

STATISTICAL PRESS RELEASE

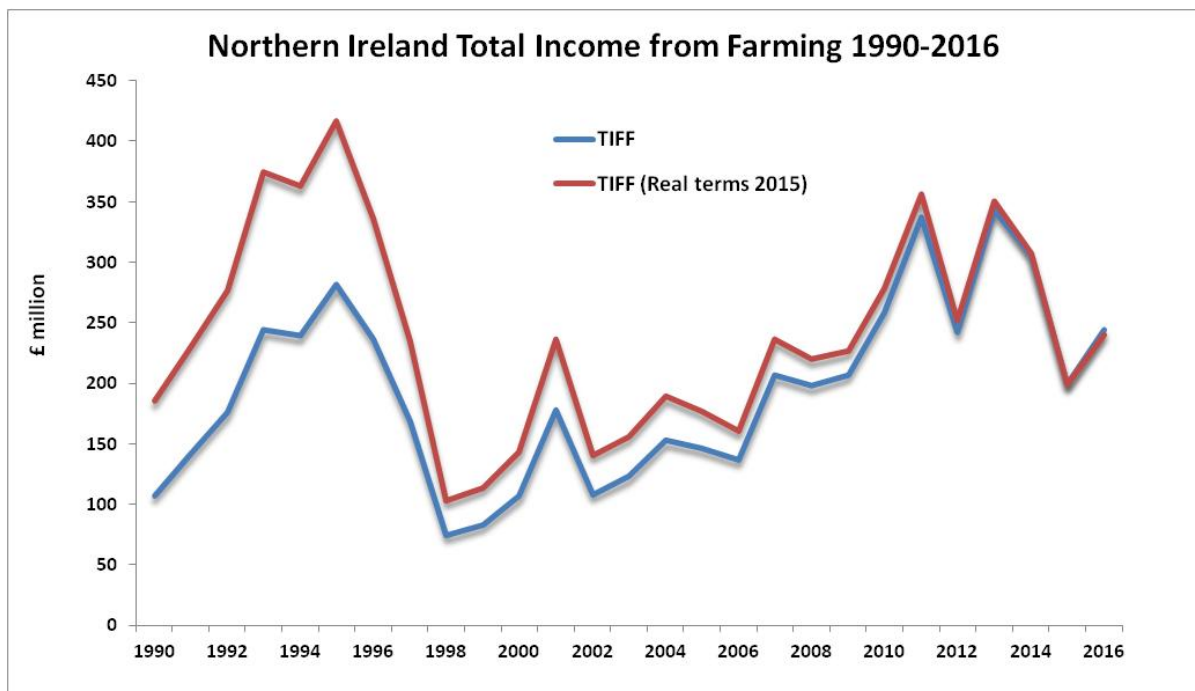
31 January 2017

Northern Ireland agricultural incomes in 2016

The Department of Agriculture, Environment and Rural Affairs (DAERA) has published the first (provisional) estimate for farm incomes in 2016. Revisions have been made to previous years.

Aggregate Agricultural Income

Provisional figures indicate that the 'Total Income from Farming' (TIFF) in Northern Ireland rose by 22% in 2016 (21% in real terms) to £244 million from £199 million in 2015.



TIFF represents the return on own labour, management input and own capital invested for all those with an entrepreneurial involvement in farming. It represents farm income measured at the sector level.

Total Gross Output for agriculture in Northern Ireland was unchanged at £1.76 billion in 2016. There was a 1% increase in the value of output from the

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livestock sector, which was offset by a combination of a 13% fall in horticulture plus a 2% reduction in field crops.

Dairying remained the largest contributor to the total value of Gross Output despite falling a further 6% to £452 million in 2016. The annual average farm-gate milk price and the volume of raw milk produced in Northern Ireland both fell by 3% in 2016 to 20.2 pence per litre and 2.2 billion litres respectively.

The output value of cattle was 6% higher at £425 million in 2016. The total number of animals slaughtered increased by 7% in 2016, but with average carcass weights remaining unchanged from 2015, the volume of meat produced also increased by 7%. The average producer price for finished clean cattle was £3.19 per kilogram in 2016 while the average producer price for cull animals was £2.16

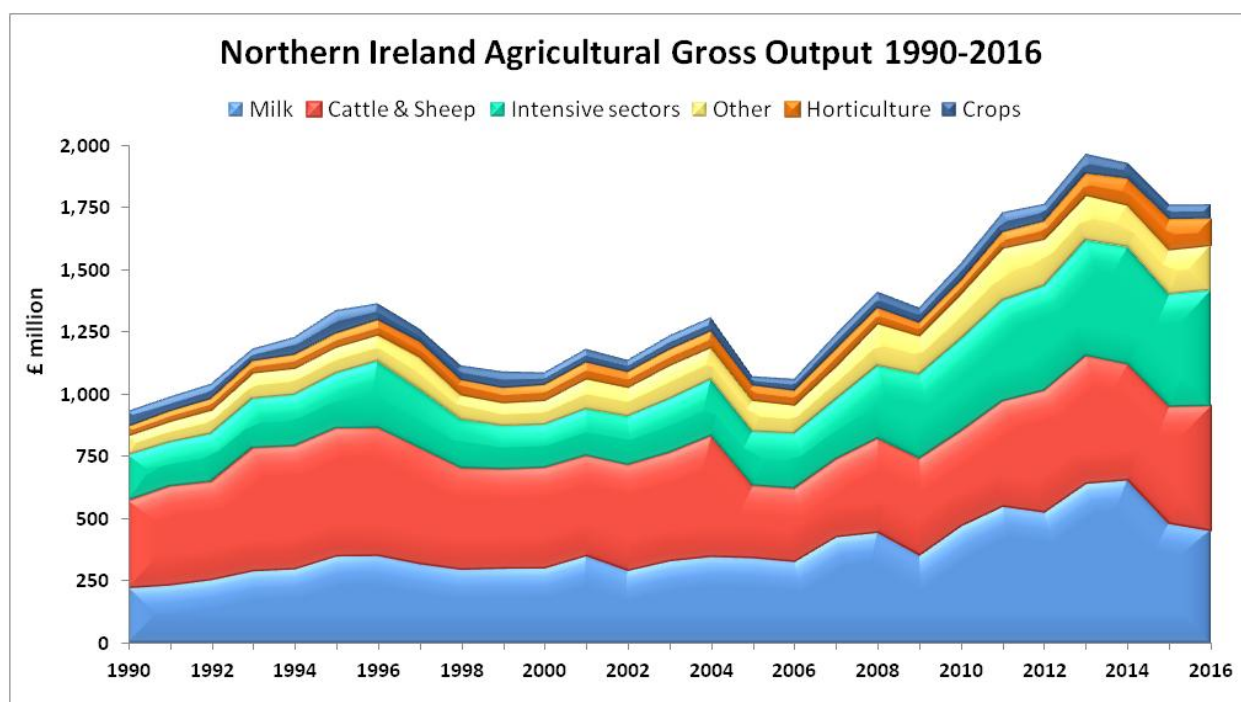
The value of output from sheep increased by 15% to £73 million in 2016. This increase was a combination of a 14% increase in the producer price to £3.91 per kg and a 2% increase in the number of lambs & hoggets slaughtered. The total volume of sheep-meat produced was marginally lower to 2015 because of a reduction in the average carcass weight to 22 kilograms.

There were increases in the values of output in two of the three intensive livestock sectors during 2016, with the pig sector improving by 6% to £122 million and the egg sector growing by a further 9% to £97 million. The value of poultry output reduced by 1% to £246 million. All three sectors recorded an increase in production volumes, with eggs up by 10%, pigs up by 7% and poultry up by 4%, compared with the previous year. The producer prices in the poultry and pig sectors fell by 4% and 1%, respectively, whereas the producer price for eggs remained unchanged.



The total output value for field crops decreased by 2% in 2016 to £57 million. This was as a result of reductions in the volume produced for barley and other crops because of the adverse impacts of weather on yields. The value of output of potatoes in 2016 rose by 17% to £20 million. This was due to changes in the volume of stock carried forward and an increase in the producer price which was partly offset by a reduction in the volume of potatoes produced. The value of output for wheat decreased by 5% to £8 million and the output value of barley fell by 9% to £17 million.

The value of output recorded in the Horticulture sector was also down year on year for 2016, by 13%, at £104 million. This was driven by volume decreases in the mushroom, fruit and vegetables sectors of 21%, 13% and 14%, respectively. The Mushroom sector is the largest of these sectors by value, with an output of £53 million.



The estimated value of the 2016 direct subsidies (Basic, Greening and Young Farmer payments) was £276 million, representing an increase of 18%, when



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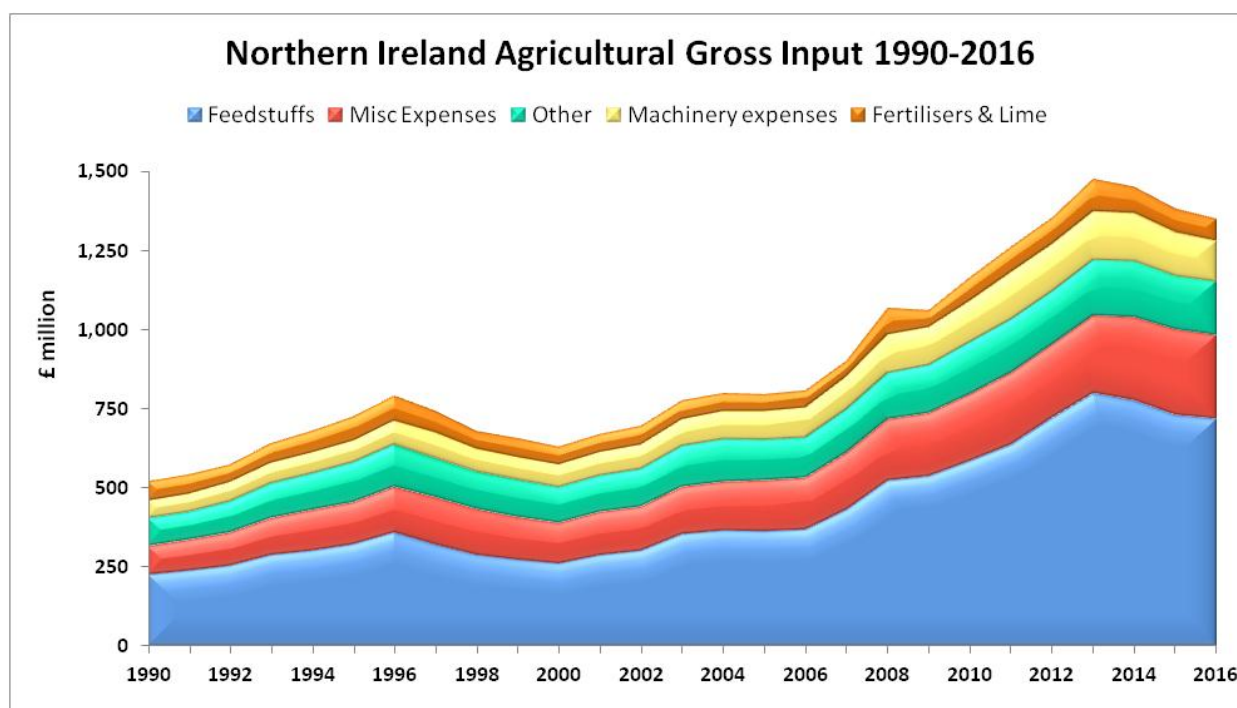
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compared with the 2015 payments. This was due to the more favourable exchange rate between Sterling and the Euro.

The total value of Gross Inputs decreased by 2% in 2016, to £1.35 billion. Feedstuff costs, which accounted for 53% of the total Gross Input estimate, reduced by 2% to £716 million in 2016. There was a 3% decrease in the volume of feedstuffs purchased but a 1% increase in the average price paid per tonne.

The total cost of fertilisers in 2016 fell by 7% as a result of a 16% reduction in the average price paid per tonne which was partly offset by an 11% increase in the volume purchased. There was also a reduction in total lime purchases, with the result that total expenditure on fertilisers and lime fell to £69 million.

Total machinery expenses decreased by 7% to £129 million in 2016, as a result of an 11% reduction in the cost of fuel and oils. This is in line with the global commodity price during the year.



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A detailed document covering the period 2011–2016 and containing all the key figures used to derive TIFF in Northern Ireland can be downloaded from the [DAERA website](#).

Estimates for the United Kingdom will not be released until April 2017 and a breakdown of TIFF for the UK will not be available until then.

Farm level incomes

Farm Business Income by farm type for 2015/16 with forecasts for 2016/17 are presented in table 1. These income results are based on farm accounts collected as part of the Northern Ireland Farm Business Survey (FBS). This is a representative sample of farms larger than 0.5 Standard Labour Requirements. The income figures presented are for accounting years with an average end date of mid-February.

Farm Business Income measured across all farm types is expected to increase from an average £14,788 in 2015/16 to £18,943 in 2016/17, i.e. an increase of £4,155 or 28% per farm.

Table 1: Average Farm Business Income by type of farm (£ per farm)

Farm Type	2015/16	2016/17 (forecast)	% change
Cereals	22,658	27,754	+22
Dairy	11,925	13,863	+16
Cattle & Sheep (LFA)	16,837	22,659	+35
Cattle & Sheep (lowland)	13,456	17,026	+27
Pigs	18,552	25,165	+36
Mixed	15,340	18,138	+18
All types	14,788	18,943	+28

Source: Farm Business Survey

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Farm Business Income is also expected to rise (by varying amounts) for all individual farm types between 2015/16 and 2016/17. The upturn in their incomes is mainly attributed to higher subsidy receipts combined with more favourable lamb and pig prices in the 2016/17 accounting year.

A detailed analysis of farm incomes by type and size of farm in 2015/16 will be provided in the report 'Farm Incomes in Northern Ireland 2015/16' which will be published on the [DAERA website](#) in March 2017.

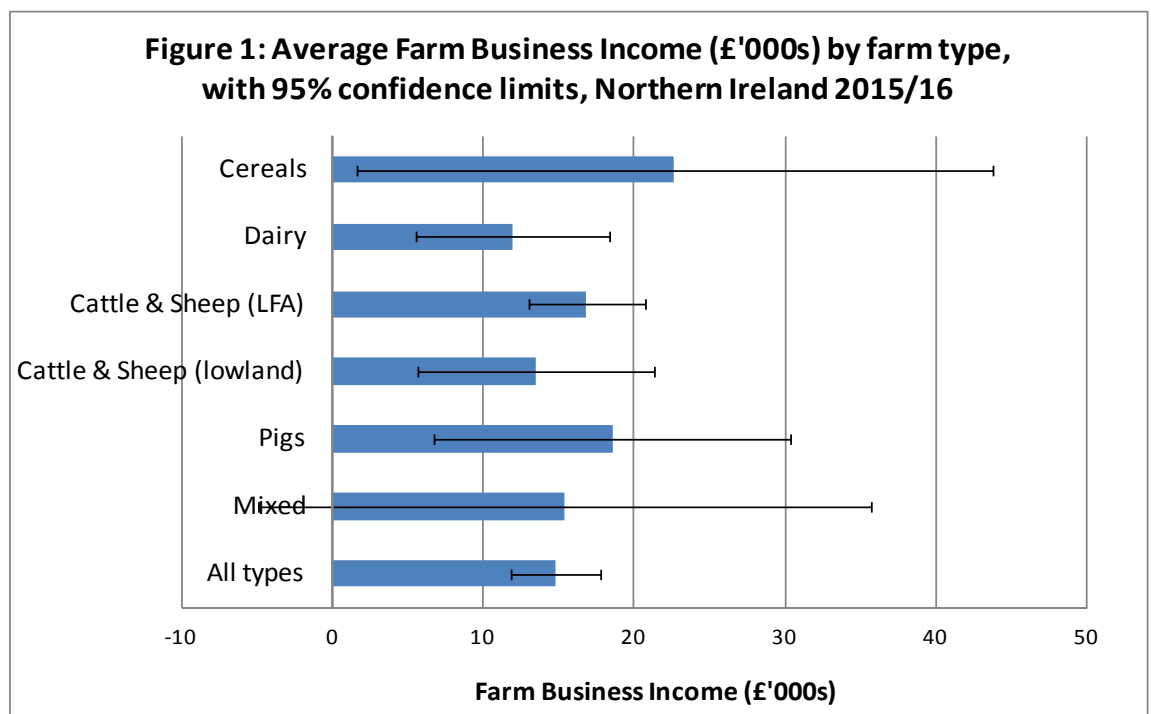
Notes for Editors

1. A wide range of statistics are available on the [DAERA website](#) and also via Twitter: [@DAERAstats](#).
2. Provisional aggregate income figures for the UK will be issued in April 2017 on the government portal [Total income from farming in the UK - Publications - GOV.UK](#)
3. The Northern Ireland estimates were prepared using provisional figures and are subject to revision when more complete data becomes available later in the year.
4. 'Total Income from Farming' measures the return to farmers, partners and directors, their spouses and other family workers for their labour, management input and own capital invested. It, therefore, represents the total income of all those with an entrepreneurial involvement in farming.
5. Farm level income estimates by farm type are based on the Department's Farm Business Survey, for which the account year ends on average in mid February, whereas the aggregate income estimate – Total Income from Farming - is compiled on a calendar year basis.
6. Farm Business Income is the return to all unpaid labour (farmer, spouses and others with an entrepreneurial interest in the farm



business) and to their capital invested in the farm business which includes land and buildings.

7. As income estimates by farm type are based on data collected from a sample of the farm population, they are subject to sampling error. To give an indication of this, the Farm Business Income results by Farm Type for 2015/16 and their associated 95% confidence intervals (as range bars) are shown in figure 1.



For each farm type, Figure 1 shows the estimated average Farm Business Income and the range of values that apply to it, i.e. we are 95% confident that the true average Farm Business Income for the farm type falls within the range shown. It is important to note that the size of a confidence interval is influenced by a variety of factors such as number of farms sampled and the variability of incomes within sampled farms.

8. For UK statistical purposes, farms are grouped into 10 'robust' farm types which have particular relevance to UK conditions i.e. Cereals,



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General Cropping, Horticulture, Specialist Pigs, Specialist Poultry, Dairy, Cattle & Sheep (LFA), Cattle & Sheep (Lowland), Mixed and Other. The system for the classification of farms into these types is based on that set out in Commission Regulation (EC) 1242/2008 and explained in greater detail in the EU Farm Accountancy Data Network (FADN) Typology Handbook RI/CC 1500 rev.3.

9. The EU and UK system for classification of farms was revised in 2011. Farms are now classified in terms of Standard Output (SO) compared to Standard Gross Margin (SGM) used previously. Further details of the impact of this change are presented in the report 'Farm Incomes in Northern Ireland 2010/11' which is available on the [DAERA website](#).
10. The '*Statistical Review of Northern Ireland Agriculture, 2016*', due to be issued on the [DAERA website](#) on 30th March 2017, will contain details of the output, input and income estimates for 2016, as well as information on livestock numbers, crop areas and yields, farm structure, employment and farm business performance.



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