



Australian Government
Department of Agriculture

Agricultural Lending Data 2017–18

December 2019



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Foreword

The second edition of the Agricultural Lending Data report again confirms the resilience of the Australian agriculture sector and its continuing growth despite less than ideal seasonal conditions.

In 2017–18 the gross value of farm production was \$60 billion, a strong financial performance, and well above the 5-year national average.

This was supported by the 5% increase in lending from commercial financial institutions, which provided farm businesses with the assistance to grow and the opportunity to undertake new farm investments.

The Australian Government is committed to advancing agriculture in this country and encouraging its presence on the world stage. This is evident in our plan to help the agriculture sector reach its goal of \$100 billion in value by 2030. This plan will help ensure the necessary resources for resilience, growth and production are fostered and see the Australian agriculture sector continue to remain competitive.

This Agricultural Lending Data report, and future editions, will continue to assist the government and agricultural stakeholders formulate policies that will achieve the sector's plan to advance the agricultural sector to new levels by 2030.

However, to realise our 2030 plan, we also need to have practical on the ground action. We will be supporting farmers to buy their first farm and plan for intergenerational transfers with AgriStarter concessional loans delivered through the Regional Investment Corporation (RIC) to support our next generation of farmers.

We continue to stand with the current generation of farmers who have been suffering from unrelenting drought. We are making sure they have access to the resources they need to manage through and recover from this difficult time.

We are also making sure all farmers can better prepare for future droughts. For example, farmers can now claim accelerated depreciation for fodder storage assets to cover costs of new sheds, silos and storage. This will help farmers store more feed for their animals during drought and reduce the need to de-stock during drier years.

The government's recently announced changes to the RIC's drought loans will ensure farmers can access interest and repayment free loans of up to \$2 million. This will ensure that farmers have the support they need to maintain their current businesses through the drought, and give them the funds they need to restock, replant and rebuild when the drought ends. These amended drought loans are expected to be highly popular, with farmers that are already receiving the RIC's concessional rate of 3.11% able to re-finance and benefit from the interest free period.

In the longer term, we will also have a new funding source in the form of the Morrison government's Future Drought Fund. The Fund will help our rural communities by providing up to \$100 million per year towards building resilience and greater preparedness for future droughts.

Farm Management Deposits (FMDs) continue to reach new heights and play an integral role in seeing farmers through their leaner years. I continue to appeal to all banks to allow farmers to use their FMDs as offset accounts so they have the potential to save thousands of dollars each year in interest.

The government also remains focused on supporting a national farm debt mediation scheme as outlined in its Banking Royal Commission Implementation Roadmap. I have flagged the need for a national scheme with the states and territories and expect them to have it in place by the middle of 2020. With drought continuing to tighten its grip on agriculture, a uniform approach will clear up confusion created by having different rules in different jurisdictions.

I look forward to continuing working with financial institutions as the minister responsible for rural finance, and thank the banks for their contribution to this report.

David Littleproud
Minister for Water Resources, Drought, Rural Finance, Natural Disasters and Emergency
Management

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Glossary

Term	Definition
90 days past due (in arrears)	<p>A loan or lease arrangement that is not subject to a regular repayment schedule is considered 90 days past due when it has remained continuously outside contractual or approved arrangements for 90 days.</p> <p>A loan or lease arrangement that is subject to a regular repayment schedule is considered 90 days past due when:</p> <p>a) at least 90 calendar days have elapsed since the due date of a contractual payment that has not been met in full</p> <p>and</p> <p>b) the total amount outside contractual arrangements is equivalent to at least 90 days' worth of contractual payments.</p> <p>Reporting entities provide APRA with the total values of loans greater than 90 days past due and the number of business entities with loans greater than 90 days past due. Reporting entities supply data as at the end of the reporting period.</p>
ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
ADI	Authorised deposit-taking institution (as defined in the <i>Banking Act 1959</i>)
agricultural activity	Refers to an activity in one of the agricultural industry groups listed in Table B1.
ANZSIC	Australian and New Zealand Standard Industrial Classification (see Table B1)
APRA	Australian Prudential Regulation Authority, established under the <i>Australian Prudential Regulation Authority Act 1998</i> .
borrower	See farm business entity
credit limit (total)	Means the maximum amount of funds available to the farm business entity without additional authorisation or approval. This amount includes outstanding credit (including capitalised interest or fees) and any other funds that can be drawn without additional approval by the reporting entity. Reporting entities supply data as at the end of the reporting period.
credit outstanding (total)	Credit outstanding is the original loan and/or lease amount less any repayments, including any redraw facilities drawn. Outstanding amounts are reported gross of provisions. Deposit balances in offset accounts are not netted against the outstanding credit amount. Finance that has been written off has been excluded. Reporting entities supply data as at the end of the reporting period.
Department of Agriculture	Department of Agriculture, including the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), or any Australian Government department that assumes or succeeds to its functions.
farm business entity	<p>An entity (company, trust, partnership, incorporated entity, sole trader or joint venture) that undertakes productive agricultural activities that constitute the entity's primary source of income. A farm business entity may comprise a group of related business entities. A group of related business entities are reported as one farm business entity.</p> <p>Related business entities include the parent entity, controlled entities, associated entities, joint venture entities and any other entity under the same parent entity. A farm business entity is effectively 'one borrower'.</p>
farm debt mediation	A structured negotiation process where a neutral and independent mediator helps the farm business entity and the reporting entity reach agreement about current and future debt arrangements. Some states and territories require that farm debt mediation occurs before the reporting entity is allowed to undertake foreclosure action. A new instance of farm debt mediation is considered by reporting entities to have commenced when the first meeting of the mediating parties has taken place. Reporting entities supply data to APRA on new instances of farm debt mediation for the reporting period.

Term	Definition
foreclosure	A proceeding in which a reporting entity may take possession of a property used to secure a loan or lease. A new instance of a foreclosure is considered by a reporting entity to have commenced when a reporting entity, or a receiver or administrator appointed by the reporting entity, takes possession of a mortgaged property. Reporting entities supply data to APRA on new instances of farm foreclosures, and the total credit outstanding for new farm foreclosures to APRA for the reporting period.
FSCODA	<i>Financial Sector (Collection of Data) Act 2001</i>
industry classification	An individual farm business entity is assigned to an industry based on its predominant agricultural activity. The industry classification used in this publication is based on the 1993 and 2006 Australian and New Zealand Standard Industrial Classification (ANZSIC) classes listed in Table B1. For confidentiality purposes, some of these classes were amalgamated with others to form an industry group.
loans and leases	Amounts owing to a reporting entity by a farm business entity evidenced by non-negotiable documents, including: <ul style="list-style-type: none"> • advances • secured and unsecured loans • mortgages • commercial loans • redeemable preference share finance not evidenced by a security • lease arrangements • equity participation in leveraged leases. <p>Only those loans where half or more than half of the loan limit is for the purpose of agricultural activities and leases, whether drawn down or not, are reported to APRA.</p>
related parties	Related parties of the reporting entity include the parent entity, controlled entities, associated entities, joint venture entities and other branches under the same parent entity.
reporting entity	An ADI or RFC to which the reporting form ARF 750.0 (DAWR Agricultural Lending) applies.
RFC	Registered financial corporation that is a registered entity under the <i>Financial Sector (Collection of Data) Act 2001</i> .

Key statistics

Agricultural lending data

This publication provides data from the Agricultural Lending Data collection undertaken by the Australian Prudential Regulation Authority (APRA) on behalf of the Department of Agriculture. The first full Agricultural Lending Data collection was undertaken for the 2016–17 year. This publication reports data from the second full collection, which covers the 2017–18 year, together with data from the 2016–17 collection for comparison purposes. The data focus on lending to farm business entities and the performance of these in meeting their loan servicing commitments.

For the purposes of this publication a farm business entity is effectively ‘one borrower’, debt is defined as ‘credit outstanding’ and ‘in arrears’ means loans and leases are more than 90 days past due.

Data from authorised deposit-taking institutions (ADIs) and Registered Financial Corporations (RFCs) indicate that nationally:

- Agricultural loans and leases totalled \$73.5 billion at 30 June 2018, an increase of \$3.4 billion or 5% from 30 June 2017.
- Total loan and lease facility limits were \$88.6 billion at 30 June 2018, an increase of \$4.3 billion (5%) from 30 June 2017.
- The number of borrowers declined to 143,849 at 30 June 2018, a reduction of 1% from 30 June 2017.
- Outstanding loans and leases averaged \$511,050 per borrower at 30 June 2018.
- Loans and leases in arrears accounted for 0.8% of the total value of loans and leases at 30 June 2018, having declined from 0.9% at 30 June 2017.
- By industry, the proportion of the total value of loans and leases in arrears was highest for fruit and nuts (3.2%), grape growing (3.1%), vegetable growing (2.6%) and the dairy industry (1.5%).
- By state, the proportion of the total value of loans in arrears increased slightly in Victoria and the Northern Territory and declined in all other states.
- While the value of loans in arrears declined, the number of borrowers in arrears increased in all states except Western Australia. The number of borrowers in arrears increased by 158 from 945 at 30 June 2017 to 1,103. In total, 0.8% of all borrowers were in arrears at 30 June 2018.

Data also indicate that nationally during 2017–18:

- There were 144 new instances of farm debt mediation, an increase from 96 in 2016–17. New instances of farm debt mediation increased in all states except the Northern Territory, where no mediations were reported in either year.

- There were 27 new instances of farm foreclosures recorded during 2017–18, a reduction from 33 in 2016–17.
- The total credit outstanding on new farm foreclosures in 2017–18 was only \$7 million, around 0.01% of total agricultural debt at 30 June 2018. This is significantly lower than 2016–17, when the credit outstanding on new farm foreclosures was \$63 million, representing 0.09% of total agricultural loans and leases.
- Average credit outstanding per borrower for new foreclosures was \$248,139 in 2017–18, a decrease from the average of \$1.9 million in 2016–17.

Additional data

This publication also summarises farm survey and other data from the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES).

The ABARES data indicate that in 2017–18:

- Debt to fund land purchases accounted for the largest share of debt on broadacre farms, at an estimated 45% of average broadacre debt at 30 June 2018. Working capital debt accounted for 33% of average broadacre debt at 30 June 2018.
- In 2017–18, new borrowing by broadacre and dairy farms mostly funded on-farm investment. Around 60% of new borrowing by broadacre farms and 70% by dairy farms was for the purchase of land, machinery, equipment and vehicles or farm development.
- Borrowing to cover operating expenses accounted for 21% of new debt for broadacre farms and 11% for dairy farms in 2017–18.
- Much of the aggregate broadacre sector debt is held by a relatively small proportion of mostly larger farms. At 30 June 2018 around 70% of aggregate broadacre debt was held by just 12% of farms. On average, these were large farm businesses. In aggregate, these farms produced around 50% of the total value of broadacre farm production in 2017–18.

This publication also draws on publicly available data, including data published by the Reserve Bank of Australia. This information is not directly comparable with the APRA Agricultural Lending Data because it includes data on fishery and forestry businesses and lending by government agencies and pastoral and other financial companies. Nevertheless, these data series provide an important longer-term historical context to the Agricultural Lending Data as they are available for the entire 55-year period since 1963–64.

Data from the Reserve Bank of Australia indicate that:

- Nationally, total indebtedness of the agriculture, forestry and fishing industries (defined as 'rural debt') increased by 77% from \$42.7 billion at 30 June 2001 to \$75.5 billion at 30 June 2009, in real terms.
- Total rural debt subsequently declined in real terms to \$69.4 billion at 30 June 2015, before rising again to \$76.4 billion at 30 June 2018.
- Over the 20 years to 2017–18, rural debt has increased at a rate of 6.4% per year. Over the full 55 years of the rural debt series the rate of increase has been 8.4% per year.

Introduction

This publication presents data from the second annual Agricultural Lending collection made by the Australian Prudential Regulation Authority (APRA) on behalf of the Department of Agriculture. The data focus on lending to farm business entities and the performance of these in meeting their loan servicing commitments in 2017–18. The information will inform analysis of issues related to financing Australia’s agricultural industries. It will also enable the Australian Government to implement effective assistance measures for regional communities and improve the targeting of support for farmers.

Data collection

Under the *Financial Sector (Collection of Data) Act 2001* (FSCODA), APRA is authorised to collect information from financial sector entities.

Data in the tables in this publication are sourced from forms submitted by financial sector entities to APRA as part of requirements under the *Corporations Act 2001*. Blank copies of reporting form [ARF 750.0 DAWR Agricultural Lending \(in ARS 750.0\)](#) and associated instructions are available on the APRA website.

Financial sector entities that provide data to APRA are:

- Authorised deposit-taking institutions (ADIs), excluding Payment Facility Providers
- Registered financial corporations (RFCs).

The FSCODA authorises APRA to share this data with the department for the purposes of producing this publication. The information may also be used by APRA, the Australian Bureau of Statistics or the Reserve Bank of Australia.

The information in the text and tables should be read in conjunction with the [Glossary](#). The Glossary describes the limitations of the data and how the information was prepared, and contains definitions of abbreviations and terms used in this publication.

Confidentiality requirements

Data collected from individual ADIs and RFCs is subject to confidentiality requirements outlined in the *Australian Prudential Regulation Authority Act 1998*. In most circumstances, aggregation of data maintains confidentiality. Any items in this publication that are outside confidentiality protection measures relating to aggregation of data will be masked.

Data collection, presentation and interpretation

Data collected

Data collected by APRA covers lending to the agriculture sector. The sector comprises agricultural subdivision 01 code of the Australian and New Zealand Standard Industrial Classification (ANZSIC) system.

The collection does not include data on fishing/aquaculture, forestry, hunting and trapping, and support services to agriculture, forestry and fishing (ANZSIC subdivision codes 02 to 05).

Data collected include:

- total credit outstanding on loans and leases
- total credit limits on loans and leases
- total credit outstanding on loans and leases more than 90 days past due
- number of farm business entities with credit outstanding for loans and leases
- number of farm business entities with credit outstanding that is more than 90 days past due
- number of new instances of farm debt mediations
- number of new farm foreclosures
- total credit outstanding on loans and leases for any new farm foreclosures.

If only a portion of a loan or lease relates to an agricultural activity, APRA will only collect data for those loans or leases where the majority (whether or not drawn down) is for the purpose of agricultural activities. This may result in a slight over-reporting of agricultural lending.

Data source—financial sector reporting entities

It is mandatory for all ADIs to provide data for this publication.

RFCs with assets (loans, advances and lending facilities) valued at less than \$50 million, either as a single entity or for combined related bodies corporate, are not required to report to APRA. This may result in some under-reporting of lending to farm business entities.

Types of debt reported

APRA collects data about business lending (loans and leases) by reporting entities to farm business entities in the agriculture sector.

APRA does not collect data about personal loans (secured or unsecured), personal leases and personal credit card debt.

Some major credit card providers may provide cards to businesses, but they do not classify this as business lending.

APRA does not collect data about loans from government agencies, other business entities, vendor financiers, family or others external to the farm business entity, and sundry creditors (mainly input suppliers). This may result in an understatement of loan funds available to the agriculture sector. However, some information from other sources on these types of lending is provided for context.

Data collection period

Lending data is presented as at 30 June 2018. New incidents of farm debt mediations and farm foreclosures are reported for the full financial year.

Future data collections

APRA will continue to collect data under the same parameters as those used for the 2017 and 2018 collections. This will enable time-series data to be presented. Future Agricultural Lending Data publications may include graphs, charts and tables to enable readers to compare data.

Future publications may also contain revisions to previously published data to reflect resubmissions from reporting entities or corrections to compilation errors. APRA regularly analyses past revisions to identify potential improvements to source data and statistical compilation techniques. This helps minimise the frequency and scale of any future revisions.

Significant revisions (variances of at least 10% or \$10 million) will be identified.

Data presentation and interpretation

Amounts are expressed in Australian dollars. In some cases, data may not sum exactly to total figures due to rounding.

If an item is masked to meet confidentiality requirements, other data items may also be masked so the value of the primary masked data item cannot be otherwise derived from totals.

The term 'na' will be used to indicate where data has been masked to maintain confidentiality.

Values shown as '-' represent nil values.

Numbers rounded to 0 represent values under \$0.5 million.

Data categories

Data is presented for 14 agricultural industry 'groups', based on 4-digit level ANZSIC classification codes.

Those classes that contain a small number of farm business entities have been grouped together to maintain data confidentiality. For example, the sheep–beef industry group consists of ANZSIC 2006 classes 0141 and 0144 or ANZSIC 1993 classes 0123 and 0124.

Industry data is also presented at the national level and across the states and territories. In some cases, state and territory data have been merged to maintain data confidentiality.

Farm business entities

This publication presents information on a 'farm business entity' basis. A farm business entity is one that undertakes productive agricultural activities that constitute that entity's primary source of income. Farm business entities in this collection may be a single business entity or comprise a group of related business entities within a grouped business structure. A farm business entity can effectively be considered 'one borrower'.

Types of farm business entities

Farm business entities are assigned to one of the 14 industry groups based on their predominant agricultural activity (ANZSIC code). Where a farm business entity has a loan or lease directed to agricultural activities across multiple industries, the loan or lease is attributed to the industry in which the majority of the activity is undertaken.

Farm business entity locations

Farm business entities are assigned to the state or territory in which they undertake their agricultural activity and derive their revenue.

Where a farm business entity has a loan or lease directed to agricultural activities across multiple states and territories, the loan or lease is attributed to the state or territory where the majority of the revenue is derived.

Agriculture sector overview 2017–18

Australian farms experience substantial variability in income and therefore debt servicing capacity across years. In any year, a proportion of farms in some industries and regions are likely to be under financial pressure as a result of seasonal or other production conditions and commodity prices.

The Australian farm sector recorded strong financial performance in 2017–18. The gross value of farm production was \$60.0 billion in 2017–18. While this was a reduction from the record \$62.8 billion recorded in 2016–17, it was still 8% above the average of \$55.5 billion for the 5 years to 2016–17, in real terms.

Rainfall in 2017–18 was below average across much of the east of Australia and well below average in large parts of New South Wales, South Australia and southern Queensland. Serious to severe rainfall deficiencies (lowest 10% and 5% of historical observations) for 2017–18 affected many areas across northern New South Wales into southern and central Queensland, parts of central and eastern South Australia, and coastal parts of East Gippsland in Victoria and eastern Tasmania (Bureau of Meteorology 2018).

The volume of farm production declined by 6% from the record achieved in 2016–17 as a result of lower crop production. This was mainly the result of a 30% reduction in grain, oilseed and grain legume production compared to the record 2016–17 crop, which was due to the drier seasonal conditions through the winter crop growing period and continued dry seasonal conditions in summer in north-western New South Wales and Queensland. Lower grain production was partially offset by higher prices for grains. Overall, the value of grain oilseed and grain legume production declined by 22%, in real terms.

The value of sugar production declined mainly as a result of lower export prices and reduced production due to both drier seasonal conditions in southern Queensland and damage caused by cyclone Debbie in early 2017. The value of vegetable production declined slightly with lower prices for vegetables as a result of increased production in Australia and reduced exports due to appreciation in the Australian dollar. In contrast, cotton production and the volume of cotton exports increased, with the value of cotton production increasing by 40% in 2017–18. Other cropping industries with small increases in the value of production included fruit and nuts, and wine grapes.

Turnoff of beef cattle, sheep and lambs once again increased in 2017–18 after a small decline in 2016–17. Higher turnoff of beef cattle was largely a response to continued dry seasonal conditions in parts of Queensland and northern New South Wales. Saleyard prices received for beef cattle declined as a result of weaker export prices and the increased turn-off levels. The gross value of beef cattle production declined by 11% in 2017–18, in real terms. In contrast, prices for sheep, lambs and wool increased significantly 2017–18 due to strong export demand, demand for sheep for restocking and low supply of wool. The value of sheep production increased by 37%, lamb production by 18% and wool production by 22%.

Farm cash income is a measure of cash funds generated by farm businesses for farm investment and consumption after paying all costs incurred in production. In 2017–18, farm cash incomes for sheep industry farms were the highest recorded in more than 25 years. Farm cash incomes

for grains and beef farms declined in 2017–18 relative to the very high incomes recorded in 2016–17, but still mostly remained well above the average for the previous 10 years. Larger reductions farm cash incomes occurred in some regions with large reductions in crop production including: parts of northern New South Wales, southern and central Queensland, the Eyre Peninsula and central northern South Australia, as well as parts of the eastern wheat-belt in Western Australia.

Overall, the availability of irrigation water was lower in 2017–18 compared to 2016–17. The area planted to rice and cotton was reduced, but seasonal conditions were generally favourable for irrigated crops, particularly cotton, resulting in high yields.

Amongst the intensive livestock industries, the value of pig production declined 21% as a result of a record decline in pig prices (20%) due to strong increased supply of pigs in Australia and increased competition from other meats, particularly beef. Consolidation and economies of scale in the Australian pig industry over the 10 years to 2015–16 have resulted in strong productivity growth increasing slaughter and pig meat production. During this period, the number of farms with pigs in Australia contracted by around one-third, but the number of sows per farm increased by 15%.

Dairy farms in Victoria, South Australia, Tasmania and southern New South Wales recorded higher farm cash incomes in 2017–18, with a small increase in milk prices and production. Drier seasonal conditions and higher grain prices resulted in increased expenditure on fodder for most dairy farms. Expenditure on purchased fodder is the largest cost category for most dairy farms. With little change in milk prices and higher fodder expenditure, farm cash incomes declined for dairy farms in Queensland, northern New South Wales and Western Australia. The dairy industry has undergone substantial restructuring over a prolonged period. At the national level, the number of registered dairy farms contracted by 28% and the average milk production per farm increased by 38% in the 10 years to 2017–18.

Relatively high farm cash incomes in 2017–18 and record farm cash incomes for broadacre in 2016–17 followed 2 years of high incomes in 2014–15 and 2015–16. This provided many farm businesses with an opportunity to reduce existing farm business debt and the opportunity to undertake new farm investment, partly funded by new borrowing. Investment in farm land, machinery and infrastructure increased in the 3 years ending 2017–18 and land values increased in many regions, boosting farm equity (ABARES 2019).

Higher farm cash incomes also provided farmers with the opportunity to increase liquid assets, including bank deposits and off-farm investments. Farm Management Deposits increased by 9% (\$524 million) in 2017–18. This risk-management tool is designed to enable farmers to put aside pre-tax income in good years to draw on in years of lesser cash flow. Farm Management Deposits increased in all states and for all industries in 2017–18. The dairy industry recorded the smallest increase at just over \$1 million. The largest increases were recorded for farms in the sheep industry, sheep–beef industry and other crops industry, particularly in New South Wales, Victoria, Western Australia and Tasmania. The other crops industry includes amongst a range of activities, including farms that specialise in growing fodder crops.

Farm debt levels

Debt is an important source of funds for Australian farmers. It is used for purchasing land and new plant and equipment as well as for ongoing working capital. This is largely because 95% of Australian farms are family owned and operated (ABARES 2018). Funding by family farms for expansion and improvement is limited to the funds available to the family, the profits the business can generate and the funds it can borrow.

ABARES data show that:

- Debt to fund land purchases accounted for the largest share of debt on farms, at an estimated 45% of average broadacre debt at 30 June 2018.
- Working capital debt accounted for 33% of average broadacre debt at 30 June 2018.
- In 2017–18, new borrowing for broadacre and dairy farms mostly funded on-farm investment. The proportion of new borrowing to cover operating expenses was higher in the broadacre industries (21%) than the dairy industry (11%), largely reflecting lower farm cash incomes for some grains farms in 2017–18.

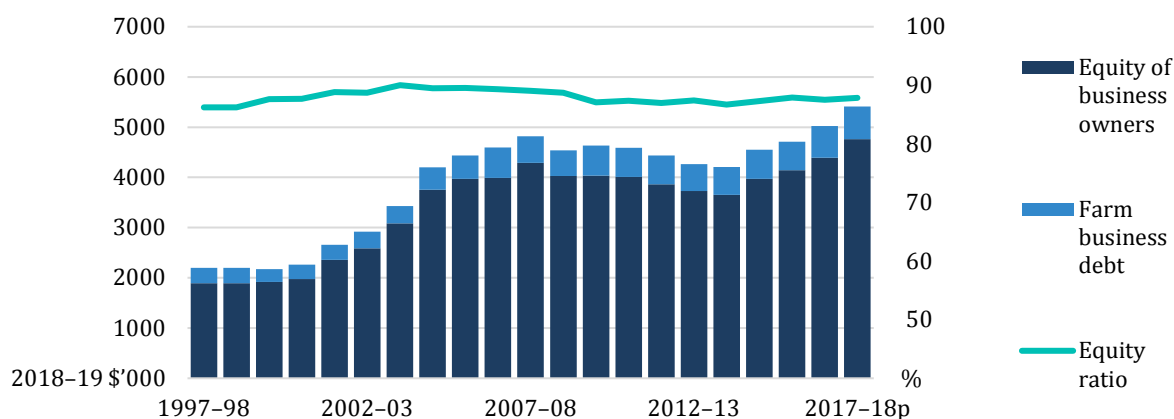
Farm equity

Family farms in Australia rely on maintaining high farm equity to provide the capacity to borrow to meet cash flow needs during periods of reduced farm income and for new investment. Despite increases in farm debt over the long term, average farm equity for broadacre and dairy farms remains strong because of increases in the value of agricultural land (Figure 1).

The average equity ratio at 30 June 2018 is estimated at 88% for broadacre farms and 80% for dairy farms. Around 82% of broadacre farms and 56% of dairy farms had equity ratios exceeding 80% at 30 June 2018.

For the majority of broadacre farms, farm equity has strengthened between 2014–15 and 2017–18. This is due to higher land values, the general increase in prices for beef cattle and sheep and reductions in debt for many farms as a result of high farm cash incomes. Between 2014–15 and 2017–18, higher farm cash incomes for many broadacre farms led to an increase in the proportion of broadacre farms buying land.

Figure 1 Farm business debt, owner's equity and equity ratio for broadacre farms, Australia, 1997–98 to 2017–18 (average per farm)



p Preliminary estimate. Estimates are in 2018–19 dollars.

Source: ABARES Australian Agricultural and Grazing Industries Survey

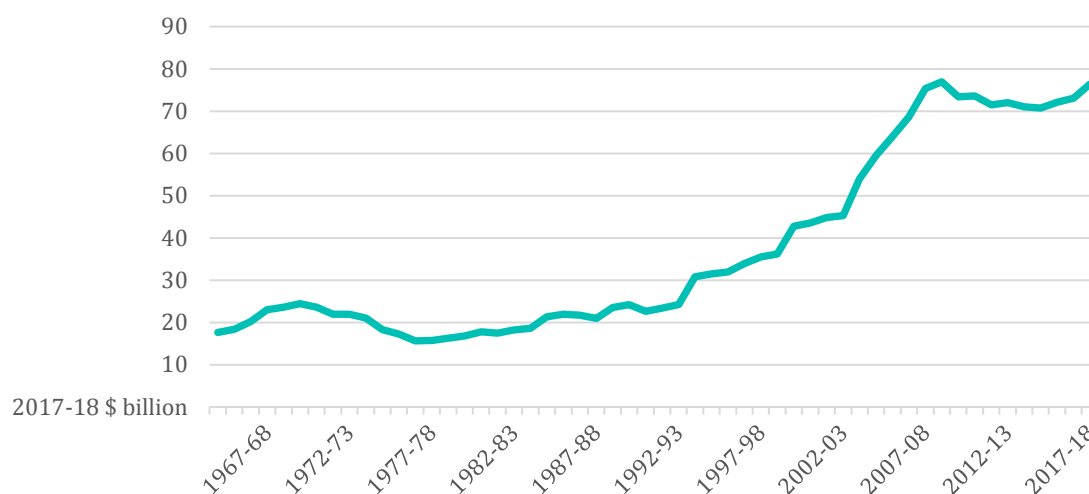
National rural indebtedness

Data collected by APRA and reported by the Reserve Bank of Australia provides an indicator of trends in debt since 1964 (RBA 2018). Figure 2 shows that total indebtedness of the agriculture, forestry and fishing industries (defined by the Reserve Bank of Australia as 'rural debt') to institutional lenders (ADIs, government agencies, and pastoral and other financial companies) increased by 77% from \$42.7 billion at 30 June 2001 to \$75.5 billion at 30 June 2009, in real terms.

Several factors contributed to the growth in debt over this period, including:

- lower interest rates
- large increases in land values, which raised borrowing capacities
- increases in farm size and intensity of production
- changes in commodities produced
- reduced farm cash incomes because of drought conditions in the 2000s
- provision of Exceptional Circumstances Interest Rate Subsidies to farmers in drought (these arrangements ceased on 30 June 2012)
- increased use of interest-only lending.

Figure 2 Total institutional debt, agriculture, forestry and fishing industries, Australia, 1964–65 to 2017–18



Source: Reserve Bank of Australia (RBA 2019)

Total rural debt subsequently declined in real terms to \$69.4 billion at 30 June 2015, before rising again to \$76.4 billion at 30 June 2018.

Bank lending accounts for 95% of total institutional lending. Bank lending declined from \$68.5 billion at 31 December 2009 to \$63.2 billion at 31 March 2014, before rising to \$73.0 billion at 30 June 2018.

The information from the Reserve Bank of Australia is not directly comparable with the Agricultural Lending Data. The Agricultural Lending Data does not cover fishery and forestry businesses and lending by government agencies. The Reserve Bank of Australia data is provided for context.

Distribution of farm debt

Much of the aggregate agriculture sector debt is held by a relatively small proportion of mostly larger farms. At 30 June 2018 around 70% of aggregate broadacre debt was held by just 12% of farms. On average, these were large farm businesses. In aggregate, they produced around 50% of the total value of broadacre farm production in 2017–18.

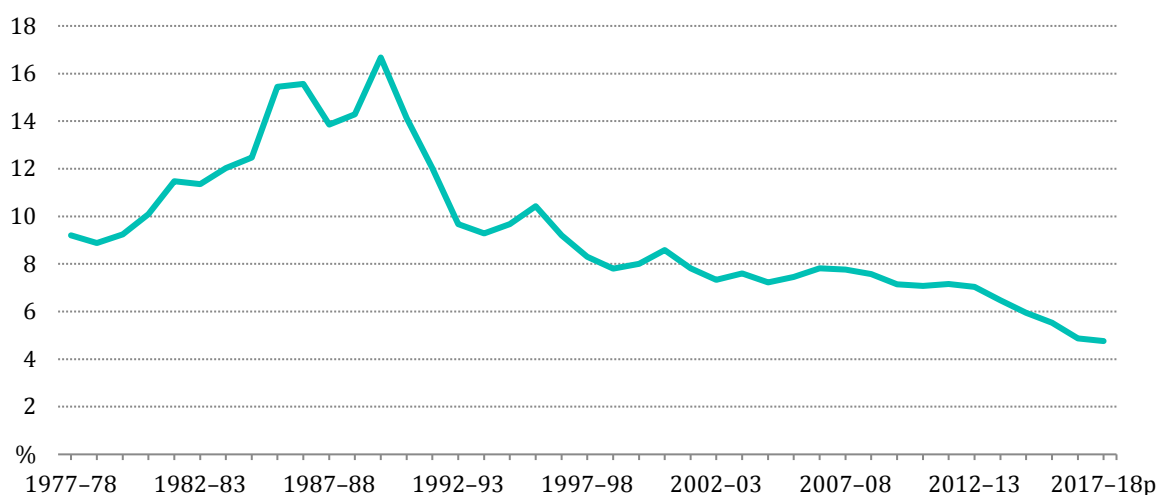
Nationally, around 41% of grain industry farms and 34% of dairy farms carried more than \$1 million in debt at 30 June 2018. In contrast, 66% of beef farms and 57% of sheep farms had debt of less than \$100,000 at 30 June 2017. Many of these are small farm businesses.

Aggregate debt is slightly less concentrated among larger farms in the dairy industry. Nevertheless, around 70% of aggregate dairy industry debt at 30 June 2018 was held by 30% of farms.

Debt serviceability

The decline in interest rates and reduced bank lending following the 2008 global financial crisis, and more recently the strong increase in farm income, have reduced the burden of servicing debt and increased the rate of debt repayment.

Figure 3 Average interest rate paid on farm business debt, broadacre farms, Australia, 1977–78 to 2017–18



p Preliminary estimate.

Source: ABARES Australian Agricultural and Grazing Industries Survey (2019)

For the agriculture sector as a whole, the proportion of the net value of farm production needed to fund interest payments rose substantially between 2001–02 and 2008–09. This was due to a large increase in farm debt (Figure 2) and reduced farm receipts resulting from extended drought conditions. Higher net farm income since 2010–11 and reductions in interest rates (Figure 3) resulted in a decline in the average proportion of net income needed to fund interest payments (Figure 4).

Some industries recorded notable changes in debt serviceability in the lead up to and throughout 2017–18 (Figure 5).

For the beef industry, the proportion of net income needed to fund interest payments exceeded 40% for each year between 2006–07 and 2013–14. The proportion declined after 2013–14 due to higher farm cash incomes as a result of historically high beef cattle prices. The proportion fell to 16% in 2015–16 before increasing to 21% in 2017–18 as beef cattle prices eased and dry seasonal conditions in some regions increased farm costs. This is similar to the proportion in 2000–01 and 2001–02, when beef cattle prices were also historically high.

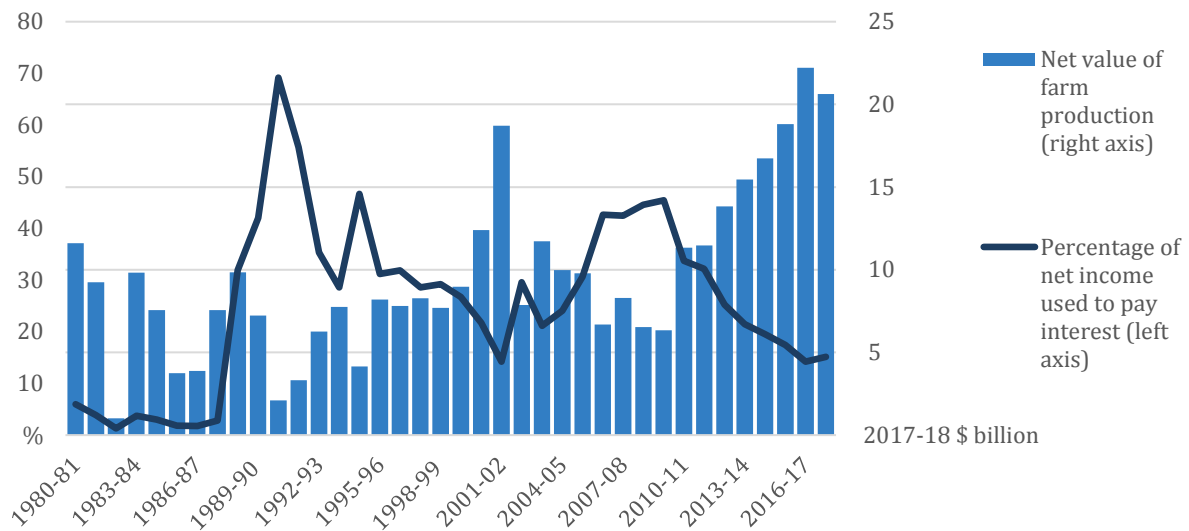
For the sheep industry, the proportion of net income needed to fund interest payments in 2017-18 was historically low, at 12%. Farm cash incomes for sheep industry farms in 2017–18 were the highest recorded in more than 25 years as a result of high sheep, lamb and wool prices.

Nationally, the proportion of net income needed to fund interest payments increased slightly for grains industry farms in 2017–18 as a result of lower farm cash incomes as a result of reductions

in grain, oilseed and grain legume production in 2017–18 compared to the record production in 2016–17.

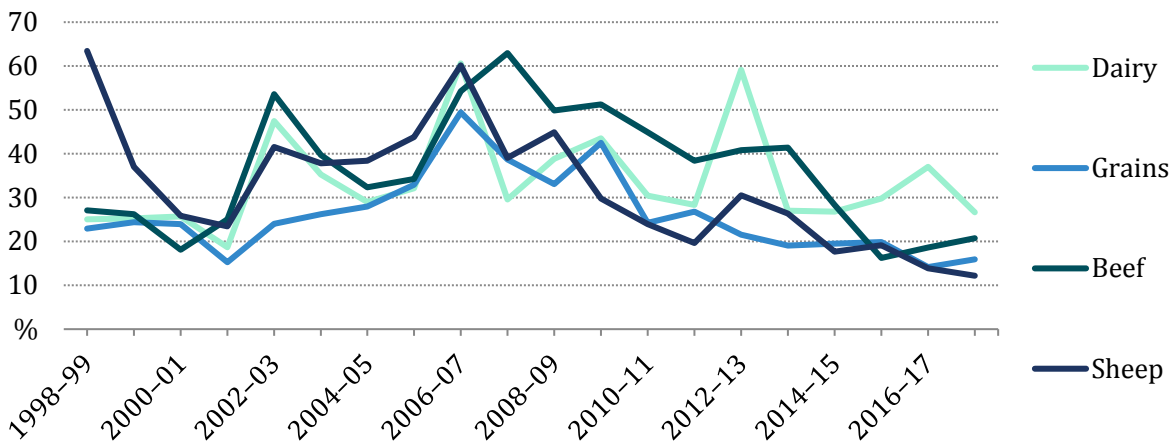
Nationally, for the dairy industry, the proportion of net farm income needed to meet interest payments increased to 37% in 2016–17 as a result of lower milk prices in southern Australia. The proportion then declined to 27% in 2017–18 as a result of higher farm cash incomes in Victoria, South Australia and Tasmania resulting from higher milk prices and increased milk production.

Figure 4 Percentage of net income used to pay interest, Australian agriculture, 1980–81 to 2017–18



Source: ABARES (2019)

Figure 5 Ratio of interest payments to net farm income for farms with debt, by industry, Australia, 1998–99 to 2017–18



Preliminary estimate for 2017–18.

Total loans and leases

Table 1 shows that at 30 June 2018:

- Nationally, agricultural debt was \$73.5 billion.
- Debt was spread across 143,849 farm business entities.
- Average debt per farm business entity was \$511,050.
- Total credit limits equated to \$88.6 billion.
- The average credit limit per farm business entity was \$616,226.

Compared to the data from the 2016–17 Agricultural Lending Data report:

- Nationally, agricultural debt increased by \$3.4 billion.
- The number of farm business entities with debt decreased by 1,809 entities.
- The number of borrowers in the dairy industry decreased by 1,795 and increased by 4,673 in the grain growing and mixed grains–livestock industries.
- Average debt per farm business entity increased by \$29,629.
- Total credit limits increased by \$4.3 billion.
- Average credit limit per farm business entity increased by \$37,178.

Table 1 Lending to agriculture, by industry and state, Australia

Category	Loans and leases outstanding at 30 June				Facility limit at 30 June				Number of borrowers			
	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (no.)	2018 (no.)	Change (no.)	Change (%)
Industry												
Livestock industries												
Beef cattle (including beef cattle feedlots)	15,289	16,109	821	5	18,538	19,364	826	4	22,502	22,385	-117	-1
Sheep and sheep-beef	6,701	7,351	650	10	8,278	9,095	817	10	20,418	20,853	435	2
Pigs	396	500	104	26	589	711	122	21	865	837	-28	-3
Dairy	6,563	6,309	-254	-4	7,196	7,048	-149	-2	14,745	12,950	-1,795	-12
Poultry (meat and eggs)	1,407	1,447	40	3	1,791	1,681	-109	-6	1,500	1,978	478	32
Other livestock (horses, deer, beekeeping, other livestock)	685	666	-19	-3	913	877	-36	-4	3,655	3,979	324	9
Cropping industries												
Grain growing and mixed grains-livestock	25,210	27,187	1,978	8	30,105	32,556	2,451	8	42,071	46,744	4,673	11
Cotton	4,014	4,282	269	7	4,838	4,897	59	1	1,863	1,434	-429	-23
Sugar cane	1,165	1,291	126	11	1,466	1,748	282	19	3,248	3,347	99	3
Vegetables (including mushrooms)	2,769	2,881	111	4	3,406	3,541	134	4	6,686	6,343	-343	-5
Grape growing	1,352	1,353	0	0	1,685	1,730	45	3	4,334	4,015	-319	-7
Fruit and nuts	2,215	2,299	84	4	2,742	2,894	151	6	5,600	5,686	86	2
Nursery and floriculture	427	408	-19	-4	532	533	1	0	2,378	2,202	-176	-7
Other crop growing	1,929	1,431	-498	-26	2,263	1,969	-294	-13	15,793	11,096	-4,697	-30
All agriculture												
State												
New South Wales a	20,059	21,274	1,215	6	24,360	25,984	1,624	7	39,854	40,484	630	2
Victoria	14,074	14,351	277	2	16,879	17,135	255	2	40,535	37,297	-3,238	-8
Queensland	16,990	18,193	1,202	7	20,614	22,011	1,397	7	26,015	26,639	624	2

Agricultural Lending Data 2017–18

Category	Loans and leases outstanding at 30 June				Facility limit at 30 June				Number of borrowers			
	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (no.)	2018 (no.)	Change (no.)	Change (%)
South Australia	7,463	7,953	490	6	8,925	9,533	608	7	19,568	19,860	292	2
Western Australia	9,104	9,167	63	1	10,718	10,994	276	3	15,794	15,657	-137	-1
Tasmania	1,831	1,911	81	4	2,113	2,197	84	4	3,359	3,365	6	0
Northern Territory	603	666	63	10	734	790	56	8	533	547	14	3
Australia	70,123	73,514	3,391	5	84,343	88,643	4,301	5	145,658	143,849	-1,809	-1

a Includes ACT

Loans and leases in arrears

Table 2 shows that at 30 June 2018:

- Nationally, the total value of loans and leases in arrears was \$577 million (0.8% of total agricultural debt).
- Nationally, loans and leases in arrears were held by 1,103 (0.8%) farm business entities.
- By industry, the proportion of the total value of loans and leases in arrears was highest for fruit and nuts (3.2%), grape growing (3.1%) and vegetable growing (2.6%).
- By state, the proportion of the total value of loans and leases in arrears was lowest in the Northern Territory and highest in Tasmania (1.4%), followed by Victoria (1.1%) and South Australia (1.0%).

Compared to the data from the 2016–17 Agricultural Lending Data report:

- Nationally, the total value of loans and leases in arrears decreased by \$53 million.
- The proportion of total value of loans and leases held in arrears declined in all states except Victoria and the Northern Territory.
- Nationally, the proportion of the total value of loans and leases in arrears increased in the pig, poultry and fruit and nuts industry. In each case the number of borrowers in arrears was small.
- Nationally, the number of borrowers in arrears increased by 158 (17%) to 0.8% of all borrowers. There was no increase in borrowers in arrears in Western Australia and a small increase in all other states and territories. The number of borrowers in arrears increased in all industries except cotton, grape growing and other crop growing.
- The increase in the number of borrowers in arrears in combination with the reductions in the proportion of loan value in arrears suggests most loans and leases in arrears are relatively small.

Analysis of state and territory data in [Appendix A](#) indicate that at 30 June 2018:

- In New South Wales (see Table A1 and Table A2) there was a 12% reduction in the total value of Agriculture sector loans and leases in arrears at 30 June 2018. The grape industry had the largest proportion of the total value of loans and leases in arrears. This industry also had the highest proportion of debt in arrears in 2016–17. The grain growing and mixed grains–livestock industry had the largest increase in the number of borrowers in arrears at 30 June 2018 and also had the largest increase in the number of borrowers (14%) in 2017–18. Average farm cash income declined for New South Wales grains industry farms in 2017–18.
- In Victoria (see Table A3 and Table A4) there was a 25% increase in the total value of Agriculture sector loans and leases in arrears at 30 June 2018. Industries with the largest proportion of the total value of loans and leases in arrears were, in descending order: fruit and nuts, poultry, other livestock and vegetables. The fruit and nuts industry also had the highest proportion of debt in arrears in 2016–17. The grains and mixed grains–livestock

industry had the largest increase in the number of borrowers in arrears at 30 June 2018, followed by the dairy industry; the dairy industry also had the largest number in arrears at 30 June 2017. The dairy industry had a large (15%) reduction in the number of borrowers (1,518 borrowers) between 30 June 2017 and 30 June 2018. This outcome is the result of substantial restructuring of debt as a result of low profitability due to low milk prices and problems with some of Australia’s largest dairy processors in 2016–17, high fodder costs in 2017–18 and the exit of farms from dairy production (as outlined in the Agriculture Sector Overview).

- In Queensland (see Table A5 and Table A6) there was a reduction of 15% in the total value of Agriculture sector loans and leases in arrears at 30 June 2018. Industries with the largest proportion of the total value of loans and leases in arrears were: fruit and nuts (4.7%) and dairy (2.6%). The dairy industry had the highest proportion of debt in arrears in 2016–17. There was only a very small increase in the number of Queensland borrowers in arrears at 30 June 2018.
- In Western Australia (see Table A7 and Table A8) there was approximately a 20% reduction in the total value of Agriculture sector loans and leases in arrears at 30 June 2018. Industries with the largest proportion of the total value of loans and leases in arrears were: vegetables, fruit and nuts, grapes and dairy. The vegetable industry also had the highest proportion of debt in arrears in 2016–17. Overall, there was no increase in the number of borrowers in arrears at 30 June 2018.
- In South Australia (see Table A9 and Table A10) there was a 1% reduction in the total value of Agriculture sector loans and leases in arrears at 30 June 2018. Industries with the largest proportion of the total value of loans and leases in arrears were: dairy (3.8%) and grapes (2.6%). The dairy and grape industries also had a relatively high proportion of debt in arrears in 2016–17. The grain growing and mixed grains–livestock industry, sheep and sheep–beef and vegetable industries had a small increases in the number of borrowers in arrears at 30 June 2018.
- In Tasmania (see Table A11 and Table A12) there was a 53% reduction in the total value of Agriculture sector loans and leases in arrears between 30 June 2017 and 30 June 2018. Industries with the largest proportion of the total value of loans and leases in arrears at 30 June 2018 were: vegetables (5.0%) and dairy. The vegetable industry and dairy industry also had a relatively high proportion of debt in arrears in 2016–17.
- In the Northern Territory (see Table A13 and Table A14) 5 borrowers were in arrears as at 30 June 2018.

Table 2 Lending in arrears at 30 June, by industry and state, Australia

Category	Total value of loans and leases more than 90 days past due				Proportion of total value of loans and leases more than 90 days past due				Number of borrowers more than 90 days past due			
	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (\$m)	2018 (\$m)	Change (no.)	Change (%)
Industry												
Livestock industries												
Beef cattle (including beef cattle feedlots)	132	83	-49	-37	0.9	0.5	-0.4	-41	130	156	26	20
Sheep and sheep-beef	22	35	13	62	0.3	0.5	0.2	48	87	111	24	28
Pigs	0	4	4	>200	0.1	0.8	0.7	>200	4	na	na	na
Dairy	99	92	-6	-6	1.5	1.5	0.0	-3	127	152	25	20
Poultry (meat and eggs)	8	na	na	na	0.6	na	0.6	109	22	26	4	18
Other livestock (horses, deer, beekeeping, other livestock)	5	6	1	14	0.8	0.9	0.1	18	54	62	8	15
Cropping industries												
Grain growing and mixed grains-livestock	161	135	-26	-16	0.6	0.5	-0.1	-22	237	290	53	22
Cotton	11	na	na	na	0.3	na	-0.3	-99	5	na	na	na
Sugar cane	6	7	1	25	0.5	0.6	0.1	13	16	22	6	38
Vegetables (including mushrooms)	80	74	-6	-8	2.9	2.6	-0.3	-11	60	77	17	28
Grape growing	64	42	-22	-35	4.7	3.1	-1.7	-35	59	54	-5	-9
Fruit and nuts	34	73	39	114	1.5	3.2	1.6	106	69	77	8	12
Nursery and floriculture	1	2	1	167	0.2	0.4	0.3	179	24	24	0	0
Other crop growing	6	5	-1	-17	0.3	0.4	0.0	12	51	41	-10	-20
All agriculture												
State												
New South Wales a	98	86	-12	-12	0.5	0.4	-0.1	-17	222	242	20	9
Victoria	131	164	33	25	0.9	1.1	0.2	23	295	345	50	17
Queensland	159	136	-23	-14	0.9	0.7	-0.2	-20	163	175	12	7

Agricultural Lending Data 2017–18

Category	Total value of loans and leases more than 90 days past due				Proportion of total value of loans and leases more than 90 days past due				Number of borrowers more than 90 days past due			
	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (\$m)	2018 (\$m)	Change (no.)	Change (%)
South Australia	81	80	-1	-1	1.1	1.0	-0.1	-7	131	195	64	49
Western Australia	104	na	na	na	1.1	na	na	na	100	100	0	0
Tasmania	58	27	-30	-53	3.1	1.4	-1.7	-55	33	41	8	24
Northern Territory	0	na	na	na	0.0	na	na	na	1	5	4	>200
Australia	630	577	-53	-8	0.9	0.8	-0.1	-13	945	1,103	158	17

a Includes ACT. **na** Not available for publication but included in totals where applicable.

Farm debt mediations and foreclosures

In 2017–18, the number of debt mediations increased and the number of foreclosures declined in the agriculture sector (Table 3).

- There was a 48% increase in new instances of debt mediation in 2017–18 compared to 2016–17. Nationally, there were 144 new instances of farm debt mediations in 2017–18 compared with 96 in 2016–17.
- The majority of this increase in mediations was in Queensland and New South Wales, which is likely reflective of worsening drought conditions in those states in 2017–18.
- There were 27 new instances of farm foreclosure in 2017–18 compared with 33 in 2016–17.
- Average credit outstanding per farm business entity for new foreclosures was \$248,000, compared with \$1.9 million in 2016–17.
- Total credit outstanding on new instances of farm foreclosure in 2017–18 was \$7 million or 0.01% of total agricultural debt at 30 June 2018. At 30 June 2017, there was \$63 million outstanding on new instances of farm foreclosure or 0.09% of total agricultural debt.

Table 3 Farm debt mediation and foreclosures, all agricultural industries, by state, 2016–17 and 2017–18

Category	Number of new instances of debt mediation			Number of new instances of foreclosure			Total balance of loans and leases outstanding on new foreclosures		
	2016–17 (no.)	2017–18 (no.)	Change (no.)	2016–17 (no.)	2017–18 (no.)	Change (no.)	2016–17 (\$m)	2017–18 (\$m)	Change (\$m)
All agriculture									
State									
New South Wales ^a	34	48	14	10	9	-1	2	1	-1
Victoria	38	44	6	8	8	0	24	1	-22
Queensland	19	39	20	5	6	1	22	1	-21
South Australia	1	na	na	2	na	na	1	na	na
Western Australia	4	7	3	6	na	na	9	na	na
Tasmania	-	na	na	2	na	na	5	na	na
Northern Territory	-	-	-	-	-	0	-	-	0
Australia	96	144	48	33	27	-6	63	7	-56

^a Includes ACT. ^{na} Not available for publication but included in totals where applicable.

Other agriculture sector debt information

Farm business debt outside the scope of this collection

An indication of the amount of farm business debt outside the scope of this collection is provided by ABARES surveys of agricultural industries. ABARES annual surveys include the broadacre industries (beef cattle including feedlots, sheep and sheep–beef, grain growing and mixed grains–livestock) and the dairy industry. The broadacre and dairy sectors accounted for 63% of the gross value of farm production, 74% of Australian farms in 2017–18 and 77% (\$55.0 billion) of the total agriculture sector debt to ADIs and RFCs (Table 1).

ABARES broadacre and dairy industry surveys estimate that at 30 June 2018 95% of aggregate debt for the broadacre and dairy sectors was owed to ADIs and RFCs. In total, an additional \$2.8 billion is estimated to be owed by the broadacre and dairy sector to government agencies, private lenders and sundry creditors.

ABARES found that the lending of Australian, state and territory governments accounted for 2% of aggregate broadacre and dairy sector debt. Amounts outstanding to private lenders, including vendor financiers and members of farm operators' families, accounted for a further 2% of aggregate debt. Sundry creditors (mainly input suppliers) accounted for around 1% of total farm business debt at 30 June 2018. These proportions vary significantly across industries.

Reserve Bank of Australia data indicate that at 30 June 2018 government agencies had loaned a total of \$1.276 billion to agriculture, fisheries and forestry industry businesses (RBA 2019). These agencies include the Queensland Rural and Industry Development Authority, the NSW Rural Assistance Authority and other state and territory authorities. Government lending also includes funds totalling \$697 million provided by the Department of Agriculture at 30 June 2018 in the form of:

- business improvement concessional loans
- dairy recovery concessional loans
- drought assistance concessional loans
- drought concessional loans
- drought recovery concessional loans
- farm finance concessional loans.

Government lending accounted for 1.7% of total institutional lending to the agriculture, fisheries and forestry sector at 30 June 2018 reported by the Reserve Bank.

Information on the growth in broadacre and dairy sector debt over the decade to 2016–17, the composition of farm business debt and the distribution of farms by debt and equity is published by ABARES (2019).

Appendix A: State and territory lending data, by industry

Table A1 Lending to agriculture, by industry, New South Wales and Australian Capital Territory

Category	Loans and leases outstanding at 30 June				Facility limit at 30 June		Number of borrowers			
	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (\$m)	2018 (\$m)	2017 (no.)	2018 (no.)	Change (no.)	Change (%)
Industry										
Livestock industries										
Beef cattle (including beef cattle feedlots)	2,838	2,918	80	3	3,442	3,578	6,360	6,370	10	0
Sheep and sheep–beef	2,858	3,181	323	113	3,546	3,962	7,811	8,113	302	4
Pigs	86	115	29	33	118	215	172	156	–16	–9
Dairy	809	792	–17	–2	895	909	1,823	1,678	–145	–8
Poultry (meat and eggs)	418	330	–88	–21	515	381	427	460	33	8
Other livestock (horses, deer, beekeeping, other livestock)	252	302	49	20	345	402	1,273	1,384	111	9
Cropping industries										
Grain growing and mixed grains–livestock	8,478	9,226	748	9	10,198	11,205	12,438	14,111	1,673	14
Cotton	2,570	2,905	335	13	3,149	3,302	857	774	–83	–10
Sugar cane	70	86	16	24	91	107	263	272	9	3
Vegetables (including mushrooms)	356	277	–78	–22	421	352	1,317	1,270	–47	–4
Grape growing	245	248	3	1	350	358	814	801	–13	–2
Fruit and nuts	460	481	21	5	550	592	1,309	1,321	12	1
Nursery and floriculture	74	78	5	6	87	93	574	557	–17	–3
Other crop growing	546	336	–210	–39	652	530	4,416	3,217	–1,199	–27
All agriculture	20,059	21,274	1,215	6	24,360	25,984	39,854	40,484	630	2

Table A2 Loans and leases in arrears at 30 June, agricultural industries, New South Wales and Australian Capital Territory

Category	Total value of loans and leases more than 90 days past due			Proportion of total value of loans and leases more than 90 days past due		Number of borrowers more than 90 days past due	
	2017 (\$m)	2018 (\$m)	Change (\$m)	2017 (%)	2018 (%)	2017 (no.)	2018 (no.)
Industry							
Livestock industries							
Beef cattle (including beef cattle feedlots)	5	7	2	0.2	0.2	32	39
Sheep and sheep-beef	2	6	4	0.1	0.2	24	35
Pigs	0	0	0	0.0	0.0	1	na
Dairy	3	5	2	0.4	0.6	14	17
Poultry (meat and eggs)	6	0	-6	1.4	0.0	9	na
Other livestock (horses, deer, beekeeping, other livestock)	1	0	-1	0.4	0.1	16	13
Cropping industries							
Grain growing and mixed grains-livestock	24	34	10	0.3	0.4	58	82
Cotton	11	0	-11	0.4	0.0	4	0
Sugar cane	0	na	na	0.0	na	2	4
Vegetables (including mushrooms)	23	6	-17	6.5	2.1	8	10
Grape growing	19	na	na	7.8	na	17	14
Fruit and nuts	3	0	-3	0.7	0.1	16	10
Nursery and floriculture	0	na	na	0.0	na	6	4
Other crop growing	1	0	-1	0.2	0.1	15	10
All agriculture	98	86	-12	0.5	0.4	222	242

na Not available for publication but included in totals where applicable.

Table A3 Lending to agriculture, by industry, Victoria

Category	Loans and leases outstanding at 30 June				Facility limit at 30 June		Number of borrowers			
	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (\$m)	2018 (\$m)	2017 (no.)	2018 (no.)	Change (no.)	Change (%)
Industry										
Livestock industries										
Beef cattle (including beef cattle feedlots)	1,120	1,120	0	0	1,450	1,324	4,002	3,682	-320	-8
Sheep and sheep-beef	1,448	1,607	159	11	1,774	1,936	5,891	5,652	-239	-4
Pigs	80	97	17	22	124	126	211	194	-17	-8
Dairy	4,145	3,989	-156	-4	4,529	4,419	10,003	8,485	-1,518	-15
Poultry (meat and eggs)	405	436	31	8	525	500	526	494	-32	-6
Other livestock (horses, deer, beekeeping, other livestock)	200	146	-53	-27	254	204	993	1,028	35	4
Cropping industries										
Grain growing and mixed grains-livestock	4,337	4,753	415	10	5,216	5,698	10,066	10,498	432	4
Cotton	129	na	na	na	153	na	161	na	na	na
Sugar cane	0	na	na	na	0	na	5	na	na	na
Vegetables (including mushrooms)	724	734	11	2	1,010	990	1,692	1,530	-162	-10
Grape growing	464	482	18	4	569	598	1,470	1,107	-363	-25
Fruit and nuts	462	491	28	6	603	623	1,236	1,301	65	5
Nursery and floriculture	155	152	-3	-2	200	214	756	662	-94	-12
Other crop growing	405	331	-74	-18	472	474	3,523	2,543	-980	-28
All agriculture	14,074	14,351	277	2	16,879	17,135	40,535	37,297	-3,238	-8

na Not available for publication but included in totals where applicable.

Table A4 Loans and leases in arrears at 30 June, agricultural industries, Victoria

Category	Total value of loans and leases more than 90 days past due			Proportion of total value of loans and leases more than 90 days past due		Number of borrowers more than 90 days past due	
	2017 (\$m)	2018 (\$m)	Change (\$m)	2017 (%)	2018 (%)	2017 (no.)	2018 (no.)
Industry							
Livestock industries							
Beef cattle (including beef cattle feedlots)	19	4	-15	1.7	0.4	34	27
Sheep and sheep-beef	6	8	2	0.4	0.5	31	33
Pigs	0	1	1	0.0	1.4	0	4
Dairy	40	53	13	1.0	1.3	67	86
Poultry (meat and eggs)	2	na	na	0.5	na	8	13
Other livestock (horses, deer, beekeeping, other livestock)	3	5	2	1.5	3.1	16	27
Cropping industries							
Grain growing and mixed grains-livestock	36	30	-6	0.8	0.6	63	83
Cotton	0	0	0	0.0	0.0	0	0
Sugar cane	0	0	0	0.0	0.0	0	0
Vegetables (including mushrooms)	10	21	11	1.4	2.9	20	20
Grape growing	4	na	na	0.9	na	17	6
Fruit and nuts	10	24	14	2.2	4.8	18	24
Nursery and floriculture	0	na	na	0.0	na	5	8
Other crop growing	1	1	0	0.2	0.2	16	14
All agriculture	131	164	33	0.9	1.1	295	345

na Not available for publication but included in totals where applicable.

Table A5 Lending to agriculture, by industry, Queensland

Category	Loans and leases outstanding at 30 June				Facility limit at 30 June		Number of borrowers			
	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (\$m)	2018 (\$m)	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)
Industry										
Livestock industries										
Beef cattle (including beef cattle feedlots)	9,382	9,957	575	6	11,278	11,919	9,206	9,414	208	2
Sheep and sheep-beef	482	465	-16	-3	610	601	1,542	1,636	94	6
Pigs	101	141	40	39	163	178	204	214	10	5
Dairy	275	276	1	0	309	320	892	858	-34	-4
Poultry (meat and eggs)	284	339	55	20	414	414	222	370	148	67
Other livestock (horses, deer, beekeeping, other livestock)	103	113	10	10	119	136	679	729	50	7
Cropping industries										
Grain growing and mixed grains-livestock	2,085	2,309	224	11	2,521	2,748	3,061	3,812	751	25
Cotton	1,309	1,369	60	5	1,531	1,575	711	619	-92	-13
Sugar cane	1,094	1,193	99	9	1,374	1,629	2,972	2,948	-24	-1
Vegetables (including mushrooms)	592	738	146	25	728	867	1,413	1,415	2	0
Grape growing	25	36	10	42	39	40	50	57	7	14
Fruit and nuts	799	809	10	1	987	1,013	1,496	1,470	-26	-2
Nursery and floriculture	90	84	-5	-6	110	105	479	465	-14	-3
Other crop growing	370	363	-7	-2	431	465	3,088	2,632	-456	-15
All agriculture	16,990	18,193	1,202	7	20,614	22,011	26,015	26,639	624	2

Table A6 Loans and leases in arrears at 30 June, agricultural industries, Queensland

Category	Total value of loans and leases more than 90 days past due			Proportion of total value of loans and leases more than 90 days past due		Number of borrowers more than 90 days past due	
	2017 (\$m)	2018 (\$m)	Change (\$m)	2017 (%)	2018 (%)	2017 (no.)	2018 (no.)
Industry							
Livestock industries							
Beef cattle (including beef cattle feedlots)	105	65	-40	1.1	0.7	47	60
Sheep and sheep-beef	0	na	na	0.0	na	4	na
Pigs	0	0	0	0.0	0.0	0	0
Dairy	9	7	-2	3.3	2.6	18	12
Poultry (meat and eggs)	0	na	na	0.0	na	3	na
Other livestock (horses, deer, beekeeping, other livestock)	1	na	na	1.0	na	12	na
Cropping industries							
Grain growing and mixed grains-livestock	14	3	-11	0.7	0.1	12	11
Cotton	0	0	0	0.0	0.0	0	na
Sugar cane	6	7	1	0.5	0.6	14	18
Vegetables (including mushrooms)	5	10	5	0.8	1.3	11	17
Grape growing	0	na	na	0.0	na	0	na
Fruit and nuts	14	38	24	1.8	4.7	20	16
Nursery and floriculture	1	1	0	1.1	0.7	5	7
Other crop growing	3	4	1	0.8	1.0	17	10
All agriculture	159	136	-23	0.9	0.7	163	175

na Not available for publication but included in totals where applicable.

Table A7 Lending to agriculture, by industry, Western Australia

Category	Loans and leases outstanding at 30 June				Facility limit at 30 June		Number of borrowers			
	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (\$m)	2018 (\$m)	2017 (no.)	2018 (no.)	Change (no.)	Change (%)
Industry										
Livestock industries										
Beef cattle (including beef cattle feedlots)	673	698	24	4	816	834	1,220	1,208	-12	-1
Sheep and sheep-beef	576	580	5	1	735	768	1,772	1,808	36	2
Pigs	62	69	7	11	79	82	76	73	-3	-4
Dairy	252	252	1	0	296	310	508	460	-48	-9
Poultry (meat and eggs)	76	113	37	49	85	129	119	362	243	>200
Other livestock (horses, deer, beekeeping, other livestock)	29	32	3	10	36	42	278	300	22	8
Cropping industries										
Grain growing and mixed grains-livestock	6,514	6,693	179	3	7,617	7,935	7,880	8,812	932	12
Cotton	3	na	na	na	3	na	55	na	na	na
Sugar cane	0	na	na	na	0	na	2	na	na	na
Vegetables (including mushrooms)	335	323	-11	-3	369	382	822	734	-88	-11
Grape growing	69	51	-18	-26	83	62	222	161	-61	-28
Fruit and nuts	176	173	-3	-2	211	213	478	451	-27	-6
Nursery and floriculture	66	50	-16	-25	82	64	237	205	-32	-14
Other crop growing	273	133	-141	-51	306	171	2,125	1,064	-1,061	-50
All agriculture	9,104	9,167	63	1	10,718	10,994	15,794	15,657	-137	-1

na Not available for publication but included in totals where applicable.

Table A8 Loans and leases in arrears at 30 June, agricultural industries, Western Australia

Category	Total value of loans and leases more than 90 days past due			Proportion of total value of loans and leases more than 90 days past due		Number of borrowers more than 90 days past due	
	2017 (\$m)	2018 (\$m)	Change (\$m)	2017 (%)	2018 (%)	2017 (no.)	2018 (no.)
Industry							
Livestock industries							
Beef cattle (including beef cattle feedlots)	1	3	2	0.1	0.4	5	11
Sheep and sheep–beef	2	na	na	0.3	na	10	6
Pigs	0	na	na	0.0	na	2	na
Dairy	5	na	na	2.0	na	3	5
Poultry (meat and eggs)	0	0	0	0.0	0.0	0	na
Other livestock (horses, deer, beekeeping, other livestock)	0	na	na	0.0	na	2	5
Cropping industries							
Grain growing and mixed grains–livestock	61	44	–17	0.9	0.7	52	48
Cotton	0	0	0	0.0	0.0	1	0
Sugar cane	0	na	na	0.0	na	0	0
Vegetables (including mushrooms)	23	na	na	6.9	na	10	9
Grape growing	3	2	–1	4.3	3.7	5	3
Fruit and nuts	7	na	na	4.0	na	7	8
Nursery and floriculture	0	na	na	0.0	na	2	na
Other crop growing	0	na	na	0.0	na	1	na
All agriculture	104	na	na	1.1	na	100	100

na Not available for publication but included in totals where applicable.

Table A9 Lending to agriculture, by industry, South Australia

Category	Loans and leases outstanding at 30 June				Facility limit at 30 June		Number of borrowers			
	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (\$m)	2018 (\$m)	2017 (no.)	2018 (no.)	Change (no.)	Change (%)
Industry										
Livestock industries										
Beef cattle (including beef cattle feedlots)	550	595	46	8	674	724	1,048	1,047	-1	0
Sheep and sheep-beef	1,041	1,186	145	14	1,258	1,436	2,762	2,988	226	8
Pigs	64	74	10	15	103	105	180	178	-2	-1
Dairy	394	374	-20	-5	442	413	786	785	-1	0
Poultry (meat and eggs)	213	214	1	1	236	237	182	244	62	34
Other livestock (horses, deer, beekeeping, other livestock)	71	57	-14	-20	82	75	319	408	89	28
Cropping industries										
Grain growing and mixed grains-livestock	3,626	3,957	331	9	4,356	4,682	8,348	9,050	702	8
Cotton	1	na	na	na	1	na	45	na	na	na
Sugar cane	1	na	na	na	1	na	6	na	na	na
Vegetables (including mushrooms)	479	523	43	9	558	620	1,033	933	-100	-10
Grape growing	534	520	-14	-3	624	651	1,721	1,816	95	6
Fruit and nuts	238	264	26	11	293	346	904	952	48	5
Nursery and floriculture	24	22	-2	-9	32	31	234	228	-6	-3
Other crop growing	226	165	-61	-27	267	211	2,000	1,216	-784	-39
All agriculture	7,463	7,953	490	7	8,925	9,533	19,568	19,860	292	2

na Not available for publication but included in totals where applicable.

Table A10 Loans and leases in arrears at 30 June, agricultural industries, South Australia

Category	Total value of loans and leases more than 90 days past due			Proportion of total value of loans and leases more than 90 days past due		Number of borrowers more than 90 days past due	
	2017 (\$m)	2018 (\$m)	Change (\$m)	2017 (%)	2018 (%)	2017 (no.)	2018 (no.)
Industry							
Livestock industries							
Beef cattle (including beef cattle feedlots)	2	3	1	0.4	0.4	9	15
Sheep and sheep–beef	5	18	13	0.5	1.5	13	27
Pigs	0	na	na	0.0	na	1	na
Dairy	18	14	–4	4.6	3.8	13	12
Poultry (meat and eggs)	0	na	na	0.0	0.0	2	4
Other livestock (horses, deer, beekeeping, other livestock)	0	na	na	0.0	na	7	6
Cropping industries							
Grain growing and mixed grains–livestock	17	24	7	0.5	0.6	47	63
Cotton	0	0	0	0.0	0.0	0	0
Sugar cane	0	0	0	0.0	0.0	0	0
Vegetables (including mushrooms)	1	2	1	0.2	0.4	7	13
Grape growing	38	13	–25	7.1	2.6	19	29
Fruit and nuts	0	na	na	0.0	na	6	17
Nursery and floriculture	0	na	na	0.0	na	5	4
Other crop growing	0	0	0	0.0	0.1	2	4
All agriculture	81	80	–1	1.1	1.0	131	195

na Not available for publication but included in totals where applicable.

Table A11 Lending to agriculture, by industry, Tasmania

Category	Loans and leases outstanding at 30 June				Facility limit at 30 June		Number of borrowers			
	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (\$m)	2018 (\$m)	2017 (no.)	2018 (no.)	Change (no.)	Change (%)
Industry										
Livestock industries										
Beef cattle (including beef cattle feedlots)	192	231	39	20	231	290	445	446	1	0
Sheep and sheep-beef	290	na	na	na	344	na	620	624	4	1
Pigs	3	4	2	58	3	5	21	22	1	5
Dairy	688	na	na	na	725	na	730	na	na	na
Poultry (meat and eggs)	12	na	na	na	16	na	23	na	na	na
Other livestock (horses, deer, beekeeping, other livestock)	29	14	-15	-51	77	17	95	112	17	18
Cropping industries										
Grain growing and mixed grains-livestock	162	244	82	51	188	279	256	421	165	65
Cotton	1	na	na	na	1	na	31	4	na	na
Sugar cane	0	na	na	na	0	na	0	8	na	na
Vegetables (including mushrooms)	281	281	0	-0	316	323	385	412	27	7
Grape growing	16	16	1	6	19	na	50	68	18	36
Fruit and nuts	45	46	1	2	56	62	95	104	9	10
Nursery and floriculture	15	na	na	na	17	20	85	76	-9	-11
Other crop growing	98	95	-3	-3	121	108	523	343	-180	-34
All agriculture	1,831	1,911	81	4	2,113	2,197	3,359	3,365	6	0

na Not available for publication but included in totals where applicable.

Table A12 Loans and leases in arrears at 30 June, agricultural industries, Tasmania

Category	Total value of loans and leases more than 90 days past due			Proportion of total value of loans and leases more than 90 days past due		Number of borrowers more than 90 days past due	
	2017 (\$m)	2018 (\$m)	Change (\$m)	2017 (%)	2018 (%)	2017 (no.)	2018 (no.)
Industry							
Livestock industries							
Beef cattle (including beef cattle feedlots)	1	na	na	0.5	na	3	na
Sheep and sheep–beef	6	na	na	2.1	na	5	6
Pigs	0	0	0	0.0	0.0	0	0
Dairy	24	na	na	3.5	na	12	na
Poultry (meat and eggs)	0	na	na	0.0	na	0	na
Other livestock (horses, deer, beekeeping, other livestock)	0	0	0	0.0	0.0	1	na
Cropping industries							
Grain growing and mixed grains–livestock	9	na	na	5.6	na	5	na
Cotton	0	0	0	0.0	0.0	0	0
Sugar cane	0	0	0	0.0	0.0	0	0
Vegetables (including mushrooms)	17	14	–3	6.0	5.0	4	7
Grape growing	0	0	0	0.0	0.0	1	0
Fruit and nuts	0	na	na	0.0	na	1	na
Nursery and floriculture	0	0	0	0.0	0.0	1	0
Other crop growing	0	0	0	0.0	0.0	0	0
All agriculture	58	27	–31	3.2	1.4	33	41

na Not available for publication but included in totals where applicable.

Table A13 Lending to agriculture, by industry, Northern Territory

Category	Loans and leases outstanding at 30 June				Facility limit at 30 June		Number of borrowers			
	2017 (\$m)	2018 (\$m)	Change (\$m)	Change (%)	2017 (\$m)	2018 (\$m)	2017 (no.)	2018 (no.)	Change (no.)	Change (%)
Industry										
Livestock industries										
Beef cattle (including beef cattle feedlots)	533	590	57	11	647	696	221	218	-3	-1
Sheep and sheep-beef	7	na	na	na	11	18	20	32	12	60
Pigs	0	0	0	0	0	-	1	0	-1	0
Dairy	0	na	na	na	0	0	3	na	na	na
Poultry (meat and eggs)	0	na	na	na	0	1	1	na	na	na
Other livestock (horses, deer, beekeeping, other livestock)	1	1	0	28	1	1	18	18	0	0
Cropping industries										
Grain growing and mixed grains-livestock	7	6	-1	-14	9	9	22	40	18	82
Cotton	0	0	0	0	0	-	3	0	-3	0
Sugar cane	0	na	na	na	0	na	0	na	na	na
Vegetables (including mushrooms)	4	5	1	37	4	6	24	49	25	104
Grape growing	0	0	0	41	0	0	7	5	-2	-29
Fruit and nuts	35	37	1	4	42	43	82	87	5	6
Nursery and floriculture	4	4	0	-11	5	na	13	9	-4	-31
Other crop growing	12	9	-3	-23	14	10	118	81	-37	-31
All agriculture	603	666	63	10	734	790	533	547	14	3

na Not available for publication but included in totals where applicable.

Table A14 Loans and leases in arrears at 30 June, agricultural industries, Northern Territory

Category	Total value of loans and leases more than 90 days past due			Proportion of total value of loans and leases more than 90 days past due		Number of borrowers more than 90 days past due	
	2017 (\$m)	2018 (\$m)	Change (\$m)	2017 (%)	2018 (%)	2017 (no.)	2018 (no.)
Industry							
Livestock industries							
Beef cattle (including beef cattle feedlots)	0	na	na	0.1	na	0	na
Sheep and sheep–beef	0	0	0	0.0	0.0	0	0
Pigs	0	0	0	0.0	0.0	0	0
Dairy	0	0	0	0.0	0.0	0	0
Poultry (meat and eggs)	0	0	0	0.0	0.0	0	0
Other livestock (horses, deer, beekeeping, other livestock)	0	0	0	0.0	0.0	0	0
Cropping industries							
Grain growing and mixed grains–livestock	0	0	0	0.0	0.0	0	0
Cotton	0	0	0	0.0	0.0	0	0
Sugar cane	0	0	0	0.0	0.0	0	0
Vegetables (including mushrooms)	0	na	na	0.0	na	0	na
Grape growing	0	0	0	0.0	0.0	0	0
Fruit and nuts	0	0	0	0.0	0.0	1	na
Nursery and floriculture	0	0	0	0.0	0.0	0	0
Other crop growing	0	na	na	0.6	na	0	na
All agriculture	0	na	na	0.0	na	1	5

na Not available for publication but included in totals where applicable.

Appendix B: Agricultural industry groups

Table B1 Agricultural industry groups, by class

Industry group	Subgroup	ANZSIC 1993 class	ANZSIC 2006 class
Livestock industries	Beef cattle	0125	0142, 0143
	Sheep and sheep–beef	0123, 0124	0141, 0144
	Pigs	0151	0192
	Dairy	0130	0160
	Poultry (meat and eggs)	0141, 0142	0171, 0172
	Other livestock (horses, deer, beekeeping, other livestock)	0152, 0153, 0159	0180, 0191, 0193, 0199
Cropping industries	Grain growing and mixed grains–livestock	0121, 0122	0146, 0145, 0149
	Cotton	0162	0152
	Sugar cane	0161	0151
	Vegetables (including mushrooms)	0113	0122, 0123, 0121
	Grape growing	0114	0131
	Fruit and nuts	0115, 0116, 0117, 0119	0132, 0133, 0134, 0135, 0136, 0137, 0139
	Nursery and floriculture	0111, 0112	0111, 0112, 0113, 0114, 0115
	Other crop growing	0169	0159

ANZSIC Australian and New Zealand Standard Industrial Classification.

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