

First estimates for 2007

EU real agricultural income per worker up by 4.7%

EU27 real agricultural income per worker¹ has risen by 4.7% in 2007, after increasing by 3.9% in 2006. This increase results from a growth in real agricultural income (+2.6%), together with a reduction in agricultural labour input (-1.9%).

This growth in **EU27** real agricultural income in 2007 is itself the result of:

- an increase in output of agriculture at producer prices in real terms (+4.6%);
- a rise in input costs (+5.3%), while depreciation remained stable, in real terms;
- a decrease in the real value of subsidies net of taxes (-3.1%).

These estimates for the **EU27** published by **Eurostat, the Statistical Office of the European Communities**, are based on data supplied by the national authorities in the Member States.

The strongest rises in real agricultural income per worker have been estimated for **Lithuania** (+58.5%), the **Czech Republic** (+20.6%), **Estonia** (+19.4%) and **Luxembourg** (+16.2%). The largest declines are expected in **Bulgaria** (-18.6%), **Romania** (-16.1%) and **Portugal** (-5.8%).

Change in real agricultural income per worker¹ in 2007

	% change 2007/2006	Indices in 2007 (2000=100)		% change 2007/2006	Indices in 2007 (2000=100)
EU27	+4.7	114.7	Sweden	+6.3	112.2
Lithuania	+58.5	284.6	Ireland	+4.8	102.3
Czech Republic	+20.6	185.7	Austria	+4.9	126.1
Estonia	+19.4	278.0	Netherlands	+4.3	98.6
Luxembourg	+16.2	96.9	Hungary	+2.0	149.1
Finland	+14.7	114.7	Belgium	+1.2	89.1
Germany	+12.5	132.9	Cyprus	+1.1	72.9
Poland	+11.9	209.7	Denmark	-0.5	102.0
Slovenia	+11.9	125.5	Italy	-0.9	82.7
Spain	+10.4	105.4	Malta	-1.1	104.5
Latvia	+10.2	311.6	Greece	-1.6	82.0
Slovakia	+8.9	161.1	Portugal	-5.8	110.0
France	+7.5	105.6	Romania	-16.1	124.5
United Kingdom	+6.8	136.2	Bulgaria	-18.6	75.5

EU27 agricultural output in 2007 grew by 4.6%, mainly due to a significant increase in the value of crop production (+8.6%), while animal production remained nearly stable (+0.5%).

In crop production, the fall in output volume (-1.4%) was outweighed by the growth in producer prices (+10.2%). With the exception of fruit (-5.7%), crop volumes did not fall significantly, for example cereals (-2.7%) and fresh vegetables (-1.2%). The sharpest increases in crop prices were recorded for cereals (+45.4%) and oil seeds (+22.4%). On the other hand, prices for olive oil (-20.0%) and sugar beet (-13.2%) fell significantly.

The stability in the value of animal output in 2007 was the result of a small rise in production volumes (+1.5%) and a slight decrease in producer prices (-1.0%). The growth in the real value of milk production was driven by a rise in prices (+7.8%), while volume remained nearly stable (-0.3%). The increase in the volume of pig production (+4.3%) was outweighed by sharply falling prices (-12.3%). In the case of poultry, both production volumes (+2.9%) and producer prices (+7.8%) increased.

EU27 agricultural input costs (intermediate consumption) grew by 5.3%, mainly owing to the sharp increase in feeding stuff prices (+13.9%), which was itself the result of higher crop producer prices. Energy costs decreased by 2.8% as a result of the reduction in both volumes (-1.7%) and prices (-1.1%).

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.

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