ystadegau ar gyfer cymru statistics for wales

Statistical First Release

Llywodraeth Cymru Welsh Government

Forecasts of farm incomes in Wales, 2016-17

23 March 2017
SFR 27/2017

The forecasts for 2016-17 are based on the limited information that is available up to the middle of March 2017 for prices, animal populations, marketings and input costs. The forecasts are intended to provide a broad indication of how incomes for each farm type are expected to move compared with 2015-16. 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.

It is also important to note that there is a **very wide range** of farm incomes around the average figures published here. The previous release 'Farm incomes in Wales, 2015-16' 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.

Forecasts for average farm business income in Wales in 2016-17, and change since 2015-16 (a)

£24,500

25%

Dairy farms: lower output (driven by a fall in milk prices) is expected to be partially offset by a higher basic farm payment (due to the weaker pound) and slightly lower input costs.

£27,500

26%

Cattle and sheep (LFA) farms: expected rise in average income largely driven by a higher basic farm payment (due to the weaker pound) and an increase in the value of output from the sheep enterprise.

£22,000

34%

Cattle and sheep (lowland) farms: expected rise in average income for similar reasons as cattle & sheep (LFA) farms, and also an increase in the value of output from the beef enterprise.

(a) At current prices.

About this release

Forecasted figures are presented on farm incomes in Wales for 2016-17 (up to March 2017), alongside results from the Wales Farm Business Survey for 2009-10 to 2015-16. Final figures for 2016-17 are provisionally due to be published in November 2017.

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

In this release

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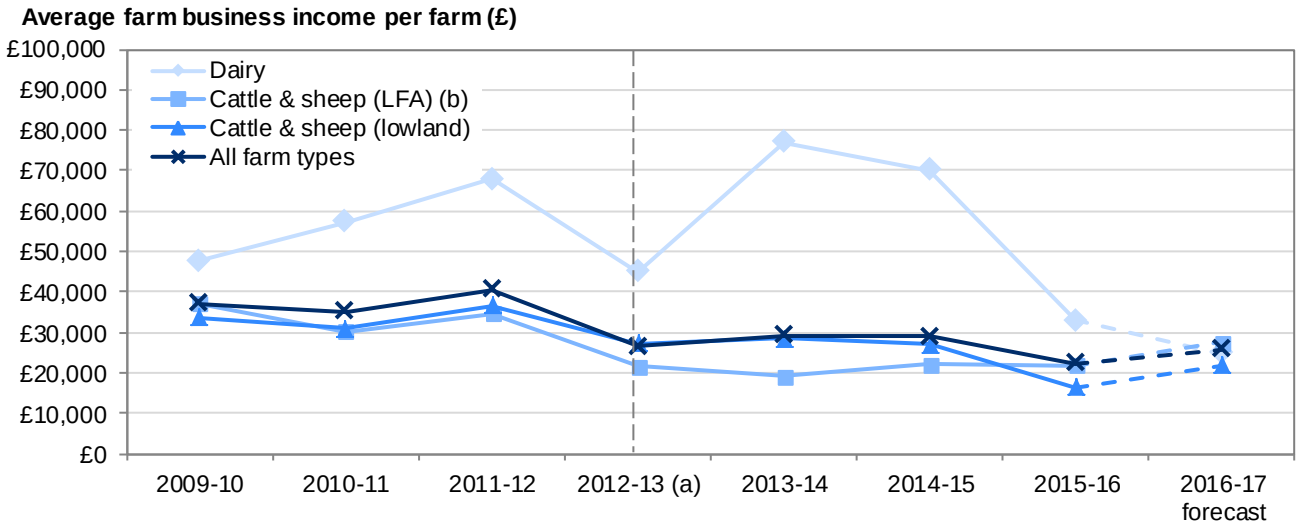
Importance of measuring farm incomes

Although agriculture makes a relatively small contribution to GDP (*), most of the food consumed in the UK is sourced from UK agriculture (with the rest imported into the UK from abroad). Agriculture also has important impacts on the natural environment, with over 80 per cent of land in Wales used for agricultural purposes. 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 between (and within) farm types. Farm incomes 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.

* Agriculture, forestry and fishing together account for around 0.7% of UK GDP.

Chart 1: Average farm business income in Wales, 2009-10 to 2016-17 (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 2016-17

Average farm business income per farm — *£ per farm*

Farm type	2012-13	2013-14	2014-15	2015-16	2016-17 forecast	% change (2015-16 to 2016-17)
At current prices						
Dairy	45,100	77,000	70,200	32,800	24,500	-25%
Cattle & sheep (LFA)	21,600	19,200	22,100	21,900	27,500	26%
Cattle & sheep (lowland)	27,200	28,600	27,000	16,300	22,000	34%
All farm types	26,600	29,300	29,000	22,200	25,500	16%
In real terms at 2016-17 prices (a)						
Dairy	47,800	80,100	71,800	33,400	24,500	-26%
Cattle & sheep (LFA)	22,900	20,000	22,700	22,300	27,500	24%
Cattle & sheep (lowland)	28,800	29,700	27,600	16,600	22,000	32%
All farm types	28,200	30,500	29,700	22,600	25,500	14%

Source: Farm Business Survey

(a) GDP deflators are used here to uprate figures for 2015-16 (and earlier) to 2016-17 prices.

Forecasts for average farm business income in 2016-17, by farm type

'All farm types': Average farm business income for the combined 'all farm types' is expected to rise by 16 per cent (at current prices) to £25,500 per farm from the previous year. Increases in the basic farm payment and the value of sheep output are expected to be offset slightly by lower dairy output. For all types of farm, the 2016 basic farm payment is expected to be higher than for 2015 (an increase of around 17 per cent), due to the fall in the value of the pound and therefore the weaker exchange rate when 2016 payment rates in sterling were determined at end September 2016. 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.

Dairy farms: Average farm business income is expected to fall by a quarter (at current prices) to £24,500 per farm from the previous year, the lowest figure for this farm type since 2003-04. The 2016-17 forecast follows a sharp drop in average dairy incomes in 2015-16 from the two better years for average dairy incomes in 2013-14 and 2014-15. At a UK level, the average farm gate milk price was around 4 per cent lower in the period April 2016 - January 2017, compared with the previous year, with some recovery in the milk price seen in the past few months. The release 'Farm incomes in Wales, 2015-16' analyses the milk price paid to farmers in Wales; in the last five years (up to 2015-16), the average milk price paid to farmers in Wales was generally 1 to 2 pence per litre lower than for the UK as a whole. It is important to note the wide variation in milk prices, with some farmers in Wales receiving considerably more or less than the average. These income estimates also include anticipated payments under the EU Milk Reduction Fund, which will be recorded as due in 2016-17. Overall, input costs are expected to fall slightly, with lower expected fertilizer costs and reduced volumes of feed (although at a slightly higher price).

Farm income measures

For non-corporate businesses, **farm business income** represents the financial return to all unpaid labour (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.

In essence, farm business income is the same as **net profit**, which as a standard financial accounting measure of income is used widely within and outside agriculture. 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, accurately describes its composition and is intuitively recognisable to users as a measure of farm income.

Farm business income is regarded as the headline measure of farm incomes in Wales. There are other measures of income (such as **net farm income**) which can be used for other purposes. Data for these measures (including 2016-17 forecasts for net farm income) are included in a spreadsheet published alongside this release on our farm income statistics page.

Cattle & sheep (LFA) farms: Average farm business income is forecast to rise by around a quarter (at current prices) to £27,500 per farm from the previous year, the highest figure for this farm type since 2011-12. The average farm business income for cattle & sheep (LFA) farms in the 2016-17 forecasts is higher than the average for dairy farms for the first time in over 10 years. The basic farm payment is generally a more important factor on cattle & sheep (LFA) farms than on other types of farms. Therefore the increases in the basic farm payment (described under 'all farm types') will have a larger impact on incomes for cattle & sheep (LFA) farms. The firmer price for finished lambs in the latter part of the year is expected to increase the value of sheep output for the year. Input costs are expected to be marginally higher, with an increase in feed costs but lower fertilizer costs.

Cattle & sheep (lowland) farms: Average farm business income is forecast to rise by 34 per cent (at current prices) to £22,000 per farm from the previous year, although this remains below the figure of £27,000 seen in 2014-15. As with other farm types, the basic farm payment is forecast to increase, although these payments are a less important factor on cattle & sheep (lowland) farms than cattle & sheep (LFA) farms. While the value of sheep output on cattle & sheep (lowland) farms is forecast to increase, this increase is not expected to be as large as on cattle & sheep (LFA) farms. The value of beef output is also expected to increase. Overall, input costs (including feed) are expected to rise slightly.

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 example, 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 2016-17 presented in this release cover the accounting years ending between 31st December 2016 and 31st March 2017 and as such reflect farming conditions between January 2016 and March 2017.

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 and the EU Milk Reduction Fund

The single farm payment was introduced in 2005, and was replaced by the basic farm payment in 2015. Basic farm payment information included in 2016-17 forecasts is based on an estimate of the total value that will be paid as a result of applications made in 2016. In other words, farm income forecasts for 2016-17 include information on all basic farm payments made to date and an estimate of the value of payments that will be made throughout 2017 (for applications made in 2016). Similarly for agri-environment payments, the 2016 forecast includes Glastir payments made to date **and** an estimate of the value of payments that will be made throughout 2017 (for 2016 Glastir contracts). All of these estimates will be revised in future publications when final figures become available.

Anticipated payments under the new EU Milk Reduction Fund (£1.1 million total for Wales) are included in farm income forecasts for 2016-17.

Current prices and in real terms (2016-17 prices)

The figures (at current prices) in this release shown have been uprated using GDP deflators to also show prices in real terms (at 2016-17 prices). The GDP deflator data used here is available from the Office for National Statistics website.

Rounding

Forecasted figures for 2016-17 shown in this release have been rounded to the **nearest five hundred pounds**, while figures from the Farm Business Survey for 2015-16 and earlier have been rounded to the **nearest hundred pounds**. Calculations (such as percentage or actual change) have been applied 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 established[1] 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.

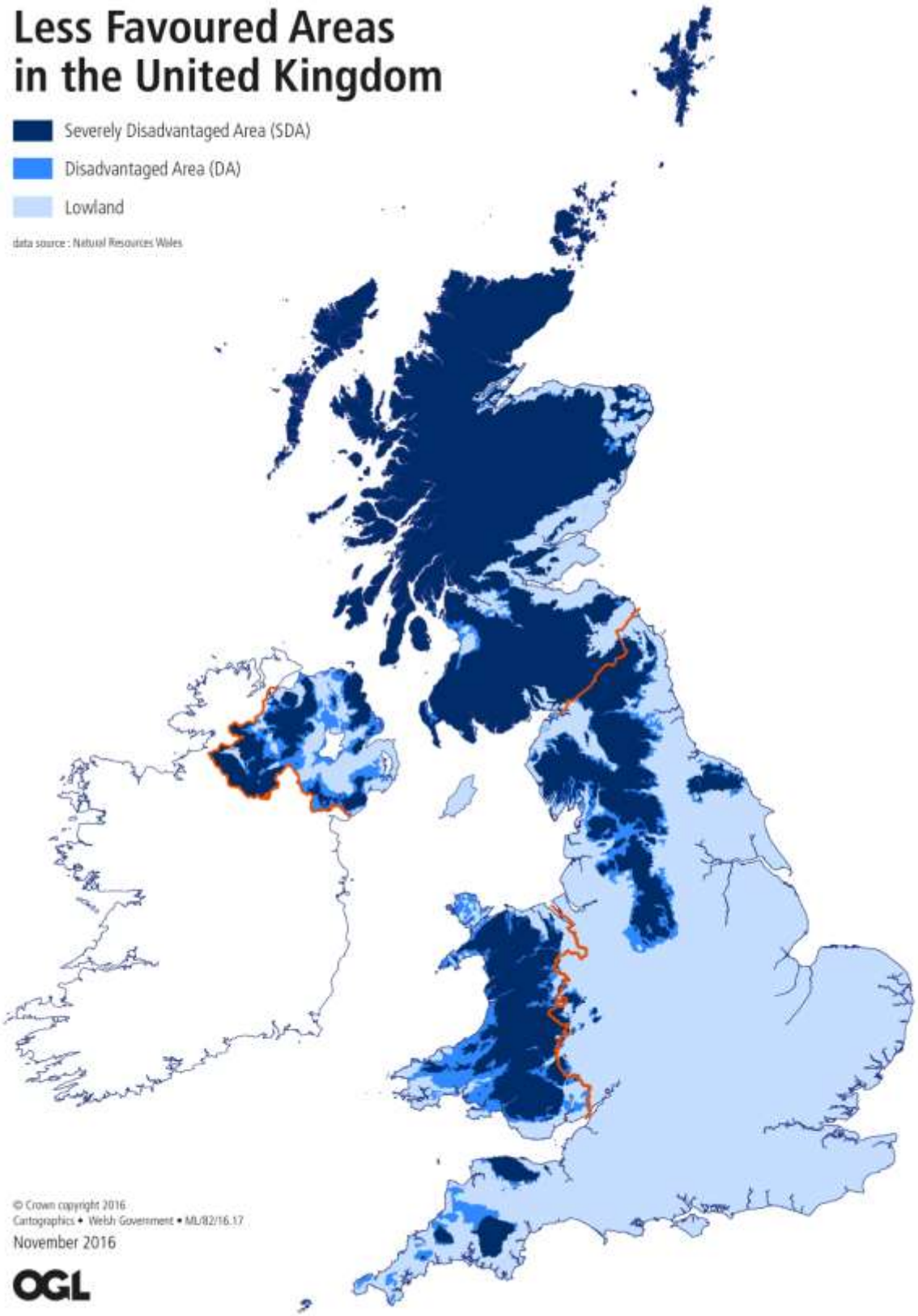
Table 2: Less Favoured Areas in the United Kingdom

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



Cartographics • Welsh Government • ML/82/16.17

November 2016

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 enterprise - 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 enterprises. 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 GOV.UK

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, 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 accurately describe how you use the data, please contact us (our contact details are on the front page or at the end of this release).

Key quality information

The farm incomes data (for 2015-16 and earlier) used in this statistical release are derived from the annual Farm Business Survey (FBS), which 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 speaking to the farmers. Only those farm types where there are 15 or more 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	28	38	36	110
Cattle & sheep (LFA)	29	94	76	99	48	346
Cattle & sheep (lowland)	12	25	14	10	4	65
Other farm types (d)	8	8	3	8	2	29
All farm types	50	134	121	155	90	550
Survey population (farms with > €25,000 Standard Output) (a) (c)						
Dairy	50	252	341	411	389	1,443
Cattle & sheep (LFA)	1,129	1,973	1,296	1,333	940	6,671
Cattle & sheep (lowland)	360	361	189	176	98	1,184
Other farm types (d)	202	126	67	73	57	525
All farm types	1,741	2,712	1,893	1,993	1,484	9,823
% of survey population sampled						
Dairy	2.0	2.8	8.2	9.2	9.3	7.6
Cattle & sheep (LFA)	2.6	4.8	5.9	7.4	5.1	5.2
Cattle & sheep (lowland)	3.3	6.9	7.4	5.7	4.1	5.5
Other farm types (d)	4.0	6.3	4.5	11.0	3.5	5.5
All farm types	2.9	4.9	6.4	7.8	6.1	5.6

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 of at least €25,000 but no agricultural activity. These 277 farms would have been categorised under the general cropping farm type.

(b) The survey sample shown is for the 2015-16 Farm Business Survey.

(c) The survey population (for 2015-16 Farm Business Survey) was from the 2014 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 2015-16 with previous forecasts

Forecast estimates for 2015-16 were previously published on 25 February 2016. It is useful to compare the final figures for 2015-16 with the previous forecasts, and this comparison is made in Table 5.

Table 5: Comparison of final 2015-16 figures for farm business income with previous forecasts

Average farm business income per farm — *£ per farm*

Farm type	2015-16 forecast (a)	2015-16 final (b)	Difference
At current prices			
Dairy	42,000	32,800	-9,100
Cattle & sheep (LFA)	22,500	21,900	-600
Cattle & sheep (lowland)	25,500	16,300	-9,300
All farm types	24,500	22,200	-2,400

Source: Farm Business Survey

(a) Forecast figures published on 25 February 2016 in SDR 26/2016 (Forecasts of Farm Incomes in Wales, 2015-16)

(b) Final figures published on 8 December 2016 in SFR 160/2016 (Farm incomes in Wales, 2015-16).

Strengths and limitations of the Farm Business Survey

In this release, 2016-17 forecasts for farm incomes in Wales are presented alongside results from the Wales Farm Business Survey for 2009-10 to 2015-16. 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 there are always wide variations around average, which raises a number of issues:
    - 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.
  - 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.

- 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 €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 survey can be read on our June survey statistics 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 fully 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 FBS. 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 indicators and associated technical information - How do you measure a nation's progress? - National Indicators

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

This statistical release is available at:
http://gov.wales/statistics-and-research/farm-incomes/?lang=en

The statistical release "Aggregate agricultural output and income, 2016" is also published on 23 March 2017.

Unweighted results for Wales: Annual statistical results and the annual farm incomes booklet are published by Aberystwyth University on their website for many years, although it should be noted that these results are based on unweighted data. 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 enterprise.
- Production costs for four different types of farm output.

Welsh agriculture: More detailed statistics or other statistics about agriculture in Wales can be found on our 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 gov.uk. DEFRA published farm income forecasts by type of farm in England for 2016-17, on 28 February 2017.

Technical notes: DEFRA publish technical information, notes and guidance for the Farm Business Survey for both England and Wales on gov.uk.

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.

UK: DEFRA publish farm income statistics for the UK and countries of the UK in the "Agriculture in the UK" publication (Chapter 3). The 2016 edition of this publication is due to be published by DEFRA on 25 May 2017.

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.

Next update

The provisional publication date for the statistical release 'Farm incomes in Wales, 2016-17' is November 2017. These statistics will represent final results from the 2016-17 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@wales.gsi.gov.uk.

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