

Aggregate agricultural output and income, 2013 - Revised

On 24 June 2014 a revision was made to the gross output figure for 2013 included in this release. The estimates of gross value added, net value added and Total Income from Farming for 2013 have also been revised as a consequence. Further information is included in the Revisions section of this release.

This statistics release provides first estimates of aggregate agricultural output and income in Wales for 2013. These results are produced using the internationally agreed 1993 System of National Accounts (SNA) methodology. The release includes updated figures for 2011 and 2012, which includes some changes to previous estimates as a result of both planned updates and revisions to information derived from farm business data which are used in constructing the aggregate agricultural account for Wales.

Key Results

- Total Income from Farming (TIFF) in Wales is estimated to have increased from £152.2 million in 2012 to £217.8 million in 2013, representing a rise of 43%.
- The value of agricultural output increased by around 9% between 2012 and 2013, from £1,403.3 million to £1,529.4 million.
- The value of output for milk and milk products is estimated to have increased from £417.5 million to £504.9 million, an increase of around 21%. This reflects both higher prices and some increases in production. The value of output from cattle also increased over this period, by an estimated 12%, from £329.6 million to £369.7 million in 2013, driven by increased prices.
- In contrast, the value of sheep output declined slightly by around 1%. The value of output from cereals and other crops, also both decreased, reflecting decreased prices and production.
- Intermediate consumption is estimated at £1,185.7 million in 2013, an increase of 2% on 2012. The cost of feedingstuffs provided the main contribution to the overall increase, rising by 5%, and remains the single most important component of input costs, representing around 34% of the total.
- Gross Value Added (gross output less intermediate consumption) increased by 41% from £243 million in 2012 to £343.7 million in 2013.

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Llywodraeth Cymru
Welsh Government

Aggregate Agricultural Account

£ million	Calendar Years		
	2011	2012 Provisional	2013 Forecast
Outputs:			
1. Cereals	28.0	28.3	19.1
2. Other Crops	10.8	11.0	9.1
3. Potatoes	11.3	11.3	11.6
4. Horticulture	34.0	33.4	34.1
5. Livestock	659.4	649.1	688.3
<i>of which:</i>			
Cattle	316.6	329.6	369.7
Sheep	284.4	258.0	254.3
Pigs	5.8	6.8	5.9
Poultry	52.6	54.6	58.3
6. Livestock Products	464.2	470.2	555.0
<i>of which:</i>			
Milk and Milk Products	417.7	417.5	504.9
Eggs	32.2	41.1	39.2
Clip Wool	9.3	6.2	5.8
7. Capital Formation in Livestock	74.4	75.0	84.6
8. Other Agricultural Activities	72.4	72.9	74.4
9. Inseparable Secondary Activities	44.0	52.1	53.2
10. Gross Output (at market prices) (1+2+3+4+5+6+7+8+9)	1,398.4	1,403.3	1,529.4 (r)
11. Total Subsidies on Product	0.0	0.0	0.0
12. Gross Output at basic prices	1,398.4	1,403.3	1,529.4 (r)
Intermediate Consumption:			
13. Intermediate Consumption	1,107.4	1,160.3	1,185.7
<i>of which:</i>			
Feedingstuffs	343.3	385.6	403.3
Veterinary and Medical Expenses	53.8	57.2	60.1
Fertilisers and Lime	114.8	112.5	108.0
Machinery Expenses	150.1	152.7	155.4
Farm Maintenance	33.9	33.9	35.6
Contract Work	71.3	71.5	70.8
Other Farming Costs	309.6	318.7	322.5
14. FISIM (Financial Intermediation Services Indirectly Measured)	10.9	12.5	13.9
Value Added and Income:			
15. Gross Value Added at basic prices (12-13-14)	291.0	243.0	343.7 (r)
16. Gross Value Added at market prices(10-13-14)	291.0	243.0	343.7 (r)
17. Consumption of Fixed Capital	284.2	292.8	297.5
<i>of which</i>			
Buildings and Works	78.0	81.0	81.2
Vehicles, Plant and Machinery	129.0	138.4	138.4
Livestock	77.1	73.5	77.9
18. Net Value Added (at basic prices) (15-17)	6.9	-49.8	46.2 (r)
19. Other Subsidies	349.6	332.0	308.3
20. Net Value Added (at factor cost) (18+19)	356.5	282.2	354.4 (r)
21. Compensation of Employees	101.6	93.1	97.3
22. Interest	14.1	15.6	17.3
23. Rent	20.8	21.2	22.1
24. Total Income from Farming (20-21-22-23)	220.1	152.2	217.8 (r)

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 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 2014.

The figures will be revised in the future to include up-to-date information from sources such as the 2013-14 Farm Business Survey. Any revisions to the 2013 agricultural output and income figures will be published alongside first estimates for 2014 in February 2015 (provisional). In line with the above, the figures for agricultural output and income in 2011 and 2012 have been revised to incorporate up-to-date information.

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.

Revisions

A revised estimate of gross output for 2013 was published on 24/06/2014, due to an identified formula error in the aggregation of the components of gross output. The effect of this error was to previously understate gross output in 2013 by around £45.5 million (around 3 percent). This error also impacts on the previously published estimates for gross value added, net value added and total income from farming for 2013. The table below illustrates the impact of the revision.

	Previous 2013 estimate (£ million)	Revised 2013 estimate (£ million)
Gross output (at market prices)	1,483.9	1,529.4
Gross value added at market prices	298.2	343.7
Total income from farming	172.4	217.8

The Farm Business Survey is used to estimate a number of components of the Aggregate Agricultural Account, most notably for Rent, Compensation of Employees and the components of Intermediate Consumption. Since the previous release, revisions have been made to the FBS datasets for 2009-10 to 2012-13. These are described in the revisions section of SDR 7/2014 Farm Income in Wales 2012-13 and SDR 37/2014 Forecasts of Farm Incomes in Wales, 2013-14.

Further Information

Forecasts of farm incomes in Wales for 2013-14 will be published on 27th February 2014.

DEFRA are intending to publish first estimates of Total Income from Farming figures for 2013 for the United Kingdom in April 2014. Agriculture in the United Kingdom 2013 will be published by DEFRA in May - June 2014.

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.