

Question 22 (9 marks)

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

A farmer may need to borrow money from the bank to implement new technology, or buy more cattle. If the interest rate of the loan is too high, the farmer may not be able to justify borrowing money, because of the interest rates. This ^{can} affect stocking numbers, & cash flow to the farmer. On the other hand, if the rates are low, shown by trends, the farmer can easily borrow money & purchase more

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stock, or \rightarrow better technology.

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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 Australian Agribusiness Sector includes businesses such as Elders, who provide valuable information to producers. A 'Family Farm' is an example of this sector, where the farm is passed down through various generations. Producers on a family farm have a higher level of respect towards sustainability & decreasing degradation. Also family farms are a smaller scale, producing products such as wheat. On the other hand, sectors such as corporate farms, run by companies such as woolworths, own extensive farms, mass producing farm products such as ~~chickens~~ livestock. Corporate farms employ a manager to 'watch over' the farm, who doesn't have as much respect towards sustainability. ~~The~~ Corporate farms ^{and family farms} are important to the agricultural industry, to maintain enough ~~the~~ quality produce to fit demand. ~~these~~

End of Question 22