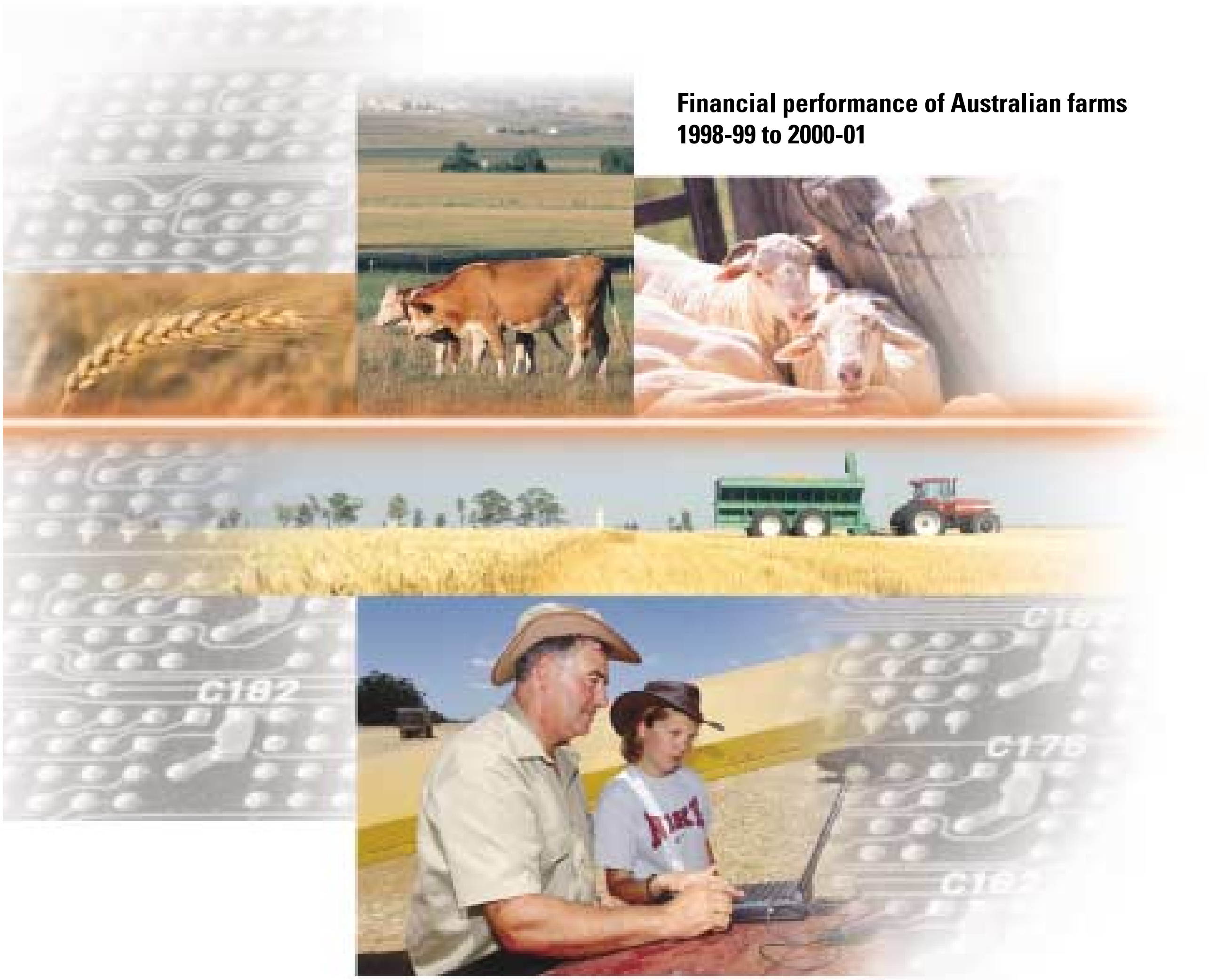
AUSTRALIAN FARM SURVEYS REPORT 2001



Financial performance of Australian farms 1998-99 to 2000-01

ABARE

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ABARE is a professionally independent government economic research agency.

ABARE project 1750 and 1751

Foreword

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.

BRIAN S. FISHER
Executive Director

May 2001

Acknowledgments

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.
- Design of the survey questionnaire and management of survey operations were undertaken by Carol Keil, Laurie Cannon, Bruce McConnell, Paul Phillips and Tony Wain.
- Training of interviewers and data collection, entry and editing were undertaken by Peter Beath, Ron Godenzi, Ian Milthorpe, Damo Nambiar, Sandra Dunn, Janet Anthony, Gary Whitefield, Robin Stafford, Richard Paton, Lou Sissian and Bob Hill. Assistance was also provided by a number of economic research assistants, and casual and temporary staff.
- Programming and computer systems support was provided by Ken Colbert, Alistair Peat, Shona Lambert, Zue Huynh and Mark Neilson of the Data Management and Collection Section.
- Sample design, sample weights, survey mapping and data handling assistance was provided by Peter Martin, Ray Lindsay, Greg Griffiths, Walter Shafron, Veronica Rodriguez, Caroline Levantis, Cid Riley and Sepideh Helali.
- Rhonda Treadwell provided assistance and guidance in completing the report.

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Veronica Boero Rodriguez and Caroline Levantis

On average, farmers had lived on their current farm for 32 years and in their region for 40 years.

There has been a marked shift in where farmers access banking facilities, with the proportion of farmers using banks in their local town falling from 36 per cent in 1990 to 27 per cent in 2000.

A large proportion of farmers felt that food services had improved in their local town and regional centre since 1990.

Provision of services

Since 1986, there has been a decline in the population of more than half the small towns in rural Australia (Garnaut et al. 2001). At the same time there have been reports about widespread changes in the provision of services in farming areas.

While there is anecdotal evidence about the decline in access to services in non-metropolitan areas, to date there has been relatively little data available to support this. In 2000, ABARE conducted a supplementary survey of services used by farmers and farm families living on broadacre and dairy farms.

The survey

Farmers were asked to nominate their local town and their regional centre in the years 1990 and 2000, and the services they used in those years and where these services were located. Farmers were also asked to compare a range of services in their local town and regional centre from the early 1990s to 2000.

Services included in the survey were health care, banking services, education, food and farm supplies, trades, postal services, sporting activities and passenger transport services.

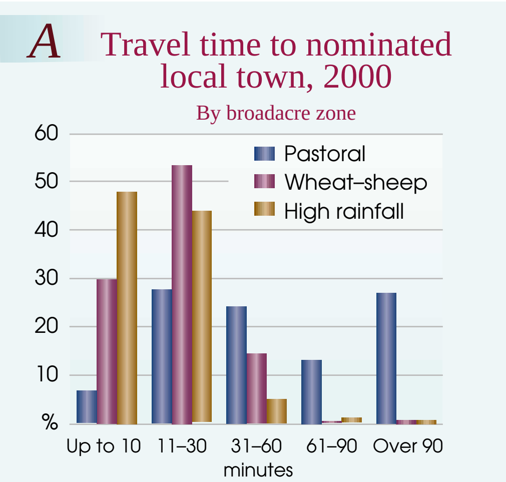
The target population was family managed farms on which the operator resided. There were 1274 broadacre and dairy farms that responded to the survey, representing around 71 700 farm families.

On average, farmers had lived on their current farm for 32 years and in their current region for forty years. Of the farmers who had been in their current region for at least eight years, around three in four nominated the same local town and regional centre in 2000 as in 1990.

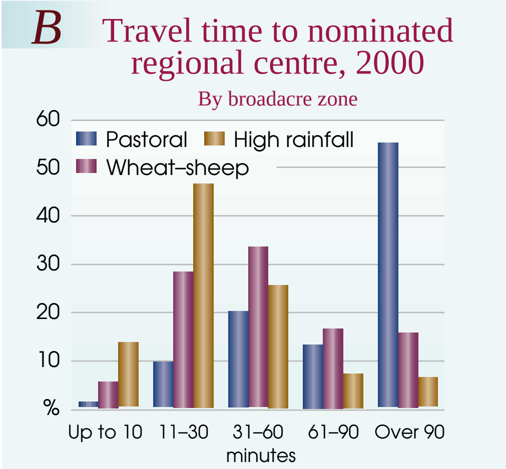
Travel time and distance

The average travel distance to farmers' nominated local town in 2000 was 25 kilometres, with an average travel time of 21 minutes, while the average travel distance to their nominated regional centre was 70 kilometres, with an average travel time of 51 minutes.

As expected, travel times for farmers in the pastoral zone were higher on average than travel times for farmers in the wheat–sheep and high rainfall zones, with almost 30 per cent of farmers in the pastoral zone having to travel at least one and a half hours to arrive at their local town (figure A).



Around 60 per cent of farmers in the high rainfall zone did not need to travel more than half an hour in 2000 to get to their nominated regional centre, while around 55 per cent of farmers in the pastoral zone had to travel at least 90 minutes (figure B).



Access to services

Health services

Farmers and their families lived, on average, 29 kilometres away from the nearest general medical practice in 1999-2000. The majority of farmers — 87 per cent — reported that the nearest practice was staffed Monday to Friday. An additional 7 per cent of farmers reported that the nearest practice was staffed at least one day a week but less than five days a week.

Almost all farmers used health services and the patterns of access to these general medical services have remained unchanged in the past ten years. Around half the farmers traveled to their nominated regional centre, while 35 per cent obtained medical services from their local town; the remaining 15 per cent used medical services elsewhere in the region or outside the region.

Utilities

The survey revealed that grid electricity supply was available to most farmers in both 1990 and 2000; however, less than one in five farmers reported having scheme water supply during this period.

Banking

Most farmers used banking facilities in both 1990 and 2000; however, there has been a marked shift in the point of access to these services. Farmers were more likely to use banking services in their regional centre rather than their local town. An estimated 53 per cent of farmers reported using financial services in regional centres in 1990, with 36 per cent going to their local town. By 2000, the proportion of farmers using banking services in their regional centre had increased to 60 per cent, with just 27 per cent going to their local town. This outcome is consistent with the closure of branches in small towns in this period.

C Farmers perceptions of changes in services, 1990 to 2000

Farmers for whom services were available in their local town and regional centre in both 1990 and 2000

Food supplies

In both 1990 and 2000, food supplies were obtained in regional centres by over half the farm businesses — 57 per cent and 60 per cent respectively — while around a third used the services offered by their local town — 35 per cent and 32 per cent respectively.

Perceptions of changes in services

Farmers who had lived on their current farm for at least eight years were asked how they perceived services to have changed in both their nominated local town and regional centre between 1990 and 2000 (figure C). Responses to this question may pertain to any or all aspects of the service that farmers chose to consider such as proximity to the service, number of outlets, standard of service etc.

Health care

Of the farmers who had health care provisions in their local town and regional centre in both 1990 and 2000, over 45 per cent considered that there was little change in these services over the ten years.

An estimated 11 per cent of farmers reported that health services were not provided in their local town in 1990 or in 2000. Farmers who perceived that health services had improved in their local town since 1990 were in the same proportion — around one in four — as those that claimed that medical services had declined. However, fewer farmers — 11 per cent — perceived a decline in health services in their nominated regional centre.

Education

The perceptions were similar when asked about education. Generally, farmers thought that education services had remained the same or had improved since 1990 in both their local town and regional centre. However, almost 15 per cent of farmers felt that education services in their local town had become worse. A large proportion was unfamiliar with the change in education facilities between 1990 and 2000 in both their local town (33 per cent) and their regional centre (45 per cent). One possible explanation is that, during this period, these farm families did not have children of school age.

Banking

In contrast, banking services were generally perceived to have worsened since 1990. Of farmers that had banking services available in their local town, the majority (62 per cent) reported that banking services had become worse or considerably worse in their local town since 1990, while 30 per cent said that there had been little change.

Around one out of every ten farmers reported that banking services were not available in their local town in either 1990 or 2000 and a further 4 per cent said that these services existed in 1990 but not in 2000. These services did not improve in regional centres either, according to farmers' opinions, with over a third of farmers indicating a decline in banking services since 1990.

Food services

Opinions among farmers were more positive, however, when asked about changes in food services since 1990. A large proportion of farmers felt that food services had improved in their local town and regional centre since 1990 — 28 per cent and 36 per cent respectively. Over half the farmers reported no change in food services in their local town and regional centre and a small proportion (14 per cent) perceived a decline in their local town since 1990.

Reference

Garnaut, J., Connell, P., Lindsay, R. and Rodriguez, V. 2001, *Country Australia: Influence on Employment and Population Growth*, ABARE Research Report 01.1, Canberra.