**30 January 2020**

Northern Ireland agricultural incomes in 2019

The Department of Agriculture, Environment and Rural Affairs (DAERA) has published the first (provisional) estimate for farm incomes in 2019. 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 25% (26% in real terms) from £386 million in 2018 to £290 million in 2019.
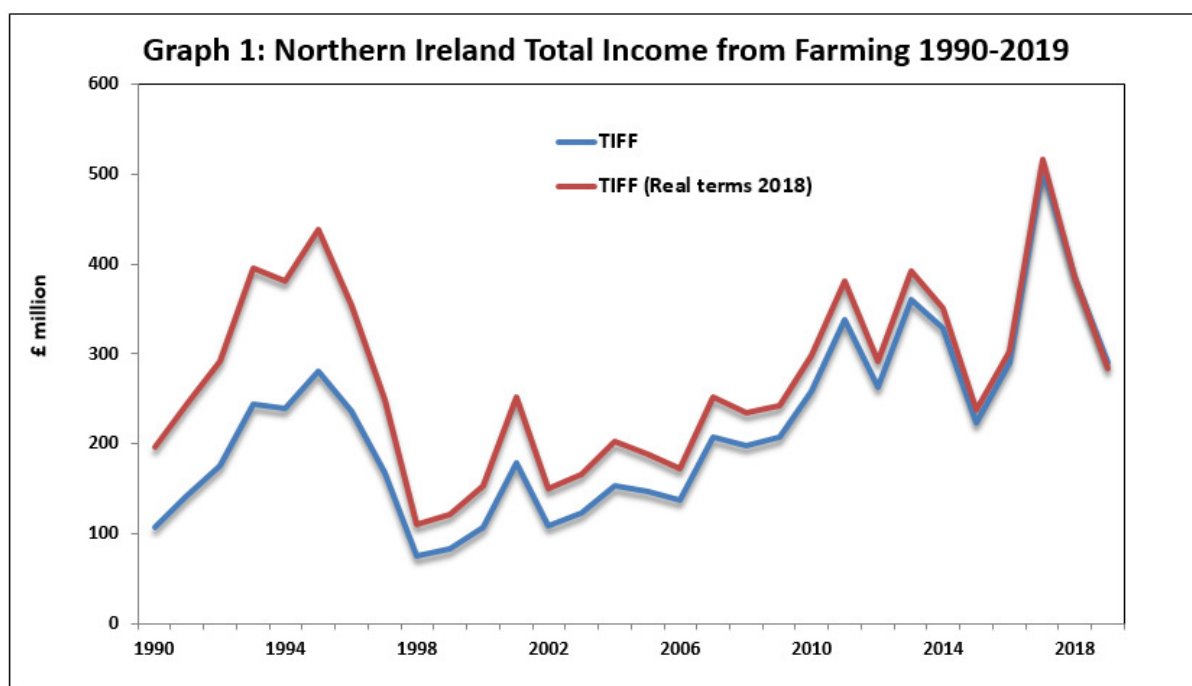
TIFF represents the return on own labour, management input and own capital invested for all those with an entrepreneurial involvement in farming. It represents farm income measured at the sector level.

Total Gross Output for agriculture in Northern Ireland was 2% lower at £2.15 billion in 2019. There was a 4% decrease in the value of output from the livestock sector, while field crops rose by 7% and horticulture was 8% 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 £654 million in 2019; a fall of 4%. Between 2018 and 2019, the annual average farm-gate milk price decreased by 6% to 27.1 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 7% lower at £427 million in 2019. The total number of animals slaughtered decreased by 2% in 2019, whereas, the average carcase weights for clean and cull animals were 2% and 3% higher. These changes resulted in the volume of meat produced being 0.6% higher in 2019. The average producer price for finished clean cattle was £3.26 per kilogram in 2019 while the average producer price for cull animals was £2.25 per kilogram. These prices were 6.6% and 10.6% lower than the respective averages for 2018.

The value of output from sheep decreased by 18% to £66 million in 2019. The total number of sheep slaughtered decreased by 5% in 2019 whereas the average carcass weight increased by 3% to 22.5 kilograms. This resulted in the volume of sheep meat produced being 2% lower in 2019. The average producer price decreased by 9% to £3.87 per kg. In addition to these changes in meat volumes and prices, there was also a downward movement in stocks that contributed to the decreased output value for 2019.

The value of output in the poultry sector reduced by 7% to £309 million in 2019 while the egg sector was almost unchanged at £108 million. The value of pig output increased by 14% to £179 million. Both the pigs and eggs sectors

recorded an increase in production volumes, with pigs up by 11% and eggs up by 7% compared with the previous year. The production volume for the poultry sector was 8% lower in 2019. The producer prices in the pigs and poultry sectors increased by 2% and 1% respectively, whereas, the producer price for eggs reduced by 6%.

The total output value for field crops increased by 7% in 2019 to £71 million. This was as a result of increases in the production volumes for both cereals and potatoes due to higher yields and more winter cereal crops grown in 2019. The value of output for cereals increased by 3% to £33.4 million whereas the value of output for potatoes increased by 11% to £23 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 2019, at £101 million. Mushrooms is the largest contributor to this sector in value terms, with an estimated output value of £55 million.
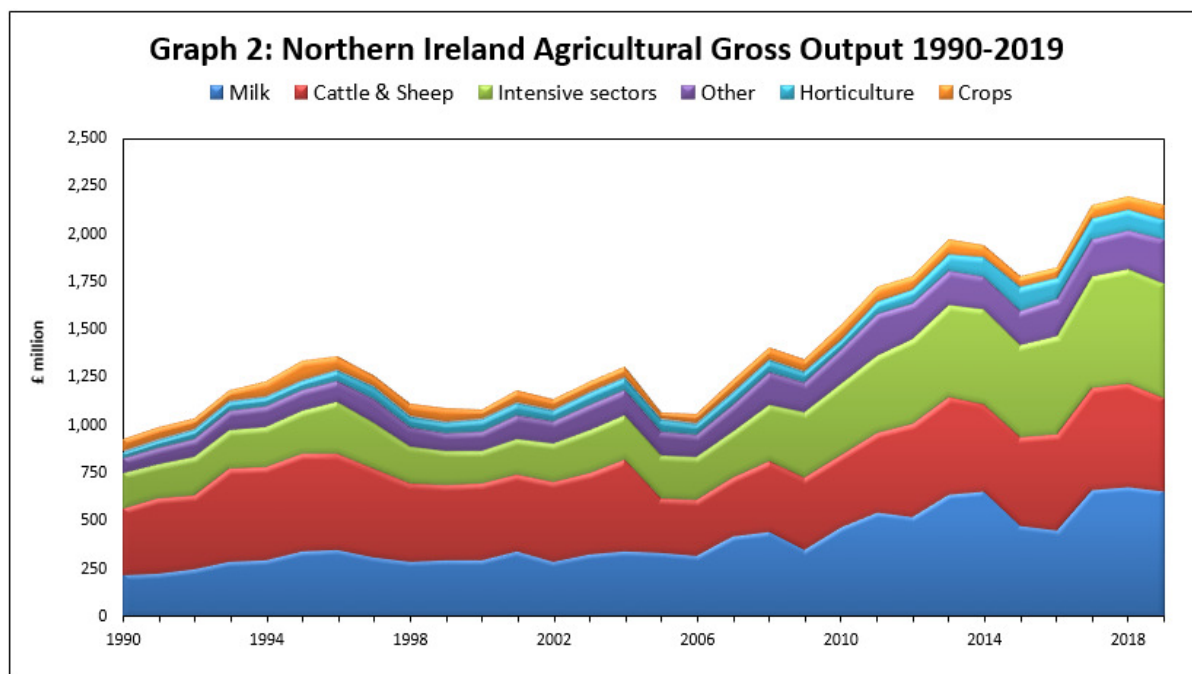
Graph 2: Northern Ireland Agricultural Gross Output 1990-2019

■ Milk   ■ Cattle & Sheep   ■ Intensive sectors   ■ Other   ■ Horticulture   ■ Crops

The estimated value of the 2019 direct payments (Basic Payment Scheme, Greening Payment and Young Farmers' Payment) was £286 million, representing a decrease of 0.2%, when compared with the 2018 payments.

The total value of Gross Inputs increased by 1% in 2019, to £1.62 billion. Feedstuffs costs, which accounted for 53% of the total Gross Input estimate, fell by 2% to £851 million in 2019. There was a 2% decrease in the volume of feedstuffs purchased and a 0.5% increase in the average price paid per tonne.

The total cost of fertilisers in 2019 increased by 0.5% as a net result of a 10% fall in the volume purchased and a 12% increase in the average price paid per tonne. There was a 16% fall in total lime purchases, with the result that total expenditure on fertilisers and lime remained at £85 million.

Total machinery expenses increased by 2% to £161 million in 2019, mainly as a result of a 3% increase in the cost of fuel and oils.
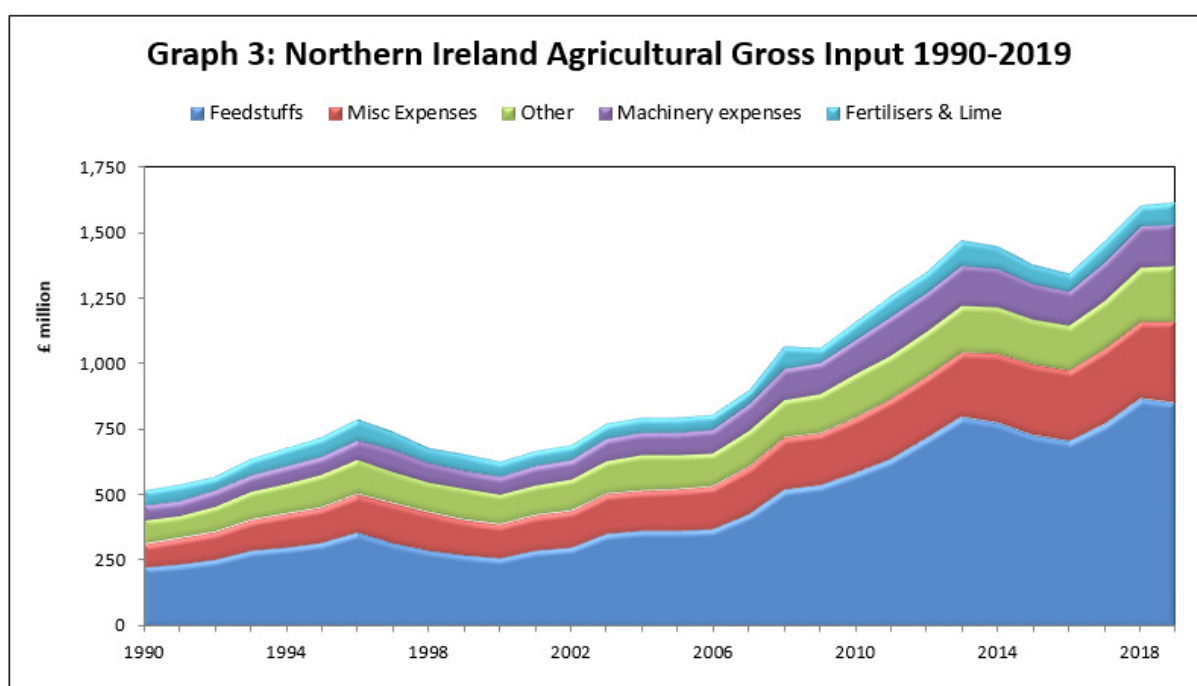
Graph 3: Northern Ireland Agricultural Gross Input 1990-2019

A detailed document covering the period 2014–2019 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 2020 and a breakdown of TIFF for the UK will not be available until then.

Farm level incomes

Farm Business Income by farm type for 2018/19 with forecasts for 2019/20 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 £28,612 in 2018/19 to £24,679 in 2019/20, i.e. a decrease of £3,933 or 14% per farm.

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

Farm Type	2018/19	2019/20 (forecast)	% change
Cereals	64,088	47,116	-26%
Dairy	57,798	51,964	-10%
Cattle & Sheep (LFA)	14,368	10,418	-27%
Cattle & Sheep (lowland)	12,274	9,809	-20%
Pigs	57,978	84,863	46%
Mixed	34,093	29,790	-13%
All types	28,612	24,679	-14%

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

Farm Business Income is expected to fall (by varying amounts) for Cereals, Dairy, Cattle and Sheep (LFA), Cattle and Sheep (Lowland) and Mixed farm types between 2018/19 and 2019/20. For all these farm types, the downturn in their incomes is mainly attributed to lower output prices in the 2019/20

accounting year. In contrast, pig farms are expected to show an increase in incomes due to higher pigmeat prices in 2019/20.

A detailed analysis of farm incomes by type and size of farm in 2018/19 will be provided in the report 'Farm Incomes in Northern Ireland 2018/19' which will be published on the DAERA website in March 2020.

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 2020 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
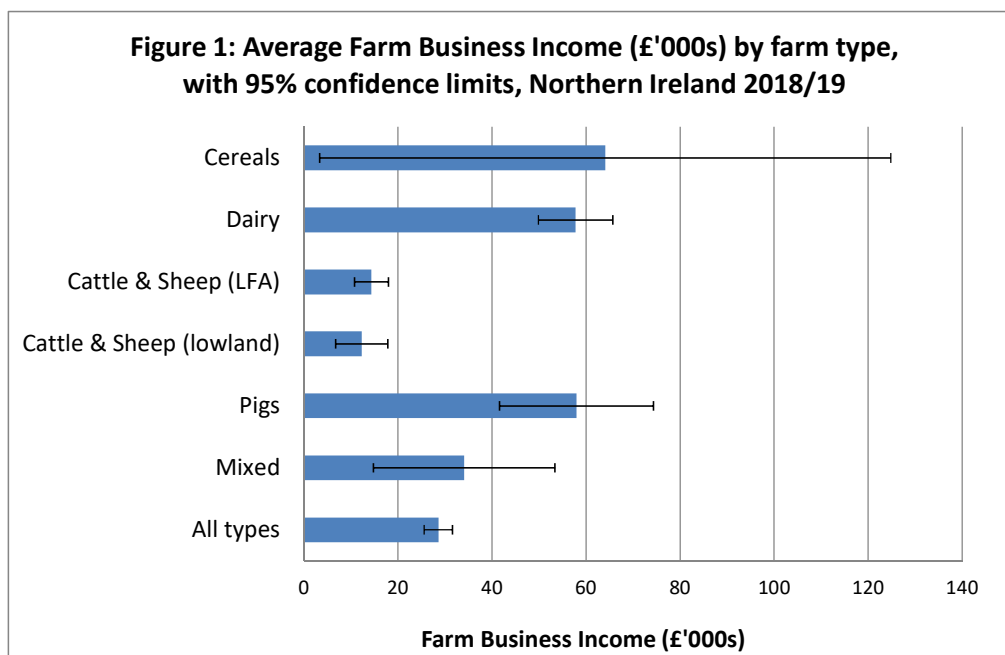
give an indication of this, the Farm Business Income results by Farm Type for 2018/19 and their associated 95% confidence intervals (as range bars) are shown in Figure 1.

Figure 1: Average Farm Business Income (£'000s) by farm type, with 95% confidence limits, Northern Ireland 2018/19

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 2018 there were 24,895 farms in Northern Ireland of which 10,074 were above 0.5 SLRs.

12.   The *'Statistical Review of Northern Ireland Agriculture, 2019',* due to be issued on the DAERA website on 26th March 2020, will contain details of the output, input and income estimates for 2019, as well as information on livestock numbers, crop areas and yields, farm structure, employment and farm business performance.