

**NATIONAL FARM SURVEY 2002**

**by**

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## **INTRODUCTION**

The objectives of the National Farm Survey (NFS) are to

- a) determine the financial situation on Irish farms by measuring the level of gross output, costs, income, investment and indebtedness across the spectrum of farming systems and sizes,
- b) to provide data on Irish farm incomes to the EU Commission in Brussels (FADN),
- c) measure the current levels of, and variation in, farm performance for use as standards for farm management purposes, and
- d) provide a database for economic and rural development research and policy analysis.

To achieve these objectives, a farm accounts book is recorded for each year on a random sample of farms throughout the country. For 2002, 1176 farms are included in the analysis representing 116,400 farms.

Farms falling into the Pig/Poultry System are not included in the sample, due to the inability to obtain a representative sample of this system.

The National Farm Survey is designed to collect and analyse information relating to farming activities as its primary objective. Information and data relating to other activities by the household are considered secondary and as such where this information is presented it should be interpreted with caution.

## SUMMARY

- Average Family Farm Income (FFI) in 2002 was €14,925, a decline of 5.8% on 2001. The decline in the value of gross output contributed 2.3% to the fall in income with higher costs accounting for a further 3.5% of the decline.
- On Full Time farms average FFI was €27,758 compared to €30,959 in 2001 – a decline of 10%. The average FFI FOR ALL PART TIME FARMS WAS €6,591.
- Total direct payments/subsidies per farm increased by 17% between 2001 and 2002 and as a percentage of FFI direct payments/subsidies increased from 72% in 2001 to 90% in 2002. FFI from the market place (i.e. FFI less direct payments) showed a decline of 66%.
- Average FFI varied across farming systems ranging from €7,752 in the Cattle Rearing System to €28,084 in the Dairying System. The average FFI in the Mainly Tillage System and Mainly Sheep System were €21,884 and €12,354 respectively.
- Approximately 40% of all farms had an income from farming of less than €6,500, which was identical to 2001 figure. On an estimated 45% of these farms the farmer held an off-farm job. For this group, 82% of farms, the farmer and/or spouse had other income from off-farm employment, pension or social assistance.
- 8% of farms had an FFI exceeding €40,000; 74% of these were in the dairying systems.
- Incomes on Specialist Dairy farms declined by 18%, due in large part to a decline in the value of market output and increased direct costs.
- Both the cattle systems showed increases in family farm income, 7% in the Cattle Rearing System and 22% in the Cattle/Other System.
- Average FFI on Mainly Sheep farms increased by 2% due mainly to higher direct payments. This is the third consecutive year which sheep farmers incomes have increased.
- Average FFI in the Mainly Tillage System declined by 9% in 2002. This resulted from a decline of 4.4% in crop output, whilst livestock output on tillage farms increased by 15% resulting in an overall increase in output of 1%. Direct payments/subsidies also increased by 18%. The larger tillage farms suffered a bigger drop in their FFI in 2002 with declines of 17% and 23% in the over 100 ha and the 50-100 ha size groups respectively.
- Average net new investment was estimated at €4,814 per farm in 2002, compared to €4,117 in 2001, an increase of 17%.
- 25% of farms achieved a gross margin of over €1,000 per hectare in 2002 and 66% of these were in the two dairying systems.
- On 48% of all farms the farmer and/or spouse had an off-farm job. On 35% of farms a job was held by the farmer, with the highest incidence of off-farm employment occurring in the drystock systems. Overall, on 75% of farms the farmer and/or spouse had some source of off-farm income be it from employment, pension or social assistance.

## RESULTS

### Overview of 2002

Family Farm Income (FFI) declined from €15,840 in 2001 to €14,925 in 2002 – a decline of 5.8%. This decline in 2002 was due to a fall in the value of output together with increased costs. Overall output fell by 1% with direct costs increasing by 5% and overhead costs declining by 2% resulting in an increase in total costs of 2%. FFI on Dairy and Tillage farms declined, whilst incomes on cattle farms increased with a small increase also on sheep farms. Direct payments/subsidies reduced the impact of the decline in market output - average direct payments/subsidies per farm increased by almost €2,000 - an increase of 17% on 2001. Net new investment accounted for €4,814 or 32% of farm income in 2002. In relation to off-farm employment the farmer and/or spouse had an off-farm job on 48% of all farms. On 35% of farms the off-farm job was held by the farmer, with the highest incidence of off-farm employment occurring on drystock farms, as in previous years.

### Trends in Farm Income

In this report, the principal measure of the income which arises from the year's farming activities, is **Family Farm Income per Farm (FFI)**. This is calculated by deducting all the farming costs from the value of farming gross output. FFI represents the financial reward to all members of the family, who work on the farm, for their labour, management and investment. It does not include income from non-farming sources and thus may not be equal to household income. However where it does represent all the income of the farm family it is expected to provide for that family's living expenses as well as being a source of future investment in the farm business.

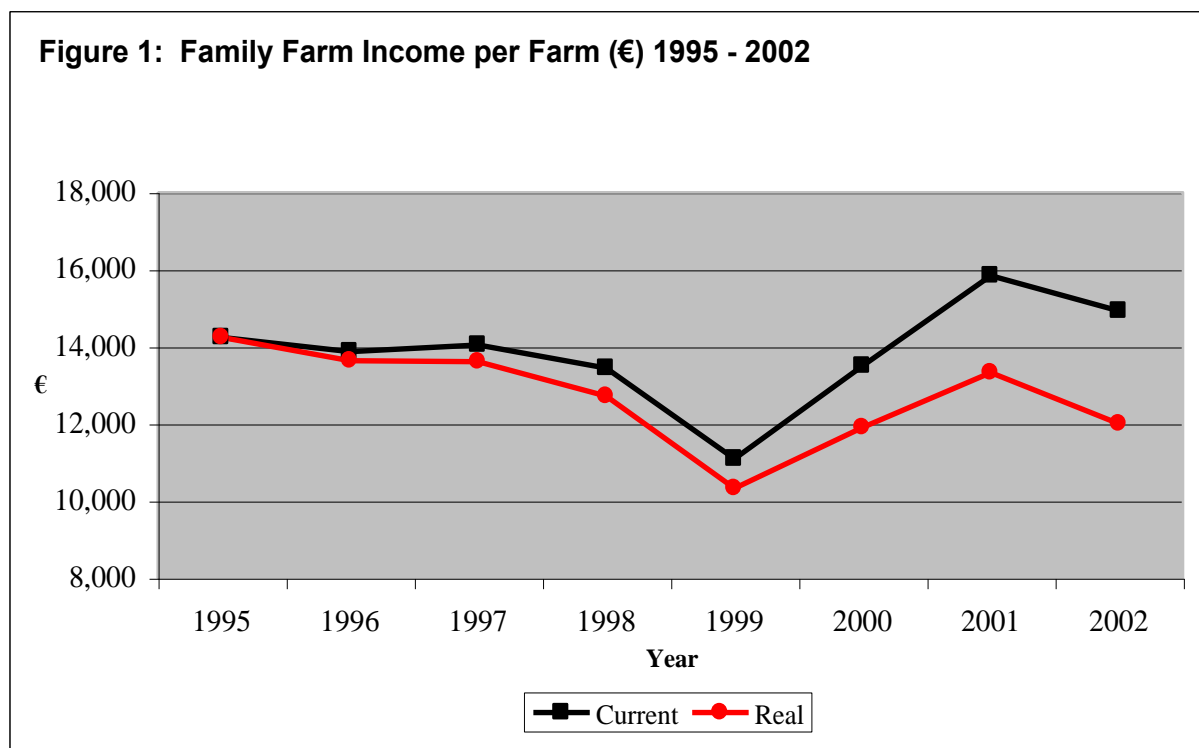
The Teagasc National Farm Survey (NFS) measures farm incomes across the main farming systems with the exception of pigs and poultry since the mid-1960s. However since 1995 very small farms (under 2 European Size Units (ESUs)) are excluded from the survey resulting in a representation of 116,400 farms in 2002 compared to overall farm numbers of approximately 136,500. Table 1 shows average Family Farm Income (FFI) per farm in current and real terms over the period 1995 to 2002. The base year 1995 was chosen as this was the commencement of existing sample of farms over 2 ESUs.

**Table 1: Family Farm Income (FFI) per farm 1995-2002**

	<b>FFI (Current) €/farm</b>	<b>FFI (Real 1995 = 100) €/farm</b>
1995	14,236	14,236
1996	13,866	13,634
1997	14,042	13,607
1998	13,442	12,717
1999	11,088	10,324
2000	13,499	11,903
2001	15,840	13,322
2002	14,925	11,998

Source: National Farm Survey, Teagasc (current)

The data shows that FFI per farm has remained virtually static with income in 2002 very similar to 1995 in current terms. However when inflation (CPI) is taken into account it shows that FFI has declined from €14,236 in 1995 to €11,998 in 2002, a decline of 16% in real terms. The trend in FFI in current and real terms is shown in Fig 1.



### Average Family Farm Income

The data in Table 2 summarises the average levels of Family Farm Income per farm which were achieved in 2002 across the range of farming systems and size groups. When evaluated in conjunction with the main tables at the end of this report (Appendix A) the following conclusions can be drawn.

- As expected there is a positive relationship between farm size and FFI. In many instances, particularly in the intermediate size groups, income per hectare also increases with farm size. In these circumstances, smaller farms cannot compensate for their lack of scale and hence extremely low incomes result in the less than 20 hectare group.
- There is considerable difference in the levels of average FFI across the farming systems. As in previous years the average FFI on the Dairy and Tillage based systems are far higher than those on the drystock based systems. Income on the smaller Cattle Rearing System was €2,500 per farm compared to €70,800 on the larger Specialist Dairying System.
- The average FFI for many sub-groups, especially in the Cattle and Sheep systems is below the average agricultural wage rate of €12,980 so that those farm families do not receive a full return for their labour and no return on management or investment.

**Table 2: Family Farm Income by System and Farm Size (UAA) - 2002**

Size (Ha)	<10	10-20	20-30	30-50	50-100	> 100	Hill Farms	All
€/Farm *								
<b>Dairying</b>	-	12500 (59)	22700 (62)	28900 (54)	44300 (55)	70800 (72)	17100 (104)	28100 (79)
<b>Dairying/ Other</b>	-	-	4700 (134)	19550 (72)	39000 (56)	57500 (37)	-	25200 (92)
<b>Cattle Rearing</b>	2500 (113)	4500 (84)	6200 (77)	12700 (78)	19100 (60)	-	8300 (65)	7800 (111)
<b>Cattle Other</b>	5100 (91)	3300 (110)	7100 (97)	12100 (86)	25000 (54)	-	7200 (74)	9500 (131)
<b>Mainly Sheep</b>	-	3800 (113)	10400 (48)	15200 (53)	27200 (73)	-	12900 (58)	12400 (97)
<b>Mainly Tillage</b>	-	-	8300 (72)	15200 (69)	28000 (56)	60900 (98)	-	21900 (140)
<b>All</b>	3500 (109)	4700 (105)	9700 (101)	18000 (76)	32900 (65)	54400 (74)	11700 (89)	14900 (123)

\* FFI Figures rounded to €100 (Figures in brackets are coefficients of variation - these show that within each group there is considerable variability)

### Full Time and Part time Farms

Full time farms are defined as farms which require at least 0.75 standard labour units to operate, as calculated on a Standard Man Day basis (SMD), whilst part time farms require less than 0.75 labour units. Farms are therefore divided into Full time and Part time on the basis of the estimated labour required to operate their business as distinct from labour available which is often in excess of that required. The presence or absence of an off-farm job is not taken into consideration.

Full time farms therefore represent the larger more commercial sector of farming and in 2002 accounted for almost 40% (or 46,500) of all farms nationally. Fifty eight per cent of full time farms were in the two dairying systems, with a further 8% in the Mainly Tillage system and the remaining 34% in drystock. The average FFI on full time farms in 2002 was €27,758 compared to €30,959 in 2001 – a decline of 10%. The income situation by system for full time farms is similar to that of all farms i.e. dairying and tillage farms obtain the highest incomes at €29,973 and €33,503 respectively, whilst incomes on Cattle Rearing and Mainly Sheep systems were €17,886 and €22,418 respectively. On 14% of full time farms, the farmer had an off-farm job whilst on 28% of farms the spouse had an off farm job.

Approximately 60% (or 69,900) of farms were part time in 2002, with almost 90% in drystock systems. The average FFI for all part time farms was €6,591 and this ranged from €11,116 on Specialist Dairy system to €5,315 on Cattle Other system. The average cash income on part time farms was higher at €8,751. Average direct payments and subsidies were €9,439 in 2002 i.e. 143% of FFI, reflecting the general situation on drystock farms where output from the market place is insufficient to cover total production costs. On 55% of these farms either the farmer or spouse had off farm employment and on 90% of farms there was another source of income – either from off farm job, pension or social assistance. The farmers on part time farms were older (55 years) than those on full time farms (49 years) and 62% were married compared to 75% on full time farms.



## Income Distribution

The variation in incomes is further reflected in the distribution of income as shown in Table 3.

**Table 3: Distribution of Family Farm Income 2000-2002**

(€000)	< 6.5	6.5 – 13	13 – 20	20 – 25	25 – 40	> 40
% Farms						
2000	42	22	12	6	10	8
2001	40	22	12	5	11	10
2002	40	22	13	6	12	8

- For 2002, 40% of farms had an income of less than €6,500 which was identical to that for 2001.
- 20% of farms had an income from farming greater than €25,000. This represents a decline of 1% from 2001. The average farm size for this group was 74.4 ha compared with the overall average size of 36.8 ha. The holder was younger than average at 48 years (overall average 53 years) and 82% were married compared with 67% in the overall farming population. The majority of farms in this group (63%) were in dairying systems.
- In the lowest income group, i.e. less than €6,500 per farm, 85% of farms were in drystock systems. For this group, on 82% of farms the farmer and/or spouse had some source of other income either from off-farm employment, pension or social assistance. Therefore, there were about 8,300 farms which had a FFI of less than €6,500 and the farmer/spouse had no stated off-farm income from the sources mentioned above.
- Also in the lowest income group the farmer and/or the spouse had an off-farm job on 51% of farms, and on 45% of farms the farmer held an off-farm job.
- In the highest income group – those with an income of over €40,000 – 74% of farms were in the dairying systems, a further 11% were tillage farms and the remaining 15% were in drystock farming.

## Overall Analysis

Average family farm income per farm in 2002 was €14,925, a decline of 5.8% on the 2001 figure of €15,840. There are many ways of looking at the composition of this decline and the following three approaches, which are summarised in Table 4 have been chosen for the report.

- (i) The changes in output and costs.
- (ii) The changes in enterprise outputs.
- (iii) The analysis of cash income and inventory changes.

**Table 4: Analytical Breakdown of FFI Change - 2001/02**

<b>Approach 1: Changes in Output and Costs</b>		<b>Approach 2: Changes in Enterprise Outputs %</b>		<b>Approach 3: Cash Income and Inventory Changes</b>	
%				%	
Gross Output	- 2.3	Dairying	- 9.8	Cash Income	- 8.0
Direct Costs	- 5.0	Cattle	+ 8.3	Depreciation	- 0.7
Gross Margin	- 7.3	Sheep	+ 1.1	Inventory Change	+ 2.9
Overhead Costs	+ 1.5	Other Livestock	- 1.2		
		Total Livestock	- 1.6		
		Crops	- 3.7		
		Other	+ 2.9		
		Total Output	- 2.3		
		Direct Costs	- 5.0		
		Overhead Costs	+ 1.5		
Family Farm Income - 5.8		Family Farm Income – 5.8		Family Farm Income –5.8	

- (i) The decline of 5.8% in FFI resulted from a decline of 2.3% in gross output. Direct payments/subsidies however increased by 17%. The increase in direct costs contributed 5% with overhead costs declining by 1.5%.
- (ii) The fall in output from the dairying enterprise was the most significant contributor to the decline in FFI, accounting for 9.8%. The Tillage system contributed a further 3.7% to the decline. The increase in output in the drystock sector partially offset this decline, with cattle and sheep systems contributing 8.3% and 1.1% respectively to the increase in FFI. "Other" output contributed 2.9% to the change in FFI - this includes increased Disadvantaged Areas Compensatory Allowance Scheme (DACAS) payments and REPS payments.
- (iii) An analysis of the decline in FFI from the cash income and inventory change approach showed that cash income and depreciation contributed 8.7% to the decline whilst inventory change increased its contribution by 2.9% to FFI in 2002.

### **Analysis by Farming System**

- Average FFI per farm on the Specialist Dairy farms declined by 18% in 2002. This was due to a decline of 8% in market based output, which was partially compensated for by an increase of 23% in direct payments resulting in an overall decline in output of 5.5%. Direct costs increased by 5% with overhead costs declining by 1% .
- In the Dairy/Other System FFI per farm declined by 7%. This resulted from a combination of higher output but a larger increase in costs. Market based output declined by 3% whilst direct payments increased by 26% resulting in total output increasing by 2%. Total costs increased by 6%.
- Income on Cattle Rearing System was €7,752 per farm in 2002, an increase of 7% on 2001. This was due to a decline in output from the market place of 4%, and an increase in direct

payments of 10% whilst total costs increased by 1%. Income on Cattle Other System increased by 22% as a result of output going up by 10% and a total cost increase of 5%, but was still only €9,521 per farm. Average incomes on cattle farms continue to be extremely low and in 2002 were only 58% of the Average Agricultural Wage Rate and only 30% of the Average Industrial Wage Rate in that year.

- Income on the Mainly Sheep System increased from €12,126 in 2001 to €12,354 in 2002 an increase of 2% following increases of 38% and 24% in 2001 and 2000 respectively. Output from sales declined by 6% whilst direct payments increased by 10%. Total costs of production were similar in both years.
- Average FFI in the Mainly Tillage System declined by 9.2% in 2002. The 2002 year was an extremely bad year financially for cereal farmers but this is not reflected in the 9.2% decline, as this represents the Mainly Tillage System, which includes farms, that can have a high proportion of output from livestock, as described in Appendices B and C. Output from crops declined by 4.4% but this was offset by an increase in livestock output of 15% resulting in overall output on tillage farms increasing by 1%. Direct payments increased by 18% on tillage farms in 2002, which also offset the decline in returns from the market place. Total costs of production increased by 6% in 2002. However detailed data in Table 6 of Appendix A show that the larger more specialised tillage farms suffered more severe reduction in incomes in 2002, with tillage farmers in the over 100 ha and 50 - 100 ha size groups showing declines of 17% and 23% in FFI respectively.

**Table 5: Family Farm Income per Hectare 2001 - 2002**

	<b>FFI/Ha 2001</b> <b>€</b>	<b>FFI/Ha 2002</b> <b>€</b>	<b>% Change 2001/02</b>
<b>Dairying</b>	867	704	-19
<b>Dairying/Other</b>	555	476	-14
<b>Cattle Rearing</b>	267	289	+8
<b>Cattle Other</b>	266	304	+14
<b>Mainly Sheep</b>	316	322	+2
<b>Mainly Tillage</b>	428	351	-18
<b>All Systems</b>	444	406	-9

The above summary in relation to farming systems refer to changes in per farm output, costs and incomes and does not allow for year to year changes in farm size. However the effect of changes in farm size is shown in Table 5 which shows average return per hectare of land farmed across the different farming systems. Average FFI/Ha in 2002 at €406 shows a decline of 9% on 2001 figure. As in previous years dairying and tillage systems yielded highest FFI/ha, as well as highest FFI per farm.

### **Direct Payments and Subsidies**

The impact on incomes of direct payments/subsidies to farmers has increased significantly in the aftermath of Agenda 2000. In 2002 these payments accounted for 90% of average farm income as the full payments agreed under Agenda 2000 came into effect. Average direct payments/subsidies increased from €11,473 per farm in 2001 to €13,436 in 2002 - an increase of 17%. Direct payments/subsidies contribute a higher proportion to net income in the National Farm Survey compared to national statistics as pigs, poultry and other output on which direct

payments are not made are excluded from the NFS results. Direct payments/subsidies as a percentage of FFI reached their highest level in 2002.

A more detailed presentation of the impact and incidence of direct payments/subsidies can be seen in the Appendix A tables.

The main elements as summarised in Table 6 are:

- The total amount of direct payments/subsidies increased by 17% in 2002, whilst direct payments/subsidies as a percentage of FFI increased by similar amount (from 72% in 2001 to 90% in 2002).
- Direct payments/subsidies accounted for 140% and 147% of average FFI in the Cattle Rearing and Cattle Other Systems respectively, rising to 202% in some subgroups. In the Mainly Sheep System direct payments/subsidies accounted for 119% of FFI in 2002, showing an increased on 111% in 2001. This reflects the decline in returns from the market place for sheep in 2002.
- The contribution of direct payments/subsidies to average FFI in the Tillage Systems increased from 85% in 2001 to 111% in 2002.
- In the past direct payments/subsidies contributed approximately 20% to specialist dairy farm incomes as milk is supported through EU price support mechanisms rather than direct subsidies. However since Agenda 2000 and the change to Area Based Headage System (DACAS) in 2001, a larger percentage of dairy farmers incomes have been coming through the "cheque-in-the-post" system. In 2002 direct payments/subsidies contributed 33% to specialist dairy farmers incomes and almost 70% to the dairying and other farmers incomes, compared to 22% and 51% respectively for the previous year. Dairy farmers receive these payments on their drystock.

**Table 6: Direct Payments/Subsidies as a Percentage of Family Farm Income - 2002**

Size (Ha)	<10	10-20	20-30	30-50	50-100	> 100	Hill Farms	All Farms
<b>%</b>								
<b>Dairying</b>	-	55	22	31	34	34	42	33
<b>Dairying/ Other</b>	-	-	170	72	60	77	-	69
<b>Cattle Rearing</b>	149	136	152	141	131	-	149	140
<b>Cattle Other</b>	89	202	167	164	127	-	177	147
<b>Mainly Sheep</b>	-	149	106	110	122	-	125	119
<b>Mainly Tillage</b>	-	-	96	120	111	111	-	111
<b>ALL</b>	105	127	95	85	76	91	114	90

*Note: Direct payments/subsidies account for more than 100% of income whenever market based output is not sufficient to cover total costs.*

An estimated 31% of farms received REPS payments in 2002. The average FFI on those farms receiving REPS was €14,202 compared to €15,253 on non-REPS farms. Close to 78% of farms which participate in REPS are in the three drystock systems, namely Cattle Rearing, Cattle Other and Mainly Sheep. Family farm income was higher on non-REPS, dairy specialist, other dairy farms and tillage farms. As in previous years incomes on REPS cattle farms were higher than on non-REPS farms by approximately the average amount of the REPS payment. In 2002 income per farm for the mainly sheep system was higher on REPS farms than non-REPS farms by €1,826. A more detailed analysis of REPS farms will be compiled later in 2003.

The following tables present the key information in relation to farms participating in REPS (Table 6(a)) and those not participating in REPS (Table 6(b)).

**Table 6(a): FFI, Direct Payments/Subsidies for REPS farms by farming system - 2002**

	Dairying	Dairying/ Other	Cattle Rearing	Cattle Other	Mainly Sheep	Tillage Systems	All
<b>€/Farm</b>							
<b>FFI</b>	26240	19586	10923	11750	13270	16708	14202
<b>Direct Payments</b>	13160	16651	15856	18846	16906	20362	16836
<b>REPS Contribution</b>	5021	4029	4150	3890	4556	4992	4316
<b>Farm Size (UAA)</b>	38	43.4	30.2	32	39.6	41.3	35.4

**Table 6(b): FFI, Direct Payments/Subs for non-REPS farms by farming system - 2002**

	Dairying	Dairying /Other	Cattle Rearing	Cattle Other	Mainly Sheep	Tillage Systems	All
<b>€/Farm</b>							
<b>FFI</b>	28522	26810	6263	8522	11444	23711	15253
<b>Direct Payments</b>	8219	17656	8498	11809	12498	25701	11891
<b>Farm Size (UAA)</b>	40.3	55.7	25.2	30.9	37.3	69.9	37.4

### Gross Output and Costs

The cost competitiveness of Irish agriculture is growing in importance with the potential movement towards a freer trade in international markets for agricultural products. The simplest expression of efficiency of production is the proportion of gross output which is absorbed by the costs of inputs into the production process.

On a national basis, 67% of gross output was absorbed by total costs in 2002. If direct payments are excluded from gross output, then costs as a percentage of the market based value of gross output in 2002 was 95%. The corresponding figure in 2001 was 87%.

In 2002 only 20% of farms were capable of keeping total costs below 50% of output whereas 40% of farms had costs which were above 70% of output. The corresponding figures for 2001 were 24% and 37% respectively.

## Gross Margins

Gross Margin (gross output including direct payments, minus direct costs) provides a useful index of the relative profitability of the various farm systems.

**Table 7: Distribution of Farms by Level of Gross Margin (€) Per Hectare (UAA)-2002**

Gross Margin/Ha	< 250	250-500	500-750	750-1000	1000-1300	1300-1500	> 1500	All*
% Farms								
Dairying	-	3	8	11	22	24	30	100
Dairying/Other	4	14	22	23	14	17	7	100
Cattle Rearing	8	36	30	19	5	1	1	100
Cattle Other	9	29	32	16	6	2	6	100
Mainly Sheep	5	23	29	28	10	3	2	100
Mainly Tillage	2	16	38	23	16	1	5	100
ALL	6	23	26	19	10	7	8	100

\* Figures may not add to 100% due to rounding

- Overall, 25% of farms achieved a gross margin of over €1,000 per ha (compared to 30% in 2001). The Dairying Systems once again show the higher returns to land, with over 50% of those farms that achieved a gross margin per ha of over €1,000 being in the specialist Dairying System and a further 16% in dairying/other system.
- 29% of farms had a gross margin per ha of less than €500 and the majority of these, approximately 90%, were in the drystock systems.

## New Investment

Net new investment on farms was €4,814 in 2002 – an increase of 17% on the €4,117 figure for 2001.

**Table 8: Average Annual New Investment - All Farms (€/farm) - 2002**

	Dairying	Dairying/Other	Cattle Rearing	Cattle Other	Mainly Sheep	Mainly Tillage	All
€/Farm							
Gross New Investment	10031	9842	2658	4021	3695	13459	5741
Net New Investment	9124	8032	2099	3260	3033	10948	4814
Depreciation	7071	6994	1975	2605	2477	7483	3890
% of farms on which investment was made	77%	74%	42%	38%	44%	55%	51%

(Note: Net new investment is equal to gross new investment in machinery, buildings, quotas and land improvements (including Forestry) minus sales and capital grants received during the year.)

- Overall net new investment in 2002 was equivalent to 32% of total income in farming. Dairying farms contributed 50% of the total new investment, although these farms comprise only 27% of the farming population. 76% of dairying farms invested in new capital structures compared to 42% and 38% on cattle rearing and cattle other farms. Farms in the Mainly Tillage System contributed another 14% of the total net new investment, whilst comprising only 6% of the farm population.
- The drystock systems while comprising 67% of the farming population contributed only 38% of total net new investment.
- 51% of farms made some new investment in 2002. Average FFI on these farms which had new investment in 2002 was higher across all systems than for farms where no new investment occurred.

### **Other Gainful Activity**

Data on family farm incomes, as presented in this report, are confined to the income earned from on-farm activity. However over the last decade off-farm employment has become more prevalent, making the situation quite different from earlier decades where the main sources of off-farm income would have been pensions and social assistance. The growth in off-farm employment continued in 2002. The incidence of off-farm employment is shown in the following Table 9 (Estimated Percentage of Farms Where Farmer and/or the Spouse has an Off-Farm Job). This table is detailed by size and system of farming while further information is presented in Appendix A.

In general the 2002 data reveal that, in relation to the farmer and /or the spouse:

- An off-farm job existed on 48% of farms - an increase of 3% on 2001 figure.
- On 35% of farms the farmer held an off-farm job compared to 33% in 2001.
- The incidence of the farmer having an off-farm job is highest in the small farm size groups, while the spouse is most likely to have an off-farm job in the intermediate size groups.
- The cattle and sheep systems have the highest incidence of the farmer and/or the spouse having off-farm employment while the dairy farms have the lowest; the same is true in relation to the farmer. However this distinction is not evident in relation to the spouse where the incidence of off-farm employment is higher for the dairying systems, with an overall mean estimate of 26% for all farming systems.
- On 75% of farms the farmer and/or the spouse had some source of off-farm income, be it from employment, pension or social assistance.

**Table 9: Estimated Percentage of Farms with Off-Farm Job for Farmer and/or the Spouse– 2002 (%)**

Size (Ha)	<10	10-20	20-30	30-50	50-100	> 100	Hill Farms	All Sizes
Dairying	-	39 (23)	54 (20)	36 (7)	33 (5)	45 (9)	36 (19)	38 (12)
Dairying/ Other	-	-	18 (9)	39 (10)	30 (4)	30 (9)	-	33 (12)
Cattle Rearing	64 (64)	51 (48)	55 (48)	57 (41)	56 (52)	-	55 (49)	55 (49)
Cattle Other	50 (50)	53 (47)	59 (56)	39 (35)	41 (21)	-	55 (55)	49 (44)
Mainly Sheep	-	67 (53)	65 (41)	47 (20)	55 (20)	-	35 (26)	55 (37)
Tillage Systems	-	-	50 (40)	50 (33)	34 (14)	37 (14)	-	46 (32)
All	60 (60)	54 (48)	54 (40)	44 (24)	39 (16)	38 (11)	42 (33)	48 (35)

*(Figures in brackets refer to the farmer only)*

The data in Table 10 show estimates of the percentages of farmers with off-farm employment, the average off-farm income and the family farm income for 2002. The data refer to farms where the farmer had an off-farm job and also similar data where farms had no off-farm employment. These farmers are further subdivided into full-time and part-time farms as defined in the NFS Glossary of Terms (labour units employed on Standard Man Day (SMD) basis). These estimates should be regarded as indicative of relative levels rather than as accurate absolute levels.

**Table 10: Estimates of Off-Farm Employment For Farmer Only - 2002.**

	Sample Number	Population %	Average Off-Farm Income (1)	Average FFI (2) €	Income (1) + (2) €
<b>Farmer has Off-Farm Job and Income Stated</b>					
All Farms	158	18	€19,300 (55)	€6,900 (114)	€26,300 (48)
Full-Time Farms	33	2	€17,100 (64)	€15,700 (83)	€32,800 (55)
Part-Time Farms	125	16	€19,600 (54)	€5,800 (105)	€25,400 (44)
<b>Farmer has Off-Farm Job – income not stated</b>					
All Farms	144	16	-	€10,500 (149)	€10,500 (149)
<b>Farmer has no Off-Farm Job</b>					
Full-Time Farms	628	34	-	€28,900 (77)	€28,900 (77)
Part-Time Farms	246	31	-	€6,800 (105)	€6,800 (105)

*(Figures in brackets are the coefficients of variation - these show that within each group there is considerable variability)*

*Note: The estimates should be interpreted with caution because the underlying data are not always sufficiently robust. This is due to the problem of non-response and the fact that the information is received from respondents without documentary verification.*



In 2002 there were 158 farmers (out of total 302 with off-farm jobs) who were willing to disclose their off-farm income of €19,300 compared to 141 farmers in 2001 with an off-farm income of €18,900. The average farm income for these farms in 2002 was €6,900 giving a combined income of €26,300 compared to €25,700 in 2001. In 2002, 16% of the population with off-farm employment and income stayed were part-time farmers with an average off-farm income of €19,600, whilst only 2% with stated off farm incomes were full-time farms with an average off-farm income of €17,100. In 2001 and 2002, 13% and 16% respectively, of farmers with an off-farm job refused to disclose their off-farm income.

In 2002, an estimated 65% of farmers had no off-farm employment and of those 34% were full-time with FFI of €28,900, whilst the remaining 31% were part-time (as defined in glossary) with a FFI of €6,800.

Table 11 gives population estimates of the incidence of the farmer having an off-farm job broken down by FFI. On farms with FFI less than €6,500, 43% of farmers had off-farm employment compared to 10% where FFI exceeded €25,000. On farms where the FFI ranged from €6,500 to €13,000, 45% of farmers had an off-farm job.

**Table 11: Incidence of Off-Farm Jobs (Farmer) by FFI – 2002**

FFI	All Farms	Farmer with Off-Farm Job	Farmer no Off-Farm Job
€	%	%	%
<6500	39	17	22
6500 – 13000	22	10	12
13000 – 25000	19	6	13
>25000	20	2	18
<b>Total</b>	100	35	65