



## Total Income from Farming in the United Kingdom

### Forecast estimate for 2017

This release presents a forecast estimate for Total Income from Farming (TIFF) for the United Kingdom for 2017. This is an early estimate produced to meet a requirement by the European Commission before all data for the 2017 calendar year is available. It is subject to a degree of forecasting and estimation and as a result cannot be produced with the same statistical reliability as later estimates which are to be published in April 2018 (first estimate for 2017) and December 2018 (second estimate for 2017).

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.

### Total Income from Farming

The forecast estimates for 2017 are:

- Total Income from Farming is £5,345 million, an increase of £1,663 million (45%) compared to 2016
- Agriculture contributed £9,914 million to the national economy (Gross Value Added), an increase of £1,677 million (20%) compared to 2016

The main drivers of this change are:

- An increase of £2,352 million (10%) in gross output compared to 2016
  - The 13% increase in crop output was driven by increases in both prices and production for cereals and industrial crops
  - The 7% increase in livestock for meat was driven by price increases
  - The 19% increase in livestock products was driven by an increase in milk price
- An increase of £675 million (4%) in intermediate consumption compared to 2016

**Table 1 - Aggregate Agricultural Accounts : Production and income accounts**

United Kingdom

£ million (current prices)

Calendar years

	2015	2016	2017	Change 16-17	% Change 16-17
1 Output of cereals	2 970	2 411			
2 Output of industrial crops	1 053	859			
3 Output of forage plants	269	278			
4 Output of vegetables and horticultural products	2 470	2 604			
5 Output of potatoes (including seeds)	577	747			
6 Output of fruit	690	668			
7 Output of other crop products incl. seeds	513	572			
<b>Total crop output (sum 1-7)</b>	<b>8 542</b>	<b>8 138</b>	<b>9 158</b>	<b>+1 019</b>	<b>+13%</b>
8 Output of livestock	8 654	8 705			
9 Output of livestock products	4 451	3 986			
<b>Total livestock output (8+9)</b>	<b>13 106</b>	<b>12 691</b>	<b>13 988</b>	<b>+1 296</b>	<b>+10%</b>
10 Other agricultural activities	1 099	1 098			
11 Inseparable non-agricultural activities	1 241	1 295			
12 Output (at market prices) (sum 1 to 11)	23 987	23 223			
13 Total subsidies (less taxes) on product	37	44			
<b>14 Gross output at basic prices (12+13)</b>	<b>24 024</b>	<b>23 267</b>	<b>25 619</b>	<b>+2 352</b>	<b>+10%</b>
<b>Intermediate consumption</b>					
15 Seeds	712	731			
16 Energy	1 190	1 144			
17 Fertilisers	1 392	1 249			
18 Plant protection products	963	952			
19 Veterinary expenses	463	459			
20 Animal feed	4 730	4 549			
21 Total maintenance	1 600	1 604			
22 Agricultural services	1 099	1 098			
23 FISIM	98	104			
24 Other goods and services	3 166	3 139			
<b>25 Total intermediate consumption (sum 15 to 24)</b>	<b>15 412</b>	<b>15 029</b>	<b>15 704</b>	<b>+ 675</b>	<b>+4%</b>
<b>26 Gross value added at market prices (12-25)</b>	<b>8 576</b>	<b>8 193</b>	<b>9 870</b>	<b>+1 676</b>	<b>+20%</b>
<b>27 Gross value added at basic prices (14-25)</b>	<b>8 612</b>	<b>8 237</b>	<b>9 914</b>	<b>+1 677</b>	<b>+20%</b>
28 Total consumption of Fixed Capital	3 931	4 024			
29 Net value added at market prices (26-28)	4 644	4 169			
30 Net value added at basic prices (27-28)	4 681	4 213			
31 Other taxes on production	- 96	- 94			
32 Other subsidies on production	2 831	3 097			
33 Net value added at factor cost (30+31+32)	7 417	7 216			
34 Compensation of employees	2 505	2 538			
35 Rent	561	571			
36 Interest	427	426			
<b>37 Total income from farming (33-34-35-36)</b>	<b>3 924</b>	<b>3 682</b>	<b>5 345</b>	<b>+1 663</b>	<b>+45%</b>

Individual farm accounts items have not been published due the level of estimation involved in producing these forecast figures

## **Accuracy and reliability of results**

These early forecasts for production and outputs are largely based on survey results and administration information available up to early October applying the relative change over 12 months to these aggregated data. Most intermediate consumption and other costs use modelling techniques and are derived from price data and estimates of volume changes based on professional advice.

A level of estimation is necessary for variables where no market information is available. As a result the data cannot be produced with the same statistical reliability as later estimates which are published in April 2018 (first estimate for 2017) and December 2018 (second estimate for 2017).

These forecasts are subject to a margin of error reflecting the fact that Total Income from Farming is sensitive to small percentage changes in the values of outputs and intermediate consumption. Small percentage changes in either can result in large percentage changes in Gross Value Added and Total Income from Farming.

In recent years we have not published these estimates but as they are already in the public domain (<http://ec.europa.eu/eurostat/data/database>) we have decided to publish them in the interests of openness and transparency.

## **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.