Agriculture in the United Kingdom

2011

Department for Environment, Food and Rural Affairs

Department of Agriculture and Rural Development (Northern Ireland)

The Scottish Government, Rural and Environment Research and Analysis Directorate

Welsh Assembly Government, The Department for Rural Affairs and Heritage

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Produced by:

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Preface

Legal basis

1. Agriculture in the United Kingdom 2011 fulfils the requirement under the Agriculture Act 1993 that Ministers publish an annual report on such matters relating to price support for agricultural produce as they consider relevant. The Government will draw on this information when considering policy issues, including proposals by the European Commission in respect of the Common Agricultural Policy (CAP) and the provision of agricultural support.

Changes

2. Some of the figures now given for past years may differ from those published in preceding issues. This is because of the use of later information, changes in the scope and nature of the available data and improvements in statistical methods.

3. AUK 2011 does not include a chapter on Animal Health and Welfare. Information on Animal Health and Welfare statistics can be found at: http://www.defra.gov.uk/statistics/foodfarm/landuselivestock/cattletb/

4. Due to a lack of available data, publication of Defra's Agricultural Land Sales and Prices in England was suspended in 2005. More recent information on land prices is available from the Royal Institution of Chartered Surveyors (RICS) at http://www.rics.org/ruralmarketsurvey.

Structure of Tables

5. Most of the data are on a calendar year basis. The data for 2011 are provisional because information for 2010 was still incomplete at the time of publication and therefore an element of forecasting was required.

6. The following points apply throughout:

(a) All figures relate to the United Kingdom unless otherwise stated.

(b) In the tables

- means 'nil' or 'negligible' (less than half the last digit shown).
. . means 'not available' or 'not applicable'.

(c) The figures for imports and exports include those from intervention stocks and the figures for exports include re-exports. Imports are based on country of consignment. Exports are based on country of reported final destination. The source of Overseas Trade Statistics is HM Revenue and Customs.

(d) Where statistics are shown for the European Union (EU) as a whole they represent the present Member States in all years regardless of when they became a member.

7. Where figures are presented in real terms the measure of inflation used is the all-items Retail Price Index.

Chapter 1 Key events in 2011

Total Income from Farming

1. In 2011 total income from farming recovered from the fall in 2010 to £5.69 billion, a 25 per cent increase in real terms from 2010 after adjusting for inflation. Similarly the total income from farming per annual work unit of entrepreneurial labour (for example, farmers and their partners) has risen to £30,900, a 24 per cent increase in real terms when compared to 2010.

Common Agricultural Policy Reform Proposals

2. The EU published the Common Agricultural Policy on 12 October. In December Defra launched an informal consultation to gather the views of farmers, environmental groups and others with an interest in the Common Agricultural Policy. Defra ministers began Common Agricultural Policy negotiations on behalf of the United Kingdom.

Bluetongue free status gained

3. Restrictions on British exports of sheep and cattle, which have been in place since 2007 following the first cases of bluetongue, were lifted on 5 July when Great Britain achieved bluetongue free status. This means that animals exported to other bluetongue free countries no longer require vaccination, or any other bluetongue requirements.

E. coli outbreak

4. The outbreak of E coli in Germany during May and June impacted on growers of fruit and vegetables across the EU, including our domestic growers. Retail prices for home produced salad crops remained largely unaffected although demand declined with the result that more went to the wholesale markets where prices fell. The Russian Federation imposed a ban on EU fruit and vegetables which again led to more produce going to the wholesale markets across the EU.

Higher welfare enriched poultry cages

5. From the 1 January 2012 all EU member state egg producers should have switched from battery cages to higher welfare ‘enriched’ cages. It is estimated that the United Kingdom industry alone spent £400 million ensuring hens live in better conditions.

Drought declared in parts of England

6. In June 2011 drought was declared in East Anglia with near drought conditions in South East, South West and the Midlands. These were the driest conditions across England and Wales since 1900.

Macdonald Red Tape Review

7. Defra has responded to the Farming Regulation Task Force report chaired by Richard Macdonald. The report's key strategic message was that Defra and its agencies need to establish an entirely new approach to, and culture of, regulation.

8. Defra is keen to take forward the over-riding principle of 'earned recognition' with inspections taking place where they are most needed. There were 220 recommendations directed at Defra, of which 159 were accepted, 30 were rejected and the remaining 31 are under consideration.

9. Defra's full response was published in 2012 http://www.defra.gov.uk/food-farm/farm-manage/farm-regulation/

Chapter 2 Farming income

Summary

In 2011:

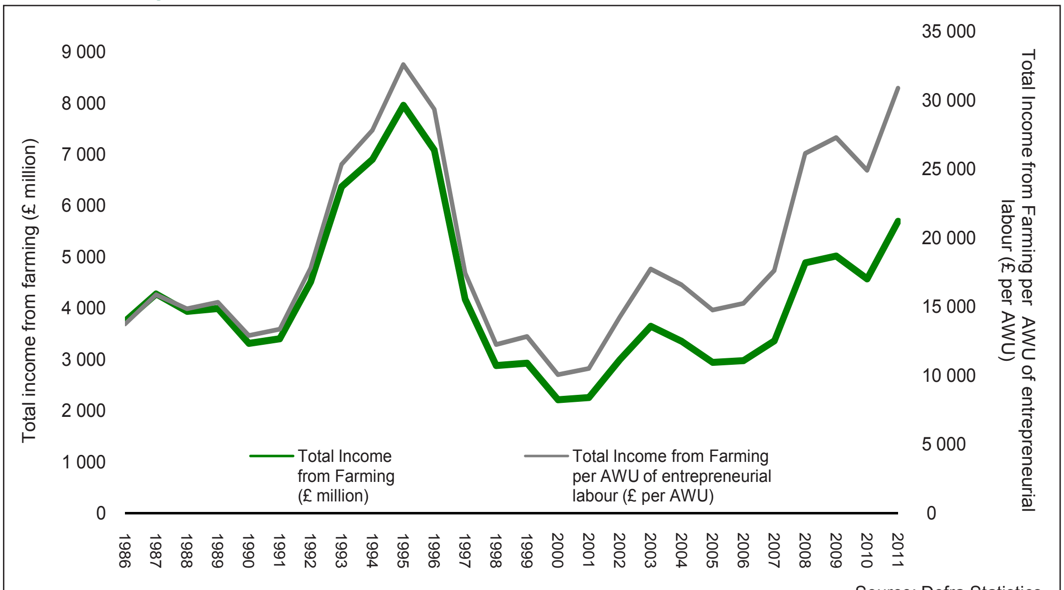
- Total Income from Farming is estimated to have risen by 25 per cent in real terms after adjusting for inflation, to £5.69 billion.
- Total Income from Farming per annual work unit of entrepreneurial labour is estimated to have increased by 24 per cent in real terms to £30,900.
- In the longer term, this represents the best performance for the agricultural industry in the United Kingdom since the mid-1990s.

Long-term trends in farming income (chart 2.1)

1. In 2011, Total Income from Farming, a key measure of the performance of the agricultural industry in the United Kingdom, is estimated to have risen by 25 per cent in real terms after adjusting for inflation. Total Income from Farming per annual work unit of entrepreneurial labour is estimated to have increased by 24 per cent in real terms to £30,900. In the longer term, this represents the best performance for the agricultural industry in the United Kingdom since the mid-1990s.

2. The dramatic rise in farming's profitability in the early nineties followed the decline in the euro/sterling exchange rate after the United Kingdom left the Exchange Rate Mechanism. The equally rapid reverse in the second half of the decade was caused by increases in the exchange rate, lower world commodity prices and the impact of BSE. The increase in 2008 reflected a decline in the euro/sterling exchange rate as the United Kingdom entered into recession and increases in commodity prices.

Chart 2.1 Long-term trends in farming income in real terms at 2011 prices; United Kingdom



Source: Defra Statistics

Table 2.1 Summary measures from the aggregate agricultural account; United Kingdom

Enquiries: Nick Olney on +44 (0)1904 455355 email: keith.seabridge@defra.gsi.gov.uk

£ million (unless otherwise specified) Calendar years

Year	Net value added at factor cost	Income from farming				Cash flow from farming
		Total Income from Farming	Compensation of employees	Income from agriculture of total labour input	Total Income from Farming per AWU of entrepreneurial labour (a)	
Current prices		A	B	A + B	(£)	
2001	4 256	1 661	1 859	3 520	7 700	3 710
2002	4 744	2 242	1 836	4 078	10 700	2 629
2003	5 300	2 811	1 831	4 642	13 700	3 286
2004	5 244	2 661	1 899	4 560	13 200	2 688
2005	5 043	2 400	1 954	4 354	12 000	627
2006	5 178	2 505	1 975	4 479	12 800	2 862
2007	5 734	2 953	2 005	4 958	15 500	3 576
2008	7 241	4 458	2 068	6 526	23 900	3 858
2009	7 254	4 554	2 165	6 719	24 800	4 329
2010	7 096	4 342	2 208	6 550	23 700	4 651
2011	8 544	5 693	2 292	7 985	30 900	5 785
In real terms, 2011 prices						
2001	5 774	2 253	2 522	4 776	10 500	5 034
2002	6 333	2 993	2 450	5 444	14 200	3 510
2003	6 874	3 646	2 375	6 021	17 700	4 262
2004	6 606	3 352	2 392	5 744	16 600	3 386
2005	6 178	2 940	2 394	5 333	14 800	768
2006	6 147	2 973	2 344	5 317	15 200	3 398
2007	6 528	3 361	2 283	5 644	17 600	4 071
2008	7 928	4 880	2 264	7 144	26 100	4 223
2009	7 984	5 012	2 383	7 395	27 300	4 764
2010	7 465	4 567	2 323	6 891	24 900	4 893
2011	8 544	5 693	2 292	7 985	30 900	5 785

(a) An annual work unit (AWU) represents the equivalent of an average full-time person engaged in agriculture.

Summary measures including Total Income from Farming (table 2.1)

3. Table 2.1 shows the main indicators derived from the aggregate agricultural account at the United Kingdom level. These are:

- Net Value Added - a measure of the value added by the agricultural industry to all goods and services from outside agriculture after provision has been made for depreciation. It includes all subsidies but excludes interest, rent or labour costs.

- Total Income from Farming - a key measure of the performance of the agricultural industry in the United Kingdom. It is income generated by production within the agriculture industry, including subsidies, and represents business profits and remuneration for work done by owners and other unpaid workers.

- Compensation of employees - the full costs of employees to the business.

- Income from agriculture of total labour input - the sum of 'Total Income from Farming' and 'Compensation of employees'.

- Total Income from Farming per Annual Work Unit (AWU) of entrepreneurial labour – a measure of income received by owners and other unpaid workers. To take account of part-time and seasonal work, agricultural labour is measured in annual work units; one annual work unit correspond to the input of one person engaged in agricultural activities on a full-time basis over one year.

- Cash flow from farming – this reflects sales and expenditure on gross fixed capital formation and includes capital transfers paid to the industry in exchange for assets. Variations in cash flow since 2005 largely reflect delays in payments made through the Single Payment Scheme.

Summary measures by country (table 2.2)

4. Table 2.2 shows the main economic indicators for the agricultural industries in England, Northern Ireland, Scotland and Wales in 2010. Largely by virtue of the size of the land area, England contributes the greater amount to the national economy and to Total Income from Farming at the United Kingdom level.

Table 2.2 Summary measures by country 2011

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	Gross output at basic prices	Intermediate consumption	Gross value added at basic prices	Total Income from Farming	Agriculture's share of total regional gross value added at basic prices 2010 (a)	Agriculture's share of total regional employment (b)	Agriculture's share of total gross fixed capital formation 2010 (a)
	£ million	£ million	£ million	£ million	%	%	%
United Kingdom	23 652	14 806	8 845	5 693	0.55	1.52	1.65
England	17 786	10 455	7 331	4 562	0.53	1.15	. .
Wales	1 393	1 118	275	209	0.48	4.27	. .
Scotland	2 768	1 966	802	614	0.68	2.61	. .
Northern Ireland	1 705	1 268	437	308	1.25	5.63	. .

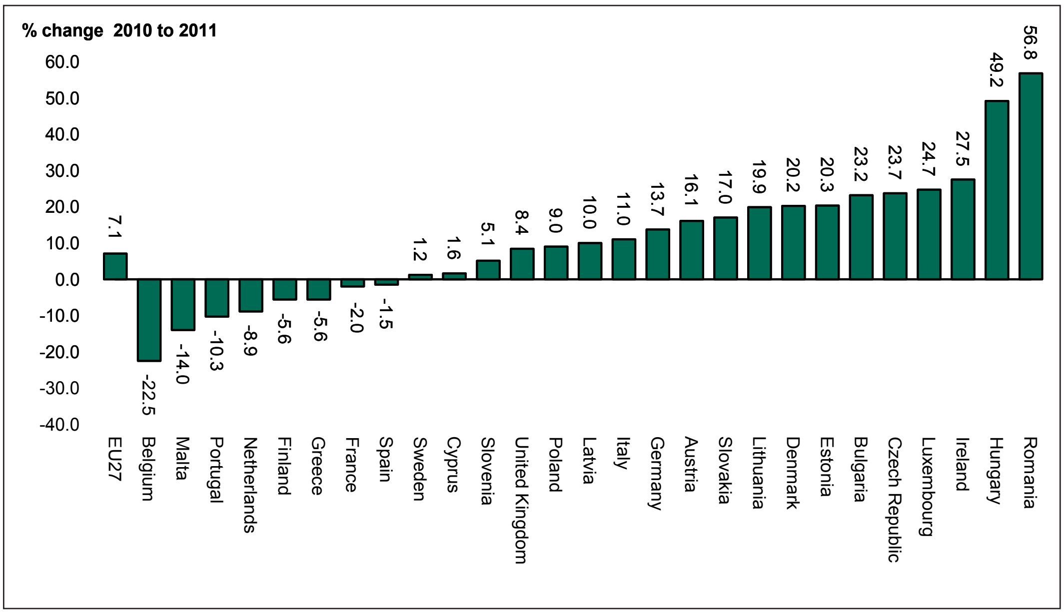
(a) Data on national and regional GVA for 2011 and for GFCF are not yet available. Data for 2010 are shown for illustration.

(b) Estimates for England are based on employment on 'commercial holdings' only.

Income measures in the EU (chart 2.2)

5. The EU's preferred measure of agricultural income is 'Indicator A', which is an index derived from net value added at factor cost in real terms per total annual work unit of all labour. They also calculate two other indicators: 'Indicator B', an index of net agricultural entrepreneurial income in real terms per unpaid annual work units; and 'Indicator C', an index of net entrepreneurial income of agriculture. Chart 2.2 shows the percentage change in agricultural income as measured by Indicator A, from 2010 to 2011 while Table 2.3 shows medium term perspectives for Indicators A, B and C. These data were extracted from the Eurostat website in May 2012 and may be subject to later revision.

Chart 2.2 Changes in incomes from agricultural activity across the EU: Indicator A



Source: Eurostat database. Last update 28.03.12. Extracted 02.05.12

Table 2.3 Eurostat income indicators

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Index 2005 = 100

	2005	2006	2007	2008	2009	2010	2011
Net value added at factor cost of agriculture per total Annual Work Unit (Indicator A)							
United Kingdom	100.0	101.9	109.3	143.3	134.5	138.8	150.4
EU27	100.0	104.0	114.5	110.8	98.5	111.4	119.1
Net agricultural entrepreneurial income per unpaid Annual Work Unit (Indicator B)							
United Kingdom	100.0	102.8	114.0	182.0	169.0	173.8	193.9
EU27	100.0	104.7	118.8	110.4	90.2	110.8	121.9
Net entrepreneurial income from agriculture (Indicator C)							
United Kingdom	100.0	100.7	109.1	170.7	156.6	159.4	177.7
EU27	100.0	101.8	109.7	99.6	79.0	94.1	100.0

Source: Eurostat database. Last update 28.03.12. Extracted 08.05.12

Farm Business Incomes by farm type (tables 2.4, 2.5 and chart 2.3)

6. Farm Business Income is presented in Tables 2.4 and 2.5. It replaced Net Farm Income as the headline measure of farming income in 2007. Chart 2.3 shows the distribution of performance for farms in the United Kingdom in 2010/11.

7. Estimates of Farm Business Income for 2011/12 (i.e. year ended February 2012) at current prices are shown in table 2.4 for England, Wales and Northern Ireland alongside outturn data for the previous six years. These estimates include Single Payment Scheme receipts which are recorded as due for the appropriate accounting year, e.g. receipts of the 2011 Single Payment Scheme are recorded in the 2011/12 accounting year.

8. It should be noted that forecasts of farm business income in 2011/12 are not produced in Scotland. Also data for 2010/11 are based on standard output typology for England, Wales and Northern Ireland but on standard gross margin typology for Scotland.

9. Changes to the Single Payment receipt were quite small in 2011 as there was only a small increase in the exchange rate from 0.85995 in September 2010 to 0.86665 in September 2011.

10. Further increases in average Farm Business Incomes are expected on cereal farms in England for 2011/12, reflecting much higher output from oilseed rape combine with continuing firm prices for cereals. On general cropping farms, the fall in potato prices is expected to have a substantial impact on incomes leading to a fall of around 25 per cent.

11. Average Farm Business Income on dairy farms is forecast to increase across England, Wales and Northern Ireland in 2011/12 compared with the previous year. Total output is expected to increase substantially due to higher milk prices and firmer values for breeding heifers and cull cows. Feed and fertiliser costs are also expected to increase but these are more than offset by the higher output.

12. In England and Wales, grazing livestock farms in both the lowland and Less Favoured Areas (LFA) are expected to see an increase in average incomes in 2011/12. This is the result of firmer prices for fat and store cattle alongside continuing high values for finished lambs, cull ewes and replacement breeding sheep. In Northern Ireland incomes on grazing livestock farms in the LFA are predicted to fall slightly due to the increases in product prices not being enough to offset the increases in input costs.

13. Average Farm Business Income is forecast to fall on specialist pig and poultry farms in England 2011/12. This is primarily the result of higher production costs, particularly feed, which offsets the increased output from eggs, pig and poultrymeat. For specialist pig farms the falling value of trading livestock towards the end of the accounting year is also expected to lead to a considerable change in the year on year closing valuation.

14. Incomes on mixed farms in England are also expected to increase slightly in 2011/12. This is due to an increase in output across all enterprises but particularly from the combinable cropping and cattle rearing enterprises.

15. Table 2.5 shows the variation in the level of Farm Business Income, Net Farm Income and Cash Income across farms in England, Wales, Scotland and Northern Ireland 2010/11. Across the individual countries between a fifth and a third of farms had a Farm Business Income of £10,000 or less. Note that the figures for Scotland are based on a different typology.

16. A greater proportion of farms fall into the lower band income ranges for Net Farm Income. This is because Net Farm Income is a narrower measure of income; it is net of an imputed rent on owned land and an imputed cost for unpaid labour (apart from farmer and spouse).

17. Chart 2.3 shows the differences in performance of farms in the United Kingdom for 2010/11. Performance is measured as £ of output per £100 of input. The chart illustrates the significant variation in performance across all farms in the United Kingdom with just over 11 per cent of farms failing to recover their costs.

Table 2.4 Farm business income by country and type of farm (a)

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Average farm business income per farm (£ farm) Accounting years ending on average in February

	Standard Gross Margin (SGM) Typology (c)			Standard Output (SO) Typology (c)		
	2008/09	2009/10 (b)	2010/11	2009/10	2010/11	2011/12 (provisional)
At current prices						
England						
Cereals	69 700	46 000	. .	42 000	84 800	90 000
General cropping	96 000	66 000	. .	66 600	111 700	84 800
Dairy	69 400	56 100	. .	59 100	66 200	84 300
Grazing livestock (lowland)	18 500	22 000	. .	28 900	21 400	28 200
Grazing livestock (LFA)	17 100	22 200	. .	25 900	21 300	23 800
Specialist pigs	59 100	71 600	. .	75 400	44 400	35 600
Specialist poultry	47 700	66 300	. .	72 700	68 200	62 500
Mixed	29 300	39 800	. .	32 800	50 900	54 500
Wales						
Dairy	62 200	52 200	. .	49 700	57 100	63 900
Grazing livestock (lowland)	24 400	32 300	. .	33 900	29 700	35 800
Grazing livestock (LFA)	24 500	33 600	. .	34 500	27 100	32 000
Scotland						
Cereals	41 800	16 300	50 900	. .	. .	. .
General cropping	60 900	18 400	59 700	. .	. .	. .
Dairy	78 400	58 900	73 600	. .	. .	. .
Grazing livestock (lowland)	24 000	32 100	34 300			
Grazing livestock (LFA)	24 400	37 200	34 200	. .	. .	. .
Mixed	45 300	39 700	47 800	. .	. .	. .
Northern Ireland						
Dairy	37 500	19 300	. .	19 900	51 600	61 500
Grazing livestock (LFA)	20 200	21 200	. .	21 600	19 300	19 100
United Kingdom			. .			
Cereals	65 600	42 100	. .	. .	. .	. .
General cropping	87 900	55 100	. .	. .	. .	. .
Dairy	62 400	47 700	. .	. .	. .	. .
Grazing livestock (lowland)	19 100	22 600	. .			
Grazing livestock (LFA)	21 800	29 600	. .	. .	. .	. .
Specialist pigs	51 600	67 400	. .	. .	. .	. .
Specialist poultry	47 700	66 300	. .	. .	. .	. .
Mixed	33 300	39 500	. .	. .	. .	. .
ALL TYPES (Including Horticulture)	44 200	38 800	. .	. .	. .	. .

continued

Table 2.4 continued

Average farm business income per farm (£ farm)	Standard Gross Margin (SGM) Typology (c)			Standard Output (SO) Typology (c)		Accounting years ending on average in February
	2008/09	2009/10 (b)	2010/11	2009/10	2010/11	2011/12 (provisional)
In real terms (at 2011/12 prices)			. .			
United Kingdom			. .	. .	. .	. .
Cereals	59 600	38 200	. .	. .	. .	. .
General cropping	79 800	49 900	. .	. .	. .	. .
Dairy	56 700	43 200	. .	. .	. .	. .
Grazing livestock (lowland)	17 300	20 500	. .	. .	. .	. .
Grazing livestock (LFA)	19 800	26 800	. .			
Specialist pigs	46 800	61 100	. .	. .	. .	. .
Specialist poultry	43 300	60 100	. .	. .	. .	. .
Mixed	30 200	35 800	. .	. .	. .	. .
ALL TYPES (Including Horticulture)	40 100	35 200	. .	. .	. .	. .

(a) The calculation of 'farm business income' has been modified and applied back through the time series as the calculation in earlier publications was incorrectly defined in terms of profit or loss on sale of fixed assets. Therefore the figures presented above will not match those published prior to 2007/08.

(b) Revised figures for Scotland

(c) A note on the effect on farm business income in England as a result of the change from SGM to SO typology is available at:

http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-farmmanage-fbs-reviseclass_111221.pdf

Table 2.5 All farm types: distribution of farm incomes by country 2010/11 (a)

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Percentage of farms

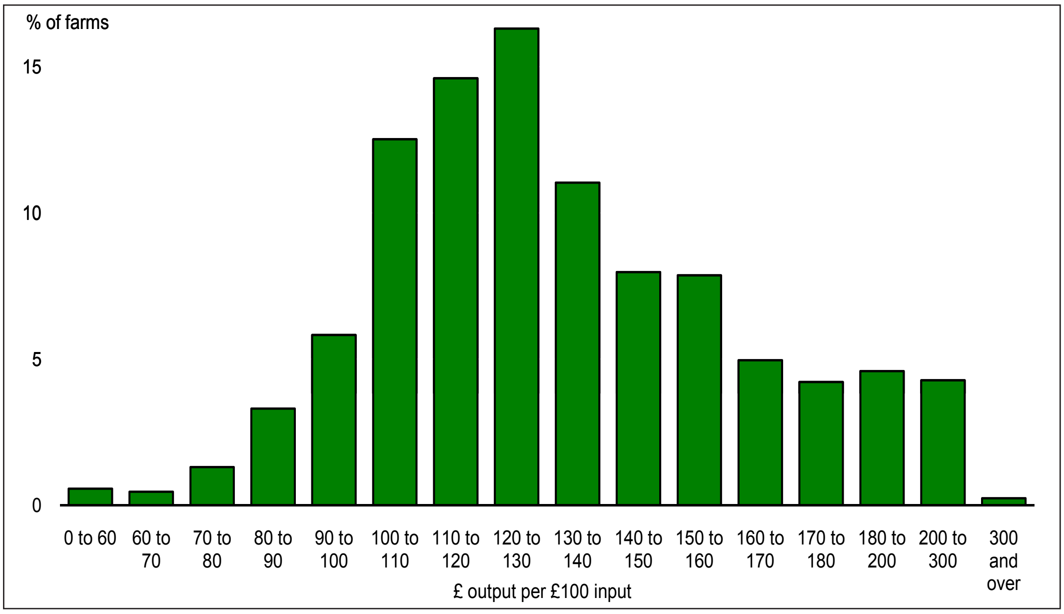
	England	Wales	Scotland	Northern Ireland	United Kingdom
Farm Business Income					
Less than zero	11.4	10.2	7.2	13.0	10.8
0 to less than £5,000	6.5	7.5	7.0	7.6	6.8
£5,000 to less than £10,000	6.1	8.2	6.2	11.8	7.0
£10,000 to less than £20,000	13.9	16.3	14.9	17.8	14.7
£20,000 to less than £30,000	10.7	17.1	13.4	16.2	12.4
£30,000 to less than £50,000	16.7	21.0	18.8	13.4	17.1
£50,000 and over	34.7	19.8	32.4	20.3	31.1
Average (£ thousand per farm)	57.3	32.9	45.1	29.2	49.8
Net Farm Income					
Less than zero	19.3	27.5	15.9	26.9	20.6
0 to less than £5,000	6.5	5.8	5.4	8.3	6.5
£5,000 to less than £10,000	8.3	6.3	6.2	8.9	7.8
£10,000 to less than £20,000	13.8	13.8	21.7	17.8	15.3
£20,000 to less than £30,000	9.3	17.0	13.2	14.6	11.3
£30,000 to less than £50,000	15.2	17.3	14.4	8.8	14.7
£50,000 and over	27.6	12.3	23.4	14.7	23.9
Average (£ thousand per farm)	44.9	22.2	33.8	21.7	38.3
Cash Income					
Less than zero	5.8	6.9	6.0	5.9	5.9
0 to less than £5,000	4.1	5.9	3.0	1.3	3.8
£5,000 to less than £10,000	5.2	3.6	4.0	9.3	5.3
£10,000 to less than £20,000	10.6	13.9	16.6	20.0	12.8
£20,000 to less than £30,000	11.9	12.0	12.3	16.2	12.4
£30,000 to less than £50,000	19.0	31.6	19.7	16.1	20.2
£50,000 and over	43.5	26.0	38.3	31.1	39.5
Average (£ thousand per farm)	73.7	43.0	50.6	43.3	63.7

(a) UK aggregate comprises England, Wales and Northern Ireland results derived using standard output (SO) typology with Scotland results derived using standard gross margin (SGM) typology.

A note on the effect on farm business income in England as a result of the change from SGM to SO typology is available at:

http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-farmmanage-fbs-reviseclass_111221.pdf

Chart 2.3 Distribution of performance across farms 2010/11; United Kingdom (a)



(a) UK aggregate comprises England, Wales and Northern Ireland results derived using standard output (SO) typology with Scotland results derived using standard gross margin (SGM) typology.
A note on the effect on farm business income in England as a result of the change from SGM to SO typology is available at:
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Farm income measures

18. Farm Business Income (FBI) is the preferred measure for comparisons of farm type and represents the return to all unpaid labour (farmers, spouses and others with an entrepreneurial interest in the farm business) and to all their capital invested in the farm business including land and farm buildings.

Farm Business Income equals

Total output from agriculture (includes crop and livestock valuation change) *plus*

Total output from agri-environment schemes *plus*

Total output from diversification *plus*

Single payment scheme *less*

Expenditure (costs, overheads, fuel, repairs, rent, depreciation, paid labour) *plus*

Profit/(loss) on sale of fixed assets.

19. Total Income from Farming (TIFF) represents business profits and remuneration for work done by owners and other unpaid workers. It is used to assess United Kingdom agriculture as a whole.

Total Income from Farming *equals*

Gross output at basic prices *plus*

Other subsidies less taxes *less*

Total intermediate consumption, rent, paid labour *less*

Total consumption of fixed capital (depreciation) *less*

Interest.

20. Differences and similarities

Farm Business Income

- the preferred measure for comparisons of farm type;
- covers the 12 month period March to February;
- does not include imputed rent for owner occupiers;
- complete range of on-farm activities including income from diversified activities where they are included in the farm accounts;
- treatment of stocks: the change in the book value of stocks between the start and end of the accounting year.

Total Income from Farming

- the main aggregate measure of farm income used to assess United Kingdom agriculture as a whole.
- covers the calendar year;
- does not include imputed rent for owner occupiers;
- complete range of on-farm activities including income from diversified activities where they are included in the farm accounts;
- treatment of stocks: the physical changes in stocks valued at average calendar year prices.

Diversification

21. Diversification is widely held to offer considerable scope for improving the economic viability of farm businesses. It can be thought of as "the entrepreneurial use of farm resources for a non-agricultural purpose for commercial gain". There are some obvious activities that are included as diversification such as tourism, sport, recreation and processing, and others that are not, such as the production of organic or novel crops, which while possibly reflecting a change in focus and entrepreneurial activity by the farmer, remain agricultural activities. Others such as off-farm employment or investment income are not regarded as diversified activities as they do not utilise farm resources.

22. Further information on diversification in England and Wales is available at:

    http://archive.defra.gov.uk/rural/rdpe/erdp/schemes/index.htm

    http://wales.gov.uk/topics/statistics/headlines/agric2008/hdw200806242/?lang=en

Chapter 3 The Structure of the Industry

Summary

In 2011 compared with 2010:

- The Utilised Agricultural Area stood stable at 17.2 million hectares, accounting for 70 per cent of land in the UK.
- There was another record area of oilseed rape planted of 705 thousand hectares.
- The cereals area saw a modest increase to 3.1 million hectares as farmers took advantage of better cereal prices.
- Dairy herd numbers decreased by 1.8 per cent to 1.8 million, continuing the long term decline.
- Despite rising feed costs, the total pig population was almost unchanged at 4.4 million.
- Sheep and lamb numbers totalled 31.6 million, rising by 1.8 per cent with increases across most types of sheep.
- There was an unexpected rise in the number of people working on UK farms to 476 thousand.

Introduction

1. The tables in this chapter show the size and structure of the agricultural industry in the United Kingdom. They provide information on land use and livestock numbers, on the distribution of these between holdings, on the labour force, the age of holders and on the industry's fixed capital.

2. Data in this chapter are sourced primarily from the June Surveys/Census of Agriculture carried out in the four UK countries each year. The exceptions to this are the holder age data (sourced from the EU Farm Structure Survey) and land use data in Scotland (sourced from Single Application Form (SAF) subsidy data). Also, cattle data are sourced from the Cattle Tracing System (CTS) in England and Wales and from the equivalent APHIS system in Northern Ireland. In Scotland, cattle data continue to be sourced from agricultural surveys.

3. From 2009 onwards, England data relate to "commercial" holdings only. The term "commercial" covers all English holdings which have more than five hectares of agricultural land, one hectare of orchards, 0.5 hectares of vegetables or 0.1 hectares of protected crops, or more than 10 cows, 50 pigs, 20 sheep, 20 goats or 1,000 poultry. These thresholds are specified in the EU Farm Structure Survey Regulation EC 1166/2008. The 2009 figures for England were subsequently recalculated to be on a comparable basis with 2010. The 2005 figures displayed in tables 3.3 and 3.5 are also based on commercial holdings to allow comparisons to the 2011 results.

4. There are no data available for 2011 on the breakdowns of Standard Labour Requirement (SLR), farm types or Less Favoured Areas (LFAs). This is due to the much smaller sample size for the June Survey in England in 2011 compared with previous years. For 2010 data please refer to the 2010 publication of Agriculture in the United Kingdom. The next available data will be for 2013 when the sample size increases for the EU Farm Structure Survey.

5. For more information on the June Survey and for more detailed results please visit the following web pages:

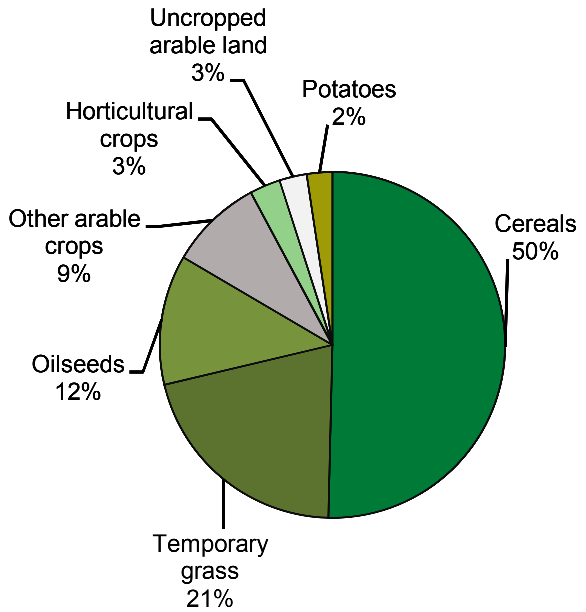
England: http://www.defra.gov.uk/statistics/foodfarm/landuselivestock/junesurvey/

Scotland: http://www.scotland.gov.uk/Topics/Statistics/Browse/Agriculture-Fisheries/PubFinalResultsJuneCensus

Wales: www.wales.gov.uk/statistics

Northern Ireland:
http://www.dardni.gov.uk/index/news/press-releases-statistical/press-release-statistical-current.htm

Chart 3.1 Total croppable area on agricultural holdings June 2011



Land use, crop areas and livestock numbers (tables 3.1, 3.2, charts 3.1 to 3.3)

6. At June 2011 the Utilised Agricultural Area (UAA) was 17.2 million hectares, making up 70 per cent of the total UK land area. UAA is made up of arable and horticultural crops, uncropped arable land, common rough grazing, temporary and permanent grassland and land used for outdoor pigs. It does not include woodland and other non-agricultural land.

7. Almost 36 per cent of UAA was considered to be croppable land, i.e. land currently under crops, bare fallow or temporary grassland. As chart 3.1 shows, 50 per cent of this croppable area is occupied by cereal crops and of these cereals wheat is the predominant crop, with an area of 2.0 million hectares.

8. The area of oilseed rape rose by 9.8 per cent to 705 thousand hectares, the largest area on record. Prices have proved attractive for growers with increased demand for biofuel.

9. In 2011 the total area of cereal crops planted increased by 2.1 per cent to 3.1 million hectares, largely due to better prices for cereals. Wheat and barley both saw increases of 1.6 per cent and 5.3 per cent respectively.

10. The main dairy herd saw a small decrease of 1.8 per cent, standing at 1.8 million in 2011. This continues the long term decline. Conversely numbers in the beef herd rose by 1.1 per cent to 1.7 million.

11. Sheep numbers increased in 2011 and the total figure now stands at almost 32 million animals. Chart 3.3 shows there have been increases of 0.9 and 3.6 per cent in both the number of ewes and shearlings and number of lambs respectively.

12. The total number of pigs remained almost unchanged in 2011 at 4.4 million. Despite increased feeding costs, there was virtually no change seen in the number of fattening pigs which remained at 3.9 million. The number of breeding pigs increased by 1.0 per cent and now stands at 523 thousand.

13. Total poultry numbers decreased by 0.8 per cent in 2011, largely due to the 2.7 per cent decrease in the number of table chickens which now stands at 102 million. This decrease could be due to increased input costs, especially feed prices.

Chart 3.2 Changes in crop areas

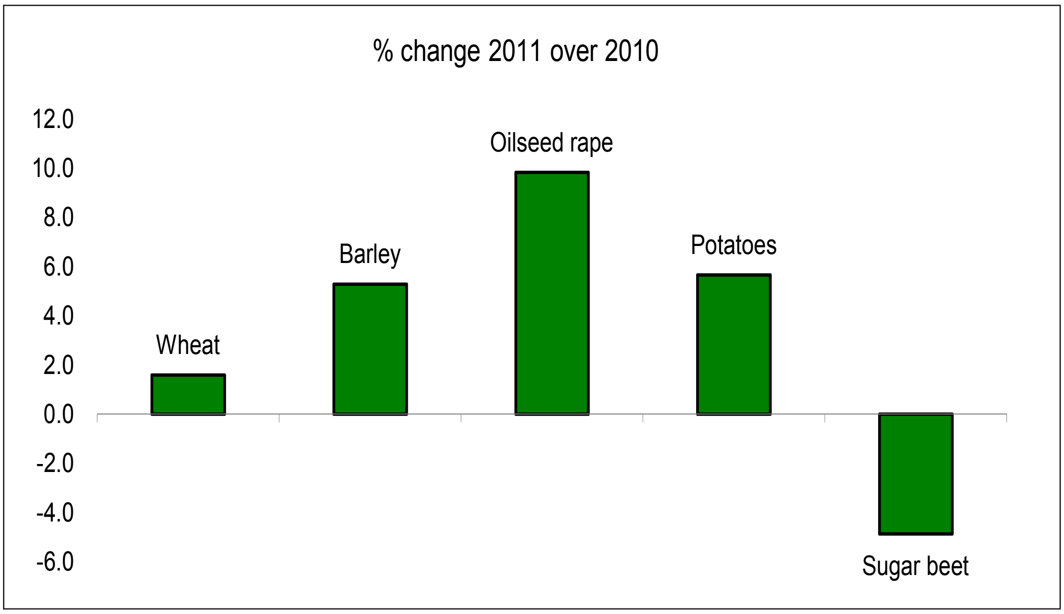


Chart 3.3 Changes in livestock numbers

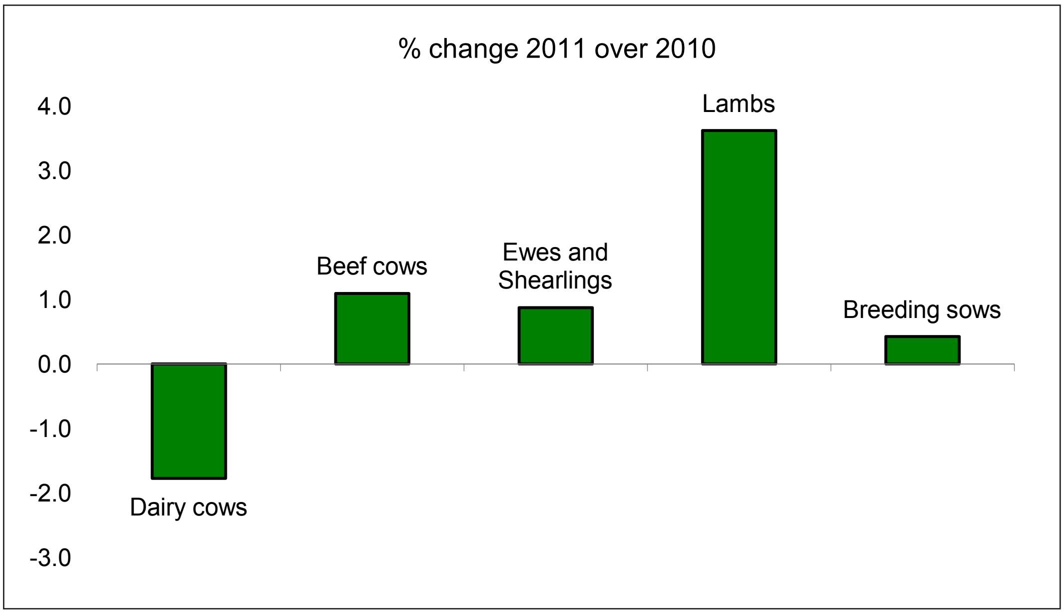


Table 3.1 Agricultural land use (a)

Enquiries: Jenny Tickner on +44 (0)1904 455332 email: farming-statistics@defra.gsi.gov.uk

Thousand hectares At June of each year

	2007	2008	2009	2010	2011
Utilised agricultural area (UAA) (b)	17 737	17 703	17 325	17 234	17 172 #
UAA as a proportion of total UK area	73%	73%	71%	71%	70%
Total agricultural area	18 692	18 697	18 296	18 282	18 263 #
Common rough grazing	1 238	1 238	1 237	1 228	1 199
Total area on agricultural holdings	17 453	17 459	17 060	17 054	17 064 #
Total croppable area	6 215	6 070	6 092	6 015	6 106 #
Total crops	4 440	4 735	4 607	4 610	4 673 #
Arable crops (c)	4 271	4 565	4 437	4 441	4 497 #
Cereals	2 885	3 274	3 076	3 013	3 075
Oilseeds (includes linseed and borage)	687	621	600	686	742
Potatoes	140	144	144	138	146
Other crops	559	527	616	604	534 #
Horticultural crops	169	170	170	169	175 #
Uncropped arable land (d)(e)	599	194	244	174	156
Temporary grass under 5 years old	1 176	1 141	1 241	1 232	1 278
Total permanent grassland	10 284	10 395	9 996	9 980	9 858
Grass over 5 years old	5 965	6 036	5 865	5 925	5 877
Sole right rough grazing (f)	4 319	4 359	4 131	4 055	3 981
Other land on agricultural holdings	954	994	972	1 059	1 100
Woodland	663	705	726	774	786
Land used for outdoor pigs	..	..	..	10	9
All other non-agricultural land	291	289	246	274	305

Source: June Surveys/Census of Agriculture/SAF land data Scotland. For more details please see the introduction section of this chapter.

Please note that totals may not add up to the sum of components due to rounding. Totals may not agree across tables for the same reason.

#: The 2011 UK totals for other arable crops and glasshouse crops were revised in May 2012 to account for calculation changes in the Scotland and Northern Ireland figures. As a result some subtotals have also been revised.

(a) Figures for England from 2009 onwards relate to commercial holdings only. More information on commercial holdings can be found in the introduction section of this chapter.

(b) UAA includes all arable and horticultural crops, uncropped arable land, common rough grazing, temporary and permanent grassland and land used for outdoor pigs (it excludes woodland and other non-agricultural land).

(c) Includes crops grown on previous set-aside land for England for 2007.

(d) Includes uncropped set-aside land for 2007.

(e) Includes all arable land not in production, including land managed in Good Agricultural and Environmental Condition (GAEC12), wild bird cover and game cover. In the 2009 form guidance notes for England, bird cover and game strips were for the first time explicitly stated as belonging in this category, so the 2009 figure may have captured more of this land than in previous years.

(f) Also includes mountains, hills, heathland or moorland.

Table 3.2 Crop areas and livestock numbers (a)

Enquiries: Jenny Tickner on +44 (0)1904 455332 email: farming-statistics@defra.gsi.gov.uk

At June of each year

		2007	2008	2009	2010	2011
Crop areas (thousand hectares)						
Total area of arable crops (b)		4 271	4 565	4 437	4 441	4 497 #
of which:	wheat	1 830	2 080	1 775	1 939	1 969
	barley	898	1 032	1 143	921	970
	oats	129	135	129	124	109
	rye, mixed corn and triticale	27	27	28	29	27
	oilseed rape	674	598	570	642	705
	linseed	13	16	28	44	36
	potatoes	140	144	144	138	146
	sugar beet (not for stockfeeding)	125	120	114	118	113
	peas for harvesting dry and field beans	161	148	228	210	155
	maize	146	153	163	164	164
Total area of horticultural crops		169	170	170	169	175 #
of which:	vegetables grown outdoors	121	122	125	121	129
	orchard fruit (c)	23	24	22	24	24
	soft fruit & wine grapes	10	10	10	10	10
	outdoor plants and flowers	13	13	11	12	11
	glasshouse crops	2	2	2	2	2 #
Livestock numbers (thousand head)						
Total cattle and calves (d)		10 304	10 107	10 025	10 112	9 933
of which:	cows in the dairy herd (e)	1 954	1 909	1 857	1 847	1 814
	cows in the beef herd (f)	1 698	1 670	1 626	1 657	1 675
Total sheep and lambs		33 946	33 131	31 445	31 084	31 634
of which:	ewes and shearlings	16 064	15 616	14 636	14 740	14 868
	lambs under one year old	16 855	16 574	15 892	15 431	15 990
Total pigs		4 834	4 714	4 540	4 460	4 441
of which:	sows in pig and other sows for breeding	398	365	379	360	362
	gilts in pig	57	55	48	67	70
Total poultry		167 667	166 200	152 753	163 867	162 551
of which:	table fowl	109 794	109 859	98 754	105 309	102 461
	laying and breeding fowl	47 719	44 321	42 663	47 107	48 610
	turkeys, ducks, geese and all other poultry	10 154	12 019	11 335	11 451	11 481

Source: June Surveys/Census of Agriculture/SAF land data Scotland. Also Cattle Tracing System/APHIS (for cattle data). For more details please see the introduction section of this chapter.

Please note that totals may not add up to the sum of components due to rounding. Totals may not agree across tables for the same reason.

#: The 2011 UK totals for other arable crops and glasshouse crops were revised in May 2012 to account for calculation changes in the Scotland and Northern Ireland figures. As a result some subtotals have also been revised.

(a) Figures for England from 2009 onwards relate to commercial holdings only. More information on commercial holdings can be found in the introduction section of this chapter.

(b) Includes arable crops grown on set-aside land in 2007 for England only.

(c) Includes non-commercial orchards.

(d) Cattle figures in this table are based on all agricultural holdings. Therefore these figures do not match the totals in table 3.5, which are based on commercial holdings for England.

(e) Dairy cows are defined as female dairy cows over 2 years old with offspring.

(f) Beef cows are defined as female beef cows over 2 years old with offspring.

Numbers and sizes of holdings and enterprises (tables 3.3 to 3.5)

14. As table 3.3 shows, the number of commercial agricultural holdings has decreased from 248 thousand in 2005 to 223 thousand in 2011. The 2010 Census provided a good opportunity to update the statistical register of English holdings. As a result of this exercise a large number of inactive holdings were removed from the register. This is part of the reason for the decrease seen in the total number of UK holdings.

Table 3.3 Numbers of holdings by size group (a)

Enquiries: Jenny Tickner on +44 (0)1904 455332 email: farming-statistics@defra.gsi.gov.uk

At June of each year

		2005		2011	
		Number of holdings (thousand)	Hectares (thousand)	Number of holdings (thousand)	Hectares (thousand)
Total area on holdings	under 20 hectares	120	812	105	703
	20 to under 50 hectares	49	1 620	42	1 397
	50 to under 100 hectares	37	2 625	33	2 400
	100 hectares and over	42	12 099	41	12 564
	Total	248	17 156	223	17 064
	Average area (hectares)		69		77
	Average area on holdings with >=20 hectares		128		140
Croppable area (b)	0.1 to under 20 hectares	68	401	50	310
	20 to under 50 hectares	23	748	20	657
	50 to under 100 hectares	16	1 147	15	1 055
	100 hectares and over	17	3 533	18	4 084
	Total	124	5 829	103	6 106
	Average croppable area (hectares)		47		59

Source: June Surveys/Census of Agriculture/SAF land data Scotland. For more details please see the introduction section of this chapter.

Please note that totals may not add up to the sum of components due to rounding. Totals may not agree across tables for the same reason.

(a) Figures for England relate to commercial holdings only. More information on commercial holdings can be found in the introduction section of this chapter.

(b) Croppable area is defined as land under crops, temporary grass under five years old and uncropped arable land.

Table 3.4 Numbers of holdings by size group and country at June 2011

Enquiries: Jenny Tickner on +44 (0)1904 455332 email: farming-statistics@defra.gsi.gov.uk

	England (a)		Wales		Scotland		Northern Ireland	
	Number of holdings (thousand)	Hectares (thousand)	Number of holdings (thousand)	Hectares (thousand)	Number of holdings (thousand)	Hectares (thousand)	Number of holdings (thousand)	Hectares (thousand)
Total area on holdings								
Under 20 hectares	38.0	329	25.4	107	32.2	164	9.9	102
20 to under 50 hectares	21.4	716	6.2	207	6.2	203	8.4	271
50 to under 100 hectares	19.0	1 368	5.0	356	5.3	381	4.3	295
100 hectares and over	26 .4	6 501	4.3	862	8.9	4 877	1.9	324
Total	104 .8	8 915	40.9	1 533	52.5	5 625	24.4	991
Average area (hectares)		85		37		107		41
Average area on holdings with >=20 hectares		129		92		268		61

Source: June Surveys/Census of Agriculture/SAF land data Scotland. For more details please see the introduction section of this chapter.

Please note that totals may not add up to the sum of components due to rounding. Totals may not agree across tables for the same reason.

(a) Figures for England relate to commercial holdings only. More information on commercial holdings can be found in the introduction section of this chapter.

Table 3.5 Numbers of holdings and land areas / livestock numbers by size group (a)

Enquiries: Jenny Tickner on +44 (0)1904 455332 email: farming-statistics@defra.gsi.gov.uk

		2005		2011	
		Number of holdings (thousand)	Hectares (thousand)	Number of holdings (thousand)	Hectares (thousand)
Wheat	0.1 to under 15 hectares	11.6	93.7	8.7	71.9
	15 to under 30 hectares	8.3	179.4	6.9	151.0
	30 to under 50 hectares	6.6	259.1	6.2	241.0
	50 to under 100 hectares	7.2	505.9	6.9	491.4
	100 hectares and over	4.6	827.5	5.5	1 014.1
	Total	38.4	1 865.7	34.1	1 969.4
	Average wheat area (hectares)		48.6		57.8
	Average wheat area on holdings with >=15 hectares of wheat (hectares)		66.2		74.6
Barley	0.1 to under 15 hectares	20.3	143.9	16.0	119.8
	15 to under 30 hectares	8.9	190.3	8.1	173.4
	30 to under 50 hectares	5.0	194.5	5.0	193.0
	50 to under 100 hectares	3.6	243.4	3.9	264.3
	100 hectares and over	1.1	164.7	1.4	219.3
	Total	38.9	936.8	34.4	969.8
	Average barley area (hectares)		24.1		28.2
	Average barley area on holdings with >=15 hectares of barley (hectares)		42.5		46.4
Cereals	0.1 to under 15 hectares	20.5	148.0	15.8	118.3
	15 to under 30 hectares	11.1	240.8	9.3	202.7
	30 to under 50 hectares	8.9	349.4	8.0	315.3
	50 to under 100 hectares	10.7	752.6	10.0	712.0
	100 hectares and over	7.8	1 425.6	9.0	1 727.0
	Total	59.0	2 916.4	52.1	3 075.2
	Average cereal area (hectares)		49.4		59.0
	Average cereal area on holdings with >=15 hectares of cereals (hectares)		71.9		81.3
Oilseed rape	0.1 to under 10 hectares	2.8	16.9	1.6	9.8
	10 to under 20 hectares	3.7	54.9	3.0	45.3
	20 to under 30 hectares	2.6	64.7	2.6	63.4
	30 to under 50 hectares	2.9	113.1	3.3	129.7
	50 hectares and over	3.0	269.2	4.6	456.3
	Total	15.1	518.7	15.1	704.6
	Average oilseed rape area (hectares)		34.4		46.6
	Average oilseed rape area on holdings with >=10 hectares of oilseed rape (hectares)		40.9		51.3

continued

Table 3.5 continued

		2005		2011	
		Number of holdings	Hectares	Number of holdings	Hectares
		(thousand)	(thousand)	(thousand)	(thousand)
Sugar beet	0.1 to under 10 hectares	2.8	14.9	1.7	8.7
	10 to under 20 hectares	2.0	28.7	1.3	19.1
	20 hectares and over	2.5	104.7	1.8	84.9
	Total	7.3	148.2	4.8	112.7
	Average sugar beet area (hectares)		20.3		23.6
	Average sugar beet area on holdings with >=10 hectares of sugar beet (hectares)		29.8		33.6
Potatoes	0.1 to under 2 hectares	3.9	1.9	2.4	1.2
	2 to under 5 hectares	1.6	5.4	1.1	3.7
	5 to under 10 hectares	2.2	16.4	1.6	12.3
	10 to under 20 hectares	2.3	32.1	2.3	33.4
	20 hectares and over	1.9	81.1	2.1	95.5
	Total	11.8	136.8	9.6	146.1
	Average potato area (hectares)		11.6		15.2
	Average potato area on holdings with >=2 hectares of potatoes (hectares)		17.0		20.3
		2005		2011	
		Number of holdings	Number of livestock	Number of holdings	Number of livestock
		(thousand)	(thousand)	(thousand)	(thousand)
Cows in the dairy herd (b)	1 to 9 dairy cows	8.7	22	7.2	19
	10 to 49	5.5	167	3.3	96
	50 to 99	7.4	544	4.9	362
	100 to 149	4.3	516	3.4	415
	150 and over	3.4	747	3.8	921
	Total	29.3	1 997	22.6	1 813
	Average number of dairy cows (number of head)		68		80
	Average number of dairy cows on holdings with >=10 dairy cows (number of head)		96		117
Cows in the beef herd (c)	1 to 9 beef cows	24.5	99	23.7	98
	10 to 19	12.8	178	11.7	167
	20 to 29	7.9	189	7.5	183
	30 to 49	8.6	328	8.0	307
	50 to 99	7.1	482	6.7	459
	100 and over	3.0	473	2.8	457
	Total	63.9	1 749	60.5	1 671
	Average number of beef cows (number of head)		27		28
	Average number of beef cows on holdings with >=10 beef cows (number of head)		42		43

continued

Table 3.5 continued

		2005		2011	
		Number of holdings (thousand)	Number of livestock (thousand)	Number of holdings (thousand)	Number of livestock (thousand)
Total cattle and calves	1 to 9 cattle and calves	13.3	62	11.7	55
	10 to 29	19.3	364	16.3	306
	30 to 49	12.5	492	10.7	418
	50 to 99	19.9	1 447	16.4	1 185
	100 to 149	11.8	1 454	9.5	1 169
	150 and over	24.0	6 939	21.5	6 780
	Total	100.7	10 758	86.2	9 914
	Average number of cattle and calves (number of head)		107		115
	Average number of cattle and calves on holdings with >=10 cattle and calves (number of head)		122		132
Female sheep breeding flock	1 to 19 breeding sheep	13.2	134	12.3	122
	20 to 49	14.1	466	12.4	408
	50 to 124	18.2	1 503	15.1	1 242
	125 to 499	22.8	5 852	19.9	5 139
	500 to 999	6.6	4 592	5.9	4 096
	1 000 and over	2.8	4 363	2.5	3 862
	Total	77.8	16 911	68.1	14 868
	Average number of female breeding sheep (number of head)		217		218
	Average number of female breeding sheep on holdings with >=20 female breeding sheep (number of head)		260		264
Total sheep and lambs	1 to 19 sheep and lambs	9.4	77	9.8	85
	20 to 49	11.3	377	9.8	330
	50 to 124	15.1	1 248	13.1	1 083
	125 to 499	25.4	6 713	21.7	5 782
	500 to 999	10.4	7 432	9.3	6 617
	1 000 and over	10.4	19 520	9.3	17 736
	Total	81.9	35 366	73.0	31 634
	Average number of sheep and lambs (number of head)		432		434
	Average number of sheep and lambs on holdings with >=20 sheep and lambs (number of head)		486		499
Female pig breeding herd	1 to 4 breeding pigs	2.5	5	3.3	7
	5 to 24	1.4	17	1.3	14
	25 to 99	0.8	45	0.6	32
	100 and over	1.1	401	0.9	379
	Total	5.8	468	6.0	432
	Average number of female breeding pigs (number of head)		80		72
	Average number of female breeding pigs on holdings with >=5 female breeding pigs (number of head)		141		153

continued

Table 3.5 continued

		2005		2011	
		Number of holdings (thousand)	Number of livestock (thousand)	Number of holdings (thousand)	Number of livestock (thousand)
Fattening pigs (d)	1 to 9 fattening pigs	2.9	11	3.9	15
	10 to 49	1.5	34	1.8	40
	50 to 299	1.2	163	1.1	142
	300 to 999	1.3	781	1.0	591
	1 000 and over	1.3	3 309	1.2	3 130
	Total	8.2	4 298	9.0	3 917
	Average number of fattening pigs (number of head)		523		437
	Average number of fattening pigs on holdings with >=10 fattening pigs (number of head)		803		768
Total pigs	1 to 9 pigs	3.7	13	5.1	18
	10 to 49	1.8	42	2.2	49
	50 to 299	1.4	188	1.2	159
	300 to 999	1.3	771	1.0	602
	1 000 and over	1.4	3 835	1.3	3 613
	Total	9.6	4 849	10.9	4 441
	Average number of pigs (number of head)		503		409
	Average number of pigs on holdings with >=10 pigs (number of head)		814		771
Broilers	1 to 9 999 broilers	1.8	662	1.4	560
	10 000 to 99 999	0.7	33 844	0.6	29 414
	100 000 and over	0.4	76 963	0.4	72 487
	Total	2.9	111 468	2.4	102 461
	Average number of broilers (number of head)		37 953		42 692
	Average number of broilers on holdings with >=10 000 broilers (number of head)		98 495		99 903

Source: June Surveys/Census of Agriculture/SAF land data Scotland. Also Cattle Tracing System/APHIS (for cattle data). For more details please see the introduction section of this chapter.

Please note that totals may not add up to the sum of components due to rounding. Totals may not agree across tables for the same reason.

(a) Figures for England relate to commercial holdings only. More information on commercial holdings can be found in the introduction section of this chapter.

(b) Dairy cows are defined as female dairy cows over 2 years old with offspring.

(c) Beef cows are defined as female beef cows over 2 years old with offspring.

(d) All fattening pigs (includes barren sows).

Labour force in agriculture (table 3.6)

15. The total number of people working on farms has unexpectedly increased by 10 thousand workers between 2010 and 2011 and now stands at 476 thousand. Small increases were seen across most labour types with the largest increase in the number of casual workers, which rose by 11 per cent to 62 thousand.

Table 3.6 Agricultural labour force on commercial holdings (a)

Enquiries: Jenny Tickner +44 (0)1904 455332 email: farming-statistics@defra.gsi.gov.uk

Thousands At June of each year

	2007	2008	2009	2010	2011
Total labour force on commercial holdings (incl. farmers and spouses) (a)	481	483	464	466	476
Farmers, business partners, directors and spouses	305	302	289	295	299
Full time	141	140	137	134	140
Part time (b)	165	161	152	161	159
Salaried managers	15	14	11	11	11
Other workers	161	167	164	160	166
Full time	61	64	63	64	64
Male	51	54	52	..	-
Female	10	11	11	..	-
Part time (b)	43	43	42	39	39
Male	27	27	27	..	-
Female	16	16	16	..	-
Seasonal, casual or gang labour	57	60	59	56	62
Male	40	42	42	40	44
Female	17	18	17	17	18

Source: June Surveys/Census of Agriculture

Please note that totals may not add up to the sum of components due to rounding.

.. Data not collected

(a) Figures for England relate to commercial holdings only. More information on commercial holdings can be found in the introduction section of this chapter.

(b) Part time is defined as less than 39 hours per week in England and Wales, less than 38 hours per week in Scotland and less than 30 hours per week in Northern Ireland.

Age of holders (table 3.7)

16. Table 3.7 shows the proportion of holders falling within each age band. Proportions have been used in preference to actual numbers to minimise the impact of the discontinuity introduced by the change to only collecting data for commercial holdings.

17. The trend is for an aging holder population. In 2000, almost a quarter (23 per cent) of holders were under 45 years old and a further quarter were aged 65 or older. By 2010, almost a third of holders were aged 65 and over whilst only 14 per cent were under 45 years old. Throughout the 2000 to 2010 period just over half (53 per cent) of the holders were aged 45 to 64.

18. The average age is derived using the median - the middle value when all holder ages are ranked in order. In 2010 the median age for holders in the United Kingdom was 59 years old and ranged from 57 in Northern Ireland to 60 in Wales. This average age remains unchanged from 2007.

Table 3.7 Proportion of holders in each age group (a)(b)(c)

Enquiries: Martin Fowell +44 (0)1904 456406 email: martin.fowell@defra.gsi.gov.uk

% of holders

	2000	2003	2005	2007	2010 provisional (d)(e)
Holders' age					
Under 35 years	5	3	3	3	3
35 - 44 years	18	15	14	12	11
45 - 54 years	26	24	23	23	25
55 - 64 years	26	29	29	29	29
65 years and over	25	29	31	33	32
Median age (years)	56	58	58	59	59

Source: EU Farm Structure Survey.

Please note that totals may not add up to the sum of components due to rounding.

(a) The holder is defined as the person in whose name the holding is operated. The data in this table relate to all holders whether or not the holder is also the manager of the holding.

(b) Holdings run by an organisation (such as limited companies or institutions) do not have a holder and are therefore excluded from these figures.

(c) Farm type data are no longer submitted as part of the dataset, therefore the structure of this table has been changed.

(d) 2010 figures relate to commercial holdings only for all of the UK. More information on commercial holdings can be found in the introduction section.

(e) As at April 2012 the 2010 dataset has not been formally accepted by Eurostat. Therefore figures could be subject to minor amendment.

Chapter 4 Prices

Summary

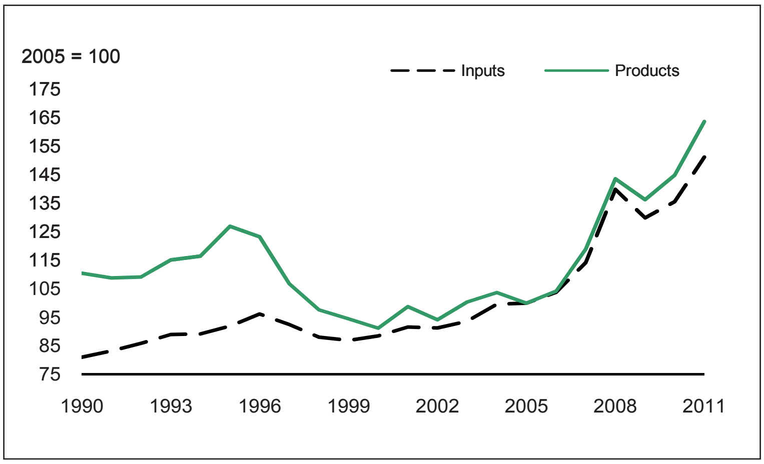
In 2011:

- The average producer price of agricultural products rose 13 per cent.
- The average price of cereals rose 43 per cent, due to tight global stocks and strong demand.
- The average price of forage crops rose 18 per cent, which were adversely affected by a Europe wide drought during spring that reduced hay and straw volumes.
- The average producer price of fresh vegetables fell 9.0 per cent.
- The average producer price of milk rose 11 per cent, reflecting continued strengthening demand.
- The average price of agricultural inputs rose 12 per cent.
- The average price of livestock feedingstuffs rose by 21 per cent as a result of higher cereal prices.
- The average price of energy and lubricants rose 17 per cent.
- The average price of fertilisers and soil improvers rose by 26 per cent due to higher energy costs and relatively fixed fertiliser supplies.

Price indices (table 4.1, chart 4.1)

1. The price indices for agricultural products and inputs are constructed using fixed annual weights relating to 2005. They reflect observed market prices and do not take account of subsidy payments coupled to production. The price changes presented in table 9.2 are based on current production and may differ from the price movements presented here.

Chart 4.1 Price Indices for agricultural products and inputs; United Kingdom



Chapter 4 - Prices

Table 4.1 Price indices for products and inputs; United Kingdom

Enquiries: Julie Rumsey on +44 (0)1904 455249 email: julie.rumsey@defra.gsi.gov.uk

Indices (a) 2005 = 100 Calendar years

	2007	2008	2009	2010	2011 (provisional)
Producer prices for agricultural products (b)	119.0	143.6	136.3	144.9	163.7
of which:					
Crop products:	134.1	154.5	131.9	150.3	177.3
Cereals (including seeds)	166.7	207.1	150.1	172.4	245.7
Industrial Crops	112.0	159.9	139.1	146.8	180.8
Forage Crops	128.6	145.6	147.7	181.5	214.2
Fresh vegetables	122.1	117.5	113.9	131.9	120.0
Potatoes	146.4	153.8	123.8	141.1	150.9
Fresh fruit	107.4	126.4	124.6	129.6	132.2
Seeds	118.3	126.4	126.4	126.4	126.4
Flowers and plants	110.1	115.1	116.7	138.2	141.1
Other crop products	113.3	119.4	119.5	119.9	120.2
Livestock and livestock products:	108.5	136.0	139.4	141.2	154.3
Livestock (for slaughter and export)	105.5	133.2	146.0	146.2	159.7
Milk	112.3	140.4	128.4	133.5	148.1
Eggs	118.3	140.4	144.7	137.8	137.9
Other livestock products	106.7	130.5	121.4	135.1	142.1
Prices of agricultural inputs:	114.2	139.9	129.9	135.6	151.2
of which:					
Currently consumed in agriculture:	115.7	145.8	133.0	139.1	157.1
Livestock feedingstuffs	129.7	167.3	152.5	161.0	194.9
Seeds	104.3	111.6	112.1	110.3	118.8
Fertilisers and soil improvers	119.8	272.5	189.8	182.4	229.3
Plant protection products	104.2	106.4	108.5	105.6	105.4
Maintenance and repair of plant and machinery	109.9	116.3	121.5	126.9	133.1
Energy, lubricants	117.9	158.2	130.4	147.1	171.5
Maintenance and repair of buildings	114.1	122.3	122.0	130.1	139.7
Veterinary services	108.4	104.0	104.7	118.8	120.7
Other Goods and Services	108.2	113.5	115.4	123.4	127.2
Contributing to agricultural investment (c):	107.1	111.4	114.8	118.9	122.5
Machinery and other equipment	110.3	117.5	122.1	124.0	126.1
Transport Equipment	100.6	100.7	104.5	109.4	111.7
Buildings	113.0	120.3	120.6	126.7	134.1
Engineering and Soil Improvement operations	107.3	112.1	118.2	119.8	121.8

(a) Indices covering an aggregation of commodities are weighted annual averages with weights based on the values of output of the respective commodities in 2005.

(b) These indices reflect prices received by producers but exclude direct subsidies.

(c) Covers the purchase and maintenance of capital items, but excludes stocks.

Chapter 5 Commodities

Crops Summary

In 2011:

- The value of production of wheat and barley increased by 37 and 60 per cent respectively to reach £2.2 billion and £860 million respectively.
- The volume of production of oilseed rape reached a record 2.8 million tonnes and the value of production increased by 65 per cent to reach £1.1 billion.
- The total cost of all purchased animal feed rose by 9.4 per cent to £4.1 billion.
- Production of sugar beet returned to 2009 levels at 8.5 million tonnes following crop losses due to the weather conditions in 2010. The value of production was £251 million, slightly higher than 2009.

Data revisions

1. Figures for potatoes on the value of sales have been revised back to 2000 due to receipt of new information on seed sales and also some simplification of the methodology.

2. There have been some revisions to the value of production figures for protected crops back to 2002 as a result of revised figures for Scotland due to methodological changes in the way the areas for protected crops have been apportioned.

Cereals (tables 5.1 to 5.4)

3. The area of wheat increased by 1.6 per cent and for barley the increase was 5.3 per cent. Overall wheat yields were 1.0 per cent higher than 2010 whereas barley yields were 0.7 per cent lower but in both cases were lower than the 5 year average. Yields varied widely across the country, with the drought in spring and early summer having greater effect on the drier and lighter soils in the south and east whereas yields in crops grown on the heavier soils of the north and west were less affected. However a combination of average rainfall and cooler temperatures helped extend the grain fill period by 7-10 days, therefore reducing the potential yield impacts of the earlier spring drought. Harvest progressed well and the production of wheat and barley in 2011 was 15.3 and 5.5 million tonnes respectively, up 2.5 and 4.6 per cent respectively on 2010.

4. The overall quality of the crops was also very good and has been reflected in a higher proportion of the domestic wheat crop being used for milling which reduced imports. The recovery of the United Kingdom brewing and malting sector also increased demand for barley in particular but also wheat. Use of both wheat and barley for animal feed was lower in 2011. Feed use of barley from the 2011 crop in particular declined markedly due to the strong demand for the high quality malting barley which meant that the price differential between feed wheat and feed barley favoured use of wheat in feed rations over barley.

5. Cereal prices showed some week on week variation throughout the year due to a combination of factors including conflicting reports over weather related events in the main grain producing areas, the world economic situation and political unrest. However the underlying tight supply situation meant prices remained firm.

6. The price data is sourced from the Corn Returns and includes both spot and forward buying. These prices are used to derive the valuation estimates. For this reason the prices quoted in the tables (for example milling wheat at £175 per tonne and feed wheat at £150 per tonne) will not directly correlate with spot market prices.

7. The value of production of wheat increased by 37 per cent to £2.2 billion whilst that for barley increased by 60 per cent to £860 million. The annual average price of milling wheat, feed wheat, malting barley and feed barley all showed significant increases compared to 2010 and hence the increase in the value of production for both crops.

Straw

8. Straw prices were similar to 2010 and value of production for straw increased by 5.0 per cent to £372 million. Demand has been strong, especially from the livestock sector and the area baled has increased to try and compensate for the reduced yields.

Oilseed rape (table 5.5)

9. Planting conditions for oilseed rape in August/September 2010 were excellent and with strong markets, the area of oilseed rape planted increased again in 2011, up 9.8 per cent on 2010 to 705 thousand hectares. With high yields, production was at a record 2.8 million tonnes, an increase of 24 per cent on 2010. Oil content was good also. Prices for oilseed rape also have been strong, particularly at the start of the year. Although they declined gradually during the course of the year, the overall annual average price for 2011 was around 50 per cent higher than in 2010. Consequently the value of production increased by 65 per cent to £1.1 billion.

10. The high prices, especially in the first half of the year were as a result of a tight EU supply and demand situation and low stocks over the last 2 years. In 2010, EU rapeseed production was lower than anticipated due to disruptive rains at harvest time in Central Europe. For the 2011 harvest, poor planting conditions in much of Central Europe, then a harsh winter followed by a dry spring resulted in lower yields, particularly in Germany and Poland. EU demand has been strong, supported by biodiesel mandates so raw seed prices had to rise disproportionately in order to keep adequate stock levels. With the high UK production in 2011, exports to the EU and especially Germany, where there was a deficit, more than doubled to 681 thousand tonnes.

11. The price increases for cereals and oilseed rape in particular are reflected in the valuation of production of animal feed (see Chapter 6) although there is a lag between price increases in the raw ingredients and the compound feed.

Linseed (table 5.6)

12. The area of linseed fell but with good yields, production was very similar to 2010 at 71 thousand tonnes. A large proportion of the crop is grown under contract and prices were strong during 2011 resulting in a 19 per cent increase in the value of production to £27 million.

Sugar beet (table 5.7)

13. The yield for sugar beet recovered in 2011 after the 2010 crop was badly impacted by the weather conditions at the end of 2010 and early 2011 which resulted in yield losses through damage and rotting of late lifted crop. The yield for the 2011 crop at 75.2 tonnes per hectare exceeded the previous high achieved in 2009 and production reached 8.5 million tonnes. The value of production at £251 million is up 28 per cent on 2010 but similar to that achieved in 2009.

Peas and beans (table 5.8)

14. The area of field peas was down by 48 per cent compared to 2010; the reduction in plantings was due to the fall in price for the 2009/10 crop. Of this area a greater proportion was planted with marrowfat types (i.e. for human consumption), which resulted in the proportion grown for animal feed falling to around 40 per cent and consequently production fell to around 49 thousand tonnes. The area of field beans was down 26 per cent and with a small reduction in yield, production was down by 28 per cent compared to 2010 at 419 thousand tonnes. The value of production for both field peas and beans fell in line with the respective volume of production falls, down to £8 and £72 million respectively.

Fresh vegetables (table 5.9)

15. The overall value of production of all vegetables has shown a small decrease of 3.5 per cent on 2010 at £1.2 billion. This was driven by decreases for onions, down by £26 million and tomatoes down by £21 million where 2010 valuations were particularly high. Spring Greens had a drop in value due to limited demand for this product in 2011. White cabbage stocks ran low, including cold store stocks which became very limited, and drove the high prices pushing the overall value of production for cabbages up by 17 per cent.

16. Those who were affected by reduced demand for selected salad vegetables due to the E.coli outbreak in Germany in 2011 were able to apply for the Exceptional Aid Scheme in June. This was for withdrawn or non-harvested lettuce, tomatoes and cucumbers. The Rural Payments Agency processed payments totalling £566 thousand to 22 separate claimants.

17. Salad crops on the whole have had a difficult season in 2011, in particular tomatoes and iceberg lettuce being affected through a combination lower prices and a reduction in planted area.

18. Production as a percentage of total new supply for use in the United Kingdom for all fresh vegetables was 58 per cent which is within the typical range observed in recent years.

Plants and flowers (table 5.10)

19. The value of production in the ornamental sector has increased by 5.4 per cent to £1.1 billion in 2011. Within the category hardy ornamental nursery stock, Christmas trees were a major contributor to this increase in value.

20. The area of narcissi bulbs grown remained stable in 2011. However bulb prices increased by 5-10 per cent, depending on variety, and export of both bulbs and flowers to Europe and the USA remained a key part of the trade. The protected cut flower sector has continued to benefit from increased demand and a favourable exchange rate with the Euro, which led to increased values for some crops. However, the overall downward trend in production continued.

Potatoes (table 5.11)

21. The area of potatoes planted in 2011 was up 5.6 per cent but with slightly lower yields the volume of production was up just a modest 1.0 per cent at 6.1 million tonnes. Farm-gate prices for the 2010 crop at the start of 2011 were the highest for over a decade due to a number of factors. A cold wet spring led to a later start to early crop lifting. A generally drier growing period in the summer resulted in reduced tuber sizes and many growers delayed harvest to grow on longer than usual in an attempt to increase bulking rates. There was a similar situation in Northern Europe. Exceptional export opportunities to Eastern Europe, with Russia experiencing two consecutive years of drought, strengthened the whole market.

22. In contrast, the start of 2011 was dry and unusually warm and allowed good planting progress. Many crops produced good yields and there were ample supplies throughout the lifting season. The unseasonably dry weather meant many English growers irrigated ahead of the harvest to minimise bruising while parts of Scotland and the north had higher than normal rainfall. Consequently prices have been much lower for the 2011 crop. Overall the value of production was up 9.7 per cent at £700 million.

Fresh fruit (table 5.12)

23. The overall value of production of all fresh fruit increased by 4.6 per cent on 2010 to £632 million. The overall increase was driven by increases in the value of production of strawberries and raspberries by 7.0 and 14 per cent respectively. The warm weather in April and May brought forward the start of picking for both crops and resulted in good returns. Supply and demand for strawberries was well matched in the main season but there was some oversupply in August and September. In the case of raspberries the usual oversupply in the summer months was avoided with the cloudier weather allowing the picking to be well managed. The warm spring weather meant top fruit flowered earlier. Later many orchards suffered drought stress but by harvest overall yields were not widely affected although fruit sizes were smaller.

24. Production as a percentage of total new supply for use in the United Kingdom has remained at 12 per cent.

Table 5.1 Total cereals; United Kingdom

Enquiries: Allan Howsam on +44 (0)1904 455076 email: alan.howsam@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2007	2008	2009	2010	2011 (provisional)
Production						
Area (thousand hectares)		2 884	3 274	3 075	3 013	3 076
Volume of harvested production		19 130	24 283	21 618	20 946	21 484
Value of production (£ million) (a)		1 948	3 150	2 300	2 259	3 160
Supply and use						
Production		19 130	24 283	21 618	20 946	21 484
Imports from:	the EU	1 662	1 537	1 677	1 542	1 327
	the rest of the world	1 103	1 057	814	678	690
Exports to:	the EU	2 362	3 016	3 274	3 945	2 936
	the rest of the world	78	446	176	518	238
Total new supply		19 455	23 415	20 660	18 703	20 327
Change in farm and other stocks		-1 026	2 965	196	-2 314	- 172
Total domestic uses		20 481	20 450	20 464	21 017	20 500
Production as % of total new supply for use in UK		98	104	105	112	106

(a) Includes arable area payments, but excludes set-aside payments and farm saved seed. Taxes, where applicable, are deducted.

Table 5.2 Wheat; United Kingdom

Enquiries: Allan Howsam on +44 (0)1904 455076 email: allan.howsam@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2007	2008	2009	2010	2011 (provisional)
Production						
Area (thousand hectares)		1 830	2 080	1 775	1 939	1 969
Yield (tonnes per hectare)		7.2	8.3	7.9	7.7	7.7
Volume of harvested production		13 221	17 227	14 076	14 878	15 257
Value of production (£ million) (a)		1 315	2 278	1 562	1 609	2 202
of which:	sales	1 344	1 781	1 546	1 728	2 221
	subsidies (b)	. .	. .	. .	. .	. .
	on farm use	90	169	122	19	73
	change in stocks	- 119	327	- 107	- 138	- 92
Prices (average prices weighted by volumes of sales (£ per tonne))						
Milling wheat		108.7	152.2	121.9	122.3	174.9
Feed wheat		99.0	126.6	107.8	112.6	149.6
Supply and use						
Production		13 221	17 227	14 076	14 878	15 257
Imports from:	the EU	625	645	780	642	493
	the rest of the world	613	603	610	469	409
Exports to:	the EU	1 903	2 389	2 378	2 908	2 156
	the rest of the world	9	376	156	427	162
Total new supply		12 547	15 709	12 932	12 654	13 841
Change in farm and other stocks		- 928	2 180	- 718	-1 190	250
Total domestic uses		13 475	13 529	13 650	13 844	13 591
of which:	flour milling	5 673	6 123	6 067	6 459	6 229
	animal feed	6 611	6 238	6 534	6 347	6 244
	seed	311	322	290	295	295
	other uses and waste	880	846	759	742	823
Production as % of total new supply for use in UK		105	110	109	118	110
% of home grown wheat in milling grist		83	80	80	86	89

(a) Excludes farm saved seed.

(b) Includes arable area payments but excludes set-aside payments and is net of taxes.

Table 5.3 Barley; United Kingdom

Enquiries: Allan Howsam on +44 (0)1904 455076 email: allan.howsam@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2007	2008	2009	2010	2011 (provisional)
Production						
Area (thousand hectares)		898	1 032	1 143	921	970
Yield (tonnes per hectare)		5.7	6.0	5.8	5.7	5.7
Volume of harvested production		5 079	6 144	6 668	5 252	5 494
Value of production (£ million) (a)		555	831	710	537	860
of which:	sales	395	504	440	461	562
	subsidies (b)	. .	. .	. .	. .	. .
	on farm use	178	222	191	207	279
	change in stocks	- 17	105	79	- 131	19
Prices (average prices weighted by volumes of sales (£ per tonne))						
Malting barley		123.9	152.7	124.6	108.2	161.9
Feed barley		105.6	117.6	87.6	98.2	146.1
Supply and use						
Production		5 079	6 144	6 668	5 252	5 494
Imports from:	the EU	95	107	120	115	129
	the rest of the world	3	11	10	-	-
Exports to:	the EU	408	489	850	940	724
	the rest of the world	63	70	19	91	76
Total new supply		4 706	5 704	5 929	4 336	4 823
Change in farm and other stocks		- 140	762	857	-1 050	- 403
Total domestic uses		4 846	4 942	5 072	5 386	5 226
of which:	brewing/distilling	1 732	1 774	1 632	1 692	1 791
	animal feed	2 922	2 966	3 223	3 510	3 250
	seed	155	160	171	145	145
	other uses and waste	37	43	45	38	39
Production as % of total new supply for use in UK		108	108	112	121	114

(a) Excludes farm saved seed.

(b) Includes arable area payments but excludes set-aside payments and is net of taxes.

Table 5.4 Oats; United Kingdom

Enquiries: Allan Howsam on +44 (0)1904 455076 email: allan.howsam@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2007	2008	2009	2010	2011 (provisional)
Production						
Area (thousand hectares)		129	135	129	124	109
Yield (tonnes per hectare)		5.5	5.8	5.8	5.5	5.6
Volume of harvested production		712	784	744	685	613
Value of production (£ million) (a)		65	90	72	62	94
of which:	sales:	46	57	51	54	76
	subsidies (b)	. .	. .	. .	. .	. .
	on farm use	19	23	20	18	37
	change in stocks	-	9	1	- 9	- 19
Prices (average prices weighted by volumes of sales (£ per tonne))						
Milling oats		91.6	113.7	96.8	93.0	149.8
Feed oats		92.5	114.9	96.9	93.1	159.3
Supply and use						
Production		712	784	744	685	613
Imports from:	the EU	53	46	19	19	34
	the rest of the world	1	-	-	-	-
Exports to:	the EU	32	119	32	73	23
	the rest of the world	6	-	1	-	-
Total new supply		734	711	731	631	624
Change in farm and other stocks		41	23	56	- 74	- 23
Total domestic uses		693	688	675	705	647
of which:	milling	418	420	419	444	458
	animal feed	246	244	233	241	170
	seed	18	19	18	17	15
	other uses and waste	10	4	5	3	3
Production as % of total new supply for use in UK		97	110	102	109	98

(a) Excludes farm saved seed.

(b) Includes arable area payments but excludes set-aside payments and is net of taxes.

Table 5.5 Oilseed rape; United Kingdom

Enquiries: Lindsay Holmes on +44 (0)1904 455563 email: lindsay.holmes@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

	2007	2008	2009	2010	2011 (provisional)
Production					
Area (thousand hectares) (a)	681	598	570	642	705
Yield (tonnes per hectare)	3.1	3.3	3.4	3.5	3.9
Volume of harvested production	2 108	1 973	1 912	2 230	2 758
of which:					
Production not on set-aside land:					
Area (thousand hectares)	602	598	581	642	705
Yield (tonnes per hectare) (b)	3.2	3.3	3.4	3.5	3.9
Production (b)	1 900	1 973	1 951	2 230	2 758
Production on set-aside land:					
Area (thousand hectares)	80	-	-	-	-
Yield (tonnes per hectare)	2.6	-	-	-	-
Production	208	-	-	-	-
Value of production (£ million) (c)	426	631	476	674	1 111
of which: sales	408	621	487	640	1 026
subsidies (d)	. .	. .	. .	. .	. .
change in stocks	18	9	- 12	34	85
Prices (average prices weighted by volumes of sales (£ per tonne))	202.3	319.6	248.7	302.3	402.9
Supply and use					
Production	2 108	1 973	1 912	2 230	2 758
Imports from: the EU	63	175	401	159	64
the rest of the world	-	-	21	9	-
Exports to: the EU	264	217	50	262	681
the rest of the world	-	2	3	2	-
Total new supply	1 907	1 930	2 281	2 134	2 142
Production as % of total new supply for use in UK	111	102	84	105	129

(a) Includes oilseed rape grown on set-aside land for the whole of the United Kingdom.

(b) These figures are on the basis of a standard (9 per cent) moisture content.

(c) Value of production is calculated taking into account the price for oilseed rape produced not on set-aside with an average oil content of 43 per cent.

(d) Includes arable area payments but excludes set-aside payments.

Table 5.6 Linseed; United Kingdom

Enquiries: Lindsay Holmes on +44 (0)1904 455563 email: lindsay.holmes@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2007	2008	2009	2010	2011 (provisional)
Production						
Area (thousand hectares)		13	16	28	44	36
Yield (tonnes per hectare)		1.6	1.8	2.0	1.6	2.0
Volume of harvested production		20	30	54	72	71
of which:						
Production not on set-aside land:						
	Area (thousand hectares)	11	16	28	44	36
	Yield (tonnes per hectare) (a)	1.6	1.8	2.0	1.6	2.0
	Production (a)	17	30	54	72	71
Production on set-aside land:						
	Area (thousand hectares)	2	-	-	-	-
	Yield (tonnes per hectare) (a)	1.4	-	-	-	-
	Production (a)	2	-	-	-	-
Value of production (£ million)		4	10	17	23	27
of which:	sales	5	10	16	22	27
	subsidies (b)	. .	. .	. .	. .	. .
	change in stocks	- 1	-	1	1	-
Supply and use						
Production		20	30	54	72	71
Imports from:	the EU	6	9	6	10	8
	the rest of the world	1	1	2	2	2
Exports to:	the EU	20	13	36	47	49
	the rest of the world	-	-	-	-	-
Total new supply		6	27	26	37	31
Production as % of total new supply for use in UK		318	111	212	193	226

(a) These figures are based on a standard (9 per cent) moisture content.

(b) Includes arable area payments but excludes set-aside payments.

Table 5.7 Sugar beet and sugar; United Kingdom

Enquiries: Lindsay Holmes on +44 (0)1904 455563 email: lindsay.holmes@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2007	2008	2009	2010	2011 (provisional)
Sugar beet (a)						
Area (thousand hectares)		125	120	114	118	113
Yield (adjusted tonnes per hectare)		53.8	63.8	74.0	55	75
Volume of harvested production		6 733	7 641	8 457	6 527	8 504
Value of production (£ million)		162	208	246	197	251
Sugar content %		17.96	17.65	18.00	16.87	18.44
Prices (average market price (£ per adjusted tonne)) (a)		24.0	27.3	29.1	30.1	29.5
Sugar (refined basis)						
Production (b)		1 049	1 192	1 280	995	1 315
Imports from:	the EU	197	220	246	404	260
	the rest of the world	1 109	1 186	1 091	926	473
Exports to:	the EU	414	462	387	225	108
	the rest of the world	143	138	149	285	103
Total new supply		1 798	1 998	2 081	1 814	1 837
Production as % of total new supply for use in UK		58	60	62	55	72

(a) Average price for all sugar beet, including transport allowance and bonuses.

(b) Sugar coming out of the factory in the early part of the new year is regarded as being part of the previous calendar year's production.

Table 5.8 Peas and beans harvested dry; United Kingdom

Enquiries: Allan Howsam on +44 (0)1904 455076 email: allan.howsam@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2007	2008	2009	2010	2011 (provisional)
Peas for harvesting dry (a)						
Area (thousand hectares)		26	21	27	23	12
Yield (tonnes per hectare)		3.1	4.0	3.6	3.5	4.1
Volume of harvested production		80	85	98	81	49
Value of production (£ million)		14	12	12	12	8
of which:	sales	14	12	12	12	8
	subsidies (b)	. .	. .	. .	. .	. .
Field beans						
Area (thousand hectares)		123	118	186	168	125
Yield (tonnes per hectare)		3.0	4.5	3.7	3.5	3.4
Volume of harvested production (a)		375	526	688	580	419
Value of production (£ million)		65	73	83	92	72
of which:	sales	65	73	83	92	72
	subsidies (b)	. .	. .	. .	. .	. .
Value of production at market prices (£ million) (c)		65	73	83	92	72

(a) The figures presented here cover only that part of the crop which is harvested dry (about 80 per cent to 90 per cent of total production) and largely used for stockfeed. The remainder is included in UK fresh vegetables, table 5.9.

(b) Includes arable area payments but excludes set-aside payments; includes protein crop premium from 2004.

Table 5.9 Fresh vegetables; United Kingdom

Enquiries: Julie Dobson on +44 (0)1904 455080 email: julie.dobson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2007	2008	2009	2010	2011 (provisional)
Production						
Area (thousand hectares):		119	117	125	122	121
of which:	grown in the open (a) (b)	118	117	125	122	120
	protected	1	1	1	1	1
Value of production (£ million):		1 065	1 105	1 083	1 260	1 217
of which:	grown in the open	801	825	805	930	913
	protected	264	280	278	331	304
of which:	subsidies (d)	. .	. .	. .	. .	. .
Selected crops:	cabbages	64	70	64	71	82
	carrots	122	126	116	118	119
	cauliflowers	48	52	44	48	45
	lettuces	95	111	124	147	146
	mushrooms	105	104	104	113	114
	onions	67	46	50	109	84
	peas	34	47	53	52	54
	tomatoes	86	96	90	116	95
Prices (farmgate price (£ per tonne))						
Selected crops:	cauliflowers	389.6	450.8	407.7	434.4	439.4
	tomatoes	1 009.4	1 080.4	1 034.4	1 287.9	1 051.8
Supply and use (f)						
Total production		2 478	2 589	2 658	2 727	2 569
Imports from:	the EU	1 685	1 698	1 577	1 620	1 703
	the rest of the world	263	258	246	252	258
Exports to:	the EU	69	62	72	89	83
	the rest of the world	19	18	6	6	5
Total new supply		4 338	4 466	4 404	4 503	4 441
Production as % of total new supply for use in the UK		57	58	60	61	58

(a) Includes peas harvested dry for human consumption.

(b) Areas relate to field areas multiplied by the number of crops in the year and hence differ from those shown in table 3.2.

(c) Arable area payments for peas harvested dry.

(d) Trade figures relate to fresh produce where distinguishable.

Table 5.10 Plants and flowers; United Kingdom

Enquiries:Joanne Gardiner on +44 (0)1904 4555681 email: joanne.gardiner@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2007	2008	2009	2010	2011 (provisional)
Production						
Area (thousand hectares) (a):		19	20	18	18	18
Value of production (£ million)		768	819	879	997	1 051
of which:	flowers and bulbs in the open (b)	33	35	37	38	42
	hardy plants and flowers nursery stock	487	539	563	648	689
	protected crops	248	245	278	311	320
Trade (£ million)						
Imports						
Bulbs		53	58	58	63	93
Cut flowers		559	573	564	605	625
Foliage		35	35	35	41	33
Indoor plants		104	107	110	121	113
Outdoor plants		69	51	48	43	59
Trees		72	81	66	63	68
Other		35	41	39	41	42
Total Imports (exc. Channel Islands)		928	945	921	977	1 032
Exports						
Bulbs		10	10	9	10	13
Cut flowers		17	17	19	16	22
Foliage		3	3	1	1	1
Indoor plants		2	2	6	6	6
Outdoor plants		3	3	3	3	4
Trees		2	3	2	2	3
Other		7	10	10	11	10
Total Exports		45	48	51	49	59

(a) Areas relate to field areas multiplied by the number of crops in the year and hence differ from those shown in table 3.2.

(b) Including forced flower bulbs.

Table 5.11 Potatoes; United Kingdom

Enquiries: Lindsay Holmes on +44 (0)1904 455563 email: lindsay.holmes@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2007	2008	2009	2010	2011 (provisional)
Production						
Area (thousand hectares)		140	144	144	138	146
of which:	early	16	17	15	11	12
	maincrop	124	127	129	127	134
Yield (tonnes per hectare):		39.7	42.7	44.3	44	40
of which:	early	12.5	13.3	15	23	24
	maincrop	43.1	46.6	48	46	44
Volume of harvested production		5564	6132	6396	6 056	6 115
of which:	early	198	224	236	251	294
	maincrop	5 367	5 908	6 160	5 805	5 821
End year stocks		2 182	2 618	3 018	2 675	2 694
Value of production (£ million)		708	794	681	638	700
of which:	sales	734	713	613	673	679
	change in stocks	- 40	68	52	- 51	3
Prices (average price paid to registered producers (£ per tonne)) (a)						
	early potatoes	153.0	206.8	148.8	226.0	160.5
	maincrop potatoes	141.4	143.8	130.3	144.0	157.2
	all potatoes	147.5	152.0	132.2	149.2	158.2
Supply and use						
Total production		5 564	6 132	6 396	6 056	6115
Supplies from the Channel Islands		33	26	31	-	-
Imports		1 544	1 705	1 606	1 568	1 670
of which:	early	195	162	121	105	121
	maincrop	148	258	145	128	119
	processed (raw equivalent)	1 185	1 267	1 324	1 319	1 402
	seed	16	18	16	16	28
Exports		380	388	424	509	554
of which:	raw	154	125	166	239	265
	processed (raw equivalent)	131	171	168	172	167
	seed	95	92	91	97	122
Total new supply		6 762	7 474	7 609	7 115	7231
Change in stocks		- 266	435	400	- 343	19
Production as % of total new supply for use in the UK		82	82	84	85	85

(a) Takes account of support buying, seed sales and sacks where appropriate.

Table 5.12 Fresh fruit; United Kingdom

Enquiries: Julie Dobson on +44 (0)1904 455080 email: julie.dobson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2007	2008	2009	2010	2011 (provisional)
Production						
Area (thousand hectares):		28	28	29	29	29
of which:	orchard fruit (a)	18	18	18	19	19
	soft fruit (b)	10	10	10	10	10
End year stocks (c)		69	64	69	66	70
Value of production (£ million) (d):		469	546	584	604	632
of which:	orchard fruit	141	145	147	144	149
	soft fruit	294	361	397	419	442
of which:	sales	464	550	580	606	630
	change in stocks (c)	6	- 3	4	- 2	2
Selected crops:	dessert apples	52	64	63	63	64
	culinary apples	51	56	46	40	42
	pears	8	10	10	16	15
	raspberries	91	104	108	103	117
	strawberries	168	213	243	261	280
Prices (farm gate price (£ per tonne))						
Selected crops:	dessert apples	488.0	540.2	516.1	508.9	533.8
	culinary apples	373.0	452.1	427.5	361.7	368.8
	pears	386.9	504.0	511.9	487.2	488.4
	raspberries	6 131.1	6 720.9	7 038.7	6 460.5	6 876.7
	strawberries	1 825.7	2 032.8	2 207.2	2 460.8	2 616.3
Supply and use (e)						
Total production		407	408	415	433	422
Imports from:	the EU	1 264	1 175	1 055	1 154	1 301
	the rest of the world	2 268	2 169	2 137	2 090	2 081
Exports to:	the EU	146	128	153	141	148
	the rest of the world	2	1	1	2	2
Total new supply		3 791	3 623	3 453	3 534	3 654
Change in stocks		9	-5	6	-4	4
Total domestic uses		3 782	3 629	3 447	3 538	3 650
Production as % of total new supply for use in the UK		11	11	12	12	12

(a) Includes field area of commercial orchards only, and may therefore differ from the area in table 3.2, which also includes non-commercial orchards.

(b) Excludes area of wine grapes and may therefore differ from the area in table 3.2.

(c) Stocks relate to apples and pears.

(d) Includes glasshouse fruit.

(e) Trade figures relate to fresh produce where distinguishable.

Livestock Summary

In 2011, compared with 2010, the value of production at market prices for:

- Beef and Veal rose by 20 per cent to £2.6 billion.
- Pigmeat rose by 10 per cent to £1.1 billion.
- Mutton and lamb rose by 17 per cent to £1.1 billion.
- Poultrymeat rose by 5.3 per cent to £1.9 billion.
- Milk and milk products rose by 12 per cent to £3.7 billion.
- Eggs fell by 0.3 per cent to £559 million.

Livestock

1. Across the livestock sector values have risen in 2011, with the exception of eggs where there was little change. High production costs, especially higher feed and fuel prices, continued to impact on profit margins.

Cattle and calves: beef and veal (table 5.13)

2. The significant increase in the value of production at market prices of beef and veal was partly due to increased home production, especially for cows and adult bulls due to the high demand for manufacturing beef and strong prices due to limited supplies. In general, carcase weights were lower this year as high feed prices led to producers finishing animals earlier.

Pigs and pigmeat (table 5.14)

3. Despite high feed prices leading to the early marketing of pigs resulting in slightly lighter weights, pigmeat production increased in 2011. Strong cull prices encouraged producers to replace unproductive sows leading to improved herd performance. The value of home-fed production of pigmeat increased in 2011 with prices improving throughout the year. However, feed prices continue to impact on profit margins.

Sheep and lambs: mutton and lamb (table 5.15)

4. Mutton and lamb home fed production rose in 2011, as breeding flock growth and favourable weather conditions led to an increased lamb crop and good grazing conditions helped increase weights. Record farmgate prices, due to the tight supplies at home and globally, contributed to the significant rise in the value of production at market prices.

Poultry and poultrymeat (table 5.16)

5. The value of production of poultrymeat rose in 2011 with prices remaining good, despite a small reduction in overall production due to fewer broiler chick placings and high feed prices continuing to impact.

Milk (table 5.17)

6. Milk production from the dairy herd increased again in 2011, with an increase to the average yield per dairy cow across the national herd offsetting the fall in overall dairy cow numbers. The value of production rose significantly in 2011 as a result of increased milk availability helped by favourable weather conditions and higher farmgate milk prices. However, high input costs continue to be a major factor for United Kingdom milk producers affecting farm level profit margins. Strong global demand for dairy products led to an increase in the production of butter and cheese compared to the previous year.

Hen eggs (table 5.18)

7. Egg production fell slightly in 2011 following the over-supply experienced across the market during 2010. Intensive egg production fell as producers switched to enriched colonies in preparation for the 2012 EU conventional cage ban. This reduction in production led to a slight fall in the value of eggs for human consumption. The annual average price per dozen was virtually unchanged on the year previous, although higher feed prices and enriched cage investment costs impacted on profit margins.

Table 5.13 Cattle and calves; beef and veal; United Kingdom

Enquiries: Sarah Thompson on +44 (0)1904 455097 email: sarah.thompson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise stated) Calendar years

		2007	2008	2009	2010[g]	2011 (provisional)
Population						
Total cattle and calves (thousand head at June)		10 304	10 107	10 025	10 112	9 933
of which:	dairy cows	1 954	1 909	1 857	1 847	1 814
	beef cows	1 698	1 670	1 626	1 657	1 675
Production (a)						
Total home-fed marketings (thousand head)		2 724	2 613	2 476	2 678	2 824
of which:	steers, heifers and young bulls	2 155	1 956	1 946	2 063	2 090
	calves	108	91	43	61	92
	cows and adult bulls	461	566	487	554	642
Average dressed carcase weight (kg):						
	steers, heifers and young bulls	342	349	342	347	345
	calves	32	31	33	32	33
	cows and adult bulls	317	314	315	320	316
Production (dressed carcase weight):						
	home-fed production	888	866	823	897	931
Value of production (£ million)		1 670	2 118	2 151	2 173	2 605
of which:	value of home-fed production	1 668	2 095	2 130	2 220	2 654
	subsidies (b)	47	47	20	19	19
	change in work-in-progress (c)	- 44	- 21	9	- 55	- 63
	less imported livestock	1	3	8	11	6
	plus breeding animals exported	. .	. .	. .	. .	. .
Value of production at market prices (£ million) (d)		1 623	2 071	2 131	2 154	2 585
Prices						
Store cattle (£ per head):						
	Hereford/cross bull calves	93.0	119.4	165.5	148.1	156.2
	Beef/cross yearling steers	480.9	539.3	639.3	638.6	670.9
Finished cattle (pence per kg liveweight): All prime cattle		112.3	144.8	154.6	147.2	169.3
Supply and use (thousand tonnes, dressed carcase weight) (e)						
Home-fed production (a)		888	866	823	897	931
Imports from:	the EU (f)	204	216	208	206	207
	the rest of the world	75	79	76	75	75
Exports to:	the EU	76	99	96	125	163
	the rest of the world	1	1	3	4	6
Total new supply		1 090	1 061	1 008	1 050	1 044
Home-fed production as % of total new supply for use in the UK		81	82	82	85	89

(a) Measures of home-fed marketings, dressed carcase weights, production and value include animals raised and slaughtered in the UK, excluding any animals removed from the food chain.

(b) Comprising variable premium, calf subsidy, hill livestock compensatory allowances, suckler cow premium, beef special premium, deseasonalisation premium, extensification payments, slaughter premium and Scottish Beef Calf Scheme. Includes payments made under the Over Thirty Month Scheme, Calf Processing Aid Scheme and the Older Cattle Disposal Scheme.

(c) A valuation of the change in work-in-progress of animals to be slaughtered.

(d) Excluding subsidies and taxes.

(e) Does not include meat offals or trade in preserved or manufactured meat products. Boneless meat has been converted to bone-in weights.

(f) Includes meat from imports of live finished animals.

(g) For comparability with other years, the figures for 2010 have been adjusted from a 53-week to a 52-week basis where appropriate.

Table 5.14 Pigs and pigmeat; United Kingdom

Enquiries: Sarah Thompson on +44 (0)1904 455097 email: sarah.thompson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2007	2008	2009	2010(e)	2011 (provisional)
Population						
Total pigs (thousand head at June)		4 834	4 714	4 540	4 460	4 441
of which:	sows in pig and other sows for breeding	398	365	379	360	362
	gilts in pig	57	55	48	67	70
Production (a)						
Total home-fed marketings (thousand head)		9 076	8 997	8 557	(f)	(f)
of which:	clean pigs	8 858	8 755	8 348	8 642	9 234
	sows and boars	218	242	209	(f)	(f)
Average dressed carcase weight (kg):						
	clean pigs	76	76	78	78	78
	sows and boars	151	151	152	155	151
Production (dressed carcase weight):						
	home-fed production	707	706	681	710	759
Value of production (£ million)		736	865	968	978	1 069
of which:	value of home-fed production	733	867	972	978	1 065
	change in work in progress (b)	- 1	- 4	- 6	- 2	- 2
	less imported livestock	. .	. .	. .	. .	. .
	plus breeding animals exported	4	2	3	3	6
Prices (pence per kg deadweight)						
Clean pigs		107.1	126.3	145.7	141.7	144.8
Supply and use of pigmeat (carcase weight equivalent) (c)						
Home-fed production (a)		707	706	681	710	759
Imports from:	the EU (d)	864	801	804	802	770
	the rest of the world	5	12	12	12	11
Exports to:	the EU	113	130	109	145	154
	the rest of the world	12	25	26	25	39
Total new supply		1 451	1 364	1 362	1 354	1 347
Home-fed production as % of total new supply for use in the UK		49	52	50	52	56

(a) Measures of home-fed marketings, dressed carcase weights, production and value include animals raised and slaughtered in the UK, excluding any animals removed from the food chain.

(b) A valuation of the change in work in progress of animals to be slaughtered.

(c) Does not include meat offals or trade in preserved or manufactured meat products. Boneless meat has been converted to bone-in weights.

(d) Includes meat from imports of live finished animals.

(e) For comparability with other years, the figures for 2010 have been adjusted from a 53-week to a 52-week basis where appropriate.

(f) data are confidential

Table 5.15 Sheep and lambs; mutton and lamb; United Kingdom

Enquiries: Sarah Thompson on +44 (0)1904 455097 email: sarah.thompson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2007	2008	2009	2010(i)	2011 (provisional)
Population						
Total sheep and lambs (thousand head at June)		33 946	33 131	31 445	31 084	31 634
of which:	ewes and shearlings	16 064	15 616	14 636	14 740	14 868
	lambs under one year old	16 855	16 574	15 892	15 431	15 990
Production (a)						
Total home-fed marketings (thousand head)		16 036	16 989	15 911	14 440	15 007
of which:	clean sheep and lambs	13 791	14 617	13 692	12 480	12 956
	ewes and rams	2 245	2 372	2 219	1 961	2 051
Average dressed carcase weight (kg):						
	clean sheep and lambs	19	19	19	19	19
	ewes and rams	27	24	25	25	26
Production (dressed carcase weight):						
	home-fed production	329	332	313	287	301
Value of production (£ million)		641	798	967	979	1 148
of which:	value of home-fed production	638	824	977	981	1 139
	subsidies (b)	. .	. .	. .	. .	. .
	change in work in progress (c)	7	- 23	- 6	- 1	9
	less imported livestock	4	3	4	2	-
	plus breeding animals exported	. .	. .	. .	. .	. .
Value of production at market prices (£ million) (d)		641	798	967	979	1 148
Prices						
Store sheep (£ per head): (e)						
Lambs, hoggets and tegs		30.3	33.7	46.5	59.3	60.3
Finished sheep (pence per kg estimated dressed carcase weight) (f):						
Great Britain		236.8	297.6	360.4	389.6	432.9
Northern Ireland		226.0	273.4	322.3	340.6	403.9
Supply and use (dressed carcase weight) (g)						
Home-fed production (a)		329	332	313	287	301
Imports from:	the EU (h)	21	20	21	19	16
	the rest of the world	116	115	122	109	93
Exports to:	the EU	76	94	105	101	112
	the rest of the world	1	1	1	1	1
Total new supply		390	372	350	313	297
Home-fed production as % of total new supply for use in the UK		84	89	89	92	101

(a) Measures of home-fed marketings, dressed carcase weights, production and value include animals raised and slaughtered in the UK, excluding any animals removed from the food chain.

(b) Comprising variable premium, hill livestock compensatory allowances and sheep annual premium.

(c) A valuation of the change in work in progress of animals to be slaughtered.

(d) Excluding subsidies and taxes.

(e) Average prices at representative markets in England and Wales.

(f) Unweighted average of weekly prices at representative markets.

(g) Does not include meat offals or trade in preserved or manufactured meat products. Boneless meat has been converted to bone-in weights.

(h) Includes meat from imports of live finished animals.

(i) For comparability with other years, the figures for 2010 have been adjusted from a 53-week to a 52-week basis where appropriate.

Table 5.16 Poultry and poultrymeat; United Kingdom

Enquiries: Sarah Thompson on +44 (0)1904 455097 email: sarah.thompson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2007	2008	2009	2010	2011 (provisional)
Population						
Number (thousand head at June)		167 667	166 200	152 753	163 867	162 551
of which:	table fowl	109 794	109 859	98 754	105 309	102 461
	laying and breeding fowl	47 719	44 321	42 663	47 107	48 610
	turkeys, ducks, geese and all other poultry	10 154	12 019	11 335	11 451	11 481
Production						
Slaughterings (millions):		874	862	868	933	931
of which:	fowls	842	831	839	904	899
	turkeys	16	16	15	16	17
	ducks & geese	17	15	14	14	15
Production (carcase weight) (a):		1 466	1 464	1 459	1 570	1 558
of which:	chickens and other table fowls	1 212	1 214	1 220	1 323	1 300
	boiling fowls (culled hens)	52	56	50	53	56
	turkeys	165	160	157	162	167
	ducks & geese	38	35	32	31	35
Value of production (£ million):		1 249	1 579	1 590	1 799	1 895
of which:	fowls	943	1 189	1 241	1 382	1 443
	change in work in progress in fowls (b)	- 36	22	- 31	2	- 5
	turkeys, ducks, geese	276	295	301	320	359
	exports of live poultry	65	70	83	96	99
	hatching eggs for export	17	23	29	31	33
	less live poultry imported	7	10	12	15	18
	less hatching eggs imported	10	11	21	17	17
Prices (average producer prices (pence per kg carcase weight)):						
Chickens and other table fowls		77.4	97.5	101.3	104.0	110.6
Boiling fowls (culled hens)		10.3	10.4	9.3	9.4	9.7
Turkeys		121.8	134.9	143.6	144.6	155.5
Ducks		176.6	204.8	218.1	250.4	263.3
Geese		498.9	615.2	555.4	588.5	616.6
Supply and use (carcase weight)						
Production		1 466.4	1 464.4	1 459.1	1 570	1 558
Imports from:	the EU	429.9	377.1	387.9	441.8	482.0
	the rest of the world	31	29	32	33	32
Exports to:	the EU	268	255	218	206	204
	the rest of the world	25	24	35	62	86
Total new supply		1 634	1 593	1 627	1 776	1 782
Production as % of total new supply for use in the UK		90	92	90	88	87

(a) Excludes offal.

(b) A valuation of the change in work-in-progress of fowls to be slaughtered.

Table 5.17 Milk; United Kingdom

Enquiries: Leigh Riley on +44 (0)1904 455095 email: leigh.riley@defra.gsi.gov.uk

Million litres (unless otherwise specified) Calendar Years

			2007	2008	2009	2010	2011 (Provisional)
Population and yield							
Dairy herd (annual average, thousand head) (a)			1 970	1 918	1 867	1 850	1 815
Average yield per dairy cow (litres per annum)			6 913	6 943	7 031	7 273	7 533
Production							
Milk from the dairy herd (b)			13 619	13 319	13 128	13 453	13 675
Milk from the beef herd (b)			7	7	7	7	7
less on farm waste and milk fed to stock			184	181	135	116	116
Volume for human consumption			13 442	13 145	13 001	13 344	13 566
Value of production (£ million)			2 823	3 447	3 123	3 329	3 742
	of which:	raw milk leaving farm (c)	2 752	3 368	3 055	3 259	3 674
		raw milk processed on farm (d)	72	79	68	69	68
		subsidies	. .	. .	. .	. .	. .
		less levies	. .	. .	. .	. .	. .
Value of production at market prices (£ million) (e)			2 823	3 447	3 123	3 329	3 742
Prices (average price received by milk producers, net of delivery charges (pence per litre)) (f)							
Farmgate price of milk excluding bonus payments			20.7	25.9	23.7	24.7	27.3
Farmgate price of milk including bonus payments			20.7	25.9	23.7	24.7	27.4
Supply and use							
Production			13 626	13 326	13 135	13 460	13 682
Imports			57	49	75	88	104
Exports			538	559	433	417	403
Total new supply			13 146	12 816	12 777	13 131	13 382
of which:							
	for liquid consumption		6 724	6 678	6 626	6 836	6 954
	for manufacture		6 085	5 840	5 699	6 112	6 218
	of which:	butter	248	229	242	246	263
		cheese	3 561	3 635	3 369	3 529	3 670
		cream	285	249	248	254	243
		condensed milk (g)	300	332	308	279	295
		milk powder	1 232	933	999	1 139	1 136
		other	459	461	535	665	612
	dairy wastage and stock change		127	92	293	45	72
	other uses (h)		210	206	158	138	138
Production as a % of new supply			104	104	103	103	102

(a) This is the average size of the dairy herd across the whole year, rather than the size at a particular time of year. From 2005 the dairy herd is defined as dairy cows over two years of age with offspring. Until 2004 the dairy herd was defined as cows and heifers in milk plus cows in calf but not in milk, kept mainly for producing milk or rearing calves for the dairy herd.

(b) Excludes suckled milk.

(c) Value of raw milk sold to other businesses (dairies) for processing.

(d) Value of milk and milk products processed on farm and sold direct to the consumer.

(e) Excluding subsidies and taxes/levies.

(f) No deduction is made for superlevy.

(g) Includes condensed milk used in the production of chocolate crumb and in the production of machine skimmed milk.

(h) Includes farmhouse consumption, milk fed to stock and on farm waste. Excludes suckled milk.

Table 5.18 Hen eggs; United Kingdom

Enquiries: Leigh Riley on +44 (0)1904 455095 email: Leigh.Riley@defra.gsi.gov.uk

Million dozen (unless otherwise specified) Calendar Years

			2007	2008	2009	2010	2011 (provisional)
Population							
Number of laying fowl (thousands)			47 719	44 321	42 663	47 107	48 610
Production							
Volume of production of eggs			831	867	869	950	943
	of which:	eggs for human consumption	720	754	751	826	821
		eggs for hatching	99	98	101	105	103
		other (d) (e)	12	15	17	19	19
Value of production of eggs for human consumption (£ million) (a)			410	520	531	561	559
Prices (pence per dozen)							
Weighted average of eggs graded in the UK (b)			57.0	69.0	70.7	68.0	68.1
Supply and use							
UK production of eggs for human consumption			720	754	751	826	821
	of which:	eggs sold in shell	539	577	597	673	664
		eggs processed	181	177	154	152	158
Imports from (c):		the EU	203	219	224	212	188
		the rest of the world	2	1	1	3	7
Exports to (c):		the EU	17	24	18	20	21
		the rest of the world	-	-	1	1	1
Total new supply			908	950	957	1 020	994
Production as % of total new supply for use in the UK			79	79	78	81	83

(a) Excludes the value of eggs for hatching, as that is included in the value of poultry.

(b) Represents the price paid by packers to producers in the United Kingdom, excluding bonus, and takes accounts of all egg systems - laying cages, free range, barn and organic.

(c) Includes shell egg equivalent of whole (dried, frozen and liquid) egg, egg yolk and albumen.

(d) included hatching eggs for export and waste.

(e) hatching eggs for exports are valued in table 5.16.

Chapter 6 Intermediate Consumption

Summary

In 2011:

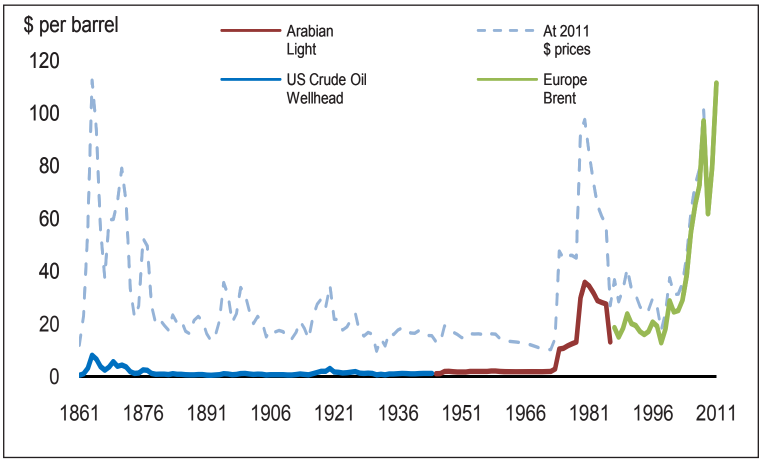
- Crude oil prices reached an average of $111 per barrel, the highest annual average recorded.
- The value of consumption of motor and machinery fuels is estimated to have more than doubled in the last ten years to over £1 billion.
- The value of consumption of electricity and heating fuels is estimated to have risen by 78 per cent since 2004 to £373 million.
- The value of consumption of fertiliser is estimated to have doubled in the last five years to over £1.6 billion.
- The value of consumption of animal feed is estimated to have increased by 80 per cent since 2005 to £4.4 billion.

Introduction

1. In recent years, increases in crude oil prices have led to increased concerns for the impact of high oil prices on the margins and profitability of agricultural businesses, which are dependent on products derived from petroleum, notably fuels. This chapter presents long-term trends in crude oil prices and the cost of selected inputs as recorded in the intermediate consumption section of the production and income account (see Chapter 9).

2. Intermediate consumption represents the consumption of goods and services, e.g. fuels, feed, seeds, fertiliser, plant protection products. Some inputs, such as fuels, electricity and fertilisers are closely linked to the oil price while others are not and trends for these are shaped by other factors. The figures for 2011 are provisional estimates and will be revised in due course; users are thus advised to consider long-term trends in costs rather than year-on-year changes for 2011.

Chart 6.1 Historic trends in crude oil prices 1861-2011



Source: Energy Information Administration, U.S. Department of Energy, BP Statistical Review of World Energy 2008, US Bureau of Labour Statistics

3. The three major farm inputs – and those that have shown the greatest increases in cost in recent years - are the ‘three Fs’: fuel, fertiliser and feed. The following charts and table show long-term trends in these three areas.

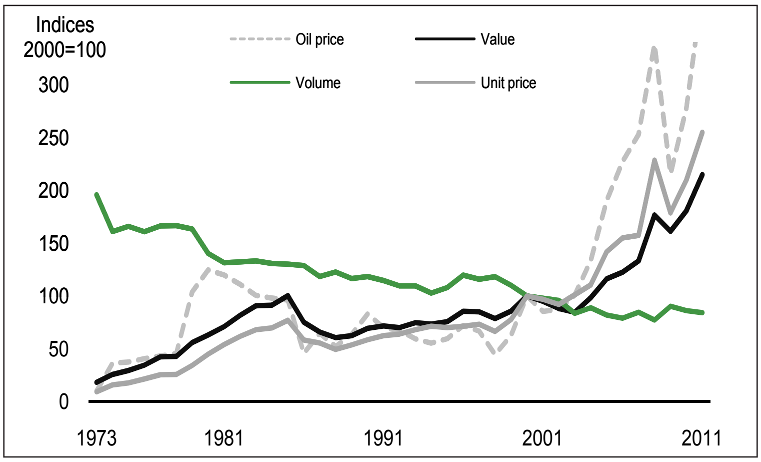
4. These charts present long-term trends expressed as indices where the data point in 2000 is expressed as equal to 100 and the data points for other years are relative to that in 2000. Indices are shown for value and volume, which are derived from the production and income accounts. An index is shown for a unit price, which is derived from the value and volume indices and shows the influence of price on trends in value. The charts for fuels and fertiliser include an index for the oil price, which shows the influence of oil price on the costs of these inputs. Detailed information on feed is shown in Table 6.1.

Motor and machinery fuels (charts 6.2, 6.3)

5. The cost of motor and machinery fuels, principally red diesel, is heavily influenced by trends in oil prices.

6. In 2011, the value of consumption of motor and machinery fuels is estimated to have exceeded £1 billion. Over the longer term, the volume of consumption has shown a declining trend but the value has shown an accelerated rate of increase over the past decade, increasing by 127 per cent since 2001.

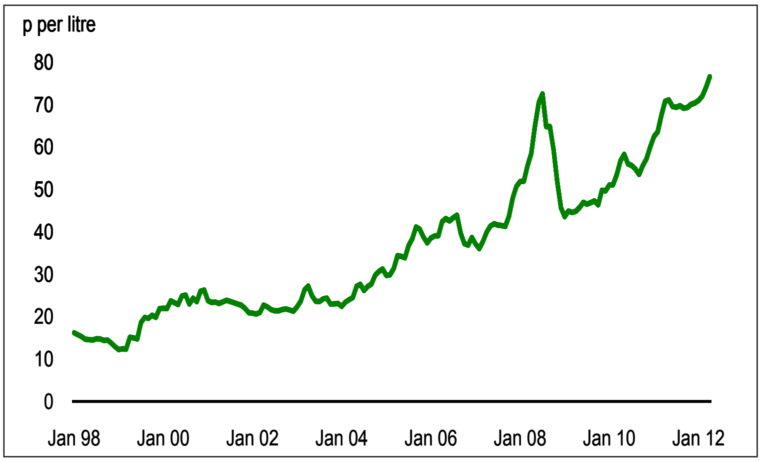
Chart 6.2 Motor and machinery fuels



Source: Defra/Aggregate Agricultural Accounts

7. Red diesel prices were consistently high in 2011 with an average price of 69 pence per litre reflecting the high price for crude oil. In the longer term, the price of red diesel has increased sharply for most of the past decade and was about three times higher in 2011 than in 2001. The spike in 2008 reflects a spike in the oil price at that time.

Chart 6.3 Red diesel prices



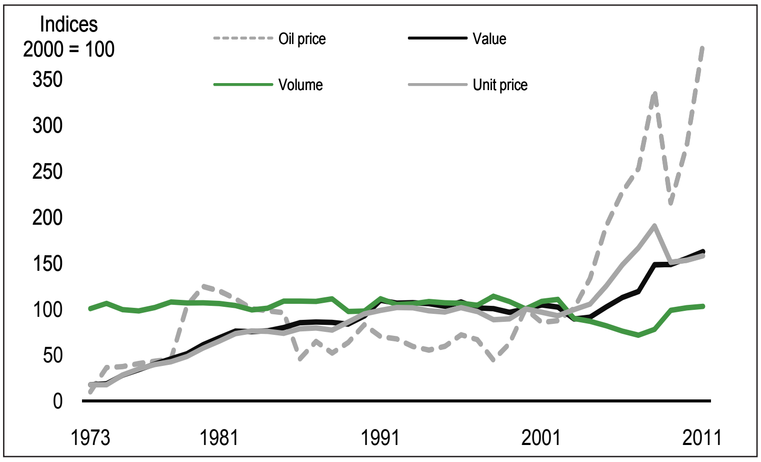
Source: Defra/DECC

Electricity and fuels for heating (chart 6.4)

8. This represents power and fuel, mainly electricity, used primarily for stationary activities, such as the operation of facilities and dairies, and is a significant source of energy costs.

9. The volume of consumption of electricity and fuels for heating in 2011 shows a return towards the levels of consumption seen at the start of the century. The value of consumption shows an accelerated rate of increase since 2004, increasing by 78 per cent, driven primarily by increases in prices.

Chart 6.4 Electricity and fuels for heating

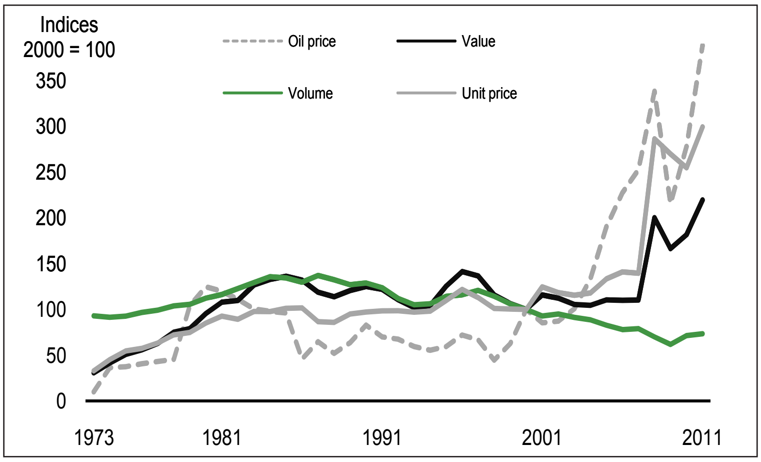


Source: Defra/Aggregate Agricultural Accounts

Fertiliser (chart 6.5)

10. The production of fertiliser is an energy intensive manufacturing process in which natural gas is used to synthesise atmospheric nitrogen. The price of natural gas is linked to the oil price and reflects movement in the oil price. High fuel prices also impact on delivery costs. High prices and a slight increase in the volume of consumption saw the value of consumption of fertiliser go over £1.6 billion. The long term trend for the volume of consumption shows a decline since the mid-1980s but the value of consumption has doubled in the five years reflecting increases in prices.

Chart 6.5 Fertiliser

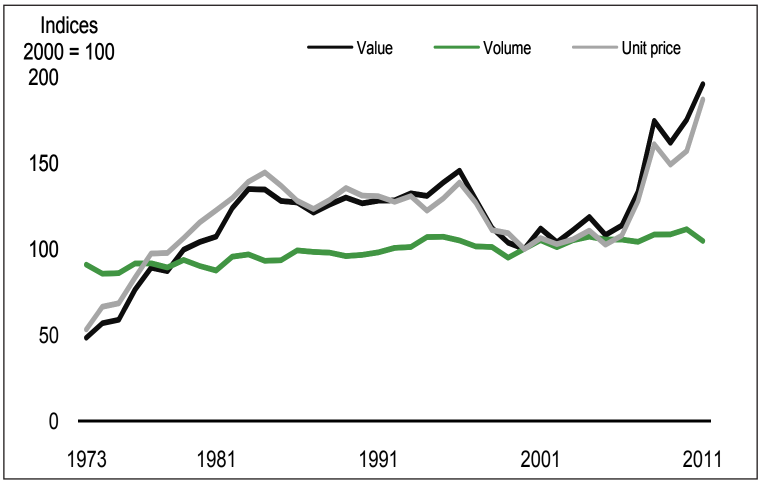


Source: Defra/Aggregate Agricultural Accounts

Animal feed (chart 6.6, table 6.1)

11. The cost of animal feed is the largest item of expenditure recorded in the production and income account. Total expenditure rose steeply from 1973 to 1984 but levelled out after the introduction of milk production quota in 1984. It fell sharply after 1996, largely as a result of the fall in commodity prices which were shaped by exchange rates and world prices, and a fall in the volume of feed for pigs that mirrored a decline in the pig herd. In recent years, the cost of feed has substantially increased by 80 per cent since 2005 reflecting increases in cereal prices.

Chart 6.6 Animal feed



Source: Defra/Aggregate Agricultural Accounts

12. The total cost of all purchased animal feed rose by 12 per cent on 2010 to £4.4 billion for 2011. This is despite a 5.1 per cent fall in the volume of all purchased animal feed due to increased prices for a range of raw ingredients but particularly cereals and oilseeds. Total compound feed production fell by 2.3 per cent. The 2.0 per cent decrease in the volume of poultry compounds produced is in line with contractions of the layer flock related to new EU regulations on caged hens which came into force in January 2012, and a more static production of broiler hens. However there has been a more marked decline in the sheep category, which showed a decrease of 11 per cent. This is due to more favourable weather conditions compared to the winter of 2010 which enabled more forage grazing and reduced reliance on compound feed. This is also relevant to the 2.3 per cent decline in cattle compounds alongside declining cattle numbers. The production of pig compounds have seen a 2.3 per cent increase in line with current production trends.

13. In 2011 the use of straight concentrates decreased by 11.8 per cent. Decreases were seen in field peas due to a reduction in the area planted and as a consequence of this, there was a decrease of peas going into animal feed due to a lack of availability of peas for human consumption.

Table 6.1 Animal feed; United Kingdom

Including direct inter-farm and intra-farm transfer

Enquiries: Tom Johnson on +44 (0)1904 455301 email: tom.johnson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

	2007	2008	2009	2010	2011 (provisional)
Compounds:					
cattle	4 544	4 598	4 485	4 680	4 570
calves	201	212	204	213	217
pigs	1 708	1 540	1 464	1 580	1 616
poultry (a)	3 509	3 527	3 559	3 828	3 751
other	725	767	745	859	764
Total (b)	10 570	10 533	10 373	11 022	10 766
Straight concentrates (c)	6 696	6 991	7 574	7 890	6 961
Non-concentrates (d)	525	525	525	525	525
Inter/intra farm transfer	3 008	3 349	3 421	2 494	2 556
Total all purchased animal feed	20 799	21 398	21 894	21 930	20 807
Value of purchased animal feed (£ million) (e)	2 876	3 794	3 480	3 765	4 120

(a) Includes poultry feed produced by 'retail' compounders, but excludes production from integrated poultry units which are included within the straight concentrates data.

(b) Includes imports, less exports.

(c) These are cereals, cereal offals, proteins and other high energy feeds.

(d) Low-energy bulk feeds expressed as concentrate equivalent. Brewers and distillers grains, hay, milk by-products and other low-energy bulk feeds expressed in terms of equivalent tonnage of high energy feeds.

(e) See Table 9.1 for a breakdown of this total.

Chapter 7 The Food Chain

Summary

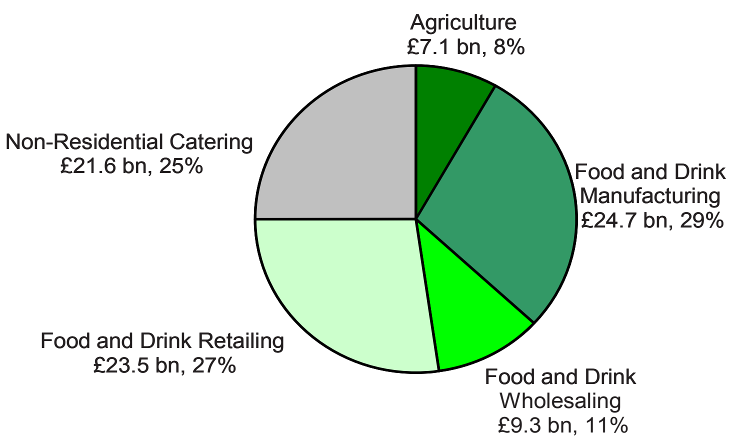
- The average annual food inflation rate over 2011 was 5.5 per cent whilst the average rate for general inflation was 4.5 per cent.
- Excluding the effect of price rises consumers' expenditure fell 2.5 per cent in 2011 and has fallen 8.6 per cent since 2007, indicating that consumers were buying less or lower quality products.
- In 2011, the farmgate share of the price of a basket of items covering staples of agricultural production was 39 per cent. This is 17 per cent less than the farmgate share in 1988 but the highest it has been since 1997.
- In 2010, the agri-food sector in the United Kingdom accounted for a total estimated Gross Value Added (GVA) of £86 billion or 6.8 per cent of national GVA, unchanged on 2009. Food manufacturing, food wholesaling and non-residential catering sectors all increased gross value added in 2010 while food retailing saw a slight reduction.
- Employment in the agri-food sector increased 1.1 per cent over the 12 month period to the third quarter of 2011 to around 3.6 million. The largest increase was in non-residential catering, rising by 59 thousand while in food retailing there was a drop of 24 thousand. The agriculture sector increased by 9 thousand (2.2 per cent).
- In 2010, total factor productivity in the food sector excluding agriculture was broadly the same as in 2009. Of the four main food industry sectors, productivity in both food manufacture and food wholesale have risen overall since 2000 whilst productivity of food retail is at similar levels to 2000 and for catering it has fallen.

Contribution of the agri-food sector to the national economy (chart 7.1, table 7.1)

1. In the agri-food sector in 2010 food manufacturing was the largest contributor at 29 per cent, ahead of food retailing at 27 per cent and non-residential catering at 25 per cent. Food wholesaling covers 11 per cent of the sector and agriculture made the smallest contribution at 8.2 per cent.

2. Comparing 2010 with 2009 all sectors of the food chain have seen an increase in productivity, resulting in a 0.8 per cent rise in total factor productivity of the food chain. Benchmarking against a wider economy measure shows that the average annual growth in the food chain between 2000 and 2010 was 0.5 per cent compared to 0.2 per cent in the wider economy.

Chart 7.1 Contribution of the agri-food sector to the national economy



Source: Annual Business Survey (ONS) and Aggregate Agrcultural Accounts (Defra)

Table 7.1 Agri-food sector contribution to the national economy; United Kingdom

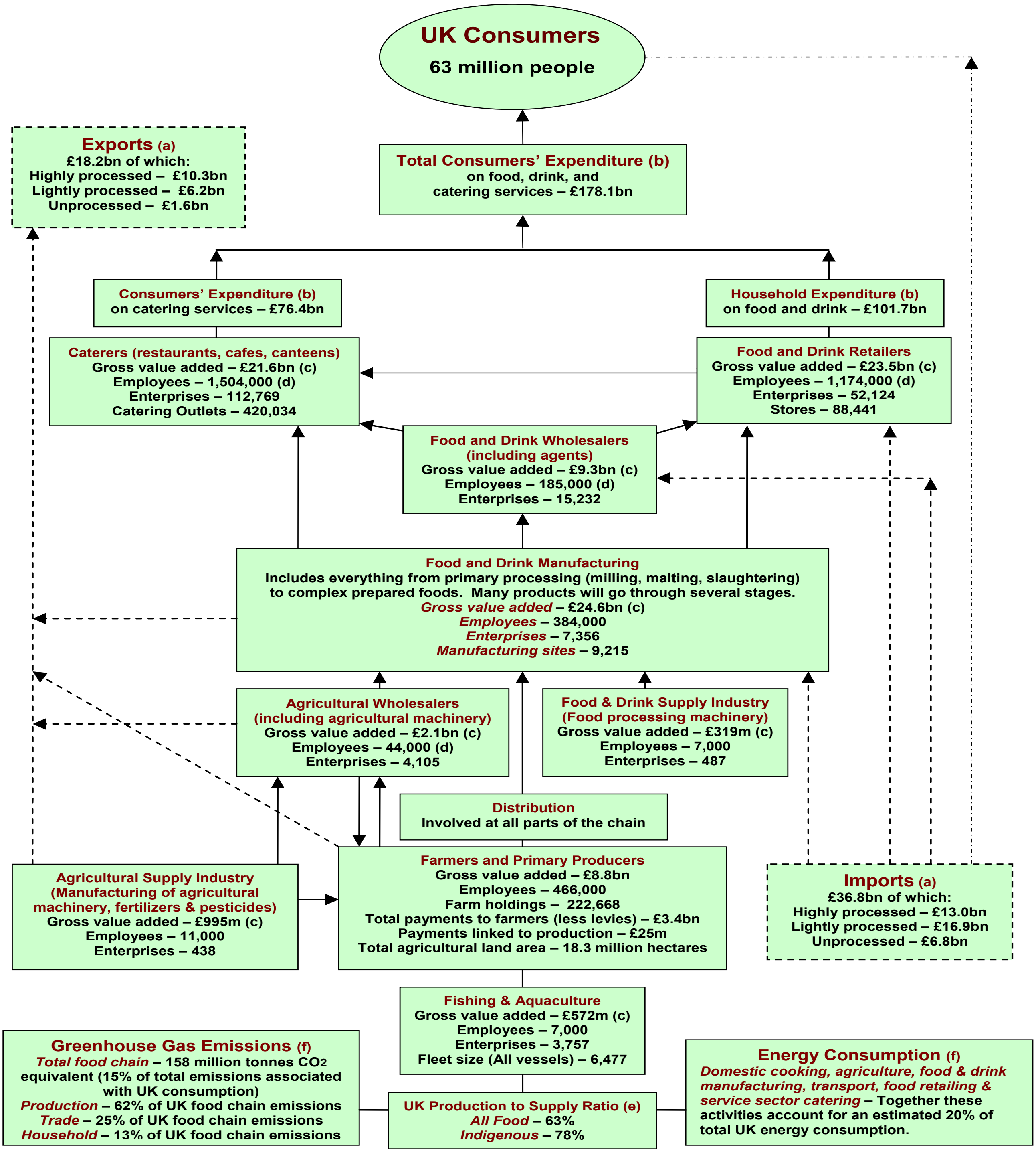
Enquiries: Jim Holding on +44 (0)1904 455069 email: jim.holding@defra.gsi.gov.uk

£ million (unless otherwise specified) Calendar years

		2007	2008	2009	2010	2011 (provisional)
Agri-food sector's contribution to total economy gross value added						
at current prices	Agriculture	5 598	7 182	7 046	7 098	8 845
	Food Manufacturing	21 797	22 796	23 880	24 687	. .
	Food Wholesaling	9 156	8 882	9 263	9 346	. .
	Food Retailing	21 791	22 727	23 579	23 543	. .
	Food Non-Residential Catering	21 817	22 047	20 400	21 563	. .
% of national gross value added (current prices)		6.5	6.7	6.8	6.8	-
Workforce in the food sector (thousand persons)						
	Agriculture	438	439	419	426	435
	Food Manufacturing	399	380	372	370	371
	Food Wholesaling	213	224	214	213	206
	Food Retailing	1 117	1 145	1 182	1 130	1 106
	Food Non-Residential Catering	1 415	1 461	1 399	1 381	1 440
% of total workforce in employment		13.4	13.5	13.7	13.5	13.7
Trade in food, feed and drink (in real terms at 2011 prices)						
Imports of food, feed and drink		30 352	34 654	35 787	35 411	36 806
% of total UK imports		8.6	9.2	10.5	9.2	9.2
Exports of food, feed and drink		12 982	14 496	15 441	16 663	18 160
% of total UK exports		5.2	5.3	6.2	6.0	6.1
UK Food Production to Supply Ratio ('Self-Sufficiency')						
% of all food		60.0	59.9	58.4	61.1	62.9
% of indigenous type food		73.1	72.7	71.8	75.1	77.7
Household final consumption expenditure on food and alcoholic drinks						
at current prices		162 326	167 814	165 674	173 610	178 136
of which:	household food	75 706	79 790	81 185	84 297	86 464
	food eaten out	43 746	45 354	44 113	47 994	46 913
	alcoholic drinks	42 874	42 670	40 376	41 319	44 759
at constant 2008 prices (£ million)		172 683	167 814	158 763	161 768	157 766
of which:	household food	82 534	79 790	76 986	77 433	75 398
	food eaten out	47 962	47 629	44 946	47 489	45 629
	alcoholic drinks	42 187	40 395	36 831	36 846	36 739
% of total household final consumption expenditure		18.8	19.1	19.3	19.2	19.2
of which:	household food	8.8	9.1	9.5	9.3	9.3
	food eaten out	5.1	5.2	5.1	5.3	5.0
	alcoholic drinks	5.0	4.9	4.7	4.6	4.8
Producer prices for agricultural products (2008 = 100)		82.8	100.0	94.9	100.9	114.0
Consumer price index (2008 = 100):						
	food	91.7	100.0	105.4	109.0	114.9
	alcoholic drinks	96.9	100.0	104.5	107.8	114.1
	all items	96.5	100.0	102.2	105.5	110.3

Source: Annual Business Survey (ONS), Aggregate Agricultural Accounts (Defra), Labour Force Survey Q3 2011 (ONS), Overseas Trade Statistics (HMRC), Consumer Price Indices (ONS)

Chart 7.2 Economic summary of the UK Food Chain – Fourth quarter 2011*



(a) Overseas trade data is provisional for full year 2011 from HM Revenue and Customs. (Data may not equal total due to rounding.) Dashed lines indicate main trade flows.
(b) Consumers' expenditure, properly known as household final consumption expenditure, is provisional from the Office for National Statistics for full year 2011 and is calculated at current prices. (Data may not equal total due to rounding.)
(c) Gross value added (GVA) is the difference between the value of goods and services produced and the cost of raw materials and other inputs used up in production. GVA figures are from the Annual Business Survey and is provisional data for full year 2010, which is calculated at basic prices (market prices less taxes plus subsidies). ***GVA for food and drink manufacturing is an estimate, as 2010 GVA data for beer manufacturing is unavailable***.
(d) Employee data for grocery retailers is for Great Britain only and is for Q4 2011 from the Office for National Statistics. Food and drink wholesaling, and agricultural wholesaling includes an estimate of employment by food and drink wholesaling agents, and wholesalers of agricultural machinery from the Annual Business Survey. (Employee data is rounded.)
(e) UK Production to Supply Ratio (formerly known as the "Self-Sufficiency" Ratio). The UK sources food from diverse stable countries (with 29% of food coming from the European Free Trade Area), and imports can make up for domestic supply shortages.
(f) UK greenhouse gas emissions and energy consumption data does not relate to Q3 2011. Energy consumption does not take into account energy embedded in food that we import, nor does it subtract energy that went into producing food that is exported. Therefore the 20% of energy consumption cannot be directly compared to the 15% of GHG emissions.

Food chain employees and self–employed farmers (chart 7.3)

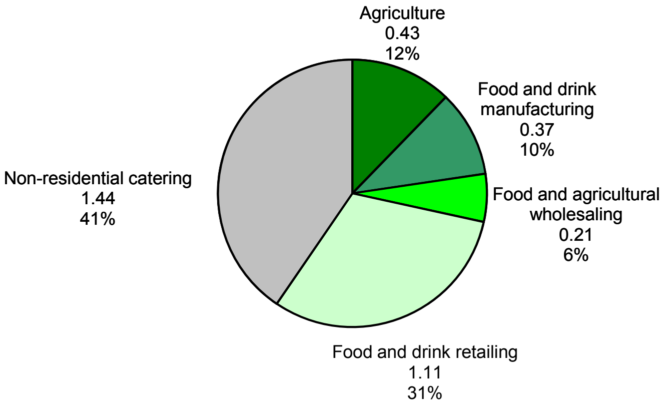
3. In the third quarter of 2011, the agri-food sector employed 14 per cent of all employees in Great Britain. It has been about 14 per cent since 2001. Less than half a million of these are employed in agriculture – see chart 7.3.

4. In the twelve months to September 2011, employment in the agri-food sector increased by 1.1 per cent. Increases in agriculture, manufacturing and non-residential catering outweighed decreases in the wholesaling and retailing sectors. Employment across the whole economy fell by 0.1 per cent over the same period.

Food manufacturing

5. Gross value added in the food manufacturing sector increased 3.4 per cent in 2010. It had the largest gain in productivity in 2010 due to a proportionally larger rise in volume of output than in the volume of purchases. Employment was on a long term downward trend but levelled off around 2009, coinciding with higher food prices. Higher food prices appear to have benefitted the food manufacturing industry and, combined with the productivity growth in 2010, helped facilitate a small increase in employment. Figures for quarter three 2011 show an increase of around one thousand employees, the first increase since 1999.

Chart 7.3 Food chain employees and self-employed farmers (millions)



Source: Labour Market Trends (ONS) and June Survey of Agricultural & Horticultural Holdings (Defra)

Food wholesaling

6. Gross value added in the food wholesaling sector has risen steadily since 2000. At £9.3 billion in 2010, it is 68 per cent higher than in 2000. Employment in this sector fell 3.3 per cent in 2011. A reduction of seven thousand employees reduced employment levels to 1.8 per cent lower than the previous dip in 2005. Productivity has been on an upward trend since 2000 and increased 0.6 per cent in 2010. It is now 7.1 per cent higher than in 2000 with an average annual increase of 0.7 per cent.

Food retailing

7. Food retailing gross value added was £23.5 billion in 2010, a small decrease of 0.2 per cent on 2009. Employment in this sector rose between 2007 and 2009 but reductions of fifty two thousand employees in 2010 and a further twenty four thousand in 2011 resulted in employment levels lower than at any time since 2000. Productivity of food retail increased in 2010 due mainly to the fall in labour, but there has been no overall productivity growth in the sector since 2000.

Non-residential catering

8. Falling consumer expenditure on eating out since 2003 has made it difficult for this sector. However, in 2010 gross value added increased 5.7 per cent, going some way to reversing the 7.5 per cent drop seen in 2009. Employment increased in 2011 by 4.3 per cent with an additional 59 thousand employees. This is slightly below 2008 levels but 14 per cent higher than in 2000.

The food chain (chart 7.2)

9. In 2011, the food supply chain in the United Kingdom as a whole received £159 billion, which came from spending by consumers in the United Kingdom, plus exports less imports of agricultural commodities and processed food and drink products (assuming that imports and exports directly to and from consumers are negligible). Chart 7.2 shows the largest elements of the food chain from agriculture as a primary producer through food manufacturing and retail trade to consumers' expenditure.

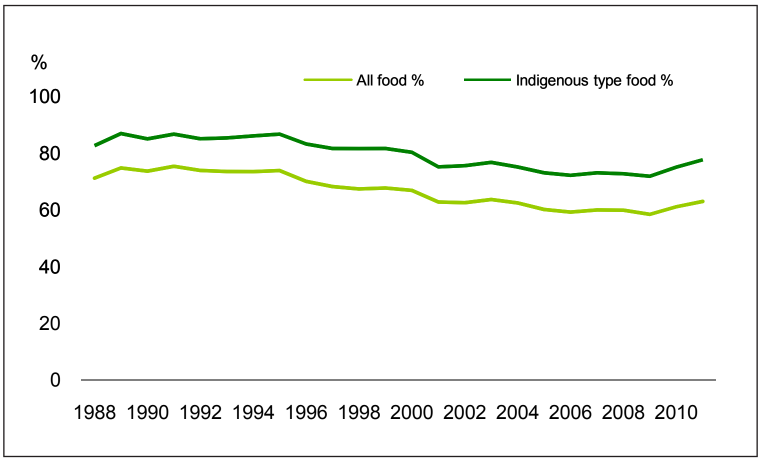
Trade in food, feed and drink (table 7.1)

10. The value of imports of food, feed and drink was £36.8 billion in 2011, an increase of 3.9 per cent from 2010. The value of exports of food, feed and drink rose by 9.0 per cent over the same period to £18 billion, resulting in little change to the trade gap at £18.6 billion.

Food production to supply ratio (commonly referred to as the 'Self-sufficiency' ratio) (chart 7.4)

11. Food production to supply ratio, which is calculated as the farm-gate value of raw food production divided by the value of raw food for human consumption, is estimated to be 63 per cent for all food in 2011 and 78 per cent for indigenous type food. This compares with 61 per cent and 75 per cent respectively in 2010. This slight increase on 2010 is a result of increases in the value of domestically produced oilseed, beef, milk, and wheat. The food production to supply ratio figures for 2010 in table 7.1, are slightly higher than those published in AUK 2010. This is due to provisional trade data being finalised.

Chart 7.4 Food production to supply ratio



12. The rise in the production to supply ratio for beef was due to increased domestic production resulting from a high demand for manufacturing beef. Limited supplies in 2011 led to strong prices that had a significant effect on the value of home-fed beef production – a 20 per cent rise on 2010.

13. A tight EU supply and demand situation led to high prices for oilseed rape, particularly in the first half of 2011. This led to a 65 per cent increase in the farmgate value of domestic production.

14. The value of domestic milk production rose significantly in 2011 because of increased milk availability and higher farmgate milk prices.

15. United Kingdom wheat prices follow global markets and prices were supported by a tight global supply situation. Additionally, a higher proportion of the 2011 United Kingdom wheat crop was of milling quality and benefited from higher premiums, leading to a 41 per cent increase in the value of domestic production.

Distinction between competitiveness and food security

16. The production to supply ratio provides a very broad indicator of the ability of United Kingdom agriculture to meet consumer demand, which can also be described as competitiveness. The ratio is not an appropriate measure of "food security" since it fails to account for many dimensions of this complex issue.

17. A detailed analysis is given in the defra publication 'UK Food Security Assessment' available at: http://archive.defra.gov.uk/foodfarm/food/security/index.htm.

18. The key points on food production to supply ratio and food security from this paper are:

- Diversity enhances security. The United Kingdom sources foods from diverse stable countries, mainly European countries, and imports can make up for domestic supply shortages; see chart 7.5 'Origins of food consumed in the United Kingdom'.
- A high food production to supply ratio fails to insulate a country against many possible disruptions to its supply chain
- Production potential is more relevant at EU level than United Kingdom level, and the EU as a whole has a food production to supply ratio of over 90 per cent.

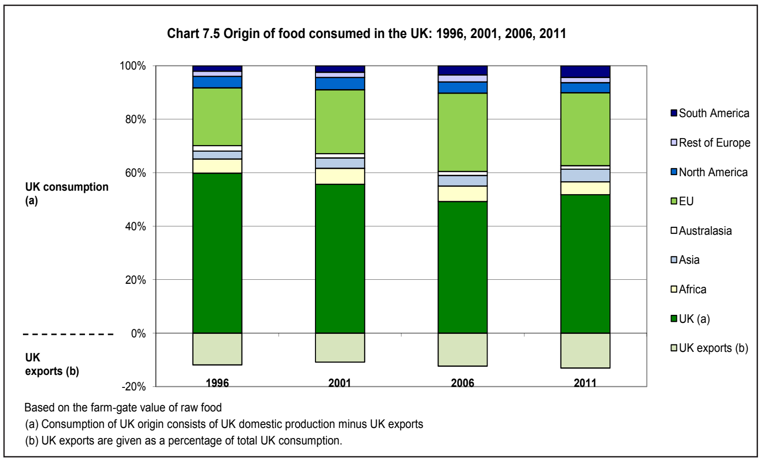
19. Further trade liberalisation is unlikely to materially affect food security within the EU.

Origins of food consumed in the United Kingdom (chart 7.5)

20. Chart 7.5 includes the proportion of United Kingdom food consumption that is produced in the United Kingdom. This should not be confused with the measure of United Kingdom Food Production to Supply Ratio given in chart 7.4. Chart 7.5 looks purely at the breakdown of food that the United Kingdom actually consumes.

21. The United Kingdom Food Production to Supply Ratio (chart 7.4) considers all United Kingdom food production, including food that the United Kingdom exports instead of consuming. A further, much smaller, difference is that the United Kingdom food production used in the food production to supply ratio calculations has been adjusted to take account of the balance of trade in the important inputs into agriculture.

Chart 7.5 Origins of food consumed in the United Kingdom: 1996, 2001, 2006, 2011



Consumers' expenditure

22. With higher food prices consumers responded in part by buying less or lower quality foods for the household, reducing amounts of eating out and reducing purchases of alcoholic drinks. In 2010 there was some reversal of this reaction, but it was not sustained in 2011. Excluding the effects of price rises consumers spent 8.6 per cent less on household food in 2011 than in 2007, 4.9 per cent less on eating out and 13 per cent less on alcoholic drinks. At current prices, which incorporate the higher food prices, consumers spent 9.7 per cent more in 2011 than in 2007.

Chart 7.6 Farmers' share of consumers' expenditure

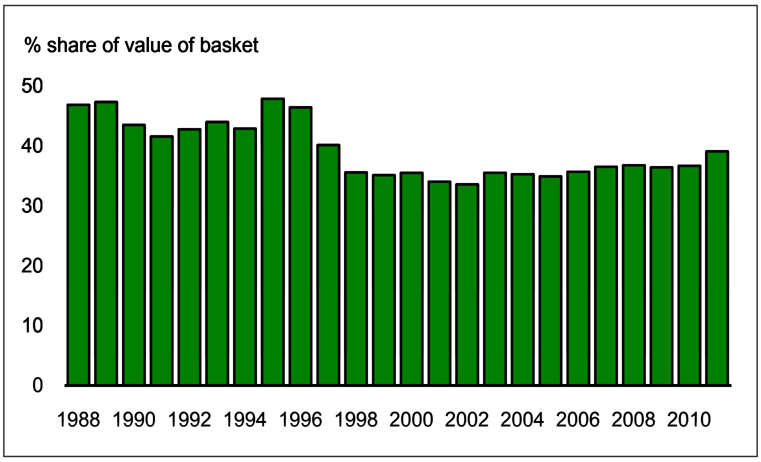


Table 7.2 Farmers' share of the value of a basket of food items (a); United Kingdom

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		Farmgate share in 1988 %	Farmgate share in 2011 %	% change in share 1988/2011	Weight in basket 2011
Farmers' share of basket		47	39	-17	
Farm gate product	**Retail product**				
apples	dessert apples per kg	55	40	-27	6
beef	untrimmed beef (b) per kg	67	53	-22	188
carrots	carrots per kg	30	46	52	10
cabbages	cabbage, hearts, per kg	38	61	59	7
chicken	oven ready roasting chicken, fresh or chilled per kg	47	39	-18	125
eggs	Free range eggs per dozen (c)	28	26	na	49
lamb	untrimmed lamb (b) per kg	65	57	-11	86
onions	onions per kg	25	39	54	7
pork	untrimmed pork (b) per kg	57	39	-30	91
potatoes	old loose white potatoes per kg	24	22	-7	59
tomatoes	tomatoes per kg	48	41	-14	8
wheat	white loaf sliced, 800g	16	11	-35	46
milk	whole milk (d)	38	34	-9	319

(a) Farm gate prices from Defra, retail prices from the Office for National Statistics and the Agriculture & Horticulture Development Board (AHDB).

(b) Retail prices for beef, lamb and pork are untrimmed AHDB prices adjusted for drip loss.

(c) Farmgate share in 1988 is based on non-free range size 2 eggs.

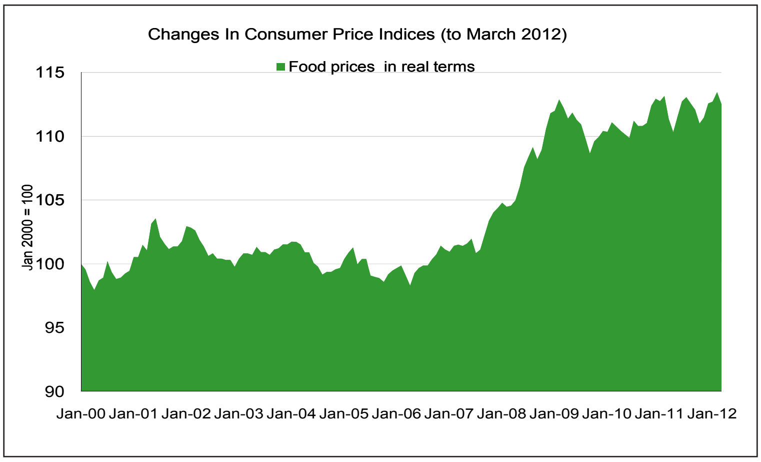
(d) The average price of one pint of delivered milk and one pint of shop milk (the shop milk based on a two pint purchase).

Farmers' share of consumers' expenditure (table 7.2, chart 7.6)

23. In 2011 the farmgate share of the price of a basket of items covering staples of agricultural production was 39 per cent. The absolute level of the farmgate share is sensitive to which retail products are chosen for the basket; some have a greater amount of added value beyond the farmgate and it would therefore be expected that the share accounted for by the farmer would be lower.

24. Table 7.2 shows the items in the basket and how the farmers' share has changed for each. They are weighted according to their value to farmers in the United Kingdom. Milk has a weight of 319 units, which means it accounts for 31.9 per cent of the basket.

Chart 7.7 Changes in consumer price indices



Source: Consumer Price Index (ONS)

25. In 2011:

- The farmgate share rose notably for beef and cabbages.
- The farmgate share fell notably for tomatoes.
- The farmgate share was hardly changed for apples, eggs, lamb, chicken, carrots, potatoes, onions, pork, bread and milk.

26. Since 1988, the largest reductions have been for bread and pork where the farmers' share has reduced by 35 per cent and 30 per cent respectively. The largest increases in the farmers' share since 1988 have been for carrots, cabbages and onions, all of which have increased by more than 50 per cent.

Changes in consumer price indices (chart 7.7)

27. Historically (1975 to 2000) food prices tended to rise more slowly than general inflation, as measured by the Retail Price Index (RPI). Food prices in real terms were fairly stable between 2000 and 2007, as measured by the Consumer Price Index (CPI), before rising by 12 per cent and then returning to real terms stability from 2009 onwards. In March 2012, food prices were in real terms 12 per cent above those of 2000.

28. Averaged over 2011 the annual rate of food inflation was 5.5 per cent as measured by the Consumer Price Index. This compares with a general inflation rate of 4.5 per cent over the same period. The annual rate of food inflation exceeded all items CPI in eight out of the twelve months of 2011.

29. In 2011, the largest average annual price rises were for oils and fats up by 12 per cent; coffee, tea and cocoa up 9.4 per cent; fish up 9.3 per cent; mineral water and soft drinks up 8.5 per cent and confectionery up 7.5 per cent.

Chapter 8 Overseas Trade

Summary

In 2011:

- The value of food, feed and drink exports was £18.2 billion, a rise of 9.0 per cent on 2010 in real terms.
- The value of food, feed and drink imports increased by 3.9 per cent on 2010 to £36.8 billion in real terms in 2011.
- The trade gap in food, feed and drink narrowed by 0.5 per cent to £18.6 billion in real terms.
- Principal destinations for exports were the Irish Republic (18 per cent), France (13 per cent), USA (7.9 per cent), Germany (6.9 per cent) and Spain (6.2 per cent).
- The most important trade partners for imports remained the Netherlands (12 per cent), France (11 per cent), Irish Republic (9.2 per cent), Germany (8.3 per cent) and Spain (6.1 per cent).
- Whisky is the largest value single food, feed and drink export item, totalling £4.3 billion in 2011, an increase of 16 per cent on 2010 in real terms.
- Fresh fruit and vegetables constitute the highest value imports, together totalling £4.5 billion in 2011.

Introduction

1. The Overseas Trade Statistics presented in this chapter are based on data collected by HM Revenue and Customs and are compiled from returns made by importers and exporters. Before the completion of the Single Market in the European Union at the end of 1992, all overseas trade data for the United Kingdom was compiled from Customs declarations made by traders. Since the beginning of 1993 the collection of trade statistics has been divided into two categories: that transacted between the United Kingdom and countries outside the European Union (extra-EU trade) and that between the United Kingdom and its European Union partners (intra-EU trade). Extra-EU trade statistics are compiled, as before, from Customs declarations by importers, exporters and their agents; intra-EU trade statistics are compiled using a system linked to traders' VAT returns, known as Intrastat.

2. The trade statistics shown here may not match those shown in the commodities tables in Chapter 5 where, for example, trade in meat includes the carcase weight equivalent of trade in live animals and trade in milk is of raw milk before processing and not of processed and packaged milk and cream as shown here.

3. For selected tables and charts, provisional figures for 2011 have been included to show the most up to date information; the 2011 data will be finalised by HM Revenue and Customs in August 2012. For other charts and maps which have additional detail, particularly on country breakdowns, only final data up to 2010 have been used. This is because the 2011 data at this level of detail are more likely to be subject to revision. However the broad conclusions based on 2010 data are likely to apply to 2011.

Trade in food, feed and drink (chart 8.1, table 8.1)

4. The value of exports of food, feed and drink was 53 per cent higher in real terms in 2011 than in 2002. This is a consequence of the combination of the increased strength of sterling, disease related issues, and world commodity prices. The value of imports was 44 per cent higher in real terms in 2011 than in 2002. As a consequence, the trade gap in food, feed and drink has widened by 37 per cent in real terms between 2002 and 2011 to £18.6 billion.

5. Table 8.1 shows the value of trade at 2011 prices. The value of food, feed and drink exports was £18.2 billion in 2011, 9.0 per cent up in real terms on 2010 when it stood at £16.7 billion. The value of food, feed and drink imports was £36.8 billion in 2011, a 3.9 per cent increase in real terms on 2010, when it stood at £35.4 billion. As a result, the trade gap in food, feed and drink narrowed by 0.5 per cent in real terms between 2010 and 2011. All categories except Sugar and Cereals have seen a rise in exports with the largest nominal increase being seen in Drink which showed a 15 per cent increase. Oils exports showed the largest per cent increase at 30 per cent. Categories which influenced the small increase in imports were Oils, which showed a 19 per cent increase, and Fish and Meat which showed 8.6 and 7.5 per cent increases respectively.

Chart 8.1 Trade in food, feed and drink at 2011 prices; United Kingdom

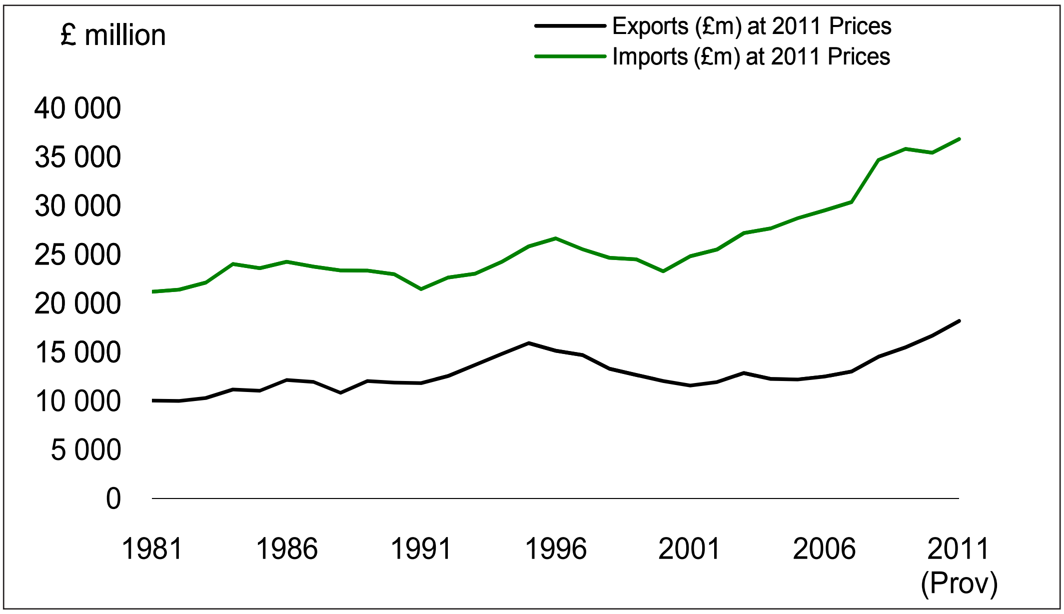


Table 8.1 Trade in food, feed and drink by SITC division (at 2011 prices); United Kingdom

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£ million Calendar years

SITC Division Code	Title	2006	2007	2008	2009	2010	2011 (provisional)
Exports							
01	Meat	901.0	949.9	1 271.5	1 359.2	1 473.3	1 681.6
02	Dairy	862.6	919.3	960.2	920.8	1 089.6	1 245.1
03	Fish	1 120.9	1 118.2	1 105.4	1 283.6	1 415.6	1 465.6
04	Cereals	1 468.8	1 546.4	1 920.7	1 952.1	2 032.7	2 027.7
05	Fruit and Veg	691.9	682.5	755.4	834.0	851.6	880.6
06	Sugar	444.5	444.5	486.1	497.6	462.9	378.6
07	Coffee, tea, etc.	797.5	833.8	950.1	973.9	1 061.1	1 089.4
08	Animal feed	431.8	485.7	577.0	643.5	680.3	703.9
09	Misc.	921.8	887.3	978.1	1 096.1	1 149.3	1 178.7
11	Drink	4 450.3	4 664.5	5 004.6	5 423.2	5 889.5	6 784.7
22 + S4	Oils	381.0	449.3	487.0	457.5	557.0	724.2
	Total	12 472.0	12 981.6	14 496.1	15 441.4	16 662.9	18 160.2
Imports							
01	Meat	4 658.9	4 649.0	5 137.2	5 474.8	5 342.9	5 741.1
02	Dairy	2 210.9	2 131.8	2 520.7	2 584.4	2 599.0	2 578.9
03	Fish	2 282.0	2 270.6	2 420.7	2 396.6	2 372.1	2 577.0
04	Cereals	1 849.4	2 190.3	2 700.2	2 715.7	2 478.8	2 536.9
05	Fruit and Veg	7 094.4	7 252.1	7 886.3	7 935.2	8 019.0	8 139.2
06	Sugar	1 150.7	1 106.5	1 275.8	1 323.4	1 229.3	1 275.0
07	Coffee, tea, etc.	1 753.0	1 829.5	2 141.0	2 548.5	2 631.7	2 799.5
08	Animal feed	1 205.1	1 221.0	1 565.3	1 705.3	1 796.0	1 693.4
09	Misc.	1 499.9	1 748.4	2 132.5	2 408.5	2 253.8	2 443.4
11	Drink	4 521.8	4 570.4	4 791.0	4 895.6	4 949.6	4 953.8
22+S4	Oils	1 259.9	1 382.2	2 082.8	1 799.4	1 738.7	2 067.9
	Total	29 486.0	30 351.7	34 653.6	35 787.2	35 410.8	36 806.1

Defra's aggregate 'Food, Feed and Drink' is composed of the following divisions from the Standard International Trade Classification:

01	Meat: meat from cattle, sheep, pigs, goats, poultry, horses etc.; preparations including blood, juices, sausages, livers, offal.
02	Dairy: includes milk (skimmed or otherwise), butter, buttermilk, cream, yoghurt, ice cream, whey, cheese and curd, all types of eggs both in and out of shell.
03	Fish: All types of edible marine life excluding mammals, fresh, frozen, processed, prepared or preserved.
04	Cereals: includes rice, wheat, barley, oats, maize, grain sorghum and preparations including sweet biscuits, waffles, gingerbread, uncooked/ unstuffed pasta.
05	Fruit and vegetables: includes fresh, frozen or prepared fruit (except crystallised) and vegetables, nuts (except groundnuts), vegetable and fruit juices of all kinds except wine (see division 11), jams, marmalades, fruit or nut puree/paste etc.
06	Sugar: includes both natural sugar and sugar confectionery (but not chocolate or cocoa), both natural and artificial honey, and liquorice.
07	Coffee, tea, etc.: includes all types of tea, coffee (e.g. green, decaffeinated), extracts and substitutes thereof; cocoa and chocolate (of all kinds): all kinds of spices.
08	Animal feed: includes hay, fodder, bran, sharps and other residues derived from cereals or leguminous plants, oil-cake and other solid residues, other residues, brewing dregs, all types of pet or animal food.
09	Miscellaneous: includes margarine, shortening, homogenised products or preparations not elsewhere specified, sauces, vinegar, soups, yeasts, cooked/stuffed pasta, food preparations for infant use.
11	Drink: includes alcoholic drinks of all kinds; also natural or artificial mineral and aerated waters sweetened or otherwise.
22+S4	Oils: includes groundnuts (peanuts), soya beans, sunflower seeds, rape seeds, palm nuts, linseed, poppy seeds etc., lard, pig fat, olive oil, rape oil, corn oil, linseed oil, beeswax etc.

Division 00, which covers all live animals, is excluded from the aggregate 'Food, Feed and Drink' because it includes non-food animals, particularly race horses.

S4 stands for Section 4 in the SITC and covers animal and vegetable oils, fats and waxes.

Trading partners (charts 8.2, 8.3)

6. Principal destinations of food, feed and drink exports to the European Union in 2010 were the Irish Republic (£2.9 billion), France (£2.0 billion), Germany (£1.1 billion) and Spain (£1.0 billion). The principal European Union countries from which food, feed and drink were imported into the United Kingdom in 2010 were the Netherlands (£4.1 billion), France (£3.8 billion), the Irish Republic (£3.1 billion), Germany (£2.8 billion) and Spain (£2.1 billion).

7. Principal non-EU destinations of food, feed and drink exports in 2010 were the USA (£1.2 billion), Singapore (£283 million) and Hong Kong (£269 million), while the main non-EU countries from which food, feed and drink were imported into the United Kingdom were Brazil (£935 million), the USA (£933 million), and Thailand (£664 million).

Chart 8.2 Exports in food, feed and drink by country of destination 2010; United Kingdom

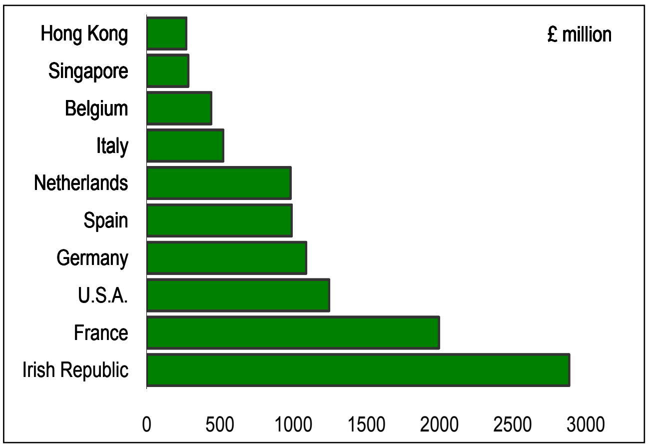
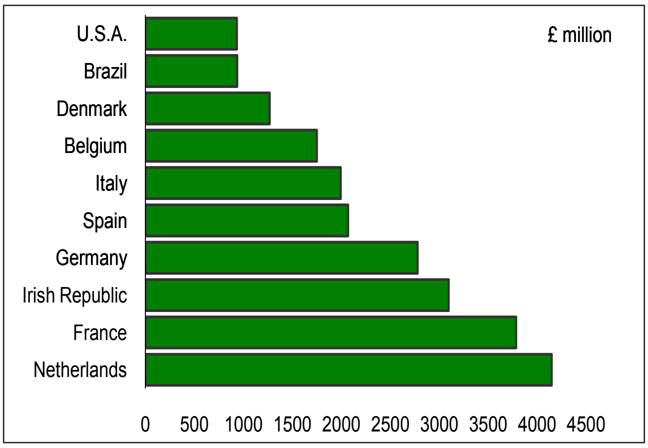
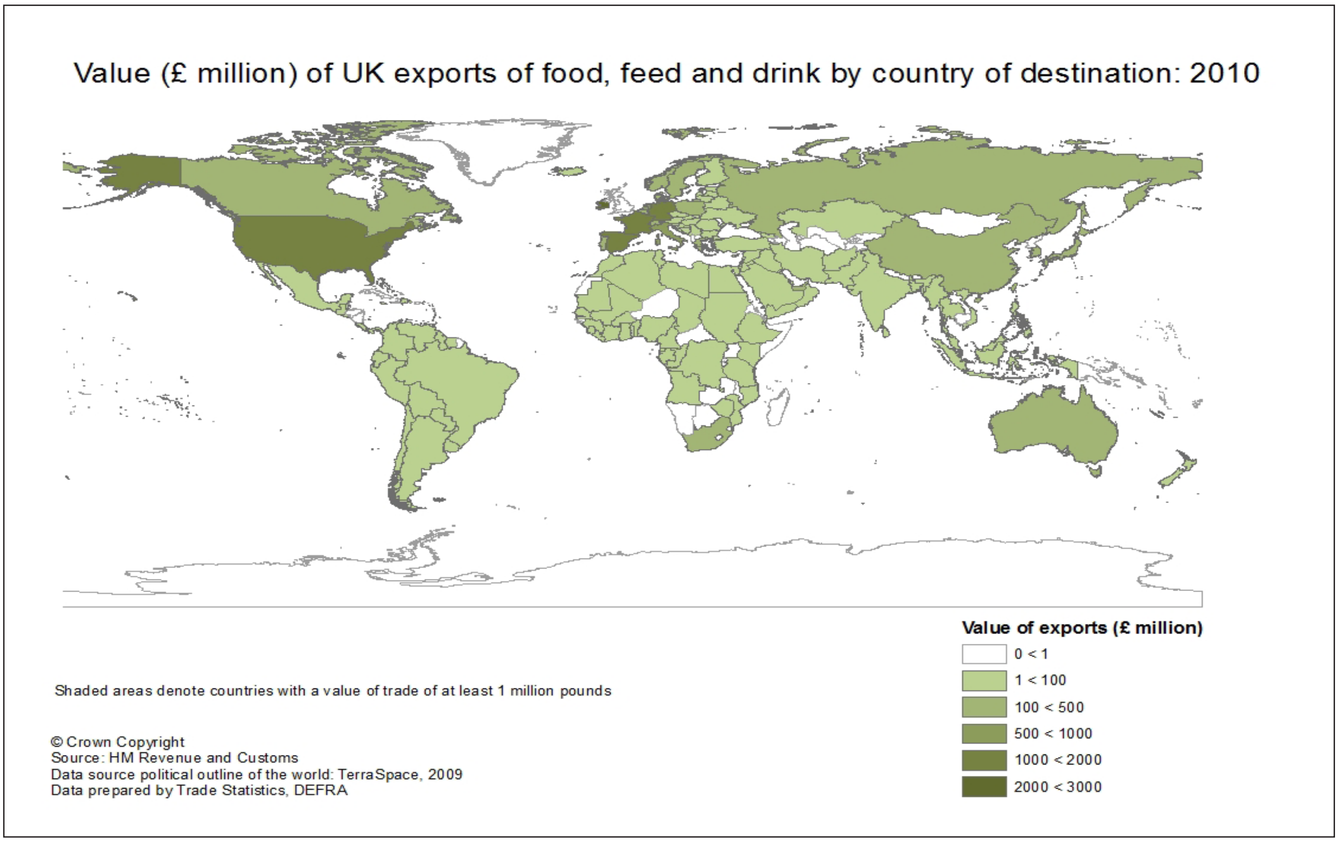


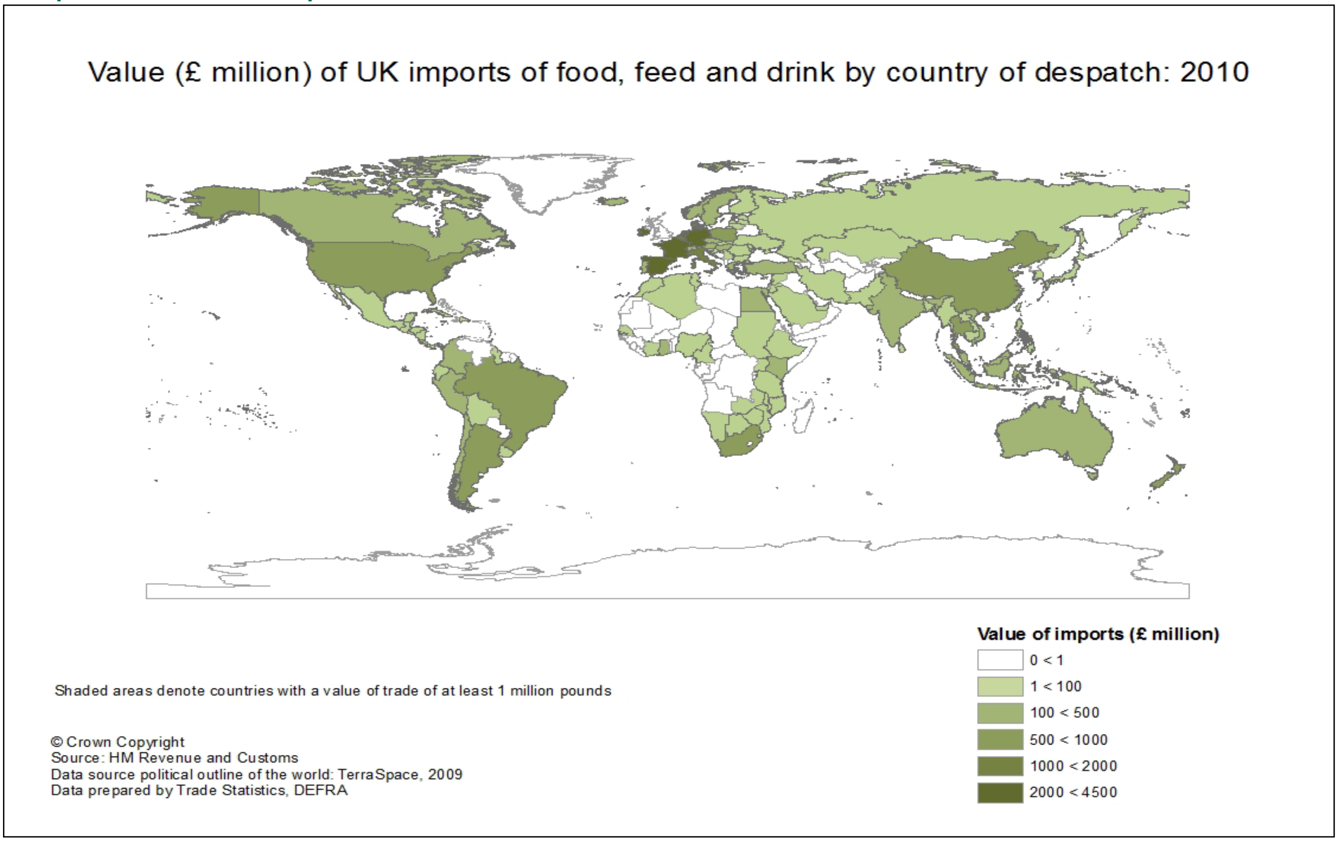
Chart 8.3 Imports in food, feed and drink by country of despatch 2010; United Kingdom



Map 8.1 Global exports 2010



Map 8.2 Global imports 2010



Exports and imports (charts 8.4, 8.5)

Between 2002 and 2011, at 2011 prices:

- The value of exports of highly processed foods and drink, such as confectionery, canned meats, jams, alcoholic drinks and ice cream, increased by 43 per cent.
- The value of exports of lightly processed foods and drinks, i.e. goods that retain their raw recognisable form, such as meat, cheese and butter, powdered milk, flour and sugar, rose by 58 per cent.
- The value of exports of unprocessed commodities, such as fresh fruit and vegetables, honey, eggs, milk and cream and unmilled cereals, increased by 116 per cent.

Between 2002 and 2011, at 2011 prices:

- The value of imports of highly processed foods and drink increased by 50 per cent.
- The value of imports of lightly processed foods and drinks increased by 46 per cent.
- The value of imports of unprocessed commodities increased by 31 per cent.

Chart 8.4 Exports of food, feed and drink by degree of processing at 2011 prices; United Kingdom

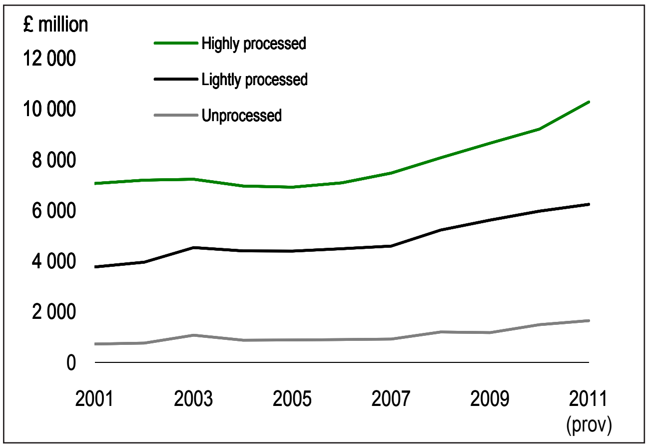
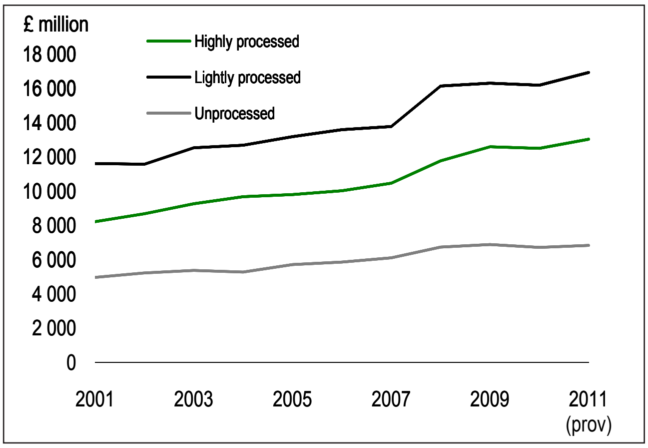


Chart 8.5 Imports of food, feed and drink by degree of processing at 2011 prices; United Kingdom



Trade in key commodities (tables 8.2, 8.3)

Between 2002 and 2011, at 2011 prices:

- The value of exports of whisky increased by 40 per cent to £4.3 billion and constitute the highest value single commodity while the value of wine imports increased by 12 per cent to £3.0 billion.
- The value of exports of beef and veal showed a significant increase, reflecting the resumption of exports following the lifting of the ban on exports in 2006 that had been in place between March 1996 and November 2005.
- The value of imports of poultrymeat products (such as cooked chicken) increased by 137 per cent while the value of exports increased by 79 per cent.
- The value of breakfast cereal imports increased by 80 per cent while the value of exports rose by 8.9 per cent.
- The value of cheese exports increased by 97 per cent while imports increased by 47 per cent, but the value of imports is still just over 3 times the value of exports.
- The value of bacon and ham imports fell by 11 per cent and there was also a fall for butter, down by 6.1 per cent.

Table 8.2 Trade in key commodities in real terms at 2011 prices; United Kingdom

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£ million Calendar years

		2006	2007	2008	2009	2010	2011 (provisional)
Whisky	Imports	135.5	112.0	117.6	132.4	132.3	129.6
	Exports	2 999.8	3 275.0	3 425.2	3532.6	3703.5	4314.0
Wine	Imports	2 773.0	2 923.0	3 122.3	3031.3	3097.9	3036.5
	Exports	203.4	237.6	259.0	357.1	450.3	542.0
Cheese	Imports	1 051.9	1 059.1	1 308.7	1306.0	1286.8	1267.9
	Exports	273.8	274.7	308.0	311.6	358.3	403.7
Poultrymeat	Imports	837.4	883.3	861.2	941.0	1001.7	1078.6
	Exports	190.6	228.1	238.1	254.3	274.4	306.0
Poultrymeat products	Imports	515.6	542.7	660.4	691.0	722.4	800.8
	Exports	103.5	142.0	148.9	133.8	133.0	143.6
Beef and veal	Imports	741.6	698.1	810.8	790.9	810.0	858.2
	Exports	109.4	143.0	233.5	283.6	349.0	437.8
Wheat, unmilled	Imports	157.9	237.0	350.2	282.3	211.2	226.5
	Exports	226.6	263.2	442.1	335.5	478.0	412.2
Lamb and mutton	Imports	334.8	318.0	343.0	419.7	402.3	410.8
	Exports	276.3	208.0	287.1	348.0	336.7	381.6
Pork	Imports	810.2	763.2	736.8	700.2	690.3	723.8
	Exports	118.3	100.4	144.8	127.3	156.7	171.3
Breakfast cereals	Imports	122.9	131.1	159.5	199.5	180.8	184.5
	Exports	374.6	357.0	386.4	455.1	385.7	380.4
Milk and cream	Imports	54.6	59.9	86.4	83.5	107.7	119.4
	Exports	211.7	208.3	218.6	215.1	259.3	296.7
Bacon and ham	Imports	653.3	641.4	752.6	843.0	755.7	678.8
	Exports	30.6	34.4	78.6	56.5	46.8	59.4
Butter	Imports	397.4	260.2	255.8	263.6	300.5	318.9
	Exports	71.1	75.3	60.0	63.1	84.6	128.2
Eggs and egg products	Imports	108.4	121.2	145.0	169.1	146.5	130.3
	Exports	29.0	28.7	41.9	50.2	49.0	48.4
Fresh vegetables	Imports	1 825.9	1 873.3	1 904.3	1888.8	1990.4	1867.4
	Exports	57.6	55.8	59.3	71.9	78.3	72.4
Fresh fruit	Imports	2 473.2	2 448.0	2 619.2	2683.8	2642.5	2650.8
	Exports	128.2	91.2	93.6	104.8	106.5	99.9

Whisky	includes bourbon, scotch (malted and blended) and other whiskies.
Wine	includes grape must, vermouth and wine of fresh grapes (sparkling and still).
Cheese	includes grated or powdered, processed, blue-veined and fresh (e.g. curd).
Poultrymeat (inc. poultry offal)	includes carcase meat, cuts and offal (inc. liver).
Beef and veal	includes carcase meat and cuts, both bone-in and boneless.
Wheat, unmilled	includes durum, other wheat (inc. spelt) and meslin.
Lamb and mutton	includes carcase meat and cuts, both bone-in and boneless.
Pork	includes carcase meat and cuts, both bone-in and boneless.
Breakfast cereals	includes cereal grains worked or prepared for breakfast cereals.
Milk and cream	includes milk (inc. skimmed milk) and cream, not concentrated or sweetened.
Fresh vegetables	excludes potatoes.

Note: Definitions of ‘fresh vegetables’ and ‘fresh fruit’ used have been revised in 2009 to be consistent with those used for AUK Chapter 5.

Table 8.3 Trade in key commodities by volume; United Kingdom

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Thousand tonnes (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010	2011 (provisional)
Whisky (million litres)	Imports	16.9	14.4	15.6	15.9	16.5	15.8
	Exports	302.0	326.3	308.1	311.5	305.3	361.5
Wine (million litres)	Imports	1 260.1	1 308.9	1 288.9	1 295.2	1 365.1	1 370.8
	Exports	32.3	47.7	43.7	57.6	89.9	87.0
Cheese	Imports	378.1	402.9	421.8	418.6	435.8	414.1
	Exports	104.2	97.2	88.4	104.7	112.7	124.0
Poultrymeat	Imports	381.7	383.4	335.5	339.9	380.8	412.1
	Exports	258.7	291.8	278.3	258.0	270.5	295.0
Poultrymeat products	Imports	206.0	230.4	248.6	241.4	254.6	279.4
	Exports	31.3	46.4	45.5	38.3	38.4	45.5
Beef and veal	Imports	235.7	240.1	247.5	230.8	238.0	235.5
	Exports	41.2	59.4	81.3	83.4	110.1	142.6
Wheat, unmilled	Imports	1 028.1	1 238.4	1 248.3	1 390.2	1 110.9	901.8
	Exports	2 116.5	1 911.1	2 765.7	2 533.1	3 334.8	2 287.2
Lamb and mutton	Imports	113.8	114.1	111.9	116.0	100.7	88.1
	Exports	87.1	68.8	86.8	96.1	89.1	98.9
Pork	Imports	458.8	462.9	393.5	360.2	363.2	372.8
	Exports	94.7	98.6	117.9	104.4	131.3	144.4
Breakfast cereals	Imports	92.7	91.8	103.0	110.5	105.1	107.3
	Exports	174.8	165.3	160.3	171.4	157.6	157.3
Milk and cream	Imports	123.8	133.5	192.7	157.6	193.1	214.7
	Exports	621.3	513.2	532.5	538.7	561.2	648.2
Bacon and ham	Imports	264.0	277.5	292.7	322.9	312.6	280.9
	Exports	10.2	11.9	31.4	21.2	24.5	34.1
Butter	Imports	147.1	103.2	81.4	96.2	101.5	99.5
	Exports	35.7	31.7	23.8	26.5	26.8	35.7
Eggs and egg products	Imports	78.4	93.1	95.3	90.3	75.5	68.4
	Exports	13.1	11.9	14.0	23.0	23.8	16.7
Fresh vegetables	Imports	1 893.1	1 947.3	1 956.7	1 823.0	1 871.2	1 971.6
	Exports	82.7	87.9	79.9	77.6	95.1	88.7
Fresh fruit	Imports	3 470.1	3 510.2	3 326.2	3 175.0	3 228.8	3 346.6
	Exports	176.8	147.1	128.1	152.8	142.0	148.5

Whisky	includes bourbon, scotch (malted and blended) and other whiskies.
Wine	includes grape must, vermouth and wine of fresh grapes (sparkling and still).
Cheese	includes grated or powdered, processed, blue-veined and fresh (e.g. curd).
Poultrymeat (inc. poultry offal)	includes fresh, chilled or frozen carcase meat, cuts and offal (inc. liver).
Poultrymeat products	includes prepared, preserved, salted or cooked poultrymeat and offal (inc. liver).
Beef and veal	includes carcase meat and cuts, both bone-in and boneless.
Wheat, unmilled	includes durum, other wheat (inc. spelt) and meslin.
Lamb and mutton	includes carcase meat and cuts, both bone-in and boneless.
Pork	includes carcase meat and cuts, both bone-in and boneless.
Breakfast cereals	includes cereal grains worked or prepared for breakfast cereals.
Milk and cream	includes milk (inc. skimmed milk) and cream, not concentrated or sweetened.
Fresh vegetables	excludes potatoes, dried legumes and processed vegetables.
Fresh fruit	excludes jams, juices, dried and processed fruit.

Note: Definitions of 'fresh vegetables' and 'fresh fruit' used have been revised in 2009 to be consistent with those used for AUK Chapter 5.

Trade with EU 26 countries (charts 8.6 to 8.11)

8. This section describes the volume of trade in 3 key commodities between the United Kingdom and the other 26 Member States of the European Union (the EU 26 countries). These commodities have been chosen because the vast majority of United Kingdom trade in them is with countries within the EU.

Bacon and ham

9. Imports of bacon and ham from the EU 26 countries have been far in excess of exports for many years. Imports have remained relatively stable over the last 10 years but there was a more notable increase in 2009 and then a small decrease in 2010. Total imports stood at 313 thousand tonnes in 2010 when the Netherlands and Denmark provided 81 per cent of all imported bacon and ham. In 2010 exports increased by 14 per cent to 24 thousand tonnes. This increase was mainly driven by increases in exports to Irish Republic, Denmark and Italy which are the key existing export destinations alongside the Netherlands.

Chart 8.6 Trade with EU 26 countries; bacon and ham

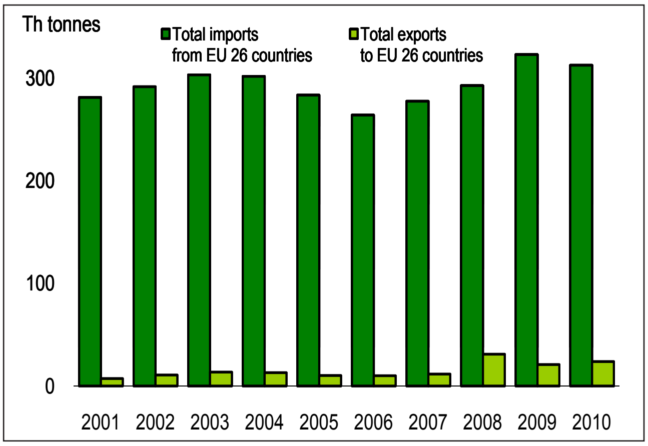
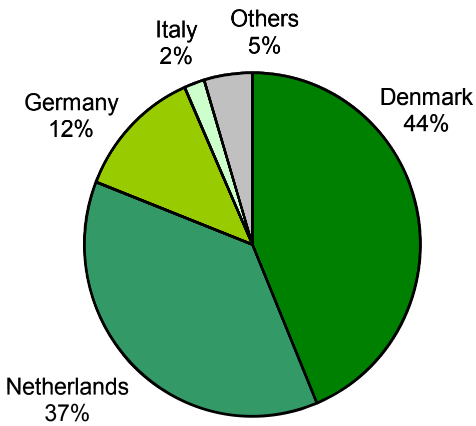


Chart 8.7 Trade with EU 26 countries; imports of bacon and ham 2010



Pork

10. Since the ban on exports during the outbreak of foot and mouth disease in 2001, exports have been much lower than their pre-2001 levels. However they have shown a small year on year increase since 2004, excepting for 2009, and in 2010 stood at 107 thousand tonnes; this is still 36 per cent down on the 2000 level. Imports have shown continual gradual increases, peaking in 2007 at 458 thousand tonnes and in 2010 stood at 359 thousand tonnes. Denmark accounted for 28 per cent of the imports of pork in 2010, the Netherlands 18 per cent with a further 27 per cent contributed by Germany, Belgium and Luxembourg.

Chart 8.8 Trade with EU 26 countries; pork

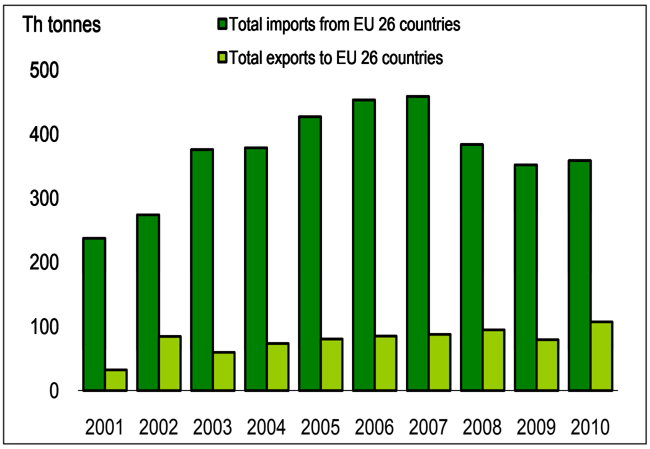
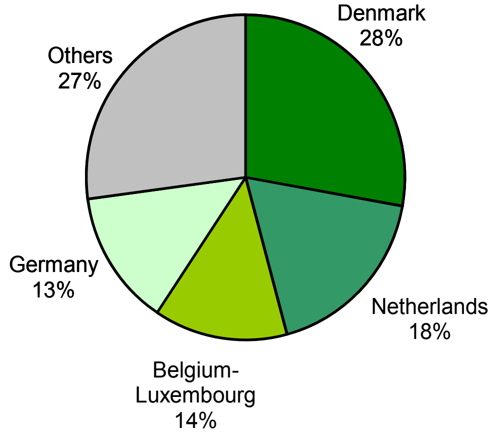


Chart 8.9 Trade with EU 26 countries; imports of pork 2010



Milk and cream

11. Imports of milk and cream saw year on year increases from 2003 to 2008 after earlier declines. A decrease in 2009 was followed by a return to 2008 levels and in 2010 imports stood at 193 thousand tonnes. Imports should be viewed in the context of overall supply - imports only account for approximately 1 per cent of UK supply of liquid drinking milk. Exports rose sharply in the middle of the decade and even though they have dropped since 2006 when they reached 620 thousand tonnes, the 2010 figure of 560 tonnes outweighs imports by over three to one. In 2010, 75 per cent of milk and cream exports went to the Irish Republic with a further 18 per cent exported to Belgium, Luxembourg and France.

Chart 8.10 Trade with EU 26 countries; milk and cream

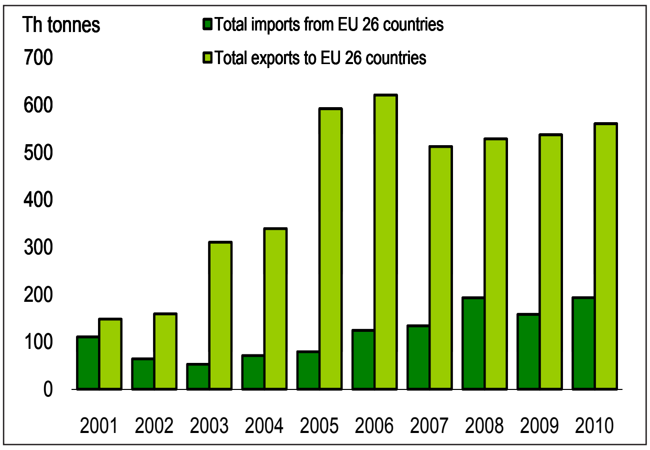
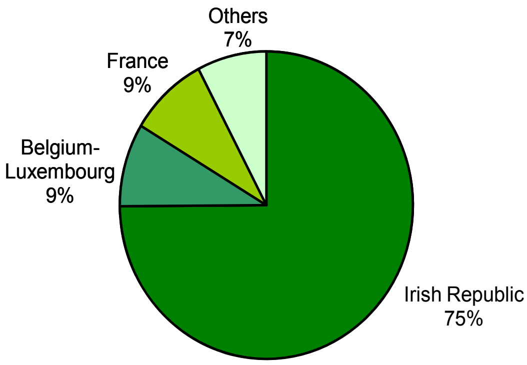


Chart 8.11 Trade with EU 26 countries; exports of milk and cream 2010



Trade with key trading partners (charts 8.12 to 8.25)

12. This section describes the volume of trade in several key commodities between the United Kingdom and all countries, both inside and outside the EU.

Lamb and mutton

13. The ban on exports during the outbreak of foot and mouth disease explains the dip in exports in 2001, followed by a recovery to 87.1 thousand tonnes in 2006. In 2007 exports were lower at 68.8 thousand tonnes but in 2010 reached 89 thousand tonnes. The majority, 65 per cent, of all lamb and mutton exported in 2010 went to France, with a further 21 per cent going to Belgium, Luxembourg, Germany and Italy. Imports decreased to 101 thousand tonnes in 2010, the lowest level since 2002.

Chart 8.12 World trade; lamb and mutton

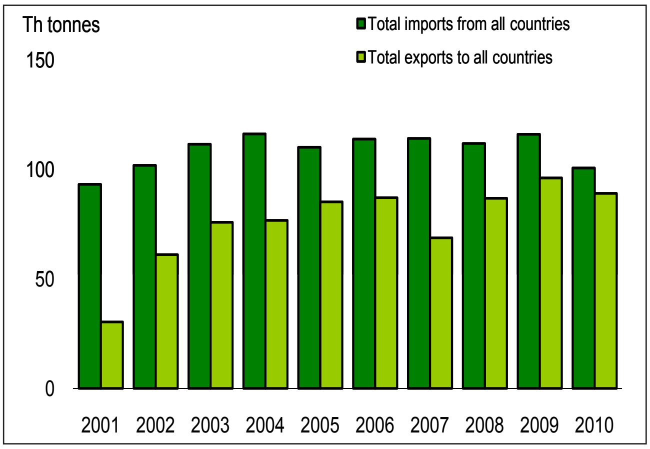
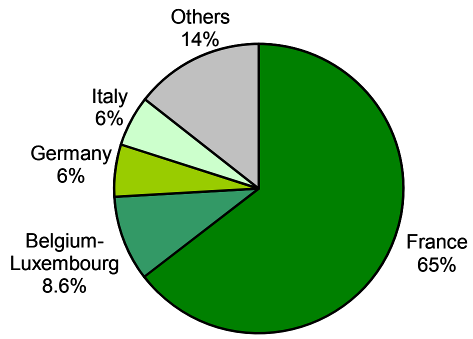


Chart 8.13 Trade all countries; exports of lamb and mutton 2010



Beef and veal

14. Following the Government's announcement of a link between BSE[a] and new variant CJD[b], exports of beef originating in the United Kingdom were banned between March 1996 and November 2005. The small amounts of exports seen here over that period are of beef and veal of non-UK origin which have been imported into the United Kingdom and then exported. Following the end of the ban, exports continue to show signs of recovery. Although the 2010 level of 110 thousand tonnes is a 32 per cent increase on 2009 it still stands a long way below the 1995 level of 274 thousand tonnes. Imports rose during the export ban and are currently still around twice the level of imports before the ban and were 238 thousand tonnes in 2010. The Irish Republic accounted for 71 per cent of the imports in 2010 with the Netherlands, Uruguay and Germany accounting for a further 13 per cent.

[a] Bovine Spongiform Encephalopathy
[b] Varient Creutzfeld-Jacob disease

Chart 8.14 World trade; beef and veal

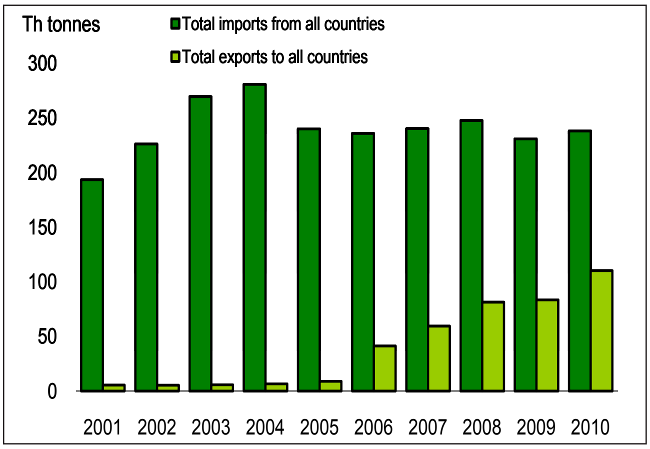
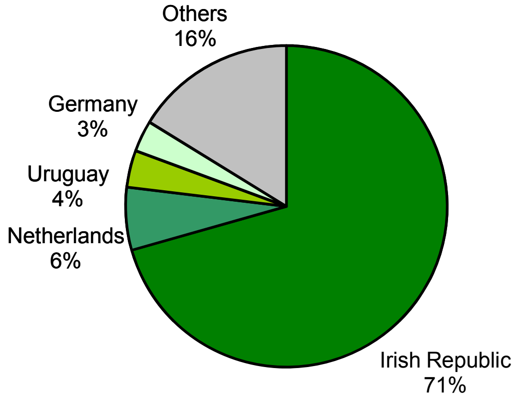


Chart 8.15 Trade all countries; imports of beef and veal 2010



Poultrymeat

15. The United Kingdom has run a long term trade deficit in poultrymeat. Imports have increased steadily from 1993 reaching a peak in 2005 of 406 thousand tonnes. In 2010 imports increased by 12 per cent on 2009 and stood at 381 thousand tonnes. The Netherlands accounted for 38 per cent of imports in 2010 with the Irish Republic, Poland and Germany accounting for a further 34 per cent.

Chart 8.16 World trade; poultrymeat

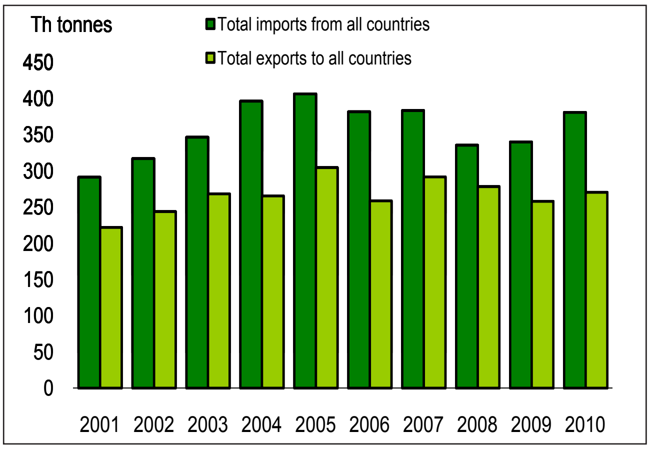
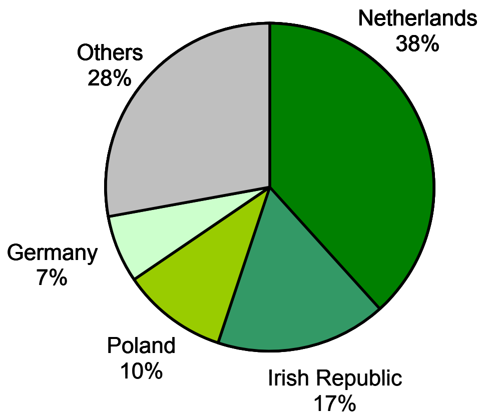


Chart 8.17 Trade all countries; imports of poultrymeat 2010



Poultrymeat Products

16. Poultrymeat products include prepared, preserved, salted or cooked poultrymeat. At 255 thousand tonnes, imports of poultrymeat products were around 7 times the level of exports in 2010. This reflects an increasing year on year trade deficit. Thailand accounted for 53 per cent of imports with the Irish Republic, Brazil and the Netherlands accounting for a further 25 per cent in similar proportions.

Chart 8.18 World trade; poultrymeat products

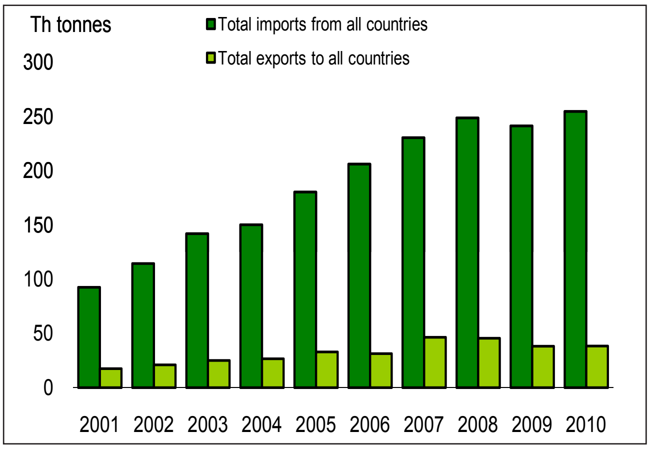
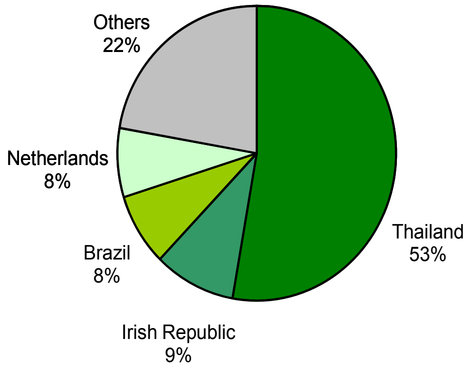


Chart 8.19 Trade all countries; imports of poultrymeat products 2010



Unmilled wheat

17. Exports of unmilled wheat have comfortably exceeded imports every year from 1993 apart from 2001 and 2002. In these two years exports fell to almost the same level as imports due to a poor 2001 harvest, caused by severe flooding in the previous winter. In 2010 exports stood at 3.3 million tonnes, a 32 per cent increase on 2009, as a result of higher production and availability. Of this 35 per cent went to Spain and a further 33 per cent went to the Netherlands, Portugal and the Irish Republic.

Chart 8.20 World Trade; unmilled wheat

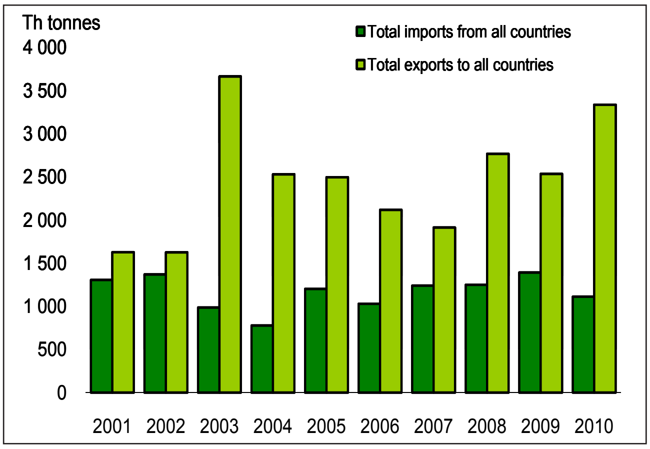
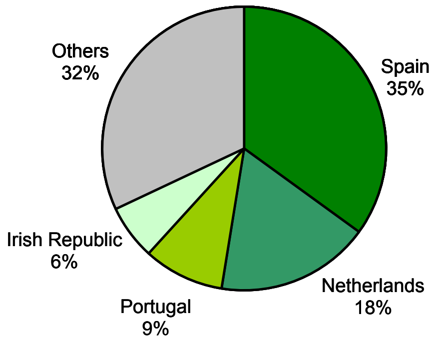


Chart 8.21 Trade all countries; exports of unmilled wheat 2010



Fresh vegetables

18. The United Kingdom runs a large and steadily increasing trade deficit in fresh vegetables. Imports have risen virtually every year up to 2008 but have been lower than the 2008 high in the last two years and were at 1.9 million tonnes in 2010, almost double the 1994 total. Exports stood at 95 thousand tonnes in 2010, an increase on 2009 levels but still well below the peak seen in 2002 of 113 thousand tonnes. In 2010, 37 per cent of all fresh vegetables imports came from Spain and 32 per cent from the Netherlands with France having the next largest share at 5 per cent.

Chart 8.22 World trade; fresh vegetables

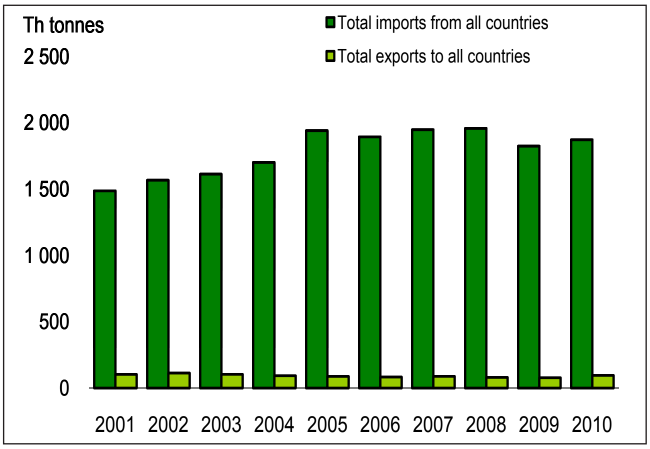
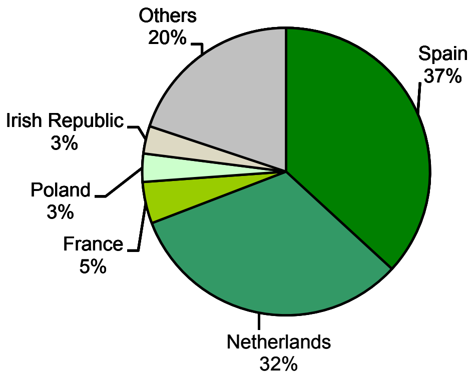


Chart 8.23 Trade all countries; imports of fresh vegetables 2010



Fresh fruit

19. Imports of fresh fruit have historically been far in excess of exports and stood at 3.2 billion tonnes in 2010. Exports have seen higher levels in recent years but still represent just 4 per cent of imports. Spain was the largest single source of imports with 13 per cent in 2010. The top three sources of imports (Spain, Costa Rica and South Africa) provided a total 35 per cent of imports, which demonstrates the diversity of supply of fresh fruit.

Chart 8.24 World trade; fresh fruit

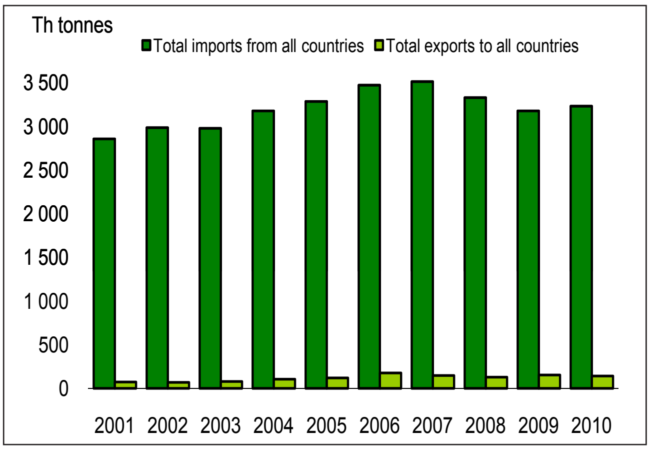
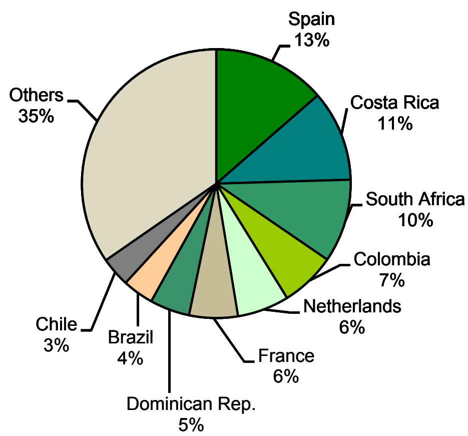


Chart 8.25 Trade all countries; imports of fresh fruit 2010



Chapter 9 Accounts

Summary

In 2011:

- Total Income from Farming is estimated to have risen by 31 per cent at current prices to £5,693 million compared to 2010, the best performance for the agricultural industry since the mid-1990s.

- Gross output at basic prices is estimated to be £23,652 million while the value of intermediate consumption is estimated at £14,806 million.

- Gross value added at basic prices is estimated to be £8,845 million, the highest value at current prices since 1996.

Introduction

1. This chapter shows a sequence of inter-related accounts for agriculture including current accounts, accumulation accounts and balance sheets. These accounts conform to internationally agreed accounting principles required by both the United Kingdom's National Accounts and by Eurostat, the statistical office of the European Union.

2. The production and income account provides details of the industry's outputs, inputs and generation of income; the balance sheets show the total assets and liabilities for agriculture at the end of each calendar year, together with their net worth; and the accumulation accounts analyse the various components of change in the assets and liabilities of agriculture and record changes in net worth. The net worth shown in the balance sheets incorporates changes due to all of the accumulation accounts.

Production and income account at current prices (table 9.1)

3. The production and income account produces a key measure of the performance of the agricultural industry, Total Income from Farming. This is income generated by production within the agriculture industry, including subsidies, and represents business profits and remuneration for work done by owners and other unpaid workers.

4. Total Income from Farming is sensitive to small percentage changes in the values of outputs and inputs. This sensitivity, the provisional nature of the figures for the latest year, and revisions made to previously published figures for earlier years as methodology or data sources improve, all need to be borne in mind when using the figures.

5. In 2011, Total Income from Farming is estimated to have risen by 31 per cent in current prices to £5,693 million compared to 2010.

6. The value of gross output at basic prices rose by £3,069 million (15 per cent) in 2011 to £23,652 million. The value of total crop output rose by £1,541 million (21 per cent) to £8,955 million, largely due to increases in the value of output of wheat, barley and oilseed rape, and the value of total livestock output rose by £1,355 million (12 per cent) to £12,573 million, due mainly to increases in the value of output for cattle and sheep produced for meat, and milk.

7. The value of output of wheat increased by £593 million (37 per cent) to £2,202 million and the value of output of barley increased by £323 million (60 per cent) to £860 million owing to higher quality crops, increased demand and significantly higher prices compared to 2010. The value of oilseed rape rose by £437 million (65 per cent) to £1,111 million owing to an increase in the area planted, high yields and strong prices. The values of output of wheat and barley have doubled since 2006, while the value of oilseed rape has increased by 250 per cent from £310 million to £1,111 million in the same period.

8. The value of output of cattle produced for meat rose by £432 million (20 per cent) to £2,585 million owing to increased production and strong prices due to high demand, especially for manufacturing beef. The value of output of sheep rose by £170 million (17 per cent) to £1,148 million owing to increased production and record prices due to tight supplies in the United Kingdom and globally. The value of milk production rose by £413 million (12 per cent) to £3,742 million owing to an increase in production helped by favourable weather conditions and higher milk prices paid to farmers. The value of output of livestock has risen by 60 per cent since 2006, while the value of milk output has risen by 50 per cent.

9. The value of intermediate consumption, the goods and services consumed or used as inputs in the productive process, is provisionally estimated to have increased by £1,321 million (10 per cent) to £14,806 million. The value of all inputs consumed is expected to have increased, particularly those for animal feed, energy and fertilisers.

10. The value of consumption of animal feed rose by £468 million (12 per cent) to £4,428 million reflecting increases in prices for cereals and oilseed rape in particular, although there is a lag between price increases in the raw ingredients and compound feed. The value for energy, principally motor and machinery fuels, is provisionally estimated to have increased by £177 million (15 per cent) to £1,378 million and the value of fertilisers consumed is provisionally estimated to have increased by £280 million (21 per cent) to £1,621 million, reflecting higher prices for these commodities. The cost of animal feed, energy and fertilisers have increased significantly in recent years. The value of fertiliser consumed has doubled since 2006 while animal feed increased by 72 per cent and energy by 66 per cent in the same period.

11. The increase in the value of output more than offset the increase in the value of intermediate consumption leading to an increase in Gross Value Added at basic prices of £1,748 million (25 per cent) to £8,845 million.

12. The value of other costs, principally consumption of fixed capital and compensation of employees, less receipts, i.e. other subsidies on production, that contribute to Total Income from Farming rose by £396 million (14 per cent) to £3,152 million. The value of consumption of fixed capital, which is fixed capital, such as equipment, buildings and the breeding herd used up in the process of generating new output, is estimated to have increased by £295 million (8.9 per cent) to £3,593 million and of compensation of employees, which is total remuneration in cash or in kind payable to employees in return for work done, is estimated to have increased by £83 million (3.8 per cent) to £2,292 million. The value of other subsidies on production, which are payments received as a consequence of engaging in agricultural production but which are not linked to production, principally the Single Payment Scheme and agri-environment schemes, was unchanged at £3,411 million.

Definition of terms used in tables 9.1 and 9.2

The following list is provided to aid the used with the terms used in tables 9.1 and 9.2

Terms	Table 9.1 reference number	Definition
Agricultural industry		All activities taking place within businesses that carry out any agricultural activities. These businesses include all farms and specialist agricultural contractors.
Capital formation in livestock	8	Production of animals that will be used as the means of production, e.g. breeding animals.
Other agricultural activities	10	Agricultural activities that do not result in sales of final product, e.g. quota leasing, contract work.
Inseparable non-agricultural activities	11	Non-agricultural activities which are included within the business level accounts and are inseparable, e.g. some cases of bed and breakfast and recreation facilities.
Output at market prices	12	Output excluding subsidies. The output of the agricultural industry includes some non-agricultural activities and transactions within the industry.
Basic prices		Market price plus directly paid subsidies that are linked to production of specific product.
Subsidies (less taxes) on product	13	Subsidies and taxes linked to the production of an agricultural product. All subsidies are recorded on an ‘as due’ basis.
FISIM	23	Financial Intermediation Services Indirectly Measured (FISIM) is an estimate of the value of services provided by financial intermediaries, such as banks, for which no explicit charges are made, and which are paid for as part of the margin between rate applied to savers and borrowers.
Intermediate consumption	25	Consumption of goods and services, e.g. feed, seeds, fertiliser, pesticides.
Gross value added	26	Gross output less intermediate consumption.
Consumption of fixed capital	28	The reduction in value (at current prices) of capital assets used in the production process, e.g. buildings, plant, machinery, vehicles and livestock.
Net value added	30	Gross value added at basic prices less consumption of fixed capital.
Other subsidies on production	32	Subsidies and taxes not linked to production of a specific product, e.g. Single Payment Scheme, agri-environment payments, animal disease compensation.
Net value added at factor cost	33	Net value added at basic prices plus other subsidies (less taxes) on production.
Compensation of employees	34	The full costs of employees to the business including national insurance contributions.
Total Income from Farming	37	Income to those with an entrepreneurial interest in the agricultural industry, e.g. farmers, partners, spouses and most other family workers.

Table 9.1 Production and income account at current prices; United Kingdom

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£ million Calendar years

	2007	2008	2009	2010	2011 (provisional)
Output at market prices (a)					
1 Output of cereals	1 939	3 202	2 348	2 211	3 160
wheat	1 315	2 278	1 562	1 609	2 202
rye	2	2	2	2	3
barley	555	831	710	537	860
oats and summer cereal mixtures	65	90	72	62	94
other cereals	1	1	2	2	2
2 Output of industrial crops	819	1 177	1 106	1 321	1 858
oil seeds	476	641	493	697	1 138
oilseed rape	472	631	476	674	1 111
other oil seeds	4	10	17	23	27
sugar beet	162	208	246	197	251
other industrial crops	181	328	367	427	468
fibre plants	-	1	-	1	1
hops	4	4	4	4	4
other industrial crops (b)	176	323	363	422	463
3 Output of forage plants	238	292	317	330	277
4 Output of vegetables and horticultural products	1 833	1 925	1 962	2 257	2 268
fresh vegetables	1 065	1 105	1 083	1 260	1 217
plants and flowers	768	819	879	997	1 051
5 Output of potatoes (including seeds)	708	794	681	638	700
6 Output of fruit	467	546	584	604	632
7 Output of other crop products including seeds	43	45	58	52	60
Total crop output (sum 1 to 7)	6 047	7 981	7 056	7 414	8 955
8 Output of livestock	5 232	6 579	7 148	7 242	8 185
primarily for meat	4 432	5 504	5 846	6 108	6 905
cattle	1 623	2 071	2 131	2 154	2 585
pigs	736	865	968	978	1 069
sheep	641	798	967	979	1 148
poultry	1 249	1 579	1 590	1 799	1 895
other animals	183	190	189	198	208
gross fixed capital formation	799	1 076	1 302	1 134	1 280
cattle	493	782	871	649	698
pigs	5	6	8	8	8
sheep	153	125	238	296	369
poultry	149	162	185	181	204
9 Output of livestock products	3 286	4 019	3 711	3 977	4 388
milk	2 823	3 447	3 123	3 329	3 742
eggs	410	520	531	561	559
raw wool	12	10	14	37	39
other animal products	41	41	43	49	48
Total livestock output (8 + 9)	8 518	10 598	10 859	11 219	12 573

continued

Table 9.1 continued

	2007	2008	2009	2010	2011 (provisional)
10 Other agricultural activities	680	792	869	930	1 043
agricultural services	680	792	869	930	1 043
leasing out quota	-	-	-	-	-
11 Inseparable non-agricultural activities	763	814	913	994	1 056
12 Output (at market prices) (sum 1 to 11)	16 007	20 185	19 697	20 557	23 627
of which:					-
transactions within the agricultural industry					-
feed wheat	90	169	122	19	73
feed barley	178	222	191	207	279
feed oats	19	23	20	18	37
fodder maize	146	153	179	197	164
seed potatoes	14	14	16	16	18
straw	137	267	302	354	372
contract work	680	792	869	930	1 043
leasing of quota	-	-	-	-	-
total capital formation in livestock	799	1 076	1 302	1 134	1 280
13 Total subsidies (less taxes) on product (c)	59	55	34	26	25
14 Gross output at basic prices (12 + 13)	16 067	20 240	19 731	20 582	23 652
Intermediate consumption					
15 Seeds	614	705	690	636	705
16 Energy	897	1 166	1 095	1 201	1 378
electricity and fuels for heating	274	341	342	357	373
motor and machinery fuels	623	826	754	844	1 004
17 Fertilisers	813	1 478	1 229	1 341	1 621
18 Plant protection products	571	690	715	761	772
19 Veterinary expenses	302	338	360	401	414
20 Animal feed (d)	3 013	3 947	3 659	3 960	4 428
compounds	1 702	2 186	2 088	2 248	2 610
straights	877	1 193	1 060	1 271	1 266
feed produced and used on farm or purchased from other farms	434	568	512	441	553
21 Total maintenance (e)	1 085	1 218	1 282	1 341	1 402
materials	695	745	798	826	862
buildings	389	473	484	515	540
22 Agricultural services	680	792	869	930	1 043
23 FISM	113	141	119	130	133
24 Other goods and services (e)(f)	2 380	2 583	2 665	2 783	2 910
25 Total intermediate consumption (sum 15 to 24)	10 468	13 058	12 685	13 485	14 806
26 Gross value added at market prices (12 - 25)	5 539	7 127	7 012	7 072	8 821
27 Gross value added at basic prices (14 - 25)	5 598	7 182	7 046	7 098	8 845
28 Total consumption of Fixed Capital	2 717	3 069	3 274	3 298	3 593
equipment	1 213	1 268	1 391	1 450	1 525
buildings (e)(g)	696	709	709	704	727
livestock	809	1 091	1 173	1 145	1 341
cattle	503	743	731	679	793
pigs	6	7	8	8	8
sheep	157	188	269	291	344
poultry	142	153	164	167	196

continued

Table 9.1 continued

	2007	2008	2009	2010	2011
29 Net value added at market prices (26 - 28)	2 822	4 059	3 739	3 774	5 228
30 Net value added at basic prices (27 - 28)	2 881	4 113	3 773	3 799	5 252
31 Other taxes on production	- 101	- 103	- 106	- 115	- 119
32 Other subsidies on production (c)	2 954	3 231	3 588	3 411	3 411
33 Net value added at factor cost (30 + 31 + 32)	5 734	7 241	7 254	7 096	8 544
34 Compensation of employees (h)	2 005	2 068	2 165	2 208	2 292
35 Rent	305	350	366	366	373
rent paid (i)	402	445	456	467	477
rent received (j)	- 97	- 95	- 89	- 102	- 104
36 Interest (k)	471	365	169	180	185
37 Total Income from Farming (33 - 34 - 35 - 36)	2 953	4 458	4 554	4 342	5 693

(a) Output is net of VAT collected on the sale of non-edible products. Figures for output at market prices exclude subsidies on products.

(b) Includes straw and minor crops.

(c) “Subsidies (less taxes) on product”: payments linked to the production of agricultural products. “Other subsidies on production”: payments not linked to production from which agricultural producers can benefit as a consequence of engaging in agricultural activities e.g. Single Payment Scheme, agri-environment schemes.

(d) For years prior to 1992 the split between compounds and straights was derived from the split present in later years.

(e) Landlords' expenses are included within total maintenance, other goods and services and total consumption of fixed capital of buildings.

(f) Includes livestock and crop costs, water costs, insurance premiums, bank charges, professional fees, rates, and other farming costs.

(g) A more empirically based methodology for calculating landlords' consumption of fixed capital was introduced in 2000. The new series has been linked with the old one using a smoothing procedure for the transition year of 1996.

(h) Excludes the value of work done by farm labour on own account capital formation in buildings and works.

(i) Rent paid on all tenanted land (including 'conacre' land in Northern Ireland) less landlords' expenses, landlords' consumption of fixed capital and the benefit value of dwellings on that land.

(j) Rent received by farming landowners from renting of land to other farmers less landlords' expenses. This series starts in 1996 following a revision to the methodology of calculating net rent.

(k) Interest charges on loans for current farming purposes and buildings and works less interest on money held on short term deposit.

Table 9.2 Changes in outputs and inputs; United Kingdom

Enquiries: Nick Olney on +44 (0)1904 455355 email: keith.seabridge@defra.gsi.gov.uk

£ million

	Current price value		Changes %		
	2010	2011	value	volume	price
Output at market prices (a)					
1 Output of cereals	2 211	3 160	43	2	40
wheat	1 609	2 202	37	1	36
rye	2	3	47	-	47
barley	537	860	60	8	49
oats and summer cereal mixtures	62	94	52	- 11	70
other cereals	2	2	- 13	- 2	- 12
2 Output of industrial crops	1 321	1 858	41	17	20
oil seeds	697	1 138	63	23	33
oilseed rape	674	1 111	65	24	33
other oil seeds	23	27	19	- 1	21
sugar beet	197	251	28	30	- 2
other industrial crops	427	468	10	-	9
fibre plants	1	1	108	99	4
hops	4	4	-	-	-
other industrial crops (b)	422	463	10	-	9
3 Output of forage plants	330	277	- 16	- 19	4
4 Output of vegetables and horticultural products	2 257	2 268	-	- 1	2
fresh vegetables	1 260	1 217	- 3	- 2	- 1
plants and flowers	997	1 051	5	-	6
5 Output of potatoes (including seeds)	638	700	10	4	6
6 Output of fruit	604	632	5	- 1	5
7 Output of other crop products including seeds	52	60	14	1	13
Total crop output (sum 1 to 7)	7 414	8 955	21	3	17
8 Output of livestock	7 242	8 185	13	4	9
primarily for meat	6 108	6 905	13	3	10
cattle	2 154	2 585	20	3	16
pigs	978	1 069	9	7	2
sheep	979	1 148	17	6	11
poultry	1 799	1 895	5	- 1	7
other animals	198	208	5	-	5
gross fixed capital formation	1 134	1 280	13	7	5
cattle	649	698	8	8	-
pigs	8	8	- 4	9	- 11
sheep	296	369	25	8	16
poultry	181	204	13	4	8
9 Output of livestock products	3 977	4 388	10	1	9
milk	3 329	3 742	12	2	11
eggs	561	559	-	-	-
raw wool	37	39	3	3	-
other animal products	49	48	- 3	- 1	- 2
Total livestock output (8 + 9)	11 219	12 573	12	3	9

continued

Table 9.2 continued

	Current price value		Changes %		
	2010	2011	value	volume	price
10 Other agricultural activities	930	1 043	12	- 2	14
agricultural services	930	1 043	12	- 2	14
leasing out quota	-	-	5	-	5
11 Inseparable non-agricultural activities	994	1 056	6	1	6
12 Output (at market prices) (sum 1 to 11)	20 557	23 627	15	2	12
of which:					
transactions within the agricultural industry					
feed wheat	19	73	279	145	55
feed barley	207	279	34	- 11	50
feed oats	18	37	112	16	83
fodder maize	197	164	- 17	- 17	-
seed potatoes	16	18	14	9	5
straw	354	372	5	- 4	10
contract work	930	1 043	12	- 2	14
total capital formation in livestock	1 134	1 280	13	7	5
13 Total subsidies (less taxes) on product (c)	26	25	- 5	. .	. .
14 Gross output at basic prices (12 + 13)	20 582	23 652	15	2	12
Intermediate consumption					
15 Seeds	636	705	11	- 3	14
16 Energy	1 201	1 378	15	- 1	16
electricity and fuels for heating	357	373	5	2	3
motor and machinery fuels	844	1 004	19	- 2	22
17 Fertilisers	1 341	1 621	21	3	17
18 Plant protection products	761	772	2	2	-
19 Veterinary expenses	401	414	3	1	2
20 Animal feed (d)	3 960	4 428	12	- 6	19
compounds	2 248	2 610	16	- 2	19
straights	1 271	1 266	-	- 13	15
feed produced and used on farm or purchased from other farms	441	553	25	- 4	31
21 Total maintenance (e)	1 341	1 402	5	- 1	6
materials	826	862	4	- 1	5
buildings	515	540	5	- 2	7
22 Agricultural services	930	1 043	12	- 2	14
23 FISM	130	133	3	-	3
24 Other goods and services (e)(f)	2 783	2 910	5	-	5
25 Total intermediate consumption (sum 15 to 24)	13 485	14 806	10	- 2	12
26 Gross value added at market prices (12 - 25)	7 072	8 821	25	11	13
27 Gross value added at basic prices (14 - 25)	7 098	8 845	25	11	12
28 Total consumption of Fixed Capital	3 298	3 593	9	4	4
equipment	1 450	1 525	5	3	2
buildings (e)(g)	704	727	3	-	4
livestock	1 145	1 341	17	9	7
cattle	679	793	17	13	4
pigs	8	8	1	14	- 12
sheep	291	344	18	2	16
poultry	167	196	18	8	9

continued

Table 9.2 continued

	Current price value		Changes %		
	2010	2011	value	volume	price
29 Net value added at market prices (26 - 28)	3 774	5 228	39	16	19
30 Net value added at basic prices (27 - 28)	3 799	5 252	38	16	19
31 Other taxes on production	- 115	- 119	4	. .	. .
32 Other subsidies on production (c)	3 411	3 411	-	. .	. .
33 Net value added at factor cost (30 + 31 + 32)	7 096	8 544	20	. .	. .
34 Compensation of employees (h)	2 208	2 292	4	. .	. .
35 Rent	366	373	2	. .	. .
rent paid (i)	467	477	2	. .	. .
rent received (j)	- 102	- 104	2	. .	. .
36 Interest (k)	180	185	3	. .	. .
37 Total Income from Farming (33 - 34 - 35 - 36)	4 342	5 693	31	. .	. .

(a) Output is net of VAT collected on the sale of non-edible products. Figures for output at market prices exclude subsidies on products.

(b) Includes straw and minor crops.

(c) “Subsidies (less taxes) on product”: payments linked to the production of agricultural products. “Other subsidies on production”: payments not linked to production from which agricultural producers can benefit as a consequence of engaging in agricultural activities e.g. Single Payment Scheme, agri-environment schemes.

(d) For years prior to 1992 the split between compounds and straights was derived from the split present in later years.

(e) Landlords' expenses are included within total maintenance, other goods and services and total consumption of fixed capital of buildings.

(f) Includes livestock and crop costs, water costs, insurance premiums, bank charges, professional fees, rates, and other farming costs.

(g) A more empirically based methodology for calculating landlords' consumption of fixed capital was introduced in 2000. The new series has been linked with the old one using a smoothing procedure for the transition year of 1996.

(h) Excludes the value of work done by farm labour on own account capital formation in buildings and works.

(i) Rent paid on all tenanted land (including 'conacre' land in Northern Ireland) less landlords' expenses, landlords' consumption of fixed capital and the benefit value of dwellings on that land.

(j) Rent received by farming landowners from renting of land to other farmers less landlords' expenses. This series starts in 1996 following a revision to the methodology of calculating net rent.

(k) Interest charges on loans for current farming purposes and buildings and works less interest on money held on short term deposit.

Balance sheets (table 9.3)

13. The aggregate balance sheet for agriculture values the total assets and liabilities for agriculture at the end of each calendar year and estimates the total net worth of the industry. Net worth was estimated to be £198 billion in 2009.

Table 9.3 Aggregate balance sheets for agriculture; United Kingdom

Enquiries: Nick Olney on +44 (0)1904 455355 email: keith.seabridge@defra.gsi.gov.uk

£ million As at December each year

	2006	2007	2008	2009	2010 (provisional)
At current prices					
Assets					
Fixed: (a)					
Land and buildings	131 869	150 892	187 394	176 379	. .
Plant, machinery and vehicles	7 356	7 494	7 981	8 608	9 449
Breeding livestock	4 183	5 726	6 651	9 121	7 756
Total fixed	143 407	164 113	202 026	194 109	. .
Current:					
Trading livestock	5 029	5 291	3 032	3 064	2 860
Crops and stores	2 243	2 865	3 222	2 971	3 486
Debtors, cash deposits	800	766	876	956	1 219
Total current	8 072	8 921	7 130	6 990	7 565
Total assets	151 479	173 034	209 156	201 099	. .
Liabilities					
Long and medium-term:					
AMC and SASC (b)	1 482	948	1 069	1 213	1 469
Building societies and institutions	83	85	128	172	190
Bank loans	431	473	587	666	865
Family loans	91	88	80	80	114
Other	92	29	7	4	4
Total long and medium-term	2 180	1 623	1 871	2 136	2 641
Short-term:					
Leasing	93	112	111	89	80
Hire purchase	122	135	161	168	217
Trade credit	255	257	297	308	387
Bank overdrafts	554	489	490	532	575
Other	16	22	22	18	22
Total short-term	1 040	1 015	1 082	1 115	1 282
Total liabilities	3 219	2 639	2 953	3 250	3 923
Net worth	148 260	170 395	206 203	197 849	. .
In real terms (as deflated by the retail price index):					
Indices 2005 = 100					
Total assets	104	115	137	129	. .
Total liabilities	93	73	81	87	101
Net worth	105	116	139	130	. .

(a) The valuations of land, buildings and breeding livestock are at average market prices; those of plant, machinery and vehicles are at replacement cost, net of consumption of fixed capital.

(b) Values of land and buildings are not directly comparable with data prior to 1993.

(c) Agricultural Mortgage Corporation (AMC) and Scottish Agricultural Securities Corporation (SASC).

Accumulation accounts (table 9.4)

14. The accumulation accounts analyse the various components of change in the assets and liabilities of agriculture. The capital account shows estimates of changes in the value of assets held by the agricultural sector in the United Kingdom and includes gross fixed capital formation, consumption of fixed assets and changes in inventories. Capital formation and capital consumption in livestock measure the value of output due to the production and depreciation of breeding animals, mainly dairy cows, beef cows, ewes, sows and egg laying poultry. Consumption of fixed capital in livestock, which is approximated by assuming that all depreciation takes place at the time animals leave the breeding herds. Changes in inventories contribute to income.

Table 9.4 Accumulation accounts; United Kingdom

Enquiries: Nick Olney on +44 (0)1904 455355 email: keith.seabridge@defra.gsi.gov.uk

£ million Calendar years

	2007	2008	2009	2010	2011 (provisional)
Capital account					
Gross fixed capital formation	2 825	3 417	3 745	3 334	3 497
Acquisitions less disposals of non-livestock assets:	2 025	2 341	2 443	2 200	2 218
buildings and works	745	881	983	836	821
plant and machinery	1 245	1 422	1 425	1 333	1 364
vehicles	35	38	35	31	33
Capital formation in livestock (a):	799	1 076	1 302	1 134	1 280
cattle	493	782	871	649	698
sheep	153	125	238	296	369
pigs	5	6	8	8	8
poultry	149	162	185	181	204
Consumption of fixed capital	2 717	3 069	3 274	3 298	3 593
Non-livestock assets:	1 909	1 977	2 100	2 154	2 252
buildings and works	696	709	709	704	727
plant and machinery	999	1 047	1 150	1 201	1 274
vehicles	213	221	241	249	251
Livestock (b):	809	1 091	1 173	1 145	1 341
cattle	503	743	731	679	793
sheep	157	188	269	291	344
pigs	6	7	8	8	8
poultry	142	153	164	167	196
Changes in inventories	- 279	405	83	- 389	- 243
stocks of crops	- 153	515	19	- 297	- 2
work-in-progress livestock	- 126	- 110	64	- 92	- 241
Total Income from Farming	2 953	4 458	4 554	4 342	5 693
Other capital grants and payments not included in the production and income account	74	158	57	43	. .

(a) Capital formation in livestock is estimated by valuing the number of entries to the breeding herds at the entry price less the disposal price.

(b) Consumption of fixed capital in livestock is estimated by valuing the disposals from the breeding herds at the entry price less the disposal price.

Revaluation accounts (table 9.5)

15. Revaluation or holding gains measures the change in value between the time of production and the end of the accounting period due to changes in price. It includes the value of work-in-progress for production of non-breeding livestock and for replacement animals, and the value of work-in-progress of crop production. Revaluation is not included in the production and income account and therefore does not contribute to income. The value of total holding gains was estimated at £1,070 million in 2011.

Table 9.5 Revaluation account; United Kingdom

Enquiries: Nick Olney on +44 (0)1904 455355 email: keith.seabridge@defra.gsi.gov.uk

£ million Calendar years

	2007	2008	2009	2010	2011 (provisional)
Livestock production work-in-progress (non-breeders)					
cattle	- 34	427	220	- 52	483
sheep	- 20	71	82	- 1	73
pigs	- 90	11	29	- 50	69
poultry (a)	23	24	9	12	37
Total	- 121	533	340	- 91	662
Replacement animals for breeding herds					
cattle	1	315	263	- 333	331
sheep	- 9	31	35	- 1	32
pigs	- 2	-	-	- 1	1
Total	- 9	346	299	- 335	364
Crop production work-in-progress					
wheat	428	- 149	- 162	318	149
barley	93	- 29	- 101	107	60
potatoes	51	- 98	- 33	145	- 127
other crops (b)	84	- 25	- 15	139	- 38
Total	656	- 301	- 312	709	44
Total holding gains	526	579	327	283	1 070

(a) Broilers, ducks, geese and turkeys.

(b) Oats, oilseeds, apples and pears.

Interest (table 9.6)

16. Table 9.6 presents estimates of interest charges payable on farmers' borrowings for agricultural purposes including land purchases, less interest received on short-term deposits. Total interest changes are estimated at £185 million in 2011 after adjustment for Financial Services Indirectly Measured (FISIM), an estimate of the value of the services provided by financial intermediaries, such as banks, for which no explicit charges are made and which are paid for as part of the margin between rates applied to savers and borrowers. FISIM is included in the intermediate consumption section of the production and income account and is estimated at £133 million.

Table 9.6 Interest; United Kingdom

Enquiries: Nick Olney on +44 (0)1904 455355 email: keith.seabridge@defra.gsi.gov.uk

£ million (unless otherwise specified) Calendar years

	2007	2008	2009	2010	2011 (provisional)
Interest rates					
average bank base lending rate in the UK	5.5%	4.6%	0.6%	0.5%	0.5%
average rate of interest on bank advances	7.1%	6.7%	3.2%	3.0%	3.2%
Unadjusted interest charges (all lending to the farm business) on:					
bank advances	434	434	233	236	241
AMC and SASC loans (a)	65	20	22	27	27
instalment credit	75	78	42	42	43
leased assets	9	9	3	3	3
other credit (b)	65	39	22	23	25
less interest earned on money held on short-term deposit	64	73	34	21	21
Total	584	506	288	310	319
Interest charges (all lending to the farm business) after adjustment for FISIM					
Interest paid	548	454	211	208	213
less interest received	77	89	42	28	28
Total interest	471	365	169	180	185
Financial intermediation services indirectly measured (FISIM) (c)	113	141	119	130	133

(a) Agricultural Mortgage Company (AMC) and Scottish Agricultural Securities Corporation (SASC).

(b) Interest paid on other institutional credit and that from private sources.

(c) FISIM is an estimate of the value of the services provided by financial intermediaries, such as banks, for which no explicit charges are made, and which are paid for as part of the margin between rates applied to savers and borrowers.

Changes in volume of capital assets (table 9.7)

17. Table 9.7 presents medium-term trends in the volume of capital assets expressed as indices, including gross fixed capital formation and capital consumption.

Table 9.7 Changes in volume of capital assets; United Kingdom

Enquiries: Nick Olney on +44 (0)1904 455355 email: keith.seabridge@defra.gsi.gov.uk

Indices 2005 = 100 Calendar years

	2007	2008	2009	2010	2011 (provisional)
Total volume of gross fixed capital formation					
Gross fixed capital formation:	103.5	119.4	132.5	113.1	103.0
non livestock:	133.4	148.6	139.3	125.6	125.4
buildings and works	93.0	100.0	86.7	75.5	78.7
plant and machinery	108.9	116.5	109.8	105.8	113.4
vehicles	103.6	123.0	105.0	96.6	104.0
livestock	131.7	92.6	115.4	120.2	129.7
Total volume of capital consumption					
Consumption of fixed capital	104.5	105.1	104.6	104.1	103.6
non livestock:	97.4	99.5	102.3	103.0	106.6
buildings and works	99.4	101.1	103.1	103.7	104.5
plant and machinery	87.8	95.1	80.0	82.4	89.9
vehicles	81.4	90.9	69.9	74.9	84.4
livestock	98.7	102.7	97.0	88.4	89.9

Chapter 10 Productivity

Summary

Over the longer term:

- Since 1986, total factor productivity for the agricultural industry has grown by 26 per cent, however the long term upward trend can be seen to have levelled off from around 2005.

- The volume of final output at market prices has increased by 1.8 per cent since 1986 while the volume of all inputs has fallen by 19 per cent.

In 2011, compared to 2010:

- The volume of final output at market prices rose by 2.7 per cent.

- The volume of all inputs including entrepreneurial labour fell by 0.7 per cent and as a result, total factor productivity rose by 3.4 per cent.

- The total labour force expressed in annual work units (or full-time person equivalent) rose by 0.5 per cent.

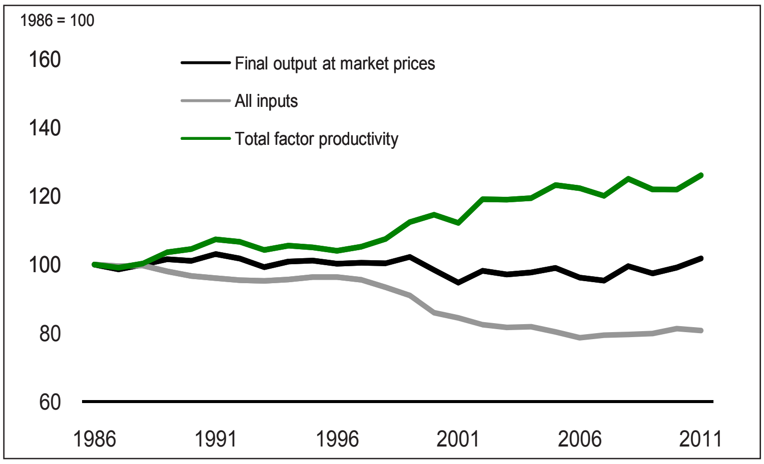
- Labour productivity as measured by net value added at market prices per annual work unit rose by 15 per cent.

Total factor productivity

1. A key measure of agriculture's economic performance and a key component of its competitiveness is its productivity, that is, how efficiently the agricultural industry uses the resources that are available to turn inputs into outputs. It is a key measure of the economic sustainability of United Kingdom farming and food, an important driver of farm incomes and an essential foundation for the environmental and social contributions which farming and food make.

2. Measuring productivity is not straightforward and comparisons need to be interpreted carefully because of both practical problems in obtaining robust data and because productivity performance is often shaped by factors outside farmers' control, such as climate or disease outbreaks.

Chart 10.1 Agricultural productivity; United Kingdom



3. The headline measure, total factor productivity, shows the volume of output leaving the industry per unit of all inputs including fixed capital and labour. It encompasses all businesses engaged in farming activities, including specialist contractors. Labour productivity measures the volume of net value added per unit of all labour (paid and entrepreneurial) and is a key component of total factor productivity.

Table 10.1 Productivity; United Kingdom

Enquiries: Nick Olney on +44 (0)1904 455355 or Keith Seabridge at keith.seabridge@defra.gsi.gov.uk

	2007	2008	2009	2010	2011 (provisional)
Volume indices 2005 = 100					
Final output at market prices (gross output less transactions within the industry)	96	101	98	100	103
All inputs (including fixed capital, paid and entrepreneurial labour)	99	99	99	101	101
Total factor productivity (a)	97	101	99	99	102
Labour productivity (net value added at market prices per AWU of all labour) (b)	90	107	98	94	109
Labour volumes (c); annual work unit (thousand)					
Entrepreneurial labour	191	187	184	183	184
Paid labour	100	101	100	99	100
Total labour force	290	287	284	283	284

(a) Final output per unit of all inputs (including fixed capital and labour).

(b) An annual work unit (AWU) represents the equivalent of an average full-time person engaged in agriculture.

(c) Volume of paid labour relating to agricultural work only and excluding time spent on the construction of farm buildings.

Table 10.2 Output and input volume indices; United Kingdom

Enquiries: Nick Olney on +44 (0)1904 455355 or Keith Seabridge at keith.seabridge@defra.gsi.gov.uk

Indices 2005 = 100 Calendar years

	2007	2008	2009	2010	2011 (provisional)
Outputs at market prices					
1 Output of cereals	91	117	104	97	99
wheat	88	117	95	95	96
rye	100	100	100	116	116
barley	93	113	126	98	105
oats and summer cereal mixtures	134	148	140	126	113
other cereals	85	98	154	127	125
2 Output of industrial crops	85	98	100	101	118
oil seeds	107	106	104	122	150
oilseed rape	111	110	106	124	153
other oil seeds	22	33	61	80	80
sugar beet	78	88	97	75	98
other industrial crops	61	101	103	99	99
fibre plants	51	77	21	60	119
hops	83	83	83	83	83
others (a)	61	102	104	99	99
3 Output of forage plants	90	101	115	108	87
4 Output of vegetables and horticultural products	93	95	94	97	95
fresh vegetables	94	96	101	103	101
plants and flowers	93	95	85	89	89
5 Output of potatoes (including seeds)	92	99	100	84	87
6 Output of fruit	119	123	130	130	129
7 Output of other crop products including seeds	82	85	90	83	84
Total crop output	93	106	102	99	102
8 Output of livestock	99	100	96	99	102
primarily for meat	98	97	94	98	101
cattle	98	96	94	98	102
pigs	105	104	100	105	112
sheep	99	97	94	87	92
poultry	92	94	92	100	99
other animals	100	100	100	100	100
gross fixed capital formation	109	117	110	106	113
cattle	104	123	105	97	104
pigs	111	125	111	123	134
sheep	132	93	115	120	130
poultry	106	108	123	128	133
9 Output of livestock products	96	95	94	98	99
milk	97	95	94	96	98
eggs	94	100	101	114	113
raw wool	83	80	74	74	76
other animal products	79	65	69	74	73
Total livestock output	98	98	96	98	101

continued

Table 10.2 continued

	2007	2008	2009	2010	2011
10 Other agricultural activities	102	117	126	132	130
agricultural services	104	118	127	134	131
leasing out quota	4	2	2	2	2
11 Inseparable non-agricultural activities	102	103	115	120	120
12 Output (at market prices)	96	102	100	101	104
of which:					
transactions within the agricultural industry					
feed wheat	73	106	86	14	34
feed barley	86	87	103	102	92
feed oats	115	109	114	107	125
fodder maize	112	117	125	125	104
seed potatoes	95	101	109	108	118
straw	56	99	101	96	92
contract work	104	118	127	134	131
leasing of quota	4	2	2	2	2
total capital formation in livestock	109	117	110	106	113
13 Total subsidies (less taxes) on product	nd	nd	nd	nd	nd
14 Gross output at basic prices	96	102	100	101	103
Intermediate consumption					
15 Seeds	124	118	115	110	107
16 Energy	98	94	113	110	109
electricity and fuels for heating	87	95	121	124	126
motor and machinery fuels	103	94	110	105	103
17 Fertilisers	95	85	75	86	89
18 Pesticides	102	120	122	134	136
19 Veterinary expenses	100	117	124	122	123
20 Animal feed	99	103	103	106	99
compounds	108	107	106	113	110
straights	86	95	96	102	89
feed produced and used on farm or purchased from other farms	93	103	106	86	82
21 Total maintenance (b)	101	107	109	109	108
materials	101	103	104	104	104
buildings	101	114	117	117	115
22 Agricultural services	104	118	127	134	131
23 FISM	99	103	105	113	112
24 Other goods and services (b) (c)	94	97	100	98	97
25 Total intermediate consumption	99	102	104	106	104
26 Gross value added at market prices	91	101	94	92	102
27 Gross value added at basic prices	91	101	93	92	102

continued

Table 10.2 continued

	2007	2008	2009	2010	2011
28 Total consumption of Fixed Capital	96	100	95	96	100
equipment	98	100	102	103	106
buildings (b)	105	105	105	104	104
livestock	88	95	80	82	90
cattle	81	91	70	75	84
pigs	102	110	96	103	117
sheep	99	103	97	88	90
poultry	100	101	109	116	126
29 Net value added at market prices	86	101	91	88	102
30 Net value added at basic prices	86	101	91	88	102

(a) Includes straw and minor crops.

(b) Landlords' expenses are included within total maintenance, other goods and services and total consumption of fixed capital of buildings.

(c) Includes livestock and crop costs, water costs, insurance premiums, bank charges, professional fees, rates, and other farming costs.

Chapter 11 Public Payments

Summary

In 2011:

- Direct payments made to farmers totalled £3.44 billion similar to 2010.
- Payments not linked to production, including the Single Payment Scheme, were £3.11 billion.
- Payments linked to production came to £25 million.
- Payments under the agri-environment schemes were £500 million.
- Payments under the Less Favoured Areas Scheme totalled £120 million.

Chart 11.1 Direct payments made to farmers; United Kingdom

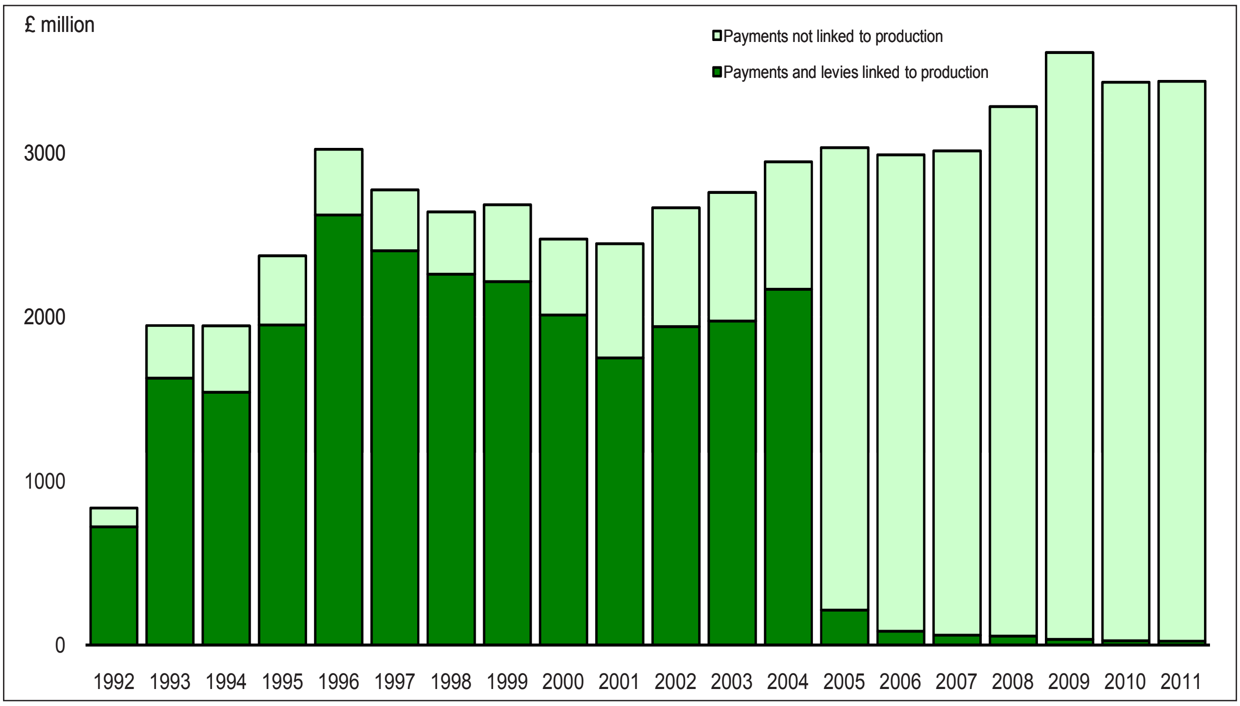


Table 11.1 Direct payments to farmers and levies recorded in the production and income account; United Kingdom

Shows payments after deduction for modulation where appropriate.

Enquiries: Nick Olney on +44 (0)1904 455355 email: nick.olney@defra.gsi.gov.uk

£ million Calendar years

	2007	2008	2009	2010	2011 (provisional)
Coupled payments and levies (linked to production)					
Crop subsidies					
Arable area payments	. .	. .	. .	. .	. .
Other crop subsidies (a)	13	8	14	7	5
Livestock subsidies					
Beef special premium	. .	. .	. .	. .	. .
Suckler cow premium	. .	. .	. .	. .	. .
Slaughter premium	. .	. .	. .	. .	. .
Over Thirty Month Scheme/Older Cattle Disposal Scheme	28	29	. .	. .	. .
Beef national envelope	. .	. .	. .	. .	. .
Scottish beef calf scheme	19	18	20	19	19
Sheep annual premium	. .	. .	. .	. .	. .
Sheep national envelope	. .	. .	. .	. .	. .
Other livestock subsidies	. .	. .	. .	. .	. .
Dairy subsidies (b)	. .	. .	. .	. .	. .
less Levies:					
Milk superlevy	. .	. .	. .	. .	. .
Other levies (f)	. .	. .	. .	. .	. .
Total coupled payments less levies	59	55	34	26	25
Decoupled and other payments (not linked to production)					
Single Payment Scheme	2 311	2 580	2 948	2 743	2 767
Agri-environment schemes	460	486	471	476	500
Less Favoured Areas support schemes (c)	130	134	136	138	120
Animal disease compensation (d)	21	26	21	19	23
Extensification schemes	. .	. .	. .	. .	. .
Rural World Premium	. .	. .	. .	. .	. .
Arable area payments setaside	. .	. .	. .	. .	. .
Other (e)	31	-	-	30	-
Total decoupled and other payments (f)	2 952	3 226	3 576	3 405	3 410
Total direct payments less levies	3 012	3 281	3 610	3 431	3 435
Capital transfers and other payments not included in the production and income account	74	158	57	43	8

(a) CAP hops and herbage seeds support; hemp and flax aid; protein crop premium; area aid for nuts; energy crops aid.

(b) Dairy premium and additional dairy premium.

(c) Tir Mynydd in Wales, Less Favoured Area Compensatory Allowance Scheme in Northern Ireland, Less Favoured Areas Support Scheme in Scotland and Hill Farm Allowance in England.

(d) Compensation paid for livestock compulsorily slaughtered under disease control measures. Compensation paid for work-in-progress livestock are recorded as income compensation paid for capital livestock are recorded as capital transfers.

(e) Northern Ireland Weather Aid 2007; 2010: Scotland - Severe Weather Grant Scheme: £3 million; 2010 - EU Dairy Fund £26.5 million.

(f) figures for 2007 to 2010 include data that were not available when the Accounts (chapter 9) were produced.

Table 11.2 Direct payments to farmers by country in 2011

Shows payments after deduction for modulation where appropriate

Enquiries: Nick Olney on +44 (0)1904 455355 email: nick.olney@defra.gsi.gov.uk

£ million Calendar year

	England	Wales	Scotland	Northern Ireland	United Kingdom
Coupled payments (linked to production)					
Crop subsidies					
Protein crop premium; area aid for nuts; energy crops aid.	5	. .	. .	. .	5
Livestock subsidies					
Scottish Beef Calf Scheme	. .	. .	19	. .	19
Total coupled payments	5	-	19	-	25
Decoupled payments (not linked to production)					
Single Payment Scheme	1730	286	484	267	2767
Less Favoured Areas support schemes (a)	7	25	64	24	120
Agri-environment schemes					
Environmental Stewardship / Countryside Stewardship Schemes	376	. .	. .	. .	376
Countryside Premium / Rural Stewardship / Land Management Contracts Schemes	. .	. .	11	. .	11
Tir Cymen / Tir Gofal / Tir Cynnal	. .	30	. .	. .	30
Countryside Management Scheme	. .	. .	. .	16	16
Organic Aid & Organic Farming Schemes	-	5	2	-	7
Environmentally Sensitive Areas Schemes	42	-	1	8	51
Sites and Areas of Special Scientific Interest	4	2	3	-	9
Animal disease compensation	11	3	-	9	23
Total decoupled payments	2 170	351	565	324	3 410
Total direct payments	2 175	351	584	324	3 435

(a) Tir Mynydd in Wales, Less Favoured Area Compensatory Allowance Scheme in Northern Ireland, Less Favoured Areas Support Scheme in Scotland and Hill Farm Allowance in England.

Direct payments made through key measures of the Rural Development Programmes (table 11.3)

1. There are four rural development programmes in the United Kingdom, covering England, Wales, Scotland and Northern Ireland.

2. Table 11.3 shows details of payments made through two key measures of these programmes; Less Favoured Areas and Agri-Environment, adopted by each of the countries of the United Kingdom.

3. Further information on the rural development programmes may be found at:

http://www.defra.gov.uk/rural/rdpe/
http://www.scotland.gov.uk/Topics/farmingrural/SRDP
http://wales.gov.uk/topics/environmentcountryside/farmingandcountryside/ruraldevelopment/?lang=en
http://www.dardni.gov.uk/index/rural-development/nirdp2007-2013.htm

Table 11.3 Direct payments made through key measures of the Rural Development Programmes

Enquiries: Nick Olney on +44 (0)1904 455355 email: nick.olney@defra.gsi.gov.uk

£ Million Calendar years

		2007	2008	2009	2010	2011
Less Favoured Areas and Areas with Environmental Restrictions measure						
England:	Hill Farm Allowance / Uplands Transitional Payment (a)	25.9	23.8	24.0	24.3	7.3
Wales:	Tir Mynydd	23.7	29.7	25.2	25.0	25.0
Scotland:	Less Favoured Areas Support Scheme	59.2	58.9	64.0	63.7	63.7
Northern Ireland:	Less Favoured Areas Compensatory Allowance	21.0	22.0	22.5	24.9	24.4
Agri-Environment and Animal Welfare measure						
England:	Organic Farming Scheme	2.3	0.5	-	-	-
	Countryside Stewardship Scheme	94.2	84.9	82.8	70.6	59.4
	Environmentally Sensitive Areas Scheme	56.4	53.3	41.7	47.6	41.6
	Environmental Stewardship Scheme	170.3	222.0	226.6	266.2	317.0
Wales:	Organic Farming Scheme	2.5	6.0	4.2	7.2	4.9
	Tir Gofal	25.2	22.0	30.7	26.3	23.0
	Environmentally Sensitive Areas Scheme	3.7	1.9	2.2	0.9	0.2
	Tir Cynnal	5.7	6.3	8.6	7.2	7.1
Scotland:	Organic Aid Scheme	5.1	4.7	2.6	1.8	1.8
	Rural Stewardship Scheme	24.9	17.3	13.0	4.9	4.9
	Environmentally Sensitive Areas Scheme	5.1	3.6	2.7	1.4	1.4
	Land Management Contract Scheme	19.8	20.0	18.5	5.4	5.4
Northern Ireland:	Organic Farming Scheme	0.6	0.3	0.1	-	-
	Countryside Management Scheme	16.9	18.5	16.2	18.3	16.0
	New Environmentally Sensitive Areas Scheme (b)	7.4	7.7	6.5	7.6	8.0

(a) Hill Farm Allowance payments replaced by Uplands Transitional Payments in 2011
(b) The Environmentally Sensitive Areas Scheme (ESA) in Northern Ireland ended in 2002 when it was replaced by the New Environmentally Sensitive Areas Scheme (NESA); existing agreements under the ESA Scheme continue to be honoured.

Take-up of agri-environment schemes (tables 11.4 and 11.5)

4. Agri-environment schemes require farmers to demonstrate good environmental practice. The take up of Agri-environment schemes is shown by area of land under management agreement in table 11.4 and by number of agreement holders in table 11.5. Due to the differing requirements of schemes, care should be taken when making comparisons.

Table 11.4 Agri-environment schemes; area under agreements

Enquiries: Elizabeth Finch on +44 (0)1904 455823 email: elizabeth.finch@defra.gsi.gov.uk

Thousand Hectares as at 31 December

	2007	2008	2009	2010	2011
England					
Organic Farming Scheme	25	13	1	-	-
Countryside Stewardship Scheme	474	442	372	268	172
Environmentally Sensitive Areas Scheme	546	503	462	417	341
Environmental Stewardship Scheme					
Entry Level Scheme (a)	4 725	5 024	5 322	5 611	5 607
Higher Level Scheme	175	291	442	809	882
Wales					
Organic Farming / Maintenance Schemes	76	121	126	132	130
Tir Cymen/Tir Gofal	439	329	377	381	378
Environmentally Sensitive Areas Scheme	78	65	26	8	7
Tir Cynnal	273	293	281	279	245
Scotland					
Organic Aid Scheme	124	117	115	94	34
Countryside Premium Scheme/Rural Stewardship Scheme	477	314	239	118	36
Environmentally Sensitive Areas Scheme	351	268	174	51	49
Land Management Contracts / Land Managers Options	437	482	511	515	562
Northern Ireland					
Organic Farming Scheme	6	6	7	5	3
Countryside Management Scheme	317	315	352	351	333
New Environmentally Sensitive Areas Scheme (c)	131	122	109	108	107

(a) Includes Entry Level Pilot Scheme, OELS, UELS (from 2010) and HLS linked to ELS

(b) Includes Freestanding HLS and HLS linked to ELS

(c) The Environmentally Sensitive Areas Scheme (ESA) in Northern Ireland ended in 2002 when it was replaced by the New Environmentally Sensitive Areas Scheme (NESA); existing agreements under the ESA Scheme continue to be honoured.

Table 11.5 Agri-environment schemes - number of agreement holders

Enquiries: Elizabeth Finch on +44 (0)1904 455823 email: elizabeth.finch@defra.gsi.gov.uk

Rounded to nearest hundred as at 31 December

	2007	2008	2009	2010	2011
England					
Organic Farming Scheme	300	100	-	-	-
Countryside Stewardship Scheme	13 400	12 000	10 600	8 500	6 100
Environmentally Sensitive Areas Scheme	8 600	7 800	7 100	6 500	5 700
Environmental Stewardship Scheme:					
Entry Level Scheme (a)	34 300	37 300	40 200	41 300	41 600
Higher Level Scheme (b)	2 000	2 900	4 300	6 800	8 500
Wales					
Organic Farming Scheme	800	900	1 000	1 000	1 000
Tir Cymen/Tir Gofal	3 200	2 900	3 200	3 100	3 000
Environmentally Sensitive Areas Scheme	1 000	800	200	-	-
Tir Cynnal	4 200	4 400	4 400	4 200	3 900
Scotland					
Organic Aid Scheme	400	400	400	300	200
Countryside Premium Scheme/Rural Stewardship Scheme	6 400	5 400	3 900	2 000	500
Environmentally Sensitive Areas Scheme	1 600	1 200	900	200	200
Land Management Contracts / Land Managers Options	5 800	6 700	6 900	5 400	4 600
Northern Ireland					
Organic Farming Scheme	100	100	100	100	-
Countryside Management Scheme	8 800	8 700	9 400	9 400	9 000
New Environmentally Sensitive Areas Scheme (c)	3 900	3 400	3 100	3 000	3 000

(a) Includes Entry Level Pilot Scheme, OELS, Uplands ELS (from 2010) and HLS linked to ELS.

(b) Includes Freestanding HLS and HLS linked to ELS

(c) The Environmentally Sensitive Areas Scheme (ESA) in Northern Ireland ended in 2002 when it was replaced by the New Environmentally Sensitive Areas Scheme (NESA); existing agreements under the ESA Scheme continue to be honoured.

Chapter 12 Organic Farming

Summary

In 2010:

- The total area of land that was organically managed (either fully organic or in-conversion) fell by 2.8 per cent, at a faster rate of decline than between 2008 and 2009.

- Permanent and temporary pasture continues to make up the greatest percentage of organically managed land, covering 84 per cent of the total for the United Kingdom. Cereals cover the next greatest land area with 7.9 per cent of the total.

- More than half (55 per cent) of all organically managed land in the United Kingdom was in England, covering 392 thousand hectares, compared to 51 per cent in 2009.

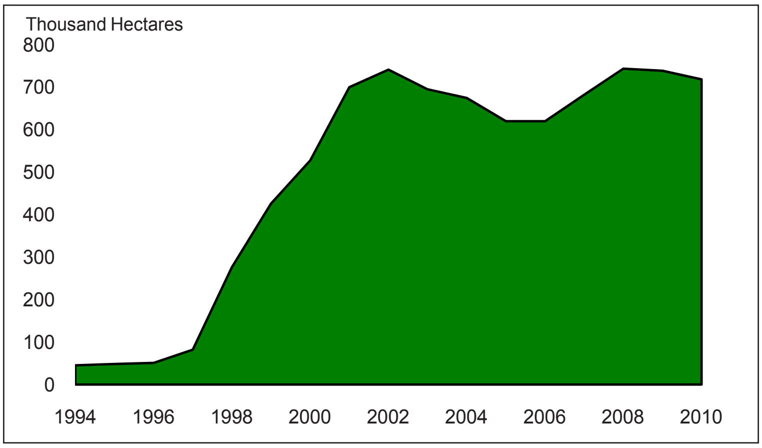
- The total number of producers and / or processors in the United Kingdom fell to 7,287 in 2010 from 7,567 in 2009, with 70 per cent of producers and / or processors located in England. The fall in the number of organic producers and / or processors between 2008 and 2010 may reflect the ongoing economic slow-down which has forced some consumers to switch away from organic produce to cheaper types of food.

- The South West region of England still has the highest number of both crop and livestock producers in the United Kingdom with a 31 per cent share of both these types of producers.

Introduction

1. Organic farming is a method of farming that requires farmers to operate to a system based on ecological principles and which imposes strict limitations on the inputs that can be used in order to minimise damage to the environment and wildlife. Emphasis is placed on natural methods of production and pest control.

Chart 12.1 Organically managed land; United Kingdom



2. Defra works with the various organic certification bodies in the United Kingdom to collect and publish data on the organic sector. Each year, certifier bodies visit their registered farms to carry out annual inspections. During these inspections, certifiers record the crop areas and numbers of livestock present on the organic holding on that day. The data collected during these inspections is sent to Defra each January. Due to the nature of the inspections, the data is collected at varying times through the year. Therefore, the data presented in this chapter do not give an exact snapshot of organic farming at any specific time of year, so this should be considered when interpreting the results.

3. Since the 2008 edition of Agriculture in the United Kingdom which coincided with a review of published organic data, there has been some adjustment to the way in which yearly data is labelled. As mentioned above, organic data is collected throughout the year and supplied to Defra the following January. The existing method for labelling the yearly data meant that data collected throughout 2010 would be labelled January 2011. It was thought that this method was slightly misleading as this could imply that the data provided represents the state of organic production at that given point in time. The revised method means that data collected during 2010 and supplied at the end of January 2011 will now be labelled 2010. All yearly data has been re-labelled accordingly.

Table 12.1 Total United Kingdom organic land (in-conversion & fully organic)

Enquiries: Organic Statistics Team on +44 (0)1904 455435 email: organic-stats@defra.gsi.gov.uk

Thousand hectares

	2006	2007	2008	2009	2010
Land, in-conversion					
North East	6.9	4.8	9.8	6.5	4.0
North West	1.8	3.3	3.8	3.4	2.4
Yorkshire & Humberside	3.4	4.1	3.8	2.7	0.9
East Midlands	2.1	3.1	3.7	3.1	1.0
West Midlands	4.0	5.7	8.2	5.7	2.1
Eastern	3.6	5.3	4.8	4.1	1.4
South West	31.6	48.2	46.5	34.7	13.6
South East (inc. London)	13.2	14.6	10.4	7.3	4.3
England	66.5	89.0	91.1	67.6	29.8
Wales	15.4	30.9	49.5	36.8	4.0
Scotland	35.2	34.8	6.2	12.0	12.6
Northern Ireland	4.0	3.2	2.3	3.0	4.4
United Kingdom	121.1	157.9	149.1	119.4	50.8
Land, fully organic					
North East	22.6	25.8	25.6	26.8	30.6
North West	19.4	20.4	21.2	19.8	20.0
Yorkshire & Humberside	9.0	9.6	10.9	11.9	13.8
East Midlands	12.5	13.2	12.2	14.4	16.3
West Midlands	26.3	28.2	29.7	32.0	35.4
Eastern	10.8	12.7	13.2	14.2	17.3
South West	93.4	106.3	123.9	140.4	174.6
South East (inc. London)	35.8	42.5	47.2	51.6	54.1
England	229.9	258.7	284.0	311.2	362.0
Wales	63.5	65.1	75.1	88.6	118.8
Scotland	200.1	193.1	225.1	209.3	176.3
Northern Ireland	5.1	7.3	10.1	10.3	10.4
United Kingdom	498.6	524.3	594.4	619.3	667.6
Total UK organic land (in-conversion & fully organic)	619.8	682.2	743.5	738.7	718.3

Source: Organic certifier bodies collated by Defra statistics

Table 12.2 Organic and in-conversion land use; United Kingdom

Enquiries: Organic Statistics Team on +44 (0)1904 455435 email: organic-stats@defra.gsi.gov.uk

Thousand hectares

	2006	2007	2008	2009	2010
Land, in-conversion					
Cereals	11.9	13.2	9.9	6.5	2.2
Other crops	3.4	3.5	2.5	2.1	0.7
Fruit & nuts	0.2	0.4	0.4	0.3	0.2
Vegetables (including potatoes)	2.1	2.6	2.0	1.6	0.5
Herbs & ornamentals	0.1	0.1	0.6	0.8	1.0
Temporary pasture	22.9	34.2	31.0	19.6	7.3
Set aside	1.1	. .	. .	. .	. .
Permanent pasture (a)	72.1	93.6	96.0	82.7	35.7
Woodland	4.2	5.6	2.7	2.6	1.9
Non cropping	2.3	3.3	1.9	1.1	0.7
Other	0.2	0.3	0.3	0.1	0.2
Unknown	0.8	1.1	1.7	2.0	0.5
Total	121.1	157.9	149.1	119.4	50.8
Land, fully organic					
Cereals	35.5	38.4	47.3	53.4	54.7
Other crops	6.8	7.8	8.7	9.1	10.2
Fruit & nuts	1.6	1.6	1.5	1.9	2.0
Vegetables (including potatoes)	13.5	14.3	17.7	17.3	17.4
Herbs & ornamentals	0.6	0.5	4.9	4.9	5.2
Temporary pasture	79.8	90.9	98.8	106.6	117.5
Set aside	1.3	. .	. .	. .	. .
Permanent pasture (a)	350.5	358.4	398.3	413.0	443.3
Woodland	4.0	5.9	3.2	4.6	6.2
Non cropping	4.0	4.7	4.4	5.7	5.5
Other	0.4	0.4	1.0	1.5	1.7
Unknown	0.6	1.4	8.6	1.1	3.9
Total	498.6	524.3	594.4	619.3	667.5

Source: Organic certifier bodies collated by Defra statistics

(a) Includes rough grazing.

Table 12.3 Organic producers and / or processors (a) - regional breakdown

Enquiries: Organic Statistics Team on +44 (0)1904 455435 email: organic-stats@defra.gsi.gov.uk

Number of businesses

	2006	2007	2008	2009	2010
North East	161	173	179	167	160
North West	332	367	367	333	315
Yorkshire & Humberside	319	356	330	308	302
East Midlands	446	487	449	422	408
West Midlands	520	556	555	507	494
Eastern	556	574	551	529	515
South West	1732	1961	2002	1988	1953
South East (inc. London)	939	1042	1041	1024	984
England	5005	5516	5474	5278	5131
Wales	835	953	1230	1176	1166
Scotland	911	860	889	820	737
Northern Ireland	292	302	303	293	253
United Kingdom	7043	7631	7896	7567	7287

Source: Organic certifier bodies collated by Defra statistics

(a) Processers can include abattoirs, bakers, storers and wholesalers. The recorded location depends on the address registered with the Certifier Bodies and so larger businesses may be recorded at their headquarters.

Table 12.4 Numbers of crop / livestock organic producers and processors 2010 (a)

Enquiries: Organic Statistics Team on +44 (0)1904 455435 email: organic-stats@defra.gsi.gov.uk

Number of businesses

	No. crop producers	No. crop producers and processors	No. livestock producers	No. livestock producers and processors
North East	117	3	87	2
North West	156	10	107	7
Yorkshire & Humberside	131	8	88	6
East Midlands	184	10	130	7
West Midlands	293	16	189	15
Eastern	199	17	71	12
South West	1415	74	879	62
South East (inc. London)	408	30	188	24
England	2903	168	1739	135
Wales	992	28	636	20
Scotland	488	9	311	7
Northern Ireland	187	1	174	1
United Kingdom	4570	206	2860	163

Source: Organic certifier bodies collated by Defra statistics

(a) Mixed organic holdings will be recorded under both the crop and livestock headings above so the above numbers cannot be added together to get total producers / processors by region as this will lead to double counting. For totals please see Table 12.3

Table 12.5 Estimates of organic and in-conversion livestock numbers (a); United Kingdom

Enquiries: Organic Statistics Team on +44 (0)1904 455435

Thousand head

	2006	2007	2008	2009	2010
Cattle	244.8	250.4	319.6	331.2	350.2
Sheep (b)	..	..	..	884.8	981.2
Pigs	32.9	50.4	71.2	49.4	47.4
Poultry	4 421.3	4 440.7	4 362.9	3 958.7	3 870.9
Goats	0.6	0.5	0.4	0.1	0.1
Other livestock	4.3	3.4	4.4	3.3	4.4

Source: Organic certifier bodies collated by Defra statistics

(a) Certification bodies record production data at various times of the year so figures should be treated with care as they will not represent an exact snapshot of organic livestock farming.

Chapter 13 Environment

Summary

- Occupying over 17 million hectares, agriculture accounts for more than 70 per cent of land use in the United Kingdom. The management of this land helps to shape the landscape and can have a profound impact on soils, water bodies, air and biodiversity.

- The key drivers of change for environmental impacts in the last ten years have been declines in the number of livestock, in particular ruminants, and reductions in fertiliser applications particularly on grassland. These have led to reductions in methane emissions and the amounts of nitrogen and phosphorus released to the environment.

- Between 1990 and 2011 nitrate fertiliser use in the United Kingdom decreased by 35 per cent.

- Between 1990 and 2011 phosphate fertiliser use in the United Kingdom decreased by 54 per cent.

- The nitrogen and phosphorus soil nutrient balances have fallen steadily since 1990, reducing the nutrient surpluses which could be lost to the environment.

- Between 1990 and 2010 agricultural emissions of both nitrous oxide and methane decreased by 20 per cent. Between 2009 and 2010 nitrous oxide emissions from agriculture increased by 1.0 per cent and methane by 0.6 per cent.

- Between 1990 and 2010 ammonia emissions from agriculture have fallen by 24 per cent. Between 2009 and 2010 ammonia emissions increased by 1.0 per cent.

- In England, the weight of pesticides used on cereals decreased by 23 per cent between 2008 and 2010.

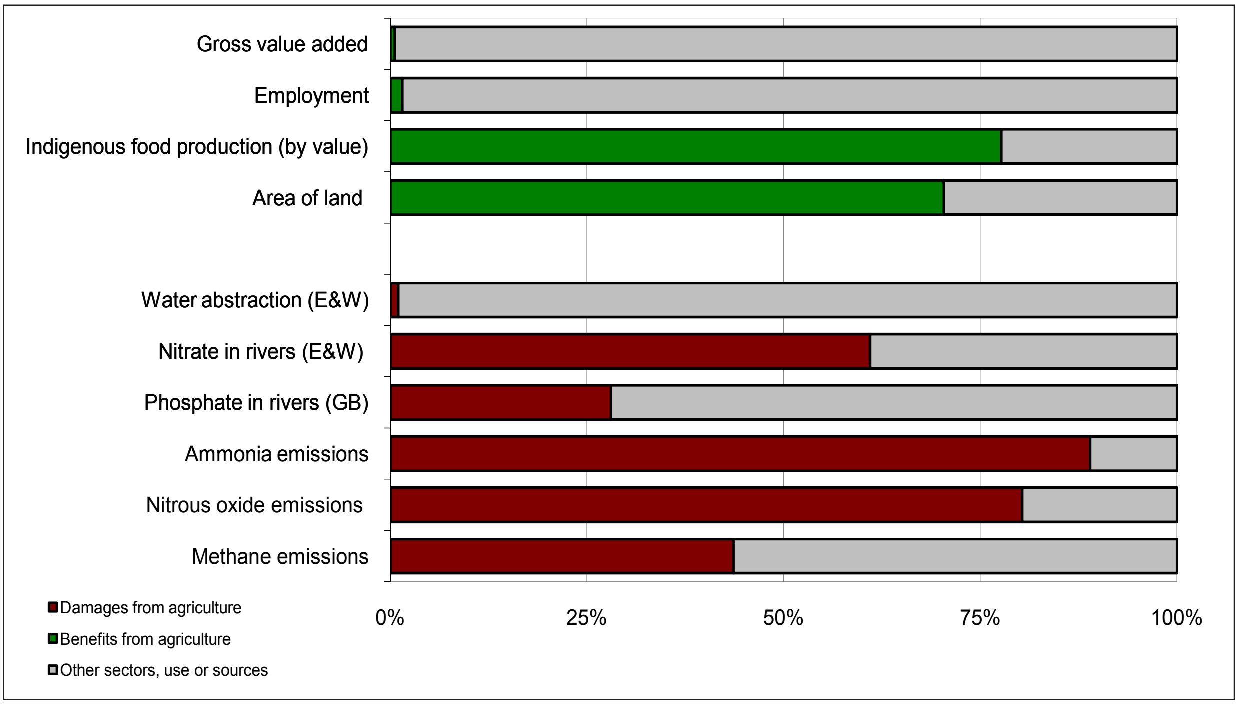
- The index of farmland bird populations in the United Kingdom fell by 3.0 per cent between 2009 and 2010. The index is now at 50 per cent of its 1970 value.

Introduction (chart 13.1)

1. Chart 13.1 shows the relative contribution that agriculture makes to the United Kingdom economy, natural resources and societal well-being. While agriculture makes a relatively small contribution to the economy (less than 1.0 per cent), it provides us with nearly three quarters of the food we eat and is the dominant form of land use. Along with other land management practices and activities, agriculture helps to shape the landscape and provide habitats for wildlife. These practices can have a profound impact on soils, water bodies, air and biodiversity in the natural environment.

2. This chapter brings together a wide range of data to provide an overall picture of agriculture's environmental impacts. The results are based on data collected from environmental monitoring, administrative systems and farm-based surveys.

Chart 13.1 UK agriculture's contribution to the economy and the environment

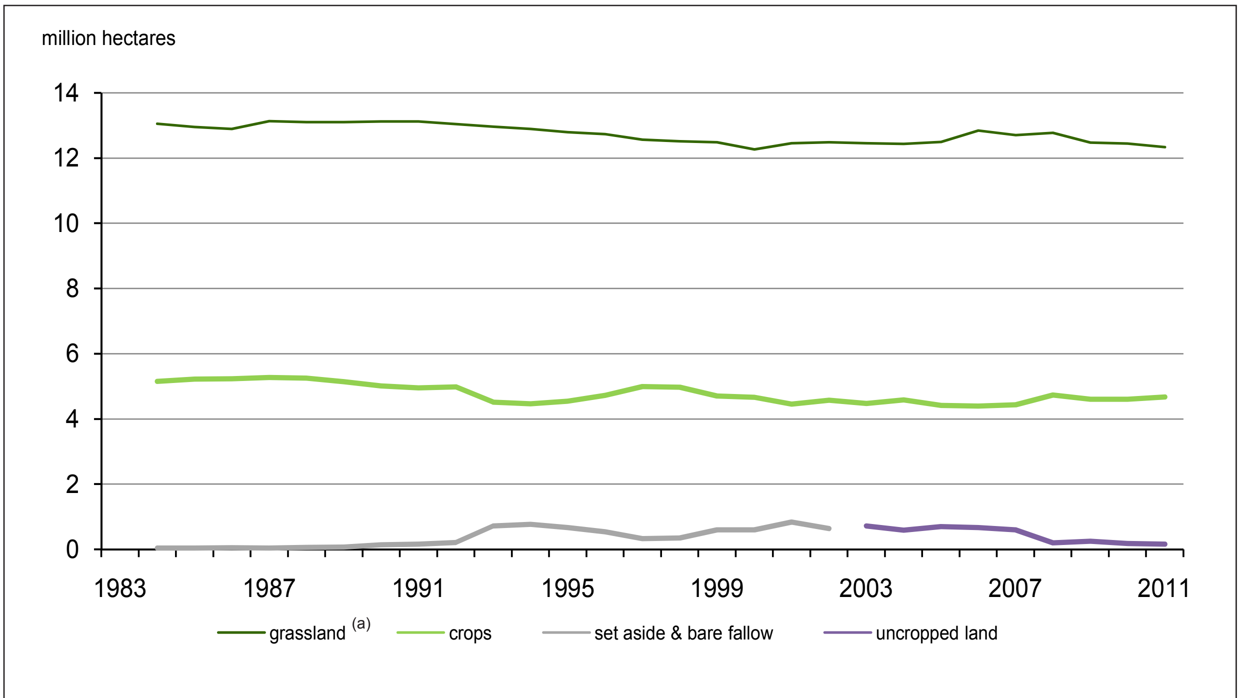


Source: Defra

Land use (chart 13.2)

3. Agricultural land use (chart 13.2) has remained relatively stable since 1983 with the proportion of land used for grassland (72 per cent) and crops (27 per cent) remaining fairly constant. The total area of uncropped land fell sharply in 2008, reflecting high cereal prices and the setting of a zero rate of set-aside, and has remained low due to good planting and market conditions.

Chart 13.2 Land use



(a) Grassland includes temporary grassland, permanent grassland, sole right grazing land and common rough grazing areas.

Agri-Environment Schemes

4. Agri-Environment Schemes provide payments to farmers who adopt land management and farm practices that are beneficial to the environment. The level of uptake of these schemes therefore gives an indication of the extent of environmentally sensitive farming. Details of the number of agreement holders in agri-environment schemes across the United Kingdom and the land areas that these schemes cover are given in Chapter 11.

5. Overall, the area of land in Agri-environment Schemes in England has increased from around 5,100 thousand hectares in 2006 to 6,200 thousand hectares in 2011. In Wales and Northern Ireland there have been slight declines over this period. In Scotland the land area in Agri-environment Schemes has declined from 1,557 thousand hectares to 681 thousand hectares due to legacy Agri-environment schemes being closed to new applications since 2006; land may now be entered into the competitive Rural Priorities Scheme and this currently covers 623 thousand hectares. Further information on the uptake of Agri-environment Schemes in England can be found at: http://www.defra.gov.uk/statistics/foodfarm/enviro/observatory/programme-indicators/

Fertiliser use (charts 13.3 and 13.4)

6. The key nutrients required for crop growth are nitrogen and phosphorus. The main sources are mineral fertilisers and organic fertilisers, such as manures and slurries from livestock. While their use contributes to high crop yields, allowing greater levels of production to be achieved, a surplus of these nutrients in agricultural soils can pose an environmental risk. Losses of nutrients to the environment can impact on water quality (nitrate and phosphate levels on rivers), air quality (ammonia emissions) and climate change (nitrous oxide emissions)

7. Levels of fertiliser use in Scotland, Wales and Northern Ireland are generally low whilst they have been considerably higher in England (charts 13.3. and 13.4). This is mainly due to the high levels of cropping in England which generally result in higher rates of fertiliser applications being required. Between 1990 and 2011 nitrogen fertiliser use has declined by 35 per cent and phosphate fertiliser use has declined by 54 per cent, mainly due to a reduction in application rates on grassland.

8. Yearly fluctuations in overall application rates are influenced by fertiliser prices, crop prices and crop type. Between 2010 and 2011, the overall nitrogen application rate for mineral fertilisers in Great Britain fell by 1 kg per hectare to 101 kg/ha. The overall phosphate application rate was 19 kg per hectare, little changed from 2010. Further information concerning the British Survey of Fertiliser Practice 2011, including the report, can be found at: http://www.defra.gov.uk/statistics/foodfarm/enviro/fertiliserpractice/. Further information on fertiliser use in England and Wales can be found at: http://www.defra.gov.uk/statistics/foodfarm/enviro/observatory/programme-indicators/

Chart 13.3 Nitrogen (N) fertiliser use in the United Kingdom 1985 to 2011

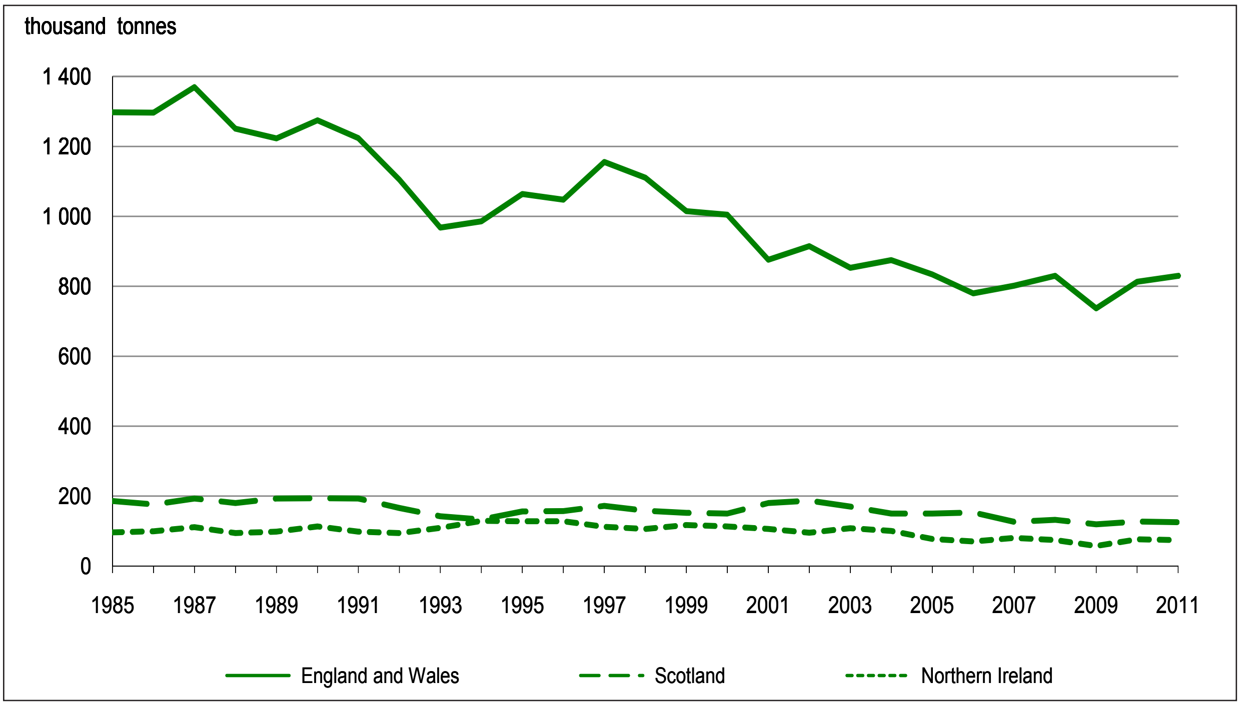
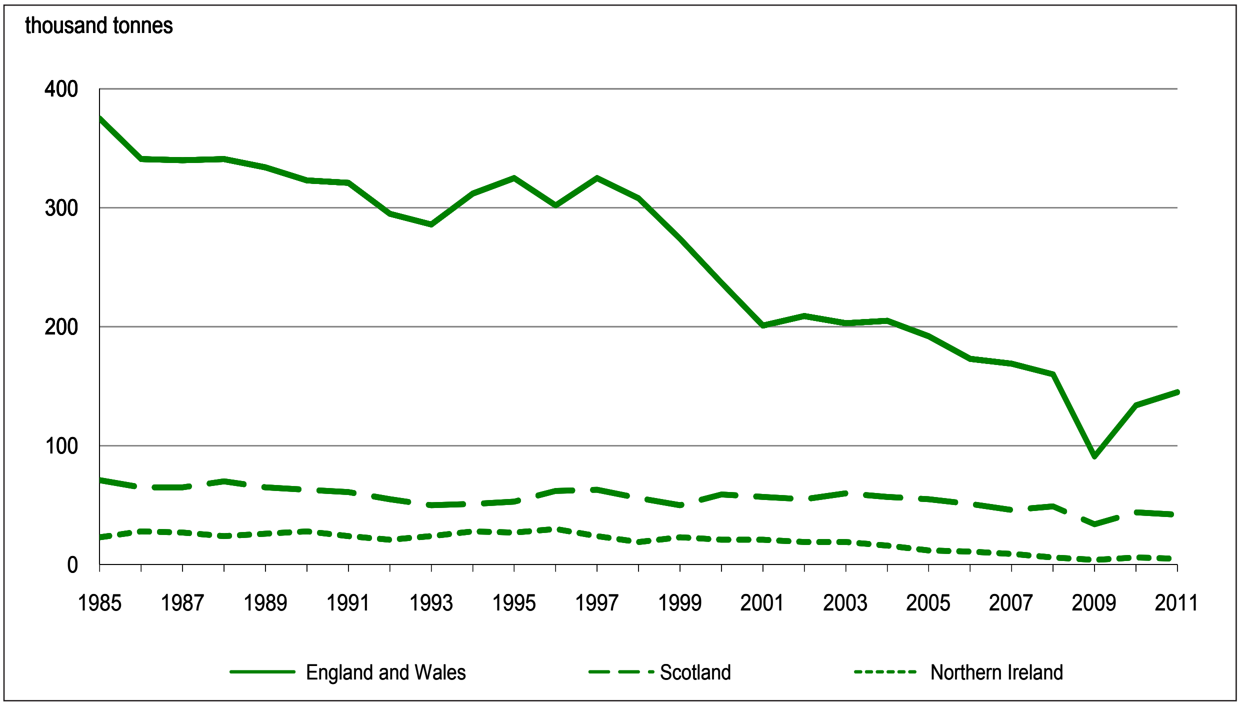


Chart 13.4 Phosphate (P_2O_5) fertiliser use in the United Kingdom 1985 to 2011



Soil nutrient balances

9. Soil nutrient balances provide a method for estimating the nutrient loadings of nitrogen and phosphorus to agricultural soils. The balances are calculated as the differences between nutrient inputs and nutrient removals by crop products and fodder. They determine whether there is a surplus or deficit of nutrients and the magnitude. When expressed as a loading of nitrogen or phosphorus per hectare of managed farmland, soil nutrient balances can be used as a high level indicator of environmental risks.

10. The nitrogen balance has fallen from a surplus of 111.1 kg N per hectare in 2000 to 93.4 kg N per hectare in 2010. This represents a steady improvement but still indicates a risk of loss to the environment. The phosphorus balance has fallen from a surplus of 10 kg P per hectare to 6.3 kg P per hectare in 2010 and is at a level that better matches crop growth requirements. Further information, including graphical displays of the nutrient balances, can be found at: http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-environ-obs-research-soilnutrientbalance-statsnotice-uk-110728.pdf

Water quality

11. A high level of nitrogen and phosphorus in agricultural soils increases the risk of their transportation to river water from soil erosion and leaching. Nitrogen and phosphorus in river water can cause environmental impacts such as eutrophication or acidification and a loss of biodiversity. For human health reasons, excessive levels of these nutrients must be removed from water bodies used for drinking water, incurring significant costs to water companies. It is estimated that agriculture accounts for around 61 per cent of the nitrates in river water in England and Wales[1] and around 28 per cent of phosphates in river water in Great Britain[2]

12. To meet the requirements of the EU Water Framework Directive, the monitoring of river water quality in the United Kingdom has changed. As a result, 2009 was the last year for which river water quality was based on the General Quality Assessment monitoring process. A new approach to monitoring has been introduced across the United Kingdom. Reporting options for the new monitoring approach are being considered and as a consequence no long term comparative data are available at this time. Further information can be found at: http://www.defra.gov.uk/statistics/files/exp-note-changes.pdf.

Water use

13. Water abstraction from surface waters and groundwater provide a source for irrigation, particularly in areas of low rainfall and for certain crops, helping to achieve high yields and crop quality. Agricultural water use can have positive impacts, such as the recharge of aquifers, but also negative impacts in terms of soil erosion and flooding. Over-abstraction can also lead to damage of sensitive aquatic habitats. Agriculture accounts for around 1 per cent of the total water abstracted in England and Wales with the majority used in the South East and East of England where there are particular pressures for water resources.

14. Levels of water abstraction for agricultural use are highly variable from year to year being greatly influenced by annual rainfall, particularly during the growing season. In 2010, the recorded agricultural abstraction rate in England of 353 Mega litres per day was 28 per cent higher than in 2009. Further information can be found at: http://www.defra.gov.uk/statistics/foodfarm/enviro/observatory/programme-indicators/

1 Hunt, D.T.E., et al, 2004, Updating an estimate of the sources of nitrogen to waters in England and Wales. Defra Project WT03016.

2 White, P.J. and Hammond, J. P., 2006, Updating the estimate of the sources of phosphorus in UK waters. Defra Project WT0701CSF.

Greenhouse gas emissions

15. Nitrous oxide is a potent greenhouse gas, emitted to the air as a result of nitrogen applications to agricultural soils. Agricultural emissions represented 80 per cent of total United Kingdom nitrous oxide emissions in 2010.

16. Nitrous oxide emissions from agriculture have fallen by 20 per cent between 1990 and 2010 which is consistent with trends in nitrogen fertiliser use over the same period. Further information can be found at: http://www.defra.gov.uk/statistics/foodfarm/enviro/observatory/programme-indicators/

17. Agriculture is the largest source of methane emissions in the United Kingdom, another greenhouse gas which contributes to climate change. In 2010 agriculture accounted for 44 per cent of total United Kingdom emissions of methane. Agricultural emissions of methane arise mainly from enteric fermentation in ruminating animals.

18. Methane emissions from agriculture have fallen by 20 per cent between 1990 and 2010 mainly as a result of decreasing livestock numbers, particularly cattle. Further information can be found at: http://www.defra.gov.uk/statistics/foodfarm/enviro/observatory/programme-indicators/

Air quality

19. Ammonia emissions have an impact on air quality and thus on human health. Deposition of ammonia can also damage sensitive habitats due to acidification and eutrophication, where excessive growth of a few dominant species leads to a decline in diversity of other species. Livestock production is a major source of ammonia emissions mainly from livestock housing and from the spreading of animal manure. Agriculture was responsible for 89 per cent of the total United Kingdom emissions in 2010.

20. Ammonia emissions since 1990 have fluctuated but overall have shown a declining trend. Again, this reflects the fall in the livestock numbers over the period. Further information can be found at: http://www.defra.gov.uk/statistics/foodfarm/enviro/observatory/programme-indicators/

Pesticides

21. Pesticides include a range of plant protection products which are used to manage pests and diseases and to regulate growth. These play a vital part in maintaining high crop yields and allowing greater levels of production from land. However, pesticides can have detrimental impacts on the environment, in particular to terrestrial and aquatic biodiversity.

22. The majority of pesticides are used on cereals. Pesticide usage can be measured in terms of the application of active substance per hectare of crop grown. Pesticides vary considerably in terms of their activity with newer active substances often requiring lower application rates as a result of better activity levels. Between 2008 and 2010, the total pesticide application rate on cereals decreased by 23 per cent. This was largely due to dramatic changes in herbicide use; the revocation of isoproturon and trifluralin and replacement with active substances requiring lower application rates. Further information can be found at: http://www.defra.gov.uk/statistics/foodfarm/enviro/observatory/programme-indicators/

Farmland bird index

23. Farmland bird populations are considered to be a good indicator of the general state of wildlife because they have a wide habitat distribution and are near the top of the food chain. Agriculture can provide habitats for nesting birds and valuable sources of winter food and spring forage. As a result, farming has a significant impact on farmland bird populations, although the situation is complex with a range of non-agricultural factors also contributing, i.e. the severity of winters and predation pressures.

24. The farmland bird index is made up of seven farmland generalist species and twelve farmland specialist species. Since 1970 the generalist populations have remained relatively stable with the overall declining trend for all species driven mainly by the trend for the specialists; the farmland bird index is now at 50 per cent of its 1970 value. Most of the decline occurred between the late 1970s and early 1990s. Between 2009 and 2010 the index declined by 3.0 per cent. Further information can be found at: http://www.defra.gov.uk/statistics/files/Wild-bird-populations-in-the-UK-1970-2010-National-Statistics-Release.pdf

Chapter 14 Key Statistics for EU Member States

Summary

In 2011:

- Income from agricultural activity in the United Kingdom as measured by the EU was 50 per cent higher than in 2005, while for the EU27 it was 19 per cent higher.

Of the EU27 Member States the United Kingdom is:

- The largest producer of sheep and goat meat.
- The third largest producer of wheat.
- The third largest producer of cows' milk.
- The fourth largest producer of beef and veal.

Between 2005 and 2011:

- Producer prices for crop products rose by 77 per cent in the United Kingdom and by 34 per cent in the EU27.
- Producer prices for animals and animal products rose by 54 per cent in the United Kingdom and by 23 per cent in the EU27.
- Purchase prices for the means of agricultural production rose by 58 per cent in the United Kingdom and by 38 per cent in the EU27.

Introduction

1. This chapter presents simple analyses of agriculture in the European Union to enable comparison of the United Kingdom with other Member States. The source of the data is http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home where a range of data is available free of charge.

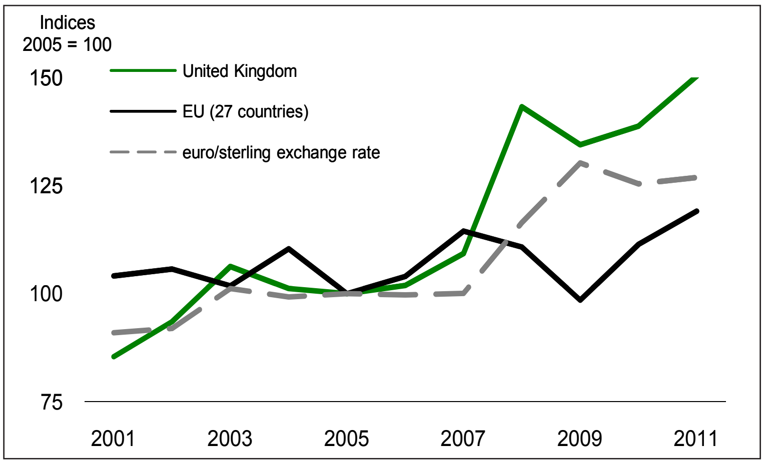
2. Eurostat is the statistical office of the European Union. Its task is to provide the European Union with statistics at a European level that enables comparisons between countries and regions.

Incomes

Indicator A of the income from agricultural activity

3. Chart 14.1 shows Indicator A, a measure of the average income obtained from agriculture, for the United Kingdom and the EU27. An index showing the trend in the euro/sterling exchange rate is also shown.

Chart 14.1 Indicator A of the income from agricultural activity

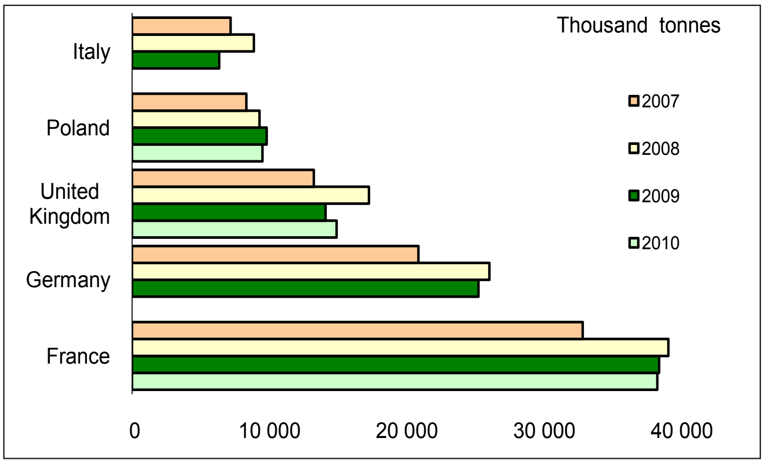


Agricultural products

Wheat

4. Chart 14.2 shows the quantities of wheat produced by the top five producing Member States in 2007 to 2010. This is production of common wheat and durum wheat. Data is not yet available for 2011 and some is not available for 2010.

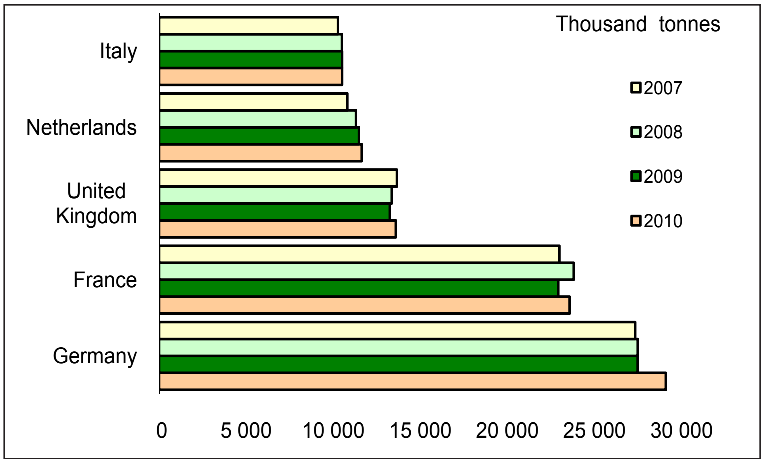
Chart 14.2 Production of wheat



Cows' milk

5. Chart 14.3 shows the quantities of cows' milk produced by the top five producing Member States in 2007 to 2010. This is cows' milk collected from farms by approved dairies and excludes milk consumed on farm, sold direct to consumers and used for cattle feed. Data is not yet available for 2011.

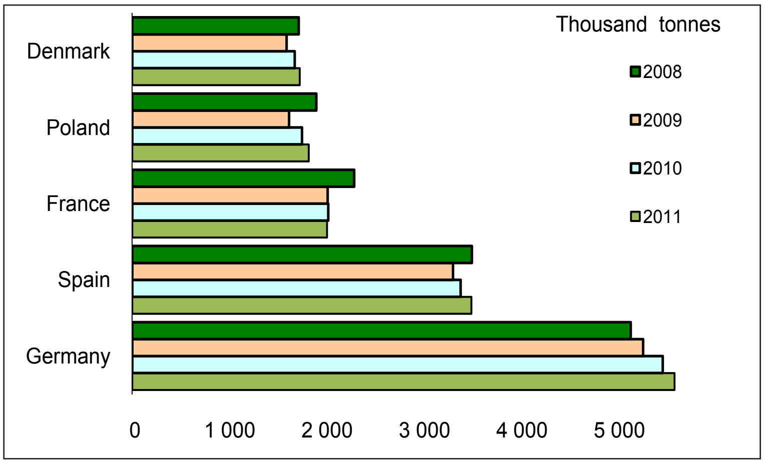
Chart 14.3 Collection of cows' milk



Pigmeat

6. Chart 14.4 shows the quantities of pigmeat produced by the top five producing Member States in 2008 to 2011. This is the total carcase weight of pigs slaughtered in slaughter houses and on the farm whose meat is declared fit for human consumption.

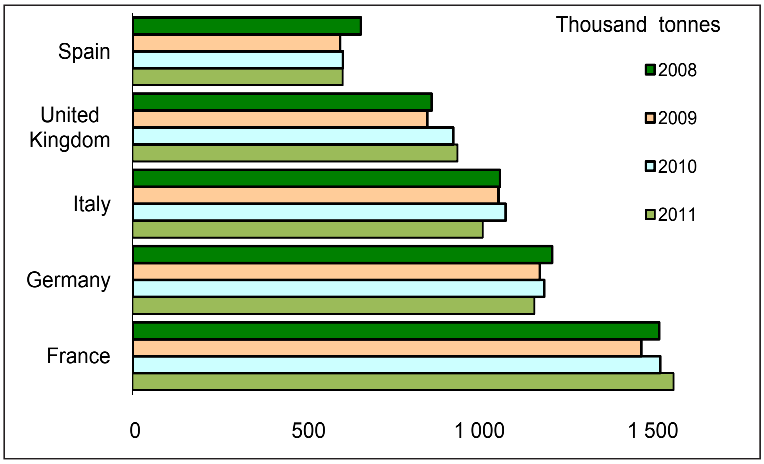
Chart 14.4 Production of pigmeat



Beef and veal

7. Chart 14.5 shows the quantities of beef and veal produced by the top five producing Member States in 2008 to 2011. This is the total carcase weight of bovine animals (calves, bullocks, bulls, heifers and cows) slaughtered in slaughter houses and on the farm whose meat is declared fit for human consumption.

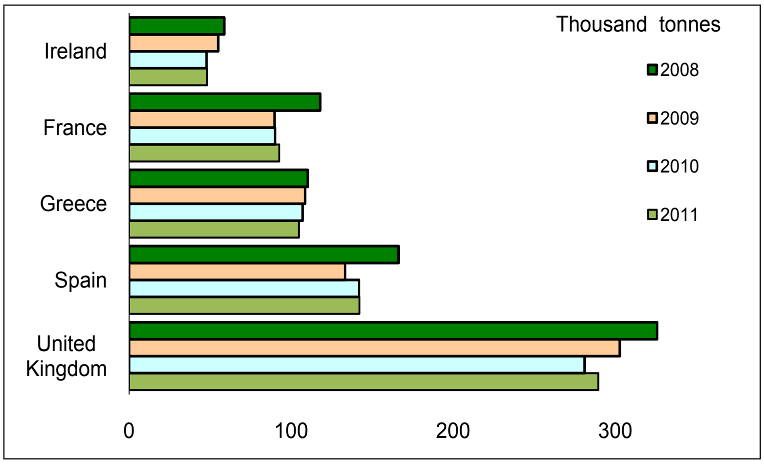
Chart 14.5 Production of beef and veal



Sheep and goat meat

8. Chart 14.6 shows the quantities of sheep and goat meat produced by the top five producing Member States in 2008 to 2011. This is the total carcase weight of sheep, including lambs and goats, slaughtered in slaughter houses or elsewhere whose meat is declared fit for human consumption.

Chart 14.6 Production of sheep and goat meat

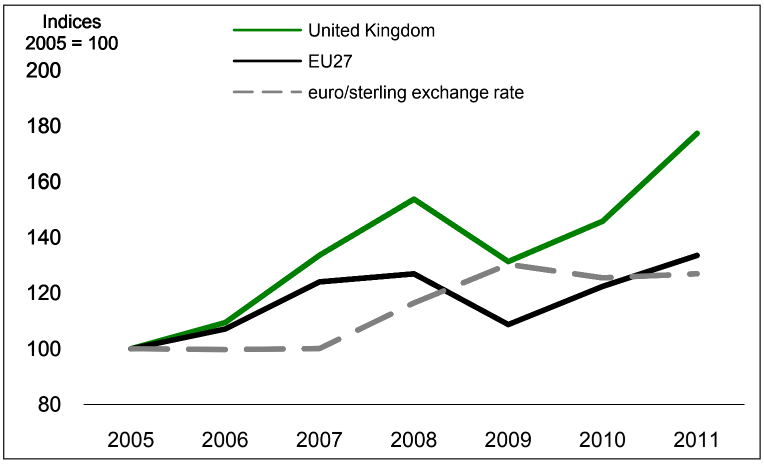


Price indices

Crop products

9. The indices in chart 14.7 show the trends in the nominal producer prices of crop products as a whole. The sub-indices were weighted by the values of sales in 2005. An index showing the trend in the euro/sterling exchange rate is also shown.

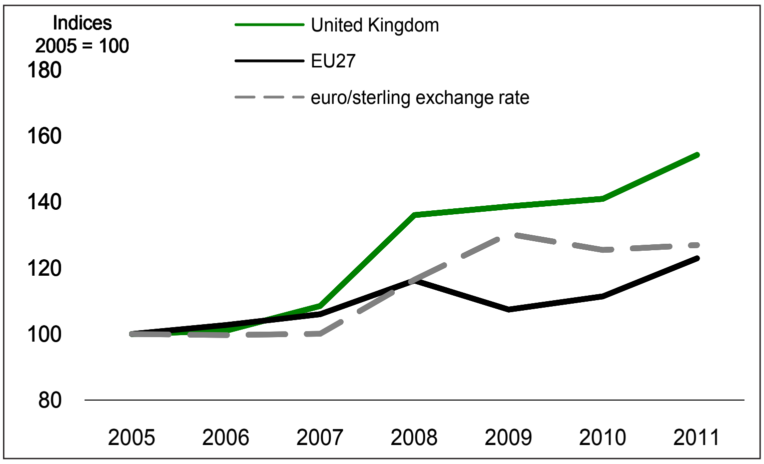
Chart 14.7 Producer price indices, nominal: Crop products



Animals and animal products

10. The indices in chart 14.8 show the trends in the nominal producer prices of animals and animal products as a whole and in the euro/sterling exchange rate is also shown.

Chart 14.8 Producer prices indices, nominal: Animals and animal products



Total means of agricultural production

11. The indices in chart 14.9 show the trends in the nominal purchase prices of the means of agricultural production as a whole and in the euro/sterling exchange rate.

Chart 14.9 Purchase price indices, nominal: Total means of agricultural production