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**Media Release
December 17, 2025**

Input cost pressure drives dip in Queensland primary producer confidence

Results at a glance:

- *Rural sentiment eases in Queensland, with high input costs listed as a chief concern.*
- *Good seasonal conditions remain the leading cause for positivity among the state's farmers.*
- *Beef producers continue to be the most optimistic sector in the state.*

Concern around high input costs – including fertiliser, fuel, agrochemicals and labour – have contributed to a dip in Queensland primary producer confidence in the most recent quarter, the latest Rabobank Rural Confidence Survey found.

The survey, released today, found Queensland producers have become less optimistic over the last quarter, with a net rural confidence reading of -1 per cent, down from 10 per cent in the previous quarter.

In the quarter four survey – completed last month, prior to widespread beneficial rain across central and southern Queensland – producers had also cited concerns around dry seasonal conditions.

However, Rabobank state manager for Queensland Polly Saraiva said these worries should have been somewhat alleviated with the improved rainfall totals.

The dip in Queensland producer confidence seen in the latest quarter is in line with farmer sentiment nationally, with confidence declining in all states except Victoria. Tasmania and WA maintained their positions of highest and lowest rural confidence respectively.

In Queensland, the survey found 23 per cent of producers were now expecting conditions in the agricultural community to improve in the next 12 months – down from 31 per cent who had that expectation last quarter. Meanwhile, 24 per cent are taking a negative view on the year ahead, expecting economic conditions to worsen (increasing from 21 per cent in quarter three). Just over half of those surveyed – 52 per cent – expect business conditions in the year ahead to remain largely unchanged.

The Rabobank survey found the decline in Queensland agricultural producer confidence was being driven by concern about dry seasonal conditions – cited by 40 per cent (up from 30 per cent) – while 34 per cent were worried about rising input costs (was 36 per cent).

A total of 30 per cent expressed concern about government intervention and policies (albeit down from 42 per cent in the previous quarter). Worry about falling commodity prices (supply/ demand) remained the same – cited by 24 per cent of those surveyed, with 24 per cent also taking a negative view of overseas markets/economies.



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On the other hand, the survey found there was also a positive view of seasonal conditions for many Queenslanders surveyed, with good seasonal conditions identified as the most significant positive factor contributing to the agricultural economy – cited by 49 per cent of the state’s primary producers (from 56 per cent last quarter). A total of 43 per cent were optimistic about rising commodity prices (up from 36 per cent previously).

By region, sentiment was found to have decreased in most agricultural areas. Producers operating on the Tropical Coast recorded the lowest confidence at net -17 per cent (was zero per cent). South West-based producer sentiment dropped dramatically to net 14 per cent (from 51 per cent last quarter).

Despite a small decline in confidence, Central Coast/Fitzroy producers reported the highest sentiment across the regions – at net 16 per cent (from 18 per cent in the previous survey). Rural confidence on the Darling Downs, however, increased compared with last quarter, albeit to still be at low levels – climbing to net -15 per cent (from -21 per cent).

Ms Saraiva said, “looking back over the year, while there have been some peaks and troughs in confidence, Queensland producer sentiment has been relatively stable”.

“Strong fundamentals of a reasonable season across much of the state and stable commodity prices – particularly for cattle – have underpinning a reasonably-optimistic producer outlook through much of the year,” she said.

The survey found all commodity groups had contributed to the overall softer rural confidence seen at state level, with no sectors reporting improved sentiment this quarter.

Sugar cane producers recorded the lowest confidence in the state, plummeting to -44 per cent (from -15 per cent previously), with only four per cent expecting conditions to improve (down from 11 per cent).

Ms Saraiva said confidence among Queensland sugar cane producers has deteriorated sharply, reflecting mounting global price headwinds for the sector.

“RaboResearch – the bank’s research arm – expects the world sugar market to swing back to surplus in 2025/26, with a forecast balance of 2.6 million metric tons. This anticipated oversupply, combined with stagnant consumption growth and structural demand-side challenges, is likely to keep sugar prices under pressure through 2026. Against this backdrop, producers face a muted price outlook – well below recent highs.

“These global dynamics, along with below-average crop yields in some key cane regions, like the Burdekin, underscore why sugar cane producer confidence has fallen.”

The outlook of Queensland’s grain growers on the year ahead remains largely unchanged at a net confidence reading for the sector of -40 per cent (was -39 per cent last survey).

“With the Queensland winter crop harvest now wrapped up, growers in all grain-growing regions have reported good crop yields,” Ms Saraiva said. “And these good



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yields have helped alleviate some of the low-price pressure that grain growers are dealing with.”

The survey found rising input costs to be the major concern for the state’s grain growers.

Fertiliser is one of those inputs, Ms Saraiva said. “And there may be some relief from high prices on the horizon. Global fertiliser prices may move lower over the next year, primarily thanks to an improving supply and demand outlook. However, Australia’s foreign exchange rates will continue to play a major role in pricing, given the country’s heavy reliance on fertiliser imports,” she said.

Sentiment among the state’s cotton growers continued to ease this quarter, with net confidence at -29 per cent (down from -16 per cent previously).

Ms Saraiva said softer commodity prices were one of the key reasons for the pessimistic outlook amongst cotton growers.

“However, recent rain across Queensland’s southern cotton-growing regions will have topped up water allocations and soil moisture profiles and hopefully lifted the spirits of growers heading into the next growing season,” she said. “However, patchy rain in the Central Highlands has not been sufficient to increase allocations yet and Fairbairn Dam levels remain low, impacting confidence to plant cotton.”

The survey found net confidence in the state’s beef sector to sit at 15 per cent, down from 21 per cent in the previous quarter.

“While beef-producer confidence has come back in this survey,” Ms Saraiva said, “they remain the most positive sector in the state.

“Good seasonal conditions and strong commodity prices were nominated by beef producers as the chief factors driving their outlook.

“With high cattle inventories and strong slaughter numbers, the bank believes cattle prices will remain heavily influenced by producer sentiment and seasonal conditions. And recent price movements following November rainfalls reflect this dynamic.”

The latest Rabobank survey found investment appetite among the state’s agricultural producers remained relatively unchanged with 31 per cent planning to increase spending on their farming operations in the coming 12 months (from 30 per cent previously). A further 56 per cent reported their intention to keep investment at current levels (was 60 per cent), while 12 per cent planned to decrease spending (from 10 per cent).

The survey found among the investment priorities for Queensland producers, on-farm infrastructure (such as fences, yards and silos) remained top of the list – for 65 per cent (down from 72 per cent last survey). More than half (51 per cent) also plan to adopt new technologies (up from 44 per cent), while 40 per cent respectively intend to invest in new plant/machinery and irrigation/water infrastructure (from 42 per cent and 34 per cent).



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The percentage of Queensland producers looking to expand their agricultural businesses through property purchase remained unchanged this survey, with 15 per cent reporting an appetite to buy additional agricultural land in the year ahead.

The outlook for farm incomes remained largely stable in the state. A total of 44 per cent of Queensland producers expect their gross farm incomes to remain the same in the coming 12 months (46 per cent in the previous survey), while 36 per cent expect higher incomes (was 37 per cent). The survey found a small increase, to 19 per cent, of producers predicting their income to decline (was 14 per cent).

A comprehensive monitor of outlook and sentiment in Australian rural industries, the Rabobank Rural Confidence Survey questions an average of 700 primary producers across a wide range of commodities and geographical areas throughout Australia on a quarterly basis. The most robust survey 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 2026.

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To arrange an interview or for more information on Rabobank's Rural Confidence Survey, please contact:

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