

PRELIMINARY ESTIMATE OF AGRICULTURAL ECONOMIC ACCOUNTS | YEAR 2024

Agriculture to grow again in 2024, Italy first in EU27 for value added

➔ In 2024, agricultural output and gross value added will increase (in volume term, respectively, +1.4% and +3.5%). The volumes produced increase especially in the crop output (+1.5%) and in the animal output (+0.6%) sectors, while agricultural service activities decreases (-1.5%). The positive trend in secondary activities continues (+5.2%). Favorable year for fruit (+5.4%), fresh vegetables (+3.8%) and wine (+3.5%); cereals (-7.1%), olive oil (-5%) and fodder (-2.5%) are in decline.

The prices of crop products increased (+2.9%), while the prices of the animal output sector decreased (-2.2%). The fall in the prices of the goods and services used was also significant (-4.5%).

The decline in labour input employed in the agricultural sector (-2.6%) was higher than the average of the other EU27 countries (-0.9%).

In the EU27, the volume of output (+0.5%) and gross value added (+0.2%) increase slightly: Italy is the country with the highest agricultural value added.

42.4 billion

Agriculture value added that puts Italy in first place in the EU27

Spain (39.5 billion euros), France (35.1 billion) and Germany (31.9 billion) follow.

233.6 billion

The value added of agriculture in the EU27

+12.5%

The change in the agricultural income indicator for Italy

+1.6% the EU27 average

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Production increases in value and volume, intermediate costs fall

Istat releases the preliminary estimate of the economic performance of the agricultural sector for 2024. The data in this report refer to the Economic Accounts of Agriculture (EAA) which differ, in some respects, from the central framework of the National Accounts (for details, see the "Methodological Note").

Estimates for 2024 show a 1.4% increase in the volume of goods produced by the agricultural sector and a 0.8% growth in their sales prices. As a result, the value at current prices of the total output of the sector increases by 2.2%, to reach 74.6 billion euro (it was 73.0 billion euro in 2023).

The reduction in intermediate consumption (-1.0% in volume terms), combined with a significant fall in the prices of the goods and services used (-4.5%), consolidated the positive trend in the value added at the basic prices of the sector, which increased by 3.5% in volume terms and 9.0% in value terms, reaching 42.4 billion euro in 2024 (38.9 billion euro in the previous year).

The labour units employed in agriculture decreased by 2.6% due to a sharp fall (-4.4%) in the number of self-employed, which was not offset by a slight increase in the number of employees (+0.9%).

With the increase in the other subsidies on production received by the sector (+2.5%) and the broad stability of the Consumption of fixed capital (-0.1%), the value of factor income rose by of 11.3% in 2024 and, consequently, the agricultural income indicator recorded a significant increase (+12.5%).

Crops: a good year for fruit, vegetables and wine

The 2024 estimates outline a positive year for the crop complex (+1.5% in volume).

The volumes produced of potatoes (+13.0%), fruit (+5.4%; in particular, fresh fruit +11.5%), fresh vegetables (+3.8%) and wine (+3.5%) increased; the volumes produced of cereals (-7.1%) and olive oil (-5.0%) decreased sharply, while the fall in forage plants was more modest (-2.5%).

The prices of crop products showed an average increase of 2.9%. Significant increases were recorded for potatoes, olive oil and wine, while the prices of cereals and forage plants fell significantly.

Animal output sector: slight increase in output with falling prices

Activity in the animal output sector remained stable, with a slight increase in the overall volume of output in 2024 (+0.6% compared to the previous year). In particular, positive results were achieved for cows (+1.5% in volume terms) and, among animal products, milk (+1.1%) and eggs (+0.5%). With prices in the sector falling (-2.2%), the value of output in the sector fell by 1.6%.

Animal output sector: slight growth in output with falling prices

Activity in the animal output sector remained broadly stable, with a slight increase in the overall volumes produced in 2024 (+0.6% compared to the previous year). In particular, positive results were achieved for cows (+1.5% in volume) and, among derived animal products, milk (+1.1%) and eggs (+0.5%). With prices in the sector falling (-2.2%), the value of output in the sector fell by 1.6%.

AGRICULTURE: KEY NUMBERS. Year 2024 ^(a) million of euro, percentage values

AGGREGATES	Million of euro Year 2024	Volume changes 2024/2023 %	Price changes 2024/2023 %	Value changes 2024/2023 %
Crop output	40.597	+1,5	+2,9	+4,5
Animal output	21.108	+0,6	-2,2	-1,6
Agricultural goods output	61.705	+1,2	+1,1	+2,3
Agricult. Services	5.974	-1,5	+2,5	+1,0
Agricultural output	67.679	+1,0	+1,2	+2,2
Non-agricult. Second. Activities (b)	6.912	+5,2	-2,5	+2,6
Total output	74.592	+1,4	+0,8	+2,2
Total intermediate consumption	32.180	-1,0	-4,5	-5,5
Gross value added	42.412	+3,5	+5,3	+9,0
Net value added	31.045	+4,6	+7,8	+12,7
Factor income	35.582			+11,3
Labour input (1000 AWU)	907			-2,6
Agricultural income indicator			+12,5	

a) The estimates presented in this table are preliminary and therefore subject to revision with future releases.

b) These are non-agricultural secondary activities carried out within the agricultural sector (mainly: agricultural-tourism, processing of milk, fruit and meat, production of renewable energy), net of secondary agricultural activities carried out by non-agricultural sectors (essentially related to crops and to farms and exercised, for example, by commercial enterprises).

Secondary activities continue to grow while agricultural services slow down

Estimates for 2024 indicate an increase in the volume of output for non-agricultural secondary activities of 5.2% (+2.6% in value terms, with a 2.5% fall in prices). This sector was driven mainly by agritourism activities and the production of renewable energy. On the other hand, a negative trend was observed for agricultural services activities, whose output decreased by 1.5% in volume terms, but rose by 1.0% in value terms, as a result of a 2.5% increase in the prices of the services produced.

Intermediate consumption: the quantities and prices of inputs decrease

In 2024, the estimates showed a decrease in the quantities of goods and services used in the agricultural sector (-1.0%) and, thanks to a 4.5% fall in the prices of purchased goods and services, a significant reduction in expenditure on intermediate consumption (-5.5%), which fell to 32.2 billion euro, from 34.0 the previous year. The largest savings were recorded in the expenditure incurred for feed and energy products.

The joint evolution of the prices of products sold (output) and those purchased (input) has led to an improvement in the terms of market ratio for the agricultural sector, defined as the ratio between the output price index (+0.8%) and that of the input (-4.5%).

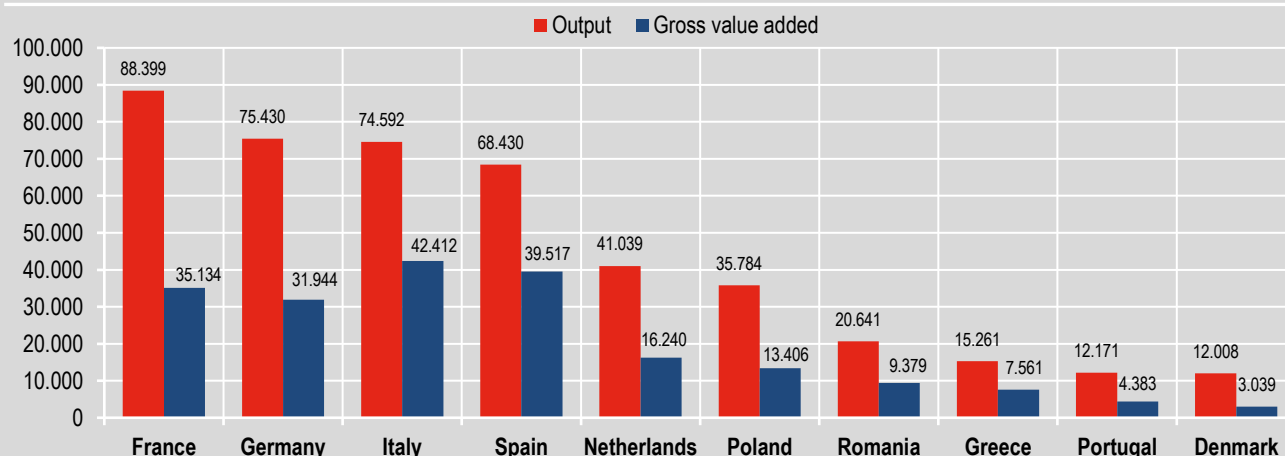
Italy takes over European leadership in agricultural value added

According to preliminary estimates, in 2024 the output of the agricultural sector of the EU27 countries showed an increase of 0.5% in volume, but a decrease of 1.5% in value due to the decrease in the prices of the products sold, falling to 529 billion euro compared to the 536.9 billion euro in the previous year. After the increases of the last three years, a fall of 2.0% in producer prices (measured in terms of basic price) is estimated at European level in 2024 and a more significant decrease in the prices of purchased goods and services (-6.4%). Intermediate consumption fell by 5.7% in value terms, while a modest increase of 0.8% was observed in volume terms. As a result, gross value added increased compared by 0.2% in volume and 4.4% in value compared to the previous year, from 223.7 billion euro in 2023 to 233.6 billion in 2024.

In the term of volume growth in 2024, Spain (+10.6%), Portugal (+4.4%), Poland (+1.6%) and Italy (+1.4%) stand out; while Hungary (-4.4%), Romania (-4.3%) and France (-3.5%) are the worst performers.

The ranking of production value at current prices in 2024 confirms France in first position (88.4 billion euros, -7.7% compared to 2023), followed by Germany (75.4 billion euros, -0.9%), Italy (74.6 billion euros, +2.2%) and Spain (68.4 billion euros, +4.3%).

FIGURE 1. OUTPUT AND GROSS VALUE ADDED OF AGRICULTURE EU27, RANKING OF THE MAIN MEMBER STATES. Year 2024, current values in millions of euro



In terms of gross value added, Italy will take the European lead in 2024 (42.4 billion euro, +9.0% compared to 2023), followed by Spain (39.5 billion euro, +16.2%) and France (35.1 billion euro, -7.2%), which held the record in 2023.

Among the main sectors, estimates indicate a positive year for olive oil in the EU27 in 2024 (+9.1% in volume terms), with production expanding strongly in Spain (+22.6%) and Greece (+5.9%). Good performances were also recorded for potatoes (+7.8%), fodder (+7.2%), fruit (+4.5%) and fresh vegetables (+2.1). On the other hand, the volumes of wine produced were significantly reduced (-10.2%), mainly due to the collapse recorded in France (-22.8%). Negative trends were also observed for the floriculture sector (-4.2%) and cereals (-3.1%).

Satisfactory results were recorded for animal output (+0.9% in volume terms) and, in particular, for meat production (+1.4%). On the other hand, secondary activities and services saw a slight decline in output (-0.5%).

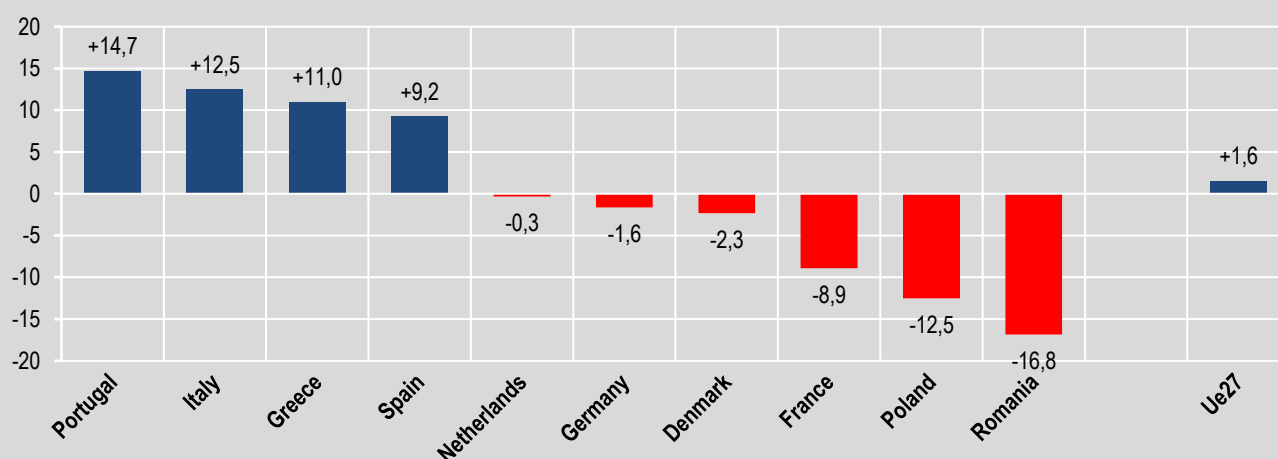
The largest decreases in output prices were recorded in Spain (-5.7%), Denmark (-5.3%), Portugal (-4.7%), Poland (-4.3%) and France (-4.3%), while increases were recorded in Greece (+7.8%), Ireland (+4.9%) and Italy (+0.8%).

In 2024, the decrease in intermediate consumption expenditure (-5.7% in value compared to the previous year) was general for the EU27 as a whole, but more significant in Spain (-8.5%), France (-8.0%), Romania (-7.7%) and Denmark (-7.2%). The prices of goods and services used fell by 6.4% on average in the EU27, with the largest falls in Spain and France.

The incidence of intermediate consumption on the value of production decreased from 58.3% in 2023 to 55.8% in 2024 for the EU27 as a whole (-2.5 percentage points). The highest incidences were recorded in Denmark, Hungary, Poland, Portugal and France, while they were below the EU27 average for Italy, Spain, Greece and Romania.

The evolution of the agricultural income indicator, which measures labor productivity in agriculture, shows a positive increase for the EU27 (+1.6%) for 2024. A particularly positive trend is observed in Portugal (+14.7%), Italy (+12.5%), Greece (+11%) and Spain (+9.2%) while the largest decreases are recorded in Romania (-16.8%), Poland (-12.5%), France (-8.9%).

FIGURE 2. AGRICULTURAL INCOME INDICATOR FOR EU27 AND MAIN EUROPEAN COUNTRIES. Year 2024, annual percentage changes



Glossary

Agricultural income indicator: is the so-called indicator A, defined by Eurostat as the value added at the cost of factors in real terms of agriculture per unit of work. The deflator used is that of GDP.

Base price: is the measure of the actual amount received by the manufacturer. It includes contributions on products and excludes product taxes and any trade and transport margins separately invoiced by the manufacturer.

Deflator: is the ratio between an aggregate expressed in nominal terms and the same expressed in real terms. It indicates how much of the growth of the aggregate, expressed in nominal terms, is attributable to price changes.

Factor income: is an indicator that measures the remuneration of all production factors (land, capital, labor) and represents all the value generated by agricultural production activities. It corresponds to the net value added at the cost of factors, it is determined by subtracting other taxes on production from the net value added at basic prices and including other production contributions.

Gross salaries: include salaries, salaries and ancillary skills, in cash and in kind, gross of tax and social security deductions, paid to employees directly and on a regular basis, as established by contracts, company agreements and legal regulations in force.

Income from employment: is the cost borne by employers as remuneration for the work performed by workers employed by them. The aggregate of compensation of employees includes both gross salaries and social contributions, be they actual and/or figurative.

Labor Units (AWUs): they represent a measure of employment with which part-time jobs (part-time work contracts and second activities) are reported in full-time work units. The work units are calculated net of the redundancy fund.

Market ratio: in this context, the market ratio of agriculture is measured by the ratio between the index of producer prices of agricultural products (output) and that of intermediate consumption prices (input) for domestic producers.

Value added at basic prices: it is the difference between the value of the production of goods and services and the value of the intermediate costs incurred for this production. Production is valued at basic prices, ie net of taxes on products and gross of product subsidies and intermediate costs at purchase prices. Corresponds to the sum of production factors and depreciation.

Methodological note

The preliminary estimate on the trend of the agricultural economy for the current year is produced within the month of November by all EU Member States on the basis of Regulation (EC) of the European Parliament and of the Council No. 138/2004. The estimates are then updated in the following months according to the provisions of the Community legislation.

The Economic Accounts of Agriculture

The Economic Accounts of Agriculture (EAA) provide an overview of the activity of the sector. From the agricultural accounts derive economic trends by product, changes in basic prices and production volumes by product groups and by production sector. The data are processed according to the methodologies established by the European system of national and regional accounts (Sec 2010) and concern economic aggregates such as production, intermediate consumption, value added and agricultural income. The data has a high level of detail, both territorial and product.

The calculations are carried out by Istat and the methodology used follows the guidelines recommended by Eurostat¹.

The EAAs present some differences with respect to the central framework of the National Accounts: on the one hand, in fact, they do not include the activities of family gardens and small farms and some service activities; on the other they provide for the inclusion among agricultural activities of the production of wine and oil transformed by cooperatives. For these reasons, the data presented in this report differs in some respects from the central framework of the National Accounts.

The value of agricultural production

For the definition of the production value, the "quantity by price" method is used. It is obtained by multiplying the quantities of the products by their average annual unit price. This method provides the completeness of the estimates as more than 170 products and activities covering the entire production of the agricultural sector are considered. Calculation procedures are extremely detailed and include every type of product at the 4-digit level of the Nace Rev.2. The quantities are detected starting from the survey "Estimation of surfaces and production of agricultural crops": the survey includes details at provincial level and measures the surveyed areas, the average yields per hectare, the total production and the collected production and complies with the European Regulation 543/2009. Prices are collected through a specific survey called "Monthly survey of producer price of products sold by farmers" with details for each province; the survey takes into account the seasonality of productions and excludes imported products. There are corded average prices (to the producer) are then increased by any contributions and adjusted with taxes on products, thus obtaining the basic prices. Using the basic prices, the "quantity by price" method enables to have the production value for each product.

A similar consideration concerns the estimates of other production aggregates such as secondary activities and support activities. For example, in the estimates of the agritourism the surveys on presence and flows in agritourism companies and on the movement of customers in hotel facilities are taken into account; these estimates are then compared with the evaluations of the sector organizations and with the VAT declarations of the agricultural sector.

The intermediate consumption of agriculture

The estimate of intermediate consumption of the sector is processed through a methodology attributable to the "quantity by price" approach. In addition to the consolidated cost components (for example technical means such as feed, fertilizers, seeds and phytosanitary), new types of farm costs such as insurance for structures and animal husbandry, bottling, marketing of the wine produced on the farm, packaging related to the first processing of the products and preparation for the markets, routine maintenance for photovoltaic systems and biogas plants, maintenance of parks and gardens, other minor expenses related to farm tourism and related activities and finally the expenses related to other support activities have been included.

The sources used range from specific surveys on technical means to the monthly survey on the prices of products purchased by farmers.

References

News and in-depth information on "News in agricultural accounts -The revision of the national and regional accounts of agriculture and the changes made with the introduction of the Sec 2010" are available at <http://www.istat.it/it/archivio/162712>.

Information on Italian national accounts (annual and quarterly) and on institutional, territorial and environmental accounts is available at <http://www.istat.it/it/conti-nazionali>. Detailed data at European level are available at <http://ec.europa.eu/eurostat/data/database> under the theme "Agriculture, forestry and fisheries"/"Agriculture"/"Economic Accounts for Agriculture".

NOTE

ⁱ Regulation (EC) No. 138/2004 of the European Parliament and of the Council of 5 December 2003 on the Economic Accounts for Agriculture in the EU (OJ L33, 05.02.2004) establishes the legal basis for defining a harmonized methodology for compiling of the economic accounts of agriculture. The Regulation was amended by subsequent Regulations 306/2005, 909/2006 and 212/2008. The reference methodological document is the "[Manuale dei conti economici dell'agricoltura e della silvicoltura CEA/CES97](#)".

For technical and methodological clarifications

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