

South Otago Owner (EP) Huntly Road Dairies Ltd
2024-25 Season review May 2025
Season numbers at a glance

KPI's	Budget	Updated forecast Budget/Actuals
Milk Production (kgMS/ha)	1,476	1,452
Milk Production (kgMS/cow)	495	487
Net Dairy Cash Income (\$/kgMS)	\$10.45	\$10.88
Total Farm Working Expenses (\$/kgMS)	\$6.47	\$6.29
Cash Operating Surplus/Deficit (\$/kgMS)	\$3.98	\$4.59
Gross Farm Revenue (\$/kgMS)	\$10.36	\$11.01
Operating Expenses (\$/kgMS)	\$6.84	\$6.48
Operating Profit (\$/ha)	\$5,192	\$6,575

* These KPI's are based on cash book budget/actuals to the 31/05/2025 and estimated non-cash adjustments. The final financial performance based on financial statements may differ

Key Points

- Overall, pasture growth has been better than average, with a drier start to the season.
 - Persistent rain since late September and a flood event in early October impacted production a little and delayed crop planting.
 - Production for the season is 305,000 kgMS which is 1.6% down on budget, (and last season).
 - The effect of a slightly slower calving rate and fewer cows in the early part of the season offset by an exceptional autumn with much better than average pasture growth.
 - Total farm working expenses are under budget at \$6.29/kgMS.
 - All heat detection this season was based on information from the digital monitoring of animals which has eased workload over this period.
- Submission rate for first 3 weeks was 89%.
- The empty rate from a mating period of 8 ½ weeks was 19%, (including 8 cows deliberately not mated).
 - The drying of date for the herd is about 7-10 days later than last year, with the first batch drying off on May 27th and the final milking on June 4th.

Current Situation

Pasture cover on farm is 2,250 kgDM/ha which is above the target for this time of year of 2,000 kgDM/ha.

The herd has been conditioned scored and is at BCS of 4.6-4.7 which is comparable or even a bit higher than previous years.

The last of the cows to go to winter grazing will be gone by June 10th.

There will be about 665-670 cows and in calf heifers to take into the winter with the aim to peak milk at least 640 cows for the 2025-26 season.

Other points of interest

Nitrogen use was about 90-95 kgN/ha which was on target.

The decision was made to reduce the length of mating by one week. The reasons were twofold – it meant less workload for staff over the Christmas New year period, (AI stopped on December 24th, plus it meant no short gestation semen used for the last week so have avoided a week of terminal calves.

Labour costs are down. The budget was too high as it was based on last season. The farm operated for 2024-25 with a smaller permanent crew than budgeted, and have been able to use casual workers just for milking's rather than adding another FTE. A Lincoln student was employed over the summer to cover time off.

An extra staff member will be employed for the 2025-26 season which will allow Duncan's role to be less hands on and more on overseeing and project managing.

More baleage was made this year – some on farm that was not budgeted for and also some purchased as there was the opportunity to do so.

About 41 t DM more grain was also purchased. The average cost of the grain for the season was up by \$30-40 /t DM. The grain this year has been more wheat than barley.

The extra spent on supplement has been offset by an increase in supplement taken into next season. An extra 150 t DM is on hand compare with the start of the season – in part because of the additional silage purchased and also because less was needed in the autumn due to the excellent pasture growth over that period.

Loans at low fixed interest rates all came to term during the year so there was a lot of the debt earlier in the season at a higher the floating rate.

Interest rates have been dropping now which is lowering the overall current level of interest paid. While this has been budgeted for, it means interest costs for this financial year are still higher than last year despite interest rates starting to fall.

Any cash surplus after tax provision, financial and capital expenditure has been prioritised to debt repayment.

Annual Cash Actuals May 2025

Name:	South Otago Owner (EP) System 4-5			Budget Period			1	/	6	/	2024	to	31	/	5	/	2025
Farm Details:																	
Budget	310,000 kgMS	626 Cows	210.0 ha	495	kgMS/cow	1476	kgMS/ha	2.98	cows/ha								
Farm Details:																	
Budget/Actual	305,000 kgMS	626 cows	210.0 ha	487	kgMS/cow	1452	kgMS/ha	2.98	cows/ha								
Variance (Actual less Budget)	-5,000 kgMS	cows	ha	-8	kgMS/cow	-24	kgMS/ha	cows/ha									
Income					Budget			Budget/Actual			Variance						
Net Milk Sales					\$3,045,000			\$3,136,810			\$91,810						
Net Dairy livestock sales (calves + culls + other - purchases)					\$155,400			\$141,499			-\$13,901						
Other dairy cash income					\$38,600			\$40,398			\$1,798						
Net Dairy Cash Income					\$3,239,000			\$3,318,707			\$79,707						
Expenses					Budget			Budget/Actual			Variance						
Wages					\$486,900			\$407,343			-\$79,557						
Animal health					\$146,000			\$132,669			-\$13,331						
Breeding and herd improvement					\$63,100			\$61,688			-\$1,412						
Farm dairy					\$12,800			\$9,454			-\$3,346						
Electricity (farm dairy, water supply)					\$20,500			\$20,464			-\$36						
Supplements made (incl. Contractors)																	
Supplements purchased					\$395,000			\$439,014			\$44,014						
Calf rearing					\$2,600			\$2,668			\$68						
Young and dry stock grazing					\$172,600			\$168,179			-\$4,421						
Winter cow grazing					\$151,500			\$151,483			-\$17						
Run-off lease																	
Fertiliser (incl. N)					\$119,300			\$88,251			-\$31,049						
Irrigation																	
Regrassing and cropping					\$41,200			\$40,233			-\$967						
Weed and pest					\$9,400			\$10,837			\$1,437						
Vehicles and fuel					\$34,200			\$38,231			\$4,031						
R&M (land, buildings, plant, machinery)					\$185,000			\$185,410			\$410						
Freight and general farm expenses					\$10,100			\$12,671			\$2,571						
Administration e.g. accountant, consultant, phone					\$45,100			\$47,889			\$2,789						
Insurance					\$44,800			\$43,563			-\$1,237						
ACC																	
Rates					\$65,100			\$59,368			-\$5,732						
Other expenses																	
Total Farm Working Expenses					\$2,005,200			\$1,919,415			-\$85,785						
Cash Operating Surplus / Deficit					\$1,233,800			1,399,292			\$165,492						
Non Cash Adjustments					Budget			Actual			Variance						
Value of change in livestock numbers					-\$28,500			39,580			68,080						
Labour adjustment																	
Less Feed inventory Adjustment								56,825			56,825						
Owned support block adjustment																	
Depreciation					\$115,000			115,000									
Dairy Gross Farm Revenue					\$3,210,500			\$3,358,287			\$147,787						
Dairy Operating Expenses					\$2,120,200			\$1,977,590			-\$142,610						
Dairy Operating Profit					\$1,090,300			\$1,380,697			\$290,397						
Dairy Operating Profit/ha					\$5,192			\$6,575			\$1,383						

Commentary re variance

	Actual to Budget Variance	
Milksolids	-5,000	Production was about 5% behind budget, (and last season), by mid-February due to lower peak cow numbers, (10 less than last season), a slightly slower calving rate in the first 6 weeks and persistent rain at the end of the year. The autumn growth rates were good and production in the latter part of the season improved so that production is only about 1.6% behind budget, (and last season).
Cows	0	
Hectares	0	
Net Milk Income	91810	Budget was updated in November when the milk price increases had been announced so variance from budget is not great.
Net Dairy livestock sales (calves + culls + other - purchases)	-13901	Fewer cows sold as already running lower stock levels, plus 55-60 culls are still on hand as there was plenty of feed so they were milked through until early June.
Other dairy income	1798	

Net Dairy Cash Income	79707
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Expenses		
Wages	-79557	Budget must have been too high and was based on last season. Now operating with a smaller permanent crew than budgeted, and have been able to use casual workers just for milkings rather than add another FTE.
Animal health	-13331	
Breeding and herd improvement	-1412	
Farm dairy	-3346	Budget included about \$17,000 for contingencies. This was more like \$4,000 now. Most other costs were on track.
Electricity (farm dairy, water supply)	-36	
Supplements made (incl. Contractors)	0	
Supplements purchased	44014	More baleage has been made/purchased. There was a small surplus on farm and an opportunity to buy in more silage than originally planned. 41 t DM more grain was purchased. The average cost of the grain for the season is up by \$30-40/t DM. The grain this year has been more wheat than barley.
Calf rearing	68	Fewer weaners at grazing.
Young and dry stock grazing	-4421	
Winter cow grazing	-17	
Run-off lease	0	

Fertiliser (incl. N)	-31049	Had over budgeted.
Irrigation	0	
Regrassing and cropping	-967	
Weed and pest	1437	
Vehicles and fuel	4031	Extra work done on Side by Side vehicle and one tractor. Everything else pretty much on or below budget
R&M (land, buildings, plant, machinery)	410	
Freight and general farm expenses	2571	Work shop costs are up as additional equipment and shelving has been needed in the replacement barn built earlier in the season.
Administration e.g. accountant, consultant, phone	2789	
Insurance	-1237	
ACC	0	
Rates	-5732	Rates rises weren't as much as originally budgeted.
Other Expenses	0	

Total Farm Working Expenses	-85785	
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Non Cash adjustments		
Value of change in livestock numbers	68080	Had expected to have about 10 fewer MA cows and in calf heifers, however 55 culls are still on farm as there is plenty of feed and cow condition is good so they will be milked into June and then be culled. There are 10 more R 2 heifers on hand than planned as well. Stock income (cash and non-cash is about \$0.59/kgMS).
Labour adjustment	0	
Less Feed inventory Adjustment	56825	Bought a lot more silage/baleage as it was available. Didn't need to use as much in the autumn due to better growth rates than expected. Will take an extra 149.5 t DM into the 2025 winter.
Owned support block adjustment	0	
Depreciation	0	