

Agricultural farms economic results

Year 2012

In 2012, the Italian agricultural farms belonging to the EU universe (around 1.6 million) had 969 thousand working units (Ula), of which 190 thousand dependent workers (19.6 percent), with production amounting to 42.6 billion euro and value added around 23.8 billion euro (basic prices evaluations).

The 11.4 percent of farms produces for self-consumption only, while the weight of multi-functional units is relevant, as regards number (11 percent), Ula (19.7 percent), production and value added (27.9 percent).

On average, in 2012 the agricultural farms realized about 26,300 euro of product (of which the 94.8 percent has been commercialized), with a gross operating surplus (Rlg) of about 14,100 euro by farm.

In comparison with 2011, production increased by 2.4 percent and value added by 2.0 percent.

The analysis of the dependent employment labor cost puts in evidence the lower average daily wage of temporary workers in comparison with permanent workers. As a matter of fact, the share of working days referred to temporary workers is equal to 80.0 percent, while that referred to the correspondent labor cost is 72.3 percent.

Breakdown of agricultural farms by Ula classes underlines the strong concentration in the smallest class. Small farms, with less than one Ula, are the 83.0 percent of the total, but realize a small share of production (29.3 percent), of turnover (28.9 percent) and of valued added (28.3 percent). Moreover, they contribute for 15.5 percent only to dependent employment and for 9.5 percent to labor costs. We must also underline that even among farms with less than one Ula there are units which have turnover not lower than 15,000 euro. They represent the 48.2 percent of farms with turnover not lower than 15,000 euro.

Medium size farms (at least 1 and less than 10 Ula), even though represent the 16.9 percent of the total, realize the 66.0 percent of production, the 66.1 percent of turnover and the 67.6 percent of value added. Moreover, they weight for the 80.5 percent on the overall labor cost, while the relative contribute of farms with at least 10 Ula (0.1 percent of the total) is the 4.7 percent of production, the 5.0 percent of turnover, the 4.1 percent of value added and the 10.0 percent of labor cost.

Also as regards the breakdown by Ula classes the main economic results confirm that productivity is much higher as the average farm size increases. In particular, the average productivity by Ula increases as the use of working days increases.

According to the analysis by technical-economic orientation (Ote), it is evident that the most part of production and value added (respectively 91.9 and 91.6 percent) is obtained from specialized farms, which represent the 89.3 percent of total units. Moreover, the farms oriented to crops (88.9 percent of the total) are those which realize the main share of production (63.4 percent) and value added (69.2 percent). The economic results of agricultural farms by technical-economic orientation put in evidence that the farms oriented to crops have intermediate costs proportionally lower than their production share and, for this reason, obtain a share of value added proportionally higher. On the contrary, farms oriented to livestock

present an average share of intermediate costs larger than their production share, so that in percent share value added is lower than the production value. Farms with livestock are those with the largest average values and the best performances as regards productivity and profitability.

Moreover, it is possible to distinguish among farms particularly oriented to self-consumption, those which carry out agricultural activities for the market, those which produce for both self-consumption and the market and, finally, the multifunctional farms, which also manage products transformation and activities linked to agriculture (agritourism, services supply, others). The largest group concerns farms with strict agricultural activities for the market and for self-consumption (41.0 percent), but the largest share of production value (49.3 percent) is due to farms whose activity is exclusively oriented to the market, as well as the largest share of value added (47.5 percent) and dependent employment (52.5 percent of dependent Ula and 55.2 percent of labor cost). In terms of average farm values the multifunctional farms (11.0 percent of the total) present the highest average unit values. These results depend on their larger productivity and profitability with respect to other kinds of farms.

As regards the geographical breakdown, it is evident the important role played by Northern Italy. As a matter of fact, the 52.2 percent of production and the 47.7 percent of value added are realized in this area, where only the 24.6 percent of the Italian agricultural farms are located. In the Northern area farms use the 25.7 percent of dependent workers and sustain the 33.7 percent of the whole labor cost, while the Mol share concerned is equal to the 50.1 percent of the national total. In the South, where the 59.8 percent of agricultural farms operate, the 34.9 percent of production and the 39.1 percent of value added are realized, while the share of labor costs is equal to 54.4 percent of the national total. As a consequence, in the South the share of Mol is only 36.4 percent. The average enterprise levels remark the larger size of Northern agricultural farms. In particular, the farms located in the North-West area are characterized by the largest average production amounts. The characteristics ratios confirm what said above: the average production by Ula and the Mol by Ula of the North-West farms are quite larger than the correspondent average national levels.

Information note

The survey on economic results of the Italian agricultural sector - year 2012 - refers to the whole system of agricultural farms as defined by the European Union (EU Universe). Estimates have been elaborated on the basis of information picked up through the survey on economic results of the agricultural farms (Rea) and the survey on agriculture accounting system (Rica), carried out in cooperation with the National Institute of Agricultural Economy (Inea), through modalities agreed with Italian Regions and autonomous Provinces. The data, got on the basis of a random sample including 19,000 agricultural farms, provide basic information on enterprises' economic results and let the possibility to estimate the main variables according to a theoretical framework very similar to that adopted for the analysis of economic results of enterprises operating in industry and services. Results refer to enterprises which carry out a main economic activity based on agriculture (groups 1.1, 1.2, 1.3, 1.4, section A of the ATECO 2007 economic activities classification).

For more details please refer to the Italian version

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