Australian Bureau of Statistics

CATALOGUE NO. 7508.0

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AGRICULTURAL INDUSTRIES FINANCIAL STATISTICS, AUSTRALIA 1991-92 PRELIMINARY

SUMMARY OF FINDINGS

Preliminary estimates from the 1991-92 Agricultural Finance Survey show a continuing downturn for the rural sector. However, unlike the previous year, the downturn was not felt by all agricultural industries.

	Value ($million) 1991-92p	*% change on 1990-91*	*% change on 1989-90*
Sales from Crops	7,550.1	+4.9	-3.1
Sales from Livestock	4,874.1	+0.2	-11.7
Sales from Livestock Products	4,734.3	-19.1	-33.9
Turnover	18,371.8	-4.3	-15.8
Gross Operating Surplus	4,778.1	+15.6	-30.7
Cash Operating Surplus	3,104.1	-9.0	-41.8
Total Net Capital Expenditure	1,445.6	+18.8	-24.2
Gross Indebtedness	14,965.4	+5.8	+3.1
Interest Paid	1,811.0	-12.3	-18.7

In 1991-92, turnover of farm businesses was $18,371.8 million, 4.3 per cent below the 1990-91 turnover, and 15.8 per cent below the record set in 1989-90.

Average turnover per farm business for 1991-92 was $170,500, down by 3.8 per cent on the 1990-91 average turnover ($177,200). The largest relative decreases in average turnover per farm business were experienced in the sheep industry (22.5%), sheep-meat cattle industry (17.9%), and sugar industry (13.5%).

Cash operating surplus dropped substantially. In 1991-92, the aggregate cash operating surplus for farm businesses was $3,104.1 million, a 9.0 per cent decrease on the 1990-91 figure and 41.8 per cent below 1989-90. The changes in average cash operating surplus are listed in the table below

Industry	*Average Cash Operating Surplus ($'000) 1991-92p*	*% change on 1990-91*
Sheep	3.9	-77.7
Meat Cattle	18.3	-39.2
Pigs	43.2	-21.9
Sugar	43.5	-17.0
Sheep-meat Cattle	20.5	-13.5
Meat Cattle-cereal Grains	34.8	-8.2
Cereal Grains & Oilseeds	40.8	-1.5
Other Agriculture (inc. Cotton)	70.1	+4.5
Sheep-cereal Grains	30.9	+8.4
Vegetables	49.4	+13.8
Fruit	37.5	+16.8
Poultry	81.3	+16.8
Milk Cattle	39.5	+27.4

In 1991-92 the profit margin (as measured by the ratio of cash operating surplus to turnover) was 16.9 per cent. In 1990-91 the profit margin was 17.8 per cent and in 1989-90 it was 24.4 per cent.

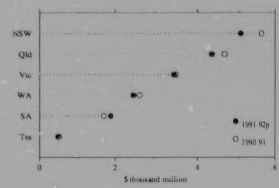
Total interest paid by the agricultural sector in 1991-92 was $1,811.0 million, 12.3 per cent less than the 1990-91 amount. The average interest rate over all farm business debt in 1991-92 was 12.4 per cent. In 1990-91 it was 14.4 per cent.

INQUIRIES

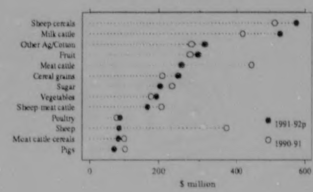
- *for information about statistics in this publication and the availability of related unpublished statistics*, contact Edward Gall on (002) 205939 or any ABS State office.
- *for information about other ABS statistics and services* please refer to the back page of this *publication*.

SUMMARY OF FINDINGS *- continued*

TURNOVER OF FARM BUSINESSES BY STATE, 1990-91 AND 1991-92p



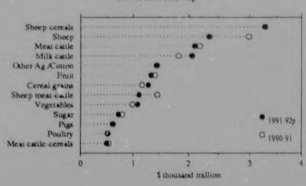
CASH OPERATING SURPLUS OF FARM BUSINESSES BY INDUSTRY AUSTRALIA, 1990-91 AND 1991-92p



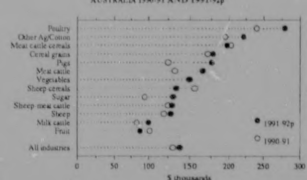
All States except South Australia recorded a decrease in turnover from 1990-91 to 1991-92. Even South Australia remained well down on the turnover recorded for 1989-90. The largest relative decrease occurred in New South Wales (10.3%).

The agricultural industries to record the greatest increases in cash operating surplus were milk cattle (26.1%), cereal grains (19.2%), poultry (13.7%), sheep cereal grains (11.9%) and other agriculture (including cotton) (11.0%). The agricultural industries which recorded the greatest decreases were sheep (77.6%) meat cattle (42.1%) and pigs (32.0%).

TURNOVER OF FARM BUSINESSES BY INDUSTRY, AUSTRALIA 1990-91 AND 1991-92p



AVERAGE GROSS INDEBTEDNESS PER FARM BUSINESS BY INDUSTRY, AUSTRALIA 1990-91 AND 1991-92p



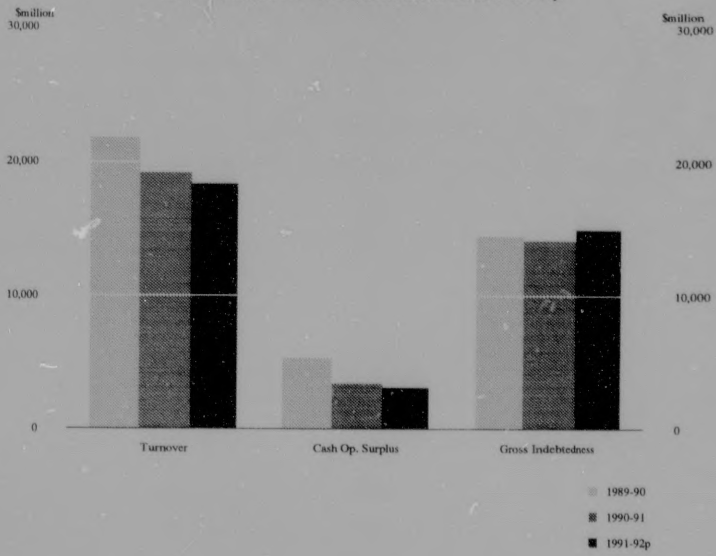
The largest percentage decreases in turnover from 1990-91 to 1991-92 were recorded by the sheep-meat cattle (23.5%), and sheep (21.5%) industries. The industries to record the largest increases in turnover were the milk cattle (12.5%), the vegetable (10.4%) and cereal grain and oilseeds (10.3%) industries.

Compared with 1990-91, net capital expenditure for 1991-92 rose 18.8 per cent to $1,445.6 million, but was still 24.2 per cent below the 1989-90 figure.

Average gross indebtedness per farm rose by 6.4 per cent from $130,600 in 1990-91 to $138,900 in 1991-92. Decreases in average gross indebtedness were recorded by the sheep-cereal grain (13.6%), fruit (13.5%) and meat cattle-cereal grain (3.0%) industries. The greatest increases were in pigs (40.6%), sugar (38.5%), meat cattle (23.7%) and milk cattle (20.2%).

The interest coverage ratio (that is, the number of times the agricultural industry could pay its interest bill out of the sum of cash operating surplus and interest paid) in 1991-92 was 2.71, a marginal improvement from 1990-91 when it was 2.65.

SELECTED AGGREGATE FINANCIAL STATISTICS 1989-90 TO 1991-92p



NOTES

The financial estimates in this publication have been derived from the 1991-92 Agricultural Finance Survey (AFS). These estimates are preliminary and are subject to revision.

Each estimate in this publication is subject to sample error, a measure of which is the Relative Standard Error (SE%) (see Paragraphs 8-11 of the Explanatory Notes). The relative standard error is calculated for each estimate and shown in the SE% columns of each table. Paragraph 9 of the Explanatory Notes discusses the standard error associated with year to year movements.

Explanatory Notes follow the tables in this publication.

IAN CASTLES
Australian Statistician

TABLE 1. AGGREGATES OF SELECTED FINANCIAL STATISTICS, FARM BUSINESSES, BY STATE
1989-90 TO 1991-92p

	New South Wales (a)				*Victoria*				*Queensland*				*South Australia*			
Items	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*
		$m				*$m*				*$m*				*$m*		
Sales from crops	1,735.8	1,864.9	1,941.8	5	1,362.3	1,053.0	1,083.0	5	2,275.5	2,121.8	1,913.3	4	1,055.9	808.2	1,009.1	5
Sales from livestock	1,711.0	1,388.4	1,357.9	5	920.5	826.2	778.7	4	1,572.9	1,465.1	1,458.5	5	363.5	289.0	356.1	8
Sales from livestock products	2,470.7	1,978.2	1,437.1	5	1,686.6	1,443.0	1,364.5	4	690.2	647.8	583.0	7	672.4	480.1	400.2	4
Turnover	6,304.4	5,613.1	5,034.6	3	4,238.1	3,504.6	3,457.7	3	4,863.6	4,621.6	4,328.9	3	2,233.8	1,689.9	1,885.1	3
Purchases and selected expenses	3,416.9	3,268.1	2,921.0	3	2,171.6	1,970.3	1,875.9	3	2,586.1	2,520.5	2,534.7	3	1,054.4	972.0	1,057.0	3
Value added (c)	2,656.7	1,674.2	2,045.0	5	2,040.7	1,361.1	1,624.0	4	2,691.1	2,290.3	1,671.8	5	1,109.7	599.8	894.2	5
Adjusted value added (c)	2,246.1	1,252.3	1,653.5	6	1,769.5	1,105.6	1,377.5	5	2,433.2	2,020.1	1,395.9	6	983.1	474.8	763.6	5
Gross operating surplus (c)	1,627.9	702.5	1,108.8	8	1,347.6	752.8	1,034.6	5	1,956.9	1,538.2	935.5	8	814.4	316.9	636.6	6
Interest paid	677.8	684.6	610.9	7	427.1	371.4	305.1	6	526.1	451.0	412.8	6	217.4	200.3	154.7	8
Cash operating surplus (d)	1,324.7	798.7	633.2	14	1,004.9	598.5	713.4	7	1,125.5	1,005.5	720.6	8	743.0	289.6	454.6	7
Total net capital expenditure	460.4	301.0	431.0	15	339.4	202.8	237.3	12	415.7	358.5	322.0	10	239.2	108.9	176.5	12
Gross indebtedness	4,486.0	4,325.6	4,799.6	7	2,608.5	2,454.1	2,337.9	7	3,235.6	3,292.3	3,752.1	6	1,328.6	1,392.3	1,313.7	7

	Western Australia				*Tasmania*				*Australia (b)*			
Items	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*
		$m				*$m*				*$m*		
Sales from crops	1,167.8	1,096.3	1,296.2	3	132.6	131.4	149.1	6	7,795.2	7,196.7	7,550.1	2
Sales from livestock	485.8	360.5	337.6	7	115.6	123.7	111.1	6	5,519.1	4,864.5	4,874.1	2
Sales from livestock products	1,299.3	1,023.8	723.2	4	265.0	189.6	157.9	5	7,157.9	5,853.6	4,734.3	2
Turnover	3,099.4	2,630.5	2,479.3	2	559.1	484.7	457.3	3	21,823.5	19,190.6	18,371.8	1
Purchases and selected expenses	1,682.2	1,538.3	1,554.2	3	288.7	270.8	263.0	4	11,447.8	10,892.5	10,590.3	1
Value added (c)	1,198.7	927.1	1,138.9	3	292.7	184.3	194.1	6	10,237.4	7,347.7	7,881.8	2
Adjusted value added (c)	1,016.7	747.6	959.7	4	261.8	152.6	163.3	7	8,924.4	6,023.1	6,585.7	2
Gross operating surplus (c)	804.3	561.1	779.8	5	198.8	93.3	107.9	9	6,897.0	4,133.6	4,778.1	3
Interest paid	278.5	268.9	220.0	9	59.3	54.3	50.7	8	2,227.5	2,066.0	1,811.0	3
Cash operating surplus (d)	846.8	519.2	367.0	11	129.0	80.8	62.3	15	5,330.6	3,412.8	3,104.1	4
Total net capital expenditure	331.5	167.0	201.0	13	64.9	37.2	28.0	15	1,906.3	1,216.6	1,445.6	6
Gross indebtedness	2,144.6	1,984.0	1,900.6	7	398.9	404.0	442.5	8	14,518.0	14,140.6	14,965.4	3

(a) Includes Australian Capital Territory. (b) Includes the Northern Territory and estimates for multi-State farm businesses (not included in estimates shown for individual States). (Refer to Paragraph 5 of Explanatory Notes).
(c) Includes an estimate for the value of the increase in livestock. (d) Excludes an estimate for the value of the increase in livestock.

NOTE: Standard error of change between two successive years is the same as the standard error of the estimate. Standard error of change between estimates two years apart could be as high as 1.5 times the standard error of the estimate. (Refer to Paragraph 9 of Explanatory Notes).

TABLE 2. AVERAGES PER FARM BUSINESS, SELECTED FINANCIAL STATISTICS, BY STATE, 1989-90 TO 1991-92p(a)

Items	New South Wales (b)				Victoria				Queensland				South Australia			
	1989-90	1990-91	1991-92p	SE%	1989-90	1990-91	1991-92p	SE%	1989-90	1990-91	1991-92p	SE%	1989-90	1990-91	1991-92p	SE%
	$'000				$'000				$'000				$'000			
Sales from crops	53.3	61.2	63.3	6	45.1	37.0	37.9	6	97.5	97.1	88.8	4	80.7	63.7	80.5	5
Sales from livestock	52.6	45.6	44.3	5	30.5	29.0	27.2	4	67.4	67.1	67.7	5	27.8	22.8	28.4	8
Sales from livestock products	75.9	64.9	46.9	5	55.9	50.7	47.7	4	29.6	29.6	27.0	7	51.4	37.9	31.9	5
Turnover	193.7	184.2	164.2	3	140.4	123.1	120.8	3	208.3	211.5	200.9	3	170.8	133.2	150.4	3
Purchases and selected expenses	105.0	107.2	95.3	4	72.0	69.2	65.6	3	110.8	115.4	117.6	3	80.6	76.6	84.3	3
Value added (d)	81.6	54.9	66.7	5	67.6	47.8	56.8	4	115.3	104.8	77.6	5	84.8	47.3	71.3	5
Adjusted value added (d)	69.0	41.1	53.9	6	58.6	38.8	48.1	5	104.2	92.5	64.8	6	75.1	37.4	60.9	5
Gross operating surplus (d)	50.0	23.0	36.2	9	44.7	26.4	36.2	5	83.8	70.4	43.4	8	62.3	25.0	50.8	6
Interest paid	20.8	22.5	19.9	8	14.2	13.0	10.7	6	22.5	20.6	19.2	6	16.6	15.8	12.3	8
Cash operating surplus (e)	40.7	26.2	20.6	14	33.3	21.0	24.9	7	48.2	46.0	33.4	8	56.8	22.8	36.3	7
Total net capital expenditure	14.1	9.9	14.1	15	11.2	7.1	8.3	12	17.8	16.4	14.9	10	18.3	8.6	14.1	12
Gross indebtedness	137.8	141.9	156.5	7	86.4	86.2	81.7	7	138.6	150.7	174.1	6	101.6	109.8	104.8	7

Items	Western Australia				Tasmania				Australia (c)			
	1989-90	1990-91	1991-92p	SE%	1989-90	1990-91	1991-92p	SE%	1989-90	1990-91	1991-92p	SE%
	$'000				$'000				$'000			
Sales from crops	97.3	98.1	120.2	4	41.3	43.4	48.5	6	67.9	66.4	70.1	2
Sales from livestock	40.5	32.2	31.3	7	36.0	40.9	36.1	6	48.1	44.9	45.2	2
Sales from livestock products	108.2	91.6	67.1	4	82.4	62.7	51.4	5	62.3	54.0	43.9	2
Turnover	258.2	235.3	230.0	3	173.9	160.2	148.8	3	190.0	177.2	170.5	1
Purchases and selected expenses	140.1	137.6	144.2	3	89.8	89.5	85.6	4	99.7	100.6	98.3	1
Value added (d)	99.9	82.9	105.6	4	91.0	60.9	63.1	6	89.1	67.8	73.2	2
Adjusted value added (d)	84.7	66.9	89.0	4	81.4	50.4	53.1	7	77.7	55.6	61.1	2
Gross operating surplus (d)	67.0	50.2	72.3	5	61.8	30.9	35.1	9	60.0	38.2	44.4	3
Interest paid	23.2	24.1	20.4	9	18.5	17.9	16.5	8	19.4	19.1	16.8	3
Cash operating surplus (e)	70.5	46.4	34.0	11	40.1	26.7	20.3	15	46.4	31.5	28.8	4
Total net capital expenditure	27.6	14.9	18.6	13	20.2	12.3	9.1	15	16.6	11.2	13.4	6
Gross indebtedness	178.7	177.5	176.3	8	124.1	133.6	144.0	9	126.4	130.6	138.9	3

(a) State and Australian averages have been calculated by dividing the item estimate by the corresponding estimated number of farm businesses. (b) Includes Australian Capital Territory (c) Includes the Northern Territory and estimates for multi-State farm businesses (not included in estimates shown for individual States). (Refer to Paragraph 5 of Explanatory Notes). (d) Includes an estimate for the value of the increase in livestock. (e) Excludes an estimate for the value of the increase in livestock.

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TABLE 3. AGGREGATES OF SELECTED FINANCIAL STATISTICS, FARM BUSINESSES, BY INDUSTRY, AUSTRALIA, 1989-90 TO 1991-92p

Items	Poultry 0124-0125				Fruit 0134-0136				Vegetables 0143-0144				Cereal grains, Oilseeds nec 0181			
	1989-90	1990-91	1991-92p	SE%	1989-90	1990-91	1991-92p	SE%	1989-90	1990-91	1991-92p	SE%	1989-90	1990-91	1991-92p	SE%
	$m				$m				$m				$m			
Sales from crops	8.4	8.2	10.4	24	1,133.0	1,263.2	1,199.2	6	1,031.0	831.8	922.2	4	1,030.3	916.1	1,028.1	6
Sales from livestock	75.5	102.8	135.1	32	16.1	22.6	21.4	26	48.6	48.8	59.4	17	97.7	101.9	121.1	17
Sales from livestock products	268.5	264.3	257.6	12	6.8	3.9	9.0	47	30.7	51.3	50.7	64	91.6	92.6	66.8	9
Turnover	492.1	496.9	510.2	11	1,274.9	1,417.9	1,345.0	5	1,163.1	990.0	1,092.7	5	1,304.9	1,173.9	1,295.1	5
Purchases and selected expenses	317.6	291.6	313.4	14	583.8	709.4	652.6	6	570.3	524.0	602.5	5	648.3	720.6	751.2	5
Value added(a)	176.2	205.2	215.5	17	697.9	692.5	692.8	6	596.2	470.0	491.1	6	643.5	466.3	565.9	6
Adjusted value added(a)	153.4	184.3	191.7	18	620.9	609.0	617.2	6	550.9	418.0	438.6	7	572.6	394.1	477.4	7
Gross operating surplus(a)	86.8	114.6	138.8	22	393.1	369.7	361.9	8	366.9	251.4	261.9	9	508.6	329.7	397.0	9
Interest paid	47.1	46.3	37.6	14	106.1	135.5	86.8	10	134.1	78.6	72.8	10	122.3	122.4	137.4	10
Cash operating surplus(b)	43.6	75.2	85.5	26	321.6	278.4	297.1	10	243.7	178.1	194.3	11	426.0	210.0	250.3	14
Total net capital expenditure	21.9	21.0	31.2	18	93.4	91.2	92.8	12	131.9	73.2	81.7	12	140.2	63.8	113.5	16
Gross indebtedness	264.0	259.5	292.7	11	711.8	881.9	695.4	9	534.1	612.5	588.8	10	776.9	864.7	1,087.3	9

Items	Sheep - cereal grains 0182				Meat cattle - cereal grains 0183				Sheep - meat cattle 0184				Sheep 0185			
	1989-90	1990-91	1991-92p	SE%	1989-90	1990-91	1991-92p	SE%	1989-90	1990-91	1991-92p	SE%	1989-90	1990-91	1991-92p	SE%
	$m				$m				$m				$m			
Sales from crops	2,183.1	1,751.1	2,101.7	4	215.1	198.7	114.1	15	43.2	52.8	48.8	57	228.1	181.6	194.1	12
Sales from livestock	475.7	309.1	362.5	8	278.5	276.3	327.2	8	704.0	734.8	646.2	6	848.7	484.2	526.1	6
Sales from livestock products	1,476.3	1,031.9	665.2	5	26.3	3.4	6.5	29	595.5	599.8	372.5	8	3,038.3	2,153.4	1,463.6	4
Turnover	4,297.5	3,272.3	3,283.1	3	558.6	518.8	479.8	6	1,427.2	1,461.9	1,118.0	5	4,358.2	2,987.2	2,344.9	3
Purchases and selected expenses	2,226.9	1,994.6	1,999.9	3	290.6	279.7	277.5	9	765.8	865.8	622.3	5	2,167.3	1,727.2	1,452.1	4
Value added(a)	1,756.9	1,025.5	1,461.4	4	314.1	195.5	181.7	11	654.6	484.2	459.4	11	1,914.9	808.1	992.4	6
Adjusted value added(a)	1,518.8	794.2	1,229.7	5	275.5	155.3	146.7	12	548.5	361.7	356.3	14	1,612.1	555.5	742.8	7
Gross operating surplus(a)	1,314.8	581.2	1,041.3	6	239.0	121.6	112.5	16	386.3	222.9	238.4	21	1,130.1	234.7	479.2	11
Interest paid	433.8	403.2	321.1	8	61.5	76.8	58.0	12	201.9	157.4	141.3	15	423.1	392.3	341.2	10
Cash operating surplus(b)	1,288.6	513.0	573.8	11	138.8	97.5	80.4	20	232.4	207.8	167.9	22	1,135.4	369.9	82.7	59
Total net capital expenditure	410.9	181.5	320.5	14	46.6	40.7	31.2	19	103.1	89.4	152.9	30	351.0	134.7	149.4	16
Gross indebtedness	2,694.8	2,804.3	2,495.3	8	423.4	521.9	454.9	14	1,273.4	1,097.4	1,062.1	14	3,122.7	2,536.7	2,744.9	9

TABLE 3. AGGREGATES OF SELECTED FINANCIAL STATISTICS, FARM BUSINESSES, BY INDUSTRY, AUSTRALIA, 1989-90 TO 1991-92p—*continued*

	Meat cattle 0186				*Milk cattle 0187*				*Pigs 0188*				*Sugar 0191*			
Items	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*
		$m				*$m*				*$m*				*$m*		
Sales from crops	86.5	68.5	62.8	21	25.3	39.7	21.0	24	24.2	24.1	28.0	13	806.0	687.9	637.3	4
Sales from livestock	2,118.0	1,904.4	1,784.2	4	298.3	272.7	268.4	7	448.3	521.7	506.3	6	9.0	12.5	8.7	38
Sales from livestock products	38.9	87.9	54.4	35	1,508.1	1,441.9	1,700.0	4	29.5	28.2	23.1	16	—	—	0.1	*
Turnover	2,411.7	2,183.1	2,100.1	5	1,909.6	1,827.8	2,056.0	3	536.5	613.6	591.0	5	852.5	790.0	713.2	4
Purchases and selected expenses	1,467.3	1,166.4	1,274.9	5	1,008.6	1,058.3	1,131.6	4	346.3	403.3	416.1	6	397.1	419.7	373.1	4
Value added(a)	1,269.4	902.9	636.7	11	966.4	820.2	949.0	5	199.6	202.1	169.5	9	456.1	369.7	336.4	6
Adjusted value added(a)	1,094.7	730.0	460.8	15	873.1	714.8	847.2	5	182.4	177.7	148.2	10	415.9	324.3	289.5	7
Gross operating surplus(a)	893.4	528.0	252.6	28	782.3	623.2	727.5	6	143.3	125.1	95.4	13	360.7	254.4	241.4	9
Interest paid	288.9	282.1	238.4	11	189.9	163.4	166.7	8	37.6	33.6	33.5	16	43.4	47.3	61.8	17
Cash operating surplus(b)	373.0	445.9	258.3	20	544.6	418.8	528.1	7	98.8	100.6	68.4	17	332.6	235.6	204.3	10
Total net capital expenditure	232.8	163.6	129.2	11	180.7	128.4	138.8	16	26.7	27.7	19.1	17	61.6	78.3	59.4	39
Gross indebtedness	1,863.9	1,972.5	2,327.0	11	1,162.6	1,120.7	1,334.5	8	284.4	227.1	278.3	12	288.0	424.9	614.6	16

	Cotton (c) 0194				*Other agriculture (c) 0192-0193,0195-0196*				*All industries 01*			
Items	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*
		$m				*$m*				*$m*		
Sales from crops	—	—	687.4	6	981.2	1,172.8	495.0	11	7,795.2	7,196.7	7,550.1	2
Sales from livestock	—	—	43.8	16	100.8	72.6	63.7	25	5,519.1	4,864.5	4,874.1	2
Sales from livestock products	—	—	22.7	17	47.2	94.9	42.2	26	7,157.9	5,853.6	4,734.3	2
Turnover	—	—	796.9	6	1,236.8	1,457.3	645.8	9	21,823.5	19,190.6	18,371.8	1
Purchases and selected expenses	—	—	437.9	6	657.8	731.8	285.2	8	11,447.8	10,892.5	10,590.3	1
Value added(a)	—	—	368.8	7	591.6	705.5	361.0	12	10,237.4	7,347.7	7,881.8	2
Adjusted value added(a)	—	—	326.0	7	505.8	604.1	313.5	14	8,924.4	6,023.1	6,585.7	2
Gross operating surplus(a)	—	—	247.2	8	291.9	377.0	183.1	16	6,897.0	4,133.6	4,778.1	3
Interest paid	—	—	63.0	9	137.8	127.0	51.4	11	2,227.5	2,066.0	1,811.0	3
Cash operating surplus(b)	—	—	175.8	9	151.5	282.0	137.1	18	5,330.6	3,412.8	3,104.1	4
Total net capital expenditure	—	—	63.2	13	105.5	123.2	62.6	20	1,906.3	1,216.6	1,445.6	6
Gross indebtedness	—	—	540.6	10	1,118.1	816.5	449.0	10	14,518.0	14,140.6	14,965.4	3

(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) Prior to 1991-92 the estimates for Cotton were included in the estimates for Other agriculture.

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 Paragraph 9 of Explanatory Notes).

TABLE 4. AVERAGES PER FARM BUSINESS, SELECTED FINANCIAL STATISTICS, BY INDUSTRY, AUSTRALIA 1989-90 TO 1991-92p (a)

Items	*Poultry 0124-0125*				*Fruit 0134-0136*				*Vegetables 0143-0144*				*Cereal grains, Oilseeds nec 0181*			
	1989-90	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*
		$'000				*$'000*				*$'000*				*$'000*		
Sales from crops	6.9	7.6	9.9	24	129.6	145.6	151.5	6	256.4	202.7	234.4	5	162.3	180.8	167.7	6
Sales from livestock	62.3	95.2	128.6	32	1.8	2.6	2.7	26	12.1	11.9	15.1	17	15.4	20.1	19.7	17
Sales from livestock products	221.5	244.7	245.1	13	0.8	0.5	1.1	47	7.6	12.5	12.9	64	14.4	18.3	10.9	9
Turnover	406.0	460.1	485.4	11	145.8	163.4	169.9	6	289.3	241.3	277.7	5	205.5	231.7	211.2	5
Purchases and selected expenses	262.0	270.0	298.2	15	66.8	81.8	82.5	6	141.8	127.7	153.1	6	102.1	142.2	122.5	5
Value added(b)	145.3	190.0	205.1	17	79.8	79.8	87.5	6	148.3	114.6	124.8	6	101.3	92.0	92.3	6
Adjusted value added(b)	126.6	170.7	182.4	19	71.0	70.2	78.0	6	137.0	101.9	111.5	7	90.2	77.8	77.9	7
Gross operating surplus(b)	71.6	106.1	132.0	22	45.0	42.6	45.7	8	91.2	61.3	66.5	9	80.1	65.1	64.8	9
Interest paid	38.8	42.9	35.7	14	12.1	15.6	11.0	10	33.3	19.1	18.5	11	19.3	24.2	22.4	10
Cash operating surplus(c)	36.0	69.6	81.3	26	36.8	32.1	37.5	10	60.6	43.4	49.4	10	67.1	41.4	40.8	14
Total net capital expenditure	18.1	19.4	29.7	19	10.7	10.5	11.7	12	32.8	17.8	20.8	13	22.1	12.6	18.5	16
Gross indebtedness	217.8	240.3	278.5	12	81.4	101.6	87.9	9	132.8	149.3	149.6	10	122.4	170.7	177.3	8

Items	*Sheep - cereal grains 0182*				*Meat cattle - cereal grains 0183*				*Sheep - meat cattle 0184*				*Sheep 0185*			
	1989-90	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*
		$'000				*$'000*				*$'000*				*$'000*		
Sales from crops	123.0	97.2	113.2	4	67.5	77.3	49.4	14	5.2	6.0	6.0	57	9.2	8.6	9.1	13
Sales from livestock	26.8	17.2	19.5	8	87.4	107.5	141.7	8	84.4	83.7	79.0	6	34.1	22.9	24.6	6
Sales from livestock products	83.2	57.3	35.8	5	8.3	1.3	2.8	28	71.4	68.3	45.5	8	122.0	101.7	68.3	4
Turnover	242.2	181.6	176.9	3	175.3	201.9	207.8	5	171.1	166.5	136.7	5	175.0	141.1	109.4	4
Purchases and selected expenses	125.5	110.7	107.8	3	91.2	108.8	120.2	8	91.8	98.6	76.1	5	87.0	81.6	67.8	4
Value added(b)	99.0	56.9	78.7	4	98.5	76.1	78.7	10	78.5	55.1	56.2	11	76.9	38.2	46.3	6
Adjusted value added(b)	85.6	44.1	66.3	5	86.4	60.4	63.5	12	65.8	41.2	43.6	14	64.7	26.2	34.7	7
Gross operating surplus(b)	74.1	32.2	56.1	6	75.0	47.3	48.7	15	46.3	25.4	29.1	21	45.4	11.1	22.4	11
Interest paid	24.4	22.4	17.3	8	19.3	29.9	25.1	12	24.2	17.9	17.3	15	17.0	18.5	15.9	10
Cash operating surplus(c)	72.6	28.5	30.9	11	43.5	37.9	34.8	20	27.9	23.7	20.5	22	45.6	17.5	3.9	59
Total net capital expenditure	23.2	10.1	17.3	14	14.6	15.8	13.5	18	12.4	10.2	18.7	30	14.1	6.4	7.0	16
Gross indebtedness	151.9	155.6	134.5	8	132.9	203.1	197.0	14	152.7	125.0	129.9	14	125.4	119.8	128.1	9

TABLE 4. AVERAGES PER FARM BUSINESS, SELECTED FINANCIAL STATISTICS, BY INDUSTRY, AUSTRALIA 1989-90 TO 1991-92p (a) —*continued*

	Meat cattle 0186				*Milk cattle 0187*				*Pigs 0188*				*Sugar 0191*			
Items	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*
		$'000				*$'000*				*$'000*				*$'000*		
Sales from crops	5.1	4.6	4.4	21	1.9	2.9	1.6	24	15.4	13.2	17.7	13	178.9	152.9	135.8	4
Sales from livestock	124.0	128.5	126.3	6	22.4	20.2	20.1	7	286.3	286.8	319.4	6	2.0	2.8	1.9	38
Sales from livestock products	2.3	5.9	3.9	35	113.2	106.9	127.3	3	18.9	15.5	14.6	16	0.0	0.0	0.0	*
Turnover	141.2	147.3	148.7	6	143.4	135.5	154.0	3	342.6	337.3	372.9	5	189.2	175.6	151.9	4
Purchases and selected expenses	85.9	78.7	90.3	6	75.7	78.4	84.7	3	221.1	221.7	262.5	6	88.1	93.3	79.5	4
Value added(b)	74.3	60.9	45.1	12	72.6	60.8	71.1	5	127.5	111.1	107.0	9	101.3	82.2	71.7	6
Adjusted value added(b)	64.1	49.3	32.6	16	65.5	53.0	63.4	5	116.5	97.7	93.5	10	92.3	72.1	61.7	7
Gross operating surplus(b)	52.3	35.6	17.9	29	58.7	46.2	54.5	6	91.5	68.8	60.2	13	80.1	56.6	51.4	9
Interest paid	16.9	19.0	16.9	11	14.3	12.1	12.5	8	24.0	18.5	21.1	16	9.6	10.5	13.2	17
Cash operating surplus(c)	21.8	30.1	18.3	20	40.9	31.0	39.5	7	63.1	55.3	43.2	17	73.8	52.4	43.5	10
Total net capital expenditure	13.6	11.0	9.1	11	13.6	9.5	10.4	16	17.0	15.2	12.0	17	13.7	17.4	12.6	39
Gross indebtedness	109.1	133.1	164.7	11	87.3	83.1	99.9	8	181.6	124.9	175.6	12	63.9	94.5	130.9	16

	Cotton (d) 0194				*Other agriculture (d) 0192-0193,0195-0196*				*All industries 01*			
Items	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*	*1989-90*	*1990-91*	*1991-92p*	*SE%*
		$'000				*$'000*				*$'000*		
Sales from crops	—	—	1,169.1	6	252.7	279.2	127.7	11	67.9	66.4	70.1	2
Sales from livestock	—	—	74.6	17	26.0	17.3	16.4	25	48.1	44.9	45.2	2
Sales from livestock products	—	—	38.6	17	12.2	22.6	10.9	26	62.3	54.0	43.9	2
Turnover	—	—	1,355.2	6	318.5	347.0	166.7	9	190.0	177.2	170.5	1
Purchases and selected expenses	—	—	744.7	6	169.4	174.2	73.6	7	99.7	100.6	98.3	1
Value added(b)	—	—	627.2	7	152.4	168.0	93.2	12	89.1	67.8	73.2	2
Adjusted value added(b)	—	—	554.4	7	130.2	143.8	80.9	13	77.7	55.6	61.1	2
Gross operating surplus(b)	—	—	420.4	8	75.2	89.8	47.3	16	60.0	38.2	44.4	3
Interest paid	—	—	107.1	10	35.5	30.2	13.3	10	19.4	19.1	16.8	3
Cash operating surplus(c)	—	—	299.0	9	39.0	67.1	35.4	18	46.4	31.5	28.8	4
Total net capital expenditure	—	—	107.5	13	27.2	29.3	16.2	20	16.6	11.2	13.4	6
Gross indebtedness	—	—	919.3	10	287.9	194.4	115.9	10	126.4	130.6	138.9	3

(a) Averages have been calculated by dividing industry estimates by the estimated number of farm businesses in each industry. (b) Includes an estimate for the value of the increase in livestock. (c) Excludes an estimate for the value of the increase in livestock. (d) Prior to 1991-92 the estimates for Cotton were included in the estimates for Other agriculture.

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 Paragraph 9 of Explanatory Notes).

EXPLANATORY NOTES

Introduction

The estimates in this publication have been derived from the 1991-92 Agricultural Finance Survey (AFS). The survey aims to meet demands of users who require annual financial statistics on a consistent basis across all agricultural industries. The statistics are required for purposes such as the development of policy options relating to industry assistance and the analysis of commodity pricing.

2. The population for the AFS consisted of all economic units (management units) the principal activity of which resulted in them being classified within Sub-division 01 'Agriculture' of the Australian Standard Industrial Classification (ASIC) and which had an Estimated Value of Agricultural Operations (EVAO) of $20,000 or more for 1989-90 and 1990-91 and $22,500 or more for 1991-92.

3. The management unit is the highest level accounting unit within a business, having regard for industry homogeneity, for which accounts are maintained; in nearly all cases it coincides with the legal entity owning the business (i.e. company, partnership, trust, sole operator, etc.). In the case of large diversified businesses, however, there may be more than one management unit, each coinciding with a 'Division' or 'line of business'. Management units which have a predominant activity in the agricultural sector are called farm businesses. Farm businesses that operate establishments in more than one State or Territory are called 'multi-State farm businesses'.

4. The 1991-92 AFS consisted of approximately 3,500 farm businesses, selected at random from all in-scope farm businesses.

5. Selections were made for each State and the two Territories and a special selection was made to cover 'multi-State farm businesses' (refer Paragraph 3 above). In the tables, estimates for multi-State farm businesses and the Northern Territory are only included in Australian totals. Estimates for the Australian Capital Territory are included with New South Wales. In most cases data values or estimates were collected from the selected farm businesses by personal interview using trained ABS interviewers.

6. The financial details collected in the AFS relate to the agricultural and (where applicable) non-agricultural business activities of the selected farm businesses. Any management unit which was predominantly engaged in non-agricultural activity was regarded as out of scope of the AFS even though it may have had one or more establishments engaged in agriculture.

7. Detailed explanatory notes for the current Survey will be included in the publication Agricultural Industries, Financial Statistics, Australia, 1991-92 (7507.0).

Reliability of estimates

8. Since the estimates are based on information obtained from a sample drawn from units in the surveyed population, the estimates are subjected 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 units 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 units had been included, and about nineteen chances in twenty that the difference will be less than two standard errors. In this publication sampling variability is measured by the relative standard error which is obtained by expressing the standard error as a percentage of the estimate to which it refers. The relative standard error is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling, and thus avoids the need to refer also to the size of the estimate. As an example of the above, if a sample survey gives an estimate of $4,000 million and the relative standard error is 2 per cent, giving a standard error of $80 million, then there would be two chances in three that, if all units had been included in the survey, a figure within the range of $3,920 million to $4,080 million would have been obtained (a confidence interval of 68 per cent), and nineteen chances in twenty that the figure would have been within the range of $3,840 million to $4,160 million (a confidence interval of 95 per cent).

9. The estimate of change between two years is also subject to sampling error. When measuring the change between two successive years at the State, Australian or All Industry level, the standard error is approximately equal to the published standard error of the estimate and approximately 1.5 times the published standard error for comparing estimates two years apart. When measuring the change between two successive years at the Industry or State by Industry level, the standard error is approximately 1.3 times the published standard error of the estimate and approximately 1.8 times the published standard error if comparing estimates two years apart. An example of the use of standard error of change is as follows. If the standard error of an industry estimate is $50 million, then the standard error of the change between two successive years will be approximately $65 million. If the estimate of change is $300 million then there are two chances in three that if all units had been enumerated the change would have been in the range $235 million to $365 million and nineteen chances in twenty that it would have been in the range $170 million to $430 million.

10. 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.

11. The imprecision due to sampling, which is measured by the standard error, is not the only type of inaccuracy to which estimates are subject. Other inaccuracies, referred to collectively as non-sampling error, may occur because of, for example, inadequacies in available sources from which the coverage list was compiled and imperfections in reporting by respondents. Every effort is made to reduce non-sampling error to a minimum by the use of trained field interviewers, efficient operating procedures and appropriate methodologies.

Comparison with other ABS statistics
12. As a consequence of the ABS's adoption of an integrated statistical framework, the data items contained in this publication are compatible with those produced by the ABS for the mining, manufacturing and other sectors of the economy.

Explanation of terms used
13. *Sales from crops* includes proceeds from sales of cereal grains and other crops (oilseeds, cotton, sugar cane, tobacco, etc) and fruit and vegetables. Included also are premiums and amounts received from pools.

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

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

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

17. *Purchases and selected expenses* refers to cash payments made during the year by farm businesses for goods and services relating to either agricultural or non-agricultural activity. As with turnover, expenditure need not necessarily relate to agricultural production for a particular year but rather to payments made during the year.

18. *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. Value added is a measure of an industry's contribution to total economic activity.

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

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

21. *Interest paid* includes interest paid on loans by banks, pastoral finance companies, insurance companies and government agencies, interest paid on loans under hire purchase and other instalment credit and interest paid on other amounts owing.

22. *Cash operating surplus* is the estimate of gross operating surplus less estimates of the value of increase in livestock and interest, land rent paid, plus the estimate of interest, land rent received. Cash operating surplus is not quite a true measure of the surplus available for profit since income tax has not been deducted.

23. *Total net capital expenditure* is the sum of net capital expenditure on vehicles, machinery and equipment and on buildings, structures and other developments, less trade-in allowances, cash discounts and sales of existing assets.

24. *Gross indebtedness* refers to the amounts owed by farm businesses at 30 June:

(a) to banks, pastoral companies, insurance companies and government agencies;

(b) under hire purchase agreements, instalment credit and finance lease arrangements; and

(c) to other lenders such as suppliers, solicitors' trust funds and local government authorities, etc.

25. The term 'gross' has been used to indicate that the amounts owing have not been reduced by the value of any cash deposits by farm businesses with the various lending organisations.

Related publications

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

Agricultural Industries, Financial Statistics, First Preliminary Estimate, Australia, (7509.0) - issued annually.

Agricultural Industries, Structure of Operating Units, Australia, (7102.0) - issued annually.

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

Value of Selected Agricultural Commodities Produced, Australia, (Preliminary) (7502.0) - issued annually.

Value of Principal Agricultural Commodities Produced, Australia, (Preliminary) (7501.0) - issued annually.

26. Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (1101.0). The ABS also issues on Tuesdays and Fridays, a *Publications Advice* (1105.0) which lists publications to be released in the next few days. The Catalogue and Publications Advice are available from any ABS office.

Unpublished Statistics
27. As well as the statistics included in this and related publications, the ABS has a large amount of other relevant unpublished data available. Enquiries should be made to the contact in the Phone Enquiries box at the front of this publication.

Symbols and other usages

—	nil or less than half the final digit shown
SE%	percentage standard error (see Explanatory Notes, Paragraphs 8-11)
*	SE% greater than 100. Estimate included for completeness. Sampling variability too high for most practical purposes (see Explanatory Notes, Paragraphs 8-11)

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