



# DRYLAND LUCERNE HAY

Northern Zone

April 2008

## 1. GROSS MARGIN BUDGET:

### INCOME:

2 cuts per season @ 2.00 t/ha per cut  
Total Yield = **4.00** tonnes per hectare  
@ 40 bales per tonne (25 kg bales)

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

60% AFIA Grade A1	96 bales/ha@	\$8.50 / bale	\$816	
20% AFIA Grade B2	32 bales/ha@	\$6.50 / bale	\$208	
20% AFIA Grade C3	32 bales/ha@	\$4.00 / bale	\$128	

See [http://www.afia.org.au/quality/national\\_grades/](http://www.afia.org.au/quality/national_grades/) for more details on hay grades used.

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

<b>\$1,152</b>	
----------------	--

### VARIABLE COSTS:

see following pages(s) for details

Depreciation of establishment cost.....	\$61.52	
Fertilizer.....	\$102.28	
Herbicide.....	\$44.43	
Insecticide.....	\$0.00	
Mow, rake & bale (contract).....	\$375.40	
Twine @ \$0.113/bale.....	\$18.13	
Cart and stack 100% of hay (\$48/t).....	\$192.00	

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

<b>\$793.76</b>	
-----------------	--

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

<b>\$358.24</b>	
-----------------	--

## SENSITIVITY TABLE

### EFFECT OF HAY YIELD AND PRICE ON GROSS MARGIN PER HECTARE

Yield Cuts	Total tonnes/ha	Grade A1 \$6.50	Grade A1 \$7.50	Grade A1 \$8.50	Grade A1 \$10.50	Grade A1 \$12.50
		Grade B2 \$4.50	Grade B2 \$5.50	Grade B2 \$6.50	Grade B2 \$8.50	Grade B2 \$10.50
		Grade C3 \$2.00	Grade C3 \$3.00	Grade C3 \$4.00	Grade C3 \$5.00	Grade C3 \$6.00
		\$208 /tonne	\$248 /tonne	\$288 /tonne	\$360 /tonne	\$432 /tonne
1 cuts	2.0	-\$85	-\$5	\$75	\$219	\$363
2 cuts	3.0	-\$65	\$55	\$175	\$391	\$607
2 cuts	3.5	-\$13	\$127	\$267	\$519	\$771
<b>2 cuts</b>	<b>4.0</b>	\$38	\$198	<b>\$358</b>	\$646	\$934
3 cuts	5.0	\$58	\$258	\$458	\$818	\$1,178
3 cuts	6.0	\$161	\$401	\$641	\$1,073	\$1,505
4 cuts	8.0	\$285	\$605	\$925	\$1,501	\$2,077

# DRYLAND LUCERNE HAY

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	<b>29.93</b>
Spray - diuron	Jul	with above			1.0 L	14.50/kg	14.50	<b>14.50</b>
Apply Single Super	Aug	0.42	23.28	9.78	250kg	0.37/kg	92.50	<b>102.28</b>
Mow, rake 3 times and bale	Oct	contract						<b>187.70</b>
Cart and stack hay in shed	Oct	\$1.20	per bale @ 80 bales/ha per cut					<b>96.00</b>
Mow, rake 3 times and bale	Jan	contract						<b>187.70</b>
Cart and stack hay in shed	Jan	\$1.20	per bale @ 80 bales/ha per cut					<b>96.00</b>

## 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"

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

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

**Hay storage:** The assumption is made that all of the hay is stored on farm prior to selling.

**Hay Grades:** The Australian Fodder Industry Association (AFIA) has developed a national grading system for legume and cereal hays. It is based on digestible dry matter, crude protein content and metabolisable energy.

AFIA (Incorporated in 1996) is the peak body for the hay and silage industries. Further information and a fodder vendor declaration form is available from AFIA. Phone: 03 9890 6855 Website: [www.afia.org.au](http://www.afia.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.*

**LABOUR REQUIREMENTS** Labour for carting hay from the paddock to the shed is accounted for in this budget.

## MACHINERY ASSUMPTIONS:

Tractor: pto power: 57 KW (76 HP)

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

Mow, Rake, Bale costs: If you use your own machinery for mowing, raking and baling then substitute this cost in your own budget.