

Lincoln University Dairy Farm

Proposed Budget for 2006/07

	\$	4.05	298,775	286,115 kg	12,660		
	year ending 30 June	2007	2006/07	2005/06			
		\$	c/kgMS	c/kgMS			
Income							
Milk Income	94%	1,210,039	4.05	4.036	1,154,760		
Stock Sales	6%	71,281	0.24	0.32	92,433		
Other Income		8,840	0.03	0.03	8840		
Total Income		1,290,160	4.32	4.39	1,256,033		
Stock Purchases		17,500			27,050		
Income Less Stock Purchases		1,272,660			1,228,983		
Expenses			2006/07	2005/06		\$ change in	% change in
		\$	\$/cow	c/kgMS	c/kgMS	expense	expense
Administration		27,700	41	0.09	0.11	31,095 -	3,395 -11%
Animal Health		34,660	51	0.12	0.13	37,230 -	2,570 -7%
Breeding Expenses		28,480	42	0.10	0.13	36,347 -	7,867 -22%
Electricity		13,464	20	0.05	0.05	15,544 -	2,080 -13%
Employment		194,731	286	0.65	0.71	201,971 -	7,240 -4%
Feed & Grazing, & Runoff		213,804	314	0.72	0.79	225,162 -	11,358 -5%
Fertiliser & Lime		68,905	101	0.23	0.25	71,173 -	2,268 -3%
Freight & Cartage		6,500	10	0.02	0.02	4,972	1,528 31%
Irrigation Costs		64,013	94	0.21	0.19	54,119	9,894 18%
Rates & Insurance		13,914	20	0.05	0.05	13,564	350 3%
Regrassing		7,258	11	0.02	0.02	5,823	1,435 25%
Maintenance and Repairs		43,550	64	0.15	0.12	35,115	8,435 24%
Runoff Net Cost (reported in "Feed" above)		18,265	27	0.06	0.06	17,811	454 3%
Shed Expenses		11,100	16	0.04	0.04	10,961	139 1%
Vehicle Expenses		22,200	33	0.07	0.08	22,356 -	156 -1%
Weed & Pest		1,938	3	0.01	0.00	68	1,870
Farm Working Expenses		752,217	1043	2.52	2.68	765,499 -	13,282 -1.7%
		\$ per kg MS					
Loan Interest		-					
Overdraft int		-					
Depreciation est		94,666				91,416	
Income Result before tax & Capital		425,777	(ie = EBIT)			372,068	
Capital Changes							
Shares paid in July following each season		54,448				50,399	
Capital Improvements & Purchases		125,294				106,530	
Principal		-				-	
Vehicles		-				23,000	
Total Capital changes		179,742				179,929	
End of year Result including dep.		246,035				192,139	
							<i>after capital & depreciation added back</i>
End of year result (Cash)		520,443				463,484	
Total MS		298,775				286,115	Last season 286,115
S quo \$/kgms		\$ 4.05				4.036	\$4.04

Capital (at start of period, June 2006)	change (\$)	% change	% of total gain	Previous season's value		
Land	4,134,400	84,788	2.1%	26%	4,049,613	
Fonterra Shares	\$ 6.72	1,922,693	162,493	9.2%	51%	1,760,200
Cows		665,600	9,201	1.4%	3%	656,399
R2		213,400	61,600	40.6%	19%	151,800
R1		132,000	3,000	2.3%	1%	129,000
Plant/Mach		125,000	-	0.0%	0%	125,000
Total debt Inc. Current A/c on June1		-				
Total Capital	7,193,093	321,082	4.7%		6,872,011	
<i>change in capital for the 12 months</i>		321,082	<i>increase in capital</i>			
		2006/07	2006/07	2006/07	2005/06	
Analysis		4.05	\$4.00	\$4.25	\$4.50	
Return on Assets B4 Tax & Int		5.9%	5.7%	6.7%	7.8%	
Expenses%GFI		59%	60%	56%	53%	
EBIT/ha	\$	2,636	\$2,544	\$3,006	\$3,469	
cost per kg MS		2.52	2.52	2.52	2.68	