

PULA INVULA

Grain SA magazine for
developing producers

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Meet our Developing Farmer of the Year nominees

The panel of judges consisted of Willie Kotzé, Jane McPherson, Jenny Mathews, Jan de Villiers, Dirk van Rensburg, Karabo Peele and Gerard Mamabolo.

GRAIN SA'S DEVELOPING FARMER OF THE YEAR TOUR FOR 2012 TOOK PLACE DURING JUNE. WE HAD THREE FINALISTS WHO WERE NOMINATED BY THEIR RESPECTIVE PROVINCIAL CO-ORDINATORS, NAMELY ISRAEL MOTLHABANE, JOHN MOTSOENENG AND TEMBALEKHAYA FORT NKHULU.

The panel of judges consisted of Jane McPherson (Project Manager, Grain SA), dr Willie Kotzé (Farmer Development Operational Manager, Grain SA) along with the current chairman of the Maize Trust, Karabo Peele and Gerard Mamabolo from AgriSeta. Also joining the panel were Dirk van Rensburg, Jan de Villiers and Jenny Mathews, all farmers with diverse fields of interest and experience.

Israel Motlhabane

Israel bought his first farm, Annasvlei, in the Wes-

selsbron district, at an auction in 1996. He had been saving for a long time, always following his dream, which was to own a farm. He was able to put down the deposit from his savings and get the backing from the Land Bank for the remainder. This determined man made a dream become a reality through hard work and good planning. He is also quick to give recognition to the invaluable support of his wonderful wife, Nunu, who has been a teacher for many years.

This nominee was born on a farm in the Hoopstad district, where his father was a farm worker his entire life. Israel went to a farm school up to Grade 7, after which he completed his Grade 12 at a school in Hoopstad. He always went home on the weekends because that was where he was at his happiest. Says Israel: "When you grow up on a farm, it stays with you. It is in your blood!" This is quite evident, because although Israel worked at



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Karabo Peele – the newly appointed Chairman of the Maize Trust

KARABO PEELE, NEWLY APPOINTED CHAIRMAN OF THE MAIZE TRUST.

Following the appointment of Jannie de Villiers as Grain SA's chief executive, Karabo Peele was appointed as the Chairman of the Maize Trust in April. Karabo, who was the Grain SA Developing Farmer of the Year in 2002, farms in the Ventersdorp and Rustenburg areas.

ESTIE DE VILLIERS, PULA/IMVULA EDITORIAL TEAM



Karabo Peele, newly appointed Chairman of the Maize Trust.

Mme Jane says...

It is August and every farmer who is planning on planting a summer crop should be thinking about a number of things, including the following:

- Where am I going to plant? (Do I have secure tenure on that land?)
- What am I going to plant?
- Do I know how to plant the crop that I am planning to plant?
- Do I have the necessary tractors and implements (or animal tractor)?
- Have I taken the soil samples so that I know how to fertilise my land?
- Do I have the money to plant the crop properly?
- Where will I market my harvest?

If you have not yet thought about all these things, you should start thinking about them now and make the necessary plans. The man who will not plant at all is the man who has not made any plans.

We are receiving a number of calls from people who want to join Grain SA. If you are reading this article, it means you are holding Pula/Imvula in your hands. On the back page of this magazine you will find all the names and contact details of Grain SA's development co-ordinators. Have a look at the list in order to see who is located nearest to you.

It is unfortunate that we do not have offices in all the different towns, thereby prompting you to make contact with the nearest development co-ordinator in order to find out how you can become part of our development programme. You will only be required to pay R15 per year and this will entitle you to attend all the study group meetings, farmer days, training courses as well as receiving a monthly copy of Pula/Imvula. You will never regret investing only R15 for the information received. We regret not operating in Limpopo – it is a matter of funding and we have not yet been able to secure funding to work in this province, although we know how big such a need is.

“Keep on doing what you are doing”

FARMER DEVELOPMENT IS NOT AN EASY PROCESS AND THERE ARE NUMEROUS DIFFICULTIES TO BE OVERCOME ON MANY LEVELS. HOWEVER, AT LEAST ONCE A YEAR IT IS TIME TO LOOK FOR AND CELEBRATE THAT WHICH IS GOOD.

It is an extremely rewarding experience to visit the farmers on their farms and as such witness the impact that the Grain SA Farmer Development Programme is making at farm level and in the lives of the individual farmers we get to work with first-hand. We are unquestionably making a very positive impact and the difference is a very real one where farm incomes are increased, land utilisation is improved and wonderful, warm human relationships evolve, leading to bridge building which serves to make our country a better place.

I wish to pay tribute to an amazing group of people who work with passion and dedication, who constantly travel the highways and byways of South Africa, meeting people who need help or advice – a team who will champion the emerging farmers, ensure fairness at all times and who will, without a doubt, always go the extra mile.

I am both humbled and awed by the dedication of the Grain SA team and count myself blessed to have been able to travel with them and to find delight in the work that has already been done. I wish them well for a fruitful future and many more kilometres of safe travels. Just keep on doing what you are doing, because you are doing a wonderful thing!

JENNY MATHEWS, OUTGOING CHAIRMAN OF THE GRAIN SA FARMER DEVELOPMENT PROGRAMME



Jenny Mathews.

1 Meet our Developing Farmer of the Year nominees



Israel Mothabane, one of Grain SA Developing Farmer of the Year finalists.

the Welkom Post Office and became the post master in 1985, his dream of one day owning his own farm persisted. He started studying part-time through Vista University, hoping to earn a degree in BA Social Work in order to help people less fortunate than himself. He even owned a long-distance taxi business, a construction business and garden services. However, it never hampered his dreams of one day owning a piece of land himself.

He clearly has a mind for business and says agriculture is also a business where there is money to be made if you buy high potential soils and do things correctly at the right time. Israel has also learnt to ask the advice of those around him. Grain SA board member, Chris Schoonwinkel, joined the panel of judges and testified to the fact that Israel is persistent in asking questions and learning from the experienced farmers around him. He also has a good working relationship with his extension officer from the Department of Agriculture. Chris also said that Israel has earned the reputation of being a good man to do business with, seeing as he prefers to pay cash when he buys second-hand implements and tractors. Israel has been involved with the Grain SA Development Programme from the outset. He has also enjoyed a very constructive and helpful relationship with his Grain SA provincial manager, Johan Kriel, of whom he says the following: "This man not only touched your brain, but also your heart. He made me believe that I can do anything and that I am not alone!" Although knowledge, skill and experience were

problems initially, Israel has overcome those through attending as many courses as possible.

In 2009 Israel acquired a second farm, Uitkyk – also in the Wesselsbron district – through the PLAS system from the Department of Rural Development and Land Reform. He now owns almost 900 hectares of which 600 hectares are arable. In fact, the soil profile hole which Israel dug for the panel members to view had everyone gasping in amazement at the beautiful soil he owns. He truly has identified wonderful farming land for his cropping venture! Israel is currently planting five-foot rows and can anticipate normal yields of 5,4 ton per hectare. He also has 50 hectares of Smuts finger pastures and 230 hectares of natural grazing. Israel emphasises the importance of using chemicals to control weeds. He practices minimum tillage and uses contractors to support his farming programme. Israel keeps a beady eye on the markets and buys his inputs at the best prices he can negotiate or even when they are made available at special prices. He has already got fertiliser in his sheds for his next crop because he bought ahead on a good deal. He struggles with theft, seeing as he is situated close to a location and a municipal dumping site. He always finds strange animals on his lands as well as droppers stolen from his fences.

Israel is currently giving back to the farming community by serving as an executive Grain SA board member and he also supports three youngsters through their FET schooling and has them stay on his farm during their holidays.

Meet our Developing Farmer of the Year nominees



Finalist John Motsoeneng from Aberfeldy district in the Free State.

John Motsoeneng

Regional finalist John Motsoeneng farms on Sunnyside Farm in the Aberfeldy district of the Free State. He was born in the Lindley district in 1936 and grew up on a farm where he eventually began his working career as a farm worker. He worked as a farm worker for many years and also obtained a truck driver's licence. He later worked at Iscor in Newcastle and also at Sasol in Secunda as a truck driver until he was able to begin his own taxi business in Qwa-Qwa, which he still operates to this day. In 2004 he was finally able to buy his farm which he has always dreamed of owning. John is married to Alinah and together they have ten children, eight of who are still alive and pursuing successful careers.

John farms closely with his manager, Jack Mofokeng, who also happens to be his cousin. They have a very good working relationship and make many decisions together. Sunnyside Farm consists of 239 hectares arable land and 221 hectares veld, which means they have strong cropping and livestock elements in their farming operation. They run 180 breeding cows and 140 Merino sheep. The past two years have been difficult, seeing as the late rains have prevented them from planting maize; as such they planted soybeans and speckled sugar beans instead. The results have been very pleasing, except for the fact that the last portion of the harvest was affected by the cold and frosty conditions prevailing in the Free State.

John is a member of the Kestell Study Group and has attended some of Grain SA's courses, which he found very helpful. He also enjoys his relationship with the provincial manager of his region, Jurie Mentz. There was very good weed control on the dry beans and the sugar bean crops and John benefited by planting his soybeans earlier in

order to compensate for growing them in a cooler region. Jurie also says John did his land preparation timeously and correctly and his seedbed preparation was very good while "his planting of beans was exemplary!" John is following good practices by implementing an added-value chain in his business, seeing as he is presently allowing his flock of sheep to pick up the soybeans on the harvested lands. He is also feeding the soyhay to the ewes and lambs. According to Jurie, the sheep and lambs are looking very fat and healthy, even though the winter is harsh.

Jurie says there is a Zulu expression, *ufunda uzufe*, which means a man must be willing to learn until he dies. He feels that John is a very good farmer who listens to advice. He is never too proud to learn; he asks many questions and always wants more and more information as he says his newly acquired knowledge is helping him grow as a farmer, even though he is already an old man! John markets his harvest through Agricom, who has also been assisting him with finance for his input costs.

Tembalekhaya Fort Nkuhlu

Tembalekhaya was born in the Eastern Cape and grew up near Cala. He grew up in a farming environment, seeing as his grandfather was always involved in agriculture. As his interest in farming developed, he decided he would love to follow in his grandfather's footsteps. In 2000, Khaya's father, Wiseman Nkuhlu, bought the farm Denmark in the Vrede district and since then he has entrusted the management of the new enterprise to his very capable son. The farm comprises 200 hectares suitable for cropping and 800 hectares of veld, which means that Khaya is running a mixed farming operation with a substantial livestock component for which purpose he employs four permanent workers.



Tembalekhaya Fort Nkuhlu, another Grain SA Developing Farmer of the Year finalist from the Vrede district.

Khaya has been farming for eleven years. He is a member of the Kestell Study Group and has been an advanced farmer in the Grain SA Farmer Development Programme for the past three years, and is also currently a member of the Grain SA 250 Ton Club. His provincial manager, Jurie Mentz, says: "This farmer has progressed in leaps and bounds over the past three years and he is setting an example for other upcoming farmers of what can be achieved."

Apart from being very neat, the farmyard is also very busy with horses, pigs, chickens, ducks, turkeys and even a few well-fed shed cats. This is the home of someone who loves everything about the farming lifestyle. The well-equipped farm, with a very healthy tractor and implement component, is being developed with commitment and passion.

Not only are there the traditional livestock and cropping practices, but the farming operations are also currently being extended further with the construction of new pig raising sheds, an operation that will ultimately include a processing facility providing biogas for the farm. This year alone, 60 hectares of soybeans and 85 hectares of maize were planted with his own finances. In contrast to previous years, Khaya planted his

soybeans before the maize this year due to the fact that he operates in a cooler region. Very pleasing results were obtained, making a substantial difference to the harvest.

Khaya is not only a passionate farmer, but a man of the soil who is a fast learner as well. He is a good communicator who is busy building a strong support network around him. For example, he is concerned about the problem relating to disease in his own cattle, which seems to be transmitted from the game farm next to him. As such, he is talking to local vets to learn more about the problem and try to find solutions.

Expert advice is always welcomed by Khaya, whether it's about farming practices, marketing or financial management. He has a hands-on approach and not only does he know precisely what is happening across all his farming operations, but is happy to get down and dirty himself in order to get the work done! This is indeed another farmer with a promising future.

JENNY MATHEWS, OUTGOING CHAIRMAN OF THE GRAIN SA FARMER DEVELOPMENT PROGRAMME



Tembalekhaya in his piggery with Jenny and Karabo.



John Motsoeneng and his cousin with members of the evaluation panel.

Management and leadership go hand in hand

IT IS NOT AN EASY TASK TO DEFINE A TYPICAL FARM MANAGER. THE FIELD IN WHICH HE OPERATES IS DETERMINED BY SO MANY DIFFERENT FACTORS THAT MAKE FOR A WIDE RANGE OF CHOICES.

Management and leadership are not the same and differ in many ways. Management is mostly confined to a specific task or enterprise and changes by either promotion or retirement, whereas leadership is guiding others to grow. In agriculture, leadership does come to the fore more so than management. In most cases, agriculture has much to do with leading, training and empowering those concerned.

The effectiveness with which a farm “ticks over” is determined by the competence of the leader, the way employees go about their jobs and the extent in which a crisis occurs or not. Upon looking at the basics, we must acknowledge that good planning, good decisions and control will march the squad to victory. It is important to note that the leader needs to be competent in order to be effective in the role. Nobody can take over his role, because he is part of the resources of the farm. Other than goals, the leader has the most important task, which is to prioritise the farming activities. He needs to focus in order to be effective, set an easy pace and continue going steadily. It should never be a race.

Priorities

The nature of priorities differs and we need to look into these.

- First we see broad priorities related to long-term decisions. When doing this exercise, we must bear the following in mind: “First things first and second things never.” As leaders we tend to deal with urgent matters, which in most cases are self-inflicted. The outcome is a model of management by crisis (MBC). Getting the farming plan right is more important, resulting in less crisis management.
- A second field of priority is concentrating and identifying the critical areas of profit. We must not fail to apply and control the profit areas. Time should be wisely spent to compile, apply and control the efforts. Budget control is of vital importance. Develop the habit of doing important things well. Adapt

when conditions change. When a real crisis occurs, there is no choice, everything else stops and the focus moves to that field.

Priorities differ because circumstances are not the same on every farm. Seeing as conditions change from day to day, our marketing strategies also need to change in order to adapt to conditions.

Leaders should never underestimate the importance of promoting their leadership abilities. It is even worse to neglect labour training, yet many mistakes, losses and failures can be attributed to this very area.

Having set objectives and goals from these can be challenging. The question that needs to be asked is what really matters. If this question is not answered satisfactorily and the outcome is not positive, we must change our approach. If you are running out of options, the best way out would be to determine which actions will cause the least damage if not done.

Delegation

The nature of agriculture causes plenty of scope for getting diverted. Much time and money is wasted by jumping from one job to another. Concentrating and completing the task is the better route. Farmers are very poor delegates of responsibility. My personal observation is that possible reasons could include the following:

- Lack of staff training and believing they are not up to the task.
- Input costs are high and if not personally handled, can lead to losses.
- The ability to compile, train and delegate the task is traditionally not popular with farmers.

The answer to these fears is simple: “Delegate and get lost.” Delegating is the best route and with it comes a great measure of responsibility. It must however not be seen as abdication. Abdicating means the farmer is not capable of handling the problem and just switches his priorities. In this way blame can be passed on to the workers if things go wrong.

Losses will always be for the books of the farmer. Never must the tail wag the dog; this is a route to self-destruction.



JAN DE VILLIERS, A RETIRED FARMER



A good farmer is like a good race horse



THE MAJORITY OF PEOPLE CONSIDER PUNTING AS PLACING A FEW RAND ON A FAVOURITE FOR THE DURBAN JULY HORSE RACE AT GREYVILLE RACE COURSE. SERIOUS PUNTERS, HOWEVER, DO A LOT OF RESEARCH CONCERNING BREEDING AND GENES OF THE VARIOUS HORSES BEFORE ELECTING THEIR RACE WINNER.

Daily exercise, a balanced diet and working with trained staff are all very important elements when training winning horses. The temperament of the horse and jockey must also blend to form a good combination for a possible win. The bookmakers determine the odds they offer on a specific horse, day and race. The bigger the bets, the smaller the odds become on a horse. The less money backed on a horse, the bigger the odds and the bigger the profit of the punter will be. The motto of punters is: "Never risk not taking a risk."

This is a good point to link punters and agriculture; the common denominator being risk. In recent articles, I mentioned the natural selection process that takes place in farmers who could apply themselves and farm successfully over a period of generations. Our emerging farmers are at the beginning stages of this natural selection.

Agriculture is a complicated science with a variety of disciplines. Ownership and management are important factors contributing to the success of a farming business. In agriculture, "the jockey" is sometimes compared to the farm manager who is running the farm. The jockey can also be compared to the human resource component of agriculture. They need to be fit and competent in a specific field called the performance area, for example a tractor driver or herd boy. Selecting the wrong jockey can lead to devastating failure in racing and even more so in agriculture. Thus as a punter or farmer, you need information on "talent" spotting of your jockeys on which you can base your decision-making, seeing as labourers can play a major role in your success rate.

Experience also comes to the fore and should never be underestimated. Many marginal horses have crossed the winning post first because of an experienced jockey and many experienced farmers have worked their way through the tough times and made a good living.

It is important to understand the "breeding of winners". Selecting the horse is very much like the working of Safex (bookmakers). The greater the demand

for a specific yearling, the higher the price will be. Planting the wrong crops

which are not in demand could cause surplus produce of low value. Bringing the wrong product to the market will not be a profitable operation. Every farm produces crops and these have to be of high quality so as to sustain a profit. Inferior products will not produce handsome profits.

Some horses have long strides, but repeat the strides at a slower pace. Others have short strides, but repeat the strides at a faster pace. The odds are very much balanced. In agriculture we experience similar trends. The emerging farm is giving small strides very effective in cases, but not so efficient because of higher fixed cost per unit of production. The difference is that being big requires huge capital inputs. It will thus be more effective to use less expensive tractors and implements. The labour is very much limited to a family effort.

A well-managed small business can produce very much the same production per hectare. The training of emerging farmers, ownership and application of good practice is a good starting point. Training is offered by many institutions, some free of charge and others at a nominal cost. Training should never stop, seeing as technology is unfolding daily, and this is precisely what Grain SA is doing from day to day.

The problem areas seem to be the taking of ownership and applying the knowledge in hand. Great caution should be taken not to force the programme. We are dealing with a first generation athlete. Too much, too soon will jeopardise the future and lead to early retirement. Those who can handle tough races and win are the athletes we need to grow. Some will take a bit longer and others may never make the winning post.

Our motto in agriculture should always be: "When the going gets tough, the tough gets going." Our biggest enemy without a doubt is risk. Be conservative and grow your business. Although the majority of our emerging farmers might not reap the full "prize money", they will surely develop strong foundations for the future generations to build on.

JAN DE VILLIERS, A RETIRED FARMER

Budgeting – not just a management gimmick

WHEN CONSIDERING COMPILING A BUDGET, SOME QUESTIONS NORMALLY ARISE. WHAT IS A BUDGET? WHERE DOES A BUDGET FIT IN? WHAT IS THE PURPOSE OF A BUDGET? IS IT REALLY WORTHWHILE USING A BUDGET?

People tend to use the term "budget" quite frequently without fully realising that a budget is part and parcel of financial management. However, you must remember what management implies – to plan, to organise, to implement and to control. Normally, we plan our business in physical terms – what are we going to plant and how many hectares, what seed will be used and so forth. At the end of the year, the success of our busi-

ness is expressed in monetary (rand and cent) terms, also known as the financial result (profit/loss). Therefore it makes sense to express all our plans in monetary terms as well and that is exactly what a budget is.

A budget is defined as a written plan of future action, expressed in physical and financial quantities. In terms of financial management with the future being the next financial year, this could be from 1 March 2013 to 28 February 2014.

In other words, budgets are part of the planning process and are seen as an aid to planning. The planning of budgets subsequently concern the future; therefore the future planning is based on estimates of



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Our aim is to produce the best publication possible. Please direct any comments on the editorial content or presentation thereof, to Jane McPherson.

Budgeting – not just a management gimmick

future income and costs. Due to the fact that the future is so uncertain though, budgets cannot be rigid or fixed. Budgets must be adaptable, although this is not ideal, seeing as plans are adapted too easily and constantly.

The main purposes of budgets are:

- To assist in purposeful planning of all the enterprises and sections of the business;
- To compare different plans and decide on the best;
- To assist in decision-making when plans are implemented; and
- To use as the final control of all activities.

As can thus be derived from the above, the budget must assist the farmer in achieving the aims and objectives of his business, therefore the budget must be as realistic and as accurate as possible, stressing the importance and necessity of a proper record-keeping system.

As was explained in previous articles, you need to record all the source documents in order to eventually compile the three financial statements that are required for proper financial management and thereby showing the detailed financial success of your business. The three mentioned financial statements are known as the **income statement**, the **balance sheet** and the **cash-flow statement**. You must keep in mind that each statement provides a different result and only when each result is positive, has your business been successful.

When compiling a budget, it is thus also necessary to compile the three financial statements, otherwise known as **budgeted statements**. Budgeted statements subsequently have the aim of indicating the expected financial success of your business. The main challenge upon compiling a budget is that you have no source documents and will need to calculate/determine all income and expenditures.

Compiling a budget could be seen by some as a tedious process and therefore it requires discipline to fulfil the task. The issue surrounding whether it is really necessary to compile a budget can be countered by the remark that successful businesses, also those competing in the field of agriculture, always make use of budgets as a management tool. It is fair to state that they will not compile budgets if it is not worthwhile.

We will now consider the practicalities of compiling a budget. In order to cover your entire business, it is advisable to compile the following sub-budgets:

- A capital budget that will allow you to plan

for the purchase of assets such as tractors, implements, a shed, fencing, a bakkie for the farm and so forth. When used correctly, a budget can then act as a helpful tool upon making unplanned and spontaneous purchases, like a fancy bakkie for instance.

- Enterprise or production budgets reflect the production costs for the next year. Such enterprise or production budgets must be based on your enterprise production management program.
- A budget with regards to mechanical costs reflecting the running costs of all vehicles, larger machinery and implements. These costs should include the costs related to fuel, tyres, services, licenses, insurance and other maintenance costs.
- An overhead budget that reflects costs such as the remuneration for permanent employees, electricity, water, maintenance costs related to buildings and fencing, other types of insurance, depreciation of assets and all office costs which include the telephone, computer and stationery costs. These are thus basically all the costs that are difficult to allocate to a specific enterprise.
- A finance budget covering the interest and capital that will be payable on all loans during the next year.
- A budget for your personal expenses. It is highly recommended that you budget a "salary" for yourself on a monthly basis and keep your personal expenses separate from that of your business. If and when a profit is subsequently realised, you can then decide on a "bonus" for yourself. Seeing as it is your business, you can decide how to use the profit. As such, it can be used to either expand your business, improve your business by acquiring new and better technology, save it or spend it on yourself.

With all these sub-budgets in place, you will be able to compile your main budget consisting of the three budgeted financial statements discussed, thereby providing you with an estimate of the financial success of your business over the next year.

To conclude: when you compile a budget for the first time, it will be difficult but you must remember that practice makes perfect and experience has shown that it is most definitely worthwhile.

**JANE MCPHERSON, PROGRAMME
MANAGER OF THE GRAIN SA FARMER
DEVELOPMENT PROGRAMME**