

Income & Cost Budgets

Winter Crops – 2025

A joint initiative between the
Bureau for Food and Agricultural Policy (BFAP)
and the
Protein Research Foundation (PRF)
and the
Oil & Protein Seeds Development Trust /
Oilseeds Advisory Committee
and
Grain South Africa

April 2025



INCOME & COST BUDGETS FOR WINTER CROPS – 2025 SEASON

Foreword

The Protein Research Foundation (PRF) strives to make a significant contribution to the promotion of local production of protein on a sustainable basis, in order to satisfy the growing demand for protein for animal production purposes as well as the optimal utilisation thereof, which will lead to an increase in the standard of living of all people in the Republic of South Africa. The main objectives of the Protein Research Foundation (PRF) are to replace imported protein used in animal feed with locally produced protein and to encourage the better utilisation of this protein. The objectives are promoted through research funding and technology transfer.

Historically, the Protein Research Foundation (PRF), Grain South Africa (GSA), the Bureau for Food and Agricultural Policy (BFAP) and agribusinesses have published their individual cost of production budgets which focusses on summer- and winter crops produced in South Africa's key agro-ecological zones, both under dryland- and irrigation cultivation. Given the existing activities associated within the organisations and the extent of the coverage of South African agricultural production, these initiatives are once again integrated to compile the 2025 winter crop budgets.

It is acknowledged that regional variation will occur and that estimates will differ from farm to farm. Whilst every care has been taken in preparing this report, it is advised to adjust the estimates according to the farm's respective location, yield potential, cultivation system and/or strategies.

Disclaimer

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Executive Summary

Commodity Markets and Price Dynamics:

Global prices are highly sensitive to geopolitical events, with US tariffs creating uncertainty. The US stance on biofuel demand remains unclear, affecting vegetable oil prices. However, Indonesia's extension of its biofuel policy has calmed markets, with a B50 blend planned for 2026. South America expects a record soybean crop, which is likely to lower prices, while the Black Sea region faces challenges due to the Russia-Ukraine war. Australia anticipates a strong winter crop. Policy uncertainty from multiple government changes in 2024 impacts inflation and monetary policy. Sustainability is becoming increasingly important, potentially raising compliance costs and affecting market access.

Trends in Agricultural Input Cost Markets:

The South African Reserve Bank projects a 1.4% GDP growth in 2025, driven by stable electricity supply and monetary policy easing, although the IMF has revised its projection to 1% due to US tariffs. Global oil price drops are expected to reduce fuel and fertilizer costs, with fertilizer prices projected to decline in 2025 but increase slightly in 2026 (World Bank). Despite numerous downward trends, input costs remain higher than pre-Russia-Ukraine war and pre-COVID-19 levels.

Farm-Level Profitability:

The Swartland experienced yield declines due to adverse weather, while the Southern Cape had a good season in 2024. Margins are expected to remain flat in 2025 and 2026, with a marginal recovery for wheat in the Swartland. Overheads have outpaced revenue growth, increasing break-even yields. Efficiency gains and careful assessment of cost structures are crucial to managing the increasing risk environment.

Area coverage

Table 1 and Table 2 provide a summary of the area coverage for enterprise budgets that were generated for this report (dryland- and irrigated regions). The source of data and collaborators are also presented. The collaborators are sincerely grateful for the interaction and assistance with data, knowledge and other inputs from each organisation, agribusiness and farmers.

Table 1.1: Area coverage: Dryland

Area	Dryland Crops	Source & Collaborators
Southern Cape		
Caledon	Wheat, Barley, Canola, Oats & Lupines	Overberg Agri, GSA & BFAP
Bredasdorp	Wheat, Barley, Canola, Oats & Lupines	Overberg Agri, GSA & BFAP
Eastern Ruëns (high potential)	Wheat, Barley, Canola, Oats & Lupines	SSK, GSA & BFAP
Eastern Ruëns (normal potential)	Wheat, Barley, Canola, Oats & Lupines	SSK, GSA & BFAP
Eastern Ruëns (low potential)	Wheat, Barley, Canola, Oats & Lupines	SSK, GSA & BFAP
Western Cape		
Southern Swartland	Wheat & Canola	Kaap Agri, Overberg Agri, GSA & BFAP
Moorreesburg, Malmesbury & Porterville	Wheat, Canola & Oats	Kaap Agri, Overberg Agri, GSA & BFAP
Darling-vlakte – Hopefield	Wheat, Canola & Lupines	Kaap Agri, Overberg Agri, GSA & BFAP
Rooi Karoo	Wheat & Canola	Kaap Agri, Overberg Agri, GSA & BFAP
Free State		
Eastern Free State	Wheat	GSA / VKB / BFAP / Individual Farmers
Central Free State	Wheat	GSA / SENWES / BFAP / Individual Farmers

Table 1.2: Area coverage: Irrigation

Area	Irrigated Crops	Source & Collaborators
Northern Cape		
GWK Area	Wheat, Barley & Canola	GWK, GSA & BFAP
Free State		
Eastern Free State	Wheat	GSA / VKB / BFAP / Individual Farmers
Limpopo		
Britz / Northam / Koedoeskop	Wheat & Barley	GSA, Obaro & BFAP

Yield Assumptions

Table 1.3 illustrates descriptive statistics for yield trends over the period from 2005-2025 (2025 assumes trend yields). Figure 1.1 and Figure 1.2 reports the yield assumptions for dryland and irrigated crops. The yield assumptions represent target yields which were formulated in round table discussions and inputs provided by industry experts. These assumptions are re-evaluated and updated on a continuous basis. It is important to note that intra-regional variations will occur, and it is recommended that producers adjust their respective target yields based on their location and potential.

Table 1.3: Industry yield trends: 2005-2025

	Wheat: Winter area	Wheat: Summer area	Wheat: Irrigation	Barley: Winter area	Barley: Summer area	Canola
2025 Assumed trend yields	3.28	3.85	7.07	3.35	7.16	1.98
Mean (2005-2025)	2.70	3.18	6.35	2.89	6.48	1.46
3-year average (2022-2025)	2.93	4.26	6.95	3.14	7.04	1.87
5-year average (2020-2025)	3.10	4.42	6.85	3.27	7.01	1.95
Min (2005-2025)	1.80	1.53	5.27	1.95	5.19	0.90
Median (2005-2025)	2.68	2.80	6.43	3.12	6.61	1.35
Max (2005-2025)	3.50	5.05	7.15	3.95	7.16	2.25

Source: BFAP, 2025

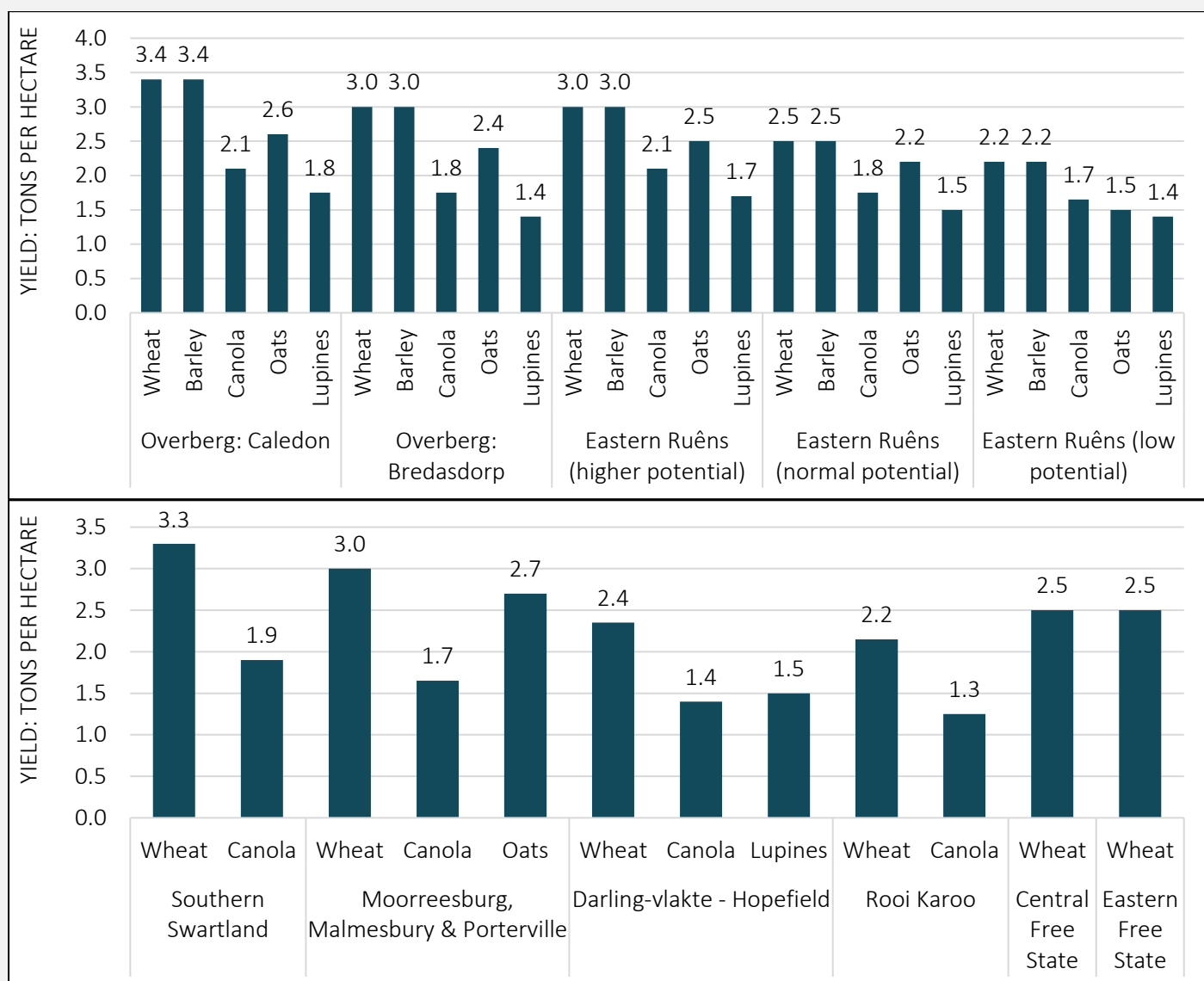


Figure 1.1: Yield assumptions: Dryland winter crops

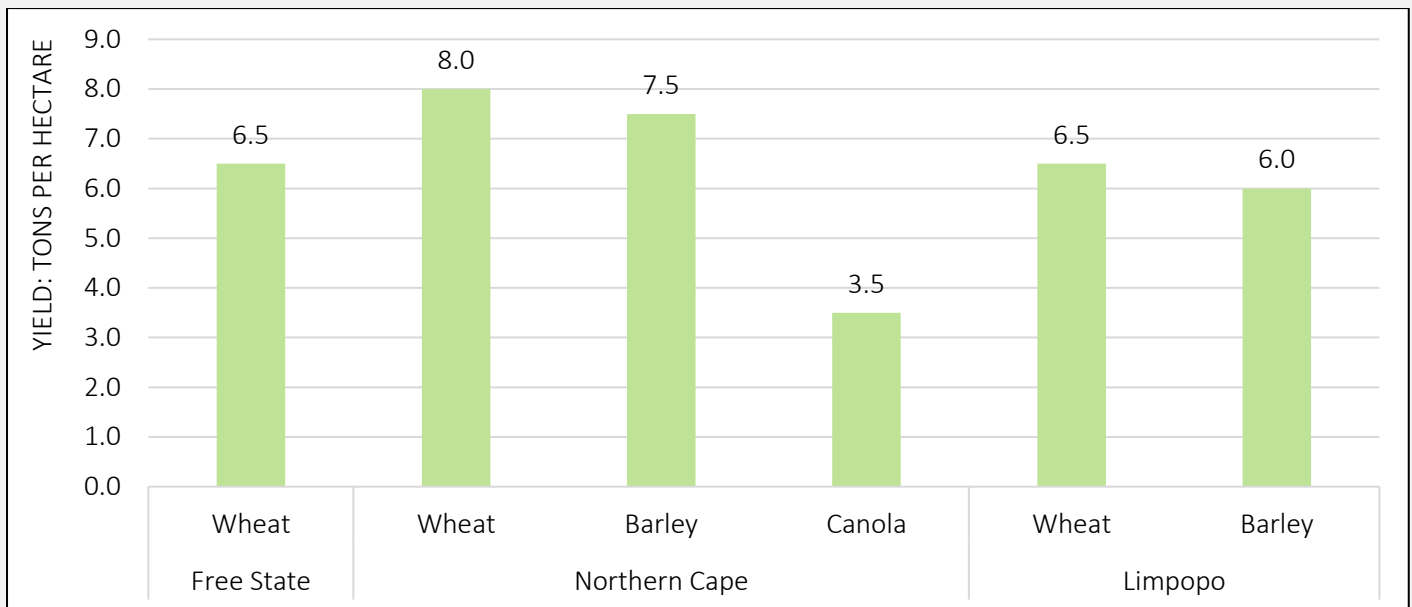


Figure 1.2: Yield assumptions: Irrigated winter crops

Crop Price Assumptions

Annually, the Bureau for Food and Agricultural Policy (BFAP) presents an outlook of agricultural production, consumption, prices and trade in South Africa over a 10-year period. The information presented is based on assumptions about a range of economic, technological, environmental, political, institutional, and social factors. The outlook is generated by the BFAP system of models. A number of critical assumptions have to be made for baseline projections. One of the most important assumptions is that normal weather conditions will prevail in Southern Africa and around the world; therefore, yields grow constantly over the baseline as technology improves. Assumptions regarding the outlook of macroeconomic conditions are based on a combination of projections developed by the International Monetary Fund (IMF), the World Bank and the Bureau for Economic Research (BER) at Stellenbosch University. Baseline projections for world commodity markets were generated by FAPRI at the University of Missouri. Once the critical assumptions are captured in the BFAP system of models, the Outlook for all commodities is simulated within a closed system of equations. This implies that, for example, any shocks in the grain sector are transmitted to the livestock sector and vice versa. Therefore, for each commodity, important components of supply and demand are identified, after which an equilibrium is established through balance sheet principles by equalling total demand to total supply.

Table 1.4 illustrates the standard deduction from the base SAFEX or derived price as presented in Figure 1.3. Figure 1.3 illustrates the commodity price assumptions for wheat, barley, canola and oats that were used as base price for the winter crop budgets for the 2025 production season. The sensitivity analysis in the respective crop budgets makes provision for variation in price and yield and indicates the gross margin under each price and yield combination.

Table 1.4: Deductions from SAFEX price to derive a farm gate price per region

	Wheat	Barley	Canola	Oats
SAFEX / Derived Price: 2025	X	X (adjusted with price link for Southern Cape & Northern producing regions)	X	X
- transport differential	X	X	X (for selective regions)	Standard wheat transport differential + transport to processing facilities (estimate R200-250 per ton)
- grade differential (BS, B1, B2, B3 & COW)	Based on historic averages; updated with new grading system	Assuming 10% of barley is downgraded to feed, and the remaining is delivered as malt barley	-	-
- silo, handling & administration costs	X	X	-	-
- statutory levies	X	X	X	X
+ price premiums	BS calculated at 2% premium	X	Back payment calculated at 10% of derived price	-

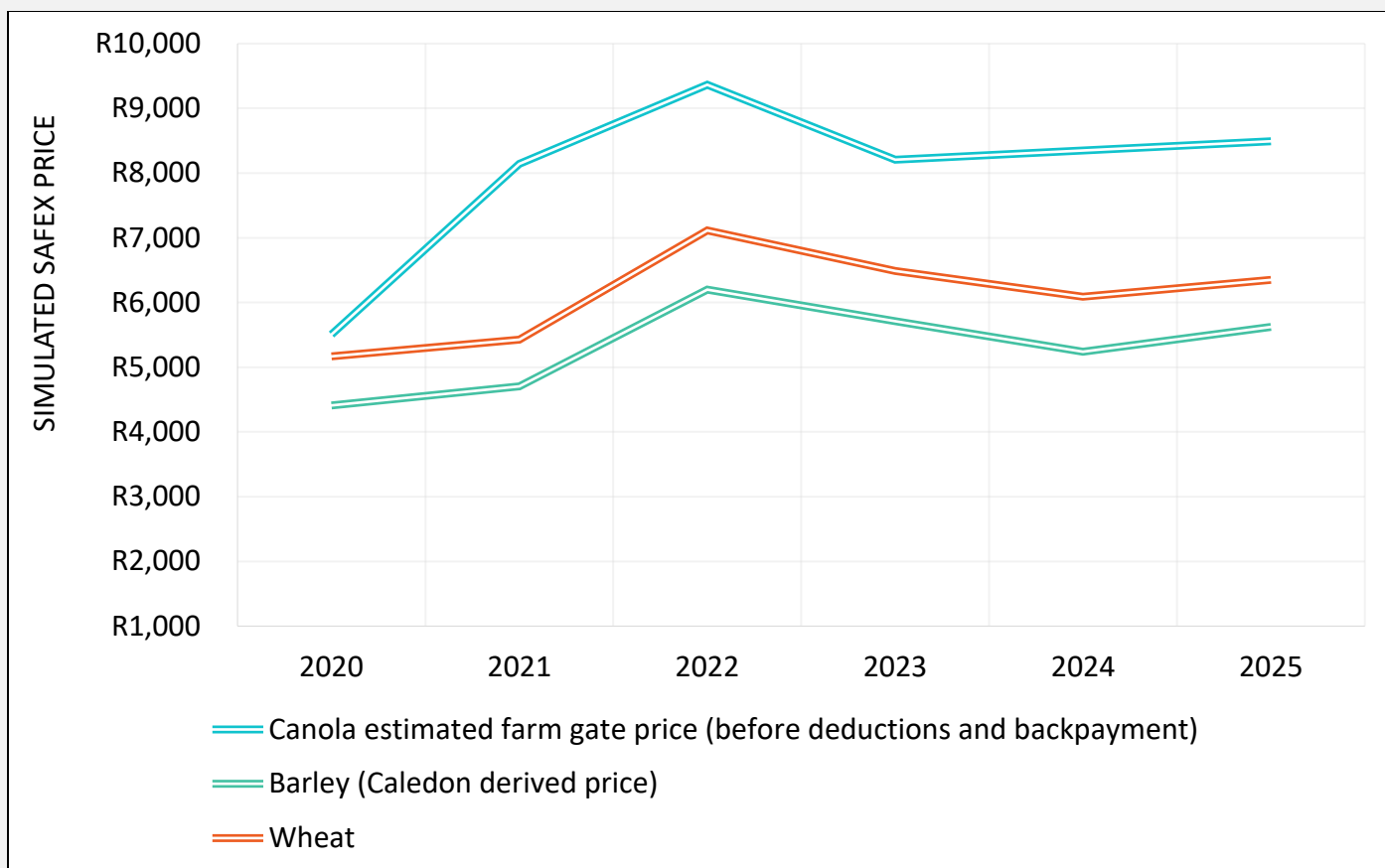


Figure 1.3: BFAP average annual commodity price trends: 2020-2025

Source: BFAP, 2025

Figure 1.3 illustrates the projected local winter crop prices. South African prices reflect global price dynamics and are sensitive to exchange rate fluctuations. Global prices remain sensitive to the current geopolitical environment, with the tariff war creating further uncertainty. The US tariffs are likely to impact prices in the near future. Furthermore, the US stance on biofuel demand remains uncertain, affecting vegetable oil prices. Indonesia's biofuel policy timeline is unclear, but an extension has calmed markets. The B50 blend is planned for 2026.

The South African wheat tariff is expected to remain in place over the outlook period given current world price and production levels. Most crop production will rise in 2025, except for canola and sunflower. South America expects a record crop, lowering soybean prices. In the US, maize and winter wheat areas are projected to increase, while soybean area may decline slightly. EU conditions are fair, with canola production below potential but with an expected yield recovery, while wheat and barley production are projected to rise. The Black Sea region faces challenges with the Russia-Ukraine war, and Russia's wheat production is projected to decrease in 2025. Australia expects a strong winter crop, with a 16% year-over-year increase, especially for wheat.

The global and domestic environments are becoming increasingly complex, making it very difficult to navigate and manage future strategies. Multiple government changes in 2024 are creating policy uncertainty, which has implications for inflation and monetary policy, among others. The local GNU shows some signs of progress, indicating positive sentiments; however, stability concerns remain. Growing complexities and uncertainties in the trade environment increase compliance needs for exports and risks for export growth. Misinformation and disinformation are affecting decision-making. Sustainability is becoming increasingly important for policymakers, possibly creating additional compliance costs and affecting market access. Global growth prospects face negative risks, with a divergence in short-term growth prospects requiring fiscal sustainability.

Key Input Cost Trends

Input costs are driven by multiple global and local factors, as a large share of inputs are imported. These factors include global supply and demand, industrial and trade policies, energy price dynamics, exchange rate, local manufacturing competitiveness, commodity markets, farmers' demand, logistics, and more.

Figure 1.4 shows a calendar year-on-year percentage change for key agricultural inputs over the period from 2023 to 2025 (projected). In 2025, costs are generally expected to increase, while fertilizer and chemical prices are projected to decrease from the high levels observed in 2021 and 2022. Fertiliser and chemicals contributed roughly 40% to total direct costs for wheat, barley and canola, when considering data from 2018-2024.

Projections from the South African Reserve Bank indicate a modest expected GDP growth rate of 1.4% in 2025, driven by more stable electricity supply, monetary policy easing, and a return of investor and consumer confidence post-elections. However, the IMF recently revised its projection from 1.5% to just 1% due to the far-reaching impact of US tariffs. This could significantly affect the South African exchange rate.

Fuel costs are expected to decline slightly due to the global oil price drop following numerous tariff changes by US President Donald Trump. This may also affect fertiliser prices. The World Bank expects fertiliser costs to continue their downward trend in 2025 by 3%, but to start increasing again by 1% in 2026. The weighted domestic cost for fertilizer (a combination of nitrogen, phosphorus, and potassium) decreased by 9% in 2024 and is expected to continue declining at a rate of 8% in 2025. In 2025, urea, potassium, LAN (28), and MAP are expected to decline by 8%, 5%, 11%, and 14%, respectively. Plant protection chemicals have seen a significant decline over the last three years, with global herbicide prices decreasing by 26% and insecticides by 19% from 2023 to 2024. Global herbicides are further expected to decline by 24% in 2025, while insecticides are only expected to decrease by 1%. Electricity costs increased by 12.74%, according to NERSA's approval.

While these downward trends are encouraging for producers, the cost of agricultural inputs remains significantly higher than pre-Russia-Ukraine war and pre-COVID-19 levels. For example, the local price of urea has dropped by nearly 50% from its peak in 2021-2022, yet it is still 59% higher compared to 2019.

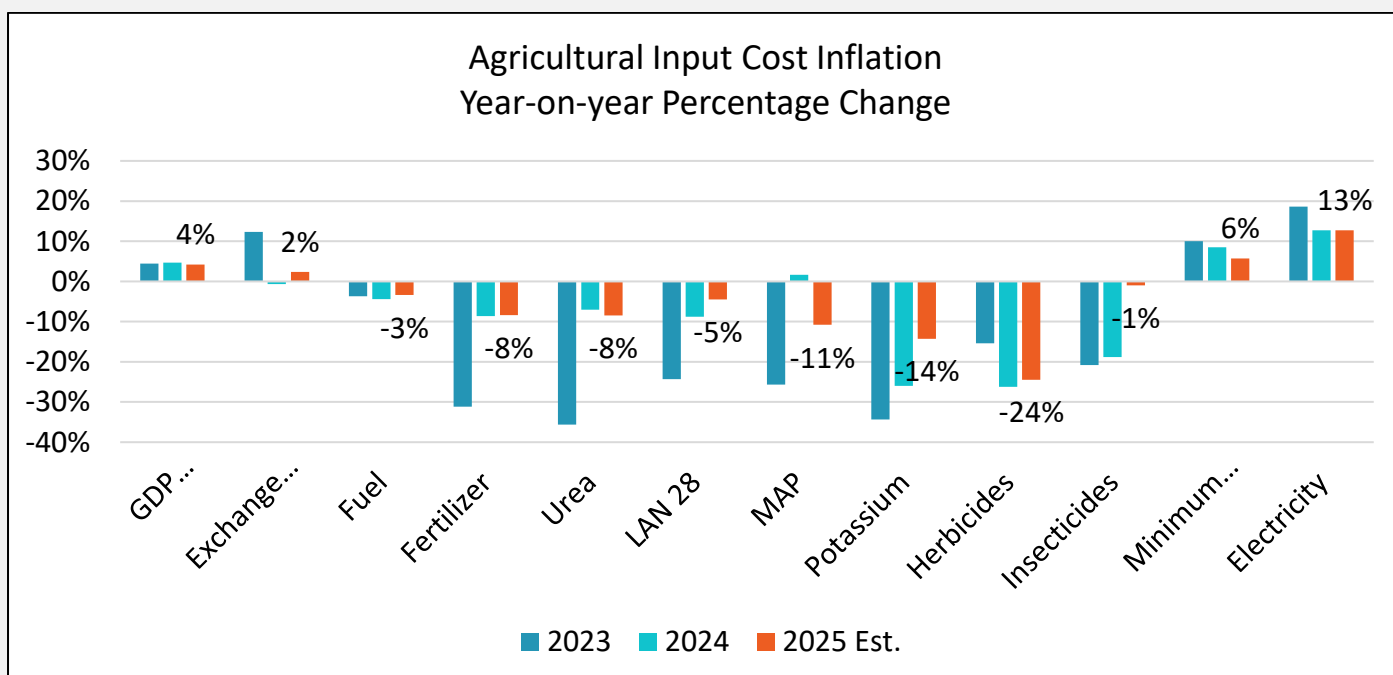


Figure 1.4: Agricultural input cost inflation: Calendar year-on-year percentage change for 2023, 2024 & 2025 (estimated)

Source: Grain SA & BFAP, updated April 2025

Methodology, Approach & Definitions

- ❖ A standard operating procedure was used across all crops and regions for generating the cost and income budgets for the 2025 winter production season.
- ❖ Deterministic or target yields are based on industry discussions which refer to a yield that should be obtained given a normal production season with normal weather in the respective agro-ecological production regions.
- ❖ The farm gate price for each crop is calculated by deducting transport differential, grade differential, handling fees, commission and levies (statutory for seed breeding and technology) from the BFAP simulated SAFEX price and adding price premiums, as discussed in Table 1.4.
- ❖ The gross production value is then calculated by multiplying the yield with the farm gate price.
- ❖ The direct costs are calculated by multiplying the cost per unit by the estimated quantity of input use or application rate.
- ❖ For the majority of the crops, it is assumed that own machinery is used, except for speciality operations that are coupled with economies of scale. In such cases, a contracting cost item is allocated.
- ❖ In the Western Cape, provision was made for fire and SASRIA crop insurance, and in the northern parts of South Africa, provision was made for hail insurance.
- ❖ Fertiliser and lime application will vary significantly in regions and across crops, however, an attempt was made to follow a standardised approach across the regions. Micro-elements and foliar feed for selective crops are included in the total fertiliser cost.
- ❖ The price for fertiliser nutrients (N, P & K) was calculated by using a weighted approach that accounts for 1) variation in discounts received from suppliers and 2) the time period when fertilisers were purchased.
- ❖ Fuel consumption is based on the prevalence production system in each region.
- ❖ For plant protection, herbicide, insecticide and fungicides are accounted for based on interaction with industry experts and producers. For instance, in certain regions provision was made for fungicide sprays, but for others where the practice is not common, fungicides were excluded from plant protection costs.
- ❖ Repairs and maintenance costs are calculated based on the production system operations and were consulted with industry experts and producers.
- ❖ An average seed price across various seed companies was used for calculating the cost of seed. The cost of seed per hectare is calculated by multiplying the cost per unit (either kilograms or plant population) by the application rate per hectare. For selective crops, seed treatment was included where relevant. For wheat and barley, the seed application rate was sub-divided according to own and purchased seed. For own seed use, a cost is allocated which is based on a realistic crop price (hence, opportunity cost) and seed preparation costs such as sifting and treatment.
- ❖ For irrigated crops, the cost of water and electricity is calculated according to typical irrigation application rates at their respective regional costs per millimetre water applied throughout a season. For instance, variations will occur in the cost for water in areas where predominantly boreholes are used compared to irrigation/water scheme areas.
- ❖ The gross margin was calculated by subtracting the direct cost from the gross production value.
- ❖ Overhead costs and production interest are not accounted for in the enterprise budgets.

INCOME & COST BUDGETS – DRYLAND PRODUCTION REGION

Southern Cape: Caledon

Table 2.1: Income & cost budgets for wheat, barley, canola, oats & lupines for Southern Cape (Caledon region) – Dryland

Southern Cape: Caledon						
Crop		Wheat	Barley	Canola	Oats	Lupines
Production System		Dryland	Dryland	Dryland	Dryland	Dryland
1) INCOME						
Yield: Deterministic	T/HA	3.40	3.40	2.10	2.60	1.75
SAFEX SIMULATED / DERIVED PRICE: 2025	R/TON	R6,327	R6,327	R7,637	R6,327	R5,440
Total deductions	R/TON	R1,090	R1,119	R29	R924	R194
- Transport differential	R/TON	R800	R800	R-	R800	R94
- Grade differential	R/TON	R168	R286	R-	R-	R-
- Marketing, handling & statutory levies	R/TON	R123	R33	R29	R124	R100
Price premiums / Canola back-payment	R/TON	R-	R74	R764	R-	R-
Net Farm Gate Price	R/TON	R5,237	R5,387	R8,371	R5,403	R5,246
GROSS INCOME	R/HA	R17,806	R18,316	R17,580	R14,049	R9,180
2) VARIABLE EXPENDITURES						
Contracting	R/HA	R-	R-	R-	R-	R-
Crop insurance	R/HA	R51	R53	R50	R40	R-
Fertilizer	R/HA	R3,319	R3,355	R3,242	R2,748	R1,269
Lime	R/HA	R262	R262	R262	R220	R220
Seed	R/HA	R825	R779	R1,685	R1,185	R1,177
Fuel	R/HA	R763	R784	R754	R742	R676
Herbicide	R/HA	R1,682	R1,369	R1,054	R810	R883
Insecticide	R/HA	R258	R186	R625	R136	R165
Fungicides	R/HA	R699	R1,172	R685	R508	R575
Marketing costs	R/HA	R123	R112	R22	R-	R-
Repairs and maintenance	R/HA	R891	R865	R891	R789	R489
Casual labour	R/HA	R18	R24	R22	R15	R7
Aerial spray	R/HA	R-	R-	R-	R-	R-
Other expenditure	R/HA	R190	R196	R184	R155	R155
TOTAL VARIABLE EXPENDITURE	R/HA	R9,081	R9,156	R9,477	R7,347	R5,614
TOTAL VARIABLE EXPENDITURE	R/TON	R2,671	R2,693	R4,513	R2,826	R3,208
3.1) GROSS MARGIN:	R/HA	R8,725	R9,160	R8,103	R6,702	R3,566
3.2) GROSS MARGIN:	R/TON	R2,566	R2,694	R3,858	R2,578	R2,038
Break-even yield	T/HA	1.73	1.70	1.13	1.36	1.07
Break-even price	R/TON	R2,671	R2,693	R4,513	R2,826	R3,208

Source: Overberg Agri, GSA & BFAP, updated April 2025

Gross Margin Comparison BASELINE: Overberg - Caledon

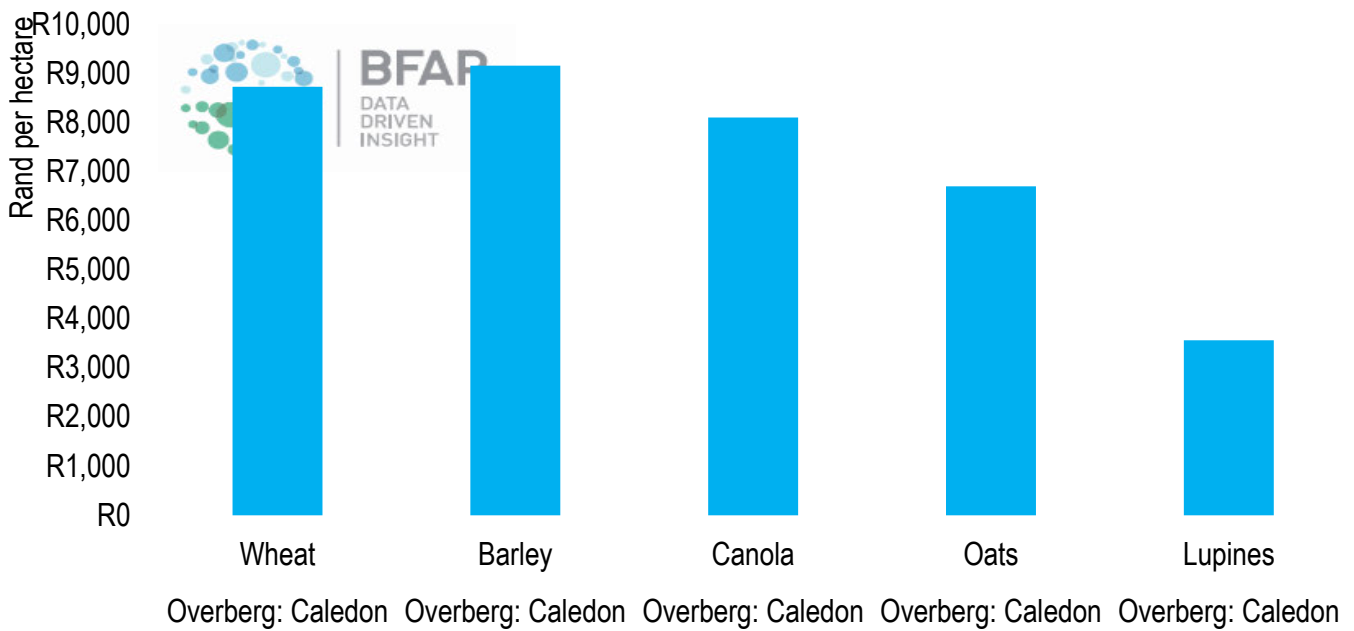


Figure 2.1: Gross margin comparison – Baseline: Southern Cape: Caledon region

WHEAT SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): OVERBERG - CALEDON

PRODUCERS YIELD (T/HA)		2.70		2.95		3.20		3.40		3.70		3.95		4.20	
PRICE															
R4,237	R	2,359	R	3,418	R	4,477	R	5,325	R	6,596	R	7,655	R	8,715	
R4,487	R	3,034	R	4,156	R	5,277	R	6,175	R	7,521	R	8,643	R	9,765	
R4,737	R	3,709	R	4,893	R	6,077	R	7,025	R	8,446	R	9,630	R	10,815	
R4,987	R	4,384	R	5,631	R	6,877	R	7,875	R	9,371	R	10,618	R	11,865	
R5,237	R	5,059	R	6,368	R	7,677	R	8,725	R	10,296	R	11,605	R	12,915	
R5,487	R	5,734	R	7,106	R	8,477	R	9,575	R	11,221	R	12,593	R	13,965	
R5,737	R	6,409	R	7,843	R	9,277	R	10,425	R	12,146	R	13,580	R	15,015	
R5,987	R	7,084	R	8,581	R	10,077	R	11,275	R	13,071	R	14,568	R	16,065	
R6,237	R	7,759	R	9,318	R	10,877	R	12,125	R	13,996	R	15,555	R	17,115	

BARLEY SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): OVERBERG - CALEDON

PRODUCERS YIELD (T/HA)		2.70		2.95		3.20		3.40		3.70		3.95		4.20	
PRICE															
R4,387	R	2,689	R	3,786	R	4,883	R	5,760	R	7,076	R	8,173	R	9,270	
R4,637	R	3,364	R	4,524	R	5,683	R	6,610	R	8,001	R	9,161	R	10,320	
R4,887	R	4,039	R	5,261	R	6,483	R	7,460	R	8,926	R	10,148	R	11,370	
R5,137	R	4,714	R	5,999	R	7,283	R	8,310	R	9,851	R	11,136	R	12,420	
R5,387	R	5,389	R	6,736	R	8,083	R	9,160	R	10,776	R	12,123	R	13,470	
R5,637	R	6,064	R	7,474	R	8,883	R	10,010	R	11,701	R	13,111	R	14,520	
R5,887	R	6,739	R	8,211	R	9,683	R	10,860	R	12,626	R	14,098	R	15,570	
R6,137	R	7,414	R	8,949	R	10,483	R	11,710	R	13,551	R	15,086	R	16,620	
R6,387	R	8,089	R	9,686	R	11,283	R	12,560	R	14,476	R	16,073	R	17,670	

CANOLA SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): OVERBERG - CALEDON

PRODUCERS YIELD (T/HA)													
PRICE		1.35		1.60		1.85		2.10		2.35		2.60	2.85
R7,371	R	474	R	2,317	R	4,160	R	6,003	R	7,845	R	9,688	11,531
R7,621	R	812	R	2,717	R	4,622	R	6,528	R	8,433	R	10,338	12,244
R7,871	R	1,149	R	3,117	R	5,085	R	7,053	R	9,020	R	10,988	12,956
R8,121	R	1,487	R	3,517	R	5,547	R	7,578	R	9,608	R	11,638	13,669
R8,371	R	1,824	R	3,917	R	6,010	R	8,103	R	10,195	R	12,288	14,381
R8,621	R	2,162	R	4,317	R	6,472	R	8,628	R	10,783	R	12,938	15,094
R8,871	R	2,499	R	4,717	R	6,935	R	9,153	R	11,370	R	13,588	15,806
R9,121	R	2,837	R	5,117	R	7,397	R	9,678	R	11,958	R	14,238	16,519
R9,371	R	3,174	R	5,517	R	7,860	R	10,203	R	12,545	R	14,888	17,231

CANOLA MARGIN ABOVE / BELOW WHEAT (GROSS MARGIN PER HECTARE): OVERBERG - CALEDON

PRICE (R/TON)													
YIELD	R	7,621	R	7,871	R	8,121	R	8,371	R	8,621	R	8,871	9,121
1.10	-R	9,818	-R	9,543	-R	9,268	-R	8,993	-R	8,718	-R	8,443	8,168
1.35	-R	7,913	-R	7,576	-R	7,238	-R	6,901	-R	6,563	-R	6,226	5,888
1.60	-R	6,008	-R	5,608	-R	5,208	-R	4,808	-R	4,408	-R	4,008	3,608
1.85	-R	4,102	-R	3,640	-R	3,177	-R	2,715	-R	2,252	-R	1,790	1,327
2.10	-R	2,197	-R	1,672	-R	1,147	-R	622	-R	97	R	428	953
2.35	-R	292	R	296	R	883	R	1,471	R	2,058	R	2,646	3,233
2.60	R	1,613	R	2,263	R	2,913	R	3,563	R	4,213	R	4,863	5,513
2.85	R	3,519	R	4,231	R	4,944	R	5,656	R	6,369	R	7,081	7,794
3.10	R	5,424	R	6,199	R	6,974	R	7,749	R	8,524	R	9,299	10,074

Notes:

- Please refer to *Methodology, Approach & Definitions* for in-depth interpretation of enterprise budgets.
- The canola back-payment assumes 10% of contracted price.
- The cost items reflect the input allocation based on the target yield for the respective crops.
- Although some expenditure items are zero, it is reflected in the budgets to allow for individual inclusion.
- The cost of fuel includes pre-harvest and harvesting costs with the assumption that own machinery is used.
- The costs for wheat, barley & oats seeds reflect a combination of own- and purchased seed.
- It is important to note that overhead costs are not included and should be accounted for. Overhead costs such as interest on production loans, labour, management and administration will vary to a large extent from producer to producer. Producers will therefore have to deduct the farm business' overhead cost from the gross margins as stipulated in the tables and figures to calculate the net income per crop.

Southern Cape: Bredasdorp

Table 2.2: Income & cost budgets for wheat, barley, canola, oats & lupines for Southern Cape (Bredasdorp region) - Dryland

Southern Cape: Bredasdorp						
Crop		Wheat	Barley	Canola	Oats	Lupines
Production System		Dryland	Dryland	Dryland	Dryland	Dryland
1) INCOME						
Yield: Deterministic	T/HA	3.00	3.00	1.75	2.40	1.40
SAFEX SIMULATED / DERIVED PRICE: 2025	R/TON	R6,327	R6,327	R7,637	R6,327	R5,440
Total deductions	R/TON	R1,090	R1,119	R29	R924	R194
- Transport differential	R/TON	R800	R800	R-	R800	R94
- Grade differential	R/TON	R168	R286	R-	R-	R-
- Marketing, handling & statutory levies	R/TON	R123	R33	R29	R124	R100
Price premiums / Canola back-payment	R/TON	R-	R74	R764	R-	R-
Net Farm Gate Price	R/TON	R5,237	R5,387	R8,371	R5,403	R5,246
GROSS INCOME	R/HA	R15,711	R16,161	R14,650	R12,968	R7,344
2) VARIABLE EXPENDITURES						
Contracting	R/HA	R-	R-	R-	R-	R-
Crop insurance	R/HA	R45	R46	R42	R37	R-
Fertilizer	R/HA	R3,024	R2,894	R3,104	R2,415	R1,054
Lime	R/HA	R262	R262	R262	R220	R220
Seed	R/HA	R825	R719	R1,551	R1,185	R942
Fuel	R/HA	R750	R767	R743	R734	R667
Herbicide	R/HA	R1,613	R1,016	R1,118	R897	R1,061
Insecticide	R/HA	R311	R104	R531	R122	R108
Fungicides	R/HA	R716	R1,083	R544	R474	R644
Marketing costs	R/HA	R108	R99	R19	R-	R-
Repairs and maintenance	R/HA	R890	R804	R916	R858	R492
Casual labour	R/HA	R17	R24	R22	R15	R7
Aerial spray	R/HA	R-	R-	R-	R-	R-
Other expenditure	R/HA	R36	R165	R153	R123	R123
TOTAL VARIABLE EXPENDITURE	R/HA	R8,598	R7,984	R9,004	R7,079	R5,319
TOTAL VARIABLE EXPENDITURE	R/TON	R2,866	R2,661	R5,145	R2,950	R3,799
3.1) GROSS MARGIN:	R/HA	R7,113	R8,177	R5,645	R5,889	R2,025
3.2) GROSS MARGIN:	R/TON	R2,371	R2,726	R3,226	R2,454	R1,446
Break-even yield	T/HA	1.64	1.48	1.08	1.31	1.01
Break-even price	R/TON	R2,866	R2,661	R5,145	R2,950	R3,799

Source: Overberg Agri, GSA & BFAP, updated April 2025

Gross Margin Comparison BASELINE: Overberg - Bredasdorp

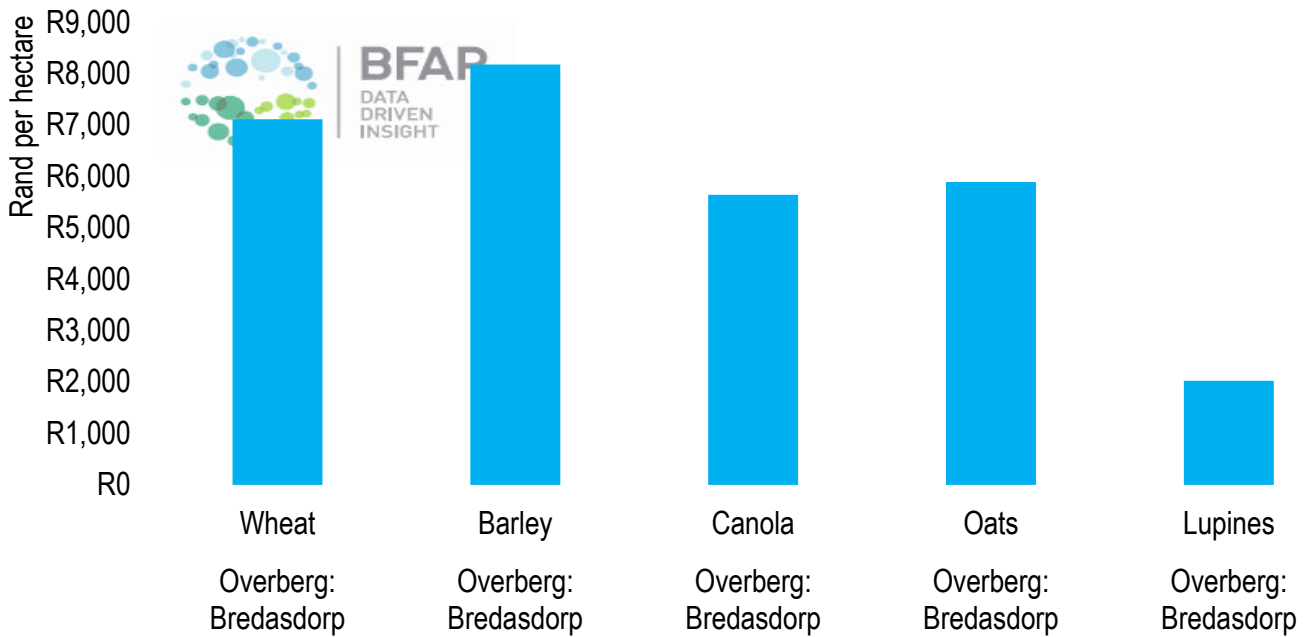


Figure 2.2: Gross margin comparison – Baseline: Southern Cape: Bredasdorp region

WHEAT SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): OVERBERG - BREDASDORP

PRODUCERS YIELD (T/HA)									
PRICE	2.25	2.50	2.75	3.00	3.25	3.50	3.75		
R4,237	R 935	R 1,994	R 3,054	R 4,113	R 5,172	R 6,232	R 7,291		
R4,487	R 1,498	R 2,619	R 3,741	R 4,863	R 5,985	R 7,107	R 8,228		
R4,737	R 2,060	R 3,244	R 4,429	R 5,613	R 6,797	R 7,982	R 9,166		
R4,987	R 2,623	R 3,869	R 5,116	R 6,363	R 7,610	R 8,857	R 10,103		
R5,237	R 3,185	R 4,494	R 5,804	R 7,113	R 8,422	R 9,732	R 11,041		
R5,487	R 3,748	R 5,119	R 6,491	R 7,863	R 9,235	R 10,607	R 11,978		
R5,737	R 4,310	R 5,744	R 7,179	R 8,613	R 10,047	R 11,482	R 12,916		
R5,987	R 4,873	R 6,369	R 7,866	R 9,363	R 10,860	R 12,357	R 13,853		
R6,237	R 5,435	R 6,994	R 8,554	R 10,113	R 11,672	R 13,232	R 14,791		

BARLEY SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): OVERBERG - BREDASDORP

PRODUCERS YIELD (T/HA)									
PRICE	2.25	2.50	2.75	3.00	3.25	3.50	3.75		
R4,387	R 1,887	R 2,983	R 4,080	R 5,177	R 6,274	R 7,370	R 8,467		
R4,637	R 2,449	R 3,608	R 4,768	R 5,927	R 7,086	R 8,245	R 9,405		
R4,887	R 3,012	R 4,233	R 5,455	R 6,677	R 7,899	R 9,120	R 10,342		
R5,137	R 3,574	R 4,858	R 6,143	R 7,427	R 8,711	R 9,995	R 11,280		
R5,387	R 4,137	R 5,483	R 6,830	R 8,177	R 9,524	R 10,870	R 12,217		
R5,637	R 4,699	R 6,108	R 7,518	R 8,927	R 10,336	R 11,745	R 13,155		
R5,887	R 5,262	R 6,733	R 8,205	R 9,677	R 11,149	R 12,620	R 14,092		
R6,137	R 5,824	R 7,358	R 8,893	R 10,427	R 11,961	R 13,495	R 15,030		
R6,387	R 6,387	R 7,983	R 9,580	R 11,177	R 12,774	R 14,370	R 15,967		

CANOLA SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): OVERBERG - BREDASDORP

PRODUCERS YIELD (T/HA)													
PRICE		1.15		1.40		1.65		1.75		1.90		2.15	2.40
R7,371	-R	527	R	1,315	R	3,158	R	3,895	R	5,001	R	6,844	8,687
R7,621	-R	240	R	1,665	R	3,571	R	4,333	R	5,476	R	7,381	9,287
R7,871	R	48	R	2,015	R	3,983	R	4,770	R	5,951	R	7,919	9,887
R8,121	R	335	R	2,365	R	4,396	R	5,208	R	6,426	R	8,456	10,487
R8,371	R	623	R	2,715	R	4,808	R	5,645	R	6,901	R	8,994	11,087
R8,621	R	910	R	3,065	R	5,221	R	6,083	R	7,376	R	9,531	11,687
R8,871	R	1,198	R	3,415	R	5,633	R	6,520	R	7,851	R	10,069	12,287
R9,121	R	1,485	R	3,765	R	6,046	R	6,958	R	8,326	R	10,606	12,887
R9,371	R	1,773	R	4,115	R	6,458	R	7,395	R	8,801	R	11,144	13,487

CANOLA MARGIN ABOVE / BELOW WHEAT (GROSS MARGIN PER HECTARE): OVERBERG - BREDASDORP

PRICE (R/TON)													
YIELD	R	7,621	R	7,871	R	8,121	R	8,371	R	8,621	R	8,871	9,121
0.90	-R	9,258	-R	9,033	-R	8,808	-R	8,583	-R	8,358	-R	8,133	7,908
1.15	-R	7,353	-R	7,065	-R	6,778	-R	6,490	-R	6,203	-R	5,915	5,628
1.40	-R	5,448	-R	5,098	-R	4,748	-R	4,398	-R	4,048	-R	3,698	3,348
1.65	-R	3,542	-R	3,130	-R	2,717	-R	2,305	-R	1,892	-R	1,480	1,067
1.75	-R	2,780	-R	2,343	-R	1,905	-R	1,468	-R	1,030	-R	593	155
1.90	-R	1,637	-R	1,162	-R	687	-R	212	R	263	R	738	1,213
2.15	R	268	R	806	R	1,343	R	1,881	R	2,418	R	2,956	3,493
2.40	R	2,174	R	2,774	R	3,374	R	3,974	R	4,574	R	5,174	5,774
2.65	R	4,079	R	4,742	R	5,404	R	6,067	R	6,729	R	7,392	8,054

Notes:

- Please refer to *Methodology, Approach & Definitions* for in-depth interpretation of enterprise budgets.
- The canola back-payment assumes 10% of contracted price.
- The cost items reflect the input allocation based on the target yield for the respective crops.
- Although some expenditure items are zero, it is reflected in the budgets to allow for individual inclusion.
- The cost of fuel includes pre-harvest and harvesting costs with the assumption that own machinery is used.
- The costs for wheat, barley & oats seeds reflect a combination of own- and purchased seed.
- It is important to note that overhead costs are not included and should be accounted for. Overhead costs such as interest on production loans, labour, management and administration will vary to a large extent from producer to producer. Producers will therefore have to deduct the farm business' overhead cost from the gross margins as stipulated in the tables and figures to calculate the net income per crop.

Southern Cape: Eastern Ruêns (high potential)

Table 2.3: Income & cost budgets for wheat, barley, canola, oats & lupines for Southern Cape (Eastern Ruêns – high potential) - Dryland

Southern Cape: Eastern Ruêns (high potential)						
Crop		Wheat	Barley	Canola	Oats	Lupines
Production System		Dryland	Dryland	Dryland	Dryland	Dryland
1) INCOME						
Yield: Deterministic	T/HA	3.00	3.00	2.10	2.50	1.70
SAFEX SIMULATED / DERIVED PRICE: 2025	R/TON	R6,327	R6,327	R7,637	R6,327	R5,440
Total deductions	R/TON	R1,090	R1,119	R29	R924	R194
- Transport differential	R/TON	R800	R800	R-	R800	R94
- Grade differential	R/TON	R168	R286	R-	R-	R-
- Marketing, handling & statutory levies	R/TON	R123	R33	R29	R124	R100
Price premiums / Canola back-payment	R/TON	R-	R74	R764	R-	R-
Net Farm Gate Price	R/TON	R5,237	R5,387	R8,371	R5,403	R5,246
GROSS INCOME	R/HA	R15,711	R16,161	R17,580	R13,509	R8,918
2) VARIABLE EXPENDITURES						
Contracting	R/HA	R-	R-	R-	R-	R-
Crop insurance	R/HA	R45	R46	R50	R39	R-
Fertilizer	R/HA	R2,928	R2,884	R3,476	R2,559	R1,363
Lime	R/HA	R262	R262	R262	R220	R-
Seed	R/HA	R705	R679	R1,685	R1,267	R1,118
Fuel	R/HA	R750	R767	R754	R738	R680
Herbicide	R/HA	R1,682	R1,369	R1,054	R810	R883
Insecticide	R/HA	R258	R186	R625	R136	R165
Fungicides	R/HA	R699	R1,172	R685	R508	R575
Marketing costs	R/HA	R78	R106	R44	R-	R-
Repairs and maintenance	R/HA	R962	R950	R1,068	R793	R416
Casual labour	R/HA	R18	R24	R22	R15	R7
Aerial spray	R/HA	R-	R-	R-	R-	R-
Other expenditure	R/HA	R36	R165	R153	R123	R123
TOTAL VARIABLE EXPENDITURE	R/HA	R8,424	R8,610	R9,880	R7,206	R5,329
TOTAL VARIABLE EXPENDITURE	R/TON	R2,808	R2,870	R4,705	R2,883	R3,135
3.1) GROSS MARGIN:	R/HA	R7,287	R7,551	R7,700	R6,302	R3,588
3.2) GROSS MARGIN:	R/TON	R2,429	R2,517	R3,666	R2,521	R2,111
Break-even yield	T/HA	1.61	1.60	1.18	1.33	1.02
Break-even price	R/TON	R2,808	R2,870	R4,705	R2,883	R3,135

Source: SSK, GSA & BFAP, updated April 2025

Gross Margin Comparison BASELINE: Eastern Ruêns - High Potential

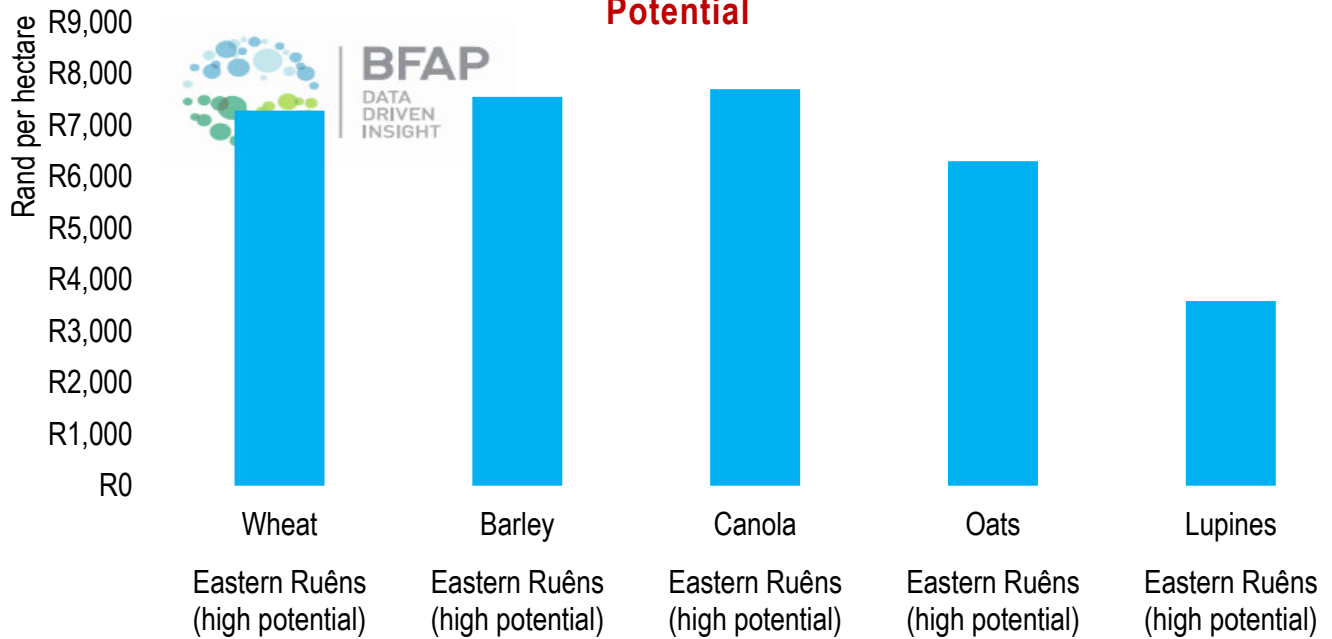


Figure 2.3: Gross margin comparison – Baseline: Southern Cape: Eastern Ruêns – High potential

WHEAT SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): EASTERN RUÊNS (HIGH POTENTIAL)

PRODUCERS YIELD (T/HA)															
PRICE		2.25	2.50	2.75	3.00	3.25	3.50	3.75							
R4,237	R	1,109	R 2,169	R 3,228	R 4,287	R 5,346	R 6,406	R 7,465							
R4,487	R	1,672	R 2,794	R 3,915	R 5,037	R 6,159	R 7,281	R 8,402							
R4,737	R	2,234	R 3,419	R 4,603	R 5,787	R 6,971	R 8,156	R 9,340							
R4,987	R	2,797	R 4,044	R 5,290	R 6,537	R 7,784	R 9,031	R 10,277							
R5,237	R	3,359	R 4,669	R 5,978	R 7,287	R 8,596	R 9,906	R 11,215							
R5,487	R	3,922	R 5,294	R 6,665	R 8,037	R 9,409	R 10,781	R 12,152							
R5,737	R	4,484	R 5,919	R 7,353	R 8,787	R 10,221	R 11,656	R 13,090							
R5,987	R	5,047	R 6,544	R 8,040	R 9,537	R 11,034	R 12,531	R 14,027							
R6,237	R	5,609	R 7,169	R 8,728	R 10,287	R 11,846	R 13,406	R 14,965							

BARLEY SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): EASTERN RUÊNS (HIGH POTENTIAL)

PRODUCERS YIELD (T/HA)															
PRICE		2.25	2.50	2.75	3.00	3.25	3.50	3.75							
R4,387	R	1,261	R 2,358	R 3,455	R 4,551	R 5,648	R 6,745	R 7,842							
R4,637	R	1,823	R 2,983	R 4,142	R 5,301	R 6,461	R 7,620	R 8,779							
R4,887	R	2,386	R 3,608	R 4,830	R 6,051	R 7,273	R 8,495	R 9,717							
R5,137	R	2,948	R 4,233	R 5,517	R 6,801	R 8,086	R 9,370	R 10,654							
R5,387	R	3,511	R 4,858	R 6,205	R 7,551	R 8,898	R 10,245	R 11,592							
R5,637	R	4,073	R 5,483	R 6,892	R 8,301	R 9,711	R 11,120	R 12,529							
R5,887	R	4,636	R 6,108	R 7,580	R 9,051	R 10,523	R 11,995	R 13,467							
R6,137	R	5,198	R 6,733	R 8,267	R 9,801	R 11,336	R 12,870	R 14,404							
R6,387	R	5,761	R 7,358	R 8,955	R 10,551	R 12,148	R 13,745	R 15,342							

CANOLA SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): EASTERN RUËNS (HIGH POTENTIAL)

PRODUCERS YIELD (T/HA)															
PRICE		1.35		1.60		1.85		2.10		2.35		2.60		2.85	
R7,371	R	71	R	1,914	R	3,757	R	5,600	R	7,442	R	9,285	R	11,128	
R7,621	R	409	R	2,314	R	4,219	R	6,125	R	8,030	R	9,935	R	11,841	
R7,871	R	746	R	2,714	R	4,682	R	6,650	R	8,617	R	10,585	R	12,553	
R8,121	R	1,084	R	3,114	R	5,144	R	7,175	R	9,205	R	11,235	R	13,266	
R8,371	R	1,421	R	3,514	R	5,607	R	7,700	R	9,792	R	11,885	R	13,978	
R8,621	R	1,759	R	3,914	R	6,069	R	8,225	R	10,380	R	12,535	R	14,691	
R8,871	R	2,096	R	4,314	R	6,532	R	8,750	R	10,967	R	13,185	R	15,403	
R9,121	R	2,434	R	4,714	R	6,994	R	9,275	R	11,555	R	13,835	R	16,116	
R9,371	R	2,771	R	5,114	R	7,457	R	9,800	R	12,142	R	14,485	R	16,828	

CANOLA MARGIN ABOVE / BELOW WHEAT (GROSS MARGIN PER HECTARE): EASTERN RUËNS (HIGH POTENTIAL)

PRICE (R/TON)														
YIELD	R	7,621	R	7,871	R	8,121	R	8,371	R	8,621	R	8,871	R	9,121
1.10	-R	8,784	-R	8,509	-R	8,234	-R	7,959	-R	7,684	-R	7,409	-R	7,134
1.35	-R	6,878	-R	6,541	-R	6,203	-R	5,866	-R	5,528	-R	5,191	-R	4,853
1.60	-R	4,973	-R	4,573	-R	4,173	-R	3,773	-R	3,373	-R	2,973	-R	2,573
1.85	-R	3,068	-R	2,605	-R	2,143	-R	1,680	-R	1,218	-R	755	-R	293
2.10	-R	1,163	-R	638	-R	113	R	412	R	937	R	1,462	R	1,987
2.35	R	743	R	1,330	R	1,918	R	2,505	R	3,093	R	3,680	R	4,268
2.60	R	2,648	R	3,298	R	3,948	R	4,598	R	5,248	R	5,898	R	6,548
2.85	R	4,553	R	5,266	R	5,978	R	6,691	R	7,403	R	8,116	R	8,828
3.10	R	6,459	R	7,234	R	8,009	R	8,784	R	9,559	R	10,334	R	11,109

Notes:

- Please refer to *Methodology, Approach & Definitions* for in-depth interpretation of enterprise budgets.
- The canola back-payment assumes 10% of contracted price
- The cost items reflect the input allocation based on the target yield for the respective crops.
- Although some expenditure items are zero, it is reflected in the budgets to allow for individual inclusion.
- The cost of fuel includes pre-harvest and harvesting costs with the assumption that own machinery is used.
- The costs for wheat, barley & oats seeds reflect a combination of own- and purchased seed.
- It is important to note that overhead costs are not included and should be accounted for. Overhead costs such as interest on production loans, labour, management and administration will vary to a large extent from producer to producer. Producers will therefore have to deduct the farm business' overhead cost from the gross margins as stipulated in the tables and figures to calculate the net income per crop.

Southern Cape: Eastern Ruêns (normal potential)

Table 2.4: Income & cost budgets for wheat, barley, canola, oats & lupines for Southern Cape (Eastern Ruêns – normal potential) - Dryland

Southern Cape: Eastern Ruêns (normal potential)						
Crop		Wheat	Barley	Canola	Oats	Lupines
Production System		Dryland	Dryland	Dryland	Dryland	Dryland
1) INCOME						
Yield: Deterministic	T/HA	2.50	2.50	1.75	2.20	1.50
SAFEX SIMULATED / DERIVED PRICE: 2025	R/TON	R6,327	R6,327	R7,637	R6,327	R5,440
Total deductions	R/TON	R1,090	R1,119	R29	R924	R194
- Transport differential	R/TON	R800	R800	R-	R800	R94
- Grade differential	R/TON	R168	R286	R-	R-	R-
- Marketing, handling & statutory levies	R/TON	R123	R33	R29	R124	R100
Price premiums / Canola back-payment	R/TON	R-	R74	R764	R-	R-
Net Farm Gate Price	R/TON	R5,237	R5,387	R8,371	R5,403	R5,246
GROSS INCOME	R/HA	R13,093	R13,468	R14,650	R11,888	R7,869
2) VARIABLE EXPENDITURES						
Contracting	R/HA	R-	R-	R-	R-	R-
Crop insurance	R/HA	R38	R39	R42	R34	R-
Fertilizer	R/HA	R2,430	R2,300	R3,295	R1,945	R1,144
Lime	R/HA	R262	R262	R262	R220	R-
Seed	R/HA	R605	R439	R1,551	R1,151	R958
Fuel	R/HA	R730	R746	R743	R725	R671
Herbicide	R/HA	R1,613	R1,016	R1,118	R897	R1,061
Insecticide	R/HA	R311	R104	R531	R122	R108
Fungicides	R/HA	R716	R1,083	R544	R474	R644
Marketing costs	R/HA	R65	R89	R37	R-	R-
Repairs and maintenance	R/HA	R887	R837	R946	R699	R367
Casual labour	R/HA	R17	R21	R21	R14	R7
Aerial spray	R/HA	R-	R-	R-	R-	R-
Other expenditure	R/HA	R36	R165	R153	R123	R123
TOTAL VARIABLE EXPENDITURE	R/HA	R7,709	R7,102	R9,243	R6,404	R5,085
TOTAL VARIABLE EXPENDITURE	R/TON	R3,083	R2,841	R5,282	R2,911	R3,390
3.1) GROSS MARGIN:	R/HA	R5,384	R6,366	R5,406	R5,483	R2,784
3.2) GROSS MARGIN:	R/TON	R2,154	R2,546	R3,089	R2,492	R1,856
Break-even yield	T/HA	1.47	1.32	1.10	1.19	0.97
Break-even price	R/TON	R3,083	R2,841	R5,282	R2,911	R3,390

Source: SSK, GSA & BFAP, updated April 2025

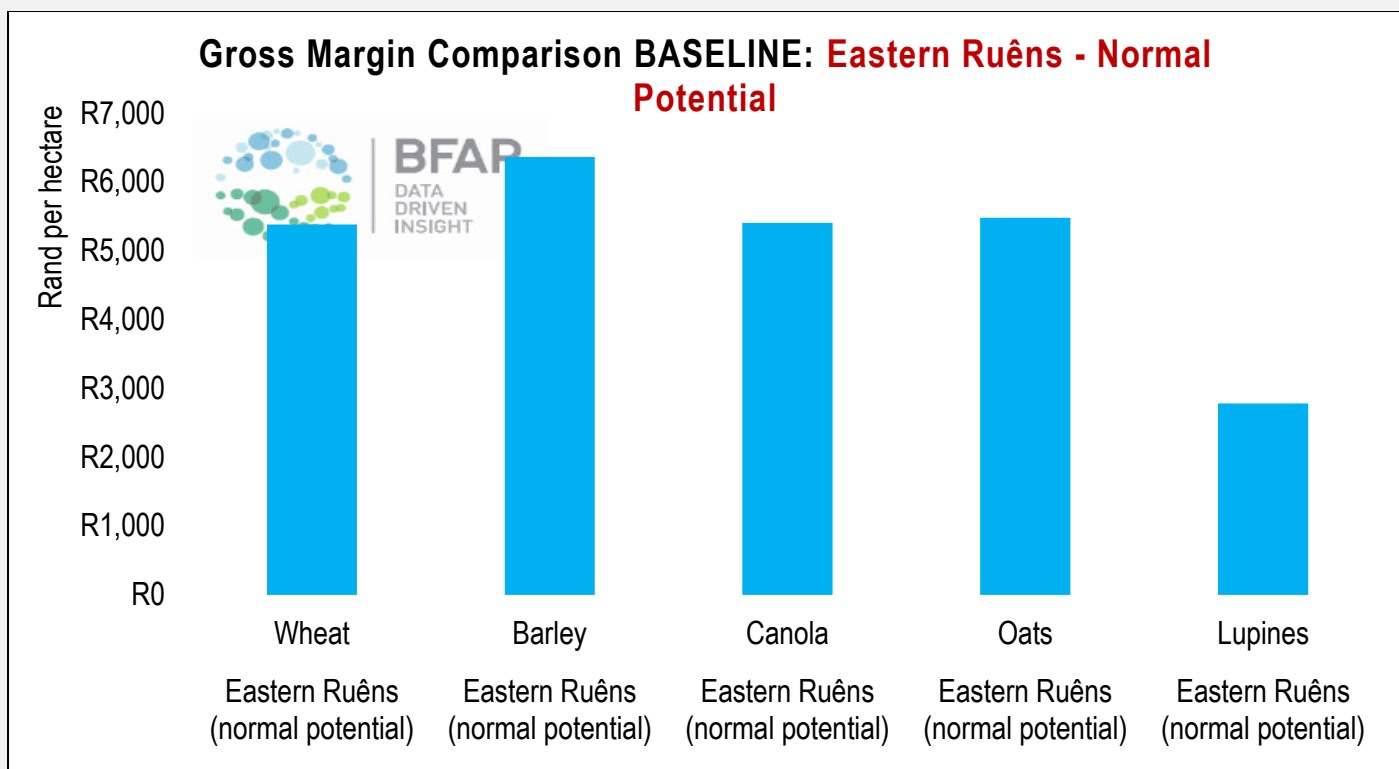


Figure 2.4: Gross margin comparison – Baseline: Southern Cape: Eastern Ruëns – Normal potential

WHEAT SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): EASTERN RUËNS (NORMAL POTENTIAL)

PRODUCERS YIELD (T/HA)										
PRICE	1.75	2.00	2.25	2.50	2.75	3.00	3.25			
R4,237	R 294	R 766	R 1,825	R 2,884	R 3,943	R 5,003	R 6,062			
R4,487	R 144	R 1,266	R 2,387	R 3,509	R 4,631	R 5,753	R 6,874			
R4,737	R 581	R 1,766	R 2,950	R 4,134	R 5,318	R 6,503	R 7,687			
R4,987	R 1,019	R 2,266	R 3,512	R 4,759	R 6,006	R 7,253	R 8,499			
R5,237	R 1,456	R 2,766	R 4,075	R 5,384	R 6,693	R 8,003	R 9,312			
R5,487	R 1,894	R 3,266	R 4,637	R 6,009	R 7,381	R 8,753	R 10,124			
R5,737	R 2,331	R 3,766	R 5,200	R 6,634	R 8,068	R 9,503	R 10,937			
R5,987	R 2,769	R 4,266	R 5,762	R 7,259	R 8,756	R 10,253	R 11,749			
R6,237	R 3,206	R 4,766	R 6,325	R 7,884	R 9,443	R 11,003	R 12,562			

BARLEY SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): EASTERN RUËNS (NORMAL POTENTIAL)

PRODUCERS YIELD (T/HA)										
PRICE	1.75	2.00	2.25	2.50	2.75	3.00	3.25			
R4,387	R 576	R 1,672	R 2,769	R 3,866	R 4,963	R 6,060	R 7,156			
R4,637	R 1,013	R 2,172	R 3,332	R 4,491	R 5,650	R 6,810	R 7,969			
R4,887	R 1,451	R 2,672	R 3,894	R 5,116	R 6,338	R 7,560	R 8,781			
R5,137	R 1,888	R 3,172	R 4,457	R 5,741	R 7,025	R 8,310	R 9,594			
R5,387	R 2,326	R 3,672	R 5,019	R 6,366	R 7,713	R 9,060	R 10,406			
R5,637	R 2,763	R 4,172	R 5,582	R 6,991	R 8,400	R 9,810	R 11,219			
R5,887	R 3,201	R 4,672	R 6,144	R 7,616	R 9,088	R 10,560	R 12,031			
R6,137	R 3,638	R 5,172	R 6,707	R 8,241	R 9,775	R 11,310	R 12,844			
R6,387	R 4,076	R 5,672	R 7,269	R 8,866	R 10,463	R 12,060	R 13,656			

CANOLA SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): EASTERN RUËNS (NORMAL POTENTIAL)													
PRODUCERS YIELD (T/HA)													
PRICE		1.00		1.25		1.50		1.75		2.00		2.25	2.50
R7,371	-R	1,872	-R	29	R	1,813	R	3,656	R	5,499	R	7,342	R 9,185
R7,621	-R	1,622	R	283	R	2,188	R	4,094	R	5,999	R	7,904	R 9,810
R7,871	-R	1,372	R	596	R	2,563	R	4,531	R	6,499	R	8,467	R 10,435
R8,121	-R	1,122	R	908	R	2,938	R	4,969	R	6,999	R	9,029	R 11,060
R8,371	-R	872	R	1,221	R	3,313	R	5,406	R	7,499	R	9,592	R 11,685
R8,621	-R	622	R	1,533	R	3,688	R	5,844	R	7,999	R	10,154	R 12,310
R8,871	-R	372	R	1,846	R	4,063	R	6,281	R	8,499	R	10,717	R 12,935
R9,121	-R	122	R	2,158	R	4,438	R	6,719	R	8,999	R	11,279	R 13,560
R9,371	R	128	R	2,471	R	4,813	R	7,156	R	9,499	R	11,842	R 14,185

CANOLA MARGIN ABOVE / BELOW WHEAT (GROSS MARGIN PER HECTARE): EASTERN RUËNS (NORMAL POTENTIAL)													
PRICE (R/TON)													
YIELD	R	7,621	R	7,871	R	8,121	R	8,371	R	8,621	R	8,871	R 9,121
0.75	-R	8,912	-R	8,724	-R	8,537	-R	8,349	-R	8,162	-R	7,974	-R 7,787
1.00	-R	7,006	-R	6,756	-R	6,506	-R	6,256	-R	6,006	-R	5,756	-R 5,506
1.25	-R	5,101	-R	4,789	-R	4,476	-R	4,164	-R	3,851	-R	3,539	-R 3,226
1.50	-R	3,196	-R	2,821	-R	2,446	-R	2,071	-R	1,696	-R	1,321	-R 946
1.75	-R	1,290	-R	853	-R	415	R	22	R	460	R	897	R 1,335
2.00	R	615	R	1,115	R	1,615	R	2,115	R	2,615	R	3,115	R 3,615
2.25	R	2,520	R	3,083	R	3,645	R	4,208	R	4,770	R	5,333	R 5,895
2.50	R	4,426	R	5,051	R	5,676	R	6,301	R	6,926	R	7,551	R 8,176
2.75	R	6,331	R	7,018	R	7,706	R	8,393	R	9,081	R	9,768	R 10,456

Notes:

- Please refer to *Methodology, Approach & Definitions* for in-depth interpretation of enterprise budgets.
- The canola back-payment assumes 10% of contracted price.
- The cost items reflect the input allocation based on the target yield for the respective crops.
- Although some expenditure items are zero, it is reflected in the budgets to allow for individual inclusion.
- The cost of fuel includes pre-harvest and harvesting costs with the assumption that own machinery is used.
- The costs for wheat, barley & oats seeds reflect a combination of own- and purchased seed.
- It is important to note that overhead costs are not included and should be accounted for. Overhead costs such as interest on production loans, labour, management and administration will vary to a large extent from producer to producer. Producers will therefore have to deduct the farm business' overhead cost from the gross margins as stipulated in the tables and figures to calculate the net income per crop.

Southern Cape: Eastern Ruêns (low potential)

Table 2.4: Income & cost budgets for wheat, barley, canola, oats & lupines for Southern Cape (Eastern Ruêns – low potential) - Dryland

Southern Cape: Eastern Ruêns (low potential)						
Crop		Wheat	Barley	Canola	Oats	Lupines
Production System		Dryland	Dryland	Dryland	Dryland	Dryland
1) INCOME						
Yield: Deterministic	T/HA	2.20	2.20	1.65	1.50	1.40
SAFEX SIMULATED / DERIVED PRICE: 2025	R/TON	R6,327	R6,327	R7,637	R6,327	R5,440
Total deductions	R/TON	R1,090	R1,119	R29	R924	R194
- Transport differential	R/TON	R800	R800	R-	R800	R94
- Grade differential	R/TON	R168	R286	R-	R-	R-
- Marketing, handling & statutory levies	R/TON	R123	R33	R29	R124	R100
Price premiums / Canola back-payment	R/TON	R-	R74	R764	R-	R-
Net Farm Gate Price	R/TON	R5,237	R5,387	R8,371	R5,403	R5,246
GROSS INCOME	R/HA	R11,522	R11,852	R13,813	R8,105	R7,344
2) VARIABLE EXPENDITURES						
Contracting	R/HA	R-	R-	R-	R-	R-
Crop insurance	R/HA	R33	R34	R40	R23	R-
Fertilizer	R/HA	R2,294	R2,187	R2,793	R1,860	R993
Lime	R/HA	R262	R262	R262	R220	R-
Seed	R/HA	R605	R566	R1,551	R1,151	R958
Fuel	R/HA	R717	R734	R737	R696	R667
Herbicide	R/HA	R1,467	R724	R872	R647	R1,024
Insecticide	R/HA	R169	R53	R389	R122	R152
Fungicides	R/HA	R562	R656	R521	R251	R521
Marketing costs	R/HA	R57	R78	R35	R-	R-
Repairs and maintenance	R/HA	R812	R724	R824	R604	R317
Casual labour	R/HA	R13	R14	R15	R9	R5
Aerial spray	R/HA	R-	R-	R-	R-	R-
Other expenditure	R/HA	R36	R165	R153	R123	R123
TOTAL VARIABLE EXPENDITURE	R/HA	R7,027	R6,197	R8,190	R5,708	R4,761
TOTAL VARIABLE EXPENDITURE	R/TON	R3,194	R2,817	R4,964	R3,805	R3,400
3.1) GROSS MARGIN:	R/HA	R4,495	R5,655	R5,622	R2,398	R2,584
3.2) GROSS MARGIN:	R/TON	R2,043	R2,571	R3,407	R1,598	R1,845
Break-even yield	T/HA	1.34	1.15	0.98	1.06	0.91
Break-even price	R/TON	R3,194	R2,817	R4,964	R3,805	R3,400

Source: SSK, GSA & BFAP, updated April 2025

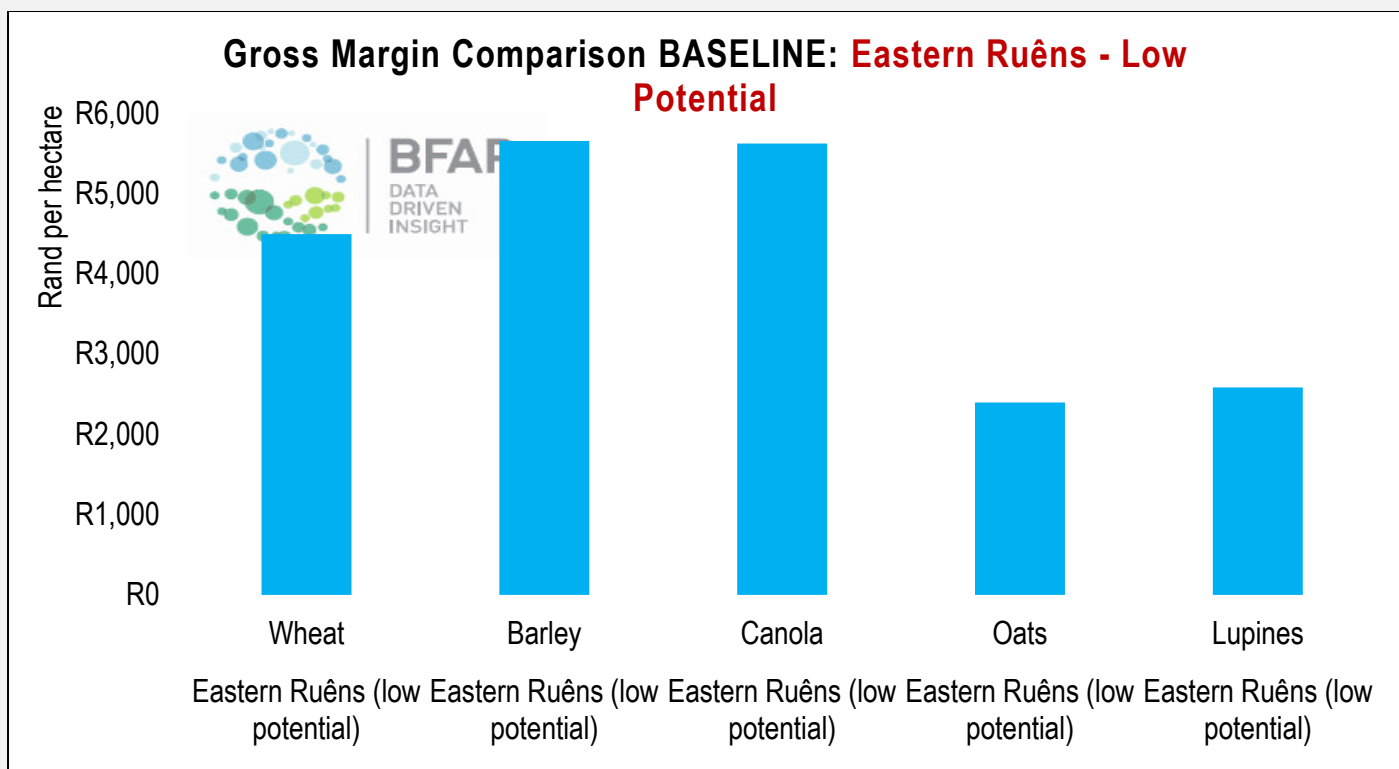


Figure 2.4: Gross margin comparison – Baseline: Southern Cape: Eastern Ruëns – Low potential

WHEAT SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): EASTERN RUËNS (LOW POTENTIAL)												
PRODUCERS YIELD (T/HA)												
PRICE	1.45		1.70		1.95		2.20		2.45		2.70	2.95
R4,237 -R	883	R	176	R	1,235	R	2,295	R	3,354	R	4,413	R 5,472
R4,487 -R	521	R	601	R	1,723	R	2,845	R	3,966	R	5,088	R 6,210
R4,737 -R	158	R	1,026	R	2,210	R	3,395	R	4,579	R	5,763	R 6,947
R4,987 R	204	R	1,451	R	2,698	R	3,945	R	5,191	R	6,438	R 7,685
R5,237 R	567	R	1,876	R	3,185	R	4,495	R	5,804	R	7,113	R 8,422
R5,487 R	929	R	2,301	R	3,673	R	5,045	R	6,416	R	7,788	R 9,160
R5,737 R	1,292	R	2,726	R	4,160	R	5,595	R	7,029	R	8,463	R 9,897
R5,987 R	1,654	R	3,151	R	4,648	R	6,145	R	7,641	R	9,138	R 10,635
R6,237 R	2,017	R	3,576	R	5,135	R	6,695	R	8,254	R	9,813	R 11,372

BARLEY SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): EASTERN RUËNS (LOW POTENTIAL)												
PRODUCERS YIELD (T/HA)												
PRICE	1.45		1.70		1.95		2.20		2.45		2.70	2.95
R4,387 R	165	R	1,262	R	2,358	R	3,455	R	4,552	R	5,649	R 6,745
R4,637 R	527	R	1,687	R	2,846	R	4,005	R	5,164	R	6,324	R 7,483
R4,887 R	890	R	2,112	R	3,333	R	4,555	R	5,777	R	6,999	R 8,220
R5,137 R	1,252	R	2,537	R	3,821	R	5,105	R	6,389	R	7,674	R 8,958
R5,387 R	1,615	R	2,962	R	4,308	R	5,655	R	7,002	R	8,349	R 9,695
R5,637 R	1,977	R	3,387	R	4,796	R	6,205	R	7,614	R	9,024	R 10,433
R5,887 R	2,340	R	3,812	R	5,283	R	6,755	R	8,227	R	9,699	R 11,170
R6,137 R	2,702	R	4,237	R	5,771	R	7,305	R	8,839	R	10,374	R 11,908
R6,387 R	3,065	R	4,662	R	6,258	R	7,855	R	9,452	R	11,049	R 12,645

CANOLA SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): EASTERN RUËNS (LOW POTENTIAL)

PRODUCERS YIELD (T/HA)													
PRICE		0.90		1.15		1.40		1.65		1.90		2.15	2.40
R7,371	-R	1,556	R	286	R	2,129	R	3,972	R	5,815	R	7,658	R 9,501
R7,621	-R	1,331	R	574	R	2,479	R	4,385	R	6,290	R	8,195	R 10,101
R7,871	-R	1,106	R	861	R	2,829	R	4,797	R	6,765	R	8,733	R 10,701
R8,121	-R	881	R	1,149	R	3,179	R	5,210	R	7,240	R	9,270	R 11,301
R8,371	-R	656	R	1,436	R	3,529	R	5,622	R	7,715	R	9,808	R 11,901
R8,621	-R	431	R	1,724	R	3,879	R	6,035	R	8,190	R	10,345	R 12,501
R8,871	-R	206	R	2,011	R	4,229	R	6,447	R	8,665	R	10,883	R 13,101
R9,121	R	19	R	2,299	R	4,579	R	6,860	R	9,140	R	11,420	R 13,701
R9,371	R	244	R	2,586	R	4,929	R	7,272	R	9,615	R	11,958	R 14,301

CANOLA MARGIN ABOVE / BELOW WHEAT (GROSS MARGIN PER HECTARE): EASTERN RUËNS (LOW POTENTIAL)

PRICE (R/TON)													
YIELD	R	7,621	R	7,871	R	8,121	R	8,371	R	8,621	R	8,871	R 9,121
0.65	-R	7,731	-R	7,569	-R	7,406	-R	7,244	-R	7,081	-R	6,919	-R 6,756
0.90	-R	5,826	-R	5,601	-R	5,376	-R	5,151	-R	4,926	-R	4,701	-R 4,476
1.15	-R	3,921	-R	3,633	-R	3,346	-R	3,058	-R	2,771	-R	2,483	-R 2,196
1.40	-R	2,015	-R	1,665	-R	1,315	-R	965	-R	615	-R	265	R 85
1.65	-R	110	R	302	R	715	R	1,127	R	1,540	R	1,952	R 2,365
1.90	R	1,795	R	2,270	R	2,745	R	3,220	R	3,695	R	4,170	R 4,645
2.15	R	3,701	R	4,238	R	4,776	R	5,313	R	5,851	R	6,388	R 6,926
2.40	R	5,606	R	6,206	R	6,806	R	7,406	R	8,006	R	8,606	R 9,206
2.65	R	7,511	R	8,174	R	8,836	R	9,499	R	10,161	R	10,824	R 11,486

Notes:

- Please refer to *Methodology, Approach & Definitions* for in-depth interpretation of enterprise budgets.
- The canola back-payment assumes 10% of contracted price.
- The cost items reflect the input allocation based on the target yield for the respective crops.
- Although some expenditure items are zero, it is reflected in the budgets to allow for individual inclusion.
- The cost of fuel includes pre-harvest and harvesting costs with the assumption that own machinery is used.
- The costs for wheat, barley & oats seeds reflect a combination of own- and purchased seed.
- It is important to note that overhead costs are not included and should be accounted for. Overhead costs such as interest on production loans, labour, management and administration will vary to a large extent from producer to producer. Producers will therefore have to deduct the farm business' overhead cost from the gross margins as stipulated in the tables and figures to calculate the net income per crop.

Western Cape: Southern Swartland

Table 2.5: Income & cost budgets for wheat & canola for Southern Swartland - Dryland

Southern Swartland			
Crop		Wheat	Canola
Production System		Dryland	Dryland
1) INCOME			
Yield: Deterministic	T/HA	3.30	1.90
SAFEX SIMULATED / DERIVED PRICE: 2025	R/TON	R6,327	R7,637
Total deductions	R/TON	R1,078	R29
- Transport differential	R/TON	R800	R-
- Grade differential	R/TON	R168	R-
- Marketing, handling & statutory levies	R/TON	R110	R29
Price premiums / Canola back-payment	R/TON	R-	R764
Net Farm Gate Price	R/TON	R5,249	R8,371
GROSS INCOME	R/HA	R17,322	R15,905
2) VARIABLE EXPENDITURES			
Contracting	R/HA	R-	R-
Crop insurance	R/HA	R50	R46
Fertilizer	R/HA	R3,507	R3,702
Lime	R/HA	R262	R262
Seed	R/HA	R832	R1,685
Fuel	R/HA	R727	R557
Herbicide	R/HA	R1,639	R962
Insecticide	R/HA	R240	R602
Fungicides	R/HA	R647	R577
Marketing costs	R/HA	R75	R23
Repairs and maintenance	R/HA	R832	R732
Casual labour	R/HA	R18	R22
Aerial spray	R/HA	R-	R-
Other expenditure	R/HA	R44	R44
TOTAL VARIABLE EXPENDITURE	R/HA	R8,873	R9,214
TOTAL VARIABLE EXPENDITURE	R/TON	R2,689	R4,849
3.1) GROSS MARGIN:	R/HA	R8,450	R6,692
3.2) GROSS MARGIN:	R/TON	R2,561	R3,522
Break-even yield	T/HA	1.69	1.10
Break-even price	R/HA	R2,689	R4,849

Source: Kaap Agri, GSA & BFAP, updated April 2025

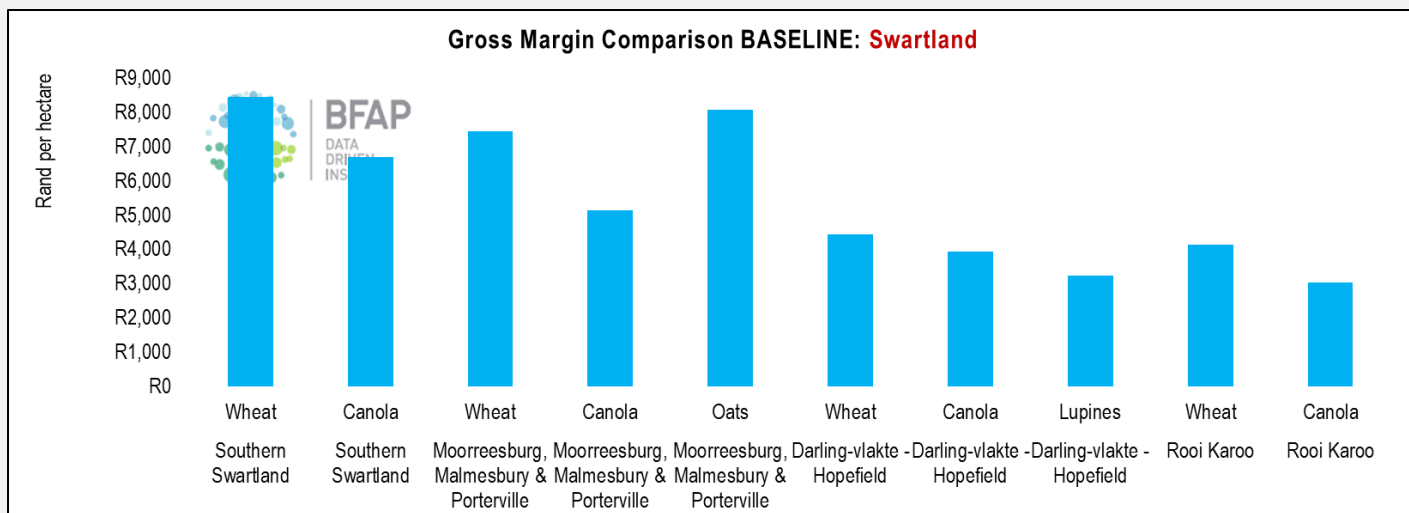


Figure 2.5: Gross margin comparison – Baseline: Western Cape: Swartland

WHEAT SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): SOUTHERN SWARTLAND

PRODUCERS YIELD (T/HA)															
PRICE		2.50		2.75		3.00		3.30		3.50		3.75		4.00	
R4,249	R	1,751	R	2,813	R	3,875	R	5,150	R	6,000	R	7,062	R	8,124	
R4,499	R	2,376	R	3,500	R	4,625	R	5,975	R	6,875	R	8,000	R	9,124	
R4,749	R	3,001	R	4,188	R	5,375	R	6,800	R	7,750	R	8,937	R	10,124	
R4,999	R	3,626	R	4,875	R	6,125	R	7,625	R	8,625	R	9,875	R	11,124	
R5,249	R	4,251	R	5,563	R	6,875	R	8,450	R	9,500	R	10,812	R	12,124	
R5,499	R	4,876	R	6,250	R	7,625	R	9,275	R	10,375	R	11,750	R	13,124	
R5,749	R	5,501	R	6,938	R	8,375	R	10,100	R	11,250	R	12,687	R	14,124	
R5,999	R	6,126	R	7,625	R	9,125	R	10,925	R	12,125	R	13,625	R	15,124	
R6,249	R	6,751	R	8,313	R	9,875	R	11,750	R	13,000	R	14,562	R	16,124	

CANOLA SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): SOUTHERN SWARTLAND

PRODUCERS YIELD (T/HA)															
PRICE		1.15		1.40		1.65		1.90		2.15		2.40		2.65	
R7,371	-R	737	R	1,106	R	2,949	R	4,792	R	6,634	R	8,477	R	10,320	
R7,621	-R	449	R	1,456	R	3,361	R	5,267	R	7,172	R	9,077	R	10,983	
R7,871	-R	162	R	1,806	R	3,774	R	5,742	R	7,709	R	9,677	R	11,645	
R8,121	R	126	R	2,156	R	4,186	R	6,217	R	8,247	R	10,277	R	12,308	
R8,371	R	413	R	2,506	R	4,599	R	6,692	R	8,784	R	10,877	R	12,970	
R8,621	R	701	R	2,856	R	5,011	R	7,167	R	9,322	R	11,477	R	13,633	
R8,871	R	988	R	3,206	R	5,424	R	7,642	R	9,859	R	12,077	R	14,295	
R9,121	R	1,276	R	3,556	R	5,836	R	8,117	R	10,397	R	12,677	R	14,958	
R9,371	R	1,563	R	3,906	R	6,249	R	8,592	R	10,934	R	13,277	R	15,620	

CANOLA MARGIN ABOVE / BELOW WHEAT (GROSS MARGIN PER HECTARE): SOUTHERN SWARTLAND

PRICE (R/TON)														
YIELD	R	7,621	R	7,871	R	8,121	R	8,371	R	8,621	R	8,871	R	9,121
0.75	-R	11,948	-R	11,760	-R	11,573	-R	11,385	-R	11,198	-R	11,010	-R	10,823
1.15	-R	8,899	-R	8,612	-R	8,324	-R	8,037	-R	7,749	-R	7,462	-R	7,174
1.40	-R	6,994	-R	6,644	-R	6,294	-R	5,944	-R	5,594	-R	5,244	-R	4,894
1.65	-R	5,089	-R	4,676	-R	4,264	-R	3,851	-R	3,439	-R	3,026	-R	2,614
1.90	-R	3,183	-R	2,708	-R	2,233	-R	1,758	-R	1,283	-R	808	-R	333
2.15	-R	1,278	-R	740	-R	203	R	335	R	872	R	1,410	R	1,947
2.40	R	627	R	1,227	R	1,827	R	2,427	R	3,027	R	3,627	R	4,227
2.65	R	2,533	R	3,195	R	3,858	R	4,520	R	5,183	R	5,845	R	6,508
2.50	R	1,389	R	2,014	R	2,639	R	3,264	R	3,889	R	4,514	R	5,139

Notes:

- Please refer to **Methodology, Approach & Definitions** for in-depth interpretation of enterprise budgets.
- The canola back-payment assumes 10% of contracted price.
- The cost items reflect the input allocation based on the target yield for the respective crops.
- Although some expenditure items are zero, it is reflected in the budgets to allow for producers to allocate them individually.
- The cost of fuel includes pre-harvest and harvesting costs with the assumption that own machinery is used.
- Marketing cost assumes that approximately 15% of the wheat, barley and canola crop requires drying
- The cost of fertiliser reflects a combination of nitrogen, phosphorous, potassium and other macro- and micro nutrients.
- The costs for wheat, barley & oats seeds reflect a combination of own- and purchased seed.
- It is important to note that overhead costs are not included and should be accounted for. Overhead costs such as interest on production loans, labour, management and administration will vary to a large extent from producer to producer. Producers will therefore have to deduct the farm business' overhead cost from the gross margins as stipulated in the tables and figures to calculate the net income per crop.

Western Cape: Moorreesburg, Malmesbury & Porterville

Table 2.6: Income & cost budgets for wheat, canola & oats for Moorreesburg, Malmesbury & Porterville - Dryland

Moorreesburg, Malmesbury & Porterville				
Crop		Wheat	Canola	Oats
Production System		Dryland	Dryland	Dryland
1) INCOME				
Yield: Deterministic	T/HA	3.00	1.65	2.70
SAFEX SIMULATED / DERIVED PRICE: 2025	R/TON	R6,327	R7,637	R6,327
Total deductions	R/TON	R1,078	R29	R833
- Transport differential	R/TON	R800	R-	R800
- Grade differential	R/TON	R168	R-	R-
- Marketing, handling & statutory levies	R/TON	R110	R29	R33
Price premiums / Canola back-payment	R/TON	R-	R764	R-
Net Farm Gate Price	R/TON	R5,249	R8,371	R5,494
GROSS INCOME	R/HA	R15,748	R13,813	R14,835
2) VARIABLE EXPENDITURES				
Contracting	R/HA	R-	R-	R-
Crop insurance	R/HA	R45	R40	R43
Fertilizer	R/HA	R3,005	R3,291	R2,592
Lime	R/HA	R262	R220	R269
Seed	R/HA	R790	R1,685	R904
Fuel	R/HA	R715	R618	R673
Herbicide	R/HA	R1,584	R1,014	R777
Insecticide	R/HA	R282	R526	R133
Fungicides	R/HA	R660	R464	R450
Marketing costs	R/HA	R68	R20	R-
Repairs and maintenance	R/HA	R832	R732	R852
Casual labour	R/HA	R17	R22	R15
Aerial spray	R/HA	R-	R-	R-
Other expenditure	R/HA	R44	R44	R44
TOTAL VARIABLE EXPENDITURE	R/HA	R8,305	R8,675	R6,751
TOTAL VARIABLE EXPENDITURE	R/TON	R2,768	R5,257	R2,500
3.1) GROSS MARGIN:	R/HA	R7,442	R5,138	R8,084
3.2) GROSS MARGIN:	R/TON	R2,481	R3,114	R2,994
Break-even yield	T/HA	1.58	1.04	1.23
Break-even price	R/TON	R2,768	R5,257	R2,500

Source: Kaap Agri, Overberg Agri, GSA & BFAP, updated April 2025

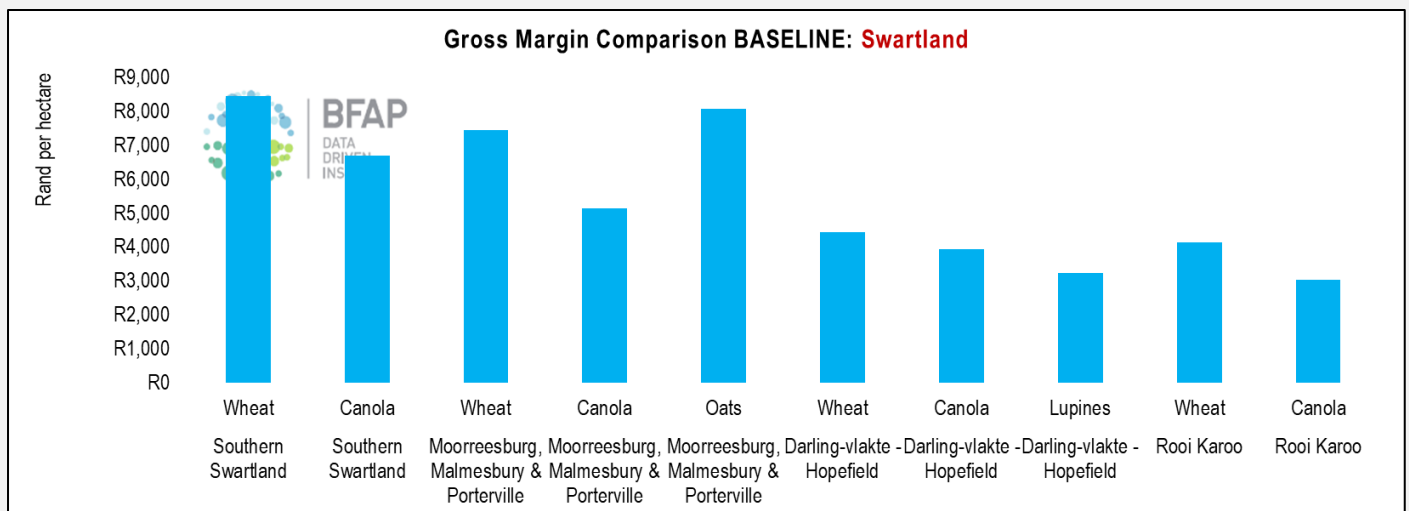


Figure 2.6: Gross margin comparison – Baseline: Swartland

WHEAT SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): MOORREESBURG, MALMESBURY & PORTERVILLE

PRODUCERS YIELD (T/HA)															
PRICE		2.25		2.50		2.75		3.00		3.25		3.50		3.75	
R4,249	R	1,255	R	2,318	R	3,380	R	4,442	R	5,505	R	6,567	R	7,629	
R4,499	R	1,818	R	2,943	R	4,068	R	5,192	R	6,317	R	7,442	R	8,567	
R4,749	R	2,380	R	3,568	R	4,755	R	5,942	R	7,130	R	8,317	R	9,504	
R4,999	R	2,943	R	4,193	R	5,443	R	6,692	R	7,942	R	9,192	R	10,442	
R5,249	R	3,505	R	4,818	R	6,130	R	7,442	R	8,755	R	10,067	R	11,379	
R5,499	R	4,068	R	5,443	R	6,818	R	8,192	R	9,567	R	10,942	R	12,317	
R5,749	R	4,630	R	6,068	R	7,505	R	8,942	R	10,380	R	11,817	R	13,254	
R5,999	R	5,193	R	6,693	R	8,193	R	9,692	R	11,192	R	12,692	R	14,192	
R6,249	R	5,755	R	7,318	R	8,880	R	10,442	R	12,005	R	13,567	R	15,129	

CANOLA SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): MOORREESBURG, MALMESBURY & PORTERVILLE

PRODUCERS YIELD (T/HA)															
PRICE		1.00		1.25		1.50		1.65		1.75		2.00		2.25	
R7,371	-R	1,303	R	539	R	2,382	R	3,488	R	4,225	R	6,068	R	7,911	
R7,621	-R	1,053	R	852	R	2,757	R	3,900	R	4,663	R	6,568	R	8,473	
R7,871	-R	803	R	1,164	R	3,132	R	4,313	R	5,100	R	7,068	R	9,036	
R8,121	-R	553	R	1,477	R	3,507	R	4,725	R	5,538	R	7,568	R	9,598	
R8,371	-R	303	R	1,789	R	3,882	R	5,138	R	5,975	R	8,068	R	10,161	
R8,621	-R	53	R	2,102	R	4,257	R	5,550	R	6,413	R	8,568	R	10,723	
R8,871	R	197	R	2,414	R	4,632	R	5,963	R	6,850	R	9,068	R	11,286	
R9,121	R	447	R	2,727	R	5,007	R	6,375	R	7,288	R	9,568	R	11,848	
R9,371	R	697	R	3,039	R	5,382	R	6,788	R	7,725	R	10,068	R	12,411	

CANOLA MARGIN ABOVE / BELOW WHEAT (GROSS MARGIN PER HECTARE): MOORREESBURG, MALMESBURY & PORTERVILLE

PRICE (R/TON)															
YIELD		7,621		7,871		8,121		8,371		8,621		8,871		9,121	
0.50	-R	12,306	-R	12,181	-R	12,056	-R	11,931	-R	11,806	-R	11,681	-R	11,556	
1.00	-R	8,496	-R	8,246	-R	7,996	-R	7,746	-R	7,496	-R	7,246	-R	6,996	
1.25	-R	6,591	-R	6,278	-R	5,966	-R	5,653	-R	5,341	-R	5,028	-R	4,716	
1.50	-R	4,685	-R	4,310	-R	3,935	-R	3,560	-R	3,185	-R	2,810	-R	2,435	
1.65	-R	3,542	-R	3,130	-R	2,717	-R	2,305	-R	1,892	-R	1,480	-R	1,067	
1.75	-R	2,780	-R	2,342	-R	1,905	-R	1,467	-R	1,030	-R	592	-R	155	
2.00	-R	875	-R	375	R	125	R	625	R	1,125	R	1,625	R	2,125	
2.25	R	1,031	R	1,593	R	2,156	R	2,718	R	3,281	R	3,843	R	4,406	
2.50	R	2,936	R	3,561	R	4,186	R	4,811	R	5,436	R	6,061	R	6,686	

Notes:

- Please refer to **Methodology, Approach & Definitions** for in-depth interpretation of enterprise budgets.
- The canola back-payment assumes 10% of contracted price.
- The cost items reflect the input allocation based on the target yield for the respective crops.
- Although some expenditure items are zero, it is reflected in the budgets to allow for individual inclusion.
- The cost of fuel includes pre-harvest and harvesting costs with the assumption that own machinery is used.
- The costs for wheat, barley & oats seeds reflect a combination of own- and purchased seed.
- It is important to note that overhead costs are not included and should be accounted for. Overhead costs such as interest on production loans, labour, management and administration will vary to a large extent from producer to producer. Producers will therefore have to deduct the farm business' overhead cost from the gross margins as stipulated in the tables and figures to calculate the net income per crop.

Western Cape: Darling-vlakte – Hopefield

Table 2.7: Income & cost budgets for wheat, canola & lupines for Darling-vlakte – Hopefield - Dryland

Darling-vlakte – Hopefield (Sandveld region)				
Crop		Wheat	Canola	Lupines
Production System		Dryland	Dryland	Dryland
1) INCOME				
Yield: Deterministic	T/HA	2.35	1.40	1.50
SAFEX SIMULATED / DERIVED PRICE: 2025	R/TON	R6,327	R7,637	R5,440
Total deductions	R/TON	R1,078	R29	R129
- Transport differential	R/TON	R800	R-	R94
- Grade differential	R/TON	R168	R-	R-
- Marketing, handling & statutory levies	R/TON	R110	R29	R35
Price premiums / Canola back-payment	R/TON	R-	R764	R-
Net Farm Gate Price	R/TON	R5,249	R8,371	R5,311
GROSS INCOME	R/HA	R12,336	R11,720	R7,966
2) VARIABLE EXPENDITURES				
Contracting	R/HA	R-	R-	R-
Crop insurance	R/HA	R35	R34	R-
Fertilizer	R/HA	R3,048	R2,880	R980
Lime	R/HA	R184	R184	R262
Seed	R/HA	R790	R1,685	R706
Fuel	R/HA	R729	R518	R525
Herbicide	R/HA	R1,467	R816	R922
Insecticide	R/HA	R169	R413	R148
Fungicides	R/HA	R537	R445	R556
Marketing costs	R/HA	R53	R17	R-
Repairs and maintenance	R/HA	R832	R732	R577
Casual labour	R/HA	R17	R21	R7
Aerial spray	R/HA	R-	R-	R-
Other expenditure	R/HA	R44	R44	R44
TOTAL VARIABLE EXPENDITURE	R/HA	R7,906	R7,788	R4,727
TOTAL VARIABLE EXPENDITURE	R/TON	R3,364	R5,563	R3,151
3.1) GROSS MARGIN:				
	R/HA	R4,430	R3,932	R3,239
3.2) GROSS MARGIN:				
	R/TON	R1,885	R2,808	R2,159
Break-even yield	T/HA	1.51	0.93	0.89
Break-even price	R/TON	R3,364	R5,563	R3,151

Source: Kaap Agri, Overberg Agri, GSA & BFAP, updated April 2025

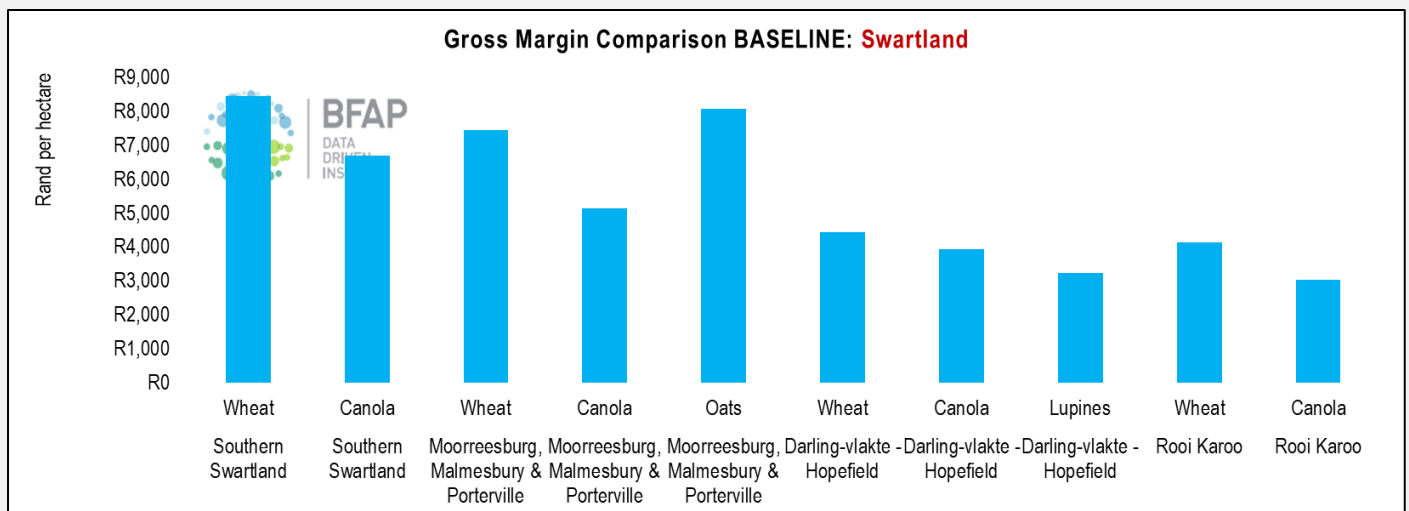


Figure 2.7: Gross margin comparison – Baseline: Swartland

WHEAT SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): Darling-vlakte - Hopefield

PRODUCERS YIELD (T/HA)												
PRICE	1.50		1.75		2.00		2.35		2.50		2.75	
R4,249	-R	1,532	-R	469	R	593	R	2,080	R	2,717	R	3,780
R4,499	-R	1,157	-R	32	R	1,093	R	2,668	R	3,342	R	4,467
R4,749	-R	782	R	406	R	1,593	R	3,255	R	3,967	R	5,155
R4,999	-R	407	R	843	R	2,093	R	3,843	R	4,592	R	5,842
R5,249	-R	32	R	1,281	R	2,593	R	4,430	R	5,217	R	6,530
R5,499	R	343	R	1,718	R	3,093	R	5,018	R	5,842	R	7,217
R5,749	R	718	R	2,156	R	3,593	R	5,605	R	6,467	R	7,905
R5,999	R	1,093	R	2,593	R	4,093	R	6,193	R	7,092	R	8,592
R6,249	R	1,468	R	3,031	R	4,593	R	6,780	R	7,717	R	9,280

CANOLA SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): Darling-vlakte - Hopefield

PRODUCERS YIELD (T/HA)												
PRICE	0.70		0.95		1.20		1.40		1.70		1.95	
R7,371	-R	2,628	-R	785	R	1,057	R	2,532	R	4,743	R	6,586
R7,621	-R	2,453	-R	548	R	1,357	R	2,882	R	5,168	R	7,073
R7,871	-R	2,278	-R	310	R	1,657	R	3,232	R	5,593	R	7,561
R8,121	-R	2,103	-R	73	R	1,957	R	3,582	R	6,018	R	8,048
R8,371	-R	1,928	R	165	R	2,257	R	3,932	R	6,443	R	8,536
R8,621	-R	1,753	R	402	R	2,557	R	4,282	R	6,868	R	9,023
R8,871	-R	1,578	R	640	R	2,857	R	4,632	R	7,293	R	9,511
R9,121	-R	1,403	R	877	R	3,157	R	4,982	R	7,718	R	9,998
R9,371	-R	1,228	R	1,115	R	3,457	R	5,332	R	8,143	R	10,486

CANOLA MARGIN ABOVE / BELOW WHEAT (GROSS MARGIN PER HECTARE): Darling-vlakte - Hopefield

PRICE (R/TON)												
YIELD	R	7,621	R	7,871	R	8,121	R	8,371	R	8,621	R	8,871
0.25	-R	10,313	-R	10,250	-R	10,188	-R	10,125	-R	10,063	-R	10,000
0.70	-R	6,883	-R	6,708	-R	6,533	-R	6,358	-R	6,183	-R	6,008
0.95	-R	4,978	-R	4,740	-R	4,503	-R	4,265	-R	4,028	-R	3,790
1.20	-R	3,073	-R	2,773	-R	2,473	-R	2,173	-R	1,873	-R	1,573
1.40	-R	1,548	-R	1,198	-R	848	-R	498	-R	148	R	202
1.70	R	738	R	1,163	R	1,588	R	2,013	R	2,438	R	2,863
1.95	R	2,643	R	3,131	R	3,618	R	4,106	R	4,593	R	5,081
2.20	R	4,549	R	5,099	R	5,649	R	6,199	R	6,749	R	7,299
2.25	R	4,930	R	5,492	R	6,055	R	6,617	R	7,180	R	7,742

Notes:

- Please refer to **Methodology, Approach & Definitions** for in-depth interpretation of enterprise budgets.
- The canola back-payment assumes 10% of contracted price.
- The cost items reflect the input allocation based on the target yield for the respective crops.
- Although some expenditure items are zero, it is reflected in the budgets to allow for individual inclusion.
- The cost of fuel includes pre-harvest and harvesting costs with the assumption that own machinery is used.
- The costs for wheat, barley & oats seeds reflect a combination of own- and purchased seed.
- It is important to note that overhead costs are not included and should be accounted for. Overhead costs such as interest on production loans, labour, management and administration will vary to a large extent from producer to producer. Producers will therefore have to deduct the farm business' overhead cost from the gross margins as stipulated in the tables and figures to calculate the net income per crop.

Western Cape: Rooi Karoo

Table 2.8: Income & cost budgets for wheat & canola for Rooi Karoo - Dryland

Rooi Karoo			
Crop		Wheat	Canola
Production System		Dryland	Dryland
1) INCOME			
Yield: Deterministic	T/HA	2.15	1.25
SAFEX SIMULATED / DERIVED PRICE: 2025	R/TON	R6,327	R7,637
Total deductions	R/TON	R1,078	R80
- Transport differential	R/TON	R800	R50
- Grade differential	R/TON	R168	R-
- Marketing, handling & statutory levies	R/TON	R110	R29
Price premiums / Canola back-payment	R/TON	R-	R764
Net Farm Gate Price	R/TON	R5,249	R8,321
GROSS INCOME	R/HA	R11,286	R10,401
2) VARIABLE EXPENDITURES			
Contracting	R/HA	R-	R-
Crop insurance	R/HA	R32	R30
Fertilizer	R/HA	R2,364	R2,310
Lime	R/HA	R197	R197
Seed	R/HA	R749	R1,685
Fuel	R/HA	R691	R558
Herbicide	R/HA	R1,467	R816
Insecticide	R/HA	R169	R413
Fungicides	R/HA	R537	R445
Marketing costs	R/HA	R49	R15
Repairs and maintenance	R/HA	R832	R832
Casual labour	R/HA	R17	R21
Aerial spray	R/HA	R-	R-
Other expenditure	R/HA	R44	R44
TOTAL VARIABLE EXPENDITURE	R/HA	R7,148	R7,367
TOTAL VARIABLE EXPENDITURE	R/TON	R3,324	R5,893
3.1) GROSS MARGIN:	R/HA	R4,138	R3,034
3.2) GROSS MARGIN:	R/TON	R1,925	R2,427
Break-even yield	T/HA	1.36	0.89
Break-even price	R/TON	R3,324	R5,893

Source: Kaap Agri, Overberg Agri, GSA & BFAP, updated April 2025

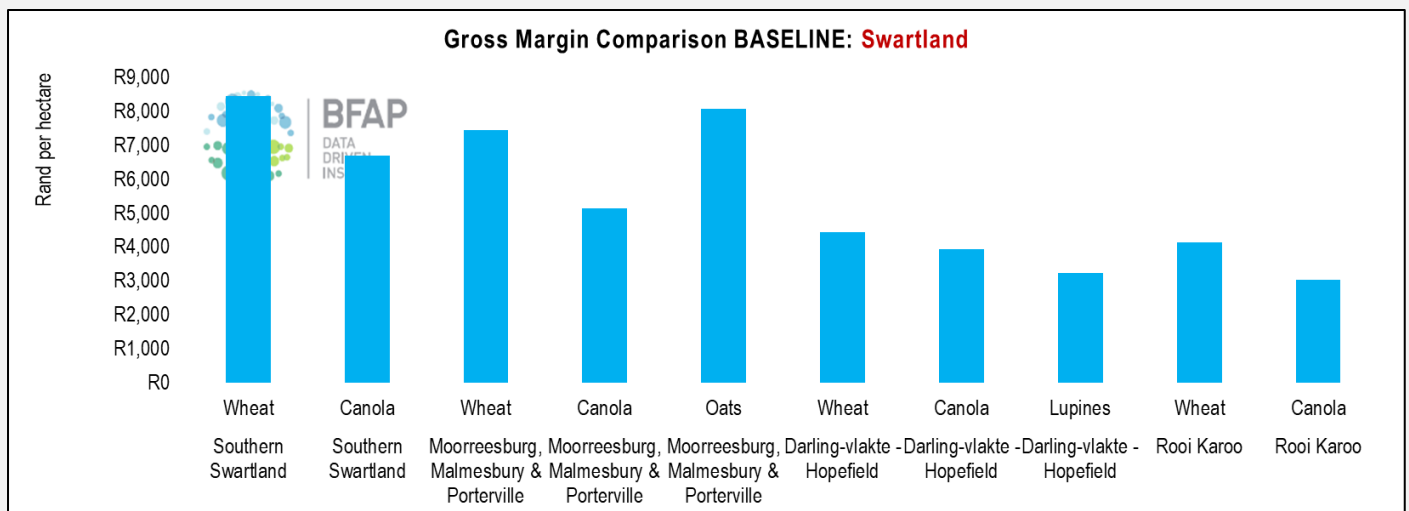


Figure 2.8: Gross margin comparison – Baseline: Swartland

WHEAT SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): ROOI KAROO

PRODUCERS YIELD (T/HA)															
PRICE		1.50		1.75		2.00		2.15		2.25		2.50		2.75	
R4,249	-R	774	R	289	R	1,351	R	1,988	R	2,413	R	3,475	R	4,538	
R4,499	-R	399	R	726	R	1,851	R	2,526	R	2,976	R	4,100	R	5,225	
R4,749	-R	24	R	1,164	R	2,351	R	3,063	R	3,538	R	4,725	R	5,913	
R4,999	R	351	R	1,601	R	2,851	R	3,601	R	4,101	R	5,350	R	6,600	
R5,249	R	726	R	2,039	R	3,351	R	4,138	R	4,663	R	5,975	R	7,288	
R5,499	R	1,101	R	2,476	R	3,851	R	4,676	R	5,226	R	6,600	R	7,975	
R5,749	R	1,476	R	2,914	R	4,351	R	5,213	R	5,788	R	7,225	R	8,663	
R5,999	R	1,851	R	3,351	R	4,851	R	5,751	R	6,351	R	7,850	R	9,350	
R6,249	R	2,226	R	3,789	R	5,351	R	6,288	R	6,913	R	8,475	R	10,038	

CANOLA SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): ROOI KAROO

PRODUCERS YIELD (T/HA)															
PRICE		0.65		0.90		1.15		1.25		1.40		1.65		1.90	
R7,321	-R	2,608	-R	778	R	1,052	R	1,784	R	2,882	R	4,713	R	6,543	
R7,571	-R	2,446	-R	553	R	1,340	R	2,097	R	3,232	R	5,125	R	7,018	
R7,821	-R	2,283	-R	328	R	1,627	R	2,409	R	3,582	R	5,538	R	7,493	
R8,071	-R	2,121	-R	103	R	1,915	R	2,722	R	3,932	R	5,950	R	7,968	
R8,321	-R	1,958	R	122	R	2,202	R	3,034	R	4,282	R	6,363	R	8,443	
R8,571	-R	1,796	R	347	R	2,490	R	3,347	R	4,632	R	6,775	R	8,918	
R8,821	-R	1,633	R	572	R	2,777	R	3,659	R	4,982	R	7,188	R	9,393	
R9,071	-R	1,471	R	797	R	3,065	R	3,972	R	5,332	R	7,600	R	9,868	
R9,321	-R	1,308	R	1,022	R	3,352	R	4,284	R	5,682	R	8,013	R	10,343	

CANOLA MARGIN ABOVE / BELOW WHEAT (GROSS MARGIN PER HECTARE): ROOI KAROO

PRICE (R/TON)															
YIELD	R	7,571	R	7,821	R	8,071	R	8,321	R	8,571	R	8,821	R	9,071	
0.25	-R	9,612	-R	9,550	-R	9,487	-R	9,425	-R	9,362	-R	9,300	-R	9,237	
0.65	-R	6,584	-R	6,422	-R	6,259	-R	6,097	-R	5,934	-R	5,772	-R	5,609	
0.90	-R	4,691	-R	4,466	-R	4,241	-R	4,016	-R	3,791	-R	3,566	-R	3,341	
1.15	-R	2,799	-R	2,511	-R	2,224	-R	1,936	-R	1,649	-R	1,361	-R	1,074	
1.25	-R	2,041	-R	1,729	-R	1,416	-R	1,104	-R	791	-R	479	-R	166	
1.40	-R	906	-R	556	-R	206	R	144	R	494	R	844	R	1,194	
1.65	R	987	R	1,399	R	1,812	R	2,224	R	2,637	R	3,049	R	3,462	
1.90	R	2,880	R	3,355	R	3,830	R	4,305	R	4,780	R	5,255	R	5,730	
2.00	R	3,637	R	4,137	R	4,637	R	5,137	R	5,637	R	6,137	R	6,637	

Notes:

- Please refer to **Methodology, Approach & Definitions** for in-depth interpretation of enterprise budgets.
- The canola back-payment assumes 10% of contracted price.
- The cost items reflect the input allocation based on the target yield for the respective crops.
- Although some expenditure items are zero, it is reflected in the budgets to allow for individual inclusion.
- The cost of fuel includes pre-harvest and harvesting costs with the assumption that own machinery is used.
- The costs for wheat, barley & oats seeds reflect a combination of own- and purchased seed.
- It is important to note that overhead costs are not included and should be accounted for. Overhead costs such as interest on production loans, labour, management and administration will vary to a large extent from producer to producer. Producers will therefore have to deduct the farm business' overhead cost from the gross margins as stipulated in the tables and figures to calculate the net income per crop.

Free State

Table 2.9: Income & cost budgets for wheat for Eastern & Central Free State - Dryland

		Eastern Free State	Central Free State
Crop		Wheat	Wheat
Production System		Dryland	Dryland
1) INCOME			
Yield: Deterministic	T/HA	2.50	2.50
SAFEX SIMULATED / DERIVED PRICE: 2025	R/TON	R6,327	R6,327
Total deductions	R/TON	R806	R789
- Transport differential	R/TON	R373	R356
- Grade differential	R/TON	R336	R336
- Marketing, handling & statutory levies	R/TON	R96	R96
Price premiums / Canola back-payment	R/TON	R-	R-
Net Farm Gate Price	R/TON	R5,522	R5,539
GROSS INCOME	R/HA	R13,805	R13,847
2) VARIABLE EXPENDITURES			
Contracting	R/HA	R990	R990
Crop insurance	R/HA	R428	R1,108
Fertilizer	R/HA	R2,688	R2,265
Lime	R/HA	R563	R697
Seed	R/HA	R701	R701
Fuel	R/HA	R912	R1,292
Herbicide	R/HA	R641	R682
Insecticide	R/HA	R117	R241
Fungicides	R/HA	R-	R-
Marketing costs	R/HA	R52	R52
Repairs and maintenance	R/HA	R1,011	R1,011
Casual labour	R/HA	R-	R-
Aerial spray	R/HA	R-	R-
Other expenditure	R/HA	R32	R-
TOTAL VARIABLE EXPENDITURE	R/HA	R8,135	R9,038
TOTAL VARIABLE EXPENDITURE	R/TON	R3,254	R3,615
3.1) GROSS MARGIN:	R/HA	R5,670	R4,809
3.2) GROSS MARGIN:	R/TON	R2,268	R1,924
Break-even yield	T/HA	1.47	1.63
Break-even price	R/TON	R3,254	R3,615

Source: VKB, GSA & BFAP, updated April 2025

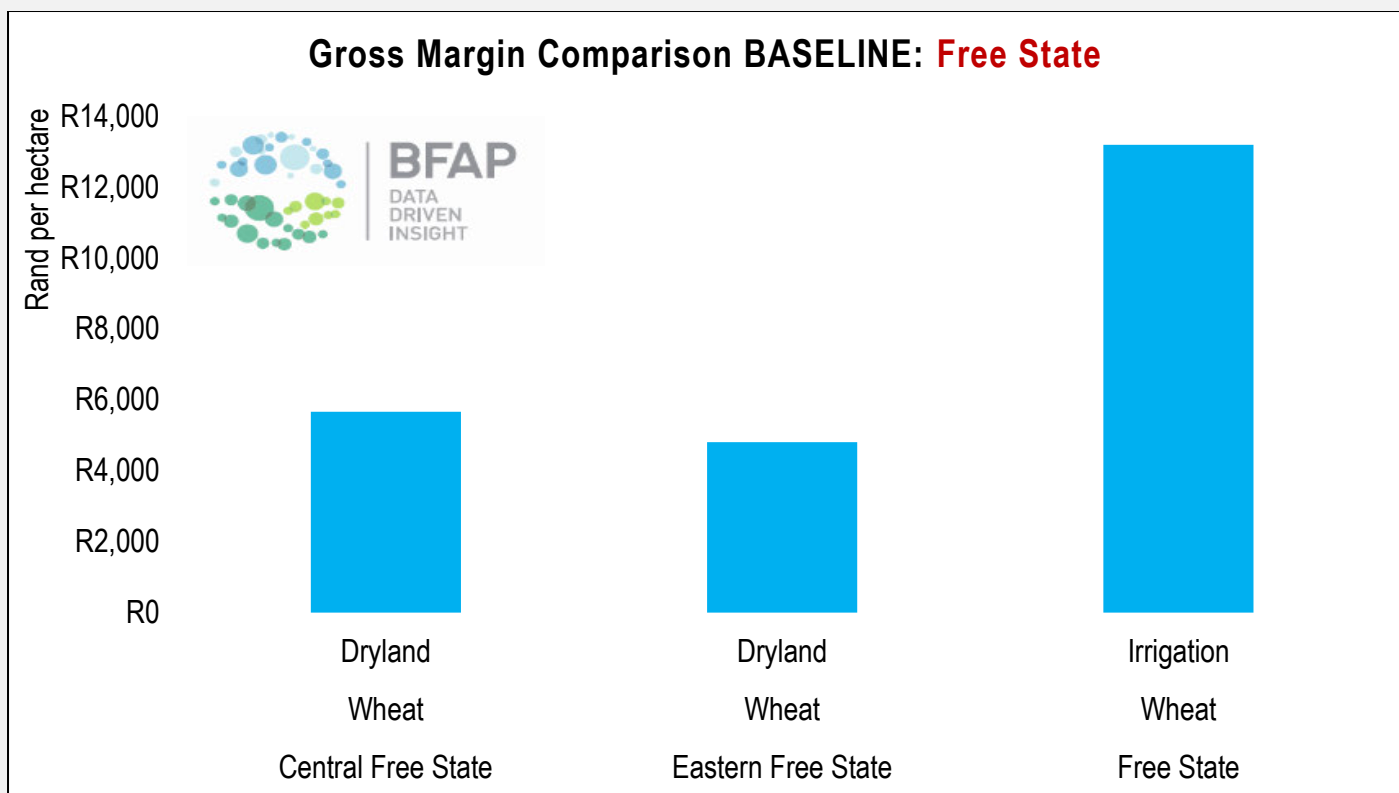


Figure 2.9: Gross margin comparison – Baseline: Free State (Eastern & Central regions)

WHEAT SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): CENTRAL FREE STATE												
PRODUCERS YIELD (T/HA)												
PRICE	1.75		2.00		2.25		2.50		2.75		3.00	3.25
R4,522 -R	222	R	909	R	2,039	R	3,170	R	4,300	R	5,431	R 6,561
R4,772 R	216	R	1,409	R	2,602	R	3,795	R	4,988	R	6,181	R 7,374
R5,022 R	653	R	1,909	R	3,164	R	4,420	R	5,675	R	6,931	R 8,186
R5,272 R	1,091	R	2,409	R	3,727	R	5,045	R	6,363	R	7,681	R 8,999
R5,522 R	1,528	R	2,909	R	4,289	R	5,670	R	7,050	R	8,431	R 9,811
R5,772 R	1,966	R	3,409	R	4,852	R	6,295	R	7,738	R	9,181	R 10,624
R6,022 R	2,403	R	3,909	R	5,414	R	6,920	R	8,425	R	9,931	R 11,436
R6,272 R	2,841	R	4,409	R	5,977	R	7,545	R	9,113	R	10,681	R 12,249
R6,522 R	3,278	R	4,909	R	6,539	R	8,170	R	9,800	R	11,431	R 13,061

WHEAT SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): EASTERN FREE STATE												
PRODUCERS YIELD (T/HA)												
PRICE	1.75		2.00		2.25		2.50		2.75		3.00	3.25
R4,539 -R	1,095	R	39	R	1,174	R	2,309	R	3,444	R	4,578	R 5,713
R4,789 -R	658	R	539	R	1,737	R	2,934	R	4,131	R	5,328	R 6,525
R5,039 -R	220	R	1,039	R	2,299	R	3,559	R	4,819	R	6,078	R 7,338
R5,289 R	217	R	1,539	R	2,862	R	4,184	R	5,506	R	6,828	R 8,150
R5,539 R	655	R	2,039	R	3,424	R	4,809	R	6,194	R	7,578	R 8,963
R5,789 R	1,092	R	2,539	R	3,987	R	5,434	R	6,881	R	8,328	R 9,775
R6,039 R	1,530	R	3,039	R	4,549	R	6,059	R	7,569	R	9,078	R 10,588
R6,289 R	1,967	R	3,539	R	5,112	R	6,684	R	8,256	R	9,828	R 11,400
R6,539 R	2,405	R	4,039	R	5,674	R	7,309	R	8,944	R	10,578	R 12,213

Notes:

- Please refer to **Methodology, Approach & Definitions** for in-depth interpretation of enterprise budgets.
- The canola back-payment assumes 10% of contracted price.
- The cost items reflect the input allocation based on the target yield for the respective crops.
- Although some expenditure items are zero, it is reflected in the budgets to allow for individual inclusion.
- The cost of fuel includes pre-harvest and harvesting costs with the assumption that own machinery is used.
- The costs for wheat, barley & oats seeds reflect a combination of own- and purchased seed.
- It is important to note that overhead costs are not included and should be accounted for. Overhead costs such as interest on production loans, labour, management and administration will vary to a large extent from producer to producer. Producers will therefore have to deduct the farm business' overhead cost from the gross margins as stipulated in the tables and figures to calculate the net income per crop.

INCOME & COST BUDGETS – IRRIGATION

Northern Cape

Table 3.1: Income & cost budgets for wheat, barley & canola for Northern Cape - Irrigation

Area		Northern Cape: Irrigation		
Crop		Wheat	Barley	Canola
Production System		Irrigation	Irrigation	Irrigation
1) INCOME				
Yield: Deterministic	T/HA	8.00	7.50	3.50
SAFEX SIMULATED PRICE / PRODUCER PRICE: 2025	R/TON	R6,327	R6,327	R7,637
Total deductions	R/TON	R966	R908	R151
- Transport differential	R/TON	R631	R631	R122
- Grade differential	R/TON	R228	R200	R-
- Marketing, handling & statutory levies	R/TON	R107	R77	R29
Price premiums / Canola back- payment	R/TON	R-	R74	R764
Net Farm Gate Price	R/TON	R5,361	R5,493	R8,249
GROSS INCOME	R/HA	R42,891	R41,199	R28,872
2) VARIABLE EXPENDITURES				
Contracting	R/HA	R1,300	R1,300	R1,538
Crop insurance	R/HA	R2,659	R2,554	R1,155
Fertilizer	R/HA	R11,669	R9,343	R6,335
Lime	R/HA	R1,500	R1,500	R-
Seed	R/HA	R2,338	R1,500	R1,979
Fuel	R/HA	R1,530	R1,489	R1,216
Herbicide	R/HA	R327	R327	R1,254
Insecticide	R/HA	R1,077	R236	R431
Fungicides	R/HA	R311	R180	R664
Marketing costs	R/HA	R241	R264	R42
Repairs and maintenance	R/HA	R1,240	R1,240	R1,153
Casual labour	R/HA	R-	R-	R-
Irrigation: Water	R/HA	R1,206	R1,231	R1,146
Irrigation: Electricity	R/HA	R5,472	R5,199	R5,199
Aerial spray	R/HA	R1,350	R450	R-
Other expenditure: Scheduling / Irrigation Equipment R&M	R/HA	R1,368	R1,307	R1,307
TOTAL VARIABLE EXPENDITURE	R/HA	R33,588	R28,119	R23,416
TOTAL VARIABLE EXPENDITURE	R/TON	R4,198	R3,749	R6,690
3.1) GROSS MARGIN:	R/HA	R9,304	R13,080	R5,456
3.2) GROSS MARGIN:	R/TON	R1,163	R1,744	R1,559
Break-even yield	T/HA	6.26	5.12	2.84
Break-even price	R/TON	R4,198	R3,749	R6,690

Source: GWK, GSA & BFAP, updated April 2025

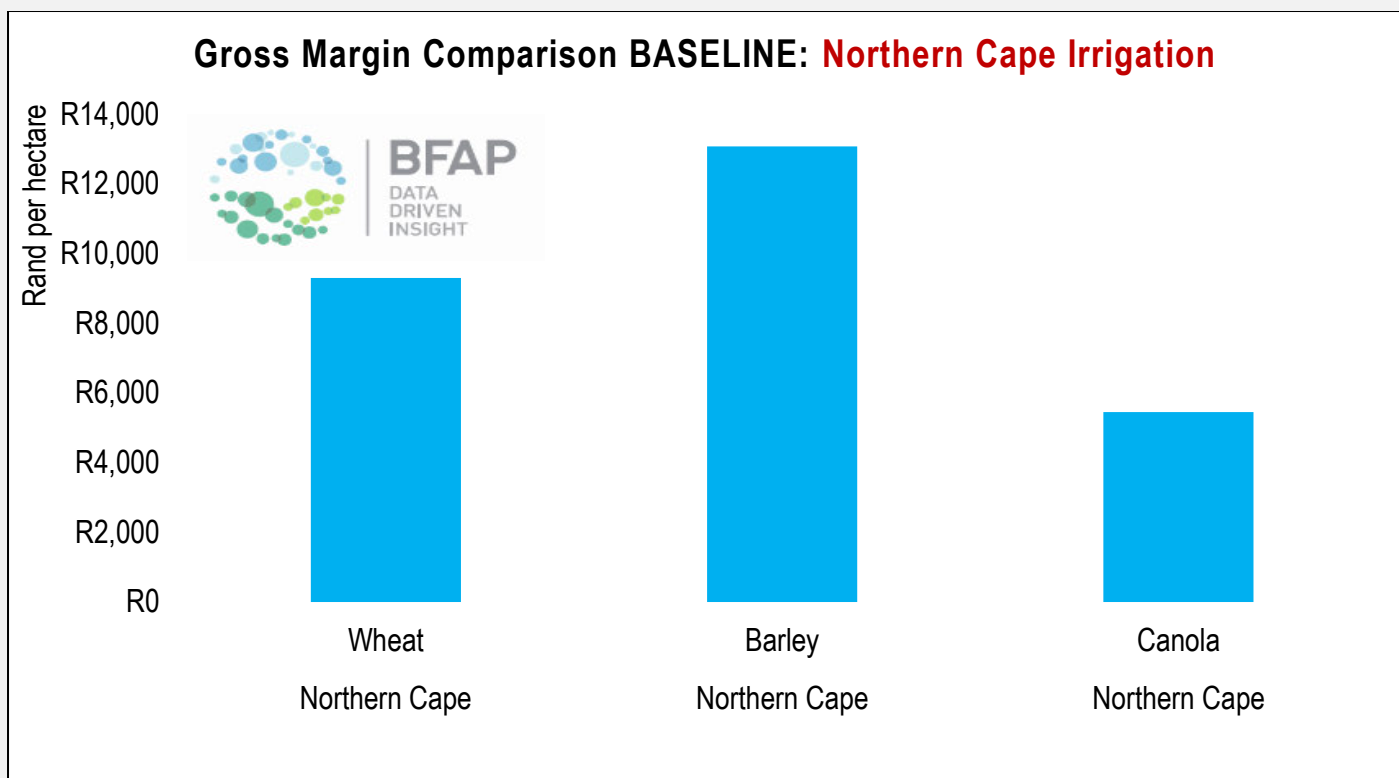


Figure 3.1: Gross margin comparison – Baseline: Northern Cape Irrigation

WHEAT SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): NORTHERN CAPE - IRRIGATION												
PRODUCERS YIELD (T/HA)												
PRICE	7.25		7.50		7.75		8.00		8.25		8.50	8.75
R4,361	-R 1,967	-R	877	R	214	R	1,304	R	2,394	R	3,485	R 4,575
R4,611	-R 155	R	998	R	2,151	R	3,304	R	4,457	R	5,610	R 6,762
R4,861	R 1,658	R	2,873	R	4,089	R	5,304	R	6,519	R	7,735	R 8,950
R5,111	R 3,470	R	4,748	R	6,026	R	7,304	R	8,582	R	9,860	R 11,137
R5,361	R 5,283	R	6,623	R	7,964	R	9,304	R	10,644	R	11,985	R 13,325
R5,611	R 7,095	R	8,498	R	9,901	R	11,304	R	12,707	R	14,110	R 15,512
R5,861	R 8,908	R	10,373	R	11,839	R	13,304	R	14,769	R	16,235	R 17,700
R6,111	R 10,720	R	12,248	R	13,776	R	15,304	R	16,832	R	18,360	R 19,887
R6,361	R 12,533	R	14,123	R	15,714	R	17,304	R	18,894	R	20,485	R 22,075

BARLEY SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): NORTHERN CAPE - IRRIGATION												
PRODUCERS YIELD (T/HA)												
PRICE	6.75		7.00		7.25		7.50		7.75		8.00	8.25
R4,493	R 2,210	R	3,333	R	4,456	R	5,580	R	6,703	R	7,826	R 8,950
R4,743	R 3,897	R	5,083	R	6,269	R	7,455	R	8,641	R	9,826	R 11,012
R4,993	R 5,585	R	6,833	R	8,081	R	9,330	R	10,578	R	11,826	R 13,075
R5,243	R 7,272	R	8,583	R	9,894	R	11,205	R	12,516	R	13,826	R 15,137
R5,493	R 8,960	R	10,333	R	11,706	R	13,080	R	14,453	R	15,826	R 17,200
R5,743	R 10,647	R	12,083	R	13,519	R	14,955	R	16,391	R	17,826	R 19,262
R5,993	R 12,335	R	13,833	R	15,331	R	16,830	R	18,328	R	19,826	R 21,325
R6,243	R 14,022	R	15,583	R	17,144	R	18,705	R	20,266	R	21,826	R 23,387
R6,493	R 15,710	R	17,333	R	18,956	R	20,580	R	22,203	R	23,826	R 25,450

CANOLA SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): NORTHERN CAPE - IRRIGATION															
PRODUCERS YIELD (T/HA)															
PRICE		2.75		3.00		3.25		3.50		3.75		4.00		4.25	
R7,249	-R	3,481	-R	1,668	R	144	R	1,956	R	3,769	R	5,581	R	7,393	
R7,499	-R	2,793	-R	918	R	956	R	2,831	R	4,706	R	6,581	R	8,456	
R7,749	-R	2,106	-R	168	R	1,769	R	3,706	R	5,644	R	7,581	R	9,518	
R7,999	-R	1,418	R	582	R	2,581	R	4,581	R	6,581	R	8,581	R	10,581	
R8,249	-R	731	R	1,332	R	3,394	R	5,456	R	7,519	R	9,581	R	11,643	
R8,499	-R	43	R	2,082	R	4,206	R	6,331	R	8,456	R	10,581	R	12,706	
R8,749	R	644	R	2,832	R	5,019	R	7,206	R	9,394	R	11,581	R	13,768	
R8,999	R	1,332	R	3,582	R	5,831	R	8,081	R	10,331	R	12,581	R	14,831	
R9,249	R	2,019	R	4,332	R	6,644	R	8,956	R	11,269	R	13,581	R	15,893	

CANOLA MARGIN ABOVE / BELOW WHEAT (GROSS MARGIN PER HECTARE): NORTHERN CAPE - IRRIGATION														
PRICE (R/TON)														
YIELD	R	7,499	R	7,749	R	7,999	R	8,249	R	8,499	R	8,749	R	8,999
3.00	-R	10,222	-R	9,472	-R	8,722	-R	7,972	-R	7,222	-R	6,472	-R	5,722
2.75	-R	12,097	-R	11,410	-R	10,722	-R	10,035	-R	9,347	-R	8,660	-R	7,972
3.00	-R	10,222	-R	9,472	-R	8,722	-R	7,972	-R	7,222	-R	6,472	-R	5,722
3.25	-R	8,347	-R	7,535	-R	6,722	-R	5,910	-R	5,097	-R	4,285	-R	3,472
3.50	-R	6,473	-R	5,598	-R	4,723	-R	3,848	-R	2,973	-R	2,098	-R	1,223
3.75	-R	4,598	-R	3,660	-R	2,723	-R	1,785	-R	848	R	90	R	1,027
4.00	-R	2,723	-R	1,723	-R	723	R	277	R	1,277	R	2,277	R	3,277
4.25	-R	848	R	214	R	1,277	R	2,339	R	3,402	R	4,464	R	5,527
5.00	R	4,776	R	6,026	R	7,276	R	8,526	R	9,776	R	11,026	R	12,276

Notes:

- Please refer to *Methodology, Approach & Definitions* for in-depth interpretation of enterprise budgets.
- The canola back-payment assumes 10% of contracted price.
- The cost items reflect the input allocation based on the target yield for the respective crops.
- Although some expenditure items are zero, it is reflected in the budgets to allow for individual inclusion.
- The cost of fuel includes pre-harvest and harvesting costs with the assumption that own machinery is used.
- The costs for wheat, barley & oats seeds reflect a combination of own- and purchased seed.
- It is important to note that overhead costs are not included and should be accounted for. Overhead costs such as interest on production loans, labour, management and administration will vary to a large extent from producer to producer. Producers will therefore have to deduct the farm business' overhead cost from the gross margins as stipulated in the tables and figures to calculate the net income per crop.

Table 3.2: Income & cost budgets for wheat & barley for Limpopo - Irrigation

Limpopo: Irrigation			
Area			
Crop		Wheat	Barley
Production System		Irrigation	Irrigation
1) INCOME			
Yield: Deterministic	T/HA	6.50	6.00
SAFEX SIMULATED PRICE / PRODUCER PRICE: 2025	R/TON	R6,327	R6,327
Total deductions	R/TON	R335	R277
- Transport differential	R/TON	R-	R-
- Grade differential	R/TON	R228	R200
- Marketing, handling & statutory levies	R/TON	R107	R77
Price premiums / Canola back- payment	R/TON	R-	R74
Net Farm Gate Price	R/TON	R5,992	R6,124
GROSS INCOME	R/HA	R38,951	R36,745
2) VARIABLE EXPENDITURES			
Contracting	R/HA	R886	R886
Crop insurance	R/HA	R2,181	R2,058
Fertilizer	R/HA	R6,050	R5,117
Lime	R/HA	R812	R812
Seed	R/HA	R2,035	R1,688
Fuel	R/HA	R1,634	R1,621
Herbicide	R/HA	R327	R327
Insecticide	R/HA	R1,150	R448
Fungicides	R/HA	R-	R-
Marketing costs	R/HA	R147	R158
Repairs and maintenance	R/HA	R943	R822
Casual labour	R/HA	R-	R-
Irrigation: Water	R/HA	R1,810	R1,542
Irrigation: Electricity	R/HA	R4,870	R4,149
Aerial spray	R/HA	R333	R333
Other expenditure: Scheduling / Irrigation Equipment R&M	R/HA	R1,222	R1,058
TOTAL VARIABLE EXPENDITURE	R/HA	R24,399	R21,018
TOTAL VARIABLE EXPENDITURE	R/TON	R3,754	R3,503
3.1) GROSS MARGIN:	R/HA	R14,552	R15,727
3.2) GROSS MARGIN:	R/TON	R2,239	R2,621
Break-even yield	T/HA	4.07	3.43
Break-even price	R/TON	R3,754	R3,503

Source: GSA, BFAP & Obaro, updated April 2025

Gross Margin Comparison BASELINE: Limpopo - Irrigation



Figure 3.2: Gross margin comparison – Baseline: Limpopo Irrigation

WHEAT SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): LIMPOPO - IRRIGATION

PRODUCERS YIELD (T/HA)															
PRICE		5.75		6.00		6.25		6.50		6.75		7.00		7.25	
R4,992	R	4,307	R	5,556	R	6,804	R	8,052	R	9,300	R	10,548	R	11,796	
R5,242	R	5,745	R	7,056	R	8,366	R	9,677	R	10,987	R	12,298	R	13,609	
R5,492	R	7,182	R	8,556	R	9,929	R	11,302	R	12,675	R	14,048	R	15,421	
R5,742	R	8,620	R	10,056	R	11,491	R	12,927	R	14,362	R	15,798	R	17,234	
R5,992	R	10,057	R	11,556	R	13,054	R	14,552	R	16,050	R	17,548	R	19,046	
R6,242	R	11,495	R	13,056	R	14,616	R	16,177	R	17,737	R	19,298	R	20,859	
R6,492	R	12,932	R	14,556	R	16,179	R	17,802	R	19,425	R	21,048	R	22,671	
R6,742	R	14,370	R	16,056	R	17,741	R	19,427	R	21,112	R	22,798	R	24,484	
R6,992	R	15,807	R	17,556	R	19,304	R	21,052	R	22,800	R	24,548	R	26,296	

BARLEY SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): LIMPOPO - IRRIGATION

PRODUCERS YIELD (T/HA)															
PRICE		5.25		5.50		5.75		6.00		6.25		6.50		6.75	
R5,124	R	5,884	R	7,165	R	8,446	R	9,727	R	11,008	R	12,289	R	13,570	
R5,374	R	7,197	R	8,540	R	9,884	R	11,227	R	12,571	R	13,914	R	15,258	
R5,624	R	8,509	R	9,915	R	11,321	R	12,727	R	14,133	R	15,539	R	16,945	
R5,874	R	9,822	R	11,290	R	12,759	R	14,227	R	15,696	R	17,164	R	18,633	
R6,124	R	11,134	R	12,665	R	14,196	R	15,727	R	17,258	R	18,789	R	20,320	
R6,374	R	12,447	R	14,040	R	15,634	R	17,227	R	18,821	R	20,414	R	22,008	
R6,624	R	13,759	R	15,415	R	17,071	R	18,727	R	20,383	R	22,039	R	23,695	
R6,874	R	15,072	R	16,790	R	18,509	R	20,227	R	21,946	R	23,664	R	25,383	
R7,124	R	16,384	R	18,165	R	19,946	R	21,727	R	23,508	R	25,289	R	27,070	

Notes:

- Please refer to **Methodology, Approach & Definitions** for in-depth interpretation of enterprise budgets.
- The canola back-payment assumes 10% of contracted price.
- The cost items reflect the input allocation based on the target yield for the respective crops.
- Although some expenditure items are zero, it is reflected in the budgets to allow for individual inclusion.
- The cost of fuel includes pre-harvest and harvesting costs with the assumption that own machinery is used.
- The costs for wheat, barley & oats seeds reflect a combination of own- and purchased seed.
- It is important to note that overhead costs are not included and should be accounted for. Overhead costs such as interest on production loans, labour, management and administration will vary to a large extent from producer to producer. Producers will therefore have to deduct the farm business' overhead cost from the gross margins as stipulated in the tables and figures to calculate the net income per crop.

Eastern Free State

Table 3.3: Income & cost budgets for wheat for Eastern Free State - Irrigation

Area	Eastern Free State: Irrigation	
Crop		Wheat
Production System		Irrigation
1) INCOME		
Yield: Deterministic	T/HA	6.50
SAFEX SIMULATED PRICE / PRODUCER PRICE: 2025	R/TON	R6,327
Total deductions	R/TON	R789
- Transport differential	R/TON	R356
- Grade differential	R/TON	R336
- Marketing, handling & statutory levies	R/TON	R96
Price premiums / Canola back-payment	R/TON	R-
Net Farm Gate Price	R/TON	R5,539
GROSS INCOME	R/HA	R36,003
2) VARIABLE EXPENDITURES		
Contracting	R/HA	R1,300
Crop insurance	R/HA	R2,880
Fertilizer	R/HA	R7,355
Lime	R/HA	R563
Seed	R/HA	R2,805
Fuel	R/HA	R1,105
Herbicide	R/HA	R327
Insecticide	R/HA	R523
Fungicides	R/HA	R-
Marketing costs	R/HA	R136
Repairs and maintenance	R/HA	R1,778
Casual labour	R/HA	R-
Irrigation: Water	R/HA	R762
Irrigation: Electricity	R/HA	R3,238
Aerial spray	R/HA	R-
Other expenditure: Scheduling / Irrigation Equipment R&M	R/HA	R32
TOTAL VARIABLE EXPENDITURE	R/HA	R22,804
TOTAL VARIABLE EXPENDITURE	R/TON	R3,508
3.1) GROSS MARGIN:	R/HA	R13,198
3.2) GROSS MARGIN:	R/TON	R2,031
Break-even yield	T/HA	4.12
Break-even price	R/TON	R3,508

Source: VKB, GSA & BFAP, updated April 2025

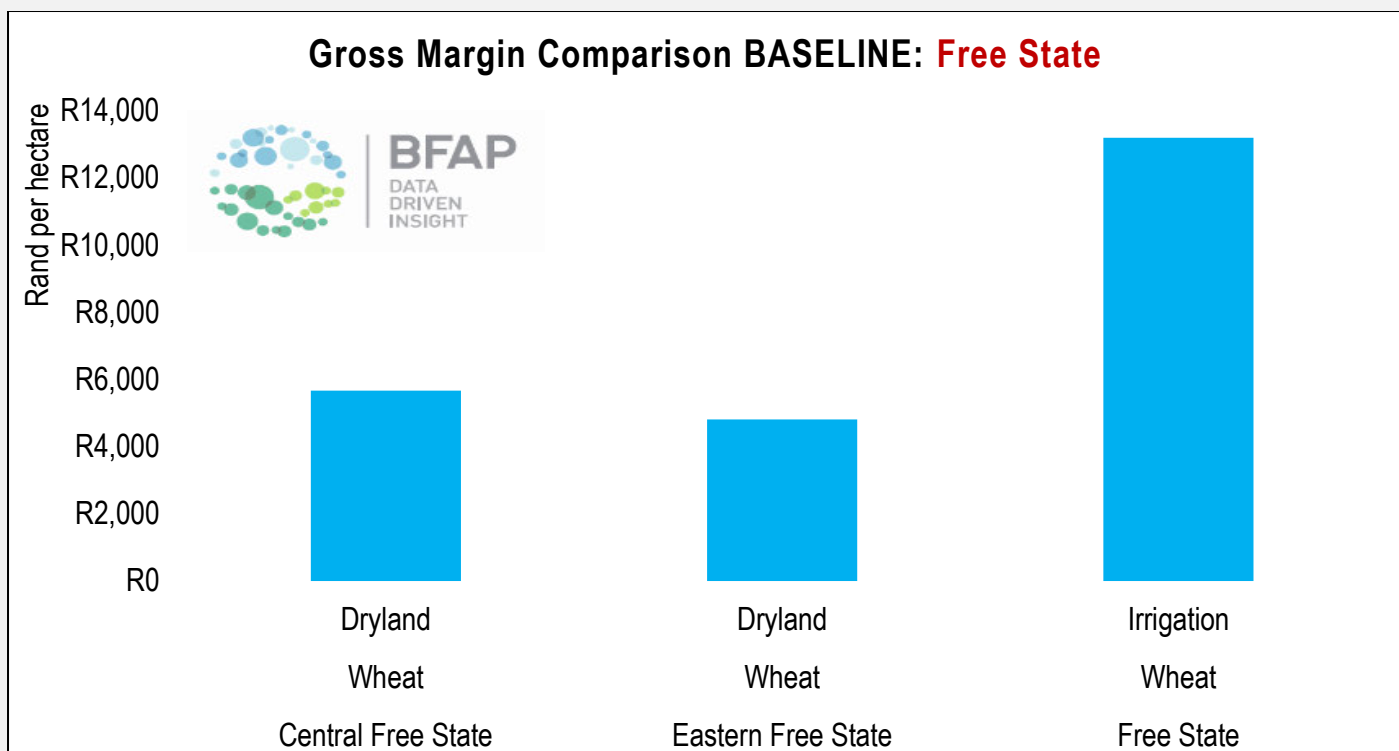


Figure 3.3: Gross margin comparison – Baseline: Limpopo Irrigation

WHEAT SENSITIVITY ANALYSIS (GROSS MARGIN PER HECTARE): FREE STATE IRRIGATION												
PRODUCERS YIELD (T/HA)												
PRICE	5.75		6.00		6.25		6.50		6.75		7.00	
R4,539	R	3,294	R	4,429	R	5,564	R	6,698	R	7,833	R	8,968
R4,789	R	4,732	R	5,929	R	7,126	R	8,323	R	9,520	R	10,718
R5,039	R	6,169	R	7,429	R	8,689	R	9,948	R	11,208	R	12,468
R5,289	R	7,607	R	8,929	R	10,251	R	11,573	R	12,895	R	14,218
R5,539	R	9,044	R	10,429	R	11,814	R	13,198	R	14,583	R	15,968
R5,789	R	10,482	R	11,929	R	13,376	R	14,823	R	16,270	R	17,718
R6,039	R	11,919	R	13,429	R	14,939	R	16,448	R	17,958	R	19,468
R6,289	R	13,357	R	14,929	R	16,501	R	18,073	R	19,645	R	21,218
R6,539	R	14,794	R	16,429	R	18,064	R	19,698	R	21,333	R	22,968

Notes:

- Please refer to *Methodology, Approach & Definitions* for in-depth interpretation of enterprise budgets.
- The canola back-payment assumes 10% of contracted price.
- The cost items reflect the input allocation based on the target yield for the respective crops.
- Although some expenditure items are zero, it is reflected in the budgets to allow for individual inclusion.
- The cost of fuel includes pre-harvest and harvesting costs with the assumption that own machinery is used.
- The costs for wheat, barley & oats seeds reflect a combination of own- and purchased seed.
- It is important to note that overhead costs are not included and should be accounted for. Overhead costs such as interest on production loans, labour, management and administration will vary to a large extent from producer to producer. Producers will therefore have to deduct the farm business' overhead cost from the gross margins as stipulated in the tables and figures to calculate the net income per crop.

Summary: 2025 Income & Cost Budgets

Figures 4.1 provides a summary of the gross margin performance of dryland crops over the period from 2022 to 2025 (projected), adjusted to account for actual yields and crop prices in 2022 to 2024 (2024 using preliminary results), and projecting to 2025 using trend yields and cost and price projections. It is important to note that the gross margins only consider direct costs and exclude overhead costs, and that the presented gross margins will differ based on the timing when producers have purchased agricultural inputs (fertilisers, fuel & chemicals) and when marketing takes place.

In 2024, Swartland experienced a decline in yields due to challenging weather conditions, including a late start to the season, excessive rainfall in June and July, followed by a dry period. Canola performed poorly compared to wheat. In contrast, the Southern Cape had a generally good season in 2024, despite lower crop prices.

Margins are expected to remain relatively flat in 2025 and 2026, assuming lower crop prices. A marginal recovery is projected for wheat produced in Swartland. Assuming trend yields, margins should be sufficient to cover overheads. However, risks remain, especially for producers with overheads exceeding 50%.

Considering a long-term trend, there has been steady growth in gross production value, but costs, particularly overheads, have outpaced revenue in recent years. For instance, overheads as a percentage of direct costs have increased from 28% pre-2010 to 46% in the past three years. Break-even yields have risen, with overhead costs' share increasing from 0.4 to 0.9 tons per hectare. The combination of these factors has led to certain areas and producers being under pressure with an increasing risk environment. There is an opportunity for efficiency gains throughout the entire industry, including the wheat tariff system, diversification strategies in off-take markets, and logistics. However, cost structures should be carefully assessed, particularly for capital investments. It is crucial to balance economies of scale against capital requirements, such as expensive land, and risk exposure.

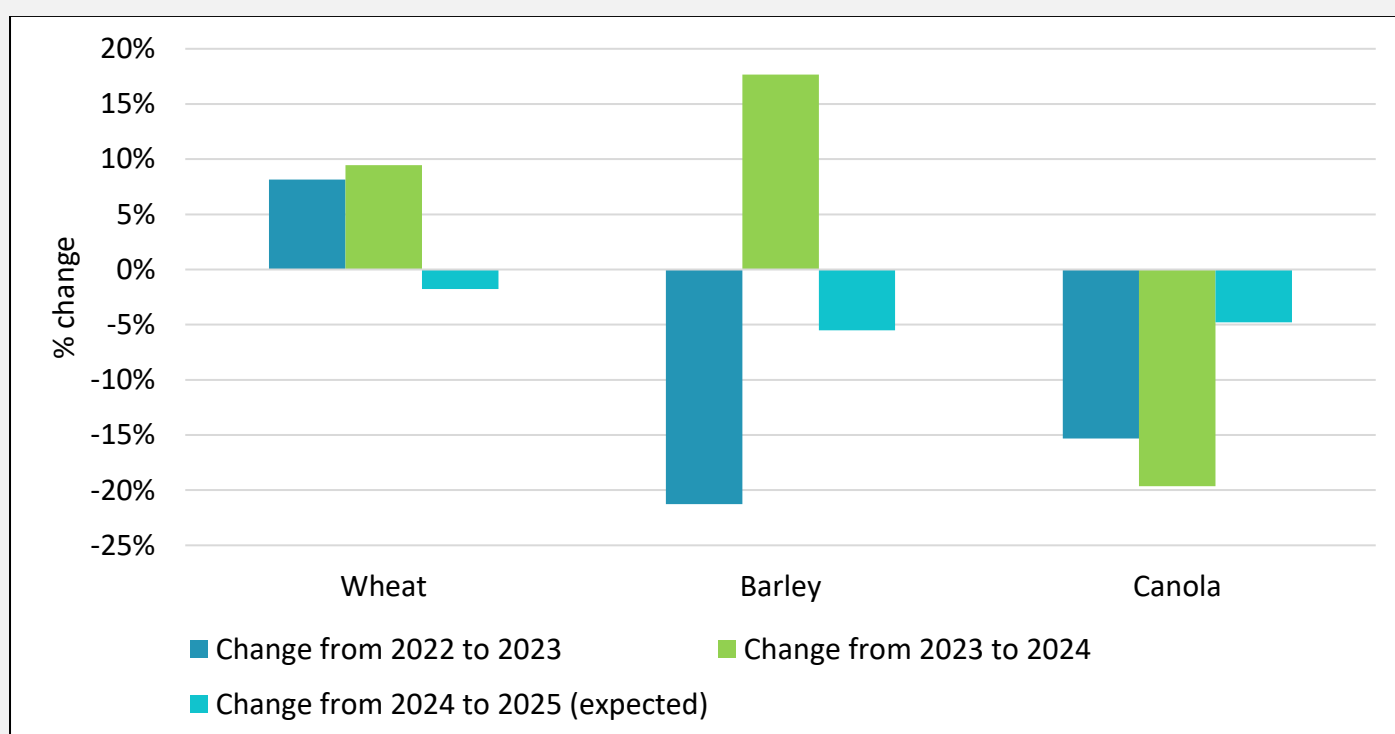


Figure 4.1: Gross margin weighted average percentage change between winter dryland wheat, barley and canola