

Annual Cash Budget

Name: **West Coast Owner System 4** Budget Period **1 / 6 / 2023** to **31 / 5 / 2024**

Farm Details: **70970 kgMS** **155 cows** **74.0 ha** **458 kgMS/cow** **959 kgMS/ha** **2.09 cows/ha**

Income					\$ Total	\$/kgMS	\$/cow	\$/ha
Net Milk Income	Share of milk cheque received	100%						
Milk Solids advance	70,970 kgMS x \$ 6.59 /kgMS				\$468,055	\$6.60	\$3,020	\$6,325
Milk Solids retrospective	70,000 kgMS x \$ 0.50 /kgMs				\$35,000	\$0.49	\$226	\$473
Milk Solids dividend	shares x \$ /share							
Other Milk Income								
DairyNZ levy	enter as negative number				-\$2,555	-\$0.04	-\$16	-\$35
Net Dairy livestock sales (calves + culls + other - purchases)					\$14,450	\$0.20	\$93	\$195
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting					\$400	\$0.01	\$3	\$5
Net Dairy Cash Income					\$515,350	\$7.26	\$3,325	\$6,964
Expenses					\$ Total	\$/kgMs	\$/cow	\$/ha
Wages/payment to contract milker					\$22,650	\$0.32	\$146	\$306
Animal health					\$13,750	\$0.19	\$89	\$186
Breeding and herd improvement					\$9,900	\$0.14	\$64	\$134
Farm dairy					\$3,800	\$0.05	\$25	\$51
Electricity (farm dairy, water supply)					\$8,300	\$0.12	\$54	\$112
Supplements made (incl. Contractors)					\$12,000	\$0.17	\$77	\$162
Supplements purchased					\$89,300	\$1.26	\$576	\$1,207
Calf rearing					\$2,000	\$0.03	\$13	\$27
Young and dry stock grazing								
Winter cow grazing								
Run-off lease								
Fertiliser (incl. N)					\$67,300	\$0.95	\$434	\$909
Irrigation					\$2,500	\$0.04	\$16	\$34
Regrassing and cropping					\$14,000	\$0.20	\$90	\$189
Weed and pest								
Vehicles and fuel					\$28,300	\$0.40	\$183	\$382
R&M (land, buildings, plant, machinery)					\$7,200	\$0.10	\$46	\$97
Freight and general farm expenses					\$11,400	\$0.16	\$74	\$154
Administration e.g. accountant, consultant, phone					\$7,800	\$0.11	\$50	\$105
Insurance					\$12,000	\$0.17	\$77	\$162
ACC					\$3,400	\$0.05	\$22	\$46
Rates					\$5,100	\$0.07	\$33	\$69
Total Farm Working Expenses					\$320,700	\$4.52	\$2,069	\$4,334
Cash Surplus / Deficit					\$194,650	\$2.74	\$1,256	\$2,630
Non Cash adjustments								
Value of change in livestock numbers					-\$8,000	-\$0.11	-\$52	-\$108
Labour adjustment					\$72,000	\$1.01	\$465	\$973
Less Feed inventory Adjustment								
Owned support block adjustment								
Depreciation					\$40,000	\$0.56	\$258	\$541
Dairy Gross Farm Revenue					\$507,350	\$7.15	\$3,273	\$6,856
Dairy Operating Expenses					\$432,700	\$6.10	\$2,792	\$5,847
Dairy Operating Profit					\$74,650	\$1.05	\$482	\$1,009

Notes for Budget

Net Milk Income	The budget is prepared on an advance milk price of \$6.50 per kg MS for 70,970 kg MS plus deferred income of about \$0.86/ kg MS. The assumption is that the majority of the seasons total milk price will be paid out by the end of May. This estimated milk income received is about \$1.00 per kg MS lower than the expected final for 2022-23. ** 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)	Based on the sale of 37 cull cows and R2 heifers @ \$480/head, 100 bobby calves @\$30/head, 8-9 bulls @ \$1,180-1,320/head less the purchase of 8-9 bulls @ \$1,700-1,900/head.
Other dairy income	Trading rebates.

Expenses

Wages	Permanent part time staff for 48 weeks for 16 hours per week. Equates to .32 FTE.
Animal health	Animal health philosophy is to be very observant, keep good records and be pro-active, with much of the costs being for preventative rather than remedial treatments. Mineral supplements are provided via inline water supplementation, cows are metrichecked prior to mating and treated as appropriate. The average SCC average is under 150,000. In-calf heifers are teat sealed in June. Includes pregnancy testing for the herd.
Breeding and herd improvement	This covers 3 weeks of AB using premier sires for the majority of the herd and yearling heifers. Lower PW/BW cows will be mated to short gestation beef semen in the first week of AB and then short gestation dairy semen for the remaining 2 weeks. 8-9 Jersey bulls will be purchased to run with the herd and the heifers for 6 weeks. The bulls will be removed on January 1st and 2 weeks of AB using short gestation length semen will follow. No anoestous treatments are planned for the 2023-24 season. Herd testing is done 4 times a year.
Farm dairy	Covers all rubberware, detergents and consumables and milking machine testing for the 20 a-side herringbone shed. Standard recommended cleaning procedures are used.
Electricity (farm dairy, water supply)	The plan is to go to 3 milkings in 2 days when the cows get to 1.8 MS/cow/day in late January and then OAD at 1.5 MS/cow/day in April, but the timing is weather dependent.
Supplements made (incl. Contractors)	The budget is for contractors make about 200 bales of silage, (400 t DM), baling and wrapping only, (about \$60/bale).
Supplements purchased	Includes \$73,800 for PKE, (171 t @ \$430/t landed), this is yet to be contracted. \$15,500 has been allocated for 130-140 large bales of hay for use during the winter at \$115-120 per bale landed.
Calf rearing	35-40 replacement heifers will be reared this season. Calves are reared on colostrum, whole milk, meal and pasture. Calves are weaned off milk at 85 kg and get 1 kg/calf per day of meal plus good quality fresh pasture, then weaned off meal at 120 kg. Costs include meal and equipment.
Young and dry stock grazing	36 yearlings and 7 carry over cows will be on farm all year.
Winter cow grazing	Cows and in calf heifers are all wintered on the 74 ha platform.
Run-off lease	

Fertiliser (incl. N)	This is net of fertiliser rebates. Fertiliser is applied as per fertiliser company recommendations and are in line with best practice guidelines for the region and soil types. Per ha recommended nutrients for 21-22 are 181 kg N, 36 kg P, 64 kg K and 72 kg S. All fertiliser is spread with own gear. Products used are Ammo31/36, Ureammopot, and a mix of Cropmaster DAP/Pot Chloride/Ammonium Sulphate. Farm fertility is high, (Olsen P are in the range of 34-50), so there is cope to reduce fertiliser inputs if milk price drops too much.
Irrigation	Irrigation is used for about 6 weeks each year between January and March. Cost is for electricity for pumping water from the nearby creek and running the centre pivot irrigation.
Regrassing and cropping	This cost allows for 3.6 ha winter crop, (swedes) to be planted late spring, and the regrassing of the previous winter crop area, (3.6 ha), in spring. In addition there is a 5 ha area, which was planted the previous autumn in a winter multi graze mix, (annual rye grass, triticale and crimson clover), which will be also be regrassed in the spring. Both areas, (total of 8.6 ha's), will be sown in a summer multi graze mix, (direct drilled) The summer multi graze mix likely to be used is millet, crimson clover, chicory and raphno brassica. The 5.0 ha of summer crop area will be replanted in a winter multi graze mix again in the autumn, and 3.6 ha will be sown in permanent pasture. This cost includes any weed and pest control for the crops.
Weed and pest	Pasture weed control is mainly spot spraying scotch thistles and ragwort. No chemical will need to be purchased this season as there is plenty still on hand.
Vehicles and fuel	Vehicles and machinery are kept clean and maintained regularly. Includes \$14,300 for fuel. Care is taken to minimise damage, tractor hours per year are medium to low. Feeding PKE takes 5-10 minutes per day.
R&M (land, buildings, plant, machinery)	Farm buildings and infrastructure are in very good order so very little maintenance is planned for 2023-24. Includes \$3,000 for fencing and \$3,600 for plant and machinery repairs and maintenance.
Freight and general farm expenses	Includes dog related expenses, protective clothing, general freight and bio-security levy. A contingency allowance of \$6,000, (about \$0.85/kgMS), is also included here.
Administration e.g. accountant, consultant, phone	Do all own GST, pay roll and budgeting. Includes accountant's fees, computer consumables, subscriptions and communications costs.
Insurance	This has increased on the previous year. The farms insurance cover is reviewed regularly to ensure it continues to be relevant.
ACC	Similar to last year.
Rates	As per 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 about 5 fewer MA cows and in calf heifers at the end of the season. 2022 IRD NAMV used to value the change in livestock numbers.
Labour adjustment	This is for 1.2 Full time equivalent unpaid shareholder input.
Less Feed inventory Adjustment	Expect to have no significant change in feed on hand for the year.
Owned support block adjustment	
Depreciation	Based on the previous year's depreciation and adjusted for subsequent planned asset purchases and sales.