

First estimates for 2008

EU27 real agricultural income per worker down by 4.3%

EU27 real agricultural income per worker¹ has decreased by 4.3% in 2008, after increasing by 12.2% in 2007, according to first estimates² issued by Eurostat, the Statistical Office of the European Communities. This decline results from a reduction in real agricultural income (-6.3%), together with a fall in agricultural labour input (-2.1%).

The decrease in EU27 real agricultural income in 2008 is itself the result of:

- an increase in output of agriculture at producer prices in real terms (+4.3%);
- a steep rise in input costs in real terms (+10.8%);
- a decrease in the real value of subsidies net of taxes (-1.5%);
- a rise in depreciation in real terms (+2.4%).

These estimates for the EU27 are based on data supplied by the national authorities in the Member States. Large fluctuations in prices during 2008 may impact on the precision of the estimates.

The strongest rises in real agricultural income per worker are estimated for Bulgaria (+24.5%), Romania (+21.4%), and Hungary (+14.6%). The largest declines in 2008 are expected in Belgium (-25.6%), Estonia (-22.1%) and Latvia (-17.5%).

Change in real agricultural income per worker¹ in 2008

	% change 2008/2007	Indices in 2008 (2000=100)		% change 2008/2007	Indices in 2008 (2000=100)
EU27	-4.3	117.2	Lithuania	-7.8	279.6
Bulgaria	+24.5	120.1	Ireland	-9.0	93.1
Romania	+21.4	142.4	France	-9.2	99.4
Hungary	+14.6	200.1	Slovenia	-9.3	134.8
United Kingdom	+7.2	148.4	Sweden	-9.3	124.3
Portugal	+4.8	110.1	Luxembourg	-10.3	92.0
Slovakia	+3.5	161.8	Denmark	-10.6	96.9
Italy	+2.1	81.5	Finland	-11.0	109.9
Cyprus	-1.8	99.2	Malta	-12.8	88.8
Spain	-3.4	99.0	Netherlands	-14.1	79.5
Austria	-4.5	127.9	Poland	-15.9	190.6
Czech Republic	-4.6	188.0	Latvia	-17.5	286.8
Germany	-5.7	130.7	Estonia	-22.1	254.7
Greece	-7.1	79.6	Belgium	-25.6	85.3
EU15 ³	-4.9	103.8	NMS12 ³	-0.5	173.7

In 2008, the value of **EU27** agricultural output at producer prices is estimated to have grown by 4.3%, mainly due to an increase in the value of both crop production (+3.0%) and animal production (+6.3%) in real terms.

In crop production, the rise in output volume (+6.2%) was partly counterbalanced by a decline in producer prices (-3.0%). Significant rises in the volume of cereals (+20.5%) and oil seeds (+10.0%) were due to both an increase in crop area and high yields in most Member States. The volume of sugar beet (-14.8%) declined, while production of vegetables and fruits remained at the same level as in 2007. The highest increases in crop prices are estimated for oil seeds (+11.3%) and fruits (+5.4%). On the other hand, prices for cereals (-10.3%) and potatoes (-9.4%) fell sharply.

The significant increase in the value of animal production in 2008 was the result of nearly stable output volumes (+0.2%) and a clear increase in producer prices (+6.1%). The increase in the value of pig production (+8.5%) was driven by a rise in prices (+9.3%), while volume fell slightly (-0.7%). The value of milk production increased (+8.8%), due to a combination of a sharp rise in price (+8.1%) and a small rise in volume (+0.7%).

EU27 agricultural input costs (intermediate consumption) were up by 10.8% in real terms, mainly owing to the sharp increases in fertilizers (+52.8%), energy (+13.6%) and feeding stuff (+10.8%). These estimated rises in value were mostly affected by higher prices, while volume only grew slightly (+1.5%). The prices of feeding stuff are normally strongly linked to cereal prices, but as the decline in cereal prices occurred late in 2008, the impact on the annual prices of feed was low.

Between 2000 and 2008, **EU27** real income per worker is estimated to have increased by 17.2%. In the **EU15**³ the rise was 3.8%, while in the **12 new Member States**³ it was 73.7%. On average, agricultural labour input in the **EU27** has fallen by 24.5% since 2000, and by 29.6% in the **new Member States**.

1. **Agricultural income** comprises the income generated by agricultural activities (as well as inseparable non-agricultural, secondary activities) over a given accounting period, even though in certain cases the corresponding revenues will not be received until a later date. It does not, therefore, constitute the income effectively received in the course of the accounting period itself. Moreover, it must not be confused with the total income of farming households as it does not comprise income from other sources (non-agricultural activities, salaries, social benefits, income from property).

The present estimates have been compiled by the national authorities in the Member States of the European Union **in accordance with the methodology of the Economic Accounts for Agriculture** (which is close to the methodology of the national accounts, ESA95, but incorporates a number of changes to take account of the special features of the agricultural economy).

The real income of factors in agriculture, per annual work unit, corresponds to the real net value added at factor cost of agriculture, per total annual work unit. Net value added at factor cost is calculated by subtracting from the value of agricultural output at basic prices the value of intermediate consumption, the consumption of fixed capital and production taxes, and adding the value of production subsidies.

In order to take account of part-time and seasonal work, agricultural labour or changes therein are measured in annual work units (AWUs). In this News Release one AWU is defined as the work-time equivalent of a full-time worker.

2. These data, based on first estimates provided by the Member States, are provisional. In February/March 2009, Eurostat will publish a revised second set of estimates.
3. EU15 includes Belgium, Denmark, Germany, Ireland, Greece, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom. NMS12 refers to the twelve new Member States: Bulgaria, the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Romania, Slovenia and Slovakia.

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