

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
Cows	Peak number & prodn	672cows	4.16/ha	433/cow	1,744/ha
Staff	4.35 FTE's	154cows/FTE	66,828ms/FTE		9,030 kgms
Income					
Milk Income	92%	2,034,900	c/kgMS 7.00	c/kgMS 7.78	\$ change 2,192,267 - 157,367
Surplus dairy stock	3%	71,000	0.24	0.55	155,342 -84,342
Other stock sales	2%	54,443	0.19		-54%
Other Income	0%	-	-	0.00	0 #DIV/0!
Accommodation rentals	2%	40,560	0.14		40560
	100%	2,200,903	7.57	8.33	2,388,169 -167,267
Stock Purchases					0
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%
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	

Total Capital changes	272,000			160,978	111,022
Cash Surplus	\$794,326	4,918/ha		\$1,277,533	-483,207

Capital Changes					
Fonterra shares				54,448	-54,448
Capital Improvements & Purchases	272,000			106,530	165,470
Principal					0
Vehicles -	0				0

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	2007-8
Return on Dairy Assets	8.2%	5.8%	7.0%	8.3%	9.5%	10.7%	\$7.78
CFWE % of GFR	52%	59%	55%	51%	48%	45%	14.6%
Operating Profit/ha	\$5,937	\$4,192	\$5,092	\$5,992	\$6,892	\$7,792	40%
Cash Farm Working Expenses / kg milksolids	\$3.90	\$3.90	\$3.90	\$3.90	\$3.90	\$3.90	\$8,284