**15 April 2021**

Northern Ireland agricultural incomes in 2020

The Department of Agriculture, Environment and Rural Affairs (DAERA) has published the first (provisional) estimate for farm incomes in 2020. Revisions have been made to previous years.

Aggregate Agricultural Income

Provisional figures indicate that the 'Total Income from Farming' (TIFF) in Northern Ireland increased by 34% (26 % in real terms) from £342 million in 2019 to £456 million in 2020.

Graph 1: Northern Ireland Total Income from Farming 1990-2020
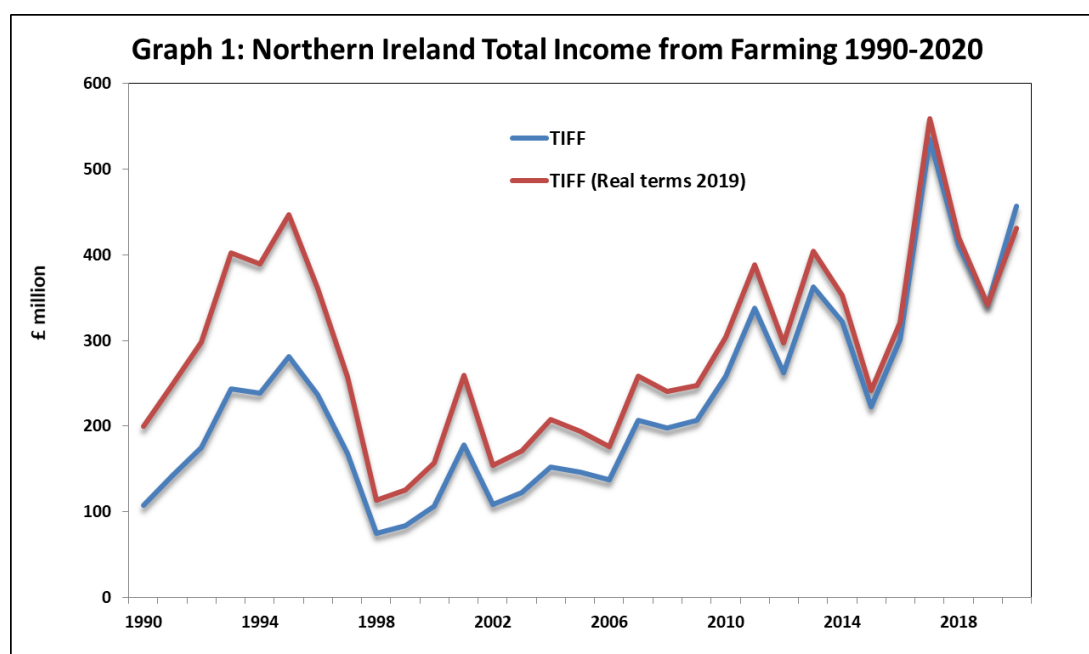
TIFF represents the return on own labour, management input and own capital invested for all those with an entrepreneurial involvement in farming. It represents farm income measured at the sector level.

Total Gross Output for agriculture in Northern Ireland was 4% higher at £2.23 billion in 2020. There was a 4% increase in the value of output from the

livestock sector, while field crops fell by 12% and horticulture was 6% 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 £667 million in 2020; an increase of 2% between 2019 and 2020. The annual average farm-gate milk price decreased by 0.7% to 27.01 pence per litre while the volume of raw milk produced in Northern Ireland increased by 2% to 2.4 billion litres.

The output value of cattle was 2% higher at £438 million in 2020. The total number of animals slaughtered decreased by 2.4% in 2020, whereas, the average carcase weights for clean and cull animals were 1% and 2% higher. These changes resulted in the volume of meat produced being 0.4% higher in 2020. The average producer price for finished clean cattle was £3.46 per kilogram in 2020 while the average producer price for cull animals was £2.43 per kilogram. These prices were 6.1% and 8.2% higher than the respective averages for 2019. In addition to these changes, there were also increases in the number of breeding and store cattle imported to Northern Ireland in 2020.

The value of output from sheep increased by 27% to £84 million in 2020. The total number of sheep slaughtered increased by 6% in 2020 whereas the average carcass weight decreased by 2% to 22 kilograms. This resulted in the volume of sheep meat produced being 3% higher in 2020. The average producer price increased by 15% to £4.46 per kg.

The value of output in the pig sector increased by 20% to £217 million in 2020 while the egg sector increased by 11% to £128 million. The value of poultry output reduced by 3% to £299 million. All intensive sectors recorded an increase in production volumes, with pigs up by 10%, eggs up by 5%, and poultry up 3% compared with the previous year. The producer prices in the

pigs and eggs sectors increased by 8% and 6% respectively, whereas, the producer price for poultry reduced by 5%.

The total output value for field crops fell by 12% in 2020 to £62 million. This was as a result of decreases in the production volumes for cereals due to lower yields and more spring cereal crops grown in 2020. The value of output for cereals decreased by 7% to £31 million whereas the value of output for potatoes decreased by 10% to £21 million. Output values for field crops are across a calendar year and include production from two harvests.

The value of output recorded in the Horticulture sector was lower year on year for 2020, at £95 million. Mushrooms is the largest contributor to this sector in value terms, with an estimated output value of £46 million.
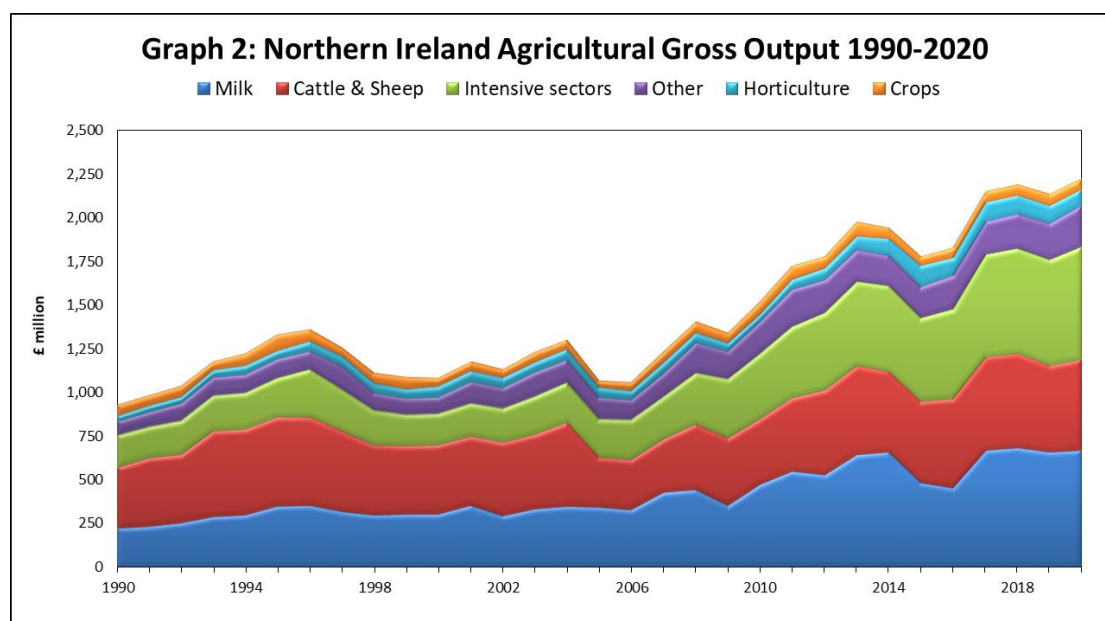
The estimated value of the 2020 direct payments (Basic Payment Scheme, Greening Payment and Young Farmers' Payment) was £297 million, representing an increase of 4%, when compared with the 2019 payments.

The total value of Gross Inputs increased by 0.1% in 2020, to £1.55 billion. Feedstuffs costs, which accounted for 54% of the total Gross Input estimate, increased by 0.1% to £837 million in 2020. There was a 1% decrease in the volume of feedstuffs purchased and a 2% increase in the average price paid per tonne.

The total cost of fertilisers in 2020 decreased by 5% as a net result of a 17% rise in the volume purchased and a 19% decrease in the average price paid per tonne. There was also 27% rise in total lime purchases, with the result that total expenditure on fertilisers and lime reduced by 3% to £83 million.

Total machinery expenses decreased by 5% to £145 million in 2020, mainly as a result of a 12% decrease in the cost of fuel and oils.

Graph 3: Northern Ireland Agricultural Gross Input 1990-2020
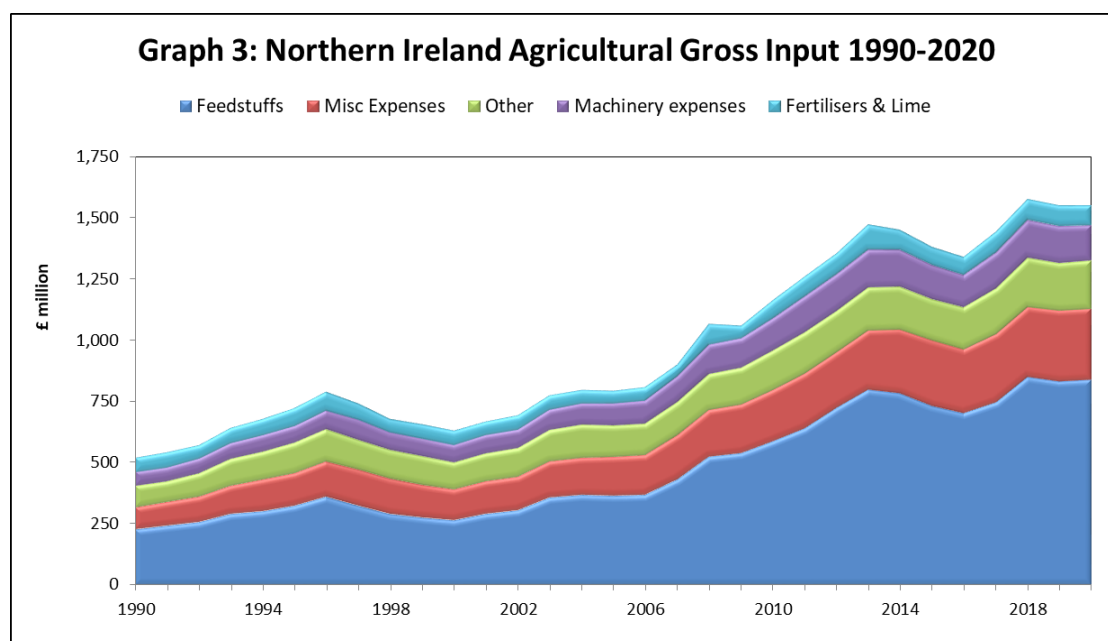
A detailed document covering the period 2015–2020 and containing all the key figures used to derive TIFF in Northern Ireland can be downloaded from the DAERA website.

Estimates for the United Kingdom will not be released until May/June 2021 and a breakdown of TIFF for the UK will not be available until then.

Farm level incomes

Farm Business Income by farm type for 2019/20 with forecasts for 2020/21 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 £25,935 in 2019/20 to £33,039 in 2020/21, i.e. an increase of £7,104 or 27% per farm.

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

Farm Type	2019/20	2020/21 (forecast)	% change
Cereals	30,440	28,969	-5
Dairy	51,803	63,846	23
Cattle & Sheep (LFA)	15,244	20,307	33
Cattle & Sheep (lowland)	11,869	16,227	37
Pigs	59,728	72,324	21
Mixed	30,029	40,042	33
All types	25,935	33,039	27

Note: The 'All types' category excludes poultry and horticulture farm types

Farm Business Income is expected to increase (by varying amounts) for Dairy, Cattle and Sheep (LFA), Cattle and Sheep (Lowland), Pigs and Mixed farm types between 2019/20 and 2020/21. The improvement in incomes for these farm types reflects higher output prices and support payments. In contrast, despite higher output prices cereal farms are expected to show a decrease in incomes due to lower yields.

A detailed analysis of farm incomes by type and size of farm in 2019/20 will be provided in the report 'Farm Incomes in Northern Ireland 2019/20' which will be published on the DAERA website in May 2021.

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 May/June 2021 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 2019/20 and their associated 95% confidence intervals (as range bars) are shown in Figure 1.

Figure 1: Average Farm Business Income (£'000s) by farm type, with 95% confidence limits, Northern Ireland 2019/20
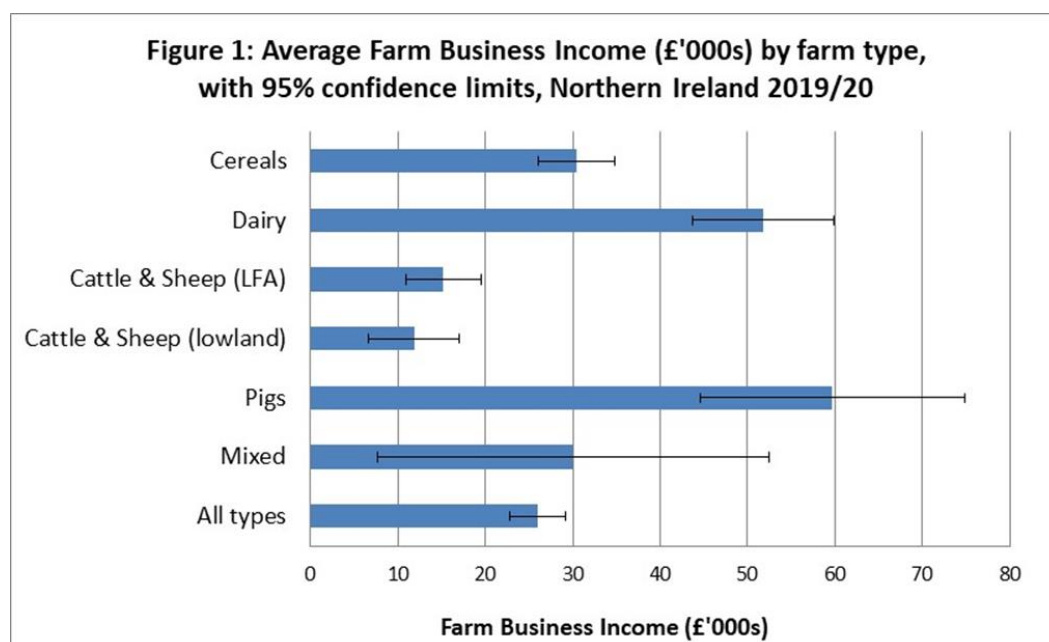
For each farm type, Figure 1 shows the estimated average Farm Business Income and the range of values that apply to it, i.e. we are 95% confident that the true average Farm Business Income for the farm type falls within the range shown. It is important to note that the size of a confidence interval is 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 2019 there were 24,827 farms in Northern Ireland of which 9,865 were above 0.5 SLRs.

12. The *'Statistical Review of Northern Ireland Agriculture, 2020',* due to be issued on the DAERA website during May 2021, will contain details of the output, input and income estimates for 2020, as well as information on livestock numbers, crop areas and yields, farm structure, employment and farm business performance.