



DRYLAND WHEAT (Undersown with lucerne)
Farm Enterprise Budget Series - North East NSW

2010

1. GROSS MARGIN BUDGET:

INCOME:

2.00 tonnes/ha@ \$185.00 /tonne (AH12, on farm)

Sample Budget \$/ha	Your Budget \$/ha
\$370.00	

Note: Competition for moisture from undersown lucerne may result in reduced grain yield and high screenings.

A. TOTAL INCOME \$/ha:

\$370.00	
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VARIABLE COSTS:

See next page for detail

Sowing.....	\$62.99	
Fertiliser.....	\$86.00	
Herbicide.....	\$64.78	
Contract harvesting.....	\$64.94	
Levies.....	\$3.77	
Insurance.....	\$7.59	

B. TOTAL VARIABLE COSTS \$/ha:

\$290.07	
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C. GROSS MARGIN (A-B) \$/ha:

\$79.93	
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2. EFFECT OF YIELD AND PRICE ON GROSS MARGIN PER HECTARE:

YIELD tonnes/ha	On Farm Price				
	\$145 /tonne	\$165 /tonne	\$185 /tonne	\$205 /tonne	\$225 /tonne
1.1	-124	-103	-81	-60	-39
1.4	-82	-55	-28	-1	27
1.7	-40	-7	26	59	92
2.0	2	41	80	119	157
2.3	45	89	134	178	223
2.6	86	136	187	237	287
2.9	125	181	237	294	350

Gross margin is zero when income is reduced by 22%
 or variable costs are increased by 28%

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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	
<i>Type & timing of fallow weed control required will depend on previous crop type and weeds present.</i>								
broadleaf and grass weed control eg: glyphosate 450 g/L	Jan	0.04	47.19	1.89	1.50 L	4.51/L	6.77	8.65
wetting agent	Jan	with above			0.25 L	8.08/L	2.02	2.02
broadleaf and grass weed control eg: trifluralin	Apr	0.42	17.01	7.14	1.0 L	10.95/L	10.95	18.09
sowing-wheat seed	May	0.17	67.89	11.54	30 kg	0.92/kg	27.45	38.99
sowing-lucerne seed + inoculant					4 kg	6.00/kg	24.00	24.00
fertiliser (DAP sulphur)	May	with above			100 kg	0.86/kg	86.00	86.00
broadleaf weed control* (2,4-DB 500g/L)	Jun	0.04	47.19	1.89	2.10 L	16.25/L	34.13	36.01
harvest (contract)	Nov			64.94				64.94
levies	Nov			1.020%				3.77
crop insurance				2.050%	on-farm value			7.59

AGRONOMIC REQUIREMENTS:

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

Sowing : Sowing at the optimum time for the selected variety is critical for maximum wheat yield. There is a 4- 7% yield loss for every week delayed past the optimum sowing time.

Refer to I&I NSW "Winter Crop Variety Sowing Guide" for wheat sowing guidelines and I&I NSW "Current Lucerne Varieties 2009" Primefact 705, for lucerne variety information. Accurate lucerne seed placement depth can assist good germination.

Fertiliser: Nutrient requirements should be assessed with soil tests, strip trials and paddock history records. Growers should assess soil pH and conduct soil tests to ensure the soil does not have aluminium and manganese toxicities. Check for other trace mineral toxicities as well prior to sowing lucerne in a new paddock.

Weed Control: Weed control, if required, should be timely to be cost effective. To reduce the likelihood of herbicide resistance, rotate herbicide groups and weed management techniques.

* 2,4-D B 500g/L used for broadleaf weed control as example only, appropriate chemicals and label rates differ for different weeds with undersown legumes so refer to the I&I NSW booklet "Weed Control in Winter Crops" for options.

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 I&I NSW.

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

According to the above operations, labour required is 0.84hrs/ha. Then multiplying this by 1.25 to allow for machinery repair time etc, and using a basic labour cost of \$21/hr, the cost of labour is \$21.98/ha, reducing the gross margin to \$57.95/ha.

MACHINERY ASSUMPTIONS:

Tractor: PTO power: 130 kW (175 HP); engine power: 146 kW (196 HP)
Contract harvesting costs include \$4.94/ha worth of fuel.
Machinery costs refer to variable costs of: fuel, oil, filters, tyres, batteries and repairs.