



Total income from Farming in the United Kingdom, 2020 forecast

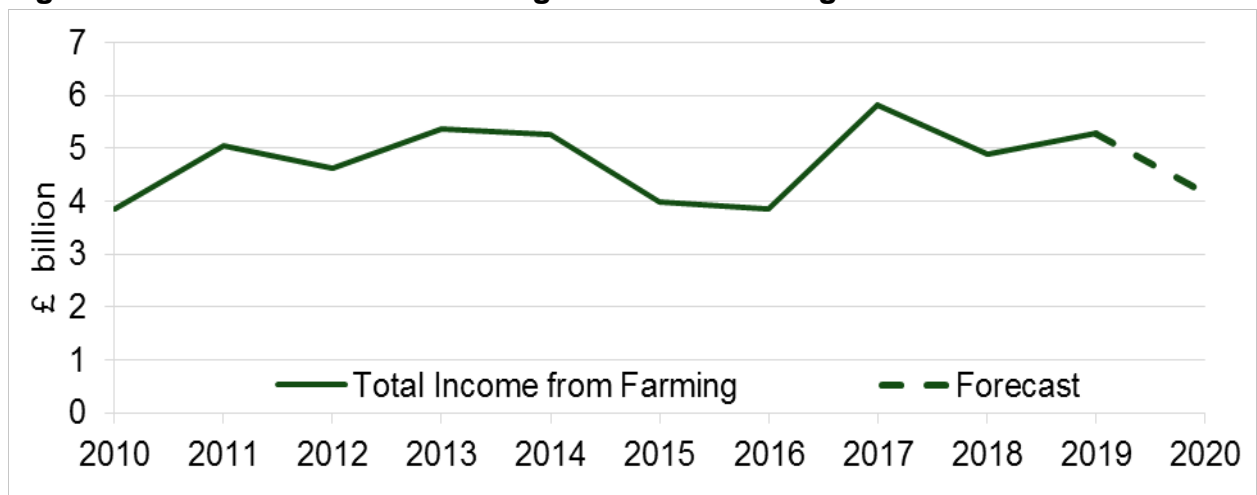
This release presents a forecast for Total Income from Farming (TIFF) for the United Kingdom for 2020. Due to not all data being available at this stage in the year this release is subject to a degree of forecasting and estimation. As a result it cannot be produced with the same statistical reliability as the later estimates that are scheduled to be published in May 2021 (first estimate for 2020) and November 2021 (second estimate for 2020) as part of the [Aggregate Agricultural Accounts](#) series.

Total Income from Farming is the total profit from all UK farming businesses on a calendar year basis. It measures the return to all entrepreneurs for their management, labour, and capital invested.

Key Messages (2020 compared to 2019):

- Total Income from Farming is expected to be £4,151 million, a decrease of £1,127 million (-21%).
- Agriculture is expected to contribute £9,360 million to the national economy (Gross Value Added), a decrease of £1,048 million (-10%).
- Weather conditions coupled with the Covid-19 pandemic have been key influencing factors on agricultural income this year. The variable and extreme weather conditions affected crop production and lowered yields whilst the global pandemic led to supply chain disruption and impacted on farm-gate prices.

Figure 1: Total Income from farming in the United Kingdom 2010 to 2020



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What you need to know about this release

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Key words

Current price is the value based on actual price during the reference year with no adjustment for inflation. Also known as 'nominal' terms.

Gross output is the total value of output by producing farm businesses.

Intermediate consumption is the goods and services used as inputs in the productive process, e.g. feed, energy and fertiliser.

Total Income from Farming is the income to those with a business interest in the agricultural industry.

The term **income** used throughout this notice refers to Total Income from Farming. This is the total profit from all UK farming businesses on a calendar year basis. All values are shown in current (nominal) price terms.

Section 1 – Summary

1.1 Headline figures – 2020 forecast

Total Income from Farming in the United Kingdom is expected to be £4,151 million, a decrease of £1,127 million (-21%) on the year.

This year has been one of the most challenging for farming in recent years, a combination of extreme weather conditions and disruption to markets due to the global pandemic have reduced income. The exceptionally wet autumn of 2019, flooding in February, a dry spring, followed by hot summer weather and heavy rain in August adversely affected crop harvests and yields in 2020. Covid-19 disrupted supply in the spring / early summer during lockdown, reducing the demand for some commodities due to the closure of hospitality and also severely impacted on labour availability

**Table 1: Total Income from Farming in the United Kingdom summary account
£ million**

	2019	2020 forecast	Change 2020-19	% Change 2020-19
Total crop output	10,000	8,722	-1 278	-13%
Total livestock output	14,700	15,028	328	2%
Gross output at basic prices	27,320	26,160	-1 159	-4%
Total intermediate consumption	16,912	16,800	- 112	-1%
Gross value added at basic prices	10,408	9,360	-1 048	-10%
Total income from farming	5,278	4,151	-1 127	-21%

Note: Individual components have not been published due the level of estimation involved in producing these forecast figures. Figures are for calendar year.

The value of crop output is estimated to have decreased (-13%) to £8,722 million, largely driven by lower production affected by the weather, reduced crop areas and yields, plus pests & disease. Prices for crop outputs present a mixed picture but in aggregate it looks as if they will end the year slightly ahead of 2019.

The value of livestock output is estimated to rise slightly (+2%) to £15,028 million; overall farm gate prices were higher with little change in production. Both the dairy industry and meat producers faced supply disruption due to the lockdown together with the closure of the food service/hospitality sectors.

The value of intermediate consumption is estimated to decline slightly (-1%) to £16,800 million. Lower global oil prices reduced the costs of fertiliser and fuels however some costs, such as seeds and protection products were higher due to increased use related to the weather conditions.

Overall Gross Value Added (GVA) of the agricultural industry is estimated to be £9,360 million, a decrease of £1,048million (-10%) on the year.

Section 2 – About these statistics

2.1 Revisions

This is the first release of 2020 Total Income from Farming (TIFF) statistics. The effect of the coronavirus (COVID-19) pandemic on our ability to collect some data means there have been no updates to the TIFF statistics for previous years. TIFF will next be updated in May 2021 when first estimate 2020 statistics will be available. This update will include revisions to earlier years, including the second estimate update for 2019.

2.2 Accuracy and reliability of results

These early forecasts are largely based on survey and administrative information available up to early October with estimates for the remainder of the year reflecting market expectations at the time of the forecast. Most intermediate consumption and other costs use modelling techniques and are derived from price data and estimates of volume changes based on expert professional advice.

A level of estimation is necessary for variables where no market information is yet available. As a result the data cannot be produced with the same statistical reliability as the first and second estimates for 2020 which are scheduled to be published next year when more survey data becomes available. The next update is scheduled for May 2021 (first estimate) and November 2021 (second estimate).

2.3 Covid-19 disruption and the production of these statistics

The forecasts for 2020 are subject to more uncertainty than usual as a result of the challenges faced in collecting data during the coronavirus (COVID-19) pandemic.

2.4 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.

2.5 User engagement

As part of our ongoing commitment to compliance of the [Code of Practice for Official Statistics](#) 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.

2.7 Future publications

These forecast statistics are due to be replaced by first estimates in May 2021.

The date of publication will be announced on gov.uk, go to [research and statistics](#) and click on statistics (up-coming).