



1997-98

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# AGRICULTURAL INDUSTRIES FINANCIAL STATISTICS

AUSTRALIA  
PRELIMINARY

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- For more information about these and related statistics, contact Nigel Gibson on Hobart 03 6222 5939, or any ABS office shown on the back cover of this publication.

## NOTES

### ABOUT THIS PUBLICATION

This publication contains preliminary information based on the Agricultural Finance Survey (AFS). The survey, conducted annually since 1986–1987, is the most comprehensive source of financial statistics for Australian farm businesses.

Final data from this collection will be published in *Agriculture, Australia* (Cat no. 7113.0).

### SYMBOLS AND OTHER USAGES

ABS	Australian Bureau of Statistics
AFS	Agricultural Finance Survey
n.p.	not published
p	preliminary
SE	standard error
\$m	million dollars
\$b	billion (thousand million) dollars
..	not applicable
—	nil or rounded to zero
*	subject to sampling variability too high for most practical purposes

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## SUMMARY OF FINDINGS

### TURNOVER

The total estimated farm business turnover in 1997–98 remained steady at \$27.1b. Sales of crops decreased 3% to \$13.1b due largely to a fall in wheat prices. Sales of livestock remained steady at \$5.9b, while sales of livestock products increased 7% to \$5.8b.

#### ESTIMATED TURNOVER

State	1996–97	1997–98 <sup>p</sup>	Change from 1996–97
	\$m	\$m	%
New South Wales	7 711.6	7 596.4	-1.5
Victoria	5 245.9	5 274.0	0.5
Queensland	6 456.6	6 548.2	1.4
South Australia	2 724.2	2 704.6	-0.7
Western Australia	4 084.7	4 164.8	2.0
Tasmania	701.8	636.5	-9.3

Despite a downturn in live cattle exports, an increase in the unit price of beef cattle together with increased slaughter numbers, resulted in an increase in turnover in the beef cattle industry of 3% to \$2.7b. The cotton industry continued to experience healthy returns with an increase in turnover of 12% to \$1.6b. Turnover in the pig industry decreased 11% to \$630m, the lowest level since 1992–93, due to declining prices for pigs.

Average turnover per farm business in 1997–98 was \$256,000, virtually unchanged from the previous year.

In 1997–98 the number of farm businesses with turnover of \$300,000 or more increased by 11% to 25,000.

- They represented 24% of all farm businesses.
- They accounted for 67% of turnover.
- They accounted for 63% of gross indebtedness.

In 1997–98, an estimated 22% of farm businesses had turnover less than \$50,000 and contributed only 3% of the total farm business turnover.

### CASH OPERATING SURPLUS

Estimated farm business cash operating surplus in 1997–98 increased slightly to \$6.0b. The pig and vegetable industries experienced significant falls. The profit margin (cash operating surplus as a percentage of turnover) held steady in 1997–98 at 22%.

Average cash operating surplus per farm business in 1997–98 was \$57,000 compared with \$56,000 in 1996–97.

Farm businesses with turnover of \$300,000 or more accounted for 66% of farm business cash operating surplus.

## SUMMARY OF FINDINGS *continued*

### GROSS INDEBTEDNESS

Gross indebtedness of farm businesses increased in 1997–98. In contrast, there was a 7% fall in interest paid as a result of the fall in official interest rates during the year. At \$21.3b, the gross debt was 4% higher than at the end of 1996–97. The interest coverage ratio (the number of times the interest bill could be paid out of cash operating surplus before the deduction of interest) was 4.8, compared with 4.4 in 1996–97. The turnover to debt ratio for 1997–98 was 1:0.79, that is, for each dollar of turnover made there was 79 cents of debt.

#### DETAILS OF MAIN ITEMS

<i>Agriculture all industries</i>	1997–98p	Change from 1996–97
	\$m	%
Sales from crops	13 115.8	-3.4
Sales from livestock	5 910.4	-0.9
Sales of livestock products	5 774.8	6.9
Cash operating surplus	6 032.6	2.1
Gross indebtedness	21 330.5	4.2
Interest paid	1 598.8	-7.0

#### CHANGE OF TURNOVER AND CASH OPERATING SURPLUS

##### CHANGE BETWEEN 1996–97 AND 1997–98.....

<i>Industry</i>	Turnover	Cash operating surplus
	%	%
Fruit	-2.7	4.6
Vegetables	-12.8	-32.9
Grain	-11.6	-15.8
Grain-sheep/beef	-2.1	2.8
Sheep-beef cattle	11.3	20.3
Sheep	4.0	7.1
Beef cattle	3.2	29.2
Dairy cattle	5.9	14.4
Pigs	-11.2	-60.0
Sugar	10.3	29.8
Cotton	11.5	74.0
<b>All industries</b>	<b>0.0</b>	<b>2.1</b>

	1995–96	1996–97	1997–98 <sup>p</sup>	SE
	\$m	\$m	\$m	%
POULTRY FOR EGGS (0142)(a)				
Sales from crops	n.p.	n.p.	6.5	33
Sales from livestock	n.p.	n.p.	36.0	11
Sales from livestock products	n.p.	n.p.	417.4	5
Turnover	n.p.	n.p.	498.1	5
Purchases and selected expenses	n.p.	n.p.	365.7	6
Value added(b)	n.p.	n.p.	130.1	9
Adjusted value added(b)	n.p.	n.p.	111.5	10
Industry gross product	n.p.	n.p.	101.9	11
Gross operating surplus(b)	n.p.	n.p.	48.3	16
Interest paid	n.p.	n.p.	13.8	10
Cash operating surplus(c)	n.p.	n.p.	39.4	21
Gross indebtedness	n.p.	n.p.	234.9	8
Total net capital expenditure	n.p.	n.p.	24.9	13

FRUIT (0114–0119)				
Sales from crops	1 744.5	1 839.8	1 786.6	7
Sales from livestock	30.7	28.2	26.2	23
Sales from livestock products	11.4	15.6	7.2	55
Turnover	1 949.0	2 015.6	1 961.2	7
Purchases and selected expenses	882.9	996.6	904.2	6
Value added(b)	1 055.9	1 013.9	1 052.3	9
Adjusted value added(b)	960.4	896.9	942.8	10
Industry gross product	979.5	910.5	963.9	10
Gross operating surplus(b)	610.6	509.5	553.9	14
Interest paid	88.7	91.4	105.3	17
Cash operating surplus(c)	549.8	444.4	464.9	17
Gross indebtedness	921.2	1 037.4	1 477.8	17
Total net capital expenditure	152.7	159.4	203.7	18

VEGETABLES (0113)				
Sales from crops	1 348.7	1 346.1	1 146.9	7
Sales from livestock	73.3	102.4	117.6	18
Sales from livestock products	59.5	21.8	20.9	42
Turnover	1 589.3	1 610.8	1 404.9	6
Purchases and selected expenses	860.4	907.3	809.5	8
Value added(b)	718.1	690.9	596.3	7
Adjusted value added(b)	645.3	621.1	535.9	7
Industry gross product	627.0	627.0	527.7	7
Gross operating surplus(b)	401.9	381.7	280.8	13
Interest paid	65.3	70.9	63.3	12
Cash operating surplus(c)	354.6	338.2	227.1	16
Gross indebtedness	833.9	903.8	802.0	11
Total net capital expenditure	157.0	121.0	99.4	15

GRAIN (0121)				
Sales from crops	4 331.4	4 555.1	4 012.9	6
Sales from livestock	467.5	536.7	492.9	12
Sales from livestock products	236.3	267.8	239.5	10
Turnover	5 332.2	5 768.3	5 101.9	5
Purchases and selected expenses	2 751.1	3 222.1	2 978.3	5
Value added(b)	2 634.2	2 442.9	1 982.7	10
Adjusted value added(b)	2 366.2	2 132.0	1 742.2	11
Industry gross product	2 374.1	2 131.0	1 742.4	10
Gross operating surplus(b)	2 154.6	1 890.8	1 534.5	11
Interest paid	283.0	347.7	266.3	10
Cash operating surplus(c)	1 882.1	1 727.4	1 454.2	11
Gross indebtedness	2 982.7	4 062.0	3 484.1	10
Total net capital expenditure	705.5	634.2	693.1	12

(a) See Explanatory Notes, paragraph 4.

(c) Excludes an estimate for the value of the increase in livestock

(b) Includes an estimate for the value of the increase in livestock.

	1995-96	1996-97	1997-98 <sup>p</sup>	SE
	\$m	\$m	\$m	%
GRAIN-SHEEP/BEEF (0122)				
Sales from crops	2 301.0	2 162.6	2 006.8	6
Sales from livestock	874.8	1 076.4	1 016.5	8
Sales from livestock products	574.2	726.0	848.4	8
Turnover	4 007.8	4 276.9	4 186.1	4
Purchases and selected expenses	2 227.5	2 624.7	2 587.4	4
Value added(a)	1 806.1	1 546.9	1 530.0	7
Adjusted value added(a)	1 572.6	1 244.3	1 276.6	8
Industry gross product	1 578.9	1 205.2	1 288.8	8
Gross operating surplus(a)	1 343.3	986.5	1 040.2	10
Interest paid	300.3	274.3	267.0	9
Cash operating surplus(b)	1 052.8	860.9	884.7	11
Gross indebtedness	3 526.8	2 974.8	3 430.1	8
Total net capital expenditure	416.6	461.3	487.2	12

SHEEP-BEEF CATTLE (0123)				
Sales from crops	111.5	32.1	28.2	17
Sales from livestock	780.8	607.2	646.1	5
Sales from livestock products	469.0	369.7	425.6	7
Turnover	1 489.4	1 075.3	1 197.0	4
Purchases and selected expenses	897.9	623.6	689.3	4
Value added(a)	598.0	429.8	409.3	10
Adjusted value added(a)	456.6	331.7	311.4	12
Industry gross product	455.4	338.1	314.3	12
Gross operating surplus(a)	306.6	209.0	198.2	18
Interest paid	131.7	98.9	95.2	15
Cash operating surplus(b)	189.2	187.9	226.1	14
Gross indebtedness	1 336.2	1 122.4	1 216.1	14
Total net capital expenditure	66.4	49.9	93.1	11

SHEEP (0124)				
Sales from crops	159.6	138.7	225.8	26
Sales from livestock	424.4	398.4	447.7	8
Sales from livestock products	776.5	881.7	822.9	6
Turnover	1 498.9	1 577.4	1 640.6	6
Purchases and selected expenses	895.6	855.7	947.3	7
Value added(a)	924.9	785.3	558.5	9
Adjusted value added(a)	792.3	643.5	445.2	11
Industry gross product	808.5	652.8	443.0	11
Gross operating surplus(a)	652.0	488.8	305.4	15
Interest paid	120.7	129.7	119.4	12
Cash operating surplus(b)	242.6	330.1	353.6	12
Gross indebtedness	1 403.6	1 555.1	1 641.5	13
Total net capital expenditure	98.7	108.3	133.2	22

BEEF CATTLE (0125)				
Sales from crops	159.1	192.6	118.4	29
Sales from livestock	2 398.1	2 068.1	2 066.7	5
Sales from livestock products	25.8	29.9	100.5	61
Turnover	3 046.7	2 570.1	2 653.3	5
Purchases and selected expenses	1 898.9	1 676.3	1 671.0	6
Value added(a)	265.6	518.6	1 642.6	7
Adjusted value added(a)	4.8	298.7	1 447.8	7
Industry gross product	-55.4	262.0	1 352.3	8
Gross operating surplus(a)	-248.2	72.2	1 182.2	9
Interest paid	249.9	240.1	211.7	9
Cash operating surplus(b)	450.7	278.8	360.2	17
Gross indebtedness	3 299.4	3 053.6	2 983.9	8
Total net capital expenditure	156.4	162.1	246.2	12

(a) Includes an estimate for the value of the increase in livestock.

(b) Excludes an estimate for the value of the increase in livestock.

	1995-96	1996-97	1997-98 <sup>p</sup>	SE
	\$m	\$m	\$m	%
DAIRY CATTLE (0130)				
Sales from crops	43.9	62.1	50.3	52
Sales from livestock	307.5	243.3	251.5	12
Sales from livestock products	2 419.7	2 675.7	2 776.8	5
Turnover	2 858.5	3 069.5	3 251.1	5
Purchases and selected expenses	1 705.9	1 877.9	1 975.1	5
Value added(a)	1 115.5	1 076.1	1 206.5	9
Adjusted value added(a)	992.9	933.0	1 079.5	10
Industry gross product	999.8	939.1	1 043.6	11
Gross operating surplus(a)	857.4	735.1	918.2	12
Interest paid	205.7	223.9	247.1	13
Cash operating surplus(b)	711.8	669.9	766.2	10
Gross indebtedness	2 061.0	2 446.1	2 759.0	12
Total net capital expenditure	193.5	383.2	285.4	17

PIGS (0151)				
Sales from crops	39.3	26.5	40.1	10
Sales from livestock	583.6	628.2	540.2	5
Sales from livestock products	12.6	15.4	5.1	38
Turnover	673.8	706.8	627.7	4
Purchases and selected expenses	476.7	474.8	468.2	5
Value added(a)	168.0	271.9	126.2	11
Adjusted value added(a)	140.4	242.6	98.4	14
Industry gross product	138.5	245.7	99.3	14
Gross operating surplus(a)	83.7	174.1	33.6	41
Interest paid	23.4	15.3	20.1	10
Cash operating surplus(b)	91.6	123.0	49.2	19
Gross indebtedness	295.6	246.3	301.1	11
Total net capital expenditure	25.7	46.6	35.7	8

SUGAR (0161)				
Sales from crops	1 188.8	1 150.4	1 254.7	9
Sales from livestock	15.0	16.6	8.9	84
Sales from livestock products	—	—	—	—
Turnover	1 326.9	1 264.9	1 395.4	7
Purchases and selected expenses	626.6	636.6	667.2	7
Value added(a)	697.0	620.0	727.2	9
Adjusted value added(a)	623.5	557.4	669.9	10
Industry gross product	634.6	567.8	646.8	12
Gross operating surplus(a)	496.8	419.6	527.8	13
Interest paid	45.7	60.3	45.3	16
Cash operating surplus(b)	483.2	381.4	495.2	13
Gross indebtedness	743.1	877.2	814.2	20
Total net capital expenditure	154.7	127.6	115.8	27

COTTON (0162)				
Sales from crops	893.1	1 293.5	1 478.7	7
Sales from livestock	56.9	59.6	58.6	22
Sales from livestock products	5.0	14.1	20.5	44
Turnover	1 095.2	1 466.0	1 634.7	7
Purchases and selected expenses	714.7	927.4	960.5	6
Value added(a)	381.4	527.4	664.0	9
Adjusted value added(a)	328.1	447.6	599.0	10
Industry gross product	323.1	448.5	619.0	10
Gross operating surplus(a)	239.9	315.1	467.6	11
Interest paid	58.8	103.0	85.5	13
Cash operating surplus(b)	186.4	232.2	404.1	13
Gross indebtedness	910.1	1 405.1	1 392.7	10
Total net capital expenditure	91.0	132.7	198.9	13

(a) Includes an estimate for the value of the increase in livestock.

(b) Excludes an estimate for the value of the increase in livestock.

	1995-96	1996-97	1997-98 <sup>p</sup>	SE
	\$m	\$m	\$m	%
OTHER AGRICULTURE(a) (0111-0112, 0141, 0152-0159, 0169)				
Sales from crops	838.9	781.8	959.9	22
Sales from livestock	327.1	199.8	201.6	32
Sales from livestock products	385.3	385.6	89.9	33
Turnover	1 857.2	1 720.8	1 559.8	14
Purchases and selected expenses	1 010.4	869.3	697.7	13
Value added(b)	820.6	873.6	863.0	16
Adjusted value added(b)	669.5	754.2	734.6	16
Industry gross product	645.7	749.9	698.9	18
Gross operating surplus(b)	278.1	405.7	368.3	12
Interest paid	93.4	64.2	58.9	11
Cash operating surplus(c)	234.4	332.0	307.5	14
Gross indebtedness	1 279.0	780.2	793.1	14
Total net capital expenditure	89.6	94.3	150.3	24

AGRICULTURE ALL INDUSTRIES

Sales from crops	13 159.6	13 581.2	13 115.8	3
Sales from livestock	6 339.7	5 964.7	5 910.4	3
Sales from livestock products	4 975.1	5 403.3	5 774.8	3
Turnover	26 724.9	27 122.3	27 111.8	2
Purchases and selected expenses	14 948.6	15 692.3	15 721.5	2
Value added(b)	11 185.3	10 797.4	11 488.7	3
Adjusted value added(b)	9 552.5	9 103.2	9 994.7	3
Industry gross product	9 509.6	9 077.5	9 842.2	3
Gross operating surplus(b)	7 176.6	6 588.3	7 459.0	4
Interest paid	1 666.7	1 719.9	1 598.8	4
Cash operating surplus(c)	6 429.3	5 906.3	6 032.6	4
Gross indebtedness	19 592.7	20 464.2	21 330.5	4
Total net capital expenditure	2 307.9	2 480.7	2 766.7	5

(a) See Explanatory Notes, paragraph 4.

(b) Includes an estimate for the value of the increase in livestock.

(c) Excludes an estimate for the value of the increase in livestock.



# 2

## FARM BUSINESSES, By Size of Turnover—All Industries

Size of turnover	1995–96	1996–97	1997–98 <sup>p</sup>	SE
.....				
NUMBER OF FARM BUSINESSES				
	no.	no.	no.	%
Less than \$50 000	22 576	20 352	23 101	6
\$50 000–\$99 999	19 970	21 366	19 757	7
\$100 000–\$149 999	15 862	13 822	13 774	9
\$150 000–\$199 999	11 133	11 975	12 363	9
\$200 000–\$249 999	9 207	9 701	6 695	13
\$250 000–\$299 999	6 091	6 046	4 627	13
\$300 000 and over	23 574	22 871	25 422	4
<b>Total</b>	<b>108 413</b>	<b>106 134</b>	<b>105 738</b>	<b>1</b>
.....				
TOTAL TURNOVER				
	\$m	\$m	\$m	%
Less than \$50 000	613.6	618.6	721.1	8
\$50 000–\$99 999	1 560.1	1 609.0	1 517.5	7
\$100 000–\$149 999	1 991.0	1 787.3	1 708.6	9
\$150 000–\$199 999	1 957.3	2 170.9	2 216.9	9
\$200 000–\$249 999	2 053.5	2 184.8	1 527.6	13
\$250 000–\$299 999	1 629.2	1 699.8	1 277.3	14
\$300 000 and over	16 920.2	17 051.9	18 142.7	3
<b>Total</b>	<b>26 724.9</b>	<b>27 122.3</b>	<b>27 111.8</b>	<b>2</b>
.....				
TOTAL CASH OPERATING SURPLUS				
	\$m	\$m	\$m	%
Less than \$50 000	-52.8	-10.3	-11.5	*
\$50 000–\$99 999	321.6	320.0	325.2	15
\$100 000–\$149 999	469.4	391.9	453.0	14
\$150 000–\$199 999	469.4	532.6	479.3	15
\$200 000–\$249 999	572.9	591.8	391.4	19
\$250 000–\$299 999	426.0	422.0	409.7	16
\$300 000 and over	4 222.7	3 658.2	3 985.4	6
<b>Total</b>	<b>6 429.3</b>	<b>5 906.3</b>	<b>6 032.6</b>	<b>4</b>
.....				
TOTAL GROSS INDEBTEDNESS				
	\$m	\$m	\$m	%
Less than \$50 000	1 067.3	858.5	916.8	20
\$50 000–\$99 999	1 353.0	1 239.8	1 110.4	13
\$100 000–\$149 999	1 431.6	1 483.0	1 359.4	17
\$150 000–\$199 999	1 622.5	1 759.7	2 098.0	15
\$200 000–\$249 999	1 668.2	1 522.6	1 147.3	16
\$250 000–\$299 999	1 172.3	1 187.2	1 169.3	17
\$300 000 and over	11 277.9	12 413.4	13 529.5	5
<b>Total</b>	<b>19 592.7</b>	<b>20 464.2</b>	<b>21 330.5</b>	<b>4</b>

Items	1995–96	1996–97	1997–98p	SE
	\$m	\$m	\$m	%
NEW SOUTH WALES				
Sales from crops	3 471.9	3 826.6	3 589.9	7
Sales from livestock	1 965.5	1 846.9	1 666.0	5
Sales from livestock products	1 349.8	1 463.4	1 748.1	6
Turnover	7 463.9	7 711.6	7 596.4	4
Purchases and selected expenses	4 365.4	4 574.4	4 491.3	4
Cash operating surplus	1 413.5	1 575.1	1 547.9	8
VICTORIA				
Sales from crops	1 840.1	1 887.9	1 728.5	7
Sales from livestock	1 098.4	994.4	971.3	5
Sales from livestock products	1 849.8	2 058.0	2 193.5	5
Turnover	5 187.0	5 245.9	5 274.0	3
Purchases and selected expenses	3 012.5	3 046.5	3 088.4	4
Cash operating surplus	1 208.2	1 159.8	1 244.7	8
QUEENSLAND				
Sales from crops	3 079.8	3 587.4	3 443.9	7
Sales from livestock	1 828.7	1 732.1	1 960.0	6
Sales from livestock products	486.2	507.1	568.7	15
Turnover	5 982.9	6 456.6	6 548.2	5
Purchases and selected expenses	3 273.3	3 644.6	3 626.0	4
Cash operating surplus	1 455.7	1 350.6	1 529.1	11
SOUTH AUSTRALIA				
Sales from crops	1 734.5	1 615.0	1 596.1	6
Sales from livestock	557.1	483.8	469.6	7
Sales from livestock products	373.1	467.8	429.5	7
Turnover	2 857.6	2 724.2	2 704.6	4
Purchases and selected expenses	1 403.1	1 460.2	1 519.7	5
Cash operating surplus	953.2	735.5	662.5	10
WESTERN AUSTRALIA				
Sales from crops	2 754.8	2 365.2	2 542.8	4
Sales from livestock	618.0	609.5	561.0	7
Sales from livestock products	708.4	731.7	671.0	5
Turnover	4 394.3	4 084.7	4 164.8	3
Purchases and selected expenses	2 417.0	2 441.4	2 523.9	3
Cash operating surplus	1 276.5	954.2	933.5	9
TASMANIA				
Sales from crops	262.8	290.4	198.1	9
Sales from livestock	155.3	139.2	130.9	9
Sales from livestock products	205.3	172.2	161.1	7
Turnover	693.4	701.8	636.5	9
Purchases and selected expenses	399.6	397.6	352.3	8
Cash operating surplus	109.6	113.7	96.4	18
AUSTRALIA				
Sales from crops	13 159.6	13 581.2	13 115.8	3
Sales from livestock	6 339.7	5 964.7	5 910.4	3
Sales from livestock products	4 975.1	5 403.3	5 774.8	3
Turnover	26 724.9	27 122.3	27 111.8	2
Purchases and selected expenses	14 948.6	15 692.3	15 721.5	2
Cash operating surplus	6 429.3	5 906.3	6 032.6	4

# EXPLANATORY NOTES

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## INTRODUCTION

**1** The estimates in this publication have been derived from the 1997–98 Agricultural Finance Survey (AFS). It consists of approximately 2,500 farm businesses, selected 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. Selections were made for each State and Territory and a special selection was made to cover multi-State farm businesses. In the tables, estimates for the Northern Territory are included in Australian totals. Estimates for the Australian Capital Territory are included with New South Wales. For further details on this issue, contact Nigel Gibson on Hobart (03) 6222 5939.

**3** The population for the AFS consists of all farm businesses classified to an industry class within Subdivision 01 'Agriculture' of the Australian and New Zealand Standard Industrial Classification 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** Vertical integration, particularly in the meat poultry industry, and a lack of separate accounts at the various stages of production, have led to reclassification of significant units involved in meat poultry from agriculture to manufacturing. For this reason, the meat poultry industry has been combined with 'Other Agriculture'. In 1995–96 and 1996–97, both poultry for meat and poultry for eggs were included in 'Other Agriculture'. In 1997–98 poultry for eggs has been classified separately.

## RELIABILITY OF ESTIMATES

**5** Since the estimates are based on information obtained from a sample of farm businesses, 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 (SE), 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 SE from the figure that would have been obtained if all farm businesses had been included, and about 19 chances in 20 that the difference will be less than two SEs. In this publication the relative SE is shown as a percentage of the estimate to which it refers. For the published figures, the SE of change between two years is also approximately equal to the SE shown.

**6** The SE of change between two successive years is 1.3 times the SE of the estimate (except for the All industries estimate where it is equal to the SE of the estimate). The SE of change between estimates two years apart could be as high as 1.8 times the SE of the estimate (except for the All industries estimate where it could be 1.5 times the SE of the estimate).

**7** Some of the percentage SEs associated with 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.

## EXPLANATORY NOTES *continued*

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### ACKNOWLEDGMENT

**8** 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

**9** Users may wish to refer to the following publications:

- *Agricultural Industries, Financial Statistics, Australia* (Cat. no. 7507.0) — final issue 1996–97
- *Value of Agricultural Commodities Produced, Australia* (Cat. no. 7503.0) — final issue 1996–97
- *Agriculture, Australia* (Cat. no. 7113.0).

**10** Current publications produced by the ABS are listed in the *Catalogue of Publications and Products* (Cat. no. 1101.0). The ABS also issues, on Tuesdays and Fridays, a *Release Advice* (Cat. no. 1105.0) which lists publications to be released in the next few days. The Catalogue and Release Advice are available from any ABS office.

## GLOSSARY

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<b>Adjusted value added</b>	Estimate of the value added less the estimate of rates and taxes, insurance payments and other expenses.
<b>Cash operating surplus</b>	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.
<b>Gross indebtedness</b>	Refers to the amounts owed to all sources by farm businesses at 30 June 1998.
<b>Gross operating surplus</b>	Estimate of the adjusted value added less the estimate of wages, salaries and supplements, plus the value of the increase in livestock.
<b>Industry gross product</b>	Unduplicated gross product of a business defined as gross output minus intermediate inputs.
<b>Interest paid</b>	Includes interest paid on loans and other amounts owing.
<b>Purchases and selected expenses</b>	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.
<b>Sales from crops</b>	Includes proceeds from sales of cereal grains and other crops (oilseeds, cotton, sugar cane, tobacco, etc.) and fruit and vegetables.
<b>Sales from livestock</b>	Includes proceeds from sales of sheep, cattle, etc. Excluded are proceeds from livestock services and artificial insemination.
<b>Sales from livestock products</b>	Includes proceeds from sales of wool, milk, skins, eggs, etc.
<b>Total net capital expenditure</b>	Sum of net capital expenditure on vehicles, machinery and equipment and on buildings, structures and other developments.
<b>Turnover</b>	Includes proceeds received during the year from the sale of crops, livestock, livestock products and other miscellaneous revenue.
<b>Value added</b>	Estimate of turnover plus an estimate of the value of increase in livestock less the estimate of purchases and selected expenses.





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