



COTTON (Roundup Ready Flex® Bollgard II® - Single Skip)

Farm Enterprise Budget Series - North-East NSW

Summer 2011-2012

1. GROSS MARGIN BUDGET: INCOME:

			Sample Budget \$/ha	Your Budget \$/ha
Lint -	4.00 bales/ha at	\$520 */bale (at gin).....	\$2,080.00	
Seed -	1.44 tonnes/ha at	\$215 /tonne (at gin).....	\$309.60	

* \$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: **\$2,389.60**

VARIABLE COSTS:

see following page(s) for details

	Bollgard II®	Your budget
Cultivation.....	\$18.46	
Sowing.....	\$61.76	
Crop insurance.....	\$46.84	
Fertiliser & application.....	\$121.79	
Herbicide & application.....	\$148.86	
Insecticide & application.....	\$37.53	
Contract harvesting.....	\$299.12	
Cartage to gin.....	\$47.06	
Ginning charges.....	\$220.00	
CA and Research Levy.....	\$18.00	
Licence fees.....	\$244.20	
Other (eg consultant).....	\$60.00	
Unsprayed cotton refuge crop, 10% of RR Bollgard II area.....	\$34.51	
B. TOTAL VARIABLE COSTS \$/ha:	1,358.13	

C. GROSS MARGIN (A-B) \$/ha: **\$1,031.47**

SENSITIVITY TABLES

2. EFFECT OF YIELD AND PRICE ON GROSS MARGIN PER HECTARE:

Lint bales/ha	Seed t/ha	\$460 /bale \$175 /t	\$490 /bale \$195 /t	\$520 /bale \$215 /t	\$550 /bale \$225 /t	\$580 /bale \$235 /t	Lint price Seed price
2.00	0.72	-\$163	-\$88	-\$14	\$53	\$121	Gross Margin (\$/ha)
3.00	1.08	\$286	\$397	\$509	\$610	\$710	
4.00	1.44	\$734	\$883	\$1,031	\$1,166	\$1,300	
4.00	1.44	\$734	\$883	\$1,031	\$1,166	\$1,300	
4.50	1.62	\$958	\$1,125	\$1,293	\$1,444	\$1,595	
5.00	1.80	\$1,182	\$1,368	\$1,554	\$1,722	\$1,890	

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Summer 2011-2012

Operation	Month	Machinery			Inputs				Total Cost \$/ha
		hrs /ha	Cost	Total	Rate/ha	Band Width	Cost	Total	
			\$/hour	\$/ha			\$	\$/ha	
Herbicide - glyphosate CT	Jul	0.03	55.78	1.67	1.0 L	100%	4.42	4.42	6.09
Wetter - non-ionic surfactant	Jul	with above			0.2 L	100%	6.45	1.29	1.29
Herbicide - trifluralin (480 g/L)	Aug	0.03	55.78	1.67	2.8 L	100%	5.87	16.44	18.11
Plus Incorporation	Aug	0.15	61.53	9.23		100%			9.23
Urea incorporation	Aug	0.17	61.28	10.42	87 kg	100%	0.70	60.87	71.29
Fertiliser - MAP plus potassium blend	Aug	with above			50 Kg	100%	1.01	50.50	50.50
Crop insurance	Oct	Premium depends on various factors							46.84
Planting - precision planter	Oct	0.14	64.02	8.96		100%			8.96
Planting- seed Roundup Ready Flex® Bollgard II®	Oct	with above			10 kg	66%	8.00	52.80	52.80
Herbicide - Roundup Ready®	Nov	0.03	55.78	1.67	1.2 kg	100%	8.00	9.60	11.27
Cultivation - interrow	Nov	0.15	61.53	9.23		100%			9.23
Insecticide - fipronil (200g/L)	Nov	0.03	55.78	1.67	0.06 L	66%	349.35	14.53	16.20
Herbicide - Roundup Ready®	Dec	0.03	55.78	1.67	1.2 kg	100%	8.00	9.60	11.27
Herbicide - diuron (900 g/kg)	Dec	0.03	55.78	1.67	1.5 kg	66%	12.60	12.47	14.15
Herbicide - prometryn (500 g/L)	Dec	with above			2.20 L	66%	14.48	21.02	21.02
Herbicide - shielded sprayer	Jan	0.09	64.53	5.81					5.81
Herbicide - Roundup Ready®	Jan	with above			1.0 kg	100%	8.00	8.00	8.00
Insecticide - fipronil (200g/L)	Jan	0.03	55.78	1.67	0.06 L	66%	349.35	14.53	16.20
Insecticide - dimethoate (400g/L)	Feb	0.03	55.78	1.67	0.5 L	66%	10.49	3.46	5.14
Bollgard II stacked with Roundup Ready Flex® Licence fee *	Feb					66%		370.00	244.20
Defoliant - thidiazuron + diuron (120 + 60 g/L)	Mar	0.03	55.78	1.67	0.25 L	66%	132.00	21.78	23.45
Defoliant - crop oil	Mar	with above			2.0 L	66%	3.91	5.16	5.16
Defoliant - ethepon (720 g/L)	Mar	with above			1.5 L	66%	9.33	9.24	9.24
Defoliant - ethepon (720 g/L)	Mar	0.03	55.78	1.67	2.0 L	66%	9.33	12.32	13.99
Contract picking & module building	May	contract		\$285/hectare					285.00
Contract module lifting	May	contract		\$60.00 /module @ 17 bales per module					14.12
Contract module cartage to gin	May	contract		\$200 /module @ 50km from gin					47.06
Ginning charges	May	contract		\$55.00 /bale					220.00
Levies	May	contract		\$4.50 /bale					18.00
Consultant	May	contract							60.00
Refuge crop - unsprayed Roundup Ready Flex® cotton @ 10%									34.51
TOTAL COSTS:									1,358

NOTES:

MANAGEMENT:- Each grower is required to grow a refuge crop as part of preventative resistance management. Since the refuge crop is an integrated part of growing Bollgard II® cotton, refuge crop costs have been included as part of the gross margin budget.

For the purposes of this example, we have used unsprayed (i.e. no insecticides) Roundup Ready Flex® cotton at 10% of the Bollgard II® area. Please refer to the Monsanto Bollgard II® Resistance Management Plan for more information on refuge crops and minimum requirements.

For more detailed information, see the Cotton CRC "Cotton Pest Management Guide 2011-12" at www.cottoncrc.org.au

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

HERBICIDES: Fallow herbicides have been substituted for cultivation during the winter to avoid soil compaction. To reduce the likelihood of herbicide resistance, rotate herbicide groups and weed management techniques.

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

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

LICENCE FEES: * This example 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 \$22.31, reducing the gross margin to \$1,009 /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.



COTTON (Roundup Ready Flex® - Refuge for Bollgard II®)

Farm Enterprise Budget Series - North East NSW

Summer 2011-2012

GROSS MARGIN BUDGET:

INCOME:

Lint: 0.00 bales/ha at /bale (at gin).....
Seed: 0.0 tonnes/ha at /tonne (at gin).....

Sample Budget \$/ha	Your Budget \$/ha
\$0.00	
\$0.00	

A. TOTAL INCOME \$/ha:

\$0.00	
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VARIABLE COSTS:

see Calendar of Operations below for details

Cultivation.....	\$43.02	
Sowing.....	\$61.76	
Crop insurance.....	\$0.00	
Fertiliser & application.....	\$71.29	
Herbicide & application.....	\$119.55	
Licence fees.....	\$49.50	

B. TOTAL VARIABLE COSTS \$/ha:

\$345.12	
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C. GROSS MARGIN (A-B) \$/ha:

(\$345.12)	
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CALENDAR OF OPERATIONS:		Machinery			Inputs				Total
Operation	Month	hrs /ha	Cost \$/hour	Total \$/ha	Rate/ha	Band Width	Cost \$	Total \$/ha	Cost \$/ha
Herbicide - glyphosate CT	Jul	0.03	55.78	1.67	1.0 L	100%	4.42	4.42	6.09
Wetter - non-ionic surfactant	Jul	with above			0.2 L	100%	6.45	1.29	1.29
Herbicide - trifluralin (480 g/L)	Aug	0.03	55.78	1.67	2.8 L	100%	5.87	16.44	18.11
Plus Incorporation	Aug	0.15	61.53	9.23		100%			9.23
Urea incorporation	Aug	0.17	61.28	10.42	87 kg	66%	0.70	60.87	71.29
Cultivation - scarifier	Sep	0.17	61.28	10.42					10.42
Herbicide - trifluralin (480 g/L)	Sep	with above			3.2 L	100%	5.87	18.78	18.78
Planting - precision planter	Oct	0.14	64.02	8.96					8.96
Planting - seed	Oct	with above			10 kg	66%	8.00	52.80	52.80
Herbicide - fluometuron+prometryn (440 & 400 g/L)	Oct	with above			3.5 L	100%	18.18	63.63	63.63
Cultivation - inter-row	Nov	0.15	61.53	9.23					9.23
Herbicide - shielded sprayer	Dec	0.09	64.53	5.81					5.81
Herbicide - glyphosate (450 g/L)	Dec	with above			2.0 L	66%	4.42	5.83	5.83
Roundup Ready Flex® Licence fee *	Dec					66%		75.00	49.50
Slashing	Apr	0.20	70.73	14.15					14.15
TOTAL COSTS \$/HA:									345
TOTAL COSTS for 10% hectare:									34.51

AGRONOMIC NOTES:

MANAGEMENT:- Each grower is required to grow a refuge crop as part of the Resistance Management Plan for the Roundup Ready Flex® Bollgard II® cotton varieties.

* 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.

For the purposes of this example, we have used unsprayed (i.e. no insecticides) conventional cotton at 10% of the Roundup Ready Flex® Bollgard II® area.

Please refer to the Monsanto Bollgard II® Resistance Management Plan for more information on refuge crops and minimum requirements.