AGRICULTURAL ECONOMICS
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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**	23 November 2024
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**	**60 000,00**	**3 000,00**
Product Income					
Lucerne hay	Ton	3 000,00	20,00	60 000,00	3 000,00
MARKETING COSTS		**0,00**		**0,00**	**0,00**
GROSS INCOME minus MARKETING COSTS		**0,00**		**60 000,00**	**3 000,00**
TOTAL ALLOCATABLE VARIABLE COSTS				**13 782,56**	**689,13**
DIRECTLY ALLOCATABLE VARIABLE COSTS				**4 314,64**	**215,73**
A) PRE-HARVEST COST					
IRRIGATION &ELECTRICITY				**3 064,64**	**153,23**
Electricity[1]	kWh	2,34	1 308,00	3 064,64	153,23
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				**55 685,36**	**2 784,27**
INDIRECTLY ALLOCATABLE VARIABLE COSTS				**9 467,91**	**473,40**
C) PRE-HARVEST COSTS					
Fuel	L	19,99		364,54	18,23
Repairs & Maintenance				224,99	11,25
D) HARVEST COSTS					
Fuel	L	19,99		5 470,58	273,53
Repairs & Maintenance				3 407,81	170,39
GROSS MARGIN ABOVE TOTAL ALLOCATABLE VARIABLE COSTS				**46 217,44**	**2 310,87**
Interest on Working Capital				1 550,54	77,53
MARGIN ABOVE SPECIFIED COSTS				**44 666,90**	**0,00**

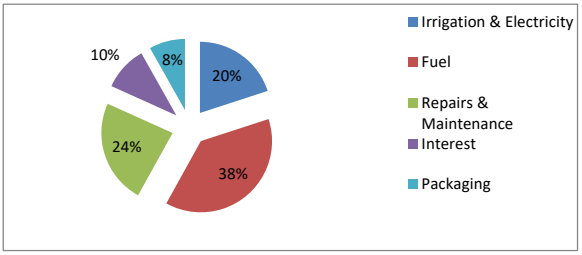
NOTES:

Interest Rate	11,25%
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 2 700,00	R 2 850,00	R 3 000,00	R 3 150,00	R 3 300,00
16,00	R 27 867	R 30 267	R 32 667	R 35 067	R 37 467
18,00	R 33 267	R 35 967	R 38 667	R 41 367	R 44 067
20,00	R 38 667	R 41 667	R 44 667	R 47 667	R 50 667
22,00	R 44 067	R 47 367	R 50 667	R 53 967	R 57 267
24,00	R 49 467	R 53 067	R 56 667	R 60 267	R 63 867
BREAKEVEN YIELD (Ton/Ha)	5,68	5,38	5,11	4,87	4,65

Costs Of Production	R/Ha
Irrigation & Electricity	3 064,64
Fuel	5 835,12
Repairs & Maintenance	3 632,79
Interest	1 550,54
Packaging	1 250,00



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