

# ASSESSING PROFITABILITY WITH CURRENT HIGH INPUT COSTS

High urea and fuel prices are putting significant pressure on economic and production decision-making at the start of the season.

This guide provides simple ready-reckoners to:

- Explore different pricing and yield scenarios
- Understand cost sensitivity
- Support informed discussions within your farm business

## How to use this guide:

1. Estimate gross income using Table 1 (yield × price).
2. Subtract variable costs using Table 2.
3. Subtract urea cost scenarios from Table 3.
4. Subtract fuel cost scenarios from Table 4.
5. Consider your final gross margin/ha.

**Table 1. Gross income calculations based on a range of yields and price**

		Price \$/ha								
		100	200	300	400	500	600	700	800	900
Yield t/ha	1	100	200	300	400	500	600	700	800	900
	2	200	400	600	800	1000	1200	1400	1600	1800
	3	300	600	900	1200	1500	1800	2100	2400	2700
	4	400	800	1200	1600	2000	2400	2800	3200	3600
	5	500	1000	1500	2000	2500	3000	3500	4000	4500
	6	600	1200	1800	2400	3000	3600	4200	4800	5400
	7	700	1400	2100	2800	3500	4200	4900	5600	6300
	8	800	1600	2400	3200	4000	4800	5600	6400	7200
	9	900	1800	2700	3600	4500	5400	6300	7200	8100

**Table 2. Variable costs estimate \$/ha (seed, levies, chemicals, freight, spraying, insurance). Fuel and urea costs removed.**

Variable costs estimate \$/ha	LRZ (<350mm)	MRZ (350 - 400mm)	HRZ (>400mm)
APW wheat	285	545	826
Feed Barley	271	422	563
Red Lentil	259	358	465
Canola TT	393	588	719

Source: [Ag Ex Alliance 2026 Farm Gross Margin and Enterprise Planning Guide for South Australia.](#)

Table 3 provides a range of urea costs per ha based on a range of urea costs and urea application rates. You can pick a range of N kg/ha scenarios based on your various N budget scenarios.

**Table 3. Various rates of N applied and associated cost of N \$/ha**

Units N kg/ha	Urea rate (kg/ha)	Urea rate (t/ha)	500	1000	1500	2000
20	43	0.04	22	43	65	87
30	65	0.07	33	65	98	130
40	87	0.09	43	87	130	174
50	109	0.11	54	109	163	217
60	130	0.13	65	130	196	261
70	152	0.15	76	152	228	304
80	174	0.17	87	174	261	348
90	196	0.2	98	196	293	391
100	217	0.22	109	217	326	435
110	239	0.24	120	239	359	478
120	261	0.26	130	261	391	522
130	283	0.28	141	283	424	565
140	304	0.3	152	304	457	609
150	326	0.33	163	326	489	652
160	348	0.35	174	348	522	696
170	370	0.37	185	370	554	739
180	391	0.39	196	391	587	783
190	413	0.41	207	413	620	826
200	435	0.43	217	435	652	870

Fuel use rates in l/ha in Table 4 are for all seeder, boomspray and header operations in one year.

**Table 4. Diesel costs \$/ha**

Diesel cost \$/l

	1	2	3	4	5
<b>10</b>	10	20	30	40	100
<b>20</b>	20	40	60	80	200
<b>30</b>	30	60	90	120	300
<b>40</b>	40	80	120	160	400
<b>50</b>	50	100	150	200	500
<b>60</b>	60	120	180	240	600

**Scenario one:**

Can I profitably grow a 2t/ha APW wheat crop, at \$300/t market price, with 50 kg N/ha, at \$1500/t, with a 20 l/ha fuel rate, at \$3/l diesel, in the LRZ? (some starting soil N assumed)

= \$600/ha (gross income) minus \$163/ha (urea) minus \$60/ha (diesel) minus \$285 (other variable costs)  
 = \$92/ha gross margin

**Scenario two:**

Can I profitably grow a 3t/ha TT canola crop, at \$600/t market price, with 160 kg N/ha, at \$1500/t, with a 30l/ha fuel rate, at \$3/l diesel in the MRZ? (some starting soil N assumed)

= \$1880/ha (gross income) minus \$552/ha (urea) minus \$90/ha (diesel) minus \$588 (other variable costs)  
 = \$650/ha gross margin

**Scenario three:**

Can I profitably grow a 1t/ha lentil crop, at \$700/t market price with a 20 l/ha fuel rate, at \$3/l in the LRZ? (some starting N assumed)

= \$700/ha (gross income) minus \$60/ha (diesel) minus \$259 (other variable costs)  
 = \$381/ha gross margin