



Rabobank

Media Release
October 28, 2025

‘Promise’ of above-average harvest on the horizon lifts WA farmer confidence

Results at a glance:

- *Western Australian farmers have gained confidence in the most recent quarter.*
- *Beef producers' confidence surged – to be the most optimistic sector in the state.*
- *Farmer investment intentions are unchanged.*

The promise of another above-average winter crop harvest – potentially among the largest on record – has cheered Western Australia’s farmers, with the state’s rural confidence tracking up in the latest quarter.

The quarter three Rabobank Rural Confidence Survey, released today, found that after sitting in ‘negative territory’– with more farmers pessimistic than optimistic in their outlook – for the past three years, net farm sector confidence in the state had climbed to a neutral reading.

The survey found net WA rural confidence was now sitting at zero per cent, up from -6 per cent last survey.

While the number of WA producers expecting agribusiness conditions to improve in the next 12 months remained unchanged at 29 per cent, those expecting conditions to deteriorate had declined, to also sit at 29 per cent (down from 34 per cent last survey). Meanwhile, 42 per cent of WA respondents were expecting the agricultural economy to remain the stable.

The survey – completed last month, ahead of the recent softening in grain prices – found overall that commodity prices and seasonal conditions were the main causes of positivity cited by WA farmers, nominated by 59 per cent and 30 per cent respectively. There was a small increase in the number buoyed by overseas markets/ economies – 26 per cent (up from 17 per cent in the previous survey).

There were also a range of negative factors still weighing on farmer outlook, including government intervention/policies (for 62 per cent), rising input costs (33 per cent) and falling commodity prices (30 per cent).

Rabobank’s state manager for WA, Steve Kelly, said favourable seasonal conditions through June, July, August and early September are pointing to the state being “on track to deliver a well above-average winter crop – likely in the top two on record”.

“At the time of undertaking the survey, grain growers were optimistic about the season and commodity prices, however the recent downturn in grain prices will now keep a lid on income expectations and impacting sentiment,” Mr Kelly said. “Hopefully the higher crop yields expected, as a result of the good growing conditions, will go some way to balance out these softer prices.”

By region, the survey found farmer confidence increased in the Northern Wheatbelt, with 40 per cent of respondents anticipating business conditions will improve (up from zero per cent last quarter). Farmer confidence in the South West also increased with



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53 per cent of producers expecting a better year ahead (up from 39 per cent last survey), seeing net confidence in the region climb to 36 per cent (from 10 per cent). Net farm confidence in the Central/Southern Wheatbelt region, however, dropped to -25 per cent, compared with -11 per cent last quarter.

Mr Kelly said rainfall through winter and early spring in key grain-growing regions has set up farmers well for the coming harvest, despite high temperatures in late September in northern grain regions taking off some upside.

“While in southern growing regions, well-timed rain in early October will be the ‘icing on the cake’ for many crops,” he said.

By commodity, the Rabobank survey found sentiment declined in the grain sector, dropping to a net -14 per cent (from -10 per cent). Input costs, commodity prices and overseas markets were among the concerns nominated by grain growers, while more than half surveyed (60 per cent) were concerned about government intervention/policies.

Mr Kelly said government intervention/policies also remained the chief concern weighing on the minds of the state’s sheep producers.

For WA sheep producers, confidence dropped significantly this quarter, despite prices remaining at strong levels. Net confidence among sheep producers declined to -1 per cent compared to 43 per cent last survey. Only 21 per cent of sheep producers expect agribusiness conditions to improve (down from 71 per cent) and 56 per cent now expect conditions to remain the same (up from zero per cent).

“The WA flock is going through a period of transition, with producers shifting strategies for marketing their sheep or changing their flock composition,” Mr Kelly said. “However, while the WA flock is declining, those producers who have elected to stay in the sector are currently receiving excellent prices for their sheep and lambs.”

Ironically, despite the drop in overall sentiment, he said, sheep producers were the most bullish of all WA farmers about the outlook for commodity prices – with 66 per cent expecting strong prices would benefit their businesses (up from 57 per cent last survey).

The survey found confidence had surged among WA beef producers, with 60 per cent expecting agricultural economic conditions to improve (up from 25 per cent previously) and 20 per cent predicting conditions to worsen (down from 33 per cent).

“Consistently strong international demand for Australian beef – especially from the United States – is sustaining strong domestic cattle prices,” Mr Kelly said. The survey found the majority of WA’s beef producers cited good prices as the reason behind their optimistic view for the coming 12 months.

“While livestock producers in the south of the state are enjoying one of their best seasons ever, dry seasonal conditions for northern beef-producing areas, such as the Pilbara and Gascoyne, will be a cause for concern for those producers,” he said.

WA farmers’ appetite for investment remained overall unchanged this quarter. The survey found 27 per cent of WA producers planned to invest more in their farm



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businesses in the year ahead, while just 11 per cent plan to decrease spending and 62 per cent intend to keep current investment levels.

Mr Kelly said – despite lower grain prices – strong production, generally very good seasonal conditions and the forecast for falling interest rates was giving farmers confidence to invest back into their businesses.

Appetite to spend on on-farm infrastructure remained strong (for 71 per cent, up from 56 per cent last quarter). In addition, 46 per cent of WA farmers said they planned to spend on new plant/machinery and 40 per cent to invest in new technology.

The desire among WA producers to expand farming operations through property purchase has also risen, with 19 per cent reporting that intention for the coming 12 months (up from 13 per cent previously).

The outlook for farm incomes had improved, with 39 per cent of WA farmers surveyed predicting their gross income to increase (from 30 per cent). And there has been a drop in those expecting worse incomes to 12 per cent (down from 28 per cent), with 49 per cent anticipating their financial results will stay the same.

“However, some grain growers may now be reviewing their income expectations, factoring in the weaker grain market,” Mr Kelly said.

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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