



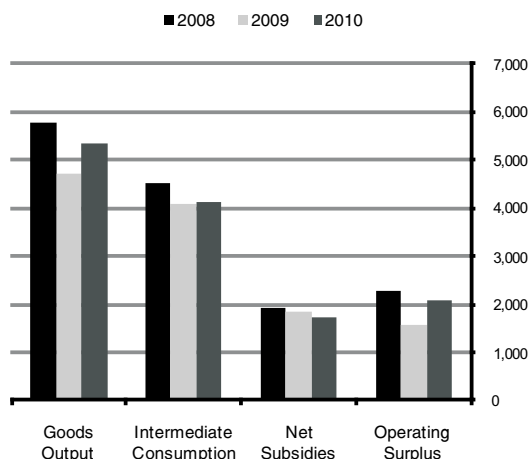
An Phríomh-Oifig Staidrimh
Central Statistics Office

4 March 2011

Output, Input and Income in Agriculture 2010 - Preliminary estimate

Selected Income Indicators

Value €m



	Goods Output	Intermediate Consumption	Net Subsidies	Operating Surplus
2008	€5,802m	€4,508m	€1,909m	€2,272m
2009	€4,728m	€4,071m	€1,857m	€1,575m
2010	€5,348m	€4,105m	€1,727m	€2,071m
% change (2009 on 2008)	-18.5%	-9.7%	-2.8%	-30.7%
% change (2010 on 2009)	+13.1%	+0.8%	-7.0%	+31.5%

Agricultural operating surplus estimated to increase by 31.5% in 2010

The CSO's second estimate of operating surplus in agriculture in 2010 shows an annual increase of 31.5%. This follows a 30.7% decrease in 2009. The estimate for 2010 is based on the data currently available for the year. *See Table 1.*

Comparing 2010 with 2009 we see that the estimated increases in value of the following items were:

- ◆ Goods output at producer prices: 13.1% or €619.6m.
- ◆ Milk output: 39.6% or €435.3m.
- ◆ Cattle output: 1.8 % or €27m.
- ◆ Pigs output: 8.6% or €26.4m.
- ◆ Sheep output: 6% or €9.5m.
- ◆ Cereals output: 88.8% or €95m.
- ◆ Total intermediate consumption: 0.8% or €33.7m.

The value of *subsidies less taxes on production* decreased from €1,842m in 2009 to €1,710m in 2010.

This release updates the Advance Estimate of Output, Input and Income in Agriculture published by the CSO in December 2010. A number of factors have resulted in the reduction of the CSO's estimate for the value of Operating Surplus since the Advance Estimate:

- ◆ Use of administrative data to estimate cattle stock changes (see background notes).
- ◆ Deferred payment of 2010 subsidies to 2011.

Final estimates will be published in June 2011.

Operating surplus figures for the other EU Member States for 2009 are given on page 4.

For more information contact Andrew Murray at 021 453 5122 or Morgan O'Donnell at 021 453 5333.

Published by the Central Statistics Office, Ireland.

Ardee Road
Dublin 6
Ireland

Skehard Road
Cork
Ireland

LoCall: 1890 313 414 (ROI)
0808 2347 581 (UK/NI)

Tel: +353 1 498 4000
Fax: +353 1 498 4229

Tel: +353 21 453 5000
Fax: +353 21 453 5555

Both offices may be contacted through any of these telephone numbers.

CSO on the Web: www.cso.ie

and go to

Business Sectors: Agriculture and Fishing

Director General: Gerard O'Hanlon

Enquiries:

Statistics

Agriculture Section, ext 5333
agri@cso.ie

Sales

Information Section, ext 5021
information@cso.ie

© Central Statistics Office

The contents of this release may be quoted provided the source is given clearly and accurately. Reproduction for own or internal use is permitted.

ISSN 1393-5577

Table 1 Estimated Output, Input and Income in Agriculture, 2010*Preliminary estimate*

Description	Estimated Value			Change 2010/2009	
	2008	2009	2010	Value	Volume
	€m			Percent	
Livestock (incl. stock changes)	2,520.6	2,219.1	2,270.6	2.3	0.0
of which: cattle	1,682.0	1,471.5	1,498.5	1.8	-0.1
pigs	333.5	306.7	333.1	8.6	8.3
sheep	171.4	157.5	167.0	6.0	-10.2
Livestock Products	1,677.5	1,142.0	1,580.1	38.4	7.3
of which: milk	1,629.7	1,100.2	1,535.5	39.6	7.3
Crops (incl. stock changes ¹)	1,603.5	1,367.2	1,497.3	9.5	1.1
of which: cereals	197.0	107.0	202.0	88.8	7.6
forage plants	1,011.3	851.7	862.1	1.2	-1.7
Goods output at producer prices	5,801.6	4,728.4	5,348.0	13.1	2.5
Contract Work ²	281.0	268.7	268.7	0.0	0.0
Subsidies less taxes on products	6.2	15.1	17.0	12.4	11.6
Agricultural output at basic prices	6,088.8	5,012.2	5,633.7	12.4	2.6
Intermediate consumption	4,508.3	4,070.9	4,104.6	0.8	3.4
of which: feedingstuffs	1,203.5	1,079.3	1,052.9	-2.4	0.6
fertilisers	507.1	415.9	450.6	8.3	23.7
energy and lubricants	344.5	303.1	342.7	13.1	1.3
forage plants	994.0	837.7	848.5	1.3	-1.7
contract work ²	281.0	268.7	268.7	0.0	0.0
financial intermediation services indirectly measured (FISIM) ³	91.0	87.0	87.0	0.0	0.0
Gross value added at basic prices	1,580.5	941.4	1,529.0	62.4	
Fixed capital consumption	775.6	780.6	744.5	-4.6	
Net value added at basic prices	804.9	160.8	784.5	387.9	
Other subsidies less taxes on production	1,903.0	1,841.5	1,710.2	-7.1	
Factor income	2,707.9	2,002.3	2,494.7	24.6	
Compensation of employees	436.3	427.7	423.9	-0.9	
Operating surplus	2,271.7	1,574.6	2,070.8	31.5	
Interest less FISIM:-	444.3	328.7	280.1	-14.8	
Land rental	153.0	150.7	148.9	-1.2	
Entrepreneurial income	1,674.3	1,095.3	1,641.8	49.9	

¹Principally cereals and potatoes²Final 2009 figure used as estimate for Preliminary 2010³FISIM : Financial Intermediation Services Indirectly Measured. (See Background Notes).

Background notes

- Introduction** This release contains preliminary estimates of agricultural accounts for 2010. 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. This preliminary estimate differs in methodology from the Advance Estimate published in December in that data from the Department of Agriculture, Fisheries and Food's Animal Identification and Movement (AIM) system is now used to measure cattle stock change (see Valuation of Stock Changes below). 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.
http://www.cso.ie/releasespublications/documents/agriculture/2001/oiifin_1990-2001.pdf
http://www.cso.ie/releasespublications/documents/agriculture/2003/oiifin_2003.pdf
- Producer price** This is the price received by the farmer for his agricultural produce. 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 agricultural products are those paid or levied per unit on a good or service produced or imported. Examples of subsidies on products are the suckler cow premium 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 agricultural 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 producer price for the year. The changes for cattle are obtained from DAFF's Animal Identification and Movement (AIM) system (formerly known as the Cattle Movement Monitoring System (CMMS)). This system involves electronically recording data on animal movements. The AIM data has been used in the valuation of stock changes for 2008-2010.
- 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.
- FISM** 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 will increase intermediate consumption and decrease gross value added, it will decrease, 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. 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.

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

Volume indices These are calculated by first applying base year prices (2000) to current year quantities for 2009 and 2010. Then the volume index for 2010 is calculated by comparing the total value in 2010 at 2000 prices against the total value in 2009 at 2000 prices.

Operating Surplus, 2008 - 2009

€ m			
Country	2008	2009	% change
European Union 27	98,362	79,384	-19.3%
Austria	2,314	1,738	-24.9%
Belgium	1,630	1,624	-0.4%
Bulgaria	1,947	1,354	-30.4%
Cyprus	223	236	5.8%
Czech Republic	585	265	-54.7%
Denmark	410	170	-58.4%
Estonia	161	119	-25.8%
Finland	1,105	1,323	19.7%
France	15,366	10,936	-28.8%
Germany	10,038	6,952	-30.7%
Greece	5,698	5,849	2.6%
Hungary	2,099	1,175	-44.0%
Ireland	2,272	1,575	-30.7%
Italy	9,157	7,561	-17.4%
Latvia	304	245	-19.6%
Lithuania	440	315	-28.4%
Luxembourg	77	44	-43.3%
Malta	58	67	14.6%
Netherlands	2,789	2,052	-26.4%
Poland	6,599	6,654	0.8%
Portugal	1,489	1,316	-11.6%
Romania	4,617	2,876	-37.7%
Slovak Republic	239	58	-75.8%
Slovenia	350	302	-13.6%
Spain	19,538	17,963	-8.1%
Sweden	1,308	802	-38.7%
United Kingdom	7,549	5,816	-23.0%

Source: Eurostat