

# Annual Cash Budget

Name:	Camden Dairy Farms Ltd				Budget Period	1	/	6	/	2025	to	31	/	5	/	2026
Farm Details:	360000 kgMS	755 cows	214.0 ha		477 kgMS/cow	1682 kgMS/ha						3.53 cows/ha				

Income					\$ Total	\$/kgMS	\$/cow	\$/ha
Net Milk Income	Share of milk cheque received	100%						
Milk Solids	advance	360,000 kgMS	x \$	8.22 /kgMS	\$2,959,200	\$8.22	\$3,919	\$13,828
Milk Solids retrospective		371,410 kgMS	x \$	1.25 /kgMS	\$464,263	\$1.29	\$615	\$2,169
Milk Solids	dividend	360,208 shares	x \$	0.60 /share	\$216,125	\$0.60	\$286	\$1,010
Other Milk Income - Co-operative difference \$0.098/kgMS on 371,410 kg					\$36,445	\$0.10	\$48	\$170
DairyNZ levy enter as negative number					-\$16,085	-\$0.04	-\$21	-\$75
Net Dairy livestock sales (calves + culls + other - purchases)					\$162,550	\$0.45	\$215	\$760
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting								
Net Dairy Cash Income					\$3,822,497	\$10.62	\$5,063	\$17,862

Expenses					\$ Total	\$/kgMS	\$/cow	\$/ha
Wages/payment to contract milker					\$381,402	\$1.06	\$505	\$1,782
Animal health					\$64,900	\$0.18	\$86	\$303
Breeding and herd improvement					\$67,000	\$0.19	\$89	\$313
Farm dairy					\$24,200	\$0.07	\$32	\$113
Electricity (farm dairy, water supply)					\$15,000	\$0.04	\$20	\$70
Supplements made (incl. Contractors)								
Supplements purchased					\$231,669	\$0.64	\$307	\$1,083
Calf rearing					\$30,000	\$0.08	\$40	\$140
Young and dry stock grazing					\$189,229	\$0.53	\$251	\$884
Winter cow grazing					\$263,603	\$0.73	\$349	\$1,232
Run-off lease								
Fertiliser (incl. N)					\$130,000	\$0.36	\$172	\$607
Irrigation					\$143,000	\$0.40	\$189	\$668
Regrassing and cropping					\$52,300	\$0.15	\$69	\$244
Weed and pest					\$4,000	\$0.01	\$5	\$19
Vehicles and fuel					\$32,000	\$0.09	\$42	\$150
R&M (land, buildings, plant, machinery)					\$80,000	\$0.22	\$106	\$374
Freight and general farm expenses					\$8,880	\$0.02	\$12	\$41
Administration e.g. accountant, consultant, phone					\$126,120	\$0.35	\$167	\$589
Insurance					\$41,603	\$0.12	\$55	\$194
ACC								
Rates					\$16,739	\$0.05	\$22	\$78
Total Farm Working Expenses					\$1,901,645	\$5.28	\$2,519	\$8,886

Cash Surplus / Deficit		\$1,920,852	\$5.34	\$2,544	\$8,976
Non Cash adjustments					
Value of change in livestock numbers		\$29,967	\$0.08	\$40	\$140
Labour adjustment					
Less Feed inventory Adjustment		-\$16,987	-\$0.05	-\$22	-\$79
Owned support block adjustment					
Depreciation		\$230,000	\$0.64	\$305	\$1,075
Dairy Gross Farm Revenue		\$3,852,464	\$10.70	\$5,103	\$18,002
Dairy Operating Expenses		\$2,148,632	\$5.97	\$2,846	\$10,040
Dairy Operating Profit		\$1,703,832	\$4.73	\$2,257	\$7,962

Notes for Budget

Net Milk Income	The milk revenue is based on 360,000 kg MS @ \$8.20/kgMS advance, to April 2026 received May 2026, (based the Fonterra forecast of \$8-11/kgMS for the season as at 29-5-2025), and 371,410 kg MS @ \$1.25 deferred, (including May 25 milk payments received in June). The deferred milk payment is net of the fee for fixing and the adjustment for retro fixed milk of \$0.67/kgMS over 70,000kg MS i.e. the difference between \$9.23 fixed and \$9.90 FGMP. The Fonterra dividend is \$0.40/share in October and \$0.20/share in April on 314,000 shares . A Fonterra co-operative difference of \$0.098/kg MS on 371,410 kgMS from 24-25 season is also included. This is net of the DairyNZ levy of \$.042/kgMS. <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)	Net stock income is based on approximately 480-490 bobby calves @ \$25-30/hd, 20-25 live calf sales at \$100/hd, 165 MA surplus, carry over and cull cows @ \$800/hd and 7 R 2 heifers @ \$600/hd. The plan is to purchase about 20 MA in calf cows from Camden Group, (CG), and 20 in calf R 2 heifers from the support/dry stock enterpris. The average price will be about \$1,600/head for the cows adn \$1,900/head for heifers.
Other dairy income	
Expenses	
Wages	The farm operation employs 4.5 FTE, made up of one farm manager, one 2IC, one senior farm staff, and a herd manager, plus a claf rearer fro 10 weeks and a student/relief milker for 5 weeks. This is net of employee accommodation allowances and includes employee ACC and a contingency of about \$7,000.
Animal health	The approach to animal health is to be vigilant, keep good records and be proactive. Metabolic diseases are not an issue as supplementation can be made easily through the metered in line water dispenser. The average bulk somatic cell count for the herd is below 130,000. The animal health budget includes dry cow therapy for the herd, and teat sealing, (including the in calf heifers). This accounts for about 1/4 to 1/3 of the total animal health budget. The incidence of lameness varies, (3-8% of the herd), but is mostly treated in house so is not a large direct cost. Laminitis can occur in December/January with the change in feed quality.
Breeding and herd improvement	Mating is for 10 weeks, AI is used for the first 5 weeks, made up of 3 weeks using 80% premier sires, 10% sexed semen and 10% beef semen, (for lower genetic merit cows). Week 4 is 90% premier sires and 10% beef semen, and week 5 is with compact calving “dairy” semen. 40 Jersey bulls are leased for \$600/hd including grazing and freight. Some, (about 20), are used with the heifers, and the balance are used with the herd for the last five weeks of mating and are withdrawn from the herd 4th January. Pregnancy testing is carried out at 35 days after mating has finished. A second pregnancy is done late April/early May to identify any final empties. The current reproduction plan is to treat non cycling cows with CIDRs in the second week of mating, (usually about 4-5% of the herd). Herd testing is carried out 4 times a year with 2 tests over two milking and two tests from one milking. Includes protrack subscription.
Farm dairy	Standard dairy plant cleaning and maintenance is followed.
Electricity (farm dairy, water supply)	The dairy shed is a 54 bail rotary shed turnstile, (built in 2020), with Read slide pulsation, Read automatic cup removers and a circular yard with capacity for 500 cows.
Supplements made (incl. Contractors)	Usually no supplement is made on the milking area. The plan is to have sufficient cow numbers to harvest all the pasture.
Supplements purchased	All hay and silage purchases are sourced “in house” from within the Camden Group at market rates. About 750 kg DM/cow will be purchased for the 2025-26 season; 600kgDM/cow of baleage @ \$0.45/kg DM and 150 kg DM/cow of proliq @ \$0.18/kg DM.
Calf rearing	About 185 replacement heifer calves are reared each year, on whole milk, meal, pasture and hay. They are weaned off milk at 70 kg liveweight, (LW), and continue to get crushed barley and fresh pasture until they reach 100 kg LW. Up to 2 t of milk powder may be used each year to top up the fresh milk supply.
Young and dry stock grazing	160 heifers @ \$17.50/head/week for 52 Weeks and 185 weaners from December to May 1st @ \$11.00/week. Per head price includes freight and animal health costs.
Winter cow grazing	The herd is grazed off on average for 9-10 weeks @\$35/hd/week. This includes grazing for carry overs, plus transport.
Run-off lease	

Fertiliser (incl. N)	<p>Fertiliser applied each year are based on soil tests and nutrient budgets.</p> <p>Nutrients applied are: Phosphate 30-40 kg/ha Potash 0-5kg/ha and Sulphate Sulphur 55-65 kg/ha. Nitrogen use is 180 kg of N/ha usually applied at 22.5 kg/N/ha over 8 applications.</p>
Irrigation	<p>Moisture and evapotranspiration levels are monitored on farm, and water use is budgeted. This information is used in daily irrigation planning to ensure costs are kept down and the irrigation carried out is effective. Costs include CPWL water rates and some electricity.</p>
Regrassing and cropping	<p>This season the plan is for 5.84 ha of fodder beet. The crop will be planted in spring 2025 for a cost of \$3,000/ha.</p> <p>The current regrassing plan is for 33 ha of regrassing, made up of 27 ha of pasture sown grass to grass with a perennial ryegrass/white clover mix, and 5.84 ha of last winters crop returned to permanent pasture. The cost of regrassing is about \$1,100/ha. All regrassing is done in September and is usually back in the grazing rotation by late December.</p>
Weed and pest	
Vehicles and fuel	<p>The farm has minimal machinery, and a plant replacement policy that includes turnover of bikes at 15,000 km. This keeps R and M costs low but does have a higher capital cost. Includes \$16,000 for fuel.</p>
R&M (land, buildings, plant, machinery)	<p>Includes \$14,000 for irrigation equipment repairs and pivot rut remediation, \$25,000 building repairs, \$10,000 drains and effluent, \$5,000 plant and \$3,000 shelter trees.</p>
Freight and general farm expenses	<p>Includes bio-security levy of \$2,900 plus costs for dead cow disposal and waste disposal.</p>
Administration e.g. accountant, consultant, phone	<p>Includes environmental compliance and irrigation consent monitoring, plus \$120,000 for Camden Farms share of Camden group services business overheads. These include governance, all administration, accounting, GST, payroll, as well as on farm supervision and data collection.</p>
Insurance	<p>As per latest invoice plus allowance for additions.</p>
ACC	
Rates	<p>Have budgeted for an increase on last season.</p>
<b>Non Cash adjustments</b>	
Value of change in livestock numbers	<p>Anticipating that there will be 25 more R 1 heifers, 2 less R 2 heifers and 4 more MA cows on hand at the end of the season. These changes in numbers are valued at the IRD 2025 NAMV.</p>
Labour adjustment	<p>All owner input is covered by the share of Camden group service business fee.</p>
Less Feed inventory Adjustment	<p>Expect to have about 37-38 t DM less on hand at the end of the season.</p>
Owned support block adjustment	
Depreciation	<p>This is as per accountants estimated for the financial statements for the 24-25 season, plus allowance for one more year of depreciation plus allowing for asset accumulation/sales.</p>