

First estimates for 2004

EU25 real agricultural income per worker up by 3.3%

EU25¹ real agricultural income per worker² has risen by 3.3% in 2004, according to first estimates³ issued today by **Eurostat, the Statistical Office of the European Communities**. This growth is the result of an increase in real agricultural income (+1.8%), and a reduction in the volume of agricultural labour input (-1.5%).

The development of agricultural income in the EU25 in 2004 reveals large differences between the old and new Member States. Real agricultural income per worker grew by 0.8% in the **EU15** in 2004, while on average it rose by 53.8% in the 10 **New Member States**, this strong growth being mainly due to an increase of 244% in subsidies (net of tax).

In the EU15, **Germany** (+16.6%), **Denmark** (+12.2%) and **Luxembourg** (+7.8%) recorded the strongest growth in 2004, while the **Netherlands** (-11.5%) and **Belgium** (-8.8%) registered the largest falls. Amongst the New Member States the largest rises were observed in the **Czech Republic** (+107.8%), **Poland** (+73.5%) and **Estonia** (+55.9%). Only **Cyprus** recorded a fall (-1.4%).

Change in real agricultural income per worker² in 2004

	% change 2004/2003	Indices in 2004 (2000=100)		% change 2004/2003	Indices in 2004 (2000=100)
EU25	+3.3	102.7	Malta	+3.1	93.9
EU15	+0.8	101.9	Greece	+2.8	101.8
New Member States	+53.8	133.0	Sweden	+2.3	109.6
Czech Republic	+107.8	198.0	Spain	+1.7	115.2
Poland	+73.5	143.0	Italy	+1.3	96.9
Estonia	+55.9	278.6	Portugal	+0.6	102.3
Lithuania	+46.6	142.6	United Kingdom	+0.6	134.0
Latvia	+41.8	155.6	Austria	+0.6	105.8
Slovakia	+28.9	113.8	Ireland	-1.3	98.0
Hungary	+28.3	109.1	Cyprus	-1.4	97.3
Germany	+16.6	101.8	France	-3.7	94.0
Slovenia	+13.1	107.9	Finland	-3.9	86.8
Denmark	+12.2	92.7	Belgium	-8.8	83.6
Luxembourg	+7.8	103.5	Netherlands	-11.5	82.7

The increase in **EU25** real agricultural income per worker in 2004 is the result of a combination of various elements:

- a rise in the overall output of agriculture in real value terms (+2.0%);
- increases in input costs (+2.5%) and depreciation (+0.8%), in real terms;
- a rise in non product-specific taxes (+4.4%) and in non product-specific subsidies (+3.4%); and

- a continued decline in the volume of agricultural labour input (-1.5%).

Large increases in output volumes for crops

In the **EU25**, the rise in the real value of overall agricultural output in 2004 (+2.0%) is due to increases in the output values of both crop and animal production (+3.1% and +0.7% respectively). In the case of crop production, this rise reflects strong growth in the output volume of cereals (+24.0%), wine (+21.1%), olive oil (+25.3%) and oilseeds (+25.4%). Because of these large harvests, the producer prices for crop products fell on average by 8.0%. In the case of animal production, most of the increase can be attributed to higher producer prices for pigs (+6.9%) and growth in the output volume of poultry (+4.6%).

Within the EU25, the 10 **New Member States** present some specific features. For crop production they recorded growth in the real value of production of 16.5%, due to an increase in production volume of 24.7% (compared to +12.5% on average for the **EU25**) and a fall of 5.9% in prices (against -8.0% in the **EU25**). For animal production, the average growth of 4.6% in the real value observed in the **New Member States** is the result of a fall in production volume of 2.9% (against +0.4% in the **EU25**), combined with an increase in prices of 8.1% (against -0.4% in the **EU25**).

1. **EU25** consists of **EU15** (Belgium, Denmark, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom) and the 10 **New Member States** (the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia).
2. **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). One AWU corresponds to the input, measured in working time, of one person who is engaged in agricultural activities in an agricultural unit on a full-time basis over an entire year. A distinction is drawn between non-salaried and salaried AWUs, which together make up the total number of AWUs. To simplify, we have assimilated in this News Release one AWU to a full-time worker.
3. **Eurostat Statistics in Focus, Agriculture and Fisheries, 38/2004, "EU agricultural income in 2004: +3.3% in real terms"**. The data, based on first estimates provided to Eurostat by the Member States by the start of December 2004, are provisional. In February 2005, Eurostat will publish a revised second set of estimates.

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Philippe BAUTIER

**BECH Building
L-2920 LUXEMBOURG**

**Tel: +352-4301-33 444
Fax: +352-4301-35 349
eurostat-pressoffice@cec.eu.int**

For further information:

Marcel ERNENS

**Tel: +352-4301-34 115
Fax: +352-4301-37 318
marcel.ernens@cec.eu.int**

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