Western Cape Government

AGRICULTURAL ECONOMIC SERVICES
Division: Production Economics
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ENTERPRISE BUDGET

Classification	Fruit	**Province**	Western Cape
Enterprise Budget Name	Olive Oil (Yr 9+)	**District**	Garden Route/Little Karoo
Land Size	1 Hectare	**Area**	Kana/Oudtsh/P Albert
Date Developed	30 October 2015	**Date updated**	12 March 2024
Developer	Mzwanele Lingani	**Updater**	Mzwanele Lingani
Soil Type	Sandy/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			**9,50**	**85 500,00**	**9 000,00**
Product Income					
Olive Oil	Ton	9 000,00	9,50	85 500,00	9 000,00
MARKETING COSTS	Ton	0,00	9,50	0,00	0,00
GROSS INCOME minus MARKETING COSTS				**85 500,00**	**9 000,00**
TOTAL ALLOCATABLE VARIABLE COSTS				**48 697,44**	**5 126,05**
DIRECTLY ALLOCATABLE VARIABLE COSTS				**46 895,31**	**4 936,35**
A) PRE-HARVEST COST					
FERTILISER				**10 453,48**	**1 100,37**
Lime Ammonium Nitrate (28)	Ton	9 972,98	0,08	797,84	83,98
Magnesium Sulphate	Ton	6 640,00	0,02	132,80	13,98
Nitrogen (N)	Ton	22 839,00	0,24	5 481,36	576,99
Potassium (K)	Ton	18 239,00	0,19	3 465,41	364,78
Solubor	L	63,43	1,20	76,12	8,01
Borax	Ton	34 533,12	0,01	172,67	18,18
Zinc Sulphate	Ton	32 729,00	0,01	327,29	34,45
HERBICIDES				**619,74**	**65,24**
Glyphosate 360 SL	L	95,57	3,00	286,72	30,18
Paraquat 200SL	L	166,51	2,00	333,01	35,05
PESTICIDES				**6 487,29**	**682,87**
Azinphos-methyl	L	366,31	2,50	915,78	96,40
Demeton-s-methyl	L	421,26	1,00	421,26	44,34
Spinetoram 250 WG	Kg	8277,71	0,60	4 966,63	522,80
Bifenthrin(pyrethroid) 100g/L	L	306,05	0,60	183,63	19,33
FUNGICIDES				**4 252,12**	**447,59**
Mancozeb 800WP	Kg	111,00	4,00	444,01	46,74
Captab 50 SC	L	248,96	1,50	373,45	39,31
Cuprous oxide 86% WG	Kg	399,61	4,40	1 758,30	185,08
Copper oxychloride	Kg	167,64	10,00	1 676,36	176,46
CASUAL LABOUR				**3 475,08**	**365,80**
Casual Labour Pruning/Day	R/Manday	248,22	14,00	3 475,08	365,80
IRRIGATION & ELECRICITY				**1 750,00**	**184,21**
B) HARVEST COSTS					
CASUAL LABOUR				**19 857,60**	**2 090,27**
Casual Labour Harvesting/Day	R/Manday	248,22	80,00	19 857,60	2 090,27
GROSS MARGIN ABOVE DIRECTLY ALLOCATABLE VARIABLE COSTS				**38 604,69**	**4 063,65**

INDIRECTLY ALLOCATABLE VARIABLE COSTS			**1 802,13**	**189,70**
C) PRE-HARVEST COST				
Fuel	L	20,88	622,41	65,52
Repairs & Maintenance			373,47	39,31
D) HARVEST COSTS				
Fuel	L	20,88	554,22	58,34
Repairs & Maintenance			252,03	26,53
GROSS MARGIN ABOVE TOTAL ALLOCATABLE VARIABLE COSTS			**36 802,56**	**3 873,95**
Interest on Working Capital			5 721,95	602,31
MARGIN ABOVE SPECIFIED COSTS			**31 080,61**	**3 271,64**

NOTES:

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

SENSITIVITY ANALYSIS

YIELD (Ton/ha)	**PRICE (R/Ton)**				
YIELD CHANGE AT 10% INCREMENTS	**LESS 10%**	**LESS 5%**	**ACTUAL**	**ADD 5%**	**ADD 10%**
	R 8 100	**R 8 550**	**R 9 000**	**R 9 450**	**R 9 900**
7,60	R 7 141	R 10 561	R 13 981	R 17 401	R 20 821
8,55	R 14 836	R 18 683	R 22 531	R 26 378	R 30 226
9,50	R 22 531	R 26 806	R 31 081	R 35 356	R 39 631
10,45	R 30 226	R 34 928	R 39 631	R 44 333	R 49 036
11,40	R 37 921	R 43 051	R 48 181	R 53 311	R 58 441
BREAKEVEN YIELD (Ton/Ha)	**6,72**	**6,36**	**6,05**	**5,76**	**5,50**

Costs Of Production	**R/Ha**
Fertiliser	10 453,48
Weed Control	619,74
Pest Control	6 487,29
Fungal Control	4 252,12
Labour	23 332,68
Fuel	1 176,63
Repairs & Maintenance	625,50
Irrigation	1 750,00
Interest	5 721,95