

Household economics for Danish farm families

25th Pacioli workshop, Elsinore (Helsingør) – Denmark
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Economics for Danish farm families

- Most Danish farm returns are from holdings with one owner and include private economy for the farmer and his family
- Information on personal income and expenses
 - Wages, pensions etc
 - Income tax and private consumption
- Information on personal assets and related debt
 - Eg. dwelling
 - We do not have information on savings for retirement
- All accounts are balanced

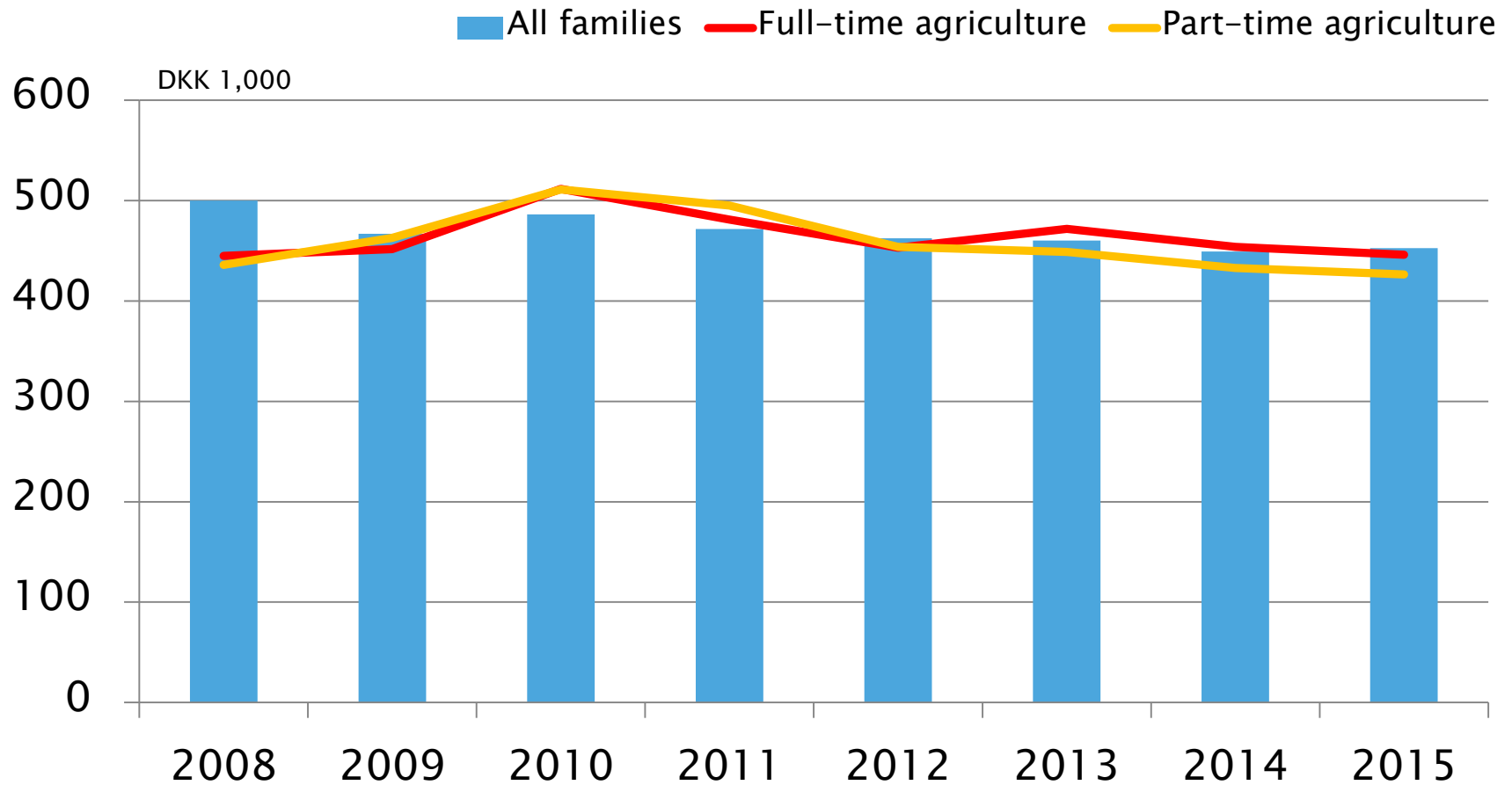


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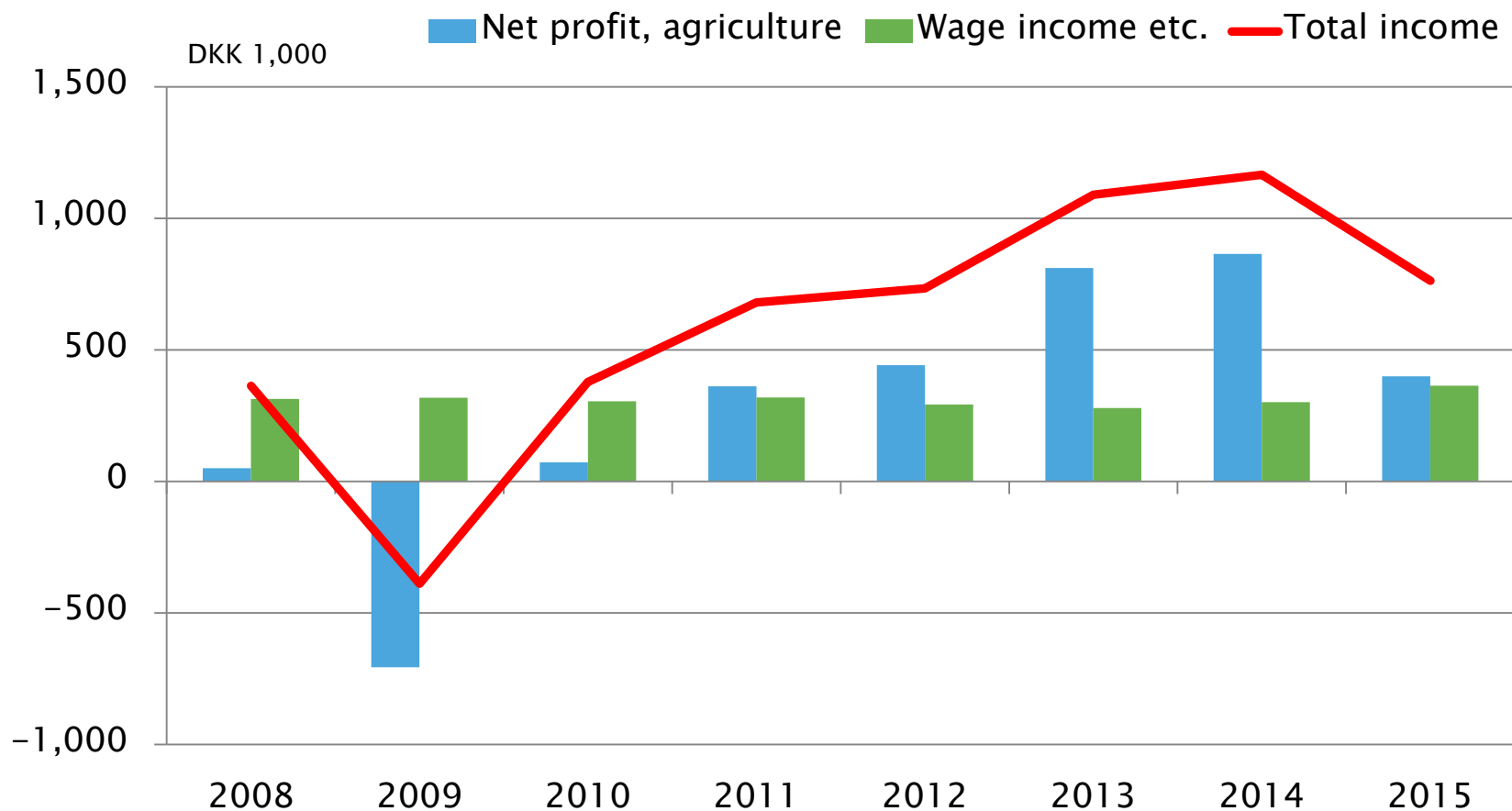
- Analysis based on farm returns from holdings with 2 adults and 1-3 children from 2008 to 2015
- Full time holdings with dairy, pigs, crops and furred animals
- Part-time holdings as one group
- Division according to ratio on debt (more or less than 80 per cent) where it is possible.
- On average, holdings with more than 80 per cent debt are larger and the holder younger than if debt are less than 80 per cent.



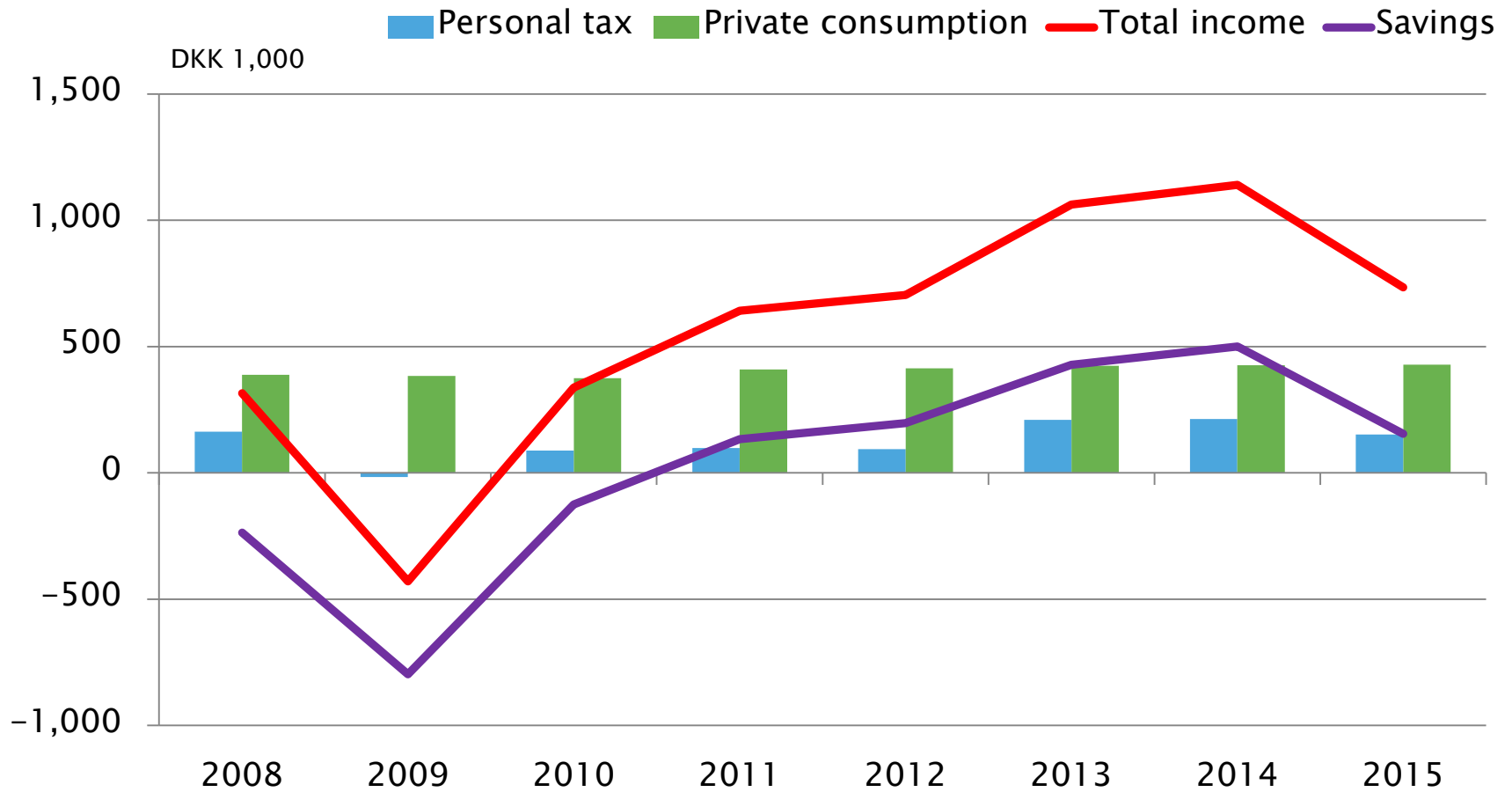
Private consumption for all families with children compared to full-time and part-time farm families with children



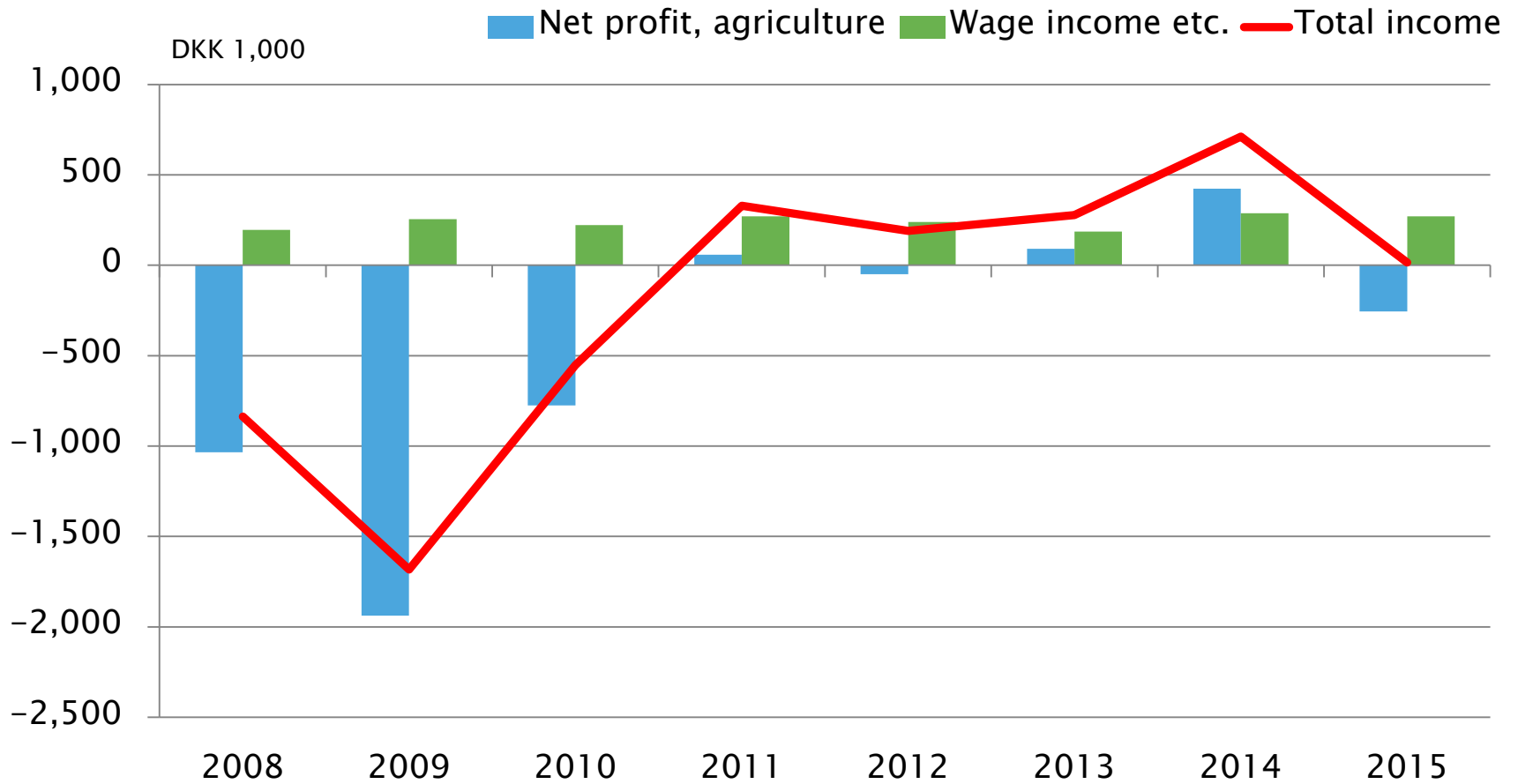
Income for dairy farm families, debt ratio less than 80 per cent



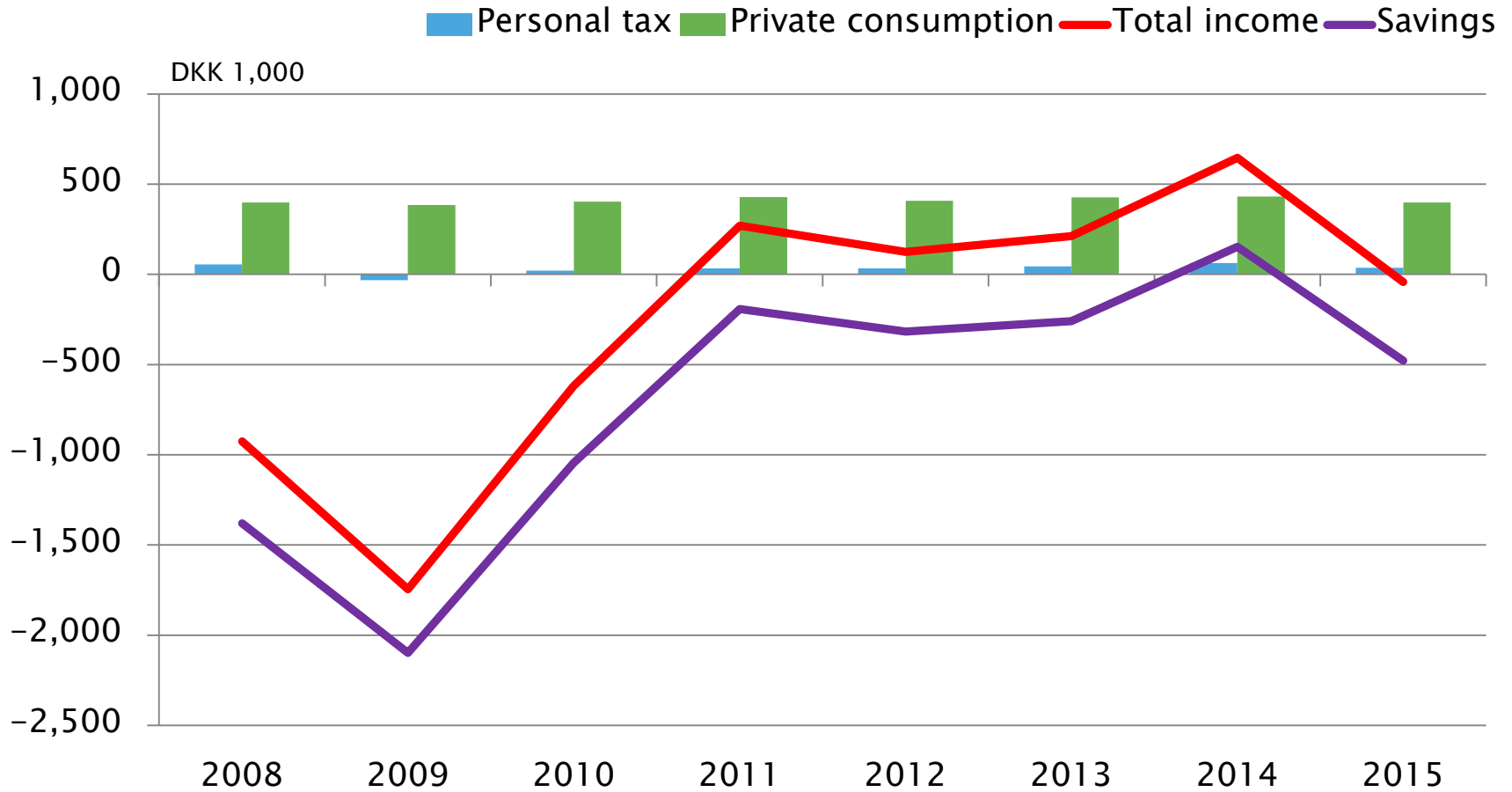
Income, expenses and savings for dairy farm families, debt ratio less than 80 per cent



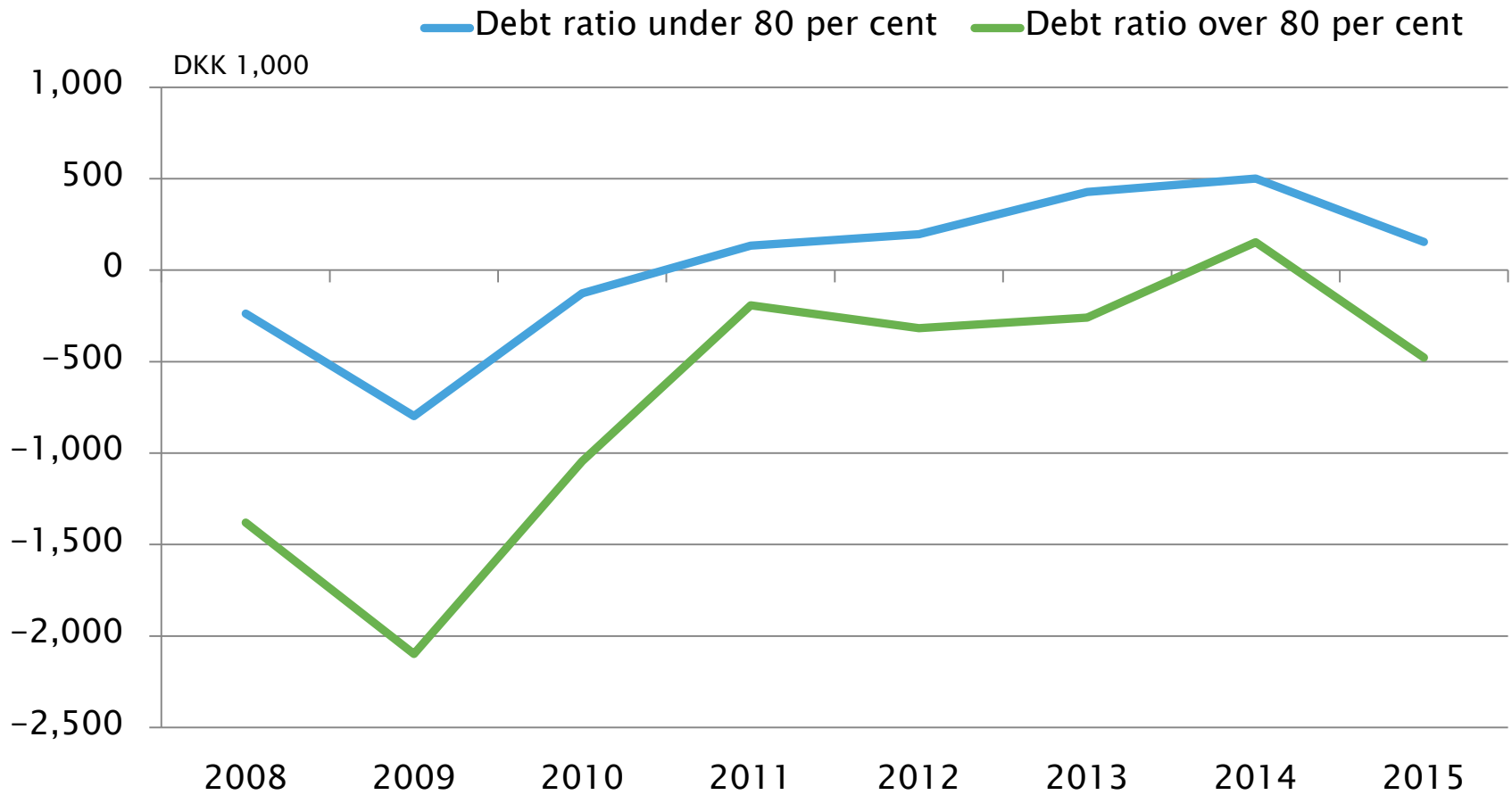
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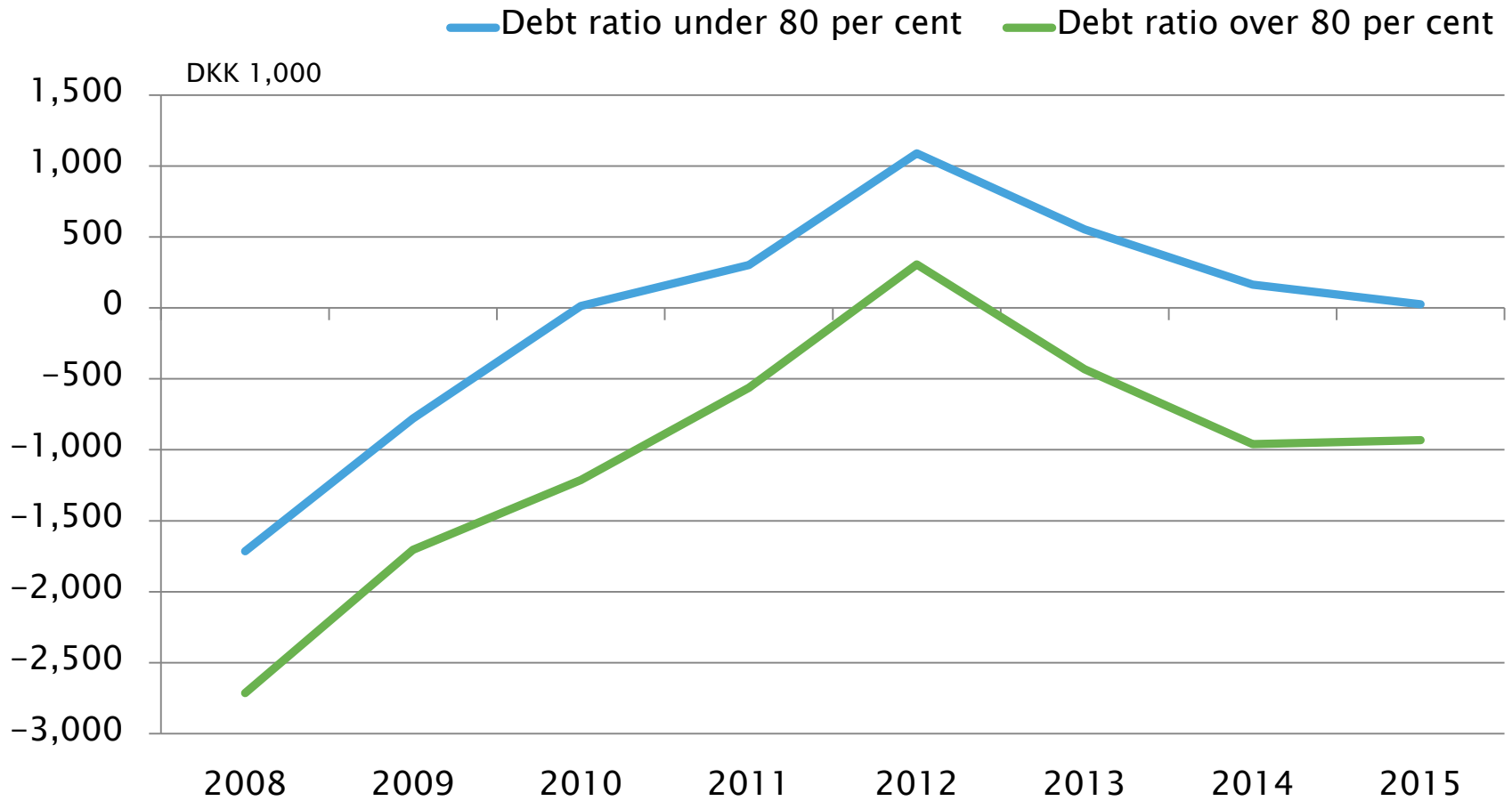
Income, expenses and savings for dairy farm families, debt ratio more than 80 per cent



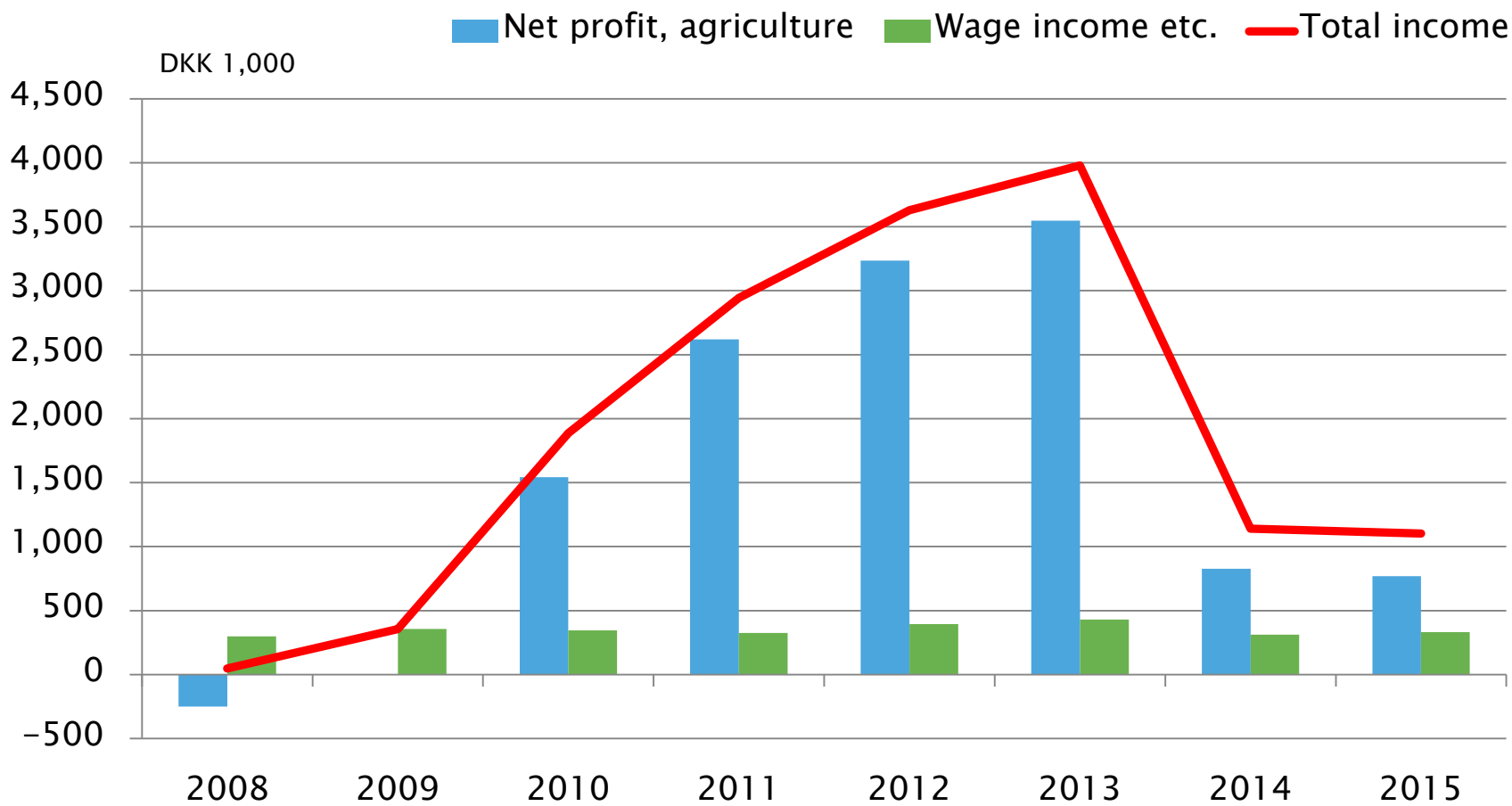
Annual savings for dairy farm families



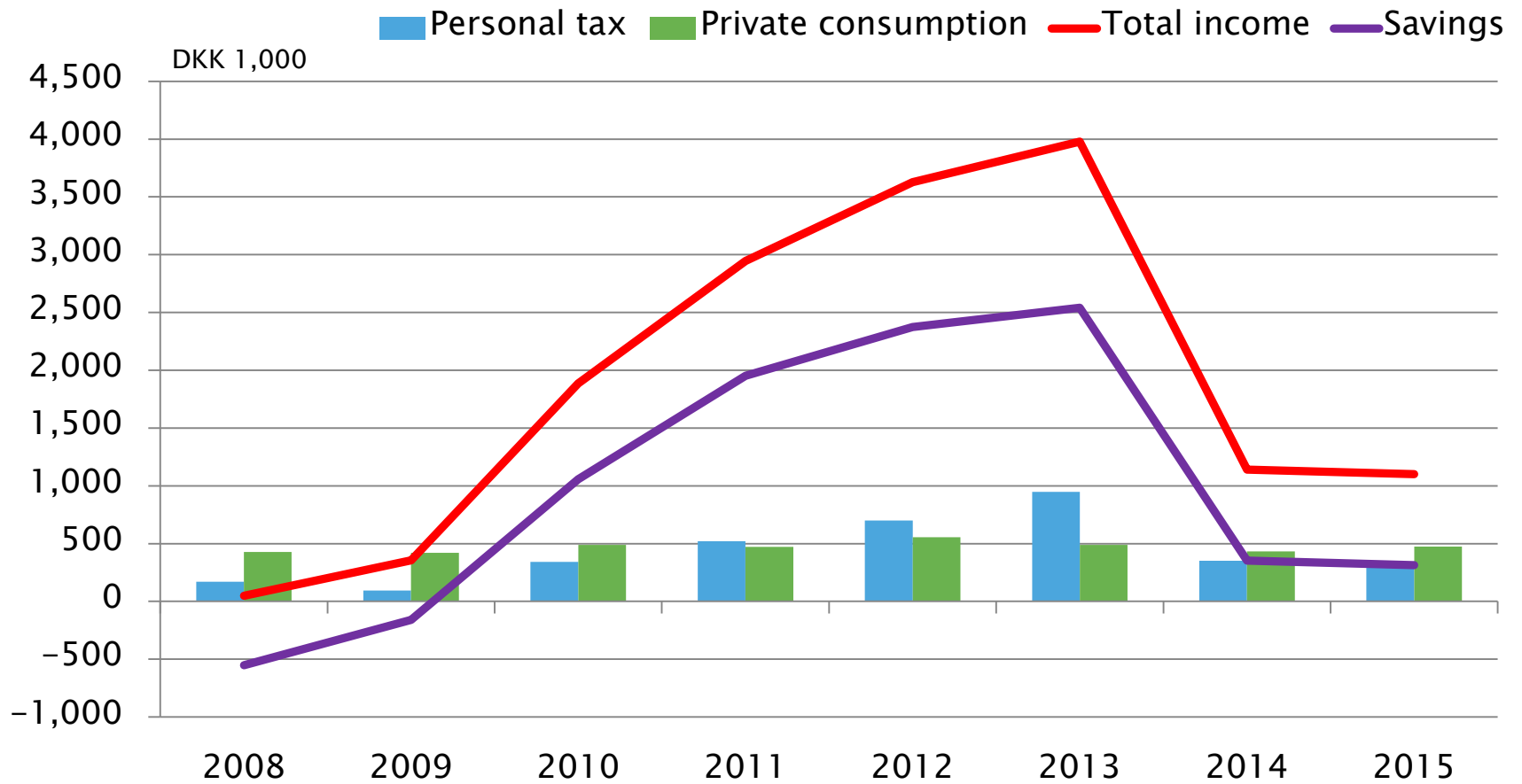
Annual savings for pig farm families



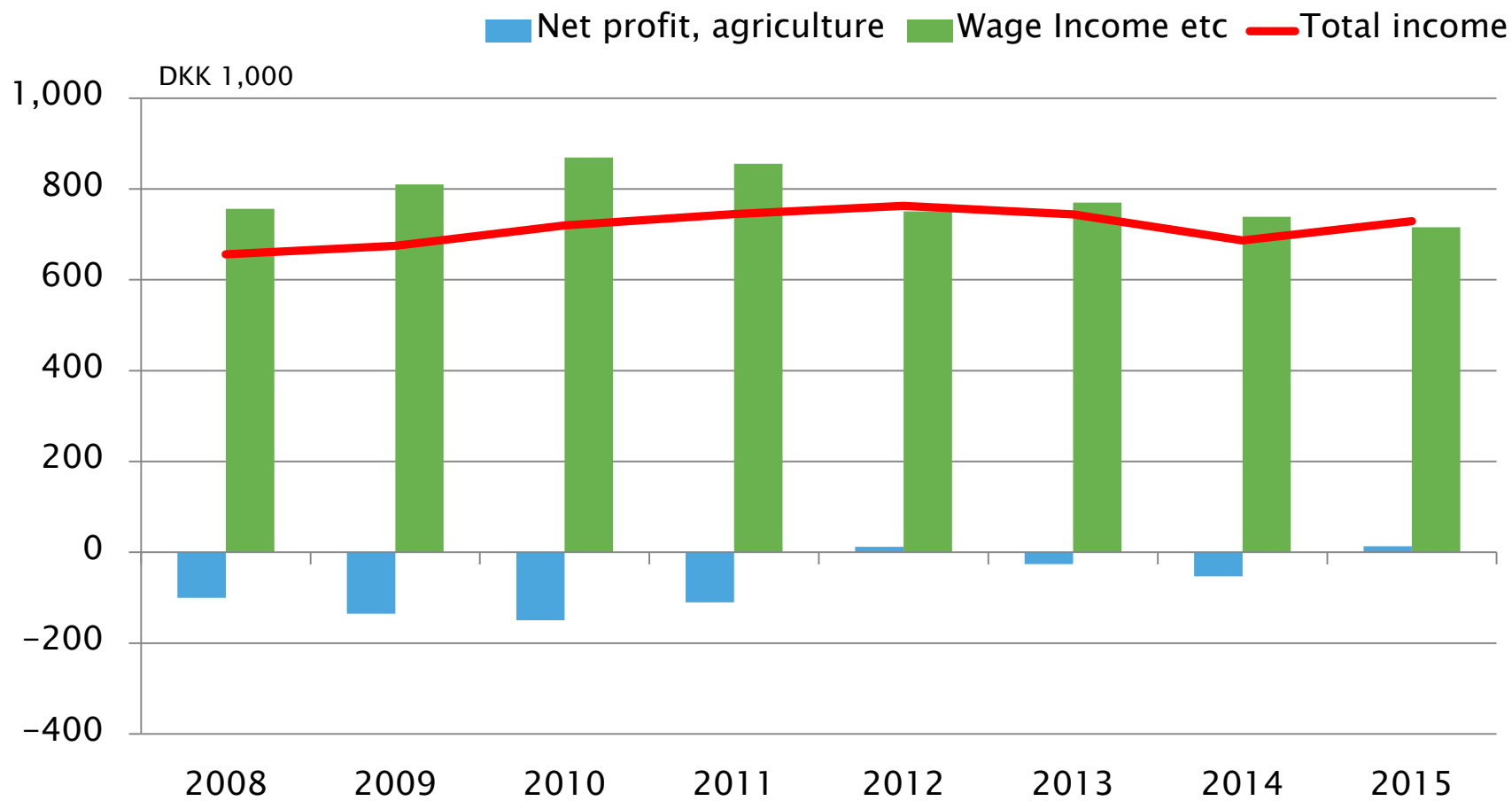
Income for fur farm families



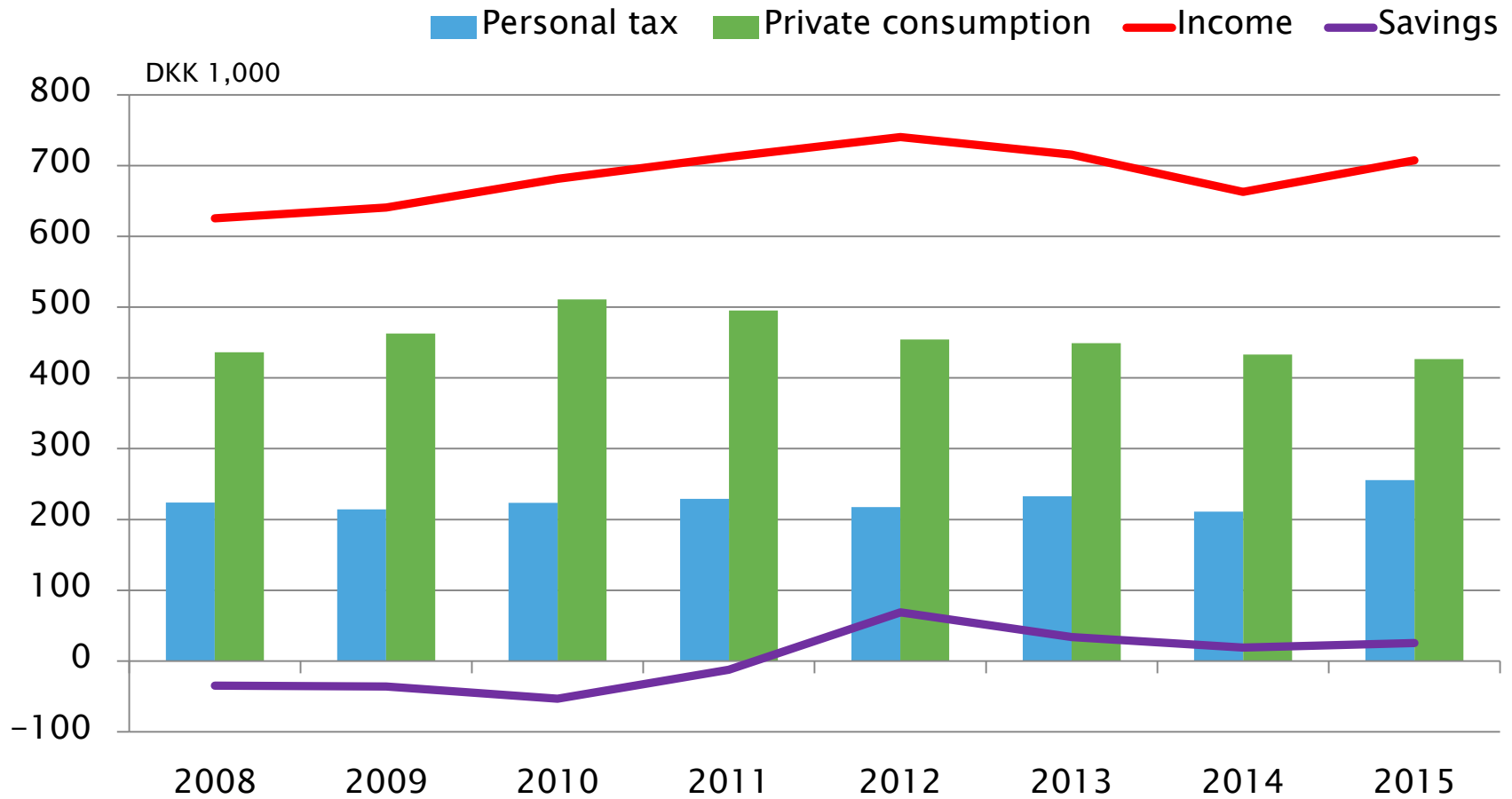
Income, expenses and savings for fur farm families



Income for part-time farm families



Income, expenses and savings for part-time farm families



Conclusions

- The private consumption for the farm families is similar to other families with children
- Full-time dairy and pig farm families with debt ratio less than 80 per cent have had positive savings since 2010
- Full-time dairy and pig farm families with debt ratio more than 80 per cent have had one year with positive savings from 2008 to 2015
- Full-time fur farm families have had positive savings since 2009. In spite of a much higher income, the private consumption was only slightly higher, but the savings much higher.



Conclusions

- Part-time farm families have a rather stable income and private consumption. Savings (from income) are (on average) insignificant
- Private consumption for farm families changes only little even with large fluctuations in net profit from agriculture
- A large part of the farms with the highest level of debts ratios will probably never earn enough to paid of their debts on their own.

