



NSW DEPARTMENT OF PRIMARY INDUSTRIES

Wheat: Long Fallow Central Zone - West

Winter 2009

1. GROSS MARGIN BUDGET:

INCOME:

2.40 tonnes/ha @ \$271.00 /tonne (on farm) (PH)

A. TOTAL INCOME \$/ha:

VARIABLE COSTS:

See opposite page for detail

	Standard Budget \$/Ha	Your Budget \$/Ha
	\$650.40	
A. TOTAL INCOME \$/ha:	\$650.40	
Cultivation.....	\$20.38	
Sowing.....	\$49.34	
Fertiliser.....	\$68.25	
Herbicide.....	\$63.82	
Insecticide.....	\$0.00	
Contract-harvesting.....	\$48.00	
Levies.....	\$6.63	
Crop Insurance.....	\$6.67	
Cartage, grading & bagging.....	\$0.00	

B. TOTAL VARIABLE COSTS \$/ha:

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

\$387.32

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

YIELD tonnes/ha	ON FARM PRICE (\$/tonne)					Gross Margin (\$/ha)
	231	251	271	291	311	
1.40	\$67	\$94	\$122	\$149	\$177	
1.80	\$158	\$193	\$228	\$263	\$299	
2.20	\$248	\$291	\$334	\$377	\$420	
2.40	\$293	\$340	\$387	\$434	\$481	←
2.80	\$380	\$435	\$490	\$545	\$600	
3.30	\$487	\$552	\$617	\$681	\$746	
3.80	\$594	\$669	\$743	\$818	\$892	

PRODUCT TRADE NAMES

The product trade names in this publication are supplied on the understanding that no preference between equivalent products is intended and that the inclusion of a product does not imply endorsement by NSW Department of Primary Industries over any other equivalent product from another manufacturer.

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CALENDAR OF OPERATIONS:

Operation	Month	Machinery			Inputs			Total Cost \$/ha
		hrs /ha	Cost \$/hour	Total \$/ha	Rate/ha	Cost \$	Total \$/ha	
Weed control eg: glyphosate 450 g/litre	Aug/Sept	0.03	79.73	\$2.61	1.20 L	\$7.38/L	\$8.85	\$11.46
Weed control eg: glyphosate 450 g/litre	Dec/Jan	0.03	79.73	\$2.61	1.20 L	\$7.38/L	\$8.85	\$11.46
Weed control eg: Garlon®	Dec/Jan	with above			0.10 L	\$29.93/L	\$2.99	\$2.99
Chisel Plough	Feb	0.14	89.48	\$12.37				\$12.37
Cultivation	Apr	0.10	78.17	\$8.01				\$8.01
Weed control eg: glyphosate 450 g/litre	Apr/May	0.03	79.73	\$2.61	0.80 L	\$7.38/L	\$5.90	\$8.51
Sowing	May	0.12	107.73	\$12.62	40 kg	\$0.92/kg	\$36.72	\$49.34
Starter fertiliser eg: MAP	May	with above			70 kg	\$0.98/kg	\$68.25	\$68.25
Grass weed control eg: Diclofop-methyl (Hoegrass®)	Jun	0.03	79.73	\$2.61	1.00 L	\$17.33/L	\$17.33	\$19.94
Broadleaf weed control eg: MCPA LVE®	Jul	0.03	79.73	\$2.61	0.70 L	\$9.81/L	\$6.86	\$9.47
Contract-harvest	Nov	contract		\$48.00				\$48.00
Crop Levies					1.02%	of on-farm value		\$6.63
Crop Insurance					1.03%	of on-farm value		\$6.67

*** Input and crop prices are correct at the time of writing (March 2009). Market uncertainty makes estimation of future pricing impractical.

NOTES:

Long fallow:

- Country coming out of lucerne or pasture is usually fallowed.
- Fallow is usually commenced in Aug-Sept to conserve moisture and stop weeds setting seed. Preferably a spray is substituted for the opening cultivation, allowing extended grazing time, weed control and moisture conservation.
- For Gross Margin comparisons NOTE: in a long fallow situation winter cropping cannot be carried out annually.

Sowing Time:

- Sowing at the optimum time for the selected variety is critical for maximum yield.
- There is a 4 to 7% yield loss for every weeks delay past the optimum sowing time.
- Seed price used above is for purchased seed; if using retained seed adjust budget accordingly.

Weed control:

- Timing of fallow herbicide applications will vary according to rainfall.
- Weed control, if required, should be implemented either pre-emergent or within 6 to 8 weeks after sowing to avoid yield loss.
- An additional knockdown herbicide application (i.e. Glyphosate® 450 @ 1.0 L/ha) should be considered if weeds are present at the time of sowing.
- Rotate herbicide groups and use other non-chemical methods to delay herbicide resistance.

Fertiliser:

- Good nitrogen fertility is required to produce high yields and high protein percentage.
- To achieve PH quality, wheat must have a protein level of 13% or higher.
- Adequate phosphorus is essential before applying extra nitrogen fertiliser.

Wheat Price:

- Higher protein wheat is likely to be grown on fallow country with a good legume history.

Machinery:

- A tractor with 203 kW (272 HP) pto power and 242kW (325 HP) engine power is assumed.
- Machinery costs refer only to variable costs: fuel, oil, filters, tyres, batteries & repairs.
- Contract-harvesting does not include the cost of fuel.

Labour:

- Using a labour cost of \$14/hr, an additional \$9.12 can be deducted from the budget

Important notes:

- These gross margins are only a guide. They do not include overhead costs.
- **Use your own figures and price assumptions to estimate your own gross margin.**
- Use of a particular brand name does NOT imply recommendation of that brand by NSW Department of Primary Industries.

This budget is ONLY A GUIDE and should be altered for movements in crop and input prices, changes in seasonal conditions and the farm characteristics.