1. GROSS MARGIN BUDGET:

INCOME:
1.30 tonnes/ha @ $460.00 /tonne (on farm)

Crop prices were correct at the time of writing (Feb 2012), world market volatility makes estimation of future pricing impractical.

A. TOTAL INCOME $/ha: $598.00

VARIABLE COSTS:
See next page for detail

Sowing....................................................................... $28.39
Fertiliser..................................................................... $110.80
Herbicide................................................................... $48.78
Insecticide.................................................................. $51.10
Contract harvesting.................................................... $80.00
Levies......................................................................... $6.10
Insurance..................................................................... $21.47

B. TOTAL VARIABLE COSTS $/ha: $346.63

C. GROSS MARGIN (A-B) $/ha: $251.37

Water use efficiency example
Growing season rainfall (ie in-crop): mm 189
Stored fallow moisture: mm (25% of rainfall in fallow period assumed) 69
Please refer to the NSW DPI webpage "About gross margin budgets" for more information on water use efficiency
assumptions used at right.

"About gross margin budgets"

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

<table>
<thead>
<tr>
<th>YIELD tonnes/ha</th>
<th>$310 /tonne</th>
<th>$410 /tonne</th>
<th>$460 /tonne</th>
<th>$510 /tonne</th>
<th>$610 /tonne</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.50</td>
<td>- $171</td>
<td>- $124</td>
<td>- $100</td>
<td>- $76</td>
<td>- $28</td>
</tr>
<tr>
<td>0.75</td>
<td>- $97</td>
<td>- $26</td>
<td>$10</td>
<td>$46</td>
<td>$117</td>
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<tr>
<td>1.00</td>
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<td>$72</td>
<td>$120</td>
<td>$167</td>
<td>$263</td>
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<tr>
<td>1.30</td>
<td>$65</td>
<td>$189</td>
<td>$251</td>
<td>$313</td>
<td>$437</td>
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<tr>
<td>1.70</td>
<td>$184</td>
<td>$346</td>
<td>$427</td>
<td>$508</td>
<td>$670</td>
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<tr>
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<td>$602</td>
<td>$703</td>
<td>$903</td>
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<tr>
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<td>$420</td>
<td>$659</td>
<td>$778</td>
<td>$897</td>
<td>$1,136</td>
</tr>
</tbody>
</table>

Gross margin is zero when income is reduced by 42%
or variable costs are increased by 73%

This budget should be used as a GUIDE ONLY and should be changed by the grower to take account of movements in crop and input prices, changes in seasonal conditions and individual farm characteristics.
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