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SFR 25/2019

Forecasts of farm incomes in Wales, 2018-19

Farm income forecasts are intended to provide a broad indication of how incomes for each farm type are expected to move in 2018-19 compared with the previous year. The forecasts for 2018-19 are based on the limited information that is available up to the middle of March 2019 for prices, animal populations, marketing and input costs.

There is a very wide range of farm incomes around the average figures published here. The previous release '[Farm incomes in Wales, 2017-18](#)' includes analysis of this variation around the average, and also analysis of components of income and output (including subsidy); weather and commodity prices; and assets, liabilities and net worth of farms in Wales.

In looking at 'all farm types', average farm business income is expected to decrease by 15 per cent (at current prices) to £29,500 per farm from the previous year. This is mainly driven by the fall in milk prices and value of dairy output along with a rise in the cost of feed.

Forecasts for average farm business income in Wales in 2018-19, and change since 2017-18 (a)



£64,500

23%

Dairy farms: There is an expected decrease in milk prices in 2018-19 along with a smaller decrease in production, resulting in a fall in average income on dairy farms.



£24,500

9%

Cattle and sheep (LFA) farms: Average income is forecast to decrease but remains higher than the levels seen in most years since 2012-13.



£17,000

29%

Cattle and sheep (lowland) farms: A significant decrease in average income is forecast. This level is marginally above the low point seen in 2015-16.

(a) At current prices.

About this release

Forecasted figures are presented on farm incomes in Wales for 2018-19 (up to March 2019), alongside results from the Wales Farm Business Survey for 2009-10 to 2017-18. Final figures for 2018-19 are provisionally due to be published in December 2019.

Results largely exclude very small and part time holdings (see '[Notes](#)' for details).

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Importance of measuring farm incomes

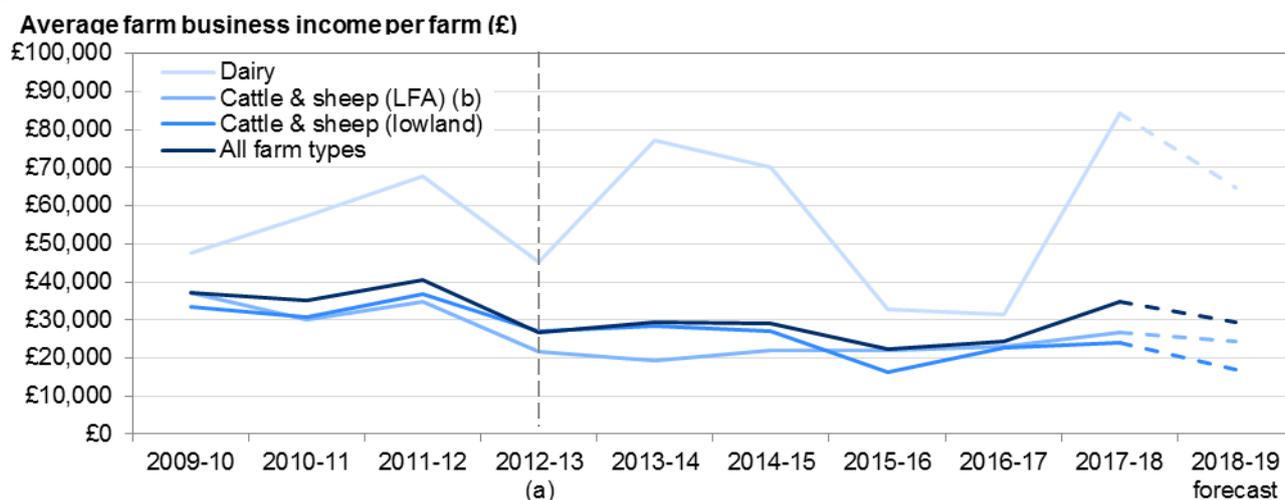
Although agriculture makes a relatively small contribution to GDP⁽¹⁾, around half of the food consumed in the UK is sourced from UK agriculture, with the rest imported into the UK from abroad⁽²⁾. Agriculture also has important impacts on the natural environment, with over 80 per cent of land in Wales used for agricultural purposes⁽³⁾. Farm incomes show some volatility from year to year, influenced by prevailing agricultural (including weather-related) and market conditions. There is also wide variation in farm incomes for individual farms, including for farms of the same type. Farm income statistics provide an important measure of farm profitability and, in conjunction with other measures from the farm accounts, can inform on the performance and viability of farm businesses.

(1) Agriculture, forestry and fishing together account for around 0.6% of UK GDP (source: [Office for National Statistics](#)).

(2) Source: [Food statistics pocketbook](#), Defra.

(3) Source: [June agricultural survey](#), Welsh Government

Chart 1: Average farm business income in Wales, 2009-10 to 2018-19 (at current prices)



Source: Farm Business Survey

(a) The vertical dashed line indicates how Standard Output coefficients were updated in 2012-13. This had an effect on both the survey population and classification of farms (see [Notes](#) for further details).

(b) LFA denotes Less Favoured Area (see [Notes](#) for further details).

Table 1: Average farm business income by type of farm in Wales, 2012-13 to 2018-19

Average farm business income per farm							£ per farm	
Farm type	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 forecast	% change 17-18 to 18-19
At current prices								
Dairy	45,100	77,000	70,200	32,800	31,300	84,500	64,500	-23%
Cattle & sheep (LFA)	21,600	19,200	22,100	21,900	23,100	27,000	24,500	-9%
Cattle & sheep (lowland)	27,200	28,600	27,000	16,300	22,700	24,000	17,000	-29%
All farm types	26,600	29,300	29,000	22,200	24,500	35,000	29,500	-15%
In real terms at 2017-18 prices (a)								
Dairy	49,800	83,600	74,900	34,900	32,600	86,000	64,500	-25%
Cattle & sheep (LFA)	23,800	20,900	23,600	23,200	24,000	27,500	24,500	-11%
Cattle & sheep (lowland)	30,000	31,000	28,800	17,300	23,700	24,500	17,000	-31%
All farm types	29,400	31,800	30,900	23,600	25,500	35,500	29,500	-17%

Source: Farm Business Survey

(a) GDP deflators are used here to uprate figures for 2017-18 (and earlier) to 2018-19 prices.

Forecasts for average farm business income in 2018-19, by farm type

All farm types

Average farm business income for the combined 'all farm types' is expected to decrease by 15 per cent (at current prices) to £29,500 per farm from the previous year. This is mainly driven by the fall in milk prices and value of dairy output along with a rise in the cost of feed. For all types of farm, the average agri-environment payment is expected to remain at similar levels to 2017-18.

However, the number of live Glastir contracts is expected to gradually decrease in future, which in turn will show a reduction in the total expenditure being paid out. For all types of farm, the 2018 basic farm payment is expected to remain at a similar level to that in 2017. The total funding available for the basic farm payment in the UK is received in €, therefore there is an exchange rate effect when this amount is converted into sterling.

Farm income measures

For non-corporate businesses, **farm business income** represents the financial return to all unpaid workers (farmers, spouses, non-principal partners and their spouses, and family workers) and on all their capital invested in the farm business (including land and buildings). For corporate businesses, it represents the financial return on the shareholders' capital invested in the farm business. Farm business income includes some 'notional' items, such as depreciation of farm assets (for example, machinery) and changes in the value of breeding livestock.

In essence, farm business income is the same as net profit, which as a standard financial accounting measure of income and is used widely within and outside agriculture. However, using the term farm business income rather than net profit:

- gives an indication of the measure's farm management accounting rather than financial accounting origins, and accurately describes its composition;
- is intuitively recognisable to users as a measure of farm income.

Importantly, farm business income does not include other sources of household income from outside the farm business (such as other employment of the farmer or spouse outside of the farm).

It's also worth noting that the figures are subject to a margin of error reflecting, in particular, the fact that farm income is derived as the relatively small difference between total output and total input so that small changes in either of these can result in large percentage changes in farm income. The figures should also be seen in the context of longer term trends in farm incomes.

Farm business income is the headline measure of farm incomes in Wales. Data for other measures of income (net farm income and cash income) is published in a spreadsheet alongside this release on the Welsh Government [farm income statistics page](#).

Dairy farms

Average farm business income is expected to drop (at current prices) to £64,500 per farm from £84,500 per farm in the previous year, returning to a level more in line with that last seen in 2014-15. This is mainly due to a reduction in milk prices in 2018. As noted on page 1 of this release,

farm income is derived as the relatively small difference between total output and total input so that small changes in either of these can result in large percentage changes in farm income. At a UK level, the average farm gate milk price was a little lower in the main part of 2018 compared with 2017.

The release [‘Farm incomes in Wales, 2017-18’](#) analyses the milk price paid to farmers in Wales. Considering annual averages for the past seven years, the average farm gate milk price in Wales was generally 1 to 2 pence per litre lower than the equivalent price in the UK, with a slightly larger gap of 2.6 pence per litre in 2017-18. It is important to note the wide variation in milk prices – some farmers in Wales receiving considerably more or less than the average. Overall, input costs are expected to rise, with higher expected feed costs and other livestock costs.

Cattle & sheep farm in less favoured areas

Average farm business income is forecast to decrease by around 9 per cent (at current prices) to £24,500 per farm from the previous year, but still higher than levels for this farm type prior to 2017. On cattle & sheep (LFA) farms the basic farm payment and agri-environment payments are generally important factors although these are forecast to change little. The value of beef output is forecast to be slightly higher than in the previous year, alongside a small decrease in the value of sheep output for the year. Input costs are expected to be higher, with an increase in feed and other livestock costs.

Cattle & sheep farms in lowland areas

Average farm business income is forecast to fall by 29 per cent (at current prices) to £17,000 per farm from the previous year, slightly above the level seen in 2015-16. On cattle & sheep (lowland) farms, the forecast of lower output from the sheep activity was driven primarily by a negative valuation change reflecting lower prices towards the end of the year which also affected the value of output from beef despite an increase in the numbers culled. The difference between livestock opening and closing valuations can have an impact on incomes. Overall, input costs (including feed) are expected to rise.

Glossary

Basic / single farm payment: Under the EU Common Agricultural Policy (CAP), direct payments are made to farmers with the aim of ensuring a fair standard of living for farmers, and the availability of food supplies at reasonable prices. From 2015-16, this is known as the basic farm payment, and this replaced the single farm payment for 2014-15 and earlier years.

Agri-environment payments: Environmental subsidies are paid to farmers under the Glastir scheme of the Wales Rural Development Programme 2014-2020 (which is financed by the Welsh Government and the EU). Glastir is the sustainable land management scheme which pays for the delivery of specific environmental goods and services aimed at: 1) combating climate change; 2) improving water management; and 3) maintaining and enhancing biodiversity.

Farm gate price: the price received by producers (farms) for their agricultural products. Once these agricultural products leave the farm, they may go for secondary processing. For instance, after milk leaves the farm, it will go for processing before being sold to retailers.

Costs are divided into two types: variable costs and fixed costs

- Variable costs are costs that are readily allocated to an enterprise and which will vary in approximately direct proportion to the scale of the enterprise. Examples of variable costs are fertilisers, pesticides, seed, concentrate feeding stuffs (purchased or home-grown), and purchased fodder.
- Fixed costs are those costs which either cannot readily be allocated to a specific enterprise or do not vary with small changes in the scale of the individual enterprise. Examples of fixed costs are labour (including payments in kind), machinery repairs and depreciation, rent and rates, general expenses, and interest payments.

Enterprise: an identifiable sector of the farm business, such as a dairy enterprise.

Notes

Accounting years

The forecasted figures for 2018-19 presented in this release cover the accounting years ending between 31st December 2017 and 31st March 2019 and as such reflect farming conditions between January 2018 and March 2019.

Average farm incomes

When the term 'average' is used to describe farm income (and other) measures in this release, this means that the mean (not median or mode) has been taken of the weighted farm data.

Subsidies

The single farm payment was introduced in 2005, and was replaced by the basic farm payment in 2015. Basic farm payment information included in 2018-19 forecasts is based on an estimate of the total value that will be paid as a result of applications made in 2017. In other words, farm income forecasts for 2018-19 include information on all basic farm payments made to date and an estimate of the value of payments that will be made throughout 2018 (for applications made in 2017).

Differently for agri-environment payments, the 2018-19 forecasts include Glastir payments made during the year, regardless of when Glastir contracts were actually signed.

Payments to Welsh dairy farmers under the EU Conditional Aid Benchmarking Scheme were included in 2017-18 forecasts but not in 2018-19 forecasts. These payments (worth £3.2 million in total) were made in September 2017.

All of these estimates will be revised in future publications when final figures become available.

Current prices and in real terms (2018-19 prices)

The figures (at current prices) in this release shown have been updated using GDP deflators to also show prices in real terms (at 2018-19 prices). The GDP deflator data used here is available from the [Office for National Statistics website](#).

Rounding

Forecasted figures for 2018-19 shown in this release have been rounded to the nearest five hundred pounds, while figures from the Farm Business Survey for 2017-18 and earlier have been rounded to the nearest hundred pounds. Calculations (such as percentage or actual change) have been made on unrounded figures.

Less Favoured Area (LFA)

Throughout this statistical release, the abbreviation LFA is used to denote Less Favoured Area (LFA). This classification was established¹ in 1975 as a means to provide support to mountainous and hill farming areas. Within the LFA are the Severely Disadvantaged Areas (SDA) and the Disadvantaged Areas (DA). The SDA are more environmentally challenging areas and largely upland in character. Table 2 shows values and percentages for these areas by UK country, then the following map shows the LFA, SDA and DA in the United Kingdom.

Table 2: Less Favoured Areas in the United Kingdom

Farm type	Wales	England	Scotland	Northern Ireland	UK
Area (million hectares)					
Severely Disadvantaged Area (SDA)	1.2	1.6	6.8	0.6	10.1
Disadvantaged Area (DA)	0.5	0.6	0.1	0.4	1.6
Less Favoured Area (LFA) = SDA + DA	1.6	2.2	6.9	0.9	11.7
Lowland	0.4	10.8	1.0	0.5	12.7
All land	2.1	13.0	7.9	1.4	24.4
% of all land					
Severely Disadvantaged Area (SDA)	56%	12%	86%	41%	42%
Disadvantaged Area (DA)	23%	5%	2%	26%	6%
Less Favoured Area (LFA) = SDA + DA	79%	17%	88%	67%	48%
Lowland	21%	83%	12%	33%	52%
All land	100%	100%	100%	100%	100%

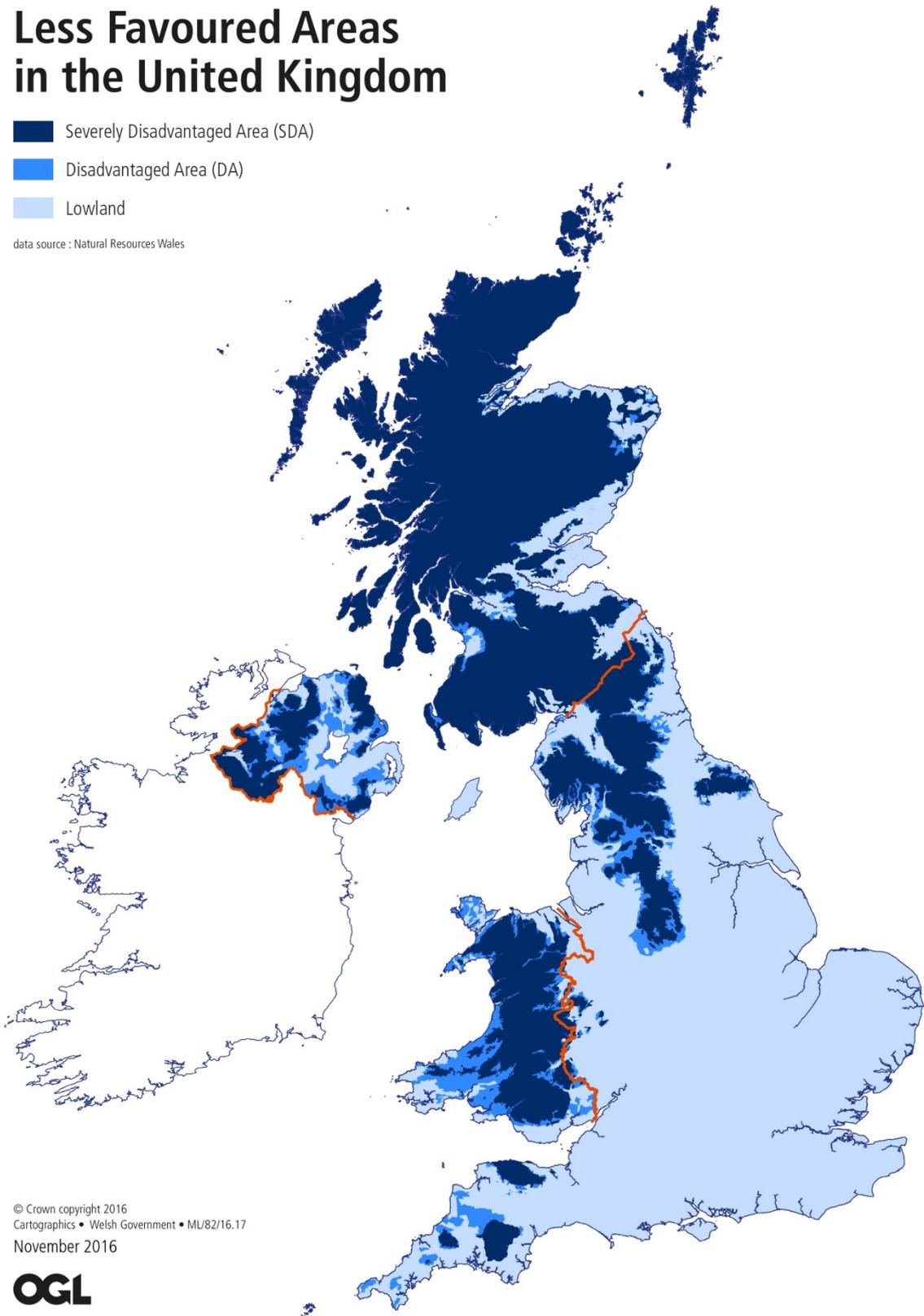
Source: Land, Nature and Forestry Division, Welsh Government

¹ Council Directive 75/268/EEC

Less Favoured Areas in the United Kingdom

- Severely Disadvantaged Area (SDA)
- Disadvantaged Area (DA)
- Lowland

data source : Natural Resources Wales



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OGL

Farm type classification and Standard Outputs (SO)

The standard output (SO) is a financial measure used to classify farm type. Standard outputs measure the total value of output of any one activity - per head for livestock and per hectare for crops. For livestock it is the value of the main product (milk, eggs, lamb, pork) plus the value of any secondary product (calf, wool) minus the cost of replacement. For crops, this is the main product (e.g. wheat, barley, peas) plus any by-product that is sold, for example straw. In other words, the SO of an agricultural product is the average monetary value of the agricultural output per unit at farm gate prices.

The classification of farm 'types' within the UK and EU is based on the calculation and use of SO coefficients for individual farm activities. The characteristics of farm types included in this release can be summarised as follows:

Dairy: Farms on which dairy cows account for more than two-thirds of the total SO.

Cattle and sheep: Farms which do not qualify as dairy farms but have more than two-thirds of their total SO from grazing livestock (cattle and sheep). They are divided into the following:

- Cattle and sheep (LFA): More than 50% of the land farmed is in the LFA.
- Cattle and sheep (lowland): Less than 50% of the land farmed is in the LFA.

Further details on the classification of farm types are available on the [GOV.UK website](#)

SO coefficients have been updated within all Member States and are used to classify farms from 2013 onwards. As the threshold for inclusion within the Farm Business Survey in Wales is a minimum €25,000 of standard output, changes to standard output coefficients will have an effect on both the survey population as well as the classification of farms.

Within EU member states, SO coefficients are updated periodically. In the UK these are calculated for each NUTS1 region so Wales is calculated as one region. Averages are taken over a period of a number of years to reduce the impact of annual price fluctuations; those previously in use are averaged over the period 2005-2009 (referred to as 2007 SOs). Standard Outputs have now been recalculated for the period 2008-2012 (referred to as 2010 SOs).

In Chart 1 (on page 2 of this release), data for 2012-13 onwards is based on 2010 SOs, while data for 2011-12 and earlier is based on 2007 SOs. Due to this change in methodology, some caution should be exercised when making any comparisons of 2012-13 data onwards with earlier data.

Table 3 below shows figures for 2012-13 produced on the basis of both the 2007 SOs and 2010 SOs., showing the impact of the change in SOs.

Table 3: Average farm business income in Wales in 2012-13 (on 2007 SO and 2010 SO basis)

Average farm business income per farm		£ per farm	
Farm type	2012-13 (2007 SO)	2012-13 (2010 SO)	Difference
At current prices			
Dairy	45,100	45,100	0
Cattle & sheep (LFA)	22,700	21,600	-1,100
Cattle & sheep (lowland)	30,200	27,200	-3,000
All farm types	28,200	26,600	-1,600

Source: Farm Business Survey

Users and uses of data on farm incomes

Data on farm incomes are used to monitor and evaluate government and EU policies and to inform wider research into the economic performance, productivity and competitiveness of the agricultural industry. The data are provided to the EU as part of the Farm Accountancy Data Network (FADN) and are widely used by the agriculture industry for benchmarking (comparing the performance of similar types of farms).

If the above paragraph does not describe how you use the data, please contact us (our contact details are on the front page or at the end of this release). We are keen to know more about who uses these statistics and how.

Key quality information

The farm incomes data for 2017-18 and earlier used in this statistical release are derived from the annual Farm Business Survey (FBS). The survey is conducted on behalf of the Welsh Government by the Institute of Biological, Environmental and Rural Sciences (IBERS) at Aberystwyth University. The FBS collects detailed physical and financial information from approximately 550 farm businesses across Wales and covers all types of Welsh livestock farm. Highly trained researchers collect the data by visiting farms and requesting information from farmers. Only those farm types where there are more than 20 representative holdings in the survey sample are reported in this statistical release.

Statistics produced from the same data by IBERS may differ in some respects from those in this statistical release. The differences arise largely from:

- **Weighting:** the statistics in this release are weighted to be representative of the population (farm businesses with a standard output of at least €25,000). However, the statistics produced by IBERS are unweighted so are only representative of the farms included in the sample.
- **Inter-year identical sample:** Some of the statistics published by IBERS are for an inter-year identical sample (farms included in the sample for two years in a row). Not every farm is included in the sample for two years in a row. Therefore the inter-year identical sample includes a smaller number of farms for each year, so the results for this group of farms may differ.

The sample for the Farm Business Survey is predominantly drawn from those farm businesses in Wales with a Standard Output (SO) of at least €25,000, based on activity recorded in the previous June Survey of Agriculture and Horticulture. The results reported here will not therefore be representative of very small and part-time holdings. Information on the survey sample, the survey population and % of the survey population sampled (by farm type and size) is shown in Table 4.

Table 4: Survey sample, survey population and % of survey population sampled, by farm type and size (a) (b) (c)

Farm type	Spare time / part time	Small	Medium	Large	Very large	All farm sizes
Survey sample (a) (b)						
Dairy	1	7	23	32	43	106
Cattle & sheep (LFA)	29	91	84	88	48	340
Cattle & sheep (lowland)	16	20	16	13	5	70
Other farm types (d)	10	13	5	8	4	40
All farm types	56	131	128	141	100	556
Survey population (farms with > €25,000 Standard Output) (a) (c)						
Dairy	43	201	299	394	441	1,378
Cattle & sheep (LFA)	1,201	1,931	1,171	1,249	1,033	6,585
Cattle & sheep (lowland)	392	379	188	139	110	1,208
Other farm types (d)	209	106	78	61	43	497
All farm types	1,845	2,617	1,736	1,843	1,627	9,668
% of survey population sampled						
Dairy	2.3	3.5	7.7	8.1	9.8	7.7
Cattle & sheep (LFA)	2.4	4.7	7.2	7.0	4.6	5.2
Cattle & sheep (lowland)	4.1	5.3	8.5	9.4	4.5	5.8
Other farm types (d)	4.8	12.3	6.4	13.1	9.3	8.0
All farm types	3.0	5.0	7.4	7.7	6.1	5.8

Sources: Farm Business Survey, June Survey of Agriculture and Horticulture

- (a) The survey sample and survey population both exclude a small number of farms which have a standard output of at least €25,000 but no agricultural activity. This small number of farms would have been categorised under the general cropping farm type.
- (b) The survey sample shown is for the 2017-18 Farm Business Survey.
- (c) The survey population (for 2017-18 Farm Business Survey) was from the 2017 June Survey of Agriculture and Horticulture.
- (d) Other farm types includes cereals, general cropping, and mixed farms.

Each farm in the survey is given a weight to make the sample representative of the population. The weights are calculated using the 'inverse sampling fraction' method and use data on the number of farms by type and size from the previous June Survey of Agriculture and Horticulture.

Farm income measures exhibit some degree of volatility across years, influenced by prevailing market conditions. As all the measures of farm income include an element relating to profits, these measures in the agricultural sector are therefore more volatile than measures in other sectors (which are defined purely in terms of income from wages).

Comparison of final figures for 2017-18 with previous forecasts

Forecast estimates for 2017-18 were previously published on 23 March 2018. It is useful to compare the final figures for 2017-18 with the previous forecasts, and this comparison is made in Table 5.

Table 5: Comparison of final 2017-18 figures for farm business income with previous forecasts

Average farm business income per farm				<i>£ per farm</i>	
Farm type	2017-18 forecast (a)	2017-18 final (b)	Difference	% change	
At current prices					
Dairy	65,000	82,400	17,100	27%	
Cattle & sheep (LFA)	25,500	26,900	1,300	5%	
Cattle & sheep (lowland)	24,500	24,000	-700	-2%	
All farm types	31,000	34,600	3,400	12%	

Source: Farm Business Survey

(a) Forecast figures published on 22 March 2018 in SDR 22/2018 (Forecasts of Farm Incomes in Wales, 2017-18)

(b) Final figures published on 20 December 2018 in SDR 121/2018 (Farm incomes in Wales, 2017-18).

Strengths and limitations of the Farm Business Survey

In this release, 2018-19 forecasts for farm incomes in Wales are presented alongside results from the Wales Farm Business Survey for 2009-10 to 2017-18. We strongly recommend that users of these statistics understand the strengths and limitations of the Farm Business Survey, in order to make appropriate use of any information from this release.

Strengths

- The Farm Business Survey collects a broad range of detailed physical and financial information about farms in Wales. This allows a wide range of analyses to be conducted.
- The survey is representative of the main types of livestock farm seen in Wales (dairy, cattle and sheep).
- The Farm Business Survey has been carried out in Wales for many years. Therefore there are many years of data in which to monitor any structural changes in the farming industry, and fluctuations in farm incomes between years.
- Usually, between 90 and 95 per cent of farms remain in the survey sample from one year to the next. This allows analysis across years of the survey for identical samples.

Limitations

- Given the need to control costs of the survey and the difficulty of recruiting farms, the sample for the Farm Business Survey is limited to 550 farms per year in Wales. This represents around 5 to 6 per cent of the survey population each year. This is a relatively small sample for the purposes of analysis. Average results per farm can be produced, but for any analysis produced there are always wide variations around average, which raises a number of issues:

- With the wide variation in size of farms, on some occasions, considering the share of farms may not be the best approach. In general, a relatively small number of large farms contribute most of the agricultural production in Wales. It can often make sense to look at share of production or output, rather than share of farms, which can provide an extra complication when analysing results.
 - There is often more than one factor which can explain the variation between farms, and this usually includes farm size. It is often not possible (due to low sample size in some categories) to analyse data for more than one variable at a time, which can limit the usefulness of any analysis.
 - With the wide variation in size of farms, very large farms in the sample can have a large effect on averages; particularly when estimates for a category are based on a small number of responses.
- Farm business income considers the farm as a 'business unit'. Farm business income does not include other sources of household income from outside the farm business (such as other employment of the farmer or spouse outside of the farm). Therefore a wider range of data would need to be considered in order to take a view on the economic welfare of farm households. The last detailed study to be carried out in Wales on farm household incomes was the [2010 survey of farming households in Wales](#) by the Wales Rural Observatory.
 - There are a number of important aspects of farm businesses that the Farm Business Survey cannot inform on. These aspects will mainly be the quality of land on the farm, the farmer's aims and objectives for the farm business, and the skill of the farmer.
 - The Farm Business Survey predominantly includes farms with at least €25,000 standard output, and is not intended to be representative of small, part time and spare time farms (below this standard output threshold). Any users who are interested in data for small, part time and spare time farms should be aware of this point. It is worth noting that when considering the farm types included in the Farm Business Survey, the survey population (around 10,000 farms each year) represents 93 per cent of total standard output. Meanwhile, around 13,000 farms each year in these farm types but with less than €25,000 standard output (which are not surveyed) account for the other 7 per cent of standard output.
 - Although the Farm Business Survey is representative of main livestock farm types in Wales, it is not as representative of some of the smaller agricultural sectors in Wales. The survey includes small numbers of **cereal** and **general cropping** farms, but not enough to be able to publish results for this particular farm type. **Specialist poultry** and **specialist pig** farms are not surveyed, as there are very few farms from which to survey and obtain reliable results. Although cereal, general cropping, poultry and pig farms are relatively small sectors individually, when grouped together these farm types make up 18 per cent of total standard output for farms in Wales (when considering farms with a standard output of at least €25,000). This is a notable portion of the population which is not very well (or not) represented in the Farm Business Survey.

- As with any sample survey, results from Farm Business Survey will have a degree of sampling error because only part of the population is being used to estimate the value of a variable. The sampling error is the difference between the estimate derived from a sample survey and the 'true' value that would result if a census of the whole population were taken under the same conditions. Different samples will yield differing estimates for the same observation variable.
- Non-sampling error includes coverage error, non-response error, response error, processing error, estimation error and analysis error.
 - Any coverage errors in the Farm Business Survey will mainly be due to imperfections in the sampling frame – the June Survey of agriculture and horticulture. The June survey is used for sampling in the Farm Business Survey and also weighting of survey responses up to the survey population. The main limitations of the June agricultural survey can be read on the Welsh Government [June agricultural survey page](#). In summary, maintaining an up to date register of farms is an issue, as are falling response rates (to government surveys in general). Dairy and beef cattle data is derived from the Cattle Tracing System (an administrative source) which is generally of good quality for the information that it holds, although it does not hold complete information on intended purposes for particular animals.
 - Coverage of particular sectors in the sampling frame can be difficult. For example there are currently difficulties recruiting small dairy farms, in light of the current market conditions in the dairy sector.
 - Minimising response (measurement) errors is the strongest area of quality management for the Farm Business Survey. Processing errors are regarded as low-risk because of the self-checking nature of much of the farm management account and the high proportion of farms for which between-year checks can be applied.
 - Although the Farm Business Survey is designed to impose as little burden as possible on participating farmers, it is seeking commercial and sensitive data which some farmers might find intrusive. In order to persuade farmers to take part, participating farmers receive a set of accounts for their farm and benchmarking results against other farms (where possible). However, the refusal rate is relatively high; of those farmers who are in scope, around 80% to 85% of those approached choose not to take part in the survey.
 - The potential population of non-respondents may have quite different characteristics from the potential population of respondents. This could lead to bias in the estimates of the full population. Attempts are made to deal with this by recruiting new farms from a randomised list of farms of different types.

Well-being of Future Generations Act (WFG)

The Well-being of Future Generations Act 2015 is about improving the social, economic, environmental and cultural well-being of Wales. The Act puts in place seven well-being goals for Wales. These are for a more equal, prosperous, resilient, healthier and globally responsible Wales, with cohesive communities and a vibrant culture and thriving Welsh language. Under section (10)(1) of the Act, the Welsh Ministers must (a) publish indicators (“national indicators”) that must be applied for the purpose of measuring progress towards the achievement of the Well-being goals, and (b) lay a copy of the national indicators before the National Assembly. The 46 national indicators were laid in March 2016.

Information on the indicators, along with narratives for each of the well-being goals and associated technical information is available in the [Well-being of Wales report](#).

Further information on the [Well-being of Future Generations \(Wales\) Act 2015](#).

The statistics included in this release could also provide supporting narrative to the national indicators and be used by public services boards in relation to their local well-being assessments and local well-being plans.

Useful links

The statistical report “[Aggregate agricultural output and income, 2018](#)” was published on 11 April 2019.

Unweighted results for Wales: Annual statistical results and the annual farm incomes booklet are published by [Aberystwyth University](#) on their website for many years. It should be noted that these results are based on unweighted data, so they only represent the sample, and not the whole population of farms. In particular, the farm incomes booklet includes:

- The profit and loss account, and a summarised balance sheet for a variety of farm types.
- Gross margin data for eight different types of farm activity.
- Production costs for four different types of farm output.

Welsh agriculture: More detailed statistics or other statistics about agriculture in Wales can be found below on the Welsh Government [farming statistics pages](#).

England: The Department for Environment, Food and Rural Affairs (DEFRA) publish a variety of analysis from the Farm Business Survey for England on the [GOV.UK website](#). DEFRA published 2018-19 farm income forecasts for England, by type of farm, on 28 February 2018.

Technical notes: DEFRA publish technical information, notes and guidance for the Farm Business Survey for both England and Wales on the [GOV.UK website](#).

[FarmBusinessSurvey.co.uk](#): Rural Business Research (RBR) - a consortium of six University Research Centres - carries out the Farm Business Survey in England on behalf of DEFRA. RBR publish a variety of data from the Farm Business Survey (for England and Wales).

Scotland: The [Scottish Government](#) publish annual estimates of Farm Business Income on their website.

Northern Ireland: The [Department of Agriculture, Environment and Rural Affairs \(DAERA\) in Northern Ireland](#) publish annual estimates of Farm Business Income on their website. On 29 January 2019, DAERA also published 2018-19 forecasts of farm business income on [this website](#).

UK: DEFRA publish farm income statistics for the UK and countries of the UK in the “[Agriculture in the UK](#)” publication (Chapter 3). The 2018 edition of this publication will be published by DEFRA on 30 May 2019.

EU: Farm incomes data from UK countries are provided to the EU as part of the Farm Accountancy Data Network (FADN). Farm income statistics for EU member states is available from the [FADN website](#).

Further information

This document is available at: <https://gov.wales/farm-incomes>

Next update

The provisional publication date for the statistical release ‘Farm incomes in Wales, 2018-19’ is December 2019. These statistics will represent final results from the 2018-19 Wales Farm Business Survey.

We want your feedback

We welcome any feedback on any aspect of these statistics, which can be provided by email to stats.agric@gov.wales.

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