



Australian Cotton Comparative Analysis

2023 Crop



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Dear Grower,

We are pleased to present the 2023 Australian Cotton Comparative Analysis.

The Australian Cotton Comparative Analysis is a report prepared by Boyce to produce the industry benchmark for the economics of irrigated cotton growing in Australia. We are proud to present the analysis for the 2023 year.

The sample of participants this year again captures a representation from the different cotton-growing valleys. It is always our aim to increase the sample size of the analysis. If you are a grower and find this report instructive but do not currently participate in the analysis, we would welcome your involvement. Participation is free, and while we know that involvement does take some effort, we believe that this effort leads to a greater understanding of the numbers that drive your business with respect to other growers and trends within the industry.

As the industry continues to evolve, and as other studies on industry practices are finalised, we will continue to compare the results from those studies and these figures with a view to providing better information for the industry.

2023 Summarised Australian Cotton Comparative Analysis has been posted on the Boyce website (www.boyceca.com). We welcome the use of the figures contained in this report; however, it should be noted that the report or any part of it may not be published or reproduced without authorisation.

More detailed data is available by contacting one of the Boyce representatives listed.

We look forward to discussing the report with you.

A handwritten signature in black ink, appearing to read 'Scott Christian', with a stylized flourish at the end.

Scott Christian
Business Unit Leader
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Boyce

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1

Introduction



Introduction

The 2023 Australian Cotton Comparative Analysis (ACCA) has been produced independently by Boyce. Between 2005 and 2021 the reports were produced by Boyce Chartered Accountants in conjunction with the Cotton Research & Development Corporation (CRDC). From 1986 to 2004 the report was compiled independently by Boyce. Having over 35 years of data in the same format for any industry is a valuable resource.

The primary purpose of the ACCA is to show the income and expenses associated with growing fully irrigated cotton on a per hectare and per bale basis. To get the most out of this report, the reader should be fully aware of the methodology adopted and in particular, understand the following:

- The analysis does not necessarily show the health of the cotton industry. Where a cotton grower grew skip-row cotton or solid cotton that did not receive full water or grew no fully irrigated cotton at all, those resulting figures are excluded from the analysis. In most, if not all cases, these alternate crops would have returned a reduced profit per hectare in comparison to growing fully irrigated cotton. Therefore, although the grower may have made a healthy per hectare profit on the hectares of fully irrigated solid cotton grown, the net profit of the total farm would have been significantly less than if fully irrigated cotton was grown across the full area, allowing for usual rotation practice.
- The figures show the average results of participants in the sample. For example, assume there were only two participants in the sample who grew the same area of irrigated cotton. If one uses contractors for picking and the other owns their pickers, the figure for contract picking will be approximately 50% of the market rate. Similarly, the figures on a per line basis for expenses such as depreciation, repairs and maintenance, wages etc. will all be less than market rates. With this knowledge, users of this information can get additional information from this analysis.
- If there is a significant change in per line figures, this may not necessarily be due to a price increase. Line items can be made up of price, the frequency of operation and the volume of input per operation. So where there has been an increase in, for example, seed this could be due to price, the number of seeds per metre planted (volume) or the number of plantings, or a combination of all three.
- Where a crop has not been picked due to flooding or some other disaster other than hail, the expenses relating to the affected area have been excluded from the sample.

So, care should be taken when using the results from this analysis. Understanding the basis on which the analysis is constructed is the key to getting the most out of this study.

1.1 Our sample

The analysis includes the results for growers who were able to plant, grow and pick their crop using close to standard irrigation practices. This year the total number of hectares in the sample is slightly up from 2022.

While the average number of hectares planted per participant decreased from 1,168 hectares in 2022 to 822 hectares in 2023, this was not due decreased cotton plantings. It came as a result of some larger participants in the comparative analysis splitting their reporting by different farm aggregations this year, whereas in previous years they reported these aggregations as one consolidated group. Flooding and wet weather in a number of valleys resulted in mixed results for Northern and Southern growers. The results for growers in the Southern valleys was well down on previous years, while crops in the Northern Valleys, particularly in the Gwydir and Border Rivers, made a remarkable late season recovery. The total number of hectares in the sample was 22,190, up from 21,028 hectares in 2022.

The total number of bales in the sample was 275,143 in 2023, compared to 261,248 in 2022 and 164,575 in 2021, which represented approximately 6% of total Australian irrigated cotton production.

Marketing is an important part of Grower management and can make a significant contribution to the profitability of a cotton farm. For this reason, participants' overall results in the 'Comparison of average income and expense items' are not normalised with respect to income. While recognising marketing as an important part of management, our study does not include or exclude growers from the Top 20% Growers based on marketing decisions with respect to currency, lint and basis. Our view is that growers should be classified into (or out of) this group based on yield and cost only, as many growers review their operation against the Top 20% Growers to look for areas of improvement. We have therefore selected the top 20% substituting \$711 (the average 2023 net price for all participants) for the average net price that the individual grower actually received.

It should be noted that although the average price of \$711 was used to select the participants in the Top 20% Growers, the growers' actual sales figures are reported in this analysis.

1.2 The need to benchmark

Financial analysis using comparative statistics helps farmers identify relative strengths and weaknesses; accompanying budgets and long-term business plans will then focus on ways to overcome weaknesses and build on strengths. In other words, this Comparative Analysis is a management tool to implement change and to identify where effort should be directed on a day-to-day basis.

This analysis does not provide all the answers – it is a benchmark or a standard to strive for. It is up to management to develop and implement specific action plans based on improved knowledge to set and achieve new goals.

The reliable, independent figures in the Comparative Analysis provide the starting point for farmers to develop "best practice".

This analysis has been running since 1986 so if growers or other interested parties require more long-term data and analysis, please contact us to discuss the results and to clarify any queries so that we all develop a deeper understanding of the industry.

2

Comparative Statistics



2.1 Summary

2.1.1 Comparison of average income and expense items for the 2023 year

	ALL FARMS	TOP 20%	BOTTOM 20%	LOW COST	GROWERS (>1,500 HA)	DIFFERENCE AVG v TOP 20%
INCOME	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha
Cotton proceeds – Lint	8,399	8,828	6,868	3,918	8,803	429
Cotton proceeds – Seed	1,296	1,202	1,092	958	1,241	(94)
Ginning	(819)	(857)	(755)	(673)	(817)	(38)
Levies	(57)	(52)	(61)	(40)	(49)	5
Cotton proceeds – Hail claims	0	0	0	0	0	0
	8,819	9,121	7,144	4,163	9,178	302
EXPENSES						
Cartage	136	101	229	84	125	35
Chemical application	165	147	207	42	155	18
Chemicals – Defoliant	73	60	76	50	57	13
Chemicals – Herbicides	218	211	436	116	175	7
Chemicals – Insecticides	88	69	261	54	82	19
Chemicals – Others	15	17	10	32	12	(2)
Chipping	0	0	0	0	0	0
Consultants	73	68	78	78	65	5
Contract picking	140	152	87	80	186	(12)
Contract farming and ripping	10	14	4	8	7	(4)
Cotton picking wrap and sundries	160	159	161	12	144	1
Depreciation	248	180	429	214	199	68
Electricity	71	11	304	52	11	60
Fertiliser	1,236	1,428	1,236	780	1,333	(192)
Fuel and oil	385	325	373	199	325	60
Hire of plant	57	114	1	0	104	(57)
Insurance	167	149	162	93	160	18
Licence fee – Bollgard	337	345	327	322	342	(8)
Licence fee – Roundup Ready	74	74	74	74	77	0
Motor vehicle expenses	39	31	44	39	28	8
R & M – Farming plant	239	138	356	26	204	101
R & M – Pumps and earthworks	104	149	86	3	113	(45)
Seed	138	135	184	209	129	3
Water charges and purchases	137	76	296	392	59	61
Wages – Employees	574	538	411	108	532	36
Wages – Proprietors	32	14	72	170	18	18
Administration	79	22	155	74	78	57
Other farm overheads	242	169	464	151	175	73
	5,237	4,896	6,523	3,462	4,895	341
OPERATING PROFIT/(LOSS)	3,582	4,225	621	701	4,283	643
ADD:						
Wages – Proprietors	32	14	72	170	18	(18)
FARM OPERATING PROFIT/(LOSS)	3,614	4,239	693	871	4,301	625

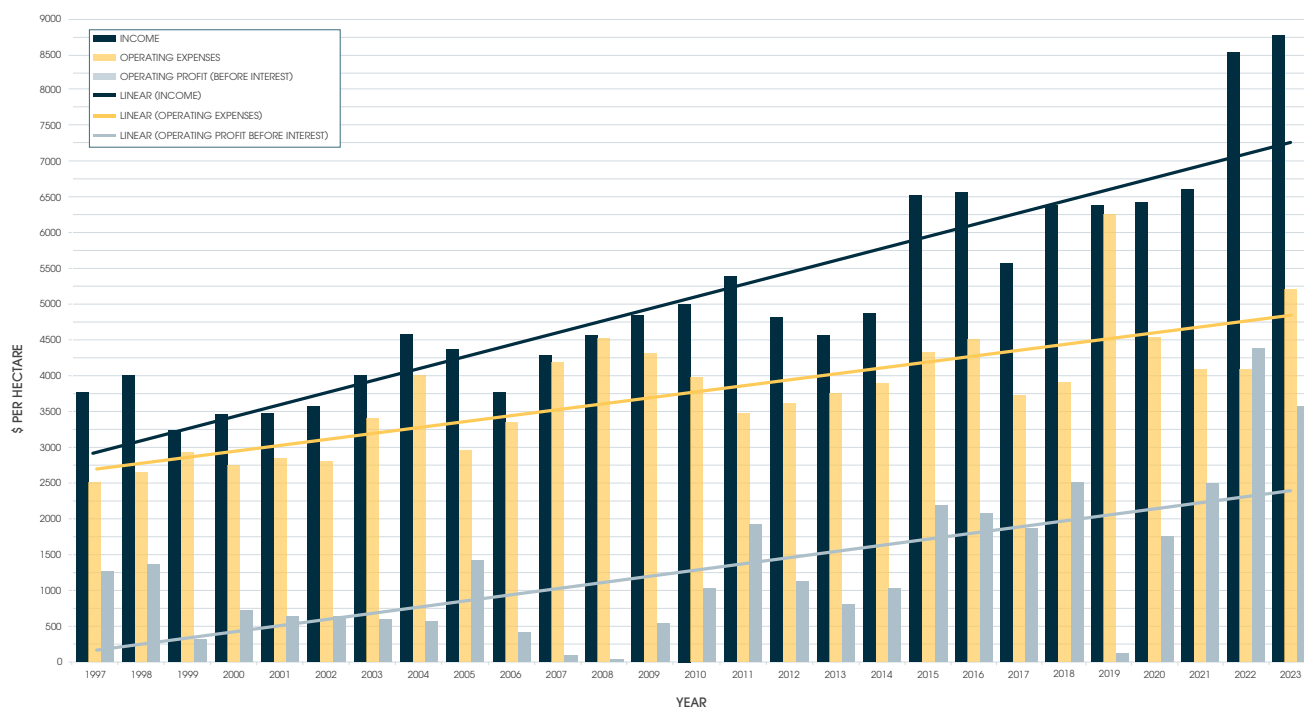
2.1.1 Comparison of average income and expense items for the 2023 year (continued)

continued	ALL FARMS	TOP 20%	BOTTOM 20%	LOW COST	GROWERS (>1,500 HA)	DIFFERENCE AVG v TOP 20%
DEDUCT:						
Interest and bank charges	690	689	1,269	575	609	1
Interest – Crop terms	3	0	0	0	0	3
	693	689	1,269	575	609	4
FARM NET PROFIT/(LOSS)	2,921	3,550	(576)	296	3,692	629
CROP RESULTS (AVERAGE)						
Hectares of cotton grown	821.86	2,250.48	513.10	238.00	2,530.25	1,428.61
Total yield	10,190.48	29,696.55	5,511.75	1,597.50	32,586.00	19,506.07
Yield per hectare (bales)	12.40	13.20	10.74	6.71	12.88	0.80
Value per bale	\$711.32	\$691.20	\$665.05	\$620.28	\$712.68	(\$20.12)
Cost of production per bale	\$422.45	\$371.18	\$606.96	\$515.29	\$380.12	\$51.27
Operating profit/(loss) per bale	\$288.87	\$320.02	\$58.09	\$104.99	\$332.55	(\$31.15)
No. of bales per/ha required to cover operating expenses	7.36	7.09	9.80	5.58	6.87	0.27
No. of bales per/ha required to cover total expenses	8.34	8.08	11.71	6.50	7.72	0.26

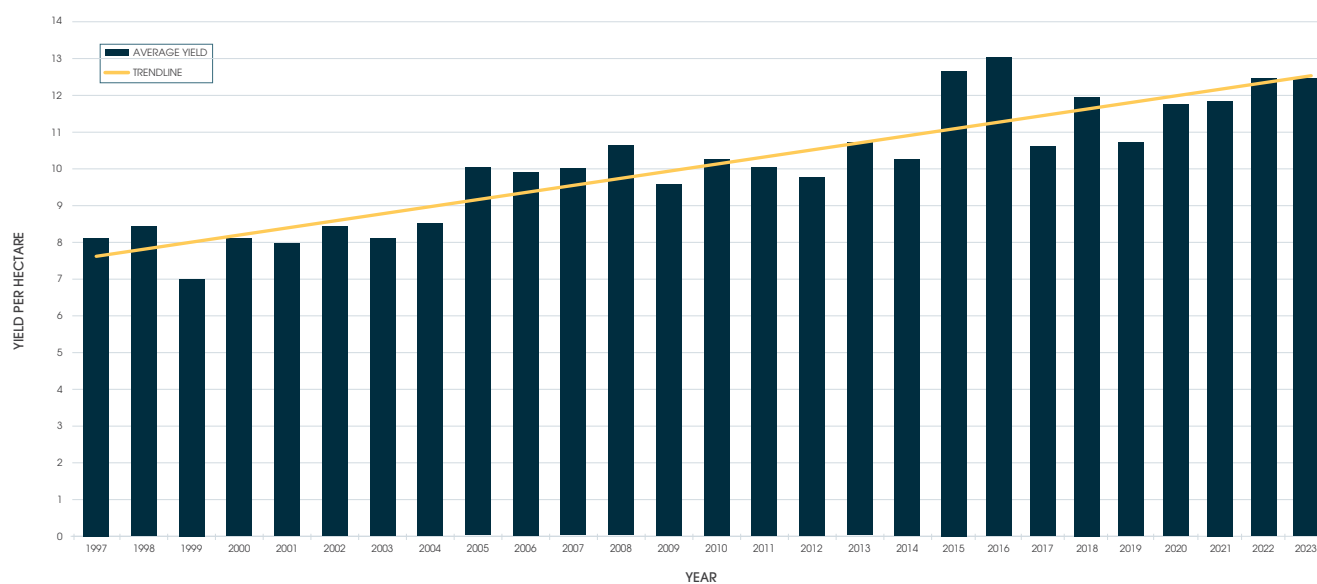
2.2 Average growers per hectare

2.2.1 Graphs

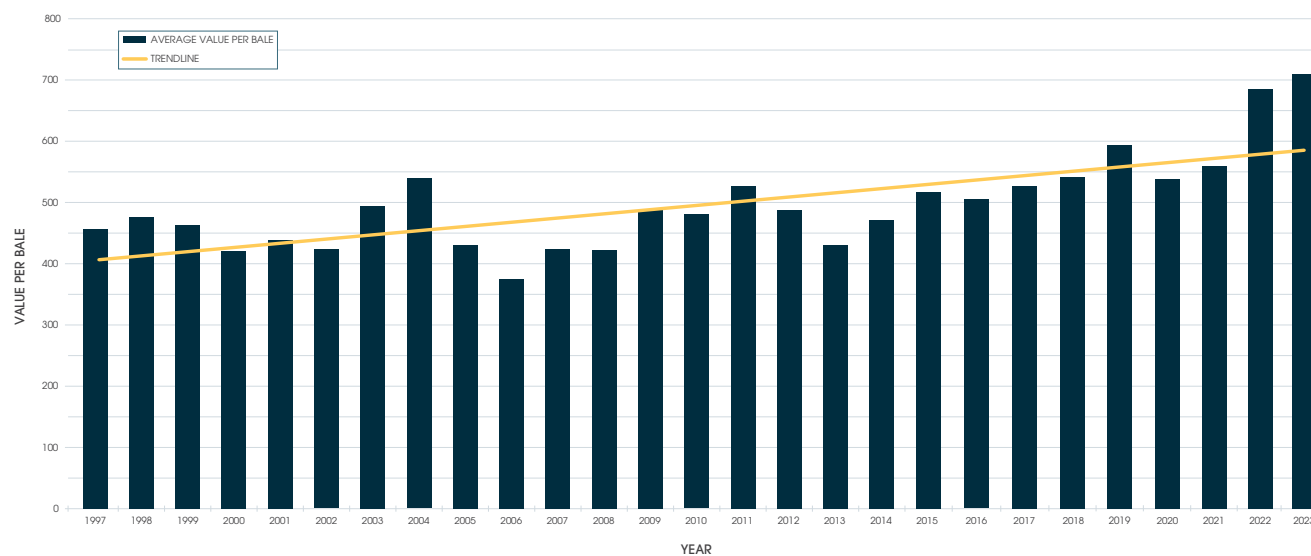
2.2.1.1 Comparison of average income and expense items



2.2.1.2 Yield and trendline



2.2.1.3 Value per bale and trendline



2.2.2 Comparison of average income and expense items for the past 10 years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	5YRS AV
INCOME	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha
Cotton proceeds – Lint	4,709	6,133	6,449	5,404	6,339	5,897	5,587	6,417	8,400	8,399	6,940
Cotton proceeds – Seed	805	1,180	917	833	809	1,151	1,334	950	911	1,296	1,128
Ginning	(621)	(744)	(752)	(621)	(698)	(639)	(622)	(713)	(717)	(819)	(702)
Levies	(46)	(54)	(49)	(41)	(45)	(40)	(44)	(50)	(65)	(57)	(51)
Cotton proceeds – Hail claims	57	10	0	0	4	0	0	0	0	0	0
	4,904	6,525	6,565	5,575	6,409	6,369	6,255	6,604	8,529	8,819	7,315
EXPENSES											
Cartage	86	106	103	87	92	86	103	96	91	136	102
Chemical application	151	146	184	180	154	149	187	178	151	165	166
Chemicals – Defoliant	49	61	51	64	42	62	75	79	81	73	74
Chemicals – Herbicides	115	116	153	137	105	131	142	156	131	218	156
Chemicals – Insecticides	81	112	164	155	135	108	66	72	73	88	81
Chemicals – Others	4	6	10	7	10	12	18	36	58	15	28
Chipping	2	1	9	2	1	2	0	1	0	0	1
Consultants	43	45	86	52	50	61	233	45	76	73	98
Contract picking	182	151	145	129	135	182	294	214	181	140	202
Contract farming and ripping	100	102	156	163	127	167	165	111	89	10	108
Cotton picking wrap and sundries	75	104	131	114	106	104	47	119	137	160	113
Depreciation	249	354	298	211	206	397	381	260	253	248	308
Electricity	50	104	109	51	49	80	204	85	33	71	95
Fertiliser	533	478	591	455	482	664	580	482	850	1,236	762
Fuel and oil	380	377	273	242	315	475	587	258	327	385	406
Hire of plant	52	39	26	17	20	60	22	47	10	57	39
Insurance	104	116	112	113	106	81	184	83	161	167	135
Licence fee – Bollgard	305	270	302	301	311	311	387	356	334	337	345
Licence fee – Roundup Ready	69	69	62	73	76	76	12	52	72	74	57
Motor vehicle expenses	19	23	26	22	18	33	28	25	29	39	31
R & M – Farming plant	113	159	162	203	156	434	188	207	180	239	250
R & M – Pumps and earthworks	159	217	179	84	103	190	185	108	101	104	138
Seed	79	140	120	131	126	129	138	125	132	138	132
Water charges and purchases	306	343	310	245	359	1,275	974	384	232	137	600
Wages – Employees	391	514	547	314	379	515	656	351	328	574	485
Wages – Proprietors	17	25	27	27	32	56	32	8	9	32	27
Administration	56	93	57	41	58	76	128	53	77	79	83
Other farm overheads	148	92	107	102	143	352	308	128	233	242	253
	3,918	4,363	4,500	3,722	3,896	6,268	6,324	4,119	4,429	5,237	5,275
OPERATING PROFIT/(LOSS)	986	2,162	2,065	1,853	2,513	101	(69)	2,485	4,100	3,582	2,040
ADD:											
Wages – Proprietors	17	25	27	27	32	56	32	8	9	32	27
FARM OPERATING PROFIT/(LOSS)	1,003	2,187	2,092	1,880	2,545	157	(37)	2,493	4,109	3,614	2,067

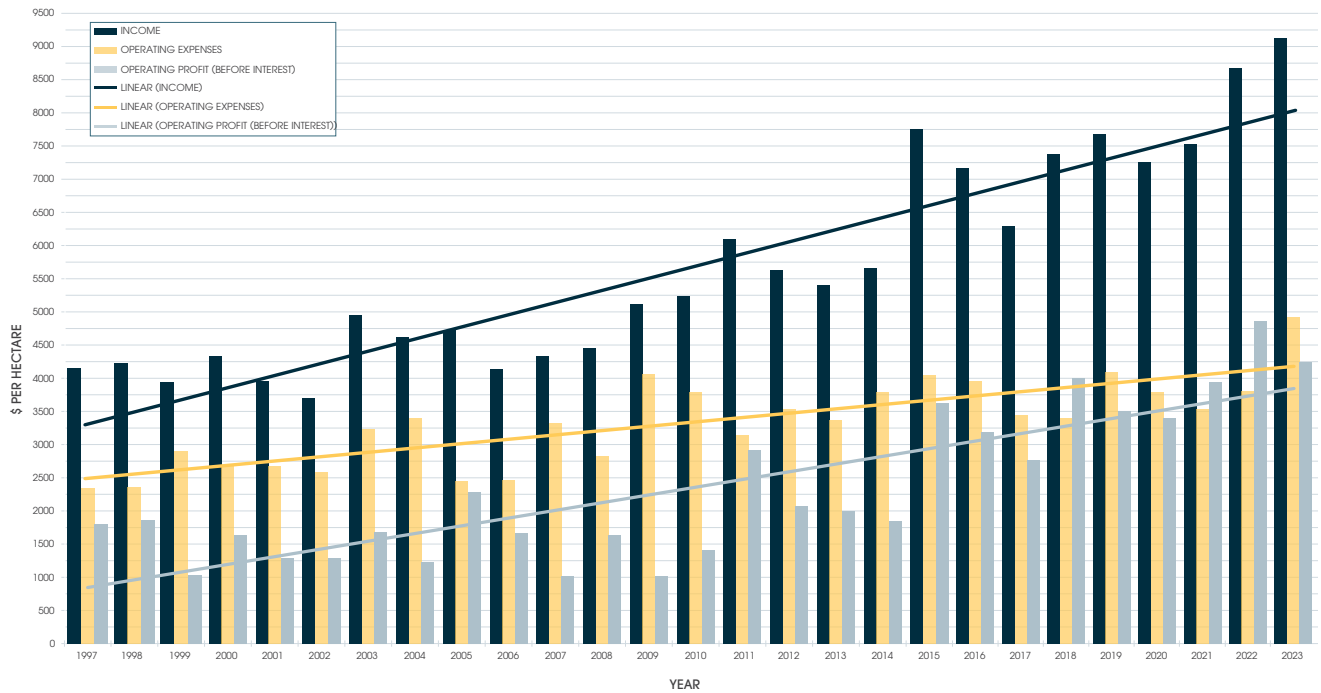
2.2.2 Comparison of average income and expense items for the past 10 years (continued)

continued	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	5YRS AV
DEDUCT:											
Interest and bank charges	292	288	385	322	311	313	807	121	321	690	450
Interest – Crop terms	0	0	1	1	0	0	0	0	1	3	1
	292	288	386	323	311	313	807	121	322	693	451
FARM NET PROFIT/(LOSS)	711	1,899	1,706	1,557	2,234	(156)	(844)	2,372	3,787	2,921	1,616
CROP RESULTS (AVERAGE)											
Hectares of cotton grown	1,593.12	926.11	878.11	1,206.53	1,140.69	617.64	526.28	928.52	1,168.21	821.86	812.50
Total yield	16,320.98	11,660.33	11,368.18	12,773.17	13,484.45	6,600.48	5,102.57	10,971.66	14,535.98	10,190.48	9,480.23
Yield per hectare (bales)	10.24	12.59	12.95	10.59	11.82	10.69	9.70	11.82	12.44	12.40	11.41
Value per bale	\$473.05	\$517.48	\$507.15	\$526.66	\$541.77	\$596.01	\$645.14	\$558.85	\$685.42	\$711.32	\$639.35
Cost of production per bale	\$382.31	\$346.53	\$347.51	\$351.48	\$329.73	\$586.58	\$652.17	\$348.66	\$355.94	\$422.45	\$473.16
Operating profit/(loss) per bale	\$96.31	\$171.72	\$159.68	\$175.23	\$212.36	\$9.43	(\$7.04)	\$210.18	\$329.48	\$288.87	\$166.19
No. of bales per/ha required to cover operating expenses	8.28	8.43	8.87	7.07	7.19	10.52	9.80	7.37	6.46	7.36	8.30
No. of bales per/ha required to cover total expenses	8.90	8.99	9.63	7.68	7.77	11.04	11.05	7.59	6.93	8.34	8.99

2.3 Top 20% growers per hectare

2.3.1 Graph

2.3.1.1 Comparison of average income and expense items



2.3.2 Comparison of average income and expense items for the past 10 years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	5YRS AV
INCOME	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha	\$/Ha
Cotton proceeds – Lint	5,270	7,071	6,743	5,988	7,334	6,936	6,272	7,247	8,575	8,828	7,572
Cotton proceeds – Seed	1,046	1,467	1,174	933	782	1,468	1,048	1,061	779	1,202	1,112
Ginning	(677)	(789)	(773)	(638)	(742)	(748)	(630)	(792)	(628)	(857)	(731)
Levies	(41)	(54)	(50)	(45)	(48)	(49)	(45)	(55)	(63)	(52)	(53)
Cotton proceeds – Hail claims	9	0	0	0	0	0	0	0	0	0	0
	5,607	7,695	7,094	6,238	7,326	7,607	6,645	7,461	8,663	9,121	7,899
EXPENSES											
Cartage	113	74	96	115	127	79	133	85	92	101	98
Chemical application	142	148	184	215	181	136	180	137	161	147	152
Chemicals – Defoliant	57	58	69	71	48	105	61	87	72	60	77
Chemicals – Herbicides	152	140	112	156	123	108	142	120	104	211	137
Chemicals – Insecticides	126	174	117	241	185	95	66	79	85	69	79
Chemicals – Others	4	10	25	9	9	3	15	37	23	17	19
Chipping	2	1	3	7	5	3	0	1	0	0	1
Consultants	61	70	63	81	77	89	199	27	79	68	92
Contract picking	153	144	270	78	148	155	389	127	131	152	191
Contract farming and ripping	154	152	106	190	103	32	207	32	127	14	82
Cotton picking wrap and sundries	90	98	159	137	124	148	31	147	121	159	121
Depreciation	226	411	145	164	113	321	122	269	84	180	195
Electricity	13	31	166	42	29	107	93	57	16	11	57
Fertiliser	580	485	609	432	511	566	513	521	816	1,428	769
Fuel and oil	418	349	141	189	238	298	658	170	264	325	343
Hire of plant	42	1	6	5	2	4	0	6	9	114	27
Insurance	90	159	107	141	153	56	188	109	137	149	128
Licence fee – Bollgard	300	192	305	301	308	330	397	355	337	345	353
Licence fee – Roundup Ready	69	63	74	73	76	75	0	56	71	74	55
Motor vehicle expenses	12	14	25	15	10	55	26	37	21	31	34
R & M – Farming plant	118	146	115	184	59	230	113	204	94	138	156
R & M – Pumps and earthworks	174	334	95	33	24	273	185	73	134	149	163
Seed	87	154	123	121	119	107	144	102	127	135	123
Water charges and purchases	238	184	90	147	204	191	8	197	201	76	135
Wages – Employees	277	338	628	193	272	289	493	424	206	538	390
Wages – Proprietors	8	12	25	11	8	102	0	9	0	14	25
Administration	29	33	27	29	44	50	84	25	68	22	50
Other farm overheads	31	87	38	67	78	101	270	46	215	169	160
	3,766	4,062	3,923	3,447	3,378	4,108	4,717	3,539	3,795	4,896	4,211
OPERATING PROFIT/(LOSS)	1,841	3,633	3,171	2,791	3,948	3,499	1,928	3,922	4,868	4,225	3,688
ADD:											
Wages – Proprietors	8	12	25	11	8	102	0	9	0	14	25
FARM OPERATING PROFIT/(LOSS)	1,849	3,645	3,196	2,802	3,956	3,601	1,928	3,931	4,868	4,239	3,713

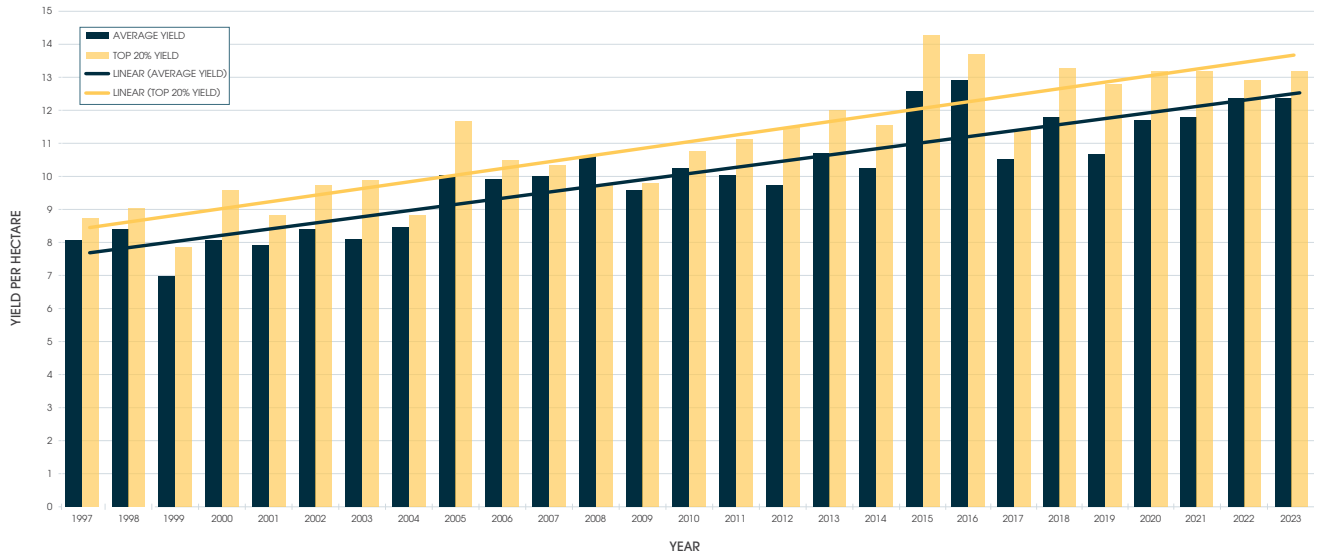
2.3.2 Comparison of average income and expense items for the past 10 years (continued)

continued	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	5YRS AV
DEDUCT:											
Interest and bank charges	306	257	37	210	135	86	361	116	129	689	276
Interest – Crop terms	0	0	0	0	0	0	0	0	0	0	0
	306	257	37	210	135	86	361	116	129	689	276
FARM NET PROFIT/(LOSS)	1,543	3,388	3,159	2,592	3,821	3,515	1,567	3,815	4,739	3,550	3,437
CROP RESULTS (AVERAGE)											
Hectares of cotton grown	2,365.17	997.79	838.00	1,211.00	1,076.93	311.40	763.74	1,732.67	2,611.75	2,250.48	1,534.01
Total yield	27,308.14	14,283.13	11,473.66	13,749.49	14,351.33	3,968.52	7,774.06	22,896.66	33,741.50	29,696.55	19,615.46
Yield per hectare (bales)	11.55	14.31	13.69	11.35	13.33	12.74	10.18	13.21	12.92	13.20	12.45
Value per bale	\$484.87	\$537.62	\$518.14	\$549.34	\$549.73	\$596.88	\$652.71	\$564.60	\$670.51	\$691.20	\$635.18
Cost of production per bale	\$326.34	\$283.59	\$286.43	\$303.47	\$253.50	\$322.20	\$463.38	\$267.81	\$293.67	\$371.18	\$343.65
Operating profit per bale	\$159.32	\$254.03	\$231.70	\$245.87	\$296.23	\$274.68	\$189.33	\$296.79	\$376.84	\$320.02	\$291.53
No. of bales per/ha required to cover operating expenses	7.77	7.55	7.57	6.27	6.15	6.88	7.23	6.27	5.66	7.09	6.63
No. of bales per/ha required to cover total expenses	8.40	8.03	7.64	6.65	6.39	7.02	7.78	6.47	5.85	8.08	7.04

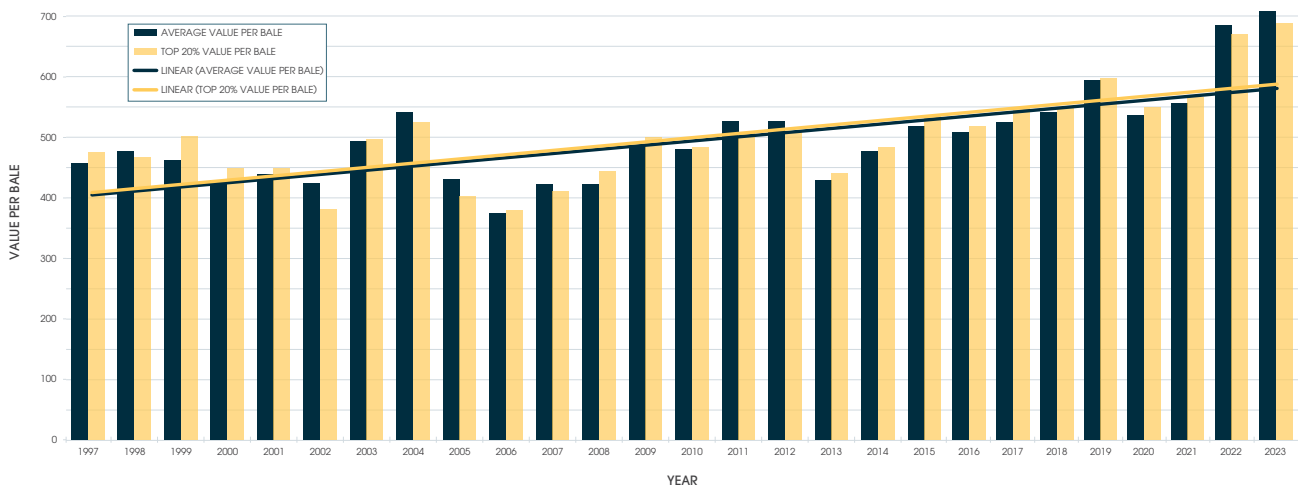
2.4 Top 20% growers versus average growers per hectare

2.4.1 Graphs

2.4.1.1 Comparison of yield



2.4.1.2 Comparison of value per bale



2.4.2 Comparison of top 20% growers and average growers – 5 year average (2019, 2020, 2021, 2022, 2023)

	ALL FARMS AVERAGE	TOP 20% AVERAGE	DIFFERENCE
INCOME	\$/Ha	\$/Ha	\$/Ha
Cotton proceeds – Lint	6,940	7,572	632
Cotton proceeds – Seed	1,128	1,112	(17)
Ginning	(702)	(731)	(29)
Levies	(51)	(53)	(2)
Cotton proceeds – Hail claims	0	0	0
	7,315	7,899	584
EXPENSES			
Cartage	102	98	4
Chemical application	166	152	14
Chemicals – Defoliant	74	77	(3)
Chemicals – Herbicides	156	137	19
Chemicals – Insecticides	81	79	3
Chemicals – Others	28	19	9
Chipping	1	1	(0)
Consultants	98	92	5
Contract picking	202	191	11
Contract farming and ripping	108	82	26
Cotton picking wrap and sundries	113	121	(8)
Depreciation	308	195	113
Electricity	95	57	38
Fertiliser	762	769	(6)
Fuel and oil	406	343	63
Hire of plant	39	27	13
Insurance	135	128	7
Licence fee – Bollgard	345	353	(8)
Licence fee – Roundup Ready	57	55	2
Motor vehicle expenses	31	34	(3)
R & M – Farming plant	250	156	94
R & M – Pumps and earthworks	138	163	(25)
Seed	132	123	9
Water charges and purchases	600	135	466
Wages – Employees	485	390	95
Wages – Proprietors	27	25	2
Administration	83	50	33
Other farm overheads	253	160	92
	5,275	4,211	1,064
OPERATING PROFIT/(LOSS)	2,040	3,688	1,649
ADD:			
Wages – Proprietors	27	25	(2)
FARM OPERATING PROFIT/(LOSS)	2,067	3,713	1,646

2.4.2 Comparison of top 20% growers and average growers – 5 year average (2019, 2020, 2021, 2022, 2023) (continued)

	ALL FARMS AVERAGE	TOP 20% AVERAGE	DIFFERENCE
DEDUCT:			
Interest and bank charges	450	276	174
Interest – Crop terms	1	0	1
	451	276	175
FARM NET PROFIT/(LOSS)	1,616	3,437	1,821
CROP RESULTS (AVERAGE)			
Hectares of cotton grown	812.50	1,534.01	721.50
Total yield	9,480.23	19,615.46	10,135.22
Yield per hectare (bales)	11.41	12.45	1.04
Value per bale	\$639.35	\$635.18	(\$4.17)
Cost of production per bale	\$473.16	\$343.65	\$129.51
Operating profit per bale	\$166.19	\$291.53	\$125.35
No. of bales per/ha required to cover operating expenses	8.30	6.63	1.68
No. of bales per/ha required to cover total expenses	8.99	7.04	1.95

3

Appendices



Appendix A

Definition of terms

Top 20% Growers (Average)

These figures represent the average results of those growers who achieved the highest farm operating profit (after using an average cotton price for all growers).

Best "Low Cost" Growers

These figures represent the average results of those growers who had the lowest farm operating expenses (before interest).

Large Growers

These figures represent the average results of those growers who grew more than 1,500 hectares.

Combined Average of five years to 2023

These figures represent the average of the annual results of farmers in each category of the comparative analysis, over a five year period. We have also analysed the combined average of the Top 20% Growers for comparative purposes.

Appendix B

Guide to income and expense allocations

COTTON PROCEEDS

Cotton Proceeds – Lint is net of premiums and discounts.

For growers who received hail insurance claims, the amount received has been shown separately in the analysis. Where possible the hail claim has been grossed up to reflect the bales lost due to hail and the costs saved or additional costs incurred have been added or subtracted to reflect comparable figures.

EXPENSES

Cartage	cartage (cotton module cartage, general cartage)
Chemical application	application by aircraft, application by ground rig
Chemicals – Defoliant	all defoliant and conditioners
Chemicals – Herbicides	herbicides used in field and on ditches, channels etc.
Chemicals – Insecticides	all insecticides
Chemicals – Other	growth regulants (pix) and all other chemicals
Chipping	chipping (chipping contractors, chipping wages), row weeders
Consultants	consultants (external and internal agronomist, bug checkers, marketing consultants)
Contract picking	contract picking (net of contract picking income on a swap basis, ie. hectare for hectare)
Contract farming and ripping	contract farming, contract ripping, contract stalk pulling, stick picking
Cotton wrap and picking sundries	cotton wrap and sundries (tarps and ropes, repairs to tarps)
Depreciation	depreciation (management depreciation, not taxation depreciation, for example temporary full expensing depreciation was not used)
Electricity	electricity (electricity for bores, general electricity)
Fertiliser	fertiliser, gypsum
Fuel and oil	fuel and oil (net of diesel fuel rebate)
Hire of plant	hire of plant
Insurance	crop insurance, general insurance
Licence fee – Bollgard	licence fees paid to Monsanto for the Bollgard licence
Licence fee – Roundup Ready	licence fees paid to Monsanto for the Roundup Ready licence
Motor vehicle expenses	motor vehicle expenses (registration, motor vehicle insurance, R & M motor vehicle)

R & M – Farming plant	R & M pickers, R & M plant, R & M tractors, R & M small tools and hardware, R & M motor bikes
R & M – Pumps and earthworks	R & M irrigation earthworks, R & M irrigation pumps and motors
Seed	seed
Water charges and purchases	water charges (charges from a state body, charges from a local water scheme) and water purchases
Wages – Employees	external wages (excluding chipping), contract labour, payroll tax, secretarial fees, superannuation, workers compensation insurance, FBT
Wages – Proprietors	wages paid to a proprietor. If no wage is paid a notional amount, based on their involvement in the operation, has been included for each working proprietor. If the farm has more than one enterprise, the proprietors wage is split in accordance with normal allocation criteria
Administration	accountancy (all general work), administration, advertising, computer costs, computer processing, entertainment, filing fees, licences permits and fees, medical supplies, newspapers and periodicals, printing stationery and postage, protective clothing, seminars and conferences, staff amenities, staff training, subscriptions and donations, telephone, travel and accommodation
Other farm overheads	special accountancy work, audit, legal, rates, rent, R & M homestead, R & M employees' houses, R & M farm buildings, R & M fences, shade and shelter trees
Interest and bank charges	bank charges, borrowing expenses, bank interest, leasing, and hire purchase interest charges
Interest – Crop terms	interest on crop term finance (chemical suppliers and cotton merchants etc.)



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