

Question 22 (9 marks)

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

Interest rates can be unpredictable and fluctuate largely. Farmers might have to decide the best times to borrow money to purchase new equipment, machinery or stock as interest might be high and then not be profitable for the farmer once the produce is sold.

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- ^{family} corporate farms.
- marketing boards
- co-ops.

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 structured very heavily on sustainability. Family farms are struggling more and more as costs rise. Compared to a corporately owned farm, family farms usually rely and live off the sole income of the one product produced that year. Corporate farms usually have multiple enterprises scattered through separate areas which creates stable income if a market dies. ~~Farm~~ Family farms are important to Australian Agriculture as the skills and knowledge of farming gets passed on to the next generation.

End of Question 22