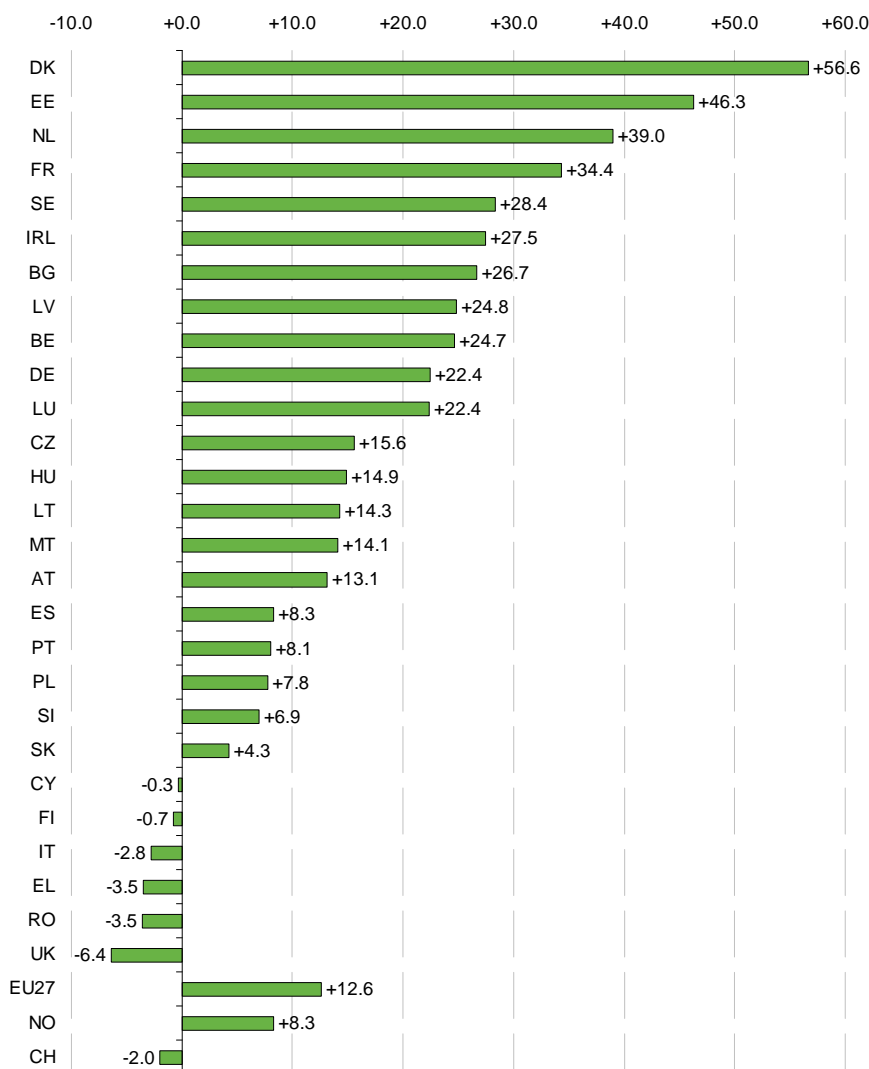


## EU Agricultural income rose by 12.6 % in 2010

According to the second estimates for the Economic Accounts for Agriculture (EAA) submitted to Eurostat, agricultural income per annual work unit (Indicator A<sup>1</sup>) increased by

12.6 % in the EU in 2010. This followed a decrease of 10.0 % in 2009. In 2010, agricultural labour input in the EU decreased by 1.5 %.

Figure 1: Agricultural Income (Indicator A) in the EU, change 2010 compared to 2009 (%)



Source: Eurostat (online data code: [aact\\_eaa06](#))

*Indicator A* measures the change in real agricultural factor income (corresponding to the net value added at factor cost) related to the change in total agricultural labour input. Unless otherwise stated, all figures refer to EU-27. All figures relating to 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). One labour unit = one full-time job. See methodological notes on page 7 for further information.

## Main results and differences between countries

Indicator A combines the development in net value added at factor costs (factor income) and the development in agricultural labour input. For the EU as a whole, factor income in 2010 was 10.9% higher in real terms than in 2009 (and 12.1% higher in nominal terms), while agricultural labour input was down by 1.5%. Detailed figures can be found on the Eurostat website.

Factor income rose in 2010 mainly due to increases in the output values of both crop production (5.9%), and animal production (2.0%). The output value of agricultural services grew by 1.3% while that of inseparable non- agricultural secondary activities fell by 1.2%.

The value of intermediate consumption grew slightly (by 1.1%), so the percentage change in agricultural income is mainly due to increased output.

The change in agricultural income varied greatly across EU Member States. The largest increase was in Denmark (+56.6%), affected by the rise in the price of cereals and milk while total intermediate consumption rose marginally, followed by Estonia (+46.3%), the Netherlands (+39.0%), France (+34.4%), Sweden (+28.4%), Ireland (+27.5%), and Bulgaria (+26.7%). Only six countries recorded a decrease in income: the United Kingdom (-6.4%), Romania (-3.5%), Greece (-3.5%), Italy (-2.8%), Finland (-0.7%) and Cyprus (-0.3%).

In the EU-15 the increase in income per work unit was 13.3%: in the 12 new Member States (NMS-12) it was 7.2%. Around 85% of the factor income in the EU-27 is generated in the EU-15.

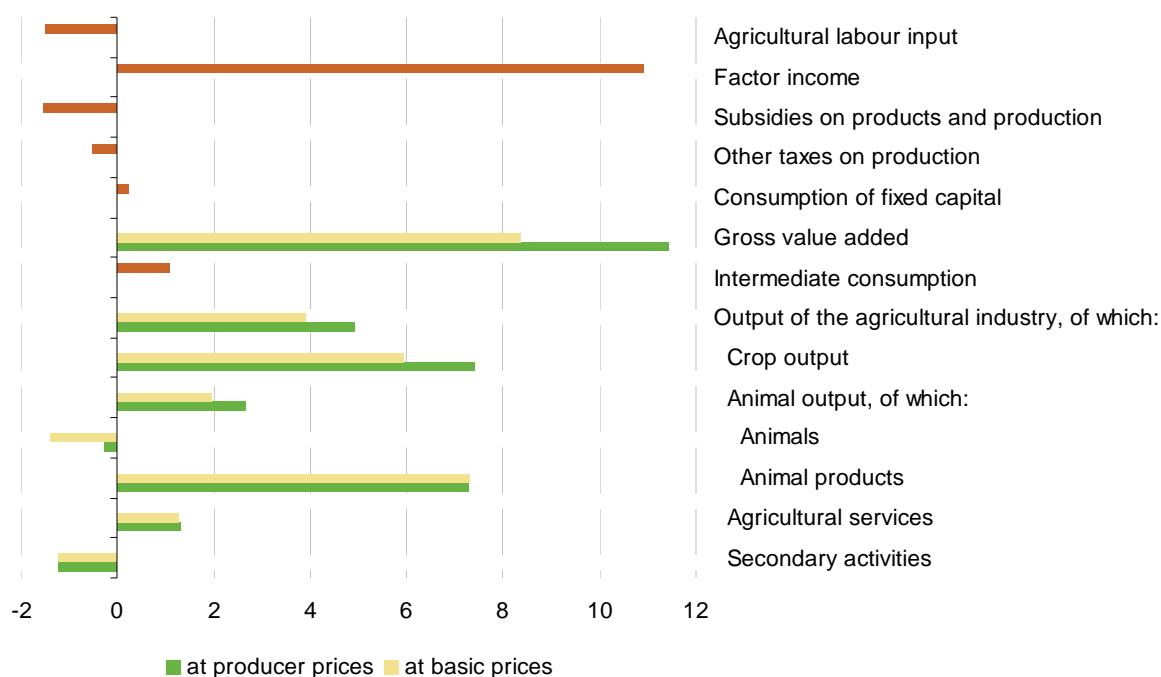
In Switzerland, Indicator A fell by 2.0%, while in Norway it grew by 8.3%.

## Main factors affecting income development in 2010

The overall increase of 12.6% in agricultural income per labour unit in 2010 compared to 2009

is due to the combined effect of several changes in agricultural production and prices.

**Figure 2: Main components of agricultural income in EU, change 2010 compared to 2009 (%)**



Source: Eurostat (online data codes: [aact\\_eaa05](#) and [aact\\_ali02](#))

The 3.9% increase in the value of total agricultural output in basic prices is almost entirely due to higher prices (5.4%), as output volume fell by 1.5%. For intermediate consumption, the increase in value (1.1%) was due to a combination of higher prices (1.2%) and lower volume (-0.1%). Combining the developments in output and intermediate

consumption, the gross value added in agriculture in 2010 rose by 8.4% at basic prices.

The level of the gross value added is about 40% of the output value as an EU average.

Overall, subsidies were worth around 55 billion euro, which represents 42% of the factor income.

## A closer look at output

**Table 1: Output, changes in 2010 compared to 2009 (%)**

	VOLUME (at producer prices)	PRODUCER PRICE (real)	VALUE (real, at producer prices)	VALUE (real, at basic prices)	Share in EU-27 overall output (producer prices, in 2009)	Major producer countries (share in EU 27 output at producer prices, in 2009)		
	2010 / 2009 (%)							
Cereals	-4.3	+27.0	+21.6	+16.6	10.1%	FR (22%)	DE (16%)	IT (8%)
Oilseeds	-3.5	+29.0	+24.5	+20.6	2.3%	FR (25%)	DE (22%)	PL (8%)
Sugar beet	-6.7	-2.6	-9.2	-9.7	1.0%	FR (26%)	DE (17%)	PL (9%)
Fresh vegetables	-1.8	+8.6	+6.6	+6.6	8.7%	ES (22%)	IT (20%)	FR (10%)
Plants and flowers	+0.1	+0.4	+0.5	+0.5	5.9%	NL (31%)	IT (14%)	DE (13%)
Potatoes	-7.6	+18.1	+9.1	+9.2	2.7%	DE (14%)	RO (12%)	FR (12%)
Fruits	-4.1	+8.6	+4.1	+3.1	6.2%	ES (27%)	IT (23%)	FR (13%)
Wine	-4.6	+0.7	-3.9	-3.9	4.9%	FR (50%)	IT (23%)	ES (7%)
Olive oil	+16.4	-1.3	+14.9	+11.3	1.1%	ES (41%)	IT (36%)	EL (18%)
<b>Crop output</b>	<b>-2.6</b>	<b>+10.3</b>	<b>+7.4</b>	<b>+5.9</b>	<b>51.7%</b>	<b>FR (20%)</b>	<b>IT (14%)</b>	<b>ES (12%)</b>
Cattle	-0.3	-0.4	-0.8	-3.1	8.1%	FR (23%)	DE (13%)	UK (12%)
Pigs	+2.1	-2.8	-0.8	-0.8	9.2%	DE (18%)	ES (14%)	FR (9%)
Sheep and goats	+0.1	-0.7	-0.6	-3.9	1.4%	UK (28%)	ES (17%)	EL (16%)
Poultry	+3.1	-1.3	+1.8	+1.5	5.0%	FR (18%)	DE (12%)	IT (12%)
Milk	+0.2	+10.5	+10.8	+10.8	12.7%	DE (17%)	FR (17%)	IT (10%)
Eggs	-2.4	-7.1	-9.3	-9.4	2.5%	ES (13%)	IT (13%)	PL (11%)
<b>Animal output</b>	<b>+0.8</b>	<b>+1.9</b>	<b>+2.7</b>	<b>+2.0</b>	<b>40.4%</b>	<b>FR (16%)</b>	<b>DE (14%)</b>	<b>IT (10%)</b>
<b>Agricultural services</b>	<b>+0.2</b>	<b>+1.1</b>	<b>+1.3</b>	<b>+1.3</b>	<b>4.8%</b>	<b>FR (22%)</b>	<b>NL (17%)</b>	<b>IT (17%)</b>
<b>Secondary activities</b>	<b>-1.7</b>	<b>+0.4</b>	<b>-1.2</b>	<b>-1.2</b>	<b>3.1%</b>	<b>FR (18%)</b>	<b>IT (14%)</b>	<b>RO (12%)</b>

Source: Eurostat

The value of crop output, which accounts for slightly more than 50% of total output, rose by 5.9% in basic prices, while animal output, accounting for about 40% of total output, grew by 2.0%. Agricultural services rose slightly, by 1.3%, while secondary activities were down by 1.2%.

Nevertheless the main explanation for the increase in crop output is the overall rise in producer prices (+10.3%). The highest price increases were for oilseeds (+29.0%), cereals (+27.0%), and potatoes (+18.1%). The volume of the main crop products fell in 2010 compared to 2009 - except for the production of olive oil, which increased by +16.4% in 2010.

Only three countries recorded negative values for total crop output in 2010: Malta (-4.0%), Bulgaria (-1.0%), and Greece (-0.4%). The highest increases in crop output values were in Belgium (+16.4%), Estonia and Romania (+12.6%), Hungary (+12.5%), Latvia, Luxembourg and the Netherlands (+12.0%). Overall, the EU-15 figure increased by 5.7%: in the new Member States it rose by 7.4%. Basic prices in real terms grew by 9.6% in EU-27, which is the result of an increase of 8.2% in EU-15 and 17.9% in the new Member States. The increase in animal output value (2.7%), was a consequence of higher producer

prices (1.9%) and a volume increase of 0.8%. The biggest price rise (10.5%) was for milk, which accounts for almost 32% of total animal output. The value of milk output increased by 10.8% from 2009 to 2010. Meanwhile, for eggs, values and prices decreased by 9.3% and 7.1% respectively, and output volume was 2.4% lower.

For animals (meat and livestock), the value in basic prices went down by 1.4% compared to 2009. The main reason was lower producer prices in all groups, i.e. pigs (-2.8%), poultry (-1.3%), sheep and goats (-0.7%) and cattle (-0.4%). The volume for cattle was 0.3% lower, but it rose for all other categories: more than 2% higher for pigs and 3% higher for poultry.

In 2010, higher values for animal output were recorded in 16 out of 27 countries. The most dramatic increases were in Ireland (16.6%), Lithuania (16.0%), Estonia (13.4%) and Latvia (10.4%). On the other hand, eleven Member States show lower output values in real terms than in 2009. The largest falls were observed in Romania (-14.8%), Slovakia (-4.6%), Greece (-4.2%) and Malta (-2.9%).

## The results from a medium-term perspective

For the EU-27, the recent increase brings Indicator A to a level of 111.2 (2005 = 100), after a drop of

1.1 % in 2009. For the EU-15, Indicator A was 6 % higher in 2010 than in 2005, after falling to 93.8 % in 2009.

**Table 2: Indices of Indicator A of agricultural income in the EU (2005 = 100)**

	1999	2004	2005	2006	2007	2008	2009	2010
<b>BE</b>	105.5	109.3	100.0	123.5	134.0	109.2	107.7	134.3
<b>BG</b>	:	87.4	100.0	97.5	98.8	161.2	125.3	158.7
<b>CZ</b>	55.2	93.2	100.0	102.7	118.6	125.1	98.5	113.9
<b>DK</b>	81.3	98.8	100.0	104.2	106.4	66.6	50.3	78.7
<b>DE</b>	69.6	111.9	100.0	108.9	134.9	128.8	101.8	124.6
<b>EE</b>	29.0	94.8	100.0	100.4	142.1	112.1	94.5	138.2
<b>IE</b>	73.3	80.4	100.0	84.0	94.3	87.0	67.0	85.4
<b>EL</b>	119.0	99.3	100.0	98.3	99.0	88.2	89.6	86.5
<b>ES</b>	99.8	113.2	100.0	95.5	107.3	97.4	93.8	101.7
<b>FR</b>	112.9	105.2	100.0	111.4	121.2	106.2	86.6	116.3
<b>IT</b>	124.3	114.6	100.0	96.3	93.7	94.3	86.0	83.6
<b>CY</b>	125.5	96.6	100.0	90.4	90.2	85.7	92.3	92.0
<b>LV</b>	39.2	96.0	100.0	131.8	137.8	117.2	102.4	127.8
<b>LT</b>	64.3	92.5	100.0	89.0	133.4	123.4	106.6	121.8
<b>LU</b>	110.2	109.2	100.0	94.7	116.1	85.8	57.4	70.2
<b>HU</b>	77.5	99.2	100.0	106.6	114.3	153.4	107.2	123.3
<b>MT</b>	88.3	82.6	100.0	97.5	94.5	90.3	101.0	114.4
<b>NL</b>	123.4	101.1	100.0	122.6	121.1	99.1	87.9	122.1
<b>AT</b>	85.4	102.3	100.0	110.3	123.3	119.4	93.9	106.2
<b>PL</b>	60.1	110.3	100.0	110.5	135.0	108.9	134.7	145.2
<b>PT</b>	111.9	108.7	100.0	104.4	100.2	104.2	100.6	109.3
<b>RO</b>	80.8	175.2	100.0	99.3	76.8	114.4	92.4	89.1
<b>SI</b>	63.2	99.5	100.0	97.4	109.6	99.1	86.7	92.8
<b>SK</b>	85.6	107.3	100.0	122.1	128.9	143.5	110.5	115.2
<b>FI</b>	81.0	90.1	100.0	98.5	111.6	93.1	108.6	107.8
<b>SE</b>	77.4	83.9	100.0	113.5	135.7	124.2	94.8	121.8
<b>UK</b>	83.1	101.2	100.0	103.9	110.8	143.5	129.6	121.3
<b>EU27</b>	:	<b>110.2</b>	<b>100.0</b>	<b>104.0</b>	<b>114.8</b>	<b>109.9</b>	<b>98.9</b>	<b>111.2</b>

Source: Eurostat

To put the most recent income developments into a medium-term perspective, Indicator A is expressed in index form, with the year 2005 chosen as reference year.

In terms of the trend in Indicator A, Member States can be divided into two groups.

The first group comprises 19 countries where agricultural income in 2010 was higher than in 2005. In eleven of these countries, the level of agricultural income reached in 2010 is more than 20 index points higher than in 2005.

These eleven countries are Bulgaria, Poland, Estonia, Belgium, Latvia, Germany, Hungary, the Netherlands, Lithuania, Sweden and the United Kingdom.

The second group comprises the other eight Member States, where agricultural income in 2010 is below the level recorded for 2005. Within this group of countries, the sharpest falls were in Luxembourg and Denmark. The other countries in this group are Italy, Ireland, Greece, Romania, Cyprus and Slovenia.

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## Higher intermediate consumption (+1.1 %) and decreasing labour input (-1.5 %)

### **Value of intermediate consumption higher than in 2009**

The value of intermediate consumption in 2010 rose +1.1 % in real terms in the EU as a whole. The higher value of energy and lubricants (+10.4 %) and of Financial Intermediation Services Indirectly Measured (FISIM) (+13.7 %) is mitigated by the decline of fertilisers and soil improvers (-12.4 %) and plant protection products (-6.2 %).

The volume of inputs used was down -0.6 % in the 12 new Member States but only -0.1 % in the EU as a whole. There was an estimated 6.9 % increase in the

volume of fertilisers and soil improvers used in the EU-27, with energy and lubricant volumes up 1.2 %. This was offset by decreases in the volume of feedingstuffs (-1.4 %), plant protection products (-5.5 %) and seeds and planting stocks (-0.5 %).

Higher prices were recorded in feedingstuffs (+2.7 %), energy and lubricants (+9.1 %) and FISIM (+16.2 %). On the other hand, prices were lower for groups of fertilisers and soil improvers (-18.0 %) and for seeds and planting stocks (-0.4 %).

### **Agricultural Labor Input decreased in 2010**

Total agricultural labour input continued to decline in all Member States, with the exception of Romania (+4.1 %) and Cyprus (+0.4 %). The strongest decreases were in Bulgaria (-10.4 %), Latvia (-5.8 %), Poland (-5.7 %), Sweden (-4.1 %) and Belgium (-3.5 %). Overall, EU agricultural labour input was down by 1.5 % on 2009.

In the EU, the rise in the agricultural factor income (+12.1 %) was amplified by the decline in agricultural labour input (-1.5 %), so that the Indicator A of agricultural income increased by 12.6 %.

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 value of overall subsidies (product-specific subsidies and other subsidies on production net of taxes) remained at the same level as the previous year: 55384.9 million euro (+0.0 %).

EU agricultural factor income in 2010 was 12.1 % higher than in 2009. The strongest growth was in Denmark (+59.4 %), Estonia (+43.4 %), the Netherlands (+39.4 %), France (+32.6 %), Sweden (+25.6 %) and Luxembourg (+25.3 %). The largest falls were observed in the United Kingdom (-4.3 %), Finland (-2.3 %), Italy (-2.2 %) and Greece (-0.9 %).

### **Volume of value added is above previous year's level**

In the EU as a whole, the volume of gross value added increased by 9.6 % in 2010.

With overall output 6.1 % above its 2009 level and the value of intermediate consumption up by 2.3 %,

agricultural gross value added at basic prices was 9.6 % higher in 2010. Consumption of fixed capital was slightly higher (+1.3 %) than in 2009.

### **How net entrepreneurial income (Indicator C) has behaved**

Interest paid (net of interest received) was significantly lower in 2010 than in 2009 (-13.1 %).

The value of the compensation of employees increased slightly (+2.3 %), and 'rents to be paid'

increased moderately (+0.5 %). As a result, the EU-27 Indicator C of agricultural income was 22.3 % higher than in 2009.

**Table 3: Main components of agricultural income in the EU 27, %, 2010/2009**

Values in real terms (i.e. deflated)	EU-27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV
<b>OUTPUT OF THE AGRICULTURAL 'INDUSTRY'</b>	<b>+3.9</b>	<b>+10.5</b>	<b>-0.9</b>	<b>+3.9</b>	<b>+5.3</b>	<b>+5.9</b>	<b>+11.7</b>	<b>+14.4</b>	<b>-1.5</b>	<b>+3.8</b>	<b>+4.3</b>	<b>+1.2</b>	<b>+1.9</b>	<b>+11.2</b>
CROP OUTPUT	+5.9	+16.4	-1.0	+7.6	+9.6	+3.9	+12.6	+11.5	-0.4	+7.6	+6.3	+2.1	+3.5	+12.0
ANIMAL OUTPUT	+2.0	+6.1	+2.2	-1.1	+3.9	+8.7	+13.4	+16.6	-4.2	-2.3	+1.8	-0.9	+0.6	+10.4
ANIMALS	-1.4	-0.3	+2.1	-10.7	+2.2	+1.8	-6.1	+4.2	-5.8	-1.1	-1.1	-1.6	-0.0	-3.2
ANIMAL PRODUCTS	+7.3	+26.7	+2.2	+11.4	+6.3	+18.8	+30.4	+41.0	-2.2	-5.4	+7.1	+0.1	+1.6	+20.5
AGRICULTURAL SERVICES	+1.3	+0.9	-4.9	+5.7	-2.3	-0.2	+2.7	+1.8	-0.7	-1.9	+1.5	+2.8	-	+1.8
SECONDARY ACTIVITIES	-1.2	+0.9	-7.0	+8.4	-1.4	+2.8	+0.2	-	-2.4	+0.0	+1.8	+5.6	+3.0	+12.1
<b>- INTERMEDIATE CONSUMPTION</b>	<b>+1.1</b>	<b>+6.6</b>	<b>-5.8</b>	<b>-3.3</b>	<b>-1.6</b>	<b>+1.4</b>	<b>+2.2</b>	<b>+2.6</b>	<b>+2.0</b>	<b>+5.1</b>	<b>-3.6</b>	<b>+1.5</b>	<b>+2.1</b>	<b>+6.6</b>
<b>= GROSS VALUE ADDED AT BASIC PRICES</b>	<b>+8.4</b>	<b>+19.2</b>	<b>+8.3</b>	<b>+33.7</b>	<b>+37.2</b>	<b>+16.3</b>	<b>+32.7</b>	<b>+65.3</b>	<b>-4.4</b>	<b>+2.9</b>	<b>+18.7</b>	<b>+1.0</b>	<b>+1.6</b>	<b>+24.9</b>
- CONSUMPTION OF FIXED CAPITAL	+0.2	+0.3	-17.6	+0.9	-0.6	+0.8	+3.3	-2.9	+0.0	+3.0	+0.5	-0.2	+7.1	+4.6
- OTHER TAXES ON PRODUCTION	-0.5	-1.7	-27.2	+16.0	-2.3	-0.2	+1.9	-94.8	+6.0	+11.0	+2.0	-4.4	+9.0	+8.2
+ OTHER SUBSIDIES ON PRODUCTION (a)	+4.6	+0.5	+16.6	-4.6	-3.3	+2.8	+31.7	-8.0	-0.3	+20.1	+22.4	-13.1	-6.5	+4.3
<b>= FACTOR INCOME (1)</b>	<b>+10.9</b>	<b>+20.4</b>	<b>+13.5</b>	<b>+14.9</b>	<b>+55.7</b>	<b>+20.0</b>	<b>+43.5</b>	<b>+26.8</b>	<b>-3.8</b>	<b>+6.9</b>	<b>+31.9</b>	<b>-2.9</b>	<b>+0.1</b>	<b>+17.6</b>
AGRICULTURAL LABOUR INPUT (2)	-1.5	-3.5	-10.4	-0.6	-0.6	-2.0	-1.9	-0.5	-0.3	-1.3	-1.8	-0.1	+0.4	-5.8
<b>INDICATOR A (1)/(2)</b>	<b>+12.6</b>	<b>+24.7</b>	<b>+26.7</b>	<b>+15.6</b>	<b>+56.6</b>	<b>+22.4</b>	<b>+46.3</b>	<b>+27.5</b>	<b>-3.5</b>	<b>+8.3</b>	<b>+34.4</b>	<b>-2.8</b>	<b>-0.3</b>	<b>+24.8</b>
<b>Indicator A, Indices in 2010 (2005=100)</b>	<b>111.2</b>	<b>134.3</b>	<b>158.7</b>	<b>113.9</b>	<b>78.7</b>	<b>124.6</b>	<b>138.2</b>	<b>85.4</b>	<b>86.5</b>	<b>101.7</b>	<b>116.3</b>	<b>83.6</b>	<b>92.0</b>	<b>127.8</b>

Values in real terms (i.e. deflated)	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
<b>OUTPUT OF THE AGRICULTURAL 'INDUSTRY'</b>	<b>+6.3</b>	<b>+7.5</b>	<b>+7.0</b>	<b>-3.5</b>	<b>+8.7</b>	<b>+4.5</b>	<b>+1.0</b>	<b>+2.1</b>	<b>+1.5</b>	<b>+3.6</b>	<b>+1.9</b>	<b>+0.5</b>	<b>+5.0</b>	<b>+0.8</b>
CROP OUTPUT	+0.2	+12.0	+12.5	-4.0	+12.0	+9.4	+2.9	+3.9	+12.6	+5.1	+8.8	+2.9	+7.9	+2.4
ANIMAL OUTPUT	+16.0	+5.4	+0.4	-2.9	+7.1	+1.1	-1.7	-0.7	-14.8	+2.2	-4.6	-0.8	+3.7	-0.3
ANIMALS	+6.7	-4.9	-4.3	-3.1	-4.7	-3.6	-0.5	+1.0	-15.2	+1.9	-12.5	-1.4	-1.5	-2.4
ANIMAL PRODUCTS	+25.2	+16.4	+11.1	-2.3	+21.8	+8.8	-2.3	-3.9	-14.4	+2.6	+6.3	-0.4	+8.6	+3.5
AGRICULTURAL SERVICES	-1.1	-2.6	+2.3	-	+0.9	-3.2	+2.4	+3.4	-8.2	-1.0	+1.9	-3.5	+1.8	+7.1
SECONDARY ACTIVITIES	+5.5	+4.6	-7.8	-7.3	+10.7	-0.9	+16.7	-1.9	-16.7	-	-3.3	+0.4	-1.0	-3.3
<b>- INTERMEDIATE CONSUMPTION</b>	<b>+5.5</b>	<b>+4.0</b>	<b>+2.6</b>	<b>-5.1</b>	<b>+2.3</b>	<b>+1.5</b>	<b>+1.3</b>	<b>+3.2</b>	<b>+7.0</b>	<b>+3.1</b>	<b>-3.2</b>	<b>+2.2</b>	<b>-2.2</b>	<b>+3.4</b>
<b>= GROSS VALUE ADDED AT BASIC PRICES</b>	<b>+7.9</b>	<b>+15.8</b>	<b>+17.7</b>	<b>-1.7</b>	<b>+22.2</b>	<b>+9.2</b>	<b>+0.6</b>	<b>-0.3</b>	<b>-5.3</b>	<b>+4.5</b>	<b>+29.3</b>	<b>-3.3</b>	<b>+28.4</b>	<b>-4.4</b>
- CONSUMPTION OF FIXED CAPITAL	+6.3	-1.4	-0.4	+2.3	-1.4	+0.4	+3.3	+3.7	-6.9	-1.7	+17.6	-0.7	-2.3	+1.2
- OTHER TAXES ON PRODUCTION	-1.1	-2.6	-1.7	-	+0.1	-10.0	+4.5	+5.1	-5.9	-0.2	-3.5	-	-100.0	-0.3
+ OTHER SUBSIDIES ON PRODUCTION (a)	+17.1	-1.7	-6.4	+83.7	+13.1	+0.1	+5.4	+23.4	+52.8	-0.2	-9.9	-1.8	-6.3	-6.2
<b>= FACTOR INCOME (1)</b>	<b>+11.4</b>	<b>+22.0</b>	<b>+12.1</b>	<b>+14.1</b>	<b>+37.4</b>	<b>+11.1</b>	<b>+1.6</b>	<b>+6.0</b>	<b>+0.4</b>	<b>+5.5</b>	<b>+0.9</b>	<b>-3.5</b>	<b>+23.1</b>	<b>-6.8</b>
AGRICULTURAL LABOUR INPUT (2)	-2.5	-0.3	-2.4	+0.0	-1.1	-1.8	-5.7	-1.9	+4.1	-1.3	-3.2	-2.8	-4.1	-0.4
<b>INDICATOR A (1)/(2)</b>	<b>+14.3</b>	<b>+22.4</b>	<b>+14.9</b>	<b>+14.1</b>	<b>+39.0</b>	<b>+13.1</b>	<b>+7.8</b>	<b>+8.1</b>	<b>-3.5</b>	<b>+6.9</b>	<b>+4.3</b>	<b>-0.7</b>	<b>+28.4</b>	<b>-6.4</b>
<b>Indicator A, Indices in 2010 (2005=100)</b>	<b>121.8</b>	<b>70.2</b>	<b>123.3</b>	<b>114.4</b>	<b>122.1</b>	<b>106.2</b>	<b>145.2</b>	<b>109.3</b>	<b>89.1</b>	<b>92.8</b>	<b>115.2</b>	<b>107.8</b>	<b>121.8</b>	<b>121.3</b>

Source: Eurostat (online data code: [aact\\_eaa01](#))

## ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

### *Symbols & country abbreviations*

“:” not available

“-” not applicable, real zero or zero by default

BE: Belgium, BG: Bulgaria, CZ: Czech Republic, DK: Denmark, DE: Germany, EE: Estonia, IE: Ireland, EL: Greece, ES: Spain, FR: France, IT: Italy, CY: Cyprus, LV: Latvia, LT: Lithuania, LU: Luxembourg, HU: Hungary, MT: Malta, NL: Netherlands, AT: Austria, PL: Poland, PT: Portugal, RO: Romania, SI: Slovenia, SK: Slovakia, FI: Finland, SE: Sweden, UK: United Kingdom, CH: Switzerland LI: Liechtenstein; NO: Norway.

EU-15: Belgium, Denmark, Germany, Ireland, Greece, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom.

NMS-12: Bulgaria, the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Romania, Slovenia and Slovakia.

### *Concepts and definitions*

The estimates for the Economic Accounts for Agriculture (EAA) published in this issue of ‘Statistics in Focus’ are provisional. The compilation is based on information available at the end of January 2011, which also is uploaded on Eurostat databases.

The results have been compiled by the national authorities in the Member States of the European Union and in Norway and Switzerland, 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).

### **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 **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 2000 exchange rates for long-term analysis and at 2007 rates for the short-term analysis). The results are then added 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.

3. 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 engaged in agricultural activities in an agricultural unit on a full-time basis over an entire year.

### **What is agricultural income?**

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 placed on the Indicator A of agricultural income. Its development is presented as indices based on previous year figures for short term development and on 2000 or 2005 for medium or long term. The indicator 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. The detailed data can be found at the website.

### **Other indicators**

Two other indicators for agricultural income are also calculated: **Indicator B:** Index of real net agricultural entrepreneurial income, per unpaid annual work unit and **Indicator C:** Net entrepreneurial income of agriculture.

### **Changes in recording of subsidies**

Implementation of the Single Farm Payment (SFP) in the framework of the recent CAP started in several Member States in 2005. Since the Member States do not apply the SFP system in the same way, only limited comparisons of output values at basic prices, values of subsidies and value added between Member States and time periods (particularly 2004-2007) can be made. In general, implementation of the SFP results in a drop in basic price output values and an increase in other subsidies on production, while values at producer prices and the Income indicator A are not affected by this change. Indicator B and C are neither.

### **FURTHER READING**

Regulation (EC) No 138/2004 of the European Parliament and of the Council on the Economic Accounts for Agriculture in the Community ([OJ L33, 5.2.2004](#)).

## Further information

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Eurostat Website: <http://ec.europa.eu/eurostat>

Data on 'Economic Accounts on Agriculture'  
<http://epp.eurostat.ec.europa.eu/portal/page/portal/agriculture/data/database>

Further information about 'Agricultural statistics'  
<http://epp.eurostat.ec.europa.eu/portal/page/portal/agriculture/introduction>

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### Journalists can contact the media support service:

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Fax: (352) 4301 35349  
E-mail: [eurostat-mediasupport@ec.europa.eu](mailto:eurostat-mediasupport@ec.europa.eu)

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### European Statistical Data Support:

With the members of the 'European statistical system', Eurostat has set up a network of support centres in nearly every Member State and in some EFTA countries.

Their role is to provide help and guidance to Internet users of European statistics.

Contact details for this support network can be found on the Eurostat website at:  
<http://ec.europa.eu/eurostat/>.

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