



DRYLAND CANOLA (No Till)
Farm Enterprise Budget Series - North East NSW

Winter 2012

1. GROSS MARGIN BUDGET:

INCOME:

1.60 tonnes/ha@ \$460.00 /tonne (on farm)

Oil bonuses and discounts may also need to be considered in canola pricing.

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

Sample Budget	Your Budget
\$/ha	\$/ha
\$736.00	

VARIABLE COSTS:

See next page for detail

A. TOTAL INCOME \$/ha:

\$736.00

Sowing.....	\$65.54	
Fertiliser.....	\$200.48	
Herbicide.....	\$36.45	
Insecticide.....	\$79.85	
Contract harvesting.....	\$86.24	
Levies.....	\$7.51	
Insurance.....	\$30.18	

B. TOTAL VARIABLE COSTS \$/ha:

\$506.24

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

\$229.76

Water use efficiency example

Growing season rainfall (ie in-crop): mm 317

Stored fallow moisture: mm (25% of rainfall in fallow period assumed) 75

Early crop water use: mm 110

Total crop water use mm 282

Gross margin per mm **\$0.81**

kg of grain per mm 5.67

Please refer to the NSW DPI webpage "[About gross margin budgets](#)" for more information on water use efficiency assumptions used at right.

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

YIELD tonnes/ha	On Farm Price				
	\$360 /tonne	\$410 /tonne	\$460 /tonne	\$510 /tonne	\$560 /tonne
0.5	- \$298	- \$274	- \$250	- \$227	- \$203
0.9	- \$161	- \$118	- \$76	- \$33	\$10
1.3	- \$25	\$37	\$99	\$160	\$222
1.6	\$78	\$154	\$230	\$306	\$382
2.0	\$215	\$309	\$404	\$499	\$594
2.4	\$351	\$465	\$579	\$693	\$807
2.9	\$515	\$653	\$790	\$928	\$1,065

Gross margin is zero when income is reduced by 31%

or variable costs are increased by 45%

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CALENDAR OF OPERATIONS:		Machinery			Inputs			Total Cost \$/ha
Operation	Month	hrs /ha	Cost \$/hour	Total \$/ha	Rate/ha	Cost \$	Total \$/ha	
harvest previous crop	Nov							
broadleaf and grass weed control eg: glyphosate 450 g/L	Dec	0.05	54.96	2.75	1.2 L	4.67/L	5.60	8.35
broadleaf weed control eg 2,4-D amine 475 g/L	Dec	with above			1.2 L	5.82/L	6.98	6.98
wetting agent	Dec	with above			0.25 L	7.47/L	1.87	1.87
nitrogen fertiliser eg. anhydrous ammonia	Mar	0.17	53.44	9.08	150 kg	0.90/kg	135.00	144.08
broadleaf and grass weed control eg: glyphosate 450 g/L	Apr	0.05	54.96	2.75	1.0 L	4.67/L	4.67	3.71
wetting agent	Apr	with above			0.25 L	7.47/L	1.87	1.87
sowing	May	0.17	75.66	12.86	3 kg	17.56/kg	52.67	65.54
fertiliser (eg Supreme 12Z)	May	with above			60 kg	0.94/kg	56.40	56.40
grass weed control eg haloxyfop-R 520 g/L	Jul	0.05	54.96	2.75	75 mL	0.099/mL	7.43	10.17
crop oil	Jul	with above			0.5 L	6.99/L	3.50	3.50
aerial spray (1 year in 2)	Aug			20.00				10.00
insect control eg pirimicarb	Aug	with above			1 kg	53.02/kg	53.02	26.51
aerial spray	Oct			20.00				20.00
insect control eg. methomyl	Oct	with above			1.5 L	15.56/L	23.34	23.34
harvest (contract-windrowed)	Dec			86.24				86.24
levies	Nov			1.020% of income				7.51
crop insurance				4.100% of on-farm value				30.18

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:

Paddock selection: Only plant canola on country with high levels of soil moisture and fertility.

Growers should assess soil moisture profiles and fertility levels to assist with yield targets.

Canola can benefit a winter cereal rotation by reducing cereal root diseases.

However, canola can reduce AM levels which are required by summer crops.

Ensure that the seedbed is reasonably fine and firm. Select a paddock relatively free of broadleaf weeds.

To reduce the likelihood of herbicide resistance, rotate herbicide groups and weed management techniques.

Fertilisers: Canola needs more nitrogen than wheat does. N should be applied well in advance of planting. Apply very little or no N in contact with the seed since fertiliser burn may result.

Phosphorus is critical for canola and trials in the north have shown large responses on alkaline soils. Canola also requires high levels of available sulfur.

Sowing time: Sow mid-maturing varieties from early May and early maturing varieties from mid May.

Finish sowing about June 1 at Moree and June 15 south of Gunnedah.

Refer to NSW DPI booklet *Winter crop variety sowing guide 2012* for sowing guidelines.

Insects: Aphids need to be monitored from early flowering, when isolated colonies begin to spread. Control may be needed. Check for heliothis post flowering. Check for beneficial biological control agents such as ladybird larvae, hover fly larvae and fungal diseases.

For more information, refer to the agnote *Canola in northern NSW* or contact your local district agronomist.

- Always read chemical labels and follow directions, as it is your legal responsibility to do so.

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 operations, labour required is 0.49hrs/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 \$12.86/ha, reducing the gross margin to \$216.90/ha.

MACHINERY ASSUMPTIONS:

Tractor: - pto power: 130 kW (175HP); engine power: 146 kW (196 HP)

Machinery costs refer to variable costs of: fuel, oil, filters, tyres, batteries and repairs.