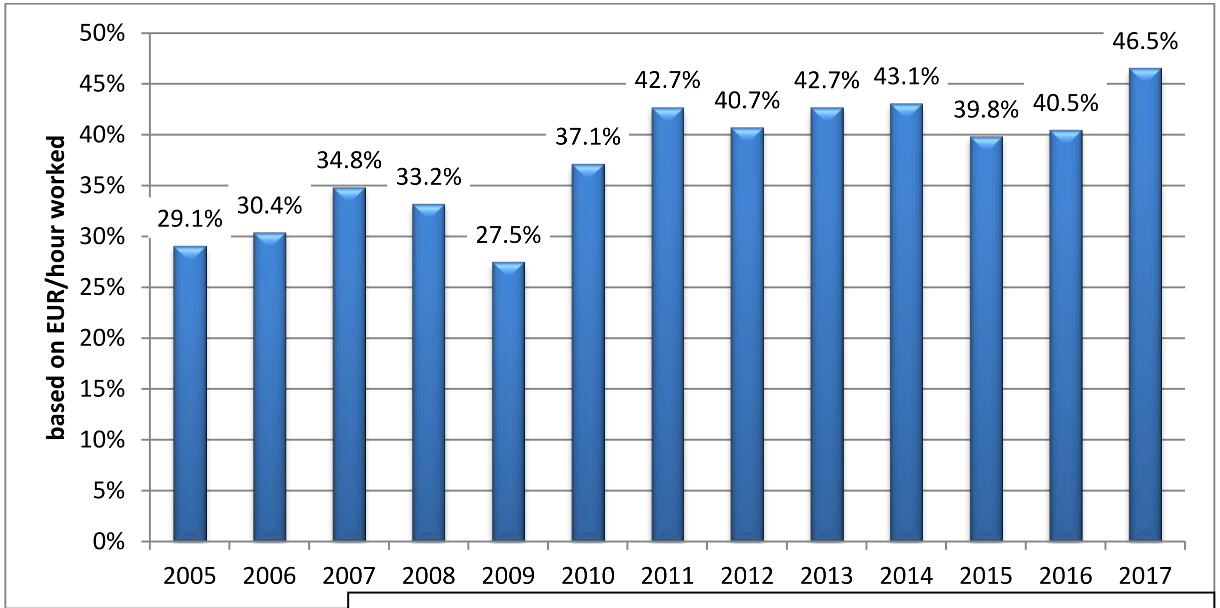
Agricultural income compared to wages in the rest of the economy

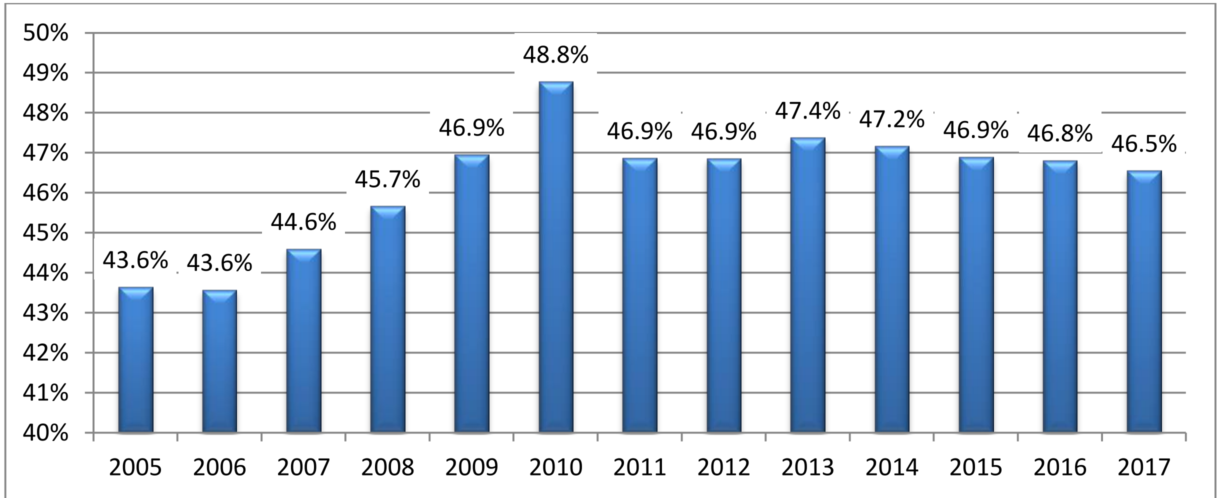
- Compared to average wages in the economy, the entrepreneurial income per family work unit came to around 46.5% in 2017 – the highest value over the last 12 years[6]. During the economic crisis of 2009, this comparative value fell to 27.5%, reflecting the significant drop in overall agricultural income. See also [Common Context Indicator 26: Agricultural entrepreneurial income]
- The agricultural income aggregates do not represent the disposable income of farm households, because the latter, in addition to their purely agricultural incomes, may also have income from other sources (non-agricultural activities, remuneration, social benefits, income from property).
- Comparing agricultural income to average wages in the economy nonetheless provides an estimate for the opportunity cost of agricultural family labour, i.e., the average income opportunities that a person would have outside of agriculture.
- The low share of agricultural income compared to average wage levels explains the need for agricultural income support on the one hand and (at least partly) the decline in farm numbers.
- Even the wages paid to agricultural employees are less than half of what employees receive on average in all sectors of the economy combined.

Figure 18: Entrepreneurial income per family work unit compared to average wages in the economy, EU-28



Source: DG Agriculture and Rural Development based on Eurostat data

Figure 19: Agricultural wages compared to average wages in all sectors of the economy, EU-28



Source: DG Agriculture and Rural Development based on Eurostat data

[6] 2017 values are estimates and can still change.