

### Gross Margin Budget: Northern Australia Raingrown Cotton

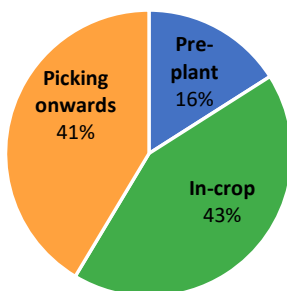
1m row spacing. Bollgard3®, Roundup Ready Flex®

#### INCOME:

			Example Budget \$/ha	Your Budget \$/ha
4.0	bales/ha <sup>1</sup> @	Cotton lint	\$573 /bale (at gin)	\$2,292
		(less quality discount)	-\$20 /bale (at gin)	-\$80
		Cotton seed	\$93 /bale (at gin)	\$372
			\$646 /bale (at gin)	
		<b>A. TOTAL GROSS INCOME \$/ha:</b>	<b>\$2,584</b>	

#### VARIABLE COSTS:

See pg 2 for details



Ground preparation	\$50
Nutrition	\$590
Planting	\$82
Crop protection, application & licence fee	\$475
Insurance	\$59
Defoliation	\$111
Picking, cartage & ginning	\$1,025
Farming: Post-crop	\$80
<b>B. TOTAL VARIABLE COSTS \$/ha:</b>	<b>\$2,472</b>

**GROSS MARGIN\* (A-B) \$/ha: \$112**

Break even yield (bales/ha) based on lint & seed prices above: 3.7 bales/ha

Break even price (\$/bale incl. seed and discounts) based on 4 bales/ha: \$617 /bale

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

#### SENSITIVITY TABLE

		(Gross Margin \$/Ha)				
		PRICE (\$/bale incl. of seed & discounts)				
		546	596	646	696	746
227kg lint bales/ha	2.5	-799	-677	-554	-432	-310
	3.0	-625	-479	-332	-186	-39
	3.5	-452	-281	-110	61	232
	4.0	-279	-84	112	307	503
	4.5	-106	114	334	554	774
	5.0	67	312	556	800	1045
	5.5	241	509	778	1047	1315

This budget is designed to give an indication of operations and costs required to grow a northern Australia rainfed 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**.



Variable costs by operation		Machinery		Inputs			Total
		Total	Rate	Unit	Cost	Cost	Cost
		\$/ha	/ha		\$/unit	\$/ha	\$/ha
<b>Ground preparation (cover crop destruction)</b>							
Herbicide:	Fluroxypyr (333g/L)	Self Propelled	2.00	0.50 L	19.60	9.80	12
Herbicide:	Glyphosate (450g/L)	Self Propelled	2.00	2.00 L	4.60	9.20	11
Farming:	Cultivation (depending on vegetative matter present)	340 eng/HP	27.00				27
<b>Nutrition</b>							
Fertiliser:	DAP (16kg N, 18kg P, 1kg S applied) - spread pre plant	340 eng/HP	9.00	90 kg	1.91	171.66	181
Fertiliser:	SOP (25kg K, 10kg S applied) - with above	with above		60 kg	1.83	109.82	110
Fertiliser:	Urea (28kg N applied) - with above	with above		60 kg	1.43	85.88	86
Fertiliser:	Urea (57kg N applied) - in crop	Aerial	35.00	125 kg	1.43	178.92	214
<b>Planting &amp; in-crop farming</b>							
Planting:	Precision planter	340 eng/HP	14.00				14
Planting:	Seed: Bollgard3® Roundup Ready Flex or XtendFlex®	with above		6.5 kg	10.47	68.05	68
<b>Crop protection<sup>2</sup>, application &amp; licence fee</b>							
Application	Combined herbicide, insecticide & growth regulant	Self Propelled x 2	2.00	2 applications		4.00	4
Application	Combined herbicide, insecticide & growth regulant	Aerial x 3	35.00	3 applications		105.00	105
Insecticide:	Fipronil (200 g/L), target: mirids			0.06 L	62.60	3.91	4
Insecticide:	Indoxacarb (150 g/L), target: mirids			0.25 L	78.60	19.65	20
Insecticide:	Chlorantraniliprole (600 g/L), target: cluster caterpillar			0.06 L	898.60	53.92	54
Insecticide:	Clothianidin (200 g/L), target: shield bugs			0.25 L	78.60	19.65	20
Growth regulator:	Mepiquat (380g/L), growth regulator			0.05 L	22.60	1.13	1
Growth regulator:	Mepiquat (380g/L), growth regulator			0.05 L	22.60	1.13	1
Growth regulator:	Mepiquat (380g/L), growth regulator / cutout			0.15 L	22.60	3.39	3
Herbicide:	Glufosinate-ammonium (200 g/L) (with XtendFlex®) <sup>2</sup>			3.75 L	7.60	28.50	29
Herbicide:	Roundup Ready® Plantshield® (690g/kg Glyphosate)			1.20 kg	9.60	11.52	12
Herbicide:	Roundup Ready® Plantshield® (690g/kg Glyphosate)			1.20 kg	9.60	11.52	12
Licence:	Bollgard 3® stacked RRXF Licence Fee, (end point royalty)				35.00		140
Other:	Consultant	Contractor	55.00				55
Refuge:	Refuge crop <sup>4</sup> : Conventional cotton 5%, see page 3						17
<b>Defoliation<sup>2</sup></b>							
Defoliation:	Thidiazuron (500g/L)	Aerial	35.00	0.15 L	26.60	3.99	39
Defoliation:	Ethephon (900g/L)	with above		0.80 L	7.60	6.08	6
Defoliation:	Spraying oil	with above		1.00 L	7.60	7.60	8
Defoliation:	Thidiazuron (500 g/L)	Aerial	35.00	0.15 L	26.60	3.99	39
Defoliation:	Ethephon (900g/L)	with above		1.50 L	7.60	11.40	11
Defoliation:	Spraying oil	with above		1.00 L	7.60	7.60	8
<b>Picking, cartage &amp; ginning</b>							
Picking	Contract: Round baler incl. stacking at end of field	CP770	375.00 per ha		94 / lint bale		375
Picking	plus fuel		25.00 L/ha @	1.68 \$/L	10 / lint bale		42
Picking	plus wrap		47.00 / round bale		10 / lint bale		42
Cartage:	Freight (incl. lift) 200 km from gin <sup>3</sup>	costs related to	125.00 / round bale		28 / lint bale		111
Ginning:	Fibre processing <sup>3</sup>	yield	110.00 / lint bale		110 / lint bale		440
Levies:	Research levy & Cotton Australia levy				3.75 / lint bale		15
<b>Post-crop</b>							
Farming:	Mulcher (check bt licence requirements)	Contractor	55.00				55
Herbicide:	Fluroxypyr (333g/L)	Self Propelled	2.00	0.45 L	19.60	8.82	11
Herbicide:	Fluroxypyr (333g/L)	Self Propelled	2.00	0.60 L	19.60	11.76	14
<b>Other</b>							
Crop insurance:			Premium depends on various factors				59
<b>B. TOTAL VARIABLE COSTS \$/ha:</b>							<b>2472</b>



Variable costs by operation	Machinery	Total \$/ha	Inputs				Total Cost \$/ha
			Rate /ha	Unit	Cost \$/unit	Cost \$/ha	
<b>Ground preparation</b>							
Herbicide: Fluroxypyr (333g/L)	Self Propelled	2.00	0.45	L	19.60	8.82	<b>11</b>
Herbicide: Glyphosate (450g/L)	Self Propelled	2.00	2.00	L	4.60	9.20	<b>11</b>
Farming: Cultivation (depending on vegetative matter present)	340 eng/HP	27.00					<b>27</b>
<b>Planting &amp; in-crop farming</b>							
Planting: Precision planter	340 eng/HP	14.00					<b>14</b>
Planting: Seed: Roundup Ready Flex®	with above		6.50	kg	10.47	68.05	<b>68</b>
<b>Crop protection, application &amp; licence fee</b>							
Herbicide: Roundup Ready® Plantshield® (690g/kg Glyphosate)	Self Propelled	2.00	1.20	kg	9.60	11.52	<b>14</b>
Herbicide: Roundup Ready® Plantshield® (690g/kg Glyphosate)	Self Propelled	2.00	1.20	kg	9.60	11.52	<b>14</b>
Herbicide: Roundup Ready® Plantshield® (690g/kg Glyphosate)	Self Propelled	2.00	1.20	kg	9.60	11.52	<b>14</b>
Licence: RRF® (Unsprayed refuge) Licence Fee: EPR							<b>35</b>
Other: Consultant	Contractor	55.00					<b>55</b>
<b>Defoliation</b>							
Assume yield for refuge cotton does not justify picking (therefore defoliation)							
<b>Picking, cartage &amp; ginning</b>							
Assume yield for refuge cotton does not justify picking.							
<b>Post-crop</b>							
Farming: Mulcher (check bt licence cultivation requirements)	Contractor	55.00					<b>55</b>
Herbicide: Fluroxypyr (333g/L)	Self Propelled	2.00	0.45	L	19.60	8.82	<b>11</b>
Herbicide: Fluroxypyr (333g/L)	Self Propelled	2.00	0.60	L	19.60	11.76	<b>14</b>
<b>Other</b>							
Crop insurance:						Premium depends on various factors	<b>0</b>
<b>B. TOTAL VARIABLE COSTS \$/ha<sup>4</sup>:</b>							<b>341</b>

**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 (as unsprayed conventional cotton) of 0.05ha, resulting in a total gross margin area of 1.05 ha.

**1. Yield:** Actual yields are a complex result of agronomic and environmental factors. In this budget a yield of 4 bales/ha is based on Douglas Daly/Tipperary raingrown crops of 3–6 bales/ha reported in *CRCNA, Broadacre Cropping in northern Australia Newsletter #2, January 2021* and *Rhebergen, T. and Yeates, S.J., 2023. Climate and soil-based constraints to rainfed cotton yield in the Northern Territory, Australia—A modelling approach using APSIM-OZCOT. European Journal of Agronomy, 151.* as well as Cotton Yearbook average yields for the Northern Territory and consultation with northern growers and stakeholders regarding recent commercial yields.

**2. Chemicals.** Requirements will vary season by season and across regions. Chemical 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.

**3. Freight and ginning.** Cartage and ginning to Katherine cotton gin. Distance and values are general estimates.

**4. Refuge gross margin:** It is only justified to pick the refuge crop when the projected refuge income (yield x (price - discounts)) is greater than the projected stripping, cartage and ginning costs (\$256 /lint bale). This gross margin assumes negligible yields with projected refuge income not able to cover these costs. In this case the overall gross margin is maximised by destroying (mulching) the crop rather than picking.

**Rotation:** This budget assumes the previous crop of sorghum, with 2 t/ha mulch cover retained (Yeates SJ and Poulton PL (2019), *Determining Dryland cotton yield potential in the NT: Preliminary climate assessment and yield simulation*. Report to NTFarmers, Queensland Cotton and the Cotton Research and Development Corporation.)

**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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