

Gross Margin Budget: Semi-irrigated Cotton, double skip

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



INCOME:

7.0 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)

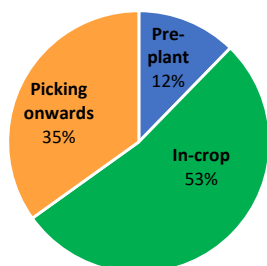
Example Budget \$/ha
Your Budget \$/ha

\$4,011
-\$56
\$651

A. TOTAL GROSS INCOME \$/ha: **\$4,606**

VARIABLE COSTS:

See pg 2 for details



Fallow management	\$70
Farming: Pre-planting	\$65
Nutrition	\$377
Planting	\$47
Irrigation (3.6 ML applied ²)	\$210
Insurance	\$183
Crop protection, application & licence fee	\$649
Defoliation	\$88
Picking, cartage & ginning	\$784
Farming: Post-crop	\$120

B. TOTAL VARIABLE COSTS \$/ha: **\$2,594**

GROSS MARGIN* (A-B) \$/ha: **\$2,011**

GROSS MARGIN (A-B/ML sourced²) \$/ML: **\$471**

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

3.1 bales/ha

Break even price (\$/bale incl. seed and discounts) based on 7 bales/ha:

\$348 /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	4.0	42	234	426	618	810
	5.0	474	714	954	1194	1434
	6.0	907	1195	1483	1771	2059
	7.0	1339	1675	2011	2347	2683
	8.0	1772	2156	2540	2924	3308
	9.0	2204	2636	3068	3500	3933
	10.0	2637	3117	3597	4077	4557

The Southern Oscillation Index (SOI)

The Southern Oscillation Index (SOI) represents the atmospheric component of ENSO. This has a strong impact on water budgets and early season crop evapotranspiration.

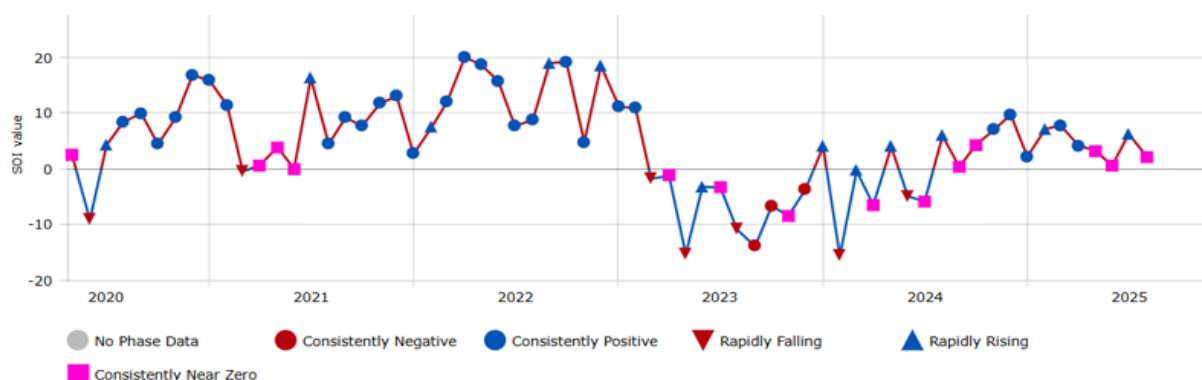


Chart source: The Long Paddock (QLD Gov) 2025

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**.



Variable Costs by Operation			Machinery		Inputs					TOTAL
					Rate	Cost	Band	Cost	Cost	
			Total							
			\$/ha	/ha	Unit	\$/unit	Width	\$/ha	\$/ha	
Fallow management (long fallow) ⁴										
Fallow spray:	Glyphosate (450g/L)	Self Propelled	2.00	2.00	L	4.00	100%	8.00	10	
Fallow spray:	Flumioxazin (500g/L)	with above		0.03	kg	147.00	100%	4.41	4	
Fallow spray:	Paraquat (360g/L)	Self Propelled	2.00	2.00	L	5.00	100%	10.00	12	
Fallow spray:	Flumioxazin (500g/L)	with above		0.03	kg	147.00	100%	4.41	4	
Fallow spray:	Glufosinate-ammonium (200g/L)	Self Propelled	2.00	3.75	L	7.00	100%	26.25	28	
Fallow spray:	Terbuthylazine (875g/kg)	with above		1.00	L	11.00	100%	11.00	11	
Farming: Pre-planting										
Farming:	Discing	340 eng/HP	27.00						27	
Farming:	Hill up	340 eng/HP	17.00						17	
Farming:	Cultipacker	340 eng/HP	15.00						15	
Farming:	Steel drum / Rubber tyre roller	340 eng/HP	6.00						6	
Nutrition										
Fertiliser:	Soil nutrient testing		2.35						2	
Fertiliser:	MAP (16.5kg N, 36kg P, 2.5kg S applied) - spread pre plant	340 eng/HP	9.00	165	kg	1.56	50%	128.87	138	
Fertiliser:	Potassium (45kg K applied) - spread pre plant	with above		90	kg	1.01	50%	45.54	46	
Fertiliser:	Urea (140kg N applied) - drilled pre plant	340 eng/HP	16.00	304	kg	1.15	50%	174.80	191	
Planting										
Planting:	Precision planter	340 eng/HP	14.00						14	
Planting:	Seed: Bollgard3® XtendFlex®	with above		6.5	kg	10.06	50%	32.69	33	
Irrigation management ^{2,3}										
Irrigation:	Budgeted water (from source ²)			4.2	ML	45.70	100%	193.31	193	
Other:	Soil moisture monitoring		8.75						9	
Farming:	Rotobuck/Knockdown (once in season)	340 eng/HP	8.38						8	
Crop protection, application & licence fee ⁴										
Insecticide:	Sulfoxaflor (500g/kg), target: mirids	Self Propelled	2.00	0.14	kg	311.00	50%	21.77	24	
Insecticide:	Fipronil (200g/L), target: mirids	Self Propelled	2.00	0.07	L	62.00	50%	2.17	4	
Insecticide:	Pyriproxyfen (100g/L), target: SLW	Aerial Spraying	20.00	0.50	L	147.00	100%	73.50	94	
Insecticide:	Diafenthiuron (500g/L), target: SLW, aphids, mites	Aerial Spraying	20.00	0.60	L	54.00	100%	32.40	52	
Herbicide:	Pendimethalin (455g/L)	Self Propelled	2.00	2.20	kg	18.00	100%	39.60	42	
Herbicide:	XtendiMax® 2 (Dicamba 480g/L) (with XtendFlex® varieties only) ⁴	Self Propelled	2.00	1.17	L	20.00	100%	23.40	25	
Herbicide:	Roundup Ready® Plantshield® (690g/kg Glyphosate)	Self Propelled	2.00	1.20	kg	9.00	100%	10.80	13	
Herbicide:	Roundup Ready® Plantshield® (690g/kg Glyphosate)	Aerial Spraying	20.00	1.20	kg	9.00	100%	10.80	31	
Farming:	Cultivation: Inter-row	340 eng/HP	15.00						15	
Growth regulator:	Mepiquat (380g/L), growth regulator	Aerial	20.00	0.06	L	22.00	100%	1.32	21	
Growth regulator:	Mepiquat (380g/L), growth regulator / cutout	Aerial	20.00	0.15	L	22.00	100%	3.30	23	
Other:	Chipping or Spot Spray		5.00						5	
Licence:	Bollgard 3® RRF Licence Fee: Late Crop Removal						50%	435.00	218	
Other:	Consultant	Contractor	75.00						75	
Refuge:	Refuge crop: Pigeon peas 2.5%, see page 3			0.04	ML		50%		8	
Defoliation ⁴										
Defoliation:	Thidiazuron (500 g/L)	Self Propelled	4.00	0.15	L	26.00	100%	3.90	8	
Defoliation:	Ethephon (900g/L)	with above		0.80	L	7.00	100%	5.60	6	
Defoliation:	Spraying oil	with above		1.00	L	7.00	100%	7.00	7	
Defoliation:	Thidiazuron + Diuron (240g + 120g/L)	Self Propelled	4.00	0.13	L	94.00	100%	12.22	16	
Defoliation:	Ethephon (900g/L)	with above		0.75	L	7.00	100%	5.25	5	
Defoliation:	Spraying oil	with above		1.00	L	7.00	100%	7.00	7	
Defoliation:	Pyraflufen-ethyl (25g/L)	Aerial Spraying	20.00	0.08	L	87.00	100%	6.96	27	
Defoliation:	Ethephon (900g/L)	with above		0.75	L	7.00	100%	5.25	5	
Defoliation:	Spraying oil	with above		1.00	L	7.00	100%	7.00	7	
Picking, cartage & ginning										
Picking:	Own plant: round baler (variable costs only, incl. fuel)	CP770	62.04	per ha	(double skip picking cost 66% of solid plant)				62	
Picking:	plus wrap		47.00	/ round bale				10.44 / lint bale	73	
Cartage:	Freight (incl. lift) 50 km from gin	costs related to	63.00	/ round bale	50 km from gin			14.00 / lint bale	98	
Ginning:	Ginning	yield	75.00	/ lint bale				75.00 / lint bale	525	
Levies:	Research levy & Cotton Australia levy		3.75	/ lint bale				3.75 / lint bale	26	
Farming: Post-crop										
Farming:	Mulcher	340 eng/HP	18.00						18	
Farming:	Pupae bust (check bt licence cultivation requirements)	340 eng/HP	24.00						24	
Farming:	Desilting & grading channels	Contractor	70.00						70	
Herbicide:	Sterilising channels	340 eng/HP	8.00						8	
Other										
Crop insurance:		Premium depends on various factors							183	
B. TOTAL VARIABLE COSTS \$/ha:										2,594
Total irrigation water requirements (1ha cotton + .025ha refuge) from source ² ML/ha:				4.3	ML					

Semi-irrigated Pigeon Peas (refuge for Bollgard3® cotton)

2025-26



Variable Costs by Operation	Machinery	Total \$/ha	Inputs				TOTAL Cost \$/ha
			Rate /ha	Unit	Cost \$/unit	Cost \$/ha	
Fallow management (long fallow)⁴							
Fallow spray: Glyphosate (450g/L)	Self Propelled	2.00	2.00	L	4.00	8.00	10
Fallow spray: Flumioxazin (500g/L)	with above		0.03	kg	147.00	4.41	4
Fallow spray: Paraquat (360g/L)	Self Propelled	2.00	2.00	L	5.00	10.00	12
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: Terbutylazine (875g/kg)	with above		1.00	L	11.00	11.00	11
Farming							
Farming: Discing	340 eng/HP	27.00					27
Farming: Hill up	340 eng/HP	17.00					17
Farming: Cultipacker	340 eng/HP	15.00					15
Farming: Steel drum / Rubber tyre roller	340 eng/HP	6.00					6
Planting							
Planting: Planter & seed: Pigeon pea	340 eng/HP	14.00	35.0	kg	5.50	192.50	207
Irrigation management^{2,3}							
Irrigation: Budgeted water (from source ²)			3.0	ML	45.70	137.11	137
Weed management⁴							
Herbicide: Pendimethalin (455g/L)	Self Propelled	2.00	2.00	kg	18.00	36.00	38
Herbicide: Prometryn (500g/L)	with above		2.50	kg	21.00	52.50	53
Herbicide: Glyphosate (450g/L)	Self Propelled	2.00	1.60	L	4.00	6.40	8
Farming: Cultivation: Inter-row	340 eng/HP	15.00					15
Post-crop							
Farming: Crop destruction (slashing)	340 eng/HP	18.00					18
Farming: Bed renovation (check bt licence requirements)	340 eng/HP	17.00					17
B. TOTAL VARIABLE COSTS \$/ha:							628
Total irrigation water use ML/ha:			3.0 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 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. Yields will vary between regions and row configurations depending on environmental conditions. The yield of 7 bales ha assumes 200mm plant available water content (PAWC) at planting and applied irrigation water of 3.5ML.

2. Water: Water ML/ha pumped from sources (surface or groundwater). Individual farm and field water budgets will vary depending on irrigation system efficiency, and regional and seasonal variations in plant evapotranspiration and effective rainfall. Applied irrigation water of 3.5 ML is based on the target yield of 7 bales ha. Applied water for refuge pigeon peas is estimated at 2.5 ML/ha, giving total cotton (1 ha) and refuge (0.025 ha) water use of 3.6 ML/ha. Average conveyance efficiency of 83% (NSW DPI 2020-21 and 2021-22) brings total sourced water to 4.3ML/ha for cotton and refuge.

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.

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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