Western Cape Government

AGRICULTURAL ECONOMIC SERVICES
Division: Production Economics
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ENTERPRISE BUDGET

Classification	Vegetable	**Province**	Western Cape
Enterprise Budget Name	Watermelon (open field)	**District**	North West Coast
Land Size	1 Hectare	**Area**	Matzikama
Date Developed	27 November 2018	**Date Updated**	28 February 2024
Developer	Mzwanele Lingani	**Updater**	Nontembeko Mbusi
Soil Type	Sandy		

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			**56,70**	**121 869,28**	**2 149,37**
Product Income					
Fruit- Watermelon²	Ton	2 149,37	56,70	121 869,28	2 149,37
MARKETING COSTS Market	0,13		7,09	15 233,66	268,67
GROSS INCOME minus MARKETING COSTS				**106 635,62**	**1 880,70**
TOTAL ALLOCATABLE VARIABLE COSTS				**135 676,89**	**2 392,89**
DIRECTLY ALLOCATABLE VARIABLE COSTS				**125 481,48**	**2 213,08**
A) PRE-HARVEST COST					
PLANTING MATERIAL				**18 435,94**	**325,15**
Watermelon	Seedlings	1,97	9 375,00	18 435,94	325,15
FERTILISER				**18 804,90**	**331,66**
Ammonium Sulphate	Ton	7 400,00	0,15	1 110,00	19,58
Calcium Nitrate	Ton	9 640,00	0,15	1 446,00	25,50
Potassium Nitrate	Ton	31 866,50	0,15	4 779,98	84,30
Lime Ammonium Nitrate (28)	Ton	9 972,98	1,15	11 468,92	202,27
HERBICIDES				**298,77**	**5,27**
Paraquat	L	99,59	3,00	298,77	5,27
PESTICIDES/INSECTICIDES				**9 401,81**	**165,82**
Cadusafos	L	224,77	20,00	4 495,35	79,28
Lamda-cyhalothrin	L	958,59	3,60	3 450,94	60,86
Dimethoate 400 EC	L	156,81	3,60	564,53	9,96
Spinosad	L	228,46	3,90	890,99	15,71
FUNGICIDES				**988,54**	**17,43**
Mancozeb / Metalaxyl	KG	177,56	4,00	710,24	12,53
Penconazole	L	618,45	0,45	278,30	4,91
CASUAL LABOUR				**3 971,52**	**70,04**
Casual labour Drippers/Hour	R/Manhour	27,58	18,00	496,44	8,76
Casual Labour Planting/Hour	R/Manhour	27,58	36,00	992,88	17,51
Casual Labour Weeding/Hour	R/Manhour	27,58	90,00	2 482,20	43,78
IRRIGATION & ELECRICITY				**0,00**	**0,00**
B) HARVEST COSTS				**27 580,00**	**486,42**
Casual Labour Harvesting/Hour	R/Manhour	27,58	1 000,00	27 580,00	486,42
CONTRACT WORK				**46 000,00**	**811,29**
Transport to market	Trip	11 500,00	4,00	46 000,00	811,29
GROSS MARGIN ABOVE DIRECTLY ALLOCATABLE VARIABLE COSTS				**-18 845,86**	**-332,38**

INDIRECTLY ALLOCATABLE VARIABLE COSTS			**10 195,41**	**179,81**
C) PRE-HARVEST COST				
Fuel	L	20,88	1 459,55	25,74
Repairs & Maintenance			459,14	8,10
D) HARVEST COSTS				
Fuel	L	20,88	7 202,47	127,03
Repairs & Maintenance			1 074,26	18,95
GROSS MARGIN ABOVE TOTAL ALLOCATABLE VARIABLE COSTS			**-29 041,27**	**-512,19**
Interest on Working Capital			3 985,51	70,29
MARGIN ABOVE SPECIFIED COSTS			**-33 026,78**	**-582,48**

NOTES:

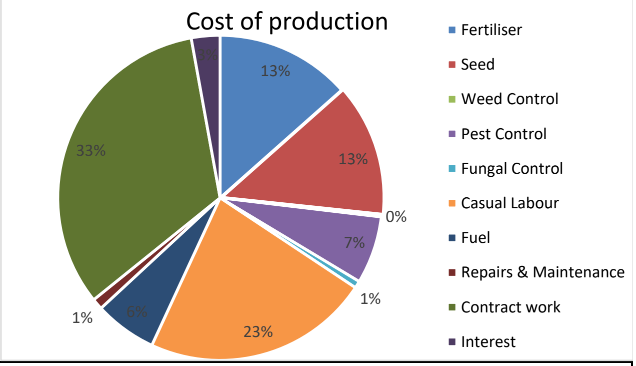
Interest Rate	11,75%
Growing period of Crop (Months)	3

Watermelon²- refers to the normal practice of producing watermelon.

SENSITIVITY ANALYSIS

YIELD (Ton/Ha)	PRICE (R/Ton)				
YIELD CHANGE AT 10% INCREMENTS	LESS 10%	LESS 5%	ACTUAL	ADD 5%	ADD 10%
	R 1 934,43	**R 2 041,90**	**R 2 149,37**	**R 2 256,84**	**R 2 364,31**
45	-R 67 150	-R 62 275	-R 57 401	-R 52 526	-R 47 651
51	-R 56 182	-R 50 698	-R 45 214	-R 39 730	-R 34 245
57	-R 45 214	-R 39 120	-R 33 027	-R 26 933	-R 20 840
62	-R 34 245	-R 27 543	-R 20 840	-R 14 137	-R 7 434
68	-R 23 277	-R 15 965	-R 8 653	-R 1 341	R 5 971
BREAKEVEN YIELD (Ton/Ha)	**80**	**76**	**72**	**69**	**66**

Costs Of Production	R/Ha
Fertiliser	18 804,90
Seed	18 435,94
Weed Control	298,77
Pest Control	9 401,81
Fungal Control	988,54
Casual Labour	31 551,52
Fuel	8 662,02
Repairs & Maintenance	1 533,40
Contract work	46 000,00
Interest	3 985,51



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