# Glossary:Standard output (SO)

Statistics Explained

1

The **standard output** of an agricultural product (crop or livestock), abbreviated as **SO**, is the average monetary value of the agricultural output at farm-gate price, in euro per hectare or per head of livestock.

There is a regional SO coefficient for each product, as an average value over a reference period (5 years, except for the SO 2004 coefficient calculated using the average of 3 years). The sum of all the SO per hectare of crop and per head of livestock in a farm is a measure of its overall economic size, expressed in euro.

The standard output is used to classify agricultural holdings by type of farming and by economic size.

Until 2007 the Farm structure survey (FSS) and the Farm accountancy data network (FADN) have used standard gross margin (SGM) to classify agricultural holdings by type of farming and by economic size (Commission Decision (EEC) No 377/1985).

From FSS 2010 this classification uses standard output (SO) instead of SGM according to Commission Regulation (EC) No 1242/2008, which is replaced by Commission Delegated Regulation (EU) No 1198/2014 for FSS 2016 and onwards.

The principle of both concepts SGM and SO is the same; only the way they are calculated differs:

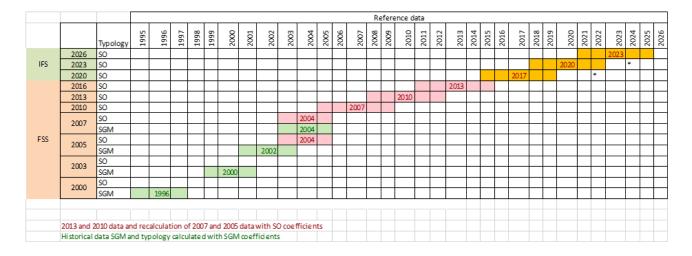
- SGM = Output + Direct Payments Costs
- SO = Output

The decision to leave SGM was driven by the CAP moving from coupled to decoupled payments. Since decoupled direct payments cannot be attributed to any specific production, they were excluded from the calculation. If the cost were kept in the calculation there would be the possibility of negative SGM values in cases where costs were higher that the output. Therefore only the output is taken into account.

The main differences between SO and SGM are:

- · SO excludes direct payments and includes the production costs;
- the fodder requirement in the case of some livestock characteristics is included in the calculation of the SO;
- the unit used to measure SO is the euro and not ESU (1 200 Euro) as in the SGM classification.

Figure 1 shows the use of SO and SGM coefficients in Farm structure surveys in the different campaigns.



### Figure 1: The use of SO and SGM coefficients in Farm structure surveys

The standard output coefficients tables for each Member State are available in the additional data webpage

## **Further information**

- European Commission Farm Accounting Data Network (FADN)
- Farm structure (ESMS metadata file ef\_sims)
- Farm structure survey methodological articles
- Commission Decision (EEC) No 377/1985 of 7 June 1985 establishing a Community typology for agricultural holdings (legal text)
- Commission Regulation (EC) No 1242/2008 of 8 December 2008 establishing a Community typology for agricultural holdings
- Commission Regulation (EC) No 867/2009 of 21 September 2009 amending and correcting Regulation (EC) No 1242/2008 establishing a Community typology for agricultural holdings
- Commission Delegated Regulation (EU) No 1198/2014 of 1 August 2014 supplementing Council Regulation (EC) No 1217/2009 setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Union
- Commission Implementing Regulation (EU) 2015/220 of 3 February 2015 laying down rules for the application of Council Regulation (EC) No 1217/2009 setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Union

## **Related concepts**

- Farm structure survey (FSS)
- Standard gross margin (SGM)
- Economic size unit
- Agricultural holdings

## **Statistical data**

- Agriculture, forestry and fishery statistics
- Standard Output coefficients