

**Table B.1 Parameter estimates of the logit models for the subsample 1 and the corresponding control groups**

	France	Germany	Spain	UK	Italy
<i>Farm characteristics</i>					
date of birth of the farmer	0.020*** (0.007)	n.a.	n.a.	0.021*** (0.006)	0.021* (0.011)
dummy mountain	0.599* (0.328)	-0.587 (1.13)	0.263 (0.416)	n.a.	0.727 (0.451)
dummy hill	-0.142 (0.209)	0.596** (0.266)	-1.293*** (0.466)	0.283 (0.261)	0.198 (0.381)
farm UAA (ha)	0.004*** (0.001)	0.001** (0.000)	0.000 (0.001)	0.001 (0.001)	0.001 (0.001)
fertilizer expenditure (euro/ha)	-0.007*** (0.002)	-0.002 (0.002)	0.001 (0.003)	0.003 (0.002)	-0.002 (0.002)
crop protection expenditure (euro/ha)	0.002 (0.002)	0.004* (0.002)	0.002 (0.001)	0.001 (0.003)	0.001 (0.001)
share of grassland on the farm (%)	0.006 (0.004)	-0.012*** (0.004)	0.002 (0.006)	-0.008 (0.005)	0.014** (0.006)
number of family working hours	0.000 (0.000)	0.000* (0.000)	0.000* (0.000)	0.000** (0.000)	0.000 (0.000)
number of hired labor working hours	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
revenue (000 euro/ha)	-0.053 (0.045)	-0.291*** (0.077)	-0.188 (0.149)	-0.105** (0.049)	-0.006 (0.019)
farm capital per working units (000 euro)	0.001 (0.001)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
farm income (000 euro/ha)	0.017 (0.182)	0.543*** (0.177)	-0.178 (0.285)	0.039 (0.134)	0.006 (0.020)
farm decoupled subsidies (000 euro/ha)	-0.268 (0.676)	-0.952 (0.620)	-1.642 (1.562)	1.191** (0.585)	-0.202 (0.539)
dummy livestock farm	0.462** (0.217)	0.676*** (0.248)	0.299 (0.445)	0.044 (0.324)	-0.564 (0.423)
<i>Macroeconomic indicators of the region<sup>a</sup></i>					
Gross Domestic Product per capita (000 euro)	0.156*** (0.018)	-0.045 (0.045)	-0.528*** (0.157)	-0.026 (0.049)	0.201** (0.096)
value added of agricultural over total value added (%)	0.321*** (0.040)	-0.572** (0.270)	0.104 (0.175)	0.071 (0.296)	0.765** (0.347)
<i>Geographical location<sup>a</sup></i>					
dummy north (dummy Scotland for UK)	-0.131 (0.482)	-0.477 (0.422)		1.116*** (0.303)	
dummy east (dummy north-east for Italy)	0.784* (0.459)	-1.613*** (0.574)	4.557*** (1.010)		0.120 (1.094)
dummy west (dummy northern Ireland for UK; dummy north-west for Italy)	-0.273 (0.475)	-0.948*** (0.339)		-0.386* (0.474)	2.549** (1.097)
dummy south (dummy Wales for UK)				-0.562 (0.304)	
dummy centre			-3.748*** (1.098)		1.563 (1.048)
constant	-8.489*** (0.908)	1.034 (1.633)	2.907 (2.567)	-1.050 (1.451)	-14.022*** (2.967)
<i>Pseudo R<sup>2</sup></i>	0.108	0.068		0.116	0.153

\*\*\*, \*\*, \* indicate statistical significance at 1%, 5% and 10% respectively of the coefficient estimates.

<sup>a</sup> The macroeconomic indicators are specified for each NUTS2 region in France, Spain and Italy and for each NUTS1 region in Germany and United Kingdom. The country geographical dummies are specified for NUTS1 regions or aggregations of them.

Source: estimation results.

**Table B.2 Parameter estimates of the logit models for the subsample 2 and the corresponding control groups**

	France	Germany	Spain	UK	Italy
<i>Farm characteristics</i>					
date of birth of farmer	0.022 (0.018)	n.a.	n.a.	0.012 (0.012)	0.017*** (0.006)
dummy mountain	0.270 (0.588)	-1.606 (2.006)	-0.420 (0.381)	n.d.	0.978*** (0.290)
dummy hill	-0.766** (0.429)	-1.367 (1.222)	-2.472*** (0.550)	0.576 (0.416)	0.802*** (0.227)
farm UAA (ha)	-0.003 (0.003)	0.001 (0.001)	0.000 (0.001)	0.001 (0.001)	0.001*** (0.001)
fertilizer expenditure (euro/ha)	-0.0115** (0.005)	-0.0186 (0.002)	0.004** (0.002)	-0.0112** (0.005)	-0.003 (0.002)
crop protection expenditure (euro/ha)	-0.002 (0.008)	-0.072*** (0.027)	-0.004*** (0.001)	-0.018** (0.009)	-0.008*** (0.003)
share of grassland on the farm (%)	0.023* (0.012)	0.030* (0.018)	-0.043*** (0.011)	-0.028** (0.011)	-0.006 (0.005)
revenue (000 euro/ha)	-2.406*** (0.533)	-1.894*** (0.717)	-0.010 (0.063)	-0.735** (0.320)	-0.378*** (0.118)
farm capital per working units (000 euro)	0.002 (0.002)	-0.002 (0.002)	-0.001 (0.001)	0.000 (0.000)	0.000 (0.000)
farm income (000 euro/ha)	1.165 (0.802)	-0.227 (0.492)	-0.594*** (0.185)	-0.116 (0.641)	0.182 (0.163)
farm decoupled subsidies (000 euro/ha)	-3.076* (1.804)	4.185 (2.834)	-9.678*** (1.726)	0.166 (1.162)	-1.361** (0.822)
dummy livestock farm	-0.042 (0.653)	-2.415** (1.367)	-0.117 (0.444)	0.301 (0.739)	-0.344 (0.287)
<i>Macroeconomic indicators of the region<sup>a</sup></i>					
Gross Domestic Product per capita (000 euro)	0.055 (0.064)	-0.739*** (0.353)	-0.530*** (0.198)	0.079 (0.098)	0.484*** (0.082)
value added of agricultural over total value added (%)	0.036 (0.140)	-1.444 (1.137)	0.544** (0.218)	0.506 (0.617)	1.668*** (0.193)
<i>Geographical location<sup>a</sup></i>					
dummy north (dummy Scotland for UK)	1.198 (0.854)	-11.174*** (3.792)		-0.162 (0.610)	
dummy east (dummy north-east for Italy)	2.046*** (0.669)	-13.225*** (4.483)	2.667** (1.184)		-3.436*** (0.988)
dummy west (dummy northern Ireland for UK; dummy north-west for Italy)	0.674 (0.789)	-7.915*** (2.922)		0.112 (0.899)	0.109 (0.760)
dummy south (dummy Wales for UK)				-0.097 (0.584)	
dummy centre			-5.430*** (0.822)		1.112** (0.581)
constant	-4.448** (2.248)	29.995** (12.406)	5.671* (2.949)	-1.592 (2.986)	-18.934*** (2.221)
<i>Pseudo R<sup>2</sup></i>	0.345	0.591	0.451	0.169	0.254

\*\*\*, \*\*, \* indicate statistical significance at 1%, 5% and 10% respectively of the coefficient estimates.

<sup>a</sup> The macroeconomic indicators are specified for each NUTS2 region in France, Spain and Italy and for each NUTS1 region in Germany and United Kingdom. The country geographical dummies are specified for NUTS1 regions or aggregation of them.

Source: estimation results

**Table B.3 Covariates mean and standardized bias before and after the matching (treated subsample 1 vs. control group in 2003)**

	France			Germany			Spain			UK			Italy		
	Treated	Control	% st bias	Treated	Control	% st bias	Treated	Control	% st bias	Treated	Control	% st bias	Treated	Control	%st bias
date of birth of the farmer <sup>a</sup>	58.55	57.2***	16.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	50.52	48.6***	16.9	54.28	49.98**	30.5
	58.57	58.58	-0.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	50.38	50.12	2.3	54.08	55.53	-10.3
dummy mountain	0.057	0.02***	16.6	0.00	0.01	-4.6	0.41	0.39	4.4	n.a.	n.a.	n.a.	0.24	0.10***	36.9
	0.058	0.05	2.3	0.00	0.00	2.7	0.41	0.38	7.1	n.a.	n.a.	n.a.	0.23	0.24	-4.8
dummy hill	0.12	0.11	4.7	0.25	0.15***	24.8	0.20	0.38**	-41.2	0.09	0.11	-4.6	0.28	0.27	1.9
	0.12	0.11	1.8	0.25	0.28	-8.4	0.20	0.22	-5.4	0.09	0.11	-6.5	0.28	0.29	-1.7
farm UAA (ha)	136.35	105***	37.7	223.55	125***	27.1	88.43	66.08	19.6	171.98	116***	33.7	75.16	42.84**	29.7
	132.36	130.37	2.5	207.43	171.13	10	88.43	90.58	-1.9	157.10	163.40	-3.8	73.57	68.31	4.8
fertilizer expenditure (euro/ha)	97.35	124.9*	-12.6	95.39	96.13	-1.4	77.07	63.99	17.0	78.86	75.36	7.3	78.19	112.64	-19.7
	97.50	96.30	0.5	95.51	97.03	-2.9	77.07	73.20	5.0	78.58	75.6	6.2	79.66	86.29	-3.8
crop protection expenditure (euro/ha)	78.67	103.0**	-15.1	88.24	79.39*	13.1	69.38	39.48	24.2	40.75	24.7***	34.4	75.84	78.20	-1.4
	78.86	77.86	0.6	88.18	87.87	0.5	69.38	79.15	-7.9	39.15	38.75	0.9	77.27	89.88	-7.4
share of grassland on the farm (%)	34.29	26.5***	26.1	22.48	28.7***	-21.2	22.74	30.01	-18.2	61.22	76.7***	-42.5	50.99	31.7***	51.1
	34.15	35.28	-3.8	22.63	22.10	1.8	22.74	23.94	-3.0	61.95	62.54	-1.6	50.06	46.78	8.7
number of family working hours	2735	2482***	21.8	3169	3132	2.9	2555	2612	-5.3	3851	3690	8.9	3964	3337**	28.3
	2719	2731	-1.1	3195	3220	-1.9	2555	2721	-15.2	3824	3863	-2.1	3887	4018	-5.9
number of hired labor working hours	487	621	-9.3	6262	2454***	21.1	507	336	13.1	1738	1358	9.3	1547	1109	9.2
	482	479	0.2	5765	3333	13.5	507	456	4.0	1483	1367	2.8	1576	1608	-0.7
output value (euro/ha)	1448.90	2412.40	-12.2	2366.70	2719.00	-12.8	1544.30	6661.6	-6.8	1346.3	3959***	-22.8	5741.10	28580	-2.6
	1453.70	1466.60	-0.2	2376.80	2410.10	-1.2	1554.30	1547.90	0.0	1352.60	1402.60	-0.4	5839.40	5582.20	0
farm capital per working units (000 euro)	137.76	123***	16.8	408.34	416.13	-2	191.21	160.26	11.0	500.32	385.26	7.6	337.42	335.48	0.4
	136.59	138.69	-2.5	410.77	433.39	-5.8	191.21	172.77	6.6	414.00	504.96	-6	340.79	337.34	0.7
farm income (euro/ha)	314.27	425.65*	-13.6	413.33	352.68	8.7	764.33	380.35	-5.2	3196.3	812.7**	-15.7	2419.1	23384	-2.5
	316.09	311.09	0.6	416.13	418.79	-0.4	764.33	764.16	0.0	321.42	326.92	-0.2	2461.80	1988.40	0.1
farm decoupled subsidies (euro/ha)	289.02	305.2**	-12.8	281.33	267.23	9.4	110.12	170.68	-16.9	200.66	152.32*	35.7	208.14	265.67	-8.5
	289.67	288.76	0.7	281.27	286.67	-3.6	110.12	106.06	1.1	200.68	206.3	-4.2	212.05	209.79	0.3
dummy livestock farm	0.618	0.51***	22.9	0.71	0.73	-3.5	0.48	0.49	-2.3	0.69	0.84***	-36.4	0.61	0.46**	30.1
	0.618	0.632	-2.9	0.71	0.72	-2	0.48	0.48	-0.9	0.70	0.69	2.3	0.60	0.57	6.3
Gross Domestic Product per capita (000 euro)	24.08	23.1***	21.1	24.43	23.88*	12.6	18.69	17.1***	50.2	24.15	23.0***	43.1	25.96	22.6***	68
	24.09	24.10	-0.4	24.49	24.92	-9.9	18.69	18.77	-2.3	24.08	24.09	-0.2	25.86	25.49	7.4

Continued

**Table B.3 Continued**

	France			Germany			Spain			UK			Italy		
	Treated	Control	% st bias	Treated	Control	% st bias	Treated	Control	% st bias	Treated	Control	% st bias	Treated	Control	% st bias
value added of agricultural over total value added (%)	4.242	3.83***	19	1.45	1.49	-6.9	3.74	4.57***	-52.0	1.55	1.56	-2.8	2.47	3.15***	-51.6
	4.204	4.208	-0.2	1.44	1.43	1.6	3.74	3.81	-4.0	1.55	1.53	2.5	2.48	2.58	-7.2
dummy north (dummy Scotland for UK)	0.467	0.441	5.1	0.51	0.56	-8.6	n.a.	n.a.	n.a.	0.28	0.10***	46.9	n.a.	n.a.	n.a.
	0.463	0.471	-1.7	0.51	0.49	4.5	n.a.	n.a.	n.a.	0.27	0.26	2.3	n.a.	n.a.	n.a.
dummy west (dummy northern Ireland for UK; dummy north-west for Italy)	0.288	0.36***	-15.6	0.20	0.24	-10.4	n.a.	n.a.	n.a.	0.12	0.21***	-23.4	0.56	0.17***	87.4
	0.290	0.298	-1.6	0.20	0.20	1.6	n.a.	n.a.	n.a.	0.13	0.12	1.8	0.55	0.55	-0.2
dummy east (dummy north-east for Italy)	0.225	0.17***	14.5	0.09	0.10	-4.8	0.74	0.26***	107.3	n.a.	n.a.	n.a.	0.17	0.25	-21.1
	0.227	0.210	4.3	0.09	0.08	3.4	0.74	0.74	0.5	n.a.	n.a.	n.a.	0.17	0.16	2.6
dummy south (dummy Wales for UK)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.11	0.22***	-30.3	n.a.	n.a.	n.a.
	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.11	0.11	0.6	n.a.	n.a.	n.a.
dummy centre	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.02	0.47***	-121.6	n.a.	n.a.	n.a.	0.13	0.16	-9.5
	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.02	0.02	0.6	n.a.	n.a.	n.a.	0.13	0.12	4.8

\*\*\*, \*\*, \* indicate statistical significance at 1%, 5% and 10% respectively of a t-test on the equality of covariates mean between the treated and the control group

<sup>a</sup> for all covariates the first line refers to the unmatched samples, the second line refers to the matched samples.

Source: estimation results

**Table B.4 Covariates mean and standardized bias before and after the matching (treated subsample 2 vs. control group in 2003)**

	France			Germany			Spain			UK			Italy		
	Treated	Control	% st bias	Treated	Control	% st bias	Treated	Control	% st bias	Treated	Control	% st bias	Treated	Control	%st bias
date of birth of the farmer <sup>a</sup>	58.91	57.16	19.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	49.32	48.59	6.8	52.57	49.98**	18.5
	58.10	58.8***	-7.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	49.27	49.81	-5	52.57	53.02	-3.2
dummy mountain	0.16	0.02	48.1	0.13	0.01***	49	0.25	0.39***	-30.6	n.a.	n.a.	n.a.	0.27	0.10***	42.7
	0.13	0.17***	-11.3	0.13	0.08	17.3	0.26	0.26	0.1	n.a.	n.a.	n.a.	0.27	0.29	-6.2
dummy hill	0.23	0.11	33.4	0.20	0.15	13.3	0.06	0.38***	-84.7	0.19	0.11**	23.2	0.51	0.27***	50
	0.23	0.23	-0.3	0.25	0.32	-18.7	0.06	0.06	0.3	0.19	0.21	-4	0.51	0.49	3.9
farm UAA (ha)	98.39	105.83	-12.4	171.77	125.20	19.8	53.12	66.08	-11.6	214.63	116***	29.8	77.60	42.8***	36.4
	99.03	99.72	-1.1	127.70	146.42	-7.9	54.62	60.45	-5.2	166.53	201.72	-10.6	77.60	72.17	5.7
fertilizer expenditure (euro/ha)	53.19	124.90*	-32.8	27.89	96.1***	-126.2	145.57	64.0***	74.0	47.45	75.4***	-63.2	44.77	112***	-46.8
	54.61	54.17	0.2	49.15	50.89	-3.2	133.52	134.13	-0.6	48.09	46.84	2.8	44.77	44.19	0.4
crop protection expenditure (euro/ha)	29.36	103.0**	-46	13.18	79.4***	-125.6	141.45	39.5***	70.9	20.33	24.71	-12.2	20.78	78.2***	-43
	31.0	31.73	-0.5	21.94	21.9	-0.1	135.5	125.12	7.2	20.61	19.15	4.1	20.78	20.73	0
share of grassland on the farm (%)	68.11	26.5***	130.7	49.58	28.74**	55.5	2.40	30.0***	-87.5	73.21	76.67	-10.1	40.70	31.7***	23.6
	67.24	66.11	3.5	45.39	45.48	-0.3	2.49	3.84	-4.3	72.85	75.06	-6.5	40.70	42.31	-4.2
output value (euro/ha)	718.38	241.24	-21.6	861.72	2719**	-71.7	2218.2	6661.6	-5.9	657.23	3959.1*	-28.9	1271.1	2858.0	-3.1
	735.08	753.25	-0.2	1299.80	1233.80	2.5	2187.80	2189.70	0.0	666.13	660.90	0	1271.10	1242.00	0
farm capital per working units (000 euro)	137.91	123.60	17.5	225.95	416.13*	-60.9	155.28	160.26	-1.8	344.25	385.26	-6	356.87	335.48	4.2
	134.45	139.56	-6.3	282.17	275.83	2	159.79	150.18	3.5	348.21	346.93	0.2	356.87	369.50	-2.5
farm income (euro/ha)	233.97	425.65	-23.5	129.55	352.68	-34.4	860.35	380.4**	-5.1	153.77	812.76	-21	635.34	233.84	-2.7
	241.68	246.34	-0.6	129.79	185.11	-8.5	888.64	909.53	0.0	155.80	150.25	0.2	635.34	620.62	0
farm decoupled subsidies (euro/ha)	211.31	305***	-78.7	232.38	267.23	-22.1	61.25	170.68	-30.9	174.31	152.32	15.9	206.98	265.67	-9.5
	0.22	0.21	9.7	238.38	237.11	0.8	63.41	55.4	2.3	176.68	163.05	9.9	206.98	201.62	0.9
dummy livestock farm	0.84	0.51***	75.8	0.60	0.73	-26.8	0.14	0.49***	-82.3	0.77	0.84	-18	0.41	0.46	-11
	0.83	0.83	0.4	0.75	0.71	8.4	0.14	0.15	-1.7	0.77	0.79	-5.2	0.41	0.42	-2.5
Gross Domestic Product per capita (000 euro)	22.58	23.10	-16	22.75	23.88	-24.1	16.26	17.12**	-27.6	23.46	23.01	16.3	20.05	22.5***	-45.8
	22.53	22.76	-7.1	24.62	24.37	5.4	16.33	16.20	4.2	23.42	23.23	7	20.05	19.70	6.4
value added of agricultural over total value added (%)	3.40	3.83*	-27.1	1.79	1.49*	33.2	4.42	4.57	-10.8	1.65	1.56	15.3	4.08	3.15***	59.1
	3.43	3.37	3.5	1.45	1.46	-1.3	4.41	4.42	-1.1	1.65	1.62	5.2	4.08	4.20	-7.6

Continued

**Table B.4 Continued**

	France			Germany			Spain			UK			Italy		
	Treated	Control	% st bias	Treated	Control	% st bias	Treated	Control	% st bias	Treated	Control	% st bias	Treated	Control	% st bias
dummy north (dummy Scotland for UK)	0.25	0.44***	-41	0.33	0.56*	-45.5	n.a.	n.a.	n.a.	0.20	0.10	27.8	n.a.	n.a.	n.a.
	0.25	0.26	-1.6	0.25	0.27	-4.5	n.a.	n.a.	n.a.	0.19	0.17**	7.0	n.a.	n.a.	n.a.
dummy west (dummy northern Ireland for UK; dummy north-west for Italy)	0.23	0.36**	-28.3	0.13	0.24	-28.4	n.a.	n.a.	n.a.	0.23	0.21	5.1	0.14	0.17	-7.4
	0.25	0.23	3.5	0.25	0.17	20.9	n.a.	n.a.	n.a.	0.23	0.22	4.2	0.14	0.14	1.4
dummy east (dummy north-east for Italy)	0.38	0.17***	47.7	0.27	0.10**	41.5	0.35	0.26	19.1*	n.a.	n.a.	n.a.	0.03	0.25***	-67
	0.35	0.33	2.9	0.13	0.18	-15.3	0.36	0.34	6.2	n.a.	n.a.	n.a.	0.03	0.03	-1
dummy south (dummy Wales for UK)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.16	0.22	-14.7	n.a.	n.a.	n.a.
	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.16	0.20	-9.5	n.a.	n.a.	n.a.
dummy centre	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.02	0.47	-121***	n.a.	n.a.	n.a.	0.22	0.16**	15
	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.02	0.04	-3.8	n.a.	n.a.	n.a.	0.22	0.19	8.5

\*\*\*, \*\*, \* indicate statistical significance at 1%, 5% and 10% respectively of a t-test on the equality of covariates mean between the treated and the control group

<sup>a</sup> for all covariates the first line refers to the unmatched samples, the second line refers to the matched samples.

Source: estimation results

**Table B.5 Results of the placebo test (France 2002-2003)**

	Subsample 1			Subsample 2		
	Mean Difference of the Treated Group	Mean Difference of the Matched Control Group	ATT	Mean Difference of the Treated Group	Mean Difference of the Matched Control Group	ATT
Farm Outcomes						
Farm UAA (ha)	2.12	0.87	1.25* (0.73)	3.02	0.86	2.17 (1.79)
Rented land (ha)	2.09	0.90	1.19 (0.80)	2.78	0.67	2.11 (2.00)
Number of crops grown on farm	0.01	-0.04	0.05 (0.06)	-0.03	0.01	-0.04 (0.13)
Fertilizer expenditure (euro/ha)	-4.58	-7.64	3.07 (1.94)	-2.78	-4.65	1.86 (5.09)
Crop protection expenditure (euro/ha)	-7.88	-5.59	-2.29 (1.67)	1.44	-7.79	9.23* (4.71)
Share of grassland (%)	-0.09	0.21	-0.30 (0.29)	-1.22	0.61	-1.83*** (0.71)
Family working hours	161	133	28 (50)	45	18	27 (63)
Hired labor working hours	-43	10	-54 (34)	-3	-27	23 (33)
Output value (euro/ha)	-12.20	-68.89	56.69* (31.09)	-156.06	-62.65	-93.41 (102.30)
Variable costs (euro/ha)	-19.63	-36.35	16.72 (26.11)	-8.94	-23.59	14.65 (40.87)
Farm income (euro)	4083	496	3586 (2287)	-7837	-325	-7512 (5643)
Farm income without AE payments (euro)	4083	496	3586 (2287)	-7837	-325	-7512 (5643)
Farm income (euro/ha)	31.88	-6.67	38.55* (21.65)	-110.25	-27.39	-82.86 (72.23)
Farm income without AE payments (euro/ha)	31.88	-6.67	38.55* (21.65)	-110.25	-27.39	-82.86 (72.23)

\*\*\*, \*\*, \* indicate statistical significance at 1%, 5% and 10% respectively of a t-test on the equality of mean differences in the treated and control group.

Source: estimation results

**Table B.6 Results of the placebo test (Germany 2002-2003)**

	Subsample 1			Subsample 2		
	Mean Difference of the Treated Group	Mean Difference of the Matched Control Group	ATT	Mean Difference of the Treated Group	Mean Difference of the Matched Control Group	ATT
Farm Outcomes						
Farm UAA (ha)	-0.60	0.88	-1.48 (3.74)	-0.33	-0.89	0.56 (3.99)
Rented land (ha)	-4.32	0.49	-4.80 (4.26)	-0.89	-2.73	1.84 (5.45)
Number of crops grown on farm	-0.06	0.01	-0.07 (0.11)	0.00	0.14	-0.14 (0.24)
Fertilizer expenditure (euro/ha)	6.39	7.53	-1.14 (3.52)	-34.96	-0.48	-34.48 (39.65)
Crop protection expenditure (euro/ha)	5.11	3.76	1.35 (3.82)	-1.78	-5.21	3.43 (5.96)
Share of grassland (%)	0.44	-0.05	0.50 (0.51)	0.24	0.25	-0.01 (0.77)
Family working hours	-48	20	-68 (68)	0	57	-57 (196)
Hired labor working hours	-546	26	-572 (439)	0	174	-174 (238)
Output value (000 euro/ha)	22.39	38.86	-16.47 (70.41)	-101.50	-37.98	-63.52 (217.34)
Variable costs (000 euro/ha)	28.64	42.42	-13.77 (44.53)	-106.53	9.19	-115.72 (89.17)
Farm income (000 euro)	8718	9186	-469 (6157)	14958	-7187	22145 (14.169)
Farm income without AE payments (000 euro)	8718	9186	-469 (6157)	14958	-7187	22145 (14169)
Farm income (000 euro/ha)	12.13	10.24	1.89 (52.15)	36.79	-73.72	110.51 (189.77)
Farm income without AE payments (000 euro/ha)	12.13	10.24	1.89 (52.15)	36.79	-73.72	110.51 (189.77)

\*\*\*, \*\*, \* indicate statistical significance at 1%, 5% and 10% respectively of a t-test on the equality of mean differences in the treated and control group.

Source: estimation results



**Table B.7 Results of the placebo test (Spain 2002-2003)**

	Subsample 1			Subsample 2		
	Mean Difference of the Treated Group	Mean Difference of the Matched Control Group	ATT	Mean Difference of the Treated Group	Mean Difference of the Matched Control Group	ATT
Farm Outcomes						
Farm UAA (ha)	-0.85	1.24	-2.09 (3.06)	1.17	1.70	-0.52 (3.34)
Rented land (ha)	-0.26	1.65	-1.91 (3.10)	-0.12	1.92	-2.04 (3.18)
Number of crops grown on farm	0.00	0.10	-0.10 (0.15)	-0.02	0.03	-0.04 (0.11)
Fertilizer expenditure (euro/ha)	5.21	-14.33	66.46*** (19.70)	-17.21	-29.95	12.74 (29.06)
Crop protection expenditure (euro/ha)	44.831	9.833	34.00** (16.87)	4.526	13.369	-8.871 (19.74)
Share of grassland (%)	0.12	-0.12	0.24 (0.75)	0.00	-0.26	0.26 (0.61)
Family working hours	383	133	250 (250)	40	-5	45 (76)
Hired labor working hours	-27	172	-200 (198)	56	116	-59 (123)
Output value (000 euro/ha)	162.00	124.00	37.00 (0.241)	216.00	173.00	42.00 (111.00)
Variable costs (000 euro/ha)	-7977.00	28.10	-8005.00 (5529)	-59.90	126.86	-186.78** (91.00)
Farm income (000 euro)	159350	4950	154400 (115489)	2556	-2731	5288 (4125)
Farm income without AE payments (000 euro)	159352	4950	154402 (115489)	2556	-2731	5288 (4125)
Farm income (000 euro/ha)	8087.00	-0.80	8088.00 (5626.00)	230.47	-11.20	241.70 (166.00)
Farm income without AE payments (000 euro/ha)	8087.00	-0.80	8088.00 (625.00)	230.47	-11.20	241.70 (166.00)

\*\*\*, \*\*, \* indicate statistical significance at 1%, 5% and 10% respectively of a t-test on the equality of mean differences in the treated and control group.

Source: estimation results

**Table B.8 Results of the placebo test (UK 2002-2003)**

	Subsample 1			Subsample 2		
	Mean Difference of the Treated Group	Mean Difference of the Matched Control Group	ATT	Mean Difference of the Treated Group	Mean Difference of the Matched Control Group	ATT
Farm Outcomes						
Farm UAA (ha)	0.98	-2.50	3.48** (1.43)	0.75	-0.27	1.02 (1.68)
Rented land (ha)	1.04	-3.39	4.43*** (1.50)	1.37	-0.87	2.25 (1.85)
Number of crops grown on farm	-0.02	0.01	-0.03 (0.05)	-0.02	0.06	-0.08 (0.08)
Fertilizer expenditure (euro/ha)	3.08	2.52	0.57 (2.63)	3.01	-1.67	4.68 (3.72)
Crop protection expenditure (euro/ha)	0.80	0.54	0.26 (1.29)	2.02	-1.63	3.65** (1.75)
Share of grassland (%)	-0.22	0.35	-0.57 (0.40)	0.62	0.26	0.36 (0.64)
Family working hours	-32	-36	5 (38)	-31	-72	40 (63)
Hired labor working hours	-14	-47	33 (61)	-115	3	-118 (83)
Output value (000 euro/ha)	131.03	175.86	-44.83 (45.18)	32.03	37.65	-5.62 (0.026)
Variable costs (000 euro/ha)	50.18	95.97	-45.79 (28.34)	32.42	15.61	16.81 (0.019)
Farm income (000 euro)	9989	7783	2206 (2.618)	3.191	0.289	2.902 (3.574)
Farm income without AE payments (000 euro)	9989	7783	2206 (2618)	3.191	0.289	2.902 (3.574)
Farm income (000 euro/ha)	84.97	65.89	19.08 (33.76)	7.40	11.48	-4.09 (0.028)
Farm income without AE payments (000 euro/ha)	84.97	65.89	19.08 (33.76)	7.40	11.48	-4.09 (0.028)

\*\*\*, \*\*, \* indicate statistical significance at 1%, 5% and 10% respectively of a t-test on the equality of mean differences in the treated and control group.

Source: estimation results