


Australia's rural confidence has fallen slightly in the second quarter of 2011 but is still at an historically high level, according to a recent Rabobank survey. 

The Rabobank Rural Confidence Survey found 42% of farmers expected conditions to improve during the year, falling six percentage points from 48% in the first quarter.

More farmers expected conditions to stay the same with an increase of nine percentage points to 43%, while 12% expected the agricultural economy would worsen.

Rabobank's Rural Australia general manager Peter Knoblanche, said record cotton crop yields had been a strong underlying driver of confidence, while confidence in the states of Queensland and Tasmania improved on the first quarter.

"The improvement in Queensland farmer confidence indicates the state is beginning to recover from the devastation of the floods and cyclone," Knoblanche said.

"Sugar producers in the state's north have started harvesting early to compensate for crops lost earlier in the year, while banana growers started replanting suckers as soon as Cyclone Yasi's winds subsided, but a replenishment of supply into the market will take some time."

He said Tasmania's confidence was mainly driven by graziers, while vegetable and poppy farmers were still dealing with the effects of 'inclement' weather earlier in the year.

Farmers in the southern and central parts of the New South Wales were grappling with a mouse plague that was damaging winter crops, but agricultural conditions in the state were reported as 'generally very good'.

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