



DRYLAND LUCERNE: PRIME CATTLE GRAZING

1. Data-Cattle

April 2008

Steers purchase weight and price

\$1.90 per kg live @ 280 kg = \$532.00 per head

Steers finished weight and price

\$1.80 per kg live @ 400 kg = \$720.00 per head

Dry matter 4000
Steers/ha* 2.9

* Stocking rate assumed could be 2 grazings at 1.45 steers/ha

2. GROSS MARGIN BUDGET:

INCOME - GRAZING

Grazing (will vary substantially depending on stock type, seasonal conditions, crop growth & grazing period)

2.9 hd/ha @ 0.90 kg/day x \$1.80/kg liveweight
i.e. 400 kg/hd @ \$720/hd

Sample Budget	Your Budget
\$/ha	\$/ha

\$2,088.00	
------------	--

A. TOTAL INCOME \$/ha:

\$2,088	
----------------	--

VARIABLE COSTS:

see following pages(s) for details

Lucerne variable costs	Depreciation of establishment cost.....		\$61.52	
	Fertilizer.....		\$102.28	
	Herbicide.....		\$44.43	
	Insecticide.....		\$0.00	
Cattle Variable costs	Purchase store steers, 280kg @ \$1.90/kg = \$532/hd.....		\$1,542.80	
	Drench, 5-in-1 vaccine [#] × 2, bloat capsules.....	\$20.00 /hd	\$58.00	
	Supplement*.....			
	Commission.....	5.0% of cattle sales	\$104.40	
	Industry Levies.....	\$5.00 /hd	\$14.50	
	Yard Dues.....	\$4.00 /hd	\$11.60	
	Freight.....	\$20.00 /hd	\$58.00	

[#] A second 5-in-1 booster may be required for pulpy kidney protection.

* Supplementary grass pasture or roughage hay may be required during periods of lush lucerne growth.

B. TOTAL VARIABLE COSTS \$/ha:

\$1,997.53	
-------------------	--

C. GROSS MARGIN (A-B) \$/ha:

\$90.47	
----------------	--

D. GROSS MARGIN (A-B) \$/head:

\$31.20	
----------------	--

SENSITIVITY TABLE:

Effect of livestock prices on gross margin per hectare

Purchase Price \$/kg	Selling Price				
	\$1.60 /kg	\$1.70 /kg	\$1.80 /kg	\$1.90 /kg	\$2.00 /kg
1.60	\$102	\$218	\$334	\$450	\$566
1.70	\$21	\$137	\$253	\$369	\$485
1.80	-\$60	\$56	\$172	\$288	\$404
1.90	-\$142	-\$26	\$90	\$206	\$322
2.00	-\$223	-\$107	\$9	\$125	\$241
2.10	-\$304	-\$188	-\$72	\$44	\$160
2.20	-\$385	-\$269	-\$153	-\$37	\$79

DRYLAND LUCERNE: PRIME CATTLE GRAZING

Northern Zone

April 2008

CALENDAR OF OPERATIONS:		Machinery			Inputs			Total Cost \$/ha
Operation	Month	hrs/ha	Cost \$/hour	Total \$/ha	Rate/ha	Cost \$	Total \$/ha	
Spray - paraquat + diquat	Jul	0.10	23.32	2.33	2.4 L	11.50/L	27.60	29.93
Spray - diuron	Jul	with above			1.0 L	14.50/kg	14.50	14.50
Apply Single Super	Aug	0.42	23.28	9.78	250kg	0.37/kg	92.50	102.28

AGRONOMIC NOTES:

Herbicides: paraquat + diquat and diuron applied to established stands to clean up weeds.
To reduce the likelihood of herbicide resistance, rotate herbicide groups and weed management techniques.
For more information, refer to the NSW DPI Management Guide "Weed Control in Lucerne and Pastures"

Fertilisers: # In areas of long term irrigated hay production, there is a possibility that higher rates of potash may be required to correct chronic potassium deficiency.

Establishment: This budget assumes a stand life of 4 years, so depreciation of establishment cost is the cost of establishment divided by four.

GRAZING MANAGEMENT: AGNOTE DPI-198 "**Grazing management of lucerne**": Lucerne needs a period of spelling or recovery alternated with a period of grazing. The spelling period is the key to lucerne management. Continuous stocking can cause rapid decline in plant numbers. The heavier the stocking rate, the more rapid plant death, as constant removal of new shoots depletes root reserves, especially if growing conditions are unfavourable. When grazing, aim to preserve basal buds and preferably some leaf. This allows rapid regrowth. As a general rule, remove stock when lucerne is 5 cm high.
For more detailed information see **AGNOTE DPI-198 "Grazing management of lucerne"**
<http://www.agric.nsw.gov.au/reader/past-management/dpi198.htm> and **Agfact P2.2.25 "Lucerne for Pasture and fodder"**

*Use of a particular brand name does NOT imply recommendation of that brand by NSW DPI.
Always read chemical labels and follow directions, as it is your legal responsibility to do so.*

LABOUR REQUIREMENTS:
Labour to apply fertiliser or spray or for livestock management is not costed.

MACHINERY ASSUMPTIONS:
Tractor: pto power: 57 KW (76 HP)
Machinery costs refer to variable costs of: fuel, oil, filters, tyres, batteries and repairs.