Lincoln University Dairy Farm — Proposed Budget for 2007/08

						Actual 06-07	Difference
		$ 5.50	1,825/ha	294,738	274,965	1,703/ha	19,773
year ending 30 June		2008		2007/08	2006/07		
Income		$		c/kgMS	c/kgMS		
Milk Income	96%	1,621,056		5.50	4.404	1,211,003	
Stock Sales	4%	63,200		0.21	0.34	92,359	
Other Income	1%	8,840		0.03	0.03	8840	
Total Income	**100%**	**1,693,097**		**5.74**	**4.77**	1,312,202	
Stock Purchases		**4,200**				-	
Income Less Stock Purchases		**1,688,897**				1,312,202	

Expenses	$	$/cow	2007/08 c/kgMS	2006/07 c/kgMS	Actual $	$ change in expense	% change in expense
Administration	28,200	42	0.10	0.09	24,093	4,107	17%
Animal Health	38,307	57	0.13	0.14	38,652	- 345	-1%
Breeding Expenses	49,414	73	0.17	0.13	35,933	13,481	38%
Electricity	17,868	26	0.06	0.07	17,980	- 112	-1%
Employment	204,612	302	0.69	0.68	186,791	17,821	10%
Feed & Grazing, & Runoff	175,836	260	0.60	0.84	230,726	- 54,890	-24%
Fertiliser & Lime	78,752	116	0.27	0.25	68,096	10,656	16%
Freight & Cartage	677	1	0.00	0.01	3,056	- 2,379	-78%
Irrigation Costs	72,113	107	0.24	0.19	51,246	20,867	41%
Rates & Insurance	13,914	21	0.05	0.05	13,914	- 1	0%
Regrassing	12,047	18	0.04	0.05	14,689	- 2,642	-18%
Maintenance and Repairs	66,000	98	0.22	0.16	43,288	22,712	52%
Runoff Net Cost *(reported in "Feed" above)*	87,023	129	0.30	0.09	24,929	62,094	249%
Shed Expenses	11,100	16	0.04	0.03	9,579	1,521	16%
Vehicle Expenses	22,000	33	0.07	0.12	33,506	- 11,506	-34%
Weed & Pest	1,938	3	0.01	0.00	919	1,019	
			-	0		-	
Farm Working Expenses	**792,776**	**1,118**	**2.69**	**2.81**	**772,467**	**20,309**	**2.6%**
$ per kg MS	***2.69***						
Loan Interest	-						
Overdraft int	-						
Depreciation est	100,576				94,666		
Income Result before tax & Capital	**795,544**	*(ie = EBIT)*			**445,069**	350,475	
	4,926/ha				**2,756/ha**	2,170	
Capital Changes						-	
Shares paid in July following each season	134,255				54,448	79,807	
Capital Improvements & Purchases	95,000				106,530	-11,530	
Principal	-					0	
Vehicles - New tractor	38,000				-	38,000	
Total Capital changes	**267,255**				**160,978**	106,277	
						0	
End of year Result including dep.	**528,289**				**284,091**	244,198	
		after capital & depreciation added back				-	
End of year result (Cash B4 capital)	**896,120**				**539,735**	356,385	
						-	
Total MS	**294,738**				***274,965***	19,773	
S quo $/kgms	$ 4.00						

Capital (at start of period, June 2007)			*change ($)*	*% change*	*% of total gain*	*Previous season's value*
Land	4,201,019		66,619	*1.6%*	*389%*	4,134,400
$34,000/ha for 1250/ha plus additional shares (84240 kgMS) for production over 1250/ha						
Fonterra Shares	$ 6.79	1,867,012	- 55,681	*-2.9%*	*-325%*	1,922,693
Cows	708,500		51,900	*7.9%*	*303%*	*656,600*
R2	180,000		- 33,400	*-15.7%*	*-195%*	*213,400*
R1	119,700		- 12,300	*-9.3%*	*-72%*	*132,000*
Plant/Mach	125,000		-	*0.0%*	*0%*	125,000
Total debt Inc. Current A/c on June1	-					
Total Capital	**7,201,231**		***17,138***	***0.2%***		**7,184,093**
change in capital for the 12 months	***17,138***		*increase in capital*			
	-					**2006/07**
	2007/08		***2007/08 at a range of payouts***			*Last Season*
Analysis	***$5.50***	***$4.00***	***$4.50***	***$5.00***	***$5.50***	***$6.00***	**$4.40**
Return on Assets B4 Tax & Int	**11.0%**	4.9%	*7.1%*	*9.2%*	**11.0%**	13.1%	**5.3%**
Expenses%GFI	**47%**	*64%*	*56%*	*51%*	**47%**	43%	**62%**
EBIT/ha	**$ 4,926**	2188	*$3,168*	*$4,081*	**$4,926**	$5,838	**$ 2,366**
cost per kg MS	***$2.69***	***$2.69***	***$2.69***	***$2.69***	***$2.69***	***$2.69***	**$2.80**