

Agri Insights



Understanding Australian farmers' intentions for the coming 12 months.



Optimistic farmers plan increased investment

1,400 farmers tell us what they think

Agri Insights is Commonwealth Bank's new research initiative, exploring 14 areas of managing an agribusiness, across the physical aspects (including production scale and land size), financial investment intentions and the people aspects (regarding people working in and for the farm business).

The results from our first Agri Insights survey show farmers intend to invest across the board.



Physical: more investment in fixed infrastructure, plant and equipment.



Financial: more spending on technology and innovation, off farm investments, and farm inputs.



People: focus on education and training, and increased involvement of family members in operations.

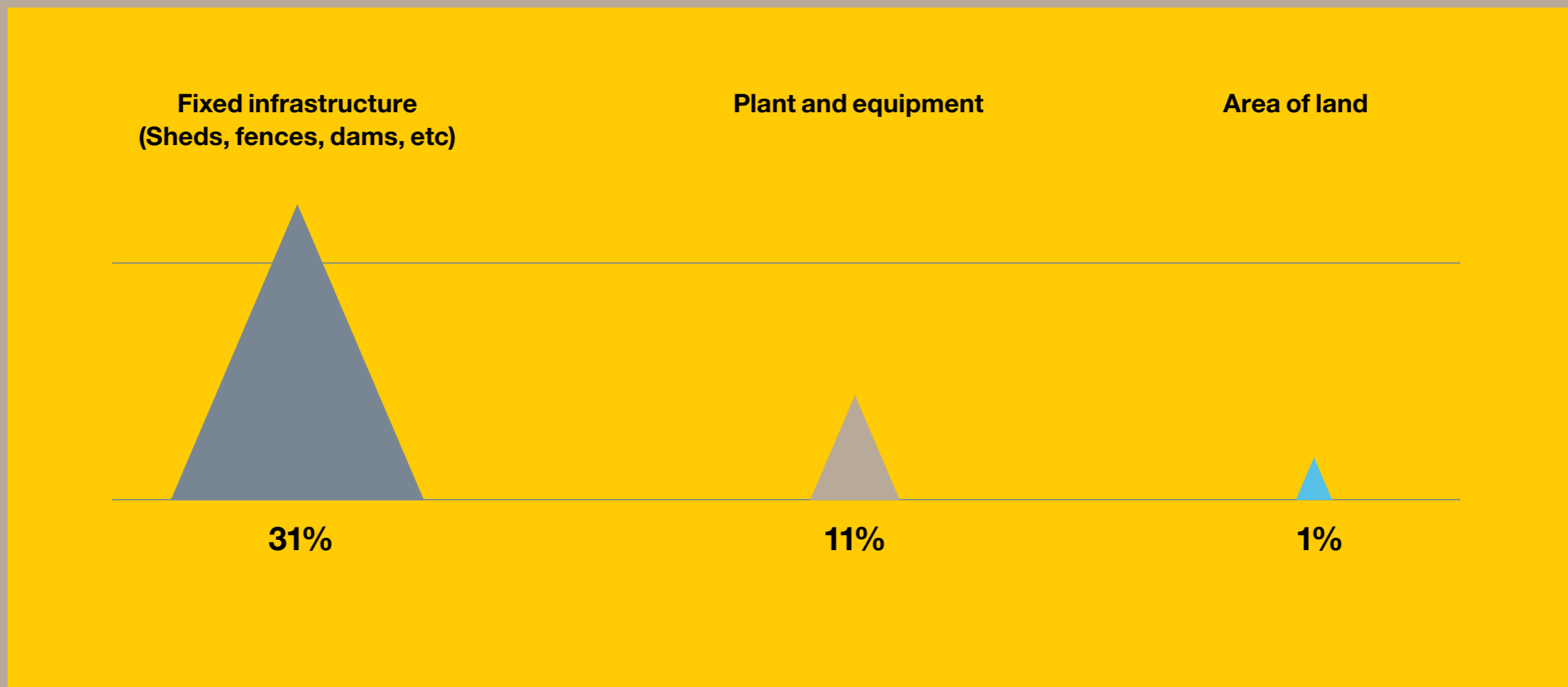
Agri Insights provides external data to illustrate farmers' specific intentions for the year ahead.

Physical Investment Intentions

Land and infrastructure: national



Future growth appears driven by increasing investment in on-farm fundamentals, which will set farms up for ongoing sustainability and profitability. Investment in new land acquisition does not appear to be a current priority.



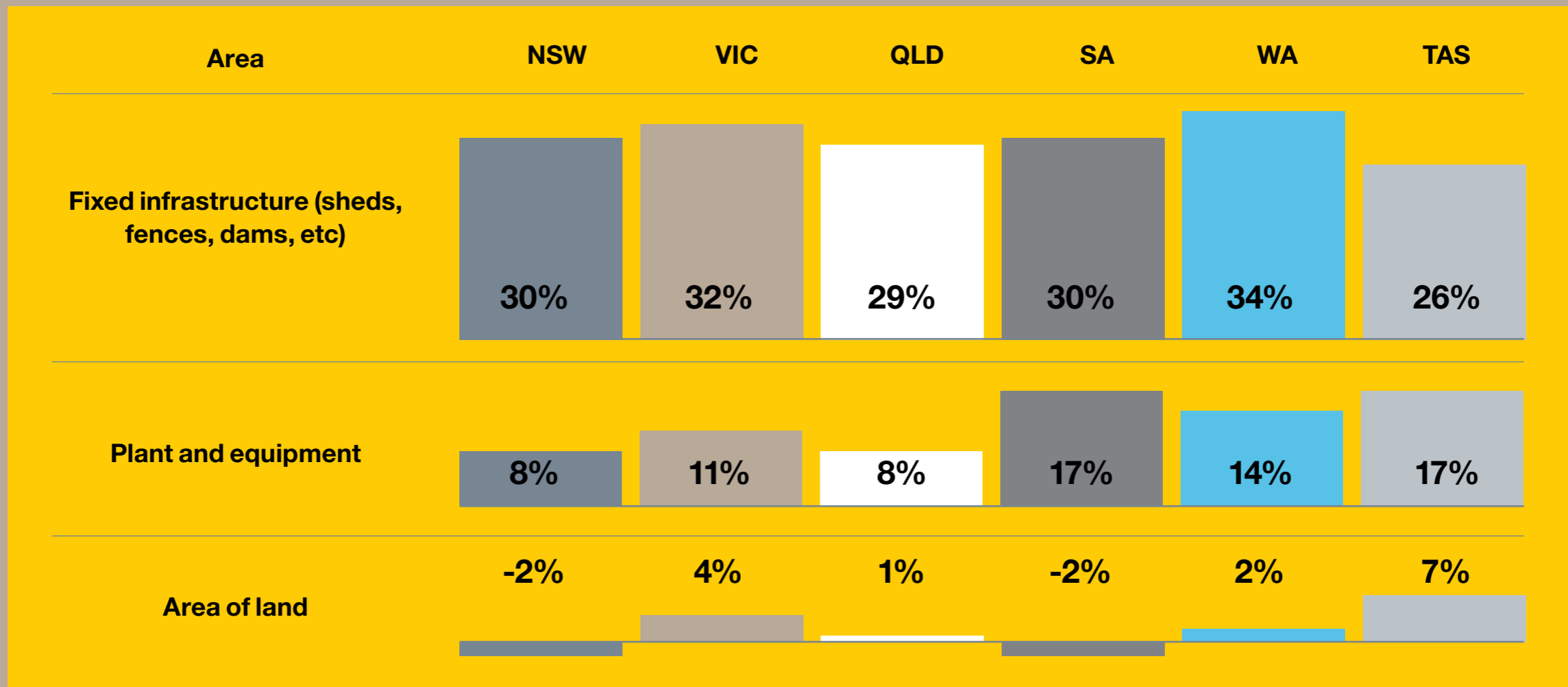
Q. Where do farmers intend to focus their investment for their land, equipment and farm infrastructure for the next 12 months?

Physical Investment Intentions

Land and infrastructure: by state



Farmers in all states are more likely to be planning investment in fixed infrastructure rather than in plant and equipment or land acquisition. A greater focus on land is apparent in Tasmania, and on plant and equipment in both Tasmania and South Australia.



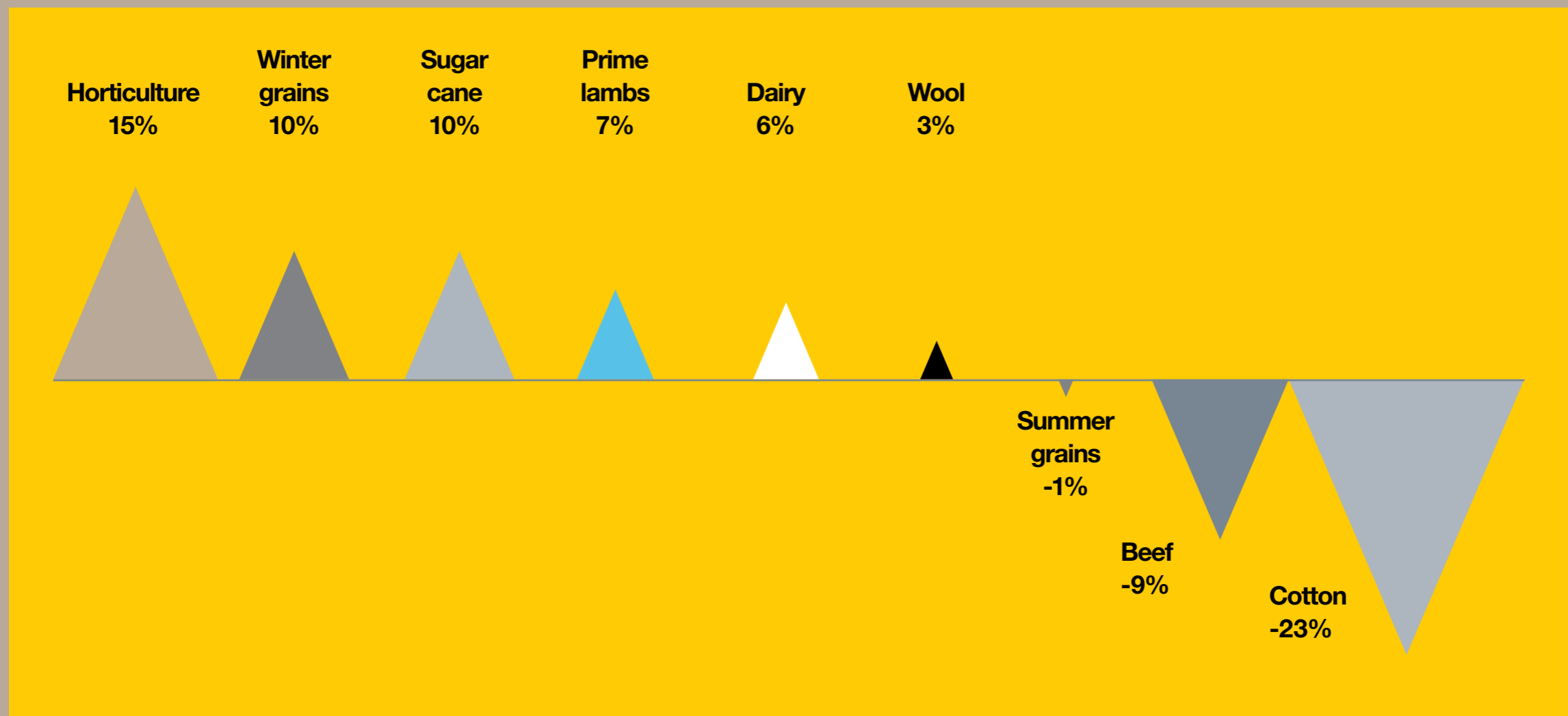
Q. Where do farmers intend to focus their investment for their land, equipment and farm infrastructure for the next 12 months?

Physical Investment Intentions

Commodities and scale of operations: national



Intentions indicate growth is likely across most commodity sectors. In particular, farmers intend to expand operations in winter grains, horticulture, sugar cane, prime lambs and dairy.



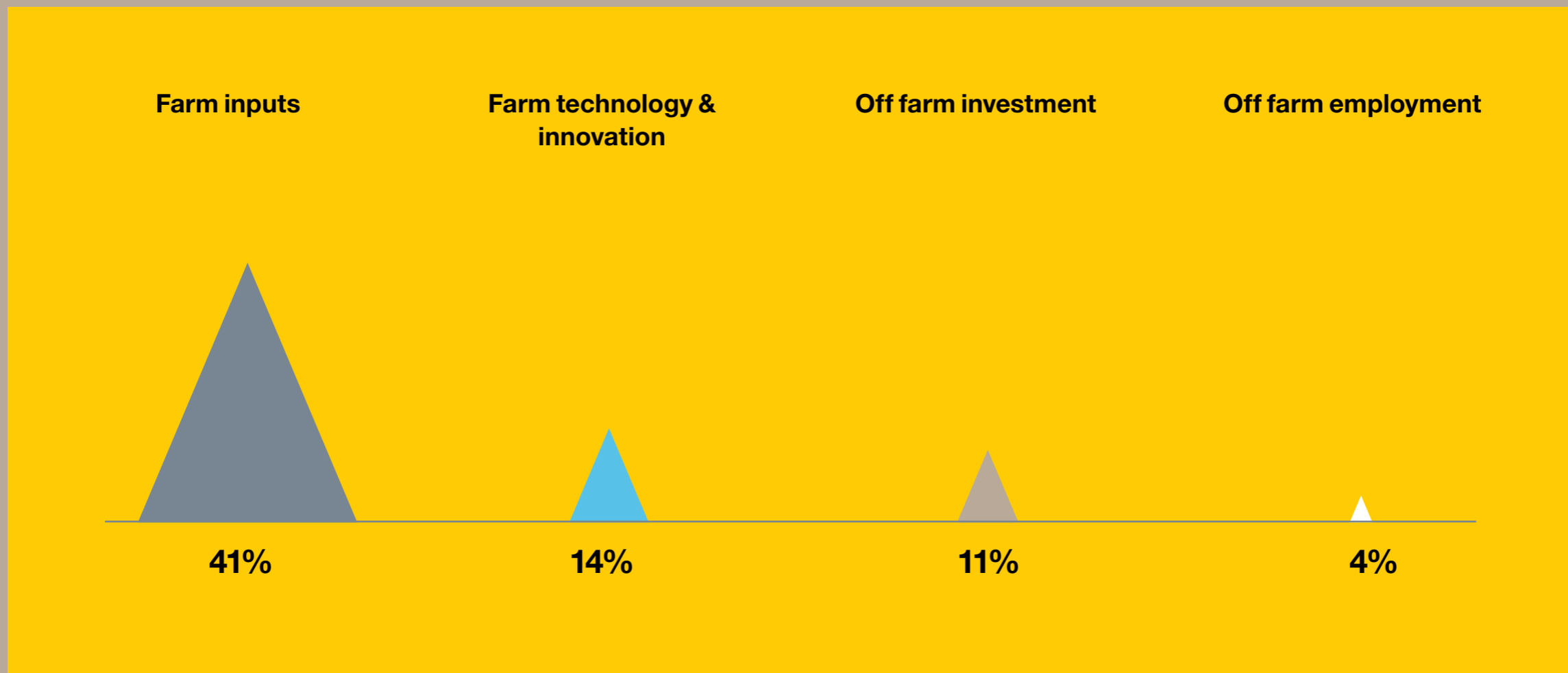
Q. What proportion of farmers intend to increase or decrease production over the next 12 months?

Financial Investment Intentions

Inputs, investments and employment: national



Farmers intend to increase investment in farm technology and innovation. They also indicate they will spend more on farm inputs. Off farm investment will also increase, particularly in states which have had recent strong seasons.



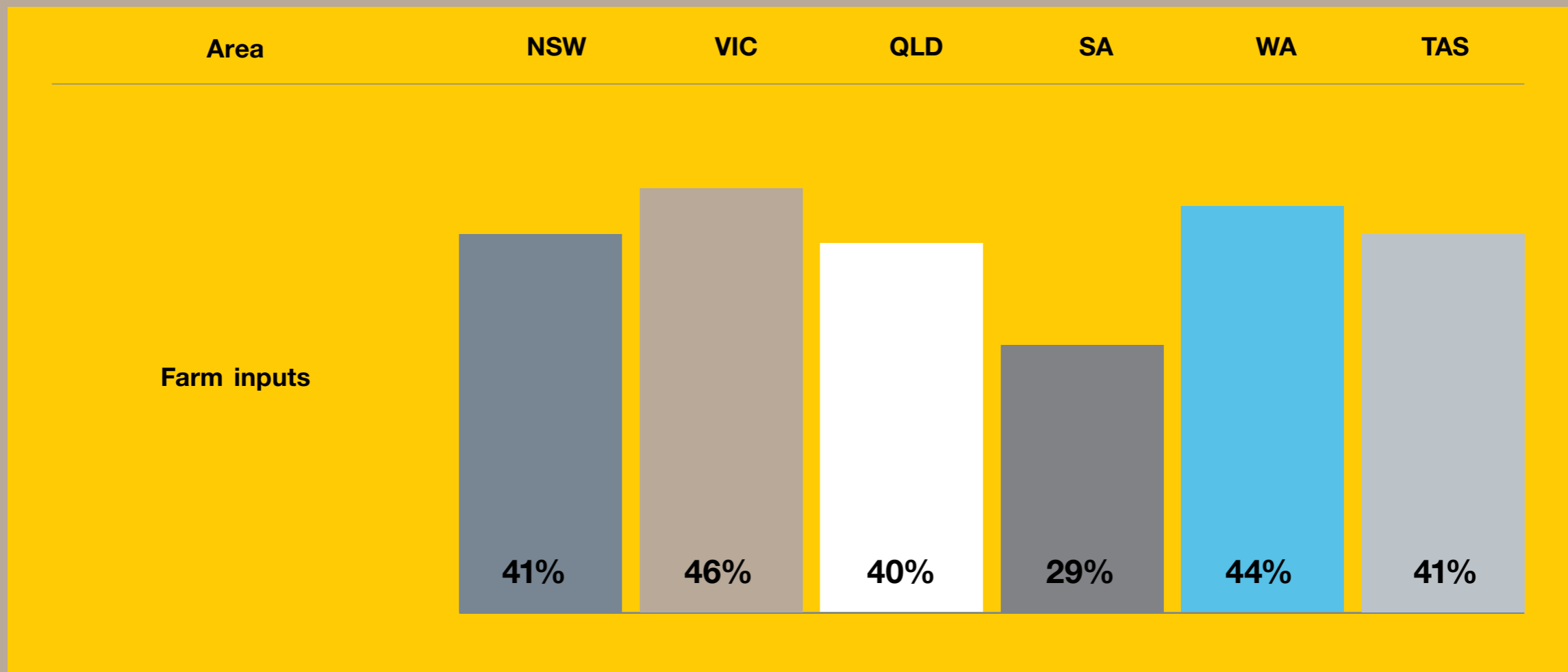
Q. Where do farmers intend to focus their investment for financial aspects of their operations over the next 12 months?

Financial Investment Intentions

Inputs, investments and employment: by state



A significant number of farmers in every state expressed intentions to increase spending on inputs. The results reflect ongoing concerns about input prices, but are also related to growth across many commodity sectors.



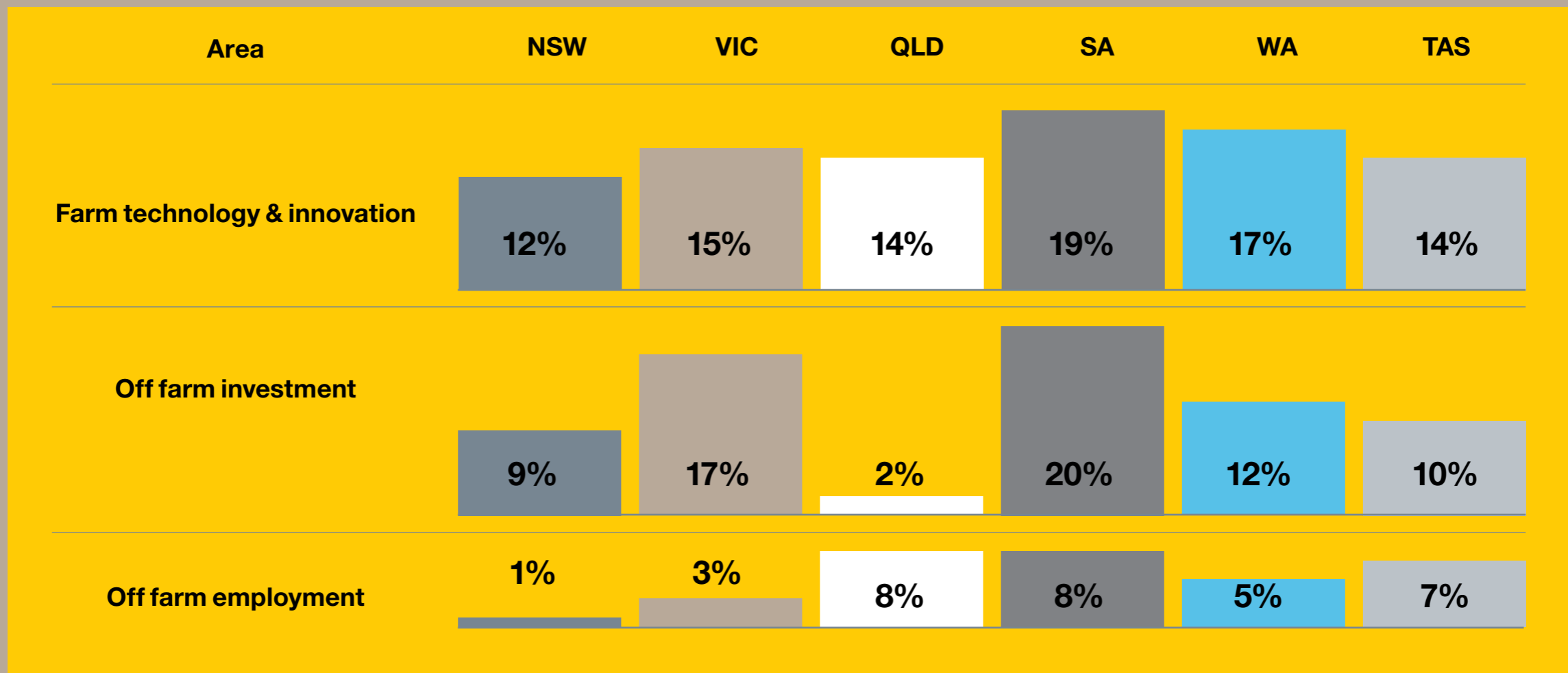
Q. Where do farmers intend to focus their investment for financial aspects of their operations over the next 12 months?

Financial Investment Intentions

Inputs, investments and employment: by state



Farmers intend to increase their investment in farm technology and innovation over the next year. Off farm investment will also increase, particularly in states which have had recent strong seasons.



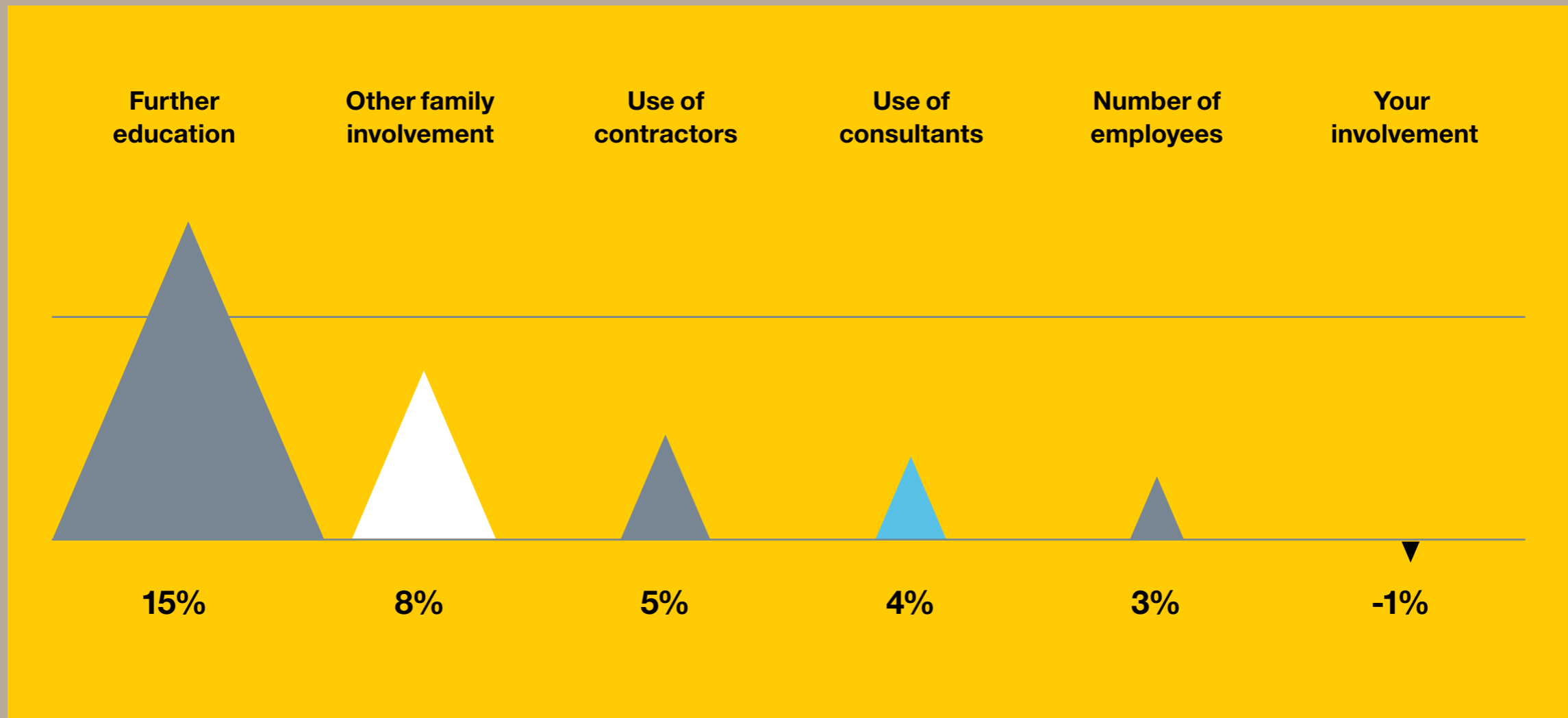
Q. Where do farmers intend to focus their investment for financial aspects of their operations over the next 12 months?

People Intentions

Farmers, family and outside resources: national



Farmers will invest in education and skills over the next 12 months, as well as increasing the role of family members in their farming operations. Increased investment in outside advisers and contractors will also increase, but more modestly.



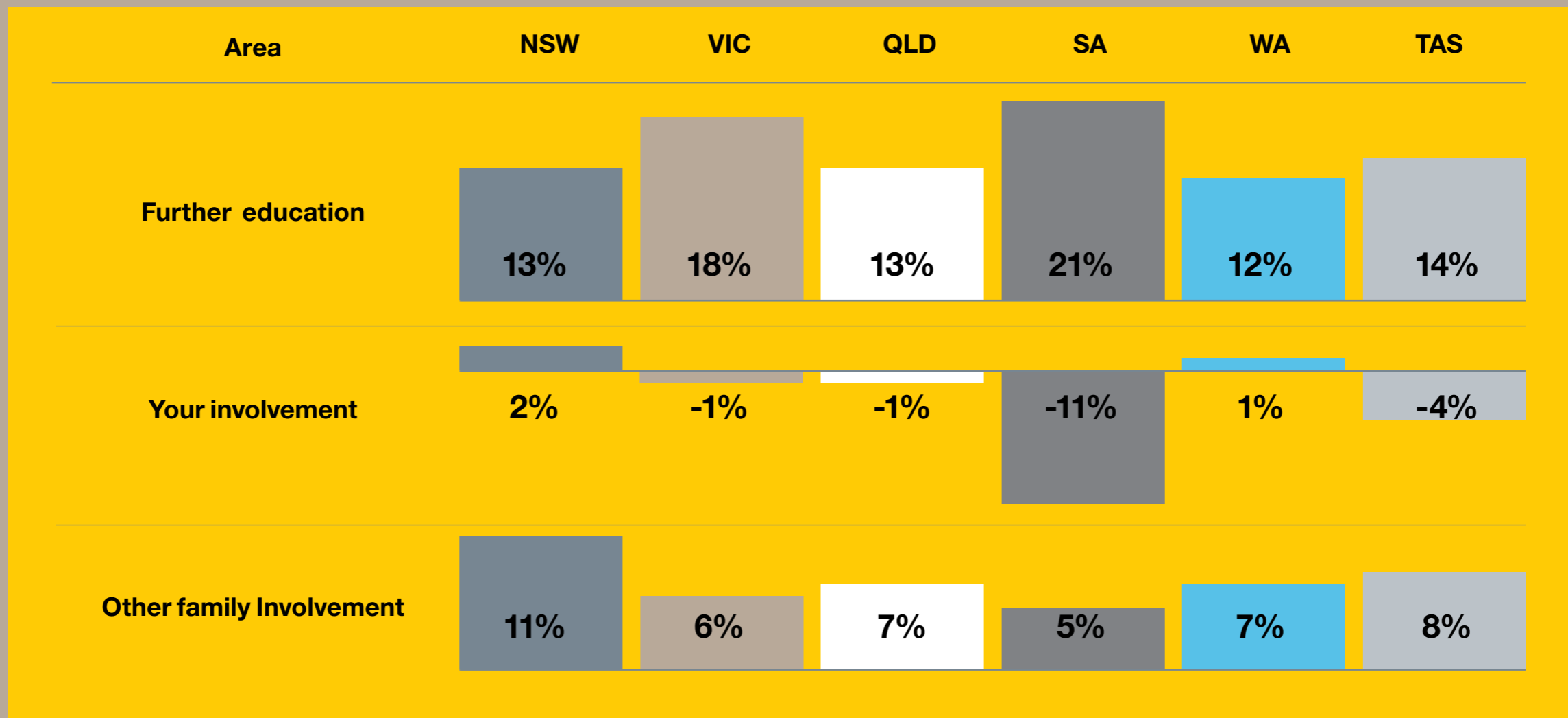
Q. What are farmers' intentions for the people aspects of their operations over the next 12 months?

People Intentions

Farmers, family and outside resources: by state



South Australian farmers are the most likely to say they intend to invest more in education and skills training. Farmers in New South Wales are the most likely to be planning to increase their own personal involvement in their farming business in the coming year.



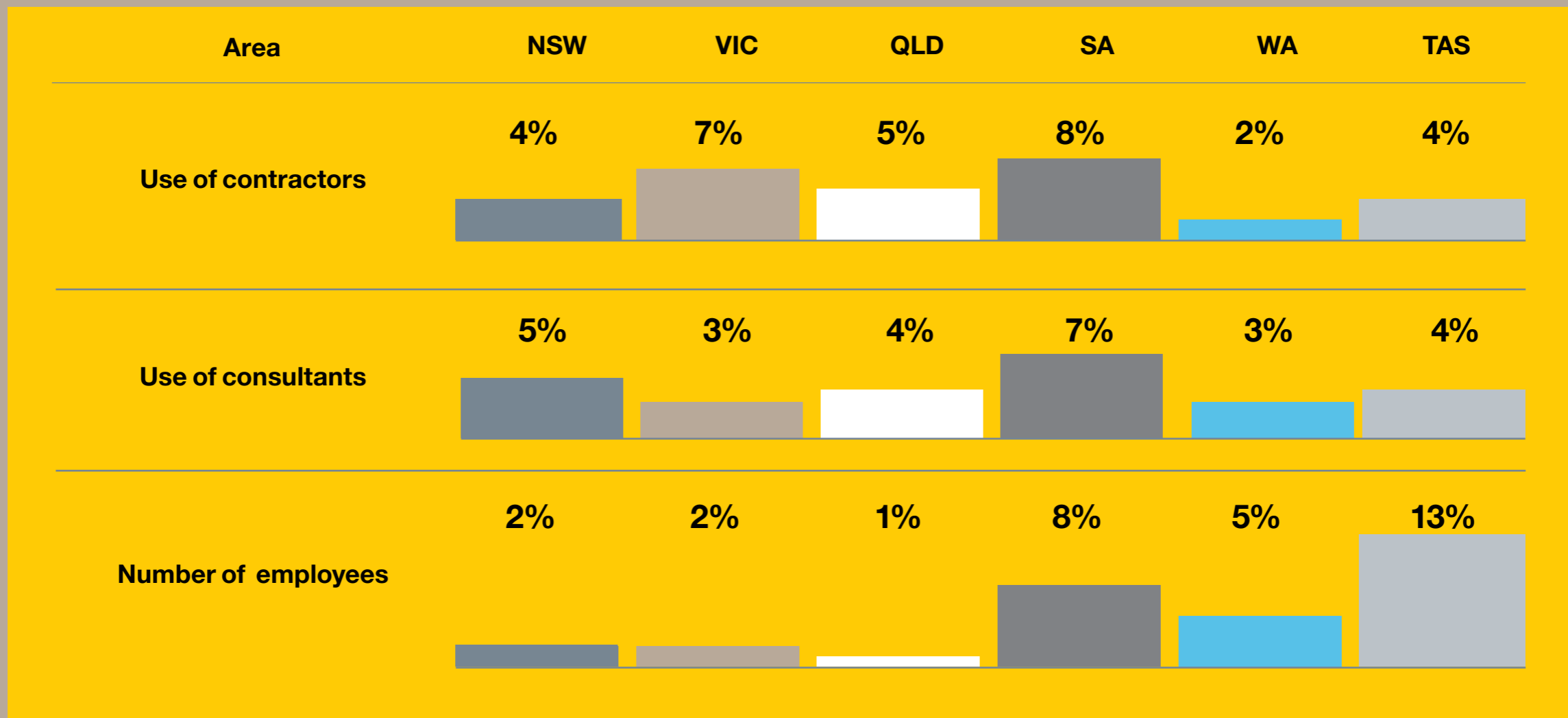
Q. What are farmers' intentions for the people aspects of their operations over the next 12 months?

People Intentions

Farmers, family and outside resources: by state



South Australian farmers are the most likely to intend to increase the use of contractors and outside advisers over the next 12 months. Tasmanian farmers are most likely to be planning to increase the number of employees working on their farms.



Q. What are farmers' intentions for the people aspects of their operations over the next 12 months?

Topical Issue

Drought preparedness: national



Most Australian farmers say they are either prepared or very prepared for a two-year drought. The result is more positive in states where drought has not impacted recently, but even in drought-affected states, there is still a strong sense of preparedness.



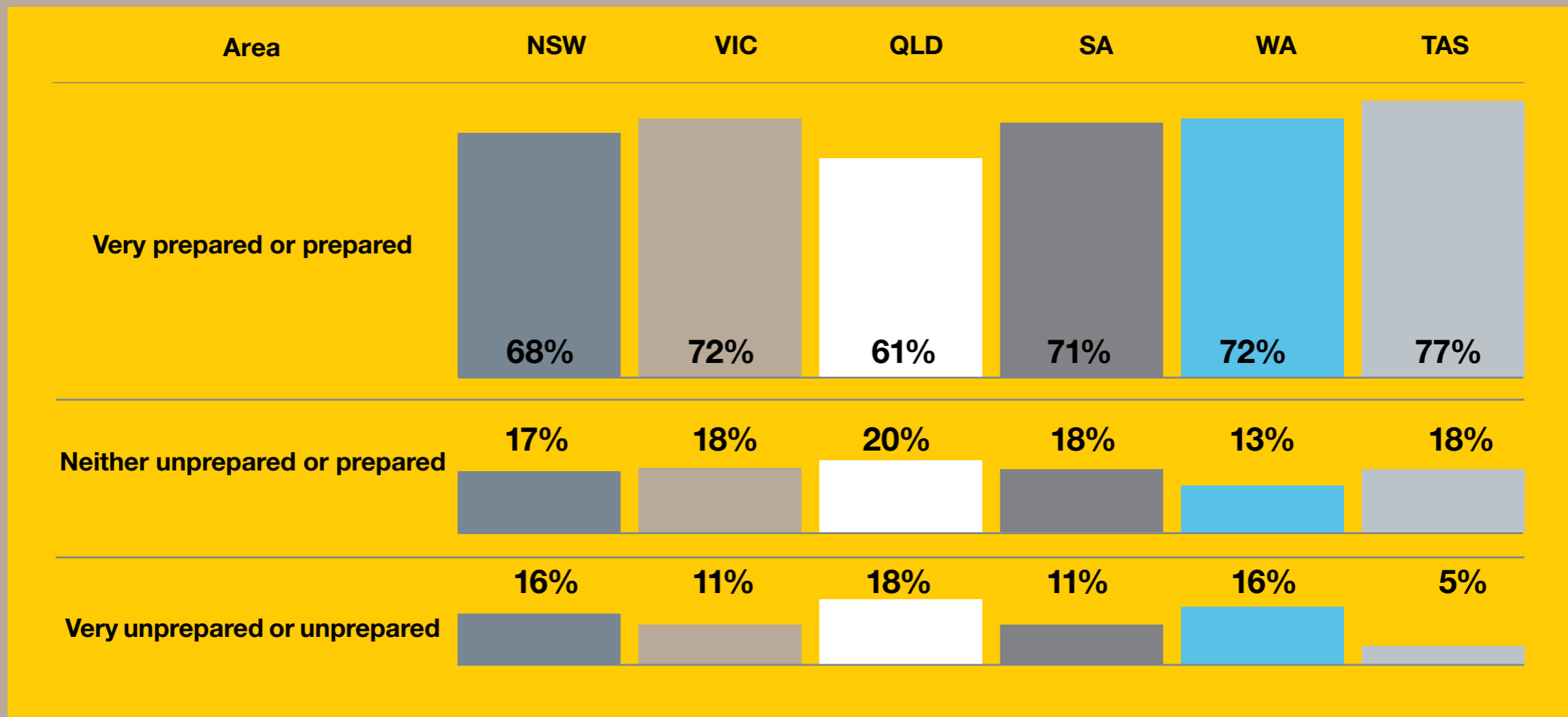
Q. Do farmers feel prepared for drought?

Topical Issue

Drought preparedness: by state



Some states have not experienced the same severity of drought when compared to other states, influencing their more optimistic results. Recent difficult seasonal conditions are reflected in the lower preparedness rates in Queensland and New South Wales.

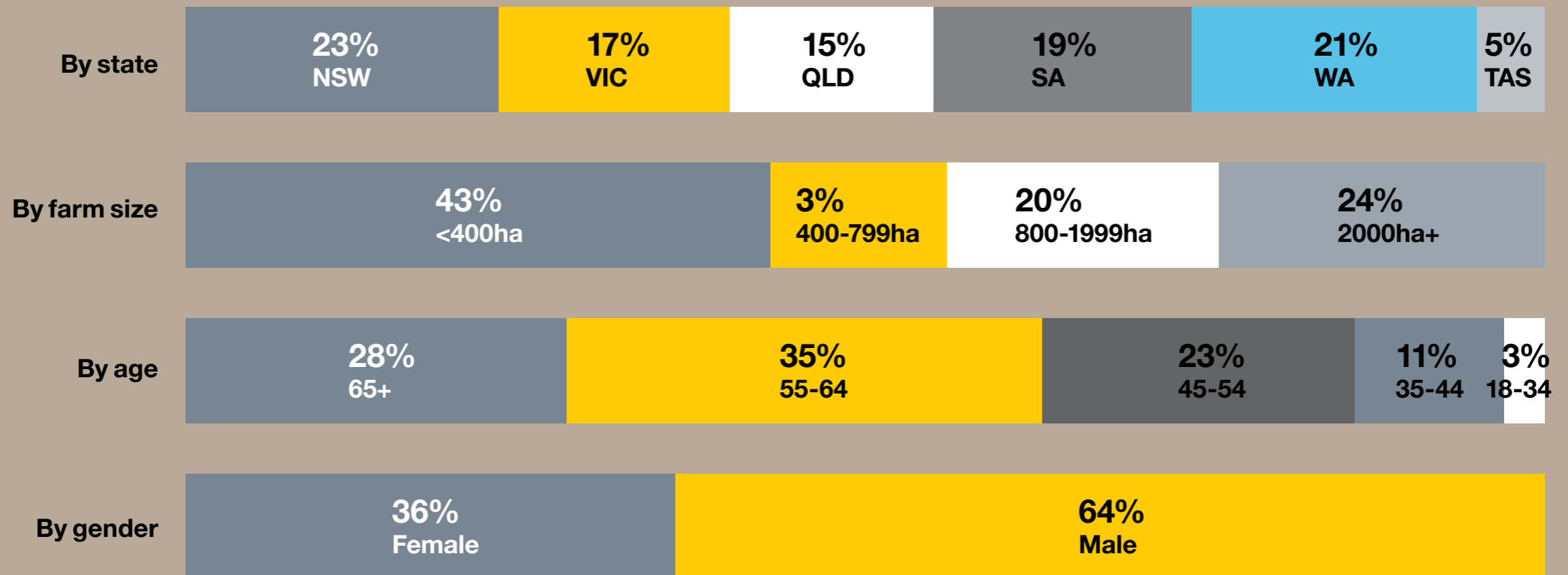


Q. Do farmers feel prepared for drought?

Who did we talk to?



We spoke to a representative sample of farmers across Australia, including a mix of states, genders, ages and farm sizes. The commodities represented included horticulture, winter and summer grains, dairy, beef, cotton, and sheep for both wool and prime lambs.



Fieldwork was executed by Fairfax Agricultural Marketing and Research using its database of more than 100,000 rural producers. Calls were conducted between 17 February and 27 March 2014 with 1400 farmers. The results in this overview indicate the net change (the total intended % increase minus the total intended % decrease).



Want to know more?

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