**DRYLAND FORAGE OATS - Prime lambs**

*Farm Enterprise Budget Series - North East NSW  Winter 2012*

**GUIDE TO DRY MATTER PRODUCTION AND CONSUMPTION**

**Assumptions:**
* In reasonable seasons, expect around 6000 kg/ha of usable dry matter production over a 5 month grazing period.
* Store lambs consume around 1.5 kg/day of dry matter and put on around 200 gm/day liveweight gain.

**1. GROSS MARGIN BUDGET:**

**A. INCOME:**

<table>
<thead>
<tr>
<th></th>
<th>Sample Budget</th>
<th>Your Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Lambs</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 6000 kg dry matter ÷ 1.6 kg/lamb/day = 3752 lamb grazing days
- therefore 3752 ÷ 90 days = 42 lambs/ha.
- estimated return/ha = 42 lambs x $110 head = $4,620.00

**VARIABLE COSTS:** See next page for detail

| Sowing | $64.61 |
| Fertiliser | $139.08 |
| Herbicide | $26.19 |
| Insecticide | $0.59 |
| Harvesting | $0.00 |
| Supplement (eg Salt:Causmag mix) | $0.42 |
| Purchase store lambs (32kg/hd @$85/hd) | $3,570.00 |
| Commission | 5.0% of sheep sales $231.00 |
| Other costs | $3.50 per head $147.00 |

**Oats VARIABLE COSTS $/ha:** $230.48

**A: TOTAL VARIABLE COSTS (lambs) $/ha:** $4,178.90

**A: GROSS MARGIN (lambs) $/ha:** $441.10

# For detailed livestock budgets see the NSW DPI "Sheep Gross Margins" at www.dpi.nsw.gov.au/agriculture/farm-business/budgets

**2. Effect of dry matter/ha and weight gain on gross margin per hectare**

<table>
<thead>
<tr>
<th>Weight Gain (kg/day)</th>
<th>Dry matter/ha</th>
<th>Lamb sale weight kg/hd</th>
<th>Lamb sale price $/hd</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.14</td>
<td>-177</td>
<td>-168</td>
<td>-157</td>
</tr>
<tr>
<td>0.16</td>
<td>-29</td>
<td>$3</td>
<td>$42</td>
</tr>
<tr>
<td>0.18</td>
<td>$118</td>
<td>$174</td>
<td>$242</td>
</tr>
<tr>
<td>0.20</td>
<td>$265</td>
<td>$345</td>
<td>$441</td>
</tr>
<tr>
<td>0.23</td>
<td>$412</td>
<td>$516</td>
<td>$641</td>
</tr>
<tr>
<td>0.26</td>
<td>$560</td>
<td>$687</td>
<td>$840</td>
</tr>
<tr>
<td>0.29</td>
<td>$560</td>
<td>$687</td>
<td>$840</td>
</tr>
</tbody>
</table>

| Lambs/ha | 31.00 | 36.00 | 42.00 | 45.00 | 49.00 |

**3. Effect of livestock prices on gross margin per hectare**

<table>
<thead>
<tr>
<th>Purchase Price $/hd</th>
<th>Selling Price $/hd</th>
</tr>
</thead>
<tbody>
<tr>
<td>$90/hd</td>
<td>$100/hd</td>
</tr>
<tr>
<td>70.00</td>
<td>$273</td>
</tr>
<tr>
<td>75.00</td>
<td>$63</td>
</tr>
<tr>
<td>80.00</td>
<td>$147</td>
</tr>
<tr>
<td>85.00</td>
<td>$357</td>
</tr>
<tr>
<td>95.00</td>
<td>$777</td>
</tr>
<tr>
<td>105.00</td>
<td>$1,977</td>
</tr>
</tbody>
</table>

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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CALENDAR OF OPERATIONS:

<table>
<thead>
<tr>
<th>Operation</th>
<th>Month</th>
<th>hrs /ha</th>
<th>Cost $/hour</th>
<th>Total $/ha</th>
<th>Rate/ha</th>
<th>Total $</th>
<th>Total Cost $/ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>harvest previous crop</td>
<td>Dec</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>broadleaf and grass weed control</td>
<td>Dec</td>
<td>0.05</td>
<td>54.96</td>
<td>2.75</td>
<td>2.0 L</td>
<td>4.67/L</td>
<td><strong>12.09</strong></td>
</tr>
<tr>
<td>eg: glyphosate 450 g/L</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>broadleaf weed control eg 2,4-D</td>
<td>Dec</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>amine 475 g/L</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>wetter - non-ionic surfactant</td>
<td>Dec</td>
<td>with above</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fertiliser (Urea)</td>
<td>Feb</td>
<td>0.17</td>
<td>53.44</td>
<td>9.08</td>
<td>100 kg</td>
<td>0.70/kg</td>
<td><strong>79.08</strong></td>
</tr>
<tr>
<td>sowing</td>
<td>Mar</td>
<td>0.17</td>
<td>75.66</td>
<td>12.86</td>
<td>50 kg</td>
<td>1.04/kg</td>
<td><strong>64.61</strong></td>
</tr>
<tr>
<td>fertiliser (eg Supreme 12Z)</td>
<td>Mar</td>
<td>with above</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>herbicide</td>
<td>May</td>
<td>0.05</td>
<td>54.96</td>
<td>2.75</td>
<td>60 kg</td>
<td>1.00/kg</td>
<td><strong>60.00</strong></td>
</tr>
<tr>
<td>spray (chlorsulfuron)</td>
<td>May</td>
<td>with above</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>wetter - non-ionic surfactant</td>
<td>May</td>
<td>with above</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>insecticide (methoate 1 yr in 4)</td>
<td>May</td>
<td>with above</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Input prices were correct at the time of writing (Feb 2012). Current fertiliser and chemical market uncertainty makes estimation of future pricing impractical.

AGRONOMIC REQUIREMENTS:
Assess soil moisture profiles and fertility levels to assist with biomass yield targets.

- Soil type: Oats are more suited to the light sandy acid soils than wheat or barley.
- Fertiliser: Urea can be topdressed after the first grazing if moisture is adequate. But there is a risk of losing nitrogen when topdressing unless significant rainfall (>15mm) occurs within 24 hours.

- Grain recovery: Refrain from grazing after July to allow for grain recovery. Growers should assess soil moisture profiles and fertility levels to assist with yield targets.

- Management: Returns depend on several factors including time of sowing, seasonal conditions, livestock prices and management skills. Skill in grazing management can affect the outcome significantly, eg rotational or strip grazing can reduce spoilage and extend crop performance. Soil damage (especially in wet conditions) and overgrazing can reduce crop performance.

- Herbicides: To reduce the risk of herbicide resistance, rotate herbicide groups and weed management techniques.

- Marketing: Shearing may enhance skin value, but not growth rates.

Use of a particular brand name does not imply a recommendation of that brand by NSW DPI.

LABOUR REQUIREMENTS: - labour is not costed in this budget.

According to the above machinery operations, labour required is 0.44hrs/ha. Then multiplying this by 1.25 to allow for machinery repair time etc, and using a labour cost of $21/hr, the cost of labour is $11.55/ha, reducing the gross margin to $429.55/ha for lambs. This doesn't include livestock management.

MACHINERY ASSUMPTIONS:
- pto power: 130 kW (175 HP); engine power: 146 kW (196 HP)
- machinery costs refer to variable costs of: fuel, oil, filters, tyres, batteries & repairs.

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