UNIVERSITY OF FORT HARE

FARM MANAGEMENT
AGE 221

DEGREE/MAIN EXAMINATIONS

OCTOBER / NOVEMBER

2025

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Time: 3 Hours

Subject: AGE 221

Marks: 100

This paper consists of 4 pages including the cover page

Internal Examiners
Dr STC Mdletshe
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External Examiners

INSTRUCTIONS

Answer **ANY THREE (3)** questions in Section A **AND** question five in Section B.

SECTION B

QUESTION ONE (25 marks)

The Planning Problem refers to the allocation of scarce resources within and between feasible enterprises. To ensure that such allocation is carried out efficiently it is essential to make a clear statement of OBJECTIVES.

1. Explain why objectives are very important in farm management. [8]
2. Objectives need to be sustainable (continue for a very long time). Explain the need for both short term and long-term objectives to be specified and what can be done to ensure that they are sustainable.[17]

QUESTION TWO (25 marks)

1. Gross Margin is an extremely important and useful planning and control aid and is based on a specific planning situation. Explain, in detail, the meaning of this statement. [13]
2. Show, in detail, how the Gross Value of Production is calculated for a livestock enterprise. [12]

QUESTION THREE (25 marks)

"It might appear that once the farmer had formulated a sound plan and put it into practice, further planning would be unnecessary, and he would only have to concern himself with the day-to-day running of the farm".

With the aid of diagram, explain why control of the farm business is a never-ending process.

QUESTION FOUR (25 marks)

In farm management, the planning procedure must involve three essential elements, namely, clearly defined objectives, resources and enterprises. Use this statement to answer the following questions.

1. Criticize the statement – the aim in planning the allocation of resources is to maximize profit. (5)
2. Explain the fact that – the concern is with the resources that are relatively scarcest. (5)
3. How are fixed resources relating to enterprises. (5)
4. It is common knowledge that some farmers are more successful than others. Explain this statement using your knowledge of the planning problem and the managerial function to explain why this is so? (10)

SECTION B

Question five **MUST** be answered.

QUESTION FIVE (25 marks)

You are required to draw up an income and cost budget for a cabbage enterprise for 2025. The data to be used is taken from the farm records and is based on a "normal" year. Yields for the previous five years were 80,3 t/ha, 90,0 t/ha, 78,0 t/ha, 87,2 t/ha and 77,0 t/ha.

The following inputs, with recommended application levels and expected prices, are given: -

Seedlings	30 000 / ha	@ 18 cents / seedling
LAN 28%	600 kg / ha	@ R2 375,00 / t
Fertiliser mixture 2-3-4 (30)	0,4 t / ha	@ R2,72 / kg
Pesticides	9,46 litres / ha.	@ R134,64 / l
Weedicides	4,07 kg / ha.	@ R153,73 / kg
Casual labour – planting	295 hours / ha.	@ R22,50 / hour
Transport all fertiliser to the farm		@ R555,00 / t
Fuel and repairs to machinery		@ R975,13 / ha
Tractor driver's wage		@ R10 000,00 / month
Harvest contract		@ R550,00 / t
Packing material		@ R5,91 / bag

Marketing costs amount to 5% of the value of sales.

(t = tonne   l = litre)

The cabbages will be packed into 25 kg bags. They will be sold on the East London market at an expected price of R3 500,00 / t.

Draw up the income and cost budget and determine the Gross Margin per ha and the Gross Margin per R100 of variable costs. **Pay careful attention to the criteria applicable to variable costs!**