

December 14, 2015

Economic Accounts for Agriculture

2015 - 1st estimate

Agricultural income is expected to increase 3.4% in 2015

According to the first estimate on Economic Accounts for Agriculture (EAA) for 2015, the income from Agricultural activity in Portugal, per annual working unit, is expected to increase 3.4% in real terms, after a decrease of 1.7% in 2014. The evolution of this indicator is mainly associated to the nominal increase foreseen for Gross Value Added (+4.0%). The agricultural output should present a nominal increase, comparing to 2014, as a consequence of an increase in volume (+3.6%), that more than compensated the decrease in basic prices (-1.5%).

Statistics Portugal releases the first estimate of the Economic Accounts for Agriculture (EAA) for the year 2015. In accordance with the EAA Regulation, until January 31st, 2016, a second estimate for the year 2015 will be released and available in National Accounts dissemination area (section of satellite accounts).

1. Main results for 2015

In 2015, the Income generated by agricultural activity in Portugal, by work unit in real terms, is expected to increase 3.4% in 2015, after a decrease of 1.7% recorded in 2014. The estimated evolution reflects the combined effect of the nominal growth of GVA at basic prices (+4.0%), the estimated reduction of subsidies (-6.9%) and the decrease of agricultural labor input (-3.7%).

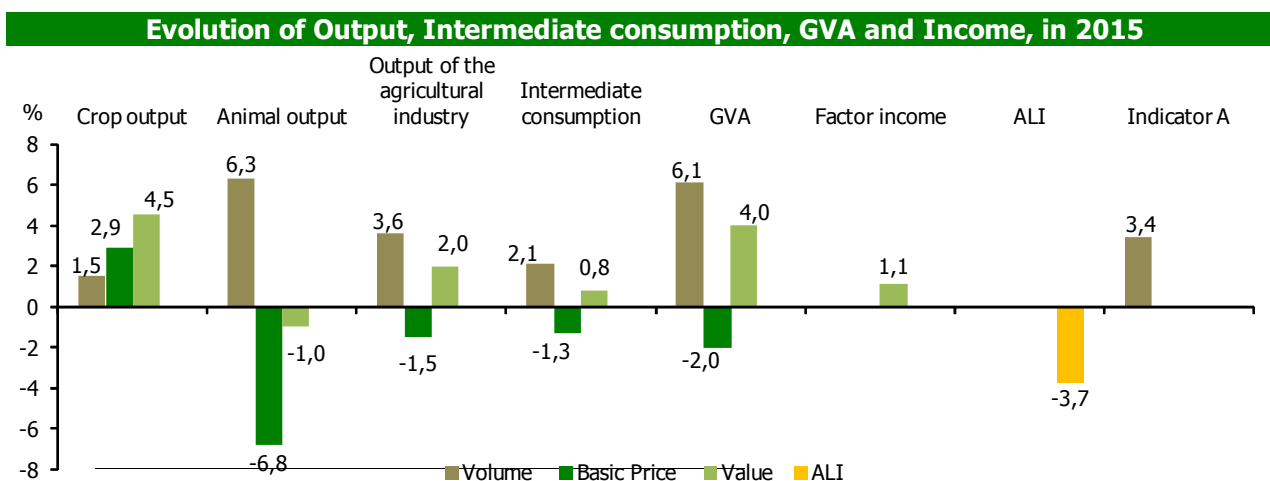
The positive nominal evolution of GVA is the result of the expected increase of agricultural output (+ 2.0%) superior than the increase of intermediate consumption (+0.8%). In real terms, it is estimated a larger augment of GVA, which should achieve 6.1%, reflecting volume increases in output and intermediate consumption of 3.6% and 2.1%, respectively.

Comparing to 2014, the output of agricultural industry should present a positive nominal growth, as a result of a volume increase (+ 3.6%) and a basic prices decrease (-1.5%), due to the reduction in producer prices (-1.6%), since subsidies on products are expected to augment (+ 3.8%).

For this nominal evolution of production, the behavior of Crop output (+4.5%) should be determinant, since Animal output is expected to decrease (-1.0%).

For Crop output are foreseen increases in volume and prices (+1.5% and +2.9%, respectively) and for Animal output it is estimated an increase of volume (+ 6.3%) and a decrease in basic prices (-6.8%).

As far as Intermediate consumption (IC) is concerned, a slight nominal increase (+0.8%) is expected, mainly due to a volume increase (+2.1%), since IC prices should present a decrease (-1.3%). For these evolutions contributed feedingstuffs (variations of +2.9% in volume and -1.8% in price) and energy and lubricants (+1.4% in volume and -9.1% in price).



2. International comparison

Comparing the weight of agricultural GVA in national GVA, between the three-year periods 2000-2002 and 2012-2014Po, for the different Member States^[1], a relatively homogeneous behaviour is observed, with an almost overall reduction of this indicator in the EU27^[2].

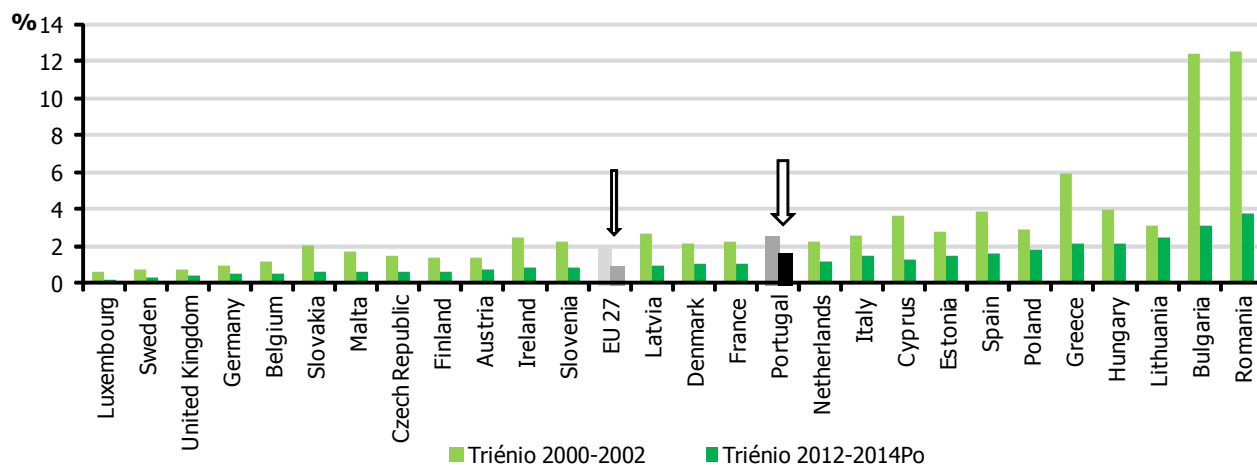
^[1] Information from EAA and national GVA of the Member States was extracted from Eurostat database on 10th December 2015, last update on 9th December 2015.

<http://ec.europa.eu/eurostat/data/database>

Information for Portugal is in accordance with quarterly national accounts, published on 30th November 2015.

^[2] Croatia was not considered, due to the inexistence of data on EAA before 2005.

Agricultural GVA/National GVA (average of three-year periods 2000-2002 and 2012-2014Po)



Confronting the evolution of the income of agricultural activity per Annual Working Unit - AWU (indicator A), between the periods 2000-2002 and 2012-2014Po, for the EU27 countries, it appears that the income of agricultural activity in Portugal evolved less favourably than the average of the Member States (+7.4% vs. 39.8%). However, the situation was more favourable than the one observed in Mediterranean countries, such as Spain, Greece and Italy.

Evolution of Indicator A (2012-2014Po / 2000-2002)

(Three-year average 2000-2002=100)

