

Name:

Production cost per hectare is the value of intermediate consumption or variable production costs related to agricultural activity include seeds, fertilizers, energy, labour costs, etc.

Definition:

The production cost includes the labour costs and the variable production costs.

Method of calculation:

The value of this indicator is calculated as:

$$\text{Indicator} = \frac{\sum_i VC_i \times A_i}{A_T}$$

Where:

VC_i: Variable crop costs (€/ha). The costs depend on operations on the plot and are related to agricultural activity including seeds, fertilizers, pesticides, energy (mainly fuel), labour costs, equipment operating costs, etc.

A_i: Area assigned to the crop / plot (ha).

A_T: Total area considered (ha).

Interpretation:

The cost per hectare depends on the crops and the management system of the farm (mainly soil management and fertilization strategies). Besides, the costs can also depend on other factors like the climatology, pests influence, water stress, etc.

Information source:

Data obtained in a farmers survey:

VC_i: Variable crop costs (€/ha). The costs depend on operations on the plot and are related to agricultural activity: Seeds, fertilizers, pesticides, energy (mainly fuel), labor costs, etc.

Fuel consumption (€/l), see Indicator 01.

Seed costs (€/kg).

Fertilizers and plant protection products costs (€/kg or €/l).

Labor and equipment operating costs (€/h).

A_i: Area assigned to the crop/plot (ha).

A_T: Total area considered (ha).