



**Rabobank**

*Media release  
April 11, 2011*

***Strong returns to see increased investment – Rabobank announces special rate of 6.7 per cent p.a. on Farm Management Deposits***

With the recent season resulting in healthy returns for many Australian farmers, this year is likely to see significantly increased demand for farm management deposits. Catering for this increased demand, Rabobank has released a special rate of 6.7 per cent p.a. on its Farm Management Deposits (FMD) for one year deposits with interest paid annually.

Rabobank general manager Rural Australia Peter Knoblanche says primary producers across many parts of Australia have benefited from high commodity prices and favourable seasonal conditions, resulting in healthy returns in the 2010/11 financial year.

Mr Knoblanche says an FMD is an effective management tool where farmers can set aside funds in good farming years to access later when cash flow is tight.

“Rabobank’s FMDs are available to primary producers as a tax-affective planning strategy to set aside pre-tax income from profitable years to help manage business during the cyclical downturns of the agricultural industry,” he says.

“Towards the end of the financial year, producers start thinking about tax – if they’ve had a good season, they’ll have extra income to declare and if they invest in a farm management deposit, they can set aside pre-tax income from more profitable years, earn interest on this money to be used in less profitable years.”

The key benefit of these investments is that they are fully tax deductible in the year of deposit and only taxable in the year of withdrawal (deposits must usually be held of a minimum of 12 months to qualify for these tax benefits).

With Rabobank, producers are able to choose the FMD that best suits their financial needs from a range of competitive variable or fixed term product options. Rabobank’s FMDs have a minimum investment of \$1000.

“People suited to this investment are producers who are business-minded, operating sophisticated and successful enterprises and seeking opportunities to grow their business,” Mr Knoblanche says. “They are adept at managing their finances and depend of debt finance to grow their business. Finance is a serious subject which requires the right product to fit the right business.”

All interest payments and withdrawals from Rabobank FMDs are directly credited to a nominated bank account, and no account service fees apply.



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Each FMD is backed by Rabobank, giving clients the peace of mind of dealing with an organisation regarded as one of the world's safest banks.

As a rural bank, Rabobank invests deposit funds back into Australian agriculture through loans to farmers – so investing with the bank means clients are contributing to the growth of the rural economy.

The world's leading food and agribusiness bank, Rabobank is one of Australia and New Zealand's largest rural banks and a major provider of corporate financial services to the region's food and agribusiness sector. To find out more about its products and services, visit the Rabobank website: [www.rabobank.com](http://www.rabobank.com).

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**Rabobank Australia & New Zealand is a part of the international Rabobank Group, the world's leading specialist in food and agribusiness banking. Rabobank has more than 110 years' experience providing customised banking and finance solutions to businesses involved in all aspects of food and agribusiness. Rabobank is structured as a cooperative and operates in 48 countries, servicing the needs of approximately 10 million clients worldwide through a network of close to 1600 offices and branches. Rabobank Australia & New Zealand is one of Australasia's leading rural lenders and a significant provider of business and corporate banking and financial services to the region's food and agribusiness sector. The bank has 88 branches throughout Australia and New Zealand.**

**Media contacts:**

Denise Shaw  
Public Relations Manager  
Rabobank Australia & New Zealand  
Phone: 02 8115 2744 or 0439 603 525  
Email: [denise.shaw@rabobank.com](mailto:denise.shaw@rabobank.com)

Jess Martin  
Public Relations  
Rabobank Australia & New Zealand  
Phone: 02 8115 4861  
Email: [jess.martin@rabobank.com](mailto:jess.martin@rabobank.com)