

Value Added in Norwegian Agriculture

-Analyses based on data from the Farm Business Survey

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Agenda

- Introduction
- Definitions and data sources
- Value added and employment in agriculture
- Value added and employment in other gainful activities
- Summary

Introduction

- There is demand for this type of information
- Customers: County Administration, The Farmers Union and others interested in the agricultural sector
- NILF has access to data to do the calculations
- Started 15 years ago, more frequently the latest five years

Value added in agriculture and other businesses based on farm resources

- NILF: Agriculture and other gainful activities, Partners: Industry and multiplier effects
- Forestry is often presented, but with external data
- For agriculture and other gainful activities (OGA) we use the Farm Business Survey
 - Agriculture: Combined with data from the grant register
 - OGA: Combined with data from Statistics Norway

Value added as Gross Product

Definition of Gross Product

Total output
+ Value of family labour,
investments
- Total costs, ex. depreciations
+ Cost hired labour
+ Cost rented land
= Gross Product
- depreciations
= Net product

Gross Product covers

- All employment
- Depreciations
- Interest on investments

Data sources

- Number of animals and acreage from The Norwegian Agricultural Authority
- Economic data and employment from the main productions from FBS
- For less important types of farming, we use other calculations and informants
- For forestry: Statistics Norway and local data bases
- For OGA: The Agricultural Census from 2010 giving frequency, and economic data from FBS

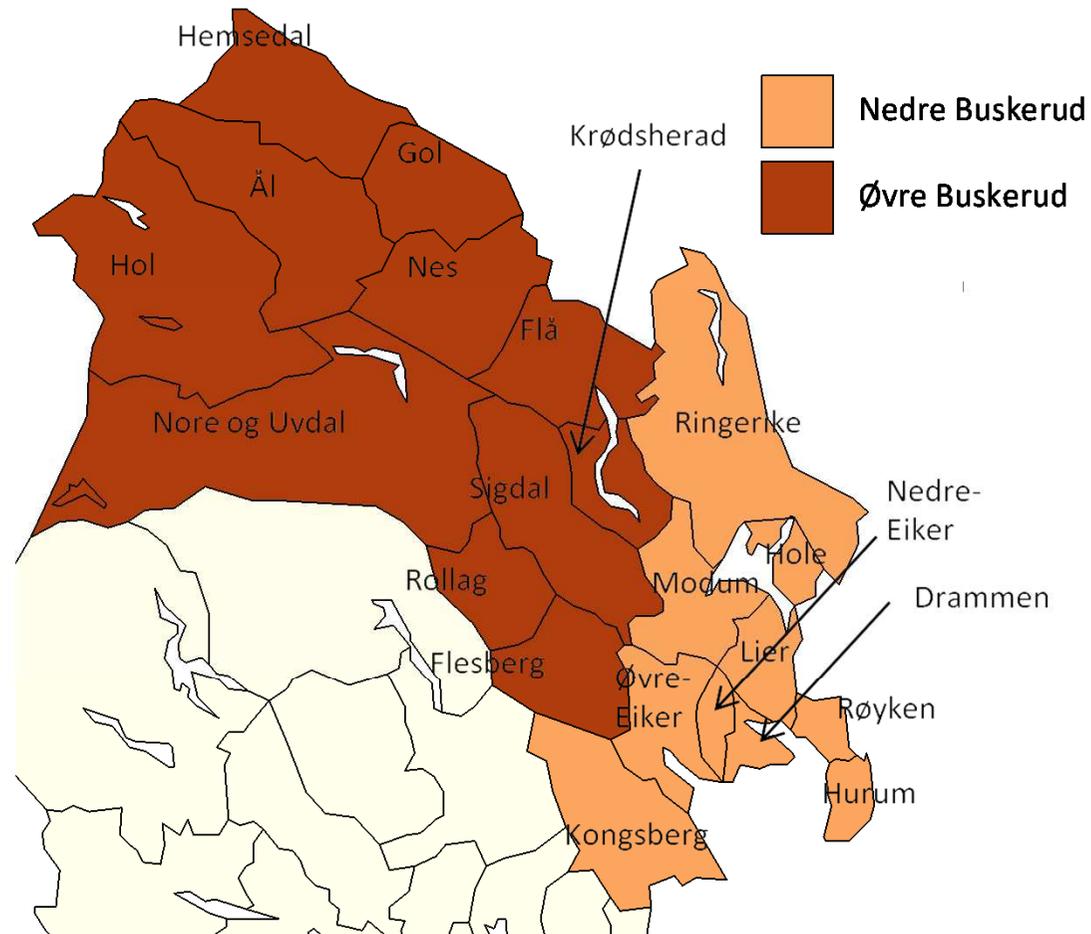
Model

- Define groups of observations with as little as possible of side productions
- Find the value added per unit
- Find the employment per unit
- Control with known payments of grants
- Multiplying and summing up

Other gainful activities

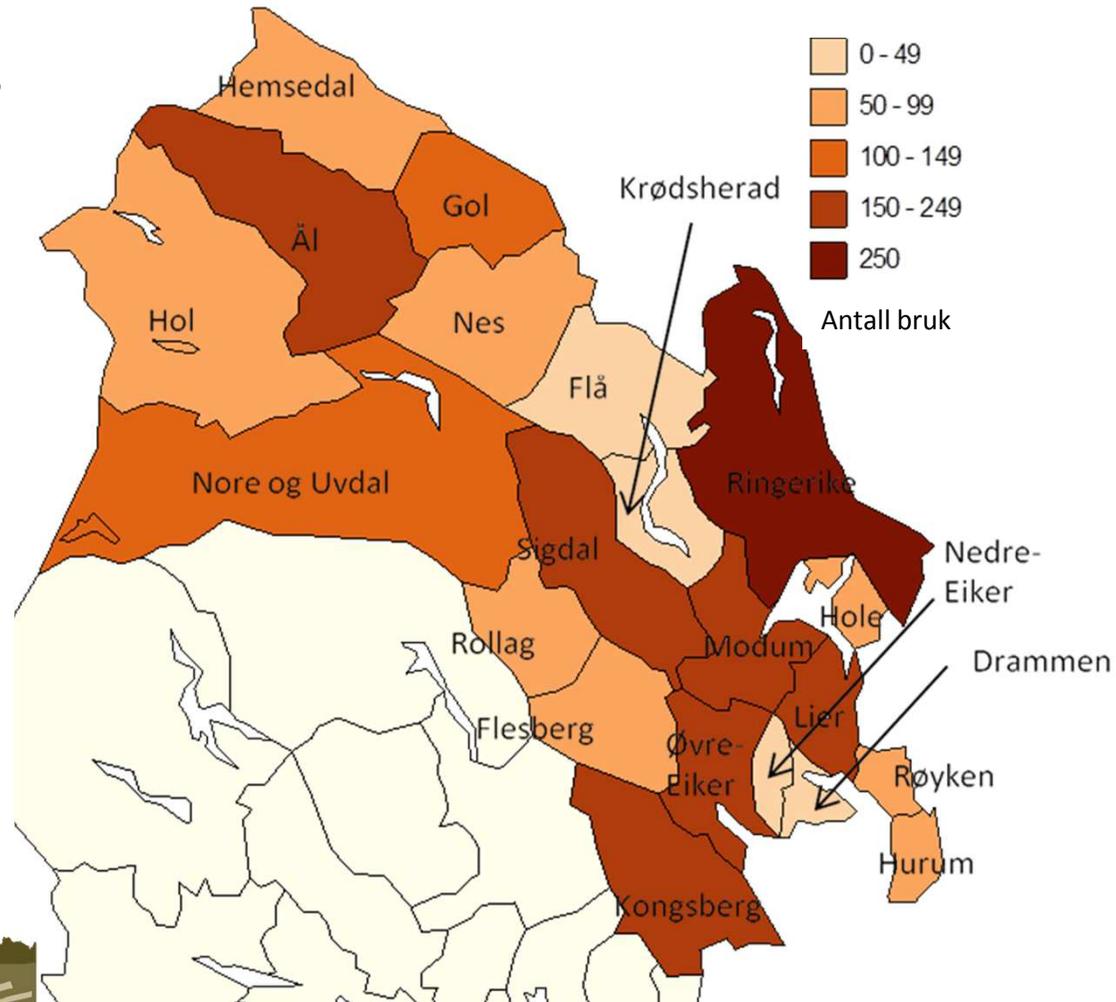
- Definition: Business in addition to ordinary agriculture or forestry where resources from the farm (area, buildings, machinery,...) are used.
- Does not include human resources

One County – two Regions



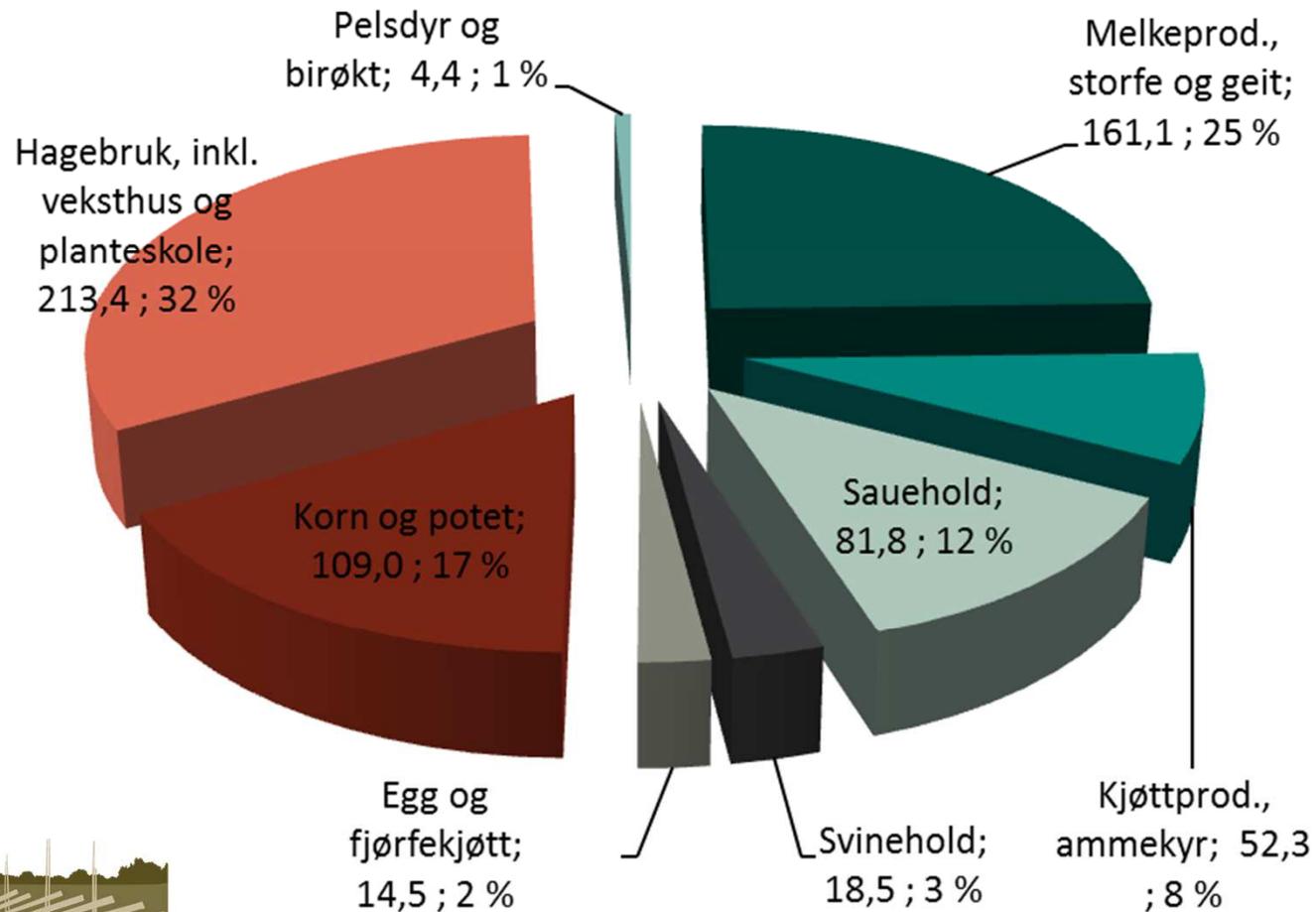
Example illustration

Total 2 361 farms

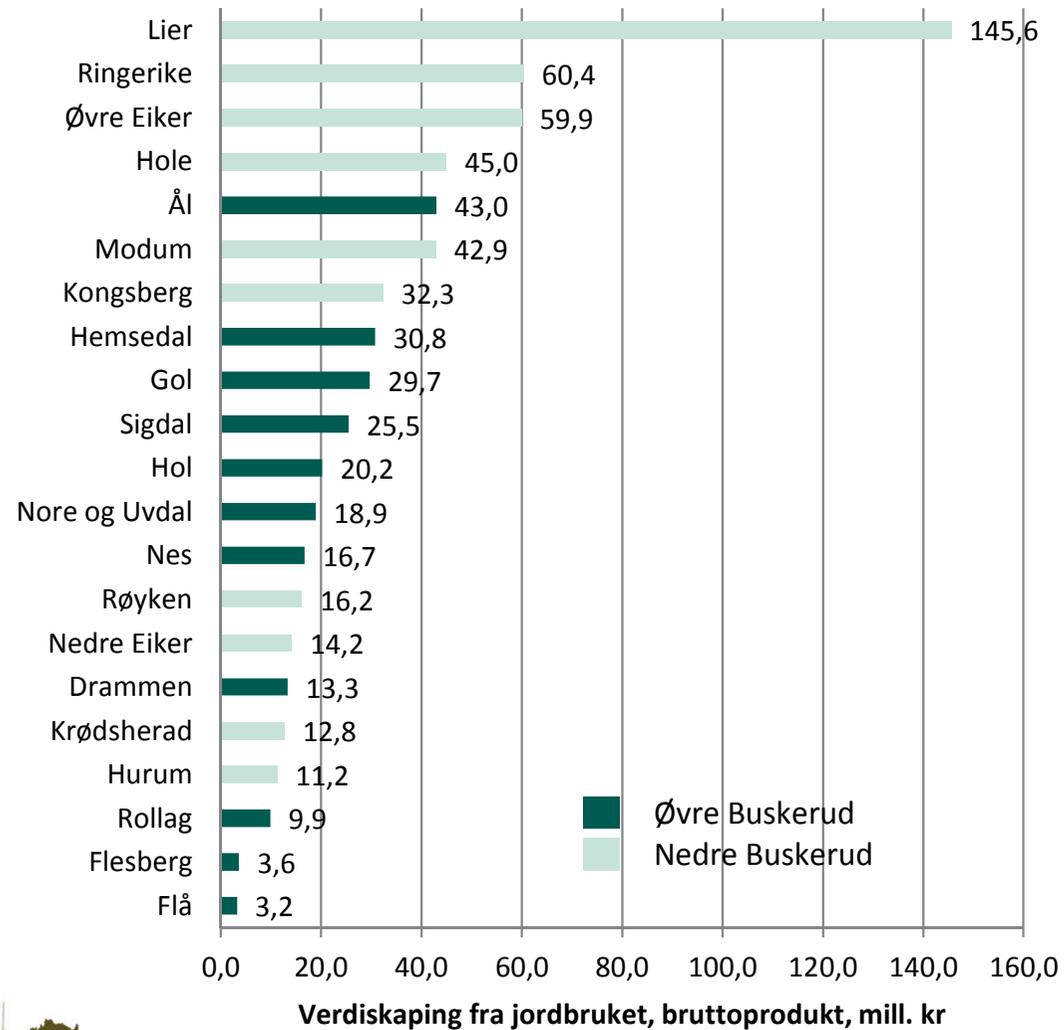


Composition of value added

Bruttoprodukt, 2011, mill. kr



Distribution per municipality



Frequency OGA (Statistics Norway), Agricultural Census 2009/2010

- Difference in definition of OGA between FBS and the Census, for example renting of agricultural land and fur-farming

	Frequency (SSB)
Contract work	871
Other services	75
Processing	92
Farm tourism	284
Firewood	394
Christmas trees and wood greenery	45
Outlying fields activities	1 313
Rental land, buildings	404
Renewable power (hydro power)	31
Other	115
Sum	3 624
Source: Statistical Norway (2013)	

- 1669 farms with OGA
- Many farms have more than one activity

Summary

- The FBS database is very useful for this type of calculations
- The value added documentation is popular among a large group of users
- Nearly all the Counties in Norway have paid for such reports
- An example of alternative benefit from the Farm Business Survey

Thank you for
your attention!

