

# Economic Accounts for Agriculture (EAA) 2019

---

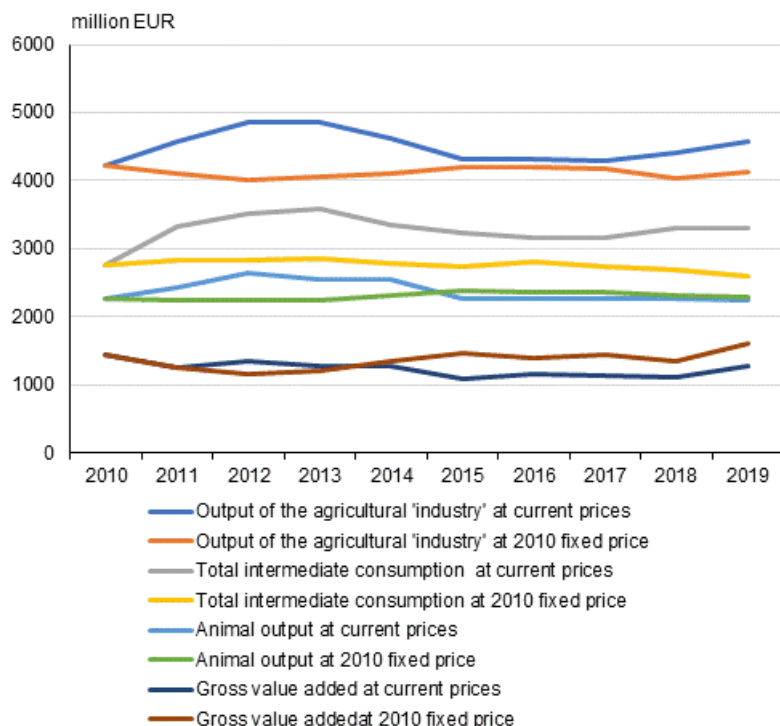
## A glimmer of light in agriculture after four years of darkness

In Finland, the output of agriculture calculated at current prices is estimated to have grown by some four per cent compared to the year before, to good EUR 4,570 million. The share of livestock production in total output was around 50 per cent, the share of plant production was 36 per cent and the remainder consisted of agricultural services and ancillary activities. The data derive from the Economic Accounts for Agriculture that are now published for the first time in Finland.

In 2019, the output volumes of field crops returned to nearly normal levels after a year of crop failure in 2018. The weather conditions varied by region, which affected plant production. The harvest was good in parts of Ostrobothnia, while in Uusimaa the yield per hectare was relatively low. The volume of plant production is estimated to grow by some 11 per cent from the year before in 2019. The growth is visible, in particular in the production of cereals and fodder crops. The values of cereal farming and garden production are almost equal, and their combined share is around 60 per cent of the estimated 2019 value of plant production, EUR 1,640 million.

In this release, the development of agriculture is described as a 10 year time series. The following figure shows the development of output, production inputs (intermediate consumption) and their difference, i.e. the value added in agriculture from 2010 to 2019. The volume series in the figure have been deflated to the level of 2010. The volume change primarily describes changes in numbers and/or quality (volume).

## Development of output, intermediate consumption and value added in agriculture in 2010 to 2019



The prices of agricultural products went up clearly faster than the volume in the early years of the decade, but the price development made a downturn in 2014 and returned in 2015 to 2017 to the same level as in 2010. In plant production, prices turned to growth again in 2018 to 2019 but prices in livestock production still remained at the 2010 level in 2018 to 2019.

The current value of intermediate consumption rose to a higher level than the volume at the beginning of the period and the difference has remained high throughout the review period. The volume of intermediate consumption has decreased especially towards the end of the period, while the value at current prices seems to increase in 2018 to 2019.

In this period, the volume of value added in agriculture grew by 12 per cent, while calculated in current prices it declined by 12 per cent. In other words, some 12 per cent more goods and services (numbers and/or quality) were produced in 2019 than in 2010 but the income received was 12 per cent lower than at the beginning of the period. The sum of industry-specific gross value added (plus taxes and less subsidies on products) corresponds with the gross domestic product (GDP) concept used in national accounts.

The data for Economic accounts for agriculture (EAA) are produced at Statistics Finland as part of the national accounts system. The compilation of EAA accounts is based on accounts harmonised and regulated by the EU. Thus, the data of the economic accounts are an important monitoring tool both for the European Commission and other planners of the common agricultural policy. The data for these statistics will also be available after mid-December in Eurostat's databases. There one can compare Finland's data with EU's data and the data of individual member countries.

# Contents

Comparison between 2018 and 2019.....4

## Tables

Economic Accounts for Agriculture, preliminary data 2019.....5

## Comparison between 2018 and 2019

The following table depicts the 2019 results with the help of three indices. The year 2018 is represented by the figure 100. The volume index describes the change in the volume, correspondingly the price index reflects the price development and the value index depicts the change in the current-price value of the item in question. Only the items with the largest value are shown in the table; complete data can be found in the database tables appended to the statistics. For example, the volume of cereal production grew 1.24-fold (i.e. 24% growth) compared to the year before. The price, in turn, grew 1.09-fold and the output at current prices is expected to be 1.35-fold that of the previous year.

## Economic Accounts for Agriculture, preliminary data 2019

	Value 2018 M€	Volume index	Price index	Value index	Value 2019 M€
01 Cereals (including seeds)	443	124	109	135	598
02 Industrial crops	56	95	100	95	53
03 Forage plants	235	127	110	140	329
04 Vegetables and horticultural products	512	99	90	89	454
05 Potatoes (including seeds)	74	99	105	104	77
06 Fruits	120	97	97	94	113
09 Other crop products	13	137	96	131	17
10 Crop output	1 452	111	102	113	1 640
11 Animals	885	103	103	106	935
11.1 Cattle	412	104	101	105	433
11.2 Pigs	257	104	104	108	277
11.5 Poultry	183	100	105	105	192
12 Animal products	1 388	96	98	95	1 318
12.1 Milk	1 094	100	98	98	1 070
12.2 Eggs	78	102	102	104	81
12.9 Other animal products total	216	78	99	77	166
13 Animal output	2 273	99	100	99	2 252
14 Agricultural goods output	3 725	104	101	105	3 892
15 Agricultural services output	146	96	103	98	144
16 Agricultural output (14+15)	3 872	103	101	104	4 036
17 Secondary activities (inseparable)	544	96	103	98	535
18 Output of the agricultural 'industry'	4 416	102	101	104	4 571
19 Total intermediate consumption	3 302	97	104	100	3 297
19.0.2 Energy lubricants	454	90	102	92	417
19.0.3 Fertilisers and soil improvers	284	98	103	100	285
19.0.6 Feedingstuffs (intermediate consumption)	1 018	97	106	103	1 051
19.0.9 Agricultural services (intermediate consumption)	325	99	101	100	324
20 Gross value added at basic prices	1 114	120	95	114	1 274
21 Fixed capital consumption	1 198	100	100	100	1 200
22 Net value added at basic prices	-84	..	..	..	74
23 Compensation of employees	322	..	..	102	328
24 Other taxes on production	..	..	..	..	..
25 Other subsidies on production	1 549	..	..	100	1 548
26 Factor income	1 465	..	..	111	1 622
27 Operating surplus/mixed income	1 143	..	..	113	1 294
28 Rents and other real estate rental charges to be paid	225	..	..	101	228
29 Interest paid	89	..	..	101	90
31 Entrepreneurial income	829	..	..	118	976
40 Total agricultural labour input	60	..	..	98	59

Technical crops refer primarily to oil plants, sugar beet and protein crops. The oil crop harvest was weak but the better harvest from peas, broad beans, sugar beets and cumin compensated for the weak turnip rape and rapeseed harvests. As a result, the volume of technical plants decreased only by some five per cent from 2018.

The good green fodder harvest also boosts the value of plant production. On the other hand, green fodder is used as intermediate products for livestock, so it also increases the imputed intermediate product costs

of the industry. Of course, a good fodder harvest also affects the expected result from cattle farms; one does not necessarily have to acquire as much commercial fodder if own fodder is available.

The prices of vegetables and other garden products have been lower than last year, so the value of output in horticulture is expected to decrease by good 10 per cent.

The volume and prices of conventional livestock production are expected to remain at last year's level or even to grow slightly. Only the volume of fur production is expected contract considerably from 2018, which will lower the volume of total livestock production slightly.

The volume and value data of intermediate consumption are at this time of year still extremely preliminary so they must usually be revised when new data become available. The volume is, however, estimated to decreased somewhat while prices are expected to grow slightly. Fodder costs correspond with nearly one-third of the total value of intermediate consumption. Good 40 per cent of fodder costs is generated from fodder produced at the own farm.

Gross value added is obtained by deducting intermediate consumption from output. The volume will grow by some 20 per cent in 2019 compared to 2018 but due to changes in the prices of output and intermediate consumption the current-priced gross value added will only increase by 14 per cent. When consumption of fixed capital, i.e. depreciations, are subtracted from gross value added net value added is obtained. The net value added at current prices seems to turn positive after four negative years.

Entrepreneurial income from agriculture\* is derived when other subsidies on production are added to and salaries paid, rents paid on land and interest paid are subtracted from the net value added. Other subsidies on production refer to subsidies that cannot be directly linked to a particular product. The total sum of such subsidies was around EUR 1,550 million in 2019, while the amount of so-called subsidies on products was some EUR 350 million. Entrepreneurial income from agriculture is expected to grow by some 18 per cent from 2018 to close on EUR one billion. However, the value of entrepreneurial income was good EUR 1.5 billion in 2010 so it will still be some one-third lower than 10 years ago. In any case, entrepreneurial income seems to be at its highest in five years.

## Inquiries

Hannu Maliniemi            029 551 2796  
Director in charge:  
Ville Vertanen

maataloustilastot@stat.fi  
www.stat.fi

Source: Economic Accounts for Agriculture (EAA), Statistics Finland