

21 July, 2015

## Agricultural Statistics 2014

### **The trade balance deficit of agriculture and agro-food products (EUR -3,200 million) decreased by EUR 465 million**

The 2013/2014 agricultural year showed increases in production in winter cereals, potatoes, vegetables and some fruits. On the other hand, the olive oil production decreased significantly (-33.5%). Animal production recorded increases in the main productions (pig and poultry meat, eggs and milk).

The output price index of agricultural goods decreased by 6.0% and the price index of goods and services currently consumed in agriculture decreased by 2.4%.

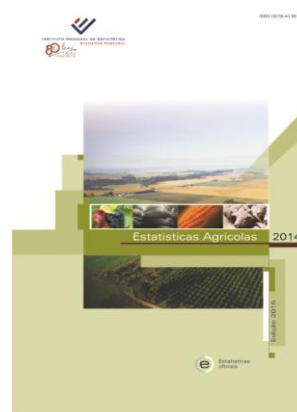
The Gross Value Added of agriculture decreased 3.2%, in nominal terms. For this evolution contributed the negative change rate of Agricultural output (-3.5%) attenuated by the more intense reduction in Intermediate consumption (-3.7%). In real terms, Gross Value Added increased by 3.2%.

The trade balance deficit of agriculture and agro-food products in 2014 (EUR -3,200 million) decreased by EUR 465 million, when compared to the previous year.

In 2014 each national resident consumed, on average, 108 kg of meat, 78 litres of milk, 43 kg of dairy products, 130 kg of winter cereals, 16 kg of rice and 111 kg of fruits.

This press release contains the main results of Statistics Portugal publication "[Agricultural Statistics 2014](#)".

This publication is organized into 14 chapters, including analysis of results and the corresponding data tables.

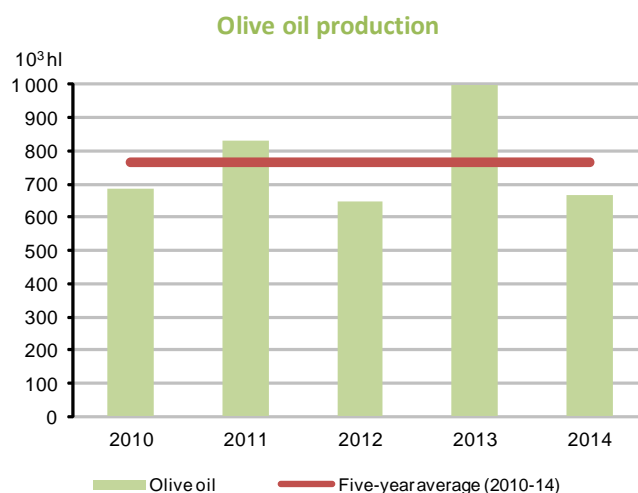


## **The 2013/2014 agricultural year went fairly normal in spite of the rainy conditions throughout summer that conditioned the harvests**

The 2013/2014 agricultural year was characterized by a dry autumn end, which allowed carrying out most of the soil preparation works and the sowing of winter crops. From mid-December onwards, the atmospheric instability started to be felt, with large periods of continuous rainfall (February was the rainiest month of the last 35 years) and extreme weather conditions (deep low pressure centres). These atmospheric conditions led to flood scenarios in the Tejo and Sorraia river floodplains and hampered the progress of the agricultural works, making the access of the machinery to farmlands very difficult. The summer period was characterized by mild temperatures and, at a later stage, by very high rainfall, which hindered the harvests, particularly of grapes, fresh fruits and summer crops. These conditions also had a negative impact on the quality of the final product of most crops, particularly affecting those which were at the end of the production cycle (grape, processed tomato and vegetables), with high moisture levels promoting the onset of diseases.

Overall, the 2013/2014 agricultural year showed increases in production, when compared to the previous campaign, particularly in winter cereals, potatoes, vegetables and some fruits, including pear, stone fruits (peach and plum) and citrus. On the other hand, the processed tomato yield (76.1 ton/ha) stood below expectations. The olive campaign also took off under harsh conditions, recording a decrease of 33.5% in olive oil production, and significantly lowering the

importance of low acidity level olive oils in the total olive oil production.



## **Animal production in 2014 showed an increase in total meat production (due to the raise in pig and poultry meat) as well as in eggs, milk and processed dairy products**

The production of livestock meat increased by 1.8%, especially due to the higher volume of meat from pig and poultry. Concerning cattle and goats, there was a reduction, and sheep practically maintained the production level of the previous year. In Portugal, after the implementation of EU welfare regulation concerning sows, there was some degree of recovery of the pig sector, with a raise in livestock and meat production (+4.2%), that reached 382,000 tonnes. Also the drop in costs of inputs, which drove to a reduction in animal feed prices, contributed to lower production costs.

As a result of bigger livestock of laying hens and upgrades in some of the bigger poultry farms, chicken eggs for consumption increased by 5.2%, achieving 111,000 tonnes.

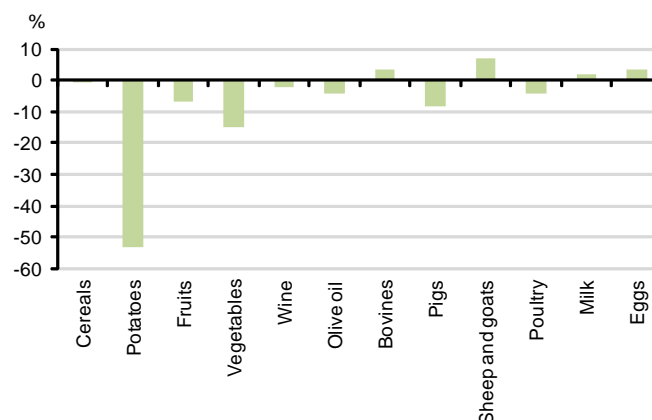
Cow's milk production (1,940 million litres) increased by 8.2%. Despite the limitations of the milk quota system (still effective during 2014), there was a significant demand of dairy products by some of the world markets. Benefiting from normal weather conditions and better prices, producers responded with a raise in milk production since the end of 2013. The drop in cereal prices also had a positive effect on the annual return, setting 2014 as a more productive year, when compared to 2013.

In processed dairy products, the domestic industry has absorbed most of the surplus of cow's milk collected in 2014, reflected particularly in the increase recorded in processed milk products (including butter, cheese and powdered milk). Thus, powdered milk increased 35.4%, (19,800 tonnes), butter 9.2% (28,000 tonnes) and cheese 3.9%, with 78,700 tonnes produced in 2014. On the contrary, main fresh dairies had reduced production, with less 6.5% in acidified milk (including yogurts) and a slight decline (-0.4%) in milk for consumption, vis-à-vis 2013.

**In 2014, the output price index of agricultural goods decreased by 6.0%; the price index of goods and services currently consumed in agriculture decreased by 2.4%; and the price index of goods and services contributing to agricultural investment recorded a growth of 2.3%**

In 2014, the output price index of agricultural goods decreased by 6.0% (+5.7% in 2013). The products that contributed mostly for this outcome were potatoes (-53.1%), forage plants (-21.2%), fresh vegetables (-14.9%), other animals (-9.0%) and pigs (-8.4%).

**Agricultural goods output price index  
(variation 2013/2014)**



In 2014, the price index of goods and services currently consumed in agriculture recorded a 2.4% decrease (+1.9% in 2013), as a result of the decrease registered in the price index of fertilisers and soil improvers (-6.6%), energy and lubricants (-6.5%), and animal feedingstuffs (-4.8%).

The price index of goods and services contributing to agricultural investment recorded a growth of 2.3% (+2.0% in 2013), as a result of an increase on price indices of machinery and other equipment (+4.0%) and transport equipment (+1.0%).

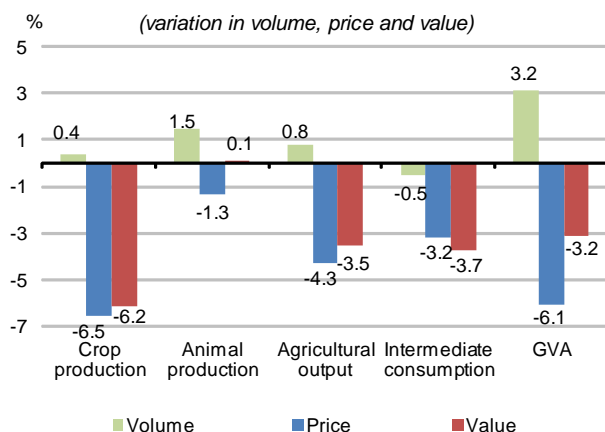
### **Agricultural income decreased by 3.0% in 2014**

According to the second estimate on the Economic Accounts for Agriculture (EAA) for 2014, in base 2011, calculated with data available until January 30th, the income from agricultural activity in Portugal, per annual working unit, decreased by 3.0% in real terms, compared to 2013, despite the estimated reduction in agricultural labour input (-3.1%).

This behaviour of the agricultural income reflects the evolution of Gross value added (GVA) (-3.2%) and Other subsidies on production (-4.2%).

The negative change rate of the Agricultural output (-3.5%), attenuated by the more intense reduction in Intermediate consumption (-3.7%) contributed for the nominal decrease of GVA. In real terms, GVA increased by 3.2%.

#### Agricultural output, Intermediate consumption and GVA in 2014



#### In 2013, Gross Value Added for forestry increased by 6.0% in volume and 8.7% in value

In 2013, Gross Value Added for forestry increased by 6.0% in volume and 8.7% in value, compared to the previous year, maintaining the upward trend observed since 2009. For this outcome the evolutions observed in the production of wood (+6.7%) and cork (+6.0%) were determinant. These increases were due to positive changes, both in volume and price. In 2013, pulp wood recorded the highest production value since 1986. In this year, the increase in volume of planting of trees to provide regular income (+14.9%) also stood out, mainly due to eucalyptus replanting.

#### Trade balance deficit of agriculture and agro-food products was EUR 3,200 million

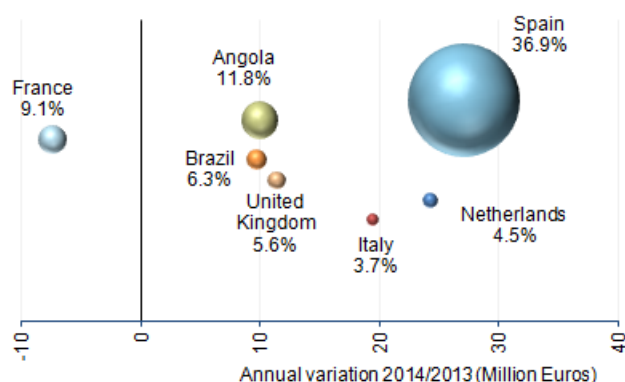
Imports of agriculture and agro-food products achieved EUR 6,900 million in 2014, corresponding to a decrease of 4.3%, when compared with the previous year (EUR 304 million less). Exports increased by 4.7% in relation to 2013, with a total of EUR 3,600 million (EUR 161 million more). The trade balance deficit of these products decreased by EUR 465 million, when compared to the previous year, corresponding to a deficit of EUR 3,200 million.

Almost all groups of agriculture and agro-food products registered a decrease in the trade balance deficit, vis-à-vis 2013, with particular emphasis on "edible fruit and nuts; peel of citrus fruit or melons", which registered a decrease in deficit of around EUR 126 million. The largest trade balance deficit was recorded in the transaction of "meat and edible meat offal" (EUR 750 million less), corresponding to an increase of EUR 27 million compared to 2013). The largest surplus was recorded in the transaction of "processed vegetables, fruits and other parts of plants" (+98 million Euros), despite the decrease of 7 million Euros compared to 2013. The group of "cereals", which usually had the largest trade balance deficit, now ranks second (deficit of EUR 642 million, reducing by EUR 77 million compared to 2013).

Spain remained Portugal's main supplier of agriculture and agro-food products, representing 48.7% of total imports in 2014, strengthening its weight (+1.9 p.p.). Other main suppliers were France (9.8%), Germany (5.4%) and the Netherlands (4.9%). Considering the main destination countries of national products, Spain was also the most relevant client (36.9% in 2014),

followed by Angola (11.8%), France (9.1%) and Brazil (6.3%).

#### Exports of agriculture and agro-food products by main destination countries, 2014



Note: The size of the globes represents the relative weight of each country in total exports of agriculture and agro-food products in 2014.

**In 2014 each national resident consumed, on average, 108 kg of meat, 78 litres of milk, 43 kg of dairy products, 130 kg of winter cereals, 16 kg of rice and 111 kg of fruits**

In 2014, Portugal produced only 72.2% of the meat needed to satisfy the consumption (74.1% in 2013) and the annual average meat consumption was 108.1 kg.

The degree of self-sufficiency in milk and dairy products was, in 2014, of 96.8%. Regarding milk for consumption, the degree of self-sufficiency was 110.5%, with a decrease of 2.1% in human consumption of this product, *vis-a-vis* 2013, trend also noted in dairy products (-1.7%), due mainly to a decrease in yogurts consumption (-5.1%).

In 2013/2014, the production of cereal (excluding rice) was 1,169,000 tonnes, an increase of 17.5% facing the previous campaign. Although the degree of self-sufficiency in cereals is structurally low, the value

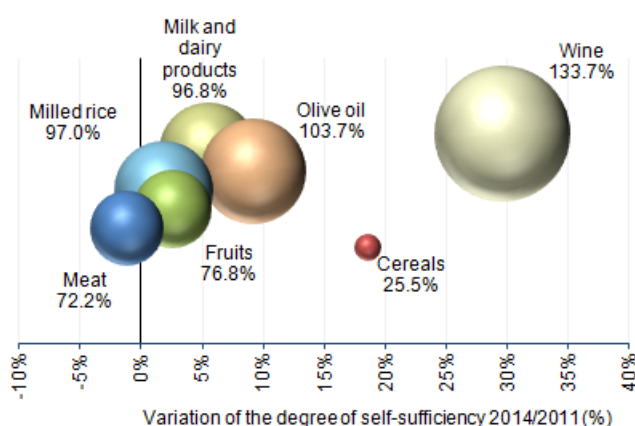
achieved in the 2013/2014 campaign (25.5%) was the highest of the last four campaigns.

In 2014, each resident consumed, on average, 15.9 kg of rice (15.6 kg in 2013). The production of milled rice in Portugal increased by 3.8% between 2012/2013 and 2013/2014, being the degree of self-sufficiency of 97.0% in the last campaign.

Portugal is not self-sufficient in fruits, having imported an average of 26.0% of total consumption between 2011/2012 and 2013/2014. In the 2013/2014 campaign, the degree of self-sufficiency stood at 76.8%, 23.2 p.p. below self-sufficiency. Regarding consumption per capita, each resident consumed an average of 111.5 kg of fruits in 2013/2014 (98.3 kg in 2012/2013), corresponding to an increase of 13.4%.

The consumption of olive oil per capita was 7.8 kg per resident in 2013 (+5.7% vis-à-vis 2012, following the increase of production). In 2013, the degree of self-sufficiency in olive oil was 103.7%, 3.7 p.p. above self-sufficiency, the highest value of the last decades.

#### Degree of self-sufficiency of agricultural products, 2014



Note: The size of the globes represents the degree of self-sufficiency in 2014. Data concerning olive oil refer to 2013.



### **The trade balance of forestry products, structurally in excess, maintained a surplus of EUR 2,500 million in 2014**

In the trade balance of forestry, all groups of products showed a surplus in 2014. The “furniture, wood constructions and rattan products” group recorded the largest increase, with EUR 38.3 million, due to the rise in exports. As in 2013, the “paper and paper board” group presented the largest surplus in the forestry products external transactions (balance of EUR 754.2 million; +EUR 3.2 million when compared to 2013). Yet again, this group overcame “cork” (EUR 717.7 million in 2014). Transactions made with products from groups “pulp of wood”, “wood” and “resin products” presented a reduction in trade balance, when compared with the previous year.

### **Reduction of total burnt area in 2014**

The information available for 2014 from the National Plan for Forest Protection Against Fires showed a decrease in the number of fires (-63.3%) with only 7 111 occurrences. Total burnt area (20,300 hectares) dropped by 86.8%, representing less 133,700 burnt hectares vis-à-vis 2013, benefiting from the weather conditions, with a summer characterized by mild temperatures, with no significant heat waves in most of the national territory.

In all regions of the country the number of fire occurrences decreased. With regard to the total burnt area, the largest decreases occurred in the North (-93.2%) and Centre (-82.6%) regions, which were particularly affected by the large fires that occurred in the summer of 2013.

## NOTAS EXPLICATIVAS

**Rendimento da Atividade Agrícola por Unidade de Trabalho Ano (UTA):** A variação anual do Rendimento da Atividade Agrícola corresponde ao "Indicador A" (Variação anual, em %, do Rendimento dos fatores, deflacionado, por Volume de mão-de-obra agrícola total). Foi determinado com base em informação disponível até 30 de janeiro de 2015.

$$\text{Indicador A} = \frac{[(\text{Rendimento de fatores ano } n / \text{deflador do PIB}) / \text{VMOA ano } n]}{(\text{Rendimento de fatores ano } n-1 / \text{VMOA ano } n-1)}$$

**Unidade de Trabalho Ano (UTA):** O volume de mão-de-obra agrícola equivale ao trabalho efetivamente aplicado na produção de produtos agrícolas e das atividades não agrícolas não separáveis das unidades agrícolas que compõem o Ramo. Por definição, pode ser dividido em Assalariado e Não Assalariado e é expresso em unidades trabalho ano (UTA). A UTA corresponde à prestação, medida em tempo de trabalho, de uma pessoa que efetua, a tempo inteiro e durante todo o ano, atividades agrícolas numa unidade agrícola.

Os **índices de preços na agricultura** medem a variação temporal dos preços de um conjunto de bens e serviços representativos na atividade agrícola. O índice utilizado é do tipo *Laspeyres*, em que a base é fixa e as estruturas de representatividade dos produtos e dos meios de produção, se mantêm por um período de tempo, normalmente alguns anos, sendo alteradas em cada mudança de ano base.

Para simplificação da terminologia associada às estatísticas do Comércio Internacional, apenas é efetuada a referência a "importações" e "exportações", sendo contudo identificado o mercado respetivo (Intra-UE, Extra-UE e Comércio Internacional, que congrega ambos os mercados).