Media Release
October 28, 2025

Australian farmer sentiment lifts

Results at a glance:

- *National rural confidence increased in the latest quarterly survey, driven by strong livestock commodity prices and improved seasonal conditions.*
- *Rural sentiment improved in all states, with Tasmania maintaining the highest confidence levels.*
- *Farmer confidence grew across all the commodities, with sheep producers now having the highest sentiment, followed by beef producers.*

Confidence in Australia's farming sector has lifted, as the nation's farmers hang their hopes on continuing strong commodity prices – particularly in livestock sectors – and better seasonal conditions in a number of regions, the latest Rabobank Rural Confidence Survey has found.

The survey, released today, found net farm sector confidence rose to 14 per cent, up from a neutral zero per cent in the previous survey.

Across the nation, confidence in the performance of the agricultural economy increased during the quarter, with just over a third of farmers (35 per cent) predicting farm business conditions to improve over the next 12 months, up from 29 per cent with that view in the previous survey.

Those expecting conditions to worsen had fallen to 21 per cent (from 29 per cent previously). And the survey found 41 per cent of the nation's farmers expect conditions to remain unchanged.

The Rabobank survey found farmer confidence increased in all states, with Tasmania maintaining the highest confidence levels.

And confidence grew across all the commodities, with sheep farmers now having the highest confidence, followed by beef producers.

Sentiment was found to be lowest among cotton, grain and sugarcane growers, with more taking a negative than positive outlook on the agricultural economy in the next 12 months.

Rabobank group executive for Country Banking Australia Marcel van Doremaele said the overall improved sentiment seen in the farming sector was based on generally strong commodity prices for livestock farmers coupled with improving seasonal conditions that had been seen in many parts of the country.

The survey, completed last month, found the increase in confidence was primarily driven by rising commodity prices (nominated as a positive factor by 50 per cent of respondents, up from 47 per cent last survey) and good seasonal conditions (for 49 per cent, up from 47 per cent). A further 26 per cent (up from 14 per cent) of farmers expect overseas markets/ economies to have a positive influence in the 12 months ahead.

"Australia's beef and sheep producers have been buoyed by relatively consistent and robust prices – driven by strong international demand – throughout this year," Mr van Doremaele said. "And while softer prices for cotton, grain and sugarcane are holding back sector confidence, growers are hoping average to above-average crop yields will go some way to offsetting the weak markets."

Despite high confidence, farmers' concerns surrounding government intervention/policies and high input costs remained high, at 39 per cent and 37 per cent respectively, the latest survey found.

Drought also remained a worry for 33 per cent of those surveyed, while overseas markets/economies and falling commodity prices were each nominated as concerns for 24 per cent.

Mr van Doremaele said Queensland, northern NSW and WA had for the most part been enjoying good seasonal conditions, while farmers in Victoria and South Australia had been hoping for rain through the spring. "Late winter and early spring rainfall across much of south-eastern Australia was appreciated by farmers and lifted spirits in the short term. However, many regions, particularly in Victoria, have not yet reached their average rainfall levels, and farmers remain hopeful for additional rain in the coming weeks."

States

Tasmanian farmers continue to hold the highest levels of confidence in the nation. Over the last quarter, the confidence of Tasmanian farmers has continued to rise, with the net index reaching 34 per cent compared with the previous quarter where it sat at 23 per cent.

"Improved seasonal conditions leading into spring, along with key commodity prices holding steady has been driving confidence in Tasmania, although there is variation in the outlook based on regions and commodities," Mr van Doremaele said.

Sheep producers have led a lift in **Victorian** farm sentiment and are the most optimistic commodity sector in the state, with Victoria's overall net rural confidence reading rising to 21 per cent, up from seven per cent last survey.

Mr van Doremaele said the sheep sector's positive outlook has been supported by robust sheep and lamb prices, as well as some improvement in fine wool prices, alongside expectations of improving seasonal conditions at the time the survey was taken.

“However, many Victorian livestock producers are worried about slipping back into drought conditions,” he said. “And Victorian grain growers are closely watching rainfall going into harvest.”

Mr van Doremaele said hopes of another above-average winter crop harvest – potentially among the largest on record – had boosted the optimism of **Western Australia’s** farmers, with the state’s rural confidence tracking up in the latest quarter.

The survey found net farm sector confidence in the WA had climbed to a neutral reading, sitting at zero per cent, up from -6 per cent last survey.

Queensland beef producers are driving a lift in the state’s rural confidence seen in the most recent quarter. A combination of favourable seasonal conditions in key beef-producing regions, strong global beef markets and robust local prices were the chief reasons for optimism among Queensland cattle producers.

The survey found sentiment among Queensland primary producers had risen to net 10 per cent (previously -2 per cent).

Rural confidence had edged up in **South Australia**, however “most farmers are sitting on the fence as they take stock of seasonal conditions, the outlook and the market,” Mr van Doremaele said.

SA’s rural sentiment index shifted to a net eight per cent, increasing from three per cent last quarter. This sees confidence turn around after dropping significantly in winter.

Mr van Doremaele said for **New South Wales,** improving seasonal conditions in parts of the state – combined with solid commodity prices and positive international market indicators – were the main factors shown to be behind a jump in farmer confidence in the state.

The survey found NSW farmer sentiment had jumped to a net 15 per cent (up from -8 per cent in the previous survey).

Commodities

Confidence levels increased across all commodity sectors, the Rabobank survey found.

Sheep producers now have the highest confidence of all Australian farmers, with net confidence doubling over the last quarter to 31 per cent (was 14 per cent). Commodity prices, good seasonal conditions and optimism around international market opportunities were cited as key positive drivers for this sector

Lamb prices continue to hold at very high levels, Mr van Doremaele said, which is contrary to a more normal seasonal downward trend as new season lambs hit the market at this time of year.

Confidence among **beef** producers has continued to grow – to a net 27 per cent, up from 22 per cent when surveyed previously. Better seasonal conditions were the primary driver of positive sentiment among surveyed beef producers, along with commodity prices and the strength of overseas markets/economies.

“Rain early in the year across key beef-producing regions in Queensland and northern New South Wales provided good pasture for beef producers in those areas, Mr van Doremaele said. “And with the potential of the US herd rebuild reducing its supply and lower import volumes from Brazil, US imported lean trim prices may continue to remain high, supporting Australian prices and sustaining producer confidence.”

Grain sector confidence also increased in the latest quarter, although it remains in net negative territory, sitting at -18 per cent, up from -24 per cent last survey.

Seasonal conditions were the leading cause of positivity cited by grain growers, while they were concerned about input costs, government intervention and policies and falling commodity price. Mr van Doremaele noted the survey had primarily been completed prior to the recent softening in grain prices.

“Despite these concerns,” he said, “Australia is forecast to harvest a larger winter grain crop this year.” This growth outlook is underpinned by above-average rainfall received across key grain-producing regions through the season, most notably in Western Australia and northern New South Wales.

Sentiment strengthened for **dairy** farmers, rising to a net 19 per cent, from seven per cent last quarter. Optimism about milk prices, seasonal conditions and international markets were the factors nominated by dairy farmers for their lift in confidence.

Mr van Doremaele said dairy farmers were currently benefiting from favourable milk prices, however, they continue to encounter difficulties in securing labour. As a result, many farmers are opting to invest in advanced infrastructure, including robotic dairies, lane systems and feed pads to enhance production and mitigate reliance on manual labour

Sugar producers’ confidence has risen over the last quarter, with the net index now at -15 per cent (from -39 per cent previously). The latest survey found 56 per cent of sugar cane growers surveyed have concerns over rising input costs and 52 per cent falling commodity prices (albeit down from 64 per cent and 27 per cent respectively in the previous quarter).

“Despite concerns,” Mr van Doremaele said “growers are cautiously optimistic, with the 2025 season showing signs of improved production. However, global prices have dipped over recent months creating some concern for the coming year. And flooding earlier this year wreaked havoc on some key cane-growing areas in north Queensland, with the impacts affecting crush yields.”

Cotton farmers are feeling marginally more confident than last quarter, with an increased net confidence index of -27 per cent (up from -32 per cent). However, sentiment among other commodities is stronger, leaving the cotton sector with the lowest confidence across the board.

“Cotton prices continue to face downward pressure,” Mr van Doremaele said. “The overarching theme behind recent price action appears to be very strong global supply, namely from Brazil.”

Investment and income expectations

In line with the overall lift in confidence among the nation’s farmers, investment appetite improved again in the latest survey, continuing an upward trend seen since a low point in December 2023.

The survey found while the number of farmers planning to increase on-farm investment in the next 12 months remained stable (at 29 per cent), those intending to wind back on-farm spending declined to nine per cent, from 13 per cent in the previous. A total of 61 per cent expect to keep investment at the current rate.

Mr van Doremaele said Australian farmers continued to “prioritise enhancing the productivity and profitability of their operations by adopting innovative technologies and practices to achieve greater efficiency”.

On-farm infrastructure (such as fences, yards and silos) remains the top ‘capex’ planned – by 67 per cent (up from 63 per cent last survey), while 43 per cent were intending to adopt new technologies (up from 37 per cent) and 37 per cent to invest in new plant/machinery (up from 32 per cent).

Nationwide, 29 per cent of farmers surveyed are looking to increase their livestock numbers (up from 23 per cent), 22 per cent intend to invest in irrigation/water infrastructure and in education (from 20 per cent and 24 per cent respectively).

There has been a slight increase in the number of farmers planning to purchase property in the year ahead – to 15 per cent (was 13 per cent last survey), with intentions highest in Western Australia at 19 per cent (up from 13 per cent).

Reflecting the growth in confidence among those in the farm sector, there has been an increase in income expectations.

The survey found 41 per cent of farmers now expect their gross farm income to increase over the next 12 months (was 33 per cent previously), with a decreased number anticipating a weaker financial result (16 per cent, down from 24 per cent). A total of 40 per cent are expecting incomes to remain unchanged. South Australia has the highest proportion of farmers projecting an increase in income, at 60 per cent.

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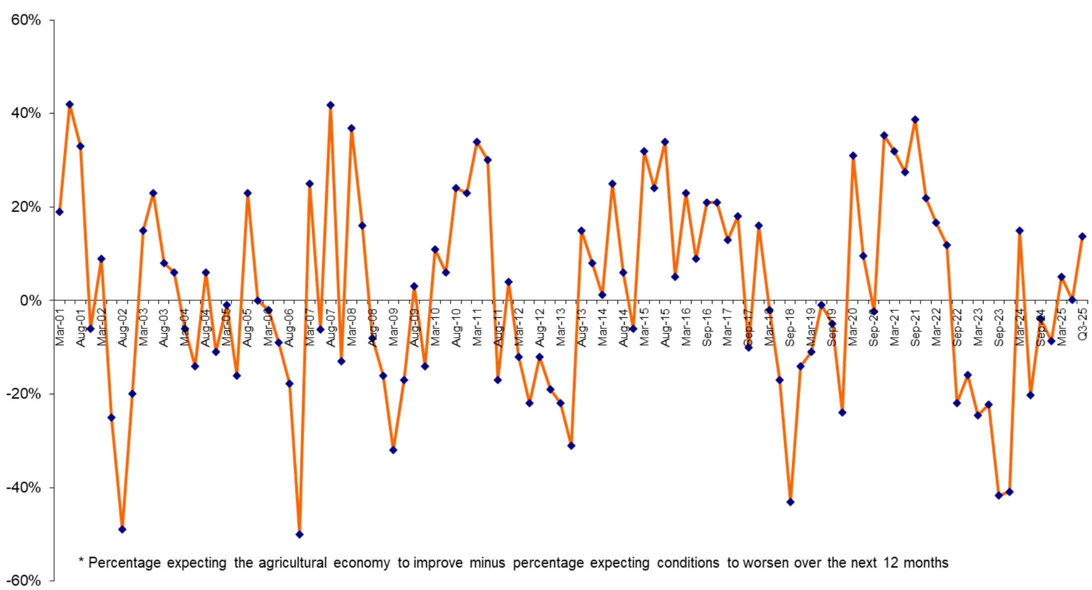
Rabobank Rural Confidence Index



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 December 2025.

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