

### GM Budget: Northern Australia Furrow Irrigated Cotton

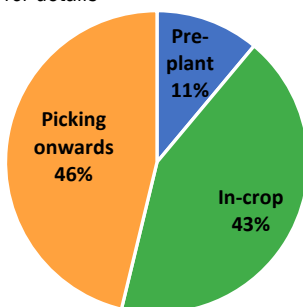
1m row spacing. Bollgard3®, Roundup Ready Flex®

#### INCOME:

|      |                         |                                     | Example<br>Budget<br>\$/ha | Your<br>Budget<br>\$/ha |
|------|-------------------------|-------------------------------------|----------------------------|-------------------------|
| 11.0 | bales/ha <sup>1</sup> @ | 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)       |                         |
|      |                         | <b>A. TOTAL GROSS INCOME \$/ha:</b> | <b>\$7,237</b>             |                         |

#### VARIABLE COSTS:

See pg 2 for details



|  |                |
|--|----------------|
| Ground preparation                         | \$72           |
| Nutrition                                  | \$1,244        |
| Planting                                   | \$129          |
| Irrigation (8.5 ML applied <sup>2</sup> )  | \$98           |
| Insurance                                  | \$138          |
| Crop protection, application & licence fee | \$782          |
| Defoliation                                | \$118          |
| Picking, cartage & ginning                 | \$2,074        |
| Farming: Post-crop                         | \$145          |
| <b>B. TOTAL VARIABLE COSTS \$/ha:</b>      | <b>\$4,800</b> |

|   |                |
|---|----------------|
| <b>GROSS MARGIN* (A-B) \$/ha:</b>                       | <b>\$2,437</b> |
| <b>GROSS MARGIN (A-B/ML sourced<sup>2</sup>) \$/ML:</b> | <b>\$274</b>   |

|   |              |
|---|--------------|
| 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

#### SENSITIVITY TABLE<sup>6</sup>

(Gross Margin \$/Ha)

|                     |      | PRICE (\$/bale incl. of seed & discounts) |      |             |      |      |
|---------------------|------|---|------|-------------|------|------|
|                     |      | 558                                       | 608  | 658         | 708  | 758  |
| 227kg lint bales/ha | 8.0  | 260                                       | 653  | 1045        | 1437 | 1830 |
|                     | 9.0  | 626                                       | 1068 | 1509        | 1950 | 2392 |
|                     | 10.0 | 992                                       | 1482 | 1973        | 2463 | 2954 |
|                     | 11.0 | 1358                                      | 1897 | <b>2437</b> | 2976 | 3516 |
|                     | 12.0 | 1724                                      | 2312 | 2901        | 3489 | 4078 |
|                     | 13.0 | 2090                                      | 2727 | 3365        | 4002 | 4640 |
|                     | 14.0 | 2455                                      | 3142 | 3829        | 4515 | 5202 |

#### SENSITIVITY TABLE<sup>6</sup>

(Gross Margin \$/ML)

|                     |      | PRICE (\$/bale incl. of seed & discounts) |     |            |     |     |
|---------------------|------|---|-----|------------|-----|-----|
|                     |      | 558                                       | 608 | 658        | 708 | 758 |
| 227kg lint bales/ha | 8.0  | 29  | 73  | 118        | 162 | 206 |
|                     | 9.0  | 70  | 120 | 170        | 220 | 269 |
|                     | 10.0 | 112                                       | 167 | 222        | 277 | 332 |
|                     | 11.0 | 153                                       | 214 | <b>274</b> | 335 | 396 |
|                     | 12.0 | 194                                       | 260 | 327        | 393 | 459 |
|                     | 13.0 | 235                                       | 307 | 379        | 451 | 522 |
|                     | 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**.

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# Furrow Irrigated Pigeon Peas

(refuge for Bollgard3® cotton)

2025-26

Northern Australia Gross Margin



| Variable Costs by Operation              | Machinery  |                | Inputs      |        |                 |               | TOTAL         |
|--|--|----------------|-------------|--------|-----------------|---------------|---------------|
|  |  | Total<br>\$/ha | Rate<br>/ha | Unit   | Cost<br>\$/unit | Cost<br>\$/ha | Cost<br>\$/ha |
| <b>Ground preparation</b>                |  |                |             |        |                 |               |               |
| Insecticide:                             | Dimethoate (400g/L), broad knock down                  | Self Propelled | 2.00        | 0.50   | L               | 18.60         | 9.30          |
| 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        |        |                 |               |               |
| <b>Planting &amp; farming</b>            |  |                |             |        |                 |               |               |
| Planting:                                | Planter & seed: Pigeon pea                             | 340 eng/HP     | 14.00       | 35.0   | kg              | 5.91          | 206.93        |
| Farming:                                 | Cultivation: Inter-row                                 | 340 eng/HP     | 15.00       |        |                 |               |               |
| <b>Irrigation</b>                        |  |                |             |        |                 |               |               |
| Irrigation:                              | Budgeted water (from source) <sup>2, 3</sup>           |                |             | 4.50   | ML              | 8.25          | 37.13         |
| <b>Herbicide &amp; application</b>       |  |                |             |        |                 |               |               |
| Herbicide:                               | Glyphosate (450g/L)                                    | Self Propelled | 2.00        | 1.60   | L               | 4.60          | 7.36          |
| <b>Post-crop</b>                         |  |                |             |        |                 |               |               |
| Farming:                                 | Crop destruction: Mulcher                              | 340 eng/HP     | 18.00       |        |                 |               |               |
| Farming:                                 | Pupae bust (check bt licence cultivation requirements) | 340 eng/HP     | 24.00       |        |                 |               |               |
| <b>B. TOTAL VARIABLE COSTS \$/ha:</b>    |  |                |             |        |                 |               | <b>397</b>    |
| <b>Total irrigation water use ML/ha:</b> |  |                |             | 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. Freight 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

We wish to acknowledge the efforts made by industry specialists and management during the development and review of the 2025 Northern Australia cotton gross margin budgets. Assistance was provided by the CottonInfo team, CRDC, CSD, CGS, WA DPIRD, Elders, and a number of individual growers and specialists.

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