



## Media Release

# \$4.3 Billion in Future Agribusiness Income is Not Chicken Feed

The Australian Agribusiness Group's (AAG) fourth annual End of Year Round-up Report on the amount of capital raised in the agribusiness Managed Investment Scheme (MIS) industry was released today.

The headline number shows that \$1,024 million was raised in 2004/05; up 54% on the 2003/04 year.

AAG's Managing Director commented on the survey saying "The AAG survey is the only authoritative survey of capital raised. Over the last four years AAG has collected accurate and comparable data to demonstrate that the agribusiness MIS industry has grown from \$300 million in 2001/02 to \$1,024 million in 2004/05".

"Clearly, 2004/05 has been a fabulous year for product managers. A number of projects sold out early – some even closed within a day of being released" Marcus Elgin said.

Highlights from the AAG survey include:

- There were 47 new investments released in 2004/05 (2003/04: 42)
- Timber investments received 75% of the investment dollars (2003/04: 76%) with the balance relatively evenly spread amongst other agri categories
- The capital invested will generate \$4.3 billion of future assessable gross income at farm gate (2003/04: \$3.4 billion)
- The average project investment was \$63,000 per investor (2003/04: \$42,000)
- 56% of investors geared their investment
- Approximately 103,100 hectares (2003/04: 80,000) of trees will be planted for timber production of which approximately 91,000 hectares will be for woodchip (e.g. blue type species) (2003/04: 71,000)
- Approximately 1,600 people are employed directly by the operators of the 2004/05 projects with more than 235 jobs being created as a result of this year's capital raising

"The AAG survey was contributed to by every project and manager that raised capital in the agribusiness MIS industry in 2004/05" AAG's Research Manager, Tim Lee said.

Tim Lee continued by saying "This is the biggest annual capital raising exercise in the agribusiness industry". He stressed the flow-on effects of this level of investment, noting that "in the immediate term, product managers will be paying tax on the funds raised, contractors will be paying tax, employees in the industry will be paying tax and new jobs will be created both directly and indirectly. Agribusiness MIS projects drive regional growth and generate significant value add".

Marcus Elgin pointed out that "the agribusiness investments should be considered as part of a balanced portfolio and investors should contact their financial planner for more information" Marcus Elgin cautioned that "the quality of products needs to be maintained if the industry is to continue on from its current success".

The full report is available now by contacting AAG.

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