

DRYLAND LUCERNE: Grazing Prime Lambs

1. Data-Lambs

Lambs purchase weight and price	30 kg =	\$100.00	per head
Lambs finished weight and price	45 kg =	\$140.00	per head
	Dry matter	4000	kg/ha
	Wether lambs/ha	30.0	

Summer 2010-11

2. GROSS MARGIN BUDGET: INCOME - GRAZING

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

29.4 hd/ha @ \$140.00 per head
2% losses assumed

Wool 1.50 kg wool/head @ \$2.00 /kg

A. TOTAL INCOME \$/ha:

Sample Budget	Your Budget
\$/ha	\$/ha
\$4,116.00	
\$90.00	
\$4,206	

VARIABLE COSTS:

see following pages(s) for details

Lucerne variable costs	Depreciation of establishment cost (over 4 years).....		\$52.32	
	Fertiliser.....		\$125.00	
	Herbicide.....		\$38.19	
Sheep Variable costs	Purchase store wether lambs @ \$100/hd.....		\$3,000.00	
	Drench & vaccine	\$0.30 /head	\$9.00	
	Shearing.....	\$3.00 /head	\$90.00	
	Commission	5.0%	\$205.80	
	Industry Levies.....	\$1.50 /hd	\$44.10	
	Yard Dues.....	\$1.00 /hd	\$29.40	
	Freight.....	\$1.50 /hd	\$44.10	

B. TOTAL VARIABLE COSTS \$/ha:

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

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

\$52.32	
\$125.00	
\$38.19	
\$3,000.00	
\$9.00	
\$90.00	
\$205.80	
\$44.10	
\$29.40	
\$44.10	
\$3,637.90	
\$568.10	
\$18.94	

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

Purchase Price \$/hd	Selling Price				
	\$120/hd	\$130/hd	\$140/hd	\$150/hd	\$160/hd
85.00	459	739	1,018	1,297	1,577
90.00	309	589	868	1,147	1,427
95.00	159	439	718	997	1,277
100.00	9	289	568	847	1,127
105.00	-141	139	418	697	977
110.00	-291	-11	268	547	827

Number of lambs	Selling Price				
	\$120/hd	\$130/hd	\$140/hd	\$150/hd	\$160/hd
15	-103	37	176	316	456
20	-66	121	307	493	679
25	-28	205	437	670	903
30	9	289	568	847	1,127
32	24	322	620	918	1,216
35	47	373	699	1,025	1,350

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Northern Zone

Summer 2010-11

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	17.05	1.71	2.4 L	10.45/L	25.08	26.79
Spray - diuron	Jul	with above			1.0 L	11.40/kg	11.40	11.40
Apply Single Super	Aug	contract			250kg	0.42/kg	105.00	125.00

AGRONOMIC NOTES:

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

For more information, refer to the I&I NSW Management Guide "Weed Control in Pastures and Lucerne 2010"

Establishment: This budget assumes a stand life of 4 years, so depreciation of establishment cost is the cost of establishment divided by four.

Fertilisers: Nutrient requirements should be assessed with soil tests, strip trials and paddock history records.

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. Rotational grazing and spelling are the keys to lucerne management. The rest period allows the plant to renew root reserves. 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. Avoid any grazing of lucerne crown growth points.

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"**

Profitability: Profitability can vary greatly due to a number of factors including the margin between purchase price and sale price per head, the total dry matter available and therefore potential stocking rate, meeting target weight gains and therefore target sale categories and prices, or mortality rates. Please refer to the sensitivity tables for examples and factor in the seasonal and market risks in your planning activities.

Use of a particular brand name does NOT imply recommendation of that brand by I&I NSW.

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

LABOUR REQUIREMENTS:

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

MACHINERY ASSUMPTIONS:

Tractor: PTO power: 57kW (76 HP)

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