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**THE COST OF SERVICES USE IN HORTICULTURE ON FARMS IN  
THE EUROPEAN UNION COUNTRIES IN 2004-2016****Abstract:**

Agricultural services address the demand for the technological, economical and environmental dimension of agricultural activities. This paper focuses on agricultural services used by farms specializing in horticultural production. The objective of the study was to identify the output of agricultural services used by farms specializing in horticultural production in European Union countries in 2004–2016. The study was based on a deductive and comparative method and relied on FADN data; also used were correlation indexes. In the group of farms covered by this study, the use of agricultural services may be found to depend on two basic factors. The first one is the farms' development level and the intensity and structure of production activities. The differences between EU-12 and EU-7 countries suggest that national specificities of horticultural production and local farming patterns are at least as important as the development level. Another significant factor is the availability of the farms' own machinery and the amount of labour engaged in production. However, own equipment and service use were not found to be substitutes, whereas companies with large resources of productive inputs usually incurred higher service costs. Also, as the demand for labour grows, so does the demand for services. This suggests that services are complementary rather than substitute to physical capital.

**Keywords:**

agriculture services, service intensity rate, horticulture, European Union, FADN

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