NSW DEPARTMENT OF **PRIMARY INDUSTRIES**

DRYLAND FORAGE OATS

Farm Enterprise Budget Series - North East NSW Winter 2009

GUIDE TO DRY MATTER PRODUCTION AND CONSUMPTION

Assumptions:

* In reasonable seasons, expect around 3,500 kg of usable dry matter production over a 5 month grazing period.
* Store lambs consume around 1.5 kg/day of dry matter and put on around 200 gm/day liveweight gain.
* Store steers at 250kg consume an average of around 12.4 kg/day of dry matter (including losses) and put on around 1.0 kg/day liveweight gain.

1. GROSS MARGIN BUDGET:

INCOME:

	Sample	Your Budget
A. Lambs 3500 kg dry matter / 1.5 kg /lamb/day = 2333 lamb grazing days		
therefore 2333 / 100 days = 23 lambs/ha fattened		
estimated return/ha = 23 lambs x $75* head =	**$1,725.00**	
B. Steers 3500 kg dry matter / 12.9 kg /steer/day = 272 steer grazing days		
therefore 272 / 100 days = 2.7 steers/ha fattened		
estimated return/ha = 2.7 steers x 1kg daily weight gain		
x 100 days grazing x $1.80* kg live=	**$1,860.48**	

** returns are net of selling, transport and veterinary costs.*

	Sample Costs	Your Costs
VARIABLE COSTS:		
See next page for detail		
Cultivation	$0.00	
Sowing	$54.78	
Fertiliser	$152.20	
Herbicide	$31.48	
Insecticide	$0.75	
Harvesting	$0.00	
Purchase store lambs (35kg/hd @$50/hd) or……	$1,150.00	
Purchase store steers (300kg @$1.90/kg=$532/hd).	$1,447.04	
Oats VARIABLE COSTS $/ha:	**$239.21**	
A: TOTAL VARIABLE COSTS (lambs) $/ha:	**$1,389.21**	
B: TOTAL VARIABLE COSTS (steers) $/ha:	**$1,686.25**	
A: GROSS MARGIN (lambs) $/ha:	**$335.79**	
B: GROSS MARGIN (steers) $/ha:	**$174.23**	

For detailed livestock budgets see the NSW DPI "Beef Gross Margins" and "Sheep Gross Margins" at www.dpi.nsw.gov.au/agriculture/farm-business/budgets

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CALENDAR OF OPERATIONS:		Machinery			Inputs			
Operation	Month	hrs /ha	Cost $/hour	Total $/ha	Rate/ha	Cost $	Total $/ha	**Total Cost $/ha**
harvest previous crop	Dec							
broadleaf and grass weed control eg: glyphosate 450 g/L	Dec	0.05	45.64	2.28	2.0 L	7.43/L	14.86	**17.14**
broadleaf weed control eg 2,4-D amine 300g/L	Dec	with above			1.80 L	4.23/L	7.61	**7.61**
wetter - non-ionic surfactant	Dec	with above			0.12 L	6.86/L	0.82	**0.82**
Fertiliser (Urea)	Feb	0.17	45.91	7.80	100 kg	0.76/kg	76.00	**83.80**
sowing	Mar	0.17	66.34	11.28	50 kg	0.87/kg	43.50	**54.78**
Fertiliser (Starter DAP)	Mar	with above			60 kg	1.14/kg	68.40	**68.40**
herbicide	May	0.05	45.64	2.28				**2.28**
spray (chlorsulfuron)	May	with above			20 g	0.14/g	2.80	**2.80**
insecticide (omethoate 1 yr in 4)	May	with above			0.05 L	59.80/L	2.99	**0.75**
wetter - non-ionic surfactant	May	with above			0.12 L	6.86/L	0.82	**0.82**

Input prices were correct at the time of writing (Mar 17 2009). Current fertiliser and chemical market uncertainty make estimation of future pricing impractical.

AGRONOMIC REQUIREMENTS:

Rotation place: Very useful as a first crop after the pasture phase to break disease cycles such as "take all" in wheat.

Soil type: Oats are more suited to the light sandy acid soils than wheat or barley.

Fertiliser: Urea can be topdressed after the first grazing if moisture is adequate.
But there is a risk of losing nitrogen from urea when topdressing unless significant rainfall occurs within 24 hours.

Grain recovery: Refrain from grazing after July to allow for grain recovery.
Growers should assess soil moisture profiles and fertility levels to assist with yield estimates.

Management: Returns depend on several factors including time of sowing, seasonal conditions, livestock prices and management skills.
Skill in grazing management can affect the outcome significantly, eg rotational or strip grazing can reduce spoilage and extend crop performance. Soil damage (especially in wet conditions) and overgrazing can reduce crop performance.

Herbicides: To reduce the likelihood of herbicide resistance, rotate herbicide groups and weed management techniques.

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

LABOUR REQUIREMENTS: - labour is not costed in this budget.

According to the above machinery operations, labour required is 0.44hrs/ha. Then multiplying this by 1.25 to allow for machinery repair time etc, and using a labour cost of $19/hr, the cost of labour is $10.18/ha, reducing the gross margin to $325.61/ha for lambs and $164.05/ha for steers. This doesn't include livestock management.

MACHINERY ASSUMPTIONS:

Tractor: - pto power: 130 kW (175 HP); engine power: 146 kW (196 HP)
machinery costs refer to variable costs of: fuel, oil, filters, tyres, batteries and repairs.