

Bay of Plenty Owner system 2
2024-25 Season review Juen 9th 2025
Season numbers at a glance

KPI's	Budget	Updated forecast
		Budget/Actual
Milk Production (kgMS/ha)	1,387	1,463
Milk Production (kgMS/cow)	383	414
Net Dairy Cash Income (\$/kgMS)	\$8.63	\$10.88
Total Farm Working Expenses (\$/kgMS)	\$3.80	\$3.69
Cash Operating Surplus/Deficit (\$/kgMS)	\$4.82	\$7.19
Gross Farm Revenue (\$/kgMS)	\$8.63	\$10.83
Operating Expenses (\$/kgMS)	\$4.48	\$4.33
Operating Profit (\$/ha)	\$5,763	\$9,521

* 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

- Production is up 5.5% on last season and budget from fewer cows.
- Total costs have remained close to budget but with better milk production are now \$3.69/kg MS - \$0.11/kg MS below budget.
- Net dairy cash income is well up on budget with the better milk price, more milk production and higher prices for cows sold.
- Late winter/early spring growth rates were well above average, February through to April were extremely hot and dry but the late autumn was very favourable and resulted in good pasture growth in the latter part of May.
- Staff experience is paying off and performance has been excellent which has contributed to the improved milk production, and more efficient use of resources as well as job satisfaction.
- Wages paid is up on budget as excellent performance has been rewarded.

Comments

Production for the season finished at 234,058 kg MS with the herd dried off on May 7th, which is about a week earlier than last season. Good cow condition at calving, good animal health management and a better calving pattern (more cow milking days early in the season), have contributed to the increased production despite lower cow numbers. There have been very few animal health issues so far this year. As per the previous season, at drying off all cows over 150,000 SCC were treated with long acting antibiotic. The incidence of mastitis was lower, (helped by a good spring). Somatic cell count for the year is 117,000, (130,000 for the older herd and 102,000 for the younger herd). PKE purchased was on budget at 100 t PKE (90 t DM). Nitrogen applied for the season is 77.5 kg N/ha which is very close to budget. Cows were gradually culled from late February through March and early April. There were still about 450 cows milking in late April prior to drying off. About 40 younger and thinner cows were on once a day from March with the rest of the cows milked twice a day till drying off. It was so dry through February and March that despite the rain in April it took a while for the farm to recover, hence the earlier drying off date.

Current situation

Pasture cover is 2,200 kgDM/ha which is on target for this time of year. There are currently only 138 yearling heifers on farm. All the MA cows and in-calf heifers are at grazing either in the support blocks or at external grazing. Cow condition is estimated to be about 4.7 which is on target for this time of year and is reflective of the fact that the cows have been in better conditions all season and were dried off earlier before they lost too much weight.

Annual Cash Actuals updated May 2025

Name:	BoP Owner System 2			Budget Period		1	/	6	/	2024	to	31	/	5	/	2025
Farm Details:																
Budget	221,850 kgMS	580 Cows	160.0 ha	383	kgMS/cow	1387	kgMS/ha	3.63	cows/ha							
Farm Details:																
Budget/Actual	234,058 kgMS	566 cows	160.0 ha	414	kgMS/cow	1463	kgMS/ha	3.54	cows/ha							
Variance (Actual less Budget)	12,208 kgMS	-14 cows	ha	31	kgMS/cow	76	kgMS/ha	-0.09	cows/ha							
Income				Budget			Budget/Actual			Variance						
Net Milk Sales				\$1,818,800			\$2,412,443			\$593,643						
Net Dairy livestock sales (calves + culls + other - purchases)				\$95,000			\$133,715			\$38,715						
Other dairy cash income																
Net Dairy Cash Income				\$1,913,800			\$2,546,158			\$632,358						
Expenses				Budget			Budget/Actual			Variance						
Wages				\$234,000			\$275,264			\$41,264						
Animal health				\$46,800			\$48,838			\$2,038						
Breeding and herd improvement				\$41,100			\$47,605			\$6,505						
Farm dairy				\$23,100			\$24,906			\$1,806						
Electricity (farm dairy, water supply)				\$19,600			\$21,658			\$2,058						
Supplements made (incl. Contractors)				\$20,000			\$18,304			-\$1,696						
Supplements purchased				\$46,500			\$39,370			-\$7,130						
Calf rearing				\$12,000			\$9,164			-\$2,836						
Young and dry stock grazing																
Winter cow grazing				\$52,000			\$35,735			-\$16,265						
Run-off lease																
Fertiliser (incl. N)				\$90,900			\$96,249			\$5,349						
Irrigation																
Regrassing and cropping				\$6,900			\$755			-\$6,145						
Weed and pest				\$7,700			\$7,784			\$84						
Vehicles and fuel				\$38,700			\$24,896			-\$13,804						
R&M (land, buildings, plant, machinery)				\$47,600			\$70,148			\$22,548						
Freight and general farm expenses				\$9,200			\$6,224			-\$2,976						
Administration e.g. accountant, consultant, phone				\$15,700			\$11,686			-\$4,014						
Insurance				\$19,800			\$10,322			-\$9,478						
ACC				\$6,400			\$5,742			-\$658						
Rates				\$105,400			\$108,175			\$2,775						
Other expenses																
Total Farm Working Expenses				\$843,400			\$862,825			\$19,425						
Cash Operating Surplus / Deficit				\$1,070,400			1,683,333			\$612,933						
Non Cash Adjustments				Budget			Actual			Variance						
Value of change in livestock numbers				\$1,500			-10,160			-11,660						
Labour adjustment				\$30,000			30,000									
Less Feed inventory Adjustment																
Owned support block adjustment				\$39,800			39,800									
Depreciation				\$80,000			80,000									
Dairy Gross Farm Revenue				\$1,915,300			\$2,535,998			\$620,698						
Dairy Operating Expenses				\$993,200			\$1,012,625			\$19,425						
Dairy Operating Profit				\$922,100			\$1,523,373			\$601,273						
Dairy Operating Profit/ha				\$5,763			\$9,521			\$3,758						

Commentary re variance

	Actual to Budget Variance	
Milksolids	12,208	Production was up 5-6% on budget and last year as at late January after a good spring and better calving pattern. The hot and dry weather through February, March and April did impact the herd which was dried off on May 7th, a week or so earlier than usual. The early advantage was still maintained and otal milk solids was up 5.5% on budget and last season.
Cows	-14	
Hectares	0	
Net Milk Income	593643	The budget set in May 2024 used a conservative milk price. The season ended with the milk price received for the financial year up 26% and milk solids up 5.5%.
Net Dairy livestock sales (calves + culls + other - purchases)	38715	Average cull prices have been significantly higher than the \$500/hd budgeted.
Other dairy income	0	

Net Dairy Cash Income	632358
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Expenses		
Wages	41264	Paid bonuses to staff in recognition of excellent performance, particularly over the spring.
Animal health	2038	There have been very few animal health issues so far this year. At drying off last season all cows over 150000 SCC were treated with long acting antibiotic which definitely reduced the incidence of mastitis in the early part of the season. Somatic cell counts were good during the early part of the season and incidences of mastitis in the early season were also lower. SCC for the season is 117,000. This is well below previous years, and is pleasing given the work and expense involved in reducing this metric.
Breeding and herd improvement	6505	Had a 4th herd test and also ordered pregnancy testing in the milk from the third herd test.
Farm dairy	1806	
Electricity (farm dairy, water supply)	2058	
Supplements made (incl. Contractors)	-1696	Made more supplement on the milking platform than budget, 183 bales, 180 kgDM/bale. More than double the surplus compared to last season, although this season no young stock were brought back to the milking platform to tidy up in the spring. Made a bit less supplement on the support blocks.
Supplements purchased	-7130	Had budgeted on 100 t PKE @ \$465/t landed but mostly paid about \$355/t landed. All the contract has been uplifted.
Calf rearing	-2836	Good weather in the spring meant more pasture and less meal used.
Young and dry stock grazing	0	
Winter cow grazing	-16265	Had budgeted the same as the previous season which was particularly high as extra winter grazing was purchased due to lower pasture cover going into the winter. So in essence had over budgeted.
Run-off lease	0	

Fertiliser (incl. N)	5349	N applied this season is 77.5 Kg/ha which is close to budget. More muriate of potash applied this year as per soil test recommendations. Prices per ton are up a bit on last year.
Irrigation	0	
Regrassing and cropping	-6145	Very little pasture damage occurred over the winter and spring so less pasture repairs have been needed.
Weed and pest	84	
Vehicles and fuel	-13804	Budget was based on previous year which had a big tractor repair included. So far there have been no major breakdowns. Car costs are well down as now have an electric car.
R&M (land, buildings, plant, machinery)	22548	With better cashflow did additional renovations on staff housing.
Freight and general farm expenses	-2976	
Administration e.g. accountant, consultant, phone	-4014	
Insurance	-9478	Made a deliberate decision to under insure and take the risk. Insurance is only for buildings, vehicles and plant, and all are insured for minimal values. There is no business interruption cover. Prepared to take the risk as priority is given to ensuring the business is strong with good equity so the business could withstand significant disruption if necessary.
ACC	-658	
Rates	2775	
Other Expenses	0	

Total Farm Working Expenses	19425	
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Non Cash adjustments

Value of change in livestock numbers	-11660	Finished the season with 3 more R 1 heifers, 2 more R 2 heifers and 9 fewer cows than in the original budget.
Labour adjustment	0	
Less Feed inventory Adjustment	0	
Owned support block adjustment	0	
Depreciation	0	