

Accompanying Commentary for the 2019 Facts and Figures

The 2019 Agriculture Facts and Figures for Scotland, available at www.gov.scot/agrifactsfigs2019, gives a selection of key statistics for agriculture in Scotland, often alongside some comparative data from elsewhere in the UK. More information on agriculture in Scotland is available at the Scottish Government statistics page on our website.

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

Chart 1 Income and Expenditure 2018

Total Income from Farming fell over the past year. The Scottish government collects data on the inputs and outputs of farms in Scotland to monitor the financial health of Scottish farms. Chart 1 shows estimated outputs of the Agriculture industry in dark green on the left and inputs in light green on the right. Estimated outputs (£3.68 billion) are higher than inputs (£3.01 billion), meaning Scottish Agriculture had an estimated income of £672 million in 2018.

Scottish farms are heavily dependent on subsidy support. Support payments are estimated to be worth £502 million in 2018. Despite this, Chart 1 shows that even with support payments removed from the total output of Scottish Agriculture the sector was still in profit.

Agriculture in the Economy (Table 1)

Agriculture has a relatively small contribution to the Scottish economy. Table 1 shows that agriculture makes up less than one per cent of Scotland's Gross Value Added (GVA). This percentage does not take into account that agricultural output is often used in the first stage in producing output for other sectors which contribute more to Scotland's GVA, such as the food and drink sector (see Table 10).

Agriculture provides valuable jobs within Scotland. Results from the June Agricultural Census estimate that Agriculture employed 67,000 people in June 2018, which represents 2.5 per cent of Scotland's total workforce. Compared with other UK Nations, Northern Ireland and Wales had a higher percentage of workers employed in Agriculture but a lower total number. England had the highest number of people employed in Agriculture at 309,000.

Farm Types in 2018 (Table 2)

Sheep & Cattle and Forage farms are the most common Farm type in Scotland. Due to poor quality land, which is described below, Scottish agricultural land is more suited to livestock farming than arable farming. The majority of the land is used for these purposes.

Scottish Agriculture in 2018 (Table 3)

Scotland's agricultural land is mostly rough grazing. Rough grazing is poor quality agricultural land which is generally only used to keep animals. Table 3 shows that rough grazing account for over 54 per cent of Scottish land. Very little of Scotland's agricultural land is suitable for growing crops. Barley and Wheat, Scotland's largest crops with ties to the Scottish whiskey industry, account for only 7 per cent of Scottish land.

Livestock are generally kept on the low quality land not suitable for growing crops. Table 3 shows the high number of livestock, mainly cattle and sheep, which are kept on low quality 'Less favoured area' (LFA) land. LFA land has a natural disadvantage which makes agricultural production difficult. Over the past year livestock numbers have fallen slightly, with the exception of poultry and dairy cattle numbers which increased slightly.

Sector Share of Output 2018 (Table 4)

A large proportion of Scottish agricultural output comes from livestock. Table 4 shows that Scotland's livestock sector contributed 42% of agricultural output in 2018 while livestock products, such as milk and eggs, contributed a further 16%. In addition, over one-third of Scottish agricultural output comes from crops. Agricultural outputs in Wales and Northern Ireland are dominated by the livestock industry. In England, 41 per cent of agricultural output is generated by crops, higher than anywhere else in the UK. The UK as a whole has a fairly even split between crops and livestock.

Importance of the LFA (Table 5)

Scotland's land quality is generally quite poor. While Scotland contains around one third of UK agricultural land area, it has over half of the UK's "Less-Favoured Area" (LFA) land. LFA land has a natural disadvantage which makes agricultural production difficult. Table 5 shows that in Scotland 86 per cent of land is LFA, compared to 80 per cent in Wales, 69 per cent in Northern Ireland and only 18 per cent in England.

Arable Sector (Table 6)

Poor weather caused a drop in the total amount of arable crops produced in Scotland over the past year. Production of the main cereal crops Barley, Wheat and Oats fell by 7 per cent, 23 per cent and 5 per cent respectively. Production of Oilseeds fell by 12 per cent and Potatoes fell by 3 per cent. All of these drops were caused in part by poor weather during planting season. The number of farm holdings which grow these crops also fell over the past year.

Dairy Sector (Table 7)

Scotland's dairy sector benefited from a rise in milk price over the past year. The price increase helped create a 4 per cent rise in total milk production to 1.37 billion litres. The number of dairy cattle in Scotland increased slightly to approximately 175,000, a rise of less than one per cent. Despite larger amounts of cattle the number of farms which had 25 or more cattle fell by 4 per cent to 909. However these farms generally had a larger dairy herd, with the average number of dairy cattle on farm rising by 4 per cent to 189.

Beef Sector (Table 8)

Beef Cattle numbers continue a long term decline. Table 8 shows that over the past year beef cattle numbers fell by 2 per cent to 424,000. The number of farms with beef cows continue to decline, falling by 2 per cent to 8,812.

Sheep Sector (Table 9)

The number of breeding Ewes in Scotland has hit a 5-year low. Table 9 shows the drop in breeding ewe numbers, which may have been impacted by the 'Beast from the East'. The snow storm, which hit during lambing season in March may have caused the overall drop in sheep numbers, including a 5-year low in new lambs. Table 9 also shows a drop in the total sheep output in 2018, falling by 11 per cent to 2.5 million tonnes.

Food & Drink Manufacturing Sector (Table 10)

Scottish Annual Business Statistics reports a turnover of £10.1 billion for food & beverage manufacturing in 2016, with GVA of £3.8 billion. Over half (60 per cent) of this GVA comes from beverages.

Total Expenditure Under Main Payment Schemes (Table 11)

The value of subsidies and support payments increased over the past year. Subsidies, including coupled support, were budgeted at £549 million in 2018. Table 11 shows that the figure includes £425 million in direct payments and a further £66 million in support for Less Favoured Areas. The largest coupled support was for the Beef Support scheme with budgeted payments of £35 million. Basic Payment Scheme, combined with Greening and Young Farmer Payment, accounted for 77 per cent of support in 2018.

Farm Business Income & Direct Subsidies Per Farm By Type of Farming (Table 12)

Incomes from commercial farms in Scotland have gone up in 2017-18, however the figures in Table 12 show that agriculture is still dependent on farm subsidies. The average farm income has risen 21 per cent to £35,400, the highest level over the last six years. Dairy farms experienced the largest increase of average income to £73,100

Total Income from Farming (Table 13 and chart 1)

Total Income from Farming fell over the past year. The figures shown in Table 13 show that an increase in the costs of farming led to a £57 million drop in Total Income from Farming to £672 million. Despite a rise in the value of farm outputs and subsidy payments, increases in costs such as labour and feed led to an overall drop in income.

Average Net Worth (Table 14)

The average net worth of Scottish farm businesses is estimated at £1.3 million in 2017-18. Figures in Table 14 show that farms which are owned by the farmer (owner-occupied) are worth more than farms which are rented (tenanted). Owner-occupied are worth on average £1.5 million, just over four times higher than tenanted farms at £373,000.

Total Indebtedness & Investment (Table 15)

There was a slow-down in the total lending from banks to Scottish agriculture over the past year. Figures in Table 15 show outstanding debts to Scottish farms rose by one per cent (£22 million) down from 5 per cent in the previous year. Total outstanding lending to the agricultural sector amounted to £2.34 billion.

Hired Regular Full-Time Workers (Table 16)

Average weekly earnings for full-time working increased in 2018. Table 16 shows that earnings increased by 9 per cent over the past year to £461 a week. This may have been impacted by increases in the minimum agricultural wage and a rise in the average weekly hours worked. The average number of hours worked by full-time agricultural staff increased by 8 per cent to 44.5 hours per week.