



## Regional level aggregate farm accounts for England

### Second estimate for 2016

This release presents the second estimate of Total Income from Farming (TIFF) in England and each of the English regions for 2016. These statistics show the trends in Total Income from Farming and the contribution that the agricultural industry makes to the regional economy. These estimates include minor revisions to both 2015 and 2016 data since the first estimate.

A comprehensive data series can be found [here](#), under the heading “Agriculture in the English Regions – dataset”.

All data relate to 2016, are in current price terms and comparisons are with 2015 unless stated otherwise.

#### Key points:

- Total Income from Farming in England fell by 13% (£363 million) to £2,530 million.
- Total Income from Farming in the United Kingdom is £3,682 million; England is the largest contributor accounting for 69% of this total, Scotland 20%, Northern Ireland 7% and Wales 4%. Detailed United Kingdom figures can be found [here](#).
- In England, agriculture contributed £6,289 million (0.42%) to the economy (Gross Value Added) and 1.1% of people employed worked in agriculture.
- Total Income from Farming decreased in all England regions in 2016. The South East and South West showed the largest falls of around 20% each, followed by the East Midlands 17% and North West 15%.

---

**Enquiries on this publication to:** Helen Mason, Rm 201 Foss House, Kings Pool, 1-2 Peasholme Green, York, YO1 7PX Tel: 0208 226 6256 [email:helen.mason@defra.gsi.gov.uk](mailto:helen.mason@defra.gsi.gov.uk)

**A National Statistics publication.** National Statistics are produced to high professional standards. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference. For general enquiries about National Statistics, contact the National Statistics Public Enquiry Service: tel. 0845 601 3034 email [info@statistics.gov.uk](mailto:info@statistics.gov.uk). You can find National Statistics on the internet at [www.statistics.gov.uk](http://www.statistics.gov.uk).

## Latest figures for England (2016 compared to 2015)

Total Income from Farming fell between 2015 and 2016 by 13% (£363 million) to £2,530 million.

The greatest contribution to the total value of output was production of milk (£2,098 million), followed by poultry meat (£1,868 million), wheat (£1,491 million), cattle reared for meat (£1,303 million), fresh vegetables (£1,201 million) and plants & flowers (£1,130).

Gross Value added at basic price, which identifies agriculture's contribution to the Gross Domestic Product (GDP) fell by £406 million (-6.1%) to £6,289 million.

Direct payments to farmers increased by £157 million (9%) to £1,948 million as a result of the more favourable sterling/euro exchange rate.

### Outputs

In England the overall value of crops fell by £392 million to £7,056 million and accounted for 41% of the total value of agricultural output. After the record highs of the previous year, crop yields returned to more typical levels driving down volumes and although prices strengthened towards the end of 2016 this was not enough to offset the low prices seen early in the year.

The value of wheat fell by £416 million (-22%) to £1,491 million. Planted area remained little changed and more average yields resulted in lower volumes. Price was also lower overall, despite the upturn in prices towards the end of the year.

The value of barley decreased by £109 million (-18%) to £499 million, driven by both price and volume.

The value of oilseed rape fell by around a quarter to £502 million. A reduced planted area, the lowest for almost 10 years, and reduced yield largely driving this decrease.

The value of sugar beet fell by £23 million (-14%) to £150 million. Lower prices and a reduction in planted area for the fifth year running were largely responsible for this fall.

The value of potatoes rose by a third to £501 million. An increase in planted area along with higher prices contributed to this rise.

Overall, the total value of output of livestock was 4.2 % lower at £8,298 million and accounted for just under half of the total value of agricultural output.

The value of milk, the largest contributor to the value of outputs, fell by £285 million (-12%) to £2,098 million, driven by lower price and production. A combination of poorer grass quality due to the variable weather conditions and dairy farmers attempting to reduce costs such as supplementary feeds led to reduced production. In 2016 (calendar year) the United Kingdom average price of milk was 22.6 pence per litre (ppl) compared to 24.5 ppl in 2015.

The value of livestock primarily for meat was virtually unchanged at £4,854 million.

### Intermediate consumption

The value of intermediate consumption fell by £307 million to £10,901 million. Reduced fertiliser, animal feed and energy costs were the main contributors to this fall.

The cost of fertiliser fell by £94 million (-9%) to £943 million, entirely price driven as the significantly lower oil prices at the beginning of the year put downward pressure on price overall.

The cost of energy fell by £40 million to £826 million, again largely driven by the decline in world oil prices which kept overall price down along with the continued drive to be more energy efficient.

The cost of animal feed, the largest contributor to the value of inputs, fell by £160 (-5.1%) million to £2,972 million due to a combination of both lower price and volume. Depressed cereal prices at the beginning of the year helped keep the average annual price lower combined with the reduced use as farmers strive to make efficiencies.

**Table 1.1 Production and income account for England (a)**

	£ million current price				
	2012	2013	2014	2015	2016
<b>Output at market prices</b>					
1. Cereals	2 678	2 890	3 030	2 586	2 055
of which: wheat	2 005	1 930	2 298	1 908	1 491
barley	578	824	647	608	499
2. Industrial crops	1 300	1 135	1 111	1 002	813
of which: oilseed rape	938	705	643	668	502
protein crops	98	123	123	137	131
sugar beet	227	270	315	173	150
3. Forage plants	129	200	250	254	259
4. Vegetables and horticultural products	2 165	2 256	2 074	2 196	2 331
of which: fresh vegetables	1 096	1 145	995	1 119	1 201
plants and flowers	1 068	1 111	1 078	1 077	1 130
5. Potatoes (including seeds)	469	666	462	376	501
6. Fruit	482	485	508	524	527
7. Output of other crop products including seeds	641	578	645	511	569
<b>Total crop output (sum 1 to 7)</b>	<b>7 863</b>	<b>8 212</b>	<b>8 079</b>	<b>7 448</b>	<b>7 056</b>
8. Livestock	5 692	6 081	5 978	5 771	5 754
primarily for meat	4 638	5 026	4 824	4 844	4 854
of which: cattle	1 352	1 372	1 183	1 312	1 303
pigs	927	1 057	1 031	874	883
sheep	515	548	588	619	610
poultry	1 665	1 870	1 838	1 854	1 868
gross fixed capital formation	1 054	1 055	1 154	927	900
of which: cattle	626	691	698	465	446
pigs	7	5	4	3	4
sheep	263	211	270	235	240
poultry	158	148	182	224	210
9. Livestock products	2 970	3 283	3 474	2 895	2 544
of which: milk	2 457	2 700	2 936	2 383	2 098
eggs	479	525	470	458	382
<b>Total livestock output (8 + 9)</b>	<b>8 662</b>	<b>9 364</b>	<b>9 452</b>	<b>8 665</b>	<b>8 298</b>
10. Other agricultural activities	791	817	868	863	863
11. Inseparable non-agricultural activities	796	899	860	926	972
<b>12. Output at market prices (sum 1 to 11)</b>	<b>18 112</b>	<b>19 292</b>	<b>19 258</b>	<b>17 902</b>	<b>17 189</b>
13. Total subsidies (less taxes) on product	-	-	-	-	-
<b>14. Gross output at basic prices (12 + 13)</b>	<b>18 112</b>	<b>19 292</b>	<b>19 258</b>	<b>17 902</b>	<b>17 189</b>

continued

**Table 1.1 continued**

£ million current prices

	2012	2013	2014	2015	2016
<b>Intermediate consumption</b>					
15. Seeds and planting stock	631	759	665	622	647
16. Energy	1 008	1 034	991	865	826
17. Fertilisers	1 128	1 096	1 087	1 037	943
18. Plant protection products	742	767	848	871	864
19. Veterinary expenses	250	269	272	275	267
20. Animal feed	3 128	3 670	3 305	3 132	2 972
21. Total maintenance	1 096	1 147	1 250	1 258	1 262
22. Agricultural services	783	810	864	859	860
23. FISIM	56	71	48	47	54
24. Other goods and services	2 237	2 227	2 221	2 241	2 207
<b>25. Total intermediate consumption (sum 15 to 24)</b>	<b>11 060</b>	<b>11 849</b>	<b>11 549</b>	<b>11 208</b>	<b>10 901</b>
<b>26. Gross value added at market prices (12 - 25)</b>	<b>7 052</b>	<b>7 442</b>	<b>7 709</b>	<b>6 695</b>	<b>6 289</b>
<b>27. Gross value added at basic prices (14 - 25)</b>	<b>7 052</b>	<b>7 442</b>	<b>7 709</b>	<b>6 695</b>	<b>6 289</b>
28. Total consumption of fixed capital	2 960	2 957	3 018	2 892	2 965
of which: equipment	1 188	1 254	1 302	1 335	1 380
buildings	699	668	659	664	690
livestock	1 073	1 034	1 057	893	896
<b>29. Net value added at market prices (26 - 28)</b>	<b>4 092</b>	<b>4 486</b>	<b>4 691</b>	<b>3 802</b>	<b>3 323</b>
<b>30. Net value added at basic prices (27 - 28)</b>	<b>4 092</b>	<b>4 486</b>	<b>4 691</b>	<b>3 802</b>	<b>3 323</b>
31. Other subsidies (less taxes) not linked to production	1 981	2 053	1 819	1 791	1 948
<b>32. Net value added at factor cost (29 + 31)</b>	<b>6 073</b>	<b>6 538</b>	<b>6 510</b>	<b>5 593</b>	<b>5 272</b>
33. Compensation of employees	1 857	1 896	1 884	1 935	1 966
34. Rents	411	433	464	473	479
35. Interest	194	216	271	292	296
<b>36. Total Income from Farming (32 - 33 - 34 - 35)</b>	<b>3 612</b>	<b>3 993</b>	<b>3 891</b>	<b>2 893</b>	<b>2 530</b>

(a) due to methodology differences sub-total data contained in this table may not agree with sub-totals shown in Chapter 3 Agriculture in the United Kingdom.

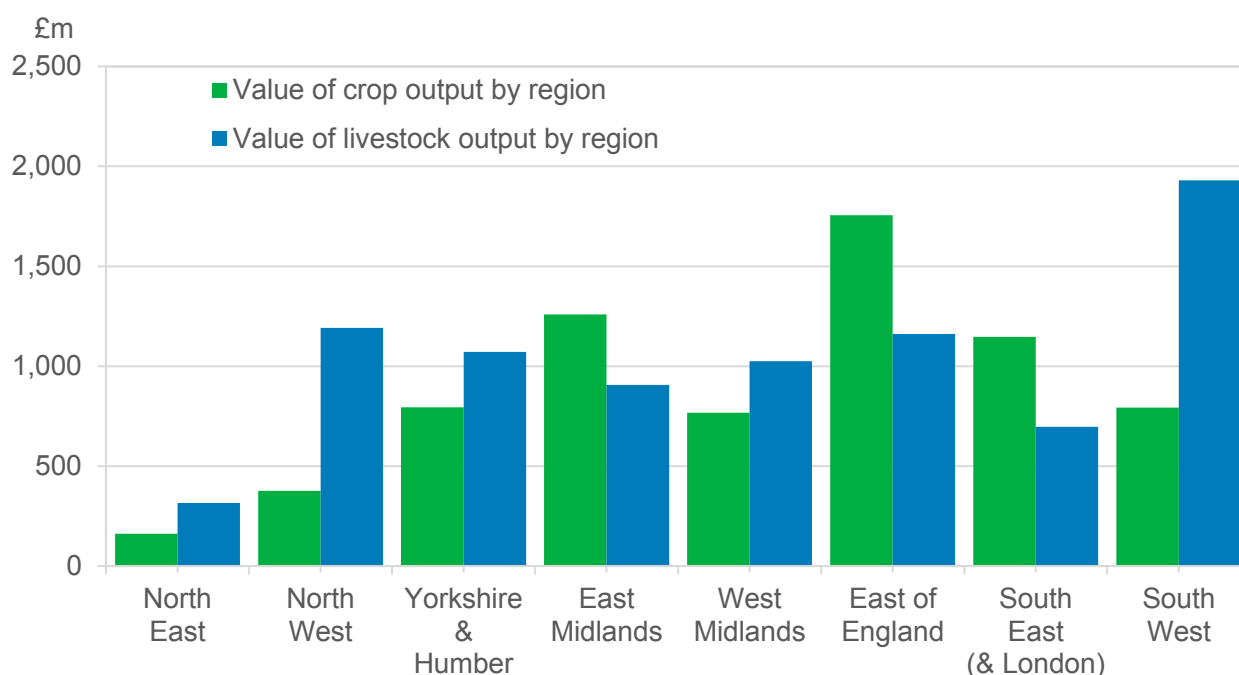
- means nil or negligible.

## Latest figures and trends for England by region

Total Income from Farming decreased in all England regions in 2016. The South East and South West showed the largest falls of around 20% each, followed by the East Midlands 17% and North West 15%.

Chart 2.1 shows the value of crop and livestock output in each region. Livestock output is most predominant in the South West and North West while crop output is greatest in the East of England. Table 2.1 presents regional summary measures from the production and income accounts whilst table 2.2 presents regional share for the main components of the account in 2016.

**Chart 2.1: Value of output by region 2016**



**Table 2.1: Summary measures for English regions in 2016**

£ million current price

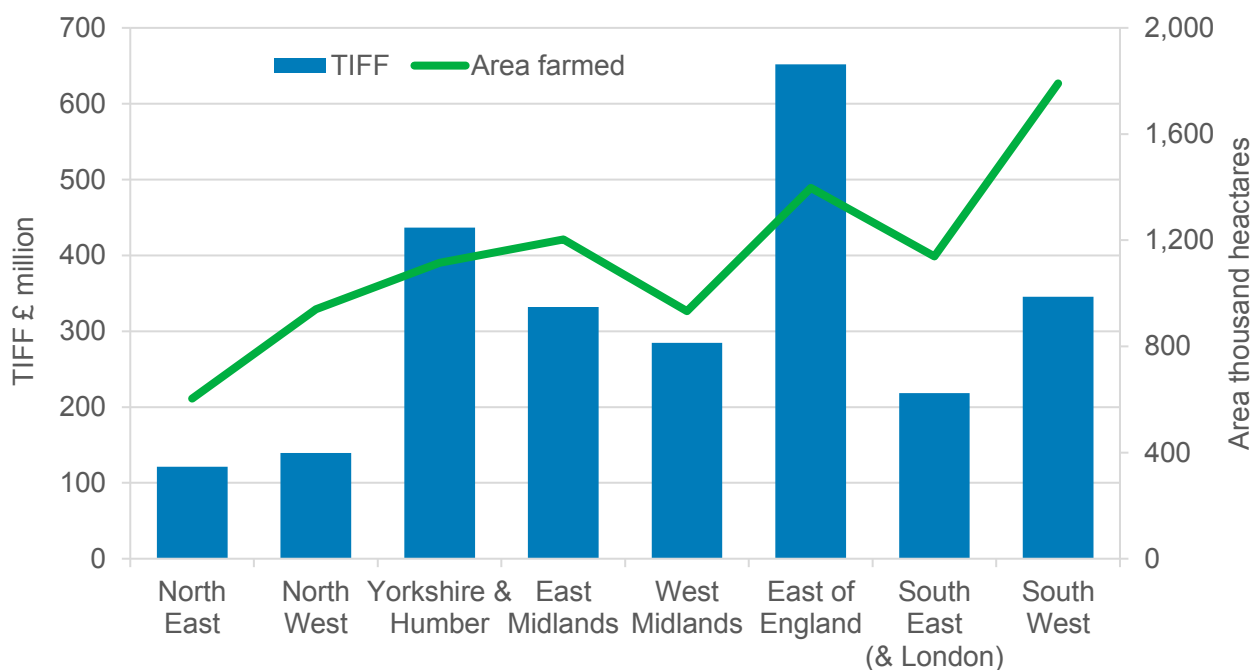
	North East	North West	Yorkshire & the Humber	East Midlands	West Midlands	East	South East	South West
Total crop output	162	376	795	1,259	768	1,756	1,147	793
Total livestock output	315	1,192	1,072	907	1,025	1,161	697	1,930
Gross output at basic prices	534	1,725	2,079	2,464	1,978	3,356	2,038	3,017
Intermediate consumption	312	1,103	1,280	1,685	1,208	2,175	1,221	1,917
Gross Value Added at basic prices	222	621	799	779	770	1,181	817	1,100
Total Income from Farming	121	139	437	332	285	652	218	345

**Table 2.2: Regional share of England total for the main components of the production and income account in 2016**

	North East	North West	Yorkshire & the Humber	East Midlands	West Midlands	East	South East	South West
Total crop output	2%	5%	11%	18%	11%	25%	16%	11%
Total livestock output	4%	14%	13%	11%	12%	14%	8%	23%
Gross output at basic prices	3%	10%	12%	14%	12%	20%	12%	18%
Intermediate consumption	3%	10%	12%	15%	11%	20%	11%	18%
Gross Value Added at basic prices	4%	10%	13%	12%	12%	19%	13%	17%
Total Income from Farming	5%	6%	17%	13%	11%	26%	9%	14%

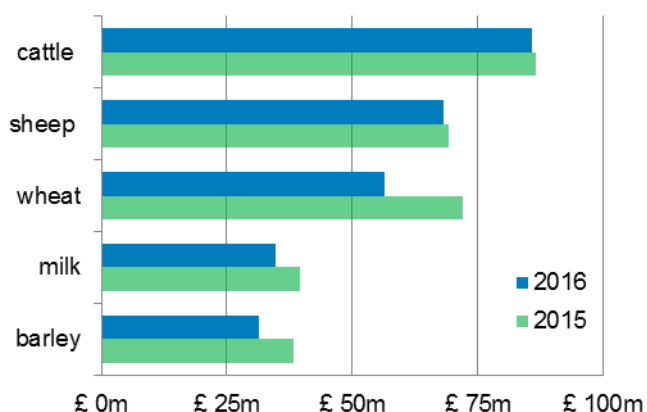
The East of England region contributed just over one quarter of the total income from farming for England followed by Yorkshire & the Humber with 17% and the South West 14% and the East Midlands 13%. As a comparison, chart 2.2 below shows the value of TIFF in the regions in 2016 and the area farmed in that year.

**Chart 2.2: TIFF and area farmed in 2016 for English regions**



## North East region

Chart 3.1: North East selected output



In 2016 Total Income from Farming in the North East region fell to £121 million, a decrease of 12% or £16 million, accounting for 5% of the England total value.

The greatest contribution to the value of gross agricultural output came from cattle reared for meat at £86 million, followed by sheep meat production (£68 million), wheat production (£56 million), milk production (£35 million) and barley (£31 million).

The North East contributed £222 million (0.4%) to the economy and agriculture employed 0.9% of the regional workforce. The area farmed was 603 thousand hectares; permanent grass accounted for 43%, cropped area 27% and rough grazing 20%. Table 3.1 shows the main components of the North East agricultural account, more detailed information and a longer time series can be found [here](#), under the heading “dataset”.

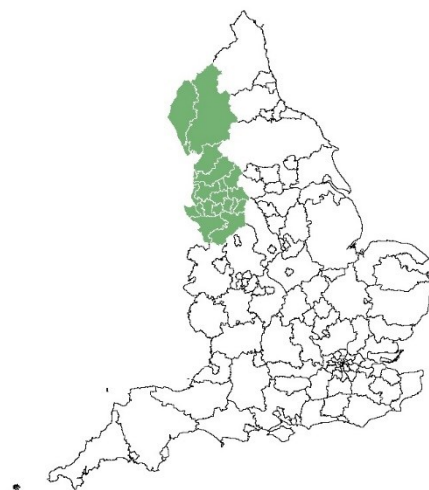
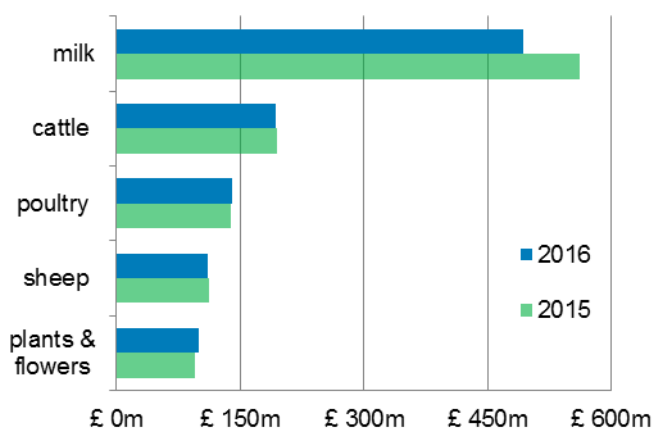
**Table 3.1 Summary production and income account for the North East region**

	£ million current prices				
	2012	2013	2014	2015	2016
Total crop output	201	213	207	189	162
+ Total livestock output	324	339	342	322	315
+ Other and non-seperable agricultural activities	48	52	53	55	56
<b>= Gross output at basic prices</b>	<b>573</b>	<b>604</b>	<b>602</b>	<b>565</b>	<b>534</b>
- Total intermediate consumption	313	334	327	320	312
<b>= Gross value added at basic prices</b>	<b>260</b>	<b>271</b>	<b>274</b>	<b>245</b>	<b>222</b>
- Total consumption of fixed capital	106	102	108	104	104
<b>= Net value added at basic prices</b>	<b>154</b>	<b>168</b>	<b>166</b>	<b>141</b>	<b>118</b>
+ Other subsidies not linked to production	106	110	97	96	104
<b>= Net value added at factor cost</b>	<b>260</b>	<b>278</b>	<b>263</b>	<b>236</b>	<b>221</b>
- Compensation of employees	45	46	45	47	47
- Rents	37	39	42	43	43
- Interest	6	7	9	9	9
<b>= Total Income from Farming</b>	<b>173</b>	<b>187</b>	<b>168</b>	<b>138</b>	<b>121</b>



## North West region

Chart 3.2: North West selected output



In 2016 Total Income from Farming in the North West region fell to £139 million, a fall of 15% or £24 million, accounting for 6% of the England total value.

The greatest contribution to the value of gross agricultural output came from production of milk at £494 million, followed by cattle reared for meat (£193 million), poultry meat production (£140 million) and sheep meat production (£110 million) and plants and flowers (£100 million).

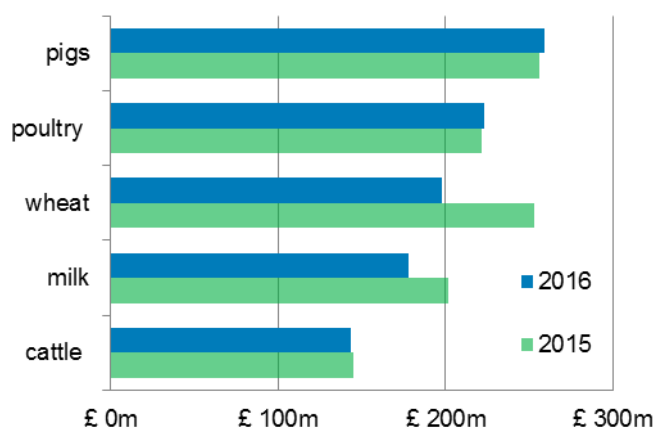
The North West contributed £621 million (0.4%) to the economy and agriculture employed 1.0% of the regional workforce. The area farmed was 940 thousand hectares; permanent grass accounted for 62%, cropped area 13% and rough grazing 12%. Table 3.2 shows the main components of the North West agricultural account, more detailed information and a longer time series can be found [here](#), under the heading “dataset”.

Table 3.2: Summary production and income account for the North West region

	£ million current prices				
	2012	2013	2014	2015	2016
Total crop output	359	408	384	371	376
+ Total livestock output	1284	1379	1420	1269	1192
+ Other and non-seperable agricultural activities	135	147	147	153	157
<b>= Gross output at basic prices</b>	<b>1778</b>	<b>1933</b>	<b>1951</b>	<b>1793</b>	<b>1725</b>
- Total intermediate consumption	1118	1220	1173	1138	1103
<b>= Gross value added at basic prices</b>	<b>660</b>	<b>714</b>	<b>778</b>	<b>655</b>	<b>621</b>
- Total consumption of fixed capital	439	438	448	415	417
<b>= Net value added at basic prices</b>	<b>221</b>	<b>275</b>	<b>330</b>	<b>240</b>	<b>204</b>
+ Other subsidies not linked to production	189	196	174	171	186
<b>= Net value added at factor cost</b>	<b>410</b>	<b>471</b>	<b>504</b>	<b>411</b>	<b>390</b>
- Compensation of employees	163	166	165	170	173
- Rents	44	46	49	50	51
- Interest	18	20	25	27	27
<b>= Total Income from Farming</b>	<b>186</b>	<b>239</b>	<b>264</b>	<b>164</b>	<b>139</b>

## Yorkshire & the Humber region

**Chart 3.3: Yorkshire & the Humber selected output**



In 2016 Total Income from Farming in the Yorkshire & the Humber region fell to £437 million, a decrease of 10% or £46 million, accounting for 17% of the England total value.

The greatest contribution to the value of gross output came from pig meat production at £259 million, followed by poultry meat production (£223 million), wheat (£198 million), milk production (£178 million) and cattle reared for meat production (£144 million).

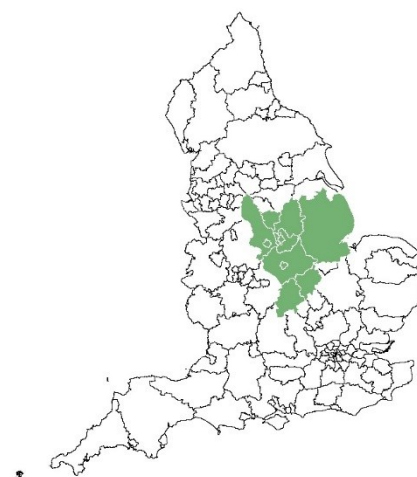
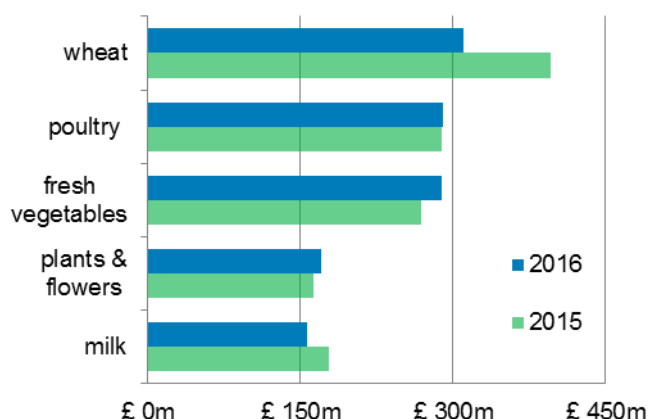
The Yorkshire & the Humber contributed £799 million (0.7%) to the economy and agriculture employed 1.3% of the regional workforce. The area farmed was 1,115 thousand hectares; permanent grass accounted for 33%, cropped area 48% and rough grazing 9%. Table 3.3 shows the main components of the Yorkshire & the Humber agricultural account, more detailed information and a longer time series can be found [here](#), under the heading “dataset”.

**Table 3.3: Summary production and income account for the Yorkshire & the Humber region**

	£ million current prices				
	2012	2013	2014	2015	2016
Total crop output	918	965	932	855	795
+ Total livestock output	1107	1203	1205	1104	1072
+ Other and non-seperable agricultural activities	182	198	199	206	212
<b>= Gross output at basic prices</b>	<b>2207</b>	<b>2367</b>	<b>2336</b>	<b>2166</b>	<b>2079</b>
- Total intermediate consumption	1299	1388	1355	1316	1280
<b>= Gross value added at basic prices</b>	<b>908</b>	<b>978</b>	<b>980</b>	<b>850</b>	<b>799</b>
- Total consumption of fixed capital	320	318	325	315	324
<b>= Net value added at basic prices</b>	<b>588</b>	<b>660</b>	<b>655</b>	<b>535</b>	<b>474</b>
+ Other subsidies not linked to production	241	249	221	218	237
<b>= Net value added at factor cost</b>	<b>829</b>	<b>910</b>	<b>876</b>	<b>753</b>	<b>711</b>
- Compensation of employees	167	170	169	174	177
- Rents	52	55	59	60	61
- Interest	24	26	33	36	36
<b>= Total Income from Farming</b>	<b>585</b>	<b>657</b>	<b>614</b>	<b>483</b>	<b>437</b>

## East Midlands region

Chart 3.4: East Midlands selected output



In 2016 Total Income from Farming in the East Midlands region fell to £332 million, a decrease of 17% or £68 million, accounting for 13% of the England total value.

The greatest contribution to the value of gross output came from wheat production at £310 million, followed by poultry meat production (£291 million), fresh vegetables (£288 million), plants and flowers (£171 million) and production of milk (£156 million).

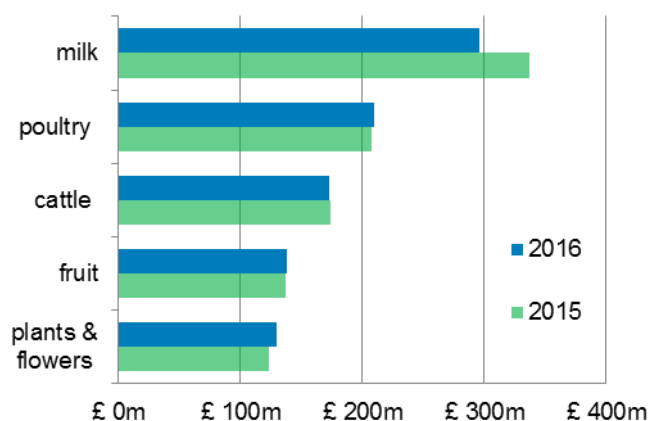
The East Midlands contributed £779 million (0.8%) to the economy and agriculture employed 1.5% of the regional workforce. The area farmed was 1,203 thousand hectares; permanent grass accounted for 23%, cropped area 63% and rough grazing 2%. Table 3.4 shows the main components of the East Midlands agricultural account, more detailed information and a longer time series can be found [here](#), under the heading “dataset”.

Table 3.4: Summary production and income account for the East Midlands region

	£ million current price				
	2012	2013	2014	2015	2016
Total crop output	1466	1485	1469	1341	1259
+ Total livestock output	932	1012	1007	944	907
+ Other and non-seperable agricultural activities	259	280	282	292	299
<b>= Gross output at basic prices</b>	<b>2657</b>	<b>2777</b>	<b>2758</b>	<b>2576</b>	<b>2464</b>
- Total intermediate consumption	1711	1819	1783	1730	1685
<b>= Gross value added at basic prices</b>	<b>946</b>	<b>958</b>	<b>974</b>	<b>846</b>	<b>779</b>
- Total consumption of fixed capital	375	375	381	376	393
<b>= Net value added at basic prices</b>	<b>571</b>	<b>583</b>	<b>593</b>	<b>471</b>	<b>386</b>
+ Other subsidies not linked to production	281	291	258	254	277
<b>= Net value added at factor cost</b>	<b>851</b>	<b>874</b>	<b>851</b>	<b>725</b>	<b>662</b>
- Compensation of employees	207	211	210	215	219
- Rents	55	58	63	64	65
- Interest	31	34	43	46	47
<b>= Total Income from Farming</b>	<b>559</b>	<b>570</b>	<b>536</b>	<b>399</b>	<b>332</b>

## West Midlands region

Chart 3.5: West Midlands selected output



In 2016 Total Income from Farming in the West Midlands region fell to £285 million, a decrease of 9% or £28 million, accounting for 11% of the England total value.

The greatest contribution to the value of gross output came from milk production at £296 million, followed by poultry meat production (£209 million), cattle reared for meat production (£173 million), fruit (£138 million) and plants and flowers (£130 million).

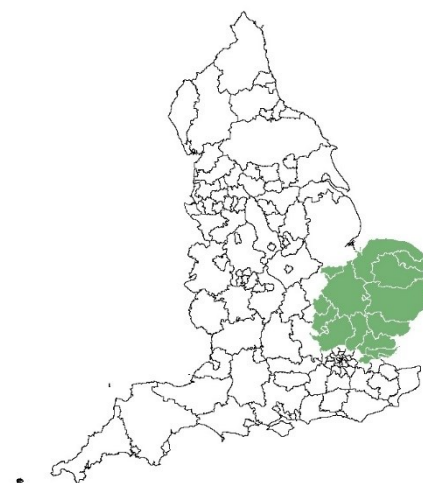
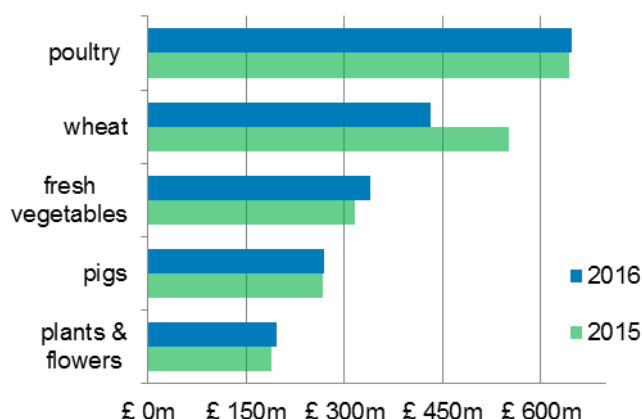
The West Midlands contributed £770 million (0.6%) to the economy and agriculture employed 1.6% of the regional workforce. The area farmed was 932 thousand hectares; permanent grass accounted for 40%, cropped area 42% and rough grazing 1%. Table 3.5 shows the main components of the West Midlands agricultural account, more detailed information and a longer time series can be found [here](#), under the heading “dataset”.

Table 3.5: Summary production and income account for the West Midlands region

	£ million current price				
	2012	2013	2014	2015	2016
Total crop output	808	856	835	789	768
+ Total livestock output	1073	1153	1172	1076	1025
+ Other and non-seperable agricultural activities	159	173	173	180	185
<b>= Gross output at basic prices</b>	<b>2041</b>	<b>2182</b>	<b>2181</b>	<b>2046</b>	<b>1978</b>
- Total intermediate consumption	1225	1319	1281	1243	1208
<b>= Gross value added at basic prices</b>	<b>816</b>	<b>863</b>	<b>900</b>	<b>803</b>	<b>770</b>
- Total consumption of fixed capital	369	367	375	357	364
<b>= Net value added at basic prices</b>	<b>447</b>	<b>495</b>	<b>524</b>	<b>446</b>	<b>406</b>
+ Other subsidies not linked to production	218	226	200	197	215
<b>= Net value added at factor cost</b>	<b>665</b>	<b>721</b>	<b>725</b>	<b>643</b>	<b>620</b>
- Compensation of employees	245	250	248	255	259
- Rents	38	40	43	44	45
- Interest	21	23	29	31	32
<b>= Total Income from Farming</b>	<b>362</b>	<b>408</b>	<b>404</b>	<b>313</b>	<b>285</b>

## Eastern region

Chart 3.6: Eastern selected output



In 2016 Total Income from Farming in the Eastern region fell to £652 million, a decrease of 6% or £45 million, accounting for 26% of the England total value.

The greatest contribution to the value of gross output came from poultry meat production at £648 million, this was followed by wheat production (£431 million), fresh vegetables (£339 million), pig meat production (£269 million) and plants and flowers (£197 million).

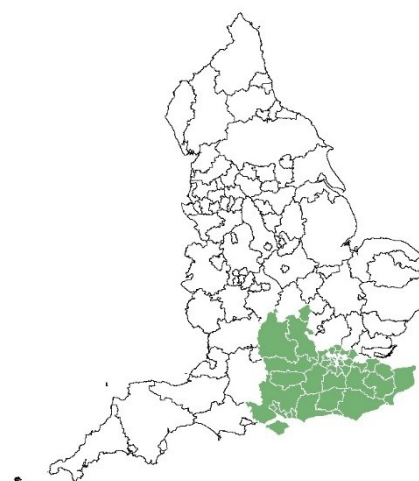
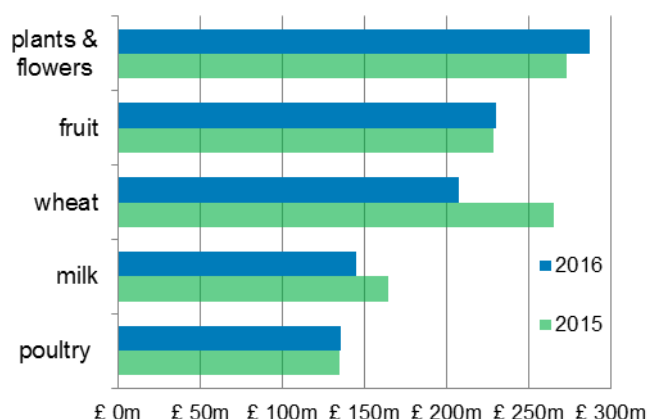
The Eastern region contributed £1,181 million (0.8%) to the economy and agriculture employed 1.3% of the regional workforce. The area farmed was 1,398 thousand hectares; permanent grass accounted for 12%, cropped area 76% and rough grazing 1%. Table 3.6 shows the main components of the Eastern region agricultural account, more detailed information and a longer time series can be found [here](#), under the heading “dataset”.

Table 3.6: Summary production and income account for the Eastern region

	£ million current price				
	2012	2013	2014	2015	2016
Total crop output	2040	2124	2108	1861	1756
+ Total livestock output	1117	1238	1221	1170	1161
+ Other and non-seperable agricultural activities	382	411	417	429	439
<b>= Gross output at basic prices</b>	<b>3539</b>	<b>3773</b>	<b>3746</b>	<b>3460</b>	<b>3356</b>
- Total intermediate consumption	2215	2350	2304	2233	2175
<b>= Gross value added at basic prices</b>	<b>1324</b>	<b>1423</b>	<b>1442</b>	<b>1227</b>	<b>1181</b>
- Total consumption of fixed capital	340	342	347	350	367
<b>= Net value added at basic prices</b>	<b>984</b>	<b>1081</b>	<b>1094</b>	<b>877</b>	<b>814</b>
+ Other subsidies not linked to production	312	324	287	283	309
<b>= Net value added at factor cost</b>	<b>1296</b>	<b>1405</b>	<b>1382</b>	<b>1160</b>	<b>1123</b>
- Compensation of employees	323	329	327	336	342
- Rents	58	61	65	67	68
- Interest	40	45	56	61	62
<b>= Total Income from Farming</b>	<b>875</b>	<b>969</b>	<b>933</b>	<b>697</b>	<b>652</b>

## South East (incl London) region

**Chart 3.7: South East selected output**



In 2016 Total Income from Farming in the South East region fell to £218 million, a decrease of 20% or £55 million, accounting for 9% of the England total value.

The greatest contribution to the value of gross output came from plant & flowers at £287 million, followed by fruit (£230 million), wheat (£207 million), milk production (£145 million) and poultry meat production (£136 million).

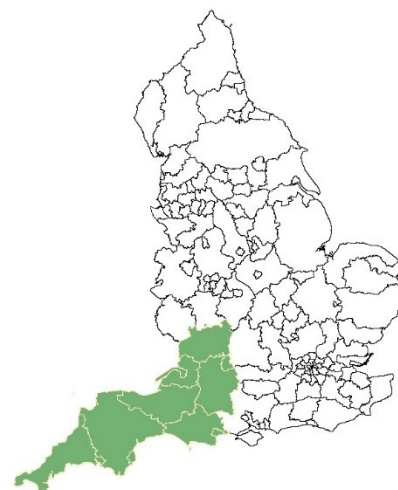
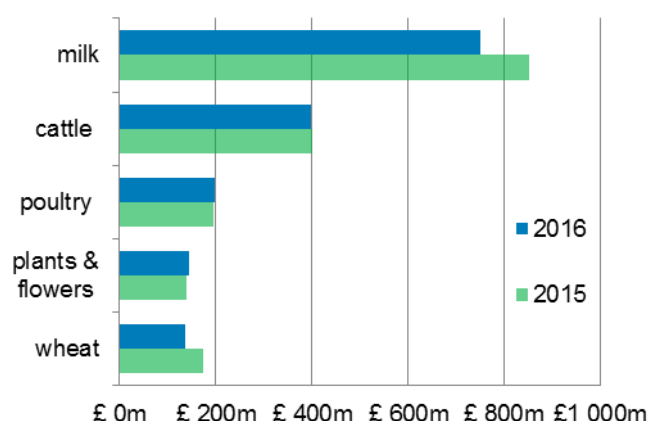
The South East contributed £817 million (0.1%) to the economy and agriculture employed 0.5% of the regional workforce. The area farmed was 1,139 thousand hectares; permanent grass accounted for 33%, cropped area 48% and rough grazing 2%. Table 3.7 shows the main components of the South East agricultural account, more detailed information and a longer time series can be found [here](#), under the heading “dataset”.

**Table 3.7: Summary production and income account for the South East region**

	£ million current price				
	2012	2013	2014	2015	2016
Total crop output	1247	1265	1263	1205	1147
+ Total livestock output	729	785	787	730	697
+ Other and non-seperable agricultural activities	167	181	181	189	194
<b>= Gross output at basic prices</b>	<b>2143</b>	<b>2231</b>	<b>2232</b>	<b>2124</b>	<b>2038</b>
- Total intermediate consumption	1241	1319	1293	1253	1221
<b>= Gross value added at basic prices</b>	<b>902</b>	<b>912</b>	<b>938</b>	<b>870</b>	<b>817</b>
- Total consumption of fixed capital	306	304	310	303	316
<b>= Net value added at basic prices</b>	<b>596</b>	<b>608</b>	<b>629</b>	<b>567</b>	<b>501</b>
+ Other subsidies not linked to production	234	243	215	212	231
<b>= Net value added at factor cost</b>	<b>831</b>	<b>851</b>	<b>844</b>	<b>779</b>	<b>732</b>
- Compensation of employees	396	405	402	413	420
- Rents	51	54	58	59	59
- Interest	22	25	31	34	34
<b>= Total Income from Farming</b>	<b>361</b>	<b>367</b>	<b>353</b>	<b>274</b>	<b>218</b>

## South West region

**Chart 3.8: South West selected output**



In 2016 Total Income from Farming in the South West region fell to £345 million, a decrease of 19% or £80 million, accounting for 14% of the England total value.

The greatest contribution to the value of gross output came from production of milk at £750 million, followed by cattle reared for meat (£399 million), poultry meat production (£197 million), plants and flowers (£145 million) and wheat production (£136 million).

The South West contributed £1,100 million (0.8%) to the economy and agriculture employed 2.4% of the regional workforce. The area farmed was 1,791 thousand hectares; permanent grass accounted for 49%, cropped area 28% and rough grazing 4%. Table 3.8 shows the main components of the South West agricultural account, more detailed information and a longer time series can be found [here](#), under the heading dataset.

**Table 3.8: Summary production and income account for the South West region**

	£ million current price				
	2012	2013	2014	2015	2016
Total crop output	825	895	880	837	793
+ Total livestock output	2097	2255	2297	2050	1930
+ Other and non-seperable agricultural activities	253	274	276	286	293
<b>= Gross output at basic prices</b>	<b>3174</b>	<b>3425</b>	<b>3453</b>	<b>3173</b>	<b>3017</b>
- Total intermediate consumption	1937	2100	2031	1975	1917
<b>= Gross value added at basic prices</b>	<b>1237</b>	<b>1325</b>	<b>1421</b>	<b>1198</b>	<b>1100</b>
- Total consumption of fixed capital	706	710	723	673	679
<b>= Net value added at basic prices</b>	<b>531</b>	<b>615</b>	<b>699</b>	<b>525</b>	<b>420</b>
+ Other subsidies not linked to production	400	414	366	361	392
<b>= Net value added at factor cost</b>	<b>930</b>	<b>1029</b>	<b>1065</b>	<b>886</b>	<b>812</b>
- Compensation of employees	312	319	316	325	330
- Rents	75	79	85	86	88
- Interest	32	36	45	48	49
<b>= Total Income from Farming</b>	<b>511</b>	<b>595</b>	<b>619</b>	<b>426</b>	<b>345</b>

## **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 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 by Government Office Regions in the publication Farm Accounts in England 2016/2017 at:

<https://www.gov.uk/government/statistics/farm-accounts-in-england>

### **Definition of terms used in this release**

**Agricultural industry** - All activities taking place within businesses that carry out any agricultural activities. These businesses include all farms and specialist agricultural contractors.

**Gross Fixed Capital Formation (GFCF) in livestock** - Is the production of animals that will be used as the means of production, e.g. breeding animals.

**Other agricultural activities** - Agricultural activities that do not result in sales of final product, e.g. quota leasing, contract work.

**Inseparable non-agricultural activities** - Non-agricultural activities that are included within the business level accounts and are inseparable, e.g. some cases of bed and breakfast and recreation facilities.

**Output at market prices** - Output excluding subsidies. The output of the agricultural industry includes some non-agricultural activities and transactions within the industry.

**Basic prices** - Market price plus directly paid subsidies that are linked to production of specific product.

**Subsidies (less taxes) on product** - Subsidies and taxes linked to the production of an agricultural product. All subsidies are recorded on an 'as due' basis.

**FISIM** - Financial Intermediation Services Indirectly Measured (FISIM) is an estimate of the value of services provided by financial intermediaries, such as banks, for which no explicit charges are made, and which are paid for as part of the margin between rates applied to savers and borrowers.

**Intermediate consumption** - Goods and services consumed or used as inputs in the productive process e.g. feed, seeds, fertiliser, and pesticides.

**Gross Value Added** - Gross output less intermediate consumption.



Consumption of fixed capital - The reduction in value (at current prices) of capital assets used in the production process, e.g. buildings, plant, machinery, vehicles and livestock.

Net Value Added - Gross Value Added at basic prices less consumption of fixed capital.

Other subsidies on production - Subsidies and taxes not linked to production of a specific product, e.g. Single Payment Scheme, agri-environment payments, animal disease compensation.

Net Value Added at factor cost - Net Value Added at basic prices plus other subsidies (less taxes) on production.

Compensation of employees - The full costs of employees to the business including national insurance contributions.

Total Income from Farming - Income to those with an entrepreneurial interest in the agricultural industry, e.g. farmers, partners, spouses and most other family workers.

### **Regional classification**

The Nomenclature of Units for Territorial Statistics (NUTS) provides a single uniform breakdown for the production of regional statistics for the EU. In this release, statistics are presented at the NUTS1 level of regions in England.

Information on Nomenclature of Units for Territorial Statistics (NUTS) and Local Administrative Units (LAU) can be found at:

<https://www.ons.gov.uk/methodology/geography/ukgeographies/eurostat>.

### **Regional production and income accounts methodology**

Values for England are derived from the production and income account for the United Kingdom and similar accounts for Northern Ireland, Scotland and Wales. The regional accounts for England are constructed by apportioning values for England over NUTS 1 regions on the basis of crop and livestock standard outputs (SOs), which are estimated by applying coefficients to crop areas and livestock numbers.

#### Outputs

In general, the allocation is based on crop areas and livestock numbers. Regional variation in yields and prices are catered for by using standard outputs that assume one “standard” output for each type of commodity across a wide region. England is split into three regions: north, east and west. By applying the standard output to the area of wheat, say, one obtains an estimate of the value added – these value added estimates are used to make the allocation. Subsidies on output products are also apportioned in this way.

Non-agricultural output is apportioned based on total standard output (totalled over all agricultural outputs). This approach is crude but justified because it is a relatively small item in the account. Services between agricultural units (contract work) are apportioned based on total standard output. Transfers of store animals between regions can be ignored. Firstly imported livestock are, by convention, treated as negative contributions to output and not as input costs, and so there is no impact at all on input costs. Secondly, by using estimates of

gross margins for each type of animal, each region is allocated a full value added for all of its livestock.

#### Intermediate consumption

Consumption of inputs relates only indirectly to areas of crops and numbers of livestock. Therefore, data underlying the standard output estimates is used along with crops areas and livestock numbers to apportion input costs. Underlying the estimates of each of the standard outputs are the costs of each key type of input that are required to produce each key type of output. For example, we have estimates of the costs of animal feed per dairy cow per year. Many of these estimates are based on results of special studies and not on regular data sources. The allocation for a particular input is therefore derived as the sum of input contributions - one contribution for each type of output. The contribution associated with an output is still based on the area or livestock count.

#### Labour

Regional labour statistics from the annual June Survey are used to apportion compensation of employees. It is assumed that pay rates are the same across all the regions. Differences in the levels of part time work are accounted for. The annual June Survey provides statistics on both full time and part time workers. Standard factors are used to convert the number of part time workers into a smaller number of full time equivalents. Similarly, the volume of unpaid labour is apportioned on the basis of regional labour statistics from the annual June Survey.

#### Interest, rent and other subsidies on production

Interest payments and taxes are allocated based on the total standard output (totalled over all types of output). Rent received and rent paid for land or land & buildings is allocated on areas rented and owned. Environmental subsidies are not based on administrative data but on crop areas and livestock numbers. As environmental subsidies grow, it will become necessary to find a proper data source for their allocation into the regions.

### **Revisions**

Over time, as more data becomes available, estimates will be revised and forecasts replaced, for example intermediate consumption and other costs data for 2015 and 2016 estimated in the September publication have been replaced by Farm Business Survey data.

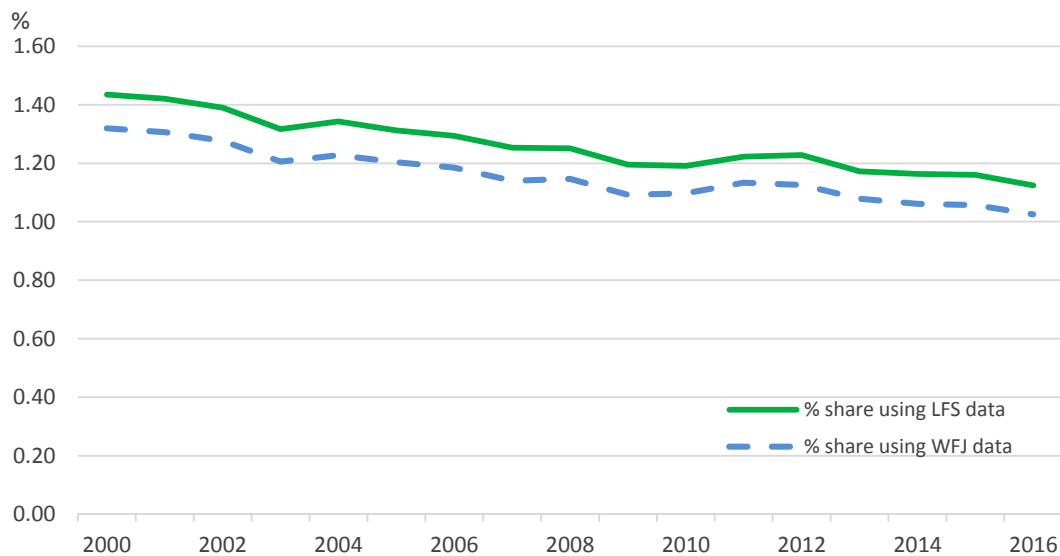
In addition, values for England are derived from similar accounts for, Scotland, Wales and Northern Ireland. Any revisions made by the devolved authorities due to improvements or corrections in methodology or receipt of new data will impact on these regional accounts data. For further details see [Scottish Government](#), [Welsh Government](#) and [Department of Agriculture and Rural Development, Northern Ireland](#).

New methodology for measuring agriculture's share of employment in the regions was introduced in September 2017. Previously agriculture's share of employment by region was estimated by comparing agriculture labour numbers from June Surveys, Censuses of Agriculture and total workforce numbers from the ONS Workforce Jobs (WFJ). When the

figures were reviewed it was found the % share of employment was underestimated as Workforce Jobs measures the number of jobs rather than number of people employed and there will be many people doing more than one job. ONS Labour Force Survey (LFS) data measures the number of people in work and is, therefore, a more accurate indicator of agriculture's % share of employment when compared to June Survey data.

Revisions were introduced from 2000. Chart 4.1 compares England's agricultural share of employment estimates when calculated using Workforce Jobs and Labour Force Survey data from 2000 to 2016.

**Chart 4.1: Difference between Workforce Jobs and Labour Force Survey data - England**



Source: Defra, June Survey data, ONS Labour Force Survey, ONS Workforce Jobs

Further development work is planned, including a full methodology review. The aim is to improve the design and quality of the Agriculture in the English region statistics and publish results using revised methodology in June 2018.

Gross Value Added and Total Income from Farming are sensitive to small percentage changes in the values of output and intermediate consumption. As a result, there are small revisions to the percentage share agriculture contributed to the economy in England and the English regions. Updated historical figures are published in the dataset and can be found at <https://www.gov.uk/government/publications/agriculture-in-the-english-regions>.

### Summary quality report

A summary quality report for Total Income from Farming at the UK level can be found at: <https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs/series/aggregate-agricultural-accounts/> (see "Total income from farming - quality report"). This report 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.

## Main users and uses of the aggregate agricultural accounts

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

- 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 £9 billion to the UK economy and accounts for about 0.5% of UK GDP. It is most relevant to policies relating to CAP reform and the competitiveness of farming.

## User engagement

As part of our ongoing commitment to compliance with the Code of Practice for Official Statistics (<http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html>), 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.