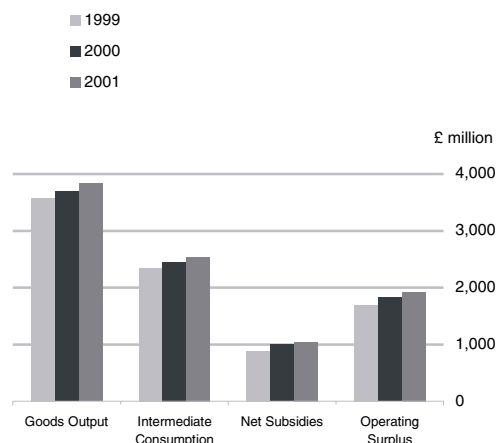




Central Statistics Office
An Phríomh-Oifig Staidrimh

7 December 2001

Selected Income Indicators



Output, Input and Income in Agriculture 2001- Advance Estimate

	Goods Output	Intermediate Consumption	Net Subsidies	Operating Surplus
2000	£3,696m	£2,449m	£998m	£1,824m
2001	£3,835m	£2,540m	£1,044m	£1,921m
% change	3.8%	3.7%	4.6%	5.3%

Agricultural income up 5.3%

A provisional estimate shows that agricultural income in 2001 rose by 5.3% before deductions for interest payments and land rental. See Table 1.

The value of sheep output increased by 37.0% (£60m), pigs by 20.6% (£44m) and milk by 6.8% (£77m).

A comparison of the 2000 and the 2001 figures shows that (*see Table 1*):

- The output value of cattle decreased by 5.0% or £55m.
- The value of cereals output decreased by 5.9% (£8.6m) while that of root crops increased by 10% (£11m).
- The cost of feedingstuffs increased by 4.3% (£28m) while the cost of fertilisers increased by 4.1% (£11m).

The volume index of subsidies less taxes on products decreased by 28.4%. The introduction in 2001 of the area based compensatory allowance scheme (mainly for cattle and sheep) resulted in payments which were previously classified as subsidies on products now being classified as subsidies on production.

Estimates for Operating Surplus for 1999 and 2000 for all EU countries are given on page 4 in euro.

The estimates for 2001 are provisional. Updated figures for 2001 will be published in February 2002 incorporating the results from the December livestock survey.

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Ref 261/2001

ISSN 1393-5577

Table 1 Output, Input and Income in Agriculture, 2001*Advance estimate*

Description	Estimated Value			Change 2001/2000	
	1999	2000	2001	Value	Volume
	£m			Percent	
Livestock (incl. stock changes)	1,634.7	1,695.8	1,743.7	2.8%	1.5%
of which: cattle	1,055.3	1,080.6	1,026.1	-5.0%	1.8%
pigs	182.2	214.1	258.1	20.6%	3.8%
sheep	157.7	161.6	221.3	37.0%	-5.9%
Livestock Products	1,133.2	1,167.1	1,242.6	6.5%	2.2%
of which: milk	1,110.8	1,137.8	1,214.8	6.8%	2.3%
Crops (incl. stock changes ¹)	807.2	832.9	849.1	1.9%	0.5%
of which: cereals	129.2	145.8	137.2	-5.9%	-9.3%
root crops	136.1	113.0	124.3	10.0%	-7.7%
forage plants	345.3	364.8	373.2	2.3%	9.0%
Goods output at producer prices	3,575.1	3,695.8	3,835.4	3.8%	1.5%
Contract Work	214.9	216.8	229.5	5.9%	-1.7%
Subsidies less taxes on products	563.2	664.4	528.2	-20.5%	-28.4%
Agricultural output at basic prices	4,353.2	4,577.0	4,593.1	0.4%	-2.4%
Intermediate consumption	2,347.5	2,448.9	2,539.9	3.7%	1.4%
of which: feedingstuffs	676.9	653.3	681.6	4.3%	0.0%
fertilisers	266.5	265.2	276.0	4.1%	-10.6%
energy and lubricants	268.9	354.3	376.8	6.3%	8.1%
forage plants	342.1	361.4	369.8	2.3%	9.1%
contract work	214.9	216.8	229.5	5.9%	-1.7%
Gross value added at basic prices	2,005.7	2,128.2	2,053.1	-3.5%	
Fixed capital consumption	428.2	438.4	447.6	2.1%	
Net value added at basic prices	1,577.5	1,689.7	1,605.6	-5.0%	
Other subsidies less taxes on production	321.0	333.9	516.1	54.6%	
Factor income	1,898.5	2,023.7	2,121.6	4.8%	
Compensation of employees	201.9	200.0	200.9	0.5%	
Operating surplus²	1,696.6	1,823.7	1,920.7	5.3%	

¹Principally cereals and potatoes²This 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:- 1999, £186.7m; 2000, £214.4m; 2001, £219.7m

Land rental:- 1999, £127.0m; 2000, £144.4m; 2001, £148.7m

Background notes

Introduction	This release contains advance estimates of agricultural accounts for 2001. The estimates are based on a new methodology arising from the revision of the System of National Accounts in 1995. The new methodology (which came into effect in 2000) introduced a number of important changes including an updating of the base year from 1990 to 1995 for the calculation of volume changes. New items such as forage plants and the work of agricultural contractors have been included in the methodology.
Methodology article and 1990-1994 estimates	As part of the introduction of the new methodology and rebasing to 1995, a full review of the sources for the figures has been conducted. A detailed methodological article will be published in the coming months. This article will include retrospective estimates back to 1990.
National farm	The concept of the 'National farm' has been dropped. With this change, certain transactions between farms and between different enterprises within the same farm are now valued as both output and intermediate consumption.
Producer prices	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 on products	Subsidies on products are subsidies payable per unit on a good or service produced or imported. The subsidy is typically a specific amount of money per unit of quantity of a good or service. Examples are compensatory aid for arable crops, premiums for suckler cows and special premiums, and premiums for ewes.
Other subsidies on production	Other subsidies on production consist of all other subsidies. Examples are land set-aside, rural environment protection scheme, area based compensatory allowance scheme and extensification premiums.
Net subsidies	Net subsidies are total subsidies less total taxes.
Basic prices	Output is valued at basic prices. The basic price corresponds to the producer (ex-farm price) plus any subsidies directly linked to a product minus any taxes on products. VAT is excluded. Other subsidies and taxes on production are not included in output.
Forage plants	The production of forage plants is valued as a 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 related to the production of agricultural products (e.g. harvesting) are an integral part of agriculture. The value of such work is included as output and also as intermediate consumption.
Fixed capital consumption	This relates to 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	This indicator is an approximation for the income indicator used under the old agricultural 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.

Land rental	Land rental mainly corresponds to rents paid by farmers to the landowners. Rentals for under and over one year are included.
Interest paid	This concerns interest payable on a capital loan granted to finance agricultural activity.
Entrepreneurial income	Entrepreneurial income is calculated by deducting interest and land rental from operating surplus.
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. For example, the stock change for barley is calculated by subtracting the quantity of barley held on the farm at the end of the previous year from the quantity held at the end of the current year. The valuation of changes in stocks of livestock that are still work-in-progress animals can be difficult to estimate. The price used reflects the cost of production plus a mark-up for the estimated operating surplus.
Volume indices	These are calculated by applying base year prices (1995) to current year quantities. The volume index for 2001 is calculated by comparing the total value in 2001 at average 1995 prices against the total value in 1995 at average 1995 prices.
Price indices	These are calculated by dividing the value index by the volume index.

Operating Surplus, 1999 - 2000.

Country	€ million		
	1999	2000	% change
European Union	88,591	91,397	3.2%
Austria	1,892	1,924	1.7%
Belgium	1,651	1,846	11.8%
Denmark	1,643	2,097	27.6%
Finland	1,232	1,434	16.4%
France	19,175	18,829	-1.8%
Germany	6,501	9,810	50.9%
Greece	7,429	7,257	-2.3%
Ireland	2,155	2,316	7.5%
Italy	16,471	15,417	-6.4%
Luxembourg	92	97	5.4%
Netherlands	4,243	4,112	-3.1%
Portugal	2,242	1,933	-13.8%
Spain	17,328	18,016	4.0%
Sweden	1,016	1,149	13.1%
United Kingdom	5,521	5,160	-6.5%

Source: Eurostat