

Enterprise
Unit

ha

POTATO - FRESH
Summer Crop - Spray Irrigation

2001
GROSS MARGIN BUDGET:
1 ha

Standard Budget	Your Budget
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INCOME:

25 t/ha	@	\$300.00 /t
8 t/ha	@	\$280.00 /t
33 t/ha	@	\$295.15 /t*

\$7,500.00
\$2,240.00

A. Total Income/ha

\$9,740.00

VARIABLE COSTS:
Seed

Certified	2800.00 kg/ha	\$0.50 /kg	\$1,400.00
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Tractor costs
Large equipment including labour, fuel, oil, etc

2 Cultivation	0.7 hr/ha	\$30.50 /hr	\$42.70
1 Lister	0.5 hr/ha	\$30.50 /hr	\$15.25
1 Drill Fertiliser	0.5 hr/ha	\$30.50 /hr	\$15.25
1 Bedform	0.5 hr/ha	\$30.50 /hr	\$15.25
3 Broadcast	0.5 hr/ha	\$30.50 /hr	\$45.75
1 Sowing	1.6 hr/ha	\$30.50 /hr	\$48.80
4 Boomspray	0.2 hr/ha	\$30.50 /hr	\$24.40
1 Slash	0.3 hr/ha	\$30.50 /hr	\$9.15

Irrigation

Water (off-river)	4 ML/ha	\$2.50 /ML	\$10.00
Pumping costs	4 ML/ha	\$30.00 /ML	\$120.00

Fertiliser

Lime	2500 kg/ha	\$0.10 /kg	\$250.00
Complete	1000 kg/ha	\$0.45 /kg	\$450.00
Starter Fertiliser	500 kg/ha	\$0.45 /kg	\$223.50
Urea	250 kg/ha	\$0.38 /kg	\$93.75

Pest control

2 Fungicide	2.00 L/ha	\$22.15 /L	\$88.60
1 Insecticide	0.20 L/ha	\$28.40 /L	\$5.68
1 Insecticide	0.75 L/ha	\$39.60 /L	\$29.70

Weed Control

1 Herbicide	2.8 L/ha	\$6.50 /L	\$18.20
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Harvesting

Harvester	8 hr/ha	\$30.50 /hr	\$244.00
3 Casual labour	8 hr/ha	\$14.50 /hr	\$348.00
1 Bin Pick up	8 hr/ha	\$30.50 /hr	\$244.00
Bin Hire (14 days)	70 bins/ha	\$0.16 /bin-day	\$156.80

Handling

Pack & grade	660 bags	\$3.75 /bag	\$2,475.00
Bags	660 bags	\$1.00 /bag	\$660.00

Freight

Markets	660 bags	\$2.00 /bag	\$1,320.00
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Levy

0.50%	\$48.70
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Agents commission

12.00%	\$1,168.80
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B. Total Variable Costs

\$9,571.28

Break-even price	\$290.04 /t
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Gross Margin /ha (A-B)

\$168.72

Break-even yield	32.43 t/ha
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Gross Margin /ML

\$42.18

* weighted average price used

PRODUCT TRADE NAMES

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

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SENSITIVITY ANALYSIS
TABLE 1- Effect of Yield and Price on Gross Margin /ha

YIELD (t)	DELIVERED PRICE (\$/t)					
	275.15	285.15	295.15	305.15	315.15	325.15
13	-\$2,524	-\$2,410	-\$2,296	-\$2,183	-\$2,069	-\$1,955
23	-\$1,466	-\$1,265	-\$1,064	-\$863	-\$661	-\$460
33	-\$409	-\$120	\$169	\$457	\$746	\$1,035
43	\$649	\$1,025	\$1,401	\$1,778	\$2,154	\$2,530
53	\$1,706	\$2,170	\$2,634	\$3,098	\$3,561	\$4,025

TABLE 2- Effect of Yield and Price on Gross Margin /ML

YIELD (t)	DELIVERED PRICE (\$/t)					
	275.15	285.15	295.15	305.15	315.15	325.15
13	-\$631	-\$603	-\$574	-\$546	-\$517	-\$489
23	-\$367	-\$316	-\$266	-\$216	-\$165	-\$115
33	-\$102	-\$30	\$42	\$114	\$187	\$259
43	\$162	\$256	\$350	\$444	\$538	\$633
53	\$427	\$543	\$658	\$774	\$890	\$1,006

The weighted average price shown in bold is based on the Flemington Market prices over a recent 12 month period.

NOTES:

Area	- Riverina is the main growing area (70%) with production also at the tablelands (20%) and the coast (10%).
Production	- Plants are spaced 190 to 220mm apart on rows 810 to 910mm apart (this plant population is a bit higher than the winter crop to give a higher percentage of smalls for seed). In the higher elevation Tablelands district the entire summer crop is sold on the fresh market. In the rest of the state (as represented in this budget) the summer crop also provides seed for the following winter crop. The small potatoes (40 to 80g) are kept for seed, while the rest of the crop is sold on the fresh market. Coliban is the main white skin and Desiree is the main red skin variety.
Pests	- Aphids and potato moths are the main insect pests with target spot the most common disease.
Harvesting	- Potatoes are sown in July and August for a December January harvest. Potatoes can be graded on the back of the harvester or in the packing shed. If being sold as a washed product they will need to be graded in the shed.
Yields	- Paddock yields vary from 30 to 40 tonnes per hectare. Production in the tablelands can expect 20% higher yields than in the Riverina.
Packaging	- Potatoes are usually marketed in 50kg bags with 1 tonne bulk bags and 5 or 10kg consumer packs also used.
Economic note	- 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. - This budget does not include overhead costs or GST.