

# WHEN IT COMES TO COTTON

## BOYCE CHARTERED ACCOUNTANTS CAN MAKE A REAL DIFFERENCE



### Boyce has been working with cotton growers for over 40 years

Boyce Chartered Accountants has been working with cotton growers from the time the industry first emerged in the Gwydir Valley of New South Wales. Forty years on sees us drawing on our experience, assisting growers in gearing up for their first crops of cotton in the Southern Valleys.

Boyce will add tangible value to your business whether you are a pioneer who is still in the game, or part of the next generation of growers coming through. We know and understand the issues that can arise across all stages of a cotton business – from start-up to maturity.

Our team can work with you to help market your crop, review the profitability of new technologies, analyse the economics of contractors versus owning your own plant, and manage taxation.

If you're looking to develop land for cotton we will help you understand the numbers and work through the potential tax outcome.

Boyce has produced the annual Australian Cotton Comparative Analysis (ACCA) since the mid 1980's. This study is widely regarded by the industry as the benchmark for the economics of cotton growing in Australia.

We are currently working with our partner – the Cotton Research and Development Corporation – to compile and analyse the results for the 2014/15 season. Interim results reveal an operating profit of \$1,551 per hectare – see overleaf for details.

Our team know the numbers and the timing of the operations that drive those numbers. We can advise you on what the best in the business do and how you can become part of this elite group of growers.

Boyce has the knowledge, insight and experience to make a real difference to your cotton business. So if your business is cotton, contact us.

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# AUSTRALIAN COTTON COMPARATIVE ANALYSIS

COMPARISON BETWEEN 2015 AVERAGE INTERIM RESULTS, NORTHERN & SOUTHERN VALLEYS

Per Hectare Basis

	2015 All Farms Average	2015 Southern Average	2015 Northern Average
<b>INCOME</b>	<b>\$/Ha</b>	<b>\$/Ha</b>	<b>\$/Ha</b>
Cotton proceeds – Lint	6,066	5,868	6,175
Cotton proceeds – Seed	1,024	907	1,088
Ginning	(800)	(697)	(857)
Levies	(52)	(48)	(54)
Cotton proceeds – Hail claims	-	-	-
	6,238	6,030	6,352
<b>EXPENSES</b>			
Cartage	100	132	83
Chemical application	141	174	123
Chemicals – Defoliant	57	79	44
Chemicals – Herbicides	120	111	125
Chemicals – Insecticides	144	95	170
Chemicals – Others	12	16	9
Consultants	69	72	67
Contract Picking	228	279	200
Contract farming and ripping	280	379	226
Cotton picking wrap and sundries	70	84	63
Depreciation	270	135	344
Electricity	121	170	93
Fertiliser	609	502	667
Fuel and oil	483	466	493
Hire of plant	28	5	40
Insurance	159	123	179
Licence fee – Bollgard	287	277	293
Licence fee – Roundup Ready	63	70	60
Motor vehicle expenses	20	15	23
R & M – Farming plant	191	173	201
R& M – Pumps and earthworks	151	101	179
Seed	117	104	125
Water charges	131	172	109
Wages – Employees	551	507	574
Administration	166	205	145
Other farm overheads	119	68	147
	4,687	4,514	4,782
<b>OPERATING PROFIT/(LOSS) (BEFORE INTEREST)</b>	<b>\$1,551</b>	<b>\$1,516</b>	<b>\$1,570</b>

	2015 All Farms Average	2015 Southern Average	2015 Northern Average
Yield per hectare (bales)	12.60	11.86	13.01
Value per bale	\$495.08	\$508.43	\$488.24
Cost of production per bale	\$371.98	\$380.60	\$367.56
Operating profit per bale	\$123.10	\$127.83	\$120.67
No. of bales per/ha required to cover operating expenses	9.47	8.88	9.79



**BOYCE**  
CHARTERED ACCOUNTANTS



Australian Government  
Cotton Research and  
Development Corporation

Knowledge. Insight. Experience.