



Tasmanian farmers continue to see good times ahead

Results at a glance:

- *Tasmanian rural confidence continues to track at stellar levels thanks to ongoing run of high commodity prices*
- *COVID restrictions are impacting horticulture and aquaculture, but farm sector generally sheltered from negative impact so far*
- *On-farm investment continues as farmers revise up incomes for the year ahead*

Tasmanian farmer confidence continues to track at stellar levels, thanks to strong agricultural commodity markets, the latest Rabobank Rural Confidence Survey has found.

The survey, released today, reveals that for the second consecutive quarter, 100 per cent of the state's farmers expect the excellent business conditions currently being experienced to either continue or improve over the year ahead, with none reporting a pessimistic view.

The quarterly survey showed little evidence of Tasmanian agricultural sentiment being negatively impacted by COVID-19 and its broader economic effects, although the horticulture and aquaculture industries have struggled with resulting labour restrictions and freight costs.

The ongoing confidence among the state's farmers is feeding business investment plans, with Tasmanian farmers eager to invest in new equipment and infrastructure to generate greater efficiencies and productivity.

Rabobank regional manager for Tasmania, Stuart Whatling said seasonal and business conditions right across the state were "very positive" and producer confidence was incredibly strong.

"Commodity prices are still outstanding, and farmers reaped bumper rewards from strong prices, which are forecast to continue," he said.

"July was a wetter-than-average month, and some areas seem quite soggy, however winter rainfall overall has been average, allowing late winter planting of crops to get started. The conditions entering spring are generally excellent."

The latest survey, completed last month, found 39 per cent of the state's farmers are expecting business conditions to improve over the coming 12 months. While this was down from 45 per cent with that view in the previous quarter, Mr Whatling said, the remaining 61 per cent of Tasmanian farmers expected a continuation of current conditions.



Rabobank

**Media Release
September 14, 2021**

“No surveyed farmers this quarter are of the view that conditions are likely to worsen,” he said.

So, while net rural confidence had eased slightly from last quarter’s six-year high, he said, it remained at very strong levels.

Of those Tasmanian farmers with a positive outlook, more than three quarters (78 per cent) pointed to commodity prices as cause for their optimism (compared with 63 per cent in June). Good seasonal conditions underpinned positive sentiment for 29 per cent of those expecting conditions to improve (was 24 per cent).

This quarter’s survey found 40 per cent of Tasmanian dairy farmers expect conditions to improve over the year ahead. While this was down from 82 per cent with that view last quarter, 60 per cent of dairy farmers still expected little change to current conditions (previously 18 per cent), all largely driven by commodity prices.

Mr Whatling said livestock sector sentiment was currently excellent.

“These really are unprecedented times for Tasmanian livestock producers, with a sustained period of really good seasonal conditions and great prices, and the forecast that those conditions will be with them for a while.”

Mr Whatling said a wet July, especially in Tasmania’s northern region, had presented some challenges to livestock producers, but overall farmers were very upbeat and well positioned to invest and grow their businesses.

He said the biggest concerns stemming from COVID-19 restrictions were being reported in the horticulture and aquaculture sectors, particularly in terms of labour availability for the horticulture sector and the cost of air freight to get premium aquaculture products to key markets in Asia.

“Hopefully the new ‘Ag Visas’ recently announced by the federal government will help alleviate those labour shortages,” Mr Whatling said.

“There have also been some COVID impacts on agri-tourism businesses – these are a big industry in Tasmania which has been significantly affected by reduced visitor numbers, firstly through the lack of international tourism and more recently state lockdowns.”

Mr Whatling said the state’s farmers were now planning their business investments with confidence about the year ahead, with farm incomes also forecast to increase over the 2021/22 financial year.

The survey data shows 51 per cent of Tasmanian farmers expect a higher gross farm income in 2021/22 – while a further 38 per cent expect a similar financial result to last



Rabobank

**Media Release
September 14, 2021**

financial year. Just 11 per cent of those surveyed have projected their gross farm incomes will decrease.

Dairy farmers were the most buoyant about their income prospects in 2021/22, with 60 per cent expecting to generate a higher gross farm income.

Such positive farm performance projections are fuelling the ongoing investment in productivity and efficiency measures which has been “going gangbusters” over the past 18 months, Mr Whatling said.

According to the survey, 31 per cent of Tasmanian farmers expect to increase their investment over the coming year (from 33 per cent last quarter) while a further 60 per cent are looking to maintain investment at current levels.

Of those looking to increase investment, the vast majority is assigned for on-farm infrastructure such as fences, yards, silos (80 per cent, up from 44 per cent last survey).

In addition, 62 per cent of those planning to increase investment in the year ahead intend to purchase new plant and machinery, 55 per cent to increase livestock numbers and 55 per cent to upgrade irrigation and water infrastructure.

“Water, water everywhere,” Mr Whatling said. “Securing water supplies and investing in efficiency has been a major focus in Tasmania for some time now, and there’s no sign of that abating.”

Mr Whatling said shortage of available land supply in Tasmania has seen a lot of farmers opting to invest back into their own assets.

Agricultural property prices continue to set new records across all districts, but supply was exceedingly limited, he said.

A comprehensive monitor of outlook and sentiment in Australian rural industries, the Rabobank Rural Confidence Survey questions an average of 1000 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 2021.

<ends>



Rabobank

**Media Release
September 14, 2021**

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 120 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 38 countries, servicing the needs of approximately 8.4 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 93 branches throughout Australia and New Zealand.

To arrange an interview with Stuart Whatling, Rabobank rural manager Tasmania, or for more information on Rabobank's Rural Confidence Survey, please contact:

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

Skye Ward
Media Relations Manager
Rabobank Australia & New Zealand
Phone: 0418 216 103
Email: skye.ward@rabobank.com<ends>