



Australian Banking
Association

Banking agribusiness in 2025

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Foreword

The Australian Banking Association recognises the integral role agricultural businesses play in supporting communities in the bush while also growing the national economy.

ABA member banks have nearly doubled the amount they lend to agribusinesses each month. In the twelve months to September 2025 ABA member banks provided, on average, \$6.8 billion a month in credit to agribusinesses, up from \$ 3.6 billion in the 12 months to September 2021.

Australian lenders have now extended more than \$140 billion in finance to the sector. Banks provide 93 per cent of all rural business lending, far outweighing the contribution of other financiers and government programs.

We recognise, however, that agricultural businesses live with volatility that city businesses rarely see. When trouble strikes, banks work with customers to keep farms and regional enterprises on their feet.

Hardship arrangements, including restructuring loans, waiving fees and charges and repayment deferrals, give customers breathing room. Hardship assistance is not contingent on a government drought declaration.

Australia's banks are proud to stand behind regional ambition. We recognise that strong regions means a prosperous Australia.



Simon Birmingham
Chief Executive Officer
Australian Banking Association



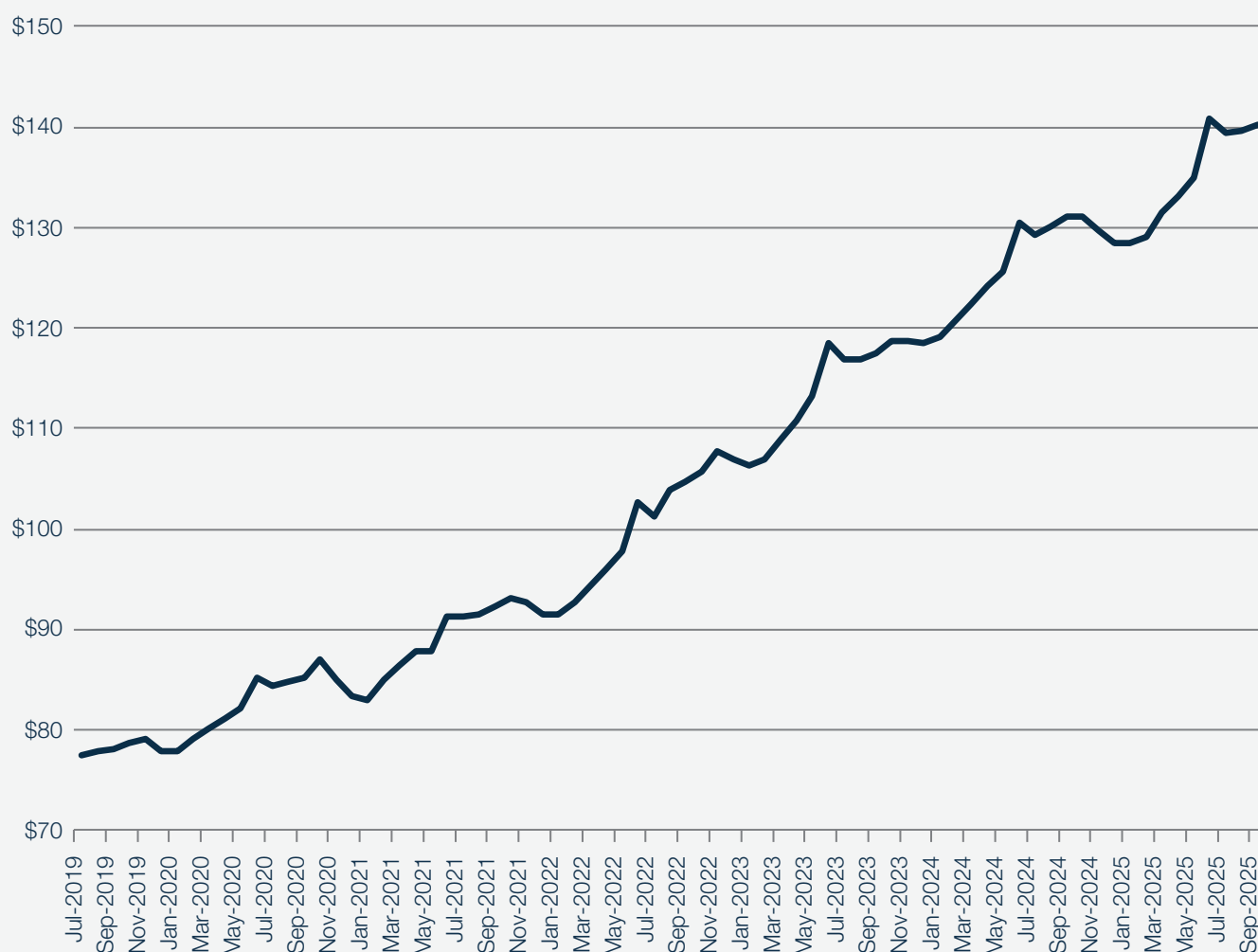


01 Agri-lending

Lending to agribusinesses continues to grow

- Access to credit is essential to growing and maintaining the 170,890 agribusinesses in Australia.
- New lending enables farmers and other agricultural businesses to expand operations, enter new markets, and increase productivity by investing in new machinery and technology.
- Australian lenders provided agribusinesses with more than \$140 billion in credit as at 30 September 2025, an increase of 80% since mid-2019.

Total lending to agribusinesses, \$bn, July 2019 – September 2025

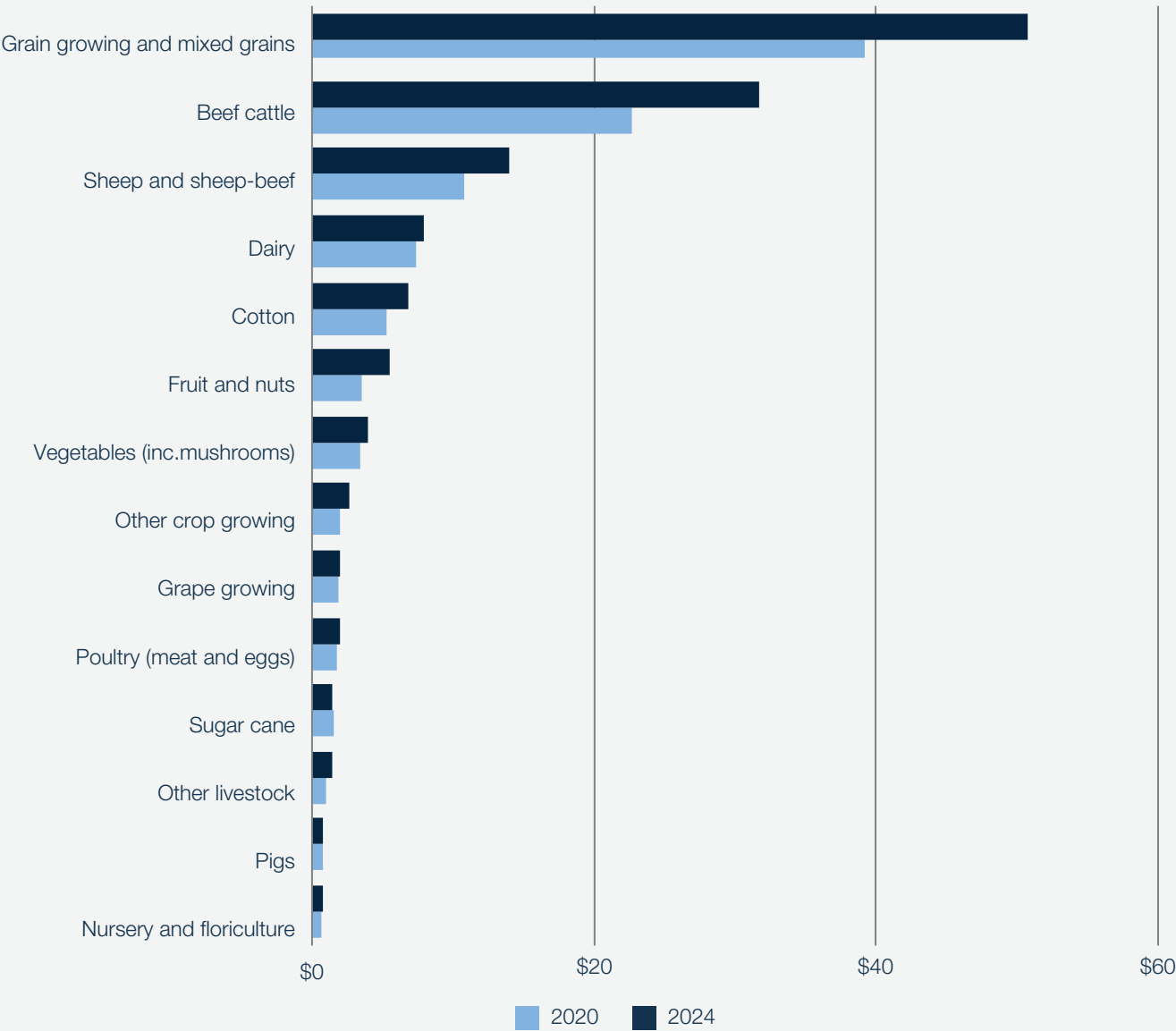


Source: RBA, Lending to Business - Business finance outstanding by business size and industry, D14.1.

Grain and beef cattle farmers account for the bulk of lending

- The total credit extended to grain growing and mixed grains has grown by 40.1% in the five years between 2019 and 2024, from \$36.2bn to \$50.8bn.
- Credit to beef cattle grew by 48.1% from \$21.4bn to \$31.8bn.

Total lending to agribusinesses, By sector, \$bn, 2020 – 2024

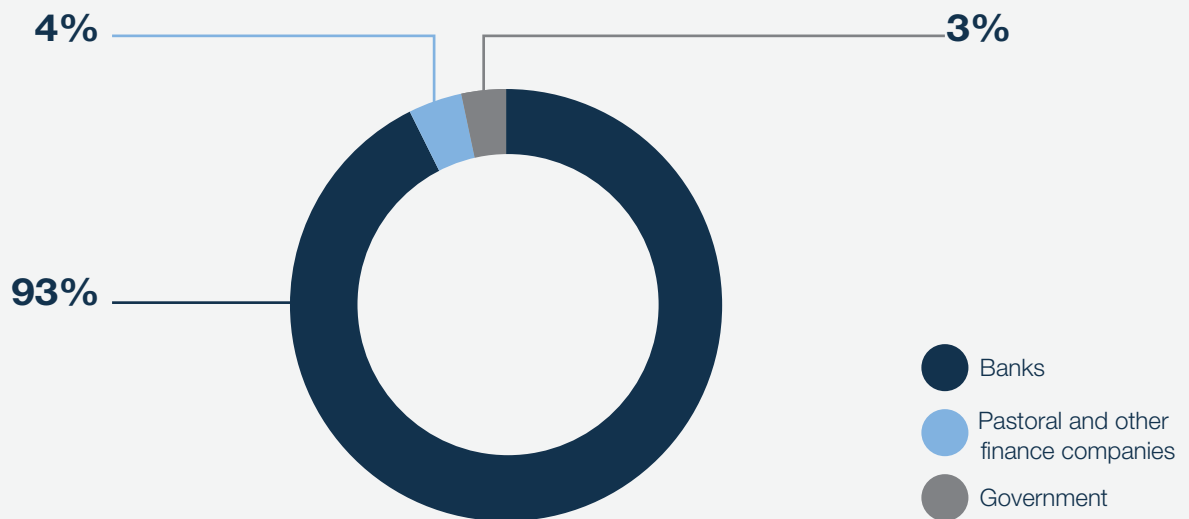


Source: ABARES, APRA Lending Data, Farm Debt dashboard.

Australian banks provide the majority of lending to agribusinesses

- In 2024, banks were responsible for 93% of finance provided to rural businesses.
- The remainder was provided by pastoral and other finance companies (4%) and government (3%).

Rural debt, By lender, %, June 2024

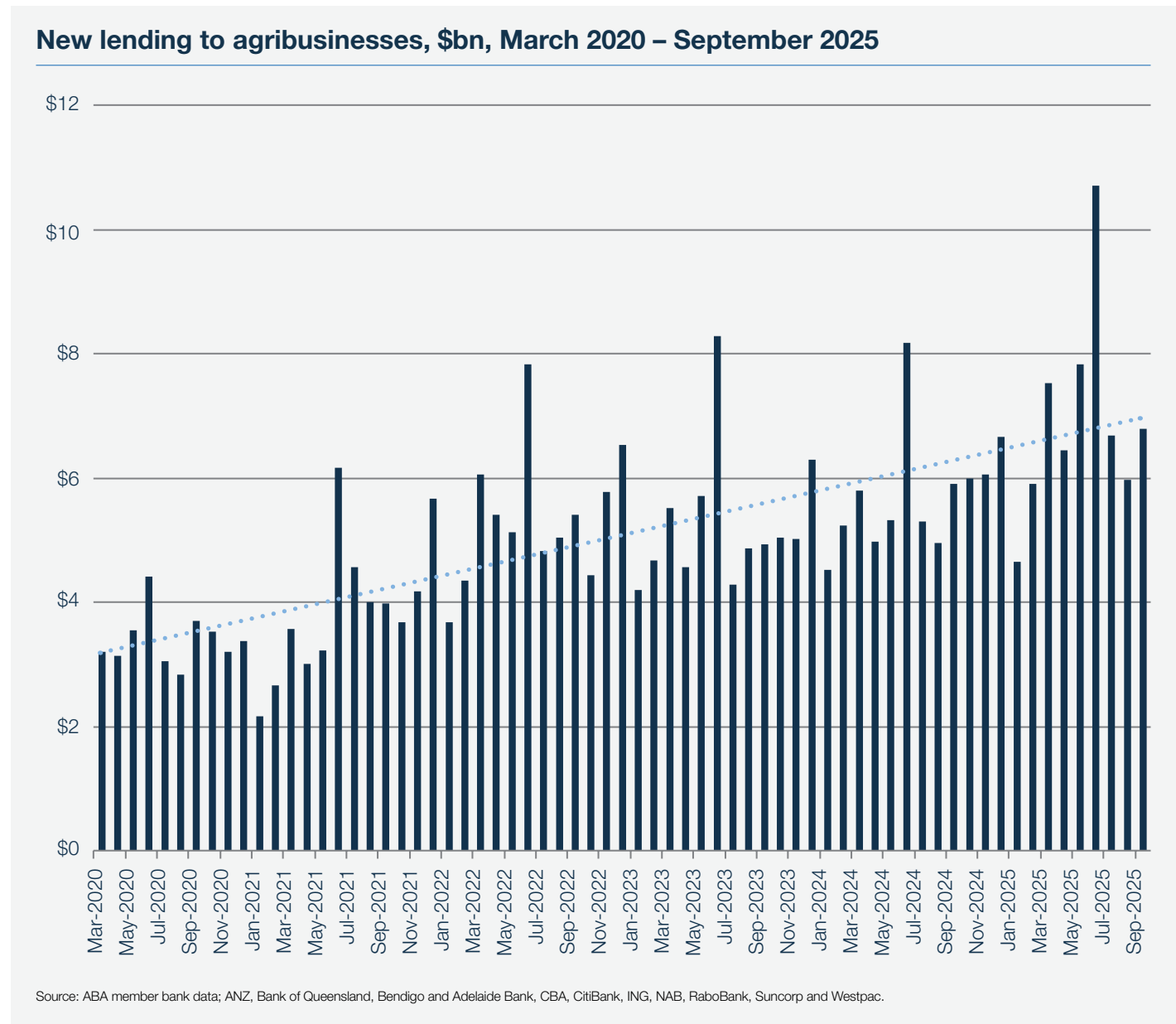


Source: RBA, Rural Debt by Lender, D9.



ABA member banks have nearly doubled their lending to agribusinesses over the past few years

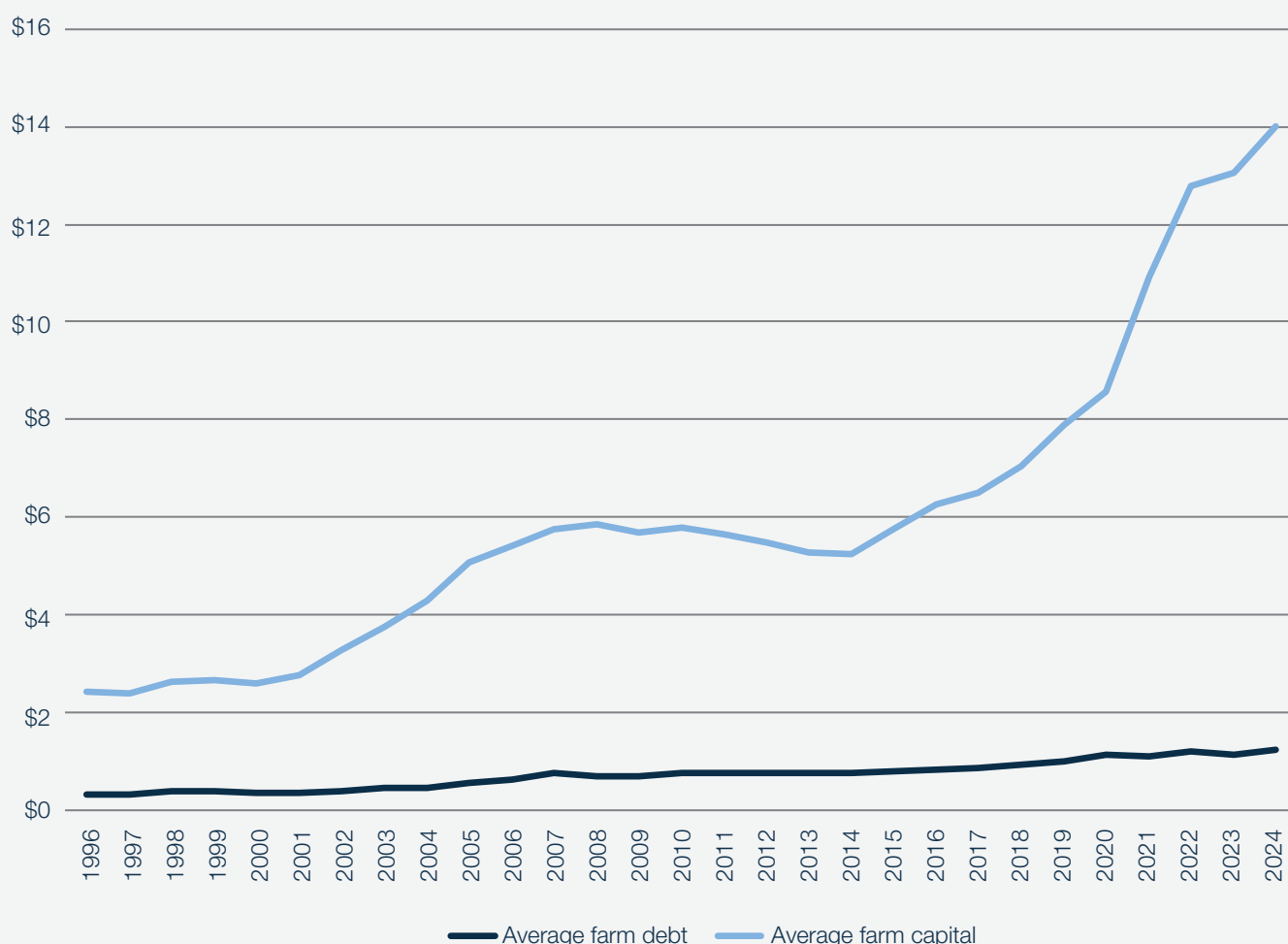
- In the year to September 2025 ABA member banks lent, on average each month, \$6.8 billion to agribusinesses.
- In comparison, in the year to September 2021, on average ABA members lent around \$3.6 billion a month to agribusinesses.
- ABA member banks have extended more than 44,000 loans to agribusinesses in the last 12 months.



While there has been growth in average farm debt, the value of capital has grown at an even greater rate

- Most businesses take on debt to enable growth and this is evident in agriculture.
- While the growth of average farm debt is substantial, the value of capital has grown at an even greater rate.
- The average debt held by a farm has grown from \$304,776 in 1996 to \$1.2 million in 2024.
- In 1996 the average capital held by a farm was \$2.4 million and now sits at \$14 million.

Average farm capital and debt, \$m, 1996 – 2024

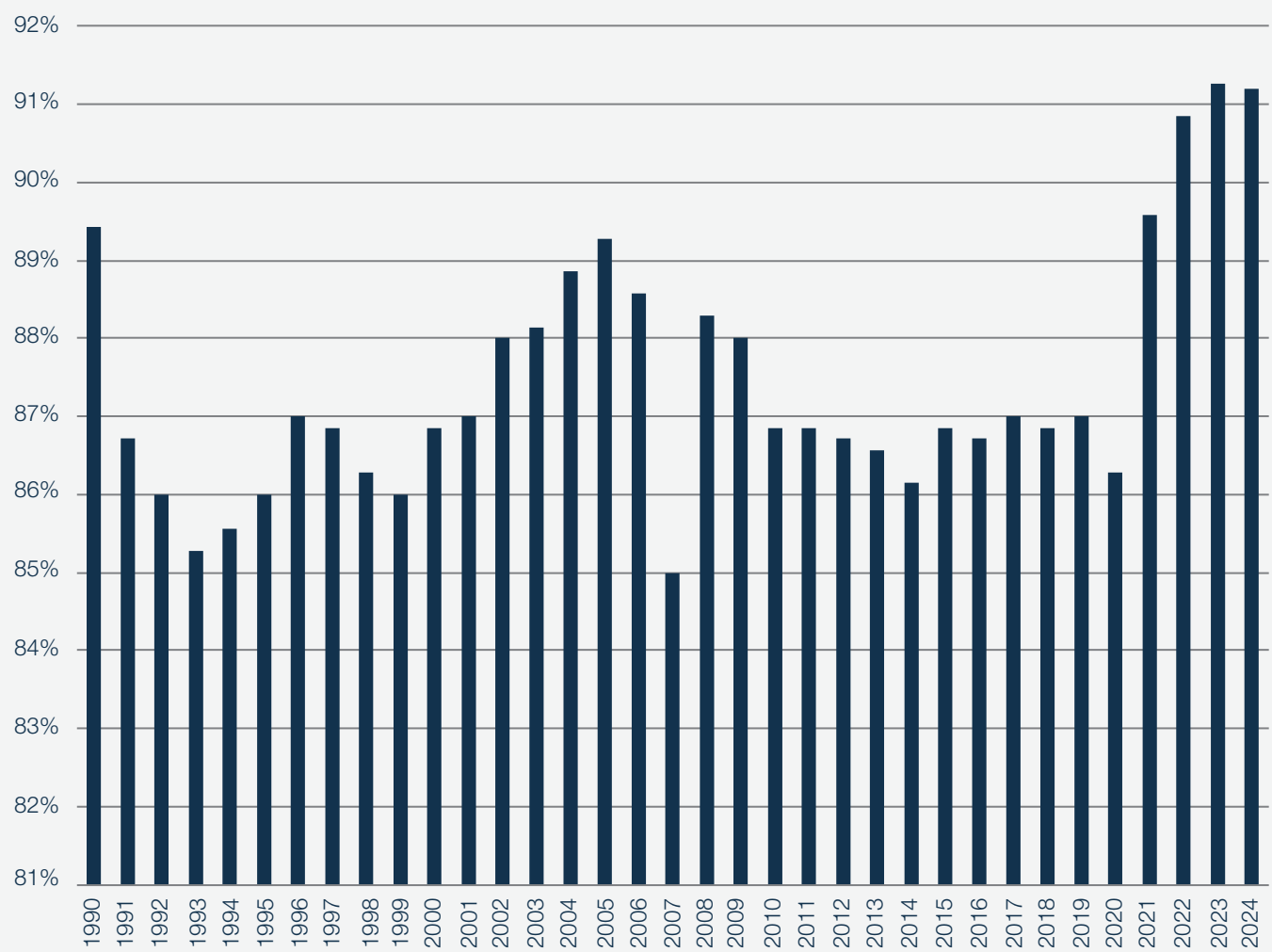


Source: ABARES, Trends in farm debt, ABARES farm survey data.

The average farm equity ratio has increased to >90% in recent years

- As a result of the increase in capital relative to debt, the average farm equity ratio has also increased, showing leverage is low for most farms.
- This means levels of indebtedness are low across farms, relative to total capital available.

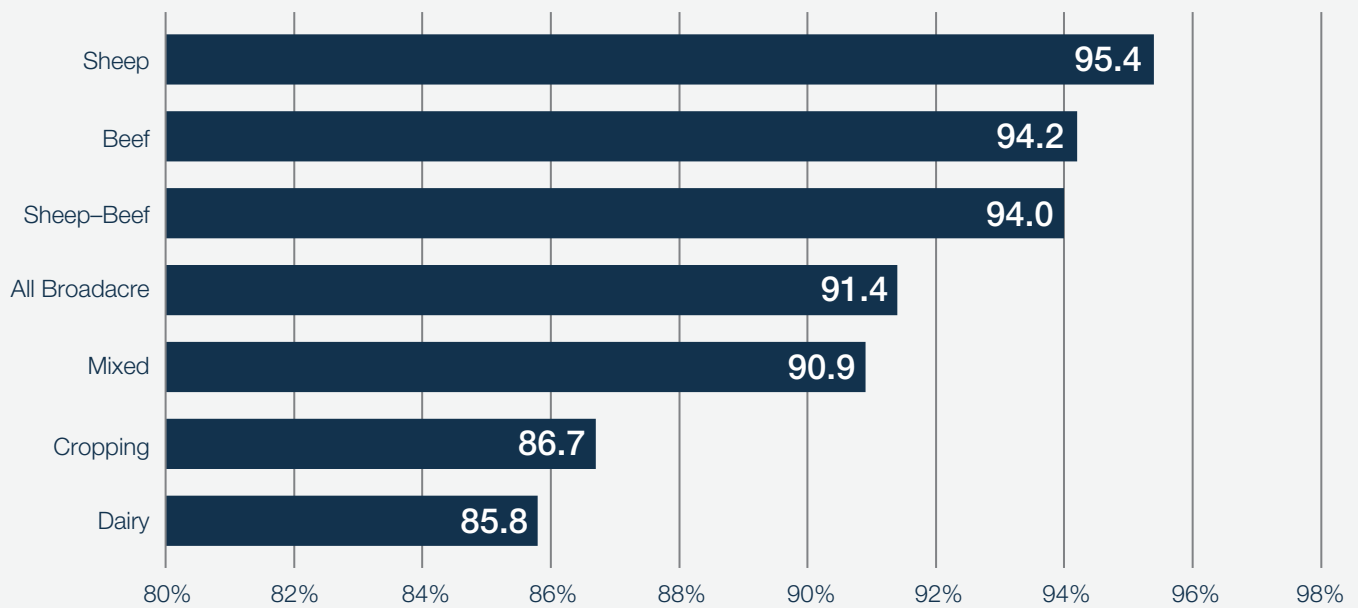
Average farm equity ratio, %, 1990 – 2024



Source: ABARES, Trends in farm debt, ABARES farm survey data.

Sheep and beef farms have the highest equity ratio

Average farm equity ratio, By industry, %, 1990 – 2024

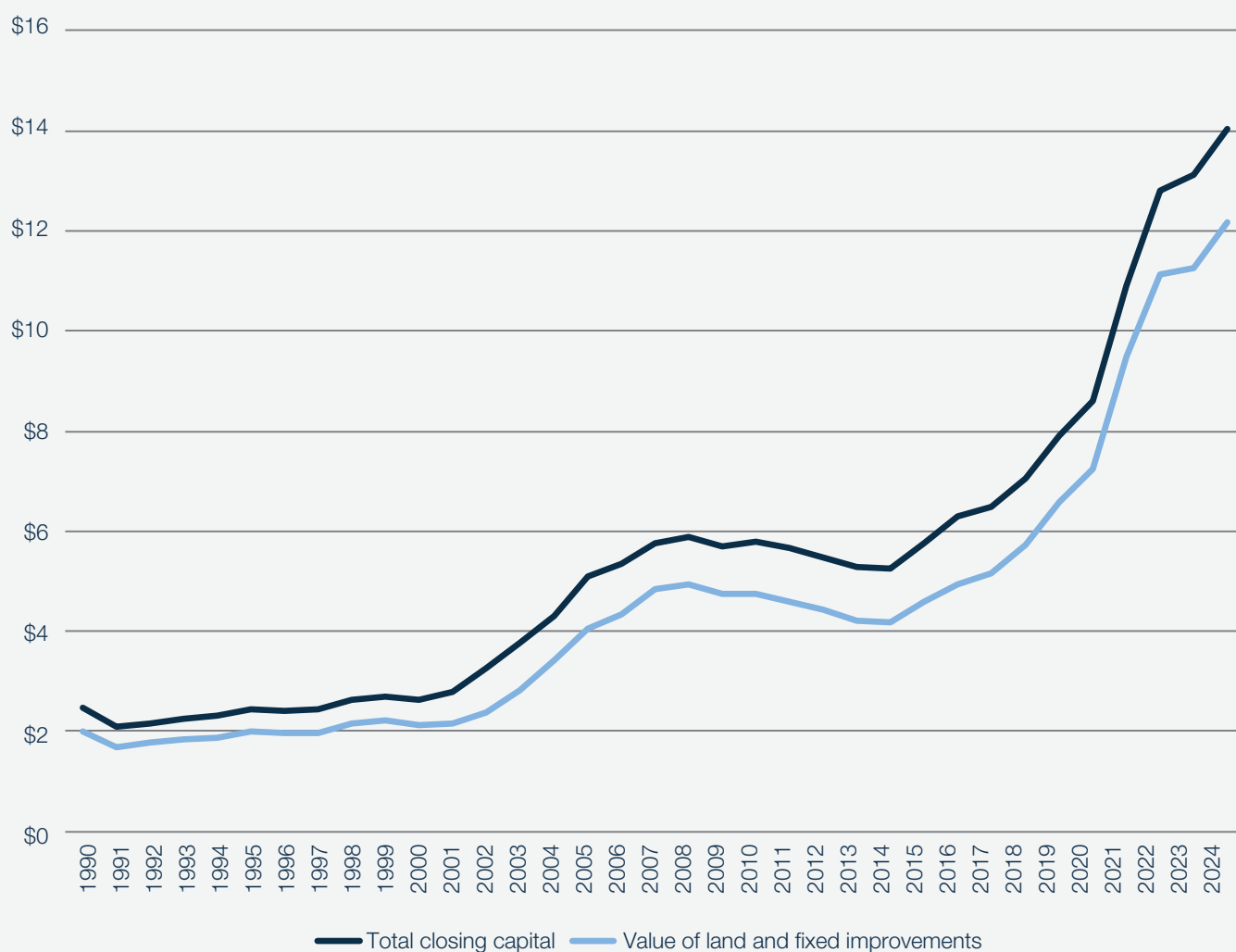


Source: ABARES, Trends in farm debt, ABARES farm survey data.



Increased land values have contributed to increased capital

Average farm capital and land value, \$m, 1990 – 2024



Source: ABARES, Trends in farm debt, ABARES farm survey data.



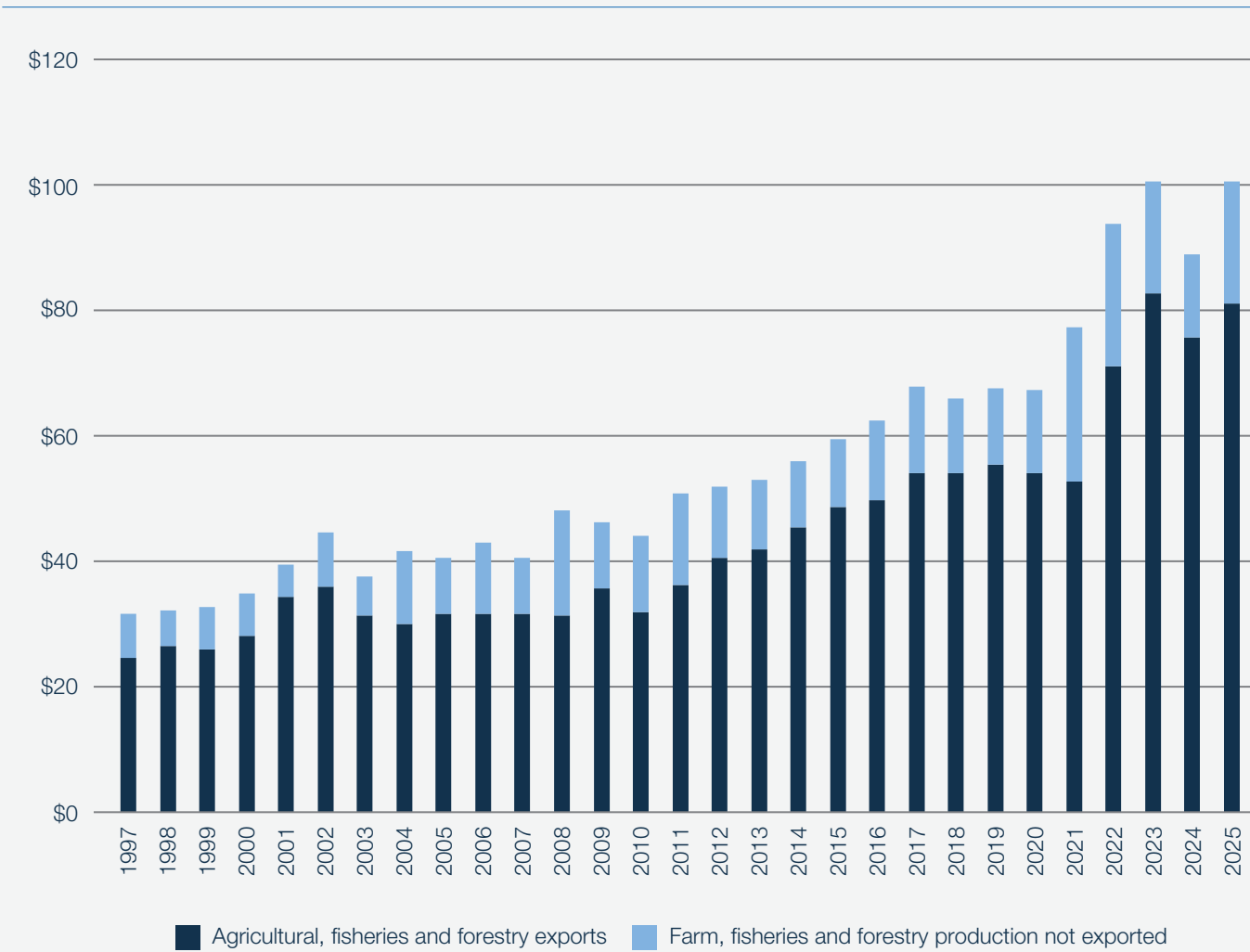
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Agri-performance

In the last year agribusinesses produced agricultural products worth just over \$100 billion

- In any given year, around 80% of agricultural products are exported.

Value of agribusiness production, \$bn, 1997 – 2025

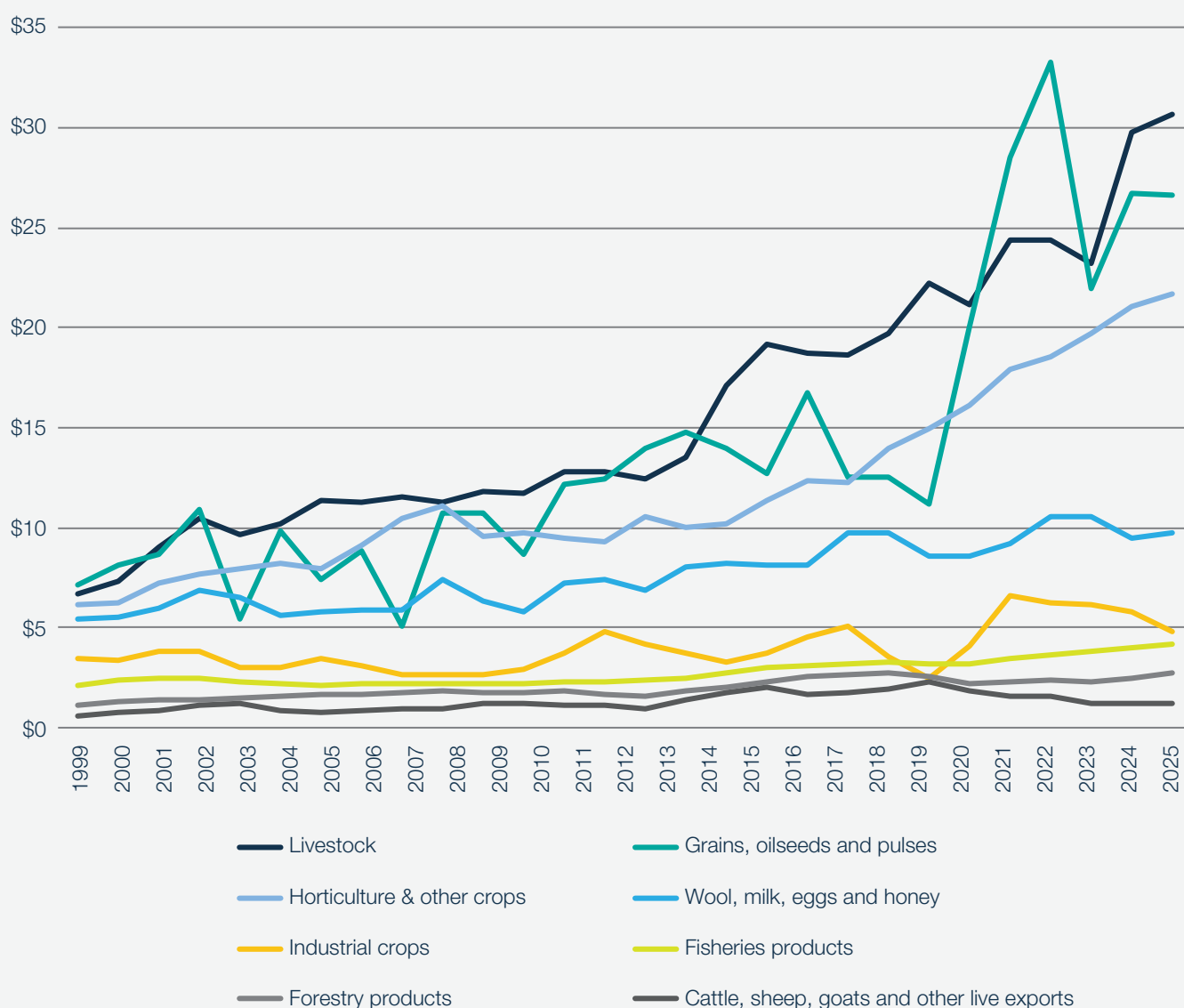


Source: ABARES, Agricultural Commodities, Tables 9 & 13. Note: 2022-23 - 2024-25 are ABARES estimates.

Grains and livestock are the largest agricultural sectors by value of production

- Livestock has experienced the greatest growth of all agricultural sectors, having grown 456% since 1999.

Value of agribusiness production, By industry \$bn, 1999 – 2025

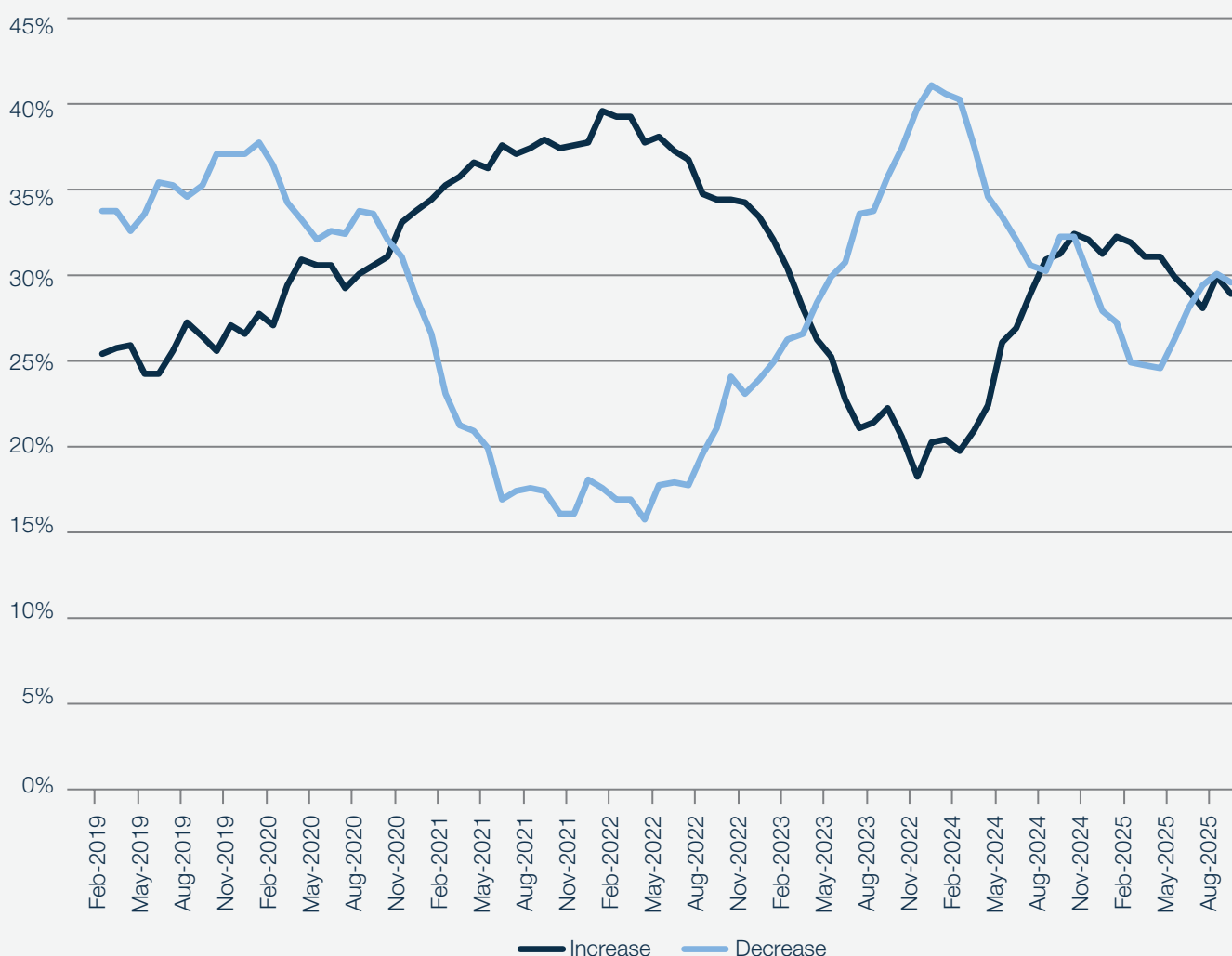


Source: ABARES, Agricultural Commodities, Table 9. Note: 2022-23 - 2024-25 are ABARES estimates.

One in three agribusinesses report they expect revenue to increase

- Expectations about future revenue tend to fluctuate according to seasonal conditions.
- In recent months more agribusinesses have reported positive expectations about future revenue than negative.

Revenue expectations, Agribusinesses, %, September 2019 – October 2025



Source: RFI Business Atlas Base: All Agribusinesses with turnover up to \$40m per annum, sample size range n=352-946. Data uses 6 month moving averages.

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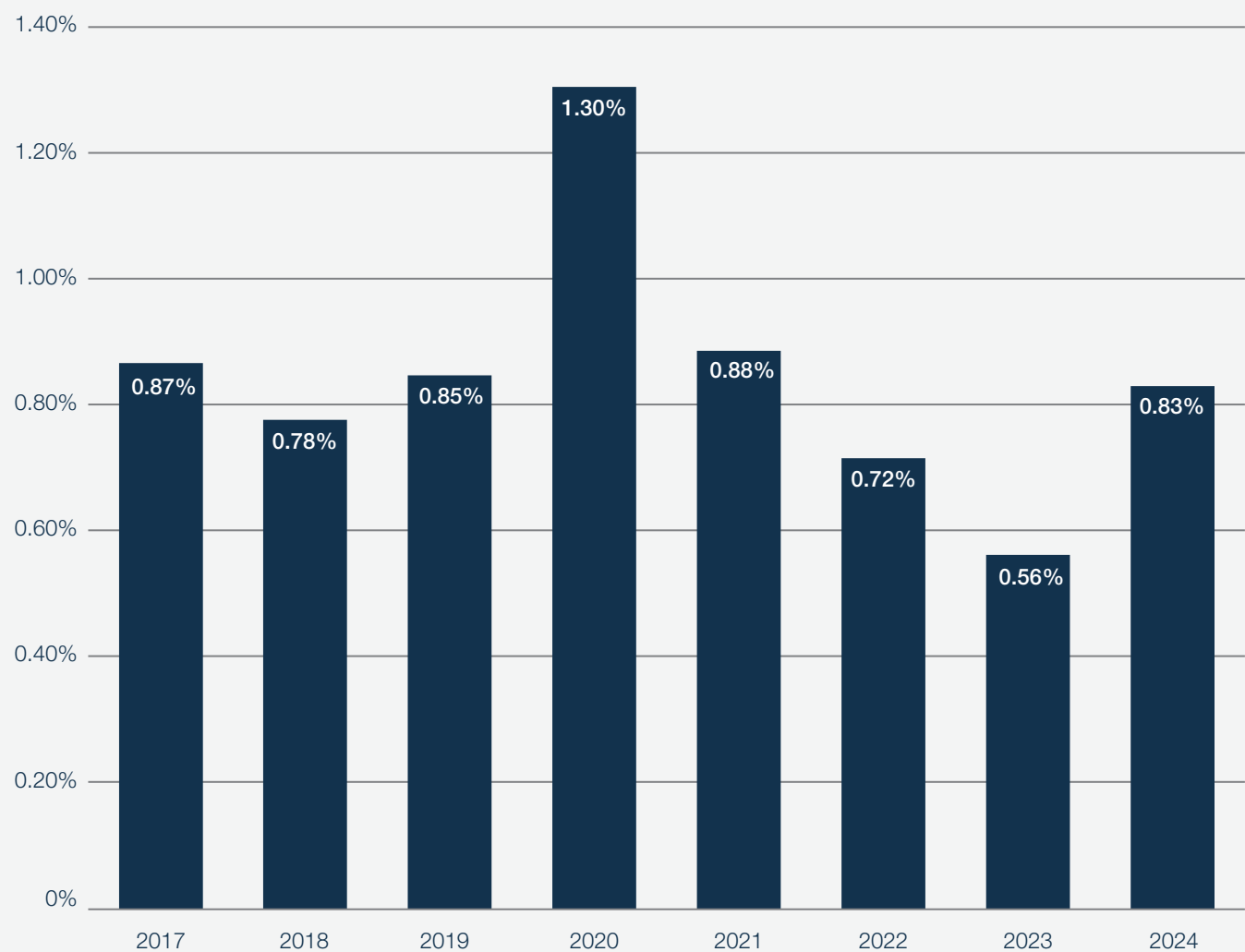
Help in hard times

Source: ABA member bank data.

The majority of agribusiness loans are performing

- In FY24, just 0.83% of agribusiness loans were 90 or more days overdue.
- Typically, arrears on agribusiness loans hover around 0.8%, with an outlier in 2020 of 1.30% in the early days of COVID-19.

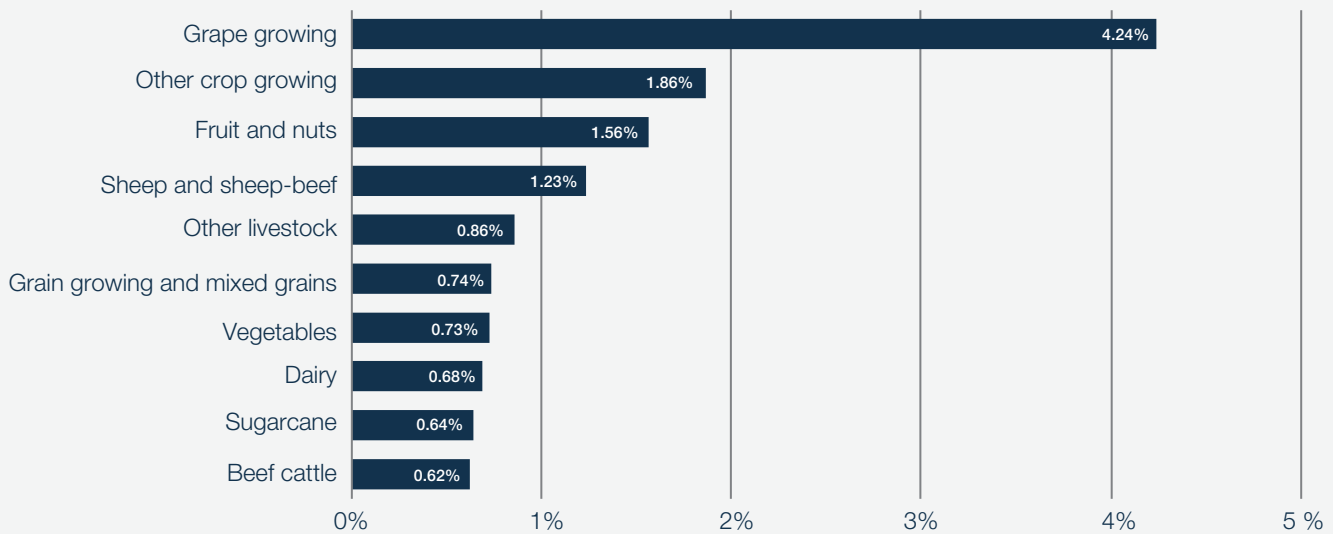
Agricultural business loans 90+ days past due, %, 2017 – 2024



Source: ABARES, Trends in farm debt, APRA data.

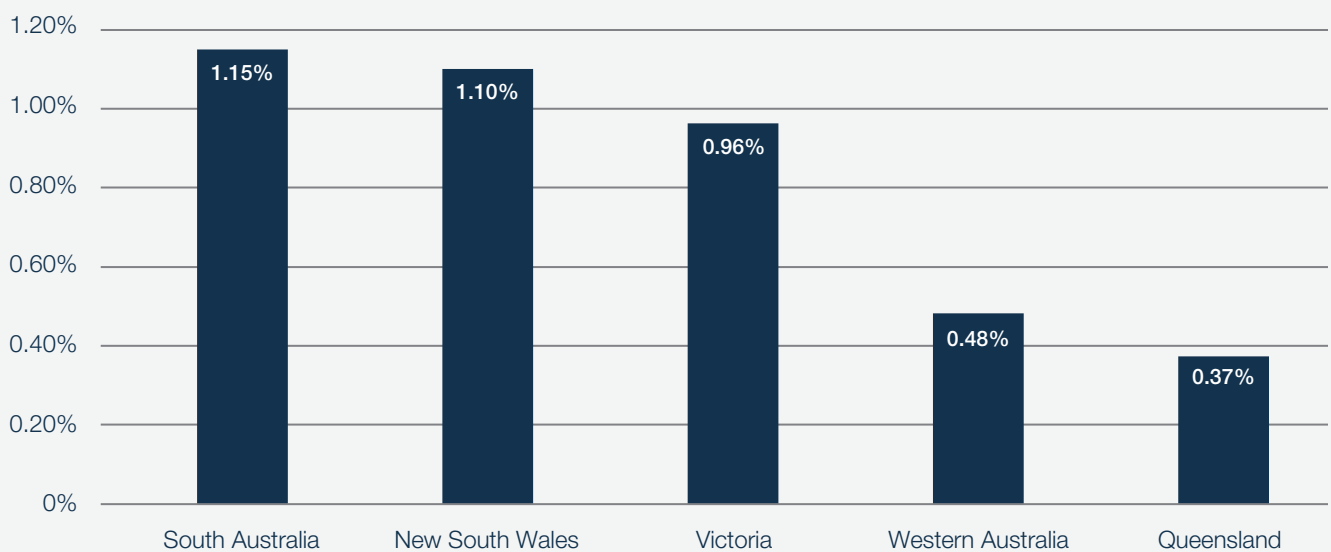
Non-performing loans are more concentrated in grape growing and South Australia

Agricultural business loans 90+ days past due, By sector, %, June 2024



Source: ABARES, Trends in farm debt, APRA data. Note: data does not include pigs, poultry, cotton or nursery and horticulture as the sample sizes are too small.

Agricultural business loans 90+ days past due, By State, %, June 2024



Source: ABARES, Trends in farm debt, APRA data. Note: data does not include Tasmania, Northern Territory or ACT as the sample sizes are too small.





Farm management deposits

One tool to help farmers manage fluctuations in income is the Farm Management Deposit (FMD) Scheme. Introduced in 1999, agricultural producers can hold up to \$800,000 FMDs.

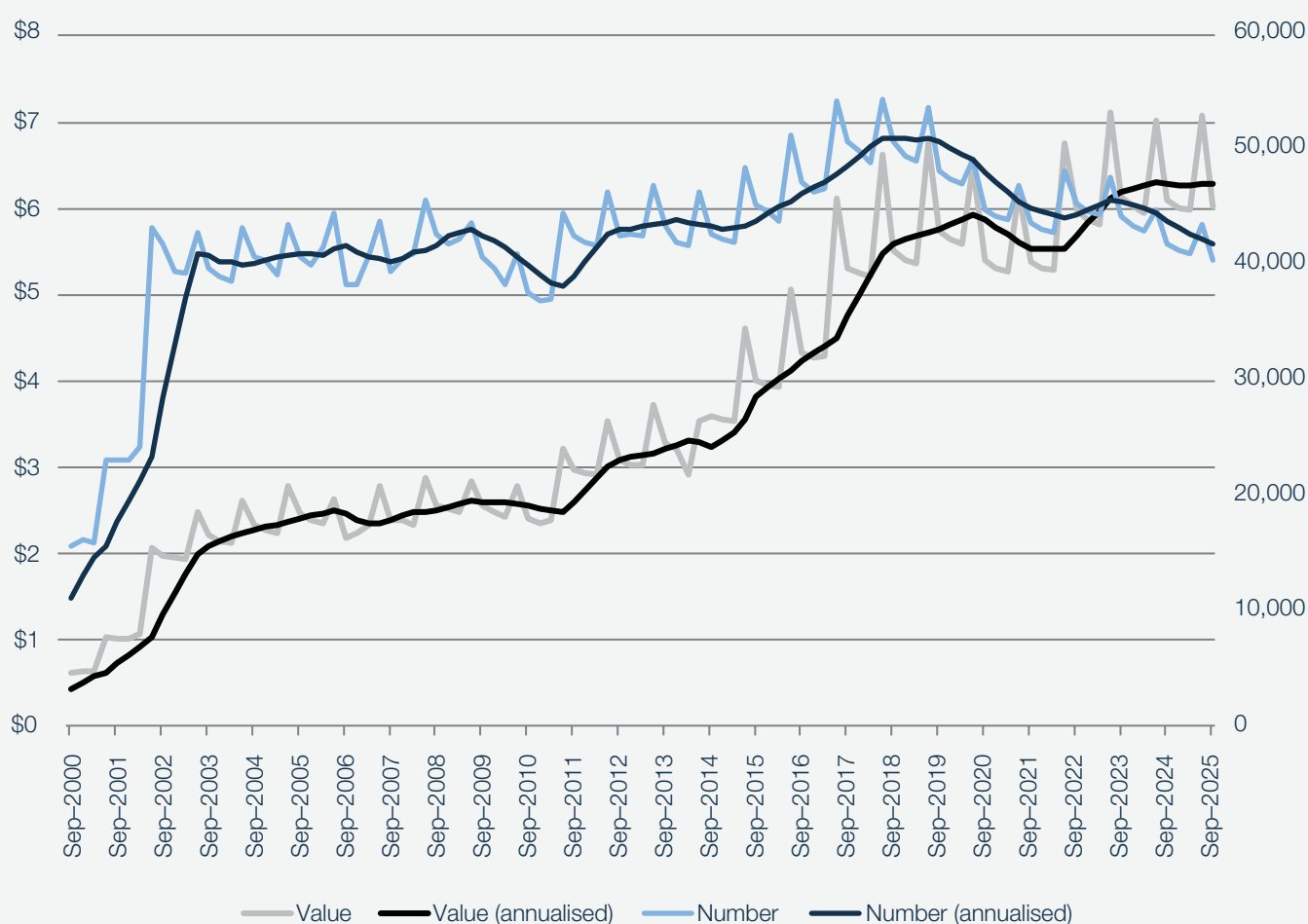
FMDs allow agribusinesses to pay income tax on their deposits only when the money is withdrawn, rather than when it is earned and deposited. This allows farmers to set aside pre-tax income which they can draw on in future years when they need it, such as during low income years, or for restocking or replanting when conditions start to improve.

The Department of Agriculture, Fisheries and Forestry manages policy relating to FMD accounts, while the Australian Taxation Office is responsible for the tax administration. Australian banks provide the financial infrastructure by way of deposit accounts.

The annualised value held in FMDs is at record levels

- The number of FMD accounts peaked at 54,556 in the June 2018 quarter. There are now around 25% fewer accounts. The number of accounts does not indicate the number of primary producers participating in the FMD Scheme, as a producer may hold multiple FMD accounts.
- The drop in number of account numbers is not reflected in the value of accounts, which peaked in the previous quarter (June 2025) at just over \$7 billion.
- At September 30, 2025 just over \$6 billion was held in 40,565 FMD accounts.

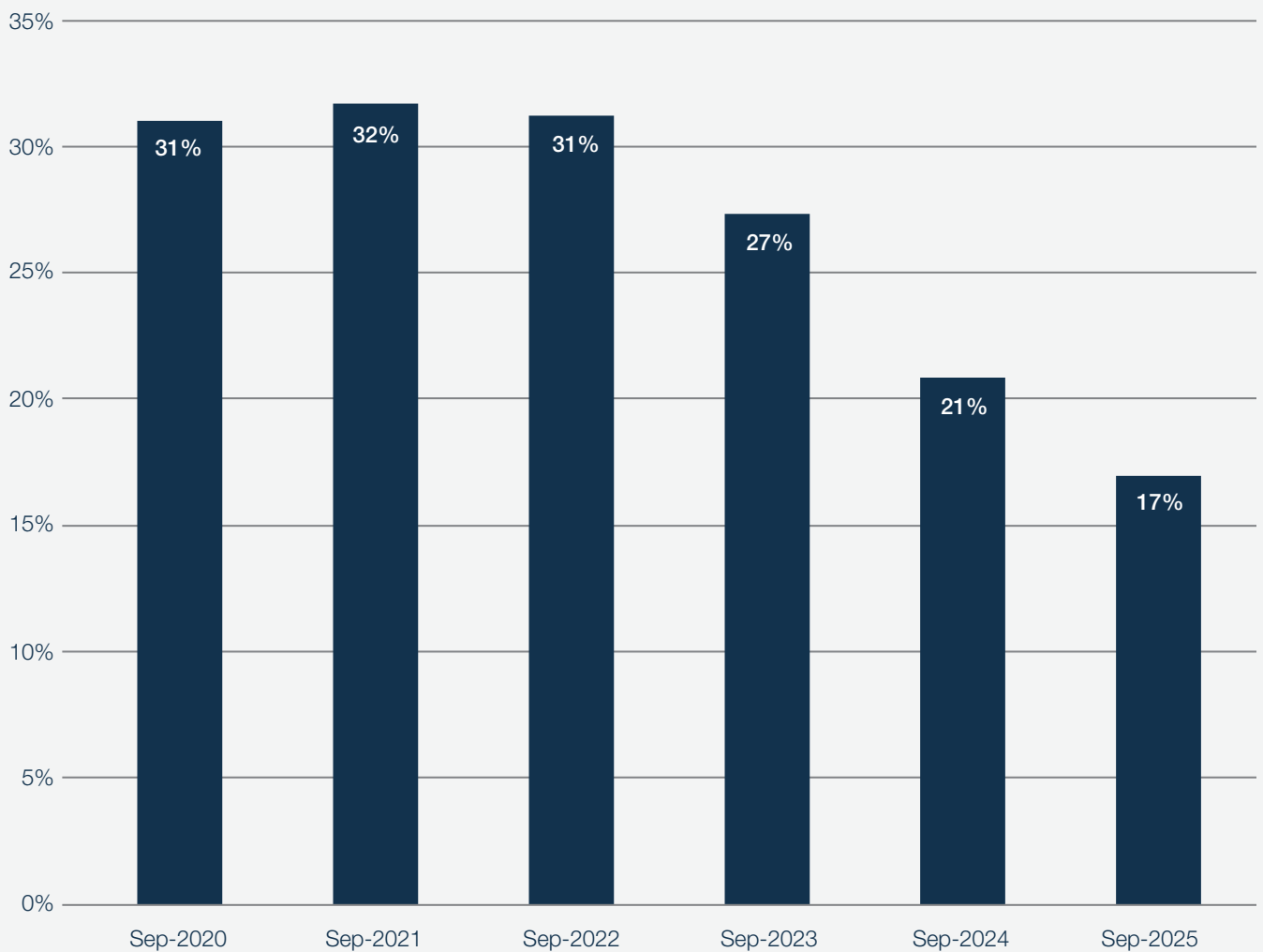
Farm Managed Deposits, Value (LHS) & Number (RHS), \$bn & N, September 2000 – September 2025



Source: Department of Agriculture, Fisheries and Forestry, Farm Management Deposits Statistics.

- 17% of agribusinesses report holding farm managed deposits.
- This is a drop from nearly one in three agribusinesses holding FMDs in 2020.

Product held: Farm Managed Deposits, %, September 2019 – September 2025

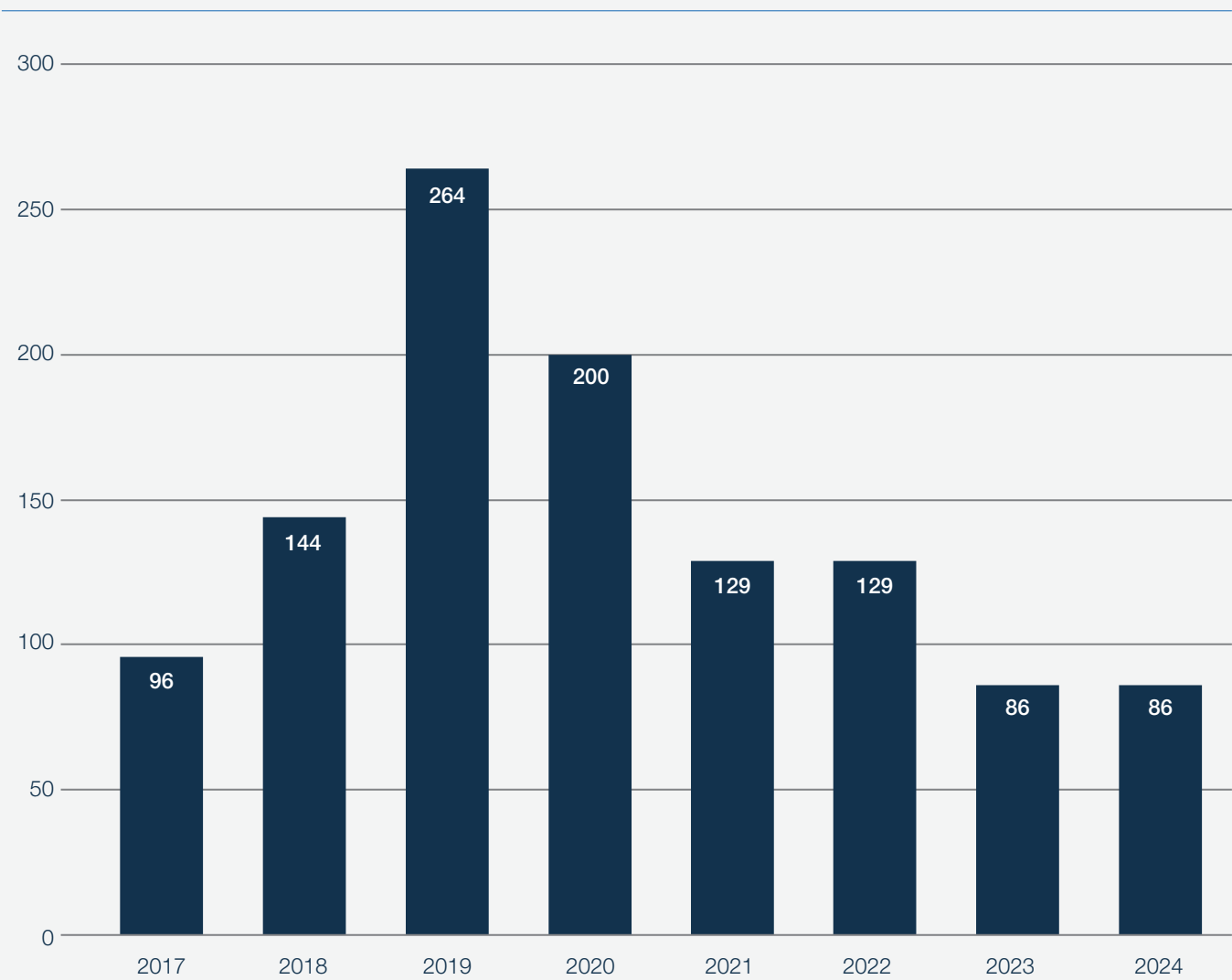


Source: RFI Business Atlas Base: All Agribusinesses with turnover up to \$40m per annum September 2019 to September 2025, sample size range n=352. Data uses 6 month moving averages.

Agribusinesses continue to access farm debt mediation

- In situations where agribusinesses are unable to repay their loans they may access farm debt mediation.
- 86 agribusinesses accessed farm debt mediation in 2024.
- This structured process utilises an independent mediator to identify a path to resolution.
- The number of instances of farm debt mediation have fallen in recent years, from a peak of 264 in 2019.

Instances of farm debt mediation, n, 2017 – 2024



Source: ABARES, Trends in farm debt, APRA data.

Banks are here to help

Whatever the cause, there are practical ways your bank can help you out of financial difficulty. Contact your bank as soon as you can.

ABA member banks offer a range of services to help, these can include:

- A deferral of scheduled loan repayments
- Waiving fees and charges, including break costs on early redemption of farm management deposits
- Debt consolidation to help make repayments more manageable
- Restructuring existing loans free of the usual establishment fees
- Deferring interest payments on a case-by-case basis
- Offering additional finance to help cover cash flow shortages
- Deferring upcoming credit card payments
- Increasing emergency credit card limits.



About the Australian Banking Association

The Australian Banking Association's membership is comprised of 20 banks from across Australia. ABA member banks are some of Australia's most recognisable and historic brands. They include the four major banks, iconic regional banks and international banks with an Australian banking licence.

The Australian Banking Association advocates for a strong, competitive and innovative banking industry that delivers excellent and equitable outcomes for customers.

We promote and encourage policies that improve banking services for all Australians, through advocacy, research, policy expertise and thought leadership.





Australian Banking
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