



Rabobank

*Media Release
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Beef producers drive bullish sentiment for rural Queensland

Results at a glance:

- *Queensland rural confidence lifts in the latest Rabobank quarterly survey.*
- *Good seasonal conditions and strong international markets chief factors driving improved sentiment.*
- *The state's beef producers most optimistic about the coming 12 months.*
- *Despite overall positivity, investment intentions eased.*

Queensland beef producers are driving a lift in the state's rural confidence seen in the most recent quarter, the latest Rabobank Rural Confidence Survey found.

A combination of favourable seasonal conditions in key beef-producing regions, strong global beef markets and robust local prices are the chief reasons for optimism among Queensland cattle producers.

Completed last month, the survey found an overall lift in confidence levels among Queensland primary producers – with sentiment improving from the previous quarter, rising to a net reading of 10 per cent (previously -2 per cent).

This increase in confidence is driven by 31 per cent of the state's producers expecting agricultural economic conditions to improve over the next 12 months (up from 24 per cent with that view previously), with 21 per cent expecting conditions to worsen (down from 26 per cent). Just under half of producers surveyed (47 per cent) predict business conditions will stay the same, unchanged from the previous quarter.

By region, the latest survey found most parts of the state had improved rural confidence, with south-west-based producers reporting the strongest sentiment – jumping up to a net reading of 51 per cent (from 19 per cent last quarter) and none surveyed in the region expecting worsening economic conditions (previously 19 per cent).

However, sentiment among Darling Downs-based producers declined to a net reading of -21 per cent (previously -3 per cent), with only 15 per cent expecting improved economic conditions in the coming 12 months (was 20 per cent last survey), leaving the region with the lowest rural confidence levels in the state.

By commodity, confidence was shown to have increased in most agricultural sectors in the state, with beef producer sentiment the strongest – at net 21 per cent (from 14 per cent previously), and 38 per cent of those surveyed in the beef sector anticipating improved business conditions in the coming year (up from 31 per cent).

Queensland grain producers, however, have lost confidence this quarter, with net sentiment in the sector down to -39 per cent (from -21 per cent). Even though more grain producers are expecting an improved year ahead compared with last quarter (20 per cent, up from seven per cent), 59 per cent now predict a decline in business conditions (was 29 per cent).



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Overall, of those Queensland producers surveyed, over half (56 per cent) cited good seasonal conditions as a cause for optimism in the year ahead (previously 39 per cent had that view). And 34 per cent of the state's producers are foreseeing improved overseas markets/economies having a positive impact on their agricultural businesses (previously 15 per cent). Producers optimistic about rising commodity prices remained stable at 36 per cent.

On the other hand, government intervention/policies were key concerns, cited by 42 per cent of Queensland producers surveyed this quarter (up from 37 per cent previously). Rising input costs and overseas markets/economies were also both nominated by 36 per cent (from 44 per cent and 23 per cent respectively in the previous survey). Concern about drought almost doubled to 30 per cent (was 16 per cent).

Rabobank state manager for Queensland Polly Saraiva said while the state's beef producers have been buoyed by the good seasonal conditions and strong prices, it was understandable that grain and cotton growers, particularly in key growing areas like the Darling Downs, held some concerns.

"Cotton growers are apprehensive about significant growth in international cotton production that has put pressure on local prices," Ms Saraiva said.

"And the state's grain growers are also facing margin pressures, with strong global grain production putting downward pressure on local grain prices. Coupled with this, growers are dealing with increasing input costs for fuel and fertilisers. And these factors will be weighing on growers' minds."

Ms Saraiva said with harvest of the winter crop well underway in Queensland, expectations are looking positive.

"Despite dry seasonal conditions in June in southern Queensland, average July rainfall has meant soil-moisture levels remained average to above average for most of the state during the growing season. And a positive spring rainfall outlook is expected to boost above average yield prospects," she said.

For the state's sugar sector, the survey found the majority of cane growers are expecting agribusiness conditions to remain unchanged in the year ahead.

"Queensland sugar cane 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," Ms Saraiva said. "While flooding earlier this year wreaked havoc on some key cane-growing areas in north Queensland, with the impacts affecting crush yields."

The latest Rabobank survey found despite overall optimism among Queensland's rural producers, investment intentions have eased slightly, with 30 per cent indicating they were intending to invest more in their farm businesses in the year ahead (down from 37 per cent with that intention last survey) and 10 per cent planning to wind back investment (up from eight per cent previously). However, 60 per cent of producers planned to maintain on-farm investment at current levels.



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Ms Saraiva said the slight softening in investment intentions may reflect Queensland producer concerns about rising costs and the uncertainty of international markets and geopolitics identified in the survey.

“But producers are learning to work with this ‘new normal’ business environment and managing the risks accordingly,” she said. “Producers generally take a long-term view of their businesses and are prepared to manage these risks and continue to invest in their businesses for future growth, albeit with a slight decrease this quarter.”

The survey found among the investment priorities for Queensland producers, 72 per cent intended to spend on on-farm infrastructure, 42 per cent on new plant/machinery and 44 per cent in the adoption of new technologies. Appetite to increase livestock numbers has declined this quarter, down slightly to 29 per cent (from 31 per cent previously).

The percentage of Queensland producers looking to expand their businesses through property acquisition remained stable this survey, with 15 per cent planning to buy additional agricultural land in the year ahead (16 per cent last quarter).

Queensland producers’ income expectations for the year ahead were largely positive, with 37 per cent expecting increased incomes (up from 28 per cent last survey), and 46 per cent expecting their incomes to remain unchanged. Only 14 per cent now predict a weaker financial performance in the coming 12 months.

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 December 2025.

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