



EU FARM ECONOMICS OVERVIEW

based on 2012 FADN data

DG AGRI, E3

Brussels, 12 June 2015

Overview of key economic developments based on 2012 FADN data

- The economic situation of farms
- Importance of direct payments
- Financial structure of farms
- Characteristics of the farms represented in the FADN (land, labour force)

Trends by type of farming, regions and by EU groups





Farm income

Measured by:

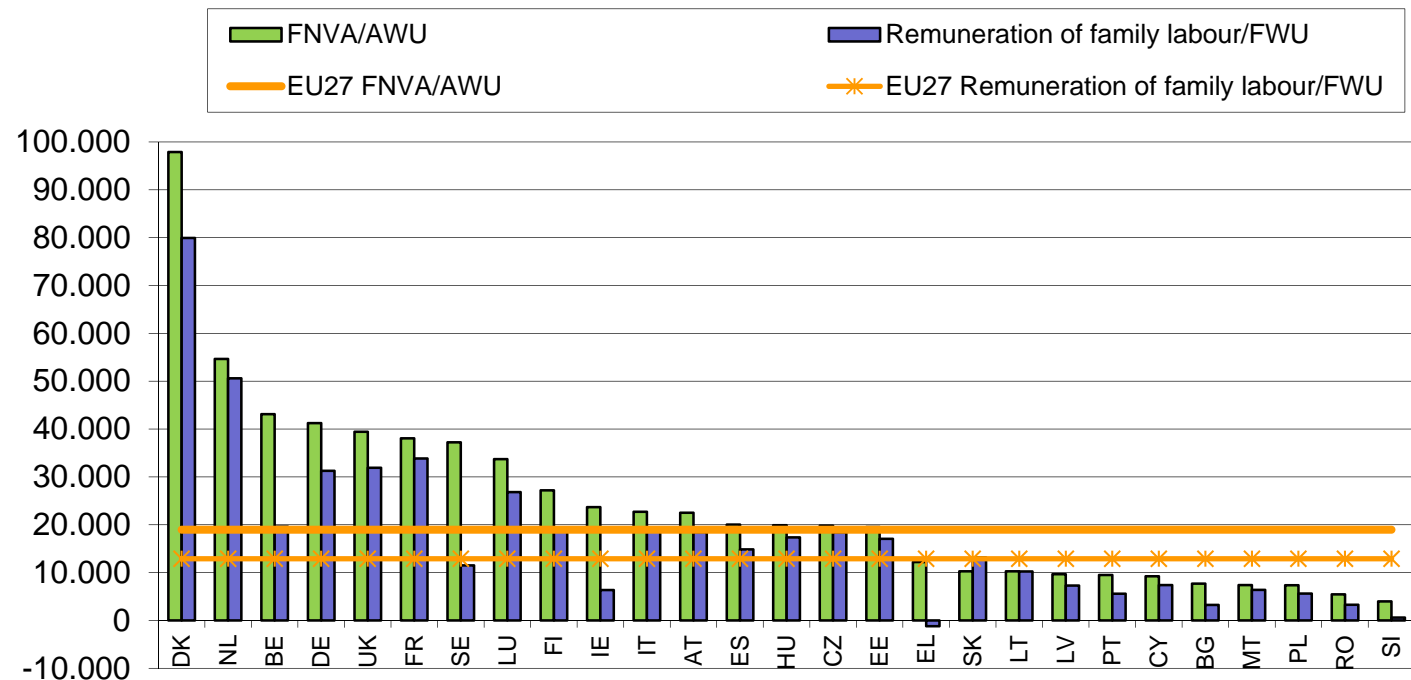
- **FNVA** = Gross farm income – depreciation → per farm and per AWU
- **FNI** = FNVA – external factors + balance of subsidies and taxes on investments
- **Remuneration of family labour** = FNI – opportunity cost of own land and own capital → per farm and per FWU

Where:

- **AWU** = Total labour input – Person working full-time on the holding
- **FWU** = Family AWU – Person working on the farm who does not receive salary

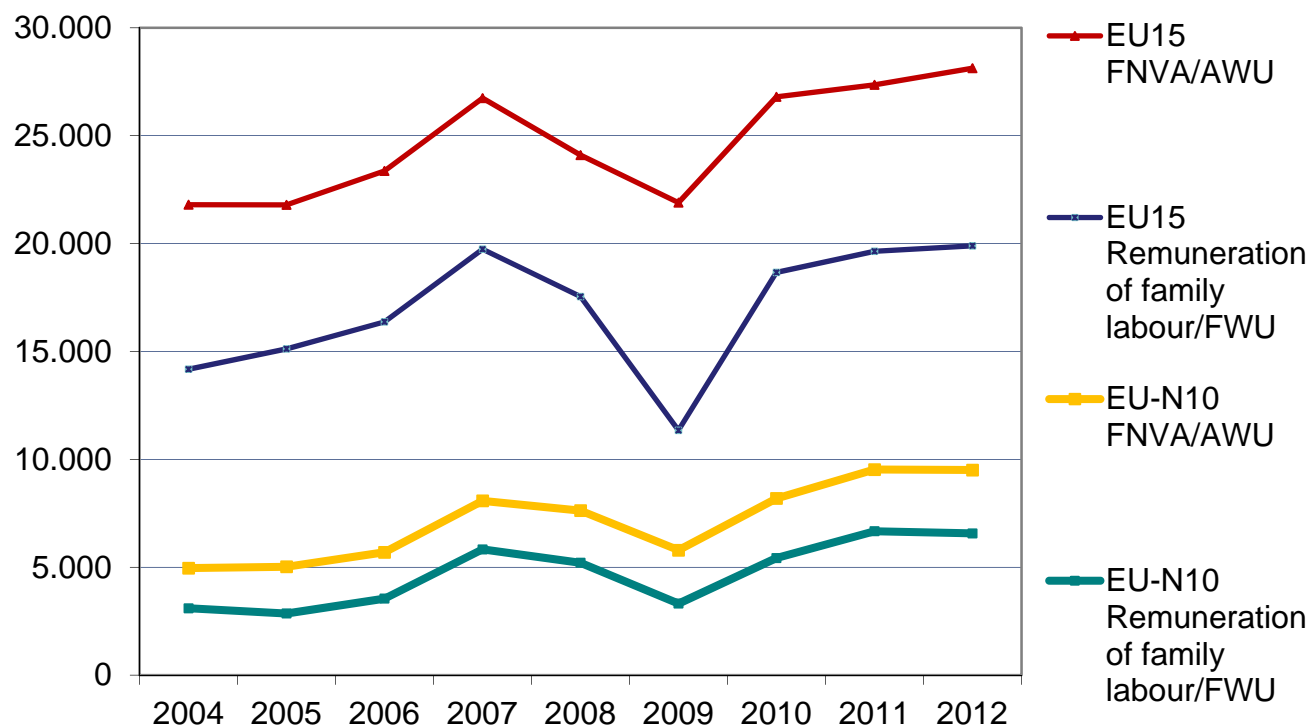
Results by Member State, 2012

- Average FNVA/AWU: 18 900
- **DK, NL, BE** – highest FNVA/AWU
- **PL, RO, SI** – lowest FNVA/AWU
- **DK, NL, FR** - highest remun. of family labour

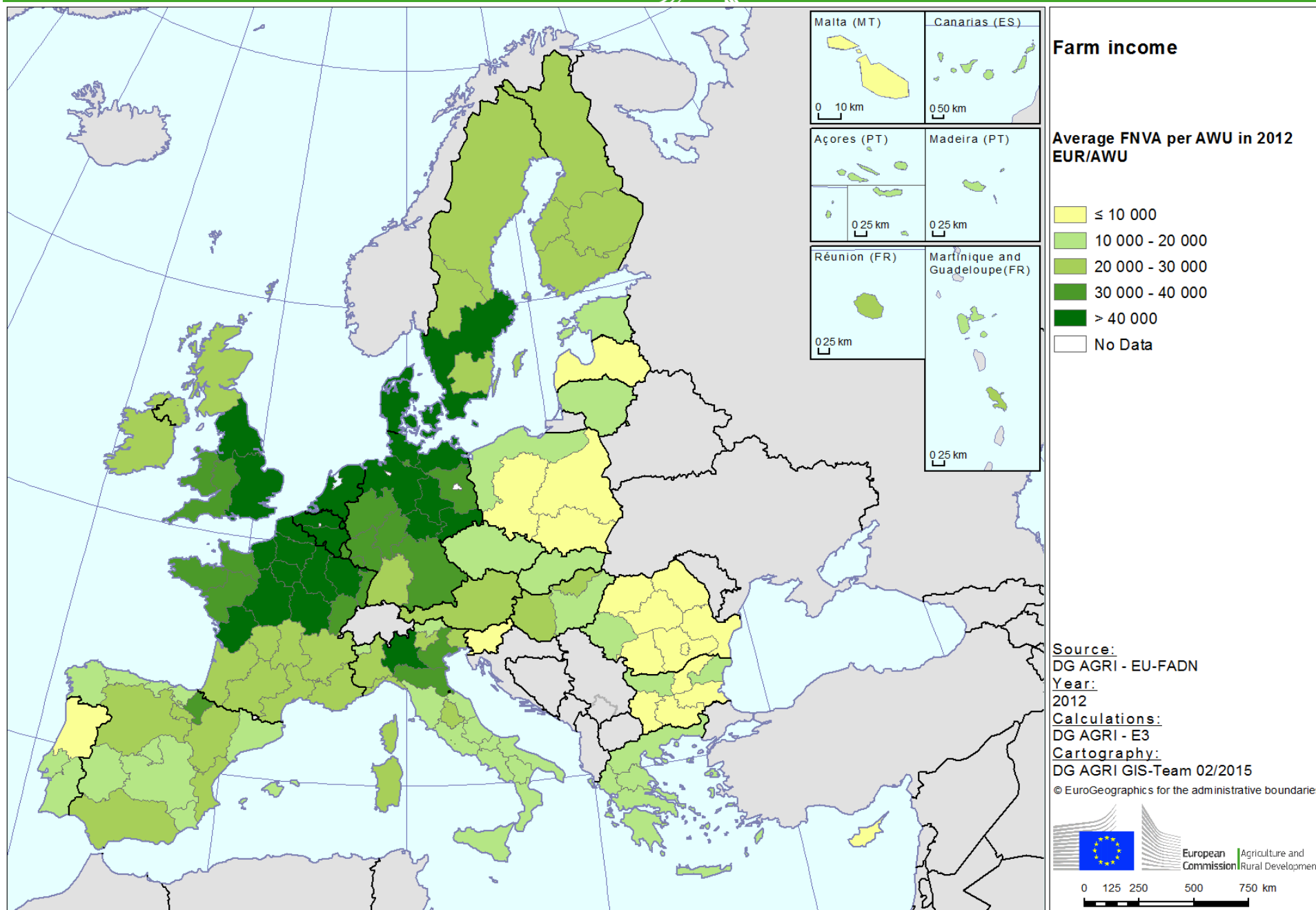


- FNVA/AWU increased by EUR 6300 or 29% in EU-15
- FNVA/AWU increased by 4600 or 91% in EU-N10
- **Remuneration of family labour/FWU – increase is more pronounced**

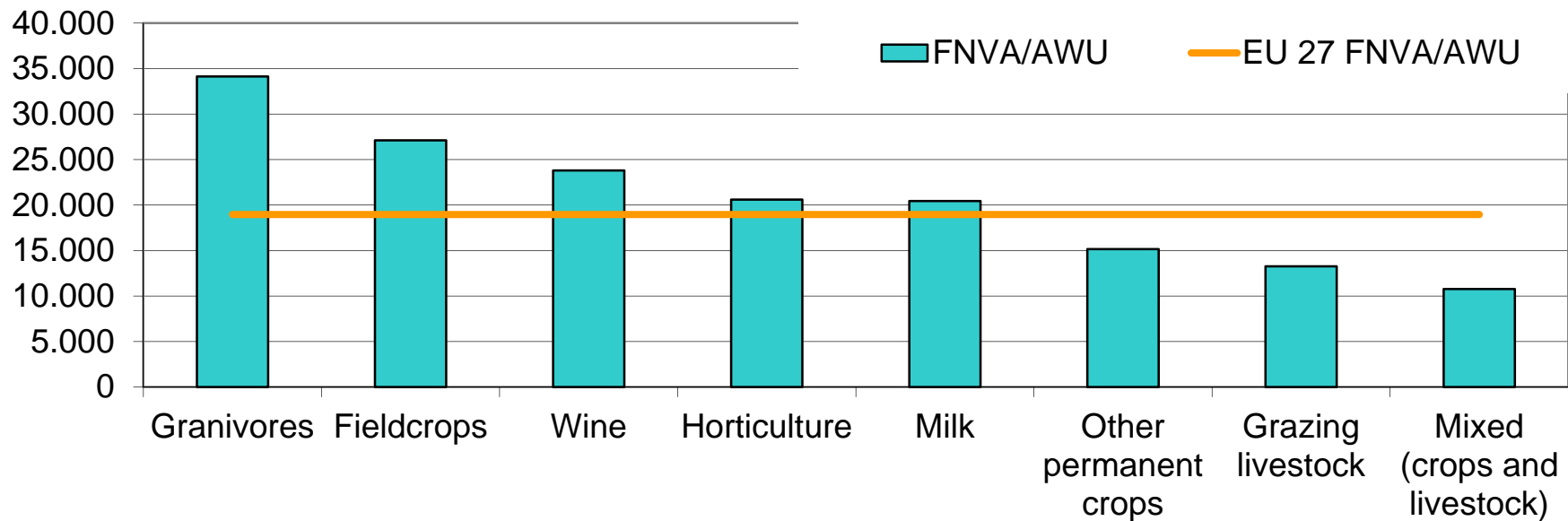
Results by EU group in 2004 - 2012



Regional differences in FNVA/AWU in the EU-27



Income by type of farming



FNVA/AWU from 2011 to 2012 :

- decreased: only for dairy (-13 %) and grazing livestock farms (by -3%)
- increased: for all other types of farming

Distribution of FNVA per AWU, by type of farming

1 = Field crops

2 = Horticulture

3 = Wine

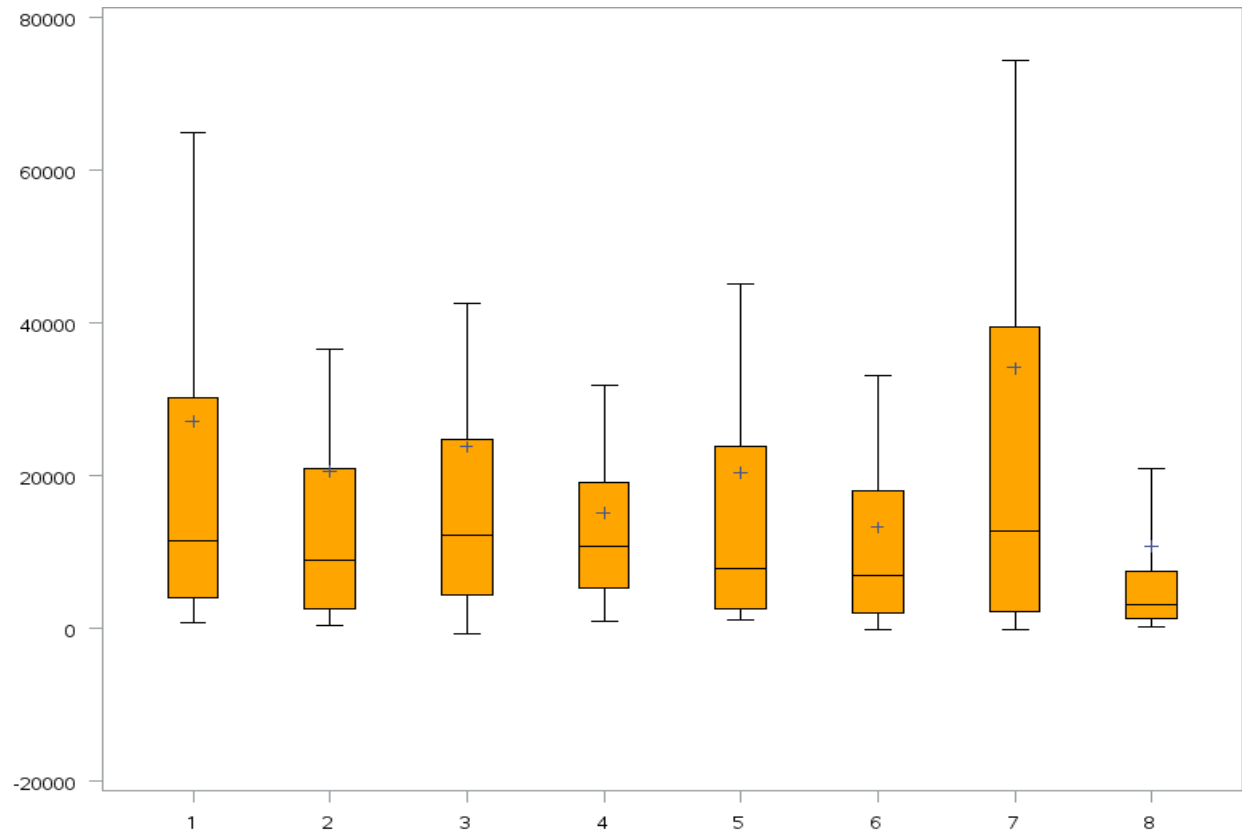
4 = Perm. Crops

5 = Milk

6 = Grazing livestock

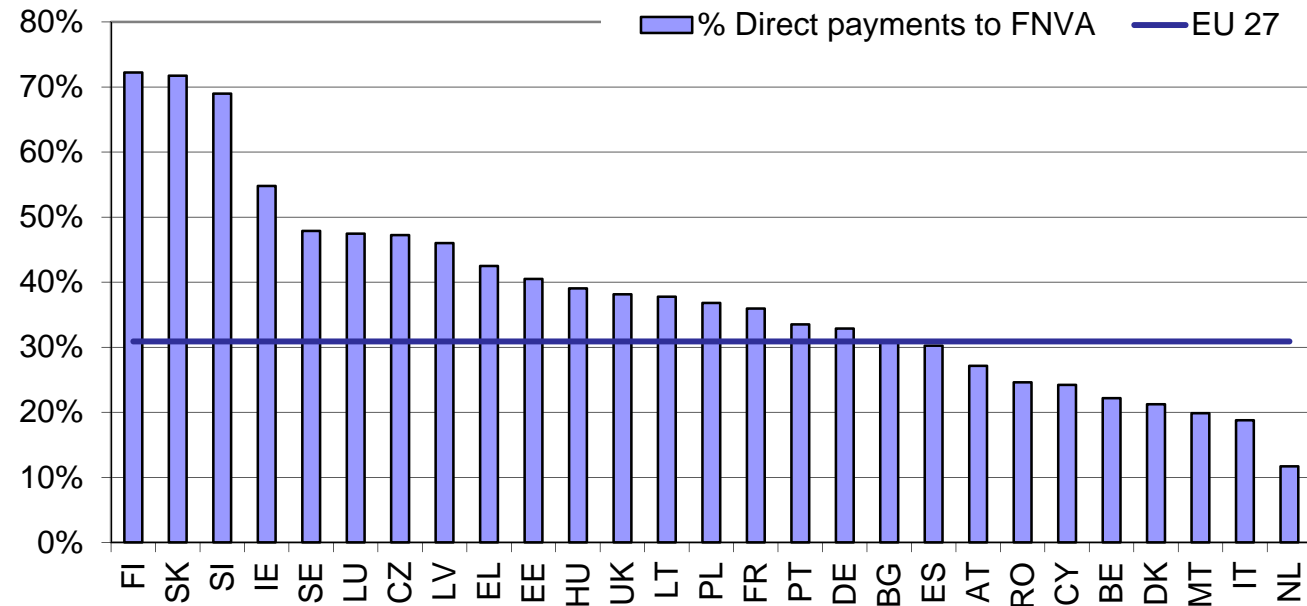
7 = Granivore

8 = Mixed



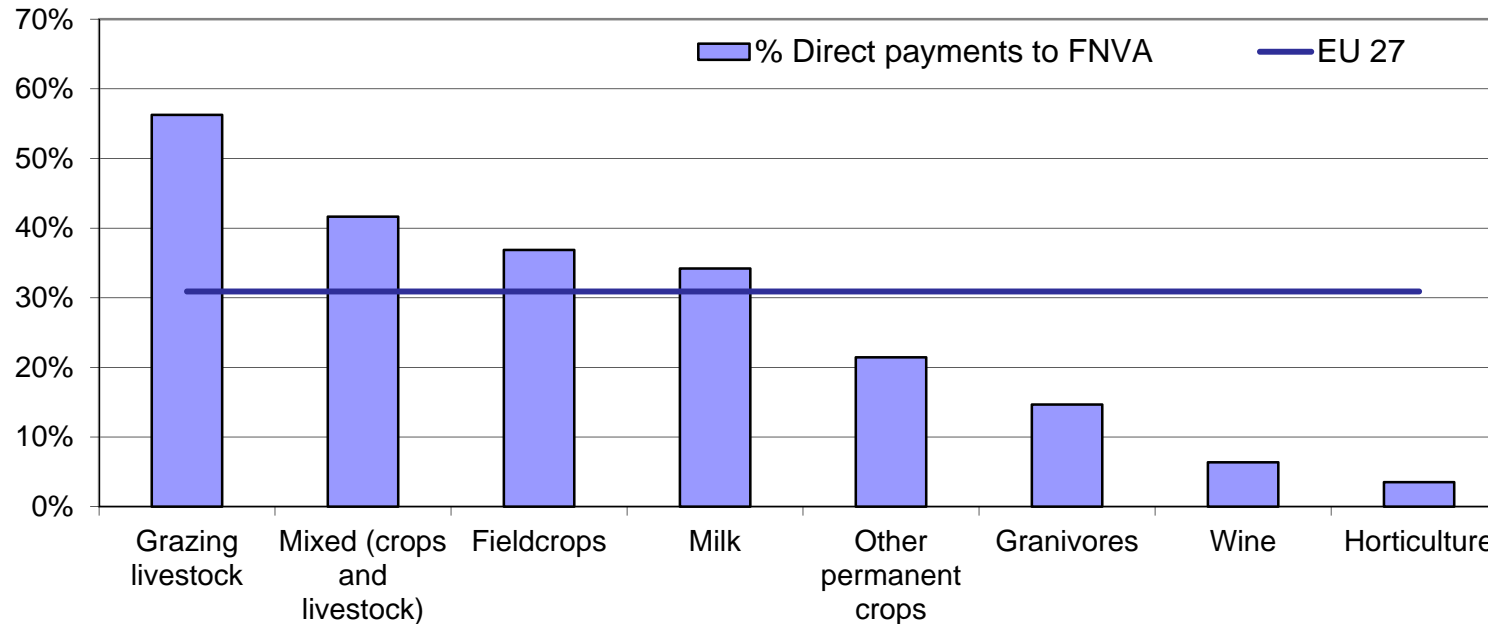
Proportion of direct payments compared to FNVA

- **On average** DP accounted for 31% of FNVA in EU-27
- **FI, SK:** 72-71%
- **NL:** only 12 %; horticulture, pig and poultry production





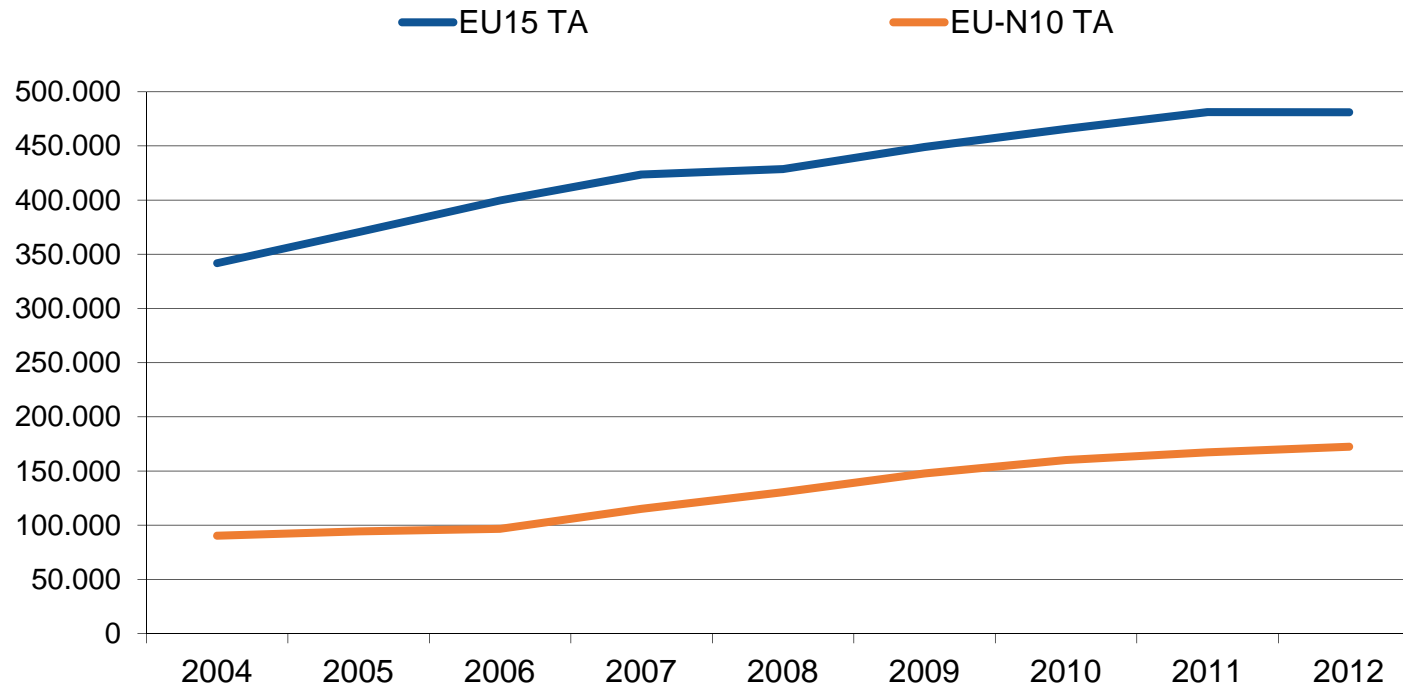
Importance of direct payments by type of farming



- Reflecting differences in income level, policy differences per sector
- EU-15: historically asymmetric DP across sectors
- Highest proportion of DP: grazing livestock + mixed farms

Financial structure

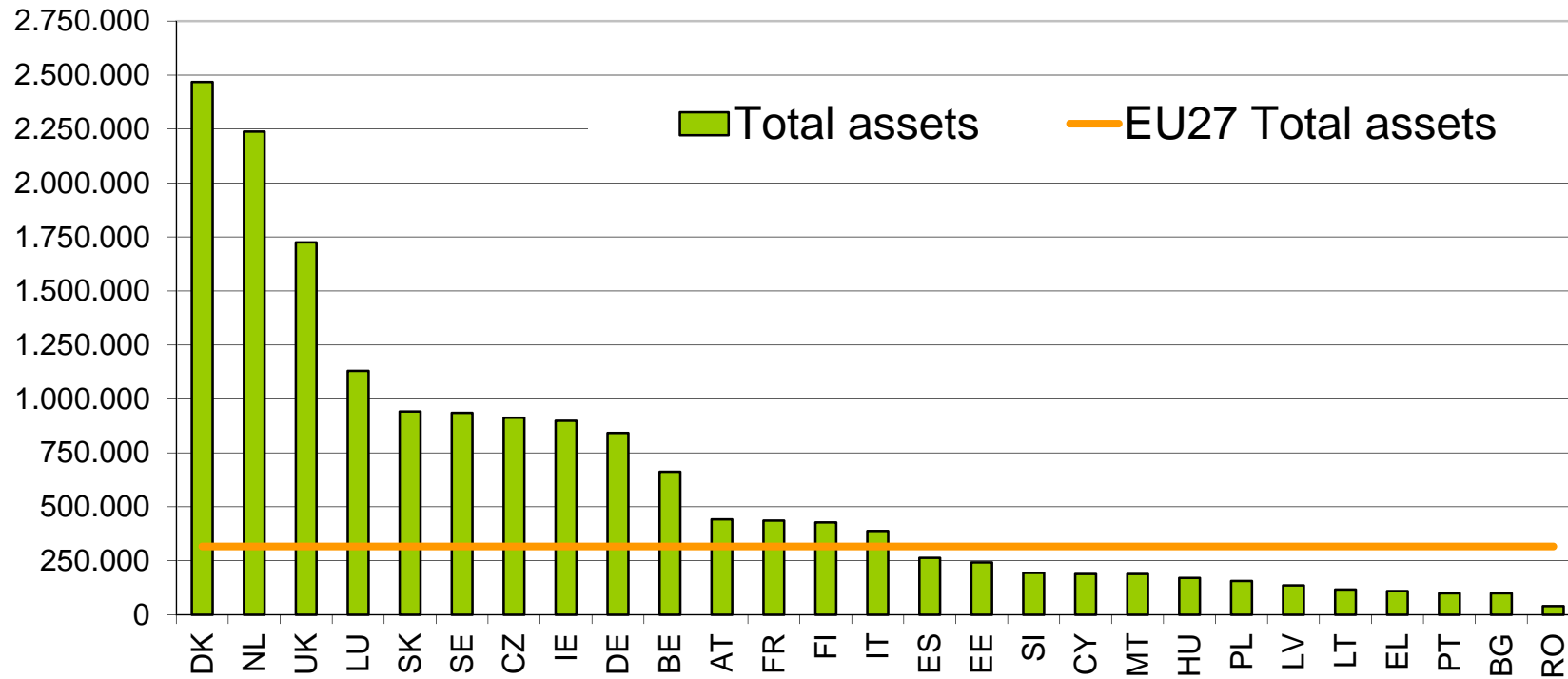
Asset value



■ **In EU-15:** increased by more than 40%

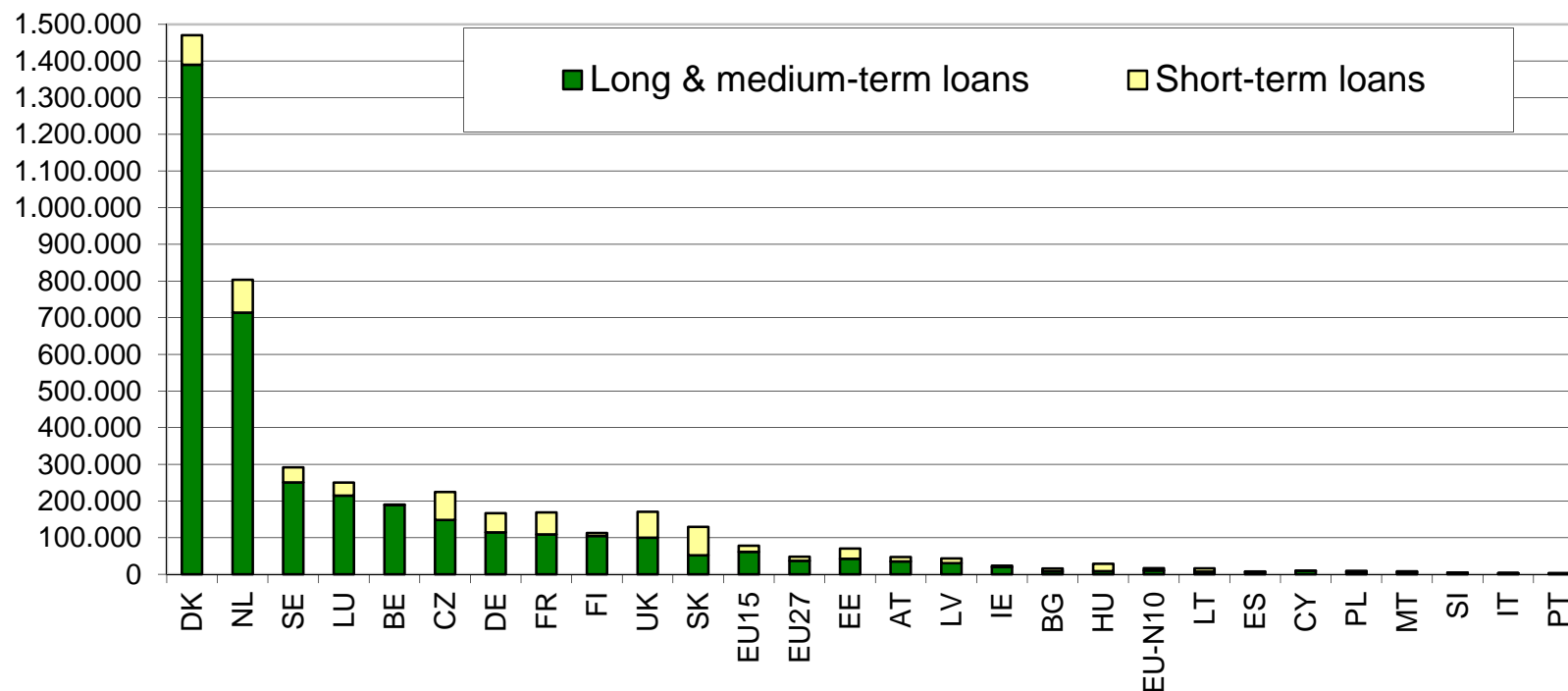
■ **In EU-N10:** nearly doubled

} 2004 - 2012



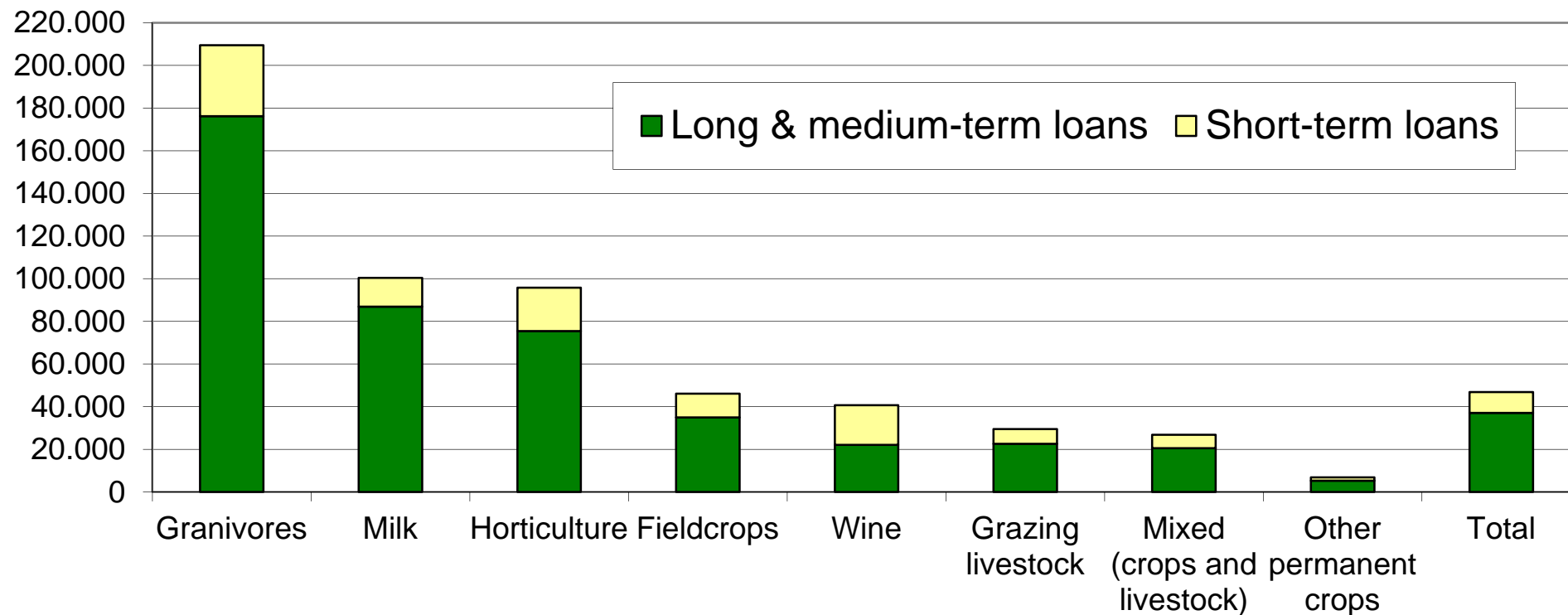
- Highest: **DK, NL**
 - High land prices
 - Sectors with high investment needs
- Lowest: **RO**
 - Small farms
 - Less capital intensive type of farming

Total liabilities



- Highest total liabilities: **DK, NL**
- Low in many Mediterranean MS
- Medium- & long-term loans: **BE, IT, CY, DK, FI and SI** (90%)
- Short-term loans in **HU** (70%), **SK** (60%), **LT** (56%), **PT** (52%)

Liabilities by type of farming

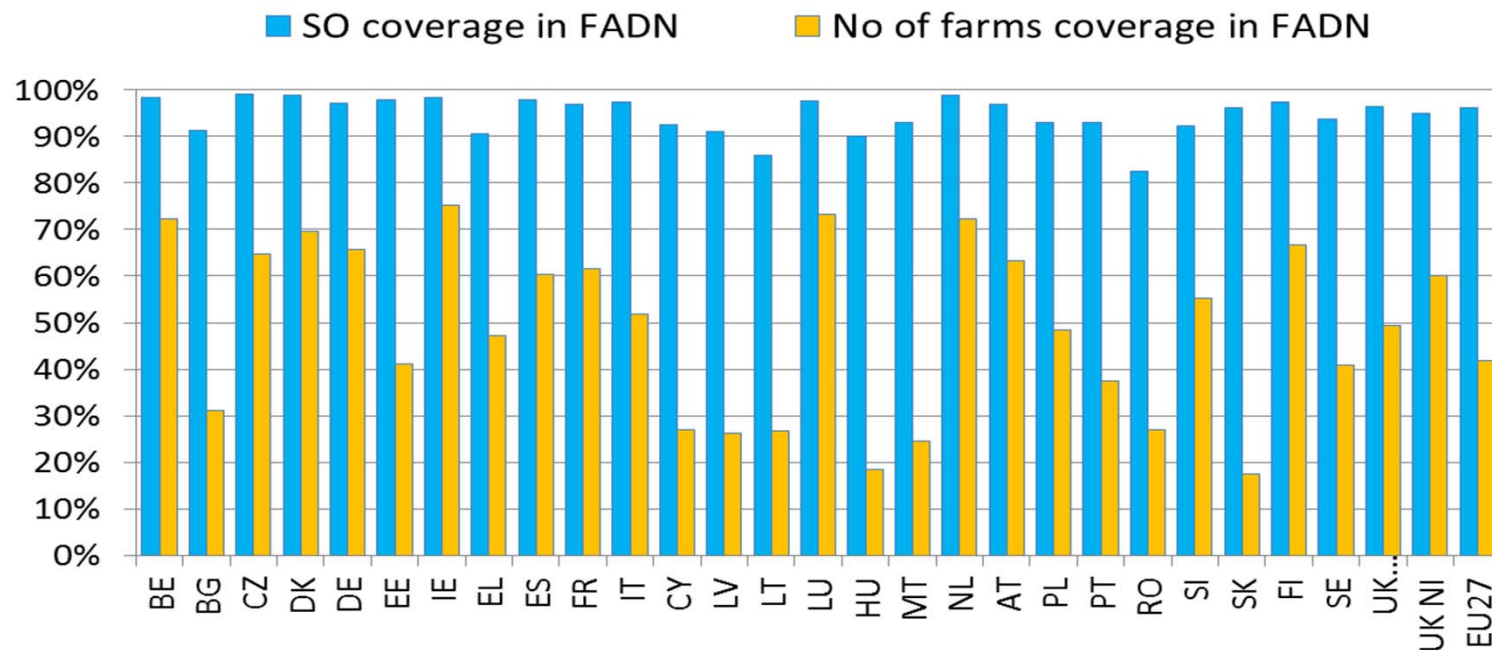


- Highest: granivore (EUR 210 000), dairy (EUR 100 000) and horticulture (EUR 96 000)
- Lowest: permanent crops (EUR 7 000)
- Medium- and long-term loans in all farm types
- Short term loans in wine holdings

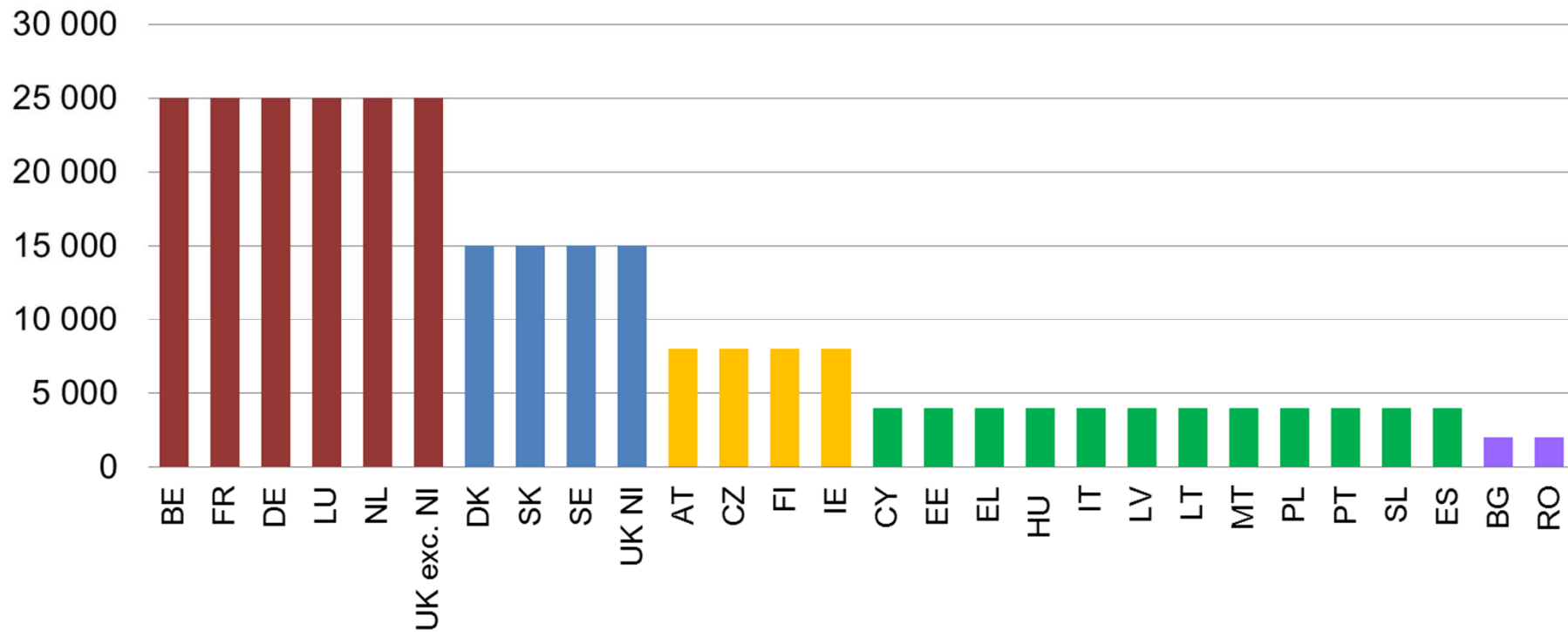


Annex 1 - FADN in the context of the FSS

- "The field of survey of the FADN represents the largest possible share of agricultural output, agricultural area and farm labour, of holdings run with a market orientation" (Delegated Act (EU) No 1198/2014)



FADN thresholds in Member States in 2012



FADN is designed for ...



of income and financial indicators of different farm populations, of average values per farm

FADN is not suitable for ...

- providing data on the farm structure of all farms



applies thresholds

- Focusing on the ~~totals~~ of production



More information:

http://ec.europa.eu/agriculture/rca/publications_en.cfm

Thank you for your attention!