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Increasing importance of 'new forms' of agricultural holdings in Germany and its impact on collection of information for labour use in FADN

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Background

- Classic agricultural holding (farm = enterprise; owner and manager = family) quickly losing its dominant role even in Western Germany

Drivers:

- Diversification (e.g. agri-tourism; production of renewable energies; direct marketing; contract work) often leads to additional (commercial) enterprise (30% of farms in Germany have on-farm OGA according to 2010 census)
- Farm growth (especially in the livestock sector)
  - Tax regulations
  - Environmental and building regulations   → splitting of farms/enterprises

Registration in agricultural accounts

- (German) Agricultural accounting only captures 'minor' OGAs (<=10.300 €), no 'commercial' activities (income from 'trade and business')
- To provide a 'true' picture, allocation of shared resources (labour, machinery, …) to activities / enterprises would be required

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1

The challenge

Hypothesis: Current data collection does not adequately account for the structural developments

➢ Pre-study on labour data
- Labour use is key factor for income and productivity calculations !
- 'Suspicious' continuity of values on farm labour in German FADN
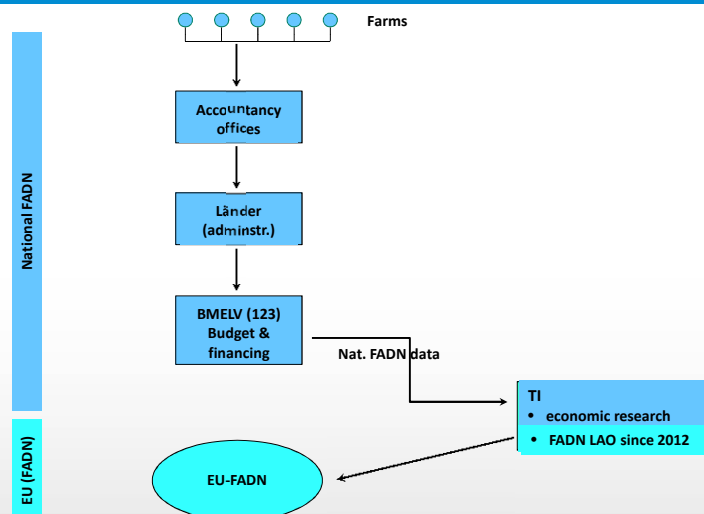- Very difficult to measure (esp. family labour)

Objectives:
- Evaluate quality of data on labour use in FADN
    → this presentation
- Develop a concept for future data collection taking into account the structure of FADN data collection in Germany
    → the future

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Reminder: The structure of FADN data collection in Germany

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Approach

➢ Pilot study in Lower Saxony

1. Phone interviews with accountancy offices
2. Personal interviews with farmers taking part in FADN, to collect detailed data on labour use
3. Comparison of data collected on labour use with FADN
   - with support from regional statistical office also comparison to census data

Own data collection ⟷ n ≈ 25 ⟷ **FADN** ⟷ n ≈ 1450 ⟷ **Agr. census 2010**

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The relevance of 'new forms' of agricultural holdings

No statistical information but more than anecdotal evidence available

Interviewed accounting offices see it as an increasing problem in Lower Saxony

"less than 60% of agriculture is classic family farms"

"almost every farm has more than one source of income";

"some farmers have 6-7 firms"

"structural change has strongly increased during the last few years"

"What actually is 'agriculture' nowadays ??"

Census 2010: In Lower Saxony, at least 5% of farmers have more than one farm registered under the same address

(own survey: 33% 'classic' farms; 33 % with photovoltaic enterprise; 33 % with more than one firm)
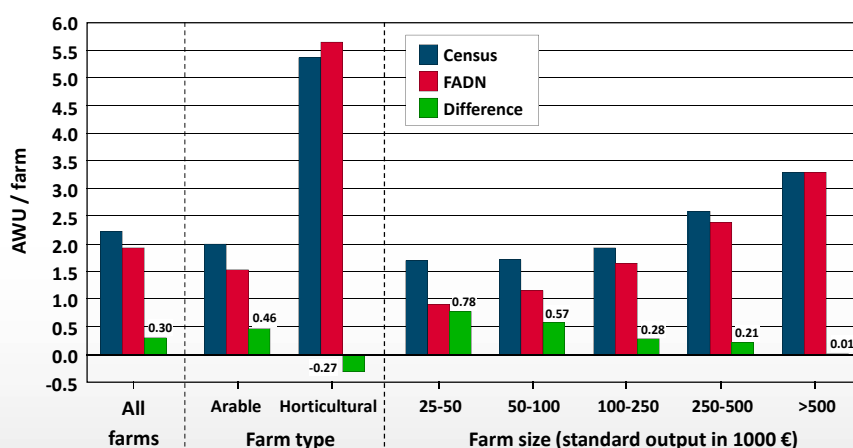
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Data collection

	Agric. census	FADN	Own survey
Type of data collection	Written questionnaire	Written questionnaire (for labour partially by interview with farmer)	Personal interview
Unit at data collection	Hours per (typical) week; seasonal workers: days per year	Agricultural work units (AWU)	Hours per week (per year)
Transformation to AWU	Based on total working hours in agriculture per week	Based on total working days per year Reduction according to age (e.g. >65)	Based on total working hours per week

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Comparison of information on farm labour collected for FADN and the agricultural census for an identical farm sample (n=1.460)

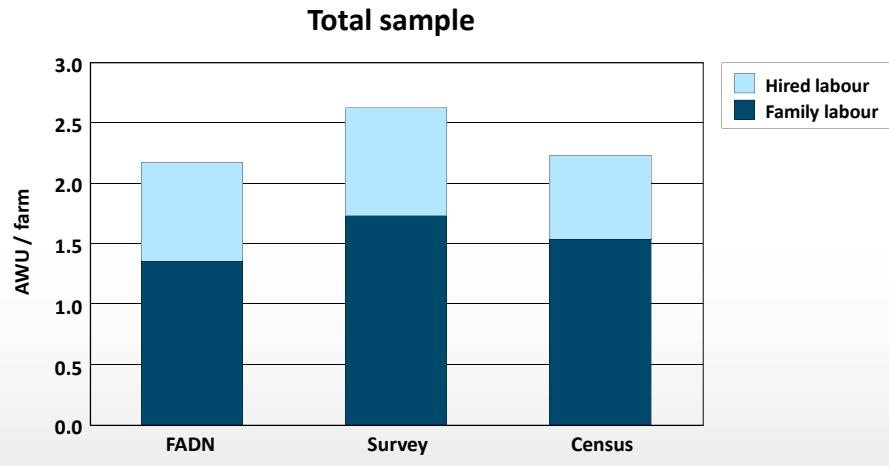Source: Based on Saraval (2013).

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Comparison of information on farm labour collected for FADN, census and own survey for an identical farm sample (n=25)
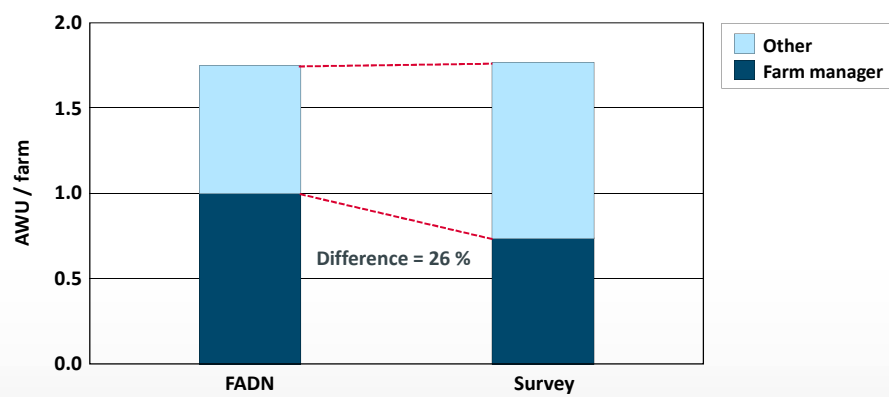
Total sample

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Comparison of labour data for farms with additional separate enterprises (pig farm or biogas)

Difference = 26 %

Farm manager average work hours:
Total: 57 hours / week
On main farm: 40 hours / week
On other firms / enterprises: 17 hours / week

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How to improve data (on labour)

Improve representativeness of FADN with respect to 'new' forms of farming
- Statistical basis missing (specific project on this will be conducted in 2014/15 at Thünen Institute)
- *„Difficult to persuade complex farms to participate in FADN"*
- *„in practice, simple structured farms are more likely to be chosen for FADN"*
- *"path dependency" (= force to stick to longtime FADN farms)*

Improve quality of collected information of labour use
- Develop an improved specific questionnaire (weekly hours, clear collection of all off-farm work hours, …)
- Motivate + train staff of accounting offices (+ improved renumeration)
- Adapt interval of data collection (less frequent and/or fewer observations but more intense data collection)

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How to improve data

Consolidate accounts for total enterprise
- ➢ Since 2013/14 required for German FADN
- Consolidation is costly!
- Difficulties arising from different accounting periods, accounting rules etc. for agricultural and 'commercial' enterprises
    may lose farms from the survey ?
    may actually reduce representativeness ?

Farm income vs. household income for family farms? (best solution: both!?)

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