

Question 22 (9 marks)

- (a) Explain how interest rate trends over time can affect decision making for a farm. 3

...if interest rates go low or high this can change decision making for a farm. It can cause the farmers to not want to grow a lot of particular items. Can also force farms overtime to stop selling / growing crops if it cost them too much or they arnt getting enough money from it

Question 22 continues on page 12

Question 22 (continued)

- (b) Analyse the structure of the Australian agribusiness sector, including a comparison of the importance of the family farm with other components of this sector.

6

The structure of Australian agribusiness sector comparison to the family farm sectors are different. Australian agribusiness sector has a long structure to follow to the product to the consumer. Family farming is important. If we had only one large farm sector that supplied everything, they could charge higher prices. It is important for consumers to have family farms, so they have a challenge to bring down the price or have a better quality of prices. Compared to an Australian agribusiness, there are many ~~se~~ businesses / farmings that fit into these sectors. They have long structures, some of them being good, some of them being bad.

End of Question 22