

**AGRICULTURAL INDUSTRIES
FINANCIAL STATISTICS, AUSTRALIA 1993-94
PRELIMINARY ESTIMATES**

SUMMARY OF FINDINGS

- Estimated turnover in 1993-94 was \$21,091.3 million, an increase of 5.1 per cent on 1992-93 estimated turnover of \$20,068.2 million. The most significant increase came from sales of livestock, with an estimated turnover in 1993-94 of \$6,025.9 million, an increase of 11.0 per cent on the 1992-93 estimate of \$5,431.1 million. Estimated sales from crops in 1993-94 were \$9,028.8 million and estimated sales from livestock products were \$4,693.4 million. The grain-sheep-beef industry with an estimated 1993-94 turnover of \$3,233.1 million (15.3 per cent of all industries' turnover) was Australia's main agricultural industry in terms of turnover in 1993-94.

Industry	Value	% change on	
	(\$million)	1992-93	1991-92
Sales from Crops	9,028.8	5.1	17.0
Sales from Livestock	6,025.9	11.0	22.8
Sales from Livestock Products	4,693.4	-1.6	-1.3
Gross Operating Surplus	6968.4	19.5	42.6
Cash Operating Surplus	4,526.2	10.8	46.2
Gross Indebtedness	14,821.0	-3.7	0.0
Interest Paid	1,229.5	-18.0	-32.5

- Estimated farm business cash operating surplus in 1993-94 was \$4,526.2 million, 10.8 per cent higher than estimated in 1992-93. The profit margin (cash operating surplus as a percentage of turnover) in 1993-94 was 21.5 per cent 1.1 percentage points higher than the 1992-93 profit margin of 20.4 per cent. The sheep industry continued to recover in 1993-94 in terms of cash operating surplus. Estimated cash operating surplus for the sheep industry in 1993-94 was \$347.6 million compared with \$185.1 million in 1992-93. The dairy cattle industry with an estimated cash operating surplus of \$716.7 million (15.8 per cent of all industries' cash operating surplus) had the largest aggregate cash operating surplus of all agricultural industries. Estimated average cash operating surplus per farm in 1993-94 was \$42,400 compared with a 1992-93 average of \$38,500.

Industry	Turnover	% change on 1992-93 for	
		Cash operating surplus	Cash operating surplus
Poultry	7.4	-35.2	
Fruit	-3.9	15.4	
Vegetables	17.8	63.4	
Grain	5.3	-4.3	
Grain-sheep-beef	-6.1	-5.0	
Sheep-beef cattle	5.2	76.4	
Sheep	5.4	87.8	
Beef cattle	15.7	33.6	
Dairy cattle	0.6	-4.6	
Pigs	14.5	90.4	
Sugar	16.4	-4.5	
Cotton	-1.3	-2.1	
Other agriculture	18.1	-11.4	
All industries	5.1	10.8	

- In 1993-94 estimated net capital expenditure by all farm businesses was \$1,884.3 million, 13.5 per cent higher than in 1992-93.

- In 1993-94 an estimated 15.1 per cent of farm businesses had turnover of \$300,000 or more. These farm businesses accounted for 52.3 per cent of turnover in 1993-94 and 51.2 per cent of cash operating surplus. While 23.4 per cent of farm businesses made less than \$50,000 turnover in 1993-94, they accounted for only 3.6 per cent of farm business turnover.

In interpreting these movements, reference should be made to the aggregates in Table 1 showing the component items (such as purchases and interest) used in determining Cash operating surplus.

NOTE: The impact of the drought is not evident in the 1993-94 data at the Australian level. The effects are expected to be seen in the results of the 1994 -95 survey.

The figures shown in this publication are preliminary estimates and are subject to revision.

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TABLE 1. AGGREGATES OF SELECTED FINANCIAL STATISTICS, FARM BUSINESSES, BY INDUSTRY, AUSTRALIA, 1991-92 TO 1993-94p

Items	Poultry 0141-0142				Fruit 0114-0119				Vegetables (c) 0113				Grain 0121							
	1991-92		1993-94p		1991-92		1993-94p		1991-92		1993-94p		1991-92		1993-94p					
	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%				
Sales from crops	13.1		12.0	37	1,233.6		1,285.4	1,216.2	7	n.p.		1,094.1	7	1,468.9		1,947.2	2,033.6	5		
Sales from livestock	135.5		218.0	18	22.1		25.4	47.4	35	n.p.		84.1	21	105.4		205.8	228.7	14		
Sales from livestock products	265.9		325.0	13	8.8		14.0	5.6	*	n.p.		25.8	38	111.8		169.9	147.9	12		
Turnover	538.2		646.1	6	1,384.5		1,404.6	1,350.1	7	n.p.		1,078.5	7	1,787.4		2,457.5	2,586.8	5		
Purchases and selected expenses	335.2		448.0	9	660.4		702.5	657.5	7	n.p.		583.6	10	1,045.5		1,388.3	1,549.5	5		
Value added (a)	219.3		198.1	15	726.2		710.5	698.9	10	n.p.		502.5	606.4	7	786.4		1,086.1	1,111.6	6	
Adjusted value added (a)	193.6		182.1	168.8	17	646.5		622.7	620.2	10	n.p.		441.3	540.3	7	670.1		941.4	950.5	6
Gross operating surplus (a)	138.0		109.4	76.2	40	387.8		352.2	378.0	13	n.p.		259.7	346.8	9	579.7		824.8	848.9	7
Interest paid	39.2		29.2	33.2	16	94.5		78.6	68.5	16	n.p.		94.5	51.5	13	165.1		159.4	150.5	9
Cash operating surplus (b)	85.3		76.1	49.3	28	315.3		275.9	318.4	15	n.p.		171.5	280.3	11	388.6		666.2	637.4	10
Gross indebtedness	312.5		337.9	411.6	13	741.7		785.2	718.8	12	n.p.		762.7	738.1	13	1,310.5		1,636.3	1,818.0	9
Total net capital expenditure	38.9		53.1	54.0	25	92.9		114.1	150.4	20	n.p.		83.4	18	190.3		249.8	246.5	14	

Items	Grain - sheep-beef 0122				Sheep - beef cattle 0123				Sheep 0124				Beef cattle 0125							
	1991-92		1993-94p		1991-92		1993-94p		1991-92		1993-94p		1991-92		1993-94p					
	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%				
Sales from crops	1,801.8		1,860.1	1,749.0	5	40.6		38.6	57.8	36	109.1		144.3	184.9	19	70.4		100.3	82.5	22
Sales from livestock	518.2		672.6	661.1	7	732.4		697.0	865.1	8	330.8		498.8	458.1	6	2,024.1		2,187.1	2,468.7	5
Sales from livestock products	700.7		693.1	640.3	6	577.4		473.2	364.9	7	1,156.3		899.8	1,014.4	6	53.5		45.5	41.5	67
Turnover	3,181.3		3,442.9	3,233.1	4	1,436.4		1,295.0	1,362.7	5	1,721.4		1,665.3	1,755.6	4	2,295.0		2,469.3	2,855.9	5
Purchases and selected expenses	1,883.7		2,006.2	1,935.7	4	856.6		788.9	825.6	6	1,062.6		960.9	957.1	5	1,429.1		1,496.9	1,735.4	6
Value added (a)	1,433.2		1,511.8	1,628.4	4	568.2		585.7	776.4	7	763.3		775.8	1,038.3	7	736.2		1,067.5	1,408.6	7
Adjusted value added (a)	1,205.4		1,262.5	1,395.1	5	427.5		463.3	666.1	8	575.7		610.7	876.5	8	539.5		888.4	1,199.5	8
Gross operating surplus (a)	1,012.9		1,056.8	1,219.3	5	241.9		311.7	533.6	10	390.4		441.2	688.4	10	300.3		669.7	989.2	10
Interest paid	326.6		278.7	217.4	10	207.3		124.1	81.4	14	267.1		210.8	118.6	14	243.1		192.4	183.3	11
Cash operating surplus (b)	582.3		728.8	692.7	9	98.7		135.4	238.9	17	38.6		185.1	347.6	11	235.1		431.1	576.0	14
Gross indebtedness	2,562.6		2,766.0	2,591.9	9	1,529.9		1,320.8	1,028.6	14	2,196.0		2,045.4	1,404.5	12	2,140.1		2,165.7	2,287.5	10
Total net capital expenditure	280.4		304.4	288.5	13	142.2		64.1	85.2	19	89.3		86.1	128.9	15	153.2		221.2	244.1	11

TABLE 1. AGGREGATES OF SELECTED FINANCIAL STATISTICS, FARM BUSINESSES, BY INDUSTRY, AUSTRALIA, 1991-92 TO 1993-94p—continued

Items	Dairy cattle 0130			Pigs 0151			Sugar 0161		
	1991-92	1992-93	1993-94p	1991-92	1992-93	1993-94p	1991-92	1992-93	1993-94p
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Sales from crops	26.7	35.5	65.1	37	36.5	23.7	30.1	38	629.1
Sales from livestock	280.8	272.9	296.9	12	549.8	455.8	529.1	3	9.1
Sales from livestock products	1,715.5	2,064.1	2,075.5	5	23.8	20.9	14.1	37	0.1
Turnover	2,091.2	2,476.4	2,490.2	5	643.8	520.9	596.2	4	702.9
Purchases and selected expenses	1,149.6	1,301.7	1,383.5	5	459.6	387.2	418.7	4	368.1
Value added (a)	970.5	1,240.8	1,220.4	7	181.5	144.7	196.7	6	331.1
Adjusted value added (a)	865.6	1,121.5	1,113.2	8	156.8	125.7	175.7	7	284.1
Gross operating surplus (a)	736.9	978.8	983.0	9	100.3	75.4	128.5	8	237.0
Interest paid	173.3	147.5	143.5	12	35.8	17.7	21.2	9	60.1
Cash operating surplus (b)	530.6	751.4	716.7	8	67.6	46.8	89.1	10	201.2
Gross indebtedness	1,370.0	1,511.7	1,528.8	15	299.1	200.7	258.9	8	594.4
Total net capital expenditure	139.2	251.1	265.0	12	21.0	30.0	28.7	11	59.0

Items	Cotton 0162			Other agriculture (c) 0111-0112, 0152-0159, 0169			Agriculture all industries		
	1991-92	1992-93	1993-94p	1991-92	1992-93	1993-94p	1991-92	1992-93	1993-94p
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Sales from crops	786.2	771.7	794.1	10	n.p.	688.2	823.9	17	7,718.3
Sales from livestock	52.1	82.1	33.9	20	n.p.	55.8	116.0	22	4,905.3
Sales from livestock products	28.6	25.6	14.9	21	n.p.	68.9	23.3	29	4,753.6
Turnover	918.7	921.3	909.1	9	n.p.	877.7	1,036.8	13	18,576.0
Purchases and selected expenses	514.8	547.8	548.7	10	n.p.	388.1	474.7	13	10,726.3
Value added (a)	411.3	369.4	382.7	11	n.p.	475.4	578.6	15	8,048.2
Adjusted value added (a)	363.4	316.7	339.0	12	n.p.	403.1	505.0	15	6,737.8
Gross operating surplus (a)	274.9	231.7	261.1	14	n.p.	201.0	216.9	16	4,885.2
Interest paid	74.7	60.9	69.5	12	n.p.	55.7	51.1	14	1,820.4
Cash operating surplus (b)	193.6	174.2	170.6	18	n.p.	166.6	147.5	21	3,095.0
Gross indebtedness	612.3	756.7	772.3	10	n.p.	556.5	722.4	12	14,819.2
Total net capital expenditure	69.3	81.5	81.4	14	n.p.	57.6	97.7	20	1,420.8

(a) Includes an estimate for the value of the increase in livestock. (b) Excludes an estimate for the value of the increase in livestock. (c) See Explanatory Notes Paragraph 4.

NOTE: Standard error of change between two successive years is 1.3 times the standard error of the estimate (except for the All industries estimate where it is equal to the standard error of the estimate). Standard error of change between estimates two years apart could be as high as 1.8 times the standard error of the estimate (except for the All industries estimate where it would be 1.5 times the standard error of the estimate). (Refer to the Explanatory Notes)

TABLE 2. FARM BUSINESSES BY SIZE OF TURNOVER : NUMBER, TURNOVER, CASH OPERATING SURPLUS AND GROSS INDEBTEDNESS, AUSTRALIA, 1991-92 to 1993-94p

Size of Turnover (\$)	All industries															
	Number of farm businesses			Total turnover			Total cash operating surplus			Total gross indebtedness						
	1991-92	1992-93	1993-94p	1991-92	1992-93	1993-94p	1991-92	1992-93	1993-94p	1991-92	1992-93	1993-94p				
	No.			\$m			\$m			\$m						
			SE%									SE%				
<50,000	26,308	23,693	23,042	7	758.7	r 762.8	751.9	8	-82.7	24.4	20.9	*	919.6	r 821.8	704.2	17
50,000-99,999	29,692	25,542	23,505	7	2,095.9	r 1,918.6	1,689.6	8	267.5	r 372.6	340.2	14	2,316.7	r 1,709.0	1,349.5	14
100,000-149,999	18,495	18,338	17,431	8	2,267.3	2,281.1	2,239.6	8	448.5	492.0	556.0	12	1,839.3	1,981.5	1,433.9	13
150,000-199,999	11,238	10,456	10,857	9	1,965.6	1,823.7	1,937.6	9	386.9	404.0	532.9	12	1,392.2	1,336.4	1,425.9	14
200,000-249,999	6,815	7,999	8,614	10	1,536.0	r 1,789.0	1,975.2	10	333.9	r 423.4	463.7	16	1,263.3	1,448.1	1,529.8	13
250,000-299,999	5,136	4,790	5,218	13	1,417.8	r 1,299.2	1,458.5	13	268.5	r 295.5	296.1	21	1,172.0	r 790.0	1,070.1	17
300,000 and over	11,968	15,246	16,170	5	8,534.8	r 10,193.9	11,039.0	3	1,472.4	r 2,071.3	2,316.4	6	5,916.0	r 7,303.7	7,307.6	6
Total	109,634	106,057	106,831	1	18,576.0	r 20,068.2	21,091.3	2	3,095.0	r 4,083.2	4,526.2	4	14,819.2	r 15,390.5	14,821.0	4

EXPLANATORY NOTES

Introduction

1. The estimates in this publication have been derived from the 1993-94 Agricultural Finance Survey (AFS). It consists of approximately 2,500 farm businesses, selected at random from all in-scope farm businesses. A farm business is the highest level accounting unit within a business, having regard for industry homogeneity, for which accounts are maintained.

2. The results in this publication are early estimates based on a response rate of approximately 70% of these farm businesses.

3. The population for the AFS consists of all farm businesses classified to an industry class within Sub-division 01 'Agriculture' of the Australian and New Zealand Standard Industrial Classification (ANZSIC) with an estimated value of agricultural operations of \$22,500 or more. The financial details collected in the AFS relate to the agricultural and non-agricultural business activities of the selected farm business. Any farm business which was predominantly engaged in non-agricultural activity is excluded.

4. Industry financial estimates in this publication are presented in terms of ANZSIC (Australian and New Zealand Standard Industrial Classification) which replaced ASIC (Australian Standard Industrial Classification). For the majority of industry classes in the ANZSIC Sub-division 01 there was either a one to one or a many to one correspondence from ASIC to ANZSIC. The industry estimates for years prior to 1992-93 have been re-compiled based on ANZSIC. It has been necessary to make confidential two of the re-compiled ANZSIC industry classes. They are ANZSIC 0113, Vegetable growing and ANZSICS 0111-0112, 0152-0159, 0169, Other agriculture. This action was necessary to prevent derivation of confidential information.

5. Detailed explanatory notes for the current Survey will be included in the publication *Agricultural Industries, Financial Statistics, Australia, 1992-93 (7507.0)* and are compatible with those from previous editions of that publication.

Reliability of estimates

6. Since the estimates are based on information obtained from a sample drawn from farm businesses in the surveyed population, the estimates are subject to sampling variability: that is, they may differ from the figures that would have been produced if all units had been included in the AFS. One measure of the likely difference is given by the *standard error*, which indicates the extent to which an estimate might have varied by chance because only a sample of farm businesses was included. There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained if all farm businesses had been included, and about nineteen chances in twenty that the difference will be less than two standard errors. In this publication the relative standard error is shown as a percentage of the estimate to which it refers. For the published figures, the standard error of change between two years is also approximately equal to the standard error shown.

7. Some of the standard errors associated with the estimates contained in this publication are relatively high. It is important for users to check that the estimates are reliable enough for the particular purpose for which they require the statistics. It is left to the user to exercise the necessary caution in using the estimates in this publication.

Explanation of terms used

8. *Sales from crops* includes proceeds from sales of cereal grains and other crops (oilseeds, cotton, sugar cane, tobacco, etc) and fruit and vegetables.

9. *Sales from livestock* includes proceeds from sales of sheep, cattle, etc. Excluded are proceeds from livestock services and artificial insemination.

10. *Sales from livestock products* includes proceeds from sales of wool, milk, skins, eggs, etc.

11. *Turnover* of agricultural farm businesses includes proceeds received during the year from the sale of crops, livestock, livestock products and other miscellaneous revenue.

12. *Purchases and selected expenses* refers to cash payments made during the year by agricultural farm businesses for goods and services relating to either agricultural or non-agricultural activity, including livestock purchases.

13. *Value added* is the estimate of turnover plus an estimate of the value of increase in livestock less the estimate of purchases and selected expenses.

14. *Adjusted value added* is the estimate of value added less the estimate of rates and taxes, insurance payments and other expenses.

15. *Gross operating surplus* is the estimate of adjusted value added less the estimate of wages, salaries and supplements.

16. *Cash operating surplus* is the estimate of gross operating surplus less an estimate of the value of increase in livestock, less estimates of interest and land rent paid, plus estimates of interest and land rent received. Depreciation and income tax have not been deducted.

17. *Gross indebtedness* refers to the amounts owed to all sources by farm businesses at 30 June 1994.

18. *Interest paid* includes interest paid on loans and other amounts owing.

Related publications

Agricultural Industries, Financial Statistics, Australia, (7507.0) — issued annually.

Value of Agricultural Commodities Produced, Australia, (7503.0) — issued annually.

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Symbols and other usages

— nil or less than half the final digit shown
 SE% percentage standard error (see Explanatory Notes)
 * Sampling variability too high for most practical purposes. Estimate included for completeness (see Explanatory Notes).

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