



2007-08

7501.0

VALUE OF

**PRINCIPAL AGRICULTURAL
COMMODITIES PRODUCED**

AUSTRALIA
PRELIMINARY

EMBARGO: 11.30AM (CANBERRA TIME) TUES 10 FEB 2009

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For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070.

NOTES

ABOUT THIS PUBLICATION This publication contains preliminary estimates of the gross values of production for principal agricultural commodities for all states, territories and Australia for the financial year 2007–08.

The final estimates for 2007–08 will be released in *Value of Agricultural Commodities Produced, Australia*, cat. no. 7503.0 in July 2009.

Comparisons with past year production estimates are based on 2006–07 data released in *Agricultural Commodities, Australia 2006-07*, cat. no. 7121.0.

CHANGES IN THIS ISSUE Due to the reduction in agricultural commodity content collected in the 2007–08 Agricultural Resource Management Survey, compared to previous Agricultural Surveys and the Agricultural Census, actual gross values for some commodities are not available. However, these have been estimated and included in aggregates.

Refer to the Explanatory Notes for further detail.



ABBREVIATIONS

\$m	million dollars
ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
AS	Agricultural Survey
Aust.	Australia
NSW	New South Wales
NT	Northern Territory
Qld	Queensland
RSE	relative standard error
SA	South Australia
SE	standard error
Tas.	Tasmania
VACP	Value of Agricultural Commodities Produced
Vic.	Victoria
WA	Western Australia

Brian Pink
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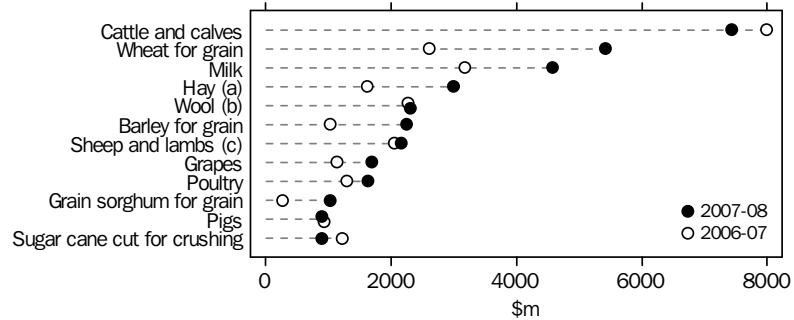
SUMMARY OF FINDINGS

NATIONAL ESTIMATES

In 2007–08 the preliminary estimate of the gross value of agricultural commodities produced was \$44.6 billion, an increase of 24% (or \$8.6 billion) on the previous drought-affected year.

The value of crops increased by 41% and livestock products increased by 26%. This was offset by decreased gross value of livestock slaughterings and other disposals, which was down by 1%.

GROSS VALUE OF AGRICULTURAL COMMODITIES PRODUCED: PRELIMINARY 2007-08 AND FINAL 2006-07



(a) Comprises pastures, cereals and other crops cut for hay.

(b) Excludes value of wool on skins.

(c) Includes value of dead wool and wool on skins.

Crops

The preliminary estimate of the gross value of all crops in 2007–08 increased by 41% to \$25.0 billion. This was as better seasonal conditions improved production, and higher demand and fluctuating exchange rates increased prices, resulting in large increases in gross values.

Large increases were reported for all major cereal crops, except rice. The value of wheat increased by 107% to \$5.4 billion; barley increased by 116% to \$2.2 billion; grain sorghum increased by 280% to \$1.0 billion and oats for grain increased by 127% to \$410 million. The increased values for cereals were the result of improved production, combined with demand-driven increases in average prices.

In contrast, the value of rice decreased by 83% in 2007–08, to a record low of \$10 million, as production fell by 86% due to a lack of water for irrigation.

Increased values were recorded for canola (up 196% to \$673 million) and lupins for grain (up 95% to \$244 million), with both commodities reporting significantly higher production and increased average prices. The value of sugar cane cut for crushing fell in 2007–08 as lower production (down by 7%) and decreased average prices (down by 21%) combined to reduce value by 27% to \$897 million. The value of cotton fell by 41% to \$300 million in 2007–08 as a result of falling production, which was down by 44%, while the average price increased by 6%.

In 2007–08 the gross value of hay increased by 85% to \$3.0 billion. Hay production rose by 58% and average prices also increased (up by 18% due to higher demand for stock feed).

SUMMARY OF FINDINGS *continued*

Crops continued

The gross value of grapes increased by 49% to \$1.7 billion in 2007–08. Production improved in 2007–08, up by 30% following a sharp fall in 2006–07 with average grape prices rising by 15%.

The gross value of apples increased by 2% to \$494 million in 2007–08, with a 4% increase in average prices offsetting a 2% fall in production.

Livestock slaughterings and other disposals

In 2007–08 the gross total value of livestock slaughterings and other disposals was \$12.2 billion, a decrease of 1% on the previous year.

The total number of cattle and calves slaughterings and other disposals in 2007–08 fell by 2% and average prices also fell (down by 5%, with less suitable animals presented for sale) resulting in a net 7% decrease in gross value to \$7.4 billion.

The gross total value of sheep and lambs slaughterings and other disposals rose by 5% to \$2.2 billion in 2007–08. Although the total number of sheep and lamb disposals fell by 2%, average prices increased by 7% due to reduced supply.

In 2007–08 the gross total value of pigs slaughterings and other disposals fell by 4% to \$902 million, with the number of total disposals falling by 2% and average prices also decreasing (down by 3%).

The gross value of total poultry disposals increased by 27% to \$1.6 billion in 2007–08 as production increased by 2% and average prices increased by 24%.

Livestock products

The preliminary estimate of the total gross value of livestock products in 2007–08 was \$7.3 billion, an increase of 26% over the previous year.

The gross total value of wool production rose marginally (by 1%) to \$2.3 billion in 2007–08, as total production fell by 9% and average prices increased by 11% (due mainly to supply concerns by buyers of shorn wool).

In 2007–08 the gross value of milk increased by 44% to \$4.6 billion due to a 50% increase in average prices, which reflected increased overall demand for dairy products and was compounded by a 4% fall in production (due to residual drought conditions).

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
2007-08									
Crops									
Cereals for grain									
Barley	251.0	578.1	43.0	460.9	905.2	^ 7.3	—	—	2 245.5
Grain sorghum	345.5	—	693.2	—	**0.5	—	0.1	—	1 039.3
Oats	60.9	111.5	^ 4.0	^ 43.0	187.9	^ 2.7	—	*—	410.1
Rice	^ 9.6	—	—	—	—	—	—	—	^ 9.6
Wheat	915.6	693.6	363.5	940.8	2 502.6	^ 9.7	**0.1	**—	5 425.9
Other(a)	79.6	^ 32.4	32.0	44.4	51.2	^ 1.0	^ 0.2	—	241.0
Apples									
Apples	88.7	216.0	50.4	47.7	46.9	43.7	—	0.2	493.6
Grapes	342.1	402.0	31.6	762.8	126.3	27.7	5.0	0.7	1 698.2
Other fruit and nuts(a)	513.0	584.7	1 377.9	316.0	139.7	29.7	53.6	—	3 014.7
Cotton(b)	^ 226.0	—	74.3	—	—	—	—	—	^ 300.4
Legumes for grain									
Lupins for grain	^ 14.1	^ 13.9	—	^ 25.1	190.2	*0.3	—	—	243.6
Other(a)	114.4	^ 23.3	44.8	54.0	17.2	*0.7	—	—	254.3
Oilseeds									
Canola	^ 53.4	^ 132.5	**0.2	80.2	406.0	^ 0.6	—	—	673.0
Other(a)	^ 16.1	**—	^ 3.6	**—	—	—	^ 0.2	—	^ 19.9
Hay(c)	796.2	1 329.2	274.9	192.7	332.6	63.6	9.4	^ 0.1	2 998.5
Potatoes	31.7	^ 165.2	^ 63.9	284.4	52.6	93.9	—	—	691.6
Tomatoes	*26.2	69.2	*274.0	23.4	^ 23.5	^ 2.2	**—	**—	^ 418.5
Other vegetables(a)	365.0	512.1	778.0	286.9	212.7	108.8	15.9	*—	2 279.3
Sugar cane cut for crushing	^ 60.6	—	832.6	—	3.6	—	—	—	896.9
All other crops(a)	378.4	544.9	377.1	^ 107.2	188.3	83.6	*12.7	2.8	1 694.9
Total crops	4 688.1	5 408.9	5 319.0	3 669.4	5 387.1	475.4	97.1	3.7	25 048.7
Livestock slaughterings and other disposals									
Cattle and calves	1 590.0	1 231.8	3 388.2	252.2	487.5	159.7	322.6	4.2	7 436.2
Sheep and lambs(d)	442.1	869.3	56.9	347.4	409.6	41.7	—	1.4	2 168.4
Pigs	265.8	116.3	233.8	np	np	np	—	na	901.7
Poultry	568.2	452.4	315.0	np	np	np	na	—	1 636.7
Total livestock slaughterings and other disposals(e)	2 874.3	2 681.4	4 008.7	939.4	1 121.2	229.4	328.5	5.6	12 188.4
Livestock products									
Wool(f)	814.3	492.1	102.9	324.2	503.1	71.2	na	1.2	2 309.0
Milk	509.2	3 052.0	251.6	294.8	131.8	332.4	—	—	4 571.7
Eggs(g)	123.0	143.5	103.1	^ 19.8	^ 56.1	9.4	0.9	7.6	463.5
Total livestock products	1 446.4	3 687.7	457.6	638.8	691.0	413.0	0.9	8.9	7 344.3
Total agriculture	9 008.7	11 778.0	9 785.2	5 247.6	7 199.3	1 117.9	426.5	18.2	44 581.4

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

— nil or rounded to zero (including null cells)

na not available

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Estimates for 2008 for these commodities cannot be produced at the preliminary estimates stage due to the unavailability of source data. The 2007 values have been used to provide an 'order of magnitude' estimate only of the contribution of these commodities to the 'total agriculture' gross value for 2008. Final estimates for the reduced set of commodities collected in 2008 will be provided in the publication Value of Agricultural Commodities Produced, Australia (cat. no. 7503.0) due for release in July 2009.

(b) Includes value of cotton lint and cotton seed.

(c) Comprises pastures, cereals and other crops cut for hay.

(d) Excludes value of wool on skins.

(e) Includes value of other livestock.

(f) Includes value of dead wool and wool on skins.

(g) Preliminary estimates for 2008 have used 2007 production volumes and 2008 prices.

GROSS VALUE(a), Agricultural Commodities: Preliminary—Year ended 30 June

	2006	2007	2008	Change from 2007 to 2008
	\$m	\$m	\$m	%
Crops				
Cereals for grain				
Barley	1 417.4	1 038.9	2 245.5	116.1
Grain sorghum	276.0	273.7	1 039.3	279.7
Oats	248.7	180.5	410.1	127.3
Rice	273.7	^ 55.0	^ 9.6	-82.6
Wheat	5 099.2	2 618.5	5 425.9	107.2
Other(b)	279.0	241.0	241.0	—
Apples	359.9	484.4	493.6	1.9
Grapes	1 377.5	1 137.8	1 698.2	49.3
Other fruit and nuts(b)	2 267.1	3 014.7	3 014.7	—
Cotton(c)	933.3	506.7	^ 300.4	-40.7
Legumes for grain				
Lupins for grain	251.1	124.9	243.6	95.1
Other(b)	406.4	254.3	254.3	—
Oilseeds				
Canola	473.4	227.2	673.0	196.2
Other(b)	54.7	^ 19.9	^ 19.9	—
Hay(d)	1 450.7	1 618.6	2 998.5	85.3
Potatoes	463.5	514.4	691.6	34.5
Tomatoes	272.8	296.0	^ 418.5	41.4
Other vegetables(b)	2 097.0	r2 279.3	2 279.3	—
Sugar cane cut for crushing	1 031.8	1 221.4	896.9	-26.6
All other crops(b)	r1 718.5	r1 694.9	1 694.9	—
Total crops	r20 751.7	r17 802.1	25 048.7	40.7
Livestock slaughterings and other disposals				
Cattle and calves	7 684.9	7 987.9	7 436.2	-6.9
Sheep and lambs(e)	2 112.4	2 057.1	2 168.4	5.4
Pigs	890.1	943.6	901.7	-4.4
Poultry	1 222.7	1 294.1	1 636.7	26.5
Total livestock slaughterings and other disposals(f)	11 959.6	12 335.9	12 188.4	-1.2
Livestock products				
Wool(g)	2 053.9	2 281.6	2 309.0	1.2
Milk	3 341.3	3 177.6	4 571.7	43.9
Eggs(h)	375.6	387.6	463.5	19.6
Total livestock products	5 770.8	5 846.8	7 344.3	25.6
Total agriculture	r38 482.2	r35 984.8	44 581.4	23.9

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

— nil or rounded to zero (including null cells)

r revised

(a) Estimates for 2006 and 2007 are final; estimates for 2008 are preliminary and may be subject to revision.

(b) Estimates for 2008 for these commodities cannot be produced at the preliminary estimates stage due to the unavailability of source data. The 2007 values have been used to provide an 'order of magnitude' estimate as a contribution to the 'total agriculture' gross value. Estimates for these commodities for 2008 will be provided in the publication Value of Agricultural Commodities Produced, Australia (cat. no. 7503.0).

(c) Includes value of cotton lint and cotton seed.

(d) Comprises pastures, cereals and other crops cut for hay.

(e) Excludes value of wool on skins.

(f) Includes value of other livestock.

(g) Includes value of dead wool and wool on skins.

(h) Preliminary estimates for 2008 have used 2007 production volumes and 2008 prices.

EXPLANATORY NOTES

INTRODUCTION

- 1** The value estimates in this publication are derived by the multiplication of price and quantity estimates of agricultural commodities.
- 2** Price data refers to the average unit value of a given commodity realised in the market place. Price information for livestock slaughterings and wool is obtained from Australian Bureau of Statistics (ABS) collections. Price information for other commodities is obtained from non-ABS sources, including marketing authorities and industry sources.
- 3** Changes to the ABS Agricultural survey program for 2007–08 resulted in the annual Agricultural Survey being combined with a benchmark survey of land management practices by agricultural businesses, and a survey of management responses to adverse seasonal conditions experienced by affected agricultural businesses. The combined survey is the Agricultural Resource Management Survey (ARMS).
- 4** Quantity data for most crops have been collected from the 2007–08 Agricultural Resource Management Survey.

GENERAL

- 5** Where figures for individual states or territories have been suppressed for reasons of confidentiality, they have been included in relevant totals.
- 6** Where figures have been rounded, discrepancies may occur between sums of the component items and totals.
- 7** The method of collection of relevant prices and the costs of marketing for agricultural commodities varies considerably between states and between commodities. Where a statutory authority handles marketing of the whole or a portion of a product, data are usually obtained from this source. Information is also obtained from marketing reports, wholesalers, brokers and auctioneers. For all commodities, values are in respect of production during the year (or season) irrespective of when payments are made. For that portion of production not marketed (e.g. hay grown the agricultural business for own use), estimates are made from the best available information and, in general, are calculated on a local value basis.

PERIOD COVERED

- 8** The production statistics used in deriving the preliminary value estimates for 2007–08 and estimates for 2005–06 and 2006–07 relate to the years ended 30 June.

DEFINITIONS OF TERMS USED

- 9** The following are brief definitions of the terms used:
 - *Gross value of commodities produced* is the value placed on recorded production at the wholesale prices realised in the market place.
 - *Market place*, in general, is the metropolitan market in each state. In cases where commodities are consumed locally, or where they become raw material for a secondary industry, these points are presumed to be the market place.
 - *Livestock slaughterings and other disposals values* are published as one figure but include two distinct components:
 - value of livestock slaughtered; and
 - value of net exports, i.e. the total value of livestock intended for slaughter in adjacent state(s) where available (at present these can only be identified between the Northern Territory and adjacent states) and livestock exported overseas whether for slaughter or breeding, minus the value of imports of livestock.

SAMPLE ERROR

- 10** The estimates for 2007–08 gross value of most crops are based on information obtained from respondents to the 2007–08 ARMS, which was a sample survey drawn from the total agricultural business population in scope of that collection. These estimates are therefore subject to sampling variability; that is, they may differ from the figures that would have been produced if all agricultural businesses had been included in the ARMS.

EXPLANATORY NOTES *continued*

SAMPLE ERROR *continued*

11 One measure of the likely difference is given by the standard error (SE) which indicates the extent to which an estimate might have varied by chance because only a sample was taken or received. There are about two chances in three that a sample estimate will differ by less than one SE from the figure that would have been obtained if all establishments had been reported for, and about nineteen chances in twenty that the difference will be less than two SEs.

12 The estimates of gross value of livestock slaughterings and other disposals, wool and milk are based on data obtained from censuses and are therefore not subject to sampling variability.

13 In this publication, sampling variability of the estimates is measured by the relative standard error (RSE) which is obtained by expressing the SE as a percentage of the estimate to which it refers. Most published estimates have RSEs less than 10%. For some states with limited production of certain commodities, RSEs are greater than 10%. Estimates that have an estimated relative standard error between 10% and 25% are annotated with the symbol '^'. These estimates should be used with caution as they are subject to sampling variability too high for some purposes. Estimates with an RSE between 25% and 50% are annotated with the symbol '*', indicating that the estimate should be used with caution as it is subject to sampling variability too high for most practical purposes. Estimates with an RSE greater than 50% are annotated with the symbol '**' indicating that the sampling variability causes the estimates to be considered too unreliable for general use. Separate indication of the RSEs of all estimates is available on request.

14 A table with RSEs for selected estimates of gross values follows:

RELATIVE STANDARD ERRORS, Gross Values of Selected Commodities—At 30 June 2008

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Aust.
	%	%	%	%	%	%	%	%	%
Barley for grain	5.7	5.5	9.0	5.7	4.1	22.6	—	—	2.6
Grain sorghum	6.3	—	5.1	—	81.1	—	—	—	4.0
Wheat for grain	4.8	5.7	5.1	4.5	3.1	10.5	85.3	58.8	2.0
Lupins for grain	11.8	20.1	—	10.6	6.8	37.5	—	—	5.6
Canola	17.0	10.7	66.8	8.7	7.0	11.1	—	—	5.0
Sugar cane cut for crushing	10.8	—	4.5	—	2.4	—	—	—	4.2
Total crops	2.0	1.7	2.3	1.6	1.8	2.2	4.5	7.1	0.9
Total livestock slaughterings and other disposals
Total livestock products	0.7	0.3	1.1	0.4	1.2	—	—	—	0.3
Total agriculture	1.0	0.8	1.3	1.1	1.4	0.9	1.0	1.5	0.5

.. not applicable

— nil or rounded to zero (including null cells)

ABS DATA AVAILABLE ON REQUEST

15 As well as the statistics included in this and related publications, the ABS may have other relevant data available on request. Inquiries should be made to the National Information and Referral Service on 1300 135 070.

GENERAL ACKNOWLEDGMENT

16 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated: without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the *Census and Statistics Act 1905*.

EXPLANATORY NOTES *continued*

RELATED PUBLICATIONS

17 A range of publications relevant to the Agriculture sector are produced by the ABS, including:

Agricultural Commodities, Australia, cat. no. 7121.0

Livestock and Meat, Australia, cat. no. 7218.0.55.001

Livestock Products, Australia, cat. no. 7215.0

Natural Resource Management on Australian Farms, cat. no. 4620.0

Principal Agricultural Commodities, Australia, Preliminary, cat. no. 7111.0

Selected Agricultural Commodities, Australia, Preliminary, cat. no. 7112.0

Value of Agricultural Commodities Produced, Australia, cat. no. 7503.0

Value of Selected Agricultural Commodities Produced, Australia, Preliminary, cat. no. 7502.0

Water Use on Australian Farms, Australia, cat. no. 4618.0

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