

Enterprise Unit ha **LETTUCE - FRESH** **2001**  
 Furrow Irrigation

<b>GROSS MARGIN BUDGET:</b>			<b>1 ha</b>	Standard Budget	Your Budget
<b>INCOME:</b>	2200 cartons/ha	@	\$8.00 /carton	\$17,600.00	
	<b>A. Total Income/ha</b>			<b>\$17,600.00</b>	
<b>VARIABLE COSTS:</b>					
<b>Seed</b>	0.25	kg/ha	\$900.00 /kg	\$225.00	
<b>Tractor costs</b>					
<b>Small equipment including labour, fuel, oil, etc</b>					
2 Cultivate	2.5	hr/ha	\$24.50 /hr	\$122.50	
1 Lister	2.0	hr/ha	\$24.50 /hr	\$49.00	
1 Drill Fertiliser	2.0	hr/ha	\$24.50 /hr	\$49.00	
1 Bedform	2.0	hr/ha	\$24.50 /hr	\$49.00	
1 Sidedressing	2.0	hr/ha	\$24.50 /hr	\$49.00	
1 Incorporate herbicide	2.0	hr/ha	\$24.50 /hr	\$49.00	
1 Sowing	2.5	hr/ha	\$24.50 /hr	\$61.25	
8 Boomspray	0.5	hr/ha	\$24.50 /hr	\$98.00	
<b>Irrigation</b>					
Water	4	ML/ha	\$17.36 /ML	\$69.44	
<b>Fertiliser</b>					
Single Super	200	kg/ha	\$0.24 /kg	\$48.00	
Starter Fertiliser	250	kg/ha	\$0.45 /kg	\$112.50	
Ammonium Nitrate	350	kg/ha	\$0.41 /kg	\$142.45	
Mico nutrients	2	kg/ha	\$1.20 /kg	\$2.40	
<b>Pest control</b>					
2 Fungicide	2.5	L/ha	\$62.00 /L	\$310.00	
3 Fungicide	2.2	kg/ha	\$7.45 /kg	\$49.17	
2 Fungicide	0.8	L/ha	\$75.60 /L	\$120.96	
2 Insecticide	0.4	L/ha	\$34.00 /L	\$27.20	
1 Insecticide	0.8	L/ha	\$8.75 /L	\$7.00	
2 Insecticide	2.0	L/ha	\$14.45 /L	\$57.80	
<b>Weed control</b>					
Chipping/thinning	60	hr/ha	\$14.50 per hr	\$870.00	
<b>Harvesting (Packed in paddock)</b>					
Harvesting tractor	22	hr/ha	\$24.50 /hr	\$539.00	
5 Casual labours	22	hr/ha	\$14.50 /hr	\$1,595.00	
Cartons	2200	cartons/ha	\$2.67 /carton	\$5,874.00	
Cooling	2200	cartons/ha	\$0.05 /carton	\$110.00	
<b>Freight</b>					
Markets	2200	cartons/ha	\$0.90 /carton	\$1,980.00	
<b>Levy</b>			0.50%	\$88.00	
<b>Agents commission</b>			12.00%	\$2,112.00	
	<b>B. Total Variable Costs</b>			<b>\$14,866.67</b>	
Break-even price	\$6.76	/carton	<b>Gross Margin per ha (A-B)</b>	<b>\$2,733.33</b>	
Break-even yield	1,858	cartons/ha	<b>Gross Margin per ML</b>	<b>\$683.33</b>	

**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.

Enterprise

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

YIELD (carton)	DELIVERED PRICE (\$/carton)					
	5.00	6.50	8.00	9.50	11.00	12.50
1400	-\$3,646	-\$1,808	\$29	\$1,867	\$3,704	\$5,542
1800	-\$3,344	-\$981	\$1,381	\$3,744	\$6,106	\$8,469
<b>2200</b>	-\$3,042	-\$154	<b>\$2,733</b>	\$5,621	\$8,508	\$11,396
2600	-\$2,740	\$673	\$4,085	\$7,498	\$10,910	\$14,323
3000	-\$2,438	\$1,500	\$5,437	\$9,375	\$13,312	\$17,250

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

YIELD (carton)	DELIVERED PRICE (\$/carton)					
	5.00	6.50	8.00	9.50	11.00	12.50
1400	-\$911	-\$452	\$7	\$467	\$926	\$1,385
1800	-\$836	-\$245	\$345	\$936	\$1,527	\$2,117
<b>2200</b>	-\$760	-\$39	<b>\$683</b>	\$1,405	\$2,127	\$2,849
2600	-\$685	\$168	\$1,021	\$1,874	\$2,728	\$3,581
3000	-\$609	\$375	\$1,359	\$2,344	\$3,328	\$4,312

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

**NOTES:**

- Area** - Sydney Basin, Central West, and Hay are the main growing areas.
- Production** - This budget represents a growing system where all crops are grown from seed and flood irrigated. Two rows are sown per bed than thinned to about 1 plant per 300mm of row at the six leaf stage. This gives a plant populations from 30 000 to 40 000 plants per hectare. Using transplants is preferred in other growing areas with 3 or 4 rows sown per bed and irrigated by sprinklers. Varietal selection is very important with both cool and warm weather varieties to chose from.
- Pests** - Heliothis is the main insect pest with scleotinia the most common disease.
- Harvesting** - Harvesting at Hay occurs from April to October with yields normally higher earlier in the season than in late winter/early spring. Harvesting can occur all year around at Sydney Basin. The growing period is dependent on temperature and ranges from 10 to 16 weeks.
- Yields** - Yields can vary from 1500 to 3000 cartons (20 to 45 tonne) per hectare.
- Packaging** - Lettuce is marketed in waxed cardboard cartons with about 12 to 15 kg per box (12 heads).
- 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.
  - Variable costs are dependant on the location of production. (eg: The cost of transport, irrigation and labour varies considerably throughout the state.
  - This budget does not include overhead costs or GST.