

Economic performance of agricultural holdings in 2011

In 2011, the Italian agricultural holdings belonging to the EU universe (around 1.6 million) had 969 thousand working units (Fte), of which 186 thousand dependent workers (19.2 percent), with production amounting to 41.6 billion euro and value added around 23.3 billion euro (basic prices evaluations).

The 11 percent of farms produces for self-consumption only, while the weight of multi-functional units is relevant, as regards number (12.7 percent), Fte (22.7 percent), production (27.8 percent) and value added (27.7 percent).

On average, in 2011 the agricultural farms realized about 25,600 euro of product (of which the 93.4 percent has been commercialized), with a gross operating surplus (Rlg) of about 13,600 euro by farm.

In comparison with 2010, the number of farms increased by 0.2 percent, production by 7.8 percent, value added by 7.9 percent and employment by 2.2 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 79.6 percent, while that referred to the correspondent labor cost is 71.4 percent.

Breakdown of agricultural holdings by Fte classes underlines the strong concentration in the smallest class. Small farms, with less than one Fte, are the 84.0 percent of the total, but realize a small share of production (30.7 percent), of turnover (30.6 percent) and of valued added (26.7 percent). Moreover, they contribute for 17.9 percent only to dependent employment and for 11.7 percent to labor costs. We must also underline that even among farms with less than one Fte there are units which have turnover not lower than 15,000 euro. They represent the 49.8 percent of farms with turnover not lower than 15,000 euro.

Medium size holdings (at least 1 and less than 10 Fte), even though represent the 15.9 percent of the total, realize the 63.8 percent of production, the 64.3 percent of turnover and the 68.0 percent of value added. Moreover, they weight for the 70.5 percent on the overall labor cost, while the relative contribute of farms with at least 10 Fte (0.1 percent of the total) is the 5.5 percent of production, the 5.1 percent of turnover, the 5.3 percent of value added and the 17.8 percent of labor cost.

Also as regards the breakdown by Fte classes the main economic performance confirm that productivity is much higher as the average farm size increases. In particular, the average productivity by Fte 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 91.0 and 91.7 percent) is obtained from specialized farms, which represent the 88.4 percent of total units. Moreover, the farms oriented to crops (87.9 percent of the total) are those which realize the main share of production (65.6 percent) and value added (68.0 percent). The economic performance of agricultural holdings 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 holdings, 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 (40.5 percent), but the largest share of production value (49.5 percent) is due to farms whose activity is exclusively oriented to the market), as well as the largest share of value added (50.1 percent) and dependent employment (49.0 percent of dependent Fte and 52.2 percent of labor cost). In terms of average farm values the multifunctional holdings (12.7 percent of the total) present the lowest average unit values. These performance 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 59.1 percent of production and the 45.5 percent of value added are realized in this area, where only the 24.6 percent of the Italian agricultural holdings are located. In the Northern area farms use the 23.7 percent of dependent workers and sustain the 30.3 percent of the whole labor cost, while the Mol share concerned is equal to the 48.1 percent of the national total. In the South, where the 59.9 percent of agricultural holdings operate, the 32.1 percent of production and the 36.2 percent of value added are realized, while the share of labor costs is equal to 44.6 percent of the national total. As a consequence, in the South the share of Mol is only 34.7 percent. The average enterprise levels remark the larger size of Northern agricultural holdings. 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 Fte and the Mol by Fte of the North-West farms are quite larger than the correspondent average national levels.

INFORMATION NOTE

The survey on economic performance of the Italian agricultural sector - year 2011 - refers to the whole system of agricultural holdings as defined by the European Union (EU Universe). Estimates have been elaborated on the basis of information picked up through the survey on economic performance of the agricultural holdings (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 18,000 agricultural holdings, provide basic information on enterprises' economic performance and let the possibility to estimate the main variables according to a theoretical framework very similar to that adopted for the analysis of economic performance of enterprises operating in industry and services.

Performance 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).