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

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<td>EU-15</td>
<td>21 800</td>
<td>28 100</td>
<td>14 200</td>
<td>19 900</td>
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<tr>
<td>EU-N10</td>
<td>5 000</td>
<td>9 600</td>
<td>3 100</td>
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Regional differences in FNVA/AWU in the EU-27

Farm income

Average FNVA per AWU in 2012 EUR/AWU

- ≤ 10 000
- 10 000 - 20 000
- 20 000 - 30 000
- 30 000 - 40 000
- > 40 000
- No Data

Source: DG AGRI - EU-FADN
Year: 2012
Calculations: DG AGRI - E9
Cartography: DG AGRI GIS Team 02/2015

© EuroGeographics for the administrative boundaries
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**

- **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
- **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
- Focusing on the totals of production

- applies thresholds
More information:

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

Thank you for your attention!