Media Release
September 14, 2026

Tasmanian farmers cautiously optimistic about season ahead

Results at a glance:

- *Rural confidence is starting to rebuild in Tasmania after plummeting last quarter.*
- *A third of the state's farmers anticipate the next 12 months will deliver rising commodity prices, but there are heightened concerns about input cost pressures.*
- *Investment intentions increased for capital expenditure, but plans to expand farmland remain stable.*

Tasmanian farmers are feeling more upbeat heading into spring, as they balance hopes for rising commodity prices against ongoing concerns about input prices and government intervention.

The latest Rabobank Rural Confidence Survey, released today, showed a more positive outlook compared with the sharp drop in farm confidence seen in Tasmania last quarter. This reflected the national trend, with rural confidence strengthening in all states and across all commodities in the Q3 survey.

While still in 'negative territory – with overall more Tasmanian respondents expecting business conditions to decline rather than to improve over the next 12 months – the net index edged up from -38 per cent to -20 per cent.

The boost in sentiment was driven by fewer of the state's farmers anticipating a worsening operating environment – down to 30 per cent, compared with 44 per cent in the previous survey.

And although only one in 10 Tasmanian farmers reported they were expecting conditions in the agricultural economy to improve over the coming year, this was up slightly from the six per cent with that view last quarter. The majority of the state's farmers – at 56 per cent – expect conditions will remain stable (from 39 per cent previously).

Increased optimism about seasonal conditions – coupled with expectations of strong commodity prices – were the chief positive factors cited by Tasmanian farmers.

Elevated input costs, meanwhile, were shown to be the leading cause for pessimism in the state's agricultural sector this survey, completed last month. And, while input costs had somewhat eased as a concern for farmers in the rest of Australia this quarter, Tasmanian farmers are now more worried about the cost of producing food and fibre than they were last survey – cited by 66 per cent (up from 48 per cent previously).

Rabobank area manager for Tasmania Stuart Whatling said this reflected the seasonality in Tasmania compared with other states.

"Nationally, concern about input costs has eased somewhat in states with large winter cropping areas, where farmers have already purchased and applied most of the fertiliser and agrochemicals. In contrast, Tasmanian concerns about input costs increased this quarter as they are entering their most input-heavy period," Mr Whatling said.

"Fertiliser requirements heading into the spring period are top of mind here after a relatively dry winter, and two thirds of respondents have listed cost pressures as a concern as prices remain elevated with the Middle East conflict.

"However, despite ongoing supply chain disruptions, Tasmanian farmers are less worried about availability of key inputs than they are the cost, and concern about sourcing fuel in particular eased this quarter."

Also reflecting the current geopolitical volatility, concern about the impact of war more broadly was also nominated by 12 per cent of the state's farmers.

An increasing number are also worried about tariff implications – 11 per cent, up from none last quarter. Mr Whatling noted this aligned with China enacting 'safeguard' measures on Australian beef imports.

There was also heightened concern in Tasmania this quarter about the negative impact of domestic government intervention and policies on the farm sector – cited by 33 per cent of respondents (up from seven per cent last survey).

"There has been growing concern around local land use and regulation in the state, in particular where this may have an impact on agriculture and future investment decisions." Mr Whatling said.

"Farmers are also assessing the implications from the 2026 Federal Budget to tax, superannuation and working visas, with the latter potentially impacting seasonal labour availability."

Despite dry conditions in some areas of the state through winter, worry about drought eased from last quarter – cited by 21 per cent this survey, compared with 36 per cent previously.

"Seasonal conditions have been reasonably average in the north west and north east, but drier in the Midlands, south east and along the east coast," Mr Whatling said. "In some areas it's what farmers call a 'green drought' – it looks good from the road, but there's not much substance underneath.

"Fortunately, winter conditions were mild and the warmer soil temperatures moving into spring have supported expectations that things will start firing soon if we get some spring rain."

This cautious optimism was reflected on the 'positive' side of the sentiment ledger, with an increase in seasonal confidence among Tasmania's farmers – with 19 per cent nominating seasonal conditions as a positive factor for the year ahead (up from 14 per cent last survey). Strong commodity prices remained the leading cause for optimism among the state's farmers – albeit less so than last quarter – nominated by 33 per cent of those surveyed, down from 45 per cent previously.

Mr Whatling said regional variability in winter conditions played out in the optimism of different agricultural sectors in Tasmania.

Beef producers recorded the highest confidence of all commodities in Tasmania with a net index of -18 per cent, up significantly from -46 per cent last quarter. This bucked the national trend, which showed sheep producers to be the most confident commodity sector.

"Beef sentiment is holding up well in Tasmania," Mr Whatling said. "Better seasonal conditions in the northern beef-producing regions is a driving factor. The beef industry has weathered a few bumps, including concerns around the impact from import quotas being reached, but producers generally feel the outlook is solid and overall confidence is up."

He said strong beef markets also flowed into sentiment from the dairy sector, which maintained a neutral outlook this quarter.

"Many dairy farmers are capitalising on solid returns in the beef-on-dairy market, which has been an important contributor to farm income over the past couple of years," he said.

Sheep producers continue to benefit from strong protein and wool markets, but half of Tasmanian respondents expect this can't last and that conditions will decline over the next 12 months.

"It's not necessarily a negative outlook, they just know it can't get much better as it's been good for a while now," Mr Whatling said. "The main sheep-producing areas also experienced drier conditions through winter, so factors such as destocking or fodder shortages also play into subdued confidence for sheep producers."

He said another factor impacting the confidence of Tasmanian producers was price negotiations between potato growers and processors, which are yet to be resolved.

"The enterprise diversity on Tasmanian farms means many respondents to this survey would be impacted by the uncertainty around potato prices. Growers are waiting to understand the impact to their profitability and, with planting only weeks away, ongoing negotiations are moderating sentiment," Mr Whatling said.

Despite cost pressures, confidence in commodity markets drove farmer income expectations up in Tasmania. The proportion of farmers who expect their income to increase rose to 30 per cent (from 20 per cent last survey) while fewer anticipate their income will fall (16 per cent, from 24 per cent previously).

This supported stronger investment intentions, with 27 per cent of Tasmanian respondents planning to increase investment in their farm businesses in the coming 12 months (up from

17 per cent last quarter) and only 11 per cent intending to decrease investment (was 14 per cent). A total of 62 per cent will maintain current investment levels.

Capital expenditure remains a key focus, with more than three quarters of Tasmanian farmers planning on developing silos, fences, yards and other infrastructure – 76 per cent, up from 53 per cent. More water infrastructure is on the cards – a focus for 57 per cent of the state's farmers, up from 48 per cent previously.

"Tasmanian farmers continue to develop their properties with water infrastructure to increase productivity," Mr Whatling said. "The Northern Midlands Irrigation Scheme is due to be delivered in October, coinciding with the start of the summer 2026 irrigation season. This will further enhance irrigation opportunities in the lower Isis Valley and Macquarie River regions and will prompt further on-farm development."

Plans to expand farmland remained low in the state, with only four per cent of Tasmanian farmers intending to purchase more land in the coming year, down on the six per cent with that intention last quarter.

"Although activity has slowed from the frenzy of previous years, there is still steady interest in strategic purchases," Mr Whatling said. "Inflationary pressures and tighter margins remain key considerations shaping acquisition decisions."

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.

<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