

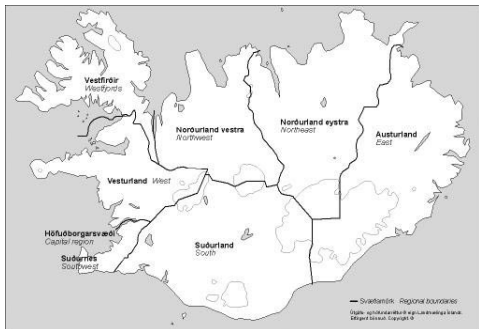
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Geographical division of Iceland

In this booklet the regional division of Iceland used by the Statistics Iceland is followed. There are seven regions:

- The Capital region
- The Southwest
- The West
- The Westfjords
- The Northwest
- The Northeast
- The East
- The South



Source: Statistics Iceland.

Currency

The value of the Icelandic crown (ISK) on January 1st 2005:

Pound Sterling	1 GBP = 118,84 ISK
Euro	1 EUR = 84,06 ISK
US Dollar	1 USD = 61,52 ISK
Danish crown	1 DKK = 11,30 ISK

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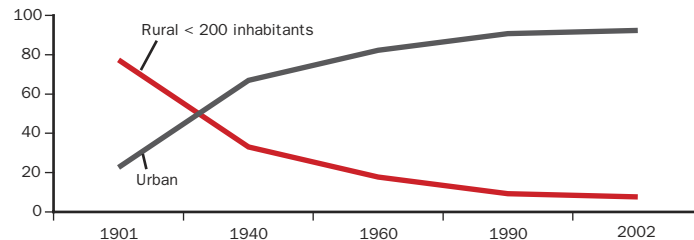
The Land and the Farmer – I

Population as of 1 December

	1901	1940	1960	1990	1995	2004
Urban	17,732	81,246	144,660	232,054	245,666	272,257
Rural*	60,738	40,228	31,020	23,654	22,140	21,320
Total	78,470	121,474	175,680	255,708	267,806	293,577
% Rural	77.4%	33.1%	17.7%	9.3%	8.3%	7.3%

*Rural <200 inhabitants
Source: Statistics Iceland.

The urbanization of Iceland 1901-2004



Source: Statistics Iceland.

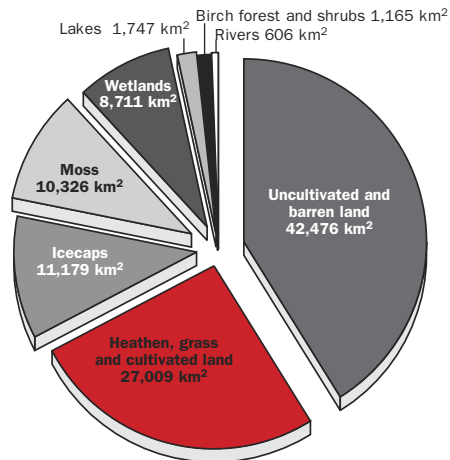
Proportional distribution of national income by industry 1990-2004 (%)

	1990	1993	1998	2000	2004 ¹⁾
Landbúnaður	2.6	2.2	1.9	1.8	1.5
Fisheries	14.2	14.6	12.0	9.8	8.1
Aluminium and cilisium	0.9	0.6	1.3	1.5	1.3
Other industry	10.9	10.1	9.7	9.1	8.0
Power works	3.9	3.9	3.5	3.7	3.5
Construction	8.4	7.8	8.4	8.6	9.1
Trade, hotels, catering	13.7	13.7	14.4	14.2	13.2
Transportation	7.9	7.7	8.1	7.8	8.2
Other services	21.4	21.9	21.3	23.4	26.1
Government	16.2	17.6	19.5	20.0	21.2

¹⁾ Estimated.

The surface of Iceland

Total area 103,022 km²



Icelandic farms and farmers

Number of farms	3,286
Number of livestock owners	3,540
Average age of farmers 2003	53 years
Proportion of manpower in agriculture 2003	3.9%
Producer subsidy equivalent (PSE)	63%
Typical family farm size:	
Dairy farm	25-35 cows
Sheep farm	300-500 winterfed sheep

Source: Farmers Association of Iceland.

Average farm size and farmers' working hours on a model farming unit for price reference

	Livestock	Sheep units	Working hours per year
Dairy farm	40 dairy cows and other cattle	1,080	4,799 hours
Sheep farm	400 winter-fed sheep	419	2,428 hours

Source: Farmers Association of Iceland.

Total area – by elevation above sea level		Usage of land	Km ²	Proportion of total area
0-200 m	24,708 km ²	Arable below 200 m		
201-400 m	18,401 km ²	above sea level	15,500	15.0%
401-600 m	22,168 km ²	Lava	11,000	10.7%
above 600 m	37,745 km ²	Within fences (1,074 km ²)	3,021	2.9%
		Cultivated land	1,290	1.3%
		Grass fields	1,220	1.2%
		Forests	1,360	1.3%
		68 areas protected by The State Forest Service	360	0.3%
		Horticulture, fodder and grain fields	70	0.1%

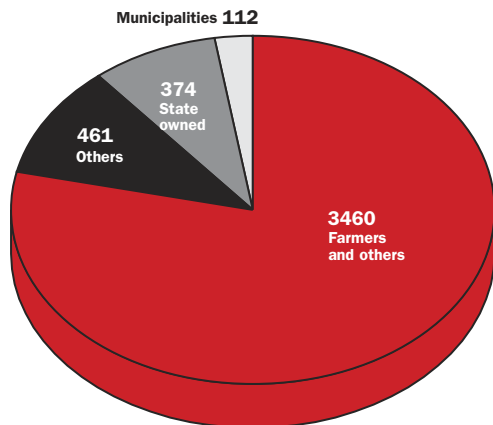
Source: National Land Survey, Statistics Iceland, The State Soil Conservation Service, The State Forest Service, Farmers Association of Iceland.

Number of farms and farm production in Europe, 2001

	Population	Number of farms, 1,000	Number of farms per 1,000 inhab.	Cultivated land, ha per 1,000 inhab.
Iceland	287,399	3.4	13	449
Belgium and Luxembourg	10,675,000	70	7	142
Denmark	5,330,000	63	12	504
Germany	82,163,500	534	6	209
Greece	10,545,700	821	78	484
Spain	39,441,700	1,208	31	732
France	59,225,700	680	11	505
Ireland	3,776,600	148	39	1,170
Italy	57,679,900	2,315	40	267
Netherlands	15,864,000	108	7	124
Austria	8,102,600	210	26	421
Portugal	9,997,600	417	42	391
Finland	5,171,300	91	18	426
Sweden	8,861,400	90	10	347
United Kingdom	59,623,400	233	4	271

Source: Danish agricultural statistics, 2002, FAOSTAT, 2003, The Farmers Association of Iceland, 2003.

Ownership and number of operational farms 2002



Source: Ministry of Agriculture.

Feed and fodder 1970-2003

	1970	1980	1990	1995	2003
Grass pellets, tonnes	1,335	12,858	5,200	3,300	600
Hay pellets, tonnes		200	707	243	0
Dry hay, 1000 m ³	2,060	3,704	2,515	1,263	433
Silage hay, 1000 m ³	141	174	744	1,207	1,958
Grain, tonnes			885	485	4,337

The total size of cultivated grass fields is estimated 1,220 km² and other cultivated fields (vegetable and potato gardens, fodder and grain fields) 70 km² which totals 1,290 km². Arable land below 200 m above sea level is estimated 15,500 km² which means that 7.9% of arable land is used for grass cultivation and 0.5% for other growths which totals 8.4%.

Source: Farmers Association of Iceland, grass pellet producers, Agricultural Research Institute.

Grain cultivation 1991-2003

Year	Crop from trials, grain, tons/hectare	Grain fields as usage of seed, hectares	Total grain crop, tons, estimated
1991	3,5	200	525
1992	1,2	400	240
1993	2,2	400	440
1994	3,4	600	1,700
1995	2,4	500	960
1996	3,7	900	2,960
1997	3,8	1,500	4,560
1998	3,9	1,800	4,680
1999	3,3	1,800	4,620
2000	4,2	2,000	6,300
2001	4,5	2,100	7,650
2002	4,1	2,400	7,585
2003	5,5	2,600	11,000

Estimated total crop based on usage of seed in on one hand and on the other on crop from trials. The outcome is probably a bit high, but they show that homegrown grain represents approximately 10-12% of the grain used as fodder in Iceland. 45% of the grain cultivation is in the southern part of Iceland, 35% in the north, 15% in the western part and 5% in the east of Iceland.

Artificial fertilizer (tonnes)

	1981	1986	1991	1996	2001	2003
Nitrogen (N)	14,900	12,931	12,163	12,100	12,382	10,344
Phosphorus (P ₂ O ₅)	8,127	6,991	5,997	5,240	5,471	3,394
Potash (K ₂ O)	6,184	5,295	4,575	3,960	4,013	2,114
Total	29,211	25,217	22,735	21,300	21,866	15,852

The quantity is shown in terms of pure fertilizer substances.

Common usage of fertilizer for cultivated grassland is 100-140 kg/ha of Nitrogen (N), 15-30 kg/ha of Phosphorus (P₂O₅) and 40-60 kg/ha of Potassium (K₂O).

Source: Statistics Iceland.

Ecological and organic production – Number of producers and processing plants*

	1.1.1998	1.1.2000	1.1.2001	1.1.2002	1.1.2003	1.1.2004
Producers – Ecological production	157	195	195	195	195	195
Producers – Organic production	22	27	27	30	30	30
Processing plants – Organic production	7	9	9	11	11	12

* Units certified by the Ministry of Agriculture for production and/or processing of ecological or organic products. Production quantity not available.

Source: Farmers Association of Iceland.

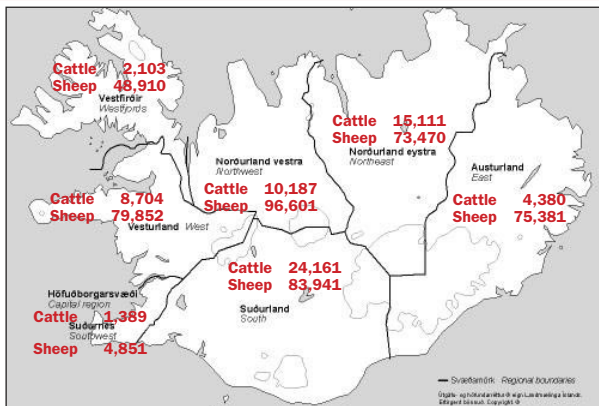
2 - Livestock and Farms

Number of livestock

By region 2004

	Cattle Total	Dairy Cows	Sheep Total	Ewes	Horses	Goats	Pigs
Capital region	1,389	311	4,851	3,778	11,969	17	1,794
West	8,704	3,375	79,852	64,955	9,248	121	652
Westfjords	2,103	781	48,910	39,663	861	2	
Northwest	10,187	3,757	96,601	77,495	16,613	78	1
Northeast	15,111	6,152	73,470	58,348	6,376	82	596
East	4,380	1,489	75,381	61,418	3,355	37	30
South	24,161	9,039	83,941	68,121	22,989	58	779
Total	66,035	24,904	463,006	373,778	71,412	395	3,852

	Laying hens	Broilers	Mink	Fox	Angora rabbits	
Capital region	127,126	141,648	2,902	2	54	
West	1,371	91,448			27	
Westfjords	255	259				
Northwest	4,007	4,042	7,550	1,267	28	
Northeast	7,718	10,273	3,020	483	37	
East	3,515	3,517	6,322	636	16	Source: Farmers Association of Iceland.
South	21,250	53,185	6,640	25		
Total	165,242	304,372	26,434	2,388	187	



Number of livestock

By year 1970-2004

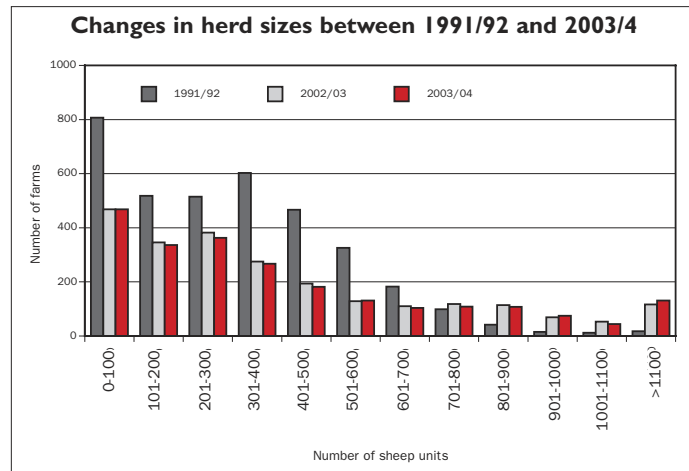
	Cattle Total	Dairy Cows	Sheep Total	Ewes	Horses	Goats	Pigs
1970	53,294	34,275	735,543		33,472		667
1980	59,933	33,577	827,927	684,589	52,346	220	1,552
1990	74,889	32,246	548,508	445,513	71,693	345	3,116
1995	73,199	30,428	458,341	372,202	78,202	350	3,726
2001	70,168	26,240	473,535	377,066	73,809	447	4,561
2004	66,035	24,904	463,006	373,778	71,412	395	3,852

	Laying hens	Broilers	Mink	Fox	Angora rabbits
1970	135,219				
1980	310,724		8,080	280	
1990	214,936	291,000*	42,000	4,800	1,800
1995	164,402	21,893	29,941	7,308	84
2001	128,241	28,733	34,899	4,027	791
2004	165,242	304,372	26,434	2,388	187

* Including meat chicken.

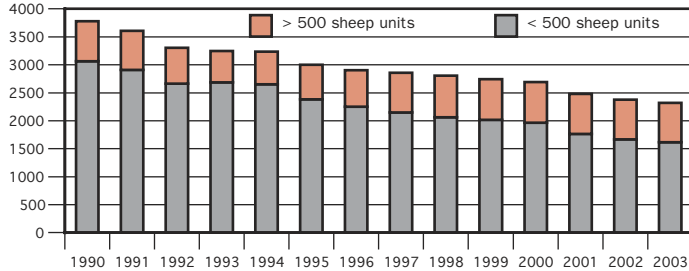
Source: Farmers Association of Iceland.

Changes in herd sizes between 1991/92 and 2003/4



Source: Farmers Association of Iceland.

Number of farms with support targets in sheep and/or milk. Changes in farm size 1990-2003



Source: Farmers Association of Iceland.

Livestock and farm size

	Number of heads		
	1993	1998	2004
Dairy cows	31,028	29,216	24,392
Sheep	482,498	482,618	448,045
Horses	62,355	78,201	54,434
Sows	3,232	3,726	3,465
Laying hens	1,567	164,402	161,528
Mink	181,853	30,501	28,831
Fox	39,517	7,308	1,534

	Number of registered livestock owners		
	1993	1998	2004
Dairy cows	1,792	1,591	945
Sheep	3,072	3,223	2,531
Horses	3,048	2,981	2,437
Sows	103	87	15
Laying hens	16	454	282
Mink	655	40	20
Fox	74	47	6

	Average number of heads per farmer		
	1993	1998	2004
Dairy cows	17.7	19.1	25.8
Sheep	164.5	142.2	177.0
Horses	20.5	26.2	22.3
Sows	31.4	42.8	231.0
Laying hens	97.9	362.1	572.8
Mink	277.6	762.5	1,441.6
Fox	534.0	155.5	255.7

Source: Farmers Association of Iceland.

Number of Icelandic horses 2001-2002

Country	Number
Austria	3,000
Belgium	1,200
Canada	750
Denmark	18,000
Faeroe Islands	150
Finland	1,350
France	3,603
Germany	60,000
Great Britain	700
Iceland	73,809
Italy	246
Ireland	48
Luxembourg	250
The Netherlands	5,500
Norway	6,500
Slovenia	300
Sweden	14,400
Switzerland	3,000
U.S.A	2,023
Total	194,826

Source: FEIF, 2003.

Production - 3

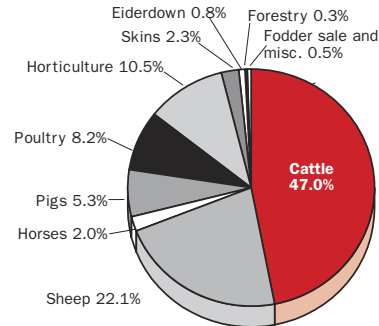
Agricultural production by regions and branches 2002

Frame of reference: taxation base of agricultural excise, %

Region	Cattle	Sheep	Horses	Pigs	Poultry	Eggs	Potatoes	Turnips	Vegetables and flowers	Skins	Eiderdown	Forestry	Fodder sale and misc.	Taxation base of agric. excise
Capital region	1.5	0.6	8.1	42.5	80.1	82.6	2.7	-	6.6	1.9	5.9	18.2	3.9	11.1
West	12.5	16.4	9.1	13.9	3.8	0.8	2.4	1.2	6.1	0.4	23.6	1.9	11.0	11.6
Westjords	2.9	12.0	0.2	0.2	0.1	-	-	-	0.2	-	37.1	4.8	6.4	4.4
Northwest	15.7	20.8	26.4	1.9	1.4	1.5	-	1.0	0.4	41.5	9.2	1.3	18.5	13.9
Northeast	24.8	17.6	4.6	17.7	4.7	3.0	12.7	3.9	5.1	14.1	12.0	0.3	11.4	18.3
East	5.9	16.6	7.2	1.6	1.3	3.1	9.5	12.2	0.4	22.9	6.3	36.1	4.9	7.8
South	36.7	16.0	44.5	22.0	8.6	9.0	72.7	81.8	19.2	5.9	37.3	43.8	39.9	29.9
Total	47.0	22.1	2.0	6.4	5.3	2.9	1.9	0.3	8.3	2.3	0.8	0.3	0.5	100.0

Source: Farmers Association of Iceland.

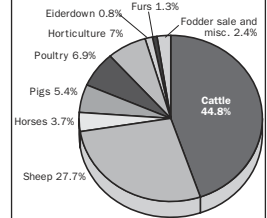
Agriculture production by branches 2002



Agricultural excise is collected from agricultural producers, to the proportion of 2.00% of the taxation base. Agricultural excise is an operating expense that applies to all agricultural producers with a few exceptions.

Source: Farmers Association of Iceland.

1990 for comparison*



* The year 1990 was assessed on the basis of the valuation estimate of the Agricultural Production Council and the year 2002 was based on agricultural excise.

Total taxation base of agricultural excise in the year 2002: ISK **18,499,921,467**

Average yield from livestock 1987-2003

	1987	1990	1995	2003	Increase – % 1987-2001
Dairy cows:					
Average annual yield, kg	3,986	4,141	4,132	5,063	1,077 – 27.0%
Sheep:					
Lamb meat per winter-fed ewe according to records of sheep breeding societies, kg	24.2	24.7	25.8	28.6	4.4 – 18.2%
Pigs:					
Meat per sow, kg	811	849	930	1,523	712 – 87.8%
Average no. of saleable pigs per sow	15.3	15.6	15.3	19.7	4.4 – 28.8%
Poultry:					
Average eggs per laying hen, kg	11.5	11.1	13.4	18.0	6.5 – 56.5%
Mink:					
Number of pelts per mated female	3.6	4.1	4.9	4.8	1.2 – 33.3%
Fox:					
Number of pelts per mated female	4.9	3.4	6.4	5.3	0.4 – 8.2%

Source: Farmers Association of Iceland.

Milk delivered to dairies 1960-2004

Ár	1000 litres	Population	Litres per capita
1960	73,637	177,292	415.3
1970	97,550	204,578	476.8
1980	107,017	229,187	466.9
1990	107,011	255,708	418.5
1995	102,863	267,806	384.1
2000	104,025	282,849	367.8
2004	112,029	293,577	381.6

Source: Farmers Association of Iceland.

Meat and eggs, tonnes/year 1970-2003

	1970	1980	1990	1995	2003
Lamb	11,280	13,534	9,454	8,690	8,792
Beef	2,733	1,983	2,931	3,061	3,624
Pork	402	1,000	2,533	3,330	6,205
Poultry			1,519	1,952	5,706
Horsemeat		610	638	988	906
Eggs	1,300	2,900	2,374	2,209	2,650

Source: Farmers Association of Iceland.

Vegetable and horticultural production in tonnes*

	1990	1995	2001	2003
Potatoes	13,000	12,000	11,366	7,090
Turnips	412	1,009	730	959
Carrots	231	340	296	347
Tomatoes	495	749	964	1,074
Cucumbers	534	603	1,049	896
Cauliflower	95	122	84	71
Cabbage	395	624	503	555
Lettuce, boxes		40	104	120
Paprika	120	194	195	79
Broccoli		25	54	59
Chinese cabbage	224	301	253	269
Mushrooms		251	450	465
Leek		22	21	0

Sources: Association of Horticultural Producers, official stock reports for potatoes. Direct sales from greenhouses estimated at 2%. Deviations in outdoor growths are 5%.

*Published with reservations, some figures estimated.

Fish farming – Total production in tons

	1990	1995	2001	2002	2003	
Salmon		2,964	2,880	2,645	1,471	3,710
Arctic char		69	471	1,320	1,540	1,670
Rainbow trout		24	389	105	248	180
Total:		3,057	3,740	4,070	3,259	5,560
Number of fish hatcheries		92	69	60	50	41
Estimated value of aquaculture products, million ISK		1,000	1,110	1,600	1,400	2,400

Source: Directory of Freshwater Fisheries.

Hunting⁺

	1995	2001
Mink	6,341	8,249
Fox	3,677	5,319
Geese and ducks, total	65,497	65,331
Thereof: Greylag goose	35,350	32,207
Pink-footed –	10,695	12,448
Mallard	9,885	9,580
Ptarmigan	123,392	100,547
Sea gulls, total	72,025	40,397
Thereof: Lesser black-backed gull	22,340	17,577
Greater black-backed gull	35,787	17,730
Guillemot, total	314,432	240,893
Thereof: Puffin	251,517	126,261
Common murre	52,867	59,460
Fulmar	8,059	10,220
Raven	7,119	3,807

Source: Wildlife Management Institute, 2003. * 2001 figures, no. of animals.

Other land benefits

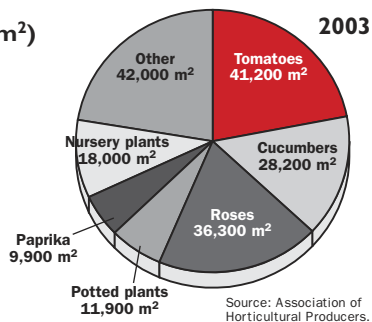
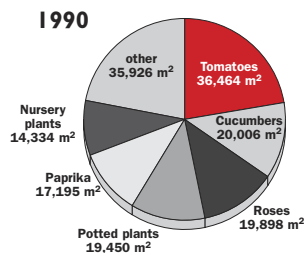
Seal hunting	1990	1995	2003
Adults	819	391	249
Pups	1,631	1,808	658
Total	2,450	2,199	907
Eiderdown			
Quantity, tonnes	3.1	3.0	2.4
Value, million ISK	140.0	100.0	149.3
Hunted reindeer			
Total no. of deers	515	335	862
Other land benefits are: Driftwood, duise, Iceland moss and other wild plants and berries.			
Source: Farmers Association of Iceland and Wildlife Management Institute.			

Wild salmon and trout catches

	1990	1995	2003
Rod fish (salmon), pcs.	30,000	34,241	34,111
Net fish (salmon), tonnes	40.0	21.7	23.0
Lake and sea trout, pcs.		56,996	69,950

Sources: Directorate of Freshwater Fisheries.

Area of greenhouse crops (m²)



Source: Association of Horticultural Producers.

Production per capita – International comparison

	Barley kg	Potatoes kg	Beef kg	Pork kg	Poultry kg	Mutton and lamb kg	Milk kg
Iceland	28	40	13	17	14	30,0	369
Belgium and Luxembourg	228	234	27	100	36	0.4	289
Denmark	1,756	300	29	322	38	0.3	829
Germany	609	133	17	50	11	0.6	327
Greece	368	83	6	13	15	7.4	58
Spain	461	75	16	76	26	6.0	147
France	1,021	110	26	39	35	2.3	392
Ireland	571	106	129	63	31	20.7	1,413
Italy	348	34	20	26	20	1.0	177
Netherlands	109	485	23	90	48	1.1	673
Austria	560	86	27	60	14	0.9	327
Portugal	135	125	9	32	27	2.2	182
Finland	710	145	17	34	14	0.1	476
Sweden	626	103	16	31	11	0.4	371
United Kingdom	318	111	11	13	26	4.3	237

Source: Danish agricultural statistics, 2002, FAOSTAT, 2003, The Farmers Association of Iceland, 2003.

The Marketplace – 4

Food consumption in Iceland 1960-2003, kg per capita

	Butter	Meat	Potatoes	Fish	Eggs	Milk	Soft drinks
1960	7.7	67.0	66.4	61.1	4.8	306.2	20.6
1970	5.6	54.4	53.9	46.4	9.8	271.1	45.9
1980	7.3	78.2	65.2	35.7	11.8	227.7	78.6
1990	6.5	71.1	50.2	43.2	11.3	205.6	119.1
2000	4.9	77.7	39.2	46.9	9.1	183.4	160.2
2003	4.4	84.1	35.6	42.7	9.2	181.2	179.2

Changes 1960-2003

	Butter	Meat	Potatoes	Fish	Eggs	Milk	Soft drinks
Kg per capita	-3.3	+17.1	-30.8	-18.4	+4.4	-125.0	+158.6
% +/-	-42.9	+25.5	-46.4	-30.1	+91.7	-40.8	+769.9

Source: Statistics Iceland.

Vegetables on sale 1991-2002 by origin, kg per capita

	1991	1995	2000	2002
Homegrown vegetables	15.3	16.4	16.9	17.0
Imported vegetables	12.5	14.8	17.7	19.8
Vegetable based foods, imported	10.9	13.2	14.4	14.0
Total	38.7	44.4	49.0	50.8
Homegrown vegetables %	39.5	36.9	34.5	33.5
Potatoes				
Homegrown potatoes	46.5	41.9	33.5	35.1
Imported potatoes	2.1	3.7	3.3	1.8
Potatoe based foods, imported	16.9	18.9	27.3	22.7
Total	65.5	64.5	64.1	59.6
Homegrown potatoes %	71.0	65.0	52.3	58.9

Source: Icelandic Nutrition Council.

Proportion of Icelandic products in the Icelandic food market

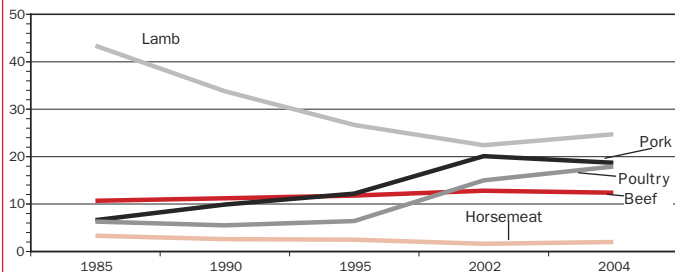
The table above provides a fairly clear idea of the part played by horticulture in the supply of vegetables and potatoes. In 2003 the value of imported vegetables was about ISK 415 millions or about 2/3 of the consumption. For most other types of farm produce, such as meat and dairy products, imports are on a very small scale. In 2003 there were imported 101 tonnes of meat of all kind, 131 tonnes of cheese, 97 tonnes of yoghurt and 13 tonnes of cream. All grain, sugar etc. are imported except limited domestic production of grain – mainly for animal feed.

Sale of meat, kg per capita 1985-2004

Year	Lamb	Beef	Pork	Poultry	Horsemeat	Total
1985	43.4	10.7	6.6	6.3	3.3	70.3
1990	33.8	11.2	9.9	5.5	2.6	63.0
1995	26.7	11.8	12.2	6.4	2.5	59.6
2002	22.4	12.8	20.1	15.0	1.6	71.9
2004	24.7	12.4	18.7	17.9	2.0	75.7

Source: Farmers Association of Iceland.

Sale of meat 1985-2004, kg per capita



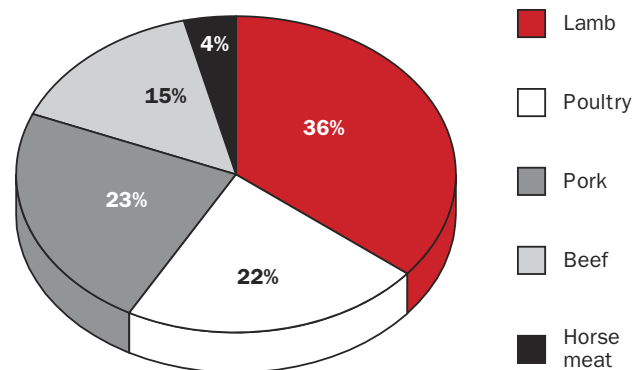
Source: Farmers Association of Iceland.

Sale of milk and other dairy products, kg or litres per capita

Year	Milk	Cream	Yoghurt	Imported Yoghurt	Skyr	Other fresh products	Butter	Cheese	Imported cheese	Milk powder
1990	193.9	7.1	9.0	-	5.4	1.0	6.5	10.6	-	2.6
1995	173.2	7.3	9.7	-	5.2	1.3	6.2	13.3	0.2	2.1
2000	154.4	7.3	10.9	1.3	6.7	1.5	5.4	14.7	0.6	2.2
2004	144.8	7.7	14.3	0.2	10.7	1.3	5.1	15.1	0.1	2.4

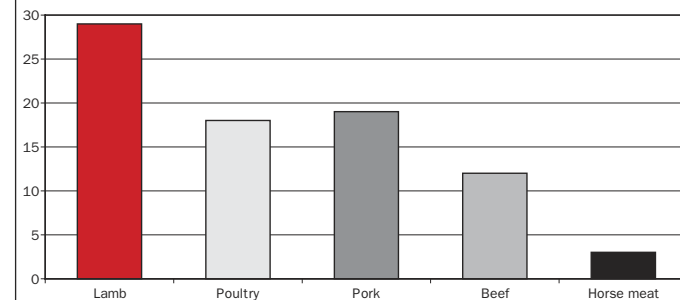
Source: Icelandic Dairies Association.

The Icelandic meat market 2004, production – percentage of market share



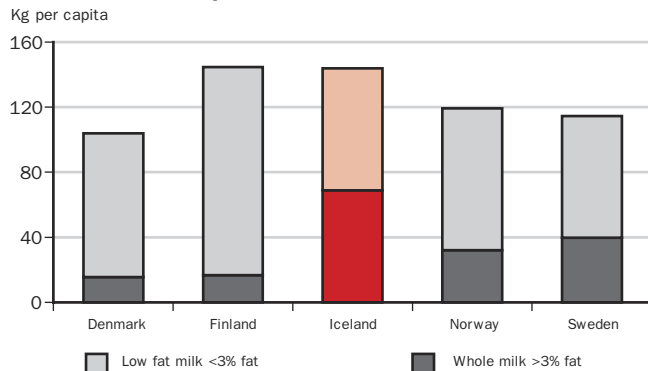
Source: Farmers Association of Iceland.

Sale of meat 2004, kg per capita



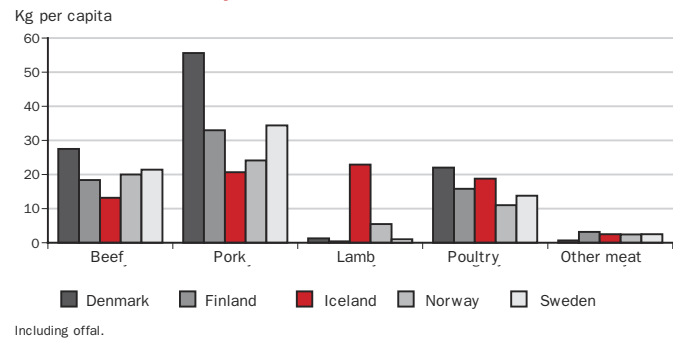
Source: Farmers Association of Iceland.

Milk consumption in the Nordic countries 2004



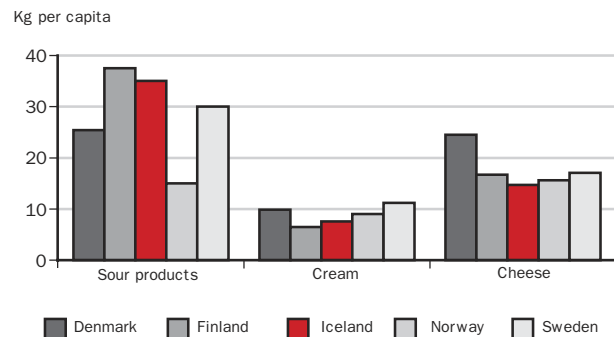
Source: Icelandic Nutrition Council.

Meat consumption in the Nordic countries 2004



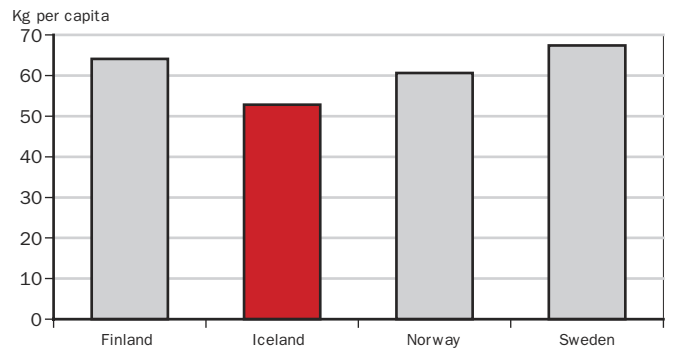
Source: Icelandic Nutrition Council.

Consumption of dairy products in the Nordic countries 2004



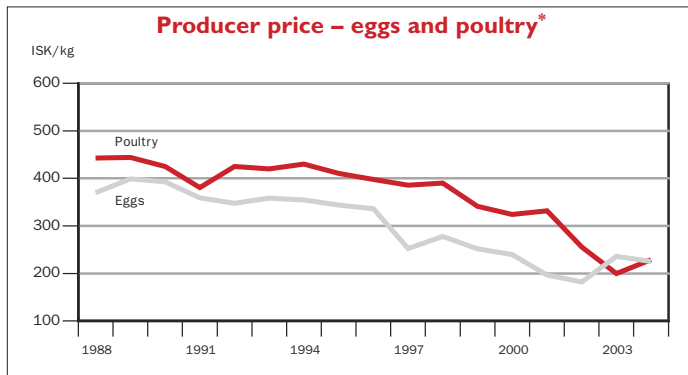
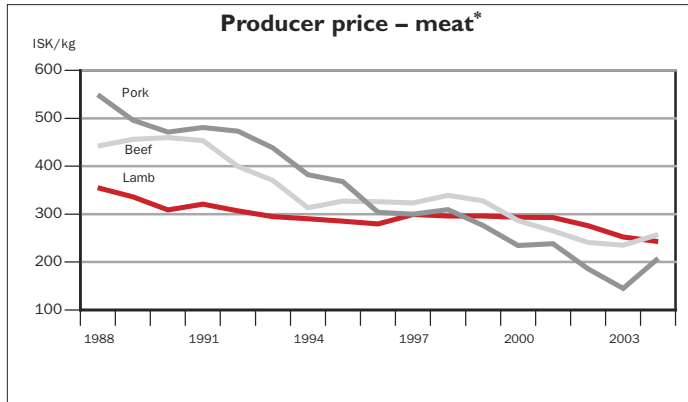
Source: Icelandic Nutrition Council.

Vegetable consumption in the Nordic countries 2004



Source: Icelandic Nutrition Council.

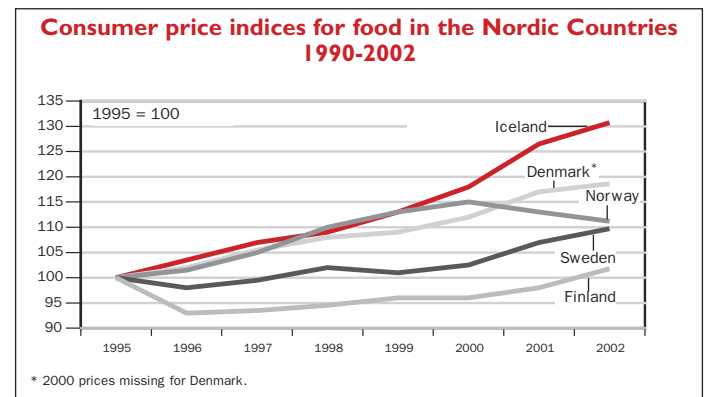
5 – Prices and Price Indexes



* 2004 prices, consumer price index.
Source: Farmers Association of Iceland.



* 2004 prices, consumer price index.
Source: Farmers Association of Iceland.

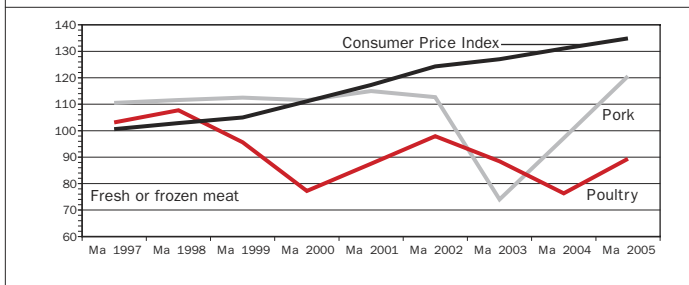
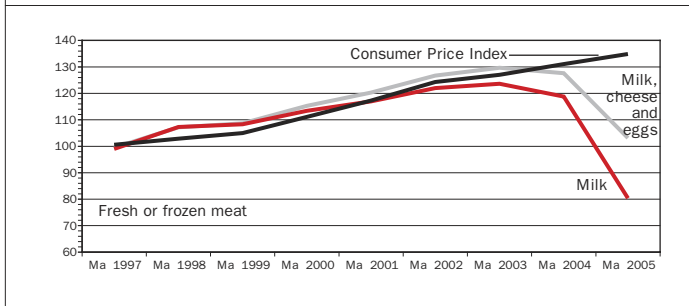
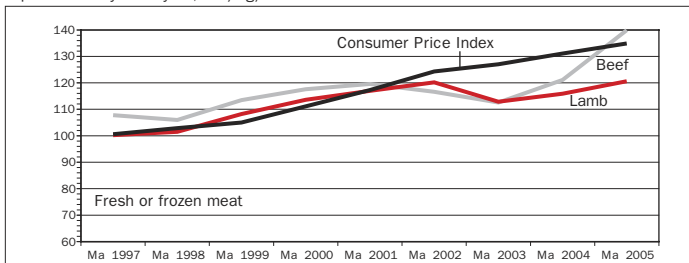


* 2000 prices missing for Denmark.

Source: Nordic Statistical Year Book 2001.

Development of retail prices 1997-2005

– prices in May each year, ISK/kg/l. Price index in March 1997 = 100



Source: Statistics Iceland. Calculation: Farmers Association of Iceland.

Support Targets – 6

Support targets for milk – by regions

Region	Support target litres 1995/1996	Support target litres 1998/1999	Support target litres 2003/2004	% 2003/2004
Capital Region	1,458,926	1,184,162	1,128,106	1.07
West	13,880,537	13,745,641	13,200,536	12.57
Westfjords	3,020,489	2,944,357	3,016,089	2.87
Northwest	14,864,938	15,947,847	16,329,882	15.55
Notheast	25,827,347	26,409,142	27,048,674	25.76
East	5,787,189	5,986,726	3,489,933	3.32
South	36,172,325	36,729,475	40,786,780	38.84
Total	101,010,751	102,947,350	105,000,000	

Source: Farmers Association of Iceland.

Support targets for sheep – by regions

Region	Active quota rights 1990/1991	Support target, sheep unit 1997	Support target, sheep unit 2001	Support target, sheep unit 2004
Capital region	5,489.4	2,875.4	2,241.5	2,436.2
West	95,952.7	61,254.2	54,525.2	51,283.6
Westfjords	65,497.9	45,731.3	43,087.6	41,121.6
Northwest	99,662.4	79,598.5	74,878.2	74,490.3
Northeast	93,217.9	65,877.6	61,660.0	65,890.1
East	73,878.4	69,045.2	66,212.2	44,723.3
South	114,027.3	71,451.6	64,983.7	70,911.9
Total	547,726.0	395,833.8	367,588.4	350,857.0

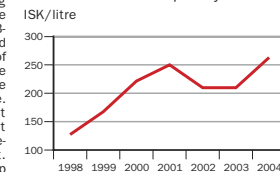
Source: Farmers Association of Iceland.

Support targets have replaced production quotas

The total support target for milk is determined for each pricing year (September to August) and is based on sales on the domestic market. The total support target for milk in 2003-2004 was 105 million litres and was divided between registered farms. A processing centre shall pay the producer 52.9% of the minimum price of milk for production which falls within the support target. In addition he gets direct payments from the State Treasury corresponding to 47.1% of the minimum price. The total support target for sheep products is a fixed amount each year. Holders of support targets receive a fixed payment per unit of support target from the Treasury. The only requirement is that they hold 0.6 sheep per unit of support target. The selling and buying of support targets in milk and sheep production is unrestricted.

Price per litre of milk in transfer of support target

– at the end of each quota year



Source: Farmers Association of Iceland.

7 – Farm operation

Production cost of sheep products – September 2001 – a farm with 400 winter-fed sheep (summary)

Expenses:	ISK
1. Feeds Concentrates, grasspellets, fish meal, minerals, fish oil, etc.	120,355.10
2. Fertilizers Nitrogen (N), Phosphorus (P), Potassium (K)	328,217.06
3. Supplies Seed, strings, bags, additives, tools and equipment	158,447.92
4. Machinery Diesel oil, lubricant, antifreeze, spare parts, rubber, part of automobile operating costs and bought maintenance	459,569.03
5. Transportation Feeds, fertilizers, seed, animals, and other products	92,804.59
6. Service Veterinary, medicine, artificial insemination, electricity, post and telephone charges	131,775.50
7. Maintenance Paintwork, timber, nails, fence, road repair, and other	149,563.55
8. Miscellaneous expenses Insurance, property tax, agricultural product levy, rangeland fee, turnover tax, land and equipment lease	392,054.16
Total variable cost:	1,832,786.91
9. Depreciation of buildings and machinery	552,220.28
10. Interest on investment	286,297.82
11. Wages (Base: 2,428 hours/year – 499.69 ISK/hour)	2,000,334.85
Total expenses:	4,671,639.86
Income (products):	
1. Meat, 7,625 kg	
2. Direct payments, 419 sheep units	
3. Offal, 456 pcs	
4. Hides, 1,585 kg	
5. Wool, 560 kg	
6. Other income, 1% of expenses = 46,716 ISK	

The pricing committee of agricultural products estimates the production cost of sheep products and prepares a price model base for a dairy farm. The Icelandic Farmers' Association publishes both results.

Price model base for a dairy farm September 1st, 2004 – 40 dairy cows and other cattle (summary)

Expenses:	ISK
1. Feeds Concentrates, grass pellets, fish meal, minerals, fish oil, etc.	1,599,123
2. Fertilizers Nitrogen (N), Phosphorus (P), Potassium (K)	745,177
3. Supplies Seed, strings, bags, additives, cleaning materials, tools and equipment	495,207
4. Machinery Diesel oil, lubricant, antifreeze, spare parts, rubber, part of automobile operating costs, and bought maintenance	1,327,563
5. Transportation Feeds, fertilizers, seed, animals, and other products	801,830
6. Service Veterinary, medicine, artificial insemination, electricity, post and telephone charges	705,416
7. Maintenance Paintwork, timber, nails, fence, road repair, and other	538,916
8. Miscellaneous expenses Insurance, property tax, agricultural product levy, turnover tax, land and equipment lease	1,102,309
Total variable cost:	7,324,540
9. Depreciation of buildings and machinery	2,153,691
10. Interest on investment	1,764,862
11. Wages (Base: 4.799 hours/year – 731.60 ISK/hour)	6,419,027
Total expenses:	17,662,120
Income:	
1. Milk* (188.000 ltr), direct payment included	15,179,120
2. Meat (3.947,17 kg), hides, and other income	1,262,251
Total income:	16,441,371

*The chemical composition of milk of average type during the pricing year 2003/2004 was determined as 4.00% fat and 3.28% protein. Processing centres shall pay producers solely on the basis of the chemical composition of milk, in such a way that 75% of payment shall be based on protein content and 25% on fat content in average milk. Payment per unit of fat shall be a minimum of ISK 2,6069 and per unit of protein ISK 9.5373.

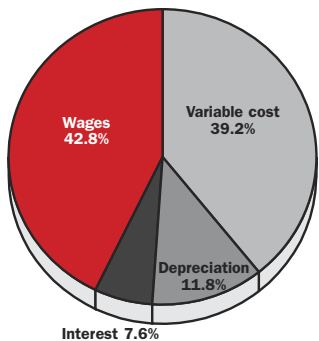
Production of model farms

	Sheep farm Sept. 2001	Dairy farm Nov. 2001
Milk		188,000 ltr
Meat	7,625 kg	3,947 kg
Wool	560 kg	
Hides	1,585 kg	
Offal	456 pcs	

1 sheep unit
equals
174 litres of milk
or
18.2 kg lamb meat

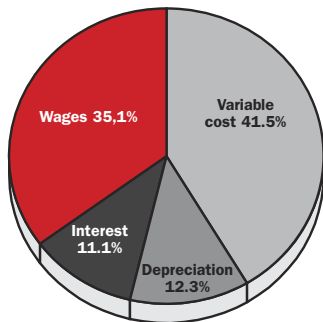
Source: Farmers Association of Iceland.

Division of farm expenses – 2001 Sheep farm



Source: Production cost model for sheep.

Division of farm expenses 2002 Dairy farm



Source: Price model base for dairy.

Division of farm expenses

– Percentage of total income¹⁾

	Dairy farms 2002	Sheep farms 2002
Operating cost	33.4	28.2
Depreciation	22.5	17.3
Interest	7.8	7.6
Other cost	13.2	19.6
Net farm income before wages	23.1	27.3
Total income, 1000 ISK	10,372	3,885

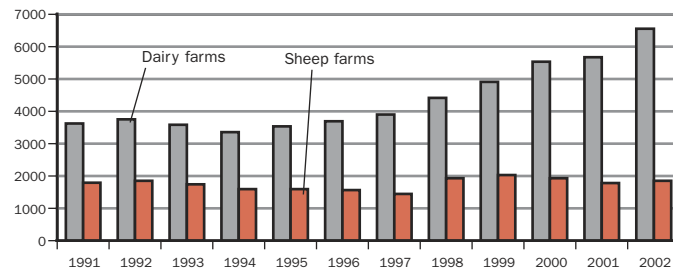
	Pig farms 2002	Egg farms 2002	Chicken farms 2002
Feed, eggs, livestock	37.9	8.5	22.2
Depreciation	10.1	7.3	6.4
Interest	15.4	12.6	8.5
Other cost	28.0	52.0	36.1
Wages	11.9	20.8	21.8
Profit	-3.3	-1.2	5.0

	Mink and fox farms 2002	Flower farms 2002	Vegetable farms 2002
Inputs	24.5	11.9	2.4
Depreciation	11.6	10.0	3.3
Interest	25.8	8.3	6.3
Other cost	34.7	45.8	61.6
Wages	16.2	26.4	20.3
Profit	-12.9	-2.4	6.0

¹⁾ Total income = operating income after irregular income and expenses.

Financial performance of dairy and sheep farms 1991-2002

– Measured in gross factor income* dairy and sheep farms, 1000 ISK



* Gross factor income: Income for payment of wages, interest and depreciation.
Source: The Agricultural Economic Service. Calculation: Farmers Association of Iceland.

8 – Exports

Exports of agricultural products

	2004 tonnes	Value 2004 million ISK
Salmon and trout	909.7	544.7
Horse products	606.0	62.5
Sheep products	4,195.9	865.4
Fox and mink products	32.3	434.8
Products from other animals	210.5	21.3
Dairy products	638.2	80.9
Eiderdown	2.2	159.7
Marine vegetation and algae	10,175.4	339.0
Other agricultural products	866.6	683.7
Total	11,439.2	3,000.4

Source: Statistics Iceland.

Exports of agricultural products 1970-2000, tonnes

	1970	1980	1990	1995	2000
Cheese	715.0	1,990.0	174.0	1.9	1.1
Casein	312.0	25.0	96.3		
Milk and skimmilk powder	636.0	9.0	1.0	0.9	102.0
Lamb	2,970.0	2,067.0	1,682.0	1,140.0	1,332.7
Live horses		345.8	529.6	792.0	571.2
Horse- and cowhides	289.6	390.6	455.6	497.0	552.9
Fox and mink pelts		63.0	50.0	19.5	30.6
Offal, frozen	190.0				
Salted sheephides	1,035.0	11.3			962.2
Wool	378.0	1,457.0	1,223.3	1,217.0	585.9
Eiderdown			3.1	3.0	3.9
Salmon and trout, refrigerated/frozen			2,880.3	2,645.0	1,417.5
Other agricultural products			821.5	2,857.0	3,088.1

Useful contacts

The Farmers Association of Iceland / Bændasamtök Íslands, www.bondi.is
tel: + 354 563-0300

Icelandic Dairy and Beef Farmers Association / Landssamband kúabænda, www.naut.is
tel: + 354 433-7077

Icelandic Farm Holidays / Ferðabjónusta bænda, www.farmholidays.is – tel: + 354 570-2700

WorldFengur – A Global Register of Icelandic horses / WorldFengur – Upprunaættbók íslenskra hestsins, www.worldfengur.com – tel: + 354 563-0300

Eiðfaxi International – Icelandic horse Magazine / Eiðfaxi – Tímarit um íslenska hestinn, www.eidfaxi.is – tel: + 354 588-2525

Icelandic Institute of Natural History / Náttúrufræðistofnun Íslands, www.ni.is
tel: + 354 590-0500

Icelandic Meteorological Office / Veðurstofa Íslands, www.vedur.is – tel: + 354 522-6000

Icelandic Tourist board / Ferðamálaráð Íslands, www.icetourist.is – tel: + 354 535-5500

International Federation of Icelandic Horse Associations / Alþjóðleg samtök eigenda íslenskra hestsins, www.feif.org – tel: +43 664 4237870

Ministry of the Environment / Umhverfisstofnun, www.umhverfisstofnun.is
tel: + 354 545-8600

Environment and Food Agency of Iceland / Umhverfisstofnun, www.ust.is
tel: + 354 591-2000

Public Roads Administration / Vegagerð ríkisins, www.vegagerdin.is – tel: + 354 522-1000

Projects and Investments – 9

Agricultural investments 1999-2003

– million ISK per year, yearly prices

	1999	2000	2001	2002	2003
Fences	263	142	170	204	163
Housing	1,981	2,167	2,211	2,078	1,558
Tool and equipment	2,107	2,749	2,199	1,913	1,339
Mink farms	104	18	14	24	37
Livestock changes	63	63	51	66	46

Total investments in agriculture 4,428 5,139 4,645 4,285 3,144

Forestry 774 854 818 848 806

– million ISK in 1990 prices

Total investments in agriculture 3,375 3,884 3,128 2,811 2,066

Forestry 582 619 568 549 505

Source: National Economic Institute.

Sheep and cattle barns built 1945 to 2003*

Year	No. of sheep barns	No. of sheep housed	Average no. of sheep in new barns	No. of cattle barns	No. of cattle housed	Average no. cattle stalls in new barns
1945	32	5,485	171	14	261	18.6
1950	90	18,614	207	50	887	17.7
1960	113	24,370	216	56	1,278	22.8
1970	52	13,520	260	32	892	27.9
1980	36	11,740	326	16	350	21.9
1990	7	1,435	205	6	172	28.6
1991-1995**	31	7,750	250	53	954	18.0
1996-2000	72	19,100	265	76	1,723	22.7
2001-2003	27	6,080	225	62	2,101	33.9

* Final loans for new buildings and enlargements.
** In 1991-1995 dairy sheds were mainly enlargements.

Source: The Agricultural Loan Fund.

10 – Economic Statistics

Icelandic vital statistics

Exports of goods and services 2004	202,373 million ISK
Imports of goods and services 2004	240,160 million ISK
Gross national product (GDP) 2004	858,921 million ISK
Economic growth 2004	5.2%
Unemployment 2003	3.4%
Catch of demersal fish 2004*	491,183 tonnes
Herring and capelin catch 2004*	1,168,779 tonnes
Shellfish and other varieties, catch 2004*	63,551 tonnes
Private cars per 1000 inhabitants 2002	653
Telephones and mobiles per 1000 inhabitants 2003	1,546 (663 fixed lines; 883 GSM mobile phones; 80 NMT mobile phones)
Doctors per 1000 inhabitants 2003	3.6

Energy resources:	Hydropower	Geothermal	Fuel	Total
Electricity generation, technically possible (GWh/year)	64,000	300,000		364,000
*, economically and environmentally feasible (GWh/year)	30,000	20,000		50,000
Geothermal energy for heating (T>40°C) (EJ)		1,700		

Energy consumption:

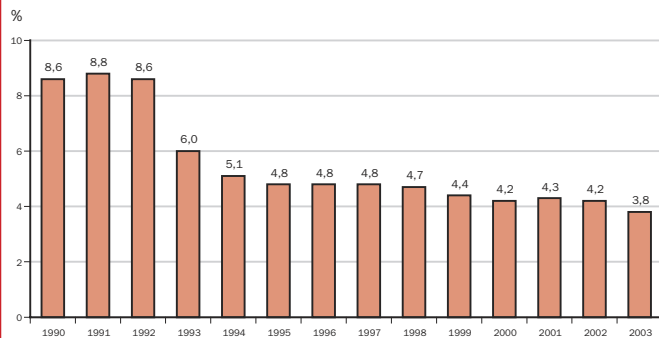
Primary energy consumption (PJ) 2003	25.5	77.3	36.2	143.4
Electricity generation (GWh) 2003	5,708	2,784	3	8,495

Division of energy use (GWh)	1980	1990	1995	2000	2004 – %
Heavy industry	1,624	2,229	2,497	4,682	5,231
Public use	1,228	2,218	2,480	2,584	2,784

* Preliminary figures.

Source: Statistics Iceland, National Economic Institute, National Energy Authority.

Government expenditures on agriculture as percentage of total state expenditures 1988-2003



Source: National Economic Institute and National Accounts.

Producer subsidy equivalent – PSE% in OECD countries

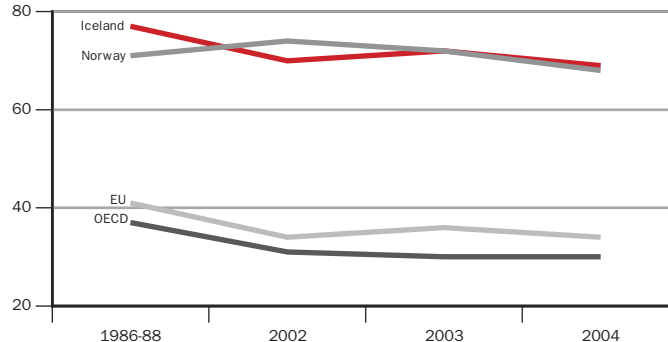
– percentage of total production value (PSE%) by countries

	1986-88	2002-2004	2002	2003	2004 ¹⁾
Australia	8	4	5	4	4
Canada	36	22	21	25	21
European Union ²⁾	41	35	34	36	34
Iceland	77	70	70	62	69
Japan	61	58	58	59	56
Korea	70	63	65	61	63
New Zealand	11	2	2	2	3
Norway	71	71	74	72	68
Switzerland	78	71	73	71	68
Turkey	16	25	20	29	27
United States	22	17	18	15	18

Source: OECD. ¹⁾ Estimated. ²⁾ Austria, Finland and Sweden are included in the EU for the entire period indicated.

Development of PSE% in Norway, Iceland, EU and OECD

– based on data from the table above.



II – International Comparisons

Nordic comparisons

	Population 1000	Country area 1000 km ²	Thereof forests km ²	Inhabitants per km ² 2001	Age 0-14 years %	Age 15-64 years %	Age 65+ years %
Iceland	288	103	1,300	2.8	23	66	12
Norway	4,552	324	74,131	14.7	20	65	15
Denmark	5,384	43	4,360	124.1	19	66	15
Faroe Islands	48	1.4		33.0	24	62	14
Greenland	57	2,166		0.2	26	69	5
Finland	5,206	338	230,030	17.0	18	66	16
Åland Islands	26	1.6		16.6	18	65	16
Sweden	8,941	450	234,235	21.6	18	65	17

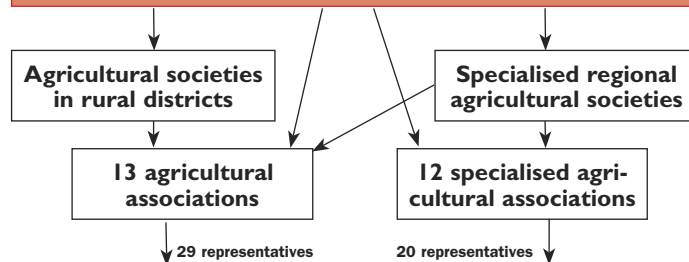
Source: Nordic Statistical Year Book 2003.

International statistics – chosen countries

	Population 1000 2001	Live born children per female 2000	Average live exp. of women 2000	Unem- ploym. % 2000- 2001	GNP per capita US\$ 1999-2000	Energy cons. per capita kW 1999	CO ₂ emis- sions per cap. 1000 tons 1998
Iceland	288	1.93	82.2	1.3	31,814	24,361	2.06
Norway	4,524	1.78	81.5	3.6	34,377	27,379	2.07
Denmark	5,368	1.74	79.3	5.2	32,853	7,964	2.76
Finland	5,195	1.73	81.5	9.1	25,112	16,098	2.82
Sweden	8,909	1.57	82.1	4.0	26,968	16,738	1.50
United Kingdom	60,114	1.63	80.2	4.8	24,323	6,467	2.51
Germany	82,431	1.42	81.0	7.9	25,749	6,845	2.75
Italy	56,306	1.24	81.8	9.5	20,355	5,490	1.97
Switzerland	7,259	1.41	83.0	1.9	36,031	8,376	1.56
Poland	38,633	1.29	78.3	18.2	3,991	3,549	2.27
Russia	143,954	1.25	72.3	13.4	1,257	5,701	2.66
USA	284,797	2.06	79.5	4.8	32,778		5.43
Japan	127,130	1.34	84.0	5.0	33,276		2.45
Columbia	43,071	2.73	75.3	14.7	2,093		0.45
Kuwait	2,275	4.16	–	0.8	16,244		7.40
Pakistan	142,280	5.04	58.9	7.8	487		0.18
South-Africa	44,328	3.30	–	5.4	3,067		2.38
Burundi	6,412	6.80	41.5	14.0	128		0.01
Algier	30,836	3.14	70.3	29.8	1,726		0.97
Australia	19,387	1.74	81.8	6.8	21,319		4.88

Source: Statistics Iceland.

Icelandic farmers



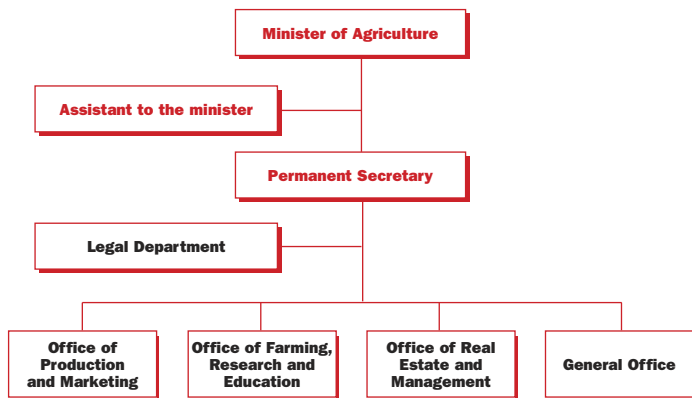
Association of Icelandic Farmers

49 elected representatives
AGRICULTURAL ASSEMBLY

Board (7)

The Association of Icelandic Farmers (Bændasamtök Íslands; BÍ) is a general farmers' association. Its main objectives are as follows:
 Safeguarding the interests of farmers, operate instructional services. Negotiate contracts with the government with respect to agricultural products and represent the farming community as a whole. Operating a network of consultants in livestock farming, soil management, farming technology, economics, land management and land benefits. The maintenance of records with respect to livestock and and selective breeding, farm produce and harvest. The publication of the periodicals Freyr and Bændablaðið as well as instructive and statistical booklets, the Farmers' Manual, the Agricultural Journal etc. The operation of breeding bull center. Supervise special government projects and the observation of law. The association has total staff of 47.
 BÍ has five divisions of operation: Social division – Consulting division – Finance and office division – Computer department – Publishing and public relation division

The Ministry of Agriculture



The Ministry and its Responsibilities

The Ministry of Agriculture is in charge of matters concerning the following:

1. Agriculture and related issues
2. Education, research and the inspection of agriculture
3. Soil conservation and forestry
4. State-owned farms, including pastures
5. Agricultural land use and related issues
6. Irrigation, dams and drainage
7. Production and marketing, import and export of agricultural goods
8. Import and export of live animals and plants and their genetic components, the conservation of hereditary resources in agriculture, the patenting of GM crops
9. Animal welfare and health, protection against animal diseases, the quality and wholesomeness of agricultural supplies and products
10. Freshwater fisheries, aquaculture and related issues
11. Financing and support of nýsköpun and other agricultural activity
12. Economic research and planning in agriculture

Landbúnaðarráðuneytið – Address: Sölvhólsgötu 7, 150 Reykjavík
www.landbunadarraduneyti.is – Tel: + 354 545-9750; telefax: 552-1160

The Ministry's Institutions



Landbúnaðarháskóli Íslands

Agricultural University of Iceland / Landbúnaðarháskóli Íslands, www.lbihi.is
 Tel: +354 433-5000, telefax: 433-5001 – Address: Hvanneyri, 311 Borgarnesi
Aim: The Agricultural University of Iceland is an academic, scientific and educational research institute, providing postgraduate (master and doctorate) education.



Hólar Agricultural College / Hólaskóli, www.holar
 Tel: +354 455-6300, telefax: 455-6301 – Address: Hólar, 551 Sauðárkróki
Aim: The Hólar Agricultural College is an institute of education and research, teaching students applied skills in the fields of horse-education, horsemanship, aquaculture, marine biology and tourism, with special emphasis on culture and nature.



Directorate of Freshwater Fisheries / Veidimálastjóri, www.veidimalastjori.is
 Tel: +354 567-6400, telefax: 567-8850 – Address: Vagnhöfði 7, 110 Reykjavík
Aim: Administration of fishing and fish-breeding in freshwater environment in order to promote sustainable use of rivers and lakes.

Institute of Freshwater Fisheries / Veidimálastofnun, www.veidimal.is
 Tel: +354 567-6400, telefax: 567-6420 – Address: Vagnhöfði 7, 110 Reykjavík
Aim: Scientific research of rivers and lakes as well as their biosystems and fish stocks, such as salmon, trout and eel. Consultation regarding sustainable freshwater fisheries and the enhancement and improved profitability of fish stocks.

The Feed, Seed, and Fertilizer Inspectorate / Aðfangaeftirlitið, www.adfangaeftirlit.is
 Tel: +354 591-1590 – Telefax: 591-1591 – Address: Keldnaholti, 112 Reykjavík
Aim: Inspection of quality, nutritional values and ecological issues with regard to the import of agricultural products, thereby safeguarding the quality and nutritional value of Icelandic food.



Yfirkjötmat ríkisins
 Icelandic Meat Classification Board

Icelandic Meat Classification Board / Yfirkjötmat ríkisins – www.kjotmat.is
 Tel: +354 460-4477, telefax: 460-4478 – Address: Búgarður, Öseyrí 2, 600 Akureyri
Aim: Inspection of animal health, slaughtering, meat-processing, classification and provision of health certificates of meat.



SKÓGRÆKT
 RÍKISINS

The Icelandic Forest Service / Skógrækt ríkisins – www.skogur.is
 Tel: +354 471-2100, telefax: 471-2172 – Address: Miðvangur 2-4, 700 Egilsstöðum
Aim: Consultation, research, education, conservation and development with regard to forestry in Iceland.



Soil Conservation Service of Iceland / Landgræðsla ríkisins, www.land.is
 Tel: +354 488-3000, telefax: 488-3010 – Address: Gunnarsholt, 850 Hella
Aim: Conservation of soil and vegetation and reclamation of land.



Agricultural Economics Institute of Iceland / Hagbjónusta landbúnaðarins, www.hag.is
 Tel: +354 433-7080, telefax: 437-0121 – Address: Hvanneyri, 311 Borgarnesi
Aim: Producing statistics on Icelandic agriculture in accordance with UN standards.



Icelandic Veterinary Services / Yfirdyralæknir – www.yfirdyralaeknir.is
 Tel: +354 545-9750, telefax: 552-1160 – Address: Sölvhólsgötu 7, 150 Reykjavík
Aim: Acting as consultative body to the Minister of Agriculture and the government on issues regarding animal health and safety in the production and processing of agricultural products.

