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IMPACT OF THE SUPPRESSION OF THE COUPLED SUPPORT FOR COP, STARCH POTATO, HOPS, BEEF AND SHEEP

This analysis on the *Impact of the suppression of the coupled support for COP, Starch Potato, Hops, Beef and Sheep* is a contribution to the Impact Assessment of the Health Check of the Common Agricultural Policy (CAP). It is part of the Annex F Microeconomic (FADN) analyses.

For more information on the Health Check:
http://ec.europa.eu/agriculture/healthcheck/index_en.htm

The Farm Accountancy Data Network (FADN) is a European system of sample surveys that take place each year and collect structural and accountancy data on the farms, with the aim to monitor the income and business activities of agricultural holdings and to evaluate the impacts of the Common Agricultural Policy measures.

The FADN field of survey covers only the farms exceeding a minimum economic size (threshold) in order to cover the most relevant part of the agricultural activity of the EU Member States, i.e. at least the 90% of the total Standard Gross Margin (SGM) covered in the Farm Structure Survey (FSS). For 2005 data, the sample gathers approximately 75 000 holdings in the EU-25, which represent 4 millions farms out of a total of about 10 millions farms (40%) included in the FSS.

The rules applied aim to provide representative data along three dimensions: region, economic size and type of farming. FADN is the only source of micro-economic data that is harmonised, i.e. the bookkeeping principles are the same in all EU countries.

For more information: http://ec.europa.eu/agriculture/rica/index.cfm

IMPACT OF THE SUPPRESSION OF THE COUPLED SUPPORT FOR

COP, STARCH POTATO, HOPS BEEF AND SHEEP

Executive Summary

This note aims at analysing the impact of a full suppression of coupled payments on farmers' margins in the Member States (MSs) currently applying partially coupled support by comparing margins obtained with or without coupled support. The results of the study are as follows:

Cereals, oilseeds and protein crops (COP): Only France and Spain chose the partial coupling of area payments. With a full decoupling, 12% of the COP specialists in France would not be able to cover their variable costs. The impact is limited to 6% of the COP specialist in Spain.

Durum wheat is the most sensitive COP because the coupled payments represent a high share of the margin in France and Spain. With a full decoupling the profitability hierarchy between the cereals studied does not change in Spain. However, French durum wheat producers may be willing to change production because durum wheat becomes less profitable than wheat or grain maize in case of full decoupling.

Starch potato and hops: For these high value added crops the output (sales + farm use + stocks variation) is sufficient to cover the variable costs of the specialist producers covered in the analysis.

Beef: The situation in the beef sector varies among the different bovine production systems and MS. Specialist breeders are the most sensitive to the decoupling of any of the per head payments, especially in France, Austria and Portugal where more than 20% of the cows owned by these specialists could be affected. Payments per head represent a lower share of the margin of the specialist breeders and fatteners; therefore, the impact of a total decoupling would be limited for these systems except in France, where 15% of the cows owned by these producers could be affected. In Finland and Sweden direct payments are so important (European & national, coupled & decoupled, LFA…) that the farmers may not take their production decision on the basis of a margin analysis per enterprise.

Sheep & Goats: For milk producers the impact of a total decoupling would be limited because of the high output they obtain with milk and cheese. On the contrary sheep meat specialists are more sensitive to any decoupling because coupled payments represent a high share of their margin. In France 20% of the 'meat' ewes may be affected, in Spain the impact may be limited to 5% of the ewes owned by the specialist producers.

1. PROBLEM DEFINITIION

This note aims at analysing the impact of a full suppression of coupled payments on farmers' margins in the MSs currently applying partially coupled support.

If all the payments are decoupled, farmers are expected to decide to continue producing a crop only if the market output covers the variable costs. Therefore, the analysis will compare the margin over variable costs with and without the coupled payments. It is expected that the farmers more likely to stop or change production are those that will switch from a positive to a negative margin when full decoupling is applied.

As a reminder, the suppressed coupled payments would be incorporated to the Single Payment Scheme (SPS). Therefore at farm level the overall payment may not change.

2. METHODOLOGY

The analysis is based on FADN data available at the time of the study. Production costs per enterprise are estimated, as FADN accounts are not based on analytical accounts. Rules are defined to allocate the different costs recorded at farm level to each enterprise. Due to the need to allocate costs, the more the farm is specialised in the production of the product studied the better should be the estimate. Therefore, estimations of production costs are based on a sample of farms with a rate of specialisation[1] of at least 40% or 50%.

Margin over variable costs has been chosen as the parameter of study to analyse the role of the couple payments because it enables a better comparison of product profitability without taking into account the fixed costs like depreciation or rent. These costs remain the same independently of the product farmed or even if the farmer decides to stop production.

The margin over variable costs is defined as follows:
Output (sales + farm use + change in stock) – specific costs[2] – farming overheads[3] – wages

The margin is a three year average (2002-2003-2004) to limit conjectural price impact.

To calculate the margin with coupled payments, the direct payments are introduced in the margin at the level foreseen in the 2003 reform (once it is completed). Then the margins with coupled payments are compared to the margins without coupled payments.

[1] Specialisation rate: output of the product studied on total output.

[2] Specific costs: feed and other specific livestock costs, seeds, fertilisers, crop protection and other specific crop costs.

[3] Farming overheads: contract work, upkeep of machinery, motor fuel, car expenses, upkeep of land and buildings, electricity, heating fuels, water, insurance.

Modulation and article 69 of Regulation 1782/2003 are not taken into account in this analysis.

In the analysis, the percentages of farmers switching to a negative margin with a full decoupling always refer to the sample selected, as well as the percentages of hectares and heads.

Results based on less than 15 farms are not displayed.

3. PARTIALLY COUPLED SUPPORT IN CEREALS, OILSEEDS AND PROTEINS CROPS

Only Spain and France have chosen to keep coupled 25% of the arable crops payments (including the supplementary aid for durum wheat[4]).

As a first step, the profitability of all cereals, oilseeds and protein crops (COP)[5] has been studied. In a second step, details on the margins of wheat, barley, grain maize and durum wheat are provided.

3.1. COP margin per ha

The FADN farms selected for the analysis have more than 50% of their total output linked to COP. The representativity of the sample is acceptable: the specialists FADN farmers cover 57% of the Spanish COP area included in the FSS 2003[6] and 72% of the French one.

3.1.1. Specialists COP producers

In average, FADN Spanish COP farms have a total area of 67 ha, 49 ha of COP of which 25 ha of barley. In France COP farms are bigger: 108 ha of utilised agricultural area (UAA), 89 ha of COP of which 33 ha of wheat, 14 ha of grain maize and 12 ha of barley.

[4] 25% of 285 €/ha from 2006/2007 in traditional area for durum wheat

[5] All COP excluding rice, flax and hemp for fibre that have specific policies

[6] FSS: Farm Structural Survey

Table 1: Average COP Margin over variable costs in Spain and France

	Spain	France
Number of holdings	95 546	66 701
Avg UAA of the holding in ha	67.3	107.8
Avg COP area in ha	**49.2**	**89.3**
-wheat	8.6	33.4
-barley	25.2	12.3
Avg COP yield in t/ha	3.4	7.1
Avg COP price in €/t	129	134
COP OUTPUT in €/ha	432	745
COP direct payments in €/ha	55	93
Total Variable Costs in €/ha	**252**	**602**
MARGIN over Variable Costs WITH coupled payments in €/ha	**235**	**237**
% COP payments / Margin	23%	39%
MARGIN over Variable Costs WITHOUT coupled payments in €/ha	**180**	**143**

Source: DG AGRI EU FADN

COP results are very much influenced by barley in Spain and by wheat in France. The average COP yield is low in Spain (3.4 t/ha) compared to France (7.1 t/ha). Nevertheless in both countries margins over variable cost with direct payments (DP) are similar (around 235 €/ha) because the Spanish growers have lower costs than the French. The share of the direct payments in the margin is higher in France (39%) than in Spain (23%). In consequence the margin over variable costs without direct payments[7] is smaller in France than in Spain (Table 1 and Annex 1).

3.1.2. COP specialists switching to a negative margin without coupled payments

In Spain, with the suppression of the coupled payments, only 6% of the COP specialists switch to a negative margin over variable costs. In comparison to the national average, the particularity of these farms is their small size (47 ha of UAA), the low COP yield (2.3 t/ha) and the higher variable costs (315 €/ha). Moreover coupled payments represent 168% of their margin over variable costs.

It must be said that in Spain 5% of the COP specialists (7% of the COP land) have a negative margin even with coupled payments.

[7] All direct payments excluded: partially coupled payments, specific quality premium for Durum wheat and Protein crop complement

Table 2: Characteristics of the COP holdings switching to a negative margin without coupled payments in the sample selected in Spain

	Positive margin with DP and Negative without				Ref: Spain sample average
	Spain	Castilla-Leon	Andalucia	Aragon	
Number of holdings	6 000	3 200	1 600	600	95 500
Total area in ha	217 000	102 000	41 000	30 000	4 696 000
% COP holdings in the selected sample	6%	3%	2%	1%	100%
% COP area in the selected sample	5%	2%	1%	1%	100%
Avg UAA of the holding in ha	46.9	39.0	28.0	82.5	67.3
Avg COP area in ha	**36.4**	**31.5**	**26.0**	**47.4**	**49.2**
-barley	19.6	23.6	0.1	22.0	25.2
-durum wheat	4.6	0.0	11.3	12.9	4.3
-grain maize	0.4	0.3	0.4	0.6	3.3
Avg COP yield in t/ha	2.3	2.5	2.0	1.9	3.4
Avg COP price in €/t	130	116	175	125	129
COP OUTPUT in €/ha	292	285	348	221	432
COP DP in €/ha	58	44	101	68	55
Specific COP costs in €/ha	190	193	214	167	167
Farming overheads in €/ha	84	89	88	76	67
Total Variable Costs in €/ha	**315**	**306**	**379**	**250**	**252**
MARGIN over Variable Costs WITH coupled payments in €/ha	**34**	**23**	**70**	**38**	**235**
% COP payments / Margin	168%	193%	144%	177%	23%
MARGIN over Variable Costs WITHOUT coupled payments in €/ha	**-23**	**-21**	**-31**	**-30**	**180**

Source: DG AGRI EU FADN

Three regions are particularly affected by the suppression of the coupled payments: Castilla-Leon, Andalucía and Aragon. More than half of the holdings switching to a negative margin (- 21 €/ha) are located in Castilla-Leon and produce barley, they have smaller yields and prices and higher costs, therefore, the coupled payments represent close to 200% of the margin. In Andalucía, the farms producing in particular durum wheat, the small yield is not compensated by the higher price and costs are higher. In Aragon price and costs are close to the national average but the profitability of the farms is lower because of lower yield (1.9 t/ha).

In France, more farms (12%) are affected by the suppression of the coupled payments. Compared to the national average, these farms have in average more hectares of durum wheat, a yield lower by 1 t/ha and costs higher by 56 €/ha. The coupled payments represent 177% of the margin over variable costs; therefore, they are very affected by any change in the coupled payments level. The margin without coupled payments is -42 €/ha.

Table 3: Characteristics of the COP holdings switching to a negative margin without coupled payments in the sample selected in France

	Positive margin with DP and Negative without				Ref: France sample average
	France	Midi-Pyrénées	Centre	Aquitaine	
Number of holdings	8 300	1 900	1 200	800	66 700
Total area in ha	673 000	145 000	142 000	34 000	5 956 000
% COP holdings in the selected sample	12%	3%	2%	1%	100%
% COP area in the selected sample	11%	2%	2%	1%	100%
Avg UAA of the holding in ha	102.3	92.9	138.9	57.8	107.8
Avg COP area in ha	**81.1**	**77.1**	**114.0**	**45.1**	**89.3**
-wheat	25.7	11.8	50.7	5.5	33.4
-durum wheat	11.6	21.8	1.4	0.0	4.4
-grain maize	9.2	7.9	10.6	31.7	14.1
Avg COP yield in t/ha	6.1	5.3	6.1	7.8	7.1
Avg COP price in €/t	136	172	130	108	134
COP OUTPUT in €/ha	615	588	609	771	745
COP DP in €/ha	97	112	91	104	93
Specific COP costs in €/ha	394	378	396	460	373
Farming overheads in €/ha	229	230	196	358	202
Total Variable Costs in €/ha	**658**	**638**	**643**	**828**	**602**
MARGIN over Variable Costs WITH coupled payments in €/ha	**55**	**62**	**57**	**48**	**237**
% COP payments / Margin	177%	181%	161%	218%	39%
MARGIN over Variable Costs WITHOUT coupled payments in €/ha	**-42**	**-50**	**-34**	**-57**	**143**

Source: DG AGRI EU FADN

Many farms that switch to a negative margin are located in Midi-Pyrénées and Centre. In Midi-Pyrénées and Aquitaine, these farms represent a high share of the regional COP producers (respectively 21% and 15%).

In Midi-Pyrénées, the COP specialists switch to a negative margin over variable costs mainly because of the importance of durum wheat on their farms. For durum wheat, direct payments represent a high share of the margin and with a full decoupling many producers have a negative margin (see § 3.2.3.) In this region, the COP yield is smaller (5.3 t/ha) in comparison to the national average and the output per ha is lower by 153 €/ha (high prices are not enough to invert the situation). In Centre the profitability of the farms is low because of lower yield. In Aquitaine, the farms affected are quite specialised in grain maize and the higher output per ha do not compensate the higher variable costs (+ 226 €/ha).

3.2. Margin per ha per crop

3.2.1. Methodology

The FADN farms selected for the margin analysis per crop need also to be highly specialised in the crop studied (at least above 40%). Therefore, the sample size and representativity may be small, especially for wheat commonly produced in association with other COP.

Table 4: Area cultivated by specialists FADN producers

		Wheat	Barley	Grain Maize	Durum Wheat
Minimum Specialisation Rate to be selected		50%	50%	50%	40%
Sample selected vs FSS -% area	**Spain**	22%	53%	49%	32%
	France	12%		31%	43%

Source: DG AGRI EU FADN & EUROSTAT - FSS

3.2.2. Margin over variable costs: national average per crop

The detailed costs, output and margin are displayed in Annex 2.

Table 5: Average margin over variable costs per crop with and without coupled payments in Spain and France

	Spain			France		
in €/ha	Margin **with** coupled payments	Share of the coupled payments in the margin	Margin **without** coupled payments	Margin **with** coupled payments	Share of the coupled payments in the margin	Margin **without** coupled payments
Wheat	231	19%	186	253	36%	161
Barley	170	23%	131			
Grain Maize	826	13%	717	268	36%	173
Durum Wheat	321	47%	171	269	62%	101

Source: DG AGRI EU FADN

In table 5 the higher share of coupled payments in the margin shows clearly that France is more sensitive than Spain to any change in direct payments, especially durum wheat producers. The coupled payments (including the specific quality premium) represent 47% of the margin over variable costs in Spain and 62% in France.

In France, the margins including direct payments are similar for wheat, durum wheat and grain maize. However, without direct payments durum wheat profitability is the lowest of the three cereals. Therefore, durum wheat producers may be willing to change production.

In Spain, the hierarchy between cereals profitability does not change with a full decoupling.

3.2.3. Holdings switching to a negative margin without direct payments

It is worth to highlight that a large number of holdings have a negative margin even including the coupled payments especially the French grain maize specialists (26%) and the Spanish barley producers (9%).

Table 6: Characteristics of the holdings switching to a negative margin without coupled payments per crop and MS

	Positive margin with DP and Negative without				
	Spain	**Spain**	**France**	**France**	**France**
	Barley	**Durum Wheat**	**Wheat**	**Grain Maize**	**Durum Wheat**
% Farms in the sample selected	7%	6%	9%	9%	55%
% Area in the sample selected	5%	9%	10%	8%	51%
Avg COP area in ha	**29.8**	**53.2**	**62.8**	**38.8**	**38.0**
Avg COP yield in t/ha	2.5	1.9	6.4	8.9	4.7
Avg COP price in €/t	114	133	99	107	137
COP OUTPUT in €/ha	280	234	632	948	639
COP DP in €/ha	41	158	89	107	186
Specific COP costs in €/ha	144	131	437	446	363
Farming overheads in €/ha	84	89	236	397	281
Total Variable Costs in €/ha	299	291	675	1001	717
MARGIN over Variable Costs WITH coupled payments in €/ha	**22**	**102**	**47**	**53**	**108**
% COP payments / Margin	186%	156%	282%	201%	172%
MARGIN over Variable Costs WITHOUT coupled payments in €/ha	**-19**	**-57**	**-43**	**-54**	**-78**

Source: DG AGRI EU FADN

With the suppression of all the coupled payments, durum wheat producers are largely affected, especially in France where more than half of the specialised producers switch to a negative margin. These farmers have a 0.9 t/ha lower yield than the farmers keeping a positive margin. In addition, their selling price is lower. Consequently, the output per hectare is 200 €/ha lower. They also have higher costs. In Spain, the impact is limited to 6% of the holdings cultivating 9% of the durum wheat area. The smaller yields explain mainly their lower profitability.

In France, 9% of the specialists wheat and grain maize producers switch to a negative margin without direct payments. In both cases, the output is much lower than for the farmers keeping a positive margin. For wheat, costs are also higher. Therefore, the direct payments are twice larger than the margin with direct payments for maize and almost three times for specialists' wheat.

In Spain, part of the specialists' barley producers (7%) has a negative margin once the direct payments are suppressed. Their profitability is lower because of minor output (price & yield) and higher input.

4. STARCH POTATO AND HOPS

Payments are still coupled for starch potatoes (66.32 € per ton of potato starch) and energy crops (45 €/ha). In the hops sector, Germany, France, Austria and Slovenia kept 25% of the payment coupled (120 €/ha). Moreover, for fibre flax, hemp and dried fodder a processing aid is implemented.

In FADN, specialised starch potato producers can be found in the Netherlands and specialised hops producers in Germany. But the FADN model allocating costs can not be used for flax & hemp and energy crops because two few farms reach the minimum specialisation rate required. In addition, the aid given to the industry for dried fodder and flax and hemp is not registered in the farmers' book keeping, therefore these specific common market organisations can not be analysed.

As a reminder, the evaluation carried out in 2006 on energy crops[8] underlined that many farmers were producing this kind of crop without claiming for the premium.

4.1. Starch potato

The analysis is based on Dutch producers with a starch potato output representing more than 40% of their total output. The representativity of FADN sample can not be assessed because in the FSS starch and ware potatoes are not distinguished. The German FADN does not record separately the two kinds of potatoes; therefore the model can not be used for Germany. Nevertheless it can be assumed that costs of production are similar in Germany and in the Netherlands[9].

Table 7: Margin over variable costs of starch potato and ware potato in the Netherlands

	Starch potato	Ware potato
Number of holdings	333	2 421
Avg UAA of the holding in ha	83.2	68.6
of which avg crop area in ha	**40.8**	**27.2**
sugar beet	**15.0**	**9.3**
barley	**13.0**	**2.6**
Avg crop yield in t/ha	42.8	37.9
Avg crop price in €/t	44	164
CROP OUTPUT in €/ha	1 998	6 243
CROP payments in €/ha	568	0
Total Variable Costs in €/ha	**1 209**	**3 412**
MARGIN over Variable Costs WITH coupled payments in €/ha	**1 358**	**2 831**
% CROP payments / Margin	42%	0%
MARGIN over Variable Costs WITHOUT coupled payments in €/ha	**789**	**2 831**

Source: DG AGRI EU FADN

[8] http://ec.europa.eu/agriculture/eval/reports/bio_energy/index_en.htm

[9] See evaluation on starch potato in 2002: http://ec.europa.eu/agriculture/eval/reports/amidon/index_en.htm.

The coupled payment for starch represents 42% of the margin over variable costs. Therefore without direct payments the margin of the specialists producers remain positive at 789 €/ha. And the number of farms in the sample switching to a negative margin with the suppression of the coupled payment is so low that the results can not be displayed.

A comparison with ware potato shows that even with direct payments, the margin over variable costs for starch is lower than the margin of ware potato producers. In addition, the production of ware potato requires a lot of buildings investments (storage) and is labour intensive; for these reasons starch potato producers may not change production for ware potatoes.

In comparison to the sectors studied above, the specialisation rate of starch producers is quite low (46% of the output), starch is often produced in association with sugar beet and barley or common wheat. The margin of cereals per ha is too low in comparison to the starch margin to justify a change for cereals, even without direct payments.

4.2. Hops

Hops producers are highly specialised, therefore focusing the analysis on the German producers with a hops output higher than 40% of the total output, the actual rate of specialisation is 76% and 97% of the German hops area is represented.

Table 8: Margin over variable costs of hops producers in Germany

	Hop
Number of holdings	1 347
Avg UAA of the holding in ha	26.6
of which Avg crop area in ha	**13.2**
Avg crop yield in t/ha	1.9
Avg crop price in €/t	3 250
CROP OUTPUT in €/ha	6 018
CROP payments in €/ha	120
Total Variable Costs in €/ha	**3 869**
MARGIN over Variable Costs WITH coupled payments in €/ha	**2 269**
% CROP payments / Margin	5%
MARGIN over Variable Costs WITHOUT coupled payments in €/ha	**2 149**

Source: DG AGRI EU FADN

The margin over variable costs per hectare in the hops sector is very high (2 269 €/ha) and the coupled part of the direct payment is limited to 120 €/ha (25%). As a result, the share of the coupled payment in the margin is rather low (5%) and, with a full decoupling, almost no farmers switch to a negative margin.

5. PARTIALLY COUPLED SUPPORT IN THE BEEF SECTOR

5.1. Partially coupled support for bovine animals

Suckler cow premium (100%): Austria, Belgium, France, Portugal, Spain

Special premium: Denmark (75%), Finland (75%), Sweden (74.55%)

Slaughter premium adults: Austria (40%), France (40%), Portugal (40%), Spain (40%), Netherlands (100%)

Slaughter premium calves (100%): Austria, Flanders, France, Netherlands, Portugal, Spain

5.2. Population

The model used to allocate costs requires a high specialisation of the farms analysed. Due to the high variety of beef production systems the sample is to be selected very cautiously. European typology does not allow identifying precisely beef production systems. Therefore, a specific typology of grazing livestock systems (GLS) in the EU developed by INRA[10] is used. Moreover, only the farms with a beef output larger than 50% of the total output of the farm are taken into account.

The impact of the move to full decoupling is studied on breeders (GLS type 5210[11]) and breeders & fatteners (GLS 5220[12]) in France, Spain, Belgium, Austria and Portugal, MSs that kept 100% coupled the suckler cow premium. For the breeders & fatteners analysis, Sweden is added because of the special premium. Denmark and Finland kept part of the special premium coupled too, but the number of breeders & fatteners in the FADN sample is too small to be able to display results. Specialist fatteners (GLS 5120[13]) are not largely represented in the FADN sample. That's why results can be displayed only for Finland and Sweden.

FADN represents only commercial farms, therefore part of the suckler cows are not taken into account in FADN, especially in Portugal and Austria. Moreover, in Austria only a few farms are specialised in beef meat; therefore, the sample selected represents only 15% of the suckler cows included in FADN. On the

[10] Institut national de la recherche agronomique

[11] GLS 5210, cattle breeder: Grazing LU >=5 and dairy cows LU <3 and suckler cow LU >= 3 and (male cattle>1year / Suckler cow LU < 0.25)

[12] GLS 5220, cattle breeder and fattener of young cattle: Grazing LU >=5 and dairy cows LU <3 and suckler cow LU >= 3 and (male cattle>1year / Suckler cow LU >= 0.25) and (male cattle > 2years) < (male cattle 1-2 years)

[13] GLS 5120, young cattle fatteners: Grazing LU >=5 and dairy cows LU <3 and cattle LU >= 3 and (cattle LU/ (Suckler cow LU + 1) >= 8) and calves for fattening LU < 5 and (male cattle > 1-2 years)/ Cattle LU > 0.4)

contrary, more than 60% of the suckler cows included in FADN are located on specialised cattle farms in Spain, Finland and France.

Bovine systems specialised in breeding the animals are numerous (e.g. 36 200 in France) whereas breeders & fatteners are less well spread (7 400 in France).

Table 9: Number of suckler cows in the FADN selected sample in 2004

	Number of suckler cows in FADN			% Suckler cows vs Total FADN					
	cattle breeders (5210)	cattle breeders & fatteners (5220)	Total FADN	cattle breeders (5210)	cattle breeders & fatteners (5220)	**5210 & 5220**	cattle breeders **Spec. 50%**	cattle breeders & fatteners **Spec. 50%**	**5210 & 5220 Spec. 50%**
BEL	203 900	99 200	504 400	40%	20%	**60%**	32%	15%	**47%**
ESP	1 124 500	20 300	1 425 000	79%	1%	**80%**	72%	1%	**74%**
FRA	2 585 800	526 400	3 903 700	66%	13%	**80%**	50%	10%	**61%**
OST	44 300	11 200	108 800	41%	10%	**51%**	14%	1%	**15%**
POR	169 400	10 500	288 900	59%	4%	**62%**	42%	2%	**45%**
SUO	17 000	17 900	36 400	47%	49%	**96%**	40%	35%	**75%**
SVE	95 000	43 400	153 600	62%	28%	**90%**	33%	14%	**47%**

Source: DG AGRI EU FADN

5.3. Methodology

In the margin over variable costs with direct payments, all the coupled payments are taken into account. Moreover, the additional payment for suckler cows is considered as part of the EU coupled suckler cow premium whether it is paid by the EU or on national budget. The margin over variable costs including coupled payments is compared to the margin without EU direct payments. The margin is expressed per suckler cow present on the farm.

Special is the case of Finland, where high levels of national coupled payments are paid to the bovine sector. These coupled payments are included in the margin and not suppressed.

Moreover, the bovine animal systems are often located in less favoured areas (LFA). LFA payments are not coupled to the bovine animals. Therefore, they are not included in the margin calculations, despite they highly contribute to the farm income. Agri-environmental payments may also be high. In the tables in Annex 3 and 4, margins calculations are provided in detail as well as national direct payments, LFA and agri-environmental payments per farm.

In addition to the Single Farm Payment, these decoupled payments are part of the income and can explain why some farmers may continue producing even with a negative margin per enterprise.

An additional analysis is done in the beef sector to take into account the possible effects of a WTO agreement on tariffs in Doha. The beef price forecast of DG AGRI G5 is used. This forecast corresponds to the expected price evolution in case the EU proposal done in October 2005 is accepted. Beef prices could decrease by 7.4% in 2013 in comparison to 2004.

5.4. Breeders

5.4.1. Margin over variable costs with and without direct payments

In Austria and Portugal almost all the specialist breeders are located in LFA. In France and Spain more than 80% of the suckler cows are raised in LFA, in Belgium 73%.

The weight of coupled payments in the margin over variable costs is different according to MS. In Austria, they represent more than 100% of the margin, in France and Portugal around 60% and in Spain and Belgium around 40%. The MS with the higher percentages are the most sensitive to any suppression of the direct payments. In Austria, the margin without coupled payments is negative.

The most profitable systems are in Belgium, where the margin without direct payments is 338 €/cow. In this MS, the stocking density (2.03 LU/ha) is rather high compared to the other MSs studied. The animals sold are heavier and older. The selling price of the cattle less than one year is very high (920 €/head).

In Spain the margin without coupled payments is 266 €/cow. The systems are very extensive (0.65 LU/ha) and the costs are very low. This is also the case of Portugal, but the low selling price in Portugal reduces the output, decreasing the margin to 126 €/cow.

It should be highlighted that in Belgium and Spain bovine systems located in LFA are more profitable than the farms in non LFA. In Belgium, LFA systems are more extensive (1.90 LU/ha) than in non LFA (2.51) and feed costs and farming overheads[14] are inferior. In Spain, the costs in LFA area are less than half of the costs in non LFA where wages and animal purchase are more important.

In France, the high costs (750 €/cow) are not compensated by a higher output as in Belgium because the animals are sold younger; the margin without direct payments is 149 €/cow.

In Austria the farms are not highly specialised in beef meat and they are rather small. The costs are high, especially the farming overheads (372 €/cow). It is to be noticed that in Austria, the LFA and agri-environmental payments represent three quarter of the family farm income.

[14] Farming overheads: contract work, upkeep of machinery, motor fuel, car expenses, upkeep of land and buildings, electricity, heating fuels, water, insurance.

Table 10: Margin over variable costs for FADN specialist breeders per LFA

	BE			ES			FR			AT	PT
	Non LFA	LFA	All	Non LFA	LFA	All	Non LFA	LFA	All	LFA	LFA
Farms represented - number	1 200	2 200	3 400	3 200	24 300	27 600	5 700	30 500	36 200	900	6 500
beef specialisation - % output	80%	92%	88%	86%	88%	88%	78%	84%	83%	65%	75%
stocking density - LU/ha	2.5	1.9	2.0	0.6	0.7	0.7	1.5	1.0	1.1	1.0	0.5
suckler cows per farm - heads	41	59	53	52	32	34	49	55	54	23	17
total suckler cows - heads	**48 000**	**131 000**	**178 000**	**169 000**	**777 000**	**946 000**	**280 000**	**1 677 000**	**1 957 000**	**21 000**	**113 000**
% of cows by LFA class	27%	73%	100%	18%	82%	100%	14%	86%	100%	97%	99%
Per cow - €/cow											
TOTAL BEEF OUTPUT	1 187	1 091	1 117	1 048	689	753	1 007	881	899	685	627
beef coupled payments	246	262	258	140	201	190	261	246	248	260	189
TOTAL VARIABLE COSTS	872	744	778	869	405	488	833	736	750	691	504
Margin Over Variable costs per cow in €/cow											
With all coupled payments	**561**	**609**	**596**	**320**	**485**	**456**	**434**	**390**	**397**	**255**	**314**
Share of coupled payments in the Margin	44%	43%	43%	44%	41%	42%	60%	63%	63%	102%	60%
Without EU payments	**314**	**347**	**338**	**180**	**284**	**266**	**174**	**145**	**149**	**-6**	**126**

Source: DG AGRI EU FADN

5.4.2. Farmers switching to a negative margin with the suppression of the EU coupled payments

The highest number of farmers switching to a negative margin without direct payments is in France: 7 700 breeders and 371 000 suckler cows (19%). These farmers have higher feed costs and farming overheads and the output linked to females is lower. They are mainly located in LFA in Auvergne, Bourgogne, Limousin, Midi-Pyrénées and Aquitaine.

In Austria, 35% (8 000) of the suckler cows belong to breeders switching to a negative margin without direct payments. The profitability of these farmers is penalised by the high farming overheads.

In Portugal, specialist breeders switching to a negative margin own 19% of the suckler cows. Their profitability is penalised by a low selling price and a small number of calves sold per cow.

Even if the average margin is high in Belgium, around 200 specialist breeders switch to a negative margin without coupled payments. They own 12 000 suckler cows - 7% of the cows raised by specialist breeders. In comparison to the national average these farms have smaller selling prices and all their costs are higher.

In Spain, only 4% of the suckler cows are raised by specialist breeders switching to a negative margin. Their profitability is lower especially because they sell fewer calves per cow.

Table 11: FADN specialist breeders switching to a negative margin with the suppression of partial coupling

	BE		ES		FR		AT		PT	
	Farmers switching to a negative margin	National average	Farmers switching to a negative margin	National average	Farmers switching to a negative margin	National average	Farmers switching to a negative margin in LFA	LFA average	Farmers switching to a negative margin in LFA	LFA average
Farms represented - number	200	3 400	1 300	27 600	7 700	36 200	300	900	1 100	6 500
beef specialisation - % output	76%	88%	85%	88%	82%	83%	68%	65%	74%	75%
stocking density - LU/ha	1.86	2.03	0.81	0.65	1.02	1.10	1.04	1.01	0.55	0.49
suckler cows per farm - heads	50	53	33	34	48	54	23	23	20	17
total suckler cows - heads	**12 000**	**178 000**	**42 000**	**946 000**	**371 000**	**1 957 000**	**8 000**	**21 000**	**22 000**	**113 000**
% of cows by LFA class	**7%**	100%	**4%**	100%	**19%**	100%	**35%**	97%	**19%**	99%
Per cow - €/cow										
TOTAL BEEF OUTPUT	714	1 117	507	753	770	899	706	685	525	627
beef coupled payments	268	258	203	190	257	248	283	260	226	189
TOTAL VARIABLE COSTS	804	778	581	488	863	750	821	691	620	504
Margin Over Variable costs per cow in €/cow										
With all coupled payments	**178**	**596**	**129**	**456**	**163**	**397**	**168**	**255**	**130**	**314**
Share of coupled payments in the Margin	151%	43%	157%	42%	157%	63%	169%	102%	173%	60%
Without EU payments	**-90**	**338**	**-74**	**266**	**-94**	**149**	**-115**	**-6**	**-95**	**126**

Source: DG AGRI EU FADN

5.4.3. Additional impact of a price decrease

Table 12: Impact of a price decrease on the margin over variable costs without coupled payments

	BE	ES	FR	AT	PT
Without price decrease	338	266	149	-6	126
With price decrease	262	217	88	-50	87
change	-76	-49	-60	-45	-39

Source: DG AGRI EU FADN

The price decrease impact on the average margin is bigger in Belgium and France where the output per cow is the highest. In all the MS the number of farmers switching to a negative margin increases with a price decrease.

Table 13: Farmers switching to negative margin: additional impact of a price decrease on the number of suckler cows affected

	BE	ES	FR	AT	PT
Without price decrease	12 000 *7%*	42 000 *4%*	371 000 *19%*	8 000 *35%*	22 000 *19%*
With price decrease	21 000 *12%*	71 000 *7%*	516 000 *26%*	9 000 *40%*	26 000 *23%*

Source: DG AGRI EU FADN

The number of suckler cows on farms switching to negative margin increases by 40% with a price decrease. The effect of price is particularly important in France and Spain.

5.5. Breeders & fatteners

5.5.1. Margin over variable costs with and without coupled payments

Breeders & fatteners are more intensive systems: 3 LU/ha in Belgium where more than 70% of the cows are raised in non LFA. In France, almost 40% of the cows are in non LFA. The animals are sold between one and two years except in Spain where the "ternero" is sold before 12 months. Often the production of fattened animals is completed by the purchase of calves especially in Portugal and Sweden.

Table 14: Margin over variable costs for FADN specialist breeders & fatteners by LFA

	BE			ES		FR			PT	SE	
	Non LFA	LFA	All	LFA	All	Non LFA	LFA	All	All	LFA	All
Farms represented - number	800	200	1 100	400	500	3 400	4 000	7 400	900	800	1 000
beef specialisation - % output	75%	81%	76%	96%	97%	76%	82%	79%	73%	71%	71%
stocking density - LU/ha	3.4	2.2	3.0	2.1	2.2	1.9	1.4	1.6	0.8	0.7	0.8
suckler cows per farm - heads	57	67	59	33	26	48	66	58	9	23	25
total suckler cows - heads	**48 000**	**14 000**	**63 000**	**12 000**	**14 000**	**165 000**	**261 000**	**426 000**	**8 000**	**18 000**	**24 000**
% of cows by LFA class	77%	23%	100%	86%	100%	39%	61%	100%	100%	74%	100%
Per cow - €/cow											
TOTAL BEEF OUTPUT	2 564	2 322	2 508	797	962	1 338	1 117	1 202	1 225	1 325	1 232
beef coupled payments	224	262	233	197	181	273	243	254	184	166	167
TOTAL VARIABLE COSTS	2 031	1 879	1 996	505	653	1 085	950	1 002	984	1 693	1 535
Margin Over Variable costs per cow in €/cow											
With all coupled payments	**757**	**705**	**745**	**502**	**502**	**526**	**409**	**454**	**425**	**-202**	**-136**
Share of coupled payments in the Margin	30%	37%	31%	39%	36%	52%	59%	56%	43%	45%	55%
Without EU payments	**533**	**443**	**512**	**305**	**320**	**253**	**166**	**200**	**241**	**-368**	**-304**

Source: DG AGRI EU FADN

The national average margins without direct payments are quite high from 200 € per cow in France to 512 € per cow in Belgium. In Belgium, the animals are sold at a high price per head (1 845 €/head) because they are very heavy (breed Blanc Bleu Belge). In comparison, in Spain the young male is sold at a low price 792 €/head. The profitability of the Spanish producers is based on a low cost system and their margin per cow without direct payments is high (320 €/cow).

In Sweden, where the suckler cow premium is decoupled, the margin over variable costs including special premium is negative. Their farming overheads are very high (678 €/cow). As a remark, in Sweden LFA and agri-environmental payments are almost three times higher than the family farm income.

Except in Sweden, the breeders & fatteners rely less on direct payments than the specialist breeders: in Spain and Belgium around one third of the margin is due to coupled payments, in Portugal 43% and in France 56%. France is the most sensitive to any decoupling.

5.5.2. Farmers switching to a negative margin with the suppression of coupled payments

In Belgium and Spain almost all the farmers keep a positive margin with the suppression of the partially coupled support. In Portugal the sample is too small to draw significant conclusions.

In Sweden, almost two third of the herd owned by the specialists is raised on farms already with a negative margin with coupled special premium. Nevertheless it is to be underlined than 28% of the cows belong to farmers keeping a positive margin with and without direct payments.

In France 1 200 farmers switch to a negative margin (-117 €/cow), they own 15% of the cows. They are mostly located in LFA, have higher farming overheads and feed costs and cows are less valued.

With a price decrease, the share of the cows on breeding & fattening systems affected in France would raise to 23%. Even with a price decrease, almost all the farmers in Belgium and Spain keep a positive margin.

5.6. Fatteners

In Finland all the fatteners are located in LFA. The particularity of Finland is the high level of national aid especially for young bulls (in total 284 € per head). This aid is coupled to the production. The margin is 179 € per head of young cattle sold, is very low in comparison to the total level of payments (EU coupled premiums and national aid) (396 €/head). Without the EU coupled special premium, the margin is still positive at 68 € per head In addition to the decoupled livestock payments, the farms receive a high level of LFA and agri-environmental payments close to 20 000 €, i.e. 60% of the family farm income The Finnish farmers are not very sensitive to a suppression of the EU coupled payments. 70% keep a positive margin and the others were already in a negative margin with direct payments.

In Sweden[15], most of the specialist fatteners are located in LFA and half of them have a negative margin over variable costs including the coupled payments. Therefore, the national average margin is close to 0. LFA and agri-environmental payments represent almost three times the family farm income. It can be supposed that the Swedish farmers do not base their production decision on an economic reasoning by enterprise.

[15] As a general remark on Sweden, in FADN almost a quarter of the farmers have a negative farm net value added (FNVA). Part of the explanation may be an overestimation of depreciation. Moreover farmers often have an additional revenue from forestry which is not included in the FNVA.

Table 15: Margin over variable costs for FADN specialist fatteners

	FI	SE
	LFA	All
Farms represented - number	1 200	500
beef specialisation - % output	84%	70%
stocking density - LU/ha	1.7	0.9
cattle < 1 year sold - heads	1	19
male cattle 1-2 years sold - heads	81	44
total beef cattle - LU	77 000	29 000
selling price cattle < 1 year - €/head	482	370
selling price male cattle 1-2 year - €/head	721	671
Per young cattle sold - €/head		
TOTAL BEEF OUTPUT	760	693
beef EU coupled payments	112	158
beef national coupled payments	284	0
TOTAL VARIABLE COSTS	976	858

Margin Over Variable costs per young cattle sold in €/head

With all coupled payments	**179**	**-6**
Share of coupled payments in the Margin	62%	97%
Without EU payments	**68**	**-164**

Source: DG AGRI EU FADN

6. PARTIALLY COUPLED SUPPORT IN THE SHEEP SECTOR

Six Member States kept coupled 50% of the sheep and goat payments: Denmark, Spain, France, Portugal, Slovenia and Finland.

6.1. Population

For the sheep sector no FADN model allocating costs has been developed. Therefore, this analysis will focus on highly specialised farms (above 70% of the output coming from sheep) and the margin analysis will be done at farm level and not specifically for the sheep enterprise.

Ovine systems are divided between milk producers and meat producers, in which farmers are breeding sheep or goats. The typology developed by INRA will be used to separate these systems.

The size of the sample selected enables to display results only for Spain, France and Portugal. In Spain, 50% of the ewes and she-goats of the FSS are raised on highly specialised sheep farms, 45% in France and 32% in Portugal.

Sheep milk specialists are located almost only in LFA; sheep meat producers too, except in Spain, where 16% of the ewes are in favoured areas. Goat milk production is more common in non LFA: 19% in Portugal, 26% in France and 31% in Spain of the she-goats are located in favoured areas.

6.2. Sheep and goat milk farms

6.2.1. Margin over variable costs with and without direct payments

Milk systems do not rely much on direct payments and the margins without coupled payments are quite high, especially in Spain and France.

The coupled ovine payments contribute to 18% of the margin over variable costs in Portugal, 10% for sheep milk in France and goat milk in Spain, 7% for sheep milk in Spain and only 4% for goat milk producers in France.

The margin without direct payments of sheep milk producers is 125 €/ewe in Spain and 90 €/ewe in France. The profitability of the Spanish systems is linked to the low costs (especially the farming overheads) and to the fact that common land is used to feed the animals. French yields are very high. Portuguese value the milk at a high price and they may produce cheese on the farm. However their yield is very low and the margin (61 €/ewe) is smaller than in the other MS.

The margin without coupled payments of goat milk producers is high in France (123 €/she-goat) thanks to a very high yield and to the good valorisation of the milk with cheese. The Spanish margin (75 €/she-goat) is lower because of the lower yield and price. In Portugal, the margin is limited to 46 €/she-goat because of these similar two factors.

Detailed margin calculation is displayed in Annexes 5 & 6.

Table 16: Margin over variable costs on FADN sheep and goat milk farms

	Sheep Milk			Goat Milk		
	ES	FR	PT	ES	FR	PT
	All	All	All	All	All	All
Farms represented - number	11 500	2 800	3 000	4 200	2 000	300
sheep specialisation - % output	91%	90%	87%	95%	87%	92%
avg number of ewes and she-goats - heads	**367**	**386**	**110**	**212**	**198**	**97**
total ewes and she-goats - heads	4 211 000	1 078 000	326 000	882 000	386 000	33 000
stocking density - LU/ha	1.9	0.7	0.5	0.8	0.6	0.4
Output and costs per ewe and she-goat present on the farm in €/ewe						
Total Sheep Output	195	230	135	175	331	68
TOTAL OUTPUT	**212**	**250**	**151**	**185**	**366**	**72**
sheep coupled payments	9	10	13	8	5	10
TOTAL VARIABLE COSTS	**87**	**158**	**90**	**107**	**243**	**27**
MARGIN OVER VARIABLE COSTS per ewe and she-goat present on the farm in €/ewe						
With coupled payments	**134**	**101**	**74**	**84**	**128**	**56**
share of EU coupled payments in the margin	7%	10%	18%	10%	4%	18%
Without EU coupled payments	**125**	**90**	**61**	**75**	**123**	**46**

Source: DG AGRI EU FADN

6.2.2. Farmers switching to a negative margin with the suppression of coupled payments

With the suppression of the coupled payments, almost all the sheep milk producers keep a positive margin in Spain and France, where the large flocks are located. For milk goat farms, 5% of the she-goats in France and 8% in Spain are grazed on farms switching to a negative margin. In Portugal, more than 90% of sheep and goats are located on farms keeping a positive margin.

6.3. Sheep meat

6.3.1. Margin over variable costs with and without coupled payments

The margins over variable costs are smaller for sheep meat producers and the coupled payments represent a large share of the margin. In France, the direct payments represent 68% of the margin, 46% in Finland, 34% in Portugal and 28% in Spain.

The margin without direct payments is very small in France (7 €/ewe) and a little higher in Portugal (24 €/ewe) and Spain (31 €/ewe). The profitability of the French producers is particularly penalised by the farming overheads. The producers in Portugal have a low productivity with their very extensive systems and they sell young lamb at a low price. In Spain, lambs are sold at an early stage too, the prices are low, but the productivity of the ewes is rather high (1.2 lamb/ewe) and the costs are low.

In Finland, the national payments (34 €/ewe) are twice higher than the EU re-coupled payments, they are also higher than the output per ewe. The margin

without the coupled payments is 17 €/ewe, below the level of the national direct payments.

Table 17: Margin over variable costs on FADN sheep meat producers

	Sheep Meat					
	ES	ES	ES	FR	PT	FI
	Non LFA	LFA	All	All	All	All
Farms represented - number	1 400	9 000	10 400	5 600	4 100	300
sheep specialisation - % output	95%	93%	93%	87%	87%	83%
avg number of ewes and she-goats - heads	**579**	**478**	**492**	**444**	**111**	**156**
total ewes and she-goats - heads	817 000	4 314 000	5 131 000	2 468 000	460 000	53 000
stocking density - LU/ha	0.6	0.9	0.8	0.8	0.5	0.9
Output and costs per ewe and she-goat present on the farm in €/ewe						
Total Sheep Output	70	73	73	90	59	67
TOTAL OUTPUT	**73**	**80**	**79**	**103**	**69**	**83**
sheep coupled payments	10	13	12	15	12	14
TOTAL VARIABLE COSTS	**51**	**48**	**48**	**96**	**45**	**169**
MARGIN OVER VARIABLE COSTS per ewe and she-goat present on the farm in €/ewe						
With coupled payments	**32**	**45**	**43**	**22**	**37**	**31**
share of EU coupled payments in the margin	31%	28%	28%	68%	34%	46%
Without EU coupled payments	**22**	**32**	**31**	**7**	**24**	**17**

Source: DG AGRI EU FADN

6.3.2. Margin over variable costs with and without direct payments

With the suppression of the coupled payments numerous farms switch to a negative margin in France: 20% of the ewes may be affected (471 000 ewes). The particularity of these farms is the low productivity of the ewes: 0.8 lamb is sold per ewe. In comparison, farmers keeping a positive margin sell 1.1 lambs per ewe. As a remark, in France 23% of the ewes are raised on farms having a negative margin with and without the coupled payments. The LFA and agri-environmental payments of France contribute largely to the farmers' income. Moreover, it is to be underlined that sheep production is located in areas where often no other production is possible.

In Spain the impact of the suppression of the coupled payments is limited to 5% of the ewes.

In Portugal and Finland, the sample is too small to be able to assess the impact, but the low national margin over variable costs in these two MS indicates that some farmers may switch to a negative margin.

7. CONCLUSION

The suppression of partially coupled support affects differently the different sectors that have been considered in the present study.

Firstly, 12% of the cereals, oilseeds and protein crops (COP) specialists in France would not be able to cover their variable costs. The impact is limited to 6% of the COP specialists in Spain. Durum wheat is the most sensitive COP because the coupled payments represent a high share of the margin in both MSs. While in Spain the profitability hierarchy between the cereals studied does not change, French durum wheat producers may be willing to change production because durum wheat becomes less profitable than wheat or grain maize in case of full decoupling.

Secondly, the specialist producers of starch potato and hops have sufficient output to cover the variable costs, even with full decoupling of the direct payments.

Thirdly, the situation in the beef sector varies among the different bovine production systems and MS. Specialist breeders are the most sensitive to the decoupling of any of the per head payments, especially in France, Austria and Portugal, where more than 20% of the cows owned by the breeders could be affected. Payments per head represent a lower share of the margin of the specialist breeders and fatteners; therefore, the impact of a total decoupling would be limited for these systems except in France, where 15% of the cows owned by these producers could be affected. In Finland and Sweden, direct payments are so important (European & national, coupled & decoupled, LFA…) that the farmers may not take their production decision on the basis of a margin analysis per enterprise.

Finally, Sheep & Goats milk producers would experience a limited impact in case of a total decoupling because of the high output they obtain with milk and cheese. On the contrary, sheep meat specialists are more sensitive to any decoupling because coupled payments represent a high share of their margin. In France, 20% of the 'meat' ewes owned by the specialist producers may be affected by a full decoupling, while only 5% of the ewes would be in Spain.

Annex 1: Impact of the suppression of the coupled payments on the margin over variable costs on FADN specialised COP farms in Spain and France

	Spain				France			
Evolution of the margin with and without coupled payments:	**Negative** Margin with & without DP	**Positive** Margin with DP and **Negative** without	**Positive** Margin with & without DP	Total	**Negative** Margin with & without DP	**Positive** Margin with DP and **Negative** without	**Positive** Margin with & without DP	Total
Number of holdings	5 100	6 000	84 400	95 500	9 200	8 300	49 200	66 700
Avg labour per farm in AWU	1.2	0.9	1.0	1.0	1.3	1.4	1.4	1.4
Total labour in AWU	6 217	5 048	83 323	94 588	11 479	11 167	70 657	93 304
Specialisation Rate - % output	92%	89%	82%	83%	79%	79%	78%	79%
% area covered by specialised COP FADN farms vs Total FSS	57%				72%			
Avg UAA of the holding in ha	79.4	46.9	68.0	67.3	68.1	102.3	116.1	107.8
Avg COP area in ha	**62.4**	**36.4**	**49.2**	**49.2**	**51.4**	**81.1**	**97.8**	**89.3**
-wheat	9.0	4.0	8.9	8.6	14.4	25.7	38.2	33.4
-barley	37.7	19.6	24.9	25.2	4.4	9.2	14.3	12.3
-grain maize	1.0	0.4	3.6	3.3	13.6	11.6	14.5	14.1
-durum wheat	4.3	4.6	4.3	4.3	2.4	7.7	4.2	4.4
-peas, sweat beans, lupins	0.4	0.1	0.6	0.6	1.9	3.0	4.8	4.2
-sunflower	9.9	6.8	4.3	4.8	6.4	9.2	6.2	6.6
-rape	0.0	0.0	0.0	0.0	5.0	10.2	13.3	11.8
-other COP	0.2	0.8	2.6	2.4	3.3	4.5	2.3	2.7
Total COP area in ha	321 000	217 000	4 158 000	4 696 000	472 000	673 000	4 812 000	5 956 000
Share of area by Margin Class	7%	5%	89%	100%	8%	11%	81%	100%
Share of holdings by Margin Class	5%	6%	88%	100%	14%	12%	74%	100%
Avg COP yield in t/ha	2.2	2.3	3.5	3.4	6.3	6.1	7.3	7.1
Avg COP price in €/t	125	130	129	129	120	136	135	134
COP OUTPUT in €/ha	**276**	**292**	**452**	**432**	**581**	**615**	**780**	**745**
COP direct payments in €/ha	**51**	**58**	**55**	**55**	**87**	**97**	**93**	**93**
Specific COP costs in €/ha	214	190	162	167	434	394	365	373
Farming overheads in €/ha	101	84	63	67	300	229	188	202
Wages in €/ha	87	42	12	19	39	35	25	27
Total Variable Costs in €/ha	**402**	**315**	**237**	**252**	**774**	**658**	**578**	**602**
Total Costs in €/ha	516	396	313	331	1043	943	903	918
MARGIN over Variable Costs WITH coupled payments in €/ha	**-75**	**34**	**269**	**235**	**-105**	**55**	**295**	**237**
% COP payments / Margin		168%	20%	23%		177%	32%	39%
MARGIN over Variable Costs WITHOUT coupled payments in €/ha	**-126**	**-23**	**214**	**180**	**-192**	**-42**	**202**	**143**
COP OUTPUT in €/farm	17 207	10 602	22 250	21 252	29 851	49 908	76 215	66 562
COP VARIABLE COSTS in €/farm	25 089	11 455	11 693	12 398	39 736	53 351	56 465	53 775
COP MARGIN over Var. Costs WITH coupled payments in €/farm	-4 687	1 252	13 264	11 549	-5 404	4 465	28 884	21 128
COP coupled payments in €/farm	3 194	2 105	2 706	2 695	4 482	7 908	9 134	8 341
COP MARGIN over Var. Costs WITHOUT coupled payments in €/farm	-7 881	-854	10 558	8 854	-9 886	-3 443	19 750	12 787

Source: DG AGRI EU FADN

Annex 2: Detailed calculation of the Margin over variable costs per crop on FADN specialised farms in Spain and France

	COP		Wheat		Barley	Maize		Durum Wheat	
	Spain	**France**	**Spain**	**France**	**Spain**	**Spain**	**France**	**Spain**	**France**
Spec. Rate sample	*50%*	*50%*	*50%*	*50%*	*50%*	*50%*	*50%*	*40%*	*40%*
Costs in €/ha:									
Fertilisers	66	133	79	134	68	159	195	51	119
Crop protection	17	128	17	155	11	52	112	21	129
Seeds	42	67	33	46	29	169	138	52	101
Machinery	21	64	25	67	23	40	102	15	87
Fuel and energy	35	47	36	41	35	79	99	30	52
Water	8	9	22	0	9	72	37	19	0
Contract work	30	45	28	41	26	76	117	29	61
Other costs	14	83	18	85	14	28	135	17	108
Wages	19	27	11	28	18	34	55	24	21
Total Var. Costs	**252**	**602**	**251**	**598**	**227**	**709**	**990**	**240**	**678**
Rent	42	98	46	112	40	68	110	45	132
Interests	3	32	2	39	2	14	42	3	33
Depreciation	34	186	41	197	34	89	277	24	213
Total Costs	**331**	**918**	**340**	**946**	**302**	**880**	**1 418**	**312**	**1 056**
Price €/ha	129	134	130	105	117	131	125	148	147
Yield in t/ha	3.4	7.1	3.4	7.2	3.1	10.9	9.3	2.8	5.3
Output in €/ha	**432**	**745**	**438**	**759**	**358**	**1 426**	**1 163**	**412**	**780**
Margin over variable costs WITHOUT DP in €/ha	**180**	**143**	**186**	**161**	**131**	**717**	**173**	**171**	**101**

Source: DG AGRI EU FADN

Annex 3_1: Detailed calculation of the Margin over variable costs for FADN specialist breeders per LFA class and Margin class

CATTLE BREEDERS	BE						ES								
	Non LFA	LFA	LFA	LFA & Non LFA	LFA & Non LFA	LFA & Non LFA	Non LFA	Non LFA	LFA	LFA	LFA	LFA & Non LFA	LFA & Non LFA	LFA & Non LFA	LFA & Non LFA
Margin over variable costs with and without coupled DP	Total	Margin > 0 with and without DP	Total	**Margin > 0 with DP and < 0 without DP**	Margin > 0 with and without DP	Total	Margin > 0 with and without DP	Total	**Margin > 0 with DP and < 0 without DP**	Margin > 0 with and without DP	Total	Margin < 0 with and without DP	**Margin > 0 with DP and < 0 without DP**	Margin > 0 with and without DP	Total
Farms represented	1 200	2 000	2 200	200	3 000	3 400	2 700	3 200	1 100	22 200	24 300	1 400	1 300	24 900	27 600
Total Labour in AWU	1 490	2 833	3 078	314	4 131	4 568	4 433	5 404	1 378	26 638	29 567	2 328	1 572	31 071	34 971
beef specialisation - % output	**80%**	**93%**	**92%**	**76%**	**90%**	**88%**	**87%**	**86%**	**87%**	**88%**	**88%**	**92%**	**85%**	**88%**	**88%**
average UAA - ha	36	58	59	52	51	51	105	91	54	53	52	23	52	59	57
forage crops - ha	28	54	54	44	45	45	105	90	47	49	48	20	44	55	53
stocking density - LU/ha	2.51	1.92	1.90	1.86	2.04	2.03	0.30	0.55	0.79	0.66	0.68	3.53	0.81	0.59	0.65
cattle (male and female) < 1 year sold - heads	12	23	23	17	19	19	30	33	20	23	23	33	19	24	24
male cattle 1-2 years sold - heads	9	7	7	6	8	8	0	0	1	0	0	0	1	0	0
avg number of suckler cows - heads	**41**	**59**	**59**	**50**	**53**	**53**	**36**	**52**	**33**	**32**	**32**	**63**	**33**	**33**	**34**
total suckler cows	**48 000**	**121 000**	**131 000**	**12 000**	**162 000**	**178 000**	**99 000**	**169 000**	**38 000**	**717 000**	**777 000**	**88 000**	**42 000**	**816 000**	**946 000**
share of cows per LFA & Margin class	**27%**	**68%**	**73%**	**7%**	**91%**	**100%**	**10%**	**18%**	**4%**	**76%**	**82%**	**9%**	**4%**	**86%**	**100%**
selling price cattle < 1 year - €/head	827	962	945	737	938	919	888	891	614	781	773	829	636	796	792
selling price male cattle 1-2 year - €/head	1 463	1 390	1 359	1 110	1 427	1 402	679	679	821	797	799	557	821	779	782
Output and costs per cow in €/cow															
TOTAL BEEF OUTPUT	**1 187**	**1 132**	**1 091**	**714**	**1 160**	**1 117**	**819**	**1 048**	**513**	**698**	**689**	**1 243**	**507**	**713**	**753**
beef coupled payments	246	261	262	268	257	258	213	140	203	203	201	56	203	204	190
of which Suckler Cow Premium	246	261	262	268	257	258	183	114	185	178	177	32	185	179	165
feed	388	322	320	324	338	339	259	339	306	233	242	456	309	236	260
animal purchase	84	88	87	96	84	87	25	301	91	38	44	592	84	36	90
other sp. Livestock costs	134	141	140	122	140	138	25	30	52	34	36	45	54	33	35
farming overheads	264	189	192	251	207	211	48	97	130	66	75	198	126	64	79
wages	1	2	4	12	2	3	17	101	9	8	8	179	8	9	25
TOTAL VARIABLE COSTS	**872**	**743**	**744**	**804**	**771**	**778**	**375**	**869**	**588**	**378**	**405**	**1 470**	**581**	**377**	**488**
rent	89	67	68	72	74	73	11	8	33	27	27	5	36	25	23
depreciation	164	168	167	165	167	166	42	36	114	46	52	53	106	45	49
interests	102	91	90	87	95	93	2	9	11	4	4	20	10	3	5
TOTAL INPUT	**1 227**	**1 069**	**1 068**	**1 128**	**1 107**	**1 111**	**430**	**922**	**746**	**454**	**488**	**1 548**	**732**	**451**	**566**
Margin Over Variable costs per cow in €/cow															
With all coupled DP	**561**	**650**	**609**	**178**	**646**	**596**	**657**	**320**	**128**	**524**	**485**	**-171**	**129**	**540**	**456**
Share of coupled DP in the Margin	44%	40%	43%	151%	40%	43%	32%	44%	158%	39%	41%	25%	157%	38%	42%
Without EU DP	**314**	**389**	**347**	**-90**	**389**	**338**	**444**	**180**	**-75**	**321**	**284**	**-227**	**-74**	**336**	**266**
Total DP (coupled & decoupled) per farm	21 800	33 101	32 921	29 423	29 414	29 107	9 795	10 190	13 069	11 327	11 321	10 116	12 920	11 159	11 188
of which LFA & agri-environmental DP	522	2 571	2 610	2 412	1 861	1 894	0	0	1 106	708	723	455	986	630	638

Source: DG AGRI EU FADN

Annex 3_2: Detailed calculation of the Margin over variable costs for FADN specialist breeders per LFA class and Margin class

CATTLE BREEDERS	FR											AT		PT			
	Non LFA	Non LFA	Non LFA	LFA	LFA	LFA	LFA	LFA & Non LFA	LFA & Non LFA	LFA & Non LFA	LFA & Non LFA	LFA	LFA	LFA	LFA	LFA	LFA
Margin over variable costs with and without coupled DP	**Margin > 0 with DP and < 0 without DP**	Margin > 0 with and without DP	Total	Margin < 0 with and without DP	**Margin > 0 with DP and < 0 without DP**	Margin > 0 with and without DP	Total	Margin < 0 with and without DP	**Margin > 0 with DP and < 0 without DP**	Margin > 0 with and without DP	Total	**Margin > 0 with DP and < 0 without DP**	Total	Margin < 0 with and without DP	**Margin > 0 with DP and < 0 without DP**	Margin > 0 with and without DP	Total
Farms represented	1 000	4 500	5 700	1 400	6 700	22 300	30 500	1 700	7 700	26 800	36 200	300	900	500	1 100	4 900	6 500
Total Labour in AWU	1 229	5 853	7 469	2 004	8 986	30 488	41 478	2 391	10 215	36 341	48 947	518	1 378	764	1 437	6 212	8 413
beef specialisation - % output	**73%**	**80%**	**78%**	**83%**	**83%**	**85%**	**84%**	**80%**	**82%**	**84%**	**83%**	**68%**	**65%**	**72%**	**74%**	**76%**	**75%**
average UAA - ha	58	67	64	86	83	91	89	77	80	87	85	28	28	106	53	42	49
forage crops - ha	47	55	53	80	74	81	79	71	71	77	75	26	27	79	26	18	24
stocking density - LU/ha	1.45	1.53	1.50	0.91	0.98	1.07	1.04	0.95	1.02	1.13	1.10	1.04	1.01	0.28	0.55	0.54	0.49
cattle (male and female) < 1 year sold - heads	20	19	20	26	27	30	29	28	26	28	28	14	15	11	13	11	11
male cattle 1-2 years sold - heads	3	9	7	4	3	4	4	3	3	5	4	1	1	1	0	1	1
avg number of suckler cows - heads	**42**	**52**	**49**	**50**	**49**	**57**	**55**	**46**	**48**	**56**	**54**	**23**	**23**	**25**	**20**	**16**	**17**
total suckler cows	**41 000**	**230 000**	**280 000**	**70 000**	**330 000**	**1 277 000**	**1 677 000**	**80 000**	**371 000**	**1 507 000**	**1 957 000**	**8 000**	**21 000**	**14 000**	**22 000**	**77 000**	**113 000**
share of cows per LFA & Margin class	**2%**	**12%**	**14%**	**4%**	**17%**	**65%**	**86%**	**4%**	**19%**	**77%**	**100%**	**35%**	**97%**	**12%**	**19%**	**68%**	**99%**
selling price cattle < 1 year - €/head	695	695	707	686	755	781	772	716	749	771	764	723	697	441	469	540	518
selling price male cattle 1-2 year - €/head	1 017	1 178	1 165	974	974	1 050	1 034	973	980	1 087	1 068	969	857	572	586	810	776
Output and costs per cow in €/cow																	
TOTAL BEEF OUTPUT	**936**	**1 003**	**1 007**	**622**	**749**	**929**	**881**	**716**	**770**	**940**	**899**	**706**	**685**	**410**	**525**	**695**	**627**
beef coupled payments	274	260	261	226	255	245	246	224	257	247	248	283	260	121	226	190	189
of which Suckler Cow Premium	258	242	243	221	243	234	235	218	245	235	236	261	238	114	213	181	179
feed	292	272	278	336	304	250	264	339	303	253	266	135	122	228	271	174	200
animal purchase	220	87	124	88	91	69	74	148	105	72	81	109	83	117	113	100	105
other sp. Livestock costs	78	54	59	80	57	58	59	83	59	58	59	91	80	38	35	26	29
farming overheads	405	338	358	444	373	306	325	466	376	311	329	441	372	191	164	128	143
wages	23	10	14	24	19	13	15	29	19	13	14	45	35	56	38	20	28
TOTAL VARIABLE COSTS	**1 019**	**762**	**833**	**972**	**844**	**695**	**736**	**1 065**	**863**	**706**	**750**	**821**	**691**	**631**	**620**	**449**	**504**
rent	71	90	87	89	78	89	87	89	77	89	87	42	47	15	22	21	21
depreciation	163	201	195	209	225	231	229	207	219	227	224	332	334	148	157	134	140
interests	62	43	48	31	38	34	35	39	41	36	37	136	71	5	13	5	7
TOTAL INPUT	**1 314**	**1 097**	**1 164**	**1 301**	**1 186**	**1 050**	**1 087**	**1 399**	**1 200**	**1 057**	**1 098**	**1 330**	**1 142**	**800**	**812**	**609**	**672**
Margin Over Variable costs per cow in €/cow																	
With all coupled DP	**191**	**501**	**434**	**-124**	**160**	**478**	**390**	**-125**	**163**	**482**	**397**	**168**	**255**	**-100**	**130**	**441**	**314**
Share of coupled DP in the Margin	143%	52%	60%	65%	160%	51%	63%	64%	157%	51%	63%	169%	102%	55%	173%	43%	60%
Without EU DP	**-83**	**240**	**174**	**-350**	**-95**	**234**	**145**	**-349**	**-94**	**235**	**149**	**-115**	**-6**	**-221**	**-95**	**251**	**126**
Total DP (coupled & decoupled) per farm	23 010	27 522	26 347	33 419	34 050	36 052	35 489	30 883	32 670	34 635	34 039	33 636	32 672	10 048	12 740	9 132	9 804
of which LFA & agri-environmental DP	1 107	2 045	1 924	9 551	8 526	7 617	7 907	8 230	7 599	6 691	6 957	18 716	18 351	3 432	3 466	2 812	2 972

Source: DG AGRI EU FADN

Annex 4: Detailed calculation of the Margin over variable costs for FADN specialist breeders & fatteners by LFA class and Margin class

CATTLE BREEDERS & FATTENERS	BE					ES		FR								PT	SE				
	Non LFA	Non LFA	LFA	LFA & Non LFA	LFA & Non LFA	LFA	LFA & Non LFA	Non LFA	Non LFA	LFA	LFA	LFA	LFA & Non LFA	LFA & Non LFA	LFA & Non LFA	LFA & Non LFA	LFA	LFA	LFA & Non LFA	LFA & Non LFA	LFA & Non LFA
Margin over variable costs with and without coupled direct payments (DP)	Margin > 0 with and without coupled DP	Total	Total	Margin > 0 with and without coupled DP	Total	Total	Total	Margin > 0 with and without coupled DP	Total	**Margin > 0 with c. DP and < 0 without coupled DP**	Margin > 0 with and without coupled DP	Total	**Margin > 0 with c. DP and < 0 without coupled DP**	Margin > 0 with and without coupled DP	Total	Total	Margin < 0 with and without coupled DP	Total	Margin < 0 with and without coupled DP	Margin > 0 with and without coupled DP	Total
Farms represented	800	800	200	1 000	1 100	400	500	2 900	3 400	800	3 100	4 000	1 200	6 000	7 400	900	500	800	600	300	1 000
Total Labour in AWU	1 214	1 291	322	1 504	1 612	532	798	4 133	4 858	1 252	4 868	6 310	1 842	9 001	11 167	1 692	656	994	806	310	1 241
beef specialisation - % output	**76%**	**75%**	**81%**	**77%**	**76%**	**96%**	**97%**	**77%**	**76%**	**78%**	**83%**	**82%**	**76%**	**80%**	**79%**	**73%**	**67%**	**71%**	**68%**	**76%**	**71%**
average UAA - ha	52	53	84	59	59	23	19	71	70	98	111	109	84	91	91	23	93	87	96	78	88
forage crops - ha	35	35	67	42	42	20	17	53	52	84	93	91	70	73	73	17	75	71	75	63	70
stocking density - LU/ha	3.43	3.42	2.15	3.03	3.01	2.13	2.19	1.91	1.87	1.33	1.41	1.39	1.44	1.59	1.55	0.81	0.69	0.73	0.70	0.92	0.76
cattle (male and female) < 1 year sold - heads	6	6	7	6	6	11	14	4	4	16	12	12	11	8	9	4	17	17	18	20	18
male cattle 1-2 years sold - heads	41	41	50	44	43	12	10	28	27	25	33	31	21	31	29	9	12	15	12	16	14
avg number of suckler cows - heads	**57**	**57**	**67**	**60**	**59**	**33**	**26**	**50**	**48**	**59**	**68**	**66**	**52**	**59**	**58**	**9**	**25**	**23**	**26**	**26**	**25**
total suckler cows	**45 000**	**48 000**	**14 000**	**59 000**	**63 000**	**12 000**	**14 000**	**146 000**	**165 000**	**46 000**	**208 000**	**261 000**	**63 000**	**354 000**	**426 000**	**8 000**	**12 000**	**18 000**	**16 000**	**7 000**	**24 000**
share of cows per LFA & Margin class	**72%**	**77%**	**23%**	**94%**	**100%**	**86%**	**100%**	**34%**	**39%**	**11%**	**49%**	**61%**	**15%**	**83%**	**100%**	**100%**	**49%**	**74%**	**64%**	**28%**	**100%**
total beef cattle - LU	97 028	102 961	31 305	126 975	134 266	17 537	22 122	304 996	350 589	88 262	398 126	500 636	126 786	703 122	851 225	14 989	25 989	40 732	32 951	15 498	53 159
selling price cattle < 1 year - €/head	715	708	927	754	758	861	931	586	621	777	759	764	770	716	733	461	406	406	415	396	408
selling price male cattle 1-2 year - €/head	1 868	1 864	1 786	1 851	1 845	837	792	1 240	1 230	1 122	1 130	1 123	1 134	1 180	1 168	955	707	758	714	742	748
Output and costs per cow in €/cow																					
TOTAL BEEF OUTPUT	**2 568**	**2 564**	**2 322**	**2 510**	**2 508**	**797**	**962**	**1 322**	**1 338**	**1 090**	**1 126**	**1 117**	**1 052**	**1 207**	**1 202**	**1 225**	**1 005**	**1 325**	**972**	**1 613**	**1 232**
beef coupled payments	224	224	262	233	233	197	181	266	273	262	238	243	275	250	254	184	165	166	156	171	167
of which Suckler Cow Premium	224	224	262	233	233	171	155	234	238	242	221	225	242	226	230	160	0	0	0	0	0
beef national coupled DP																					
feed	800	804	731	781	787	319	427	398	407	428	337	358	415	362	377	496	527	575	496	573	528
animal purchase	720	751	702	712	740	50	74	157	206	186	112	128	173	130	158	192	200	278	176	246	224
other sp. Livestock costs	186	185	170	182	182	45	42	73	73	74	65	67	72	68	69	84	83	75	86	44	73
farming overheads	277	280	272	271	278	92	110	373	387	475	346	373	474	357	378	189	773	736	723	512	678
wages	6	12	4	6	10	0	0	10	12	39	21	25	35	16	20	23	41	28	50	0	32
TOTAL VARIABLE COSTS	**1 989**	**2 031**	**1 879**	**1 952**	**1 996**	**505**	**653**	**1 010**	**1 085**	**1 203**	**881**	**950**	**1 169**	**934**	**1 002**	**984**	**1 624**	**1 693**	**1 531**	**1 375**	**1 535**
TOTAL INPUT	**2 422**	**2 455**	**2 269**	**2 373**	**2 413**	**647**	**827**	**1 357**	**1 435**	**1 617**	**1 270**	**1 345**	**1 567**	**1 306**	**1 380**	**1 231**	**2 373**	**2 575**	**2 235**	**2 285**	**2 347**
Margin Over Variable costs per cow in €/cow																					
With all coupled DP	**804**	**757**	**705**	**791**	**745**	**502**	**502**	**577**	**526**	**149**	**484**	**409**	**158**	**522**	**454**	**425**	**-454**	**-202**	**-402**	**408**	**-136**
Share of coupled DP in the Margin	28%	30%	37%	29%	31%	39%	36%	46%	52%	176%	49%	59%	174%	48%	56%	43%	27%	45%	28%	42%	55%
Without EU DP	**579**	**533**	**443**	**558**	**512**	**305**	**320**	**311**	**253**	**-113**	**245**	**166**	**-117**	**273**	**200**	**241**	**-619**	**-368**	**-558**	**237**	**-304**
Total DP (coupled & decoupled) per farm	35 041	34 957	57 855	39 551	39 580	13 769	10 326	32 063	31 749	44 917	46 606	46 392	38 518	39 501	39 631	6 302	42 602	40 269	44 188	36 917	40 946
of which LFA & agri-environmental DP	843	809	3 623	1 362	1 378	744	515	806	866	7 484	7 169	7 195	5 243	4 061	4 273	1 471	18 845	15 840	18 735	10 408	15 414

Source: DG AGRI EU FADN

Annex 5: Detailed calculation of the Margin over variable costs for FADN specialist sheep & goat producers

	Sheep Milk			Goat Milk							Sheep Meat					
	ES	FR	PT	ES	ES	ES	FR	FR	FR	PT	ES	ES	ES	FR	PT	FI
	All	All	All	Non LFA	LFA	All	Non LFA	LFA	All	All	Non LFA	LFA	All	All	All	All
Farms represented - number	11 500	2 800	3 000	700	3 400	4 200	500	1 500	2 000	300	1 400	9 000	10 400	5 600	4 100	300
sheep specialisation - % output	91%	90%	87%	96%	95%	95%	86%	87%	87%	92%	95%	93%	93%	87%	87%	83%
average UAA - ha	26	82	37	11	25	22	33	51	46	32	81	57	60	88	36	32
forage crops - ha	14	69	24	2	21	18	16	44	38	21	73	47	50	79	17	26
avg number of ewes and she-goats - heads	**367**	**386**	**110**	**323**	**189**	**212**	**261**	**178**	**198**	**97**	**579**	**478**	**492**	**444**	**111**	**156**
total ewes and she-goats - heads	4 211 000	1 078 000	326 000	231 000	652 000	882 000	118 000	268 000	386 000	33 000	817 000	4 314 000	5 131 000	2 468 000	460 000	53 000
stocking density - LU/ha	1.9	0.7	0.5	4.2	0.6	0.8	1.5	0.5	0.6	0.4	0.6	0.9	0.8	0.8	0.5	0.9
lambs sold per breeding female	0.97	0.97	0.87	1.04	1.23	1.18	0.73	0.7	0.71	0.69	1.29	1.15	1.17	0.99	0.88	0.86
selling price - €/head	54	47	30	41	42	42	20	41	34	39	53	55	55	84	43	52
milk price - €/l	0.77	0.88	1.14	0.45	0.44	0.45	0.60	0.75	0.69	0.38						
milk yield - kg/breeding female	182	201	86	297	288	290	598	518	549	130						
Output and costs per ewe and she-goat present on the farm in €/ewe																
Total Sheep Output	195	230	135	169	177	175	391	305	331	68	70	73	73	90	59	67
TOTAL OUTPUT	**212**	**250**	**151**	**177**	**188**	**185**	**432**	**337**	**366**	**72**	**73**	**80**	**79**	**103**	**69**	**83**
sheep coupled DP	9	10	13	8	8	8	0	7	5	10	10	13	12	15	12	14
sheep national DP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	106
feed	60	49	39	77	77	77	113	75	86	10	31	31	31	33	15	30
other specific livestock cost	5	8	6	6	8	7	9	8	8	3	6	5	5	6	3	8
specific crop costs	3	21	11	5	1	2	22	15	17	4	1	2	2	11	7	38
farming overheads	11	76	24	11	16	15	116	120	119	10	7	7	7	42	16	84
wages	7	4	10	1	6	5	18	11	13	0	6	3	3	4	3	9
TOTAL VARIABLE COSTS	**87**	**158**	**90**	**99**	**109**	**107**	**278**	**228**	**243**	**27**	**51**	**48**	**48**	**96**	**45**	**169**
TOTAL INPUT	**97**	**242**	**126**	**107**	**119**	**116**	**355**	**312**	**325**	**45**	**55**	**55**	**55**	**135**	**66**	**229**
MARGIN OVER VARIABLE COSTS per ewe and she-goat present on the farm in €/ewe																
With coupled payments	**134**	**101**	**74**	**85**	**83**	**84**	**154**	**116**	**128**	**56**	**32**	**45**	**43**	**22**	**37**	**31**
share of EU coupled payments in the margin	7%	10%	18%	9%	10%	10%	0%	6%	4%	18%	31%	28%	28%	68%	34%	46%
Without EU coupled payments	**125**	**90**	**61**	**78**	**75**	**75**	**154**	**109**	**123**	**46**	**22**	**32**	**31**	**7**	**24**	**17**
Total DP (coupled & decoupled) per farm	9 954	24 579	5 319	7 688	3 901	4 551	6 860	11 300	10 270	3 208	12 363	14 602	14 299	30 695	4 648	39 408
of which LFA & env. payments	1 501	10 538	1 485	0	219	182	630	5 474	4 350	850	39	864	752	11 238	1 399	12 617

Source: DG AGRI EU FADN

Annex 6: Detailed calculation of the Margin over variable costs for FADN specialist sheep & goat producers. Impact of the suppression of the partial coupling on the margin

	Milk Sheep			Milk Goats			Sheep Meat						
	ES	FR	PT	ES	FR	PT	ES	ES	ES	FR	FR	FR	FR
Margin over variable costs with and without coupled subsidies	Margin > 0 with and without subsidies	Margin > 0 with and without subsidies	Margin > 0 with and without subsidies	Margin > 0 with and without subsidies	Margin > 0 with and without subsidies	Margin > 0 with and without subsidies	**Margin > 0 with subs. and < 0 without subs.**	Margin > 0 with and without subsidies	**Total**	Margin < 0 with and without subsidies	**Margin > 0 with subs. and < 0 without subs.**	Margin > 0 with and without subsidies	**Total**
Farms represented - number	11 200	2 800	2 800	3 800	1 900	300	400	9 700	10 400	1 300	1 000	3 300	5 600
Total Labour in AWU	16 106	5 074	4 743	4 992	3 284	333	578	12 656	13 801	1 940	1 417	4 616	7 973
sheep specialisation - % output	**91%**	**90%**	**88%**	**95%**	**87%**	**92%**	**96%**	**93%**	**93%**	**87%**	**87%**	**87%**	**87%**
average UAA - ha	26	82	36	20	47	26	35	62	60	79	85	92	88
forage crops - ha	14	69	24	14	38	14	30	51	50	73	78	82	79
avg number of ewes and she-goats - heads	**370**	**386**	**107**	**215**	**196**	**94**	**576**	**478**	**492**	**423**	**477**	**442**	**444**
total ewes and she-goats - heads	4 156 000	1 070 000	300 000	810 000	367 000	30 000	245 000	4 640 000	5 131 000	556 000	471 000	1 441 000	2 468 000
share of ewes per margin class	**99%**	**99%**	**92%**	**92%**	**95%**	**91%**	**5%**	**90%**	**100%**	**23%**	**19%**	**58%**	**100%**
stocking density - LU/ha	1.9	0.7	0.5	0.9	0.6	0.5	1.5	0.8	0.8	0.8	0.9	0.8	0.8
lambs sold per breeding female	0.97	0.97	0.89	1.22	0.71	0.74	1.05	1.18	1.17	0.77	0.82	1.14	0.99
selling price - €/head	54	48	30	42	35	39	52	55	55	81	82	85	84
milk price - in €/l	0.77	0.88	1.13	0.45	0.70	0.38							
Output and costs per ewe and she-goat present on the farm in €/ewe													
Total Sheep Output	189	231	39	100	171	18	85	93	93	65	81	126	104
TOTAL OUTPUT	**205**	**251**	**44**	**106**	**188**	**19**	**89**	**101**	**101**	**76**	**94**	**143**	**119**
sheep coupled payments	8	10	4	5	3	3	20	15	16	15	19	18	17
sheep national payments	0	0	0	0	0	0	0	0	0	0	0	0	0
feed	57	49	10	40	43	3	57	38	40	36	33	40	38
other specific livestock cost	5	8	2	4	4	1	10	5	6	6	5	8	7
specific crop costs	3	21	3	1	9	1	2	2	3	10	11	14	12
farming overheads	10	76	7	6	58	2	13	8	9	55	48	45	48
wages	6	4	3	2	7	0	15	3	4	8	5	3	5
TOTAL VARIABLE COSTS	**83**	**158**	**24**	**53**	**120**	**7**	**97**	**56**	**62**	**115**	**103**	**110**	**110**
TOTAL INPUT	**92**	**243**	**35**	**58**	**162**	**11**	**105**	**65**	**70**	**158**	**147**	**158**	**156**
MARGIN OVER VARIABLE COSTS per ewe and she-goat present on the farm in €/ewe													
With coupled payments	**136**	**102**	**82**	**102**	**139**	**61**	**8**	**48**	**43**	**-22**	**8**	**44**	**22**
share of EU coupled payments in the margin	6%	10%	4%	4%	2%	4%	252%	32%	36%		233%	41%	78%
Without EU coupled payments	**127**	**91**	**69**	**94**	**133**	**51**	**-5**	**35**	**31**	**-35**	**-7**	**28**	**7**
Total payments (coupled & decoupled) per farm	9 989	24 579	5 067	4 614	10 054	3 207	17 047	13 977	14 299	32 033	33 248	29 381	30 695
of which LFA & env. payments	1 523	10 536	1 402	170	4 246	862	1 077	741	752	14 206	14 248	9 128	11 238

Source: DG AGRI EU FADN