

Gross Margin Budget: Furrow Irrigated Cotton

All operations contracted. 1m row spacing. Bollgard3®, XtendFlex®, Roundup Ready Flex®

INCOME:

12.0 bales/ha¹ @

Cotton lint	\$573 /bale (at gin)
(less quality discount)	-\$8 /bale (at gin)
Cotton seed	\$93 /bale (at gin)
	\$658 /bale (at gin)

Example
Budget
\$/ha

Your
Budget
\$/ha

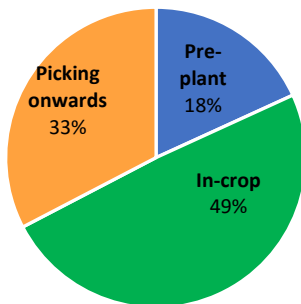
\$6,876
-\$96
\$1,115

A. TOTAL GROSS INCOME \$/ha:

\$7,895

VARIABLE COSTS:

See pg 2 for details



Fallow management	\$100
Farming: Pre-planting	\$221
Nutrition	\$1,096
Planting	\$188
Irrigation (6.5 ML applied ²)	\$874
Insurance	\$272
Crop protection, application & licence fee	\$1,030
Defoliation	\$129
Picking, cartage & ginning	\$1,691
Farming: Post-crop	\$200

B. TOTAL VARIABLE COSTS \$/ha:

\$5,801

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

\$2,094

GROSS MARGIN (A-B/ML sourced²) \$/ML:

\$267

Break even yield (bales/ha) based on lint & seed prices above:

7.9 bales/ha

Break even price (\$/bale incl. seed and discounts) based on 12 bales/ha:

\$470 /bale

Note that break even yield & price are for variable costs only, overhead costs and labour are NOT considered

SENSITIVITY TABLE⁵

		PRICE (\$/bale incl. of seed & discounts)				
		558	608	658	708	758
227kg lint bales/ha	9.0	-371	63	498	932	1367
	10.0	64	547	1030	1513	1995
	11.0	500	1031	1562	2093	2624
	12.0	935	1515	2094	2673	3253
	13.0	1371	1998	2626	3254	3881
	14.0	1806	2482	3158	3834	4510
	15.0	2242	2966	3690	4414	5139

Contract rates include variable, overhead and labour costs as well as a profit margin. Rates are also influenced by supply and demand in a season or valley, quality of equipment on offer and the size of the job (to ensure relocation costs are recouped). A total contracting bill to grow a cotton crop may be in the range of \$1000-\$1400 /ha.

This budget is designed to give an indication of operations and costs required to grow a cotton crop. Prices are estimates only. A grower should alter this budget to take account of individual field management plans, movements in crop and input prices and changes in seasonal conditions. In all instances, operations should be tailored to the requirements of individual paddocks. For a complete guide to cotton management, see the *Australian Cotton Production Manual*.

Furrow Irrigated Cotton (All operations contracted)

2025-26



(Bollgard3®, XtendFlex®, Roundup Ready Flex®)

Variable Costs by Operation		Machinery		Inputs			TOTAL
		Includes contractor rate	Total	Rate	Cost	Cost	Cost
		AND cost of fuel	\$/ha	/ha Unit	\$/unit	\$/ha	\$/ha
Fallow management (long fallow) ⁴							
Fallow spray:	Glyphosate (450g/L)	Self Propelled	17.00	2.00 L	4.00	8.00	25
Fallow spray:	Flumioxazin (500g/L)	with above		0.03 kg	147.00	4.41	4
Fallow spray:	Paraquat (360g/L)	Self Propelled	17.00	2.00 L	5.00	10.00	27
Fallow spray:	Flumioxazin (500g/L)	with above		0.03 kg	147.00	4.41	4
Fallow spray:	Glufosinate-ammonium (200g/L)	Self Propelled	2.00	3.75 L	7.00	26.25	28
Fallow spray:	Terbuthylazine (875g/kg)	with above		1.00 L	11.00	11.00	11
Farming: Pre-planting							
Farming:	Discing		65.00				65
Farming:	Hill up		66.00				66
Farming:	Cultipacker		58.00				58
Farming:	Steel drum / Rubber tyre roller		32.00				32
Nutrition							
Fertiliser:	Soil nutrient testing		8.00				8
Fertiliser:	MAP (16.5kg N, 36kg P, 2.5kg S applied) - spread pre plant		17.00	165 kg	1.56	257.73	275
Fertiliser:	Potassium (50kg K applied) - spread pre plant	with above		100 kg	1.01	101.20	101
Fertiliser:	Urea (117kg N applied) - drilled pre plant		63.00	255 kg	1.15	293.25	356
Fertiliser:	Urea (117kg N applied) - side dress early-mid season		63.00	255 kg	1.15	293.25	356
Planting							
Planting:	Precision planter		57.00				57
Planting:	Seed: Bollgard3® XtendFlex®	with above		13 kg	10.06	130.74	131
Irrigation management ^{2,3}							
Irrigation:	Budgeted water (from source ²)			7.7 ML	68.07	525.02	525
Irrigation:	Contract irrigators (labour) (7 x irrigations)		30.00	/ha/irrigation x 7			210
Irrigation:	Contract irrigating supervisor (liaise with agronomist, manage pumps and rotobucks)						100
Farming:	Rotobuck/Knockdown (twice in season)		30.00				30
Other:	Soil moisture monitoring	Own	8.75				9
Crop protection, application & licence fee ⁴							
Insecticide:	Sulfoxaflor (500g/kg), target: mirids	Self Propelled	17.00	0.14 kg	311.00	43.54	61
Insecticide:	Fipronil (200g/L), target: mirids	Self Propelled	17.00	0.07 L	62.00	4.34	21
Insecticide:	Spirotetramat (240g/L), target: SLW	Aerial Spraying	20.00	0.40 L	165.00	66.00	86
Insecticide:	Acetamiprid (218g/L), Emamectin (32.5g/L) target: SLW, aphids, shield bugs	Aerial Spraying	20.00	0.30 L	83.00	24.90	45
Herbicide:	Pendimethalin (455g/L)	Self Propelled	17.00	2.25 kg	18.00	40.50	58
Herbicide:	Terbuthylazine (875g/L)	with above		1.20 L	11.00	13.20	13
Herbicide:	XtendiMax® 2 (Dicamba 480g/L) (with XtendFlex® varieties only) ⁴	Self Propelled	17.00	1.17 L	20.00	23.40	40
Herbicide:	Roundup Ready® Plantshield® (690g/kg Glyphosate)	Self Propelled	17.00	1.20 kg	9.00	10.80	28
Herbicide:	S-metolachlor OTT (960g/L)	with above		1.00 L	9.00	9.00	9
Herbicide:	Roundup Ready® Plantshield® (690g/kg Glyphosate)	Aerial Spraying	20.00	1.20 kg	9.00	10.80	31
Farming:	Cultivation: Inter-row		67.00				67
Other:	Chipping or Spot Spray		11.00				11
Growth regulator:	Mepiquat (380g/L), growth regulator	Aerial Spraying	20.00	0.06 L	22.00	1.32	21
Growth regulator:	Mepiquat (380g/L), growth regulator / cutout	Aerial Spraying	20.00	0.20 L	22.00	4.40	24
Licence:	Bollgard 3® RRF Licence Fee: Price Discount						405
Other:	Consultant		75.00				75
Refuge:	Refuge crop: Pigeon peas 2.5%, see page 3			0.1 ML			35
Defoliation ⁴							
Defoliation:	Thidiazuron (500 g/L)	Aerial Spraying	20.00	0.15 L	26.00	3.90	24
Defoliation:	Ethephon (900g/L)	with above		0.80 L	7.00	5.60	6
Defoliation:	Spraying oil	with above		1.00 L	7.00	7.00	7
Defoliation:	Thidiazuron + Diuron (240g + 120g/L)	Aerial Spraying	20.00	0.13 L	94.00	12.22	32
Defoliation:	Ethephon (900g/L)	with above		2.00 L	7.00	14.00	14
Defoliation:	Spraying oil	with above		1.00 L	7.00	7.00	7
Defoliation:	Pyraflufen-ethyl (25g/L)	Aerial Spraying	20.00	0.08 L	87.00	6.96	27
Defoliation:	Ethephon (900g/L)	with above		0.75 L	7.00	5.25	5
Defoliation:	Spraying oil	with above		1.00 L	7.00	7.00	7
Picking, cartage & ginning							
Picking:	Contract round baler incl. stacking at end of field	CP770	421.67 per ha				422
Picking:	Fuel		25.00 L/Ha		1.24 \$/L		31
Picking:	plus wrap		47.00 / round bale		10.44 / lint bale		125
Cartage:	Freight (incl. lift) 50 km from gin				14.00 / lint bale		168
Ginning:	Fibre processing	costs related to yield	63.00 / round bale		75.00 / lint bale		900
Levies:	Research levy & Cotton Australia levy		3.75 / lint bale		3.75 / lint bale		45
Farming: Post-crop							
Farming:	Mulcher		55.00				55
Farming:	Pupae busting (check bt licence cultivation requirements)		60.00				60
Farming:	Desilting & grading channels		70.00				70
Herbicide:	Sterilising channels		15.00				15
Other							
Crop insurance:		Premium depends on various factors					272
B. TOTAL VARIABLE COSTS \$/ha:							5801
Total irrigation water requirements (1ha cotton + .025ha refuge) from source ² ML/ha:			7.8 ML				



Variable Costs by Operation	Machinery		Inputs				TOTAL
	Includes contractor rate AND cost of fuel	Total	Rate	Cost	Cost	Cost	Cost
		\$/ha	/ha Unit	\$/unit	\$/ha	\$/ha	\$/ha
Fallow management (long fallow)⁴							
Fallow spray: Glyphosate (450g/L)	Self Propelled	17.00	2.00 L	4	8.00		25
Fallow spray: Flumioxazin (500g/L)	with above		0.03 L	147.00	4.41		4
Fallow spray: Paraquat (360g/L)	Self Propelled	17.00	2.00 L	5.00	10.00		27
Fallow spray: Flumioxazin (500g/L)	with above		0.03 L	147.00	4.41		4
Fallow spray: Glufosinate-ammonium (200g/L)	Self Propelled	2.00	3.75 L	7.00	26.25		28
Fallow spray: Terbutylazine (875g/kg)	with above		1.00 L	11.00	11.00		11
Farming							
Farming: Discing		65.00					65
Farming: Hill up		66.00					66
Farming: Steel drum / Rubber tyre roller		32.00					32
Farming: Cultipacker		58.00					58
Farming: Cultivation: Inter-row		67.00					67
Planting							
Planting: Planter & seed: Pigeon pea		57.00	35.0 kg	5.50	192.50		250
Irrigation management^{2,3}							
Irrigation: Contract irrigators (labour)		30.00	/ha /irrigation x4				120
Irrigation: Contract irrigating supervisor (liaise with agronomist, manage pumps and rotobucks)							100
Irrigation: Budgeted water (from source ²)			4.50 ML	68.07	306.31		306
Herbicide & application							
Herbicide: Pendimethalin (455g/L)	Self Propelled	17.00	2.00 kg	18.00	36.00		53
Herbicide: Prometryn (500g/L)	with above		2.50 kg	21.00	52.50		53
Herbicide: Glyphosate (450g/L)	Self Propelled	17.00	1.60 L	4.00	6.40		23
Post-crop							
Farming: Crop destruction (slashing)		55.00					55
Farming: Pupae bust (check bt licence cultivation requirements)		60.00					60
B. TOTAL VARIABLE COSTS \$/ha:							1408
Total irrigation water use ML/ha:			4.5 ML				

2025-26 Cotton Gross Margins, brought to you by the cotton industry's joint extension program, CottonInfo.

Foot notes

***GM/Ha:** This gross margin represents the income and costs for 1 green hectare of cotton plus the required refuge crop of 0.025ha, resulting in a total gross margin area of 1.025 ha.

1. Yield: Actual yields are a complex result of agronomic and environmental factors. In this budget a yield of 12 bales/ha is appropriate considering the long fallow, fertiliser program and budgeted irrigation water.

2. Water: Water ML/ha pumped from sources (surface or groundwater). Grower Survey data shows a 5 year average (2019-20 to 2023-24) field applied water of 6.4 ML/ha. Water application for refuge pigeon peas is estimated at 3.7 ML/ha, giving total cotton (1 ha) and refuge (0.025 ha) water use of 6.5 ML/ha. Average conveyance efficiency of 83% (NSW DPI 2020-21 and 2021-22) brings total sourced water to 7.8 ML/ha. Individual water budgets will vary depending on irrigation system efficiency, and regional and seasonal variations in plant evapotranspiration and effective rainfall.

3. Cost of water: The cost of applied irrigation water varies considerably depending on: source (groundwater, surface water), number of times pumped to get to field, energy source of pumps, and relevant fees and charges. This budget assumes 79% surface water and 21% groundwater (2021-22 to 2022-23 Grower Surveys), with a total surfacewater cost of \$64/ML (extract and lift to storage) and a groundwater cost of \$83/ML (extract only), both including pump fuel and maintenance and water usage charges.

4. Chemicals: Registrations vary between states. Use of a particular brand name or active ingredient are examples only and do NOT imply a recommendation. Always read chemical labels and follow directions. XtendFlex® varieties allow 'Over the Top' application of glyphosate, dicamba and glufosinate-ammonium herbicides under specific conditions. With a range of traits being grown this season, ensure all weed management strategies are trait specific.

5. Sensitivity tables: There are yield dependant costs included in these calculations.

See the **Gross Margin Notes** for further details on assumptions.

Acknowledgements

We wish to acknowledge the efforts made by industry specialists and management during the development and review of the 2025 cotton gross margin budgets. Assistance was provided by retailers, agronomists, the CottonInfo team, CRDC, and CSD.

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