



## Output, Input and Income in Agriculture 2011 – Advance Estimate

	Goods Output	Intermediate Consumption	Net Subsidies	Operating Surplus
	million			
2009	€4,724	€4,096	€1,849	€1,544
2010	€5,329	€4,161	€1,688	€1,967
2011	€6,190	€4,646	€1,942	€2,625
('10 on '09) % change	+12.8%	+1.6%	-8.7%	+27.4%
('11 on '10) % change	+16.2%	+11.7%	+15.1%	+33.4%

### Agricultural operating surplus estimated to increase by 33.4% in 2011

The CSO's first estimate of operating surplus in agriculture in 2011 shows an annual increase of 33.4%. This follows a 27.4% increase in 2010. The estimate for 2011 is based on the data currently available for the year. *See table 1.*

Comparing 2011 with 2010 we see that the estimated increases in value of the following items were:

- ◆ Goods output at producer prices: 16.2% or €860.9m
- ◆ Milk output: 19.8% or €303.9m
- ◆ Cattle output: 16.7 % or €250.1m
- ◆ Pigs output: 16.1% or €52.9m
- ◆ Cereals output: 52.5% or €101.8m
- ◆ Total intermediate consumption: 11.7% or €485.0m
- ◆ Fertilisers: 9.6% or €43.2m

The value of *subsidies less taxes on production* increased from €1,672m in 2010 to an estimated €1,941m for 2011. Note this figure includes subsidies already paid and those scheduled to be paid by the Department of Agriculture, Food and the Marine by year end.

The estimates for 2011 are provisional. Updated figures for 2011 will be published in February 2012, followed by final estimates in June 2012.

Operating surplus figures for the other EU Member States for 2010 are given on page 4.

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**Table 1 Estimated Output, Input and Income in Agriculture, 2011***Advance estimate*

Description	Estimated Value			Change 2011/2010	
	2009	2010	2011	Value	Volume
	€m			Percent	
<b>Livestock</b> (incl. stock changes)	<b>2,209.5</b>	<b>2,270.0</b>	<b>2,597.2</b>	<b>14.4</b>	<b>-3.9</b>
of which: cattle	1,461.5	1,493.6	1,743.7	16.7	-3.8
pigs	299.7	328.6	381.5	16.1	5.6
sheep	157.6	163.8	179.1	9.4	0.4
<b>Livestock Products</b>	<b>1,138.4</b>	<b>1,581.0</b>	<b>1,892.1</b>	<b>19.7</b>	<b>4.0</b>
of which: milk	1,096.7	1,534.5	1,838.4	19.8	4.2
<b>Crops</b> (incl. stock changes)	<b>1,375.7</b>	<b>1,477.8</b>	<b>1,700.3</b>	<b>15.1</b>	<b>5.5</b>
of which: cereals <sup>1</sup>	107.0	193.9	295.7	52.5	31.0
forage plants	850.9	841.9	998.3	18.6	1.3
<b>Goods output at producer prices</b>	<b>4,723.6</b>	<b>5,328.7</b>	<b>6,189.6</b>	<b>16.2</b>	<b>0.8</b>
Contract Work	268.7	277.7	280.0	0.8	-0.8
Subsidies less taxes on products	15.1	15.8	0.7		
<b>Agricultural output at basic prices</b>	<b>5,007.4</b>	<b>5,622.2</b>	<b>6,470.3</b>	<b>15.1</b>	<b>0.0</b>
<b>Intermediate consumption</b>	<b>4,095.7</b>	<b>4,160.5</b>	<b>4,645.5</b>	<b>11.7</b>	<b>0.3</b>
of which: feedingstuffs	1,048.1	1,038.6	1,267.5	22.0	-0.7
fertilisers	420.6	450.3	493.6	9.6	-8.3
energy and lubricants	319.2	362.2	424.5	17.2	3.0
forage plants	836.9	829.4	983.5	18.6	1.3
contract work	268.7	277.7	280.0	0.8	-0.8
financial intermediation services indirectly measured (FISIM) <sup>2</sup>	81.0	80.0	80.0	0.0	0.0
<b>Gross value added at basic prices</b>	<b>911.7</b>	<b>1,461.6</b>	<b>1,824.8</b>	<b>24.8</b>	
Fixed capital consumption	774.1	742.5	720.5	-3.0	
<b>Net value added at basic prices</b>	<b>137.6</b>	<b>719.2</b>	<b>1,104.3</b>	<b>53.5</b>	
Other subsidies less taxes on production	1,833.8	1,671.8	1,941.0	16.1	
<b>Factor income</b>	<b>1,971.4</b>	<b>2,391.0</b>	<b>3,045.3</b>	<b>27.4</b>	
Compensation of employees	427.7	424.0	420.7	-0.8	
<b>Operating surplus</b>	<b>1,543.7</b>	<b>1,967.0</b>	<b>2,624.6</b>	<b>33.4</b>	
Interest less FISIM:-	334.7	284.5	276.3	-2.9	
Land rental	150.7	172.0	170.1	-1.1	
Entrepreneurial income	<b>1,058.3</b>	<b>1,510.5</b>	<b>2,178.1</b>	<b>44.2</b>	

<sup>1</sup>Commercial sales of Wheat, Barley and Oats.<sup>2</sup>FISIM : Financial Intermediation Services Indirectly Measured. (See Background Notes).

## Background notes

- Introduction** This release contains advance estimates of agricultural accounts for 2011. 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.  
[http://www.cso.ie/releasespublications/documents/agriculture/2001/oiifin\\_1990-2001.pdf](http://www.cso.ie/releasespublications/documents/agriculture/2001/oiifin_1990-2001.pdf)  
[http://www.cso.ie/releasespublications/documents/agriculture/2003/oiifin\\_2003.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.
- 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 will increase intermediate consumption and decrease gross value added, it will decrease, by the same amount, the figure shown for interest paid.

<b>Fixed capital consumption</b>	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.
<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>	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.
<b>Entrepreneurial income</b>	Entrepreneurial income is comprised of operating surplus less interest payments on borrowed capital and land rental paid by farmers to landowners.
<b>Volume indices</b>	These are calculated by first applying base year prices (2005) to current year quantities for 2010 and 2011. Then the volume index for 2011 is calculated by comparing the total value in 2011 at 2005 prices against the total value in 2010 at 2005 prices. In 2011 we have switched from base year prices 2000 to base year prices 2005.

**Operating Surplus, 2009 - 2010**

€ m			
Country	2009	2010	% change
<b>European Union 27</b>	<b>80,739</b>	<b>93,618</b>	<b>16.0%</b>
Austria	1,841	2,131	15.8%
Belgium	1,660	2,183	31.5%
Bulgaria	1,354	1,612	19.0%
Cyprus	236	240	1.6%
Czech Republic	291	504	73.0%
Denmark	413	1,193	188.7%
Estonia	119	211	76.8%
Finland	1,472	1,589	7.9%
France	10,407	16,608	59.6%
Germany	6,712	8,333	24.1%
Greece	5,934	5,477	-7.7%
Hungary	1,183	1,606	35.8%
<b>Ireland</b>	<b>1,544</b>	<b>1,967</b>	<b>27.4%</b>
Italy	8,470	6,583	-22.3%
Latvia	243	307	26.5%
Lithuania	313	391	24.9%
Luxembourg	44	57	29.9%
Malta	66	74	12.4%
Netherlands	1,893	3,158	66.8%
Poland	6,654	7,387	11.0%
Portugal	1,459	1,594	9.3%
Romania	3,037	2,721	-10.4%
Slovak Republic	58	65	13.1%
Slovenia	319	331	3.8%
Spain	17,624	19,031	8.0%
Sweden	825	1,208	46.5%
United Kingdom	6,569	7,059	7.5%

Source: Eurostat