

**DRYLAND COTTON (Roundup Ready Flex® Bollgard II® - Double skip)**  
**Farm Enterprise Budget Series - North West NSW**  
**Summer 2011-2012**

**1. GROSS MARGIN BUDGET:**

**INCOME:**

<b>Lint:</b>	2.70	bales/ha at	\$520.00	*/bale (at gin).....
<b>Seed:</b>	0.97	tonnes/ha at	\$215.00	/tonne (at gin).....

Standard Budget \$/ha	Your Budget \$/ha
\$1,404.00	
\$208.98	

\* \$20/bale reduction assumed due to quality reduction compared to irrigated cotton

Crop prices were correct at the time of writing (Sep 2011), world market volatility makes estimation of future pricing impractical.

**A. TOTAL INCOME \$/ha:**

<b>\$1,612.98</b>	
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**VARIABLE COSTS:**

see following page(s) for details

Cultivation.....	\$18.46	
Sowing.....	\$40.96	
Crop insurance.....	\$23.95	
Fertiliser & application.....	\$120.60	
Herbicide & application.....	\$295.34	
Insecticide & application.....	\$23.35	
Licence fees.....	\$185.00	
Contract harvesting.....	\$294.53	
Cartage to gin.....	\$31.76	
Ginning charges.....	\$148.50	
CA and Research Levy.....	\$12.15	
Consultant.....	\$60.00	
Unsprayed cotton refuge crop, 10% of area.....	\$33.09	

**B. TOTAL VARIABLE COSTS \$/ha:**

<b>\$1,287.70</b>	
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**C. GROSS MARGIN (A-B) \$/ha:**

<b>\$325.28</b>	
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**Breakeven yield, bales/ha**

<b>2.2</b>	
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**2. EFFECT OF YIELD AND PRICE ON GROSS MARGIN PER HECTARE:**  
**SENSITIVITY TABLE**

Lint Yield bales/ha	Seed Yield t/ha	At Gin Price					Lint price Seed price
		\$460 /bale \$175/t	\$490 /bale \$195/t	<b>\$520 /bale \$215/t</b>	\$550 /bale \$225/t	\$580 /bale \$235/t	
1.70	0.6	-\$324	-\$261	-\$197	-\$140	-\$83	<b>Gross Margin (\$/ha)</b>
1.90	0.7	-\$234	-\$163	-\$93	-\$29	\$35	
2.30	0.8	-\$55	\$31	\$116	\$194	\$271	
<b>2.70</b>	<b>1.0</b>	\$124	\$225	<b>\$325</b>	\$416	\$507	
3.20	1.2	\$349	\$468	\$587	\$694	\$802	
3.70	1.3	\$573	\$710	\$848	\$972	\$1,097	
4.20	1.5	\$797	\$953	\$1,109	\$1,250	\$1,391	
4.70	1.7	\$1,021	\$1,196	\$1,370	\$1,528	\$1,686	

# DRYLAND COTTON (Roundup Ready Flex<sup>®</sup> Bollgard II<sup>®</sup> - Double skip)

## Farm Enterprise Budget Series - North West NSW

Summer 2011-2012

CALENDAR OF OPERATIONS:			Machinery			Inputs			Total	
Operation	Month		Cost	Total	Rate/ha	Band	Cost	Total	Cost	
			\$/hour	\$/ha		Width	\$	\$/ha		
Herbicide - glyphosate CT	Dec	contract ground spray		10.00		1.5 L	100%	4.42	4.42	<b>14.42</b>
Herbicide - 2,4-D i.p.a. 300g/L	Dec	with above				0.66 L	100%	4.20	4.20	<b>4.20</b>
Wetter - non-ionic surfactant	Dec	with above				0.2 L	100%	6.45	6.45	<b>6.45</b>
Herbicide - glyphosate CT	Mar	contract ground spray		10.00		1.2 L	100%	4.42	4.42	<b>14.42</b>
Herbicide - triclopyr	Mar	with above				0.08 L	100%	19.00	19.00	<b>19.00</b>
Wetter - non-ionic surfactant	Mar	with above				0.2 L	100%	6.45	6.45	<b>6.45</b>
Herbicide - glyphosate CT	May	contract ground spray		10.00		1.2 L	100%	4.42	4.42	<b>14.42</b>
Herbicide - 2,4-D i.p.a. 300 g/L	May	with above				0.66 L	100%	6.45	6.45	<b>6.45</b>
Wetter - non-ionic surfactant	May	with above				0.2 L	100%	4.42	4.42	<b>4.42</b>
Herbicide - glyphosate CT	Jul	contract ground spray		10.00		1.0 L	100%	4.20	4.20	<b>14.20</b>
Wetter - non-ionic surfactant	Jul	with above				0.2 L	100%	6.45	6.45	<b>6.45</b>
Herbicide - glyphosate CT ground spray	Aug	0.03	55.78	1.67		0.7 L	100%	4.42	3.09	<b>4.77</b>
Wetter - non-ionic surfactant	Aug	with above				0.2 L	100%	6.45	1.29	<b>1.29</b>
Fertiliser - MAP plus potassium blend	Aug	0.15	61.53	9.23		50 kg	100%	1.01	50.50	<b>59.73</b>
Herbicide - trifluralin ground spray	Sep	with above				2.1 L	100%	5.87	12.33	<b>12.33</b>
Planting - precision planter	Sep	0.14	64.02	8.96						<b>8.96</b>
Planting- Roundup Ready Flex <sup>®</sup>										
Bollgard II <sup>®</sup>	Sep	with above				8 kg	50%	8.00	32.00	<b>32.00</b>
Urea application	Sep	with above	40 kg N			87 kg	100%	0.70	60.87	<b>60.87</b>
Herbicide - fluometuron+prometryn (440 & 400 g/L)	Sep	with above				2.9 kg	50%	18.18	26.36	<b>26.36</b>
Crop insurance	Sep									<b>23.95</b>
Herbicide - Roundup Ready <sup>®</sup>	Oct	0.03	55.78	1.67		1.5 kg	100%	8.00	12.00	<b>13.67</b>
Herbicide - Roundup Ready <sup>®</sup>	Oct	0.03	55.78	1.67		1.5 kg	100%	8.00	12.00	<b>13.67</b>
Cultivation - interrow	Nov	0.15	61.53	9.23			100%			<b>9.23</b>
Insecticide - # fipronil 200 g/L	Nov	0.03	55.78	1.67		0.06 L	50%	349.35	11.00	<b>11.00</b>
Cultivation - interrow	Nov	0.15	61.53	9.23			100%			<b>9.23</b>
Herbicide - diuron (900 g/kg)	Dec	0.03	55.78	1.67		1.5 kg	50%	12.60	9.45	<b>11.12</b>
Herbicide - prometryn (500 g/L)	Dec	with above				2.20 L	50%	14.48	15.93	<b>15.93</b>
Insecticide - fipronil (200 g/L)	Jan	0.03	55.78	1.67		0.06 L	50%	349.35	7.26	<b>8.94</b>
Insecticide - dimethoate (400 g/L)	Feb	0.03	55.78	1.67		0.5 L	50%	10.49	1.73	<b>3.40</b>
Bollgard II stacked with Roundup Ready Flex <sup>®</sup> Licence fee *	Feb						50%	370.00	185.00	<b>185.00</b>
Defoliant - thidiazuron	Apr	aerial spray		20.00		0.25 L	100%	132.00	33.00	<b>53.00</b>
Defoliant - crop oil	Apr	with above				2.0 L	100%	3.91	7.82	<b>7.82</b>
Defoliant - salt defoliant-aerial	Apr	aerial spray		20.00		2.0 L	100%	2.25	4.50	<b>24.50</b>
Contract picking and module building	Apr	contract		\$285	/ha					<b>285.00</b>
Contract Module lifting	May	contract		\$60	/module @ 17 bales per module					<b>9.53</b>
Contract module cartage to gin	May	contract		\$200	/module @ 50km from gin					<b>31.76</b>
Ginning charges	May	contract		\$55	/bale					<b>148.50</b>
Consultant	May	contract								<b>60.00</b>
Levies	May			\$4.50	/bale					<b>12.15</b>
Refuge crop - unsprayed conventional cotton @ 10%										<b>33.09</b>
<b>TOTAL COSTS:</b>									<b>1,288</b>	

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. Estimated prices are GST-exclusive.

**NOTES:**

**Insects:** Various insecticides are available for early season pest control (e.g. thrips, wireworms) but not included here, since they are not always required.

# fipronil applied for mirid control

The selection of insecticides is highly dependent on the insect spectrum, growers should be aware this is a generic program and selection of products should be made with IPM strategies in mind. Refer to the "Integrated Pest Management Guidelines for Australian Cotton". Rotation of insecticides should be followed as per industry strategy, which changes each year due to changes in insect resistance to chemicals from season to season.

**For more detailed information, see the Cotton CRC "Cotton Pest Management Guide 2011-12" at [www.cottoncrc.org.au](http://www.cottoncrc.org.au)**

*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.*

**Management:** This budget is for a long fallow following a winter cereal crop. Skip row configuration allows significant cost savings to be made during the growing season and at harvest, but there is a yield trade-off.

**Seed:** Seed costs per kg will vary with the time of ordering and the seed treatment chosen.

**Fertiliser:** Fertiliser requirements should be based on paddock records and soil tests.

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

**Price:** Dryland cotton sometimes receives a price discount due to staple length and trash content. An average discount of \$20/bale has been used in this budget.

**LICENCE FEES:** \* This examples uses Monsanto Cotton Choices™ Option 1 which provides a discount on the technology licence fees for 2011-12. However you should choose the option which best suits your farming operation.

**DEFOLIANT:** Good conditions are required to get the best performance. The choice of defoliant and rate used depends on the moisture status of the plant and seasonal conditions.

**LABOUR REQUIREMENTS:**

- labour is not costed in this budget. If labour costs \$21.00 /hr, total labour cost would be \$9.98/ha, reducing the gross margin to \$1,603 /ha.

**MACHINERY ASSUMPTIONS:**

Tractor: 165-170 KW PTO (225-230 HP)

Machinery costs refer to variable costs of: fuel, oil, filters, tyres, batteries and repairs.

You may need to add overhead costs as well, please refer to the Tractor and Implement Costs Guide