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OILSEEDS NEWS

MANAGE RISK WITH INFORMED DECISIONS IN 2008

While the outlook for grain prices appears excellent from a grower's perspective, the chance of capitalising on them this year is a little bit more hit-and miss.

Grains industry development officer, Carl Sudholz, said that few farm businesses can afford to make another loss in 2008, and the skills of farmers to manage their business risk will make or break the year. And this hangs on growers closely monitoring their crops, doing some research, seeking objective advice when necessary and spending wisely.

Mr Sudholz, from the Victorian Department of Primary Industries said that from now on, the best management decisions will be on time, realistic and well-informed.

“There are no clear indications from climate science and it seems nobody can say with any kind of certainty how this season may turn,” he said.

“In the end, for all farms it is the financial successes that count. The best way to make decisions that are profitable has always been to research and consider the issue, prior to making the decision.

He said that the first rule of risk management in farming is to manage for profit is in not spending money.

“While it is true that you must spend money to make money, plenty of money has been spent already this season. The question is: will further expenses incurred generate income in return?”

“Monitor your expenses by monitoring the farm. Walk every paddock at least once a week, looking for both the expected and not expected. No input should be applied without a walk through the paddock.

“Make sure you can clearly identify the problems or issues; if you don’t know what it is or how to manage it, pay someone to identify and manage it for you.”

Mr Sudholz said the second relevant rule is to not spend money on that which you have no control, knowledge or experience.

“Seek advice on those decisions you are unfamiliar with. When the advice is free, consider the motivations of those providing it. In the end it is always better to pay for good advice from someone you trust, than to get poor advice for free.”

For more information, please contact Carl Sudholz is the Grains Industry Development Officer at Department of Primary Industries, Horsham on (03) 5362 2111.
