

Total Income from Farming 2017-19

Published: 28 July 2020

A National Statistics
publication for Scotland



Total Income from Farming 2017-19 | Introduction

Total Income from Farming (TIFF) is the official measure of the profit (income minus costs) gained by the agriculture industry in Scotland. It provides a breakdown of the value of farm production, subsidies and costs.

This publication contains initial estimates for 2019, revised estimates for 2018, and smaller revisions to previous years.

A lot of the data used in calculating Total Income from Farming for 2019 will only become available during 2020, and some not until 2021. That is why we say these are only our initial estimates.

Main findings

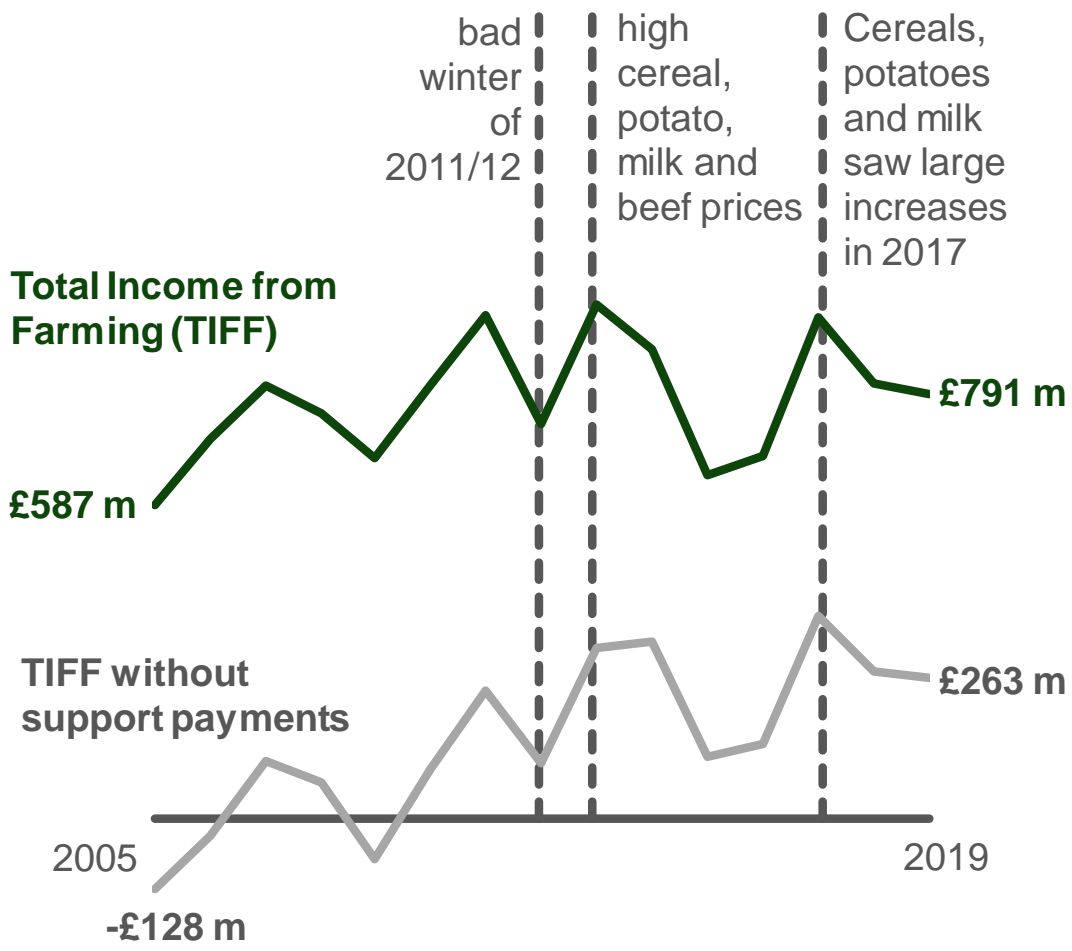
Total Income From Farming has been relatively stable in recent years and has marginally changed since 2018.

Income fell slightly in 2019. Whilst outputs from farming rose, they did not increase as much as input costs.

The increase in costs was largely due to the increase in seed, fertiliser and lime costs.

Support payments made to farms, part of the EU's Common Agricultural Policy, decreased, in real terms, by two per cent in 2019. Support payments accounted for 67 per cent of profit from all farming.

Total Income from Farming fell slightly in 2019



Total Income from Farming in 2019

£791 million

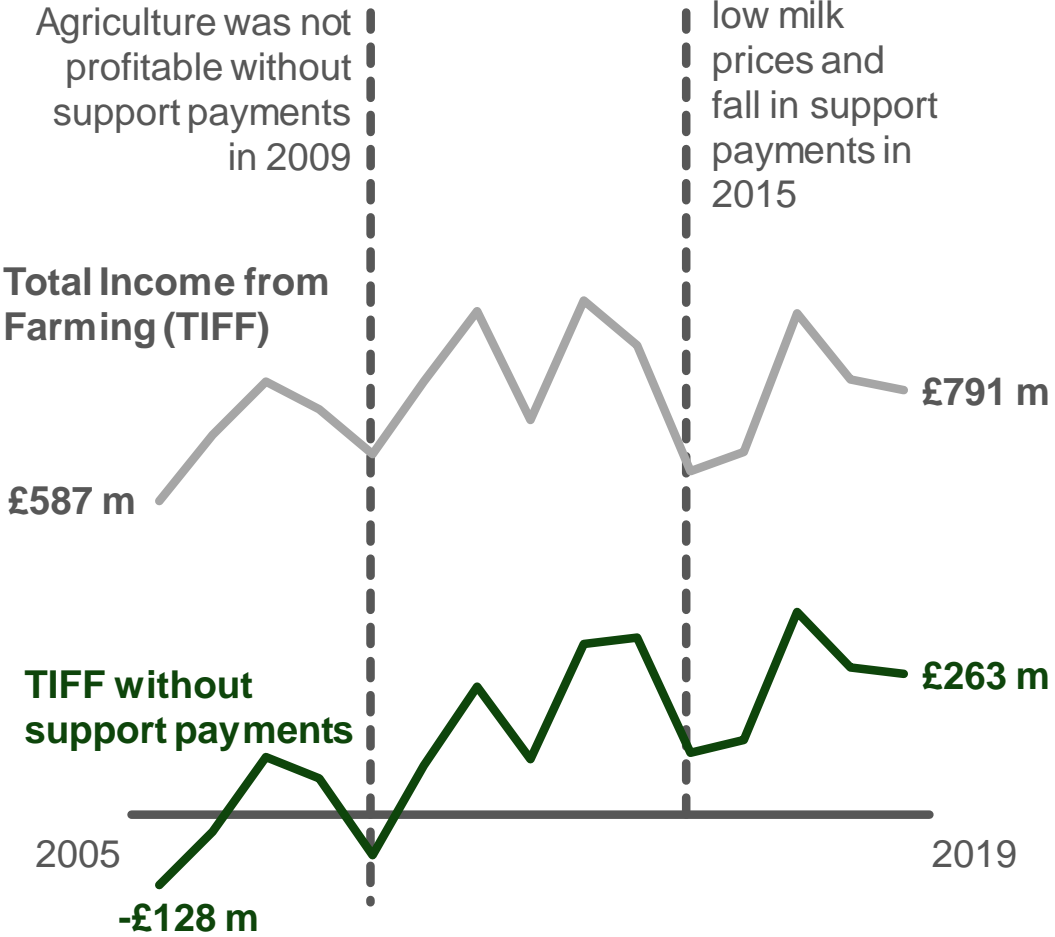
Total Income from Farming was estimated to have fallen slightly in 2019. The total income is estimated to be £791 million in 2019 which is down three per cent compared to 2018.

Long-term profitability of the sector has generally been increasing, but there has been no consistency in this rise and there are notable periods of decline in 2009 and 2015.

Since 2016 the value of farming output has risen, but this has been offset by associated rising input costs.

All monetary values shown on this page are adjusted for inflation

Agriculture remains profitable without support payments



TIFF without support payments

£263 million

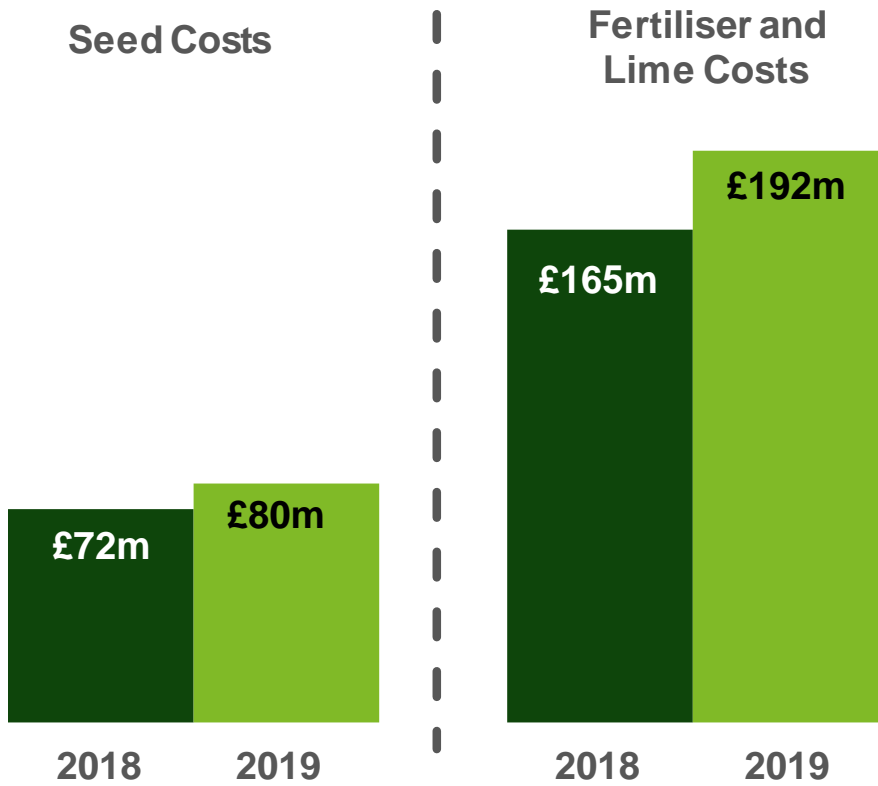
Without support payments, the agricultural sector as a whole has been profitable since 2010. However the trend in profitability without support has changed very little over the previous 10 years.

The estimated Gross Value Added (GVA) from agriculture is estimated to be £1.3 billion in 2019. This figure is before support payments, and costs such as labour, rent, taxes and interest are taken into account.

Agriculture is around one per cent of Scotland's total Gross Domestic Product (GDP).

All monetary values shown on this page are adjusted for inflation

Farm costs for seeds, fertiliser and lime increased



Total farming input costs in 2019 **£3.08 billion**

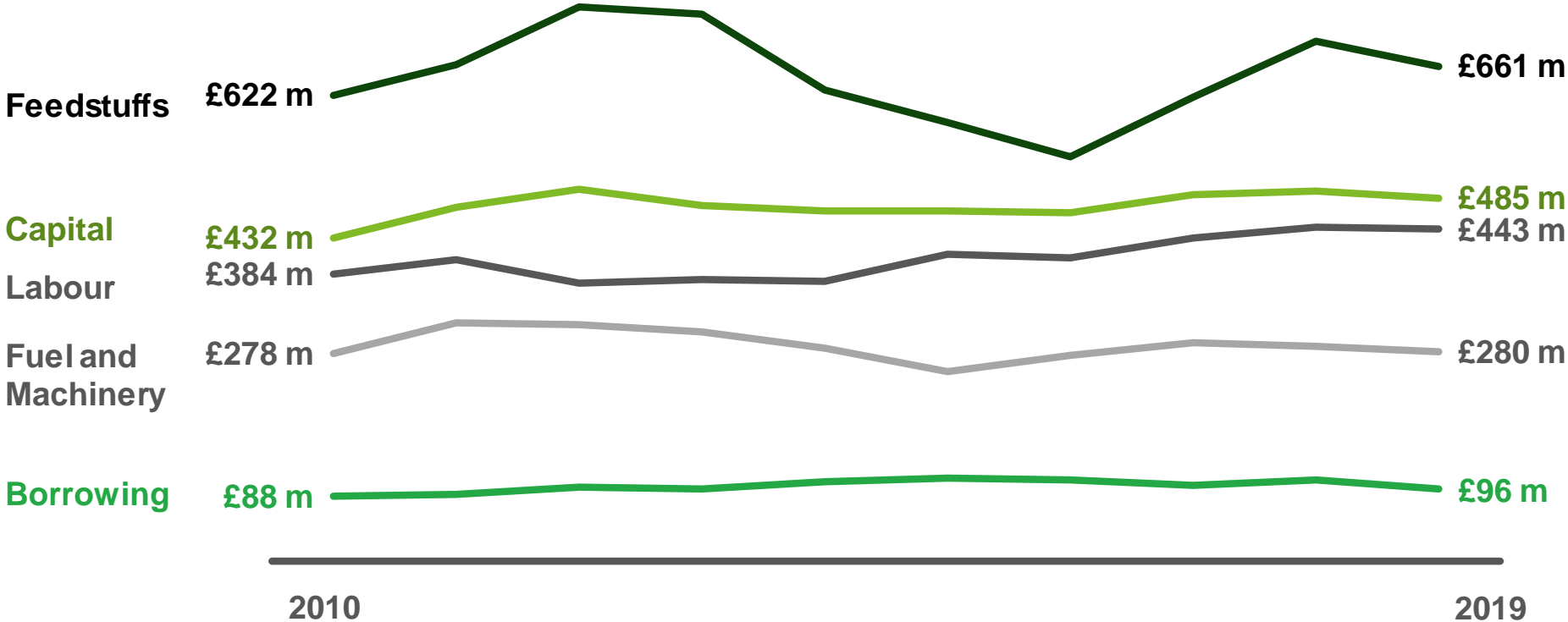
Total input costs to farming for 2019 rose marginally from the previous year. The figure of £3.08 billion is slightly up compared to the revised 2018 total input costs of £3.04 billion.

The main causes of the increase were fertiliser and lime costs. Seed costs also increased this year but there is some evidence to suggest farm businesses stocked up on these products towards the end of the 2019.

Fertiliser and lime costs were estimated to have increased by £27 million. Seed costs increased by £9 million.

2019 data is based on some early estimated data and will be revised next year. These estimates may change but are an early indication for calculating Gross Domestic Product (GDP) for the sector.

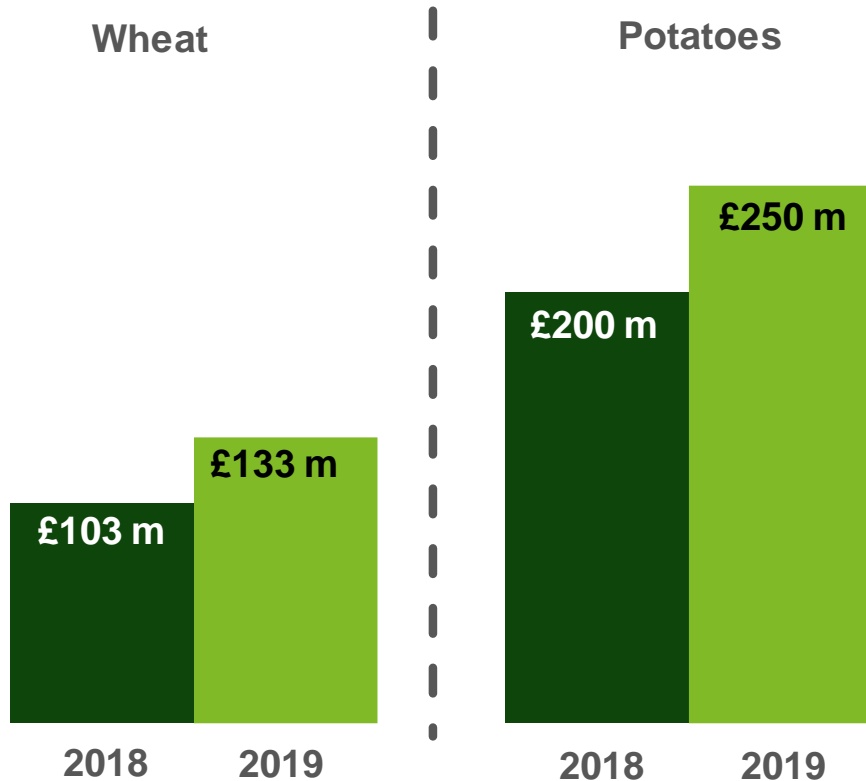
Farm costs for feed and loans decreased



The main costs associated with agricultural production have marginally risen over the last 10 years. The largest rise in costs is associated with labour and the costs associated with borrowing. Feedstuffs continue to be the most variable costs which can be affected by factors such as extreme weather events or global markets.

The cost of borrowing decreased between 2018 and 2019, by £12 million which is mainly because of a decrease in net interest payments. Fuel and machinery costs decreased by £6 million.

Value of wheat and potatoes output rises in 2019



2018 data has been revised in this publication. This is due to more data having been collected on economic activity for this year. Therefore 2018 data is called a Second Estimate. Next year the 2018 data will be refined a little more and will be recorded as the 'Final Estimate'.

Total output from farming in 2019

£3.39 billion

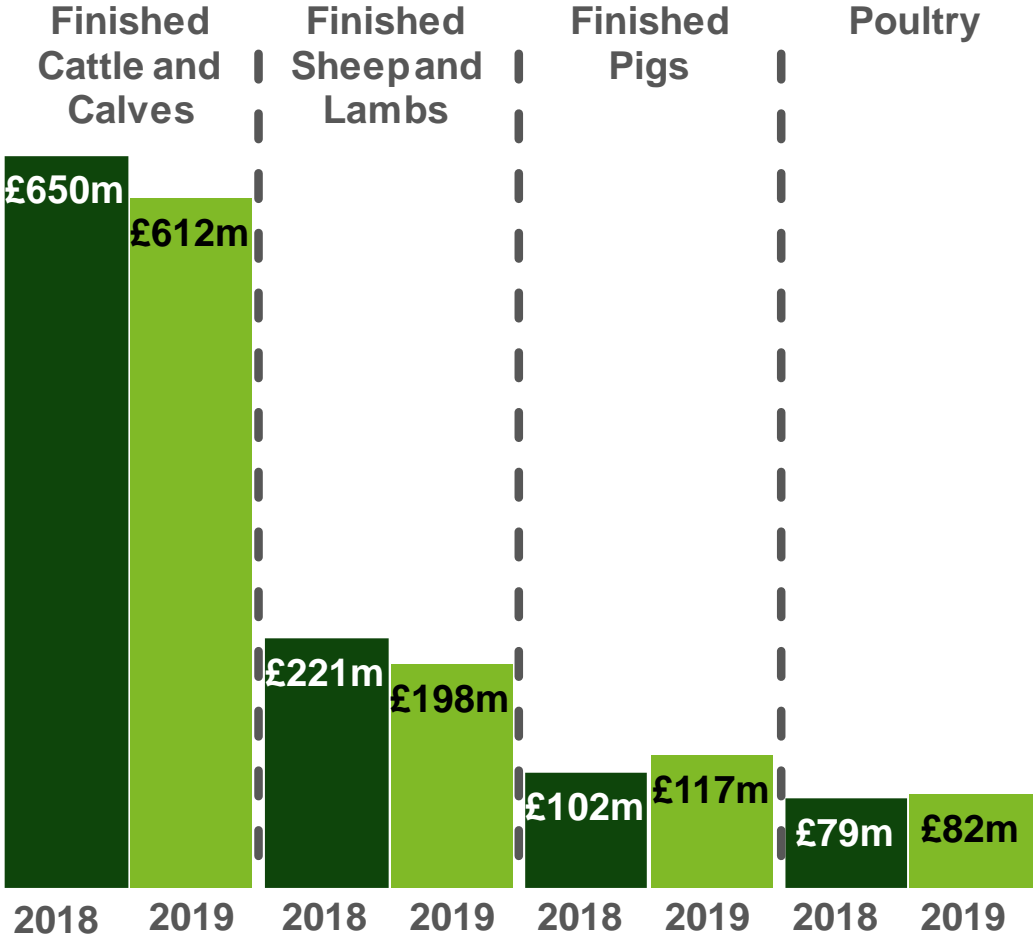
Outputs from farming are estimated to have risen marginally in 2018. Outputs were worth £3.39 billion compared to an estimated £3.35 billion in 2018.

Increases were seen in the value of output for wheat and potatoes. Wheat output increased by 29 per cent to £133 million and makes up four per cent of total farm output.

Potatoes also increased in value by 25 per cent to £250 million. The value of horticulture which includes other vegetables and fruit production, also increased in 2019 by 13 per cent to £346 million.

The beef sector in 2019 was estimated to be worth £664 million and all livestock combined accounted for a third of all agricultural output, the largest sector in Scotland.

Decreases in value of cattle and sheep and increases in pigs and poultry



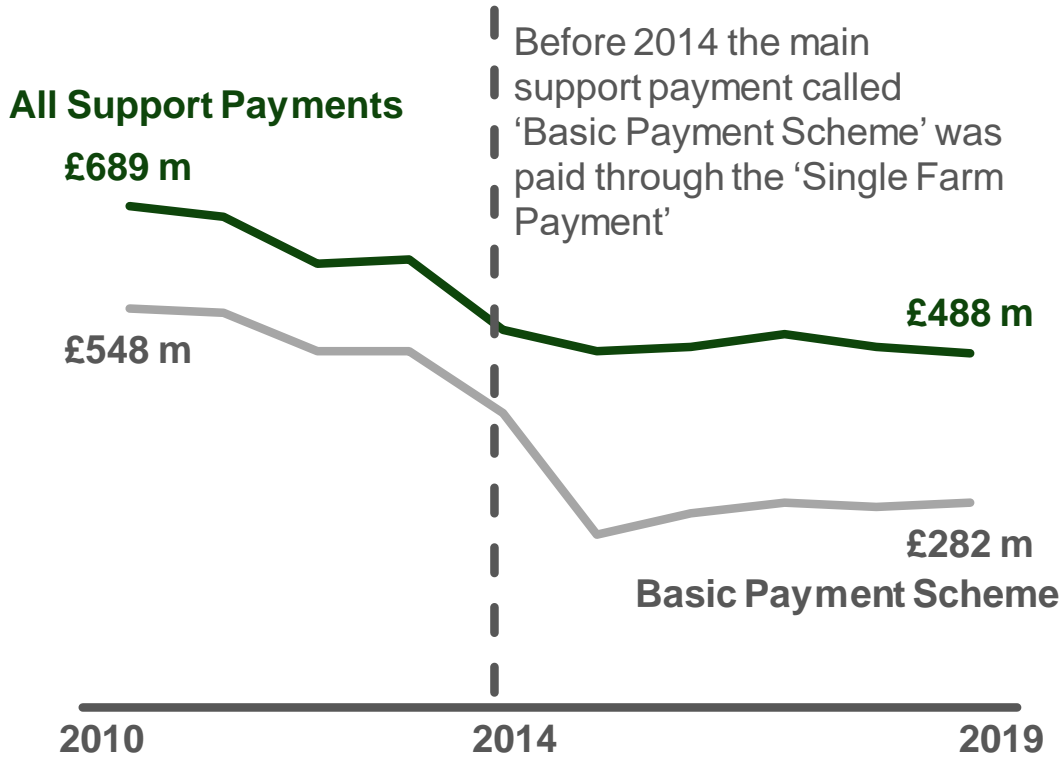
Total output from finished livestock in 2019 **£1.04 billion**

The value of finished cattle and calves decreased by £39 million in 2019. There was also a decrease in the value of finished sheep and lambs of £23 million.

These decreases are not unexpected as trade in the finished beef livestock markets was subdued across the UK. The sheep and lamb markets picked up in late 2019, but were below the 5 year average for most of the year.

Pigs and poultry, which are not eligible for direct support payments, experienced marginal gains in their output. Finished pigs rose by around £15 million pounds in 2019 and poultry by £3 million.

Support payments decreased 2% in 2019



All monetary values shown on this page are adjusted for inflation.



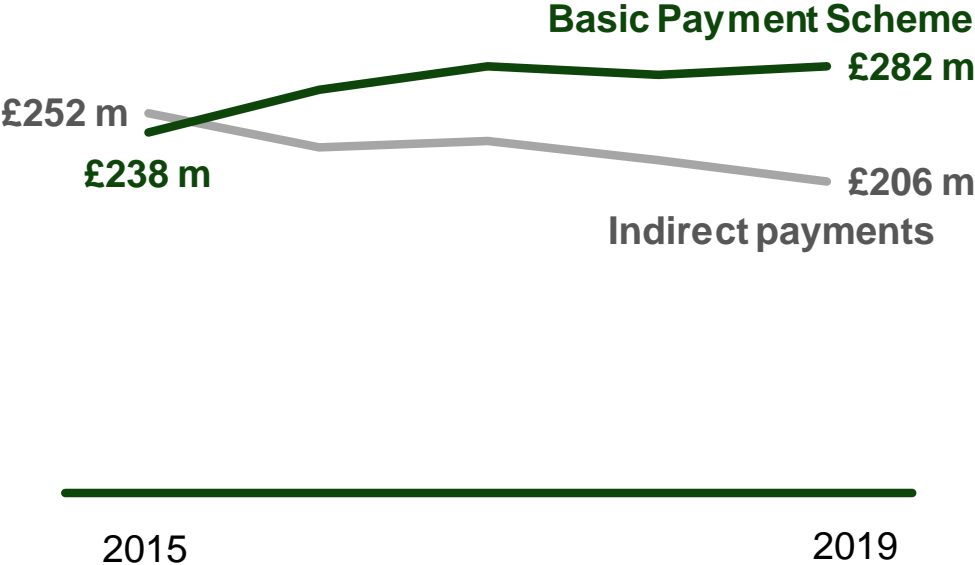
Total support payments to farming in 2019 **£488 million**

The value of support payments fell by 2% in real terms in 2019.

Basic Payments are estimated to have increased two per cent in 2019 to £282 million. This is due to the amount paid by the EU increasing, as the EU moves to make payments per hectare more equal throughout Europe.

The exchange rate can affect the overall amount of support available for agriculture. However in 2019 this had little effect on the overall payments received by Scottish Farmers as the exchange rate between sterling and the euro remained fairly constant over 2019.

Direct support payments have been increasing



All monetary values shown on this page are adjusted for inflation

Total support payments to farming in 2019 **£488 million**

The Less Favoured Area Support Scheme (LFASS) payments fell to £52m in 2019. Other indirect support payments included £142 million in Greening payments and £4 million was made available to the Rural Priorities Scheme.

In total indirect payments decreased by 6 per cent in 2019

A further £40 million in support payments were made to support livestock production. Together these support payments accounted for 67 per cent of TIFF, which has remained consistent with previous year.

Most support payments are made through the Basic Payment Scheme. This is a support payment made for farming activity. Other support schemes are made available for non-agricultural activity such as 'Greening' to help environmental sustainability or 'LFASS' which is a support payment paid to those farming in upland and remote areas where there are natural disadvantages.

Scotland has similar levels of income from farming to Wales and North East England



Total Income from Farming per hectare, by NUTS1 region (selected regions), 2018



Total income from farming per hectare in Scotland, 2018

£129 per hectare

Income in Scotland was similar, per hectare, to that in Wales and the least productive of England's regions, North East England.

The region with the highest income, the East Midlands, generated £544 per hectare, over four times greater than Scotland.

The East Midlands region mainly produces high value crops and benefits from being closer to infrastructure and having a better climate and soil types that help sustain a wider variety of farming types.

The UK is divided into 11 regions, including Scotland, Wales, Northern Ireland and eight English regions. These are referred to by the EU as NUTS1 areas.

Total Income from Farming Estimates for Scotland, 2017-19

Data sources and more information

Data source

TIFF estimates are calculated using a large number of data sources. These include Scottish Government data such as the June and December Agricultural surveys and the Farm Business Survey, prices and volumes data from the appropriate industry bodies, and bespoke surveys run by the Scottish Government or its contractors.

Contact

Chrissy Coakley, tel: 0300 244 9717
email: agric.stats@gov.scot

ISBN 978-1-83960-927-5

APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS750866 (07/20)

Data tables

The data used to create the charts in this publication, as well as a quality assurance and methodology report, are available online in the accompanying spreadsheet.

<http://www.gov.scot/ISBN/978-1-83960-927-5>

Further supplementary analysis on productivity indices and income by Scottish regions will be published in due course.

Crown Copyright

You may use or re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. See:

www.nationalarchives.gov.uk/doc/open-government-licence/