

MECHANISATION COST SHOWS SMALL INCREASE

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Mechanisation cost constitutes approximately one-third of total production costs of the main agricultural crops. In the case of dry-land wheat, the total cost of all cultivation for the coming season will total approximately R1 050 per hectare, while it will amount to R1 150 per hectare for dry-land maize. This cost includes maintenance and repairs, fuel as well as the operating costs for the implements.

Two years ago, mechanisation cost climbed sharply given the drastic weakening in the exchange rate. Computus' most recent estimates for the coming season (2004/05) shows, however, that this cost's increase was tempered, and, had it not been for such as steep increase in fuel prices, it would probably have shown a decline compared to the previous year.

The accompanying table contains the cultivation cost of the main agricultural crops for 2003/04 as well as for 2004/05. The total cost shows an average increase of R60,31 per hectare from the previous year. The cultivation cost for potatoes, including sorting, is the highest at R2 338,16 per hectare while dry beans' cultivation cost is the lowest at R979,30 per hectare. The cultivation cost of potatoes also showed the biggest increase from the previous year namely R335,41 per hectare or 16%.

Maintenance and repair

The maintenance and repair aspect of total mechanisation cost shows an average decline of R16,80 across all the crops. This can be attributed to the strengthening and stability in the exchange rate, which gave way to a decline in the prices of implements as well as parts and spares in general. The exception, however, is the prices of locally manufactured goods; a sharp increase in steel prices gave way to an increase in the prices of local goods. For this reason the maintenance and repair costs of potatoes climbed steeply as most of the implements used for this crop are manufactured locally.

The prices of tractors declined considerably compared to those of a year ago. Likewise, the prices of, for example, balers, planters and harvesters, which are mainly manufactured in other countries, declined. These declines inevitably ripple outwards to the maintenance and repair of those implements, which gives way to the decline in expenditure.

Fuel

The accompanying table shows that fuel costs will be increasing by an average R67,23 per hectare for all crops. This translates into a 33,8% increase from last year. This increase in fuel cost is the consequence of a sharp increase in the international crude-oil price. Thus this increase is inevitable and will bring about that the fuel cost alone will amount to an average R266,28 per hectare. The fuel cost of potatoes is R497,47 per hectare, while that of dry beans is only R200,05 per hectare. Fuel costs amount to about 21% of total mechanisation costs.

Operator's costs

Operator's costs amount to an average R81,97 per hectare for the crops in the accompanying table. This includes the cost of the tractor driver as well as other parties involved with implements such as workers operating the planter, workers filling seed and fertiliser bowls and any further labour needed to provide help during cultivation.

The operator's cost increases by 13,7% from the previous year, so it is more than the prescribed minimum loan prescribed for the agricultural sector.

In closing

Without cultivation, a crop cannot be planted or harvested. Thus, mechanisation is an indispensable part of the production process. The cost of implements is high, and the costs involved in maintaining such implements and applying them in an operation context are just as high. Consequently, mechanisation cost comprises a large part of total production cost. The slight increase in the total mechanisation cost for the coming production season should thus be welcomed.

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TABEL: VERGELYKING VAN MEGANISASIEKOSTE TUSSEN 2003/04 EN 2004/05

Bewerking	Onderhoud & herstel		Brandstof		Operateurskoste		Totale koste	
	2003	2004	2003	2004	2003	2004	2003	2004
	R/ha	R/ha	R/ha	R/ha	R/ha	R/ha	R/ha	R/ha
Mielies:								
- Ploeg	911.28	886.57	172.95	231.40	74.10	84.47	1,158.33	1,202.44
- Tand	1,070.55	1,016.68	237.65	318.24	88.88	101.42	1,397.08	1,436.34
Sonneblom:								
- Ploeg	932.83	913.67	182.97	244.86	69.60	79.98	1,185.40	1,238.51
- Tand	932.54	894.42	165.77	221.94	66.70	76.77	1,165.01	1,193.13
Koring:								
- Ploeg	793.61	748.24	193.85	259.22	60.16	69.45	1,047.62	1,076.91
- Tand	810.49	733.10	182.51	244.18	58.78	67.95	1,051.78	1,045.23
Bone	742.37	719.31	149.56	200.05	51.80	59.94	943.73	979.30
Soja's	799.03	774.81	165.87	221.93	56.68	65.39	1,021.58	1,062.13
Aartappels	1,509.90	1,708.34	372.28	497.47	120.53	132.31	2,002.71	2,338.12
Sorghum	820.62	782.96	150.41	201.27	59.61	68.50	1,030.64	1,052.73
Grondbone	907.85	868.21	215.75	288.52	86.21	95.48	1,209.81	1,252.21
Gemiddeld	R 930.10	R 913.30	R 199.05	R 266.28	R 72.10	R 81.97	R 1,201.24	R 1,261.55
Styging	R -16.80	-1.8%	R 67.23	33.8%	R 9.87	13.7%	R 60.31	5.0%