

NAB ECONOMICS DATA INSIGHTS: AGRICULTURE

SEPTEMBER 2021



NAB AGRI BUSINESS INFLOWS CONTINUE TO PERFORM STRONGLY

- This report builds on our existing fortnightly Data Insights series and includes more detail on NAB business customer inflow data across various industries and states. While the data are quite volatile, we can see the broad impact of seasonal and commodity price changes across a number of commodities. This month, we consider the impact of the cotton industry rebound on customer inflows.
- During these extraordinary times, NAB has taken the decision to publish aggregated customer data categorised by industry segment with the view to helping provide clarity around which segments of the economy have been most affected by the broader macroeconomic trends at play. NAB takes data privacy very seriously. All customer transaction data has been aggregated and no individual's data is specifically identified or analysed as part of this process. The data used in this report will not be sold or made publicly available, but insights from the data will be shared with the Australian people.

COMMENTS FROM NAB GROUP CHIEF ECONOMIST

Business inflows for NAB agriculture, forestry and fishing customers continue to perform strongly overall, reflecting strong crop yields combined with generally high commodity prices. ABARES' latest forecasts point to farm production totalling almost \$73 billion in 2021-22, an over 50% increase in a decade. With the BoM now in La Nina watch, the spring outlook is strong.

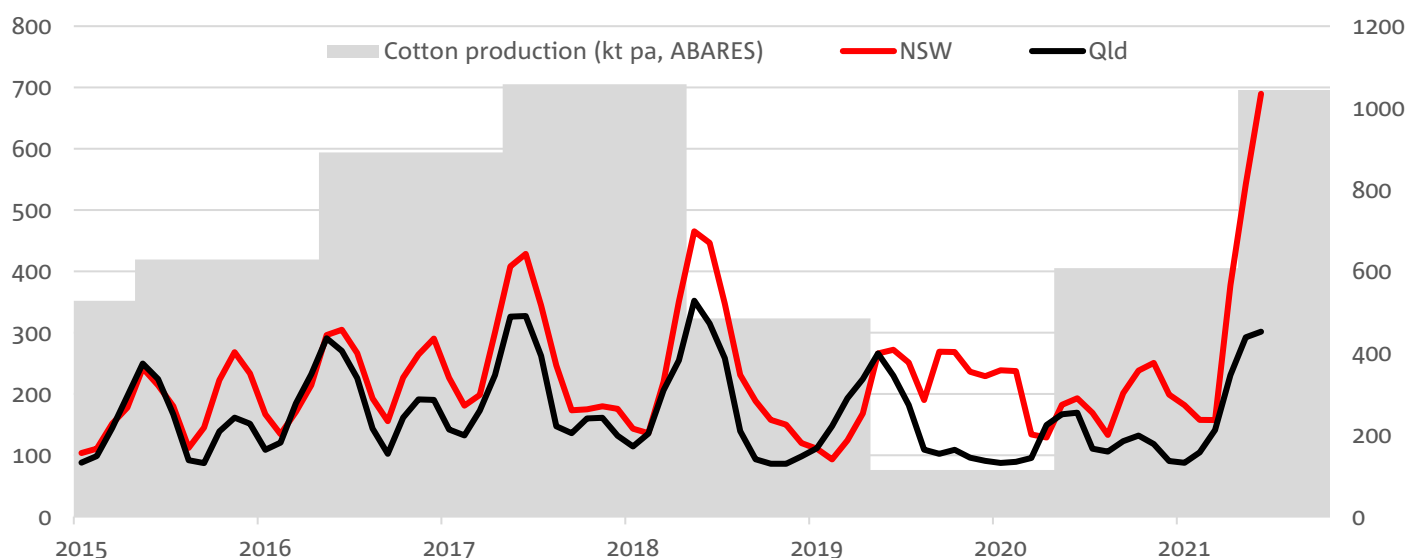
This is reflected in our customer data, with cotton inflows in NSW now at the highest level since our series began in 2015. Meanwhile Qld cotton inflows are at their highest in three years. The strong seasonal conditions since 2020 have replenished storages and allowed a strong recovery in cotton production. ABARES' latest forecasts suggest that Australian cotton lint production will almost equal 2017-18 and be the third highest on record.

6 week rolling business inflows, agriculture forestry and fishing (y/y % change)



CHART OF THE MONTH

Monthly cotton customer business inflows surge on booming production (index, Jan 2015=100)



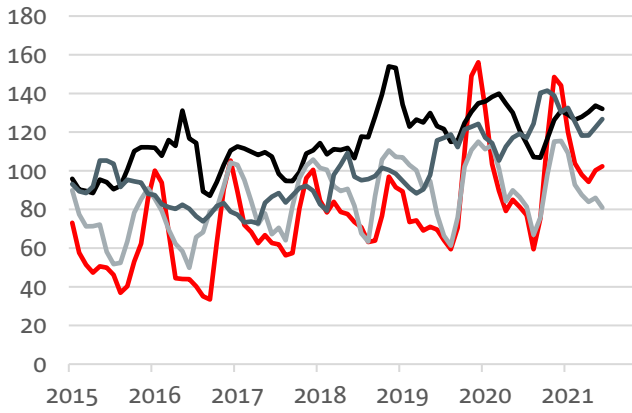
DATA APPENDIX

SELECTED COMMODITIES BY STATE

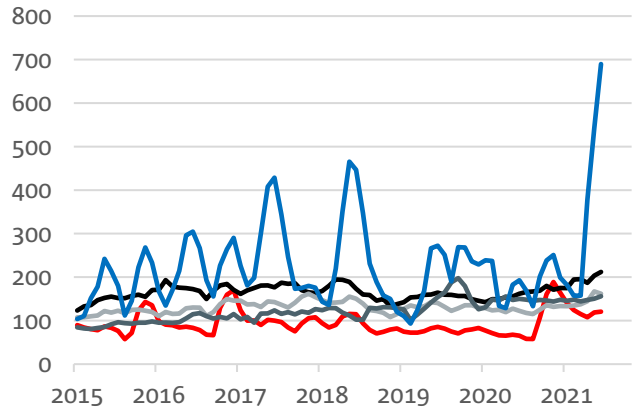
Three month moving average index (Jan 2015 = 100), business inflow per customer

— Grain — Beef cattle — Sheep — Dairy — Cotton — Sugar

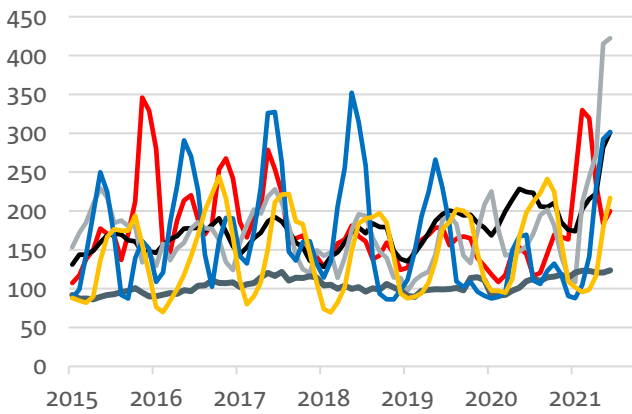
Victoria



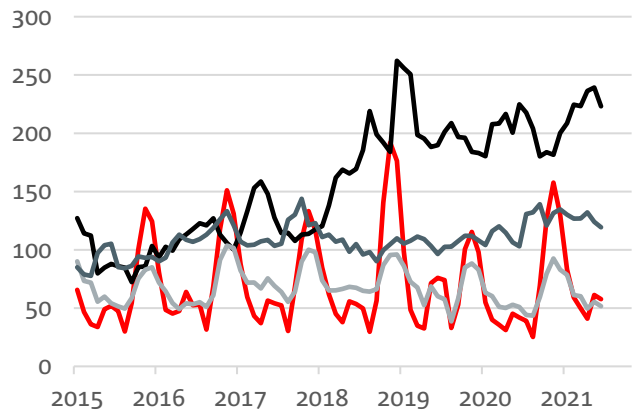
New South Wales



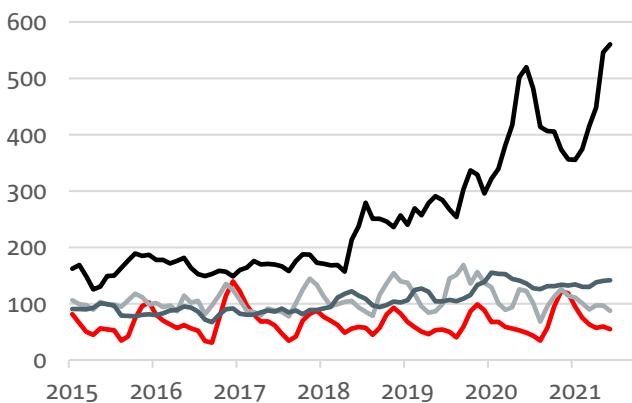
Queensland



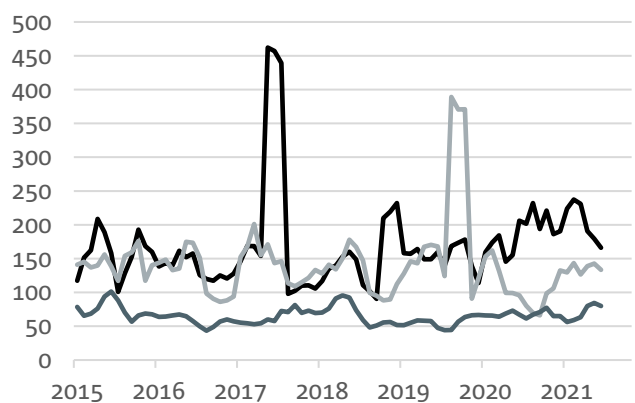
Western Australia



South Australia



Tasmania



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