

**EXPANSION OF A DAIRY UNIT IN NORTHLAND**

**KELLOGGS NEW ZEALAND**

**RURAL LEADERSHIP PROGRAMME**

**COURSE X 1**

**ROGER TAYLOR**

**NOVEMBER 1992**

## TABLE OF CONTENTS

<b>Contents:</b>	<b>Page:</b>
SUMMARY	2
BASE FARM	
Report	3 - 6
Map	7
Stock Units	8
Monthly Cashflow	9 - 11
Budget	12 - 13
DAIRY UNIT EXPANSION	
Report	14 -15
Map	16
Stock Units	17
Monthly Cashflow	18 - 20
Budget	21 - 22
Capital Costs : Land, Cows	23
Development	24 - 25
RUN-OFF PURCHASE	
Report	26 - 28
Map	29
Stock Units	30
Monthly Cashflow	31 - 33
Budget	34 - 35
Capital Costs : Land, Cows	36
Development	37 - 38
NET RETURN FROM NURSE COWS	39
DEBT SERVICING AS % OF GROSS INCOME	40
ADVANTAGES AND DISADVANTAGES	41
LAND PRICE	42
CONCLUSION	43

## SUMMARY

The project involves a comparison of land purchase options for expansion of a Northland Dairy Unit.

### OPTIONS COMPARED:

#### 1. Base Position:

90 hectare dairy farm milking 200 cows.

Replacements grazed off.

Stocking rate 2.22 cows per hectare

150 kg milkfat per cow

333 kg per hectare.

- Debt free position

#### 2. Expansion of Dairy Unit by Purchase of Adjacent 60 Hectares:

Now a 150 hectare farm	-	2.1 cows per hectare	replacements grazed off
315 cows	-	149 kg per cow	
	-	313 kg per hectare	

Land Purchase Price	250,000
Development Costs	194,500
Purchase Additional Stock	<u>88,000</u>
New Borrowing	\$532,500

Loan Establishment 1%	<u>5325</u>
	\$537,825
New Loan	<b>\$538,000</b>

#### 3. Purchase of 90 Hectares Dry Stock Unit as a Run-Off:

90 hectare dairy farm + 90 hectare run-off.

- a) Increase home farm stocking rate: 234 cows - 2.6 cows per hectare  
Winter grazing and supplements avail at run-off - 150 kg per cow  
- 390 kg per hectare
- b) Graze replacements on run-off.
- c) Run 40 nurse cows and sell dairy beef as weaners on Autumn market.

Land Purchase price	250,000
Development Costs	97,976
Extra Stock	51,800
Vehicle	<u>10,000</u>
	409,776

Loan Establishment 1%	<u>4097</u>
	\$413,873
New Loan	<b>\$414,000</b>

## **PROPERTY REPORT - BASE FARM TOTAL AREA: 90 HECTARES**

### **Type of Farm:**

This property is currently farmed as a dairy unit with replacement stock grazed off the property.

### **PHYSICAL FEATURES:**

#### **Shape:**

The enclosed farm plan displays the shape and dimensions of this property. The block enjoys a long road frontage plus a good internal race system which provides easy workability. The title search showed that it has 10 titles of various sizes.

#### **Contour:**

15 hectares alluvial clay flats.

62 hectares easy rolling to undulating.

13 hectares easy hill.

There is very little of this farm which would not be worked by a wheel tractor.

#### **Aspect:**

Being of a rolling contour the property has a rather open aspect yet reasonably well sheltered from the prevailing winds.

#### **Rainfall:**

1400 - 1500 mm per annum.

The last two seasons rainfall has been 1100 - 1200 mm. The good balance of soil type and contour of this unit minimises the effect of the Summer drought.

#### **Soil:**

40 hectares Waiotira clay loam.

30 hectares Waikare silty loam.

20 hectares Kara silt loam.

The majority of these soils are of low to medium inherent fertility, responsive to phosphate and lime applications.

Loosely termed gum clays, these soil are Winter wet, pug readily and have limitations to their carrying capacity. To this end it is noted that a wintering barn complex is established on the home property.

Overall the property has a good range of soil type not withstanding the wintering problem.

**Pastures:**

The effective area of this property is assessed at 85 hectares which are very good mixed rye grass and clover swards.

The fertiliser application history is of 625 kg per hectare of 30% potassic super with a ton of lime every third year.

PH	Phosphorous (P)	Potassium (K)	Sulphur (S)	Calcium	Magnesium
5.9	23	11	6	15	25

These soil test levels indicate that present application rates are adequate for production of 350 kg MF per hectare.

**Pastures:**

The effective area of this property is assessed at 85 hectares.

Within that area there is 75 hectares of very good mixed rye grass and clover swards, approximately 5 hectares of good pasture with moderate rushes and 5 hectares of wetter areas with generally poorer pasture quality.

Pastures have above average fertiliser application history with 70 tonnes of phosphatic fertiliser per annum over recent years. This application rate is 875 kg per hectare and the overall good standard of pastures would indicate a more than satisfactory level of fertility has been achieved.

**Stock and Production:**

Stock number has levelled off at 2.5 cows per hectare and 25% of herd replacement with 2 year cows.

The herd has a BI of 130 with a 98% reliability.

Factory returns the last 3 seasons are as follows:

1989/90	31501 kg/MF	- 201 cows.
1990/91	28895 kg/MF	- 198 cows.
1991/92	29650 kg/MF	- 200 cows.

50 replacements are reared each year with the calves utilising on an average 15 kg/MF per calf. Budget levels of 30000 kilo M.F. is not unrealistic.

### **Fencing and Subdivision:**

The property is fenced on all half share boundaries along its road frontages and subdivided into 40 paddocks. Internal fencing includes a mixture of permanent 7 wire fencing and some single wire electric fencing. With due regard to the policy currently adopted it is considered the existing fencing is adequate.

### **Water Supply:**

Water is pumped from a stream that runs along the western boundary of the property and is reticulated through a pipe and trough system with water being available in all paddocks.

### **Buildings:**

#### **1/ Main Building:**

This a Keith Hay home shifted to the property about 1964. It is of a boomerang shape, sound construction and pleasant design. When shifted to the site additions were carried out with a basement area of 30 m<sup>2</sup> and an attached carport of 39 m<sup>2</sup>. The living area of the house 160 m<sup>2</sup> or 1724 sqft.

Constructed of mainly brick veneer exterior walls, concrete foundation, timber floor, galvanised corrugated steel roof, gibraltar board and pinex tile ceiling linings, the dwelling provides 4 bedrooms, a separate dining room, kitchen, laundry, bathroom and toilet.

#### **2/ Dwelling No.2:**

This is the original Lands and Survey settlement house for this property built in the 1950's. The living area of 107 m<sup>2</sup> or 1150 sqft.

Constructed of fibroplank concrete block foundation, timber floor, galvanised corrugated steel roof, mainly hardboard linings, this dwelling provided three bedrooms, lounge kitchen/dining room, bathroom and toilet.

The laundry, garage and workshop are located next to the No.2 dwelling with a covered walkway between.

The construction is timber frame with concrete floor, galvanised corrugated roof and fibrolite walls. The area of 83 m<sup>2</sup> or 890 sqft.

#### **3/ Cowshed:**

This building has been altered from the original walk-through to the present 16 aside Herringbone. The milkroom and tankstand is situated to the side of the Herringbone, with a milk tank of 5200 litres under cover. The milking machinery are Alfa-Laval that is 15 years old with a jetter cleaning system. The concrete yard has the capacity of holding 190 cows.

**4/ Implement Shed:**

Adjacent to the cowshed, this building is constructed of concrete foundation and floor, tantalised pole and timber frame and a galvanised corrugated sheet roof. An area of 167 m<sup>2</sup> or 1800 sqft with power reticulated workshop facilities installed.

**5/ Calf House:**

Adjoining the cowshed and is constructed on concrete piles foundation, construction ply exterior walls, galvanised corrugated steel roof and timber grating floor.

An area of 55.7 m<sup>2</sup> or 600 sqft provides sufficient area for 60 calves to be reared. An automatic milk feeder is installed in the shed, connected directly to the cowshed.

**6/ Wintering Barns:**

The wintering barns complex provides cover for 196 cows plus 3000 bales of hay storage. Constructed of galvanised corrugated steel walls and roof, timber framing and timber stalls. All manure drains into the effluent pools.



RAWN BY

FORM



**BASE FARM - STOCK UNITS**

**1st December 1992:**

200 cows @ 8 units per animal	1600
50 calves @ 3 units per animal	<u>150</u>
	<b>1750</b>

**1st June 1992:**

160 cows @ 8 units per animal	1280
50 rising 2 year olds @ 7 units per animal	<u>350</u>
	<b>1630</b>

---

**Stock Units Per Hectare To Winter:**

$$90 \text{ hectares} \quad = 1630 \text{ units} \quad = 18$$

CATTLE RECONCILIATION										
Stock Class	Opening	Births	Purch's	\$/Head	Value \$\$	Sales	\$/Head	Value \$\$	Deaths	Closing
M A Cows	150					45	445	20,025	2	152
R2yr Heifers	50								1	50
R1yr Heifers	50									50
Heifer Calves		90				40	65	2,600		
Bull Calves		90				90	100	9,000		
R 1 Yr Bulls & Steers										
R 2 Yr Bulls & Steers			2	800	1,600	2	600	1,200		
Other Cattle										
Totals	250	180	2	800	1,600	177	1,210	32,825	3	252

Check  
Balance

Okay

MILK INCOME	Totals	Jun-93	Jul-93	Aug-93	Sep-93	Oct-93	Nov-93	Dec-93	Jan-94	Feb-94	Mar-94	Apr-94	May-94
Milkfat Last Season	29,650	Percentage of Dairy Cheque Received = 100%											
Milkfat last Season (or %)	100	1	9	14	16	15	14	12	9	8	2		
Milkfat this Season	30,000	300	2,700	4,200	4,800	4,500	4,200	3,600	2,700	2,400	600		
Milkfat Prev Month			300	2,700	4,200	4,800	4,500	4,200	3,600	2,700	2,400	600	
Milkfat Year to Date			300	3,000	7,200	12,000	16,500	20,700	24,300	27,000	29,400	30,000	
Advance Rate	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.80	\$4.80	\$4.80	\$4.80
Advance Increases	\$0.60								\$0.60				
Payment for Prev Months Milk			1,260	11,340	17,640	20,160	18,900	17,640	17,280	12,960	11,520	2,880	
Back Payments									12,420				
Total Advance (A)	144,000		1,260	11,340	17,640	20,160	18,900	17,640	29,700	12,960	11,520	2,880	
Final Rate	\$0.80		\$0.40	\$0.40									
Final Payment (B)	23,720		11,860	11,860									
Total Milk Income (A+B)	167,720		11,860	13,120	11,340	17,640	20,160	18,900	17,640	29,700	12,960	11,520	2,880
OTHER INCOME													
Stock: Calves	11,600			1,000			9,000						1,600
Culls	20,025							5,000		5,000	5,000	5,025	
Other Stock	1,200								1,200				
Other Income	300							300					
Other Income													
G.S.T. Recieved	25,106		1,483	1,640	1,543	2,205	2,520	3,488	2,868	3,863	2,245	2,065	1,188
TOTAL INCOME	225,951		13,343	14,760	13,883	19,845	22,680	31,388	25,808	34,763	20,205	18,585	10,693

EXPENSES	Total	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May
Wages	1,000							1,000					
Animal Health	6,000	300	300	1,500	1,200	900	900	150	150	150	150	150	150
Herd Improvement	6,650					1,330	1,330	1,330	1,330	1,330			
Shed Expenses	4,100	1,900		1,000			800			200		200	
Electricity	3,500	210	245	245	280	350	350	350	350	315	315	245	245
Hay & Silage	4,000							4,000					
Feed & Grazing	19,400	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617
Fertilizer	24,430		2,000	1,990		18,200				2,240			
Freight & Sundry													
Grassing & Crops	500										500		
Weed & Insect	1,220	300			300			300			320		
Vehicle Expense	6,500	542	542	542	542	542	542	542	542	542	542	542	542
R & M	16,000	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333
Administration	4,900	408	408	408	408	408	408	408	408	408	408	408	408
Farm Insurance	2,000									2,000			
Rates & Rent	2,400				800			800					800
Other													
Debt Servicing													
Mortgage 1													
Mortgage 2													
Mortgage 3													
H.P.													
Bank O.D. Interest	-164		94	88	78	34	133	45	3	-84	-140	-179	-236
Stock Purchases	1,600			1,600									
Capital Purchases	6,500							5,500			1,000		
G.S.T. on Purchases	13,713	826	806	1,279	810	3,085	910	2,041	716	1,267	773	562	637
Drawings	20,000	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667
Life & Med Insurance	5,000	417	417	417	417	417	417	417	417	417	417	417	417
Tax & ACC	20,000		3,333				3,333			10,000	3,334		
G.S.T. Paid/Refund	11,393							5,697					5,697
<b>TOTAL INCOME</b>	<b>225,951</b>		<b>13,343</b>	<b>14,760</b>	<b>13,883</b>	<b>19,845</b>	<b>22,680</b>	<b>31,388</b>	<b>25,808</b>	<b>34,763</b>	<b>20,205</b>	<b>18,585</b>	<b>10,693</b>
<b>TOTAL EXPENSES</b>	<b>180,642</b>	<b>9,520</b>	<b>12,761</b>	<b>13,686</b>	<b>9,451</b>	<b>29,882</b>	<b>13,739</b>	<b>27,196</b>	<b>8,533</b>	<b>23,402</b>	<b>12,236</b>	<b>6,961</b>	<b>13,275</b>
<b>SURPLUS/DEFICIT</b>	<b>45,309</b>	<b>-9,520</b>	<b>582</b>	<b>1,074</b>	<b>4,432</b>	<b>-10,037</b>	<b>8,941</b>	<b>4,192</b>	<b>17,275</b>	<b>11,361</b>	<b>7,969</b>	<b>11,624</b>	<b>-2,582</b>
<b>END OF MONTH BALANCE</b>		<b>-9,520</b>	<b>-8,938</b>	<b>-7,864</b>	<b>-3,433</b>	<b>-13,470</b>	<b>-4,529</b>	<b>-337</b>	<b>16,937</b>	<b>28,298</b>	<b>36,267</b>	<b>47,891</b>	<b>45,309</b>
<b>OPENING BALANCE</b>													
O.D. Int Rate = 12%      Surplus/Deficit = 45,309      Closing Bal= 45,309													

Budget Prepared For:
RG TAYLOR
Address RD 2 PAPAROA
With: Chris Glassey, FarmWise Consultant
12 Butler Place Whangarei
Phone 09-4350662
<b>Proposal</b>
To Borrow 1) \$
2)
For: Base Dairy Farm budget
90 HECTARES

Cash Flow Analysis	
Opening Balance	
Closing Balance	\$45,309
Minimum Balance	-\$13,470
Maximum Balance	\$47,891
Average Balance	\$10,551

Budget Analysis	Totals	\$/Kg MF	% of G.I.
(GST Excl)			
Gross Income G.I.	200,845	\$6.69	100%
Farm Working	102,600	\$3.42	51%
Debt Servicing	-164	-\$0.01	
Other Expenses	8,100	\$0.27	4%
Tax & ACC	20,000	\$0.67	10%
Drawings & L. Ins	25,000	\$0.83	12%
Total Expenses	155,536	\$5.18	77%
Budget Surplus	45,309	\$1.51	23%
Payout Used	Advance	\$4.80	to June
	Final	\$0.80	Jul-Sept
	Total	\$5.60	
Production this year (kg milkfat)	30,000		
Production last year (kg milkfat)	29,650		

**BASE FARM BUDGET - 1992/93**

**FINANCIAL YEAR 1ST JUNE TO 31ST MAY**

90 hectares  
200 cows  
30 000 kg  
50 replacements  
2.22 cows/hectare  
333 kg/hectare  
No full time labour.

**Income:**

Final M.F. 29 650 kg @ .80c	\$ 23 720.00
Advance M.F. 30 000 kg @ \$4.20	\$126 000.00
Increase in advance M.F. February @ .60c	\$ 18 000.00
 Cull Cows 45 @ \$445.00	 \$ 20 025.00
1. Bobby Calves 40 @ \$65.00	\$ 2 600.00
1. Bobby Calves (Local sales) 90 @ \$100.00	\$ 9 000.00
2 Bulls @ \$600.00	\$ 1 200.00
Interest	\$ 164.00
Rebates	\$ <u>300.00</u>
	<b>\$200 845.00</b>
GST	\$ <u>25 106.00</u>
	<b><u>\$225 951.00</u></b>
 <b>SURPLUS</b>	 <b>\$ 45 309.00</b>

Note: 1. = See Monthly Cash Flow Budget Sheet - Page 8.

**Expenses:**

Wages -	Casual - December	\$ 1 000.00
Animal Health		\$ 6 000.00
Herd Improvement -	Artificial Breeding, Herd Testing	
	Weighting replacements	\$ 6 650.00
Shed Expenses -	Detergents, rubberware, etc	\$ 4 100.00
Electricity		\$ 3 500.00
Hay and Silage -	2000 bales	\$ 4 000.00
1. Meal -	6.5 ton calves after weaning, calves below target weight	\$ 3 800.00
1. Grazing -	50 yearlings @ \$6.00 per week	\$ 15 600.00
2. Fertiliser -	625 kg per hectare	
	56 ton 30% @ \$325.00	\$ 18 200.00
2. Lime -	625 kg per hectare	
	56 ton @ \$40.00	\$ 2 240.00
2. Urea -	80 kg per hectare	
	7.5 ton @ \$523.00	\$ 3 990.00
Freight		
Grassing -	100kg	\$ 500.00
3. Weeds -	24D 40 litres @ \$10.5	
	Blackberry \$200.00	\$ 620.00
3. Pests -	Cricket Bait, wheat and melothan	\$ 600.00
4. Car		\$ 2 000.00
4. Tractor and Machinery		\$ 3 500.00
4. Bike		\$ 1 000.00
5. Water Supply -	Repairs & Maintenance	\$ 1 500.00
5. Buildings -	Repairs & Maintenance	\$ 2 000.00
5. Metal		\$ 4 000.00
5. Fencing		\$ 2 500.00
5. Drainage		\$ 6 000.00
6. Accountant		\$ 2 000.00
6. Adviser		\$ 1 000.00
6. Phone		\$ 1 000.00
6. Legal		\$NIL
6. Bank Charges		\$ 200.00
6. General -	Stamps, paper, radio, F.F, R.D.	\$ 700.00
Farm Insurance		\$ 2 000.00
Rates		\$ 2 400.00
Stock Purchases -	2 Bulls @ \$800.00	\$ 1 600.00
Capital Purchases -	UFO Mower	\$ 5 500.00
	Chainsaw	\$ 1 000.00
GST on Purchases		\$ 13 713.00
Drawings		\$ 20 000.00
Life Insurance		\$ 5 000.00
Tax & ACC		\$ 20 000.00
GST Paid		<u>\$ 11 393.00</u>
		<u><b>\$180 642.00</b></u>

Note: 1. 2. 3. 4. 5. 6. = See Monthly Cash Flow Budget - Page 9.

**DAIRY UNIT EXPANSION**

**PROPOSED PURCHASE BLOCK - 60 HECTARES**

**Situation:**

The property is across the main road from the present main dairy unit. (Refer to plan).

**Type of Farm:**

This property is farmed as a runoff to a beef farm. The stocking policy has been of set stocking of 2 to 2½ year old steer until they are in condition to sell.

**PHYSICAL FEATURES:**

**Shape:**

The title search showed that it is in 5 titles. One with 25 hectares and the other 4 in 16.25 hectare blocks.

These 4 have road access with the larger 25 hectares at the back of the property.

**Contour:**

The contour is described as mainly easy to flat. There is no area that could not be worked with a wheel tractor.

**Rainfall:**

1400 - 1500 mm per annum.

The last two seasons rainfall has been 1100 - 1200 mill.

**Soil Type:**

70 hectares of Waiotira clay loam.

20 hectares of Waikare silty loam.

These soils are the same as the home farm with similar limitation on their carrying capacity.

**Pastures:**

The effective area of the property is assessed at 59 hectares. There is 40 hectares of rye and clover swards with a proportion of rushes throughout and approximately 10 hectares wetter areas of a generally lower pasture quality.

The block has not had regular fertiliser application with no lime being applied for the last 5 years.

PH	Phosphorous (P)	Potassium (K)	Sulphur (S)	Calcium	Magnesium
5.5	16	6	4	7	12

These soil tests taken 1 month ago show that a capital dressing of 475 kg of 15% per hectare is required with the annual dressing of 625 kg of 30% per hectare in the first year. The 60 hectares will also require 2500 kg per hectare of lime.

This annual dressing of 625 kg of 30% should maintain pasture standard at a more than adequate level to achieve the production target expected.

The only weeds that need control are thistle that will be sprayed on a annual basis.

### **Stock and Production:**

With the purchase of this property the milking cow numbers will rise from the present 200 to 315 mixed aged cows. The cows per hectare will drop from the present 2.22 to 2.1 per hectare. The kilogram per hectare will also drop from 333 kg to 313 kg per hectare.

Replacements will still be grazed off the farm from 1st July to 30th June. There will be increases in the numbers of heifers reared from 50 to 70 head.

With the purchase of the 60 hectares, production will increase from the 3 year average of 30015 kg M.F. to the budgeted figure of 47000 kg M.F.

I consider this target to be realistic and feasible with the capital that would be spent on bringing the property up to standard.

### **Farming and Subdivision:**

The property is fenced on all half share boundaries with post and batten eight wire fences. The internal subdivision is only single wire electric with no races. The 60 hectares is cut into 10 paddocks of different sizes which could not be used for the dairy unit in its present form.

### **Water Supply:**

Each paddock has dam access, 2 paddocks have a trough that is fed from a dam. The water is below standard for a dairy unit.

### **Buildings:**

There are no buildings on this property.





DRAWN BY	FORM		DRAWING No.		EXCEL	GOOD	FAIR	POOR	UNSAT
				LINES					
				JOINTS					
				ACCURACY					
				GEN APPEARANCE					

**DAIRY UNIT EXPANSION - STOCK UNITS**

**Replacements Grazed Off**

**1st December 1993:**

315 cows @ 8 units per animal	2520
70 calves @ 3 units per animal	<u>210</u>
	<b>2730</b>

**1st June 1994:**

255 cows @ 8 units per animal	2040
70 rising 2 year olds @ 7 units per animal	<u>490</u>
	<b>2530</b>

**Stock Units Per Hectare To Winter:**

150 hectare                      = 2530 units                      = 16.86

CATTLE RECONCILIATION										
Stock Class	Opening	Births	Purch's	\$/Head	Value \$\$	Sales	\$/Head	Value \$\$	Deaths	Closing
M A Cows	265					45	445	20,025	4	265
R2yr Heifers	50								1	50
R1yr Heifers	50									70
Heifer Calves		142				72	65	4,680		
Bull Calves		143				143	100	14,300		
R 1 Yr Bulls & Steers										
R 2 Yr Bulls & Steers			6	800	4,800	6	600	3,600		
Other Cattle										
Totals	365	285	6	800	4,800	266	1,210	42,605	5	385
										Check Balance
										Okay

MILK INCOME	Totals	Jul-93	Aug-93	Sep-93	Oct-93	Nov-93	Dec-93	Jan-94	Feb-94	Mar-94	Apr-94	May-94	Jun-94
Milkfat Last Season	29,650	Percentage of Dairy Cheque Received= 100%											
Milkfat last Season (or %)	100	1	9	14	16	15	14	12	9	8	2		
Milkfat this Season	47,000	470	4,230	6,580	7,520	7,050	6,580	5,640	4,230	3,760	940		
Milkfat Prev Month			470	4,230	6,580	7,520	7,050	6,580	5,640	4,230	3,760	940	
Milkfat Year to Date			470	4,700	11,280	18,800	25,850	32,430	38,070	42,300	46,060	47,000	
Advance Rate	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.80	\$4.80	\$4.80	\$4.80	\$4.80
Advance Increases	\$0.60							\$0.60					
Payment for Prev Months Milk			1,974	17,766	27,636	31,584	29,610	31,584	27,072	20,304	18,048	4,512	
Back Payments								15,510					
Total Advance (A)	225,600		1,974	17,766	27,636	31,584	29,610	47,094	27,072	20,304	18,048	4,512	
Final Rate	\$0.80	\$0.40	\$0.40										
Final Payment (B)	23,720	11,860	11,860										
Total Milk Income(A+B)	249,320	11,860	13,834	17,766	27,636	31,584	29,610	47,094	27,072	20,304	18,048	4,512	
OTHER INCOME													
Stock: Calves	18,980			2,210			12,870						3,900
Culls	20,025							5,000		5,000	5,000	5,025	
Other Stock	3,600								3,600				
Other Income	300							300					
Other Income													
G.S.T. Recieved	36,528	1,483	1,729	2,497	3,455	3,948	5,310	6,549	3,834	3,163	2,881	1,680	
TOTAL INCOME	328,753	13,343	15,563	22,473	31,091	35,532	47,790	58,943	34,506	28,467	25,929	15,117	

EXPENSES	Total	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May
Wages	28,000	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333
Animal Health	9,000	450	450	2,250	1,800	1,350	1,350	225	225	225	225	225	225
Herd Improvement	9,975					1,995	1,995	1,995	1,995	1,995			
Shed Expenses	2,000	500		500			500			500			
Electricity	5,250	315	368	368	420	525	525	525	525	473	473	368	368
Hay & Silage	6,000							4,000	2,000				
1 Feed & Grazing	21,300	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775
2 Fertilizer	42,396		4,000	2,384		30,012			6,000				
Freight & Sundry, Grassing & Crops													
3 Weed & Insect	1,530	310			420			420			380		
4 Vehicle Expense	11,000	917	917	917	917	917	917	917	917	917	917	917	917
5 R & M	5,500	458	458	458	458	458	458	458	458	458	458	458	458
6 Administration	5,700	475	475	475	475	475	475	475	475	475	475	475	475
Farm Insurance	2,300									2,300			
Rates & Rent	3,600				1,200			1,200					1,200
Other													
Debt Servicing													
Mortgage 1	69,377	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781
Mortgage 2													
Mortgage 3													
H.P.													
Bank O.D. Interest	2,082		158	256	360	325	539	416	292	-13	-33	-81	-136
Stock Purchases	4,800			4,800									
Capital Purchases	1,000							1,000					
G.S.T. on Purchases	16,419	650	1,055	1,741	933	4,688	999	1,624	1,796	1,140	588	527	677
Drawings	20,000	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667
Life & Med Insurance	5,000	417	417	417	417	417	417	417	417	417	417	417	417
Tax & ACC	20,000		3,333				3,333			10,000	3,334		
G.S.T. Paid/Refund	20,109							10,055					10,055
<b>TOTAL INCOME</b>	<b>328,753</b>		<b>13,343</b>	<b>15,563</b>	<b>22,473</b>	<b>31,091</b>	<b>35,532</b>	<b>47,790</b>	<b>58,943</b>	<b>34,506</b>	<b>28,467</b>	<b>25,929</b>	<b>15,117</b>
<b>TOTAL EXPENSES</b>	<b>312,338</b>	<b>16,048</b>	<b>23,187</b>	<b>26,121</b>	<b>18,956</b>	<b>52,719</b>	<b>23,064</b>	<b>35,282</b>	<b>26,657</b>	<b>30,442</b>	<b>18,789</b>	<b>14,862</b>	<b>26,212</b>
<b>SURPLUS/DEFICIT</b>	<b>16,415</b>	<b>-16,048</b>	<b>-9,845</b>	<b>-10,558</b>	<b>3,517</b>	<b>-21,628</b>	<b>12,468</b>	<b>12,508</b>	<b>32,287</b>	<b>4,064</b>	<b>9,678</b>	<b>11,067</b>	<b>-11,095</b>
<b>END OF MONTH BALANCE</b>		<b>-16,048</b>	<b>-25,893</b>	<b>-36,451</b>	<b>-32,934</b>	<b>-54,562</b>	<b>-42,094</b>	<b>-29,587</b>	<b>2,700</b>	<b>6,764</b>	<b>16,442</b>	<b>27,510</b>	<b>16,415</b>
<b>OPENING BALANCE</b>													
O.D. Int Rate = 12%      Surplus/Deficit = 16,415      Closing Bal= 16,415													

Budget Prepared For:
RG TAYLOR
Address RD 2 PAPAROA
With: Chris Glassey, FarmWise Consultant 12 Butler Place Whangarei Phone 09-4350662
<b>Proposal</b> To Borrow 1) \$ 2) For PURCHASE AND DEVELOPMENT OF ADJACENT 60 HA FOR DAIRYING

Cash Flow Analysis	
Opening Balance	
Closing Balance	\$16,415
Minimum Balance	-\$54,562
Maximum Balance	\$27,510
Average Balance	-\$13,976

Budget Analysis	Totals	\$/Kg MF	% of G.I.
(GST Excl)			
Gross Income G.I.	292,225	\$6.22	100%
Farm Working	153,551	\$3.27	53%
Debt Servicing	71,459	\$1.52	24%
Other Expenses	5,800	\$0.12	2%
Tax & ACC	20,000	\$0.43	7%
Drawings & L. Ins	25,000	\$0.53	9%
Total Expenses	275,810	\$5.87	94%
Budget Surplus	16,415	\$0.35	6%
Payout Used	Advance	\$4.80	to June
	Final	\$0.80	Jul-Sept
	Total	\$5.60	
Production this year (kg milkfat)			47,000
Production last year (kg milkfat)			29,650

**BUDGET FOR DAIRY UNIT EXPANSION 1992/93**

**FINANCIAL YEAR 1ST JUNE TO 31ST MAY**

90 hectares + 60 hectares = 150 hectares.

315 cows.

50 replacement.

2.10 cows per hectare.

47 000 kg M.F.

Employ 1 married person.

**Income:**

Final M.F. 29 650 kg @ .80c	\$ 23 720.00
Advance M.F. 47 000 kg @ 4.20	\$197 400.00
Increase in M.F. (February) @ .60c	\$ 28 200.00
 Cull Cows 45 @ \$445.00	 \$ 20 025.00
1. Bobby Calves 72 @ \$ 65.00	\$ 4 680.00
1. Bobby Calves (Local Sale) 143 @ \$100.00	\$ 14 300.00
 Bulls 6 @ \$600.00	 \$ 3 600.00
Rebates	\$ 300.00
Interest	\$NIL
GST Received	<u>\$ 36 528.00</u>
	<u><b>\$328 753.00</b></u>
 <b>SURPLUS</b>	 <b>\$ 16 415.00</b>

Note: 1. = See Monthly Cash Flow Budget Sheet - Page 16.

**Expenses:**

Wages -	1 labour unit and casual at December	\$ 28 000.00
Animal Health		\$ 9 000.00
Herd Improvement -	Artificial Breeding Herd Testing	
	Weighting replacements	\$ 9 975.00
Cowshed -	Detergents, rubberware, Repairs & Maintenance	\$ 2 000.00
Electricity		\$ 5 250.00
Hay -	3000 bales of hay	\$ 6 000.00
1. Meal -	10 ton calves after weaning + calves below target weight	\$ 5 700.00
1. Grazing -	50 yearlings @ \$6 per week	\$ 15 600.00
2. Fertiliser -	90 hectares 625 kg per hectare 56 ton 30% @ \$325.00	\$ 18 200.00
2.	60 hectares 625 kg per hectare 37.5 ton 15% @ \$315.00	\$ 11 812.00
2. Lime -	90 hectares	\$NIL
2.	60 hectares 2 500 kg per hectare 150 ton @ \$40.00	\$ 6 000.00
2. Urea -	150 hectares 80 kg per hectare 12 ton @ \$532.00	\$ 6 384.00
3. Weeds -	24D 60 litres @ \$10.5	\$ 630.00
3. Pests -	Cricket Bait - wheat - melathon	\$ 900.00
Freight		
Grassing		
4. Car		\$ 2 000.00
4. Tractor machinery, extra work, fencing and water supply		\$ 7 000.00
4. Trike -	1 new labour unit	\$ 2 000.00
5. Water Supply -	Repairs & Maintenance	\$ 1 000.00
5. Metal Fencing -	Repairs & Maintenance (not new block)	\$ 4 500.00
5. Drainage		\$NIL
6. Accountant		\$ 3 000.00
6. Adviser		\$ 1 000.00
6. Phone		\$ 1 000.00
6. Legal		\$NIL
6. General -	Stamps, paper, radio, F.F., R.D.	\$ 700.00
Farm Insurance		\$ 2 300.00
Rates		\$ 3 600.00
Mortgage -	\$538 000 @ 10% for 15 years	\$ 69 377.00
Bank Over Draft -	\$54 562 limit @ 12%	\$ 2 082.00
Stock Purchases -	6 @ \$800.00	\$ 4 800.00
Capital Purchase		\$ 1 000.00
GST on Purchases		\$ 16 419.00
Drawings		\$ 20 000.00
Life Insurance		\$ 5 000.00
Tax and ACC		\$ 20 000.00
GST Paid		\$ 20 109.00
		<b><u>\$312 338.00</u></b>

Note: 1. 2. 3. 4. 5. 6. = See Monthly Cash Flow Budget - Page 17.

**DAIRY UNIT EXPANSION**

**Capital Costs:**

**Land -**

60 hectares @ 4166 per hectare **\$250,000**

**250,000**

**Cows -**

91/92 Season:

Cows milked	200
Cows culled	<u>-30</u>
	170
Losses	<u>- 5</u>
To Winter	165
In calve rising 2 year olds	<u>50</u>
	<b>215</b>

92/93 Season:

Required to milk	315
Losses during calving	<u>-10</u>
	325
Cows on hand	<u>215</u>
Cows required	<b>110</b>

110 cows with Breeding Index 126 + due to calve from 27th July.

In calve to Livestock Improvement Sires @ \$800 **\$88,000**

**88,000**



**DEVELOPMENT COSTS:**

**New Cowshed:**

35 aside Herringbone

Building \$1535 per set of cups	\$ 53725	See back pages for prices.
Milking Plant \$1470 per set of cups	\$ 51450	
New water tank 27282 litre	\$ 2500	
Cost of removal of old shed and site levelling.		
Increasing size of effluent pools etc	<u>\$ 16025</u>	
	<u><b>\$123700</b></u>	

Note: Electric power on site  
Tanker track will be reused

**Calf House Alteration:**

To house 70 calves from its present size of 50 calves. **\$ 2500**

**Capital Fertiliser:**

60 hectare block  
475 kg/hectare 15% super  
28.5 ton @ \$315 **\$ 8977**

**Race Metal:**

1200 meters of new race  
a cubic meter of metal to a meter in length  
1200 cubic meters of metal @ \$13  
Grader 10 hours @ \$75 = \$750  
**\$ 16350**

**Culverts & Drain:**

Culverts 10 @ 5.46 meters wide  
10 x 6 pipes = 60 @ 375 x 910 @ \$38 = \$2280  
Digger - 25 hours @ \$75 per hour = \$1875  
**\$ 4155**

**Water Supply:**

1 tank 22730 litres + carriage 40 kilos	2380
32 troughs 727 litres @ \$160	5120
33 20 mil ballcocks and floats @ \$23.05	760.65
33 20 mil male bends @ \$5.08	191.40
1 25 mil check valve	23.75
2 25 mil male straight coupling @ \$4.20	8.40
32 25 mil to 20 mil reducer @ \$5.25	168.00

**Main Line From Pump:**

2900 meters - 40 mil @ 1.34 per meter	3886
1000 meters - 25 mil @ 0.89	890
100 meters - 20 mil @ 0.77	77
18 40 mil to 25 mil reducing tees @ \$19.85	357.30
1 40 mil to 25 mil reducer to tank	19.95
Chain digger - 14 hours @ \$60.00	<u>840.00</u>

**\$14722.45**

---

Metal around troughs	<b><u>\$ 3572</u></b>
----------------------	-----------------------

**Fencing:**

**3 Wire Electric:**

84 strainers No.2 x 2.7 meters @ \$24.70	2074.80
84 slays No.2 2.4 meters @ 8.17	686.28
2000 No.2 1/4 round posts @ 3.65	7300.00
Wire: total length 32000 meters x 3 wires = 96000 meters = 648 meters per coil = 148 coils @ \$56 per coil	8288.00
Insulation 260 end @ 40 each	104.00
6000 post insulators @ .29 each	1740.00
Cable: 400 meters	300.00
Connection: 110 @ .74 each	<u>81.40</u>

**\$20524.48**

**194500**

## **PROPOSED PURCHASE - 90 HECTARE RUN-OFF**

### **Type of Farm:**

This property is farmed in conjunction with a beef farm situated 6km away.

This unit if purchased will be utilised mainly as a runoff to the dairy unit with younger cattle being the main animals.

### **Contour:**

This farm is described as being mainly easy to strongly rolling with some steeper hill sidings. The majority of the farm could be top dressed by ground spreader, however the balance would have to be sown by air. An airstrip is located on a neighbouring property, facing the farm in question.

### **Aspect:**

Approximately 60% of this property has a north and north easterly aspect with approximately 40% south and south easterly aspect. The farm is moderately well sheltered from the prevailing south westerly wind by the contour and aspect.

---

### **Rainfall:**

1200 to 1500mm per annum, not particularly well dispersed with a summer dry spell normal.

### **Soils:**

49 hectares approximately of Tanoa clay loam, a medium fertility grey brown clay on a yellow brown clay subsoil. This soil is derived from sandstone and has an almost identical classification to that of Waitotira clay loam.

41 hectares approximately of Aponga clay, a medium to low fertility grey clay on a grey flecked brown clay subsoil.

Overall the property can be regarded as having a reasonable balance of soil, capable of good production with top dressing.

### **Pastures:**

The effective area of this property is assessed as being 85 hectares comprising above average pastures for a runoff property with surrounds of mainly rye grass and clover.

The annual top dressing for this property has been a maximum of 375kg per hectare of phosphate fertiliser every second or third year. The lime application has been 2500 kg per hectare every four years or so.

PH	Phosphorus	Potassium	Sulphur	Calcium	Magnesium
	P	K	(S)		
5.5	18	5	4	7	11

Soil tests taken 1 month ago shows that a capital dressing of 2500kg per hectare of lime would be needed and an annual budgeted dressing of 500kg of 15% per hectare each year would be adequate to improve this property.

With the exception of very small and scattered areas of blackberry the property can be regarded as being free of noxious weeds.

### **Stock and Production:**

This property is farmed in conjunction with a beef farm with 2 year and older cattle. Accurate stocking figures are not available for this unit with the policy of set stocking of cattle and selling them on a higher per kilo return of meat rather than grass on hand.

With the purchase of this property it is proposed to graze all replacement dairy stock and 40 nurse cows each with two calves. The stocking rate will vary depending on the time of year.

---

**Winter:** 70 rising 1 year dairy replacement.  
70 rising 2 year in calve dairy replacement.  
40 nurse cows.  
Plus extra cows from dairy unit.

**Spring:** 70 rising 1 year dairy replacement.  
70 rising 2 year dairy replacement.  
40 nurse cows.  
80 beef calves.

The Autumn stock management is to sell all beef calves and empty nurse cows.

The grass is built up for extra cows to come on from the dairy herd for wintering.

The Spring surplus is made into hay to be sent back to the dairy unit for use in the wintering barns.

### **Fencing and Subdivision:**

The block is fenced on its half share boundaries and subdivided into 12 main paddocks.

Fences need repairs to bring them up to standard for younger cattle. It has been budgeted that all fences will have an electric wire put on them to assist with stock management.

### **Water Supply:**

The present system is run down and inadequate for younger cattle. It is budgeted that a trough is put in each paddock and the main line renewed. The existing pump would be adequate for the new system.

### **Cattle Yards:**

These are adequate for what is required but repairs will be needed to bring them up to standard.

### **House:**

This is a Keith Hay home shifted to the property about 1954. It has a fibroplank exterior walls, concrete foundation, timber floor, galvanised corrugated steel roof, gibraltar board and pinex tile ceiling linings.

The floor area of 106 m<sup>2</sup> (1150 sqft) with 3 bedrooms, lounge, dining - kitchen, laundry, bathroom and toilet.

---

A carport is on the south side of the house, the dwelling appeared to be in sound structural condition, generally well maintained.

This house will not be rented out as the money required for rent would not cover repairs and maintenance.

### **Buildings:**

A 4 bay hay barn constructed of galvanised steel walls and roof over a steel frame, metal floor, providing storage for approximately 1500 bales of hay. The floor area of this building is 75 m<sup>2</sup> (800 sqft).

Runoff.

90 hectares

12 main paddocks

4 paddocks around yards

- Pump
- Swamp
- Dam
- yards
- House
- Shed

main Road



**RUN-OFF PURCHASE - STOCK UNITS**

**1st December 1992:**

Dairy unit	234 cows @ 8 units per animal	1872
Run-off	40 cows @ 8 units per animal	320
	90 beef calves @ 3 units per animal	270
	70 dairy replacement calves @ 3 units per animal	210
	70 rising 2 yr old dairy replacements @ 5 stock units per animal	<u>350</u>
		<b>3022</b>

**1st June 1992:**

Dairy unit	174 cows @ 8 units per animal	1392
Run-off	40 cows @ 8 units per animal	320
	70 rising 2 yr old dairy replacements @ 7 units per animal	490
	70 rising 1 yr old dairy replacements @ 4 units per animal	<u>280</u>
		<b>2482</b>

**Stock Units Per Hectare To Winter:**

Dairy Unit 90 hectares = 1392 = 15.4

Run-Off 90 hectares = 1090 = 12

**Total 180 hectares = 2482 = 13.7**

CATTLE RECONCILIATION											
Stock Class	Opening	Births	Purch's	\$/Head	Value \$\$	Sales	\$/Head	Value \$\$	Deaths	Closing	
M A Cows	224					45	445	20,025	4	224	
R2yr Heifers	50								1	50	
R1yr Heifers	50									70	
Heifer Calves		123				53	154	8,162			
Bull Calves		124				124	266	32,984			
R 1 Yr Bulls & Steers											Check
R 2 Yr Bulls & Steers			4	1,200	4,800	4	800	3,200			Balance
Other Cattle											
Totals	324	247	4	1,200	4,800	226	1,665	64,371	5	344	Okay

MILK INCOME	Totals	Jun-92	Jul-92	Aug-92	Sep-92	Oct-92	Nov-92	Dec-92	Jan-93	Feb-93	Mar-93	Apr-93	May-93
Milkfat Last Season	29,650	Percentage of Dairy Cheque Received = 100%											
Milkfat Last Season (nr %)	100		1	9	14	16	15	14	12	9	8	2	
Milkfat this Season	35,100		351	3,159	4,914	5,616	5,265	4,914	4,212	3,159	2,808	702	
Milkfat Prev Month				351	3,159	4,914	5,616	5,265	4,914	4,212	3,159	2,808	702
Milkfat Year to Date				351	3,510	8,424	14,040	19,305	24,219	28,431	31,590	34,396	35,100
Advance Rate	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.80	\$4.80	\$4.80	\$4.80
Advance Increases	\$0.60									\$0.60			
Payment for Prev Months Milk				1,474	13,268	20,639	23,587	22,113	20,639	20,218	15,163	13,478	3,370
Back Payments										14,531			
Total Advance (A)	168,480			1,474	13,268	20,639	23,587	22,113	20,639	34,749	15,163	13,478	3,370
Final Rate	\$0.80		\$0.40	\$0.40									
Final Payment (B)	23,720		11,860	11,860									
Total Milk Income (A+B)	192,200		11,860	13,334	13,268	20,639	23,587	22,113	20,639	34,749	15,163	13,478	3,370
OTHER INCOME													
Stock Calves	41,146				1,480			12,000			24,600		3,066
Culls	20,025								5,000		5,000	5,225	4,800
Other Stock	3,200									3,200			
Other Income	300								300				
Other Income													
G.S.T. Recieved	32,109		1,483	1,667	1,843	2,580	2,948	4,264	3,242	4,744	5,595	2,338	1,404
TOTAL INCOME	288,980		13,343	15,001	16,591	23,219	26,536	38,377	29,181	42,693	50,359	21,041	12,640



EXPENSES	Total	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May
Wages	18,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Animal Health	7,300	365	365	1,825	1,460	1,095	1,095	183	183	183	183	183	183
Herd Improvement	7,780					1,556	1,556	1,556	1,556	1,556			
Shed Expenses	4,100	1,500		800		800				800		200	
Electricity	3,700	222	259	259	296	370	370	370	370	333	333	259	259
Hay & Silage	5,000							4,000	1,000				
Feed & Grazing	3,800				1,900	1,900							
Fertilizer	41,740		2,000	1,990		32,510				5,240			
Freight & Sundry													
Grassing & Crops													
Weed & Insect	2,240	510			620			520			590		
Vehicle Expense	9,500	792	792	792	792	792	792	792	792	792	792	792	792
R & M	10,000	833	833	833	833	833	833	833	833	833	833	833	833
Administration	6,200	517	517	517	517	517	517	517	517	517	517	517	517
Farm Insurance	2,500									2,500			
Rates & Rent	3,400				1,133			1,133					1,133
Other													
Debt Servicing													
Mortgage 1	53,386	4,449	4,449	4,449	4,449	4,449	4,449	4,449	4,449	4,449	4,449	4,449	4,449
Mortgage 2													
Mortgage 3													
H.P.													
Bank O.D. Interest	2,145		132	167	231	232	524	446	361	214	118	-115	-164
Stock Purchases	4,800			4,800									
Capital Purchases								1,000					
G.S.T. on Purchases	14,132	592	596	1,477	944	4,947	745	1,363	656	1,594	406	348	465
Drawings	20,000	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667
Life & Med Insurance	5,000	417	417	417	417	417	417	417	417	417	417	417	417
Tax & ACC	20,400		3,333				3,333			10,400	3,334		
G.S.T. Paid/Refund	17,977							8,988					8,988
<b>TOTAL INCOME</b>	<b>288,980</b>		<b>13,343</b>	<b>15,001</b>	<b>16,591</b>	<b>23,219</b>	<b>26,536</b>	<b>38,377</b>	<b>29,181</b>	<b>42,693</b>	<b>50,359</b>	<b>21,041</b>	<b>12,640</b>
<b>TOTAL EXPENSES</b>	<b>263,100</b>	<b>13,363</b>	<b>16,859</b>	<b>21,491</b>	<b>16,757</b>	<b>52,784</b>	<b>18,598</b>	<b>29,732</b>	<b>14,299</b>	<b>32,993</b>	<b>15,137</b>	<b>11,048</b>	<b>21,037</b>
<b>SURPLUS/DEFICIT</b>	<b>25,880</b>	<b>-13,363</b>	<b>-3,516</b>	<b>-6,490</b>	<b>-166</b>	<b>-29,565</b>	<b>7,938</b>	<b>8,645</b>	<b>14,882</b>	<b>9,699</b>	<b>35,221</b>	<b>9,993</b>	<b>-8,397</b>
<b>END OF MONTH BALANCE</b>		<b>-13,363</b>	<b>-16,879</b>	<b>-23,370</b>	<b>-23,536</b>	<b>-53,101</b>	<b>-45,163</b>	<b>-36,518</b>	<b>-21,636</b>	<b>-11,937</b>	<b>23,285</b>	<b>33,278</b>	<b>24,881</b>
<b>OPENING BALANCE</b>													
O.D. Int Rate = 12%      Surplus/Deficit = 25,880      Closing Bal= 25,880													

Budget Prepared For:
RG TAYLOR
Address: RD 2 PAPAROA
With: Chris Glassey FarmWise Consultant 12 Butler Place Whangarei Phone 09-4350662
<b>Proposal</b> To Borrow 1) \$ 2) For: Dairy Expansion PURCHASE OF RUN-OFF

Cash Flow Analysis	
Opening Balance	
Closing Balance	\$25,880
Minimum Balance	-\$53,101
Maximum Balance	\$33,278
Average Balance	-\$13,672

Budget Analysis	Totals	\$/Kg MF	% of G.I.
(GST Excl)			
Gross Income G.I.	256,871	\$7.32	100%
Farm Working	125,260	\$3.57	49%
Debt Servicing	55,531	\$1.58	22%
Other Expenses	4,800	\$0.14	2%
Tax & ACC	20,400	\$0.58	8%
Drawings & L. Ins	25,000	\$0.71	10%
Total Expenses	230,991	\$6.58	90%
Budget Surplus	25,880	\$0.74	10%
Payout Used	Advance	\$4.80	to June
	Final	\$0.80	Jul-Sept
	Total	\$5.60	
Production this year (kg milkfat)			35,100
Production last year (kg milkfat)			29,650

**BUDGET FOR RUN-OFF PURCHASE - 1992/93**

**FINANCIAL YEAR 1ST JUNE TO 31ST MAY**

90 hectare Dairy Unit plus 90 hectare run-off.

Dairy Unit    234 milking cows  
                  2.6 cow/hectare 35 100 kg  
                  390 kg/hectare

Employ single person.

**Income:**

Final M.F. 29 650 kg @ .80c	\$ 23 720.00
Advance M.F. 35 100 kg @ \$4.20	\$127 420.00
Increase in advance M.F. February @ .60c	\$ 21 060.00
 Cull Cows 45 @ \$445.00	 \$ 20 025.00
1. Bobby Calves 33 @ \$65.00	\$ 2 145.00
1. Bobby Calves (Local sale) 54 @ \$80.00	\$ 4 320.00
35 Friesian Bull Calves @ \$420.00	\$ 14 700.00
35 Hereford Steer Calves @ \$400.00	\$ 14 000.00
20 Hereford Heifer Calves @ \$299.00	\$ 4 980.00
4 Bulls @ \$800.00	\$ 3 200.00
Rebates	\$ 300.00
Interest	\$ NIL
GST Received	\$ <u>32 109.00</u>
	<b><u>\$288 980.00</u></b>
 <b>SURPLUS</b>	 <b>\$ 25 880.00</b>

Note: 1. = See Monthly Cash Flow Budget Sheet - Page 29.

**Expenses:**

Wages -	1 single person	\$ 18 000.00
Animal Health		\$ 7 300.00
Herd Improvement -	Artificial Breeding	
	HerdTesting	
	Weighting replacements	\$ 7 780.00
Cowshed -	Detergents, rubberware, R & M	\$ 4 100.00
Electrical		\$ 3 700.00
Hay -	2 000 bales @ \$2.50	\$ 5 000.00
Meal -	6.5 ton calves after weaning + calves below target weight	\$ 3 800.00
1. Fertiliser -	Dairy unit 625 kg/hectare	
	56 ton 30% @ \$325.00	\$ 18 200.00
1.	Runoff - 500 kg/hectare	
	45 ton 15% \$318.00	\$ 14 310.00
1. Lime -	Dairy unit 625 kg/hectare	
	56 ton @ \$40.00	\$ 2 240.00
1.	Runoff - 2 500 kg/hectare	
	on 30 hectare 75 ton @ \$40.00	\$ 3 000.00
1. Urea -	80 kg/hectare 7.5 ton @ \$532.00	\$ 3 990.00
5. Weeds -	Dairy 24D 40 litres @ 10.5	
	Blackberry \$200.00	\$ 620.00
	Runoff 24D 40 litres @ 10.5	
	Blackberry \$300.00	\$ 720.00
5. Pests -	Cricket bait - wheat - melathon	\$ 900.00
Freight - Grassing		
2. Car -	Petrol and Repairs & Maintenance	\$ 2 000.00
2. Truck		\$ 2 000.00
2. Tractor and Machinery		\$ 3 500.00
2. Bike -	1 single Person	\$ 2 000.00
3. Water Supply -	Dairy unit	\$ 1 500.00
3. Building R & M -	Dairy unit	\$ 2 000.00
3. Metal and Fencing		\$ 6 500.00
3. Drainage		\$NIL
4. Phone		\$ 1 000.00
4. Legal		\$NIL
4. Accountant		\$ 3 500.00
4. Advisor		\$ 1 000.00
4. General -	Stamps, paper, radio, F.F, R.D.	\$ 700.00
Farm Insurance		\$ 2 500.00
Rates		\$ 3 400.00
Mortgage		\$ 53 386.00
Bank Overdraft	@ 12% \$53 101.00 in October	\$ 2 145.00
Stock Purchase -	4 Bulls @ \$1 200.00	\$ 4 800.00
GST on Purchase		\$ 14 132.00
Personal Drawings		\$ 20 000.00
Life Insurance		\$ 5 000.00
Tax and ACC		\$ 20 400.00
GST Paid		\$ 17 977.00
		<b><u>\$263 100.00</u></b>

Note: 1. 2. 3. 4. 5. = See Monthly Cash Flow Budget - Page 30.

**RUN-OFF PURCHASE - CAPITAL COSTS**

**Land:**

90 hectare @ \$1 136.00 per hectare **\$250 000.00**

**250,000.00**

**Cows:**

91/92 Season

Cows milked	200
Cows culled	<u>-30</u>
	170
Losses	<u>-5</u>
	165
In calve rising 2 year olds	<u>50</u>
	<b><u>215</u></b>

92/93 Season

Required to milk	234
Losses during calving	<u>+12</u>
	246
Cows on hand	<u>215</u>
Cows required	<b><u>31</u></b>

31 cows with BI 126+ due to calve from  
27th July. In calve to Livestock  
Improvement sires.

@ \$800.00 **\$ 24 800.00**

40 nurse cows in calve to beef  
bulls due to calve from 27th  
July.

@ \$675.00 **\$ 27 000.00**

**51800.00**

**Development Costs:** (See back pages for prices)

<b>Fencing</b>	500 posts No2 1/4 round @ \$3.65	\$ 1 825.00
	1000 battens @ .85	\$ 850.00
	20 strainers No2 x 2.7 meters @ \$24.70	\$ 494.00
	20 stays No2 x 2.4 meters @ \$8.17	\$ 163.40
	30 coil 12 1/2 gauge wire @ \$56.00 each	\$ 1 680.00
	1 box post staples	\$ 90.00
	1 box batten staples	\$ 86.00
	5 pipe gates @ \$78.00	\$ 390.00
	10 hinges @ \$8.35	\$ 83.50
	1 electric fence unit + earth pegs	\$ 731.00
	Post insulation 900 @ .29	\$ 261.00
	End insulation 65 @ .40	\$ 26.00
	Cable 150 meters	\$ 112.50
	Jointers 50 @ .74	\$ 37.00
		<b><u>\$ 6829.40</u></b>
<b>Yards</b>	400 meters of metal for yards @ \$13.00	\$ 5 200.00
	100 meters 150 x 50 rails @ \$5.70	\$ 570.00
	3 yards poles 3 meters long @ \$26.00	\$ 78.00
	50 meters 150 x 27 gates @ \$2.10	\$ 105.00
	6 hinges @ \$8.20	\$ 49.20
	50 bolts 150 x 10 @ \$2.40	\$ 120.00
	1 bag cement	\$ 25.00
		<b><u>\$ 6 147.20</u></b>
<b>Roads</b>	1 000 meters of metal for roads @ \$13.00	\$ 1 300.00
	Grader 8 hours @ \$75.00	\$ 600.00
		<b><u>\$ 1 900.00</u></b>
<b>Drains</b>	Digger 5 hours @ \$75.00	<b><u>\$ 375.00</u></b>
<b>Dam</b>	Digger 2 hours @ \$75.00	<b><u>\$ 150.00</u></b>
<b>Water Supply</b>	13 trough 727 litres @ \$160.00	\$ 2 080.00
	13 20 mill ballcock and floats @ \$23.05	\$ 299.65
	13 20 mill male bends @ \$5.08	\$ 66.04
	13 25 mill to 20 mill reduces @ \$5.25	\$ 68.25
	1 500 meters of 25 mill pipe @ 0.89 per meter	\$ 1 335.00
	100 meter of 20 mill pipe @ 0.77 per meter	\$ 77.00
	Chain Digger 8 hours @ \$70.00	\$ 480.00
		<b><u>\$ 4 405.94</u></b>

	40 calf collars and clips @ \$27.00	\$ <u>1 080.00</u>	
<b>Capital Fertiliser</b>	90 hectares runoff 500 kg/hectare 15% super 45 tons @ \$318.00	\$ <u>14 310.00</u>	
<b>Capital Lime</b>	2.500 kg/hectare 225 ton @ \$40.00	\$ <u>9 000.00</u>	
<b>Cowshed</b>	Alteration 16 cups to 24 cups		
	Building and yard	\$ 16 000.00	
	New milking machine	\$ <u>35 280.00</u>	
		\$ <u>51 280.00</u>	
<b>NOTE:</b>	Will use the same effluent pool, tanker track, and concrete yard.		
<b>Calf House Alteration</b>	To house 70 calves from its present size of 50 calves	\$ <u>2 500.00</u>	
			<u>97976.00</u>
<b>Vehicle</b>	Small 4 wheel drive truck to travel between farms.	\$ <u>10 000.00</u>	
			<u>10,000</u>

**Net Return From 40 Nurse Cows in Kilos of Fat:**

10 cows with 3 calves - 30 cows with 2 calves

These are the average net prices received to last 3 years:

35 Friesian bull calves @ \$420	14700
35 Hereford steer calves @ \$400	14000
20 Hereford heifer calves @ \$299	<u>4980</u>

**33680**

Return from 40 nurse cows	33680
Return from each nurse cow	842
Less \$100 for each calf with 2.25 calves on each cow	<u>225</u>

Net return from each cow: **\$ 617**

@ \$5.60 PER KILO MILK FAT      110 KILOS PER COW

@ \$4.60 PER KILO MILK FAT      137 KILOS PER COW



**The budgeting exercise for Year 1 and Year 2:**

Shows the following:

(Assumptions used \$5.60 per kg milkfat \$4.80 advance + .80 final).

<b><u>YEAR 1</u></b> (Deferred Payment on 29,650 kg only)			
<b><u>Base Position:</u></b>		<b><u>Dairy Expansion</u></b>	<b><u>Run-Off</u></b>
Gross Income per hectare	\$2231	\$1948	\$1427
Farm Working Expenses per hectare	\$1140	\$1024	\$ 696
Nett Farm Surplus per hectare	\$1091	\$ 924	\$ 731
Budget Surplus as % of Gross Income	23%	6%	10%
Debt Servicing as % of Gross Income	0	24%	22%

<b><u>YEAR 2</u></b> (Deferred Payment on Year 1 Production)			
<b><u>Base Position:</u></b>		<b><u>Dairy Expansion</u></b>	<b><u>Run-Off</u></b>
29650 kg		47000 kg	35100 kg
Gross Income per hectare	\$2231	\$2041	\$1451
Farm Working Expenses per hectare	\$1140	\$1024	\$ 696
Nett Farm Surplus per hectare	\$1091	\$1017	\$ 755
Budget Surplus as % of Gross Income	23%	10%	12%
Debt Servicing as % of Gross Income	0	23%	21%

**PURCHASING THE RUN-OFF over EXPANDING THE DIARY UNIT**

**Provides the following Advantages and Disadvantages:**

<b>Advantages:</b>	<b>Disadvantages:</b>
<p>a) <u>Less Borrowing</u> \$124,000</p> <p>Due to:</p> <ol style="list-style-type: none"> <li>1. Lower development costs - cowshed alterations compared with new cowshed.</li> <li>2. Less stock required (\$36,200) at current high dairy stock prices.</li> </ol> <p>b) <u>Improved Cash Flow Year 1</u></p> <ul style="list-style-type: none"> <li>- Due to sale of weaner dairy beef.</li> <li>- Lower debt servicing - more manageable.</li> <li>- Reduced grazing costs.</li> </ul> <p>c) <u>Not Reliant on Outside Grazing of Young Stock</u></p> <p>d) <u>Diversification</u></p> <ul style="list-style-type: none"> <li>- Income not reliant solely on dairy payout.</li> </ul> <p>e) Milking can remain a one person operation.</p> <p>Farm owner can be involved elsewhere.</p>	<p>a)</p> <ul style="list-style-type: none"> <li>- Travel to run-off</li> <li>- Increased labour requirement involved with rearing replacements and dairy beef.</li> <li>- More complex management due to different classes of stock.</li> <li>- Lower earnings per hectare owned.</li> </ul>

Some of the advantage could be attributed to having to pay more per hectare for adjacent dairy land than for buying a run-off.

\$4166 per hectare compared with \$2777 per hectare

Clearly the success of the run-off purchase will depend on:

- 1: Obtaining suitable land at a cheaper price than neighbouring dairy land.
- 2: Keeping the costs of development down.
- 3: Relativity of Beef Prices to Dairy Prices.

Currently high prices for dairy stock would be working in favour of run-off purchase as well.

**WHAT LAND PRICE SHOULD BE PAID - Effect of Milkfat Payout**

**Neighbouring Land For Dairying:**

Assumptions used:

- 1: \$800 per cow purchased.
- 2: Budgeted surplus at 10.5% of Gross Income.
- 3: Expansion of 17,000 kg milkfat.

<b><u>YEAR 2 BUDGETS USED</u></b>				
	Milkfat Payout \$4.50	Milkfat Payout \$5.00	Milkfat Payout \$5.60	Milkfat Payout \$6.00
Maximum debt level to produce 10% surplus.	\$186,000	\$353,000	\$538,000	\$685,000
Price per hectare of bare land.	\$142	\$2642	\$4166	\$8,175
Development costs per hectare. (\$194,500 - 60 hectare)	\$3242	\$3242	\$3242	\$3242
Total costs per hectare purchased.		\$5884	\$7408	\$11,417
Price per kg milkfat:				
Land purchase	0.00	\$ 9.32	\$14.70	\$28.85
Development	\$11.44	\$11.44	\$11.44	\$11.44
TOTAL	\$11.44	\$20.76	\$26.15	\$40.29

## **CONCLUSIONS:**

Assuming a "Stable" price for milkfat at \$5.60 per kg then it would appear that the price per hectare for extra land to be purchased should be no greater than \$4,170 per hectare for dairy expansion and \$2,800 per hectare for the run-off.

These prices would carry a higher risk factor if milkfat payout were to drop to \$5.00 per kilogram on expansion of the dairy unit.

Budgeted debt servicing would increase to more than 25% of Gross Income at \$5.00 per kg payout levels.

The exercise illustrates the high cost of land purchase for dairy farming relative to the returns even at the current improved payout levels.

This indicates that before any expansion is considered the base unit should ideally be debt free, with reserve building up.

When looking at each option and making the decision to expand, one has to access the availability of land and the prospect of a rise in milkfat and beef prices.

Currently today land prices are on the rise, with beef prices falling and dairy prices easing back from a predicted high.

This would indicate a time for building reserves and waiting for a suitable climate before making the move to expand.

# QUOTATION

DATE.....

20

FROM.....

FOR THE ATTENTION OF R. TAYLOR

THANK YOU FOR YOUR ENQUIRY FOR WHICH WE HAVE PLEASURE IN SUBMITTING THE FOLLOWING QUOTATION:

42 ASIDE COW SHED COSTING.		
LABOUR FOR BUILDING	16,000	-
CONCRETE (APPROX 100 SQ M)	15,000	-
ROOFING IRON	7,500	-
BLOCK WORK INC LABOUR	4,800	-
ELECTRICAL WORKS	5,000	-
PIPES & DRAINAGE SYSTEM FOR WASHLET DRAINS YARDS ETC	5,000	-
STEEL WORKS INC PANEL WALLS, TANKS, PORTALS ETC.	36,000	-
- APPROX 2000 <sup>00</sup> PER SET OF CURBS TO BUILD		
" 1500 <sup>00</sup> " " " FOR MACHINERY		
- NOTHING ALLOWED FOR EXCAVATION *	\$61400.00	
- SORT - NO PLANS - MATHE D. BRCCA WOULD		
DOO HIS. NOIF THIS HELPS		
CHANGS RAJUAL		
THIS QUOTE REMAINS VALID FOR ..... DAYS FROM THE DATE OF ISSUE AFTER WHICH A REVISED QUOTE MAY BE NECESSARY	<b>TOTAL</b>	
	<b>PLUS G.S.T.</b>	
Signed.....	<b>TOTAL INCLUDING G.S.T.</b>	

# ADRIAN REDDY CONCRETE LTD

## PIPE PRICE LIST

### Plumbers and Drainlayers Supplies:

PO BOX 17 KAIWAKA - PHONE . (09) 431 2211

MATAKANA CONCRETE BRANCH - PHONE (09) 422 7268

1 July 1991 . All previous price lists are cancelled. This price list is subject to alteration without notice. All prices quoted are ex-factory.

GST INCL.

### PIPES: RUBBER RING JOINT PIPES - RCDRJ Class S & X

INSIDE DIAMETER	LENGTH PER PIPE	KGS PER METRE	PRICE PER METRE	PRICE PER PIPE	RUBBER RINGS
225mm - 9"	2 Metres	54	\$22.45	\$ 44.90	\$ 4.11
300mm - 12"	2 Metres	80	\$34.20	\$ 68.40	\$ 7.13
375mm - 15"	2 Metres	120	\$50.25	\$100.50	\$ 8.78
450mm - 18"	2 Metres	155	\$65.20	\$130.40	\$10.42
500mm - 20"	2 Metres	190	\$78.00	\$156.00	\$12.35
600mm - 24"	2 Metres	210	\$94.05	\$188.10	\$14.82
900mm	2 Metres	566	\$200.00	\$400.00	\$31.30

### PIPES: ROTOPRESS VEE JOINTED

INSIDE DIAMETER	LENGTH PER PIPE	KGS PER PIPE	PRICE PER PIPE
150mm - 6"	910mm - 3'	36	\$15.00
225mm - 9"	910mm - 3'	56	\$19.00
300mm - 12"	910mm - 3'	76	\$27.00
375mm - 15"	910mm - 3'	108	\$38.00
450mm - 18"	910mm - 3'	153	\$50.00
600mm - 24"	910mm - 3'	305	\$72.00

### PIPES: REINFORCED - FLUSH ENDS

<u>Inside Diameter</u>	<u>Length</u>		
910mm - 3'	910mm - 3'	650	\$155.00
1.2 M - 4'	1.2 M - 4'	1.500	\$290.00
1.8 M - 6'	1.2 M - 4'	1.800	\$460.00

### CHANNEL PIPES:

<u>Diameter</u>	<u>Length</u>	
150mm - 6" x 760mm	2'6"	\$10.00 each
225mm - 9" x 910mm	3'	\$12.00 each

The KGS listed above are approximate only.

# ADRIAN REDDY CONCRETE LTD

P O BOX 17 KAIWAKA PHONE (09)431 2211

MATAKANA CONCRETE BRANCH PHONE (09) 422 7268

Plumbers and Drainlayers Supplies:

## TROUGH PRICE LIST

1st March 1992

All previous lists are cancelled. This price list is subject to alteration without notice. All prices quoted are ex factory.

TROUGHS:		GST INC.		APPROX.	APPROX.	APPROX.
LITRES	GALLONS	PRICE		OUTSIDE DIA.	OUTSIDE DEPTH	WEIGHT
7	1.5 Bowl	\$10.00		400mm-1'3 1/2"	125mm-5"	19 Kg
35	8 Deer	\$40.00		500mm-1'8"	300mm-12"	60 Kg
70	16 Deer	\$60.00		670mm-2'2 1/2"	300mm-12"	100 Kg
265	45 Sh/Ct	\$90.00		930mm-3'0 1/2"	460mm-18"	200 Kg
310	55	\$100.00		1090mm-3'7"	330mm-13 1/2"	225 Kg
364	80 Sh/Ct	\$110.00		1090mm-3'7"	510mm-20"	250 Kg
455	100 Sh	\$120.00		1370mm-4'6"	430mm-17"	400 Kg
455	100 Ct	\$120.00		1200mm-4'0"	520mm-20 1/2"	400 Kg
546	120 Ct	\$140.00		1200mm-4'00"	615mm-24"	420 Kg
727	160 Sh/Ct	\$160.00		1510mm-4'11 1/2"	510mm-20"	450 Kg
727	160 Ct	\$160.00		1370mm-4'6"	610mm-24"	450 Kg
910	200 Sh/Ct	\$180.00		1760mm-5'10"	510mm-20"	810 Kg
910	200 Ct	\$180.00		1510mm-4'11 1/2"	610mm-24"	810 Kg
1136	250 Ct	\$200.00		1760mm-5'10"	610mm-24"	860 Kg
1364	300 Ct	\$230.00		1900mm-6'3"	610mm-24"	1120 Kg
1364	300 Sh	\$270.00		2170mm-7'1 1/2"	520mm-20 1/2"	1270 Kg
1818	400 Ct	\$290.00		2170mm-7'1 1/2"	625mm-24 1/2"	1520 Kg
2273	* 500 Sh/Ct	\$390.00		2745mm-9'00"	525mm-21"	1420 Kg
2370	* 600 Ct	\$420.00		2745mm-9'00"	600mm-24"	1520 Kg
3195	* 700 Ct	\$450.00		2745mm-9'00"	675mm-26 1/2"	1670 Kg
3650	800 Ct	\$480.00		2745mm-9'00"	750mm-29 1/2"	1830 Kg
<u>Oblong Troughs:</u>		PRICE	DEPTH	WIDTH	LENGTH	WEIGHT
364	80 Gal	\$120.00	600mm-24"	700MM-27 1/2"	1830mm-8'	350 Kg
545	129 Gal	\$160.00	450mm-18"	700MM-27 1/2"	2870mm-9'8"	450 Kg
<u>Pig Troughs</u>		\$35.00		255mm-9"	900mm-3'	
		\$55.00		300mm-12"	1800mm-6'	

\* TROUGHS WILL BE MADE WHEN ORDERED

Trough Cartage: Quotations available on full truck loads. Should customers wish to use our specialised equipment for placing troughs in position on their farm, an extra charge of \$60.00 per hour will be made from farm gate. THIS SERVICE MUST BE PRE-ARRANGED WITH OFFICE STAFF.

ALL PRODUCTS ARE GUARANTEED.

# ADRIAN REDDY CONCRETE LTD

## SPECIAL WITH TROUGHS BALLCOCKS AND POLYTHENE PIPE

PLUMBERS AND DRAINLAYERS SUPPLIERS

P O Box 17 KAIWAKA. Phone (09) 431 2211

MATAKANA Concrete Branch Phone (09) 422 7268

1 May 1991. All prices quoted are ex factory.  
All previous price lists are cancelled. This price  
list is subject to alteration without notice.

GST Incl.

Apex Full Flow Ballcocks (made of acetyl) with cord	16.45
Brass Full Flow Ballcocks with cord HMC	20.05
Brass Hi Low Ballcocks with cord	17.75
Philmac style plastic Full Flow with cord	16.55

### FLOATS

100mm (4)	2.45
150mm (6)	3.00

20mm Trough Bends Hansen (plastic)	5.80
20mm Trough Bends Stainless steel	9.45
20mm Cast Bends	8.80

### POLYTHENE PIPE NZ S7601

		Per 100metres	Cut length per metre
15mm Standard	Special	45.60	.53
20mm Standard	77	88.04	1.00
25mm Standard	89	114.19	1.30
32mm Standard	105	138.98	1.60
40mm Standard	134	164.43	1.89
50mm Standard		223.83	2.57



# ADRIAN REDDY CONCRETE LTD

## TANKS

### Plumbers and Drainlayers Supplies:

PO BOX 17 KAIWAKA - Phone (09) 431 2211  
MATAKANA CONCRETE BRANCH - PHONE (09) 422 7268

1 July 1989. All previous price lists are cancelled. This price list is subject to alteration without notice. All prices quoted are ex-factory.

GST INCL.

### PRECAST CONCRETE TANKS:

LITRES	GALLONS	PRICE	WEIGHT	HEIGHT	DIAMETER
2,730	600	\$1000.00	9 cwt	4'00" - 1.2M	6'00" - 1.8M
3,600	800	\$1100.00	15 cwt	4'06" - 1.3M	6'00" - 1.8M
4,500	1000	\$1200.00	1 ton	6'00" - 1.8M	6'00" - 1.8M
6,750	1500	\$1400.00	2 ton	5'00" - 1.5M	8'03" - 2.5M
9,000	2000	\$1650.00	2½ ton	7'00" - 2.1M	8'03" - 2.5M
13,640	3000	\$1850.00	3½ ton	8'00" - 2.4M	9'03" - 2.8M
18,190	4000	\$2100.00	5 ton	7'00" - 2.1M	11'04" - 3.4M
22,730	5000 high	\$2200.00	6½ ton	9'00" - 2.7M	11'04" - 3.4M
22,730	5000 low	\$2200.00	6½ ton	8'00" - 2.4M	12'01" - 3.7M
27,280	6000	\$2400.00	7½ ton	9'04" - 2.8M	12'01" - 3.7M

Other sizes made to order

Pier \$85.00

Header tanks made to order

Flat Top \$85.00

### Delivery Charges:

\$4.50 per Km one way. MINIMUM delivery Charge: \$85.00

Installation Charges: Come into effect AFTER ½ HOUR ON SITE.  
SITE WORK AND INSTALLATION CHARGE RATE IS \$60.00 PER HOUR, which covers ONE MAN AND TRUCK. Approximate time on level site is ½ hour.  
A LEVEL SITE FOR TANK AND ACCESSIBLE BY OUR TRUCK IS REQUIRED FOR SITING TANK. Any hire of vehicle or work required to be done by us to enable tank to be sited is PURCHASERS COST.

Extra Man: (If required) \$26.00 per hour total time.

Tank Fittings: All tanks are made with a 40mm galvanised socket and plug fitted.

Extra Fittings: (To be paid for with tank).

Brass Outlet and Gatevalve fitted to your requirement. All sizes are available. Please state size wanted, otherwise 32mm (1¼") fittings will be used. (Most commonly used size).

Overflow (3") 80mm PVC \$4.50

Shifting Tanks: \$60.00 per hour plus travelling @ \$4.50 per Km.

Hiab Hire: \$60.00 per hour plus travelling @ \$4.50 per Km.

ALL PRODUCTS ARE GUARANTEED.

ADRIAN REDDY CONCRETE LTD

EXTRAS

1 July 1989

GST INCLUDED

Buried Tanks

N.B. Ordinary tanks can be buried to 1.2 Metres

Tanks buried to top of walls:- Extra coat of plaster and extra layer of reinforcing needed.

Price: \$300.00

Completely buried tanks:- Extra coat of plaster and double reinforcing in walls and top with pier.

Price: \$464.00

Pier in tank with flat area on top for header tank. Price: \$110.00

Troughs for header tank is price of trough plus 50% for top with manhole plus trough sockets.

Site Built Tanks

Extra \$420.00 up to 25Km from our yard.

Painted Tanks

Any other colour than white: \$60.00 extra

---

OUTLETS AND GATEVALVES  
(with tanks)

	20 mm	25mm	32mm	40mm	50mm
Brass Outlets	\$ 25.00	\$ 28.00	\$ 30.00	\$ 35.00	\$ 45.00
Brass Gate Valves	\$ 25.00	\$ 27.00	\$ 35.00	\$ 50.00	\$ 60.00
Total Outlet and Gate Valve	\$ 50.00	\$ 55.00	\$ 65.00	\$ 85.00	\$105.00

---

GALVANISED NIPPLES

	20mm	25mm	32mm	40mm	50mm
Price	\$ 1.60	\$ 2.40	\$ 3.00	\$ 3.50	\$ 5.00

GALVANISED REDUCING NIPPLES

	40mm x 20mm	40mm x 25mm	40mm x 32mm
Price	\$ 5.70	\$ 5.70	\$ 5.70

---

NOTES: Overflow 80mm \$4.50



**WALLACE MILKERS LTD**  
MILKING MACHINE & WATER PUMP SPECIALISTS



27th April 1992

Mr R Taylor  
R.D 1  
PAPAROA

Dear Roger

Thank you for the opportunity to submit a Quotation for the supply and installation of a 40 unit swing over Westfalia separator milking plant. Westfalia Separator has many options to offer in plant design and componentry.

For this proposal I have stayed with a conventional design with the receiver mounted in the centre of the plant.

Major components are

<u>Alflex</u>	240 Vac pump
<u>Large</u>	<u>Muffler</u>
<u>10kw</u>	3 phase motor
<u>Main airline</u>	90m P.V.C
<u>Pulsator " "</u>	50m P.V.C
<u>Regulator</u>	Vacurex 5000Ltr Per Min
<u>Pulsators</u>	vacupuls Constant 4 x 1 pulsation
<u>Milk Filter</u>	double 6 x 24
<u>Plate Coolers</u>	<u>M800 x 2</u>
<u>Dairy Heater</u>	300Ltr x 2
<u>Jettors</u>	Vari Flo Nipple type
<u>Clusters</u>	40 sets 4 x 1 claws
<u>Rubberware</u>	shed lot Westfalia rubberware
<u>Milk transfer system</u>	westfalia end unit which includes receiver 22Ltr Sanitary trap complete with safety shut off valve and washing sprinkler 1.1kw Centrifical milk pump-operated on float switch and level controller.




(2)

<u>Milk Lines</u>	3" milk lines 5/8 welded nozzles
<u>droppers</u>	40 sets 4 x 1 droppers complete with links and hooks
<u>Brackets &amp; Clamps</u>	all brackets and clamps-pipe ect to complete installation
<u>Unions</u>	All unions of milk contact to be s/S from milk lines through to plate coolers
<u>Jettor Tub</u>	500Ltr
<u>5hp Davies</u>	washdown pump to be used for yard,cow and Vat washing
<u>Dynaflow XF171</u>	to be used for Water reticulation through plate coolers
<u>o</u>	
<u>50Mtr</u>	40mm washdown hose plus two hose nozzles and fittings for yard washing
<u>Installed price would be</u>	\$58800.00 + G.S.T
<u>Note</u>	No allowance has been made for electrical connections.

This Quote is valid for a period of 60days after which would be subject to any price increases.

Yours faithfully

  
W.B. Jackson  
SALES DIRECTOR  
WALLACE MILKERS LTD