



FOR IMMEDIATE RELEASE

FARMERS URGED TO LOOK AHEAD BEFORE RUSHING END OF YEAR SPENDING

A rare combination of favourable seasons, reasonable returns and low interest rates has many farmers in the region looking for ways to 'splash the cash' before the end of the financial year.

But rather than rush into purchases that will reduce taxable income in the short-term, a local independent farm business management consultant is urging farmers to be cautious and take a longer view.

"Opportunities like these don't come along very often, so it's important to make the most of it and invest extra profits in a way that will build the longer-term viability of your business and set you up for the future," said Emma Bolding from Meridian Agriculture.

"You might want to spend some money before June 30, but you should consider how that purchase fits with your business plan and be strategic. Will the investment improve production, reduce costs or save you money? Will it save time and reduce workloads or improve farm safety?"

"Remember, a dollar today is worth more to you than a dollar in the future," Emma said.

With a background in agribusiness banking and hands-on experience running a stud and commercial beef operation, Emma works with farmers across south-western Victoria to provide farm business advice and insights into their individual financial situation.

She was a key speaker at a recent series of 'Great Years, Greater Decisions' seminars, which explored issues and options for farmers looking to maximise opportunities after several good seasons.

"For example, one of the options that came up during the seminars was investing in the latest technology to monitor cow health in a dairy herd. That sparked a really interesting discussion about balancing the need to keep up with technological advances, without losing sight of the payback period versus the lifespan of the technology," Emma said.

"Once farmers have identified the investment options on the table, there are a number of tools we can use to help them select the best ones for their business."

This might involve carrying out a farm business health check, performance benchmarking, assessment of capital investments, and cash flow budgeting to improve farm financial performance.

Farmers could also explore creating a partial budget and analysing the difference between the likely positive financial changes a small variation to the business would bring, versus the potential negative changes.

“If it’s a relatively minor purchase preparing a detailed 12-month budget might be sufficient, but if it’s a large investment that will result in a significant change, then a four to five year cashflow budget might be required,” Emma said.

For more information people should contact Emma Bolding on 0447 537 892

ENDS – 02/06/2021

For further information or interviews, contact Farm Business Management Consultant - Meridian Agriculture

Emma Bolding

M: 0447 537 892 or ebolding@meridian-ag.com.au