





+ Queensland Rural Debt Survey 2021

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WITH THANKS

*The **Queensland Rural and Industry Development Authority (QRIDA)** undertook the **2021 Queensland Rural Debt Survey** in collaboration with the **Queensland Government Statistician's Office (QGSO)** and with the support of all the major rural lending institutions in Queensland. Additional assistance was provided by agricultural industry associations and other agencies as listed below.*

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Queensland Farmers' Federation

The following information has been collated from data provided by QGSO, as reprinted from Queensland Government Statistician's Office, Queensland Treasury, Rural Debt Survey 2021, Output and Comparison Tables.

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EXECUTIVE SUMMARY

Rural debt is defined as the total indebtedness of all farmers/rural enterprises throughout Queensland, where the servicing of the rural debt relies primarily on rural generated income.

The December 2019 to December 2021 period has been a challenging time for Queensland's primary industries.

Commodity prices have been rising over this period with the state also recording improved rainfall levels after years of dry conditions. At the same time rising input costs, varied seasonal conditions in parts of the state, and supply chain disruptions as a result of the COVID-19 pandemic have impacted production and business decisions made by primary producers.

In 2019, Queensland recorded the lowest level of rainfall since 2005 (BOM, 2022a), with 67.4 per cent of the land area of Queensland declared to be in drought in December 2019. Consequently, confidence levels fell in many industries going into 2020, with lower herd numbers and decreased crop production in 2019-20.

As seasonal conditions improved over the later part of the period, pasture growth increased leading to higher stock retention and a rebuilding of herd numbers. Crop production also improved with the increase in rainfall and water allocations. Some parts of the state did not experience the increased rainfall until much later with production remaining low. As at 30 June 2022, the proportion of Queensland that is drought declared has reduced from 67.4 per cent of the land area of Queensland in December 2019 to 44.9 per cent (Long Paddock, 2022a).

The 2021 Queensland Rural Debt Survey report provides a comprehensive breakdown of the value and rating of rural debt and number of borrowers by industry and region across Queensland.

As of 31 December 2021, total rural debt in Queensland is \$24.06 billion, up 25.97 per cent from \$19.10 billion as measured in the 2019 survey. The average debt per borrower is \$1.39 million, up 32.67 per cent on 2019. At the same time, the number of rural borrowers has decreased by 920 to 17,312 borrowers, down 5.05 per cent on 2019.

Most industries recorded an increase in debt. Debt in the beef industry went up by over \$3 billion and accounted for about 60 per cent of the increase in total debt. Contributing factors to this included herd rebuilding, high land prices and dry conditions in the lead up to and at the start of the period. There were a range of factors contributing to the increase in debt in the other industries including rising input costs, farm improvements, increased production costs and dry conditions at the start of the period.

Increased land values and sales also contributed to an increase in debt across most industries. Here, the number and value of rural property sales rose from 2,079 and \$3,947 million in 2019 to 2,943 and \$6,374 million in 2021.

While overall debt has grown, the quality of that debt has remained stable. The survey showed that debt rated viable (A) and potentially viable long term (B+) combined increased from 93.15 per cent to 94.96 per cent as a proportion of total debt. B2 and non-viable (C) rated debt decreased in both value and as a proportion of total debt.

The 2021 Queensland Rural Debt Survey was undertaken by the Queensland Rural and Industry Development Authority (QRIDA) in collaboration with the Queensland Government Statistician's Office (QGSO). It was compiled with data from all major lenders in Queensland and insights from agricultural industry organisations.

The 2021 survey report includes an analysis of the movement in rural debt since the 2019 survey. The 2021 survey provides an important snapshot of the financial state of Queensland's rural businesses and will help inform both government and industry.

KEY RESULTS

SIZE

The 2021 Queensland Rural Debt Survey indicated that as of 31 December 2021 there was \$24.06 billion of rural debt in Queensland. The results of this survey in comparison to 2019 indicate:

AMOUNT	2021	2019	MOVEMENT	% MOVEMENT
Total debt (\$m)	24,056	19,096	+4,959	25.97%
Number of borrowers	17,312	18,232	-920	-5.05%
Average debt per borrower (\$m)	1.39	1.05	+0.34	32.67%

INDUSTRY

Of the 16 industries that have been captured in the 2021 survey, the three major rural debt holding industries are beef, cotton and grain/grazing which accounted for \$17.07 billion or 70.94 per cent of the total debt. In 2019, the three largest industries were beef, grain and grain/grazing.

INDUSTRY (\$M)	
Beef	13,691
Cotton	1,689
Grain/Grazing	1,686

REGION

Of the eight ABARES regions in Queensland, the three major debt holding areas included the Western Downs and Central Highlands, Southern Coastal – Curtis to Moreton and Eastern Darling Downs which combined captured \$17.32 billion or 71.99 per cent of the total rural debt. These were the same three major debt holding regions reported in the 2019 survey and are large primary production regions with a diverse range of industries.

ABARES REGION (\$M)	
Western Downs and Central Highlands	8,513
Southern Coastal - Curtis to Moreton	5,462
Eastern Darling Downs	3,342

RATING

There has been some movement in loan ratings with viable (A), potentially long term viable (B+) and B1 rated debt all increasing in value, although potentially long term viable (B+) rated debt was the only loan rating to increase as a proportion of total debt. B2 and non-viable (C) rated debt both decreased in value and as a proportion of total debt.

LOAN RATING ¹	2021	2019	MOVEMENT	% MOVEMENT
A (\$m)	18,130	14,862	+3,269	21.99%
B+ (\$m)	4,714	2,926	+1,788	61.10%
B1 (\$m)	779	676	+103	15.20%
B2 (\$m)	192	233	-41	-17.43%
C (\$m)	240	399	-159	-39.85%

¹ See Appendix V for risk category definitions

Total debt

\$24.06 billion

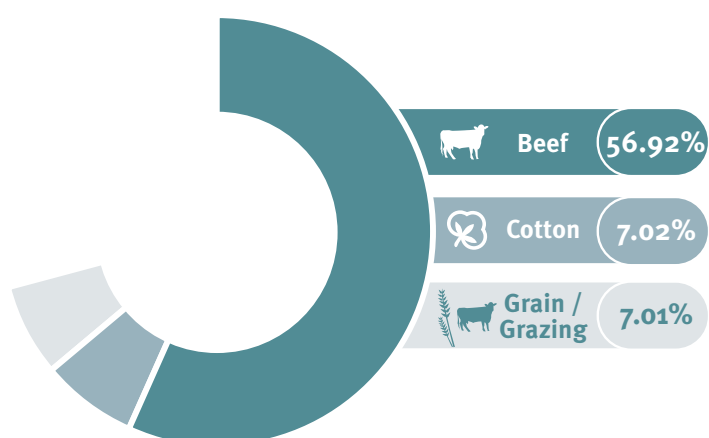
+25.97% compared to 2019 (\$19.10b)

Number of borrowers

17,312

-5.05% compared to 2019 (18,232)

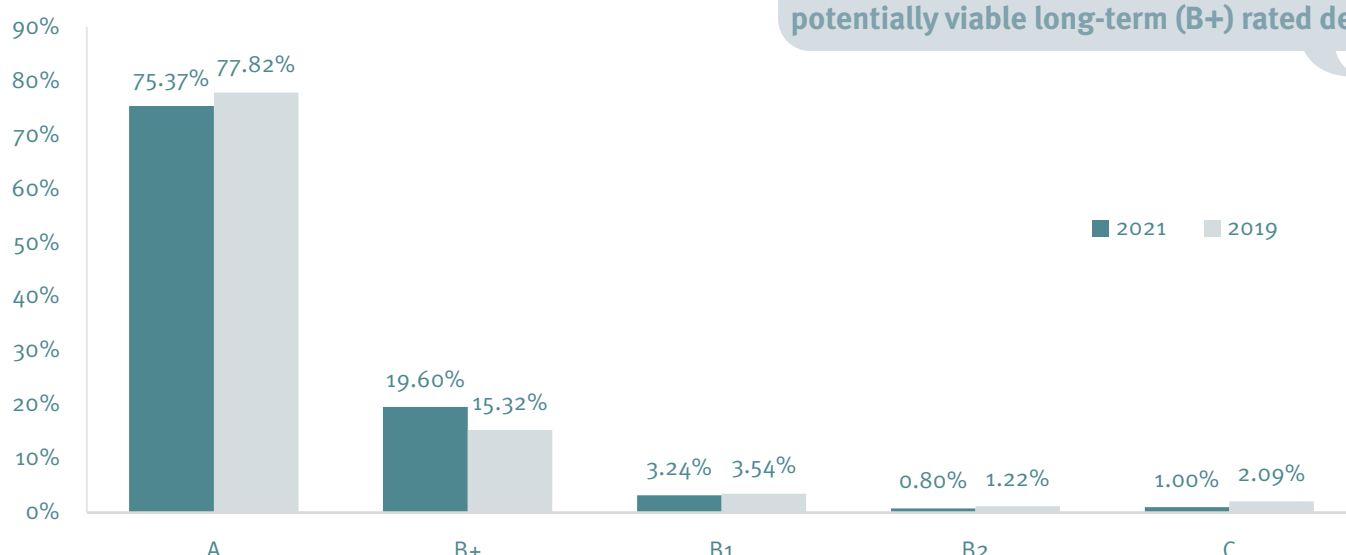
DEBT PROPORTION BY MAJOR INDUSTRY



DEBT PROPORTION BY ABARES REGION



RISK PROFILE BY VALUE



94.96%

of total rural debt is viable (A) and potentially viable long-term (B+) rated debt

Note. Reprinted from Queensland Government Statistician's Office, Queensland Treasury, *Rural Debt Survey 2021*, Output Tables

INTRODUCTION

The 2021 Queensland Rural Debt Survey ascertains the extent, nature, trends and size of total rural indebtedness in Queensland as at 31 December 2021.

The survey has been conducted by the Queensland Rural and Industry Development Authority (QRIDA), since 1994. Since 2017, the survey has been a legislative requirement for QRIDA under the *Rural and Regional Adjustment Act 1994* (Qld).

As with the previous 2019 and 2017 surveys, QRIDA engaged the Queensland Government Statistician's Office (QGSO), Queensland Treasury, to collect and provide the data for the 2021 Queensland Rural Debt Survey.

A total of 10 financial institutions, including the major banks and Queensland-based lending institutions participated in the 2021 survey.

The QGSO, under section 4 of the *Statistical Returns Act*, requested each financial institution to provide information including location of farm property, industry classification, rating and total value of each rural loan. The QGSO analysed and collated the survey results into a series of output tables, the data from those have been presented within this report.

The report has been arranged into three segments. The first segment provides a brief overview of general trends significant to Queensland's rural industries, including the economic environment, weather, cash and exchange rate, farm incomes, farm management deposits and rural property sales data. The second segment details the size and nature of the rural debt results by both industry and region. In the final segment several rural industries are analysed further, including insights on specific industry events and trends since the 2019 survey.

Several reporting mechanisms have been utilised to assist in determining the debt level trends. The region classifications are identified by the 2016 Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) regions for Queensland. The agricultural industry classifications used throughout refer to the Australian and New Zealand Standard Industrial Classification (ANZSIC).

The risk rating profile that has been used is consistent with previous surveys and is determined by the lending institutions. Details of survey terminology, methodology and assumptions can be found in Appendix V.

Caution must be applied when comparing 2019 and 2021 results as some variance may have occurred over this time. Best attempts have been made to ensure clarity and consistency throughout.

QRIDA has sourced the Gross Value of Production (GVP) figures used in the survey from the Department of Agriculture and Fisheries (DAF). In previous surveys QRIDA sourced GVP figures from the Australian Bureau of Statistics (ABS), although at the time of publishing the ABS had not released their 2020-21 Value of Agricultural Commodities, Australia data.

Please note that not all table rows and columns will sum correctly in this report. This is due to variances in total reportable figure amounts or the inclusion of 'dw' figures.



GENERAL TRENDS

This section provides a brief overview of general trends affecting the Queensland rural environment, including the global and domestic economy, weather and natural disasters and financial impacts for the period 2019 to 2021.

ECONOMIC ENVIRONMENT

Australian agriculture has weathered significant economic disruptions and uncertainties over the 2019-21 period with the industry facing the flow on effects of the COVID-19 pandemic, disruptions to global supply chains, changes to export markets and drought.

To summarise the economic outputs for Australian and Queensland agriculture, data on the exports, value of agriculture and employment has been included.

VALUE OF AGRICULTURAL EXPORTS

Figure 1 depicts the 2020-21 value of Australian exports by country and region and indicates that China, South East Asia and Japan were Australia's three largest agricultural export markets. The value of these exports was \$10,334 million, \$9,993 million and \$4,479 million respectively in 2020-21 (ABARES, 2022a) (ABS, 2022a).

Compared to 2019, China saw a decrease in overall exports while exports to other markets including South East Asia, the Middle East and the European Union increased. (ABARES, 2019) (ABARES, 2022a) (ABS, 2022a).

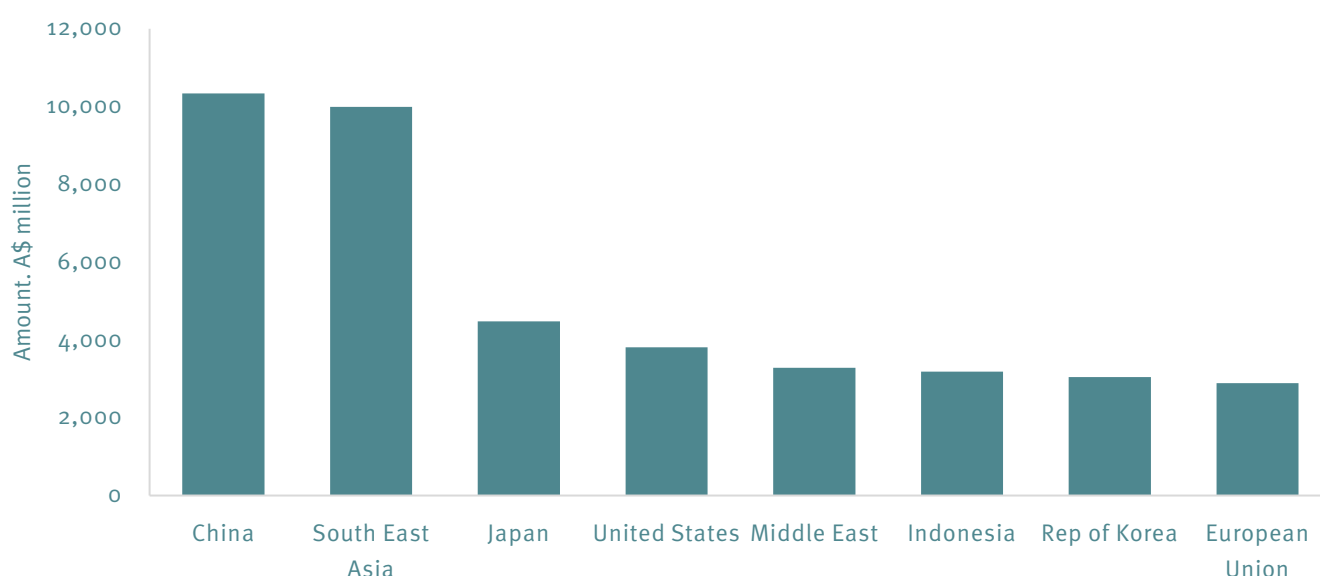


FIGURE 1: AUSTRALIAN AGRICULTURAL EXPORT MARKETS 2020-21

Note. Reprinted from *Agricultural Commodities: March quarter 2022 – Statistical tables*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#agricultural-commodities>; ABS 2022, Customised report, by Australian Bureau of Statistics (ABS), 2022, retrieved from personal communication.

In 2020-21, total Australian farm exports were \$52,548 million.

The key Queensland agricultural export markets include Japan with an export value in 2020-21 of \$1,579 million, followed by China at \$1,302 million, South Korea with \$1,230 million and the United States of America at \$1,018 million (DAF, 2022a). Total agricultural export value from Queensland was down 10.49 per cent from 2019-20 (DAF, 2022a).

The major agricultural export industries for Australia in 2020-21 are displayed in Figure 2. Grain, oilseeds and pulses collectively make up over \$13,108 million, followed by beef and veal at just over \$8,370 million and sheep-meat making up \$3,545 million. Queensland exports 58 per cent of agricultural output to a total value of more than \$8.5 billion (DAF, 2022a). This includes 50 per cent of meat products, 83 per cent of sugar, 93 per cent of grains and grain products, 74 per cent of cotton and 47 per cent of seafood product.

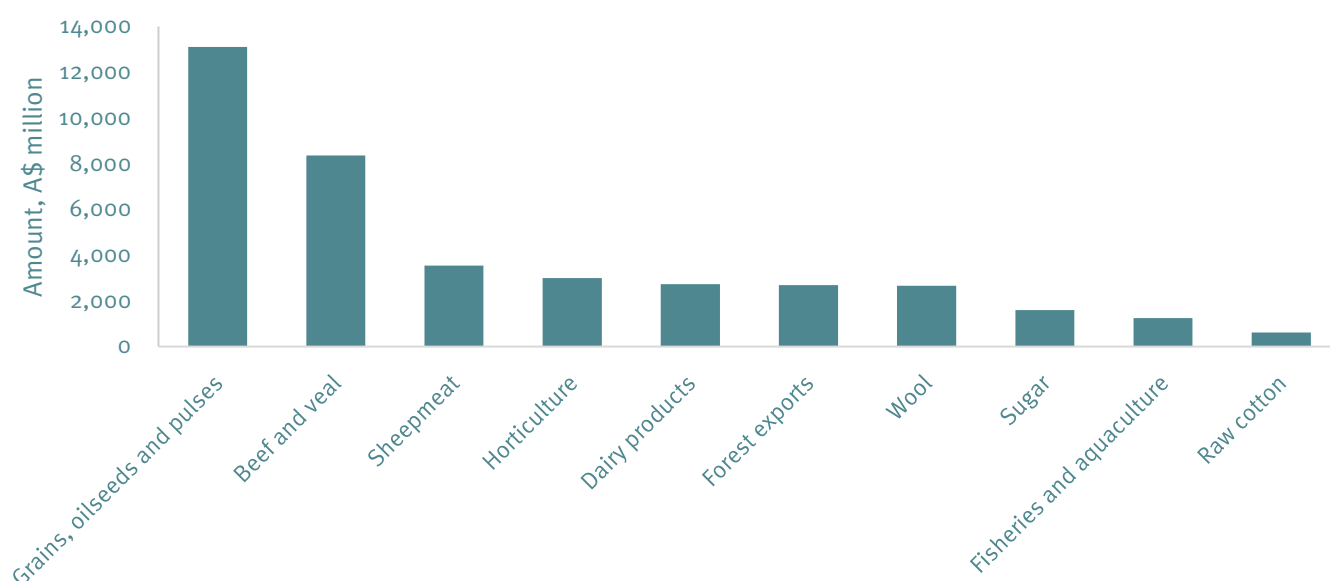


FIGURE 2: 2020-21 AUSTRALIAN AGRICULTURAL PRODUCT EXPORT VALUES

Note. Reprinted from *AgCommodities*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#agricultural-commodities>

Looking over the past decade (displayed in Figure 3), total farm export values increased to 2018-19 and have since reduced slightly. In 2020-21, total Australian farm exports were \$52,548 million.

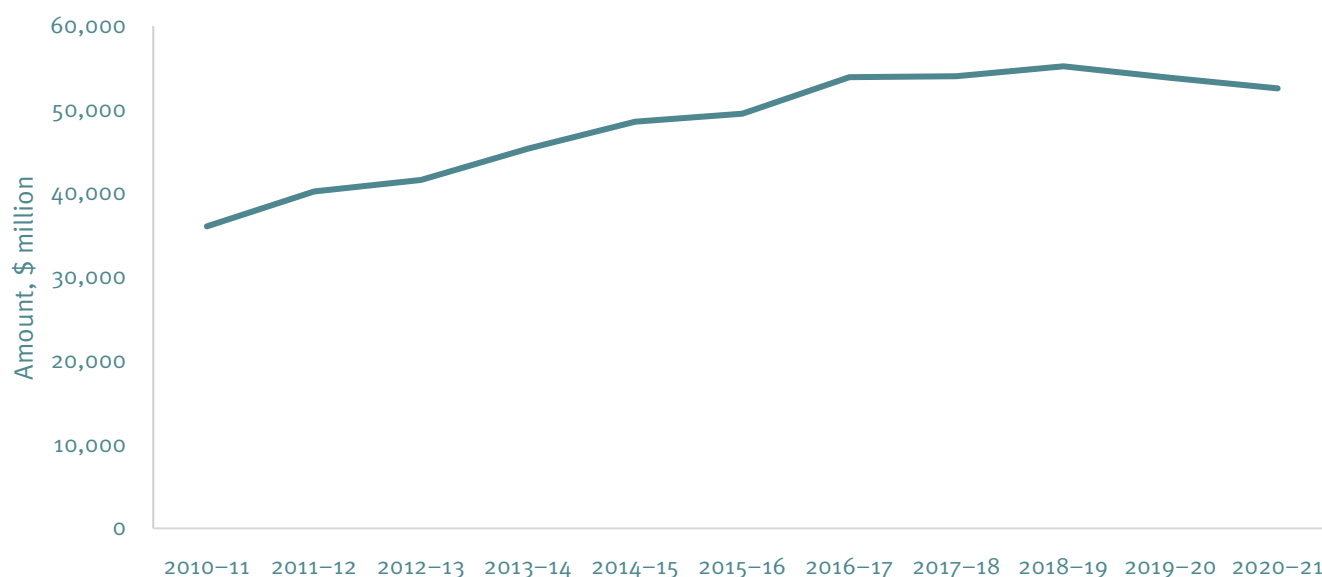


FIGURE 3: AUSTRALIAN FARM EXPORT TOTAL OVER TIME

Note. Reprinted from *AgCommodities*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#agricultural-commodities>

VALUE OF AGRICULTURE

According to the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), in 2019-20 there were 17,025 Queensland farms (ABARES, 2022b). Beef cattle farming numbered 8,740, followed by 2,883 sugarcane growing farms, 838 other grain growing and 808 other fruit and nut tree growing (ABARES, 2022b).

Table 1 identifies the Gross State Product at factor cost for Queensland by industry. In 2019 the share of agriculture was 2.51 per cent and in 2021, it was 2.95 per cent (QGSO, 2021). However, overall the share of agriculture to the Queensland economy has been on a downward trend since the 1990s (as indicated in Figure 4), with the share of agriculture in 1990 being 6.63 per cent (QGSO, 2021).

TABLE 1: GROSS VALUE OF AGRICULTURE & GROSS STATE PRODUCT

YEAR (\$M)	AG, FISHING AND FORESTRY; INDUSTRY GROSS VALUE ADDED, QUEENSLAND	GROSS STATE PRODUCT ALL SECTORS, QUEENSLAND	PERCENTAGE
2019	8,302	331,319	2.51%
2021	10,133	342,931	2.95%

Note. Reprinted from *Gross State Product at factor cost by industry and main components, Queensland 1989-90 to 2020-21*, Queensland state accounts, Queensland Government Statistician's Office, 2021, retrieved from <https://www.qgso.qld.gov.au/statistics/theme/economy/economic-activity/queensland-state-accounts>

EMPLOYMENT

ABS data from the Labour Force Survey indicates that 2.69 million people were employed in Queensland in November 2021 (ABS, 2022b). Queensland's total agriculture, forestry and fishing sector employed 71,800 people which represents approximately 2.67 per cent of the state's workforce (ABS, 2022b).

Comparatively, in November 2019 there were 76,700 people employed in agriculture in Queensland making up 2.98 per cent of the state's workforce. While this represents a decline of almost 5,000 people, there has been significant variation in the number of people working in agriculture in Queensland over the period, with a peak of 98,500 people employed in August 2020.



FIGURE 4: EMPLOYMENT AND OUTPUT FOR QUEENSLAND OVER TIME (PERCENTAGE OF TOTAL)

Output: Gross state product by factor cost by industry for Agriculture, current prices.

Note. Reprinted from *Labour Force, Australian, Detailed*, Australian Bureau of Statistics, 2022, retrieved from <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/apr-2022> ; Gross State product at factor cost by industry and main components, Queensland 1989-90 to 2020-21, Queensland state accounts, Queensland Government Statistician's Office, 2021, retrieved from <https://www.qgso.qld.gov.au/statistics/theme/economy/economic-activity/queensland-state-accounts>

WEATHER AND NATURAL DISASTERS

Climate conditions continued to be a dominant driver of farm performance in Australia over the 2019 to 2021 period. Farm level decisions relating to uncertain rainfall were apparent across a number of industries leading to reduced planting, differing harvesting times and fluctuating herd/flock numbers.

TEMPERATURE

As displayed in Figure 5, 2019, 2020 and 2021 temperatures have varied widely across the state. Most of Queensland experienced above average maximum temperatures in 2019 and 2020, with average temperatures experienced in southern parts of Queensland in 2021. For most agricultural products, an increased temperature, can impact yields.

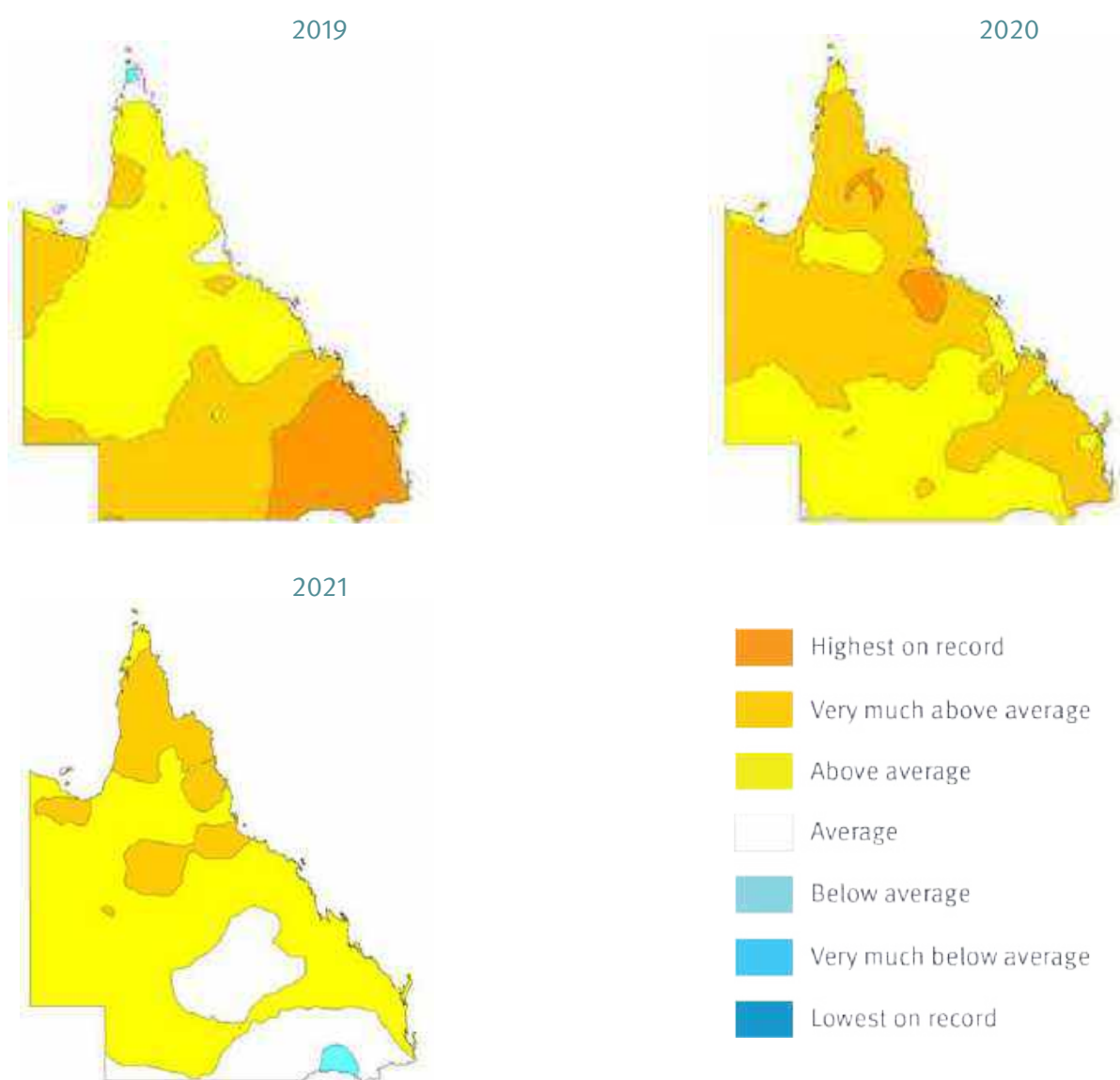


FIGURE 5: MAXIMUM TEMPERATURE DECILES 2019, 2020 AND 2021

Note. Reprinted from *Queensland Maximum Temperature* by Australian Bureau of Meteorology (BOM), 2022, retrieved from <http://www.bom.gov.au/jsp/awap/temp/archive.jsp?colour=colour&map=maxdecile&year=2021&month=12&period=12month&area=qd>

RAINFALL

Overall, rainfall in Queensland has increased since 2019. As depicted in Figure 6 below, 2019 was the driest year over the period shown, with 2021 returning increased rainfall to an annual total of 675.16mm.

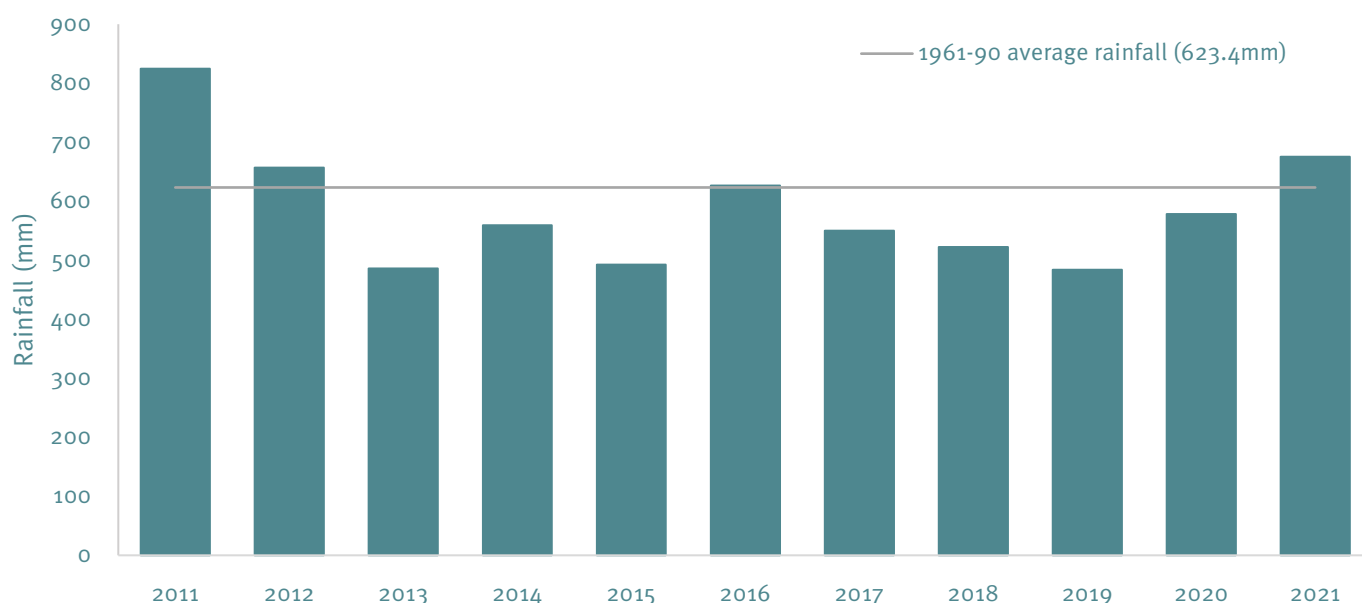


FIGURE 6: YEARLY ANNUAL RAINFALL (MM) FOR QUEENSLAND 2011-2021

Note. Reprinted from Australian climate variability & change - Time series graph by Australian Bureau of Meteorology (BOM), 2022, retrieved from http://www.bom.gov.au/climate/change/index.shtml#tabs=Tracker&tracker=timeseries&tQ=graph%3Drain%26area%3Dqld%26season%3D0112%26ave_yr%3Do

As depicted in Figure 7, rainfall in 2019 was above average in the northern tropics and northwest, due to Tropical Cyclones Penny and Trevor and an active monsoon in late January/early February (BOM, 2020). This monsoon trough event led to very significant and widespread flooding in the northwest, Gulf Country and around Townsville. This saw the significant loss of livestock with estimates of up to 500,000 head as well as crop reduction at a time of an already reduced herd and production year. Rainfall was below average in the south-eastern quarter of the state, and large areas of inland southeast Queensland had their driest year on record.

MAP KEYS

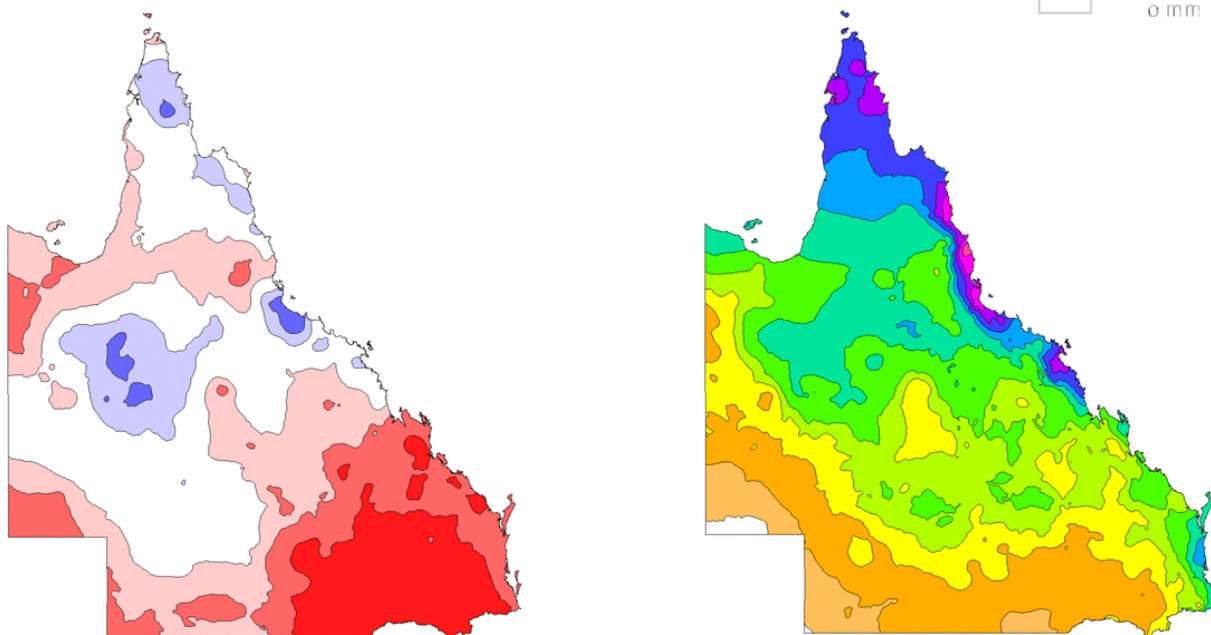
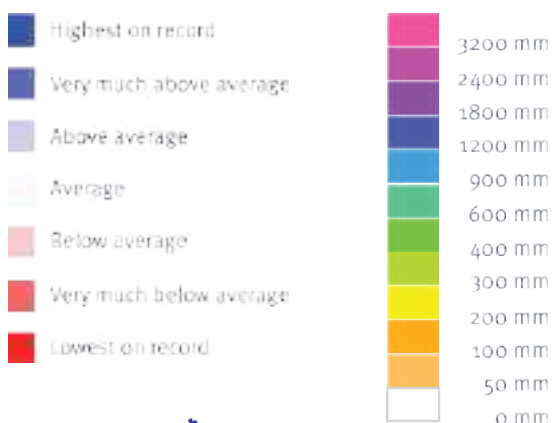


FIGURE 7: ANNUAL QUEENSLAND RAINFALL DECILES 2019

Note. Reprinted from *Queensland Rainfall Deciles January to December 2019* by Australian Bureau of Meteorology (BOM), 2022, <http://www.bom.gov.au/climate/maps/rainfall/?variable=rainfall&map=totals&period=12month®ion=qd&year=2019&month=12&day=31>

Figure 8 displays rainfall over 2020. Unlike 2019, rainfall was below average in the northern part of the state. The eastern part of the state remained dry, but other parts of the state were close to average (BOM, 2021). On 29 September 2019, a La Niña was ‘declared active in the tropical Pacific Ocean’ (BOM, 2021).

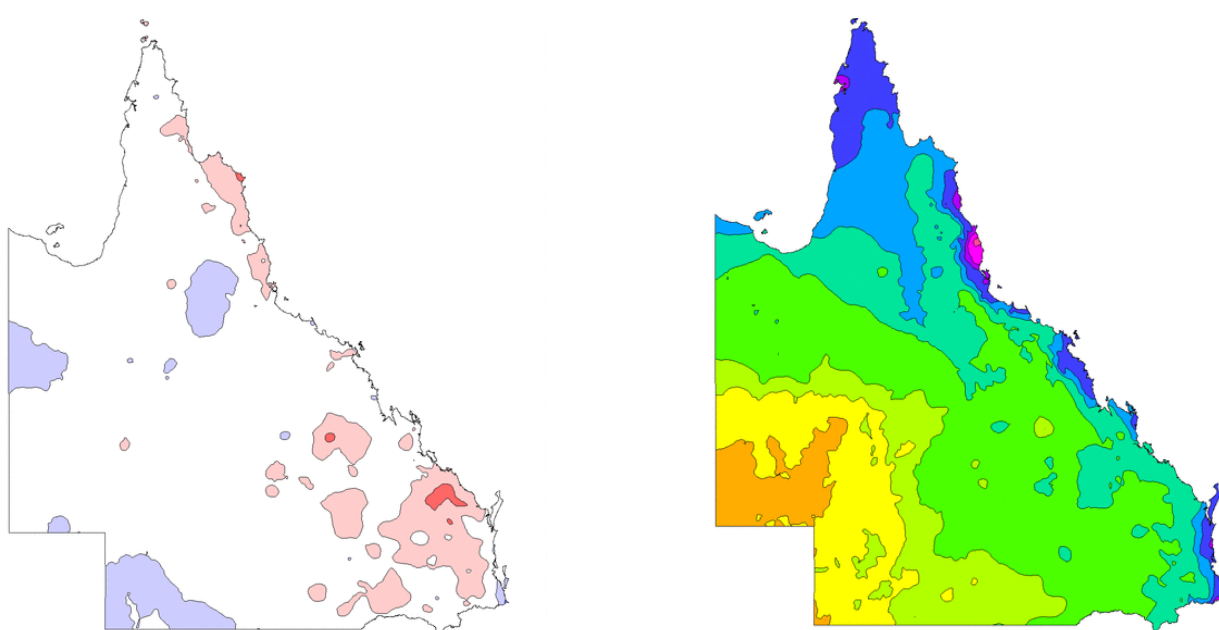


FIGURE 8: ANNUAL QUEENSLAND RAINFALL DECILES 2020

Note. Reprinted from *Queensland Rainfall Deciles January to December 2020* by Australian Bureau of Meteorology (BOM), 2022, retrieved from <http://www.bom.gov.au/climate/maps/rainfall/?variable=rainfall&map=totals&period=12month®ion=qd&year=2020&month=12&day=31>

2021 saw rainfall nine per cent above average for Queensland (BOM, 2022b). Heavy falls in the Gulf Country, Cape York Peninsula and tropical north coast were experienced in January due to Tropical Cyclone Imogen (BOM, 2022b). The southern Darling Downs had its highest total rainfall for at least 20 years, which is shown in Figure 9 (BOM, 2022b).

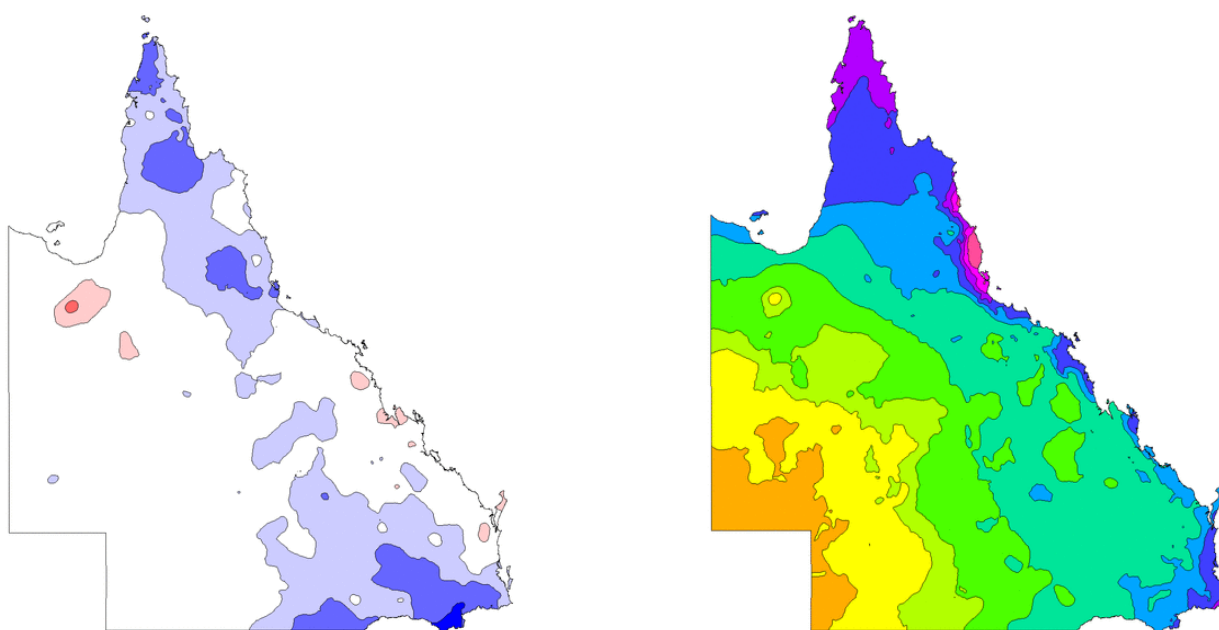


FIGURE 9: ANNUAL QUEENSLAND RAINFALL DECILES 2021

Note. Reprinted from *Queensland Rainfall Deciles January to December 2021* by Australian Bureau of Meteorology (BOM), 2022, retrieved from <http://www.bom.gov.au/climate/maps/rainfall/?variable=rainfall&map=totals&period=12month®ion=qd&year=2021&month=12&day=31>

DROUGHT DECLARATIONS

The drought declarations maps, Figure 10 below, depict formally declared areas of drought.

As at December 2019, there was a total of 34 fully drought-declared Local Government Areas and three partly drought-declared Local Government Areas. Additionally, there were 23 Individually Droughted Properties in a further seven Local Government Areas (Long Paddock, 2022a).

- Partly drought-declared area
- Fully drought-declared shire
- Not drought-declared

2019 (as at 1 December 2019)

2020 (as at 1 October 2020)

2021 (as at 1 December 2021)



FIGURE 10: QUEENSLAND DROUGHT SITUATION 2019 – 2021

*The month of December has been utilised to capture the season as closely to the debt survey reporting period.

Note. Reprinted from *Drought Declarations Archive* by Long Paddock, 2022, retrieved from <https://www.longpaddock.qld.gov.au/drought/archive/>

Drought continued to impact primary production in Queensland with herd reduction, diversification and off-farm income prominent. Figure 11 displays drought declarations over time by Local Government Area.

The south west of the state has been experiencing prolonged drought for many years. Continued efforts to implement on-farm improvements to assist in drought proofing for the future are occurring with the launch in December 2021 of a new Queensland Government Drought Reform Package that includes grants and loans to assist primary producers in Queensland to better prepare and manage for drought.

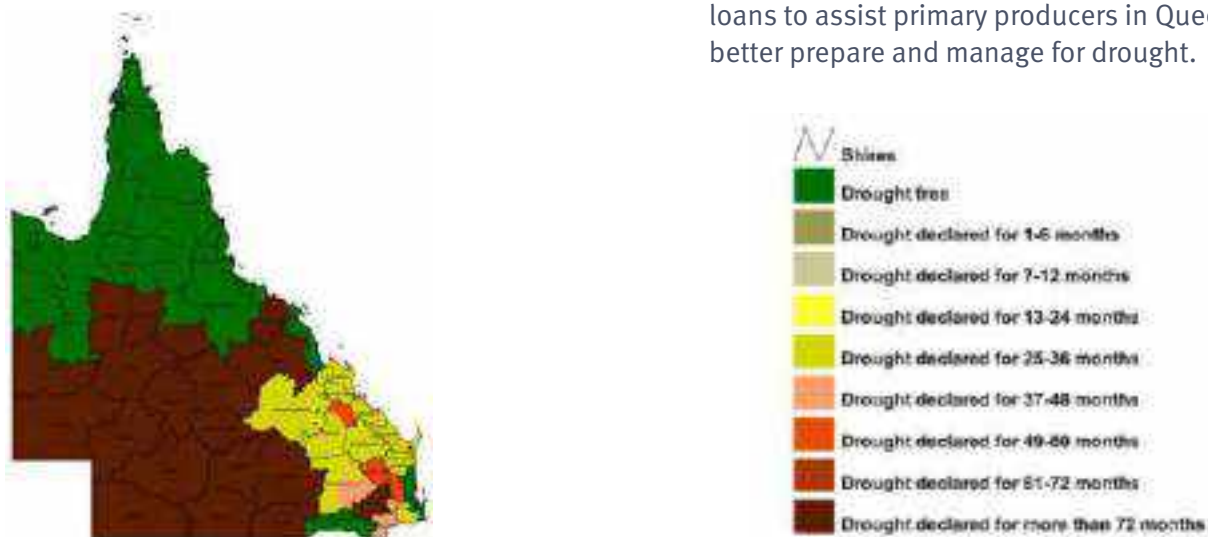


FIGURE 11: DROUGHT OVER TIME

Note: Reprinted from *Queensland Drought Duration Report* by Long Paddock, 2022, retrieved from <https://www.longpaddock.qld.gov.au/drought/archive/>

NATURAL DISASTERS

Depicted below are the natural disaster or other notable events that have occurred since 2011 (Figure 12). This shows the wide variability that primary producers must navigate.



FIGURE 12: NATURAL DISASTERS FROM 2011-2021

Note. Reprinted from *Queensland Annual Summary*, Bureau of Meteorology, 2022 retrieved from http://www.bom.gov.au/climate/current/statement_archives.shtml?region=qld&period=annual

DISASTER ASSISTANCE

The North and Far North Queensland Monsoon Trough – 25 January 2019 to 14 February 2019 (the Monsoon Trough) event saw heavy rainfall and major flooding across much of North and North West Queensland. The Monsoon Trough imposed ‘billions of dollars in direct costs to individuals, businesses, councils and government’ (Deloitte, 2019). Whilst this disaster occurred outside the two year comparison period for this survey, the ongoing impact and delivery of the financial assistance extended into the 2020 and 2021 period.

The Department of Agriculture and Fisheries predicted that 40 per cent of north-west Queensland’s grazing lands were impacted with flooding and inundation resulting from record rainfall associated with a monsoonal trough (State of Queensland, 2019). ‘This flooding, wet conditions and cold weather caused the death of an estimated 457,000 head of cattle, 43,000 sheep, 710 horses and over 3,000 goats across 11.4 million ha’ (State of Queensland, 2019).

Several forms of Disaster Recovery Funding Arrangements (DRFA) assistance were made available to primary producers impacted by the monsoon event. These included Special Assistance Recovery Grants, Disaster Assistance Loans, Disaster Assistance Loans (Essential Working Capital) and Exceptional Disaster Assistance Loans, which were administered by QRIDA.

Grants of up to \$75,000 were offered to primary producers to immediately assist in the ongoing operation of farming enterprises. This funding was available to 30 June 2020.

At the close of the program 2,251 applications had been approved for more than \$114 million (QRIDA, 2022, personal communication 31 March 2021).

In addition to the DRFA funding, the North Queensland Restocking, Replanting and On-farm Infrastructure \$400,000 co-contribution grant was made available to primary producers to assist with more extensive rebuilding and restocking. As at 31 December 2021, there were 301 applications approved for \$74.21 million. This grant was available to 30 June 2022.

Following the bushfires in Queensland from September 2020, the Emergency Bushfire Recovery Primary Industries Grant Queensland Bushfires September to December 2019 was activated. For this program, QRIDA approved 157 applications for a total of \$5.44 million for the associated primary producer Exceptional Disaster Assistance Recovery Grant. This scheme closed for applications on 31 December 2020.

In 2021, following Tropical Cyclone Niran, an activation was made under Tropical Cyclone Niran and Associated Low Pressure System, 25 February – 3 March 2021. As at 31 December 2021, QRIDA approved 815 applications for a total of \$13.7 million of Exceptional Disaster Assistance Recovery Grants. Applications remain open until 30 June 2022.

Additionally, the Southern Queensland Severe Weather, 20 – 31 March 2021 was activated in the first quarter of 2021. At finalisation of the scheme, QRIDA had approved 79 Exceptional Disaster Assistance Recovery Grant applications for a total of \$1.58 million. This scheme closed for applications on 17 December 2021.

Also activated in 2021 was the Central, Southern and Western Queensland Rainfall and Flooding, 10 November – 3 December 2021. As at 31 December 2021, QRIDA had approved three Special Disaster Assistance Recovery Grant applications for a total of \$30,000. Applications remain open until 30 September 2022.

Post the survey period, there have been several major flooding events in parts of the state. These have impacted industry, particularly in South East Queensland and will be covered in the 2023 survey.

FINANCIAL

EXCHANGE RATE AND OFFICIAL CASH RATE

Displayed in Figure 13, the exchange rate has fluctuated since December 2019. March 2020 saw a significant dip in the exchange rate, brought on by the initial impact of the COVID-19 pandemic; however it recovered soon after. As at 31 December 2021, the Australian dollar was US 0.7256c (RBA, 2022a). This is only US 0.025c higher than the exchange rate on 31 December 2019 (RBA, 2022a). The lower Australian dollar has aided in maintaining the competitiveness of Australian commodity exports.



FIGURE 13: AUD/USD EXCHANGE RATE – 31 DEC 2019 - 31 DEC 2021

Note. Reprinted from *Statistical Table – Exchange Rates* by Reserve Bank of Australia, 2022, retrieved from <https://www.rba.gov.au/statistics/frequency/exchange-rates.html>

Figure 14 indicates the change in the cash rate, as determined by the Reserve Bank of Australia (RBA) for the 2019-21 period. In December 2019, the cash rate sat at 0.75 per cent before being reduced to 0.5 per cent at the start of March and then to 0.25 per cent later in the same month. The rate then remained at 0.25 per cent until November 2020 when it was reduced to the record low of 0.1 per cent where it remained constant through to December 2021.

Post the survey period, up to 30 June 2022, there had been two increases in the cash rate. The first in May 2022 when the cash rate increased by 0.25 per cent to 0.35 per cent and the second in June 2022 when it increased by 0.50 per cent to 0.85 per cent (RBA, 2022b).

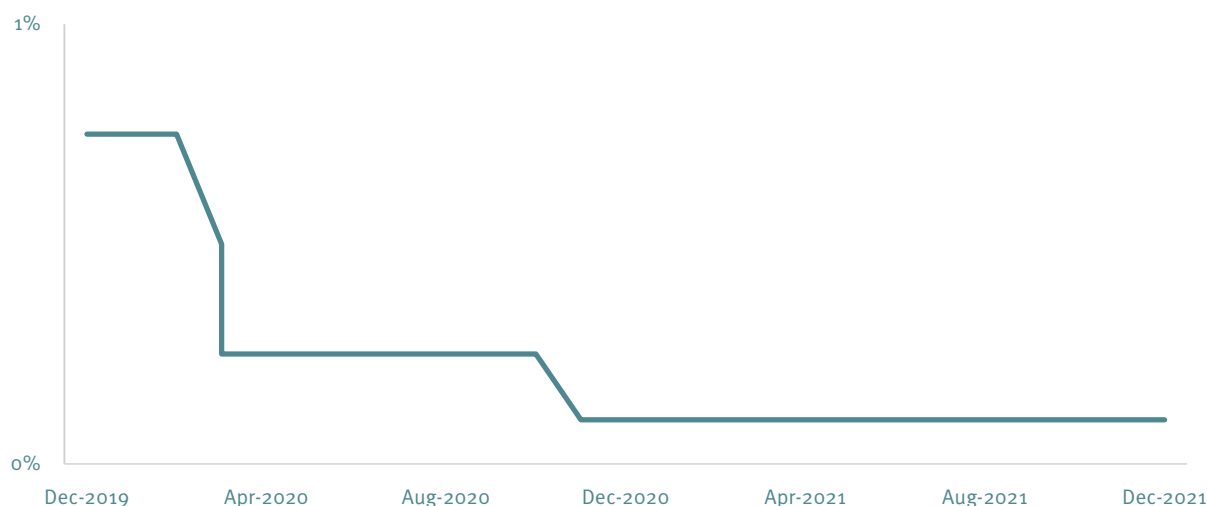


FIGURE 14: OFFICIAL CASH RATE RBA 2019-2021

Note. Reprinted from *Statistical Table – Official Cash Rates* by Reserve Bank of Australia, 2022, retrieved from <https://www.rba.gov.au/statistics/cash-rate/>

NATIONAL RURAL DEBT

National rural debt is reported each financial year by the RBA based on information supplied by lending institutions.

Table 2 identifies the yearly national debt levels from 2019 to 2021. Banks provide the largest proportion of national rural debt. In 2021 this equated to 95.99 per cent or \$90,304 million which was reflective of the previous three years' proportion.

Since 2019, large finance institutional debt has increased by \$13,848 million (17.26 per cent). Of this, banks have increased by \$13,763 million (17.98 per cent). An increase of \$1,388 million has also been observed in other government agencies (98.72 per cent increase) whilst pastoral and other finance companies has reduced by \$1,303 million (57.22 per cent decrease).

TABLE 2: RURAL INDEBTEDNESS TO FINANCIAL INSTITUTIONS – AUSTRALIA

INSTITUTION - RURAL DEBT (\$M)	2019	2020	2021
All banks	76,541	84,317	90,304
Other government agencies	1,406	1,854	2,794
Pastoral and other finance companies	2,277	887	974
Large finance institutional debt	80,224	87,059	94,072
DEPOSITS ('000)			
Farm Management Deposits	6,754,779	6,493,710	6,196,647

Note. Reprinted from *Money and Credit Statistics - Rural Debt by Lender* by Reserve Bank of Australia, 2022, retrieved from <https://www.rba.gov.au/statistics/tables/>; Reprinted from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.agriculture.gov.au/ag-farm-food/drought/assistance/fmd>

Total national rural debt for the 2019-21 period, as reported by the RBA, is displayed in Figure 15. Based on the June 2021 total debt figure for Australia and the December 2021 Queensland debt figure (noting the six-month disparity), Queensland makes up just over 25.57 per cent of the total rural debt for Australia. By comparison to the last survey in 2019, Queensland comprised 23.80 per cent of Australia's total rural debt.

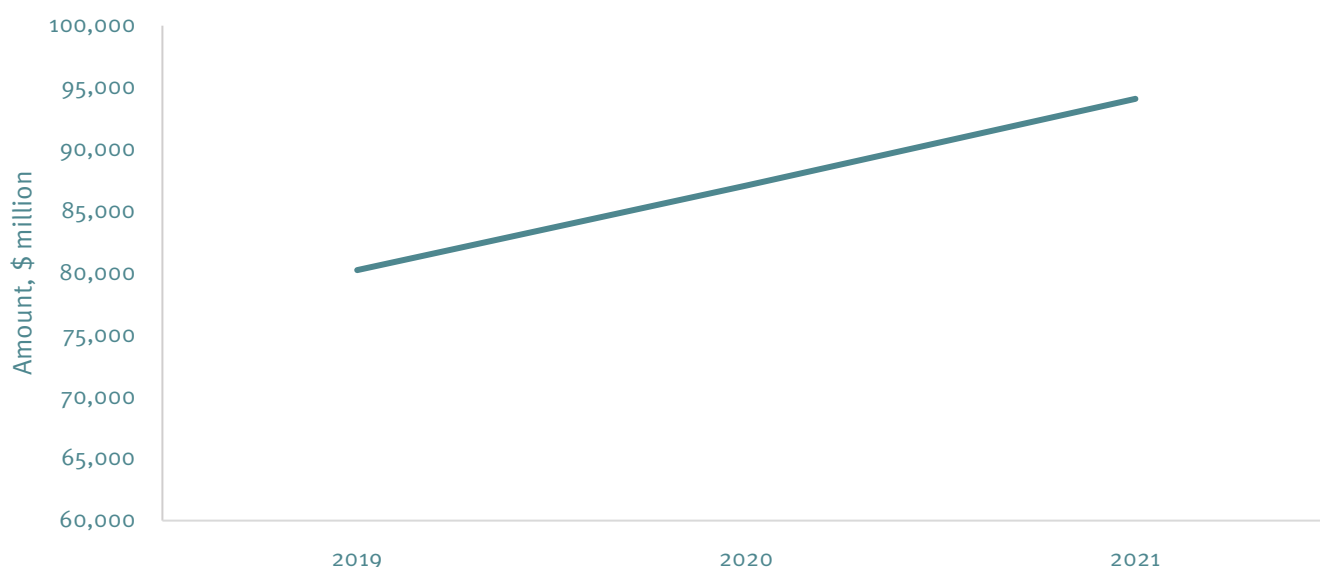


FIGURE 15: TOTAL AUSTRALIAN DEBT BY LENDER DEBT OVER TIME 2019-2021

Note. Reprinted from *Money and Credit Statistics - Rural Debt by Lender* by Reserve Bank of Australia, 2022, retrieved from <https://www.rba.gov.au/statistics/tables/>

FARM INCOMES

Farm cash incomes for Queensland broadacre farms by region, as reported in the ABARES Farm Data Portal, are displayed in Table 3 for the 2018-19 to 2020-21 financial years. Farm cash incomes recovered from the low figures recorded in 2018-19 with significant increases observed across all regions between 2018-19 and 2020-21. This recovery was driven by improved seasonal conditions with increased rainfall on 2019 levels alongside higher prices received for most commodities. Whilst farm incomes increased considerably over this period, input costs also rose with this serving to moderate increases to farm business profitability.

TABLE 3: AVERAGE FARM CASH INCOME IN QUEENSLAND BROADACRE FARMS

REGION	FARM CASH INCOME (\$'000)		
	2018-19	2019-20	2020-21
Cape York and the Gulf	649	1,040	1,529
Central North	105	205	472
Charleville - Longreach	65	220	315
Eastern Darling Downs	120	29	149
Northern Coastal – Mackay to Cairns	81	141	186
Southern Coastal – Curtis to Moreton	106	93	178
West and South West	-18	346	837
Western Downs and Central Highlands	187	244	336

Per farm averages. Financial variables are expressed in real 2021-22 dollars.

Note. Reprinted from *Regional Farm Data, Farm Data Portal – Beta*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/data/farm-data-portal>

INCOME FROM OTHER SOURCES

Off-farm income is an important contributor to farm businesses in Queensland. In 2020-21 off-farm income was estimated at an average of \$33,000 in Queensland (ABARES, 2022k).

ABARES reports that the average off-farm income for Queensland livestock farms in 2019-20 was \$32,200, \$7,900 lower than the national livestock farm average of \$39,900 for the same period (ABARES, 2021a).

In addition to income made off-farm, there are also farm contributions made from the use of the farms' natural assets. This includes income from leasing or agisting unused land for rental income or planting crops under specific contract agreements.

The Gasfields Commission Queensland reports that in the 2020 financial year there were 4,504 conduct and compensation agreements in place with \$702 million paid in total cumulative compensation to landholders (Gasfields Commission Queensland, 2021).

FARM MANAGEMENT DEPOSITS

Farm Management Deposits (FMD) are an initiative of the Australian Government to ‘assist primary producers to deal more effectively with fluctuations in cash flows’ (Australian Government DAWE, 2022a). FMDs are designed to increase ‘the self-reliance of Australian primary producers by helping them manage their financial risk and meet their business costs in low-income years by building up cash reserves’ (DAWE, 2022a). The scheme provides an avenue for primary producers to draw down on pre-tax income that has been set aside in an account in the future when it is needed, smoothing the income over several years.

Figure 16 displays FMDs since 2011 for Queensland. Heightened deposits appear at the end of each financial year with a greater increase observed in mid-2016. As of July 2016, FMD caps were increased from \$400,000 to \$800,000 for each eligible producer along with an early access trigger for drought and FMDs to be used to offset the interest costs on primary production business debt (DAWE, 2022a).

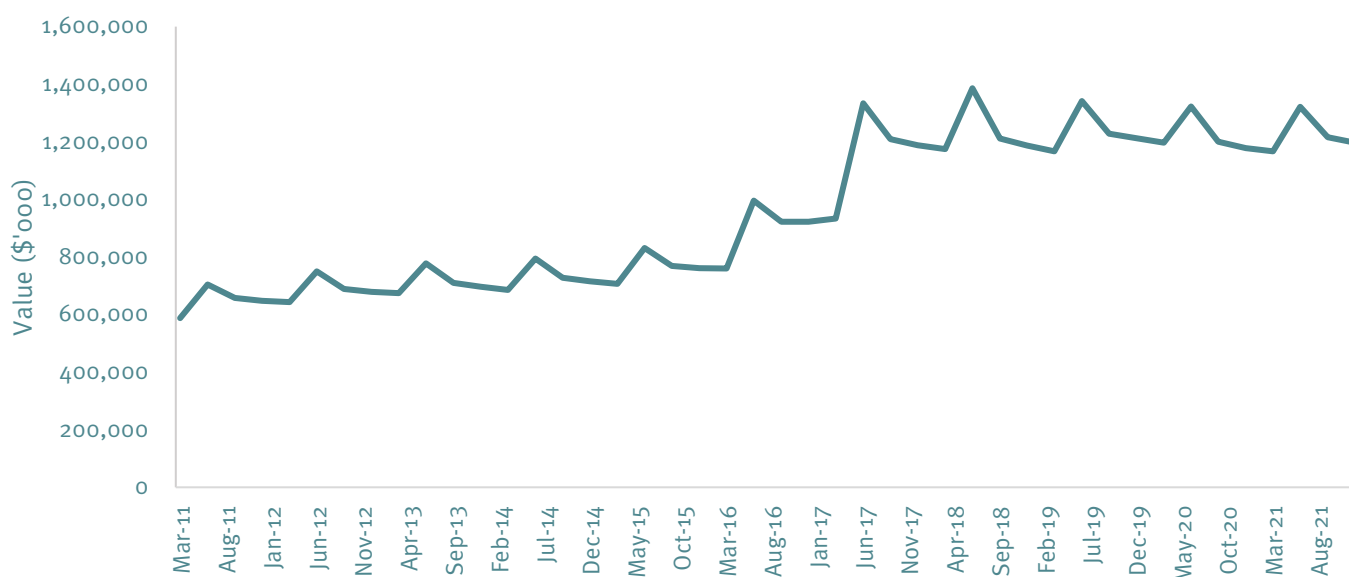


FIGURE 16: QUEENSLAND FARM MANAGEMENT DEPOSITS 2011-2021

Note. Reprinted from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

The December 2021 deposits into the FMD scheme have slightly decreased by 1.32 per cent since December 2019.

Figure 17 displays the variation in FMDs in Queensland since the last survey in 2019. As at December 2021, there were 8,398 FMD accounts in Queensland at a value of \$1,197 million. Comparatively, in December 2019, there were 9,154 accounts with a total value of FMD accounts at \$1,213 million. Between the two periods, the total value of deposits has slightly decreased (1.32 per cent decrease) with the number of accounts also decreasing by over 750. It is observed that over the December 2019 to December 2021 period, March 2021 saw the lowest deposit value at \$1,167 million.

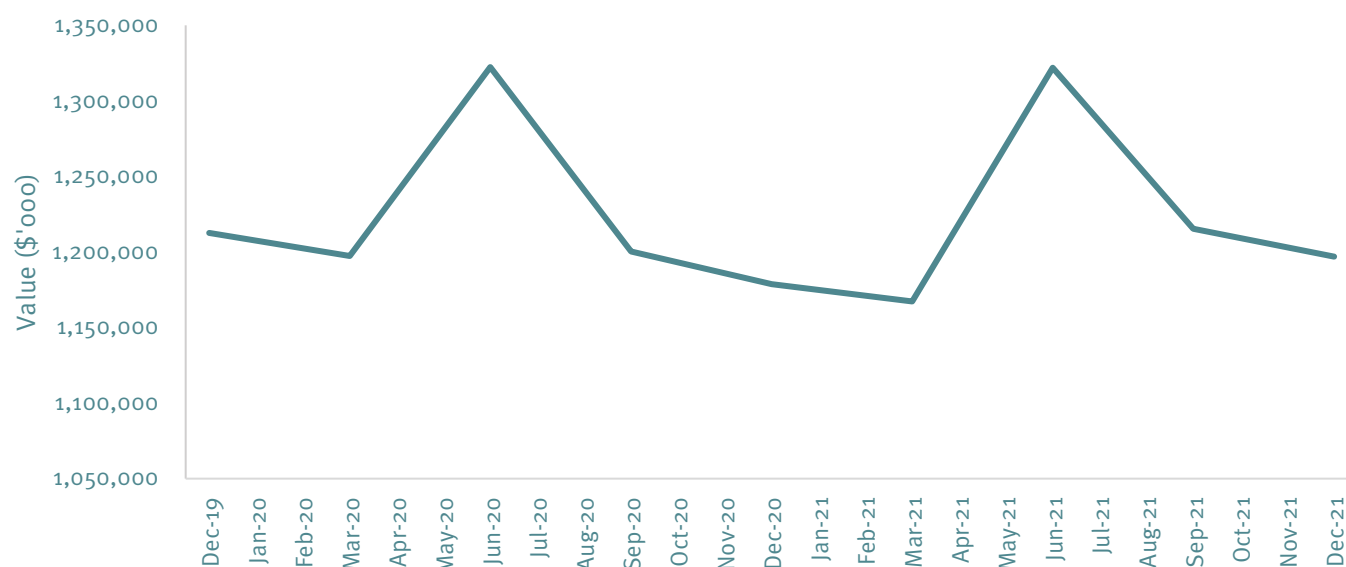


FIGURE 17: QUEENSLAND FARM MANAGEMENT DEPOSITS DECEMBER 2019 - DECEMBER 2021

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

Figure 18 shows the breakdown of FMDs in Queensland by industry as at December 2021. The beef industry had the greatest number of FMD accounts (3,038) with a value of \$505 million. The sugar industry had the second highest deposit accounts with 1,177 at a total of \$135 million. In 2019, these two industries also had the highest number of accounts. Whilst natural disasters and drought have impacted production for both the beef and sugar industries in Queensland through the 2019 to 2021 period, they remain significant industries for Queensland.

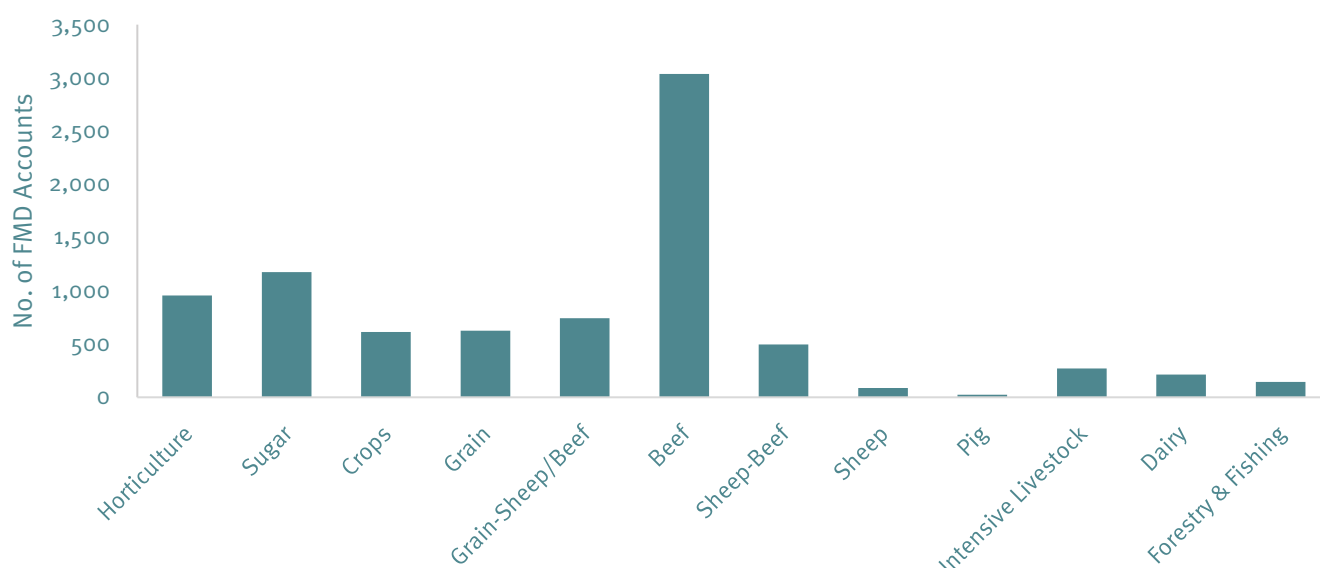


FIGURE 18: QUEENSLAND FARM MANAGEMENT DEPOSITS BY INDUSTRY DECEMBER 2021

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

RURAL PROPERTY SALES

Rural sales data provides important information in understanding the greater picture around rural debt. In most cases, the sale of a property results in changes in debt for the buyer and seller, with buyers typically entering or increasing their level of debt and sellers most often reducing their debt if they have any. Several factors affect the pricing of rural properties, including the productivity of the land for sale and location, proximity to other properties and general inflation. Additionally, commodity prices, seasonal conditions and diversification of enterprise also influence buying and selling behaviour.

Over the past two years, there has been a significant increase in the number of rural sales. As displayed in Figure 19, the number of sales increased from 2,079 in 2019 to 2,943 in 2021, with 2021 recording the largest number of sales in the period shown.

Over the 2019-21 period, the value of rural sales increased by a greater proportion than the number of rural sales, reflecting an increase in average sale price. In 2019 the value of rural sales by year was \$3,947 million, with this increasing to \$6,374 million in 2021 (Figure 20). As with the number of rural sales, 2021 recorded the greatest value of rural sales.

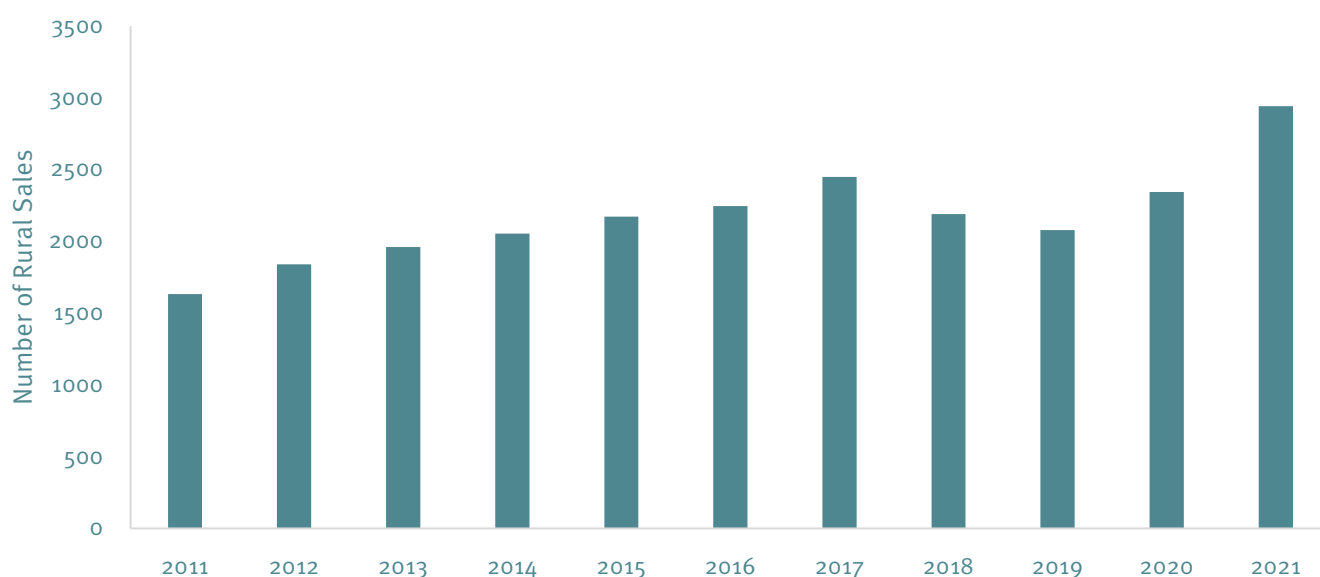


FIGURE 19: NUMBER OF RURAL SALES BY YEAR

Note. Reprinted from *Rural Sales 2021* by Queensland Valuations and Sales System within the Queensland Department of Natural Resources, Mines and Energy, personal communication, 21 June 2022

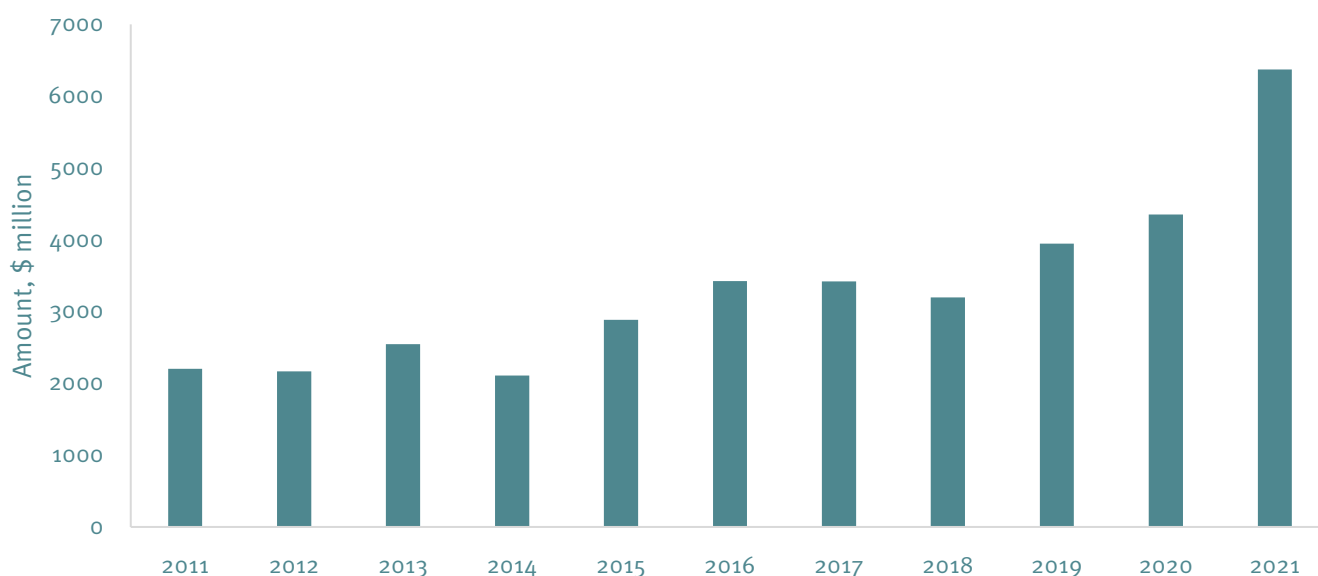


FIGURE 20: VALUE OF RURAL SALES BY YEAR

Note. Reprinted from *Rural Sales 2021* by Queensland Valuations and Sales System within the Queensland Department of Natural Resources, Mines and Energy, personal communication, 21 June 2022

*In the past QRIDA has used rural property sales figures based on date processed. The rural property sales figures used in this survey are based on possession date. As with previous surveys QRIDA has received these figures from QVAS within the Department of Resources.



PERFORMANCE OF DEBT

This section details the size and nature of the 2021 Rural Debt Survey results by industry and region.

SIZE

As of December 2021, the level of debt had increased by 25.97 per cent compared to 2019 to \$24.06 billion.

There were 17,312 borrowers with an average debt of \$1.39 million.

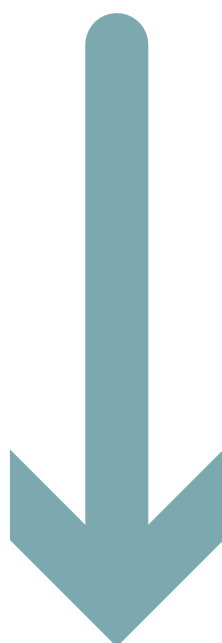
TABLE 4: TOTAL DEBT, NUMBER OF BORROWERS AND AVERAGE DEBT PER BORROWER OVER TIME

	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$m)	24,056	19,096	+4,959	25.97
Number of borrowers	17,312	18,232	-920	-5.05
Average \$ debt per borrower (\$m)	1.39	1.05	+0.34	32.67

Total debt
has increased by
25.97%



Number of borrowers
has decreased by
5.05%



Average debt per borrower
has increased by
32.67%



GROSS VALUE OF PRODUCTION

- A comparison of debt to Gross Value of Production (GVP) provides another avenue to interpret the debt results (Figure 21).
- The gap between GVP and debt levels has increased from 2019 to 2021. In 2019, there was a \$4,968.8 million difference in debt and GVP. In 2021, this has increased to \$8,758.3 million.
- This equates to a debt to GVP of 157.25 per cent for 2021. Comparatively in 2019, it was 135.17 per cent (DAF, 2022b).
- Total Queensland agriculture, forestry and fisheries GVP has increased by 8.28 per cent since 2019, debt has increased by 25.97 per cent (DAF, 2022b).
- The increase in agriculture, forestry and fisheries GVP between 2019 and 2021 reflects the improvement in output and returns across a number of agricultural industries in Queensland. This increase in output is only a partial driver of the overall increase total rural debt levels in Queensland.

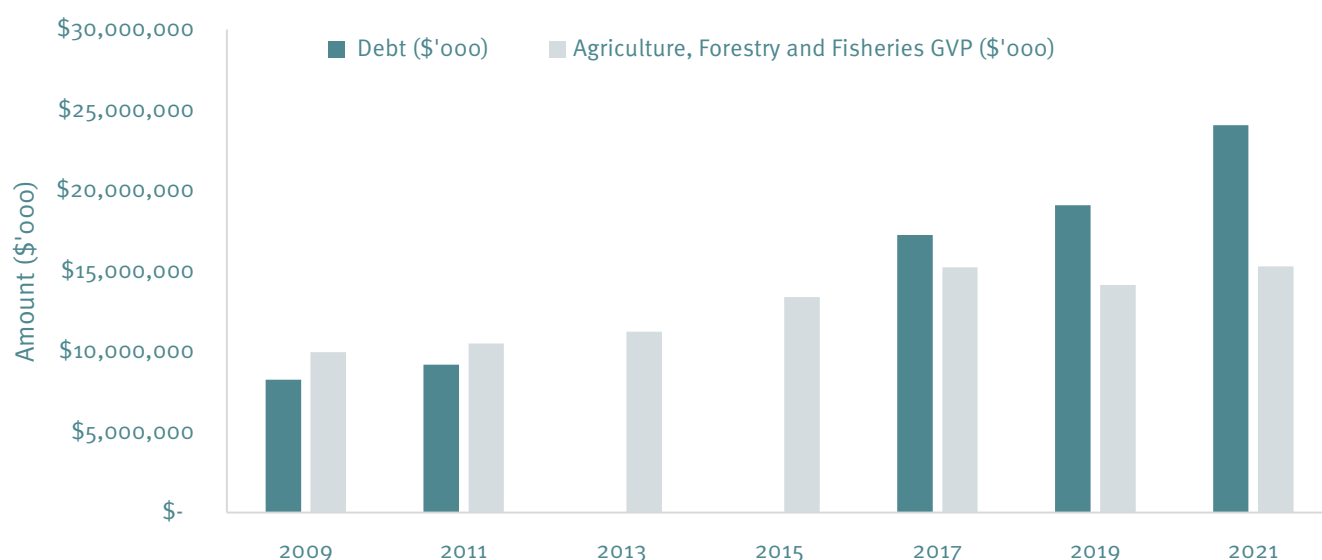


FIGURE 21: DEBT AND QUEENSLAND GVP ANALYSIS*

Note. Reprinted from *Queensland Agtrends*, by Department of Agriculture and Fisheries Queensland, retrieved from <https://www.daf.qld.gov.au/strategic-direction/datafarm/qld-agtrends>

* Due to no Rural Debt Survey being conducted in 2013 and 2015, no Queensland rural debt figures are available for those years.

Total GVP for Queensland has increased by 8.28 per cent since 2019 whilst debt has increased by 25.97 per cent.

BREAKDOWN OF INDUSTRY GVP BY TWO HIGHEST DEBT INDUSTRIES

Table 5 indicates the two highest debt industries' GVP in Queensland.

TABLE 5: QUEENSLAND GROSS VALUE OF PRODUCTION, BY INDUSTRY

(\$M)	2018-19	2019-20	2020-21
Beef (Cattle and Calves)	5,447	6,126	5,911
Cotton	279	102	535

Note. Reprinted from *Queensland Agtrends*, by Department of Agriculture and Fisheries Queensland, retrieved from <https://www.daf.qld.gov.au/strategic-direction/datafarm/qld-agtrends>

The below table indicates the comparative movement in debt and movement in GVP since 2019 for the beef and cotton industries alongside the state total (Table 6).

TABLE 6: GVP AND DEBT MOVEMENT PERCENTAGES SINCE 2019

	% MOVEMENT IN DEBT	% MOVEMENT IN GVP
Beef	28.29%	8.52%
Cotton	53.10%	91.76%
Total	25.97%	8.28%

Note. Reprinted from *Queensland Agtrends*, by Department of Agriculture and Fisheries Queensland, retrieved from <https://www.daf.qld.gov.au/strategic-direction/datafarm/qld-agtrends>

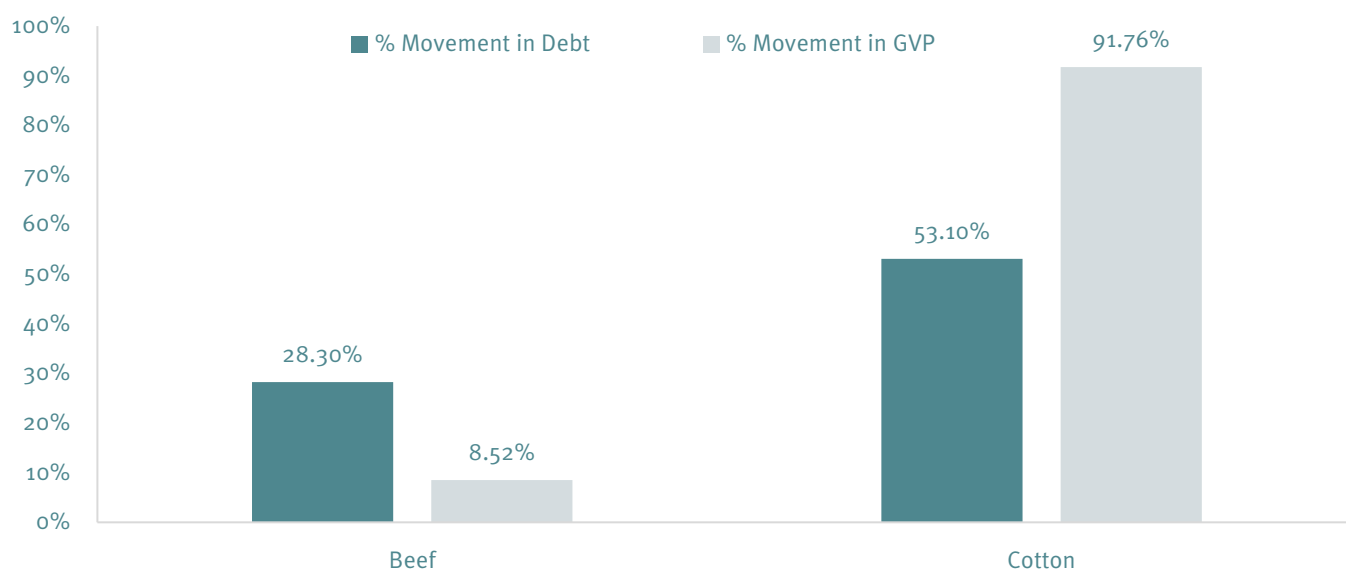


FIGURE 22: MOVEMENT OF DEBT AND GVP

Note. Reprinted from *Queensland Agtrends*, by Department of Agriculture and Fisheries Queensland, retrieved from <https://www.daf.qld.gov.au/strategic-direction/datafarm/qld-agtrends>

Further information for each industry is identified in the 'All Industries' section of this report.

REGION

The Western Downs and Central Highlands, Southern Coastal – Curtis to Moreton and Eastern Darling Downs account for 71.99 per cent of the total Queensland rural debt in 2021.

This debt is driven by the larger industry debt contributors (beef, cotton, grain/grazing and grain) as well as environmental events and market factors over this time period.

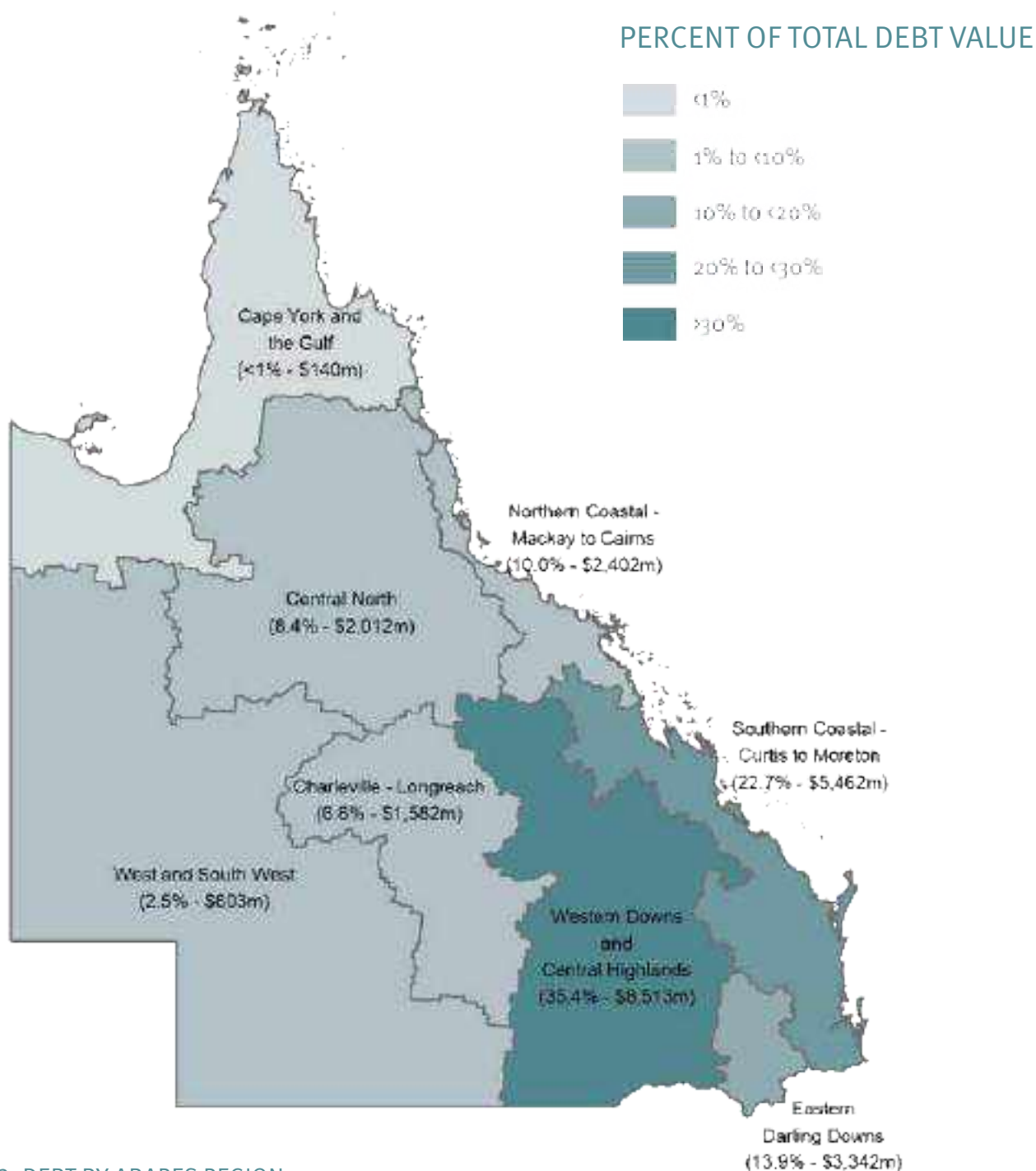


FIGURE 23: DEBT BY ABARES REGION

DEBT BY REGION

- The three highest debt regions, Western Downs and Central Highlands, Southern Coastal – Curtis to Moreton and Eastern Darling Downs also had among the highest number of borrowers relative to other regions (Table 7), with a total of 11,958 or 68.83 per cent of the total borrowers. It is noted though that Northern Coastal – Mackay to Cairns has the third highest number of borrowers and is the fourth highest debt region by value in 2021 (Figure 24).
- The smallest debt holding region was Cape York and the Gulf and the Gulf which also had the smallest number of borrowers.
- Average debt per borrower varied throughout the regions, with the lowest debt per borrower in the North Coastal – Mackay to Cairns at \$743 thousand and the highest in the Charleville – Longreach region at \$2.31 million.

TABLE 7: DEBT BY REGION AND CHANGE SINCE 2019

ABARES REGION	2021 (\$'000)	% OF TOTAL REGION DEBT	BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	2019 - 2021 MOVEMENT (\$'000)	2019 - 2021 % CHANGE
Cape York and the Gulf	140,074	0.58%	61	2,296	100,922	39,152	38.79%
Central North	2,012,147	8.36%	1,028	1,957	1,636,827	375,320	22.93%
Charleville - Longreach	1,582,077	6.58%	685	2,310	1,279,040	303,038	23.69%
Eastern Darling Downs	3,342,422	13.89%	2,641	1,266	2,593,841	748,580	28.86%
Northern Coastal – Mackay to Cairns	2,401,710	9.98%	3,234	743	2,144,272	257,438	12.01%
Southern Coastal – Curtis to Moreton	5,461,726	22.70%	5,029	1,086	4,454,940	1,006,786	22.60%
West and South West	602,544	2.50%	406	1,484	612,431	-9,887	-1.61%
Western Downs and Central Highlands	8,513,083	35.39%	4,288	1,985	6,274,059	2,239,024	35.69%
TOTAL	24,055,782		17372		19,096,332	4,959,450	25.97%

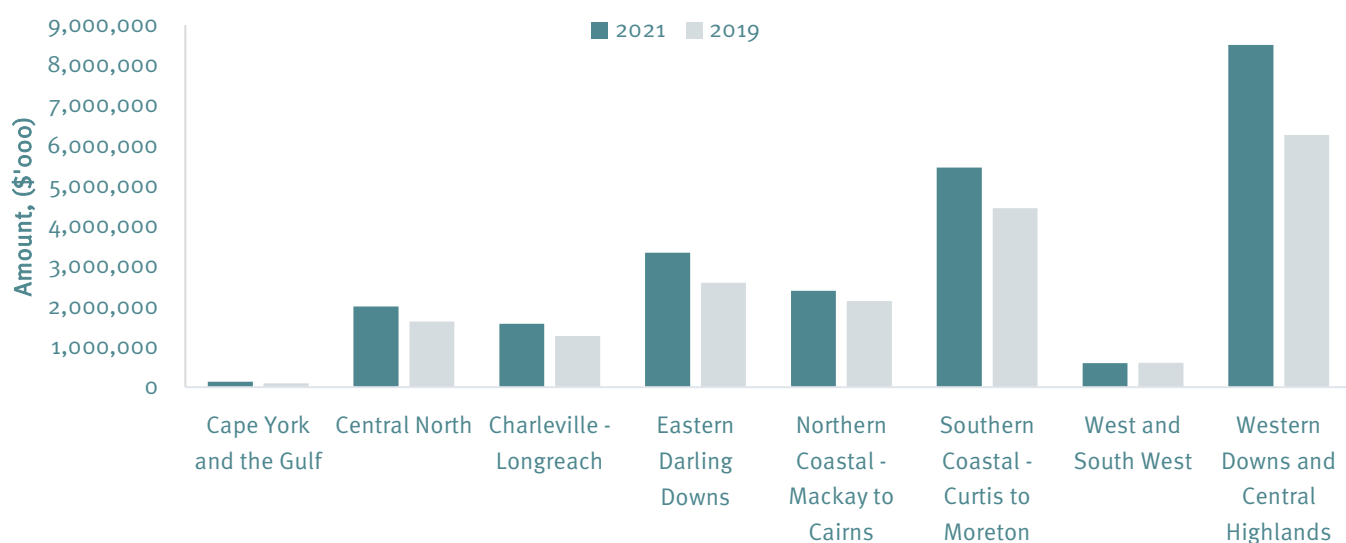


FIGURE 24: 2019 AND 2021 TOTAL DEBT BY REGION

MOVEMENT

- There has been a significant increase in debt since 2019, with every region except the West and South West, having recorded an increase in debt as depicted in Figure 25.
- Despite an average increase in total debt, the number of borrowers across all the regions except Cape York and the Gulf and Central North has declined.
- Cape York and the Gulf recorded the greatest increase in both debt and borrowers in percentage terms.
- Specific regional movement for industries is depicted in the 'All Industries' section of this report.

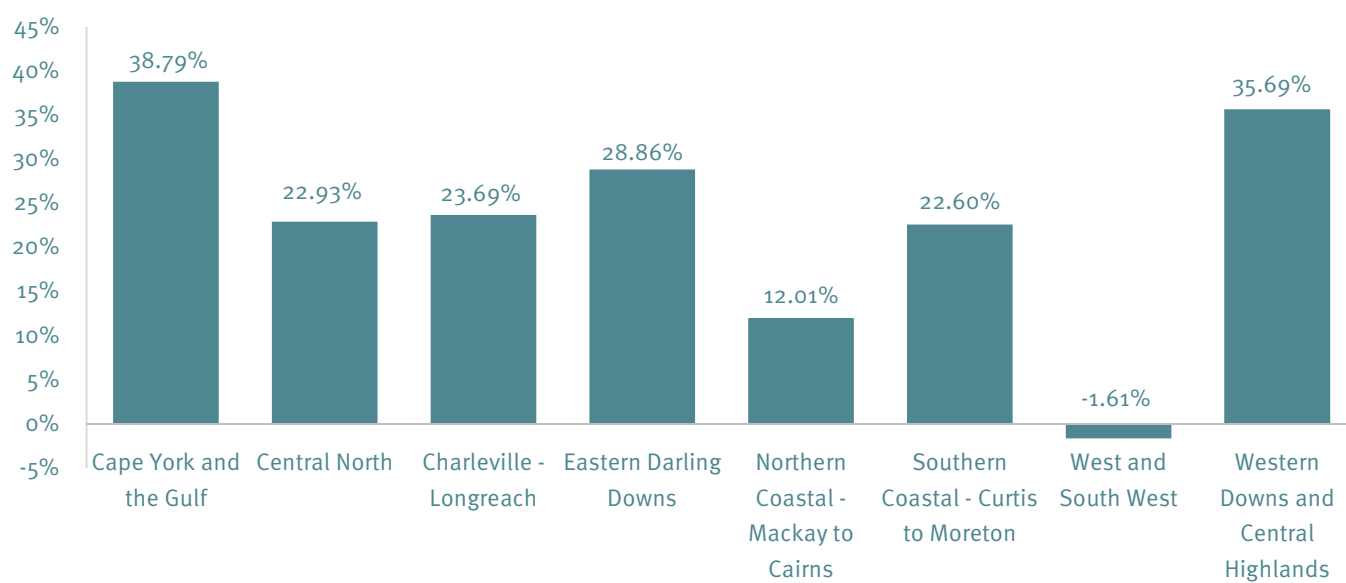


FIGURE 25: MOVEMENT OF DEBT BY REGION

COMPARISON OF REGIONAL DEBT

- The top three regions as a percentage of total debt which are displayed in Table 8, have not changed in order since 2019.
- The Western Downs and Central Highlands and Eastern Darling Downs increased their share of total debt whereas the Southern Coastal – Curtis to Moreton region had its share of total debt decline.

TABLE 8: COMPARISON OF HIGHEST DEBT REGIONS

ABARES REGION	2021 % OF TOTAL	2019 % OF TOTAL
Western Downs and Central Highlands	35.39%	32.85%
Southern Coastal – Curtis to Moreton	22.70%	23.33%
Eastern Darling Downs	13.89%	13.58%

RISK PROFILE

Rural debt rated as viable (A) and potentially long-term viable (B+) combined, represent 94.96 per cent of total debt (Figure 26). Through the 2019-21 period there has been an increase in the amount of debt rated as A, B+ and B1, and a decline in B2 and C rated (Figure 27). However, on a proportional basis B+ rated debt was the only debt rating to record an increase as a proportion of total debt with A, B1, B2 and C rated debt declining as a proportion of the total debt (Figure 28).

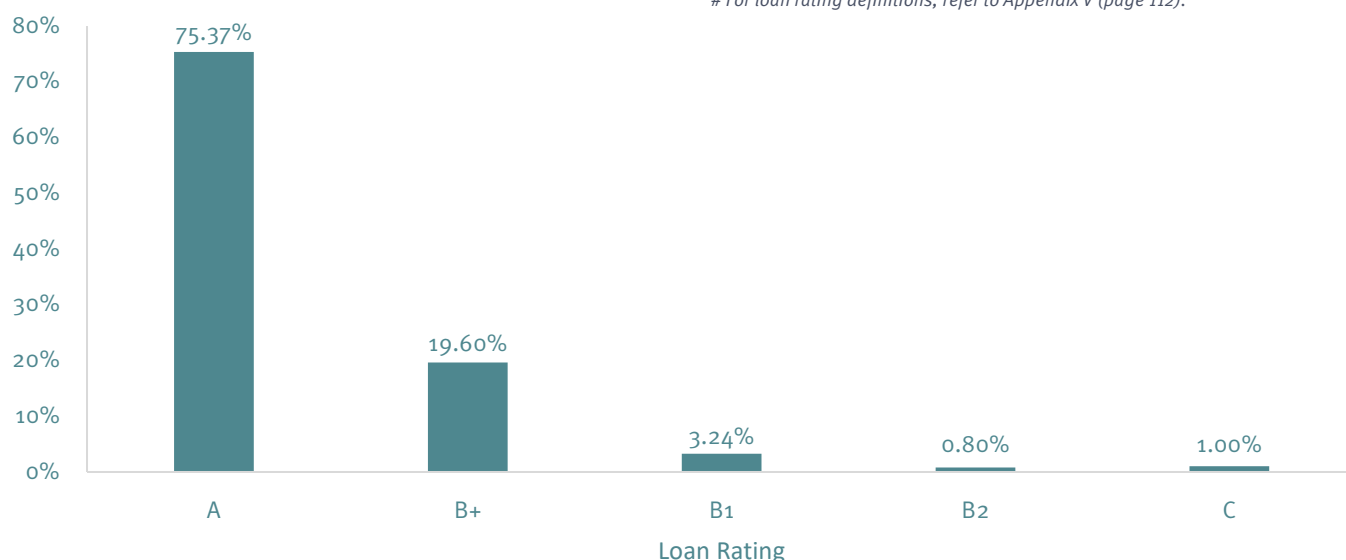


FIGURE 26: DISSECTION OF DEBT VALUE BY LOAN RATING

- There has been an increase in value of debt by rating for viable (A) rated debt by 21.99 per cent, and potentially viable long term (B+) rated debt by 61.10 per cent since 2019, as set out in Table 10 and Figure 27. Those with debt servicing difficulties who are in danger of becoming non-viable (B2) and those currently considered non-viable (C) fell by 17.43 per cent and 39.85 per cent respectively.
- The proportion of debt rated B+ increased from 15.32 per cent to 19.60 per cent, while all other debt ratings declined as a proportion of total debt as set out in Figure 27.
- Debt rated viable (A) and potentially viable long term (B+) increased from 93.15 per cent to 94.96 per cent as a proportion of total debt.

TABLE 9: RISK PROFILE

LOAN RATING#	AMOUNT (\$'000)	BORROWERS	AVERAGE DEBT (\$'000)
A	18,130,143	12,246	1,480
B+	4,714,420	3,594	1,312
B1	778,661	855	911
B2	192,322	365	527
C	240,235	284	846
TOTAL	24,055,782	17,344	

For loan rating definitions, refer to Appendix V (page 112).

TABLE 10: MOVEMENT IN VALUE OF DEBT SPLIT BY LOAN RATING

LOAN RATING	2021 (\$'000)	2019 (\$'000)	MOVEMENT (\$'000)	MOVEMENT %
A	18,130,143	14,861,614	+3,268,529	21.99%
B+	4,714,420	2,926,453	+1,787,967	61.10%
B1	778,661	675,949	+102,712	15.20%
B2	192,322	232,927	-40,605	-17.43%
C	240,235	399,389	-159,153	-39.85%
TOTAL	24,055,782	19,096,332	+4,959,450	25.97%

- There was a 39.85 per cent decline in the amount of non-viable (C) rated debt.

MOVEMENT IN DEBT 2019 TO 2021

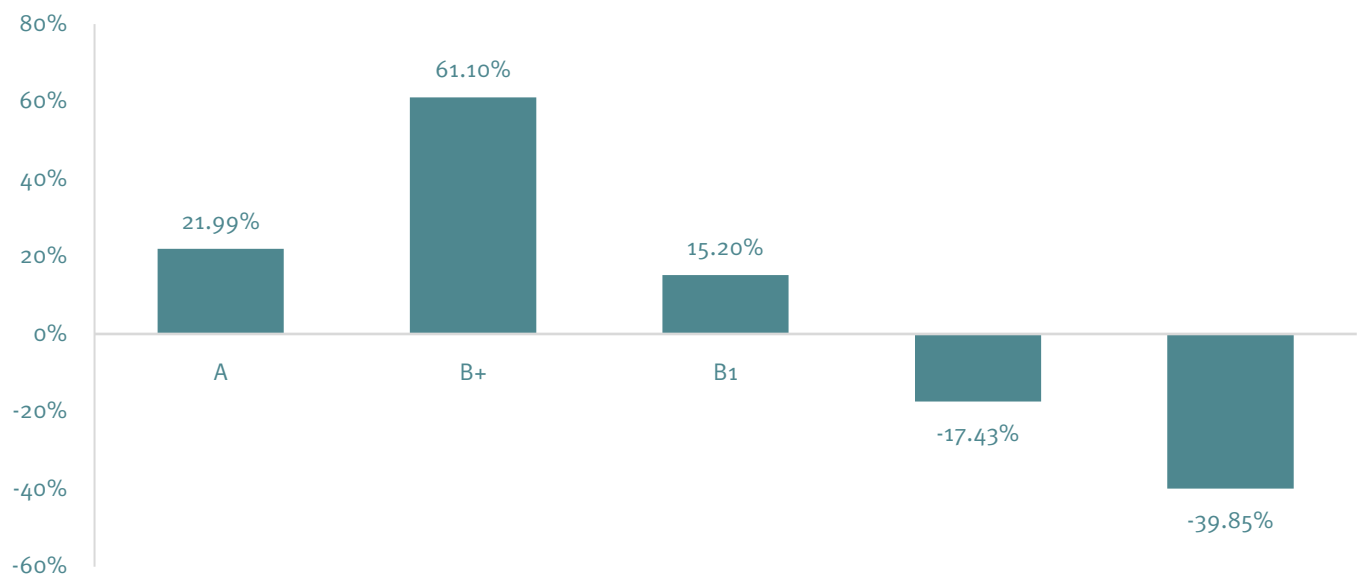


FIGURE 27: MOVEMENT OF TOTAL DEBT BY RISK RATING 2019 TO 2021

DISSECTION OF DEBT VALUE BY LOAN RATING OVER TIME

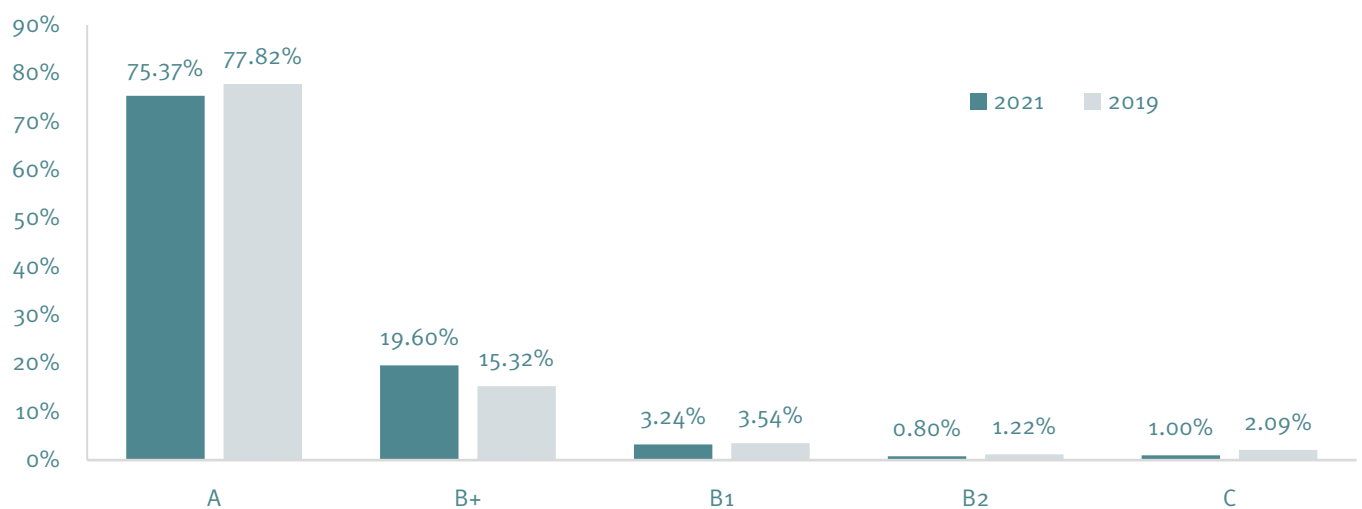


FIGURE 28: 2019 AND 2021 TOTAL DEBT BY RISK RATING

ABARES REGION BY A AND B+ DEBT RATING

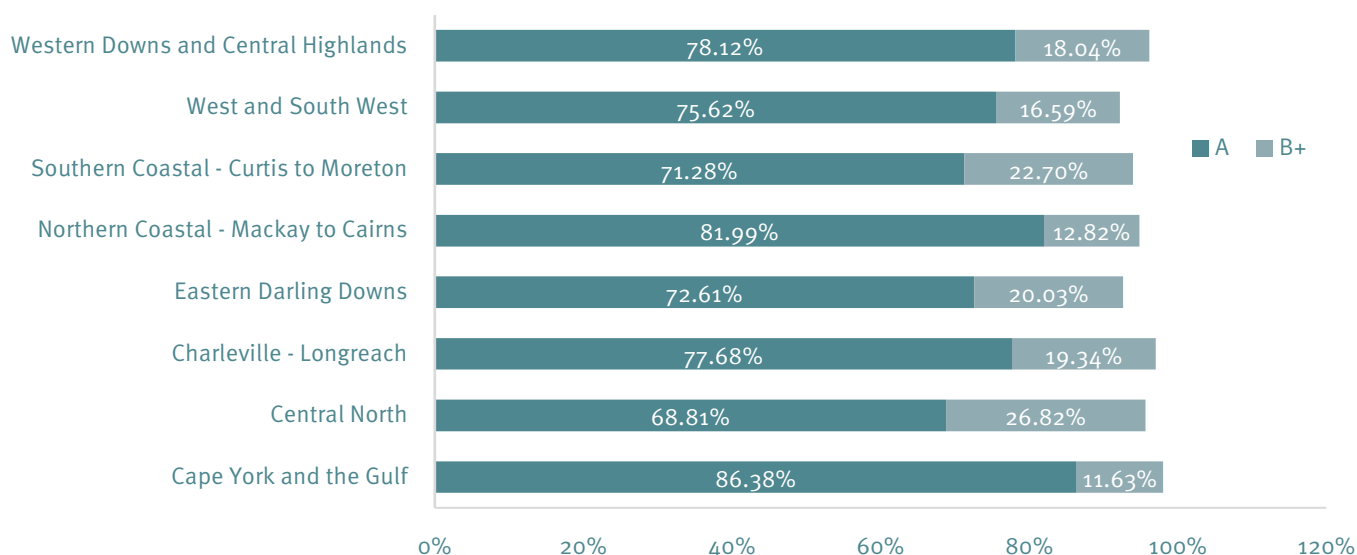


FIGURE 29: TOTAL DEBT BY REGION BY A AND B+ DEBT RATING

TABLE 11: AMOUNT, BORROWERS AND AVERAGE DEBT BY ABARES REGION

ABARES REGION		LOAN RATING					TOTAL
		A	B+	B1	B2	C	
Cape York and the Gulf	Amount (\$'000)	120,997	16,294	1,080	dw	dw	140,074
	Borrowers	37	16	3	dw	dw	61
	Average debt (\$'000)	3,270	1,018	360	dw	dw	
Central North	Amount (\$'000)	1,384,538	539,632	42,129	25,074	20,775	2,012,147
	Borrowers	737	214	45	19	14	1,028
	Average debt (\$'000)	1,879	2,522	936	1,320	1,484	
Charleville - Longreach	Amount (\$'000)	1,228,929	306,045	38,284	dw	dw	1,582,077
	Borrowers	464	180	32	dw	dw	685
	Average debt (\$'000)	2,649	1,700	1,196	dw	dw	
Eastern Darling Downs	Amount (\$'000)	2,426,903	669,325	168,014	35,296	42,884	3,342,422
	Borrowers	1,732	594	192	60	64	2,641
	Average debt (\$'000)	1,401	1,127	875	588	670	
Northern Coastal – Mackay to Cairns	Amount (\$'000)	1,969,090	307,818	61,629	14,256	48,916	2,401,710
	Borrowers	2,493	519	123	44	62	3,234
	Average debt (\$'000)	790	593	501	324	789	
Southern Coastal – Curtis to Moreton	Amount (\$'000)	3,893,202	1,239,544	213,605	63,914	51,461	5,461,726
	Borrowers	3,413	1,154	233	154	88	5,029
	Average debt (\$'000)	1,141	1,074	917	415	585	
West and South West	Amount (\$'000)	455,641	99,982	37,017	7,398	2,506	602,544
	Borrowers	289	87	20	6	5	406
	Average debt (\$'000)	1,577	1,149	1,851	1,233	501	
Western Downs and Central Highlands	Amount (\$'000)	6,650,843	1,535,782	216,904	40,905	68,649	8,513,083
	Borrowers	3,139	831	207	73	46	4,288
	Average debt (\$'000)	2,119	1,848	1,048	560	1,492	
TOTAL	Amount (\$'000)	18,130,143	4,714,420	778,661	192,322	240,235	24,055,782
	Borrowers	12,246	3,594	855	365	284	17,344

Note. There may be instances where some rows and columns may not sum exactly as 'total' amounts include data withheld figures or are capturing the total reportable amount. Please see Appendix V for further information.

INDUSTRY

DEBT BY INDUSTRY

- Beef, cotton, grain/grazing, grain and horticulture tree crops accounted for 81.95 per cent of the total debt for 2021.
- An increase in debt was recorded in all industries apart from sugar, services to agriculture, dairy, marine fishing, forestry and logging and hunting and trapping (Table 13). Despite this, a reduction in the number of borrowers was recorded across all industries apart from aquaculture, cotton and grain.

More details on individual industries can be found in the 'All Industries' section.

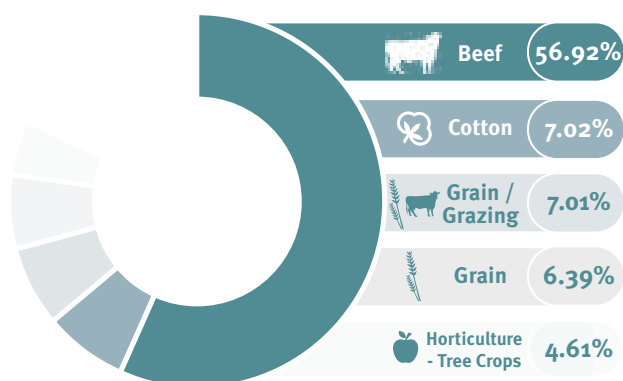


FIGURE 30: SUMMARISED DEBT BY INDUSTRY

TABLE 12: PERCENTAGE OF DEBT BY INDUSTRY

INDUSTRY	PERCENTAGE
Beef	56.92%
Cotton	7.02%
Grain/Grazing (Sheep and/or Cattle)	7.01%
Grain (summer and winter)	6.39%
Horticulture - Tree crops	4.61%
Sugar	4.48%
Intensive Livestock	3.29%
Services to Agriculture	3.25%
Horticulture – Vegetables	2.43%
Other	2.18%
Dairy	0.91%
Sheep/Wool	0.64%
Marine Fishing	0.52%
Forestry and Logging	0.23%
Aquaculture	0.11%
Hunting and Trapping	0.02%

TABLE 13: MOVEMENT IN VALUE OF DEBT BY INDUSTRY

INDUSTRY	2021 (\$'000)	% OF TOTAL	BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	MOVEMENT (\$'000)	MOVEMENT %
Beef	13,691,494	56.92%	7,369	1,858	10,672,456	3,019,038	28.29%
Cotton	1,688,539	7.02%	389	4,341	1,102,907	585,632	53.10%
Grain/Grazing	1,686,250	7.01%	975	1,729	1,196,809	489,442	40.90%
Grain	1,537,437	6.39%	964	1,595	1,280,807	256,630	20.04%
Horticulture - Tree crops	1,108,152	4.61%	932	1,189	851,999	256,153	30.06%
Sugar	1,077,406	4.48%	1,769	609	1,107,292	-29,887	-2.70%
Intensive Livestock	790,966	3.29%	504	1,569	467,383	323,583	69.23%
Services to Agriculture	782,327	3.25%	1,831	427	805,708	-23,381	-2.90%
Horticulture – Vegetables	585,639	2.43%	492	1,190	537,127	48,512	9.03%
Other	523,408	2.18%	1,020	513	402,998	120,411	29.88%
Dairy	218,143	0.91%	360	606	267,116	-48,973	-18.33%
Sheep/Wool	153,838	0.64%	211	729	152,991	8,47	0.55%
Marine Fishing	124,974	0.52%	343	364	170,126	-45,152	-26.54%
Forestry and Logging	56,126	0.23%	157	357	58,273	-2,147	-3.68%
Aquaculture	27,343	0.11%	55	497	18,234	9,109	49.96%
Hunting and Trapping	3,739	0.02%	23	163	4,106	-367	-8.93%
TOTAL	24,055,782		17,394		19,096,332	4,959,450	25.97%

MOVEMENT IN DEBT 2019 TO 2021

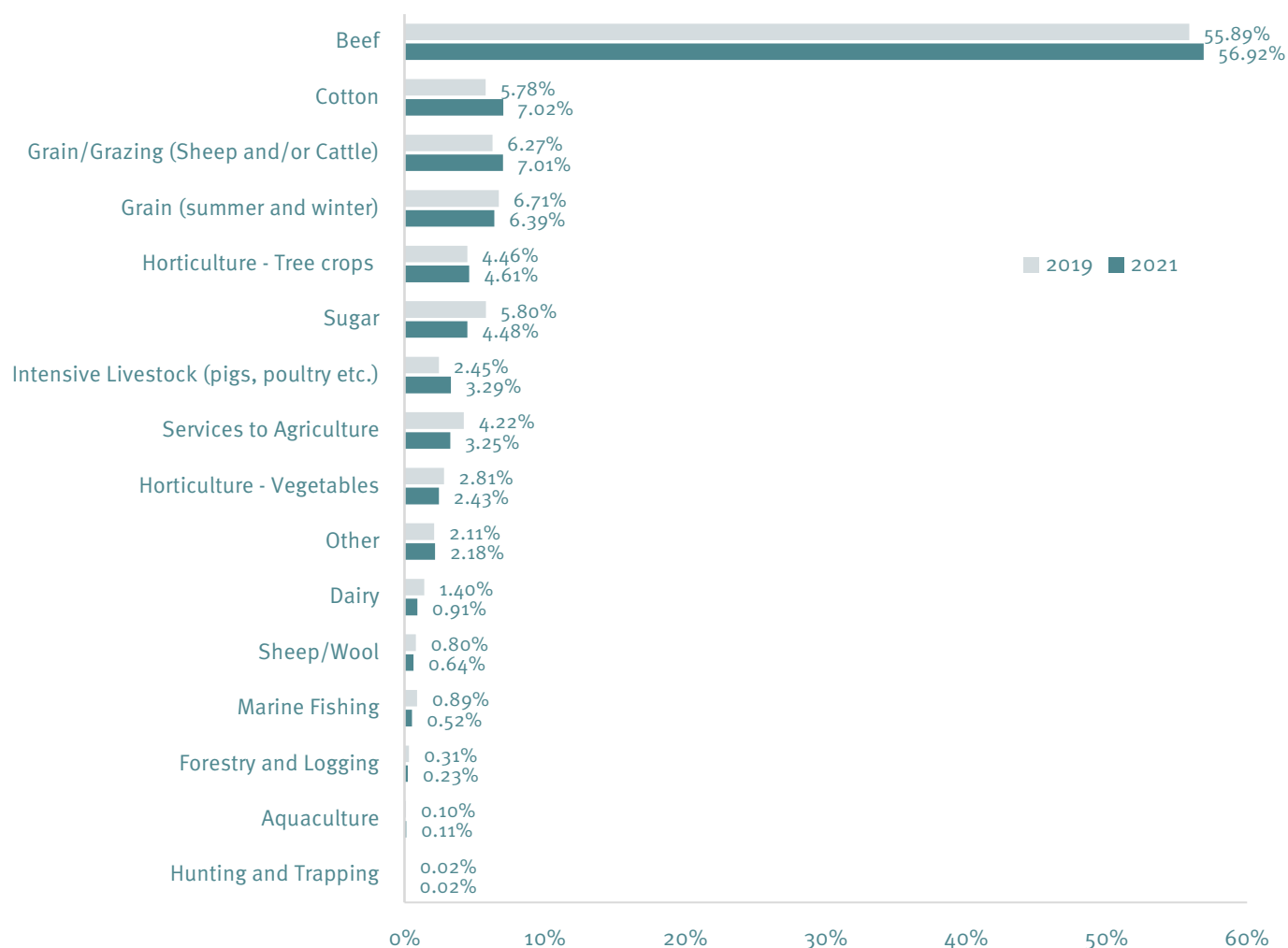


FIGURE 31: TOTAL DEBT BY INDUSTRY 2019 AND 2021

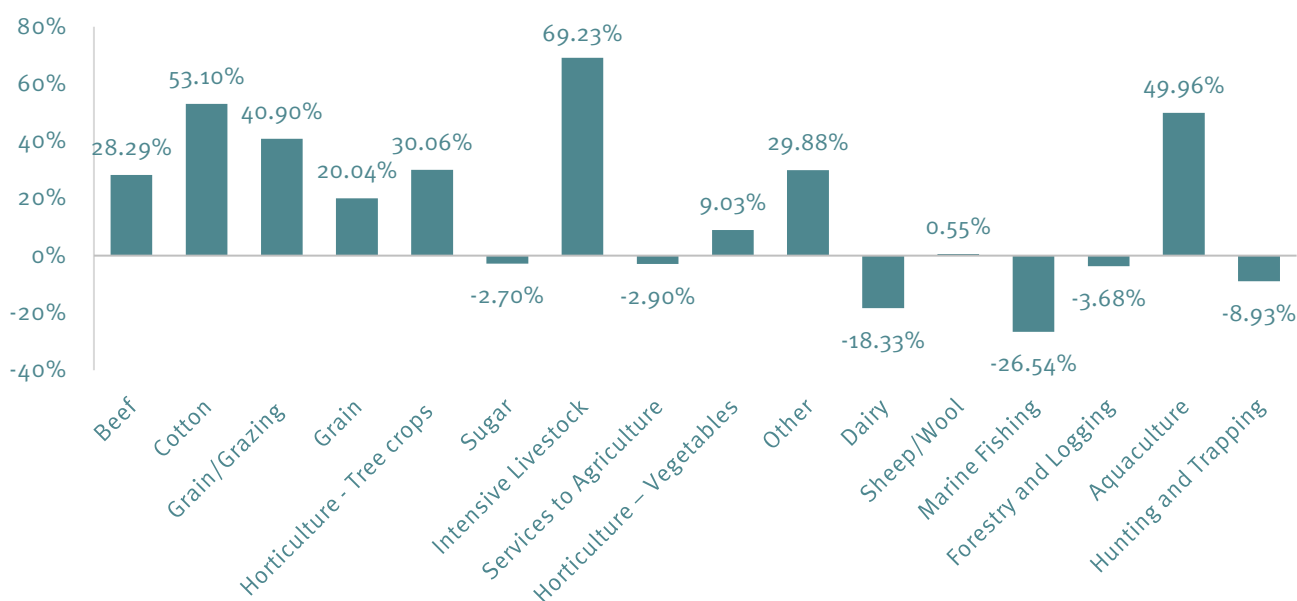


FIGURE 32: MOVEMENT OF TOTAL DEBT BY INDUSTRY 2019-21



ALL INDUSTRIES

In this section some of the industries identified in the survey are analysed further to assist with ascertaining the extent of the debt in Queensland.

BEEF

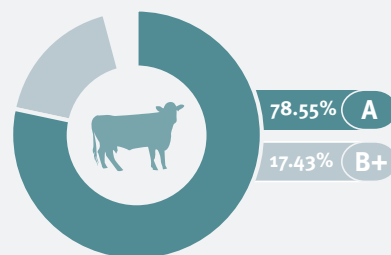
\$13,691M



**Total
debt**

**Movement
in debt
↑ 28.29%**

7,369
**Total
borrowers**



COTTON

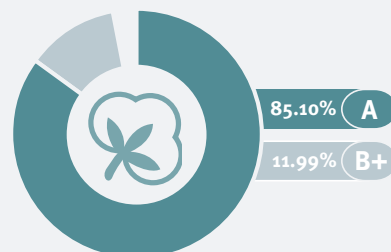
\$1,689M



**Total
debt**

**Movement
in debt
↑ 53.10%**

389
**Total
borrowers**



GRAIN/GRAZING

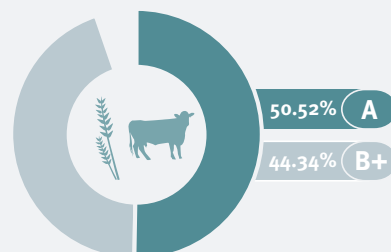
\$1,686M



**Total
debt**

**Movement
in debt
↑ 40.90%**

975
**Total
borrowers**



GRAIN

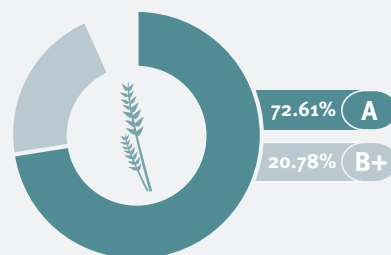
\$1,537M



**Total
debt**

**Movement
in debt
↑ 20.04%**

964
**Total
borrowers**



HORTICULTURE - TREE CROPS

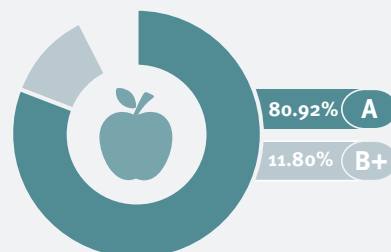
\$1,108M



**Total
debt**

**Movement
in debt
↑ 30.06%**

932
**Total
borrowers**



SUGAR

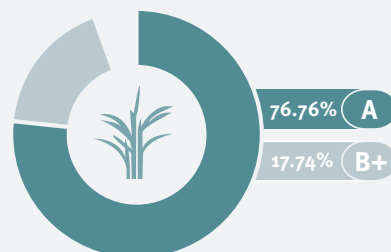
\$1,077M



**Total
debt**

**Movement
in debt
↓ 2.70%**

1,769
**Total
borrowers**

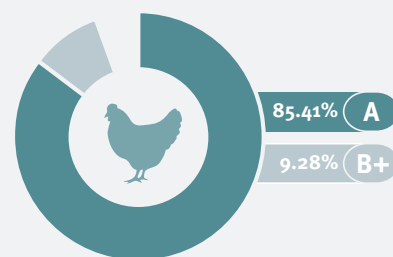


INTENSIVE LIVESTOCK

\$791M
Total debt

Movement
in debt
↑ 69.23%

504
Total borrowers

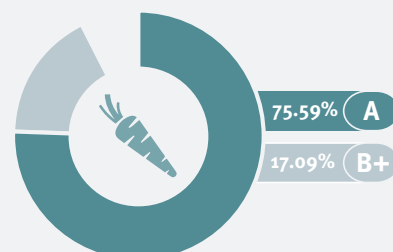


HORTICULTURE - VEGETABLES

\$586M
Total debt

Movement
in debt
↑ 9.03%

492
Total borrowers

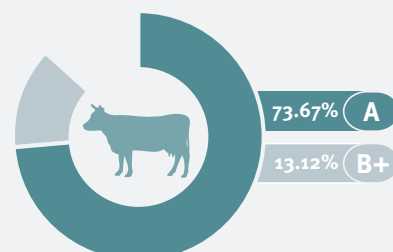


DAIRY

\$218M
Total debt

Movement
in debt
↓ 18.33%

360
Total borrowers

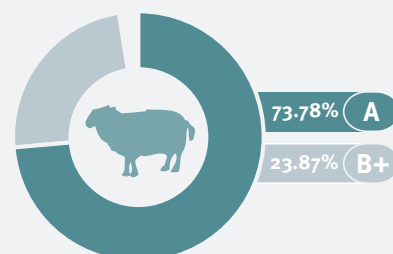


SHEEP/WOOL

\$154M
Total debt

Movement
in debt
↑ 0.55%

211
Total borrowers

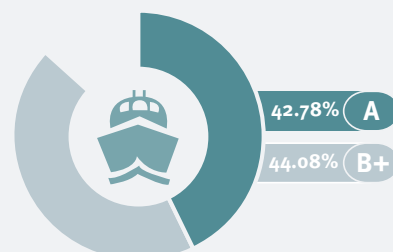


MARINE

\$125M
Total debt

Movement
in debt
↓ 26.54%

343
Total borrowers



VARIOUS INDUSTRIES

AQUACULTURE

Total debt: \$27 million
Borrowers: 55

FORESTRY AND LOGGING

Total debt: \$56 million
Borrowers: 157

SERVICES TO AGRICULTURE

Total debt: \$782 million
Borrowers: 1,831

HUNTING AND TRAPPING

Total debt: \$4 million
Borrowers: 23

OTHER

Total debt: \$523 million
Borrowers: 1,020

BEEF



Average debt
per borrower

\$1.86 million



42%

Percentage
of borrowers



57%

Percentage
of total debt

BEEF AT A GLANCE

TABLE 14: SUMMARY OF BEEF DEBT

AMOUNT	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	13,691,494	10,672,456	3,019,038	28.29%
Number of borrowers	7,369	7,559	-190	-2.51%
Average \$ debt per borrower (\$'000)	1,858	1,412	446	31.59%



28.29%
increase in
total debt

The industry classification for beef considers both beef cattle farming and feedlots and those with cattle and sheep farming.

Beef represents 56.92 per cent of total rural debt in 2021, up \$3,019 million or 28.29 per cent in value from 2019. The number of beef borrowers decreased slightly and the proportion of beef debt rated as either viable (A) or potentially long term viable (B+) increased to 95.98 per cent from 93.97 per cent in 2019.

KEY FINDINGS

- Since 2019, beef debt has increased by \$3.02 billion or 28.29 per cent.
- There has been a decline in beef borrowers by 2.51 per cent to 7,369.
- Average debt per borrower has increased by 31.59 per cent to \$1,857,985.
- The proportion of debt rated as viable (A) has declined slightly to 78.55 per cent from 79.63 per cent in 2019, while potentially viable long term (B+) rated debt increased as a proportion of debt to 17.43 per cent from 14.34 per cent in 2019 (Figure 34). In total the proportion of beef debt rated as viable (A) or potentially viable long term (B+) increased to 95.98 per cent from 93.97 per cent in 2019.
- There has been an increase in value of debt by rating for viable (A) by 26.55 per cent, and potentially viable long term (B+) by 55.86 per cent since 2019 (Table 15). Debt rated as B1 and B2 also increased in value by 13.05 per cent and 2.65 per cent respectively.
- There was a 70.52 per cent decline in the value of non-viable (C) rated beef debt, with this category of debt accounting for 0.43 per cent of total beef debt (Table 15).
- The region with the greatest level of beef debt was the Western Downs and Central Highlands, with 38.37 per cent of total beef debt at \$5,253.11 million (Table 16).

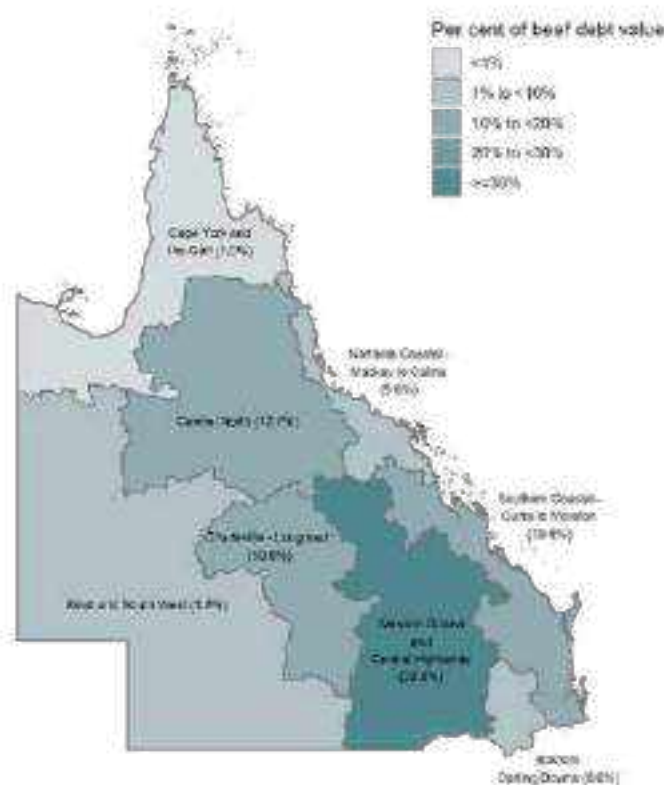


FIGURE 33: PER CENT OF BEEF DEBT VALUE BY REGION

- Cape York and the Gulf saw the highest average debt per beef borrower even though the region represents only 35 borrowers and just 0.97 per cent of total beef debt.
- West and South West was the only region to experience a decline in the amount of beef debt, with a reduction of 3.95 per cent or \$21.65 million (Table 16).

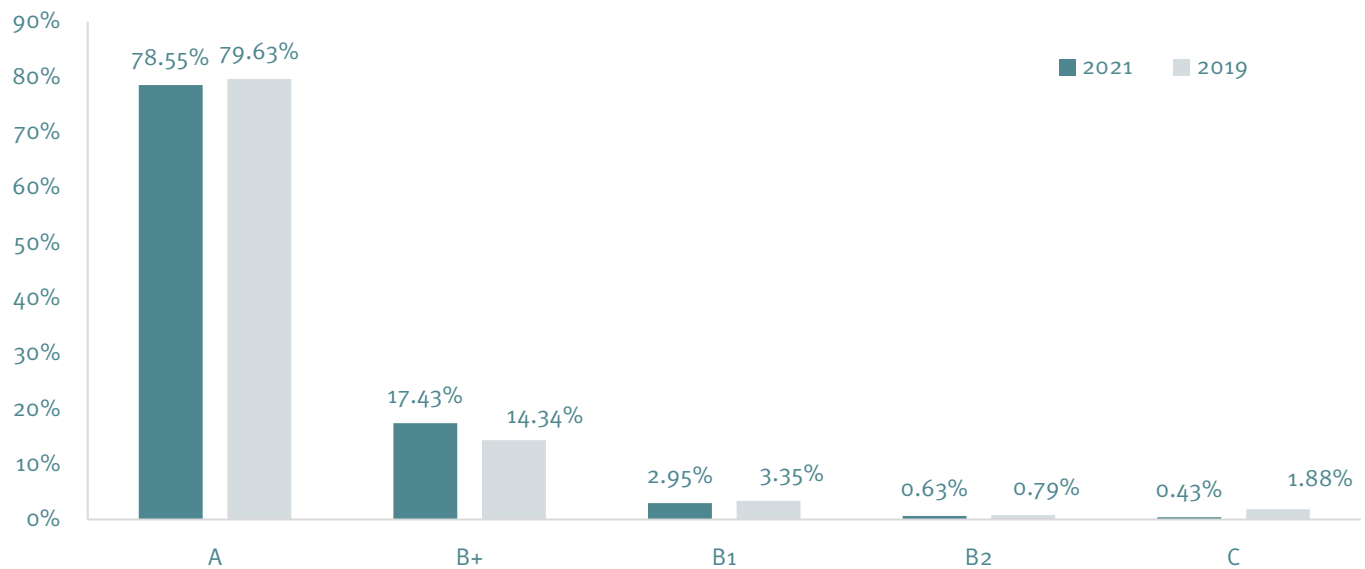


FIGURE 34: BEEF DEBT PROPORTION BY RISK RATING

TABLE 15: BEEF DEBT, NUMBER OF BORROWERS AND AVERAGE DEBT BY LOAN RATING

RATING	A	B+	B1	B2	C	TOTAL
2021 total debt (\$'000)	10,755,037	2,385,909	404,534	86,828	59,186	13,691,494
Borrowers	5,211	1,596	378	129	63	
Average debt per borrower (\$'000)	2,064	1,495	1,070	673	939	
2019 total debt (\$'000)	8,498,455	1,530,823	357,832	84,588	200,758	10,672,456
\$ movement (\$'000)	2,256,582	855,086	46,702	2,240	-141,571	3,019,038
% movement	26.55%	55.86%	13.05%	2.65%	-70.52%	28.29%

MOVEMENT OF BEEF DEBT VALUE SINCE 2019 BY RATING

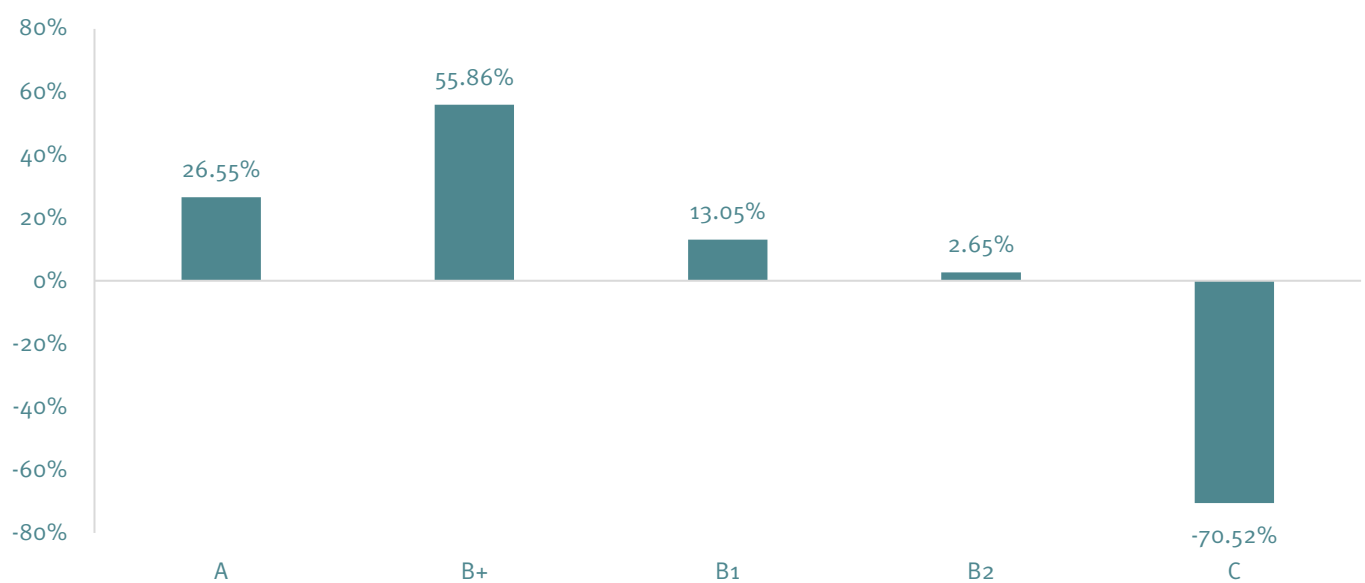


FIGURE 35: BEEF RISK RATING MOVEMENT 2019-2021

TABLE 16: DISSECTION OF BEEF DEBT BY REGION

ABARES REGION	2021 (\$'000)	% OF TOTAL BEEF DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER	2019 (\$'000)	\$ MOVEMENT	% MOVEMENT
Cape York and the Gulf	133,486	0.97%	35	3,814	98,489	34,997	35.53%
Central North	1,743,008	12.73%	667	2,613	1,446,844	296,164	20.47%
Charleville - Longreach	1,489,326	10.88%	552	2,698	1,200,333	288,992	24.08%
Eastern Darling Downs	1,178,704	8.61%	831	1,418	830,946	347,759	41.85%
Northern Coastal - Mackay to Cairns	687,140	5.02%	493	1,394	429,070	258,069	60.15%
Southern Coastal - Curtis to Moreton	2,680,733	19.58%	1,998	1,342	2,321,716	359,018	15.46%
West and South West	525,984	3.84%	313	1,680	547,633	-21,649	-3.95%
Western Downs and Central Highlands	5,253,114	38.37%	2,519	2,085	3,797,425	1,455,689	38.33%

INDUSTRY ENVIRONMENT

- In 2018-19, Queensland cattle and calf GVP was estimated at \$5.447 billion. In 2020-21 cattle and calf sales GVP was worth an estimated \$5.911 billion (DAF, 2022b).
- The Australian cattle herd declined in both 2019 and 2020 before rising substantially from 24.72 million in 2019 to an estimated 26.11 million in 2021 as rebuilding commenced (MLA, 2021a) (MLA, 2022).
- Figure 36 displays the supply and use of cattle and calves based on production (numbers slaughtered). It shows that around 8.7 million head of cattle and calves were slaughtered in 2018-19 as conditions improved and herd rebuilding commenced.
- COVID-19 has had minimal impact on the domestic beef sector over the 2019-21 period. An impact was felt in the export sector with airfreighted beef exports declining by 24 per cent between 2019-20 and 2020-21 (MLA, 2021b). Total beef exports declined in 2020-21, although this can only marginally be attributed to the impacts of COVID-19, with strong domestic livestock prices and tight supply primarily responsible.
- In 2020, China imposed import bans on a number of beef processing plants in Queensland. This did not directly affect export figures, with strong demand for beef and tight global supply allowing for the beef from those plants to be redirected to other markets (MLA, 2021b) (DAF, 2020).

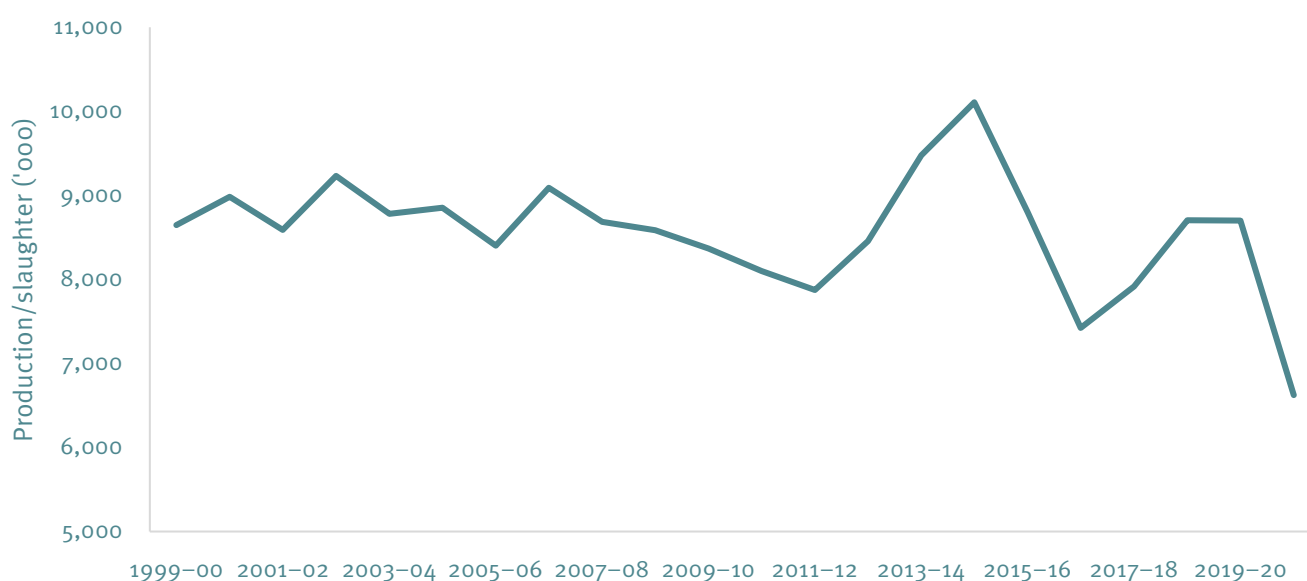


FIGURE 36: AUSTRALIAN SUPPLY AND USE - CATTLE AND CALVES (BEEF AND VEAL)

Note. Reprinted by *Agricultural commodities: March quarter 2022 – statistical tables*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#agricultural-commodities>

- The Eastern Young Cattle Indicator (EYCI) shows that prices have increased significantly over the 2019-21 period, rising from 498c/kg on 10 December 2019 to 1147c/kg on 10 December 2021, an increase of 130 per cent (Figure 37).

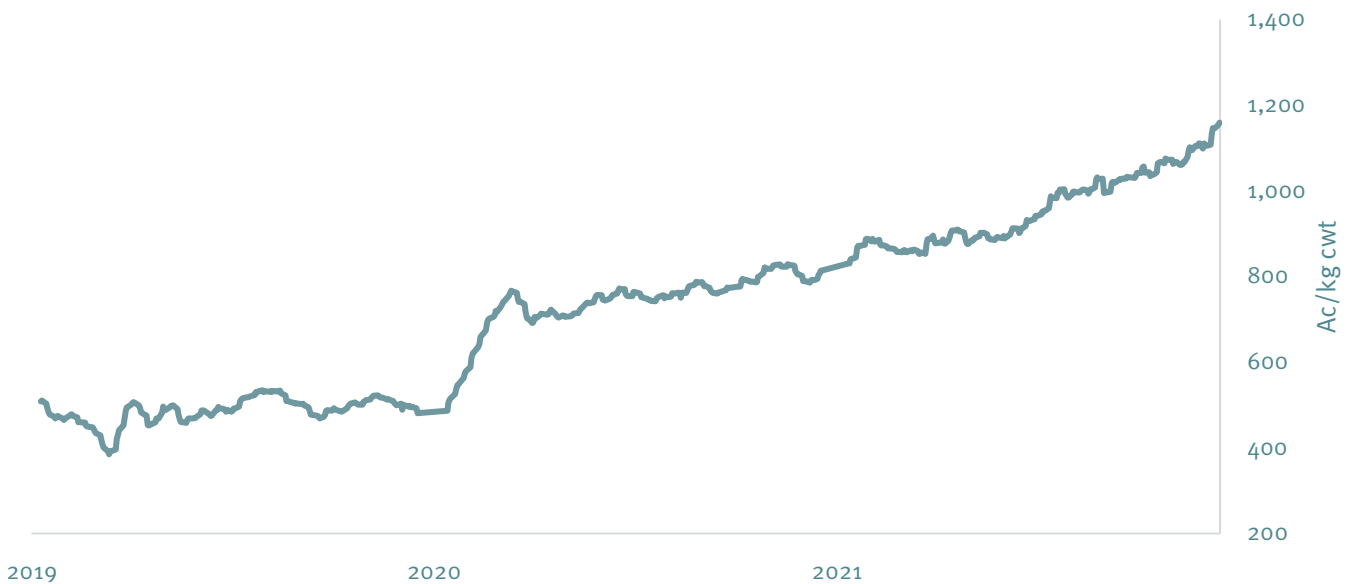


FIGURE 37: EASTERN YOUNG CATTLE INDICATOR (EYCI)

Year: January - December

Note. Australia - EYCI and ESTLI – Daily, Statistics Database, by Meat and Livestock Australia, 2022, retrieved from <http://statistics.mla.com.au/Report/List>

Cattle prices, as represented by the EYCI, have risen by 130 per cent over the survey period.

- Rainfall in Queensland increased in the 2019-21 period, with this improving pasture growth and conditions for grazing cattle in parts of the state. While most of the state remained drought declared throughout this period, the additional rainfall across the country improved confidence and led to higher stock retention and additional demand.
- Average farm cash income across Queensland beef farms improved over the 2019-21 period with an average income of \$305,017 in 2021, up from \$133,713 in 2019 (ABARES, 2022i).

FARM MANAGEMENT DEPOSITS

- Beef FMD accounts total 36.18 per cent of all FMD accounts. As at December 2019 there were 3,073 accounts, in December 2021 they had decreased to 3,038 accounts which is a 1.14 per cent decrease (Figure 38).

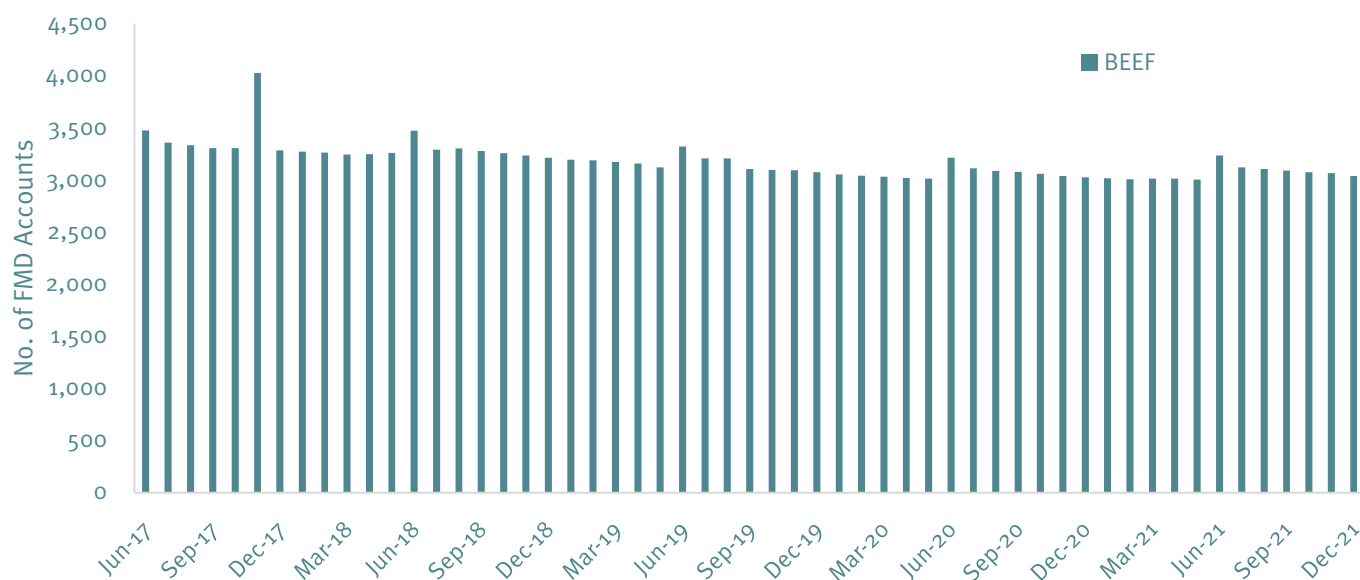


FIGURE 38: NUMBER OF BEEF FMD ACCOUNTS IN QUEENSLAND

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

- In terms of FMD value, beef has increased through the 2019-21 period despite a decline in the number of accounts. As of December 2019, beef accounts were valued at \$460.36 million and by December 2021 they were \$504.77 million (Figure 39). This is an increase of 9.65 per cent.

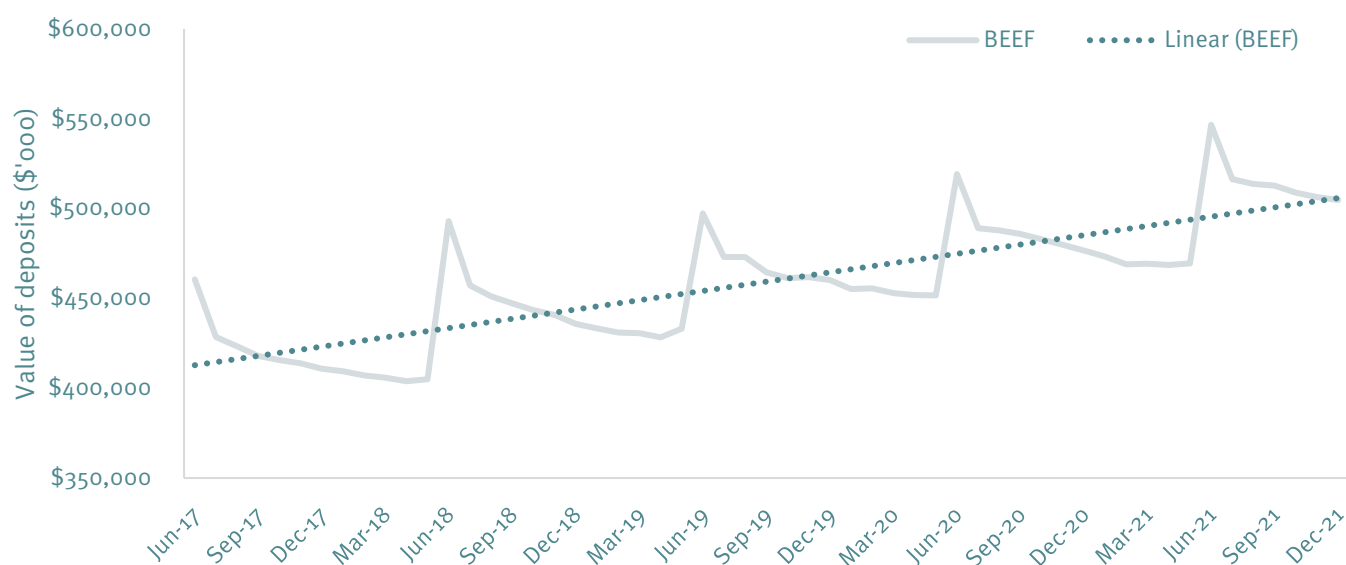


FIGURE 39: VALUE OF BEEF FARM MANAGEMENT DEPOSITS (\$'000) IN QUEENSLAND JUNE 2017- DEC 2021

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

COTTON



Average debt
per borrower

\$4.3 million



2%

Percentage
of borrowers



7%

Percentage
of total debt

COTTON AT A GLANCE

TABLE 17: SUMMARY OF COTTON DEBT

AMOUNT	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	1,688,539	1,102,907	585,632	53.10%
Number of borrowers	389	371	18	4.85%
Average \$ debt per borrower (\$'000)	4,341	2,973	1,368	46.01%



53.10%
increase in
total debt

Cotton represents 7.02 per cent of total rural debt in 2021, up \$585.63 million or 53.10 per cent in value from 2019. The number of cotton borrowers increased and the proportion of cotton debt rated as either viable (A) or potentially long term viable (B+) increased to 97.09 per cent from 94.48 per cent in 2019.

KEY FINDINGS

- Since 2019, the debt level for cotton has increased by \$585.63 million or 53.10 per cent.
- The number of cotton borrowers has increased by 18 or 4.85 per cent.
- Average debt per borrower has increased by 46.01 per cent to \$4.34 million.
- The proportion of debt rated as viable (A) has declined to 85.10 per cent from 87.81 per cent in 2019, while potentially viable long term (B+) rated debt increased as a proportion of debt to 11.99 per cent from 6.67 per cent in 2019 (Figure 41).
- There has been an increase in value of debt by rating for viable (A) by 48.37 per cent, and potentially viable long term (B+) by 175.28 per cent since 2019 (Table 18). Debt rated as B1 also increased in value by 11.31 per cent, while B2 rated debt declined in value by 51.21 per cent (Table 18).
- There was a 14.62 per cent decline in the value of non-viable (C) rated debt (Table 18). The proportion of debt rated as non-viable (C) declined from 2.31 per cent in 2019 to 1.29 per cent in 2021 (Figure 41).
- The Western Downs and Central Highlands holds 61.75 per cent of cotton debt in Queensland with \$1,042.64 million in debt (Table 19).
- The Southern Coastal – Curtis to Moreton region experienced the largest increase in debt, with an 84.62 per cent increase. The Southern Coastal – Curtis to Moreton region also has the highest debt per borrower at over \$5.90 million (Table 19).

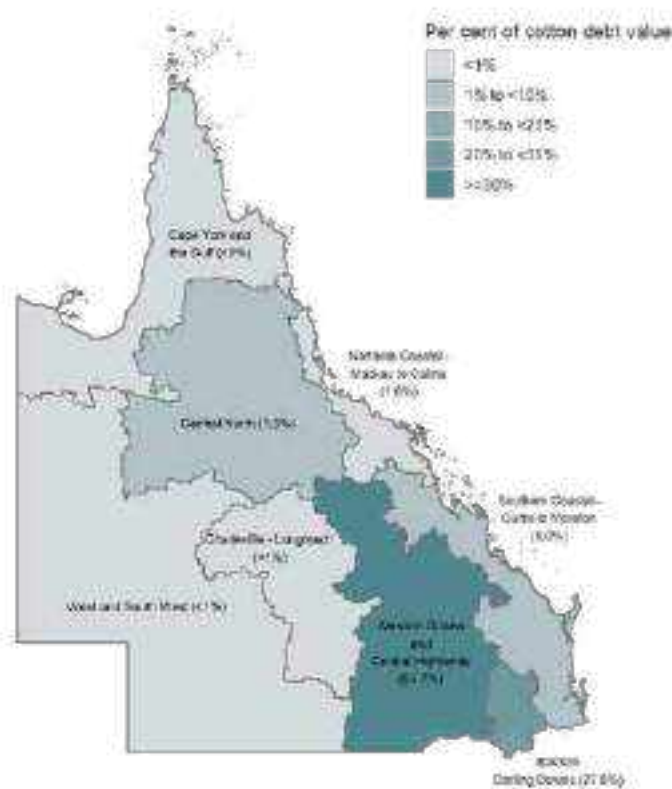


FIGURE 40: PER CENT OF COTTON DEBT VALUE BY REGION

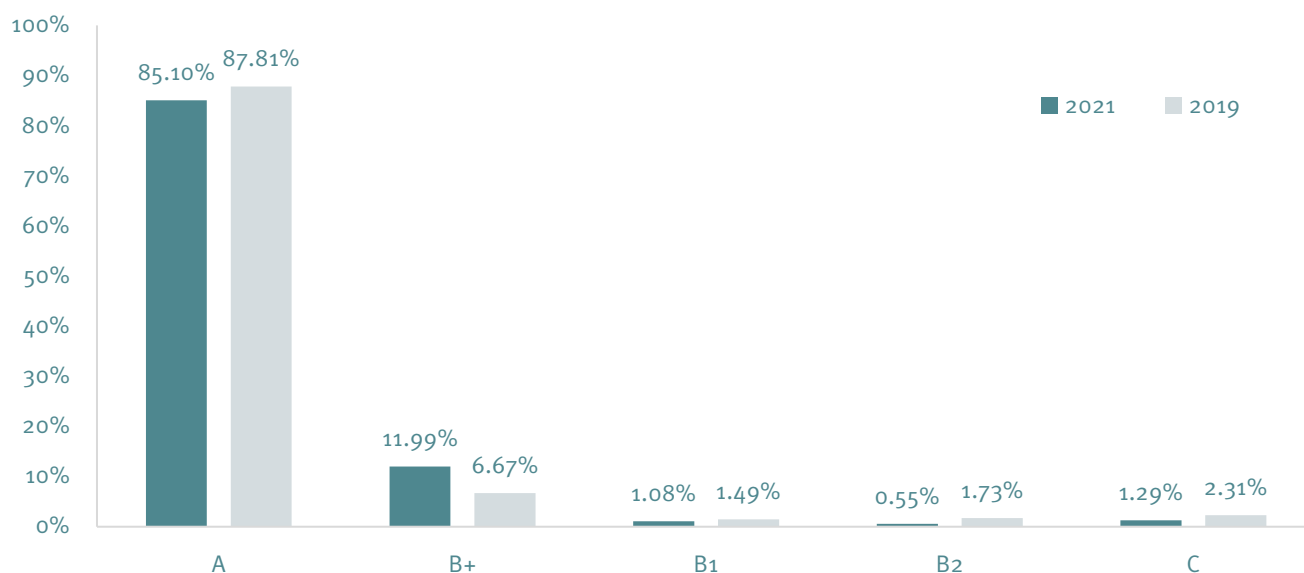


FIGURE 41: COTTON DEBT PROPORTION BY RISK RATING

TABLE 18: COTTON DEBT, NUMBER OF BORROWERS AND AVERAGE DEBT BY LOAN RATING

RATING	A	B+	B1	B2	C	TOTAL
2021 total debt (\$'000)	1,436,863	202,409	18,231	9,329	21,707	1,688,539
Borrowers	319	57	6	3	4	
Average debt per borrower (\$'000)	4,504	3,551	3,038	3,110	5,427	
2019 total debt (\$'000)	968,455	73,528	16,379	19,122	25,423	1,102,907
\$ movement (\$'000)	468,409	128,881	1,852	-9,793	-3,716	585,632
% movement	48.37%	175.28%	11.31%	-51.21%	-14.62%	53.10%

MOVEMENT OF COTTON DEBT VALUE SINCE 2019 BY RATING

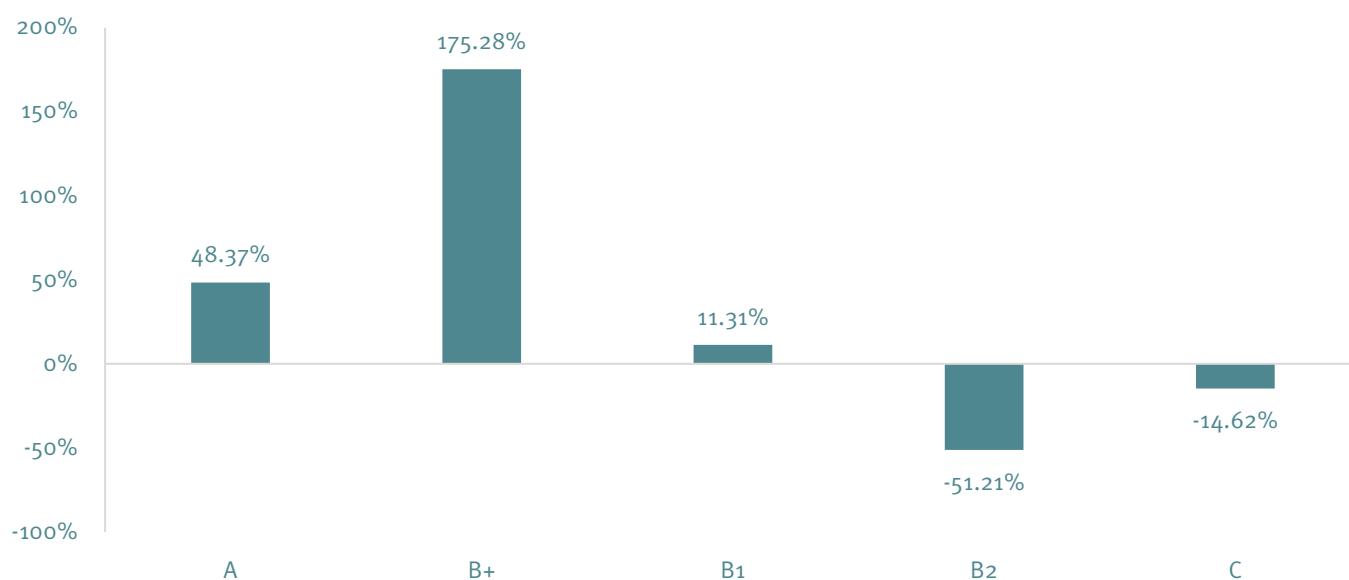


FIGURE 42: COTTON RISK RATING MOVEMENT 2019-2021

TABLE 19: DISSECTION OF COTTON DEBT BY REGION

ABARES REGION	2021 (\$'000)	% OF TOTAL COTTON DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	\$ MOVEMENT (\$'000)	% MOVEMENT (\$'000)
Cape York and the Gulf	0	0.00%	0	0	0	0	0
Central North	dw	dw	dw	dw	0	dw	dw
Charleville - Longreach	0	0.00%	0	0	0	0	0
Eastern Darling Downs	469,476	27.80%	161	2,916	343,707	125,768	36.59%
Northern Coastal - Mackay to Cairns	16,084	0.95%	7	2,298	dw	dw	dw
Southern Coastal - Curtis to Moreton	135,746	8.04%	23	5,902	73,522	62,224	84.63%
West and South West	dw	dw	dw	dw	dw	dw	dw
Western Downs and Central Highlands	1,042,644	61.75%	196	5,320	684,968	357,676	52.22%

INDUSTRY ENVIRONMENT

- Australian cotton production decreased significantly in 2019-20 from 2018-19 due to poor seasonal conditions and reduced water allocations in the cotton growing areas of Queensland and New South Wales.
- In 2020-21, improved seasonal conditions and water allocations saw cotton production levels increase above 2018-19 figures with a significant improvement in both cottonseed and cotton lint yields.
- ABARES forecasts that the value of Australian cotton production is forecast to decrease slightly in 2022-23 from the record high in 2021-22 (ABARES, 2022c).
- Over one third of the total Australian cotton crop is grown in Queensland (ABARES, 2022d). The Western Downs and Central Highlands and Eastern Darling Downs regions encompass the majority of the cotton areas in Queensland.
- The total area harvested in Queensland in 2020-21 was 104,600 hectares. This was significantly higher than the 2019-20 season with only 14,800 hectares harvested, although lower than the area harvested throughout the 2017-19 period (Figure 43).

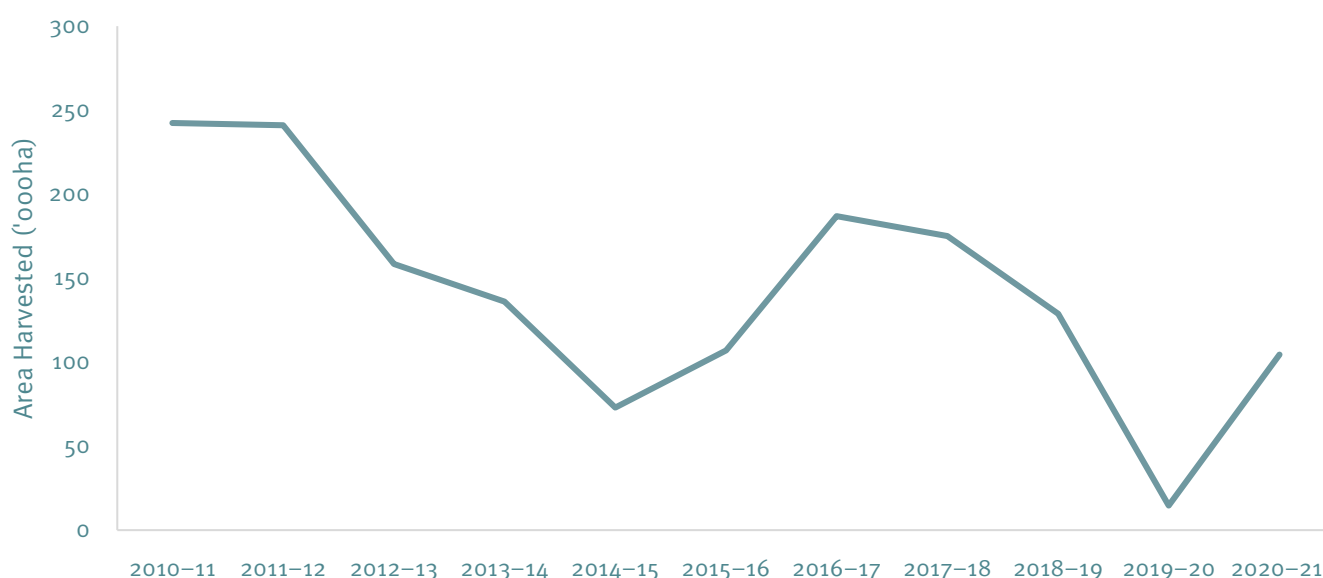


FIGURE 43: QUEENSLAND COTTON AREA HARVESTED

*2020-21 figures are an ABARES estimate

Note. Reprinted from *State data underpinning: Australian crop report: June 2022*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#australian-crop-report-data>

- In 2019-20, Queensland produced 43.7kt of cottonseed and 30.8kt of cotton lint (Figure 44). This was the lowest level of production in Queensland since 1982-83 (ABARES, 2021b).
- In 2020-21, due to improved seasonal conditions and water allocations, Queensland produced 266.4kt of cottonseed and 222.4kt of cotton lint, an increase of over 500 per cent and 600 per cent respectively from 2019-20 (Figure 44).
- In 2020-21, Queensland cotton production was valued at \$535 million, an increase from the 2018-19 figure of \$279 million although still below the production values in 2017 and 2018 (DAF, 2022b).
- Over the 2019-21 period there has been an increased uptake in traceability and sustainability programs among growers.

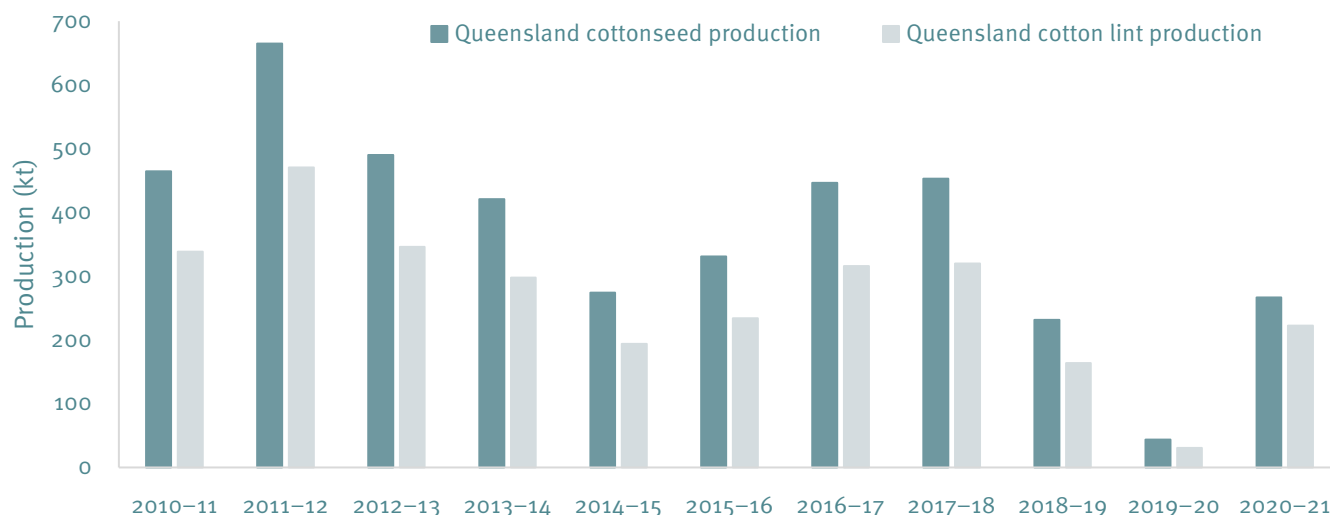


FIGURE 44: QUEENSLAND COTTONSEED AND LINT PRODUCTION

Note. Reprinted from *State data underpinning: Australian crop report: June 2022*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#austrian-crop-report-data>

- The Australian gin-gate return (A\$/bale) reached a peak in 2018-19 before declining in 2019-20 and then marginally again in 2020-21. Figure 45 depicts the average gin-gate return and production levels in Queensland. The average gin-gate return for 2020-21 was A\$521 per bale (ABARES, 2022e).
- Prices have remained high over the 2019-21 period with strong global demand for cotton, although reduced production levels have hampered industry returns in Queensland.

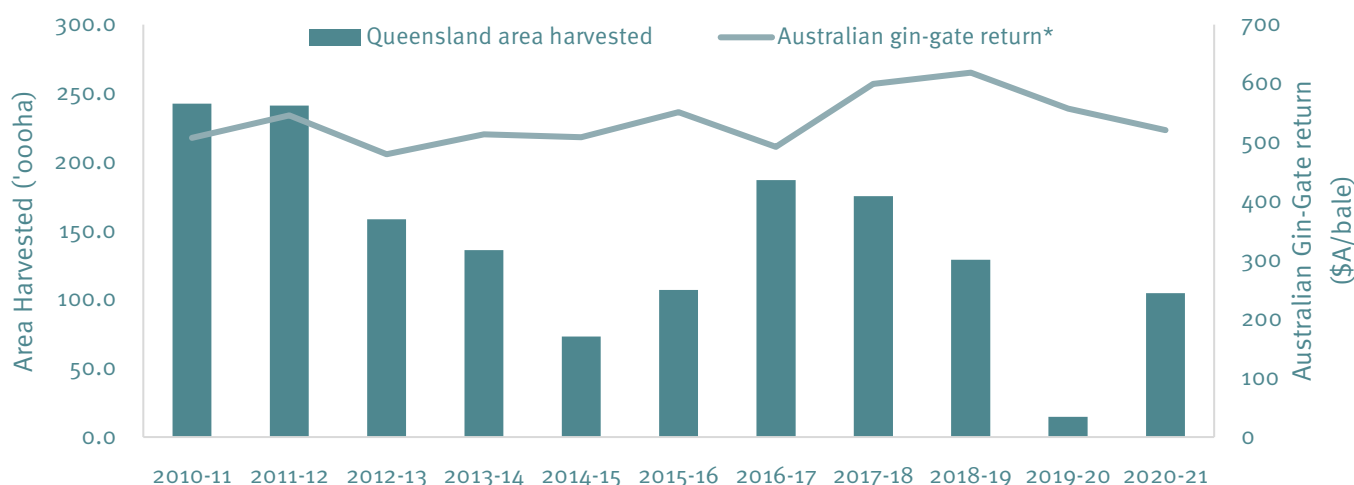


FIGURE 45: QUEENSLAND COTTON AREA HARVESTED AND AUSTRALIAN GIN-GATE RETURN

*Gin-Gate return: Value of lint and cottonseed less ginning costs

Note. Reprinted from *Rural commodities - cotton tables*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2021, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#2020>; *Agricultural Commodities: June quarter 2022 - Outlook tables*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#austrian-commodities>; *State data underpinning: Australian crop report: June 2022 & State data underpinning: Australian crop report: March 2022*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#austrian-crop-report-data>

FMDs and farm incomes for cotton are reported within other industries.

GRAIN/GRAZING



Average debt
per borrower

\$1.7 million



6%

Percentage
of borrowers



7%

Percentage
of total debt



GRAIN/GRAZING AT A GLANCE

TABLE 20: SUMMARY OF GRAIN/GRAZING DEBT

AMOUNT	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	1,686,250	1,196,809	489,442	40.90%
Number of borrowers	975	1,060	-85	-8.02%
Average \$ debt per borrower (\$'000)	1,729	1,129	600	53.18%

Grain/grazing comprises of sheep and cattle as well as grain enterprises.

Grain/Grazing represents 7.01 per cent of total rural debt in 2021, up \$489.44 million or 40.90 per cent in value from 2019. The number of grain/grazing borrowers fell and the proportion of grain/grazing debt rated as either viable (A) or potentially long term viable (B+) increased to 94.86 per cent from 92.88 per cent in 2019, though with a significant shift in the relative proportion of A and B+ rated debt.

KEY FINDINGS

- Since 2019, the debt level for grain/grazing has increased by \$489.44 million or 40.90 per cent.
- Grain/grazing borrowers have declined by 85 or 8.02 per cent.
- Average debt per grain borrower has increased by 53.18 per cent to \$1.73 million.
- The proportion of debt rated as viable (A) has declined to 50.52 per cent from 68.55 per cent in 2019, while potentially viable long term (B+) rated debt increased as a proportion of debt to 44.34 per cent from 24.33 per cent in 2019 (Figure 47).
- There has been an increase in value of debt by rating for viable (A) by 3.83 per cent, and potentially viable long term (B+) by 156.82 per cent since 2019 (Table 21). Debt rated as B1 also increased in value by 33.01 per cent, while B2 rated debt declined by 55.75 per cent in value (Table 21).
- There was a 26.78 per cent increase in the value of non-viable (C) rated debt (Table 21). While this was the case, the proportion of debt rated as non-viable (C) declined from 0.83 per cent in 2019 to 0.74 per cent in 2021 (Figure 47).
- The Western Downs and Central Highlands holds 65.18 per cent of grain/grazing debt in Queensland with \$1,099.14 million in debt (Table 22).
- Both the Southern Coastal – Curtis to Moreton and Charleville – Longreach regions experienced an increase in debt of over 100 per cent, with a 114.01 per cent and 106.94 per cent increase in debt respectively (Table 22).

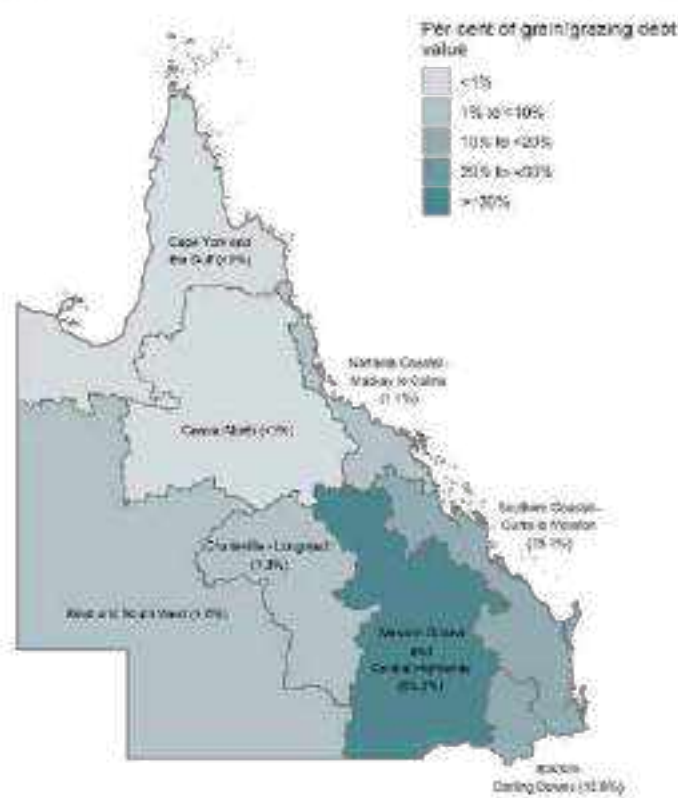


FIGURE 46: PER CENT OF GRAIN/GRAZING DEBT VALUE BY REGION

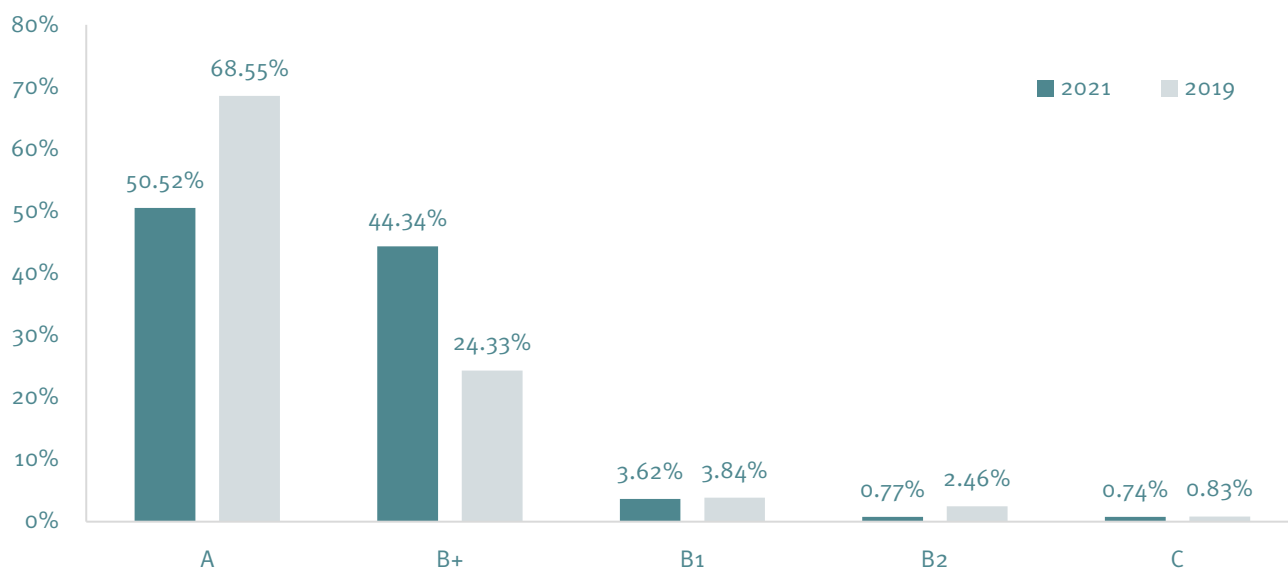


FIGURE 47: GRAIN/GRAZING DEBT PROPORTION BY RISK RATING

TABLE 21: GRAIN/GRAZING DEBT, NUMBER OF BORROWERS AND AVERAGE DEBT BY LOAN RATING

RATING	A	B+	B1	B2	C	TOTAL
2021 total debt (\$'000)	851,917	747,739	61,051	13,017	12,526	1,686,250
Borrowers	643	250	57	13	13	
Average debt per borrower (\$'000)	1,325	2,991	1,071	1,001	964	
2019 total debt (\$'000)	820,463	291,152	45,899	29,415	9,880	1,196,809
\$ movement (\$'000)	31,455	456,587	15,152	-16,397	2,646	489,442
% movement	3.83%	156.82%	33.01%	-55.75%	26.78%	40.90%

MOVEMENT OF GRAIN/GRAZING DEBT VALUE SINCE 2019 BY RATING



FIGURE 48: GRAIN/GRAZING RISK RATING MOVEMENT 2019-2021

TABLE 22: DISSECTION OF GRAIN/GRAZING DEBT BY REGION

ABARES REGION	2021 (\$'000)	% OF TOTAL GRAIN/ GRAZING DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	\$ MOVEMENT (\$'000)	% MOVEMENT (\$'000)
Cape York and the Gulf	dw	dw	dw	dw	dw	dw	dw
Central North	5,518	0.33%	8	690	dw	dw	dw
Charleville - Longreach	22,249	1.32%	11	2,023	10,751	11,498	106.94%
Eastern Darling Downs	268,646	15.93%	236	1,138	198,309	70,337	35.47%
Northern Coastal - Mackay to Cairns	18,994	1.13%	22	863	11,321	7,673	67.77%
Southern Coastal - Curtis to Moreton	254,056	15.07%	174	1,460	118,713	135,343	114.01%
West and South West	dw	dw	dw	dw	10,352	dw	dw
Western Downs and Central Highlands	1,099,142	65.18%	519	2,118	843,057	256,085	30.38%

INDUSTRY ENVIRONMENT

- Please note industry environment for grain/grazing is covered in the 'beef', 'sheep' and 'grain' sections in this report.

FARM MANAGEMENT DEPOSITS

- In December 2019, there were 916 grain/grazing FMD accounts which decreased to 745 grain/grazing accounts by December 2021 (Figure 49). Overall, this was a 18.67 per cent decline in grain/grazing FMD accounts.

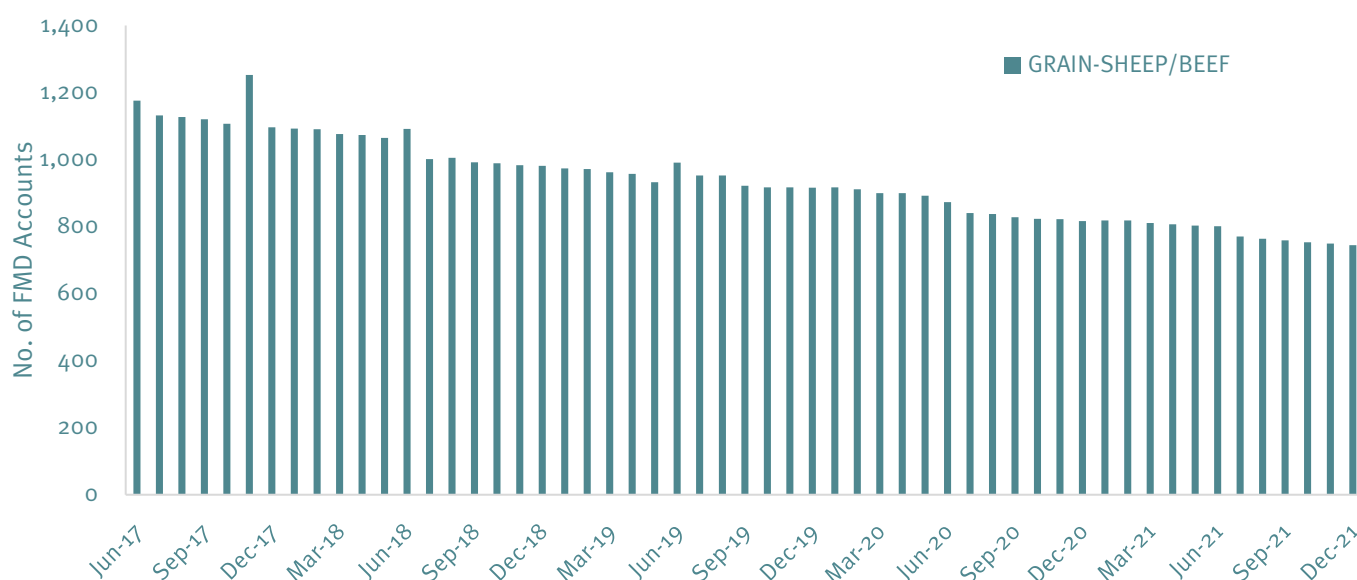


FIGURE 49: NUMBER OF GRAIN-SHEEP/BEEF FMD ACCOUNTS IN QUEENSLAND

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

- In December 2019, FMD value of deposits was \$101.8 million. In December 2019, the value of deposits had fallen to \$83.0 million. This is a 18.49 per cent decline over the two year period as depicted in Figure 50.

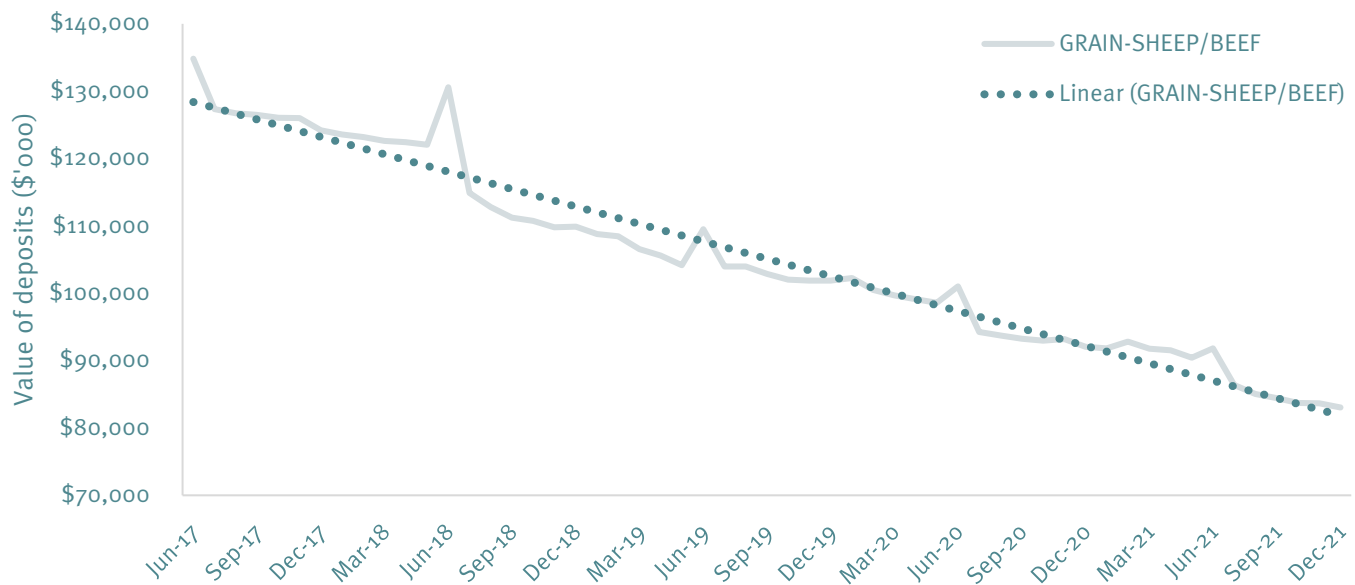


FIGURE 50: VALUE OF GRAIN-SHEEP/BEEF FARM MANAGEMENT DEPOSITS (\$'000) IN QUEENSLAND JUNE 2017- DEC 2021

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

GRAIN



Average debt
per borrower

\$1.6 million



6%

Percentage
of borrowers



6%

Percentage
of total debt

GRAIN AT A GLANCE

TABLE 23: SUMMARY OF GRAIN DEBT

AMOUNT	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	1,537,437	1,280,807	256,630	20.04%
Number of borrowers	964	956	8	0.84%
Average \$ debt per borrower (\$'000)	1,595	1,340	255	19.03%



20.04%
increase in
total debt

Grain represents 6.39 per cent of total rural debt in 2021, up \$256.63 million or 20.04 per cent in value from 2019. The number of grain borrowers increased and the proportion of grain debt rated as either viable (A) or potentially long term viable (B+) decreased to 93.39 per cent from 93.64 per cent in 2019.

KEY FINDINGS

- Since 2019, the debt level for grain has increased by \$256.63 million or 20.04 per cent.
- The number of borrowers has increased by 8 or 0.84 per cent.
- Average debt per grain borrower has increased by 19.03 per cent to \$1,595 million.
- The proportion of debt rated as viable (A) has declined to 72.61 per cent from 80.32 per cent in 2019, while potentially viable long term (B+) rated debt increased as a proportion of debt to 20.78 per cent from 13.32 per cent in 2019 (Figure 52).
- There has been an increase in value of debt by rating for viable (A) by 8.50 per cent, and potentially viable long term (B+) by 87.24 per cent since 2019 (Table 24). Debt rated as B1 also increased in value by 54.16 per cent, while B2 rated debt declined by 24.05 per cent in value (Table 24).
- There was a 11.65 per cent increase in the value of non-viable (C) rated debt (Table 24). While this was the case, the proportion of debt rated as non-viable (C) declined from 1.82 per cent in 2019 to 1.69 per cent in 2021 (Figure 52).
- The Eastern Darling Downs and Western Downs and Central Highlands regions have more than 92.5 per cent of grain debt and 85 per cent of grain borrowers in Queensland (Table 25). The level of grain debt for the Eastern Darling Downs and Western Downs and Central Highlands is \$732.03 million and \$690.38 million respectively (Table 25).
- Both the Northern Coastal – Mackay to Cairns and Southern Coastal – Curtis to Moreton regions experienced a decline in debt of 16.08 per cent and 14.21 per cent respectively (Table 25).

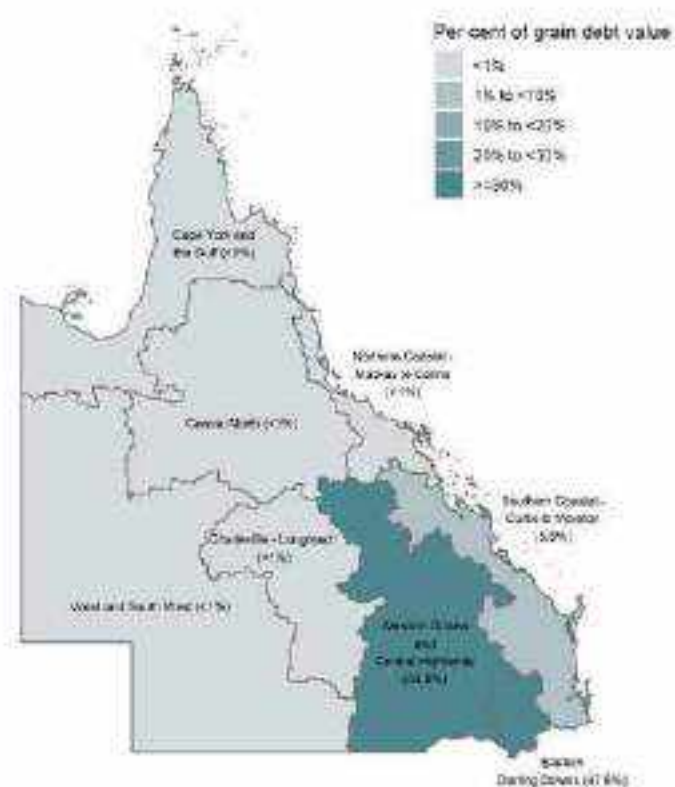


FIGURE 51: PER CENT OF GRAIN DEBT VALUE BY REGION

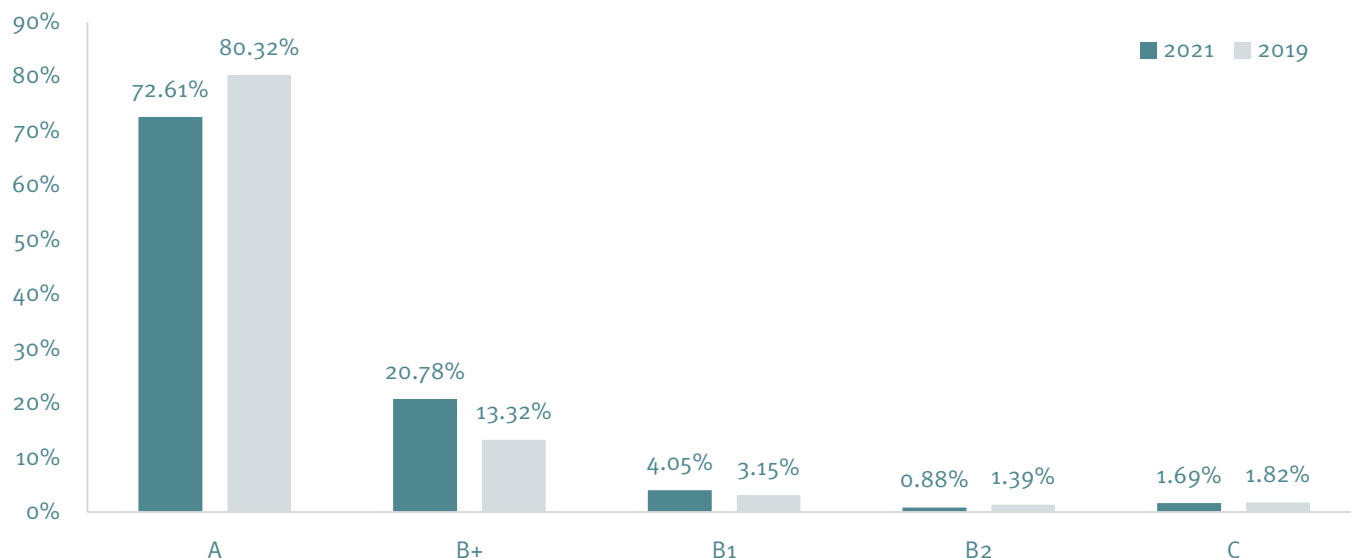


FIGURE 52: GRAIN DEBT PROPORTION BY RISK RATING

TABLE 24: GRAIN DEBT, NUMBER OF BORROWERS AND AVERAGE DEBT BY LOAN RATING

RATING	A	B+	B1	B2	C	TOTAL
2021 total debt (\$'000)	1,116,277	319,453	62,225	13,483	25,999	1,537,437
Borrowers	729	165	49	12	11	
Average debt per borrower (\$'000)	1,531	1,936	1,270	1,124	2,364	
2019 total debt (\$'000)	1,028,795	170,608	40,364	17,754	23,286	1,280,807
\$ movement (\$'000)	87,482	148,845	21,860	-4,271	2,713	256,630
% movement	8.50%	87.24%	54.16%	-24.05%	11.65%	20.04%

MOVEMENT OF GRAIN DEBT VALUE SINCE 2019 BY RATING

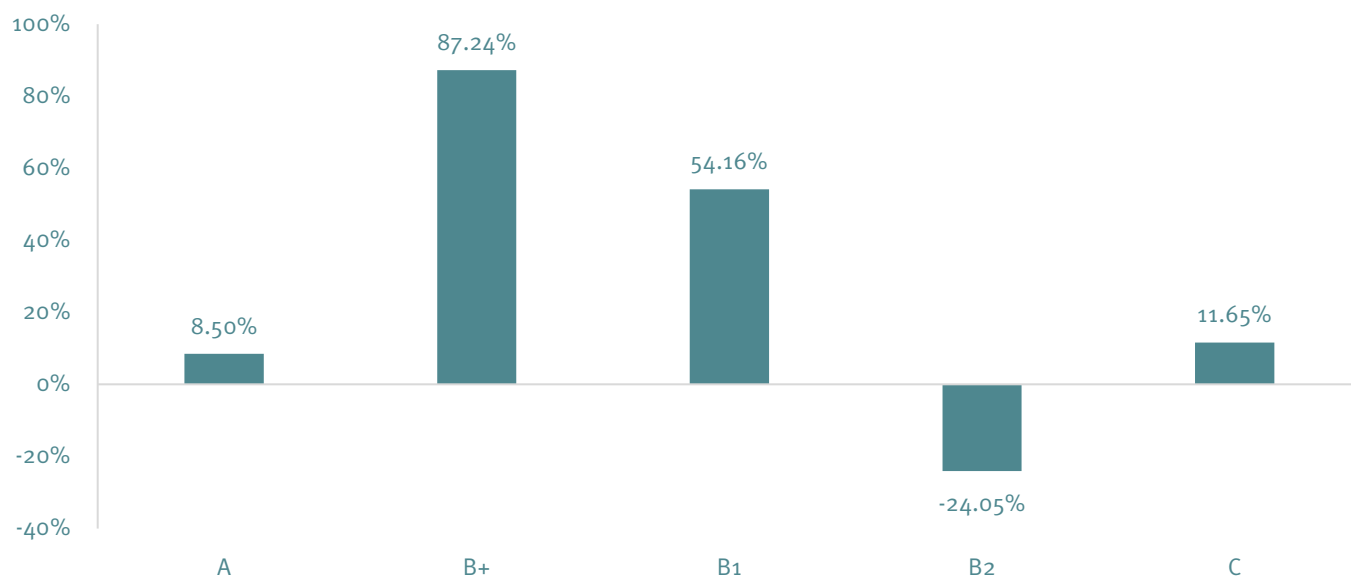


FIGURE 53: GRAIN RISK RATING MOVEMENT 2019-2021

TABLE 25: DISSECTION OF GRAIN DEBT BY REGION

ABARES REGION	2021 (\$'000)	% OF TOTAL GRAIN DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	\$ MOVEMENT (\$'000)	% MOVEMENT
Cape York and the Gulf	0	0.00%	0	0	dw	dw	dw
Central North	13,933	0.91%	9	1,548	12,985	949	7.31%
Charleville - Longreach	0	0.00%	0	0	dw	dw	dw
Eastern Darling Downs	732,028	47.61%	474	1,544	590,806	141,222	23.90%
Northern Coastal - Mackay to Cairns	12,236	0.81%	15	816	14,582	-2,345	-16.08%
Southern Coastal - Curtis to Moreton	88,858	5.78%	117	759	103,692	-14,834	-14.31%
West and South West	0	0.00%	0	0	dw	dw	dw
Western Downs and Central Highlands	690,380	44.90%	357	1,934	557,577	132,803	23.82%

INDUSTRY ENVIRONMENT

- In Queensland, there are two opportunities to plant grain crops, known commonly as the summer and winter crop production. Returns to growers are throughout the year.
- Improved weather conditions in parts of Queensland in 2020 and 2021 led to an increased production of both winter and summer crops.
- The 2020-21 winter crop harvest saw increased yields from wheat, chickpeas and barley over the 2019-21 period (Figure 54). While the area of oats planted declined marginally, the area of both wheat, chickpeas and barley planted increased (Figure 54).
- In 2020-21, 750,000 ha of wheat was planted in Queensland, the largest area since 2013-14 and an increase from 419,700 ha that was planted in 2019 (Figure 54) (ABARES, 2022f).
- The 2020-21 summer crop harvest saw increased yields for both grain sorghum and corn (maize) (Figure 55). The amount of grain sorghum and corn (maize) planted was reduced marginally from 2018-19 although higher than in 2019-20.
- In 2020-21, cereal crops accounted for \$924 million, an increase from \$633 million in 2018-19 (DAF, 2022b).
- International supply chain issues exacerbated by the effects of COVID-19 increased the cost of exporting bulk agricultural commodities including grain significantly.
- The price of wheat globally has increased over the 2019-21 period with a price of 770 US cents/bushel in December 2021, up from 559 US cents/bushel in December 2019 (Trading Economics, 2022). While global wheat prices increased over this period, Queensland wheat prices are variable and tied to local conditions.
- ABARES forecasts a continuation of high grain prices with several factors including constrained global supply, increased demand from importing countries, increased fuel and fertiliser prices and international supply chain issues contributing to this (ABARES, 2022g).

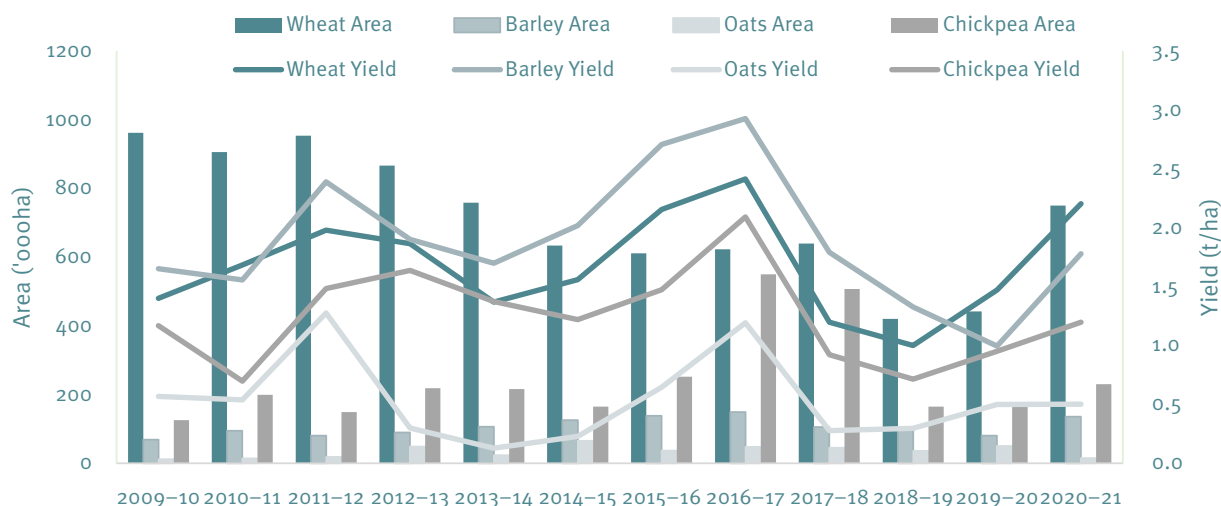


FIGURE 54: QUEENSLAND WINTER CROP - AREA AND YIELD PRODUCTION

Note. Reprinted from *State data underpinning: Australian crop report: March 2022*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#australian-crop-report-data>

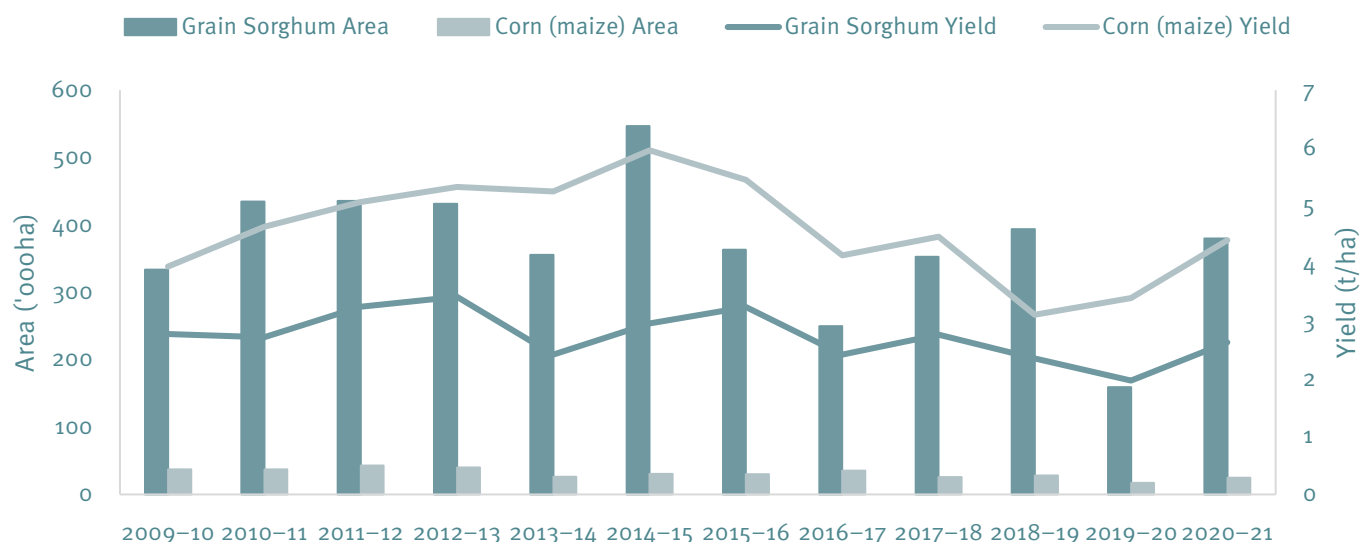


FIGURE 55: QUEENSLAND SUMMER CROP - AREA AND YIELD PRODUCTION

Note. Reprinted from *State data underpinning: Australian crop report: March 2022*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#australian-crop-report-data>

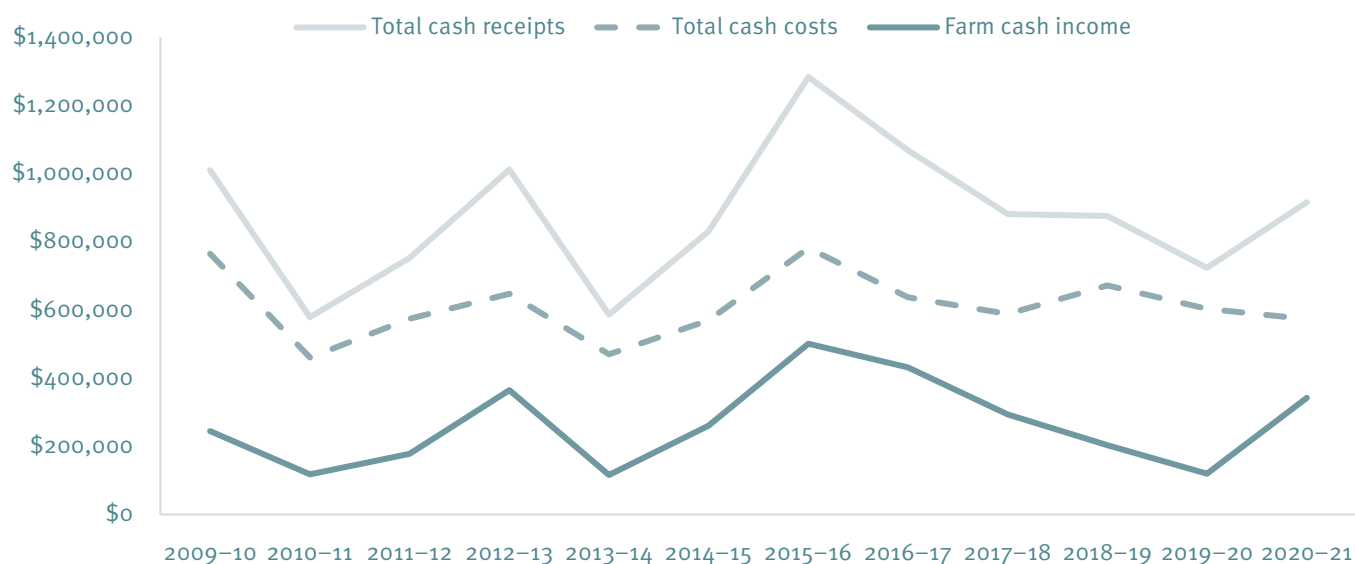


FIGURE 56: QUEENSLAND SPECIALIST CROPPING FARM ACCOUNTS

Specialist grain farms are grain farms that obtained more than 50 per cent of total cash receipts from crop receipts.

Note. Reprinted from *Financial performance of cropping farms*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/surveys/cropping#detailed-physical-characteristics-findings>

FARM MANAGEMENT DEPOSITS

- Figure 56 displays the total cash receipts, total cash costs and farm cash income for Queensland specialist cropping farms. It shows an increase in farm cash income over the 2019-21 period from 203,670 in 2018-19 to 341,900 in 2020-21.
- The complete effect of higher input costs are likely to be fully felt in 2022-23.

- FMD accounts for crops and grain are depicted in Figure 57. The number of grain accounts since December 2019 have decreased from 784 to 626, a 20.15 per cent reduction. Crop accounts have decreased from 748 to 614, a 17.91 per cent reduction.

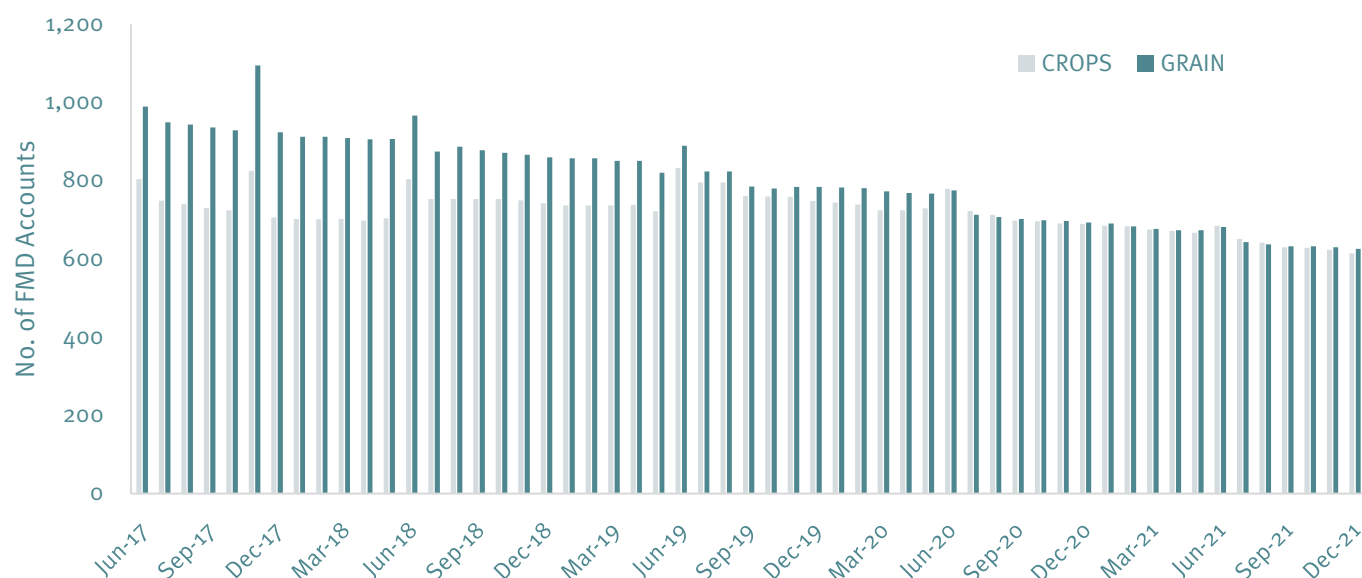


FIGURE 57: NUMBER OF CROPS AND GRAIN FMD ACCOUNTS IN QUEENSLAND

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

- In terms of FMD value, both crops and grain have decreased from December 2019 to December 2021. As of December 2019, crop accounts were valued at \$106.6 million and by December 2021 \$92.2 million, a decrease of 13.51 per cent (Figure 58). In December 2019 grain accounts were valued at \$117.7 million and by December 2021 they had decreased to \$91.1 million, a decrease of 22.62 per cent (Figure 58).

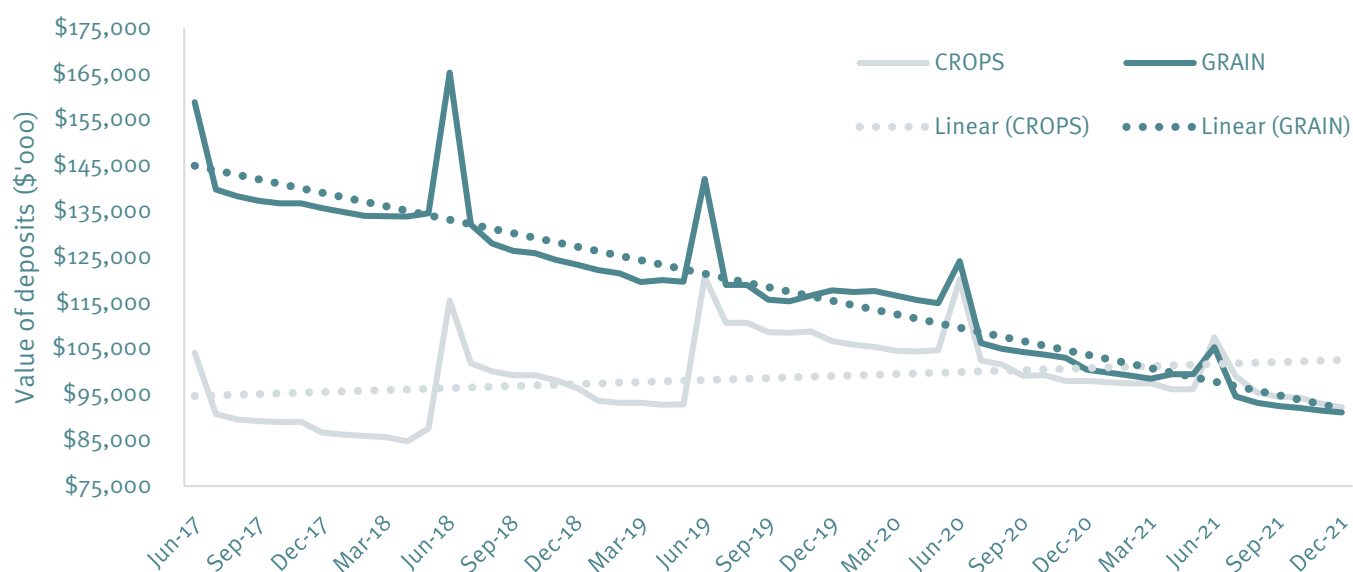


FIGURE 58: VALUE OF CROPS AND GRAIN FARM MANAGEMENT DEPOSITS (\$'000) IN QUEENSLAND JUNE 2017 - DEC 2021

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2020, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

HORTICULTURE - TREE CROPS



Average debt
per borrower

\$1.2 million



5%

Percentage
of borrowers



5%

Percentage
of total debt

TREE CROPS AT A GLANCE

TABLE 26: SUMMARY OF TREE CROP DEBT

AMOUNT (\$'000)	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	1,108,152	851,999	256,153	30.06%
Number of borrowers	932	958	-26	-2.71%
Average \$ debt per borrower (\$'000)	1,189	889	300	33.69%

Horticulture – tree crops comprises of fruit and tree nut growing, including grapes, kiwifruit, berry, apples and pears, stone fruit, citrus fruit, olives and other tree crops not listed.

Tree crops represents 4.61 per cent of total rural debt in 2021, up \$256.15 million or 30.06 per cent in value from 2019. The number of tree crop borrowers declined and the proportion of tree crop debt rated as either viable (A) or potentially long term viable (B+) decreased to 92.72 per cent from 94.79 per cent in 2019.



30.06%
increase in
total debt

KEY FINDINGS

- Since 2019, the debt level for tree crops has increased by 30.06 per cent or \$256.15 million.
- The number of borrowers has decreased by 2.71 per cent to 932.
- Average debt per borrower has increased by 33.69 per cent to \$1.19 million.
- The proportion of debt rated as viable (A) has declined to 80.92 per cent from 81.78 per cent in 2019. Debt rated as potentially viable long term (B+) also declined as a proportion of total debt, falling to 11.80 per cent from 13.01 per cent in 2019 (Figure 60).
- There has been an increase in value of debt by rating for viable (A) by 28.69 per cent, and potentially viable long term (B+) by 17.97 per cent since 2019 (Table 27). Debt rated as B1 also increased in value by 114.65 per cent, while B2 rated debt declined in value by 55.05 per cent since 2019 (Table 27).
- There was a 132.50 per cent increase in the value of non-viable (C) rated debt, with the proportion of debt rated as non-viable (C) being 2.62 per cent (Table 27) (Figure 60).
- The Central North recorded the largest increase in debt, with a 56.12 per cent increase from 2019 (Table 28).
- The Southern Coastal – Curtis to Moreton region holds the largest share of debt at 44.51 per cent and has the largest number of borrowers (Table 28).

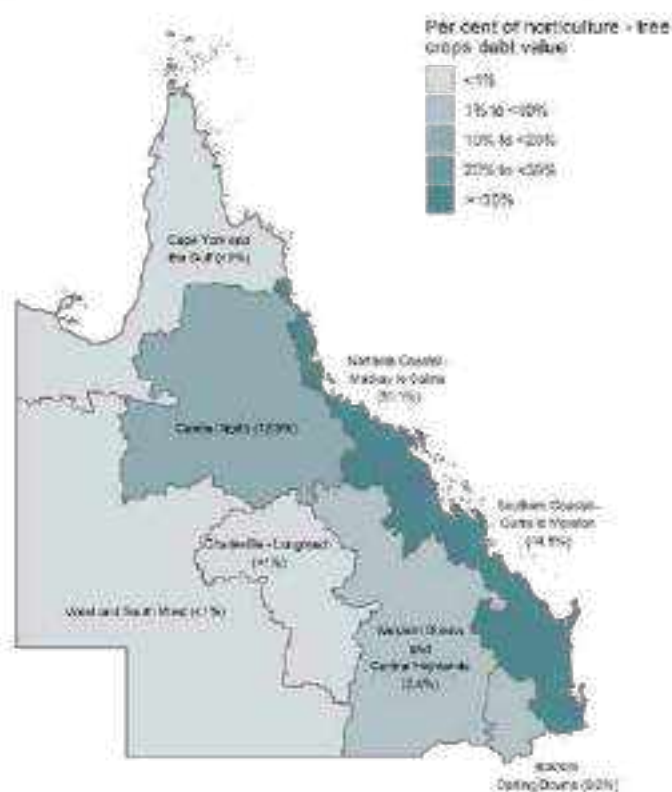


FIGURE 59: PER CENT OF TREE CROP DEBT VALUE BY REGION

- Together the Northern Coastal – Mackay to Cairns and Southern Coastal – Curtis to Moreton hold 75.66 per cent of tree crop debt (Table 28).

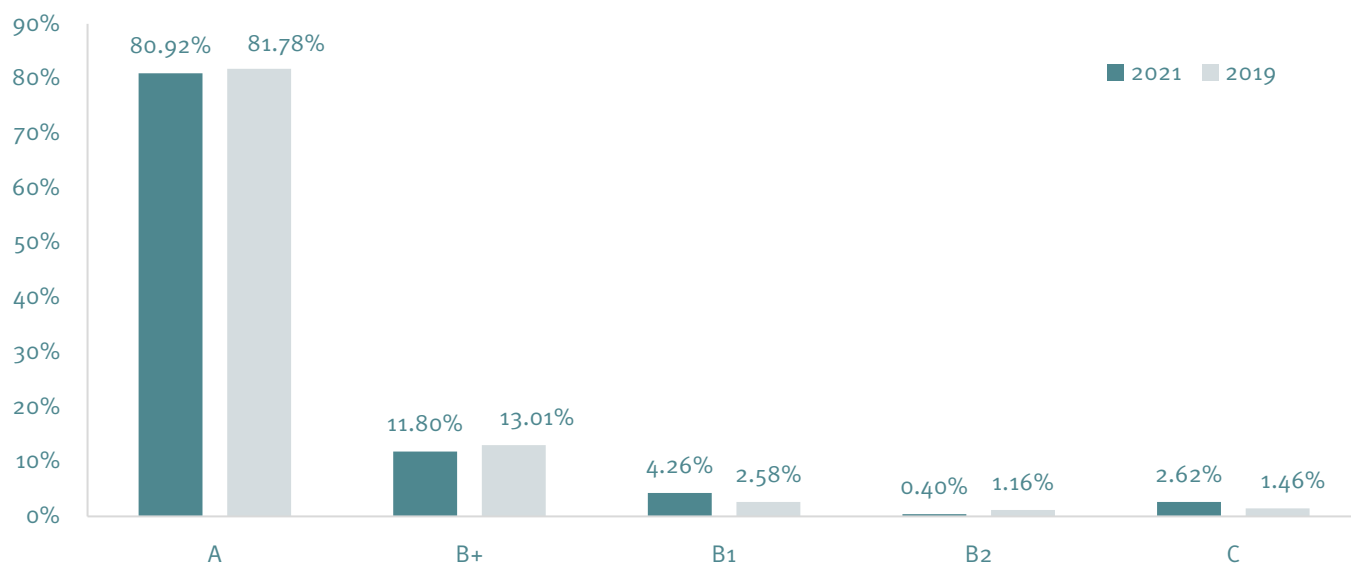


FIGURE 60: TREE CROP DEBT PROPORTION BY RISK RATING

TABLE 27: TREE CROP DEBT, NUMBER OF BORROWERS AND AVERAGE DEBT BY LOAN RATING

RATING	A	B+	B1	B2	C	TOTAL
2021 total debt (\$'000)	896,691	130,792	47,253	4,433	28,984	1,108,152
Borrowers	708	166	31	16	13	
Average debt per borrower (\$'000)	1,267	788	1,524	277	2,230	
2019 total debt (\$'000)	69,679	110,870	22,014	9,861	12,466	851,999
\$ movement (\$'000)	199,903	19,922	25,239	-5,428	16,518	256,153
% movement	28.69%	17.97%	114.65%	-55.05%	132.50%	30.06%

MOVEMENT OF TREE CROP DEBT VALUE SINCE 2019 BY RATING

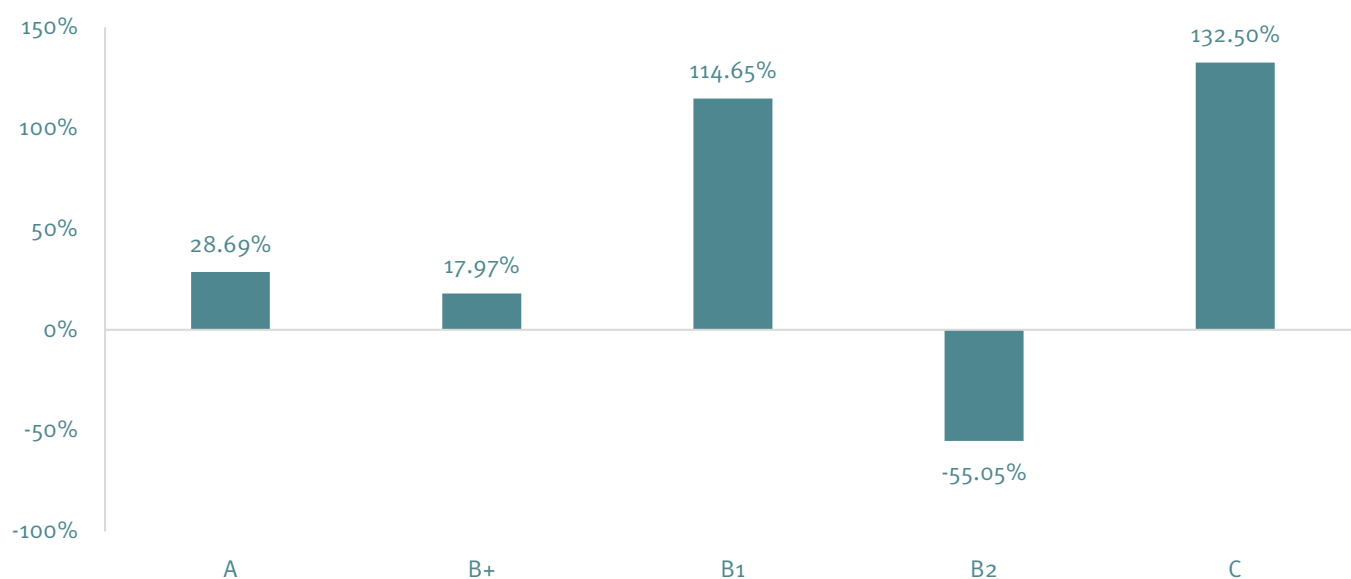


FIGURE 61: TREE CROP RISK RATING MOVEMENT 2019-2021

TABLE 28: DISSECTION OF TREE CROP DEBT BY REGION

ABARES REGION	2021 (\$'000)	% OF TOTAL TREE CROP DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	\$ MOVEMENT (\$'000)	% MOVEMENT (\$'000)
Cape York and the Gulf	dw	dw	dw	dw	dw	dw	dw
Central North	143,448	12.94%	148	969	91,883	51,564	56.12%
Charleville - Longreach	0	0.00%	0	0	0	0	0.00%
Eastern Darling Downs	99,998	9.02%	83	1,205	69,527	30,471	43.83%
Northern Coastal - Mackay to Cairns	345,186	31.15%	304	1,135	250,927	94,258	37.56%
Southern Coastal - Curtis to Moreton	493,220	44.51%	381	1,294	408,964	84,256	20.60%
West and South West	0	0.00%	0	0	dw	dw	dw
Western Downs and Central Highlands	dw	dw	dw	dw	30,455	dw	dw

INDUSTRY ENVIRONMENT

- The tree crop sector has faced some challenges over the 2019-21 period with increased input costs, uncertainty with labour supply and disruptions in export markets all having an impact. The International Freight Assistance Mechanism (IFAM) program ensured that air freight exports of were able to remain in place during COVID-19 (NFF, 2021).
- Varied weather conditions which led to water constraints on irrigators had the result of limiting tree crop production. This was primarily felt in the southern parts of the state.
- Table 29 identifies the GVP for some of the fruits and nuts grown in Queensland over the 2019-21 period.
- The GVP for banana growing has reduced from \$574 million in 2018-19, down to \$517 million in 2020-21.
- The GVP for avocado growing has increased since 2018-19 from \$267 million to \$273 million, however the 2019-20 GVP was slightly reduced from 2018-19 at \$251 million (Table 29).
- Macadamia production has increased across the period from \$141 million in 2018-19 to \$158 million in 2020-21, despite a fall to \$125 million in the 2019-20 period (Table 29).
- Mandarin production has increased over the period from \$143 million in 2018-19 to \$159 million in 2020-21 (Table 29).
- Total fruit and nuts GVP declined between 2018-19 and 2019-20 before rising again in 2020-21 to \$1,828 million. Overall, the GVP in 2020-21 was 3.89 per cent lower than in 2018-19.
- ABARES forecasts very good production prospects for the horticulture sector over the medium term (ABARES, 2022c).

TABLE 29: SELECTED TREE CROP GVP FOR QUEENSLAND*

FRUIT AND NUTS (\$M)	2018-19	2019-20	2020-21
Mandarins	143	112	159
Avocado	267	251	273
Macadamia	141	125	158
Pineapples	65	77	79
Bananas	574	576	517
TOTAL FRUIT AND NUTS (INCLUDING TABLE GRAPES)	1,902	1,781	1,828

Note. Reprinted from *Queensland AgTrends*, by Department of Agriculture and Fisheries Queensland, retrieved from <https://www.daf.qld.gov.au/strategic-direction/datafarm/qld-agtrends>

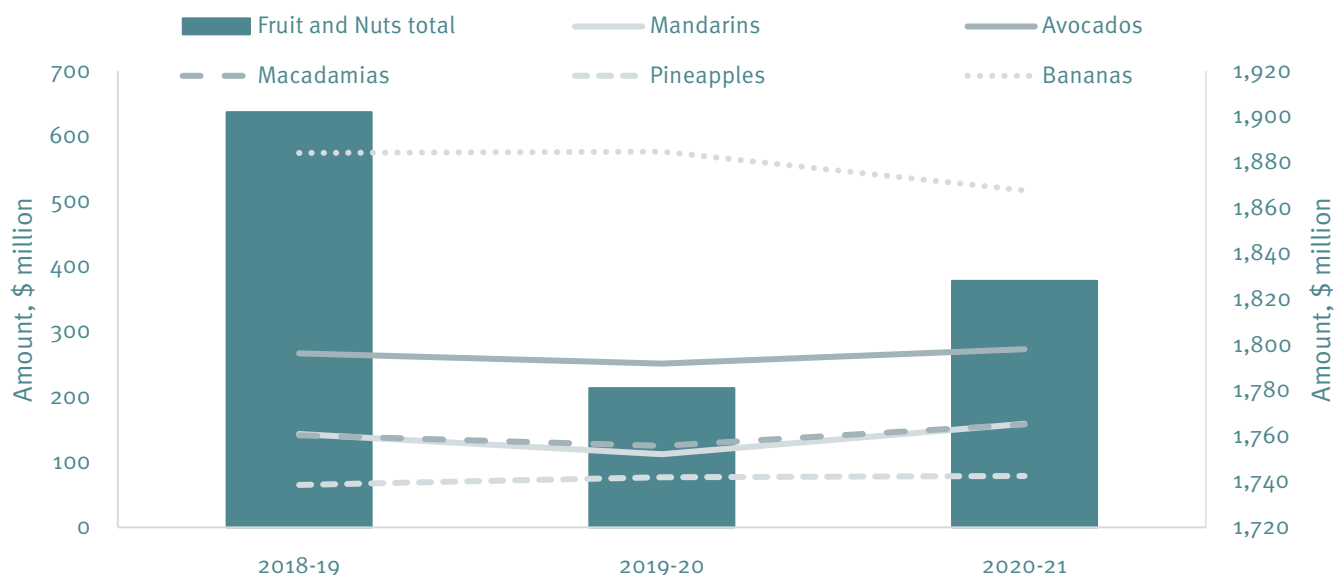


FIGURE 62: GROSS VALUE OF TREE CROPS IN QUEENSLAND

Summary of Queensland statistics for fruit, nuts and vegetables

Note. Reprinted from *Queensland AgTrends*, by Department of Agriculture and Fisheries Queensland, 2022 retrieved from <https://www.daf.qld.gov.au/strategic-direction/datafarm/qld-agtrends>

FARM MANAGEMENT DEPOSITS

- FMDs for horticulture are considered below as the reporting function for FMDs does not report on tree crops or vegetables individually.
- Figure 63 depicts the number of FMD accounts in Queensland for horticulture. As at December 2019, there were 1,033 horticulture accounts, this decreased to 957 in December 2021, which is a reduction of 7.36 per cent. Horticulture makes up 11.40 per cent of FMD account holders.

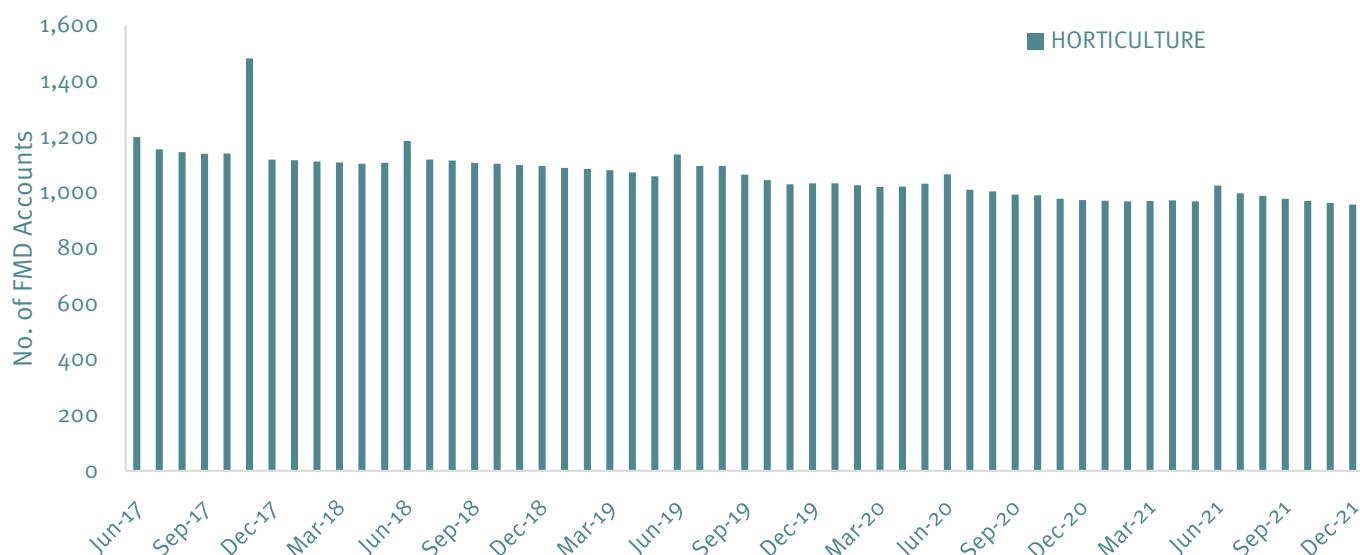


FIGURE 63: NUMBER OF HORTICULTURE FMD ACCOUNTS IN QUEENSLAND

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

- FMDs by value is depicted in Figure 64. Value of horticulture deposits in December 2019 was \$157.49 million. This reduced to \$156.04 million in December 2021 which is a reduction of 0.92 per cent.

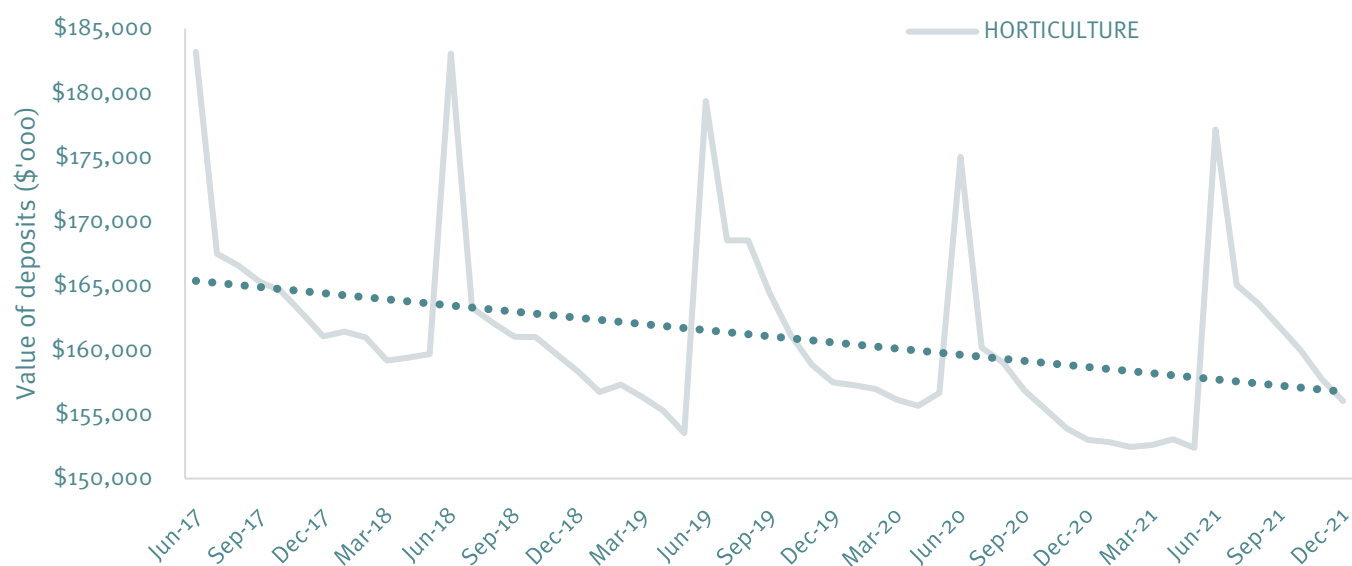
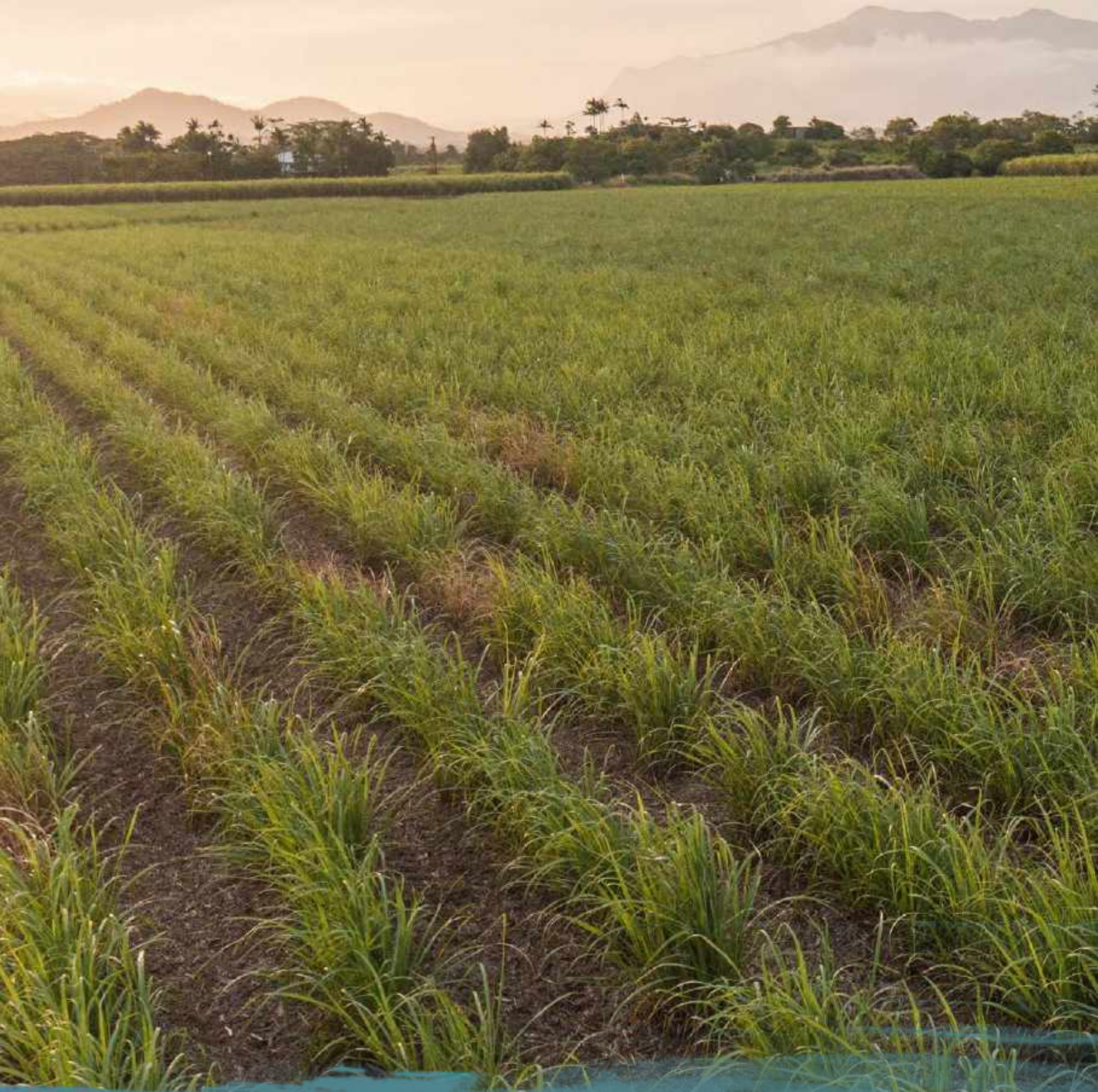


FIGURE 64: VALUE OF HORTICULTURE FARM MANAGEMENT DEPOSITS (\$'000) IN QUEENSLAND JUNE 2017- DEC 2021

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

SUGAR



Average debt
per borrower

\$609 thousand



10%

Percentage
of borrowers



4%

Percentage
of total debt

SUGAR AT A GLANCE

TABLE 30: SUMMARY OF SUGAR DEBT

AMOUNT	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	1,077,406	1,107,292	-29,887	-2.70%
Number of borrowers	1,769	1,984	-215	-10.84%
Average \$ debt per borrower (\$'000)	609	558	51	9.13%



2.70%
decrease in
total debt

Sugar represents 4.48 per cent of total rural debt in 2021, down \$29.89 million or 2.70 per cent in value from 2019. The number of sugar borrowers decreased and the proportion of sugar debt rated as either viable (A) or potentially long term viable (B+) increased to 94.5 per cent from 93.96 per cent in 2019.

KEY FINDINGS

- Since 2019, the debt level for sugar has reduced by 2.70 per cent or \$29.89 million.
- Sugar borrowers have declined by 10.84 per cent since 2019 to 1,769.
- Average debt per borrower has increased by 9.18 per cent to \$609,048.
- The proportion of debt rated as viable (A) has declined slightly to 76.76 per cent from 78.70 per cent in 2019, while potentially viable long term (B+) rated debt increased as a proportion of debt to 17.74 per cent from 15.26 per cent in 2019 (Figure 66).
- There has been a decrease in value of debt for viable (A) rated debt by 5.10 per cent, while debt rated as potentially viable long term (B+) increased in value by 13.14 per cent (Table 31). Debt rated as B1 and B2 declined by 20.68 per cent and 20.71 per cent in value respectively (Table 31).
- There was a 26.46 per cent increase in the value of non-viable (C) rated debt, with the proportion of debt rated as non-viable (C) increasing from 1.18 per cent in 2019 to 1.54 per cent in 2021 (Table 31) (Figure 66). This category represents just 22 borrowers.
- The Northern Coastal – Mackay to Cairns region holds 89.52 per cent of total sugar debt in Queensland at \$964.45 million (Table 32). This region is where the vast majority of borrowers and cane is produced in Queensland.

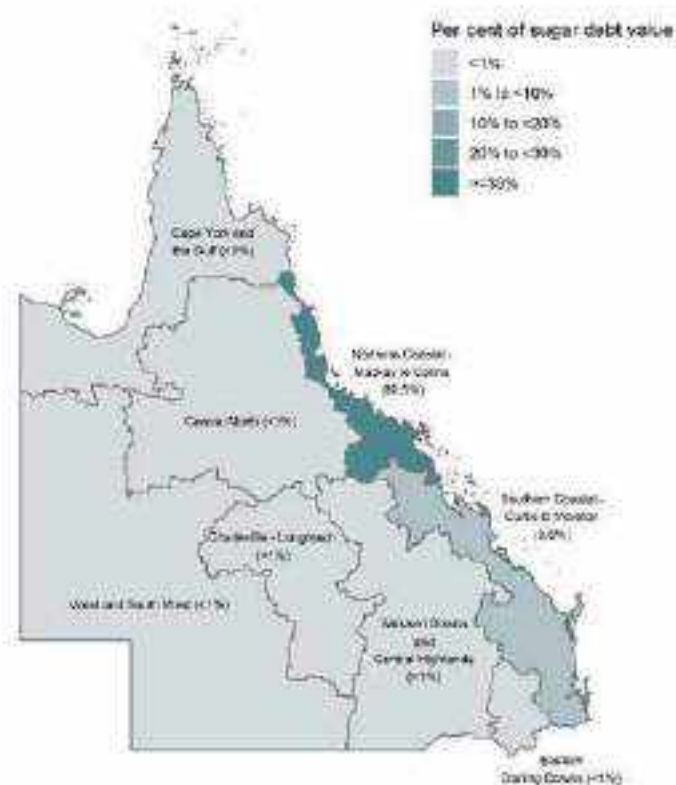


FIGURE 65: PER CENT OF SUGAR DEBT VALUE BY REGION

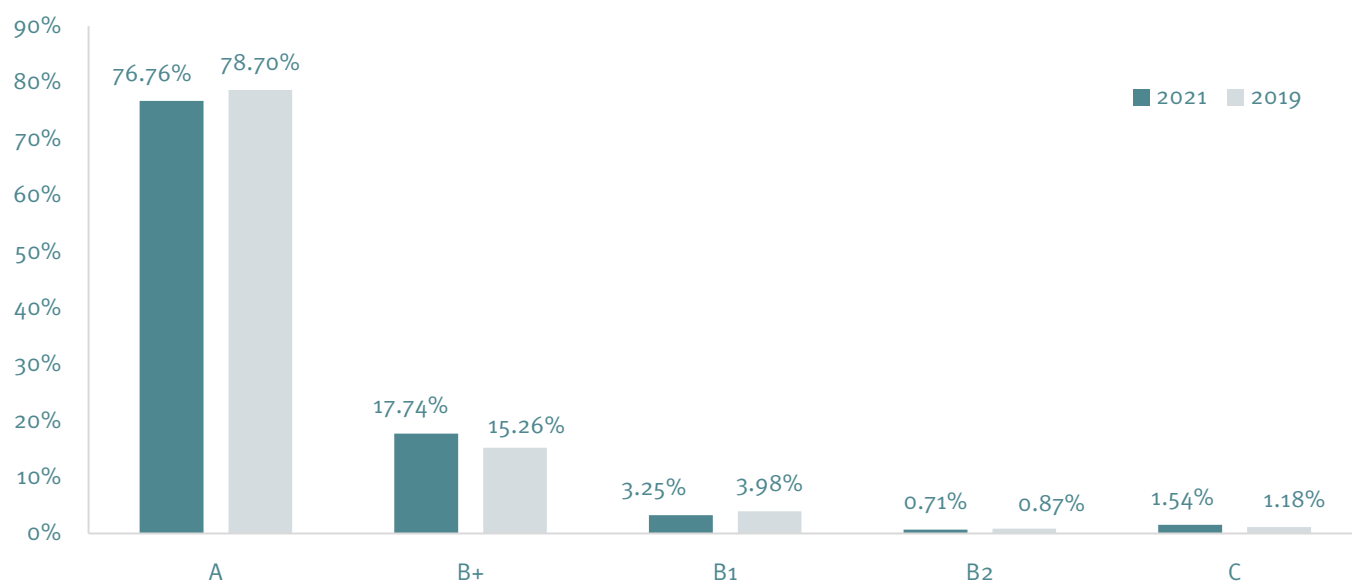


FIGURE 66: SUGAR DEBT PROPORTION BY RISK RATING

TABLE 31: SUGAR DEBT, NUMBER OF BORROWERS AND AVERAGE DEBT BY LOAN RATING

RATING	A	B+	B1	B2	C	TOTAL
2021 total debt (\$'000)	827,017	191,150	34,990	7,662	16,587	1,077,406
Borrowers	1,410	281	42	16	22	
Average debt per borrower (\$'000)	587	680	833	479	754	
2019 total debt (\$'000)	871,447	168,953	44,112	9,663	13,117	1,107,292
\$ movement (\$'000)	-44,430	22,197	-9,122	-2,001	3,470	-29,887
% movement	-5.10%	13.14%	-20.68%	-20.71%	26.46%	-2.70%

MOVEMENT OF SUGAR DEBT VALUE SINCE 2019 BY RATING

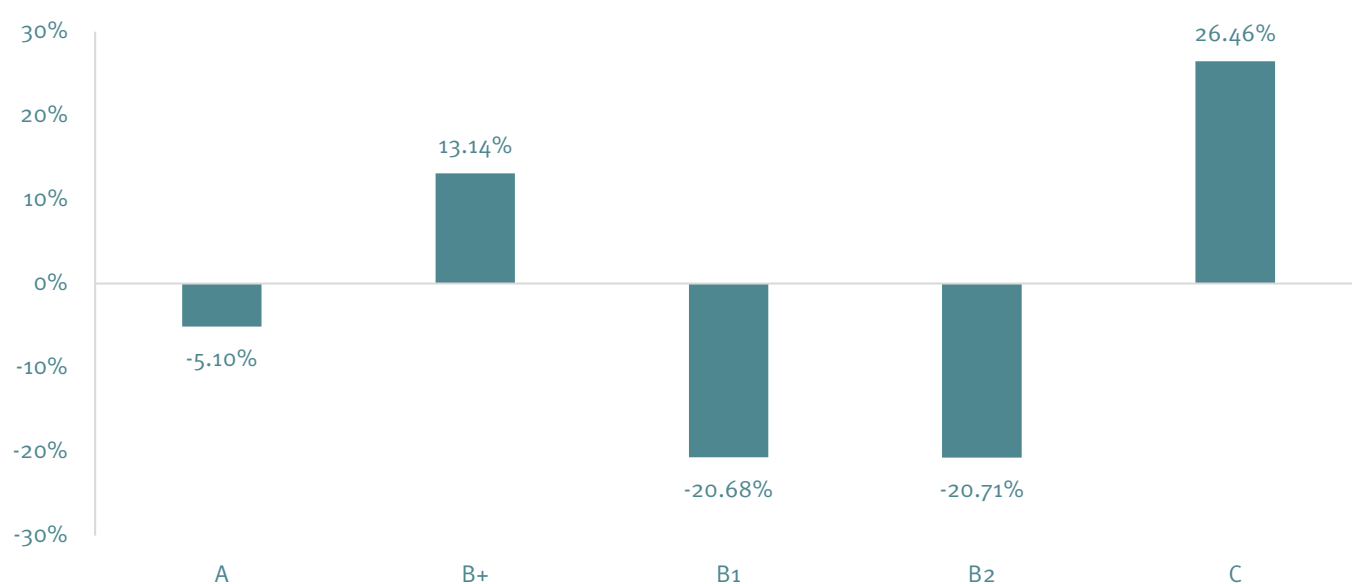


FIGURE 67: SUGAR RISK RATING MOVEMENT 2019-2021

TABLE 32: DISSECTION OF SUGAR DEBT BY REGION

ABARES REGION (\$'000)	2021	% OF TOTAL SUGAR DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER	2019	\$ MOVEMENT	% MOVEMENT
Cape York and the Gulf	0	0.00%	0	0	0	0	0.00%
Central North	9,952	0.92%	19	524	dw	dw	dw
Charleville - Longreach	0	0.00%	0	0	0	0	0
Eastern Darling Downs	0	0.00%	0	0	dw	dw	dw
Northern Coastal - Mackay to Cairns	964,448	89.52%	1,541	626	986,453	-22,006	-2.23%
Southern Coastal - Curtis to Moreton	103,006	9.56%	209	493	111,072	-8,066	-7.26%
West and South West	0	0.00%	0	0	0	0	0
Western Downs and Central Highlands	0	0.00%	0	0	0	0	0

INDUSTRY ENVIRONMENT

- The sugarcane industry's season runs for approximately 13 months, with harvest occurring from June. By December, normally a producer would have received a large portion of their return, however the year does not formally finish until approximately July the following year.
- The GVP for the 2020-21 year for sugarcane was \$1,150 million (DAF, 2022b).
- The 2019-21 period saw mixed weather conditions with improved average rainfall across the state. Growers in the southern parts of the state experienced dry conditions, while areas in the north of the state were impacted by wet conditions that delayed harvesting.
- Over this period sugar prices remained strong although input costs increased.
- Figure 68 displays the area harvested for milling by the Queensland cane region. Through the past three cane harvests, the Herbert-Burdekin has harvested the most cane, followed by Mackay-Proserpine, Northern and then Southern.
- Over the 2019-21 period, all four regions saw a reduction in area harvested with the Southern region seeing the largest reduction from 41,330 to 31,067 hectares (a decrease of 24.83 per cent).
- ABARES forecasts a fall in international sugar prices in the medium term as global production recovers (ABARES, 2022h).

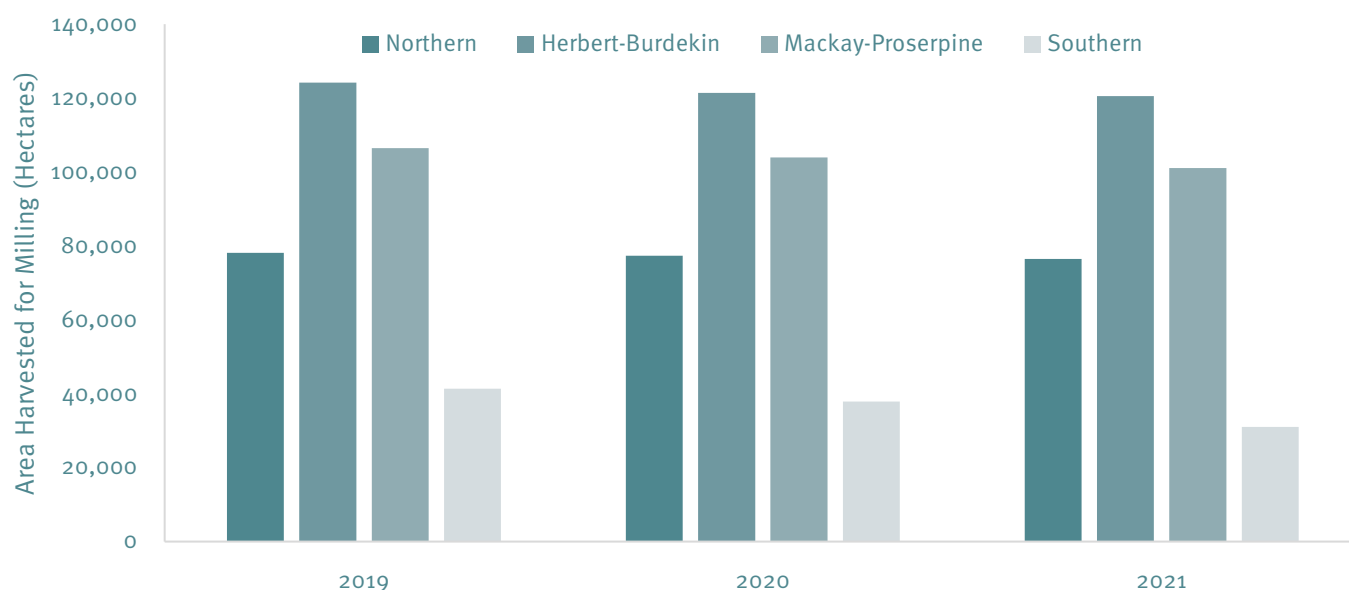


FIGURE 68: AREA HARVESTED FOR MILLING BY QUEENSLAND CANE REGION

Note. Reprinted from *Sugar Industry Summary Statistics*, Australian Sugar Milling Council, 2022, retrieved from <https://asmc.com.au/policy-advocacy/sugar-industry-over-view/statistics/>

- When considering cane crushed by Queensland cane region, comparing 2019 to 2021 (Figure 69), there has been a 4.93 per cent increase in the Northern region, a 2.34 per cent decline in the Herbert-Burdekin, a 6.64 per cent increase in Mackay-Proserpine and a 17.11 per cent decline in the Southern region.
- The closure of two mills in Bundaberg and Maryborough, repurposing of sugar cane farmland and drier seasonal conditions in the 2019-21 period, contributed to the decline in cane crushed in the Southern region.
- Across Queensland there was a 9.62 per cent decline in the amount of cane crushed over the 2019-21 period.

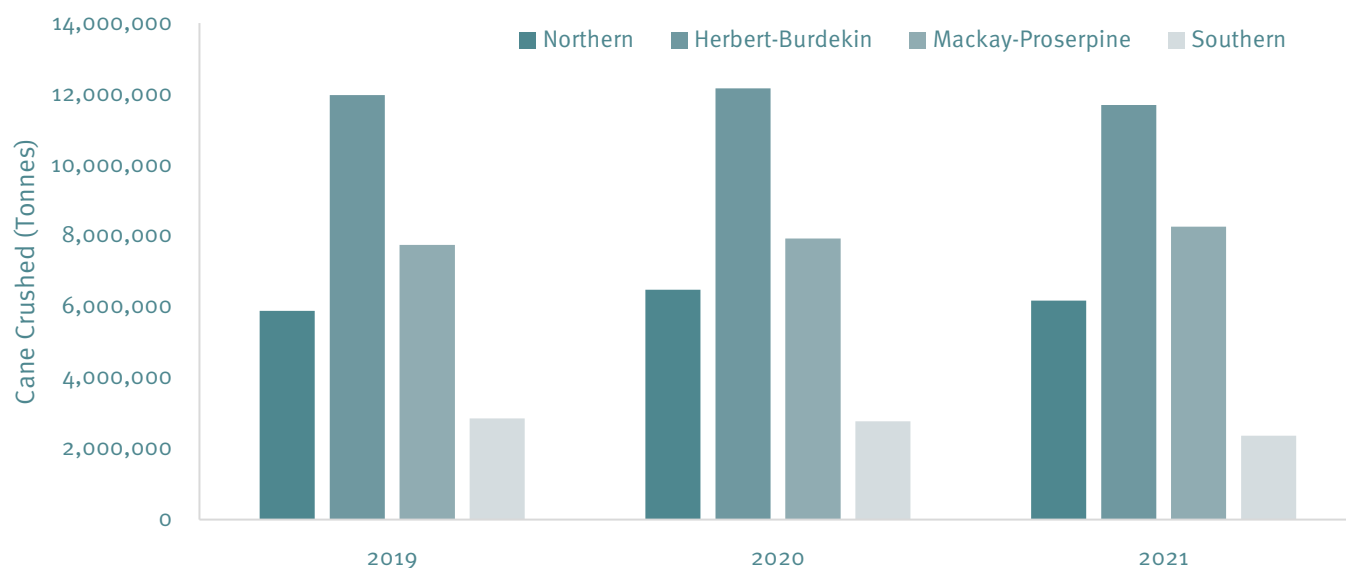


FIGURE 69: CANE CRUSHED (TONNES) BY QUEENSLAND CANE REGION

Note. Reprinted from *Sugar Industry Summary Statistics*, Australian Sugar Milling Council, 2022, retrieved from <https://asmc.com.au/policy-advocacy/sugar-industry-overview/statistics/>

- Given that a significant majority of cane is produced in Queensland, the average for Australian cane is an adequate measure when considering average return to growers. Figure 70 displays the Australian cane crushed and return to growers.
- The return per tonne has increased by 4.98 per cent in the past two years, from A\$39.03 per tonne in 2018-19 to A\$40.97 per tonne in 2020-21.

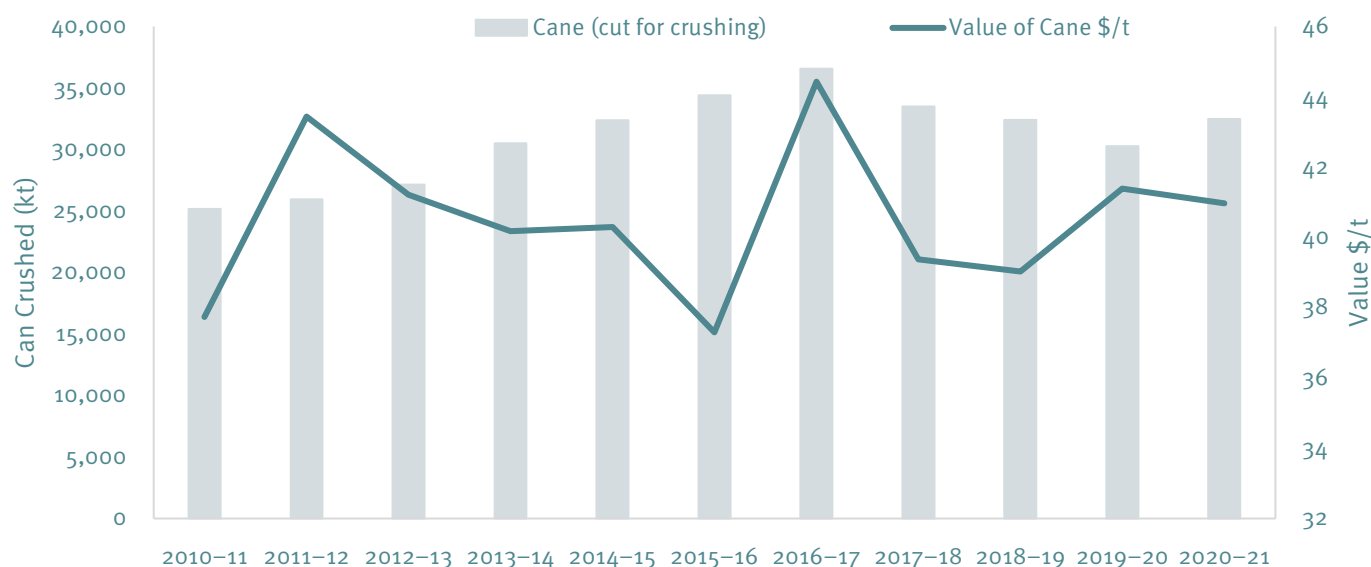


FIGURE 70: SUGAR CANE CRUSH AND RETURN TO GROWERS

Note. Reprinted from *Rural commodities - sugar*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2021, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#2020>; *Agricultural commodities: March quarter 2022 - Outlook tables*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/crop>; *Agricultural commodities: March quarter 2022 - Statistical tables*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/crop>

FARM MANAGEMENT DEPOSITS

- Figure 71 depicts the FMDs for sugar. There were 1,319 sugar accounts in December 2019 down to 1,177 in December 2021. This was a 10.77 per cent decline over this time. Sugar accounts make up 14.02 per cent of total FMD accounts.



FIGURE 71: NUMBER OF SUGAR FMD ACCOUNTS IN QUEENSLAND

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

- Figure 72 depicts the value of sugarcane deposits. In December 2019 the value of deposits totalled \$137.98 million. In December 2021 the value of deposits totalled \$135.25 million, a decline of 1.98 per cent.

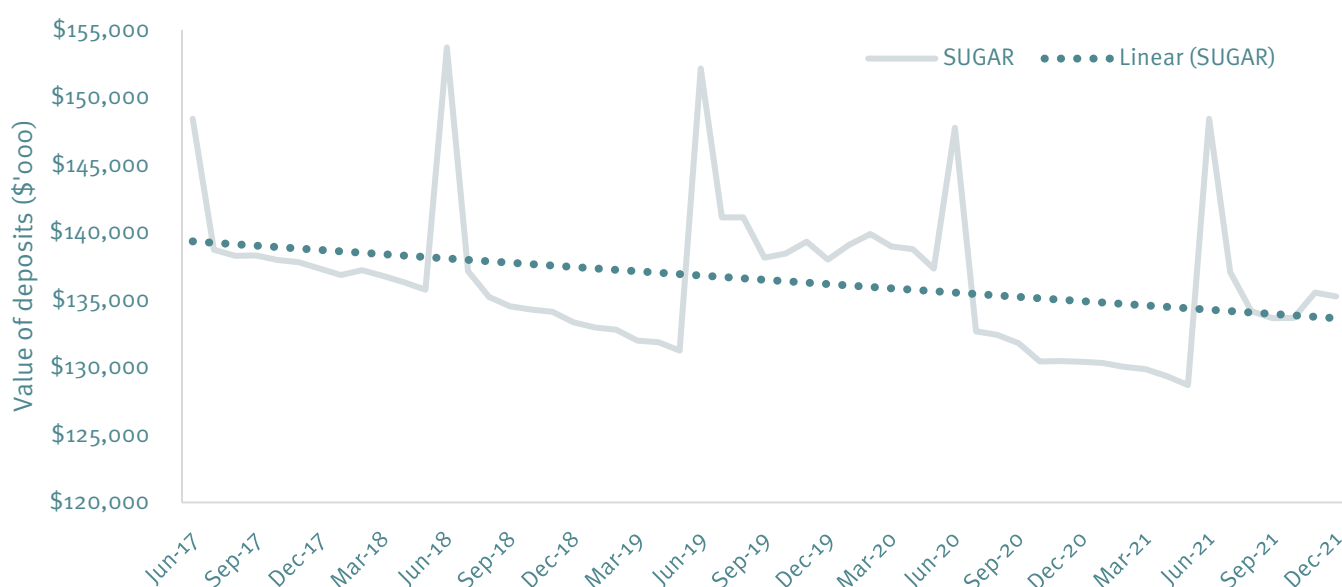


FIGURE 72: VALUE OF SUGAR FARM MANAGEMENT DEPOSITS (\$'000) IN QUEENSLAND JUNE 2017- DEC 2021

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

INTENSIVE LIVESTOCK



Average debt
per borrower

\$1.57 million



3%

Percentage
of borrowers



3%

Percentage
of total debt

INTENSIVE LIVESTOCK AT A GLANCE

TABLE 33: SUMMARY OF INTENSIVE LIVESTOCK DEBT

AMOUNT	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	790,966	467,383	323,583	69.23%
Number of borrowers	504	575	-71	-12.35%
Average \$ debt per borrower (\$'000)	1,569	813	757	93.11%

Intensive livestock includes poultry farming for meat and eggs, deer farming, horse farming, pig farming and other farming not elsewhere identified.

Intensive livestock represents 3.29 per cent of total rural debt in 2021, up \$323.58 million or 69.23 per cent in value from 2019. The number of intensive livestock borrowers has declined and the proportion of intensive livestock debt rated as either viable (A) or potentially long term viable (B+) increased to 94.69 per cent from 83.81 per cent in 2019.



69.23%
increase in
total debt

KEY FINDINGS

- Since 2019, the debt level for intensive livestock has increased by 69.23 per cent.
- Intensive livestock borrowers have decreased by 71 or 12.35 per cent.
- Average debt per borrower has increased by 93.11 per cent to \$1.57 million.
- The proportion of debt rated as viable (A) and potentially long term viable (B+) has increased from 77.80 per cent to 85.41 per cent and 6.01 per cent to 9.28 per cent respectively (Figure 74).
- There has been an increase in value of debt for viable (A) and potentially viable long term (B+) rated debt by 85.80 per cent and 161.23 per cent respectively (Table 34). Debt rated as B1 and B2 declined by 44.35 per cent and 10.07 per cent in value respectively (Table 34).
- There was a 72.17 per cent decrease in the value of non-viable (C) rated debt, with the proportion of debt rated as non-viable (C) decreasing from 3.91 per cent in 2019 to 0.64 per cent in 2021 (Table 34) (Figure 74).
- The Southern Coastal – Curtis to Moreton region holds 50 per cent of intensive livestock debt in Queensland with \$395.45 million in debt (Table 35).
- The Charleville – Longreach region recorded the largest increase in debt as a percentage with a 239.19 per cent increase. This region represents just 17 borrowers and 1.32 per cent of intensive livestock debt (Table 35).

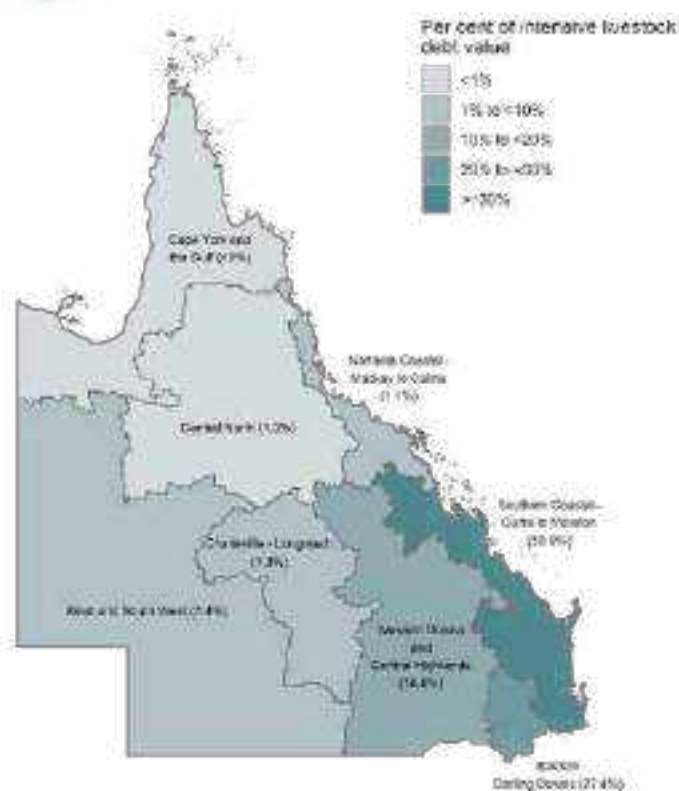


FIGURE 73: PER CENT OF INTENSIVE LIVESTOCK DEBT VALUE BY REGION

- The Central North and Northern Coastal – Mackay to Cairns recorded a decline in debt of 50.00 per cent and 20.13 per cent respectively (Table 35).

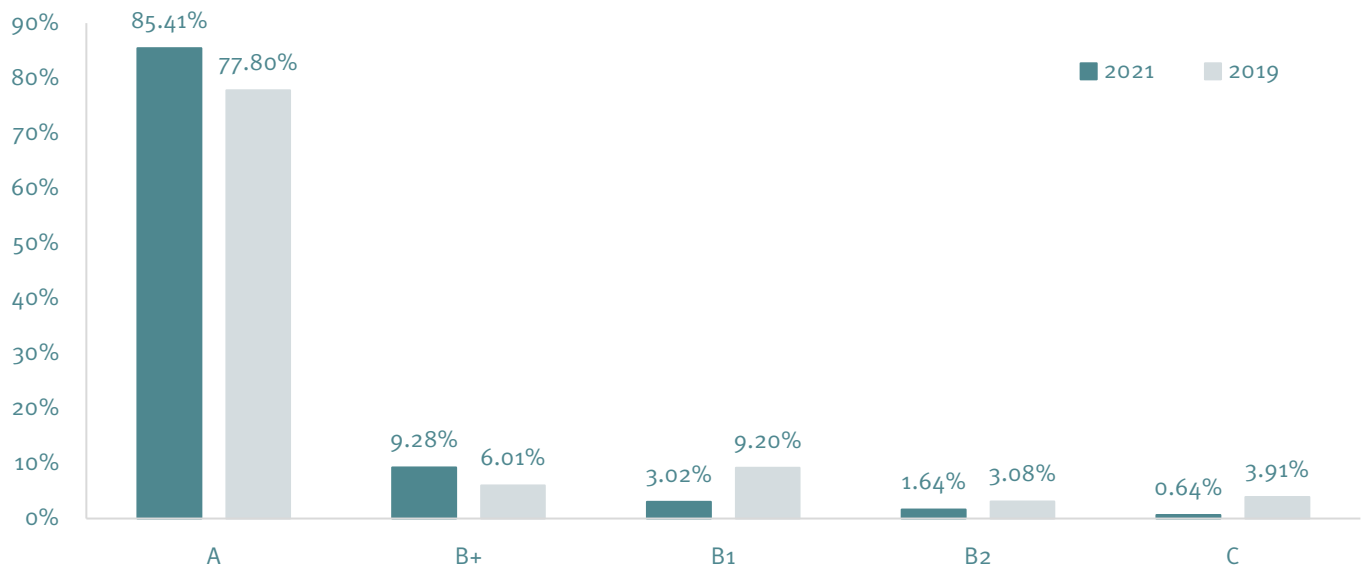


FIGURE 74: INTENSIVE LIVESTOCK DEBT PROPORTION BY RISK RATING

TABLE 34: INTENSIVE LIVESTOCK DEBT, NUMBER OF BORROWERS AND AVERAGE DEBT BY LOAN RATING

RATING	A	B+	B1	B2	C	TOTAL
2021 total debt (\$'000)	675,584	73,426	23,924	12,940	5,092	790,966
Borrowers	349	87	33	28	10	
Average debt per borrower (\$'000)	1,936	844	725	462	509	
2019 total debt (\$'000)	363,601	28,108	42,988	14,389	18,296	467,383
\$ movement (\$'000)	311,983	45,318	-19,065	-1,449	-13,204	323,583
% movement	85.80%	161.23%	-44.35%	-10.07%	-72.17%	69.23%

MOVEMENT OF INTENSIVE LIVESTOCK DEBT VALUE SINCE 2019 BY RATING

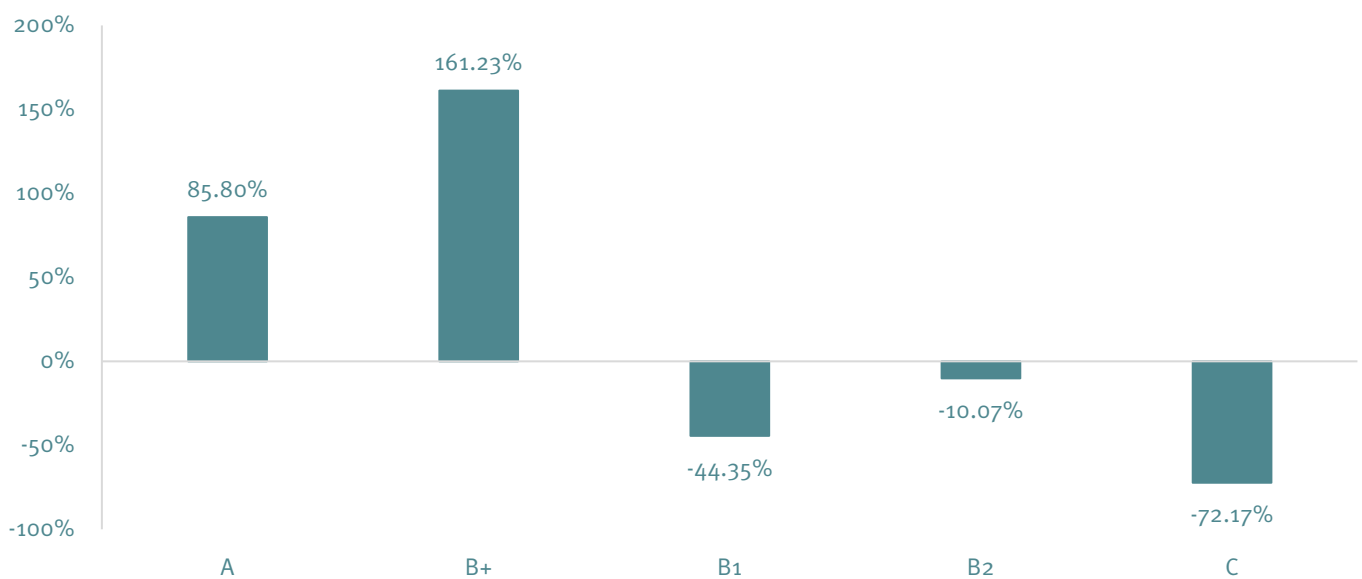


FIGURE 75: INTENSIVE LIVESTOCK RISK RATING MOVEMENT 2019-2021

TABLE 35: DISSECTION OF INTENSIVE LIVESTOCK DEBT BY REGION

ABARES REGION	2021 (\$'000)	% OF TOTAL INTENSIVE LIVESTOCK DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	\$ MOVEMENT (\$'000)	% MOVEMENT (\$'000)
Cape York and the Gulf	0	0.00%	0	0	0	0	0.00%
Central North	7,562	0.96%	14	540	15,124	-7,561	-50.00%
Charleville - Longreach	10,473	1.32%	17	616	3,088	7,385	239.19%
Eastern Darling Downs	216,804	27.41%	127	1,707	153,118	63,686	41.59%
Northern Coastal - Mackay to Cairns	8,411	1.06%	24	350	10,531	-2,120	-20.13%
Southern Coastal - Curtis to Moreton	395,450	50.00%	247	1,601	170,383	225,066	132.09%
West and South West	19,311	2.44%	12	1,609	8,168	11,143	136.43%
Western Downs and Central Highlands	132,955	16.81%	64	2,077	106,971	25,984	24.29%

INDUSTRY ENVIRONMENT

- The GVP for poultry in Queensland increased from \$587 million in 2018-19 to \$614 million in 2020-21, an increase of 4.60 per cent (DAF, 2022b).
- The GVP for eggs in Queensland increased from \$244 million in 2018-19 to \$367 million in 2020-21, an increase of 15.57 per cent (DAF, 2022b).
- The GVP for pigs in Queensland increased from \$289 million in 2018-19 to \$367 million in 2020-21, an increase of 26.99 per cent (DAF, 2022b).
- Poultry meat prices have remained low relative to the price of other meat products in Australia.
- Input costs for intensive livestock farming have risen over the 2019-21 period (APL, 2021).
- Safe Food Production Queensland currently accredits 142 chicken broiler farms and 97 egg layer farms (Safe Food Production Queensland, 2022).

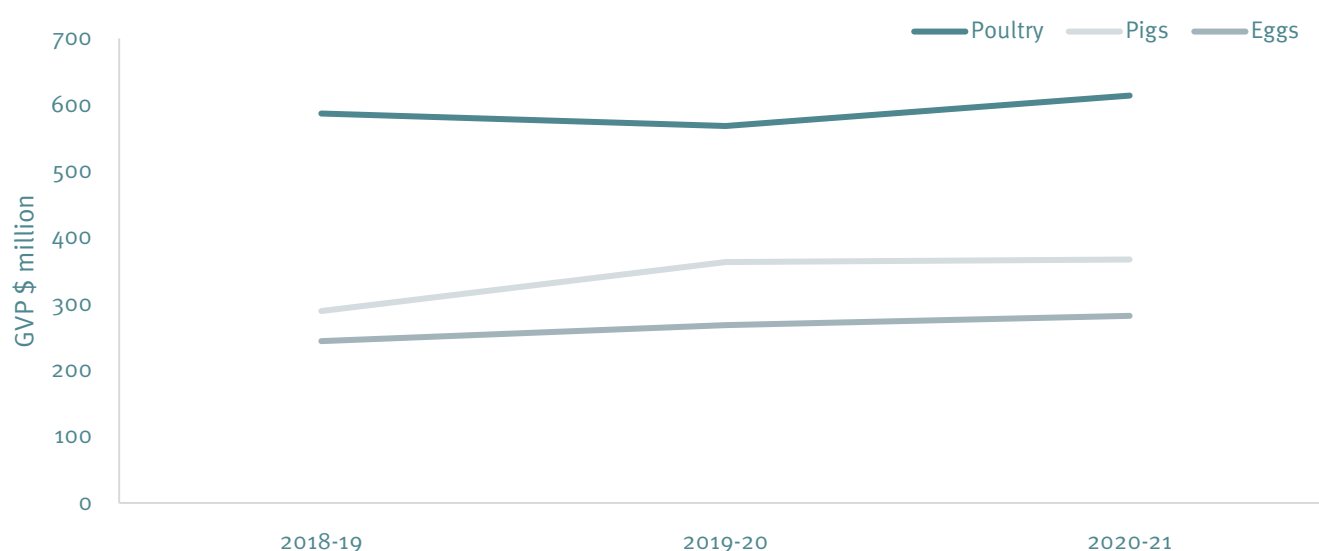


FIGURE 76: GVP OF INTENSIVE LIVESTOCK IN QUEENSLAND

Note. Reprinted from *Queensland AgTrends* by Department of Agriculture and Fisheries Queensland, 2022 retrieved from <https://www.daf.qld.gov.au/strategic-direction/datafarm/qld-agtrends>

FARM MANAGEMENT DEPOSITS

- There were 298 FMD accounts in December 2019, by December 2021 this had decreased to 273, an 8.39 per cent decline (Figure 77). Intensive livestock accounts made up 3.25 per cent of total FMD accounts.

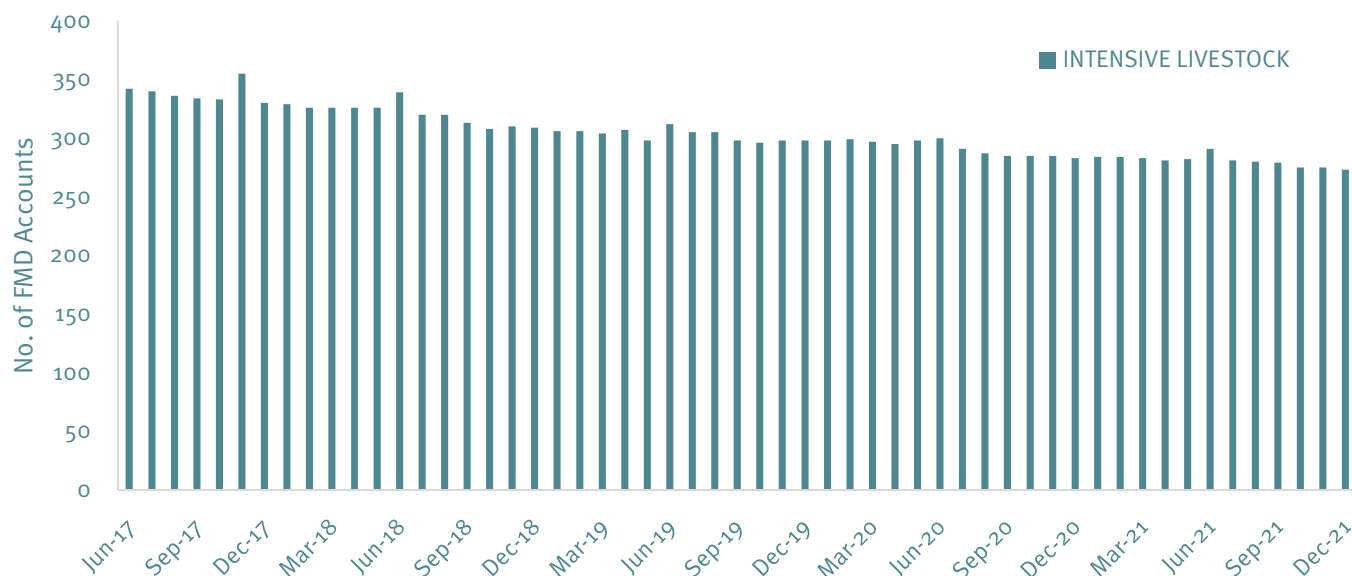


FIGURE 77: NUMBER OF INTENSIVE LIVESTOCK FMD ACCOUNTS IN QUEENSLAND

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2020, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

- The value of FMDs for intensive livestock has decreased by 1.48 per cent over the 2019-21 period (Figure 78). In December 2019, the value of FMDs was \$33.09 million and in December 2021 they were \$32.61 million.

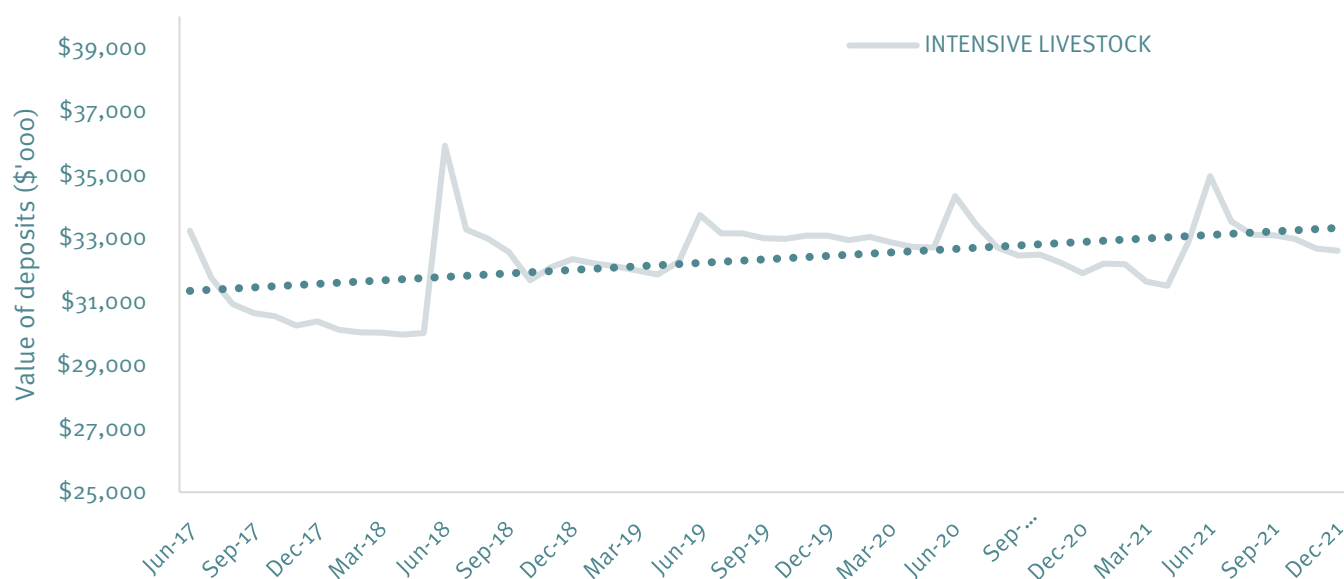


FIGURE 78: VALUE OF INTENSIVE LIVESTOCK FARM MANAGEMENT DEPOSITS (\$'000) IN QUEENSLAND JUNE 2017 - DEC 2021

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

HORTICULTURE - VEGETABLES



Average debt
per borrower

\$1.19 million



3%

Percentage
of borrowers



2%

Percentage
of total debt



VEGETABLES AT A GLANCE

TABLE 36: SUMMARY OF VEGETABLE DEBT

AMOUNT	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	585,639	537,127	48,512	9.03%
Number of borrowers	492	558	-66	-11.83%
Average \$ debt per borrower (\$'000)	1,190	963	228	23.66%

Horticulture – vegetables, includes both vegetable growing indoors and outdoors.



9.03%
increase in
total debt

Vegetables represent 2.43 per cent of total rural debt in 2021, up \$48.51 million or 9.03 per cent in value from 2019. The number of vegetable borrowers fell and the proportion of vegetables debt rated as either viable (A) or potentially long term viable (B+) increased to 92.68 per cent from 87.86 per cent in 2019.

KEY FINDINGS

- Since 2019, the level of vegetable debt has increased by 9.03 per cent or \$48.51 million.
- The number of vegetable borrowers has declined by 11.83 per cent to 492.
- Average debt per borrower has increased by 23.66 per cent to \$1.19 million.
- The proportion of debt rated as viable (A) and potentially long term viable (B+) has increased from 73.73 per cent to 75.59 per cent and 14.13 per cent to 17.09 per cent respectively (Figure 80).
- There has been an increase in value of debt for viable (A) and potentially viable long term (B+) rated debt by 11.79 per cent and 31.88 per cent respectively (Figure 81). Debt rated as B1 increased in value by 169.66 per cent and debt rated as B2 declined in value by 41.11 per cent (Figure 81).
- There was a 59.08 per cent decrease in the value of non-viable (C) rated debt, with the proportion of debt rated as non-viable (C) decreasing from 7.67 per cent in 2019 to 2.88 per cent in 2021 (Table 37) (Figure 80).
- The Southern Coastal – Curtis to Moreton region holds 67.94 per cent of vegetable debt in Queensland with \$397.86 million in debt (Table 38).
- The Eastern Darling Downs and Northern Coastal – Mackay to Cairns regions recorded a decline in debt of 6.41 per cent and 21.83 per cent respectively (Table 38).

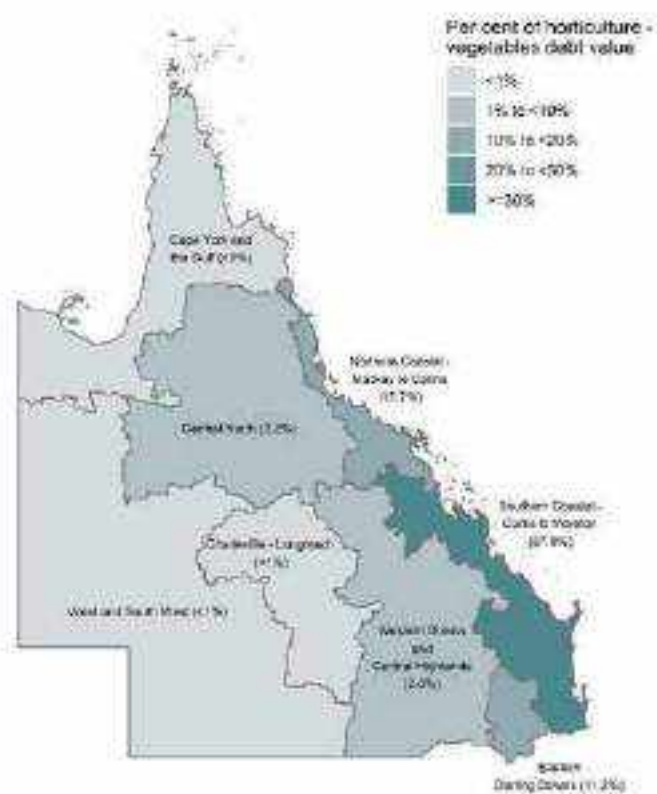


FIGURE 79: PER CENT OF VEGETABLE DEBT VALUE BY REGION

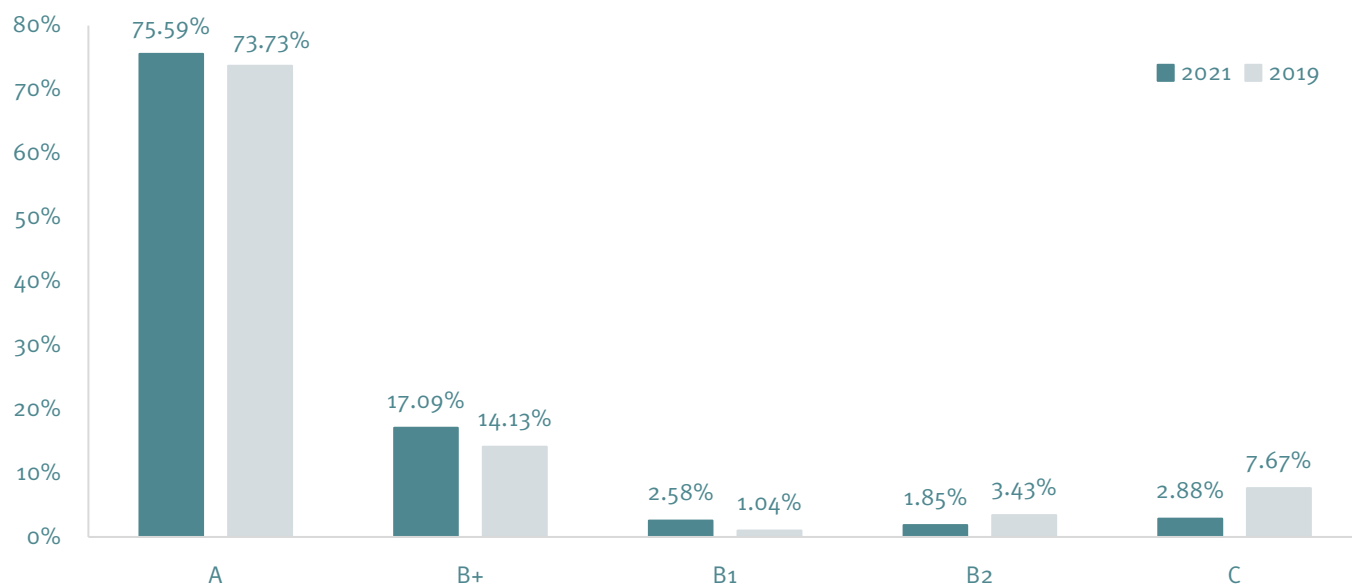


FIGURE 80: VEGETABLES DEBT PROPORTION BY RISK RATING

TABLE 37: VEGETABLE DEBT, NUMBER OF BORROWERS AND AVERAGE DEBT BY LOAN RATING

RATING	A	B+	B1	B2	C	TOTAL
2021 total debt (\$'ooo)	442,713	100,098	15,120	10,858	16,849	585,639
Borrowers	346	88	26	16	18	
Average debt per borrower (\$'ooo)	1,280	1,137	582	679	936	
2019 total debt (\$'ooo)	396,008	75,899	5,607	18,438	41,176	537,127
\$ movement (\$'ooo)	46,705	24,200	9,513	-7,580	-24,326	48,512
% movement	11.79%	31.88%	169.66%	-41.11%	-59.08%	9.03%

MOVEMENT OF VEGETABLE DEBT VALUE SINCE 2019 BY RATING

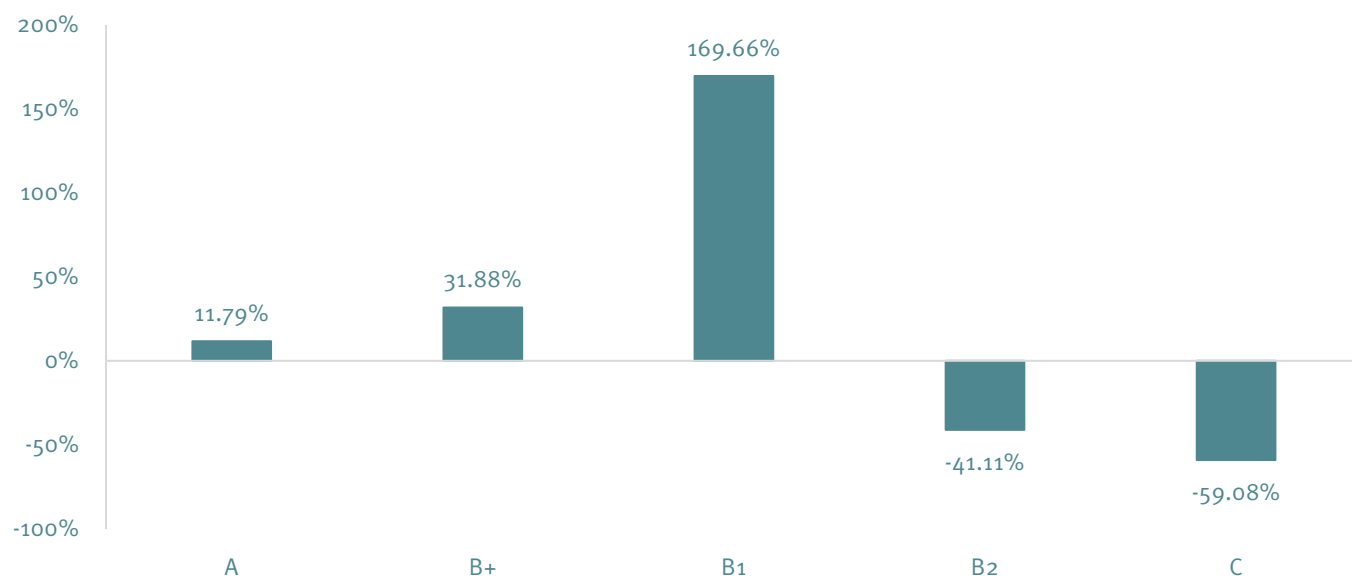


FIGURE 81: VEGETABLE RISK RATING MOVEMENT 2019-2021

TABLE 38: DISSECTION OF VEGETABLE DEBT BY REGION

ABARES REGION	2021 (\$'000)	% OF TOTAL VEGETABLE DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	\$ MOVEMENT (\$'000)	% MOVEMENT (\$'000)
Cape York and the Gulf	dw	dw	dw	dw	dw	dw	dw
Central North	18,892	3.23%	24	787	16,385	2,508	15.30%
Charleville - Longreach	0	0.00%	0	0	0	0	0.00%
Eastern Darling Downs	65,333	11.16%	77	848	69,807	-4,474	-6.41%
Northern Coastal - Mackay to Cairns	91,915	15.69%	87	1,056	117,588	-25,673	-21.83%
Southern Coastal - Curtis to Moreton	397,856	67.94%	293	1,358	328,286	69,570	21.19%
West and South West	0	0.00%	0	0	0	0	0.00%
Western Downs and Central Highlands	dw	dw	dw	dw	dw	dw	dw

INDUSTRY ENVIRONMENT

- The price of inputs including fertiliser, agricultural chemicals and fuel have increased over the 2019-21 period (AUSVEG, 2021).
- Water constraints and drought had a significant impact on vegetable production during the 2019-21 period with growers in the Granite Belt, Lockyer Valley and Bundaberg regions particularly impacted.
- Seasonal conditions began to improve in the later part of the 2019-21 period leading to increased production for some commodities in 2020-21, although vegetable GVP declined slightly on the 2019-20 figure (Table 39).
- Table 39 identifies the GVP for selected vegetables in Queensland over the 2019-21 period.
- Since 2019, the GVP for tomatoes fell from \$280 million to \$238 million in 2020-21. The 2020-21 GVP was the same as the 2019-20 GVP (Table 39).
- For potatoes, the GVP fell from \$40 million in 2018-19 to \$25 million in 2020-21. The 2020-21 GVP was \$1 million higher than the 2019-20 GVP (Table 39).
- For beans and carrots, the GVP fell from \$83 million and \$24 million to \$80 million and \$16 million respectively (Table 39).
- Total vegetable GVP declined by 14.33 per cent over the 2019-21 period, with most of the decline occurring between 2018-19 and 2019-20.

TABLE 39: SELECTED VEGETABLE GVP FOR QUEENSLAND*

VEGETABLE (\$M)	2018-19	2019-20	2020-21
Tomato	280	238	238
Beans	83	76	80
Potatoes	40	24	25
Carrots	24	15	16
TOTAL VEGETABLES	1,277	1,098	1,094

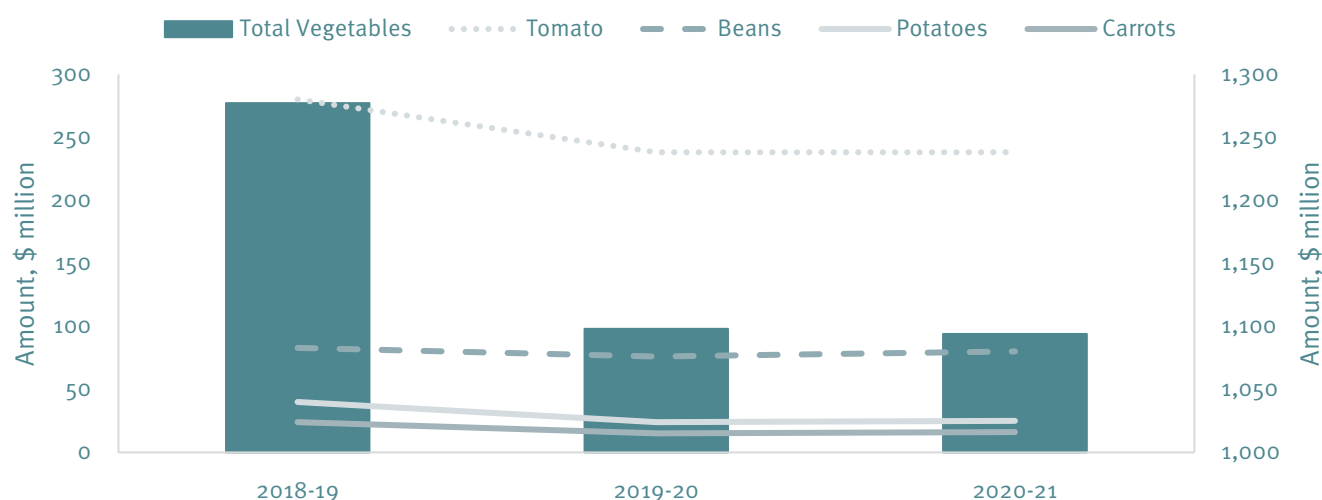


FIGURE 82: GROSS VALUE OF VEGETABLES IN QUEENSLAND

Note. Reprinted from *Queensland AgTrends*, by Department of Agriculture and Fisheries Queensland, 2022 retrieved from <https://www.daf.qld.gov.au/strategic-direction/datafarm/qld-agtrends>

DAIRY



Average debt
per borrower

\$606 thousand



2%

Percentage
of borrowers



1%

Percentage
of total debt



DAIRY AT A GLANCE

TABLE 40: SUMMARY OF DAIRY DEBT

AMOUNT	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	218,143	267,116	-48,973	-18.33%
Number of borrowers	360	453	-93	-20.53%
Average \$ debt per borrower (\$'000)	606	590	16	2.76%



18.33%
decrease in
total debt

Dairy represents 0.91 per cent of total rural debt in 2021, down \$48.97 million or 18.33 per cent in value from 2019. The number of dairy borrowers decreased and the proportion of dairy debt rated as either viable (A) or potentially long term viable (B+) increased to 86.79 per cent from 85.26 per cent in 2019.

KEY FINDINGS

- Since 2019, the debt level for dairy has decreased by 18.33 per cent or \$48.97 million.
- The number of borrowers has decreased by 20.53 per cent to 360.
- The average debt per borrower has increased by 2.76 per cent to \$606 thousand.
- The proportion of debt rated as viable (A) has increased from 67.96 per cent to 73.67 per cent, while the proportion of debt rated potentially viable long term (B+) has decreased from 17.30 per cent to 13.12 per cent (Figure 84).
- There has been a decrease in the value of debt by all ratings, with viable (A) and potentially viable long term (B+) rated debt declining in value by 11.47 per cent and 38.10 per cent respectively and debt rated as B1 and B2 declined in value by 30.99 per cent and 51.29 per cent respectively (Table 41).
- There was a 14.42 per cent decrease in the value of non-viable (C) rated debt, although the proportion of debt rated as non-viable (C) increased from 6.42 per cent in 2019 to 6.73 per cent in 2021 (Table 41) (Figure 84).
- The Southern Coastal – Curtis to Moreton region holds 50.70 per cent of all dairy debt in Queensland with \$110.59 million in debt (Table 42).
- The Western Downs and Central Highlands region was the only region to record an increase in debt, with an increase of 5.10 per cent (Table 42). This region represents just 12 borrowers and 5.02 per cent of total dairy debt in Queensland.

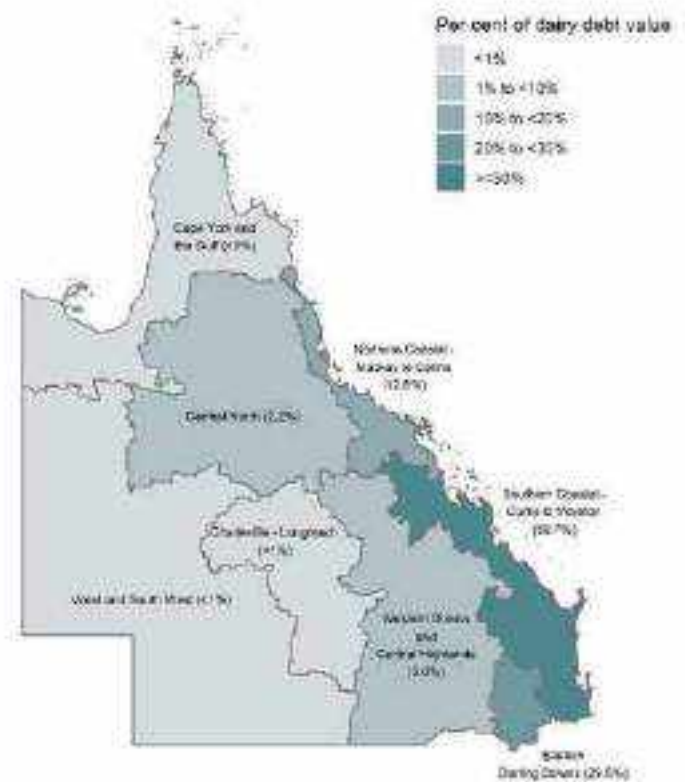


FIGURE 83: PER CENT OF DAIRY DEBT VALUE BY REGION

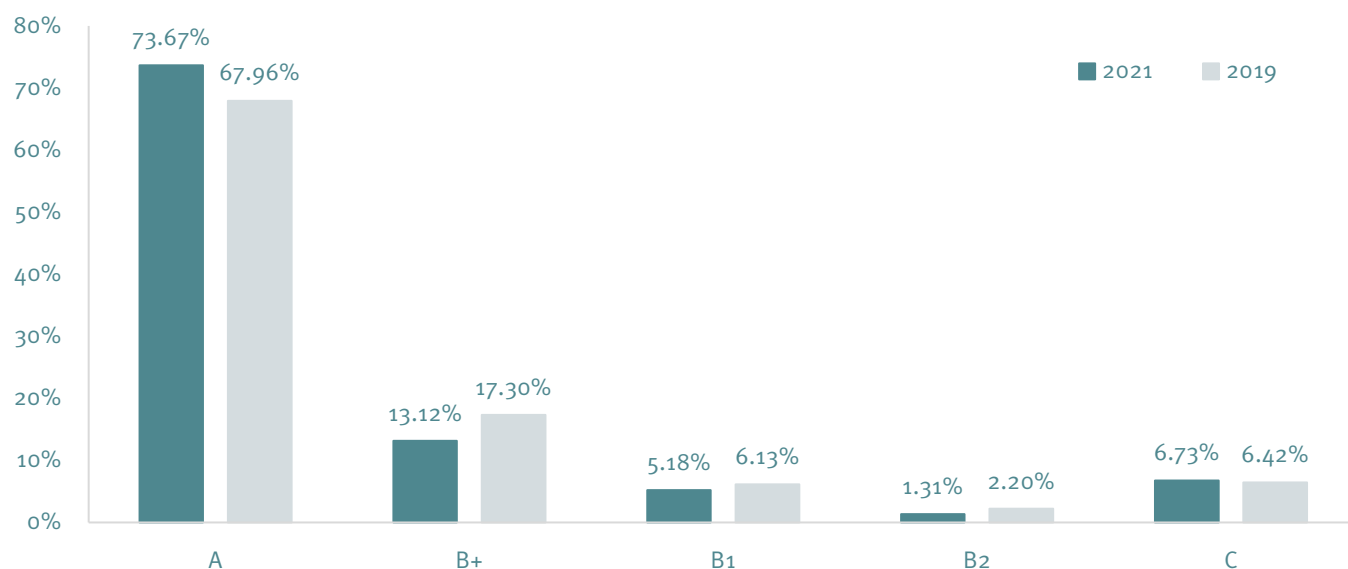


FIGURE 84: DAIRY DEBT PROPORTION BY RISK RATING

TABLE 41: DAIRY DEBT, NUMBER OF BORROWERS AND AVERAGE DEBT BY LOAN RATING

RATING	A	B+	B1	B2	C	TOTAL
2021 total debt (\$'000)	160,709	28,610	11,292	2,858	14,675	218,143
Borrowers	252	66	20	9	15	
Average debt per borrower (\$'000)	638	433	565	318	978	
2019 total debt (\$'000)	181,522	46,218	16,362	5,867	17,147	267,116
\$ movement (\$'000)	-20,813	-17,608	-5,070	-3,009	-2,472	-48,973
% movement	-11.47%	-38.10%	-30.99%	-51.29%	-14.42%	-18.33%

MOVEMENT OF DAIRY DEBT VALUE SINCE 2019 BY RATING

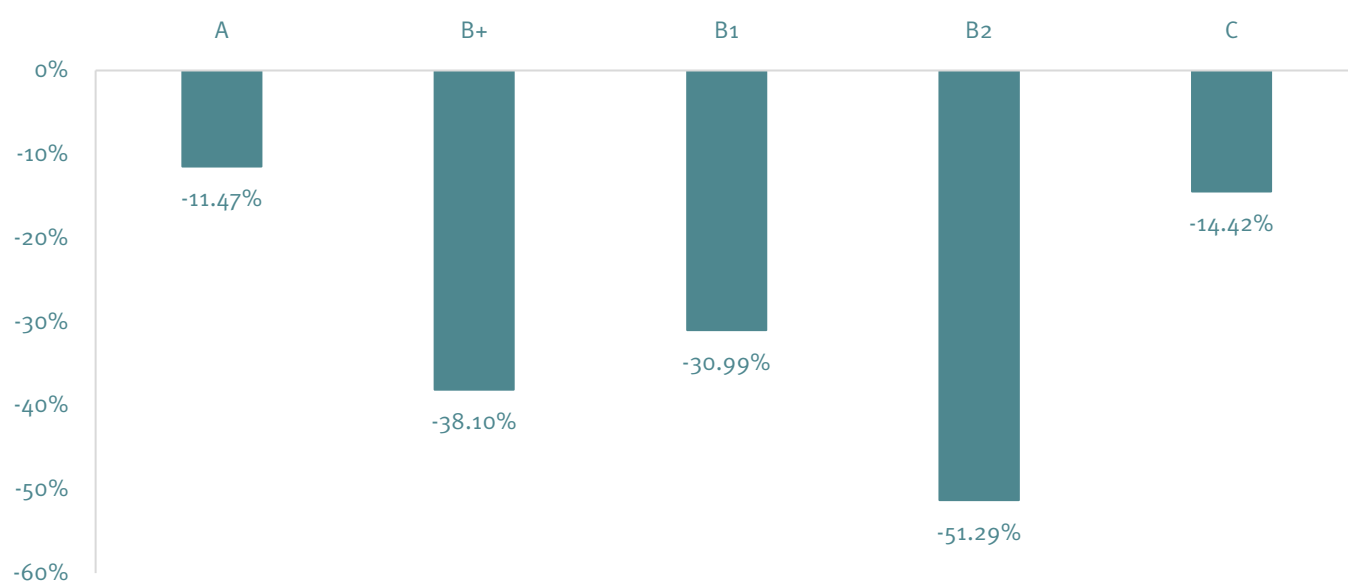


FIGURE 85: DAIRY RISK RATING MOVEMENT 2019-2021

TABLE 42: DISSECTION OF DAIRY DEBT BY REGION

ABARES REGION	2021 (\$'000)	% OF TOTAL DAIRY DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	\$ MOVEMENT (\$'000)	% MOVEMENT (\$'000)
Cape York and the Gulf	0	0.00%	0	0	dw	dw	dw
Central North	dw	dw	dw	dw	4,895	dw	dw
Charleville - Longreach	0	0.00%	0	0	dw	dw	dw
Eastern Darling Downs	64,308	29.48%	129	499	80,468	-16,160	-20.08%
Northern Coastal - Mackay to Cairns	27,472	12.59%	49	561	32,652	-5,180	-15.86%
Southern Coastal - Curtis to Moreton	110,593	50.70%	161	687	138,635	-28,041	-20.23%
West and South West	dw	dw	dw	dw	dw	dw	dw
Western Downs and Central Highlands	10,960	5.02%	12	913	10,428	532	5.10%

INDUSTRY ENVIRONMENT

- In 2020-21, the total national dairy herd was 1.384 million, up from 1.376 million in 2018-19 (ABARES, 2021c) (ABARES, 2022e).
- In 2018-19 there were 356 registered dairy farms in Queensland and in 2020-21 there were 307 (Dairy Australia, 2021). This represents a 13.76 per cent decline in dairy farms in Queensland over the 2019-21 period. The decline in dairy farms accounts for a proportion of the 20.53 per cent decline in borrowers recorded over the period (Table 40).
- In 2020-21, Queensland produced 309.45 ML of milk, which accounted for 3.5 per cent of the Australian total (Dairy Australia, 2022).
- Production of milk has been in decline in Queensland since 2016-17 (Figure 86).
- The Queensland Dairy Accounting Scheme (QDAS) report states there has been an improvement in seasonal conditions after three years of drought in the Eastern states with this leading to improvements in profitability for Queensland dairy farms in 2021 (Murphy, Warren, Bauer and Bourke, 2021).
- The farm cash income of Queensland dairy farms increased to an average of \$138,304 in 2020-21 from \$86,497 in 2018-19 (ABARES, 2022i).
- In 2021, earnings before interest and tax increased to \$787 per cow, up from \$246 in 2019-20. Milk income increased in 2021, while feed related costs decreased significantly due to improved seasonal conditions (Murphy, Warren, Bauer and Bourke, 2021).

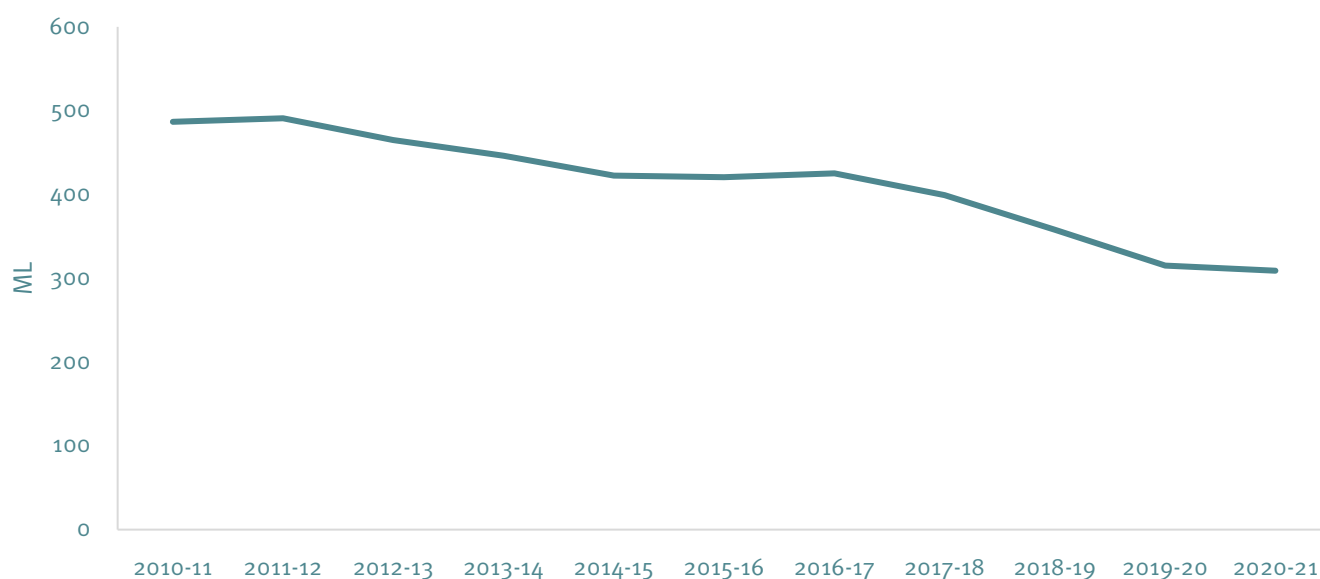


FIGURE 86: QUEENSLAND PRODUCTION OF WHOLE MILK

Note. Reprinted from *Rural commodities - dairy products*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2021, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#2020>; Reprinted from *Balancing dairy production and profits in northern Australia*, by Murphy, R., Warren, R., Bauer, M. and Bourke, P., 2021, retrieved from https://northernaustraliandairyhub.com.au/wp-content/uploads/2021/12/QDAS_2021.pdf

- The GVP for dairy milk in Queensland in 2020-21 was \$217 million, a slight decrease from \$218 million in 2018-19 (DAF, 2022b).

FARM MANAGEMENT DEPOSITS

- In December 2019, there were 228 FMD accounts for dairy (Figure 87). In December 2021, this fell to 213. This represents a 6.58 per cent decline in dairy accounts over this period.

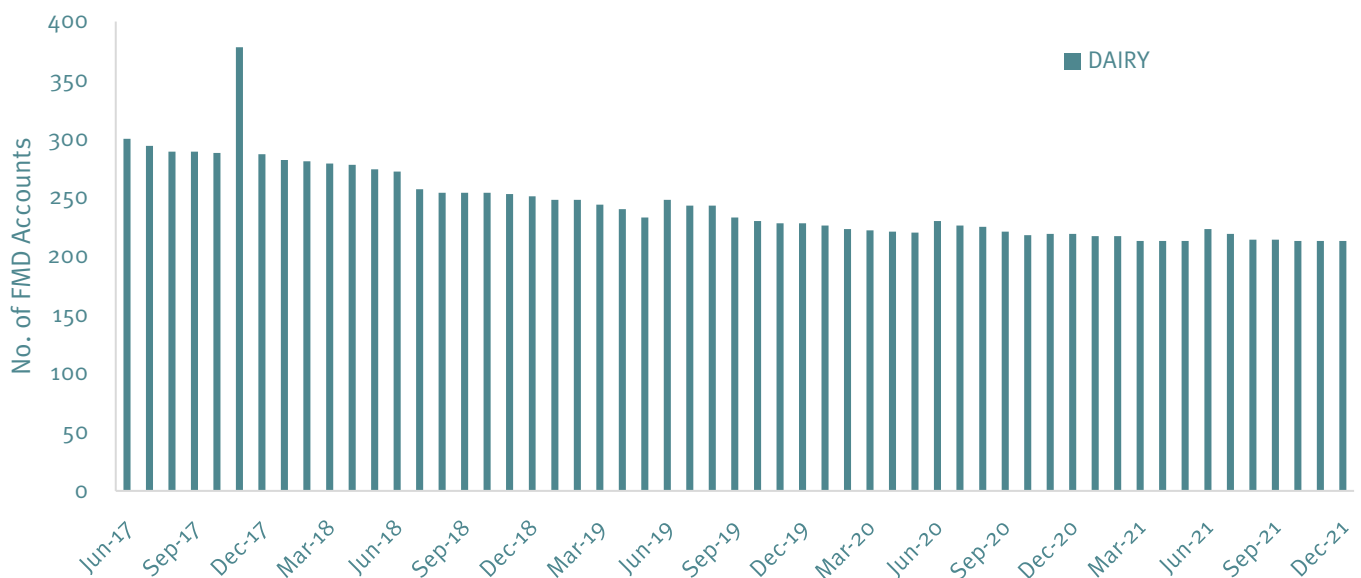


FIGURE 87: NUMBER OF DAIRY FMD ACCOUNTS IN QUEENSLAND

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

- In December 2021, the value of dairy deposits was \$21.30 million, an increase of 5.00 per cent from the \$20.28 million in December 2019.

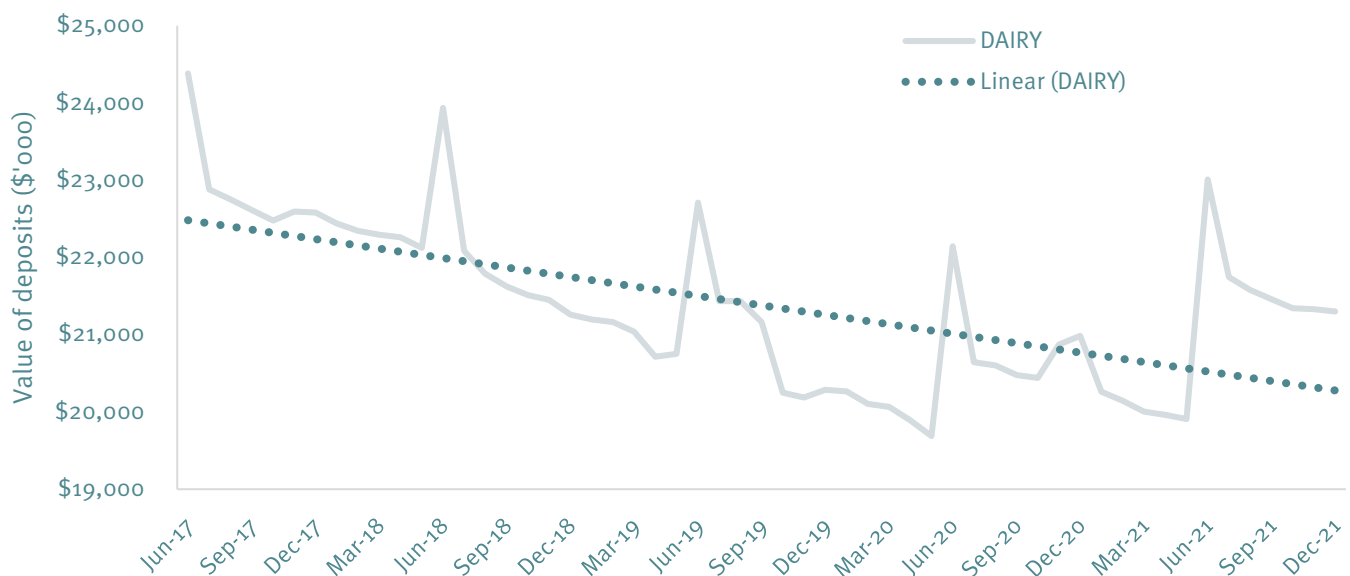
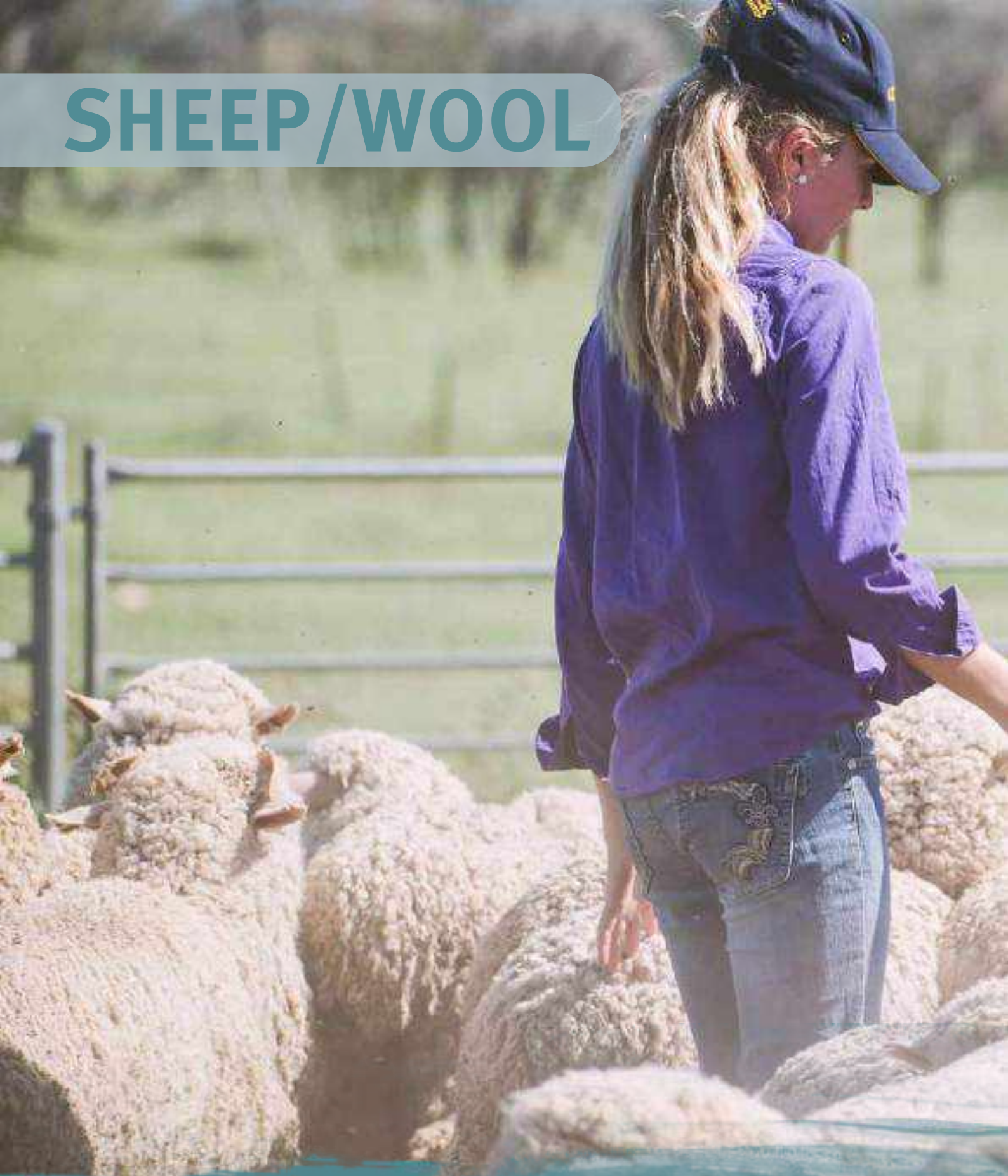


FIGURE 88: VALUE OF DAIRY FARM MANAGEMENT DEPOSITS (\$'000) IN QUEENSLAND JUNE 2017- DEC 2021

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2020, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

SHEEP/WOOL



Average debt
per borrower

\$729 thousand



1%

Percentage
of borrowers



1%

Percentage
of total debt

SHEEP/WOOL AT A GLANCE

TABLE 43: SUMMARY OF SHEEP/WOOL DEBT

AMOUNT	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	153,838	152,991	847	0.55%
Number of borrowers	211	246	-35	-14.23%
Average \$ debt per borrower (\$'000)	729	622	107	17.23%



0.55%
increase in
total debt

Sheep represents 0.64 per cent of total rural debt in 2021, up \$0.85 million or 0.55 per cent in value from 2019. The number of sheep borrowers declined and the proportion of sheep debt rated as either viable (A) or potentially long term viable (B+) increased to 97.65 per cent from 96.45 per cent in 2019.

KEY FINDINGS

- Since 2019, the total debt for sheep/wool has increased by 0.55 per cent or \$847,105.
- The number of borrowers has decreased by 35 to 211.
- Average debt per borrower has increased by 17.23 per cent to \$729,091.
- The proportion of debt rated as viable (A) has increased from 70.72 per cent to 73.78 per cent, while the proportion of debt rated potentially viable long term (B+) has decreased from 25.73 per cent to 23.87 per cent (Figure 90).
- There has been an increase in the value of viable (A) rated debt by 4.91 per cent and a decrease in the value of potentially viable long term (B+) rated debt by 6.71 per cent (Table 44).
- The region with the greatest amount of sheep/wool debt was the Western Downs and Central Highlands with \$46.02 million in debt and 29.91 per cent of the total sheep/wool debt.
- The Eastern Darling Downs region recorded a 102.80 per cent increase in debt to \$24.61 million and 16.00 per cent of the total sheep/wool debt.
- The Charleville – Longreach, West and South West and Western Downs and Central Highlands regions recorded decreases in debt of 13.49 per cent, 8.61 per cent and 4.86 per cent respectively.

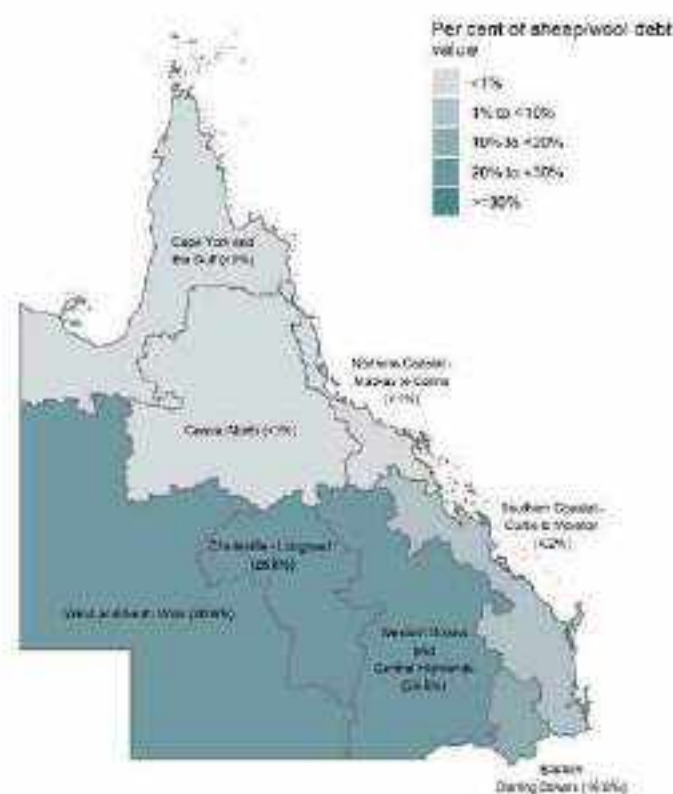


FIGURE 89: PER CENT OF TOTAL SHEEP/WOOL DEBT VALUE BY REGION

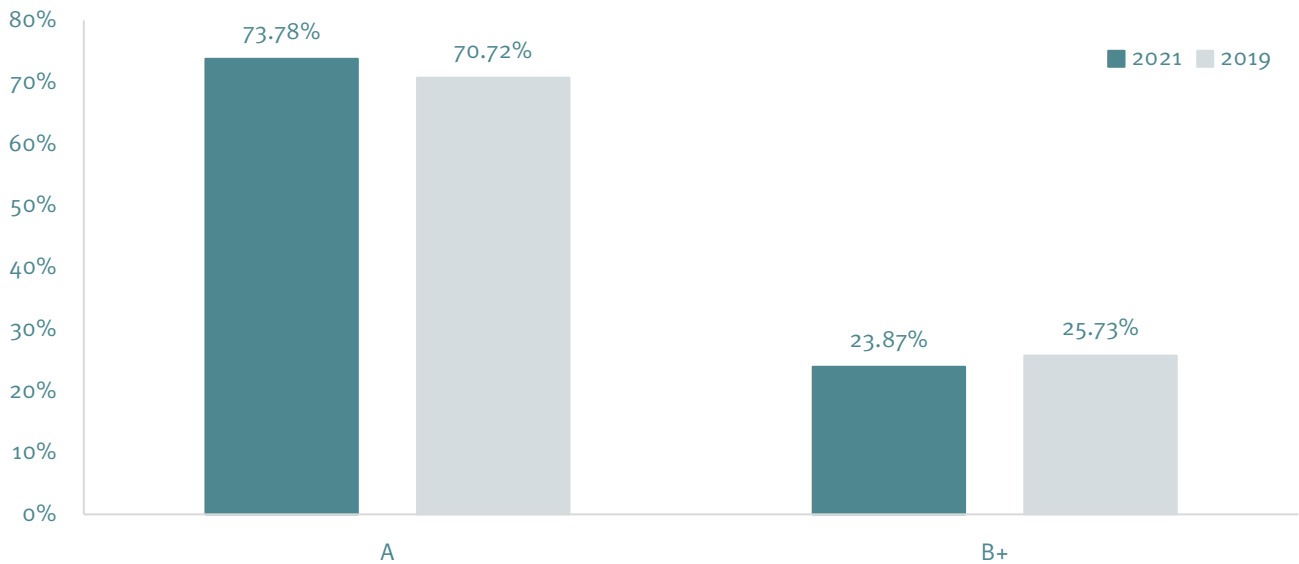


FIGURE 90: SHEEP/WOOL DEBT PROPORTION BY RISK RATING

TABLE 44: SHEEP/WOOL DEBT, NUMBER OF BORROWERS AND AVERAGE DEBT BY LOAN RATING

RATING	A	B+	B1	B2	C	TOTAL
2021 total debt (\$'000)	113,503	36,722	dw	dw	dw	153,838
Borrowers	135	66	dw	dw	dw	
Average debt per borrower (\$'000)	841	556	dw	dw	dw	
2019 total debt (\$'000)	108,192	39,364	dw	dw	dw	152,991
\$ movement (\$'000)	5,311	-2,642	dw	dw	dw	847
% movement	4.9	-6.7	dw	dw	dw	0.6

MOVEMENT OF SHEEP/WOOL DEBT VALUE SINCE 2019 BY RATING

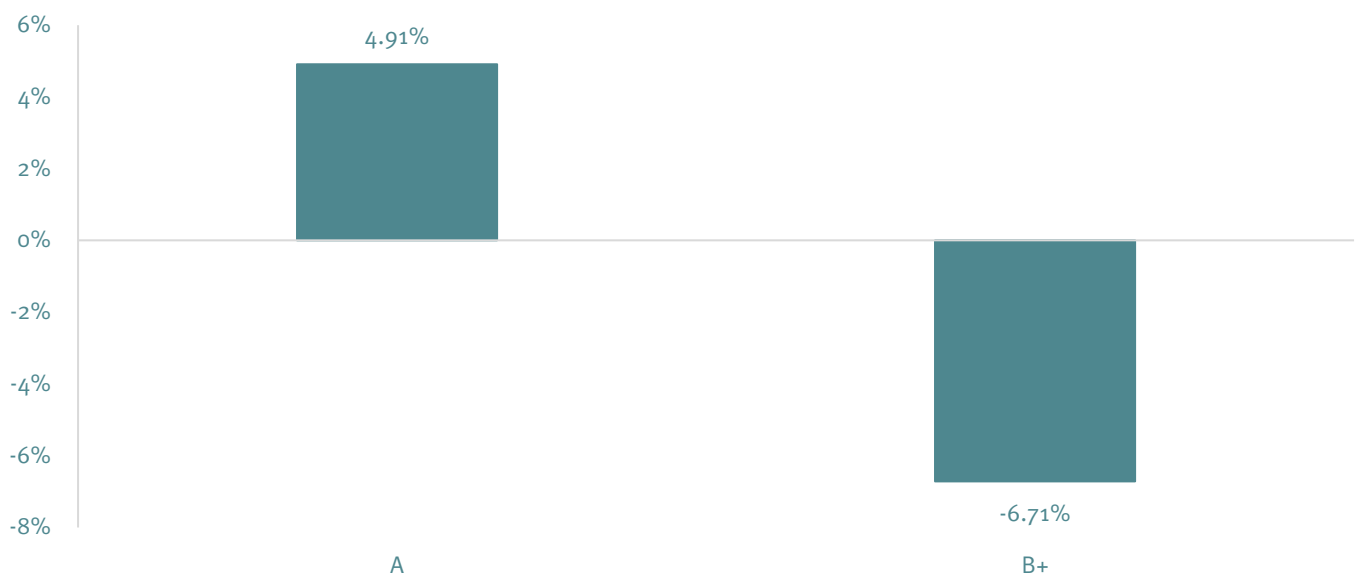


FIGURE 91: SHEEP/WOOL RISK RATING MOVEMENT 2019-2021

TABLE 45: DISSECTION OF SHEEP/WOOL DEBT BY REGION

ABARES REGION	2021 (\$'000)	% OF TOTAL SHEEP/ WOOL DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	\$ MOVEMENT (\$'000)	% MOVEMENT (\$'000)
Cape York and the Gulf	0	0.00%	0	0	0	0	0
Central North	229	0.15%	3	76	dw	dw	dw
Charleville - Longreach	44,323	28.81%	58	764	51,237	-6,914	-13.49%
Eastern Darling Downs	24,610	16.00%	45	547	12,136	12,475	102.80%
Northern Coastal - Mackay to Cairns	457	0.30%	3	152	dw	dw	Dw
Southern Coastal - Curtis to Moreton	6,451	4.19%	9	717	5,364	1,086	20.25%
West and South West	31,751	20.64%	39	814	34,741	-2,990	-8.61%
Western Downs and Central Highlands	46,017	29.91%	55	837	48,365	-2,349	-4.86%

INDUSTRY ENVIRONMENT

- The volume of Australian wool exports declined over the 2019-21 period with 393 kt exported in 2018-19 and 364kt exported in 2020-21. The volume of wool exports in 2020-21 was 35.7kt higher than in 2019-20 (ABARES, 2022j).
- In 2020-21, the GVP for wool in Queensland was \$63 million and for sheep and lambs it was also \$63 million (DAF, 2022b)*. This is down from \$108 million and up from \$57.81 million in 2018-19 respectively.
- The number of Australian sheep shorn has declined over the 2019-21 period with 76.8 million shorn in 2018-19 and 68.4 million shorn in 2020-21 (Figure 92). Queensland sheep shorn similarly fell from 2.2 million in 2018-19 to 2.1 million in 2019-20 (Figure 92).
- Australian meat sheep numbers have increased marginally over the 2019-21 period with 65.8 million sheep recorded in 2018-19 and 66.2 million sheep recorded in 2020-21.
- The average farm cash income for sheep in Queensland increased to an average of \$102,308 in 2020-21 from \$20,259 in 2018-19 (ABARES, 2022i).

*DAF adjusts for sheep, lamb and goats taken out of Queensland when calculating the GVP figure for sheep and lamb.

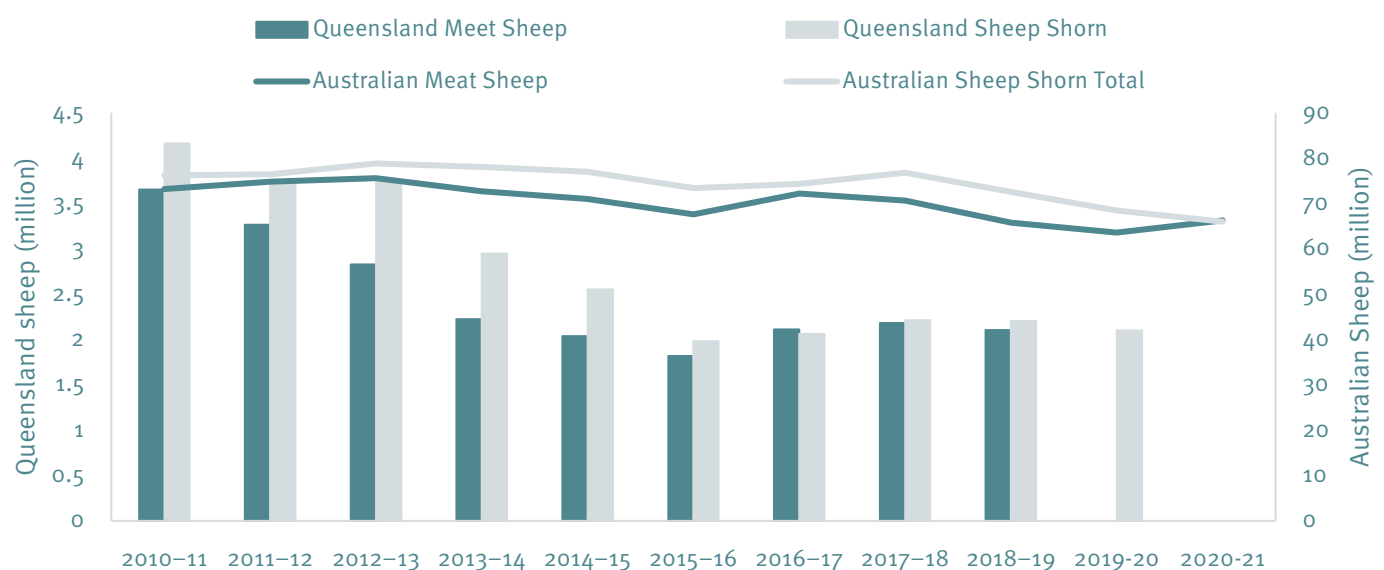


FIGURE 92: QUEENSLAND SHEEP NUMBERS

Numbers for Queensland Meat sheep 2019-20 and 2020-21 have not been released. Numbers for Queensland Sheep Shorn have not been released for 2020-21. Note. Reprinted from *Rural commodities - meat sheep total & Rural Commodities - wool tables*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2021, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#2020>; *Outlook for crops: March quarter 2022*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#agricultural-commodities>

- The Eastern Market Indicator, Figure 93, displays wool prices from 2010-11 through to 2020-21. There has been a notable decline in the price between 2018-19 and 2020-21. In 2018-19, the Eastern Market Indicator was 1,939 c/kg and has since decreased to 1194 c/kg in 2020-21. This represents a decline of 38.42 per cent.
- ABARES forecasts wool prices to remain steady in 2022-23, although this is dependent on the continuation of Chinese restrictions on South African wool, among other factors (ABARES, 2022c).

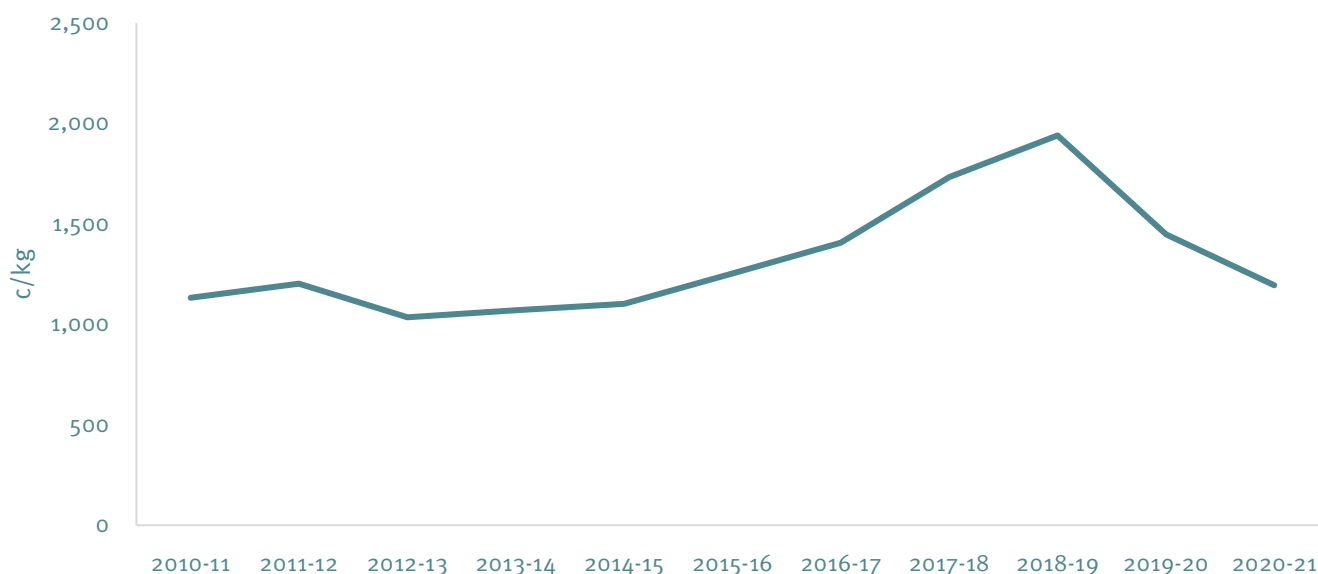


FIGURE 93: EASTERN MARKET INDICATOR, MARKET PRICES FOR AUSTRALIAN WOOL

Note. Reprinted from *Rural commodities - wool tables*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2021, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#2020>; *Outlook for crops: March quarter 2022*, by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, retrieved from <https://www.awe.gov.au/abares/research-topics/agricultural-outlook/data#agricultural-commodities>

FARM MANAGEMENT DEPOSITS

- FMD accounts have decreased over the 2019-21 period (Figure 94). There were 88 accounts in December 2021, down by 3 from 91 in December 2019.

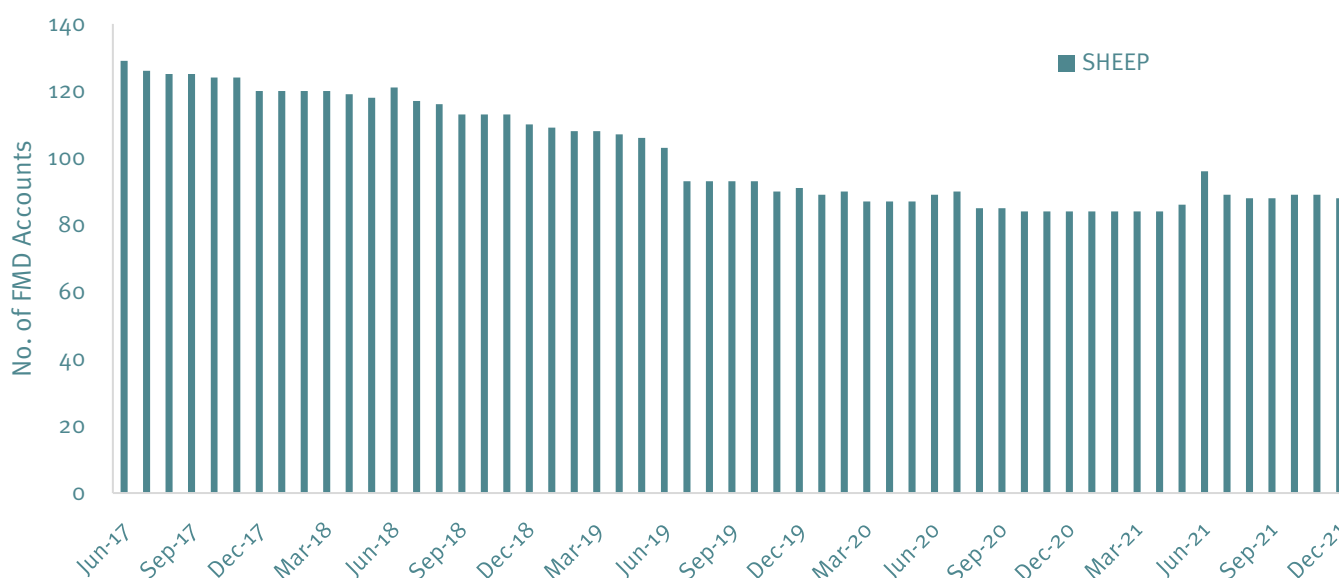


FIGURE 94: NUMBER OF SHEEP FMD ACCOUNTS IN QUEENSLAND

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

- The value of sheep deposits has marginally increased during the 2019-21 period although is reduced from 2017. In December 2019 the value of sheep deposits was \$8.89 million and in December 2021 the value had increased to \$8.90 million, an increase of 0.09 per cent (Figure 95).

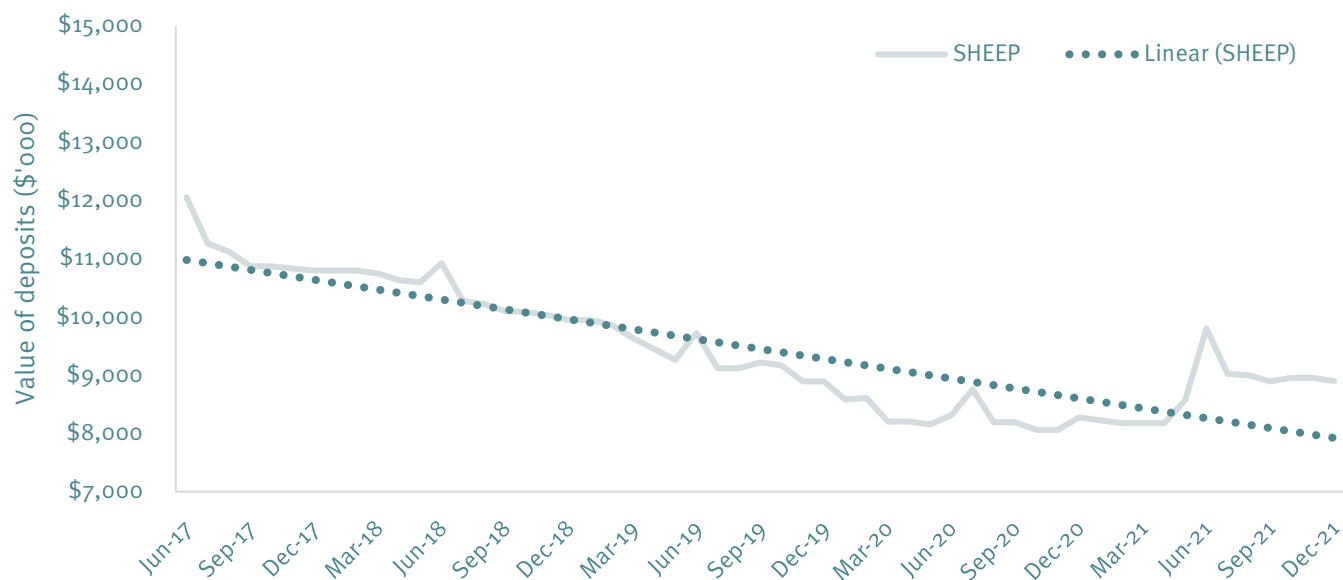


FIGURE 95: VALUE OF SHEEP FARM MANAGEMENT DEPOSITS (\$'000) IN QUEENSLAND JUNE 2017- DEC 2021

Note. Retrieved from *Farm Management Deposits* by Australian Government Department of Agriculture, Water and the Environment, 2022, Retrieved from <https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd/statistics>

MARINE



Average debt
per borrower

\$364 thousand



2%


Percentage
of borrowers



1%

Percentage
of total debt

TABLE 46: SUMMARY OF MARINE DEBT



26.54%
decrease in
total debt

KEY FINDINGS

-
- Percent of marine fishing debt value
- <1%
 - 1% to <10%
 - 10% to <20%
 - 20% to <30%
 - >30%
- Regions and their debt percentages:
- Cape York (H. G. 2.3%)
 - Central (0.7%)
 - Chesapeake - Long Beach (1.1%)
 - West and South West (1.1%)
 - Northwest Coast - Mackenzie Delta (22.5%)
 - Southwest Coast - Columbia River (24.2%)
 - Alaska (0.1%)
 - Central (0.1%)
 - Eastern (0.1%)

FIGURE 96: PER CENT OF MARINE FISHING DEBT VALUE BY REGION

- Central North, Northern Coastal – Mackay to Cairns and Southern Coastal – Curtis to Moreton all experienced reductions in debt by 57.25 per cent, 48.03 per cent and 10.79 per cent respectively (Table 48).

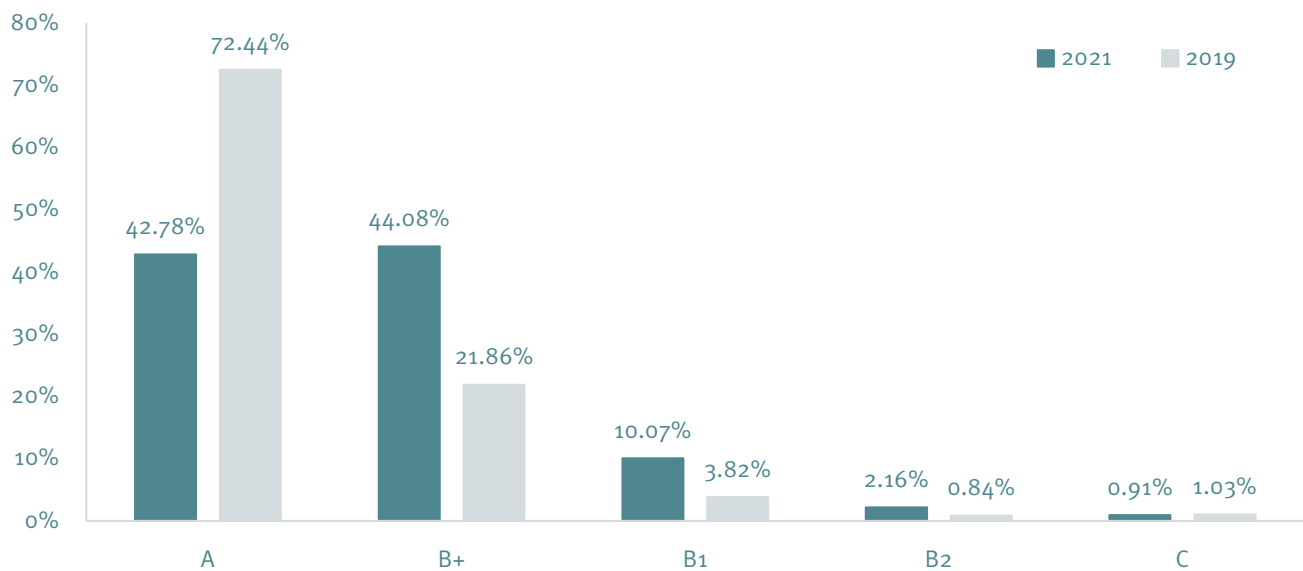


FIGURE 97: MARINE DEBT PROPORTION BY RISK RATING

TABLE 47: MARINE DEBT, NUMBER OF BORROWERS AND AVERAGE DEBT BY LOAN RATING

RATING	A	B+	B1	B2	C	TOTAL
2021 total debt (\$'ooo)	53,467	55,084	12,588	2,695	1,140	124,974
Borrowers	212	83	24	17	8	
Average debt per borrower (\$'ooo)	252	664	525	159	143	
2019 total debt (\$'ooo)	123,245	37,194	6,503	1,434	1,751	170,126
\$ movement (\$'ooo)	-69,778	17,890	6,085	1,261	-611	-45,152
% movement	-56.62%	48.10%	93.58%	87.97%	-34.88	-26.54%

MOVEMENT OF MARINE DEBT VALUE SINCE 2019 BY RATING

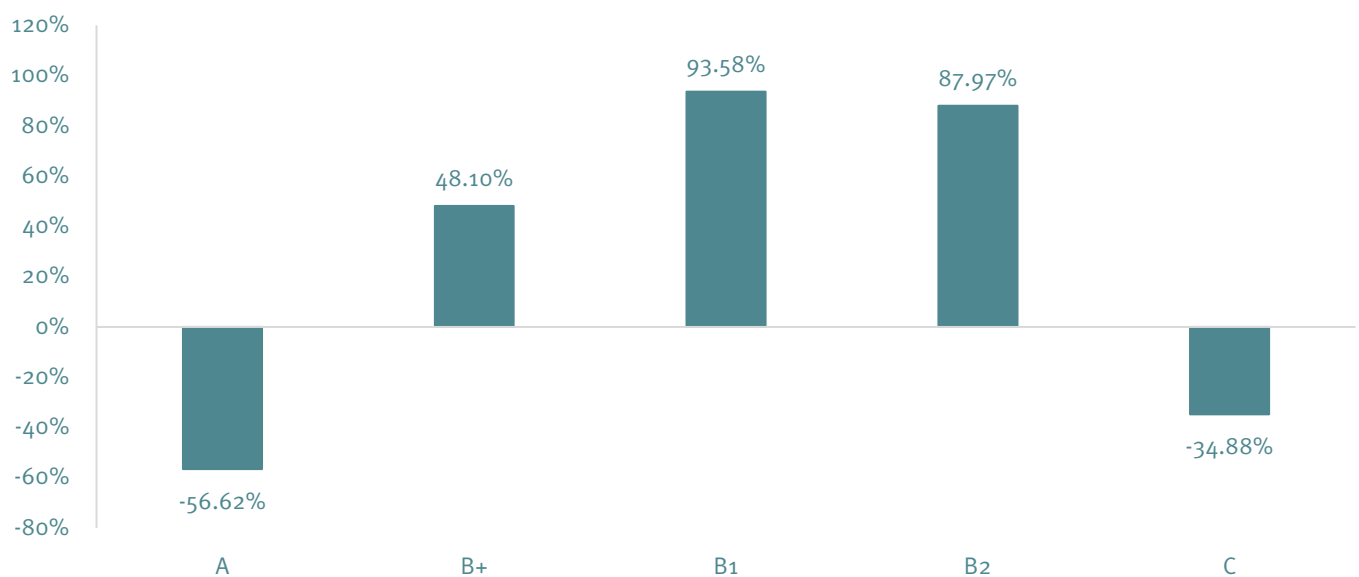


FIGURE 98: MARINE RISK RATING MOVEMENT 2019-2021

TABLE 48: DISSECTION OF MARINE DEBT BY REGION

ABARES REGION	2021 (\$'000)	% OF TOTAL MARINE DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	\$ MOVEMENT (\$'000)	% MOVEMENT (\$'000)
Cape York and the Gulf	3,352	2.68%	14	239	448	2,904	648.44%
Central North	390	0.31%	6	65	912	-522	-57.24%
Charleville - Longreach	0	0.00%	0	0	dw	dw	dw
Eastern Darling Downs	dw	dw	dw	dw	dw	dw	dw
Northern Coastal - Mackay to Cairns	40,626	32.51%	125	325	78,166	-37,541	-48.03%
Southern Coastal - Curtis to Moreton	80,181	64.16%	195	411	89,875	-9,694	-10.79%
West and South West	dw	dw	dw	dw	dw	dw	dw
Western Downs and Central Highlands	0	0.00%	0	0	0	0	0.00%

INDUSTRY ENVIRONMENT


- The GVP for crab has fallen from \$37.13 million in 2018-19 to \$35.24 million in 2020-21 (DAF, 2022b).
- For trawl, the GVP fell from \$99.29 million in 2018-19 to \$93.29 million in 2020-21 (DAF, 2022b).
- For finfish, the GVP increased from \$73.49 million in 2018-19 to \$76.47 million in 2020-21. Between 2019-20 and 2020-21 the GVP declined (DAF, 2022b).
- Several changes to commercial fishing rules were made during the 2019-21 period including quota-managed fishery regulations and the licensing framework (DAF, 2021).
- Commercial businesses in Queensland tend to operate in multiple fisheries (DAF, 2022c).
- In 2019-20 over 14,553t of catch was reported (DAF, 2022c).

VARIOUS INDUSTRIES

AQUACULTURE

TABLE 49: SUMMARY OF AQUACULTURE DEBT

AMOUNT	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	27,343	18,234	9,109	49.96%
Number of borrowers	55	55	0	0.00%
Average \$ debt per borrower (\$'000)	497	332	166	50.0%

 Average debt per borrower
\$497 thousand



PERCENTAGE OF
TOTAL DEBT
0.11%




PERCENTAGE OF
BORROWERS
0.32%

FORESTRY AND LOGGING

TABLE 51: SUMMARY OF FORESTRY AND LOGGING DEBT

AMOUNT	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	56,126	58,273	-2,147	-3.68%
Number of borrowers	157	189	-32	-16.93%
Average \$ debt per borrower (\$'000)	357	308	49	15.95%

 Average debt per borrower
\$357 thousand



PERCENTAGE OF
TOTAL DEBT
0.23%




PERCENTAGE OF
BORROWERS
0.90%

HUNTING AND TRAPPING

TABLE 53: SUMMARY OF HUNTING AND TRAPPING DEBT

AMOUNT	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	3,739	4,106	-367	-8.93%
Number of borrowers	23	32	-9	-28.13%
Average \$ debt per borrower (\$'000)	163	128	34	26.70%

 Average debt per borrower
\$163 thousand



PERCENTAGE OF
TOTAL DEBT
0.02%



PERCENTAGE OF
BORROWERS
0.01%

Included in this section is a summary of Aquaculture, Forestry and Logging, Hunting and Trapping, Services to Agriculture and other industries not elsewhere covered.

TABLE 50: DISSECTION OF AQUACULTURE DEBT BY REGION

ABARES REGION	2021 (\$'000)	% OF TOTAL AQUACULTURE DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	\$ MOVEMENT (\$'000)	% MOVEMENT (\$'000)
Cape York and the Gulf	0	0.00%	0	0	0	0	0
Central North	dw	dw	dw	dw	dw	dw	dw
Charleville - Longreach	0	0.00%	0	0	0	0	0
Eastern Darling Downs	dw	dw	dw	dw	dw	dw	dw
Northern Coastal - Mackay to Cairns	11,335	41.46%	11	1,030	2,865	8,470	295.62%
Southern Coastal - Curtis to Moreton	13,797	50.46%	39	354	13,473	324	2.40%
West and South West	0	0.00%	0	0	0	0	0
Western Downs and Central Highlands	0	0.00%	0	0	0	0	0

TABLE 52: DISSECTION OF FORESTRY AND LOGGING BY REGION

ABARES REGION	2021 (\$'000)	% OF TOTAL FORESTRY & LOGGING DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	\$ MOVEMENT (\$'000)	% MOVEMENT (\$'000)
Cape York and the Gulf	0	0.00%	0	0	dw	dw	dw
Central North	dw	dw	dw	dw	dw	dw	dw
Charleville - Longreach	0	0.00%	0	0	dw	dw	dw
Eastern Darling Downs	3,627	6.46%	20	181	3,391	236	6.94%
Northern Coastal - Mackay to Cairns	dw	dw	dw	dw	dw	dw	dw
Southern Coastal - Curtis to Moreton	41,251	73.50%	99	417	41,743	-492	-1.18%
West and South West	0	0.00%	0	0	dw	dw	dw
Western Downs and Central Highlands	1,329	2.37%	17	78	2,494	-1,165	-46.71%

TABLE 54: DISSECTION OF HUNTING AND TRAPPING DEBT BY REGION


ABARES REGION	2021 (\$'000)	% OF TOTAL HUNTING & TRAPPING DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	\$ MOVEMENT (\$'000)	% MOVEMENT (\$'000)
Cape York and the Gulf	0	0.00%	0	0	0	0	0
Central North	0	0.00%	0	0	0	0	0
Charleville - Longreach	669	17.89%	5	134	766	-97	-12.67%
Eastern Darling Downs	dw	dw	dw	dw	dw	dw	dw
Northern Coastal - Mackay to Cairns	dw	dw	dw	dw	dw	dw	dw
Southern Coastal - Curtis to Moreton	2,926	78.26%	13	225	2,752	174,229	6.33%
West and South West	0	0.00%	0	0	364	-364	-100.00%
Western Downs and Central Highlands	dw	dw	dw	dw	dw	dw	dw

SERVICES TO AGRICULTURE

TABLE 55: SUMMARY OF SERVICES TO AGRICULTURE DEBT

AMOUNT	2021	2019	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	782,327	805,708	-23,381	-2.90%
Number of borrowers	1,831	2,069	-238	-11.50%
Average \$ debt per borrower (\$'000)	427	389	38	9.72%

- Services to agriculture includes cotton ginning, shearing services and other agriculture and fishing support services.
- Whilst this industry makes up more than 10 per cent of borrowers, the industry only makes up 3.25 per cent of total rural debt with an average debt per borrower of \$427,267.

 Average debt per borrower
\$427 thousand



PERCENTAGE OF
TOTAL DEBT
3.25%




PERCENTAGE OF
BORROWERS
10.53%

OTHER - NOT COVERED ELSEWHERE

TABLE 57: SUMMARY OF OTHER DEBT

AMOUNT	2019	2017	\$ MOVEMENT	% MOVEMENT
Total debt (\$'000)	523,408	402,998	120,411	29.88%
Number of borrowers	1,020	1,093	-73	-6.68%
Average \$ debt per borrower (\$'000)	513	369	144	39.17%

- Other is made up of a range of industries including beekeeping, rice growing, nursery and floriculture production, mushroom growing, forestry support services and some other crops.
- Whilst the number of borrowers in this category has declined by 6.68 per cent the total debt has increased by 29.88 per cent.

 Average debt per borrower
\$513 thousand



PERCENTAGE OF
TOTAL DEBT
2.18%



PERCENTAGE OF
BORROWERS
5.86%

TABLE 56: DISSECTION OF SERVICES TO AGRICULTURE DEBT BY REGION

ABARES REGION	2021 (\$'000)	% OF TOTAL SERVICES TO AGRICULTURE DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	\$ MOVEMENT (\$'000)	% MOVEMENT (\$'000)
Cape York and the Gulf	2,222	0.28%	8	278	1,217	1,006	82.65%
Central North	18,419	2.35%	80	230	15,456	2,963	19.17%
Charleville - Longreach	13,388	1.71%	39	343	9,452	3,935	41.63%
Eastern Darling Downs	124,861	15.96%	319	391	145,341	-20,479	-14.09%
Northern Coastal - Mackay to Cairns	103,553	13.24%	379	273	129,055	-25,502	-19.76%
Southern Coastal - Curtis to Moreton	363,971	46.52%	569	640	353,429	10,542	2.98%
West and South West	7,630	0.98%	26	293	9,031	-1,401	-15.51%
Western Downs and Central Highlands	148,281	18.95%	412	360	142,727	5,554	3.89%

TABLE 58: DISSECTION OF OTHER BY REGION

ABARES REGION	2021 (\$'000)	% OF TOTAL OTHER INDUSTRY DEBT	NUMBER OF BORROWERS	AVERAGE DEBT PER BORROWER (\$'000)	2019 (\$'000)	\$ MOVEMENT (\$'000)	% MOVEMENT (\$'000)
Cape York and the Gulf	dw	dw	dw	dw	dw	dw	dw
Central North	19,227	3.67%	38	506	15,301	3,926	25.66%
Charleville - Longreach	1,650	0.32%	5	330	dw	dw	dw
Eastern Darling Downs	93,968	17.95%	151	622	95,926	-1,958	-2.04%
Northern Coastal - Mackay to Cairns	63,972	12.22%	168	381	69,714	-5,742	-8.24%
Southern Coastal - Curtis to Moreton	293,630	56.10%	520	565	173,321	120,309	69.41%
West and South West	dw	dw	dw	dw	499	dw	dw
Western Downs and Central Highlands	50,632	9.67%	134	378	44,598	6,034	13.53%

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APPENDIX

APPENDIX

APPENDIX I: FARM DEBT SERVICES

FARM BUSINESS DEBT MEDIATION IN QUEENSLAND

As of July 2017, Farm Business Debt Mediation (FBDM) became mandatory in Queensland and is overseen by the Queensland Rural and Industry Development Authority (QRIDA). FBDM provides an efficient and equitable way for farmers and mortgagees to attempt to resolve matters relating to farm business debts.

This program, part of the *Farm Business Debt Mediation Act 2017* (Qld), aims to protect the interests of both primary producers and their lenders by requiring them to offer a formal, impartial mediation process to resolve disputes before foreclosure can take place. To assist in the process, QRIDA currently has a panel of 29 accredited mediators from whom the farmer and lender can agree to engage to conduct the mediation.

Since the implementation of this program to 31 December 2021, over 304 mediation matters were initiated, representing a broad cross section of farming industry and Local Government Areas.

In the period between 31 December 2019 and 31 December 2021, 119 mediation matters were initiated.

FARM DEBT RESTRUCTURE OFFICE

On 1 January 2018, the Farm Debt Restructure Office (FDRO) and the associated Farm Business Analysis Assistance program commenced operations to assist farmers in times of financial distress under the *Rural and Regional Adjustment Act 1994* (Qld).

The Office, administered and overseen by QRIDA, is located regionally. Since commencement, 74 applications for assistance under the Farm Business Analysis Assistance program have been received across a broad range of industries.

Of these applications, 30 were in the period between 31 December 2019 and 31 December 2021.

The FDRO helps primary producers in financial difficulty by providing access to an unbiased, no-cost, no-obligation assessment of their business from an independent farm debt restructuring specialist.

This program has processed applications worth over \$192.5 million in liabilities, resulting in \$3.61 million of direct interest savings and professional fees for primary producers.

APPENDIX II: TOTAL DEBT BY ABARES REGION BY LOAN RATING

ABARES REGION		A	B+	B1	B2	C	TOTAL
Cape York & the Gulf	\$	120,997,014	16,293,581	1,080,132	dw	dw	140,073,969
	%	0.7	0.3	0.1	dw	dw	0.6
Central North	\$	1,384,537,881	539,631,906	42,128,565	25,073,750	20,774,817	2,012,146,919
	%	7.6	11.4	5.4	13.0	8.6	8.4
Charleville - Longreach	\$	1,228,928,563	306,044,821	38,283,901	dw	dw	1,582,077,036
	%	6.8	6.5	4.9	dw	dw	6.6
Eastern Darling Downs	\$	2,426,903,384	669,324,919	168,013,502	35,296,084	42,884,032	3,342,421,922
	%	13.4	14.2	21.6	18.4	17.9	13.9
Northern Coastal - Mackay to Cairns	\$	1,969,090,403	307,818,061	61,629,052	14,256,388	48,916,148	2,401,710,052
	%	10.9	6.5	7.9	7.4	20.4	10.0
Southern Coastal - Curtis to Moreton	\$	3,893,201,949	1,239,543,753	213,604,724	63,914,453	51,460,621	5,461,725,500
	%	21.5	26.3	27.4	33.2	21.4	22.7
West & South West	\$	455,641,240	99,981,802	37,016,935	7,397,994	2,506,086	602,544,057
	%	2.5	2.1	4.8	3.8	1.0	2.5
Western Downs & Central Highlands	\$	6,650,842,994	1,535,781,588	216,904,224	40,904,830	68,649,211	8,513,082,846
	%	36.7	32.6	27.9	21.3	28.6	35.4
TOTAL	\$	18,130,143,428	4,714,420,431	778,661,036	192,322,064	240,235,342	24,055,782,301
	%	100.0	100.0	100.0	100.0	100.0	100.0

Note: Some rows and columns may not sum exactly as 'total' amounts include data withheld figures, or are capturing the total reportable amount.

APPENDIX III - TOTAL DEBT BY INDUSTRY BY ABARES REGION

INDUSTRY	CAPE YORK & THE GULF	CENTRAL NORTH	CHARLEVILLE - LONGREACH	EASTERN DARLING DOWNS	NORTHERN COASTAL - MACKAY TO CAIRNS	SOUTHERN COASTAL - CURTIS TO MORETON	WEST AND SOUTH WEST	WESTERN DOWNS AND CENTRAL HIGHLANDS	TOTAL	
Aquaculture	\$	o	dw	o	dw	11,335,122	13,796,922	o	o	27,343,158
	%	o.o	dw	o.o	dw	0.5	0.3	o.o	o.o	0.1
Beef	\$	133,485,749	1,743,007,515	1,489,325,557	1,178,704,407	687,139,509	2,680,733,342	525,984,372	5,253,113,831	13,691,494,284
	%	95.3	86.6	94.1	35.3	28.6	49.1	87.3	61.7	56.9
Cotton	\$	o	dw	o	469,475,666	16,083,882	135,745,604	dw	1,042,644,242	1,688,539,209
	%	o.o	dw	o.o	14.0	0.7	2.5	dw	12.2	7.0
Dairy	\$	o	dw	o	64,308,473	27,472,266	110,593,411	dw	10,959,826	218,143,136
	%	o.o	dw	o.o	1.9	1.1	2.0	dw	0.1	0.9
Forestry and Logging	\$	o	dw	o	3,627,017	dw	41,251,057	o	1,329,115	56,125,526
	%	o.o	dw	o.o	0.1	dw	0.8	o.o	o.o	0.2
Grain (summer and winter)	\$	o	13,933,330	o	732,028,115	12,236,480	88,858,330	o	690,380,333	1,537,436,588
	%	o.o	0.7	o.o	21.9	0.5	1.6	o.o	8.1	6.4
Grain/ Grazing (Sheep and/ or Cattle)	\$	dw	5,517,833	22,249,071	268,645,688	18,994,096	254,056,111	dw	1,099,142,315	1,686,250,424
	%	dw	0.3	1.4	8.0	0.8	4.7	dw	12.9	7.0
Horticulture - Tree crops (mangoes, pawpaws, bananas, citrus etc.)	\$	dw	143,447,744	o	99,997,599	345,185,767	493,220,038	o	dw	1,108,152,222
	%	dw	7.1	o.o	3.0	14.4	9.0	o.o	dw	4.6
Horticulture - Vegetables	\$	dw	18,892,448	o	65,333,060	91,914,977	397,856,162	o	dw	585,638,988
	%	dw	0.9	o.o	2.0	3.8	7.3	o.o	dw	2.4
Hunting and Trapping	\$	o	o	668,979	dw	dw	2,926,375	o	dw	3,739,474
	%	o.o	o.o	o.o	dw	dw	0.1	o.o	dw	0.0
Intensive Livestock (pigs, poultry etc.)	\$	o	7,562,181	10,472,917	216,803,975	8,411,115	395,449,520	19,310,729	132,955,481	790,965,919
	%	o	0.4	0.7	6.5	0.4	7.2	3.2	1.6	3.3
Marine Fishing	\$	3,352,142	389,992	o	dw	40,625,722	80,180,685	dw	o	124,974,363
	%	2.4	0.0	o.o	dw	1.7	1.5	dw	o.o	0.5
Services to Agriculture	\$	2,222,480	18,419,097	13,387,836	124,861,417	103,553,139	363,971,292	7,630,420	148,280,999	782,326,680
	%	1.6	0.9	0.8	3.7	4.3	6.7	1.3	1.7	3.3
Sheep/Wool	\$	o	229,248	44,322,904	24,610,394	457,331	6,450,733	31,751,077	46,016,564	153,838,250
	%	o.o	o.o	2.8	0.7	o.o	0.1	5.3	0.5	0.6
Sugar	\$	o	9,952,177	o	o	964,447,594	103,005,865	o	o	1,077,405,636
	%	o.o	0.5	o.o	o.o	40.2	1.9	o.o	o.o	4.5
Other	\$	dw	19,227,012	1,649,772	93,967,889	63,972,161	293,630,053	Dw	50,632,096	523,408,442
		dw	1.0	0.1	2.8	2.7	5.4	dw	0.6	2.2
TOTAL	\$	140,073,969	2,012,146,919	1,582,077,036	3,342,421,922	2,401,710,052	5,461,725,500	602,544,057	8,513,082,846	24,055,782,301
	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: Some rows and columns may not sum exactly as 'total' amounts include data withheld figures, or are capturing the total reportable amount.

APPENDIX IV: TOTAL DEBT BY INDUSTRY BY LOAN RATING

INDUSTRY		A	B+	B1	B2	C	TOTAL
Aquaculture	\$	14,357,612	1,657,967	2,226,112	917,452	8,184,016	27,343,158
	%	0.1	0.0	0.3	0.5	3.4	0.1
Beef	\$	10,755,036,823	2,385,908,644	404,533,750	86,828,188	59,186,878	13,691,494,284
	%	59.3	50.6	52.0	45.1	24.6	56.9
Cotton	\$	1,436,863,471	202,408,884	18,230,983	9,328,951	21,706,921	1,688,539,209
	%	7.9	4.3	2.3	4.9	9.0	7.0
Dairy	\$	160,708,938	28,609,974	11,291,619	2,857,632	14,674,973	218,143,136
	%	0.9	0.6	1.5	1.5	6.1	0.9
Forestry and Logging	\$	18,104,701	16,422,158	2,896,801	14,511,470	4,190,396	56,125,526
	%	0.1	0.3	0.4	7.5	1.7	0.2
Grain (summer and winter)	\$	1,116,276,723	319,453,053	62,224,573	13,483,054	25,999,186	1,537,436,588
	%	6.2	6.8	8.0	7.0	10.8	6.4
Grain/Grazing (Sheep and/or Cattle)	\$	851,917,127	747,739,485	61,050,926	13,017,313	12,525,574	1,686,250,424
	%	4.7	15.9	7.8	6.8	5.2	7.0
Horticulture - Tree crops (mangoes, pawpaws, bananas, citrus etc.)	\$	896,690,501	130,791,848	47,252,580	4,432,950	28,984,343	1,108,152,222
	%	4.9	2.8	6.1	2.3	12.1	4.6
Horticulture - Vegetables	\$	442,713,300	100,098,426	15,119,908	10,858,115	16,849,240	585,638,988
	%	2.4	2.1	1.9	5.6	7.0	2.4
Hunting and Trapping	\$	641,708	2,835,602	dw	dw	dw	3,739,474
	%	0.0	0.1	dw	dw	dw	0.0
Intensive Livestock (pigs, poultry etc.)	\$	675,584,019	73,426,371	23,923,582	12,939,661	5,092,286	790,965,919
	%	3.7	1.6	3.1	6.7	2.1	3.3
Marine Fishing	\$	53,466,730	55,083,740	12,588,046	2,695,375	1,140,472	124,974,363
	%	0.3	1.2	1.6	1.4	0.5	0.5
Services to Agriculture	\$	391,663,259	301,707,036	61,386,573	10,494,880	17,074,933	782,326,680
	%	2.2	6.4	7.9	5.5	7.1	3.3
Sheep/Wool	\$	113,502,911	36,721,565	dw	dw	dw	153,838,250
	%	0.6	0.8	dw	dw	dw	0.6
Sugar	\$	827,017,204	191,149,927	34,989,793	7,661,539	16,587,174	1,077,405,636
	%	4.6	4.1	4.5	4.0	6.9	4.5
Other	\$	375,598,402	120,405,751	18,306,335	2,245,445	6,852,510	523,408,442
	%	2.1	2.6	2.4	1.2	2.9	2.2
TOTAL	\$	18,130,143,428	4,714,420,431	778,661,036	192,322,064	240,235,342	24,055,782,301
	%	100.0	100.0	100.0	100.0	100.0	100.0

Note: Some rows and columns may not sum exactly as 'total' amounts include data withheld figures, or are capturing the total reportable amount.

APPENDIX V: REPORT ASSUMPTIONS, DEFINITIONS AND METHODOLOGY

ATTRIBUTION

To attribute, cite Queensland Rural and Industry Development Authority, *2021 Queensland Rural Debt Survey*.

ACRONYMS

ACRONYM	DEFINITION
ABARES	Australian Bureau of Agriculture and Resource Economics and Sciences
ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
BOM	Australian Bureau of Meteorology
DW	Data withheld
FMD	Farm Management Deposit
GVP	Gross Value of Production
QGSO	Queensland Government Statisticians Office
QRIDA	Queensland Rural and Industry Development Authority
RBA	Reserve Bank of Australia
TC	Tropical Cyclone

ASSUMPTIONS

LENDING INSTITUTIONS

Lending institutions were requested to provide their ratings of debt based on their own assumptions to conform with the ratings requested.

ABARES DATA

Where data has been provided by ABARES, it must be noted that this is a statistical figure derived from a series of surveys that has been extrapolated.

ROUNDING

Figures, numbers and percentages displayed within the tables have been rounded to two decimal places where possible and may not sum exactly.

TABLES AND DATA OUTPUTS

Please note, some table rows and columns may not sum exactly to total figures due to variances in total reportable figure amounts or the inclusion of 'dw' figures.

WHOLE NUMBERS

Where possible, whole numbers have been used in calculations prior to rounding them. This may have caused a variation to the calculated figures presented.

BORROWERS

Some rural borrowers may have more than one source of finance or a loan from an institution that was not defined in this survey. Individual totals (e.g. industry borrowers) may not equate to total overall borrowers due to some borrowers farming more than one commodity.

FARM MANAGEMENT DEPOSITS

It is not detailed by which classification that FMDs use for industry results, thus some variation may occur between the Rural Debt Groupings and the FMD Groupings.

Additionally, FMD data, states:

The total number of accounts does not indicate the number of primary producers participating in the FMD Scheme as a primary producer may hold multiple FMD accounts. In addition, the value of deposits reported may be greater than the actual level of FMDs as primary producers may choose not to claim a tax deduction for all deposits held in FMD accounts.

DEFINITIONS

To ensure a consistent delivery, the definitions for the 2021 survey align with previous surveys.

dw - data withheld - to ensure confidentiality of results but included in total where applicable.

FARMING BUSINESS is defined as an agricultural, apicultural, dairy farming, horticultural, land-based aquacultural, pastoral, poultry keeping or viticultural business; or another business that involves cultivating the soil, gathering crops or rearing livestock; or a business that involves cutting timber for sale; or another business prescribed by regulation to be a farming business and includes a business under a share farming agreement and providing land for a business.

INDUSTRY CLASSIFICATIONS align with the Australian and New Zealand Standards Industrial Classifications (ANZSIC) 2006. The participating lending institutions were requested to supply their information in line with these classifications.

RISK CATEGORIES

- A: Considered viable under most/all circumstances
- B+: Experienced debt servicing difficulties under present circumstances – potentially viable long term
- B1: Experiencing debt servicing difficulties under present circumstances – debt situation deteriorating and in danger of becoming non-viable will continue to receive support of lender (top 50% of category)
- B2: Experiencing debt servicing difficulties under present circumstances – debt situation deteriorating and in danger of becoming non-viable (bottom 50% of category)
- C: Considered non-viable

RURAL DEBT is defined as the total indebtedness of all farmers/rural enterprises throughout Queensland, where the servicing of the rural debt relies primarily on rural generated income. This includes term debt, commercial bills, equipment/asset finance, and overdrafts/working capital facilities. Elements of rural debt specifically excluded:

- vendor financing of rural property purchases
- personal and intra-family loans
- borrowings for farm investment purposes, by persons/business whose principal occupation is other than primary production, enabling debt servicing from other income streams.

TERMS OF REFERENCE

The 2021 Queensland Rural Debt Survey sought to, as at 31 December 2021, identify the extent, nature and size of, and trends in the total rural indebtedness in Queensland with respect to:

- Queensland at a state level
- average per borrower
- Queensland by region and industry
- total by risk rating categories
- comparison on previous survey.

REQUESTED INFORMATION

Financial institutions were requested to provide the following details, as at 31 December 2021, for each rural loan:

- a unique customer identifier
- the postcode and suburb of each customer's farm property address
- the industry class code from the Australian and New Zealand Standard Industrial Classification 2006 (ANZSIC)
- the viability rating of each loan
- the total value of the loan.

METHODOLOGY

SURVEY METHOD

- The data fields requested included postcode and suburb, shire/city of business, industry, loan rating and total value of the loan.
- Secure File Transfer: To enable secure transfer of confidential files, financial institutions were requested to return loan information using the Queensland Treasury secure file transfer system, Kiteworks. The eight financial institutions who opted to use this approach were provided with a password protected link to access the secure system after indicating to one of QGSO's contact officers that data were ready for transfer. Once uploaded, QGSO compiled the information in a secure data folder and the Kiteworks record was deleted. The remaining two financial institutions chose to provide their files by email. One did so as the contact was less familiar with the processes and requirements of the survey. The other explained that their policy did not support the use of Kiteworks and password protected files with a two-step verification method was preferred.
- The final data table summary was provided to QRIDA.
- QRIDA undertook an analysis to compare 2021 data to the 2019 survey utilising the QGSO data provided.
- Further commentary was collated throughout the survey analysis with assistance from agricultural linked organisations as well as publicly available databases.
- The information provided from lending institutions, previous survey data and industry commentary were all collated into the final report.

SURVEY EVALUATION

Note. Reprinted from Queensland Government Statistician's Office, Queensland Treasury, *Rural Debt Survey 2021*, Survey Review.

CHECKS AND QUERIES

All received files were checked for accuracy and completeness. Several financial institutions were contacted to discuss a small number of specific data queries (e.g. loan rating system used, duplicates and address information). In all cases, the financial institutions were able to provide clarification on the specific issues and where necessary, provide amended data.

STANDARDISATION

QGSO standardised the data received based on QRIDA's specifications to ensure consistent reporting with previous Rural Debt Surveys.

INDUSTRY

As with previous years, financial institutions largely provided four digit ANZSIC industry class codes as requested in the Approved Form. However, a few financial institutions used ANZSIC 1993 (instead of 2006), including a mix of their own internal industry classification system and ANZSIC or included out of scope records (i.e. records that could not be classified into rural debt industries).

Short consultations with these institutions either led to the reissuing of data or the provision of a concordance file to support the recoding of relevant records.

CHANGE TO ADDRESS INFORMATION FROM 2019 SURVEY

In 2019, full farm property information was requested from participating financial institutions to improve the accuracy of geocoding and to better determine the number of borrowers within and across financial institutions. Due to privacy concerns by some banks, as well as the limitations of data recording systems, this led to a variety of different address information being provided to QGSO, which added complexity to data cleaning, geocoding and analysis.

As such, it was decided that the 2021 survey would just request suburb and postcode information to streamline data collected and to ensure that all participating financial institutions would comply with the request.

LOAN RATING

One financial institution used a different loan rating system to the other banks and lenders (using two letters to represent viability and security instead of a single letter used by the others). Through consultation, we were able to ascertain that the same internal rating system concordance provided by that financial institution in 2019 could be applied if the 'security' letter was dropped. This rating system was then converted into the five category system used by the other financial institutions.

USE OF DERIVED VARIABLES

For the purpose of generating results to meet the objectives of this survey:

- address information was used to derive: ABARES regions, Statistical Area 4 regions, Local Government Areas
- unique customer IDs were used to calculate: the number of borrowers, the average (mean) debt per borrower, the median debt of borrowers.

As the boundaries of SA4S and Local Government Areas were updated in 2021, it is possible that a small number of records might have been allocated differently than for previous rural debt collections.

ABARES REGIONS

ABARES regions for 2019 and 2021 were the same.

ABARES REGIONS
Cape York and the Gulf
Central North
Charleville - Longreach
Eastern Darling Downs
Northern Coastal - Mackay to Cairns
Southern Coastal - Curtis to Moreton
West and South West
Western Downs and Central Highlands

‘INDUSTRY’ AND ANZSIC CLASSIFICATIONS 2019 AND 2021

RURAL DEBT INDUSTRY	ANZSIC CLASSIFICATION 2019 AND 2021 SURVEY
Beef	Class 0142 Beef Cattle Farming (Specialised) Class 0143 Beef Cattle Feedlots (Specialised) Class 0144 Sheep-Beef Cattle Farming
Cotton	Class 0152 Cotton Growing
Dairy	Group 016 Dairy Cattle Farming
Grain (summer and winter)	Class 0149 Other Grain Growing
Grain/Grazing (sheep and/or cattle)	Class 0145 Grain-Sheep or Grain-Beef Cattle Farming
Horticulture – Vegetables	Class 0122 Vegetable Growing (Under Cover) Class 0123 Vegetable Growing (Outdoors)
Horticulture – Tree crops (mangoes, pawpaws, bananas, citrus etc.)	Group 013 Fruit and Tree Nut Growing Class 0131 Grape Growing Class 0132 Kiwifruit Growing Class 0133 Berry Fruit Growing Class 0134 Apple and Pear Growing Class 0135 Stone Fruit Growing Class 0136 Citrus Fruit Growing Class 0137 Olive Growing Class 0139 Other Fruit and Tree Nut Growing
Intensive Livestock (pigs, poultry etc.)	Group 017 Poultry Farming Class 0171 Poultry Farming (Meat) Class 0172 Poultry Farming (Eggs) Group 018 Deer Farming Class 0180 Deer Farming Group 019 Other Livestock Farming Class 0191 Horse Farming Class 0192 Pig Farming Class 0199 Other Livestock Farming n.e.c.
Sheep/Wool	Class 0141 Sheep Farming (Specialised)
Sugar	Class 0151 Sugar Cane Growing
Services to Agriculture	Group 052 Agriculture and Fishing Support Services Class 0521 Cotton Ginning Class 0522 Shearing Services Class 0529 Other Agriculture and Fishing Support Services
Marine Fishing	Group 041 Fishing Class 0411 Rock Lobster and Crab Potting Class 0412 Prawn Fishing Class 0413 Line Fishing Class 0414 Fish Trawling, Seining and Netting Class 0419 Other Fishing
Forestry and Logging	Group 030 Forestry and Logging Class 0301 Forestry Class 0302 Logging
Aquaculture	Group 020 Aquaculture Class 0201 Offshore Longline and Rack Aquaculture Class 0202 Offshore Caged Aquaculture Class 0203 Onshore Aquaculture
Hunting and Trapping	Group 042 Hunting and Trapping Class 0420 Hunting and Trapping
Other (not elsewhere covered)	Class 0121 Mushroom Growing Class 0159 Other Crop Growing n.e.c. Class 0193 Beekeeping Class 0416 Rice Growing Group 051 Forestry Support Services Class 0510 Forestry Support Services Group 011 Nursery and Floriculture Production Class 0111 Nursery Production (under cover) Class 0112 Nursery Production (outdoors) Class 0113 Turf growing Class 0114 Floriculture Production (under cover) Class 0115 Floriculture Production (outdoors)

MORE INFORMATION:

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Queensland Treasury, Rural Debt Survey 2022, Output Tables*