

Cotton Industry Gross Margins



2025-26

\$274

GM Budget: Northern Australia Furrow Irrigated Cotton

1m row spacing. Bollgard3®, Roundup Ready Flex®

						Example	Your
INCOME:						Budget	Budget
						\$/ha	\$/ha
	11.0	bales/ha ¹ @	Cotton lint	\$573	/bale (at gin)	\$6,303	
			(less quality discount)	-\$8	/bale (at gin)	-\$88	
			Cotton seed	\$93	/bale (at gin)	\$1,022	
			_	\$658	/bale (at gin)		
				A. TOTAL GRO	SS INCOME \$/ha:	\$7,237	
VARIABLE COST	ΓS:						
See pg 2 for details							
	Pre-		Ground preparation)		\$72	
	plant		Nutrition			\$1,244	
	11%/		Planting			\$129	
Picking			Irrigation (8.5 ML a	pplied ²)		\$98	
onward 46%	S		Insurance			\$138	
40/0	li li	n-crop	Crop protection, ap	plication & licen	ce fee	\$782	
		43%	Defoliation			\$118 <u> </u>	
			Ficking, cartage & g	ginning		\$2,074	
			Farming: Post-crop			\$145	
				B. TOTAL VARIA	ABLE COSTS \$/ha:	\$4,800	
			G	ROSS MARGI	N* (A-B) \$/ha:	\$2,437	
					^		

Break even yield (bales/ha) based on lint & seed prices above: 5.7 bales/ha
Break even price (\$/bale incl. seed and discounts) based on 11 bales/ha: \$432 /bale

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

GROSS MARGIN (A-B/ML sourced²) \$/ML:

SENSITIVITY TABLE ⁶ 8.0 9.0		(Gross Mar	gin \$/Ha)			
			PRICE (\$/ba	ale incl. of seed &	discounts)	
		558	608	658	708	758
æ	8.0	260	653	1045	1437	1830
	9.0	626	1068	1509	1950	2392
bales/	10.0	992	1482	1973	2463	2954
int b	11.0	1358	1897	2437	2976	3516
 	12.0	1724	2312	2901	3489	4078
227kg	13.0	2090	2727	3365	4002	4640
0	14.0	2455	3142	3829	4515	5202
		•				

SENSITIVITY TABLE ⁶	(Gross Mai	rgin \$/ML)		
		PRICE (\$/ba	ale incl. of seed &	discounts)
	558	608	658	708
en F	29	73	112	162

			, · ·			
		558	608	658	708	758
æ	8.0	29	73	118	162	206
s/h	9.0	70	120	170	220	269
bales/ha	10.0	112	167	222	277	332
lint b	11.0	153	214	274	335	396
& ≔	12.0	194	260	327	393	459
227k	13.0	235	307	379	451	522
0	14.0	276	354	431	508	586

This budget is designed to give an indication of operations and costs required to grow a northern Australia 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 (Bollgard3®Roundup Ready Flex®)

2025-26

Northern Australia Gross Margin

Total of Mariana Gross Marian		Mac	Inputs				TOTAL		
'ariable Costs	s by Operation			Total	Rate		Cost		C
round preparation (cover crop destruction)			\$/ha	/ha	Unit	\$/unit	\$/ha	\$,
Herbicide:	Fluroxypyr (333g/L)	Self Propelled		2.00	0.45	L	19.60	8.82	
Herbicide:	Glyphosate (450g/L)	Self Propelled		2.00	2.00	L	4.60	9.20	
Farming:	Discing	340 eng/HP		27.00					
Farming:	Hill up	340 eng/HP		17.00					
Farming:	Steel drum / Rubber tyre roller	340 eng/HP		6.00					
utrition									
Fertiliser:	DAP (22kg N, 24kg P, 2kg S applied) - spread pre plant	340 eng/HP		9.00	120	kg	1.91	228.88	1
Fertiliser:	Urea (71kg N applied) - with above	with above			155		1.43	221.86	2
Fertiliser:	DAP (18kg N, 20kg P, 2kg S applied) - side dress mid season	340 eng/HP		16.00	100		1.91	190.73	
Fertiliser:	SOP (50kg K, 20kg S applied) - with above	with above		20.00	120	_	1.83	219.64	
Fertiliser:	Urea (115kg N applied) - with above	with above			250		1.43	357.83	
lanting	orea (113kg is applied) - with above	with above			230	ng_	1.43	337.83	1
_	Progision plantar	240 ong/UD		14.00					
Planting:	Precision planter	340 eng/HP		14.00	14	l. a	40.47	445.40	
Planting:	Seed: Bollgard3® Roundup Ready Flex or XtendFlex®	with above			11	kg	10.47	115.16	
rigation managemen						MI	0.05	70.26	
Irrigation:	Budgeted water (from source) 2,3	Combrants:		0.75	8.8	ML	8.25	72.36	
Other:	Soil moisture monitoring	Contractor		8.75					
Farming:	Rotobuck/Knockdown (twice in season)	340 eng/HP		16.75					
	plication & licence fee	0-16 D		2	_		-4:		
Application	Combined herbicide, insecticide & growth regulant	Self Propelled x 2		2.00		applica		4.00	
Application	Combined herbicide, insecticide & growth regulant	Aerial x 3		35.00		applica		105.00	
Insecticide:	Fipronil (200 g/L), target: mirids				0.06		62.60	3.91	
Insecticide:	Indoxocarb (150 g/L), target: mirids				0.25	L	78.60	19.65	
Insecticide:	Clothianidin (200 g/L), target: shield bugs				0.25	L	78.60	19.65	
Insecticide:	Chlorantraniliprole (600 g/L), target: cluster caterpillar				0.06		898.60	53.92	
Insecticide:	Acetamiprid (218g/L), Emamectin (32.5g/L), target: shield bugs				0.30		83.60	25.08	
Growth regulator:	Mepiquat (380g/L), growth regulator				0.03	L	22.60	0.57	
Growth regulator:	Mepiquat (380g/L), growth regulator				0.03	L	22.60	0.57	
Growth regulator:	Mepiquat (380g/L), growth regulator				0.03	L	22.60	0.57	
Growth regulator:	Mepiquat (380g/L), growth regulator / cutout				0.07	L	22.60	1.58	
Herbicide:	Glufosinate-ammonium (200 g/L) (with XtendFlex®) ⁴				3.75	L	7.60	28.50	
Herbicide:	Roundup Ready® Plantshield® (690g/kg Glyphosate)				1.20	kg	9.60	11.52	
Herbicide:	Roundup Ready® Plantshield® (690g/kg Glyphosate)				1.20	kg	9.60	11.52	
Farming:	Cultivation: Inter-row	340 eng/HP		15.00					
Other:	Chipping or Spot Spray			11.00					
Licence:	Bollgard 3® stacked RRXF Licence Fee, (end point royalty) Northern						35	5.00 / lint bale	
	Australia Development allowance			75.00				•	
Other:	Consultant	Contractor		75.00	l .				
Refuge:	Refuge crop: Pigeon peas 2.5%, see page 3				0.1	ML			
efoliation ⁴	Ti : !: (500 - 41)			05.00	0.45		22.22		
Defoliation:	Thidiazuron (500g/L)	Aerial		35.00	0.15		26.60	3.99	
Defoliation:	Ethephon (900g/L)	with above			0.80		7.60	6.08	
Defoliation:	Spraying oil Thidiograp + Diuron (2406 + 1206/L)	with above		25.00	1.00		7.60	7.60	
Defoliation:	Thidiazuron + Diuron (240g + 120g/L)	Aerial		35.00	0.13		94.60	11.83	
Defoliation:	Ethephon (900g/L)	with above			1.50		7.60	11.40	
Defoliation:	Spraying oil	with above			1.00		7.60	7.60	
cking, cartage & gin		CP770	404.67						
Picking:	Contract: Round baler incl. stacking at end of field	CP770	421.67 25.00	per ha	1.68	\$ /I		4 / lint hala	
Picking Picking	plus fuel plus wrap	costs related to yield	25.00 47.00	L/ha @	1.08	Φ/ L		4 / lint bale 10 / lint bale	
Picking:	_	cosis relateu to yield	100.00	/ round bale / round bale				22 / lint bale	
Cartage: Ginning:	Freight (incl. lift) 40 km from gin ⁵ Fibre processing ⁵		110.00	/ round bale / lint bale				110 / lint bale	1
Levies:	Research levy & Cotton Australia levy		3.75	/ lint bale				4 / lint bale	'
	nessearon levy & obtton rustralia levy		3.13	/ mit vale				-, mic date	
st-crop	Cron destruction: Mulcher	240 054/110		40.00					
Farming:	Crop destruction: Mulcher	340 eng/HP		18.00					
Farming:	Pupae bust (check bt licence cultivation requirements)	340 eng/HP		24.00	2.15		40.00	0.00	
I I a what a ! -!	Fluroxypyr (333g/L)	Self Propelled		2.00	0.45		19.60	8.82	
Herbicide:	Fluroxypyr (333g/L)	Self Propelled		2.00	0.60	L	19.60	11.76	
Herbicide:		A							1
Herbicide: Farming:	Desilting & grading channels	Contractor		70.00					
Herbicide: Farming: Herbicide:		Contractor 340 eng/HP		8.00					
Herbicide: Farming: Herbicide:	Desilting & grading channels			8.00					
Herbicide: Farming: Herbicide:	Desilting & grading channels		Premium o		s factors				

Furrow Irrigated Pigeon Peas (refuge for Bollgard3® cotton) Northern Australia Gross Margir

(101ago	Tot Bollgardos Cottolly	Northern Australia Gross Margin							
		Machin	Machinery			Inputs			
Variable Cost	s by Operation		Total	Rate		Cost	Cost	Cost	
			\$/ha	/ha	Unit	\$/unit	\$/ha	\$/ha	
Ground preparation									
Insecticide:	Dimethoate (400g/L), broad knock down	Self Propelled	2.00	0.50	L	18.60	9.30	11	
Herbicide:	Glyphosate (450g/L)	Self Propelled	2.00	2.00	L	4.60	9.20	11	
Farming:	Discing	340 eng/HP	27.00					27	
Farming:	Hill up	340 eng/HP	17.00					17	
Farming:	Steel drum / Rubber tyre roller	340 eng/HP	6.00					6	
Planting & farming									
Planting:	Planter & seed: Pigeon pea	340 eng/HP	14.00	35.0	kg	5.91	206.93	221	
Farming:	Cultivation: Inter-row	340 eng/HP	15.00					15	
Irrigation									
Irrigation:	Budgeted water (from source) 2,3			4.50	ML	8.25	37.13	37	
Herbicide & applicati	ion								
Herbicide:	Glyphosate (450g/L)	Self Propelled	2.00	1.60	L	4.60	7.36	9	
Post-crop									
Farming:	Crop destruction: Mulcher	340 eng/HP	18.00					18	
Farming:	Pupae bust (check bt licence cultivation requirements)	340 eng/HP	24.00					24	
	B. TOTAL VARIABLE COSTS \$/	ha:						397	

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 11 bales/ha is based Cotton Yearbook yields for Western Australia (Ord River Scheme) and agronomist feedback.
- 2. Water: Water ML/ha sourced (surface). Individual water budgets will vary depending on irrigation system efficiency, and regional and seasonal variations in plant evapotranspiration and effective rainfall. This budget assumes applied water of 8.5 ML/ha for cotton based on typical usage in the Ord River scheme (NORpak 2007 and agronomist feedback). Applied water for refuge pigeon peas is estimated at 3.7 ML/ha, giving total cotton (1 ha) and refuge (0.025 ha) water use of 8.6 ML/ha. Water is applied direct from source (no on-farm storage or storage losses) with 97% conduit efficiency (NSW DPI 5-year average 2017-18 to 2021-22) bringing total sourced water to 8.9 ML/ha.
- 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 a field, energy source of pumps, and relevant fees and charges. This Northern Australia budget reflects costs for the Ord River scheme Stage 1, with a water usage charge of \$8.0/ML to \$8.5/ML, gravity fed to field (no pumping costs).
- 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. Frieght and ginning. The Kunanurra cotton gin is due for completion late 2025 so has been included in this gross margin. Ginning costs are estimates only. Cartage costs are estimates based on a distance of approximately 40 km to the gin.
- **6. Sensitivity tables:** There are yield dependant costs included in these calculations.

Rotation: This budget assumes cotton follows another crop.

Machinery costs: The cost of each farming pass reflects variable costs only (fuel, repairs and maintenance), labour and depreciation are considered overhead costs, so are not included in this budget. Contractor rates encompass these costs and are outlined in a separate budget.

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

Acknowledgements

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