

From the Soil Up

Insight for Rural Producers

Edition 1 | August 2025



132 067 | regionalaustaliabank.com.au

Regional Australia Bank Ltd. ABN 21 087 650 360. AFSL & ACL 241167.

 **regional**
australia **bank**

Foreword

Farming and regional businesses face a unique set of challenges and opportunities. From fluctuating markets and climate variability to changing regulations, there is a lot to keep track of.

At Regional Australia Bank, we work closely with local producers and businesses every day. We understand the realities of running an agricultural operation in regional Australia because it is our community too.

This report aims to provide clear, relevant information to help you make informed decisions about your business. Whether it is market trends, financial outlooks, or emerging opportunities like carbon farming, we want to support your planning and growth.

We are proud to be a part of this community and committed to offering practical advice and banking solutions tailored to your needs. If you would like to discuss anything in this report or your own situation, please do not hesitate to reach out.

Regards,

Ben Luck
Head of Business Banking
Regional Australia Bank





Agricultural Outlook

Local Impacts in a Global Market

Australia's agricultural sector continues to adapt to the changing global landscape. Despite the headwinds of shifting trade flows, price fluctuations and climatic variation, there are strong signs of resilience and opportunity.

We are seeing a significant rise in feedlot activity for both cattle and lamb, driven largely by a positive outlook for meat prices. This is occurring alongside favourable grain prices that support finishing operations.

Saleyards across Australia have begun setting new national records for both beef and lamb prices. This signals renewed confidence in the domestic and export markets.

Globally, the world is heading towards a record grain crop. That has implications for local grain pricing but also for how grain is being used domestically, particularly its conversion into meat value through livestock production.



Sources:

ABARES Weekly Commodity Update, 18 July 2025 – www.agriculture.gov.au
NSW DPI Commodity Snapshot, July 2025 – www.dpi.nsw.gov.au

Grain Markets

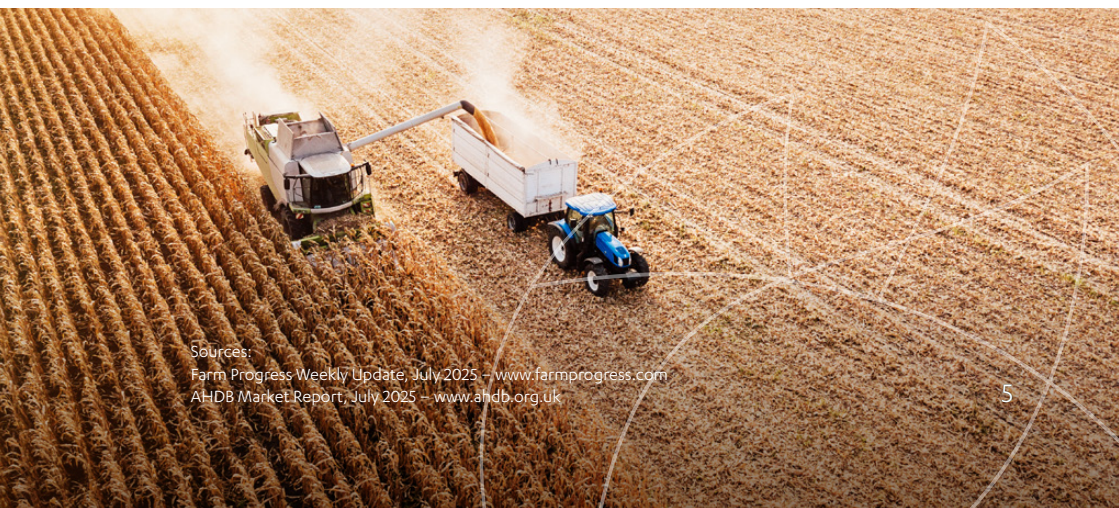
Global Tensions Create Local Shifts

Recent market turbulence is being driven by a combination of trade policy, high input costs and record-setting global harvests. These factors are shaping pricing trends in ways that Australian growers and traders must remain alert to.

For example, the announcement of 25 percent tariffs by the United States on Canadian and Mexican imports had a negative effect on corn and soybean futures. The Chicago Board of Trade recorded a drop of 1.2 percent in corn prices, with wheat falling more than 9 percent over the following week due to retaliatory actions from China.

Upticks in fertiliser costs, particularly in the United States, have seen farmers switch from corn to soybean production, as nitrogen-based inputs became more expensive.

Although wheat markets dipped initially, they have since stabilised. This is due to steady demand and the perception that wheat fundamentals remain relatively strong despite policy uncertainty.



Grain Supply

Record Global Harvest Takes Shape

International grain markets are being reshaped by an expected record global harvest. For Australian producers, this can place downward pressure on prices. However, the strong demand for meat is offering alternative value pathways through on-farm feed use.

In the United States, corn planting is up five percent thanks to ideal seasonal conditions across the Corn Belt. In South America, farmers are concluding a record-breaking harvest of key commodities including corn, soybeans, sunflower seed, cotton and wheat.

Despite enduring hot weather spells, European grain production is improving with forecasts being revised upward.

In Australia, conditions have recovered in several key growing regions following a dry start to the season. Southern cropping areas have improved noticeably, although consistent rainfall will still be required in the north to realise yield potential.

Rather than selling grain at prices hovering around \$300 per tonne ex-farm, many producers are choosing to convert that grain into livestock weight gain. With meat prices remaining strong, this strategy offers more attractive margins than straight grain sales in some cases.



Sources:

Grain Central National Report, July 2025 – www.graincentral.com

ABARES National Crop Outlook, Q2 2025 – www.agriculture.gov.au



Beef Market Update

Confidence Returns Across the Sector

There has been a noticeable upswing in cattle prices across saleyards and direct consignment channels. The price of barley delivered to feedlots on the Darling Downs is sitting around \$300 per tonne. While this is only slightly above the grower's breakeven margin, it is still encouraging strong feedlot demand.

Feeder cattle, particularly straight Angus types, are commanding nearly 500 cents per kilogram liveweight in some regions. In Dalby, 100-day grain-fed heifers weighing 600 kilograms recently sold for just under \$2,500 per head, a strong return by historical standards.

Heavy cows are trading around 348 cents per kilogram liveweight, with some markets seeing bids push toward 400 cents for the first time since 2022.

This strength is largely being driven by two factors. First, rain disruptions in parts of Queensland and northern New South Wales have impacted processor kill rosters, pushing the seven-day national kill down by 1.2 percent. Secondly, a revival in international demand, particularly from the United States, has seen grinding beef prices rise above 1100 cents per kilogram for the first time in history.

Sources:

Mecardo Beef Market Report, July 2025 – www.mecardo.com.au

AuctionsPlus Market Pulse, 15 July 2025 – pulse.auctionsplus.com.au

Lamb Markets

Strong Demand and Short Supply Lift Prices

Australian lamb prices have reached new heights, with both trade and heavy lamb indicators setting records through July.

Quality lines of trade lambs are now regularly selling for more than 1300 cents per kilogram, with export and domestic processors competing strongly for top-end stock.

In mid-July 2025, the Forbes saleyards recorded a top price of \$454 per head for extra heavy lambs. This came just a week after Wagga Wagga reported \$440 per head, and Bendigo set a new benchmark of \$435.

The most rapid gains have been seen in lambs weighing up to 28 kilograms carcass weight. These are particularly attractive to domestic supermarket chains and export buyers, where competition is highest during the winter supply lull.



Sources:
Sheep Central Market Snapshot, July 2025 – www.sheepcentral.com
ABC Rural Livestock Wrap, July 2025 – www.abc.net.au

Global Trade

Tariff Tensions and Strategic Openings

The trade environment remains volatile. On April 5, 2025, the United States introduced a 10 percent universal tariff on all imported goods under its “Liberation Day” policy, including Australian beef and lamb.

There is further speculation about a potential 50 percent tariff being placed on Brazilian beef exports. Should this occur, Brazil may be shut out of the US beef market entirely.

This could present an opportunity for Australia to expand its share in the US and other markets, particularly for lean grinding beef where Australia already holds a competitive position.



Carbon Farming

Opportunities and Risks in Land Valuation

Carbon farming is changing how marginal land is valued across regional Australia. Properties with Human Induced Regeneration (HIR) or reforestation eligibility are seeing price increases of up to \$10,000 per hectare as buyers look to generate income from Australian Carbon Credit Units (ACCUs).

These carbon projects create alternative revenue streams and improve property marketability. However, in some cases, they may reduce overall agricultural productivity, particularly on grazing properties, which can affect borrowing power and long-term land use flexibility.

Importantly, valuation remains inconsistent across regions. Some valuers discount carbon-contracted land due to legal encumbrances or lack of market precedent.



Sources:
CBRE Rural Market Report, June 2025 – www.cbre.com.au
Beef Central Carbon Feature, July 2025 – www.beefcentral.com



Soil Carbon

Scientific Debate Over Sequestration Claims

While soil carbon credits are gaining attention, many experts in the soil science community have flagged several limitations and risks.

Recent analysis has found that claims of rapid soil carbon increases are often overstated. Field-based studies from CSIRO suggest actual increases are closer to 0.1 to 0.3 tonnes of carbon per hectare per year, far less than high-profile projects have promoted.

There is also concern that once land management changes or seasonal conditions shift, stored carbon may be released back into the atmosphere. In such cases, farmers may be liable to repay credits, creating a financial burden.

Further, most projects rely heavily on modelling rather than direct measurement. Without transparency or open access to baseline data, independent validation remains difficult.



regional
australia **bank**

132 067 | [regionalaustaliabank.com.au](https://www.regionalaustaliabank.com.au)

Regional Australia Bank Ltd. ABN 21 087 650 360. AFSL & ACL 241167.