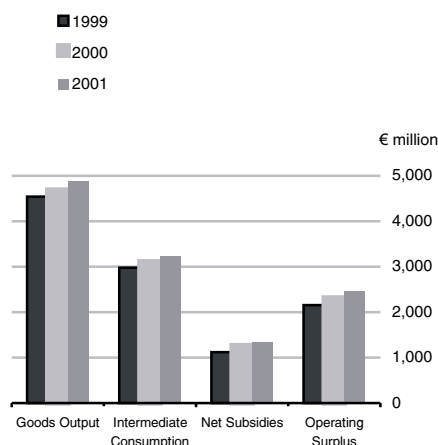




**Central Statistics Office**  
An Phríomh-Oifig Staidrimh

7 February 2002

## Selected Income Indicators



## Output, Input and Income in Agriculture 2001- Preliminary estimate

	Goods Output	Intermediate Consumption	Net Subsidies	Operating Surplus
<b>2000</b>	€4,693m	€3,109m	€1,268m	€2,316m
<b>2001</b>	€4,876m	€3,236m	€1,343m	€2,451m
<b>% change</b>	3.9%	4.1%	5.9%	5.8%

### Agricultural income up 5.8%

The preliminary estimate shows that agricultural income for 2001 rose by 5.8% before deductions for interest payments and land rental. *See Table 1.*

The output value of cattle decreased by 8.7% (€119m) while that of milk increased by 7.9% (€115m). The value of sheep output increased by 38.3% (€78.5m) and that of pigs by 19.4% (€53m).

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

- The value of cereals output increased by 4.6% (€8.5m) while that of root crops increased by 18.1% (€26m).
- The cost of feedingstuffs increased by 5.6% (€47m). The cost of fertilisers increased by 4.1% (€14m), but the volume of fertilisers consumed in farming fell by 10.6%.

The value of subsidies less taxes on products decreased by 17.3%. The value of other subsidies less taxes on production increased by 52.2%. 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.

These estimates for 2001 are provisional. They replace the advance estimates published in December 2001. Further updated figures will be published in mid-2002.

Estimates for Operating Surplus for 2000 and 2001 for all EU countries are given on page 4.

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

Description	Estimated Value			Change 2001/2000	
	1999	2000	2001	Value	Volume
	€m			Percent	
<b>Livestock</b> (incl. stock changes)	<b>2,075.7</b>	<b>2,153.2</b>	<b>2,169.8</b>	<b>0.8%</b>	<b>-0.3%</b>
of which: cattle	1,340.0	1,372.1	1,252.9	-8.7%	-1.2%
pigs	231.3	271.9	324.7	19.4%	3.1%
sheep	200.2	205.2	283.7	38.3%	-4.3%
<b>Livestock Products</b>	<b>1,438.8</b>	<b>1,481.9</b>	<b>1,594.7</b>	<b>7.6%</b>	<b>3.2%</b>
of which: milk	1,410.5	1,444.7	1,559.4	7.9%	3.4%
<b>Crops</b> (incl. stock changes <sup>1</sup> )	<b>1,024.9</b>	<b>1,057.6</b>	<b>1,111.4</b>	<b>5.1%</b>	<b>3.4%</b>
of which: cereals	164.1	185.1	193.6	4.6%	-1.0%
root crops	172.8	143.4	169.4	18.1%	-2.2%
forage plants	438.5	463.2	473.8	2.3%	9.0%
<b>Goods output at producer prices</b>	<b>4,539.4</b>	<b>4,692.8</b>	<b>4,875.9</b>	<b>3.9%</b>	<b>1.6%</b>
Contract Work	272.9	275.2	291.4	5.9%	-1.7%
Subsidies less taxes on products	715.1	843.6	697.5	-17.3%	-26.1%
<b>Agricultural output at basic prices</b>	<b>5,527.4</b>	<b>5,811.6</b>	<b>5,864.8</b>	<b>0.9%</b>	<b>-2.1%</b>
<b>Intermediate consumption</b>	<b>2,980.7</b>	<b>3,109.4</b>	<b>3,235.5</b>	<b>4.1%</b>	<b>1.9%</b>
of which: feedingstuffs	859.5	829.5	876.3	5.6%	1.4%
fertilisers	338.3	336.7	350.4	4.1%	-10.6%
energy and lubricants	341.4	449.9	469.6	4.4%	6.4%
forage plants	434.3	458.9	469.6	2.3%	9.1%
contract work	272.9	275.2	291.4	5.9%	-1.7%
<b>Gross value added at basic prices</b>	<b>2,546.7</b>	<b>2,702.2</b>	<b>2,629.3</b>	<b>-2.7%</b>	
Fixed capital consumption	543.7	556.7	568.3	2.1%	
<b>Net value added at basic prices</b>	<b>2,003.0</b>	<b>2,145.5</b>	<b>2,061.0</b>	<b>-3.9%</b>	
Other subsidies less taxes on production	407.6	424.0	645.1	52.2%	
<b>Factor income</b>	<b>2,410.6</b>	<b>2,569.5</b>	<b>2,706.1</b>	<b>5.3%</b>	
Compensation of employees	256.3	253.9	255.1	0.5%	
<b>Operating surplus<sup>2</sup></b>	<b>2,154.2</b>	<b>2,315.6</b>	<b>2,451.0</b>	<b>5.8%</b>	

<sup>1</sup> Principally cereals and potatoes<sup>2</sup> 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:- 1999, €237.1m; 2000, €272.2m; 2001, €279.0m

Land rental:- 1999, €161.3m; 2000, €183.4m; 2001, €188.8m

## Background notes

<b>Introduction</b>	This release contains provisional 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 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.
<b>Methodology article and 1990-1994 estimates</b>	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.
<b>National farm</b>	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.
<b>Producer prices</b>	This is the price received by the farmer. It is sometimes referred to as the farm-gate or ex-farm price. It excludes VAT.
<b>Subsidies on products</b>	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.
<b>Other subsidies on production</b>	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.
<b>Net subsidies</b>	Net subsidies are total subsidies less total taxes.
<b>Basic prices</b>	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.
<b>Forage plants</b>	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.
<b>Contract work</b>	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.
<b>Fixed capital consumption</b>	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.
<b>Compensation of employees</b>	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.
<b>Operating surplus</b>	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.

<b>Land rental</b>	Land rental mainly corresponds to rents paid by farmers to the landowners. Rentals for under and over one year are included.
<b>Interest paid</b>	This concerns interest payable on a capital loan granted to finance agricultural activity.
<b>Entrepreneurial income</b>	Entrepreneurial income is calculated by deducting interest and land rental from operating surplus.
<b>Valuation of stock changes</b>	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.
<b>Volume indices</b>	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.

**Operating Surplus, 2001.**

Country	€ million		
	2000	2001	% change
<b>European Union</b>	<b>89,443</b>	<b>92,591</b>	<b>3.5%</b>
Austria	1,757	1,933	10.0%
Belgium	1,857	1,974	6.3%
Denmark	2,114	2,443	15.6%
Finland	1,520	1,571	3.4%
France	18,829	18,778	-0.3%
Germany	8,721	9,329	7.0%
Greece	7,235	7,270	0.5%
Ireland	2,316	2,451	5.8%
Italy	15,417	15,842	2.8%
Luxembourg	93	91	-1.7%
Netherlands	4,134	4,352	5.3%
Portugal	1,765	2,013	14.1%
Spain	17,927	18,624	3.9%
Sweden	1,149	1,058	-7.9%
United Kingdom	4,609	4,862	5.5%

Source: Eurostat