FARMERS’ SHARE OF MONEY SPENT ON FOOD IN AUSTRIA

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Content

• Defining the issue

• Farmers’ share over time

• Reflections
Behind the scenes

Governments/NGOs/Regulators

Foreign trade


Quendler, E., Federal Institute of Agricultural Economics
Sinabell, F., Austrian Institute of Economic Research
7th of October 2016
FARMERS or farmers’ share 
(agricultural commodities at the farm gate)

OFF FARM or marketing margin 
(marketing expenses associated with processing, wholesaling, distributing and retailing of food products)

Consumer expenditure

Quendler, E., Federal Institute of Agricultural Economics
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Calculation

(1) Farmers’ share in % =
\[ \text{total production value of agricultural inputs for food in mn \( \varepsilon \) / total domestic consumers expenditure in mn \( \varepsilon \) } * 100 \]

(2) Marketing margin in % =
100 – farmers’ share in %
## Differences of approaches

<table>
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<tr>
<th>Data</th>
<th>Agristat</th>
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<tr>
<td>Annual production value of domestic agricultural commodities for food production</td>
<td>x</td>
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<td>Farm prices</td>
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<td>Annual imports and exports of food commodities and products</td>
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<td>Self sufficiency ratio, domestic food production</td>
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<td>Annual domestic expenditure made by end consumers for food (excluding beverages)</td>
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<td>Annual domestic expenditure made by end consumers for food produced in Austria (including wine)</td>
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<td>Expenditure for eating out</td>
<td>x</td>
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<td>VAT</td>
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<td>x</td>
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Farmers’ share: Austria, Switzerland, Germany and United States

Source: own visualisation according to Elitzak 2016; Giuliani 2015; Senti in Schneider 1980; USDA 2015; Wendt, Peter 2014
Differences in methods applied

Austria and Switzerland

– sectoral or global approach (total consumer expenditure)
– all uses of agricultural commodities included
– including eating out

Germany and USA

– product-based approach for important agrarian products such as cereals, meat and meat products, milk and milk products, eggs, etc.
– global margin weighted sum of the product margins
– excluding eating out
Reflections

• Relevant information over time
• No evaluation of results
• No common standardised procedure
• Further research
  (factors influencing the development of marketing margins, vertical price alterations and market power, market drivers, breaking up of the marketing margin, price formation mechanisms)

holistic monitoring tool on trends, customs and drivers within the value chain!
Notice: Informal meeting of agriculture ministers on 11 – 13 September

The agenda of the ministers on Tuesday 13 September is focused on ‘Strengthening of the farmers’ position in the food supply chain’, Minister Matečná said. The invitation has also been accepted by the chair of the Committee on Agriculture and Rural Development of the European Parliament, Mr C. A. Siekierski. The discussion panel will consist of three parts – food supply chain, market transparency and sufficient distribution of margins in the food supply chain and unfair trade practices.
Quellen


