



Rabobank

*Media Release
August 26, 2025*

Queensland rural confidence softens as input cost concerns take gloss off positive seasonal conditions

Results at a glance:

- *Queensland rural sentiment registered a decline in the latest quarterly survey.*
- *Rising input costs and government intervention/policies were key factors behind the dip in confidence.*
- *Sentiment among the state's beef producers and grain growers was down slightly.*
- *Despite this, investment intentions in Queensland continued to rise – and remain the highest in the country.*

Queensland rural confidence has dipped slightly in the most recent quarter, with the state's primary producers reporting concern about the cost of inputs, the latest Rabobank Rural Confidence Survey.

However, good rainfall – particularly early in the season – was cause for optimism among producers, with much of the state set up for a positive growing season.

Completed last month*, the survey found high costs for inputs – such as fertiliser, ag chemicals, machinery, labour and fuel – along with concern government intervention/policies were key factors driving an easing in confidence in the state's agricultural sector.

Overall, net Queensland rural confidence moved down to -2 per cent, from 10 per cent previously.

The survey found while the proportion of the state's farmers with an optimistic view on the year ahead had remained stable in the latest quarter (at 24 per cent), 26 per cent now expected conditions to worsen (up from 14 per cent last survey). Those expecting conditions to remain stable declined to 47 per cent (from 57 per cent).

By region, the survey found confidence had declined almost across the board, with only producers in the south west of the state posting a small improvement in sentiment.

And by commodity, sentiment was down slightly among Queensland's beef producers, at a net 14 per cent (from 19 per cent). Net confidence among the state's grain growers was also down from -6 per cent last quarter to -21 per cent this survey, largely driven by a fall in those who felt the agricultural economy would improve (from 19 per cent, down to 7 per cent this quarter).

Confidence within the state's sugar sector also declined, with 48 per cent of cane growers surveyed expecting a deterioration in economic conditions in the 12 months ahead (up from 37 per cent in the previous survey) and just 10 per cent expecting conditions to improve. Sentiment remained subdued in the dairy industry, with no Queensland dairy producers surveyed anticipating improved business conditions (unchanged from last survey).



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Overall, of those Queensland producers surveyed, 44 per cent were concerned about rising input costs, while 37 per cent were worried about government intervention/policies.

On the other hand, good seasonal conditions and rising commodity prices were cited as positive factors for the year ahead, by 39 per cent and 37 per cent respectively.

Rabobank state manager for Queensland Polly Saraiva said “some record-breaking summer rains had set much of the state up well for winter”.

“Cropping regions are generally enjoying good soil-moisture profiles, benefiting winter crops, while livestock producers in many areas have an abundance of pasture available,” she said.

However, Ms Saraiva said, while seasonal conditions had been favourable for many Queensland producers, “there is a level of concern around rising input costs and the geopolitical tensions that may be contributing to these cost increases and price volatility”.

“Queensland and Australian agricultural exports and imports are intricately linked to global affairs, and producers are highly aware that international conflicts and trade disputes can affect their bottom line,” she said.

The survey found primary producers across Australia shared these concerns around high input costs – nominated as the chief reason for diminished confidence nationally.

Ms Saraiva said beef producers continued to be the most optimistic commodity sector in the state, despite confidence levels declining.

“The survey found while net confidence has eased slightly, over 80 per cent of Queensland beef producers see the outlook for the year ahead improving or staying the same,” she said.

“Beef producers are buoyed by cattle prices that are continuing to edge higher, with cull cow prices leading the charge, supported by US demand for lean trim. And this demand could increase over the coming months due to the additional US tariffs imposed on Brazil’s imports into the United States, which would provide ongoing support for Australian cattle prices.”

Despite the dip in overall Queensland rural confidence, the survey found appetite for investment among the state’s producers continued to be on the rise – and remained the highest in the country. Overall, 37 per cent of Queensland producers surveyed were intending to increase their on-farm investment in the coming 12 months (up from 34 per cent in the previous survey), while a further 54 per cent were looking to maintain investment at current levels. Just eight per cent were looking to wind back their investment.

This result was largely driven by increased investment appetite amongst beef producers, with 43 per cent looking to increase investment in their farm businesses (up from 29 per cent last survey), while almost half (49 per cent) intend to keep investment at current levels.



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“Reasonable commodity prices and generally good seasons in recent times have seen producers take the opportunity to continue to ‘future-proof’ their businesses,” Ms Saraiva said. “Stable business conditions have allowed producers to reflect on their businesses, consider future needs and then make those investments to help drive efficiencies and productivity.”

Overall, 67 per cent of the state’s producers were planning to invest in on-farm infrastructure (such as fences, silos and yards), 39 per cent in adopting new technologies and 35 per cent in new plant/machinery.

The survey found a lift in the number of Queensland producers surveyed reporting they are looking to expand their businesses through property purchase, with 16 per cent planning to acquire property in the year ahead (up from 13 per cent last quarter).

Ms Saraiva said Queensland producers are looking to expand their businesses and focused on making quality land investments. “This growth in expansion plans indicates producers are looking to the future and strengthening their existing businesses,” she said.

Income expectations for the year ahead were marginally down in the Queensland agricultural sector. Overall, 28 per cent of producers surveyed in the state expect their gross farm income to rise over the 12 months ahead (down from 32 per cent last survey), while 17 per cent expect a weaker financial performance (unchanged from previously).

By commodity, income projections were highest in the Queensland beef sector, with 34 per cent expecting an increase in income in the year ahead (down from 36 per cent in the previous survey), while in the grain sector, 29 per cent of growers anticipate a higher gross farm income (up from 21 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 October 2025.

<ends>

*** Q2 2025 survey completed later due to delayed fieldwork. Survey will return to regular timing over the course of the year.**

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

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