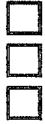


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Finance package for struggling farmers



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PENELOPE ARTHUR

STRUGGLING primary producers will be able to access low interest loans of up to \$650,000 under a new assistance package designed to address rising rural debt levels announced by the Federal Government today.

Federal Treasurer Wayne Swan made the announcement in Townsville with Federal Agricultural Minister, Joe Ludwig.

Mr Swan said the Farm Finance package also included funding for an extra 16 rural financial councillors, strategies to progress a nationally consistent approach to debt mediation and changes to the Farm Management Deposits (FMD) Scheme.

AgForce president Ian Burnett has cautiously welcomed the assistance package but said detail was still lacking.

“We’ve had a briefing and certainly, as an approach to assist primary producers, we support the initiative,” Mr Burnett told *Queensland Country Life*.

“But we would also like to see some policy changes to allow some profitability to come back into the rural sector.”

Mr Burnett also said the Farm Finance package announced today wouldn’t help all producers.

“There will be many producers who won’t be able to take on more debt and the changes to the FMDs won’t offer too much assistance to those people either,” he said.

The Federal Government has written to the State and Northern Territory Governments seeking support in delivering components of the package such as administering low interest loans through state bodies such as the Queensland Rural Adjustment Authority (QRAA).

[Go to the QRAA website](#)

Under the package, eligible farmers would receive concessional loans of up to \$650,000.

Concessional loans would only be available to viable farm businesses and loan recipients would need to demonstrate financial need, participate in a farm business planning exercise and demonstrate capacity to meet a debt repayment schedule.

The Federal Government has also pledged to work towards a nationally consistent approach to farm debt mediation.

Mr Swan said the Federal Government would work with the banking industry, agricultural industry and the States and Territories to provide the service.

FMDs will also get a makeover under the new package with the Federal Government announcing an increase in the non-primary production income threshold from \$65,000 to \$100,000.

The Farm Finance package was negotiated with the input of farm lobby groups including the Rural Debt Roundtable Working Group (RDRWG) who initiated a Rural Debt Roundtable in Brisbane in October last year.

RDRWG chairman and Condamine farmer, Rowell Walton, said the package wouldn't assist all farmers but was a positive step forward.

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