

Annual Cash Budget

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

Farm Details: 490000 kgMS 1045 cows 304.8 ha 469 kgMS/cow 1608 kgMS/ha 3.43 cows/ha

Income				\$ Total	\$/kgMS	\$/cow	\$/ha
Net Milk Income	Share of milk cheque received		100%				
Milk Solids advance	490,000	kgMS x \$	6.13 /kgMS	\$3,167,414	\$6.46	\$3,031	\$10,392
Milk Solids retrospective	486,303	kgMS x \$	1.15 /kgMS	\$559,340	\$1.14	\$535	\$1,835
Milk Solids dividend	475,738	shares x \$	0.30 /share	\$210,182	\$0.43	\$201	\$690
Other Milk Income - Co-operative difference \$0.08/kgMS on 485,000 kg				\$38,800	\$0.08	\$37	\$127
DairyNZ levy <small>enter as negative number</small>				-\$17,536	-\$0.04	-\$17	-\$58
Net Dairy livestock sales (calves + culls + other - purchases)				\$92,100	\$0.19	\$88	\$302
Other dairy income e.g. farm cottage rent, trading rebates, small amounts of contracting				\$6,600	\$0.01	\$6	\$22
Net Dairy Cash Income				\$4,056,900	\$8.28	\$3,882	\$13,310

Expenses				\$ Total	\$/kgMS	\$/cow	\$/ha
Wages/payment to contract milker				\$524,100	\$1.07	\$502	\$1,719
Animal health				\$88,800	\$0.18	\$85	\$291
Breeding and herd improvement				\$115,200	\$0.24	\$110	\$378
Farm dairy				\$30,800	\$0.06	\$29	\$101
Electricity (farm dairy, water supply)				\$34,000	\$0.07	\$33	\$112
Supplements made (incl. Contractors)							
Supplements purchased				\$323,000	\$0.66	\$309	\$1,060
Calf rearing				\$36,000	\$0.07	\$34	\$118
Young and dry stock grazing				\$314,000	\$0.64	\$300	\$1,030
Winter cow grazing				\$373,100	\$0.76	\$357	\$1,224
Run-off lease							
Fertiliser (incl. N)				\$151,200	\$0.31	\$145	\$496
Irrigation				\$406,000	\$0.83	\$389	\$1,332
Regrassing and cropping				\$57,500	\$0.12	\$55	\$189
Weed and pest				\$5,300	\$0.01	\$5	\$17
Vehicles and fuel				\$40,500	\$0.08	\$39	\$133
R&M (land, buildings, plant, machinery)				\$105,300	\$0.21	\$101	\$345
Freight and general farm expenses				\$18,700	\$0.04	\$18	\$61
Administration e.g. accountant, consultant, phone				\$126,100	\$0.26	\$121	\$414
Insurance				\$40,300	\$0.08	\$39	\$132
ACC							
Rates				\$25,400	\$0.05	\$24	\$83
Total Farm Working Expenses				\$2,815,300	\$5.75	\$2,694	\$9,237

Cash Surplus / Deficit	\$1,241,600	\$2.53	\$1,188	\$4,073
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Non Cash adjustments							
Value of change in livestock numbers				-\$5,800	-\$0.01	-\$6	-\$19
Labour adjustment							
Less Feed inventory Adjustment							
Owned support block adjustment							
Depreciation				\$135,000	\$0.28	\$129	\$443
Dairy Gross Farm Revenue				\$4,051,100	\$8.27	\$3,877	\$13,291
Dairy Operating Expenses				\$2,950,300	\$6.02	\$2,823	\$9,679
Dairy Operating Profit				\$1,100,800	\$2.25	\$1,053	\$3,612

Notes for Budget

Net Milk Income	The milk revenue is based on 490,000 kg MS @ \$6.46/kgMS advance, to April 2025 received May 2025, (based the Fonterra forecast of \$7.90/kgMS for the season as at 29-5-2024), and 485,505 kg MS @ \$1.15 deferred, (including May 24 milk payment received in June). The Fonterra dividend is \$0.30/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 \$0.08/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 @ \$700/hd and 17 and R 2 heifers @ \$600/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 employs 6.7 FTE, made up of one farm manager, one 2IC, two senior farm staff, one intermediate farm staff and one junior farm staff. With this level of staffing calf rearing is covered by existing farm staff. This is net of employee accommodation allowances and includes employee ACC and a contingency of about \$10,000.
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.
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, (about 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. 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.
Supplements purchased	All hay and silage purchases are sourced "in house" from within the Camden Group at market rates. About 800 kg DM/cow will be purchased for the 2024-25 season; 600kgDM/cow of baleage @ \$0.42/kg DM, 150 kg DM/cow of proliq @ \$0.18/kg DM and 53 kg DM/cow of barley @ \$0.45/kg DM.
Calf rearing	About 260 replacement heifer calves are reared each year, 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 261 weaners from December to May 1st @ \$12.00/week. Per head price includes freight and animal health costs.
Winter cow grazing	The herd is 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.

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.
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.
Regrassing and cropping	This season the plan is for 7.0 ha of fodder beet. The crop will be planted in spring 2024. The estimated costs is 7 ha @ \$3,000/ha. The current regrassing plan is for 36 ha of regrassing, made up of 29 ha of pasture sown grass to grass with a perennial ryegrass/white clover mix, and 7 ha of last last winters crop returned to permanent pasture. All regrassing is done in September and is usually 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 \$27,000 for fuel.
R&M (land, buildings, plant, machinery)	Includes \$33,000 for irrigation equipment repairs and pivot rut remediation, \$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 \$10,600, 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	Anticipating that there will be 14 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	Plan is to have no significant change to feed on hand over the year.
Owned support block adjustment	
Depreciation	This is as per accountants estimated for the financial statements for the 23-24 season, plus allowance for one years of asset accumulation