



WA farmer confidence “dries up” over “poor” autumn

Results at a glance:

- *WA farmer confidence fell in the latest survey period.*
- *Only 19 per cent of the state’s farmers expecting a better year ahead.*
- *Dry autumn seasonal conditions and government intervention were the leading concerns.*

A very dry start to this year’s cropping season has seen Western Australian farmer confidence fall over autumn, although recent rain events across large parts of the state’s agricultural regions have finally provided some relief to farmers.

The quarter two Rabobank Rural Confidence Survey, released today, found the promising early rally in WA farmer confidence seen at the beginning of the year was no match for extended dry conditions through the critical autumn planting window.

Sentiment among the state’s agricultural producers was shown to have slid further into negative territory (with more farmers pessimistic than optimistic in their outlook on the year ahead), and with net confidence sitting at -21 per cent, down from -17 per cent in the previous quarter.

The survey, completed last month, found 39 per cent of the WA farmers reported having a pessimistic view on the 12 months ahead (up from 30 per cent in the previous survey). And this more than offset a slight lift in the number expecting an improved year – 19 per cent, up from 12 per cent last quarter.

Government intervention/policies was the factor identified as the leading concern for WA farmers (cited by 46 per cent), closely followed by poor seasonal conditions (a worry for 42 per cent).

Rabobank regional manager for WA, Steve Kelly, said below-average rainfall had been top of mind for the state’s farmers in recent months.

“While government policies, such as live export, impact a portion of WA farmers, dry conditions are the number one factor affecting the whole state. So, the rain we’ve finally received in the past weeks is a game changer for many farmers following the extended dry,” Mr Kelly said.

“Grain growers were particularly concerned about below-average seasonal conditions. While there were some rainfall events in early May, the northern agricultural region missed out, so concern was heightened in this region as planting progressed with a bone-dry soil profile.

“Prior to the recent rain, we were seeing early signs of failed crops with the combination of dry conditions and above-average autumn temperatures. Now that there is some moisture, farmers have commenced reseeded in some cases.”



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**Media Release
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Mr Kelly said there is a high level of concern in the sector about government intervention and policies, especially around the topic of the ban of live sheep exports.

“I suspect the high level of concern around government intervention captures the unpredictability of government policy, including residual discontent around a range of policies (such as the Aboriginal Heritage Act) which compounds the concern about future market opportunities for our sheep producers,” he said.

The latest survey, completed last month, found sheep producers were the most pessimistic of farmers in the state, which Mr Kelly attributed to the extra uncertainty they faced about future markets, compounded by the dry weather and lower prices.

“Dry conditions, higher slaughter numbers, weak demand in export markets and lower producer sentiment have seen west coast lamb and sheep prices not experience the same recovery as the east coast prices this year. However, many WA producers have sent sheep to the eastern states as an alternative outlet, with an approximately 465,000 sheep making the trip east between last June and this February, up 30 per cent on the previous year,” he said.

The state’s dairy producers were most concerned about falling commodity prices for the year ahead, and the potential to negatively impact farmgate milk prices in Western Australia – compounded by feed costs following the prolonged dry.

While beef prices remain steady, there was a 14 per cent increase in cattle slaughter in WA in the first three months of this year compared with the same period in 2023, reflecting a higher turnoff given the dry conditions.

The survey found there was, though, cause for optimism reported among the state’s farmers in the latest quarter.

One third of WA respondents (33 per cent) were positive about the outlook for commodity prices in the year ahead. For grain growers, this was reinforced with a rally in wheat prices in recent weeks.

Just over a quarter of WA farmers surveyed were anticipating better seasonal conditions for the coming 12 months and 20 per cent credited overseas markets/economies as cause for optimism.

There does, however, remain concern around the cost of key farm inputs, identified by 28 per cent of farmers as reason for negativity. Interest rates, though, were only a worry for four per cent, despite uncertainty around what the year will hold for rates.

The dip in confidence among the state’s farmers this survey had, however, failed to dampen appetite to invest in their businesses.

More WA farmers plan on increasing their business investment (22 per cent, up from 19 per cent in the previous quarter) and the proportion planning to decrease investment remained stable, at 17 per cent.

Nearly half of all WA farmers surveyed will direct their capital expenditure towards on-farm infrastructure – such as fences, yards and silos – and 31 per cent plan on investing in new technologies.



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Despite economic and seasonal pressures, 16 per cent of all WA survey respondents have their sights set on purchasing new land to expand their farm over the next 12 months.

Fewer WA farmers now expect their incomes to increase in the year ahead (24 per cent, down from 35 per cent with that view last quarter). However, expectations around incomes decreasing were stable at 31 per cent.

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 September 2024.

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To arrange an interview with Steve Kelly, Rabobank regional manager Western Australia, 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

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