



Agriculture in the United Kingdom 1995



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Agriculture in the United Kingdom 1995

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Cover Photographs:

Daffodils - view across flowering crop,
Spalding

Free-range Large White x Landrace sow and piglets,
Dotton, Devon

Hereford x Friesian suckler cattle on heather
moorland, Exmoor E&A

Tractor and workers covering newly-planted
cauliflower crop with clear polythene sheeting,
Boston, Lincolnshire

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Preface

1. *Agriculture in the United Kingdom 1995* 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 1996/97.

2. The tables in this edition are similar to those in *Agriculture in the United Kingdom 1994*, although some of the figures now given for past years may differ from those published in the preceeding 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. A guide to the content and structure of the commodity tables is provided in the introduction to Section 5.

3. Most of the data are on a calendar year basis. The figures for 1995 are provisional; they reflect the position as seen in January 1996 when information for 1995 was still incomplete and an element of forecasting was therefore required. The figures in the tables in sections 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 Community 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'.

Statistical tables - general note

1 Summary of the year

Summary of the year

1. During 1995, the Government continued to press for further reform of the Common Agricultural Policy (CAP). In July, MAFF published *European Agriculture: The Case for Radical Reform*, the report of the Minister's CAP Review Group which was established in January. The Report was widely circulated to influential bodies and individuals inside and outside Europe and was instrumental in promoting genuine debate on the future of the CAP.
2. At the June Agriculture Council, agreement was reached on a package of measures, including agricultural support prices, the agrimonetary system, the transport of live animals and reform of the cotton régime. Detailed arrangements implementing the EU's Uruguay Round agricultural commitments took effect for most commodities from 1 July.
3. Austria, Finland and Sweden joined the EU on 1 January 1995. Further EU enlargement to include the countries of Central and Eastern Europe, once ready to join, was warmly supported at the Madrid summit in December. A Commission report on EU agricultural strategies signalled that the present CAP was unsustainable, and that its reform would facilitate further enlargement. At the Madrid summit, the Commission were asked to undertake further work on this evaluation.
4. Significant progress was achieved in Brussels on animal welfare. The lengthy negotiations on welfare in transit finally produced agreement on EU requirements setting maximum permitted journey times for livestock. The UK also prevailed on the Commission to bring forward its review of EU requirements on the welfare of calves, heralding the start of a negotiation in which the UK will press for EU-wide measures paralleling its own prohibition of the veal crate. MAFF gave support to the development of the UK market for welfare friendly veal.
5. 1995 saw the completion of the deregulation of the domestic marketing arrangements for milk and the coming into force of the Agricultural Tenancies Act in England and Wales. This Act simplifies agricultural tenancy law, provides new flexibility for a wider range of farm business needs and is designed to encourage the letting of agricultural land.
6. The Government has continued its commitment to encouraging environmentally sensitive farming. This year saw the publication of Rural White Papers for England and Scotland. The English paper included a commitment to expand the Countryside Stewardship Scheme when it is transferred to MAFF in April 1996. The Scottish paper announced the Government's intention to consult on proposals for a new conservation scheme for farmers and crofters which would also contribute to the

rationalisation of the agri-environment programme. Following sustained pressure from the UK, the Agriculture Council agreed that land taken out of agricultural production under an environment or forestry scheme could count towards a farmer's set-aside obligation. Other environmental initiatives are outlined in Section 3.

7. Spells of warm dry weather in late autumn 1994 led to good establishment of autumn sown crops. The 1994/95 winter was wetter than average and outbreaks of unsettled weather brought strong winds, heavy rain and wintry showers to many areas. There were some snowfalls, particularly in January and March, and these tended to be more severe in upland areas. After a sunny but not particularly warm start to the spring in March, warm weather came to Eastern and Central England in early April. Both April and May were drier than normal over much of the country providing good conditions for grazing livestock, including young lambs. June was a predominantly dry month and the rest of the summer was dominated by long periods of hot dry weather. This produced excellent harvesting conditions for cereals but led to severe shortages of grass in some areas and reduced yields of some crops, such as potatoes. Wetter weather returned in September encouraging good grass growth after the drought but crops in North East Scotland were very badly affected by severe rainfall. October brought dry and warm conditions across much of England and Wales and autumn sown crops established well. Further late season grass growth enabled late forage cuts and excellent grazing conditions in the autumn took pressure off limited forage supplies. Spells of generally mild and dry conditions also enabled good progress with the autumn harvest of root crops.

8. The provisional estimates of output, productivity and income of UK agriculture in 1995 show the following comparisons with 1994:

- the area sown to cereals increased by over 4.5 per cent, which combined with higher yields to give an increase in the volume of output. Higher market prices and further rises in arable area payments also both contributed to a 20 per cent (£484m) increase in the value of output;
- the area sown to oilseed rape declined but was partly offset by higher yields. Market prices remained steady, but a slight drop in arable area payments left the value of output down by 7 per cent;
- the value of sugar beet output increased by 5 per cent due to higher average prices;
- a further large increase in the price of potatoes saw the value of output increase by 41 per cent (£293m);
- the value of output of horticulture rose by 5 per cent as an increase in prices more than offset a reduction in quantity;

- increases in quantity, market prices and rates of subsidy combined to increase the value of beef output by 8 per cent (£202m);
- the value of sheepmeat output rose by 6 per cent due to increased marketings and higher ewe premium receipts;
- a recovery in the average pig price resulted in a 16 per cent increase in the value of output;
- the value of poultry output increased by just under 2 per cent, as an increase in volume was partly offset by a decrease in price;
- the value of milk output increased by 7 per cent (£228m), as a higher average price more than compensated for a decline in volume;
- a fall in the average egg price led to a 6 per cent drop in the value of egg output;
- overall output prices increased by 9 per cent, whilst input prices increased by just 3 per cent. The industry's gross product at current prices showed a 15 per cent increase;
- the volume of the industry's gross output increased marginally, while the volume of its inputs reduced slightly. Taking into account changes in all its inputs, including labour and fixed capital, the industry's productivity increased only marginally;
- the industry's interest payments increased by 11 per cent, but nevertheless remain at an historically low level;
- the total cost of hired labour increased by less than 1 per cent. The fall in the number of regular whole time hired workers has been partly offset by increases in part-time and seasonal and casual workers. This, and the reduction in employers' national insurance contributions, considerably offset the increase in earnings;
- *total income from farming*, representing the income from agriculture of farmers, partners, directors, spouses and family workers, is provisionally estimated to have risen by 26 per cent at current prices (22 per cent in real terms). The provisional figure for *farming income*, which covers only farmers and their spouses, shows a rise of 34 per cent (29 per cent in real terms);
- this favourable income situation is shared by most farm types throughout the United Kingdom. The largest percentage increases are generally found on cereal and general cropping farms which have benefited from increases in direct support payments and higher prices for cereals and potatoes. In spite of rising feed prices, the incomes of pig producers also increased significantly as prices recovered from the low levels of the previous years. More modest increases in income are expected on dairy and cattle and sheep farms. The only sector which

is expected to show a significant reduction in income is poultry, as a result of the increased cost of feed and lower output prices.

**Agriculture and food
in the national
economy (Table 1.1)**

9. These developments are described in more detail in the following sections. Table 1.1 provides a very broad picture of agriculture and food in the national economy.

Table 1.1 Agriculture and food in the national economy

Calendar years

	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Agriculture's contribution to Gross Domestic product (a)						
at current prices (£million)	5,347	6,489	6,968	7,592	7,813	9,004
at constant 1990 prices (£million)	6,286	6,800	7,104	6,438	6,427	6,550
% of national GDP (current prices)	1.8	1.3	1.3	1.4	1.4	1.5
Workforce in agriculture						
('000 persons)	614	554	548	544	536	533
% of total workforce in employment	2.5	2.1	2.1	2.2	2.1	2.1
Gross fixed capital formation in agriculture						
at current prices (£ million)	1,383	1,309	1,361	1,657	1,923	..
at constant 1990 prices (£ million)	1,852	1,305	1,376	1,595	1,850	..
% of national GFCF (current prices)	2.3	1.3	1.5	1.8	1.9	..
Imports of food, feed and drink						
(£million) (b) (c)	9,550	12,262	13,406	14,024	14,835	(Jan-Nov) 14,768
of which: food, feed and						
non alcoholic drinks	8,731	10,871	11,934	12,461	13,141	13,142
alcoholic drinks	818	1,391	1,472	1,563	1,695	1,626
Volume index(1990=100)	83.4	99.3	107.7	104.2	110.6	112.7
Unit value (price) index (1990=100)	85.9	105.5	109.7	121.7	117.9	123.8
% of total UK imports	11.5	10.3	10.7	10.3	10.0	9.6
Exports of food, feed and drink						
(£ million) (b) (c)	4,565	6,827	7,521	8,238	8,970	(Jan-Nov) 9,045
of which: food, feed and						
non alcoholic drinks	3,338	4,627	5,138	5,702	6,295	6,422
alcoholic drinks	1,227	2,200	2,383	2,537	2,675	2,624
Volume index (1990=100)	82.9	102.8	108.9	110.1	125.7	127.4
Unit value (price) index (1990=100)	89.3	100.6	102.2	110.6	110.7	115.9
% of total UK exports	6.2	6.5	6.9	6.8	6.7	6.5
UK self-sufficiency in food and feed as a % of:						
all food and feed	59.0	57.9	56.4	56.7	57.9	58.8
indigenous type food and feed	77.9	73.7	71.6	71.9	74.3	76.4
Consumers' expenditure on household food and						
alcoholic drinks at current prices (£ million)	46,292	67,076	68,724	70,712	72,924	77,100
of which: household food	30,835	44,044	45,243	46,398	47,158	49,500
alcoholic drinks	15,457	23,032	23,481	24,314	25,766	27,600
at constant 1990 prices (£ million)	59,362	62,436	62,091	62,636	63,510	64,700
of which: household food	38,646	41,869	42,384	42,991	43,132	43,700
alcoholic drinks	20,716	20,567	19,707	19,645	20,378	21,000
% of total consumers expenditure	21.1	18.4	18.0	17.4	17.1	17.2
of which: household food	14.1	12.1	11.9	11.4	11.0	11.0
alcoholic drinks	7.0	6.3	6.2	6.0	6.0	6.2
Retail price indices (1990=100)						
food	79.6	105.2	107.5	109.4	110.5	114.7
alcoholic drinks	75.1	112.4	119.6	125.0	128.0	132.8
all items	74.4	105.9	109.8	111.6	114.3	118.2

(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 aggregate covers SITC divisions 01-09, 11, 22 and section 4.

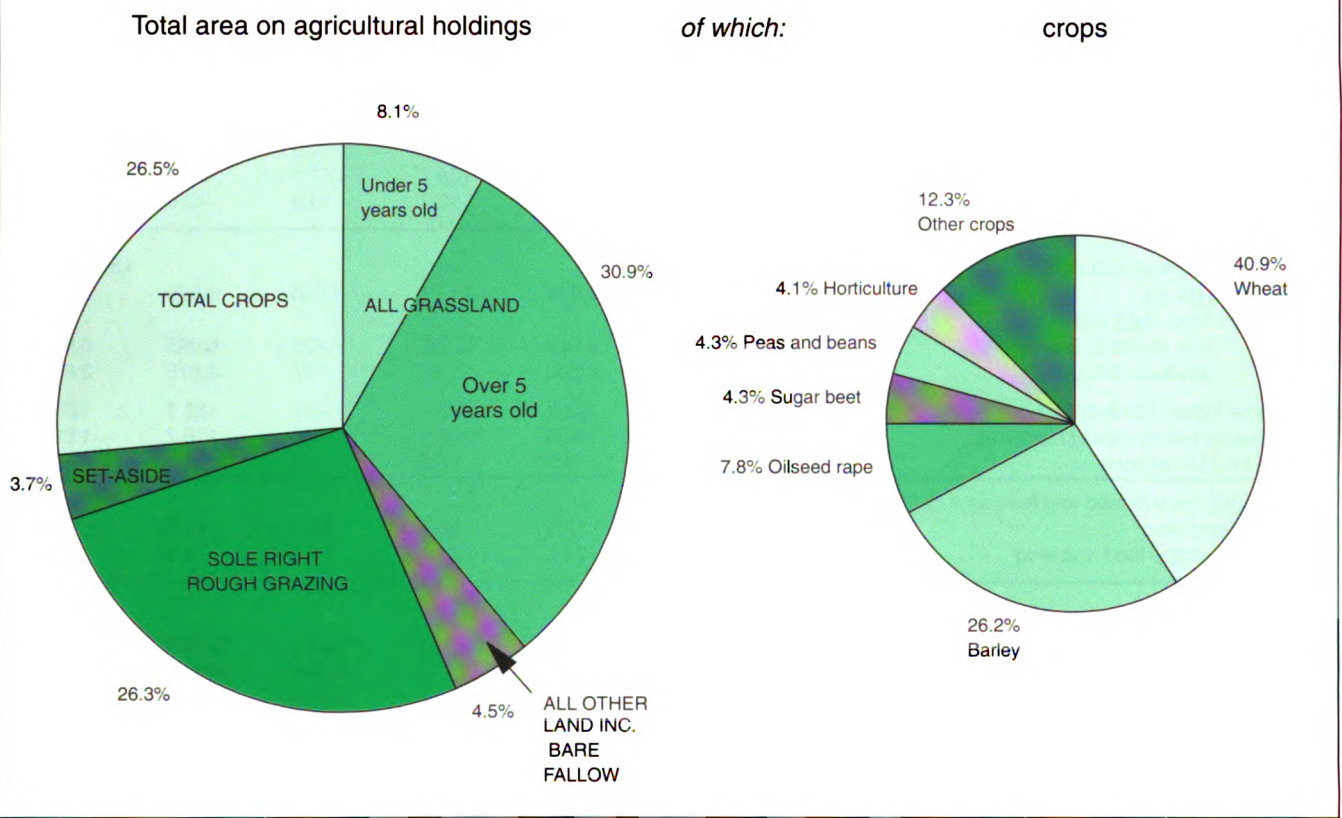
(c) The figures for 1993 onwards are based on INTRASTAT data and include estimates of non-response and of traders below the threshold for which detailed trade data are collected.

2 The structure of the industry

Introduction

1. The tables in this section portray the size and structure of the UK agricultural industry in 1995 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 stock of fixed capital.

CHART 2.1 Agricultural land use: 1995



Crop areas and livestock numbers (Tables 2.1 and 2.2)

2. At June 1995 the total area of agricultural land was 18.4 million hectares, some 77 per cent of the total land area in the UK. Following the reduction in the proportion of land required to be set-aside, the June 1995 Census showed an increase of 2 per cent in the area of crops in the UK. With increased area payments as well as the reduction in set-aside, the total cereals area increased by 5 per cent with increases for all cereals. The increase of 8 per cent in the area of barley followed reductions over the last 5 years. The areas of oilseed rape and linseed fell in 1995 due to lower area payments and the comparative attractiveness of growing cereals.

**Sizes of holdings
and enterprises**
(Tables 2.3 and 2.4)

3. The dairy herd fell by 4 per cent in 1995 after a short-lived increase in 1994. The beef herd continued to increase, by 2 per cent in 1995, but little further expansion is likely because of quotas for Suckler Cow Premium. The sheep breeding flock declined slightly and, with the lower lambing percentage reported in the lowlands, the number of lambs fell by 2 per cent. Although prices recovered during 1995, the low profitability of the pig sector during 1993 and 1994 led to a further fall in the pig breeding herd, of 5 per cent, between June 1994 and June 1995. The pattern of the use of land on agricultural holdings in 1995 is shown in Chart 2.1 and the changes in crop areas and livestock numbers between 1994 and 1995 are shown in Chart 2.2.

4. Table 2.3 shows the continued shift towards fewer but larger holdings, larger both in terms of economic activity (ESUs) and area. The average size of full-time holdings (broadly those of 8 ESUs and over) increased from 53.4 ESUs in 1990 to 64.7 in 1995. Whilst holdings of 200 ESUs and over comprise only 6 per cent of all holdings, they account for about a quarter of all agricultural activity (measured by total ESUs).

5. Size distributions of main holdings according to their crop areas and livestock numbers are presented in Table 2.4. This table excludes minor holdings which are very small in terms of their area and livestock numbers. Generally, the size of enterprise in terms of crop areas and livestock numbers is increasing. This is noticeable, for instance, in the pig sector where around 83 per cent of the breeding herd at June 1995 was in herds of 100 pigs and over, compared to 75 per cent in 1990. However there was a reduction, between 1990 and 1995, in the proportion of the total cereals area on holdings with 50 hectares and over and this was largely due to the introduction of set-aside in 1993.

Labour
(Table 2.5)

6. The total labour force at June fell by 1 per cent between 1994 and 1995, roughly the same rate as in the previous 3 years. The fall in 1995 was largely due to the continuing decline in the numbers of regular whole-time workers (both hired and family) and of whole-time farmers, partners and directors, as well as a fall this year in spouses engaged in farm work. There was however an increase of 2 per cent in seasonal or casual workers, against the trend of recent years.

Fixed capital stock
(Table 2.6)

7. Table 2.6 provides information on the gross stock of fixed capital (excluding land) available to the agricultural industry. The figures are at constant 1990 prices before allowing for depreciation. These estimates give an indication of the size of the industry's productive capacity and of how this has changed over the years.

8. Agriculture's fixed capital stock, valued at 1990 prices, is estimated to have been £33,940 million at the end of 1994. This represents a very slight increase on the previous year. However, the total capital stock in 1994 remained just over one per cent below the 1984-86 average level, following the gradual decline observed between the mid 1980s and 1993. This was the result of reductions in the stocks of plant, machinery and vehicles, partly offset by a modest increase in the stock of buildings and works.

TABLE 2.1 Agricultural land use

The data in this table cover all holdings (including minor holdings) in England, Wales and Northern Ireland but exclude minor holdings in Scotland.

'000 hectares		At June of each year				
	Average of 1984-86	1991	1992	1993	1994	1995
Total agricultural area (total area on agricultural holdings plus common rough grazing)	18,695	18,498	18,511	18,530	18,503	18,404
This comprises:						
Crops	5,206	4,956	4,981	4,519	4,469	4,542
Bare fallow	43	64	53	47	44	40
Total tillage	5,250	5,020	5,033	4,566	4,513	4,583
All grass under five years old	1,768	1,586	1,562	1,561	1,436	1,387
Total arable land	7,018	6,605	6,595	6,127	5,949	5,970
All grass five years old and over (excluding rough grazing)	5,064	5,261	5,213	5,209	5,322	5,309
Total tillage and grass (a)	12,082	11,866	11,808	11,335	11,271	11,279
Sole right rough grazing	4,865	4,685	4,680	4,611	4,551	4,516
Set-aside (c)	-	97	160	677	728	633
All other land on agricultural holdings including woodland (b)	533	616	632	678	708	728
Total area on agricultural holdings	17,480	17,264	17,281	17,301	17,258	17,156
Common rough grazing (estimated)	1,215	1,233	1,230	1,229	1,246	1,248

(a) Includes bare fallow.
(b) In Great Britain other land comprises farm roads, yards, buildings (excluding glasshouses), ponds and derelict land. In Northern Ireland other land includes land under bog, water, roads, buildings etc. and wasteland not used for agriculture.
(c) England only in 1991, Great Britain only in 1992.

TABLE 2.2 Crop areas and livestock numbers

The data in this table cover all holdings (including minor holdings) in England, Wales and Northern Ireland but exclude minor holdings in Scotland. (a)

At June of each year

	Average of 1984-86	1991	1992	1993	1994	1995
Crop areas ('000 hectares)						
Total	5,206	4,956	4,981	4,519	4,469	4,542
This comprises:						
Total cereals	4,026	3,500	3,487	3,031	3,042	3,180
of which: wheat	1,946	1,980	2,067	1,759	1,811	1,859
barley	1,954	1,393	1,297	1,164	1,106	1,192
oats	112	103	100	92	109	112
rye and mixed corn	14	12	12	9	10	11
triticale	..	11	11	7	6	7
Other arable crops (excluding potatoes)	828	1,076	1,117	1,130	1,076	1,005
of which: oilseed rape	288	440	421	377	404	354
sugar beet not for stockfeeding	203	196	197	197	195	196
hops	5	4	4	3	3	3
peas for harvesting						
dry and field beans	125	203	208	244	228	194
linseed (b)	..	92	144	150	58	53
other crops	161	142	143	159	187	203
Potatoes	189	176	180	170	164	171
Horticulture	210	204	197	187	189	187
of which: vegetables grown in the open	141	139	135	126	127	129
orchard fruit (c)	39	34	33	32	32	28
soft fruit (d)	16	15	14	13	13	12
ornamentals (e)	12	14	14	14	14	14
glasshouse crops	2	2	2	2	2	2
Livestock numbers ('000 head)						
Total cattle and calves	12,908	11,885	11,804	11,729	11,834	11,733
of which: dairy cows	3,189	2,770	2,682	2,667	2,715	2,602
beef cows	1,335	1,669	1,699	1,751	1,775	1,805
heifers in calf	855	733	762	797	771	771
Total sheep and lambs	35,830	43,639	43,998	43,901	43,295	42,771
of which: ewes and shearlings	16,946	20,334	20,385	20,563	20,544	20,507
lambs under one year old	17,679	21,950	22,341	22,132	21,510	21,093
Total pigs	7,832	7,597	7,609	7,754	7,797	7,534
of which: sows in pig and other sows for breeding	710	678	672	687	680	644
gilts in pig	108	107	108	115	104	100
Total fowls	119,699	127,241	124,013	130,175	125,718	125,981
of which: table fowls including broilers	61,486	75,701	73,298	79,451	75,205	76,621
laying fowls (f)	39,421	33,286	33,206	32,824	32,543	31,692
growing pullets	12,514	11,016	10,764	10,653	10,293	10,098

(a) For various reasons, the crop area figures shown in this table may differ slightly from those shown in Section 5. In particular, the 1995 area figures in this table include the final results from all countries, whereas the 1995 area figures in Tables 5.1 to 5.11 include the final results from England, Wales and Northern Ireland, but provisional results for Scotland.

(b) England and Wales only prior to 1992.

(c) Includes non-commercial orchards.

(d) Includes wine grapes.

(e) Hardy nursery stock, bulbs and flowers.

(f) Excludes fowls laying eggs for hatching.

CHART 2.2 Changes in crop areas and livestock numbers

Percentage change from 1994 to 1995

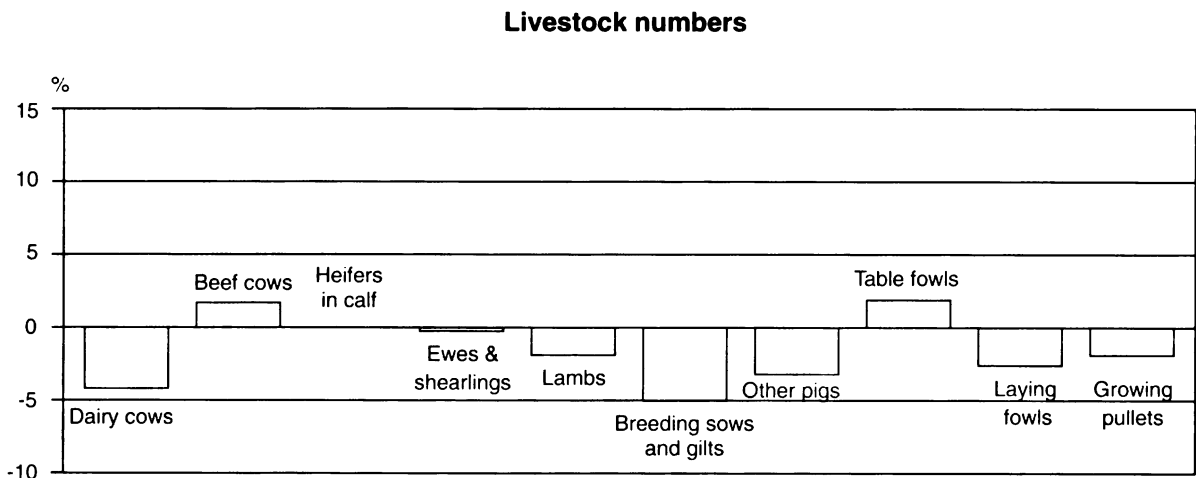
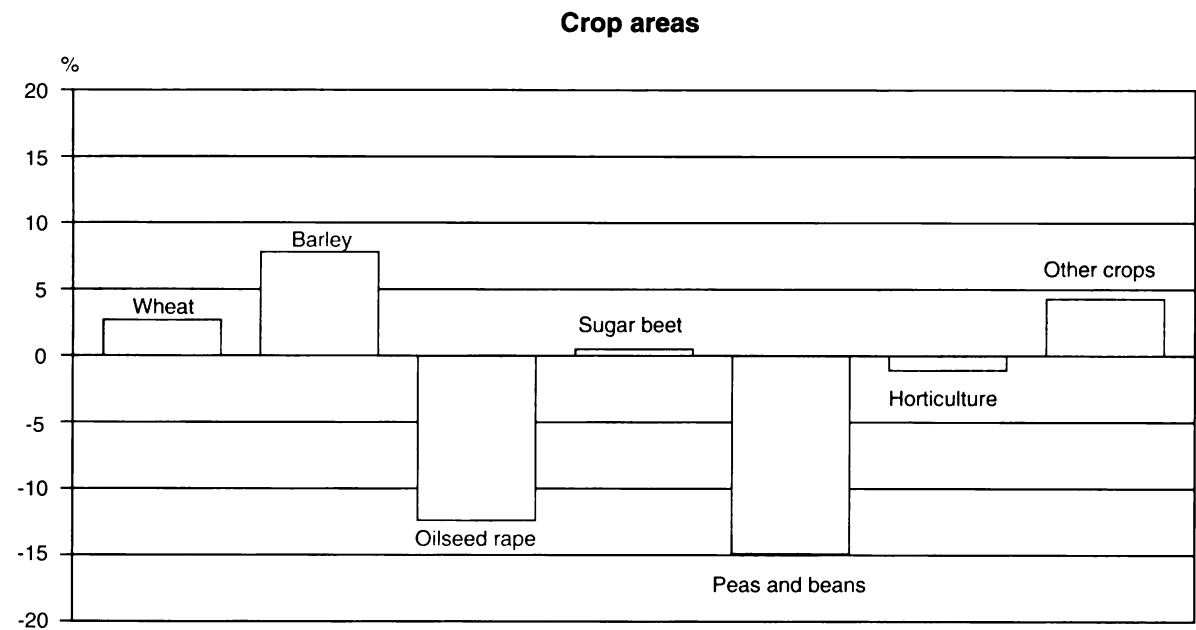


TABLE 2.3 Numbers and sizes of holdings

The data in this table exclude minor holdings

At June of each year

		1990		1995	
		Number of holdings ('000)	Percent of total ESU	Number of holdings ('000)	Percent of total ESU
Size of holding (ESU) (a) (d) (European size units (ESUs) measure the financial potential of the holding in terms of the margins which might be expected from crops and stock. The margins used are gross margins standardised at average 1987-89 values. The threshold of 8 ESU is judged to be the minimum for full-time holdings).	under 8.0 ESU	105.0	3.2	102.7	2.8
	8.0 to under 40.0 ESU	78.0	22.1	68.5	16.4
	40.0 to under 100.0 ESU	41.0	34.1	42.5	31.5
	100.0 to under 200.0 ESU	12.0	21.3	15.6	24.5
	200.0 ESU and over	4.0	19.3	5.7	24.7
	Total	241.0	100.0	234.9	100.0
	Average size (ESUs):				
	All holdings	..	31.1	..	37.5
	Holdings 8 ESU and over	..	53.4	..	64.7
		Number of holdings ('000)	Hectares ('000)	Number of holdings ('000)	Hectares ('000)
Total area on holdings (a)	0.1 to under 20.0 hectares	97.0	819	95.4	807
	20.0 to under 50.0 hectares	61.0	2,008	57.8	1,903
	50.0 to under 100.0 hectares	43.0	3,017	41.2	2,927
	100.0 hectares and over	40.0	11,293	40.5	11,360
	Total	241.0	17,137	234.9	16,997
	Average area (ha):				
	All holdings	..	71.2	..	72.4
	Holdings 8 ESU and over (d)	..	109.5	..	111.4
	% of total area on holdings with 100 hectares and over	..	65.9	..	66.8
		Number of holdings ('000)	Hectares ('000)	Number of holdings ('000)	Hectares ('000)
Tillage and grass area (a) (b) (c)	0.1 to under 20.0 hectares	96.0	803	94.8	789
	20.0 to under 50.0 hectares	61.0	1,997	57.9	1,905
	50.0 to under 100.0 hectares	41.0	2,869	40.1	2,826
	100.0 hectares and over	31.0	6,123	29.9	5,719
	Total	229.0	11,792	222.7	11,239
	Average crops and grass area per holding (hectares)	..	51.5	..	50.5
	% of total crops and grass area on holdings with 100 hectares and over	..	51.9	..	50.9

(a) Land in Great Britain let out under short term lets is attributed to the lessor, but land so let out in Northern Ireland (under the conacre system) is now attributed to the lessee. This difference, which applies to both the 1990 and 1995 figures in the table, affects both the number of holdings and their average size.

(b) The numbers of holdings shown in this part of the table are lower than those presented in the "total area" part of the table because holdings without crops and grass are excluded.

(c) The areas shown in this part of the table exclude set-aside land.

(d) Includes estimates for Scotland for 1995.

TABLE 2.4 Numbers and sizes of enterprises

The data in this table exclude minor holdings

At June of each year

		1990		1995	
		Number of holdings ('000)	Hectares ('000)	Number of holdings ('000)	Hectares ('000)
Cereals (excluding maize) (a)	0.1 to under 20.0 hectares	38.7	308	34.2	301
	20.0 to under 50.0 hectares	19.6	639	18.8	612
	50.0 hectares and over	22.5	2,705	19.5	2,257
	Total	80.8	3,653	72.5	3,170
	Average area (hectares)	..	45.2	..	43.7
	% of total cereals area on holdings with 50.0 hectares and over	..	74.1	..	71.2
Oilseed rape	0.1 to under 20.0 hectares	8.4	92	8.7	92
	20.0 to under 50.0 hectares	5.4	165	4.8	146
	50.0 hectares and over	1.6	132	1.5	116
	Total	15.4	404	14.9	354
	Average area (hectares)	..	26.2	..	23.7
	% of total oilseed rape area on holdings with 50.0 hectares and over	..	32.7	..	32.7
Sugar beet (England and Wales only)	0.1 to under 10.0 hectares	4.7	25	3.9	22
	10.0 to under 20.0 hectares	2.8	39	2.7	38
	20.0 hectares and over	3.0	130	3.1	136
	Total	10.5	194	9.7	196
	Average area (hectares)	..	18.5	..	20.2
	% of total sugar beet area on holdings with 20.0 hectares and over	..	67.0	..	69.6
Potatoes	0.1 to under 10.0 hectares	21.9	55	13.9	42
	10.0 to under 20.0 hectares	3.2	44	3.0	41
	20.0 hectares and over	2.1	78	2.4	88
	Total	27.2	177	19.3	171
	Average area (hectares)	..	6.5	..	8.9
	% of total potato area on holdings with 20.0 hectares and over	..	44.3	..	51.5

TABLE 2.4 Numbers and sizes of enterprises (continued)

The data in this table exclude minor holdings

		At June of each year			
		1990		1995	
		Number of holdings ('000)	Number of livestock ('000)	Number of holdings ('000)	Number of livestock ('000)
Dairy cows	1 to 49 dairy cows	21.6	564	17.4	468
	50 to 99	15.5	1,094	13.7	973
	100 and over	8.0	1,188	7.8	1,159
	Total	45.1	2,846	38.9	2,600
	Average size of herd	..	63.1	..	66.8
	% of total dairy cows in herds of 100 and over	..	41.7	..	44.6
Beef cows	1 to 19 beef cows	48.7	341	42.9	329
	20 to 49	16.6	512	18.2	565
	50 and over	8.4	736	9.9	891
	Total	73.7	1,588	71.0	1,786
	Average size of herd	..	21.6	..	25.2
	% of total beef cows in herds of 50 and over	..	46.3	..	49.9
Sheep breeding flock	1 to 99 breeding sheep	42.7	1,748	37.9	1,583
	100 to 499	37.7	8,657	34.5	7,987
	500 and over	10.3	9,068	10.4	9,384
	Total	90.6	19,474	82.8	18,954
	Average size of flock	..	214.9	..	228.8
	% of total breeding sheep in flocks of 500 and over	..	46.6	..	49.5
Pig breeding herd	1 to 49 breeding pigs	9.0	96	6.6	63
	50 to 99	1.4	97	0.9	66
	100 and over	2.3	573	2.1	613
	Total	12.6	766	9.7	742
	Average size of herd	..	60.8	..	76.7
	% of total breeding pigs in herds of 100 and over	..	74.8	..	82.6
Fattening pigs (Fattening pigs of over 20kg liveweight excluding barren sows except in Northern Ireland)	1 to 199 fattening pigs	8.0	360	6.1	247
	200 to 999	3.1	1,511	2.9	1,437
	1,000 and over	1.2	2,640	1.3	2,942
	Total	12.3	4,511	10.3	4,626
	Average size of herd	..	367.4	..	450.3
	% of total fattening pigs in herds of 1,000 and over	..	58.5	..	63.6

TABLE 2.4 Numbers and sizes of enterprises (continued)

The data in this table exclude minor holdings

		At June of each year			
		1990		1995	
		Number of holdings ('000)	Number of livestock ('000)	Number of holdings ('000)	Number of livestock ('000)
Broilers (Includes small numbers of other table fowl in Scotland and Northern Ireland)	1 to 9,999 broilers	1.9	1,257	1.2	921
	10,000 to 99,999	0.8	31,308	0.8	33,457
	100,000 and over	0.2	41,005	0.2	42,199
	Total	2.9	73,569	2.3	76,577
	Average size of flock	..	25,751	..	33,869
	% of total broilers in flock of 100,000 and over	..	56.0	..	55.1
Laying fowls	1 to 4,999 laying fowls	34.1	3,110	27.0	2,395
	5,000 to 19,999	0.6	6,037	0.5	5,301
	20,000 and over	0.3	24,098	0.3	23,810
	Total	35.0	33,245	27.8	31,507
	Average size of flock	..	950	..	1,134
	% of total laying fowls in flocks of 20,000 and over	..	72.5	..	76.0

TABLE 2.5 Labour force in agriculture

The data cover all holdings (including minor holdings) in England, Wales and Northern Ireland but exclude minor holdings in Scotland.

'000 persons		At June of each year				
	Average of 1984-86	1991	1992	1993	1994	1995
Workers						
Regular whole-time:						
hired: male	109	80	76	74	72	70
female	10	11	11	11	10	10
family: male	31	24	23	22	21	20
female	5	4	4	3	3	3
Total	155	120	114	110	107	103
Regular part-time:						
hired: male	19	18	18	19	19	19
female	22	21	19	19	18	18
family: male	13	13	13	13	13	13
female	7	7	7	7	7	7
Total	61	59	57	57	56	56
Seasonal or casual:						
male	58	54	55	55	54	57
female	39	33	32	30	28	27
Salaried managers (a)	8	8	8	8	8	8
Total workers	321	274	266	261	253	251
Farmers, partners and directors						
whole-time	200	178	177	176	173	170
part-time	92	103	105	108	111	112
Total farmers, partners and directors	292	280	282	284	283	282
Total farmers, partners, directors and workers (b)	614	554	548	544	536	533
Spouses of farmers, partners and directors (engaged in farm work)	76	77	76	78	78	75
Total labour force (including farmers and their spouses) (c)	690	631	624	622	614	608

(a) The figures for salaried managers relate to Great Britain only.
(b) This is the series referred to as 'Workforce in agriculture' in Table 1.1.
(c) Figures exclude schoolchildren and most trainees.

TABLE 2.6 Fixed capital stock of agriculture

		At end year				
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Gross capital stock (£ million, 1990 prices)						
Buildings and works	20,560	21,280	21,290	21,280	21,370	..
Plant and machinery	11,880	11,110	10,930	10,880	10,890	..
Vehicles	1,940	1,640	1,610	1,630	1,680	..
Total	34,380	34,030	33,830	33,790	33,940	..

3 Policy developments in 1995

1995 price fixing

European Community developments

1. The European Commission's proposals on support prices and a number of related issues were agreed by the Council in June. Support prices for many commodities were unchanged, although cereals and beef prices were, as in the previous two years, reduced in accordance with the 1992 CAP reform agreements. Monthly increments for cereals and rice intervention and sugar storage refunds were reduced. There was no reduction in milk quotas, as agreed in the previous year. Milk quota increases for Italy and Greece, provisionally agreed in the previous year's negotiation, were made definitive and a minimum protein standard for skimmed milk powder for intervention was introduced, with intervention payments linked to protein content. A proposed cut in the intervention price for butter was rejected. Changes were agreed to the cotton régime which would reduce expenditure and help to prevent fraud. There was a reduction in the basic price for pigmeat, with some changes in the definitions of carcase quality, and the arrangements for advances of Beef Special Premium were also altered for one year only.

CAP reform

2. MAFF published *European Agriculture: The Case for Radical Reform*, the report of the Minister's CAP Review Group, in July 1995. The Group of eleven independent members concluded that the current CAP was unsustainable, particularly in the face of the forthcoming enlargement of the European Union and the next round of GATT negotiations. It therefore recommended radical reform, including progressive removal of production-linked support and a greater emphasis on necessary measures to enhance the environment. The Government welcomed the broad thrust of the report which was widely circulated to Governments inside and outside the EU, to members of the Commission and to other influential bodies and individuals. In December, the Commission's White Paper on alternative strategies for agriculture and the accession to the European Union of the Central and Eastern European Countries was presented to the Madrid European Council. This paper echoed the Government's view that the CAP could not be sustained in its current form given the challenges facing it, arguing that the way forward was to develop the reform process begun in 1992. The European Council noted this report and called upon the Commission to take its evaluation further.

3. In *Rural England: a Nation Committed to a Living Countryside*, published in October, the Government set out its objectives for agricultural policy. This should foster an efficient, prosperous and outward-looking agricultural industry, able to operate in increasingly open world markets,

providing high quality raw materials at competitive prices for the domestic food industry and paying due regard to the environment. The key to this lies with progressive reductions in production-related support and the eventual abolition of supply controls, within the continuing framework of a common EC agricultural policy avoiding competing national subsidies. *Rural Scotland: People, Prosperity and Partnership*, published in December 1995 recognises that agricultural and other traditional land uses still form part of the backbone of rural communities and, while changes in agricultural support arrangements are essential, Government policy includes better targeting of support to meet the economic and social needs of such communities.

4. On more specific issues, discussion began on proposals for the reform of the rice and fruit and vegetables régimes and continued on reform proposals for the sugar and wine régimes. In April the Agriculture Council reached agreement on amendments to the sugar régime. These did little more than the minimum necessary to modify the régime to enable the Community's GATT obligations to be met. The revised régime will run for 6 years from 1 July 1995. Reform of the rice régime was agreed by the Council of Agriculture Ministers in December 1995. The measures agreed will take effect from 1996/97 and involve a 15 per cent reduction in the paddy intervention price (fully compensated by area payments), a reduction in the intervention period from 7 to 4 months and a tightening of intervention quality standards. Discussions on the reform of the wine and fruit and vegetables régimes continued into 1996.

Enlargement of the EU

5. Austria, Finland and Sweden joined the EU on 1 January 1995. The CAP applied to these countries in full from that date.

6. Negotiations continued during 1995 on adapting the agricultural sections of the "Europe" agreements with CEE countries, so as further to develop commercial relations and thus prepare the ground for eventual EU membership. In June, the Commission published a White Paper which identified key features of the internal market with which the CEEs would need to align their legislation, and offered guidance on priorities. Pending conclusions to these wider discussions, various transitional "autonomous measures" allowing trade on preferential terms were, with a few adjustments, renewed for 6 months, with effect from 31 December 1995.

Agrimoney

7. In accordance with the Council's decision in December 1994, the switchover mechanism was abolished on 1 February 1995. The first half of 1995 saw sharp currency movements between EU currencies, some strengthening appreciably and others, including sterling, falling back. It was agreed that the green rate revaluations which would have occurred in appreciating currency countries would have generated unacceptable budgetary expenditure on compensation under the agrimonetary arrangements agreed at the end of 1994. They were accordingly deferred until after the system was adjusted as part of the CAP prices settlement in June so as to respect budgetary limits. These delays, combined with sterling's depreciation, resulted in a number of devaluations of the green pound. These had the cumulative effect of increasing CAP support prices in the UK by 8.5 per cent in 1995.

GATT

8. The majority of the agricultural commitments included in the EU's Uruguay Round settlement took effect from 1 July 1995. Detailed implementation measures are now in place in most agricultural sectors. These include quota management procedures for the new access commitments and monitoring arrangements for subsidised exports so as to keep their volumes within the agreed limits. Where necessary, safeguard measures have also been agreed within the rules included in the Uruguay Round Agreement on Agriculture and based on the volumes and prices already notified by the Community to the World Trade Organisation.

9. Negotiations with principal trading partners on the amalgamation of the Uruguay Round commitments of the EU-12 with those of Sweden, Finland and Austria were successfully concluded in December. These arrangements were agreed as a part of negotiations under Article XXIV.6 of the GATT, along with a package of measures to compensate for higher import charges in the three new Member States due to their adoption of the EU Common Customs Tariff. These negotiations also resulted in the settlement of disputes between the EU and two of its trading partners (Canada and the US) about the EU's import arrangements for cereals and rice which were introduced following the Uruguay Round settlement.

Set-aside

10. The June Agriculture Council adopted a regulation enabling farmers who remove eligible arable land from production and enter it into forestry or agri-environmental schemes to count the land against their set-aside obligations under the Arable Area Payments Scheme (AAPS), provided it meets the normal eligibility rules under the Scheme. In England the measures which currently benefit include the Farm Woodland Premium Scheme, some elements of the Habitat and Nitrate Sensitive Areas Schemes and certain options under Countryside Stewardship (eg reed beds) that involve no agricultural production. In Scotland and Northern Ireland, the Farm Woodland Premium Scheme and the Habitats Schemes benefit from this new measure.

11. The September Agriculture Council agreed to cut the set-aside rate for the 1995/96 cropping year to 10 per cent for both rotational set-aside (down from 12 per cent) and flexible set-aside (down from 15 per cent). Changes in the rules for calculating penalty set-aside were agreed in November. The new rules allow for 85 per cent of voluntary set-aside to be deducted from any overshoot of the base area before calculating the amount of penalty set-aside. This provision was retroactive to crop year 1994/95 provided Member States with base area overshoots could provide the necessary information on the area of voluntary set-aside in 1995. The regulation also allows the Commission to grant a reduction in penalty set-aside in cases where the base area has been exceeded as a result of exceptional weather conditions.

12. The option for farmers to enter land into guaranteed set-aside was abolished except where the land is entered into the Countryside Access Scheme or is planted to a bio-mass crop for which a planting grant has been paid.

Oilseeds

13. The total area of oilseeds grown in the EU on which payments were made fell in 1995 to below the Maximum Guaranteed Area. No reduction in the area payments was necessary under the terms of the EC/US Oilseeds Agreement in respect of the 1995 crop. In addition, there was no carry-over of penalties from the previous year. Oilseeds area payments were reduced by 4 per cent to account for high oilseeds market prices.

14. Under the EC/US Oilseeds Agreement the EU must take corrective action if the quantity of meal produced from oilseeds grown primarily for non-food purposes exceeds one million tonnes. The limit was not exceeded in 1995. New monitoring arrangements for industrial oilseeds grown on set-aside land have been introduced, to take effect in 1996. Discussions on the form the corrective action should take, if it is ever needed, continued into the new year.

Animal welfare

15. A major step forward was the adoption, by the June 1995 Council of Ministers, of Directive 95/29 on the welfare of animals in transit. This sets maximum journey times and feeding and watering intervals for the various species of livestock along with tough new enforcement measures, including a system of licensing for transporters of livestock. Member States are required to implement these provisions by 31 December 1996. The UK is now working, domestically and in liaison with other Member States, to establish a system which applies the necessary standards. A consultation document was issued in October 1995. Notwithstanding these developments, the main cross-Channel ferry companies maintained their ban on the carriage of food animals to the continent: at the year-end a RO/RO service operating out of Dover exclusively dedicated to exporting livestock was the only export route available for food animals.

16. The next major farm animal welfare issue for negotiation in Brussels is the review of the EU measure on the welfare of calves. This is important for the UK: a primary factor underlying the concern of animal welfare groups in this country about live exports is the knowledge that calves can be reared on the Continent in the veal crate system which the UK prohibited from 1990. The Government persuaded the Commission to bring its proposals for updating the 1991 EU requirements forward to the Council in advance of the 1997 deadline. At the year-end, the Commission's proposals were about to emerge, signalling the start of a negotiation in which the UK will press for EU-wide measures paralleling our own ban on the veal crate.

United Kingdom developments

Arable Area Payments

17. A total of 62,937 claims for arable area payments in respect of 4,451,926 hectares were received in the UK. The separate English maize base area was again overshoot in 1995, but an offsetting undershoot of the "other crops" base area meant that no penalties were imposed. The Scottish non-LFA base area was overshoot by 3.7 per cent in 1995, but changes to the method for calculating penalty set-aside (see paragraph 11 above) meant that farmers will only have to set aside an additional 1.1 per cent of claimed land in 1996. A number of changes to the AAPS were implemented during 1995. Land which was under certain multi-annual crops on 31 December 1991 is now eligible. There is also additional flexibility for land eligible for

arable area payments to be switched within yield regions with ineligible land where farmers are obliged to make changes for phytosanitary, agronomic or environmental reasons. Eligible land lost due to compulsory purchase may also be replaced by currently ineligible land.

Alternative crops

18. Responses to the 1994 MAFF consultation document *Alternative Crops, New Markets* covering England and Wales strongly supported the principles which it set out and also the proposed Government action. In the light of this endorsement, MAFF's Alternative Crops Unit published a strategy document *Crops for Industry and Energy* in July 1995, together with information leaflets on Government-funded R&D on alternative crops and schemes which may be suitable to provide financial assistance.

19. The Alternative Crops Unit is taking forward the action set out in the strategy document, for example by maintaining databases, disseminating information and organising a targeted programme of seminars and workshops to encourage collaboration on new developments. The first of these, addressing industrial markets for oilseeds, took place in June 1995, and more are planned for 1996. MAFF's funding on research into alternative crops rose to £1.2 million in 1995/96 and covers the whole range; energy crops such as short rotation coppice and miscanthus, as well as fibre crops and oilseeds.

Livestock quotas

20. During 1995, further modifications were made to the rules governing livestock quotas: producer groups in the sheep sector were granted greater flexibility to transfer quota within the group and the usage rules for quota were standardised for all producers. Following a High Court ruling, the Government announced its intention to re-assess applications for 'developers' quota from the 1993 national reserve using new guidelines and to compensate those adversely affected. Allocations from the 1994 national reserve were completed and second trading periods for 1994 were opened. At the end of the year, applications were invited for allocations from the 1995 national reserves.

Livestock premiums

21. Simplification of the Hill Livestock Compensatory Allowances (HLCA) scheme has resulted in the alignment of HLCA's for sheep with the Sheep Annual Premium Scheme (SAPS) and HLCA's for cattle with the Suckler Cow Premium Scheme (SCPS). Joint SAPS/HLCA (sheep) and SCPS/HLCA (cattle) claim forms have been produced, thereby reducing the burden of form-filling on farmers. For the 1996 SAPS, a move to a single retention period has been made in order to remove the risk of fraud inherent in operating two retention periods as in previous years.

Beef Special Premium Scheme

22. Following an agreement in the 1995 agricultural prices settlement, advance payments for the 1995 Beef Special Premium began on 16 October (18 October in Scotland), rather than the usual date of 1 November. Payments were made at up to 80 per cent of the full rate, compared to the 60 per cent of previous years. Claims exceeded the regional ceiling by nearly 8 per cent in England and Wales in 1994. However, it is unlikely that 1995 claims will be scaled back. In Scotland, 1994 claims exceeded the regional ceiling by 27 per cent, but are likely to be scaled back by less than 20 per cent in 1995. In Northern Ireland, 1994 claims exceeded the ceiling by

almost 6 per cent and 1995 claims are likely to be scaled back by about 12 per cent.

Veal

23. There was action on several fronts to support the development of the UK market for welfare friendly veal. MAFF held an important industry seminar on the subject in February. It also began funding a demonstration project into veal production to show the best practices for producing veal under welfare friendly systems and to provide economic data. MAFF also supported various initiatives aimed at encouraging greater use of welfare friendly veal by caterers.

Milk and milk marketing

24. The House of Commons Select Committee on Agriculture conducted a brief inquiry into the trading of milk quota and concluded in July that there was no evidence to support claims that the quota market was being manipulated by speculators. The Committee began a wider review of the UK dairy industry and the CAP dairy regime in October.

25. The Milk Development Council for Great Britain was established on 7 February. Through a statutory levy on all milk producers, it funds various activities previously carried out by the Milk Marketing Boards, including R&D, livestock improvement, the collation of industry statistics and the provision of market information. Deregulation of the marketing arrangements for milk in the UK was completed on 1 March by the revocation of the Northern Ireland Milk Marketing Scheme.

26. New regulations on milk and dairy hygiene came into effect in May. These implement the EC Milk Hygiene Directive (92/46) and replaced most of the existing domestic milk and dairy hygiene legislation.

Potato marketing

27. On 12 December, an Order enabling Ministers to end the Potato Marketing Scheme on 30 June 1997, as previously announced, was laid before Parliament for approval. In August, Ministers announced the continuation of the Scottish Seed Development Council for a further 2 year period.

Meat and Livestock Commission

28. Ministers appointed or reappointed a total of twelve Meat and Livestock Commissioners including, for the first time, one drawn from organisations representing auctioneers. The Meat and Livestock Commission introduced revised levy arrangements to resolve the dispute with exporters over the payment of levy on live animal exports.

Deregulation

29. Within the Agriculture Departments, deregulation is a firmly established and integral part of all aspects of policy and its implementation. Each has a Deregulation Unit which monitors activity throughout the department and advises on the preparation of Compliance Cost Assessments for all proposed legislation which could create burdens for business. Increasingly, risk assessment techniques are being introduced to reduce burdens to the minimum consistent with achieving essential protection.

30. Many regulations have been identified for removal or modification. Significant action has already been taken in the areas of milk marketing, potato marketing and agricultural tenancies. The Order-making power in the Deregulation and Contracting Out Act 1994 is being used to make

further deregulatory changes, while plans are well advanced for an Order-in-Council to bring Northern Ireland into line. The Government aims to promote a deregulatory approach in Europe and is promoting the removal or modification of unnecessary or burdensome EC rules wherever possible.

Marketing Initiatives

31. The UK's marketing competitiveness has remained a priority, and the Ministry's programme of activities was pursued with vigour. The Initiative on Food Marketing, led by Sir David Naish, continued its work with help from MAFF, including the commissioning of research reports into producer collaboration and food industry investment. Michael Jack's initiative on horticulture, launched in Autumn 1993, identified key areas for further attention to contribute to the successes in the sector. These areas included the development of business skills, market intelligence, promotional activity and export promotion. Michael Paske, a leading producer and grower, was seconded to the Ministry to help with the promotion of horticulture exports. MAFF's Market Task Force continued with its programme of seminars designed to identify key issues and spread best practice, and these once again involved key industry players. Subjects covered included collaboration in the marketing chain for pigmeat and other red meat, veal and cross sectoral events to promote marketing best practice.

32. The Marketing Development Scheme, which aims to encourage a more market-orientated industry, has proved increasingly popular. Around 163 applications from across the agri-food and horticulture sectors were submitted in 1995; of these, 94 were approved, representing £5.1 million of grant commitment. In Scotland, 28 applications were submitted and 22 were approved, representing £0.8 million of grant commitment. In Northern Ireland, since the Marketing Development Scheme opened in March 1995, 12 applications have been received, of which 6 have been approved, representing a grant commitment of £0.2 million. The EU Processing and Marketing Grant, designed to improve facilities for the processing and marketing of agricultural products, contributes towards capital investment projects throughout the industry. In 1995, awards totalling over £20 million towards some 90 projects throughout the UK were announced. The withdrawal of this Scheme in England after 31 March 1996 was announced in November, following a recommendation of MAFF's Fundamental Expenditure Review.

Plant breeders' rights and farm saved seed

33. Community Regulation 2100/94 provides the framework for the European Community's plant variety rights system which became operational in June 1995. The regulation allows plant breeders to obtain EC-wide protection for their new varieties via a single application to a new Community Plant Variety Office, rather than, as previously, obtaining protection individually in all the Member States in which it is required. The EC system is also the first to follow the most recent (1991) revision, of the Convention of the International Union for the Protection of New Varieties of Plants.

34. Notably, the EC regulation derogates from the breeders rights over farm saved seed as set out in the 1991 Convention in respect of the main agricultural crops. For protected varieties of such crops no small farmer (as described in set-aside rules, plus some others) will pay any royalty on farm

saved seed; for varieties of which farmers have already saved seed prior to September 1994, no royalty will be payable until at least 2001. In addition, royalties charged on eligible crops must be set sensibly lower than those which apply to certified seed.

Agricultural tenancies

35. The Agricultural Tenancies Act 1995 came into force on 1 September. The new legislation provides for a new category of letting in England and Wales - Farm Business Tenancies - and is designed to encourage more letting of agricultural land and increase the opportunities for new entrants. The Act simplifies the legal framework for new tenancies and gives parties greater freedom to negotiate agreements which suit their own particular needs and circumstances, with increased scope for diversification in a single tenancy agreement. In Scotland, there is separate agricultural holdings legislation and the need for reform is not perceived to be so pressing, partly because some flexibility is already available through the operation of limited partnerships under Scottish law. In Northern Ireland virtually all agricultural land is owner-occupied.

Objective 1 of the EC Structural funds

36. The aim of EU Objective 1 is to assist the structural development and adjustment of regions whose development is lagging behind. Three regions of the UK - the Highlands and Islands of Scotland, Northern Ireland and Merseyside - fall into this category, but only the first two are significant in an agricultural context. In Scotland, the Highlands and Islands Agricultural Programme will provide assistance amounting to over £23 million (1994-99) to farmers and crofters in the area for agricultural business improvements, marketing and crofting township developments. In Northern Ireland, just over £43 million was spent in 1995 on measures funded under Objective 1. Examples include headage payments, grants for marketing and processing in the agri-food and fisheries sectors, Human Resource Development and Research and Development, actions to improve competitiveness, to safeguard and improve the environment, to encourage farm diversification, to further rural development and to assist the fishing industry.

Objective 5b of the EC Structural funds

37. The aim of Objective 5b is to promote the development of rural areas (not already designated as Objective 1 areas) by supporting such activities as provision of business advice, infrastructure development, diversification, marketing development and environmental measures. Eleven areas in Great Britain (four of them in Scotland) have been given Objective 5b designations for the period 1994-99, largely on the basis of low GDP, high proportion of employment dependent on agriculture, low level of agricultural income and low population density. Regional Development Programmes for each Objective 5b area, drawn up by a partnerships of central and local Government and local groups and organisations, were approved by the European Commission towards the end of 1994 and early in 1995. A number of projects have now been funded under these programmes.

Rural White Paper

38. The Rural White Paper, *Rural England: A Nation Committed to a Living Countryside*, was published on 17 October. It was the first ever comprehensive review of rural policy by Government. *Rural England* sets out coherent objectives for the countryside and a range of actions in support of them. It also covers a large number of initiatives aimed at improving the

quality of rural life and the rural environment. The White Paper was produced jointly by MAFF and the Department of the Environment with input from other Government Departments whose policies impinge on the English countryside. There will be a progress report during 1996.

39. *Rural Scotland: People, Prosperity and Partnership*, published in December, sets out the Government's policies for the rural communities of Scotland. In it, the Secretary of State for Scotland sets out plans for a new Scottish Rural Partnership system, based on local partnerships, supported by a national group and resourced through a partnership fund. On 1 September 1995, the Secretary of State for Wales announced that he would publish a White Paper which would provide a comprehensive statement of policy reflecting the particular circumstances of rural Wales. This White Paper will be published early in 1996. The Government is currently considering the question of a White Paper for Northern Ireland.

BSE

40. During the year, the number of suspected cases of Bovine Spongiform Encephalopathy continued to decline. By the end of the year, the level of new cases was at its lowest for five years, with the number of cases in 1995 about 40 per cent down on 1994. There is a continued decrease in incidence of BSE in 5 year old and younger animals, and, for the first time, a decrease in the incidence of 6 year old animals. All these changes are attributable to the ban on feeding ruminant protein to ruminant animals which was introduced in 1988.

41. On 1 April a requirement for all specified bovine offal (SBO) to be stained with Patent Blue V to distinguish it from other material which is also unfit for human consumption, but which can be included in non-ruminant feedingstuffs, was introduced. This requirement was later embodied in the new Specified Bovine Offal Order 1995, which came into effect on 15 August and was aimed at reducing to an absolute minimum the risk of cattle contracting BSE via contaminated feed. This Order consolidated legislation which had been previously spread over six statutory instruments and introduced a number of new measures to strengthen the controls. Unannounced visits made by the State Veterinary Service to slaughterhouses found a few rare cases in which small parts of the spinal cord (an SBO) were not removed properly from some carcasses. In December, on the advice of the Government's independent Spongiform Encephalopathy Advisory Committee, the SBO Order was amended, as a precautionary measure, to prohibit the use of the bovine vertebral column, to which the spinal cord is attached, in the production of mechanically recovered meat (MRM) and other products.

42. In July, on the advice of the EC Scientific Veterinary Committee, the Commission replaced the cut-off date permitting the meat from cattle slaughtered in the UK and born after 1 January 1992 to be exported without further restrictions, with a requirement for the animals to be aged less than 2½ years at slaughter. At the same time, the Commission also introduced a requirement for the UK to test for the presence of protein in animal feed. The test was introduced in February 1996.

Environmental developments

Key developments

43. The Government's annual report on the environment, the White Paper *This Common Inheritance*, provides full information on progress under commitments to action on the environment in 1995. The Agriculture Departments' key achievements in this field were publication of the Rural White Papers (see paragraphs 37 and 38 above), gaining EC agreement that land withdrawn from agricultural production under forestry or agri-environment schemes could count towards a farmer's set-aside obligation and obtaining an extra £10m for the Countryside Stewardship Scheme.

Agri-Environment

44. In May, a consultation document was issued in England setting out proposals for the future development of Countryside Stewardship and ways in which all environmental land management schemes in England could be better integrated and focused. Around 100 replies to the consultation were received, almost all of which were broadly supportive of the ideas set out in the document. As a result, the Government announced, in the English Rural White Paper, that Countryside Stewardship would continue to grow as the Government's main incentive scheme for the wider countryside outside Environmentally Sensitive Areas (ESAs) in England. The Countryside Stewardship Scheme will transfer from the Countryside Commission to MAFF in April 1996 and will re-open to new applicants. As part of the 1995 Public Expenditure Survey, an extra £5m will be available for new agreements in 1996 and a further £5m for additional agreements in 1997. A consultation document on the scheme was issued in December, which announced the Ministry's intention to expand the scheme to cover stone walls, banks and ditches and old meadows and pastures throughout lowland England and to introduce new measures for arable field margins.

45. The Rural White Paper also announced the setting up of a National Agri-Environment Steering Group to advise MAFF and DoE Ministers on the objectives, targeting and monitoring of agri-environment schemes, as well as the creation of a wider National Forum for consultation on English agri-environment issues with a range of interested bodies. The Scottish Rural White Paper announced the Government's intention to consult on proposals being developed to provide the framework for a comprehensive and integrated conservation scheme which would also contribute to the rationalisation of the agri-environment programme.

46. Details of the individual agri-environment schemes run by Agriculture Departments are set out below. All of the schemes are part-funded by the European Community.

Moorland Scheme

47. The Moorland Schemes, which form part of the UK's agri-environment programmes, were launched in England and Scotland on 28 March, in Wales on 1 May and in Northern Ireland on 10 July. They provide farmers with the opportunity to protect and improve heather moorland (and also grass moorland in Wales), by improving its management and by adopting more extensive sheep farming systems.

48. In England, eligible farmers must enter at least 20 hectares of heather moorland into the Moorland Scheme. Successful applicants must agree to

reduce their sheep numbers, by at least 10 animals, to specified stocking densities for all livestock for a five year period. In Wales, the minimum area that can be entered is 10 hectares of grass or heather moorland. In Scotland, the Scheme is open to any farmer or crofter who has at least 20 hectares of heather moorland provided they have a stocking density at or above 0.15 livestock units per hectare on their moorland and the moorland is not in an ESA. Participants must agree to reduce their stocking density, by at least 10 sheep, to 0.15 livestock units for a five year period. Reductions below this level may be possible where it is considered desirable in environmental terms. In addition, all the schemes require participants to agree to a management plan, designed to improve the moorland vegetation and retain the character of the upland landscape. By the end of the year, 6,358 hectares of moorland had been entered into the Schemes in the UK.

ESAs

48. By late 1995 some 14,000 farmers in England, Scotland, Wales and Northern Ireland had signed or applied for ESA management agreements covering an area of over 1,000,000 hectares. Payments covering management agreements and associated conservation plans (which cover capital works) in ESAs are expected to total some £37 million in 1995/96 for the UK.

NSAs

49. In July 1995 the Nitrate Sensitive Areas (NSA) Scheme in England was extended to include the 10 original pilot areas, thereby creating a unified scheme covering 32 NSAs. In addition, following EC agreement of a link between set-aside and the agri-environment and forestry schemes, a new NSA set-aside option was introduced during the year. Farmers who convert arable land to extensive grassland under this option may count it towards their set-aside obligation under the Arable Area Payments Scheme. The second application round for the NSA Scheme attracted applications for a further 2,850 hectares in the first 22 areas and 4,110 hectares in the 10 former pilot areas, raising the total area of land subject to NSA undertakings to over 20,000 hectares. The remaining pilot scheme agreements expire in May 1996, thus providing the opportunity for that land to be entered into the unified scheme.

Organic aid

50. The Organic Aid Scheme for England (launched in July 1994) continued to be open for applications throughout the year. Some 3,700 hectares of land have already been placed into organic conversion under this Scheme. Payments in 1995/96 are expected to total £270,000. The Scheme is being kept under review and methods of encouraging uptake are being pursued.

51. Parallel aid schemes have been introduced in Scotland, Wales and Northern Ireland. Total uptake in these countries has been 16,500 hectares. Total expenditure for the UK is expected to be around £330,000 for 1995/96, of which £54,000 is expected in Scotland.

52. The aid schemes are additional to other Government help for the organic sector which covers the development of regulatory standards, marketing initiatives and a research programme worth about £1 million a year.

Habitat Schemes

53. By the end of 1995, around 350 farmers had entered or applied to enter around 5,700 ha of land into the four UK Habitat Schemes. Following EC agreement that land withdrawn from agricultural production under agri-environment measures can count as set-aside, a new payment rate was announced in August for farmers participating in the saltmarsh option of the English Habitat Scheme who wish to take advantage of this link. The possible effects of the link on the Scottish Habitats Scheme are currently under consideration. During the autumn an initial review of Habitat Scheme payment levels in England was carried out and its conclusions are expected to be implemented in spring 1996.

The Countryside Access Scheme

54. 80 agreements were entered into in the first year's operation of the scheme in 1994/95. For 1995/96, around 50 applications have been received. Ways of improving uptake to date are under consideration.

Farm Woodland Premium Scheme

55. The Farm Woodland Premium Scheme (FWPS) offers farmers planting new woodlands annual payments over 10 or 15 years. It is part funded by the Community. For the UK as a whole, in the period 1 April 1992 (when the Scheme opened) to 30 September 1995, some 4,200 applications were approved to convert over 27,000 hectares, an average of 6.5 hectares per application. This comprises 31 per cent arable land, 40 per cent improved grassland and 29 per cent unimproved grassland. Nearly three quarters of planting is of broadleaves. A review of the Farm Woodland Premium Scheme (FWPS) commenced in November to evaluate its effectiveness in meeting their objectives and to examine the efficiency of its administration. The results will help to decide whether any changes are necessary to the scheme and to payment rates.

NVZs

56. In May, the Government published its response to comments received on its proposals for nitrate vulnerable zones in England and Wales. Such zones are required by the EC Nitrate Directive, which aims to reduce nitrate pollution from agriculture and prevent further pollution. The number of Nitrate Vulnerable Zones (NVZs) proposed in England and Wales was 70, covering about 600,000 hectares. An independent review panel under the chairmanship of Mr T Etherton, QC met from August to consider any further submissions against these proposals. The panel's report was published on 31 October. Ministers have in general endorsed the panel's findings and work is now under way to adjust the zones accordingly. Proposals for measures to apply in NVZs were issued for consultation on 30 November. The measures, which are based on good agricultural practice, will take effect in the designated zones at a time to be agreed by Member States between 1996 and 1999. The measures will cover the timing and quantity of applications of inorganic fertiliser and organic manure and farmers will be required to keep records of such applications. Outside NVZs the MAFF/WOAD Code of Good Agricultural Practice for the Protection of Water will apply on a voluntary basis.

Free pollution advice and plans

57. Free advice on minimising pollution continued to be offered to farmers in 1994/95 by the Agriculture Departments. In England and Wales ADAS made visits to farmers (3,000 in England and 900 in Wales in 1994/95; the same number is expected in 1995/96) providing either free anti-pollution advice or free assistance in the preparation of a farm waste management

plan. The farm waste management plan campaigns targeting livestock farmers in selected river catchments in England and Wales continued in 1994/95. In the seven campaigns in England an encouraging 49 per cent of eligible farmers took up the offer of free consultant help in drawing up their plans; the comparable figure for the two campaigns in Wales was 52 per cent. A new campaign in seven further catchments in England and two more in Wales began in October. In Scotland, Scottish Agricultural College staff made almost 600 free farm and site visits to assess pollution risk on behalf of SOAEFD. SAC staff also participated in a number of pollution control demonstrations and meetings on pollution control and prevention. In Northern Ireland there were 1,900 consultations with farmers on pollution, including 900 farmers in targeted river catchments who received advice on the reduction of their pollution risk. A pilot farm waste management plan scheme involving 91 farmers continued during 1995.

Free conservation advice

58. The Agriculture Departments have continued to fund advice to farmers on the conservation of wildlife habitats and valued landscape features. In 1994/95 over 4,900 visits made to farmers by ADAS and the Farming and Wildlife Advisory Group (FWAG) were either wholly or partly funded by MAFF. Over 1,200 visits were made in Wales by organisations participating in the Countryside and Agricultural Information Service (CAIS) in 1995. The Department of Agriculture for Northern Ireland made 1,850 visits in 1994/95. In Scotland conservation advice to farmers is provided by the advisory services of the SAC and by the staff of FWAG Scotland.

Flood defence and coast protection

59. In May, MAFF published a research and development implementation strategy. This built on the recommendations in the 1992 report of the Advisory Committee on Flood and Coastal Defence Research and Development and the 1993 Strategy for Flood and Coastal Defence in England and Wales. In June, MAFF published definitive guidance on the preparation of shoreline management plans by coastal defence authorities. The production of such plans is intended to strengthen coastal defence policy by ensuring that a strategic approach is taken so that the potential effects elsewhere on the coast are addressed and also by fostering closer partnerships between the authorities involved in coastal issues.

4 Output prices and input costs

Price indices (Table 4.1)

1. Table 4.1 shows price indices for agricultural products and inputs and Chart 4.1 portrays the main changes over recent years. Between 1994 and 1995 the price of agricultural outputs rose by 8.7 per cent and the price of inputs rose by 3.4 per cent (see table 4.1). The price of crop products increased by 12.9 per cent driven by high potato prices for the year (affecting both the root crops and seeds) and the price of animals and animal products increased by 6.2 per cent. It should be noted that these indices are constructed using fixed annual weights (relating to 1990) and reflect observed market prices (and hence do not take account of direct subsidy payments). In contrast, the price changes presented in Table 6.3, derived from the aggregate accounts, are based on current sales information and cover subsidy payments. For these reasons the price movements presented here and in Section 6 differ.

TABLE 4.1 Price indices for products and inputs

Indices: 1990=100		Annual average figures for calendar years				
	Average of 1984-86	1991	1992	1993	1994	1995 (final)
Producer prices for agricultural products (a)	91.2	99.2	100.9	105.4	106.1	115.4
of which:						
Crop products:	96.2	101.1	96.7	96.2	98.2	110.9
Cereals	103.9	105.8	108.1	111.5	97.2	103.1
Root crops	85.7	99.5	86.0	80.6	121.7	177.1
Fresh Vegetables	87.6	99.1	90.5	97.4	101.7	108.1
Fresh fruit	86.1	104.5	100.5	87.5	87.1	95.8
Seeds	95.0	99.1	98.6	90.6	101.9	130.5
Flowers and plants	88.2	97.1	99.3	97.9	104.4	107.2
Other crop products	107.4	91.3	73.7	60.3	62.0	61.7
Animals and animal products:	88.3	97.9	103.8	111.7	111.5	118.5
Animals and animal products:	92.0	94.9	102.1	111.8	109.1	112.6
Milk	81.4	104.6	109.6	114.6	117.6	132.3
Eggs	92.0	87.5	86.2	98.8	99.4	89.9
Other animal products	104.5	91.4	86.4	72.2	92.1	116.9
Prices of agricultural inputs:	85.7	103.9	107.2	112.0	112.8	116.7
of which:						
Currently consumed in agriculture	87.5	103.6	106.8	111.9	112.1	115.9
Animal feedingstuffs	89.8	101.7	104.7	112.3	109.0	110.0
Seeds	98.4	102.5	111.4	119.0	114.1	133.5
Animals for rearing and production	85.8	93.9	100.6	125.0	125.0	125.0
Fertilisers and soil improvers	101.2	96.6	91.1	85.6	91.0	101.9
Plant protection products	79.1	110.3	114.0	116.3	121.2	117.4
Maintenance and repair of plant and machinery	74.2	110.6	119.0	126.2	129.0	132.2
Energy, lubricants	100.6	104.3	105.9	109.2	108.3	111.5
Maintenance	77.1	103.1	104.0	106.9	112.0	119.2
Veterinary services	82.8	104.3	108.3	113.4	116.1	123.0
Materials and small tools	76.5	107.1	110.7	114.0	118.6	124.1
General expenses	75.7	107.1	114.4	121.8	123.8	127.0
Contributing to agricultural investment (b)	76.9	105.7	109.4	113.1	117.1	121.3
Hired labour costs per hour (c)	70.8	109.1	114.6	118.3	121.3	125.7

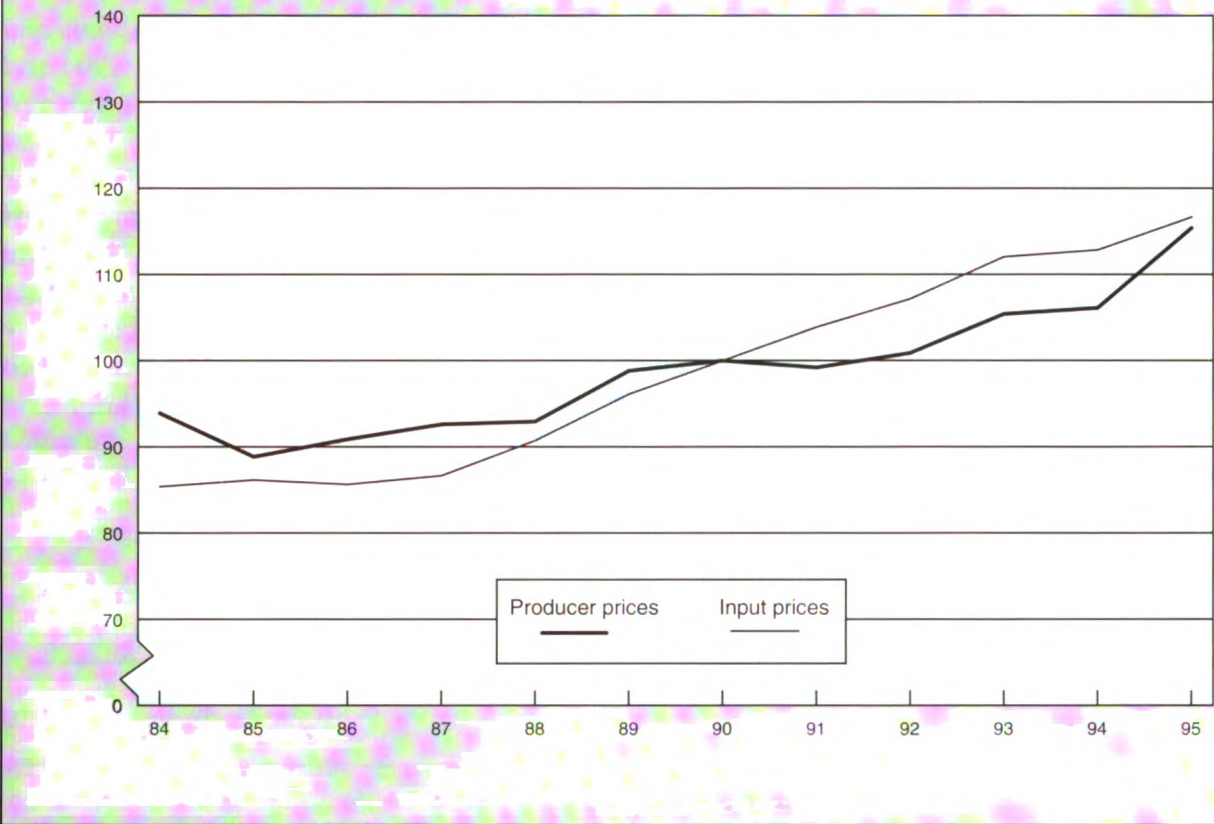
(a) These indices reflect prices received by producers but exclude direct subsidies.

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

(c) Regular whole-time workers aged 20 years and over.

CHART 4.1 Price indices for products and inputs

1990=100



5 Commodities

Introduction

1. This section reports on the major agricultural commodities produced in the UK. It is divided into parts, each covering a broad commodity group, to assist reference to the tables. The tables follow a common format, generally having separate blocks on the following topics:

(i) Area and yield (for crops) or populations, marketings and slaughter weights (for livestock), leading to an estimate of production. To give the quantity of output (sales), allowance is made for direct on-farm use (on own or other farm but without passing through merchants or millers etc) and for the change in the volume of stocks held by farmers. Multiplication of this by a producer price or average realised return (allowing in some cases for market-support related premia and levies and marketing expenses), and addition (when appropriate) of other receipts, gives the value of output of each commodity. It should however be noted that these valuations are based on sales within the calendar year and not on the quantities produced within the year (for sale in that or subsequent years). Information on a crop year basis is given for wheat and barley, in the footnotes to Table 5.1 and 5.2 respectively. To help readers to estimate the magnitude of each commodity sector on the alternative 'production for sale' basis, Table 6.9 provides details of the value of the changes in on-farm stocks and work-in-progress (and Table 6.8 does the same for livestock capital formation). In the case of input stocks this allows estimation of the value of the usage of (purchased) inputs within the year as well as of expenditure on them. The valuations of each commodity are combined in Table 6.1 in the calculation of the industry's total output and gross and net product and hence in the estimation of incomes from farming.

(ii) The sources of the 'total new supplies' and, in some cases, of their various uses. Total new supply is defined as production plus imports less exports. This total new supply may be augmented (or reduced) by a decrease (or increase) in stocks. The result after allowing for these changes is described as 'total domestic uses': for the major cereals and milk the most important uses are identified separately.

(iii) Home production as a percentage of total new supply and, in some cases, the level of closing stocks.

2. Following the completion of the European Single Market at the end of 1992 a new system, called Intrastat, was introduced for the collection of intra-EC trade statistics. While this new system was settling down there

were delays in the availability of intra-EC trade figures and loss of data quality. In addition since the data for 1995 remain incomplete and provisional, the estimates of trade for 1995 presented in this section should be treated with considerable caution. For some commodities, sources other than Intrastat have been used where these are felt to be more reliable.

Cereals

Cereals

(Tables 5.1-5.6)

3. During 1995, the total area planted to cereals increased slightly, largely as a result of a 3 per cent reduction in the set-aside rate. Within that total, the area planted to wheat increased by 2.5 per cent while the long decline in the barley area was at last halted by an increase of 8 per cent. At 21.8 million tonnes, total cereals production is provisionally estimated to show an increase of about 9.5 per cent owing, not only to the increase in planted area, but also to the favourable growing and harvesting conditions experienced throughout much of the country which resulted in increased average yields. Despite some regional variations, the quality of both wheat and barley crops was generally reported to be good.

4. Despite a further small cut in cereal support prices with effect from 1 July 1995, average ex-farm prices for breadmaking, milling and feed wheat and for malting and feed barley were higher than those experienced during the same period the previous year. The differential was particularly marked during the latter half of the year as poor harvests in various parts of the world led to a tightening of the world supply situation and a strengthening of EU and world grain prices generally.

TABLE 5.1 Wheat

'000 tonnes (unless otherwise specified)						Calendar years
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Area, yield, production and output						
Area ('000 hectares)	1,946	1,980	2,067	1,759	1,811	1,858
Yield (tonnes/hectare)	7.01	7.25	6.82	7.33	7.35	7.66
Production	13,639	14,362	14,095	12,890	13,314	14,227
Direct use on farms	892	1,049	1,101	1,025	1,118	1,094
Increase in farmers' stocks	212	147	127	745	-556	32
Output	12,535	13,166	12,867	11,120	12,752	13,100
Average realised price (£/tonne)	112.8	117.0	120.9	124.5	108.3	116.4
Total realised return (£ million)	1,414	1,540	1,555	1,384	1,381	1,525
Other receipts (£ million) (a)	-	-	-	233	336	479
Value of output (£ million)	1,415	1,540	1,555	1,617	1,718	2,005
Supply and utilisation						
Production	13,638	14,362	14,095	12,890	13,314	14,227
Imports from : the Fourteen	672	479	982	1,316	873	575
the rest of the world	810	264	294	174	224	220
Exports to : the Fourteen	1,784	3,003	2,775	2,122	2,395	2,159
the rest of the world	914	1,020	1,200	1,515	954	885
Total new supply	12,422	11,082	11,396	10,743	11,062	11,978
Increase in farm and other stocks	1,336	402	673	-272	-782	249
Total domestic uses	11,086	10,680	10,723	11,015	11,844	11,729
of which : flour milling	4,758	4,830	4,952	5,162	5,166	5,157
animal feed	5,403	4,519	4,505	4,675	5,443	5,310
seed	343	356	311	312	322	326
other uses and waste	582	975	955	868	913	936
Production as % of total new supply						
for use in UK	110	130	124	120	120	119
% of home grown wheat in milling grist	72.7	87.4	83.2	71.8	77.1	85.8

(a) Includes Arable Area Payments but excludes Set-Aside Payments.

(b) Crop Year data is given below.

Wheat (Crop Years: July-June)

'000 tonnes (unless otherwise specified)					Crop years: July-June
	1991/92	1992/93	1993/94	1994/95	
Production and output					
Production	14,362	14,095	12,890	13,314	
Direct use on farms	1,008	1,073	1,124	1,080	
Increase in farmers' stocks	39	-49	-37	-78	
Output	13,315	13,071	11,803	12,312	
Average realised price (£/tonne)	116	129	107	113	
Total realised return (£ million)	1,549	1,689	1,264	1,386	
Other receipts (£ million) (a)	-	-	233	336	
Value of output (£ million)	1,549	1,689	1,497	1,722	

TABLE 5.2 Barley

'000 tonnes (unless otherwise specified)						Calendar years
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Area, yield, production and output						
Area ('000 hectares)	1,954	1,393	1,297	1,164	1,106	1,195
Yield (tonnes/hectare)	5.26	5.47	5.68	5.19	5.37	5.75
Production	10,273	7,625	7,365	6,038	5,945	6,874
Direct use on farms	2,796	2,417	2,290	2,093	2,096	2,213
Increase in farmers' stocks	-278	-120	74	-792	-179	280
Output	7,755	5,328	5,001	4,737	4,028	4,381
Average realised price (£/tonne)	108.4	111.9	116.2	121.8	114.2	120.5
Total realised return (£ million)	841	596	581	577	460	528
Other receipts (£ million) (a)	-	-	-	138	183	299
Value of output (£ million)	841	596	581	715	643	827
Supply and utilisation						
Production	10,273	7,625	7,365	6,038	5,945	6,874
Imports from : the Fourteen	174	199	240	220	149	112
the rest of the world	22	-	1	6	34	26
Exports to : the Fourteen	1,674	1,302	1,047	468	669	1,253
the rest of the world	1,990	672	753	548	701	529
Total new supply	6,804	5,850	5,806	5,248	4,758	5,230
Increase in farm and other stocks	-1	-229	-68	-108	-564	-417
Total domestic uses	6,805	6,079	5,874	5,356	5,322	5,647
of which : brewing/distilling	1,680	1,941	1,834	1,796	1,820	1,923
animal feed	4,637	3,804	3,712	3,282	3,207	3,413
seed	292	192	181	163	173	177
other uses and waste	196	142	147	115	122	134
Production as % of total new supply for use in UK	151	130	127	115	125	131

(a) Includes Arable Area Payments but excludes Set-Aside Payments.
(b) Crop Year data is given below.

Barley (Crop Years: July-June)

'000 tonnes (unless otherwise specified)					Crop years: July-June
	1991/92	1992/93	1993/94	1994/95	
Production and output					
Production	7,625	7,365	6,038	5,945	
Direct use on farms	2,289	2,240	2,075	2,109	
Increase in farmers' stocks	8	-40	35	-65	
Output	5,328	5,165	3,928	3,901	
Average realised price (£/tonne)	111	126	110	116	
Total realised return (£ million)	590	653	431	452	
Other receipts (£ million) (a)	-	-	138	183	
Value of output (£ million)	590	653	569	635	

TABLE 5.3 Oats

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Area, yield, production and output						
Area ('000 hectares)	112	103	100	92	109	112
Yield (tonnes/hectare)	4.87	5.06	5.02	5.21	5.48	5.46
Production	544	521	502	479	597	612
Direct use on farms	279	219	155	144	212	234
Increase in farmers' stocks	-1	-13	-58	16	33	-
Output	266	315	405	319	352	378
Average realised price (£/tonne)	107.8	105.8	115.1	128.7	105.1	102.4
Total realised return (£ million)	28	33	47	41	37	39
Other receipts (£ million) (a)	-	-	-	11	18	28
Value of output (£ million)	28	33	47	53	55	67
Supply and utilisation						
Production	544	521	502	479	597	612
Imports from: the Fourteen	22	7	5	6	5	2
the rest of the world	-	-	-	-	-	-
Exports to : the Fourteen	-	17	79	79	26	71
the rest of the world	-	-	-	-	-	-
Total new supply	566	511	428	406	576	543
Increase in farm and other stocks	-7	-14	-38	-7	87	13
Total domestic uses	573	525	466	413	489	530
of which : milling	152	215	226	205	208	216
animal feed	386	272	202	175	243	273
seed	21	22	19	16	22	22
other uses and waste	14	16	19	17	16	19
Production as % of total new supply for use in UK	96	102	117	118	104	113

(a) Includes Arable area payments but excludes set-aside payments.

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TABLE 5.4 Rye, Mixed Corn and Triticale

'000 tonnes (unless otherwise specified)						Calendar years
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Area, production and output (a)						
Area ('000 hectares)	14	23	23	16	16	18
Production	63	122	102	77	90	96
Total realised return (£ million)	3	4	4	4	4	4
Other receipts (£ million) (b)	-	-	-	2	4	5
Value of output (£ million)	3	4	4	7	8	9
Supply and utilisation						
Imports from (c) the Fourteen	12	11	10	8	9	9
the rest of the world	2	-	-	-	-	-
Exports to (c): the Fourteen	-	2	2	1	-	-
the rest of the world	-	-	-	-	-	-
Total new supply	77	131	110	84	99	105
Production as % of total new supply for use in UK	82	93	93	92	91	91

(a) Triticale has been included from 1989 onwards, with the production figure for 1989 being an estimate.
(b) Includes arable area payments but excludes set-aside payments.
(c) Relates only to rye and triticale.

TABLE 5.5 Maize

'000 tonnes						Calendar years
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Supply and utilisation						
Imports from: the Fourteen	1,114	1,174	1,423	1,233	1,376	1,376
the rest of the world	345	338	268	211	216	216
Exports to: the Fourteen	9	15	13	14	16	16
the rest of the world	-	-	-	-	-	-
Total new supply	1,450	1,497	1,678	1,430	1,576	1,576

TABLE 5.6 Total cereals

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Area, production and output						
Area ('000 hectares)	4,026	3,500	3,487	3,031	3,042	3,183
Production	24,519	22,630	22,064	19,484	19,946	21,809
Output	20,580	18,843	18,310	16,213	17,172	17,901
Supply and utilisation						
Imports from: the Fourteen	1,994	1,870	2,660	2,783	2,412	2,074
	1,179	602	563	391	474	462
Exports to: the rest of the world	3,468	4,339	3,916	2,684	3,106	3,499
	2,904	1,692	1,953	2,063	1,655	1,414
Total new supply	21,320	19,071	19,418	17,911	18,071	19,432
Increase in stocks	1,327	159	567	-387	-1,259	-155
Total domestic uses	19,993	18,912	18,851	18,298	19,330	19,587
Production as % of total new supply for use in UK	115	119	114	109	110	112
Stocks (of wheat, barley and oats) held at year end: by farmers (a)	3,588	10,060	10,205	11,175	9,473	10,219
	1,424	669	654	1,673	1,009	6
	1,241	3,385	3,822	1,446	2,544	3,158

(a) Stocks held by agricultural co-operatives have been included in processors' and traders' stocks for the years 1984-86 and in farmers' stocks from 1991.

(b) Recorded as all physical stocks held at the year end.

Other crops

Oilseed rape

(Table 5.7)

5. The total area of oilseed rape (including oilseed rape grown on set-aside land for non-food use) decreased from 496,000 hectares in 1994 to an estimated 437,000 hectares in 1995. This may have been in response to cuts in area payments in 1994 under the EC/US Oilseeds Agreement. The area of oilseeds grown on set-aside land for non-food use showed a slight decrease to around 85,000 hectares. Production in 1995, including that from set-aside, is forecast at 1.24 million tonnes, a decrease of 1 per cent from 1994.

Linseed

(Table 5.8)

6. The total area planted to linseed (including linseed grown on set-aside land for non-food use) decreased from 73,000 hectares in 1994 to just over 62,000 hectares in 1995. The sector is still settling down following uncertainties in the market situation in recent years. The area of linseed grown on set-aside land decreased from just under 15,000 hectares in 1994 to just below 8,000 hectares in 1995. Total production of linseed, including that from set-aside land, is forecast to have decreased from 92,000 tonnes in 1994 to 81,000 tonnes in 1995.

Sugar Beet and Sugar

(Table 5.9)

7. The 1995 harvested area was slightly larger than in 1994 at 196,000 hectares. The summer drought reduced the yield potential of the crop, and sugar production is therefore anticipated to be in the region of 1.25 million tonnes, compared with the UK quota of 1.14 million tonnes. Sugar produced over quota is exported from the Community without export refunds or carried forward to count against next year's quota.

Hops (Table 5.10)

8. Dry conditions in July and August, coupled with pest and disease problems, reduced yields, especially in the West Midlands. Crop area is down, owing to grubbing of alpha hops in the South East. Prices for alpha hops remain low and unprofitable, but there is a strong demand for aroma hops at prices which are profitable, encouraging growers in the West Midlands to plant on disease-free sites.

Peas and beans for stockfeed

(Table 5.11)

9. The area of dried peas grown for stockfeed fell from 62,900 hectares in 1994 to 60,000 hectares in 1995, and may be attributed in part to a fall in yields experienced the year before and to strong competition from alternative break crops. Production decreased from 245,900 tonnes in 1994 to 219,000 tonnes in 1995.

10. Field beans, grown mainly for stockfeed, followed a similar pattern to peas. The area of field beans fell from 149,300 hectares in 1994 to 120,000 hectares in 1995. Overall production decreased from 453,900 tonnes in 1994 to 342,000 tonnes in 1995.

Seeds

(Tables 5.13 and 5.14)

11. Total production of herbage and legume seeds in the year ended June 1995 was 12,000 tonnes compared with the 14,700 tonnes produced in the previous year, a decrease of 18.4 per cent. Imports of seeds from other Member States of the European Community totalled 9,400 tonnes during 1994/95, an increase of 49 per cent. The estimated area approved for the production of herbage and legume seed in 1995/96 indicates a 2.9 per cent fall from 1994/95.

Flax and Hemp

12. The area of flax in the UK fell slightly from 17,700 hectares in 1994 to 17,200 hectares in 1995, but this was still considerably above 1993. The area of hemp increased from 800 hectares in 1994 to 1,120 hectares in 1995.

Potatoes
(Table 5.15)

13. Despite a reduction in production, the total value of the output of the potato industry increased by 41 per cent on 1994, due to the higher prices received during the first half of the year as a result of reduced quantities of good quality potatoes on world markets. Total production of early potatoes increased by 14 per cent on 1994, although yields in 1995 were down compared with 1993 because of the cool spring and the early phase of the summer drought. The average early potato price was 17 per cent less than in 1994 but 67 per cent higher than in 1993.

14. The rise in the price of maincrop potatoes experienced at the end of 1994 continued into 1995. Prices rose rapidly in January to £240 per tonne, and then gradually to £360 in mid-June. Although the 1995 main crop planting was 4 per cent up on 1994, the widespread summer drought reduced yields by 9 per cent, resulting in 5 per cent less production. During August, prices again rose rapidly to over £160 per tonne where, except for a dip in October and November, they stayed for the rest of the year. Over the calendar year, average main crop prices were some 60 per cent higher than in 1994 and three times higher than in 1993.

15. The Potato Marketing Board's Joint Consultative Committee declared that no potato growing quotas would be set for 1996 and reached consensus on an industry body to succeed the Potato Marketing Board.

Table 5.7 Oilseed rape

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Area (000 hectares)	288	440	421	418	496	437
Yield (tonnes/hectares)	3.21	2.90	2.77	2.63	2.53	2.84
Production	922	1,278	1,166	1,100	1,254	1,241
Of which : production not on set-aside land						
Area (000 hectares)	288	440	421	377	404	352
Yield (tonnes/hectares) (a)	3.21	2.90	2.76	2.77	2.62	2.94
Production (a)	922	1,278	1,166	1,044	1,058	1,037
: production on set-aside land						
Area (000 hectares)	-	-	-	41	92	85
Yield (tonnes/hectare)	-	-	-	1.37	2.13	2.41
Production	-	-	-	56	196	204
Total						
Output	922	1,274	1,188	1,124	1,251	1,245
Average producer price (£/tonne)	278	272	154	158	176	174
Total realised return (£ million)	256	346	183	177	220	217
Other receipts (£ million) (b)	-	-	84	163	169	145
Value of output (£ million)	256	346	268	340	389	362
Imports from: the Fourteen	60	86	180	175	267	297
the rest of the world	64	51	34	53	119	163
Exports to: the Fourteen	319	146	75	24	35	44
the rest of the world	-	1	46	20	45	24
Total new supply	726	1,268	1,259	1,284	1,560	1,633
Production as % of total new supply for use in UK	128	101	93	86	80	76

(a) These figures are on the basis of a standard (9%) moisture content and take into consideration results from the MAFF Survey of Oilseed Rape Production for England.

(b) In 1992 EC support for oilseeds changed from a per tonne to a per hectare aid. The Oilseed Support Scheme operated in 1992 and, since 1993, oilseeds have been included in the Arable Area Payments Scheme (AAPS). Under the AAPS oilseeds aid is paid in two installments: an advance in the autumn of the year of harvest and the balance in the following spring.

TABLE 5.8 Linseed

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Area ('000 hectares)	4	104	144	162	73	62
Yield (tonnes/hectare)	1.95	1.77	1.56	1.20	1.26	1.31
Production ('000 tonnes)	7	184	225	195	92	81
Of which : production not on set-aside land						
Area ('000 hectares)	4	104	144	150	58	54
Yield (tonnes/hectare) (a)	1.87	1.76	1.56	1.23	1.25	1.30
Production (a)	7	184	225	186	72	70
: production on set-aside land						
Area ('000 hectares)	-	-	-	12	15	8
Yield (tonnes/hectare)	-	-	-	0.75	1.36	1.35
Production	-	-	-	9	20	11
Total						
Output	7	184	225	195	92	81
Average producer price (£/tonne)	195	114	103	123	130	146
Total realised return (£ million)	1	21	23	24	12	12
Other receipts (£ million) (b)	1	21	60	160	26	28
Value of output (£ million)	2	42	85	184	38	39
Imports from: the Fourteen	43	11	5	1	1	-
the rest of the world	2	1	-	1	24	57
Exports to: the Fourteen	1	67	70	54	18	8
the rest of the world	-	1	-	-	-	2
Total new supply	51	128	160	143	99	128
Production as % of total new supply for use in UK	14	144	141	136	93	63

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

(b) Under the Linseed Support Scheme, which operated until 1992, aid was paid in the calendar year following the year in which the crop was harvested. The AAPS was extended to include linseed in 1993. Under the AAPS linseed aid is paid in the period 15 October to 31 December. In 1993, therefore, the farmer received subsidy for both the 1992 and 1993 crops.

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TABLE 5.9 Sugar beet and sugar

'000 tonnes (unless otherwise specified) Calendar years

	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Sugar beet (a)						
Area (' 000 ha) (b)	203	196	197	197	195	196
Yield (adjusted tonnes/hectares) (b)	41.51	44.39	51.51	49.06	44.71	43.88
Production of beet (adjusted tonnes)	8,284	8,701	10,148	9,666	8,720	8,600
Average market price (£/adjusted tonne) (c)	26.63	31.92	35.44	32.84	35.25	37.56
Value of output (£ million)	234	278	360	317	307	323
Sugar content %	17.35	17.49	17.01	16.84	16.93	16.90
Sugar (' 000 tonnes refined basis)						
Production (d)	1,281	1,220	1,476	1,436	1,263	1,250
Imports from:the Fourteen (e) (f)	121	136	139	105	112	119
the rest of the world	1,245	1,156	1,248	1,138	1,176	1,045
Exports to: the Fourteen (f)	24	64	117	76	35	110
the rest of the world	234	172	228	383	473	432
Total new supply	2,388	2,276	2,518	2,220	2,043	1,872
Production as % of total new supply for use in UK	54	54	59	65	62	67

(a) From 1991 onwards yield, production and prices for sugar beet have been re-based to "adjusted tonnes" at standard 16% sugar content.
(b) The area, and related yield figures are based on June census definitions. The cropped and harvested area and related yields for 1991, 1992, 1993, 1994 and 1995 were 170,000ha and 51.18 tonnes/ha, 170,000ha and 59.7 tonnes/ha, 169,000 ha and 57.2 tonnes/ha, 170,000 ha and 51.3 tonnes/ha and 170,000ha and 50.59 tonnes/ha respectively.
(c) Estimated as the 'return to grower' price less transport costs.
(d) Sugar coming out of the factory in the early part of the new year is regarded as being part of the production of the previous calendar years.
(e) Includes imports from French overseas departments.
(f) Includes only sugar as such and takes no account of the sugar content of the processed products.

TABLE 5.10 Hops

'000 tonnes (unless otherwise specified) Calendar years

	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Area (' 000 hectares) (a)	4.8	3.7	3.6	3.4	3.4	3.3
Yield (tonnes/hectare) (a)	1.37	1.62	1.32	1.59	1.31	1.25
Production	6.5	6.0	4.8	5.5	4.4	4.1
Farm gate price (£/tonne)	2,821	3,211	3,208	3,357	4,005	3,681
Total realised return (£ million)	17.3	19.2	15.4	18.2	17.7	15.1
Other receipts (£ million) (b)	1.0	0.9	1.6	2.2	1.3	1.3
Value of output (£ million)	18.3	20.1	17.0	20.4	19.1	16.4
Imports from:the Fourteen	1.5	0.7	0.8	1.0	0.8	2.7
the rest of the world	0.7	0.9	1.1	1.4	1.6	2.4
Exports to: the Fourteen	1.9	1.2	1.6	0.4	1.9	0.2
the rest of the world	0.2	0.2	0.4	0.3	0.3	0.7
Total new supply	6.6	6.2	4.8	7.1	4.6	8.4
Production as % of total new supply for use in UK	97	80	116	78	92	53

(a) The area is that recorded in the June Census (and shown in Table 2.2), not all of which may actually be in production within the year. The yield relates to the Census area.
(b) Income and conversion aid.

TABLE 5.11 Peas and beans for stockfeed

Calendar years						
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Peas for harvesting dry (a)						
Area ('000 hectares)	64.8	62.4	63.2	64.8	62.9	60.0
Yield (tonnes/hectare)	3.48	3.59	3.30	4.10	3.91	3.65
Production ('000 tonnes)	218.5	224.0	208.6	265.7	245.9	219.0
Price (£/tonne)	191.5	170.7	193.3	105.7	106.0	118.2
Total realised return (£ million)	43	38	40	28	26	26
Other receipts (£ million) (b)	-	-	-	27	22	23
Value of production (£ million)	43	38	40	55	48	49
Field beans (mainly for stockfeed)						
Area ('000 hectares)	45.7	131.0	129.1	163.2	149.3	120.0
Yield (tonnes/hectare)	3.71	3.23	3.45	3.75	3.04	2.85
Production ('000 tonnes)	169.4	423.1	445.1	612.0	453.9	342.0
Price (£/tonne)	186.6	168.8	184.1	113.7	108.3	125.7
Total realised return (£ million)	32	71	82	70	49	43
Other receipts (£ million) (b)	-	-	-	68	53	46
Value of production (£ million)	32	71	82	138	102	89

(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, Table 5.16.

(b) In 1993 EC support for dried peas and beans changed from a per tonne aid under the Peas and Beans Scheme to a per hectare aid under the AAPS. Under the AAPS aid for dried peas and beans is paid in the period 15 October to 31 December.

TABLE 5.12 Purchased feedingstuffs (excluding direct inter-farm sales)

Calendar years						
'000 tonnes (unless otherwise specified)						
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Concentrates						
Compounds for:						
cattle	4,340	3,722	3,916	4,147	4,242	4,240
calves	411	273	232	256	290	281
pigs	2,142	2,366	2,355	2,508	2,489	2,411
poultry	3,258	3,758	3,641	3,750	3,825	3,960
other	537	824	838	823	924	974
Total	10,688	10,933	10,982	11,484	11,770	11,866
Straight concentrates (ie cereals, cereal offals, proteins and other high energy feeds)	4,522	3,463	3,751	4,046	4,469	4,285
Total	15,211	14,396	14,733	15,530	16,239	16,151
Non-concentrates (low-energy bulk feeds expressed as concentrate equivalent) (a)	723	670	713	691	687	680
Total all purchased feedingstuffs	15,934	15,066	15,447	16,221	16,926	16,831
Cost of purchased feedingstuffs (£ million)	2,660	2,804	2,830	3,171	3,219	3,280
of which this part represents the value of sales off the national farm (and included in output) but subsequently repurchased as an input (£ million)	720	583	589	394	609	648

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

TABLE 5.13 Production of herbage and legume seeds (excluding field beans and field pea seeds)

'000 tonnes (unless otherwise specified)		June/May years				
	Average of 1984/85- 1986/87	1991/92	1992/93	1993/94	1994/95	1995/96 (provisional)
Certified seed:						
area ('000 hectares)	15.9	14.4	13.0	12.7	10.3	10.0
production	16.5	17.0	15.5	14.7	12.0	10.7
Imports from: the Fourteen (a)	8.9	7.1	6.9	6.3	9.4	..
the rest of the world	5.9	4.8	2.9	2.0	3.3	..
Exports to: the Fourteen (a)	3.9	1.3	0.9	0.9	0.9	..
the rest of the world	0.5	0.6	0.1	0.1	-	..
Total new supply	26.9	27.0	24.3	22.0	23.8	..

(a) Import and export figures prior to 1995 relate to 'the eleven'. However, trade with Austria, Finland and Sweden has always been negligible.

TABLE 5.14 Purchased seeds

'000 tonnes (unless otherwise specified)		Calendar years				
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Cereals	579.1	497.8	431.7	446.3	453.8	468.5
Grass and clover	16.9	11.8	11.3	11.1	12.6	12.2
Root and fodder crops	35.6	43.0	43.2	51.6	48.8	41.9
Potatoes	269.3	268.0	283.0	285.0	279.9	286.0
Vegetable and other horticultural seeds (a)	15.7	20.7	21.0	19.1	18.3	17.3
Total cost of all purchased seeds (£ million)	264	295	294	291	305	316
of which this part represents the value of sales off the national farm (and included in output) but subsequently repurchased as an input (£ million)	124	139	138	137	144	149

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

TABLE 5.15 Potatoes

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Area, yield, production and output						
Area ('000 hectares):						
early	18.6	16.7	15.2	16.0	15.8	16.1
maincrop	170.2	159.7	165.6	154.5	147.8	154.3
Yield (tonnes/hectare):						
early	20.9	21.6	27.1	26.6	21.4	23.8
maincrop	38.1	37.0	44.8	43.0	41.9	38.3
Production:						
early	386	359	411	426	337	384
maincrop	6,496	5,908	7,415	6,639	6,194	5,913
total	6,882	6,267	7,826	7,065	6,531	6,297
Waste	806	715	830	979	844	671
Seed retained on farms	302	300	298	255	271	266
Increase in farmers' stocks	-32	-93	738	-361	-476	-61
Total output	5,806	5,345	5,960	6,192	5,893	5,422
Average price (£/tonne) paid to registered producers for:						
early potatoes (a)	105.4	143.2	82.9	93.8	187.7	156.3
maincrop potatoes (a)	71.5	85.5	72.8	61.5	113.3	181.7
realised for all potatoes (b)	75.7	91.7	71.5	62.4	120.7	185.2
Value of output of potatoes (£ million)	439	490	426	387	711	1,004
Supplies and utilisation						
Total production	6,882	6,267	7,826	7,065	6,531	6,297
Supplies from the Channel Islands	36	42	53	48	43	45
Imports	753	903	925	883	1,089	1,078
of which: early from:						
the Fourteen	42	44	40	19	42	25
the rest of the world	214	167	143	133	115	167
maincrop from:						
the Fourteen	110	98	109	128	210	85
the rest of the world	8	11	33	9	5	4
processed (raw equivalent)						
from:						
the Fourteen	346	511	553	553	649	655
the rest of the world	19	38	26	23	23	91
seed from:						
the Fourteen	13	34	21	18	44	50
the rest of the world	1	-	-	-	1	-
Exports	225	263	245	206	323	353
of which: raw to:						
the Fourteen (c)	45	73	68	59	101	135
the rest of the world (c)	18	49	52	40	93	71
processed (raw equivalent)						
to:						
the Fourteen	43	56	71	55	57	78
the rest of the world	5	3	5	8	13	4
seed to:						
the Fourteen	41	34	24	20	29	26
the rest of the world	73	48	25	24	29	39
Total new supply	7,446	6,949	8,559	7,790	7,341	7,068
Net increase in farmer's stocks	-32	-93	738	-361	-476	-61
Total domestic uses	7,478	7,043	7,822	8,150	7,818	7,128
of which: used for human consumption	5,877	5,705	5,914	6,234	6,435	5,919
seed for home crops (including seed imports)	609	606	561	501	538	538
support buying	186	17	517	436	-	-
chats, waste and retained stockfeed	806	715	830	979	844	671
Production as % of total new supply for use in the UK	92	90	91	91	89	89

(a) Excluding sacks.

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

(c) Excludes exports from Northern Ireland in 1995, which are included in total domestic uses.

Horticulture

Horticulture (Tables 5.16-5.17)

16. The total area devoted to horticulture was 1 per cent less than in 1994. The value of output rose from £1,867 million to £1,953 million. Table 5.16 gives information about the main sectors. More detailed information for cauliflowers, tomatoes, apples and pears, the four crops for which intervention arrangements applied in the UK, is given in Table 5.17.

Protected salad crops

17. The area cropped in 1995 was similar to that of the previous year. Increased demand for cucumbers and lower imports from Holland, led to higher prices for most of the season. Returns for tomatoes showed a fall compared with 1994, but yields were higher as a result of good sunshine levels. Increasing imports and a substantial "back garden" crop are thought to have influenced returns. Protected lettuce have seen higher prices for periods during the year, as supply and demand were in better balance, though autumn returns were lower.

Field vegetables

18. A rather wet spring followed by a hot, dry summer restricted yields of many summer crops, though production levels improved following autumn rainfall. Harvests of vining peas and dwarf beans were below expectations, leading to some stock shortages. Onion prices fell back from last season's very high levels despite a small drop in the UK production, as elsewhere in Europe yields were up on those of 1994. Root prices were firm for much of the year, though demand for salads was lower than expected and high temperatures caused production problems in lettuce. Brassica yields were affected by the drought and the establishment and growth of winter brassicas was affected.

Top fruit

19. The apple area declined as a result of orchard grubbing. Spring frosts reduced crop potential and hot, dry conditions in July and August resulted in small fruit on many farms. Marketing of the crop has been slow despite the reduced production, due to competition from imported fruit.

20. Cider apple yields were better than expected following a wet September which allowed fruit to increase in size. Demand from processors was again strong. A higher pear crop was harvested than in 1994. Plums and cherries were affected by frost in the West Midlands, but yields were good in the South East and overall production was up on 1994.

Soft fruit

21. The area dropped slightly, but output value has increased. Early and main season strawberry crops were very good, but dry conditions and high temperatures caused production difficulties during July and August. Raspberries were badly frosted in spring. Yields of mid-season and late varieties of soft fruit were affected by drought and high temperatures, whilst autumn fruiting raspberries were damaged by the September rains.

22. Demand for high quality strawberries and raspberries remains very strong. The blackcurrant crop is now in better balance with demand (for processing) which has helped to stabilise prices.

Ornamentals

23. Competition between producers again kept prices down and demand from the landscape and amenity sectors was muted. Steady retail sales did however allow the industry to increase its overall output. The value of

**Protected
Ornamentals**

outdoor flower production suffered as a result of prolonged hot weather in the summer.

24. Hot weather, which advanced crops, and imports led to periods of high levels of supply with low prices for both cut flowers and pot plants. Although static prices for bedding plants reflected increasing competition, good demand enabled this sector to increase its farm-gate value. The continued development of new products and the expanding market for autumn bedding sales means this trend is likely to continue.

TABLE 5.16 Horticulture

	Average of 1984-86	1991	1992	1993	1994 (provisional)	1995
Vegetables						
Grown in the open (a):						
area ('000 hectares) (b)	180.4	194.5	182.7	175.6	172.3	173.9
value of output (£ million)	479	654	640	603	679	734
Protected:						
area ('000 hectares) (b) (c)	2.8	2.7	2.4	2.1	1.9	1.9
value of output (£ million)	260	357	319	324	322	344
Total realised return (£ million)	739	1,011	959	928	1,001	1,077
Other receipts (£ million) (d)	-	-	-	15	5	6
Total value of output (£ million)	739	1,011	959	943	1,006	1,083
Fruit						
Orchard fruit:						
area ('000 hectares) (e)	35.5	31.9	31.0	30.0	28.8	26.3
value of output (£ million) (f)	119	174	135	102	110	116
Soft fruit:						
area ('000 hectares) (g)	16	14	13	12	12	11
value of output (£ million)	103	114	128	141	107	111
Total value of output (£ million) (h)	223	289	264	244	218	227
Ornamentals						
Area ('000 hectares) (b)	12.8	19.2	19.3	19.7	20.1	19.5
Value of output (£ million)	257	515	539	567	635	637
of which: flower bulbs (i)	25	32	32	33	35	33
flowers in the open	17	28	32	36	38	30
hardy nursery stock	115	237	253	258	269	289
protected crops	99	218	223	240	293	284
Seeds: value of output (£ million)	4	6	9	8	8	7
Total value of commercial horticultural output (£ million) (j)	1,222	1,821	1,770	1,761	1,867	1,953
Value of output of main crops (£ million)						
cabbages	68	84	90	87	76	95
carrots	49	82	71	78	99	116
cauliflowers	60	71	67	68	65	55
lettuces	71	111	128	76	105	106
mushrooms	131	182	172	177	183	196
peas (d)	57	62	61	75	57	61
tomatoes	61	78	59	59	67	59
apples	87	136	98	73	78	80
pears	14	18	15	12	13	13
raspberries	31	30	31	36	29	33
strawberries	57	59	73	81	61	58

(a) Includes peas harvested dry for human consumption.
(b) Areas relate to field areas multiplied by the number of crops in the year and hence differ from those shown in Table 2.2.
(c) Excludes mushrooms area from 1992.
(d) Arable area payments for vining peas and peas harvested dry.
(e) Includes field area of commercial orchards only, and may therefore differ from the area in Table 2.2, which also includes non-commercial orchards.
(f) Excludes EC Grubbing-up grant.
(g) Excludes area of wine grapes and may therefore differ from the area in Table 2.2.
(h) Includes glasshouse fruit.
(i) Including forced flower bulbs.
(j) These figures differ from the horticulture values in Table 6.1, which include estimates for gardens and allotments, and hedgerow fruit and nuts.

TABLE 5.17 Selected horticultural crops

'000 tonnes (unless otherwise specified)						Calendar years
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Cauliflowers						
Farm gate price (£/tonne)	183.8	226.7	195.5	218.9	223.7	234.8
Production	328	312	341	309	289	234
Supplies from Channel Islands	12	5	8	5	5	5
Imports from: the Fourteen	49	33	29	52	70	81
the rest of the world	-	-	-	-	-	-
Exports to: the Fourteen	1	2	3	4	5	7
the rest of the world	-	-	-	-	1	-
Total new supply	389	347	375	362	358	313
Production as % of total new supply for use in UK	84	90	91	85	81	75
Tomatoes						
Farm gate price (£/tonne)	491.9	584.9	485.3	535.6	618.3	516.0
Output	123	133	122	110	108	114
Supplies from Channel Islands	22	13	13	9	13	13
Imports from: the Fourteen	147	151	144	116	129	145
the rest of the world	102	101	107	51	107	125
Exports to: the Fourteen	7	7	9	5	14	6
the rest of the world	-	-	-	-	-	-
Total new supply	387	389	376	282	344	392
Production as % of total new supply for use in UK	32	34	32	39	32	29
Apples (excluding cider apples)						
Production and Output						
Production (net of wastage)	292	306	358	303	293	244
Increase in stocks	4	1	32	-13	-5	-28
Output from the crop:						
dessert	157	148	165	167	168	137
culinary	132	157	162	149	130	136
Farm gate price (£/tonne):						
dessert	347.2	585.6	385.3	278.0	306.2	375.9
culinary	247.4	313.8	216.4	177.7	204.3	210.6
Value of Output (£ million)						
dessert	54	87	63	46	51	51
culinary	33	49	35	27	27	29
Supplies and Utilisation						
Production (net of wastage)	292	306	358	303	293	244
Imports from the Fourteen	285	247	228	240	234	268
the rest of the world	139	217	230	177	186	203
Exports to: the Fourteen	21	40	33	12	12	12
the rest of the world	-	1	3	-	-	-
Total new supply	695	730	780	709	701	704
Increase in Stocks	4	1	32	-13	-5	-28
Total domestic uses	692	729	748	722	706	732
Production as a % of total new supply	42	42	46	43	42	35

TABLE 5.17 Selected horticultural crops (continued)

'000 tonnes (unless otherwise specified)		Calendar years				
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Pears (excluding perry pears)						
Production and Output						
Production (net of wastage)	44	36	22	40	26	35
Increase in stocks	-1	-	-9	9	-7	5
Output	45	36	31	31	33	30
Farm gate price (£/tonne):	311.3	496.8	483.8	381.7	404.6	432.1
Value of Output (£ million)	14	18	15	12	13	13
Supplies and Utilisation						
Production (net of wastage)	44	36	22	40	26	35
Imports from: the Fourteen	51	57	71	61	70	68
the rest of the world	15	32	37	39	26	21
Exports to: the Fourteen	1	3	2	2	1	1
the rest of the world	-	-	-	-	-	-
Total new supply	109	122	128	137	120	123
Increase in Stocks	-1	-	-9	9	-7	5
Total domestic uses	110	122	137	128	127	118
Production as a % of total new supply	40	29	17	29	21	29

Livestock

**Cattle and calves;
beef and veal**
(Table 5.18)

25. Overall, the size of the dairy herd decreased by 4 per cent in 1995. In general, prices were higher than in 1994, although they came under pressure in the last quarter because of renewed speculation about the safety of British beef in the light of BSE.

26. There were no intervention purchases in the UK or elsewhere in the EU. Consequently, 1995 saw a further fall in EU intervention stock levels, down from 100,000 tonnes product weight at the end of 1994 (including 21,500 tonnes in the UK) to 6068 tonnes at the end of 1995, 5072 tonnes of which was stored in the UK.

**Sheep and lambs;
mutton and lamb**
(Table 5.19)

27. The size of the UK breeding flock was virtually unchanged. However, gross indigenous production of sheepmeat is estimated to be around 3 per cent higher than in 1994. Exports are forecast to have increased by 9 per cent, with continuing strong demand for sheepmeat offsetting reduced live exports. Imports increased by 17 per cent (mainly of New Zealand chilled), resulting in a net increase of 4 per cent in new supplies to the home market.

28. The annual average market price for sheepmeat was similar to that for 1994 in Great Britain but some 3 per cent lower in Northern Ireland. Weekly market prices generally followed 1994 trends, although peaking at a lower level. The ending of the first retention period for Sheep Annual Premium and the dry summer resulted in higher marketings during March to August and contributed to the downward pressure on prices during that period.

29. The Agriculture Departments continue to pay compensation to sheep producers whose activities have been affected by restrictions following the Chernobyl incident in 1986. Total cumulative compensation paid to the end of 1995 is approximately £12 million.

Pigs and pigmeat
(Table 5.20)

30. Producer prices and profitability in the UK and the rest of the EU recovered in 1995 although rising feed prices were a cause for concern. Community support measures continued in areas of Germany which had been placed under veterinary supervision as a result of Classical Swine Fever in 1993. A private storage aid scheme was introduced in November to relieve pressure caused by the temporary closure of the Japanese market as a result of an increase in the minimum import price.

**Poultry and
poultrymeat**
(Table 5.21)

31. Production of poultrymeat (particularly chickens and turkeys) increased, but demand lagged behind so producer profitability fell. By the end of the year prices had still not recovered to 1994 levels. Feed prices continued to rise.

TABLE 5.18 Cattle and calves; beef and veal

Calendar years

	Average of 1984-86	1991	1992 (a)	1993	1994	1995 (provisional)
Populations						
Total cattle and calves ('000 head at June)	12,908	11,885	11,804	11,729	11,834	11,733
of which: dairy cows	3,189	2,770	2,682	2,667	2,715	2,602
beef cows	1,335	1,669	1,699	1,751	1,775	1,805
dairy heifers in-calf	690	534	546	568	554	566
beef heifers in-calf	165	199	216	230	217	205
other	7,529	6,713	6,660	6,514	6,573	6,555
Selected market prices						
Store cattle (£ per head) (b):						
1st quality Hereford/cross bull calves (c)	125	120	145	186	182	166
1st quality beef/cross yearling steers (d)	322	397	419	459	435	435
Finished cattle (p per kg liveweight): All clean cattle	95.1	106.9	109.6	128.0	121.7	123.1
Marketings, production and returns						
Total home-fed marketings ('000 head)	4,323	4,009	3,776	3,469	3,639	3,834
of which: steers, heifers and young bulls	3,095	2,795	2,652	2,351	2,410	2,485
calves	293	463	469	502	511	532
cows and adult bulls	934	750	656	616	718	817
Average dressed carcase weights (dcw) (kgs) (e):						
steers, heifers and young bulls	275.0	286.4	289.3	292.1	299.0	302.1
calves	49.3	39.9	43.3	41.1	37.6	37.8
cows and adult bulls	268.2	279.6	286.4	287.0	285.0	285.8
Production ('000 tonnes, dcw):						
Home-fed production	1,113	1,024	969	884	945	1,004
Gross indigenous production (f)	..	1,016	963	874	939	1,018
Average realised return (p per kg dcw) (g)	174	181	189	222	209	211
Total realised return (£ million)	1,932	1,848	1,835	1,959	1,979	2,116
Other receipts (£ million) (h)	74	197	212	368	436	501
Value of home-fed production (£ million)	2,006	2,045	2,047	2,327	2,415	2,617
Supplies ('000 tonnes, dcw) (i)						
Home-fed production	1,113	1,024	969	884	945	1,004
Imports from: the Fourteen (j)	174	165	160	157	147	167
the rest of the world	49	39	45	52	41	72
Exports to: the Fourteen (k)	136	123	137	160	224	236
the rest of the world	68	31	25	45	65	70
Total new supply	1,132	1,075	1,013	888	843	937
Increase in stocks	21	80	21	-36	-125	-16
Total domestic uses	1,110	995	992	924	968	953
Home-fed production as % of total new supply for use in UK	98	95	96	100	112	107
Closing stocks	116	220	240	204	79	63

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

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

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

(d) 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.

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

(f) Gross indigenous production (GIP) is a measure of animal production commonly used in other EC states and is therefore useful when making international comparisons. It is calculated as total slaughterings 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.

(g) Average realised return per kg of home-fed production net of marketing expenses. Includes variable premium but not other receipts.

(h) Comprising hill livestock compensatory allowances, suckler cow premium (including extensification premium), calf subsidy, beef special premium (including extensification premium) and deseasonalisation premium.

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

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

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

TABLE 5.19 Sheep and lambs; mutton and lamb

Calendar years

	Average of 1984-86	1991	1992 (a)	1993	1994	1995 (provisional)
Populations						
Total sheep and lambs ('000 head at June)	35,830	43,639	43,998	43,901	43,295	42,771
of which: ewes	13,937	16,951	17,109	17,092	16,864	..
shearlings	3,009	3,383	3,277	3,471	3,679	..
lambs under 1 year old	17,679	21,950	22,341	22,132	21,510	21,093
other	1,205	1,355	1,272	1,206	1,241	..
Selected market prices						
Store sheep (£ per head):						
1st quality lambs, hoggets and tegs (b)	36.0	35.5	37.9	35.6	40.0	44.5
Finished sheep (p per kg estimated dcw) (c):						
Great Britain	..	148.2	182.1	219.0	236.9	236.4
Northern Ireland	..	179.4	172.4	199.5	222.0	214.4
Marketings, production and returns (excluding clip wool)						
Total home-fed marketings ('000 head):	15,953	22,510	21,081	21,287	20,872	21,350
of which: clean sheep and lambs	14,313	20,583	19,013	19,059	18,172	18,739
ewes and rams	1,640	1,927	2,068	2,228	2,700	2,611
Average dressed carcase weights (dcw) (kgs) (d):						
clean sheep and rams	18.1	17.8	17.8	17.3	17.5	17.6
ewes and rams	27.5	26.7	26.6	27.7	27.0	26.9
Production ('000 tonnes, dcw):						
Home-fed production	304	418	394	391	391	401
Gross indigenous production (e)	..	416	395	400	393	405
Average realised return (p per kg dcw) (f)	198	181	157	183	195	198
Total realised return (£million)	603	757	618	717	762	794
Other receipts (£million) (g)	160	372	431	523	436	479
Value of home-fed production (£million)	763	1,129	1,050	1,241	1,198	1,273
Supplies ('000 tonnes, dcw) (h)						
Home-fed production	304	418	394	391	391	401
Imports from: the Fourteen (i)	-	3	8	7	13	12
the rest of the world	154	122	119	122	106	127
Exports to: the Fourteen (j)	60	111	147	178	161	174
the rest of the world	3	2	2	2	2	4
Total new supply	396	429	415	340	348	362
Increase in stocks	-6	-2	-10	6	-6	10
Total domestic uses	402	431	424	334	354	352
Home-fed production as % of total						
new supply for use in UK	77	97	95	115	113	111
Closing stocks	35	21	11	16	10	20

(a) For comparability with other years, the figures have been adjusted from a 53-week to a 52-week basis.
(b) Average prices at representative markets in England and Wales, excluding prices at autumn hill sheep sales.
(c) Unweighted average of weekly prices at representative markets as reported to the European Commission.
(d) Average dressed carcase weight of animals fed and slaughtered in the UK.
(e) See footnote (f) to Table 5.18.
(f) Average realised return per kg of home-fed production net of marketing expenses. Includes variable premium but not other receipts.
(g) Comprising hill livestock compensatory allowances and annual ewe premium.
(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 5.20 Pigs and pigmeat

Calendar years

	Average of 1984-86	1991	1992 (a)	1993	1994	1995 (provisional)
Populations						
Total pigs ('000 head at June)	7,832	7,597	7,609	7,754	7,797	7,534
of which: sows in-pig and other sows for breeding	710	678	672	687	680	644
gilts in-pig	108	107	108	115	104	100
other	7,014	6,811	6,829	6,952	7,013	6,790
Selected market price						
Clean pigs (p per kg deadweight)	100.9	103.0	115.1	103.1	99.7	119.1
Marketings, production and returns						
Total home-fed marketings ('000 head)	15,325	14,702	14,649	14,820	15,316	14,660
of which: clean pigs	14,985	14,314	14,259	14,445	14,893	14,276
sows and boars	340	389	390	374	423	384
Average dressed carcase weights (dcw) (kgs) (b):						
clean pigs	61.3	65.6	65.7	66.5	66.8	67.3
sows and boars	135.4	146.1	141.4	139.8	137.2	140.0
Production ('000 tonnes, dcw):						
Home-fed production	964	996	992	1,013	1,053	1,014
Gross indigenous production (c)	..	996	995	1,013	1,054	1,010
Average realised return (p per kg dcw) (d)	99	97	110	98	94	113
Value of home-fed production (£ million)	950	970	1,090	988	991	1,151
Supplies of pork ('000 tonnes, dcw) (e) (f)						
Home-fed production	733	798	809	821	851	808
Imports from: the Fourteen	28	75	90	114	114	146
the rest of the world	7	1	1	-	-	-
Exports to: the Fourteen (g)	47	94	122	114	134	148
the rest of the world	2	2	2	4	13	13
Total new supply	719	778	776	816	818	793
Increase in stocks	-	-	-1	2	-1	-2
Total domestic uses	719	778	777	814	819	795
Home-fed production as % of total new supply for use in UK	102	103	104	101	104	102
Closing stocks	6	11	10	12	11	9
Supplies of bacon and ham ('000 tonnes, product weight) (e)						
Home-cured production	206	176	168	181	188	196
Imports from: the Fourteen (h)	261	253	234	238	224	239
the rest of the world	2	1	-	-	-	-
Exports to: the Fourteen	6	5	5	2	5	4
the rest of the world	-	-	-	1	1	1
Total new supply	463	425	397	416	407	430
Increase in stocks	-	-	-4	1	-	-1
Total domestic uses	463	425	401	415	407	431
Home-cured production as % of total new supply for use in UK	45	41	42	43	46	46
Closing stocks	4	5	2	2	3	1

(a) For comparability with other years, the figures have been adjusted from a 53-week to a 52-week basis.
(b) Average dressed carcase weight of animals fed and slaughtered in the UK.
(c) See footnote (f) to Table 5.18.
(d) Average realised return per kg of home-fed production net of marketing expenses.
(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) Adjusted, as necessary, for unrecorded trade in live animals.
(h) Includes meat from finished animals imported from Irish Republic.

TABLE 5.21 Poultry and poultrymeat

Calendar years						
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Populations						
Number ('000 head at June):						
chickens and other table fowls	61,486	75,701	73,298	79,451	75,205	76,621
birds in the laying flock (a)	39,421	33,286	33,206	32,824	32,543	31,692
fowls for breeding	6,278	7,238	6,745	7,247	7,677	7,570
turkeys (b)	7,797	9,759	10,202	10,225	12,106	12,408
ducks	1,485	2,033	2,198	2,388	2,353	2,505
geese	148	158	150	164	143	142
Total	116,616	128,175	125,799	132,300	130,027	130,939
Slaughterings, production and returns						
Slaughterings (millions):						
fowls	466	546	544	539	577	606
turkeys	27	33	33	35	35	38
ducks	8	11	11	13	13	13
geese	1	1	1	1	1	1
Total	502	591	589	587	625	657
Production ('000 tonnes deadweight):						
chickens and other table fowls	660	837	846	833	894	948
boiling fowls (culled hens)	58	37	32	31	39	43
turkeys	144	174	172	182	184	201
ducks	18	23	24	27	27	27
geese	2	3	3	3	3	3
Total	882	1,074	1,077	1,075	1,147	1,222
Average producer price (p/kg deadweight) for:						
chickens and other table fowls	76.3	74.5	75.8	79.6	79.2	75.5
boiling fowls (culled hens)	32.7	19.5	19.6	29.1	30.1	17.2
turkeys	110.7	111.7	119.7	124.9	122.8	118.1
ducks	121.2	167.3	172.0	172.8	172.9	180.9
geese	264.5	255.8	217.9	252.7	250.3	259.3
Value of output (£ million):						
fowls	522	631	648	673	720	724
turkeys, ducks, geese	187	241	254	282	280	293
Total (c)	708	872	902	955	1,000	1,017
Supplies of poultrymeat ('000 tonnes deadweight)						
Production	882	1,074	1,077	1,075	1,147	1,222
Imports from: the Fourteen	67	146	183	169	203	215
the rest of the world	-	-	1	1	-	1
Exports to: the Fourteen	31	63	69	65	74	95
the rest of the world	1	20	16	21	32	56
Total new supply	917	1,136	1,175	1,159	1,244	1,288
Change in stocks	-4	17	-7	-7	-3	8
Total domestic uses	921	1,119	1,182	1,166	1,247	1,280
Production as % of total new supply	96	95	92	93	92	95

(a) Hens and pullets kept mainly for producing eggs for eating.
(b) Data relates to November and to England and Wales only.
(c) Excludes live poultry.

Livestock products

Milk and Milk Products

(Tables 5.22 and 5.23)

32. Average returns to milk producers increased by just under 10 per cent compared with 1994. This led to an increase in the value of total output, despite a fall in volume caused by a combination of producers reducing production in the first quarter in an attempt to stay within quota for the 1994/95 quota year and the summer drought. In the event, milk production in the 1994/95 quota year exceeded quota by 167,000 tonnes, resulting in a total levy of £48.1 million.

33. World prices for dairy products remained strong throughout 1995. As a result, EU market prices were above intervention prices and no butter or skimmed milk powder (SMP) was taken into intervention all year. Intervention stocks of butter in the EU fell by 72 per cent to 20,000 tonnes (1,277 tonnes in the UK) and stocks of SMP fell by 80 per cent to 15,500 tonnes (nil in the UK).

Hen Eggs

(Table 5.24)

34. While gross egg production increased slightly, production for human consumption remained static. Shell egg prices for the year as a whole were generally down on the previous year but improved towards the end of 1995. Consumption of eggs in shell continued to fall, but this was more than offset by an increase in the use of eggs for processing.

Wool

(Table 5.25)

35. The Agriculture Act 1993 terminated the Wool Guarantee with effect from 30 April 1993. The remaining wool collected before that date was sold by the British Wool Marketing Board during 1995. The marketing arrangements for UK clip wool, including the Board's obligation to purchase all wool from producers, were the subject of a Government review in 1995. The outcome of this review is expected to be published in 1996.

36. The volume of wool produced in the UK in the 1995 clip year is expected to be similar to that in 1994. During the first part of the year, wool market prices were significantly higher than in previous years, and producers also benefited by continuing reductions in the Board's marketing costs. However, following a decline in demand for wool, both in the UK and world wide in the second half of the year, prices fell back to 1994 levels. In addition, the Board had built up a stockpile of around 27 million kg of unsold wool at the end of the year, although this was starting to reduce following an upturn in demand for wool from November onwards.

TABLE 5.22 Milk

Million litres (unless otherwise specified)

Calendar years

	Average of 1984-86	1991	1992 (a)	1993	1994	1995 (provisional)
Production and output						
Dairy herd (annual average, '000 head) (b)	3,236	2,790	2,723	2,717	2,745	2,660
Average yield per cow (litres per annum)	4,868	5,139	5,256	5,280	5,303	5,366
Production of milk from the dairy herd (c)	15,749	14,336	14,309	14,344	14,558	14,271
Production of milk from the beef herd	23	8	7	7	7	7
less wastage and milk fed to stock	223	274	304	256	262	328
Output for human consumption	15,549	14,070	14,012	14,096	14,302	13,950
Average total return (pence per litre) (d)	15.50	19.90	21.02	22.70	22.93	25.14
Value of output (£ million)	2,410	2,801	2,945	3,200	3,279	3,507
Utilisation of the output for human consumption						
Sales through MMB schemes: (e)						
for liquid consumption	6,902	6,745	6,690	6,764	6,787	..
for manufacture	8,473	6,910	6,797	6,813	7,001	..
of which: butter (f) (g)	4,503	2,326	2,037	2,238	2,396	..
cheese (h)	2,521	2,794	3,019	2,921	2,902	..
cream (g)	574	660	466	450	394	..
condensed milk (i)	427	435	466	474	496	..
milk powder - full cream	359	543	595	458	534	..
other	89	145	214	272	279	..
Total sales through schemes (j)	15,376	13,664	13,487	13,577	13,788	..
Other utilisations (k)	174	352	525	519	514	..

(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) Derived by dividing total value of output by the total quantity of output available for human consumption.
(e) The Milk Marketing Schemes in Great Britain ended on 31 October 1994 and the Northern Ireland Scheme on 1 March 1995. Figures for 1994 include estimates for November and December based on returns to the Intervention Board Executive Agency and the results of the new milk utilisation surveys.
(f) Includes a small quantity of milk utilised to manufacture anhydrous milk fat (AMF).
(g) Excludes the utilisation of the residual fat of low fat milk production.
(h) Includes farmhouse cheese made under milk marketing schemes.
(i) Includes condensed milk used in the production of chocolate crumb plus production of sweetened and unsweetened machine skimmed milk.
(j) Excludes milk sold through schemes but subsequently exported as whole milk for processing outside the UK. The total sales figures do not equal the sum of sales for liquid consumption and for manufacture as the measurement of liquid sales is adjusted for waste in transit.
(k) Includes milk consumed in farm households, sales of liquid milk outside schemes, exports and milk used for farmhouse manufacture of butter, cheese (made outside milk marketing schemes) and cream.

TABLE 5.23 Milk Products

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Butter (a) (b)						
Production (c)	217	132	127	151	155	113
Imports from: the Fourteen	68	46	76	55	55	51
the rest of the world	81	57	53	55	66	70
Exports to: the Fourteen (d)	22	34	45	46	40	46
the rest of the world	6	5	6	6	13	6
Total new supply (d)	337	196	205	209	223	181
Increase in stocks (e)	49	-9	-2	-28	-15	-9
Total domestic uses (d) (e)	289	205	207	238	238	190
Production as % of total new supply for use in UK	64	67	62	72	70	62
Closing stocks (e)	273	65	63	34	19	10
Cheese						
Production (c)	253	302	327	333	331	348
Imports from: the Fourteen	145	176	214	173	198	162
the rest of the world	15	17	18	17	15	22
Exports to: the Fourteen	17	28	29	33	36	39
the rest of the world	16	23	19	25	23	16
Total new supply	381	444	511	465	483	476
Increase in stocks	3	-21	21	8	-3	-3
Total domestic uses	377	465	490	457	487	480
Production as % of total new supply for use in UK	67	68	64	72	68	73
Closing stocks	115	125	146	154	151	148
Cream - fresh, frozen, sterilized						
Production (b) (c)	85	237	247	231	216	236
Imports from: the Fourteen	3	3	3	2	3	4
the rest of the world	-	-	-	-	-	-
Exports to: the Fourteen	-	33	39	68	82	68
the rest of the world	-	5	2	1	2	2
Total new supply	88	202	209	164	135	170
Increase in stocks	..	..	..	..	..	..
Total domestic uses	88	202	209	164	135	170
Production as % of total new supply for use in UK	97	117	118	141	160	139
Closing stocks	..	..	..	..	..	..

TABLE 5.23 Milk products (continued)

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Condensed milk (f)						
Production	180	198	206	191	196	181
Imports from: the Fourteen	8	10	13	10	13	13
the rest of the world	-	-	-	-	-	-
Exports to: the Fourteen	14	10	10	7	8	20
the rest of the world	16	37	47	45	44	41
Total new supply	157	161	162	149	157	134
Increase in stocks	-3	-3	1	-	2	-1
Total domestic uses	160	164	161	150	155	134
Production as % of total new supply for use in UK	114	123	127	128	125	136
Closing stocks	12	9	10	10	12	11
Milk powder - full cream						
Production	57	79	84	71	83	90
Imports from: the Fourteen	10	3	5	6	7	8
the rest of the world	-	-	-	-	-	-
Exports to: the Fourteen	7	15	35	24	21	24
the rest of the world	37	52	49	33	44	47
Total new supply	23	15	5	19	25	27
Increase in stocks	-	1	-2	1	-1	5
Total domestic uses	23	14	7	18	26	22
Production as % of total new supply for use in UK	246	527	1,680	369	327	338
Closing stocks	3	4	2	3	2	7
Skimmed milk powder						
Production	244	143	102	124	128	113
Imports from: the Fourteen	20	8	26	13	12	12
the rest of the world	-	-	-	-	-	-
Exports to: the Fourteen (d)	119	56	34	43	47	46
the rest of the world	49	15	10	13	14	15
Total new supply (d)	97	80	84	81	80	64
Increase in stocks	-56	-6	-4	1	3	-2
Total domestic uses (d)	153	86	88	80	77	66
Production as % of total new supply for use in UK	267	179	121	153	161	177
Closing stocks	71	17	13	13	16	14

(a) Includes butter other than natural (ie 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) Includes condensed milk used in the production of chocolate crumb plus production of sweetened and unsweetened machine skimmed milk.

TABLE 5.24 Hen Eggs

Calendar years

	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Gross egg production						
Gross production (million dozen)	922	904	890	880	885	887
of which:						
eggs for human consumption	853	818	806	791	792	792
eggs for hatching	61.0	76.2	75.8	79.5	83.9	85.6
packing station waste	8.3	9.4	8.6	8.9	8.8	8.8
Production for human consumption						
Number of fowls laying eggs for eating (millions) (a)	39.7	36.5	35.7	34.8	34.4	34.0
Average yield per layer (number of eggs per bird per year)	258.0	269.3	270.6	273.0	276.3	279.9
Eggs for human consumption (excluding waste) (million dozen)	853	818	806	791	792	792
Average realised price for eggs(p per dozen)	47.2	48.6	48.0	52.2	52.3	49.4
Value of output of hen eggs (£ million)	403	398	387	413	414	392
Utilisation and supplies for human consumption (million dozen)						
UK output of eggs for human consumption	853	818	806	791	792	792
of which:						
eggs sold in shell	807	738	712	695	687	681
eggs processed	46	80	94	96	105	111
Imports from (b): the Fourteen	51	50	41	35	44	35
the rest of the world	-	-	-	-	-	-
Exports to (b): the Fourteen	21	14	14	16	10	13
the rest of the world	1	-	1	1	-	1
Total new supply	883	853	831	809	825	813
Output as % of total new supply for use in UK	97	96	97	98	96	97

(a) Population is implied from gross production and average yield and hence differs from census figures in table 2.2.
(b) Includes shell egg equivalent of whole (dried, frozen and liquid) egg and egg yolk, but excludes albumen.

TABLE 5.25 Wool

Million kg, greasy weight equivalent (unless otherwise specified)

Calendar years

	Average of 1984-86	1991	1992	1993	1994 (provisional)	1995
Skin Wool (valued within output from sheep and lambs)						
Production	16	21	19	19	19	20
Clip Wool (a)						
Production	41	51	51	48	47	48
Producer price for clip (p per kg) (b) (c)	98.1	83.4	80.9	62.0	98.9	93.0
Value of output (£ million)	40	42	41	30	46	45
Supplies						
Total production	57	72	70	68	66	68
Imports from: the Fourteen	26	35	37	46	52	46
the rest of the world	124	83	93	82	108	84
Exports to: the Fourteen	40	36	38	45	49	42
the rest of the world	31	34	37	40	37	53
Total new supply	136	120	125	111	141	104
Production as % of total new supply for use in the UK	42	60	56	61	47	65

(a) Strictly the figures relate to clip years (May/April) but in practice the bulk of the production is within the period May to December.

(b) The price is net of marketing expenses.

(c) As from the 1993 clip year (May '93-April '94), returns to producers are based solely on auction prices (minus the Board's marketing costs) and not on the wool guarantee which was terminated with effect from 30 April 1993.

6 Agricultural Incomes

Introduction

Output, input and net product (Tables 6.1, 6.2 and 6.3)

1. This section provides estimates of agriculture's gross output and input; of its productivity; and of the incomes of those engaged, in various ways, in the industry.
2. Table 6.1 begins by drawing together the estimates of the value of output of each of the commodities covered in Section 5. Together with the value of output of various other commodities, and other items (including the value of the physical increase in on-farm stocks), this gives the industry's gross output. Deducting the gross input (expenditure on current inputs adjusted for stock changes) gives gross product which, after allowing for depreciation of fixed assets, leads to the net product of agriculture. This is the source of remuneration of the various groups providing resources to the industry in the form of financial capital, let land, labour input and managerial skills. The derivation of gross and net products, and of the income measures referred to in this section, is shown diagrammatically in Chart 6.1.
3. The measures of income derived from the difference between gross output and gross input are sensitive to quite moderate changes in the values of these relatively large aggregates. This sensitivity, the revisions now made to previously published figures for earlier years and the provisional nature of the figures for the latest year all need to be borne in mind when considering the changes in product and income reported below for 1995.
4. In Table 6.2 estimates are provided for gross and net product and their components at 1990 prices, thus showing movements in the volumes of the various elements. Table 6.3 summarises the main changes estimated between 1994 and 1995, both in value at current prices (in absolute and percentage terms) and in the underlying quantity and price elements. These changes are also portrayed in Chart 6.2. It should be noted that the values of commodity outputs shown in Tables 6.1 and 6.2 include direct subsidies and that changes in these (per unit of output) are reflected in price changes (e.g. as shown in Table 6.3).
5. The value of the industry's gross output is estimated to have risen by 9.1 per cent between 1994 and 1995, while the value of its gross input has risen by 3.1 per cent over this period. The volume of the industry's output (as indicated by gross output at constant prices) has risen by 0.1 per cent since 1994, with the volume of the industry's gross input decreasing by 0.1 per cent. These changes have resulted in increases of 14.8 per cent in gross product and 17.2 per cent in net product, both at current prices.

6. Table 6.4 provides comparisons, over a number of years, of the industry's gross output at constant prices and of two measures of its productivity. The first, the index of gross agricultural product at constant prices per whole-time person equivalent, has risen by 1.5 per cent in the last year. However this index does not take account of changes in inputs other than labour. The ratio of the volume of gross output to the volume of productive input employed (including labour, usage of capital items and material inputs) provides an alternative measure of productivity. This indicator is forecast to have risen by 0.2 per cent between 1994 and 1995.

**Incomes from
farming**
(Tables 6.1, 6.5 and
6.6)

7. The rise in the industry's net product of 17.2 per cent, or some £1,103 million, was partially offset by an increase of £59 million (11.1 per cent) in the interest paid to the providers of much of the industry's financial capital. These changes were largely responsible for a £1,042 million (18.2 per cent) rise in the incomes of those engaged in the industry (line 29 in table 6.1). When the £13 million (0.7 per cent) increase in the cost of hired labour is taken into account the provisional figure for *total income from farming* (line 31 of table 6.1) shows a rise of £1,029 million (25.6 per cent). This measure reflects the total income from agriculture of the group with an entrepreneurial interest in the industry (farmers and spouses, non-principal partners and directors and their spouses and family workers). In order to derive *farming income*, which covers only farmers and their spouses, it is necessary to impute earnings to non-principal partners and directors (and their spouses) and family workers and this is done on the basis of the earnings of hired workers. The result shows an annual increase of £1,012 million (33.6 per cent) in *farming income*. When expressed in real terms, *total income from farming* and *farming income* are forecast to have risen by 21.5 per cent and 29.2 per cent respectively.

8. Table 6.5 shows movements over the last decade in these income measures and in two measures of cash flow which correspond in coverage to *total income from farming* and *farming income*. The cash flow measures are intended to reflect more closely the perceptions of farmers and farm households. They show slightly larger increases between 1994 and 1995 than those estimated for the income measures; in real terms cash flow for the wider group has risen by 28.1 per cent while that for farmers (and their spouses) alone has risen by 38.8 per cent.

9. Movements over the last decade in the three income indicators used by the EC to compare trends in incomes from farming across member states are shown in Table 6.6. In line with Eurostat practice the implicit price index for Gross Domestic Product has been used as the deflator. This deflator reflects a wider range of price changes in the economy than does the Retail Price Index used in Table 6.5. The Eurostat indicators are expressed per annual work unit and hence allow for the changing labour input into the industry. All three indicators are forecast to have risen between 1994 and 1995 and to levels significantly above the average levels of ten years ago. These trends are illustrated in Chart 6.4. Indicator 3 is based on *total income from farming* and is therefore considered to provide the most meaningful guide to the changing incomes from farming of those with an entrepreneurial interest in the industry.

Subsidies and levies
(Table 6.7)

10. The values of the subsidies and levies included in the estimates of output and income in Table 6.1 are separately identified in Table 6.7. Only those subsidies received directly by farmers for their agricultural activities are included explicitly in the aggregate account. Indirect subsidies, in support of prices, influence the account through their effects on the value of sales. Subsidies paid to farmers to support non-agricultural activities or capital improvements are excluded. (An account of all public expenditure on agriculture is provided in section 9). The Arable Area Payments Scheme was introduced in 1993 to provide compensation for the reduction in the level of price support for cereals, oilseeds and protein crops, and payments for cattle and sheep subsidies were increased for the same reason. The provisional figures show that in 1995 the agricultural industry received £2,355 million in direct subsidies.

Capital formation and stocks
(Tables 6.8 and 6.9)

11. Table 6.8 shows estimates of investment in productive assets by the UK agricultural sector. Total gross fixed capital formation, at current prices, is estimated to have been £1,923 million in 1994. This is 16.1 per cent higher than in the previous year and, at constant prices, nearly equals the average level over the 1984-86 period. Investment in 1994 is estimated to have increased in all three categories of fixed capital, both in current and constant price terms. A slight decline in investment in current price terms is expected in 1995, with further increases in plant, machinery and vehicles being more than offset by a reduction in buildings and works investment in Northern Ireland following changes to the capital grant schemes operating there. The level of barley stocks held on farm at the end of 1995 is expected to have increased. A reduction in the size of the dairy herd is forecast to reduce livestock capital formation. The number of non-breeding livestock held on farm at the end of 1995 is also forecast to have fallen.

Hired labour
(Table 6.10)

12. Table 6.10 shows that average weekly earnings for whole-time hired men (aged 20 and over) increased by approximately 4.6 per cent during 1995, from £226.1 to £236.4. This follows increases in the statutory minimum wage for this group of workers of 4.9 per cent in June 1994 and 3 per cent in June 1995, as agreed by the Agricultural Wages Board. The increase in average earnings represents an increase of 1.1 per cent in real terms, when deflated by the RPI. Average weekly hours worked increased by less than one hour, from 46.4 to 47.2. The total cost of hired labour is derived by multiplying the numbers of each of the different categories of worker by estimates of their relevant earnings, adding on Employers' Liability and National Insurance and any other payments, such as Youth Training Scheme costs and redundancy payments. A deduction is then made from each of these components to reflect the time spent by farm workers on the construction of farm buildings. Thus, the aggregate cost figures shown in the table relate to agricultural work only. When measured at constant prices the volume of hired labour is estimated to have fallen by approximately 2.3 per cent between 1994 and 1995. The total cost of hired labour increased by 0.8 per cent due to the increase in total wages and salaries of hired workers being partly offset by a decrease, for the second consecutive year, in employers insurance contributions.

Interest
(Table 6.11)

13. Details of interest charges payable on farmers' borrowings for agricultural purposes (now including land purchase for the first time) are

shown in Table 6.11. These interest payments, net of interest on short-term deposits, are estimated to have increased by £59 million between 1994 and 1995, to £594 million, reflecting modest increases in both average interest rates and the total volume of lending. This follows a four-year period over which total interest charges halved as interest rates fell to historically low levels and the total volume of lending declined by around a tenth.

TABLE 6.1 Outputs, inputs and income at current prices

£ million		Calendar years				
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Outputs (a)						
Cereals:						
wheat	1,415	1,540	1,555	1,617	1,718	2,005
barley	841	596	581	715	643	827
oats	28	33	47	53	55	67
rye, mixed corn and triticale	3	4	4	7	8	9
other receipts (b)	-	2	2	-	-	-
1. Total cereals	2,286	2,174	2,189	2,391	2,424	2,908
Other crops:						
oilseed rape	256	346	268	340	389	362
linseed	2	42	85	184	38	39
sugar beet	234	278	360	317	307	323
hops	18	20	17	20	19	16
peas and beans for stockfeed	75	110	122	193	150	138
hay and dried grass	21	21	16	17	19	24
grass and clover seed	18	11	10	10	11	8
other minor crops (c)	37	53	40	48	47	48
2. Total other crops	661	882	919	1,129	980	960
3. Potatoes	439	490	426	387	711	1,004
Horticulture:						
vegetables (d)	809	1,107	1,047	1,032	1,102	1,186
fruit (d)	243	315	288	266	237	247
ornamentals	257	515	539	567	635	637
other (e)	4	6	9	8	8	7
4. Total horticulture	1,313	1,944	1,883	1,872	1,982	2,077
Livestock:						
finished cattle and calves	2,006	2,045	2,047	2,327	2,415	2,617
finished sheep and lambs	763	1,129	1,050	1,241	1,198	1,273
finished pigs	950	970	1,090	988	991	1,151
poultry (f)	719	900	934	995	1,043	1,059
other livestock and receipts (g)	94	126	134	136	134	142
5. Total livestock	4,533	5,170	5,256	5,685	5,782	6,241
Livestock products:						
milk	2,410	2,801	2,945	3,200	3,279	3,507
eggs (h)	414	413	405	435	442	415
clip wool	40	42	41	30	46	45
other (i)	15	28	31	29	30	31
6. Total livestock products	2,879	3,284	3,421	3,694	3,797	3,998
7. Own account capital formation: livestock (j)	-4	-78	121	50	-7	-64
8. Total output (1+2+3+4+5+6+7)	12,107	13,865	14,214	15,209	15,669	17,124
Other direct receipts:						
set-aside	-	25	33	182	215	212
milk quota cuts	-	60	81	44	32	26
milk outgoers	6	1	1	1	-	-
other receipts (k)	44	58	78	90	129	90
9. Total other direct receipts	51	144	193	317	376	328
10. Total receipts (8+9)	12,157	14,009	14,407	15,526	16,045	17,452

(a) Output is net of VAT collected on the sale of non-edible products. Figures for total output include subsidies, but not 'other direct receipts'.
(b) Payments to small-scale cereal producers.
(c) Root and fodder crop seed, straw, mustard and other minor crops.
(d) Includes the value of the produce of gardens and allotments.
(e) Seeds, hedgerow fruits and nuts.
(f) Includes live poultry for export.
(g) Horses, breeding livestock exported, rabbits and game, knacker animals, other minor livestock and guidance premium for beef and sheepmeat.
(h) Includes the value of duck eggs and exports of eggs for hatching.

TABLE 6.1 Outputs, inputs and income at current prices (continued)

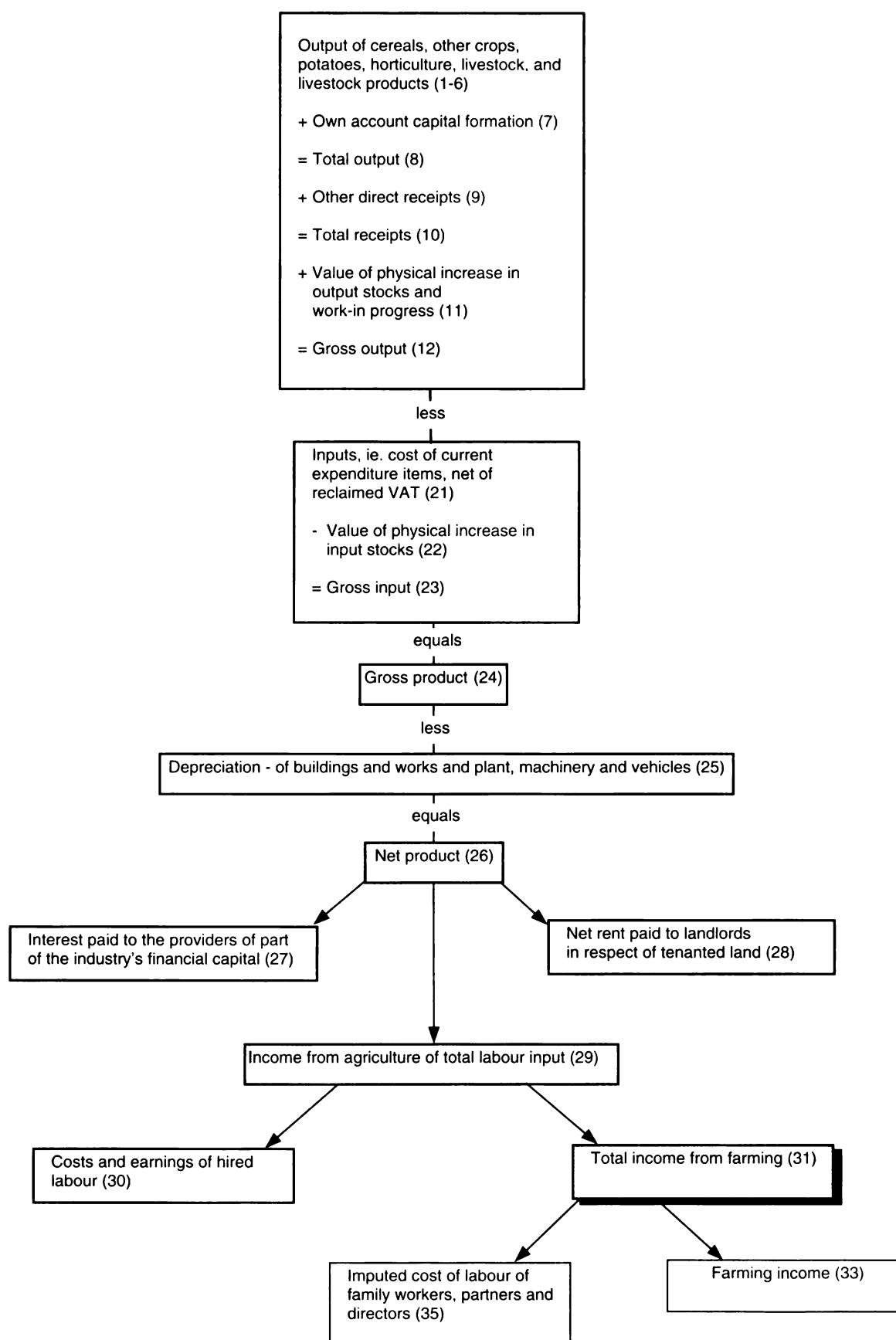
£ million		Calendar years				
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Value of physical increase in work-in-progress (l)	-41	-39	-39	20	57	-28
output stocks (l)	-12	-4	51	-22	-116	14
11. Total value of physical increase	-52	-43	12	-2	-59	-14
12. Gross output (10+11)	12,105	13,966	14,419	15,524	15,986	17,438
of which: Intermediate output (m)						
feed	720	583	589	394	609	648
seed	124	139	138	137	143	149
Inputs						
Expenditures (net of reclaimed VAT)						
Feedingstuffs:						
compounds	1,841	2,059	2,108	2,370	2,355	2,406
straights straights	690	588	561	636	686	688
other other	129	158	161	164	178	187
13. Total feedingstuffs	2,660	2,804	2,830	3,171	3,219	3,280
Seeds:						
cereals	120	123	114	114	115	122
other	144	172	180	177	190	194
14. Total seeds	264	295	294	291	305	316
Livestock:						
imported	67	27	33	27	21	10
inter-farm expenses	135	132	137	152	151	144
15. Total livestock (imported and inter-farm expenses)	202	159	170	179	172	154
Fertilisers and lime:						
straights	356	301	247	217	287	227
compounds	487	394	347	316	372	404
lime	38	37	35	41	42	43
other	26	36	37	38	40	41
16. Total fertilisers and lime	907	769	666	612	741	716
17. Pesticides	340	440	428	449	466	492
Machinery and vehicles:						
repairs	468	616	619	656	692	719
fuel and oil	418	311	290	298	297	291
licences	31	35	36	41	43	43
insurances	46	82	97	112	111	112
other	13	20	21	22	23	23
18. Total machinery and vehicles	976	1,063	1,064	1,128	1,166	1,188
Farm maintenance: (n)						
occupier	142	205	234	255	286	306
landlord	59	59	59	57	58	60
19. Total farm maintenance	201	264	293	313	345	366

(i) Honey, goats milk, and minor livestock products
(j) The value of the physical increase in breeding and other capital livestock.
(k) Includes animal disease compensation payments, co-operative society dividends and payments for grazing of horses and non-marketing of milk.
(l) Work in progress is non-capital livestock. Output stocks comprise cereals, potatoes and some fruits.
(m) Sales included in output but subsequently re-purchased. It is included within input (at the cost, and within the year, of re-purchase).

TABLE 6.1 Outputs, inputs and income at current prices (continued)

£ million		Calendar years				
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Miscellaneous expenditure:						
veterinary expenses and medicines	133	175	181	191	195	199
power and fuel (mainly electricity)	143	191	201	200	198	210
containers	105	148	157	170	172	181
sundry equipment	138	184	191	206	199	212
other (n) (o)	391	606	651	694	718	729
20. Total miscellaneous expenditure	910	1,303	1,381	1,460	1,481	1,531
21. Total expenditure (13+14+15+16+17+18+19+20)	6,459	7,098	7,126	7,602	7,894	8,042
Value of physical increase in stocks of:						
purchased feed	10	-20	21	5	9	-2
fertilisers	9	-9	-3	-3	53	-33
22. Total value of physical increase in input stocks	19	-29	17	2	62	-35
23. Gross input (21-22)	6,440	7,127	7,109	7,599	7,833	8,077
24 Gross product (12-23)	5,665	6,839	7,311	7,925	8,153	9,360
Depreciation:						
buildings and works :						
landlord (n)	76	88	78	77	77	83
other	426	563	511	514	516	568
plant, machinery and vehicles	834	1,081	1,091	1,147	1,159	1,204
25. Total depreciation	1,336	1,731	1,680	1,737	1,751	1,855
26. Net product (24-25)	4,330	5,108	5,631	6,188	6,402	7,505
27. Interest (p)	718	850	719	527	535	594
28. Net rent (n)	152	141	150	146	149	151
29. Income from agriculture of total labour input (26-27-28)	3,459	4,117	4,762	5,515	5,718	6,760
Hired labour (q) (r)						
wages and salaries	1,214	1,520	1,527	1,537	1,555	1,575
insurances	115	138	138	144	138	131
other	9	11	10	10	10	10
30. Total hired labour (q) (r)	1,339	1,670	1,674	1,690	1,703	1,716
31. Total income from farming (29-30)	2,120	2,447	3,088	3,825	4,015	5,044
32. Labour: family, partners and directors (r) (s)	696	958	981	974	1,000	1,017
33. Farming income (t) (31-32)	1,425	1,490	2,107	2,852	3,015	4,027
(n) Landlords' expenses are included within farm maintenance, miscellaneous expenditure and depreciation of buildings and works. Net rent is the rent paid on tenanted land less these landlords' expenses and the benefit value of dwellings on that land.						
(o) Including fees, insurance, telephones, non-government levies, and drainage, water and local authority rates (but see reference to farm cottages at (q) below).						
(p) Interest charges on loans for current farming purposes and buildings and works less interest on money held on short term deposit.						
(q) Including employers' national insurance contributions, perquisites and other payments (including the payment by farmers of rates on farm cottages occupied by farm workers and of their community charge or council tax).						
(r) Excludes the value of work done by farm labour on own account capital formation in buildings and works.						
(s) The estimate in respect of family workers, non-principal partners and directors (and their spouses) is calculated on the basis of the earnings of hired labour.						
(t) The return to farmers (and their spouses) for their labour, management skills and own capital invested after providing for depreciation.						

Chart 6.1 Outputs, inputs, net product and the resulting incomes



Numbers in brackets refer to numbered rows in table 6.1

TABLE 6.2 Outputs, inputs and income at constant (1990) prices

£ million at constant (1990) prices						Calendar years
	Average of 1984-86 (a)	1991	1992	1993	1994	1995 (provisional)
Outputs (b)						
Cereals:						
wheat	1,379	1,450	1,415	1,223	1,403	1,441
barley	893	613	576	545	464	527
oats	28	33	43	34	37	40
rye, mixed corn and tritcale	3	4	4	4	4	4
other receipts (c)	-	-	-	-	-	-
1. Total cereals	2,299	2,102	2,040	1,807	1,909	2,013
Other crops:						
oilseed rape	251	347	324	306	341	339
linseed	2	41	50	43	21	17
sugar beet	285	300	349	333	300	296
hops	20	19	15	17	14	13
peas and beans for stockfeed	63	105	106	143	114	91
hay and dried grass	22	22	18	19	18	19
grass and clover seed	11	11	10	9	10	8
other minor crops (d)	43	49	48	53	51	47
2. Total other crops	708	894	920	923	869	831
3. Potatoes	550	496	531	558	549	502
Horticulture:						
vegetables (e)	1,086	1,171	1,240	1,192	1,173	1,094
fruit (e)	312	302	333	295	290	279
ornamentals	418	514	523	537	551	574
other (f)	4	6	6	6	5	5
4. Total horticulture	1,817	1,993	2,102	2,029	2,019	1,953
Livestock						
finished cattle and calves	2,203	2,037	1,929	1,771	1,892	2,008
finished sheep and lambs	770	1,056	996	989	989	1,013
finished pigs	1,057	1,060	1,056	1,078	1,120	1,079
poultry (g)	764	951	957	952	1,023	1,084
other livestock (h)	121	120	130	122	120	124
5. Total livestock	4,885	5,223	5,067	4,912	5,144	5,308
Livestock products:						
milk	2,985	2,715	2,702	2,721	2,758	2,692
eggs (i)	479	458	449	444	440	435
clip wool	38	47	47	45	43	44
other (j)	13	23	25	25	20	22
6. Total livestock products	3,512	3,243	3,223	3,234	3,262	3,193
7. Own account capital formation: livestock (k)	-4	-73	96	34	-6	-60
8. Total output (1+2+3+4+5+6+7)	13,782	13,879	13,980	13,497	13,745	13,741
9. Total other direct receipts	39	134	174	142	112	96
10. Total receipts (8+9)	13,817	14,013	14,154	13,639	13,858	13,837
Value of physical increase in:						
work-in-progress (l)	-46	-38	-38	20	55	-26
output stocks (l)	-2	-4	73	-27	-105	16
11. Total value of physical increase	-74	-42	35	-7	-50	-10
12. Gross output (10+11)	13,765	13,971	14,190	13,633	13,808	13,827

TABLE 6.2 Outputs, inputs and income at constant (1990) prices (continued)

£ million at constant (1990) prices Calendar years

	Average of 1984-86 (a)	1991	1992	1993	1994	1995 (provisional)
of which: Intermediate output (m)						
feed	720	542	539	387	605	600
seed	135	136	131	131	132	131
Expenditures (net of reclaimed VAT):						
feedingstuffs	2,907	2,753	2,817	2,959	3,085	3,071
seeds	286	290	278	279	280	278
livestock (imported and inter-farm expenses)	221	157	160	138	134	122
fertilisers and lime	795	787	721	689	796	688
pesticides	433	399	375	386	399	434
machinery and vehicles:						
repairs	622	579	543	548	562	565
fuel and oil	348	303	293	283	280	266
other	134	123	120	119	118	119
farm maintenance (n)	249	258	285	298	313	312
miscellaneous expenditure (n) (o)	1,170	1,137	1,141	1,140	1,132	1,135
13. Total expenditure	7,141	6,786	6,732	6,839	7,099	6,988
14. Total value of physical increase in input stocks	19	-29	14	1	67	-36
15. Gross input (13-14)	7,133	6,815	6,718	6,838	7,031	7,024
16. Gross product (12-15)	6,651	7,156	7,472	6,795	6,777	6,803
17. Total depreciation (n)	1,778	1,726	1,706	1,695	1,704	1,710
18. Net product (16-17)	4,871	5,430	5,765	5,100	5,072	5,093

(a) For 1984-86 the required national accounts method of calculating totals and sub-totals in constant price accounts means that they do not necessarily equate to the sum of the individual items within them.

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

(c) Payments to small-scale cereal producers.

(d) Root and fodder crop seed, straw, mustard and other minor crops.

(e) Includes the value of the produce of gardens and allotments.

(f) Seeds, hedgerow fruits and nuts.

(g) Includes live poultry for export.

(h) Horses, breeding livestock exported, rabbits and game, knacker animals, other minor livestock and guidance premium for beef and sheepmeat.

(i) Includes exports of eggs for hatching.

(j) Honey, goats milk, and minor livestock products.

(k) The value of the physical increase in breeding and other capital livestock.

(l) Work in progress is non-capital livestock. Output stocks comprise cereals, potatoes and some fruits.

(m) Sales included in output but subsequently re-purchased. It is included within input (at the cost and within the year of re-purchase).

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

(o) Including fees, insurance, telephones, non-government levies, and drainage, water and local authority rates.

TABLE 6.3 Changes in outputs and inputs

	Change between 1994 and 1995 (provisional)			
	Total Change		Percentage change in	
	£ million	Percentage	Price	Quantity
Outputs				
Cereals	484	20.0	13.7	5.5
Other crops	-20	-2.1	2.4	-4.3
Potatoes	293	41.2	54.4	-8.6
Horticulture	95	4.8	8.4	-3.3
Livestock	459	7.9	4.6	3.2
Livestock products	200	5.3	7.5	-2.1
Other items (a)	-60	..	..	..
Gross output	1,452	9.1	8.9	0.1
Inputs				
Feedingstuffs	61	1.9	2.4	-0.5
Seeds	11	3.7	4.4	-0.7
Livestock	-18	-10.4	-0.9	-9.6
Fertilisers and lime	-25	-3.4	11.7	-13.6
Pesticides	26	5.6	-3.0	8.8
Machinery (total current expenses)	21	1.8	2.9	-1.1
Farm maintenance	21	6.2	6.6	-0.4
Miscellaneous (inc vets and electricity)	50	3.4	3.1	0.3
Other items (b)	-97	..	..	..
Gross input	245	3.1	3.2	-0.1
Gross product	1,207	14.8	14.4	0.4
Net product	1,103	17.2	16.8	0.4

(a) Covers own account capital formation, other direct receipts and the value of the physical increase in output stocks and work-in-progress.
(b) Covers value of the physical increase of feed and fertiliser stocks.

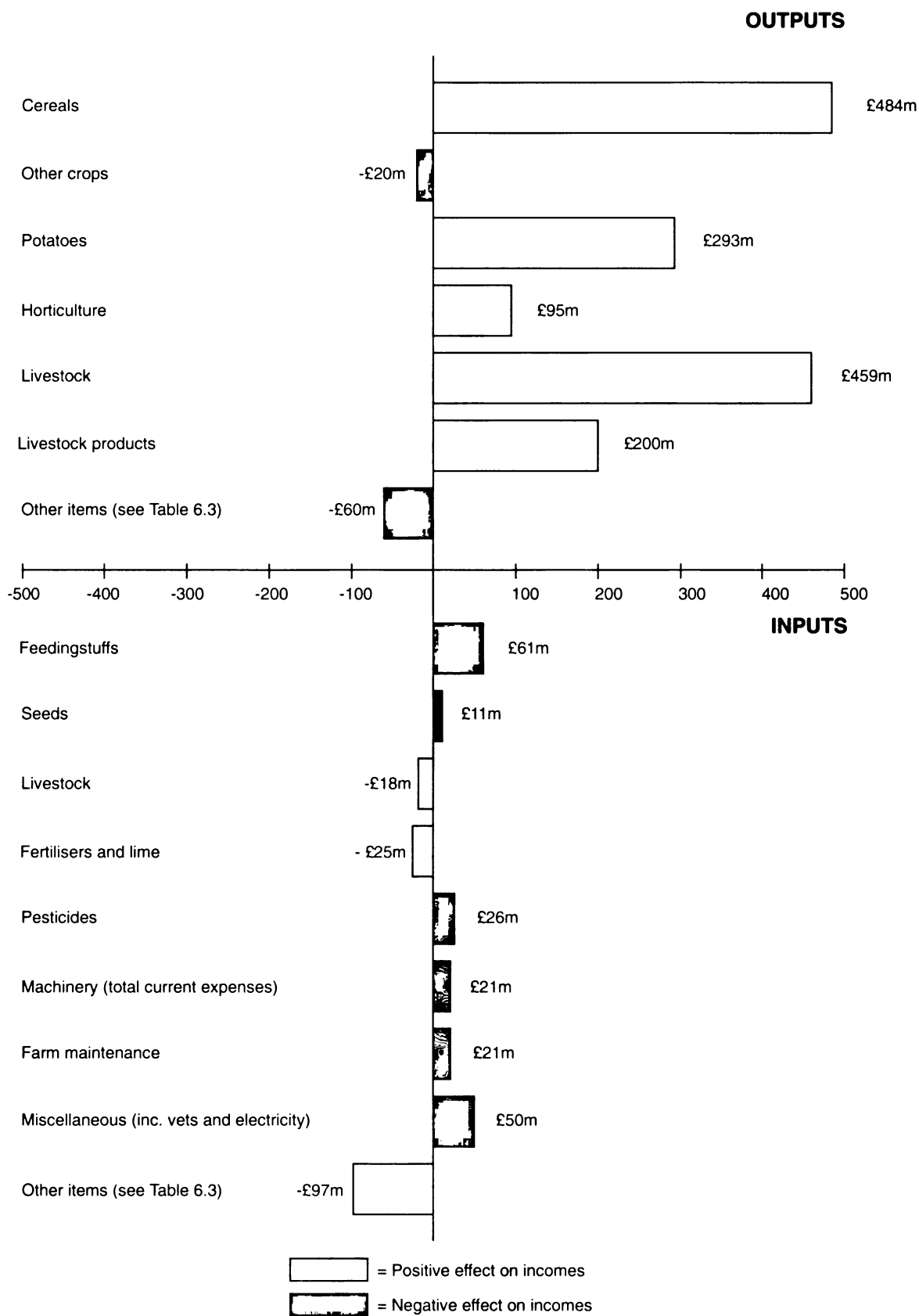
TABLE 6.4 Output volume and productivity

At constant 1990 prices: indices, 1990=100			Calendar years
Year	Gross output (as defined in Table 6.2)	Gross product (as defined in Table 6.2) per whole-time person equivalent(a)	Gross output per unit of all inputs (including fixed capital and labour)
1984	101.5	90.7	98.8
1985	98.3	85.7	95.5
1986	99.0	85.5	94.1
1987	97.9	85.6	93.1
1988	98.3	87.9	93.7
1989	99.8	95.1	97.1
1990	100.0	100.0	100.0
1991	101.1	107.3	102.8
1992	102.7	113.7	105.4
1993	98.6	104.3	101.0
1994	99.9	106.3	100.6
1995 (provisional)	100.0	107.9	100.8

(a) The total numbers of whole-time man-equivalents engaged in agriculture is estimated for this series from the total number of full-time, part-time and casual workers, salaried managers, farmers and partners and directors (and their spouses) returned in the annual June Censuses, weighted by their estimated average annual hours worked.

CHART 6.2 Changes in outputs and inputs

Changes in value of outputs and inputs between 1994 and 1995 (provisional)^(a)



(a) Changes based on unrounded figures

TABLE 6.5 Summary measures from the aggregate agricultural account

Calendar years						
Year	Net product (as defined in table 6.1)	Income from farming			Cash flow from farming	
		Income from agriculture of total labour input	Total income from farming (of farmers, non-principal partners and directors and their spouses and family workers)	Farming income (of farmers and spouses)	of farmers, non- principal partners and directors and their spouses and family workers	of farmers and spouses
£ million						
1984	4,743	3,981	2,693	2,053	2,347	1,707
1985	4,007	3,074	1,694	992	1,921	1,219
1986	4,238	3,322	1,973	1,229	2,251	1,507
1987	4,318	3,465	2,100	1,324	2,629	1,852
1988	4,171	3,324	1,917	1,111	2,346	1,540
1989	4,925	3,842	2,389	1,570	2,781	1,962
1990	5,120	3,962	2,375	1,497	2,775	1,897
1991	5,108	4,117	2,447	1,490	3,072	2,114
1992	5,631	4,762	3,088	2,107	3,317	2,336
1993	6,188	5,515	3,825	2,852	3,800	2,826
1994	6,402	5,718	4,015	3,015	3,794	2,794
1995 (provisional)	7,505	6,760	5,044	4,027	5,027	4,010
In real terms (as deflated by the RPI): indices, 1990 = 100						
1984	131.1	142.2	160.5	194.0	119.7	127.3
1985	104.3	103.4	95.1	88.3	92.3	85.6
1986	106.7	108.1	107.1	105.8	104.6	102.4
1987	104.4	108.2	109.5	109.4	117.2	120.8
1988	96.1	99.0	95.2	87.5	99.7	95.7
1989	105.3	106.1	110.1	114.8	109.7	113.2
1990	100.0	100.0	100.0	100.0	100.0	100.0
1991	94.3	98.2	97.3	94.0	104.6	105.3
1992	100.1	109.4	118.4	128.1	108.8	112.1
1993	108.4	124.8	144.4	170.7	122.7	133.5
1994	109.4	126.3	147.9	176.1	119.6	128.8
1995 (provisional)	124.0	144.4	179.7	227.6	153.3	178.8

TABLE 6.6 Eurostat income indicators

Calendar years			
Year	Indicator 1(a) Net value added from agricultural activity at factor cost of total labour input	Indicator 2 (a) Net income from agricultural activity of total labour input	Indicator 3 (a) Net income from agricultural activity of family labour input
Indices (1989/91=100) reflecting incomes in real terms (as deflated by the GDP price index) per annual work unit			
1984	116.1	123.9	143.9
1985	93.0	90.7	85.2
1986	97.0	96.7	96.0
1987	96.5	98.5	99.8
1988	89.5	90.8	87.0
1989	101.4	100.6	103.1
1990	101.1	99.5	98.9
1991	97.5	99.9	98.0
1992	104.2	112.1	118.7
1993	111.9	126.9	142.7
1994	115.9	131.6	149.3
1995 (provisional)	133.5	152.9	184.2

(a) These series have been given their Eurostat titles. Their numerators correspond to the following series in Table 6.5:

- 1. Net product;
- 2. Income from agriculture of total labour input;
- 3. Total income from farming.

CHART 6.3 Numerators of Eurostat income indicators 1, 2 and 3

In real terms (as deflated by the RPI): indices, 1990=100

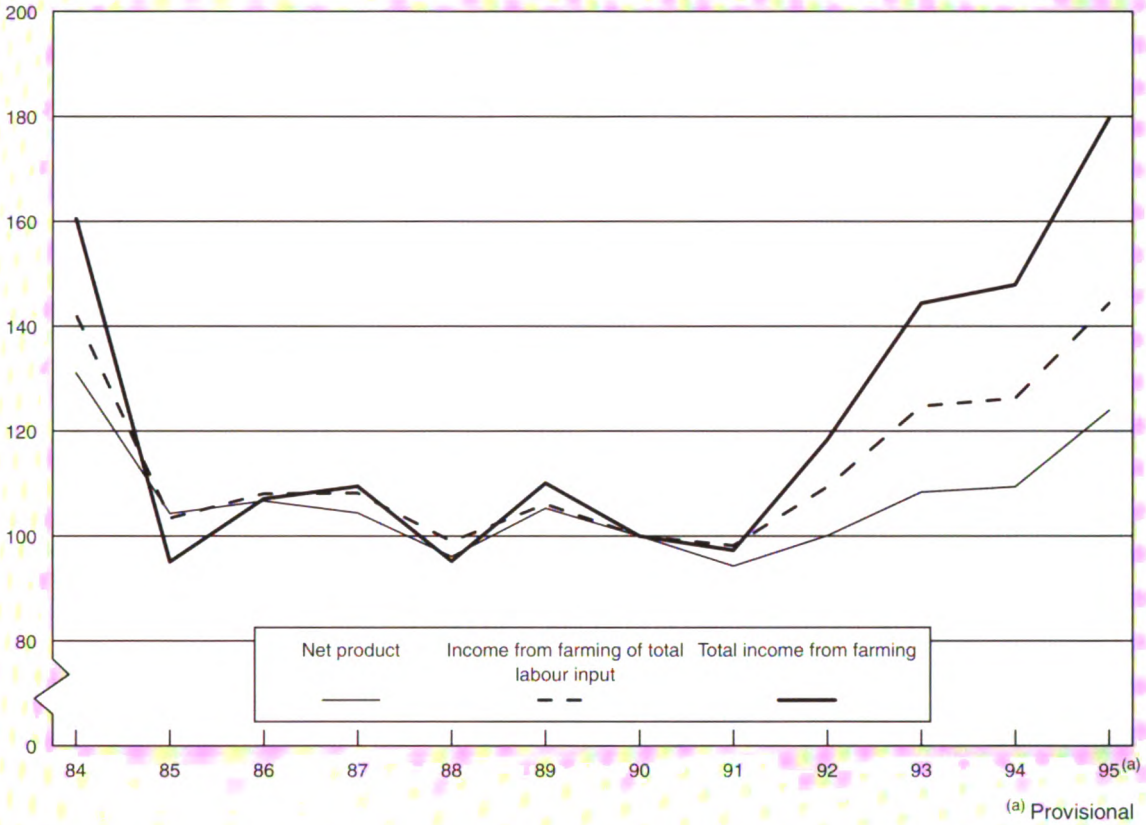


CHART 6.4 Eurostat income indicators 1, 2 and 3

Indices (as defined in Table 6.6)

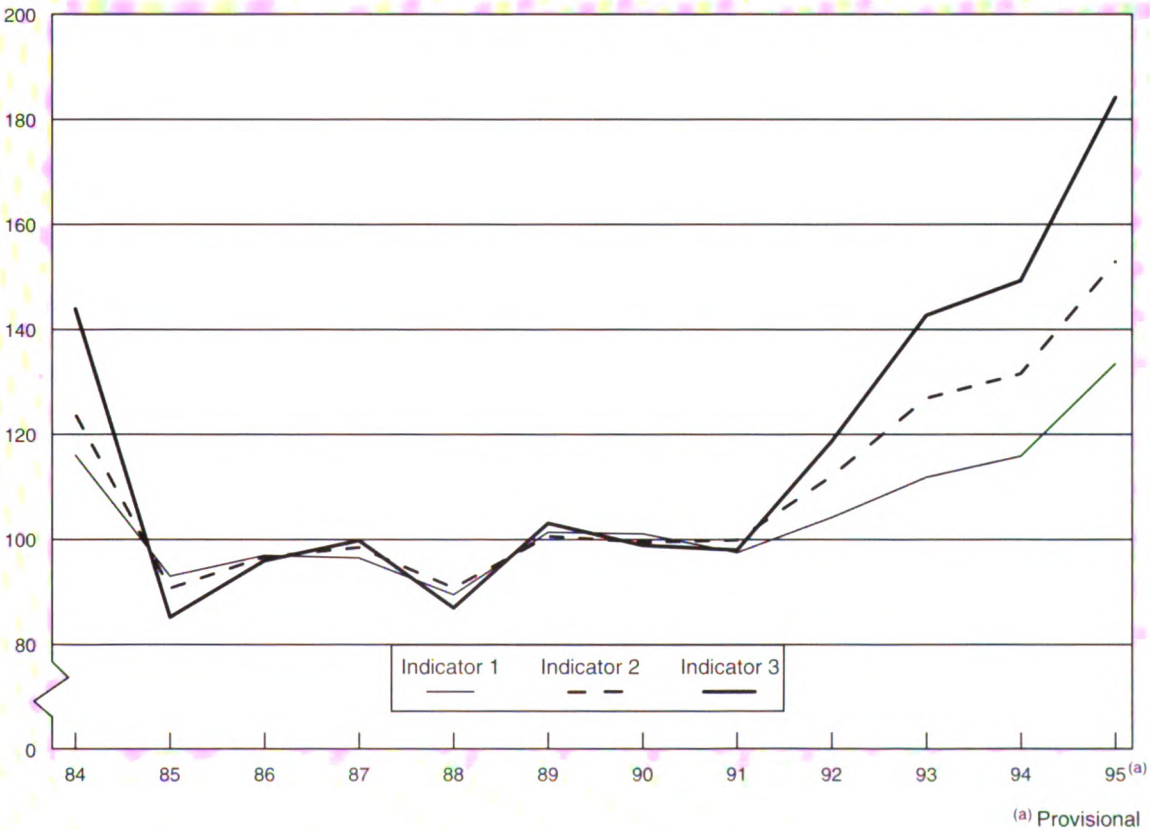


TABLE 6.7 Subsidies and levies included in the aggregate agricultural account

£ million

Calendar years

	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Subsidies						
Cereals:						
arable area payments	-	-	-	384	541	811
payments to small scale cereal producers	2	2	2	-	-	-
Total	2	2	2	384	541	811
All other crops:						
oilseed rape:						
arable area payments	-	-	-	77	169	145
oilseed support scheme	-	-	84	86	-	-
linseed:						
arable area payments	-	-	-	-	27	28
oilseed support scheme	-	21	60	160	-	-
peas and beans for stockfeed:						
arable area payments	-	-	-	102	80	74
peas for human consumption:						
arable area payments (b)	-	-	-	7	-	-
forage maize:						
arable area payments	-	-	-	-	13	7
others (c)	1	5	6	7	7	5
Total	1	26	151	438	295	261
Cattle:						
beef variable premium	130	-	-	-	-	-
beef special premium (d) (e)	-	45	45	159	196	231
suckler cow premium (d)	25	88	99	144	182	214
calf subsidy	5	-	-	-	-	-
hill livestock compensatory allowance	43	65	69	65	57	56
disease compensation (f)	1	4	4	7	6	5
Total	206	201	216	375	442	506
Sheep:						
sheep variable premium	132	209	-	-	-	-
annual ewe premium	104	288	346	459	383	425
hill livestock compensatory allowance	57	84	85	65	54	53
Total	293	581	431	523	436	479
Other subsidies:						
set-aside:						
arable area payments	-	-	-	157	199	204
5 year, 1 year and levy schemes	-	25	33	26	16	8
milk quota cuts	-	60	81	44	32	26
non-marketing of milk	-	-	-	-	45	-
BSE compensation	-	16	29	38	26	11
other animal disease compensation (g)	3	3	3	3	1	1
environmentally sensitive areas	-	11	17	18	25	38
others (h)	23	4	4	4	5	11
Total	25	118	166	290	348	299
Total subsidies	527	928	966	2,010	2,062	2,355
Levies (a)						
Cereals:						
co-responsibility levy	14	119	42	-	-	-
Milk:						
co-responsibility levy	-	33	34	10	-	-
supplementary levy	-	9	4	2	23	48
Total levies	75	161	80	12	23	48

(a) Excludes levies paid to non-governmental organisations. These are included in the aggregate accounts (table 6.1) under 'other 'miscellaneous expenditure'.

(b) Consists of subsidies on peas harvested dry and on vining peas.

(c) Includes hops CAP support and conversion aid, grass and clover seed subsidy and Potato Marketing Board compensation payments.

(d) Calculated on an accruals rather than a payments received basis.

(e) Includes extensification premium and NI deseasonalisation premium.

(f) Tuberculosis and brucellosis compensation; included under 'other subsidies' for years 1983-85.

(g) Includes salmonella, Chernobyl, aujeszky's, swinefever and avian influenza; also tuberculosis and brucellosis compensation for years 1983-85.

(h) Includes milk outgoers and small milk producers' scheme, nitrate sensitive areas, guidance premium for beef and sheepmeat production, aid to Less Favoured Area, farm accounts grants and other payments.

TABLE 6.8 Gross capital formation

£ million		Calendar years				
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Gross capital formation at current prices						
Gross fixed capital formation:						
buildings and works	545	475	432	468	584	..
plant and machinery	723	696	759	962	1,088	..
vehicles	115	138	170	227	250	..
Total	1,383	1,309	1,361	1,657	1,923	..
Livestock capital formation:						
cattle	-18	-67	91	48	6	-59
sheep	12	-19	28	-1	-3	-1
pigs	2	2	2	0	-4	-1
poultry	-	6	0	3	-6	-3
Total	-4	-78	121	50	-7	-64
Gross capital formation	1,380	1,231	1,482	1,708	1,916	..
Gross capital formation at constant 1990 prices						
Gross fixed capital formation:						
buildings and works	740	515	521	563	701	..
plant and machinery	944	662	695	820	926	..
vehicles	168	128	160	212	223	..
Total	1,852	1,305	1,376	1,595	1,850	..
Livestock capital formation	-4	-73	96	34	-6	-60
Gross capital formation	1,848	1,232	1,472	1,629	1,845	..

TABLE 6.9 Stocks and work in progress

£ million		Calendar years				
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Increase in book value of stocks and work in progress	-25	46	18	-216	184	8
Stock appreciation	9	117	-11	-217	181	57
Value of physical increase in stocks and work in progress:						
at current prices	-33	-72	29	-	3	-49
at constant (1990) prices	-55	-71	50	-5	18	-46
Details at current prices:						
Output stocks:						
wheat	6	15	14	58	-45	3
barley	-17	-11	8	-62	-14	24
oats	-	-1	-6	1	2	-
potatoes	-3	-7	30	-18	-55	-7
fruit	2	-	6	-1	-4	-6
Total	-12	-4	51	-22	-116	14
Work in progress:						
cattle	-51	-17	-50	13	44	-8
sheep	7	-25	-	-3	7	-14
pigs	2	4	5	3	1	-9
poultry	2	-1	6	7	5	3
Total	-41	-39	-39	20	57	-28
Input stocks:						
feedingstuffs	10	-20	21	5	9	-2
fertilisers	9	-9	-3	-3	53	-33
Total	19	-29	17	2	62	-35

TABLE 6.10 Costs and earnings of hired labour engaged in agricultural work

		Calendar years				
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Hired labour costs (£ million)						
Wages and salaries (a)	1,214	1,520	1,527	1,536	1,555	1,575
Insurance payments	115	138	138	144	138	131
Other payments (b)	7	11	10	10	10	10
Total	1,337	1,670	1,674	1,690	1,703	1,716
Hours and earnings of regular whole-time male workers, 20 years and over						
Hours per week (c)	46.7	46.9	46.3	46.3	46.4	47.2
Earnings per week (£) (d)	132.7	204.1	211.5	218.0	226.1	236.4
Index of earnings in real terms (1990=100) (deflated by RPI)	94.3	103.5	103.4	104.8	106.1	107.3

(a) Includes perquisites.
(b) Includes redundancy payments, Workers Pension Scheme (up to 1990) and Youth Training Scheme.
(c) All hours worked and statutory holidays.
(d) Includes payment in kind for houses, board and lodging and milk, which are valued at rates set down by the Agricultural Wages Board. Also includes pay for statutory holidays and employers' contributions to employees' community charge during the period 1990 to 1992 and to the council tax from 1993.

TABLE 6.11 Interest

£ million (unless otherwise specified)		Calendar years				
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
Interest rates						
average bank base lending rate in the UK (percentage)	10.9	11.7	9.6	6.0	5.5	6.7
average rate of interest on bank advances to agriculture (percentage)	13.3	14.3	12.3	8.7	8.2	9.3
Interest charges (for current farming purposes and building and works) on :						
bank advances	595	663	547	376	360	412
AMC loans	64	117	111	97	98	106
instalment credit	14	19	21	29	44	46
leased assets	32	46	36	25	27	26
other credit (a)	28	51	46	27	31	34
less interest on deposits (b)	14	45	42	27	25	31
Total	718	850	719	527	535	594

(a) Interest paid on other institutional credit and that from private sources.
(b) Interest earned on money held on short term deposit.

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 (Table 7.1)

2. Table 7.1 shows indices of average rents per hectare based on results of the annual rent enquiry in England and Wales and continuing field enquiries in Scotland. Provisional estimates for 1995 suggest increases in average rents in England, Wales and Scotland of about 6.2, 6.9 and 2.8 per cent respectively. For Great Britain as a whole average rent per hectare increased by about 5.9 per cent.

Agricultural land prices (Table 7.2)

3. The average land prices shown in Table 7.2 are obtained from Inland Revenue statistics of average sale prices. Only a very small proportion of the total area of farmland in the UK is sold in a particular year. The average prices recorded by the Inland Revenue can therefore be subject to considerable variation from year to year and, in the case of the unweighted averages shown here, may vary with size and type of lot sold in the year concerned.

4. The average price of land sold with vacant possession in 1994 increased by 10.5 per cent in England, 7.1 per cent in Wales and 17.7 per cent in Northern Ireland. Data for Scotland for 1994 are not yet available. In the tenanted sector in England the average price of land sold increased by 30 per cent. Chart 7.1 plots the average vacant possession price of land sold in England over the last ten years in both current and real terms.

Balance sheet (Table 7.3)

5. Estimates of the aggregate balance sheet are shown in Table 7.3. In 1994 there was an increase of about 2.7 per cent in the total value of assets at current prices (net of depreciation but excluding the value of quotas). This was largely due to a rise in the value of land and buildings. The total value of liabilities increased by about 5.7 per cent and the industry's net worth increased by about 2.3 per cent. In real terms total assets and net worth have remained stable in 1994 despite a small increase in real liabilities. This can arise because liabilities are a relatively small proportion (about 12.8 per cent in 1994) of total assets. Chart 7.2 shows the development (in real terms) of the main balance sheet aggregates since 1985.

TABLE 7.1 Farm rents

Average per hectare: indices, 1990=100						Calendar years
	Average of 1984-86	1991	1992	1993	1994	1995 (provisional)
England	88.4	101.4	101.9	102.4	104.2	110.7
Wales	84.6	102.8	106.2	110.0	116.7	124.8
Scotland	86.2	103.2	102.2	102.5	107.7	110.7
Great Britain (a)	87.8	101.6	102.2	103.0	105.7	111.9

(a) Virtually all land in Northern Ireland is owner-occupied or let on an annual basis.

TABLE 7.2 Agricultural land prices

£ per hectare						Calendar years
	Average of 1984-86	1991	1992	1993	1994	
England (a)						
With vacant possession	3,695	4,198	3,674	3,814	4,214	
Tenanted	2,397	2,053	1,766	1,733	2,253	
Wales (a)						
With vacant possession	2,517	3,386	2,453	2,783	2,980	
Scotland (a)						
With vacant possession	1,581	2,943	2,405	2,357	..	
Tenanted	701	1,056	1,195	1,159	..	
Northern Ireland (a)						
With vacant possession	3,072	3,458	3,613	4,469	5,262	

(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. In Scotland the series refers to sales of equipped farms only and excludes sales of whole estates and inter-family sales. There is a delay between the date on which a sale is agreed and the date on which it is included in the analysis. The delay is thought to to average about 9 months for England and Wales and about 3 months for Northern Ireland. The average prices shown in the table for each calendar year relate to sales included in the series for these countries in the years ending in the following September and March respectively. In the case of Scotland the problem is overcome by further analysis of information by date of sale. The data for Scotland is subject to retrospective revision. Reliable prices for tenanted land in Wales are unavailable due to insufficient sales and virtually all land in Northern Ireland is owner-occupied or let on an annual basis.

TABLE 7.3 Aggregate balance sheets for agriculture

£ million		As at December each year			
	Average of 1984-86	1991	1992	1993	1994 (provisional)
At current prices					
Assets					
Fixed (a):					
Land and buildings (b)	35,600	38,900	34,550	40,100	43,400
Plant, machinery and vehicles	5,550	6,650	6,800	7,150	7,550
Breeding livestock	3,450	4,250	5,700	6,400	4,300
Total fixed	44,600	49,800	47,050	53,700	55,250
Current:					
Trading livestock	2,700	3,050	3,150	4,250	3,500
Crops and stores	2,650	2,500	2,550	2,350	2,650
Debtors, cash deposits	1,400	2,300	2,750	3,050	3,700
Total current	6,800	7,850	8,450	9,650	9,850
Total Assets	51,350	57,600	55,550	63,350	65,050
Liabilities					
Long and medium term:					
Bank loans	1,100	1,150	1,250	1,350	1,600
Other	800	1,550	1,600	1,650	1,800
Total long and medium term	1,900	2,700	2,850	3,000	3,400
Short term:					
Bank overdraft	3,450	3,500	3,150	2,850	2,700
Other	1,450	1,900	1,900	2,050	2,250
Total short term	4,850	5,350	5,000	4,850	4,950
Total Liabilities	6,800	8,050	7,900	7,900	8,350
Net worth	44,600	49,550	47,650	55,450	56,700
In real terms (as deflated by the RPI): indices, December 1990 = 100					
Total assets	118	93	88	98	98
Total liabilities	114	95	91	89	92
Net worth	119	93	87	99	99

(a) The valuations of land, buildings and breeding livestock are at average market prices; those of plant, machinery and vehicles are at replacement cost, net of depreciation.
(b) Includes the value of owner-occupied and tenanted land.

CHART 7.1 Prices of agricultural land sold with vacant possession : England

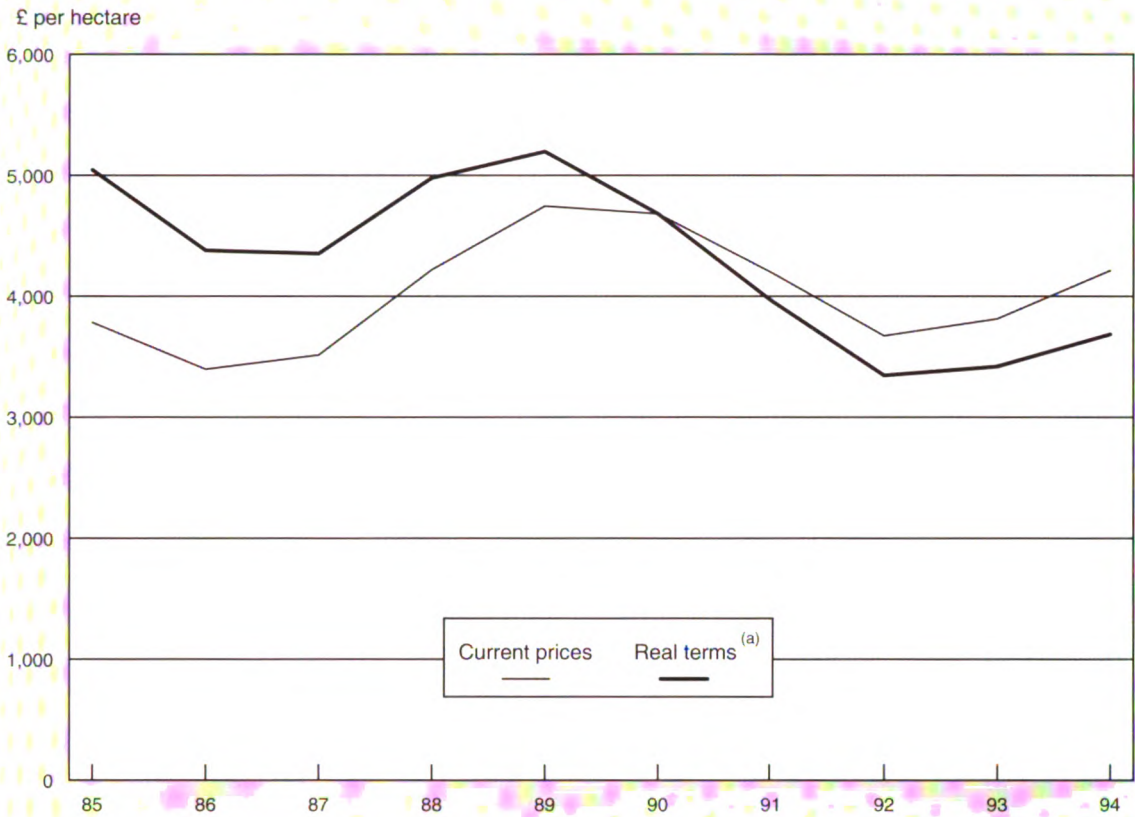
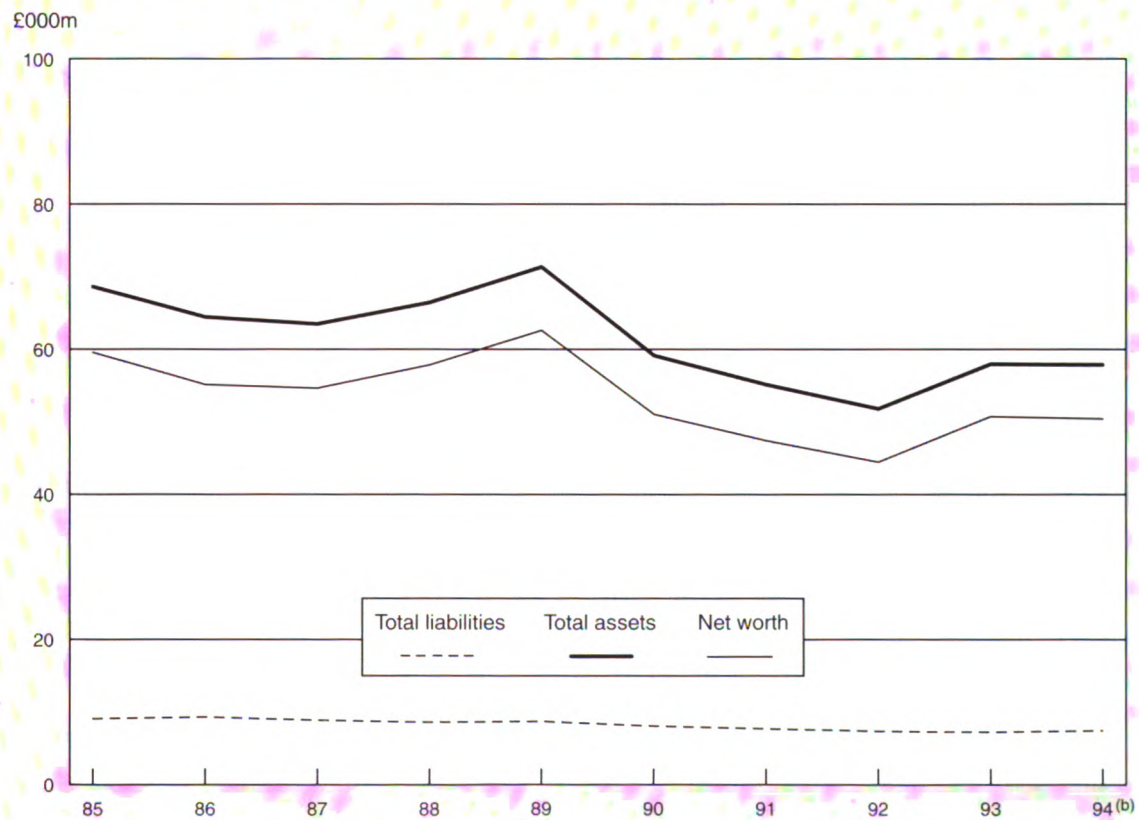


CHART 7.2 United Kingdom agricultural assets, liabilities and net worth in real terms^(a)



8 Farm business data

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 agricultural colleges in England and Wales and by the Department of Agriculture for Northern Ireland, and by the Scottish Farm Accounts Scheme carried out by the Scottish Agricultural College. Summary results of these surveys (weighted according to the distribution of holdings by region, farm type, size and tenure recorded in the 1994 June Census) are presented and described in this section, together with provisional estimates of net farm income for the 1995/96 year.
2. It should be noted that the accounting practices and concepts adopted in the Farm Business Surveys differ in a number of respects from those employed in compiling the aggregate account as reported in Section 6. Income measures deriving from the two sources are not, therefore, directly comparable. Income measures in this section are presented as averages per farm.
3. Movements in *net farm income* over recent years 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, in order 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).
4. An important change in practice this year is that in England and Northern Ireland livestock subsidies are recorded in the accounting year which contained the start of the subsidy scheme year under which they are due; previously they were recorded in the year in which they were received. The change brings England and Northern Ireland into line with the practice adopted in Scotland and in general brings the recording of livestock subsidies into line with the business accounting methods adopted for other revenue items, including crop subsidies. In Wales livestock subsidies continue to be recorded on an 'as received' basis. The estimates of *net farm income* and *occupier's net income*, presented in tables 8.2 to 8.4, are thus on a slightly different basis as between Wales and the other countries. The presentation of changes in *net farm income* in table 8.1 includes adjustments to bring Wales into line with the rest of the UK for the latest

years and the method of calculating year to year changes ensures that these are measured on a consistent basis.

5. A further change to the tables this year relates to the classification of farms. Livestock farms with significant dairy enterprises have now been included in the *dairy* farm type rather than the *cattle and sheep* farm type. This change provides a greater distinction between farms which have predominantly beef cattle and sheep enterprises and those which have a significant dairy enterprise.

Farm Incomes (Tables 8.1 - 8.3)

6. Over the United Kingdom as a whole, average net farm income in 1994/95 fell by almost 25 per cent on full-time cattle and sheep farms (both inside and outside the Less Favoured Areas). Dairy farms experienced a more modest fall in average net farm income. General Cropping farms fared very well with a significant increase in net farm income of over 75 per cent from 1993/94. On cereals and mixed farms net farm income also rose, although to a lesser extent. Average net farm income on pig and poultry farms rose in 1994/95, mainly as a result of higher pig prices. This increase was not sufficient to offset the large fall in incomes in the previous year.

7. The value of output on cattle and sheep farms in 1994/95 remained broadly unchanged but, because input costs rose, net farm income fell. The value of output on cereals farms recovered, after falling in 1993/94, due to higher cereal prices and increased rates of arable area and set-aside payments. As a result net farm income improved considerably in 1994/95. The substantial rise in incomes on general cropping farms was mainly on account of a very large rise in potato prices following the dry summer; other contributory factors were the increased receipts from cereals and sugar beet and increased set aside payments.

8. Provisional estimates of net farm income for 1995/96 are included as indices in Table 8.1. These are based on the most recent information on prices, direct subsidy rates and 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.

9. Net farm income on dairy farms is expected to show a modest rise in 1995/96 due to increased yields and higher milk prices, following the abolition of the Milk Marketing Boards. For cattle and sheep farms, both lowland and in the Less Favoured Areas (LFA), increases in sheep prices and livestock headage payments are expected to lead to a recovery in farm incomes, despite higher feed costs. Even so incomes are expected to remain below 1993/94 levels. For cereals farms, a further sharp rise in incomes is expected in 1995/96. An increase in planted cereals area, on account of a relaxation of set-aside requirements, combined with higher yields has resulted in a good cereals harvest in 1995. With stronger prices and rates of area payments for cereals increasing by some 40%, the value of total farm output is expected to increase substantially. These factors are also expected to contribute to an increase in incomes for general cropping farms in England, where cereals is a significant component; however, the relative fall in potato prices from the very high levels of the previous year is expected to

result in a significant reduction in incomes for general cropping farms in Scotland and Northern Ireland. A further increase in incomes for pig producers is expected in 1995/96, despite lower marketings, as the recovery in pig prices continues. Poultry output is expected to decline in 1995/96 with lower prices for both eggs and broilers offsetting any slight increase in production.

10. Information on estimated levels of net farm income in 1993/94 and 1994/95 is 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. On full-time cattle and sheep farms, average net farm income fell in all four countries. The large fall in Wales shown in Tables 8.2 and 8.3 reflects the different treatment of livestock subsidies. Incomes on large general cropping farms in England rose by two-thirds and more than trebled in Scotland. This difference is explained by the higher proportion of output accounted for by potatoes on this type of farm in Scotland. In England, average net farm income in 1994/95 at £56,000 was more than double that of other major types.

11. *Occupiers' 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 may reflect, more realistically, changes in income as perceived by farmers. Table 8.3 shows estimates of occupiers' net income by farm type, country and tenure basis in 1993/94 and 1994/95. Occupiers' net income increased on cereals and general cropping farms. On owner-occupied pig and poultry farms, occupiers' net income also increased. There were also increases in occupiers' net income on mixed farms in England, but the survey recorded falls on owner-occupied and tenanted farms in Scotland. With the exception of dairy farms in Northern Ireland, occupiers' net income fell on all livestock farms in all countries.

**Assets and
Liabilities**
(Table 8.4)

12. Table 8.4 provides information on the assets, liabilities and net worth of farm businesses at the beginning and end of 1994/95 according to country and type of tenure. In England, Wales and Scotland net worth rose by between 5 and 7 per cent, with the exception of tenanted farms in Wales. In Northern Ireland, average net worth increased by around 4 per cent.

13. External liabilities expressed as a percentage of total assets give an indicator of indebtedness of farm businesses. This measure fell in Scotland in 1994/95, but was almost unchanged in England. In Wales this measure increased on tenanted farms, although when averaged over all types of tenure remained virtually unchanged. It rose in Northern Ireland but its level remained well below that for the other countries.

TABLE 8.1 Net farm income by country and farm type

Average net farm income per farm: indices, 1989/90-91/92=100

Accounting years ending on average in February

Country and farm type	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 (prov)
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At current prices

England (a):									
Dairy	97	124	113	89	98	129	144	123	135
Cattle and sheep (LFA)	120	152	104	75	121	178	209	172	190
Cattle and sheep (lowland)	267	241	110	37	153	258	319	246	270
Cereals	20	32	79	104	117	157	155	205	290
General cropping	28	20	112	97	91	97	121	195	215
Pigs and poultry	49	22	126	108	67	75	24	52	70
Mixed	84	84	97	99	104	133	126	161	210
Wales (a):									
Dairy	92	119	114	89	97	121	124	99	100
Cattle and sheep (LFA)	126	173	108	79	113	139	161	103	135
Cattle and sheep (lowland)	42	311	75	128	97	89	92	71	85
Scotland:									
Dairy	77	97	118	93	88	109	118	106	105
Cattle and sheep (LFA)	100	118	107	98	95	118	136	111	125
Cereals	85	53	95	131	74	214	164	263	350
General cropping	71	40	134	121	44	65	81	244	165
Mixed	105	105	104	117	79	175	173	149	185
Northern Ireland (a):									
Dairy	121	141	130	75	95	141	141	145	175
Cattle and sheep (LFA)	199	186	111	86	103	162	185	145	165
Mixed	111	81	138	94	68	120	87	135	145
United Kingdom (a):									
Dairy	97	123	115	88	97	127	139	120	130
Cattle and sheep (LFA)	122	147	107	86	108	142	164	124	145
Cattle and sheep (lowland)	226	233	116	76	108	164	193	147	160
Cereals	29	35	82	108	110	159	153	205	290
General cropping	34	23	116	99	85	94	118	208	210
Pigs and poultry	57	27	125	107	68	80	25	51	70
Mixed	92	90	100	104	96	138	130	155	200

In real terms (as deflated by the RPI)

United Kingdom (a):									
Dairy	120	144	125	87	91	116	124	105	110
Cattle and sheep (LFA)	151	172	115	85	101	129	147	108	120
Cattle and sheep (lowland)	279	272	125	75	102	149	172	128	135
Cereals	36	41	88	107	103	145	137	178	245
General cropping	42	27	125	98	80	85	105	181	180
Pigs and poultry	70	32	135	106	64	73	22	44	60
Mixed	113	105	108	103	90	125	116	135	170

(a) For England, Wales and Northern Ireland, indices up to 1993/94 measure changes in income with livestock subsidies recorded in the year received. For Scotland in all years and for other countries from 1993/94, livestock subsidies were accounted for in the year which contained the start of the subsidy scheme year under which subsidies were due. For Wales this treatment of livestock subsidies differs from that in Tables 8.2 to 8.4 of this volume where they are recorded in the year as received.

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

With comparative data on average farm area and number of holdings

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) 1994/95			Number of holdings at June 1994					
	Small			Medium			Large			All size groups 1993/94 1994/95 1993/94 1994/95			Small	Medium	Large				
	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	Small	Medium				Large			
Dairy :																			
England	10.5	10.5	29.2	23.5	66.0	58.2	35.5	30.3	36	64	130	4,525	10,587	5,044					
Wales (c)	14.2	10.4	33.6	21.1	75.9	47.4	34.3	21.9	31	68	124	1,671	2,248	570					
Scotland	..	..	26.1	22.9	51.2	46.8	32.8	29.2	..	80	152	174	1,201	709				
N. Ireland	12.0	12.4	27.9	28.5	..	..	18.7	19.3	36	62	..	2,836	2,138	329				
Cattle and sheep (LFA) :																			
England	10.3	7.9	29.1	24.5	..	..	17.5	14.4	102	248	..	4,562	1,744	296				
Wales (c)	11.2	4.4	27.7	13.0	73.3	26.8	16.4	7.0	81	237	568	5,852	1,881	186					
Scotland	8.3	6.9	18.5	15.0	35.0	28.5	13.1	10.7	252	454	883	4,790	2,466	432					
N. Ireland	7.3	5.3	..	..	..	..	8.3	6.5	75	..	..	4,862	399	26				
Cattle and sheep (lowland) :																			
England	5.8	4.1	17.5	14.7	62.8	52.1	9.3	7.2	61	133	209	10,174	1,829	466					
Wales (c)	5.4	5.0	..	..	..	..	11.7	8.5	50	..	..	1,464	320	62				
Cereals :																			
England	6.5	11.3	21.0	26.5	53.8	68.9	23.0	30.4	59	134	340	7,252	5,822	3,351					
Scotland	..	..	..	..	..	..	15.3	24.4	..	..	..	126	844	321				
General cropping :																			
England	10.0	15.2	21.2	31.3	69.0	115.1	34.7	56.0	48	94	316	4,152	3,906	4,065					
Scotland	..	..	..	..	35.9	122.2	19.7	59.2	..	..	242	373	795	798				
Pigs and poultry																			
England	2.3	8.0	13.2	17.1	19.9	51.8	10.7	22.9	7	13	33	1,376	1,054	825					
Mixed :																			
England	5.8	7.4	15.9	20.4	57.0	72.0	24.7	31.3	54	124	285	4,187	2,932	2,398					
Scotland	6.3	7.1	17.9	15.0	..	..	18.2	15.7	175	175	..	1,053	734	407				
N. Ireland	7.0	9.8	..	..	..	..	7.7	11.9	43	..	..	732	185	35				

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

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

(c) For Wales, levels of income are presented with livestock subsidies recorded in the account year as received.

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

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) 1994/95							
	Owner-occupied 1993/94	Owner-occupied 1994/95	Tenanted 1993/94	Tenanted 1994/95	Mixed 1993/94	Mixed 1994/95	All types of tenure 1993/94	All types of tenure 1994/95	Owner-occupied 1994/95	Tenanted 1994/95	Mixed 1994/95	Owner-occupied	Mixed tenure
Dairy:													
England	33.4	30.2	28.4	23.6	42.0	34.5	35.0	30.1	71	67	90	9,357	6,212
Wales (c)	33.1	23.2	..	..	36.6	24.1	33.6	21.4	65	..	71	2,688	1,065
Scotland (d)	38.9	37.5	..	..	..	..	37.6	33.9	93	..	..	1,570	..
N. Ireland (e)	17.4	18.0	..	..	..	..	..	..	47	..	..	5,303	..
Cattle and sheep (LFA):													
England	14.5	11.6	20.0	16.9	24.9	21.6	18.7	15.6	109	209	220	3,179	1,928
Wales (c)	15.6	7.3	15.7	4.2	21.8	11.4	17.0	8.0	121	121	153	5,037	1,939
Scotland (d)	13.6	10.5	12.7	10.5	..	..	13.3	10.5	250	491	..	4,669	..
N. Ireland (e)	7.9	6.0	..	..	..	..	..	..	80	..	..	5,287	..
Cattle and sheep (lowland):													
England	9.9	7.4	9.3	8.1	16.9	16.4	11.8	10.0	76	89	70	7,516	2,932
Wales (c)	..	..	..	..	..	..	13.4	10.7	..	..	..	1,084	469
Cereals:													
England	21.8	32.8	18.9	24.9	37.6	44.9	26.2	34.8	137	138	184	7,481	5,295
Scotland (d)	25.8	30.5	..	..	..	..	20.9	27.9	131	..	..	1,666	..
General cropping:													
England	35.7	46.3	28.9	52.8	42.7	71.4	37.3	59.1	146	163	166	4,510	4,915
Scotland (d)	22.6	56.4	..	..	..	..	22.6	51.5	141	..	..	1,262	..
Pigs and poultry:													
England	8.1	20.3	..	..	..	..	8.0	20.4	14	..	..	2,624	370
Mixed:													
England	19.5	28.6	27.3	34.7	36.5	38.8	26.3	32.9	117	165	188	4,454	3,106
Scotland (d)	19.7	18.6	20.0	16.8	..	..	19.8	18.1	144	148	..	1,510	..
N. Ireland (e)	9.0	13.0	..	..	..	..	..	..	54	..	..	952	..

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

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

(c) For Wales, levels of income are presented with livestock subsidies recorded in the account year as received.

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

(e) 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, 1994/95

		Accounting years ending on average in February							
		£'000 per farm		Owner-occupied		Tenanted		Mixed tenure	
		Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing
England	Total assets	552.5	585.4	179.9	191.3	566.6	603.2	485.2	515.0
	of which : fixed assets	488.9	516.1	111.6	116.0	480.1	509.7	413.7	437.2
	current assets	63.5	69.2	68.4	75.3	86.5	93.5	71.5	77.8
	Total external liabilities	66.2	68.4	39.9	43.3	77.4	81.9	64.6	67.7
	of which : long and medium term loans	33.1	35.5	7.8	9.3	31.2	35.6	27.7	30.5
	short-term loans	33.1	32.9	32.0	34.0	46.2	46.3	36.9	37.2
Wales (a)	Net Worth	486.3	517.0	140.1	148.0	489.2	521.3	420.6	447.3
	Occupier's net income 1994/95 year	25.6	27.2				41.1		30.7
Scotland (b)	Total assets	408.9	430.1	113.9	112.9	377.0	397.9	370.8	389.7
	of which : fixed assets	382.5	403.5	92.7	91.7	343.4	365.1	343.3	362.2
	current assets	26.4	26.6	21.3	21.1	33.6	32.9	27.5	27.5
	Total external liabilities	33.3	35.0	18.0	19.5	37.3	40.9	32.6	34.8
	of which : long and medium term loans	16.4	16.9	5.3	5.3	21.3	21.8	16.4	16.9
	short-term loans	16.9	18.1	12.7	14.2	16.0	19.1	16.2	17.9
Northern Ireland (c)	Net Worth	375.6	395.2	95.9	93.4	339.7	357.1	338.2	354.9
	Occupier's net income 1994/95 year	12.2	6.1				15.6		12.3
Scotland (b)	Total assets	428.5	451.4	186.2	196.1			344.9	363.3
	of which : fixed assets	323.2	334.9	96.1	99.7			244.9	253.7
	current assets	105.2	116.6	90.1	96.4			100.0	109.6
	Total external liabilities	64.7	65.4	35.8	35.7			54.8	55.1
	of which : long and medium term loans	16.2	17.9	6.5	7.3			12.9	14.3
	short-term loans	48.5	47.4	29.3	28.4			41.9	40.8
Northern Ireland (c)	Net Worth	363.7	386.1	150.4	160.4			290.1	308.2
	Occupier's net income 1994/95 year	18.4	15.9						17.6
Northern Ireland (c)	Total assets	256.4	266.9						
	of which : fixed assets	225.3	233.7						
	current assets	31.1	33.2						
	Total external liabilities	14.8	16.2						
	of which : long and medium term loans	6.0	6.0						
	short-term loans	8.7	10.2						
Northern Ireland (c)	Net Worth	241.6	250.8						
	Occupier's net income 1994/95 year	11.9							

(a) For Wales, livestock subsidies are recorded in the account year as received.
(b) All survey farms in Scotland are classified according to the main tenure category of land on the holding.
(c) Practically all farms in Northern Ireland are owner-occupied.

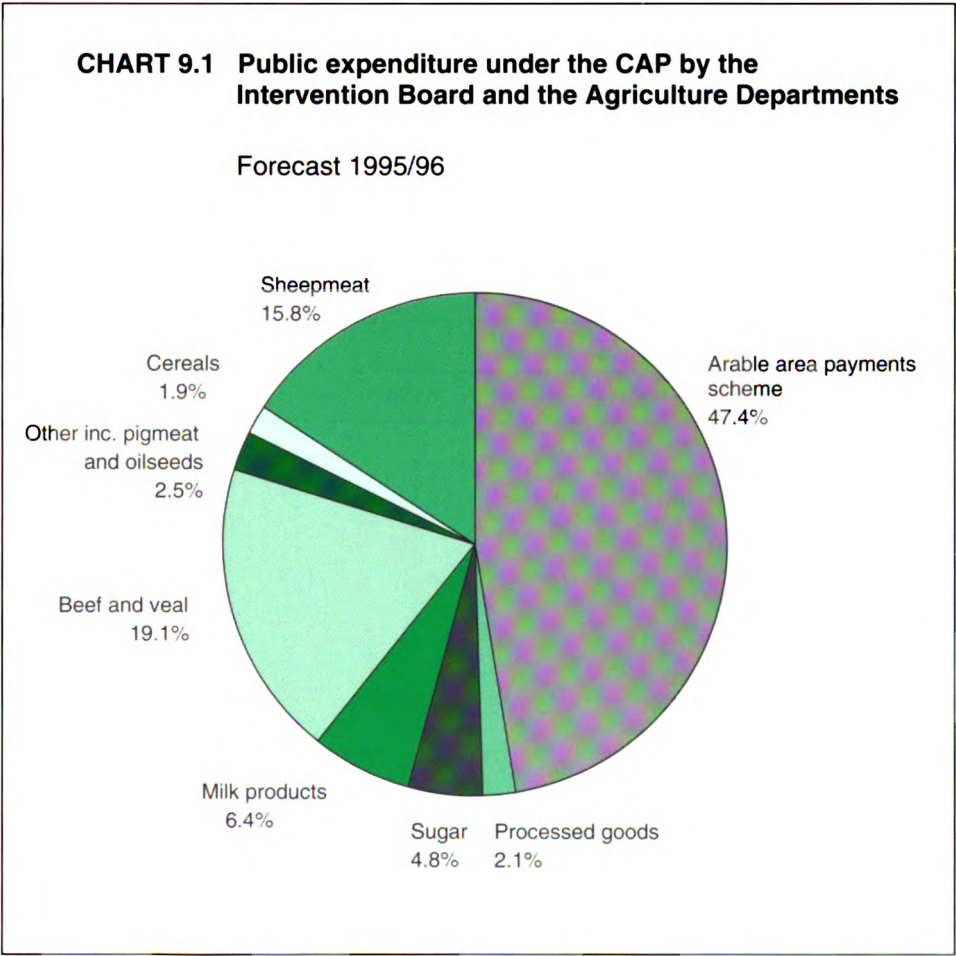
9 Public expenditure on agriculture

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 which may benefit farmers (eg expenditure on animal health or on research, advice and education). They do, however, include some expenditure which benefits consumer and trade interests rather than producers directly. The figures for the financial years up to and including 1994/95 represent actual expenditure recorded in the Appropriation Accounts. The figures for 1995/96 are the latest estimates of expenditure.

Public expenditure (Tables 9.1 and 9.2)

2. Total United Kingdom expenditure in 1995/96 is forecast to increase by some £496 million to £3033 million, compared with the previous year. Spending in the UK under the CAP is forecast to increase from £2,234 million in 1994/95 to £2,753 million. Chart 9.1 illustrates the expenditure breakdown by commodity sector, with more detail in Table 9.2. The main increases are on the arable area payments scheme, the beef special and suckler cow and the sheep annual premiums; increases in support prices



generally, following devaluations in the green rate used for converting EC rates to sterling in 1995, totalled some 8.5%. There are also reduced receipts from sales of intervention products. There are savings on cereals and milk export refunds, on compensation for milk quota cuts and from higher receipts of milk levy.

3. Other expenditure on agricultural support in the UK is estimated to be £280 million in 1995/96 compared with £303 million in 1994/95. This expenditure includes grants for conservation, exchequer funding of accompanying measures, assistance for agriculture in special areas and price guarantees.

Intervention stocks
(Table 9.3)

4. Table 9.3 shows the level of opening and closing stocks and purchases into, and sales out of, intervention in the United Kingdom for the years 1991/92 to 1995/96. This indicates that already low stocks of cereals, beef, butter, and skimmed milk powder are forecast to decrease to negligible levels during 1995/96.

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

£ million April/March (financial years)

	1991/1992	1992/93	1993/94	1994/95	1995/96 (forecast)
I Market regulation and other agricultural support measures under the CAP					
A Expenditure funded via the Intervention Board					
(i) Expenditure by the Intervention Board (a) :					
Cereals	125.8	256.3	399.8	67.8	52.4
Oilseeds	207.2	126.0	163.0	-	0.2
Sugar	97.7	129.9	154.1	126.5	131.7
Beef and veal	324.1	252.8	11.1	-9.5	76.8
Sheepmeat	139.8	0.9	0.4	-3.2	-0.9
Pigmeat	2.3	2.1	2.5	2.5	1.9
Milk products	179.5	167.9	236.9	195.1	176.7
Processed goods	59.4	55.9	66.3	55.7	56.5
Other (b)	47.0	58.0	42.2	19.0	26.3
Sub-total	1,182.8	1,049.8	1,076.2	454.0	521.8
(ii) Expenditure by Agriculture and other Departments :					
Agricultural measures :					
Repayment of Cereals Levies	1.8	5.5	-	-	-
Transitional Oilseeds Scheme	..	163.7	4.6	-	-
Suckler Cow Premium Scheme (c)	87.5	90.4	65.6	169.9	202.4
Beef Special Premium Scheme (c)(d)	7.3	6.2	88.7	161.6	246.7
Beef deseasonalisation scheme (NI)	..	..	5.1	4.6	0.1
Annual Premium on Ewes	288.5	338.1	486.7	394.9	435.8
Payments to producers giving up some milk production (e)	54.6	44.3	79.0	9.8	-
Arable area payments scheme- cereals	..	..	387.4	549.5	821.8
- oilseeds	..	..	153.5	151.7	173.8
- linseed	..	..	..	26.1	28.1
- protein	..	..	101.9	80.0	73.9
- set-aside	..	..	141.8	199.7	207.4
Orchard Grubbing Scheme	1.4	0.7	0.5	2.6	7.7
Sub-total	441.1	648.9	1,514.8	1,750.3	2,197.6
Agri-environment and other measures:					
Environmentally Sensitive Areas	..	..	13.1	10.8	16.2
Nitrate Sensitive Areas	..	..	0.4	0.2	1.0
Pilot Beef and Sheep Extensification scheme	..	..	0.2	0.1	0.1
Organic farming	..	..	..	..	0.2
Countryside Stewardship	..	..	..	1.8	2.9
Tir Cymen	..	..	..	1.2	0.9
Moorland Scheme	..	..	..	..	-
Habitat Scheme	..	..	..	..	0.5
Countryside Access/Set-Aside Access Schemes	..	..	..	..	-
Farm woodlands and forestry	..	..	5.1	15.5	11.9
Sub-total	..	..	18.8	29.6	33.7
Total	1,623.9	1,698.7	2,609.8	2,234.0	2,753.0
B UK expenditure by Agriculture and other Departments (f)					
Environmentally Sensitive Areas	11.0	13.9	10.2	22.1	37.0
Nitrate Sensitive Areas	1.0	1.4	1.0	1.5	3.7
Pilot Beef and Sheep Extensification Scheme	0.4	0.4	0.3	0.4	0.4
Organic farming	..	..	..	..	0.2
Countryside Stewardship	..	..	..	13.1	13.6
Tir Cymen	..	..	..	2.9	3.4
Moorland Scheme	..	..	..	..	1.3
Habitat Scheme	..	..	..	..	0.4
Countryside Access/Set-Aside Access Schemes	..	..	..	..	0.1
Farm woodlands and forestry	20.2	26.8	38.4	25.3	32.7
Optional set-aside (5 and 1 year schemes)(g)	25.1	31.1	25.1	15.1	7.6
Total	57.7	73.6	75.0	80.4	100.4
TOTAL (A+B)	1,681.6	1,772.3	2,684.8	2,314.4	2,853.4

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

£ million	April/March (financial years)				
	1991/92	1992/93	1993/94	1994/95	1995/96 (forecast)
II Price guarantees (national)					
Potatoes (h)	-	1.0	0.5	-	-
Wool (i)	40.8	26.4	12	0.1	-
Total	40.8	27.4	12.5	0.1	-
III Support for conservation and other improvements					
Farm Diversification :					
Capital Grants	2.6	0.6	0.6	0.2	0.4
Marketing and Feasibility grants	0.2	-	0.2	0.1	..
Farm and Conservation Grant Scheme (EC) (j)	5.1	3.4	6.9	6.8	9.5
Agricultural Improvement Scheme (EC) (j)	7.9	4.3	1.9	1.3	1.9
Agricultural and Horticulture Development Scheme (j) (k)	8.5	5.8	1.9	0.7	0.3
Farm structures	0.3	0.1	0.2	0.2	-
Agriculture Improvement Scheme (National) (j)	0.3	0.1	0.1	-	0.1
NIADP and NIADOP (j) (m)	1.5	8.1	10.7	34.4	8.4
Public Access to ESAs	..	..	..	-	-
Rural Development Programme	..	..	..	-	9.5
Farm and Conservation Grant Scheme (National) (j)	36.6	35.8	38.0	29.1	13.8
Guidance Premiums	-	-	-	-	-
Farm accounts	-	-	-	-	-
Others (n)	0.4	0.3	0.1	..	-
Total	63.4	58.5	60.6	72.8	43.9
IV Support for agriculture in special areas					
Hill Livestock Compensatory Allowances :					
cattle	70.3	83.2	62.0	57.8	48.4
sheep	90.6	56.2	62.5	59.1	64.4
Additional benefit under AHDS, NIADP and NIADOP, AHGS, AIS (EC), AIS (Nat), FCGS (EC), FCGS (Nat)	14.9	8.8	8.2	7.4	3.3
Others (o)	8.4	13.5	6.8	3.9	6.7
Total	184.2	161.7	139.5	128.2	122.8
V Other payments					
Milk outgoers scheme (j)	0.6	0.6	0.7	0.4	-
Storm Damage 1987	-	-	-	-	-
Sheep compensation scheme 1986 (j)	0.9	0.9	0.9	0.8	0.9
Cooperation grants	1.0	1.0	0.4	0.5	-
Crofting building grants and loans (net)	3.3	3.8	3.7	4.0	3.8
Others (p)	1.0	1.1	0.9	0.5	0.4
Total	6.8	7.4	6.6	21.3	12.7
Total I to V (q)	1,976.8	2,027.3	2,904.0	2,536.8	3,032.8
<p>(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.</p> <p>(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).</p> <p>(c) Extensification schemes are included from 1994-95.</p> <p>(d) Figures for years prior to 1993/94 are for Northern Ireland only, with the corresponding payments for Great Britain being made by the Intervention Board and included in beef and veal expenditure in section (i). As from 1993/94 the figures are for UK payments.</p> <p>(e) Compensation payments paid by the Intervention Board from 1994/95, includes SLOM Compensation payments 1993/94 and 1994/95 onwards.</p> <p>(f) Expenditure prior to 1993/94 is the total spend, thereafter the EC contribution is shown in section A (ii). In all cases the EC contribution is included in the figures shown at footnote (q).</p> <p>(g) 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).</p> <p>(h) Payments relate solely to the 1992/93 crop year.</p> <p>(i) Payments in respect of wool relate partly to clip of the year indicated and partly to the clip in the preceding year or years. For 1994-95 the outturn was for payments for the residue of the 1992 clip.</p> <p>(j) Farmers in special areas are also eligible for additional assistance. The estimated benefit is shown separately in Section IV of the table.</p> <p>(k) Includes the Farm and Horticulture Development Scheme.</p> <p>(l) Includes the Farm and Horticulture Capital Grant Scheme.</p> <p>(m) 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.</p> <p>(n) Includes loan guarantees, grants for agricultural drainage in Scotland and farm structure loans.</p> <p>(o) 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.</p> <p>(p) Includes producer organisations, forage groups and Shetland wool producers.</p> <p>(q) Receipts 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. Up to and including 1993/1994 an element of structural measures receipts related to fisheries.</p>					
	1991/92	1992/93	1993/94	1994/95	1995/96 (forecast)
	1,812.4	1,596.3	2,888.6	2,474.7	2,713.4

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

£ million

April/March (financial years)

	1991/92	1992/93	1993/94	1994/95	1995/96 (forecast)
Cereals					
Intervention purchases/sales	-7.3	34.9	161.0	-91.5	-50.3
Intervention storage costs	8.7	12.0	22.7	18.6	13.1
Export refunds	216.3	232.2	194.8	128.7	76.4
Internal market measures	28.8	26.7	22.1	12.1	13.2
Co-responsibility/additional levy	-118.9	-44.0	-0.8	-0.1	-0.1
Total cereals	127.6	261.8	399.8	67.8	52.4
Oilseeds					
Export refunds	-	-	-	-	0.2
Internal market measures	207.2	289.7	167.6	-	-
Total oilseeds	207.2	289.7	167.6	-	0.2
Sugar					
Export refunds	37.2	79.4	85.2	73.8	78.8
Internal market measures	60.5	50.5	68.9	52.8	52.9
Total sugar	97.7	129.9	154.1	126.5	131.7
Beef and veal					
Intervention purchases/sales	219.1	140.7	-80.1	-100.0	-22.5
Intervention storage costs	44.8	44.4	21.8	7.6	2.8
Export refunds	22.3	38.4	68.2	82.2	95.2
Internal market measures	132.7	125.9	160.6	336.8	450.5
Total beef and veal	418.9	349.4	170.5	326.6	525.9
Sheepmeat					
Internal market measures	428.3	339.0	487.1	391.7	434.9
Pigmeat					
Internal market measures	0.2	-	0.1	-	0.2
Export refunds	2.1	2.1	2.4	2.5	1.7
Total pigmeat	2.3	2.1	2.5	2.5	1.9
Milk products					
Intervention purchases/sales	1.9	-7.5	0.8	-11.2	-0.5
Intervention storage costs	2.5	1.1	0.9	0.6	0.2
Export refunds	111.4	111.6	116.6	110.6	91.9
Internal market measures	104.9	101.4	126.4	90.4	103.0
Co-responsibility/Supplementary levy	-41.2	-38.7	-7.8	-21.5	-44.2
Payments to those giving up milk production (a)	54.6	44.3	79.0	35.9	26.2
Total milk products	234.1	212.2	315.9	204.8	176.7
Processed goods					
Export refunds	59.4	55.9	66.3	55.7	56.5
Arable area payments scheme					
Internal market measures	..	..	784.6	1,007.0	1,305.0
Others					
Export refunds	39.4	45.9	26.9	3.5	2.3
Internal market measures	13.1	18.2	40.2	51.8	67.4
Miscellaneous	-4.1	-5.4	-5.6	-4.1	-2.0
Total others	48.4	58.7	61.5	51.2	67.8
Total	1,623.9	1,698.7	2,609.8	2,234.0	2,753.0

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

TABLE 9.3 Commodity intervention in the United Kingdom

'000 tonnes

Commodity	1991/92			1992/93			1993/94			1994/95			1995/96 (forecast)		
	Opening stock	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)	Pur- chases	Sales
Wheat: feed	34	1	26	9	6	-	15	277	-	292	-	291	-	-	-
bread	1	-	1	-	2	2	-	3	-	3	-	4	-	-	-
Barley	680	78	141	617	609	396	835	690	-	1,286	13	814	485	-	-
Rye	-	-	-	-	1	-	1	-	-	-	-	-	-	2	2
Beef: boneless	91	87	40	138	65	39	164	4	78	89	-	75	14	-	-
bone in	5	-	2	3	-	3	-	-	-	-	-	-	-	5	5
Butter	26	10	19	18	1	15	11	4	9	6	1	5	2	-	-
Skimmed milk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
powder	7	2	4	6	-	5	-	6	-	6	-	5	1	-	1

(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.



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