



DRYLAND FORAGE OATS - Prime lambs

Farm Enterprise Budget Series - North East NSW Winter 2012

GUIDE TO DRY MATTER PRODUCTION AND CONSUMPTION

Assumptions:

* In reasonable seasons, expect around 6000 kg/ha 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.

1. GROSS MARGIN BUDGET:

A. INCOME:

A. Lambs 6000 kg dry matter ÷ 1.6 kg/lamb/day = 3752 lamb grazing days

therefore 3752 ÷ 90 days = 42 lambs/ha.

estimated return/ha = 42 lambs x \$110 head =

Sample Budget	Your Budget
\$4,620.00	

VARIABLE COSTS: See next page for detail

Sowing.....	\$64.61	
Fertiliser.....	\$139.08	
Herbicide.....	\$26.19	
Insecticide.....	\$0.59	
Harvesting.....	\$0.00	
Supplement (eg Salt:Causmag mix).....	\$0.42	
Purchase store lambs (32kg/hd @\$85/hd) or.....	\$3,570.00	
Commission.. 5.0% of sheep sales	\$231.00	
Other costs... \$3.50 per head	\$147.00	

Oats VARIABLE COSTS \$/ha: **\$230.48**

A: TOTAL VARIABLE COSTS (lambs) \$/ha: \$4,178.90

A: GROSS MARGIN (lambs) \$/ha: \$441.10

For detailed livestock budgets see the NSW DPI "Sheep Gross Margins"

at www.dpi.nsw.gov.au/agriculture/farm-business/budgets

2. Effect of dry matter/ha and weight gain on gross margin per hectare

Weight Gain kg/day	Dry matter/ha					Lamb sale weight kg/hd	Lamb sale price \$/hd
	4,500	5,250	6,000	6,500	7,000		
0.14	-\$177	-\$168	-\$157	-\$152	-\$145	44.6	\$95
0.16	-\$29	\$3	\$42	\$62	\$88	46.4	\$100
0.18	\$118	\$174	\$242	\$275	\$320	48.2	\$105
0.20	\$265	\$345	\$441	\$489	\$553	50	\$110
0.23	\$412	\$516	\$641	\$703	\$786	52.7	\$115
0.26	\$560	\$687	\$840	\$917	\$1,019	55.4	\$120
0.29	\$560	\$687	\$840	\$917	\$1,019	58.1	\$120
Lambs/ha	31.00	36.00	42.00	45.00	49.00		

3. Effect of livestock prices on gross margin per hectare

Purchase Price \$/hd	Selling Price				
	\$90/hd	\$100/hd	\$110/hd	\$120/hd	\$130/hd
70.00	\$273	\$672	\$1,071	\$1,470	\$1,869
75.00	\$63	\$462	\$861	\$1,260	\$1,659
80.00	-\$147	\$252	\$651	\$1,050	\$1,449
85.00	-\$357	\$42	\$441	\$840	\$1,239
95.00	-\$777	-\$378	\$21	\$420	\$819
105.00	-\$1,197	-\$798	-\$399	\$0	\$399

This budget should be used as a GUIDE ONLY and should be changed by the grower to take account of movements in crop and input prices, changes in seasonal conditions and individual farm characteristics.

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CALENDAR OF OPERATIONS:		Machinery			Inputs			Total Cost \$/ha
Operation	Month	hrs /ha	Cost \$/hour	Total \$/ha	Rate/ha	Cost \$	Total \$/ha	
harvest previous crop	Dec							
broadleaf and grass weed control eg: glyphosate 450 g/L	Dec	0.05	54.96	2.75	2.0 L	4.67/L	9.34	12.09
broadleaf weed control eg 2,4-D amine 475 g/L	Dec	with above			1.2 L	5.82/L	6.98	6.98
wetter - non-ionic surfactant	Dec	with above			0.25 L	6.77/L	1.69	1.69
Fertiliser (Urea)	Feb	0.17	53.44	9.08	100 kg	0.70/kg	70.00	79.08
sowing	Mar	0.17	75.66	12.86	50 kg	1.04/kg	51.75	64.61
fertiliser (eg Supreme 12Z)	Mar	with above			60 kg	1.00/kg	60.00	60.00
herbicide	May	0.05	54.96	2.75				2.75
spray (chlorsulfuron)	May	with above			20 g	0.10/g	2.00	2.00
wetter - non-ionic surfactant	May	with above			0.10 L	6.77/L	0.68	0.68
insecticide (omethoate 1 yr in 4)	May	with above			0.05 L	47.37/L	2.37	0.59

Input prices were correct at the time of writing (Feb 2012). Current fertiliser and chemical market uncertainty makes estimation of future pricing impractical.

AGRONOMIC REQUIREMENTS:

Assess soil moisture profiles and fertility levels to assist with biomass yield targets.

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 when topdressing unless significant rainfall (>15mm) 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 targets.

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 risk of herbicide resistance, rotate herbicide groups and weed management techniques.

Marketing: Shearing may enhance skin value, but not growth rates.

There are a number of cost of production, feed & stocking rate calculators available at <http://www.mla.com.au> or <http://www.mla.com.au/TopicHierarchy/InformationCentre/Calculators/Default.htm>

- 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 \$21/hr, the cost of labour is \$11.55/ha, reducing the gross margin to \$429.55/ha for lambs. 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 & repairs.