



3.1.1 WHY IRRIGATE?

Advantages and disadvantages of irrigation

The first step in the irrigation development process is to decide whether to irrigate an existing property or to continue dryland farming. To make this decision, possible advantages and disadvantages of converting to irrigation need to be considered.

Benefits of irrigation

The reasons for irrigating are wide and varied and different for each situation. For example:

- More certain production than is possible with dryland systems.
- The opening up of diversification or intensification options.
- Increased profitability within an existing farming programme, both in total net income and as a return on investment in farming.
- A more constant income (cashflow) from one season to another.
- The ability to monitor farm inputs and achieve outputs with greater certainty for a particular production system than is possible under dryland farming arrangements.
- The ability to change to a different farm production system.
- Opportunity for other members of the farming family, or perhaps the next generation, to become involved in the farm business, as an alternative to purchasing additional land.

Disadvantages of irrigation

Investing in irrigation comes at a cost. Although the benefits usually exceed those expected, you need to consider the costs and associated risks of the commitment to irrigation. Some of these factors are listed below.

- Initial investment in plant, vehicles and equipment is high and needs to be financed.
- Higher debt loading makes business more susceptible to interest rate rises.
- Additional production may not be marketable.
- A wider infrastructure is required to support the extra activity.

- Additional farm staff and facilities (such as buildings, grain storage, etc) will probably be required.
- A farmer will probably need to upskill in a wide range of areas.
- Substantial seasonal finance is often required.
- Increased workload may put pressure on the traditional holiday season.

Suggestions/Precautions

Although irrigation has many benefits, whether to irrigate or not is primarily an economic decision. For irrigation to be sustainable, its benefits must increase income enough to cover the costs of development and provide an acceptable return on investment. It is particularly important that the margin between gross profit and farm working expenditure is great enough to service the additional debt.

Irrigation requires a significant personal commitment and a change in approach. If you are not fully committed to irrigation and to making the changes, it may be better to continue dryland farming.

June 2001