

**AGRICULTURAL INDUSTRIES
FINANCIAL STATISTICS, AUSTRALIA 1992-93
PRELIMINARY ESTIMATES**

(Previously: Agricultural Industries, Financial Statistics, Australia, First Preliminary Estimates (7509.0))

SUMMARY OF FINDINGS

- Estimated turnover in 1992-93 was \$18,931.6 million. This was a marginal improvement over the 1991-92 figure of \$18,576.0 million. Estimated sales of livestock in 1992-93 were \$5,281.9 million (7.7 per cent above the 1991-92 level), and estimated sales of crops were \$7,853.3 million (a marginal increase of 1.7 per cent on the 1991-92 level). Sales of livestock products were \$4,613.0 million, 3.0 per cent below the 1991-92 estimate. A component of this item, sales of milk, was significantly above the 1991-92 level.
- Estimated cash operating surplus of all farm businesses in 1992-93 was \$4,026.6 million compared with \$3,095.0 in 1991-92 and \$3,412.8 in 1990-91. The beef cattle, dairy cattle, grain and grain-sheep-beef industries were the main contributors to the improved 1992-93 cash operating surplus result. The average cash operating surplus per farm in 1992-93 was \$38,300 compared with a 1991-92 average of \$28,200.
- Total interest paid in 1992-93 by farm businesses was \$1,441.6 million, 20.8 per cent lower than the 1991-92 amount. Interest coverage ratio (ie how many times the agricultural industry could pay its interest bill out of cash operating surplus before deducting interest paid) was 3.8. In 1991-92 the interest coverage ratio was 2.7.
- In 1992-93 13.4 per cent of farm businesses reported \$300,000 or more of turnover. These farm businesses accounted for 49.7 per cent of turnover made in 1992-93 and 52.1 per cent of cash operating surplus. Farm businesses making less than \$50,000 turnover accounted for 26.0 per cent of farm businesses and 4.1 per cent of farm business turnover.

Industry	Value (\$million) 1992-93p	% change on	
		1991-92	1990-91
Sales from Crops	7,853.3	1.7	9.1
Sales from Livestock	5,281.9	7.7	8.6
Sales from Livestock Products	4,613.0	-3.0	-21.2
Turnover	18,931.6	1.9	-1.3
Gross Operating Surplus	5,680.9	16.5	37.4
Cash Operating Surplus	4,026.6	30.1	18.0
Gross Indebtedness	14,720.0	-0.7	4.1
Interest Paid	1,441.6	-20.8	-30.2

Industry	% change on 1991-92 for	
	Turnover	Cash operating surplus
Poultry	-9.2	-17.1
Fruit	-14.4	-12.5
Vegetables	n.p	n.p
Grain	+13.5	+52.4
Grain-sheep-beef	+9.1	+20.9
Sheep-beef cattle	-7.1	+18.8
Sheep	-4.3	+252.6
Beef cattle	+3.9	+138.9
Dairy cattle	+13.8	+50.9
Pigs	-8.6	-27.8
Sugar	+6.4	+20.4
Cotton	+3.2	+22.9
Other agriculture	n.p	n.p
All industries	+1.9	+30.1

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 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, 1990-91 TO 1992-93p

Items	Poultry 0141-0142			Fruit 0114-0119			Vegetables (d) 0113			Grain 0121				
	1990-91	1991-92	1992-93p	1990-91	1991-92	1992-93p	1990-91	1991-92	1992-93p	1990-91	1991-92	1992-93p		
	\$m	\$m	SE%	\$m	\$m	SE%	\$m	\$m	SE%	\$m	\$m	SE%		
Sales from crops	8.2	13.1	5.5	1,263.2	1,233.6	1,076.0	7	n.p.	774.7	7	943.0	1,468.9	1,614.2	5
Sales from livestock	102.8	135.5	24	22.6	22.1	22.2	32	n.p.	87.7	16	104.3	105.4	139.2	15
Sales from livestock products	264.3	265.9	14	3.9	8.8	7.5	68	n.p.	19.1	40	94.9	111.8	123.1	18
Turnover	496.9	538.2	488.7	6	1,417.9	1,185.6	7	n.p.	926.6	6	1,206.7	1,787.4	2,028.1	4
Purchases and selected expenses	291.6	335.2	313.5	9	709.4	561.4	6	n.p.	525.7	7	732.9	1,045.5	1,084.2	4
Value added (a)	205.2	219.3	179.4	7	692.5	624.9	8	n.p.	416.1	7	484.8	786.4	952.1	6
Adjusted value added (a)	184.3	193.6	155.5	7	609.0	547.4	8	n.p.	353.8	8	411.1	670.1	835.6	6
Gross operating surplus (a)	114.6	138.0	102.4	10	369.7	387.8	9	n.p.	205.6	10	344.1	579.7	715.3	6
Interest paid	46.3	39.2	29.4	17	135.5	63.0	10	n.p.	108.0	41	124.4	165.1	141.7	11
Cash operating surplus (b)	75.2	85.3	70.7	12	278.4	276.0	11	n.p.	92.7	53	224.5	388.6	592.3	7
Gross indebtedness	259.5	312.5	338.4	11	881.9	670.9	10	n.p.	633.6	13	883.1	1,310.5	1,328.1	10
Total net capital expenditure	21.0	38.9	47.8	29	91.2	94.8	16	n.p.	77.0	20	65.0	190.3	188.0	15

Items	Grain - sheep-beef 0122			Sheep - beef cattle 0123			Sheep 0124			Beef cattle 0125						
	1990-91	1991-92	1992-93p	1990-91	1991-92	1992-93p	1990-91	1991-92	1992-93p	1990-91	1991-92	1992-93p				
	\$m	\$m	SE%	\$m	\$m	SE%	\$m	\$m	SE%	\$m	\$m	SE%				
Sales from crops	1,949.8	1,801.8	1,975.4	6	52.8	40.6	70.0	28	181.6	109.1	104.7	19	68.5	70.4	88.3	23
Sales from livestock	585.4	518.2	617.6	11	734.8	734.5	736.5	6	484.2	330.8	500.8	8	1,904.4	2,022.0	2,119.6	6
Sales from livestock products	1,035.3	700.7	674.0	6	599.8	577.4	465.1	7	2,153.4	1,156.3	910.0	4	87.9	53.5	39.0	33
Turnover	3,791.1	3,181.3	3,471.7	4	1,461.9	1,438.5	1,336.7	5	2,987.2	1,721.4	1,647.3	4	2,183.1	2,292.9	2,382.8	6
Purchases and selected expenses	2,274.3	1,883.7	2,059.9	4	865.8	857.7	837.3	7	1,727.2	1,062.6	948.9	4	1,166.4	1,428.0	1,363.6	6
Value added (a)	1,221.0	1,433.2	1,503.3	7	484.2	588.6	595.7	7	808.1	763.3	811.7	7	902.9	727.0	1,062.7	10
Adjusted value added (a)	949.5	1,205.4	1,256.7	8	361.7	427.7	475.7	9	555.5	575.7	632.0	9	730.0	530.6	894.1	12
Gross operating surplus (a)	702.8	1,012.9	1,054.5	9	222.9	241.7	347.9	12	234.7	390.4	441.0	13	528.0	291.9	714.2	15
Interest paid	480.0	326.6	277.2	11	157.4	208.0	147.5	13	392.3	267.1	220.4	10	282.1	242.4	172.0	12
Cash operating surplus (b)	610.5	582.3	704.1	12	207.8	98.4	116.9	32	369.9	38.6	136.1	34	445.9	235.4	562.3	18
Gross indebtedness	3,326.1	2,562.6	2,820.5	10	1,097.4	1,533.1	1,619.2	12	2,536.7	2,196.0	2,388.0	15	1,972.5	2,136.8	1,831.6	12
Total net capital expenditure	222.2	280.4	367.7	14	89.4	142.3	69.8	22	134.7	89.3	56.2	40	163.6	153.2	187.0	17

TABLE 1. AGGREGATES OF SELECTED FINANCIAL STATISTICS, FARM BUSINESSES, BY INDUSTRY, AUSTRALIA, 1990-91 TO 1992-93p —continued

Items	Dairy cattle 0130				Pigs 0151				Sugar 0161			
	1990-91		1992-93p		1990-91		1992-93p		1990-91		1992-93p	
	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%
Sales from crops	39.7	35.3	26.7	16	24.1	25	36.5	25	687.9	629.1	700.2	5
Sales from livestock	272.7	283.1	280.8	12	521.7	14	549.8	14	12.5	9.1	4.3	49
Sales from livestock products	1,441.9	2,006.7	1,715.5	5	28.2	33	23.8	0.1	—	0.1	—	—
Turnover	1,827.8	2,379.2	2,091.2	4	613.6	12	643.8	12	790.0	702.9	748.2	5
Purchases and selected expenses	1,058.3	1,149.6	1,149.6	5	403.3	11	459.6	11	419.7	368.1	384.2	5
Value added (a)	820.2	1,177.0	970.5	6	202.1	22	181.5	22	369.7	331.1	364.8	7
Adjusted value added (a)	714.8	1,065.5	865.6	6	177.7	25	156.8	25	324.3	284.1	322.7	8
Gross operating surplus (a)	623.2	958.0	736.9	6	125.1	40	100.3	40	254.4	237.0	275.2	9
Interest paid	163.4	109.9	173.3	10	33.6	12	35.8	12	47.3	60.1	33.2	20
Cash operating surplus (b)	418.8	800.9	530.6	8	100.6	45	67.6	45	235.6	201.2	242.3	11
Gross indebtedness	1,120.7	1,236.6	1,370.0	11	227.1	9	299.1	9	424.9	594.4	368.6	18
Total net capital expenditure	128.4	200.1	139.2	11	27.7	14	21.0	14	78.3	59.0	52.4	30

Items	Cotton (c) 0162				Other agriculture (c)(d) 0111-0112,0152-0159,0169				All industries 01			
	1990-91		1992-93p		1990-91		1992-93p		1990-91		1992-93p	
	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%
Sales from crops	—	786.2	777.1	9	n.p.	10	595.3	10	7,196.7	7,718.3	7,853.3	2
Sales from livestock	—	52.1	93.0	35	n.p.	28	52.8	28	4,864.5	4,905.3	5,281.9	3
Sales from livestock products	—	28.6	17.4	34	n.p.	30	79.9	30	5,853.6	4,753.6	4,613.0	3
Turnover	—	918.7	948.2	9	n.p.	9	799.7	9	19,190.6	18,576.0	18,931.6	2
Purchases and selected expenses	—	514.8	515.7	10	n.p.	8	362.6	8	10,892.5	10,726.3	10,640.2	2
Value added (a)	—	411.3	425.0	8	n.p.	13	415.9	13	7,347.7	8,039.5	8,672.6	2
Adjusted value added (a)	—	363.4	373.4	9	n.p.	15	350.9	15	6,023.1	6,729.1	7,384.4	3
Gross operating surplus (a)	—	274.9	298.0	10	n.p.	25	170.1	25	4,876.5	5,680.9	5,680.9	3
Interest paid	—	74.7	66.1	15	n.p.	11	53.0	11	2,066.0	1,820.4	1,441.6	5
Cash operating surplus (b)	—	193.6	238.0	11	n.p.	14	145.5	14	3,412.8	3,095.0	4,026.6	4
Gross indebtedness	—	612.3	704.3	14	n.p.	11	557.4	11	14,140.6	14,819.2	14,720.0	4
Total net capital expenditure	—	69.3	65.1	17	n.p.	13	64.6	13	1,216.6	1,420.8	1,512.6	5

(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. (d) 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, 1990-91 to 1992-93p

Size of Turnover (\$)	All industries 01														
	Number of farm businesses			Total turnover			Total cash operating surplus			Total gross indebtedness					
	1990-91	1991-92	1992-93p	1990-91	1991-92	1992-93p	1990-91	1991-92	1992-93p	1990-91	1991-92	1992-93p			
		No.	SE%	\$m	SE%	\$m	SE%	\$m	SE%	\$m	SE%	\$m			
<50,000	26,555	26,308	27,363	6	818.4	758.7	778.6	7	17.8	-82.7	-12.8	* 835.3	919.6	1,060.6	26
50,000-99,999	26,515	29,692	24,326	7	2,111.8	2,095.9	1,758.9	7	431.6	267.5	421.2	13 1,528.9	2,316.7	1,444.1	18
100,000-149,999	19,595	18,495	16,213	8	2,520.6	2,267.3	1,983.3	8	452.9	448.5	446.6	11 1,891.6	1,839.3	1,586.5	10
150,000-199,999	11,121	11,238	10,456	9	1,975.1	1,965.6	1,857.0	9	406.0	386.9	397.9	17 1,463.6	1,392.2	1,669.1	17
200,000-249,999	7,344	6,815	8,025	11	1,679.2	1,536.0	1,785.2	10	353.1	333.9	356.5	20 1,101.0	1,263.3	1,512.2	15
250,000-299,999	3,848	5,136	4,745	14	1,095.1	1,417.8	1,293.7	15	219.0	268.5	302.6	29 903.7	1,172.0	637.7	26
300,000 and over	13,346	11,968	14,043	5	8,930.3	8,534.8	9,401.3	4	1,532.3	1,472.4	2,098.9	6 6,416.4	5,916.0	6,742.4	6
Total	108,324	109,652	105,171	2	19,190.6	18,576.0	18,931.6	2	3,412.8	3,095.0	4,026.6	4 14,140.6	14,819.2	14,720.0	4

EXPLANATORY NOTES

Introduction

1. The estimates in this publication have been derived from the 1992-93 Agricultural Finance Survey (AFS). It consists of approximately 3,500 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 60% 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 1993.

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.

Symbols and other usages

p preliminary — series subject to revision

n.p. not available for publication but included in totals where applicable

— 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.



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