

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

Farm Enterprise Budget Series - Northern Zone

Summer 2009-2010

1. GROSS MARGIN BUDGET:

INCOME:

			Sample Budget \$/ha	Your Budget \$/ha
Lint -	3.00 bales/ha at	\$380 */bale (at gin).....	\$1,140.00	
Seed -	1.08 tonnes/ha at	\$275 /tonne (at gin).....	\$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

	Bollgard II®	Your budget
Cultivation.....	\$15.84	
Sowing.....	\$56.58	
Crop insurance.....	\$28.17	
Fertiliser & application.....	\$103.74	
Herbicide & application.....	\$188.91	
Insecticide & application.....	\$36.56	
Contract harvesting.....	\$295.59	
Cartage to gin.....	\$35.29	
Ginning charges.....	\$165.00	
CA and Research Levy.....	\$13.50	
Licence fees.....	\$257.40	
Other (eg consultant).....	\$60.00	
Unsprayed cotton refuge crop, 10% of RR Bollgard II area.....	\$31.96	
B. TOTAL VARIABLE COSTS \$/ha:	1,288.54	

C. GROSS MARGIN (A-B) \$/ha: **\$148.46**

SENSITIVITY TABLES

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

Lint bales/ha	Seed t/ha	\$320 /bale \$235 /t	\$350 /bale \$255 /t	\$380 /bale \$275 /t	\$410 /bale \$285 /t	\$440 /bale \$295 /t	Lint price Seed price
2.00	0.72	-\$405	-\$330	-\$256	-\$189	-\$121	
3.00	1.08	-\$75	\$37	\$148	\$249	\$350	
3.00	1.08	-\$75	\$37	\$148	\$249	\$350	Gross Margin
4.00	1.44	\$255	\$404	\$553	\$687	\$821	(\$/ha)
4.50	1.62	\$420	\$587	\$755	\$906	\$1,057	
5.00	1.80	\$585	\$771	\$957	\$1,125	\$1,293	

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Farm Enterprise Budget Series - Northern Zone

Summer 2009-2010

CALENDAR OF OPERATIONS:		Machinery			Inputs				Total	
Operation	Month	hrs /ha	Cost	Total	Rate/ha	Band	Cost	Total	Total Cost \$/ha	
			\$/hour	\$/ha		Width	\$	\$/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	100%	0.59	51.30	60.24	
Fertiliser - MAP plus potassium blend	Aug	with above			50 Kg	100%	0.87	43.50	43.50	
Crop insurance	Oct	Premium depends on various factors								28.17
Planting - precision planter	Oct	0.14	55.30	7.74		100%			7.74	
Planting- seed Roundup Ready Flex® Bollgard II®	Oct	with above			10 kg	66%	7.40	48.84	48.84	
Roundup Ready® Roundup	Nov	0.03	47.06	1.41	1.2 kg	100%	15.64	18.77	20.18	
Cultivation - interrow	Nov	0.15	52.81	7.92		100%			7.92	
Insecticide - fipronil (200g/L)	Nov	0.03	47.06	1.41	0.06 L	66%	371.33	15.44	16.85	
Roundup Ready® Roundup	Dec	0.03	47.06	1.41	1.2 kg	100%	15.64	18.77	20.18	
Herbicide - diuron (900 g/kg)	Dec	0.03	47.06	1.41	1.5 kg	66%	10.61	10.50	11.92	
Herbicide - prometryn (500 g/L)	Dec	with above			2.20 L	66%	16.31	23.68	23.68	
Herbicide - shielded sprayer	Jan	0.09	55.81	5.02					5.02	
Roundup Ready® Roundup	Jan	with above			1.0 kg	100%	15.64	15.64	15.64	
Bollgard II® Licence fee *	Jan					66%		315.00	207.90	
Roundup Ready Flex® Licence fee *	Jan					66%		75.00	49.50	
Insecticide - fipronil (200g/L)	Jan	0.03	47.06	1.41	0.06 L	66%	371.33	15.44	16.85	
Insecticide - dimethoate (400g/L)	Feb	0.03	47.06	1.41	0.5 L	66%	4.37	1.44	2.85	
Defoliant - thidiazuron + diuron (120 + 60 g/L)	Mar	0.03	47.06	1.41	0.25 L	66%	189.00	31.19	32.60	
Defoliant - crop oil	Mar	with above			2.0 L	66%	4.09	5.40	5.40	
Defoliant - ethepon (720 g/L)	Mar	with above			1.5 L	66%	8.93	8.84	8.84	
Defoliant - ethepon (720 g/L)	Mar	0.03	47.06	1.41	2.0 L	66%	8.93	11.79	13.20	
Contract picking & module building	May	contract		\$285/hectare					285.00	
Contract Module lifting	May	contract		\$60.00 /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		\$55.00 /bale					165.00	
ACF levy and Research levy	May	contract		\$4.50 /bale					13.50	
Consultant	May	contract							60.00	
Refuge crop - unsprayed conventional cotton @ 10%									31.96	
TOTAL COSTS:									1,289	

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 (ie no insecticides) conventional 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 further details see the I&I NSW "Cotton Pest Management Guide 2009-10".

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 Department of Primary Industries.

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

LICENCE FEES: * The technology licence fees for Bollgard II® for 2009-10 is \$315/ha per green hectare and \$75/ha for Roundup Ready Flex® (GST-exclusive).

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 \$20.00 /hr, total labour cost would be \$21.25, reducing the gross margin to \$127 /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 2009-2010

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.....	\$37.18	
Sowing.....	\$52.95	
Crop insurance.....	\$0.00	
Fertiliser & application.....	\$60.24	
Herbicide & application.....	\$119.76	

B. TOTAL VARIABLE COSTS \$/ha:

\$270.13	
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C. GROSS MARGIN (A-B) \$/ha:

(\$270.13)	
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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	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	51.30	60.24
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%	6.85	45.21	45.21
Herbicide - fluometuron+prometryn (440 & 400 g/L)	Oct	with above			3.5 L	100%	14.14	49.49	49.49
Cultivation - inter-row	Nov	0.15	52.81	7.92					7.92
Herbicide - shielded sprayer	Dec	0.09	55.81	5.02					5.02
Herbicide - glyphosate (450 g/L)	Dec	with above			2.0 L	66%	5.21	6.88	6.88
Roundup Ready Flex® Licence fee *	Dec					66%		75.00	49.50
Slashing	Apr	0.20	62.01	12.40					12.40
TOTAL COSTS \$/HA:									320
TOTAL COSTS for 10% hectare:									31.96

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.

* The technology licence fee for \$75/ha for Roundup Ready Flex® (GST-exclusive).

For the purposes of this example, we have used unsprayed (ie 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 requirement: