

**Question 22** (9 marks)

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

when interest rates are high, farmers don't buy much machinery (for example) as it will cost them more in the long run. When interest rates are low, farmers buy more machinery. It will not cost them as much and increase their profitability - they won't have to be as labour intensive and can spend their money elsewhere.

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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.

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The family farm is important as it keeps the money within Australia. A lot of farms are bought by Australian & overseas companies so they have somewhere to produce their stock. These companies are not concerned or interested in sustainable farming, they want short-term results. ~~now~~ Family farms are more sustainable as they are in it for the long haul, they may want to pass the farm down onto children & grandchildren - keep it in the family.

The Australian agribusiness sector contains ~~has~~ many aspects. There is the farmer, the middlemen & the big companies.

Due to this, the farmer gets low ~~price~~ profits & doesn't have their welfare looked after.

End of Question 22