Rabobank

*Media Release*
*September 14, 2026*

# *Australian farmer confidence stages a recovery*

***Results at a glance:***

- *Farmer confidence has lifted across the nation this quarter, supported by optimism about commodity markets and seasonal conditions.*
- *Input cost pressures remain a concern, but there was some relief around farm input prices and availability despite ongoing geopolitical influences on supply chains.*
- *Improved sentiment has translated to stronger investment intentions for the next 12 months.*

**Confidence has rebounded in Australia's farm sector, fuelled by optimism about commodity prices and better-than-expected seasonal conditions in a number of regions, the latest quarterly Rabobank Rural Confidence Survey has found.**

**The turnaround in farm sentiment comes after a sharp downturn seen last quarter, driven by cost pressures and supply chain volatility arising from global conflict.**

**Despite continuing tensions in the Middle East and Black Sea regions and the knock-on impact to agricultural supply chains and markets, the Q3 survey shows national farm sentiment has begun to recover, climbing to a net reading of -19 per cent. Though still at net negative levels, this is a marked improvement from the -48 per cent recorded in Q2, which was the lowest reading since 2006.**

**While the portion of Australian farmers who anticipate conditions in the agricultural economy will improve in the coming 12 months rose just slightly in the latest quarter – to 12 per cent, from 10 per cent last survey – this was offset by a significant fall in those who expect conditions to worsen (now 32 per cent, down from 58 per cent).**

**And just over half of respondents expect business conditions to stay relatively unchanged – 52 per cent, up from 28 per cent last quarter.**

**Every state recorded a lift in sentiment, and confidence improved – albeit not evenly – across all commodity sectors**.

An expectation of positive commodity prices was found to be the leading cause for optimism this quarter, cited by 48 per cent of farmers. Good seasonal conditions followed, nominated by 29 per cent.

Although elevated input costs are still the chief concern for Australian farmers, this had eased somewhat from last quarter – nominated by 54 per cent of respondents, down from 60 per cent.

There was also reduced concern about energy security (fuel price and shortage) – down to 14 per cent of farmers, from 26 per cent. Worry about the impacts of war remained stable – for 14 per cent.

Rabobank group executive for Country Banking Australia, Marcel van Doremaele said the improvement in sentiment this quarter reflects a period of improved seasonal conditions across several regions and some relief to concerns about supply costs and availability.

“Although input costs continue to be the dominant factor weighing on confidence this quarter, and cost pressures remain elevated, farming businesses have experienced the initial price shocks. Despite ongoing tensions in the Strait of Hormuz and Black Sea, sentiment has been steadied by recovery of key supply chains and stronger commodity signals,’’ he said.

“Domestic urea supply is now sitting in a more comfortable position, reducing the risk of fertiliser shortages and easing concerns around local supply constraints heading into the end of the season.”

Despite the forecasts of a strong El Nino, Mr van Doremaele said, the survey results – completed in August – saw reduced worry about drought, with a quarter of farmers nationally nominating negative seasonal conditions as a concern, compared with a third last quarter.

“Seasonal conditions have improved through August compared to July, with rainfall supporting winter crops and pastures across parts of southern and eastern Australia. And this has helped stabilise production outlook,” he said. “That said, the Bureau of Meteorology’s spring forecast points to below-average rainfall and above-average temperatures across key southern agricultural regions, meaning growers may be relying heavily on stored soil moisture as we move into spring.

“Northern NSW and Queensland remain more vulnerable, with depleted soil moisture and a subdued rainfall outlook presenting ongoing downside risks.”

Farmers reported an increased concern about government intervention and policies this survey – cited by 38 per cent (from 23 per cent previously).

Mr van Doremaele said many producers were assessing the impact of changes to tax and superannuation, as well as implications to working visa conditions which could hamper availability of the seasonal harvest workforce.

**States**

**South Australia** recorded the strongest improvement in sentiment this survey and was the only state where the net confidence returned to positive territory, making its farmers the most optimistic in the country. Net confidence rose to eight per cent (from -39 per cent).

“Beneficial rain fell through winter across most regions of SA, supporting the increase in optimism of both grain growers and livestock producers coming into spring,” Mr van Doremaele said.

**Queensland** producers were the least confident in the country, with dry conditions prevailing across many southern districts, however sentiment did improve to net -37 per cent, up from -54 per cent last quarter.

“Commodity price expectations are the leading driver of improved optimism in Queensland, but this is tempered by ongoing concern about elevated input costs. A third of Queensland producers are also worried about drought,” Mr van Doremaele said.

In **New South Wales**, net confidence climbed to net -20 per cent from last quarter’s -55 per cent, which had seen the state’s farmers holding the lowest confidence in the nation in Q2. This improvement has been supported by recent rainfall in several regions.

“NSW producers are responding to stronger commodity markets and more favourable seasonal conditions,” Mr van Doremaele said. “While many regions would welcome further rainfall to finish the season strongly, New South Wales producers are generally reporting conditions that are far more favourable than those anticipated earlier in the year.”

**Victorian** farm confidence reached net -9 per cent, surging up from -39 per cent.

“After a particularly challenging period of elevated input prices, pressure is easing, and this is combined with more favourable seasonal conditions which support crop prospects and pasture growth in Victoria,” Mr van Doremaele said.

**Western Australia** also recorded a turnaround in confidence, from -49 per cent to now sit at -28 per cent.

“WA is now on track for an average cropping season, but spring rain is critical this year,” Mr van Doremaele said. “Bullish livestock markets and rising grain prices helped to underpin improved confidence in the west.”

Farmer confidence in **Tasmania** also lifted from a Q2 base of -38 per cent to -20 per cent, although the state’s farmers reported heightened concern about high input prices.

“Although we’ve seen some relief about cost of production in other parts of Australia, Tasmanian farmers are moving into spring which is their most input-heavy season, so they are closely watching how global volatility impacts fertiliser markets,” Mr van Doremaele said.

**Commodities**

Confidence among Australia's **grain** growers rebounded from net -61 per cent last quarter to now sit at -28 per cent, as the industry responds to firmer global wheat and barley prices, paired with easing concern about input cost pressures.

"The market is currently being shaped by wheat availability, rather than wheat production, which is influencing prices. Although there's abundant supply in Russia and Ukraine, export logistics through the Black Sea are the challenge which, in the short term, is supportive for world wheat values,' Mr van Doremaele said.

"These ongoing Black Sea disruptions also provide some support for canola. Australian growers are keeping an eye on how disruptions to supply chains for Ukrainian rapeseed and sunflower oil, as well as global energy and vegetable oil demands, play out in terms of canola pricing."

**Sheep** producers were the most optimistic sector in the nation this quarter, with net confidence rising from -27 per cent to -6 per cent, supported by price stability.

"Sheep producers continue to benefit from solid market conditions for both sheepmeat and wool, and their 'bullish' confidence is underpinned by generally favourable seasonal conditions across most production regions", Mr van Doremaele said.

**Beef** producer confidence strengthened from net -40 per cent last quarter to -18 per cent.

"This improved sentiment is despite global trade restrictions reshaping beef flows around the world," Mr van Doremaele said. "Cattle prices are closely following seasonal conditions, so producers are hoping for beneficial spring rainfall to continue supporting an upside to prices."

**Dairy** producer confidence rose from net -60 per cent to now sit at -24 per cent.

"While dairy commodity values are trending below the peaks of March, there are positive signs of stability emerging. Looking ahead, price increases will depend on sustained improvement in global dairy returns, particularly for cheese," Mr van Doremaele said.

**Sugar** cane growers put the brakes on sliding optimism and, while still low, net confidence in the sector moved up to -67 per cent. Likewise, **cotton** growers reported improved confidence at net -49 per cent.

Mr van Doremaele said global cotton prices had risen more than 30 per cent over the course of the year, while sugar prices have also rallied recently.

**Investment intentions**

In line with improved confidence levels, Australian farmers reported greater appetite to invest in their farm businesses in the coming 12 months. A total of 28 per cent plan to increase their spending (up from 21 per cent last quarter), while only 12 per cent expect to reduce investment (was 19 per cent).

“There is renewed vigour from Australian farmers to develop their farms, with 63 per cent earmarking investment for capital expenditure such as yards, silos and fences – which is up from 56 per cent last quarter,” Mr van Doremaele said.

“Investment intentions have also strengthened across technology and machinery, reflecting Australian farmers’ willingness to embrace opportunities to innovate, improve efficiencies and grow the productivity and profitability of their businesses.”

Planned investment in new technologies and plant/machinery increased, with 29 per cent of Australian farmers now focusing on both areas.

There was also a small increase in intended investment in livestock numbers (climbing to 28 per cent of farmers), while one in five producers will continue to invest in irrigation/water infrastructure.

“Appetite for purchasing more land was slightly stronger this quarter (for 12 per cent, up from 10 per cent), as Australian farmers continue to make strategic acquisitions to achieve economies of scale and grow the productivity and profitability of their businesses,” Mr van Doremaele said.

“Gross income projections this quarter also reflect the improved mood across Australian agriculture, with nearly one in three farmers anticipating their income will increase over the next 12 months.”

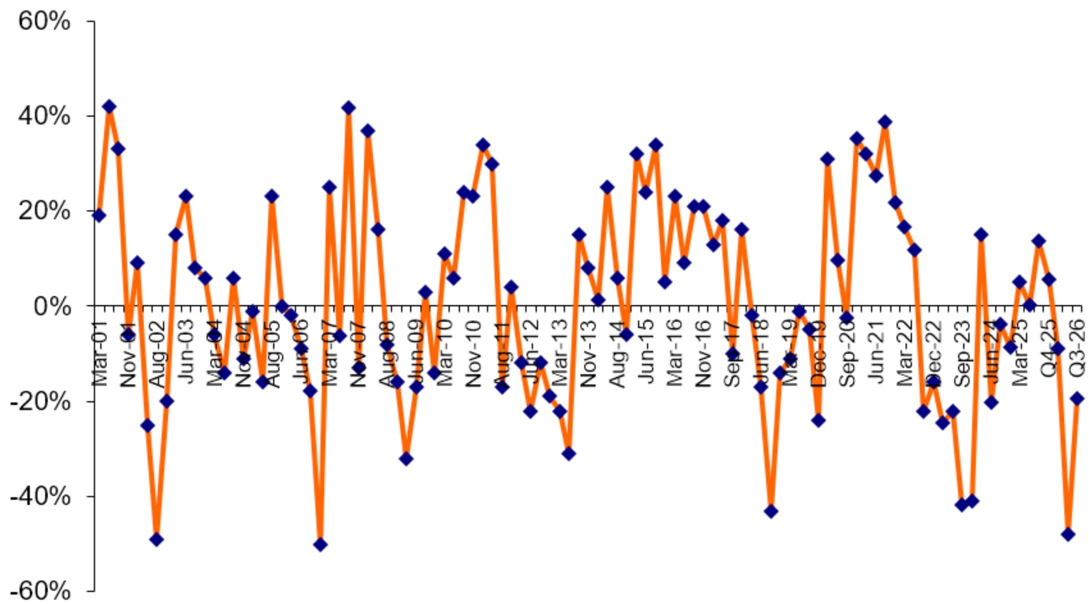
A comprehensive monitor of outlook and sentiment in Australian rural industries, the Rabobank Rural Confidence Survey questions an average of 700 primary producers across a wide range of commodities and geographical areas throughout Australia on a quarterly basis.

The most robust study of its type in Australia, the Rabobank Rural Confidence Survey has been conducted since 2001 by an independent research organisation. The next results are scheduled for release in December 2026.

Rabobank

*Media Release*
*September 14, 2026*

**Rabobank Rural Confidence Index**




**** Percentage expecting the agricultural economy to improve minus percentage expecting conditions to worsen over the next 12 months***

<ends>

***Rabobank Australia & New Zealand Group is a part of the international Rabobank Group, the world's leading specialist in food and agribusiness banking. Rabobank has more than 125 years' experience providing customised banking and finance solutions to businesses involved in all aspects of food and agribusiness. Rabobank is structured as a cooperative and operates in 35 countries, servicing the needs of more than nine million clients worldwide through a network of more than 1000 offices and branches Rabobank Australia & New Zealand Group is one of Australasia's leading agricultural lenders and a significant provider of business and corporate banking and financial services to the region's food and agribusiness sector. The bank has 87 branches throughout Australia and New Zealand.***

**Media contacts:**

Denise Shaw
Media Relations
Rabobank Australia & New Zealand
Phone: 02 8115 2744 or 0439 603 525
Email: denise.shaw@rabobank.com

Will Banks
Media Relations
Rabobank Australia
Phone: 0418 216 103
Email: will.banks@rabobank.com