



Information Notice

Employment in Agriculture

According to the 2016 Farm Structure Survey (FSS), there were 137,500 farms in Ireland. Almost all (137,100) were classified as family farms. In 2016, a total of 265,400 people worked on farms. Of these, approximately one half or 51.7% (137,100) were the farm holders, 41.4% (109,800) were family members and the remainder were paid non-family workers (18,500).

According to the Labour Force Survey (LFS), there were 107,900 people employed in their main job in Agriculture in 2016, while an additional 17,500 worked a second job in the sector. Why, therefore, does there seem to be a difference between the level of employment as measured by the LFS and the total number of farms in the State? And which is the more correct measure of employment? This information note seeks to clarify the situation.

To examine this issue in more detail we have to look at the size, structure and characteristics of family farms.

Farm Size

Table 1 Number of farms classified by farm size (AAU) in each region - 2016

Region	Farm size (AAU) - hectares						Total	Average farm size (ha)
	< 10	10 - < 20	20 - < 30	30 - < 50	50 - < 100	>= 100		
State	26.2	33.6	24.3	28.7	19.9	4.9	137.5	32.4
Border, Midland and Western	15.8	20.6	13.6	13.9	7.2	1.4	72.5	27.1
Southern and Eastern	10.4	12.9	10.7	14.9	12.6	3.4	65.0	38.3

Farm size is a key determinant of the viability of the farm as a primary source of income. The average farm size in 2016 was 32.4 hectares (ha). Half of all farms in the Border, Midland and Western (BMW) region had less than 20 hectares while in the Southern and Eastern (SE) region approximately one-third of farms (35.8%) had less than 20 hectares.

Standard Output

Table 2 Number of farms classified by economic size (SO) in each region - 2016

Region	Standard Output (SO)							Total	Average Standard Output (€)
	Less than €4,000	€4,000 - < €8,000	€8,000 - < €15,000	€15,000 - < €25,000	€25,000 - < €50,000	€50,000 - < €100,000	Over €100,000		
State	23.3	20.5	25.2	20.7	19.9	11.5	16.6	137.5	€45,945
Border, Midland and Western	13.9	13.5	16.0	11.9	9.5	4.0	3.8	72.5	€28,874
Southern and Eastern	9.4	7.0	9.2	8.8	10.4	7.4	12.8	65.0	€64,992

Standard Output (SO) is the average monetary value of agricultural output at farm-gate prices. While SO is not a direct measure of farm income, it does provide a measure of farm output. It does not take into account costs, direct payments (such as the Basic Payment Scheme), value added tax or taxes on products. The average SO 2016 was €45,945. One in six farms (23,300) had a SO of less than €4,000 per annum, 60% of which were in the BMW region. Three out of ten farms (31.9%) had a SO of less than €8,000 in 2016.

As one would expect, there is a strong correlation between farm size and standard output. Approximately 60% of farms with a standard output of less than €4,000 were less than 10 ha in size, while just over 70% of farms with 50 ha or more had a standard output of €50,000 or more.

Table 3 Number of farms classified by farm size (AAU) and economic size (SO) - 2016

Standard Output (SO)	Farm Size (AAU)						Total	Average farm size (AAU)
	< 10	10 - < 20	20 - < 30	30 - < 50	50 - < 100	>= 100		
Less than €4,000	15.5	6.1	1.2	0.5	0.0	.	23.3	9.0
€4,000 - < €8,000	6.8	9.5	2.9	1.0	0.3	0.0	20.5	14.9
€8,000 - < €15,000	2.9	11.2	6.9	3.5	0.6	0.1	25.2	21.2
€15,000 - < €25,000	0.6	4.7	7.4	6.4	1.4	0.1	20.7	29.5
€25,000 - < €50,000	0.2	1.4	4.0	9.7	4.2	0.5	19.9	42.2
€50,000 - < €100,000	0.1	0.4	1.4	3.7	5.1	0.7	11.5	57.1
Over €100,000	0.2	0.1	0.6	4.0	8.2	3.5	16.6	78.7
Total	26.2	33.6	24.6	28.7	19.9	4.9	137.5	32.4

Characteristics of Farmers

It is also important to look at the characteristics of farm holders such as age, the significance of farm work and labour input. It is worth noting that in 2016 30% of family farms was headed by a holder who was 65 years or older. Farmers were asked to self-classify the significance of farm work into three categories of occupation (a) sole occupation, (b) major occupation and (c) subsidiary occupation. In the first instance, if an individual engaged in farm work had no other occupation from which an income was earned, then farm work was defined as the sole occupation. If farm work took up the greater part of a worker's time than a second occupation, farming was to be regarded as the major occupation. If the time spent on gainful non-farming activity exceeded that spent on farm work then farm work was to be regarded as a subsidiary occupation. In 2016, more than half (72,500 or 53%) of farm holders stated that farming was their sole occupation, while almost one-quarter (24%) regarded it as a major occupation. The remaining 32,200 family farm holders viewed it as a subsidiary occupation.

There was also a correlation between the significance of farm work and farm size; the larger the farm the greater the proportion of farm holders viewing farming as a sole occupation. Only 43% of farmers with less than 20 hectares saw farming as a sole occupation, while more than one third of farm holders (32%) in that size category viewed it as a subsidiary occupation, secondary to non-farm activity. On the other hand, almost three quarters of farm holders (73.5%) with 50 hectares or more viewed it as a sole occupation with less than one in ten viewing it as a subsidiary occupation.

Table 4 Number of family farms¹ classified by farm size (AAU) and characteristics of holder - 2016

Characteristics of holder	Farm size (AAU) - hectares						Total	Average farm size (ha)
	< 10	10 - < 20	20 - < 30	30 - < 50	50 - < 100	>= 100		
Age								
< 35	1.4	1.8	1.3	1.6	1.1	0.2	7.4	32.2
35 - 44	3.4	4.7	3.7	4.9	3.8	1.0	21.4	36.1
45 - 54	5.5	7.2	5.5	7.3	5.7	1.4	32.5	35.2
55 - 64	6.7	8.6	6.2	7.4	4.8	1.1	34.7	31.4
>= 65	9.2	11.3	7.6	7.6	4.4	1.1	41.2	28.6
Annual work units								
0 - < 0.25	4.9	2.8	1.2	0.9	0.4	0.1	10.3	16.1
0.25 - < 0.50	7.9	6.1	2.6	2.0	0.7	0.1	19.5	17.5
0.50 - < 0.75	8.1	9.9	4.9	3.5	1.3	0.2	27.9	20.2
0.75 - < 1.00	2.4	8.2	7.8	7.5	2.5	0.5	28.9	29.6
1.00	2.8	6.5	7.7	14.8	14.8	3.9	50.5	49.3
Significance of farmwork								
Sole occupation	10.6	14.9	12.1	16.8	14.3	3.7	72.5	38.5
Major occupation	6.3	8.9	6.3	6.9	3.4	0.6	32.5	28.0
Subsidiary occupation	9.2	9.7	5.8	5.0	2.0	0.4	32.2	22.4
Total	26.1	33.5	24.2	28.7	19.7	4.8	137.1	32.4

¹ Farms run by commercial concerns or institutions are excluded from this table.

The labour input of each person who worked on the farm was measured in terms of Annual Work Units (AWU) with one AWU being defined as 1,800 hours or more of labour per person per annum. Almost 37% (50,500) of family farm holders worked a full AWU in 2016, while a further 21% worked between 0.75 and 1 AWU. On the other hand, just over one fifth (21.7%) of all farm holders worked less than 0.5 Annual Work Units.

Comparison with LFS

If a farmer is engaged in another activity off the farm, then they may be classified to that activity rather than to Agriculture in the Labour Force Survey. The following hypothetical example will help to illustrate this.

Example

John is a part-time farmer in the West of Ireland, engaged in sheep and cattle rearing. His farm is small in size and does not provide a sufficient level of income to support his family. In order to supplement his income, John also works as a bar man in the local hotel; working week-ends, some evenings and is also available to work on special occasions such as weddings. In essence, John works full-time as a bar man and manages his farm during his free time. Many would view John as a farmer with a part-time job but in this case the amount of time engaged in the non-farm activity exceeds the time spent in Agriculture. John is still accounted for as a farm holder in Agricultural Statistics but according to the LFS would be classified as working in a different sector - Accommodation and Food Services.

In 2016 the average number of people in employment in their main job in Agriculture was 107,900 while there were 17,500 persons in employment in the sector in a second job. This number also included paid employees employed on family farms and commercial farm enterprises.

Table 5 LFS Employment in Agriculture 2014-2016

	2014	2015	2016
Border, Midland & Western – Main job	43,100	44,000	46,500
Border, Midland & Western – Second job	9,200	10,900	10,200
Border, Midland & Western – Total	52,300	54,900	56,700
Southern & Eastern – Main job	58,500	60,000	61,400
Southern & Eastern – Second job	5,800	5,900	7,300
Southern & Eastern – Total	64,300	65,900	68,700
Ireland – Main job	101,600	104,000	107,900
Ireland – Second job	15,000	16,800	17,500
Ireland – Total	116,600	120,800	125,400

As part of the introduction of the Labour Force Survey (LFS), the CSO has reviewed the previously published Quarterly National Household (QNHS) employment estimates for the Agriculture, Forestry and Fishing sector for the Q1 2009 to Q3 2013 period to address issues previously identified in this sector. As a result, estimates in the LFS for this period for the sector have been revised resulting in a consistent series over that period. These revisions to the sector also result in minor revisions to other NACE Rev. 2 sectors in the LFS over the period.

This revision was undertaken as the CSO previously undertook an analysis of the trend in of employment in this sector over the period and the analysis showed that the trend was influenced by the introduction of a sample to the QNHS which commenced in Q1 2009 and was included until Q3 2013.

The new estimates have been produced by examining the trend recorded in the sector between the Censuses of Population 2006 and 2011 by region and sex. These trends have now been used to derive new estimates of employment in the sector for Q2 2011 and these new benchmarks have been used to produce new estimates for all quarters which needed to be revised.

Administrative data sources related to the Agriculture, Forestry and Fishing sector were also examined for the period in question. The examination of this data indicated that the sector could have been expected to have been largely unchanged over the period and the new updated LFS series for this sector now reflects this expectation.

Conclusion:

The results of the 2016 Farm Structure Survey showed that there were 137,100 family farm holders, 109,800 spouses and other family members (generally without remuneration) and 18,500 regular non-family workers working on Irish farms. The results of that survey also showed that only one half of farm holders (72,500 or 53%) saw Agriculture as a sole occupation while 79,400 holders (less than six in ten) worked 0.75 or more AWU per annum.

While recognising the importance of Agriculture, the CSO advises that when trying to measure the impact on employment, the LFS estimates should be used as the definitive source. The Labour Force Survey (LFS) is the official source of estimates of employment (ILO) in the State. When comparing Agriculture employment from the LFS to the FSS, users should note that different concepts are being used and some caution is warranted in the interpretation of these differences.

The results of the Farm Structure Survey provide additional complementary information on activity within agriculture and include those engaged in Agriculture who also work in other sectors of the economy.

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