

SANDALWOOD

REDUCING RISK
IN BROADACRE
AGRICULTURE



The Future of Farming?

Global grain stocks are at 25 year lows. A grain boom is likely but production has never been riskier and may well increase.

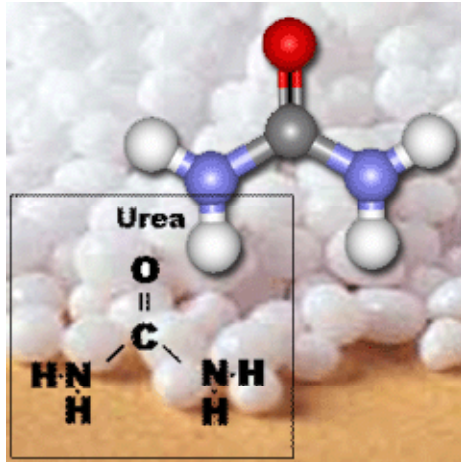


Production Risks

- Rising input costs
- Increased winter droughts
- Increased frost.
- Marginal soils – sandy, waterlogging



Rising Input Costs



- 90% variable cost of urea attributable to natural gas.
- Commodity values.
- Machinery costs

Reducing Input Use

- Parasitic on legumes
- Perennial – big saving on machinery costs
- Weed control
- Low Input = Low cost
= Reduced risk



Decreasing Winter Rainfall



- Annual crops poorly adapted
- Input decisions difficult
- Failures becoming expensive

Perennial Buffer



- Deep rooted crops well adapted.
- Profit whenever it rains.
- Buffering seasons.

Increasing Frost



- Both severity and incidences.
- Crop damage costly.
- High productive capacity.

Minimising Exposure to Frost

- Nut set affected.
- Can't lose what you never applied.
- Host considerations.



Marginal Soils



- Greater chance of negative returns.
- Sandy soils, waterlogging prone, acid soils.
- Every farm has marginal areas.

Sandalwood on Marginal Soils

- Deep roots access to better soil.
- Reduce waterlogging.
- No conditioning (lime)
- Profitable landcare.



Concluding Remarks



- Must work towards locking out risk.
- Sandalwood reduces production risk.
- Locks in upside profitability potential.









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