

# + Queensland Rural Debt Survey 2021

An overview

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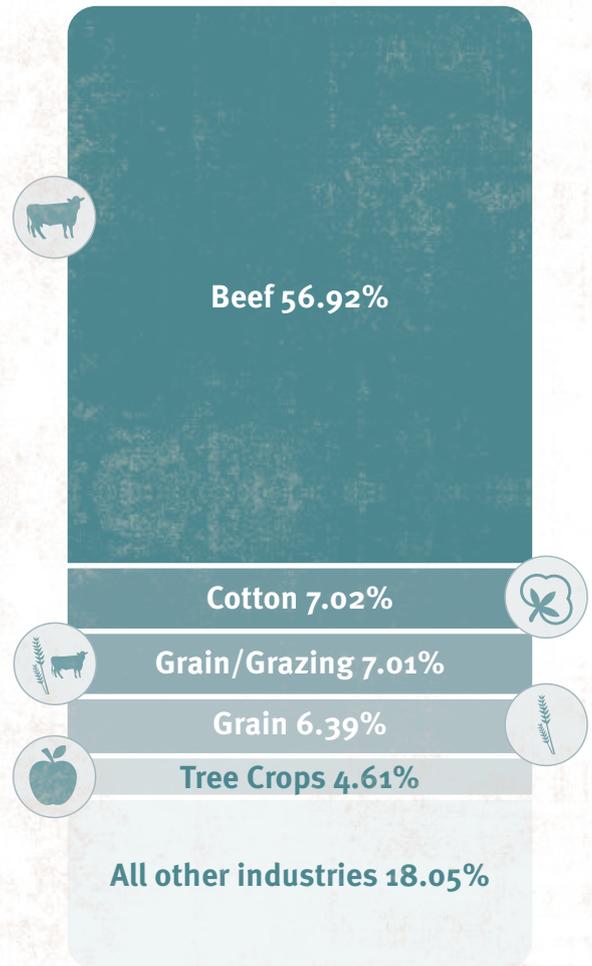
*Rural Debt is defined as the total indebtedness of all farmers/rural enterprises throughout Queensland, where the servicing of the rural debt relies primarily on rural generated income.*

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

The Queensland Rural Debt Survey has been conducted by the **Queensland Rural and Industry Development Authority (QRIDA)**, since 1994. From 2001 to 2011, the survey was conducted biennially and resumed again in 2017. The 2021 report includes an analysis of the movement in rural debt since the previous 2019 Survey.

For more information see the complete 2021 Queensland Rural Debt Survey report available at [qrda.qld.gov.au/queensland-rural-debt-survey](http://qrda.qld.gov.au/queensland-rural-debt-survey)

## Debt proportion by major industry



 **Average debt per borrower**  
**\$1.39 million**  
+32.67% compared to 2019 (\$1.05m)

**Total debt**  
**\$24.06 billion**

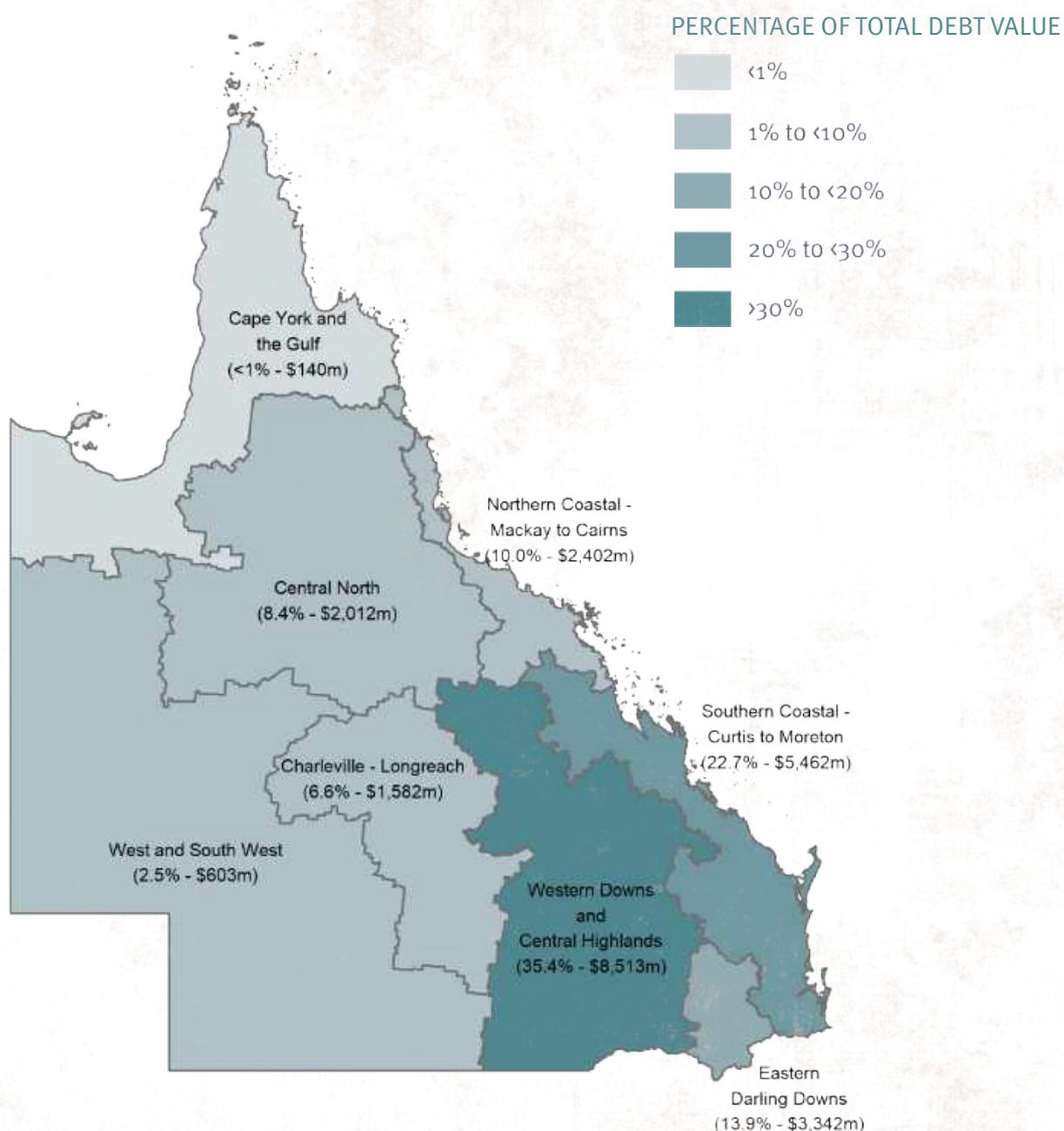
+25.97% compared to 2019 (\$19.10b)

**Number of borrowers**  
**17,312**

-5.05% compared to 2019 (18,232)

# Total debt by region

ABARES REGION	2021 ('000)	PERCENTAGE OF TOTAL
Cape York and the Gulf	\$140,074	0.58%
Central North	\$2,012,147	8.36%
Charleville - Longreach	\$1,582,077	6.58%
Eastern Darling Downs	\$3,342,422	13.89%
Northern Coastal - Mackay to Cairns	\$2,401,710	9.98%
Southern Coastal - Curtis to Moreton	\$5,461,726	22.70%
West and South West	\$602,544	2.50%
Western Downs and Central Highlands	\$8,513,083	35.39%
<b>Total</b>	<b>\$24,055,782</b>	



Percentage of Total Rural Debt per ABARES (2016) region is partly a reflection of the industry, size and nature of rural activity in these regions.

## BEEF

**Total debt: \$13,691m**  
**Movement\* : ↑28.29%**  
**Borrowers: 7,369**



The beef industry remains the largest primary industry in Queensland.

For the 2021 Survey, beef accounted for 56.92 per cent of total debt in Queensland.

Over the 2019-21 period, improved seasonal conditions led to pasture growth for many grazing regions across the state. This improved confidence and greater beef returns led to higher stock retention and herd rebuilding. Beef prices have increased significantly over the period, with the Eastern Young Cattle Indicator (EYCI) rising from 498c/kg in December 2019 to 1147c/kg in December 2021.

The three regions with the highest levels of beef debt were Western and Central Highlands, Southern Coastal – Curtis to Moreton and Central North, with 38.37 per cent, 19.58 per cent and 12.73 per cent of total beef debt respectively or \$9,677m in total debt.

The average debt per beef borrower was \$1.86m.

## COTTON

**Total debt: \$1,689m**  
**Movement\* : ↑53.10%**  
**Borrowers: 389**



For the 2021 Survey, cotton accounted for 7.02 per cent of total Queensland rural debt.

In 2019-20 cotton production decreased from 2018-19 levels due to poor seasonal conditions and low water allocations. In 2020-21, improved seasonal conditions and increased water allocations in cotton growing areas saw the production of cottonseed and cotton lint increase to above 2018-19 levels in Queensland.

Cotton prices remained high over the 2019-21 period.

The Western Downs and Central Highlands region had the largest share of cotton debt at \$1,043m followed by the Eastern Darling Downs which had \$469m in cotton debt. Together these two regions accounted for 89.55 per cent of cotton debt in Queensland.

The average debt per cotton borrower was \$4.34m.

## INTENSIVE LIVESTOCK

**Total debt: \$791m**  
**Movement\* : ↑69.23%**  
**Borrowers: 504**



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

For the 2021 Survey, intensive livestock accounted for 3.29 per cent of total Queensland rural debt.

Over the 2019-21 period, the GVP for poultry, eggs and pigs in Queensland increased. Input costs rose across the industry during the period.

The Southern Coastal – Curtis to Moreton region had the highest amount of intensive livestock debt at \$395m followed by the Eastern Darling downs with \$217m and the Western Downs and Central Highlands region with \$133m. Together these three regions accounted for 94.22 per cent of intensive livestock debt in Queensland.

The average debt per intensive livestock borrower was \$1.57m.

## VEGETABLES

**Total debt: \$586m**  
**Movement\* : ↑9.03%**  
**Borrowers: 492**



For the 2021 Survey, vegetables accounted for 2.43 per cent of total Queensland rural debt.

Vegetable production during the 2019-21 period was impacted by water constraints and drought. Overall seasonal conditions started to improve at the end of the period although vegetable production declined over the period. The price of fertiliser, agricultural chemicals and fuel increased over this time.

The Southern Coastal – Curtis to Moreton region had the highest level of vegetable debt at \$398m and accounted for 67.94 per cent of total vegetable debt. This was followed by Northern Coastal – Mackay to Cairns and the Eastern Darling Downs which had \$91m and \$65m of debt respectively.

The average debt per vegetables borrower was \$1.19m.

## GRAIN/GRAZING

**Total debt: \$1,686m**  
**Movement\* : ↑40.90%**  
**Borrowers: 975**



The grain/grazing industry comprises sheep and/or cattle as well as grain enterprises.

For the 2021 Survey, grain/grazing accounted for 7.01 per cent of the total Queensland rural debt.

Western Downs and Central Highlands had the highest level of grain/grazing debt at \$1,099m followed by the Eastern Darling Downs region with \$269m and Southern Coastal – Curtis to Moreton region with \$254m. Together these three regions accounted for 96.15 per cent of grain/grazing debt in Queensland.

The average debt per grain/grazing borrower was \$1.73m.

## GRAIN

**Total debt: \$1,537m**  
**Movement\* : ↑20.04%**  
**Borrowers: 964**



For the 2021 Survey, grain accounted for 6.39 per cent of the total Queensland rural debt.

Over the 2019-21 period, improved rainfall and seasonal conditions led to increased overall production of both summer and winter crops. Prices for most grains were strong across the period.

The Eastern Darling Downs had the highest level of grain debt at \$732m followed by the Western Downs and Central Highlands region with \$690m. Together these two regions have more than 92.5 per cent of grain debt in Queensland.

The average debt per grain borrower was \$1.60m.

## DAIRY

**Total debt: \$218m**  
**Movement\* : ↓18.33%**  
**Borrowers: 360**



The Queensland dairy industry produces less than 5 per cent of Australia's total milk.

For the 2021 Survey, dairy accounted for 0.91 per cent of total Queensland rural debt.

Over the 2019-21 period, the number of registered dairy farms in Queensland declined from 356 to 307, with Queensland milk production similarly declining over the period. Due to improved seasonal conditions, average earnings before interest and tax per cow increased over the period.

Southern Coastal – Curtis to Moreton had the highest level of dairy debt at \$111m followed by the Eastern Darling Downs region with \$64m and Northern Coastal – Mackay to Cairns with \$27m. Together these three regions accounted for 92.77 per cent of total dairy debt in Queensland with the Southern Coastal – Curtis to Moreton region holding over 50 per cent of the debt itself.

The average debt per dairy borrower was \$606,000.

## SHEEP/WOOL

**Total debt: \$154m**  
**Movement\* : ↑0.55%**  
**Borrowers: 211**



For the 2021 Survey, sheep/wool accounted for 0.64 per cent of total Queensland rural debt.

The number of Australian sheep shorn declined from 76.8 million in 2018-19 to 68.4 million in 2020-21. Similarly, the volume of Australian wool exports declined over the period although there was larger volume exported in 2020-21 than 2019-20.

Western Downs and Central Highlands had the highest level of sheep/wool debt at \$46m followed by the Charleville – Longreach region with \$44m and West and South West with \$32m. Together these three regions accounted for 79.36 per cent of total sheep/wool debt in Queensland.

The average debt per sheep/wool borrower was \$729,000.

## TREE CROPS

**Total debt: \$1,108m**

**Movement\*: ↑30.06%**

**Borrowers: 932**



For the 2021 Survey, tree crops accounted for 4.61 per cent of total Queensland rural debt.

Over the 2019-21 period the tree crop sector faced several challenges including increased input costs, uncertainty with labour supply and disruptions in export markets. In addition to this, water constraints during parts of the period limited tree crop production, with areas in the south of the state primarily affected.

Southern Coastal – Curtis to Moreton had the highest level of tree crop debt at \$493m followed by the Northern Coastal – Mackay to Cairns with \$345m and Central North with \$254m. Together these three regions accounted for 88.6 per cent of tree crop debt in Queensland.

The average debt per tree crops borrower was \$1.19m.

## SUGAR

**Total debt: \$1,077m**

**Movement\*: ↓2.70%**

**Borrowers: 1,769**



Queensland produces the majority of Australia's sugarcane.

For the 2021 Survey, sugar accounted for 4.48 per cent of total Queensland rural debt.

Over the 2019-21 period, there was a reduction in the area harvested across the four sugar harvesting regions in Queensland. There was, however, an increase in cane crushed recorded in the Northern and Mackay-Proserpine regions. The return per tonne increased by 4.98 per cent from 2018-19 to 2020-21.

Overall, there was little variation in the amount of cane crushed in 2018-19 and 2020-21 although there was a reduced crush in 2019-20.

The Northern Coastal – Mackay to Cairns region had the highest level of sugar debt at \$964m and accounted for 89.52 per cent of total sugar debt in Queensland. The Southern Coastal – Curtis to Moreton region had the second highest level of sugar debt at \$103m and 9.56 per cent of total sugar debt.

The average debt per sugar borrower was \$609,000.

## MARINE

**Total debt: \$125m**

**Movement\*: ↓26.54%**

**Borrowers: 343**



Marine includes fishing, rock lobster and crab potting, prawn fishing, line fishing, fish trawling and netting.

For the 2021 Survey, marine fishing accounted for 0.52 per cent of total Queensland rural debt.

The marine industry was impacted by changes to commercial fishing rules over the 2019-21 period. Overall debt decreased with a sizeable proportion of borrowers exiting the industry.

Southern Coastal – Curtis to Moreton had the highest level of marine debt at \$480m followed by the Northern Coastal – Mackay to Cairns with \$41m. Together these two regions accounted for 96.67 per cent marine debt in Queensland.

The average debt per marine borrower was \$364,000.

## VARIOUS

### AQUACULTURE

**Total Debt: \$27m**

**Borrowers: 55**



### FORESTRY AND LOGGING

**Total Debt: \$56m**

**Borrowers: 157**

### HUNTING AND TRAPPING

**Total Debt: \$4m**

**Borrowers: 23**

### SERVICES TO AGRICULTURE

**Total Debt: \$782m**

**Borrowers: 1,831**

### OTHER

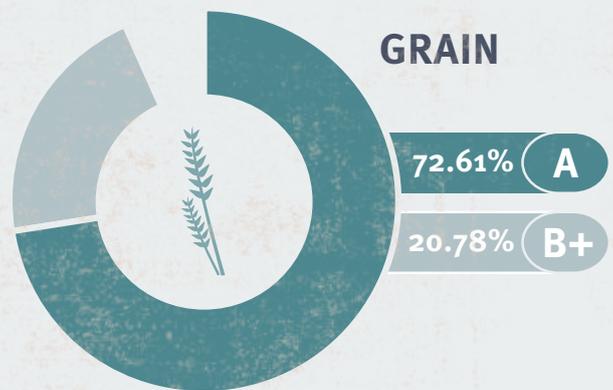
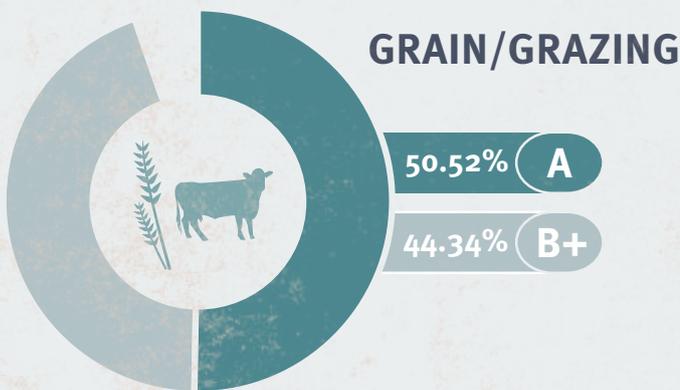
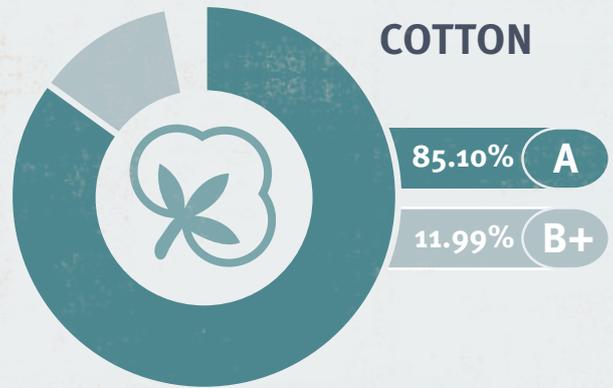
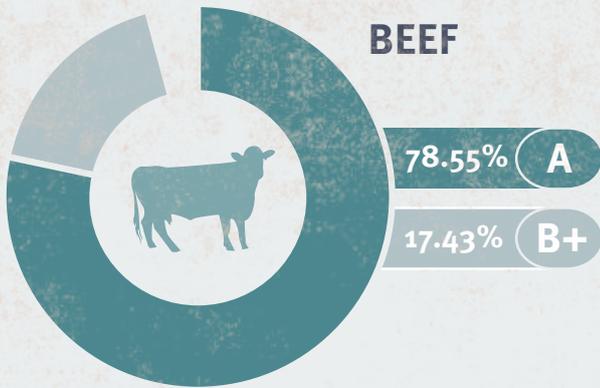
**Total Debt: \$523m**

**Borrowers: 1,020**

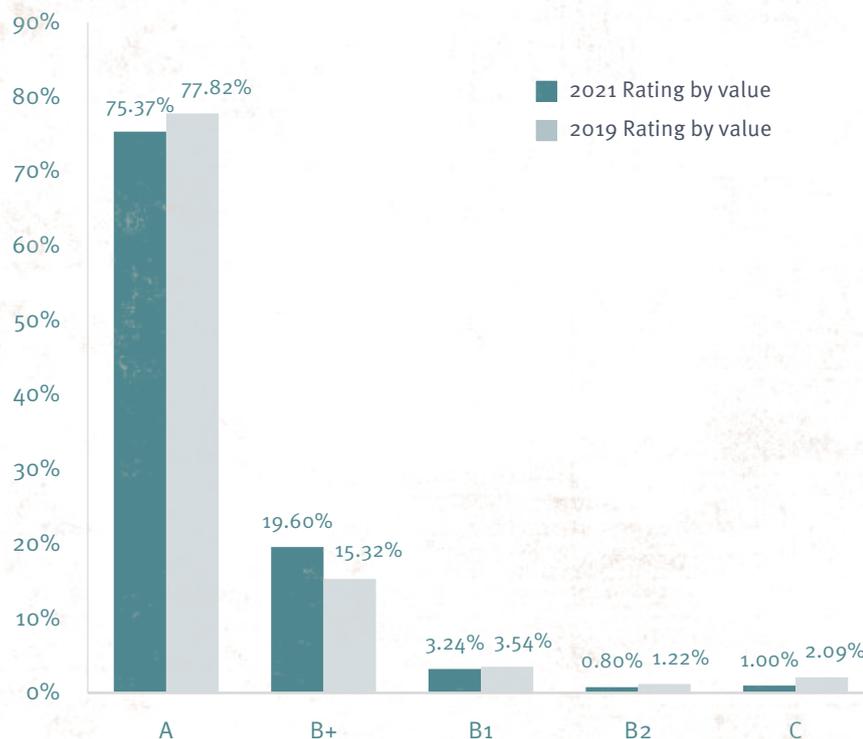
\*Movement in debt 2019-2021

Please note some borrowers had debt across several industries

# Industry by debt rating



# Risk profile by value



**94.96%**  
of total rural debt is viable (A) and potentially viable long-term (B+) rated debt

## 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

## 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 data from all major lending institutions in Queensland. Additional assistance was provided by other government agencies and agricultural industry associations.

## MORE INFORMATION:

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[qrda.qld.gov.au](http://qrda.qld.gov.au)

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