

Gross Margin Budget: Raingrown Cotton

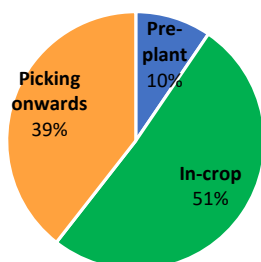
1m row spacing. Bollgard3®, XtendFlex®, Roundup Ready Flex®

INCOME:

	Yield ¹				Single Skip \$/ha	Double Skip \$/ha	Your Budget \$/ha
Single Skip	3.6	bales/ha @	Cotton lint	\$573 /bale (at gin)	\$2,063	\$1,834	
Double Skip	3.2		Cotton seed	\$93 /bale (at gin)	\$335	\$297	
			(less quality discount)	-\$20 /bale (at gin)	-\$72	-\$64	
				\$646 /bale (at gin)			
			A. TOTAL GROSS INCOME \$/ha:		\$2,325	\$2,067	

VARIABLE COSTS:

See pg 2 for details



Graph based on 'Double skip' row configuration

	Single Skip \$/ha	Double Skip \$/ha	Your Budget \$/ha
Fallow management	\$69	\$69	
Nutrition	\$71	\$59	
Planting	\$105	\$74	
Insurance	\$93	\$82	
Crop protection, application & licence fee	\$475	\$449	
Defoliation	\$95	\$80	
Picking, cartage & ginning	\$495	\$450	
Farming: Post-crop	\$79	\$79	
B. TOTAL VARIABLE COSTS \$/ha:	\$1,481	\$1,342	
GROSS MARGIN* (A-B) \$/ha:	\$844	\$725	

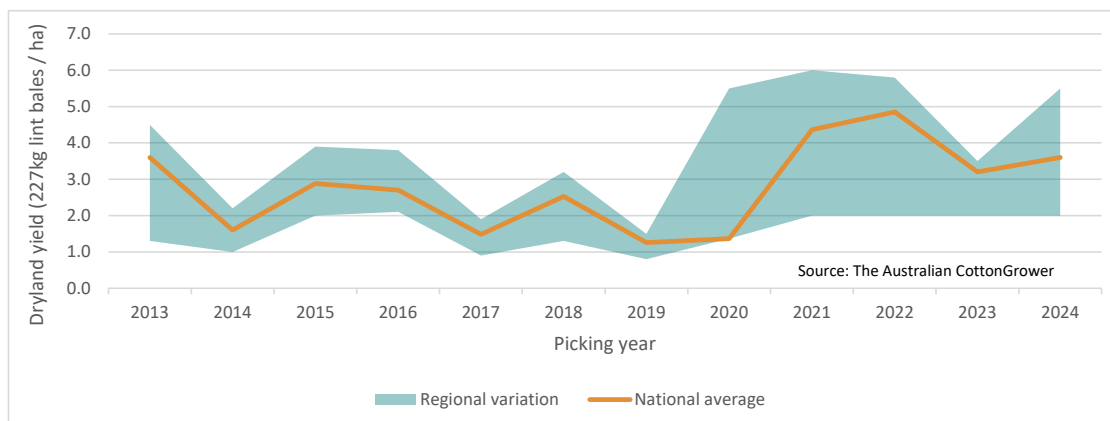
Break even yield (bales/ha) based on lint & seed prices above:	1.7	1.5	bales/ha
Break even price (\$/bale incl. seed and discounts) based on 3.6 & 3.2 bales/ha:	\$394	\$392	/bale

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

SENSITIVITY TABLE⁵ SINGLE SKIP

		PRICE (\$/bale incl. of seed & discounts)				
		546	596	646	696	746
227kg lint bales/ha	0.6	-575	-546	-517	-488	-460
	1.6	-217	-140	-63	13	90
	2.6	141	266	390	515	640
	3.6	499	671	844	1017	1190
	4.6	856	1077	1298	1519	1740
	5.6	1214	1483	1752	2021	2290
	6.6	1572	1889	2206	2523	2840

Raingrown cotton average yield variation



This budget is designed to give an indication of operations and costs required to grow a raingrown 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					Single	Double
		Total \$/ha	Rate /ha	Unit	Band width	Cost \$/unit	Cost \$/ha	Skip \$/ha	Skip \$/ha	
Fallow management (long fallow)⁴										
Fallow spray:	Glyphosate (450g/L)	Self Propelled	2.00	2.00	L		4.00	8.00	10	10
Fallow spray:	Flumioxazin (500g/L)	with above		0.03	kg		147.00	4.41	4	4
Fallow spray:	Paraquat (360g/L)	Self Propelled	2.00	2.00	L		5.00	10.00	12	12
Fallow spray:	Flumioxazin (500g/L)	with above		0.03	kg		147.00	4.41	4	4
Fallow spray:	Glufosinate-ammonium (200g/L)	Self Propelled	2.00	3.75	L		7.00	26.25	28	28
Fallow spray:	Isoxaflutole (750g/kg)	with above		0.10	kg		110.00	11.00	11	11
Nutrition										
Fertiliser:	Soil nutrient testing		2.35						2	2
Fertiliser:	Urea (32kg N applied) - drilled early season	340 eng/HP	16.00	70	kg		1.15	80.50	69	56
Planting										
Planting:	Precision planter	340 eng/HP	14.00						14	14
Planting:	Seed: Bollgard3® XtendFlex®	with above		9	kg		10.06	90.51	91	60
Crop protection, application & licence fee⁴										
Insecticide:	Sulfoxaflor (500g/kg), target: mirids	Self Propelled	2.00	0.14	kg	30%	311.00	13.06	11	9
Insecticide:	Fipronil (200g/L), target: mirids	Self Propelled	2.00	0.07	L	30%	62.00	4.34	5	4
Insecticide:	Diafenthiuron (500g/L), target: SLW, aphids, mites	Self Propelled	2.00	0.60	L	100%	54.00	32.40	34	34
Insecticide:	Acetamiprid (218g/L), Emamectin (32.5g/L) target: SLW, aphids, shield bugs	Aerial spraying	20.00	0.30	L	100%	83.00	24.90	45	45
Herbicide:	Pendimethalin (455g/L)	Self Propelled	2.00	2.25	kg	100%	18.00	40.50	43	43
Herbicide:	Terbutylazine (875g/L)	with above		1.20	L	100%	11.00	13.20	13	13
Herbicide:	XtendiMax® 2 (Dicamba 480g/L) (with XtendFlex® varieties only) ⁴	Self Propelled	2.00	1.17	L	100%	20.00	23.40	25	25
Herbicide:	Roundup Ready® Plantshield® (690g/kg Glyphosate)	Self Propelled	2.00	1.20	kg	100%	9.00	10.80	13	13
Herbicide:	Roundup Ready® Plantshield® (690g/kg Glyphosate)	Self Propelled	2.00	1.20	kg	100%	9.00	10.80	13	13
Herbicide:	S-metolachlor OTT (960g/L)	with above		1.00	kg	100%	9.00	9.00	9	9
Licence:	Bollgard 3® RRF Licence Fee: End Point Royalty						55.00 / lint bale		198	176
Other:	Consultant	Contractor	55.00						55	55
Refuge:	Refuge crop: Conventional cotton 5%, see page 3								12	10
Defoliation^{4,6}										
Defoliation:	Thidiazuron (500 g/L)	Self Propelled	4.00	0.15	L		26.00	3.90	8	7
Defoliation:	Ethephon (900g/L)	with above		0.80	L		7.00	5.60	6	4
Defoliation:	Spraying oil	with above		1.00	L		7.00	7.00	7	5
Defoliation:	Thidiazuron + Diuron (240g + 120g/L)	Self Propelled	4.00	0.13	L		94.00	12.22	16	13
Defoliation:	Ethephon (900g/L)	with above		2.00	L		7.00	14.00	14	10
Defoliation:	Spraying oil	with above		1.00	L		7.00	7.00	7	5
Defoliation:	Paraquat (360g/L)	Aerial Spraying	20.00	2.00	L		5.00	10.00	30	30
Defoliation:	Spraying oil	with above		1.00	L		7.00	7.00	7	7
Picking, cartage & ginning										
Stripping:	Own plant: round baler (variable costs only, incl. fuel)	CP770	94.00 per ha						94	94
Stripping:	plus wrap		47.00 / round bale				13.93 / lint bale		50	45
Cartage:	Freight (incl. lift) 50 km from gin	costs related to	63.00 / round bale				18.67 / lint bale		67	60
Ginning:	Fibre processing	yield	75.00 / lint bale				75.00 / lint bale		270	240
Levies:	Research levy & Cotton Australia levy		3.75 / lint bale				3.75 / lint bale		14	12
Farming: Post-crop										
Farming:	Mulcher	Contractor	55.00						55	55
Farming:	Pupae bust (check bt licence cultivation requirements)	340 eng/HP	24.00						24	24
Other										
Crop insurance:	Premium depends on various factors								93	82
B. TOTAL VARIABLE COSTS \$/ha:									1,481	1,342



REFUGE INCOME (if it is picked and ginned ²)

	Yield ¹				Single Skip \$/ha	Double Skip \$/ha
Single Skip	0.80	bales/ha @	Cotton lint	\$573 /bale (at gin)	\$458	\$401
Double Skip	0.70		Cotton seed	\$93 /bale (at gin)	\$74	\$65
			(less quality discount)	-\$20 /bale (estimate)	-\$16	-\$14
				\$646 /bale		

A. TOTAL GROSS INCOME \$/ha: \$517 \$452

Variable costs by operation			Machinery			Inputs			Single	Double
			Total	Rate	Band	Cost	Cost	Skip	Skip	
			\$/ha	/ha	Unit	width	\$/unit	\$/ha	\$/ha	
Fallow management (long fallow)⁴										
Fallow spray:	Glyphosate (450g/L)	Self Propelled	2.00	2.00	L		4.00	8.00	10	10
Fallow spray:	Flumioxazin (500g/L)	with above		0.03	L		147.00	4.41	4	4
Fallow spray:	Paraquat (360g/L)	Self Propelled	2.00	2.00	L		5.00	10.00	12	12
Fallow spray:	Glufosinate-ammonium (200g/L)	Self Propelled	2.00	3.75	L		7.00	26.25	28	28
Fallow spray:	Isoxaflutole (750g/kg)	with above		0.10	kg		110.00	11.00	11	11
Fallow spray:	Isoxaflutole (750g/kg)	Self Propelled		0.10	kg		110.00	11.00	11	11
Planting										
Planting:	Precision planter	340 eng/HP	14.00						14	14
Planting:	Seed: Roundup Ready Flex® or XtendFlex®	with above		9	kg		10.06	90.51	60	45
Crop protection, application & licence fee⁴										
Herbicide:	Pendimethalin (455g/L)	Self Propelled	2.00	2.20	kg	100%	18.00	39.60	42	42
Herbicide:	Roundup Ready® Plantshield® (690g/kg Glyphosate)	Self Propelled	2.00	1.20	kg	100%	9.00	10.80	13	13
Herbicide:	Roundup Ready® Plantshield® (690g/kg Glyphosate)	Self Propelled	2.00	1.20	kg	100%	9.00	10.80	13	13
Licence:	RRF® (Unsprayed refuge) Licence Fee: EPR							200.00	100	134
Defoliation⁶										
Defoliation:	Thidiazuron (500 g/L)	Self Propelled	4.00	0.15	L		26.00	3.90	8	7
Defoliation:	Ethephon (900g/L)	with above		0.80	L		7.00	5.60	6	4
Defoliation:	Spraying oil	with above		1.00	L		7.00	7.00	7	5
Defoliation:	Thidiazuron + Diuron (240g + 120g/L)	Self Propelled	4.00	0.13	L		94.00	12.22	16	13
Defoliation:	Ethephon (900g/L)	with above		2.00	L		7.00	14.00	14	10
Defoliation:	Spraying oil	with above		1.00	L		7.00	7.00	7	5
Defoliation:	Paraquat (360g/L)	Aerial Spraying	20.00	2.00	L	100%	5.00	10.00	30	30
Defoliation:	Spraying oil	with above		1.00	L		7.00	7.00	7	7
Picking, cartage & ginning										
Stripping:	Contract: round baler (variable costs only incl. fuel)	CP770	280.00	per ha	per ha (solid plant dryland)				280	280
Stripping:	plus fuel		16.50	L/ha @		1.24	\$/L	21	15	
Stripping:	plus wrap		47.00	/ round bale		10.44	/ lint bale	8	7	
Cartage:	Freight (incl. lift) 50 km from gin	costs related to	63.00	/ round bale		14.00	/ lint bale	11	10	
Ginning:	Fibre processing	yield	75.00	/ lint bale		75.00	/ lint bale	60	53	
Levies:	Research Levy & Cotton Australia Levy		3.75	/ lint bale		3.75	/ lint bale	3	3	
Farming: Post-crop										
Jun Farming:	Mulcher	Contractor	55.00					55	55	
Jun Farming:	Chisel plough (check bt licence requirements)	340 eng/HP	27.00					27	27	

B. TOTAL VARIABLE COSTS \$/ha: \$877 \$866

REFUGE GROSS MARGIN² (A-B) \$/ha: (\$360) (\$414)

Break even yield (bales/ha) based on lint & seed prices above: 1.21 1.14

Break even price (\$/bale incl. seed and discounts) based on 0.8 & 0.7 bales/ha: \$949 \$1,014

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

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 hectare of cotton plus the required refuge (as unsprayed conventional cotton) of 0.05 ha, 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, yield assumptions for each row configuration are based on Ozcott modelling of the Darling Downs Region, see the *Australian Cotton Production Manual 2025* p.29 Table 4, Bange. Yields will vary between regions and row configurations depending on environmental conditions.

2. Refuge gross margin: Based on the published yields and prices, the refuge gross margin results in a loss. It is still justified to pick the crop as the projected refuge income (e.g. \$517 single skip) is greater than the projected stripping, cartage and ginning costs (\$383/ha). In the event that projected refuge income is not able to cover these costs, the overall gross margin would be maximised if the crop was destroyed (mulched) without being picked.

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.

6. Defoliation: Taking into account estimated yields and associated vegetative matter, the band width for defoliation of single skip cotton is 100% and double skip 70% for ground applications.

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 cotton gross margin budgets. Assistance was provided by retailers, agronomists, the CottonInfo team, CCA, and CSD.

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