



Rabobank

**Media Release**  
**November 28, 2016**

## **Frost takes a bite out of WA farmer confidence**

### **Results at a glance:**

- *Rural confidence in WA has retracted for a second quarter, falling into negative territory*
- *Frost and subdued grain prices impact sentiment in the grains industry*
- *Survey shows WA farmers have the strongest appetite for education/training in the country*

**WA farmer confidence has edged further down again this quarter as price concern and frost impacts the sentiment of the state's grain producers.**

**The latest Rabobank Rural Confidence Survey, completed last month, found that while the majority of WA farmers (55 per cent) expect agricultural economic conditions to remain stable in the coming 12 months, there has been a move toward a more negative outlook in the rural sector.**

Of those WA farmers surveyed, 24 per cent expected agricultural economic conditions to worsen, up from 20 per cent last quarter, while those expecting improved conditions fell to 20 per cent (from 31 per cent).

Rabobank regional manager Western Australia Crawford Taylor said the fall in confidence had a lot to do with low grain prices and frost damage impacting farmers in the state.

"We experienced a series of damaging spring frosts," Mr Taylor said.

"Areas in the Central & Eastern Wheat Belt were particularly hard hit and we've seen total crop estimates pull back by more than three million tonnes from earlier forecasts.

"Grain producers were counting on above-average yields to take away some of the price pain, unfortunately for some this will no longer be the case."

Confidence in the grains sector fell from neutral levels (0 per cent) to -16 per cent but Mr Taylor said there were still producers in the state anticipating near-record yields.

"We started harvest around three weeks or so ago and there are areas that are doing really well and we are also getting good reports on yield and oil quality coming from canola," he said.

Across the other commodities, beef was the most positive with a net confidence reading of 29 per cent (up from 0 per cent last quarter), while confidence eased in the sheep sector to sit at -20 per cent, a large drop from 24 per cent last quarter.

"Falling saleyard prices were identified as a concern for sheep producers, which perhaps shows some trepidation over long-term stability, however for a lot of mixed farmers, sheep and wool income has offset some of the pain being experienced by the frost impact on crops," Mr Taylor said.

"Although we've seen prices pull back a little for sheepmeat it has not been by much and prices for wool remain solid."



**Rabobank**

**Media Release  
November 28, 2016**

Reflecting the impact of softer prices and frost on gross farm incomes, WA farmers revised down their income expectations for the coming 12 months.

The survey found 26 per cent of WA farmers expected their gross farm income to increase over the next 12 months (down from 37 per cent last quarter). There was also an increase in those farmers expecting their gross farm income to fall – at 26 per cent, up from 15 per cent last quarter. A total of 48 per cent expected a similar financial result to the previous year.

Despite this predicted fall in income, the viability index remained strong with 96 per cent of WA respondents indicating their farm businesses had ongoing viability.

This quarter the survey also questioned farmers about their education and training needs, finding WA producers had the largest appetite for training in the country. A total of 41 per cent of WA farmers indicated they were looking to upskill, up from 33 per cent with this intention a year ago.

Emerging technologies were highlighted as a key area of focus, with 75 per cent indicating this is a field they would like further training in.

“Constant improvement of skills for our farmers will become increasingly important as agriculture continues to evolve,” Mr Taylor said.

“In WA we are seeing a big push from industry and government to engage primary producers in education and innovation. As part of its Agrifood 2025+ plan, the Western Australian government aims to double the value of agricultural production by 2025 and a key factor in this is education and training, both as a means of achieving those production targets and as a way of attracting and retaining employees.”

Mr Taylor said “keeping on top of the latest technologies and innovations and supporting their adoption along the entire supply chain” was a major focus for Rabobank.

“We recently hosted over 1200 delegates at the Rabobank Farm2Fork Summit held in Sydney,” he said.

“The entire focus of this event was on innovation and technology across the agriculture and food industries and it was great to have some of our WA customers attend.

“There is a lot of potential still to be achieved in agriculture in WA and it’s important that farmers create some time to engage with the enabling innovations and technologies.”

A comprehensive monitor of outlook and sentiment in Australian rural industries, the Rabobank Rural Confidence Survey questions an average of 1000 primary producers across a wide range of commodities and geographical areas throughout Australia on a quarterly basis.

The most robust study of its type in Australia, the Rabobank Rural Confidence Survey has been conducted since 2000 by an independent research organisation. The next results are scheduled for release in March 2017.



**Rabobank**

**Media Release**  
**November 28, 2016**

***Rabobank Australia & New Zealand Group is a part of the international Rabobank Group, the world's leading specialist in food and agribusiness banking. Rabobank has more than 115 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 40 countries, servicing the needs of approximately 8.6 million clients worldwide through a network of more than 1000 offices and branches. Rabobank Australia & New Zealand Group 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 94 branches throughout Australia and New Zealand.***

< ends >

To arrange an interview with Crawford Taylor, Rabobank regional manager Western Australia, or for more information on Rabobank's Rural Confidence Survey, please contact:

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

Skye Ward  
Media Relations Manager  
Rabobank Australia & New Zealand  
Phone: 02 4855 1111 or 0418 216 103  
Email: [skye.ward@rabobank.com](mailto:skye.ward@rabobank.com)