

Regulation (EC) No 138/2004 of the European Parliament and of
the Council of 5 December 2003 on the economic accounts for
agriculture in the Community (Text with EEA relevance) (revoked)

Article 1	Subject matter
Article 2	Methodology
Article 3	Transmission to the Commission
Article 4	Exercise of the delegation
Article 5	Final provision
	Signature

ANNEX I

ECONOMIC ACCOUNTS FOR AGRICULTURE

FOREWORD

I. GENERAL FEATURES OF THE ACCOUNTS

A. INTRODUCTION

- 1.01. A system of integrated economic accounts should provide an overview...
- 1.02. The European system of integrated economic accounts, which is derived...
- 1.03. The economy of a country is the sum of the...
- 1.04. In order to analyse flows involving income, capital, financial transactions...
- 1.05. Thus, the economy may be broken down in two different...
- 1.06. The main purpose of the EAA is to analyse the...
- 1.07. The EAA are a satellite account providing complementary information and...
- 1.08. A distinction needs to be made between the income generated...

B. THE BASIC UNIT AND THE AGRICULTURAL INDUSTRY

1. Basic unit

- 1.09. In order to analyse flows occurring in the process of...
- 1.10. The local kind-of-activity unit (local KAU) is the part of...
- 1.11. Although a local KAU may correspond to an institutional unit...
- 1.12. Basically, as many local KAUs should be recorded as there...
- 1.13. An activity can be said to take place when resources...

2. Agricultural industry

- 1.14. By grouping all local KAUs engaged in the same type...
- 1.15. Although the agricultural industry was formerly defined as a grouping...
- 1.16. Inseparable, non-agricultural secondary activities are activities whose costs cannot be...
- 1.17. The agricultural holding, which is the unit currently used for...

- 1.18. Thus, the accounts for the agricultural industry are essentially similar...
- 1.19. Since, according to ESA 2010, an industry comprises a group...
- 1.20. The agricultural industry is treated as a grouping of all...
- 1.21. In addition to agricultural holdings, the agricultural industry comprises units...
- 1.22. Specialised units which provide machines, equipment and personnel for the...
- 1.23. If, however, the contract work is not performed entirely by...
- 1.24. Since the purpose of the EAA is to measure, describe...
- 3. Inseparable non-agricultural secondary activities
 - 1.25. The use of the local KAU as the basic unit...
 - 1.26. Inseparable non-agricultural secondary activities of local agricultural KAUs are defined...
 - 1.27. The main characteristics of these inseparable non-agricultural secondary activities are...
 - 1.28. Only that part of a specific non-agricultural secondary activity which...
 - 1.29. Two main types of inseparable non-agricultural secondary activity may be...
 - 1.30. The list of non-agricultural secondary activities (cf. 1.29) is however...
 - 1.31. The agricultural secondary activities of non-agricultural units are negligible and...
 - 1.32. Non-agricultural goods and services produced by agricultural holdings are not...
- C. MEASUREMENT OF OUTPUT
 - 1.33. According to the ESA 2010, the output of the industry...
 - 1.34. The ESA rule has been adapted because of the special...
 - 1.35. This adaptation of the ESA rule calls for special treatment...
 - 1.36. Trade in live animals between agricultural holdings and imports of...
- D. SEQUENCE OF ACCOUNTS
 - 1. Sequence of accounts as provided for in the ESA 2010...
 - 1.37. The EAA are based on a sequence of interconnected accounts. In...
 - 1.38. The current accounts deal with the production and related generation,...
 - 1.39. The sequence of accounts referred to above applies to institutional...
 - 2. Sequence of accounts of the EAA
 - 1.40. As the EAA are based on the industry concept, the...
 - 1.41. Nevertheless, it is thought that, given the specific features of...
 - 1.42. Consideration is being given to extending this sequence of accounts...
 - 1.43. On the basis of the tables and accounting structure in...
 - 1.44. It should be borne in mind that transactions and stocks...
 - 1.45. The production account records transactions relating to the production process...
 - 1.46. The generation of income account is concerned with the formation...
 - 1.47. The entrepreneurial income account makes it possible to measure income...
 - 1.48. The capital account makes it possible to determine the extent...

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- E. SOURCES OF DATA AND METHODS OF CALCULATION FOR COMPILING THE...
 - 1.49. One of the main characteristics of the EAA is the...
 - 1.50. The evaluation of crop output can normally be based on...
 - 1.51. Statistics on slaughterings, exports/imports of live animals and the size...
 - 1.52. A more detailed description of the methods of calculation is...
 - 1.53. Most intermediate goods can basically only be used in agriculture...
 - 1.54. Applying this rule is not without certain risks, however. In...
- F. THE CLASSIFICATION
 - 1. General
 - 1.55. The EAA are an integral part of the European system...
 - 1.56. NACE Rev. 2 is a more detailed version of ISIC...
 - 1.57. NACE Rev. 2 is a classification of activities which is...
 - 1.58. Each level in a classification of economic activities can usually...
 - 1.59. According to ESA 2010, the industry corresponds to the group...
 - 2. Definition of the characteristic activities of agriculture
 - 1.60. The agricultural industry, as described in the EAA, corresponds, in...
 - 1.61. The EAA are a satellite account in the framework of...
 - 1.62. For national accounts purposes the agricultural industry is defined as...
 - 1.63. The list of characteristic agricultural activities of the EAA corresponds...
 - 3. Definition of the characteristic units of agriculture
 - 1.64. All units which perform characteristic activities of the agricultural industry...
 - 1.65.
 - 1.66. It can be seen from the list that, apart from...
 - 4. Observations concerning various items
 - (a) Groups from 01,1 to 01,3: Growing of non-perennial and perennial...
 - 1.67. Groups from 01,1 to 01,3 include a systematic breakdown making...
 - 1.68. In order to be recorded, the production of fodder crops...
 - 1.69.
 - 1.70. In the nomenclature of the EAA, agricultural seeds are grouped...
 - 1.71. Following the convention adopted by NACE Rev. 2 , when...
 - 1.72. The production of wine by units closely linked to agricultural...
 - 1.73. The production of grape must features together with the production...
 - 1.74. Since wine, olive oil and grape must (the latter only...
 - 1.75. Plantations (e.g. vineyards and orchards) are fixed capital goods, and...
 - (b) Group 01,4: Animal production
 - 1.76. As with crop-growing activities (cf. 1.67), this group comprises a...

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- 1.77.
- 1.78. Horse breeding is a characteristic activity of the EAA whatever...
- 1.79. In the economic accounts, by-products which automatically result from the...
- (c) Group 01,6: Support activities to agriculture and post-harvest crop activities...
 - 1.80. The activities in group 01,6 can be divided into two...
 - 1.81. Agricultural service activities in the second category are not treated...
 - Agricultural contract work
 - 1.82. As part of the process of economic specialisation, agricultural holdings...
 - 1.83. Notable among these activities are manuring, liming, ploughing, sowing, weeding,...
 - 1.84. A characteristic feature of all these activities is that they...
 - 1.85. Activities which are not directly related to the production of...
 - 1.86. It should be borne in mind that this classification applies...
 - 1.87. Contract work performed during the agricultural production stage mainly involves...
 - 1.88. In cases where it has to be decided if an...
 - 1.89. Animal husbandry performed on farms for remuneration (the provision of...
 - 1.90. The type of compensation paid to the persons performing contract...
 - 1.91. Nevertheless, the work must always be performed by independent enterprises:...
- (d) Group 01,7: Hunting, trapping and related service activities
 - 1.92. This group of activities comprises the following activities: (i) hunting...
- 5. Discrepancy between the EAA agricultural industry and the agricultural branch...
 - 1.93. The EAA agricultural industry, as defined in Sections 1.62 to...

II. TRANSACTIONS IN PRODUCTS

- 2.001. Transactions in products provide an account of the origin and...
- 2.002. As mentioned in 1.40 and 1.41, only output, intermediate consumption...
- A. GENERAL RULES
 - 1. Reference period
 - 2.003. For the EAA, the reference period is the calendar year....
 - 2. Units
 - (a) Quantities
 - 2.004. Quantities should generally be shown in 1 000 t, (in...
 - (b) Prices
 - 2.005. In the EAA, prices should be shown per tonne (per...
 - 2.006. In the EAA, prices should be recorded either to the...
 - (c) Values
 - 2.007. Values should be shown in millions of units of national...

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3. Time of recording
 - 2.008. The ESA 2010 (1.101-1.105) records flows (especially transactions in products...
 - (a) Output
 - 2.009. Output should be valued and recorded at the time it...
 - 2.010. In the ESA 2010, production is treated as a continuous...
 - 2.011. Recording output as work in progress is both desirable and...
 - 2.012. However, for farm products whose production cycle is shorter than...
 - 2.013. In practice, only products with a long production cycle are...
 - 2.014. When products with a long production cycle which have been...
 - 2.015. Animals: animal production normally requires a period of time, possibly...
 - 2.016. The production process for draught animals is formally completed at...
 - 2.017. This is not always the case for cattle, pigs, sheep...
 - 2.018. Chick production is given special treatment if it spans two...
 - 2.019. Wine: output should be recorded as work in progress since...
 - 2.020. Assets cultivated in plantations: goods intended for own-account GFCF (other...
 - (b) Intermediate consumption
 - 2.021. Goods and services should be recorded at the time they...
 - 2.022. The consumption of goods for a given reference period in...
 - 2.023. Services are recorded at the time of purchase. Since services...
 - 2.024. The following services are an exception to this rule:
 - (c) Gross fixed capital formation
 - 2.025. GFCF is recorded at the time of transfer of ownership...
 - 2.026. Correspondingly, in the case of the establishment of orchards and...
 - 2.027. Land purchases and sales as well as associated costs are...
 - (d) Changes in stocks
 - 2.028. Changes in stocks correspond to the difference between goods entering...
 - 2.029. Goods entering stocks are either goods intended for consumption in...
 - 2.030. In the case of unfinished products from the industry (recorded...
 - 2.031. Goods withdrawn from stocks are, in the case of input...
- B. OUTPUT
1. General comments on the concepts of output in the ESA...
 - 2.032. Output is the total of products created during the accounting...

- 2.033. According to the ESA 2010, output also includes (i) goods...
- 2.034. The concept of output used in the EAA which is...
- 2.035. As mentioned in 1.34, this modification of the ESA rule...
- 2.036. Although it is not proposed by the ESA 2010, the...
- 2. Output of agricultural activity: quantities
 - 2.037. In the compilation of the EAA, output is progressively broken...
 - 2.038. The starting point for this progressive calculation is either:
 - (a) Gross output
 - 2.039. This is the starting point for countries whose official harvest...
 - (b) Losses
 - 2.040. This item refers to recurrent losses of goods in inventories...
 - Types of losses
 - 2.041. Following ESA 2010, there are three types of losses that...
 - Recording of the three types of losses
 - 2.042. For recording losses of goods in inventories, a distinction needs...
 - 2.043. When output is calculated from data on initial and final...
 - 2.044. Exceptional and catastrophic losses of goods in inventories have to...
 - 2.045. Losses (whether recurrent, exceptional or catastrophic) of fixed assets (such...
 - (c) Usable output
 - 2.046. This is the first item to be entered by countries...
 - (d) Initial stocks
 - 2.047. These constitute the finished or semi-finished stocks of own products...
 - 2.048. The initial stocks of 'poultry' should also include eggs hatching...
 - (e) Total available resources
 - (f) Intra-unit consumption
 - 2.049. Under the heading of intra-unit consumption recorded are products produced...
 - 2.050. All agricultural products (except livestock; cf. 2.067 and 2.208) sold...
 - 2.051. Intra-unit consumption can be broken down according to the use...
 - 2.052. Products consumed within the industry by the same agricultural activity...
 - 2.053. Products consumed within the industry by a different agricultural activity...
 - 2.054. Agricultural products undergoing intra-unit consumption are not included in the...
 - 2.055. These criteria are as follows:
 - 2.056. In line with the definition of the selection criteria for...
 - 2.057. When these products are recorded in the industry's output, they...
 - 2.058. Animal by-products are excluded from intra-unit consumption because of the...

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- (g) Processing by producers
 - 2.059. Under the heading of processing by producers recorded are quantities...
 - 2.060. Where these processing activities are inseparable non-agricultural activities, the product...
- (h) Own final consumption
 - 2.061. This includes:
 - 2.062. Agricultural products processed by the agricultural unit in a separable...
 - 2.063. The imputed rental value of the owner-occupied housing unit is...
- (i) Sales
 - 2.064. This heading covers sales of agricultural products made by agricultural...
 - 2.065. Consequently, for a given unit, sales correspond to the turnover...
 - 2.066. Livestock considered to be stocks: the disposal of livestock considered...
 - 2.067. The acquisition of livestock is a stock entry if the...
 - 2.068. Livestock classed as fixed assets: trade in fixed-asset livestock between...
 - 2.069. Recording of imports of live animals (not intended for immediate...
 - 2.070. Nevertheless, as it is often difficult, in practice, to make...
- (j) Own-account produced fixed capital goods
 - 2.071. These only include:
- (k) Final stocks
 - 2.072. These are stocks of finished products or work in progress...
 - 2.073. Products which are only temporarily stocked and are consumed in...
- (l) Total uses
 - 2.074. This entry is the sum of columns 7q to 11q...
- (m) Change in stocks
 - 2.075. The change in stocks in the industry (excluding stocks at...
- (n) Output of agricultural activities
 - 2.076. In accordance with the concept of output and the rules...
 - 2.077. The 'total output' concept for measuring the output...
- 3. Output of inseparable non-agricultural secondary activities
 - 2.078. A distinction is made between two types of 'inseparable non-agricultural...
 - 2.079. In general, these activities include a variety of products (goods...
 - 2.080. The product of these activities is either intended for sale,...
 - 2.080.1. According to ESA 2010, 3.82 Research and development (R & D) is...
- 4. Output of the agricultural industry
 - 2.081. In accordance with the definition of the output of the...
- 5. Valuation of output
 - 2.082. Output is to be valued at the basic price. The...

- 2.083. Components of output such as sales, payments in kind, additions...
 - 2.084. When establishing the EAA according to the 'net' recording system...
 - 2.085. The price obtained by the producer corresponds to the producer...
 - 2.086. The valuation of output at the basic price makes it...
 - 2.087. The price of a given item received by producers is...
 - 2.088. These general principles of valuation require specific applications for certain...
- C. INTERMEDIATE CONSUMPTION
- 1. Definition
 - 2.089. Intermediate consumption represents the value of all goods and services...
 - 2.090. Intermediate consumption excludes new or existing acquired fixed assets which...
 - 2.091. Intermediate consumption includes goods and services consumed in ancillary activities...
 - 2.092. Intermediate consumption also includes all expenditure on goods and services...
 - 2.093. In view of the adoption of the concept of industry...
 - 2.094. Trade in livestock, which is similar to stocks of work...
 - 2.095. Goods and services produced and consumed within the same agricultural...
 - 2.096.
 - 2. Elements of intermediate consumption
 - (a) Seeds and planting stock
 - 2.097. This heading covers the total consumption of bought-in domestic and...
 - 2.098. It should be noted that intermediate consumption of field crop...
 - (b) Energy; lubricants
 - 2.099. This heading covers electricity, gas and all other solid and...
 - (c) Fertilisers and soil improvers
 - 2.100. Soil improvers include, for example, lime, peat, sludge, sand and...
 - (d) Plant protection products and pesticides
 - 2.101. These include herbicides, fungicides, pesticides and other similar inorganic and...
 - (e) Veterinary expenses
 - 2.102. Medicines which are invoiced separately from the veterinary surgeon's fee...
 - (f) Animal feedingstuffs
 - 2.103. This heading covers all bought-in domestic and imported feedingstuffs, whether...
 - 2.104. The costs incurred in the preparation and preservation of feedingstuffs...
 - (g) Maintenance of materials
 - 2.105. This heading includes:
 - (h) Maintenance of buildings
 - 2.106. This heading covers purchases of materials (cement, bricks, etc.), labour...

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- (i) Agricultural services
2.107. These agricultural services (which constitute the hire of machines and...
 - (j) Financial intermediation services indirectly measured (FISIM)
2.107.1. In accordance with the convention of ESA 2010, the value...
 - (k) Other goods and services
2.108. These other goods and services include:
 - (k) Items not included in intermediate consumption
2.109. Intermediate consumption, does not include:
- 3. Valuation of intermediate consumption
 - 2.110. Products used for intermediate consumption should be valued at the...
 - 2.111. The purchaser price is the price the purchaser actually pays...
 - 2.112. Unlike in other branches of the economy, subsidies relating to...
 - 2.113. If goods or services are imported direct by production units,...
 - 2.114. Intermediate consumption is valued exclusive of deductible VAT. Deductible VAT...
- D. GROSS CAPITAL FORMATION
 - 2.115. Gross capital formation comprises:
 - 2.116. Since the EAA are accounts drawn up in order to...
 - 2.117. Gross capital formation is measured gross of consumption of fixed...
 - 1. Gross fixed capital formation (GFCF)
 - (a) Definition
2.118. GFCF consists of resident producers' acquisitions, less disposals, of fixed...
 - (b) Considerations for the national economy as a whole
2.119. The GFCF of a national economy is understood to mean...
2.120. If a change in ownership results in a different use...
2.121. It is possible for net acquisitions of existing goods to...
 - (c) Transfer of ownership criterion
2.122. The determination of the GFCF of sectors or branches of...
2.123. Application of the ownership criterion depends on the statistical system...
 - (d) Acquisitions
2.124. Acquisitions of fixed assets comprise new or existing fixed assets...
2.125.
2.126. The purchase or production for own account of a set...
2.127. Goods and services incorporated into existing fixed capital goods for...
2.128. The size of the sums spent on this maintenance is...
2.129. The 2008 SNA specifies that improvements made to fixed assets...
 - (e) Disposals
2.130. Disposals of fixed assets comprise the sale, demolition, scrapping or...
 - (f) Valuation of gross fixed capital formation
2.131. GFCF is valued at purchaser prices (including the costs of...

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- (g) Costs of transfer of ownership
 - 2.132. The costs of transfer of ownership of assets constitute GFCF...
 - 2.133. The GFCF of the acquirer comprises the value of the...
- (h) GFCF and change in the value of assets
 - 2.134. The balance sheet, which provides an itemised list of the...
 - 2.135. Nominal holding gains (net of losses) correspond to holding gains...
 - 2.136. The other changes in the volume of assets are flows...
 - 2.137. GFCF and consumption of fixed capital (cf. 3.098 to 3.106)...
- (i) Elements of GFCF
 - 2.138. The ESA 2010 distinguishes between several elements which should be...
 - 2.139. For the EAA, a distinction is made between the following...
 - 2.140. GFCF in agricultural assets concerns two types of assets (plantations...
- (j) Plantations yielding repeat products
 - 2.141. According to ESA 2010 (3.125) GFCF in plantations corresponds to...
 - 2.142. This definition of GFCF corresponds to:
 - 2.143. The first two elements of GFCF in plantations represent own-account...
 - 2.144. Disposals of plantations (recorded as negative GFCF) may take two...
 - 2.145. Consequently, in the majority of cases (i.e. except in the...
 - 2.146. The treatment of grubblings of plantations should be analysed in...
 - 2.147. The change in the value of plantations over the accounting...
 - 2.148. Work in cultivated crop assets, i.e. plantations, is recorded either...
- (k) Fixed asset livestock
 - 2.149. GFCF for livestock corresponds to the following elements:
 - 2.150. In accordance with the ESA 2010, GFCF for livestock is...
 - 2.151. Measuring the GFCF for livestock only constitutes one element of...
 - 2.152. As a general rule, therefore, GFCF for livestock cannot be...
 - 2.153. In the SNA, theoretically, consumption of fixed capital should be...
 - 2.154. GFCF for livestock may be measured by various methods. By...
 - 2.155. The recommended method employs an indirect calculation approach. It is...
 - 2.156. The measurement of GFCF is made up of the sum...
 - 2.157. The term 'culling discount' refers to the difference, at the...

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- 2.158. The term ‘other losses of productive livestock’ comprises two types...
- 2.159. The value of losses to be recorded in the calculation...
- 2.160. The terms ‘other losses of productive livestock’ and ‘culling discount’...
- 2.161. The estimation of own-account production of fixed capital in livestock,...
- (l) Fixed assets other than agricultural assets
 - 2.162. Fixed assets other than agricultural assets (plantations and livestock) comprise...
 - 2.163. GFCF corresponds to the acquisition of these assets (new assets...
 - 2.164. In the case of construction or capital goods (intended for...
 - 2.165. Assets whose economic use changes without any change in ownership...
- (m) Major improvements to land
 - 2.166. Major improvements in non-produced tangible assets correspond mainly to land...
 - 2.167. These investments correspond to expenditure on the improvement of land...
- (n) Costs associated with the transfer of ownership of non-produced assets...
 - 2.168. Costs associated with the transfer of ownership of non-produced assets...
- (o) Research and development
 - 2.168.1. Research and development consists of the value of expenditure on...
- (o) Goods and services excluded from GFCF
 - 2.169. The following goods and services are not included in GFCF:...
 - 2.170. The value of fixed capital goods used simultaneously for professional...
- 2. Change in stocks
 - (a) Definition of stocks and change in stocks
 - 2.171. Stocks comprise all goods which do not form part of...
 - 2.172. Not recording growing crops as work in progress is justified...
 - 2.173. It should be noted that services are not entered as...
 - 2.174. According to the ESA 2010, changes in stocks are measured...
 - (b) Time of recording and valuation of changes in stocks
 - 2.175. Stock entries should be valued at the date of entry...
 - 2.176. The basic price is the price to be used for...
 - 2.177. The method recommended in the ESA 2010 for recording stock...
 - 2.178. This ‘quantitative method’ cannot be applied to crop production because...
 - 2.179. It should also be considered that a change in stocks,...
 - 2.180. These nominal holding gains and losses and other changes in...
 - 2.181. The main difficulty in valuing the change in stocks in...
 - (c) Change in stocks of livestock and animal products

- 2.182. When valuing changes in stocks of livestock, it is not...
- 2.183. To evaluate changes in the herd at the end of...
- 2.184. Because of the generally regular changes in the prices of...
- (d) Change in stocks of seasonal products
 - 2.185. Seasonal products (cf. 2.178 and 2.181) are products for which...
 - 2.186. Another method of evaluating stocks of seasonal products is that...
 - 2.187. The difference between the price at which products are put...
 - 2.188. On the basis of the different components of the change...
 - 2.189. The reference method consists in determining the change in stocks...
 - 2.190. The reference method treats the storage activity as a factor...
 - 2.191. The application of this method makes it possible to minimise...
 - 2.192. A second method is recommended in the specific case of...
 - 2.193. By this second method, seasonal output is calculated directly as...
 - 2.194. It should be noted that these two methods differ in...
- (e) Changes in stocks of wine (from grapes produced by the...
 - 2.195. Wine is a product which is generally stocked for several...
 - 2.196. The change in the value of wine may result from...
 - 2.197. Recording the increase in the value of wine in the...
 - 2.198. Anticipation of the increase in value from wine-ageing: the first...
 - 2.199. Delay in taking into account wine ageing: the second method...
 - 2.200. Neither of these two practical methods allows the increase in...
- 3. Recording of livestock as 'GFCF' or 'changes in stocks' 'changes in...
 - 2.201. As mentioned in 2.140 and 2.151, changes in the number...
 - (a) Definition
 - 2.202. GFCF of livestock concerns animals, i.e. fixed assets, used repeatedly...
 - (b) Recording of animal imports
 - 1. Animals identifiable as fixed assets:
 - 2.203. If, at the time of import, the animals were able...
 - 2. Animals identifiable as stocks:
 - 2.204. By contrast, if at the time of import the animals...
 - 3. Treatment to be adopted:
 - 2.205. It is often difficult, on the basis of the sources...
 - 2.206. It should be noted that animals imported for immediate slaughter...
 - (c) Recording of livestock trade between agricultural units

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- 2.207. Animals classed as fixed assets: trade in these animals is...
 - 2.208. Animals classed as stocks: these sales and purchases are only...
 - 2.209. Because of the special treatment of livestock trade between agricultural...
 - (d) Non-agricultural animals
 - 2.210. The rearing of race-horses, saddle horses, dogs, cats, cage birds,...
 - 2.211. Such animals may be sold to:
- III. DISTRIBUTIVE TRANSACTIONS AND OTHER FLOWS
- A. DEFINITION
 - 3.001. Distributive transactions are transactions:
 - 3.002. The ESA 2010 distinguishes between current transfers and capital transfers,...
 - 3.003. Given that the EAA are the accounts for an industry,...
 - 3.004. They do not include some distributive transactions relating to certain...
 - B. GENERAL RULES
 - 1. Reference period
 - 3.005. The reference period for the EAA is the calendar year...
 - 2. Units
 - 3.006. The values should be expressed in millions of units of...
 - 3. Time of recording distributive transactions
 - 3.007. As was explained in 2.008, the ESA 2010 records distributive...
 - 3.008. The times of recording the various types of distributive transaction...
 - (a) Compensation of employees
 - 3.009. Gross wages and salaries and actual social contributions (for account...
 - (b) Taxes and subsidies on production
 - 3.010. Taxes on production are recorded at the time when the...
 - (c) Property income
 - 3.011. Interest is recorded during the accounting period in which it...
 - (d) Capital transfers
 - 3.012. Capital transfers (investment grants or other transfers) are recorded at...
 - 4. General remarks concerning value added
 - 3.013. Value added is the balancing item of the production account...
 - 3.014. By deducting other taxes on production from the value added...
 - C. COMPENSATION OF EMPLOYEES
 - 3.015. The compensation of employees is defined as total remuneration, in...
 - 3.016. Gross wages and salaries in cash comprise the following components:...
 - 3.017. It should be stressed that the data to be entered...
 - 3.018. Gross wages and salaries in kind comprise goods and services...
 - 3.019. Wages and salaries in kind should be valued at their...
 - 3.020. Gross wages and salaries, by contrast, do not include expenditure...
 - 3.021. Employers' social contributions include the value of social contributions paid...

- 3.022. Actual social contributions represent the payments made by employers, including...
- 3.023. Employers' imputed social contributions represent the counterpart to other social...
- 3.024. It must be stressed that, in the EAA, if the...
- D. TAXES ON PRODUCTION AND IMPORTS
 - 3.025. Taxes on production and imports are compulsory, unrequited payments, in...
 - 3.026. Taxes on production and imports are divided into:
 - 1. Taxes on products
 - 3.027. Taxes on products are taxes payable per unit of produced...
 - 3.028. VAT-type taxes are taxes on goods and services collected in...
 - 3.029. Taxes and duties on imports excluding VAT comprise compulsory payments...
 - 3.030. They include import duties and other taxes such as levies...
 - 3.031. Taxes on products, except VAT and import taxes, consist of...
 - 3.032. In the case of agriculture, the taxes in question are:...
 - 3.033. As output is recorded at basic prices, taxes on products...
 - 3.034. Taxes on products (other than VAT) which affect certain products...
 - 2. Treatment of VAT
 - 3.035. The description in the ESA 2010 (4.17) refers to the...
 - 3.036. The flat-rate systems used in the EU Member States can...
 - (a) Definitions
 - 3.037. The following concepts for the standard VAT system apply also...
 - 3.038. The provisions of the ESA 2010, 4.17 lay down a...
 - 3.039. In tax law, VAT is treated as a 'transitory item'...
 - (b) Operation of the net recording method
 - 3.040. For farmers subject to the standard system there is no...
 - 3.041. For farmers subject to the flat-rate systems, however, there are...
 - 3.042. The method of recording over- or under-compensation of VAT under...
 - 3.043. This recording method offers the advantage of being conducive to...
 - 3. Other taxes on production
 - 3.044. Other taxes on production comprise all taxes that enterprises incur...
 - 3.045. Other taxes on production are the only taxes to be...
 - 3.046. The taxes to be recorded in the generation of income...
 - 3.047. Owing to the disparate historic developments of public finances in...
 - 3.048. For agriculture, the most important other taxes on production are:...
 - 3.049. In line with the accrual principle, taxes on production are...
 - 3.050. Other taxes on production do not include:
- E. SUBSIDIES
 - 3.051. Subsidies are current unrequited payments which general government or the...
 - 3.052. Subsidies are classified into:
 - 1. Subsidies on products
 - 3.053. Subsidies on products are subsidies payable per unit of a...

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- 3.054. Import subsidies consist of subsidies on goods and services that...
 - 3.055. Subsidies on products are accounted for in the basic price...
 - 3.056. The method of valuation of output at basic prices requires...
 - 3.057. Subsidies on products should be recorded at the time when...
 - 2. Other subsidies on production
 - 3.058. Other subsidies on production consist of subsidies other than subsidies...
 - 3.059. Since output is valued at basic prices, only other subsidies...
 - (a) Type of beneficiary
 - 3.060. Beneficiaries of subsidies must normally produce market goods and services...
 - 3.061. The production of market services also includes commercial and storage...
 - (b) Purposes of other subsidies on production
 - 3.062. Other subsidies on production can, under the ESA 2010, be...
 - (c) Payment criterion
 - 3.063. With the exception of interest-rate subsidies, which are a special...
 - 3.064. In the case of agriculture, the most important types of...
 - 3.065. Applying the accrual principle to the recording of other subsidies...
 - 3.066. The following special treatments are recommended:
 - 3.067. The EAA does not treat the following as subsidies:
 - (d) Market-regulatory agencies
 - 3.068. In a breakdown of the economy, market-regulatory agencies are assigned...
 - 3.069. A consequence of the strict application of the payment criterion...
- F. PROPERTY INCOME
- 1. Definition
 - 3.070. Property income is the income receivable by the owner of...
 - 3.071. The ESA 2010 classifies property incomes in the following way:...
 - 3.072. The EAA are concerned only with property income accounted for...
 - 3.073. Only three types of property income can be of relevance...
 - 2. Interest
 - 3.074. Interest is the charges payable on a capital loan. It...
 - 3.075. Interest also includes payments relating to leasing of fixed capital...
 - 3.076. It should be noted that notional interest on fixed equity...
 - 3.077. Interest receivable in connection with agricultural activities by units belonging...
 - 3.078. Interest is recorded in line with the accrual principle, i.e....
 - 3.079. The value of the services provided by financial intermediaries being...
 - 3. Rents (on land and subsoil assets)
 - 3.080. Rents correspond to payments made to the owner of non-produced...

- 3.081. Where the owner pays certain charges directly linked to agricultural...
- 3.082. Rents on land do not include the rentals of buildings...
- 3.083. All rent on land should be recorded under this heading...
- 3.084. Rents do not include:
- 3.085. In the case of land and buildings used by the...
- 4. Investment income attributable to insurance policy holders (not covered by...
 - 3.086. Investment income attributable to insurance policy holders corresponds to total...
 - 3.087. Investment income attributable to insurance policy holders is not covered...
- G. CAPITAL TRANSFERS
 - 3.088. The only capital transfers recorded in the EAA are receivable...
 - 1. Investment grants
 - 3.089. Investment grants are capital transfers, in cash or kind, effected...
 - 3.090. Interest subsidies are not included under investment grants (cf. 3.064),...
 - 3.091. The most important types of other grants made by the...
 - 3.092. Investment grants in cash should be recorded when payment is...
 - 2. Other capital transfers
 - 3.093. Other capital transfers cover transfers other than investment grants and...
 - 3.094. Other capital transfers differ from investment grants in two aspects:...
 - 3.095. Other capital transfers may take the form of compensation, by...
 - 3.096. In the case of agriculture, other capital transfers also include:...
 - 3.097. Other capital transfers in cash are recorded when payment is...
- H. CONSUMPTION OF FIXED CAPITAL
 - 3.098. The foreseeable wear and tear and obsolescence of fixed capital...
 - 3.099. If the economic life of the means of production is...
 - 3.100. All fixed capital goods (i.e. products) are the subject of...
 - 3.101. The consumption of fixed capital is only one component of...
 - 3.102. The consumption of fixed capital, which has to be distinguished...
 - 3.103. The consumption of fixed capital is calculated using the linear...
 - 3.104. The consumption of fixed capital in the form of the...
 - 3.105. The consumption of fixed capital in animals corresponds to the...
 - 3.106. Although these considerations are not a hindrance to calculating the...
- IV. AGRICULTURAL LABOUR INPUT
 - 4.01. Agricultural employment covers all persons — both employees and self-employed...
 - 4.02. Employees are defined as all persons who, by agreement, work...
 - 4.03. Self-employed persons are defined as persons who are the sole...
 - 4.04. In the case of specific companies (cf. Section B of...
 - 4.05. Total hours worked represent the aggregate number of hours actually...
 - 4.06. A description of what total hours worked include and exclude...
 - 4.07. Annual work units (AWUs) are defined as full-time equivalent employment...
 - 4.08. One person cannot represent more than one AWU. This constraint...
 - 4.09. The agricultural labour input of persons who work less than...

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- 4.10. The number of hours actually worked in a full-time job...
- 4.11. The number of hours worked by a person is not...
- 4.12. Unless there are reasons for preferring alternative sources, the AWU...

V. AGRICULTURAL INCOME INDICATORS

- 5.01. One of the principal objectives of the EAA is to...
 - A. DEFINITION OF INCOME AND BALANCING ITEMS
 - 5.02. Income can be defined as the maximum amount which the...
 - 5.03. The sequence of accounts (cf. 1.43) of the agricultural industry...
 - 5.04. Net value added of the industry measures the value created...
 - 5.05. Net operating surplus measures the yield from land, capital and...
 - 5.06. Net entrepreneurial income, obtained by adding the interest received by...
 - 5.07. In the case of sole proprietorships, entrepreneurial income represents, on...
 - 5.08. It has to be borne in mind that the income...
 - B. TREATMENT OF THE INCOME OF UNITS ORGANISED ON A CORPORATE...
 - 5.09. Sole proprietorships (or family holdings) are the most common form...
 - 5.10. The net entrepreneurial income of the agricultural industry is thus...
 - 5.11. 'Straight' entrepreneurial income must exclude any compensation of employees as...
 - C. DEFINITION OF THE AGRICULTURAL INCOME INDICATORS
 - 5.12. The three agricultural income indicators can be described as follows:...
 - D. AGGREGATION OF INCOME INDICATORS FOR THE EUROPEAN UNION
 - 5.13. Indices and rates of change for the European Union as...
 - 5.14. Slightly different methods and different base years are used depending...
 - 5.15. For the analysis of a short-term trend, the rates of...
 - 5.16. For analysis of the long-term trend, the indices and rates...
 - E. DEFLATION OF INCOME INDICATORS
 - 5.17. For each Member State, the indices and the changes, in...
 - 5.18. Important factors such as reliability and comparability are points in...
 - 5.19. Real income aggregates for the European Union as a whole...

VI. VALUATION OF EAA AT CONSTANT PRICES

- A. PRICE AND VOLUME MEASURES
 - 6.01. For the purposes of economic analysis, when looking at how...
 - 6.02. For many goods and services there exist several variations which...
 - 6.03. The indicators of volume and price used to compile data...
 - 6.04. However, statistical information is often only available at a more...
 - 6.05. The level of detail for which the index used is...
 - 6.06. For each aggregate of goods and services shown in the...
 - 6.07. The systematic breakdown of the changes in current value into...
- B. PRINCIPLES AND METHOD FOR COMPILING EAA AT CONSTANT PRICES
 - 1. Choice of index formula
 - 6.08.
 - 6.09. In accordance with ESA 2010 (10.20), in the EAA, changes...
 - 2. Base year
 - 6.10. Changes in volume are measured using Laspeyres-type indices: changes in...

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- 6.11. The base year is the year from which the prices...
- 6.12. The most accurate way to measure changes in volume from...
- 3. Presenting series in relation to a reference year
 - 6.13. The year used for submitting and presenting data at constant...
 - 6.14. Series of volume indices in the prices of a reference...
 - 6.15. It is important that a change of reference year has...
 - 6.16. Example:
 - 6.17. According to ESA 2010 (10.23), the non-additive constant price data...
- 4. Calculation of value added at fixed year prices
 - 6.18. Value added constitutes the balancing item of the production account....
 - 6.19. Gross value added expressed in the prices of the preceding...
 - 6.20. Example:
- 5. Breakdown of taxes and subsidies on products into volume and...
 - 6.21. The breakdown of valuations at basic price into respective volume...
 - 6.22. The volume index of the subsidy (or the tax) on...
 - 6.23. This solution has another advantage: the volume index is independent...
 - 6.24. Example:

ANNEX II

TRANSMISSION PROGRAMME OF EAA DATA

For each of the output items (items 01 to 18,...
 The data for production account and for GFCF have to...
 All values should be expressed in millions of units of...

- 1. Production account
- 2. Generation of income account
- 3. Entrepreneurial income account
- 4. Elements of the capital account
- 5. Agricultural labour input

Changes to legislation:

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