

Irrigation Options Update

Investment Analyses

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Gross Margin & Investment Analysis Tools

- Extension of GM Spreadsheets for;
 - Cherries
 - Hazelnuts
 - Olives
 - Wine Grapes



Investment Analysis

- Extension of Gross Margin Analysis
- Assess Long-Term profitability
- Establishment costs
- Residual Value
- Annual cash flows from life of project
- Discounted to NPV



Net Present Value (NPV)

- Compares \$ value today to \$ value in the future
- If NPV positive – investment profitable
- Discounts future cash flows to compare in \$ value today.



Gross Margin & Investment Analysis Tools

- Available at:
- <http://dpi.wa.gov.au/agriculture/investing-in-irrigation/farm-business-planning-tools>



Summary

- Assess long-term profitability
- Discounts cash flows over life of project
- Net Present Value



Questions

