



NSW farmer confidence rallies

Results at a glance:

- *NSW farmer confidence jumped in the most recent quarter – almost a third of farmers now expect farm business conditions to improve.*
- *Beef producers continue to be the most optimistic.*
- *Farmers' investment intentions have risen.*

Improving seasonal conditions in parts of the state – coupled with strong livestock commodity prices and positive international market signals – are chief factors behind a jump in New South Wales farmer confidence in the most recent quarter.

The quarter three Rabobank Rural Confidence Survey, released today, found the state's farmers were overall more optimistic about the outlook for the year ahead compared with the previous survey, with NSW farmer sentiment rising to a net reading of 15 per cent (from -8 per cent).

Almost a third of the state's farmers (32 per cent) are now expecting farming business conditions to improve over the next 12 months (from 24 per cent previously), while only 17 per cent expect worsening prospects (down from 32 per cent). Those anticipating conditions will remain the same sat at 47 per cent.

The overall increase in NSW farm sector confidence was shown to be driven by several factors. There was a slight rise in those bullish about seasonal conditions – 48 per cent, up from 45 per cent – along with a small increase in positivity about higher commodity prices – 50 per cent, from 46 per cent previously. NSW farmers surveyed were also more positive about international markets/economies – cited as a positive factor by 27 per cent (compared with 13 per cent previously).

However, the survey, completed last month, found there has also been an increase in farmers in the state who are concerned about drought – 34 per cent (up from 23 per cent last survey). Input costs were a worry for 36 per cent (previously 41 per cent).

By region, the latest survey found a rise in rural confidence levels across the board – with the highest levels recorded by farmers based on New South Wales's Northern Slopes and Plains, at a net reading of 35 per cent (was -3 per cent).

Rabobank state manager for NSW Toby Mendl said late winter and some early spring rain across much of the state had been welcomed by farmers and lifted spirits, particularly for agricultural producers through the Riverina, who had been managing dry seasonal conditions for much of the year.



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“Farmers, particularly in the southern parts of the state, have still been looking for some additional rain to fill crops, with harvest in the coming months, and to accelerate spring pasture growth” he said.

By commodity, the Rabobank survey found NSW beef producers have continued to gain confidence, with sector sentiment at a net reading of 31 per cent compared with 13 per cent previously.

“Strong international demand for Australian beef – particularly from the US – continues to drive robust local cattle prices,” Mr Mendl said.

“We are seeing this positive sentiment amongst beef producers reflected in recent spring bull sale results across the state – where vendors are generally reporting good clearance rates and sound prices, albeit maybe back slightly from last year.”

And the survey found the state’s sheep producers also recorded a rally in sentiment – with a net confidence reading of 14 per cent (turning around from -9 per cent last quarter).

While confidence among NSW grain producers lifted, it remains in negative territory, with more growers still having a pessimistic outlook on the agricultural economy in the next 12 months than an optimistic one – at net -4 percent (-25 per cent previously).

Mr Mendl said with the winter crop harvest getting underway, NSW grain growers are anticipating softer prices, however “strong crop yields are expected to help balance the weaker markets”.

The survey found NSW cotton grower sentiment remained relatively stable this quarter, although in “negative territory” with a net reading of -34 per cent.

Over half the cotton growers surveyed cited soft commodity prices as cause for the pessimistic outlook.

“Strong international cotton production, particularly in Brazil, has put pressure on local prices,” Mr Mendl said. “And the market continues to face bearish pressure from strong total global supplies. With harvest past the halfway mark, the market is awaiting the impact of Brazilian export volumes.”

Mr Mendl – who recently returned from a Rabobank Client Knowledge Tour to Brazil with 30 Australian cotton growers, which visited key growing areas of Mato Grosso and Bahia – said Australian growers are “keenly aware that South America’s cotton production could grow significantly and there is a requirement to work together to increase global demand for cotton as a natural fibre while ensuring Australian cotton quality remains comparatively strong”.

The Rabobank survey found NSW dairy farmer confidence was down this quarter, at a net reading of -3 per cent (from 14 per cent previously).



Despite holding a less positive outlook though, NSW dairy farmers have had a surge in investment appetite, with 86 per cent intending to invest more in their farm businesses in the year ahead (up from 29 per cent with that intention last survey).

“Many of NSW’s coastal dairy farmers lost infrastructure due to flooding events earlier in the year and while in the process of repairing their infrastructure and replacing plant and machinery, many are also taking the opportunity to upgrade and improve their facilities where possible,” Mr Mendl said.

Overall, NSW farmer investment appetite had risen in the quarter, with 36 per cent of those surveyed planning to increase their farm-business investment in the coming 12 months. While 58 per cent of farmers were maintaining current levels of investment, only five per cent were now planning to decrease investment (down from 12 per cent previously).

On-farm infrastructure (such as fences, silos and yards) continues to be the primary intended investment among NSW farmers – cited by 72 per cent (up from 65 per cent).

“For NSW grain growers, investing in on-farm grain storage continues to be a priority,” Mr Mendl said. “Investing in additional grain bunkers and silos is improving general productivity by providing efficient management of grain and equipment throughout harvest whilst also providing growers with options around the marketing of their grain.”

There was a lift in planned investment in new plant/machinery – cited by 38 per cent (up from 26 per cent), while adoption of new technologies was a priority for 44 per cent (was 40 per cent). And 35 per cent of NSW farmers are also looking at increasing livestock numbers (up from 25 per cent).

The survey found 15 per cent of the state’s farmers have expansionary intentions through property acquisition (previously 10 per cent).

The positive sentiment continues with 41 per cent of NSW farmers expecting an increase in their gross income in the year ahead (up from 33 per cent in the previous survey), with only 16 per cent expecting a decrease (down from 23 per cent). Those who expect their incomes to stay the same sat at 41 per cent.

All commodities have overall improved income expectations. Despite the decline in their overall confidence levels, NSW dairy farmers remained the most positive about their expected income, with 70 per cent expecting an increase (was 57 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.



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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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