

In 2017, factor income of the agricultural sector decreased by 7.0 per cent.

Economic Accounts for Agriculture: 2017

Factor income, which is the result of the overall activity in the agricultural sector including subsidies, intermediate consumption and fixed capital consumption went down to €58.0 million; a decrease of 7.0 per cent when compared to 2016. This was particularly brought about by a drop of 10.4 per cent in the subsidies not directly linked with production (Table 1).

In 2017, entrepreneurial income totalled to €52.7 million, a decrease of 7.7 per cent. This amounted to 90.8 per cent of the total factor income generated in the sector. The share of subsidies to the factor income attained in the sector dropped from 10.4 per cent in 2016 to 9.4 per cent in 2017. Total subsidies absorbed by the sector in 2017 amounted to €5.4 million, down by 16.1 per cent. Subsidies not directly linked with production declined by 10.4 per cent or €0.6 million over that recorded in 2016 (Table 2).

During the twelve months of 2017, a drop of 2.7 per cent was registered in the total gross production at producer prices. With the exception of secondary activities which increased by 2.0 per cent, a series of decreases were recorded in the crop, livestock and animal products of 4.8, 2.4 and 0.3 per cent respectively over the production reached in 2016 (Table 3).

Intermediate consumption, which measures expenditure incurred during the production processes of the agricultural sector, registered a slight drop of 0.5 per cent to a total of €62.6 million. This decrease was mainly caused by a drop in the expenditure on various services (such as maintenance of assets and veterinary expenses) as well as energy of 4.1 and 1.7 per cent respectively (Table 6) ■

Chart 1. Factor income of the agricultural sector

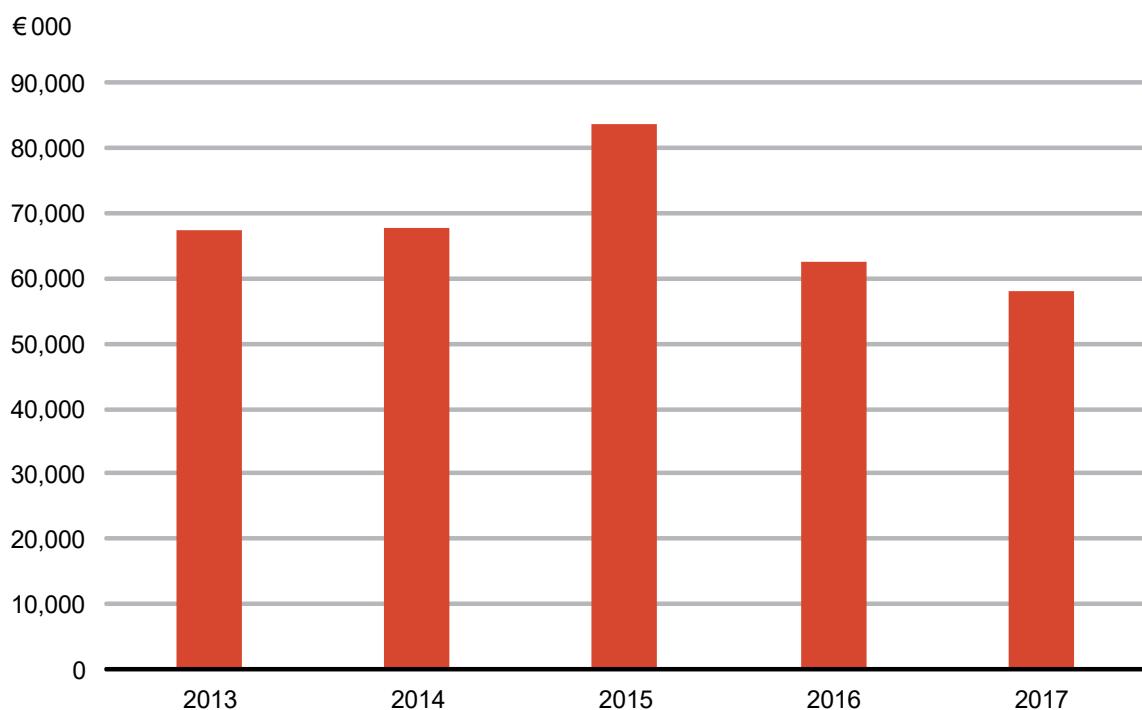


Table 1. Factor income at current market prices

	€ 000					
	2013	2014	2015	2016	2017	Percentage change 2017/2016
Gross production at producer prices	137,783	132,634	135,687	132,847	129,305	-2.7
Less Losses	(5,779)	(5,605)	(5,509)	(5,568)	(5,524)	-0.8
Seeds produced for fodder	(216)	(216)	(216)	(216)	(216)	-
Milk produced for feed	(602)	(561)	(548)	(555)	(558)	0.5
Grapes produced for wine	(812)	(829)	(790)	(558)	(561)	0.6
Final production at producer prices	130,374	125,424	128,624	125,950	122,446	-2.8
Add subsidies on products	1,572	1,328	410	413	-	-
Final production at basic prices	131,946	126,753	129,035	126,363	122,446	-3.1
Less intermediate consumption	(75,717)	(71,613)	(66,217)	(62,924)	(62,629)	-0.5
Gross value added at basic prices	56,229	55,140	62,817	63,439	59,817	-5.7
Less fixed capital consumption	(6,827)	(6,982)	(7,261)	(7,098)	(7,216)	1.7
Net value added at basic prices	49,401	48,158	55,557	56,342	52,601	-6.6
Add other subsidies not directly linked with production	17,851	19,579	28,193	6,067	5,439	-10.4
Factor income at current market prices	67,253	67,736	83,749	62,409	58,040	-7.0
Agricultural labour input ('000 AWU)	5.0	5.0	5.0	5.0	5.0	-
Factor income at current market prices per AWU	13,333	13,429	16,604	12,373	11,507	-7.0
GDP deflator	106.4	109.0	111.9	113.7	116.6	2.6
Factor income at constant prices	63,213	62,246	75,118	54,899	49,773	-9.3

Note: Totals may not add up due to rounding.

Table 2. Distribution of factor income at current market prices

€ 000

	2013	2014	2015	2016	2017	Percentage change 2017/2016
Factor income	67,252	67,736	83,749	62,409	58,040	-7.0
Entrepreneurial income	62,010	62,529	78,629	57,105	52,720	-7.7
Wages	3,952	4,009	3,804	4,094	4,129	0.9
Interest	756	649	633	524	467	-10.9
Rents	535	549	684	686	723	5.4
Less Subsidies	19,423	20,907	28,603	6,480	5,439	-16.1
Subsidies on products	1,572	1,328	410	413	-	-
Subsidies not directly linked with production	17,851	19,579	28,193	6,067	5,439	-10.4
Factor income excluding subsidies	47,830	46,829	55,147	55,928	52,601	-5.9

Note: Totals may not add up due to rounding.

Chart 2. Percentage of subsidies in factor income

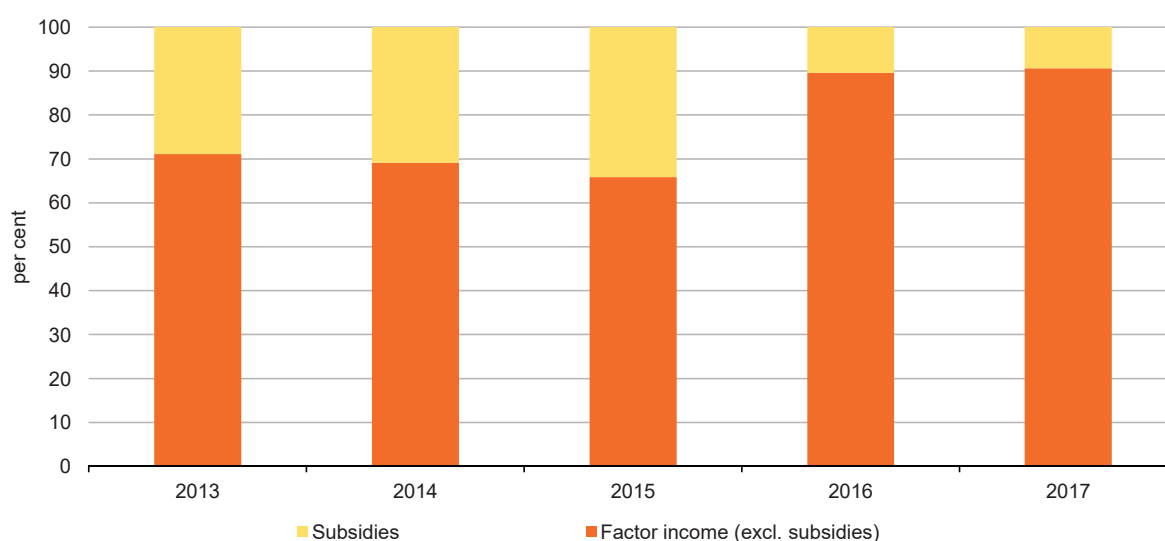


Chart 3. Percentage distribution of factor income: 2017

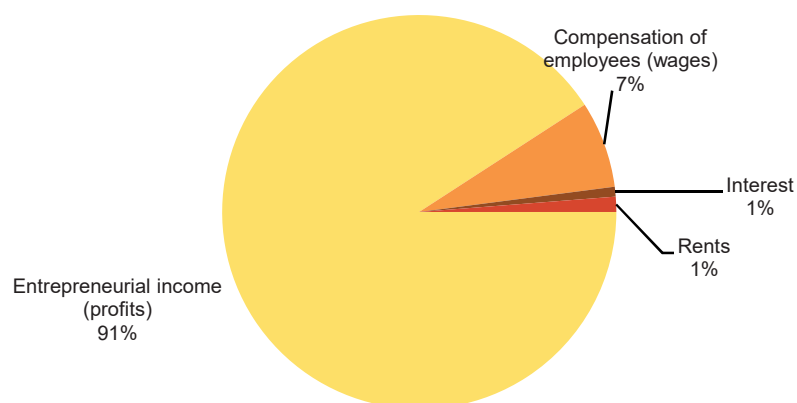


Table 3. Total gross production at producer prices by type of product

	€ 000					Percentage change 2017/2016
	2013	2014	2015	2016	2017	
Gross production at producer prices	137,783	132,634	135,687	132,847	129,305	-2.7
Livestock products	49,919	48,824	45,812	44,563	43,515	-2.4
Beef	3,512	3,191	2,934	3,123	3,069	-1.7
Pork	14,030	14,583	12,388	10,845	10,267	-5.3
Sheep and Goats	363	349	368	378	388	2.5
Poultry	8,608	7,638	7,400	7,306	6,999	-4.2
Rabbits	23,407	23,064	22,721	22,911	22,792	-0.5
Animal products	30,168	28,501	27,748	29,482	29,379	-0.3
Milk	22,073	20,692	20,053	20,337	20,312	-0.1
Eggs	7,885	7,599	7,485	8,935	8,857	-0.9
Other animal products	210	210	210	210	210	-
Crop products	50,567	48,303	54,987	52,268	49,746	-4.8
Forage	4,554	4,354	3,933	2,742	4,184	52.6
Vegetables	28,907	28,414	35,365	35,835	30,278	-15.5
Potatoes	6,640	4,915	3,854	3,589	4,403	22.7
Fruits	7,417	7,557	7,854	6,433	6,737	4.7
Flowers and seeds	3,050	3,065	3,982	3,669	4,144	12.9
Secondary activities	7,128	7,006	7,141	6,534	6,665	2.0
Wine	2,538	2,590	2,467	1,743	1,754	0.6
Cheese	4,590	4,416	4,673	4,791	4,911	2.5

Note: Totals may not add up due to rounding.

Table 4. Final production at producer prices by type of product

	€ 000					Percentage change 2017/2016
	2013	2014	2015	2016	2017	
Final production at producer prices	130,374	125,424	128,624	125,950	122,445	-2.8
Livestock products	44,377	43,448	40,527	39,250	38,257	-2.5
Beef	3,512	3,191	2,934	3,123	3,069	-1.7
Pork	14,030	14,583	12,388	10,845	10,267	-5.3
Sheep and Goats	363	349	368	378	388	2.5
Poultry	7,747	6,874	6,660	6,575	6,299	-4.2
Rabbits	18,726	18,451	18,177	18,329	18,234	-0.5
Animal products	29,329	27,712	26,975	28,672	28,555	-0.4
Milk	21,471	20,131	19,504	19,782	19,754	-0.1
Eggs	7,648	7,371	7,261	8,680	8,591	-1.0
Other animal products	210	210	210	210	210	-
Crop products	49,539	47,259	53,981	51,494	48,968	-4.9
Forage	4,554	4,354	3,933	2,742	4,184	52.6
Vegetables	28,907	28,414	35,365	35,835	30,278	-15.5
Potatoes	6,640	4,915	3,854	3,589	4,403	22.7
Fruits	6,605	6,728	7,064	5,875	6,176	5.1
Flowers and seeds	2,834	2,849	3,766	3,453	3,928	13.7
Secondary activities	7,128	7,006	7,141	6,534	6,665	2.0
Wine	2,538	2,590	2,467	1,743	1,754	0.6
Cheese	4,590	4,416	4,673	4,791	4,911	2.5

Note: Totals may not add up due to rounding.

Table 5. Final production at basic prices by type of product

	€ 000					Percentage change 2017/2016
	2013	2014	2015	2016	2017	
Final production at basic prices	131,946	126,753	129,035	126,363	122,445	-3.1
Livestock products	44,377	43,448	40,527	39,250	38,257	-2.5
Beef	3,512	3,191	2,934	3,123	3,069	-1.7
Pork	14,030	14,583	12,388	10,845	10,267	-5.3
Sheep and Goats	363	349	368	378	388	2.5
Poultry	7,747	6,874	6,660	6,575	6,299	-4.2
Rabbits	18,726	18,451	18,177	18,329	18,234	-0.5
Animal products	29,343	27,726	26,989	28,685	28,555	-0.5
Milk	21,471	20,131	19,504	19,782	19,754	-0.1
Eggs	7,648	7,371	7,261	8,680	8,591	-1.0
Other animal products	224	224	224	224	210	-6.1
Crop products	51,097	48,574	54,378	51,894	48,968	-5.6
Forage	4,554	4,354	3,933	2,742	4,184	52.6
Vegetables	30,272	29,604	35,690	36,165	30,278	-16.3
Potatoes	6,690	4,945	3,871	3,609	4,403	22.0
Fruits	6,747	6,823	7,119	5,925	6,176	4.2
Flowers and seeds	2,834	2,849	3,766	3,453	3,928	13.7
Secondary activities	7,128	7,006	7,141	6,534	6,665	2.0
Wine	2,538	2,590	2,467	1,743	1,754	0.6
Cheese	4,590	4,416	4,673	4,791	4,911	2.5

Note: Totals may not add up due to rounding.

Chart 4. Distribution of final production at basic prices by type of product

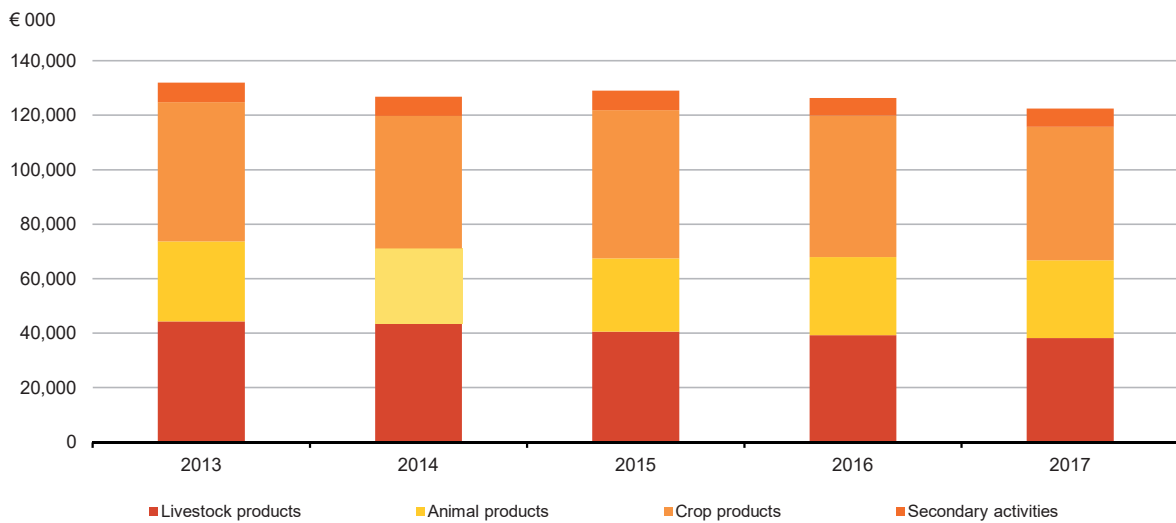


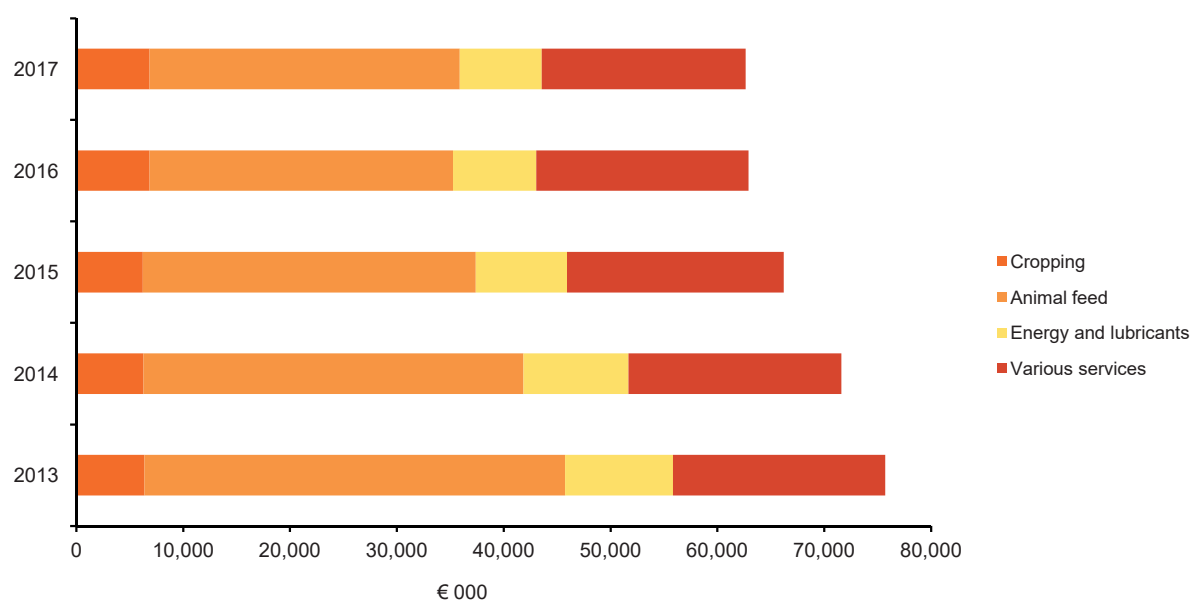
Table 6. Distribution of intermediate consumption at purchaser prices by type of expenditure

€ 000

	2013	2014	2015	2016	2017	Percentage change 2017/2016
Intermediate consumption	75,717	71,613	66,217	62,924	62,629	-0.5
Cropping	6,384	6,287	6,214	6,853	6,847	-0.1
Seeds and planting stock	3,770	3,781	3,840	4,265	4,236	-0.7
Fertilisers and soil improvers	2,109	1,995	1,860	2,025	2,026	0.1
Plant protection products and pesticides	505	511	514	563	585	3.9
Animal feed	39,363	35,553	31,159	28,393	29,040	2.3
Energy and lubricants	10,099	9,848	8,561	7,795	7,666	-1.7
Electricity	1,617	1,579	1,052	1,010	968	-4.2
Other fuels and propellants	8,481	8,269	7,509	6,785	6,698	-1.3
Various services	19,872	19,926	20,283	19,883	19,076	-4.1
Maintenance of materials	7,193	7,249	7,552	7,331	6,981	-4.8
Maintenance of buildings	2,394	2,382	2,365	2,314	2,210	-4.5
Veterinary services	1,330	1,303	1,292	1,250	1,206	-3.5
Other agricultural services	8,955	8,991	9,075	8,989	8,678	-3.5

Note: Totals may not add up due to rounding.

Chart 5. Distribution of intermediate consumption by type of product



Methodological Notes:

1. The data published in this release is based on the methodologies for the Economic Accounts for Agriculture and Forestry (EAA/EAF 97, Rev. 1.1).
2. The data compiled in this release refers to the output produced by the agricultural holdings, and not to the total disposable income of the agricultural households.
3. Data with respect to the output side of agriculture is collected from a number of sources. The civil abattoir provides monthly slaughtering statistics on various types of livestock. The four official fruit and vegetable markets provide data on quantities and wholesale values of the produce brought in by the farmer. Private slaughterhouses provide information on the slaughtering of poultry. The Ministry for Environment, Sustainable Development and Climate Change provides information on subsidies and vintners. Data from tomato processors is collected directly by the NSO by means of annual returns.

In respect of intermediate consumption, the data is based on estimates compiled from the input price indices quarterly survey through which prices are obtained from various agricultural shops and administrative sources.

4. The data is deflated using the implicit price index of the compiled GDP by the National Accounts Unit.
5. The Economic Accounts and the other economic indicators published in this release refer to calendar years.
6. The data in this release is provisional and subject to revision. Revisions are normally carried out annually in respect of a rolling two-year period.

7. Definitions:

- **Gross production at producer prices** represents the total value of agricultural goods and services produced over a particular period. Gross production includes losses incurred by the agricultural holding.
- **Final production at producer prices** is arrived at by deducting losses incurred and output for own use from gross production at producer prices. Final production refers to all goods and services actually consumed.
- **Final production at basic prices** is the summation of final production at producer prices plus all subsidies related to production, net of VAT.
- **Intermediate consumption** represents the value of all goods and services used as inputs in the production process, excluding fixed assets. Products used in intermediate consumption are valued at purchase prices, net of VAT.
- **Gross value added of the agricultural industry** is the actual value added created by all the agricultural holdings before deducting fixed capital consumption (depreciation). Therefore, gross value added is the difference between final production at basic prices and intermediate consumption.
- **Factor Income** measures the remuneration of all the factors of production in the sector.
- **Net entrepreneurial income** measures the compensation of unpaid labour (sole proprietors and unpaid family members). It is similar to the accounting concept of current profit before distribution.
- **Agricultural Labour Input** is calculated in *Annual Work Units (AWU)* to take into consideration the level of part-time, hobby farming, and seasonal work in agriculture. One AWU is equivalent to the time worked by one full-time employed person in agriculture over a period of one year and is equal to 1,800 hours.

8. More information relating to this news release may be accessed at:

<http://nso.gov.mt/metadata/reports.aspx?id=18>

9. References to this news release are to be cited appropriately.

10. A detailed news release calendar is available on:

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