

Annual Cash Budget 2026-27

Name: Western Southland Owner operator Budget Period 1 / 6 / 2026 to 31 / 5 / 2027

Farm Details: 270000 kgMS 575 cows 165.0 ha 470 kgMS/cow 1636 kgMS/ha 3.48 cows/ha

Income					\$ Total	\$/kgMS	\$/cow	\$/ha
Net Milk Income	Share of milk cheque received		100%					
Milk Solids advance	270,000	kgMS x \$	8.00	/kgMS	\$2,161,500	\$8.01	\$3,759	\$13,100
Milk Solids retrospective	270,000	kgMS x \$	1.45	/kgMS	\$391,500	\$1.45	\$681	\$2,373
Milk Solids dividend		shares x \$		/share				
Other Milk Income								
DairyNZ levy	enter as negative number				-\$9,700	-\$0.04	-\$17	-\$59
Net Dairy livestock sales (calves + culls + other - purchases)					\$108,100	\$0.40	\$188	\$655
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting								
Net Dairy Cash Income					\$2,651,400	\$9.82	\$4,611	\$16,069
Expenses					\$ Total	\$/kgMS	\$/cow	\$/ha
Wages/payment to contract milker					\$254,000	\$0.94	\$442	\$1,539
Animal health					\$83,000	\$0.31	\$144	\$503
Breeding and herd improvement					\$40,600	\$0.15	\$71	\$246
Farm dairy					\$16,200	\$0.06	\$28	\$98
Electricity (farm dairy, water supply)					\$37,000	\$0.14	\$64	\$224
Supplements made (incl. Contractors)					\$25,500	\$0.09	\$44	\$155
Supplements purchased					\$291,300	\$1.08	\$507	\$1,765
Calf rearing					\$12,000	\$0.04	\$21	\$73
Young and dry stock grazing					\$171,000	\$0.63	\$297	\$1,036
Winter cow grazing					\$227,000	\$0.84	\$395	\$1,376
Run-off lease								
Fertiliser (incl. N)					\$168,200	\$0.62	\$293	\$1,019
Irrigation								
Regrassing and cropping					\$31,000	\$0.11	\$54	\$188
Weed and pest					\$4,000	\$0.01	\$7	\$24
Vehicles and fuel					\$45,200	\$0.17	\$79	\$274
R&M (land, buildings, plant, machinery)					\$36,500	\$0.14	\$63	\$221
Freight and general farm expenses					\$11,200	\$0.04	\$19	\$68
Administration e.g. accountant, consultant, phone					\$12,800	\$0.05	\$22	\$78
Insurance					\$16,000	\$0.06	\$28	\$97
ACC					\$5,600	\$0.02	\$10	\$34
Rates					\$16,900	\$0.06	\$29	\$102
Total Farm Working Expenses					\$1,505,000	\$5.57	\$2,617	\$9,121
Cash Surplus / Deficit					\$1,146,400	\$4.25	\$1,994	\$6,948
Non Cash adjustments								
Value of change in livestock numbers					-\$2,900	-\$0.01	-\$5	-\$18
Labour adjustment					\$24,000	\$0.09	\$42	\$145
Less Feed inventory Adjustment								
Owned support block adjustment								
Depreciation					\$45,000	\$0.17	\$78	\$273
Dairy Gross Farm Revenue					\$2,648,500	\$9.81	\$4,606	\$16,052
Dairy Operating Expenses					\$1,574,000	\$5.83	\$2,737	\$9,539
Dairy Operating Profit					\$1,074,500	\$3.98	\$1,869	\$6,512

Notes for Budget

Net Milk Income	Milk income is based on 270,000 kgMS at an advance of \$8.00 and 270,000 kgMS, (target 2025-26 season), at a deferred price of \$1.45. This is net of the DairyNZ levy of \$0.036/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)	Based on 120 MA cull cows @ \$750/head, 10 empty R 2 heifers @700/head, 120 Jersey bull calf sales @ \$80/head, 250 bobbies @30/head plus 10 breeding bulls bought and sold for a net costs of \$600/head.
Other dairy income	

Expenses

Wages	Budgeted for 1 Farm manager, 1 herd manager, 1 farm assistant, a calf rearer and casual relief milker. This equates to 3.4 FTE. This is net of rent and includes PAYE and Kiwisaver payments.
Animal health	Includes \$29,000 for minerals administered via Dosatron and an in shed feed crumble. Cows over 100,000 SCC are treated with dry cow therapy and teat seal, balance of herd including in-calf heifers are teat sealed only.
Breeding and herd improvement	Includes herd testing, MINDA, scanning, ear tags and tail paint. Will be part of sire proving scheme from 2026-27 which will cover DNA testing the herd. Budget covers 6 weeks of AB using Jersey semen, (bottom 30% on BW/PW mated to beef), then bulls run with herd for 5 weeks. The 6 week in calf rate for 2025 mating is 76%. The costs also cover pregnancy scanning. No anoestrous or synchrony treatments planned for the 2026 mating. Six week in calf rate is 72% and empty rate is 10%, (5 year averages).
Farm dairy	Follow standard plant cleaning recommendations. Covers detergents, and shed consumables.
Electricity (farm dairy, water supply)	Budget based on current costs plus 15% expected increases. Shed is 40 aside herringbone with cup removers. Herd is milked twice a day all season. Milking is done with 2 people in shed including bringing in 2 herds. At the peak, milking takes about 4 hours in the morning and 3 hours in the afternoon,
Supplements made (incl. Contractors)	400 bales of baleage @ \$0.20/kgDM and 50 t DM of silage @ \$150/t DM (\$0.15/kgDM). Cost covers everything except mowing.
Supplements purchased	A mix of 80% PKE, 10% PKE 10 (10% molasses) and 10% DDG is planned with a total of 575 t DM budgeted, (1000 kgDM/cow). The average price of \$506/t DM including cartage.
Calf rearing	150 heifer replacement calves are reared on milk, meal and hay and are weaned at 85 kg liveweight. Costs cover meal and hay.
Young and dry stock grazing	145 weaners for 5 months, 147 R 2 heifers 11 months, 135 R 2 for 4 weeks May grazing price, 20 carry over cows for a full year. Includes stock freight.
Winter cow grazing	595 MA cows and in calf heifers for 8-9 weeks. Includes stock freight.
Run-off lease	
Fertiliser (incl. N)	Soil test all paddocks once every 5 years, (due this season). Fertiliser applied is based on soil test recommendations. Includes 6-7 applications of nitrogen with a total of 175 units N/ha applied. First application for the season is phased N quickstart with Selenium for whole farm, then urea is used.

Irrigation	
Regrassing and cropping	Covers contractors for spring cultivation and planting, plus seed and weed and pest control for winter crop, (swedes), and spring regrassing. The budget is for 15 ha of grass to grass, approx 5 ha of crop to grass and approx 5 ha of grass to crop. So from October to January approx 25 ha's are staggered out of rotation, (not including and silage/baleage areas).
Weed and pest	
Vehicles and fuel	Covers truck, tractor and Bike costs plus \$25,000 for fuel.
R&M (land, buildings, plant, machinery)	Includes wood chip, cowshed maintenance, farm dwellings, tracks and races and fencing and yards. Does not include shelterbelt trimming for this year - this is done every two to three years.
Freight and general farm expenses	General freight and cartage and bio-security levy .
Administration e.g. accountant, consultant, phone	Accountant, bank charges and consultant fees. Other admin costs are covered via the unpaid owner input labour adjustment.
Insurance	
ACC	Staff ACC costs. Owners work predominantly off farm so their ACC is not covered by this business.
Rates	
Other farm working expenses (not included in any of the above)	

Non Cash adjustments

Value of change in livestock numbers	Minimal change in livestock numbers. Expect to have 10 more R2 on hand and 10 less MA cows. Based on 2025 IRD NAMV.
Labour adjustment	This is for unpaid owner input for about 300 hours (0.125 FTE) and covers administration, farm oversight and governance.
Less Feed inventory Adjustment	Budget is for no significant change in supplements on hand for the season.
Owned support block adjustment	
Depreciation	The business owns minimal farm vehicles and plant. Some additional equipment is shared with a neighbouring farm. Depreciation is based on prior years depreciation plus an allowance for the shared plant.