

**Lincoln University Dairy Farm**

**Result for 2005/06**

2004/05 season

		RESULT			ORIGINAL BUDGET			2004/05 season
651 cows			kgMS					
year ending 30 June 2006			286,115		282,625	3,490	1.2%	277,634
			4.07		\$3.85			\$4.56
		\$	c/kgMS	\$	Variance	% change		\$
<b>Income</b>								
Milk Income	92%	1,163,344	4.066	1,088,106	75,237	6.9%		1,266,011
Stock Sales	7%	92,433	0.32	64,837	27,596	42.6%		91,345
Other Income		8,840	0.03	8840	-	0.0%		
<b>Total Income</b>		<b>1,264,617</b>	<b>4.42</b>	<b>1,161,783</b>	<b>102,833</b>	<b>8.9%</b>		<b>1,357,356</b>
<b>Stock Purchases</b>		<b>27,050</b>		<b>42,750</b>	<b>- 15,700</b>	<b>-36.7%</b>		<b>61,550</b>
<b>Income Less Stock Purchases</b>		<b>1,237,567</b>		<b>1,119,033</b>	<b>118,533</b>	<b>10.6%</b>		<b>1,295,806</b>
<b>Expenses</b>								
		\$	\$/cow	\$/kgMS	\$	% change		\$
Administration		31,095	48	0.11	29,950	1,145	4%	31,603
Animal Health		37,230	57	0.13	44,639	- 7,409	-17%	55,237
Breeding Expenses		36,347	56	0.13	41,660	- 5,313	-13%	29,339
Electricity		15,544	24	0.05	9,096	6,448	71%	15,892
Employment		201,971	310	0.71	194,813	7,158	4%	193,187
Feed & Grazing, & Runoff		225,162	346	0.79	190,301	34,861	18%	188,171
Fertiliser & Lime		71,173	109	0.25	78,325	- 7,152	-9%	58,624
Freight & Cartage		4,972	8	0.02	6,646	- 1,674	-25%	4,246
Irrigation Costs		54,119	83	0.19	50,813	3,306	7%	49,389
Rates & Insurance		13,564	21	0.05	11,414	2,151	19%	15,386
Regrassing		5,823	9	0.02	9,102	- 3,279	-36%	12,863
Maintenance and Repairs		35,115	54	0.12	42,500	- 7,385	-17%	41,769
Runoff Net Cost (reported in "Feed" above)		17,811	27	0.06	18,922	- 1,111	-6%	16,224
Shed Expenses		10,961	17	0.04	10,500	461	4%	13,219
Vehicle Expenses		22,356	34	0.08	21,700	656	3%	21,606
Weed & Pest		68	0	0.00	1,938	- 1,870	-96%	1,779
<b>Farm Working Expenses</b>		<b>765,499</b>	<b>1096</b>	<b>2.68</b>	<b>743,896</b>	<b>21,603</b>	<b>3%</b>	<b>732,310</b>
	\$ per kg MS	<b>2.68</b>			<b>2.63</b>			<b>2.64</b>
Loan Interest		-						
Overdraft int		-						
Depreciation est		91,416			116,531			
<b>Income Result before tax &amp; Capital</b>		<b>380,652</b>	(ie = EBIT)		<b>258,606</b>			<b>446964</b>
<b>Capital Changes</b>								
Shares paid in July following each season		50,399			50,399			
Capital Improvements & Purchases		106,530			36,346			
Principal		-						
Vehicles		23,000			10,000			
<b>Total Capital changes</b>		<b>179,929</b>			<b>96,745</b>			
<b>End of year Result including dep.</b>		<b>200,723</b>			<b>161,861</b>			
					<i>after capital &amp; depreciation added back</i>			
<b>End of year result (Cash)</b>		<b>472,068</b>			<b>375,137</b>			
<b>Total Budgeted MS</b>		<b>286,115</b>			<b>282,625</b>			<b>277,634</b>
<b>Capital (at start of period, June 2005)</b>			change (\$)	% change	% of total gain		Previous season's value (2004/05)	
Land		4,049,613	90,844	2.3%	24%		3,958,769	
Fonterra Shares	\$33,000/ha for 1250/ha plus additional shares (75759 kgMS) for production over 1250/ha	\$ 6.34 1,760,200	239,837	15.8%	64%		1,520,363	
Cows		656,399	10,956	1.7%	3%		645,443	
R2		151,800	10,050	7.1%	3%		141,750	
R1		129,000	20,250	18.6%	5%		108,750	
Plant/Mach		125,000	-	0.0%	0%		125,000	
Total debt Inc. Current A/c on June 1		-						
<b>Total Capital</b>		<b>6,872,011</b>	<b>371,936</b>	<b>5.7%</b>			<b>6,500,074</b>	
<i>change in capital for the 12 months</i>		<b>371,936</b>	<i>increase in capital</i>					
<b>Analysis</b>		<b>4.07</b>			<i>2005/06 at various payouts</i>		<b>2004/05</b>	
					\$4.00	\$4.25	\$4.50	<i>Last Season</i>
Return on Assets B4 Tax & Int		<b>5.5%</b>			5.3%	6.3%	7.3%	6.9%
Expenses%GFI		<b>62%</b>			63%	59%	56%	58%
EBIT/ha	\$	<b>2,357</b>			\$2,240	\$2,683	\$3,126	\$ 2,768
cost per kg MS		<b>2.68</b>			2.68	\$2.68	2.68	\$2.64