

# VALUE OF AGRICULTURAL COMMODITIES PRODUCED

AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) WED 29 JUL 2009

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## INQUIRIES

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 final estimates of gross and local values of production of major agricultural commodities for all states, territories and Australia for the year ended 30 June 2008.

Additional information accompanies this publication on the Australian Bureau of Statistics (ABS) website as datacubes, and more detailed information may be available on request. Please send any comments or questions to the National Information and Referral Service on 1300 135 070.

#### CHANGES IN THIS ISSUE

Due to the reduction in agricultural commodity content collected in the 2007–08 Agricultural Resource Management Survey (ARMS), compared to previous Agricultural Surveys and the Agricultural Census, 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.

As a result of the reduction in commodity items, the chain volume index previously included in this publication, has not been produced in this issue.

Data items at sub–state geographic levels (Statistical Division and Natural Resource Management region), previously released in *Agricultural Commodities: Small Area Data, Australia* (cat. no. 7125.0), will be attached as datacubes to this publication.

ABBREVIATIONS

\$m million dollars

ABS Australian Bureau of Statistics

ACT Australian Capital Territory

AS Agricultural Survey

Aust. Australia

n.e.i. not elsewhere included

NSW New South Wales

NT Northern Territory

Qld Queensland

RSE relative standard error

SA South Australia

SE standard error

Tas. Tasmania

Vic. Victoria

WA Western Australia

Brian Pink

Australian Statistician

#### SUMMARY OF FINDINGS

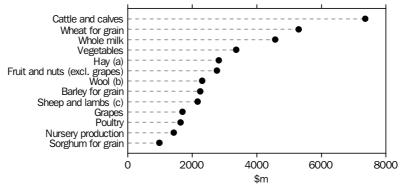
NATIONAL ESTIMATES

The gross value of total Australian agricultural production increased 20% from 2006–07 to \$43.3 billion in 2007–08.

Most of the increase in the value of agricultural production was driven by increased crop production and higher average prices in 2007–08. This saw the falls of 2006–07 reversed by a \$5.9 billion (33%) rise in the gross value of crops to \$23.8 billion. The gross value of livestock slaughterings and other disposals was down 2% to \$12.1 billion as the value of cattle and pigs dropped. During the same period, the value of livestock products increased by \$1.5 billion to its highest value in recent years, \$7.3 billion.

Marketing costs accounted for \$2.9 billion (7%) of the total gross value of agricultural production in 2007–08.

## GROSS VALUE OF AGRICULTURAL COMMODITIES PRODUCED—2007-08



- (a) Includes pastures, cereals and other crops for hay.
- (b) Includes value of dead wool and wool on skins.
- (c) Excludes value of wool on skins.

Crops

Improved conditions in 2007–08 saw increases in the production of broadacre crops and their associated prices. This was highlighted by the increase in the gross values of wheat (up by 102% to \$5.3 billion), hay (up by 74% to \$2.8 billion), barley (up by 116% to \$2.2 billion) and grain sorghum (up by 257% to \$977.4 million). In contrast, the value of rice continued to fall in 2007–08, down 87% to \$7.3 million.

Continuing to recover from several poor harvests, production and average prices of grapes rose in 2007–08, pushing gross value up by 49% to \$1.7 billion.

Livestock slaughterings and other disposals

The gross value of livestock slaughterings and other disposals decreased \$232.3 million to \$12.1 billion in 2007–08.

After the value increases of 2006–07, the gross value of cattle and calves slaughtered dropped 8% to \$7.4 billion as average prices also fell. In contrast, decreased supply of sheep and lambs drove average prices up, so that the gross value of sheep and lamb slaughterings increased 5% to \$2.2 billion.

In 2007–08, the gross value of pig slaughterings and other disposals fell 4% to \$902 million as the number of disposals and average prices dropped slightly. The gross value of poultry slaughterings rose 26% to \$1.6 billion as a result of increases in average prices.

## SUMMARY OF FINDINGS continued

Livestock products

In 2007–08, the gross value of livestock products rose 26% from 2006–07, to \$7.3 billion. This total increase was largely driven by the average price of whole milk increasing by almost a half, which pushed the gross value up by 44% to \$4.6 billion.



## VALUE OF AGRICULTURAL COMMODITIES PRODUCED—Year ended 30 June

	AUST.			2008							
	2006	2007	2008	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
GROSS VALUE											
Crops Livestock slaughterings and	r20 796.5	r17 877.1	23 818.2	4 264.3	5 299.3	4 800.4	3 531.5	5 323.8	502.9	92.3	3.9
other disposals	11 959.6	12 335.9	12 103.6	2 869.0	2 681.2	3 935.1	935.0	1 121.0	229.4	327.3	5.6
Livestock products	5 770.8	5 846.8	7 348.3	1 457.2	3 677.9	459.4	640.5	691.0	413.4	**	8.9
Total agriculture	r <b>38 527.0</b>	r <b>36 059.7</b>	43 270.2	8 590.4	11 658.4	9 195.0	5 106.9	7 135.8	1 145.7	419.6	18.4
• • • • • • • • • • • • • • • • • • • •	• • • • • • • •	• • • • • • • •	• • • • • • • •	• • • • • • • •		• • • • • • •	• • • • • • •	• • • • • • •	• • • • • • •	• • • • •	• • • • •
			MAR	RKETING C	OSTS						
Crops Livestock slaughterings and	r2 339.8	r1 648.2	1 864.6	373.5	356.3	600.6	194.6	302.4	31.5	5.7	0.1
other disposals	878.6	912.6	885.7	210.8	233.6	190.7	83.4	112.1	21.6	33.0	0.6
Livestock products	177.8	193.8	180.0	60.0	39.8	19.5	24.2	31.5	3.6	**	1.4
Total agriculture	r <b>3 396.2</b>	r <b>2 754.6</b>	2 930.3	644.3	629.7	810.8	302.2	446.0	56.7	38.7	2.0
• • • • • • • • • • • • • • • • • • • •	• • • • • • • •	• • • • • • • •	• • • • • • • •			• • • • • •	• • • • • • •	• • • • • •	• • • • • • •	• • • • •	• • • •
			L	OCAL VAL	UE						
Crops Livestock slaughterings and	r18 456.7	r16 228.8	21 953.6	3 890.8	4 943.0	4 199.8	3 336.8	5 021.3	471.4	86.6	3.9
other disposals Livestock products	11 081.1 5 593.0	11 423.3 5 653.0	11 217.9 7 168.3	2 658.2 1 397.2	2 447.6 3 638.1	3 744.4 439.9	851.6 616.3	1 009.0 659.5	207.8 409.8	294.3 **—	5.0 7.5
Total agriculture	r <b>35 130.8</b>	r <b>33 305.1</b>	40 339.8	7 946.1	11 028.7	8 384.1	4 804.7	6 689.8	1 089.1	380.9	16.4

estimate has a relative standard error greater than 50% and is considered too — nil or rounded to zero (including null cells) unreliable for general use

r revised

#### GROSS VALUE OF AGRICULTURAL COMMODITIES PRODUCED—Year ended 30 June

	AUST.			2008							
	2006	2007	2008	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
• • • • • • • • • • • • • • • • • • •	• • • • • • •	• • • • • • •	• • • • • • •	• • • • • • • •	• • • • • • •	• • • • • • • •	• • • • • •	• • • • • • •	• • • • • • •	• • • • • •	• • • • •
Crops											
Cereals for grain	E 000 0	0.640 E	E 201 0	888.7	687.6	252.4	024.4	0.440.0	0.0	**	*
Wheat Oats	5 099.2 248.7	2 618.5 180.5	5 291.9 422.5	60.8	107.3	353.4 ^ 4.4	934.4 ^ 38.4	2 418.0 208.8	9.8 ^ 2.8	~ ~ —	*_
Barley	1 417.4	1 038.9	2 244.0	276.7	563.6	44.0	476.9	206.6 874.6	^ 8.3	_	
•	276.0	273.7	2 244.0 977.4	339.6	563.6	637.2	476.9 *—	**0.5	8.3	_	_
Sorghum Rice					_	031.2		0.5	_	_	_
	273.7	^ 55.0	7.3	7.3	_	_	_	_	_	_	_
Other(a)	279.0	241.0	na	na	na	na	na	na	na	na	na
Cotton(b) Fruit and nuts	933.3	506.7	227.3	148.0	_	79.2	_	_	_	_	_
(excluding grapes)	2 626.9	3 499.2	2 757.5	478.0	688.8	^1060.3	249.3	173.8	67.0	^ 40.1	0.2
Grapes	1 377.5	1 137.8	1 693.6	342.1	398.1	32.8	762.8	124.1	27.7	5.4	0.7
Hay(c)	1 450.7	1 618.6	2 817.9	671.9	1 327.4	201.4	187.1	353.2	62.2	^ 14.7	^ 0.1
Legumes for grain(a)											
Lupins	251.1	124.9	221.5	^ 13.7	^ 14.0	**0.6	23.6	169.3	*0.2	_	_
Other(a)	406.4	254.3	na	na	na	na	na	na	na	na	na
Nursery production Oilseeds	1 418.0	1 447.9	1 432.8	274.2	^ 527.7	^342.0	68.2	166.7	41.9	9.6	^ 2.6
Canola	473.4	227.2	658.6	44.4	125.9	**0.2	84.3	403.2	0.7	_	
Other(a)	54.7	^ 19.9	na	na	125.9 na	na	na	403.2 na	na	na	na
	54.7	19.9	IIa	IIa	IIa	IIa	IIa	IIa	IIa	IIa	IIa
Sugar cane for											
crushing	1 031.8	1 221.4	861.0	^ 58.5	_	799.0	_	3.6	_	_	_
Vegetables	r2 878.1	r3 164.6	3 362.7	423.7	762.9	995.1	584.3	345.2	236.3	^ 15.1	*0.2
All other crops n.e.i.(a)	300.5	247.1	842.1	236.6	95.9	251.0	122.2	82.8	46.1	**7.3	*0.2
Total crops	r20 796.5	r17 877.1	23 818.2	4 264.3	5 299.3	4 800.4	3 531.5	5 323.8	502.9	92.3	3.9
Livestock slaughterings											
and other disposals											
Cattle and calves	7 684.9	7 987.9	7 353.3	1 585.0	1 231.7	3 314.7	247.9	487.4	159.6	322.6	4.2
Sheep and lambs(d)	2 112.4	2 057.1	2 167.9	441.9	869.3	56.9	347.3	409.5	41.7	_	1.4
Pigs	890.1	943.6	901.7	265.8	116.2	233.8	np	np	np	_	_
Poultry	1 222.7	1 294.1	1 636.6	568.1	452.4	315.0	np	np	np	_	_
Other livestock	49.5	53.3	44.2	8.2	11.6	14.7	1.7	3.3	_	4.7	_
Total livestock											
slaughterings and											
other disposals	11 959.6	12 335.9	12 103.6	2 869.0	2 681.2	3 935.1	935.0	1 121.0	229.4	327.3	5.6
Livestock products											
Wool(e)	2 053.9	2 281.6	2 309.0	814.2	492.1	102.9	324.2	503.1	71.2	_	1.3
Whole milk	3 341.3	3 177.6	4 571.7	509.2	3 052.0	251.6	294.8	131.8	332.4	_	_
Eggs	375.6	387.6	467.6	133.8	133.7	105.0	21.5	^ 56.1	9.8	**	7.6
Total livestock products	5 770.8	5 846.8	7 348.3	1 457.2	3 677.9	459.4	640.5	691.0	413.4	**	8.9
Total agriculture	r <b>38 527.0</b>	r <b>36 059.7</b>	43 270.2	8 590.4	11 658.4	9 195.0	5 106.9	7 135.8	1 145.7	419.6	18.4

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

<sup>\*\*</sup> 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

r revised

<sup>(</sup>a) In 2007–08, component commodity items not collected separately. Refer to paragraph 10 in the Explanatory Notes for further information.

<sup>(</sup>b) Includes value of cotton seed.

<sup>(</sup>c) Includes pastures, cereals and other crops cut for hay.

<sup>(</sup>d) Excludes value of wool on skins.

<sup>(</sup>e) Includes dead wool and wool on skins.

#### **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 information 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 (AS) 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 was the Agricultural Resource Management Survey (ARMS).
- **4** Quantity data for most crops have been collected from the 2007–08 ARMS. Remaining commodity data (apples, grapes, livestock disposals and livestock products excluding eggs) are obtained from other ABS collections, with some information from non–ABS sources, and continue to be comparable across time.
- **5** Where data for individual states or territories have been suppressed for reasons of confidentiality, they have been included in relevant totals.
- **6** Where data have been rounded, discrepancies may occur between sums of the component items and totals.
- **7** The estimates for earlier years shown in this publication have been revised where necessary, for example, when a new price becomes available for a commodity after the previous publication date.
- **8** A reduced range of commodity items was collected from the 2007–08 ARMS in comparison to surveys and censuses of previous years. Care should be taken when comparing estimates over time for Australia, state/territory and regional levels as not all categories directly align between years. Further information is available upon request.
- **9** As a result of the reduced range of commodities collected in the 2007–08 ARMS, it was necessary to estimate the values of the non–reported commodities for the groups, 'All other crops', 'All other orchard fruit' and 'All other fruit'. For each of these commodity groups, only a total area was collected in 2007-08. To derive approximate 2007–08 production quantities for the commodities in these groups, production quantities for each of the groups from the 2006–07 AS were adjusted on a pro–rata basis to the 2007–08 reported commodity group areas. Average 2007–08 market prices were applied to these estimated 2007–08 production quantities to produce commodity values for 2007–08. Further information is available upon request.
- **10** In 2005–06 and 2006–07, 'Other cereals for grain' included maize and triticale, 'Other legumes for grain' included chickpeas, field peas, faba and other field beans, lentils, vetches, etc., and 'Other oilseeds' included safflower, soybeans and sunflowers. In 2007–08, these items were collected as 'All other crops n.e.i.'.
- agricultural commodities vary 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 on farm for own use), estimates are made from the best available information and, in general, are calculated on a local value basis.

GENERAL

PERIOD COVERED

SAMPLE ERROR

- **12** The production statistics used in deriving the final value estimates relate to years ended 30 June 2006, 2007 and 2008.
- 13 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.
- **14** 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 agricultural businesses had been reported for, and about nineteen chances in twenty that the difference will be less than two SEs.
- **15** 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.
- 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.

**17** 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	6.4	5.0	8.0	5.7	3.8	18.7	_	_	2.4
Canola	8.2	9.5	66.1	7.7	6.3	8.4	_	_	4.4
Lupins for grain	10.9	17.6	88.7	9.5	4.9	38.1	_	_	4.1
Sorghum for grain	5.9	_	3.7	25.2	70.9	_	_	_	3.2
Sugar cane cut for crushing	10.4	_	4.1	_	1.3	_	_	_	3.9
Wheat for grain	3.4	5.1	4.7	4.2	2.6	9.1	77.9	37.6	1.7
Total crops	1.5	2.5	2.8	1.6	1.6	2.1	9.3	8.4	0.9
Total livestock slaughterings									
and other disposals	_	_	_	_	_	_	_	_	_
Total livestock products	0.6	0.2	0.9	0.3	1.2	0.1	93.3	_	0.2
Total agriculture	0.8	1.1	1.5	1.1	1.2	0.9	2.0	1.8	0.5

— nil or rounded to zero (including null cells)

ABS DATA AVAILABLE ON REQUEST

**18** Data at sub–state geographies, specifically Statistical Divisions (SD) and Natural Resource Management (NRM) regions, will be released as separate datacubes attached to this publication.

#### **EXPLANATORY NOTES** continued

ABS DATA AVAILABLE ON REQUEST continued

**19** 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

**20** 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*.

RELATED PUBLICATIONS

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

Agricultural Commodities, Australia (cat. no. 7121.0)

Agricultural Commodities: Small Area Data, Australia (cat. no. 7125.0)

Agricultural Survey, Apples and Pears, Australia (cat. no. 7121.0.55.002)

Livestock and Meat, Australia (cat. no. 7218.0.55.001)

Livestock Products, Australia (cat. no. 7215.0)

Principal Agricultural Commodities, Australia, Preliminary (cat. no. 7111.0) Value of Principal Agricultural Commodities Produced, Australia, Preliminary

(cat. no. 7501.0)

Vineyards Estimates, Australia (cat. no. 1329.0.55.002)

**22** For more information on other products released by the ABS, please refer to the ABS website <a href="http://www.abs.gov.au">http://www.abs.gov.au</a>. The ABS also issues a daily Release Advice on the web site which details products to be released in the week ahead.

#### GLOSSARY

Agricultural business A business which is engaged mainly in agricultural activities.

Calculated by dividing the gross value of each commodity produced by the total Average gross unit value production of each corresponding commodity. It includes any relevant subsidy and

bounty payments based on production.

Broadacre crops Crops that are typically grown on a broad scale. They include cereals for grain, cotton,

hay, legumes for grain, oilseeds, sugar cane for crushing and all other crops n.e.i.

Estimated value of agricultural An estimation of agricultural activity undertaken by an agricultural establishment.

> Three-year average weighted prices are applied to livestock sales and livestock numbers on the farm, and to area and production data for crops. The resultant aggregation of these commodity values is the EVAO. It is not an indicator of the value of receipts of

individual farms but rather an indicator of the extent of agricultural activity.

Gross unit value (GUV) See Average gross unit value.

operations (EVAO)

Gross value of agricultural The value placed on recorded production at the wholesale prices realised in the market

commodities produced

Values are published as one figure but include two distinct components: Livestock slaughterings and other disposals

value of livestock slaughtered

• value of net exports, i.e. the total value of livestock intended for slaughter in adjacent states and territories 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.

Local value of commodities The value placed on commodities at the point of production (i.e. farm gate). It is produced calculated by deducting marketing costs from the gross value of commodities produced. Gross and local value of agricultural commodities produced involve some duplication as they include certain agricultural commodities which are consumed as raw materials to

produce other agricultural commodities (e.g. hay consumed by livestock).

Represent the difference between gross and local values. Although there are difficulties Marketing costs

in obtaining complete information on marketing costs (which include freight, cost of containers, commission and other marketing charges), the information provides a perspective on the marketing costs of major commodities. Significant differences in the marketing costs for individual commodities may occur as a result of different marketing

arrangements.

Marketplace Generally the metropolitan market in each state and territory. In cases where

commodities are consumed locally, or where they become raw material for a secondary

industry, these points are presumed to be the marketplaces.

Value of agricultural The value placed on recorded production at wholesale prices realised in the

commodities produced (VACP) marketplace. Generally referred to as gross value of production.

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## FOR MORE INFORMATION .

INTERNET

**www.abs.gov.au** the ABS website is the best place for data from our publications and information about the ABS.

### INFORMATION AND REFERRAL SERVICE

Our consultants can help you access the full range of information published by the ABS that is available free of charge from our website. Information tailored to your needs can also be requested as a 'user pays' service. Specialists are on hand to help you with analytical or methodological advice.

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