European Union

Directorate-General for Agriculture and Rural Development

AGRICULTURE IN THE EUROPEAN UNION

STATISTICAL AND ECONOMIC INFORMATION

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Foreword

Each year the Commission publishes a report on the agricultural situation in the European Union. A large part of the report is devoted to statistical information on Community agriculture. This is drawn up on the basis of information from Eurostat and data collected by the Directorate-General for Agriculture and Rural Development.

In order for it to be more useful, the statistical information should be as up-to-date as possible and made available to users as soon as it is obtained. Therefore, the Directorate-General for Agriculture and Rural Development has decided to devote a special publication to statistical and economic information on Community agriculture, separate from the Agricultural Annual Report.

The statistical information presented here covers a wide range of subjects: the economic situation in agriculture, structures, trade, markets, financial aspects and rural development. An introductory chapter gives an overview of the 2006 agricultural year. It includes a wide range of statistical information on agriculture in the 25 Member States and in the accession Countries for EU membership.

Contents

4 AGRICULTURAL MARKETS

¤ = New table
Remark: The following tables of *The Agricultural Situation in the European Union – 2005* have not been repeated: 4.13.7.7

The 2006 Agricultural Year

Overview

1. The 2006 agricultural year was marked by a decrease in the production of crop and livestock products, combined with very favourable prices for livestock products and crops. Input prices were somewhat higher in 2006 on EU-25 average as strongly increased prices for energy were not outweighed by the decrease in the prices for other inputs. However, price developments were highly variable across sectors and countries. The first estimates sent by Member States show a slight increase in agricultural income by + 2,6 % in real terms as compared to 2005 in the European Union as a whole. The actual range by country varies from – 10.2 % for Ireland to + 14.3 % for the Netherlands.

2. As far as the weather is concerned, the autumn 2005 **weather conditions** had been generally favourable for winter crops' sowings. However, crops were sown later than normal in many East European countries as a result of rain-delayed summer harvest. A mild fall helped to accelerate sowings and plant emergence, with seasonal cold weather returning in November. Winter and spring were characterised by relatively low seasonal temperatures for most EU regions, with particularly difficult conditions in the Black Sea region. During the summer, western and central Europe (from North Spain to the Baltic States) registered temperatures well above the normal seasonal values. Frequent and persistent heat waves associated with dry conditions characterised the whole month of July. At the same time, drought moved northwards through the continent affecting particularly those areas where the winter crops were still at their sensitive stage. The registered temperatures show the highest values for the last thirty years. Starting from August the situation turned to abnormally cold weather especially in France, Germany, the Czech Republic and Austria. In June the registered precipitation was over average in Spain, Central and North France, from the Czech Republic to Bulgaria, Greece and Ukraine, whereas in other countries rainfall was below the normal seasonal values. Well below average rainfall was recorded in July throughout Europe except from North Spain, North and South-East France, South Italy and Greece. During this period (June-July) the United Kingdom and Ireland, East France, Germany, Poland, the Baltic States and North Italy were particularly hit by the dryness. By contrast, in August abundant rainfalls were recorded in the whole Europe except from South Spain and Portugal. By the end of September dry weather returned to central Europe, Germany and north-east France.

3. In 2006/07, demand for **cereals** within the European Union is estimated to remain stable with a slight increase in industrial use (biofuels) and a moderate decrease in feed use. As regards **livestock products**, EU-25 meat consumption slightly declined as decreases in poultry and sheep and goat consumption were not fully compensated by increases in beef and veal and pork consumption. The total EU-25 beef consumption displayed an overall increase of 2.0 % compared to the previous year driven by increased availability and lower prices. Higher availabilities on the domestic market and a partial shift of consumer preferences from poultry meat to pig meat in the course of the avian flu scare led to an increase of pig meat consumption in the whole EU. Due to Avian Influenza scare, overall EU-25 poultry meat consumption would decrease

considerably (–2.6 %) in 2006. The temporary drop in demand at the peak of the scare was especially high in Greece, France and Italy. Sheep meat consumption would have declined by 2.1 % as higher imports attracted by relatively favourable domestic prices would be outweighed by the lower net domestic production in 2006. The overall consumption of milk products continued to show a slight upward growth. For EU-25 an increase in demand for cheese and fresh dairy products was registered while butter consumption slightly decreased and skimmed milk powder consumption remained relatively stable in 2006 in both the new and old EU Member States.

4. Concerning the global economic situation, the outlook for the world economy remains positive, with a solid 5.1% growth expected in 2006. After several years of strong growth, the US economy is slowing, as a result of a cooling housing market on residential construction and consumer spending. However, growth in other regions, in particular in Asia, is set to remain robust. The positive outlook has also been supported by the fall in energy prices in autumn 2006, following the dramatic run-up in prices in summer 2006 due to geopolitical tensions in the Middle-East. Despite high oil prices, GDP growth in the first half of 2006 was surprisingly strong, thanks to stronger than expected growth in the United States, Asia (excl. Japan) and the oil-exporting countries. The economic growth was accompanied by a stronger expansion in world trade, whereas growth in global imports of goods and services (excl. the EU) is set to average 8.8 % in 2006. Movements in equity prices also lend weight to the positive growth outlook. Following a sharp correction in equity prices in mid May, global equity markets have since resumed their prolonged upward trend and some equity indices have reached all-times highs. Oil prices continued to surge over the summer reaching new record levels of just below USD 80 per barrel (Brent crude futures) in early August. This increase was mainly driven by concerns about supply disruptions owing to geopolitical tensions in the Middle East along with supply disruptions in Alaska. The easing of these tensions, combined with downward adjustments in the demand growth projections by the International Energy Agency (IEA), a milder than usual hurricane season in the Gulf of Mexico, and higher than expected oil stocks in the OECD countries, led to significant drop in oil prices to below USD 60 per barrel in October. The downward adjustment in oil prices should prove beneficial to the growth outlook in the oil-importing countries, and particular to the US economy. Nevertheless, oil prices are expected to remain relatively high, in view of the still-tight balance between supply and demand, and additional supply coming on-stream only slowly.

5. In the European Union economic activity accelerated strongly and the economic growth is set to have reached +2.8 % in 2006, marking the strongest pace of extension since 2000. Economic growth is being underpinned by robust growth in domestic demand, especially investment that rose in view of steady increases in capacity utilisation, improved corporate balance sheets, benign financial conditions and wide profit margins. Exports, on the other side, continued to be supported by the strong world economy. The Euro started at relatively moderate level against the dollar at the beginning of the year, standing at USD 1.21 and then showed a gradual increase from April 2006 closing the year at USD 1.33.

6. Global meat and dairy product prices were well above the 2005 levels. The year 2006 was marked by an exceptional increase in the prices of cereals, in particular of wheat and maize, which, by November 2006, reached levels not seen for a decade. Poor harvests in key producing countries and a fast growing demand for biofuels production have been the main drivers of the grain markets. A sharp drop in world wheat production in 2006, driven by lower output in nearly all major exporting countries, resulted in one of the tightest periods for world supply and demand of wheat in more

than two decades. While international wheat prices continued on an upward trend during the year 2006, the price increase accelerated as production prospects deteriorated, especially in several wheat exporting countries. Concerns about the prospects for wheat crops in major producing countries in the Southern hemisphere (especially drought-devastated Australia), and limited exports from Ukraine added further strength to prices. Rising world prices have boosted sales from the European Union in spite of a strong Euro and in the absence of export refunds. The production shortfalls in 2006 in many parts of the world are expected to result in a large draw down of world wheat inventories to their lowest levels since the early 1980s. Most significant reductions are expected among major exporters, namely the United States, Australia, the European Union, Canada and Ukraine. In contrast, ending stocks may increase in India following large imports and in China, where wheat production reached high levels, wheat stocks are forecasted to stabilize. Total cereal utilisation is forecasted to have increased in 2006 thanks mainly to higher food consumption and feed use, as weaker prices in previous years contributed to larger use of low quality wheat for animal feed.

The upward movements in international maize prices since September 2006 have been mainly influenced by the tighter domestic situation on the United States market, which plays the most critical role considering the fact that the United States is the world's largest producer as well as the largest consumer and exporter of maize. In addition, the trade situation has been marked by reduced exportable supplies from Argentina and China. In November 2006, the United States maize export price stood around 70% higher than in the corresponding period in 2005. Global rice prices were up since the beginning of 2006 and increased continually until the end of the year. The arrival of the new harvest could ease the situation only temporary, and firm prices are expected to continue, reflecting generally tight supplies in exporting countries.

World market prices for soybean strengthened at the beginning of 2006 but subsequently weakened mainly due to a record world soybean output, with record crop harvested in the United States and Argentina.

After three years of deficit, global sugar production has recovered, with record production forecast in Brazil and India and a recovery to normal output levels, particularly in Thailand and the United States. On the contrary, EU sugar production is forecasted to decline by 23 % due to the sugar reform which has been partially offset by increases elsewhere in Europe. While world sugar prices have largely retreated from the highs reached in February 2006 and had approached their long-term trend value by end October 2006, the sugar market remains particular susceptible to large demand fluctuations and price volatility.

Global meat markets are expected to gradually recover in the aftermath of animal disease outbreaks that have plagued the sector for the past four years. Global meat output is set to rise by nearly 6 million tonnes to almost 276 million tonnes in 2006. The global poultry prices plummeted by nearly 20% since mid 2005 as Avian Influenza outbreaks were reported in more than 40 previously unaffected countries in Europe, Middle East and Africa. Poultry prices in the United States and Brazil, main suppliers of the global trade, dropped significantly. Rebounding import demand, however, has allowed export prices to recover by the end of the year. Low demand and prices depressed the output growth to its lowest level in two decades. For the Russian Federation, world's largest importer, poultry imports are set to decline due to uncertainty about the issuance of import licenses and a strong recovery in domestic production. However, the global demand is forecasted to recover soon, with Africa and Middle East resuming the traditional importing pattern, while Brazil, the United States and Europe are set to increase exports.

Despite tight world beef supplies induced by Foot and Mouth Disease (FMD) outbreaks in Brazil, Bovine Spongiform Encephalopathy (BSE) trade bans on North American beef, and Argentine export bans, beef prices were only marginally down from the 2005 level. Supported by a recovery in North America and Asia, global beef output is forecasted to increase by 2.5% in 2006. Production in developed countries is projected to increase by over 2 percent, reversing negative growth over the past four years. Meanwhile, EU beef supplies are expected to rise with the elimination of the BSE-related Over-Thirty-Month-Slaughter policy. Beef trade is expected to rise by 3% to 6.7 million tonnes. South American beef exports would decline in 2006 on account of Argentina's export ban, after major gains the past five years; however, this would support exports from other beef exporters such as the United States.

Abundant supplies in 2006 put pressure on pig meat prices which fell by 16% in 2006 compared with 2005. In particular, high stocks in Japan, the recipient of nearly one-quarter of global trade in pig meat, have led to considerable decline in Japanese import prices. Global pig meat production is expected to expand by 5%, with a favourable outlook in China, Brazil, Mexico and Viet Nam. In developed countries, output expanded only marginally as only the United States is expected to expand output in a context of steady returns. Pig meat trade is expected to increase by 4%, supported by strong demand in Asia and the Russian Federation. This is despite lower imports by Japan. While shipments from Brazil and the United States are expected to rise, exports from Canada and the European Union will likely be restrained by less competitive prices arising from strong currencies.

Sheep meat prices remained competitive relative to other meats, prompting higher growth in Asia, in particular China, India, Iran and Pakistan. While production in the main exporting region of Oceania is up due to drought-induced slaughtering, output recovered in Argentina and Uruguay, reflecting government programmes aimed at reviving the sector.

International prices for major traded dairy products softened over most 2006, due to increased export supplies by Oceania and some emerging Latin American countries. However by the end of the year dairy product prices showed some strengthening again. Further prospects depend largely on the export situation for Australia, which is experiencing drought problems in 2006, and on the export position of the European Union, mainly due to significantly reduced intervention stocks and lowered export refunds since 2005. Compared with 2005, prices for whole milk powder, cheese and butter were down by 6 %, 9 % and 21 % respectively. Reflecting shorter supplies, skim powder prices are up slightly compared with 2005. World milk production is estimated to grow by 2.2 %, thanks mainly to production expansion in developing countries of Asia (China, India and Pakistan) and of South America. On the other hand developed countries recorded near zero growth in 2006, with a lower output production in Australia and the European Union, but increased production in New Zealand and the United States.

7. In the first nine months of 2006 the overall value of Community **agricultural exports** increased strongly by 13 %, with wide divergences across agri-food products. The increase was particularly marked for sugar and sugar confectionery (+ 54 %), tobacco (+ 51 %), fruit and nuts (+ 26 %), vegetables (+ 23 %), coffee and tea (+ 20 %), but also most other categories. Exports only fell for lacs, gums, resins and vegetable saps (-8 %) and dairy produce (– 6 %). Cereal export is forecasted to increase compared to the previous year's level. Owing to a firm demand on domestic market and in line with the import restrictions imposed by the EU on Brazil following the outbreak of the Foot and Mouth Disease (FMD), EU-25 beef exports are expected to decrease strongly in 2006. In contrast EU-25 pig meat exports are expected to rise, with relatively favourable conditions on the Russian market. On the contrary, poultry meat exports are projected to contract again in 2006. The overall value of **agricultural imports** rose by 6 % in the first nine months of 2006 as compared to the same period of 2005. The European Union's agricultural trade balance improved significantly due to strongly higher exports. The overall trade surplus in agricultural products in the first nine months of 2006 stood at EUR 2 858 million against a trade deficit EUR 704 million in 2005.

8. **Intervention stocks** of cereals are expected to decrease for the second consecutive year in 2006 (– 5 million tonnes), a sign of improved market conditions and relatively stable domestic demand. Difficult climatic conditions in the South hemisphere and higher demand on the world market led to lower public stocks and a strong increase in cereal prices. The public stocks of soft wheat and barley would decline to 1.0 and 1.5 million tonnes respectively. On the other hand maize stocks, mainly localised in the landlocked regions of central Europe, would accumulate (+0.9 million tonnes) for the third consecutive year to 6.5 million tonnes. EU paddy rice stocks declined strongly due to reduced imports from third countries to the new Member States and were estimated at 430 000 tonnes (milled equivalent) at the end of the year 2006. Table wine stocks in July 2006 accounted for 69 million hectolitres, of which 45 million hectolitres at producer's level. Intervention measures decided in 2006 will decrease stocks by 4 Mio hectolitres and reach the average level of the 5 last campaigns (41 million hectolitres). Compared to the period 2002–2004, when the level of EU table wine stocks stood at 33-37 million hectolitres, table wine stocks remain at a higher level, especially in France. Stocks of quality wine accounted for 99 million hectolitres, of which 72 million hectolitres at producer's level. Intervention measures decided in 2006 will decrease stock level by 1.4 million hectolitres. Stocks of quality wine remain higher (+ 4 %), particularly in Italy (+20%) and Portugal (+9%) compared to the average stock level over the last 5 campaigns. Since 2005 the intervention buying-in, hardly ever used for sugar since the introduction of the CMO in 1968, has become an important instrument for regulating the market. Quantities accepted into intervention equalled 0.55 million tonnes in 2006. However, offers practically stopped as from May 2006. Tenders opened for the resale of the intervention stock attracted higher interest than in 2005 and consequently 850 000 tonnes were sold. By the end of 2006 about 900 000 tonnes remained in intervention. Intervention stocks of beef have been fully disposed off since the beginning 2004. Intervention (public) stocks of dairy products in EU-25 fell to their lowest levels since the autumn of 2002. There have been are no skimmed milk powder stocks since the beginning of 2006 while butter stocks fell by 60 000 tonnes to reach 70 000 tonnes at the end of 2006.

Production

9. According to the latest information, the EU-25 **cereal area** is estimated to have declined by 1.9 % to reach about 50.5 million ha in 2006. The main reasons for this decrease are less favourable climatic conditions in some EU regions, especially in spring and summer, which had a strong impact on yield, and continuing implementation of the 2003 CAP reform (in particular "decoupling"). Looking at individual cereal, the area of some cereals fell, particularly for durum wheat (–11 %), triticale (–8.8 %), maize (–4.8 %), and oats (–4.0 %). On the other hand the area of common wheat (–0.4 %), barley (+ 0.0 %) and rye (–0.4 %) remained relatively stable in 2006.

   Total cereal production is estimated to stand at 245 million tonnes for the 2006/07 marketing campaign, a decrease of 5 % (about 13 million tonnes) compared to 2005/06. Cereal production stood at nearly 191 million tonnes in the old Member States (− 3.5 % in comparison to 2005/06) and 54 million tonnes in the new Member States (− 9.7 %). The decrease in cereal production ranges from 5 % for common wheat to 13 % for triticale. Significant decreases are also estimated for durum wheat (− 12 %), maize (-10 %), oats (− 7 %) and rye (− 7 %).. Only barley production increased slightly (+ 2 %).

   All cereals had lower yield in comparison to 2005. Average **cereal yield** was about 4.85 t/ha, 3.1 % lower than in 2005. The highest yield declines are estimated for rye (− 6.7 %), maize (− 5.4 %) and common wheat (− 4.5 %). However, barley yield is estimated to increase by 2% leading to higher production.

   France remained the leading cereal producer in the EU, totalling 61 million tonnes (-4 %). It is followed by Germany with 44 million tonnes (− 5 %) and Poland with 24 million tonnes (− 8 %). Due to favourable weather conditions cereals production is estimated to increase in Spain (+ 25 %) and Portugal (+ 55 %).

10. **Rice** production was slightly lower in 2006 as compared with the previous year, mainly due to the switch in the types of rice sown as around 9% of the areas sown in the previous year with indica type of rice were sown with lower yield japonica type of rice in 2006. The first production estimate for 2006 is about 2 % lower at around 1.53 million tonnes (milled equivalent). Total area remained stable at around 410 000 ha.

11. Total EU-25 **oilseed** area increased in 2006 (+ 6.7% compared to 2005) with rapeseed up by 7.8 % to 5.1 million ha, and soybean area remaining almost unchanged at 286 000 ha. Sunflower seed area also increased by 7 % to 2.16 million ha. Rapeseed area increased due to favourable price prospects during sowing and the perspectives for greater use of rapeseed for biodiesel production. Total oilseed area is estimated to increase to 7.5 million ha, of which 0.8 million ha on non-food set-aside and 0.8 million ha on energy crop area. With the less favourable weather conditions, yields were lower than those recorded in 2005, by –8.3 % for rapeseed, − 0.5 % for sunflower seed and − 5.6 % for soybean, giving a total production of 20.1 million tonnes (0.5 % higher than in 2005/06). The 2006/07 crop would be made of 15.3 million tonnes of rape seeds, 3.9 million tonnes of sunflower seeds and 828 000 tonnes of soybeans. Rapeseed made up about 95 % of the 2.6 million tonnes of non-food oilseed production.

12. The EU-25 **linseed** area remained at a very low level (112 000 hectares) and the 2006 production is estimated to have reached 140 000 tonnes.

13. The **protein crop** area is expected to decrease somewhat to 1.4 million hectare in 2006 (–4 %). A limited increase in peas yield (2.9 t/ha) combined with a yield stability for beans and sweet lupines (2.7 t/ha) led to a slightly lower total protein crop production of 4.0 million tonnes as compared to the previous year.

14. The introduction of the sugar sector reform on 1 July 2006 had an important effect on the EU-25 **sugar** production. The area sown dropped by nearly 20% from to 2.2 million ha in 2005/06 to 1.77 million ha in 2006/2007. This substantial reduction in area reflected on one hand the 1.2 million tonnes of sugar quota renounced for the marketing year 2006/07 and on the other hand the "preventive withdrawal" of 2.5 million tonnes of sugar quota in 2006/07. The "preventive withdrawal" was applied as an exceptional transitional measure in order to facilitate the transition from the previous sugar regime to the reformed one. The beet area decreased in all producing Member States by about 10-15%, while some countries exhibited stronger decreases such as Italy (more than –50 %), Greece (–35 %) and Finland (–20 %). Due to closure of the only sugar factory in Ireland no sugar beet was sown. Therefore, the sugar production is estimated to have reached 16.5 million tonnes (16.2 million tonnes from beet, and 0.3 million tonnes from cane or molasses) in 2006, substantially below the 20.3 million tonnes of 2005. Like in the previous year weather conditions have been rather favourable in most beet growing regions of the enlarged EU in 2006, which had a positive effect on sugar content of the beet. Sugar production fell to 3.3 million tonnes in Germany (–0.8 million tonnes) and 3.4 million tonnes in France (–0.7 million tonnes).

15. **Olive oil** production in 2006 (marketing year 2005/2006) is estimated to have reached 1.965 million tonnes (825 000 tonnes in Spain, 673 000 tonnes in Italy, 424 000 tonnes in Greece, 32 000 tonnes in Portugal, 6 000 tonnes in Cyprus, 4 500 tonnes in France and 500 tonnes in Slovenia). This quantity constitutes a 15 % decline as compared to the harvest of 2005, mainly due to unfavourable climatic conditions. With the elimination of the production aid scheme as of the marketing year 2005/2006 production figures are based on Member States estimations.

16. Initial estimates show very different developments in **fruit** production across the sectors. An increase of production was forecasted for citrus (+8 %), with total production reaching the record level of 11 million tonnes, the highest increases recorded for oranges (+10 %), and small citrus fruit (+12 %). For peaches and nectarines figures indicate that production would have remained relatively stable (+0.4 %) in comparison to 2005. The production of pears was expected to have increased (+2 %), whereas the production of apples is foreseen to have declined by 6 % for the second consecutive year. As regards **vegetables**, only few data were available. There are no consolidated figures yet on total production of fresh tomatoes. However some strong decreases in production were registered in the two largest producer countries: Italy (–12 %) and Spain (–21 %) in comparison with 2005. The production of tomato for industrial processing decreased for the second consecutive year by almost 25 % and reached 8 millions tonnes in 2006 as compared to 2005 after the record production in 2004.

17. First estimates show that the EU **wine** production in 2006 remained at similar level as in previous year and reached about 173 million hectolitres. Significant decreases in

production occurred in Italy (-6%), Hungary (-16%) and Slovenia (-16%), while wine production increased in Spain (+5%).

18. The EU-25 **beef and veal** production is estimated to have increased in 2006 to 8.0 million tonnes, up 2%. This increase is mainly linked to the impact of the end of the Over Thirty Months Scheme (OTMS) in the UK with more beef entering the market.

19. According to the last estimates **pig meat** production was expected to have increased slightly (+0.3%) to 21.2 million tonnes in 2006, mainly due to growing production in Spain, the Netherlands and Poland.

20. Due to the drop **in poultry meat** consumption provoked by the **Avian Influenza scare**, poultry meat production in EU-25 is estimated to have declined by 2.3% to 10.7 million tonnes in 2006.

21. For EU-25, the overall decrease of **sheep meat/goat net meat production** was foreseen to have reached 2.5% in 2006, with some significant reduction taking place in the United Kingdom and Ireland following the implementation of the CAP reform.

22. The downward trend in dairy cow numbers in EU-25 is expected to have continued and to reach 22.3 million heads at the end of the year, a 2.6% fall compared to the end of 2005. The average milk yield on the other hand is expected to have increased to 6 300 kilos, up 1.8%. This provided for a **milk production** of 140 million tonnes, down 1.6% compared to 2005. Deliveries to dairies in EU-25 are estimated to have decreased by almost 1.2% to 130 million tonnes in 2006. Deliveries are projected to decrease more in the EU-15 (−1.2%) than in the new Member States (−0.8%) compared to 2005. After two consecutive years of strong increase in milk deliveries in the new Member States, the quota ceilings were reached in some countries and it led to some slow down of milk production. Only the United Kingdom, Sweden and possibly Hungary showed a production pattern over the last years which is structurally below quota.

    Butter production is estimated to have decreased by 5.2% to slightly below 2.1 million tonnes in 2006. **Cheese** production continued to increase: this year's overall increase of 2.8% resulted in total cheese production of 8.4 million tonnes. For **milk powder** a decrease of about 8–9% to 1.9 million tonnes in 2006 was expected due to a reduction of skimmed milk powder production by 10% and whole milk powder by 7%. With current milk production levels, protein supply in the EU-25 is becoming rather tight while it still sufficiently covers EU fat needs.

Prices

Producer prices

23. The first estimates available in December 2006 showed different developments in nominal terms in the agricultural producer price index for EU Member States. Producer prices are expected to have increased most in Latvia (+15.5%) and Lithuania (+12.0%), but also in Poland (+9.4%), Hungary (+8.4%), the Netherlands (+7.1%), Belgium (+6.9%), Cyprus (+5.8%), Austria (+5.7%), Slovenia (+5.4%), Sweden (+5.4%), Germany (+4.9%), Ireland (+4.5%), Luxembourg (+3.3%), Estonia (+4.0%), Denmark (+3.0%), the Czech Republic (+1.4%) and the United Kingdom (+1.2%), to have remained relatively stable in Italy (+0.9%) and Slovakia (– 0.6%),

but to have declined in Finland (–9.4 %), Spain (– 7.5%), Greece (– 7.1 %), France (– 2.8 %), Malta (– 2.3 %) and Portugal (– 1.3 %).

24. Prices of cereals showed no uniform trend as they increased in several Member States, sometimes also strongly, but were further decreasing in some other Member States. High price drops were expected in Spain (– 35.7 %), Finland (– 34 %), Portugal (– 33.1 %), Greece (– 31.3 %), but also in Cyprus (– 14.1 %), France (– 11.6 %) and Slovakia (– 3.2 %). Other countries registered rising prices, with highest increases for Belgium (+ 27.3 %), Austria (+ 26.7 %), the Netherlands (+ 26.6 %), Estonia (+ 19.3 %) and Sweden (+ 19.1 %). On the contrary, sugar beet prices were estimated to have decreased in most Member States with the exception of Slovakia (+ 11.4 %) and Portugal (+ 4.9 %). Wine prices increased in nominal terms in most wine producing countries, except from Italy, Portugal and Slovenia where prices decreased, and Spain where they remained stable. In view of these varying developments the overall price index for crop products increased in most EU Member States, except from Spain, Finland, Greece, Malta, France and Italia where nominal prices went down.

25. The overall price index for animal products rose in most EU Member States in 2006 but it masked wide-ranging changes by sector and by Member States. Pig meat prices developed positively in most EU Member States with an average annual increase of + 5.6 %, except from Poland (– 5.5 %) Slovakia (– 3.5 %), Malta (– 2.2 %), Finland (– 2.2 %), the Czech Republic (– 1.7 %) and the United Kingdom (– 0.6 %) where nominal prices were down. Beef and veal prices increased on average by + 1.1 % and in most EU countries but declined sometimes, even sharply in Portugal (– 18.8 %), Greece (– 13.7 %), Finland (– 9.4 %), the United Kingdom (– 5.6 %), France (– 5.3 %) and Slovakia (– 2.7 %). Poultry meat prices showed no uniform trend: they declined in most Member States, most notably in the Czech Republic (– 20.1 %), but increased again in Spain, Italy, France, Cyprus, Latvia and Portugal and remained nearly unchanged in Malta, Hungary, Austria and Slovenia. Sheep and goat meat prices developed negatively on the EU-25 average (– 5.0 %). Milk price changes in nominal terms over 2005 varied significantly between countries: while the price of milk declined in some EU Member States, it increased significantly in Cyprus (+ 24.0 %) and Latvia (+ 14.8 %), but was also up in Lithuania (+ 7.8 %), Austria (+ 5.4 %), Slovakia (+ 5.1 %), Hungary (+ 3.8 %), Greece (+ 2.8 %), Slovenia (+ 1.9 %) and the Netherlands (+ 1.4 %). Egg price changes were positive in most Member States, though prices declined in Malta (– 5.1 %), Slovakia (– 4.3 %), the Czech Republic (– 3.3 %), Slovenia (– 2.4 %), Greece (– 1.6 %) and Austria (– 1.2 %) (prices remained relatively stable in Ireland and Luxembourg).

Market prices

26. In general **cereal** prices have increased substantially, particularly at the end of the year. During the first three months of the year 2006 the price for bread-making common wheat was around EUR 116 per tonne, for durum wheat EUR 158-160 per tonne, for maize EUR 120 per tonne, for feed wheat EUR 102-104 and for malting barley EUR 130-133. Cereal prices then increased slightly over the next months until they exhibited some sharp increases starting from September-October and were still increasing at the end of the year. In December 2006, bread-making wheat price reached EUR 155 per tonne, feed maize price EUR 159 per tonne, whereas durum wheat and malting barley prices stood at about EUR 180 per tonne. These prices were considerably higher as compared to previous years as a consequence of firm demand on world market, slightly lower production and stable demand on domestic market.

27. Paddy **rice** prices continued to be high in 2006, largely above the intervention price, and they even increased after the beginning of the new marketing year in September. Indica type rice prices ranged between 13 % and 66 % above the intervention price, japonica type rice prices were even higher, ranging between 25 % and 98 % above the intervention price.

28. During 2006 the prices of **rapeseeds** continued to rise: in January 2005 rapeseed was quoted at about EUR 190 per tonne (in Rouen), in January 2006 it went up to EUR 215 per tonne and in December 2006 up to EUR 275 per tonne. In the case of sunflower seed prices were more fluctuating. In June 2005 the prices of sunflower seeds reached a peak of EUR 260 per tonne, but in January 2006 the prices were down to EUR 200 per tonne and by the end of 2006 the sunflower seeds prices went up to EUR 250 per tonne. As far as soybeans are concerned, the prices quoted in Chicago were relatively stable; however during the last quarter of 2006 the prices rose sharply to about USD 250 per tonne.

29. In view of the large quantities sold out from intervention in 2006, market prices were above the **white sugar** reference of EUR 632 per tonne in most Member States. As part of the sugar reform the reference price has replaced the previous intervention price.

30. In 2006 **olive oil** prices increased strongly (+22 %) compared to 2005 and reached historical record levels.

31. The prices for **table wine** remained relatively stable at low level in Spain and Italy, with average prices at producer level between EUR 2 and 2.4 per hectograde for white table wines and between EUR 2.5 and 2.8 per hectograde for red table wines. At the end of 2006 a slight increase was recorded in Italy. In France the prices for table wine decreased until August but slightly increased afterwards. In December 2006 prices at producer level stood at EUR 3.4 per hectograde for white table wines and EUR 2.7 per hectograde for red table wines. These prices are about 13% lower compared to the previous marketing.

32. In general, **bovine meat prices** were at a relatively high level in 2006 (even above already very high 2005 prices). For young bulls (category A R3) prices followed a comparable seasonal pattern as in 2005, however at around 9% higher absolute level, reaching an all-year-high of EUR 331 per 100 kg in March 2006. The price of cows (category D O3) was about 2.5 % higher than in 2005; after a continuous increase during the first half of the year, peaking at EUR 250 per 100 kg in July 2006, prices started to decline in late summer following the seasonal pattern. Steer prices (category C R3) were remarkably higher compared to 2005 with a price at EUR 306 per 100 kg during late spring and a less pronounced seasonal decline during the summer.

33. **Pig meat prices** continued to develop on a relatively favourable level reaching the exceptionally high prices of the year 2001 at EUR 164 per 100 kg in summer 2006. Due to the Avian Influenza scare, **poultry meat prices** were well under their (relatively high) 2005 level in the first half of 2006, reaching a low at around EUR 130 per 100 kg in March 2006. However, during the second half of the year prices improved progressively and stood at remarkably high level with EUR 165 per 100 kilo during the late summer 2006.

34. **Due** to a lack of availability **sheep meat prices** stayed at a relatively high level in 2006, with extraordinary high prices during the summer period. For heavy lamb, prices fluctuated above the levels of 2005, between EUR 404 and EUR 467 per kilo following the seasonal pattern. For light lambs, prices were in general also higher than in 2005, varying between EUR 575 and EUR 688 per kilo.

35. The prices for **milk products** which were relatively strong in 2005 remained firm in 2006. Like in the previous year the introduction of the second step of the support price cuts agreed within the 2003 CAP reform had no immediate effect on prices, except for butter where prices were already below the intervention buying in level before the intervention price cut. Towards the end of 2006 domestic prices for butter and skimmed milk powder increased sharply and well above the buying-in price. At the end of the year skimmed milk prices were 30% and butter price 10% above the intervention price level. A similar trend was observed for whole milk powder prices. Meanwhile, cheese price remained at a relatively high level throughout the whole year. This favourable price environment allowed for substantial sales of butter out of intervention. Consequently aid levels were reduced for most refunds and internal disposal measures. Only the refund for butter was increased. All aids for skimmed milk powder were fixed at zero level.

Input prices

36. In 2006 the purchase price index for standard consumption goods and services in agriculture rose in most EU Member States in nominal terms over 2005. Prices were particularly higher for energy and fertilisers. Total input prices increased most in Latvia up 8.8 %, Portugal up 6.6 %, the Netherlands up 5.9 %, and Hungary up 5.4 % and Slovakia up 5.2 %. In other countries the index rose more slowly with 4.5 % in Finland, 4.2 % in Ireland, 3.8 % in Greece and the United Kingdom, 3.7 % in Slovenia, 3.4 % in France, 3.3 % in Spain, 2.5 % in both Sweden and the Czech Republic, 2.3 % in Luxembourg and Austria, 2.2 % in Belgium and 0.8 % in Denmark. Only Cyprus and Malta registered a slight fall in nominal input prices by 0.5 and 0.7 % respectively.

Farm income

37. The first estimates of the farm income in 2006 provided by Eurostat on the basis of information sent by the Member States in December 2006, show an average increase of +2.6 % in the income from agricultural activities (measured, in real terms, as the net value added at factor cost per annual work unit) compared to 2005 for the European Union as a whole. Incomes were up in eighteen Member States, the strongest rates observed in the Netherlands (+17.6 %), France (+8.6 %), Austria (+6.6 %), Lithuania (+6.5 %), the Czech Republic (+6.4 %), Latvia (+4.9 %), Hungary (+4.5 %), Luxembourg (+4.0 %) and Poland (+4.0 %). Income was down in seven Member States. Fall in agricultural income is estimated in Ireland (–10.2 %), Finland (–6.2 %), Malta (–5.5 %), Estonia (–4.4 %), Italy (–4.2 %), Slovenia (–2.7 %) and Slovakia (–0.8 %).

38. The main factors behind these changes are: a sharp decrease in agricultural output quantities as compared to 2005, notably for cereals, industrial crops, potato, olive oil and wine sectors which triggered an overall drop in the total volume of crop production by –3.9 %, whereas crop prices increased by 2.6 % in real terms. Besides, animal output decreased slightly (–0.7 %), while animal prices were slightly up (+0.5 %)

in real terms. Nominal value of crop and animal production stabilised somewhat thanks to strong nominal prices. However, the continuation of the introduction of the CAP in the new Member States led to a further rise in the levels of subsidies granted to the farm sector to EUR 5.4 billion (including national top-ups), from EUR 1.2 billion in 2003, EUR 3.8 billion in 2004 and EUR 4.7 billion in 2005. The strong rise in oil prices drove up the prices for energy, lubricants, fertilisers, feed and services for agriculture. The total input costs increased on average in real terms (+1.7 %) mainly due to a significant surge in energy, lubricants and fertilisers prices despite the fall in financial intermediation services prices and a renewed reduction in the quantity used.

39. Lastly, the structural decline in the agricultural labour force, the final fundamental factor having an influence on income movement, is assessed at −2.2 % in 2006 compared to 2005 for the whole EU. This moderate reduction constitutes a marked slow down compared to the early 2000s. The highest reduction in agricultural labour was recorded in Lithuania (−7.9 %), Luxembourg (−6.6 %), the Czech Republic (−5.7 %), and Hungary (−4.8 %). Agricultural labour increased only in Italy (+1.1 %) and remained unchanged in Malta and Ireland.

Changes in nominal farm-gate prices in 2006 and 2005 *(%)*

Member States	Crop products		Livestock products		Total	
	2006/2005 (p)	2005/2004	2006/2005 (p)	2005/2004	2006/2005 (p)	2005/2004
EU-25	0.5	9.9	0.6	-1.2	0.5	4.8
Belgique/België	8.0	1.5	6.1	0.9	6.9	1.1
Česká Republika	4.3	-20.7	-1.6	1.9	1.4	-6.8
Danmark	1.6	-5.2	3.7	0.2	3.0	-1.4
Deutschland	8.0	-4.2	2.2	1.3	4.9	-0.9
Eesti	9.9	-3.0	0.7	3.8	4.0	2.7
Elláda	-8.5	2.4	-3.4	5.2	-7.1	3.1
España	-13.5	4.3	3.7	1.5	-7.5	3.2
France	-1.7	-8.5	-4.3	0.3	-2.8	-4.6
Ireland	8.7	7.3	3.1	-0.7	4.5	0.5
Italia	-0.4	-4.6	3.7	-2.4	0.9	-3.8
Kypros/Kıbrıs	1.8	0.2	11.4	1.5	5.8	0.7
Latvija	21.0	8.6	10.4	15.7	15.5	13.1
Lietuva	18.0	12.8	6.7	13.5	12.0	13.1
Luxembourg	10.1	-3.8	0.1	-0.1	3.3	-0.9
Magyarország	11.0	-0.6	4.5	1.8	8.4	0.7
Malta	-4.0	-0.4	-1.1	-2.9	-2.3	-1.8
Nederland	10.6	0.7	2.9	2.5	7.1	1.4
Österreich	7.5	-2.4	4.1	3.1	5.7	1.1
Polska	8.9	-2.7	-1.9	-1.0	9.4	-1.9
Portugal	0.6	10.6	-3.8	-1.3	-1.3	5.1
Slovenija	8.6	1.3	2.5	1.3	5.4	1.3
Slovensko	0.7	-10.8	-1.9	1.4	-0.6	-2.4
Suomi/Finland	-14.2	-7.5	-5.6	-0.6	-9.4	-3.0
Sverige	8.3	-4.7	3.5	0.6	5.4	-1.4
United Kingdom	7.0	-5.7	-2.3	-1.4	1.2	-3.2

(p) provisional – Source: Eurostat

Changes in nominal purchase prices for agricultural inputs in 2006 and 2005 *(%)*

Member States	Intermediate consumption		Investment		Total	
	2006/2005 (p)	2005/2004	2006/2005 (p)	2005/2004	2006/2005 (p)	2005/2004
EU-25	:	-2.2	:	2.3	:	-1.6
Belgique/België	-0.1	5.3	2.9	10.0	2.2	3.7
Česká Republika	2.7	-0.1	1.3	3.2	2.5	0.4
Danmark	0.5	1.1	2.2	4.0	0.8	1.7
Deutschland	:	-0.1	:	1.6	:	0.4
Eesti	3.3	5.1	:	:	:	:
Elláda	3.9	5.6	3.6	3.8	3.8	5.1
España	3.1	1.5	3.6	4.7	3.3	1.9
France	3.4	1.5	3.4	3.0	3.4	1.8
Ireland	4.5	4.3	2.5	2.7	4.2	4.0
Italia	:	-2.2	:	3.6	:	0.1
Kypros/Kıbrıs	-0.4	8.3	-1.2	3.6	-0.5	7.9
Latvija	9.5	17.1	5.2	23.2	8.8	18.0
Lietuva	5.9	8.7	:	:	:	:
Luxembourg	2.8	3.7	1.5	0.6	2.3	2.5
Magyarország	5.3	-1.2	6.3	4.5	5.4	-0.4
Malta	-0.7	2.8	1.3	-3.6	-0.7	2.7
Nederland	6.7	0.5	2.8	2.3	5.9	1.0
Österreich	2.0	-0.2	2.7	3.8	2.3	1.3
Polska	:	2.4	:	-5.0	:	2.3
Portugal	7.4	-4.5	1.2	1.9	6.6	-3.6
Slovenija	4.9	0.0	1.2	4.3	3.7	1.3
Slovensko	6.3	0.3	1.0	2.9	5.2	0.9
Suomi/Finland	4.9	2.9	3.8	4.5	4.5	3.5
Sverige	2.3	1.0	3.1	3.9	2.5	1.6
United Kingdom	4.0	1.8	2.4	4.1	3.8	2.0

(p) provisional – Source: Eurostat

Nominal output price indices for agricultural products over the 2002–2006 (p) period (2000 = 100)

Member States	2002	2003	2004	2005	2006 (p)
EU-25	101.8	105.2	105.1	103.9	104.5
Belgique/België	94.7	97.7	99.7	100.8	107.7
Česká Republika	100.1	96.4	102.9	95.9	97.3
Danmark	96.9	92.5	94.9	93.6	96.6
Deutschland	100.0	101.3	99.7	98.8	103.7
Eesti	:	:	127.4	130.8	134.8
Elláda	113.6	123.6	121.2	125.0	117.9
España	100.3	105.8	106.8	110.2	102.7
France	99.9	103.6	101.9	97.2	94.4
Ireland	100.0	99.6	101.8	102.3	106.8
Italia	106.4	112.0	109.7	105.5	106.4
Kypros/Kıbrıs	:	:	121.0	121.9	127.7
Latvija	106.7	104.7	124.1	140.3	155.8
Lietuva	114.2	101.9	102.9	116.4	128.4
Luxembourg	99.5	100.5	103.6	102.7	106.0
Magyarország	104.3	110.5	104.5	105.2	113.6
Malta	110.3	106.1	98.8	97.0	94.7
Nederland	103.7	104.9	99.6	101.0	108.1
Österreich	101.7	102.1	101.5	102.6	108.3
Polska	94.8	96.6	105.7	103.7	113.1
Portugal	101.8	105.2	97.5	102.5	101.2
Slovenija	109.9	113.5	112.2	113.7	119.1
Slovensko	106.8	101.5	103.8	101.3	100.7
Suomi/Finland	103.7	99.0	102.0	98.9	89.5
Sverige	102.1	100.6	99.2	97.8	103.2
United Kingdom	103.3	109.9	113.2	109.6	111.8

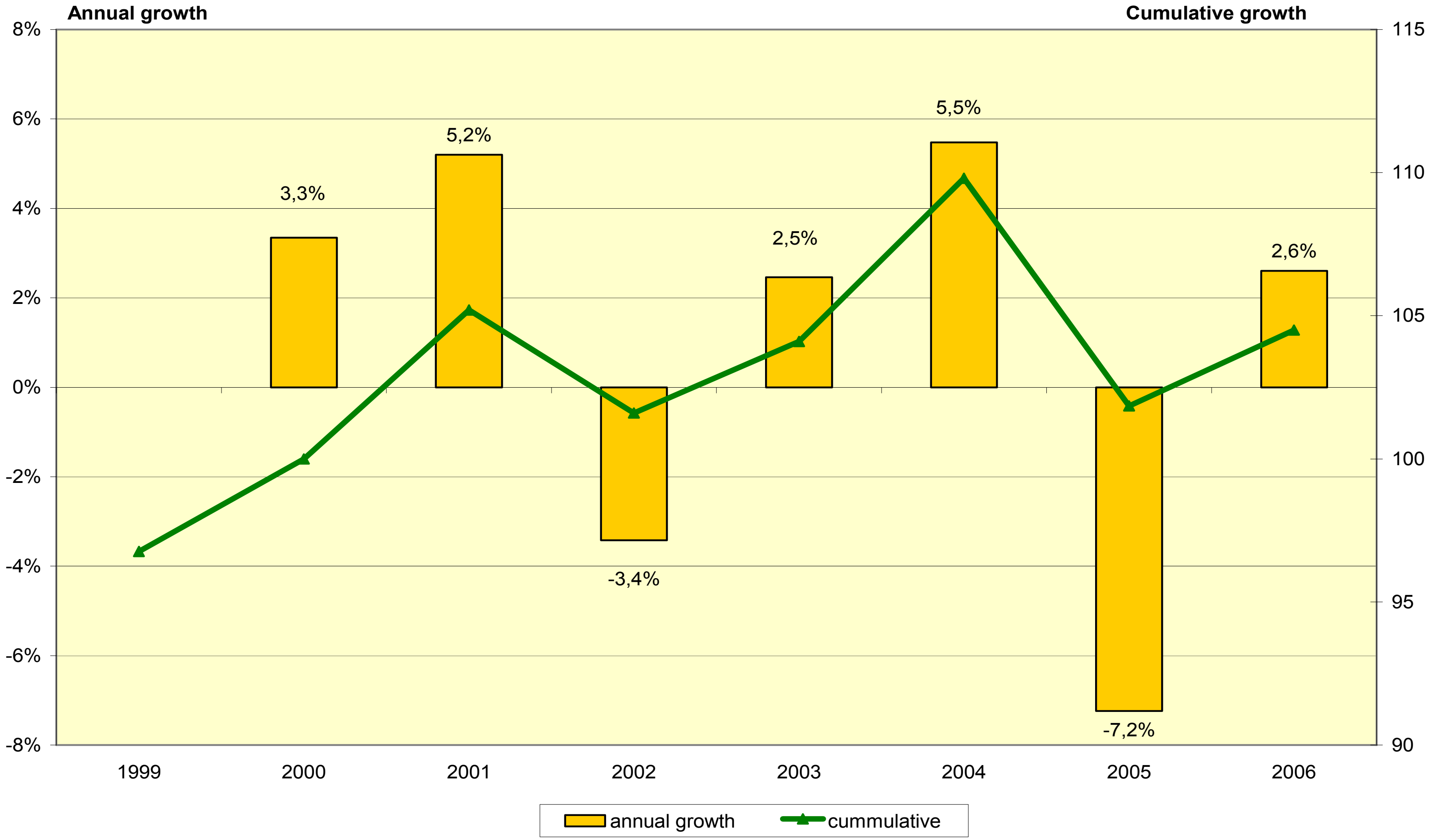
(p) provisional – Source: Eurostat

Indices of nominal purchase prices for goods and services currently consumed in agriculture over the 2002–2006 (p) period (2000 = 100)

Member States	2002	2003	2004	2005	2006 (p)
EU-25	105.8	107.8	113.0	112.8	116.6
Belgique/België	102.8	102.7	102.6	108.0	109.4
Česká Republika	103.4	101.3	108.8	108.7	:
Danmark	107.7	105.5	108.8	110.0	110.8
Deutschland	104.1	104.2	108.6	108.5	113.5
Eesti	:	:	114.8	120.6	123.2
Elláda	103.7	108.1	117.8	124.4	129.3
España	102.9	104.1	108.3	109.9	112.8
France	103.2	104.2	107.9	109.5	112.7
Ireland	106.1	108.8	113.1	118.0	121.7
Italia	105.5	107.4	112.6	110.1	112.4
Kypros/Kıbrıs	:	:	144.7	156.7	157.7
Latvija	102.0	106.5	115.2	134.9	147.6
Lietuva	100.8	96.0	92.9	101.0	104.7
Luxembourg	104.5	105.6	105.6	109.5	111.6
Magyarország	113.1	119.8	131.0	129.4	134.7
Malta	101.8	101.5	108.0	111.0	108.3
Nederland	107.2	109.0	111.1	111.5	115.9
Österreich	100.5	102.8	106.8	106.6	110.0
Polska	109.5	113.0	121.0	123.9	130.1
Portugal	103.3	107.6	113.0	107.9	110.2
Slovenija	116.1	121.5	131.8	131.8	134.4
Slovensko	:	:	114.7	115.1	121.0
Suomi/Finland	101.5	102.5	105.1	108.2	112.6
Sverige	107.2	109.3	113.5	114.6	116.4
United Kingdom	103.7	106.5	114.0	116.0	122.0

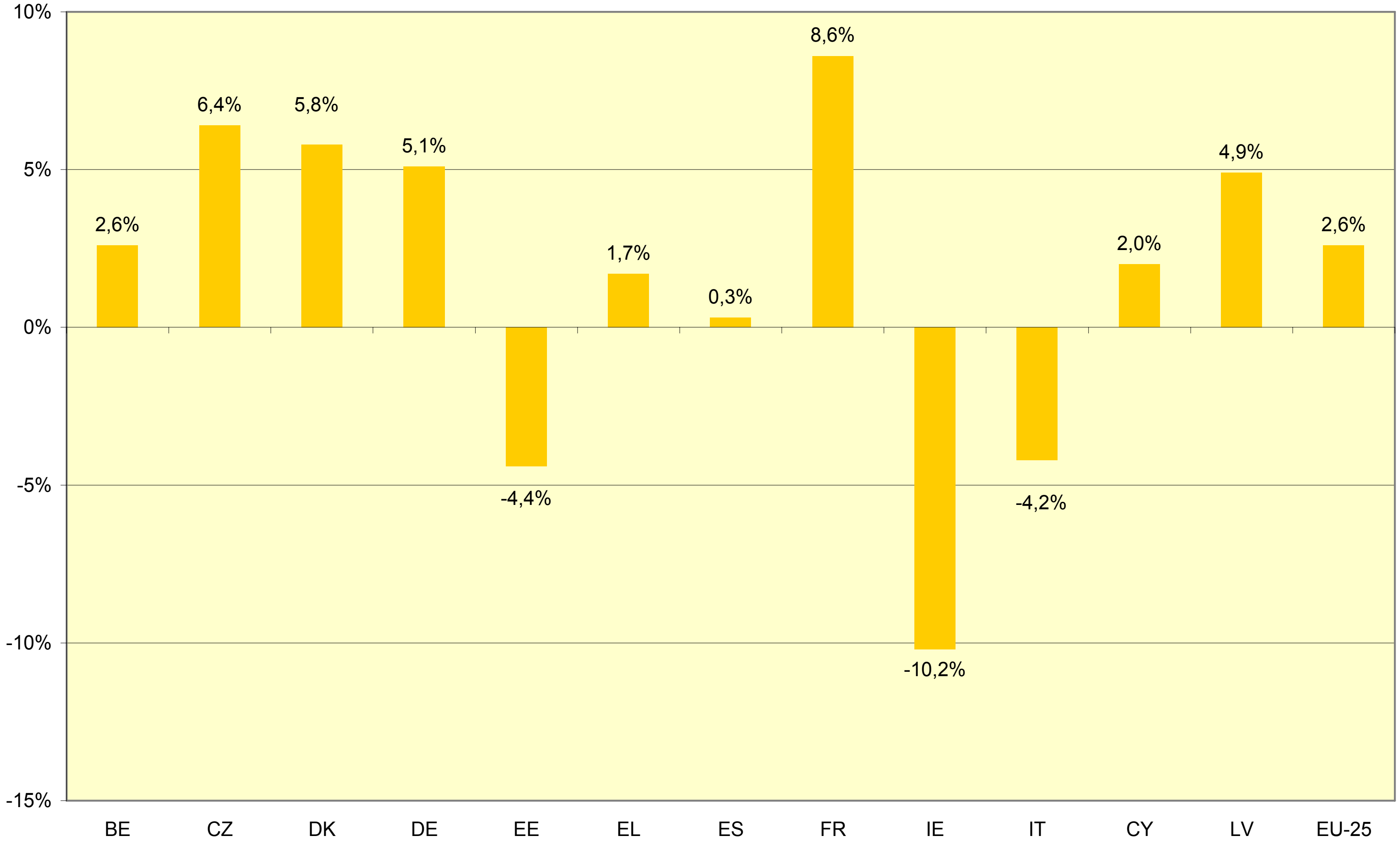
(p) provisional – Source: Eurostat

Development of the agricultural income in the EU-25 over the 2000–2006 (p) period, in terms of annual change (%) and cumulative growth (2000=100)



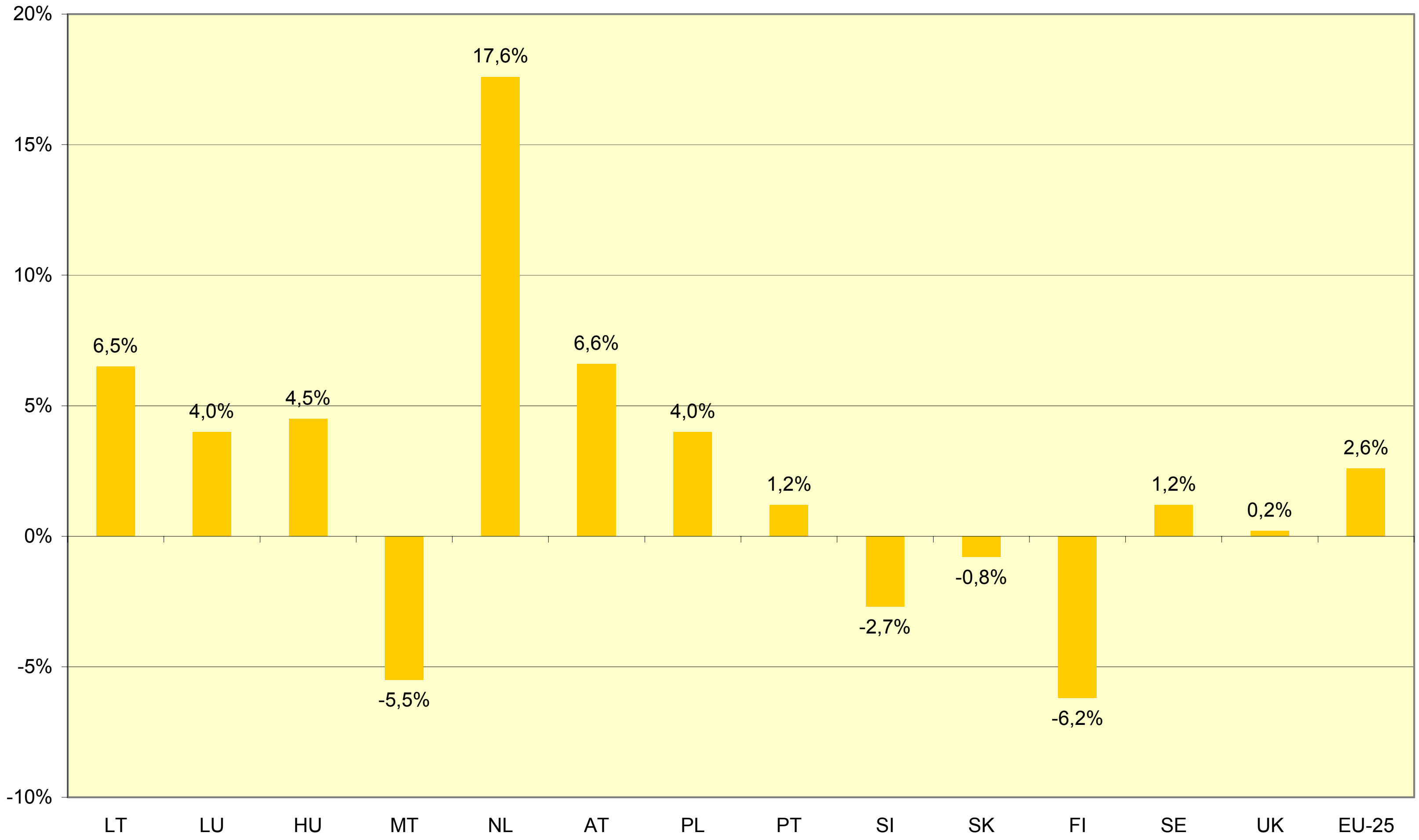
(p) provisional – Source: Eurostat

Development of agricultural income in the EU-25 Member States in 2006 (p) (% change versus 2005) 1st part



(p) provisional – Source: Eurostat

Development of agricultural income in the EU-25 Member States in 2006 (p) (% change versus 2005) 2nd part



(p) provisional – Source: Eurostat

Development of agricultural income in the EU Member States over the 2001–2006 (p) period (average 2000 = 100)

Member States	2001	2002	2003	2004	2005	2006 (p)
EU-25	105.2	101.6	104.1	109.8	101.8	104.5
Belgique/België	96.7	86.6	89.5	89.8	88.6	90.9
Česká Republika	127.2	99.6	87.3	138.8	143.3	152.5
Danmark	115.3	81.6	79.6	91.0	95.0	100.5
Deutschland	127.0	108.9	83.0	125.2	113.8	119.7
Eesti	116.7	109.2	154.8	226.5	237.1	226.7
Elláda	103.8	100.6	93.5	85.3	81.7	83.1
España	108.0	104.8	118.3	110.6	99.4	99.6
France	100.9	97.7	95.9	93.5	87.4	94.9
Ireland	98.6	93.7	92.9	90.4	104.1	93.4
Italia	98.0	96.6	96.7	98.0	94.0	89.9
Kypros/Kıbrıs	112.1	112.3	107.5	96.9	94.9	96.8
Latvija	120.5	116.0	126.2	206.7	212.3	222.6
Lietuva	92.6	86.0	96.6	150.4	191.4	203.8
Luxembourg	100.8	101.9	93.8	91.0	86.3	89.7
Magyarország	107.9	91.4	93.4	148.6	153.9	160.8
Malta	113.5	113.8	109.2	110.7	109.1	103.3
Nederland	93.4	79.6	85.5	80.1	84.4	99.0
Österreich	113.9	107.2	107.2	107.5	107.2	114.2
Polska	115.0	103.9	102.9	199.6	163.4	170.0
Portugal	106.4	101.4	123.0	142.5	128.8	130.4
Slovenija	86.3	117.6	88.9	141.3	143.9	140.0
Slovensko	113.6	106.7	100.3	129.7	120.9	119.9
Suomi/Finland	98.6	97.5	96.9	95.3	108.5	101.7
Sverige	107.8	119.2	118.0	106.4	99.1	100.3
United Kingdom	107.0	118.1	137.6	128.1	123.5	123.8

(p) provisional, – Source: Eurostat

Statistical and economic information

Codification of the tables

The choices made for the revision of the tables are reflected in a new codification, established on the basis of the same principle for all the tables. Each of them has been given a code with four digits, the first of which designates the subject to which the table refers (see table of contents following this foreword):

1. Conversion rates,
2. Basic data,
3. Economic tables,
4. Tables on agricultural markets.

The second and third digits refer to specific aspects of the field concerned and their significance varies from one field to another.

For the tables concerning the agricultural markets (Tables 4) a standard codification for all the products has been used for these two digits:

(i) the second digit of the code designates the agricultural product concerned,
(ii) the third digit refers to the nature of the statistic presented:
–.–.0.– livestock numbers,
–.–.1.– area, yields and production (crop products) or slaughterings and production (livestock products),
–.–.2.– world production,
–.–.3.– external trade,
–.–.4.– supply balance,
–.–.5.– prices (producer prices, market prices, consumer prices),
–.–.6.– market management,
–.–.9.– various.

For certain sectors, all the possibilities are used (e.g. cereals). For other products only some are used (e.g. potatoes), either because the data needed are not available or because the features of these sectors in the EU do not justify such an exhaustive presentation in a general document such as this, which, for considerations of space, can provide only the most important information.

Key to symbols, names and abbreviations

Statistical symbols

–	Nil
0	Less than half a unit
x	Not applicable
:	Not available
#	Uncertain
p	Provisional
*	Eurostat estimate
**	European Commission estimate, Directorate-General for Agriculture and Rural Development
r	Revised
s	Secret
	Average
»2000«	(1999, 2000, 2001)
2000/01	Marketing year, starting in 2000 and ending in 2001
%	Percentage
% TVA	Annual rate of change (%)

Units

– *Currency*

EUR	Euro	LUF	Luxembourg franc
ECU	European currency unit	HUF	Hungarian forint
USD	US dollar	MTL	Malta lira
NC	National currency	NLG	Dutch guilder
BEF	Belgian franc	ATS	Austrian schilling
CZK	Czech koruna	PLN	New polish zloty
DKK	Danish crown	PTE	Portuguese escudo
DEM	German mark	SIT	Slovenian tolar
EEK	Estonian kroon	SKK	Slovak koruna
GRD	Greek drachma	FIM	Finnish markka
ESP	Spanish peseta	SEK	Swedish crown
FRF	French franc	GBP	Pound sterling
IEP	Irish pound	BGN	New Bulgarian lev
ITL	Italian lira	HRK	Kuna (Croatia)
CYP	Cyprus pound	RON	Romanian leu
LVL	Latvian lats	TRY	New Turkish lira
LTL	Lithuanian litas		

Geographical abbreviations

EU	European Union
EU- 9	Total of the Member States of the EC (1980)
EU- 10	Total of the Member States of the EC (1981)
EU- 12	Total of the Member States of the EC (1986)
EU- 15	Total of the Member States of the EU (1995)
EU- 25	Total of the Member States of the EU (01 May 2004)
BLEU/UEBL	Belgo-Luxembourg Economic Union
DOM	French overseas departments
ACP	African, Caribbean and Pacific countries party to the Lomé Convention
PTOM	Countries and overseas territories of Member States of the EU

List of Countries

-Member States

Belgique/belgië	Belgium	Luxembourg	Luxembourg
Česká republika	Czech Republic	Magyarország	Hungary
Danmark	Denmark	Malta	Malta
Deutschland	Germany	Nederland	Netherlands
Eesti	Estonia	Österreich	Austria
Elláda	Greece	Polska	Poland
España	Spain	Portugal	Portugal
France	France	Slovenija	Slovenia
Ireland	Ireland	Slovensko	Slovakia
Italia	Italy	Suomi/Finland	Finland
Kypros/Kibris	Cyprus	Sverige	Sweden
Latvija	Latvia	United Kingdom	United Kingdom
Lietuva	Lithuania		

-Candidate Countries

Bălgarija	Bulgaria	România	Romania
Hrvatska	Croatia	Türkiye	Turkey

–

– Other units

cif	Cost, insurance, freight
VAT	Value-added tax
Bn	Thousand million
Mio	Million
t	Tonne
kg	Kilogram
hl	Hectolitre
l	Litre
ha	Hectare
UAA	Utilized agricultural area
LU	Livestock unit
ESU	European size unit
FU	Fodder unit
AWU	Annual work unit
TF	Type of farming
PPS	Purchasing power standard
NUTS	Nomenclature of territorial units for statistics

Sources

Eurostat	Statistical Office of the European Communities
SITC	Standard international trade classification (Eurostat)
Nimexe	Nomenclature of produce for the EU's external trade statistics and trade between its Member States (Eurostat)
ESA	European system of integrated economic accounts (Eurostat)
FADN	Farm accountancy data network (European Commission, Directorate-General for Agriculture)
OECD	Organization for Economic Cooperation and Development
FAO	Food and Agriculture Organization of the United Nations
UNRWA	United Nations Relief and Works Agency
IMF	International Monetary Fund
GATT	General Agreement on Tariffs and Trade
Fefac	European Federation of Manufacturers of Compound Feedingstuffs
Fediol	Federation of Seed Crushers and Oil Processors in the EU
AIMA	Intervention Agency for the Agricultural Markets (Italy)
USDA	United States Department of Agriculture
WTO	World International Organisation
ISAAA	International Service for the Acquisition of Agri-biotech Applications

Currency units used in this report

1. European Monetary System (EMS) – ecu

Entry into force of the EMS on 13 March 1979 (Regulations (EEC) No 3180/78 and No 3181/78 of 18 December 1978) brought in the ecu as sole unit of account for the Community. Its definition is identical to that of its predecessor the EUA except for a review clause allowing changes in its composition. The ecu is a currency unit of the 'asket' type made up of specified amounts of currencies of the EMS member countries determined mainly on the basis of the economic size of each. It is defined by Council Regulation (EC) No 3320/94. The central rates used in this system are rates set by the central banks around which the market rates of the EMS currencies may fluctuate within spot margins.

2. The ecu in the common agricultural policy

- Before 9 April 1979, the unit of account used in the agricultural sector was the u.a. defined by Regulation (EEC) No 129/62 and the representative rates (green rates) were fixed by the Council.
- On 9 April, the ecu began to be used in the CAP (Regulation (EEC) No 652/79) and is still being used (Regulation (EEC) No 3813/92).
- On the changeover from the u.a. to the ecu on 9 April 1979 common agricultural prices and amounts expressed in u.a. and converted into ecus were adjusted by the coefficient 1,208953. The green rates were however adjusted by the reciprocal coefficient 1/1,208953, leaving national price levels unchanged. For example, 100 u.a. × 3,40 = DEM 340 because ECU 121 × 2,81 = DEM 340.
- For the recording of world market prices, offer prices are converted at the representative market rate, which is an average of the rates recorded on the market. The common agricultural prices and amounts are set in ecus and converted into national currency at the agricultural conversion rates.
- Since 1 January 1993 these have been adjusted by the Commission whenever their divergence from representative market rates exceeds specified margins.
- Between the beginning of the 1984/85 marketing year and 31 January 1995 all conversion rates used for agriculture were multiplied by a correcting factor under the 'switchover' mechanism the effect of which was to express the common agricultural prices and amounts in a unit of account derived from the ecu, the 'green ecu'. This correcting factor, originally 1,033651, was increased in line with the revaluation of the EMS currency appreciating most among those observing all the rules. On abolition it was 1,207509. As on the changeover from the u.a. to the ecu in 1979 common agricultural prices and amounts were increased in ecus by a factor of 1,207509 on 1 February 1995 and all conversion rates used in agriculture reduced by a factor of 1/1,207509 so making the operation neutral in national currency terms.

3. Introduction of the euro

On 1 January 1999, the currencies of the 11 Member States adopting the single currency were replaced by the euro but, during the transitional period until the end of 2001, units of national currency will continue to be used as subdivision of the euro. Series in ecus have been left unchanged as far as the past is concerned but are expressed in euros from 1 January 1999. Series in euro are the statistical continuation of series in ecus.

Fixed conversion rates of the euro

The conversion rates irrevocably fixed between the euro and the currencies of the Member States adopting the euro are:

EUR 1	=	40,3399 Belgian francs
	=	1,95583 German marks
	=	166,386 Spanish pesetas
	=	6,55957 French francs
	=	0,787564 Irish pounds
	=	1936,27 Italian lire
	=	40,3399 Luxembourg francs
	=	2,20371 Dutch guilders
	=	13,7603 Austrian schillings
	=	200,482 Portuguese escudos
	=	5,94573 Finnish marks
	=	340,750 Greek drachmas (On 1st January 2001)

According to context, different currency units have been used in this publication. The statistical series in terms of value are also calculated:

– at constant exchange rates, i.e. at the exchange rates obtaining during a specific period (e.g. 1980). These rates are used to eliminate the influences of exchange-rate changes on a time series;
– at current exchange rates (notably for external trade).

To assist the user of this publication wishing to convert units of account into national currencies and conversely, Table 1.0.1, gives the rates to be used. Fuller information is given in specialized publications of the European Commission.

Observations on statistical method

A – Statistics on external trade – explanatory note

Council Regulation (EEC) No 1736/75, of 24 June 1975, on the external trade statistics of the Community and statistics of trade between Member States, includes provisions to ensure that data are not recorded twice:

(i) when goods from a non-member country are first brought into a Member State, that Member State must record the import according to the origin of the goods;

(ii) if the goods are then subject to a legal operation (for example clearance for consumption) and subsequently imported into another Member State, the latter must record the goods according to the Member State from which they were received.

However, to satisfy national requirements, the Member States may, if they wish, operate in parallel with the above system the arrangements they applied previously; this means that a Member State's national data may be substantially different from the data supplied by Community sources.

For the calculation of the intra-Community trade of the Community as a whole in the supply balances, there were two possibilities: the sum of the Member States' intra-Community exports (calculation on the basis of goods leaving) or the sum of the Member States' intra-Community imports (calculation on the basis of entries). Eurostat has chosen the second alternative. Also, exports to non-member countries in the supply balances of the Community as a whole are calculated by deducting intra-Community trade from Member States' total exports.

As a result, there may be discrepancies between the external trade data given in the supply balances and those given in the specific external trade tables.

Users must also allow for a break in the series of Community external trade statistics in 1977, the date on which Regulation (EEC) No 1736/75 entered into force.

A last point is that, while the data relating to the external trade of the Community of Twelve from reference year 1985 use the same source for all the Member States (Community statistics), those which refer to a previous period may have been obtained from the Community statistics for the Community of Ten and from other sources for the new Member States.

B – Definition of Agricultural Products for External Trade Statistics

Agricultural products are defined as follows:

Chapters 1 – 24 of the Combined Nomenclature excluding fish and fish products:

-	chapter 03	fish and crustaceans, molluscs and other aquatic invertebrates
-	0511 91 90	products of fish and crustaceans, …..
-	1604	prepared fish; caviar, and caviar substitutes prepared from fish eggs
-	1605	prepared crustaceans, molluscs, and other aquatic invertebrates
-	1902 20 10	stuffed pasta, containing >20% fish, crustaceans, ….
-	2301 20	flours, meals and pellets of fish or crustaceans,…..

adding the following products outside the Chapters 1 to 24. ("Other products covered by the Uruguay Round Agreement"):

-	2905 43	mannitol
-	2905 44	D-glucitol (sorbitol)
-	2905 45	glycerol
-	3301	essential oils
-	ex 3302 10	preps containing flavouring agents for beverages
-	3301 to 3305	albuminoidal substances, modified starches, glues
-	3809 10	finishing agents
-	3823 11	stearic acid
-	3823 12	oleic acid
-	3823 13	tall oil fatty acids
-	3823 19	other
-	3823 70	industrial fatty acids
-	3824 60	sorbitol n.e.p.
-	4101 to 4103	hides and skins
-	4301	raw furskins
-	5001 to 5003	raw silk and silk waste
-	5101 to 5103	wool and animal hair
-	5201 to 5203	raw cotton, waste and carded or combed cotton
-	5301	raw flax
-	5302	raw hemp

C – Economic Accounts for Agriculture (EAA): implementation of a new methodology

1. The Economic Accounts for Agriculture are drawn up according to a new methodology, which was published in the "Manual on Economic Accounts for Agriculture and Forestry EAA/EAF (Rev. 1.1)" (EUROSTAT, 2000, ISBN 92-828-2996-0).

2. The introduction of the new methodology has resulted in a number of changes in the data, as a result both of the change in the methodology itself and of the use of new data sources. Some of the changes have had a direct impact on value added and thus on the measurement of agricultural incomes, whereas others have altered only the level of certain aggregates without, however, affecting value added and the measures of agricultural income.

3. The following methodological revisions affecting the measures of agricultural income can be noted:

   a. The recording of secondary, non-agricultural activities of agricultural units where these activities cannot be separated from the main agricultural activity. This mainly concerns the processing of agricultural products and agri-tourism.

   b. The exclusion of the output of units producing solely for own-final consumption (e.g. kitchen gardens).

   c. The exclusion of upstream and downstream production activity involved in seed multiplication.

   d. The recording of the output of wine and olive oil (from grapes and olives produced on the holding).

   e. The recording of various operations according to the principle of rights and obligations, meaning that the amounts are recorded during the year in which the claim or obligation, in the economic sense of the term, is created, transformed or removed. For example, the value of subsidies recorded in the accounts for year n corresponds to aid granted in year n even if all or part of the payment takes place in year n+1 or at a later date.

   f. The reclassification of certain agricultural aid which used to be classed as "operating subsidies" and which will now be recorded as "capital transfers". The value of this aid will no longer enter into the calculation of income.

4. Revisions which have had no impact on the measurement of income (all things being equal) concern:

   a. The valuation of output at basic prices. The basic price is defined as the price received by the producer, after deduction of all taxes on products but including all subsidies on products.

   b. The abandonment of the concept of national farm: besides production sold, stocked or for own-consumption by agricultural units, the production of the agricultural industry will now include a part of output used as intermediate consumption by the same unit (for example, grain or forage used in animal feed).

D – Annual rate of change (% TAV)

1. The annual rate of change (symbol: % TAV) is used throughout this report for the calculation over periods of time of changes in a given aggregate. It measures the compound annual average increase or reduction, as a percentage, of the variable concerned from a base year (T in the following equations).
2. The annual rate of change is calculated as follows:

$$100 \times \text{Anti-Log} \left[\text{Log} \frac{(\text{statistic for year T + N})}{(\text{statistic for year T})} : \text{N} \right] - 100 = \%\ \text{TAV}$$

Where the annual rate of change is calculated over only two successive years, N = 1 and the formula becomes:

$$100 \times \left[\frac{\text{statistic for year T + 1}}{\text{statistic for year T}} \right] - 100 = \%\ \text{TAV}$$

3. The following series illustrates the use of this formula:

	1990	1991	...	1995	1996
Series =	100 000	112 000		161 051	177 156

	$\frac{1991}{1990}$	$\frac{1995}{1990}$	$\frac{1996}{1995}$
% TAV	12,0	10,0	10,0

Remarks

1. From 1991 data for the former German Democratic Republic are included in the figures for the Federal Republic of Germany and accordingly in the figures for the EU as a whole.

2. Present report was based on data available on 25/01/2007.

3. From 1 January 1997 statistics for France and Spain have been amended to include the French overseas departments (Guadeloupe, French Guiana, Martinique and Réunion) and the Canary Islands respectively.

4. Data on the Candidate Countries are gradually included in our tables. These data are mostly based on the figures provided by Eurostat and the Directorate-General for Agriculture and Rural Development. The process of harmonising the national statistics in the candidate countries is under way. The figures provided are therefore not fully comparable with the figures for the European Union and are expected to be revised frequently. We are publishing them for information only. The Commission cannot be held responsible for how the figures given for these countries are used or interpreted.