

Land and livestock markets

Australian agribusiness is often described as a long-term and counter-cyclical investment. At the moment (July 2020), we have record or near-record high land and livestock prices, despite the global Covid-19 pandemic, which was preceded by the record droughts and fires of 2019, and droughts of earlier years.

Land in the NT has held value at about \$1100 per adult equivalent (AE) area and the Indonesian feeder steer price headlines the market at \$3.50/kg. Although the Indonesia price is back from the March \$4/kg, the Australian Eastern Young Cattle Indicator is at a record 772c/kg (dressed weight) or \$4.25/kg liveweight.

But Covid-19 is having an impact on foreign inquiry. Properties that have completed a sale process through 2020 are mostly being bought by Australian investors. When the pandemic ends, we should see an increase in demand and, therefore, increased land prices. The interim year or two should remain firm unless it takes longer to let the foreign demand in, and supply increases affect the market negatively.

Cattle land with the potential to diversify into other agriculture, reliable rainfall and arable soils will attract a premium to cattle country. Location and proximity to services will also bring a premium.