

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT  
BY DEPUTY S.Y. MÉZEC OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 20th OCTOBER 2015**

**Question**

How does the Minister explain the 17% reduction in Gross Value Added for agriculture in 2014 as shown in Table 3 of the “Measuring Jersey’s Economy: G.V.A. and G.D.P., 2014” report published on 30th September 2015? What measures, if any, will the Minister be proposing to reverse any potential decline in agriculture?

**Answer**

Gross Value Added (GVA) is calculated by combining total Gross Operating Surplus (GOS- total income less total expenditure) and total compensation of employees for a given sector.

The 17% reduction in the GVA for the Agriculture sector in 2014 was primarily driven by a reduction in the industry’s GOS, for that year, coupled with a reduction in overall employment in that sector.

The Agriculture sector does tend to experience a great deal of volatility in respect of GVA, particularly in respect of the level of GOS generated in any particular year. This behaviour is expected because agriculture is heavily dependent on a number of external factors. This can be seen from ‘Jersey in Figures’ produced by the States of Jersey Statistics Unit. The latest version is available here:

<https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Jersey%20In%20Figures%202014%2020150428%20SU.pdf>

Due to the volatility of the industry a single year reduction in GVA cannot be seen as an overall decline in the industry.

In fact, 2014 was one of the Island’s best growing seasons for a number of years, with an increase in sales from 28,000 tonnes to 31,000 tonnes of Jersey Royal potatoes with a value of around £29 million, which was £1.45 million higher than the previous year.

Sales at Jersey Dairy also rose from £12.7 million in 2013 to £14 million in 2014 to meet the growing international demand for UHT milk and milk products. This was underpinned by an increase in milk production from 13 million litres to 14 million litres, and improved milk production.

The Department is currently in consultation with the agricultural industry and other interested parties, to develop a new Rural Economy Strategy placing greater emphasis on increasing efficiency and productivity, that is due to be published next year.