

## The World Today with Eleanor Hall

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# Farmers plead for debt help

Stephanie Smail reported this story on [Friday, April 26, 2013 12:46:00](#)

ASHLEY HALL: Farmers are warning that Australia's agricultural sector can't survive another year of crippling debt.

For some wheat farmers on the west coast this will be the first year since the Great Depression they can't afford to plant a crop.

Years of poor weather, the high Australian dollar and shrinking property values have pushed them closer and closer to the wall.

Farmers say it's time the Federal Government stepped in to help.

Stephanie Smail reports.

STEPHANIE SMAIL: These are tough financial times for Australian farmers. Costs are rising, returns are falling and - in some areas - the weather hasn't helped either.

They've been borrowing from the banks to keep their businesses going, pushing Australia's rural debt close to \$60 billion.

Jeff Hooper is a farmer on Western Australia's eastern wheat belt.

JEFF HOOPER: A lot of people are in the position where they have to endeavour to put a crop in because they obviously need to generate income to try and service their debt and obviously they're hoping for a good season, but hoping for a good season is one thing but it's not going to cure our problem.

STEPHANIE SMAIL: The banks have reached their limit with some WA growers and won't lend them money to plant another crop.

A State Government assistance package is up for grabs but farmers say it won't do much to help.

Jeff Hooper says it's time the Federal Government stepped in.

JEFF HOOPER: It's not up to government to pray for rain, that's our job, we'll pray for rain. I believe it's up to government to make our industry strong enough to be able to survive these years so that when we do have good years we can actually make some money which we then spend in our communities which make them strong and it's a flow on effect.

STEPHANIE SMAIL: Hundreds of dairy and beef farmers have attended crisis meetings in Victoria and Queensland this year.

Queensland farmer Rowell Walton has helped organise them and is in talks with the Federal Government.

He says the message is clear farmers need help with their debt or they'll have to sell.

ROWELL WALTON: The gravity of the circumstance facing rural Australia is sufficient that in some places 30 per cent or more of their people are in trouble and all of those people will need to exit the industry and go find something else to do.

STEPHANIE SMAIL: The World Today understands the Federal Government is preparing to announce a plan to help farmers manage their debt as early as this weekend.

Rowell Walton says a number of solutions are on the table.

ROWELL WALTON: We've made it very clear to the Federal Government that we think a rural bank that provides competitive interest rates to the rest of the world would allow our farmers to be competitive. We've also suggested that maybe the trading of tax losses might be a useful thing to consider in some reconstruction circumstances.

STEPHANIE SMAIL: In a statement, the Federal Agriculture Minister Joe Ludwig says an overhaul of the farm managed deposits scheme is one of the options being discussed.

He says the special bank accounts are a way for farmers to smooth out their income between years of high and low profits.

Jeff Hooper says the Federal Government should seriously consider establishing a rural bank. He says farmers need more support to get back in the black.

ASHLEY HALL: Stephanie Smail.

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