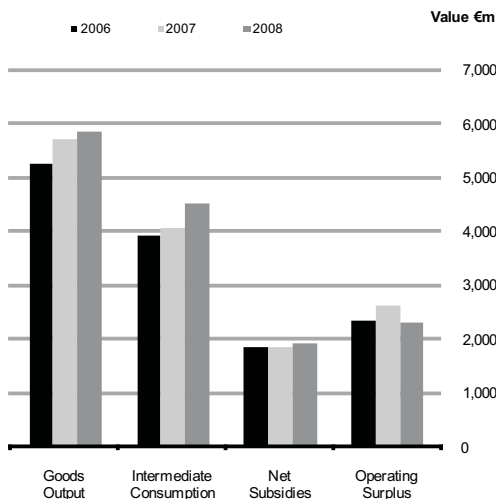




Output, Input and Income in Agriculture 2008 – Final Estimate

Selected Income Indicators



	Goods Output	Intermediate Consumption	Net Subsidies	Operating Surplus
2006	€5,239m	€3,902m	€1,821m	€2,319m
2007	€5,702m	€4,058m	€1,841m	€2,608m
2008	€5,822m	€4,516m	€1,906m	€2,299m
% Change (2007 on 2006)	+8.8%	+4.0%	+1.1%	+12.5%
% Change (2008 on 2007)	+2.1%	+11.3%	+3.5%	-11.8%

Agricultural income down 11.8%

Agricultural income (operating surplus) for 2008 shows an annual decrease of 11.8% before deductions for interest payments and land rental (see Table 1). This follows a 12.5% increase in 2007. The decrease of 11.8% in 2008 can be mostly attributed to an increase of 11.3% in Total Intermediate Consumption.

These figures replace the preliminary estimates published in February 2009. Actual outturn data are now used rather than the estimates used for the Preliminary accounts release.

Comparing 2008 with 2007 we see that:

- ◆ The value of goods output by the agriculture sector increased by 2.1% in 2008, or €120m.
- ◆ The value of cattle output increased by 11.0%, or €165m, due to an increase in prices during 2008.
- ◆ The value of pigs output increased by 13.8%, or €40m, due to an increase in both price and volume.
- ◆ The value of milk output decreased by 2.0%, or €34m. This was due to a price decrease during 2008.
- ◆ The value of cereals output decreased by 19.2%, or €46m. This arose from an increase in volume but a large decrease in price.
- ◆ Total Intermediate Consumption increased by 11.3%, or €458m, in 2008.

The EU figures on operating surplus in 2008 are given on page 8. The table shows a decrease of 5.8% between 2007 and 2008 across the 27 member states.

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Table 1 Output, Input and Income in Agriculture, 2004 - 2008

€m

Description	Estimated Value (at current prices)				
	2004	2005	2006	2007	2008
Livestock (incl. stock changes)	2,212.8	2,274.9	2,417.3	2,399.4	2,541.4
Cattle	1,346.1	1,413.2	1,501.7	1,502.7	1,668.0
Pigs	297.5	292.0	320.8	293.3	333.8
Sheep	200.4	191.8	190.5	182.2	171.4
Horses	217.6	234.0	263.4	269.3	216.8
Poultry	151.2	144.0	140.9	151.8	151.4
Livestock products	1,459.3	1,375.8	1,367.4	1,706.9	1,677.5
Milk	1,417.8	1,333.3	1,324.9	1,663.4	1,629.7
Other products	41.6	42.5	42.5	43.5	47.8
Crops (incl. stock changes)	1,350.6	1,380.4	1,453.9	1,595.5	1,603.6
Barley	98.6	67.2	85.1	137.7	116.2
Wheat	72.4	51.6	61.8	83.5	68.9
Oats	10.4	6.9	12.8	20.6	10.3
Potatoes	89.1	78.8	113.0	109.2	74.4
Sugar beet ¹	75.6	66.7	-	-	-
Mushrooms	114.7	110.0	99.9	99.6	102.8
Other fresh vegetables	84.1	89.3	89.0	93.8	93.7
Fresh fruit	28.9	34.0	40.8	33.0	33.2
Turf	33.5	37.1	35.9	32.8	33.2
Other crops	52.5	51.5	53.7	62.7	62.8
Forage plants	690.7	787.4	861.8	922.5	1,008.0
Goods output at producer prices	5,022.8	5,031.1	5,238.6	5,701.7	5,822.4
Contract work	261.1	270.1	271.5	288.3	288.2
Subsidies on products	912.1	453.4	3.8	0.7	32.4
Taxes on products	39.1	38.8	21.1	18.4	26.2
Agricultural output at basic prices	6,156.9	5,715.9	5,492.8	5,972.3	6,116.8

¹ Following reform of the EU sugar regime and the subsequent ending of sugar production in Ireland, the very small amount of sugar beet grown from 2006 is included in forage plants.

Table 1 Output, Input and Income in Agriculture, 2004 - 2008 (continued)

€m

	Estimated Value (at current prices)				
	2004	2005	2006	2007	2008
Agricultural output at basic prices	6,156.9	5,715.9	5,492.8	5,972.3	6,116.8
Intermediate consumption	3,516.1	3,674.0	3,901.5	4,058.4	4,516.4
Feedingstuffs	903.9	874.6	970.3	1,037.0	1,201.3
Fertilisers	358.0	363.3	379.5	358.8	507.1
Financial intermediation services indirectly measured (FISIM) ²	83.0	91.0	88.0	87.0	90.0
Seeds	84.3	85.9	93.2	106.5	109.3
Energy and lubricants	237.6	283.5	309.7	320.1	344.6
Maintenance and repairs	327.2	349.2	354.2	360.9	364.7
Services	284.5	288.0	308.2	294.2	294.1
Crop protection products	64.6	55.9	46.4	50.9	62.3
Veterinary pharmaceutical products	117.4	114.6	109.6	117.2	124.6
Other goods (detergents, small tools, etc.)	114.2	123.1	123.3	130.4	139.6
Forage plants	680.4	774.8	847.4	907.2	990.8
Contract work	261.1	270.1	271.5	288.3	288.2
Gross value added at basic prices	2,640.9	2,041.9	1,591.3	1,913.9	1,600.4
Fixed capital consumption	651.9	664.1	685.3	716.0	763.0
Machinery, equipment, etc.	442.5	447.9	455.8	470.0	494.7
Farm buildings	209.3	216.2	229.5	246.1	268.3
Net value added at basic prices	1,989.0	1,377.8	905.9	1,197.9	837.3
Other subsidies less taxes on production	592.4	1,685.7	1,838.5	1,858.8	1,899.9
Factor income	2,581.4	3,063.5	2,744.4	3,056.7	2,737.3
Compensation of employees	404.0	409.1	425.3	448.6	438.1
Operating surplus³	2,177.4	2,654.4	2,319.1	2,608.0	2,299.2

² FISIM : Financial Intermediation Services Indirectly Measured. (See Background Notes).

³ This is calculated before deduction of interest payments on borrowed capital and land rental paid by farmers to landowners.

The estimates for these items are:

Interest less

FISIM:- 2004, €195.5m; 2005, €211.4m; 2006, €284.6m; 2007, €368.8m; 2008, € 445.3m.

Land rental:- 2004, €171.8m; 2005, €159.5m; 2006, €152.8m; 2007, €149.1m; 2008, € 153.0m.

Table 2 Agricultural Output, 2004 - 2008

	Unit	Estimated Quantity				
		2004	2005	2006	2007	2008
Livestock¹ (incl. stock changes)						
Cattle	000	1,911	1,845	1,823	1,877	1,843
Pigs	000	3,177	3,016	3,038	2,992	3,119
Sheep	000	3,022	3,137	2,960	2,811	2,590
Poultry	000	64,417	64,768	65,150	69,458	65,963
Livestock products						
Milk	million litres	5,146	4,941	5,106	5,112	4,980
Eggs	million	588	665	704	634	626
Crops (incl. stock changes)						
Barley	000 tonnes	991	646	747	725	826
Wheat	000 tonnes	688	480	508	404	519
Oats	000 tonnes	104	63	100	109	80
Potatoes	000 tonnes	489	338	278	269	225
Sugar beet	000 tonnes	1,359	1,200	-	-	-
Mushrooms	000 tonnes	65	62	56	53	55
Turf	000 tonnes	447	436	454	416	421

¹ The output of cattle, sheep and pigs includes estimates for cross-border trade in live animals.

Table 3 Livestock and Crop Stock Changes, 2004 - 2008

Description	Unit	2004	2005	2006	2007	2008
Value	€m	- 19.2	- 14.8	- 122.4	- 90.8	6.6
Cattle	€m	- 9.8	- 19.3	- 99.5	- 59.3	10.8
Pigs	€m	- 0.5	- 3.1	- 1.6	- 3.1	3.0
Sheep	€m	- 16.2	- 17.1	- 21.2	- 18.1	- 8.0
Poultry	€m	- 1.0	- 5.4	- 5.4	- 2.2	- 4.4
Crops	€m	8.3	- 8.6	2.1	- 8.1	5.2
Number						
Cattle	000	- 17.0	- 14.7	- 190.1	- 99.4	32.5
Pigs	000	23.3	- 83.6	- 50.8	- 45.4	30.1
Sheep	000	- 293.4	- 299.6	- 430.7	- 295.8	- 107.6

Table 4 Selected Volume Indices, 2004 - 2008

Base year: 2000=100

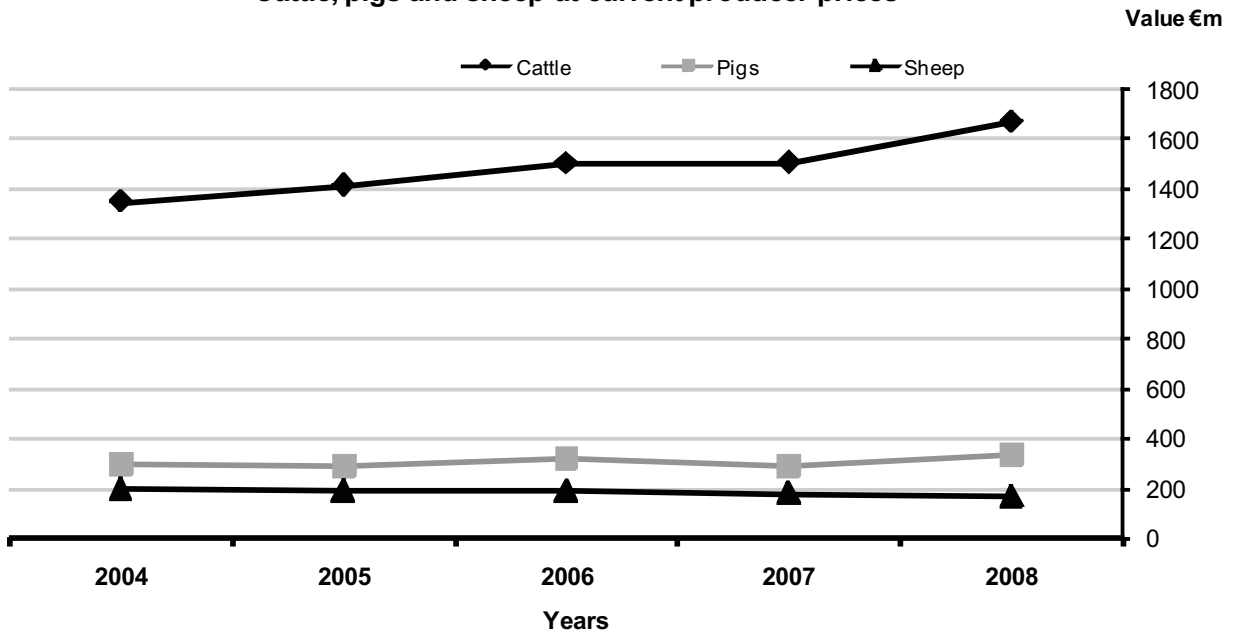
Description	2004	2005	2006	2007	2008
Goods output at producer prices	100.6	98.7	98.5	97.1	95.9
Livestock¹	99.7	98.3	97.5	100.0	98.0
Cattle	96.8	96.8	94.6	97.9	94.3
Pigs	97.7	97.6	100.1	96.8	101.0
Sheep	82.6	84.5	82.3	76.1	69.1
Horses	142.0	123.1	129.6	143.0	155.0
Poultry	109.5	106.7	107.4	112.8	104.0
Livestock products	100.5	96.4	100.0	98.9	95.7
Milk	100.5	96.1	99.7	98.8	95.6
Crops¹	102.2	102.0	98.5	89.9	92.5
Barley	91.1	59.0	67.7	65.4	77.1
Wheat	113.5	78.2	82.1	68.8	86.3
Potatoes	149.7	100.2	87.4	84.3	72.6
Sugar beet ²	95.9	84.5	0.0	0.0	0.0
Fresh vegetables	101.5	103.8	95.6	89.6	91.3
Intermediate consumption	96.2	99.1	102.0	97.9	97.5
Feedingstuffs	98.1	98.3	106.5	99.3	100.5
Fertilisers	88.7	84.5	82.1	76.5	72.9
Financial intermediation services indirectly measured (FISIM)	111.8	119.7	112.0	109.2	113.3
Seeds	142.9	154.9	204.8	241.4	225.4
Energy and lubricants	96.0	98.4	99.1	98.8	94.0
Maintenance and repairs	94.8	96.3	94.6	91.9	87.3
Other goods and services	97.9	103.7	108.0	108.9	110.7
Crop protection products	92.9	80.8	67.8	74.4	89.7
Veterinary pharmaceutical products	104.8	98.8	91.7	95.8	98.7
Gross value added at basic prices	107.8	87.4	61.4	63.7	64.2

¹Including changes in stocks² Following reform of the EU sugar regime and the subsequent ending of sugar production in Ireland, the very small amount of sugar beet grown from 2006 is included in forage plants.**Table 5 Subsidies on Products, 2004 - 2008**

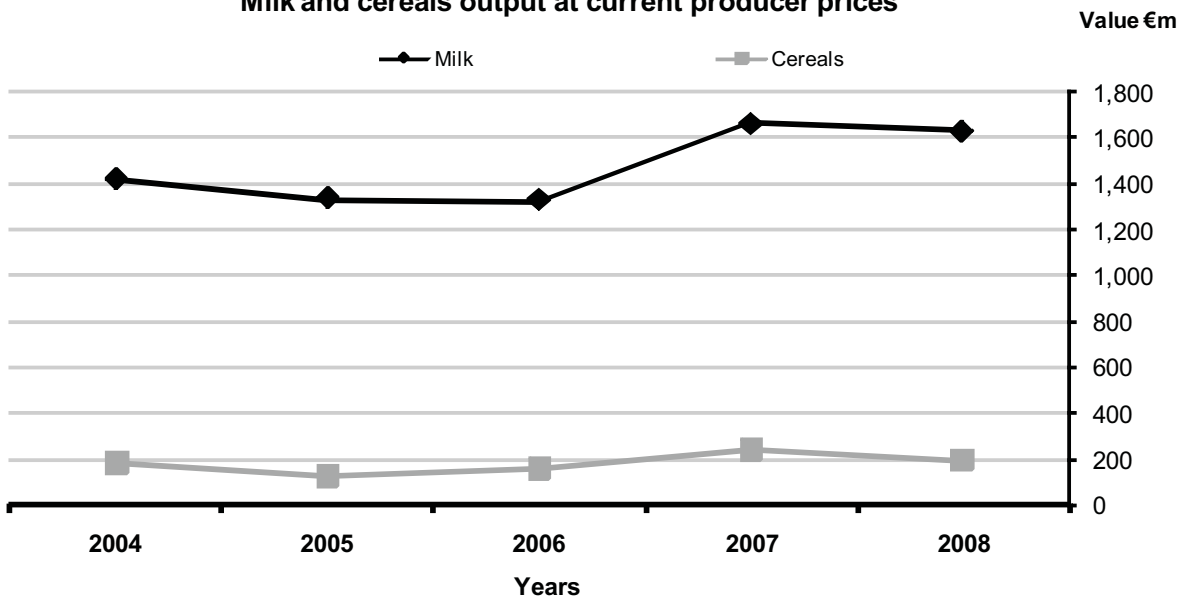
€m

Subsidy type	Estimated Value (at current prices)				
	2004	2005	2006	2007	2008
Subsidies on products	912.1	453.4	3.8	0.7	32.4
Cattle	625.5	438.8	3.4	0.6	32.3
Sheep	106.6	11.4	0.2	-	-
Cereals	112.2	1.8	-	-	-
Other subsidies on products	67.7	1.4	0.1	0.1	0.1

Cattle, pigs and sheep at current producer prices



Milk and cereals output at current producer prices



Background notes

- Introduction** This release contains final estimates of agricultural accounts for 2008. Three estimates are prepared in each 12-month period for the agricultural accounts. The first or advance estimates are generally released in early December of the reference year for which the accounts are prepared. In February of the year following the reference year preliminary estimates are prepared. These update the first estimates using the results of the December Livestock Survey and other updated data sources. In June of the year following the reference year the final estimates of the agricultural accounts are prepared. The estimates are based on a methodology arising from the revision of the System of National Accounts in 1995. For details of this methodology see the “Output, Input and Income in Agriculture” release of 2 July 2002. For details of data sources see the corresponding release of 24 June 2004.
- Producer price** This is the price received by the farmer. It is sometimes referred to as the farm-gate or ex-farm price. It excludes VAT.
- Subsidies and taxes on products** Subsidies and taxes on products are those paid or levied per unit on a good or service produced or imported. The subsidy or tax is typically a specific amount of money per unit of quantity of a good or service. Examples of subsidies on products are compensatory aid for arable crops and the special beef premium. The bovine disease eradication levy is an example of a tax on products. These subsidies and taxes are included in the calculation of output.
- Other subsidies and taxes on production** Other subsidies on production are subsidies other than those on products. Examples are the single payment scheme, the rural environmental protection scheme and the area based compensatory allowance scheme. Taxes on production consist of VAT over-/under-compensation from farmers who have opted for the flat rate VAT system, and motor taxation paid by farmers. Other subsidies less taxes on production are not included in the calculation of output, but are included in the calculation of operating surplus.
- Net subsidies** Net subsidies are subsidies on products plus subsidies on production less taxes on products and taxes on production.
- Basic price** The basic price corresponds to the producer price plus any subsidies directly linked to a product minus any taxes on products. VAT is excluded.
- Valuation of stock changes** For each category, the difference between closing year stocks and opening year stocks is valued at the average price for the year.
- Forage plants** The production of forage plants is valued as part of output. Silage and hay are the main items in this category. Direct sales of cereals between farms and use of cereals within farms are also included under forage plants. These items are also treated as intermediate consumption with minor exceptions, such as sales of straw to racing stables.
- Contract work** Activities performed by agricultural contractors directly linked to the production of agricultural products (for example harvesting) are an integral part of agriculture. The value of such work is included as output and also as intermediate consumption. Estimates of the input costs incurred by agricultural contractors in the provision of their agricultural service are included under the appropriate intermediate consumption categories, as well as in the compensation of employees figure.
- FISIM** Financial intermediaries (mainly banks) charge explicit commissions and fees for their services to customers, as well as implicit ones by paying and charging different rates of interest to borrowers and lenders. The revenue from the margin on lending and borrowing by financial intermediaries is described as financial intermediation services indirectly measured (FISIM). The inclusion of FISIM in the table is in line with recommended EU national accounting conventions. It is a reallocation to intermediate consumption of part of the interest paid by farmers. While the inclusion of FISIM increases intermediate consumption and decreases gross value added, it decreases, by the same amount, the figure shown for interest paid.
- Fixed capital consumption** This relates to the foreseeable wear and tear and obsolescence of fixed capital goods. It is calculated on the basis of the probable economic life of the asset. It is not calculated for breeding livestock or for non-produced assets such as land.

- Compensation of employees** This includes remuneration in cash and in kind. It does not include the remuneration of work undertaken by the farmer or by non-salaried family farm members.
- Operating surplus** The operating surplus figure is comprised of the operating surplus earned by farmers and that earned by agricultural contractors. The part earned by farmers is an approximation for the income indicator used under the old agriculture accounts methodology. It is calculated before deductions for interest payments on borrowed capital and before deductions for land annuities and for rent paid by farmers to landowners for the use of their land.
- Volume indices** These are calculated by applying base year prices (2000) to current year quantities. The volume index for 2008 is calculated by comparing the total value in 2008 at average 2000 prices against the total value in 2000 at average 2000 prices.

Operating Surplus, 2007 - 2008

Country	2007	2008	% change
European Union 27	102,676	96,738	-5.8
Austria	2,187	2,102	-3.9
Belgium	1,910	1,398	-26.8
Bulgaria	1,202	1,537	28.0
Cyprus	49	49	-1.0
Czech Republic	647	570	-11.8
Denmark	1,338	818	-38.9
Estonia	212	144	-31.8
Finland	1,357	1,123	-17.2
France	18,641	16,083	-13.7
Germany	10,230	9,189	-10.2
Greece	6,713	6,311	-6.0
Hungary	1,667	2,066	23.9
Ireland	2,608	2,299	-11.8
Italy	8,892	9,327	4.9
Latvia	365	296	-18.9
Lithuania	446	410	-8.2
Luxembourg	96	82	-14.9
Malta	60	53	-11.4
Netherlands	3,946	3,124	-20.8
Poland	7,483	6,747	-9.8
Portugal	1,470	1,481	0.8
Romania	2,662	3,790	42.4
Slovak Republic	171	198	16.0
Slovenia	371	343	-7.6
Spain	20,742	19,407	-6.4
Sweden	1,344	1,210	10.0
United Kingdom	5,866	6,578	12.1

Source: Eurostat website <http://epp.eurostat.eu> and national data