

**ENTERPRISE BUDGET**

<b>Classification</b>	Agronomy	<b>Province</b>	Western Cape
<b>Enterprise Budget Name</b>	Hops (Establishment)	<b>District</b>	Garden Route
<b>Land Size</b>	1 Hectare	<b>Area</b>	George Area
<b>Date Developed</b>	15 June 2021	<b>Latest update</b>	09 June 2023
<b>Developer</b>	O'Brien Perel	<b>Updater</b>	O'Brien Perel
<b>Soil Type</b>	Sandy-Clay		

Use this enterprise budget as an aid in the planning process.

Description	Unit	Price Per Unit	Quantity	Per Ha	Value Per Yield Unit
<b>GROSS INCOME</b>			<b>1,75</b>	<b>202 072,50</b>	<b>115 470,00</b>
<b>Product Income</b>					
Hops	Ton	115 470,00	1,75	202 072,50	115 470,00
<b>MARKETING COSTS Market</b>					
<b>GROSS INCOME minus MARKETING COSTS</b>				<b>202 072,50</b>	<b>115 470,00</b>
<b>TOTAL ALLOCATABLE VARIABLE COSTS</b>				<b>124 127,90</b>	<b>70 930,23</b>
<b>DIRECTLY ALLOCATABLE VARIABLE COSTS</b>				<b>121 221,48</b>	<b>69 269,42</b>
<b>A) PRE-HARVEST COST</b>					
<b>PLANTING MATERIAL</b>				<b>6 525,00</b>	<b>3 728,57</b>
Hops	Plant	0,45	14 500,00	6 525,00	3 728,57
<b>FERTILISER</b>				<b>28 025,30</b>	<b>16 014,46</b>
1:0:0 (40)	Ton	21 062,25	0,50	10 531,13	6 017,79
Potassium Sulphate	Ton	31 878,00	0,22	7 013,16	4 007,52
Lime Ammonium Nitrate (28)	Ton	14 822,58	0,63	9 293,76	5 310,72
Dolomitic Lime	Ton	549,70	0,80	439,76	251,29
Gypsum Std Grade 66%	Ton	747,50	1,00	747,50	427,14
<b>HERBICIDES</b>				<b>1 590,72</b>	<b>908,98</b>
Paraquat	L	99,59	8,20	816,64	466,65
Glyphosate	L	145,85	3,20	466,71	266,69
Haloxyfop-r-methyl	L	502,61	0,40	201,04	114,88
Simazine 500 SC	L	154,10	0,69	106,33	60,76
<b>FUNGICIDES</b>				<b>6 072,00</b>	<b>3 469,71</b>
Benomyl	Kg	404,80	15,00	6 072,00	3 469,71
<b>CASUAL LABOUR</b>				<b>22 623,80</b>	<b>12 927,89</b>
Casual Labour Tree training/Hour	R/Manhour	25,42	381,00	9 685,02	5 534,30
Casual labour shovelling/Hour	R/Manhour	25,42	344,00	8 744,48	4 996,85
Casual labour stringing/Hour	R/Manhour	25,42	165,00	4 194,30	2 396,74
<b>IRRIGATION &amp; ELECRCITY</b>				<b>1 800,00</b>	<b>1 028,57</b>
Electricity	R/Ha	1 800,00	1,00	1 800,00	1 028,57
<b>CONTRACTOR</b>				<b>32 000,00</b>	<b>18 285,71</b>
Soil preparation	R/Ha	32 000,00	1,00	32 000,00	18 285,71
<b>B) HARVEST COST</b>				<b>22 584,65</b>	<b>12 905,52</b>
Casual Labour Harvesting/Hour	R/Manhour	25,42	888,46	22 584,65	12 905,52
<b>GROSS MARGIN ABOVE DIRECTLY ALLOCATABLE VARIABLE COSTS</b>				<b>80 851,02</b>	<b>46 200,58</b>

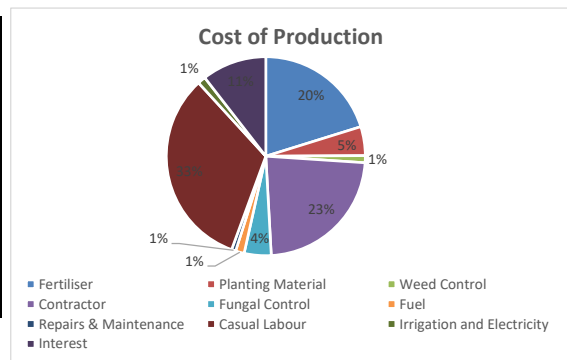
<b>INDIRECTLY ALLOCATABLE VARIABLE COSTS</b>			<b>2 906,42</b>	<b>1 660,81</b>
<b>B) PRE-HARVEST COST</b>				
Fuel	L	20,11	1 415,98	809,13
Repairs & Maintenance			554,99	317,14
<b>C) HARVEST COSTS</b>				
Fuel	L	20,11	538,99	307,99
Repairs & Maintenance			396,47	226,55
<b>GROSS MARGIN ABOVE TOTAL ALLOCATABLE VARIABLE COSTS</b>			<b>77 944,60</b>	<b>44 539,77</b>
Interest on Working Capital			14 585,03	8 334,30
<b>MARGIN ABOVE SPECIFIED COSTS</b>			<b>63 359,57</b>	<b>36 205,47</b>

**NOTES:**

Interest Rate	11,75%
Growing period of Crop (Months)	12
Tree replacement %	16

<b>SENSITIVITY ANALYSIS</b>					
<b>YIELD (Ton/ha)</b>	<b>PRICE (R/Ton)</b>				
<b>YIELD CHANGE AT 10% INCREMENTS</b>	<b>LESS 10%</b>	<b>LESS 5%</b>	<b>ACTUAL</b>	<b>ADD 5%</b>	<b>ADD 10%</b>
	<b>R 103 923,00</b>	<b>R 109 696,50</b>	<b>R 115 470,00</b>	<b>R 121 243,50</b>	<b>R 127 017,00</b>
<b>1,40</b>	R 6 779	R 14 862	R 22 945	R 31 028	R 39 111
<b>1,58</b>	R 24 966	R 34 059	R 43 152	R 52 246	R 61 339
<b>1,75</b>	R 43 152	R 53 256	R 63 360	R 73 463	R 83 567
<b>1,93</b>	R 61 339	R 72 453	R 83 567	R 94 681	R 105 795
<b>2,10</b>	R 79 525	R 91 650	R 103 774	R 115 898	R 128 023
<b>BREAKEVEN YIELD (Ton/Ha)</b>	<b>1,33</b>	<b>1,26</b>	<b>1,20</b>	<b>1,14</b>	<b>1,09</b>

<b>Costs Of Production</b>	<b>R/Ha</b>
Fertiliser	28 025,30
Planting Material	6 525,00
Weed Control	1 590,72
Contractor	32 000,00
Fungal Control	6 072,00
Fuel	1 954,96
Repairs & Maintenance	951,46
Casual Labour	45 208,45
Irrigation and Electricity	1 800,00
Interest	14 585,03



**Disclaimer**

The enterprise budget developed by the Western Cape Department of Agriculture are done to reflect accuracy and relevance of information. However, as each enterprise budget contains data from various sources its correctness cannot be guaranteed. Therefore, any person using this information will be doing so at own risk as the said organisation or other party will under no circumstances be responsible for any loss suffered by any person /organisation using the information contained in this document.