

1 Methods of EU typology for agricultural holdings

The EU farm classification system used for agricultural holdings is legally defined by Commission Implementing Regulation (EU) No 2015/220 of 3 February 2015, which lays down rules for the application of Council Regulation (EC) No 1217/2009 on establishing an agricultural accountancy data network for the collection of data on the incomes and business operations of agricultural holdings in the European Union. The EU farm typology has been used in its current form since the 2010 accounting year. The most significant change compared to the previous concept was the introduction of the Standard Output indicator ("SO") instead of the former Standard Gross Margin („SGM“). A three-level type of farming classification has been introduced, replacing the previous four-level system. The current system defines 14 economic size classes instead of the previous 10 size classes. The economic size classes are currently expressed in euro, while the economic size units previously used have been abolished. The last major change was the introduction of a new classification variable that expresses the share of other gainful activities carried out by agricultural holdings.

The **standard output** is a basic variable that allows agricultural holdings to be classified according to their type of farming and economic size. The standard output is defined as the average monetary value of the gross production of the crop and livestock sector. The standard output coefficients are calculated for all economically significant crops and livestock categories in each Member State. The full list of these agricultural products is included in Regulation 2015/220. The value of standard output is determined as the quantity of production per unit multiplied by the agricultural producer price. Value added tax and direct payments are not included in the calculation. The unit of measurement of the standard output is the euro per hectare or per head of each category of animal. The only exceptions are poultry and bees, where the value of the standard output is calculated per 100 heads or per 1 beehive. The total standard output value is the sum of the values of the main product and any secondary products, if applicable.

The value of standard output corresponds to a production period of one calendar year. For agricultural products with a production period shorter or longer than 12 months, the standard output shall be recalculated to correspond to the production of one calendar year. The value of the standard output coefficients is then calculated as the arithmetic average over the reference period of five consecutive calendar years.

For the purposes of the Integrated Farm Statistics (IFS, formerly Farm Structural Survey - FSS) in year N, the reference period is year N-3, which covers five consecutive years (N-5 to N-1). For the classification of agricultural holdings in the Integrated Farm Survey 2023, the standard output coefficients 2020 for the period 2018 to 2022 were used. The Liaison Agency FADN CZ at the Institute of Agricultural Economics and Information is responsible for calculating the standard output coefficients for the Czech Republic. The coefficients are updated in the years when the Integrated Farm Statistics is carried out.

The **economic size of the holding** is determined by the total value of the standard output of the holding, which is equal to the sum of the values for the particular agricultural products. These values are calculated by multiplying the acreages of particular crops and the number of heads belonging to one holding by relevant standard output coefficients. There are fourteen economic size classes in total. The list of economic size classes, including threshold levels of standard output, is given in Table 1.

Table 1: Economic size classes of the holding

<i>Economic size classes</i>	<i>Total standard output limits in EUR</i>	<i>Total standard output limits in CZK¹⁾</i>
<i>I</i>	<i>less than 2,000 EUR</i>	<i>less than 48 thous. CZK</i>
<i>II</i>	<i>from 2,000 to less than 4,000 EUR</i>	<i>from 48 thous. CZK to less than 96 thous. CZK</i>
<i>III</i>	<i>from 4,000 to less than 8,000 EUR</i>	<i>from 96 thous. CZK to less than 193 thous. CZK</i>
<i>IV</i>	<i>from 8,000 to less than 15,000 EUR</i>	<i>from 193 thous. CZK to less than 362 thous. CZK</i>
<i>V</i>	<i>from 15,000 to less than 25,000 EUR</i>	<i>from 362 thous. CZK to less than 603 thous. CZK</i>
<i>VI</i>	<i>from 25,000 to less than 50,000 EUR</i>	<i>from 603 thous. CZK to less than 1,205 thous. CZK</i>
<i>VII</i>	<i>from 50,000 to less than 100,000 EUR</i>	<i>from 1,205 thous. CZK to less than 2,410 thous. CZK</i>
<i>VIII</i>	<i>from 100,000 to less than 250,000 EUR</i>	<i>from 2,410 thous. CZK to less than 6,025 thous. CZK</i>
<i>IX</i>	<i>from 250,000 to less than 500,000 EUR</i>	<i>from 6,025 thous. CZK to less than 12,050 thous. CZK</i>
<i>X</i>	<i>from 500,000 to less than 750,000 EUR</i>	<i>from 12,050 thous. CZK to less than 18,075 thous. CZK</i>
<i>XI</i>	<i>from 750,000 to less than 1,000,000 EUR</i>	<i>from 18,075 thous. CZK to less than 24,100 thous. CZK</i>
<i>XII</i>	<i>from 1,000,000 to less than 1,500,000 EUR</i>	<i>from 24,100 thous. CZK to less than 36,150 thous. CZK</i>
<i>XIII</i>	<i>from 1,500,000 to less than 3,000,000 EUR</i>	<i>from 36,150 thous. CZK to less than 72,300 thous. CZK</i>
<i>XIV</i>	<i>equal to or greater than 3,000,000 EUR</i>	<i>equal to or greater than 72,300 thous. CZK</i>

¹⁾ Recalculation based on mean exchange rate of the CNB for the year 2023: 24.100 CZK/EUR (www.kurzy.cz)

The **type of farming of a holding** is determined by the relative contribution of the standard output of the different production sectors of this holding to the total standard output of the holding. The classification into the relevant production groups follows well-defined algorithms set out in Regulation 2015/220. These algorithms specify the share of each crop and livestock production sector in the total value of standard output for each type of production activity. There is a three-level classification system of farming types. This system consists of 9 general types, 22 main types and 62 particular types of farming. A list of particular types of farming and the share of particular sectors of crop and animal products are given in Annexes A1 and A2.

The category “**Other gainful activities (OGA)**” is a classification variable, which expresses the share of non-agricultural gainful activities in the total output of the holding. It includes activities that use the resources (land, buildings, machinery) or products of the holding, e.g. processing of farm products, contract work using farm equipment, forestry, etc. The share of OGA is generally defined by the following formula:

$$\text{Ratio} = \frac{\text{Turnover of other gainful activities related to the holding}}{\text{Total holding turnover (agricultural + OGA directly related to the holding) + direct payments}}$$

Agricultural holdings are classified according to the share of other gainful activities. The thresholds for the share of other gainful activities are defined in the following table.

Table 2: Classes of significance of other gainful activities related to the holding

<i>Classes</i>	<i>Limits of OGA share</i>
<i>I</i>	<i>From 0% to 10% (marginal share)</i>
<i>II</i>	<i>From more than 10% to 50% (medium share)</i>
<i>III</i>	<i>From more than 50% to less than 100% (significant share)</i>