

Enterprise **POTATO - PROCESSING** **2001**  
 Unit ha Summer Crop - Spray Irrigation

**GROSS MARGIN BUDGET:**
**1 ha**

Standard Budget	Your Budget
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**INCOME:**

33 t/ha @ \$250.00 /t

\$8,250.00

**A. Total Income/ha**
**\$8,250.00**
**VARIABLE COSTS:**
**Seed**

Certified	3000 kg/ha	\$0.45 /kg	\$1,350.00
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**Tractor costs**
**Large equipment including labour, fuel, oil, etc**

2 Cultivation	0.7 hr/ha	\$30.50 /hr	\$42.70
1 Lister	0.5 hr/ha	\$30.50 /hr	\$15.25
1 Drill Fertiliser	0.5 hr/ha	\$30.50 /hr	\$15.25
1 Bedform	0.5 hr/ha	\$30.50 /hr	\$15.25
3 Broadcast	0.5 hr/ha	\$30.50 /hr	\$45.75
1 Sowing	1.6 hr/ha	\$30.50 /hr	\$48.80
4 Boomspray	0.2 hr/ha	\$30.50 /hr	\$24.40
1 Slash	0.3 hr/ha	\$30.50 /hr	\$9.15

**Irrigation**

Water (off-river)	4 ML/ha	\$2.50 /ML	\$10.00
Pumping costs	4 ML/ha	\$30.00 /ML	\$120.00

**Fertiliser**

Lime	2500 kg/ha	\$0.10 /kg	\$250.00
Complete	1000 kg/ha	\$0.44 /kg	\$440.00
Starter Fertiliser	500 kg/ha	\$0.45 /kg	\$223.50
Urea	250 kg/ha	\$0.38 /kg	\$93.75

**Pest control**

2 Fungicide	2.00 L/ha	\$22.15 /L	\$88.60
1 Insecticide	0.20 L/ha	\$28.40 /L	\$5.68
1 Insecticide	0.75 L/ha	\$39.60 /L	\$29.70

**Weed Control**

1 Herbicide	0.5 L/ha	\$6.50 /L	\$3.25
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**Harvesting**

Harvester	4.2 hr/ha	\$90.00 /hr	\$378.00
3 Casual labour	4.2 hr/ha	\$14.50 /hr	\$182.70
1 Bin Pick up	4.2 hr/ha	\$30.50 /hr	\$128.10
Bin Hire (14 days)	55 bins/ha	\$0.16 /bin-day	\$123.20

**Freight**

Transported by processors

**Levy**

0.50% \$41.25

**B. Total Variable Costs**
**\$3,684.28**

Break-even price	\$111.64 /t
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**Gross Margin /ha (A-B)**
**\$4,565.72**

Break-even yield	14.74 t/ha
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**Gross Margin /ML**
**\$1,141.43**
**PRODUCT TRADE NAMES**

The product trade names in this publication are omitted on the understanding that no preference between equivalent products is intended and that the inclusion of a product does not imply endorsement by NSW Agriculture over any other equivalent product from another manufacturer.

Enterprise

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**SENSITIVITY ANALYSIS**
**TABLE 1- Effect of Yield and Price on Gross Margin /ha**

YIELD (t)	DELIVERED PRICE (\$/t)					
	150.00	200.00	<b>250.00</b>	300.00	350.00	400.00
23	-\$210	\$934	\$2,078	\$3,222	\$4,367	\$5,511
28	\$536	\$1,929	\$3,322	\$4,715	\$6,108	\$7,501
<b>33</b>	\$1,282	\$2,924	<b>\$4,566</b>	\$6,207	\$7,849	\$9,491
38	\$2,028	\$3,919	\$5,809	\$7,700	\$9,590	\$11,481
43	\$2,775	\$4,914	\$7,053	\$9,192	\$11,332	\$13,471

**TABLE 2- Effect of Yield and Price on Gross Margin /ML**

YIELD (t)	DELIVERED PRICE (\$/t)					
	150.00	200.00	<b>250.00</b>	300.00	350.00	400.00
23	-\$53	\$233	\$520	\$806	\$1,092	\$1,378
28	\$134	\$482	\$830	\$1,179	\$1,527	\$1,875
<b>33</b>	\$321	\$731	<b>\$1,141</b>	\$1,552	\$1,962	\$2,373
38	\$507	\$980	\$1,452	\$1,925	\$2,398	\$2,870
43	\$694	\$1,228	\$1,763	\$2,298	\$2,833	\$3,368

The weighted average price shown in bold is based on the Flemington Market prices over a recent 12 month period.

**NOTES:**

- Area** - Riverina is the main growing area (70%) with production also at the tablelands (20%) and the coast (10%).
- Production** - Plants for crisping are spaced 220mm apart on rows 810 to 910mm apart (potatoes for french fries are sown at lower plant population to achieve large potatoes for slicing). Crisping potatoes are only grown under contract with a processing or export company. Alantic is the main variety grown. The final contract price depends on the cooking quality, tuber size, dry matter, grade faults and delivery time of the crop.
- Pests** - Aphids and potato moths are the main insect pests with target spot the most common disease.
- Harvesting** - Potatoes are sown in July and August for a December January harvest. Potatoes may have to be washed down before sending to processors.
- Yields** - Paddock yields vary from 30 to 40 tonnes per hectare. Production in the tablelands can expect 20% higher yields than in the Riverina.
- Packaging** - No packaging is required as crop is delivered in bulk trailers.
- Economic note** - **This budget is ONLY A GUIDE** and should be altered for movements in crop and input prices, changes in seasonal conditions and the farm characteristics.  
- This budget does not include overhead costs or GST.