Making tough calls in 2025
Cropping decision in a dry start year

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Acknowledgments

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RiskWi$e Newsletter – Upper North | May 2025

Acknowledgment- This newsletter builds on outputs from the Eyre Peninsula RiskWi$e group and has been adapted for the Upper North. Special thanks to Andrew Ware for initiating the discussion and pulling it together.

This season's shaping up as one of the toughest in recent memory. For many growers, the hard part isn't sowing—it's deciding what not to sow.

After the challenges of a dry 2024, there was early season hope that a good start would prevail. However, now with one of the driest starts on record and stored soil moisture sitting near zero, the reality is that the chances of whole farm profitable outcomes in the 2025 season are decreasing. So careful judgment is the order of the day. This newsletter brings together insights from conversations across the Upper North and Eyre Peninsula—grounded in practical experience, supported by data, and focused on managing risk without closing off opportunity.

1. The Season So Far: Delayed, Dry, and Full of Tough Decisions

SA has had a slow and dry start. Soil tests show very low PAW across most areas, and herbicide residues are an added complication. Dry sowing has been common, although probably tempered by the experience in 2024. Some growers are now finishing up their program, while others on less forgiving soils are just beginning—if at all.

There have been many reflections on past dry starts- on EP, one grower looked back at the dry start in 2017, when holding back on certain paddocks made sense financially—though not without trade-offs such as reduced ground cover or lost grazing. In 2025, those same questions are coming up again.

2. Costs Are Up – But Which Costs Really Count Now?

Many growers would have made the decision to sow at least their better country by now (late May). Since 2022, input costs have remained stubbornly high. But for crops which have yet to be sown, at this point in the season, the most important question isn't:

"What's my full cost of production?"

It's:

"What will it cost me from today forward to grow this paddock—and what are the chances I'll get that money back?"

Example: If it costs around $200/ha to manage a crop from now until harvest, and you're only likely to yield 0.5 t/ha, that's break-even at best.

Some growers are choosing to lock in lower, known costs—through fallow or pasture—rather than chase a marginal crop outcome. That decision becomes clearer when paired with yield decile data and a quick gross margin check.

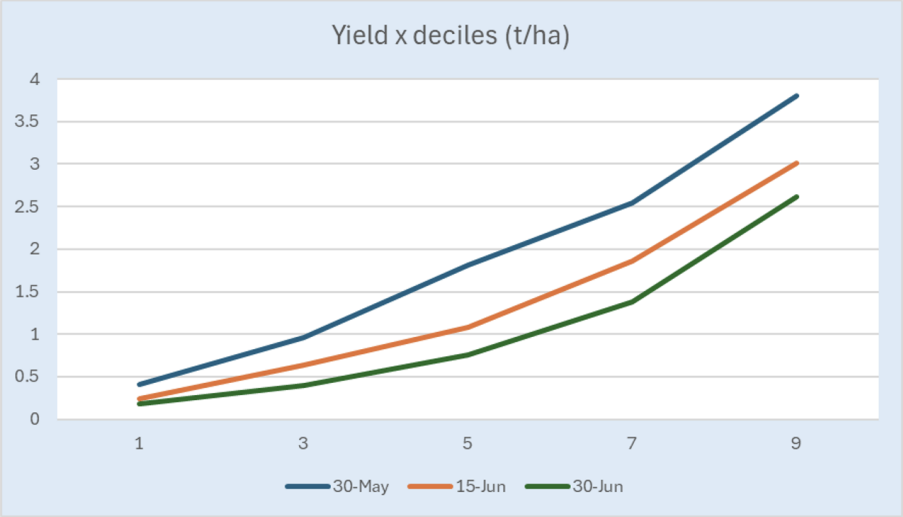
3. Modelling can be used to show the numbers

Yield

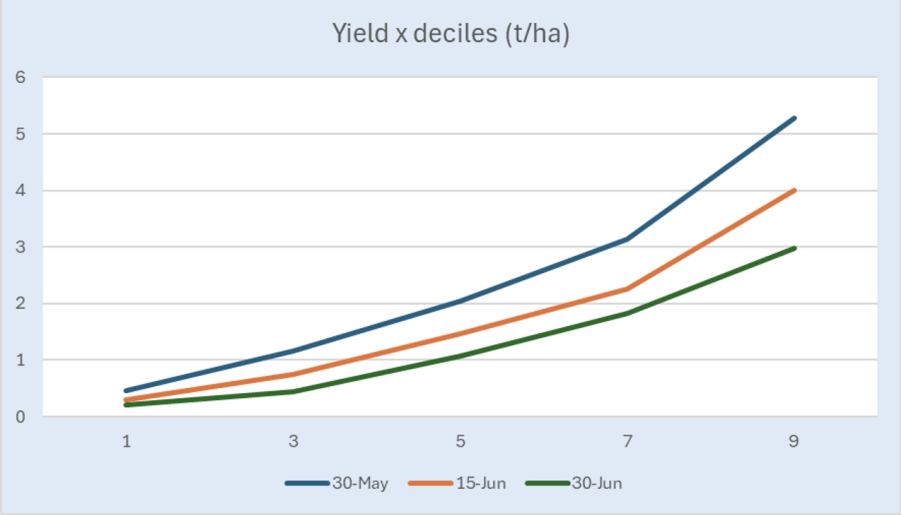
The SARDI climate applications team used APSIM to simulate wheat yields at Port Pirie and Booleroo Centre for a 30 May, 15 June and 30 June crop germination with low soil water. Soil type used in the simulations are of good quality with few constraints.

Initially, here's what the simulated wheat yield looks like (allowing for 10mm of stored soil water).

Modelled yields for Port Pirie with different germination dates



Modelled yields for Booleroo Centre with different germination dates

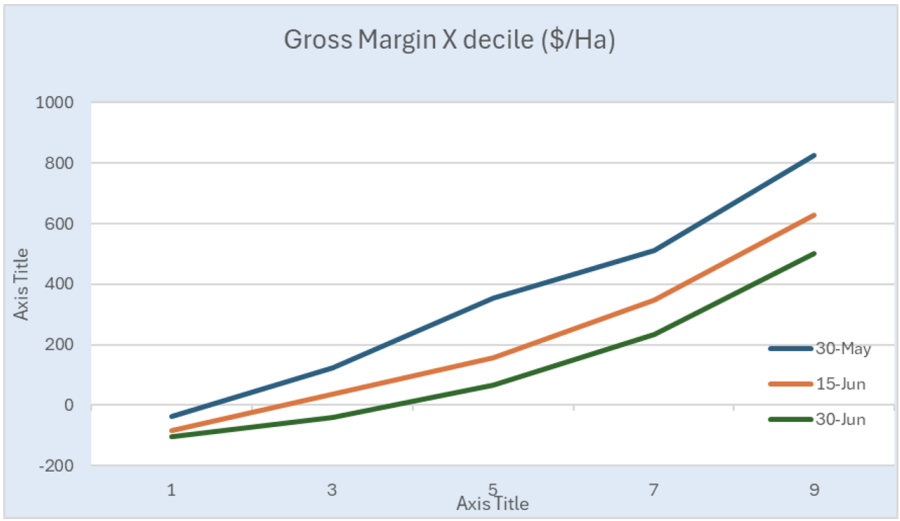


Bear in mind these are simulated yields based on the historic climate record. Do you think they are realistic? You need to place your own perspective on what might be the situation on your own farm.

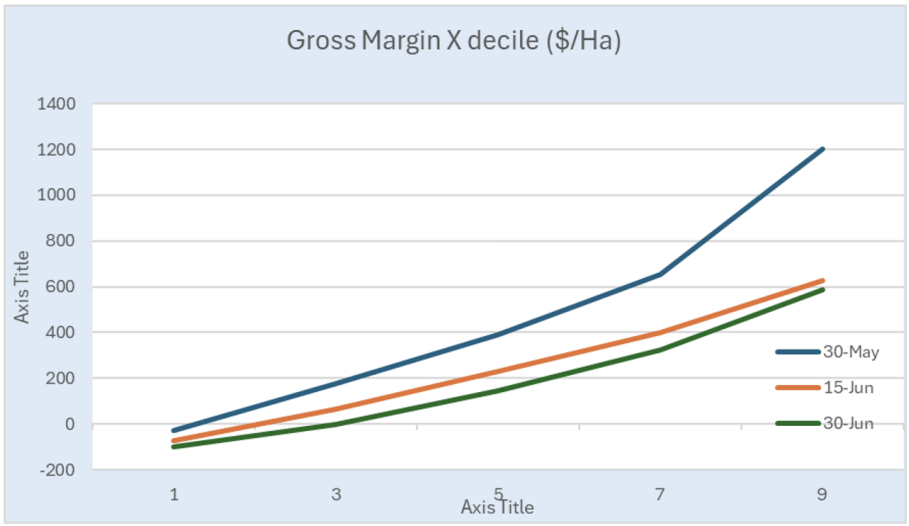
Gross Margin

The gross margin for each decile requires an estimate of yield, price of wheat and growing cost. The idea of RiskWi$e is that we look at the gross margin spread across deciles. Although it might feel like it will never rain again, past records show that the start of the season tells us nothing about the finish. The late start and dry summer are taken into account in these calculations and so each decile is equally likely to happen.

Gross Margin by seasonal rainfall decile at Port Pirie across different germination dates based on APSIM simulated yields



Gross Margin by seasonal rainfall decile at Booleroo Centre across different germination dates based on APSIM simulated yields



Remember, of course, that these Gross Margin calculations only include costs incurred after the decision is made to sow the crop (so no sunk costs such as summer weed control). Also they only include fuel and repairs for machinery- no overhead costs including any machinery overheads such as depreciation or machinery finance payments.

This kind of chart helps growers visualise:
What are the odds I'll end up in the black? And what happens if I don't?
Growers should use their own numbers, and many have already worked with their adviser to do this.

4. What We're Seeing on the Ground

Growers are adapting in real time:

- Changing crop intentions- particularly with break crops on heavier soil types.
- Swapping canola for feed barley.
- Prioritising lighter soils or paddocks with the cleanest rotations.
- In some cases, reducing the total cropped area for the year.

There's no one-size-fits-all approach. Every farm has different risk settings—shaped by debt, labour, equipment, paddock history, and mindset.

5. The Tools Help, But Judgment Still Matters

Models like Yield Prophet and CliMate, or even a quick gross margin (GM) calculator, help guide the conversation:

- What's my realistic break-even?
- What's the upside—and the downside?
- If I fallow now, what could I gain in 2026?

One grower joked that our analysis didn't do much for his mental health - until he saw that pulling back gave him a better shot at a profitable 2026. That's a good reminder: it's not about being alarmist—it's about having a clear-eyed view of what's possible.

6. Playing the Long Game

We all recognise just how important 2025 is to many farm businesses. Unfortunately, history shows that 2–3 years out of every 10 in lower rainfall environments end up being loss makers. Careful judgement and minimising the harm will be important.

But that doesn't mean doing nothing. It means being intentional - taking a strategic pause in some paddocks if it improves your odds longer-term.

What RiskWi$e is Doing

Over the next few weeks, RiskWi$e will be releasing:

- Yield decile simulations for more districts.
- Gross margin templates to help frame decisions.
- Case studies from growers making tough but smart calls.
- A discussion of how seasonal forecasts can be included in risk assessments
- A historical analysis of the break of season in the Upper North

If you've run the numbers or taken a different approach this year, we'd love to hear from you.

Final Thoughts

There's no right answer this season - but there are better ways to weigh up the options.

Take a breath. Ask the hard questions. And know that choosing not to crop a paddock isn't giving up.

It's backing yourself to be in a better position for what comes next.