

EU FARM TYPOLOGY AND OTHER GAINFUL ACTIVITIES: CAN OGA ENTER IN THE FARM CLASSIFICATION?

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GENERAL CONTEXT AND OGA IN THE EU REGULATIONS

- ✓ It is observed that farms, in addition to their agricultural activities, use their resources to manage other tasks and services, affecting the economic results, the final income and the structure. These further activities often permit the optimization in the use of resources, reducing the risks and avoiding the abandonment of the activities.
- ✓ The farm diversification resulting by the presence of these activities can also increase the farm multifunctionality and the provision of environmental and social benefits.
- ✓ FSDN collects data on agricultural activities and on the so-called Other Gainful Activities (OGA) that allow the differentiation of incomes and give the possibility of increasing the farm income.
- ✓ The incidence of other activities within normal agricultural management is becoming increasingly important, especially in multifunctional contexts.

GENERAL CONTEXT AND OGA IN THE EU REGULATIONS

- ✓ Regulation (EC) 2008/1242 establishing the Community typology for agricultural holdings states that the classification variable reflecting the **importance of the OGAs** referable to the farm **should be included in the Community typology**.
- ✓ Regulation (EU) 2013/1318 states that the **importance of OGAs** in the classification of the "Agricultural holdings **shall be classified** in a uniform manner according to the Union typology for agricultural holdings ("the typology"), depending on their type of farming, their economic size and **the importance of other gainful activities directly related to them**"
- ✓ Regulation (EU) 2024/2746 **setting up the Farm Sustainability Data Network** states« (...) As the non-agricultural activities of the holding become more important, **a classification variable reflecting the importance of such gainful activities** directly related to the holding **should be included** in the Union typology."

RESEARCH QUESTION

There is no obligation to include OGAs in the Community classification. However, one wonders **what might happen to classification schemes if OGAs were also included in the classification.**



WORKING GROUP ON EU FARM TYPOLOGY → presented in March an analysis done on the EU Dbase investigating the consequences of the OGA inclusion in farm classification.

A similar approach has been applied in this analysis based on the Italian FSDN.

Aim → estimate a Standard Output for the OGA and adding to the agricultural Standard Output to have a global value for the farm.

METHODOLOGY

FSDN national sample 2020-2024 (not weighted)

SO_OGA estimated as percentage of the SO based on the incidence of OGA revenues on total revenues

$SO_OGA = \text{Share OGA revenue (\%)} * SO \text{ farm}$

$\text{Share OGA revenue (\%)} =$

$$\frac{\text{Revenues from OGA}}{\text{Total Farm Revenues}} * 100$$

Different from the approach of WG on Farm Typology where

$$SO_OGA = \text{Share OGA work (\%)} * SO \text{ farm}$$

Farms classified on the basis of the diversification level.

METHODOLOGY

Classes of OGA directly related to the holding:

- 1- Processing of cow's milk
- 2- Processing of other animals' milk
- 3- Processing of meat or other animal products
- 4- Processing of crop
- 5- Forestry and wood processing

- 6- Contractual work
- 7- Tourism, accommodation, catering and other leisure activities
- 8- Production of renewable energy
- 9- Other OGA directly related to the farm



Classification in the Italian FSDN

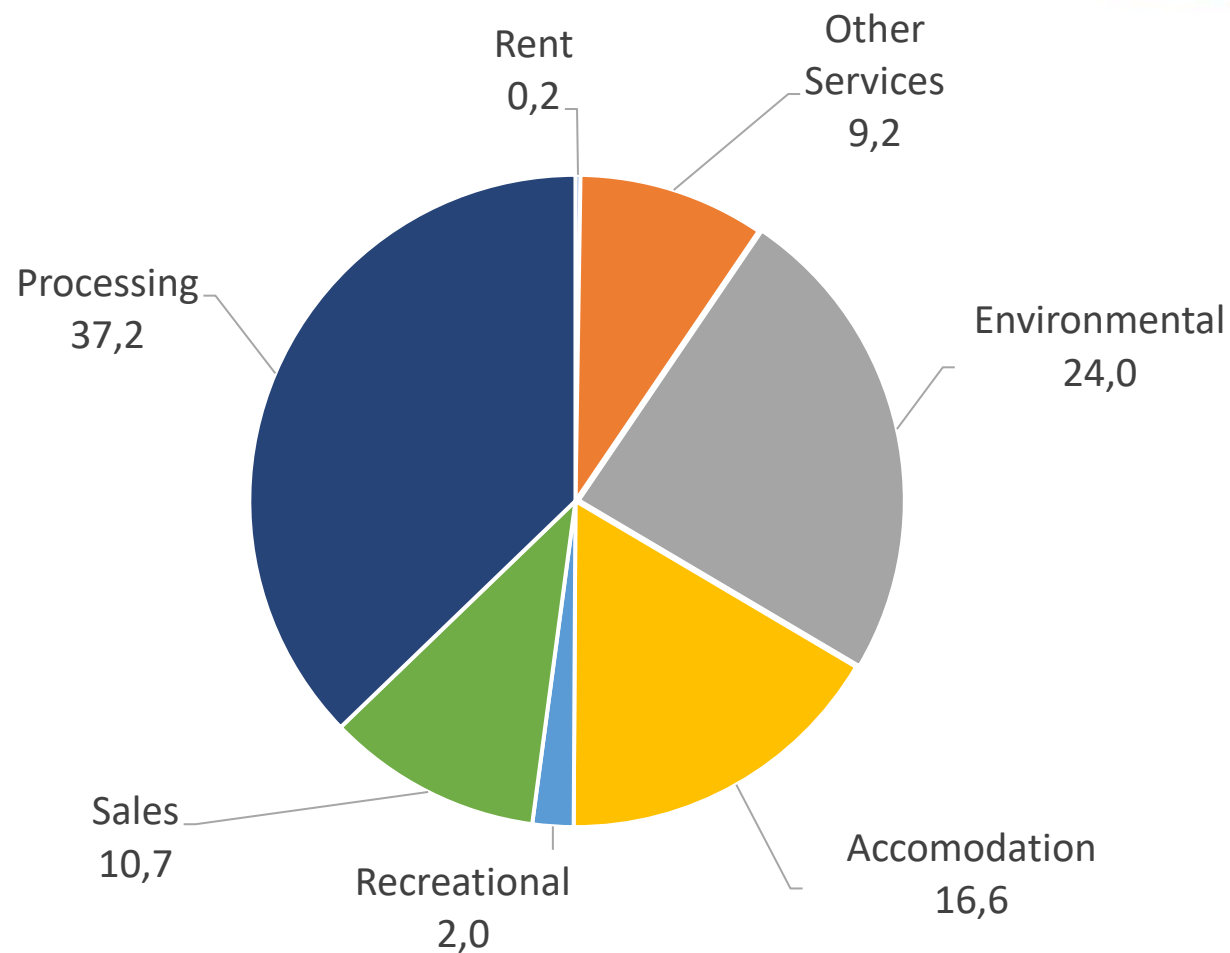
REN	Rental of buildings for courses or seminars
REN	Rental of non-agricultural equipment
OTS	Other services
ENV	Environmental services
ENV	Renewable energy production
CON	Contracting services
ACC	Accommodation/apartment rental
ACC	Camping
RIC	Educational farms (educational visits)
REC	Recreational activities
REC	Sports activities
REC	Leisure and entertainment (visits/excursions)
REC	Horse riding
SAL	Catering/product tasting
SAL	Direct sale of products
SAL	Craft activities
AL	Craft activities

METHODOLOGY

Categories:

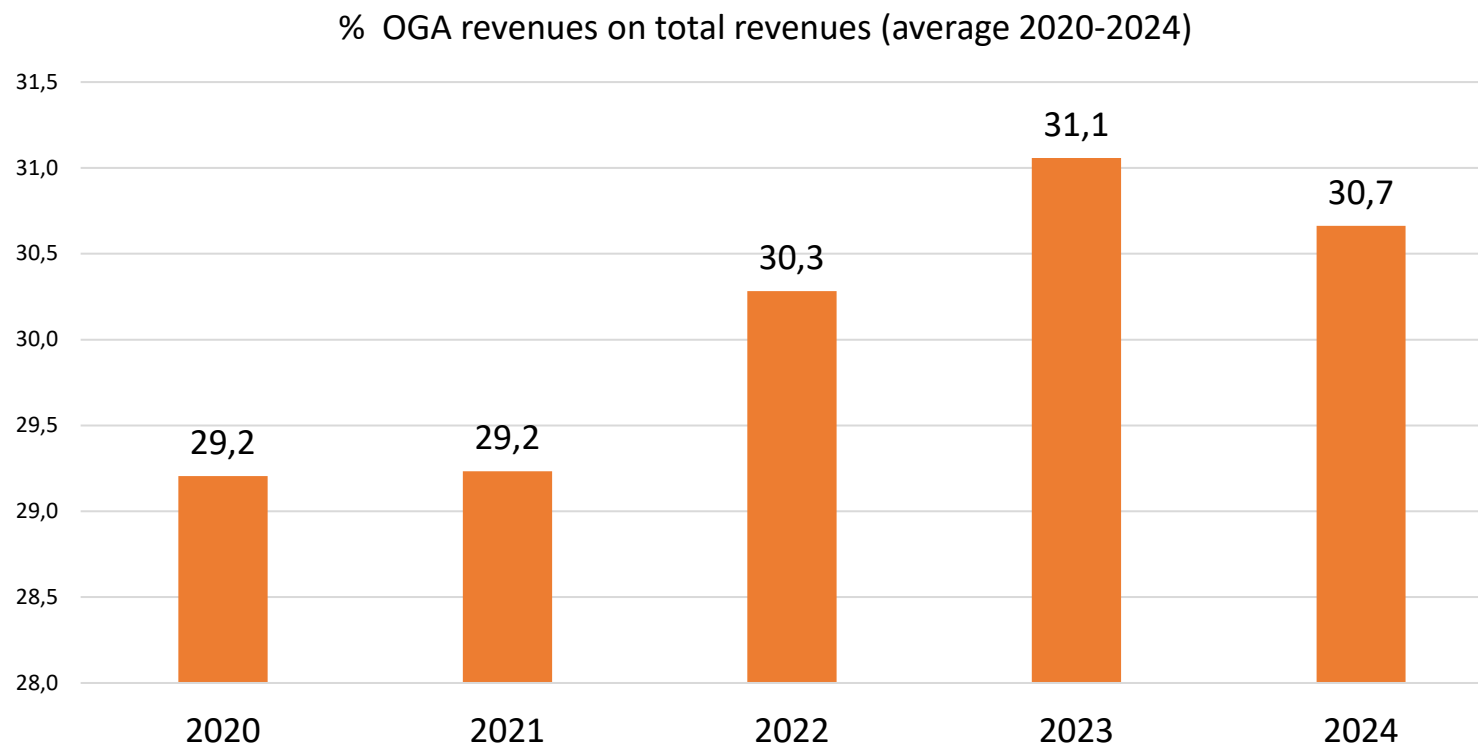
- Rent
- Other Services
- Environmental
- Accomodation
- Recreational
- Processing
- Sales

Categories of Other Gainful Activities



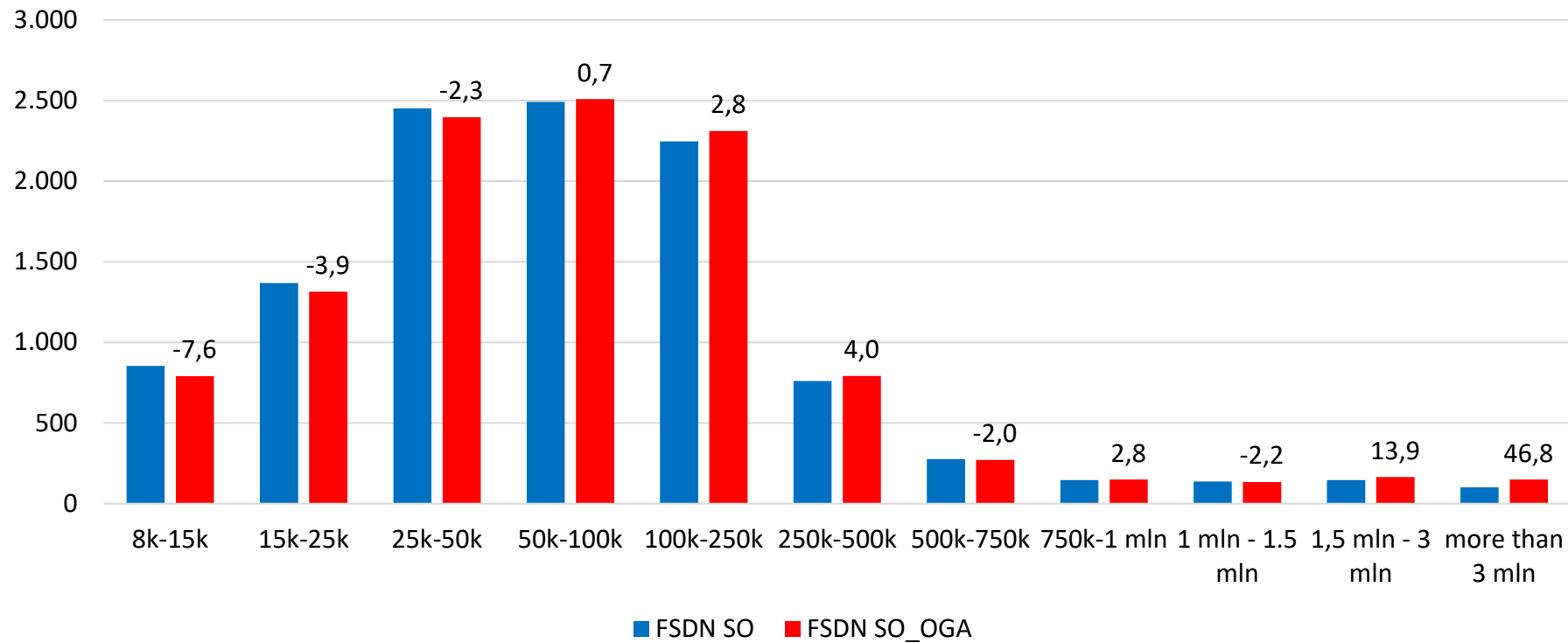
RESULTS

In the considered 5-years period, the incidence of OGA in terms of revenues is increased (slow decrease in 2023-2024).



RESULTS

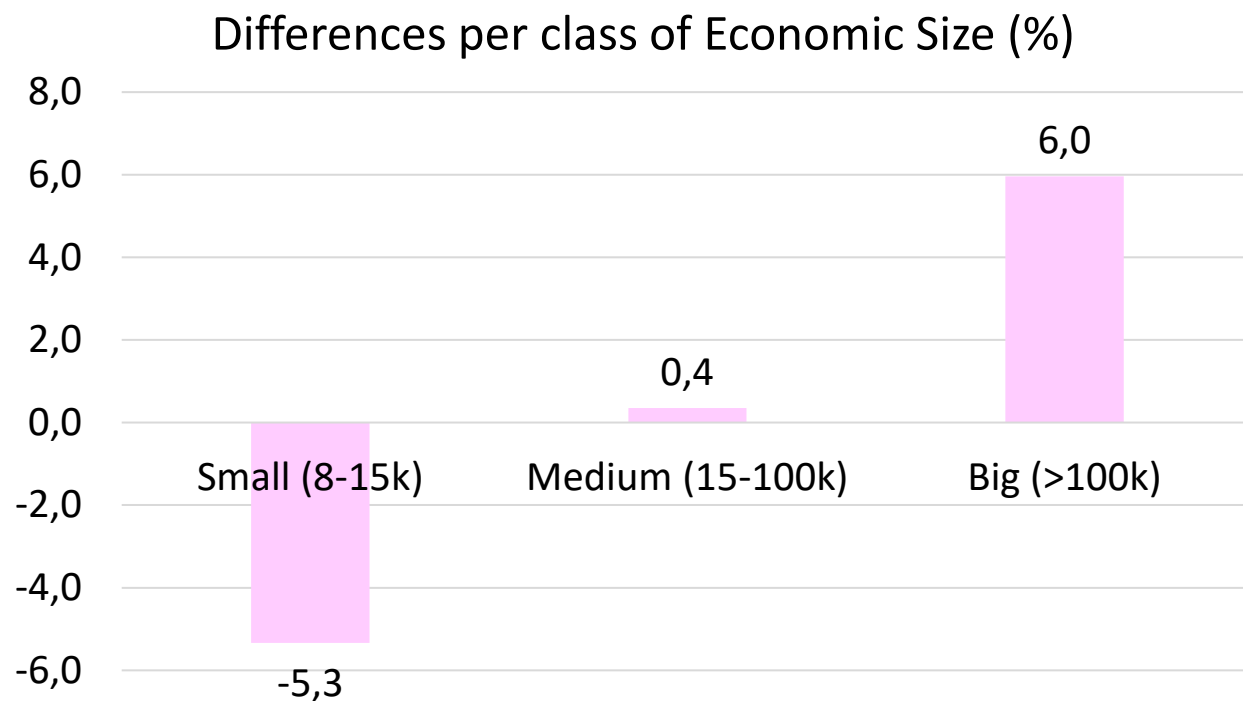
Number of farms per class of Economic Size (SO vs SO_OGA) (Average 2020-2024)



85,7% of farms are under 100,000 euro of SO

(are small and medium).

RESULTS



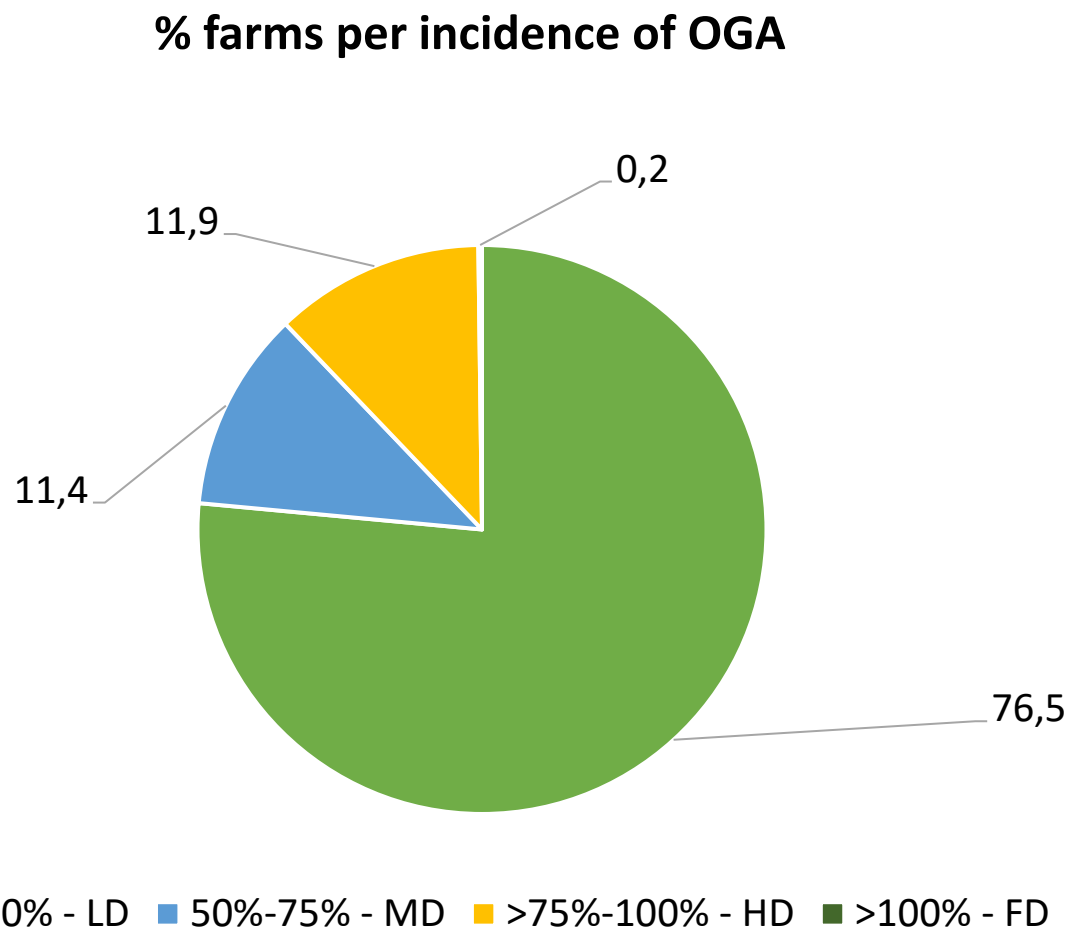
Analysis per Economic Size

On average, the inclusion of OGA in the estimation of SO and farm type classification determines an increase of the size dimension (6% on average for farms over 100.000 euro of SO)

RESULTS

Analysis per level of diversification (farms without OGA are excluded)

		% turnover OGA on total turnover
Low diversification	LD	<50%
Medium diversification	MD	50%-75%
High diversification	HD	75%-100%
Full diversification	FD	>100%

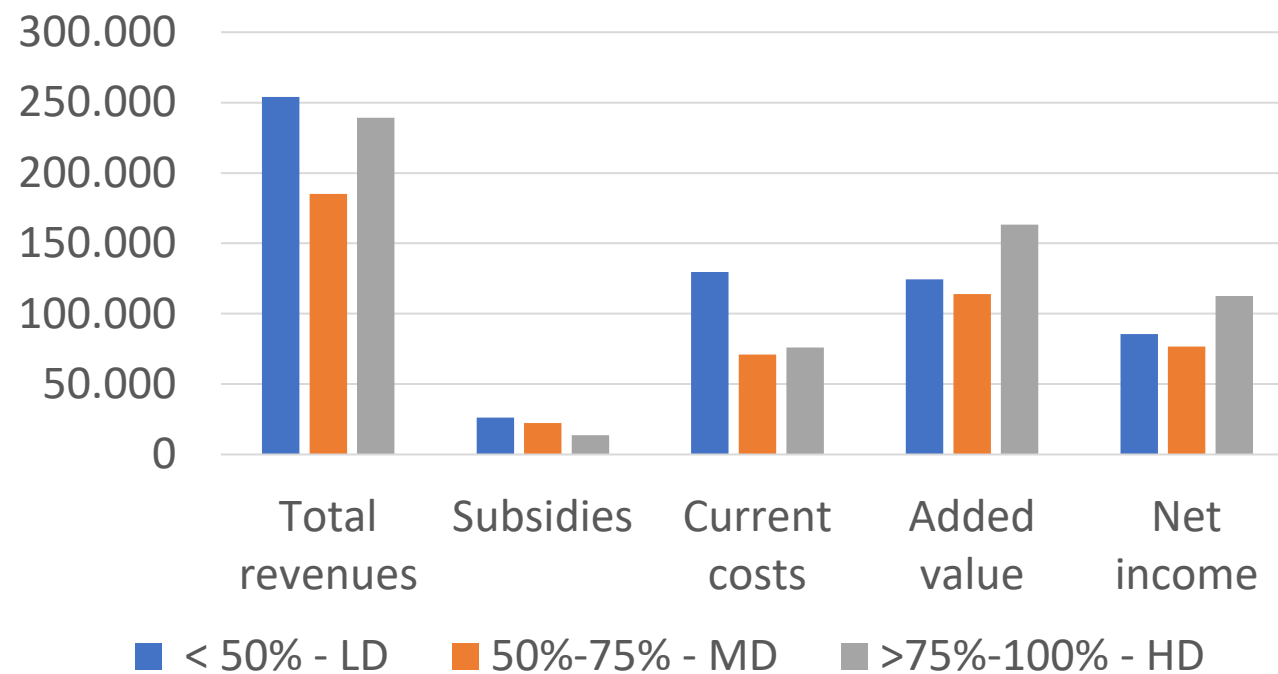


Full diversification is excluded by the analysis.

RESULTS

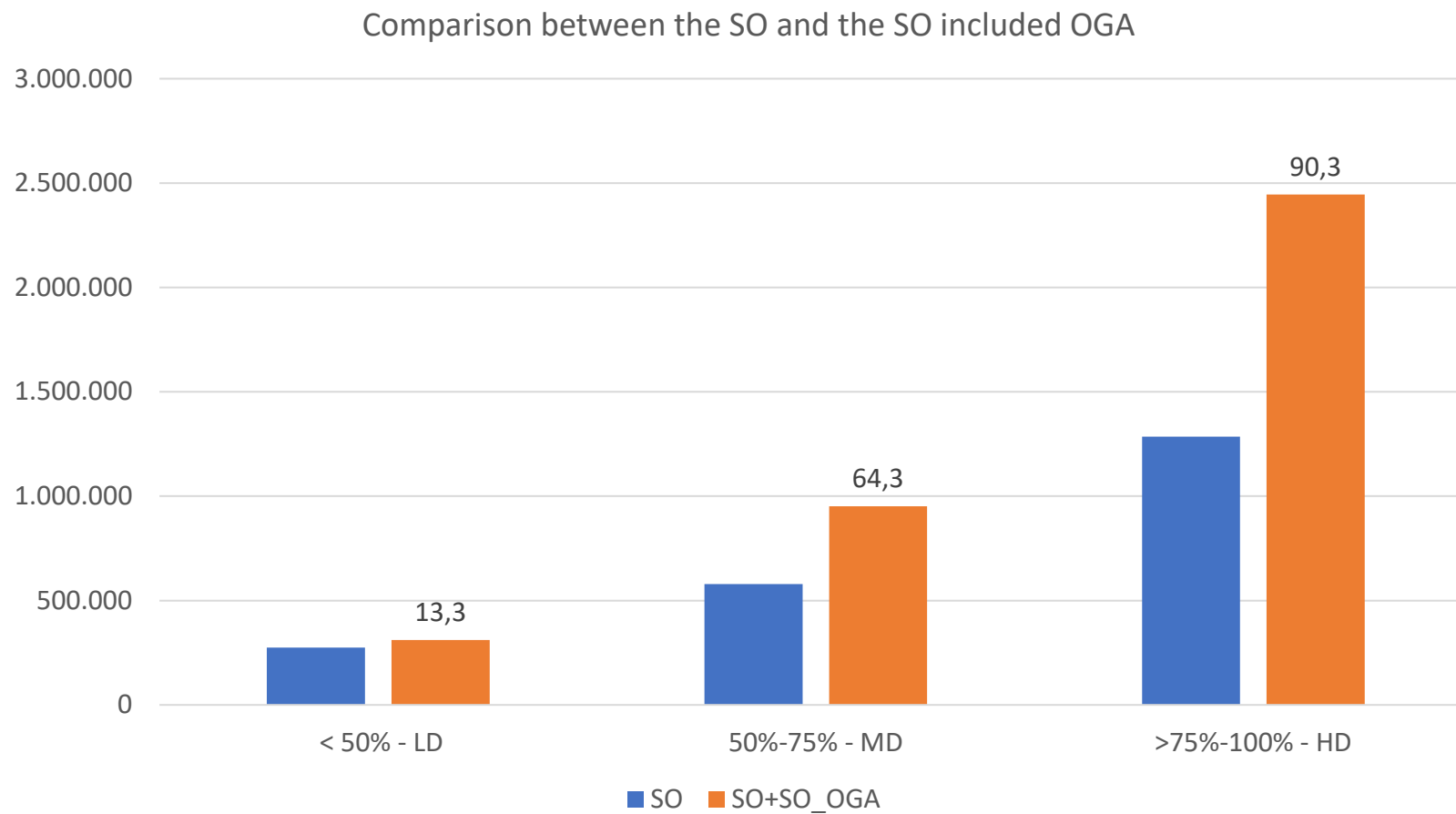
- ✓ Subsidies decrease as the presence of OGA increases (which could be positive).
- ✓ Current Costs decrease, and performance parameters tend to increase if only the OGA incidence is significant (above 75%).
- ✓ Value added improves, as does net income.

Economic parameters in diversified farmers

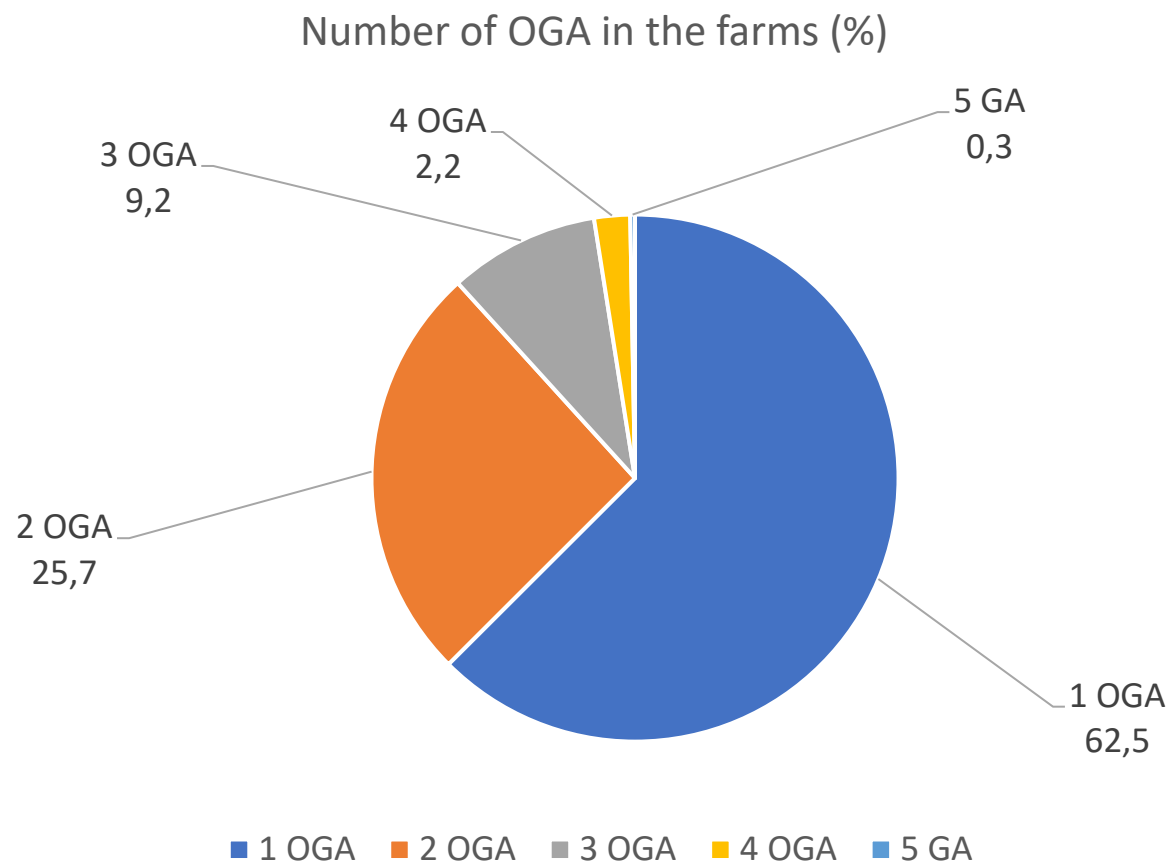


These results are partially aligned with what resulted by the application of an econometric model to analyse the impacts of bioeconomy engagement. OGA are considered as a proxy of farm's bioeconomy engagement, FSDN data (panel) have been used. (The bioeconomy in the Agriculture of the future. Its rôle in Promoting farms' economic sustainability, April 2026, Vrabцова et al.

RESULTS



RESULTS

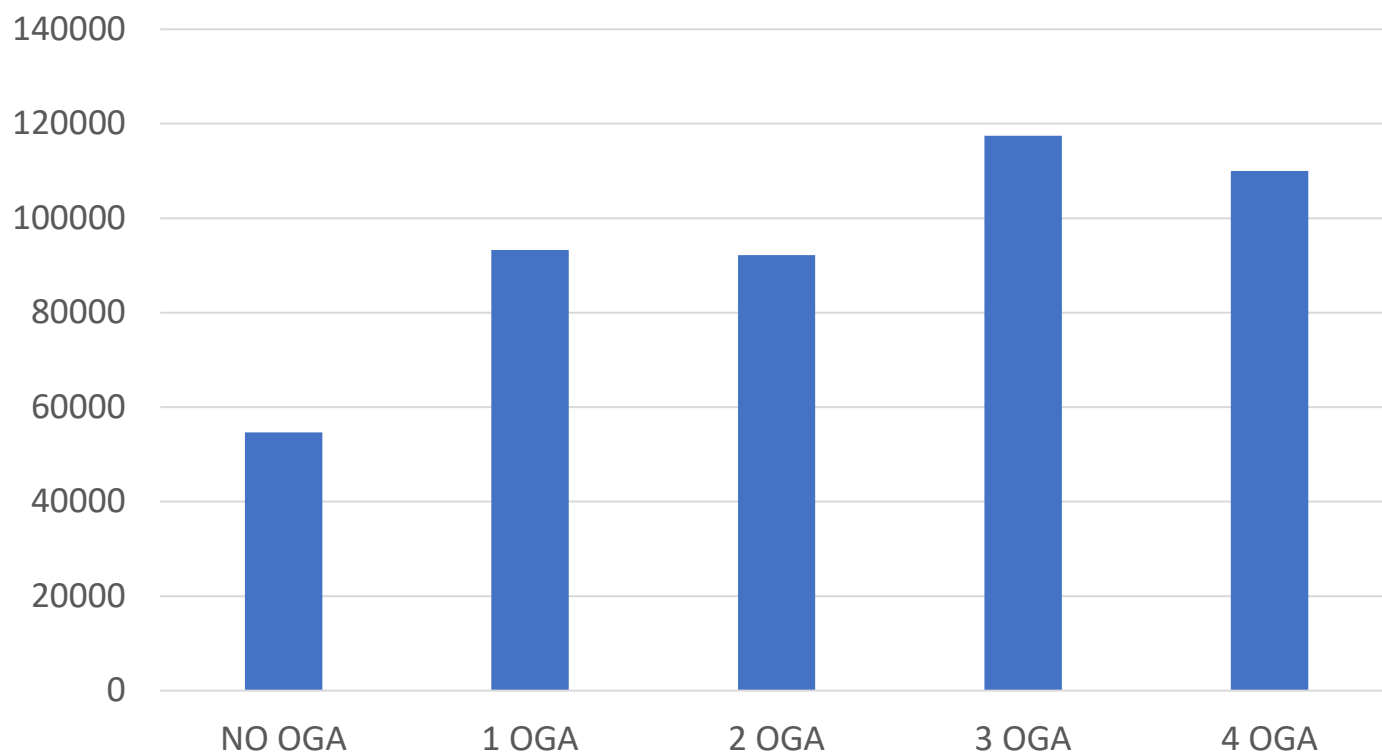


- ✓ Most of farms in the sample 2020-2024 have only one OGA
- ✓ 25.7% have two OGAs.
- ✓ Aside from those with three activities, which we can consider, the rest is negligible.

RESULTS

- ✓ The net income increases more if you have OGA than if you don't have any.
- ✓ It doesn't make much difference in terms of net income if you have one or two OGAs, while it does if you start around three or four, but these cases are rare.

Net revenue of farms with different number of OGA



CONCLUSIONS

- ✓ The low incidence of farms with OGA in the Italian FSDN does not stimulate to include the evaluation of OGA in the farm type classification. The increase in the farm size and the possible variation of the farm type are low.
- ✓ In Italy, the effect of an inclusion of OGA could shift approximately 6% of farms from the smaller to the larger classes, and approximately 12% could change farm type (if only those with an incidence greater than 75% are considered).
- ✓ In the analysis conducted, SO_OGA was estimated using an indicator based on the percentage of OGA revenues on the farm's total revenues, rather than using an estimate of a SO related to other gainful activities (which would be difficult). However, given the results, namely the increases in revenues and income of farms with OGA, it cannot be ruled out that the method underestimates the value that could be obtained with an ad hoc calculation.
- ✓ However the data collection on OGA is important because is a necessary parameter in the evaluation of the economic impacts of diversification.



THANK YOU FOR YOUR ATTENTION