## **Total cost = initial cost of modification + extra cost of modification per year. Years 0-5.**

|  |  |  |
| --- | --- | --- |
| Initial cost – cost of modification table | | |
| Cost of modification | **What’s included** | **Example of deep ripping >40 cm with amendment** |
| operating ($/ha) | fuel  repairs and maintenance | fuel $95/ha+ + R&M $5/ha = $100/ha |
| machinery($/ha) | depreciation tractor depreciation ripper  tractor service | depreciation tractor $6/ha + depreciation ripper $4/ha + tractor service $8/ha = $18/ha |
| labour ($/ha) |  | $16 /ha |
| additional options ($/ha) | seeding cost | $ 30/ha |
| amendment cost ($/ha) |  | $ 180/ha |

The initial cost is the sum of all values in the ‘price’ column in the cost of modification table as is assigned in year 0.

|  |  |  |
| --- | --- | --- |
| Yearly cost – extra cost or benefit table | | |
| Cost | **What’s included** | **Example of deep ripping >40 cm with amendment** |
| additional costs ($/ha) | herbicides | Year 1 = 0, Year 2 = 0, Year 3 = 0, Year 4 = 0, Year 5 = 0 |
| cost harvesting and handling extra grain $/t |  | Year 1 = 0, Year 2 = 0, Year 3 = 0, Year 4 = 0, Year 5 = 0 |

## **Total benefits = yield gain value + additional savings per year.**

|  |  |  |
| --- | --- | --- |
| Yearly benefits – extra cost or benefit table | | |
| Benefits | **What’s included** | **Example of deep ripping >40 cm with amendment** |
| additional savings ($/ha) | Reduced cost of fertilisers | Year 1 = 0, Year 2 = 0, Year 3 = 0, Year 4 = 0, Year 5 = 0 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | |  | | Yearly yield gain value – Yield t/ha table | | |
| year | **yield unmodified** | | **yield modified** | | **price** | **Yield gain value** |
| 1 -5 | Yield t/ha per year | | Yield t/ha per year | | Value of crop $/t | (yield modified – yield unmodified) \* price |

## **Undiscounted Annual Net Cash Flows $/ha = Total benefits – Total cost**