



DRYLAND LUCERNE: Grazing Prime Lambs

April 2008

1. Data-Lambs

Lambs purchase weight and price	30 kg =	\$50.00	per head
Lambs finished weight and price	45 kg =	\$75.00	per head
	Dry matter	4000	kg/ha
	Wether lambs/ha	30.0	

2. GROSS MARGIN BUDGET:

INCOME - GRAZING

Grazing (will vary substantially depending on stock type, seasonal conditions, crop growth & grazing period)

30.0 hd/ha @ \$75.00 per head

Wool

1.50 kg wool/head @ \$2.00 /kg

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

\$2,250.00	
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\$90.00	
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A. TOTAL INCOME \$/ha:

\$2,340	
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VARIABLE COSTS:

see following pages(s) for details

Depreciation of establishment cost (over 4 years).....		\$73.68	
Lucerne variable costs Fertilizer.....		\$102.28	
Herbicide.....		\$44.43	
Insecticide.....		\$0.00	
Sheep Variable costs Purchase store wether lambs @ \$50/hd.....		\$1,500.00	
Drench & vaccine	\$0.30 /head	\$9.00	
Shearing.....	\$3.00 /head	\$90.00	
Commission	5.0%	\$112.50	
Industry Levies.....	\$1.50 /hd	\$45.00	
Yard Dues.....	\$1.00 /hd	\$30.00	
Freight.....	\$1.50 /hd	\$45.00	
B. TOTAL VARIABLE COSTS \$/ha:		\$2,051.89	

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

\$288.11	
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D. GROSS MARGIN (A-B) \$/head:

\$9.60	
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SENSITIVITY TABLE: Effect of livestock prices on gross margin per hectare

Purchase Price \$/hd	Selling Price				
	\$65/hd	\$70/hd	\$75/hd	\$80/hd	\$85/hd
35.00	453	596	738	881	1,023
40.00	303	446	588	731	873
45.00	153	296	438	581	723
50.00	3	146	288	431	573
55.00	-147	-4	138	281	423
60.00	-297	-154	-12	131	273

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Northern Zone

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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	29.93
Spray - diuron	Jul	with above			1.0 L	14.50/kg	14.50	14.50
Apply Single Super	Aug	0.42	23.28	9.78	250kg	0.37/kg	92.50	102.28

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 irrigated hay production, there is a possibility that higher rates of potash may be required to correct chronic potassium deficiency.

Livestock: Wether lambs are capable of gaining weight faster than female stock due to a higher tendency to gain muscle weight.

GRAZING MANAGEMENT: AGNOTE DPI-198 "**Grazing management of lucerne**": Lucerne needs a period of spelling or recovery alternated with a period of grazing. The spelling period is the key to lucerne management. Continuous stocking can cause rapid decline in plant numbers. The heavier the stocking rate, the more rapid plant death, as constant removal of new shoots depletes root reserves, especially if growing conditions are unfavourable. When grazing, aim to preserve basal buds and preferably some leaf. This allows rapid regrowth. As a general rule, remove stock when lucerne is 5 cm high.

For more detailed information see **AGNOTE DPI-198** "Grazing management of lucerne"

<http://www.agric.nsw.gov.au/reader/past-management/dpi198.htm> and **Agfact P2.2.25** "**Lucerne for Pasture and fodder**"

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 to apply fertiliser or spray or for livestock management is not costed.

MACHINERY ASSUMPTIONS:

Tractor: pto power: 57 KW (76 HP)

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