

Lincoln University Dairy Farm

Initial Budget for 2008/09

Year ending May 31		Budget		2008/09		Actual 07 - 08		Difference		
Milk production	Milksolids	\$7.00/kgms	1,800/ha	290,700	281,670	1,744/ha	9,030 kgms			
Cows	Peak number & prodn	672cows	4.16/ha	433/cow						
Staff	4.35 FTE's	154cows/FTE		66,828ms/FTE						
Income										
Milk Income		92%	2,034,900	c/kgMS	7.00	c/kgMS	7.78	2,192,267	- 157,367	-7%
Surplus dairy stock		3%	71,000		0.24		0.55	155,342	-84,342	-54%
Other stock sales		2%	54,443		0.19					
Other Income		0%	-		-		0.00	0	0	#DIV/0!
Accommodation rentals		2%	40,560		0.14			40560	0	
		100%	2,200,903		7.57		8.33	2,388,169	-167,267	-8%
Stock Purchases										
Gross Farm Revenue			2,200,903		13,628/ha			2,388,169	-187,267	-8%
Expenses										
				2008/09	0	Actual	\$ change in		% change in	
				\$/cow	c/kgMS	c/kgMS	expense		expense	
Administration			31,100	46	0.11	0.10	28,464	2,636	9%	
Animal Health			40,594	60	0.14	0.15	42,422	-1,828	-4%	
Breeding Expenses			55,721	83	0.19	0.19	52,305	3,416	7%	
Electricity			17,741	26	0.06	0.06	17,012	729	4%	
Employment			236,722	352	0.81	0.67	189,376	47,346	25%	
Employee Accomodation rentals			40,560	60	0.14	0.14	40,560	0		#DIV/0!
Feed & Grazing, & Support land			383,748	571	1.32	1.07	300,797	82,951	28%	
Fertiliser & Lime			133,140	198	0.46	0.32	90,050	43,090	48%	
Freight & Cartage			672	1	0.00	0.01	3,022	-2,350	-78%	
Irrigation Costs			72,920	109	0.25	0.24	66,489	6,431	10%	
Rates & Insurance			14,883	22	0.05	0.05	13,914	969	7%	
Regrassing			14,088	21	0.05	0.03	8,248	5,840	71%	
Repairs & Maintenance			56,000	83	0.19	0.25	71,007	-15,007	-21%	
Support block Net Cost (reported in "Feed" above)			134,590	200	0.46	0.30	84,636	49,954	59%	
Shed Expenses			12,750	19	0.04	0.02	5,228	7,522	144%	
Vehicle Expenses			22,000	33	0.08	0.07	18,787	3,213	17%	
Weed & Pest			1,938	3	0.01	0.01	1,977	-39	-2%	
							0	0		
Cash Farm Working Expenses			1,134,577	1,306	3.90	3.37	949,658	184,919	19.5%	
Depreciation est			107,426		0.37	0.34	94,666			
Total Operating Expenses			1,242,003		4.27	3.71	1,044,324			
Dairy Operating Profit			958,900	1,427	3.30	4.77	1,343,845	-384,945		
			5,937/ha				8,321/ha	-2,384		
Cash Operating Surplus			1,066,326				1,438,511	-372,185		
Capital Changes										
Fonterra shares							54,448	-54,448		0
Capital Improvements & Purchases			272,000				106,630	165,470		0
Principal										0
Vehicles -			0							0
			Total Capital changes	272,000			160,978	111,022		
Cash Surplus			\$794,326	4,918/ha			\$1,277,533	-483,207		
Capital (at start of period, June 2008)										
				change (\$)	% change	% of total gain		Previous season's value		
Land & Improvements	\$44,353 \$/ha		8,249,664	2,111,664	34.4%	82%		6,138,000		
Fonterra Shares	281,670		1,608,336	-256,191	-13.7%	-10%		1,864,527		
Farm with shares	\$61,040 /eff ha		9,858,000							
Cows			1,183,600	475,100	67.1%	18%		708,500		
R2 Heifers			291,600	111,600	62.0%	4%		180,000		
R1 Heifers			240,000	120,300	100.5%	5%		119,700		
Plant/Mach			152,550	27,550	22.0%	1%		125,000		
Total debt Inc. Current A/c on June 1										
Total Capital			11,725,750	2,590,023	28.4%			9,135,727		
Change in capital for the 12 months			2,590,023	increase in capital						
Brief Analysis										
			2008/09	2008/09 at a range of payouts					2007 - 08	
Milksolids payout			\$7.00	\$8.00	\$6.50	\$7.00	\$7.50	\$8.00	\$7.78	
Return on Dairy Assets			8.2%	5.8%	7.0%	8.3%	9.5%	10.7%	14.6%	
CFWE % of GFR			52%	59%	55%	51%	48%	45%	40%	
Operating Profit/ha			\$5,937	\$4,192	\$5,092	\$5,992	\$6,892	\$7,792	\$8,284	
Cash Farm Working Expenses / kg milksolids			\$3.90	\$3.90	\$3.90	\$3.90	\$3.90	\$3.90	\$3.37	