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Economic performances of agriculture holdings

Year 2013

In 2013, the Italian agriculture holdings (about 1.5 million) employed 992 thousand annual work units (AWU[1]), whereas 207 thousand of them were due to non-family labour (20.9 percent), with a total output of about 43.9 billion euro and 24.9 billion euro of value added (evaluated at basic prices) (see Table 1).

10.4 percent of farms produced just for self-consumption, close to the fraction of multi-functional farms (9.6 percent) which however attained relevant performances in terms of AWU (19.7 percent), output (27.8) and value added (28.0 percent).

TABLE 1. - ECONOMIC PERFORMANCES OF AGRICULTURE HOLDINGS.
Year 2013. Absolute values and relative change 2013-2012

Economic Aggregates	2013	% change
Absolute values *(thousands of units)*		
Number of agriculture holdings	1,516	-6.3
AWU	992	2.4
- AWU non-family labour	*207*	*8.6*
(millions of euro)		
Output (a)	**43,938**	**3.3**
- turnover	*41,657*	*3.3*
Intermediate consumption	19,022	1.3
Value added (a)	**24,917**	**4.9**
Cost of non-family labour	3,633	3.0
Gross operating surplus (GOS) (a)	**21,283**	**5.2**
Average values per holding *(units)*		
AWU	0.7	0.1
AWU non-family labour	0.1	0.0
(millions of euro)		
Output (a)	**28,978**	**10.2**
- turnover	*27,473*	*10.2*
Intermediate consumption	12,545	8.1
Value added (a)	**16,433**	**11.9**
Cost of non-family labour	2,396	9.9
Gross operating surplus (GOS) (a)	**14,037**	**12.3**

(a) Evaluation at basic prices.

In 2013 the average output of agriculture holdings was about 29,000 euro (of which 94.8 percent intended for the market), while the average gross operating surplus (GOS) was close to 14,000 euro per holding. Compared to 2012, the output increased by 3.3 percent and value added by 4.9 percent.

[1] The Annual Work Units are derived as the fraction of the working days (at least 8 hours per day) spent annually working in the farm divided by 280.

The analysis of compensation paid for non-family labour reveals lower average daily wage for temporary workers than permanent workers. As a matter of fact, the temporary workers contributed to 88.2 percent of the overall working days and to 83.5 percent of the overall cost of non-family labour.

Breakdown of agriculture holdings by AWU (Table 2) highlights a strong concentration in the smallest class: 80.7 percent of holdings employsed less than 1 AWU, these farms however concurred to just 15.5 percent of output, 24.9 percent of turnover and 24.9 percent of valued added. Finally they contributed to 12.9 percent to non-family labour and for 9.1 percent to cost of non-family labour. It is worth noting that 42.2% of farms with a turnover lower than 15,000 fell in the first class of AWU (less than 1 AWU).

TABLE 2. AGRICULTURE HOLDINGS AND ECONOMIC OUTCOMES BY AWU CLASSES. Year 2013

	AWU			
	Less than 1	From 1 to less than 10	10 and greater	Total
Proportions				
Number of agriculture holdings	80.7	19.2	0.1	100
- holdings with turnover lower than 15,000 euro	*42.2*	*57.4*	*0.4*	*100*
AWU	42.5	54.8	2.7	100
- AWU non-family labour	*12.9*	*75.2*	*11.9*	*100*
Output (a)	**25.5**	**69.1**	**5.4**	**100**
- turnover	*24.9*	*69.6*	*5.5*	*100*
Intermediate consumption	26.4	68.5	5.1	100
Value added (a)	**24.9**	**69.5**	**5.6**	**100**
cost of non-family labour	9.1	78.2	12.7	100
Gross operating surplus (GOS) (a)	**27.6**	**68.0**	**4.4**	**100**
Average values per holding *(euro)*				
Output (a)	**9,162**	**104,471**	**1,487,625**	**28,978**
- turnover	*8,478*	*99,789*	*1,435,628*	*27,473*
Intermediate consumption	4,103	44,859	605,926	12,545
Value added (a)	**5,059**	**59,611**	**881,698**	**16,433**
Cost of non-family labour	270	9,778	289,948	2,396
Gross operating surplus (GOS) (a)	**4,789**	**49,833**	**591,751**	**14,037**
Ratios *(euro)*				
Output by AWU	26,589	55,889	87,106	44,285
GOS by AWU	13,896	26,659	34,649	21,452

(a) Evaluation at basic prices.

Medium size agriculture holdings (from 1 to less than 10 AWU), represent 19.2 percent of the total but contribute to 69.1 percent of the output, to 69.6 percent of turnover and to 69.5 percent of value added. Moreover, they concur to 78.2 percent on the cost of non-family labour, while the relative contribution of farms with at least 10 AWU (0.1 percent of the total) consists in 5.4 percent of output, 5.5 percent of turnover, 5.6 percent of value added and 12.7 percent of cost of non-family labour.

Results by AWU classes support the conclusion that, in average, productivity increases with increasing size of the agriculture holdings.

As far as type of farming is concerned (Table 3), the bulk of the output and of the value added (respectively 91.6 and 92.0 percent) is achieved by specialised farms, which represented 88.6 percent of total number of farms. The crops oriented farms (87.8 percent of the total) attained the main share of output (63.4 percent) and value added (69.2 percent). These farms have intermediate consumption proportionally lower than their output share and, for this reason, achieve a share of value added proportionally higher. On the contrary, farms specialised in livestock showed an average share of intermediate consumption higher than their output share, and consequently their contribution to value added was lower than the contribution to the output. Farms devoted only to livestock are those with the largest average figures and the best performances in terms of productivity and profitability.

TABLE 3. AGRICULTURE HOLDINGS AND ECONOMIC OUTCOMES BY TYPE OF FARMING. Year 2013

	Crops	Livestock	Mixed (crops and livestock)	Total	Specialist	Non-specialist
Proportions						
Number of agriculture holdings	87.8	9.4	2.8	100	88.6	11.4
- holdings with turnover lower than 15,000	*75.9*	*20.5*	*3.6*	*100*	*90.4*	*9.6*
AWU	78.0	18.0	4.0	100	88.4	11.6
- AWU non-family labour	*86.1*	*10.9*	*3.0*	*100*	*91.4*	*8.6*
Output (a)	**63.4**	**33.6**	**3.0**	**100**	**91.6**	**8.4**
- turnover	*65.9*	*31.3*	*2.8*	*100*	*91.8*	*8.2*
Intermediate consumption	55.9	40.9	3.2	100	91.2	8.8
Value added (a)	**69.2**	**28.0**	**2.8**	**100**	**92.0**	**8.0**
Cost of non-family labour	82.6	14.3	3.1	100	90.7	9.3
Gross operating surplus (GOS) (a)	**67.0**	**30.3**	**2.7**	**100**	**92.2**	**7.8**
Average values per holding*(euro)*						
Output (a)	**20,943**	**104,081**	**30,202**	**28,978**	**29,980**	**21,197**
- turnover	*20,622*	*91,961*	*27,063*	*27,473*	*28,459*	*19,823*
Intermediate consumption	7,982	54,921	14,140	12,545	12,910	9,710
Value added (a)	**12,961**	**49,160**	**16,061**	**16,433**	**17,070**	**11,488**
Cost of non-family labour	2,254	3,673	2,569	2,396	2,453	1,954
Gross operating surplus (GOS) (a)	**10,706**	**45,487**	**13,492**	**14,037**	**14,617**	**9,533**
Ratios *(euro)*						
Output by AWU	36,005	82,769	32,997	44,285	45,921	31,841
GOS by AWU	18,406	36,173	14,741	21,452	22,389	14,320

(a) Evaluation at basic prices.

A further grouping distinguish among farms producing just for self-consumption, farms whose output goes to the market, those producing for both self-consumption and the market and, finally, the multi-functional farms, whose activities include also products' transformation and other activities related to agriculture (agritourism, supply of services, etc.) (Table 4).

TABLE 4. AGRICULTURE HOLDINGS AND ECONOMIC OUTCOMES BY ACTIVITY. Year 2013

	Self-consumption	Production for the market	Production for self-consumption and for the market	Multi-functional	Total
Proportions					
Number of agriculture holdings	10.4	34.1	45.9	9.6	100
- holdings with turnover lower than 15,000	*0.0*	*47.9*	*30.3*	*21.8*	*100*
AWU	2.2	42.4	35.7	19.7	100
- AWU non-family labour	*0.2*	*46.3*	*30.6*	*22.9*	*100*
Output (a)	**0.3**	**47.1**	**24.8**	**27.8**	**100**
- turnover	*0.0*	*48.2*	*24.0*	*27.8*	*100*
Intermediate consumption	0.5	49.1	22.8	27.6	100
Value added (a)	**0.2**	**45.5**	**26.3**	**28.0**	**100**
Cost of non-family labour	0.1	47.1	25.8	27.0	100
Gross operating surplus (GOS) (a)	**0.2**	**45.2**	**26.5**	**28.1**	**100**
Average values per holding *(euro)*					
Output (a)	**827**	**39,977**	**15,682**	**83,701**	**28,978**
- turnover	*0*	*38,858*	*14,356*	*79,254*	*27,473*
Intermediate consumption	579	18,051	6,243	35,962	12,545
Value added (a)	**248**	**21,926**	**9,439**	**47,739**	**16,433**
Cost of non-family labour	15	3,308	1,347	6,728	2,396
Gross operating surplus (GOS) (a)	**233**	**18,618**	**8,092**	**41,011**	**14,037**
Ratios (euro)					
Output by AWU	6,016	49,187	30,775	62,462	44,285
GOS by AWU	1,696	22,906	15,880	30,605	21,452

(a) Evaluation at basic prices.

The largest group corresponds to farms producing for both the market and for self-consumption (45.9 percent), but the largest share of output (47.1 percent) is achieved by farms whose activity is exclusively oriented to the market, as well as the largest share of value added (45.5 percent) and non-family labour (46.3 percent of non-family AWU and 47.1 percent of cost of non-family labour). In average the multi-functional farms (9.6 percent of the total) showed better performances in terms of the main economic variables. These results depend on their higher productivity and profitability if compared to the other kind of farms.

Finally, analysis by geographical areas (Table 5), highlights the important role played by holdings in the North of Italy (24.1 percent). In particular they contribute to 53.0 percent of the output and 49.1 percent of the value added. Farms in the Northern area employed 27.2 percent of non-family labour and bore 35.5 percent of its cost, while the gross operating surplus (GOS) share was equal to 51.4 percent of the national total. The majority of agriculture holdings operated in the South of Italy (60.3 percent), however they achieved 34.7 percent of the whole output and 38.6 percent of value added, while the share of cost of non-family labours was equal to 53.4 percent of the national total. As a consequence, in the South the share of GOS was only 36.1 percent. The figures reveal that the larger farms are those located in the North and, in particular, in the North-West area where the largest average output was observed. These conclusion are confirmed by the values of the average output by AWU and the GOS by AWU.

TABLE 5. AGRICULTURE HOLDINGS AND ECONOMIC OUTCOMES BY GEOGRAPHICAL AREAS. Year 2013

	North-west	North-east	Centre	South	Islands	Italy
			Proportions			
Number of agriculture holdings	8.7	15.4	15.6	43.1	17.2	100
- holdings with turnover lower than 15,000	*16.8*	*22.3*	*13.0*	*34.0*	*13.9*	*100*
AWU	14.2	21.1	15.0	35.6	14.1	100
- AWU non-family labour	*8.0*	*19.2*	*9.3*	*47.2*	*16.3*	*100*
Output (a)	**23.2**	**29.8**	**12.3**	**23.4**	**11.3**	**100**
- turnover	*22.5*	*30.6*	*11.9*	*23.8*	*11.2*	*100*
Intermediate consumption	25.9	32.3	12.3	20.0	9.5	100
Value added (a)	**21.1**	**28.0**	**12.3**	**25.9**	**12.7**	**100**
Cost of non-family labour	9.2	26.3	11.1	39.0	14.4	100
Gross operating surplus (GOS) (a)	**23.1**	**28.3**	**12.5**	**23.7**	**12.4**	**100**
			Average values per holding *(euro)*			
Output (a)	76,893	56,323	22,818	15,725	19,034	28,978
- turnover	*70,986*	*54,679*	*21,050*	*15,151*	*17,795*	*27,473*
Intermediate consumption	37,182	26,387	9,871	5,827	6,940	12,545
Value added (a)	**39,711**	**29,937**	**12,946**	**9,898**	**12,093**	**16,433**
cost of non-family labour	2,531	4,104	1,707	2,170	1,994	2,396
Gross operating surplus (GOS) (a)	**37,180**	**25,833**	**11,240**	**7,728**	**10,099**	**14,037**
			Ratios *(euro)*			
Output by AWU	72,038	62,748	36,372	29,084	35,456	44,285
GOS by AWU	34,832	28,779	17,916	14,294	18,812	21,452

(a) Evaluation at basic prices.

Methodological note

The results on the performances of the Italian agriculture holdings in 2013 are based on the information collected by the survey on economic outcomes of the agricultural holdings (REA) and the Farm accountancy data network (FADN) survey (RICA), carried out in cooperation with the National Institute of Agricultural Economy (Inea), through procedures agreed with Italian Regions and Autonomous Provinces.

The survey is based on a sample consisting of about 19,000 agriculture holdings, selected according to probabilistic criteria. In 2013 the responding farms were 10,775 (about 56 percent). The data collected on them provide basic information on holdings' economic outcomes, in line with the theoretical framework 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 NACE 2007 economic activities classification).

For more details please refer to the Italian version

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