

STATISTICAL PRESS RELEASE

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Northern Ireland agricultural incomes in 2015

The Department of Agriculture and Rural Development (DARD) has published the first (provisional) estimate for farm incomes in 2015. 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 41% in 2015 (42% in real terms) to £183 million from £312 million in 2014.

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.

The total value of Gross Output for agriculture in Northern Ireland decreased by 9% to £1.74 billion in 2015. This was driven by a 13% decline in the value of output from the livestock sector as a whole in 2015. Dairying remained the largest contributor to the total value of Gross Output despite falling by 27% to £480 million in 2015. The annual average farm-gate milk price decreased by 28% in 2015 to 21.2 pence per litre, but the volume of raw milk produced in Northern Ireland rose by 3% to 2.3 billion litres, a new record level of milk production.

The output value of cattle was marginally higher at £394 million in 2015. While the number of animals slaughtered fell by 2%, this was more than offset by a 9 kilogram increase in the average carcass weight, resulting in a 2% increase in the volume of meat produced. The average producer price for finished clean cattle was £3.26 per kilogram in 2015

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The value of sheep-meat output decreased by 10% in 2015 to £63 million. This decrease was almost entirely due to a 9% reduction in the average producer price, with little change in the volume of sheep-meat produced. The average producer price of finished lambs and hoggets was £3.40 per kilogram in 2015.

There were reductions in the values of output in two of the three intensive livestock sectors during 2015, with the value of pig output falling by 15% in 2015, to £113 million, while that of the poultrymeat sector decreased by 6% to £244 million. Meanwhile, the value of egg output rose by 9% to £87 million. All three of these sectors recorded an increase in production volumes, with pigs up by 7%, poultrymeat up by 2% and eggs up by 4% compared with the previous year. However, average producer prices in the pigs and poultry sectors fell by 18% and 7% respectively, while the producer price for eggs rose by 5%.

The total output value for field crops fell by 7% in 2015 to £59 million. This was mainly as a result of reductions in the producer prices for barley and wheat. The value of output of potatoes in 2015 declined by 8% to £17 million as the volume of potato production fell due to a reduction in area planted. The value of output for wheat decreased by 12% to £9 million and the output value of barley fell by 8% to £18 million.

The value of output recorded in the horticulture sector was up by 16% year on year for 2015, at £119 million. This was driven by volume increases in the mushroom and flower sectors of 23% and 22%, respectively. The mushroom sector is the largest of these sectors by value, with an output figure of £67 million reported in 2015 (an increase of 24% year on year).



The estimated value of the 2015 direct subsidies (Basic, Greening and Young Farmer payments) was £236 million, representing a decrease of 5% when compared with the value of the Single Farm Payment in 2014. This was due to the less favourable exchange rate between Sterling and the Euro.

The total value of Gross Input decreased by 4% in 2015, to £1.39 billion. Feedstuff costs, which accounted for 52% of the total Gross Input estimate, fell by 6% to £729 million in 2015. There was a 1% increase in the volume of feedstuffs purchased but a 7% reduction in the average price paid per tonne.

The total cost of fertilisers in 2015 fell by 10% as a result of a 3% decrease in the volume purchased combined with an 8% reduction in the average price paid per tonne. There was also a reduction in lime purchases, with the result that total expenditure on fertilisers and lime fell to £74 million.

Total machinery expenses decreased by 10% to £136 million in 2015. This was driven largely by an 18% reduction in the cost of fuel and oils.

A detailed document covering the period 2010–2015 and containing all the key figures used to derive TIFF in Northern Ireland can be downloaded from the [DARD website](#).

Estimates for the United Kingdom will not be released until April 2016 and a breakdown of TIFF for the UK will not be available until then.

Farm level incomes

Farm Business Income by farm type for 2014/15, with forecasts for 2015/16, 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



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Requirement. 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 £24,942 in 2014/15 to £13,451 in 2015/16, i.e. a decrease of £11,491 or 46% per farm.

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

Farm Type	2014/15	2015/16 (forecast)	% change
Cereals	23,657	23,213	-2
Dairy	45,728	10,152	-78
Cattle & Sheep (LFA)	14,745	13,053	-11
Cattle & Sheep (lowland)	15,726	14,481	-8
Pigs	45,012	22,250	-51
Mixed	37,138	28,202	-24
All types	24,942	13,451	-46

Source: Farm Business Survey

Farm Business Income is also expected to fall for all individual farm types between 2014/15 and 2015/16, with the sharpest reductions for the dairy and pig farm types. The downturn in incomes can be attributed to lower product prices and lower subsidy receipts in the 2015/16 accounting year.

A detailed analysis of farm incomes by type and size of farm in 2014/15 will be provided in the report 'Farm Incomes in Northern Ireland 2014/15' which will be published on the [DARD website](#) in March 2016.



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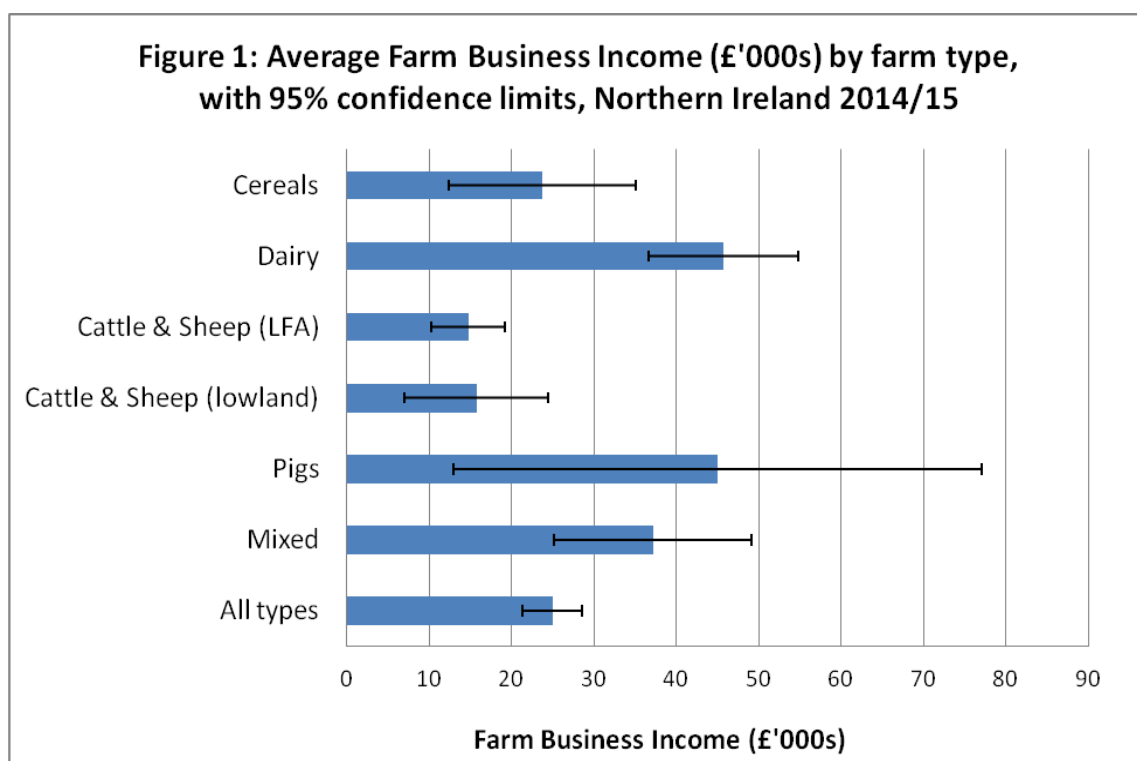
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Notes for Editors

1. For any enquiries please contact Seamus McErlean whose contact details are - email Seamus.McErlean@dardni.gov.uk or telephone 028 90 524675.
2. A wide range of statistics are available on the [DARD website](#) and also via Twitter: @DARDstats.
3. Provisional aggregate income figures for the UK will be issued in April 2016 on the government portal [Total income from farming in the UK - Publications - GOV.UK](#)
4. The Northern Ireland estimates were prepared using provisional figures and are subject to revision when more complete data becomes available later in the year.
5. '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.
6. CAP support payments are decoupled from production and not included in the individual commodity output values.
7. 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.
8. 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.
9. 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 2014/15 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.

10. 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 Regulation (EC) 1242/2008 and



explained in greater detail in the EU Farm Accountancy Data Network (FADN) Typology Handbook RI/CC 1500 rev.3.

11. 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 [DARD website](#).
12. The '*Statistical Review of Northern Ireland Agriculture, 2015*', due to be issued on the [DARD website](#) on 31 March 2016, will contain details of the output, input and income estimates for 2015, as well as information on livestock numbers, crop areas and yields, farm structure, employment and farm business performance.



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