Statistics

in focus

AGRICULTURE AND FISHERIES

THEME 5 – 23/2002

AGRICULTURE

Contents



Manuscript completed on: 10 December 2002
ISSN 1562-1340
Catalogue number: KS-NN-02-023-EN-N


# EU-15 agricultural income in 2002: -3.0% in real terms

*Ulrich EIDMANN*

According to the provisional results of the EAA submitted to EUROSTAT by the Member States by the start of December 2002, the agricultural income per full-time worker equivalent (Indicator A) is estimated to have declined by 3.0%, in 2002, in the European Union as a whole (EU-15) ([1]). With this decline, the index of average agricultural income falls back to a level of 108.1 in comparison with "1995" (the average of the years 1994 to 1996), after an increase of 6.1% in the year 2001.

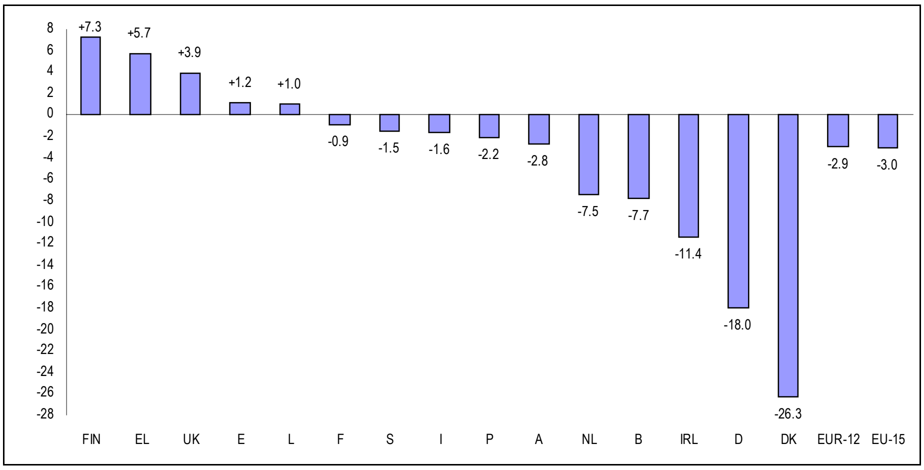


*Figure 1: Agricultural income (Indicator A) in EU-15, % 2002/2001*

Indicator A declines in ten Member States (see graph above), the strongest rates being in **Denmark** (-26.3%), **Germany** (-18.0%), **Ireland** (-11.4%), **Belgium** (-7.7%) and in **the Netherlands** (-7.5%). The countries where agricultural incomes are higher than in 2001 are **Finland** (+7.3%), **Greece** (+5.7%), the **United Kingdom** (+3.9%), **Spain** (+1.2%), and **Luxembourg** (+1.0%).

Information on agricultural income has also been received from seven of the Acceding Countries (Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, and the Slovak Republic). According to these provisional data, Indicator A in 2002 is expected to be higher only in the **Slovak Republic** (+12.2%) and in **Latvia** (+3.1%). The strongest falls are observed in **Poland** (-22.7%) and in **Hungary** (-21.2%); in the **Czech Republic** Indicator A declines by 6.1%, in **Lithuania** by 3.7%, and in **Estonia** by 2.8%. For the average of these seven countries, Indicator A is 18.1% lower than in 2001.

([1]) ***Indicator A*** *measures the change of real agricultural factor income (corresponding to the net value added at factor cost) related to the change in total agricultural labour input. If not otherwise stated, all figures refer to EU-15. All figures relating to the changes in prices and values (and therefore also in the income indicators) are* ***expressed in real terms*** *(i.e. they are deflated by means of the implicit price index of GDP). See methodological notes for further information.*

## Main factors determining the development of income in 2002

The principal EU-15 aggregates determining factor income change in the following ways (see Table 3) (*N.B. Changes in prices, values and indicators are expressed in real terms. In the present analysis, comments on volumes and prices refer to output at producer prices. In contrast, if not otherwise stated, comments on values refer to output at basic prices. The basic price is defined as the price received by the producer, after deduction of all taxes on products but including all subsidies on products.*):

- The value of the agricultural industry's output falls by 3.5% below the level of 2001. This fall is due mainly to reductions in the output values of both animal and crop production (-6.5% and -1.4% respectively), in their turn brought about by lower producer prices (-8.1% and -2.4% respectively).
- The value of intermediate consumption goods and services is reduced by 2.1% in 2002. This reduction is explained largely by lower average prices for intermediate inputs (-2.0%).
- Consumption of fixed capital ("depreciation") is slightly lower (-0.6%) than in 2001. The "other subsidies" (net of taxes) are reduced by 1.9%.
- As a consequence of these developments, agricultural factor income, the basis of Indicator A, falls by 5.9% compared to 2001 for EU-15 as a whole. Reductions in agricultural income are observed in most of the Member States; the only increases are observed in Finland (+3.6%) and Greece (+2.6%).

## The 2002 results from a medium-term perspective

| eurostat | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2002 (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| B | 108.6 | 109.1 | 106.3 | 102.5 | 103.9 | 93.5 | 102.6 | 106.6 | 100.7 | 93.2 | 101.1 | 109.3 | 100.8 | -7.7 |
| DK | 90.1 | 87.8 | 76.9 | 76.2 | 88.1 | 104.8 | 107.2 | 102.6 | 81.0 | 78.4 | 95.5 | 115.2 | 84.9 | -26.3 |
| D | : | 88.0 | 92.4 | 88.5 | 91.5 | 97.8 | 110.7 | 111.9 | 98.7 | 92.5 | 111.5 | 132.3 | 108.5 | -18.0 |
| EL | : | : | : | 88.0 | 98.8 | 103.1 | 98.2 | 98.5 | 97.9 | 99.5 | 103.4 | 109.0 | 115.2 | +5.7 |
| E | 97.9 | 96.6 | 83.7 | 86.4 | 96.3 | 95.9 | 107.7 | 108.9 | 106.4 | 103.4 | 115.2 | 118.6 | 120.0 | +1.2 |
| F | 88.8 | 78.2 | 85.0 | 84.5 | 95.9 | 101.8 | 102.3 | 105.9 | 110.5 | 108.3 | 108.2 | 111.9 | 110.9 | -0.9 |
| IRL | 77.1 | 78.3 | 88.7 | 90.9 | 94.8 | 101.4 | 103.8 | 101.2 | 98.7 | 93.8 | 99.9 | 105.9 | 93.9 | -11.4 |
| I | 79.0 | 84.5 | 83.9 | 86.2 | 92.1 | 101.1 | 106.8 | 109.5 | 109.4 | 117.9 | 113.8 | 113.8 | 112.0 | -1.6 |
| L | 101.7 | 94.2 | 95.2 | 93.4 | 90.9 | 102.6 | 106.5 | 97.9 | 107.5 | 96.7 | 97.6 | 92.5 | 93.4 | +1.0 |
| NL | 118.5 | 117.0 | 107.2 | 88.4 | 99.6 | 102.3 | 98.1 | 105.9 | 95.1 | 88.4 | 85.6 | 89.8 | 83.1 | -7.5 |
| A | 96.9 | 98.2 | 92.4 | 87.6 | 94.3 | 107.1 | 98.6 | 89.8 | 87.8 | 83.6 | 90.1 | 105.0 | 102.1 | -2.8 |
| P | 94.3 | 93.5 | 69.9 | 67.7 | 90.8 | 99.7 | 109.5 | 104.3 | 104.6 | 125.4 | 111.7 | 139.4 | 136.4 | -2.2 |
| FIN | 112.4 | 105.0 | 91.2 | 93.9 | 98.5 | 111.6 | 90.0 | 91.7 | 80.9 | 91.9 | 115.8 | 110.9 | 119.0 | +7.3 |
| S | 113.3 | 94.9 | 84.4 | 88.7 | 89.3 | 106.4 | 104.3 | 110.6 | 113.3 | 99.9 | 112.4 | 123.9 | 122.1 | -1.5 |
| UK | 71.2 | 70.2 | 76.5 | 90.2 | 95.6 | 105.5 | 98.9 | 76.5 | 65.9 | 64.4 | 61.1 | 65.0 | 67.6 | +3.9 |
| EU-15 | : | : | : | 86.5 | 94.8 | 100.8 | 104.4 | 104.7 | 101.6 | 101.1 | 105.5 | 111.9 | 108.1 | -3.0 |
| EUR-12 | : | : | : | 86.5 | 95.0 | 100.2 | 104.8 | 107.4 | 105.5 | 105.4 | 110.1 | 116.3 | 112.6 | -2.9 |

*Table 1: Indices of Indicator A of agricultural income in EU-15 ("1995" = 100)*

In order to place the most recent income developments in a medium-term perspective, Indicator A is expressed in index form, with the average of the years 1994, 1995 and 1996 (i.e. "1995") chosen as reference 100.

Member States can be divided into two groups. The first covers those countries for whom agricultural income in 2002 is above the level recorded for "1995" (i.e. 100). This group comprises Portugal, Sweden and Spain (where the level of agricultural income attained in 2002 is more than 20 index points higher than in "1995"), Finland, Greece, Italy, France, Germany, Austria, and Belgium.

The second group covers those countries for whom agricultural income in 2002 is below the level recorded for "1995": Ireland, Luxembourg, Denmark, the Netherlands, and in particular the United Kingdom. The development in agricultural income in the United Kingdom since the mid-nineties is quite different to that of any other Member State of the European Union. In 1995, Indicator A had reached the highest level over the whole period. However, sharp declines in the second half of the nineties (major reasons being the BSE crisis but also the relative strengthening of the value of the pound against the Euro) put Indicator A in 2000 at its lowest level since the accession of the United Kingdom to the European Community in 1973. Indicator A remained thus, in 2002, despite a certain recovery in 2001 and in 2002, still about one third below the level of "1995".

For the EU-15, the most recent fall brings Indicator A back to a level of 108.1 ("1995" = 100), after increases of 4.4% in 2000 and 6.1% in 2001.

## Notable decline in overall output due to lower prices

With the exception of Finland and Greece, the value of the agricultural industry's output, in 2002, falls in all Member States (EU-15: -3.5%, see Table 3). In particular, there are reductions in the five major producer countries: France (-2.1%), Germany (-7.3%), Italy (-2.5%), Spain (-2.1%), and the United Kingdom (-2.4%).

Producer prices are down in all Member States but Greece (EU-15: -4.8%). In Italy (-0.5%) they are only slightly lower, but all the other major producer countries show notable declines: Germany (-6.5%), United Kingdom (-6.3%), France (-5.5%), and Spain (-5.1%).

The EU-15 output volume is 0.9% higher than in 2001, but the evolution is different from Member State to Member State. Increases are recorded in Spain (+3.2%), the United Kingdom (+3.1%), and in France (+2.9%); declines are observed in Italy (-1.6%), and in Germany (-1.5%).

In what concerns the product-specific subsidies and taxes as a whole, there is a small increase in 2002: in EU-15, product-specific subsidies, net of taxes, are 1.5% higher than in 2001.

The EU-15 agricultural industry's output is made up almost entirely of agricultural goods (crop and animal products). Agricultural services and the inseparable non-agricultural secondary activities (e.g. agrotourism and processing of agricultural raw products) account for only about 5% of the output value and have generally little impact on the development of the income indicators. The following analysis therefore refers to animal and crop products only.

## A closer look at animal and crop production

| eurostat | VOLUME | PRODUCER PRICE (real) | VALUE (real, at producer prices) | VALUE (real, at basic prices) | Share in EU-15 overall output (in 2001) | Major producer countries (share in EU-15 output, in 2001) | | |
|---|---|---|---|---|---|---|---|---|
| Cereals | +7.0 | -8.6 | -2.2 | -1.8 | 12.4% | **F** (27%) | **D** (23%) | **I** (13%) |
| Oilseeds | +1.3 | -1.6 | -0.3 | -7.9 | 1.7% | **F** (39%) | **D** (26%) | **I** (10%) |
| Sugar beet | +12.6 | -8.4 | +3.1 | +3.0 | 1.6% | **F** (23%) | **D** (23%) | **I** (9%) |
| Fresh vegetables | -0.1 | +3.2 | +3.1 | +3.1 | 7.5% | **I** (23%) | **E** (19%) | **F** (15%) |
| Plants and flowers | +0.8 | +0.3 | +1.1 | +1.1 | 5.7% | **NL** (30%) | **D** (16%) | **I** (15%) |
| Potatoes | +1.8 | -17.2 | -15.7 | -15.5 | 2.5% | **F** (20%) | **D** (17%) | **UK** (14%) |
| Fruit | -2.0 | +1.0 | -1.0 | -0.9 | 6.0% | **E** (32%) | **I** (25%) | **F** (16%) |
| Wine | -6.7 | -0.4 | -7.0 | -7.0 | 4.9% | **F** (52%) | **I** (29%) | **D** (6%) |
| Olive oil | +7.3 | +2.7 | +10.2 | +6.7 | 1.8% | **I** (38%) | **E** (36%) | **EL** (24%) |
| **CROP OUTPUT** | **+1.2** | **-2.4** | **-1.2** | **-1.4** | **52.4%** | **F** (24%) | **I** (18%) | **D** (14%) |
| Cattle | +2.0 | +6.2 | +8.3 | +8.8 | 8.9% | **F** (29%) | **I** (13%) | **UK** (13%) |
| Pigs | +0.3 | -20.3 | -20.0 | -20.0 | 9.8% | **D** (22%) | **E** (17%) | **F** (13%) |
| Sheep and goats | +1.1 | -3.5 | -2.4 | +4.7 | 2.0% | **E** (28%) | **UK** (21%) | **F** (15%) |
| Poultry | +0.2 | -9.7 | -9.5 | -9.5 | 4.3% | **F** (27%) | **UK** (17%) | **I** (15%) |
| Milk | +0.1 | -7.2 | -7.1 | -7.4 | 14.2% | **D** (23%) | **F** (19%) | **UK** (11%) |
| Eggs | +0.4 | -2.5 | -6.5 | -2.1 | 1.8% | **D** (20%) | **I** (16%) | **F** (15%) |
| **ANIMAL OUTPUT** | **+0.6** | **-8.1** | **-7.6** | **-6.5** | **42.5%** | **F** (20%) | **D** (17%) | **I** (12%) |

*Table 2: Development of main crop and animal products in EU-15, % 2002/2001*

The value of animal output (comprising both animals and animal products) in EU-15 is down by 6.5% compared to 2001. The strong (price-led) declines in the output values of pigs (-20.0%), milk (-7.4%), and poultry (-9.5%)(order according to the impact on the development of agricultural income) have not been compensated by the increases in 2002, in the output values of cattle (+8.8%), and sheep and goats (+4.7%).

The continued increase, in 2002, in the output volume of **pigs**, in EU-15 (+0.3%) is accompanied by a steep fall in producer prices (-20.3%). This fall comes after two equally pronounced increases in the years 2000 and 2001 which had brought pig prices back to 1995 levels. The fall in 2002 has been the strongest factor behind the development of the Indicator A of agricultural income in many Member States. This is true in particular for five of the six major producers of pigs: Spain, France, Denmark, Italy, and the Netherlands (in Germany the reduction in the output value of cereals had an even larger impact on the most recent income development). The range of the price falls in these countries is between -19.1% (Germany) and -23.2% (Spain).

The second most important factor behind the development of EU-15 agricultural income in 2002 is the decline of -7.2% in the prices of **milk** (the item with the highest share in EU agricultural output), after an notable increase in 2001; at the same time, the output volume of milk remains stable (EU-15: +0.1%). Milk prices are down in all Member States, with the exception of Finland. In the major producer countries of milk (Germany, France, the United Kingdom, Italy, and the Netherlands), the price declines are ranging from -1.4% (Italy) to -14.4% (United Kingdom).

In **cattle** production, strongly affected by the sanitary crises linked to BSE and FMD in 2001, there is a recovery in both volumes and prices, in 2002. With the exception of Italy (where volumes are 1.0% below 2001 levels), this holds for all major producer countries (France, Italy, the United Kingdom, Germany and Spain). In EU-15, cattle output volumes expand by 2.0% while prices go up by 6.2%.

The development in the value of crop output in EU-15 in 2002 (-1.4%) is mainly the result of lower output values of potatoes (-15.5%), wine (-7.0%) and cereals (-1.8%). However, the impact of these changes on the development of agricultural income is much smaller than the impact of the changes described in the previous paragraphs.

After milk, **cereals** are the second most important product (group) in EU-15 agriculture. There are important changes in volumes and prices but as they are in opposite directions, they largely offset each other. With an increase of 7.0%, the EU-15 output volume of cereals in 2002 comes very close to the record level of the year 2000. There are strong increases in four of the five major producer countries: France (+15.2%), Italy (+9.2%), Spain (+27.6%), and in the United Kingdom (+17.0%); in Germany (second most important producer of cereals), volumes are down by 13.0%, due mainly to unfavourable weather conditions at the harvest. At the same time, producer prices fall in all Member States (EU-15: -8.6%). In the major producer countries, the price declines are ranging between -3.8% (Italy) and -15.6% (United Kingdom).

Developments in volumes and prices of **potatoes** are usually opposite, and this is also the case in 2002. The EU-15 output volume is 1.8% higher than in 2001 while prices are expected to fall as much as 17.2%. In **wine** production, the output volume falls considerably below the level of 2001 (EU-15: -6.7%). Producer prices also go down but only by 0.4%.

For the group of the seven **Acceding Countries** having provided data, the major factor behind the development of the agricultural income in 2002, is a strong decline in the output value of **cereals** (-14.1%), brought about by both lower volumes (-4.4%) and prices (-11.1%). The second most important development is a reduction in the output value of **pigs** (-11.0%), due to lower prices (-17.4%) and despite an increase (+7.6%) in volumes. The output value of **milk** is 8.9% lower than in 2001, with prices going down by 6.1% and volumes by 3.0%.

## Development of the other components of the calculation of agricultural income

### Value of intermediate consumption lower than in 2001

Lower intermediate input prices, mainly for animal feedingstuffs (-2.8%), energy (-5.2%) and fertilisers (-5.1%), are at the origin of the reduction in the value of intermediate consumption in 2002. The average volume of intermediate inputs remains stable (-0.1%).

### Value added notably below 2001 levels

With overall output 3.5% below 2001 levels, and despite the reduction in the value of intermediate consumption costs of 2.1%, the agricultural gross value added at basic prices is 4.7% lower than in 2001. Finland and Greece are the only Member States where an increase is recorded in 2002 (+5.0% and +2.5% respectively). Consumption of fixed capital is only slightly lower (-0.6%) than in 2001. The EU-15 agricultural net value added at basic prices thus declines by 6.1%.

### Pronounced decline in agricultural factor income

Agricultural factor income (i.e. net value added at factor cost), the basis of Indicator A, is obtained by adding the other subsidies on production (less other taxes on production), to net value added at basic prices.

The “other subsidies” (net of taxes) are reduced by 1.9% in 2002. When all subsidies (product-specific and others), net of taxes, are looked at, there is a small increase in comparison to 2001 (+0.7%).

For the European Union as a whole (EU-15), the decline in agricultural factor income in 2002 is 5.9%. Finland and Greece are the only Member States where an increase is recorded (+3.6% and +2.6% respectively). The fastest rates of decline are measured in Denmark (-28.5%) and in Germany (-21.3%), followed by Ireland (-12.3%), Belgium (-9.4%) and the Netherlands (-9.3%).

Of the seven Acceding Countries having provided data, the Slovak Republic is the only country where agricultural factor income in 2002 is higher than in the previous year (+1.4%). The fastest rates of decline are observed in Poland and Hungary (both -24.8%), followed by the Czech Republic (-11.3%) and Lithuania (-7.0%).

Agricultural labour input continues to decline in all the Member States, the strongest declines being observed in Spain (-4.8%), Luxembourg (-4.2%), Sweden (-4.1%), Germany (-4.0%), and the United Kingdom (-3.9%). In EU-15 as a whole, total agricultural labour input is reduced by 2.9%. In the Acceding Countries, particular strong decreases in agricultural labour input are recorded in the Slovak Republic (-9.6%), in Latvia (-6.0%) and in the Czech Republic (-5.6%).

The downwards development in agricultural factor income, in combination with the decline in agricultural labour input, brings about a decline in the Indicator A of agricultural income of -3.0% in EU-15 (-18.1% in the average of the seven Acceding Countries).

### Developments of Income Indicators B and C

With an increase in rents paid (EU-15: +1.9%), and despite declines in the compensation of employees (-0.7%) and interests paid (net of interests received: -5.4%), the EU-15 net entrepreneurial income (in other words, the Indicator C of agricultural income) falls by 8.4% in 2002.

Indicator B measures the change of net agricultural entrepreneurial income related to the change in non-salaried agricultural labour input. This indicator is not calculated for Germany on methodological grounds (see methodological notes) and, therefore, not for EU-15. However, across the other Member States (i.e. EU-14), with a decline in the non-salaried agricultural labour input of 3.1%, Indicator B declined in 2002 by 2.1%.

| **Values in real terms (i.e. deflated)** | **B** | **DK** | **D** | **EL** | **E** | **F** | **IRL** | **I** | **L** | **NL** | **A** | **P** | **FIN** | **S** | **UK** | **EUR-12** | **EU-15** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Output of the agricultural industry | -5.9 | -10.0 | -7.3 | +1.6 | -2.1 | -2.1 | -8.8 | -2.5 | -1.5 | -5.0 | -3.3 | -4.0 | +2.5 | -2.2 | -2.4 | -3.4 | **-3.5** |
| *Crop output* | -1.4 | -9.2 | -7.2 | +2.1 | +3.7 | -1.2 | -11.8 | -0.4 | +7.7 | -1.1 | -1.5 | -3.0 | +6.6 | -2.8 | -2.4 | -1.1 | **-1.4** |
| *Animals* | -9.3 | -14.2 | -5.4 | +1.5 | -12.7 | -3.6 | -4.9 | -10.2 | -9.2 | -8.1 | -6.8 | -11.8 | +0.7 | -1.2 | +3.9 | -7.2 | **-6.3** |
| *Animal products* | -10.9 | -3.3 | -10.3 | -0.3 | -5.4 | -4.6 | -14.8 | -1.3 | -4.4 | -9.9 | -4.8 | +6.7 | -1.8 | -2.6 | -11.0 | -6.4 | **-6.7** |
| - Intermediate consumption | -4.3 | +0.0 | -1.7 | -0.8 | -1.9 | -2.3 | -4.5 | -1.4 | -0.0 | -3.2 | -0.8 | -5.6 | +1.2 | -0.2 | -3.3 | -2.2 | **-2.1** |
| = Gross value added at basic prices | -8.4 | -22.0 | -14.2 | +2.5 | -2.2 | -1.9 | -13.4 | -3.1 | -3.1 | -7.1 | -6.0 | -2.5 | +5.0 | -6.2 | -1.3 | -4.5 | **-4.7** |
| - Consumption of fixed capital | -3.0 | -1.7 | -1.4 | -2.7 | +5.7 | +0.0 | -3.6 | +0.3 | +4.5 | -3.7 | -0.9 | -1.4 | -0.7 | -2.3 | -3.4 | -0.2 | **-0.6** |
| - Other taxes on production | -2.0 | -1.6 | -0.4 | -1.7 | -0.4 | -1.3 | -73.8 | -1.4 | +4.2 | -4.4 | +10.4 | +2.3 | : | : | -12.5 | -0.6 | **-1.0** |
| + Other subsidies on production | -2.0 | -3.6 | -1.4 | -4.5 | -7.9 | -3.4 | +2.4 | +4.0 | +11.9 | -25.9 | +5.3 | -19.6 | -0.7 | +1.6 | +0.4 | -1.9 | **-1.6** |
| **= Factor income (1)** | **-9.4** | **-28.5** | **-21.3** | **+2.6** | **-3.7** | **-2.7** | **-12.3** | **-3.8** | **-3.2** | **-9.3** | **-4.0** | **-5.0** | **+3.6** | **-5.5** | **-0.1** | **-5.7** | **-5.9** |
| Agricultural labour input (2) | -1.8 | -3.0 | -4.0 | -2.9 | -4.8 | -1.8 | -1.1 | -2.2 | -4.2 | -2.0 | -1.3 | -2.9 | -3.4 | -4.1 | -3.9 | -2.8 | **-2.9** |
| **Indicator A (1)/(2)** | **-7.7** | **-26.3** | **-18.0** | **+5.7** | **+1.2** | **-0.9** | **-11.4** | **-1.6** | **+1.0** | **-7.5** | **-2.8** | **-2.2** | **+7.3** | **-1.5** | **+3.9** | **-2.9** | **-3.0** |
| **Indicator A, indices in 2002 ("1995" = 100)** | **100.8** | **84.9** | **108.5** | **115.2** | **120.0** | **110.9** | **93.9** | **112.0** | **93.4** | **83.1** | **102.1** | **136.4** | **119.0** | **122.1** | **67.6** | **112.6** | **108.1** |

*Table 3: Main components of the agricultural income in EU-15, % 2002/2001*

| | Values in real terms (i.e. deflated) | CZ | EE | HU | LT | LV | PL | SK |
|---|---|---|---|---|---|---|---|---|
| | Output of the agricultural industry | -10.3 | -5.1 | -10.5 | -3.8 | -1.8 | -6.4 | +0.4 |
| | *Crop output* | *-6.6* | *+5.3* | *-12.4* | *+4.2* | *+2.4* | *-5.5* | *+3.3* |
| | *Animals* | *-9.4* | *-4.2* | *-14.2* | *-18.6* | *-20.0* | *-6.4* | *-7.0* |
| | *Animal products* | *-20.5* | *-20.1* | *+0.6* | *-6.9* | *-2.7* | *-10.3* | *+6.5* |
| - | Intermediate consumption | -6.9 | -3.5 | -3.8 | -3.1 | -1.6 | +2.0 | -0.5 |
| = | Gross value added at basic prices | -17.1 | -7.3 | -21.0 | -5.6 | -2.1 | -18.7 | +2.3 |
| - | Consumption of fixed capital | -8.3 | -1.6 | +0.0 | -3.8 | +12.5 | -1.8 | +1.7 |
| - | Other taxes on production | -26.4 | -5.2 | -1.3 | -1.5 | +6.1 | -3.1 | -1.7 |
| + | Other subsidies on production | +23.6 | +301.4 | -2.6 | -1.5 | +54.2 | -3.1 | -1.3 |
| = | **Factor income (1)** | **-11.3** | **-3.9** | **-24.8** | **-7.0** | **-3.1** | **-24.8** | **+1.4** |
| | Agricultural labour input (2) | -5.6 | -1.2 | -4.5 | -3.4 | -6.0 | -2.6 | -9.6 |
| | **Indicator A (1)/(2)** | **-6.1** | **-2.8** | **-21.2** | **-3.7** | **+3.1** | **-22.7** | **+12.2** |

*Table 4: Main components of the agricultural income in Acceding Countries, % 2002/2001*

## ➢ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

The EAA estimates published here are provisional. The results have been compiled by the national authorities in the Member States of the European Union and in the Acceding Countries, in accordance with the methodology of the EAA (which is close to the methodology of the national accounts, ESA95, but incorporates a number of changes to take account of the special features of the agricultural economy). The EAA are an essential synthetic tool for assessing and analysing the trend of agricultural income. In February/March 2003, EUROSTAT will publish a revised second set of EAA estimates.

**Technical notes:**

1. The data measured in **real terms** are obtained by deflating the corresponding nominal data with the implicit price index of gross domestic product (GDP) at market prices.

2. The **EUR-12** aggregate comprises the twelve countries participating, in 2002, in the Euro (B, D, EL, E, F, IRL, I, L, NL, A, P, FIN).

3. The **aggregates** measured in real terms for the **European Union as a whole** are obtained by first deflating the nominal values (at current prices) recorded in the various Member States, by applying the implicit price index of GDP of the country concerned, and then converting them into Euro (at 1995 exchange rates for long-term analysis and at those of the year 2001 for the short-term analysis). The results are then added up so as to obtain the real values for the European Union. It is on the basis of these aggregates in real terms that the developments for the European Union are calculated, which means that an "EU deflator" is never explicitly used.

4. In order to take account of part-time and seasonal work, **agricultural labour** or changes therein are measured in annual work units (AWU). One AWU corresponds to the input, measured in working time, of one person who is engaged in agricultural activities in an agricultural unit on a full-time basis over an entire year. A distinction is drawn between non-salaried and salaried AWU, which together make up the total number of AWU.

**What is agricultural income?**

In the EAA, the income indicators relate to the income generated by agricultural activities (as well as inseparable non-agricultural, secondary activities) over a given accounting period, even though in certain cases the corresponding revenues will not be received until a later date. It does not, therefore, constitute the income effectively received in the course of the accounting period itself. Moreover, they are not indicators of total income or of the disposable income of farming households; in addition to their purely agricultural income, households often receive income from other sources (non-agricultural activities, salaries, social benefits, income from property). In other words, agricultural income must not be regarded as the income of agricultural households.

In the present context, emphasis is laid on the Indicator A of agricultural income. Its development is presented as indices. It is defined as follows:

**Indicator A: Index of the real income of factors in agriculture, per annual work unit**

This indicator corresponds to the real (i.e. deflated) net value added at factor cost of agriculture, per total annual work unit. Net value added at factor cost is calculated by subtracting from the value of agricultural output at basic prices the value of intermediate consumption, the consumption of fixed capital, and adding the value of the (other) subsidies less taxes on production.

**Indicator B: Index of real net agricultural entrepreneurial income, per non-salaried annual work unit**

Net entrepreneurial income is obtained by subtracting the compensation of employees and interest and rent paid from the net value added at factor cost and adding the interest received.

Indicator B is not calculated for Germany because for holdings in the new German Länder, which are organised as legal persons, wages and salaries are paid to all employees, including owners and their family members. Labour input by owners or family members is therefore not recorded as non-salaried labour. As a consequence, these holdings' entrepreneurial profits (or losses) are not in any way based on non-salaried labour.

**Indicator C: Index of the real net entrepreneurial income from agriculture.**

**FURTHER READING**

Economic Accounts for Agriculture and Forestry and Agricultural Labour Input Statistics on CD-ROM, 1973-2001, EUROSTAT, Luxembourg, forthcoming.

Manual on the Economic Accounts for Agriculture and Forestry EAA/EAF 97 (Rev. 1.1), EUROSTAT, Luxembourg, available in all official languages, on paper and electronically (pdf).

# *Further information:*

## ➢ Reference publications

Title Manual on the Economic Accounts for Agriculture and Forestry EAA/EAF 97 (Rev. 1.1)

Catalogue No KS-27-00-782-EN-C Price EUR 28

## ➢ Databases

New Cronos, Domain COSA

To obtain information or to order publications, databases and special sets of data, please contact the **Data Shop** network:

**BELGIQUE/BELGIË**
**Eurostat Data Shop**
**Bruxelles/Brussel**
**Planistat Belgique**
Rue du Commerce 124
Handelsstraat 124
B-1000 BRUXELLES / BRUSSEL
Tel. (32-2) 234 67 50
Fax (32-2) 234 67 51
E-mail: datashop@planistat.be
URL: http://www.datashop.org/

**DANMARK**
**DANMARKS STATISTIK**
**Bibliotek og Information**
**Eurostat Data Shop**
Sejrøgade 11
DK-2100 KØBENHAVN Ø
Tlf. (45) 39 17 30 30
Fax (45) 39 17 30 03
E-mail: bib@dst.dk
URL:: http://www.dst.dk/bibliotek

**DEUTSCHLAND**
**STATISTISCHES BUNDESAMT**
**Eurostat Data Shop Berlin**
Otto-Braun-Straße 70-72
(Eingang: Karl-Marx-Allee)
D-10178 BERLIN
Tel. (49) 1888 644 94 27/28
Fax (49) 1888-644 94 30
E-Mail: datashop@destatis.de
URL:http://www.eu-datashop.de/

**ESPAÑA**
**INE Eurostat Data Shop**
Paseo de la Castellana, 183
Despacho 011B
Entrada por Estébanez Calderón
E-28046 MADRID
Tel. (34-91) 583 91 67/ 583 95 00
Fax (34-91) 583 03 57
E-mail: datashop.eurostat@ine.es
URL: http://www.datashop.org/

**FRANCE**
**INSEE Info Service**
**Eurostat Data Shop**
195, rue de Bercy
Tour Gamma A
F-75582 PARIS CEDEX 12
Tél. (33-1) 53 17 88 44
Fax (33-1) 53 17 88 22
E-mail: datashop@insee.fr

**ITALIA – Roma**
**ISTAT**
**Centro di Informazione Statistica**
**Sede di Roma, Eurostat Data Shop**
Via Cesare Balbo, 11a
I-00184 ROMA
Tel. (39-06) 46 73 31 02/06
Fax (39-06) 46 73 31 01/07
E-mail: dipdiff@istat.it

**ITALIA – Milano**
**ISTAT**
**Ufficio Regionale per la Lombardia**
**Eurostat Data Shop**
Via Fieno 3
I-20123 MILANO
Tel. (39-02) 80 61 32 460
Fax (39-02) 80 61 32 304
E-mail: mileuro@tin.it

**LUXEMBOURG**
**Eurostat Data Shop Luxembourg**
**46A, avenue J.F. Kennedy**
BP 1452
L-1014 LUXEMBOURG
Tél. (352) 43 35-2251
Fax (352) 43 35-22221
E-mail: dslux@eurostat.datashop.lu
URL: http://www.datashop.org/

**NEDERLAND**
**STATISTICS NETHERLANDS**
**Eurostat Data Shop-Voorburg**
Postbus 4000
2270 JM VOORBURG
Nederland
Tel. (31-70) 337 49 00
Fax (31-70) 337 59 84
E-mail: datashop@cbs.nl

**NORGE**
**Statistics Norway**
**Library and Information Centre**
**Eurostat Data Shop**
Kongens gate 6
Boks 8131 Dep.
N-0033 OSLO
Tel. (47) 21 09 46 42/43
Fax (47) 21 09 45 04
E-mail: Datashop@ssb.no

**PORTUGAL**
**Eurostat Data Shop Lisboa**
**INE/Serviço de Difusão**
Av. António José de Almeida, 2
P-1000-043 LISBOA
Tel. (351-21) 842 61 00
Fax (351-21) 842 63 64
E-mail: data.shop@ine.pt

**SCHWEIZ/SUISSE/SVIZZERA**
**Statistisches Amt des Kantons**
**Zürich, Eurostat Data Shop**
Bleicherweg 5
CH-8090 Zürich
Tel. (41-1)225 12 12
Fax (41-1)225 12 99
E-mail: datashop@statistik.zh.ch
URL: http://www.statistik.zh.ch

**SUOMI/FINLAND**
**STATISTICS FINLAND**
**Eurostat Data Shop Helsinki**
**Tilastokirjasto**
PL 2B
FIN-00022 Tilastokeskus
Työpajakatu 13 B, 2.Kerros, Helsinki
P. (358-9) 17 34 22 21
F. (358-9) 17 34 22 79
Sähköposti: datashop@stat.fi
URL: http://www.tilastokeskus.fi/tk/kk/datashop/

**SVERIGE**
**STATISTICS SWEDEN**
**Information service**
**Eurostat Data Shop**
Karlavägen 100 - Box 24 300
S-104 51 STOCKHOLM
Tfn (46-8) 50 69 48 01
Fax (46-8) 50 69 48 99
E-post: infoservice@scb.se
URL:http://www.scb.se/tjanster/datashop/datashop.asp

**UNITED KINGDOM**
**Eurostat Data Shop**
**Office for National Statistics**
Room 1.015
Cardiff Road
Newport South Wales NP10 8XG
United Kingdom
Tel. (44-1633) 81 33 69
Fax (44-1633) 81 33 33
E-mail: eurostat.datashop@ons.gov.uk

**UNITED STATES OF AMERICA**
**HAVER ANALYTICS**
**Eurostat Data Shop**
60 East 42nd Street
Suite 3310
NEW YORK, NY 10165
USA
Tel. (1-212) 986 93 00
Fax (1-212) 986 69 81
E-mail: eurodata@haver.com

**Media Support Eurostat (for professional journalists only):**
Bech Building Office A4/017 • L-2920 Luxembourg • Tel. (352) 4301 33408 • Fax (352) 4301 35349 • e-mail: eurostat-mediasupport@cec.eu.int

## For information on methodology

Ulrich EIDMANN, Eurostat/F1, L-2920 Luxembourg, Tel. (352) 4301 35444, Fax (352) 4301 37317, E-mail: ulrich.eidmann@cec.eu.int

ORIGINAL: English

Please visit our web site at **www.europa.eu.int/comm/eurostat/** for further information!

A list of worldwide sales outlets is available at the **Office for Official Publications of the European Communities**.

2 rue Mercier – L-2985 Luxembourg
Tel. (352) 2929 42118 Fax (352) 2929 42709
URL: http://publications.eu.int
E-mail: info-info-opoce@cec.eu.int

BELGIQUE/BELGIË – DANMARK – DEUTSCHLAND – GREECE/ELLADA – ESPAÑA – FRANCE – IRELAND – ITALIA – LUXEMBOURG – NEDERLAND – ÖSTERREICH PORTUGAL – SUOMI/FINLAND – SVERIGE – UNITED KINGDOM – ÍSLAND – NORGE – SCHWEIZ/SUISSE/SVIZZERA – BALGARIJA – CESKÁ REPUBLIKA – CYPRUS EESTI – HRVATSKA – MAGYARORSZÁG – MALTA – POLSKA – ROMÂNIA – RUSSIA – SLOVAKIA – SLOVENIA – TÜRKIYE – AUSTRALIA – CANADA – EGYPT – INDIA ISRAËL – JAPAN – MALAYSIA – PHILIPPINES – SOUTH KOREA – THAILAND – UNITED STATES OF AMERICA

# *Order form*

I would like to subscribe to Statistics in focus (from 1.1.2002 to 31.12.2002):
(for the Data Shop and sales office addresses see above)

❒ **Formula 1**: All 9 themes (approximately 180 issues)
- ❒ Paper: EUR 360
- Language required: ❒ DE ❒ EN ❒ FR

❒ **Formula 2:** One or more of the following nine themes:
- ❒ Theme 1 'General statistics'
- ❒ Theme 6 'External trade'
- ❒ Theme 7 'Transport'
- ❒ Theme 9 'Science and technology'
  - ❒ Paper: EUR 42
- ❒ Theme 2 'Economy and finance'
- ❒ Theme 3 'Population and social conditions'
- ❒ Theme 4 'Industry, trade and services
- ❒ Theme 5 'Agriculture and fisheries'
- ❒ Theme 8 'Environment and energy
  - ❒ Paper: EUR 84
- Language required: ❒ DE ❒ EN ❒ FR

Statistics in focus can be downloaded (pdf file) free of charge from the Eurostat web site. You only need to register. For other solutions, contact your Data Shop.

❑ Please send me a free copy of 'Eurostat mini-guide' (catalogue containing a selection of Eurostat products and services)
Language required: ❒ DE ❒ EN ❒ FR

❑ I would like a free subscription to 'Statistical References', the information letter on Eurostat products and services
Language required: ❒ DE ❒ EN ❒ FR

❒ Mr ❒ Mrs ❒ Ms

*(Please use block capitals)*

Surname: ____________________ Forename: ____________________

Company: ____________________ Department: ____________________

Function: ________________________________________

Address: ________________________________________

Post code: ____________________ Town: ____________________

Country: ________________________________________

Tel.: ____________________ Fax: ____________________

E-mail: ________________________________________

**Payment on receipt of invoice, preferably by:**

❒ Bank transfer

❒ Visa ❒ Eurocard

Card No: ____________________ Expires on: _____/_____

**Please confirm your intra-Community VAT number:**

**If no number is entered, VAT will be automatically applied. Subsequent reimbursement will not be possible.**

________________________________________