

Annual Cash Budget 2026-27

Name: Driscoll Dairy Ltd Home Farm Budget Period 1 / 6 / 2026 to 31 / 5 / 2027

Farm Details: 345500 kgMS 670 cows 211.0 ha 516 kgMS/cow 1637 kgMS/ha 3.18 cows/ha

Income				\$ Total	\$/kgMS	\$/cow	\$/ha
Net Milk Income	Share of milk cheque received	100%					
Milk Solids advance	345,500 kgMS x \$ 9.40 /kgMS		\$3,247,700	\$9.40	\$4,847	\$15,392	
Milk Solids retrospective	kgMS x \$ /kgMS						
Milk Solids dividend	shares x \$ /share						
Other Milk Income							
DairyNZ levy	enter as negative number		-\$12,400	-\$0.04	-\$19	-\$59	
Net Dairy livestock sales (calves + culls + other - purchases)			\$115,000	\$0.33	\$172	\$545	
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting							
Net Dairy Cash Income			\$3,350,300	\$9.70	\$5,000	\$15,878	
Expenses				\$ Total	\$/kgMS	\$/cow	\$/ha
Wages/payment to contract milker			\$244,600	\$0.71	\$365	\$1,159	
Animal health			\$65,000	\$0.19	\$97	\$308	
Breeding and herd improvement			\$65,500	\$0.19	\$98	\$310	
Farm dairy			\$22,800	\$0.07	\$34	\$108	
Electricity (farm dairy, water supply)			\$39,700	\$0.11	\$59	\$188	
Supplements made (incl. Contractors)			\$25,000	\$0.07	\$37	\$118	
Supplements purchased			\$516,000	\$1.49	\$770	\$2,445	
Calf rearing			\$113,000	\$0.33	\$169	\$536	
Young and dry stock grazing			\$144,600	\$0.42	\$216	\$685	
Winter cow grazing			\$206,900	\$0.60	\$309	\$981	
Run-off lease			\$15,100	\$0.04	\$23	\$72	
Fertiliser (incl. N)			\$133,500	\$0.39	\$199	\$633	
Irrigation							
Regrassing and cropping			\$96,300	\$0.28	\$144	\$456	
Weed and pest			\$800	\$0.00	\$1	\$4	
Vehicles and fuel			\$62,200	\$0.18	\$93	\$295	
R&M (land, buildings, plant, machinery)			\$113,400	\$0.33	\$169	\$537	
Freight and general farm expenses			\$4,800	\$0.01	\$7	\$23	
Administration e.g. accountant, consultant, phone			\$56,300	\$0.16	\$84	\$267	
Insurance			\$40,000	\$0.12	\$60	\$190	
ACC			\$7,100	\$0.02	\$11	\$34	
Rates			\$50,500	\$0.15	\$75	\$239	
Total Farm Working Expenses			\$2,023,100	\$5.86	\$3,020	\$9,588	
Cash Surplus / Deficit			\$1,327,200	\$3.84	\$1,981	\$6,290	
Non Cash adjustments							
Value of change in livestock numbers			\$104,100	\$0.30	\$155	\$493	
Labour adjustment			\$56,000	\$0.16	\$84	\$265	
Less Feed inventory Adjustment							
Owned support block adjustment			\$37,000	\$0.11	\$55	\$175	
Depreciation			\$70,000	\$0.20	\$104	\$332	
Dairy Gross Farm Revenue			\$3,454,400	\$10.00	\$5,156	\$16,372	
Dairy Operating Expenses			\$2,186,100	\$6.33	\$3,263	\$10,361	
Dairy Operating Profit			\$1,268,300	\$3.67	\$1,893	\$6,011	

Notes for Budget

Net Milk Income	Milk Income is based on a milk price for advanced and deferred milk of \$9.40 for 345,000 kgMS. It 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)	Stock income is budgeted conservatively for number of MA cows sold and for price - this provides a bit of a buffer for the budget. Based on 100 MA culls @ \$850 and 20 surplus R2 heifers @\$1100 plus 320 bobbies @ \$25.
Other dairy income	
Expenses	
Wages	This covers 3 FTE, (Farm manager, one 2IC and 1 farm assistant). A relief milking service is used to cover all staff time off.
Animal health	Metabolic issues are not a problem. MgCl and basic minerals through dosatron all year with Selenium in spring through to Christmas. Farm specific anionic salts are supplied to springers with Mag sulphate and gypsum. Milkers and colostrums get MgO and limeflour through dispenser via in shed feeding and PKE trailer. The whole herd is treated with dry cow therapy.
Breeding and herd improvement	9-10 weeks mating for the herd - all AB, no synchrony used. Have cow manager which helps with heat detection and identifying cows to scan, (those identified or suspected to be empty). Usually end up scanning about 10% of the herd. Do not mate any definite culls. Empty rate for 2025-26, (based only on cows mated), is 8.7%. Includes \$4,500 lease for 14 Jersey bulls for the heifers. Semen used is Friesian or Jersey depending on the size of the cow. Larger cows are bred back to Jersey to make sure cow size does not get too big. All semen used for replacements is polled.
Farm dairy	Chemicals, rubberware - normal running costs.
Electricity (farm dairy, water supply)	Cowshed is a 15 year old, 50 bale rotary. Milking twice a day all season and using hot washes once a day.
Supplements made (incl. Contractors)	Budgeting for 500 bales @ \$50/bale, made predominantly on the support block. Try to manage pasture cover on the milking area so that there is minimal or no surplus to harvest.
Supplements purchased	650 t total made up of about 200t PKE and 450 t blends (34:33:33 or 40:50:10 Crushed grain:PKE:DDG) at \$670 per ton weighted average delivered across all feed. Plus about 700 bales of baleage (270 kg DM per bale) of grass purchased for \$65 per bale plus \$50 per bale harvesting/baling and wrapping).
Calf rearing	Plan to rear about 200 heifer replacement and 100 dairy beef bull calves. Calves are reared on auto feeders, (using 15-17 t of milk powder and fresh colostrum), plus meal. Weaned quite early as they grow quickly on the auto feeding system. After weaning they go to the 37 ha owned/leased support blocks. Costs cover milk powder and meal.
Young and dry stock grazing	174 yearlings grazed off, (externally or at newly purchased dry stock block 1 hour away, treated as external). Cost is \$16/head for 11 months June 1 to May 1. Weaners may go to new support block at some stage so have factored in 300 head @ \$11.50/hd for 4 weeks.
Winter cow grazing	External wintering is at the new dry stock block, (treated as external). It is hour away, and grazing is valued at external rates. 130 R2 for 8 weeks @\$44.50/week plus 290 MA cows for 10 weeks @ \$44.50 winter 2026, plus 135 in calf heifers for 4 weeks @44.50 for May 2027.
Run-off lease	20 ha is leased nearby. It is rolling hill country so tend not to make supplement there. Used for young stock grazing from weaning.

Fertiliser (incl. N)	Fertiliser is applied as per soil test recommendations and is largely maintenance only. The farm has 43% of the milking area under effluent irrigation. Costs include support block fertiliser maintenance and after harvest applications. Nitrogen applied is Ammo 31 in the early spring and N-Protect for the rest of the season. Total N applied is budgeted for about 130 kg N/ha.
Irrigation	
Regrassing and cropping	For 2026-27 in the spring, there will be 12.5 ha of winter crop area to be regrassed on the 37 ha support block and 3-4 ha of swedes to be planted on the milking platform for winter 2027. In addition there will be 10% of the milking platform, (20 ha) to be regrassed to give approximately 15% of the farm regrassed. Costs cover cultivation, planting and seed costs.
Weed and pest	Costs for pasture and crop are included under regrassing and cropping. Very little other weeds and pests.
Vehicles and fuel	Includes fuel/oil of \$32,000. Attitude to vehicles is to keep bikes modern and trade in regularly. Have 2 tractors to cover home farm and the 57 ha of support land.
R&M (land, buildings, plant, machinery)	Includes about \$30,000 for drains and races, \$45,000 for dwelling improvements and \$19,000 for fences and hedges. Plant and machinery costs are about \$11,000.
Freight and general farm expenses	Includes protective clothing and dog costs.
Administration e.g. accountant, consultant, phone	Covers accountancy, computer, phone, consents and general office costs. Farmer does own GST, PAYE, budgeting. Also included here is cow manager costs of about \$24,000.
Insurance	Review regularly to ensure it is still relevant.
ACC	Owner and employee ACC costs.
Rates	Rates for 211 ha dairy farm and 57 ha of support land, (37 owned and 20 leased).
Other farm working expenses (not included in any of the above)	
Non Cash adjustments	
Value of change in livestock numbers	Plan to have an extra 86 R 1 steers and bulls and 26 R 1 dairy heifers for sale as surplus in calf heifers in 2028. Values are based on 2025 IRD NAMV.
Labour adjustment	Equates to 0.4 FTE, (based on a management salary of \$140,000).
Less Feed inventory Adjustment	Plan is to have no significant change in feed on hand for the year.
Owned support block adjustment	37 ha valued at \$1,000/ha. Provides 500-600 bales of baleage plus winter grazing for 280 MA cows plus weaner grazing.
Depreciation	Based on previous years financial statements plus allowance for additional years depreciation and asset sales and purchases.