



Oats/Wheat: Grazing/Grain (Short Fallow)

Central Zone - East

Winter 2009

1. GROSS MARGIN BUDGET:

INCOME:

Grain - Oats:	1.80	tonnes/ha @	\$190 /tonne (on farm) (feed)
Grain - Wheat:	2.50	tonnes/ha @	\$244 /tonne (on farm) (feed)
Grazing Oats:	2.5 hd/ha @	1.00 kg/d x	80 days x \$1.90/kg
Grazing Wheat:	2.3 hd/ha @	1.00 kg/d x	80 days x \$1.90/kg

A. TOTAL INCOME \$/ha:

VARIABLE COSTS:

See opposite page for detail

Cultivation.....	\$8.05	\$8.05
Sowing.....	\$108.90	\$84.26
Fertiliser.....	\$230.55	\$230.55
Herbicide.....	\$45.83	\$45.83
Insecticide.....	\$0.00	\$0.00
Contract-harvesting.....	\$48.00	\$54.00
Levies.....	\$3.47	\$6.22
Crop Insurance.....	\$7.01	\$12.51
Cartage, grading & bagging.....	\$0.00	\$0.00

B. TOTAL VARIABLE COSTS \$/ha:

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

Oats Standard Budget \$/Ha	Wheat Standard Budget \$/Ha	Your Budget \$/Ha
\$342.00		
	\$610.00	
\$380.00		
	\$349.60	
\$722.00	\$959.60	
\$8.05	\$8.05	
\$108.90	\$84.26	
\$230.55	\$230.55	
\$45.83	\$45.83	
\$0.00	\$0.00	
\$48.00	\$54.00	
\$3.47	\$6.22	
\$7.01	\$12.51	
\$0.00	\$0.00	
\$451.82	\$441.42	
\$270.18	\$518.18	

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

Oats

YIELD tonnes/ha	ON FARM PRICE (\$/tonne)					Gross Margin (\$/ha)
	\$150 /t	\$170 /t	\$190 /t	\$210 /t	\$230 /t	
0.80	\$55	\$70	\$86	\$102	\$117	
1.30	\$128	\$153	\$178	\$203	\$228	
1.80	\$200	\$235	\$270	\$305	\$340	
2.30	\$269	\$314	\$359	\$403	\$448	
2.80	\$336	\$390	\$445	\$499	\$553	
3.30	\$403	\$467	\$531	\$595	\$659	

Wheat

YIELD tonnes/ha	ON FARM PRICE (\$/tonne)					Gross Margin (\$/ha)
	\$204 /t	\$224 /t	\$244 /t	\$264 /t	\$284 /t	
1.50	\$230	\$259	\$288	\$317	\$346	
2.00	\$328	\$367	\$406	\$445	\$483	
2.50	\$421	\$470	\$518	\$567	\$615	
3.00	\$514	\$572	\$630	\$689	\$747	
3.50	\$607	\$675	\$743	\$811	\$878	
4.50	\$793	\$880	\$967	\$1,054	\$1,142	
5.50	\$978	\$1,085	\$1,192	\$1,298	\$1,405	

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	Total	Rate/ha	Cost	Total	
			\$/hour	\$/ha		\$	\$/ha	
Weed control eg: glyphosate 450 g/litre	Dec	0.05	43.36	\$2.34	1.20 L	\$7.38/L	\$8.85	\$11.19
Weed control eg: Garlon®	Dec	with above			0.12 L	\$29.93/L	\$3.59	\$3.59
Cultivation	Jan	0.17	47.03	\$8.05				\$8.05
Weed control eg: glyphosate 450 g/litre	Feb	0.05	43.36	\$2.34	1.00 L	\$7.38/L	\$7.38	\$9.71
Weed control eg: 2,4-D amine (Surpass®)	Feb	with above			1.20 L	\$6.22/L	\$7.46	\$7.46
Sowing - oat	Mar	0.17	64.36	\$10.82	80 kg	\$1.23/kg	\$98.08	\$108.90
Sowing - wheat	Mar	0.17	64.36	\$10.82	80 kg	\$0.92/kg	\$73.44	\$84.26
Nitrogen fertiliser eg: Urea	Mar	with above			70 kg	\$0.85/kg	\$59.50	\$59.50
Starter fertiliser eg: MAP	Mar	with above			80 kg	\$0.98/kg	\$78.00	\$78.00
Weed control eg: Chlorsulfuron (Glean®)	Apr	0.05	43.36	\$2.34	20 g	\$0.12 /g	\$2.35	\$4.69
Nitrogen fertiliser eg: Urea	Jun	0.17	47.03	\$8.05	100 kg	\$0.85/kg	\$85.00	\$93.05
Broadleaf weed control eg: MCPA LVE®	Jul	0.05	43.36	\$2.34	0.70 L	\$9.81/L	\$6.86	\$9.20
Contract-harvest (oats)	Nov	contract		\$48.00				\$48.00
Contract-harvest (wheat)	Nov	contract		\$54.00				\$54.00
Crop Levies - Oats					1.02%	of on-farm value		\$3.47
Crop Insurance - Oats					2.05%	of on-farm value		\$7.01
Crop Levies - Wheat					1.02%	of on-farm value		\$6.22
Crop Insurance - Wheat					2.05%	of on-farm value		\$12.51

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

NOTES:

Place in rotation:	- Short Fallow: Fallow or weed free period of 5-6 months between harvest of one crop and sowing of the next crop. For example, a paddock harvested in November would create 5-6 month fallow until sowing in May.
Paddock Selection:	- Oats are more tolerant of acid soils than wheat or barley. - Wheat is suited to better soil types.
Seed:	- Seed price used above is for purchased seed; if using retained seed adjust budget accordingly
Varieties:	- Seek advice from district agronomist or see Winter Crop Variety Sowing Guide - 2009 for variety choice.
Fertiliser:	- A starter fertiliser is recommended at sowing. - Topdressing of urea in June increases dry matter and grain production.
Weed control:	- Rotate herbicide groups and use other non-chemical methods to avoid herbicide resistance developing.
Machinery:	- A tractor with 149 kW (200 HP) pto power and 177 kW (240 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:	- The labour required for machinery operations is 1.12 hrs/ha - Using a labour cost of \$14/hr, an additional \$15.65 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.