

## **Banks continue access to crop finance**

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The banking sector has reassured grain growers that access to finance will continue, despite uncertainty about future wheat marketing arrangements.

Chief executive of the Australian Bankers' Association, David Bell, said despite the uncertainty regarding the exporting and marketing, banks were keen to reassure grain growers that access to finance would not be impaired.

"Each request for finance will be considered on a case by case basis," Mr Bell said.

"While the wheat prices are expected to come back from their current levels, the outlook is they will remain relatively high despite the Australian dollar's strength.

"Rural property values have held up despite the drought as a result of the positive outlook for the demand for agricultural commodities."

However, the drought has adversely affected the grain sector, Mr Bell said, and some farmers may be carrying considerable debt.

"This is why it is important to keep open lines of communication," he said.

"I urge any farmer who is concerned about their financial position to discuss the situation with their bank and other financial advisors."

Mr Bell said banks recognised that drought was a part of the normal business cycle of farming and have been providing farmers with special financial consideration.

He said the ABA had provided a submission to the Senate inquiry on the new wheat marketing arrangements.

"It notes counter party risk is an issue that will need to be addressed by growers and their financiers."

The ABA believes it should be the responsibility of Wheat Exports Australia (WEA) to only accredit companies with appropriate financial capacity and risk management practices.

SOURCE: ABA.