

# WHEN IT COMES TO COTTON

BOYCE CHARTERED ACCOUNTANTS  
CAN MAKE A REAL DIFFERENCE



## Boyce has been working with cotton growers for 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 seasoned growers in the Northern Valleys and growers in the Southern Valleys who are in their first years of growing cotton.

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 2016/17 season. Interim results reveal an operating profit of \$1,323 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 2017 Average Interim Results and 2016 All Farms Average

(on a per hectare basis)

	2017 All Farms Interim Average	2016 All Farms Average
<b>INCOME</b>	<b>\$/Ha</b>	<b>\$/Ha</b>
Cotton proceeds – Lint	5,352	6,449
Cotton proceeds – Seed	540	917
Ginning	(595)	(752)
Levies	(46)	(49)
Cotton proceeds – Hail claims	1	-
	5,252	6,565
<b>EXPENSES</b>		
Cartage	47	103
Chemical application	163	184
Chemicals – Defoliants	68	51
Chemicals – Herbicides	124	153
Chemicals – Insecticides	102	164
Chemicals – Others	3	10
Chipping	-	9
Consultants	50	96
Contract Picking	137	145
Contract farming and ripping	153	156
Cotton picking wrap and sundries	97	131
Depreciation	226	298
Electricity	50	109
Fertiliser	515	591
Fuel and oil	225	273
Hire of plant	21	26
Insurance	73	112
Licence fee – Bollgard	297	302
Licence fee – Roundup Ready	71	62
Motor vehicle expenses	23	26
R & M – Farming plant	230	162
R& M – Pumps and earthworks	48	179
Seed	126	120
Water charges	265	310
Wages – Employees	485	547
Administration	45	57
Other farm overheads	285	107
	3,929	4,473
<b>OPERATING PROFIT/(LOSS) (BEFORE INTEREST)</b>	<b>\$1,323</b>	<b>\$2,092</b>

	2017 All Farms Interim Average	2016 All Farms Average
Yield per hectare (bales)	10.29	12.95
Value per bale	\$510.33	\$507.15
Cost of production per bale	\$382.70	\$347.51
Operating profit per bale	\$127.72	\$159.68
No. of bales per/ha required to cover operating expenses	7.72	8.87