

Wednesday 28 October, 2009

PR/188/09

Rates hurting farmers too

The NSW Farmers' Association is asking the Reserve Bank of Australia to carefully consider the impacts of interest rate rises on small businesses, and the agricultural sector in general.

NSW Farmers' Association President Charles Armstrong says the Association appreciates the economy wide benefits of the RBA's core objective of achieving low and stable inflation over the medium term.

"However the Association is hoping the Board will recognise the big impacts rate increases have on our farm profitability, already facing so many other pressures in adverse economic and environmental conditions," Mr Armstrong said.

"While many parts of the economy are maintaining consistent growth, the latest National Account figures show our sector contracted by 0.4% in the three months to June this year, the biggest contraction seen in the economy," he said.

"While many analysts predict the cash rate to hit 4.25% by March next year, the forecast isn't good for farmers struggling to meet monthly repayments with ongoing financial difficulties caused by drought.

"67.7% of NSW is considered to be in drought currently, but over 50% has been this way or considered marginal since 2002.

"The Association is holding a Drought Workshop in Griffith next week to discuss with banks, lenders, financial counselors and other stakeholders ways forward, and we look forward to being able to announce some new strategies.

"We are also encouraging all farmers with commercial loans to shop around and maintain close communication with their bank to ensure they are geared to derive the best possible outcomes," he said.

"We are asking that the RBA takes these efforts and considerations into account, remembering that farming and closely related sectors underpin 12% of GDP," Mr Armstrong concluded.

To hear more from the President on interest rates head to www.youtube.com/nswfarmers.

Contact:

Ellen McNamara (Media Officer) 0429 990 218

If you no longer wish to be on our mailing list simply [click here](#) to unsubscribe. If you are having difficulty unsubscribing from this page please email us on media@nswfarmers.org.au and we will remove you from our lists.