DRYLAND DURUM WHEAT (Short Fallow, No Till)

Farm Enterprise Budget Series - North East NSW Winter 2012

1. GROSS MARGIN BUDGET:

	Sample Budget $/ha	Your Budget $/ha
INCOME:		
2.75 tonnes/ha@ $310.00 /tonne (DR1 on farm)	$852.50	

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

A. TOTAL INCOME $/ha:	**$852.50**	
VARIABLE COSTS:		
See next page for detail		
Sowing	$71.96	
Fertiliser	$200.48	
Herbicide	$89.54	
Insecticide	$0.00	
Contract harvesting	$69.29	
Levies	$8.70	
Insurance	$17.48	
B. TOTAL VARIABLE COSTS $/ha:	**$457.45**	
C. GROSS MARGIN (A-B) $/ha:	**$395.05**	

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

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	**$1.40**
kg of grain per mm	9.75

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

YIELD tonnes/ha	$210 /tonne	$260 /tonne	**$310 /tonne**	$360 /tonne	$410 /tonne
1.0	- $225	- $176	- $128	- $79	- $31
1.6	- $106	- $29	$48	$124	$201
2.2	$13	$118	$223	$328	$433
2.8	$128	$262	**$395**	$528	$662
3.5	$272	$442	$611	$781	$950
4.2	$416	$621	$827	$1,033	$1,239
5.0	$559	$801	$1,044	$1,286	$1,528

Gross margin is zero when income is reduced by 46%

or variable costs are increased by 86%

DRYLAND DURUM WHEAT (Short Fallow, No Till)

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

CALENDAR OF OPERATIONS:		Machinery			Inputs			
			Cost	Total		Cost	Total	**Total Cost**
Operation	Month	hrs /ha	$/hour	$/ha	Rate/ha	$	$/ha	**$/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 475g/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**
broadleaf and grass weed control eg: glyphosate 450 g/L	Jan	0.05	54.96	2.75	0.6 L	4.67/L	2.80	**5.55**
broadleaf weed control eg. dicamba 700g/kg	Jan	with above			150 g	0.06/g	9.20	**9.20**
wetting agent	Jan	with above			0.25 L	7.47/L	1.87	**1.87**
broadleaf and grass weed control eg: glyphosate 450	Feb	0.03	56.21	1.69	1.0 L	4.67/L	4.67	**6.36**
broadleaf weed control eg 2,4-D amine 475g/L	Feb	with above			1.2 L	5.82/L	6.98	**6.98**
wetting agent	Feb	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	1.2 L	4.67/L	5.60	**8.35**
wetting agent	Apr	with above			0.25 L	7.47/L	1.87	**1.87**
broadleaf and grass weed control eg: glyphosate 450 g/L	May	0.05	54.96	2.75	1.0 L	4.67/L	4.67	**7.42**
wetting agent	May	with above			0.25 L	7.47/L	1.87	**1.87**
sowing *	Jun	0.17	75.66	12.86	60 kg	0.99/kg	59.10	**71.96**
fertiliser (eg Supreme 12Z)	Jun	with above			60 kg	0.94/kg	56.40	**56.40**
wild oat control (1 year in 2)	Jun	0.05	54.96	2.75				**1.37**
wild oat control eg Fenoxaprop-p-ethyl	Jun	with above			0.35 L	47.29/L	16.55	**8.28**
broadleaf weed control eg. MCPA LVE	Jul	0.05	54.96	2.75	0.8 L	10.32/L	8.26	**11.00**
broadleaf weed control eg metsulfuron-methyl	Jul	with above			5 g	0.07/g	0.35	**0.35**
contract harvest	Nov			69.29				**69.29**
levies	Nov			1.020%				**8.70**
crop insurance				2.050%	of on-farm value			**17.48**

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

DRYLAND DURUM WHEAT (Short Fallow, No Till)

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

AGRONOMIC REQUIREMENTS:

Sowing Time: Refer to NSW DPI *Winter crop variety sowing guide 2012* for sowing guidelines. Sowing time involves a tradeoff between frost risk with early sowing and moisture/heat stress with later sowing.

* Seed purchase costs vary widely with variety and whether growers have kept their own seed from previous seasons. Growers should assess soil moisture profiles and fertility levels to assist with yield targets.

Weed Control: All volunteer barley and bread wheat plants should be controlled during summer fallow.

Fertiliser: Adequate phosphorus is essential before applying extra nitrogenous fertiliser. Nutrient requirements should be assessed with soil tests, strip trials and paddock records. There must be adequate stored soil moisture before applying extra nitrogen.

Herbicides: Durum varieties have a low safety margin to some chemicals: eg. chlorsulfuron, tri-allate. A low safety margin means that an application rate above that recommended will cause crop damage. Refer to the NSW DPI booklet *Weed control in winter crops 2012* for options.

Fenoxaprop-p-ethyl has been included for wild oats, control by rotation is preferable.

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

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 .

Disease: Crop rotation is necessary to minimise loss of yield due to disease. Effective grass weed control is also essential to control diseases such as crown rot. Current durum varieties are more sensitive to crown rot than most bread wheats. Check varieties for differences in quality.

Harvest: Care needs to be taken when threshing, since the hard grain has a greater tendency to fracture than bread wheats.

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

According to the above operations, labour required is 0.59hrs/ha. Then multiplying this by 1.25 to allow for machinery repair time etc, and using a labour cost of $21/hr, then the cost of labour is $15.49/ha, reducing the gross margin to $379.56/ha.

MACHINERY ASSUMPTIONS:

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

- machinery costs refer only to variable costs (running costs), not overhead costs.