income						\$ Total	\$/kgMS	\$/cow	\$/ha
Net Milk Income		Share of milk cheque received		100%					
Milk Solids	advance	100,000	kgMS	x \$	9.30 /kgMS	\$930,000	\$9.30	\$4,326	\$14,091
Milk Solids	retrospective	95,800	kgMS	x \$	1.57 /kgMs	\$150,000	\$1.50	\$698	\$2,273
Milk Solids	dividend		shares	x \$	/share				
Other Milk Income									
DairyNZ levy <small>enter as negative number</small>						-\$4,200	-\$0.04	-\$20	-\$64
Net Dairy livestock sales (calves + culls + other - purchases)						\$40,000	\$0.40	\$186	\$606
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting						\$7,500	\$0.08	\$35	\$114
Net Dairy Cash Income						\$1,123,300	\$11.23	\$5,225	\$17,020

Expenses					\$ Total	\$/kgMS	\$/cow	\$/ha
Wages/payment to contract milker					\$165,000	\$1.65	\$767	\$2,500
Animal health					\$38,000	\$0.38	\$177	\$576
Breeding and herd improvement					\$21,000	\$0.21	\$98	\$318
Farm dairy					\$5,000	\$0.05	\$23	\$76
Electricity (farm dairy, water supply)					\$700	\$0.01	\$3	\$11
Supplements made (incl. Contractors)					\$10,000	\$0.10	\$47	\$152
Supplements purchased					\$80,000	\$0.80	\$372	\$1,212
Calf rearing					\$10,000	\$0.10	\$47	\$152
Young and dry stock grazing					\$48,000	\$0.48	\$223	\$727
Winter cow grazing								
Run-off lease								
Fertiliser (incl. N)					\$66,000	\$0.66	\$307	\$1,000
Irrigation								
Regrassing and cropping					\$30,000	\$0.30	\$140	\$455
Weed and pest					\$4,500	\$0.05	\$21	\$68
Vehicles and fuel					\$40,000	\$0.40	\$186	\$606
R&M (land, buildings, plant, machinery)					\$50,000	\$0.50	\$233	\$758
Freight and general farm expenses					\$5,000	\$0.05	\$23	\$76
Administration e.g. accountant, consultant, phone					\$16,000	\$0.16	\$74	\$242
Insurance					\$6,000	\$0.06	\$28	\$91
ACC					\$4,100	\$0.04	\$19	\$62
Rates					\$13,400	\$0.13	\$62	\$203
Total Farm Working Expenses					\$612,700	\$6.13	\$2,850	\$9,283

Cash Surplus / Deficit		\$510,600	\$5.11	\$2,375	\$7,736
Non Cash adjustments					
Value of change in livestock numbers					
Labour adjustment		\$6,300	\$0.06	\$29	\$95
Less Feed inventory Adjustment					
Owned support block adjustment					
Depreciation		\$46,000	\$0.46	\$214	\$697
Dairy Gross Farm Revenue		\$1,123,300	\$11.23	\$5,225	\$17,020
Dairy Operating Expenses		\$665,000	\$6.65	\$3,093	\$10,076
Dairy Operating Profit		\$458,300	\$4.58	\$2,132	\$6,944

Notes for Budget

Net Milk Income	This farm is a Tatua supplier. Milk income is based on receiving a total of \$10.76/kg MS, (advance and deferred), on 100,000 kg MS from June 2024 to May 2025. The milk price received for 24-25 was \$11.29/kg MS. This is net of Dairy NZ levy of \$0.042/kg MS. <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)	Stock sold will be about 48 MA cows and empty heifers @ \$740/head average plus 140 4 day old calves @ \$30/head.
Other dairy income	Rent for surplus house, plus small amount of trading rebates.

Expenses	
Wages	Remuneration for the contract milker, including calf rearing allowance. They are responsible for any relief milkers, shed and farm electricity, (including running the effluent pump), shed consumables and providing a motorbike. The rate was increased by \$0.15 for this season to recognise excellent performance and increased experience.
Animal health	Animal health philosophy is to follow best practice guidelines to ensure a high level of animal well being. Preventative treatments, observation, quick response and good record keeping are key for this. Cow manager technology is used to assist with this. Included under animal health costs is mineral supplementation, (done via in line dispenser or dusting), vaccinations for salmonella and leptospirosis, calcium boluses for cows over 4 years old, testing for BVD and Johnes disease for the herd, plus drenches, vaccinations, Cu boluses and minerals for young stock. Mastitis management includes dry cow therapy for the herd and teat sealing all cows and first calvers.
Breeding and herd improvement	Mating is for 12 weeks with the last 3 weeks using short gestation, (SG), dairy semen, to give a 10 1/2 week calving period. Usually the first 6 weeks are with AB using premier sires/genomically tested bulls, plus some short gestation beef bulls on the lower 20% BW/PW cows. This season frozen semen has been used to reduce risk of semen batch failure, (which happened last season), and resulted in a spread calving this season. Bulls are rotated with the herd for 6 weeks. The budget has allocated anoestrous treatments for approximately 10% of the herd. Included under AB and herd testing is DNA testing for about 50 replacement heifer calves. Herd testing covers 3 test over 2 milkings each, unless the herd is on once a day milking, (OAD).
Farm dairy	This covers any shed costs that are the farm owners' responsibility. The contract milker covers detergents, rubberware and other consumables.
Electricity (farm dairy, water supply)	Farm owners' business share of house power.
Supplements made (incl. Contractors)	About 200 bales of baleage are made each year depending on the season. The budget has \$10,000 for raking, baling and wrapping 200, (180 kg Bales), @ \$50/bale.
Supplements purchased	Have budgeted for 220 t PKE, made up of 45 t left over from the 2024-25 contract @330/t landed and 175 t to be contract around the middle of June when field days deals are on. That is budgeted to be 370/t landed. The PKE is all fed on feed pad.
Calf rearing	50 replacement heifer calves be reared again this season. Calves are reared on colostrum and whole milk plus pasture and meal. All colostrum milk is tested and the best quality is frozen so that it can be used to ensure every calf gets fed "gold" colostrum with in 12 hours of birth. This provides better lifetime immunity for each calf and results in healthier cows long term. Meal is fed until February, (up to 2 kg meal/calf/day). The calves are then 6 months old and go to external grazing. They are consistently well above industry recommended live weights. Costs cover about 10 t 20% protein meal purchased bulk @ \$900/t and fed through a hopper. Being able to handle bulk calf meal has reduced the costs of calf meal by 30%. Bedding and equipment costs are included.
Young and dry stock grazing	50 yearling heifers for 52 weeks @ \$14/head/week and 50 weaners for 18 weeks @\$12/head/week, plus freight.
Winter cow grazing	Cows are wintered on farm.
Run-off lease	

Fertiliser (incl. N)	This includes crop fertiliser, maintenance fertiliser, nitrogen, cartage and spreading. Spreading contractors have GPS precision spreaders. N applied is about 130 kg N/ha on pasture. Applications are at 25 kgN/ha, and there are 5-6 applications per year depending on pasture growth, soil moisture and weather conditions. Products used are N rich urea or PhaSedN. Farm fertility is good, with Olsen P levels of 31-61 and pH of 5.7-6.1. Effluent is applied to about 2/3 of the farm.
Irrigation	
Regrassing and cropping	For 2025-26 about 6.5 ha will be planted. The budget includes \$18,600, (\$3000/ha), for seed, cultivation, planting, weed and pest control, harvesting and stacking. Yields are typically 22-23 t DM/ha. Pasture renovation allowance of \$11,400 includes regrassing the maize areas after harvest with permanent pasture. Each year paddocks are ranked 1-5 on performance. The worst, (ranked at 1), are earmarked for next year's maize crop and under sown with annual rye grass in the autumn, any ranked 2 or 3 are under sown with permanent pasture and any areas that have been affected by drought, pugging or insects area are also repaired. One third of the farm is broadcast with plantain each year which results in about 20% of the sward being plantain in year 1, 10% in year 2 and 5% in year 3. This helps to mitigate N losses.
Weed and pest	Includes general weed spray for 1/3 of the farm, (the area with the least amount of plantain in the sward), crop and regrassing sprays, and spray for aesthetics, (round buildings, races and riparian areas).
Vehicles and fuel	Fuel costs are relatively low, (about \$3000-5,000), as all feeding is done on the feed pad which is near the dairy shed and feed bunkers.
R&M (land, buildings, plant, machinery)	R and M for 5 of the last 7 seasons have been in excess of \$100,000 per year and last year was about \$60,000. 2025-26 should be a more normal maintenance year.
Freight and general farm expenses	Includes protective clothing, dog expenses, rubbish disposal and bio-security levy, (\$0.008/kgMS)
Administration e.g. accountant, consultant, phone	Do all own admin, financial management, budgeting and GST. This includes accounting costs and subscriptions for cow manager and HALO systems, (technology for monitoring vat temperature, water pump and supply and effluent irrigator).
Insurance	Review frequently to ensure it remains relevant.
ACC	
Rates	Based on last year plus 5%.
Other farm working expenses (not included in any of the above)	
Non Cash adjustments	
Value of change in livestock numbers	Expect to have similar numbers of stock on hand at the end of the season.
Labour adjustment	This covers about 0.1 FTE of unpaid owner input for work on farm as well as administration and governance. Equates to about 5 hours per week.
Less Feed inventory Adjustment	Expect to have no significant change in feed on hand for the season.
Owned support block adjustment	
Depreciation	Based on 2023-24 financial statements plus allowance for asset purchases and sales for 2024-25 as well as two extra years depreciation claimed. There are no significant asset purchases planned for 2025-26.