

Aggregate Agricultural Output and Income, 2014

This statistics release provides first estimates of aggregate agricultural output and income in Wales for 2014, including Total Income from Farming. These results are produced using internationally agreed national accounting principles.

These first estimates make use of information available up to February 2015. The figures will be revised to incorporate additional up-to-date information and published in the subsequent annual release.

Key Results

- The value of aggregate agricultural output (gross output) in Wales is estimated to have increased by around 1% between 2013 and 2014, from £1,534.8 million to £1,551.2 million.
- Reflective of increased production levels, the value of output for milk and milk products is estimated to have increased by around 3% in 2014 to £520.5 million, representing around one-third of the value of agricultural output. Capital formation in livestock also contributed to the increase in overall gross output for the agricultural sector.
- Over the same period, the value of output from cattle decreased by an estimated 2%, from £368.2 million in 2013 to £360.6 million in 2014, with the value of sheep output estimated to have decreased by around 1%, to £259.5 million. In combination, gross output from cattle and sheep outputs contributed around 40% of the value of output.
- Intermediate consumption (the goods and services consumed or used in the production process) is estimated at £1,176.9 million in 2014, a decrease of around 3% on 2013. The main contribution to this fall was the decline in feedingstuffs to £388.2 million, which remains the largest component of intermediate consumption, representing around 33% of the total.
- Gross Value Added (gross output less intermediate consumption) increased by around 15% from £325.2 million in 2013 to £374.3 million in 2014.
- Taking account of the fall in the value of Other Subsidies to around £256.0 million, Total Income from Farming (TIFF) in Wales is estimated to have decreased from £222.1 million in 2013 to £211.7 million in 2014. This represents a decline of around 5%, though remaining about 44% above the Total Income from Farming in 2012.

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Next Update: February 2016 (provisional)

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Aggregate Agricultural Account

£ million

Calendar Years

	2012	2013	2014
		Provisional	Forecast
Outputs:			
1. Cereals	29.5	19.1	18.8
2. Other Crops	11.0	8.8	7.8
3. Potatoes	11.3	11.6	10.3
4. Horticulture	33.4	34.1	39.1
5. Livestock	640.3	692.7	681.4
<i>of which:</i>			
Cattle	329.6	368.2	360.6
Sheep	249.2	261.7	259.5
Pigs	6.8	5.9	6.7
Poultry	54.6	56.8	54.5
6. Livestock Products	473.4	561.8	580.4
<i>of which:</i>			
Milk and Milk Products	417.5	503.5	520.5
Eggs	44.2	44.8	45.3
Clip Wool	6.2	7.3	8.3
7. Capital Formation in Livestock	75.0	81.6	87.1
8. Other Agricultural Activities	72.4	75.4	76.1
9. Inseparable Secondary Activities	51.4	49.7	50.2
10. Gross Output (at market prices) (1+2+3+4+5+6+7+8+9)	1,397.7	1,534.8	1,551.2
11. Total Subsidies on Product	0.0	0.0	0.0
12. Gross Output at basic prices	1,397.7	1,534.8	1,551.2
Intermediate Consumption:			
13. Intermediate Consumption	1,158.7	1,209.6	1,176.9
<i>of which:</i>			
Feedingstuffs	390.2	426.6	388.2
Veterinary and Medical Expenses	56.9	58.0	62.7
Fertilisers and Lime	111.8	114.3	108.6
Machinery Expenses	150.4	150.7	144.4
Farm Maintenance	33.9	35.6	37.4
Contract Work	71.1	74.0	77.7
Other Farming Costs	315.5	324.3	331.3
14. FISIM (Financial Intermediation Services Indirectly Measured)	12.4	7.9	8.5
Value Added and Income:			
15. Gross Value Added at basic prices (12-13)	239.0	325.2	374.3
16. Gross Value Added at market prices (10-13)	239.0	325.2	374.3
17. Consumption of Fixed Capital	292.0	276.0	275.2
<i>of which</i>			
Buildings and Works	80.5	75.4	73.6
Vehicles, Plant and Machinery	138.1	137.9	131.0
Livestock	73.4	62.7	70.6
18. Net Value Added (at basic prices) (15-17)	-53.0	49.2	99.1
19. Other Subsidies	332.0	308.3	256.0
20. Net Value Added (at factor cost) (18+19)	279.0	357.5	355.1
21. Compensation of Employees	93.1	97.3	100.2
22. Interest	17.0	12.2	13.1
23. Rent	22.3	25.9	30.0
24. Total Income from Farming (20-21-22-23)	146.6	222.1	211.7

Notes

Total Income from Farming is 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 agricultural business. It is the preferred measure of aggregate income, conforming to internationally agreed national accounting principles, required by both UK National Accounts and by Eurostat.

Financial Intermediation Services Indirectly Measured (FISIM) is 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.

The single farm payment was introduced in 2005. This is not included in agricultural output since it is decoupled from production, but it is included in Total Income from Farming (TIFF) in accordance with National Accounting conventions.

Key Quality Information

The Aggregate Agricultural Account is compiled using data from a wide variety of sources, for example, agricultural surveys, livestock markets, producer organisations and the Department for Environment, Food and Rural Affairs (DEFRA). This release contains information available up to February 2015.

The figures will be revised in the future to include up-to-date information from sources such as the Farm Business Survey for 2014-15. Any revisions to the 2014 agricultural output and income figures will be published alongside first estimates for 2015 in February 2016 (provisional). In line with the above, the figures for agricultural output and income in 2012 and 2013 have been revised to incorporate up-to-date information. Figures for 2013 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.

Related Statistics for Other UK Countries

DEFRA are scheduled to publish first estimates of Total Income from Farming in the United Kingdom for 2014 in April 2015. Agriculture in the United Kingdom 2014 will be published by DEFRA in May 2015.

The Scottish Government published Total Income from Farming Estimates for Scotland for 2014 on the 27th January 2015.

Northern Ireland agricultural incomes (provisional) figures for 2014 were published by the Department of Agriculture and Rural Development (DARD) on the 29th January 2015.

Further Information

Forecasts of Farm Incomes in Wales, 2014-15, will also be published on the 26th February 2015.

More detailed statistics for agriculture in Wales can be found on the statistics pages of the Welsh Government website. The statistics home page is shown on the front page of this statistics release.

We actively encourage feedback from our users. If you have comments on any issues relating to this statistical release please email Kathryn.Keane@wales.gsi.gov.uk

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