

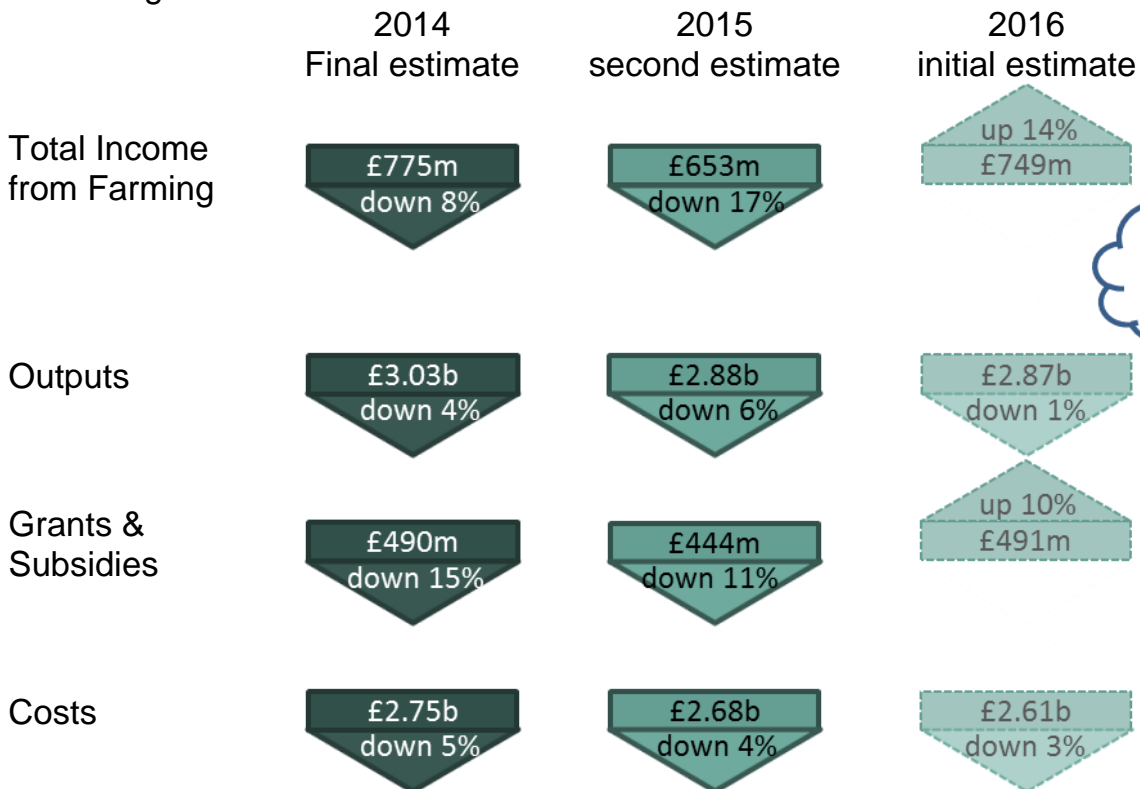
AGRICULTURE, ENVIRONMENT AND MARINE

Total Income from Farming Estimates for Scotland 2014 to 2016

31st January 2017

1. Main Findings

The following summary gives estimates of Total Income from Farming for the latest three years, together with their constituent parts, and the percentage changes after accounting for inflation.



PLEASE NOTE
Percentage changes are in real terms

Big changes in 2015	Big changes estimated in 2016
Income from milk down £76m	Direct payments up £47m
Direct payments down £46m	Income from potatoes up £38m
Income from fruit up £51m	Income from sheep up £24m
Cost of feed down £49m	Income from milk down £50m

Why are the results referred to as “estimates”?




This publication contains three sets of estimates of Total Income from Farming (TIFF)

- final estimates for the calendar year 2014
- second estimates for the calendar year 2015
- initial estimates for the calendar year 2016.

Many of the data used in calculating income from farming for 2016 will only become available during 2017, and some not until 2018. In particular, the final results of the Farm Accounts Survey 2016-17, to be used within many of the 2016 costs estimates, are not available until 2018.

This means that the 2016 TIFF estimates published here contain a large number of forecasts, often based on projecting past trends. In January 2018 we will publish updated “second estimates” for 2016, which may differ substantially from those published here. Final estimates for 2016 will then be published in January 2019.

The tables in this publication give a breakdown of the constituent elements of TIFF. In Table 1 we have attempted to illustrate the degree of certainty in the estimates of each element by means of colour coding.

-  Based heavily on proxy estimates
-  Based on incomplete data
-  Based on complete/final data

Why do initial estimates of TIFF often change so much when they are updated?

TIFF is calculated as income minus costs. Income and costs are similarly-sized large figures, giving a relatively small difference as the value of TIFF. This means that a small percentage update in estimates for income or costs may automatically lead to a large percentage revision in TIFF.

For example, if income = 100 and costs = 96, then TIFF = 4. If we then update the estimate for income upwards by just one per cent, and for costs down by just one per cent, income = 101 and costs = 95, so TIFF = 6, a 50 per cent increase in the value of TIFF.

So reasonable small updates in the estimates of income and costs can lead to what may seem an unreasonable 50 per cent change in TIFF. See also note 4.4.

What does “in real terms” mean?

It shows, for previous years, the value of the income or costs expressed in today’s prices. This is because, for example, income of £10,000 in 1990 could have paid for something that nowadays costs £20,000, so we say the 1990 income was worth £20,000 in today’s prices.

To do this we simply multiply our data on previous years’ figures by the amount prices have gone up since then. In our example prices have doubled, so we multiply the 1990 income by two to see what it would be worth in today’s prices. For these multipliers we now use the GDP deflator, from the Office for National Statistics (ONS)¹.

¹ See note 4.5. ONS GDP deflators can be found at the following website, <https://www.gov.uk/government/collections/gdp-deflators-at-market-prices-and-money-gdp>

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2. Introduction

Total Income from Farming (TIFF) is an official measure of the net income gained by the agriculture industry in Scotland. It seeks to provide an estimate of the total net income across all agricultural holdings, with a breakdown, at the national level, of the value of farm outputs, costs and subsidies. This is done by collecting the best relevant data available and using it to produce estimates for each element.

In some cases available data provide a complete result, for example, there are accurate data on the quantity and price of all finished cattle, collected from abattoirs – though the expenses related to the sale of these have to be estimated. In other cases the lack of data means results have to be modelled based on whatever data we do have, for example the cull of spent hens is estimated using June and December population figures and estimates on their productive lifespan. Many other elements of TIFF are based on sample surveys, for example the miscellaneous expenses of most farm-types are based on results of the Farm Accounts Survey.

A full description of the methodology used for each element of TIFF is published online at

www.gov.scot/farmingmethodology2016

This publication contains three new sets of estimates for Total Income from Farming; 2014, 2015 and 2016 (see the note on page 2 on why estimates need to be revised twice). The publication also provides some revised time series for previous years, where methodological changes have been made (see also section 8). Details of changes to the methodology and data since last year's publication, and the resulting changes to the figures, are published online at

www.gov.scot/farmingrevisions2016

We welcome comments on the content and format of this publication, which can be sent to:

email: agric.stats@gov.scot

Tel: 0300 244 9699

We would like to thank Scotland's farmers, and others in the industry, for their cooperation with all of our data collections.

3. Overview of TIFF 2015 and 2016

Chart 1 gives a summary of the make-up of outputs and costs within TIFF. In both years gross outputs were worth just under £2.9 billion, total costs about £2.65 billion, with subsidies at about £440 million in 2015 rising to £490 million in 2016. The differences between income (outputs plus subsidies) and costs give the overall estimates of TIFF.

With more data for 2015 now available, last year’s initial estimate for TIFF has been revised slightly to £653 million. The 2015 estimate is down £122 million on 2014; that’s a fall of 16 per cent, or 17 per cent after accounting for inflation.

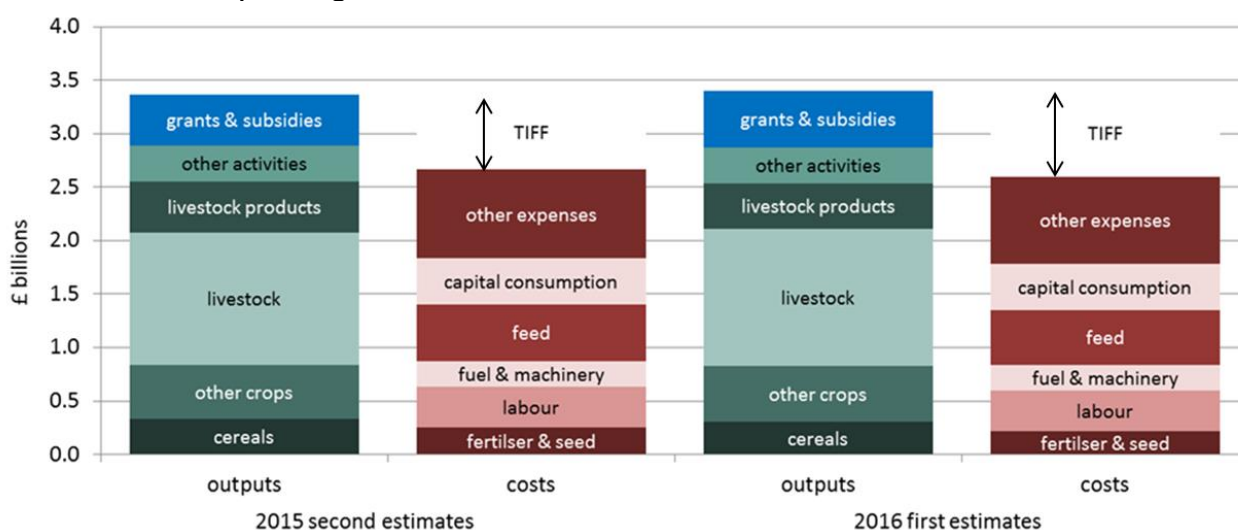
The initial estimate for 2016 is £749 million, an increase of £96 million on 2015, 15 per cent, or 14 per cent in real terms.

The data show that the profitability of the agricultural sector is heavily, though not entirely, dependent upon subsidies.

In 2016, the original amount of pillar 1 EU support increased two per cent (€10 million), but the weakening of the pound in the second half of the year resulted in an eleven per cent increase in overall support payments. The weak pound also meant that, after prices has initially been down on 2015, they recovered in the second half of the year, resulting in the overall value of farm output remaining fairly steady. These two elements contributed to the estimated increase in TIFF.

Tables showing the detailed list of components of TIFF are provided in section 12, with data from 2007 to 2016. Chart 1 illustrates the components that make up the calculation of TIFF, with TIFF being the difference between total outputs (plus subsidies) and total costs.

Chart 1: Make-up of Agricultural Accounts, 2015 and 2016 [source: Table 1](#)

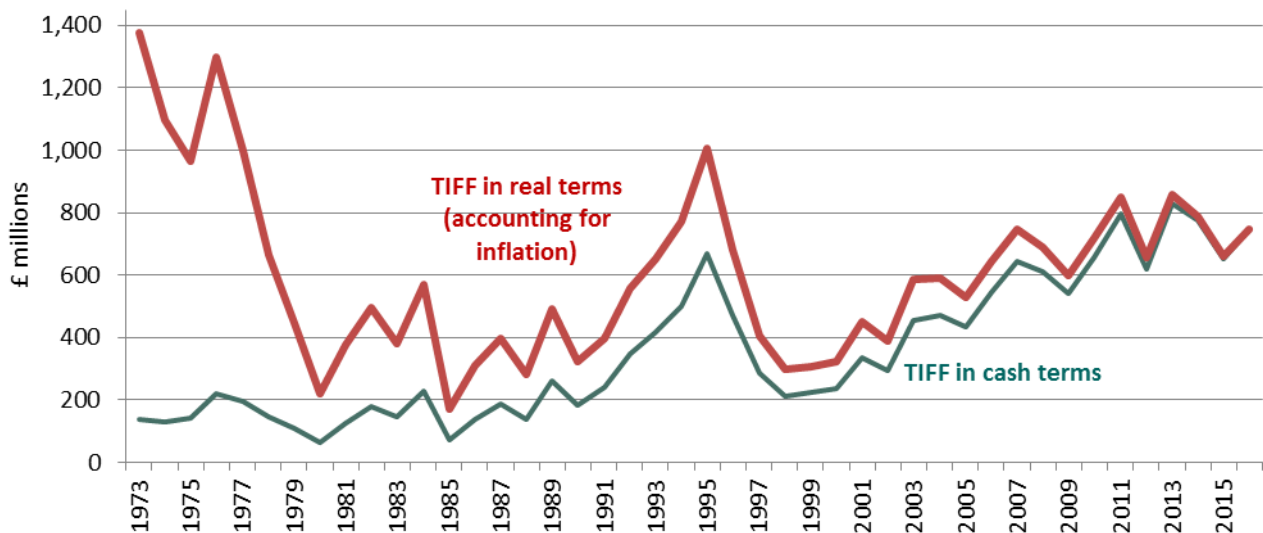


3.1 Long term trends

The long term trend, illustrated in Chart 2, inevitably includes some jumps in individual elements where a particular methodology has changed and it has not been possible or preferable to recalculate the time-series back to 1973. However these individual discontinuities are considered small enough relative to the overall pattern of changes in TIFF.

In real terms (once inflation has been accounted for), high inflation in the mid-1970s resulted in a large fall in TIFF. TIFF then almost trebled between 1990 and 1995 before falling from 1995 to 1998 primarily due to a strong pound, weak world commodity prices and the impact of BSE. The outbreak of Foot and Mouth Disease in 2001 appears to have had little impact on TIFF. The real terms value of TIFF then almost trebled between 1998 and 2013, showing consistent steady growth, though fluctuating every few years.

Chart 2: Trends in Total Income from Farming (TIFF), 1973 to 2016 [source: Table 4](#)



3.2 High-level components of TIFF

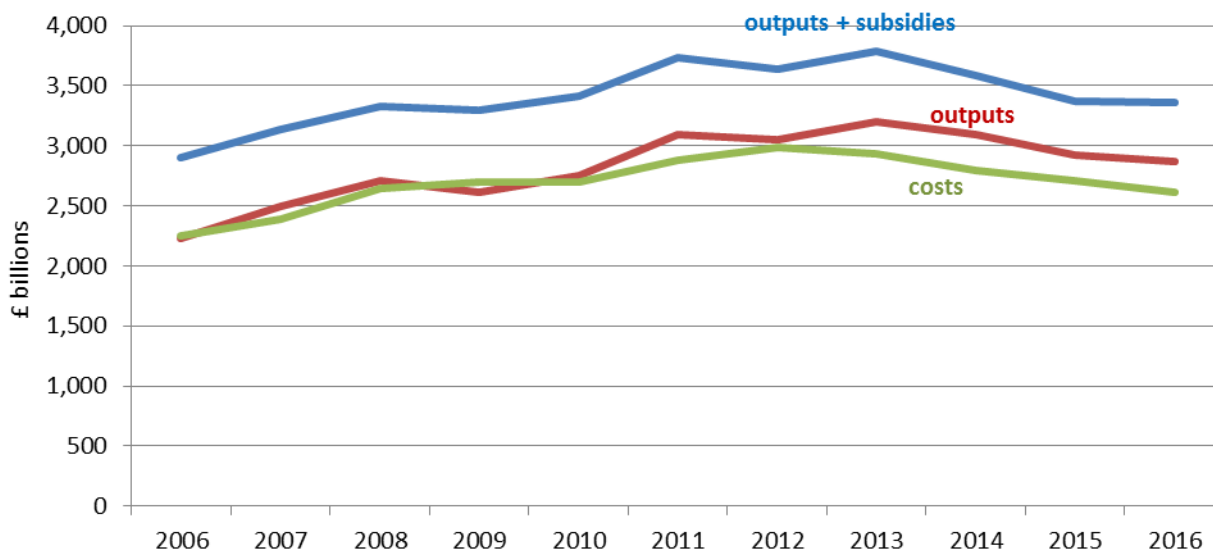
Total outputs from farms in Scotland fell from £3.03 billion in 2014 to £2.88 billion in 2015. Once inflation is taken into account this was a decrease of six per cent. The first estimates for 2016 suggest a fall of just £14 million to £2.87 billion, or a real terms decrease of one per cent.

Total costs for farms in Scotland fell from £2.75 billion in 2014 to £2.68 billion in 2015. Once inflation is taken into account this was a fall of four per cent. The first estimates for 2016 suggest a fall of £63 million to £2.61 billion, or a real terms fall of three per cent.

Chart 3 shows that outputs and costs have been broadly similar across the last ten years, with outputs slightly higher than costs in nine of the last ten years, and more clearly so since 2013.

Subsidies and other payments are mainly affected by changes in the euro exchange-rate, though in recent years there were significant reductions in the euro payment amount. This meant that in 2015 total payments (excluding coupled support) fell by £46 million to £444 million, an 11 per cent decrease after accounting for inflation. However, in 2016, with the weakening of the pound in the latter part of the year, 2016 payments increased by £47 million to £491 million, a ten per cent increase after accounting for inflation.

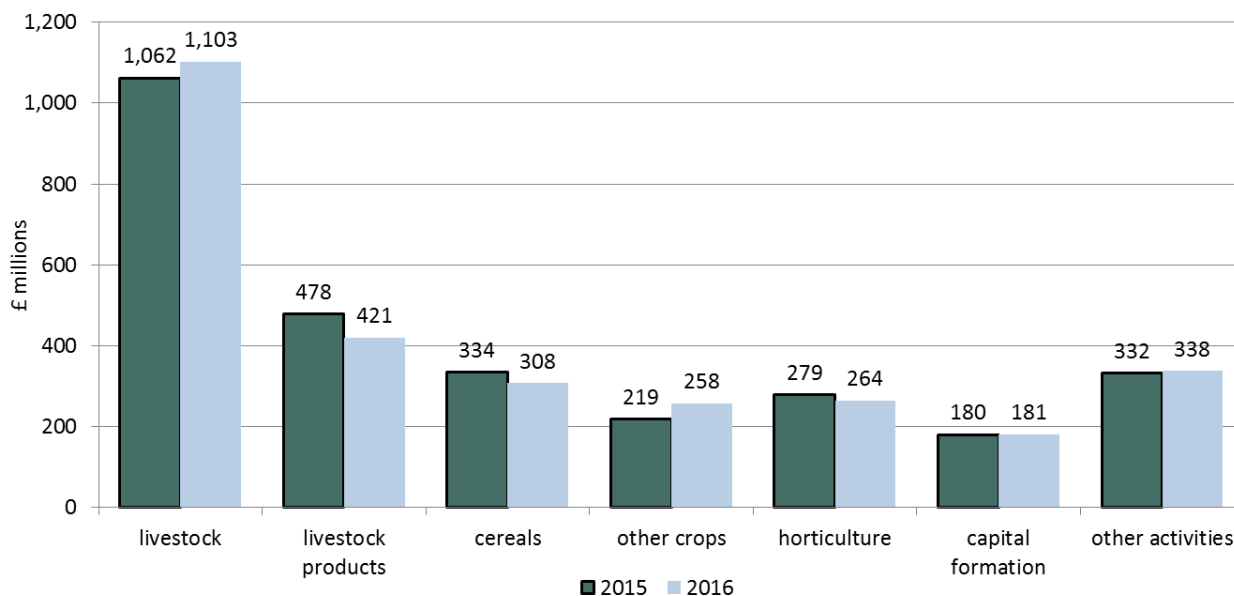
Chart 3: Trends in outputs, costs and subsidies over the period, in real terms
source: Table 3



4. Outputs from Scottish farms

The value of outputs from Scottish farms fell from £3.03 billion in 2014 to £2.88 billion in 2015, and dropped further to an estimated £2.87 billion in 2016. Changes in outputs will be due to both changes in volume and in prices.

Chart 4: Output, 2015 and 2016 [source: Table 1](#)



The total output of **livestock** (finished and store, including coupled support) was estimated as £1.06 billion in 2015 (37 per cent of output; down £32 million, three per cent or four per cent real terms) and £1.10 billion in 2016 (38 per cent of output; up £41 million, four per cent or three per cent real terms).

Within this the value of finished **cattle** rose to £650 million in 2015 (23 per cent of output; up £3 million, up 0.5 per cent or down one per cent real terms) but is estimated to have fallen to £642 million in 2016 (22 per cent of output; down £8 million, one per cent or two per cent real terms). Both years saw a fairly steady volume, with a steady price in 2015 followed by a dip in price in 2016. Store cattle output was estimated at £50 million in 2015 and £54 million in 2016, the increase in 2016 being due to an increase in export numbers outweighing a fall in price.

Finished **sheep** and lamb output was estimated as £173 million in 2015 (six per cent of output; down £9 million, five per cent or seven per cent real terms) and £195 million in 2016 (seven per cent of output; up £23 million, 13 per cent and 13 per cent real terms). Changes are due to reductions in numbers and prices in 2015 followed by increases in both in 2016. Store sheep and lamb output was estimated at £13.0 million in 2015 and £14.3 million in 2016, an increase in both years.

Output of **pigs** was estimated as £85 million in 2015 (three per cent of output; down £7 million, eight per cent or nine per cent real terms) and £89 million in 2016 (three per cent of output; up £3 million, four per cent or three per cent real terms).

Production increased in both years, but while prices fell in both, though more strongly in 2015.

Poultry output had been falling but recovered in 2016. It was estimated as £65 million in 2015 (two per cent of output; down £23 million, 26 per cent or 28 per cent real terms) and £84 million in 2016 (three per cent of output; up £19 million, 29 per cent or 29 per cent real terms). 2015 saw a fall in price and a large fall in broiler numbers, but numbers increased in 2016, outweighing the further drop in price.

Amongst livestock products, the value of **milk** fell sharply to £378 million in 2015 (13 per cent of output; down £76 million, 17 per cent or 18 per cent real terms) and further to an estimated £328 million in 2016 (11 per cent of output; down £50 million, 13 per cent or 14 per cent real terms). The average price for a litre fell from 31.5p to 24.1p between 2014 and 2015, though the volume increased eight per cent to 1.6 billion litres. The average price fell further in 2016 to 22.0p per litre, the lowest since 2007, accompanied by a five per cent reduction in volume to 1.5 billion litres.

The value of **eggs** for food was estimated at £92 million in 2015 (three per cent of output; up £10 million, 12 per cent or 11 per cent real terms) and £83 million in 2016 (three per cent of output; down £8 million, nine per cent or ten per cent real terms). There were increases in production in both years with reasonably steady prices in 2015, but a 15 per cent fall in price in 2016.

Wool accounted for £4.6 million in both 2015 and 2016, with a drop in price in 2015 followed by steady prices and quantity in 2016.

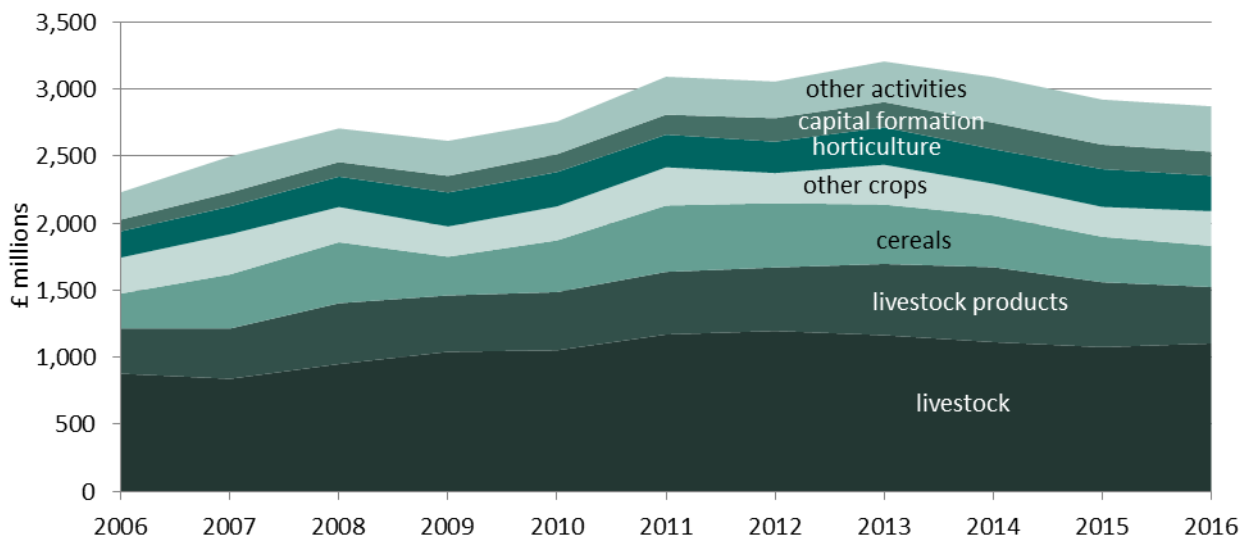
Other livestock and livestock products includes around £10 million for exported hatching eggs.

Cereals were valued at £334 million in 2015 (12 per cent of output; down £44 million, 12 per cent or 13 per cent real terms) and £308 million in 2016 (11 per cent of output; down £27 million, eight per cent or nine per cent real terms). About 60 per cent of this value comes from barley, with barley showing a 14 per cent reduction in value in 2015, and a further nine per cent in 2016, due to a fall in production. The price fell in 2015 but recovered due to the weakening of the pound in 2016. The value of wheat fell in both years, down to £104 million in 2016, but oats saw a 42 per cent increase in 2016 to £23 million.

Amongst other crops, **potatoes** were valued at £171 million in 2015 (six per cent of output; down £15 million, eight per cent or ten per cent real terms) and an estimated £209 million in 2016 (seven per cent of output; up £38 million, 23 per cent or 22 per cent real terms). The fall in 2015 was due to a fall in ware prices and production, whereas in 2016 both saw increases.

Within **horticulture**, vegetable production accounted for an estimated £109 million in 2015 (four per cent of output; down £3 million, three per cent or five per cent real terms) and £123 million in 2016 (four per cent of output; up £14 million, 13 per cent or 12 per cent in real terms). Fruit production accounted for an estimated

Chart 5: Value of outputs, in real terms, 2006 to 2016 [source: Table 3](#)



£140 million in 2015 (five per cent of output; up £51 million, 57 per cent or 55 per cent real terms) and £115 million in 2016 (four per cent of output; down £25 million, 18 per cent or 18 per cent real terms). Fruit volume and prices both did very well in 2015, and although they dropped back in 2016, the trend is still strongly upwards.

Capital formation, which in financial terms recognises the value of putting livestock into the breeding herd rather than slaughter, was estimated at £180 million in 2015 (six per cent of output; down £14 million, seven per cent or nine per cent real terms) and £181 million in 2016 (six per cent of output; up £0.2 million, or no change in percentage terms).

Other agricultural work accounted for £86 million in 2015 and was estimated at £84 million in 2016 (three per cent of output in both years), with income from non-agricultural activity² estimated at £246 million in 2015 (nine per cent of output; up £2 million, up one per cent or down one per cent real terms) and £253 million in 2016 (nine per cent of output; up £7 million, three per cent or two per cent real terms).

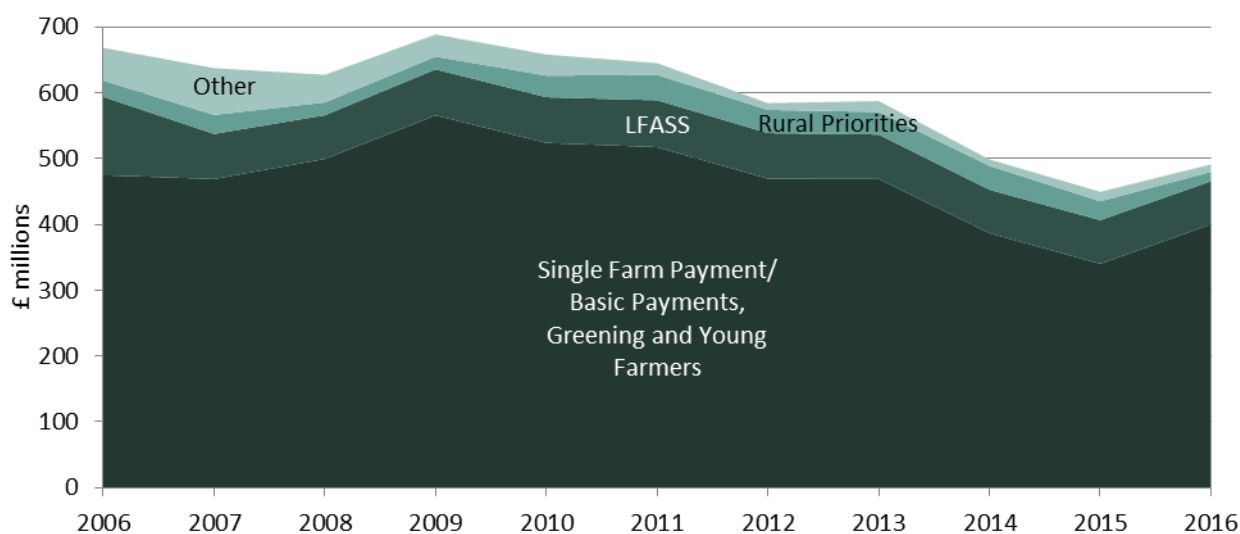
² This only relates to activities that are not separable from the agricultural activity. Forms of diversification such as large-scale energy generation would be excluded from TIFF.

5. Total grants and subsidies

Total payments (including coupled support) fell by £31 million to £480 million in 2015, but due to the more favourable exchange-rate increased £53 million to £533 million in 2016.

The CAP regime saw a major change in 2015, with Single Farm Payments (SFP) being replaced by the Basic Payment Scheme (BPS) and the Greening Payments. Initially set in euros, BPS, Greening and the new Young Farmer Payment amounting to £336 million in 2015 (76 per cent of payments or seven per cent of total gross income; down £44 million relative to SFP, 12 per cent or 13 per cent real terms) and amounting to £400 million in 2016 (81 per cent of payments or 12 per cent of total gross income; up £64 million, 19 per cent or 18 per cent real terms). The reduction in 2015 was due to both a less favourable exchange rate ($\text{€}1=\text{£}0.73129$) and a €29 million reduction in the original amount due to changes in the EU budget, down to €459 million. The 2016 figures saw a €10 million increase in the initial euro amount, to €469 million, but a 17 per cent weakening of the Sterling exchange rate ($\text{€}1=\text{£}0.85228$) resulted in a 19 per cent increase in pillar 1 payments.

Chart 6: Grants and Subsidies 2006-2016 [source: Table 3](#)
(excludes coupled support)



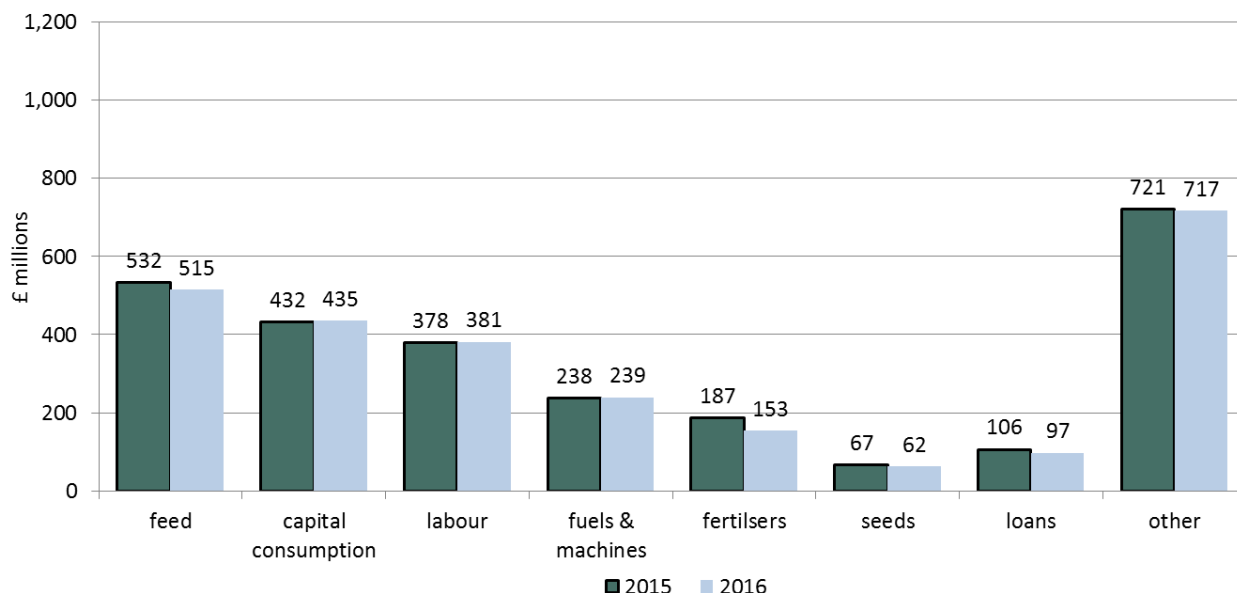
Other payments include the Less-favoured Areas Support Scheme, which accounted for £66 million in 2015, with the same amount estimated for 2016, and Rural Priorities payments which accounted for £28 million in 2015 and £14 million in 2016. The remaining schemes totalled about £11 million in 2016, and included £5 million EU reimbursement and the £2.4 million EU Milk Production Reduction Scheme.

Coupled support increased from £35.8 million in 2015 to £41.7 million in 2016. The figures are included in the livestock income in this publication's tables.

6. Input costs faced by Scottish farms

Total costs for Scottish farms fell from £2.75 billion in 2014 to £2.68 billion in 2015, and dropped further to an estimated £2.61 billion in 2016. Changes in costs will be due to both changes in volume and in prices.

Chart 7: Share of costs, 2015 and 2016 [source: Table 1](#)

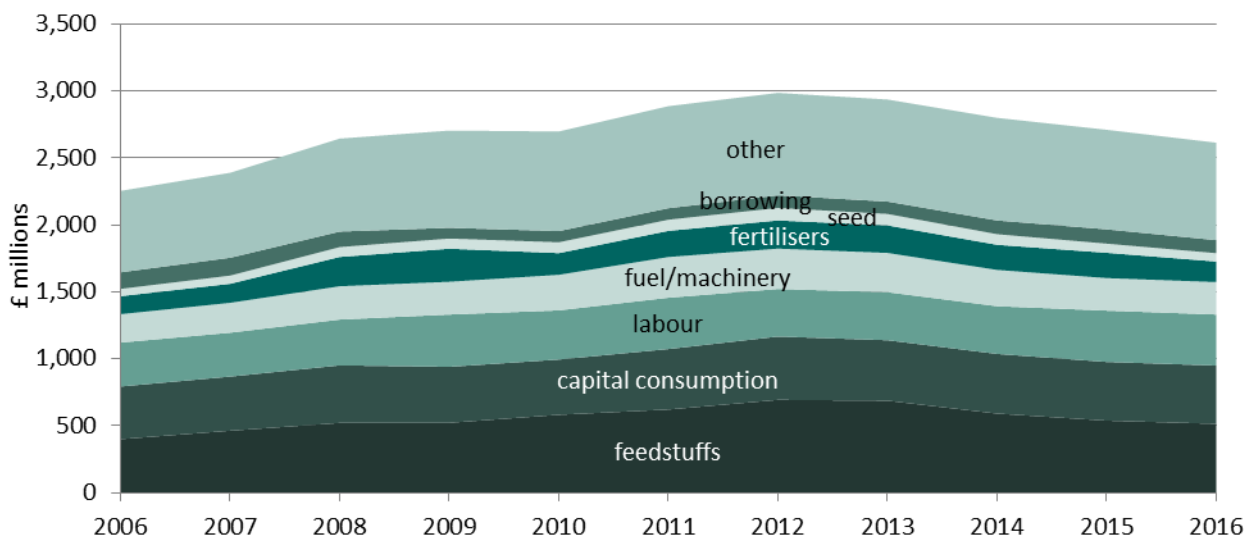


The cost of **feed** was estimated as £532 million in 2015 (20 per cent of costs; down £49 million, eight per cent or ten per cent real terms) and £515 million in 2016 (20 per cent of costs; down £18 million, three per cent or four per cent real terms). Figures based mainly on the Farm Accounts Survey showed a nine per cent reduction in the value of concentrates for sheep and cattle for 2015 and a 14 per cent reduction in roughages. There was also an 11 per cent fall calculated in granivore feed. Initial estimates for 2016, based on Agricultural Price Indices, livestock numbers and consideration of the grass harvested, suggest a further three per cent reduction in costs.

Consumption of fixed capital, which in financial terms recognises the economic cost of using up a farm's previous capital investment (in livestock, buildings, plant and machinery), was estimated as £432 million in 2015 (16 per cent of costs; down £5 million, one per cent or three per cent real terms) and £435 million in 2016 (17 per cent of costs; up £3 million, or fairly level in percentage terms).

The cost of **labour** was estimated as £378 million in 2015 (14 per cent of costs; up £29 million, eight per cent or six per cent real terms) and £381 million in 2016 (15 per cent of costs; up £2 million, fairly level in percentage terms). Also included in this category is the cost of specialist contract work which was estimated as £4.5 million in 2015 and £5.1 million in 2016.

Chart 8: Input costs, in real terms, 2006 to 2016 [source: Table 3](#)



The cost of **fuel** was estimated as £119 million in 2015 (four per cent of costs; down £24 million, 17 per cent or 18 per cent real terms) and £119 million in 2016 (five per cent of costs ; no change on 2015). The prices of red diesel and other fuels fell in 2015 but increased in 2016. Other machinery repairs and expenses amounted to about a further £120 million in both years.

The cost of **fertiliser** usage was estimated as £187 million in 2015 (seven per cent of costs; up £2 million, little change in percentage terms) and £153 million in 2016 (six per cent of costs; down £33 million, 18 per cent or 18 per cent real terms). The estimated fall in 2016 was due mainly to price reductions, particularly for nitrogen.

Expenditure on **seed**, which only accounts for about two per cent of costs, was estimated as £67 million in 2015 and £62 million in 2016.

The cost of **borrowing**, split in the tables into FISIM (the costs of financial services) and interest (though both of these would appear, in practice, as interest payments) rose slightly in 2015, due to increases in bank advances, but fell back in 2016 due to the reduction in interest rates.

All **other expenses**, including maintenance, veterinary fees, crop protection, rent and other miscellaneous expenses, fell £22 million to £735 million in 2015, and a further estimated £4 million to £730 million in 2016.

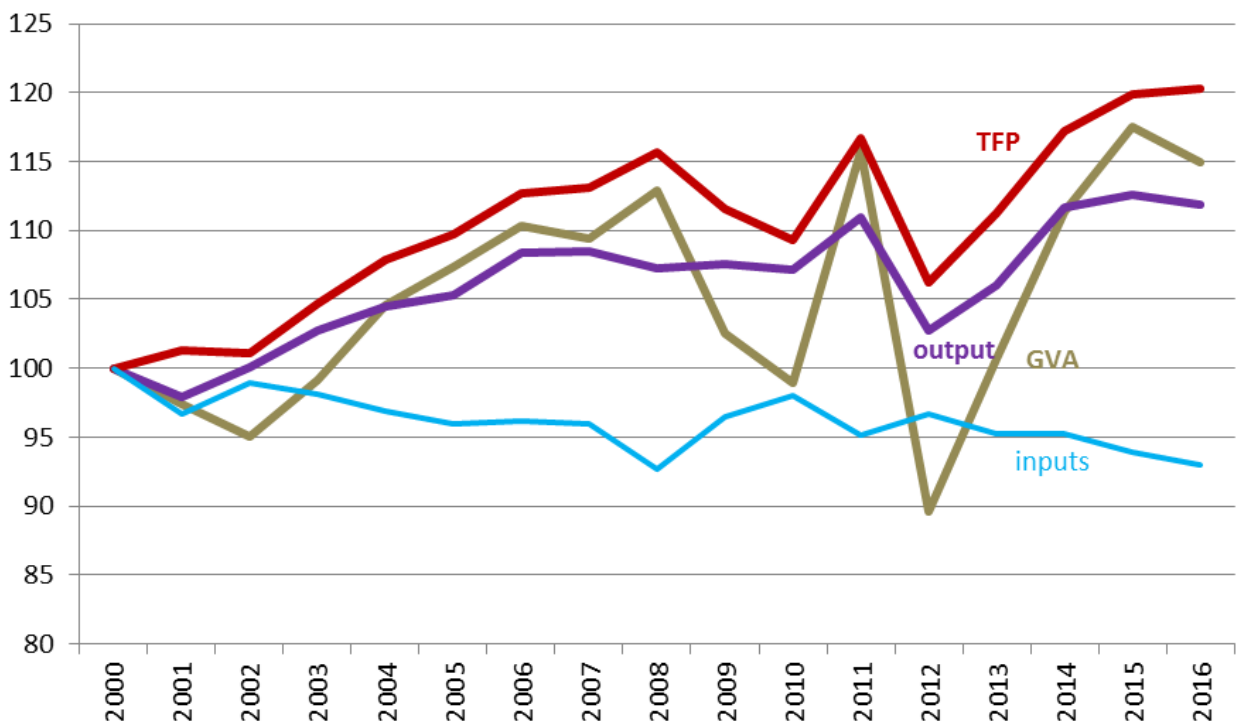
7. Production indices

Table 5 shows four different production indices. To produce these, income and expenditure accounts (similar to TIFF) are calculated based on constant prices. The percentage annual changes in these is calculated, which are then converted into indices.

- The Output Index looks at how the volume of output changes over time. It doesn't take into account capital formation, and is not affected by whether commodities have received coupled support.
- The Input Index looks at most items of input, hence how the volume of input changes over time. It doesn't however take into account spend on contract work, interest or taxes on production.
- Total Factor Productivity Index calculates the ratio of outputs to inputs, in line with that published at UK-level by DEFRA.
- The Gross Value Added Index is a volume-based indicator of the economic size of the industry, used in GDP calculations. As with the other indicators, it is not, strictly speaking, affected by the value of commodities, other than in terms of the weight given to each element within the calculation. This index is therefore different from the Gross Value Added figure included in Table 1.

The three indicators, excluding Input, show fluctuating growth compared to the base year 2000. Initial growth until 2006 has stuttered, with dips in 2010 and 2012, but with more recent years showing some positive signs.

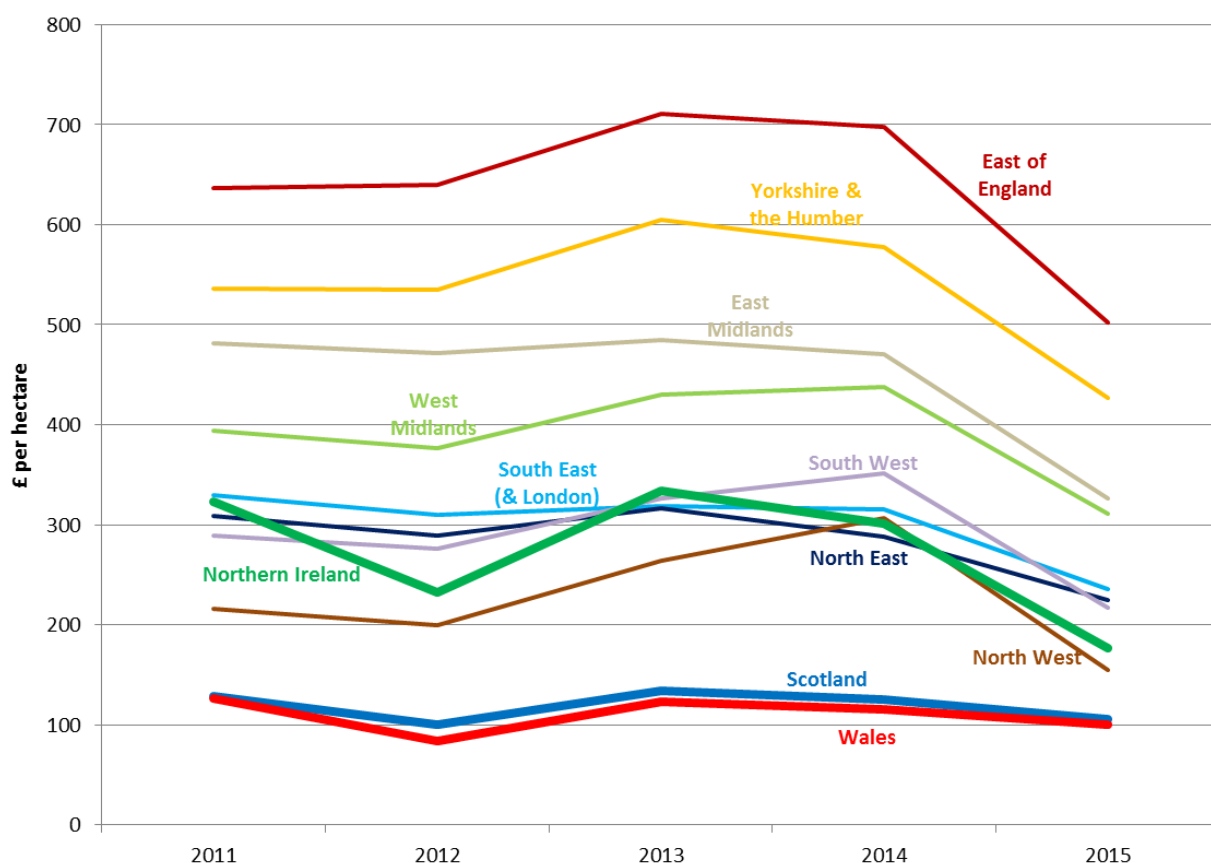
Chart 9: Production indices, 2000 to 2016



8. NUTS1 area comparisons

Chart 10 shows the latest Scotland data for 2015 in comparison with other UK NUTS1³ areas. The data are shown on a per hectare basis, to illustrate the productivity of land, rather than be affected by the differing sizes of NUTS1 areas. Scotland and Wales are consistently below any other NUTS1 area, with Northern Ireland at similar levels to the lower performing English regions, and four English regions (East of England, Yorkshire & the Humber, East Midlands, West Midlands) on top.

Chart 10: TIFFF per hectare, by NUTS1 region, 2011 to 2015



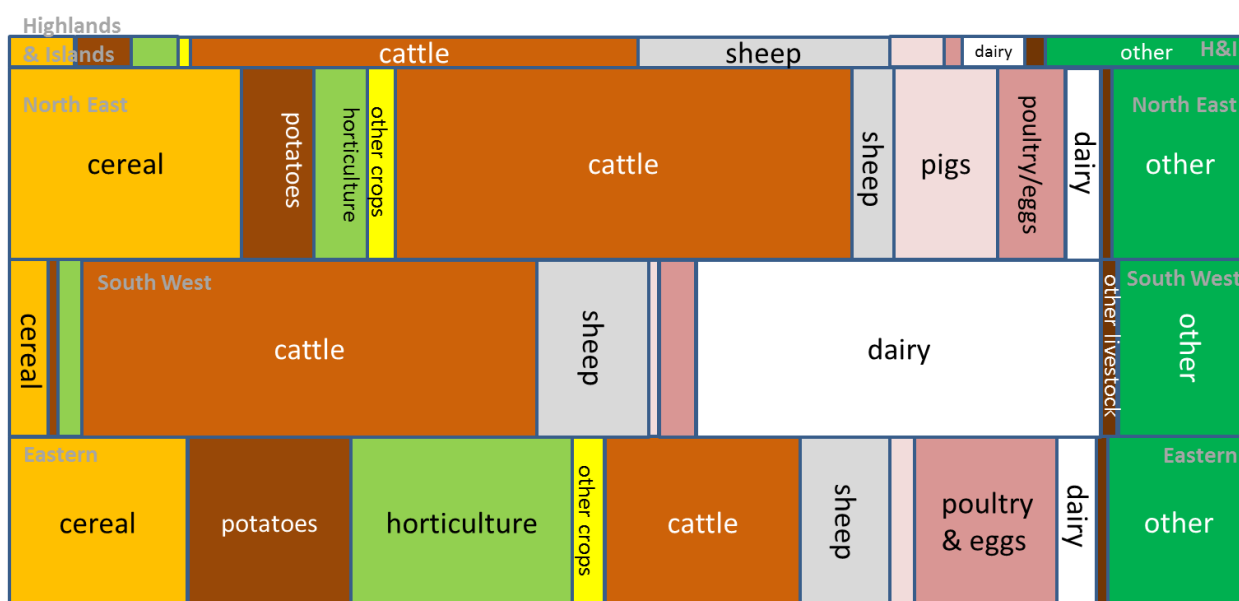
³ Nomenclature of Territorial Units for Statistics (NUTS) is the EU's geocode standard for the UK

9. NUTS2 regional estimates

Regional estimates of TIFF have been calculated by allocating outputs and inputs to Scotland's four NUTS2-level regions. Census and Farm Accounts Survey data are used to allocate livestock, crop data and costs, though it should be noted that uniform prices are applied across all regions. For example, the national estimate of dairy output is allocated in proportion to the number of dairy cows in each region, without taking into account any differential prices that there may be.

Chart 11 illustrates the importance of each output sector to the regions. The graphic relates to outputs only, estimated costs are not included and so the graphic should not be taken as illustrating regional sector GVA or profits. It can be seen that the South West relies heavily on output from milk, accounting for about a third of the region's output, though even more so on beef production. Beef and cereals dominate the North East, with Highlands and Islands having important beef and sheep sectors, as well as relying more on other income sources. Eastern Scotland has the most balanced distribution of output, with cereals, potatoes, horticulture, cattle, poultry and other income each producing more than ten per cent of the region's output, with none above 20 per cent.

Chart 11: Estimated output per hectare by NUTS2 region 2016



Assumed uniformity of price is also an issue in the estimation of regional input costs. However, where these are taken from the Farm Accounts Survey, farm-type level costs are used, with each region's costs produced by applying the proportion of each farm-type in the region. Hence, for example, the Highlands and Islands region would be heavily influenced by the average costs of LFA cattle and sheep farms, whereas East Scotland would be more influenced by the average costs of cereal, horticulture or general cropping farms. This year we have also estimated differential costs for feed and fertiliser, based on research findings into the additional costs in rural areas, and for labour, based on the Hours and Earnings Survey.

It is also recognised that certain regions produce store cattle for other regions, and that this is not included directly in the regional TIFF calculations, as only exported cattle are counted. However, since income from slaughter is distributed in proportion to regional cattle numbers, and these numbers include those that will be sold as store, it is likely that the overall estimation for income from cattle will not be affected too much.

As illustrated in chart 13, the TIFF estimates for 2015, and initial estimates for 2016, suggest that on a per hectare basis, the highest level of income from farming is in the North East, followed closely by the South West. Highlands & Islands has the lowest income from farming, where agriculture is estimated to have made only a very small profit once support is included.

Chart 12: Regional TIFF estimates for 2015 and initial estimates for 2016

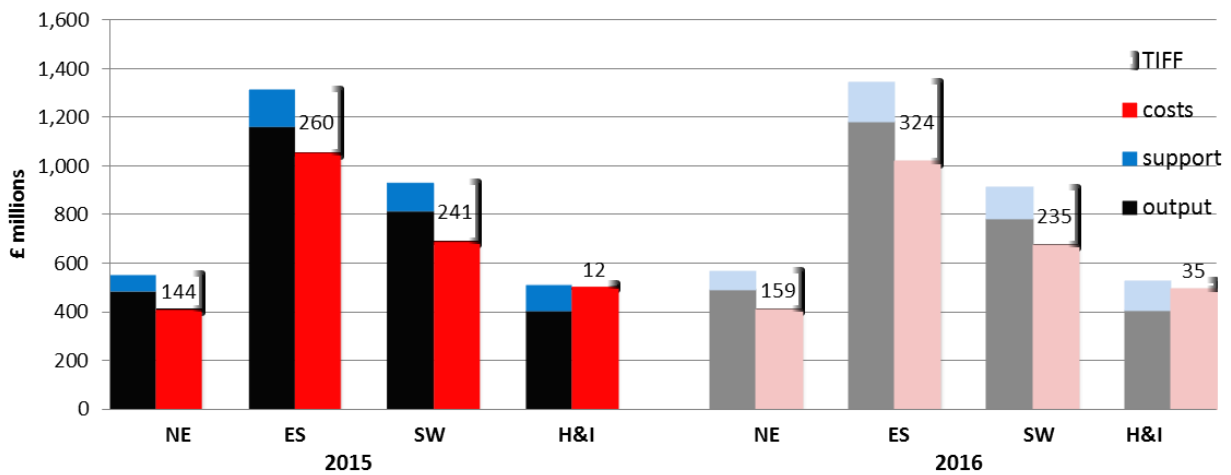


Chart 13: Regional TIFF estimates, per hectare, for 2015 and initial estimates for 2016

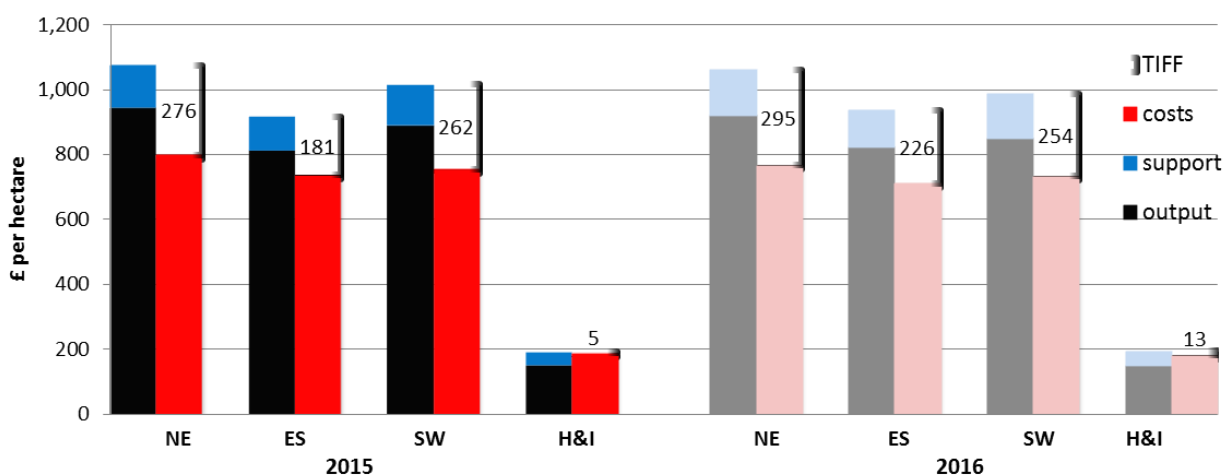


Chart 14: Map showing NUTS2 Regions of Scotland used in regional analysis



10. Revisions

Regular revisions

Values for many of the datasets used in TIFF do not become available until later in the year. This means that the data published here for 2016 are often only a first estimate, with revised data being published next year and possibly a further update the following year. For this reason this publication contains updated data for 2014 and 2015.

Methodological changes

A wide-ranging review of TIFF methodology was carried out during 2012 and 2013. Thereafter more minor methodology improvements have been identified, due to improved data sources, estimations or modelling. Where such changes have been made, back series are calculated where necessary. A document explaining the latest revisions to previously published TIFF estimates is available online at the following link

www.gov.scot/farmingrevisions2016

Effect of changes

For the most recent years, compared to the results published in January 2016, TIFF has been revised downwards £2 million (0.2 per cent) for 2014, and down £14 million (two per cent) for 2015. The revised trend in TIFF between 2014 and 2015 shows an decrease of £122 million (16 per cent) before inflation, a more negative trend than that published in January 2016 (which initially estimated an 14 per cent decrease before inflation).

The largest revisions (in numerical rather than percentage terms) between 2015 initial estimates published last year and 2015 second estimates published here, are in

- i. expenditure on feedstuffs, revised down £61 million. This is due to actual expenditure reported in the Farm Accounts Survey being quite different from initial estimates based on price indices, fodder production and livestock numbers.
- ii. income from finished cattle, revised downwards £31 million. This was due to a double counting of the coupled support payment in last year's calculation.
- iii. expenditure on fertilisers, revised upwards £18 million. This is due to updated data from the British Survey of Fertiliser Practice and updated price information.

11. Notes

11.1 Uses of Information

The TIFF statistics are used for a wide range of purposes. The statistics help the government to assess the economic well-being of the different agricultural sectors, and to form, monitor and evaluate policy. The compilation of Scotland-level TIFF statistics is also part of the UK's requirement to submit an agricultural account to the Statistical Office of the European Communities on behalf of the UK.

Some examples detailing how the TIFF statistics are (or have been) used:

- Data from TIFF are used as part of the quarterly compilation of Scottish GDP. The TIFF statistics are also used to compile the National Accounts of the UK.
- The TIFF statistics are used frequently as part of informing briefing for Ministerial discussions with stakeholders across the industry. Price data for the sectors (as supplied by the markets) are also regularly updated and used to provide a picture of current market performance of these sectors.
- The TIFF statistics are also regularly used in the economic and analytical modelling of Scottish agriculture, for example, as used by the Food and Policy Research Institute (FAPRI).

Results from the TIFF statistical publication are also used (and available to the public) in the following publications:

The Economic Report on Scottish Agriculture.

This is a compendium publication which contains detailed statistics on Scottish agriculture. It brings together information from the June Census, the Farm Accounts Survey, and TIFF calculations to provide a thematic overview of agriculture in Scotland.

<http://www.gov.scot/Topics/Statistics/Browse/Agriculture-Fisheries/PubEconomicReport>

Agricultural Facts and Figures pocketbook.

This provides a useful summary of the key statistics in the Scottish agriculture and food sector, in a convenient pocketbook format.

<http://www.gov.scot/Topics/Statistics/Browse/Agriculture-Fisheries/PubFactsFigures>

We also use the TIFF statistics to contribute to the formulation and publication of UK statistics on agriculture. These publications are co-ordinated by DEFRA and more details are available here.

[www.gov.uk/government/publications?departments\[\]=department-for-environment-food-rural-affairs&publication_filter_option=statistics](http://www.gov.uk/government/publications?departments[]=department-for-environment-food-rural-affairs&publication_filter_option=statistics)

11.2 Methodology

The Total Income from Farming (TIFF) statistics are compiled annually by the Scottish Government's Rural & Environment Science & Analytical Services (RESAS).

There are about 40 different data sources that are used in compiling the TIFF statistics, for example;

- The annual June Agriculture Census run by the Scottish Government (SG), which itself also includes administrative data from Basic Payments applications and the British Cattle Tracing Scheme (RADAR).
- The annual December Agriculture Survey run by the SG.
- Farm Accounts Survey run by the SG.
- Prices and volumes data sourced from specific market reports from the appropriate industries.
- Prices and volumes data sourced from bespoke surveys, including those run by the SG and additional separate surveys run by industry bodies such as the Agriculture and Horticulture Development Board (AHDB), Home Grown Cereals Authority (HGCA), British Potato Council (BPC).

A full description of the updated methodology is set out in a separate document published online at

www.gov.scot/farmingmethodology2016

11.3 Data Quality Assurance

Data used in the compilation of TIFF undergo several validation processes as follows;

- Prices checking for any obvious errors upon receipt of data, using both internal components and totals cross-checking and cross-referencing against previous years.
- Auto-checking and identifying any internal inconsistencies once loaded into the relevant TIFF modules.
- Checking for any sudden changes in comparison with previous returns.
- Assessing any trends or switches in areas, volumes, prices etc. that look unreasonable.

If necessary data suppliers are contacted to ensure data are correct.

The Scottish Government also uses industry expertise to quality assure emerging agricultural statistics. For the annual release of headline farm income statistics in January, this process involves separate quality assurance meetings with representatives of the National Farmers Union Scotland (NFUS) Committee of Scottish Clearing Bankers (CSCB) and Quality Meat Scotland (QMS).

These meetings are usually held about two weeks prior to the publication of the farm income statistics and involve a detailed discussion on emerging statistics and

trends on all the components making up the farm income statistics. This discussion covers trends on agricultural production, prices, related costs and subsidy payments as well as on underlying methodologies used to generate the estimates. This is particularly useful for the components where data are not available for the most recent year and projections need to be made using various assumptions, indices and other information sources.

Representatives of NFUS, CSCB and QMS have up-to-date and widespread knowledge of the agricultural sector, as well as access to their own information sources. This enables them to identify any questionable trends in the emerging statistics, which the Scottish Government can then investigate further and amend if necessary before the statistics are finalised and published. More fundamental comments on underlying methodologies can also be considered ahead of the following year's publication.

In addition, representatives of the CSCB and QMS also assist the Scottish Government Statisticians in understanding the likely reasons and causes behind various trends.

These quality assurance meetings are held in strict confidence and representatives of NFUS, CSCB and QMS provide assurances that any emerging statistics and trends will not be used by their organisations until publication of the final statistics. It should be noted however, that many components of the farm income estimates, for example market prices, are already in the public domain.

11.4 Accuracy of first estimates

As described on page 2 of this publication, the 2016 data are only first estimates, much of the required information to produce them only becoming available later this year. The following table shows a comparison made between last year's 2015 first estimates and this year's 2015 second estimates. This should serve as an indicator of how reliable this year's 2016 first estimates are likely to be. Text is coloured **blue** if this year we have revised our estimate upwards, **brown** if we have revised down and black if there has been no change. Traffic-light colour coding, used in Table 1, is that provided at the time to illustrate how dependent the estimates were on data that were not available at the time of publication.

Last year's second estimates for 2014 have been compared with this year's final estimates for 2014, using the same categories as above. Sixteen of the 35 were zero change, eight were one per cent out, three were two per cent out, four were three per cent out, and four were four or more per cent out. This suggests that, apart from methodological changes, the second estimates are very close to our final estimates.

Table: Size of changes between last year's first estimates and this year's second estimates for 2015

< 0.5%	1%	2%	3%	4%	5-9%	10%+
cereals	nursery	potatoes	capital	milk	vegetables	other
oilseed	other	store	formation	seed	fruit	crops
pigs	livestock	cattle	interest		cattle	sheep
other	misc	eggs	taxes		poultry	wool
livestock	expenses	subsidies			store	other
products		labour			sheep	agric
		rent			other	activities
		OUTPUT			non-agric	feed
		COSTS			activities	fertiliser
		TIFF			maintenance	

11.5 Use of the GDP deflator

Prior to the January 2014 publication, the Scottish Government used the Retail Price Index (RPI) to deflate present income indicators in real terms. Following a consultation on options for improving the RPI, the National Statistician concluded in January 2013 that one of the formulae (the Carli formula) used to produce the RPI did not meet international standards. Subsequently, the UK Statistics Authority withdrew National Statistics designation from the RPI. This led the four governments responsible for UK TIFF calculations to reconsider their use of RPI in TIFF, and to opt for a GDP deflator (implicit price deflator for GDP).

11.6 Other Agricultural Statistics Publications

The next agricultural statistics publication due to be released is the results of the 2016 December Agricultural Survey. This surveys around 15,000 holdings and results will be published in March 2017.

Also due for publication in April is the Farm Business Statistics publication, containing results and analysis from the Farm Accounts Survey.

Results from all Scottish Government agricultural surveys can be accessed here: <http://www.gov.scot/Topics/Statistics/Browse/Agriculture-Fisheries/Publications>

12. Tables

Table 1: Changes in TIFF components 2014 to 2016

Prices not adjusted for inflation

£ millions

	Based on complete/final data		Based on incomplete data				Based on proxy estimates			
	2014	2015	2016	2014 to 2015			2015 to 2016			
		second estimate	initial estimate	change	% change	% change accounting for inflation	change	% change	% change accounting for inflation	
OUTPUTS										
Cereals										
Wheat	129.8	118.8	104.5	-11	-8%	-10%	-14	-12%	-13%	
Barley	232.1	199.3	180.4	-33	-14%	-16%	-19	-9%	-10%	
Oats	16.2	15.9	22.6	0	-2%	-4%	7	42%	41%	
Triticale	0.4	0.3	0.0	0	-15%	-16%	0	-91%	-91%	
1. Total cereals	378.5	334.3	307.5	-44	-12%	-13%	-27	-8%	-9%	
Cereals net of subsidies	378.5	334.3	307.5	-44	-12%	-13%	-27	-8%	-9%	
Other crops:										
Potatoes	186.1	170.9	209.4	-15	-8%	-10%	38	23%	22%	
Oilseed Rape	35.5	37.1	33.0	2	5%	3%	-4	-11%	-11%	
Other Farm Crops	9.9	11.3	15.2	1	14%	12%	4	35%	34%	
2. Total other crops	231.5	219.3	257.6	-12	-5%	-7%	38	17%	17%	
Other crops net of subsidies	231.5	219.3	257.6	-12	-5%	-7%	38	17%	17%	
Horticulture:										
Vegetables	112.4	108.9	122.9	-3	-3%	-5%	14	13%	12%	
Fruit	88.9	139.6	114.9	51	57%	55%	-25	-18%	-18%	
Flowers, Nursery Stock & Other Plants	52.3	30.1	25.8	-22	-42%	-43%	-4	-15%	-15%	
3. Total Horticulture	253.5	278.6	263.6	25	10%	8%	-15	-5%	-6%	
Livestock:										
Finished Cattle and Calves	646.6	649.8	642.0	3	0%	-1%	-8	-1%	-2%	
Finished Sheep and Lambs	181.8	172.5	195.2	-9	-5%	-7%	23	13%	13%	
Finished Pigs	92.7	85.4	88.9	-7	-8%	-9%	3	4%	3%	
Poultry	88.2	64.9	83.9	-23	-26%	-28%	19	29%	29%	
Other Livestock	25.8	25.8	24.8	0	0%	-2%	-1	-4%	-4%	
4. Total Finished Livestock	1,035.1	998.6	1,034.9	-36	-4%	-5%	36	4%	3%	
Finished livestock net of subsidies	1,014.4	962.8	993.2	-52	-5%	-7%	30	3%	3%	
Store Cattle	28.2	28.2	33.4	0	0%	-2%	5	18%	18%	
Store Calves	19.1	22.1	20.4	3	16%	14%	-2	-8%	-8%	
Store Sheep	11.2	13.0	14.3	2	16%	14%	1	9%	9%	
5. Total Store Livestock	58.5	63.3	68.0	5	8%	6%	5	7%	7%	
Livestock Products:										
Milk and Milk Products	454.5	378.1	328.5	-76	-17%	-18%	-50	-13%	-14%	
Eggs for food	81.5	91.7	83.2	10	12%	11%	-8	-9%	-10%	
Clipwool	7.4	4.6	4.6	-3	-38%	-39%	0	2%	1%	
Other Livestock Products	5.2	4.1	4.3	-1	-22%	-23%	0	5%	4%	
6. Total Livestock Products	548.6	478.4	420.6	-70	-13%	-14%	-58	-12%	-13%	
Livestock Products net of subsidies	548.6	478.4	420.6	-70	-13%	-14%	-58	-12%	-13%	

	2014	2015	2016	2014 to 2015			2015 to 2016		
Capital Formation:									
Cattle	133.3	121.2	108.1	-12	-9%	-11%	-13	-11%	-11%
Sheep	37.2	34.8	47.4	-2	-7%	-8%	13	36%	35%
Pigs	0.8	0.8	0.6	0	-7%	-9%	0	-23%	-23%
Poultry	22.6	23.5	24.5	1	4%	3%	1	4%	3%
7. Total Capital Formation	194.0	180.3	180.5	-14	-7%	-9%	0	0%	0%
8. Total Other Agricultural Activities	90.1	85.8	84.4	-4	-5%	-6%	-1	-2%	-2%
9. Total Non-Agricultural Activities	243.8	245.9	253.3	2	1%	-1%	7	3%	2%
10. GROSS OUTPUT AT BASIC PRICES	3,033.6	2,884.7	2,870.5	-149	-5%	-6%	-14	0%	-1%
Gross output at basic prices net of subsidies	3,013.0	2,848.9	2,828.8	-164	-5%	-7%	-20	-1%	-1%
INPUTS (a)									
11. Total Feedstuffs	581.1	532.4	514.9	-49	-8%	-10%	-18	-3%	-4%
12. Total Seeds	77.1	67.0	62.2	-10	-13%	-14%	-5	-7%	-8%
13. Total Fertilisers and Lime	184.3	186.7	153.5	2	1%	0%	-33	-18%	-18%
Farm Maintenance:									
Occupier	80.0	72.8	69.8	-7	-9%	-10%	-3	-4%	-5%
Landlord	8.5	8.3	8.2	0	-2%	-4%	0	0%	-1%
14. Total Farm Maintenance	88.4	81.1	78.0	-7	-8%	-10%	-3	-4%	-4%
Miscellaneous Expenditure:									
Machinery Repairs	114.6	115.3	115.6	1	1%	-1%	0	0%	0%
Fuel and Oil	142.4	118.6	119.1	-24	-17%	-18%	1	0%	0%
Other Machinery Expenses	4.4	4.1	4.3	0	-6%	-8%	0	3%	3%
Electricity and heating	21.2	21.1	21.3	0	0%	-2%	0	1%	0%
Veterinary Expenses and Medicines	64.6	67.0	68.1	2	4%	2%	1	2%	1%
Crop Protection	67.5	65.5	61.3	-2	-3%	-4%	-4	-7%	-7%
Contract Work	95.3	91.2	90.4	-4	-4%	-6%	-1	-1%	-1%
Other Farm Costs	372.0	358.3	358.9	-14	-4%	-5%	1	0%	0%
15. Total Miscellaneous Expenses	882.0	841.1	839.0	-41	-5%	-6%	-2	0%	-1%
16. FISIM (Financial Intermediation Services Indirectly Measured)	19.8	21.9	20.6	2	11%	9%	-1	-6%	-6%
17. Total Non-Agricultural Activities	19.0	20.6	21.1	2	9%	7%	1	2%	2%
18. GROSS INPUT (b)	1,851.7	1,750.8	1,689.3	-101	-5%	-7%	-61	-4%	-4%
19. GROSS VALUE ADDED (c)	1,181.9	1,133.9	1,181.1	-48	-4%	-6%	47	4%	4%
Gross value added net of subsidies	1,161.3	1,098.1	1,139.4	-63	-5%	-7%	41	4%	3%

	2014	2015	2016	2014 to 2015			2015 to 2016		
Consumption of Fixed Capital									
Plant Machinery and Vehicles	155.9	152.0	152.2	-4	-3%	-4%	0	0%	0%
Building and Works	99.8	97.7	96.3	-2	-2%	-4%	-1	-1%	-2%
Cattle	129.5	127.4	117.2	-2	-2%	-3%	-10	-8%	-9%
Sheep	31.0	32.1	45.5	1	4%	2%	13	41%	41%
Pigs	1.0	1.0	0.7	0	-9%	-11%	0	-25%	-25%
Poultry	20.1	22.2	23.3	2	11%	9%	1	5%	4%
20. Total Consumption of Fixed Capital	437.3	432.4	435.1	-5	-1%	-3%	3	1%	0%
21. NET VALUE ADDED (at basic prices)	744.6	701.5	746.1	-43	-6%	-7%	45	6%	6%
Net value added (at basic prices) net of subsidies	598.2	665.7	704.3	68	11%	9%	39	6%	5%
Grants and Subsidies									
Single Farm Payment / Basic Payment Scheme	379.8	219.5	265.3	-44	-12%	-13%	64	19%	18%
Greening		115.4	132.9						
Young Farmer Payment		1.0	1.8						
Less-Favoured Areas Support Scheme	64.7	65.5	65.5	1	1%	0%	0	0%	-1%
Land Management Contract Menu Scheme	0.0	0.0	0.0	0	-64%	-64%	0	185%	184%
Land Managers Options	6.8	5.2	2.1	-2	-24%	-25%	-3	-59%	-59%
Rural Stewardship Scheme	0.2	0.1	0.0	0	-39%	-40%	0	-100%	-100%
Rural Priorities Environmentally Sensitive Areas	35.5	28.2	14.3	-7	-21%	-22%	-14	-49%	-49%
Other Agri Environmental Schemes (d)	0.0			0	-100%	-100%			
Other	2.7	2.2	1.6	-1	-21%	-22%	-1	-26%	-26%
22. Total Other Grants and Subsidies	489.8	443.8	491.1	-46	-9%	-11%	47	11%	10%
Total grants and subsidies	510.4	479.6	532.8	-31	-6%	-8%	53	11%	10%
23. Net Value Added at Factor Cost (e)	1,234.4	1,145.3	1,237.1	-89	-7%	-9%	92	8%	7%
24. Hired Labour (f)	349.8	378.4	380.5	29	8%	6%	2	1%	0%
25. Net Interest	81.3	84.1	76.7	3	3%	2%	-7	-9%	-9%
26. Net Rent	14.5	16.2	17.9	2	12%	10%	2	10%	9%
27. Taxes on Production	13.9	13.6	13.4	0	-2%	-4%	0	-2%	-3%
28. Total Costs	2,748.5	2,675.5	2,612.9	-73	-3%	-4%	-63	-2%	-3%
29. TOTAL INCOME FROM FARMING (10+22-28)	774.9	653.0	748.6	-122	-16%	-17%	96	15%	14%

(a) also referred to as intermediate consumption

(b) also referred to as total intermediate consumption

(c) also referred to as gross product

(d) includes Farm Woodland Scheme, Farm Woodland Premium Scheme, Farmland Premium Scheme, Countryside Premium Scheme, and Organic Aid Scheme

(e) also referred to as net product

(f) also referred to as compensation of employees

Table 2: Components of TIFF 2007 to 2016

Prices not adjusted for inflation

£ millions

	2007	2008	2009	2010	2011	2012	2013	2014	2015 second estimate	2016 initial estimate
OUTPUTS										
Cereals										
Wheat	102.3	137.8	85.3	123.5	148.5	119.3	116.1	129.8	118.8	104.5
Barley	229.8	252.6	163.3	213.2	292.9	314.4	285.3	232.1	199.3	180.4
Oats	15.0	12.3	11.3	16.0	19.7	20.8	25.8	16.2	15.9	22.6
Triticale	1.0	0.8	0.4	0.5	0.6	0.4	0.5	0.4	0.3	0.0
1. Total cereals	348.2	403.6	260.3	353.1	461.7	454.8	427.6	378.5	334.3	307.5
Cereals net of subsidies	348.2	403.6	260.3	353.1	461.7	454.8	427.6	378.5	334.3	307.5
Other crops:										
Potatoes	209.9	193.7	168.9	180.7	200.2	159.8	242.3	186.1	170.9	209.4
Oilseed Rape	36.4	29.7	24.1	39.5	53.0	39.4	32.6	35.5	37.1	33.0
Other Farm Crops	12.1	9.3	10.1	11.2	12.5	13.2	11.5	9.9	11.3	15.2
2. Total other crops	258.4	232.7	203.2	231.5	265.7	212.4	286.4	231.5	219.3	257.6
Other crops net of subsidies	257.9	232.4	202.7	231.5	265.7	212.4	286.4	231.5	219.3	257.6
Horticulture:										
Vegetables	81.9	85.3	110.5	111.8	107.5	101.1	129.0	112.4	108.9	122.9
Fruit	61.2	78.2	80.0	84.3	81.9	72.4	94.5	88.9	139.6	114.9
Flowers, Nursery Stock & Other Plants	36.2	38.1	37.8	38.4	38.3	48.6	47.0	52.3	30.1	25.8
3. Total Horticulture	179.2	201.6	228.3	234.4	227.7	222.2	270.5	253.5	278.6	263.6
Livestock:										
Finished Cattle and Calves	411.3	484.4	511.6	541.5	606.8	648.5	649.1	646.6	649.8	642.0
Finished Sheep and Lambs	122.6	135.1	171.5	183.4	202.7	182.0	171.4	181.8	172.5	195.2
Finished Pigs	67.8	75.8	77.4	72.1	88.9	83.2	78.6	92.7	85.4	88.9
Poultry	74.7	81.1	95.2	93.2	105.0	117.1	117.6	88.2	64.9	83.9
Other Livestock	22.1	23.5	25.4	24.8	25.9	23.4	27.3	25.8	25.8	24.8
4. Total Finished Livestock	698.6	799.9	881.2	915.0	1,029.3	1,054.1	1,043.9	1,035.1	998.6	1,034.9
Finished livestock net of subsidies	670.8	773.5	857.7	892.9	1,007.4	1,033.7	1,023.2	1,014.4	962.8	993.2
Store Cattle	9.6	20.0	27.4	21.8	32.2	43.4	44.4	28.2	28.2	33.4
Store Calves	8.1	12.6	15.5	11.8	16.7	24.7	25.6	19.1	22.1	20.4
Store Sheep	8.4	10.4	14.1	14.4	14.5	12.1	11.4	11.2	13.0	14.3
5. Total Store Livestock	26.2	43.0	57.1	48.1	63.4	80.2	81.5	58.5	63.3	68.0
Livestock Products:										
Milk and Milk Products	273.8	342.3	315.8	318.9	349.5	366.3	424.3	454.5	378.1	328.5
Eggs for food	43.0	54.5	55.5	66.9	73.4	73.5	78.4	81.5	91.7	83.2
Clipwool	2.8	2.4	3.3	6.5	8.2	5.3	6.2	7.4	4.6	4.6
Other Livestock Products	4.3	4.1	4.2	4.8	4.6	3.4	4.4	5.2	4.1	4.3
6. Total Livestock Products	323.9	403.2	378.7	397.1	435.7	448.5	513.3	548.6	478.4	420.6
Livestock Products net of subsidies	323.9	403.2	378.7	397.1	435.7	448.5	513.3	548.6	478.4	420.6

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Capital Formation:										
Cattle	55.1	56.7	68.4	65.7	79.4	105.6	119.5	133.3	121.2	108.1
Sheep	15.9	20.2	23.7	33.4	33.3	37.7	38.2	37.2	34.8	47.4
Pigs	0.7	0.4	0.7	0.8	0.8	0.7	1.0	0.8	0.8	0.6
Poultry	17.9	19.1	18.6	22.0	25.5	21.7	22.5	22.6	23.5	24.5
7. Total Capital Formation	89.6	96.4	111.4	121.9	139.1	165.7	181.2	194.0	180.3	180.5
8. Total Other Agricultural Activities	63.6	65.6	61.0	76.1	82.3	80.7	82.6	90.1	85.8	84.4
9. Total Non-Agricultural Activities	167.9	156.8	174.7	146.8	181.3	178.4	209.3	243.8	245.9	253.3
10. GROSS OUTPUT AT BASIC PRICES	2,155.6	2,402.9	2,355.9	2,524.0	2,886.3	2,896.8	3,096.3	3,034	2,885	2,870
Gross output at basic prices net of subsidies	2,127.3	2,376.1	2,332.0	2,501.9	2,864.4	2,876.4	3,075.5	3,013.0	2,848.9	2,828.8
INPUTS (a)										
11. Total Feedstuffs	400.2	463.4	471.5	533.4	580.8	657.6	664.4	581.1	532.4	514.9
12. Total Seeds	52.9	65.4	68.4	73.9	77.5	88.4	82.6	77.1	67.0	62.2
13. Total Fertilisers and Lime	122.6	194.1	222.7	148.3	182.1	199.7	198.4	184.3	186.7	153.5
Farm Maintenance:										
Occupier	42.8	50.1	60.7	65.1	75.3	78.9	82.3	80.0	72.8	69.8
Landlord	7.0	6.9	6.6	6.2	9.0	8.7	8.6	8.5	8.3	8.2
14. Total Farm Maintenance	49.8	57.0	67.4	71.3	84.3	87.7	91.0	88.4	81.1	78.0
Miscellaneous Expenditure:										
Machinery Repairs	91.8	94.7	103.2	105.9	117.0	116.6	116.6	114.6	115.3	115.6
Fuel and Oil	91.1	114.7	108.4	128.8	156.6	159.7	156.2	142.4	118.6	119.1
Other Machinery Expenses	5.2	5.4	5.5	4.6	4.6	5.1	5.0	4.4	4.1	4.3
Electricity and heating	19.9	24.0	24.4	23.8	24.2	24.1	22.7	21.2	21.1	21.3
Veterinary Expenses and Medicines	45.9	48.6	51.1	53.3	56.1	58.0	62.4	64.6	67.0	68.1
Crop Protection	56.0	65.9	65.1	66.9	69.9	75.2	66.1	67.5	65.5	61.3
Contract Work	69.8	73.9	70.7	81.9	88.5	89.2	91.0	95.3	91.2	90.4
Other Farm Costs	266.0	288.7	300.1	318.8	343.6	348.6	360.0	372.0	358.3	358.9
15. Total Miscellaneous Expenses	645.7	716.0	728.5	784.0	860.6	876.4	880.1	882.0	841.1	839.0
16. FISIM (Financial Intermediation Services Indirectly Measured)	15.4	10.5	15.9	20.1	19.6	19.6	21.4	19.8	21.9	20.6
17. Total Non-Agricultural Activities	15.7	35.5	51.9	38.4	22.1	20.2	20.9	19.0	20.6	21.1
18. GROSS INPUT (b)	1,302.3	1,541.8	1,626.2	1,669.4	1,826.8	1,949.6	1,958.7	1,851.7	1,750.8	1,689.3
19. GROSS VALUE ADDED (c)	853.3	861.0	729.6	854.6	1,059.4	947.2	1,137.5	1,181.9	1,133.9	1,181.1
Gross value added net of subsidies	825.0	834.3	705.8	832.6	1,037.5	926.8	1,116.7	1,161.3	1,098.1	1,139.4

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Consumption of Fixed Capital										
Plant Machinery and Vehicles	128.1	133.3	144.1	151.8	158.6	164.8	164.7	155.9	152.0	152.2
Building and Works	124.7	129.4	122.6	104.3	103.5	105.9	100.8	99.8	97.7	96.3
Cattle	57.0	74.3	63.8	65.9	99.8	117.4	107.2	129.5	127.4	117.2
Sheep	17.1	24.3	25.7	34.8	35.6	34.6	40.9	31.0	32.1	45.5
Pigs	0.9	0.6	0.7	0.6	1.1	0.9	1.0	1.0	1.0	0.7
Poultry	21.3	19.5	19.4	19.9	22.6	25.0	21.6	20.1	22.2	23.3
20. Total Consumption of Fixed Capital	349.0	381.4	376.3	377.4	421.1	448.5	436.2	437.3	432.4	435.1
21. NET VALUE ADDED (at basic prices)	504.2	479.6	353.4	477.2	638.3	498.7	701.3	744.6	701.5	746.1
Net value added (at basic prices) net of subsidies	436.5	425.5	311.2	440.7	579.1	447.1	644.1	598.2	665.7	704.3
Grants and Subsidies										
Single Farm Payment/Basic Payment Scheme	404.9	443.4	509.9	479.5	483.1	445.1	453.1	379.8	219.5	265.3
Greening									115.4	132.9
Young Farmer Payment Less-Favoured Areas Support Scheme									1.0	1.8
Land Management	59.2	59.0	63.1	63.6	66.6	65.6	65.2	64.7	65.5	65.5
Contract Menu Scheme	19.8	20.0	17.8	17.1	6.6	0.2	0.1	0.0	0.0	0.0
Land Managers Options	0.0	0.0	0.4	0.9	3.5	5.8	6.8	6.8	5.2	2.1
Rural Stewardship Scheme	24.9	17.3	13.0	7.8	4.0	0.7	0.2	0.2	0.1	0.0
Rural Priorities Environmentally Sensitive Areas	0.0	0.0	4.4	22.2	31.8	32.7	33.0	35.5	28.2	14.3
Other Agri Environmental Schemes (d)	5.1	3.6	2.7	1.5	0.6	0.2	0.0	0.0	0.0	0.0
Other	15.8	13.6	9.3	6.9	6.0	3.5	2.9	2.7	2.2	1.6
22. Total Other Grants and Subsidies	550.3	557.0	620.7	602.3	602.2	553.9	567.6	489.8	443.8	491.1
Total grants and subsidies	578.6	583.7	644.5	624.4	624.1	574.3	588.4	510.4	479.6	532.8
23. Net Value Added at Factor Cost (e)	1,054.5	1,036.6	974.0	1,079.5	1,240.5	1,052.6	1,268.9	1,234.4	1,145.3	1,237.1
24. Hired Labour (f)	282.5	303.3	351.9	335.6	357.9	336.2	346.0	349.8	378.4	380.5
25. Net Interest	99.5	92.4	56.2	56.6	61.0	69.6	68.4	81.3	84.1	76.7
26. Net Rent	14.4	14.9	13.4	13.7	14.0	13.0	13.0	14.5	16.2	17.9
27. Taxes on Production	14.5	13.6	13.2	16.1	13.6	13.0	13.7	13.9	13.6	13.4
28. Total Costs	2,062.2	2,347.4	2,437.1	2,468.8	2,694.4	2,829.9	2,836.1	2,748.5	2,675.5	2,612.9
29. TOTAL INCOME FROM FARMING (10+22-27)	643.6	612.4	539.4	657.5	794.0	620.8	827.8	774.9	653.0	748.6

(a) also referred to as intermediate consumption

(b) also referred to as total intermediate consumption

(c) also referred to as gross product

(d) includes Farm Woodland Scheme, Farm Woodland Premium Scheme, Farmland Premium Scheme, Countryside Premium Scheme, and Organic Aid Scheme

(e) also referred to as net product

(f) also referred to as compensation of employees

Table 3: Summary components of TIFF 2006 to 2016, in 2016 prices (i.e. prices adjusted for inflation)

	£millions										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 second estimate	2016 initial estimate
OUTPUTS											
Cereals	259	403	454	289	386	494	480	443	385	339	308
Other crops	267	299	262	225	253	285	224	296	236	222	258
Horticulture	196	208	227	253	256	244	234	280	258	282	264
Finished livestock	841	809	901	977	1,000	1,102	1,112	1,080	1,054	1,011	1,035
Store livestock	37	30	48	63	53	68	85	84	60	64	68
Livestock products	339	375	454	420	434	467	473	531	559	484	421
Capital formation	88	104	109	124	133	149	175	188	198	183	181
Other agricultural activities	50	74	74	68	83	88	85	86	92	87	84
Non-agricultural activities	153	194	177	194	160	194	188	217	248	249	253
Gross output	2,230	2,496	2,706	2,613	2,757	3,091	3,055	3,204	3,089	2,921	2,870
GRANTS & SUBSIDIES											
	668	637	627	688	658	645	584	587	499	449	491
COSTS											
Feedstuffs	401	464	522	523	583	622	694	688	592	539	515
Seed	55	61	74	76	81	83	93	86	78	68	62
Fertilisers	134	142	219	247	162	195	211	205	188	189	153
Farm maintenance	58	58	64	75	78	90	92	94	90	82	78
Miscellaneous expenses	707	748	806	808	856	922	924	911	898	852	839
FISIM	15	18	12	18	22	21	21	22	20	22	21
Non-agricultural activities	18	18	40	58	42	24	21	22	19	21	21
Capital consumption	393	404	429	417	412	451	473	451	445	438	435
Net labour	328	327	342	390	367	383	355	358	356	383	381
Net interest	108	115	104	62	62	65	73	71	83	85	77
Net rent	20	17	17	15	15	15	14	13	15	16	18
Taxes on production	16	17	15	15	18	15	14	14	14	14	13
Gross costs	2,253	2,388	2,643	2,703	2,697	2,885	2,985	2,935	2,798	2,709	2,613
TIFF	645	745	690	598	718	850	655	857	789	661	749

Amended 14:00 31 January 2017

Table 4: TIFF estimates 1973 to 2016, in 2016 prices. £ millions

1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
1,375	1,097	963	1,297	998	666	445	219	378	496	380
1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
571	168	312	398	282	491	321	396	556	652	770
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1005	681	404	297	308	322	451	387	586	589	529
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 second estimate	2016 initial estimate
645	745	690	598	718	850	655	857	789	661	749

Note: there will be some discontinuities in various times series over this period for which it has not been possible to back-date to 1973, however these are unlikely to affect the overall pattern of changes in TIFF.

Table 5: Production indices 2000 to 2016

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Final output (gross output less transactions within the agricultural industry)	100	98	100	103	104	105	108	109	107	108	107	111	103	106	112	113	112
Inputs	100	97	99	98	97	96	96	96	93	96	98	95	97	95	95	94	93
Total Factor Productivity	100	101	101	105	108	110	113	113	116	112	109	117	106	111	117	120	120
Gross Value Added	100	97	95	99	105	107	110	109	113	103	99	116	90	101	111	118	115

Table 6: NUTS1 regional estimates TIFF estimates per area, 2011 to 2015 (£ per ha)

	2011	2012	2013	2014	2015
North East	309	289	316	288	224
North West	216	200	264	307	155
Yorkshire & the Humber	536	535	605	578	427
East Midlands	482	471	484	470	326
West Midlands	394	376	430	438	311
East of England	637	639	711	698	502
South East (& London)	329	310	318	315	235
South West	289	276	326	351	217
Northern Ireland	323	232	334	302	177
Wales	127	84	123	115	101
Scotland	128	100	134	125	106

Table 7: NUTS 2 regional TIFF estimates 2014 and 2015 (£ millions)

	output	subsidy	input	TIFF	area (ha)	TIFF (£) per ha
2014						
North East	491	68	415	144	524,000	276
Eastern	1,166	149	1,055	260	1,440,000	181
South West	819	116	694	241	908,000	262
Highlands & Islands	408	111	507	12	2,725,000	5
2015						
North East	495	76	412	159	538,000	295
Eastern	1,182	164	1,022	324	1,438,000	226
South West	786	128	679	235	926,000	254
Highlands & Islands	408	123	495	35	2,750,000	13

Table 8: Regional output estimates 2014 (£ millions)

	North East	Eastern	South West	Highlands & Islands
Cereals	93	169	24	21
Potatoes	29	156	6	18
Horticulture	21	211	16	16
Other crops	11	31	3	4
Cattle	182	186	288	147
Sheep	17	86	71	83
Pigs	42	23	6	18
Poultry	27	136	22	6
Dairy	14	38	256	20
Other livestock products	4	12	10	7
Other	55	134	82	67

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