

Managing rising costs

April 2026

What farmers need to know

GLOBAL EVENTS, LOCAL IMPACTS

There is a lot going on in the world right now that is outside of our control. Conflict in Eastern Europe and the Middle East is putting pressure on global supply chains, and farm businesses are feeling the impact in Australia.

This includes higher costs not only in fuel and fertiliser but also transport, use of contractors and packaging. There are also real concerns about the ongoing availability of fuel and fertiliser.

While we don't know how long this will last, there are some practical steps that farmers can take to help manage the uncertainty.

WHAT CAN FARM BUSINESSES DO?

1. Keep communication lines open

Talking early and often makes a difference. Stay connected with the people who help to keep your business running.

- **Family and staff:** Keep them in the loop so they understand what's happening and how they can help
- **Suppliers:** Check in regularly so you're up to date on supply issues and price changes
- **Customers:** Keep them informed of shifts in your cost of production or any changes to your supply
- **Banks and advisors:** Share updated figures so they are informed and know how to support your business
- **Other farmers:** Share ideas, knowledge and support
- **Look after yourself:** If you are feeling the pressure, talking to a medical professional can be useful.

2. Know your numbers – and monitor them

Every farm is different. Don't rely on industry averages; use your own figures.

Cashflow and margins

- Recalculate your cashflow for the rest of the year
- Develop/recalculate your cashflow for the coming year
- Recalculate your margins for each enterprise/crop (your most profitable crops last year may not be your most profitable this coming year)
- Know your break-even point, as this can help with planting decisions and re-negotiating prices.

Even if the numbers look bad, do them anyway

- Avoiding the figures doesn't help
- Knowing the numbers can give you more confidence in your decisions.

There is no such thing as an “average farm”

Rising costs hit everyone differently, depending on enterprise mix, timing of production, cost structure, and distance to market.

Monitor and adjust

Be ready to revise your cashflow and margins as things shift. Adjust the numbers as you make decisions (e.g. if you decide to reduce planting due to limited fertiliser supply).

You'll likely shift from Plan A to B, to C – and that's okay – it's much better than pushing ahead with no plan.

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3. Make decisions with clarity and confidence

Keep the long game in mind

Short-term decisions still affect the bigger picture. Ask yourself:

- Does this choice support your long-term strategy?
- How does it fit with next year's planned rotation?
- If you don't plant, are there benefits? (e.g. a paddock that would benefit from being rested)

Aim to be well-positioned to make the most of the opportunities when operating conditions and prices improve.

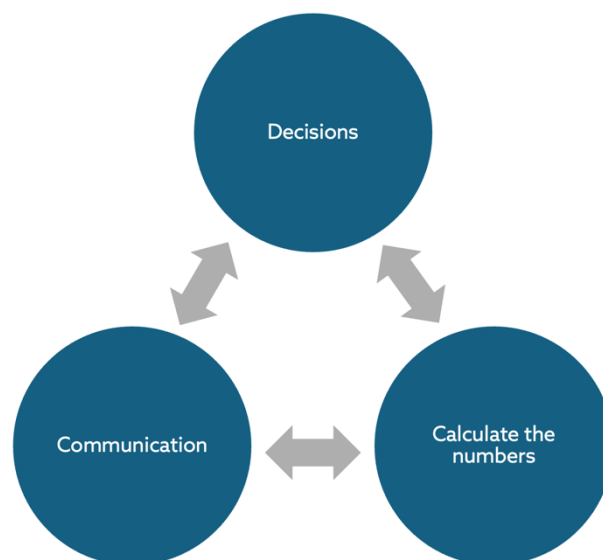
Focus on what you can control

Successful businesses put their energy into the things they can influence.

- When considering fertiliser and planting decisions, focus on the margin, not just yield
- Think about the most likely scenarios – not just the worst case (e.g. when it comes to costs or availability of key inputs)
- Use your updated numbers to support decision-making.

Re-negotiate where you can

- Where possible, renegotiate prices
- Use your updated numbers to back your case.



The above three areas (communication, calculating the numbers, and decision making) are interconnected. Each area is influenced by the others.

FURTHER INFORMATION

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If you or others need support, visit the National Centre for Farmer Health for national and state-based mental health resources:

farmerhealth.org.au/support-hub/