Western Cape Government

AGRICULTURAL ECONOMICS SERVICES
Division: Production Economics
Tel: 021 808 5317
Private Bag X1, Elsenburg. 7607

ENTERPRISE BUDGET			
Classification	Smallstock	**Province**	Western Cape
Enterprise Budget Name	Mutton & Wool	**District**	Cape Winelands
Breed	Dohne Merino- Extensive	**Area**	Ceres-Karoo
Developer	Nomfundo Nyembe	**Updater**	Blanché Williams
Date Developed	30 March 2015	**Date Update**	09 September 2024
Smallstock Units (SSU)	**1 519**		

Use this Budget only as aid in the planning process.

	Unit	Price Per Unit	Quantity	Total (R)	Value Per SSU (R)
GROSS INCOME				**2 854 796,34**	**1 879,77**
Product Income				**719 221,74**	**473,58**
Wool (Dohne Merino)	KG	162	4439,64	719 221,74	473,58
Trading income				**2 135 574,59**	**1 406,19**
Dohne Merino/culled ewes	Head	2 300,00	191,40	440 220,00	289,87
Dohne Merino/lamb	Head	1 280,00	588,66	753 490,93	496,14
Dohne Merino/Wethers	Head	1 600,00	588,66	941 863,66	620,18
MARKETING COSTS				**167 581,22**	**110,35**
Wool (Dohne Merino)	KG	4,00%	719 221,74	28 768,87	6,48
Dohne Merino/lamb	Head	6,50%	2 135 574,59	138 812,35	31,27
GROSS INCOME minus MARKETING COSTS				**2 687 215,12**	**1 769,42**
TOTAL ALLOCATABLE VARIABLE COSTS				**665 060,24**	**437,92**
DIRECTLY ALLOCATABLE VARIABLE COSTS				**652 860,70**	**429,88**
CONSUMABLE ITEMS/COSTS					
FEED SUPPLEMENT PURCHASED				**417 407,46**	**274,85**
Voermol maxiwol	KG	8,60	36 270,00	311 811,01	205,32
Energy blocks	KG	7,87	10 000,00	78 696,80	51,82
Maize	KG	5,38	5 000,00	26 899,65	17,71
MEDICINAL				**162 574,69**	**107,05**
Multivax P Plus	ml	8,07	6 448,00	52 011,25	34,25
Prodoze Orange	Litre	495,88	19,34	9 590,32	6,31
Lintex - 1	Litre	693,63	1,65	1 141,72	0,75
Enterotoxaemia (alum) 100ml	ml	0,76	3 224,00	2 440,34	1,61
Bloutong	ml	12,17	6 448,00	78 493,60	51,68
Rift Valley fever Live	ml	11,72	1 612,00	18 897,45	12,44
HIRED TRANSPORT				**5 327,57**	**3,51**
Wool	KG	1,20	4 439,64	5 327,57	3,51
LABOUR				**33 950,98**	**22,36**
Shearing/Head (Dohne Merino)	R/Manhours	27,58	1 231,00	33 950,98	22,36
OTHER				**33 600,00**	**22,12**
Breeding Stock: Purchase					
Rams	Head	8 400,00	4,00	33 600,00	22,12
GROSS MARGIN ABOVE DIRECTLY ALLOCATABLE VARIABLE COSTS				**2 034 354,42**	**1 339,54**

INDIRECTLY ALLOCATABLE VARIABLE COSTS		**12 199,54**	**8,03**
Fuel	R	6 672,11	4,39
Repairs & Maintenance	R	5 527,43	3,64
GROSS MARGIN ABOVE TOTAL ALLOCATABLE VARIABLE COSTS		**2 022 154,88**	**1 331,51**
Interest on Working Capital		78 144,58	51,46
MARGIN ABOVE SPECIFIED COSTS		**1 944 010,30**	**1 280,05**

NOTES:

Interest Rate		11,75%
Growing period of an animal (Months)		12
Mortality rate(%)	- Unweaned Lambs	5
	- Weaned lambs	5
	- Mature sheep	5
Lambing rate (%)		91
Replacement rate (%)	- Rams	25%
	- Wethers	25%
	- Ewes	20%

SENSITIVITY ANALYSIS

YIELD (Mutton & Wool)	PRICE (R/Flock)				
YIELD CHANGE AT 10% INCREMENTS	LESS 10%	LESS 5%	ACTUAL	ADD 5%	ADD 10%
	442	467	491	516	541
4 646,70	1 144 667	1 258 859	1 373 051	1 487 243	1 601 435
5 227,53	1 401 599	1 530 065	1 658 531	1 786 997	1 915 462
5 808,37	1 658 531	1 801 270	1 944 010	2 086 750	2 229 490
6 389,21	1 915 462	2 072 476	2 229 490	2 386 504	2 543 518
6 970,04	2 172 394	2 343 682	2 514 970	2 686 257	2 857 545
BREAKEVEN YIELD (litres)	2 059	1 951	1 853	1 765	1 685

Costs Of Production	R/Flock
Feed	417 407,46
Medicinal	162 574,69
Labour	33 950,98
Interest	78 144,58
Fuel	6 672,11
Repairs & Maintenance	5 527,43
Hired Transport	5 327,57
Other	33 600,00