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**Total farm Performance in a Free Trade Economy**

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**Abstract**

The importance of agriculture in many countries has tended to reduce as their economies move from a resource base to a manufacturing industry base. Although the level of agricultural production in first world countries has increased over the past two decades, this increase has generally been at a less significant rate compared to other sectors of the economies.

Despite this increase in secondary and high technology industries, developed countries have continued to encourage and support their agricultural industries. This support has been through both tariffs and price support.

Following pressure from developing economies, particularly through the World Trade Organisation (WTO), GATT Uruguay round and the Cairns Group Developed countries are now in various stages of winding back or de-coupling agricultural support within their economies.

A major concern of farmers in protected agricultural markets is the impact of a free market trade in agricultural commodities on farm incomes and land values.

This paper will analyse the capital and income performance of the NSW rural land market over the period 1990-1999. This analysis will be based on land use and will compare the total return from rural properties based on world agricultural commodity prices.