



Llywodraeth Cymru
Welsh Government

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Aggregate agricultural output and income: 2023

Information on agricultural output, Gross Value Added from agriculture and Total Income From Farming for 2023.

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Introduction

This release provides provisional estimates of aggregate agricultural output and total income from farming at the Wales level for 2023. These estimates make use of information available up to March 2024.

The estimates of aggregate agricultural output and total income for 2021 and 2022, published in May 2023, has been revised downwards by approximately £15 million (4%) for 2021 and £100 million (16%) for 2022 in this release due to the availability of more data. Please see Table 2 in the [quality and methodology information](#) section for more information on these revisions.

Main points

The Aggregate Agricultural Account is compiled using data from a wide variety of sources, for example, agricultural surveys, livestock markets, marketing organisations and the Department for Environment, Food and Rural Affairs (DEFRA). COVID-19 had relatively little impact on the collection of the data.

Please see the [quality and methodology information](#) section for more information.

In 2023, it is estimated that both gross value added and total income from farming decreased (by 3% and 6% respectively) following three consecutive years of increases. Total income from farming had reached an all-time high in 2022 following an exceptional year of price increases across the majority of commodities that offset increases in input prices. The rises in costs of living are more evident in the 2023 provisional estimate - the increase in intermediate consumption has offset increases in output and resulted in an overall decrease in total income from farming.

The value of aggregate agricultural output (gross output) rose by approximately £120 million (or 6%) to around £2.2 billion in 2023.

Intermediate consumption (the goods and services consumed or used in the production process) increased by just over £140 million (or 10%) to around £1.5 billion in 2023. This is, in effect, an increase in costs.

Gross value added (aggregate agricultural output, less intermediate consumption) decreased by around £21 million (a 3% decrease) to just under £710 million in 2023.

Total income from farming decreased by around £30 million (a 6% decrease) to just over £470 million in 2023. This decrease can be explained by a rise in farm running costs of which increases were greater than that of agricultural output. It should also be noted that milk reached record high farmgate prices of 51.6 pence per litre in 2022 which meant that TIFF was exceptionally high for the previous year.

The value of output from cereals has remained similar to last year at £61 million (a 1% increase from 2022).

The value of output from cattle remained high at £572 million (an increase of 16% from 2022). The value of output from sheep showed a further increase of £57 million (or 21%) to just under £325 million. Gross output from cattle and sheep is estimated to be 40% of the value of agricultural output in Wales.

Livestock increased overall by 16% whilst livestock products decreased by 7%. This decrease was largely driven by the dairy sector although decreases were also seen in other products.

In looking more closely at intermediate consumption, feeding stuffs increased by just over £50 million (or 11%) to just over £510 million. Feeding stuffs are the largest component of intermediate consumption, at around a third.

The value of other subsidies increased by £17 million (6%) to £301 million. The majority of which was attributed to the Basic Payment Scheme and Glas Tir payments.

Table 1a: Aggregate Agricultural Account, calendar years 2020 to 2023 (outputs in £ million)

Outputs	2020	2021 (r)	2022 (r)	2023 (r)
1. Cereals	27	31	60	61
2. Other crops	6	11	15	20
3. Potatoes	8	13	12	11
4. Horticulture	56	53	59	68
5. Livestock (total)	818	807	837	975
Livestock of which are cattle	437	441	494	572
Livestock of which are sheep	299	286	266	323
Livestock of which are pigs	8	7	8	9
Livestock of which are poultry	64	65	62	63
6. Livestock products (total)	580	649	901	842

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Outputs	2020	2021 (r)	2022 Provisional (r)	2023 Provisional
Livestock products of which are milk and milk products	513	570	809	725
Livestock products of which are eggs	57	71	83	107
Livestock products of which are clip wool	1	1	2	2
7. Capital formation in livestock	54	54	58	67
8. Other agricultural activities	81	85	94	104
9. Inseparable secondary activities	55	55	64	70
10. Gross output (at market prices) [Note 1]	1,684	1,758	2,100	2,219
11. Total subsidies on product	0	0	0	0
12. Gross output at basic prices	1,684	1,758	2,100	2,219

Source: Welsh Government

[Note 1] The total sum of: Cereals; Other crops; Potatoes; Horticulture; Livestock; Livestock products; Capital formation in livestock; Other agricultural activities; Inseparable secondary activities.

(r) 2021 and 2022 data was revised on 6 June 2024 and differs from the

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previously published [aggregate agricultural output and income: 2022](#).

A longer timeseries of the aggregate agricultural accounts is available to view on [StatsWales](#).

Table 1b: Aggregate Agricultural Account, calendar years 2020 to 2023 (intermediate consumption in £ million)

Intermediate consumption	2020	2021 (r)	2022 Provisional (r)	2023 Provisional
13. Intermediate consumption (total)	1,155	1,189	1,369	1,510
Intermediate consumption of which are feeding stuffs	387	400	461	513
Intermediate consumption of which are veterinary and medical expenses	62	62	72	80
Intermediate consumption of which are fertilisers and lime	99	100	115	128
Intermediate consumption of which are machinery expenses	132	133	154	170
Intermediate consumption of which are farm maintenance	41	57	64	70
Intermediate consumption of which are contract work	79	80	93	102

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Intermediate consumption	2020	2021 (r)	2022 Provisional (r)	2023 Provisional
Intermediate consumption of which are other farming costs	322	324	375	415
14. FISIM (Financial Intermediation Services Indirectly Measured)	13	12	13	8

Source: Welsh Government

(r) 2021 and 2022 data was revised on 6 June 2024 and differs from the previously published [aggregate agricultural output and income: 2022](#).

A longer timeseries of the aggregate agricultural accounts is available to view on [StatsWales](#).

Table 1c: Aggregate Agricultural Account, calendar years 2020 to 2023 (Value Added and Income in £ million)

Value Added and Income	2020	2021 (r)	2022 Provisional (r)	2023 Provisional
15. Gross Value Added at basic prices [Note 1]	529	570	730	709
16. Gross Value Added at market prices [Note 2]	529	570	730	709

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Value Added and Income	2020	2021	2022	2023
		(r)	Provisional	Provisional
			(r)	
17. Consumption of fixed capital	324	325	364	385
Consumption of fixed capital of which are buildings and works	97	101	110	114
Consumption of fixed capital of which are vehicles, plant and machinery	167	174	193	203
Consumption of fixed capital of which are livestock	60	50	61	68
18. Net Value Added (at basic prices) [Note 3]	205	245	366	324
19. Other subsidies	290	282	283	301
20. Net Value Added (at factor cost) [Note 4]	495	526	650	625
21. Compensation of employees	137	110	101	106
22. Interest	35	34	35	35
23. Rent	14	13	13	13
24. Total Income from farming [Note 5]	310	369	501	471

Source: Welsh Government

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[Note 1] 'Gross output at basic price's minus 'Intermediate consumption'
[Note 2] 'Gross Output (at market prices)' minus 'Intermediate consumption'
[Note 3] 'Gross Value Added at basic prices' minus 'Consumption of fixed capital'
[Note 4] The total sum of: 'Net Value Added (at basic prices)'; 'Other subsidies'
[Note 5] 'Net Value Added (at factor cost)' minus 'Compensation of employees'
minus 'Interest' minus 'Rent'

(r) 2021 and 2022 data was revised on 6 June 2024 and differs from the previously published [aggregate agricultural output and income: 2022](#).

A longer timeseries of the aggregate agricultural accounts is available to view on [StatsWales](#).

Glossary

Total income from farming (TIFF)

Income generated by production within the agriculture industry, including subsidies. It represents business profits plus remuneration for work done by owners and other unpaid workers. It excludes changes in the value of assets, including stocks, due to price changes. It includes non-agricultural activities such as further processing or tourist activities where these cannot be separated from the farming business. It is the preferred measure of aggregate income, conforming to internationally agreed national accounting principles required by UK national accounts and Eurostat.

Financial intermediation services indirectly measured (FISIM)

An estimate of the value of the services provided by financial intermediaries,

such as banks, for which no explicit charges are made. Instead these services are paid for as part of the margin between rates applied to savers and borrowers. The supposition is that savers would receive a higher interest rate and borrowers pay a lower interest rate if all financial services had explicit charges. In these accounts, the amounts of interest paid and received are adjusted and the amount of FISIM is recorded with intermediate consumption.

Included in other farming costs (line 13 of the account under intermediate consumption) are items such as pesticides, seeds, utilities, insurance, rates, banking fees and other general costs.

Included in other subsidies (line 19 of the account) are the following:

- The Basic Payment Scheme for 2015 to 2023.
- Agri-environment payments (including Glastir, and legacy schemes such as Tir Mynydd and Tir Gofal) for 2015 to 2023.
- Animal disease compensation (predominantly bovine TB) for 2015 to 2023.
- Payments to Welsh dairy farmers from the:
 - EU Dairy Package: £3.2 million in 2015.
 - EU Conditional Aid Benchmarking Scheme: £3.2 million recorded against 2016, although this was actually paid out in 2017.
 - EU Milk Reduction Fund: £1.1 million recorded against 2016, although this was actually paid out in 2017.

These subsidies are not included in agricultural output since they are decoupled from production, but they are included in total income from farming (TIFF) in accordance with national accounting conventions.

Basic Payment Scheme information included in the 2023 provisional estimate is based on an estimate of the total value that will be paid as a result of applications made in 2023. In other words, the 2023 provisional estimate includes all basic payments made to date and an estimate of the value of payments that will be made throughout 2024 (for applications made in 2023).

Differently for agri-environment payments, the 2023 provisional estimate includes Glastir payments made during the year, regardless of when Glastir contracts were actually signed. All of these estimates will be revised in future publications when final figures become available.

Quality and methodology information

These results are produced using internationally agreed national accounting principles.

Income measures exhibit some degree of volatility across years, influenced by prevailing market conditions. As all the measures of income include an element relating to profits, these measures in the agricultural sector are therefore more volatile than measures in other sectors (which are defined purely in terms of income from wages).

Rounding

The figures shown in this release have been rounded to the nearest million pounds. Calculations such as percentage or actual change have been made on unrounded figures.

Potato data

AHDB ceased production of GB potato market intelligence in July 2021 following an industry vote. Welsh Government are currently investigating alternative sources of data but for this release the 2020 potato figures have been used as an interim estimation.

Methodology

At the time of publication, not all data are available for 2023 which has meant that some values have been estimated. Consequently, this provisional estimate is subject to a degree of revision when the 2024 estimate is published next year.

The estimates are calculated using a range of available market price data including but not limited to the AHDB for data on the cereal and milk markets in addition to historical liveweight and prime cull weighted prices. Data from the BCMS cattle registration and movement records and Defra egg packing data are also utilised. The latest June Survey also provides an estimate on production trends within the Welsh agricultural sector.

Given that TIFF is the relatively small difference between two large numbers it is sensitive to small percentage changes in the values of outputs and intermediate consumption. This means that a combination of a smaller revisions in outputs and intermediate consumption leads to more sizeable revisions in percentage terms to Gross Value Added and TIFF.

Welsh Government plan to work with DEFRA and other devolved nations to continue to review the and improve the current processes in place for estimating the aggregate agricultural accounts. It is therefore anticipated that future releases will have further revisions to figures and changes in methodology in place. These changes will be explained in detail in the next release.

Revisions

As a result of more data becoming available over time, figures for previous years are regularly revised to include up-to-date information. These revisions are intended to enhance the precision of the estimates. Table 2 below shows revisions to figures for 2021 and 2022 that have been made in this edition of the

release.

Table 2: Revisions to the 2021 and 2022 aggregate agricultural account in this release (£ million)

Calendar year	Commodities	Published 25 May 2023	Published 6 June 2024	Actual change	% change
2021	Gross Output	1,760	1,758	-1.35	-0.1%
2021	Intermediate consumption	1,174	1,189	14.98	1.3%
2021	Gross Value Added	586	570	-16.33	-2.8%
2021	Net Value Added (at factor cost)	541	526	-14.88	-2.7%
2021	Total Income from farming	384	369	-14.88	-3.9%
2022	Gross Output	2,161	2,100	-61.42	-2.8%
2022	Intermediate consumption	1,350	1,369	19.30	1.4%
2022	Gross Value Added	811	730	-80.72	-10.0%
2022	Net Value Added (at factor cost)	748	650	-98.25	-13.1%

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Calendar year	Commodities	Published 25 May 2023	Published 6 June 2024	Actual change	% change
2022	Total Income from farming	599	501	-98.11	-16.4%

Source: Welsh Government

The figures for 2021 compare the provisional figures published in May 2023 with the final figures published in June 2024; the comparison is stable. As we would expect, the changes in total income from farming are larger for 2022 when comparing the provisional estimate published in 2023 with the provisional figures published in 2024.

The figures in this release will be revised in the future to include up-to-date information from sources such as the Farm Business Survey for 2023-24.

Any revisions to the 2023 agricultural output and income figures will be published alongside 2024 provisional estimate estimates in June 2025 (provisional). In line with the above, the figures for agricultural output and income in 2021 and 2022 have been revised to incorporate up-to-date information. Figures for 2022 remain provisional.

Methodological and terminological changes were made in 1998 to conform to the requirements of both the 1993 System of National Accounts (SNA) and the UK National Accounts.

Statement of compliance with the Code of Practice for Statistics

These statistics are not classed as official statistics. However, we have applied

the principles of the Code of Practice for Statistics as far as possible during development.

The methodology for the aggregate agricultural output and income statistics are currently under review in order to further improve upon the accuracy of the estimates. We welcome any feedback or suggestions to sources that we should consider.

We have therefore voluntarily applied the Code of Practice for Statistics as follows:

Trustworthiness

We have been honest in our use of data sources and where appropriate have caveated where sources have changed between publications. We have presented information accurately, clearly and impartially.

Quality

The published figures provided are compiled by professional analysts using the latest available data and applying methods using their professional judgement and analytical skillset. Statistics published by Welsh Government adhere to the Statistical Quality Management Strategy which supplements the Quality pillar of the **Code of Practice for Statistics (UK Statistics Authority)** and the European Statistical System principles of quality for statistical outputs.

Value

The purpose of this statistical release is to provide evidence for policy development and to assist in compiling the UK level aggregate accounts.

You are welcome to contact us directly with any comments about how we meet these standards. Alternatively, you can contact OSR by emailing regulation@statistics.gov.uk or via the OSR website.

Well-being of Future Generations Act (WFG)

The Well-being of Future Generations Act 2015 is about improving the social, economic, environmental and cultural wellbeing of Wales. The Act puts in place seven wellbeing goals for Wales. These are for a more equal, prosperous, resilient, healthier and globally responsible Wales, with cohesive communities and a vibrant culture and thriving Welsh language. Under section (10)(1) of the Act, the Welsh Ministers must (a) publish indicators (“national indicators”) that must be applied for the purpose of measuring progress towards the achievement of the wellbeing goals, and (b) lay a copy of the national indicators before Senedd Cymru. Under section 10(8) of the Well-being of Future Generations Act, where the Welsh Ministers revise the national indicators, they must as soon as reasonably practicable (a) publish the indicators as revised and (b) lay a copy of them before the Senedd. These national indicators were laid before the Senedd in 2021. The indicators laid on 14 December 2021 replace the set laid on 16 March 2016.

Information on the indicators, along with narratives for each of the wellbeing goals and associated technical information is available in the [Well-being of Wales report](#).

Further information on the [Well-being of Future Generations \(Wales\) Act 2015](#).

The statistics included in this release could also provide supporting narrative to the national indicators and be used by public services boards in relation to their local wellbeing assessments and local wellbeing plans.

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Contact details

Statistician: Katherine Green

Email: stats.agric@gov.wales

Media: 0300 025 8099

SFR: 44/2024

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