

Question 22 (9 marks)

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

A rise or fall in these trends will force the farm owner to evaluate decision that need to be made to ensure the best profitability for the farm. The interest rate will effect the farms decisions such as marketing, production, inputs, & outputs

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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 Australian Agribusiness sector is very important in maintaining Agriculture and Agricultural businesses. Agribusinesses such as, elders, CRT, and banks, ~~and~~ all assist family farms and other larger farms. Family farms are generally not the ~~main~~ ^{only} source of income for the family, a second job is usually involved. Other larger farms such as ~~large~~ corporate business farms pose as the only source of income for the owner. Agribusinesses provide all ~~agricultural~~ ^{agricultural} areas with the necessary feed, equipment, machinery, information, seed, assistance and support. The sectors of the agribusiness work together and provide the necessary inputs and outputs to allow each sector to thrive in the agricultural world.

End of Question 22