

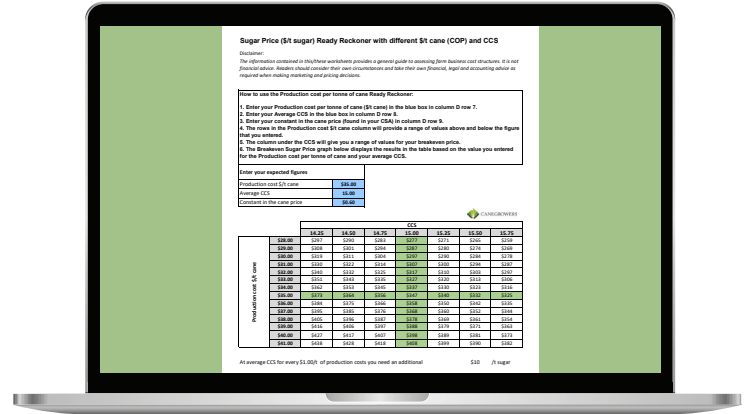
Knowing your cost of production is fundamental to the management of your farming business. It is important to understand your costs and potential revenue from your cane, particularly in times of low sugar prices and market volatility. Knowing these costs can help to make management decisions on farm and pricing decisions for marketing and forward pricing.

Step 1

If you know your cost of production, there are three Ready Reckoners that can help:

- Sugar Price Ready Reckoner with different \$/t Cane (COP) and CCS** - calculate the sugar price in \$/t of sugar required to cover cane cost of production (\$/tonne cane) at different CCS levels
- Sugar Price Ready Reckoner with different USc/lb and exchange rates** - to assist in understanding the effects of the ICE#11 and the exchange rate on the sugar price
- Cane Price Ready Reckoner with different \$/t sugar price and CCS** - to assist in understanding how the level of production cost (\$/tc) is covered with changing sugar price and CCS

To use these Ready Reckoners go to the **Ready Reckoner** worksheet and follow the instructions.



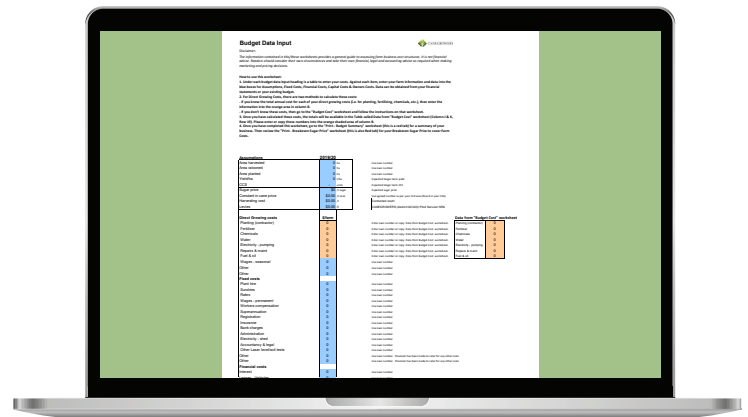
Step 2

Calculate your cost of production.

The **Budget Data Input** worksheet can be used to enter data to help calculate sugarcane income and costs of production.

This data can be sourced from farm financial statements and existing budgets.

To start this process, go to the Budget Data Input worksheet and enter the information for your business. You can also use the **Growing Expenses** worksheet to assist in calculating some of the costs in the **Budget Data Input** worksheet if needed (see Step 3).



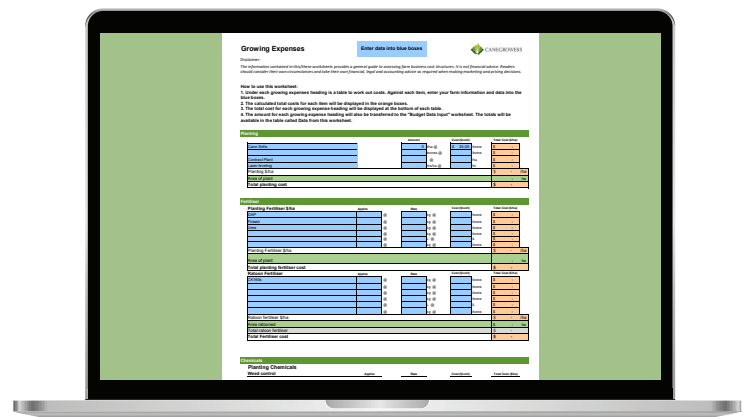
Step 3

Calculate your growing expenses.

The **Growing Expenses** worksheet can be used to calculate inputs based on expected use and price data.

The calculations contained in this worksheet are linked to the **Budget Data Input** worksheet.

To start this process, go to the **Growing Expenses** worksheet and enter the information for your business. Then return to the **Budget Data Input** worksheet where the totals from the calculation of Growing Expenses will be shown.



Step 4

Your budget summary.

The **Budget Summary** worksheet contains a summary of sugarcane income and expenses for the business based on the Budget data Input.

This worksheet is designed for printing and is a summary of the business broken into \$/tonne cane, \$/ha harvested and total \$ for the farm.



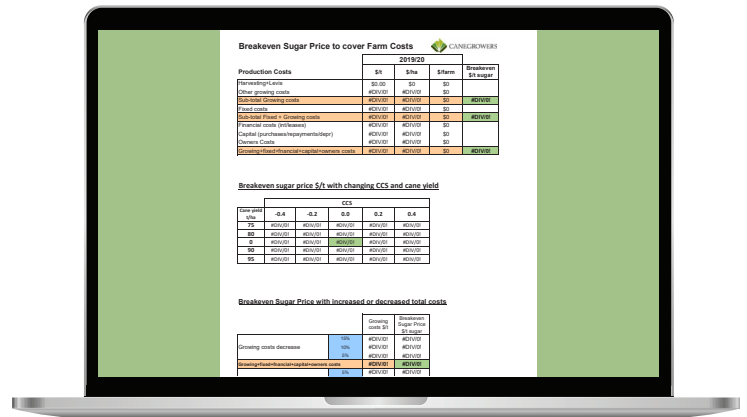
Step 5

Breakeven sugar price.

The **Breakeven Sugar Price** worksheet shows a summary of:

1. Breakeven Sugar Price to cover Farm Costs.
2. Breakeven Sugar Price with changing CCS and cane yield.
3. Breakeven sugar price with increased or decreased total costs.

This worksheet is designed for printing and to use as a consideration for forward pricing.



What's Next?

Through workshops, regular videos and newsletter updates, the CANEGROWERS Marketing Information Service provides neutral commentary on sugar market trends and the pricing options that may work best in any given set of circumstances.



Information & education
Workshops, videos and newsletter updates



Expert insight
Price and production forecasting



Independent service
Does not favour one marketer over another

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