

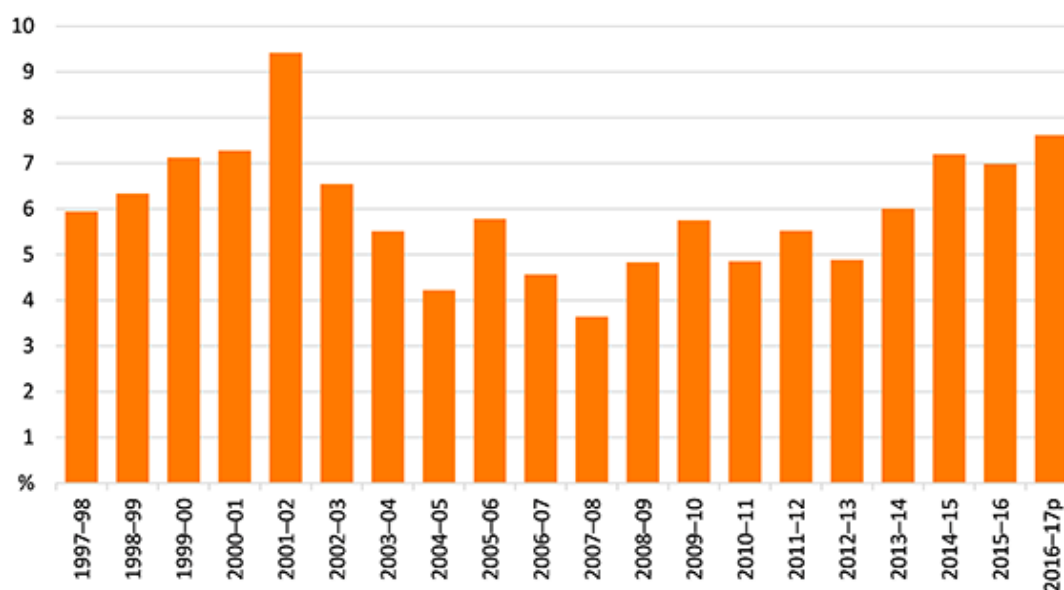
## Farm investment

A producer's capacity to generate farm income is influenced by past investments in additional land to expand the scale of farming activities, and in new infrastructure, plant and machinery to boost productivity in the longer term.

Over the decade to 2016–17 broadacre and dairy farmers invested heavily in land, plant and machinery. In 2016–17 new investment remained relatively high for broadacre and dairy farms.

In 2014–15 and 2015–16 higher average farm cash income for broadacre farms led to an increased proportion of broadacre farmers acquiring additional land through purchase or lease ([Figure 1](#)). Around 8 per cent of broadacre farms acquired additional land in both 2014–15 in 2015–16. This was above the average of 5 per cent for the previous 10 years and comparable with the rates of the late 1990s and early 2000s. In 2016–17 an estimated 7.6 per cent of broadacre farms acquired additional land.

**Figure 1 Proportion of broadacre farms acquiring land, Australia, 1996–97 to 2016–17 percentage of farms**

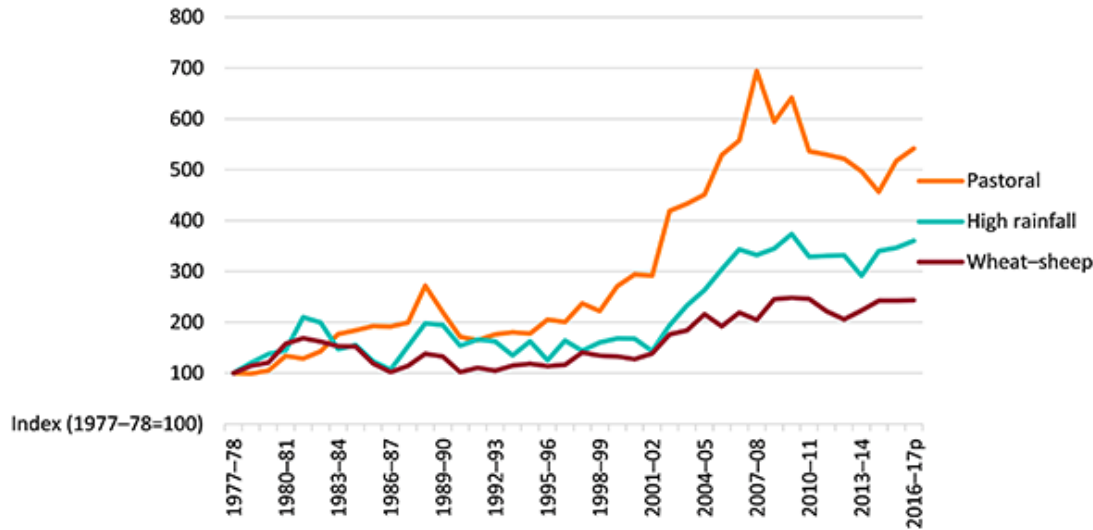


p ABARES preliminary estimate.

Source: ABARES Australian Agricultural and Grazing Industries Survey

Between 2009–10 and 2013–14 land values reported for broadacre and dairy farms declined in some regions, particularly in the pastoral zone of northern Australia ([Figure 2](#)). From 2014–15 to 2016–17 increased land sales led to a slight increase in reported broadacre land values in some regions. This was particularly the case in high rainfall regions and some pastoral zone regions.

Figure 2 Land prices for broadacre farms, by zone, Australia, 1977–78 to 2016–17 average per farm



p ABARES preliminary estimate.

Source: ABARES Australian Agricultural and Grazing Industries Survey