

Annual Cash Budget *updated January 2025*

Name: **Canterbury Owner System 3** Budget Period **1** / **6** / **2024** to **31** / **5** / **2025**

Farm Details: **498057 kgMS** **1045 cows** **304.8 ha** **477 kgMS/cow** **1634 kgMS/ha** **3.43 cows/ha**

Income						\$ Total	\$/kgMS	\$/cow	\$/ha
Net Milk Income Share of milk cheque received 100%									
Milk Solids	advance	498,057	kgMS x \$	8.44	/kgMS	\$4,203,485	\$8.44	\$4,022	\$13,791
Milk Solids retrospective		485,505	kgMS x \$	1.20	/kgMS	\$583,857	\$1.17	\$559	\$1,916
Milk Solids	dividend	475,738	shares x \$	0.53	/share	\$251,785	\$0.51	\$241	\$826
Other Milk Income - Co-operative difference \$0.11/kgMS on 485,505 kg						\$53,307	\$0.11	\$51	\$175
DairyNZ levy <small>enter as negative number</small>						-\$18,427	-\$0.04	-\$18	-\$60
Net Dairy livestock sales (calves + culls + other - purchases)						\$111,302	\$0.22	\$107	\$365
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting						\$6,600	\$0.01	\$6	\$22
Net Dairy Cash Income						\$5,191,909	\$10.42	\$4,968	\$17,034
Expenses						\$ Total	\$/kgMS	\$/cow	\$/ha
Wages/payment to contract milker						\$527,142	\$1.06	\$504	\$1,729
Animal health						\$105,853	\$0.21	\$101	\$347
Breeding and herd improvement						\$117,230	\$0.24	\$112	\$385
Farm dairy						\$31,051	\$0.06	\$30	\$102
Electricity (farm dairy, water supply)						\$36,251	\$0.07	\$35	\$119
Supplements made (incl. Contractors)						\$8,500	\$0.02	\$8	\$28
Supplements purchased						\$266,814	\$0.54	\$255	\$875
Calf rearing						\$33,756	\$0.07	\$32	\$111
Young and dry stock grazing						\$307,195	\$0.62	\$294	\$1,008
Winter cow grazing						\$407,978	\$0.82	\$390	\$1,339
Run-off lease									
Fertiliser (incl. N)						\$175,650	\$0.35	\$168	\$576
Irrigation						\$398,680	\$0.80	\$382	\$1,308
Regrassing and cropping						\$64,114	\$0.13	\$61	\$210
Weed and pest						\$1,785	\$0.00	\$2	\$6
Vehicles and fuel						\$46,501	\$0.09	\$44	\$153
R&M (land, buildings, plant, machinery)						\$112,714	\$0.23	\$108	\$370
Freight and general farm expenses						\$12,428	\$0.02	\$12	\$41
Administration e.g. accountant, consultant, phone						\$128,453	\$0.26	\$123	\$421
Insurance						\$39,247	\$0.08	\$38	\$129
ACC									
Rates						\$25,600	\$0.05	\$24	\$84
Total Farm Working Expenses						\$2,846,942	\$5.72	\$2,724	\$9,340
Cash Surplus / Deficit						\$2,344,967	\$4.71	\$2,244	\$7,693
Non Cash adjustments									
Value of change in livestock numbers						-\$20,000	-\$0.04	-\$19	-\$66
Labour adjustment									
Less Feed inventory Adjustment						-\$11,400	-\$0.02	-\$11	-\$37
Owned support block adjustment									
Depreciation						\$135,000	\$0.27	\$129	\$443
Dairy Gross Farm Revenue						\$5,171,909	\$10.38	\$4,949	\$16,968
Dairy Operating Expenses						\$2,993,342	\$6.01	\$2,864	\$9,821
Dairy Operating Profit						\$2,178,567	\$4.37	\$2,085	\$7,148

Notes for Budget

Net Milk Income	The milk revenue is based on 498,057 kg MS @ \$8.44/kgMS advance, to April 2025 received May 2025, (based the Fonterra forecast for the season as at 31-1-2025), and 485,505 kg MS @ \$1.20 deferred, (including May 24 milk payment received in June). The Fonterra dividend is \$0.39/share in October on 475,738 shares and \$0.15/share on 449,738 shares in April (some shares are being sold to one of the other farms hence the different number of shares during the year). A Fonterra co-operative difference of \$0.11/kg MS on 485,505 kgMS from 23-24 season is also included. This is net of the DairyNZ levy of \$.036/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 670-680 bobby calves @ \$25-30/hd, 20-25 live calf sales at \$100/hd, 241 MA cull cows @ \$750-\$800/hd and 17 R 2 heifers @ \$700/hd. The plan is to purchase about 50 MA in calf cows from Camden Group, (CG), support/dry stock enterprise, (were carry overs from previous year sold back to CGS). The average price will be about \$1,700/head.
Other dairy income	Rental from related entity for shed on boundary.

Expenses	
Wages	The farm operation has employed 7 FTE this season, made up of one farm manager, one 2IC, two senior farm staff, one intermediate farm staff, one junior farm staff, and a calf rearer. This is net of employee accommodation allowances and includes employee ACC and a contingency of about \$10,000. Staffing levels are higher than originally budgeted to cover for 2IC on ACC leave until November 2024, and allowing for him to phase back in. Additional junior staff were employed to put in more people power to compensate for fewer senior staff. All leave balances will be at zero by the end of season if the higher staffing level is maintained.
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. Johnes testing has pushed the costs up this year, (May paid June and again in October)
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. 47 Jersey bulls are leased for \$560/hd plus grazing and freight. Some, (abut 14-17), 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. Did an extra 2 weeks of AB with short gestation semen so length of mating was 12 weeks but calving spread should still be 2 weeks. 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 50 bail rotary shed turnstile, (built in 1999), 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. Have made 16 t DM baleage already, plus another 39 t DM to come late January/February. Current pasture surpluses shave another 4 paddocks cut as at late February.
Supplements purchased	All hay and silage purchases are sourced “in house” from within the Camden Group at market rates. Usually about 800 kg DM/cow will be purchased for the 2024-25 season; 600kgDM/cow of baleage @ \$0.42/kg DM (price/kgDM varies as it is based on MJME), 150 kg DM/cow of proliq @ \$0.18/kg DM and 53 kg DM/cow of barley @ \$0.45/kg DM and about \$10,500 for straw. Less barley likely to be purchased this season as the price is higher than the original budget of \$0.45/kgDM. Less baleage may be purchased given the extra supplement made on the milking area.
Calf rearing	About 240 replacement heifer calves were reared this year, 20 less than budgeted as fewer heifers were born. They were reared 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	275 heifers @ \$17.50/head/week for 52 Weeks and 240 weaners from December to May 1st @ \$12.00/week. Per head price includes freight and animal health costs.
Winter cow grazing	The herd is usually grazed off on average for 9-10 weeks @\$35/hd/week. Stock are able to be walked to the grazing so no freight costs are incurred. Cows return to the milking platform just prior to calving so are bought home in small mobs. There was more feed on the support blocks due to better than average winter growth and good crop yields, so cows were wintered off for longer.
Run-off lease	
Fertiliser (incl. N)	Fertiliser applied each year are based on soil tests and nutrient budgets. 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. Fertiliser applied is up as soil tests done in September indicated extra phosphate was needed on the paddocks that had been missed last year, (to mine high Olsen P levels when payout drop was announced).
Irrigation	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. Water usage is down this year so electricity costs are down. There could be more savings if less stored water usage occurs.
Regrassing and cropping	This season 7.0 ha of fodder beet was planted as per plan. The crop was planted in spring 2024. The estimated costs is 7 ha @ \$3,000/ha. The regrassing this year was 42 ha, made up of 35 ha of pasture sown grass to grass with a perennial ryegrass/white clover mix, and 7 ha of last winter's crop returned to permanent pasture. All regrassing was done in September and was back in the grazing rotation by late December.
Weed and pest	
Vehicles and fuel	The farm has minimal machinery, and a plant replacement policy that includes turnover of bikes at 15,000 km. This keeps R & M costs low but does have a higher capital cost. Includes \$28,000 for fuel.
R&M (land, buildings, plant, machinery)	Includes \$40,000 for irrigation equipment repairs and pivot rut remediation, (up on earlier budget estimates as centre tower needed work to correct tilt and drive motor needed replacing), \$25,000 dairy shed repairs, \$7,000 drains and effluent, \$10,000 plant, \$7,500 shelter trees. There is \$5,000 included for water supply exploratory work to identify and hopefully fix water flow issue, and avoid costly capital expenditure.
Freight and general farm expenses	Includes bio security levy of \$2,500, (\$0.008/kgMS), plus costs for dead cow disposal and waste disposal.
Administration e.g. accountant, consultant, phone	Includes environmental compliance and irrigation consent monitoring, plus \$120,000 for Willsdens share of Camden group services business overheads. This is up nearly 10% on previous years due to rising labour costs.
Insurance	As per last invoice plus allowance for additions.
ACC	
Rates	
Non Cash adjustments	
Value of change in livestock numbers	There will be 35 fewer R 1 heifers, 34 more R 2 heifers and 28 fewer MA cows on hand at the end of the season.
Labour adjustment	All owner input is covered by the share of Camden group service business fee.
Less Feed inventory Adjustment	Will likely have 30 t DM less of barley on hand than at the start of the season as the price of barley is higher than expected so less will be purchased.
Owned support block adjustment	
Depreciation	This is as per accountants estimated for the financial statements for the 23-24 season, plus allowance for one year of asset accumulation

