

# Consistency vs Relevance in Wales Farm Business Survey

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<https://gov.wales/statistics>

<https://gov.wales/statistics-and-research/farm-incomes/?lang=en>

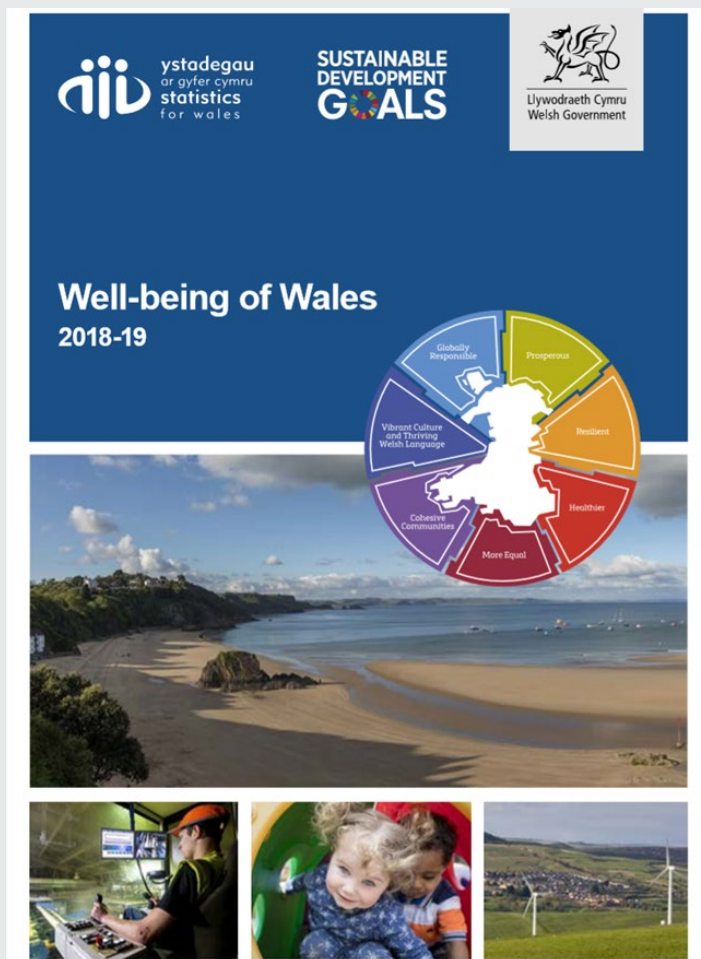


# Contents

- Background – Wales and Welsh agriculture
- Consistency – routine reporting
- Wales Farm Business Survey
- Relevance – lower level analyses
- Consistency & Relevance - how do they work in tandem?

# We've now reached 20 years of devolution in Wales

- 'Wales acts' and referendum have led to full law-making powers in a large number of subject areas including Agriculture
- Also Well-being and future generations act which includes 42 National Indicators for Wales
- Annual Well-being of Wales report was published two weeks ago!
- Many areas relevant to the environment & agriculture



There is evidence of some positive trends in relation to Welsh soils and peatlands.


- Well managed soil will safeguard food production, support habitats, help manage flood risk and reduce water treatment costs.
- The picture for soil in Wales is mixed. Recent assessments of soil quality have shown some improvements in woodlands, and peatlands are showing signs of recovery. However, improved agricultural land has become more acidic. Soil acidification means that growing crops could become more difficult.
- The concentration of carbon in our soil is generally stable, apart from in habitat land where a loss of carbon has recently been observed.
- The marine area is vast, covering 41 per cent of the territory of Wales. 35 per cent of Welsh marine waters are designated as marine protected areas. A 2016 assessment of these areas concluded that the network is well connected and is progressing towards being well managed.

Semi-natural habitats cover 31 per cent of the Welsh land surface



Source: Natural Resources Wales



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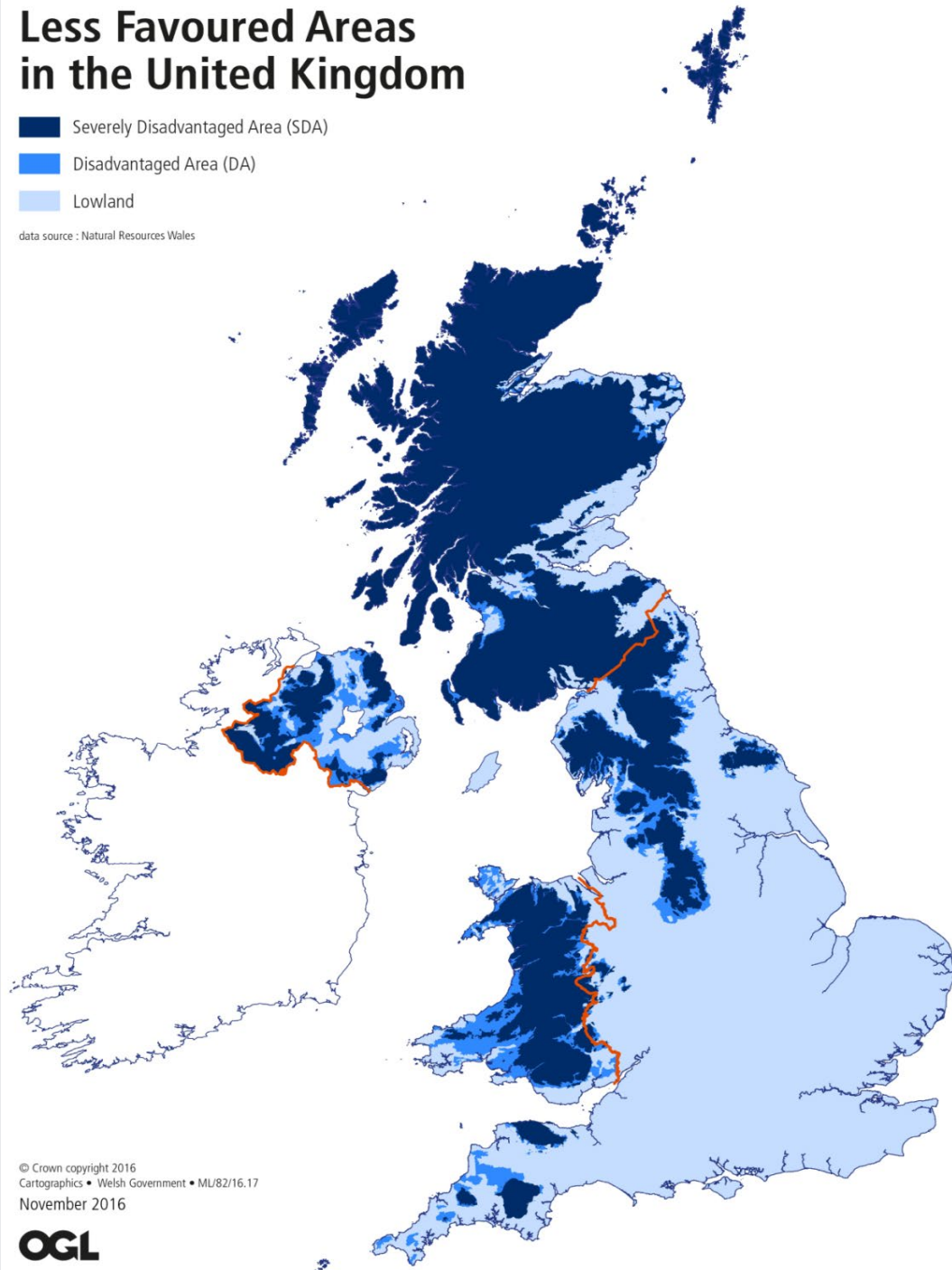
# Wales & the UK

	Wales	UK	%
Population (million)	3.1	65.6	5%
All land (million ha.)	2.1	24.4	9%
Sheep (mil)	10	34.8	29%
Cattle (mil)	1.1	10.0	11%
Poultry (mil)	8	182	4%
Pigs (000's)	20	5000	0.5%

## Less Favoured Areas in the United Kingdom

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

data source : Natural Resources Wales



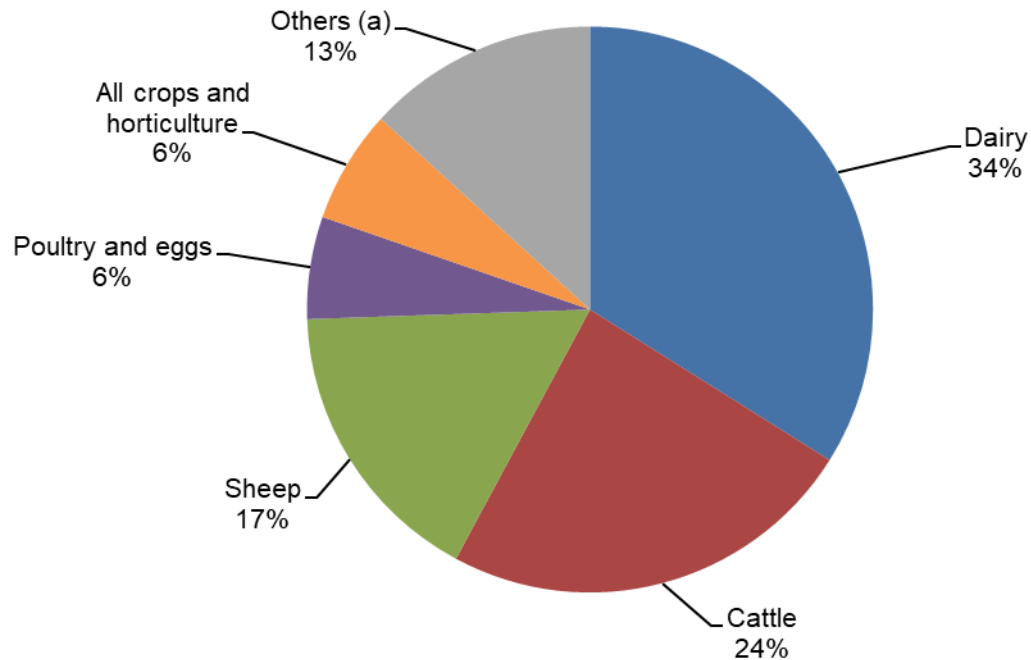
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**OGL**

## Components of the gross output of Welsh agriculture, 2018

Gross figures for turnover are used here (ie. before subtracting costs).

Note also that all agricultural subsidies and any other subsidies are excluded here.



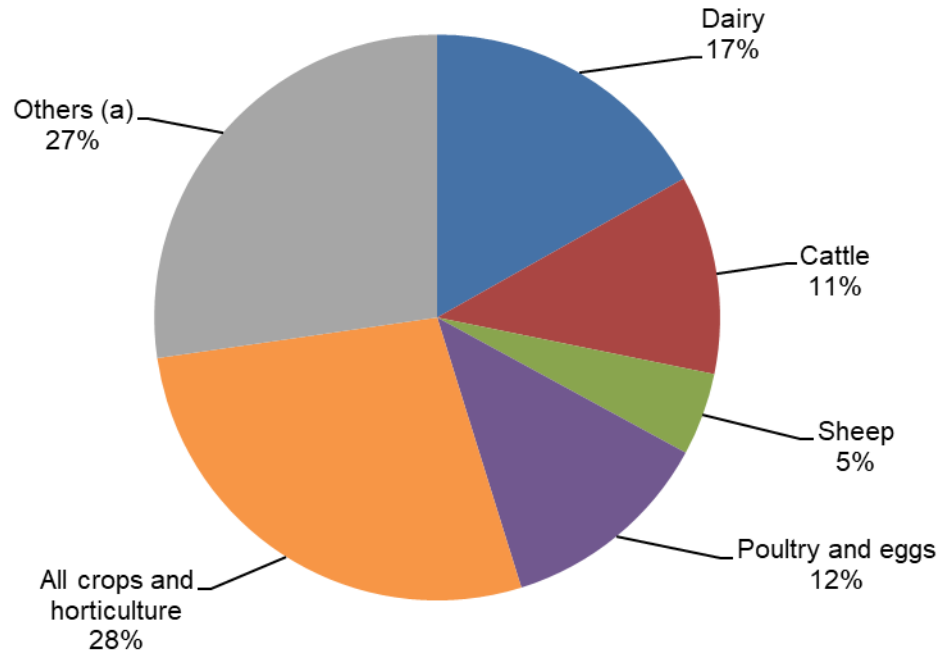
Source: 2018 Aggregate agricultural account, Welsh Government

(a) 'Others' includes pigs, clip wool, capital formation in livestock, other agricultural activities and 'inseparable secondary activities'.

## Components of the gross output of UK agriculture, 2018

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# Aggregate Agricultural Accounts

Unit: £ million				
	2015	2016	2017	2018
CEREALS (including seeds)	21.4	21.3	22.6	25.4
Wheat and spelt	16.7	16.2	18.4	20.7
INDUSTRIAL CROPS	5.2	5.6	5.5	5.2
Oil seeds and oleaginous fruits (including seeds)	5.2	5.6	5.5	5.2
Rape and turnip rape seed	5.2	5.6	5.5	5.2
Sunflower				
Soya				
Other oleaginous products	0.0	0.0	0.0	0.0
Protein crops (including seeds)	0.0	0.0	0.0	0.0
Raw tobacco				
Sugar beet	0.0	0.0	0.0	0.0
Other industrial crops	0.0	0.0	0.0	0.0
VEGETABLES AND HORTICULTURAL PRODUCTS	27.1	37.7	36.4	36.7
Fresh vegetables	4.8	5.7	5.8	6.4
Plants and flowers	22.3	32.0	30.6	30.2
POTATOES (including seeds)	12.7	16.7	16.5	19.7
FRUITS	14.7	14.5	17.4	18.9
Fresh fruit	14.7	14.5	17.4	18.9
Citrus fruits				
Tropical fruit				
Grapes				
Olives				



# Example of what we provide to FADN

Distribution of farms in the population	Economic size classes		Total
	1 - 5 (below threshold)	6 - 14 (above threshold)	
<b>Principal type of farming</b>			
Specialist cereals, oilseeds and protein crops	43	154	197
General field cropping	2,771	492	3,263
Specialist horticulture indoor	77	31	108
Specialist horticulture outdoor	61	12	73
Other horticulture	100	100	200
Specialist vineyards	-	-	-
Specialist fruit and citrus fruit	118	13	131
Specialist olives	-	-	-
Various permanent crops combined	4	2	6
Specialist dairying	72	1,482	1,554
Specialist cattle — rearing and fattening	1,747	1,917	3,664
			638
Cattle — dairying, rearing and fattening combined	206	432	
Sheep, goats and other grazing livestock	9,077	5,324	14,401
Specialist pigs	210	15	225
Specialist poultry	380	156	536
Various granivores combined	79	1	80
Mixed cropping	323	27	350
Mixed livestock, mainly grazing livestock	277	29	306
Mixed livestock, mainly granivores	149	19	168
Field crops — grazing livestock combined	34	254	288
Various crops and livestock combined	535	42	577
<b>Total</b>	<b>16,263</b>	<b>10,502</b>	<b>26,765</b>

Source: June Agricultural Survey

# Our sample to population ratio

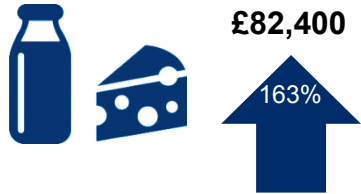
<b>Farm type by size</b>	<b>Sample count</b>	<b>Sum of weighted estimates</b>
Specialist cereals & cropping		
Small	9	157.7
Medium	11	111.3
Dairy & Cattle		
Small	3	96.4
Medium	80	1,070.5
Large/v.large	33	367.8
Specialist cattle, sheep & goats		
Small	247	5,235.8
Medium	146	2,377.9
Large/v.large	1	22.6
Mixed livestock & crops		
Small	10	118.8
Medium	10	109.3
<b>Total</b>	<b>550</b>	<b>9,668.0</b>

# Wales Farm Business Survey

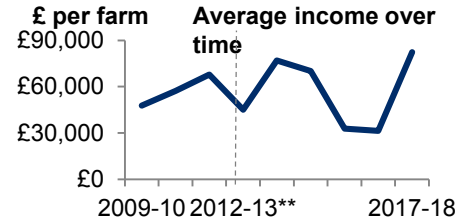
- Began in 1930's and has evolved significantly since then
- Contracted out to Aberystwyth University
- 550 participating farmers per year
- Relatively small sample – challenges for analysis
- 300 farm account records sent to FADN each year
- >25,000 EUR Standard Output threshold (giving a population of around 10,000 farms)
- Strict confidentiality – only Aberystwyth University know the identity of participating farmers
- Collected entirely face to face with each farm visit taking between 2 to 4 hours, + proportion of 'failed' visits
- Co-ordination with other UK countries for FADN. e.g. use England's FBS contractor for our FADN processing.

# Farm business income in Wales, 2017-18

Average farm business income per farm, 2017-18\*  
Change since 2016-17 (at current prices)

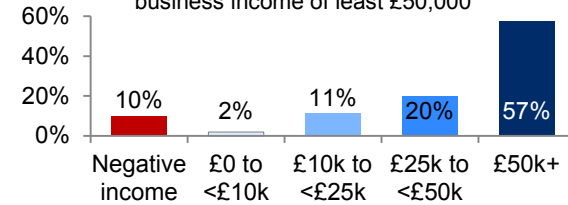


**Dairy farms:**  
Average income varied greatly in the past five years. 2017-18 saw income return to a higher level than 2014-15 after two particularly low years.

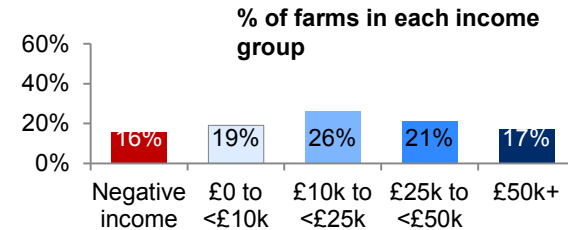
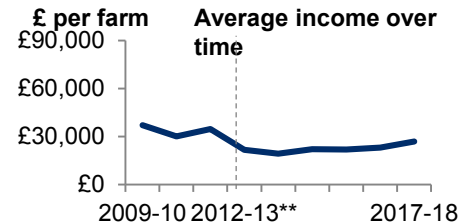


Percentage of farms in each income group, 2017-18

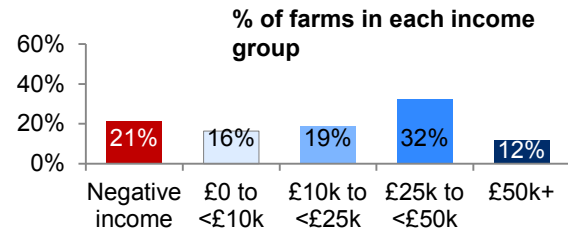
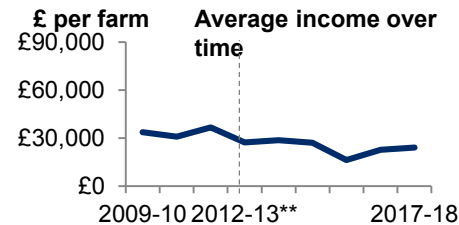
For example, 10% of dairy farms had a negative income, whilst 57% of dairy farms had a farm business income of least £50,000



**Cattle & sheep (Less Favoured Area) farms:**  
Average income was higher than in any year since 2011-12.



**Cattle & sheep (lowland) farms:**  
Despite the increase in 2017-18, average income remains below levels seen during the period 2008-09 to 2014-15.

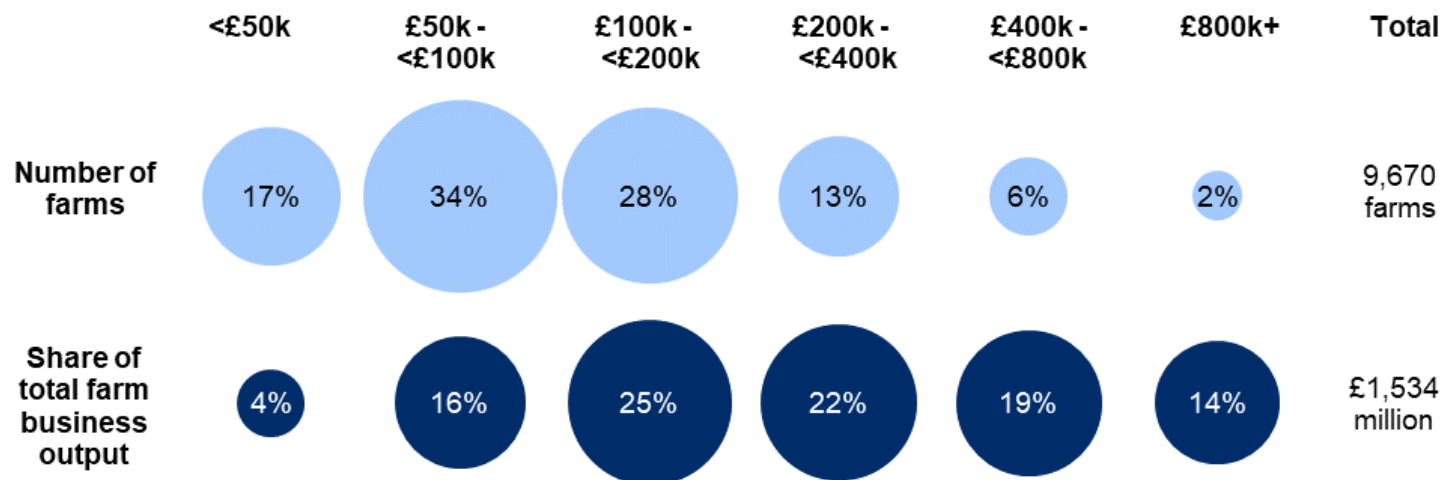


\* Farm business income is essentially a measure of net profits.

\*\* Figures from 2012-13 onwards include a slight change in methodology; this had only a minor impact.

For full definitions and further analysis, please see the statistical release 'Farm incomes in Wales, 2017-18' on the Welsh Government Statistics and Research web pages.

# Distribution of farms in each output group in Wales, 2017-18



# Output, costs and profit

- The Survey builds up the output on a farm from various output types.
- The key ones are:
  - Agriculture - from livestock, livestock products, crops and so on
  - Diversification - non farming activity that uses farm land, buildings or equipment
  - Pillar 2 - mainly Glas Tir payments but can include other Rural Development grants
  - Pillar 1 - Basic Payment Scheme
- The survey also records the costs on a farm
- Output minus costs gives the farm profit

# Local relevance - a case study:

## Output from sheep

- The numbers of sheep on a farm and their importance to the finance of the farm change greatly across the different farm types in Wales
- With only 550 farms to work with in FBS, the amount of feasible disaggregation is quite limited
- Therefore at first principle we class the farms by their dominant activity and number sheep on a farm
- Groups are selected to maximise the analysis we can do whilst avoiding disclosure issues

# Key variables by number of sheep on a farm

	<u>Farms</u>	<u>Land</u>	<u>Sheep</u>	<u>Output</u>	<u>Costs</u>	<u>Profit</u>
<b>Aggregate values (a)</b>						
SDA sheep (250+)	3,316	700	4,834	414	303	111
SDA sheep/beef (250+)	913	113	833	106	87	19
DA sheep/beef (250+)	1,032	133	1,135	150	121	30
Others (250+)	871	99	707	190	147	44
Others with sheep	2,312	188	230	371	301	70
No sheep	1,224	109	0	302	240	62
<b>All farms</b>	<b>9,668</b>	<b>1,343</b>	<b>7,739</b>	<b>1,534</b>	<b>1,199</b>	<b>335</b>
<b>Average per farm (b)</b>						
SDA sheep (250+)		211	1,458	125	91	33
SDA sheep/beef (250+)		124	913	116	95	21
DA sheep/beef (250+)		129	1,100	146	117	29
Others (250+)		114	812	219	168	50
Others with sheep		81	99	161	130	30
No sheep		89	0	246	196	51
<b>All farms</b>		<b>139</b>	<b>800</b>	<b>159</b>	<b>124</b>	<b>35</b>
<b>Share of Wales total</b>						
SDA sheep (250+)	34%	52%	62%	27%	25%	
SDA sheep/beef (250+)	9%	8%	11%	7%	7%	
DA sheep/beef (250+)	11%	10%	15%	10%	10%	
Others (250+)	9%	7%	9%	12%	12%	
Others with sheep	24%	14%	3%	24%	25%	
No sheep	13%	8%	0%	20%	20%	
<b>All farms</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	

Source: Farm Business Survey weighted population estimates, 2017/18

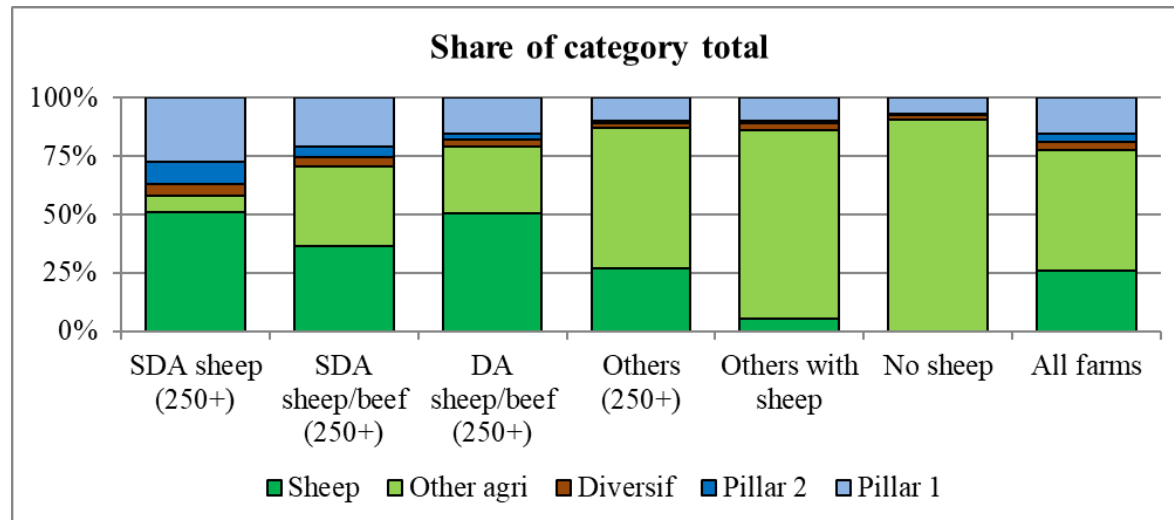
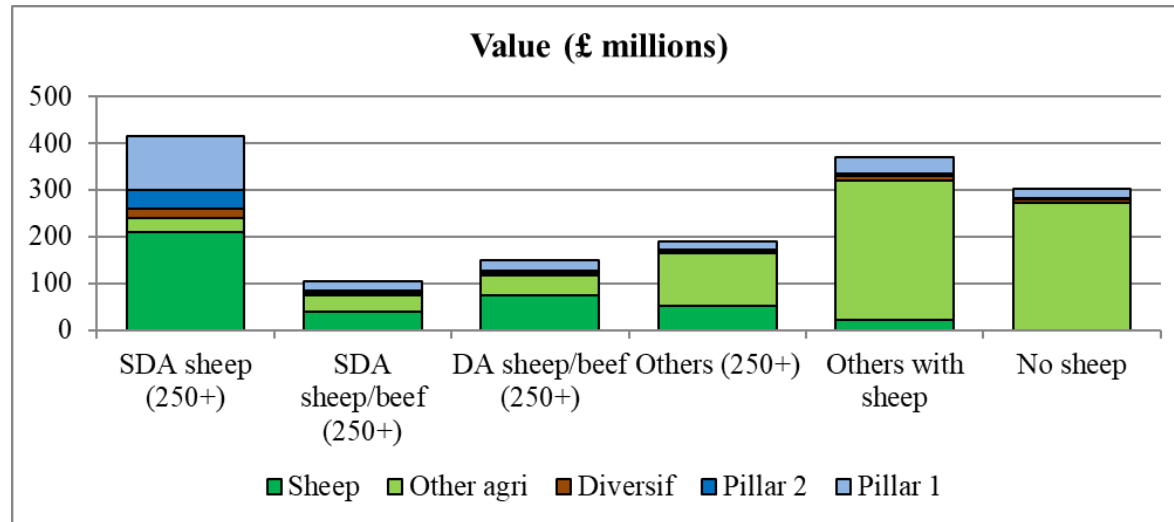
(a) - land in '000 hectares, sheep in '000 head and finance in £ millions

(b) - land in hectares, sheep in heads and finance in £'000

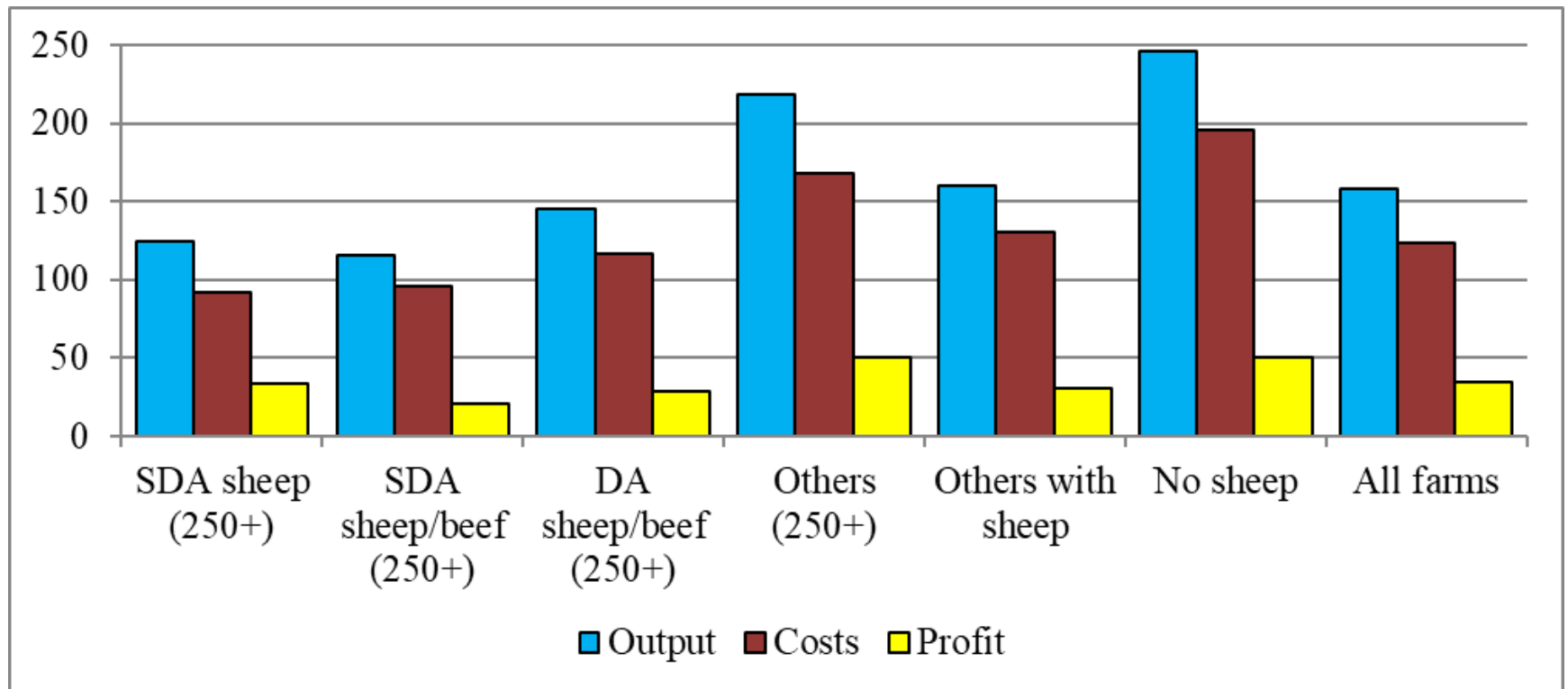
Land excludes the use of common land



# Farm output by number of sheep on a farm and source



# Average finance values per farm by sheep on a farm (£'000 per farm)



# Consistency v Relevance

## How do they work in tandem?

- Important to report consistently for international comparison and analysis
- Also encourages further research through the UK data service
- Local analysis relevant and necessary for Welsh Government policy making
- Maximise strengths and minimise weaknesses
- Can use this to supplement consistent returns to UK and internationally
- And also to raise awareness of diversity and variance in agriculture in Wales below the national level

Diolch am wrando

Thank you for listening

Any questions or comments?