



Summer rain drives rally in Queensland primary producer confidence

Results at a glance:

- Confidence among Queensland's primary producers has lifted to a 12-month high, to record among the highest sentiment levels in the country.
- Good seasonal conditions were cited by over half of producers as having a positive impact on the agricultural economy in the coming 12 months.
- Sentiment picked up strongly in the state's beef sector – with beef producers the most positive about their prospects.

Sentiment among Queensland's agricultural producers has climbed to a 12-month high, with the state recording among the highest levels of rural confidence in the country in the latest quarterly Rabobank Rural Confidence Survey.

Positive seasonal conditions were shown to be the key driver of the increasingly optimistic outlook in the state's agricultural sector.

Queensland rural sentiment – along with Tasmania – was the second highest in the nation, trailing only South Australia, where farmers are optimistic of this year providing a turnaround from challenging dry weather conditions in 2024.

The quarter one survey, released today, showed the Queensland net rural confidence index had risen into "positive territory" at 10 per cent, up from -1 per cent in the December quarter.

Completed last month, the survey found around a quarter of Queensland producers, at 24 per cent (up from 18 per cent last quarter), expect agricultural economic conditions to improve in the year ahead, while a further 57 per cent expect similar conditions to the previous 12 months.

Meanwhile, a smaller proportion of the state's producers – at 14 per cent (down from 19 per cent) – expect economic conditions to worsen.

Over half of Queensland producers surveyed (51 per cent) were optimistic about seasonal conditions for the year ahead – up from 43 per cent in the previous quarter. Commodity prices were a positive factor for 26 per cent of the survey respondents (down from 32 per cent last quarter), while the state of overseas markets/economies was cited by 24 per cent as cause for optimism (up from 19 per cent).

The lift in Queensland producer confidence was in line with the majority of other states this quarter – with improved sentiment 'across the board' except for Western Australia where confidence remained relatively subdued.

Currently around a quarter of the nation's farmers (at 24 per cent) expect agribusiness conditions to improve in the next 12 months, up from 18 per cent previously.



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By region, the Rabobank survey found confidence picked up across Queensland, with the Central Highlands/Central Queensland and the Darling Downs posting the biggest rebounds in sentiment, followed by the South West/Central West/Channel Country and Northern Queensland. Confidence is now highest among those producers in the South West/Central West/Channel Country, with 31 per cent of primary producers in the region expecting farm business conditions to improve.

Recently-appointed Rabobank state manager for Queensland Pollyana Saraiva said good summer rainfall across much of the state had “set producers up well” for the year ahead.

“By and large, much of Queensland is enjoying good seasonal conditions,” she said. “However, there are farmers in the north of the state adversely impacted by the extreme rain and flooding following the tropical low earlier in the year and, as is so often the case, there are isolated pockets of the state where producers are still waiting for some decent and follow-up rain. Though recent rainfalls in the north west and western Queensland will hopefully have filled in many of these gaps.”

By commodity, the survey found confidence had picked up strongly in Queensland’s beef sector – with beef producers the most positive about their prospects and 32 per cent expecting economic conditions to improve in the year ahead (up from 20 per cent with that view previously).

Rabobank head of relationship management for Queensland Joe Webb said despite record production volumes through 2024, Australian cattle prices have remained steady. “With favourable seasonal conditions and improving US demand for imports, the bank is expecting cattle prices to remain steady with some upside through the first half of 2025.”

In the grain and cotton sectors, Mr Webb said, confidence held relatively steady, in “slightly positive territory”.

“Cotton picking has begun in Central Queensland, with growers reporting average yields, despite a slow start to the season and late rainfall,” he said. “While many cotton growers have benefited from favourable weather conditions, we are aware that some have faced challenges like heavy rain, hail or insufficient seasonal rainfall.”

The survey found confidence remained subdued in the state’s dairy sector and had fallen further among sugar producers, with cane grower confidence now trailing the other commodity sectors.

Mr Webb said Queensland’s sugar cane producers had faced a challenging start to the year. “Flooding across North Queensland has left many communities and farming businesses facing a long recovery. For impacted sugarcane growers, one of the biggest challenges ahead is replanting lost crops,” he said.

Investment intentions rose strongly among Queensland producers this quarter, with Queensland farmers now reporting the highest investment appetite in the country. The survey showed 34 per cent of the state’s farmers intend to increase their on-farm investment in the coming 12 months (up from 27 per cent last quarter), while a further 58 per cent are looking to maintain spending at current levels (previously 62 per cent).



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And just seven per cent are looking to wind back their investment (down from 10 per cent).

“The generally good seasonal conditions, coupled with reasonable commodity prices, have given Queensland producers a level of optimism about re-investing in their agricultural businesses,” Mr Webb said.

Investment intentions were found to be highest among the state’s grain growers.

“Producers are taking the opportunity to invest in infrastructure and technology that will make their businesses more efficient and productive in the coming years,” Mr Webb said.

The RBA’s recent cut to the official cash rate – along with market expectations of further rate cuts – may also be factoring into producers’ investment plans, he said.

Across the state, producers intend to invest in on-farm infrastructure, such as fences, silos and yards (planned by 67 per cent), water/irrigation infrastructure (40 per cent), adopting new technologies (39 per cent) and new plant/machinery (37 per cent).

A total of 13 per cent of Queensland producers surveyed reported they are looking to expand their businesses through property acquisition (up from 10 per cent last quarter).

Mr Webb said the appetite for Queensland producers to continue to expand and develop their businesses remains high, supporting interest in property purchase.

Farm income projections for Queensland producers held steady, after a rise in this measure seen last quarter. Overall, 32 per cent expect their gross farm income to rise over the 12 months ahead (up from 30 per cent last quarter), while 48 per cent expect a similar financial result to the past year. And 17 per cent expect a weaker financial result (16 per cent previously).

By commodity sector, income projections were highest in the state’s cotton sector, with 83 per cent expecting an improvement (up from 50 per cent). While in the dairy sector, 60 per cent (up from 24 per cent last quarter) of the state’s dairy farmers anticipate a higher gross farm income in the year ahead.

The viability index remained strong and is now the highest in the nation, with 97 per cent of Queensland producers categorising their farm business as either easily viable, viable or just viable – up from 94 per cent in the previous quarter.

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 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 June 2025.

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