

Trevor Donnellan

Ag Econ and Farm Surveys Dept.

Outlook for Agricultural Incomes



Measuring Income

Output

Value of Farm Production
(Price X Volume)

-
Costs

Direct and Overhead Costs of Farm Production
(Price X Volume)

+
Supports

BPS, Areas of National Constraint, Beef
Genomics, AEOS, Organics, GLAS

=
Income

Return to **Labour** and Capital

Income estimate for 2017

- **Output**

- Prices up sharply milk,
- Prices up also for cereals, pigs, finished cattle & lamb
- Volume was up across all the principal sectors
- Total output value up dramatically

- **Input**

- Reduction in feed and fertiliser prices & increases for fuel prices
- Increases in feed & fertiliser volume

- **Support payments**

- Broadly in line with 2016 level
- Addition of Sheep Welfare Payment

- **Aggregate Income /Average FFI Income**

- Substantial increase by 31% to 35%
- Driven heavily by dairy

Average Farm
Income



Aggregate Sector
Income



Income forecast for 2018

- **Output**

- Prices up for cattle & cereals
- Prices down for milk, sheep & pigs
- Volume to increase for milk, cattle, pigs & poultry
- Total output value down slightly

- **Input**

- Increase in prices for feed, fertiliser, fuel & electricity
- Increases in input usage due to higher output volume

- **Support payments**

- In line with 2017 level

- **Aggregate Income /Average FFI Income**

- Down 6% to 8% (but still comparatively high)

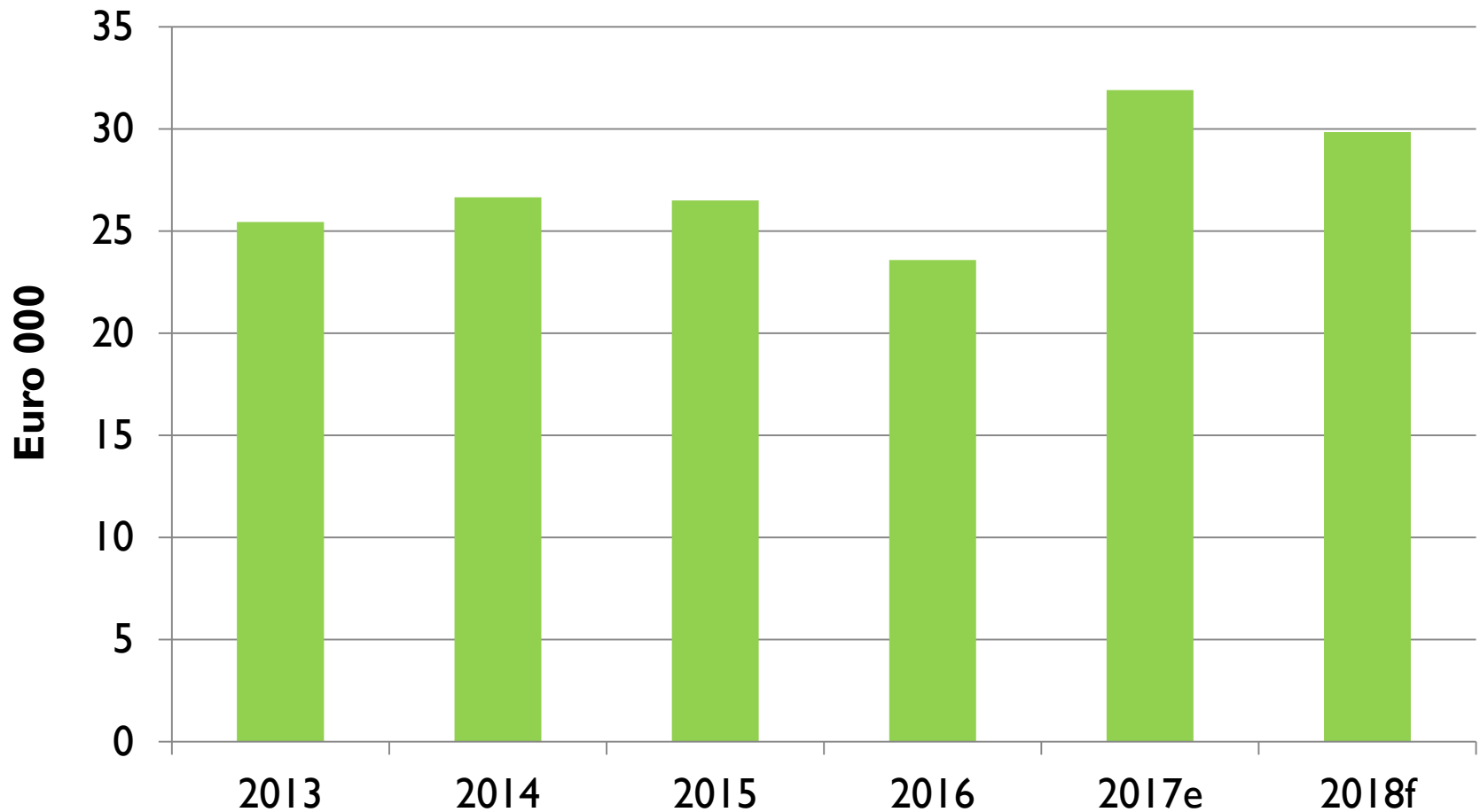
Average Farm
Income



Aggregate Sector
Income



NFS Average Family Farm Income 2013-2016, 2017e & 2018f



END

NFS Family Farm Income 2013-2016, 2017e & 2018f

