

## STATISTICAL PRESS RELEASE

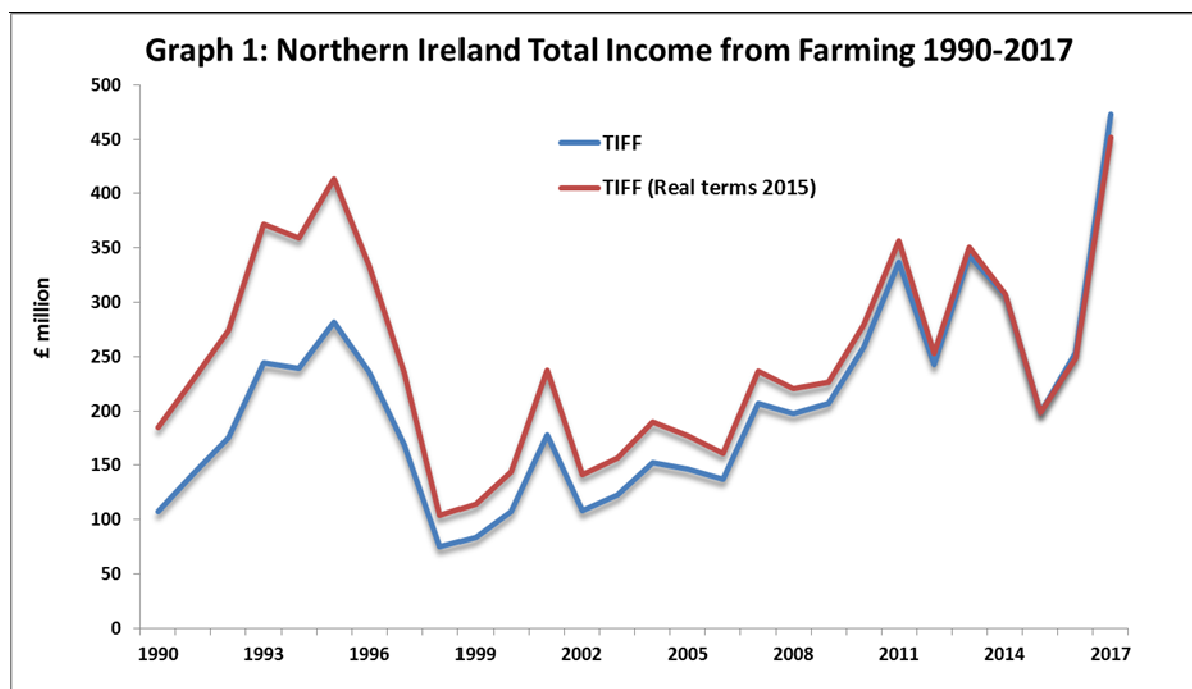
30 January 2018

### Northern Ireland agricultural incomes in 2017

The Department of Agriculture, Environment and Rural Affairs (DAERA) today published the first (provisional) estimate for farm incomes in 2017. 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 87% (82% in real terms) from £253 million in 2016 to £473 million in 2017.



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 17% higher at £2.09 billion in 2017. There was a 21% increase in the value of output from the

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livestock sector, while field crops rose by 14% and horticulture was 4% higher. These figures are for the calendar year and therefore they represent the outturn across two harvest years.

Dairying remains the largest contributor to the total value of Gross Output at £662 million in 2017; a rise of 46%. The annual average farm-gate milk price rose by 42% in 2017 to 28.7 pence per litre while the volume of raw milk produced in Northern Ireland increased by 4% to 2.3 billion litres.

The output value of cattle was 6% higher at £460 million in 2017. The total number of animals slaughtered increased by 1% in 2017, but with average carcass weights for both clean and cull animals falling by 2%, the volume of meat produced was marginally lower. The average producer price for finished clean cattle was £3.48 per kilogram in 2017 while the average producer price for cull animals was £2.47 per kilogram. These average prices were 9% and 14% higher than the respective averages for 2016.

The value of output from sheep decreased by 2% to £73 million in 2017. The market value of the sector increased by 4% for the year but this was offset by a significant stock change movement. The increase in market value was a combination of a 2% increase in the producer price to £3.97 per kg and a 1% increase in the total number of sheep slaughtered. The total volume of sheepmeat produced was 1% higher than 2016. The average carcass weight was 22 kilograms.

There were increases in the values of output for all three intensive livestock sectors during 2017, with the pig sector increasing by 35% to £163 million, the egg sector by 5% to £100 million, while the value of poultry output increased by 9% to £275 million. All three sectors recorded an increase in production volumes, with eggs and poultry both up by 9% while pigs were marginally higher compared with the previous year. The producer prices in the poultry



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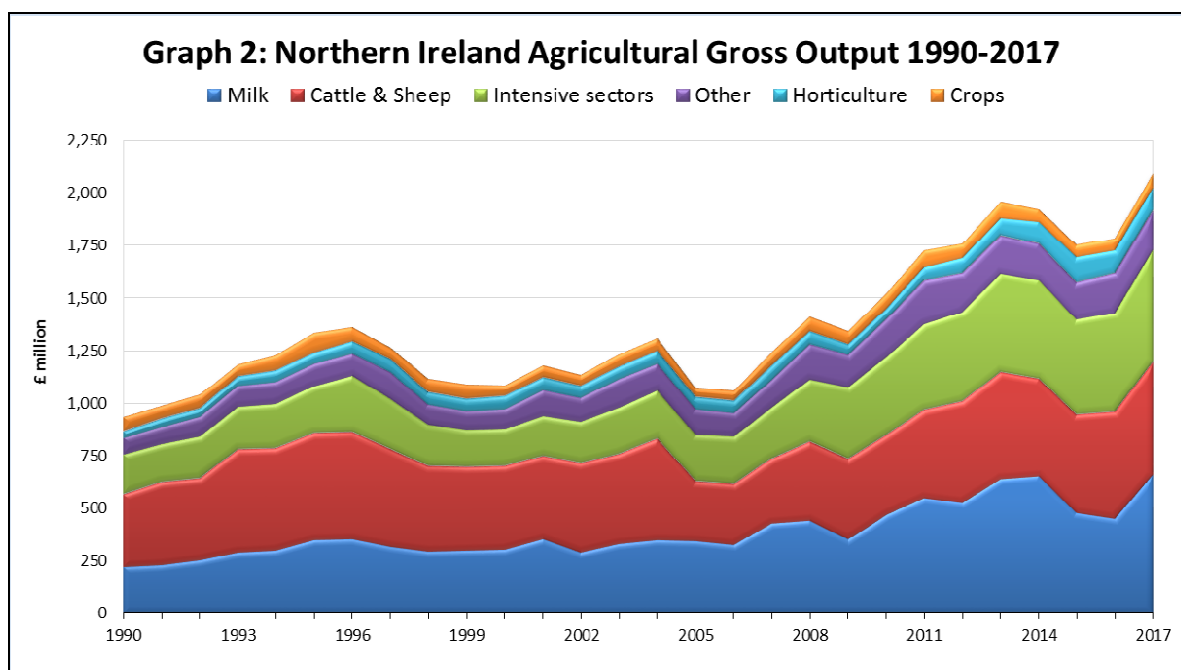
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and pig sectors rose by 4% and 29%, respectively, whereas the producer price for eggs reduced by 3%.

The total output value for field crops increased by 14% in 2017 to £66 million. This was as a result of increases in the price for barley, wheat and oats. Values across a calendar year reflect two harvests. The value of output of potatoes in 2017 also rose, to £24 million. This was a result of an increase in potato production due to an increase in the area grown in 2017, while the producer price remained static. The value of output for wheat increased by 31% to £11 million and the output value of barley rose by 6% to £18 million.

The value of output recorded in the horticulture sector was also higher in 2017, at £108 million. This was driven in part by volume increases in the fruit and flowers sectors. The mushroom sector is the largest of these sectors by value, with an estimated output value of £53 million.



The estimated value of 2017 direct subsidies (Basic, Greening and Young Farmer payments) was £287 million, representing an increase of 5%, when compared with the 2016 payments. This was due to the more favourable exchange rate between Sterling and the Euro.



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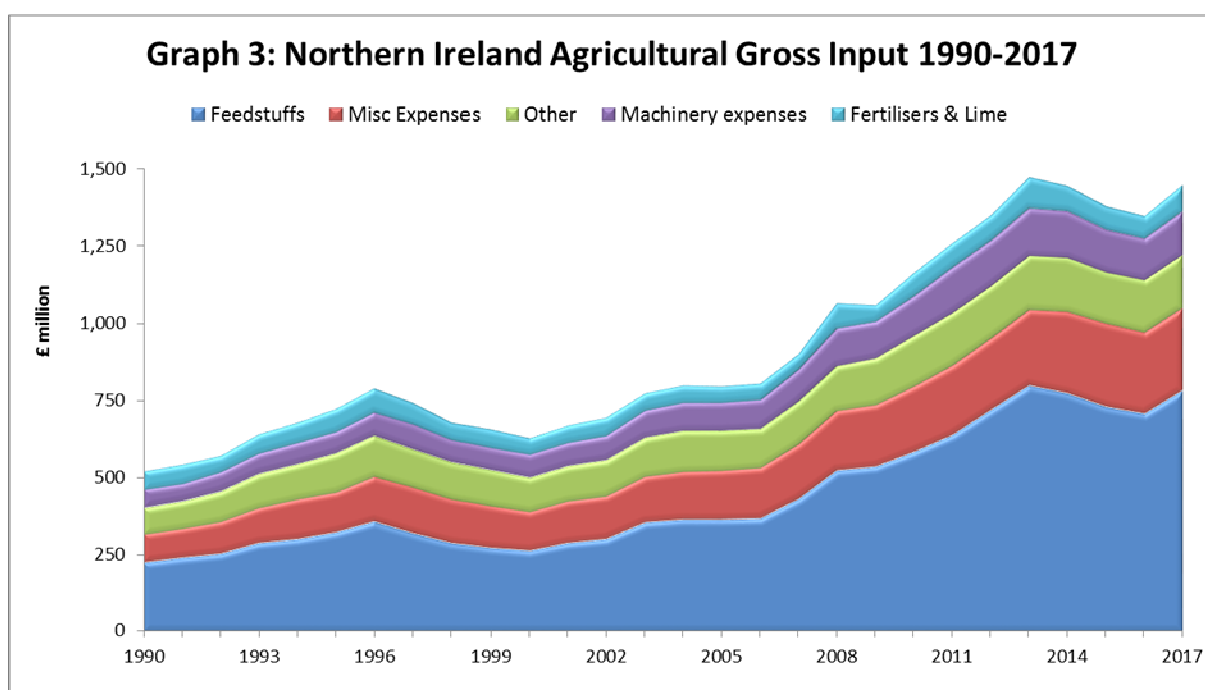
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The total value of Gross Inputs increased by 8% in 2017, to £1.45 billion. Feedstuff costs, which accounted for 54% of the total Gross Input estimate, rose by 11% to £783 million in 2017. There was a 9% increase in the volume of feedstuffs purchased and a 2% increase in the average price paid per tonne.

The total cost of fertiliser purchases in 2017 rose by 20% as a result of a 16% rise in the volume purchased and a 3% increase in the average price paid per tonne. There was a 6% reduction in total lime purchases, with the result that total expenditure on fertilisers and lime was £84 million.

Total machinery expenses increased by 4% to £143 million in 2017, as a result of an 8% increase in the cost of fuel and oils. This is in line with the global commodity price during the year.



A detailed document covering the period 2011–2017 and containing all the key figures used to derive TIFF in Northern Ireland can be downloaded from the [DAERA website](#).



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Estimates for the United Kingdom will not be released until April 2018 and a breakdown of TIFF for the UK will not be available until then.

### **Farm level incomes**

Farm Business Income by farm type for 2016/17 with forecasts for 2017/18 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 £21,928 in 2016/17 to £37,880 in 2017/18, i.e. an increase of £15,952 or 73% per farm.

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

<b>Farm Type</b>	<b>2016/17</b>	<b>2017/18 (forecast)</b>	<b>% change</b>
Cereals	16,492	12,718	-23
Dairy	23,618	78,364	+232
Cattle & Sheep (LFA)	21,352	21,183	-1
Cattle & Sheep (lowland)	16,578	15,913	-4
Pigs	58,673	86,925	+48
Mixed	27,637	39,649	+44
All types	21,928	37,880	+73

Farm Business Income is also expected to rise (by varying amounts) for Dairy, Pigs and Mixed farm types between 2016/17 and 2017/18. For these farms,

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the upturn in their incomes is mainly attributed to higher milk and pig prices in the 2017/18 accounting year. The results also show that Farm Business Income is expected to fall by varying amounts on Cereals, Cattle & Sheep (LFA) and Cattle & Sheep (Lowland) farms for 2017/18 when compared with the previous year. These farm types also experienced higher product prices in 2017/18 but the associated rises were deemed insufficient to offset the combined effect of reduced receipts from agri-environment schemes and the extra weather related costs that these farms incurred.

A detailed analysis of farm incomes by type and size of farm in 2016/17 will be provided in the report 'Farm Incomes in Northern Ireland 2016/17' which will be published on the [DAERA website](#) in March 2018.

### **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 2018 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.

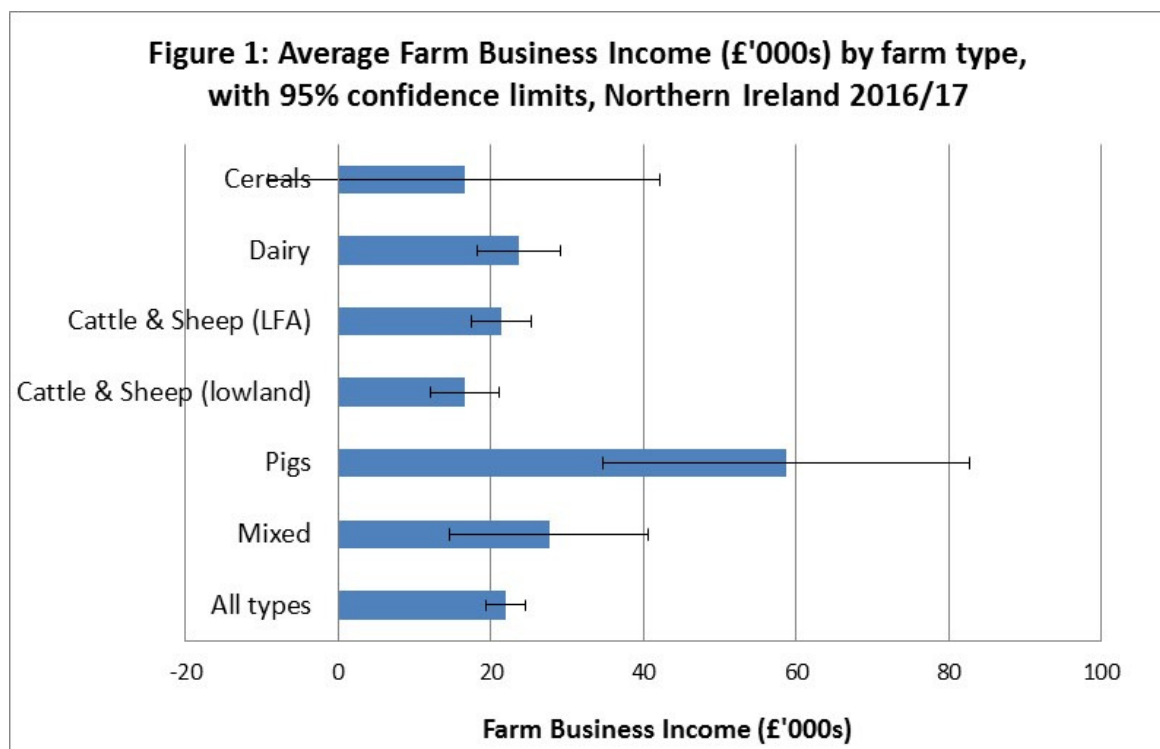


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6. Farm Business Income is the return to all unpaid labour (farmer, spouses and others with an entrepreneurial interest in the farm business) and to their capital invested in the farm business which includes land and buildings.
7. As income estimates 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 2016/17 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 Implementing Regulation (EU) 2015/220 and explained in greater detail in the EU Farm Accountancy Data Network (FADN) Typology Handbook RI/CC 1500 rev.4.

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, 2017*', due to be issued on the [DAERA website](#) on 29<sup>th</sup> March 2018, will contain details of the output, input and income estimates for 2017, as well as information on livestock numbers, crop areas and yields, farm structure, employment and farm business performance.



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