

COTTON (Roundup Ready Flex® - Single Skip)

Farm Enterprise Budget Series - North East NSW

Summer 2009-2010

1. GROSS MARGIN BUDGET:

INCOME:

Lint:	3.00	bales/ha at	\$380.00	*/bale (at gin).....	\$1,140.00	
Seed:	1.1	tonnes/ha at	\$275.00	/tonne (at gin).....	\$297.00	

Sample Budget \$/ha	Your Budget \$/ha
\$1,140.00	
\$297.00	

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

Crop prices were correct at the time of writing (Aug 2009), world market volatility makes estimation of future pricing impractical.

A. TOTAL INCOME \$/ha:

\$1,437.00

VARIABLE COSTS:

see following page(s) for details

Cultivation.....	\$24.78	
Sowing.....	\$56.58	
Crop insurance.....	\$53.49	
Fertiliser & application.....	\$86.30	
Herbicide & application.....	\$179.12	
Insecticide & application.....	\$169.65	
Contract picking.....	\$295.59	
Cartage to gin.....	\$35.29	
Ginning charges.....	\$165.00	
Licence fees.....	\$49.50	
CA and Research Levy.....	\$13.50	
Consultant	\$60.00	

B. TOTAL VARIABLE COSTS \$/ha:

\$1,188.80

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

\$248.20

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
		\$320 /bale \$235/t	\$350 /bale \$255/t	\$380 /bale \$275/t	\$410 /bale \$285/t	\$440 /bale \$295/t	
1.5	0.5	-\$470	-\$414	-\$358	-\$308	-\$257	Gross Margin (\$/ha)
2.0	0.7	-\$305	-\$230	-\$156	-\$89	-\$22	
2.5	0.9	-\$140	-\$47	\$46	\$130	\$214	
3.0	1.1	\$25	\$137	\$248	\$349	\$450	
3.5	1.3	\$190	\$320	\$450	\$568	\$686	
4.0	1.4	\$355	\$504	\$652	\$787	\$921	
4.5	1.6	\$520	\$687	\$855	\$1,006	\$1,157	

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CALENDAR OF OPERATIONS:	Month	Machinery			Inputs				Total Cost \$/ha	
		hrs /ha	Cost \$/hour	Total \$/ha	Rate/ha	Band Width	Cost \$	Total \$/ha		
Herbicide - glyphosate CT	Jul	0.03	47.06	1.41	1.0 L	100%	5.21	5.21	6.62	
Wetter - non-ionic surfactant	Jul	with above			0.2 L	100%	6.86	1.37	1.37	
Herbicide - trifluralin (480 g/L)	Aug	0.03	47.06	1.41	2.8 L	100%	8.16	22.85	24.26	
Plus Incorporation	Aug	0.15	52.81	7.92		100%			7.92	
Urea incorporation	Aug	0.17	52.56	8.94	87 kg	66%	0.59	33.86	42.80	
Fertiliser - MAP plus potassium blend	Aug	with above			50 Kg	100%	0.87	43.50	43.50	
Cultivation - scarifier	Sep	0.17	52.56	8.94					8.94	
Herbicide - trifluralin (480 g/L)	Sep	with above			3.2 L	100%	8.16	26.11	26.11	
Planting - precision planter	Oct	0.14	55.30	7.74					7.74	
Planting - seed	Oct	with above			10 kg	66%	7.40	48.84	48.84	
Insecticide - chlorpyrifos (500g/L)	Oct	with above	water injection		1.5 L	66%	12.50	12.38	12.38	
Crop insurance	Oct	Premium depends on various factors								53.49
Roundup Ready® Roundup	Nov	0.03	47.06	1.41	1.2 kg	100%	15.64	18.77	20.18	
Cultivation - inter-row	Nov	0.15	52.81	7.92					7.92	
Insecticide - endosulfan (350g/L)	Dec	0.03	47.06	1.41	2.1 L	20%	10.22	4.29	5.70	
Roundup Ready® Roundup	Dec	0.03	47.06	1.41	1.2 kg	100%	15.64	18.77	20.18	
Insecticide - endosulfan (350g/L)	Dec	0.03	47.06	1.41	2.1 L	66%	10.22	14.16	15.58	
Insecticide - emamectin (17g/L)	Dec	0.03	47.06	1.41	0.7 L	66%	88.44	40.86	42.27	
Insecticide - endosulfan (350g/L)*	Jan	0.03	47.06	1.41	2.1 L	66%	10.22	14.16	15.58	
Herbicide - shielded sprayer	Jan	0.09	55.81	5.02					5.02	
Roundup Ready® Roundup	Jan	with above			1.2 kg	66%	15.64	12.39	12.39	
Roundup Ready Flex® Licence fee	Jan					66%		75.00	49.50	
Insecticide - indoxacarb (200g/L)	Jan	0.03	47.06	1.41	0.85 L	66%	37.16	20.85	22.26	
Insecticide - amitraz (200 g/L)	Feb	0.03	47.06	1.41	2.0 L	66%	6.44	8.50	9.91	
Insecticide - ethion + zeta-cypermethrin	Feb	with above			2.5 L	66%	16.61	27.41	27.41	
Insecticide - chlorpyrifos-methyl (500g/L)	Mar	0.03	47.06	1.41	2.0 L	66%	13.00	17.16	18.57	
Defoliant - thidiazuron + diuron (120 + 60 g/L)	Apr	0.03	47.06	1.41	0.25 L	66%	189.00	31.19	32.60	
Defoliant - crop oil	Apr	with above			2.0 L	66%	4.09	5.40	5.40	
Defoliant - ethepon (720 g/L)	Apr	with above			2.0 L	66%	8.93	11.79	11.79	
Defoliant - ethepon (720 g/L)	Apr	0.03	47.06	1.41	2.0 L	66%	8.93	11.79	13.20	
Contract picking and module building	May	contract		\$285/ha					285.00	
Contract Module lifting	May	contract		\$60 /module @ 17 bales per module					10.59	
Contract module cartage to gin	May	contract		\$200 /module @ 50km from gin					35.29	
Ginning charges	May	contract		\$55 /bale					165.00	
Consultant	May	contract							60.00	
Levies	May			\$4.50 /bale					13.50	
TOTAL COSTS \$/HA:									1,189	

AGRONOMIC NOTES: -

Insects: The selection of insecticides is highly dependent on the insect spectrum, growers should be aware this is a generic selection of products. Growers should be mindful of IPM strategies when making product selections. Always refer to the Insecticide Resistance Management Strategy for Cotton when selecting insecticide products.

* Check endosulfan label for restrictions on for use on cotton.

For more detailed information, see the I&I NSW "Cotton Pest Management Guide 2009-10".

Always read chemical labels and follow directions, as it is your legal responsibility to do so.

Use of a particular formulation does NOT imply recommendation of that formulation by NSW DPI.

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

Management: This budget is for a long fallow following a winter cereal crop.

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

Defoliant: Good condition 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 \$20.00 /hr, total labour cost would be \$28.50/ha, reducing the gross margin to \$220 /ha.

MACHINERY ASSUMPTIONS:

Tractor: 170 KW PTO (230 HP) and 200 KW engine (265 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

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.