

CAP post-2013: Key graphs & figures

Graph 4

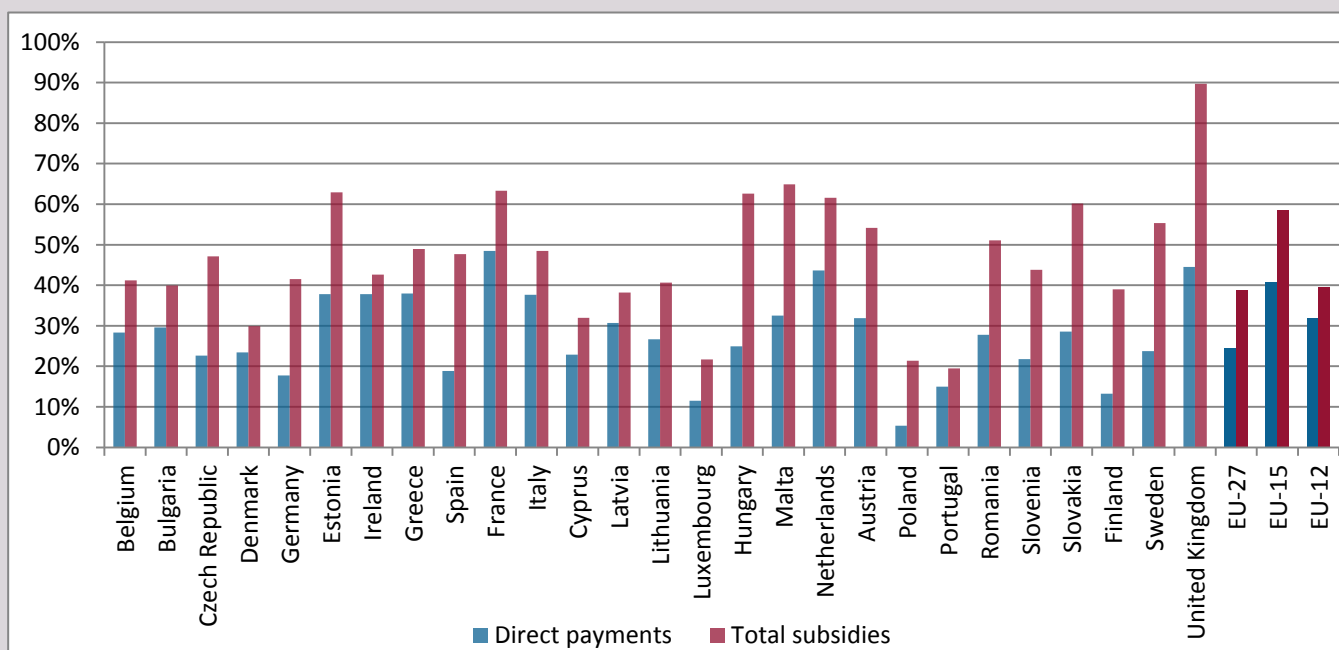
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Share of direct payments and total subsidies in agricultural factor income (2010-12 average)

Agricultural factor income represents income generated by farming which is used to remunerate (1) borrowed/rented factors of production (capital, wages and land rents), and (2) own production factors (own labour, capital and land). This concept of income is appropriate for evaluating the impact of changes in the level of public support (i.e. direct payments) on the capacity of farmers to reimburse capital, pay wages and rents as well as to reward its own production factors. This income indicator allows comparison between Member States, because the share of own and external production factors often differs significantly between Member States.

- EU producers are highly dependent on public support (e.g. direct payments, rural development). The **EU average share of direct payments** in agricultural factor income in 2010-2012 stood at **24%**. However, this masked considerable differences between Member States, ranging from 15% or less in Portugal, Luxembourg, Poland and Finland to more than 40% in France, the Netherlands and the UK. Taking all subsidies into account, **total public support** in agricultural income reached **nearly 40% of agricultural income on average in the EU**.
- This **wide variation** in the share of public support in agricultural income reflects the current distribution of support across Member States (mainly based on historical levels of production in EU-15 and on farm structure and eligible land in the EU-12). This also reflects the specialisation of Member States in different sectors and differences in the competitiveness of agriculture throughout the EU.

Share of direct payments and total subsidies in agricultural factor income (2010-12 average)



Sources: CAP expenditure: European Commission, DG Agriculture and Rural Development (Financial Report). GDP: Eurostat. Annual expenditure in 2011 constant prices.