

STATISTICAL PRESS RELEASE

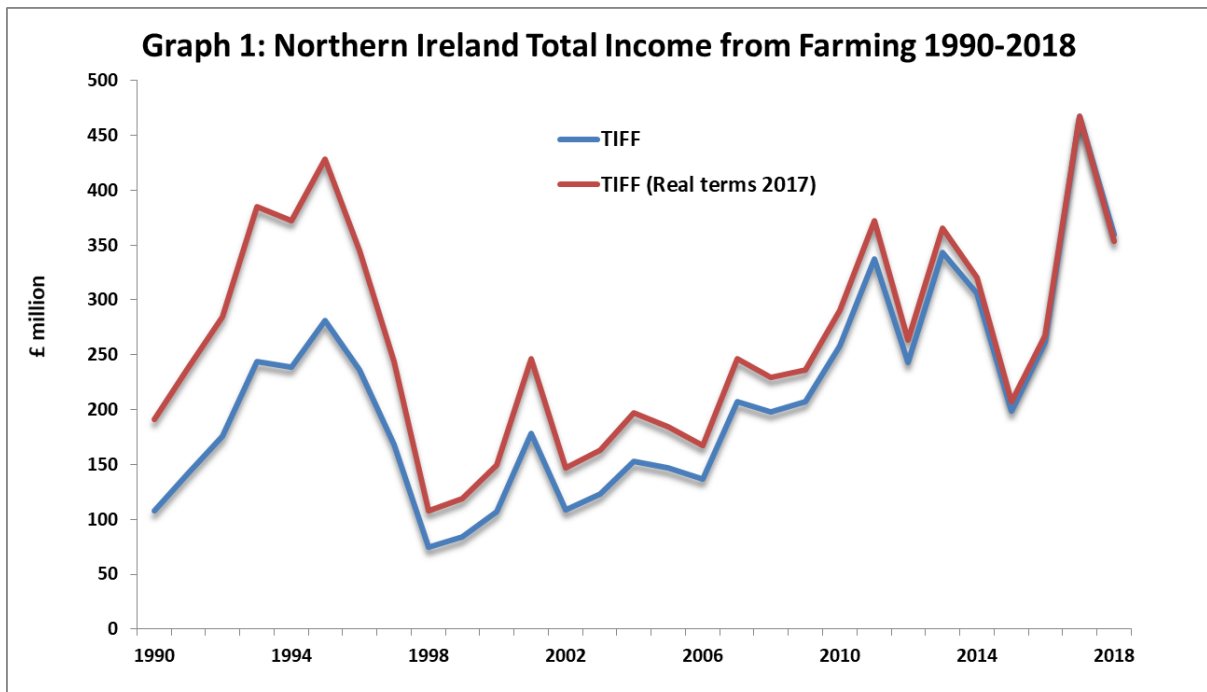
31 January 2019

Northern Ireland agricultural incomes in 2018

The Department of Agriculture, Environment and Rural Affairs (DAERA) has published the first (provisional) estimate for farm incomes in 2018. Revisions have been made to previous years.

Aggregate Agricultural Income

Provisional figures indicate that the 'Total Income from Farming' (TIFF) in Northern Ireland fell by 23% (24% in real terms) from £467 million in 2017 to £360 million in 2018.



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 1% higher at £2.13 billion in 2018. There was a 2% increase in the value of output from the

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livestock sector, while field crops rose by 3% and horticulture was 5% lower. 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 £680 million in 2018; a rise of 3%. Between 2017 and 2018, the annual average farm-gate milk price remained at 28.7 pence per litre while the volume of raw milk produced in Northern Ireland increased by 3% to 2.3 billion litres.

The output value of cattle was 1% higher at £467 million in 2018. The total number of animals slaughtered increased by 2% in 2018, whereas, the average carcass weights for both clean and cull animals were 1% higher. These increases resulted in the volume of meat produced being 2% higher in 2018. The average producer price for finished clean cattle was £3.49 per kilogram in 2018 while the average producer price for cull animals was £2.51 per kilogram. These prices were 0.4% and 1.7% higher than the respective averages for 2017. The aforementioned increases in meat volumes and prices were mostly offset by a downward movement in stocks.

The value of output from sheep increased by 8% to £78 million in 2018. The total number of sheep slaughtered decreased by 2% in 2018 whereas the average carcass weight remained unchanged at 22 kilograms. This resulted in the volume of sheep meat produced being 2% lower in 2018. The average producer price increased by 7% to £4.26 per kg. In addition to these changes in meat volumes and prices there was also an upward movement in stocks that contributed to the increased output value for 2018.

There were increases in the values of output in two of the three intensive livestock sectors during 2018, with the poultry sector improving by 5% to £281 million and the egg sector growing by 3% to £107 million. The value of pig output reduced by 5% to £159 million. All three sectors recorded an increase in production volumes, with eggs up by 7%, poultry up by 4% and pigs up by

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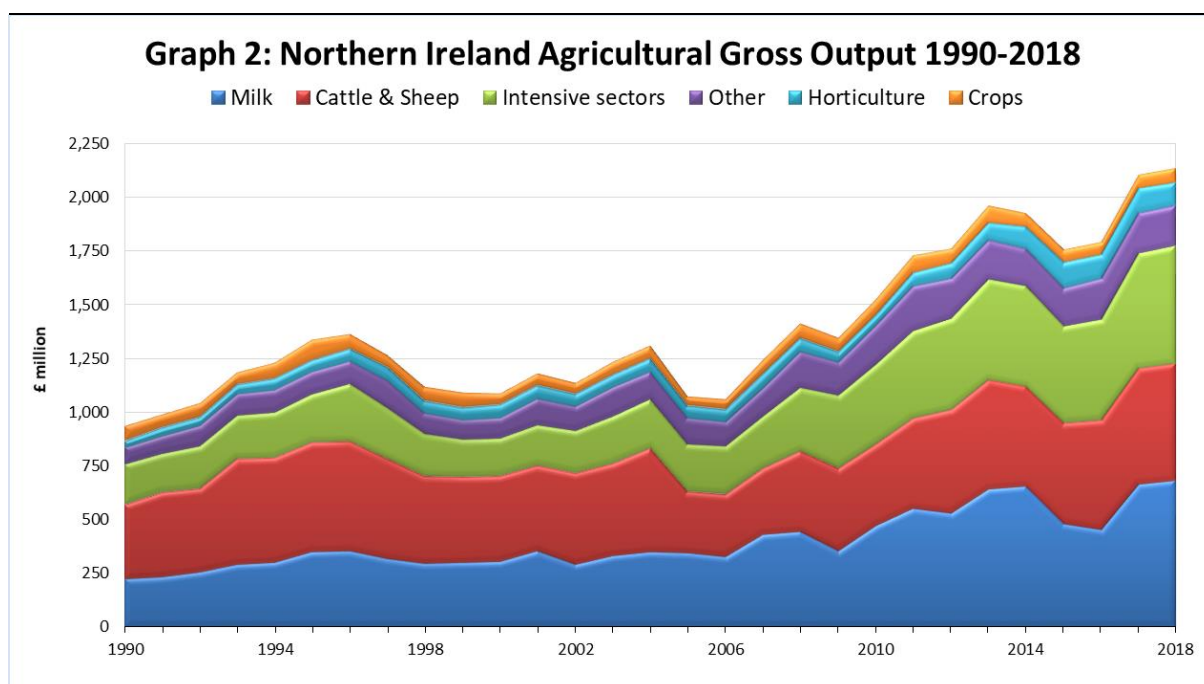
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3% compared with the previous year. The producer prices in the eggs and pig sectors reduced by 4% and 6% respectively, whereas, the producer price for poultry increased by 1%.

The total output value for field crops increased by 3% in 2018 to £66 million. This was as a result of increases in the prices for barley, wheat and oats. Values across a calendar year reflect two harvests. The value of output of potatoes in 2018 decreased by 9% to £21 million. This was due to a decrease in potato production as a result of both lower area grown and lower yield achieved in 2018. The value of output for barley increased by 24% to £22 million and the output value of wheat decreased by 20% to £9 million.

The value of output recorded in the Horticulture sector was lower year on year for 2018, at £107 million. Mushrooms is the largest contributor to this sector in value terms, with an estimated output value of £51 million.



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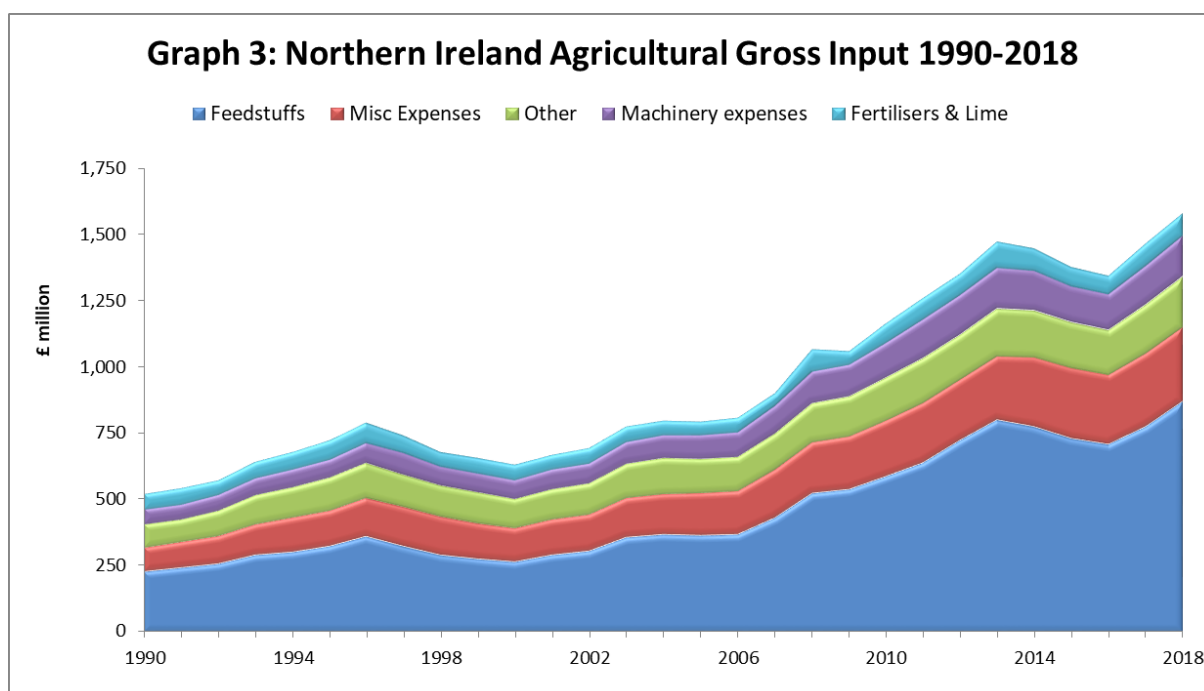


The estimated value of the 2018 direct subsidies (Basic, Greening and Young Farmer payments) was £286 million, representing a decrease of 0.6%, when compared with the 2017 payments.

The total value of Gross Inputs increased by 8% in 2018, to £1.58 billion. Feedstuff costs, which accounted for 55% of the total Gross Input estimate, rose by 13% to £867 million in 2018. There was a 5% increase in the volume of feedstuffs purchased and a 7% increase in the average price paid per tonne.

The total cost of fertilisers in 2018 decreased by 1% as a net result of a 6% fall in the volume purchased and a 6% increase in the average price paid per tonne. There was a 13% rise in total lime purchases, with the result that total expenditure on fertilisers and lime increased by 1% to £85 million.

Total machinery expenses increased by 5% to £156 million in 2018, as a result of a 10% increase 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 2013–2018 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 to May 2019 and a breakdown of TIFF for the UK will not be available until then.

Farm level incomes

Farm Business Income by farm type for 2017/18 with forecasts for 2018/19 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 decrease from an average £33,870 in 2017/18 to £26,030 in 2018/19, i.e. a decrease of £7,840 or 23% per farm.

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

Farm Type	2017/18	2018/19 (forecast)	% change
Cereals	26,980	36,351	+35
Dairy	68,148	51,679	-24
Cattle & Sheep (LFA)	17,725	14,523	-18
Cattle & Sheep (lowland)	16,637	13,377	-20
Pigs	86,188	42,525	-51
Mixed	44,914	32,872	-27
All types	33,870	26,030	-23

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Farm Business Income is also expected to fall (by varying amounts) for Dairy, Cattle and Sheep (LFA), Cattle and Sheep (Lowland), Pigs and Mixed farm types between 2017/18 and 2018/19. For all these farm types with the exception of Pigs, the downturn in their incomes is mainly attributed to higher feed costs in the 2018/19 accounting year. The downturn in incomes for Pig farms is due to both lower pig prices and higher feed prices in 2018/19. The results also show that Cereals are the only farm type expected to show a rise in Farm Business Income for 2018/19 when compared with the previous year. The upturn in incomes for Cereal farms is due to higher grain and straw prices in the 2018/19 accounting year.

A detailed analysis of farm incomes by type and size of farm in 2017/18 will be provided in the report 'Farm Incomes in Northern Ireland 2017/18' which will be published on the [DAERA website](#) in March 2019.

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 to May 2019 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

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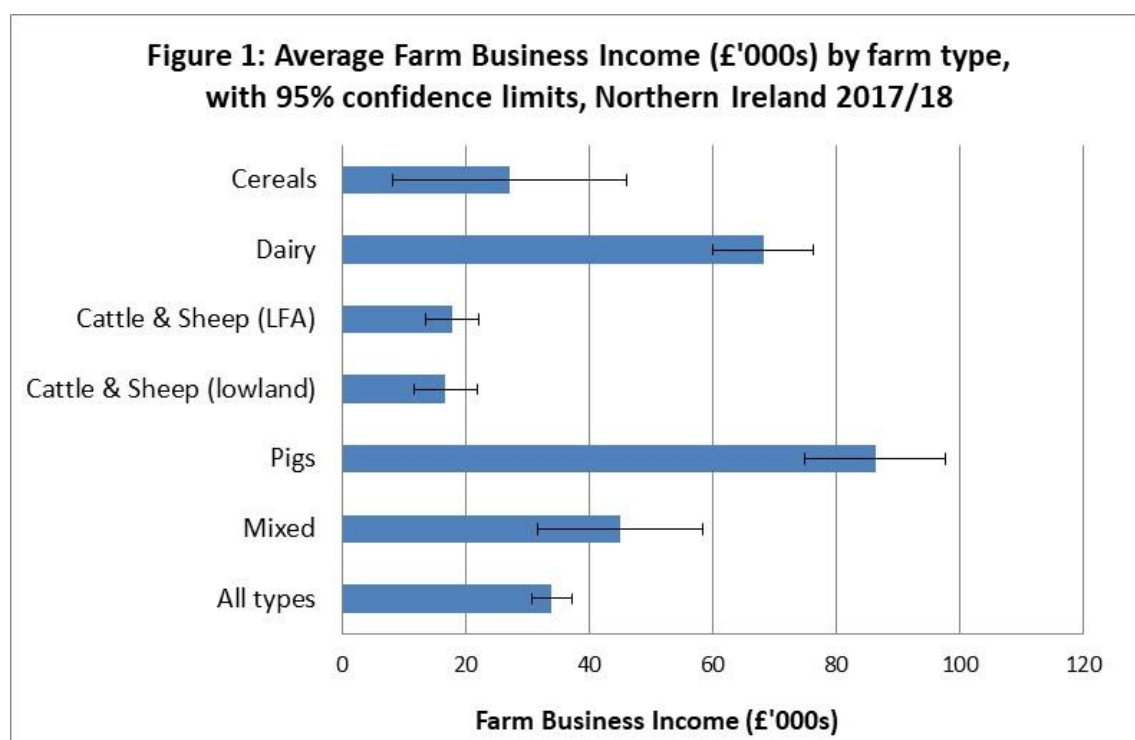
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on average in mid February, whereas the aggregate income estimate – Total Income from Farming - is compiled on a calendar year basis.

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 2017/18 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, 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. For UK statistical purposes, farms are also grouped into size categories based on their total Standard Labour Requirement (SLR). The total SLR for each farm business is calculated by multiplying its crop areas and livestock numbers by the associated SLR coefficients and then summing the results for all enterprises on the farm. This is then divided by 1900 to determine the number of standard labour requirements for the farm (i.e. 1 SLR is equivalent to 1900 hours).
11. At June 2017 there were 24,956 farms in Northern Ireland of which 10,318 were above 0.5 SLRs.
12. The '*Statistical Review of Northern Ireland Agriculture, 2018*', due to be issued on the [DAERA website](#) on 28th March 2019, will contain details of the output, input and income estimates for 2018, as well as information on livestock numbers, crop areas and yields, farm structure, employment and farm business performance.



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