

The Farming Sector in Wales

Research Briefing

October 2018



The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

An electronic copy of this document can be found on the National Assembly website: www.assembly.wales/research

Copies of this document can also be obtained in accessible formats including Braille, large print, audio or hard copy from:

Research Service
National Assembly for Wales
Tŷ Hywel
Cardiff Bay
CF99 1NA

Tel: **0300 200 6219**
Email: Chris.Wiseall@Assembly.Wales
Twitter: [@SeneddResearch](https://twitter.com/SeneddResearch)
Blog: SeneddResearch.blog

© **National Assembly for Wales Commission Copyright 2018**

The text of this document may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading or derogatory context. The material must be acknowledged as copyright of the National Assembly for Wales Commission and the title of the document specified.

National Assembly for Wales
Senedd Research

The Farming Sector in Wales

Research Briefing

October 2018

Authors:

Chris Wiseall

Paper Overview:

The UK and devolved governments publish a range of agricultural data annually, the most comprehensive of which is the June Agricultural Survey. This research briefing highlights key agricultural statistics and provides an overview of the structure of the farming industry in Wales. It provides a comparative analysis of the Welsh agricultural industry and agricultural sector across the UK.



www.assembly.wales/research

Contents

Introduction	1
Key Points.....	2
Agricultural Share of Employment and Gross Value Added.....	3
Farm Income.....	5
Agricultural Land Use	6
Farm Holdings.....	9
Welsh Farm Holdings by Type	11
Sector Share of Output by Country	12
Livestock	13
Crops.....	16
Sources	17

Introduction

The structure of the agricultural industry varies across the UK depending on a range of factors including climate, terrain and tradition. Wales is characterised by upland and mountainous topography and is subject to a wetter climate than much of the rest of the UK. As a result a large proportion of utilised land is considered as ‘less favourable area’ or LFA land. Agriculture in Wales is heavily focused on the grazing of livestock, specifically sheep, on LFA land in comparatively small farm holdings that make relatively modest incomes. A similar structure is found in both Scotland and Northern Ireland, but the English sector is characterised by a significantly higher proportion of cropland agriculture on holdings with larger land sizes that generate a greater than average income.

The pattern of farming in Wales is dictated by a number of factors:

- A large proportion of Wales is classified as LFA. The land is therefore more suited to pasture and livestock farming rather than arable cropping;
- The widespread highlands are more favourable towards sheep, specifically hardy Welsh Mountain sheep; and
- Dairy and arable farming are restricted to the more productive areas. These are predominantly in lowland areas in the southeast, northeast, coastal regions and river valleys.

The relatively low levels of intensive farming results in smaller incomes relative to similar sized farms in England. The UK Government and devolved administrations publish a range of agricultural statistics annually. The most comprehensive of these is the June Agricultural Survey. This data provides a comprehensive overview of the industry and specific sector trends. This research briefing will use these statistics to highlight the key agricultural trends in Wales and give an overview of the structure of the farming industry. Statistics will be compared to the other countries in the UK in order to show similarities and differences across the UK.

Key Points

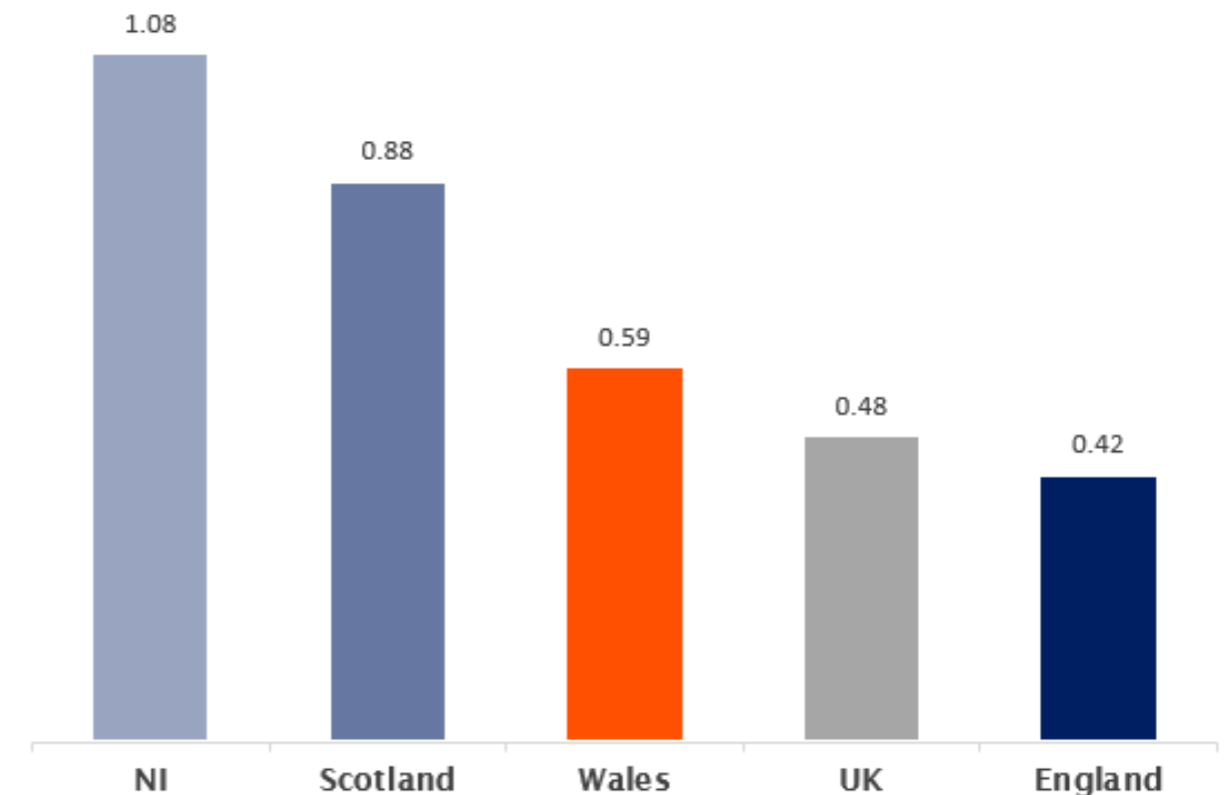
- In 2017 85% of the land area of Wales was utilised as agricultural land.
- In 2017, Welsh agriculture accounted for 3.62% of regional employment in Wales and a total gross value added of 0.59% in 2016. These values are both greater than the UK average.
- Relative to the rest of the UK, 10% of UK agricultural land is located within Wales, 16% of farm holdings, and 11.5% of the UK's agricultural labour force.
- Land use is dominated by grassland pasture which accounts for 76% of land use in Wales, 80% of which is LFA land. This reflects the upland terrain and wet climate of the country.
- Cattle and sheep grazing accounts for 21% of active farm holdings in Wales, the majority of which are on LFA land. Only a small proportion of holdings are dedicated to crops.
- Welsh sector output is heavily focused on livestock (49%) and livestock products (36%). 29% of the UK's sheep are within Wales and 11% of the UK's cattle. 60% of Welsh cattle are dairy.
- Average Welsh farm holding size is 48 ha, smaller than holdings in England and Scotland.
- The average Welsh farm business income in 2016-17 was £24,500, greater than Northern Ireland (£22,000) but less than Scotland (£26,000), England (£38,000) and the UK average (£33,000).

Agricultural Share of Employment and Gross Value Added

Figure 1 shows agriculture's share of total regional gross value added (GVA) at basic prices (%) in 2016 for the UK and the devolved administrations. GVA measures the contribution to the economy of an industry or sector. Agriculture's share of GVA in the UK as a whole was 0.48% in 2016. In Wales, agriculture's share of GVA is above the UK average at 0.59%, which is behind both Scotland (0.88%) and Northern Ireland (1.08%) but greater than that in England (0.42%). These values indicate that the economic contribution of agriculture in Wales is greater than the national average, yet less than that in Northern Ireland and Scotland.

In 2017 there were approximately 466,200 people working in the agricultural sector in the UK, 11% of which (53,500) were in Wales, 65% (301,500) in England, 14% (63,500) in Scotland and 10% (47,700) in Northern Ireland.

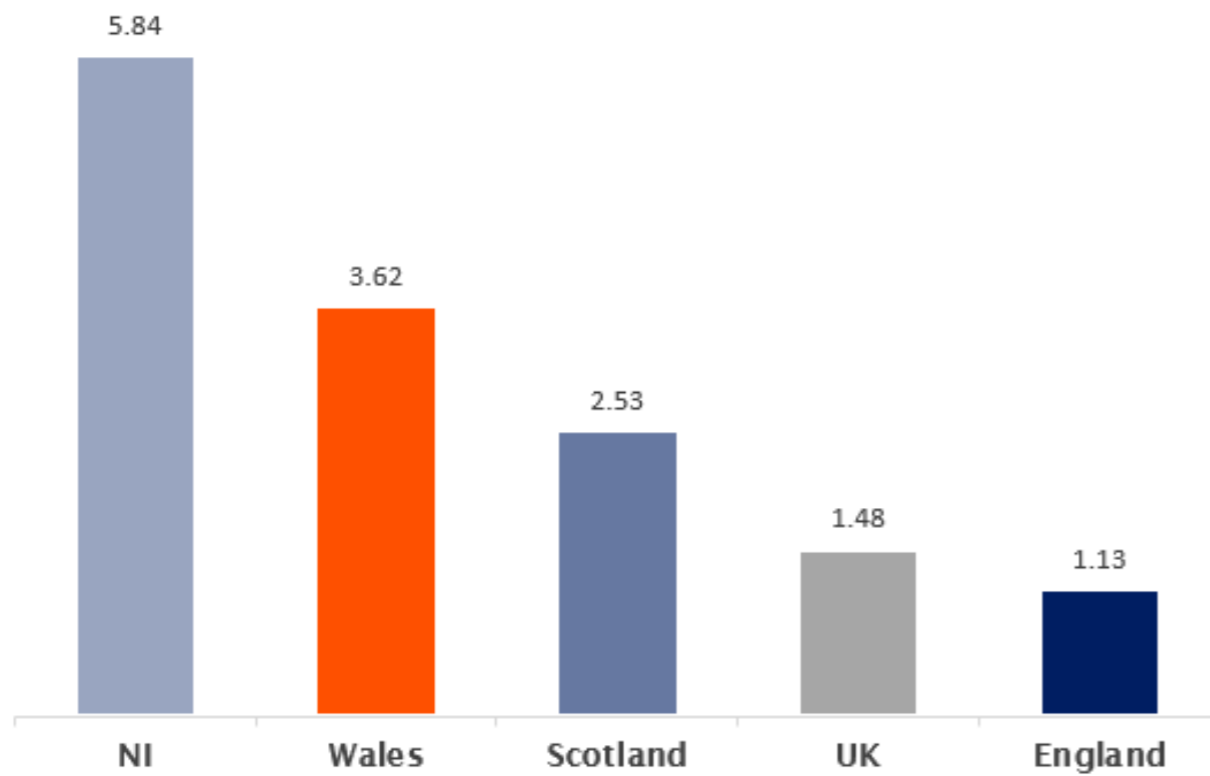
Figure 1. Agriculture's share of total regional gross value added at basic prices (%)



Source: Agriculture in the UK 2017, Defra

Figure 2 shows agriculture’s share of total regional employment (%) across the UK in 2017, which averaged 1.48% in the UK as a whole. In Wales the agricultural industry’s share of regional employment was above the national average at 3.62% with Northern Ireland (5.84%) and Scotland (2.53%) also above the UK average. England’s agricultural share of total regional employment was below the national average at 1.13%. Welsh agriculture therefore makes a more significant contribution to employment in Wales relative to the UK as a whole.

Figure 2. Agriculture’s share of total regional employment %



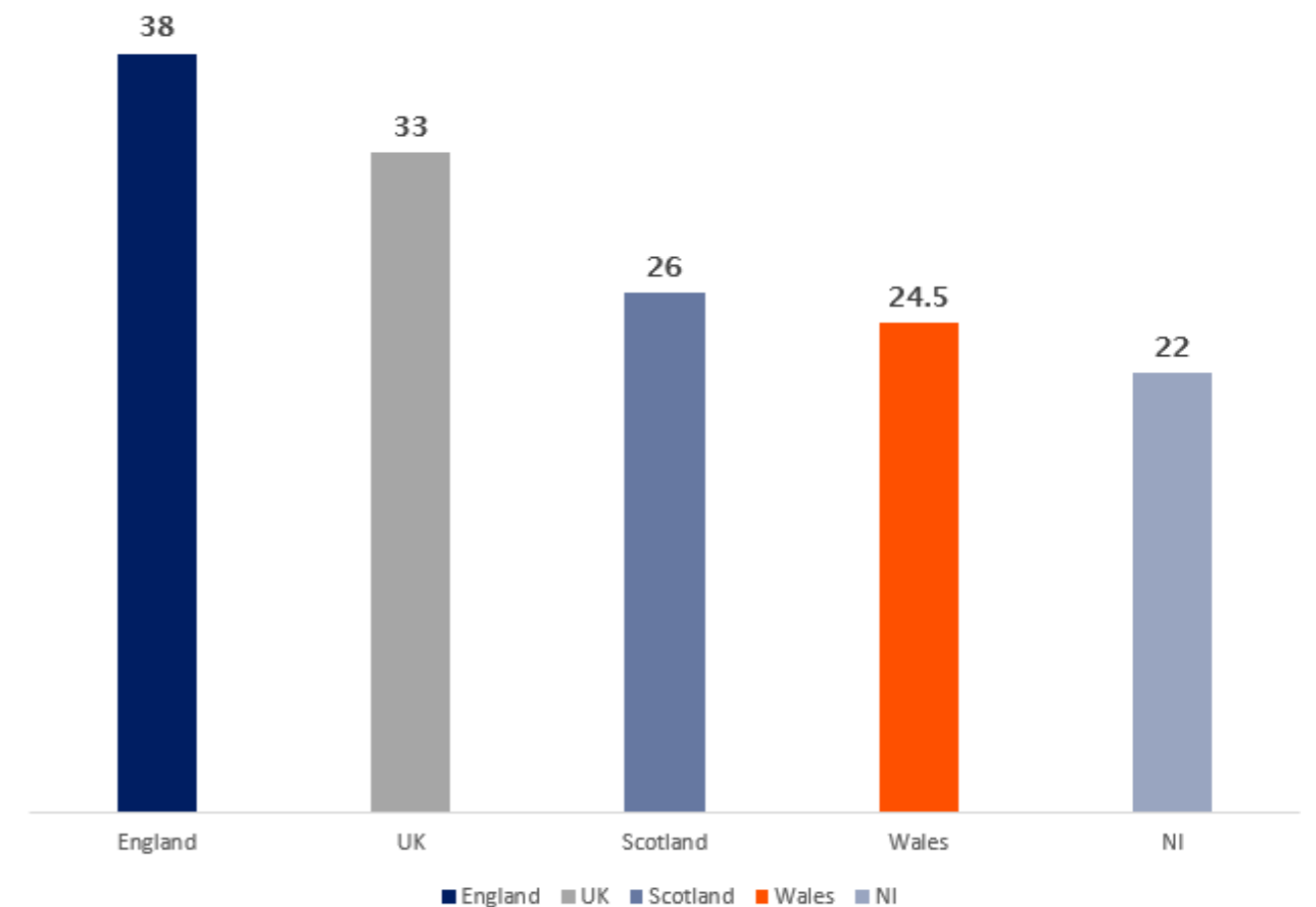
Source: Agriculture in the UK 2017, Defra

Farm Income

Figure 3 shows the average farm business income (FBI) across the UK in 2014-15. FBI represents the return to all unpaid labour (farmers, spouses and partners) and to all their capital invested in the farm business including land and farm buildings. In Wales, the average FBI was £24,500, greater than that in Northern Ireland (£25,000) but less than in Scotland (£26,000), England (£38,000) and the UK (£33,000) as a whole.

According to Farm Income in Wales 2016-17, the average FBI in Wales increased to £24,500 compared to the previous year of £22,700. This was thought to be due to the fall in value of the Pound and the fact that basic farm income is paid in Euros, hence an exchange rate effect was noticed.

Average Farm Business Income 2016/17 (£ thousand)



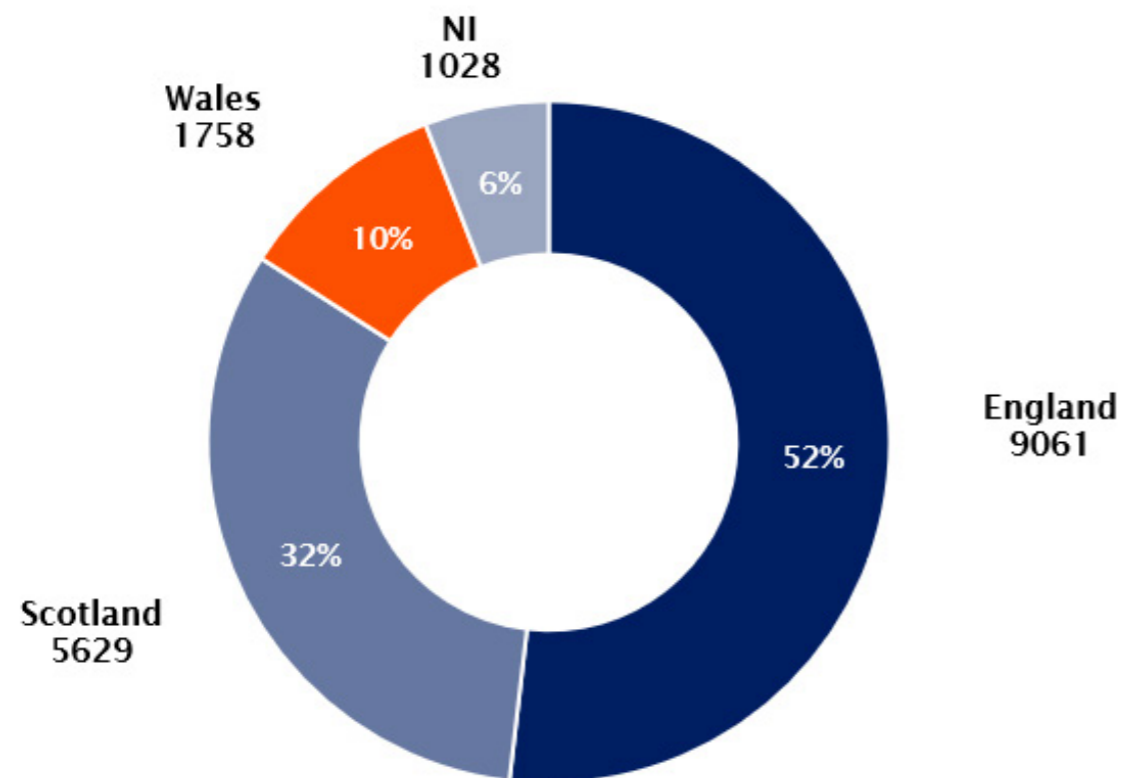
Source: Agriculture in the UK 2017, Defra. Farming Facts and Figures, Wales 2018.

Agricultural Land Use

The total utilised area of agricultural land use in the UK was 17,476 million(m) ha in 2017. Wales constitutes approximately 10% of this land (1.758m ha; Figure 4), compared to 52% in England, 32% in Scotland and 6% in Northern Ireland. Within Wales, utilised agricultural land constitutes 85% of the land area, compared to 70% in England, 70% in Scotland and 73% in Northern Ireland.

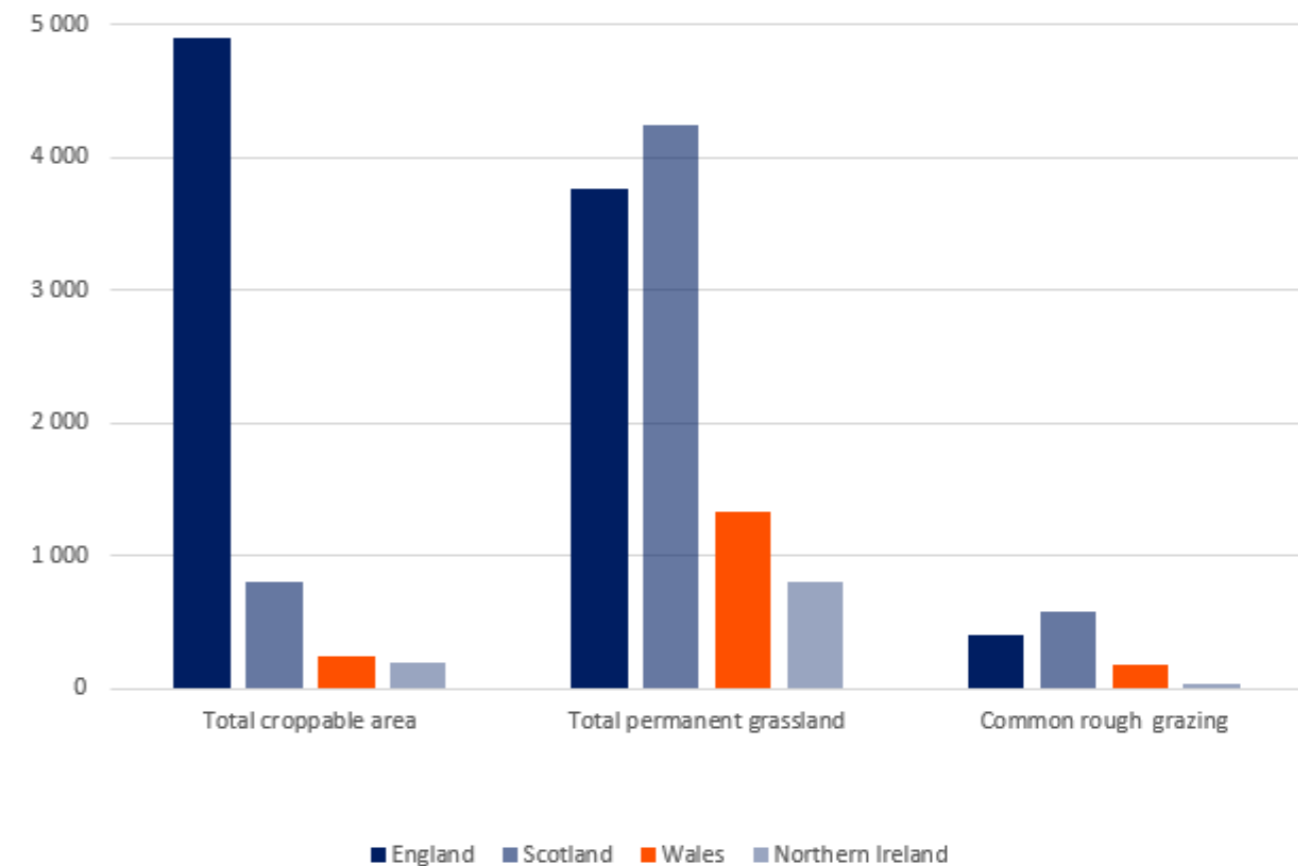
Welsh agriculture is dominated by permanent pasture grassland, which accounts for more than 75% (1.332m ha) of the utilised area (Figure 5). Croppable area accounts for 14% (0.246m ha) of land use followed by 10% (0.180m ha) for common rough grazing. This is a similar make-up to that found in Scotland and Northern Ireland, although the latter has a greater proportion of croppable area in place of common rough grazing land. In England, the primary land use is quite different, with approximately 54% (4.894m ha) dedicated to crops, 41% (3.757m ha) for permanent pasture and approximately 4% (0.399m ha) for common rough grazing land.

Figure 4. Utilised Agricultural Area by Country 2017 (Thousand Hectares)



Source: June Agricultural Survey, DEFRA, Annual Time Series: 1983 to 2018

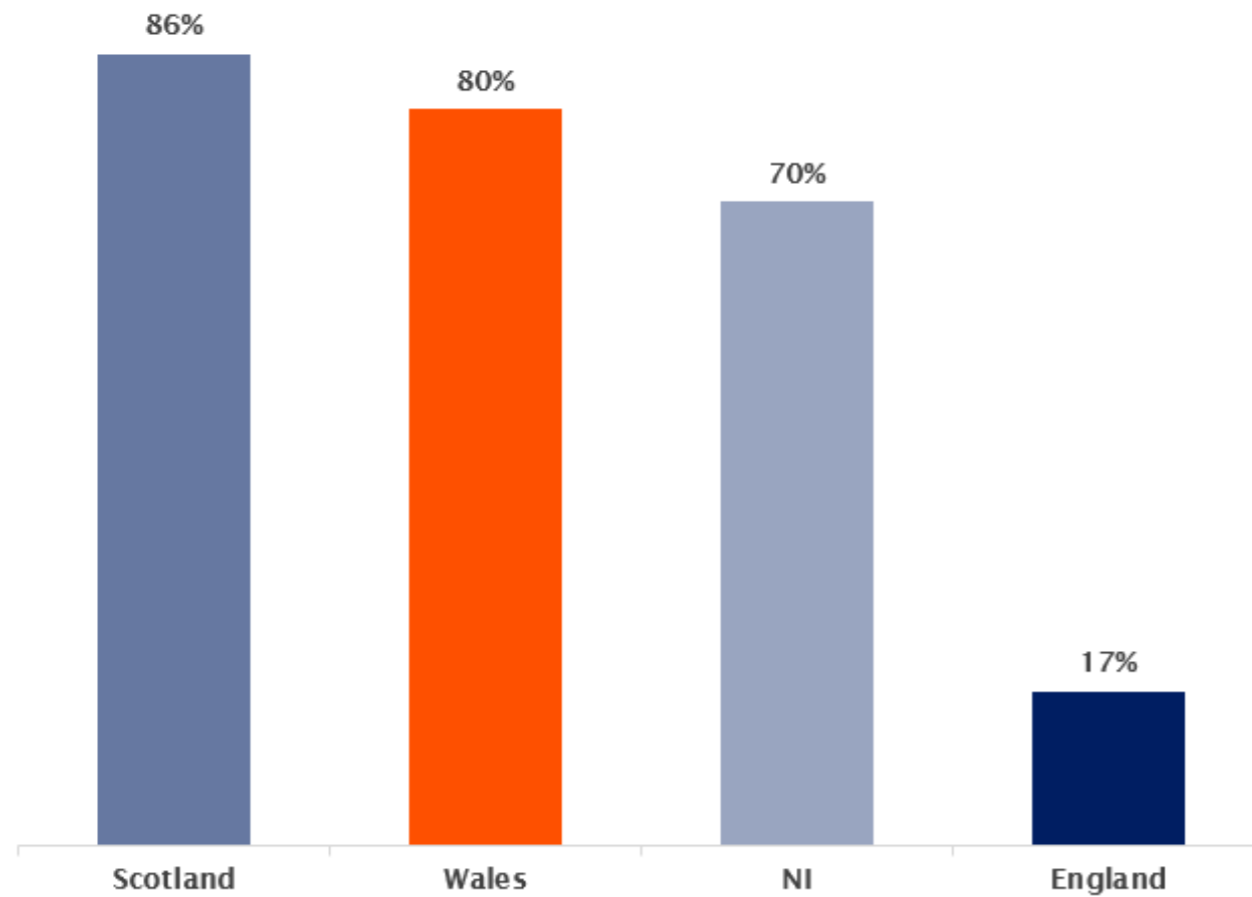
Figure 5. Land Use and Crop Areas by Country 2017 (Thousand Hectares)



Source: June Agricultural Survey, DEFRA, Annual Time Series: 1983 to 2018

The proportion of agricultural land designated as less favourable areas (LFAs) across the UK is shown in Figure 6. This designation is given to regions where production conditions are more difficult, such as those where land, climatic and cultivation conditions are poor. In Wales, 80% of the total agricultural land is designated as LFA. There is a similar proportion in Scotland (84%). This reflects the mountainous terrain and the large number of upland farms on slopes and those in areas of high rainfall. In contrast, only 16% of land in England is designated as LFA.

Figure 6. Total Designated 'Less Favourable Areas' Land 2018

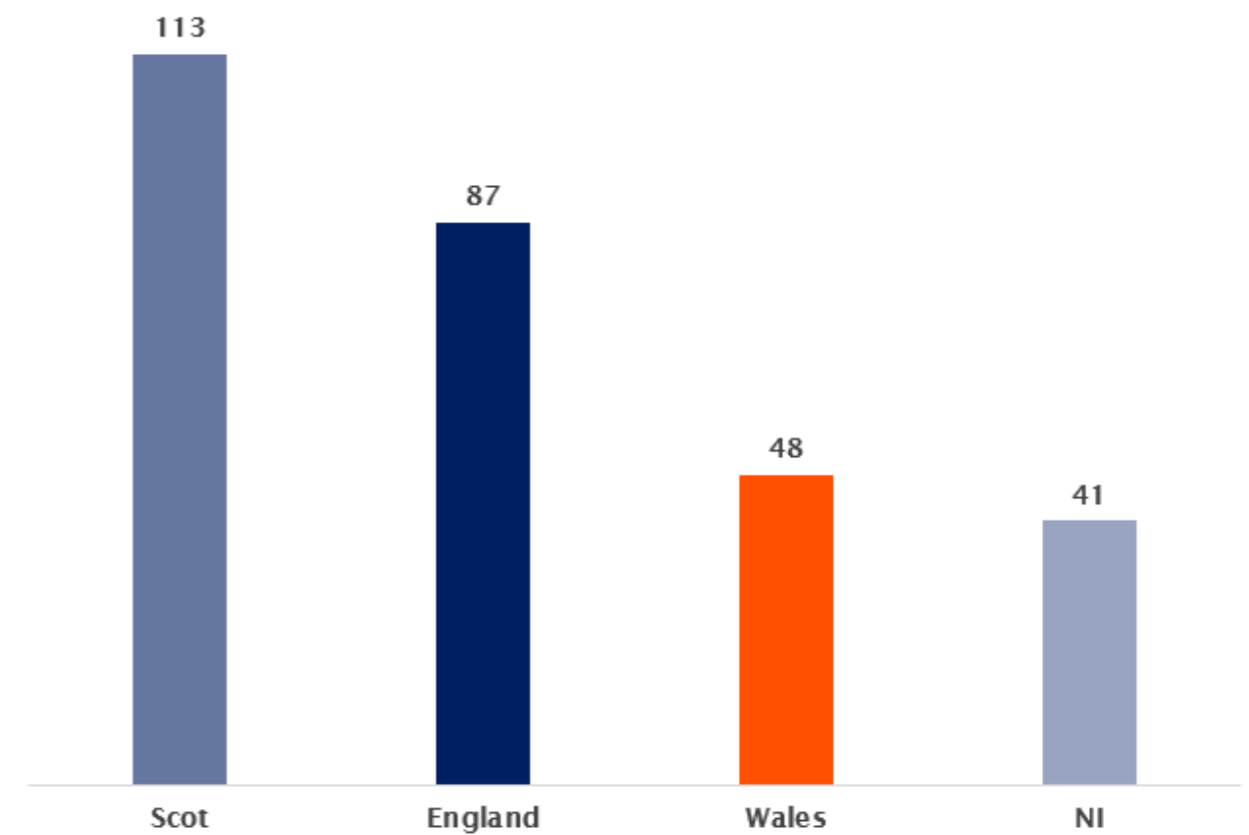


Source: [Agricultural Facts and Figures, Scottish Government 2018](#). Compiled from the Scottish June Agricultural Survey.

Farm Holdings

According to [Agriculture in the UK 2017](#), there were approximately 217,000 farm holdings in the UK in 2017. Approximately 16% of these are in Wales, 49% in England, 24% in Scotland and 11% in Northern Ireland. In Wales the average holding size was 48 ha (Figure 7), smaller than England (87 ha) and Scotland (113 ha) but slightly larger than Northern Ireland (41 ha).

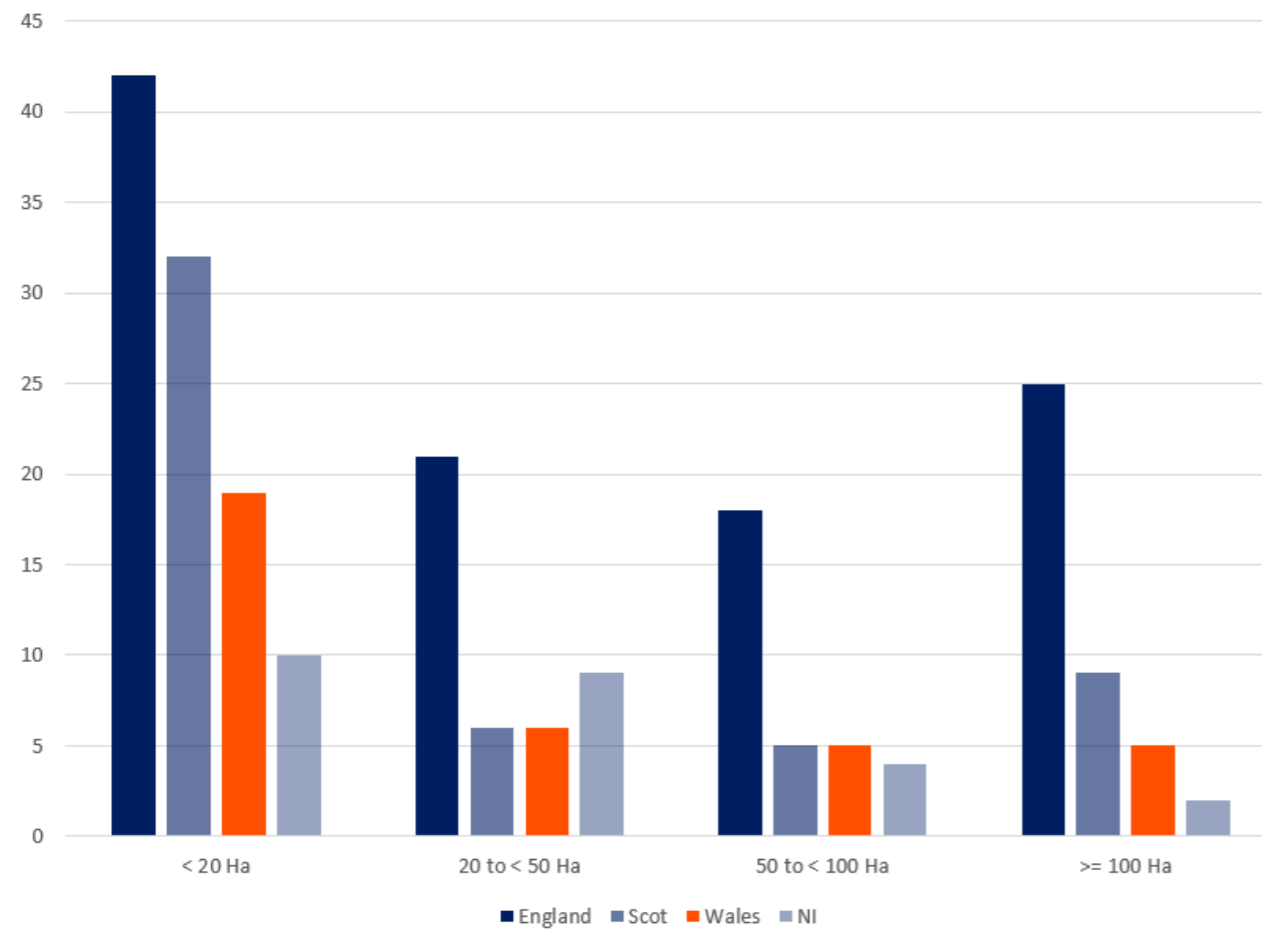
Figure 7. Average Size of Farm Holdings 2018 (Ha)



Source: [Agriculture in the UK 2017](#), Defra

Figure 8 shows a breakdown of farm holdings sizes into four bands. Across the UK the majority of holdings are less than 20 hectares in size (Figure 8). This is particularly the case in Wales and Scotland which have approximately 54% (19,000) and 62% (32,000) of holdings falling into this size bracket, respectively, followed by 40% (10,000) in Northern Ireland and 40% (42,000) in England. In Wales, the number of holdings in the remaining size brackets is relatively even. This is in contrast to England and Scotland which have a larger number of farms greater than or equal to 100 hectares in size.

Figure 8. Farm Holdings by size 2017 (000's)



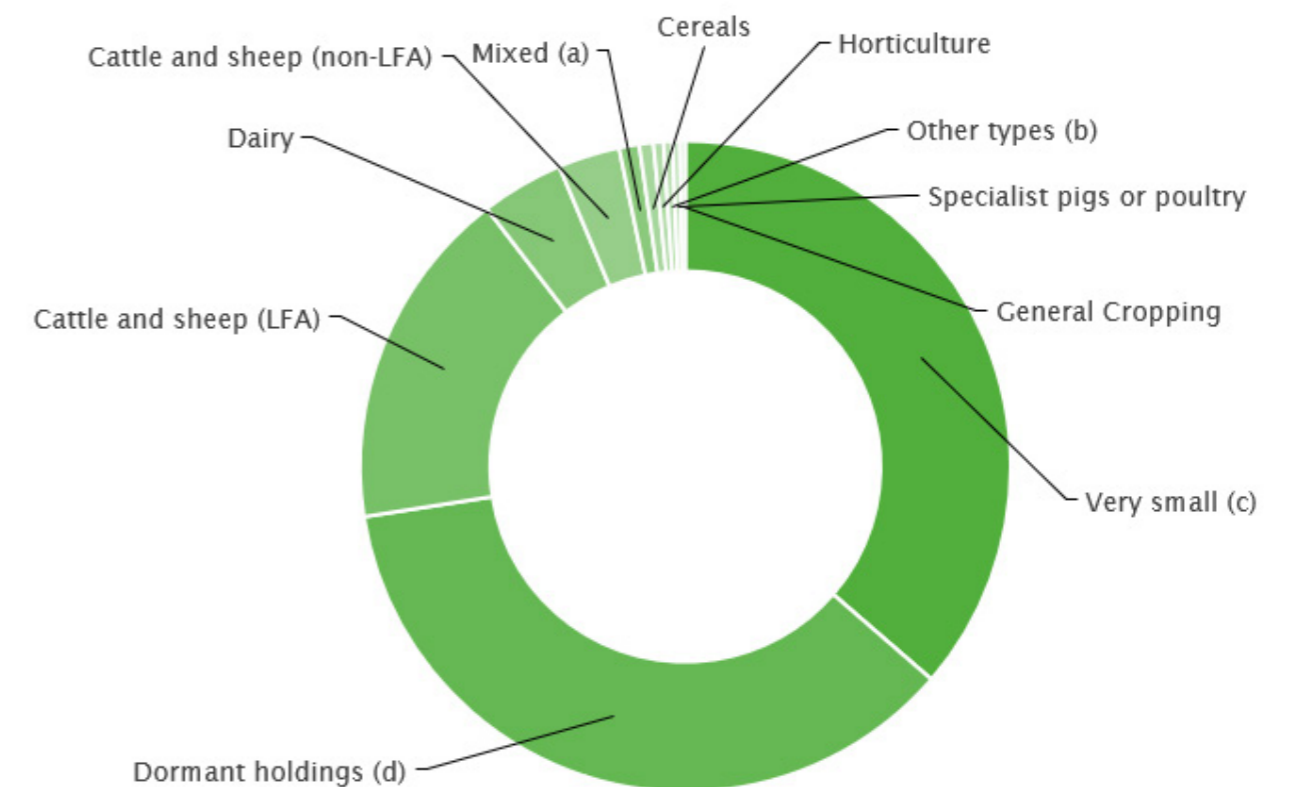
Source: Agriculture in the UK 2017. DEFRA

Welsh Farm Holdings by Type

Figure 9 shows a detailed breakdown of Welsh farm holdings by type in 2017. Cattle and sheep grazing on LFA accounts for approximately 17% (6,548) of holdings with a further 3% (1,181) on non-LFA land and 4% for dairy holdings. This reflects the dominance of grassland pasture on LFA land as shown in Figure 5 due to the topography across Wales.

In contrast, cereals, general cropping and horticulture account for only a combined 0.8% (292) of holdings. This reflects the relatively limited amount of croppable area as shown in Figure 4. It should be noted that previous reports split minor holdings into agricultural type whereas this year did not, as per note (c) in Figure 9. Very small holdings (i.e. those with a small amount of agricultural activity) account for 36% and other types (i.e. grass and forage or specialist horses) account for just 0.4% of holdings.

Figure 9. Welsh Farm Holdings by Type



Source: Welsh June Agricultural Survey. Farming, Facts and Figure Wales, 2018.

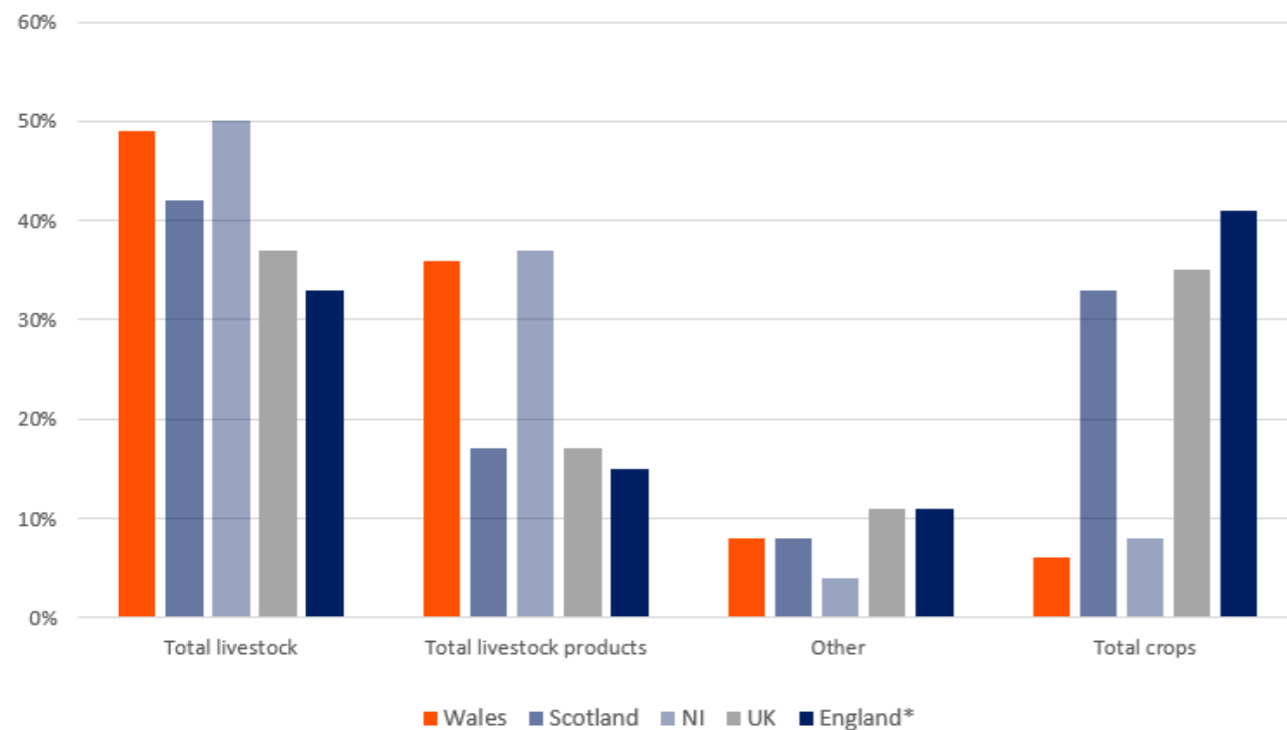
- (a) Combinations of cropping with various types of livestock.
- (b) Mainly grass and forage or specialist horses.
- (c) Holdings with small amounts of agricultural activity are grouped together irrespective of farm type.
- (d) Large number of obsolete holdings removed in 2014.

Sector Share of Output by Country

Figure 10 shows the sector share of output by country for crops, livestock, livestock products (i.e. milk and eggs) and other outputs in 2017. In Wales output is focused towards livestock, which comprises 49% of output followed by 36% for livestock products, with crops constituting only 6% of output. This is a similar pattern to that in Northern Ireland, although relative output of other products (4%) is half that of Wales.

In England a significantly greater proportion of output is crops which accounted for 41% of the sector in 2017, followed by 33% for livestock and 15% in livestock products. In Scotland, livestock still constitutes the majority of output (42%), yet crops account for a much greater proportion than both in Wales and Northern Ireland (33%).

Figure 10. Sector Share of Output by Country 2017*

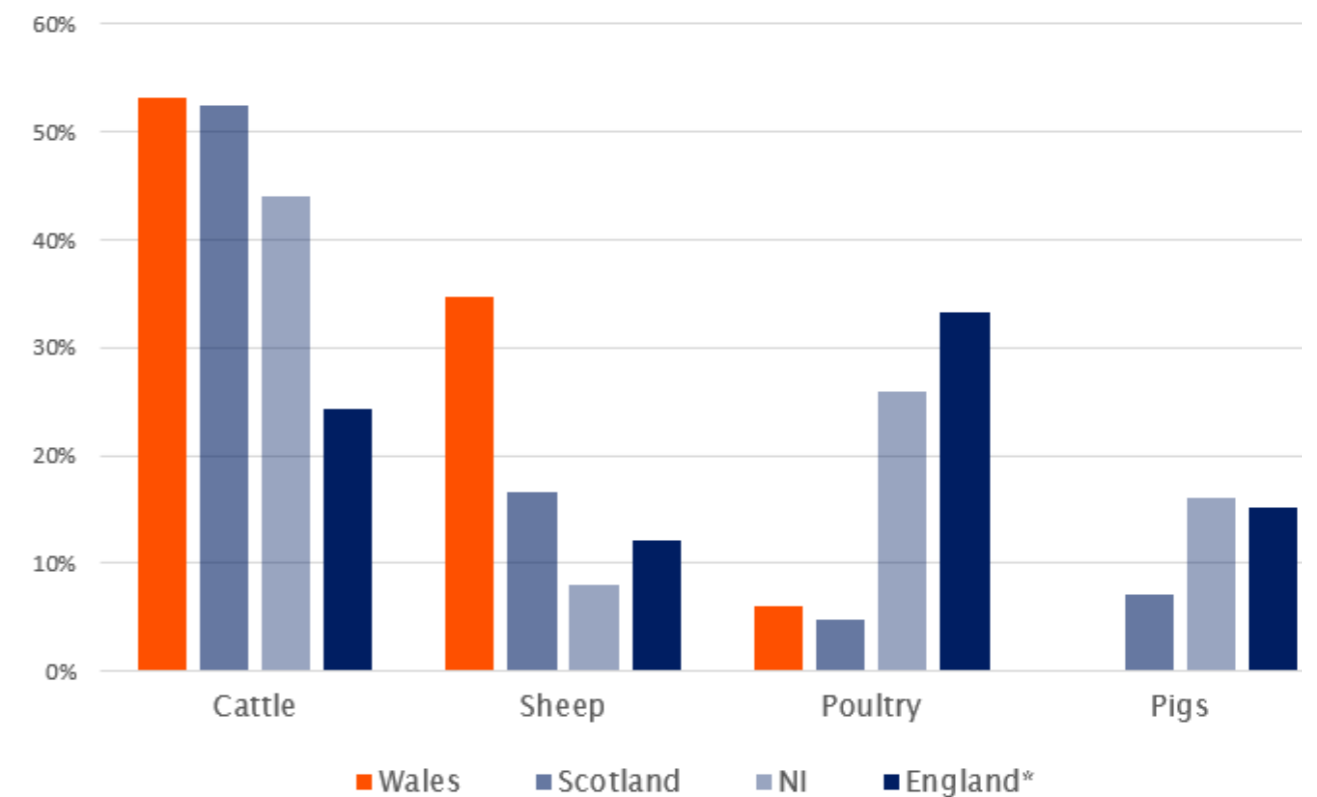


Source: Agricultural Facts and Figures, Scottish Government 2018. Compiled from the Scottish June Agricultural Survey. * - England data from 2016 Note: totals may not add up as not all sub-categories are included

Livestock

Figure 11 shows a breakdown of livestock output by country in 2017. In Wales, it is primarily split between cattle (53%) and sheep (35%) with poultry constituting a small percentage (6%) and pigs showing no input (0%). In Scotland and Northern Ireland, cattle also make-up the majority of livestock output (52% and 44% respectively), with poultry having a stronger presence in Northern Ireland (26%) and less of a presence in Scotland (5%). Pigs contribute more to the livestock share, compared to Wales, in England (15%), Scotland (7%) and Northern Ireland (16%). England shows a more equal diversification in livestock output, with the greatest relative output of poultry (33%) and 24% for cattle and 12% for sheep.

Figure 11. Breakdown of Livestock Share in the UK 2017*

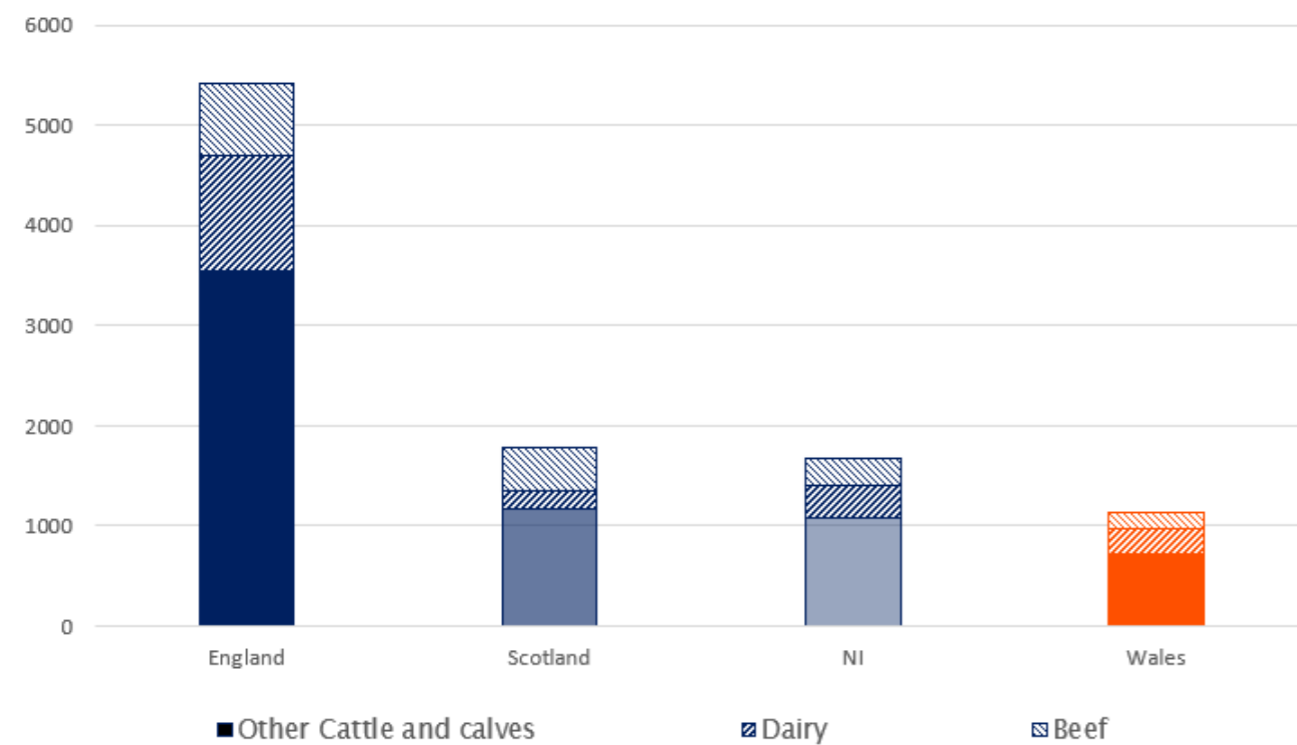


Source: Agricultural Facts and Figures, Scottish Government 2018. Compiled from the Scottish June Agricultural Survey. * - England data from 2016 Note: totals may not add up as not all sub-categories are included

Figures 12 and 13 shows a breakdown of cattle and sheep numbers by UK country in 2017. There was approximately 10,003,000 cattle and calves in the UK in 2017, the majority (54%) of which are within England. Wales accounts for 11% of UK cattle numbers, followed by 18% in Scotland and 16% in Northern Ireland. In England and Wales there is a majority of 60% dairy, with Northern Ireland showing a similar split at 55% dairy. In Scotland however, the cattle industry is much more focused towards beef, with 71% cattle being raised for beef.

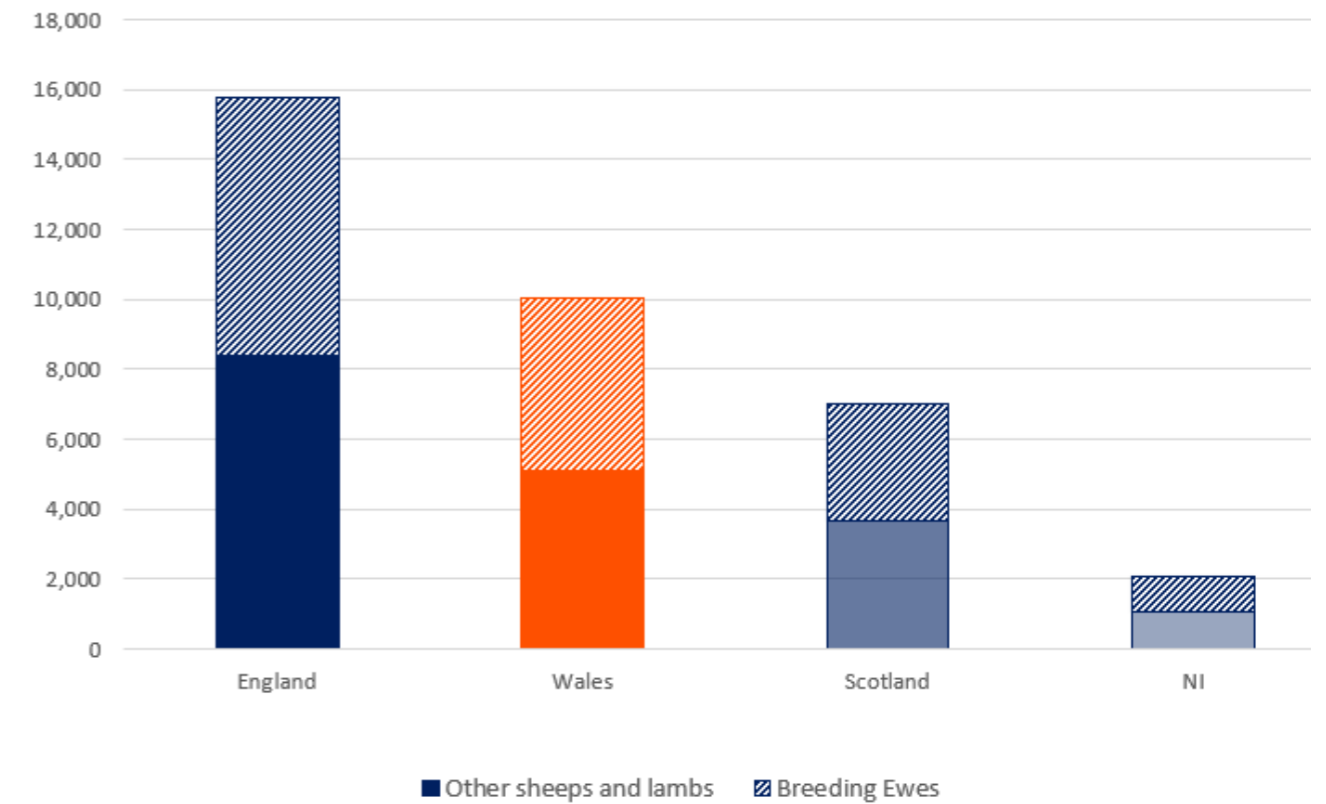
There are approximately 34.83m sheep and lambs in the UK, 29% of which are in Wales, 45% in England, 20% in Scotland and 6% in NI. The populations in each region are broadly split 50/50 into breeding ewes and other sheep and lambs. The average flock size, counted with breeding ewes only, is the greatest in Wales averaging 386 sheep compared to 261 in Scotland, 200 in England and 99 in Northern Ireland.

Figure 12. Total Cattle and Calves 2017 (000's)



Source: AHDB UK Yearbook 2018 Cattle, compiled from Defra, Dardni, Scottish Government, Welsh Government. Farming facts and Figures Wales 2018.

Figure 13. Sheep Numbers 2017 (000's)

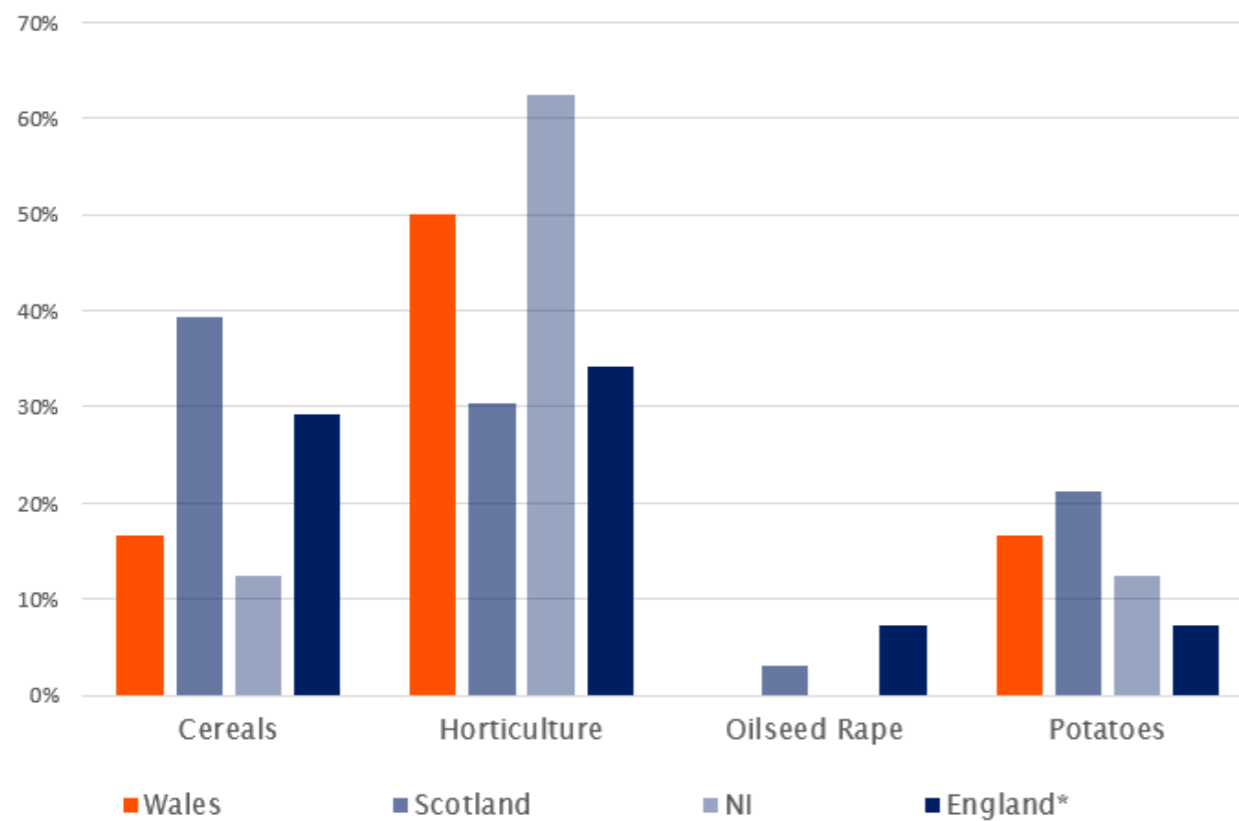


Source: AHDB UK Yearbook 2018 Sheep, compiled from Defra, Dardni, Scottish Government, Welsh Government.

Crops

A breakdown of crops across the UK is shown in Figure 14. In Wales, 50% of total crops are horticultural produce, such as fruits, vegetables or flowers, with the remaining split evenly between cereals and potatoes. A similar pattern to this is found in Northern Ireland although an even greater proportion of produce is horticultural (63%). In England and Scotland, there is a greater prevalence in the production of cereal grains which account for 29% and 39% respectively followed by horticulture which accounts for 34% and 30% respectively.

Figure 14. Breakdown of Crop Share in the UK 2017*



Source: Agricultural Facts and Figures, Scottish Government 2018. Compiled from the Scottish June Agricultural Survey. * - England data from 2016

Sources

[Agriculture in the UK 2017, Defra](#)

[Structure of the agricultural industry in England and the UK at June, Defra](#)

[Agricultural Facts and Figures, Scottish Government 2018](#)

[Welsh June Agricultural Survey. Farming, Facts and Figure Wales, 2018.](#)

[AHDB UK Yearbook 2018 Cattle](#)

[AHDB UK Yearbook 2018 Sheep](#)

[Wales Agricultural and Horticultural Survey 2017, Tables](#)

[Farm Income in Wales 2016-17 Farming Facts and Figures, Wales 2018](#)



93148

93148

LKV BAY
DE 09 487
20298

LKV BAY
DE 09 501
93148

LKV BAY
DE 09 501
93148