



Cereals representative prices

Expert group for the common organisation of agricultural markets,
Arable crops

31 October 2024

Farmers' margins - method under assessment

- Based on Farm Accountancy Data Network (FADN) covering “professional” farms
 - Structural data
 - Farm revenues per product
 - Farm costs (at farm level)
- Using the cost allocation module of the JRC model IFM-CAP
 - To allocate farm costs to each product of interest (common wheat, durum wheat, maize and barley for the time being)
- Data up to 2020/ 2021
- Need to prolong the period covered using output and input price indexes up to the most recent Q 2024

Gross margins

$$\text{Gross Margin} = \text{Revenue} - \text{Operating costs}$$

Revenue = (output price index x crop market revenue) + coupled subsidies

Operating costs = specific (seed, fertilisers, PPP, water...) + non-specific costs (fuel, energy, contract work, machines, building upkeep...)

→ **We start with gross margin per crop = a proxy for crop profitability**

Q.2 – building an index of producer prices

which price series reported best represent the price trend for the farmers in your territory?

- Member States replying = 19
 - Q2 only relevant for MSs that:
 - have more than one price series in ISAMM (location-stage), per product notified,
 - and where data was sent in ISAMM for at least 30% of the time in the past year.
- So Q.2 applied only to: AT, BG, HR, CY, FR, DE, EL, HU, IE, IT, PT, RO, ES (13 MSs)

Q.2 – building an index of producer prices

which price series reported best represent the price trend for the farmers in your territory?

| Member State | Milling wheat | Feed wheat | Feed barley | Feed maize | Durum wheat |
|----------------|--|--|---|--|--|
| Austria | | Wels - DEPSILO Wien - DEPSILO | Wels - DEPSILO Wien - DEPSILO | Wels - DEPSILO Wien - DEPSILO | |
| Croatia | Zagreb - DELFIRST Zagreb - DEPSILO | | Zagreb - DELFIRST Zagreb - DEPSILO | Zagreb - DELFIRST Zagreb - DEPSILO | |
| Czech Republic | National average - DELFIRST | National average - DELFIRST | National average - DELFIRST | | |
| Estonia | National average - DELFIRST | National average - DELFIRST | National average - DELFIRST | | |
| Finland | Lahti - DELFIRST | Raisio - DELFIRST Koskenkorva - DELFIRST | Raisio - DELFIRST Koskenkorva - DELFIRST | | |
| Italy | Alessandria - FGATE Bologna - DELFIRST Milano - DELFIRST | | Alessandria - FGATE Bologna - DELFIRST Roma - DEPPROD | Alessandria - FGATE Mantova - DEPPROD Reggio Emilia - DEPPROD Treviso - DEPPROD | Bologna - DELFIRST Foggia - FGATE Milano - DELFIRST Napoli - DELFIRST |
| Portugal | Alentejo - DEPPROD Lisboa - DEPPROD | Alentejo - DEPPROD Lisboa - DEPPROD | | Alentejo - DEPPROD | |
| Romania | Banat - DEPSILO Muntenia - DEPSILO Oltenia - DEPSILO | Banat - DEPSILO Muntenia - DEPSILO Oltenia - DEPSILO | Banat - DEPSILO Muntenia - DEPSILO Oltenia - DEPSILO | Banat - DEPSILO Muntenia - DEPSILO Oltenia - DEPSILO | |
| Spain | Barcelona - DELPROC | Burgos - DEPSILO Huesca - DEPSILO Sevilla - DEPSILO | Burgos - DEPSILO Ciudad Real - DEPSILO Huesca - DEPSILO | Leon - DEPSILO Lerida - DEPSILO | Sevilla - DEPSILO |

Q.2 – building an index of producer prices

which price series reported best represent the price trend for the farmers in your territory?

Alternatives:

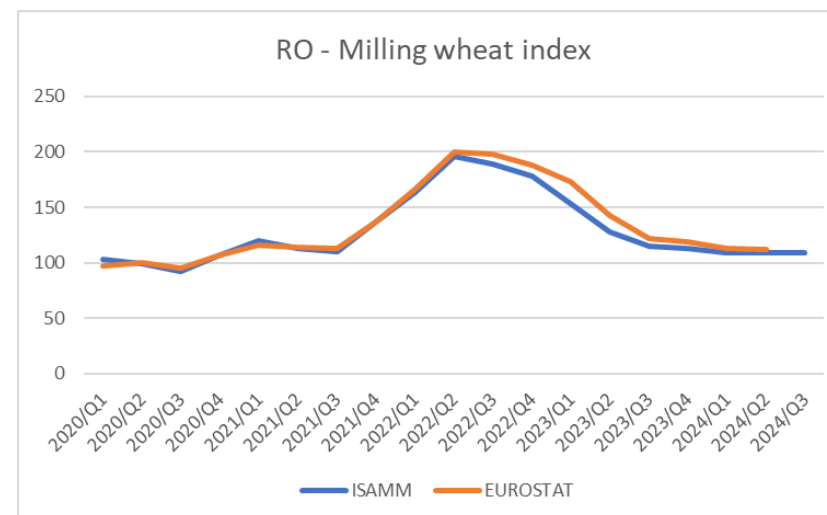
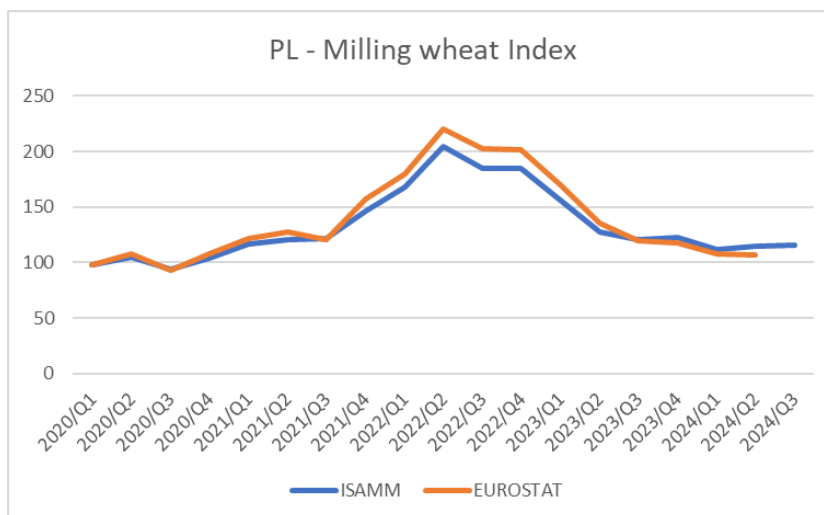
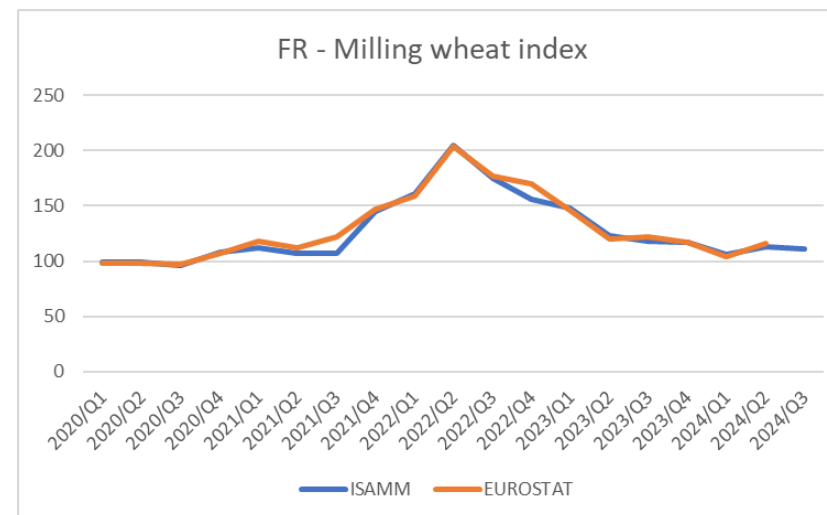
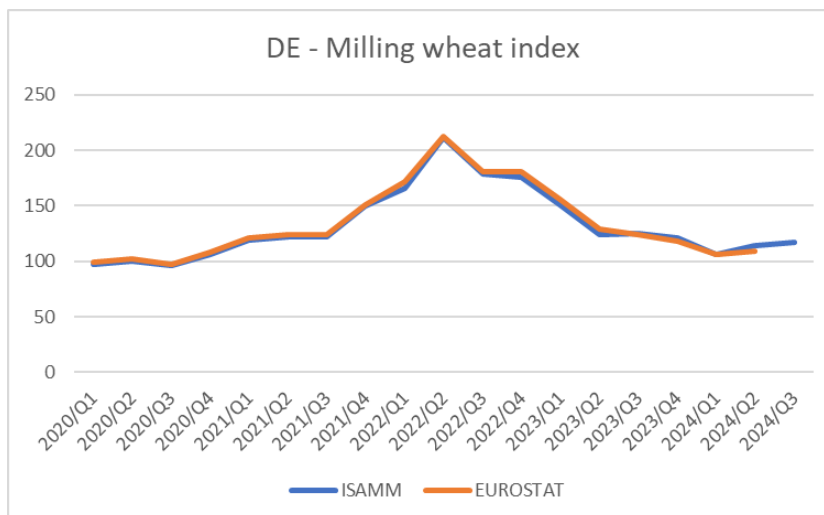
Option 1: ISAMM only → generally not real producer price, but available up to last quarter.

Option 2: Eurostat statistical data only (apri_pi) → real producer price, but one quarter ‘behind’

Option 3: Eurostat statistical data + ISAMM just for the last quarter → but is ISAMM (non-producer prices) ok to use to expand Eurostat (producer price) series?

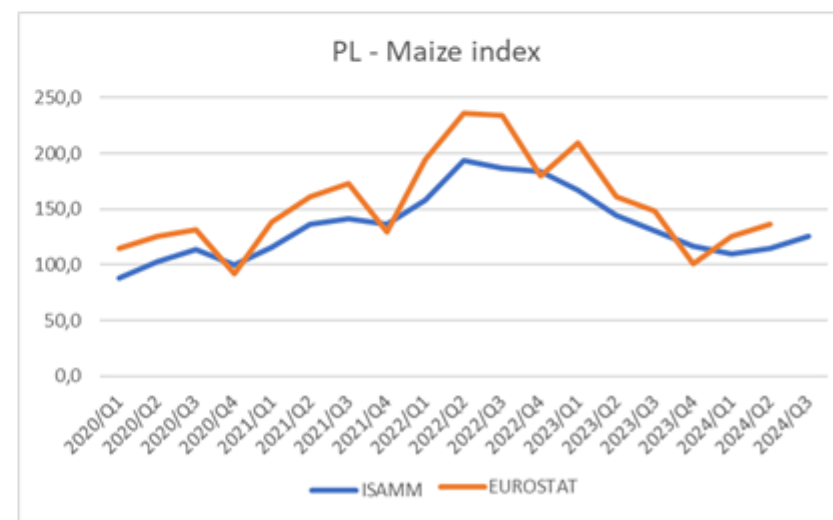
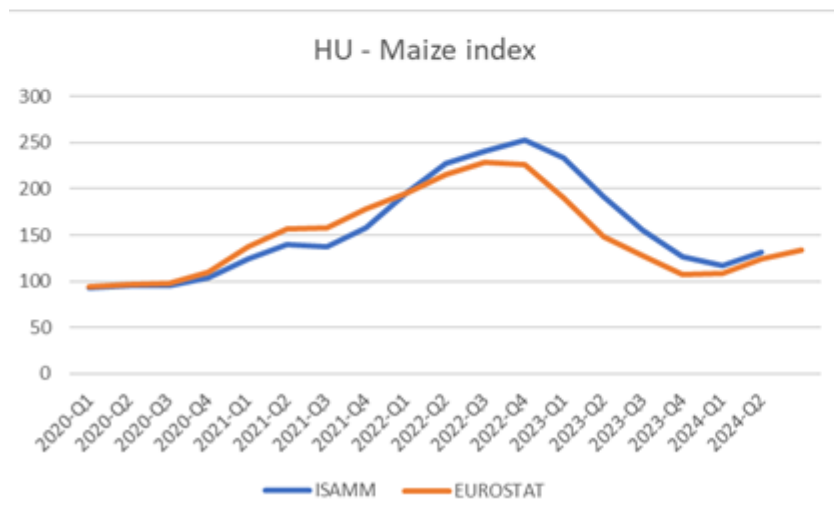
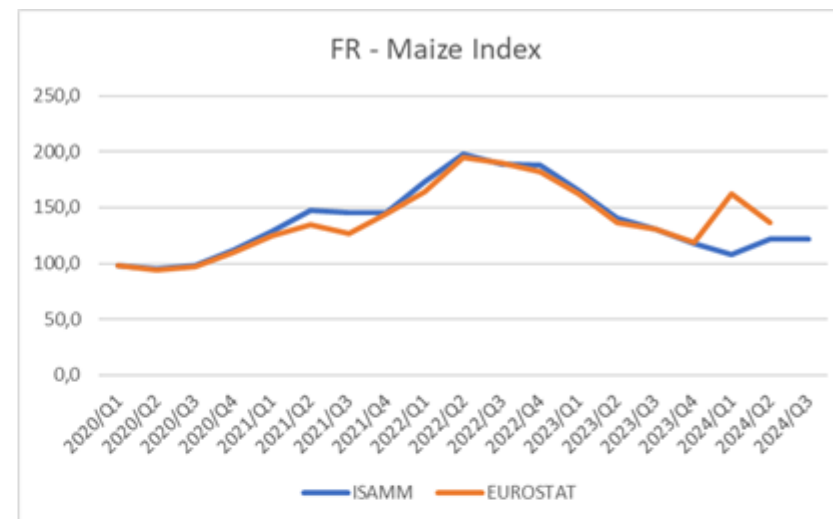
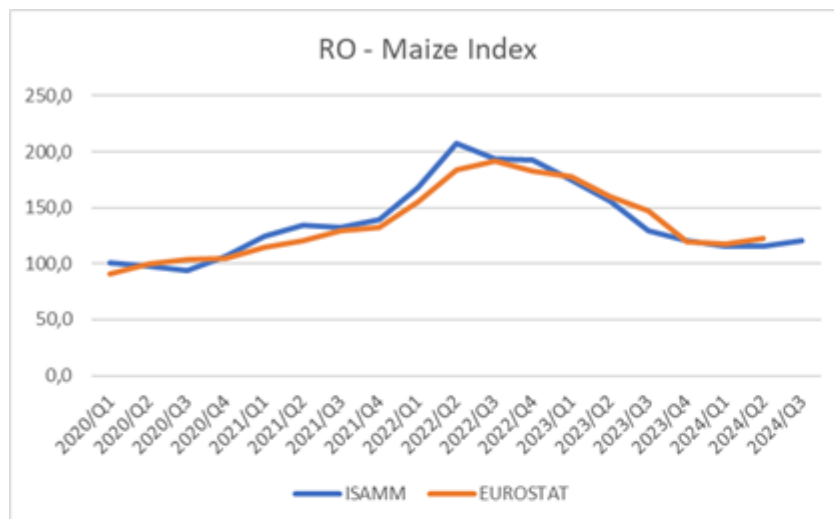
Q.2 – building an index of producer prices

WHEAT - ISAMM vs Eurostat, quarterly data, selected MSs



Q.2 – building an index of producer prices

[MAIZE](#) - ISAMM vs Eurostat, quarterly data, selected MSs



Q.3 – milling vs feed wheat shares

how much milling and feed wheat is produced in your Member State?

| Member State | Percentage of Milling wheat quality | | | | 2024 |
|-----------------|-------------------------------------|------|------|------|-------------------|
| | 2020 | 2021 | 2022 | 2023 | |
| Austria | 86 | 85 | 83 | 80 | 81 |
| Belgium | 15 | 15 | 15 | 15 | 15 |
| Croatia | 82 | 81 | 80 | 81 | 81 |
| Czechia | 71,3 | 69,1 | 69,0 | 75,1 | 78,1 |
| Estonia | 71 | 65 | 84 | 81 | 69 |
| Finland | 44 | 34 | 49 | 29 | |
| Ireland | 0 | 0 | 0 | 0 | 0 |
| Italy | 75 | 75 | 75 | 75 | 75 |
| Latvia | 84 | 72 | 77 | 75 | 76 |
| Lithuania | 94 | 75 | 81 | 92 | 89 |
| Luxembourg | 53 | 54 | 49 | 54 | 45 |
| Netherlands | 25 | 20 | 25 | 28 | 30 |
| Poland | 69,4 | 24,4 | 60,2 | 43,1 | 46,4 |
| Portugal | 81.6 | 82.4 | 81.4 | 81.5 | na |
| Slovak Republic | 43,7 | 44,5 | 42,6 | 42,5 | 42,3 |
| Slovenia | 70 | 68 | 71 | 61 | not yet available |
| Spain | 28,5 | 33,8 | 37,6 | 40,0 | 33,3 |

Thank you



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