

Research Briefing  
**The Farming Sector in Wales**

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Author: **Edward Armstrong**  
Date: **September 2016**



**National Assembly for Wales**  
Research Service

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Paper Number: **16-053**

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# Research Briefing

## **The Farming Sector in Wales**

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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.

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# 1. 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 areas' 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, the most important of which include:

- Wales is more mountainous and has a wetter climate than much of the UK so much of the country is classified as LFA. The land is therefore more suited to pasture and livestock farming and not arable cropping;
- The widespread highlands are more favourable towards sheep, specifically hardy Welsh Mountain sheep.
- The dairy industry 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.

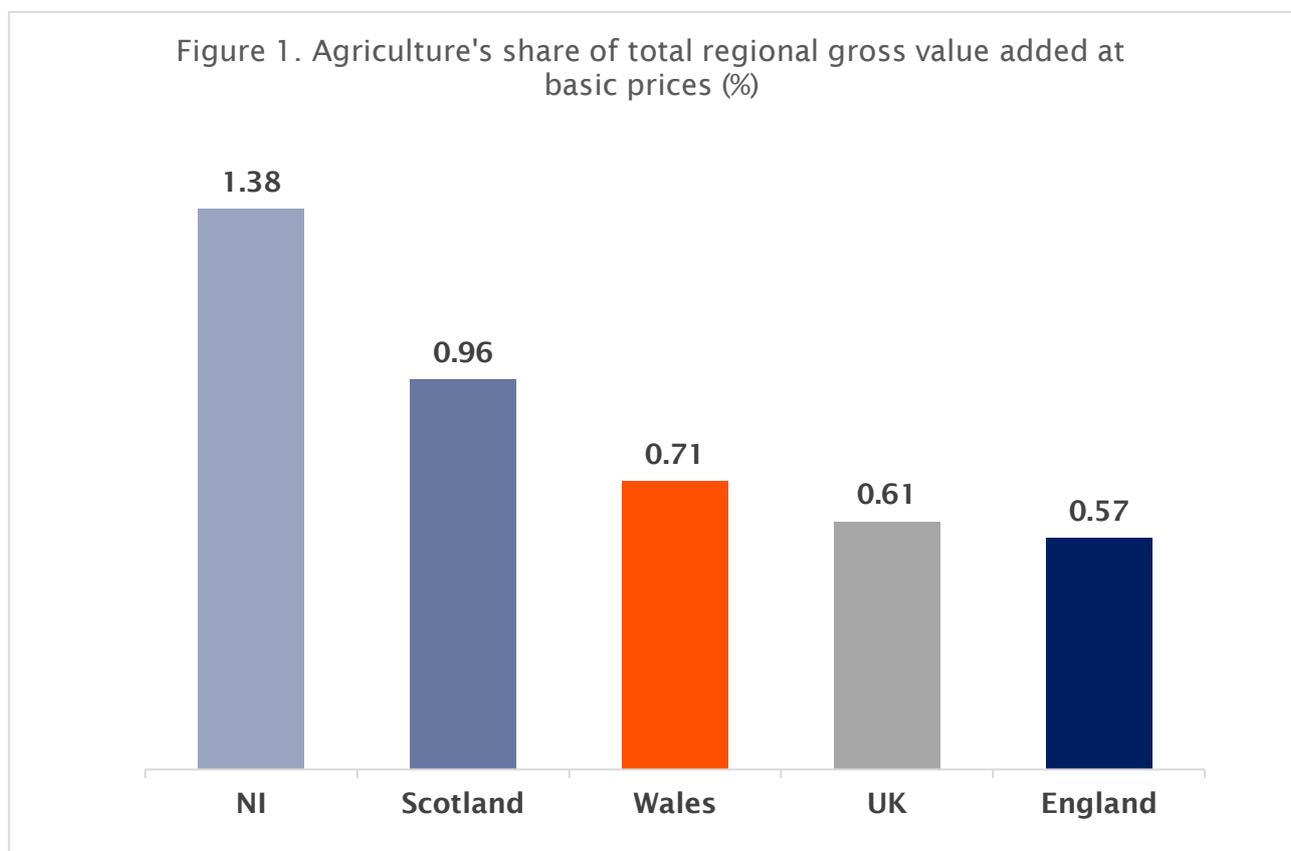
## 2. Key Points

- In 2015 88% of the land area of Wales was utilised as agricultural land.
- In 2015, Welsh agriculture accounted for 4.07% of regional employment in Wales and a total gross value added of 0.71%. 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 9% of the UK's agricultural labour force.
- Land use is dominated by grassland pasture which accounts for 75% 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 35% 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 (51%) and livestock products (35%). 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 holdings are 48 ha, smaller than in England and Scotland.
- The average Welsh farm business income in 2014-15 was £29,400, greater than Scotland and Northern Ireland but less than England and the UK average.

### 3. 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 2014 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 0.61% in 2014. In Wales this value increases to 0.71%, which is behind both Scotland (0.96%) and Northern Ireland (1.38%) but greater than that in England (0.57%). 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.

There are approximately 647,700 people working in the agricultural sector in the UK, 9% of which (58,300) in Wales, 74% (476,000) in England, 10% (65,300) in Scotland and 7% (48,000) in Northern Ireland.



Source: [Agriculture in the UK 2015, Defra](#)

Figure 2 shows agriculture's shares of total regional employment (%) across the UK in 2015, which averaged 1.42% in the UK as a whole. In Wales this value increased to 4.07% and to 5.66% in Northern Ireland, greater than those in England (1.07%) and Scotland (2.42%). Welsh agriculture therefore makes a more significant contribution to employment in Wales relative to the UK as a whole.

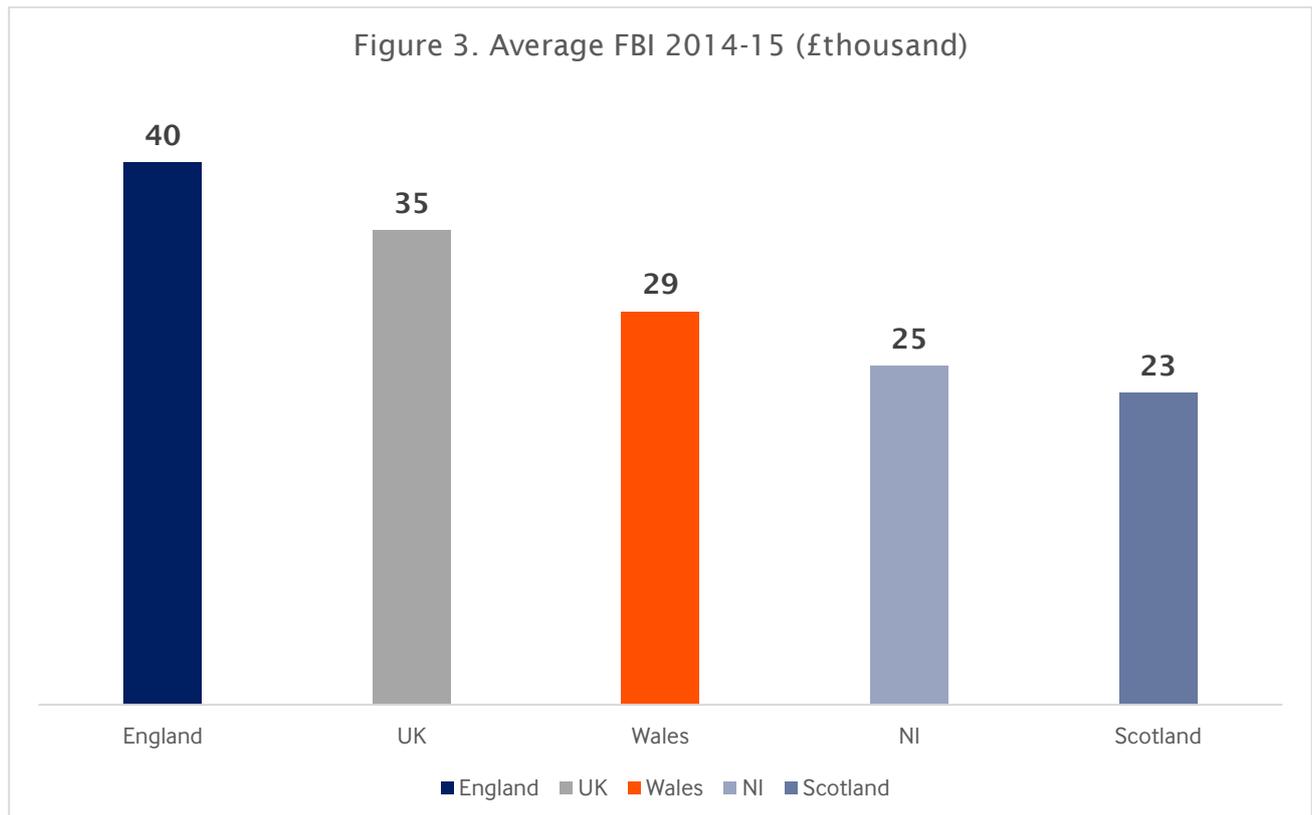


Source: [Agriculture in the UK 2015, Defra](#)

## 4. 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 £29,400, greater than that in Scotland (£23,000) and Northern Ireland (£25,000) but less than in England (£40,000) and the UK (£35,000) as a whole.

According to *Forecasts of Farm Incomes 2015-16*, the average FBI in Wales decreased to 24,500 compared to the previous year. This fall in average FBI reflects the decrease in prices paid to farmers for their produce compared to 2014-15.



Source: *Agriculture in the UK 2015m*, Defra

## 5. Agricultural Land Use

The total utilised agricultural land use in the UK was 17.147 million ha in 2015. Wales constitutes approximately 10% of this land (1.753m ha; Figure 4), compared to 52% in England, 32% in Scotland and 6% in Northern Ireland. Within Wales, utilised agricultural land constitutes 88% of the land area, compared to 69% in the England, 68% in Scotland and 73% in Northern Ireland.

Welsh agriculture is dominated by permanent pasture grassland, which accounts for more than 75% (1.326m ha) of the utilised area (Figure 5). Croppable area accounts for 14% (0.247m 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 55% (4.809m ha) dedicated to crops, 35% (3.695m ha) for permanent pasture and approximately 5% (0.399m ha) for common rough grazing land.

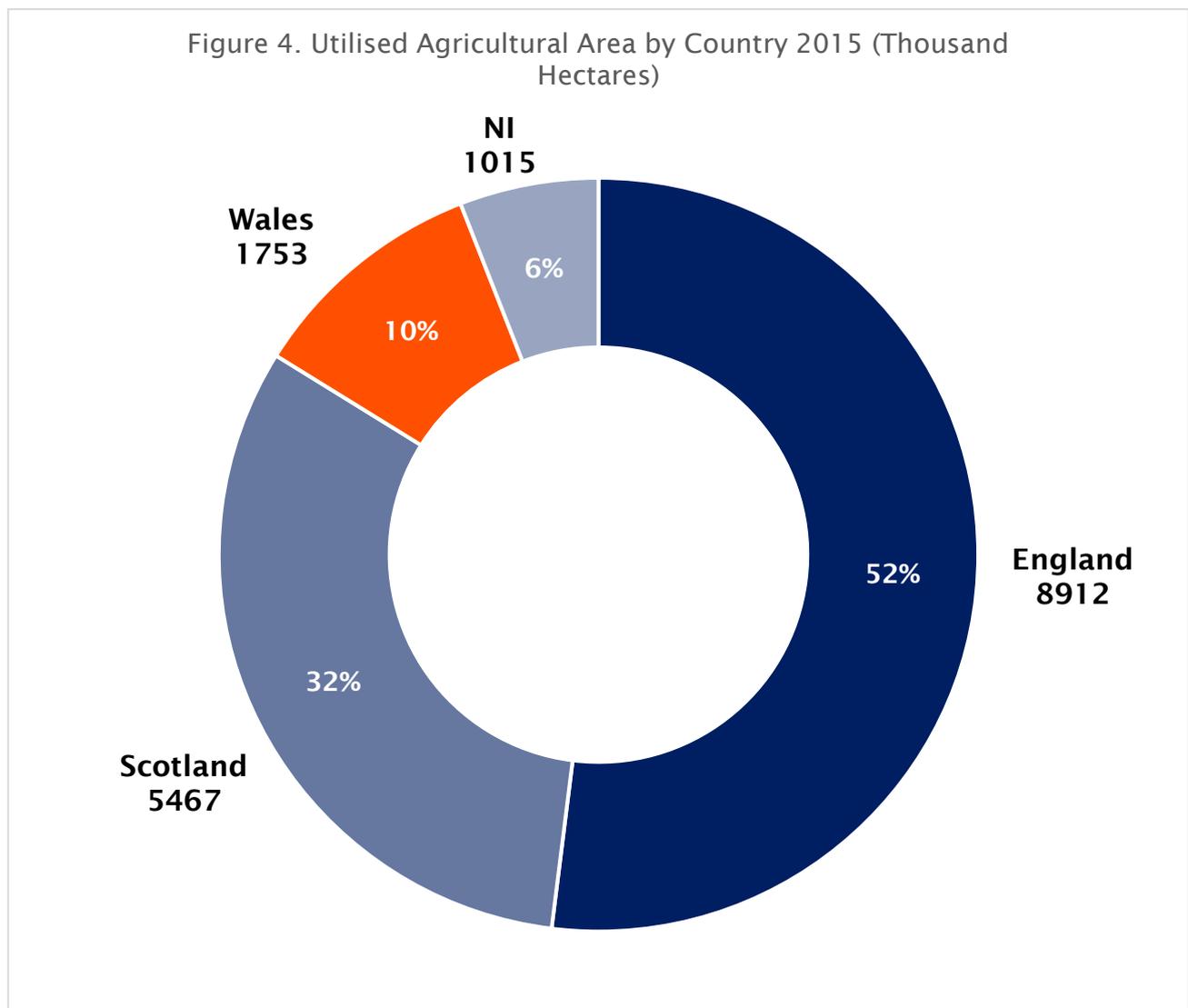
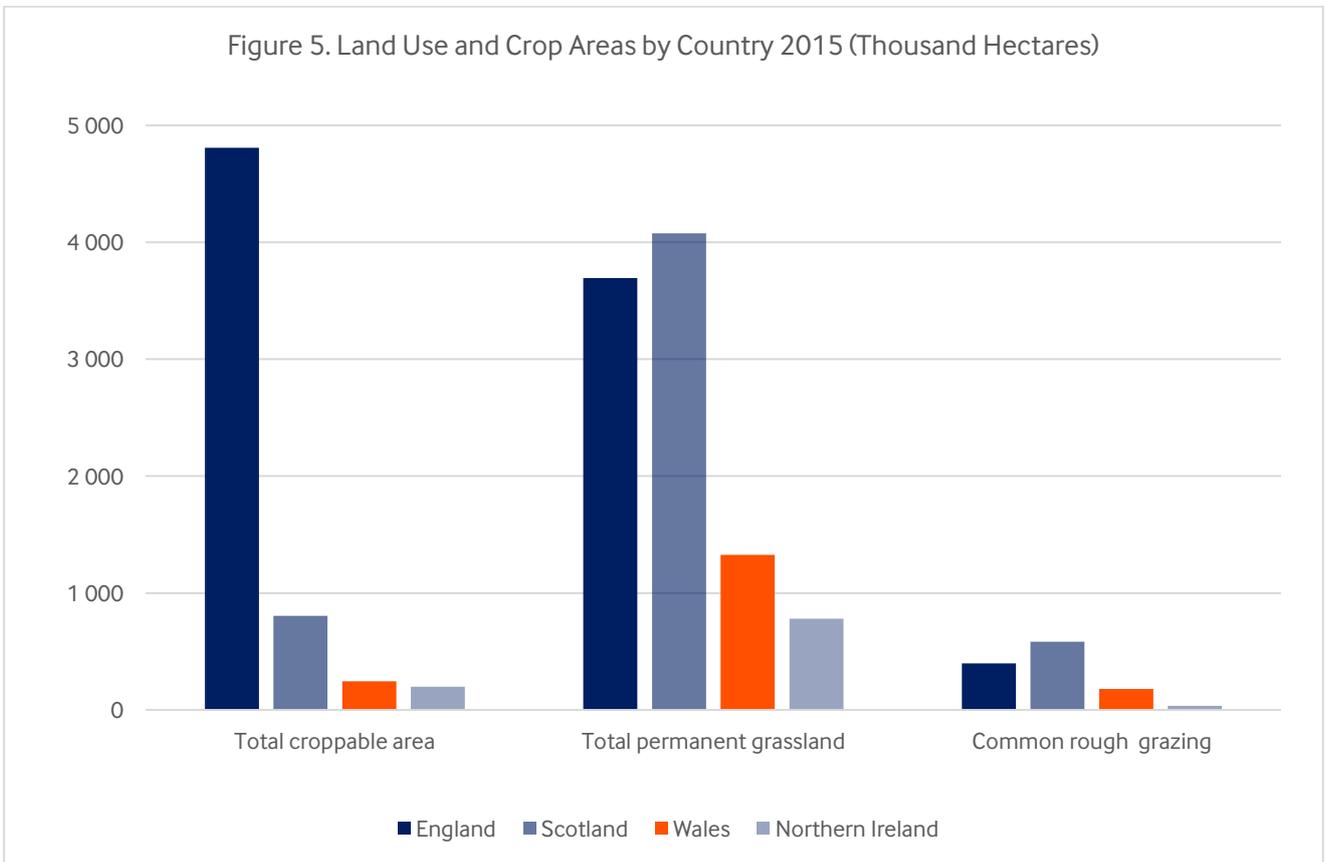


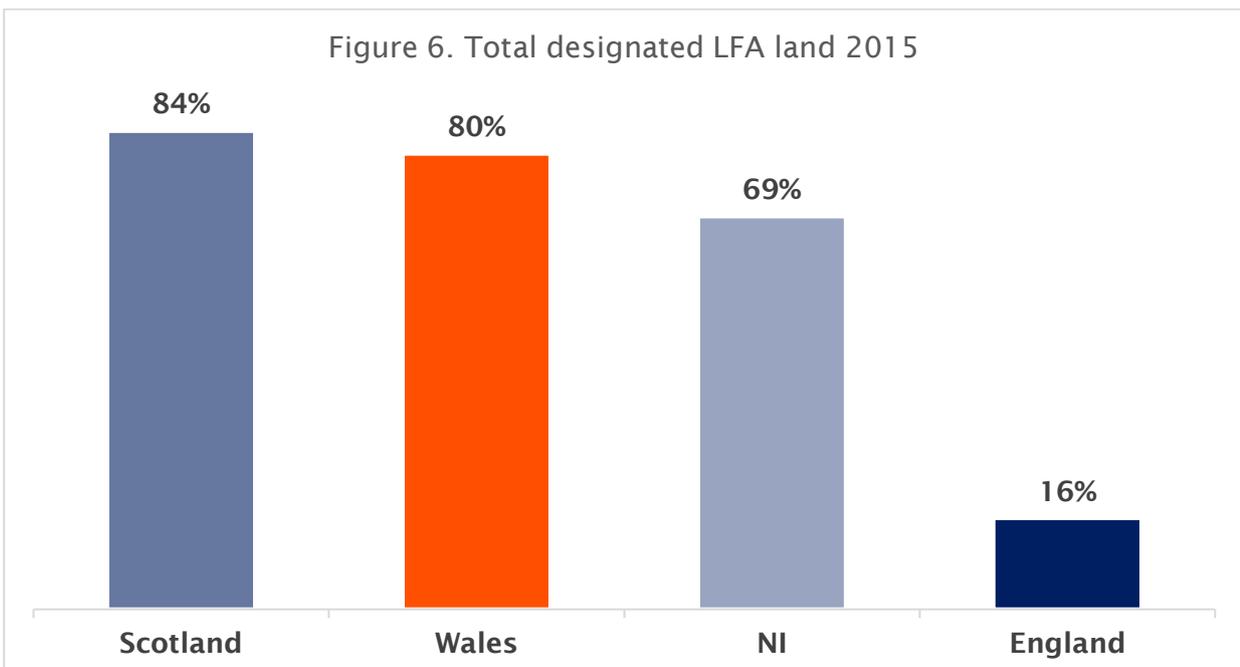
Figure 5. Land Use and Crop Areas by Country 2015 (Thousand Hectares)



Source: June Agricultural Survey, DEFRA, Annual time series: 1983 to 2015

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 in Wales is designated as LFA, a similar proportion to that 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.

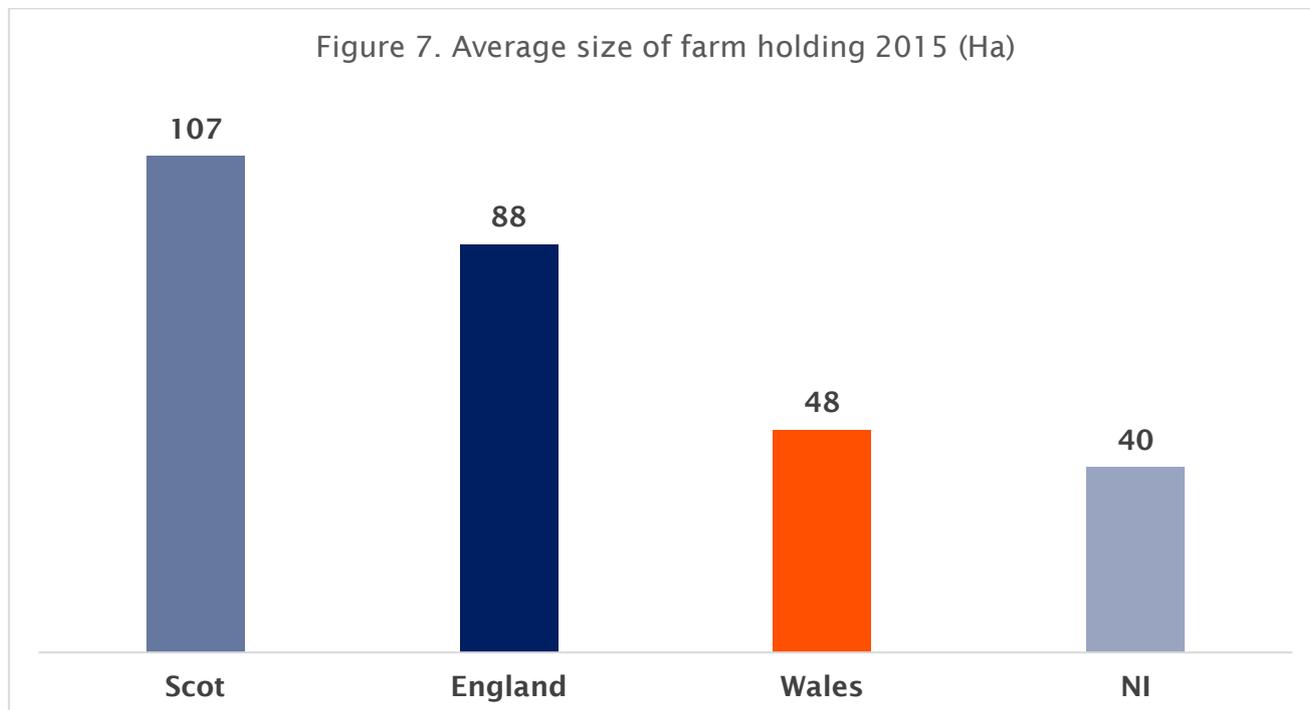
Figure 6. Total designated LFA land 2015



Source: Agricultural Facts and Figures, Scottish Government 2016. Compiled from the Scottish June Agricultural Survey

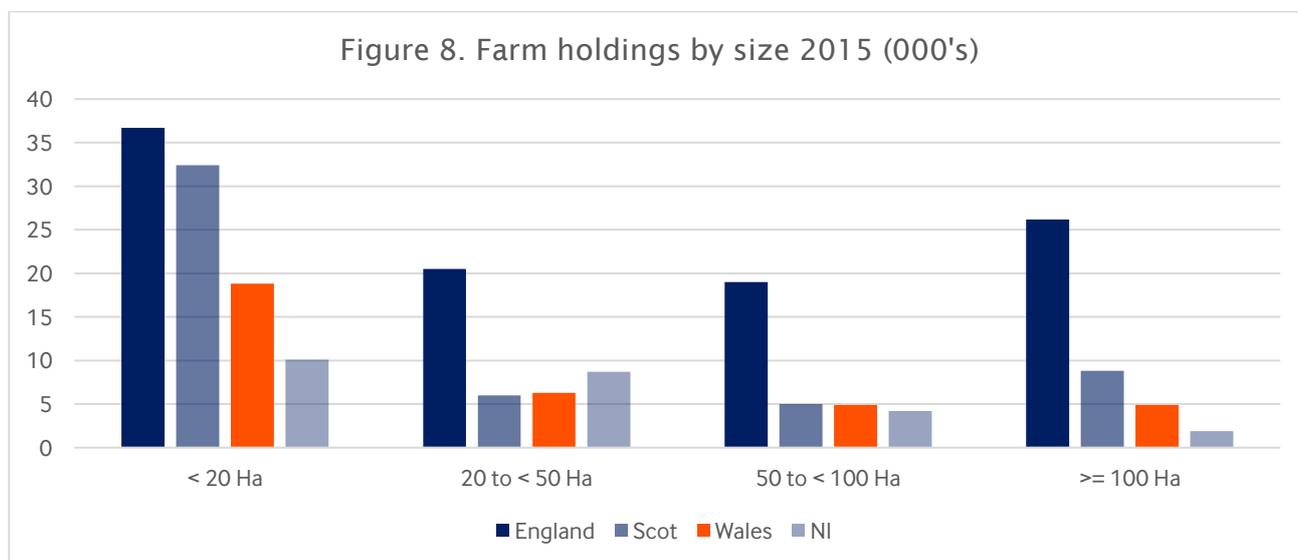
## 6. Farm Holdings

According to *Agriculture in the UK 2015*, there were approximately 214,500 farm holdings in the UK in 2015. Approximately 16% of these are in Wales, 48% in England, 24% in Scotland and 12% in Northern Ireland. In Wales the average holding size was 48 ha (Figure 7), smaller than England (88 ha) and Scotland (107 ha) but slightly larger than Northern Ireland (40 ha).



Source: *Agriculture in the UK 2015*, 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. This is particularly the case in Wales and Scotland which have approximately 54% (18,800) and 62% (32,400) of holdings falling into this size bracket, followed by 41% (10,100) in Northern Ireland and 36% (36,700) 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.

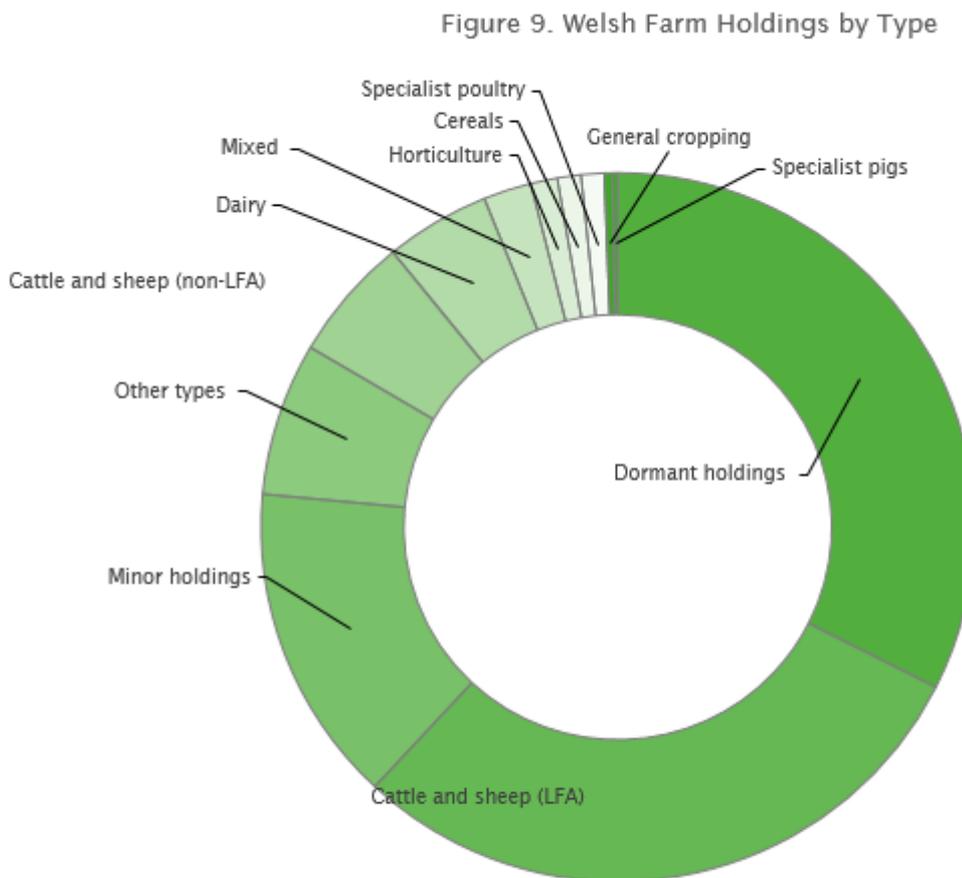


Source: *Agriculture in the UK 2015*, Defra

## 7. Welsh Farm Holdings by Type

Figure 9 shows a detailed breakdown of Welsh farm holdings by type. Cattle and sheep grazing on less favoured areas (LFA) accounts for approximately 29% (10,805) of holdings with a further 6% (2,079) on non-LFA land and 5% 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 2.7% (972) of holdings. This reflects the relatively limited amount of croppable area as shown in Figure 4. Minor holdings (i.e. those with a small amount of agricultural activity) account for 15% and other types (i.e. grass and forage or specialist horses) account for 7% of holdings.

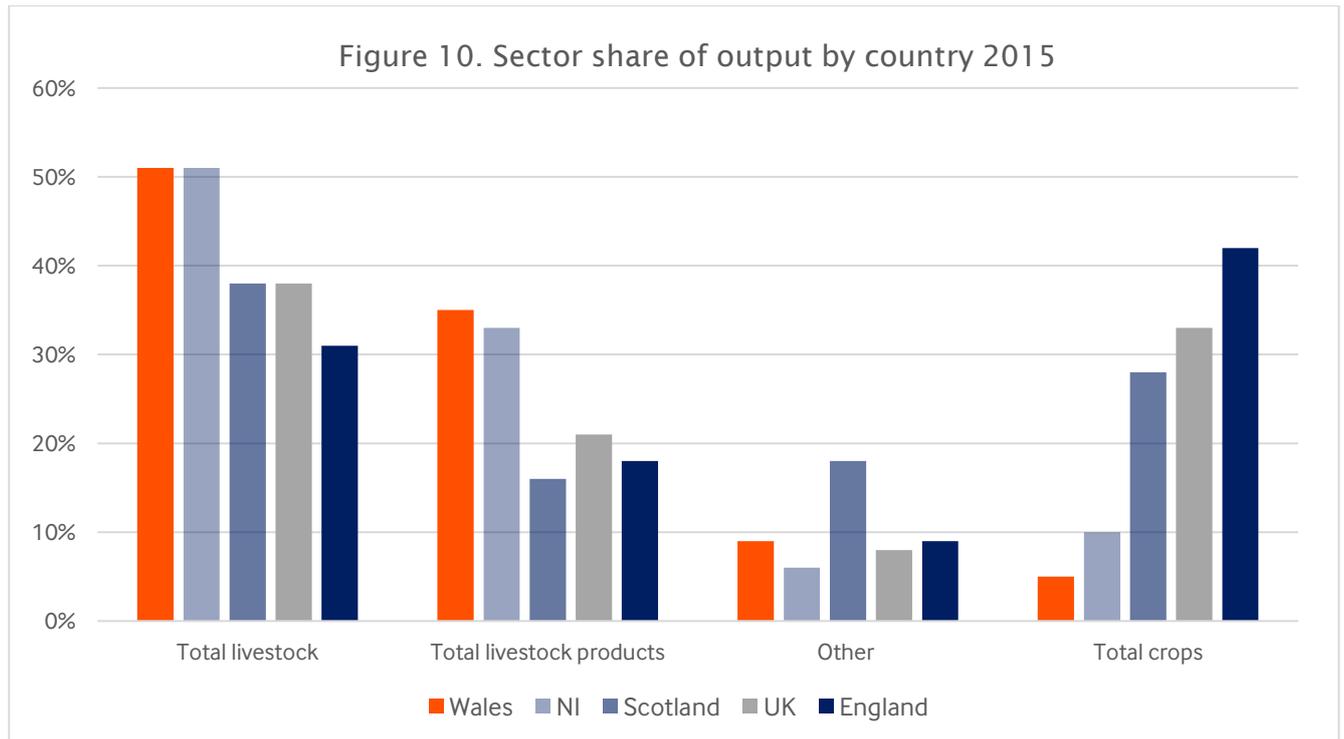


Source: [Welsh June Agricultural Survey. Farming, Facts and Figure Wales, 2016.](#)

## 8. 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 2015. In Wales output is focused towards livestock, which comprises 51% of output followed by 35% for livestock products, with crops constituting only 5% of output. This is a similar pattern to that in Northern Ireland, although relative output of crops (10%) is double that of Wales.

In England a significantly greater proportion of output is crops which accounted for 42% of the sector in 2015, followed by 31% for livestock and 18% in livestock products. In Scotland, livestock still constitutes the majority of output (38%), yet crops account for a much greater proportion than both Wales and Northern Ireland (28%).

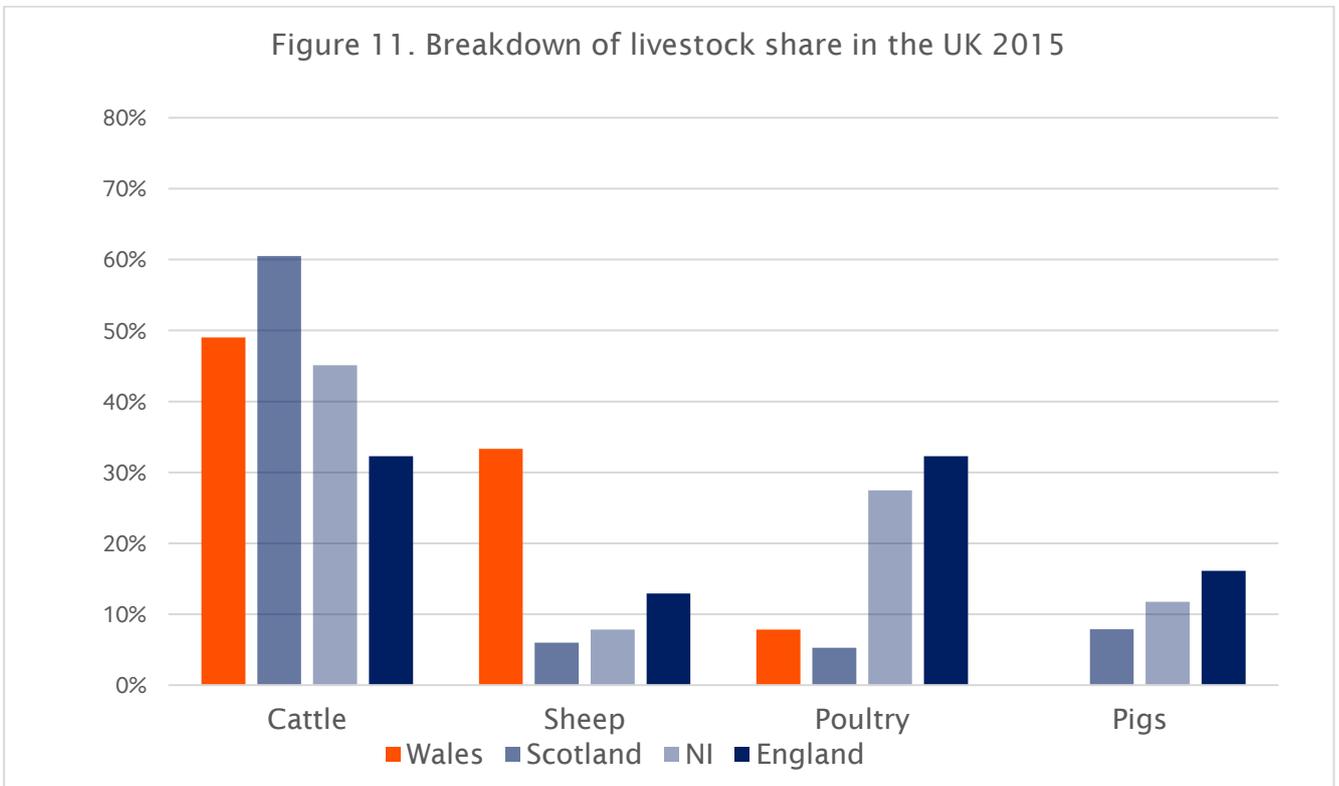


Source: [Agricultural Facts and Figures, Scottish Government 2016. Compiled from the Scottish June Agricultural Survey.](#)

### Livestock

Figure 11 shows a breakdown of livestock output by country in 2015. In Wales, it is primarily split between cattle (49%) and sheep (33%) with poultry constituting 8%. In Scotland and Northern Ireland, cattle also make-up the majority of livestock output (61% and 45% respectively), with poultry having a stronger presence in Northern Ireland (27%) and pigs also contributing (8% and 12% respectively). England shows a more equal diversification in livestock output, with the greatest relative output of poultry (32%) and pigs (16%) compared to the rest of the UK, with 32% for cattle and 13% for sheep.

Figure 11. Breakdown of livestock share in the UK 2015

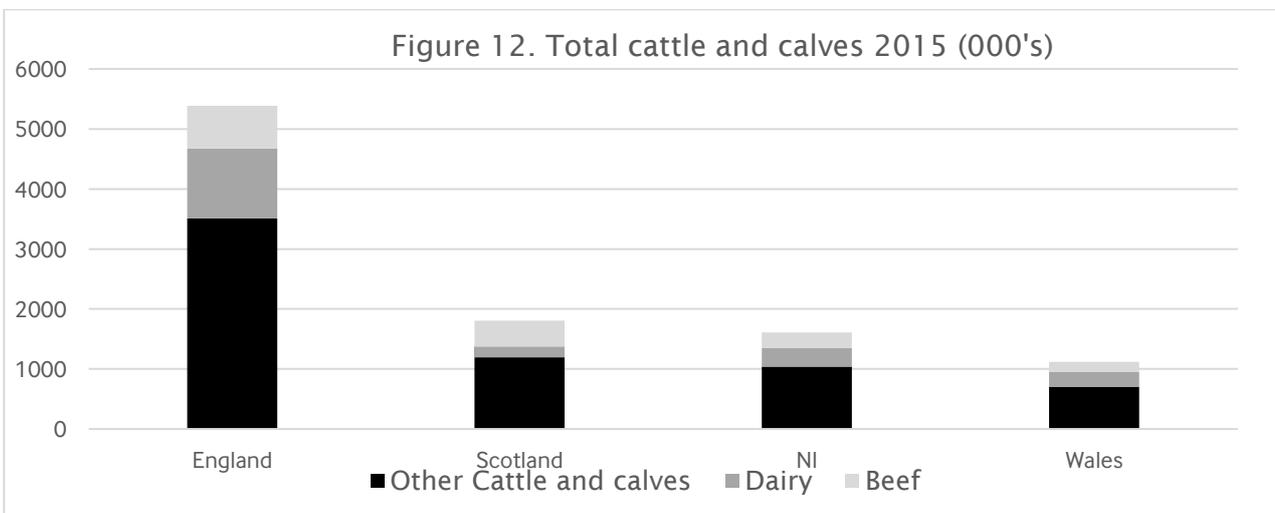


Source: **Agricultural Facts and Figures, Scottish Government 2016. Compiled from the Scottish June Agricultural Survey.**

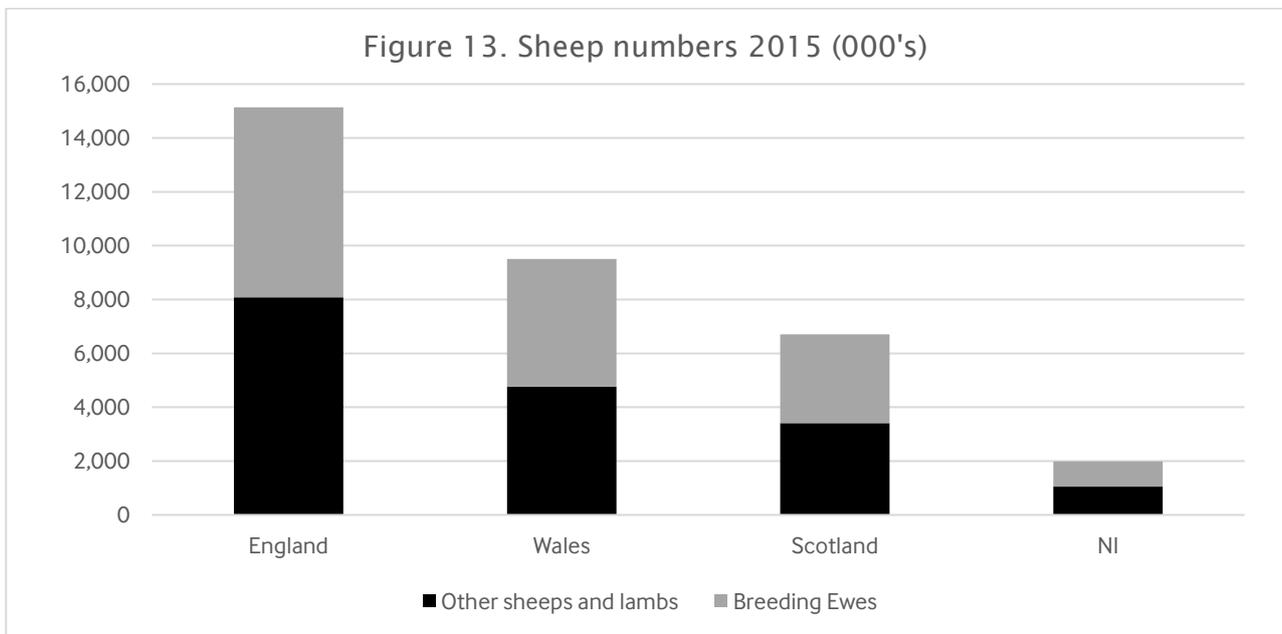
Figures 12 and 13 shows a breakdown of cattle and sheep numbers by UK country in 2015. There was approximately 9,919,000 cattle and calves in the UK in 2015, the majority (54%) of which are within England. Wales accounts for 11% of UK cattle numbers, followed by 18% in Scotland and 16% in Northern Ireland. In Wales, England and Northern Ireland there is a broadly equal split between dairy and beef, although the small majority are dairy. In Scotland however, the cattle industry is heavily focused towards beef.

There are approximately 33.34m 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 regions are broadly split 50/50 into breeding ewes and other sheep and lambs. The average flock size is for breeding ewes only and is the greatest in Wales averaging 362.

Figure 12. Total cattle and calves 2015 (000's)



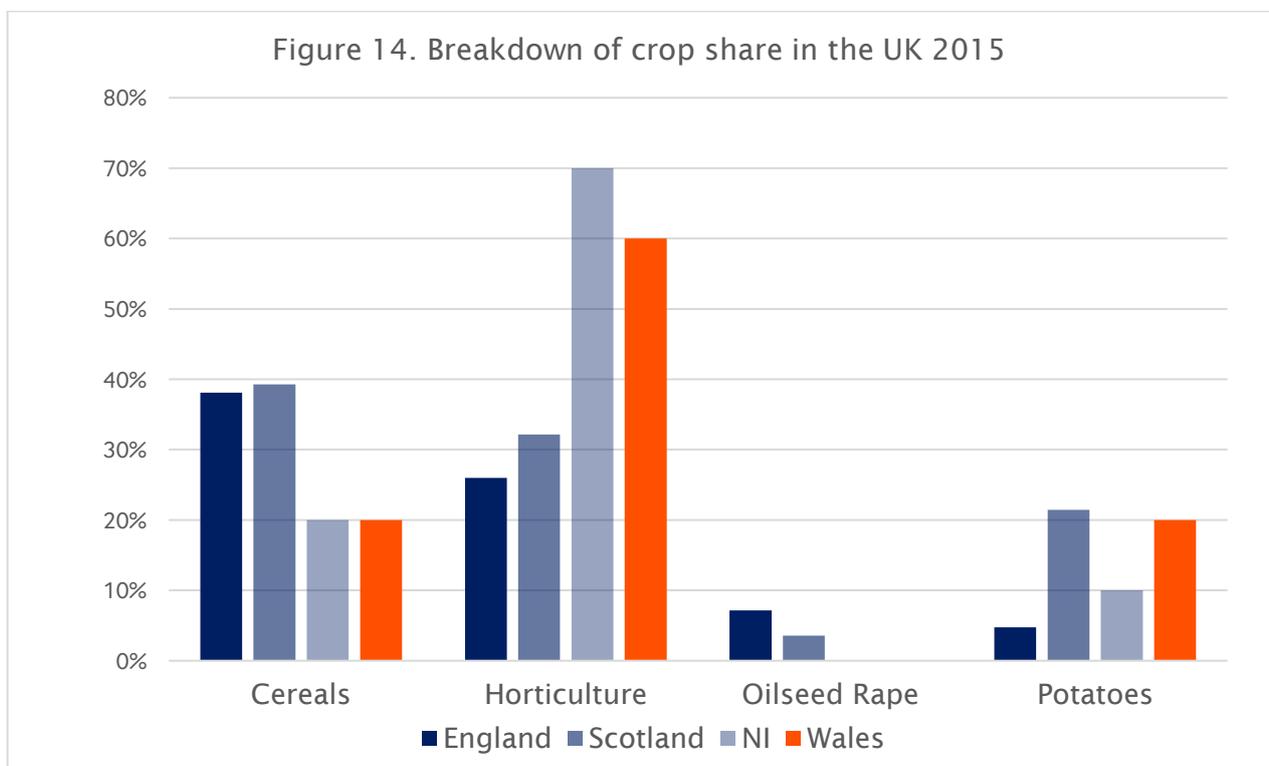
Source: **AHDB UK Yearbook 2016 Cattle, compiled from Defra, Dardni, Scottish Government, Welsh Government. Farming facts and Figures Wales 2016.**



Source; AHDB UK Yearbook 2016 Sheep, compiled from Defra, Dardni, Scottish Government, Welsh Government

### Crops

A breakdown of crops across the UK is shown in Figure 14. In Wales, 60% of total crops are horticultural produce with the remaining 40% split between cereals and potatoes. A similar pattern to this is found in Northern Ireland although an even greater proportion of produce is horticultural. In England and Scotland, there is a greater prevalence in the production of cereal grains which account for 38% and 39% respectively followed by horticulture which accounts for 26% and 32% respectively.



Source: Agricultural Facts and Figures, Scottish Government 2016. Compiled from the Scottish June Agricultural Survey.

## 9. Sources

- [Agriculture in the UK 2015, Defra](#)
- [Structure of the agricultural industry in England and the UK at June, Defra](#)
- [Agricultural Facts and Figures, Scottish Government 2016](#)
- [Welsh June Agricultural Survey. Farming, Facts and Figure Wales, 2016.](#)
- [AHDB UK Yearbook 2016 Cattle](#)
- [AHDB UK Yearbook 2016 Sheep](#)
- [Wales Agricultural and Horticultural Survey 2015, Tables](#)
- [DEFRA farming Statistics. Final crop areas, yields, livestock populations and agricultural workforce. At June 2015 - United Kingdom](#)
- [June 2015 Scottish Agricultural Census](#)
- [June 2015 Northern Ireland Agricultural Census](#)
- [Forecasts of Farm Incomes in Wales](#)