
NEW TO FARMING · PART 1 OF 6

Getting started in farming: the money side

By Nick Clunes · Updated 26 October 2026 · 9 minute read

SHORT ANSWER

Most new farmers in Australia start without buying land. They lease, share farm or agist, and spend their money on stock, gear and a cash buffer instead. In the first years, watch the cash more closely than the profit, because farm income comes in a few big cheques and the bills come every month.

You want to farm. You've worked on other people's places, or you grew up near one, and now you want your own stock in your own paddock. The hard part usually isn't the farming. It's working out where the money comes from, and how to get through the months before the first cheque arrives.

I'm Nick Clunes from Farm CFO by Clunes Rural. I started as a personal and business banker at Greater Bank, and I've worked in commercial and equipment finance since 2018. This guide is the money side of starting out, in plain words. It's general information, not advice for your situation.

What does it cost to start farming?

There are four big costs. Some you can avoid at the start, and some you can't.

1. **Land.** This is the biggest cost by far if you buy. Most new farmers don't buy at first.
2. **Stock.** The animals you'll run. For a sheep or cattle business, this is often the main cost when you lease.
3. **Plant.** The gear you need to do the work. Think a bike or side-by-side, dogs, yard panels, a drench gun and a trailer.
4. **Working capital.** The cash you need to pay the bills until stock is sold. People forget this one, and it's the one that catches them out.

To give you a feel for prices, the NSW DPIRD 2025 budget for first-cross ewes uses \$248 a head for replacement ewes and \$2,000 for a terminal ram. Those are guide prices for that budget, not quotes. Ring a stock agent for what's selling in your district this month.

Why do most new farmers start without buying land?

Land ties up a lot of money in one thing. If you borrow to buy it, the repayments start straight away, whether the season is good or not. A first-timer who buys land and stock at once often has no cash left for a dry year.

Leasing, share farming and agistment let you spend your money on stock and a buffer instead. You build skills, a record of results and savings. Later, a bank or lender can look at real numbers from your own business, not just a plan.

I explain each option, the money involved and the risks in ways into farming without buying a farm.

Why does cashflow matter more than profit at the start?

Profit is what's left over across a whole year. Cashflow is the money going in and out of your bank account each month. You can make a profit for the year and still run out of cash in the middle of it.

Farm income comes in lumps. A sheep business might get a lamb cheque in autumn, a cull ewe cheque in early summer and a wool cheque once a year. The lease, fuel, drench and phone bill come every month.

So the question in year one isn't only "will I make money?" It's "what is the lowest my bank balance gets, and when?" That low point tells you how much cash or overdraft you need. An overdraft is a limit on your account that lets you go below zero up to a set amount, and you pay interest on what you use.

A worked example: what a small start might cost

This is an invented sheep business, and the figures are illustrative. Sam leases 100 ha and buys 300 first-cross ewes already scanned in lamb, plus six terminal rams. Sam keeps an off-farm job for living costs.

Cost	How it's worked out	Amount
Ewes	$300 \times \$250$	\$75,000
Rams	$6 \times \$2,000$	\$12,000
Plant	Second-hand bike \$8,000, two dogs \$4,000, yard panels and handling gear \$6,000	\$18,000
Working capital	The most cash Sam's first-year cashflow needs before the lamb cheques, rounded up	\$60,000
Total		\$165,000

Notice there's no land in that table. The lease is paid twice a year out of the working capital. The \$60,000 buffer comes from Sam's monthly cashflow. Bills run ahead of sales from July to January, and the account gets down to under \$1,000 in January. Then the lamb cheques arrive in February and March.

I build Sam's full budget and monthly cashflow, step by step, in your first farm budget.

Who should I talk to first?

Have these conversations before you buy a single animal.

- **An accountant who works with farmers.** Ask about a business structure, GST and record keeping. Tax rules for farmers have their own quirks, so a farm accountant is worth finding.
- **Your bank or another lender.** Ask what they'd want to see from a new farm business. Compare more than one, and read each lender's terms. My farm loans explained guide covers the main loan types.
- **An experienced farmer in your district.** Ask what stock does well, what lease rates people pay and what goes wrong in a bad year. Buy them a beer and listen.
- **A solicitor.** Get any lease, share farming or agistment agreement checked before you sign it.
- **The Rural Financial Counselling Service, if things get tight.** It's free and confidential for eligible farmers in or at risk of financial hardship. Ring 1300 771 741.

What training and support is there?

Some good programs are free or low cost. These were current when I checked in October 2026.

- **NSW Young Farmer Business Program.** An initiative of NSW DPIRD for young farmers and fishers. It has toolkits with videos, guides, checklists and templates, including a leasing and agistment toolkit. In 2026 it also ran Young Farmer Bank Ready workshops with the Rural Financial Counselling Service.
- **NSW Farm Business Resilience Program.** Workshops, business planning help, coaching and peer networks to manage drought, climate and business risk. It's funded by the Australian Government's Future Drought Fund and the NSW Government. You can register through the NSW Government business support page.
- **Local Land Services (NSW).** LLS gives landholders advice, training and networking, plus biosecurity advice on pests, diseases and weeds. It's also where you get a Property Identification Code for livestock.
- **Beef Fundamentals course.** A free, self-paced online course for NSW landholders, aimed at people new to beef or running small herds. LLS developed it with NSW DPIRD and Tocal College. It has seven modules covering nutrition, condition and welfare.
- **AgriFutures Horizon Scholarship.** For university students in the last two years of an agriculture-related degree. It pays \$5,000 a year for those two years. Applications for the 2027 round close on 13 November 2026.

Other states run their own programs through their agriculture departments. Search your state department's site for young farmer or new entrant support.

Are there government loans for new farmers?

Yes. The main national one is the AgriStarter Loan from the Regional Investment Corporation (RIC), a Commonwealth lender. Here's how it worked as at October 2026, from RIC's own pages.

Feature	AgriStarter Loan, as at October 2026
What it's for	Buying or setting up your first farm business, or farm succession
Up to	\$2 million
Term	10 years
How it's repaid	Interest only for 5 years, then 5 years of principal and interest
Interest rate	5.71% variable from 1 August 2026, on all RIC loans
Fees	No application fee and no early payout fee, though third-party costs may apply
What RIC usually wants	Security, support from a commercial lender, and at least 50% of your total debt with a commercial lender at the start

Interest only means you pay just the interest for a set time, not the amount you borrowed. Principal and interest means each repayment also pays down the loan. Security means the land or other assets the lender can sell if the loan isn't repaid.

You also have to meet RIC's eligibility rules. These include being an Australian citizen or permanent resident, and putting at least 50% of your labour into the farm. You must also earn, or plan to earn, at least 50% of your income from it. The business needs an ABN, must be registered for GST and must show it is viable or can become viable. Check the full list on the RIC site before you apply, because rules and rates change.

For more detail, read RIC loans explained and state government farm loans. If you plan to borrow for stock or gear, see livestock finance and equipment finance for farmers.

A simple first-year plan

Here's the order I'd do things in. Each step is small. Together they stop the common mistakes.

1. **Pick one enterprise.** One type of stock you know or can learn fast. Don't start with three.

2. **Do a gross margin budget.** That's the income from the enterprise, less the costs that go up and down with it. Start from a NSW DPIRD budget and change it to suit your place.
3. **Find the land.** Lease, share farm or agist. Inspect it with the owner and take photos of the fences, water and yards.
4. **Get the agreement in writing.** Have a solicitor check it before you sign.
5. **Set up the business.** ABN, a Property Identification Code, LPA accreditation for cattle or sheep, and a separate bank account. My farm business setup checklist lists them all.
6. **Build a monthly cashflow.** Find the low point and arrange cash or an overdraft to cover it, with some to spare. My overdrafts and seasonal finance guide explains how those facilities work.
7. **Buy stock.** Only once the land, paperwork and cash are sorted.
8. **Check every month.** Compare what happened with the budget. If the bank balance is heading lower than planned, act early.
9. **Review after the first year.** What made money, what didn't, and what you'd change.

Where to get help

- **Regional Investment Corporation** for the AgriStarter Loan: ric.gov.au.
- **Rural Financial Counselling Service** for free help if you're in or near hardship: 1300 771 741. In Central and Southern NSW, RFCS NSW is on 1800 319 458.
- **NSW DPIRD** for the Young Farmer Business Program and the Farm Business Resilience Program.
- **Local Land Services** for a PIC, biosecurity advice and local training.
- **The ATO** for tax and GST rules, and an accountant for your own situation.
- **A solicitor** for leases, share farming, agistment and partnership agreements.

You can start your own numbers with the free cashflow forecaster and sheep gross margin calculator, or download a template. If you'd like me to check a plan before you take it to a lender, the Farm Health Check is \$850 plus GST. Farm CFO doesn't arrange loans. If you want finance to buy your first stock, I refer people to stock agents and lenders that offer livestock finance, such as Elders. I receive no referral fee for that. Compare offers and read each lender's terms.

Common questions

How much money do I need to start farming?

It depends on the enterprise, the district and whether you buy land. In my invented example, 300 ewes on leased land needs about \$165,000 for stock, gear and a cash buffer, with no land purchase. Build your own numbers with a gross margin budget and a monthly cashflow before you commit.

Do I need to own land to be a farmer?

No. Many people start by leasing land, share farming, running stock on agistment or working on a farm first. These let you build skills, a track record and savings before you take on the cost of land.

What is the RIC AgriStarter Loan?

It's a Commonwealth loan from the Regional Investment Corporation for first farmers and for farm succession. As at October 2026 it offers up to \$2 million over 10 years, with the first five years interest only, at a variable rate of 5.71%. You also need a commercial lender, and you must meet RIC's eligibility rules.

Who should I talk to first?

An accountant who works with farmers, your bank or another lender, and an experienced farmer in your district. If money gets tight, the Rural Financial Counselling Service gives free, confidential help to eligible farmers on 1300 771 741.

Can I keep my off-farm job while I start?

Yes, and many new farmers do. Off-farm wages can cover living costs and fill the gaps between stock sales. Note that some schemes, like the RIC AgriStarter Loan, expect you to put at least half your labour into the farm and earn at least half your income from it.

Sources

1. Regional Investment Corporation, AgriStarter Loan
2. Regional Investment Corporation, RIC variable interest rate change 1 August 2026
3. NSW DPIRD, 1st cross ewes, terminal meat rams, farm enterprise budget 2025 (1,000 ewes)
4. NSW DPIRD, Young Farmer Business Program
5. NSW Government, Drought and farm business support (Farm Business Resilience Program)
6. NSW Government, Beef Fundamentals course (Local Land Services and Tocal College)
7. NSW Government, Local Land Services
8. AgriFutures Australia, Horizon Scholarship
9. business.gov.au, Rural Financial Counselling Service (RFCS)
10. Rural Financial Counselling Service NSW
11. Elders Finance, Livestock finance

General information only, not financial, tax or credit advice. Worked examples use made-up figures.