

**Lincoln University Dairy Farm**

**Result for 2004/05 season**

2003/04 season

277634

649

282625

271979

year ending 30 June 2005

revised

original

2004

**Income**

		\$	c/kgMS			
Milk Income	92%	1,068,891	3.85	1,088,106		4.22
Stock Sales	8%	91,345	0.33	83,179		0.08
Other Income		-	-			
<b>Total Income</b>		<b>1,160,236</b>	<b>4.18</b>	<b>1,171,285</b>		<b>4.30</b>
<b>Stock Purchases</b>		<b>61,550</b>		<b>41,400</b>		
<b>Income Less Stock Purchases</b>		<b>1,098,686</b>		<b>1,129,885</b>	<b>97%</b>	

**Expenses**

	Result	Original Budget	Variance	2003/04 season
	\$	\$	c/kgMS	c/kgMS
Animal Health	55,237	33,129	0.12	0.14
Breeding Expenses	29,339	22,920	0.08	0.11
Electricity	15,892	10,659	0.04	0.04
Feed	171,947	147,610	0.52	0.67
Runoff Net Cost (lease added in)	16,224	22,070	0.08	0.05
Fertiliser & Lime	58,624	55,538	0.20	0.28
Irrigation Costs	49,389	55,013	0.19	0.15
Shed Expenses	13,219	7,600	0.03	0.03
Freight & Cartage	4,246	1,996	0.01	0.01
Employment	193,187	193,347	0.68	0.71
Regrassing	12,863	5,929	0.02	0.02
General Farm Working	-	1,000	0.00	0
Weed & Pest	1,779	1,938	0.01	0.01
Repairs and Maintenance	41,769	33,800	0.12	0.22
Vehicle Expenses	21,606	18,700	0.07	0.05
Administration	31,603	29,200	0.10	0.08
Rates & Insurance	15,386	12,414	0.04	0.03
<b>Farm Working Expenses</b>	<b>732,310</b>	<b>652,863</b>	<b>2.31</b>	<b>2.60</b>

<b>original budget</b>	<b>652,863</b>	0.33 cents difference from original budget
Loan Interest	-	0.05 cents less due to lower-than-budgeted kilos MS
Overdraft int	-	0.28 cents due to cost over-runs and unbudgeted items
Depreciation est	<b>116,532</b>	

<b>Income Result before tax &amp; Capital</b>	Revised Estimate at \$3.85	<b>\$4.50</b>	original
	<b>\$249,844</b>	<b>\$430,306</b>	360,490

**Capital Changes**

Shares paid July following this period	31,611	
Capital Improvements & Purchases	36,346	includes trackrock (\$26K) and effluent sytem \$10K
Vehicles	10,000	replacement 4-wheeler

<b>Actual kg MS</b>	budget was 282,625 kg	277,634	kg MS	Last season	271,979
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**Capital (at start of period)**

	change (\$)	% change	% of total gain	Previous year's value	
Dairy land	3,958,769	178,342	4.7%	29%	3,780,427
<i>\$31,500/ha for 1250/ha plus the additional shares (70,104kgMS) for production over 1250/ha</i>					
Fonterra shares	1,520,363	314,305	26.1%	51%	1,206,058
Cows 525	645,443	109,943	20.5%	18%	535,500
R2 135	141,750	14,850	11.7%	2%	126,900
R1 141	108,750	3,000	2.8%	0%	105,750
Plant & Machinery	125,000	-			125000
<b>Total Capital</b> (at start of period)	<b>6,500,075</b>	<b>620,440</b>	<b>10.6%</b>		<b>5,879,635</b>

change in capital for the 12 months 620,440 increase in capital (Runoff value now excluded)

	2004/05	Actual	Original target	Last Season
<b>Analysis</b>	Revised result at \$3.85	<b>\$4.50</b>	\$4.00	\$3.85
Return on Assets B4 Tax & Int	3.8%	<b>6.6%</b>	4.5%	6.1%
Expenses%GFI	67%	<b>57%</b>	64%	58%
EBIT/ha	\$ 1,547	<b>\$2,664</b>	\$1,805	\$2,232
cost per kg MS	2.64	<b>2.64</b>	2.64	\$2.31

