Western Cape Government

AGRICULTURAL ECONOMICS
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ENTERPRISE BUDGET			
Classification	Pasture	**Province**	Western Cape
Enterprise Budget Name	Lucerne (Irrigated)- Yr 4	**District**	West Coast/Cape Winelands
Land Size	1 Hectare	**Area**	Swartland/Drakenstein
Date Developed	02 March 2021	**Latest update**	15 November 2025
Developer	Sinovuyo Magqibelo	**Updater**	Sinovuyo Magqibelo
Soil Type	Sandy-Clay/Clay-Loam		

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

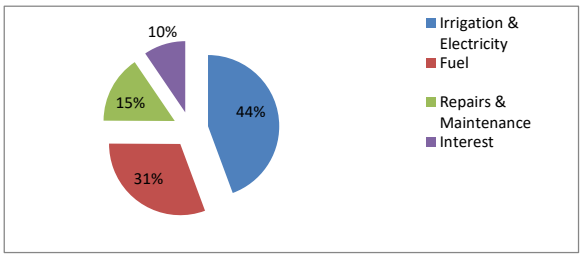
Description	Unit	Price Per Unit	Quantity	Per Ha	Value Per Yield Unit
GROSS INCOME			**27,00**	**86 400,00**	**3 200,00**
Product Income					
Lucerne -Sales (80%)	Ton	4 000,00	21,60	86 400,00	3 200,00
Lucerne - Feed (20%)	Ton	0,00	5,40	0,00	0,00
MARKETING COSTS		0,00		**0,00**	**0,00**
GROSS INCOME minus MARKETING COSTS		0,00		**86 400,00**	**3 200,00**
TOTAL ALLOCATABLE VARIABLE COSTS				**7 980,10**	**295,56**
DIRECTLY ALLOCATABLE VARIABLE COSTS				**3 910,92**	**144,85**
A) PRE-HARVEST COST					
IRRIGARION &ELECTRICITY				**3 910,92**	**144,85**
Electricity[1]	kWh	2,99	1 308,00	3 910,92	144,85
GROSS MARGIN ABOVE DIRECTLY ALLOCATABLE VARIABLE COSTS				**82 489,08**	**3 055,15**
INDIRECTLY ALLOCATABLE VARIABLE COSTS				**4 069,18**	**150,71**
B) PRE-HARVEST COST					
Fuel	L	17,33		0,00	0,00
Repairs & Maintenance				0,00	0,00
C) HARVEST COSTS					
Fuel	L	17,33		2 709,55	100,35
Repairs & Maintenance				1 359,63	50,36
GROSS MARGIN ABOVE TOTAL ALLOCATABLE VARIABLE COSTS				**78 419,90**	**2 904,44**
Interest on Working Capital				837,91	31,03
MARGIN ABOVE SPECIFIED COSTS				**77 581,99**	**2 873,41**

NOTES:	
Interest Rate	10,50%
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 3 600,00	**R 3 800,00**	**R 4 000,00**	**R 4 200,00**	**R 4 400,00**
17,28	R 53 390	R 56 846	R 60 302	R 63 758	R 67 214
19,44	R 61 166	R 65 054	R 68 942	R 72 830	R 76 718
21,60	R 68 942	R 73 262	R 77 582	R 81 902	R 86 222
23,76	R 76 718	R 81 470	R 86 222	R 90 974	R 95 726
25,92	R 84 494	R 89 678	R 94 862	R 100 046	R 105 230
BREAKEVEN YIELD (Ton/Ha)	**2,45**	**2,32**	**2,20**	**2,10**	**2,00**

Costs Of Production	R/Ha
Irrigation & Electricity	3 910,92
Fuel	2 709,55
Repairs & Maintenance	1 359,63
Interest	837,91



Disclaimer

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