



WA farmers weigh bumper harvest against economic pressures as they look to year ahead

Results at a glance:

- *WA winter crops on track for yields, but economic pressures keeping a lid on confidence.*
- *Farmers are cautious of rising input costs combined with softening commodity prices.*
- *Investment intention in WA remains strong, with farmers investing in on-farm efficiency gains.*

Western Australian farmers are finishing 2025 with a somewhat cautious outlook on the year ahead, as the state celebrates another bumper harvest, but tempered by easing commodity prices and rising input costs, the latest Rabobank Rural Confidence Survey has found.

The quarter four survey, released today, found net rural sentiment in the state had dipped from neutral levels seen last quarter to now sit at -7 per cent, similar to results reported in mid-2025.

However, only a quarter of WA farmers were reporting a negative outlook on the year ahead, while 53 per cent expect the agricultural economy to remain stable (up from 42 per cent with that view in the previous quarter) and 18 per cent anticipate economic conditions will improve (albeit down from 29 per cent previously).

Rabobank's state manager for WA Steve Kelly said the feeling on the ground is that it would be hard to top the strong finish for 2025 enjoyed by many WA producers.

"In reality, more than half of WA farmers expect conditions to stay the same for the next 12 months," he said.

"Based on what we're hearing from farmers, they are realistic that it would be hard to top this year's harvest and recent sheep and beef prices, so there's the expectation that conditions probably can't get much better."

However, he noted, softening prices in some commodities and higher input costs were weighing on farmer sentiment.

Mr Kelly said 2025 had been marked by a number of successes and achievements for WA's farm sector, which "should be celebrated".



“Good growing conditions across WA’s wheatbelt pushed up winter crop yield, and signs are pointing to a record year for total grain tonnage in the state,” he said.

Corresponding with this, confidence levels among WA grain growers increased in the survey, completed last month. Farmers in the South West of the state were the most bullish about the outlook.

“The late season break followed by good rainfall across most regions in July and August is supporting winter crop production, which is forecast by RaboResearch (Rabobank’s research division) to reach 26 million tonnes in WA,” Mr Kelly said.

“It’s been a strong year for livestock production as well, with 2025 delivering solid beef prices and record sheep prices.

“Although some of the heat has now come off cattle prices due to seasonal factors, WA cattle prices in early December remain above the five-year average.”

Mr Kelly said overall net confidence among WA beef producers had eased in line with these market trends, although he noted none surveyed expected conditions to deteriorate in the coming 12 months.

“Likewise, as sheep and lamb prices dropped from the highs enjoyed in September and early October, WA sheep producer confidence also dipped. WA sheep and lamb prices have recovered through late November to return to historical highs,” he said.

Mr Kelly said while the state’s crop harvest was exceeding expectations, WA farmers remain realistic about the economic pressures facing their businesses.

“Looking ahead to 2026, WA farmers are concerned about the double impact of easing commodity prices and rising input costs,” he said.

The survey found 36 per cent of farmers were concerned about commodity prices, up from 30 per cent with that worry in the previous quarter – returning to levels not seen in 18 months.

While global volatility in wheat and canola markets underpins WA growers’ concerns around the commodity price outlook, harvest will help offset this, Mr Kelly said.

“The recent downturn in grain prices has impacted sentiment, but higher-than-anticipated grain yields will balance out softer prices,” he said.

Expectations of rising commodity prices however, also held strong among WA farmers surveyed, with 57 per cent citing higher commodity prices as a positive factor for agriculture over the next 12 months. Livestock producers were most bullish about the market outlook.



WA producers were feeling the pinch from rising input costs, a concern for 44 per cent of those surveyed (up from 33 per cent in the previous quarter) – the highest level in two years.

“Farmers nationally continue to face price rises for machinery and key farm inputs such as fertiliser, machinery, repairs and maintenance,” Mr Kelly said.

Although RaboResearch indicates global fertiliser prices may move lower over the next year, with an improved supply and demand outlook, this hasn't yet provided any farmgate price relief.

This quarter, there was an easing in concern about government interventions/policies. While still a worry for 45 per cent of WA farmers, this was down from 62 per cent the previous quarter. Mr Kelly noted that while the end to live export of sheep remains an issue for the sector, WA sheep producers are focussed on transitioning their businesses towards other markets.

He said an increased appetite for investment reported by WA producers in the latest survey was a clear sign that farmers remain optimistic about their businesses.

More than a third of WA farmers surveyed now intend to increase investment in their businesses in the next 12 months (35 per cent, up from 27 per cent last quarter), while those planning to decrease investment held relatively steady at 12 per cent (was 11 per cent) and more than half expect to maintain investment at current levels (54 per cent, was 62 per cent).

As usual, Mr Kelly said, investment plans were geared towards on-farm infrastructure such as fences, yards and silos – on the capital expenditure list for 63 per cent of farmers, albeit down from 71 per cent last quarter.

Plans for investment in new plant and machinery held relatively steady at 45 per cent, while the same proportion of WA farmers intended to spend on the adoption of new technologies (up from 40 per cent previously).

“This is in-line with strong machinery investment from our WA clients over the past 12 months, as a sustained strategy to optimise on-farm efficiency through innovation,” Mr Kelly said.

He said while the appetite to purchase more farmland had eased to 14 per cent of farmers surveyed (from 19 per cent in the previous quarter), this reflected the tight farmland market, as well as some mindfulness of potential rate rises.

“We saw intention to purchase land increase in the previous quarter, which aligns with the timing of the survey. There isn't now the level of land coming onto the market through this time of year, however there is still strong interest when it does become available,” he said.



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Mr Kelly said WA farmers' income expectations have been adjusted to factor in the weaker grain market and some settling in livestock markets. Those WA farmers who expect their income to increase held steady (38 per cent, was 39 per cent previously) with grain and beef producers most confident, while sheep producers contributed to the 21 per cent of WA farmers who now anticipate incomes could decrease over the next year (was 12 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 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 2026.

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