

ENTERPRISE BUDGET

Classification	Pasture	Province	Western Cape
Enterprise Budget Name	Lucerne Hay (Irrigated)- Yr 4	District	West Coast/Cape Winelands
Land Size	1 Hectare	Area	Swartland/Drakenstein
Date Developed	15 June 2021	Date Updated	16 November 2023
Developer	Sinovuyo Magqibelo	Updater	Sinovuyo Magqibelo
Soil Type	Sandy-Clay/Clay-Loam		

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

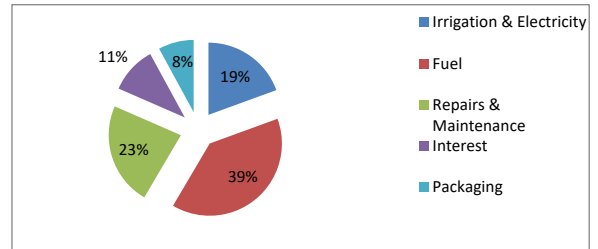
Description	Unit	Price Per Unit	Quantity	Per Ha	Value Per Yield Unit
GROSS INCOME			20,00	54 000,00	2 700,00
Product Income					
Lucerne hay	Ton	2 700,00	20,00	54 000,00	2 700,00
MARKETING COSTS		0,00		0,00	0,00
GROSS INCOME minus MARKETING COSTS		0,00		54 000,00	2 700,00
TOTAL ALLOCATABLE VARIABLE COSTS				14 089,56	704,48
DIRECTLY ALLOCATABLE VARIABLE COSTS				4 310,00	215,50
A) PRE-HARVEST COST					
IRRIGATION & ELECTRICITY				3 060,00	153,00
Electricity cost		170,00	18,00	3 060,00	153,00
B) HARVEST COSTS					
PACKAGING MATERIAL				1 250,00	62,50
Twine Rope (1kg)	Each	250,00	5,00	1 250,00	62,50
GROSS MARGIN ABOVE DIRECTLY ALLOCATABLE VARIABLE COSTS				49 690,00	2 484,50
INDIRECTLY ALLOCATABLE VARIABLE COSTS				9 779,56	488,98
C) PRE-HARVEST COSTS					
Fuel	L	21,06		384,01	19,20
Repairs & Maintenance				224,99	11,25
D) HARVEST COSTS					
Fuel	L	21,06		5 762,75	288,14
Repairs & Maintenance				3 407,81	170,39
GROSS MARGIN ABOVE TOTAL ALLOCATABLE VARIABLE COSTS				39 910,44	1 995,52
Interest on Working Capital				1 655,52	82,78
MARGIN ABOVE SPECIFIED COSTS				38 254,92	0,00

NOTES:

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

SENSITIVITY ANALYSIS					
YIELD (Tons/ha)	PRICE (R/Ton)				
YIELD CHANGE AT 10% INCREMENTS	LESS 10%	LESS 5%	ACTUAL	ADD 5%	ADD 10%
	R 2 430,00	R 2 565,00	R 2 700,00	R 2 835,00	R 2 970,00
16,00	R 23 135	R 25 295	R 27 455	R 29 615	R 31 775
18,00	R 27 995	R 30 425	R 32 855	R 35 285	R 37 715
20,00	R 32 855	R 35 555	R 38 255	R 40 955	R 43 655
22,00	R 37 715	R 40 685	R 43 655	R 46 625	R 49 595
24,00	R 42 575	R 45 815	R 49 055	R 52 295	R 55 535
BREAKEVEN YIELD (Ton/Ha)	6,48	6,14	5,83	5,55	5,30

Costs Of Production	R/Ha
Irrigation & Electricity	3 060,00
Fuel	6 146,76
Repairs & Maintenance	3 632,79
Interest	1 655,52
Packaging	1 250,00

**Disclaimer**

The enterprise budgets 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.