

This documentation applies to the reporting period:
2014 - present

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Table of Contents

Overview.....	1
Methods used for the Computation of Output Values and Input Costs.....	1
a. Livestock.....	1
b. Milk.....	1
c. Vegetables, Fruit, Honey.....	1
d. Cereals.....	1
e. Forage Plants.....	2
f. Fertilisers and Feedingstuffs.....	2
g. Crop Protection Products and Pharmaceuticals.....	2
h. Expenditure on Energy, Maintenance & Repairs, Veterinary Fees and Other Goods & Services.....	2
Values at Previous and Base Year Prices; Volume Indices.....	2
<i>Annex 1 - Main Variables and Accounting Concepts.....</i>	<i>3</i>
Producer Price.....	3
Basic Price.....	3
Goods Output at Producer Prices.....	3
Contract Work.....	3
Subsidies and Taxes on Products.....	3
Agricultural Output at Basic Prices.....	3
Intermediate Consumption.....	3
Forage Plants.....	3
FISIM (Financial Intermediation Services Indirectly Measured).....	3
Gross Value Added at Basic Prices.....	4
Fixed Capital Consumption.....	4
Net Value Added at Basic Prices.....	4
Other Subsidies and Taxes on Production.....	4
Factor Income.....	4
Compensation of Employees.....	4
Operating Surplus.....	4
Entrepreneurial Income.....	4
Net Subsidies.....	4
Valuation of Stock Changes.....	4
Volume Indices.....	4
<i>Annex 2 - Data Sources.....</i>	<i>6</i>

Overview

The “Output, Input & Income in Agriculture” release provides detailed estimates of major items of agricultural accounts such as outputs, input costs, gross and net value added and operating surplus. Irish agricultural accounts meet both national and EU requirements and are part of the Economic Accounts of Agriculture (EAA) framework. Published estimates are prepared under Regulation (EC) No 138/2004 of 5 December 2003, which sets the scope and main methodological approaches. Further changes in international methodology were introduced by the acceptance of new European System of Accounts (ESA 2010), but these had little or no effect on the published estimates.

▪ *See Annex 1 for definitions of the main terms and concepts.*

The estimates are based on data from a combination of sources including administrative data, industry sources and several statistical surveys. These surveys are conducted by the CSO, Department of Agriculture, Food and the Marine (DAFM) and Teagasc.

▪ *See Annex 2 for details.*

Methods used for the Computation of Output Values and Input Costs

Different methods of estimating output values and input costs are used in preparing the accounts, depending on the availability and periodicity of price, volume or value data.

For certain items of output, gross volume and value data is available for use in the production of accounts without further processing.

Alternatively, volume and price data may be available. The value is then obtained as a product of volume and price:

$$\text{Value} = \text{Volume} * \text{Price}$$

This method is referred to below as the ‘production method’.

For some items of intermediate consumption, including expenditure on electricity, maintenance and repairs etc., obtaining accurate volume data is difficult, but average expenditure by farm type and size is available from Teagasc’s National Farm Survey (NFS). For such items, ‘grossing’ is applied which means multiplying average expenses by the number of farms in the category and summing up to obtain the overall total.

The methodology used for major inputs and outputs is described below:

a. Livestock:

The ‘production method’ is used to estimate slaughtering, trade in live animals and change in stocks. The total output is calculated as follows:

$$\text{Slaughtering} + \text{Live Exports} - \text{Live Imports} + \text{Change in Stocks} = \text{Total Output at Producer Prices}$$

b. Milk:

Intake volumes and prices are available. The ‘production method’ is used to estimate the value of output.

c. Vegetables, Fruit, Honey:

The total annual volume and value of commercial sales are provided directly by DAFM.

d. Cereals:

The total annual volume and value of commercial sales are provided directly by DAFM, and the commercial price per unit is simply value divided by volume.

Only commercial sales are included under the ‘Cereals’ heading in the publication.

On-farm consumption is included under the heading of ‘Forage Plants’.

e. Forage Plants:

'Forage plants' includes the value of on-farm consumption of cereals plus estimates of the production of fodder crops such as grass and maize silage, hay, straw and fodder beet. Estimates are obtained using the 'production method'.

The total harvest for each cereal is estimated as a product of area planted by average yield. The volume is then derived from the following equation:

$$\text{Total harvest} = \text{Commercial sales} + \text{On-farm consumption} + \text{Change in stocks}$$

The calculated volume of on farm consumption of cereals is valued at a reduced price equal to 80% of the commercial price.

The total volume of fodder crops produced is estimated as a product of the area of land utilised multiplied by the average yield. The value is computed using these estimated volumes and the average prices obtained from either the results of the National Farm Survey (NFS) or directly from Teagasc's crop experts.

$$\text{Value} = \text{Area planted} * \text{Yield} * \text{Price}$$

f. Fertilisers and Feedingstuffs:

Quarterly data on the volume consumed and price of different types of fertilisers and feeding stuffs is available. Total expenditure is calculated by multiplying volumes and prices and aggregating by the type of product.

g. Crop Protection Products and Pharmaceuticals:

Up to 2016, data from the 'Animal and Plant Health Association' (APHA) was used for both the volume and value of crop protection products and pharmaceuticals sold in the country by its members during the year together with an estimate of its market share. Combined, these provided an estimate of the total value of these goods.

From 2017 onwards, as APHA was no longer able to provide us with data, Teagasc's NFS data was substituted and grossed for national totals.

h. Expenditure on Energy, Maintenance & Repairs, Veterinary Expenses, and Other Goods & Services:

The NFS provides estimates of average expenditure per farm, stratified by farm type and size. To estimate the total value of these inputs, the average costs per farm per the NFS are grossed up by the number of agricultural holdings recorded in each stratum at the latest Census of Agriculture. As the NFS does not cover pig farms and given that the structure of expenditure on pig farms is considerably different from other farms, separate calculations are carried out to estimate the costs incurred on pig farms.

Values at Previous and Base Year Prices; Volume Indices

Apart from values at current prices, two other values are computed for each accounting item, namely value at previous year's prices and at constant prices. These are calculated using the current year's volume and prices from both the previous year and base year. Comparing values at constant prices allows one to estimate the performance of the agricultural sector not only in value but also in volume terms, i.e. to negate to some degree the effect of price changes. In practice, the results are presented as volume indices, an example of which is as follows:

$$\text{Volume Index 2023 at Base 2020} = \text{Value of 2023 volumes at 2020 prices} / \text{Value of 2020 volumes at 2020 prices}$$

Comparing values at constant prices allows one to estimate the performance of the agricultural sector in terms of production volumes.

Annex 1 - Main Variables and Accounting Concepts

Producer Price

This is the price received by farmers for their agricultural produce. It is sometimes referred to as the farm-gate or ex-farm price. It excludes VAT.

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.

Goods Output at Producer Prices

This is the total output of goods produced and sold by the agricultural sector during the year valued at producer prices. It does not include the value of any services provided, i.e. it excludes contract work.

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 both an output and an item of intermediate consumption. Estimates of the input costs incurred by agricultural contractors in the provision of agricultural services are included under the appropriate intermediate consumption categories as well as in the compensation of employees' figure.

Subsidies and Taxes on Products

Subsidies and taxes on agricultural products are those paid or levied per unit of a good or service produced or exported. Examples of subsidies on products are the Suckler Carbon Efficiency Programme (SCEP) and the Sheep Improvement Scheme. The Bovine Tuberculosis (TB) Eradication Scheme levy is an example of a tax on products. While all other items in this set of accounts are valued on an accruals basis, the value of subsidies on products is based on the actual sum received by the agricultural sector during the year.

Agricultural Output at Basic Prices

This is a sum of 'goods output at producer prices' plus the value of services provided (contract work) plus subsidies on products less taxes on products.

Intermediate Consumption

This is the value of all goods and services used as inputs in the production process, excluding fixed assets (capital goods) which are recorded as fixed capital consumption (depreciation). Intermediate consumption excludes newly acquired or existing fixed assets, e.g. tractors, agricultural machinery etc. These are recorded as gross fixed capital formation (GFCF). Intermediate consumption includes expenditure on contract work and forage plants, even if they are consumed within the same agricultural holding.

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 the consumption of cereals within farms are also included under forage plants. These items are also treated as intermediate consumption with minor exceptions such as the sale of straw to racing stables.

FISIM (Financial Intermediation Services Indirectly Measured)

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. The inclusion of FISIM in the table is in line with the 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 will increase intermediate consumption and

decrease gross value added, it will decrease, by the same amount, the figure shown for interest paid.

Gross Value Added at Basic Prices

This is the difference between output at basic prices and intermediate consumption. It is a measure of gross income before depreciation, subsidies on production, taxes on production and compensation of employees.

Fixed Capital Consumption

This refers 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.

Net Value Added at Basic Prices

Net value added is calculated by subtracting expenditure on fixed capital consumption (depreciation) from gross value added.

Other Subsidies and Taxes on Production

Other subsidies on production are subsidies other than those on products.

Examples are the Basic Income Support for Sustainability (BISS) Scheme and the Areas of Natural Constraints scheme. Subsidies on production also include any VAT overcompensation that may arise under the flat rate farmers' scheme. While all other items in this set of accounts are valued on an accruals basis, the value of other subsidies on production (excluding any VAT overcompensation) is based on the actual sum received by the agricultural sector during the year. Taxes on production consist of motor and machinery tax paid by farmers. If the operation of the farmers' flat rate scheme results in an under compensation of VAT, this is also included as a 'tax on production'. Other subsidies less taxes on production are not included in the calculation of output but are included in the calculation of factor income and operating surplus.

Factor Income

Factor income is the sum of net value added at basic Prices plus other subsidies on production less taxes on production. It is sometimes referred to as 'value added at factor cost'.

Compensation of Employees

This includes remuneration in cash and in kind. It does not include the remuneration of work undertaken by the farm owner or by non-salaried family members.

Operating Surplus

The operating surplus is calculated by subtracting compensation of employees from factor income. The figure is comprised of the operating surplus earned by farmers and that earned by agricultural contractors. It is an estimate of income before deductions for net interest payments on borrowed capital, land annuities and rent paid by farmers to landowners for the use of their land.

Entrepreneurial Income

Entrepreneurial income is comprised of operating surplus less net interest payments on borrowed capital and land rental paid by farmers to landowners.

Net Subsidies

Net subsidies is the combined value of subsidies less taxes on products plus other subsidies less taxes on production.

Valuation of Stock Changes

For each category, the difference between closing year stocks and opening year stocks is valued at the average producer price for the year.

Volume Indices

To obtain these, all items of output and input are valued at constant base year prices (*currently 2020*) by applying base year prices to current year quantities. For example, the

volume index for 2023 can be calculated by comparing the value of 2023 volumes at average 2020 prices to the value in 2020 volumes at average 2020 prices. Volume indices allow one to estimate the changes that would have occurred in production and expenditure if there were no price changes since the base year and separate the effects of volume and price changes on output, input and income.

Annex 2 - Data Sources

Item	Data source for quantity	Data source for price / value	Frequency
Cattle 1. Slaughtering (head numbers and weight) 2. Live exports 3. Live imports 4. Change in stock numbers Total output at producer prices = 1+2-3+4	DAFM survey of export factories CSO survey of Local Authorities DAFM DAFM DAFM - Animal Identification and Movement	DAFM beef price-reporting scheme DAFM beef price-reporting scheme 2018 onwards: CSO price statistics (survey of livestock marts) Pre-2018: CSO trade statistics CSO price statistics (survey of livestock marts) CSO price statistics (survey of livestock marts)	Monthly Monthly Annual Annual Quarterly
Pigs 1. Slaughtering (head numbers and weight) 2. Live exports 3. Live imports 4. Change in stock numbers Total output at producer prices = 1+2-3+4	DAFM survey of export factories CSO survey of Local Authorities DAFM DAFM CSO December Agriculture Survey	DAFM / CSO price statistics DAFM / CSO price statistics CSO estimate based on meat price CSO estimate based on meat price CSO estimate based on meat price	Monthly Monthly Annual Annual Annual
Sheep 1. Slaughtering (head numbers and weight) 2. Live exports 3. Live imports 4. Change in stock numbers Total output at producer prices = 1+2-3+4	DAFM survey of export factories CSO survey of Local Authorities DAFM DAFM CSO December Agriculture Survey	DAFM DAFM CSO price statistics (survey of livestock marts) CSO price statistics (survey of livestock marts) CSO price statistics (survey of livestock marts)	Monthly Monthly Annual Annual Annual
Horses 1. Thoroughbred Horses (public sales) 2. Thoroughbred horses (private sales) Total output at producer prices = 1+2	Public selling points (e.g. Goffs and Tattersalls) CSO estimate	Public selling points CSO estimate	Annual Annual
Poultry 1. Slaughtering (head numbers and weight) 2. Live exports (includes chicks and hatching) 3. Live imports (includes chicks and hatching) 4. Change in stock numbers Total output at basic prices = 1+2-3+4	DAFM survey of factories CSO trade statistics CSO trade statistics CSO Farm Structure Survey/Census of Agriculture	DAFM CSO trade statistics CSO trade statistics CSO estimate based on meat price	Monthly Annual Annual Once in 3yrs

Item	Data source for quantity	Data source for price / value	Frequency
Milk 1. Domestic intake 2. Own Consumption Total output at producer prices = 1+2	CSO monthly survey of processors CSO estimate	CSO price statistics (survey of processors) CSO price statistics (survey of processors)	Monthly Annual
Eggs 1. Home sales 2. Own Consumption 3. Exports Total output at producer prices = 1+2+3	DAFM survey of egg producers CSO estimate CSO trade statistics	DAFM DAFM CSO trade statistics	Annual Annual Annual
Wool Total output at producer prices	Sheep numbers - CSO June Agriculture Survey Average fleece weights - Teagasc	CSO price statistics (survey of merchants)	Annual
Honey Total output at producer prices	DAFM	DAFM	Annual
Cereals 1. Commercial sales 2. Changes in stocks Total output at producer prices = 1+2	DAFM CSO December Agriculture Survey/CSO Estimate	DAFM DAFM	Annual Annual
Potatoes 1. Home sales 2. Own Consumption Total output at producer prices = 1+2	Area data - CSO June Agriculture Survey Yields - Teagasc CSO estimate	DAFM / CSO price statistics DAFM / CSO price statistics	Annual/Monthly Annual
Vegetables 1. Commercial Sales 2. Own Consumption Total output at producer prices = 1+2	DAFM CSO estimate	DAFM DAFM	Annual Annual
Fruit 1. Commercial Sales 2. Own Consumption Total output at producer prices = 1+2	DAFM CSO estimate	DAFM DAFM	Annual Annual
Other Crops (Nursery Plants etc.) Total output at producer prices	DAFM	DAFM	Annual

Item	Data source for quantity	Data source for price / value	Frequency
Fodder Crops / Forage Plants			
1. Cereals	(a) Area data - CSO June Agriculture Survey (b) Yields - Teagasc (c) Commercial Sales - DAFM Fodder cereals = (a)*(b) – (c)	CSO estimate based on commercial price	Annual
2. Other crops (silage, hay etc.)	Area data - CSO June Agriculture Survey/DAFM Yields - Teagasc NFS	Teagasc National Farm Survey (NFS) Or Teagasc Crop Experts	Annual
Total output at producer prices = 1+2			
Agricultural Services – Contract Work	Teagasc NFS CSO Farm Structure Survey/Census of Agriculture	Teagasc NFS	Annual
Subsidies on Products and Production	DAFM	DAFM	Annual
Taxes on Products	DAFM and Bord Bia	DAFM and Bord Bia	Annual
Feedingstuffs			
1. Straight feeding stuffs	DAFM	CSO price statistics (survey of merchants)	Quarterly
2. Compound feeding stuffs	DAFM	CSO price statistics (survey of merchants)	Quarterly
3. Forage plants	<i>See Fodder Crops above</i>	<i>See Fodder Crops above</i>	
Total expenditure = 1+2+3			
Fertilisers			
1. Straight fertilisers	DAFM	CSO price statistics (survey of merchants)	Quarterly
2. Compound fertilisers	DAFM	CSO price statistics (survey of merchants)	Quarterly
Total expenditure = 1+2			
FISIM	2017 onwards: Central Bank of Ireland CSO National Accounts division Pre-2017: CSO National Accounts division	2017 onwards: Central Bank of Ireland CSO National Accounts division Pre-2017: CSO National Accounts division	Quarterly Annual Annual
Seeds			
1. Cereal seeds (domestic and imported)	DAFM	CSO price statistics (survey of merchants)	Annual
2. Potato seed (domestic and imported)	DAFM and CSO trade statistics	CSO price and trade statistics	Annual
3. Horticulture and grass seed	CSO trade statistics	CSO trade statistics	Annual
Total Seeds = 1+2+3			
Energy & Lubricants	CSO Farm Structure Survey/Census of Agriculture	Teagasc NFS	Annual
Maintenance & Repairs	CSO Farm Structure Survey/Census of Agriculture	Teagasc NFS	Annual

Item	Data source for quantity	Data source for price / value	Frequency
Other Goods & Services 1. Artificial insemination 2. Teagasc advisory fees and levies 3. Producer protection 4. Post and telephone 5. Insurance 6. Other overheads Total other goods and services = 1+2+3+4+5+6	DAFM Teagasc Farm organisations CSO Farm Structure Survey/Census of Agriculture CSO Farm Structure Survey/Census of Agriculture CSO Farm Structure Survey/Census of Agriculture	CSO price statistics (survey of AI stations) Teagasc Farm organisations Teagasc NFS Teagasc NFS Teagasc NFS	Annual Annual Annual Annual Annual Annual
Crop Protection	2017 onwards: CSO FSS/Census of Agriculture Pre-2017: Animal and Plant Health Association	2017 onwards: Teagasc NFS Pre-2017: Animal and Plant Health	Annual Annual
Veterinary Expenses 1. Veterinary fees 2. Pharmaceuticals (<i>available only for years up to</i> Total veterinary expenses = 1+2	CSO Farm Structure Survey/Census of Agriculture Animal and Plant Health Association (APHA)	Teagasc NFS Animal and Plant Health Association (APHA)	Annual Annual
Fixed Capital Consumption 1. Buildings 2. Machinery and equipment Total fixed capital consumption = 1+2	CSO National Accounts division CSO National Accounts division	CSO National Accounts division CSO National Accounts division	Annual Annual
Other Taxes on Production 1. Motor tax 2. VAT over/under compensation Total other taxes on production = 1+2	CSO Farm Structure Survey/Census of Agriculture	Teagasc NFS CSO estimate	Annual Annual
Compensation of Employees	CSO Farm Structure Survey/Census of Agriculture	CSO estimate	Annual
Interest Paid/Net Interest	2017 onwards: Central Bank of Ireland CSO National Accounts division Pre-2017: Central Bank of Ireland Rabobank & other commercial banks	2017 onwards: Central Bank of Ireland CSO National Accounts Pre-2017: Central Bank of Ireland Rabobank & other commercial	Quarterly Annual Quarterly Annual
Land rent	CSO June Agriculture Survey	Teagasc NFS	Annual