



Total Income from Farming in the United Kingdom

Second estimate for 2015

This release corrects a minor error found in the edition published at 09.30 on 1 December 2016. For further details please go to the revisions section on page 13.

This release presents the second estimate of Total Income from Farming for the United Kingdom for 2015 and the aggregate balance sheet for the agricultural industry. Total Income from Farming is the income to those with an entrepreneurial interest in the agricultural industry, typically farmers and partners, while the balance sheet estimates the net worth of the industry.

There are revisions to previous years' data owing to further information becoming available and methodology revisions. These are highlighted in the revisions section of this document on page 13.

Key points:

- Total Income from Farming fell between 2014 and 2015 by 24% (£1,241 million) in real terms to £4,009 million. The 2015 value was driven by lower commodity prices and reduced direct payments resulting from the less favourable euro/sterling exchange rate.
- Total Income from Farming per annual work unit (AWU)¹ of entrepreneurial labour (farmers and other unpaid labour) fell between 2014 and 2015 by 24% in real terms to £20,698 million.
- Gross value added at basic price², which identifies agriculture's contribution to the Gross Domestic Product (GDP), fell by £1,123 million to £8,710 million. In real terms, an 11% decrease.

¹ Annual Work Unit (AWU) is equivalent to the input of one person engaged in agricultural activities of the farm business on a full-time basis for one year.

² Gross value added at basic price is the total value of outputs (plus any product related subsidies) less the value of intermediate consumption

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Summary (in real terms)

Real term value is where previous year's data is adjusted to take account of inflation so the values are comparable. The following commentary refers to table 2.

In real terms Total Income from Farming in 2015 is 24% lower than the 2014 total, a fall of \pounds 1,247 million to \pounds 4,009 million.

Following poor weather in 2012 and 2013, the more favourable growing conditions of 2014 were upheld in 2015 encouraging good crop growth and record yields. However in 2015 whilst production levels were maintained, lower commodity prices due to increased global production and stocks resulted in a fall of 7% in the value of outputs.

The cost of intermediate consumption fell by 5%, due to the lower prices and to some degree a fall in volumes used, leading to a 11% (£1,129 million) fall in gross value added at basic price to just over £8.7 billion.

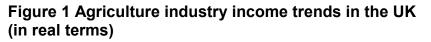
The pound further strengthened against the euro in 2015 and subsequently reduced the value of direct payments to farmers with the net value of Basic Payments (formerly Single Farm Payments) 6.5% lower in 2015 than 2014. Payments are set in Euros and converted to sterling each year using the exchange rate set by the European Central Bank every September. In 2015 \in 1=73.1p compared to \in 1=77.7p in 2014.

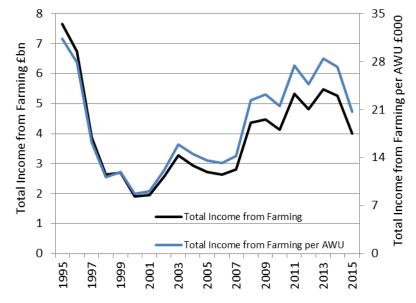
Labour, rent and interest rises further contributed to the overall fall in Total Income from Farming.

Compared to 2011, a comparable year which was not adversely affected by the weather, outputs in 2015 were £1,036 million lower. This was driven by significantly lower farm gate prices which failed to offset higher volumes of production. The cost of intermediate consumption between the two years fell by £572 million with the increase in volumes used offset by lower prices. Gross value added at basic price was £469 million lower in 2015 compared to 2011. However the reduction in exchange rate reduced the amount of direct

payment received by farmers by £871 million and led to total income from farming being £1,323 million less than 2011.

Total Income from Farming per AWU of entrepreneurial labour follows a similar trend to Total Income from Farming, but owing to a decline in the number of farmers and other unpaid workers has performed better over time (see figure 1). In 2015 total Income from Farming per AWU of entrepreneurial labour is 24% lower than 2014.





				calendar years
	Total Income from Farming (£ billion)	Year-on-year change	Total Income from Farming per AWU (£000)	Year-on-year change
1995	8	15%	31	17%
1996	7	-12%	28	-11%
1997	4	-42%	16	-42%
1998	3	-32%	11	-31%
1999	3	3%	12	6%
2000	2	-29%	9	-27%
2001	2	2%	9	5%
2002	3	31%	12	34%
2003	3	28%	16	30%
2004	3	-10%	15	-9%
2005	3	-8%	14	-7%
2006	3	-3%	13	-3%
2007	3	7%	14	8%
2008	4	55%	22	57%
2009	4	2%	23	4%
2010	4	-8%	22	-7%
2011	5	29%	27	28%
2012	5	-10%	25	-10%
2013	5	14%	28	15%
2014	5	-4%	27	-4%
2015	4	-24%	21	-24%

Table 1 Total Income from Farming and Total Income from Farming per annual workunit (AWU) of entrepreneurial labour in real terms: United Kingdom 1995 to 2015

£ million				Calend	lar years
		2012	2013	2014	2015
1 Output of ce	ereals	3 332	3 445	3 447	2 999
of which:	wheat	2 250	2 116	2 458	2 053
	barley	958	1 159	902	827
	oats	119	163	81	114
2 Output of in	dustrial crops	1 412	1 208	1 162	1 053
of which:	oilseed rape	1 043	784	701	720
	protein crops	102	126	123	137
	sugar beet	236	275	316	173
3 Output of fo	rage plants	152	221	265	269
4 Output of ve	getables and horticultural products	2 496	2 582	2 386	2 411
of which:	fresh vegetables	1 307	1 367	1 218	1 263
	plants and flowers	1 189	1 215	1 168	1 149
5 Output of po	otatoes (including seeds)	686	966	678	547
6 Output of fru	uit	597	614	623	690
7 Output of ot	her crop products incl. seeds	670	593	649	520
Total crop o	utput (sum 1-7)	9 345	9 630	9 211	8 489
8 Output of liv	estock	8 981	9 316	8 982	8 675
primarily for n	neat	7 540	7 897	7 483	7 441
of which:	cattle	2 909	2 945	2 616	2 756
	pigs	1 178	1 301	1 266	1 080
	sheep	1 069	1 059	1 124	1 112
	poultry	2 163	2 372	2 255	2 271
	apital formation	1 441	1 419	1 499	1 234
of which:	cattle	891	936	927	689
	pigs	9	6	5	4
	sheep	330	278	332	308
	poultry	211	199	234	233
-	estock products	4 670	5 177	5 380	4 435
of which:	milk	3 921	4 359	4 603	3 664
	eggs	689	733	681	681
Total livesto	ck output (8+9)	13 651	14 493	14 361	13 110
•	cultural activities	1 057	1 074	1 124	1 110
11 Inseparab	le non-agricultural activities	1 084	1 200	1 177	1 266
• •	market prices) (sum 1 to 11)	25 136	26 397	25 874	23 974
	idies (less taxes) on product	21	21	21	38
14 Gross ou	tput at basic prices (12+13)	25 157	26 418	25 894	24 013

Table 2 Aggregate Agricultural Accounts: real term price production and income accounts for the United Kingdom

continued

 Table 2 Aggregate Agricultural Accounts: real term price production and income accounts for the United Kingdom (continued)

£	mil	lion
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£ million				Calend	ar years
		2012	2013	2014	2015
Intermediate	consumption				
15 Seeds		772	885	770	720
16 Energy		1 488	1 480	1 401	1 202
of which:	electricity and fuels for heating	402	394	376	377
	motor and machinery fuels	1 086	1 087	1 025	825
17 Fertilisers		1 585	1 542	1 469	1 386
18 Plant prote	ection products	873	873	944	963
19 Veterinary	expenses	438	456	458	454
20 Animal fee	d	5 091	5 677	5 063	4 728
of which:	compounds	2 994	3 357	3 005	2 845
	straights	1 508	1 606	1 415	1 290
	feed produced & used on farm	589	714	643	593
21 Total main	tenance	1 501	1 531	1 586	1 515
of which:	materials	940	957	963	874
	buildings	561	575	624	641
22 Agricultura	Il services	1 057	1 074	1 124	1 110
23 FISIM		111	118	102	107
24 Other goo	ds and services	3 246	3 205	3 144	3 119
25 Total intermediate consumption		16 163	16 842	16 062	15 303
(sum 15 to 2	4)	10 105	10 042	10 002	15 505
26 Gross val	ue added at market prices (12-25)	8 974	9 555	9 812	8 672
27 Gross val	ue added at basic prices (14-25)	8 995	9 576	9 833	8 710
28 Total cons	umption of Fixed Capital	4 173	4 068	4 080	3 956
of which:	equipment	1 676	1 708	1 723	1 760
	buildings	1 045	999	981	985
	livestock	1 452	1 360	1 376	1 211
	1 11 -		~	070	
	cattle	906	875	878	703
	pigs	906 8	875 7	878 5	703 4
	pigs sheep poultry	8	7	5	4
29 Net value	pigs sheep	8 313	7 273	5 295	4 292
	pigs sheep poultry	8 313 225	7 273 206	5 295 197	4 292 212
30 Net value	pigs sheep poultry added at market prices (26-28)	8 313 225 4 801	7 273 206 5 487	5 295 197 5 733	4 292 212 4 716
30 Net value 31 Other taxe	pigs sheep poultry added at market prices (26-28) added at basic prices (27-28)	8 313 225 4 801 4 822	7 273 206 5 487 5 508	5 295 197 5 733 5 753	4 292 212 4 716 4 754
30 Net value 31 Other taxe 32 Other subs	pigs sheep poultry added at market prices (26-28) added at basic prices (27-28) s on production	8 313 225 4 801 4 822 - 126	7 273 206 5 487 5 508 - 120	5 295 197 5 733 5 753 - 96	4 292 212 4 716 4 754 - 92
30 Net value31 Other taxe32 Other subs33 Net value	pigs sheep poultry added at market prices (26-28) added at basic prices (27-28) s on production sidies on production	8 313 225 4 801 4 822 - 126 3 395	7 273 206 5 487 5 508 - 120 3 407	5 295 197 5 733 5 753 - 96 2 958	4 292 212 4 716 4 754 - 92 2 812
30 Net value31 Other taxe32 Other subs33 Net value	pigs sheep poultry added at market prices (26-28) added at basic prices (27-28) s on production sidies on production added at factor cost (30+31+32)	8 313 225 4 801 4 822 - 126 3 395 8 091	7 273 206 5 487 5 508 - 120 3 407 8 795	5 295 197 5 733 5 753 - 96 2 958 8 616	4 292 212 4 716 4 754 - 92 2 812 7 475
30 Net value 31 Other taxe 32 Other subs 33 Net value 34 Compensa	pigs sheep poultry added at market prices (26-28) added at basic prices (27-28) s on production sidies on production added at factor cost (30+31+32)	8 313 225 4 801 4 822 - 126 3 395 8 091 2 450	7 273 206 5 487 5 508 - 120 3 407 8 795 2 452	5 295 197 5 733 5 753 - 96 2 958 8 616 2 410	4 292 212 4 716 4 754 - 92 2 812 7 475 2 481

Aggregate Agricultural Accounts: production and income accounts: main findings in current price

The following commentary refers to table 3 detailed production and income accounts from the aggregate agricultural accounts. Values are expressed in current prices, i.e. based on prices in the year in question.

Headline figures

In 2015 Total Income from Farming fell by £1,231 million to £4,009 million, a 24% decrease on 2014. The key contributors to the change were the decreases in: milk by £930 million, wheat by £400 million, pigs by £184 million, subsidies on production and sugar beet by around £140 million. This was to a small extent offset by a decrease in energy costs £197 million and animal feed costs by £325 million.

Gross value added at basic price, which identifies agricultures contribution to the Gross Domestic Product (GDP), fell by £1,104 million to £8,710 million, an 11% decrease.

Details

Outputs: Crops

Overall output of crops value fell by £704 million to £8,489 million, a fall of 7.7%, with most crops seeing falls with the exception of oilseed, protein crops and fruit and vegetables.

2015 was a good year for crop production. Good weather for the second year running led to record cereal yields. By contrast lower prices and increased supplies drove values down.

The value of wheat fell by £400 million to £2,053 million. Planted area was down but the highest recorded yield saw wheat production levels similar to 2014. Again the quality of the wheat crop was generally good but plentiful global supplies resulted in domestic price 16% lower than in 2014.

The value of barley fell by £73 million to £827 million. This fall was entirely due to lower price, 13% down on 2014, as planted area was 2% higher and, as with wheat, yield was at a record high resulting in an overall 5.3% rise in volume.

The value of oilseed rape rose for the first time in three years. At £711 million, this 4.0% rise was entirely due to a rise in volume as good yields offset a reduction in crop area and led to a 3.4% increase in production.

The value of protein crops increased by £14 million to £137 million. The crop area of peas and beans more than doubled in 2015 as farmers planted to comply with Common Agriculture Policy greening rules which led to a 52% rise in volume. In contrast the price fell and some farmers experienced difficulties in marketing these crops.

In 2015 the value of sugar beet fell by £142 million to £173 million. Planted area fell for the fourth year running and led to a 33% fall in volume. Strong global supplies put pressure on price, down around one fifth on 2014.

In 2015 the value of potatoes fell by £131 million to £547 million. A reduction in planted area led to a 19% fall in volumes whilst price was virtually unchanged on 2014.

Outputs: Livestock

Overall the total value of output of livestock was 8.5% lower at £13,110 million. In 2015 all livestock values were lower than 2014 with the exception of cattle.

The value of milk decreased by £930 million to £3,664 million. In 2015 milk volume rose by 2.6% with monthly domestic production consistently higher than 2014. Good grazing due to the favourable weather conditions led to high milk yields. This contributed to an abundance of supply and subsequent fall in milk price. The average price of milk in 2015 (calendar year) was 24.5 pence per litre (ppl) compared to 31.5 ppl in 2014.

The value of livestock primarily for meat fell by £28 million with decreases seen in all sectors apart from cattle which rose by £145 million to £2,756 million. Despite fewer prime cattle slaughterings, higher cull cow numbers and heavier weights resulted in a 4.0% increase in volumes. Price for adult cattle were ahead of 2014 and contributed to the 1.5% increase in price.

The value of pig meat fell by £184 million to £1,080 million. This fall was entirely due to the lower price in 2015 compared to 2014 as volumes rose by 3.5%. The value of sheep meat decreased by £10 million to £1,112 million with production virtually unchanged and price down on 2014.

The value of poultry meat rose by £21 million to £2,271 million, entirely production driven as prices fell by 2.0%.

Intermediate consumption

The total cost of intermediate consumption fell by £728 million to £15,303 million.

Reduced energy, animal feed and fertiliser costs were the main contributors to the fall in intermediate consumption.

The cost of energy fell by £197 million to £1,202 million driven by the fall in global oil prices which led to lower fuel costs, just over a fifth down on 2014. The good weather and efficiency savings kept volumes virtually unchanged on the year.

In 2015 the cost of animal feed fell by £325 million to £4,728 million, largely a result of lower feed prices as the higher crop production pushed down grain prices. Favourable weather conditions led to good grass growth and livestock being kept outside for longer somewhat reducing the need for animal feed.

The cost of fertiliser fell by £80 million to £1,386 million. Reductions in planted areas and the switch in planted crops led to a fall in volume and the lower oil price put downward pressure on price.

Compensation of employees

There was an increase of \pounds 75 million to compensate employees in 2015. This was due to an increase in rates of pay and in the number of employees. The total value of compensation to employees in 2015 was \pounds 2,481 million.

Other subsidies on production

Direct payments fell by £140 million to £2,812 million. Overall this is a 5% decrease in payments and is mainly due to the reduction in euro/sterling exchange rate and is a significant contributor to the fall in the Total Income from Farming.

£ million	-			Calend	lar years
		2012	2013	2014	2015
1 Output of cer	reals	3 201	3 375	3 440	2 999
of which:	wheat	2 162	2 073	2 453	2 053
	barley	920	1 136	900	827
	oats	114	160	81	114
2 Output of ind	ustrial crops	1 356	1 183	1 160	1 053
of which:	oilseed rape	986	744	684	711
	protein crops	98	123	123	137
	sugar beet	227	270	315	173
3 Output of for	age plants	146	217	265	269
4 Output of veg	getables and horticultural products	2 398	2 530	2 382	2 411
of which:	fresh vegetables	1 255	1 340	1 216	1 263
	plants and flowers	1 142	1 191	1 166	1 149
5 Output of pot	tatoes (including seeds)	659	947	677	547
6 Output of frui	t	573	602	622	690
7 Output of oth	er crop products incl. seeds	644	581	648	520
Total crop ou	itput (sum 1-7)	8 977	9 435	9 193	8 489
8 Output of live	estock	8 628	9 128	8 964	8 675
primarily for m	eat	7 244	7 738	7 468	7 441
of which:	cattle	2 794	2 886	2 611	2 756
	pigs	1 132	1 274	1 264	1 080
	sheep	1 027	1 037	1 122	1 112
	poultry	2 078	2 324	2 250	2 271
gross fixed ca	pital formation	1 384	1 390	1 496	1 234
of which:	cattle	856	917	925	689
	pigs	8	6	5	4
	sheep	317	272	332	308
	poultry	203	195	234	233
9 Output of live	estock products	4 486	5 072	5 369	4 435
of which:	milk	3 767	4 271	4 594	3 664
	eggs	662	718	679	681
Total livestoc	k output (8+9)	13 114	14 200	14 334	13 110
10 Other agric	ultural activities	1 015	1 052	1 122	1 110
11 Inseparable	e non-agricultural activities	1 041	1 176	1 175	1 266
12 Output (at n	narket prices) (sum 1 to 11)	24 146	25 864	25 824	23 974
13 Total subsid	dies (less taxes) on product	20	21	21	38
14 Gross out	put at basic prices (12+13)	24 167	25 885	25 845	24 013

Table 3 Aggregate Agricultural Accounts: Current price production and income accounts for the United Kingdom

continued

 Table 3: Aggregate Agricultural Accounts: Current price production and income accounts for the United Kingdom (continued)

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£ million				Calend	ar years
		2012	2013	2014	2015
Intermediate	consumption				
15 Seeds	-	742	867	769	720
16 Energy		1 429	1 450	1 399	1 202
of which:	electricity and fuels for heating	386	386	375	377
	motor and machinery fuels	1 043	1 065	1 023	825
17 Fertilisers		1 523	1 511	1 466	1 386
18 Plant prote	ection products	839	856	942	963
19 Veterinary	expenses	420	447	457	454
20 Animal fee	d	4 891	5 563	5 053	4 728
of which:	compounds	2 876	3 290	2 999	2 845
	straights	1 448	1 574	1 413	1 290
	feed produced & used on farm	566	699	642	593
21 Total main	tenance	1 442	1 500	1 583	1 515
of which:	materials	903	937	961	874
	buildings	539	563	622	641
22 Agricultura	Il services	1 015	1 052	1 122	1 110
23 FISIM		107	115	102	107
24 Other goo	ds and services	3 118	3 140	3 138	3 119
25 Total intermediate consumption		15 526	16 502	16 031	15 303
(sum 15 to 2	4)	10 020	10 302	10 001	10 303
26 Gross val	ue added at market prices (12-25)	8 620	9 362	9 793	8 672
27 Gross va	ue added at basic prices (14-25)	8 640	9 383	9 814	8 710
28 Total cons	umption of Fixed Capital	4 008	3 985	4 072	3 956
of which:	equipment	1 610	1 674	1 720	1 760
	buildings	1 004	979	979	985
		1 004	010	010	305
	livestock	1 395	1 333	1 373	1 211
	livestock cattle				
		1 395	1 333	1 373	1 211
	cattle	1 395 870	1 333 857	1 373 876	1 211 703 4
	cattle pigs	1 395 870 8	1 333 857 7	1 373 876 5	1 211 703 4
29 Net value	cattle pigs sheep	1 395 870 8 301	1 333 857 7 267	1 373 876 5 295	1 211 703 4 292
	cattle pigs sheep poultry	1 395 870 8 301 216	1 333 857 7 267 202	1 373 876 5 295 197	1 211 703 4 292 212
30 Net value	cattle pigs sheep poultry added at market prices (26-28)	1 395 870 8 301 216 4 612	1 333 857 7 267 202 5 376	1 373 876 5 295 197 5 722	1 211 703 4 292 212 4 716 4 754
30 Net value 31 Other taxe	cattle pigs sheep poultry added at market prices (26-28) added at basic prices (27-28)	1 395 870 8 301 216 4 612 4 632	1 333 857 7 267 202 5 376 5 397	1 373 876 5 295 197 5 722 5 742	1 211 703 4 292 212 4 716 4 754 - 92
30 Net value 31 Other taxe 32 Other subs	cattle pigs sheep poultry added at market prices (26-28) added at basic prices (27-28) s on production	1 395 870 8 301 216 4 612 4 632 - 121	1 333 857 7 267 202 5 376 5 397 - 118	1 373 876 5 295 197 5 722 5 742 - 96	1 211 703 4 292 212 4 716 4 754 - 92
30 Net value31 Other taxe32 Other subs33 Net value	cattle pigs sheep poultry added at market prices (26-28) added at basic prices (27-28) s on production sidies on production	1 395 870 8 301 216 4 612 4 632 - 121 3 262	1 333 857 7 267 202 5 376 5 397 - 118 3 338	1 373 876 5 295 197 5 722 5 742 - 96 2 953	1 211 703 4 292 212 4 716 4 754 - 92 2 812
30 Net value31 Other taxe32 Other subs33 Net value	cattle pigs sheep poultry added at market prices (26-28) added at basic prices (27-28) s on production sidies on production added at factor cost (30+31+32)	1 395 870 8 301 216 4 612 4 632 - 121 3 262 7 773	1 333 857 7 267 202 5 376 5 397 - 118 3 338 8 618	1 373 876 5 295 197 5 722 5 742 - 96 2 953 8 599	1 211 703 4 292 212 4 716 4 754 - 92 2 812 7 475
 30 Net value 31 Other taxe 32 Other subs 33 Net value 34 Compensa 	cattle pigs sheep poultry added at market prices (26-28) added at basic prices (27-28) s on production sidies on production added at factor cost (30+31+32)	1 395 870 8 301 216 4 612 4 632 - 121 3 262 7 773 2 353	1 333 857 7 267 202 5 376 5 397 - 118 3 338 8 618 2 403	1 373 876 5 295 197 5 722 5 742 - 96 2 953 8 599 2 406	1 211 703 4 292 212 4 716 4 754 - 92 2 812 7 475 2 481

Description of Total income from Farming

Total Income from Farming is income generated by production within the agriculture industry including subsidies and represents business profits and remuneration for work done by owners and other unpaid workers. It excludes changes in the values of assets, including stocks, due to price changes but 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 for the agricultural industry conforming to internationally agreed national accounting principles required by the UK National Accounts and by Eurostat.

Total Income from Farming per Annual Work Unit (AWU) of entrepreneurial labour is a related measure. It expresses Total Income from Farming in terms of AWU of entrepreneurial labour input. An AWU of entrepreneurial labour input corresponds to the input of one person with an entrepreneurial interest in the farm business who is engaged in agricultural activities on a full-time basis over an entire year. AWU are used rather than the number of individuals so to take account of part-time and seasonal work.

Total Income from Farming is designed to show the performance of the whole of the agricultural industry. A measure of farm incomes, Farm Business Income, designed to compare performance across different types of farming, is available in the publication Farm Accounts in England on the GOV.UK website at:

https://www.gov.uk/government/statistics/farm-business-income

Definitions and explanations

Annual work unit:	the input of one person in the farm business who is engaged in agricultural activities on a full-time basis over an entire year.
Basic prices:	market prices plus directly paid subsidies that are linked to the production of specific products.
Current prices:	the value based on prices during the reference year.
Entrepreneurial labour:	the input of people who have an entrepreneurial interest in
	the farm business, e.g. farmers and other unpaid workers,
	usually expressed in annual work units.
Gross output:	the total value of output by producing enterprises.
Intermediate consumption:	the goods and services used as inputs in the productive
	process, e.g. feed, and fertiliser.
Real terms:	the value adjusted for inflation.
Total Income from Farming:	income to those with an entrepreneurial interest in the agricultural industry.

£ million			As at Decembe	er each year
	2012	2013	2014	2015
At our wont prices				
At current prices				
Assets				
Fixed (a):	100.000		004.007	
Land (b)	189 638	216 347	231 897	228 085
Buildings, plant, machinery and vehicles	31 756	32 734	33 496	34 052
Breeding livestock	7 571	8 225	7 132	5 918
Total fixed	228 966	257 306	272 525	268 055
Current:				
Trading livestock	3 976	4 129	4 234	4 259
Crops and stores	4 050	3 961	3 993	4 027
Debtors, cash deposits	4 839	5 497	5 755	5 726
Total current	12 865	13 587	13 982	14 011
Total Assets	241 830	270 893	286 507	282 066
Liabilities (c)				
Long and medium term:				
AMC, SASC (d)	1 503	1 777	1 980	2 011
Building Societies and Institutions	1 153	1 146	1 317	1 283
Bank loans	5 817	6 680	7 476	7 936
Family Loans	405	524	536	437
Other	29	23	70	73
Total long and medium term	8 907	10 150	11 380	11 741
Short term:				
Leasing	57	82	60	52
Hire purchase	1 135	1 290	1 358	1 430
Trade Credit	1 592	2 081	1 880	1 651
Bank overdrafts	1 903	2 226	2 134	2 289
Other	39	45	120	44
Total short term	4 726	5 724	5 552	5 466
Total Liabilities	13 633	15 874	16 932	17 207
Net worth	228 197	255 018	269 575	264 859
	220 137	200 0 10	203 010	204 000
In real terms (as deflated by the gdp deflator):				
Indices 2012 = 100	100	100	10.4	104
GDP deflator	100	102	104	104
Total assets	100	110	114	112
Total liabilities	100	114	120	121
Networth	100	110	114	111

Table 4: Aggregate balance sheet for the United Kingdom agricultural industry

(a) The valuations of land and breeding livestock are at average market prices; those of buildings, plant, machinery and vehicles are replacement cost, net of consumption of fixed capital.

(b) Includes values for arable land and pasture in Great Britain & Northern Ireland based on land area from June Surveys.

(c) Financial estimates are derived in part from a year-end analysis of farms in the Farm Business Survey. In practice, year-ends vary from December through to April, with concentrations of year-ends at end-December and end-March.

(d) Agricultural Mortgage Company (AMC) and Scottish Agricultural Securities Corporation (SASC)

Aggregate balance sheet for the United Kingdom agricultural industry

The following commentary refers to table 4.

The aggregate balance sheet for agriculture values the total assets and liabilities for agriculture at the end of each calendar year and estimates the total net worth of the industry. Net worth was estimated to be £265 billion in December 2015 and shows a £5 billion fall on 2014. This is largely driven by a £4 billion decrease in land value as land prices steadied in 2015. Total liabilities show a small increase on the year, with the £361 million increase in medium and long term liabilities being offset by a decrease in short term liabilities of £86 million.

Revisions

This edition corrects a processing error found in the release published at 09:30 on 1 December 2016. The amendment affects the value of Total subsidies (less taxes) on product (item 13) for all tables. This minor revision impacts on gross output at basic prices, gross value added at basic price and net value added at factor cost, with overall Total Income from Farming revised upwards from £4,003 million to £4,009 million, an increase of £6 million.

Over time, as more data becomes available, estimates will be revised and forecasts replaced, for example intermediate consumption and other costs data values for 2014 and 2015, which were estimated in the April publication are replaced with the Farm Business Survey data in this edition.

There are small revisions to the value of crops output data in 2015 as a result of updates to survey data and some estimates being replaced with actual data.

There are some minor revisions to data back to 2010 in particular to the value in compensation to employees. This is due to a procedural error and amounted to an average 0.1% increase in the value over the period.

Total Income from Farming is sensitive to small percentage changes in the values of outputs and intermediate consumption. A combination of a revision downwards in output and revision upwards in intermediate consumption leads to more sizeable revisions in percentage terms to Gross Value Added and Total Income from Farming.

	Apr 2016 2015	Dec 2016 2015	% change to 2015
Gross output (£m)	23 852	24 013	0.7%
Intermediate consumption (£m)	15 356	15 303	-0.3%
GVA (£m)	8 495	8 710	2.5%
NVA at factor cost (£m)	7 239	7 475	3.2%
TIFF (£m)	3 769	4 009	6.4%

Table 4 Revisions made to the 2015 aggregate agricultural account between April2016 and December 2016

Summary quality report

A summary quality report for this statistical release can be found on the GOV.UK website at <u>https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs/series/aggregate-agricultural-accounts</u>.

This is an overview note which is not release specific but will be reviewed and updated at regular intervals. It pulls together key qualitative information on the various dimensions of quality as well as providing a summary of methods used to compile the output. It relates to estimates of Total Income from Farming and aim to provide users with information on usability and fitness for purpose of these estimates.

Quality Assurance

Defra has in place quality assurance processes to check the accuracy and reliability of the aggregate agricultural accounts that includes:

- Ongoing review of methods employed in the calculation of the accounts.
- Assessment of the quality of the estimates of components of the accounts with internal experts.
- Discussion of components of the accounts with external experts.
- Quality assessments made by Eurostat, the statistical office of the European Union.

Development areas

Defra statisticians carry out a continuous review of methods employed in making estimates of the production and income accounts. This may lead to revisions to data series owing to improvements in methods in addition to the use of later information.

Main users and uses of the aggregate agricultural accounts

The aggregate agricultural accounts are used in conjunction with other economic information to:

- Monitor the productivity and competitiveness of the farming industry.
- Inform policy decisions and to help monitor and evaluate current policies relating to agriculture in the UK by Government and in the European Union by the European Commission.
- Inform stakeholders of the performance of the agricultural industry.
- Inform research into the economic performance of the agricultural industry.
- Total Income from Farming sets the context when looking at a number of policies; the agricultural industry contributes around £3.8 billion to the national economy and accounts for about 0.5% of national Gross Domestic Product. It is most relevant to policies relating to Common Agricultural Policy reform and the competitiveness of farming.

User engagement

As part of our ongoing commitment to compliance with the Code of Practice for Official Statistics (<u>http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html</u>), we wish to strengthen our engagement with users of these statistics and better understand the use made of them and the types of decisions that they inform. Consequently, we invite users to make themselves known, to advise us of the use they do, or might, make of these statistics, and what their wishes are in terms of engagement. Feedback on this notice and enquiries about these statistics are also welcome.