

Agriculture in the United Kingdom 2000

Produced by:

Ministry of Agriculture, Fisheries and Food

Scottish Executive Rural Affairs Department

Department of Agriculture and Rural Development
(Northern Ireland)

National Assembly for Wales Agriculture Department

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First published 2001

ISBN 011 243062 7

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Printed in the United Kingdom for The Stationery Office

TJ 003724 C15 03/01 9385 14446

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Preface

2000

1 Agriculture in the United Kingdom 2000 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 and cover in the report developments in agricultural policy, including policy on agriculture and the environment. The Government will draw on this information when considering policy issues, including proposals by the European Commission in respect of the Common Agricultural Policy and the provision of agricultural support in 2001/02

2 The tables in this edition are similar to those in Agriculture in the United Kingdom 1999, although some of the figures now given for past years may differ from those published in the 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. Former Chapters 1 and 3 are combined into a new Chapter 1. Chapter 2 now contains the summary of the year and future prospects whilst the structure of the industry becomes chapter 3. Chapter 10 is an introduction to environment accounts.

Statistical tables – general note

3 Most of the data are on a calendar year basis. The figures for 2000 are provisional; they reflect the position as seen in January 2001 when information for 2000 was still incomplete and an element of forecasting was therefore required. The figures in the tables in Chapters 8 and 9 relate to years ending (on average) in mid-February and at the end of March respectively.

4 The following points apply throughout:

- i. all figures relate to the United Kingdom, unless otherwise stated
- ii. the figures for imports and exports include those from intervention stocks and the figures for exports include re-exports. The figures for trade with the fourteen other members of the European Union and with the rest of the world reflect country of consignment for imports and country of reported final destination for exports. The source of Overseas Trade Statistics is HM Customs and Excise;
- iii. where units are common or predominant, they are indicated at the top of the table. Otherwise they are shown in the body of the table;
- iv. in some cases figures may not add to corresponding totals because of rounding;
- v. symbols:
 - means 'nil' or 'negligible' (less than half the last digit shown).
 - .. means 'not available' or 'not applicable'

5 This publication and other MAFF statistics can be found on the World Wide Web at www.maff.gov.uk under 'Statistics'.

Key events and policy developments in 2000

Key events

- The year saw significant progress in realising the UK Government's *long-term strategy for agriculture*. The Farming Summit in March brought together Agriculture Ministers, Ministerial colleagues and representatives from across the food chain and saw the launch of the Action Plan for Farming. During the year, Wales, Scotland and Northern Ireland pushed forward rural initiatives tailored to their specific needs.
- In the autumn, the European Commission approved *Rural Development Programmes* for all areas of the UK. In total, these will invest nearly £3 billion in the UK rural economy over seven years.
- *Low farm incomes* again proved a major issue, with forecasts indicating a fall of 25 per cent in 2000. A key factor in this was the further decline of the Euro against Sterling during the year.
- With a 69 per cent fall in Total Income From Farming since 1995, the agricultural industry is shedding labour. There was a 5 per cent drop in the workforce in 2000, and a shift from full-time to part-time working. In terms of full time equivalents there was a drop in paid labour of 11 per cent and in unpaid labour (farmers and directors) of 3 per cent.
- February saw the launch of the *Pet Travel Scheme*, allowing pet cats and dogs from certain Western European countries to enter the UK without quarantine.
- The outbreak of *Classical Swine Fever* in East Anglia, where disease was first confirmed in August, was drawing to a close by the end of December, by which time all area movement restrictions had been lifted.
- The *BSE Inquiry Report* was published in October. The Government is studying the findings and an interim response was due to be published in early February 2001.
- *Severe flooding* affected many parts of the UK during autumn 2000, especially parts of SE England, and areas close to the River Severn and the Yorkshire Ouse. For the UK as a whole, the autumn of 2000 was the wettest since records began. The widespread flooding led to harvesting difficulties, damaged newly sown crops and prevented autumn planting in many areas. Outlying livestock were also at risk.
- The December Agriculture Council agreed tough new measures to combat the *rising incidence of BSE* across the EU, to protect public health, and restore confidence in continental markets for beef.

2000

Weather Report

- 1 The 1999/2000 winter was another generally mild winter, with quite a lot of sunshine. This meant that grassland and autumn sown crops came through it in good heart and resumed growth early in the year. Fairly dry and warm weather in March enabled good progress with cultivations and drilling of spring-sown crops and helped lamb survival. However, wetter weather in April interrupted spring fieldwork, including potato planting, and grass growth slowed considerably. Further spells of unsettled weather in May made it a frustrating time for potato planting and crop spraying with the first cut of silage delayed in many areas. In the mid summer period, the absence of prolonged dry spells meant good grass growth and grazing livestock made good progress. In the main arable areas of England, fairly settled and dry conditions throughout August and into September enabled reasonable progress with the cereal harvest and yields were generally good. However, further north wetter conditions resulted in a delayed harvest. Over much of the country, cereal crops were harvested at high moisture contents, but yields held up reasonably well. Very wet weather throughout much of September and October brought serious flooding to many areas, putting livestock and autumn sown crops at risk. There were further interruptions to harvests in the north of Britain and frustrating delays with autumn cultivations and planting in the south. Growth rates with grazing livestock slowed considerably. More wet weather in November brought further flooding and delays to autumn planting and sugar beet and potato lifting. Livestock had to be brought inside in many grassland areas, in many cases one month earlier than usual. Following the wettest autumn for at least 230 years, fields entered the 2000/2001 winter in a very damp state with large areas not likely to be cultivated and planted until the spring.
- 2 Where flooding or heavy rain prevented farmers from complying with rules or deadlines under CAP schemes, the UK announced that it would exercise available discretions, and as necessary, approach the European Commission with a view to making further changes.
- 3 The adverse weather created a particular problem for flax and hemp producers, as the old regime requires the crop to be harvested before aid is paid. The UK requested and obtained a derogation enabling aid to be paid in affected regions, even where it had been impossible to complete the harvest.

Policy developments

EU Developments

- 4 Developments this year include:
 - EU-wide rules were agreed on compulsory *beef labelling*; these require fresh, chilled and frozen beef, offered for sale throughout the supply chain, to be labelled from 1 September 2000 with information on place of slaughter and cutting/mincing, and from 1 January 2002 including full country of origin information (place of birth, raising and slaughter).
 - The Agriculture Council of 4 December invited Member States 'to accelerate the application of complete labelling for beef, including in particular the labelling of processed products, foreseen for 1 January 2001'.

- The UK, in conjunction with many other Member States, successfully opposed a Commission attempt to abolish the *EU School Milk Scheme*. Subsequently, following a formal proposal by the Commission to reduce aid rates substantially, a compromise was agreed by the Council, reducing the level of subsidy available by a lower amount than proposed, but allowing Member States to top-up payments to their original level. The UK Government and the devolved administrations have decided to spend £1.9m to maintain the subsidy at its former level across the UK on the basis of current uptake of the scheme. Also, as part of the new arrangements, the UK actively participated in negotiations in the Milk Management Committee on a new Commission Regulation simplifying the administration of the Scheme and therefore making it more attractive to schools and LEAs.
- The outcome of the reform of the *flax and hemp regime* sees the incorporation of these crops into the Arable Area Payments Scheme (AAPS) for the 2001 growing season and the introduction of a processing aid for fibre which differentiates between long fibre flax, and short fibre flax and hemp.
- *Prices for agricultural products*: The Commission's proposals on support prices were agreed unanimously by the Agriculture Council in July. The price-fixing round was very low-key, with few changes made to intervention and target prices for the majority of the commodity regimes. On the common organisation of the market in cereals, a change to the substance of the package occurred in the form of a deferment by one year to the proposed 7 per cent in cereals intervention price monthly increments.
- In December the European Union agreed a comprehensive proposal for submission to the *WTO agriculture negotiations*. The proposal meets a key UK objective in committing the EU to constructive negotiations on continuing trade liberalisation and reform of agricultural policy.
- Discussions have commenced on the reform of the *EU sugar regime*, with the UK broadly supporting the Commission's proposals as the minimum needed to meet the pressures faced by the regime. A decision is anticipated in the spring of 2001. The UK has been seeking to ensure that the implications of the parallel proposal on duty-free access for goods from Least Developed Countries are taken fully into account in the sugar reform negotiations.
- The Commission's report to Council on the operation of the *Fruit and Vegetables Regime*, due by the end of 2000, is still awaited. However, certain amendments to the Regime considered to be urgent were adopted, including simplification of the funding arrangements for Producer Organisations by introducing a single ceiling of 4.1 per cent of marketed production.
- *New EU-wide feed controls*: Against a background of rising incidence of BSE in other Member States (notably in France) and of the first reports of BSE in homebred animals in Spain and Germany, the Agriculture Council of 4 December agreed new controls requiring Member States to prohibit, until 30 June 2001, the feeding of processed animal protein to animals which are kept, fattened or bred for the production of food. This Decision was adopted on the basis of advice from the Scientific Steering Committee. The advice stated that, where it is not possible to exclude the risk of cross-contamination of cattle feed – with feed intended for other animals containing animal proteins possibly contaminated by the BSE agent – a temporary ban of animal proteins in animal feed should be considered.

The definition of 'processed animal protein' in the Council Decision includes materials other than mammalian protein and mammalian meat and bone meal, which is already banned from livestock feed under existing UK legislation.

There are certain exceptions to the Council Decision, including:

- a) feeding of fishmeal to animals other than ruminants,
- b) feeding of non-ruminant gelatin used for coating of additives,
- c) dicalcium phosphate and hydrolysed protein, and
- d) milk and milk products.

Detailed rules for the implementation of the Council Decision agreed by the Standing Veterinary Committee were adopted by the Commission on 29 December 2000.

- *Beef Market Support Measures:* the Agriculture Council of 4 December also agreed that:
 - a) meat and other materials derived from animals over thirty months of age which have not been tested for BSE should be removed from the food chain;
 - b) the Commission should introduce a 'purchase and destruction' scheme for such animals;
 - c) funding the purchase-cost of these animals should be split 70:30 between the EU and the Member States;
 - d) slaughter and destruction costs should fall to Member States;
 - e) provision should be made for the purchase and destruction of over thirty months animals which test negative for BSE if these cannot easily be absorbed by the market (now operational in the Federal Republic of Germany);
 - f) countries with little or no incidence of BSE and a history of not feeding meat-and-bonemeal to cattle (i.e. Austria, Finland and Sweden) should be exempted from the requirement to run the new scheme;
 - g) in the short-term the Commission should support the market as necessary through intervention buying, relaxing some of the normal operational rules if this seemed appropriate;
 - h) the Commission should consider the possible need for other market support measures, recognising that the costs of market support should be such as to ensure that the financial ceiling on Agricultural expenditure agreed in Berlin is not exceeded.
- Commission Regulations were adopted by the *Management Committee for Beef and Veal* on 12 December:
 - a) introducing a formal ban on the marketing of meat from untested animals over thirty months of age;
 - b) providing for a purchase and destruction scheme for untested animals in most Member States and for tested ones in Germany;

- c) offering the possibility (but not the necessity) of exempting Austria, Finland and Sweden from the latter scheme, provided that meat from untested animals is marked as such and is not traded outside the Member State of production;
 - d) relaxing certain rules on intervention buying.
- *Specified Risk Materials*: Commission Decision 2001/2 adding intestines of bovine animals of all ages to the list of materials which must be removed and destroyed in all Member States with effect from 1 January 2001 was agreed by the Standing Veterinary Committee and adopted by the Commission on 27 December 2000.

Payments to farmers under Common Agricultural Policy

Agrimonetary Compensation

- 5 The UK Government announced a series of packages of agrimonetary compensation to offset falls in UK 2000 CAP direct payments resulting from the euro/sterling exchange rate. In March, it was announced that £66 million would be paid: £22 million each to the beef, dairy and sheepmeat sectors. In November, £34 million was announced in compensation to the arable sector. This is all optional funding, and comes in addition to the nearly £400 million to be paid in compulsory compensation from 1999–2001.
- 6 Member States not participating in the single currency have the opportunity to offer producers, processors and traders the option of CAP payments in euro. Following Commission approval of its scheme, the Government announced in August that it would be offering CAP market support measures, such as export refunds, to traders and processors from the Autumn. By the end of 2000, 14 businesses had taken up the offer, receiving £100 million in euro payments in a full year (around 3.5 per cent of total CAP market support payments in the UK). Further consideration is being given to extending this option to direct aid recipients.

New Appeals Mechanism

- 7 The Scottish Executive Rural Affairs Department launched a new EU Agricultural Subsidies Appeals Procedure on 9th November 2000, fulfilling a Scottish Executive commitment to provide an independent appeals mechanism for farmers suffering penalties in relation to their EU subsidy claims. The new procedure ensures that the decision-making process is both transparent and accountable. Farmers can now appeal against a SERAD decision to reduce, refuse or recover (in whole or in part) payment under an IACS scheme for the IACS 2000 year or thereafter.
- 8 The three-stage appeals structure consists of an internal SERAD review, a review by an External Advisory panel and then recourse to the Scottish Land Court, which is a formal court of law. Each stage of the appeals procedure will consider the relevant European and UK legislation and consider whether SERAD's decision is consistent with this.
- 9 In December 2000, MAFF issued a consultation document on an IACS appeals mechanism, designed to introduce greater transparency into the Ministry's procedures for resolving disputes over claims under the IACS schemes. DARD is proceeding with a consultation on a similar basis.

10 On 20 October 2000, the National Assembly for Wales Agriculture Department issued a consultation paper on proposals for an improved and independent appeals mechanism in Wales. Its purpose would be to enhance the existing processes to consider appeals against decisions specifically and solely concerning the disbursement of funds from the European Agricultural Guarantee and Guidance Fund.

11 The consultation period ended on 22 December 2000 and responses confirmed that the farming industry in Wales generally welcomed the proposals. The National Assembly's Rural and Development Committee supported the idea at its meeting on 24 January 2001. The plan is to have a new system in place in time for the IACS 2001 scheme year.

UK Agriculture strategy

12 For the past year Government has been working in partnership with the farming, food and retail industries to deliver the long-term strategy for the agriculture industry that was launched in December 1999 – A New Direction. The strategy is a framework of opportunities to help the farming industry become more competitive, diverse, flexible, responsive to consumer wishes, environmentally responsible and an integral part of the rural and wider economy. It is being achieved through short term support to those sectors hit hardest by the current crisis, longer-term action to encourage industry restructuring and adaptation, and by modernising Government's interfaces with the businesses it deals with.

13 The new Rural Development Programmes (see below) implementing the Rural Development Regulation, or the 'second pillar of the CAP' are key vehicles for delivery of the strategy. All the UK Programmes have now been approved by the European Commission. A new partnership between Government and the farming community will mean some of the production-linked payments to farmers being recycled into Rural Development measures and matched with equivalent funding from Government. These Programmes have been supplemented by other measures, in particular the Action Plan for Farming, launched by the Prime Minister in March 2000 in response to the current economic crisis facing the sector.

Action Plan for Farming

14 The Prime Minister, Ministerial colleagues and Agriculture Ministers met representatives of the farming, food and retail industries and environmental agencies on 30 March 2000 to determine a way forward in the context of the current crisis in the UK farming industry, and to explore how key stakeholders in the food chain, as well as Government, could contribute to helping the UK industry meet the challenges it faces. At that meeting, the Action Plan for Farming was launched, supported by £200 million. The Plan provides short-term financial relief and longer-term support for business restructuring and development, improved marketing and food chain cooperation, training and innovation. Together, these measures will help farmers find new and better ways to make their businesses more resilient, more efficient and more responsive.

15 The Spending Review 2000 settlement will provide a further £300 million to carry forward key initiatives over the next three years. Although a number of measures in the Plan are UK-wide, others are focused on England. The devolved administrations are developing strategies to meet priorities in their parts of the country.

16 MAFF is driving forward delivery of the Action Plan, in partnership with other Government Departments, the NFU and other stakeholders. Recent highlights include:

- Launch of the Outgoers element of the UK Pig Industry Restructuring Scheme;
- Securing from Brussels £66 million of agrimonetary compensation for the UK dairy, beef and sheep sectors (all payments to sheep sector and dairy sector have been made);
- A further £34 million of agrimonetary compensation will be paid to the arable sector, subject to European Commission approval;
- Launch of Farm Business Advice Service, worth nearly £22 million to farmers in England over 4 years;
- In response to the Maclean Report, announcement of additional aid worth £8.7 million in 2001–2 in respect of meat inspection costs to help secure the future of small and medium-sized abattoirs in England, Scotland and Wales;
- Publication of the Better Regulation Task Force Report – ‘Environmental Regulations and Farmers’;
- Publication on website of progress reports on implementation of recommendations made by Red Tape review groups;
- Deferral of implementation of IPPC Directive for existing pig/poultry units until 2007 – an interim charging scheme in England and Wales, based on general binding rules of under £3,000 has been agreed.

17 Other stakeholders have also made good progress. The NFU launched the British Farm Standard red tractor logo; the Countryside Agency launched their ‘Eat the View’ campaign, and the Environment Agency have repaid those farmers in England and Wales who had already paid their annual charge under the Groundwater Regulations.

18 The Agriculture Strategy Industry Forum, chaired by the Minister of Agriculture, Fisheries and Food, is giving strategic direction to this work and identifying further actions. At the second meeting in November 2000 the Minister announced three new Government/industry Task Forces to tackle key issues of concern – Inputs into UK farming, efficiency within the dairy supply chain, and strategic options for hill farmers in England. These will report by 31 March 2001.

Developments in Scotland

19 In Scotland the Scottish Executive has launched a discussion on the future viability and sustainability of farming and how agriculture can contribute to the economic, social and environmental sustainability of rural areas. A Discussion document, ‘A Forward Strategy for Scottish Agriculture’, was published on 6 April, 2000.

20 The launch of the Discussion document was followed up by a major conference and a series of discussion groups around the country during the summer and early autumn. This process will lead to the publication in March 2001 of the first comprehensive strategy for Scottish agriculture in decades.

Developments in Wales

- 21 In Wales, a top level Advisory Group has been established under the chairmanship of the Minister of Rural Affairs, to assist in the preparation of a long-term direction for farming in Wales. The Group comprises key players from Welsh farming, food, countryside and academia. The process is an entirely open one with papers discussed in the Group available on the internet so that people can feed in their views. The National Assembly's Agriculture and Rural Development Committee will also be invited to discuss and comment on the draft strategy prior to its publication. It is planned to publish the strategy document in Spring 2001.

Developments in Northern Ireland

- 22 In Northern Ireland, a separate strategic review was launched, aimed at developing a vision for the future development of the local agri-food sector. The final report from the Group charged with taking forward this exercise is expected at the beginning of March 2001, although a number of its preliminary recommendations have already been adopted in the context of the Programme for Government and budget settlement.

Rural Development

England Rural Development Programme

- 23 The England Rural Development Programme was approved by the European Commission in October, and was launched on 3 October. It will invest £1.6 billion in rural development and agri-environment measures over seven years. The Programme identifies two priority areas for funding: the conservation and improvement of the environment and creation of a productive and sustainable rural economy. The Programme sets out how these priorities will be met through the substantial expansion in funds for the Countryside Stewardship Scheme, the Organic Farming Scheme, the Woodland Grant Scheme and the Farm Woodland Premium Scheme. The Environmentally Sensitive Areas Scheme will continue, and support for hill farming will be refocused through the new Hill Farm Allowance Scheme. Four new schemes were opened to applications on 3 October: the Rural Enterprise Scheme, Processing and Marketing Grants, the Energy Crops Scheme and the Vocational Training Scheme. These schemes aim to assist the creation of more diverse and competitive agriculture and forestry sectors and jobs in the countryside, encourage the development of new products and markets and greater collaboration, and provide training to support these new activities.

Structural Funds

- 24 The Objective 1 Programmes in Cornwall and the Isles of Scilly, South Yorkshire and Merseyside were launched in July 2000, following European Commission approval under the new Structural Funds Regulation. The agricultural fund will support measures similar to those operated through the ERDP in the rest of England.
- 25 MAFF consulted widely and at all levels on the arrangements for the implementation of the LEADER+ scheme in England leading to the submission of the draft England Programme to the European Commission on 17 November. At the

same time, MAFF launched an 'expressions of interest' exercise for groups interested in participating in the scheme. The objective of LEADER+ is to assist rural development by supporting experimental, integrated local area-based development strategies, which in turn will encourage the development and testing of new approaches to sustainable rural development. The Programme aims to complement the measures in the England Rural Development Programme.

Rural White Paper

- 26 The Government published the Rural White Paper on 28 November 2000: 'Our Countryside: the future, a fair deal for rural England'. The main areas of focus were: sustainable growth and regeneration in rural areas; a new direction for agriculture; access to services and social exclusion in rural areas; governance with rural empowerment; conservation and recreation. It also emphasised the need to build the rural dimension into policy development across Government – 'rural proofing'.

Rural Scotland: A New Approach

- 27 'Rural Scotland: A New Approach', published in May 2000, presented the Executive's vision for rural Scotland, and set out the new and different approach that the Executive is taking to rural issues – acknowledging them, understanding their nature and distinctiveness; and then tackling them in ways that are sensitive to rural circumstances.
- 28 The Scottish Executive identified a need for greater understanding of the issues surrounding the provision of services in rural areas. For this reason, Ministers asked the Scottish National Rural Partnership to establish a sub-group, involving service providers, to investigate innovative approaches to service provision in rural areas. The sub-group published its report on 15 January 2001.
- 29 Rural poverty and social exclusion have also been identified as issues to be addressed. If they are to be tackled effectively, we need greater understanding of how they are manifested in rural areas. Thus, Ministers have established the Rural Poverty and Inclusion Working Group, involving representatives from local government, agencies, and the voluntary sector, to consider the indicators of poverty and exclusion in rural areas, and to identify examples of good practice. The group has been asked to produce a report to Ministers by the end of February 2001.
- 30 As part of its overall vision for rural Scotland the Scottish Executive is currently involved in delivering a programme of Land Reform which is intended to remove the land-based barriers to sustainable development of rural communities. Proposals for changes to the law relating to agricultural tenancies, contained in a White Paper published in May 2000, are a key agricultural element of this programme. These have resulted in an historic agreement between the National Farmers Union for Scotland and the Scottish Landowners' Federation on measures to ensure greater flexibility in the rented land market, whilst still ensuring adequate protection of the tenant's investment. Other elements in the programme include a Land Reform Bill to introduce a right of access to rural land and to give crofting and other rural communities rights to buy land for community purposes.

Scottish Rural Development Programme

- 31** The Scottish Rural Development Programme received Commission approval on 6 December. The Plan incorporates the new Rural Stewardship Scheme and the Organic Aid Scheme, the new area-based scheme to support less-favoured areas, and the continuation of the Farm Woodland Premium Scheme and the Woodland Grant Scheme. The new Less-Favoured Areas Support Scheme will be worth £63.5 million in 2001. Payments are based on area and land capability and remoteness are taken into account. Around £685 million will be spent over the lifetime of the Rural Development Programme on these Schemes, including financial contributions flowing from the introduction of modulation.
- 32** In addition, around £25 million will be spent on measures (eg processing and marketing, agricultural business development etc) included in the EU Structural Funds Programme for the Highlands and Islands, but which fall within the scope of the EU Rural Development Regulation. Processing and Marketing and Agricultural Business Development Schemes will also operate in Lowland Scotland, and it is estimated that around £77 million will be spent, funded from resources from the Scottish Executive.

Wales Rural Development Plan

- 33** The Wales Rural Development Plan was approved by the European Commission in early October, and was published in December. It will involve the investment of around £450 million in rural development and agri-environment measures over seven years. The National Assembly is supporting a number of the measures permitted under the Rural Development Regulation which will conserve and improve the environment and enable farming, forestry and other rural businesses and communities to adapt to changing circumstances and to develop. The Programme will make funds available for Tir Gofal; the Organic Farming Scheme; support for hill farming through Tir Mynydd; a range of forestry and farm woodland initiatives; training for farmers and their families; investment in agricultural holdings and the processing and marketing of agricultural products through the Processing and Marketing Grant Scheme. The details of these schemes are currently being developed.

Northern Ireland

- 34** The Rural Development Regulation Plan (accompanying measures) for Northern Ireland was approved by the EU Commission on 4 December. This package, worth £266 million between 2000 and 2006, contains Northern Ireland's plans under the accompanying measures of the EU Rural Development Regulation. As such, it comprises a new LFA support scheme to replace the existing Hill Livestock Compensatory Allowances, an enhanced agri-environment programme, with additional funding for the Countryside Management Scheme and the Organic Farming Scheme, together with the continuation of the Environmentally Sensitive Areas Schemes, and a continuation of the private forestry programme. The non-accompanying measures will form part of Northern Ireland's Transitional Objective 1 Programme. The Northern Ireland authorities are engaged in negotiations with the European Commission on the content of this plus the Peace II Programme. Details of the support available under the two Programmes will be available early in 2001.

Animal health

BSE Inquiry

- 35** In October, the Government published the report of the public inquiry set up to look into the history of BSE and variant CJD and how the diseases were handled by the Government and others in the period up to 20 March 1996. The report found that most of those responsible for responding to the challenge posed by BSE emerged with credit. But it identified a number of aspects of the response to BSE that were inadequate, and set out some fundamental lessons for public policy and the way that things should be done in the future. The Government is studying all of the BSE Inquiry team's findings with care and an interim response to their report is due to be published in early February 2001. This response will form the basis of consultations and discussions, which will enable all those interested to contribute to the final response that the Government will make to the Report.

Progress on beef ban

- 36** In January, the European Commission began proceedings in the European Court of Justice against France for its failure to lift its ban on imports of British beef. Oral Hearings and Judgement are expected in 2001. In March, Germany lifted its ban. By the end of the year, over 80 countries, including all other EU member states except France, had no ban on British beef. In November, in line with the Strategy for Agriculture, the UK asked the Commission to make a proposal to relax export controls in Northern Ireland in view of its low incidence of BSE. It also asked the Commission to amend the requirements that the UK can export only de-boned beef and that export-approved slaughterhouses can handle only export-eligible cattle. In addition, the UK sought clarification of the rules covering the export of tallow and tallow derivatives. However, at the end of November, it was decided to put the NI proposal temporarily on hold because of heightened concerns about BSE in Europe and an increase in the number of BSE cases in Northern Ireland (albeit still at a very low level).

Cattle Tracing System

- 37** A red tape review recommendation that herd cover on the computerised Cattle Tracing System should be extended to all cattle has been implemented. As at the end of 2000 cover had been extended from 40 per cent to over 95 per cent. Work is in hand to collect the remaining data and apply checks to help ensure that information held on the database is accurate and complete. From end January 2001 it will be a legal requirement to notify the British Cattle Movement Service of all movements. Other measures to improve the accuracy of farm and central records include the extension of facilities for electronic data transfer and the successful implementation of the change to all numeric tagging for calves born from 1 July 2000. Enforcement of the cattle identification rules has been strengthened by developing a communication strategy and introducing sanctions, including movement restrictions.

Pet Travel Scheme

- 38** Pet Travel Scheme was launched on 28 February 2000. The Scheme allows pet cats and dogs from 22 Western European countries to enter the UK without quarantine, provided they meet certain conditions, including vaccination against rabies. The

Scheme operates on certain defined sea, air and rail routes into the UK. UK residents can take their pets to these countries and bring them back without the need for quarantine, although they will need a veterinary certificate to show that the animal was treated against ticks and tapeworms between 24 and 48 hours prior to return. By 30 November, more than 12,500 pets had been brought into the UK under the scheme. In January 2001 the scheme is to be extended to cats and dogs from rabies-free islands including Australia, New Zealand, Cyprus and Japan.

Classical Swine Fever

39 Classical Swine Fever was first confirmed on 8 August 2000. Disease was confirmed on sixteen premises in East Anglia, the last being on 5 November. By the end of December, all area movement restrictions around those premises had been lifted. In order to deal with the animal welfare problems resulting from movement restrictions, the UK introduced a Pig Welfare (Disposal) Scheme on 29 August 2000. The scheme came to an end when all movement controls were lifted just after Christmas. Payments to producers under the scheme were linked strictly to dealing with animal welfare problems and were in addition to the free transport, slaughter and disposal of pigs made available by the scheme. It was expected that a total of £9 million would be paid to producers in East Anglia caught by movement controls and therefore eligible to enter the scheme.

40 In addition, officials worked with industry to draw up a levy scheme (which was notified to the Commission as a state aid) to provide funding for an industry top-up payment to producers entering pigs into the PW(D)S. This scheme (the Pig Industry Development Scheme – PIDS) will be introduced under powers in the Agriculture Act 1967. The formal consultation exercise for the scheme was launched on 24 November. Introduction of the scheme will be subject to Parliamentary approval; if approval is forthcoming, the levy will be collected by the Meat and Livestock Commission, using procedures already in place.

41 A Government/Industry working party has been established to explore how the wider livestock industry can take measures to manage the commercial risks arising from statutory animal disease controls, for example via insurance arrangements. Experience with the outbreak of Classical Swine Fever will be taken into account. The working party will submit a report to the Minister of Agriculture, Fisheries and Food in the spring of 2001.

TB in cattle

42 In 2000, further progress was made with the Government's strategy to find a science-based policy to control TB in cattle. A £5 million a year research programme has been put in place into how the disease is spread amongst cattle and wildlife, including research into improved diagnostic tests and the development of a TB vaccine. An on-farm epidemiological survey, known as TB99, to identify the factors causing TB in cattle herds, is starting to provide valuable data to help understand the disease and focus future research. A sample survey of badger carcasses found dead on the roads started in November to collect data on the prevalence of TB in badgers. MAFF also commissioned and published an independent report on the role husbandry might play in reducing TB risk and this work is being taken forward in 2001.

- 43 An important element of the Government's strategy is the badger culling trial, designed to establish what contribution badgers, as opposed to other factors, make in spreading TB to cattle and whether culling badgers reduces TB in cattle. By the end of 2000, ten areas had been enrolled in the trial and initial culling had been carried out in seven of these in line with the timetable set by the Independent Scientific Group on Cattle TB. The trial is expected to produce conclusions by 2004 and possibly earlier.
- 44 More detailed information on MAFF's TB strategy is available on the internet (www.maff.gov.uk/animalh/tb).

Food chain

Competition Commission Report on supermarkets

- 45 The Competition Commission's report of its investigation into the supply of groceries from retail stores was published by the Secretary of State for Trade and Industry on 10 October. It concludes that, taking all matters into consideration, the industry is broadly competitive and that overall excessive prices are not being charged, nor excessive profits earned. The Commission recommended that a Code of Practice be established to put relations between supermarkets and their suppliers on a clearer and more predictable basis. This recommendation was accepted, and the Secretary of State for Trade and Industry has asked the Office of Fair Trading to agree a code with the major supermarkets.

Food Chain Working Group – Scotland

- 46 In Scotland The Food Chain Working Group meets under NFUS chairmanship and includes membership from the Scottish Executive, the Enterprise Networks and as well people active in the farming, processing and retailing sectors. The Group has identified a need to enhance the level of communication and linkages between various elements of the food chain and is currently championing a project to identify practical ways in which the dairy industry can develop a sustainable future.

Food Strategy – Scotland

- 47 In Scotland work on implementing the Food Strategy, which aims to make the food and drink industry in Scotland more prosperous and competitive, was taken forward by an Industry Leadership Group made up of Managing Directors of many of Scotland's most successful companies, research establishments, enterprise bodies and the Executive. Several sub groups are taking forward action on each of the strategic goals of the strategy.

British Potato Council Review

- 48 Development Councils established under the Industrial Organisation and Development Act 1947 are subject to statutory review. The first statutory review of the British Potato Council was completed on 23 May when the Agriculture Minister announced that the Council would continue for a further term of five years. The British Potato Council was established in 1997 to commission or undertake research and development, collect and disseminate statistical information, promote potatoes on the home market and develop export opportunities on behalf of the industry.

Restructuring MAFF*Announcement of creation of CAPPA*

- 49 On 24 July 2000, the Minister announced to Parliament the decision to create a new CAP Payments Agency, merging the paying agency functions of MAFF's nine Regional Service Centres and the Intervention Board. This decision followed careful consideration of the findings of a detailed study of methods of delivering CAP payments, submitted at the beginning of 2000 by PricewaterhouseCoopers. Farmers and traders will benefit from a reduction in 'red tape', and more efficient and rapid processing of payments, with the achievement of 95 per cent electronic service delivery capability by March 2004.

MAFF's role in the rural economy

- 50 As part of the restructuring programme a senior MAFF official is to be appointed in each of the Government Offices for the Regions with effect from 1 April 2001, thus strengthening their rural capability and fostering closer links between the department and regional stakeholders. At the same time a new Rural Development Service is to be created within MAFF to administer the England Rural Development Programme (see paragraph 23) and certain non-CAP functions.

Launch of the Foods Standards Agency

- 51 The Food Standards Agency was set up in April 2000. The Agency has the main aim of protecting public health and the interests of consumers in matters relating to food safety and standards throughout the food chain. It is a UK-wide, non-ministerial government department, operating at arm's length from Ministers, accountable to Parliament in Westminster through Health Ministers as well as to the devolved authorities. The Agency is legally required to be open about the way it works; to base its decisions on the best available science; and to consult widely before taking action or making recommendations to Government.

Further information

- 52 Additional information on the material discussed in this chapter is available at:
- www.maff.gov.uk
 - www.wales.gov.uk
 - www.scotland.gov.uk
 - www.dardni.gov.uk
 - www.foodstandards.gov.uk
 - MAFF Departmental Report 2000 (on website and obtainable from MAFF Publications, Admail 6000, London SW1A 2XX Tel 0645 556000)
 - Farm Incomes in the UK 1999/2000 (on website and obtainable from MAFF Publications, Admail 6000, London SW1A 2XX Tel 0645 556000)
 - Statistical Review of Northern Ireland Agriculture 2000 and Farm Incomes in Northern Ireland 1999/2000 (on DARD website, www.dardni.gov.uk, and obtainable from Economics and Statistics Division, DARD, Room 810 Dundonald House, Belfast BT4 3SB Tel 02890 524594)

Chapter 2 Farming income and agriculture in the economy

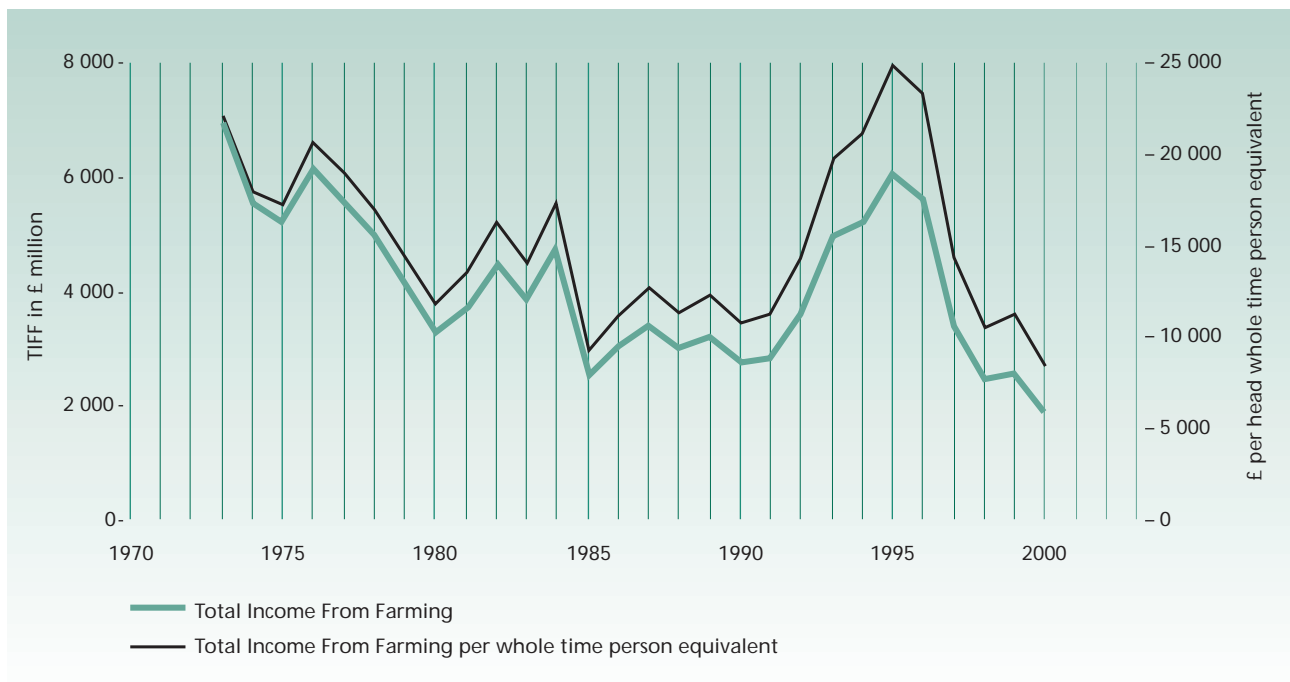
Long term trends in farming income

(Chart 2.1)

1 Total Income From Farming, TIFF, is at an historically low level. It may be as low or lower than at the time of the depression in the late 1930s (exact comparison is not possible because statistics on farm incomes before 1973 are not directly comparable with the current series). Although TIFF fluctuates considerably there was a general decline between 1973 and 1990 followed by a sharp rise up to 1995 but then a dramatic fall and a further fall in 2000. Local fluctuations are caused by weather conditions and world commodity prices and, since 1990, shifting exchange rates have been a major factor.

2000

Chart 2.1 UK income trends in real terms at 2000 prices



Farming income in 2000

2 Bad weather and lower prices affected farm incomes. The very wet autumn caused problems with the sugar beet and potato harvests, reduced the quality of finished animals and hindered autumn planting. The absence of dry spells in the summer led to delayed harvesting and high moisture content in harvested cereals. A further rise in sterling against the Euro continuing the downward pressure on prices for most agricultural commodities. These pressures led to a sizable reduction in the numbers working in the agricultural industry.

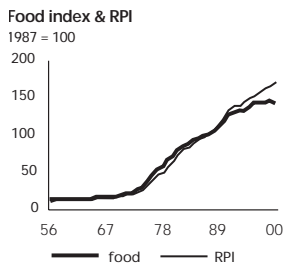
- Total Income From Farming in 2000 in the UK is estimated to fall by 25 per cent (27 per cent in real terms) compared to its 1999 level. TIFF represents business profits plus income to farmers, partners and directors and those with an entrepreneurial interest in the business. In real terms TIFF is forecast to have fallen by 69 per cent since its peak in 1995 (after doubling between 1990 and 1995).

- The value of output (including subsidies directly related to products) was 4.5 per cent or £729 million lower at current prices in 2000. The fall is largely due to pressure on prices for agricultural outputs caused by a further rise in sterling against the euro (compared to 1999). Prices have fallen particularly for milk and cereals and also, because of domestic market conditions, for potatoes. Increased costs for fuel and fertilisers have contributed to the fall in incomes. In addition, the wet autumn caused problems for many farmers and the volume of output was 2 per cent lower – the first significant fall since 1993.
- Overall the cost of inputs was £112 million lower, reflecting savings in labour, animal feed and pesticides, but greater expense in fuel, fertilisers and interest payments.
- A number of larger value items from the account have differed only very slightly from 1999 levels. Full details can be found in the tables in chapter 6.
- The output value of milk decreased by £273 million or 10 per cent in 2000. The average price of milk fell by just under 1.4 pence per litre, caused in part by the strength of sterling.
- The value of production of eggs for human consumption increased by 7 per cent due to the first increase in prices for four years.
- The output value of potatoes decreased by £249 million or 33 per cent in 2000, due to lower prices in the first half of the year (compared to 1999) and a drop in production. The production was down not only due to reductions in area and yield, but also wastage due to the wet autumn.
- Cereals areas increased by 6.6 per cent from last years fall reflecting large decreases in the area of oilseed plantings. The higher areas combined with an overall increase in yield to give a rise in production of 7.5 per cent. Prices continued to fall but the effect on farm incomes was offset by the increased production and subsidy payments. The value of wheat increased by £60 million or 3.9 per cent whilst the value of barley decreased by £42 million or 5.7 per cent.
- The output value of oilseed rape fell by £115 million or 32 per cent due to lower plantings and a reduction in the subsidy rate. The linseed valuation fell by £98 million, or 74 per cent, to £34 million due to a significant reduction in plantings, a poor harvest and a reduction in the subsidy rate.
- The output value of cattle and calves fell 2.3 per cent to £2,011 million in 2000. The volume of production rose by 6.4 per cent offsetting an 8.0 per cent fall in finished cattle prices and a 1.8 per cent fall in subsidy payments.
- The output value of pigs rose by 5.0 per cent in 2000 to £826 million owing to a 21 per cent increase in prices which offset a 13 per cent fall in production.
- Fuel prices rose causing a price rise of 40 per cent for machinery fuel and oil (mainly red diesel). Overall the cost to farmers for energy consumption was increased by £158 million.
- The price for fertilisers was 12 per cent higher (primarily due to nitrogen fertilisers) leading to an increase in costs of £74 million.
- The price for pesticides was 12 per cent lower, saving farmers £75 million.

- A 4.0 per cent reduction in the volume of animal feed consumed led to a fall of £93 million in the output value.
- An 11 per cent drop in the paid workforce led to a reduction of £162 million in the cost of paid labour.
- Interest payments rose by 13.3 per cent costing the industry £81 million.
- Cash flow from farming fell by 9.7 per cent in real terms. Cash flow reflects sales rather than production and expenditure on gross fixed capital formation rather than depreciation of capital assets.
- The productivity of the industry rose by 2.5 per cent. The volume of inputs fell by 3.8 per cent largely due to a fall of 11 per cent in the volume of paid labour. There was less of a fall, 1.4 per cent, in the volume of final output with significant drops in the production of oilseed rape, linseed, potatoes, pigs and breeding livestock.

Agriculture and food in the national economy

(Table 2.1)



- The agricultural industry accounts for 0.8 per cent of the total economy, measured in terms of gross value added. Its share is falling as prices for agricultural commodities continue to fall and bring down gross value added for the agricultural industry. Its share had been 1.6 per cent in 1995 and almost 3 per cent in 1973.
- Similarly the industries share of the total workforce is falling, now at 2 per cent, following a 5 per cent reduction in 2000. As well as people leaving the industry the shift from full time to part time work was continued.
- Imports of food, feed & drink cost £17 billion in 2000 – about twice the value of exports. Food prices fell slightly in 2000 – the first fall since 1960 – whilst all prices as measured by the retail price index rose by 2.9 per cent.
- The self sufficiency of the United Kingdom has remained almost unchanged since 1997 at about 66 per cent for all food and at about 80 per cent for indigenous food. Self sufficiency is calculated as the value of raw food for human consumption divided by the value of production of raw food. Estimates are made of the value of the raw food components of both imports and exports of processed food. Methodological changes in 2000 have resulted in a more accurate estimate of production for human consumption. These changes have reduced the overall estimates of self sufficiency by about 2 percentage points.

Prospects for farming incomes

- Future prospects in agricultural markets are always very difficult to forecast. The future trends in farm incomes will be shaped by three key drivers:
 - Developments on world commodity markets;
 - The exchange rate;
 - Re-structuring and performance improvement.
- Improvements in world commodity prices can be expected to help re-build farm incomes over the medium term; although at the same time the recent CAP reforms will put downward pressure on incomes. The overall result is that incomes are unlikely to recover immediately. The speed and extent of recovery will depend upon the other two key drivers – exchange rates and re-structuring.

9 Future exchange rates are a crucial uncertainty. Most private sector macroeconomic forecasters expect the £ to fall against the euro over the medium term, but there is a lot of uncertainty on when and by how much.

10 In the absence of a significant weakening of sterling, the key to re-building farm incomes will be re-structuring and faster productivity growth. In 2000 productivity growth increased above trend (with a correspondingly faster outflow of labour). Re-structuring does, of course, mean a faster run down in the numbers of farms, and the numbers of people working in farming, than in the past.

TABLE 2.1 Agriculture and food in the national economy

Enquires: Jim Holding on 01904 455080 email: jim.holding@maff.gsi.gov.uk

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Agriculture's contribution to total economy						
gross value added (a)						
at current prices (£ million)	7 263	10 069	8 435	7 610	7 348	6 646
volume index (1995=100)	100.5	99.1	99.1	101.3	104.6	102.9
% of total GVA (current prices)	1.5	1.5	1.2	1.0	0.9	0.8
Workforce in agriculture ('000 persons) (b) (c)	652	616	611	608	586	557
% of total workforce in employment	2.4	2.3	2.2	2.2	2.1	2.0
Gross fixed capital formation in agriculture						
total GFCF at current prices (£ million)	1 954	2 584	2 452	1 961	1 563	..
% of national GFCF (current prices)	1.8	2.1	1.8	1.3	1.0	..
volume indices (1995=100):						
buildings & works, plant & machinery, vehicles	76.1	98.2	84.9	67.4	57.0	..
livestock	102.0	94.9	115.1	112.0	107.0	81.6
Imports of food, feed and drink (£ million) (d) (e)	11 993	17 766	17 170	17 198	17 385	17 004
Imports from the Fourteen:	7 927	11 120	10 959	10 979	11 164	10 886
of which:						
food, feed and non alcoholic drinks	6 725	9 505	9 271	9 198	9 341	9 267
alcoholic drinks	1 202	1 615	1 689	1 781	1 823	1 619
Imports from the rest of the world:	4 066	6 646	6 211	6 220	6 221	6 117
of which:						
food, feed and non alcoholic drinks	3 917	6 144	5 638	5 565	5 464	5 269
alcoholic drinks	149	502	573	655	757	848
Volume index (1995=100) (f)	86.7	106.9	110.1	119.4	128.6	125.0
% of total UK imports	9.8	9.7	9.1	9.0	8.8	7.6
Exports of food, feed and drink (£ million) (d) (e)	6 355	10 058	9 924	9 246	8 948	8 720
Exports to the Fourteen:	3 900	6 396	5 933	5 865	5 709	5 403
of which:						
food, feed and non alcoholic drinks	3 108	5 212	4 784	4 738	4 505	4 141
alcoholic drinks	792	1 184	1 149	1 128	1 204	1 262
Exports to the rest of the world:	2 455	3 662	3 991	3 381	3 239	3 317
of which:						
food, feed and non alcoholic drinks	1 236	1 862	1 978	1 745	1 582	1 610
alcoholic drinks	1 219	1 801	2 012	1 636	1 656	1 707
Volume index (1995=100) (f)	76.5	100.9	103.8	101.2	102.5	99.7
% of total UK exports	6.3	6.0	5.8	5.6	5.4	4.6
UK self-sufficiency in food as a % of:						
all food	72.8	68.0	66.6	66.0	66.1	66.5
indigenous type food	85.1	81.9	80.5	80.9	80.4	79.0

continued

Table 2.1 *cont.*

	Calendar years					
	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Household final consumption expenditure on household food and alcoholic drinks at current prices (£ million)	62 994	80 287	82 297	83 934	87 245	88 600
of which:						
household food	41 668	52 513	53 188	53 789	54 678	55 400
alcoholic drinks	21 326	27 774	29 109	30 145	32 567	33 200
at constant 1995 prices (£ million)	75 084	77 837	79 064	78 621	80 245	81 700
of which:						
household food	47 236	50 931	51 786	51 627	52 154	53 400
alcoholic drinks	27 849	26 906	27 278	26 994	28 091	28 200
% of total household final consumption expenditure	18.8	17.2	16.5	15.8	15.5	15.0
of which:						
household food	12.4	11.2	10.7	10.1	9.7	9.4
alcoholic drinks	6.4	5.9	5.8	5.7	5.8	5.6
Retail price indices (1995=100)						
food	86.5	103.3	103.4	104.7	105.0	104.7
alcoholic drinks	76.2	102.9	105.8	109.4	112.2	113.9
all items	83.8	102.4	105.7	109.3	111.0	114.2

Source: MAFF Statistics

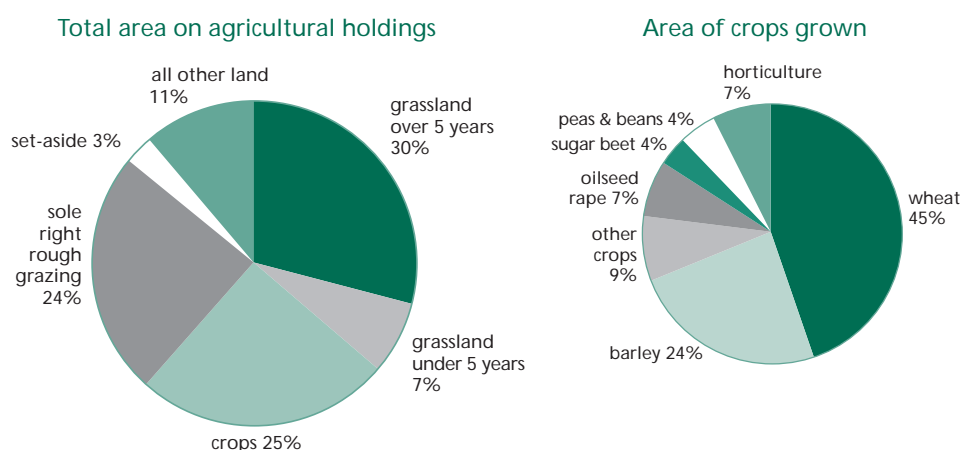
- (a) Agriculture is here defined as in the national accounts, that is net of gross rent and the produce of gardens and allotments.
- (b) This series now includes spouses of farmers, partners and directors for the first time. These were excluded in previous editions because consistent data were not available. The effect is to increase the % of total workforce in employment from 2.0% (old basis) in 1997 to 2.3% (new basis) and similarly for previous years.

- (c) 1998 figures are on a different basis to previous years (see headnote to table 3.5).
- (d) This aggregate covers SITC divisions 01–09, 11, 22 and section 4.
- (e) The figures for 1993 onwards are based on INTRASTAT data and include estimates of non-response and of traders below the threshold for which detailed trade data are not collected.
- (f) Data provided by ONS.

Chapter 3 The structure of the industry

Introduction 1 The tables in this section portray the size and structure of the UK agricultural industry in 2000 and earlier years. Together they provide information on land use and livestock numbers in UK agriculture, on the distribution of these between holdings, on the industry's labour force and on its fixed capital.

Chart 3.1
Agricultural land use



Crop areas and livestock numbers
(Tables 3.1 and 3.2)

- 2 At June 2000 the total area of agricultural land was 18.3 million hectares, some 75 per cent of the total land area in the UK. The June 2000 Census showed a decrease of 0.9 per cent in the area of crops in the UK, following a larger decrease in the preceding year. The area of cereals increased by 6.6 per cent following an 8.2 per cent decrease in the preceding year. A 13 per cent increase in the wheat area accounted for most of the area of cereals change.
- 3 The total cattle population declined between 1999 and 2000 by 2.5 per cent. The dairy herd decreased by 4.3 per cent and the beef herd decreased by 4.3 per cent.
- 4 The total number of pigs fell by 11 per cent in the year to June 2000 following another 11 per cent decrease in the preceding year. The pig breeding herd also fell by 11 per cent in the year to June 2000.
- 5 The number of sheep and lambs decreased by 5.4 per cent, the first time since 1995/6 that this number has declined. The number of lambs fell by 5.6 per cent.
- 6 The pattern of land use on agricultural holdings in 2000 is shown in chart 3.1 and the changes in crop areas and livestock numbers between 1999 and 2000 are shown in chart 3.2.

Sizes of holdings and enterprises

- 7** At the time of publication this data was not available. The numbers and sizes of holdings, and the numbers and sizes of enterprises will be published on the MAFF website as soon as possible and certainly before the end of March 2001.

Labour force in agriculture*(Table 3.3)*

- 8** The 2000 labour figures show a decrease in the total labour force of 5.0 per cent, the largest decrease in the period shown. These results are not unexpected given the financial pressures experienced by most sectors of the industry over the last few years. The decrease is also consistent with the reduction in agricultural activity between 1999 and 2000.

Fixed capital stock*(Table 3.4)*

- 9** Table 3.4 provides information on the gross stock of fixed capital (excluding land and livestock) available to the agricultural industry. The figures are shown at constant 1995 prices before allowing for depreciation and give a broad indication of how this aspect of the industry's productive capacity has changed over the years. Agriculture's fixed capital stock, valued at 1995 prices, is estimated to have been £32,770 million at the end of 1999 – a decline of 2.3 per cent on the previous year, and 5.2 per cent below the 1989–91 average level. The change in fixed capital stock between 1998 and 1999 was the result of reductions in each of the three asset categories.

TABLE 3.1 Agricultural land use

Enquiries: Miles Templeton on 01904 455306

The data in this table cover all holdings (including minor holdings) in all four countries of the UK (a)

'000 hectares

At June of each year

	<i>Average of 1989–91</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>
Total agricultural area (total area on agricultural holdings plus common rough grazing)	18 887	18 750	18 653	18 606	18 579	18 306
<i>This comprises:</i>						
Crops	5 037	4 722	4 990	4 971	4 709	4 665
Bare fallow	68	37	29	34	33	37
Total tillage	5 105	4 759	5 020	5 004	4 742	4 702
All grass under five years old	1 592	1 395	1 405	1 302	1 226	1 226
Total arable land	6 697	6 154	6 425	6 306	5 968	5 928
All grass five years old and over (excluding rough grazing)	5 315	5 354	5 282	5 365	5 449	5 364
Total tillage and grass (b)	12 012	11 507	11 706	11 671	11 417	11 292
Sole right rough grazing	4 970	4 760	4 657	4 621	4 575	4 437
Set-aside		509	306	313	572	567
All other land (c) and woodland	615	751	763	773	789	779
Total area on agricultural holdings	17 654	17 527	17 432	17 379	17 352	17 074
Common rough grazing (estimated)	1 233	1 223	1 221	1 227	1 227	1 232

Source: MAFF Statistics

(a) Historical data is not directly comparable to previous editions, as Scottish minor holdings were not then included. Also from 1997 the Northern Ireland census was based on an improved register of holdings and included all active farms having one or more hectare of farmed land plus any below that size which had significant agricultural output. Figures for years before 1997 were revised to be comparable with later years.

(b) Includes bare fallow.

(c) In Great Britain other land comprises farm roads, yards, buildings (excluding glasshouses), ponds and derelict land.

TABLE 3.2 Crop areas and livestock numbers

Enquiries: Miles Templeton on 01904 455306

The data in this table cover all holdings (including minor holdings) in all four countries of the UK. (a) (b)

At June of each year

	<i>Average of 1989–91</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>
Crop area ('000 hectares)						
Total	5 037	4 722	4 990	4 971	4 709	4 665
<i>This comprises:</i>						
Total cereals	3 679	3 359	3 514	3 418	3 141	3 348
<i>of which:</i>						
wheat	2 026	1 976	2 036	2 045	1 847	2 086
barley	1 522	1 269	1 359	1 253	1 179	1 128
oats	110	96	100	98	92	109
rye and mixed corn	12	11	12	11	10	10
triticale	9	7	8	11	13	16
Other arable crops (excluding potatoes)	975	996	1 126	1 192	1 211	979
<i>of which:</i>						
oilseed rape	384	356	445	506	417	332
sugar beet not for stockfeeding	196	199	196	189	183	173
hops	4	3	3	3	3	2
peas for harvesting dry and field beans	211	178	197	213	202	208
linseed (c)	48	49	73	100	209	71
other crops	133	211	211	199	197	192
Potatoes	176	178	166	164	178	166
Horticulture	207	189	185	178	179	172
<i>of which:</i>						
vegetables grown in the open	141	132	126	125	126	119
orchard fruit (d)	5	28	30	30	28	28
soft fruit (e)	15	12	11	10	9	10
ornamentals (f)	14	14	14	14	13	14
glasshouse crops	2	2	2	2	2	2
Livestock numbers ('000 head)						
Total cattle and calves	12 099	12 040	11 633	11 519	11 423	11 133
<i>of which:</i>						
dairy cows	2 828	2 587	2 478	2 439	2 440	2 336
beef cows	1 619	1 864	1 862	1 947	1 924	1 842
heifers in calf	767	818	848	787	763	718
Total sheep and lambs	44 074	42 086	42 823	44 471	44 656	42 261
<i>of which:</i>						
ewes and shearlings (g)	0 607	20 550	20 696	21 260	21 458	20 447
lambs under one year old	22 163	20 443	21 032	22 138	22 092	20 855
Total pigs	7 616	7 590	8 072	8 146	7 284	6 482
<i>of which:</i>						
sows in pig and other sows for breeding	677	649	683	675	603	537
gilts in pig	106	107	116	103	85	73
Total fowl (h)	124 930	..	..	148 292	150 494	155 028
<i>of which:</i>						
table fowl including broilers	73 521	..	..	98 244	101 625	105 688
laying fowl (i)	29 298	..	..	29 483	29 258	28 686
growing pullets	10 373	..	..	9 863	9 583	9 461

source: MAFF Statistics

(a) For various reasons, the crop area figures shown in this table may differ slightly from those shown in Chapter 5.

(b) Historical data are not directly comparable to previous editions, as Scottish minor holdings were not then included.

(c) England and Wales only prior to 1992.

(d) Includes non-commercial orchards.

(e) Includes wine grapes.

(f) Hardy nursery stock, bulbs and flowers.

(g) Due to improvements to the questions on sheep, historic data are not directly comparable with 1995–1999.

(h) Improvements to the Census methodology were introduced in 1997 onwards to account for poultry production on unregistered units. Consequently the figures from 1997 onwards are not directly comparable with preceding years results. The 1997 figures are also not directly comparable with those of 1998 or 1999.

(i) Excludes fowls laying eggs for hatching.

TABLE 3.3 Labour force in agriculture

Enquiries: Michael Rowland 01904 455319 email: michael.rowland@maff.gsi.gov.uk

The data cover main and minor holdings in the United Kingdom (a) to (c)

'000 persons

At June of each year

	<i>Average of 1989-91</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>
Workers						
Regular whole-time:						
male	110	89	88	88	82	73
female	15	13	13	13	12	10
Total	125	102	100	101	94	84
Regular part-time: (e)						
male	30	31	31	30	27	25
female	28	23	23	25	22	21
Total	57	55	54	54	50	45
Seasonal or casual:						
male	54	56	55	54	51	46
female	34	26	26	25	21	18
Salaried managers (d)	8	8	8	12	14	11
Total workers	279	246	243	245	230	204
Farmers, partners, and directors						
whole-time	188	170	168			
part-time (e)	107	122	123			
Total farmers, partners and directors	295	293	291			
Spouses of farmers, partners and directors (engaged in farm work)	79	78	77			
Farmers, partners, directors and spouses						
whole-time				184	177	169
part-time (e)				179	179	183
Total farmers, partners, directors and spouses	373	371	368	363	356	353
Total labour force (including farmers and their spouses) (f)&(g)	652	616	611	608	586	557

source: MAFF Statistics

(a) From 1997 the Northern Ireland census was based on an improved register of farm businesses and included all active farms having one or more hectare of farmed land plus any below that size which had significant agricultural output.

(b) Results from 1998 are not consistent with previous years, due to changes in the labour questions on the June Agricultural and Horticultural Census, and due to revisions made to English and Welsh results.

(c) From 1998 for England and Wales, estimates for holdings which have not been recording labour have been made, apart from economically insignificant holdings which are very unlikely to be in commercial production. An offsetting adjustment has been made to take out any labour being recorded on these very small

holdings. The net effect has been to reduce the level of the labour series between 1998 and 2000 by about 5,000. This has not affected the trends previously recorded.

(d) From 1998 in England and Wales, all farmers managing holdings for limited companies or other institutions were asked to classify themselves as salaried managers.

(e) 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.

(f) This is the series referred to as 'Workforce in agriculture' in Table 2.1.

(g) Figures exclude schoolchildren and most trainees.

Chart 3.2
Changes in crop area

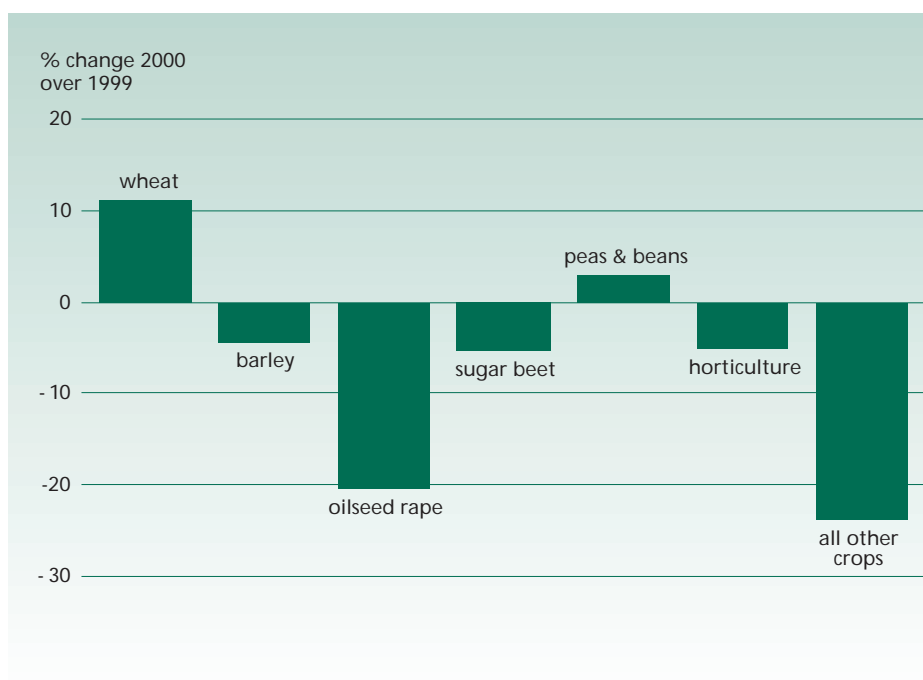


Chart 3.3
Changes in livestock numbers

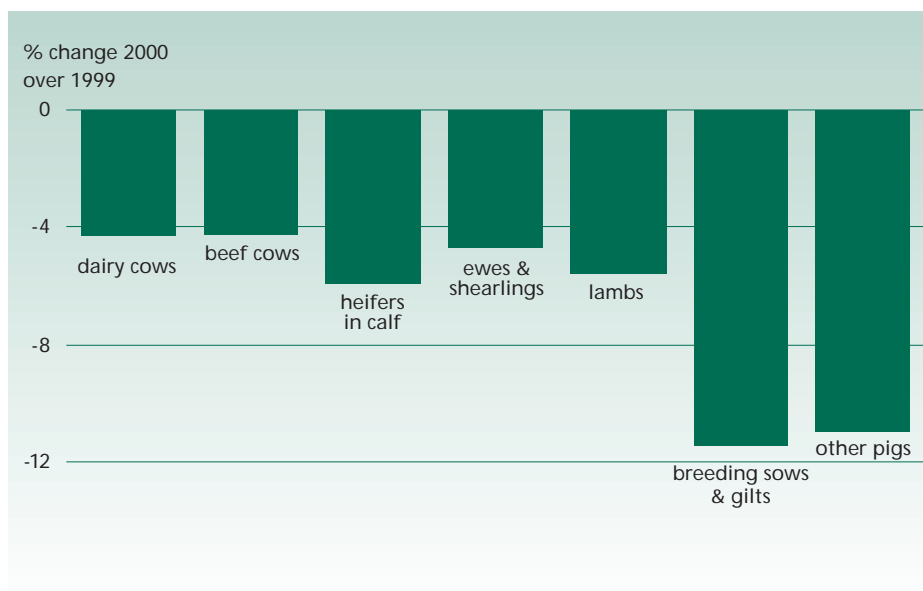


TABLE 3.4 Fixed capital stock of agriculture (a)

Enquiries: Jane Hinton on 020 7270 8612 email: jane.hinton@maff.gsi.gov.uk

	At end year					
	Average of 1989-91	1996	1997	1998	1999	2000 (provisional)
Gross capital stock (£ million, 1995 prices)						
Buildings and works	19 077	19 040	18 890	18 660	18 270	..
Plant and machinery	13 483	13 240	13 130	12 820	12 480	..
Vehicles	1 923	2 040	2 060	2 050	2 020	..
Total	34 483	34 320	34 080	33 530	32 770	..

source: MAFF Statistics

(a) Excludes livestock capital assets.

Chapter 4 Prices

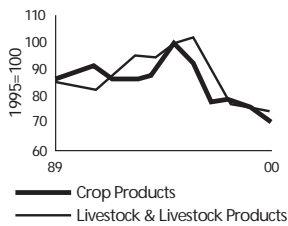
Price indices

(Table 4.1)

1 Table 4.1 shows price indices for agricultural products and inputs. Chart 4.1 portrays the main changes in these indices over recent years. Between 1999 and 2000 the average price of agricultural products fell by 2.4 per cent and inputs rose by 3.0 per cent. Product prices have fallen 26 per cent over the last five years. The average price of agricultural products is 15 per cent lower than ten years ago, whereas the average price of inputs has increased by 12 per cent.

2000

Price indices: crops and livestock



2 In 2000, the price of crop products fell by 6.4 per cent mainly due to decreases in the price of cereals, root crops, seeds, pulses and oilseeds. The price of livestock and livestock products remained unchanged with the increases in the prices of livestock (5.1 per cent) and eggs (6.3 per cent) being offset by a fall in milk prices (7.3 per cent).

3 It should be noted that these indices are constructed using fixed annual weights (relating to 1990). They reflect observed market prices and do not take account of direct subsidy payments. In contrast, the price changes presented in table 6.3, derived from the aggregate accounts, include subsidy payments and are based on current production. For these reasons the price movements presented here and Chapter 6 differ.

Chart 4.1
Price indices for
products and
inputs

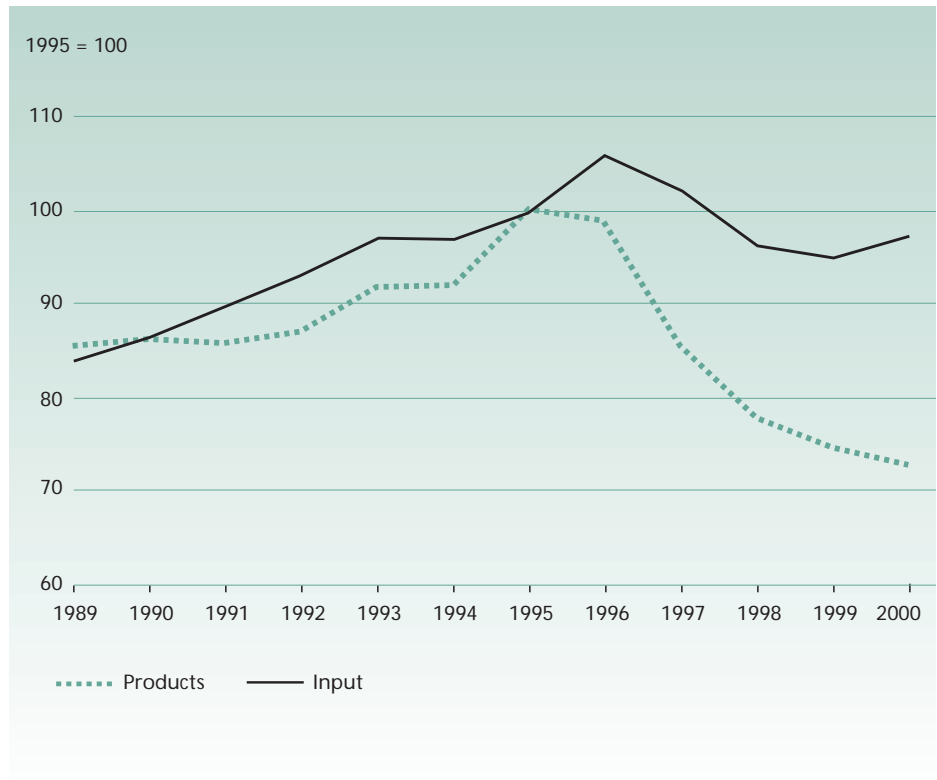


TABLE 4.1 Price indices for products and inputs

Enquiries: Allan Howsam on 01904 455253 email: allan.howsam@maff.gsi.gov.uk

Indices(a): 1995=100

Annual average figures for calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Producer prices for agricultural products (b)	85.7	98.6	85.2	77.6	74.4	72.6
<i>of which:</i>						
Crop products:	88.9	92.7	77.2	78.5	74.7	69.9
Cereals	98.3	101.6	81.4	70.6	68.1	61.8
Root crops	55.0	59.4	39.7	60.2	59.7	47.0
Fresh vegetables	89.6	100.8	89.7	97.3	91.5	97.0
Seeds	68.8	85.6	64.3	62.5	64.9	49.0
Flowers and plants	93.1	106.9	107.1	101.7	100.6	101.5
Other crop products	151.6	105.7	95.3	93.0	71.2	65.6
Livestock and livestock products:	83.7	102.3	90.4	77.0	74.2	74.3
Livestock (for slaughter and export)	88.1	102.5	90.7	75.2	73.9	77.7
Milk	75.6	100.4	88.8	77.8	73.6	68.2
Eggs	101.9	119.6	102.5	94.5	89.3	94.9
Other livestock products	96.1	93.0	81.9	58.5	48.1	50.7
Prices of agricultural inputs:	86.8	106.0	102.2	96.3	94.7	97.5
<i>of which:</i>						
Currently consumed in agriculture:	87.2	106.6	101.6	94.4	92.4	95.3
Livestock feedingstuffs	92.2	108.8	99.2	84.6	78.8	79.4
Seeds	73.8	106.0	93.2	95.5	89.7	87.7
Animals for rearing and production	70.4	100.1	96.0	91.9	85.3	85.3
Fertilisers and soil improvers	96.5	110.6	96.0	81.4	78.0	92.4
Plant protection products	86.2	106.6	107.3	100.2	97.2	92.6
Maintenance and repair of plant and machinery	76.3	105.4	109.9	113.3	117.3	121.5
Energy, lubricants	90.9	107.8	106.9	102.4	108.9	128.3
Maintenance and repair of buildings	85.1	100.6	102.1	102.9	101.6	103.8
Veterinary services	88.3	102.5	105.3	108.4	110.9	109.8
Materials and small tools	83.0	100.3	100.0	97.9	98.0	99.8
General expenses	79.7	101.8	104.0	104.3	107.0	105.0
Contributing to agricultural investment (c)	84.3	102.5	105.4	107.7	108.7	110.2

Source: MAFF Statistics

(a) Indices covering an aggregation of commodities are weighted averages with weights based on the values of output of the respective commodities in 1990.

(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

Summary 1 The value of output (including subsidies directly related to products) was 4.5 per cent or £729 million lower at current prices in 2000. The fall is largely due to pressure on prices for agricultural outputs caused by a further rise in sterling against the euro (compared to 1999). Prices have fallen particularly for milk and cereals and also, because of domestic market conditions, for potatoes. In this chapter the volume of production corresponds to the quantities of sales of products. It differs from the accounting concept of volume in chapter 6 which includes changes in work-in-progress and treats changes in quality as changes in volume.

- *Cereals* areas increased by 6.6 per cent from last years fall reflecting large decreases in the area of oilseed plantings. The higher areas combined with an overall increase in yield to give a rise in production of 8.4 per cent. Prices continued to fall but the effect on farm incomes was offset by the increased production and subsidy payments. The value of wheat increased by £60 million or 3.9 per cent whilst the value of barley decreased by £42 million or 5.7 per cent.
- The cost of *purchased feedingstuffs* fell by £93 million or 4.1 per cent. This reduction was largely due to lower levels of compound feed production with Cattle, Pig and Sheep sectors all seeing large falls.
- The output value of *oilseed rape* fell by £116 million or 32 per cent due to lower plantings and a reduction in the subsidy rate paid. The *linseed* valuation fell by £98 million or 74 per cent, to £34 million due to a significant reduction in plantings, a poor harvest and a reduction in the subsidy rate.
- The output value of *potatoes* decreased by £249 million or 33 per cent in 2000. This reflects the continuation of the low prices in the first half of the year and high prices in the second half. The higher prices obtained were due to stocks being scarce, largely as a result of waterlogging from continuous rain at the end of the year.
- The output value of all *horticultural commodities* was hardly changed, at £1,939 million in 2000. A slight rise of 1.9 per cent in the value of production for vegetables was offset by a decrease of 0.6 per cent for ornamentals and a decrease of 3.2 per cent for fruit.
- The output value of *cattle and calves* fell by 2.3 per cent in 2000 to £2,011 million. Production rose by 4.0 per cent offsetting a 2.6 per cent fall in finished cattle prices and a 1.8 per cent fall in subsidy payments
- The output value of *sheep and lambs* fell 1.9 per cent to £982 million in 2000, as falls in production and in subsidies were partly offset by increased prices.
- The output value of *pigs* rose by 5.0 per cent in 2000 to £826 million owing to a 20 per cent increase in prices which offset an 12 per cent fall in home fed production of pigmeat.

2000

- The output value of *poultrymeat* increased by £26 million or 2.0 per cent. The volume of production fell slightly by 0.6 per cent. Prices increased by 1.3 per cent for 2000 aided by efforts to reduce production, and the introduction of the Assured Chicken Production Scheme.
- The output value of *livestock products* (principally milk and eggs) fell by 8.2 per cent overall. Milk was down by 10 per cent. The average price of milk fell by just under 1.4 pence per litre, caused in part by the strength of sterling. The value of production of eggs for human consumption increased by 6.7 per cent due to the first increase in prices for four years.

Agrimonetary compensation

- 2 Agrimonetary compensation is being paid to compensate for reductions in EU subsidies due to exchange rate changes following the introduction of the Euro and the ending of the 'green' exchange rate system. Compensation for the exchange rate difference between 1998 and 1999 is being phased over three years beginning in 1999, and is being included in the years for which it is intended to offset reduced revenue. The second tranche of the 1999 payments for the arable and beef sectors have therefore been included in the 2000 figures and these also include compensation for the exchange rate difference between 1999 and 2000 which (subject to Commission approval) will be paid in early 2001. The second and third payments for the sheep sector have been included in the 1999 and 2000 figures respectively.

Structure of tables

- 3 Each of the main commodity tables is divided, where appropriate, into three sections:

Production

For crops the aggregate areas and average yields are shown and are used to derive the levels of production. For livestock the populations, marketings and average slaughter weights are shown and lead to estimates of production. Value of production figures are broken down into sales out of the industry, sales within the industry, changes in stocks or work-in-progress and subsidies (less taxes) on product. The value of production in these tables is the same as the value of output in table 6.1.

Prices

Average producer prices and/or selected market prices are provided.

Supply and Use

Total new supply is defined as production plus imports less exports. Most data on trade comes from the Overseas Trade Statistics and for 2000 the data is provisional and therefore subject to revisions.

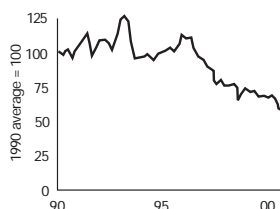
Total domestic use is the total new supply adjusted for changes in stocks. Where stocks are insignificant or not known the total domestic use is assumed to be the same as the total new supply.

Production as percentage of total new supply for use in the UK gives an indication of the self-sufficiency of the UK in the commodity.

Cereals

Cereals (Tables 5.1–5.4)

Monthly cereal price index



Wheat

(Table 5.2)

5 The value of wheat production increased by 3.9 per cent to £1,585 million. The strength of sterling continued to impact on prices driving them down to near world price levels. Low prices helped drive sales of feedwheat, which are 4.6 per cent higher than in 1999. Exports in 2000 were higher than in 1999 due in part to increased availability.

Barley

(Table 5.3)

6 The value of barley production fell by 5.7 per cent in 2000 to £693 million. Sales off the farm increased by 5.8 per cent which helped to offset the low prices. Prices were approximately 6 per cent below 1999 levels though they did not fall quite as sharply as prices for wheat. Intervention stocks have continued to fall as low prices have enabled the EU to sell grain with minimal levels of export refunds. Exports increased in 2000, encouraged by competitive prices.

Oats

(Table 5.4)

7 The value of oats production increased by 12 per cent in 2000 to £65 million. Higher areas and yields increased production by 19 per cent. This rise was offset by a fall in price of nearly 10 per cent. Usage in 2000 was broadly similar to 1999, whilst higher availability has encouraged exports to almost triple.

TABLE 5.1 Total cereals

Enquiries: Alex Clothier on 01904 455068 email: alex.clothier@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Production						
Area ('000 hectares)	3 679	3 359	3 514	3 420	3 141	3 347
Volume of harvested production	22 647	24 590	23 530	22 790	22 120	23 980
Value of production (£ million) (a)	2 325	3 593	2 907	2 502	2 326	2 350
Supply and Use						
Imports from: the Fourteen	2 058	1 654	2 005	2 017	1 677	1 632
the rest of the world	565	563	795	739	926	890
Exports to: the Fourteen	2 984	4 394	3 751	4 392	3 040	3 459
the rest of the world	3 453	1 341	1 728	1 418	1 360	1 888
Total new supply	18 833	21 067	20 856	19 742	20 331	21 160
Increase in farm and other stocks	– 629	1 045	588	– 683	– 40	858
Total domestic uses	19 471	20 022	20 268	20 424	20 371	20 302
Production as % of total new supply for use in UK	120%	117%	113%	115%	109%	113%

source: MAFF Statistics website, www.maff.gov.uk/esg

a) Includes Arable Area Payments, but excludes set-aside payments and farm saved seed. Taxes where applicable are deducted.

TABLE 5.2 Wheat

Enquiries: Alex Clothier on 01904 455068 email: alex.clothier@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999 (provisional)	2000
Production						
Area ('000 hectares)	2026	1 976	2 036	2 045	1 847	2 086
Yield (tonnes/hectare)	6.99	8.15	7.38	7.56	8.05	8.01
Volume of harvested production	14 142	16 100	15 020	15 470	14 870	16 700
Value of production (£ million) (a)	1 493	2 315	1 851	1 652	1 525	1 585
of which:						
sales	1 463	1 602	1 287	1 126	1 061	993
subsidies (b)	– 72	507	493	466	420	464
on farm use	73	67	77	79	64	48
change in stocks	29	139	– 7	– 18	– 20	79
Prices (c)						
Milling wheat (£/tonne)	44	122	101	84	81	74
Feed wheat (£/tonne)	39	111	89	75	73	66
Supply and Use						
Production	14 143	16 100	15 020	15 470	14 870	16 700
Imports from: the Fourteen	507	432	752	779	579	535
the rest of the world	318	244	413	471	616	595
Exports to: the Fourteen	2 059	3 139	2 719	3 566	2 598	2 849
the rest of the world	1 921	727	1 001	643	255	656
Total new supply	10 987	12 910	12 465	12 511	13 212	14 325
Increase in farm and other stocks	– 142	860	– 225	– 408	32	1 260
Total domestic uses	11 129	12 050	12 690	12 919	13 180	13 065
of which:						
flour milling	4 949	5 501	5 535	5 707	5 668	5 610
animal feed	4 945	5 346	5 955	6 117	6 367	6 298
seed	358	366	368	332	375	375
other uses and waste	878	837	833	763	769	781
Production as % of total new supply for use in UK	129%	125%	120%	124%	113%	117%
% of home grown wheat in milling grist	86%	87%	84%	80%	83%	82%

Wheat (Crop Years: July–June)

'000 tonnes (unless otherwise specified)

Crop years: July–June

	1995/96	1996/97	1997/98	1998/99	1999/2000
Production and output					
Volume of harvested production	14 312	16 100	15 020	15 470	14 870
Value of production (£ million) (a)	2 153	2 126	1 722	1 631	1 484
of which:					
sales	1 557	1 537	1 179	1 075	1 033
subsidies (b)	480	507	493	466	420
on farm use	60	72	81	80	47
change in stocks	55	10	– 31	10	– 15

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) Excludes farm saved seed

(c) Average prices weighted by volumes of sales

(b) Includes Arable Area Payments but excludes set-aside payments.
Net of Taxes.
The negative values from 1986 to 1992 reflect levy payments
made by producers under the cereals co-responsibility scheme.

TABLE 5.3 Barley

Enquiries: Alex Clothier on 01904 455068 email: alex.clothier@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999 (provisional)	2000
Production						
Area ('000 hectares)	1 522	1 269	1 359	1 255	1 179	1 127
Yield (tonnes/hectare)	5.19	6.14	5.76	5.28	5.58	5.76
Volume of harvested production	7 869	7 790	7 830	6 630	6 580	6 490
Value of production (£ million) (a)	779	1 183	977	781	735	693
of which:						
sales	640	624	421	397	308	307
subsidies (b)	– 33	314	316	277	259	251
on farm use	231	206	193	164	148	136
change in stocks	– 58	39	47	– 57	20	– 2
Prices (c)						
Malting barley (£/tonne)	..	133	92	85	79	75
Feed barley (£/tonne)	..	101	80	71	70	65
Supply and Use						
Production	7 870	7 790	7 830	6 630	6 580	6 490
Imports from: the Fourteen	244	67	118	154	107	45
the rest of the world	–	23	26	31	22	16
Exports to: the Fourteen	882	1 102	941	768	399	496
the rest of the world	1 531	614	727	775	1 105	1 232
Total new supply	5 700	6 164	6 307	5 271	5 205	4 823
Increase in farm and other stocks	– 468	198	808	– 278	– 72	– 441
Total domestic uses	6 168	5 966	5 499	5 549	5 277	5 264
of which:						
brewing/distilling	1 875	1 971	1 938	1 999	1 910	1 927
animal feed	3 917	3 713	3 297	3 304	3 129	3 101
seed	218	231	213	200	192	192
other uses and waste	158	51	51	45	45	44
Production as % of total new supply for use in UK	139%	126%	124%	126%	126%	135%

Barley (Crop Years: July–June)

'000 tonnes (unless otherwise specified)

Crop years : July–June

	1995/96	1996/97	1997/98	1998/99	1999/2000
Production and output					
Volume of harvested production	6 842	7 790	7 830	6 630	6 580
Value of production (£ million) (a)	1 124	1 132	922	772	732
of which:					
sales	598	624	435	339	324
subsidies (b)	299	314	316	277	259
on farm use	210	195	175	155	141
change in stocks	17	– 2	– 4	1	8

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) Excludes farm saved seed

(c) Average prices weighted by volumes of sales

(b) Includes Arable Area Payments but excludes set-aside payments. Net of Taxes. The negative values from 1986 to 1992 reflect levy payments made by producers under the cereals co-responsibility scheme.

TABLE 5.4 Oats

Enquiries: Alex Clothier on 01904 455068 email: alex.clothier@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997 (provisional)	1998	1999	2000
Production						
Area ('000 hectares)	110	96	100	98	92	109
Yield (tonnes/hectare)	4.82	6.14	5.76	5.98	5.87	5.87
Volume of harvested production	528	590	575	585	540	640
Value of production (£ million) (a)	50	86	71	61	58	65
of which:						
sales:	33	44	35	25	24	26
subsidies (b)	– 2	24	23	22	20	24
on farm use	19	16	12	12	13	12
change in stock	– 1	2	1	2	–	4
Prices (c)						
Milling oats (£/tonne)	..	106	83	66	71	64
Feed oats (£/tonne)	..	104	76	62	71	64
Supply and Use						
Production	527	590	575	585	540	640
Imports from: the Fourteen	8	2	16	11	11	5
the rest of the world	–	–	–	–	2	–
Exports to: the Fourteen	13	132	78	54	34	96
the rest of the world	–	–	–	–	–	–
Total new supply	521	460	513	542	518	549
Increase in farm and other stocks	– 19	– 13	6	3	– 1	38
Total domestic uses	540	473	507	539	519	511
of which:						
milling	226	250	259	272	266	263
animal feed	278	201	227	246	229	224
seed	22	19	19	18	21	21
other uses and waste	15	3	3	3	3	3
Production as % of total new supply for use in UK	101%	128%	112%	108%	104%	117%

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) Excludes farm saved seed

(c) Average prices weighted by volumes of sales

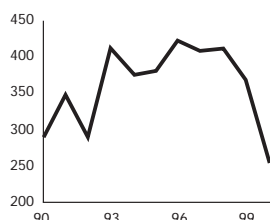
(b) Includes Arable Area Payments but excludes set-aside payments. Net of Taxes. The negative values from 1986 to 1992 reflect levy payments made by producers under the cereals co-responsibility scheme.

Other crops

Oilseed rape

(Table 5.5)

OSR Valuation in £ m



Linseed

(Table 5.6)

8 The value of production fell by 32 per cent to £249 million. The area planted fell by 25 per cent. Yields were lower than last year, reflecting the poor establishment due to the bad weather. These factors led to a fall in production of 608,000 tonnes (35 per cent). Prices recovered marginally throughout the year, in line with the price of world oilseeds generally. A 17 per cent reduction in the subsidy rate also contributed to a 36 per cent reduction in the total subsidy paid. Agrimonetary Compensation was also paid in 2000 (see paragraph 2). Following special derogation, the subsidy valuation includes the area of GM contaminated spring sown rape which had to be destroyed.

9 The value of production fell by 74 per cent to £34 million. The area planted was over 65 per cent lower than in 1999, and yields were down due to poor weather conditions, resulting in a 259,000 tonnes reduction in production to 43,000 tonnes. In addition to the reduction in planted area, a 19 per cent fall in the subsidy rate also contributed to a drop in the overall value of subsidies. Agrimonetary Compensation was also paid in 2000 (see paragraph 2).

Sugar beet and sugar

(Table 5.7)

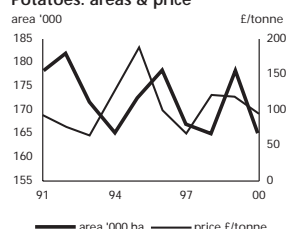
10 The overall value of production fell by 9.3 per cent to £253 million. The area of contracted sugar beet was reduced in line with quota and overall yield was lower than in 1999. This resulted in a 12 per cent drop in production, reducing the over-quota production ineligible for CAP support. Refined sugar production fell by over 11 per cent to 1.37 million tonnes.

Potatoes

(Table 5.8)

11 The England and Wales seed data series has been revised back to 1982. All Northern Ireland data has also been revised back to 1981.

Potatoes: areas & price



12 Total area for all potatoes fell by 7.3 per cent in 2000, mainly due to oversupply and poor returns in 1999. Until mid October good harvest progress was being made and lifting was ahead of that in 1999. Continuous rain from that date onwards led to waterlogging and meant that over 20,000 hectares of the GB crop remained unlifted at the end of the year. The overall production was also down 7.6 per cent. The value of production fell by 33 per cent in 2000 while prices were higher than in 1999. Due to stocks being scarce in the first part of the crop year, prices increased from £61.99 in January 2000, to a high of £129.70 in August. Prices since August fluctuated and stood at £118.97 at the end of the year. In the year 2000 just over 940 hectares were written off due to waterlogging and are unlikely to yield any potatoes.

Peas and beans for stockfeed

(Table 5.9)

13 The combined value of output for peas and beans for stockfeed fell 3.7 per cent to £110 million. The area of dried peas grown for stockfeed fell by 3,000 hectares in 2000 and coupled with a small drop in yields, production fell by 12 per cent to 252,000 tonnes. The area of field beans grown for stockfeed increased by over 14,000 hectares in 2000 and together with a slight increase in yields, production rose by 14 per cent to 450,000 tonnes. The combined value of subsidies for 2000 fell 12 per cent to £55 million.

Table 5.5 Oilseed rapeEnquiries: Craig Porteus on 01904 455066 email: craig.porteus@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Area ('000 hectares)	384	415	473	534	537	402
Yield (tonnes/hectares)	2.99	3.41	3.23	2.94	3.23	2.81
Volume of harvested production	1 145	1 415	1 527	1 566	1 737	1 129
of which:						
Production not on set-aside land:						
Area ('000 hectares)	384	356	445	506	417	332
Yield (tonnes/hectares) (a)	2.99	3.50	3.24	2.95	3.24	2.90
Production (a)	1 145	1 246	1 444	1 493	1 354	965
Production on set-aside land:						
Area ('000 hectares)	..	58	28	27	120	70
Yield (tonnes/hectares)	..	2.89	3.00	2.67	3.20	2.36
Production	..	169	83	73	383	164
Value of production (£ million)	289	422	409	411	365	249
of which:						
sales	287	248	232	253	195	151
subsidies (b) (c)	..	162	167	155	175	113
change in stocks	2	13	10	3	– 5	– 15
Imports from:						
the Fourteen	92	203	274	277	208	229
the rest of the world	59	24	3	49	115	3
Exports to:						
the Fourteen	148	96	162	230	126	47
the rest of the world	–	80	24	46	149	–
Total new supply	1 148	1 466	1 618	1 616	1 785	1 314
Production as % of total new supply for use in UK	100%	97%	94%	97%	97%	86%

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) These figures are on the basis of a standard (9%) moisture content.

(b) Under the Arable Area Payments Scheme (AAPS) until 1999 payments were made to oilseed rape producers in two installments: an advanced payment in the autumn of the year of harvest and the balance in the following spring. However for the purposes of these accounts all payments have been included

under the year of harvest. From 2000, only one payment will be made, in the year of harvest. For 2000, Subsidies also includes area of GM contaminated oilseed rape crops which were destroyed.

(c) In 2000, an area of GM contaminated crop was destroyed. The subsidies valuation includes both the subsidy payment for this area and the compensation payments made.

TABLE 5.6 Linseed

Enquiries: Craig Porteus on 01904 455066 email: craig.porteus@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Area ('000 hectares)	48	54	76	101	213	74
Yield (tonnes/hectare)	1.87	1.59	1.40	1.41	1.42	0.58
Volume of harvested production	86	87	106	143	302	43
of which:						
Production not on set-aside land:						
Area ('000 hectares)	48	49	73	99	209	72
Yield (tonnes/hectares) (a)	1.87	1.61	1.39	1.41	1.42	0.56
Production (a)	86	79	102	140	297	40
Production on set-aside land:						
Area ('000 hectares)	..	5	3	2	3	2
Yield (tonnes/hectares)	..	1.46	1.65	1.57	1.55	1.30
Production	..	8	5	3	5	3
Value of production (£ million)	22	39	52	67	132	34
of which:						
sales	9	14	15	18	25	12
subsidies	11	25	37	48	102	30
change in stocks	2	–	1	1	5	– 7
Imports from:						
the Fourteen	9	2	–	1	2	1
the rest of the world	1	37	52	37	1	14
Exports to:						
the Fourteen	30	11	30	39	100	53
the rest of the world	–	1	1	1	6	1
Total new supply	66	114	127	141	199	4
Production as % of total new supply for use in UK	120%	76%	83%	101%	152%	1 109%

source: MAFF Statistics website, www.maff.gov.uk/esg

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

TABLE 5.7 Sugar beet and sugar

Enquiries: Craig Porteus on 01904 455066 email: craig.porteus@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Sugar beet (a)						
Area ('000 ha)	196	199	196	189	183	173
Yield (adjusted tonnes/hectares)	42.10	52.36	56.55	53.00	57.95	53.83
Volume of harvested production (a)	8 239	10 420	11 084	10 002	10 584	9 335
Average market price (£/adjusted tonne)	34	34	30	30	26	27
Value of production (£ million)	280	358	329	298	277	253
Sugar content %	17.30	18.04	17.17	17.34	17.16	17.00
Sugar ('000 tonnes refined basis)						
Production (b)	1 243	1 477	1 592	1 439	1 540	1 370
Imports from:						
the Fourteen	140	78	125	156	117	148
the rest of the world	1 162	1 132	1 133	1 178	1 137	1 097
Exports to:						
the Fourteen	60	57	73	84	83	88
the rest of the world	245	290	511	687	534	612
Total new supply	2 239	2 340	2 267	2 002	2 177	1 915
Production as % of total new supply for use in UK	56%	63%	70%	72%	71%	72%

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) From 1991 onwards yield, production and prices for sugar beet have been re-based to 'adjusted tonnes' at standard 16% sugar content.

(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 Potatoes

Enquiries: Adrian Roberts on 01904 455074 email: adrian.roberts@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999 (provisional)	2000
Production						
Area ('000 hectares)	177.4	178.4	166.6	164.6	178.3	165.2
of which:						
early	16.9	13.8	16.2	17.8	13.8	12.8
maincrop	160.5	164.5	150.4	146.8	164.5	152.4
Yield (tonnes/hectare):						
early	23.1	23.5	23.8	18.8	23.3	22.7
maincrop	37.7	42.1	45.0	41.6	41.6	41.5
Volume of harvested production	6 444	7 251	7 153	6 439	7 156	6 611
of which:						
early	389	325	386	336	322	290
maincrop	6 055	6 926	6 767	6 103	6 834	6 321
End year stocks	3 307	3 794	3 696	3 349	3 706	3 581
Value of production (£million)	533	636	390	630	750	501
of which:						
sales	522	565	387	660	682	504
on farm seed use	18	34	10	12	25	9
change in stocks	– 8	38	– 7	– 42	43	– 12
Prices						
Average price (£/tonne) paid to registered producers for:						
early potatoes (a)	120	97	74	152	75	132
maincrop potatoes (a)	91	98	63	119	119	94
all potatoes (a)(b)	94	100	66	122	119	95
Supply and use						
Total production	6 444	7 251	7 153	6 439	7 156	6 611
Supplies from the Channel Islands	38	51	58	38	44	46
Imports	958	1 039	1 017	1 194	1 105	1 035
of which:						
early from:						
the Fourteen	85	48	77	77	65	81
the rest of the world	166	192	89	124	128	81
maincrop from:						
the Fourteen	105	144	79	197	69	107
the rest of the world	7	2	2	5	7	6
processed (raw equivalent) from:						
the Fourteen	525	606	736	758	772	727
the rest of the world	26	17	16	16	44	16
seed from:						
the Fourteen	43	31	19	17	19	17
the rest of the world	–	–	–	–	–	–
Exports	233	280	364	374	339	369
of which:						
raw to:						
the Fourteen	65	91	148	174	156	173
the rest of the world	46	59	9	8	3	5
processed (raw equivalent) to:						
the Fourteen	51	60	73	84	82	86
the rest of the world	2	11	46	25	20	31
seed to:						
the Fourteen	31	32	35	49	31	45
the rest of the world	38	28	53	34	46	30
Total new supply	7 207	8 061	7 865	7 296	7 966	7 322
Change in stocks	– 95	377	– 98	– 347	358	– 126

continued

Table 5.8 *cont.*

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999 (provisional)	2000 (provisional)
Total domestic uses	7 302	7 684	7 963	7 643	7 609	7 447
of which:						
used for human consumption	5 940	6 146	6 279	5 997	6 210	5 724
seed for home crops (including seed imports)	548	515	449	437	446	452
support buying	41	–	–	–	–	–
chats, waste and retained stockfeed	774	1 023	1 235	1 209	953	1 272
Production as % of total new supply for use in the UK	89%	90%	91%	88%	90%	90%

(Crop Years: June–May)

'000 tonnes (unless otherwise specified)

	1995/96	1996/97	1997/98	1998/99	1999/2000
Production					
Volume of harvested production	6 435	7 251	7 153	6 439	7 156
Value of production (£ million)	857	406	476	858	449
of which:					
sales	800	389	463	837	436
on farm seed use	48	22	10	12	26
change in stocks	10	– 5	4	8	– 12
Prices					
Average realised return (£/tonne) (c)	148	66	81	159	73

(a) Includes a price for sacks where appropriate.

(c) Takes account of support buying, seed sales and sacks.

(b) Takes account of support buying and seed sales.

TABLE 5.9 Peas and Beans for stockfeed

Enquiries: Ann Reed on 01904 455059 email: ann.reed@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999 (provisional)	2000 (provisional)
Peas for harvesting dry (a)						
Area ('000 hectares)	63.7	62.5	78.2	81.8	71.4	68.2
Yield (tonnes/hectare)	3.69	3.82	3.79	3.17	4.00	3.70
Volume of harvested production (a)	233.6	238.8	296.5	259.2	285.5	252.5
Value of production (£ million)	40	52	56	47	46	39
of which:						
sales	40	29	29	19	22	20
subsidies (b)	–	24	28	28	24	19
Field beans (mainly for stockfeed)						
Area ('000 hectares)	133.1	100.2	99.4	110.9	112.8	127.0
Yield (tonnes/hectare)	3.38	3.17	3.80	3.41	3.50	3.54
Volume of harvested production (a)	449.7	317.5	377.6	378.2	394.7	449.7
Value of production (£ million)	74	76	72	66	69	71
of which:						
sales	74	39	37	28	30	36
subsidies (b)	–	38	36	38	38	36

source: MAFF Statistics website, www.maff.gov.uk/esg

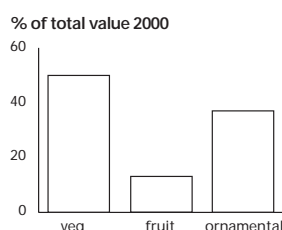
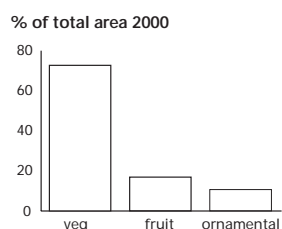
(a) The figures presented here cover only that part of the crop which is assumed to be used for stockfeed (80% of total production); the remainder is included in Horticulture: vegetables, Table 5.10.

(b) Includes Arable Area Payments but excludes set-aside payments.

Horticulture

Horticulture

(Tables 5.10 – 5.12)



14 The total area devoted to horticulture as reported in the 2000 June Agricultural Census (table 3.2) was 172,310 hectares, compared with 178,869 hectares in 1999.

15 The following should be taken into account when looking at the tables:

- a) Data for round tomatoes incorporates vine and plum tomatoes for 2000 whilst cherry tomatoes are collected separately.
- b) Revisions to fruit and vegetables figures have been made to take account of changes in Scottish data.
- c) Revisions to ornamentals figures have been made to correct some previously misclassified data.

16 The publication 'Basic Horticultural Statistics for the United Kingdom' (BHS) expands on the details of all crops shown in this horticultural section and also provides statistics for hops. BHS can be obtained from Mrs Lesly Lawton, MAFF, Statistics (Commodities and Food) Division, Hort & Poultry, Room 229, Foss House, King's Pool, 1–2 Peasholme Green, York, YO1 7PX (tel. 01904–455072) or at www.maff.gov.uk under the heading statistics.

Field vegetables grown in the open

(Table 5.10)

17 The area of field vegetables fell by 3.1 per cent in 2000, continuing a gradual downward trend. The value of production increased by 1.0 per cent. The value of roots and onions fell by 3.0 per cent, with an 8.3 per cent fall in the value of carrots. A 19 per cent rise in the value of cauliflower contributed to an overall 6 per cent rise in the value of brassicas. The value of legumes increased by 2 per cent, largely due to an increase of 14 per cent in the value of peas for processing. The value of mushrooms was unchanged. Flooding affected some of the significant vegetable production areas causing difficult harvesting conditions and some increase in the level of disease.

Protected salad crops

(Table 5.10)

18 The area of protected vegetables continued to fall. The value of production rose by 3.7 per cent. A percentage of salad crops were affected by low demand due to the poor summer. Light levels in October were significantly lower than those in 1999, which led to a reduction in some yields e.g. tomatoes, although the overall value of production of this crop rose by 12 per cent.

Orchard fruit

(Table 5.11)

19 Orchard fruit area was unchanged in 2000. The value of production fell by 7.2 per cent due in part to competition from imports. Dessert apples fell by 15 per cent and culinary apples by 16 per cent. The value of production of pears rose by 9.1 per cent.

Soft fruit

(Table 5.11)

20 Soft fruit area was unchanged in 2000. The overall value of production decreased by 0.4 per cent. Competition from imports affected the value of strawberries which fell by 7.9 per cent. Value of production for raspberries rose by 9.8 per cent.

Flowers in the open and bulbs (open and forced)

(Table 5.12)

21 The value of production of the relatively small flowers and bulbs sector was virtually unchanged in 2000. Adverse weather conditions during a number of bank holidays led to a reduction in trade.

Hardy ornamental nursery stock

(Table 5.12)

22 The value of production fell slightly by 1.3 per cent as a result of a slight fall in the high value of container-grown nursery stock.

Protected ornamentals

(Table 5.12)

23 The value for protected ornamentals hardly changed in 2000 with only a slight fall in the value of production for bedding plants, which represent the largest part of this sector. Wet weather, which affected most parts of the country hindered trade, and gale force winds caused some structural damage to glasshouses.

2000

TABLE 5.10 Horticulture: vegetables

Enquiries: Lesly Lawton on 01904 455072 email: lesly.lawton@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Production						
Area ('000 hectares):	187.0	163.0	152.7	155.9	149.1	144.5
of which:						
grown in the open (a)(b)	184.2	161.4	151.3	154.6	147.9	143.3
protected (c)	2.8	1.6	1.4	1.3	1.2	1.2
Value of production (£million):	977	1 080	960	984	956	974
grown in the open	635	714	638	665	644	650
protected	342	366	322	320	312	324
of which:						
subsidies (d)	..	6	7	7	6	5
Selected crops:						
cabbages	63	81	56	59	55	57
carrots	88	99	67	88	94	86
cauliflowers	66	64	46	41	36	43
lettuces	121	116	120	95	103	103
mushrooms	156	171	169	174	168	168
peas	61	66	52	48	50	55
tomatoes	82	86	62	64	67	75
Prices						
Farm gate price (£/tonne)						
Selected crops:						
cauliflowers	214.2	270.9	236.8	261.3	192.8	305.4
tomatoes	619.3	735.5	542.9	591.3	571.6	649.6
Supply and use (e)						
Total production	3 116	3 068	2 934	2 857	2 944	2 895
Supplies from the Channel Islands	28	18	19	16	16	16
Imports from:						
the Fourteen	..	921	1 133	1 085	1 083	1 068
the rest of the world	..	266	117	149	163	156
Exports to:						
the Fourteen	..	54	80	69	83	53
the rest of the world	..	8	7	5	3	2
Total new supply	3 143	4 208	4 111	4 035	4 112	4 083
Production as % of total new supply for use in the UK	99%	73%	71%	71%	72%	71%

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) Includes peas harvested dry for human consumption.

(d) Arable Area Payments for peas harvested dry.

(b) Areas relate to field areas multiplied by the number of crops in the year and hence differ from those shown in table 2.2

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

(c) Excludes mushrooms area from 1992.

TABLE 5.11 Horticulture: fruit

Enquiries: Lesly Lawton on 01904 455072 email: lesly.lawton@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Production						
Area ('000 hectares):	46.7	38.3	38.6	34.4	34.2	34.2
of which:						
orchard fruit (a)	32.5	26.4	27.7	25.2	25.3	25.3
soft fruit (b)	14.1	11.9	10.8	9.1	8.9	8.9
End year stocks (c)	..	105.4	48.9	93.3	73.5	70.1
Value of production (£million) (e):	269	292	199	259	260	251
orchard fruit (d)	153	134	80	126	108	101
soft fruit	115	151	112	125	140	139
of which:						
sales	270	286	229	235	267	253
change in stocks (c)	– 1	6	– 30	24	– 8	– 2
Selected crops:						
dessert apples	79	56	50	47	60	51
culinary apples	39	33	29	29	29	24
pears	17	16	15	11	10	11
raspberries	28	38	25	35	38	42
strawberries	65	78	69	75	87	81
Prices						
Farm gate price (£/tonne)						
Selected crops:						
dessert apples	457.5	528.0	525.7	480.3	449.2	472.8
culinary apples	202.0	279.1	322.0	341.4	255.4	243.5
pears	482.0	445.7	441.9	405.1	435.5	406.5
Supply and use (f)						
Total production	527	365	292	278	346	305
Supplies from the Channel Islands	..	18	19	16	16	16
Imports from: the Fourteen	..	1 181	1 187	1 353	1 153	1 181
the rest of the world	..	1 371	1 333	1 391	1 504	1 486
Exports to: the Fourteen	..	78	76	65	72	59
the rest of the world	..	2	3	7	1	–
Total new supply	527	2 871	2 770	2 988	2 962	3 015
Net increase in stocks	– 2	13	– 56	44	– 20	– 3
Total domestic uses	529	2 858	2 826	2 944	2 982	3 019
Production as % of total new supply for use in the UK	18%	13%	11%	9%	12%	10%

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) Includes field area of commercial orchards only, and may therefore differ from the area in table 2.2, which also includes non-commercial orchards.

(b) Excludes area of wine grapes and may therefore differ from the area in table 2.2.

(c) Stocks relate to apples and pears.

(d) Excludes EC grubbing up grant.

(e) Includes glasshouse fruit.

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

TABLE 5.12 Horticulture: ornamentalsEnquiries: Lisa Szydlowska 01904 455070 email: lisa.szydlowska@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999 (provisional)	2000
Production						
Area ('000 hectares) (a)	19	19	20	19	20	20
Value of production (£million)	498	678	670	649	719	714
of which:						
flowers and bulbs in the open (b)	40	62	53	45	43	42
hardy ornamental nursery stock	251	352	353	352	403	398
protected crops	207	263	264	252	273	274

Prices

not available

Supply and use

Imports/exports of ornamentals available in 'Basic Horticultural Statistics'

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) Areas relate to field areas multiplied by the number of crops in the year and hence differ from those shown in table 2.2.

(b) Including forced flower bulbs.

Livestock

Cattle and calves: beef and veal

(Table 5.13)

- 24** The output value of beef and veal production fell by 2.3 per cent in 2000 to £2,011 million. Despite increased production, there were falls in finished cattle prices, subsidy payments and a reduction in the value of work in progress.
- 25** Although average prices for finished cattle fell in 2000, clean cattle marketings increased by 2.3 per cent in 2000 due the continued rise in heifer slaughterings and year-on-year increases in young bull slaughterings from June 2000. The increase in young bull slaughterings was the effect of the ending of the Calf Processing Aid Scheme in 1999 with calves placed into intensive finishing schemes having since matured as young bulls. Recorded calf slaughterings also increased significantly following the ending of the CPAS on 31 July 1999.
- 26** As a result of these factors, beef and veal production increased by 4.0 per cent in 2000 to 706 thousand tonnes. However, the amount of beef available for domestic usage fell by 15 thousand tonnes to 919 thousand tonnes due to stock changes, despite increased production and imports. There are now no remaining Intervention stocks in the UK.
- 27** Measures of marketings, production and value exclude all cattle removed from the food chain by the Over Thirty Month Scheme (OTMS), the Selective Cull and the Calf Processing Aid Scheme (CPAS). These schemes were introduced following the beef crisis in March 1996. Payments to producers for the OTMS and CPAS are included as subsidies in the value of production. Payments under the Selective Cull are not included as the payments are for the replacement of capital assets.

Sheep and lambs: mutton and lamb

(Table 5.14)

- 28** The value of sheepmeat production fell by 1.9 per cent in 2000 to £982 million following an 11 per cent fall in 1999. There was a 7.5 per cent rise in the value of home-fed production but a 14 per cent fall in the value of subsidies. Prices were generally higher than those in 1999 which were some of the lowest prices recorded in recent years.
- 29** Clean sheep marketings fell by 6.6 per cent in 2000, mirroring the decline in the breeding flock. Sheepmeat production fell by 3.1 per cent as the fall in marketings was only partly offset by the highest average carcase weights seen in recent years for clean sheep. Both imports and exports have fallen in 2000 – exports by more than imports, hampered by the continued strength of the pound. As a result the total available for domestic use rose by 2.8 per cent in 2000.

Pigs and pigmeat

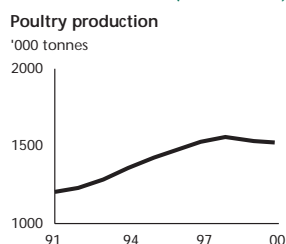
(Table 5.15)

- 30** The value of pigmeat production rose by 5.0 per cent in 2000 to £826 million due to a 20 per cent increase in prices which offset a 12 per cent fall in the home fed production of pigmeat.
- 31** Marketings of clean pigs fell by 14 per cent, reflecting the continuing contraction of the breeding herd and also the effect of an outbreak of Classical Swine Fever (CSF) in the autumn which removed over 220,000 pigs from the food chain through either disease control measures or a pig welfare disposal scheme.

- 32** Home-fed production of pork fell by 11 per cent while home-cured production of bacon fell by 8.4 per cent. Exports of pork fell by 9.5 per cent due to the continued strength of the pound, lower UK production of pigmeat and the effect of the CSF outbreak, which led to exports being banned by several countries. The fall in production of pork, only partly offset by increased imports and falling exports, led to a 4.0 per cent fall in the total amount available for domestic use. For bacon and ham, an increase in imports more than offset the fall in production, resulting in a 2.1 per cent increase in the total amount available for domestic use.

Poultry and poultrymeat

(Table 5.16)



- 33** Commercial Broiler data has been revised back to 1989. Turkey poult data has also been revised for 1997 and 1998.
- 34** Poultrymeat production fell by 0.6 per cent in 2000. Overall slaughterings in 2000 were also down by 0.6 per cent compared with 1999. Overall value of production in 2000 rose by 2.0 per cent. Overall poultry prices rose by 1.3 per cent, with the price for turkeys increasing by 11 per cent to be at the highest level since 1996. Imports continued their upward trend, and increased by 9.4 per cent in 2000. Exports fell by 6.2 per cent.

TABLE 5.13 Cattle and calves; beef and veal

Enquiries: Alison James on 01904 455090 email: alison.m.james@maff.gsi.gov.uk

Calendar years

	Average of 1989–91	1996	1997	1998 (a)	1999 (provisional)	2000
Production						
Total cattle and calves ('000 head at June)	12 099	12 040	11 633	11 519	11 423	11 133
of which:						
dairy cows	2 828	2 587	2 478	2 439	2 440	2 336
beef cows	1 619	1 864	1 862	1 947	1 924	1 842
dairy heifers in-calf	544	608	599	563	549	532
beef heifers in-calf	223	209	249	225	214	186
other	6 885	6 771	6 444	6 345	6 296	6 238
Total home-fed marketings ('000 head) (b)	3 854	2 396	2 293	2 312	2 295	2 426
of which:						
steers, heifers and young bulls	2 756	2 113	2 269	2 276	2 216	2 267
calves	388	87	20	32	75	153
cows and adult bulls	710	196	4	4	4	6
Average dressed carcase weights (dcw) (kgs) (b) (c):						
steers, heifers and young bulls	287.7	307.4	306.8	306.6	304.6	308.6
calves	62.2	48.1	49.0	35.3	31.6	27.5
cows and adult bulls	278.6	291.3	264.2	251.1	273.6	248.5
Production ('000 tonnes, dcw) (b):						
Home-fed production	1 005	710	698	699	679	706
Gross indigenous production (d)	992	707	692	698	676	703
Value of production (£ million)	2 042	2 546	2 276	1 982	2 058	2 011
of which:						
Value of home-fed production (£ million) (b)	1 912	1 326	1 194	1 055	1 094	1 133
Subsidies (£ million) (e)	183	1 312	1 116	923	913	897
Change in work in progress (£ million) (f)	- 25	- 87	- 28	6	53	- 18
Less imported livestock (£ million)	30	5	5	3	2	1
plus breeding animals exported (£ million)	2	..	..	..	..	..

continued

Table 5.13 *cont.*

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998 (a)	1999 (provisional)	2000
Prices						
Store cattle (£ per head) (g):						
1st quality Hereford/cross bull calves (h)	145.5	131.8	147.0	107.9	88.2	79.5
1st quality beef/cross yearling steers (i)	408.3	445.0	427.0	369.0	382.0	400.0
Finished cattle (p per kg liveweight): All clean cattle	109.1	105.5	96.9	86.1	92.1	89.7
Over Thirty Month, Selective Cull and Calf Processing Aid Schemes (j)						
Over Thirty Month Scheme:						
Clean cattle throughput ('000 head)	..	369	72	71	72	62
Cull cattle throughput ('000 head)	..	761	779	826	898	910
Receipts (£ million)	..	524	362	239	267	280
Selective Cull scheme:						
Throughput ('000 head)	..	..	57	19	1	–
Receipts (£ million)	..	..	78	43	2	1
Calf Processing Aid Scheme:						
Throughput ('000 head)	..	413	596	671	307	..
Receipts (£ million)	..	38	54	52	20	..
Supply and use ('000 tonnes, dcw) (k)						
Home-fed production (b)	1 005	710	698	699	679	706
Imports from: the Fourteen (l)	172	95	141	92	124	132
the rest of the world	41	74	75	60	59	70
Exports to: the Fourteen (m)	130	64	13	9	10	9
the rest of the world	29	16	1	–	–	–
Total new supply	1 058	799	901	842	851	899
Increase in stocks	44	67	45	– 16	– 83	– 20
Total domestic uses	1 014	732	857	858	934	919
Home-fed production as % of total new supply for use in UK	95%	89%	77%	83%	80%	79%
Closing stocks	142	123	160	144	61	41

source: MAFF Statistics website, www.maff.gov.uk/esg

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

(b) Excludes cattle slaughtered under the Over Thirty Month Scheme and Selective Cull and calves slaughtered under the Calf Processing Aid Scheme.

(c) Average dressed carcase weight of animals fed and slaughtered in the UK.

(d) Gross Indigenous Production (GIP) is a measure of animal production commonly used in other EC states and is therefore useful for making international comparisons. It is measured as total slaughtering plus all live exports minus all live imports. GIP differs from home-fed production in that it includes exports and excludes imports of breeding animals and, for other imported animals, includes only the weight added since their arrival in the country. Both measures include the export weight (dcw equivalent) of animals intended for slaughter abroad.

(e) Comprising variable premium, calf subsidy, hill livestock compensatory allowances, suckler cow premium, beef special premium, deseasonalisation premium, extensification payments and slaughter premium. Includes payments made under the Over Thirty Month Scheme and the Calf Processing Aid Scheme but excludes Selective Cull payments.

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

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

(h) Category change January 1988: Formerly 1st quality Hereford/Friesian bull calves.

(i) Category change January 1988: Formerly 1st quality yearling steers beef/dairy cross. Now consists of Hereford/cross, Charolais/cross, Limousin/cross, Simmental/cross, Belgian blue/cross, other continental/cross, other beef/dairy cross, other beef/beef cross.

(j) Cattle slaughtered under these schemes are not included within the volume of production. Receipts for the Over Thirty Month Scheme and the Calf Processing Aid Scheme are included as subsidies. Selective Cull payments are not included in the income account.

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

(l) Includes meat from finished animals imported from the Irish Republic.

(m) Adjusted, as necessary, for unrecorded trade in live animals.

TABLE 5.14 Sheep and lambs; mutton and lamb

Enquiries: Alison James on 01904 455090 email: alison.m.james@maff.gsi.gov.uk

Calendar years

	Average of 1989–91	1996	1997	1998 (a)	1999 (provisional)	2000
Production (excluding clip wool)						
Total sheep and lambs ('000 head at June)	44 074	42 086	42 823	44 471	44 656	42 261
of which:						
breeding flock	20 607	20 550	20 696	21 260	21 458	20 447
lambs under 1 year old	22 163	20 443	21 032	22 138	22 092	20 855
other	1 304	1 093	1 095	1 073	1 106	959
Total home-fed marketings ('000 head)	21 583	19 924	18 123	20 215	21 342	20 152
of which:						
clean sheep and lambs	19 558	17 358	16 087	18 132	18 950	17 691
ewes and rams	2 026	2 566	2 036	2 083	2 391	2 462
Average dressed carcase weights (dcw) (kgs) (b):						
clean sheep and lambs	17.8	17.8	18.0	17.8	17.6	18.2
ewes and rams	26.2	27.3	29.1	29.7	28.3	28.5
Production ('000 tonnes, dcw):						
home-fed production	402	383	351	385	403	390
gross indigenous production (c)	402	383	351	385	403	390
Value of production (£ million)	1 052	1 295	1 194	1 130	1 001	982
of which:						
value of home-fed production (£ million)	612	931	797	644	613	658
subsidies (£ million) (d)	453	384	354	479	408	349
change in work in progress (£ million) (e)	- 10	- 15	47	11	- 15	- 19
Less imported livestock (£ million)	3	5	5	4	5	7
plus breeding animals exported (£ million)	-	-	-	-	-	-
Prices						
Store sheep (£ per head):						
1st quality lambs, hoggets and tegs (f)	35.1	46.8	53.4	31.3	28.6	34.5
Finished sheep (p per kg estimated dcw) (g):						
Great Britain	169.0	283.1	239.0	192.5	180.3	196.4
Northern Ireland	184.3	260.5	228.2	179.1	165.7	182.7
Supplies ('000 tonnes, dcw) (h)						
Home-fed production	402	383	351	385	403	390
Imports from:						
the Fourteen (i)	3	23	22	18	17	12
the rest of the world	136	133	129	124	121	117
Exports to:						
the Fourteen (j)	107	161	139	146	153	124
the rest of the world	2	2	2	1	1	1
Total new supply	432	376	362	380	386	394
Increase in stocks	1	- 2	2	-	- 1	- 4
Total domestic uses	431	378	360	381	387	398
Home-fed production as % of total new supply						
for use in UK	93%	102%	97%	101%	104%	99%
Closing stocks	20	13	15	15	14	10

source: MAFF Statistics website, www.maff.gov.uk/esg

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

(b) Average dressed carcase weight of animals fed and slaughtered in the UK.

(c) See footnote (d) to Table 5.13.

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

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

(f) Average prices at representative markets in England and Wales, excluding prices at autumn hill sheep sales.

(g) Unweighted average of weekly prices at representative markets as reported to the European Commission.

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

(i) Includes meat from finished animals imported from the Irish Republic.

(j) Adjusted, as necessary, for unrecorded trade in live animals.

TABLE 5.15 Pigs and pigmeat

Enquiries: Alison James on 01904 455090 email: alison.m.james@maff.gsi.gov.uk

Calendar years

	Average of 1989–91	1996	1997	1998 (a)	1999 (provisional)	2000
Production						
Total pigs ('000 head at June)	7 616	7 590	8 072	8 146	7 284	6 482
of which:						
sows in pig and other sows for breeding	677	649	683	675	603	537
gilts in pig	106	107	116	103	85	73
other	6 833	6 834	7 272	7 368	6 595	5 872
Total home-fed marketings ('000 head)	14 762	14 291	15 479	16 058	14 694	12 686
of which:						
clean pigs	14 407	13 945	15 097	15 640	14 314	12 361
sows and boars	355	346	381	418	380	325
Average dressed carcase weights (dcw) (kgs) (b):						
clean pigs	64.5	68.4	68.9	69.1	69.1	70.5
sows and boars	143.6	141.4	141.7	142.3	145.3	147.2
Production ('000 tonnes, dcw):						
home-fed production	980	1 004	1 091	1 135	1 042	918
gross indigenous production (c)	979	1 002	1 090	1 135	1 043	919
Value of production (£ million)	1 055	1 373	1 203	887	787	826
of which:						
value of home-fed production (£ million)	1 049	1 357	1 185	889	794	843
change in work in progress (£ million) (d)	– 2	9	10	– 8	– 11	– 20
Less imported livestock (£ million)	..	..	..	..	..	..
plus breeding animals exported (£ million)	7	6	8	5	4	3
Prices						
Clean pigs (p per kg deadweight)	109.0	137.7	110.8	80.6	78.6	94.5
Supplies of pork ('000 tonnes, dcw) (e) (f)						
Home-fed production	770	801	888	931	832	738
Imports from:						
the Fourteen (g)	82	198	175	187	231	267
the rest of the world	2	1	2	3	3	5
Exports to:						
the Fourteen (h)	87	169	218	258	201	183
the rest of the world	1	26	30	35	34	30
Total new supply	765	806	817	829	831	797
Increase in stocks	1	3	2	2	– 3	– 4
Total domestic uses	764	803	815	827	834	801
Home-fed production as % of total new supply for use in UK	101%	99%	109%	112%	100%	93%
Closing stocks	10	14	16	18	15	15
Supplies of bacon and ham						
('000 tonnes, product weight) (e)						
Home-cured production	196	241	239	236	233	213
Imports from:						
the Fourteen	257	261	240	231	230	260
the rest of the world	–	–	–	–	–	–
Exports to:						
the Fourteen	5	5	8	8	6	9
the rest of the world	–	–	–	–	–	–
Total new supply	448	497	471	459	457	464
Increase in stocks	–	–	2	– 1	2	–
Total domestic uses	449	497	469	460	455	465

continued

Table 5.15 *cont.*

	<i>Average of 1989–91</i>	<i>1996</i>	<i>1997</i>	<i>1998</i> <i>(a)</i>	<i>Calendar years</i>	
					<i>1999</i> <i>(provisional)</i>	<i>2000</i>
Home-cured production as % of total new supply for use in UK	44%	48%	51%	51%	51%	46%
Closing stocks	6	2	4	3	5	4

source: MAFF Statistics website, www.maff.gov.uk/esg

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

(b) Average dressed carcase weight of animals fed and slaughtered in the UK.

(c) See footnote (d) to Table 5.13.

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

(e) Does not include meat offals or trade in preserved or manufactured meat products.

(f) Boneless meat has been converted to bone-in weights.

(g) Includes meat from finished animals imported from the Irish Republic.

(h) Adjusted, as necessary, for unrecorded trade in live animals.

TABLE 5.16 Poultry and poultrymeatEnquiries: Adrian Roberts on 01904 45507 email: adrian.roberts@maff.gsi.gov.uk

Calendar years

	Average of 1989–91	1996	1997	1998 (a)	1999 (provisional)	2000 (provisional)
Production						
Number ('000 head at June) (b):	112 189	..	..	152 886	153 581	157 252
of which:						
chickens and other table fowls	73 521	..	..	98 244	101 625	105 688
birds in the laying flock (c)	29 298	..	..	29 483	29 258	28 686
fowls for breeding	7 195	..	..	10 023	9 401	9 928
turkeys, ducks & geese (d)	2 174	..	..	15 136	13 297	12 950
Slaughterings (millions):	665	823	850	856	848	843
of which:						
fowls	621	768	796	804	800	797
turkeys	32	39	36	34	28	27
ducks	12	16	17	17	18	18
geese	1	1	1	1	1	1
Production ('000 tonnes carcase weight)(e):	1 149	1 476	1 520	1 546	1 523	1 514
of which:						
chickens and other table fowls	877	1 089	1 130	1 153	1 162	1 166
boiling fowls (culled hens)	49	55	56	56	53	51
turkeys	195	294	293	295	264	254
ducks	25	35	38	39	41	41
geese	3	3	3	3	3	3
Value of production (£ million):	1 056	1 523	1 491	1 366	1 273	1 299
of which:						
fowls	752	1 011	993	892	840	826
change in work in progress in fowls	– 5	– 1	6	– 12	– 19	– 4
turkeys, ducks, geese	280	463	445	431	395	415
exports of live poultry	24	45	45	45	50	58
hatching eggs for export	11	14	14	19	15	13
less live poultry imported	2	5	6	5	5	6
less hatching eggs imported	1	3	6	3	4	4
Prices						
Average producer price (p/kg carcase weight) for:						
chickens and other table fowls	83.5	90.9	86.1	76.8	71.8	70.4
boiling fowls (culled hens)	40.8	38.2	36.2	11.5	10.3	10.7
turkeys	120.4	137.2	129.1	122.6	119.1	132.5
ducks	138.8	153.0	157.9	161.6	173.6	169.9
geese	204.0	200.3	230.8	211.9	308.4	318.3
Supply and use of poultrymeat						
('000 tonnes carcase weight) (e)						
Production	1 149	1 476	1 520	1 546	1 523	1 514
Imports from: the Fourteen	125	263	256	293	301	329
the rest of the world	–	18	20	23	31	34
Exports to: the Fourteen	56	107	134	128	105	98
the rest of the world	17	66	79	69	76	72
Total new supply	1 202	1 584	1 584	1 665	1 674	1 708
Change in stocks	–	3	24	15	– 9	– 14
Total domestic uses	1 202	1 581	1 560	1 650	1 683	1 722
Production as % of total new supply	96%	93%	96%	93%	91%	89%

source: MAFF Statistics website, www.maff.gov.uk/esg

- (a) For comparability with other years, the figures for 1998 have been adjusted from a 53 week to a 52 week basis.
- (b) In England and Wales a new approach to collecting poultry information has been used to improve the coverage of the estimates and to simplify data collection for companies covering a large number of holdings. The 1998 figures are not therefore directly comparable with previous years.

- (c) Hens and pullets kept mainly for producing eggs for eating.
- (d) Pre 1996 data does not include figures for turkeys.
- (e) Excludes offal.
- .. Comparable poultry population figures are not available from the 1996 and 1997 June Censuses.

Livestock products

Milk and milk products

(Tables 5.17 and 5.18)

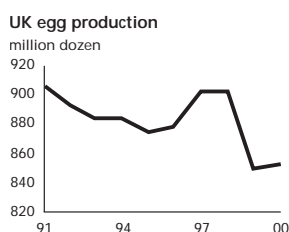
35 In 2000, the total value of milk and milk products for human consumption fell by 10 per cent, or £272 million. The average price of wholesale milk fell by 1.4 pence per litre for a number of reasons including the strength of sterling. Overall there was a £284 million decrease in the value of production of milk sold for processing off farms. The volume of farm production of products (e.g. cheese and butter) from direct sales milk was similar to 1999. There was a reduction in the producer prices for these items, resulting in a £3 million fall in the value of production of milk products. In March 2000 it was announced that milk producers would receive £22 million in agrimonetary compensation, paid according to the volume of milk quota held at March 31 2000. Milk production in the 1999/00 quota year exceeded quota by approximately 64,000 tonnes, resulting in a total levy of £15 million, £6 million more than in the 1998/99 quota year.

36 European markets in 2000 were characterised by rising butter prices from the spring onwards and by September bulk butter prices were 12 to 15% above support prices. Consequently, by October intervention for Butter had been closed in all EU Member States and the Commission commenced the sale of butter from intervention at the intervention price plus 1 euro. Public Stocks of intervention butter in the EU fell from 75,334 (11,418 in the UK) tonnes in August to 63,972 (10,057 in the UK) tonnes in December, whilst private stocks fell from 168,369 (5,444 in the UK) to 75,973 (2,424 in the UK) tonnes in the same period. SMP prices showed even stronger growth during 2000 and by September prices in the main European markets were around 35% above support levels. As a result, the Commission reduced export refunds for SMP and WMP, and reduced the incorporation rates and rates of subsidy for the use of SMP in animal feed. By December only 3 tonnes of SMP were in intervention, all of it in the UK.

Hen Eggs

(Table 5.19)

37 Commercial Broiler data has been revised back to 1989. Weighted average price is now included.



38 Overall value of production of eggs for human consumption increased by 6.7 per cent in 2000. The total volume of egg production rose by 0.3 per cent in 2000. Within this rise processed eggs fell by 1.4 per cent, the first fall since 1991. Eggs sold in shell, which account for 82 per cent of the eggs sold for human consumption in 2000, rose by 0.6 per cent. Egg prices in 2000 rose by 6.5 per cent, the first rise since 1996. This was in part because of shortages on the continent as a result of the Belgian dioxin scare and an outbreak of *avian influenza* in Italy.

TABLE 5.17 MilkEnquiries: Alison Bromley on 01904 455092 email: alison.c.bromley@maff.gsi.gov.uk

Million litres (unless otherwise specified)

Calendar years

	Average of 1989–91	1996 (a)	1997	1998	1999 (provisional)(a)	2000 (a)
Production						
Dairy herd (annual average, '000 head) (b)	2 859	2 569	2 490	2 461	2 445	2 375
Average yield per dairy cow (litres per annum)	5 094	5 546	5 788	5 774	5 964	5 915
Production of milk from the dairy herd (c)	14 564	14 249	14 413	14 210	14 581	14 047
Production of milk from the beef herd (c)	10	7	7	7	7	7
less on farm waste and milk fed to stock	270	281	285	280	286	279
Volume for human consumption	14 303	13 975	14 135	13 937	14 303	13 775
Value of production (£ million)	2 770	3 495	3 154	2 709	2 653	2 380
of which:						
milk (d)	2 718	3 430	3 076	2 656	2 586	2 300
milk products (e)	95	113	92	84	76	73
agrimonetary aid	..	..	..	..	..	22
less levies	43	49	14	32	9	15
Prices (pence per litre) (f)						
Farmgate price of milk excluding bonus payments	..	24.87	21.95	19.26	18.30	16.92
Farmgate price of milk including bonus payments	..	25.02	22.12	19.37	18.35	16.95
Supply and Use (g)						
Production	14 573	14 256	14 420	14 217	14 588	14 054
Imports	..	111	128	129	111	124
Exports	67	173	290	373	465	423
Total domestic use	14 506	14 194	14 258	13 973	14 235	13 754
of which:						
for liquid consumption	6 718	6 838	6 748	6 739	6 853	6 718
for manufacture	7 255	6 934	7 059	6 821	6 988	6 604
of which:						
butter (h)	288	266	284	281	290	274
cheese	3 171	3 348	3 371	3 257	3 297	3 057
cream (h)	252	276	263	263	271	254
condensed milk (i)	746	719	692	643	603	526
milk powder – full cream	506	558	814	798	829	915
milk powder – skimmed	1 822	1 322	1 154	1 112	1 147	938
other	470	445	482	467	549	640
Dairy wastage and stock change	..	86	112	80	56	102
Other uses (j)	..	336	338	333	339	331

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) 366 days.

(b) Dairy herd is 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.

(c) Excludes suckled milk.

(d) Value of milk sold from farms in the UK. Excludes direct sales milk.

(e) Value of milk products manufactured on farm from direct sales milk.

(f) The farm gate price is the average price received by producers, net of delivery charges. No deduction is made for superlevy. In

the current year, estimated bonuses for April to December have been included.

(g) Aggregated data from surveys run by MAFF, SERAD and DARD on the utilisation of milk by dairies.

(h) Includes the utilisation of the residual fat of low fat liquid milk production.

(i) Includes condensed milk used in the production of chocolate crumb plus production of machine skimmed milk.

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

TABLE 5.18 Milk products

Enquiries: Alison Bromley on 01904 455092 email: alison.c.bromley@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Butter (a) (b)						
Production (c)	141	130	139	137	141	134
Imports from: the Fourteen	50	49	66	57	67	77
the rest of the world	61	65	45	48	47	36
Exports to: the Fourteen (d)	43	47	46	50	50	43
the rest of the world	4	4	28	15	6	6
Total new supply (d)	205	192	175	176	199	198
Increase in stocks (e)	– 6	3	– 7	4	11	– 4
Total domestic uses (d) (e)	210	189	182	172	188	202
Production as % of total new supply for use in UK	69%	68%	79%	78%	71%	67%
Closing stocks (e)	65	14	7	11	22	18
Cheese						
Production (c)	305	377	377	366	368	344
Imports from: the Fourteen	174	215	210	225	236	232
the rest of the world	17	24	30	32	41	33
Exports to: the Fourteen	24	40	43	45	48	47
the rest of the world	18	19	10	10	13	10
Total new supply	454	557	563	567	584	553
Increase in stocks	– 3	– 1	2	– 10	1	–
Total domestic uses	458	557	561	577	584	553
Production as % of total new supply for use in UK	67%	68%	67%	64%	63%	62%
Closing stocks (f)	23	16	19	9	10	10
Cream – fresh, frozen, sterilized						
Production (b) (c)	231	281	268	266	275	258
Imports from: the Fourteen	3	6	11	11	8	9
the rest of the world	–	–	–	–	–	–
Exports to: the Fourteen	16	95	91	100	95	90
the rest of the world	4	1	1	1	1	1
Total new supply	213	191	187	176	188	176
Increase in stocks	..	..	..	..	..	..
Total domestic uses	213	191	187	176	188	176
Production as % of total new supply for use in UK	108%	147%	144%	151%	146%	147%
Closing stocks	..	..	..	..	..	..
Condensed milk (g)						
Production	203	206	214	192	177	160
Imports from: the Fourteen	11	10	13	13	14	15
the rest of the world	–	–	–	–	–	–
Exports to: the Fourteen	16	20	33	43	38	27
the rest of the world	37	38	30	21	13	4
Total new supply	160	158	164	141	139	144
Increase in stocks	–	– 2	– 1	– 1	1	– 2
Total domestic uses	160	160	166	141	138	147
Production as % of total new supply for use in UK	127%	130%	130%	136%	127%	111%
Closing stocks	12	9	7	7	8	5

continued

Table 5.18 *cont.*

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Milk powder – full cream						
Production	81	83	96	97	102	107
Imports from: the Fourteen	3	10	10	10	10	11
the rest of the world	–	–	–	–	–	–
Exports to: the Fourteen	18	18	18	26	28	27
the rest of the world	45	57	88	80	64	75
Total new supply	21	17	1	1	20	16
Increase in stocks	– 1	– 1	1	–	–	1
Total domestic uses	22	19	–	1	20	15
Closing stocks	4	2	3	3	3	3
Skimmed milk powder						
Production	147	108	109	107	102	83
Imports from: the Fourteen	10	13	13	11	14	12
the rest of the world	–	–	–	–	–	–
Exports to: the Fourteen (d)	59	12	12	21	29	79
the rest of the world	26	8	33	13	30	35
Total new supply (d)	72	100	77	85	57	– 19
Increase in stocks	– 2	26	18	27	– 11	– 67
Total domestic uses (d)	74	75	59	58	68	48
Production as % of total new supply for use in UK	206%	107%	141%	127%	178%	– 439%
Closing stocks	20	36	55	82	71	4

source: MAFF Statistics website, www.maff.gov.uk/esg

- (a) Includes butter other than natural (i.e. butterfat and oil, dehydrated butter and ghee).
- (b) Includes production from the residual fat of low fat milk products.
- (c) Includes farmhouse manufacture.
- (d) These figures include the use of these products for animal feed.
- (e) In addition to stocks in public cold stores surveyed by MAFF, closing stocks include all intervention stocks in private cold stores. Total domestic uses does not equate exactly with

consumption since changes in unrecorded stocks are not included in the calculation.

- (f) Cheese stocks held in public cold stores. Public coldstores make their storage space available to the public or to the Intervention Board. The ownership of the store whether public or private is irrelevant.
- (g) Includes condensed milk used in the production of chocolate crumb plus production of sweetened and unsweetened machine skimmed milk.

TABLE 5.19 Hen eggsEnquiries: Adrian Roberts on 01904 455074 email: adrian.roberts@maff.gsi.gov.uk

Calendar years

	Average of 1989–91	1996	1997	1998 (a)	1999 (provisional)	2000
Production						
Volume of production of eggs (million dozen)	880	877	902	902	850	852
of which:						
eggs for human consumption	795	775	794	792	743	745
eggs for hatching (b)	73	91	95	94	93	94
hatching eggs for export (c)	3	3	4	7	5	5
waste	8	8	8	9	8	9
Production for Human Consumption:						
Number of Fowls laying eggs for eating (millions) (d)	36.1	32.8	33.3	32.9	30.7	30.8
Average yield per layer (number of eggs per bird per year)	264	283	286	289	291	291
Value of production of eggs for human consumption (£ million) (e)	400	453	415	381	344	368
Prices						
Average price (p per dozen)	50.3	58.4	52.2	48.1	46.3	49.4
UK graded egg price weighted average (f)	38.7	45.8	39.6	36.3	34.2	36.4
Supply and use (million dozen)						
UK production of eggs for human consumption	795	775	794	792	743	745
of which:						
eggs sold in shell	715	659	669	662	605	608
eggs processed	80	116	126	130	139	137
Imports from (g): the Fourteen	57	70	69	63	68	81
the rest of the world	..	2	2	1	2	2
Exports to (g): the Fourteen	20	12	20	30	15	14
the rest of the world	–	2	6	7	3	3
Total new supply	832	833	838	819	795	810
Production of eggs for human consumption as % of total new supply for use in UK	96%	93%	95%	97%	93%	92%

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) For comparability with other years, the figures for 1998 have been adjusted from a 53 week to a 52 week basis.

(b) Eggs for hatching are not valued as they are included in the final value of poultry

(c) Hatching eggs for export are valued in the poultry table 5.16

(d) Population is implied from Gross production and Average yield and hence differs from the census figures in table 2.2

(e) Excludes value of eggs for hatching.

(f) Represents the UK Packer to Producer Price excluding bonus. Takes account of all egg systems – intensive, free range, perchery & others

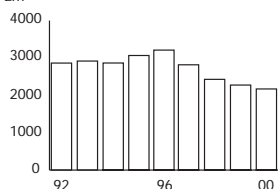
(g) Includes shell egg equivalent of whole (dried, frozen and liquid) egg, egg yolk and albumen.

Purchased feedingstuffs and seeds

Purchased feedingstuffs

(Table 5.20)

UK feed costs
£m



39 In 2000 the value of compound usage fell by 8.3 per cent compared with 1999. This reduction continues the overall trend which is still downwards largely due to a quickly shrinking level of pig feed manufacture in line with reductions in pig populations.

40 Cattle compounds which are the largest sector, and therefore have a greater effect on the overall position, have also seen a large decrease on 1999 data. This fall, however, is exaggerated by the relevant disparity in the milk quota position as each calendar year was entered. With quota being under profile at the start of 1999, high levels of milk production in the first quarter resulted in higher levels of compound feed usage. This high production continued throughout the year resulting in an over milk quota position prevailing at the start of 2000. The subsequent reduction in milk production in the first quarter of this year also continued into following quarters thus deflating compound production for dairy cattle.

Purchased seeds

(Table 5.21)

41 The total cost of purchased seeds in 2000 fell by 11 per cent to £296 million. This is a result of a general downturn in price and volume for most items. The most notable fall in price is for potatoes, and grass and clover. The most significant fall in quantities has been for cereals and potatoes.

TABLE 5.20 Feedingstuffs (including direct inter-farm and intra-farm transfer)

Enquiries: Tim Marsh on 01904 455061 email: tim.marsh@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999 (provisional)	2000 (provisional)
Compounds:						
cattle	..	4 314	3 809	3 732	4 176	3 942
calves	..	274	227	202	187	183
pigs	..	2 519	2 673	2 751	2 469	2 122
poultry (a)	..	3 225	3 273	3 129	3 181	3 112
other	..	796	703	725	874	746
Total (b)	..	11 063	10 594	10 412	10 750	9 966
Straight concentrates (i.e. cereals, cereal offals, proteins and other high energy feeds)	..	6 404	5 649	5 815	6 019	6 375
Non-concentrates (low-energy bulk feeds expressed as concentrate equivalent) (c)	..	534	535	527	526	525
Inter/intra farm transfer	2 855	2 694	3 332	3 490	3 151	2 961
Total all purchased feedingstuffs	19 172	20 695	20 110	20 243	20 446	19 827
Cost of purchased feedingstuffs (£ million) (d)	2 878	3 185	2 804	2 444	2 260	2 167

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) This item includes poultry feed produced by 'retail' compounders, but excludes production from IPUs which are included within the straight data.

(b) Including imports, less exports

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

(d) See Table 6.1 for a breakdown of this total.

TABLE 5.21 Purchased seeds

Enquiries: Craig Porteus on 01904 455066 email: craig.porteus@maff.gsi.gov.uk

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1989–91	1996	1997	1998	1999 (provisional)	2000 (provisional)
Cereals (a)	523.7	486.0	442.7	386.7	432.8	413.4
Grass and clover	11.2	12.8	12.9	12.0	11.5	11.3
Root and fodder crops	40.8	38.2	40.7	43.4	42.6	45.0
Potatoes (b)	489.6	509.4	448.5	447.5	461.7	471.2
Vegetable and other horticultural seeds (c)	16.5	17.3	17.8	18.4	16.7	15.6
Total purchased seeds	1 081.9	1 063.7	962.7	908.0	965.2	956.4
Total cost of all purchased seeds (£ million)	314	380	337	334	334	296

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) Restricted to the purchase of certified seed only.

(b) Includes farm-saved seed.

(c) Includes bulbs and seeds for hardy nursery stock, flowers, sugar beet and oilseed rape.

Chapter 6 Aggregate accounts

Introduction

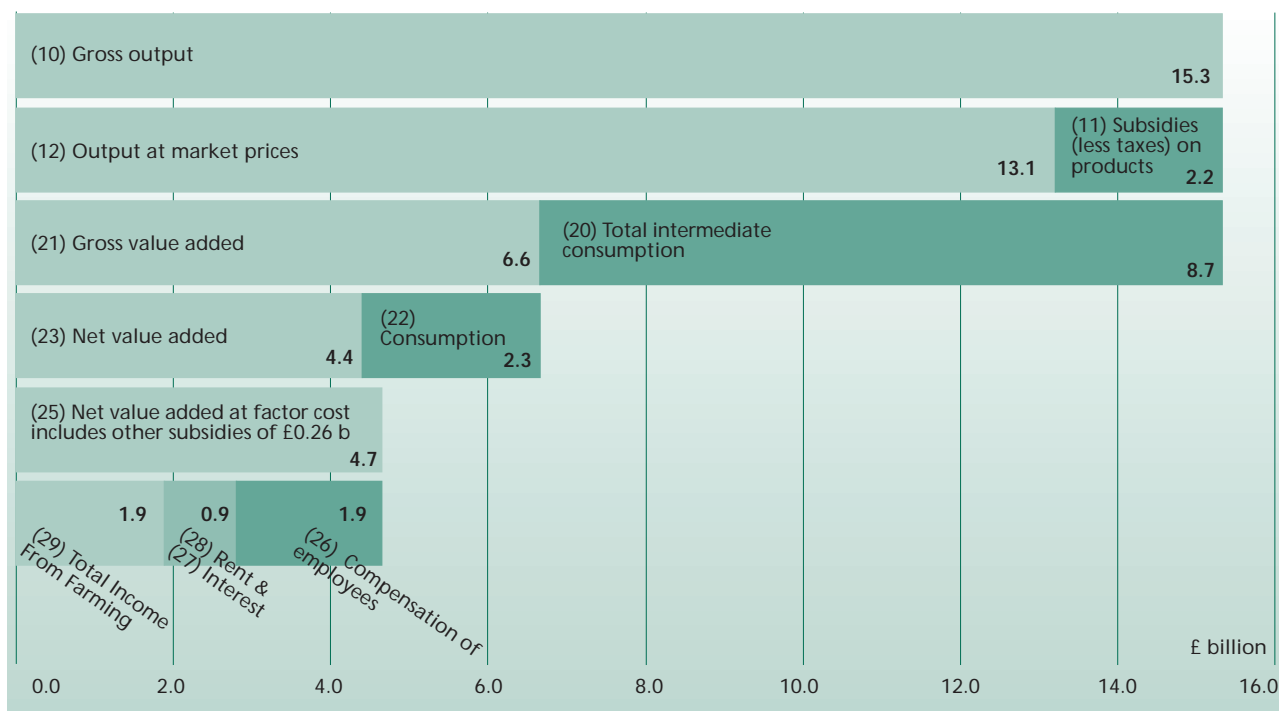
- 1 Total Income From Farming (TIFF) in 2000 in the UK, which represents the income to farmers, partners, directors, their spouses and most other family workers, is forecast to fall by 25 per cent compared to its 1999 level. The estimates show that in real terms it is £696 million or 27 per cent lower. However, this masks greater sectoral and regional variation. The income per person has fallen by 25 per cent in real terms. In real terms Total Income From Farming doubled between 1990 and 1995 before falling back by approximately 70 per cent between 1995 and 2000.
- 2 TIFF 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.

Aggregate Agricultural Account

(Tables 6.1, 6.2 and 6.3)

- 3 The Aggregate Agricultural Account provides details of the industry's outputs, inputs and generation of income. It conforms to internationally agreed accounting principles, required by both UK national accounts and by Eurostat.
- 4 Table 6.1 shows the full account at current prices with Chart 6.1 showing how the main aggregates in the account are related. Table 6.2 shows volume indices whilst table 6.3 shows the value, price and volume changes between 1999 and 2000. Changes in value are portrayed graphically in Chart 6.2.
- 5 These tables show estimates of:
 - (a) Output at basic prices by product and the total at market prices after deducting subsidies.
 - (b) Transactions that take place wholly within the agricultural industry.
 - (c) Inputs – intermediate consumption, consumption of fixed capital (i.e. the reduction in value of capital assets due to depreciation), compensation of employees, rent and interest payments.
- 6 The value of output (including subsidies directly related to products) was 4.5 per cent or £729 million lower at current prices in 2000. The revenue from most commodities was lower due to lower prices brought about by the continued strength of sterling and oversupply in some of the commodity markets. A 2 per cent decrease in overall volume reinforced the fall in revenue.
- 7 The output value of *potatoes* decreased by £249 million or 33 per cent in 2000. This reflects the continuation of the low prices in the first half of the year and the high prices in the second half as well as a fall in output volume. The higher prices obtained at the end of the year were due to stocks being scarce, and the weather also played its part. The output value of *milk* fell by 10 per cent due to a fall in both production and price. The output value of *cattle and calves* was 2.3 per cent or £47 million lower than in 1999 despite an increase in the volume of production.

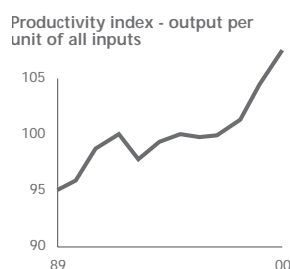
Chart 6.1 Main components of the aggregate account



The output value of *pigs* was 5.0 per cent or £39 million up on 1999, due to a 21 per cent increase in prices which more than offset a 13 per cent fall in production. The increase in the value of cereals output was partly offset by a £40 million decrease in set-aside payments. The value of *other crops* was down by 19 per cent mainly due to large falls in the value of oilseed rape and linseed.

8 Subsidies less levies not included in output decreased by £6.0 million or 2.2 per cent. Total intermediate consumption was virtually unchanged compared to last year. The cost of energy went up by 26 per cent or £158 million. The cost of fertilisers also increased. These increases were offset by falls in other areas. The costs of pesticides went down by 12 per cent or £75 million. Expenditure on seeds and feedingstuffs was also lower than in 1999.

9 Net Value Added at factor cost is the best measure of value added by the industry because it includes all subsidies (some are not included in output e.g. set-aside and agri-environment). It makes no allowance for interest, rent or labour costs. It shows a fall of 13 per cent.



10 TIFF is derived by deducting interest, rent and paid labour costs from Net Value Added at factor cost. Interest payments were 13 per cent higher but rent and labour costs were slightly lower. As a consequence TIFF showed a significant decrease at current prices.

Productivity
(Table 6.4)

11 Productivity measures, which are based on volumes of outputs and inputs, are shown in Table 6.4. Final output (output leaving the industry) has remained relatively static throughout the nineties, although it dropped in 1993 with the introduction of set-aside. Labour productivity, represented by the index of net value

added per annual work unit of all labour, increased by 4.8 per cent in 2000 reflecting a drop in annual work units. Total factor productivity, represented by final output per unit of all inputs (including fixed capital and labour), increased by 2.6 per cent in 2000.

Summary measures including total income from farming

(Table 6.5)

12 Table 6.5 shows movements over the last twelve years at both current prices and in real terms for some important accounts aggregates and some additional (derived) indicators. In addition to the points in paragraph 1, Cash flow from farming fell by 9.7 per cent in real terms. Cash flow reflects sales rather than production and expenditure on gross fixed capital formation rather than depreciation of capital assets.

Geographic comparisons

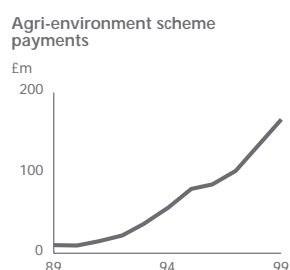
(Chart 6.4 and Table 6.6)

13 Chart 6.4 shows changes in income from agricultural activity across the Member States of the European Union, as measured by Eurostat's indicator A. It is based on Net Value Added at factor cost (deflated by the GDP price index) per annual work unit. The estimates show that a small rise was recorded for EU-15. Only four out of 15 Member States recorded a fall in income from agricultural activity. These figures are highly provisional given the changes in methodology being introduced across the Member States.

14 Table 6.6 shows how the UK agricultural industry divides between England, Northern Ireland, Scotland and Wales. Agriculture's share of total economy gross value added at basic prices is gradually declining. It is lowest in England at 0.7 per cent and highest in Northern Ireland at 2.6 per cent. Agriculture's share of regional employment is highest in Northern Ireland at about 1 in 12 whereas in England it is less than 1 in 60.

Subsidies and levies

(Table 6.7)



15 Table 6.7 gives details of the values of the subsidies less levies paid directly to farmers that are included in the Aggregate Agricultural Account. Subsidies paid to farmers to support capital improvements or to compensate for the loss of capital assets are excluded from the account and are not shown. (An account of all public expenditure on agriculture is provided in Chapter 9.) The provisional figures show that in 2000 the agricultural industry as a whole received nearly £2.5 billion in direct subsidies less levies, 6.1 per cent less than in 1999. There were reduced payments on linseed and oilseed rape of £72 million and £63 million respectively, and reduced payments on beef special premium and suckler cow premium of £68 million and £58 million respectively.

Capital formation and stock appreciation

(Tables 6.8 and 6.9)

16 Table 6.8 shows estimates of investment in productive assets by the UK agricultural sector. At current prices, total gross fixed capital formation in buildings, works, plant, machinery and vehicles is estimated to have been £1.25 billion in 1999. This is 14 per cent lower than in 1998 and is due to the drops in income since 1996. The volume index of buildings and works investment showed a substantial reduction in 1999. The plant and machinery, and vehicles indices also showed a decrease, but to a much lesser extent.

17 Capital formation and capital consumption in livestock measure the output value and depreciation of breeding animals (mainly dairy cows, beef cows, ewes, sows and egg laying poultry). The difference between the two is the effect on income. In 2000 depreciation outweighed production for all livestock.

- 18** Table 6.9 shows estimates of stock appreciation in the industry. Stock appreciation (holding gains) measures the change in the value between the time of production and the end of the accounting period due to changes in price. It is not included in the Aggregate Agricultural Account and does not contribute to income. For total livestock stock, appreciation was £34 million, as a drop in the value of stock of cattle was more than offset by an increase in the value of stock of pigs. Stock appreciation for potatoes was £188 million. Overall stock appreciation was £212 million.

- Hired labour** **19** Table 6.10 shows the cost and volume of paid labour relating to agricultural work only, excluding time spent on the construction of farm buildings. The total cost of paid labour decreased by 8.0 per cent in 2000, arising from a decrease in the volume of paid labour input of 11 per cent and an average salary increase of 2.6 per cent. The volume of total labour decreased by 6.1 per cent during 2000. The increase in the statutory minimum wage agreed by the Agricultural Wages Board was approximately 2.5 per cent in June 1999 and 4.8 per cent in June 2000. The statutory minimum wage for casual workers was also increased by 1.1 per cent in April 2000.

- Interest** **20** Table 6.11 shows details of interest charges payable on farmers' borrowings for agricultural purposes (including land purchases). These payments, net of interest on short-term deposits, are estimated to have increased by £81 million between 1999 and 2000 to £689 million. This reflects both an increase in interest rates over the year and an increase in the level of farmer's borrowings.

TABLE 6.1 Production and income account at current prices

Enquiries: Jim Holding on 01904 455080 email: jim.holding@maff.gsi.gov.uk

£ million

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Output (a)						
1. Total production of cereals	2 325	3 593	2 907	2 502	2 326	2 350
wheat	1 493	2 315	1 851	1 652	1 525	1 585
barley	779	1 183	977	781	735	693
oats	50	86	71	61	58	65
rye, mixed corn & triticale	4	9	9	8	8	8
2. Total production of other crops	980	1 301	1 210	1 181	1 185	965
oilseed rape	289	422	409	411	365	250
linseed	19	39	52	67	132	34
sugar beet	280	358	329	298	277	253
hops	17	20	20	14	13	11
peas and beans for stockfeed	113	129	129	112	115	111
hay and dried grass	26	29	28	23	23	23
grass and clover seed	16	21	23	20	19	11
straw	179	222	169	184	188	218
unspecified crops (b)	40	61	52	51	53	54
3. Total production of potatoes	533	636	390	630	750	501
4. Total production of horticulture	1 750	2 056	1 836	1 898	1 941	1 945
vegetables	978	1 080	960	984	956	974
fruit	268	291	199	257	259	250
ornamentals	498	678	670	649	719	714
fruit, vegetable and tomato seeds	6	7	7	7	7	7

continued

Table 6.1 *cont.*

£ million

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
5. Total production of livestock	5 317	6 879	6 312	5 512	5 267	5 268
finished cattle and calves	2 042	2 546	2 276	1 982	2 058	2 011
finished sheep and lambs	1 052	1 295	1 194	1 130	1 001	982
finished pigs	1 055	1 373	1 203	887	787	826
poultry	1 056	1 523	1 491	1 366	1 273	1 298
other livestock	112	143	148	147	149	152
6. Total production of livestock products	3 241	4 011	3 628	3 135	3 045	2 794
milk	2 770	3 495	3 154	2 709	2 653	2 380
eggs (c)	400	453	415	381	344	368
clip wool	48	40	35	24	21	22
unspecified livestock products	24	23	25	21	25	23
7. Total capital formation in livestock	584	596	735	588	387	336
cattle	310	297	391	295	201	141
sheep	157	150	198	154	55	61
pigs	15	20	15	5	6	6
poultry	102	130	130	135	125	127
8. Total other agricultural activities	426	783	699	681	712	686
Contract Work	391	608	575	572	612	650
Leasing out Milk Quota	35	169	120	99	92	29
Leasing out Ewe Premium	..	5	4	4	4	4
Leasing out Suckler Cow Premium	..	1	1	6	3	2
9. Total inseparable non-agricultural activities	221	360	369	432	441	479
10. Gross output at basic prices	15 377	20 214	18 087	16 560	16 053	15 324
11. Total subsidies (less taxes) on product	503	2 782	2 588	2 436	2 383	2 225
12. Output at market prices (10–11) (e)	14 874	17 432	15 499	14 123	13 670	13 098
<i>of which:</i>						
transactions within the agricultural industry						
feed wheat	73	67	77	79	64	48
feed barley	231	206	193	164	148	136
feed oats	19	16	12	12	13	12
seed potatoes	18	34	10	12	25	9
straw	170	212	160	173	176	205
contract work	391	608	575	572	612	650
leasing of quota	35	175	124	109	99	36
total capital formation in livestock	584	596	735	588	387	336
Intermediate consumption (e)						
(Expenditure net of reclaimed VAT)						
13. Total feedingstuffs	2 878	3 185	2 804	2 444	2 260	2 167
compounds (d)	1 776	1 960	1 772	1 524	1 402	1 287
straights (d)	779	937	750	667	632	685
feed purchased from other farms	323	289	282	254	226	196
14. Total seeds	314	380	337	334	334	296
cereals	123	124	103	84	94	87
other	191	256	234	250	240	209
15. Total fertilisers and lime	909	1 040	990	827	752	826
16. Pesticides	529	647	675	653	618	543
17. Total farm maintenance (e)	265	364	364	321	317	305
occupier	201	295	292	250	248	239
landlord	63	68	72	71	69	66
18. Energy	536	650	630	592	618	776
machinery fuel and oil	317	400	397	369	401	539
power and fuel (mainly electricity)	219	250	233	224	217	237
19. Total miscellaneous expenses	2 684	3 880	3 852	3 777	3 807	3 766
machinery repairs	582	706	678	659	645	625
veterinary expenses and medicines	209	298	308	290	276	271
straw for bedding	170	212	160	173	176	205

continued

Table 6.1 *cont.*

£ million

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
contract work	391	608	575	572	612	650
leasing of quota	35	175	124	109	99	36
other farming costs (e) (f)	1 297	1 883	2 006	1 974	1 999	1 979
20. Total intermediate consumption	8 114	10 146	9 651	8 949	8 705	8 678
21. Gross value added (10–20) (e)	7 263	10 069	8 435	7 610	7 348	6 646
22. Total Consumption of Fixed Capital	2 286	2 539	2 572	2 438	2 251	2 257
buildings and works	659	637	632	626	615	601
landlord (e) (g)	118	94	85	83	78	76
other	540	542	547	543	537	525
plant, machinery and vehicles	1 061	1 250	1 253	1 235	1 212	1 181
cattle	305	314	393	316	210	246
sheep	143	189	155	106	68	91
pigs	15	18	15	9	8	8
poultry	104	130	123	147	137	129
23. Net value added (21–22) (e)	4 977	7 530	5 864	5 172	5 097	4 389
24. Total other subsidies less taxes	– 46	169	125	145	269	263
animal disease compensation	7	5	15	15	23	29
set-aside	..	159	90	88	170	130
Agri-Environment schemes (h)	11	85	103	132	166	193
other (i)	–	–	–	–	..	..
taxes	65	81	84	89	91	88
25. Net value added at factor cost (23+24)	4 930	7 699	5 989	5 317	5 366	4 652
26. Total compensation of employees (e) (j)	1 693	1 881	1 930	1 978	2 015	1 853
27. Interest (k)	924	556	626	688	608	689
28. Net rent expenditure (l) (m)	157	229	256	250	239	228
rent paid (m) (n)	157	303	336	331	321	298
rent received (m) (o)	..	74	80	81	82	71
29. Total income from farming (25–26–27–28) (k)	2 157	5 033	3 177	2 401	2 505	1 882

source: MAFF Statistics website, www.maff.gov.uk/esg

- (a) Output is net of VAT collected on the sale of non-edible products. Figures for total output include subsidies on products, but not other subsidies.
- (b) Includes turf, other minor crops and arable area payments for fodder maize.
- (c) Includes the value of duck eggs.
- (d) For years prior to 1992 the split between compounds and straights has been estimated based on the split present in later years.
- (e) Landlords' expenses are included within farm maintenance, miscellaneous expenditure and depreciation of buildings and works.
- (f) Includes livestock and crop costs, water costs, insurance premia, bank charges, professional fees, rates, and other farming costs.
- (g) A more empirically based methodology for calculating landlords' depreciation has been introduced this year. The new series has been linked with the old one using a smoothing procedure for the transition year of 1996.
- (h) Includes Environmentally and Nitrate Sensitive Areas, Countryside Stewardship, Countryside Premium, Tir Cymen, Tir Gofal, Moorland, Habitat, Farm Woodland and Organic Farming Schemes.
- (i) Includes guidance premium for beef and sheepmeat production, Pilot Beef and Sheep Extensification Scheme, and

- farm accounts grant as well as historic data for fertiliser and lime grant and payments to small scale cereal producers.
- (j) Excludes the value of work done by farm labour on own account capital formation in buildings and works.
- (k) Interest charges on loans for current farming purposes and buildings & works less interest on money held on short term deposit.
- (l) Total net rent is the net rent flowing out of the agricultural sector paid to non farming landowners, including that part of tenanted land in Northern Ireland. Although there has been some updating of the technical procedures for calculating this figure, it corresponds with the previous net rent variable).
- (m) Rents for 2000 are based on purely provisional estimates of average rents from the Annual Survey of Tenanted Land and will therefore be subject to review when more robust estimates of average rents become available.
- (n) Rent paid (after deductions) is the rent paid on all tenanted land including 'conacre' land in Northern Ireland, less landlords' expenses, landlords' depreciation and the benefit value of dwellings on that land.
- (o) Rent received (after deductions) is the 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.)

Chart 6.2 Changes in outputs and inputs

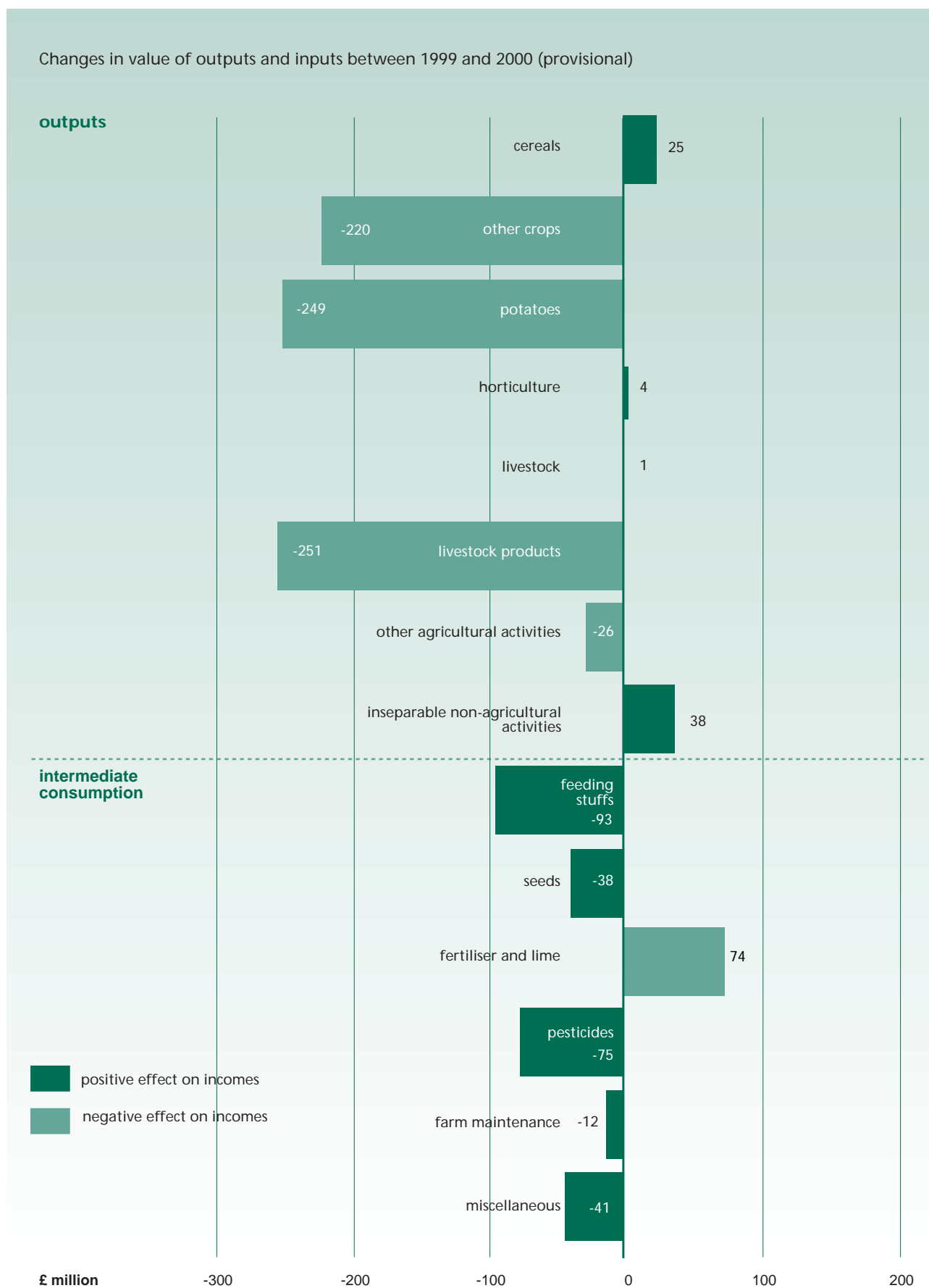


TABLE 6.2 Output and input volume indices

Enquiries: Jim Holding on 01904 455080 email: jim.holding@maff.gsi.gov.uk

1995=100

Calendar years

	Average of 1989–91	1996	1997	1998	1999 (provisional)	2000
Outputs (a)						
1. Total production of cereals	100.1	112.3	107.2	105.8	100.9	108.5
wheat	98.2	111.4	105.2	108.5	104.7	115.0
barley	106.5	115.5	112.3	101.6	94.5	96.1
oats	73.8	93.7	92.7	90.9	82.2	97.2
rye, mixed corn & triticale	84.7	97.0	95.8	89.6	106.3	118.3
2. Total production of other crops	94.2	107.2	112.6	110.0	120.4	98.1
oilseed rape	87.9	112.7	122.0	126.5	137.9	95.7
linseed	107.2	107.3	131.7	177.6	352.5	136.7
sugar beet	97.7	123.6	131.5	118.6	125.5	110.7
hops	123.9	126.2	119.6	82.0	70.5	63.9
peas and beans for stockfeed	124.7	101.5	123.0	116.2	124.1	128.7
hay and dried grass	123.5	102.4	97.1	82.0	84.4	82.9
grass and clover seed	160.8	98.0	107.1	96.7	102.8	75.7
straw	78.0	85.2	74.4	70.8	62.6	65.9
unspecified crops (b)	56.1	104.1	103.0	101.6	111.4	107.7
3. Total production of potatoes	98.1	107.6	101.8	89.8	106.3	91.6
4. Total production of horticulture	103.2	102.0	94.2	94.1	96.2	96.6
vegetables	107.0	105.8	101.4	98.5	99.6	95.8
fruit	116.1	103.9	76.9	93.7	96.1	109.5
ornamentals	92.5	94.7	89.1	86.6	90.1	91.1
fruit, vegetable and tomato seeds	109.2	98.2	95.6	96.9	92.6	88.0
5. Total production of livestock	95.7	89.8	91.7	94.2	93.4	93.5
finished cattle and calves	102.4	74.6	74.7	76.5	78.4	83.5
finished sheep and lambs	99.7	94.6	91.7	98.0	99.5	96.3
finished pigs	97.6	100.9	109.9	112.3	102.6	89.2
poultry	81.5	103.6	107.2	107.9	104.9	105.6
other livestock	95.5	100.6	103.0	102.7	103.5	103.4
6. Total production of livestock products	101.6	99.5	100.7	99.7	101.4	98.4
milk	101.6	99.6	100.6	99.1	101.5	97.7
eggs (c)	101.0	99.8	103.0	104.8	101.1	104.4
clip wool	108.8	95.1	96.9	103.2	95.3	92.7
unspecified livestock products	117.7	85.4	89.9	79.8	95.0	82.9
7. Total capital formation in livestock	102.0	94.9	115.1	112.0	107.0	81.6
cattle	97.2	94.2	104.2	101.2	107.8	63.6
sheep	109.3	83.9	131.0	141.3	105.2	86.0
pigs	158.1	182.1	191.4	30.5	34.7	26.7
poultry	91.5	101.5	108.5	99.9	94.3	95.8
8. Total other agricultural activities	86.5	104.4	108.3	115.3	123.0	119.3
Contract Work	92.6	105.2	108.0	113.9	121.9	126.8
Leasing out Milk Quota	55.5	102.8	111.7	119.8	129.8	65.6
Leasing out Ewe Premium	87.4	72.3	51.4	60.5	60.5	59.6
Leasing out Suckler Cow Premium	52.0	75.6	62.0	417.2	188.8	145.3
9. Total inseparable non-agricultural activities	82.6	108.3	110.2	123.4	123.8	130.7
10. Gross output at basic prices	97.7	99.8	100.0	100.5	101.7	99.7
11. Total subsidies (less taxes) on product	98.9	104.3	102.1	105.5	108.4	110.5
12. Output at market prices (10–11) (e)	97.6	99.2	99.9	99.9	100.7	98.1
<i>of which:</i>						
transactions within the agricultural industry						
feed wheat	127.8	121.5	179.9	212.2	177.0	147.8
feed barley	111.0	105.2	125.8	123.6	113.7	111.8
feed oats	102.4	89.2	81.7	89.2	97.8	92.1
seed potatoes	112.7	119.1	93.4	95.9	86.6	92.7
straw	77.1	84.5	73.3	69.5	61.0	64.4
contract work	92.6	105.2	108.0	113.9	121.9	126.8
leasing of quota	55.6	101.2	108.7	121.0	126.7	67.7
total capital formation in livestock	102.0	94.9	115.1	112.0	107.0	81.6

continued

Table 6.2 *cont.*

£ million

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Intermediate consumption (e) (Expenditure net of reclaimed VAT)						
13. Total feedingstuffs	94.0	98.8	96.8	96.5	97.2	93.7
compounds (d)	94.4	101.1	96.8	95.1	97.6	90.5
straights (d)	86.2	91.6	86.2	87.3	87.7	92.4
feed purchased from other farms	113.6	107.6	134.1	139.7	125.9	118.2
14. Total seeds	104.3	102.4	95.4	91.9	93.8	91.7
cereals	112.6	104.5	95.2	87.0	97.3	92.9
other	99.4	101.4	95.5	94.2	93.1	91.8
15. Total fertilisers and lime	100.9	99.1	110.8	108.4	101.6	99.8
16. Pesticides	104.5	103.3	106.4	110.5	106.2	106.1
17. Total farm maintenance (e)	81.8	95.4	95.8	85.2	84.4	81.8
occupier	76.6	95.1	95.6	82.9	82.3	79.3
landlord	105.5	96.9	96.7	95.0	93.4	92.2
18. Energy	99.4	100.0	99.4	100.3	96.2	95.3
machinery fuel and oil	99.9	100.4	100.6	98.7	95.3	91.3
power and fuel (mainly electricity)	98.5	99.4	97.6	102.9	97.6	102.6
19. Total miscellaneous expenses	93.0	102.1	102.3	101.3	101.6	99.6
machinery repairs	103.6	97.7	94.2	91.6	89.7	86.9
veterinary expenses and medicines	79.1	101.3	103.1	93.7	89.1	89.0
straw for bedding	77.1	84.5	73.3	69.5	61.0	64.4
contract work	92.6	105.2	108.0	113.9	121.9	126.8
leasing of quota	55.6	101.2	108.7	121.0	126.7	67.7
other farming costs (e) (f)	95.0	106.7	108.0	106.9	107.7	105.3
20. Total intermediate consumption	95.0	100.5	101.0	100.0	99.3	97.1
21. Gross value added (10–20) (e)	100.5	99.1	99.1	101.3	104.6	102.9
22. Total Consumption of Fixed Capital	96.7	101.2	98.7	97.6	96.8	95.2
buildings and works	99.2	99.5	98.8	97.8	96.2	93.9
landlord (e) (g)	108.6	97.4	101.8	79.2	76.9	76.7
other	97.5	100.0	98.0	102.5	101.0	98.3
plant, machinery and vehicles	103.6	101.5	101.9	100.5	98.7	96.1
cattle	87.1	104.7	93.7	89.3	91.2	97.3
sheep	79.3	96.8	79.3	81.1	92.0	94.0
pigs	95.5	92.1	101.1	111.1	101.0	88.5
poultry	96.7	102.7	102.9	109.8	104.4	99.2
23. Net value added (21–22) (e)	101.9	98.4	99.3	103.0	108.3	106.6

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) Output is net of VAT collected on the sale of non-edible products. Figures for total output include subsidies on products, but not other subsidies.

(b) Includes turf, other minor crops and arable area payments for fodder maize.

(c) Includes the value of duck eggs.

(d) For years prior to 1992 the split between compounds and straights has been estimated based on the split present in later years.

(e) Landlords' expenses are included within farm maintenance, miscellaneous expenditure and depreciation of buildings and works.

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

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

TABLE 6.3 Changes in outputs and inputs

Enquiries: Jim Holding on 01904 455080 email: jim.holding@maff.gsi.gov.uk

£ million

	<i>Current price value</i>		<i>Changes %</i>		
	<i>1999</i>	<i>2000</i>	<i>value</i>	<i>volume</i>	<i>price</i>
Outputs (a)					
1. Total production of cereals	2 326	2 350	1	8	- 6
wheat	1 525	1 585	4	10	- 5
barley	735	693	- 6	2	- 7
oats	58	65	12	18	- 5
rye, mixed corn & triticale	8	8	3	11	- 7
2. Total production of other crops	1 185	965	- 19	- 19	-
oilseed rape	365	250	- 32	- 31	- 1
linseed	132	34	- 74	- 61	- 33
sugar beet	277	253	- 9	- 12	4
hops	13	11	- 15	- 9	- 6
peas and beans for stockfeed	115	111	- 3	4	- 7
hay and dried grass	23	23	-	- 2	2
grass and clover seed	19	11	- 42	- 26	- 21
straw	188	218	16	5	10
unspecified crops (b)	53	54	1	- 3	4
3. Total production of potatoes	750	501	- 33	- 14	- 22
4. Total production of horticulture	1 941	1 945	-	-	-
vegetables	956	974	2	- 4	6
fruit	259	250	- 3	14	- 15
ornamentals	719	714	- 1	1	- 2
fruit, vegetable and tomato seeds	7	7	- 5	- 5	-
5. Total production of livestock	5 267	5 268	-	-	-
finished cattle and calves	2 058	2 011	- 2	6	- 8
finished sheep and lambs	1 001	982	- 2	- 3	1
finished pigs	787	826	5	- 13	21
poultry	1 273	1 298	2	1	1
other livestock	149	152	2	-	2
6. Total production of livestock products	3 045	2 794	- 8	- 3	- 5
milk	2 653	2 380	- 10	- 4	- 7
eggs (c)	344	368	7	3	3
clip wool	21	22	4	- 3	7
unspecified livestock products	25	23	- 8	- 13	5
7. Total capital formation in livestock	387	336	- 13	- 24	14
cattle	201	141	- 30	- 41	19
sheep	55	61	11	- 18	35
pigs	6	6	1	- 23	31
poultry	125	127	2	2	-
8. Total other agricultural activities	712	686	- 4	- 3	- 1
Contract Work	612	650	6	4	2
Leasing out Milk Quota	92	29	- 69	- 49	- 38
Leasing out Ewe Premium	4	4	1	- 2	3
Leasing out Suckler Cow Premium	3	2	- 21	- 23	3
9. Total inseparable non-agricultural activities	441	479	9	6	3
10. Gross output at basic prices	16 053	15 324	- 5	- 2	- 3
11. Total subsidies (less taxes) on product	2 383	2 125	- 11	2	- 12
12. Output at market prices (10-11) (e)	13 670	13 199	- 3	- 3	- 1
<i>of which:</i>					
transactions within the agricultural industry					
feed wheat	64	48	- 25	- 17	- 11
feed barley	148	136	- 8	- 2	- 7
feed oats	13	12	- 12	- 6	- 7
seed potatoes	25	9	- 64	7	- 66
straw	176	205	17	6	11
contract work	612	650	6	4	2
leasing of quota	99	36	- 64	- 47	- 33
total capital formation in livestock	387	336	- 13	- 24	14

continued

Table 6.3 *cont.*

£ million

	Current price value		Changes %		
	1999	2000	value	volume	price
Intermediate consumption (formerly known as Inputs) (e) (Expenditure net of reclaimed VAT)					
13. Total feedingstuffs	2 260	2 167	- 4	- 4	-
compounds (d)	1 402	1 287	- 8	- 7	- 1
straights (d)	632	685	8	5	3
feed purchased from other farms	226	196	- 13	- 6	- 8
14. Total seeds	334	296	- 11	- 2	- 9
cereals	94	87	- 8	- 5	- 3
other	240	209	- 13	- 1	- 12
15. Total fertilisers and lime	752	826	10	- 2	12
16. Pesticides	618	543	- 12	-	- 12
17. Total farm maintenance (e)	317	305	- 4	- 3	- 1
occupier	248	239	- 4	- 4	-
landlord	69	66	- 4	- 1	- 3
18. Energy	618	776	26	- 1	27
machinery fuel and oil	401	539	34	- 4	40
power and fuel (mainly electricity)	217	237	9	5	4
19. Total miscellaneous expenses	3 807	3 766	- 1	- 2	1
machinery repairs	645	625	- 3	- 3	-
veterinary expenses and medicines	276	271	- 2	-	- 2
straw for bedding	176	205	17	6	11
contract work	612	650	6	4	2
leasing of quota	99	36	- 64	- 47	- 33
other farming costs (e) (f)	1 999	1 979	- 1	- 2	1
20. Total intermediate consumption (e)	8 705	8 678	-	- 2	2
21. Gross value added (10–20) (e)	7 348	6 646	- 10	- 2	- 8
22. Total Consumption of Fixed Capital	2 251	2 257	-	- 2	2
buildings and works	615	601	- 2	- 2	-
landlord (e) (g)	78	76	- 3	-	- 3
other	537	525	- 2	- 3	-
plant, machinery and vehicles	1 212	1 181	- 3	- 3	-
cattle	210	246	17	7	10
sheep	68	91	33	2	31
pigs	8	8	4	- 12	18
poultry	137	129	- 6	- 5	- 1
23. Net value added (21–22) (e)	5 097	4 389	- 14	- 2	- 1
24. Total other subsidies less taxes	269	263	- 2	..	..
animal disease compensation	23	29	23	..	..
set-aside	170	130	- 24	..	..
Agri-Environment schemes (h)	166	193	16	..	..
other (i)	..	..	..	..	..
taxes	91	88	- 3	..	..
25. Net value added at factor cost (23+24)	5 366	4 652	- 13	..	..
26. Total compensation of employees (e) (j)	2 015	1 853	- 8	- 11	4
27. Interest (k)	608	689	13	..	..
28. Net rent expenditure (l) (m)	239	228	- 4	..	..
rent paid (m) (n)	321	298	- 7	..	..
rent received (m) (o)	82	71	- 14	..	..
29. Total income from farming (25–26–27–28) (k)	2 505	1 882	- 25	..	..

(a) Output is net of VAT collected on the sale of non-edible products. Figures for total output include subsidies on products, but not other subsidies.

(b) Includes turf, other minor crops and arable area payments for fodder maize.

(c) Includes the value of duck eggs.

(d) For years prior to 1992 the split between compounds and straights has been estimated based on the split present in later years.

(e) Landlords' expenses are included within farm maintenance, miscellaneous expenditure and depreciation of buildings and works.

- (f) Includes livestock and crop costs, water costs, insurance premia, bank charges, professional fees, rates, and other farming costs.
- (g) A more empirically based methodology for calculating landlords' depreciation has been introduced this year. The new series has been linked with the old one using a smoothing procedure for the transition year of 1996.
- (h) Includes Environmentally and Nitrate Sensitive Areas, Countryside Stewardship, Countryside Premium, Tir Cymen, Tir Gofal, Moorland, Habitat, Farm Woodland and Organic Farming Schemes.
- (i) Includes guidance premium for beef and sheepmeat production, Pilot Beef and Sheep Extensification Scheme, and farm accounts grant as well as historic data for fertiliser and lime grant and payments to small scale cereal producers.
- (j) Excludes the value of work done by farm labour on own account capital formation in buildings and works.
- (k) Interest charges on loans for current farming purposes and buildings & works less interest on money held on short term deposit.
- (l) Total net rent is the net rent flowing out of the agricultural sector paid to non farming landowners, including that part of tenanted land in Northern Ireland. Although there has been some updating of the technical procedures for calculating this figure, it corresponds with the previous net rent variable).
- (m) Rents for 2000 are based on purely provisional estimates of average rents from the Annual Survey of Tenanted Land and will therefore be subject to review when more robust estimates of average rents become available.
- (n) Rent paid (after deductions) is the rent paid on all tenanted land including 'conacre' land in Northern Ireland, less landlords' expenses, landlords' depreciation and the benefit value of dwellings on that land.
- (o) Rent received (after deductions) is the 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.)

TABLE 6.4 Productivity

Enquiries: Jim Holding on 01904 455080 email: jim.holding@maff.gsi.gov.uk

volume indices 1995=100

Calendar years

Year	Final output (gross output less transactions within the agricultural industry)	Net value added per AWU of all labour (a)	Final output per unit of all inputs (including fixed capital and labour)
1989	97.3	89.4	94.9
1990	97.2	92.0	95.9
1991	99.1	96.7	98.8
1992	99.9	104.6	100.0
1993	97.3	97.0	97.7
1994	99.5	100.1	99.2
1995	100.0	100.0	100.0
1996	99.3	100.2	99.7
1997	98.9	102.2	99.8
1998	98.7	107.7	101.3
1999	100.1	117.4	104.6
2000 (provisional)	98.8	123.0	107.3

source: MAFF Statistics website, www.maff.gov.uk/esg

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

TABLE 6.5 Summary measures from the aggregate agricultural account

Enquiries: Jim Holding on 01904 455080 email: jim.holding@maff.gsi.gov.uk

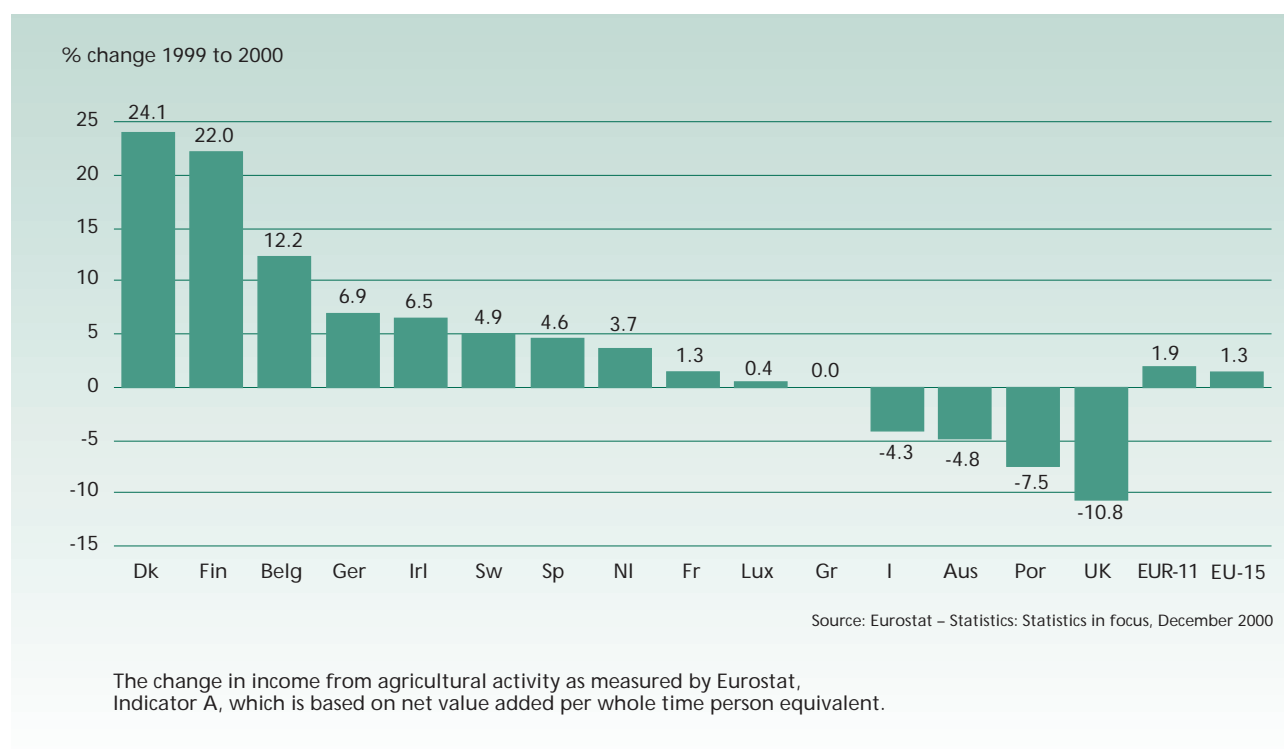
Calendar years

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)	
£ million						(£)
1989	4 838	2 171	1 584	3 755	8 323	2 378
1990	4 923	2 047	1 715	3 763	8 009	2 325
1991	5 029	2 252	1 779	4 032	8 862	2 740
1992	5 622	2 948	1 784	4 732	11 648	3 133
1993	6 595	4 105	1 787	5 892	16 271	4 034
1994	6 978	4 430	1 827	6 258	17 852	4 195
1995	7 927	5 325	1 836	7 162	21 815	5 207
1996	7 699	5 033	1 881	6 914	20 880	5 145
1997	5 989	3 177	1 930	5 107	13 277	3 268
1998	5 317	2 401	1 978	4 379	10 152	2 818
1999	5 366	2 505	2 015	4 520	10 954	3 133
2000 (provisional)	4 652	1 882	1 853	3 735	8 492	2 911
In real terms, 2000 prices, £ million						(£)
1989	7 149	3 208	2 341	5 549	12 300	3 514
1990	6 646	2 764	2 316	5 079	10 811	3 138
1991	6 413	2 872	2 269	5 141	11 300	3 494
1992	6 911	3 624	2 193	5 817	14 319	3 852
1993	7 983	4 969	2 163	7 131	19 694	4 882
1994	8 242	5 233	2 159	7 391	21 086	4 954
1995	9 054	6 082	2 097	8 180	24 917	5 947
1996	8 583	5 612	2 097	7 708	23 279	5 736
1997	6 474	3 434	2 086	5 521	14 352	3 532
1998	5 558	2 510	2 067	4 577	10 612	2 946
1999	5 523	2 578	2 074	4 652	11 274	3 225
2000 (provisional)	4 652	1 882	1 853	3 735	8 492	2 911

source: MAFF Statistics website, www.maff.gov.uk/esg

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

Chart 6.3 UK income trends in real terms at 2000 prices

Chart 6.4 Changes in income across the European Union (provisional figures)**Table 6.6 Summary measures by country in 2000**

Enquiries: Jim Holding on 01904 455080 email: jim.holding@maff.gsi.gov.uk

	Gross output (a)	Intermediate consumption	Gross value added at basic prices	Total Income from Farming	Agriculture's share of total regional gross value added at basic prices (b)	Agriculture's share of total regional employment (c)(d)
	£ million	£ million	£ million	£ million	%	%
United Kingdom	15 324	8 678	6 646	1 882	0.8	2.0
England	11 372	6 334	5 038	1 552	0.7	1.6
Wales	992	672	320	-2	1.0	4.7
Scotland	1 867	1 043	824	228	1.2	3.0
Northern Ireland	1 093	629	464	98	2.6	7.9

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) Imported livestock, including purchases of store cattle and sheep, are included as negative output.

(b) In order to estimate the total GVA at basic prices for the entire economy, the fourth quarter has been estimated using the trend of the previous three quarters. This has been apportioned to the countries using the 1998 proportions to give an estimated country GVA at basic prices.

(c) The total workforce in employment consists of employees in employment, the self-employed and work related government

training schemes. For Northern Ireland, agriculture's percentage share is higher than that published by the Northern Ireland Department of Enterprise, Trade and Investment, which excludes part-time owners, partners and directors and spouses of farmers from persons engaged in agriculture.

(d) The agriculture industry includes a high proportion of part-time workers. A comparison on the basis of full-time equivalents would show lower percentages.

TABLE 6.7 Subsidies and levies included in the aggregate agricultural account

Enquiries: Jim Holding on 01904 455080 email: jim.holding@maff.gsi.gov.uk

£ million

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Subsidies and levies on product (a)						
Crop subsidies						
arable area payments on						
wheat	..	507	493	466	420	464
barley	..	314	316	277	259	251
other cereal crops (b)	..	28	28	27	25	29
oilseed rape	..	162	167	155	175	112
linseed	..	25	37	48	102	30
peas and beans - stockfeed and human consumption	..	67	70	73	69	60
forage maize	..	13	3	6	6	6
Other crop subsidies (c)	16	19	19	16	14	12
Livestock subsidies:						
beef special premium (d)	37	295	271	256	273	205
beef marketing payment scheme	..	58	..	..	..	..
suckler cow premium	72	286	374	292	267	209
slaughter premium	..	..	..	..	..	48
extensification payment scheme	..	..	..	..	..	101
calf processing aid scheme	..	38	54	52	20	..
over thirty month scheme	..	524	362	239	267	280
cattle hill livestock compensatory allowance	57	111	55	85	86	55
sheep annual premium	215	329	300	395	323	295
sheep hill livestock compensatory allowance	74	55	54	84	85	54
Other livestock subsidies <1993 (e)	180	..	..	..	..	..
Other subsidies						
dairy agrimonetary compensation	..	..	..	..	..	22
Levies (f)						
milk superlevy	8	49	14	32	9	15
other levies prior to 1993 (g)	141	..	..	..	..	..
Total subsidies (less levies) on products	503	2 782	2 588	2 436	2 383	2 226
Other subsidies and levies (h)						
set-aside (i)	..	159	90	88	170	130
other animal disease compensation (j)	7	5	15	15	23	29
agri-environment schemes:	11	85	103	132	166	193
Countryside Stewardship (k)	..	13	15	19	28	34
Countryside Premium (Scotland)	..	..	..	3	6	11
Tir Cymen & Tir Gofal	..	6	7	7	7	13
Organic Farming (l)	..	..	1	1	15	21
Environmentally Sensitive Areas	10	38	46	53	66	69
Nitrate Sensitive Areas	..	4	5	5	6	4
Woodland schemes	1	13	16	28	23	23
Non-MAFF schemes (m)	–	9	12	12	12	15
other (n)	..	2	3	3	4	4
vehicle licences	65	81	84	89	91	88
other (o)	..	..	..	..	..	..
Total other subsidies less levies	– 46	169	125	145	269	263
Total subsidies less levies	456	2 951	2 713	2 582	2 652	2 489

source: MAFF Statistics website, www.maff.gov.uk/esg

- (a) Contributes to basic prices and are included in output on table 6.1.
- (b) Oats, rye, mixed corn and triticale.
- (c) CAP hops and herbage seeds support, hemp and flax aid, oilseed rape and linseed support and British Potato Council compensation payments.

- (d) Includes extensification premium and Northern Ireland deseasonalisation premium.
- (e) Beef and sheep variable premiums, hill cow, beef cow, calf, hill sheep, pig and calf subsidies.
- (f) Excludes levies paid to non-governmental organisations. These are included in the aggregate accounts (table 6.1) under 'other miscellaneous expenditure'.

- (g) Wheat, barley, oats, rye, mixed corn and milk co-responsibility levies.
- (h) Not included in output but contribute to net value added at factor cost in table 6.1.
- (i) Arable Area Payment and former 5 and 1 year Schemes.
- (j) Tuberculosis, brucellosis, salmonella, Chernobyl, Newcastle and Aujeszky's disease, swinefever and avian influenza compensation and EIC egg scheme.
- (k) Also includes Arable Stewardship.
- (l) Includes Organic Aid and Organic Farming schemes.
- (m) Including English Nature, Scottish Natural Heritage and Countryside Council for Wales payments for land management, including Sites of Special Scientific Interest.
- (n) Includes Moorland, Habitat and Countryside Access Farming schemes.
- (o) Guidance premium for beef and sheepmeat production, Pilot Beef and Sheep Extensification Scheme and farm accounts grant. Also includes historic data for fertiliser and lime grant and payments to small scale cereal producers.

TABLE 6.8 Gross capital formation

Enquiries: Jane Hinton on 020 7270 8612 email: jane.hinton@maff.gsi.gov.uk

£ million

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
Gross capital formation at current prices						
Gross fixed capital formation:						
buildings and works	507	551	551	505	366	..
plant and machinery	715	1 202	958	707	658	..
vehicles	149	234	208	160	152	..
total	1 371	1 988	1 717	1 372	1 176	..
Livestock capital formation:						
cattle	310	297	391	295	201	141
sheep	157	150	198	154	55	61
pigs	15	20	15	5	6	6
poultry	102	130	130	135	125	127
total	584	596	735	588	387	336
Total gross fixed capital formation	1 954	2 584	2 452	1 961	1 563	..
Total volume of gross capital formation 1995=100						
Gross fixed capital formation:						
buildings and works	94.4	99.7	100.4	89.6	62.4	..
plant and machinery	72.3	100.4	80.0	59.6	55.4	..
vehicles	62.9	85.8	76.3	58.9	55.7	..
total	76.1	98.2	84.9	67.4	57.0	..
Livestock capital formation	102.0	94.9	115.1	112.0	107.0	81.6
Total gross fixed capital formation	83.4	97.4	91.0	77.1	67.7	..

source: MAFF Statistics website, www.maff.gov.uk/esg

TABLE 6.9 Stock appreciation

Enquiries: Jim Holding on 01904 455080 email: jim.holding@maff.gsi.gov.uk

£ million

Calendar years

	1996	1997	1998	1999	2000 (provisional)
Livestock Production work-in-progress (non-breeders)					
cattle	- 166	- 279	- 158	89	- 79
sheep	47	- 89	- 84	35	11
pigs	- 21	- 77	- 58	40	100
poultry (a)	33	- 34	- 3	- 6	2
total	- 107	- 479	- 303	158	34
Replacement animals for breeding herds					
cattle	- 70	- 266	- 120	- 23	22
sheep	22	- 40	- 35	15	5
pigs	0	- 1	- 1	1	1
total	- 48	- 308	- 156	- 8	28
Crop production work-in-progress					
wheat	- 182	- 135	- 36	- 63	- 42
barley	- 59	- 66	4	- 21	- 9
potatoes	- 405	84	314	- 350	188
other crops (b)	- 1	- 2	- 14	- 33	12
total	- 647	- 119	268	- 468	150
Total stock appreciation	- 802	- 906	- 191	- 318	212

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) Broilers, ducks, geese and turkeys.

(b) Oats, oilseed, apples and pears.

TABLE 6.10 Costs and volumes of paid labour engaged in agricultural work

Enquiries: Roger Price on 020 7270 8620 email: roger.price@maff.gsi.gov.uk

Calendar years

	Average of 1989-91	1996	1997	1998	1999	2000 (provisional)
Paid labour costs (£ million) (a)	1 693	1 881	1 930	1 978	2 015	1 853
Annual Work Unit ('000) (b)						
Entrepreneurial Labour	257	241	239	237	229	222
Paid Labour	173	143	141	137	132	117
Total Labour Force	430	384	380	374	361	339

source: MAFF Statistics website, www.maff.gov.uk/esg

(a) Includes payments in kind to workers and employer and employee National Insurance contributions, redundancy payments, Workers Pension Scheme (up to 1990) and the cost of trainees.

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

TABLE 6.11 Interest

Enquiries: Jane Hinton on 020 7270 8612 email: jane.hinton@maff.gsi.gov.uk

£ million (unless otherwise specified)

Calendar years

	<i>Average of 1989–91</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i> <i>(provisional)</i>
Interest rates						
average bank base lending rate in the UK (percentage)	13.4	6.0	6.6	7.2	5.3	6.0
average rate of interest on bank advances to agriculture (percentage)	16.0	8.5	9.1	9.7	7.7	8.4
Interest charges (all lending to the farm business) on:						
bank advances	742	364	412	485	411	..
AMC loans	110	103	112	114	114	..
instalment credit	20	69	77	71	56	..
leased assets	41	17	18	15	10	..
other credit (a)	51	42	51	51	54	..
less interest on deposits (b)	40	39	44	48	37	..
Total	924	556	626	688	608	689

source: MAFF Statistics website, www.maff.gov.uk/esg

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

(b) Interest earned on money held on short term deposit.

Chapter 7 Farm rents, land prices and balance sheets

Introduction 1 This section reports developments in average farm rents and land prices per hectare and the aggregate balance sheet for agriculture

Farm rents 2 Table 7.1 shows indices of average rents per hectare. In England and Wales average rent estimates for the Full Agricultural Tenancies (FATs) series were based on results of the former annual Rent Enquiry for years up to and including 1995 and thereafter on the Annual Survey of Tenanted Land. In order to be consistent with previous years, a transitional smoothing is applied between 1995 and 1997. In addition to the series based on FATs, a new rent series using a weighted average over all agreements of more than 12 months duration is presented. For Scotland, up to 1995 rent estimates were based on the results of continuing Field Enquiries; after its demise that year, they were based on the Farm Accounts Survey and from 1998 they are based on a new Survey of Tenanted Land in Scotland. The Northern Ireland series shows average rent per hectare in respect of land let in 'conacre', i.e. nominally short-term lettings (for 11 months or 364 days), although in practice some can be extended beyond this. These estimates are based on results from the Farm Business Survey.

(Table 7.1)

3 Overall, provisional results for 2000 suggest a decrease in average rents in England of just over 5 per cent. In contrast rents in Wales and Scotland increased by just under 1 per cent. For Great Britain as a whole, average rent per hectare decreased by 4.3 per cent. The rents in this table refer to the calendar year, whilst the surveys on which they are based are conducted in October. Because of the duration of periods for rent settings, the values applying to the calendar year are deemed to be mainly (approximately 75 per cent) a carry over from those recorded in the preceding October. Therefore the derivation of the changes (noted above) are driven primarily by developments in 1999 and only to a lesser extent (approx. 25 per cent) by conditions in 2000. The 2000 provisional results for Northern Ireland indicate a drop of 0.5 per cent.

Agricultural land prices

(Table 7.2 and Chart 7.1)

4 The average prices of all sales shown in table 7.2 are obtained from data on land transfers collected by the Valuation Office Agency in Great Britain and the Valuation and Lands Agency in Northern Ireland. Only a very small proportion of the total area of farmland in the UK is sold in any particular year. The average price of land sold can therefore be subject to considerable variation from year to year, and in the case of unweighted averages shown here, may vary with size and type of lot sold in the year concerned. See footnote for information on some technical changes. Chart 7.1 plots the average price in real terms of all sales of agricultural land from 1993–1999.

5 Land prices in Scotland have held up remarkably well over the years, despite the continuing low-income figures since 1995. The underlying trends behind the rising land prices can be explained more fully by looking at sales by farm type. In

particular, the price of cereal farms and LFA Cattle and Sheep farms have risen steadily despite an increasing number of farms entering for sale in the market. General cropping and mixed farms have also followed a similar pattern over the years, with the exception of 1997, when most farm types across Scotland indicated a fall in sale price. Note however, that, these trends should be treated with caution especially for the latter years (1997–1999). Substantial lags in gathering data on actual land sales, means that current trends are based on incomplete information for these years. Nevertheless, there are indications that an increasing number of farms are entering the market in most recent years, and this may cause prices to fall. The extent of this, however, will only become apparent later when more information is available.

- 6 Following a decrease in 1997, average prices in Wales increased in 1998 and 1999, possibly due to the relative strength of the residential sector. While average prices for sales involving land and dwellings have increased in recent years, the average for sales involving land only has decreased.
- 7 Looked at in very general terms, agricultural land prices in England have shown a sizeable increase since 1993. The increase was not continuous and prices experienced a downturn (both in nominal and real terms) in 1998. They seem to have staged a recovery in 1999, but one needs to exercise caution in making assessments on the latter, as the estimates for the last three years (particularly the latest year) are subject to revision.
- 8 In Northern Ireland the long-term trend in land prices is upwards.

Balance sheet

(Table 7.3)

- 9 Estimates of the aggregate balance sheet for United Kingdom Agriculture are shown in Table 7.3. The total value of assets at current prices (net of depreciation but excluding the value of quotas) increased by 2.7 per cent during 1999. The value of breeding livestock continued to decline and is estimated to be around 27 per cent below the level in 1998. The total value of liabilities is estimated to have fallen by 1.3 per cent with decreases in hire purchase, bank loans, other long and medium term loans and leasing being largely offset by increases in bank overdrafts and family loans. Net worth increased by 3.1 per cent in current price terms and by 1.3 per cent in real terms.
- 10 It should be noted that the values of land and buildings (see footnote b) and thus total assets and net worth for the years after 1992 are not comparable with those estimated in earlier years. The discontinuity flows from a number of changes made to the land price series used to estimate the value of land and buildings. The two most important changes are that the land price series is now based on the average price of land sold, and, that some observations influenced by non-market considerations are now excluded. As a consequence of the changes land and buildings (and thus total assets), for 1993 and later years, will have a higher valuation than previously. Chart 7.2 shows the development (in real terms) of the main balance sheet aggregates

TABLE 7.1 Farm rents

Enquiries: John Walsh on 020 7270 8795 email: john.walsh@maff.gsi.gov.uk

Average per hectare: indices, 1995=100

Calendar years

	Average of 1989–91	1996	1997	1998	1999	2000 (provisional)
England: FATs (a)	93.8	104.1	110.6	114.0	111.7	105.5
Average (b)	..	106.5	109.8	117.3	119.4	113.2
Wales: FATs (a)	85.1	111.2	121.3	119.6	113.3	114.3
Average (b)	..	108.4	114.6	126.1	127.1	128.6
Scotland (c)	..	110.3	117.5	121.0	123.5	124.6
Great Britain	88.6	106.9	110.7	118.3	120.4	115.3
Northern Ireland (d)	80.9	111.3	107.7	105.1	100.5	100.0

Source:MAFF Statistics

(a) The Annual Survey of Tenanted Land (ASTL), which was conducted for the first time in 1996, covers all types of tenancy agreements. To insure consistency with the earlier Rent Enquiry (RE) series a weighted average of the RE and FAT rents derived from the ASTL is taken for 1995 to 1997 (with an increasing incremental weighting on the ASTL). From 1998 the series is derived exclusively from the ASTL.

Estimates of average rents in 2000 in England and Wales have been derived from a sample of ASTL returns and are thus purely provisional.

(b) A new series for England and Wales has been introduced giving a weighted average rent £/ha for all agreements over a year in length.

(c) Scottish estimates relate to crops and grassland only. From 1998 onwards Crops and Grass is replaced by a Non-LFA classification.

(d) Virtually all land in Northern Ireland is let in 'conacre', i.e. nominally short-term lettings (for 11 months or 364 days), although in practice some can be extended beyond this. The figures are based on the Northern Ireland Farm Business Survey.

TABLE 7.2 Agricultural land prices

Enquiries: Barbara Boize on 01904 455081 email: barbara.boize@maff.gsi.gov.uk

£ per hectare

Calendar years

	Average of 1989–91	1996	1997	1998	1999
England (a) (b)					
All sales	4 366	6 058	6 451	6 132	6 789
Wales (a) (b)					
All sales	3 476	4 505	4 381	4 682	5 232
Scotland (a)					
All sales	2 920	2 471	1 858	2 589	3 288
Northern Ireland (a) (c)					
All sales	3 347	5 419	7 858	8 746	8 267

Source: MAFF Statistics

(a) These series, based on Inland Revenue data, exclude land sold for non-agricultural purposes. In Great Britain sales of less than 5 hectares, and in Northern Ireland of less than 2 hectares, are also excluded.

(b) From 1993, figures for England and Wales are not directly comparable with those estimated in previous years because some observations influenced by non-market considerations are now excluded.

(c) For Northern Ireland there is a delay, thought to average about 3 months, between the date on which a sale is agreed and the date on which it is included in the analysis. The data is subject to retrospective revision. From 1990, figures are not directly comparable with those estimated in previous years.

TABLE 7.3 Aggregate balance sheets for United Kingdom agriculture

Enquiries: John Walsh on 020 7270 8795 email: john.walsh@maff.gsi.gov.uk

£ million

As at December each year

	Average of 1989–91	1996	1997	1998	1999 (provisional)
At current prices					
Assets					
Fixed (a):					
Land and buildings (b) (f)	42 779(g)	77 424	82 282	81 700	86 380
Plant, machinery and vehicles	6 472	8 353	8 481	8 246	7 889
Breeding livestock	4 023	5 467	4 926	3 865	2 831
Total fixed	53 275	91 244	95 689	93 812	97 100
Current:					
Trading livestock	2 944	3 210	2 679	2 151	2 243
Crops and stores	2 372	2 836	2 668	2 597	2 155
Debtors, cash deposits	1 994	4 173	3 768	3 955	3 759
Total current	7 310	10 218	9 116	8 703	8 156
Total Assets	60 585(g)	101 462	104 804	102 515	105 256
Liabilities (c) (d)					
Long and medium term:					
AMC and SASC (e)	684	1 215	1 288	1 321	1 381
Building Societies and Institutions	109	317	305	370	365
Bank loans	1 131	1 859	1 882	2 268	2 199
Family Loans	232	357	326	409	461
Other	192	167	185	210	143
Total long and medium term	2 348	3 914	3 986	4 579	4 550
Short term:					
Hire purchase	97	744	662	546	457
Leasing	670	195	179	186	136
Trade Credit	1 017	1 378	1 175	1 214	1 155
Bank overdrafts	3 537	2 408	2 598	2 787	2 923
Other	85	152	166	176	146
Total short term	5 407	4 876	4 780	4 910	4 819
Total Liabilities	7 755	8 790	8 767	9 488	9 368
Net worth	52 830	92 673	96 038	93 026	95 888
In real terms (as deflated by the RPI): indices, 1995 = 100					
Total assets	78	108	107	102	103
Total liabilities	108	102	98	103	100
Net worth	75	108	108	102	104

Source: MAFF Statistics

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

(b) Includes the value of owner-occupied and tenanted land and excludes dwelling houses apart from a proportion attributed to business use.

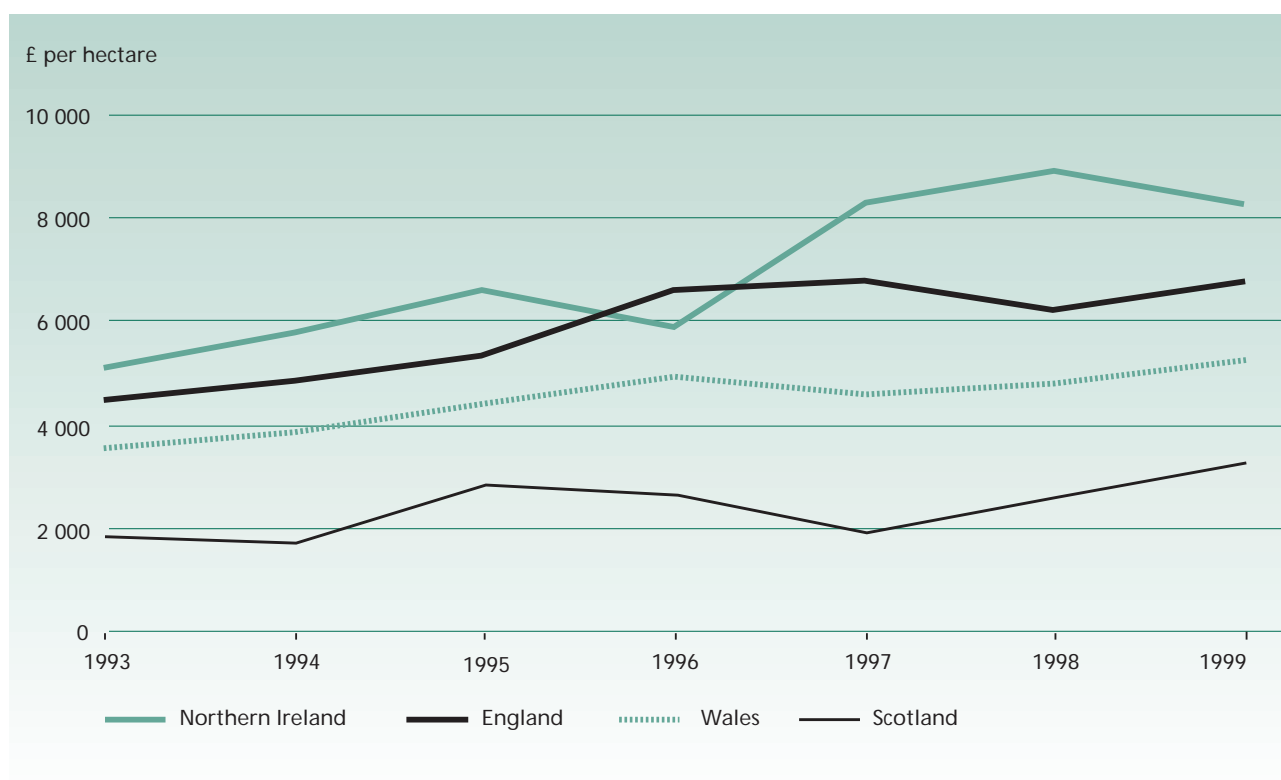
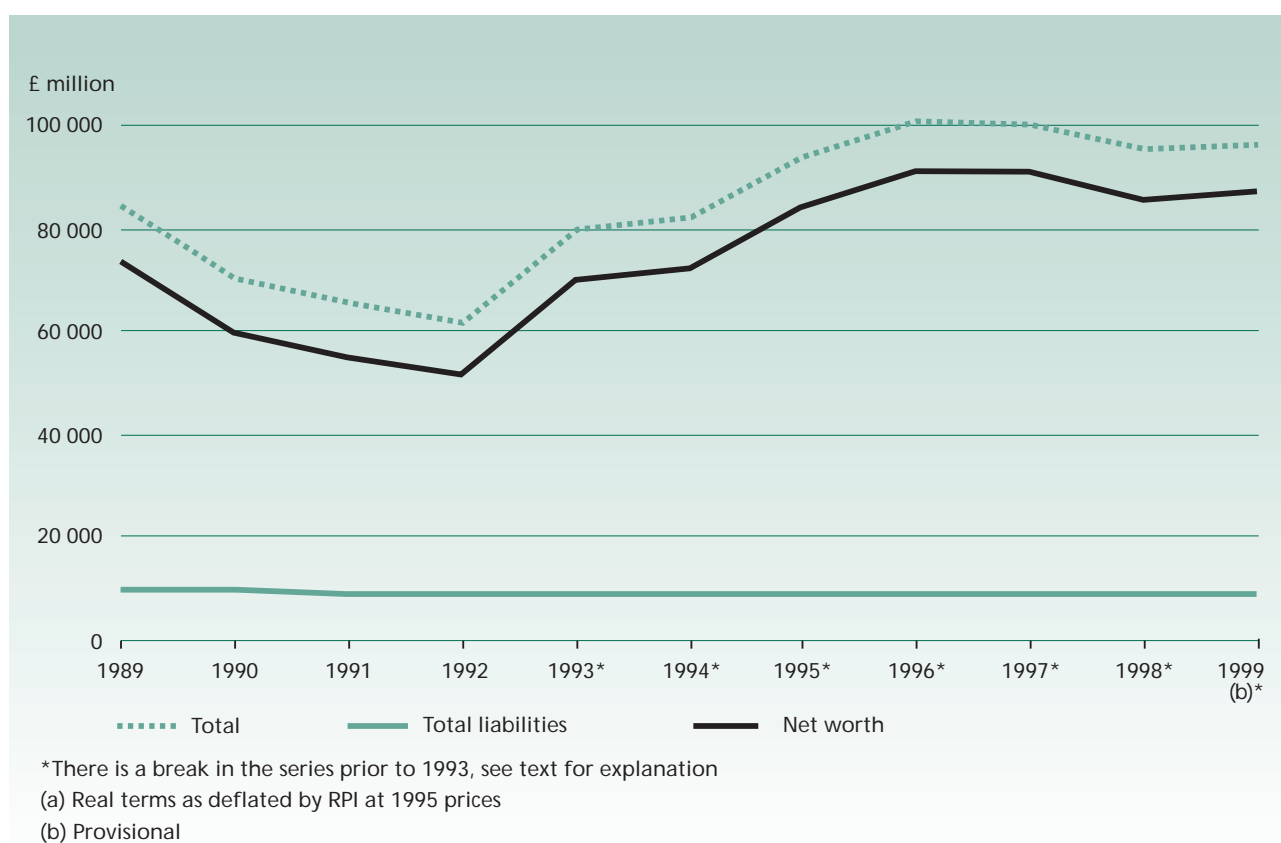
(c) Financial estimates are derived in part from a year-end analysis of farms in the Farm Business Survey. In practice, year-ends vary from December through to April, with concentrations of year-ends at end-December and end-March.

(d) The value for some of the liabilities are not strictly comparable with corresponding data prior to 1991, from which year certain revisions were incorporated in the series published in 'Agriculture in the UK 1995' and in subsequent issues. The overall effect of these adjustments on Net Worth in 1991 and 1992 is estimated to be an increase of 8–9 per cent.

(e) Agricultural Mortgage Company and Scottish Agricultural Securities Corporation.

(f) The value of land and buildings is not directly comparable with those estimated in previous years. Because of changes in the processing of agricultural land prices (in England and Wales), some observations influenced by non-market considerations are now excluded. The new price may not necessarily represent purely competitive conditions, however in general it tends to be higher than the old series. Another consequence of the change in the methodology for processing land prices is that land and buildings are now valued using the average price of land sold. As a result of both these changes land and buildings (and consequently total assets) would tend to have a higher valuation than previously. Due to the provisional nature of the published land price series, a weighted average of the land price in quarter 3 and quarter 4 of the balance sheet year is used to value land and buildings.

(g) For the reasons outlined in (f) regarding changes in the land price series, the average for 1989–1991 is not comparable with the corresponding figures for later years in the table.

Chart 7.1 Prices of agricultural land (all sales) at 1999 prices**Chart 7.2 United Kingdom agricultural assets, liabilities and net worth in real terms (a)**

Chapter 8 Farm business data

2000

Introduction 1 Information on incomes, assets and liabilities of full-time farm businesses in the United Kingdom is provided by the annual Farm Business Surveys, conducted by universities and an agricultural college in England and Wales and the Department of Agriculture and Rural Development in Northern Ireland, and the Farm Accounts Scheme in Scotland carried out by the Scottish Agricultural College. Summary results of these sample surveys (weighted according to the distribution of holdings by region, farm type, size and tenure recorded in the 1999 June Census) are presented and described in this section, together with provisional estimates of net farm income for 2000/01.

2 It should be noted that some of the accounting practices and concepts adopted in the Farm Business Surveys differ from those employed in compiling the aggregate account as reported in Chapter 6. The main difference is that the Farm Business Surveys' accounting years run from March to February on average, while the aggregate account is prepared on a calendar year basis. Moreover, the definitions of the income measures deriving from the two sources are not directly comparable. The measures in this chapter are presented as averages per full-time farm.

3 Movements in *net farm income* over the last decade for each country and for the major farm types (excluding horticulture) are shown by the index numbers presented in Table 8.1. This income measure is a long-standing indicator of the economic performance of farm businesses and, to achieve comparability among farms of different types of tenure, it is based on the assumption that all land is tenanted. It represents the return to the farmer and spouse for their manual and managerial labour and on the tenant-type capital of the business such as permanent crops, livestock and machinery (but not land or buildings).

Farm incomes 4 Overall farm incomes fell by 26 per cent from 1998/99 to 1999/00. However, it was a mixed picture among farm types and the different countries. The low European Currency Unit relative to the pound continued to affect negatively the competitiveness of UK products both at home and abroad. Prices of many commodities fell between 1998/99 and 1999/00, including pigs, milk, eggs, sheep, cereal and potato prices.

(Tables 8.1 – 8.3)

5 General cropping farms recorded the biggest proportional fall in net farm income in 1999/00, mainly driven by low potato prices for much of the season, while mixed farms recorded the biggest proportional increase. However, the large proportional increase recorded by mixed farms can largely be attributed to a low base in 1998/99. Dairy farms and Less Favoured Area (LFA) cattle and sheep farms also recorded falls in net farm income, of 26 and 40 per cent respectively.

6 In 2000/2001, income forecasts vary between farm types, but are forecast to fall by 20% overall. Provisional estimates of net farm income for 2000/01 are included as

indices in table 8.1. These are based on data from 1999/00 accounts projected forwards to 2000/01 on the basis of information on 2000/01 prices, direct subsidy payments, scheme requirements, animal populations and marketings, and crop areas and yields. The estimates should be regarded only as broad indicators of the overall effects on income of expected changes in output values and input costs.

- 7** The picture for individual farm types in 2000/01 varies between farm types. The largest proportional increase in net farm income for 2000/01 is forecast to be with pig and poultry farms. This is chiefly a reflection of higher pig prices over the forecast period, but is also partially due to higher egg prices. Dairy farms are likely to experience a further fall in incomes as are cereals farms. Dairy incomes are expected to have fallen due to a combination of lower milk prices and higher input costs such as fertiliser, feed and fuel costs. Incomes on cereals farms are forecast to fall due to a drop in cereal prices, some decline in the level of area payments and a rise in total input costs reflecting higher fertiliser and fuel costs.
- 8** Estimates for actual levels of net farm income in 1998/99 and 1999/00 are shown in table 8.2 for each of the main farm types and economic size groups in each country. Economic size is measured in financial terms, based on standard gross margins per hectare of crops and per head of livestock. In England, the farm type recording the highest net farm income in 1999/00 was cereals, averaging £11,700, followed by dairy averaging £9,400 per farm. Lowest were incomes for pigs and poultry farms, averaging -£4,400. In Wales and NI, dairy farms had the highest incomes, whilst in Scotland, cereals had the highest levels of net farm income.
- 9** Occupier's net income is an alternative measure of farm performance which represents the return to the farmer and spouse for their manual and managerial labour and on all assets invested in the farm business, including land and buildings. It takes account of the actual expenditure associated with owning or renting land. By measuring farm income after the payment of rent and interest charges it more realistically reflects the changes in income as perceived by farmers. Table 8.3 shows estimates of occupier's net income by farm type, country and tenure basis in 1998/99 and 1999/2000. The picture is similar to that in table 8.2.

Assets and liabilities

(Table 8.4)

- 10** Table 8.4 provides information on the assets, liabilities and net worth of farm businesses at the beginning and end of 1999/00 according to country and type of tenure. Average net worth fell by 2% in England, 1% in Wales, but rose marginally in both Scotland and Northern Ireland. The falls were largely due to a decline in asset values.
- 11** External liabilities expressed as a percentage of total assets gives an indicator of indebtedness of farm businesses. This measure was stable for each of the four countries when looking at all types of tenure. The overall level of indebtedness in Northern Ireland is much lower than for the other countries

Table 8.1 Net farm income by country and type of farm

Contact: Roger Price 020 7270 8620 email: roger.price@maff.gsi.gov.uk

Average net farm income per farm: Indices, 1989/90 – 1991/92 = 100

Accounting years ending on average in February

	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01 (provisional)
At current prices									
England									
Dairy	129	144	123	139	114	74	46	30	25
Cattle and sheep (LFA)	178	209	172	226	228	141	75	61	80
Cattle and sheep (lowland)	258	319	246	256	226	26	10	-6	5
Cereals	157	155	205	321	284	109	58	88	35
General cropping	97	121	195	241	129	62	97	24	30
Pigs and poultry	75	24	52	112	101	34	-26	-9	70
Mixed	133	126	161	243	186	42	8	44	30
Wales									
Dairy	120	124	81	137	121	87	49	48	25
Cattle and sheep (LFA)	140	162	97	198	155	93	45	31	40
Cattle and sheep (lowland)	92	95	76	118	85	22	-16	-8	-10
Scotland									
Dairy	109	118	106	127	109	48	16	5	5
Cattle and sheep (LFA)	118	136	111	127	160	69	41	23	30
Cereals	214	164	263	453	449	9	-	1	-
General cropping	65	81	244	220	97	-	85	-1	-
Mixed	175	173	149	197	164	-24	10	-16	-10
Northern Ireland									
Dairy	141	141	145	200	130	74	53	52	80
Cattle and sheep (LFA)	162	185	145	172	176	91	9	-42	15
Mixed	120	87	135	138	75	-32	-8	-8	27
United Kingdom									
Dairy	127	139	117	143	116	74	44	33	25
Cattle and sheep (LFA)	142	165	122	174	173	93	45	28	45
Cattle and sheep (lowland)	177	211	162	172	141	13	-5	1	-
Cereals	159	153	206	326	290	99	50	80	30
General cropping	94	118	209	244	126	55	97	22	30
Pigs and poultry	80	25	51	108	98	33	-33	-9	70
Mixed	136	128	153	224	170	26	6	101	75
All Types (excluding horticulture)	126	135	148	196	153	67	44	33	30
In real terms (as deflated by the RPI)									
United Kingdom									
Dairy	116	124	102	121	95	59	34	25	20
Cattle and sheep (LFA)	129	147	106	147	143	74	35	21	30
Cattle and sheep (lowland)	161	189	141	145	116	11	-4	-	-
Cereals	144	136	180	275	239	79	39	61	25
General cropping	85	106	182	206	104	44	75	17	25
Pigs and poultry	73	22	44	91	80	27	-26	-7	50
Mixed	124	114	133	189	140	21	5	77	55
All Types (excluding horticulture)	115	121	129	165	126	53	34	25	20

Table 8.2 Net farm income by farm type, country and size

Contact: Roger Price 020 7270 8620 email: roger.price@maff.gsi.gov.uk

With comparative data on average farm area and number of holdings

Accounting years ending on average in February

Farm type and country		Farm Business Survey data (a)										Census data (b)			
		Net farm income (£'000 per farm)							Average farm area including rough grazing (hectares per farm) 1999/00			Number of holdings at June 1999			
		Small		Medium		Large		All size groups		Small	Medium	Large	Small	Medium	Large
		1998/99	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00						
Dairy:															
	England	1.6	0.1	10.3	6.5	25.9	18.3	14.1	9.4	33	64	133	2 943	8 253	4 784
	Wales	1.7	2.0	16.0	14.7	28.7	30.9	14.4	14.2	32	66	138	1 071	1 838	636
	Scotland	..	..	0.8	-5.0	14.1	12.1	5.9	1.9	..	82	146	109	931	684
	N. Ireland	-1.0	-1.6	11.2	11.4	..	..	7.2	7.0	33	62	..	2 249	2 205	454
Cattle and sheep (LFA):															
	England	2.9	2.7	11.2	8.8	32.5	23.5	6.5	5.3	98	320	680	4 171	1 707	300
	Wales	1.7	0.3	9.6	8.8	27.0	22.3	4.4	3.1	78	210	685	5 687	2 010	257
	Scotland	2.1	0.9	6.6	3.4	17.0	13.5	4.7	2.7	266	416	830	4 274	2 443	502
	N. Ireland	-0.9	-1.7	..	..	..	..	-0.7	-1.6	74	..	..	5 707	475	41
Cattle and sheep (lowland):															
	England	-1.5	-1.7	-1.5	5.4	16.2	24.6	-0.8	0.5	65	111	295	9 522	1 851	504
	Wales	-1.4	-1.6	2.7	2.7	52.7	38.5	1.2	0.6	53	109	239	1 301	329	64
	N. Ireland	-6.9	-1.5	..	..	..	..	-4.6	-2.0	54	..	..	1 447	125	7
Cereals:															
	England	1.8	4.1	7.0	11.0	18.9	25.7	7.7	11.7	60	133	342	7 265	6 196	4 016
	Scotland	..	..	..	..	..	..	4.3	10.6	..	..	..	1 458	841	348
General cropping:															
	England	7.3	2.0	16.8	8.2	57.3	10.3	32.6	8.0	42	94	304	2 801	3 581	4 103
	Scotland	..	..	6.6	9.2	30.8	0.6	16.9	3.6	..	98	218	287	729	896
Pigs and poultry:															
	England	1.5	10.1	-6.6	-7.1	-34.5	-14.5	-13.1	-4.4	10	12	50	1 134	886	947
Mixed :															
	England	-1.9	1.9	0.9	2.8	3.9	11.9	0.9	5.5	67	122	303	3 562	2 745	2 493
	Scotland	-2.7	-2.4	-0.5	3.2	..	..	-2.1	3.6	71	142	..	808	660	405
	N. Ireland	..	..	..	..	..	..	0.8	-1.2	..	..	..	610	184	30

(a) Figures are not shown separately where the sample contains fewer than 20 farms.

(b) Census data exclude holdings of under 8 ESU.

Table 8.3 Occupier's net income by farm type, country and tenure

Contact: Roger Price 020 7270 8620 email: roger.price@maff.gsi.gov.uk

With comparative data on average farm area and number of holdings

Accounting years ending on average in February

Farm type and country		Farm Business Survey data (a)											Census data (b)		
		Occupier's net income (£'000 per farm)								Average farm area including rough grazing (hectares per farm) 1999/00			Number of holdings at June 1999		
		Owner occupied		Tenanted		Mixed tenure		All types of tenure		Owner- occupied	Tenanted	Mixed tenure	Owner- occupied	Tenanted	Mixed tenure
		1998/99	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00						
Dairy:															
	England	12.8	6.0	10.1	4.0	14.3	9.8	12.7	6.8	77	75	95	7 749	3 375	4 856
	Wales	12.1	11.0	9.9	9.7	14.6	15.0	12.4	11.8	68	56	81	2 175	508	862
	Scotland (c)	8.9	3.3	..	..	..	..	6.3	3.3	100	..	..	1 148	272	304
	N. Ireland (d)	4.9	5.0	..	..	..	..	..	..	54	..	..	4 908	..	..
Cattle and sheep (LFA):															
	England	5.5	3.8	10.4	8.2	10.1	5.4	7.9	5.2	129	279	217	3 102	1 336	1 740
	Wales	7.1	4.8	4.5	1.1	5.1	5.3	6.4	4.6	121	94	161	5 211	850	1 893
	Scotland (c)	4.9	2.7	3.2	2.4	8.4	6.0	5.0	3.2	254	398	342	3 836	2 176	1 207
	N. Ireland (d)	-1.4	-2.0	..	..	..	..	..	..	91	..	..	6 223	..	..
Cattle and sheep (lowland):															
	England	0.5	-0.4	-1.1	-2.2	2.7	5.0	0.8	0.6	74	80	101	7 082	1 907	2 888
	Wales	4.7	1.2	1.3	4.6	3.3	5.3	4.0	2.6	69	47	85	1 019	264	411
	N. Ireland (d)	-4.5	-1.3	..	..	..	..	..	..	56	..	..	1 579	..	..
Cereals:															
	England	16.7	18.5	6.0	10.3	16.2	19.8	14.5	17.4	128	152	194	8 427	3 498	5 552
	Scotland (c)	..	..	..	..	..	..	6.3	12.4	..	..	..	1 556	596	495
General cropping:															
	England	27.6	14.5	23.9	7.8	48.6	10.4	36.3	11.6	143	206	194	4 226	1 981	4 278
	Scotland (c)	18.3	20.0	..	..	36.8	1.4	19.0	12.6	136	..	172	1 049	469	394
Pigs and poultry:															
	England	-17.1	-12.5	5.4	16.2	-38.7	-5.7	-18.3	-11.4	22	12	51	2 463	229	275
Mixed:															
	England	5.6	9.4	1.0	0.7	4.7	7.7	4.5	7.4	132	168	196	4 125	1 722	2 953
	Scotland (c)	-3.2	6.5	..	..	3.7	7.8	-0.7	6.7	157	..	171	1 118	388	367
	N. Ireland (d)	2.1	0.6	..	..	..	..	..	..	77	..	..	824	..	..

(a) Figures are not shown separately where the sample contains fewer than 20 farms.

(b) Census data exclude holdings of under 8 ESU.

(c) All survey farms in Scotland are classified according to the main tenure category of land on the holding.

(d) Practically all farms in Northern Ireland are owner-occupied.

Table 8.4 Assets and liabilities of farm businesses by country and tenure: average for all farm types, 1999/00

Contact: Roger Price 020 7270 8620 email: roger.price@maff.gsi.gov.uk

£'000 per farm

Accounting years ending on average in February

		<i>Owner-occupied</i>		<i>Tenanted</i>		<i>Mixed tenure</i>		<i>All types of tenure</i>	
		<i>Opening</i>	<i>Closing</i>	<i>Opening</i>	<i>Closing</i>	<i>Opening</i>	<i>Closing</i>	<i>Opening</i>	<i>Closing</i>
England	Total assets	667.9	656.2	190.8	183.9	773.1	765.8	620.1	610.5
	<i>of which:</i> fixed assets	601.8	593.3	119.9	114.3	676.5	670.6	543.9	536.7
	current assets	66.1	62.9	70.8	69.6	96.5	95.3	76.1	73.8
	Total external liabilities	77.7	78.1	51.1	54.0	106.7	110.1	82.0	83.8
	<i>of which:</i> long and medium term loans	42.7	42.7	13.0	15.1	55.9	56.9	41.8	42.4
	short-term loans	34.9	35.3	38.1	38.9	50.8	53.3	40.3	41.4
	Net worth	590.2	578.1	139.7	130.0	666.4	655.7	538.0	526.7
	Occupier's net income 1999/00 year		9.0		5.7		11.2		9.1
Wales	Total assets	458.0	452.3	129.9	127.5	424.2	424.3	414.3	410.4
	<i>of which:</i> fixed assets	424.2	420.7	106.1	104.9	382.7	384.9	379.8	377.9
	current assets	33.7	31.6	23.8	22.6	41.5	39.3	34.5	32.5
	Total external liabilities	44.0	41.8	31.0	26.8	54.4	57.3	45.1	43.9
	<i>of which:</i> long and medium term loans	23.7	21.9	9.9	9.6	25.7	27.3	22.7	21.9
	short-term loans	20.3	19.9	21.1	17.2	28.7	29.9	22.4	22.0
	Net worth	413.9	410.5	98.9	100.8	369.8	367.0	369.2	366.5
	Occupier's net income 1999/00 year		6.0		4.1		7.8		6.3
Scotland (a)	Total assets	520.1	521.2	135.0	134.4	462.7	464.6	412.4	413.3
	<i>of which:</i> fixed assets	420.4	423.8	66.8	64.0	342.7	348.2	317.1	319.3
	current assets	99.7	97.4	68.3	70.4	120.0	116.4	95.4	94.0
	Total external liabilities	73.8	72.6	22.9	25.8	79.3	83.3	61.9	62.7
	<i>of which:</i> long and medium term loans	24.9	27.4	3.5	3.3	20.6	21.1	18.7	20.2
	short-term loans	48.9	45.2	19.4	22.5	58.7	62.2	43.1	42.5
	Net worth	446.2	448.6	112.1	108.6	383.4	381.3	350.5	350.6
	Occupier's net income 1999/00 year		7.6		3.2		6.2		6.2
Northern Ireland (b)	Total assets	385.3	386.9	..	..	..	..	..	..
	<i>of which:</i> fixed assets	358.6	359.3	..	..	..	..	..	..
	current assets	26.6	27.7	..	..	..	..	..	..
	Total external liabilities	21.7	22.4	..	..	..	..	..	..
	<i>of which:</i> long and medium term loans	10.5	10.4	..	..	..	..	..	..
	short-term loans	11.3	12.0	..	..	..	..	..	..
	Net worth	363.5	364.6	--	..	..	..	..	--
	Occupier's net income 1999/00 year		0.3		..		..		..

(a) All survey farms in Scotland are classified according to the main tenure category of land on the holding.

(b) Practically all farms in Northern Ireland are owner-occupied.

Chapter

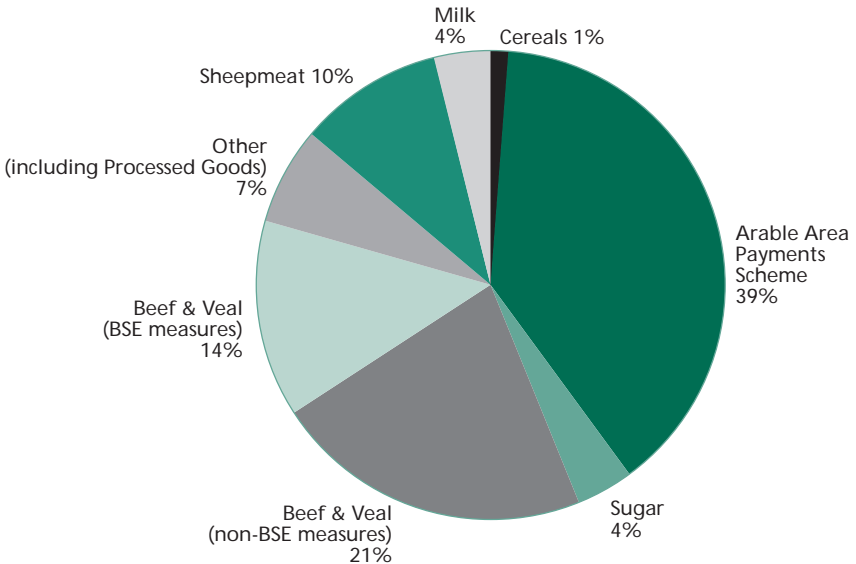
9

Public expenditure on agriculture

Introduction 1 Table 9.1 shows public expenditure under the CAP and on national grants and subsidies, while Table 9.2 provides more detailed information on the costs of market regulation under the CAP. The tables exclude other expenditure that may benefit farmers (such as expenditure on animal health or on research, advice and education). They do, however, include some expenditure that benefits consumer and trade interests rather than producers directly. The figures for the financial years up to and including 1999/00 represent actual expenditure recorded in the Appropriation Accounts. The figures for 2000/01 are the latest estimates of expenditure.

2000

Chart 9.1 Public expenditure under CAP by the Intervention Board and Agriculture and other Departments



- Public Expenditure**

2

Total UK expenditure in 2000/01 is forecast to increase by some £21 million to £3,182 million compared with £3,161 million the previous year. Spending in the UK under the CAP is forecast to increase from £2,816 million in 1999/2000 to £2,869 million in 2000/01. Chart 9.1 illustrates the expenditure breakdown by commodity sector, with more detail in Table 9.2.
- 3

The increase is mainly attributable to additional BSE costs resulting from higher forecast animal throughput and the removal of the weight cap. This will impact on both compensation and disposal costs. There was a sharp increase in beef intervention sales activity during the last quarter of 1998/99 and this was sustained throughout 1999/00 resulting in significantly higher receipts. For 2000/01 beef sales are forecast to be significantly reduced. The increased forecast for pigmeat costs arose from the outbreak of Classical Swine Fever which resulted in the creation of the Pig Welfare (Disposal) Scheme. Other decreases on non-BSE related expenditure are mainly attributable to higher receipts following the sale of intervention cereals

and skimmed milk powder, a reduction in animal numbers and rates on the sheep annual premium and a reduction in the level of sugar export refund rates. The continuing depreciation of the Euro on the foreign exchanges is also a contributory factor to the reduction in support prices. For the agricultural measures administered by the devolved administrations and other Government Departments, expenditure is expected to increase slightly from £2,106 in 1999/2000 to £2,108 million in 2000/2001.

- 4 Expenditure on other schemes in the UK is estimated to be £312.9 million in 2000/01 compared with £345.4 million in 1999/00. This expenditure includes grants for conservation, exchequer funding of accompanying measures and assistance for agriculture in special areas.

Intervention stocks 5 Table 9.3 shows the level of opening and closing stocks and purchases into, and sales out of, intervention in the years 1995/96 to 2000/01. The forecast of closing stocks at the end of the year indicates that intervention activity will continue to operate as a support measure.

(Table 9.3)

TABLE 9.1 Public expenditure under the CAP and on national grants and subsidies

Enquiries: Intervention Board (Finance A) on 0118 953 1725 email: Ian.Thomas@ib.gsi.gov.uk

£ million

April/March (financial years)

	1996/97	1997/98	1998/99	1999/00	2000/1 (forecast)
I Market regulation and other agricultural support measures under the CAP					
<i>A Expenditure funded via the Intervention Board</i>					
(i) Expenditure by the Intervention Board (a):					
Cereals	49.0	34.6	156.4	54.0	32.0
Oilseeds	..	–	–	–	–
Sugar	104.7	111.2	161.8	125.4	111.4
Beef and veal (non-BSE)	0.5	0.7	2.0	0.8	14.1
Beef and veal (BSE)	1 144.0	849.0	446.6	331.9	401.1
Sheepmeat	–	–	0.7	2.0	3.6
Pigmeat	1.4	0.5	2.4	3.8	17.8
Milk products	238.4	207.6	156.6	108.4	110.4
Processed goods	48.3	36.4	41.0	38.4	37.7
Other (b)	34.7	41.1	45.1	45.7	33.2
Sub-total	1 621.0	1 281.1	1 012.6	710.4	761.3
(ii) Expenditure by Agriculture and other Departments:					
Agricultural measures:					
Suckler cow premium scheme	278.2	284.3	339.5	215.6	283.4
Beef special premium scheme	252.6	197.9	294.0	213.6	281.5
Beef deseasonalisation scheme (NI)	–	6.0	5.6	2.6	0.2
Slaughter premium scheme				24.4	
Annual premium on ewes	455.3	277.8	347.0	376.2	285.0
Payments to producers giving up some milk production	..	..	0.2	0.6	..
Arable area payments scheme	850.8	855.0	777.8	611.4	693.6
– cereals					
– oilseeds	161.7	168.2	156.4	146.2	102.2
– linseed	24.4	49.4	46.9	86.9	24.6
– protein	66.3	58.3	72.4	58.5	55.2
– set-aside	157.0	90.8	87.3	144.1	134.4

continued

Table 9.1 *cont.*

£ million

April/March (financial years)

	1996/97	1997/98	1998/99	1999/00	2000/1 (forecast)
Public access to ESAs	–	–	..	..	..
Rural development programme	1.7	3.2	6.4	8.4	14.4
Farm and conservation grant scheme (National) (d)	9.3	0.8	0.6	0.1	..
Guidance premiums	..	..	..	..	..
Farm accounts	..	..	..	..	..
Others (g)	..	..	..	..	..
Total	26.0	22.0	13.3	13.2	16.9
IV Support for agriculture in special areas					
Hill livestock compensatory allowances :					
- cattle (e)	81.4	90.7	70.3	86.6	61.2
- sheep (e)	39.8	43.8	86.9	89.8	74.0
Additional benefit under AHDS, NIADP and NIADOP, AHGS, AIS (EC), AIS (Nat), FCGS (EC), FCGS (Nat)	3.1	1.1	1.7	0.4	0.5
Others (h)	8.6	9.8	10.1	15.2	13.2
Total	132.9	145.4	169.0	192.0	148.9
V Other payments					
Milk outgoers scheme (d)	–	–	–	–	–
Storm damage 1987	–	–	–	–	–
Sheep compensation scheme 1986 (d)	0.6	0.8	0.7	0.6	0.7
Cooperation grants	..	..	..	..	..
Crofting building grants and loans (net) (h)	1.4	3.0	0.6	0.7	2.6
Others (i)	0.1	0.1	..	..	..
Total	2.2	3.9	1.3	1.3	3.3
Total I to V (j)	4 318	3 583	3 482	3 161	3 182

Source: IBEA and MAFF

(a) The figures are net of receipts treated as negative expenditure. Receipts from levies on the production and storage of sugar and isoglucose and on third country exports, which are regarded as Community Own Resources, are excluded.

(b) Includes eggs, poultrymeat, fruit and vegetables, hops, herbage seeds, dried fodder, peas and beans (to 1993/94), fisheries and flax. Also includes expenditure on products covered by the CAP but not produced to any significant extent in the United Kingdom (olive oil, rice, wine, grape must and hemp).

(c) Special arrangements apply for the EC funding of these schemes which is 60% for the 5-year scheme and 100% for the 1-year scheme (paid in 1992/93). The EC contribution towards the total expenditure shown is included in the figures at footnote (q).

(d) Farmers in special areas are also eligible for additional assistance. The estimated benefit is shown separately in section IV of the table.

(e) Includes the Farm and Horticulture Development Scheme.

(f) Except for the Northern Ireland Agricultural Development Programme (NIADP), the Northern Ireland Agricultural

Development Operational Programme (NIADOP), the Milk Outgoers, Woodland Grant and Sheep Compensation schemes expenditure from Northern Ireland block is excluded.

(g) Includes loan guarantees, grants for agricultural drainage in Scotland and farm structure loans.

(h) Includes the Rural Enterprise programme, the Highlands and Islands Agricultural Programme, the Rural Development Programme, the Agricultural Development Programme for the Scottish Islands and grants for crofting.

(i) Includes producer organisations, forage groups and Shetland wool producers.

(j) Most expenditure under the CAP and some expenditure on other schemes is reimbursed by the EU. EU receipts, set out in the table below, do not always relate to expenditure in the year in which they are received. CAP expenditure is normally reimbursed two months in arrears. Reimbursement of spending on structural measures (Section III) is normally a year in arrears.

	1995/96	1996/97	1997/98	1998/99	1999/00	2000/1 (forecast)
£ million	2 674	3 304	3 466	3 343	2 563	2 717

TABLE 9.2 Public expenditure under the CAP by the Intervention Board and Agriculture and other Departments – major commodities

Enquiries: Intervention Board (Finance A) on 0118 953 1725 email: Ian.Thomas@ib.gsi.gov.uk

£ million

April/March (financial years)

	1996/97	1997/98	1998/99	1999/00	2000/1 (forecast)
Cereals					
Intervention purchases/sales	0.9	4.0	89.4	- 18.8	- 14.7
Intervention storage costs	3.7	4.1	17.7	17.8	7.7
Export refunds	41.2	23.7	45.6	46.5	33.7
Internal market measures	3.2	2.8	3.7	8.4	5.3
Total cereals	49.0	34.6	156.4	53.9	32.0
Oilseeds					
Export refunds	..	..	..	..	..
Internal market measures	..	..	..	..	..
Total oilseeds	..	..	..	..	..
Sugar					
Export refunds	58.0	61.4	112.6	84.9	60.3
Internal market measures	46.7	49.8	49.2	40.5	51.0
Total sugar	104.7	111.2	161.8	125.4	111.3
Beef and veal (non-BSE)					
Intervention purchases/sales	..	..	..	..	- 1.4
Intervention storage costs	..	..	..	..	0.9
Internal market measures	0.5	0.7	2.0	0.8	2.7
Export refunds	..	..	..	..	0.6
Suckler cow premium	278.2	284.3	339.5	215.6	283.4
Special premium	252.6	197.9	294.0	213.6	281.5
Deseasonalisation premium	-	6.0	5.6	2.6	0.2
Slaughter premium scheme	-	-	-	-	35.7
Hill livestock compensatory allowances: – cattle	..	..	..	14.4	6.8
– sheep	..	..	..	15.6	5.8
Other measures	..	..	..	..	-
Total beef and veal (non-BSE)	531.3	488.9	641.1	462.6	616.2
Beef and veal (BSE)					
Intervention purchases/sales	135.9	130.4	- 29.3	- 84.9	..
Intervention storage costs	33.8	52.8	24.2	12.3	..
Export refunds	- 0.3	- 1.7	- 1.9	0.0	..
Over thirty month scheme purchases	669.8	287.9	263.8	264.6	264.5
OTMS slaughter, disposal costs etc.	187.6	196.0	116.2	128.7	136.0
Clean beef top up	4.2	-	-	-	..
Calf processing aid scheme	51.4	53.3	51.0	10.0	..
Beef stocks transfer scheme	50.9	4.5	-	-	..
Beef and beef products (disposal service)	0.9	1.5	-	-	..
Animal feed disposal service	0.3	0.4	-	-	..
Selective cull	-	114.8	18.9	1.2	0.6
Suckler cow compensation	77.3	6.9	-	-	..
Special premium compensation	42.6	- 6.6	-	-	..
Beef marketing payment scheme	58.2	0.1	-	-	..
Veal marketing payment scheme	-	-	-	-	..
Meat & Livestock Commission promotion	-	2.5	-	-	..
Other measures	9.4	16.2	5.2	0.2	..
Total beef and veal (BSE)	1 322.0	859.0	448.1	332.1	401.1
Sheepmeat					
Internal market measures	455.3	277.8	347.7	378.2	288.6
Pigmeat					
Internal market measures	0.3	-	-	0.6	0.3
Export refunds	1.1	0.5	2.4	3.2	2.1
Pig welfare (disposal) scheme	-	-	-	-	15.4
Total pigmeat	1.4	0.5	2.4	3.8	17.8

continued

Table 9.2 *cont.*

£ million

April/March (financial years)

	1996/97	1997/98	1998/99	1999/00	2000/1 (forecast)
Milk products					
Intervention purchases/sales	59.9	21.8	41.4	- 20.4	- 30.5
Intervention storage costs	0.6	1.2	1.9	2.5	1.6
Export refunds	97.6	132.3	87.4	79.6	79.2
Internal market measures	75.5	67.5	58.4	56.3	52.9
Co-responsibility/supplementary levy	- 47.9	- 15.1	- 32.0	- 9.1	- 14.5
Payments to those giving up milk production (a)	53.3	0.4	0.1	0.6	..
Agrimonetary Compensation					22.1
Total milk products	239.0	208.1	157.2	109.5	110.8
Processed goods					
Export refunds	46.4	36.0	39.8	37.7	37.7
Arable area payments scheme					
Internal market measures	1 260.2	1 221.7	1 140.8	1 199.5	1 118.3
Rural Development Measures					
Hill Farm allowance scheme	..	..	..	..	21.7
Countryside management DARDNI	..	..	..	..	0.1
Training	..	..	..	..	0.5
Sub total	..	..	..	..	22.3
Others					
Export refunds	2.6	7.8	19.6	18.2	6.1
Internal market measures	70.8	77.6	84.2	98.6	107.2
Miscellaneous	- 1.3	- 2.7	- 6.0	- 3.5	..
Total others	72.1	82.7	97.8	113.3	113.3
TOTAL	4 081.4	3 320.5	3 193.1	2 816.0	2 869.4

Source: IBEA

(a) Some paid by the Intervention Board from 1994/95.

Table 9.3 Commodity intervention in the United Kingdom

Enquiries: Intervention Board (Finance A) on 0118 953 1725 email: Ian.Thomas@ib.gsi.gov.uk

'000 tonnes

1996/97				1997/98				1998/99			1999/00			2000/01		
Commodity	Closing/ opening stock (a)	Pur- chases	Sales	Closing/ opening stock (a)	Pur- chases	Sales	Closing/ opening stock(a)	Pur- chases	Sales	Closing/ opening stock (a)	Pur- chases	Sales	Closing/ opening stock (a)	Pur- chases	Sales	Closing stock (a)
Wheat: feed bread	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	18	–	18	24	25	17	–	17	–
Barley	–	11	–	11	525	–	535	837	545	827	91	604	313	18	322	8
Rye	–	1	–	1	–	1	–	8	–	8	6	–	14	1	15	–
Beef: boneless bone in	5	59	5	59	47	7	99	4	29	74		73	1	–	1	–
	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Butter	1	5	1	5	–	3	2	–	1	1	11	–	10	2	2	10
Skimmed milk powder	–	29	–	29	25	–	53	29	–	80	14	61	32	–	29	3

Source: IBEA

(a) These figures may not always equate to (closing stock = opening stock + purchases - sales) because of end of year stock adjustments arising from unfulfilled sales contracts etc, and because each figure is rounded.

Chapter 10 Environment

Introduction 1 Environmental accounts are compiled by the Office for National Statistics for the UK as a whole and are undergoing developments. They are 'satellite accounts' to the main National Accounts. They provide information on the environmental impact of economic activity (in particular on the emissions of pollutants) and on the importance of natural resources to the economy. Environmental accounts use similar concepts and classifications of industries to those employed in the National Accounts, and they reflect the recommended European Union and United Nations frameworks for developing such accounts. The statistics shown in this chapter are intended to fit in with this framework.

2 Most of the British countryside is managed by farmers. Farming can have both negative and positive effects on the environment. The countryside has always been determined by developing agricultural management practices. These have produced habitats suitable for specific species dependant on that management system.

3 The environmental accounts for agriculture draw upon statistics compiled in 'Towards Sustainable Agriculture: a pilot set of indicators', available on the MAFF website. There are many gaps and omissions in the available data and for many aspects it has only been possible to describe the mechanisms without quoting statistics. The accounts are divided into the following sections covering:

- Resource use – use of finite and renewable resources
- Emissions – levels of damaging emissions to waterways and the atmosphere
- State of the environment – general indicators of biodiversity on farmland
- Expenditure on environment – details of schemes

Resource Use 4 Resources can be renewable (sustainable), or non-renewable (using up finite resources). Finite resources are consumed by the agricultural industry and are used in the form of petroleum, coal, gas and in production of electricity. They are also used in the form of metals in the manufacture of equipment and in the chemicals in fertilisers and pesticides. Other resources important to agriculture include soil and water. Soil is the basis for plant growth and its careful management is essential for all farming and so that it remains a renewable resource. Water is also renewable so long as over extraction does not have a permanent effect on the level of the water table particularly during times of drought or when polluted with agricultural waste.

(Table 10.1)

5 The data available on consumption of finite resources is limited to statistics on direct and indirect energy consumption. Table 10.1 shows estimated direct and indirect use converted in to PetaJoules (Joules x 10^{15}) for purposes of comparison.

6 The energy used by agriculture currently represents less than 1 per cent of overall UK energy consumption, and in 1999 accounted for 8.5 per cent of total farm

expenditure on inputs. Energy use in agriculture can be classified into direct use of energy (including electricity) for heating, motive power etc, and indirect input in the form of manufactured goods, fertilisers, pesticides and machinery etc.

- 7 The use of direct energy by agriculture has declined slowly in the last 20 years. The development of new or enhanced sustainable farming technologies, such as minimum tillage, should help the sector further to improve its energy efficiency. Over this period the use of electricity has declined slightly against a slowly changing number of housed livestock and dairy cattle. On intensive pig and poultry farms the implementation of recent agreements made by the industry under the Climate Change Levy will contribute to increased energy efficiency and lower emissions, as this is one of the objectives of the levy. The amount of energy used by agriculture in any year however, will depend to some extent on factors that are outside the sector's control – most notably the weather.
- 8 The most dominant indirect input of energy arises from the use of fertilisers. The reduction in use of nitrogenous fertilisers is reflected in a steady decline in power consumption. Similarly the use of pesticides has also suffered a reduction of energy input. The adoption of organic production methods gives further scope for the reduction of energy from both fertilisers and pesticides.
- 9 Agricultural tractor purchase is affected year on year by economic factors. The energy required in manufacture and maintenance is represented in the table. The trend is for fewer units of higher horsepower to be purchased with an overall pattern of lower total power purchases each year. Larger machines give benefits both in direct and indirect energy use.
- 10 The fuel for one fifth of the electricity used by agriculture can be derived from agricultural biomass. The renewable fuels include livestock wastes and straw, to which are now added energy biomass crops. Conversion technologies are aimed at two levels:
 - Small scale on-farm combustion for heat production
 - Electricity generation for sale under the Non-fossil Fuel and the forthcoming Renewables Obligations.

Biofuels produced by agriculture will contribute to the policy of the generation of 10 per cent of national electricity by 2010 from renewable resources. In England the Rural Development Programme provides a scheme for the planting of biomass crops (short rotation willow or poplar coppice) and the establishment of producer groups. MAFF is working with the DTI to encourage the further development of renewable energy. There are no similar schemes as yet in the other countries.

- 11 Renewable energy power station developments in the UK since 1992 includes the world's first four poultry litter power stations, the world's largest straw fired power station and the first gasifier power station fuelled by short rotation coppice. These have a combined generating capacity of 118MW (MegaWatts). In addition there are smaller schemes operating on wood fuel.

TABLE 10.1 Direct and indirect energy use

Enquiries: Barbara Norton on 01904 455089 email: barbara.norton@maff.gsi.gov.uk

<i>units: PJ, Joules x 10¹⁵</i>	1978	1985	1990	1993	1995	1997	1999
Fuel							
Direct energy – total	105.4	104.6	99.3	99.8	102.0	99.1	96.6
Coal	1.1	0.3	0.5	0.3	0.4	0.2	0.1
Solid fuel	–	–	3.1	3.1	3.1	3.1	3.0
Natural gas	–	2.9	4.0	4.7	4.5	5.7	5.9
Electricity	34.6	54.9	52.9	52.5	54.1	52.1	52.4
Petroleum	69.7	46.4	38.8	39.2	40.0	38.0	35.1
Indirect Inputs							
Indirect Energy total	147.7	181.0	172.6	150.0	164.5	160.0	150.1
Fertiliser	103.0	133.8	128.8	104.6	115.8	113.8	109.7
Pesticide	8.5	10.6	10.1	10.3	9.8	10.3	9.5
Tractor purchases	16.0	15.0	11.4	12.8	14.6	12.3	9.5
Animal Feeds	20.2	21.6	22.2	22.2	24.2	23.6	21.4
Total Energy	253.1	285.6	271.9	249.8	266.5	259.1	246.7

Source: ADAS, Reports prepared for MAFF using: Digest of UK Energy Statistics, Agriculture in the UK, Fertiliser Manufacturers Association, Agricultural Engineers Association, Crop Protection Association

Emissions **12** Emissions from the agricultural industry include losses of fertiliser and pesticides to water and atmospheric emissions from animals, manure and slurry as well as from direct and indirect energy consumption. It is difficult to collate data on actual emissions as they come from diffuse and hugely variable biological sources resulting in insufficient data being available. For fertiliser and pesticide losses, it is based on samples of river and ground water and so do not give a full or continuous picture of losses. Nor do they show whether they will break down rapidly or will persist in the environment. Over 50 per cent of UK nitrous oxides emissions come from manure and slurry. The falls in emissions are largely due to the reduction in inorganic nitrogen fertiliser use and falling numbers of cattle.

13 Integrated Crop Management (ICM) is a farm management system designed to maximise the efficiency of farming inputs and minimise their environmental impact. This involves the consideration of: soil management and crop nutrition; crop protection; pollution control and waste management; energy efficiency; landscape and wildlife features and animal husbandry in agricultural organisation and planning. The Agricultural Departments use demonstration farms and supply advice on management practice including manure. Linking Environment and Farming (LEAF) actively promotes ICM with a self-assessment audit and over 1,300 members now consider ICM in their management decisions.

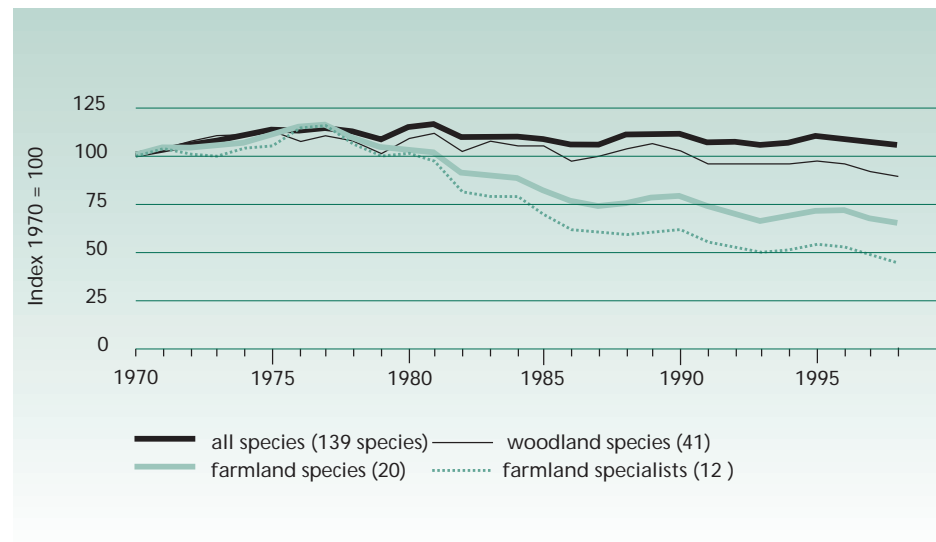
14 The MAFF codes of practice for soil, air and water provide a benchmark of good practice with advice on avoiding pollution. A survey in 1996 (Taylor Nelson AGB plc) suggested that less than 50 per cent of farmers were aware of the codes whilst less than one in five have copies of the water, air and soil codes (these are available free from MAFF publications and are on the MAFF website). There is also a code of practice for the safe use of pesticides. In Scotland a composite code exists – the Prevention of Environmental Pollution From Agricultural Activities (PEPFAA). An evaluation of the PEPFAA code was carried out by the Central Research Unit of the Scottish Executive in 1999. This study showed that over 50 per cent had heard of the code and that around 30 per cent considered they owned or had access to a copy of the code. Like England and Wales the codes are available free from the Scottish Executive.

State of the environment

(Chart 10.1)

Chart 10.1 Key bird populations

15 Bird populations are good indicators of the state of wildlife in the countryside, since they have a wide habitat distribution and are near the top of the food chain. Therefore, they reflect changes in habitat diversity and in the food chain. Surveys of bird populations have been carried out since 1970 by the British Trust for Ornithology. This gives a continuous record of changes over 30 years.



Source: British Trust for Ornithology

16 Chart 10.1 shows that populations of specialist farmland bird species have fallen by about 50 per cent between 1970 and 1998, whilst populations of all species increased by 5 per cent and those of woodland species fell by 10 per cent.

17 The reasons for the decline in populations of farmland bird species are complex and interlinked but appear to include a reduction in mixed livestock and arable farming, a move towards autumn rather than spring sown crops, a switch from hay to silage, climate change, and increased predation of some species. By removing insect pests and weeds, as they are designed to do, pesticides may also reduce food sources for some birds at critical times of the year. The use of pesticides is encouraged, in a manner which reduces adverse effects on the environment and is consistent with crop protection.

18 The UK Biodiversity Action Plan includes targets to reverse this decline; 26 species have been identified including the skylark, grey partridge, corn bunting, song thrush and bullfinch. These targets include reversing the decline in breeding and over-wintering numbers and also increasing their range and habitats.

19 Agri-environment schemes are generally payments for the management of land to: improve and extend wildlife habitats; conserve historic, geological and landscape features and to restore traditional aspects of the countryside. They aim to make conservation part of management practice. Expenditure on these schemes will increase further through the Rural Development Plans and Programmes. The funding for these schemes comes jointly from the EU and the UK government (see Chapter 9).

Agri-environment scheme expenditure

(Table 10.2)

- 20** Table 10.2 shows expenditure on agri-environment schemes since 1987. The figures for organic farming schemes are for conversion programmes.
- 21** Some 572,515 hectares of land is now registered as being farmed organically. Organic farming systems work on the presumption that producers should work with nature rather than against it. Emphasis is placed on maintaining healthy soil, and measures such as adequate rotations have to be taken to ensure its fertility and biological activity. Inputs into organic production are strictly regulated and the use of artificial fertilisers and pesticides is excluded. Conversion to organic farming systems provides gains in terms of soil health and fertility. It also benefits biodiversity resulting from the use of crop rotations, as well as the absence of synthetic pesticides, herbicides and fertilisers. It can also provide wider landscape benefits.
- 22** Other schemes are run by English Nature, Scottish Natural Heritage and Countryside Council for Wales for Sites Special Scientific Interest with payments to farmers to protect and conserve the landscape.

Table 10.2 Environment schemes – expenditure and land in schemes

Enquiries: Barbara Norton on 01904 455089 email: barbara.norton@maff.gsi.gov.uk

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Expenditure (£m)														
Total	1.8	5.2	9.2	10.3	14.3	23.1	36.4	56.3	79.5	84.7	103.1	132.1	166.0	192.7
Countryside Stewardship (England)	11.2	16.0	12.9	14.7	18.9	28.3	33.8
Countryside Premium (Scotland)	3.4	5.6	10.8
Tir Cymen & Tir Gofal (Wales)	3.1	4.3	6.0	6.8	7.0	7.2	13.0
Organic Conversion (UK)	0.2	0.5	0.7	1.3	14.5	20.5
Environmentally Sensitive Areas (UK)	1.8	5.0	8.6	9.3	10.6	13.2	21.0	22.4	32.8	37.8	46.0	53.4	65.7	68.6
Nitrate Sensitive Areas (England)	0.8	1.3	1.4	1.6	3.1	4.0	4.6	4.8	5.9	4.0
Woodland Schemes (UK)	..	0.2	0.6	0.9	1.5	2.4	6.6	10.2	13.9	12.8	16.2	28.4	22.9	23.1
Countryside Access (England)	0.1	0.1
Habitat (UK)	0.8	1.4	2.3	2.7	3.0	3.2
Moorland (UK)	0.2	0.4	0.3	0.4	0.6
Non-MAFF schemes (a)	1.4	6.2	7.5	7.8	8.4	9.2	11.7	12.0	12.4	15.0

(a) Including English Nature, Scottish Natural Heritage and Countryside Council for Wales payments for land management.

GLOSSARY

Definitions of terms used in the aggregate agricultural account (as used in chapter 6).

Term	Table ref.	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	7	Production of animals that will be used as the means of production, e.g. breeding animals.
Other agricultural activities	8	Agricultural activities that do not result in sales of final product, e.g. quota leasing, contract work.
Inseparable non-agricultural activities	9	Non-agricultural activities which are included within the business level accounts and are inseparable, e.g. some cases of bed & breakfast and recreation facilities.
Gross output at basic prices	10	Output including directly paid subsidies that are closely correlated with production of a specific product. 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 closely correlated with production of a specific product.
Subsidies (less taxes) on product	11	Subsidies and taxes on products are shown in detail in table 6.7; all subsidies are recorded on an as due basis.
Intermediate consumption	20 (13:18)	Consumption of goods and services, e.g. feed, seeds, fertiliser, pesticides.
Gross value added (at basic prices)	21 (10–20)	Gross Output at basic prices less Intermediate Consumption.
Consumption of fixed capital	22	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 at basic prices	23 (21–22)	Gross Value Added at basic prices less Consumption of fixed capital.
Other Subsidies (less taxes) on production	24	Subsidies and taxes not closely correlated with production of a specific product, e.g. agri-environment payments, set-aside, animal disease compensation.
Net value added at factor cost	25 (23+24)	Net Value Added at basic prices plus other subsidies (less taxes) on production
Compensation of employees	26	The full costs of employees to the business including national insurance contributions.
Total Income From Farming (TIFF)	29	Income to those with an entrepreneurial interest in the agricultural industry, e.g. farmers, partners, spouses and most other family workers.

If you find the information in *Agriculture in the United Kingdom* useful, you should be aware of these publications:

Agricultural Census Statistics in the UK (formerly the Digest)

Agricultural Census Statistics in the UK brings together the main results of the Annual Agricultural and Horticultural Censuses which are held each June in England, Scotland, Wales and Northern Ireland.

Agricultural Atlas

The Agricultural Atlas contains colour maps showing the distribution of main census items in England by 5 km grid square.

June Census Analyses

A wide variety of detailed data covering England at county and regional level. Includes frequency distribution tables for main census items.

Historical Agricultural Data

Historical trend analyses covering the last 20 years are available at county level for livestock in England. During 2001 similar data for crops will also be published in this format.

All the above are available on the World Wide Web at www.maff.gov.uk under 'Economics and Statistics', or for further information please call the Farming Statistics Team on 01904 455332.

Farm Incomes in the United Kingdom 1999/00

Farm Incomes in the United Kingdom 1999/00 provides an authoritative and detailed source of information on the incomes and financial structure of the agricultural industry in each of the four countries of the United Kingdom.

The sixteenth volume, in an annual series, gives detailed analyses of farm incomes (including some information on off-farm incomes), assets and liabilities and aggregate incomes for the agricultural industry for each of the four countries of the United Kingdom. Detailed farm accounts data, based on the Farm Business Survey (Farm Accounts Scheme in Scotland) are shown by farm type, business size and tenure. In addition, it contains estimates of the gross margins for a range of crop and livestock enterprises in England and Wales. In most tables the years covered are 1999 and 2000. The publication will only be available on the MAFF Web site (at www.maff.gov.uk/esg/pubs/pubs.htm) in mid-March 2001. Other enquiries about this World Wide Web publication should be directed to:

Mr Roger Price,
Ministry of Agriculture, Fisheries and Food,
Economics (Farm Business) Division,
Whitehall Place West (Room 702),
Whitehall,
London SW1A 2HH
Tel. 020 7270 8620

Other information is available, including an index showing published MAFF Statistics and the dates on which they will be issued. This can be accessed on the World Wide Web at www.maff.gov.uk/esg and via 'faxback'. To access faxback, dial 0870 444 0200 for commodity statistics or 0870 444 0201 for farming statistics and follow the voice instructions. Although our statistics notices continue to be free, you will incur a charge of approximately 50p per minute for the telephone call. Typically, a single sided document will take about one minute to transmit, with any subsequent sheets about 45 seconds each.