Financial performance of Australian farms 1998-99 to 2000-01
Australian Farm Surveys Report 2001

Farm surveys conducted by ABARE have been a prime source of information for the Australian farm sector for the past fifty years. The annual surveys of the broadacre and dairy industries provide a unique data source that is used for a diversity of purposes by government and industry, including banks, input suppliers and marketing firms. These surveys have historically met industry needs for farm performance information and government needs for advice on policy implementation, such as with dairy deregulation and Exceptional Circumstances assistance.

ABARE’s surveys are now designed to also meet demands for environmental and socioeconomic data. The farm surveys database integrates detailed financial, physical and socioeconomic information that represents over 70 per cent of Australian farm business units. Surveys undertaken for 1999-2000 were the:

• Australian agricultural and grazing industries survey, which covers the grains, sheep and beef producers, and
• Australian dairy industries survey.

Questions in addition to the standard set were included in the 1999-2000 surveys. These included questions on the composition of the Australian beef herd, sheep mating patterns, the adoptions of technology in the dairy industry and the wool industry in Victoria, and changes in services to farmers over the past ten years. Summary results for some of these supplementary surveys are presented in this report.

ABARE and the Australian Bureau of Statistics are in the process of integrating agricultural collections by both organisations with the aim of minimising the burden on respondents and improving data quality. Following the successful trial collection of Australian Bureau of Statistics Agricultural Finance Survey data from dairy farms in 1999, ABARE extended the trial collection to broadacre farms in 2000.

The data presented in this report represent only a small proportion of the total amount of detailed data available. While preserving the confidentiality of individual cooperators, detailed survey data tailored to meet specific information needs can be obtained through special tabulations, graphical presentations and consultancy reports. Survey data are also released in industry and research reports, journal articles, current issues and conference papers.

To meet the needs of industry and other organisations, ABARE is continuing to develop further avenues for disseminating high quality farm information. For instance in 1999 ABARE developed a graphical package ag@access that provides performance benchmarks for farms in the surveyed industries. This package can be accessed at ABARE’s internet site (www.abareconomics.com).

ABARE has a commitment to providing the best possible farm survey data, and to continually improve the servicing of information needs of industry and government.

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Executive Director

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Industry
Participation in ABARE farm surveys is voluntary. The success of the surveys depends on the cooperation of farmers, their accountants and marketing organisations in providing data and information on farm operations.

ABARE staff
• The survey information presented in this report was compiled by the Survey Data Analysis team, led by Milly Lubulwa, and the Data Management and Collection Section, managed by Carol Keil.
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Since 1990 the geographic distribution, age, sex and breed composition of the Australian beef herd has changed in response to seasonal conditions, the relative profitability of beef enterprises and the requirements of new markets.

Growth in the north Asian beef export markets and in the live export market for cattle in south east Asia, Libya and Egypt have significantly influenced the composition of the beef herd.

To document the effects of these and other changes on the structure of the Australian beef herd, Meat and Livestock Australia commissioned ABARE to incorporate questions on herd composition into the Australian agricultural and grazing industries survey for 2000. This follows the detailed surveys of beef herd composition that ABARE conducted in 1986, 1990, 1994 and 1997.

Survey of farms

Around 20.8 million cattle, or approximately 88 per cent of the national beef herd, is carried on farms represented in ABARE’s Australian agricultural and grazing industries survey. The survey excludes the approximately 570 000 beef cattle that were raised on dairy farms (based on ABARE Australian dairy industry survey estimates). It also excludes beef cattle (about 10 per cent of the national herd) that were either on farms belonging to industries not in the scope of the current ABARE surveys (such as sugar, cotton or horticulture) or were on enterprises with an estimated annual value of agricultural operations below the cutoff for ABARE surveys of $22 500.

A summary of preliminary survey results is presented here. Further analysis and more detailed results are to be published in the Australian Beef Industry 2001 report.
Herd composition

Total beef cattle numbers in Australia have increased from about 22.3 million in 1989-90 to 23.6 million in 1999-2000; however, the trends in northern and southern Australia differed markedly between 1996-97 and 1999-2000 (figure A).

The overall increase in the national herd was driven largely by an approximate 9 per cent increase in the northern herd between 1996-97 and 1999-2000. That increase reflects herd buildup on northern properties (Queensland, Northern Territory and the northern pastoral regions of Western Australia) following dry seasonal conditions in the early 1990s and in response to improving beef cattle prices and the growth in live cattle export markets during the 1990s.

In contrast, cattle numbers in southern Australia (New South Wales, Victoria, South Australia, Tasmania and the southern beef regions of Western Australia) decreased by around 12 per cent between 1996-97 and 1999-2000. The decrease there may have reflected dry seasonal conditions in 1997 and 1998, particularly in Victoria and Tasmania, and opportunistic cattle turn-off during a period of higher beef prices.

Age and sex composition

The age and sex distributions of the Australian beef herd in 1999-2000 are presented in table 1. The distributions are also shown separately for the northern and southern Australia herds. There was no appreciable change in age and sex distribution between 1996-97 and 1999-2000.

The relative stability in the age and sex distributions of the national herd between 1996-97 and 1999-2000 contrasts with the period 1993-94 to 1996-97, when the proportion of females and calves increased and the proportion of bullocks declined. Those earlier changes were largely a result of northern Australian producers adjusting to...
the requirements of the growing live export trade to south east Asia, a rebuilding of herds in Queensland with improved seasonal conditions and the supply requirements of the growing feedlot industry.

Breed composition

The proportions of the different cattle breeds in the Australian beef herd have changed between 1989-90 and 1999-2000 (table 2), largely reflecting growth in the northern beef cattle herds and the product requirements of the feedlot industry and the growing live cattle export trade.

The proportion of bos indicus / bos taurus cross cattle in the national herd increased markedly between 1996-97 and 1999-2000. The increase was driven mainly by the very large increases in cattle numbers throughout central Queensland regions, the Northern Territory and Western Australia. Bos indicus / bos taurus cross cattle constitute the majority of the herd in these regions and the popularity of bos indicus / bos taurus crosses has increased in recent years. In central Queensland, for example, beef cattle numbers are estimated to have increased by 40 per cent between 1996-97 and 1999-2000.

The majority of live cattle importers request at least 50 per cent brahman content (Thompson 1997), and this requirement is reflected in an increase in pure bred brahman cattle from 8.8 per cent of the national herd in 1989-90 to 13.2 per cent in 1999-2000, a change predominant in the more northern beef producing regions.

The proportion of angus cattle increased from 4.2 per cent of the national herd in 1989-90 to 9.1 per cent in 1999-2000, and British breed crosses (especially angus cross) have increased from 1.1 to 11.0 per cent in that period. The latter increases reflected increased demand for these breeds from the feedlot sector whose restaurant and Japanese export buyers now favor angus meat qualities (Ashton et al. 1996). However, the contribution of British breeds to the national herd continues to decline. The proportion of hereford cattle, for instance, has decreased from 26.7 per cent in 1989-90 to 11.2 per cent in 1999-2000.

References


Thompson, R. 1997, ‘Breeding for the market’, Marketing Cattle to South-East Asia, Department of Primary Industries, Brisbane, Queensland, pp. 9–15.