Agriculture in the United Kingdom 1994

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Preface

1. ***Agriculture in the United Kingdom 1994*** fulfils the requirement under the Agriculture Act 1993 that Ministers publish an annual report on such matters relevant to price support for agricultural produce as they consider relevant and to 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 1995/96.

Statistical tables - general note

2. The tables in this edition are similar to those in *Agriculture in the United Kingdom 1993*, although some of the figures now given for past years may differ from those published in the preceding issues. This is because of the use of later information, changes in the scope and nature of the available data and improvements in statistical methods. 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 1994 are provisional; they reflect the position as seen in January 1995 when information for 1994 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 eleven other member states of the European Union and with the rest of the world reflect country of consignment for imports andcountry of reported final destination for exports. The source of Overseas Trade Statistics is HM Customs and Excise;

(iii) where the 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 the corresponding totals because of rounding;

(v) symbols:

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

1 Summary of the year

Summary of the year

1. The most important agricultural event in 1994 was the revocation, after over 60 years, of the Milk Marketing Schemes in Great Britain. The new milk marketing arrangements, which came into being on 1 November, ended the monopoly purchasing powers of the Milk Marketing Boards, giving dairy farmers the freedom to choose to whom to sell their milk. Ministers also laid before Parliament legislation establishing a Milk Development Council for Great Britain to continue certain functions previously undertaken by the Milk Marketing Boards. The legislation came into force in February 1995. Responsibility for quota administration was transferred to the Intervention Board.

2. Within the European Union, a major achievement was the agreement reached at the December Agriculture Council meeting in Brussels on the ground rules for implementing the agricultural provisions in the GATT Uruguay Round Agreement in a flexible and responsive way. For most commodities, the commitments flowing from the Agreement will take effect on 1 July 1995. Agriculture was a key issue in the negotiations for the accession of Austria, Finland, Sweden and Norway to the EU which were concluded at a Ministerial Conference in March 1994. Austria, Finland and Sweden became members on 1 January 1995 but Norway decided not to join the EU.

3. Member States continued to implement the measures introduced by the 1992 agreement on CAP reform and proposals to reform the wine and sugar régimes were discussed in the Council. Proposals for the reform of the fruit and vegetables régime are expected early in 1995, following Council discussions on a Commission "reflections" document which took place in the latter part of the year. Following a reduced harvest in the Union as a whole and unexpectedly high grain prices, a cut in the set-aside rate for the 1995 crop was agreed. On animal welfare, the year was dominated by the protests against the live export trade, which influenced ferry companies, airlines and port and airport authorities to the extent that by the year-end the capacity to export live food animals was very severely limited. The UK implemented the EU directives on the welfare of pigs and calves on the farm; the EU Council of Ministers tried unsuccessfuly to reach agreement on the detail needed to complete the EU directive on the welfare of animals in transit.

4. A separate base area for maize was introduced in England and Wales under the Arable Area Payments Scheme to protect cereal growers from the rapid expansion in the area of forage maize. A new initiative was launched to help stimulate the development of opportunities for growing alternative crops for non-food use. Modifications were made to the Sheep Annual Premium and Suckler Cow Premium Schemes to allow greater flexibility in the trading of

quota. Rules to discourage overgrazing were introduced into the principal livestock support schemes.

5. 1994 saw an increase in farm income for the third year in succession; total income from farming is provisionally estimated to have risen by 6.9 per cent. The increase in 1994 was largely due to an increase in the value of output, with only a marginal increase in input costs. Within total returns to producers, the continued switch from market support to direct payment, in accordance with the 1992 agreement on CAP reform, resulted in further increases in cereal subsidy payments. However, the overall effects on total income from farming of the change in method of support were broadly neutral.

6. Throughout the year the Government demonstrated its continuing commitment to encouraging environmentally sensitive agriculture. It also introduced a range of new environmental schemes under the EC Agri-Environment Regulation and began work in preparation for the transfer of the Countryside Stewardship scheme from the Countryside Commission to MAFF in 1996. The Government's other environmental initiatives are outlined in Section 3.

7. The autumn of 1993 was generally wet and this set the trend for much of the winter. In December heavy rainfall led to some flooding and crop losses in parts of the south and west. Unsettled weather with periods of high winds, heavy rain and some snow falls continued throughout much of the winter and into the spring. In March it became drier in the east, enabling some progress with spring fieldwork. Wet and windy weather returned to most areas in early April, with further snowfalls, particularly on higher ground. The inclement conditions caused some ewe and lamb losses and increased feed requirements for out-wintered stock. In June, there was warmer and drier weather over much of England, and July brought some very warm and sunny weather to most parts of the UK. In some areas, lack of rainfall led to light second silage cuts and shortages of grazing. Changeable weather returned in August, and dull and wet weather in September caused some late disruption to the harvest. The autumn of 1994 was characterised by mild and fairly settled weather over much of the country, bringing a welcome extension to the grazing season and enabling late cuts of silage to help bolster fodder stocks. Good progress was made with autumn fieldwork, including potato and sugar beet harvesting, and autumn sown crops generally established well.

8. The provisional estimates of output, productivity and income of UK agriculture in 1994 show the following comparisons with 1993:

- the area sown to cereals was largely unchanged. An increase in the volume of output, partly due to a decrease in farm stocks, together with increases in arable area payments, more than offset the fall in price. This resulted in a 3 per cent rise in the value of output;

- the area sown to oilseed rape increased and combined with higher returns to give a 7 per cent increase in the value of output;

- previous cuts in support, and uncertainty about the rate of payment that would apply to the 1994 crop, resulted in a fall of more than half in the area of linseed sown;

- the value of sugar beet output dropped by 12 per cent as area, yield and average price all fell;

- a large increase in the price of potatoes saw the value of output increase by 68 per cent, despite a fall in volume;

- the value of output of horticulture rose by 5 per cent as an increase in prices offset a reduction in quantity;

- a recovery in the volume of beef production saw the value of output rise by 3 per cent;

- there was a 4 per cent fall in the value of sheepmeat output. This was mainly because the premium payments received in 1994 were lower than those received in 1993;

- an increase in the volume of pigmeat production was offset by a fall in price leaving the value of output little changed on last year;

- the value of output of poultry fell slightly as a result of lower prices;

- increases in price and quantity of eggs (particularly of exported hatching eggs) led to a 4 per cent increase in the value of output;

- an increase in quantity of milk resulted in a 2 per cent increase in the value of output;

- overall the volume of both the industry's gross output and gross input increased marginally, by less than 1 per cent. Taking into account changes in all its inputs, including labour and fixed capital, the industry's productivity increased by 1 per cent;

- output prices increased by 1 per cent, whilst input prices were little changed. The industry's gross product at current prices showed a 3 per cent increase;

- the annual average level of interest rates paid by farmers remains at an historically low level;

- the volume of labour input fell by almost 2 per cent. This limited the rise in the total cost of hired labour to less than 1 per cent;

- total income from farming, representing the income from agriculture of farmers, partners, directors, spouses and family workers, is provisionally estimated to have risen by 6.9 per cent at current prices (4.4 per cent in real terms). The provisional figure for farming income, which covers only farmers and their spouses, shows a rise of 8.8 per cent (6.3 per cent in real terms);

- these factors affect the incomes of different farm types in different ways. The net farm income on dairy farms is forecast to have remained broadly unchanged in 1994/95. Incomes on cereal farms are expected to rise as a result of relatively firm cereals prices and an increase in subsidy payments. These factors should contribute to a rise in incomes on general cropping farms, which are also particularly likely to benefit from a large increase in potato prices. Except in Northern Ireland, the incomes of hill livestock farms are expected to fall in 1994/95 after rising for the past three years. The incomes of lowland livestock farms in England and Wales are expected to drop in 1994/95. Pig producers are expected to have benefited from the limited improvement in output price in the latter part of the year, but the increase in income is not likely to offset the reduction in 1993/94.

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 1983-85	1990	1991	1992	1993	1994 (provisional)
Agriculture's contribution to Gross Domestic Product (a)						
at current prices (£ million)	5,224	6,462	6,344	6,697	7,549	7,787
at constant 1990 prices (£ million)	6.021	6,461	6,596	6,894	6,371	6,437
% of national GDP (current prices)	2.0	1.3	1.3	1.3	1.4	1.4
Workforce in agriculture						
('000 persons)	616	565	551	548	545	538
% of total workforce in employment	2.6	2.1	2.1	2.1	2.2	2.1
Gross fixed capital formation in agriculture						
at current prices (£ million)	1,328	1,136	1,009	1,000	1,137	..
at constant 1990 prices (£ million)	1,820	1,136	1,012	1,033	1,142	..
% of national GFCF (current prices)	2.4	1.1	1.1	1.0	1.0	..
						(Jan - Nov)
Imports of food, feed and drink						
(£ million)(b)(c)	8,334	12,298	12,262	13,406	14,106	13,590
of which: food, feed and						
non alcoholic drinks	7,643	10,861	10,871	11,934	12,563	11,878
alcoholic drinks	690	1,437	1,391	1,472	1,543	1,713
Volume index (1990=100)	79.6	100.0	99.3	107.7	104.2	109.2
Unit value (price) index (1990=100)	85.7	100.0	100.4	102.3	111.1	112.8
% of total UK imports	10.9	9.8	10.3	10.7	10.1	10.1
						(Jan - Nov)
Exports of food, feed and drink						
(£ million)(b)(c)	4,195	6,352	6,827	7,521	8,215	8,204
of which: food, feed and						
non alcoholic drinks	3,059	4,286	4,627	5,138	5,696	5,576
alcoholic drinks	1,136	2,065	2,200	2,383	2,520	2,628
Volume index (1990=100)	77.3	100.0	102.8	108.9	110.1	123.7
Unit value (price) index (1990=100)	83.2	100.0	105.5	109.8	121.8	119.6
% of total UK exports	6.0	6.1	6.5	6.9	6.7	6.7
UK self-sufficiency in food and feed as a % of:						
all food and feed	60.6	56.5	57.9	56.4	57.0	56.4
indigenous type food and feed	78.9	72.1	73.7	71.6	72.2	72.6
						(forecast)
Consumers' expenditure on household food and						
alcoholic drinks at current prices (£ million) (d)	43,743	62,750	66,719	68,969	70,840	73,200
of which: household food	29,331	41,816	44,061	45,476	46,347	47,550
alcoholic drinks	14,412	20,934	22,658	23,493	24,493	25,650
at constant 1990 prices (£ million) (d)	58,735	62,750	62,105	62,330	62,728	64,000
of which: household food	38,303	41,816	41,880	42,581	42,945	43,700
alcoholic drinks	20,432	20,934	20,225	19,749	19,783	20,300
% of total consumers' expenditure	21.8	18.1	18.3	18.0	17.5	17.2
of which: household food	14.6	12.0	12.1	11.9	11.4	11.2
alcoholic drinks	7.2	6.0	6.2	6.1	6.0	6.0
Retail price indices (January 1987=100)						
food	91.4	119.4	125.6	128.3	130.6	131.9
alcoholic drinks	88.2	123.8	139.2	148.1	154.7	158.5
all items	89.6	126.1	133.5	138.5	140.7	144.1

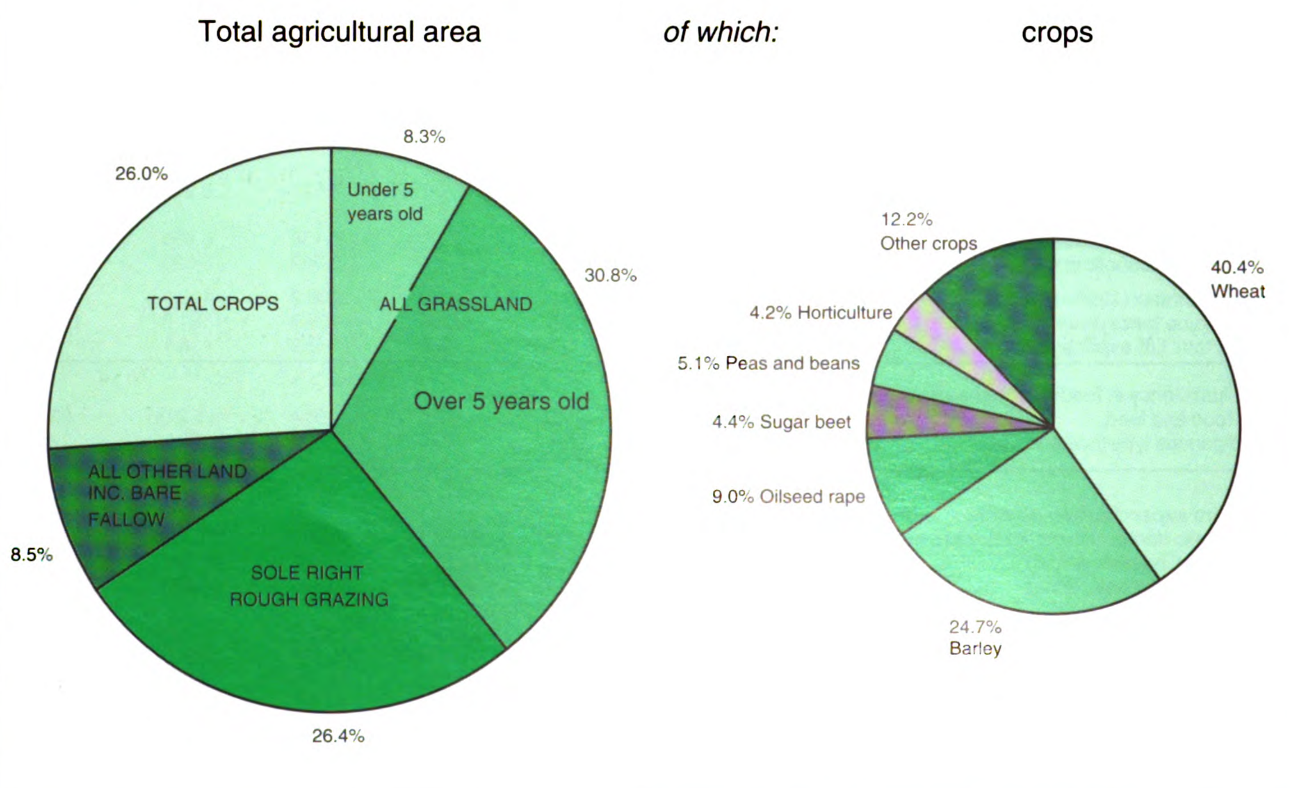
(a) Agriculture is here defined as in the national accounts, that is net of gross rent and the produce of gardens and allotments.
(b) This aggregate covers SITC divisions 01-09, 11, 22 and section 4.
(c) The figures for 1993 and 1994 are based on INTRASTAT data which are provisional and subject to revision.These data also include estimates of non-response and traders below the threshold for which detailed trade data are collected.
(d) Data on meals out are no longer available.

2 The structure of the industry

Introduction

1. The tables in this section portray the size and structure of the UK agricultural industry in 1993 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: 1994



Crop areas and livestock numbers
(Tables 2.1 and 2.2)

2. At June 1994 the total area of agricultural land was 18.5 million hectares, some 77 per cent of the total land area in the UK. Details of the use of this land and of the main changes over the last decade are provided in Tables 2.1 and 2.2. Between 1993 and 1994, the area of arable land showed a decline of 3 per cent, mainly due to a reduction in grass under five years old. The total cereals area was little changed on 1993. The area of linseed dropped significantly following changes to the support regime. The dairy herd increased for the first time in many years due to uncertainty caused by changes to milk marketing arrangements. There was a slight increase in the beef herd following the allocation of additional Suckler Cow Premium quota, but

generally premium quotas are expected to lead to little change in the beef herd and the sheep breeding flock. The pig herd declined slightly as a result of low profitability in the sector. The pattern of the use of land on agricultural holdings in 1993 is shown in Chart 2.1 and the changes in crop areas and livestock numbers, relative to 1992, in Chart 2.2.

Sizes of holdings and enterprises
(Tables 2.3 and 2.4)

3. Tables 2.3 and 2.4 give an insight into the structure of UK agriculture at June 1994. Table 2.3 shows that 5,700 holdings with 200 or more ESUs, which comprise less than 2.3 per cent of main holdings, accounted for 24.5 per cent of total agricultural activity. Size distributions of main holdings according to their crop areas and livestock numbers are presented in Table 2.4. These tables exclude minor holdings which are very small in terms of their area and activity. The reduction in the proportion of the total cereals area on holdings with 50 hectares and over compared with 1989 is largely due to the introduction of set-aside in 1993.

Labour *(Table 2.5)*

4. Table 2.5 shows the number of persons engaged in agriculture at June of each year. The total labour force fell by 1.3 per cent between 1993 and 1994, largely due to the continuing decline in the number of regular whole-time male workers, and also a fall in the number of seasonal or casual workers. The total number of farmers, partners and directors remained fairly stable; however within this total there was an increase in the number of those working part-time and a fall in the number working full-time. This is a continuation of the trend of the last six years.

Fixed capital stock
(Table 2.6)

5. Table 2.6 provides information on the 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.

6. Agriculture's fixed capital stock, valued at 1990 prices, is estimated to have been £30,470 million at the end of 1993. This continues the gradual decline which has been observed for a number of years and the level of capital stock is now estimated to be some 6.2 per cent below the level of ten years ago. The decline has been due mainly to a reduction in the stock of plant and machinery and, to a lesser extent, in vehicles. The stock of buildings and works, however, has changed little over the last five years and remains greater than it was ten years ago.

TABLE 2.1 Agricultural land use

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

'000 hectares — At June of each year

	Average of 1983-85	1990	1991	1992	1993	1994
Total agricultural area (total area on agricultural holdings) plus common rough grazing	18,741	18,563	18,498	18,511	18,530	18,482
This comprises:						
Crops	5,136	5,013	4,956	4,981	4,519	4,469
Bare fallow	60	64	64	53	47	44
Total tillage	5,196	5,077	5,020	5,033	4,566	4,513
All grass under five years old	1,810	1,582	1,586	1,562	1,561	1,436
Total arable land	7,005	6,659	6,605	6,595	6,127	5,949
All grass five years old and over (excluding rough grazing)	5,075	5,272	5,261	5,213	5,209	5,322
Total tillage and grass (a)	12,081	11,931	11,866	11,808	11,335	11,271
Sole right rough grazing	4,893	4,715	4,685	4,680	4,611	4,551
All other land on agricultural holdings including woodland (b)	524	681	713	792	1,355	1,436
Total area on agricultural holdings	17,503	17,317	17,264	17,281	17,301	17,258
Common rough grazing (estimated)	1,213	1,236	1,233	1,230	1,229	1,224

(a) Includes bare fallow.

(b) In Great Britain other land comprises farm roads, yards, buildings (excluding glasshouses), ponds and derelict land. Land in Set-aside schemes is included in this category for England from 1990 and for Scotland and Wales from 1992. In Northern Ireland other land includes land under bog, water, roads buildings etc. and wasteland not used for agriculture. Land in set-aside schemes is included in this category for Northern Ireland from 1993.

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)

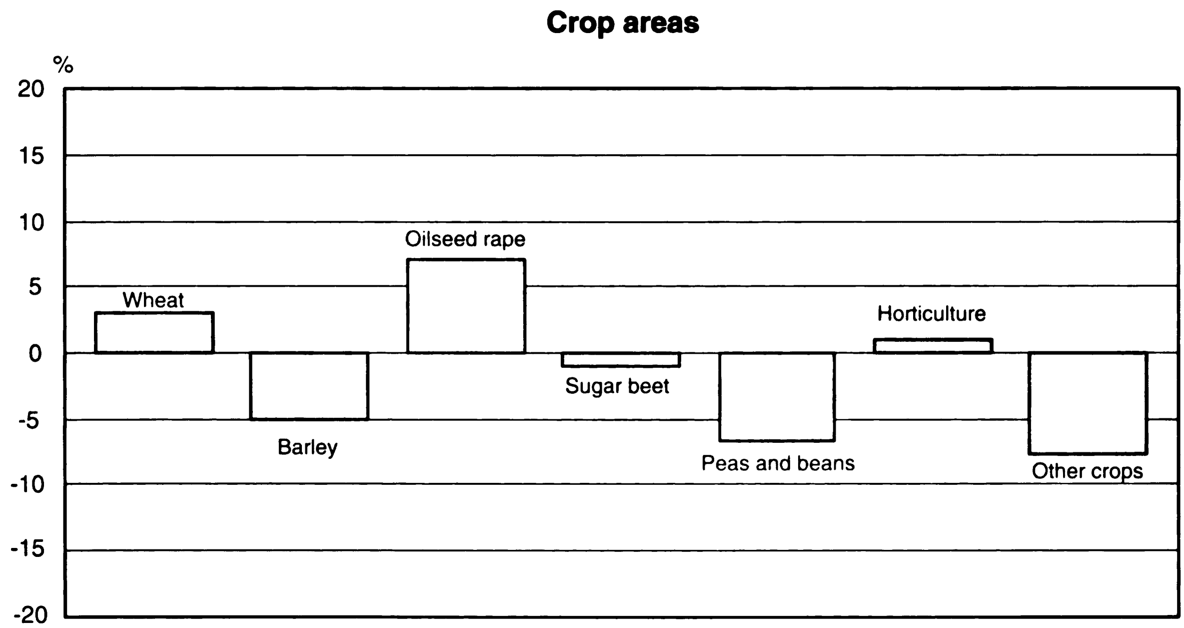
At June of each year

	Average of 1983-85	1990	1991	1992	1993	1994
Crop areas ('000 hectares)						
Total	5,136	5,013	4,956	4,981	4,519	4,469
This comprises:						
Total cereals	4,005	3,657	3,500	3,487	3,031	3,042
of which: wheat	1,845	2,013	1,980	2,067	1,759	1,811
barley	2,029	1,516	1,393	1,297	1,164	1,106
oats	115	106	103	100	92	109
rye and mixed corn	14	12	12	12	9	10
triticale	..	9	11	11	7	6
Other arable crops (excluding potatoes)	719	971	1,076	1,112	1,126	1,073
of which: oilseed rape	262	390	440	421	377	404
sugar beet not for stockfeeding	201	194	196	197	197	195
hops	5	4	4	4	3	3
peas for harvesting dry and field beans	96	216	203	208	244	228
linseed (b)	-	34	92	144	150	58
other crops	155	133	142	143	159	184
Potatoes	195	177	176	180	170	164
Horticulture	207	208	204	197	187	189
of which: vegetables grown in the open	137	142	139	135	126	127
orchard fruit	40	34	34	33	32	32
soft fruit	17	15	15	14	13	13
ornamentals (c)	12	14	14	14	14	14
glasshouse crops	2	2	2	2	2	2
Livestock numbers ('000 head)						
Total cattle and calves	13,153	12,079	11,885	11,804	11,729	11,834
of which: dairy cows	3,254	2,847	2,770	2,682	2,667	2,715
beef cows	1,350	1,603	1,669	1,699	1,751	1,775
heifers in calf	844	757	733	762	797	771
Total sheep and lambs	34,842	43,828	43,639	43,998	43,901	43,295
of which: ewes and shearlings	16,558	20,424	20,334	20,385	20,563	20,544
lambs under one year old	17,087	22,036	21,950	22,341	22,132	21,510
Total pigs	7,910	7,450	7,597	7,609	7,754	7,797
of which: sows in pig and other sows for breeding	720	660	678	672	687	680
gilts in pig	109	109	107	108	115	104
Total fowls	118,731	124,636	127,241	124,013	130,045	125,718
of which: table fowls including broilers	59,846	73,588	75,701	73,298	79,451	75,205
laying fowls (d)	40,425	33,489	33,286	33,206	32,695	32,543
growing pullets	12,289	10,452	11,016	10,764	10,653	10,293

(a) For various reasons, the crop area figures shown in this table may differ slightly from those shown in Section 5 .
(b) England and Wales only prior to 1992.
(c) Hardy nursery stock, bulbs and flowers.
(d) Excludes fowls laying eggs for hatching.

CHART 2.2 Changes in crop areas and livestock numbers

Percentage change from 1993 to 1994



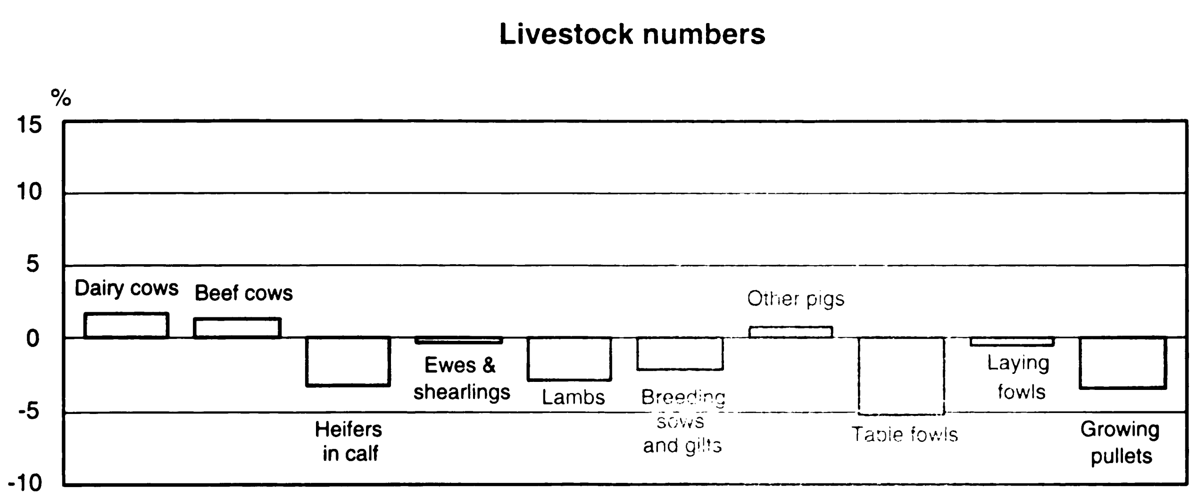


TABLE 2.3 Numbers and sizes of holdings

The data in this table exclude minor holdings

At June of each year

		1989		1994	
		Number of holdings ('000)	Percent of total ESU	Number of holdings ('000)	Percent of total ESU
Size of holding (ESU) (a)	under 8.0 ESU	107.3	2.6	109.0	2.8
(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).	8.0 to under 40.0 ESU	74.3	17.5	70.4	16.7
	40.0 to under 100.0 ESU	45.1	32.0	43.3	31.5
	100.0 to under 200.0 ESU	15.7	23.8	15.9	24.6
	200.0 ESU and over	6.0	24.2	5.7	24.5
	Total	248.3	100.0	244.3	100.0
	Holdings 8 ESU and over:				
	Average size :ESUs	..	61.7	..	62.9
	:total area (hectares)	..	107.0	..	110.4

		Number of holdings ('000)	Hectares ('000)	Number of holdings ('000)	Hectares ('000)
Total area on holdings (a)	0.1 to under 20 hectares	104.4	831	103.0	839
	20.0 to under 50 hectares	61.6	2,021	58.8	1,942
	50.0 to under 100 hectares	42.5	3,012	41.8	2,972
	100.0 hectares and over	40.2	11,319	40.6	11,377
	Total	248.3	17,183	244.2	17,129
	Average total area per holding (hectares)	..	69.2	..	70.1
	% of total area on holdings with 100 hectares and over	..	65.9	..	66.4

		Number of holdings ('000)	Hectares ('000)	Number of holdings ('000)	Hectares ('000)
	0.1 to under 20 hectares	97.5	815	101.6	738
	20.0 to under 50 hectares	60.9	2,008	59.0	1,730
	50.0 to under 100 hectares	40.8	2,879	40.7	2,411
Tillage and grass area (a)(b)(c)	100.0 hectares and over	31.2	6,164	29.8	4,641
	Total	230.4	11,866	231.1	9,520
	Average crops and grass area per holding (hectares)	..	51.5	..	41.2
	% of total crops and grass area on holdings with 100 hectares and over	..	51.9	..	48.8

(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 1989 and 1994 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.

TABLE 2.4 Numbers and sizes of enterprises

The data in this table exclude minor holdings

At June of each year

		1989		1994	
		Number of holdings ('000)	Hectares ('000)	Number of holdings ('000)	Hectares ('000)
Cereals (excluding maize) (a)	0.1 to under 20 hectares	40.8	322	35.8	310
	20.0 to under 50 hectares	20.1	656	19.2	623
	50.0 hectares and over	23.6	2,889	18.8	2,105
	Total	84.6	3,867	73.7	3,037
	Average area (hectares)	..	45.7	..	41.2
	% of total cereals area on holdings with 50 hectares and over	..	74.7	..	69.3
Oilseed rape	0.1 to under 20 hectares	7.8	86	9.3	101
	20.0 to under 50 hectares	4.6	141	5.4	165
	50.0 hectares and over	1.2	93	1.7	137
	Total	13.6	320	16.5	404
	Average area (hectares)	..	23.6	..	24.5
	% of total oilseed rape area on holdings with 50 hectares and over	..	28.9	..	34.0
Sugar beet (England and Wales only)	0.1 to under 10 hectares	5.0	26	4.2	23
	10.0 to under 20 hectares	2.8	39	2.7	38
	20.0 hectares and over	3.0	131	3.1	134
	Total	10.8	196	9.9	195
	Average area (hectares)	..	18.2	..	19.6
	% of total sugar beet area on holdings with 20 hectares and over	..	66.8	..	68.7
Potatoes	0.1 to under 10 hectares	23.3	57	15.0	41
	10.0 to under 20 hectares	3.1	42	2.8	39
	20.0 hectares and over	2.1	75	2.2	83
	Total	28.5	174	20.0	163
	Average area (hectares)	..	6.1	..	8.1
	% of total potato area on holdings with 20 hectares and over	..	43.2	..	50.8

(a) Includes triticale for Scotland alone in 1989.

TABLE 2.4 Numbers and sizes of enterprises (continued)

The data in this table exclude minor holdings

At June of each year

		1989		1994	
		Number of holdings ('000)	Number of livestock ('000)	Number of holdings ('000)	Number of livestock ('000)
Dairy cows	1 to 49 dairy cows	22.6	586	18.1	477
	50 to 99	15.7	1,112	14.2	1,007
	100 and over	7.8	1,164	8.2	1,229
	Total	46.2	2,862	40.5	2,713
	Average size of herd	..	62.0	..	67.0
	% of total dairy cows in herds of 100 and over	..	40.7	..	45.3
Beef cows	1 to 19 beef cows	50.3	339	44.2	329
	20 to 49	15.6	478	18.3	564
	50 and over	7.7	666	9.7	868
	Total	73.6	1,482	72.1	1,761
	Average size of herd	..	20.0	..	24.0
	% of total cows in herds of 50 and over	..	44.9	..	49.3
Sheep breeding flock	1 to 99 breeding sheep	44.4	1,785	41.3	1,671
	100 to 499	37.3	8,528	36.4	8,415
	500 and over	10.0	8,777	10.7	9,481
	Total	91.7	19,091	88.4	19,566
	Average size of flock	..	208.0	..	221.0
	% of total breeding sheep in flocks of 500 and over	..	46.0	..	48.5
Pig breeding herd	1 to 49 breeding pigs	9.3	98	7.7	73
	50 to 99	1.5	102	1.1	76
	100 and over	2.1	552	2.3	632
	Total	12.9	753	11.1	781
	Average size of herd	..	58.0	..	70.0
	% of total breeding pigs in herds of 100 and over	..	73.4	..	80.9
Fattening pigs (Fattening pigs of over 20kg liveweight excluding barren sows except in Northern Ireland)	1 to 199 fattening pigs	8.6	386	7.0	284
	200 to 999	3.2	1,526	3.0	1,469
	1,000 and over	1.2	2,641	1.4	2,960
	Total	13.0	4,553	11.4	4,713
	Average size of herd	..	350.0	..	414.0
	% of total fattening pigs in herds of 1,000 and over	..	58.0	..	62.8

TABLE 2.4 Numbers and sizes of enterprises (continued)

The data in this table exclude minor holdings

At June of each year

		1989		1994	
		Number of holdings ('000)	Number of livestock ('000)	Number of holdings ('000)	Number of livestock ('000)
Broilers	1 to 9,999 broilers	1.6	1,183	1.4	1,048
(Includes small numbers of other table	10,000 to 99,999	0.7	30,039	0.9	33,478
fowl in Scotland and Northern Ireland)	100,000 and over	0.1	38,446	0.2	40,639
	Total	2.4	69,668	2.5	75,164
	Average size of flock	..	28,753.0	..	30,102.0
	% of total broilers in flocks of 100,000 and over	..	55.2	..	54.1
Laying fowls	1 to 4,999 laying fowls	38.8	3,536	29.2	2,515
	5,000 to 19,999	0.6	5,955	0.6	5,793
	20,000 and over	0.3	24,203	30.0	23,979
	Total	39.9	33,693	30.0	32,286
	Average size of flock	..	844.0	..	1,077.0
	% of total laying fowls in flocks of 20,000 and over	..	71.8	..	74.3

TABLE 2.5 Labour force in agriculture

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

'000 persons — At June of each year

	Average of 1983-85	1990	1991	1992	1993	1994
Workers						
Regular whole-time:						
hired: male	116	85	80	76	74	72
female	10	12	11	11	11	10
family: male	30	25	24	23	22	21
female	5	4	4	4	3	3
Total	162	125	120	114	110	107
Regular part-time:						
hired: male	19	18	18	18	19	19
female	22	21	21	19	19	18
family: male	13	14	13	13	13	13
female	6	6	7	7	7	7
Total	61	60	59	57	57	56
Seasonal or casual:						
male	58	57	54	55	55	54
female	39	34	33	32	30	28
Salaried managers (a)	8	8	8	8	8	8
Total workers	328	284	274	266	261	253
Farmers, partners and directors						
whole-time	202	183	178	177	176	173
part-time	90	100	103	105	108	111
Total farmers, partners and directors	292	283	280	282	284	283
Total farmers, partners, directors and workers (b)	620	568	554	548	544	536
Spouses of farmers, partners and directors (engaged in farm work)	76	77	77	76	78	78
Total labour force (including farmers and their spouses) (c)	695	645	631	624	622	614

(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 1983-85	1989	1990	1991	1992	1993
Gross capital stock (£ million, 1990 prices)						
Buildings and works	19,860	20,930	21,000	21,010	20,980	20,940
Plant and machinery	10,670	9,420	9,030	8,620	8,240	7,940
Vehicles	1,950	1,690	1,660	1,620	1,600	1,590
Total	32,480	32,040	31,690	31,250	30,820	30,470

3 Policy developments in 1994

European Community developments

1994 price fixing

1. The Commission's proposals on support prices and a number of related issues were agreed in July. Support prices for most commodities were unchanged, although cereals and beef support prices were also reduced in accordance with the 1992 CAP reform agreements and monthly increments in the cereals and rice intervention prices were also reduced. The proposed 1 per cent milk quota cut was rejected and the Council decided that there would be no quota cut for the following year. Instead, the butter intervention price was reduced by 3 per cent. Provision was made to allow the allocation, across the board, of any milk quota remaining from the previous year's SLOM allocation. The previous year's milk quota increases for Spain, Italy and Greece were confirmed, though for one year only for the latter two Member States. Other measures taken to contain expenditure included the introduction of potato starch quotas, agreement to reform the dried fodder régime and the reduction of regional ceilings for Beef Special Premiums for several Member States (though not the UK). The Council asked the Commission to bring forward proposals to simplify the administration of the ewe premium scheme for members of producer groups, introduced a short term apple orchard grubbing scheme and confirmed that export refunds on whisky would continue.

CAP reform

2. The European Commission has come under increasing pressure, especially since agreement was reached on GATT, to review those régimes untouched by the 1992 reforms. In May, the Commission published detailed proposals for reform of the wine régime. A discussion document on the reform of the fruit and vegetable régime was issued in August and, in November, proposals for reform of the sugar régime were published. The Council held intensive discussion of fruit and vegetables and wine reform. Discussion on reform of all three régimes continued in the new year.

Enlargement of the EU

3. The agricultural aspects of the accession negotiations with Austria, Finland, Sweden and Norway, which were concluded in March, covered a wide range of issues. It was agreed that the new Member States should apply CAP support prices and the principal mechanisms relating to the common organisation of the markets as from 1 January 1995. Certain transitional arrangements were also agreed. These included provision for the payment of degressive national aids by the new Member States (except Sweden) based on differences between national and (lower) CAP support levels and the granting of long-term national aids to maintain agricultural activity north of the 62nd parallel and in adjacent areas in the Nordic countries.

Agrimoney

4. The green pound was relatively stable over 1994, although there were three devaluations during the third quarter of the year. These changes had the

cumulative effect of increasing CAP support prices in the UK by 3.5 per cent during the year. The agrimonetary system was reviewed towards the end of 1994. The Commission proposed the abolition of the switchover mechanism, and modifications to the rules for triggering green rate changes and to the mechanisms for compensating producers for the effects of green rate changes on support levels in national currency terms. The proposal was agreed, with some amendments, at the December Agriculture Council. The new rules came into force on 1 February 1995.

GATT

5. The final offers of all GATT members were subject to further improvement through negotiation and verification up to the end of March following formal conclusion of the Uruguay Round on 15 December 1993. The Uruguay Round Final Act was then signed in Marrakesh on April 15. The Union will start implementing most of its commitments on agriculture from 1 July 1995, including cuts in the volume and value of subsidised exports and in tariffs and tariff equivalents which will be made in six annual instalments.

6. Changes to each of the CAP basic regulations were agreed by the Council in December. This provides the framework for the detailed operational decisions now required in each commodity management committee on e.g. the administration of import quotas and management of exports within the new GATT limits. The EU formally ratified the Uruguay Round Agreements on 30 December in time to become a founder member of the World Trade Organisation established on 1 January 1995. The Agreements should give a major boost to world trade and global economic activity and introduce for the first time specific disciplines on the use of agricultural subsidies. We expect the CAP as now reformed to be able to meet the new GATT requirements without substantial further change. The GATT Agreements will, however, provide a continuing spur to the development of more market-orientated support policies.

Set-aside

7. The Commission submitted proposals to the October Agriculture Council for a cut in set-aside of 2 per cent after a request from the French for a 5 per cent cut. The Council finally agreed, in principle, to a 3 per cent cut. After the European Parliament had given its opinion, the cut was formally adopted in December. The cut applies to both rotational set-aside (down from 15 to 12 per cent) and flexible set-aside (down from 18 to 15 per cent) for the 1994/95 cropping year only. Following UK pressure, the Commission produced a study on the relationship between structural and market set-aside. This was broadly favourable to the UK view that land withdrawn from production for tree planting and for environmental reasons should count towards a producer's basic set-aside obligation. The Commission has now come forward with a firm proposal on the lines envisaged in the report.

Animal Welfare

8. During the year the Welfare of Livestock Regulations 1994 were introduced, consolidating the law and implementing the 1991 EU directives on the welfare of calves and pigs on the farm. Negotiations to complete the detail of the EU requirements on the welfare of animals in transit continued throughout the year but without any conclusion being reached. Late in the year

the export trade in live food animals was disrupted, first by the withdrawal of the main cross-Channel ferry operators from the carriage of food animals and then by public protests which constrained the operation of the alternative routes, dedicated to the carriage of livestock, which the trade sought to develop. In the continuing absence of EU measures on feeding and watering and journey time, the Government introduced in December 1994 the Welfare of Animals during Transport Order 1994, which revoked and replaced its predecessor of 1992, and tightened both the requirements on journey plans and the sanctions which can be applied when transporters' (including exporters') journey plans are shown not to have been followed.

United Kingdom developments

Arable Area Payments

9. A total of 62,128 claims for arable area payments in respect of 4,295,220 hectares were received in the UK. Separate base areas for maize in England and Wales were announced in January 1994. This was to protect cereal growers from the rapid expansion of the area of forage maize in recent years. Arable aid payments are intended to compensate growers for the cuts in cereal prices as a result of CAP reform and producers of forage maize have not been subject to these price cuts in England. This separate base area was exceeded in 1994 by 200 per cent. This was offset against an undershoot in the 'other crops' base area which reduced the overshoot to around 67 per cent. As a consequence, two penalties were imposed: payments were only made on 60 per cent of the area claimed for maize and associated set-aside in 1994, and a punitive level of uncompensated set-aside will be imposed if farmers claim for maize under the main scheme in 1995. A small overshoot of Welsh maize base area was offset by an undershoot in the "other crops" base area. Revised arrangements for the UK yield regions were announced for 1994/95. Oilseeds area payments to UK producers were reduced by 16.22 per cent in respect of the 1994 crop as a result of the EC/US oilseeds agreement and high world oilseeds prices. Farmers in the Scottish non-LFA yield region will be required in 1995 to set aside an additional 0.7 per cent of claimed land as a result of the 3.5 per cent overshoot over base area which occurred in 1994.

Alternative crops

10. MAFF launched a new initiative in July 1994 to help stimulate the development of opportunities for growing crops for other than traditional food uses. Crops which offer new or alternative sources of raw materials for industry include oilseeds which can be used in lubricants, paints, varnishes and pharmaceuticals, fibres such as flax and hemp which can be used in products as wide ranging as paper, textiles and brake linings, and energy crops, such as short rotation coppice. A consultation document 'Alternative Crops, New Markets' set out the Government's strategy for proposed novel and industrial uses of agricultural crops in England and Wales. This includes raising awareness of the opportunities for agricultural products in non-food markets, facilitating communication between producers and potential markets and ensuring that the CAP, including set-aside rules, is framed in a constructive manner. Work started on a corresponding document for Scotland.

11. MAFF set up an Alternative Crops Unit to act as an 'information

exchange', carrying forward ideas, organising specialist workshops and improving links between growers, researchers and industry. In addition, MAFF funding of R&D on alternative crops was increased in 1994/95 to about £1 million and will be increased by a further third in 1995/96. MAFF also commissioned a review of research into alternative crops to help identify areas where Government funded work would be of most value. This was published on 15 August and covers fibres, energy, oils, lipids, carbohydrates, chemicals, pharmaceuticals, agronomy and on-farm processing.

HLCAs

12. Proposals to simplify the HLCA Scheme for 1995 and 1996 were approved by Ministers and new regulations came into force on 15 November.

Beef and sheep premium schemes

13. During 1994, modifications were made to the rules relating to claims for Sheep Annual Premium and Suckler Cow Premium, to allow greater flexibility in the trading of quota. Allocations from the 1993 national reserves were made to producers. Headage limits on entitlement to Sheep Annual Premium were abolished from January 1995.

14. Environmental conditions to discourage overgrazing, on the same lines as those already applying to the Hill Livestock Compensatory Allowances Scheme, were applied to the Suckler Cow and the Sheep Annual Premium Schemes and, from January 1995, to the Beef Special Premium Scheme.

Meat and Livestock Commission

15. A five-year policy review was completed and the meat industry was consulted. Ministers concluded that there was still an important job for the MLC to do and that it should continue to be financed by a statutory levy. It was also agreed that the Commission's decision-making procedure should be slimmed down, with fewer committees; that there should be a greater concentration on marketing work; and that generic and species promotion campaigns should be integrated for greatest impact and effect. The MLC's successful efforts to reduce running costs were applauded by the industry.

Milk marketing and quotas

16. Ministers approved reorganisation schemes of the England and Wales Milk Marketing Board on 16 June and those of the Scottish Milk Marketing Board, the Aberdeen and District Milk Marketing Board and the North of Scotland Milk Marketing Board on 7 July. The milk marketing schemes in Great Britain were revoked and the new milk marketing arrangements began on 1 November. Re-organisation proposals submitted by the Milk Marketing Board for Northern Ireland have been approved by the Department of Agriculture for Northern Ireland, and the Northern Ireland Milk Marketing Scheme will be revoked with effect from 1 March 1995.

17. Ministers also introduced legislation establishing a Milk Development Council for Great Britain to continue certain functions previously undertaken by the Milk Marketing Boards such as the funding of R&D, livestock improvement, industry statistics, nutritional guidance and the provision of market information which could not be provided by individual commercial bodies.

18. New domestic regulations on milk quotas came into force on 1 April. These included provisions to reflect the transfer of responsibility for quota administration from the Milk Marketing Boards to the Intervention Board on 1 April and special arrangements to take account of the introduction of new milk marketing arrangements in Great Britain from 1 November. The regulations also took advantage of additional flexibility in the EC rules governing the permanent transfer of quota.

Potato marketing

19. Ministers reaffirmed that the Potato Marketing Scheme in Great Britain would be revoked at the end of the 1996/97 crop season. The separate market support arrangements for potatoes in Northern Ireland were terminated in 1994.

Marketing

20. The continuing development of the UK industry's competitiveness in marketing remained a key priority for the Government and an energetic programme of activity in this area was maintained. Work continued under the Prime Minister's Initiative on Food Marketing, with co-ordinating support from MAFF which also made available funds for 2 IFM research projects, on food manufacturing location and food chain collaboration. The Ministerial initiatives on catering and the horticulture sector, launched in the autumn of 1993, made practical progress. In June, following extensive consultation with the industry, the Marketing Development Scheme was launched. This successor to the Group Marketing Grant provides highly flexible support of around £10m over 3 years for significant marketing developments. It proved very popular, with around 90 applications from across the agri-food and horticulture sectors submitted by the end of 1994. Of these, 43 had been approved, representing £1.4 million of grant commitment. In June, the Scottish Office Agriculture and Fisheries Department announced the reopening of applications for capital grants under the EU's Processing and Marketing Grant. MAFF and the Welsh Office followed suit in October. The Government was successful in securing funding, amounting to some £100 million over 6 years, across a wide range of sectors for the primary processing of agricultural products in the UK.

Agricultural tenancies

21. An Agricultural Tenancies Bill for England and Wales was introduced in Parliament in November. The proposed legislation provides for a new category of letting - Farm Business Tenancies - and reflects proposals agreed in December 1993 by the main industry organisations representing landowners, tenants and young farmers. The Bill simplifies the legal framework for future tenancies and is designed to encourage more letting of land and increase the opportunities for new entrants. There would be greater freedom than in the past for parties to negotiate tenancies which suit their own particular needs and circumstances, and increased scope for diversification in a single tenancy agreement. The proposed date for the new legislation to take effect is 1 September 1995.

Objective 5b of the EC structural funds

22. The aim of Objective 5b is to promote the development of rural areas by supporting such activities as provision of business advice, infrastructure development, diversification, marketing development and environmental meas-

ures. A new round of Objective 5b designations for the period 1994-99 was announced by the European Commission in January, the UK obtaining a substantial increase in terms of area and population coverage. Eleven areas in the UK were designated largely on the basis of low GDP, high proportion of employment dependent on agriculture, low level of agricultural income and low population density. The areas are:

- South West England - Cornwall, parts of Devon and Somerset;

- the English Marches - most of Shropshire and parts of Hereford and Worcester;

- the Northern English Uplands - parts of Lancashire, North Yorks, Cumbria, Northumberland and Durham;

- Lincolnshire - excluding the city of Lincoln and other mainly urban areas;

- East Anglia - the Fens, rural Norfolk and the Waveney Valley;

- the Peak District of Staffordshire and Derbyshire;

- rural Wales - including Dyfed, Gwynedd, Powys and the rural areas of Clwyd;

- the Dumfries and Galloway Region;

- the Borders Region;

- rural Stirling and upland Tayside; and

- North and West Grampian.

23. Regional Development Programmes for each Objective 5b area, drawn up by a partnership of central government and local authorities, were submitted to the Commission for approval in April 1994. Negotiations with the Commission on the contents of these programmes commenced in July 1994 and they have now been approved , except for the programmes for the English Marches, Lincolnshire, the Peak District, Stirling and Tayside and Grampian, which are expected to be approved in the early part of 1995. Funding is expected to come on stream following receipt of the formal European Commission Decision on each programme. Over the life of the programmes the EAGGF is expected to contribute about £100 million of funding.

Rural White Paper

24. On 12 October the Minister of Agriculture, Fisheries and Food and the Secretary of State for the Environment announced their decision to publish a joint White Paper in 1995 on the future of rural areas in England. The White

Paper will examine in a co-ordinated way the many economic, social and environmental changes that are taking place in rural society and which affect those who live and work in rural areas. It will recognise that the countryside is primarily a work place for some and a source of recreation for others. Although the Rural White Paper will be a joint MAFF/DoE paper, all other Government Departments whose policies impinge on the English countryside will be involved. A five year Rural Development Strategy for Northern Ireland was announced in September. A similar initiative is underway in Scotland.

Enviromental developments

Key developments

25. The Government's annual reports on the Environment White Paper "This Common Inheritance" provide full information on progress under commitments to action on the environment in 1994. The Agricultural Departments' key achievements in this field were the introduction of new agri-environment schemes, the introduction of environmental safeguards to livestock premium schemes and proposals for new Nitrate Vulnerable Zones.

Agri-Environment

26. Over the course of the year the Government introduced a range of new schemes to encourage environmentally friendly farming as part of the UK's implementation of the EC Agri-Environment Regulation. These include an expansion of the successful Environmentally Sensitive Areas (ESA) scheme as well as a number of measures addressing specific environmental priorities such as:-

- new Nitrate Sensitive Areas to protect groundwater sources used to supply drinking water;
- Habitat Schemes to create or improve a range of valuable wildlife habitats;
- Organic Aid Schemes to encourage farmers who wish to convert to organic production methods; and
- new opportunities for public access to set-aside land and suitable farmland in ESAs.

27. England, Scotland, Wales and Northern Ireland each has its own distinct package of agri-environment measures which reflect the varying environmental circumstances and priorities in the different countries. Once all of the new measures are fully operational, the Government will be spending over £100 million a year on promoting environmentally sensitive agriculture in the UK.

ESAs

28. Three existing ESAs (Machair of the Uists and Benbecula, Barra and Vatersay, the Cambrian Mountains and the Lleyn Peninsula) were upgraded and relaunched in 1994. In addition twelve new ESAs were launched in the UK: in the Blackdown Hills, the Cotswold Hills, Dartmoor, the Essex Coast, the Shropshire Hills and the Upper Thames Tributaries in England; the Argyll Islands and the Shetland Islands in Scotland; the Clwydian Range and Preseli

in Wales and The Sperrins and Slieve Gullion in Northern Ireland. By late 1994 some 10,500 farmers had signed or applied for ESA agreements. Payments in ESAs are expected to total some £25 million in 1994/95. Under the public access tier, which was brought into all English and Scottish ESAs this year, farmers are encouraged to provide new opportunities for public access for walking and other quiet recreation.

NSAs

29. The Government expanded its Nitrate Sensitive Areas programme in 1994 by introducing 22 new NSAs in England under the EC Agri-Environment Regulation. In the first year of the scheme, more than 240 farmers voluntarily applied to make significant changes to their farming practices to reduce nitrate leaching on some 13,400 hectares, or 54 per cent of the eligible land. In addition, following the success of the original 10 Pilot NSAs introduced in 1990, MAFF announced that farmers in these areas will be offered the opportunity to participate in the NSA scheme for a further 5 years, when the current agreements expire in 1995 and 1996.

Habitat scheme

30. The Habitat Scheme was launched in England in May 1994 offering payments to farmers for creating or improving a range of wildlife habitats such as river margins by taking agricultural land out of production for 20 years and managing it for wildlife or by conversion to low level grazing. Applications representing some 4,500 hectares were accepted into the scheme in the first year.

Organic Farming

31. An Organic Aid Scheme was launched in England on 1 July 1994, and opened for applications on 1 August. It is a voluntary scheme, offering payments to farmers over a five year period to assist with the costs of converting land to organic production, and expenditure in England is planned to be around £1.5 million from 1995/96. This is in addition to other specific Government help for the organic sector, which covers the development of regulatory standards and a research programme worth about £1 million per year.

32. Parallel aid schemes were introduced in Scotland and Wales, and the Department of Agriculture for Northern Ireland is planning to launch its scheme by March 1995. Total expenditure for the three countries is expected to be about £500,000 per year.

Countryside Access Scheme

33. The Countryside Access Scheme was introduced in September in England and Wales to encourage farmers to provide new public access oppurtunities on appropriate land entered into guaranteed set-aside under the Arable Area Payments Scheme. The access is permissive only and does not aim to create public rights of way. Annual payments reflect the extra management costs incurred and are in addition to the set-aside payment. A similar scheme, the Set-aside Access Scheme, was established for Scotland in advance of the 1995 set-aside year.

NVZs

34. During 1994 details were published of the Government's proposals for implementing the EC Nitrate Directive which aims to prevent nitrate pollution

from agriculture and reduce existing pollution. Proposals have been made for 72 Nitrate Vulnerable Zones (NVZs) in England and Wales, covering about 650,000 hectares, and for two zones in Scotland, covering 70,000 hectares. In those areas which are designated as NVZs, mandatory measures based on good agricultural practice will be applied to reduce nitrate pollution. These will take effect in the designated zones some time between 1996 and 1999. The measures will cover the timing and quantity of applications of inorganic fertiliser and organic manure. Farmers will also be required to keep records of applications of organic manure and inorganic fertilisers. Outside NVZs the code of good agricultural practice for the protection of water will apply on a voluntary basis.

Pollution

35. In 1993/94, ADAS made 3000 free farm visits on pollution matters in England and 900 in Wales. A new agreement between MAFF and ADAS will result in a further 3000 visits each year in England for 3 years beginning in 1994/95. ADAS is also scheduled to make 900 visits in 1994/95 under its agreement with WOAD. These visits will continue to take the form of either a general advisory visit or assistance in the preparation of a farm waste management plan. A number of river catchments have been targeted for these plans and, following a successful campaign in England in 1993/94 in which 44 per cent of farmers in 6 catchments were encouraged to draw up farm waste management plans, a new campaign in 7 more catchments began in September. Similar campaigns have been arranged in Wales, in two catchments each in 1993-94 and 1994-95. In Northern Ireland 1088 farm visits were carried out by DANI on pollution matters.

Habitats

36. The Agriculture Departments have continued to fund advice to farmers on the conservation of wildlife habitats and valued landscape features. In 1993/94 over 4,600 visits made to farmers by ADAS and the Farming and Wildlife Advisory Group (FWAG) were either wholly or partly funded by MAFF. ADAS also made over 800 farm visits in Wales under contract to WOAD. The Department of Agriculture (Northern Ireland) made 1,870 visits in 1993/94. In Scotland conservation advice to farmers is provided by the advisory services of the Scottish Agricultural College and by the staff of FWAG Scotland. The Agriculture Departments also co-operated with the Department of the Environment in the preparation of The Conservation (Natural Habitats, etc.) Regulations 1994 which came into force on 30 October 1994 to implement the EC Directive on conservation of natural habitats and wild fauna and flora (the Habitats Directive). Following discussions between MAFF and DoE, provisions enabling the Government to make regulations to protect important hedgerows in England and Wales were included in the Environment Bill.

Flood defence and coast protection

37. In March MAFF published a survey of the condition of coast protection works in England. The results are being used to identify priority areas where defences need to be improved. Further initiatives were taken with the aim of ensuring that environmental concerns are reflected in flood and coastal defence operations. Guidance on the preparation of Water Level Management Plans in Sites of Special and Scientific Interest was published in June and advice was provided on the sites where such plans are required. The Land

Drainage Act 1994 came into effect in September, further strengthening the conservation role of internal drainage boards and local authorities in carrying out their flood defence functions.

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 1993 and 1994 the output index fell by 0.2 per cent and the input index rose by 0.1 per cent. The index for crop products increased by 1.5 per cent and the index for animals and animal products fell by 1.3 per cent. It should be noted that these indices are constructed using fixed annual weights, and take no account of subsidy payments. In contrast, the price changes presented in Table 6.3 are derived from the aggregate accounts; they are therefore based on current sales information and cover subsidy payments. For these reasons the price movements presented here and in Section 6 will differ.

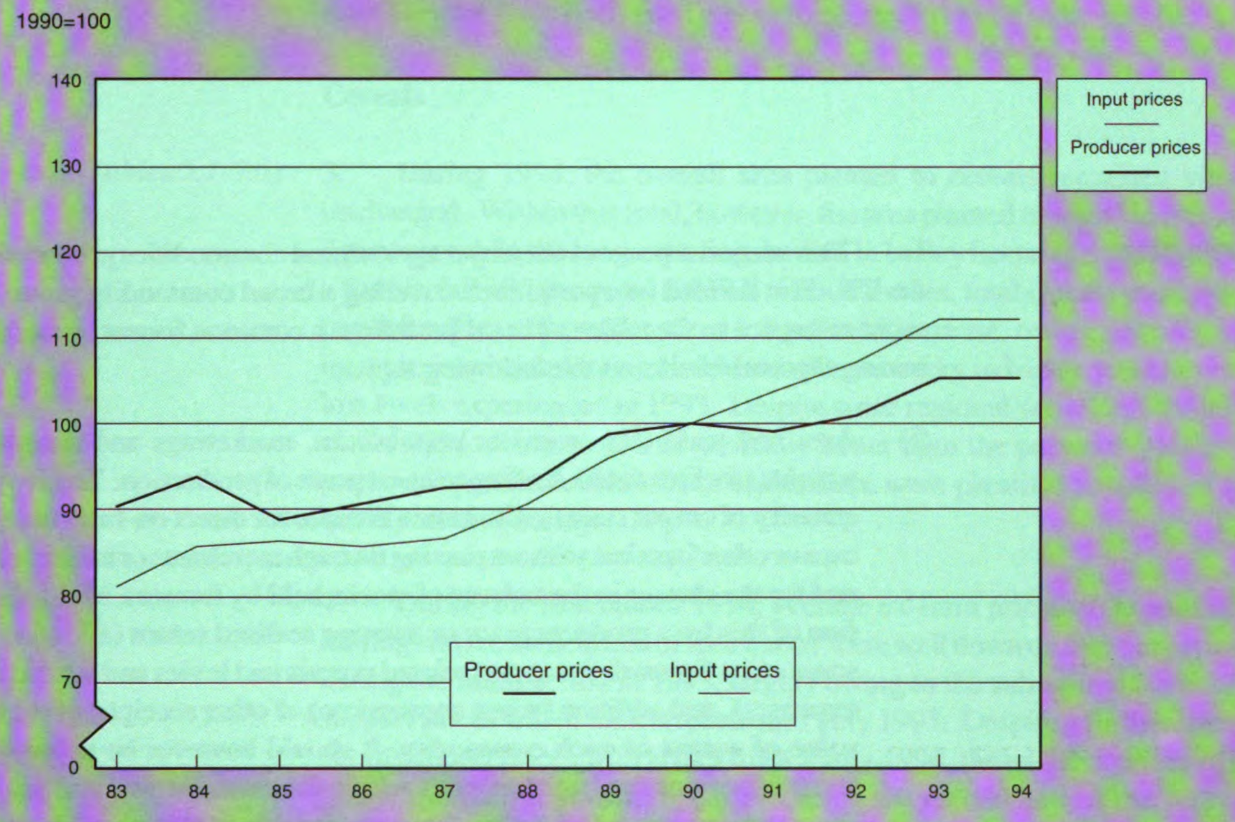
TABLE 4.1 Price indices for products and inputs

Indices: 1990=100 — Annual average figures for calendar years

	Average of 1983-85	1990	1991	1992	1993	1994
Producer prices for agricultural products	91.1	100.0	99.3	100.9	105.4	105.2
of which:						
Crop products:	97.8	100.0	101.3	96.8	96.3	97.8
Cereals	107.3	100.0	105.8	108.1	111.5	97.2
Root crops	85.9	100.0	100.8	87.0	81.4	121.4
Fresh vegetables	87.9	100.0	99.1	90.5	97.4	97.6
Fresh fruit	83.2	100.0	104.5	100.5	87.5	87.2
Seeds	98.0	100.0	99.1	98.6	90.6	101.3
Flowers and plants	84.2	100.0	97.1	99.3	97.9	103.5
Other crop products	108.7	100.0	91.3	73.7	60.3	67.3
Animals and animal products:	87.2	100.0	97.9	103.8	111.6	110.3
Animals for slaughter	90.8	100.0	94.9	102.1	111.8	109.0
Milk	79.7	100.0	104.6	109.6	114.6	115.7
Eggs	94.5	100.0	87.5	86.2	98.8	99.7
Other animal products	101.0	100.0	91.4	86.4	60.6	46.0
Prices of agricultural inputs	84.3	100.0	103.9	107.2	112.1	112.2
of which:						
Currently consumed in agriculture:	86.2	100.0	103.6	106.6	111.9	111.5
Animal feedingstuffs	90.1	100.0	101.7	104.7	112.3	109.0
Seeds	103.4	100.0	102.5	111.4	119.0	110.8
Animals for rearing and production	84.0	100.0	93.9	106.5	125.0	125.0
Fertilisers and soil improvers	101.3	100.0	96.6	91.1	85.6	90.6
Plant protection products	77.5	100.0	110.3	114.0	116.3	117.0
Maintenance and repair of plant and machinery	69.9	100.0	110.6	119.0	126.2	128.8
Energy, lubricants	106.3	100.0	104.3	105.9	109.2	108.6
Maintenance and repair of buildings	73.0	100.0	103.0	104.0	106.9	111.8
Veterinary services	78.3	100.0	104.3	108.3	113.4	115.5
Materials and small tools	73.1	100.0	107.1	110.7	114.0	118.1
General expenses	64.1	100.0	107.1	114.6	121.9	122.0
Contributing to agricultural investment (a)	73.9	100.0	105.7	109.4	113.1	116.8
Hired labour costs per hour (b)	67.3	100.0	109.1	114.6	118.3	122.5

(a) Covers the purchase and maintenance of capital items, but excludes stocks.
(b) Regular whole-time workers aged 20 years and over.

CHART 4.1 Price indices for products and inputs



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). 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 has been settling down there have been delays in the availability of intra-EC trade figures and loss of data quality. As a result, data for 1994 remain incomplete and provisional. The estimates of

intra-EC trade for 1994 presented in the tables in this section should therefore 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 1994, the overall area planted to cereals remained virtually unchanged. Within that total, however, the area planted to wheat increased by 3 per cent while the long-standing decline in barley hectarage continued with a further fall of 5 per cent. At 19.7 million tonnes, total cereals production is provisionally estimated to show a 1 per cent increase, owing not only to the increase in wheat plantings but also to the recovery in barley yields from the low levels experienced in 1993. Despite some regional variations, the quality of the 1994 wheat crop was generally better than the previous year's, with improved protein levels. Once again there were plentiful supplies of good quality malting barley.

4. During the first half of 1994, average ex-farm prices of breadmaking, milling and feed wheat and of feed barley were well down on those experienced during the same period in 1993, largely owing to the substantial cut in cereal support prices which took effect from 1 July 1993. Despite a further, smaller, cut in support prices with effect from 1 July 1994, the ex-farm prices of feed grains and premium malting barley during the second half of the year were generally higher than those experienced during the same period in 1993. The probable reasons for this included initial uncertainty about the size and quality of the UK and EU harvest, reports of generally tighter supplies on the world market and the generally slow pace of domestic ex-farm sales. However, Commission action to release on to the EU market, over 2 million tonnes of grain held in intervention had a moderating influence on prices.

TABLE 5.1 Wheat

'000 tonnes (unless otherwise specified) | Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Area, yield, production and output						
Area ('000 hectares)	1,845	2,013	1,981	2,067	1,759	1,811
Yield (tonnes/hectare)	6.83	6.97	7.25	6.82	7.33	7.27
Production	12,606	14,033	14,363	14,095	12,890	13,164
Direct use on farms	..	999	1,033	1,117	944	1,125
Increase in farmers' stocks	..	143	147	127	745	-501
Output	11,413	12,891	13,183	12,851	11,201	12,540
Average realised price (£/tonne)	116.4	109.8	116.5	120.5	123.9	107.8
Total realised return (£ million)	1,328	1,415	1,536	1,548	1,388	1,351
Other receipts (£ million) (a)	-	-	-	-	232	328
Value of output (£ million)	1,328	1,415	1,536	1,548	1,620	1,679
Supply and utilisation						
Production	12,606	14,033	14,363	14,095	12,890	13,164
Imports from: the Eleven	444	523	479	982	1,316	946
the rest of the world	910	350	264	294	174	127
Exports to: the Eleven	987	1,859	3,053	2,770	2,122	2,279
the rest of the world	848	2,777	970	1,205	1,515	1,091
Total new supply	12,125	10,270	11,083	11,396	10,743	10,867
Increase in farm and other stocks	1,700	-847	459	482	-64	-641
Total domestic uses	10,425	11,117	10,624	10,914	10,807	11,508
of which: flour milling	4,641	4,878	4,790	4,684	5,033	5,001
animal feed	5,032	5,018	4,533	4,823	4,597	5,294
seed	326	353	357	307	305	312
other uses and waste	425	868	944	1,100	872	901
Production as % of total new supply for use in UK	104	137	130	124	120	121
% of home grown wheat in milling grist	76.4	87.6	87.3	85.8	71.1	76.1

(a) Arable area payments.

TABLE 5.2 Barley

'000 tonnes (unless otherwise specified) Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Area, yield, production and output						
Area ('000 hectares)	2,029	1,517	1,393	1,297	1,164	1,106
Yield (tonnes/hectare)	5.06	5.22	5.47	5.68	5.19	5.30
Production	10,264	7,911	7,627	7,365	6,038	5,862
Direct use on farms	. .	2,499	2,174	2,160	1,887	1,815
Increase in farmers' stocks	. .	-133	-38	84	-312	-194
Output	7,782	5,545	5,491	5,120	4,463	4,241
Average realised price (£/tonne)	112.3	108.7	107.8	113.8	113.5	111.1
Total realised return (£ million)	874	603	592	583	506	471
Other receipts (£ million) (a)	-	-	-	-	148	193
Value of output (£ million)	874	603	592	583	654	664
Supply and utilisation						
Production	10,264	7,911	7,627	7,365	6,038	5,862
Imports from: the Eleven	111	255	199	240	220	144
Imports from: the rest of the world	17	-	-	1	6	61
Exports to: the Eleven	1,306	916	1,302	1,036	469	639
Exports to: the rest of the world	1,829	1,106	672	764	547	546
Total new supply	7,257	6,144	5,851	5,806	5,248	4,882
Increase in farm and other stocks	-52	22	6	-46	-116	-368
Total domestic uses	7,309	6,122	5,845	5,852	5,364	5,250
of which: brewing/distilling	1,822	1,835	1,941	1,834	1,796	1,826
animal feed	4,944	3,917	3,562	3,697	3,276	3,153
seed	309	220	192	181	174	153
other uses and waste	233	150	150	140	118	118
Production as % of total new supply for use in UK	141	129	130	127	115	120

(a) Arable area payments.

TABLE 5.3 Oats

'000 tonnes (unless otherwise specified) | Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Area, yield, production and output						
Area ('000 hectares)	116	107	104	100	92	109
Yield (tonnes/hectare)	4.60	4.96	5.04	5.01	5.23	5.59
Production	532	530	523	502	479	606
Direct use on farms	..	195	206	157	141	201
Increase in farmers' stocks	..	7	4	-56	7	32
Output	246	328	313	401	331	373
Average realised price (£/tonne)	111.1	106.4	105.8	115.1	128.2	104.0
Total realised return (£ million)	27	35	33	46	42	39
Other receipts (£ million) (a)	-	-	-	-	11	19
Value of output (£ million)	27	35	33	46	54	58
Supply and utilisation						
Production	532	530	523	502	479	606
Imports from: the Eleven	15	10	6	4	6	7
the rest of the world	11	1	1	1	-	-
Exports to: the Eleven	1	8	17	79	79	51
the rest of the world	-	1	-	-	-	-
Total new supply	557	532	513	428	406	562
Increase in farm and other stocks	13	7	3	-36	-9	76
Total domestic uses	544	525	510	464	415	486
of which: milling	148	235	215	226	205	210
animal feed	357	252	256	200	177	237
seed	22	22	21	19	16	21
other uses and waste	17	16	18	19	17	18
Production as % of total new supply for use in UK	96	100	102	117	118	108

(a) Arable area payments.

Table 5.4 Rye, Mixed Corn and Triticale

'000 tonnes (unless otherwise specified) | Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Area, production and output (a)						
Area ('000 hectares)	15	[illegible]	[illegible]	[illegible]	16	16
Production	62	[illegible]	[illegible]	[illegible]	78	89
Total realised return (£ million)	3	4	[illegible]	4	4	4
Other receipts (£ million) (b)	-	-		-	2	3
Value of output (£ million)	3	4	4	[illegible]	6	7
Supply and utilisation						
Imports from (c): the Eleven	10	12	[illegible]	[illegible]	8	8
the rest of the world	1	1	-		-	-
Exports to (c): the Eleven	-	[illegible]	[illegible]	[illegible]	1	2
the rest of the world	-	-	-	-	-	-
Total new supply	74	117	[illegible]	[illegible]	[illegible]	95
Production as % of total new supply for use in UK	85	93	[illegible]	[illegible]	[illegible]	94

(a) Triticale has been included from 1989 onwards, with the production figure for 1989 being an estimate.
(b) Arable area payments.
(c) Relates only to rye and triticale.

Table 5.5 Maize

'000 tonnes | Calendar years

		Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Supply and utilisation							
Imports from:	the Eleven	1,008	1,407	1,180	1,423	1,386	1,247
	the rest of the world	557	239	338	268	211	322
Exports to:	the Eleven	8	15	15	13	16	17
	the rest of the world	-	-	-	-	-	-
Total new supply		1,557	1,631	1,503	1,678	1,581	1,552

Table 5.6 Total cereals

'000 tonnes (unless otherwise specified) | Calendar years

		Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Area, production and output							
Area ('000 hectares)		4,005	3,658	3,501	3,487	3,031	3,042
Production		23,464	22,583	22,635	22,063	19,486	19,722
Output		19,441	18,802	19,020	18,409	16,033	17,191
Supply and utilisation							
Imports from:	the Eleven	1,588	2,207	1,875	2,659	2,936	2,352
	the rest of the world	1,496	591	603	564	391	510
Exports to:	the Eleven	2,302	2,803	4,390	3,900	2,687	2,988
	the rest of the world	2,677	3,884	1,642	1,969	2,062	1,637
Total new supply		21,570	18,694	19,081	19,417	18,064	17,959
Increase in stocks		3,291	-818	468	400	-189	-933
Total domestic uses		18,278	19,512	18,613	19,017	18,253	18,892
Production as % of total new supply for use in UK		109	121	119	114	108	110
Stocks (of wheat, barley and oats) held at year end:	by farmers (a)	9,808	8,535	8,648	8,804	9,243	8,580
	in intervention (b)	3,329	633	669	624	1,673	1,061
	by processors and traders (a)	1,848	5,140	4,851	5,140	3,463	3,805

(a) Stocks held by agricultural co-operatives have been included in processors' and traders' stocks for the years 1983-85, and in farmers' stocks from 1990.
(b) Recorded as all physical stocks held at the year end.

Other crops

Oilseed rape
(Table 5.7)

5. There was an increase in the total area of oilseed rape from 418,000 hectares in 1993 to an estimated 496,000 hectares in 1994 (both figures including oilseed rape grown on set-aside land for non-food use). The area of oilseeds grown on set-aside land for non-food use more than doubled to 92,000 hectares in 1994. Production in 1994, including that from set-aside, is forecast at 1.26 million tonnes, an increase of 11 per cent from 1993, but below the 1987 peak of 1.35 million tonnes.

Linseed
(Table 5.8)

6. The total area planted to linseed in 1994 is estimated at 73,000 hectares, a sharp fall from the 1993 area of 162,000 hectares (both figures including linseed grown on set-aside land for non-food use). This occurred largely because of uncertainty surrounding the rate of aid at the time of sowing and a succession of difficult harvests. The area of linseed grown on set-aside land increased from 12,000 hectares in 1993 to 15,000 hectares in 1994. Linseed production, including that from set-aside land, is forecast to have decreased from 202,000 tonnes in 1993 to an estimated 92,000 tonnes in 1994.

Sugar beet and sugar
(Table 5.9)

7. For 1994 the harvested area was down marginally on 1993, at approximately 195,000 hectares. However, growing conditions have not been as good and production of sugar in 1994 is expected to be close to 1.25 million tonnes, compared with the UK quota of 1.14 million tonnes. Sugar produced over quota must be exported from the Community without export refunds or carried forward to count against next year's quota.

Hops *(Table 5.10)*

8. Poor growing conditions and some disease problems have led to a fall in yields and production. Quality has, however, been acceptable. Prices for aroma varieties have increased but there has been little change in the alpha market.

Peas and beans
(Table 5.11)

9. The area of dried peas grown for stockfeed remained broadly stable between 1993 and 1994. However, because yields fell in 1994, production decreased from 265,700 tonnes in 1993 to 213,200 tonnes in 1994.

10. The area of field beans grown mainly for stockfeed fell from 163,100 hectares in 1993 to 149,300 hectares in 1994, leading to a fall in production from 612,000 tonnes to 453,900 tonnes in those years. This reduction occurred because of a combination of factors including harvesting conditions and market demand in 1993.

Seeds
(Tables 5.13 and 5.14)

11. Total production of herbage and legume seeds in the year ending May 1994 was 14,700 tonnes compared with the 15,500 tonnes produced in the previous year, a decrease of 5 per cent. At 8,300 tonnes, imports during 1993/94 fell by 15 per cent. The estimated area approved for the production of herbage and legume seed in 1994/95 indicates a 20 per cent fall from 1993/94. This fall is again thought to be largely due to the continuing use of forage maize for livestock grazing in place of the usual forage crops.

Flax and hemp

12. In 1994 the UK flax area increased from 2,200 hectares in 1993 to nearly 18,000 hectares. Some 800 hectares of hemp were planted in 1994 compared with 600 hectares in 1993 when the Home Office issued licences for the first commercial production of hemp in the UK in modern times.

Potatoes *(Table 5.15)*

13. Due to the wet spring conditions liftings of early potatoes were well down on 1992 and 1993 - by 27 May only 4,533 tonnes had been dug compared with 18,272 tonnes in 1993, and 16,481 tonnes in 1992. By the end of June 1994 total liftings were only some two thirds of those in the the two preceding years. Consequently at the end of the early season prices averaged £150 per tonne, almost twice as high as in 1993.

14. Compared with 1993, the 1994 main crop plantings of 148,800 hectares and yields of 41.1 tonnes per hectare were both down, by 3 per cent and 4 per cent respectively, resulting in a production reduction of 8 per cent to 6,120,000 tonnes. As a result maincrop prices were approximately twice those in 1993.

15. In Great Britain total purchases under the Potato Marketing Board's (PMB) 1993/1994 crop intervention buying programme amounted to 6,000 tonnes. There was no Government support. In Northern Ireland, where the Department of Agriculture has sole responsibility for support arrangements, no potatoes were withdrawn from the market.

16. During 1994 the Potato Marketing Scheme was modified as announced by Ministers in November 1993. The planting threshold for registration in the scheme was raised from 0.4 to 1 hectare, plantings by registered producers being allowed to vary by up to 5 per cent around quota without penalty; the registration and licensing of potato merchants ceased and the Potato Marketing Board was reduced from 23 to 16 members. No progress was made on the European Commission's proposal for a potato regime.

TABLE 5.7 Oilseed rape

'000 tonnes (unless otherwise specified) **Calendar years**

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Area (000 Hectares)						
Yield (tonnes/hectare) (a)	262	390	440	421	377	404
Production (a)	3.02	3.23	2.90	2.76	2.77	2.54
	792	1,258	1,278	1,166	1,044	1,027
Production on set-aside land						
Area ('000 hectares)	-	-	-	-	41	92
Yield (tonnes/hectare)	-	-	-	-	2.26	2.60
Production	-	-	-	-	92	238
Total						
Average producer price (£/tonne)	286	273	248	133	148	172
Total realised return (£ million)	224	343	316	177	173	212
Other receipts (£ million) (b)	-	-	-	84	173	176
Value of output (£ million)	224	343	316	262	336	360
Imports from: the Eleven	78	117	86	180	173	168
the rest of the world	7	94	51	34	53	52
Exports to: the Eleven	189	193	146	75	22	66
the rest of the world	-	-	1	-	20	60
Total new supply	687	1,276	1,269	1,258	1,320	1,336
Production as % of total new supply for use in UK	113	99	101	93	86	95

(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 and ADAS advice.
(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 instalments: 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 1983-85	1990	1991	1992	1993	1994 (provisional)
Area ('000 hectares)	2	37	104	144	150	58
Yield (tonnes/hectare) (a)	1.73	1.95	[illegible]	1.56	1.23	1.25
Production (a) ('000 tonnes)	3	[illegible]	[illegible]	225	185	73
Production on set-aside land						
Area('000 hectares)	-	-	-	-	12	15
Yield (tonnes/hectare) (a)	-	-	-	-	1.48	1.30
Production (a)	-	-	-	-	17	19
Total						
Average producer price (£/tonne)	188	[illegible]	[illegible]	[illegible]	110	136
Total realised return (£ million)	1	[illegible]	[illegible]	[illegible]	22	12
Other receipts (£ million) (b)	-	[illegible]	[illegible]	[illegible]	163	28
Value of output (£ million)	1	[illegible]	[illegible]	[illegible]	185	40
Imports from: the Eleven	40	[illegible]	[illegible]	-	1	-
the rest of the world	-	[illegible]	1	[illegible]	2	21
Exports to: the Eleven	-	[illegible]	97	[illegible]	54	-
the rest of the world	-	-	1	[illegible]	-	-
Total new supply	43	52	[illegible]	[illegible]	134	133
Production as % of total new supply for use in UK	7	131	154	140	[illegible]	81

(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 linsed 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.

TABLE 5.9 Sugar beet and sugar

'000 tonnes (unless otherwise specified) | Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Sugar beet						
Area ('000 ha) (a)	198	194	196	197	197	195
Yield (tonnes/hectare) (a)	40.80	40.66	39.14	47.21	45.62	41.11
Production of beet	8,076	7,902	7,673	9,300	8,988	8,016
Average market price (b) (£/tonne)	28.90	34.44	36.01	35.40	36.47	35.94
Value of output (£ million)	233	272	276	329	328	288
Sugar content %	16.71	17.20	17.49	17.01	16.84	16.93
Sugar ('000 tonnes refined basis)						
Production (c)	1,195	1,241	1,220	1,476	1,436	1,250
Imports from (d): the Eleven (e)	133	154	125	180	180	180
the rest of the world	156	1,138	1,245	1,164	1,164	1,164
Exports to (d): the Eleven	15	37	64	122	122	105
the rest of the world	294	292	212	396	396	390
Total new supply	2,175	2,204	2,314	2,302	2,262	2,099
Production as % of total new supply for use in UK	55	56	53	64	63	60

(a) The area, and related yield figures are based on June census definitions. The cropped and harvested area and related yields for 1991, 1992 ,1993 and 1994 were 170,000 ha and 45.13 tonnes/ha, 170,000 ha and 54.71 tonnes/ha, 169,000 ha and 53.18 tonnes/ha and 170,000 ha and 47.15 tonnes/ha respectively.
(b) Estimated as the 'return to grower' price less transport costs.
(c) 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 year.
(d) Includes imports from French overseas departments.
(e) 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 1983-85	1990	1991	1992	1993	1994 (provisional)
Area ('000 hectares) (a)	5.2	3.9	3.7	3.6	3.4	3.4
Yield (tonnes/hectare) (a)	1.50	1.18	1.62	1.32	1.61	1.30
Production	7.6	4.6	6.0	4.8	5.5	4.4
Farm gate price (£/tonne)	2,915	2,922	3,211	3,210	3,298	4,076
Total realised return (£ million)	18	13	19	15	18	18
Other receipts (£ million) (b)	1	1	1	2	2	1
Value of output (£ million)	19	14	20	17	20	19
Imports from: the Eleven	1.6	0.8	0.7	0.4	1.0	1.0
the rest of the world	0.6	0.8	0.9	0.9	1.4	1.4
Exports to: the Eleven	2.0	1.4	1.2	1.4	0.4	0.4
the rest of the world	0.3	0.1	0.2	0.3	0.3	0.3
Total new supply	7.4	4.6	6.2	4.4	7.1	6.0
Production as % of total new supply for use in UK	103	99	96	109	78	73

(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 1983-85	1990	1991	1992	1993	1994 (provisional)
Peas for harvesting dry (a)						
Area ('000 hectares)	..	61.6	62.4	63.2	64.8	62.9
Yield (tonnes/hectare)	..	4.23	3.59	3.30	4.10	3.39
Production ('000 tonnes)	..	260.6	224.0	208.6	265.7	213.2
Price (£/tonne)	..	165.1	170.7	193.3	105.7	106.0
Total realised return (£ million)	..	43	38	40	28	23
Other receipts (£ million) (b)	..	-	-	-	27	22
Value of production (£ million)	..	43	38	40	55	45
Field beans (mainly for stockfeed)						
Area ('000 hectares)	..	139.0	131.0	129.1	163.1	149.3
Yield (tonnes/hectare)	..	3.50	3.23	3.45	3.75	3.04
Production('000 tonnes)	..	486.5	423.1	445.1	612.0	453.9
Price (£/tonne)	..	164.0	168.8	184.1	113.7	108.3
Total realised return (£ million)	..	80	71	82	70	49
Other receipts (£ million) (b)	..	-	-	-	68	53
Value of production (£ million)	..	80	71	82	138	102

(a) The figures presented here cover only that part of the crop which is assumed to be used for stockfeed; 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)

Million tonnes (unless otherwise specified) | Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Concentrates						
Compounds for:						
cattle	4.6	3.8	3.7	3.8	4.1	4.3
calves	0.4	0.3	0.3	0.2	0.3	0.3
pigs	2.2	2.3	2.4	2.4	2.5	2.5
poultry	3.3	3.7	3.8	3.7	3.8	3.8
other	0.5	0.8	0.8	0.8	0.8	0.9
Total	11.0	[illegible]	10.9	[illegible]	11.5	11.8
Straight concentrates (ie cereals, cereal offals, proteins and other high energy feeds)	4.2	3.8	3.5	[illegible]	4.6	4.5
Total	15.2	14.8	14.4	14.9	16.1	16.3
Non - concentrates (low-energy bulk feeds expressed as concentrate equivalent) (a)	0.7	0.7	0.7	0.7	0.7	0.7
Total all purchased feedingstuffs	15.9	15.4	15.1	15.6	16.8	17.0
Cost of purchased feedingstuffs (£ million)	2,688	2,816	2,804	2,904	3,269	3,266
of which this part represents the value of sales off the national farm (and included in output) but subsequently repurchased as an input (£ million)	760	482	570	616	323	645

(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 bean and field pea seeds)

'000 tonnes (unless otherwise specified) June/May years

	Average of 1982/83-1984/85	1990/91	1991/92	1992/93	1993/94	1994/95 (provisional)
Certified seed:						
area ('000 hectares)	14.6	14.6	14.4	13.0	12.7	10.2
production	16.1	18.6	17.0	15.5	14.7	12.2
Imports from: the Eleven	9.5	9.2	7.1	6.9	6.3	..
the rest of the world	4.9	3.9	4.8	2.9	2.0	..
Exports to: the Eleven	2.2	2.3	1.3	0.9	0.9	..
the rest of the world	0.2	0.3	0.6	0.1	0.1	..
Total new supply	28.2	29.1	27.0	24.3	22.0	..

TABLE 5.14 Purchased seeds

'000 tonnes (unless otherwise specified) Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Cereals	580.0	518.5	497.8	497.8	431.7	436.8
Grass and clover	17.0	14.5	11.8	11.3	11.1	10.3
Root and fodder crops	33.8	45.3	43.0	43.2	52.2	49.7
Potatoes	270.0	278.0	268.0	283.0	285.0	279.9
Vegetable and other horticultural seeds (a)	13.8	20.8	20.7	21.0	19.1	20.1
Total cost of all purchased seeds (£ million)	269	301	295	312	287	291
of which this part represents the value of sales off the national farm (and included in output) but subsequently repurchased as an input (£ million)	127	142	139	147	135	137

(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 1983-85	1990	1991	1992	1993	1994 (provisional)
Area, yield, production and output							
Area ('000 hectares):	early	18.0	16.4	16.7	15.6	16.2	14.8
	maincrop	177.1	160.5	159.7	164.5	153.9	148.8
Yield (tonnes/hectare):	early	21.0	27.4	21.9	27.0	26.6	22.1
	maincrop	35.7	37.4	36.8	44.8	43.0	41.1
Production:	early	373	437	359	411	426	326
	maincrop	6,328	6,030	5,908	7,391	6,639	6,120
	total	6,700	6,467	6,267	7,802	7,065	6,445
Waste		791	681	713	831	983	873
Increase in farmers' stocks		-135	-10	-100	664	-409	-333
Total output		6,045	5,795	5,654	6,308	6,490	5,905
Average price (£/tonne) (a) paid to registered producers for:	early potatoes	104.0	82.7	143.2	82.9	93.8	187.6
	maincrop potatoes	75.0	89.8	85.5	72.8	61.5	110.0
	realised for all potatoes (b)	75.1	88.8	86.8	68.4	60.6	112.0
Value of output of potatoes (£ million)		454	515	491	431	393	661
Supplies and utilisation							
Total production		6,700	6,467	6,267	7,802	7,065	6,445
Supplies from the Channel Islands		35	41	42	53	48	43
Imports		755	897	908	925	1,019	1,038
of which: early from:	the Eleven	45	55	48	40	17	14
	the rest of the world	217	177	165	143	133	110
maincrop from:	the Eleven	81	104	92	111	116	163
	the rest of the world	11	10	12	31	9	13
processed (raw equivalent) from:	the Eleven	354	480	518	553	695	687
	the rest of the world	35	41	38	26	35	34
seed from:	the Eleven	11	30	35	21	14	17
	the rest of the world	1	-	-	-	0	0
Exports		212	218	263	245	288	225
of which: raw to:	the Eleven	35	52	72	75	43	50
	the rest of the world	13	48	49	45	40	46
processed (raw equivalent) to:	the eleven	40	46	56	71	72	80
	the rest of the world	8	7	3	5	11	12
seed to:	the Eleven	47	26	35	26	57	17
	the rest of the world	70	39	48	23	64	20
Total new supply		7,278	7,187	6,955	8,535	7,844	7,301
Farmers' stocks :	opening stocks	3,329	2,338	2,328	2,228	2,892	2,483
	closing stocks	3,194	2,328	2,228	2,892	2,483	2,150
	net increase	-135	-10	-100	664	-409	-333
Total domestic uses		6,628	6,261	6,106	6,879	7,244	6,594
of which:	used for human consumption	5,014	5,027	4,798	4,956	5,316	5,162
	seed for home crops (including seed imports)	617	540	578	575	509	558
	support buying	207	12	17	517	435	0
	chats, waste and retained stockfeed	791	681	713	831	983	873
Production as % of total new supply for use in the UK		92	90	90	91	90	88

(a) Including the value of sacks.
(b) Takes account of wastage and intervention.

Horticulture
(Tables 5.16 and 5.17)

17. The total area devoted to horticulture as recorded in the June agricultural census was 240,000 hectares in 1994 compared with 245,000 hectares in 1993. The value of output rose slightly from £1,839 million to £1,925 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

18. The area of protected salad crops continued to show a decline. Lower prices for lettuce in the spring were in part recouped later in the season. Good summer weather improved yields and demand for tomatoes, which experienced higher prices than in 1993. Returns for cucumbers were, however, lower.

Field vegetables

19. A cold spring followed by a drier summer reduced the yield potential of many crops, with a consequent increase in price over the previous year. Harvested production of vining peas was below processors' expectations. Carrot and, particularly, onion yields were reduced from the high levels of 1993, with higher prices resulting. Outdoor lettuce prices showed a marked increase over the previous year. However, mild weather in the autumn caused a glut of brassicas with a reduction in quality and lower prices late in the year.

Top Fruit

20. The total area recorded for top fruit was similar to 1993. Apple yields, though lower than 1993, were close to average. Prices showed an increase, in part due to the industry's decision to concentrate on marketing Class 1 fruit only. A better balance between supply and demand meant that smaller quantities of apples went into intervention. Cider apples and Bramley both experienced a good demand from the processors against a background of high and moderate yields, respectively. Pear yields were variable with overall production low. Prices, however, remained low because of import competition.

Soft Fruit

21. In the soft fruit sector, the area cropped decreased slightly compared with last year. The cold spring delayed the start of the strawberry season and a subsequent glut somewhat depressed prices. Demand for both fresh and processed raspberries was, however, good. The open market price for processed blackcurrants remained very low.

Ornamentals

22. The ornamentals sector is expanding and total area has increased slightly. Demand in the amenity and landscape sectors improved, but competition kept prices low. Value was, therefore, largely unchanged. A wet winter and difficult lifting conditions resulted in poor bulb yields, with inadequate supplies to meet demand resulting in higher prices.

Protected ornamentals

23. In response to increased levels of imports, domestic prices have generally remained static against a background of increasing costs. However, a substantial increase in the retail sale of bedding, pot bedding and other added value products has increased the value of this sector. Quality samples of ornamental cabbages proved a very profitable venture.

TABLE 5.16 Horticulture

Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Vegetables						
Grown in the open (a):						
area ('000 hectares) (b)	176.0	193.3	194.5	192.8	180.9	176.0
value of output (£ million)	474	677	655	623	660	696
Protected:						
area ('000 hectares) (b) (c)	2.9	2.9	2.7	2.6	2.3	2.2
value of output (£ million)	241	362	347	322	330	342
Total realised return (£ million)	715	1,039	1,002	945	990	1,038
Other receipts (£ million) (d)	-	-	-	-	15	6
Total value of output (£million)	715	1,039	1,002	945	1,005	1,044
Fruit						
Orchard fruit:						
area ('000 hectares) (b) (e)	36.3	32.2	31.7	30.6	29.7	29.5
value of output (£ million)	115	159	172	134	118	125
Soft fruit:						
area ('000 hectares) (b)	16.6	14.4	13.7	13.2	12.4	11.8
value of output (£ million)	100	114	115	121	128	105
Total value of output (£ million) (f)	215	272	287	256	246	230
Ornamentals						
Area ('000 hectares) (b)	17.4	19.1	19.2	19.3	19.7	20.1
Value of output (£ million)	235	507	525	550	582	645
of which: flower bulbs (h)	26	32	32	32	36	43
flowers in the open	17	26	28	32	36	38
hardy nursery stock	106	237	237	253	258	265
protected crops	85	212	227	233	252	300
Seeds: value of output (£ million)	3	6	6	7	6	6
Total value of commercial horticultural output (£ million) (g)	1,168	1,824	1,820	1,758	1,839	1,925
Value of output of main crops (£ million)						
cabbages	71	87	84	90	96	85
carrots	51	99	82	61	79	93
cauliflowers	60	68	71	67	68	69
lettuces	71	122	111	125	89	105
mushrooms	118	168	171	163	165	179
peas (a)	55	70	62	59	58	54
tomatoes	58	90	66	64	71	81
apples	86	126	136	99	90	95
pears	13	18	18	15	11	14
raspberries	26	24	30	29	31	27
strawberries	58	67	59	69	73	56

(a) Includes peas harvested dry for human consumption.
(b) Areas relate to actual cropped areas which can differ from Census areas (Table 2.2).
(c) Excludes mushrooms area.
(d) Arable area payments for vining peas and peas harvested dry.
(e) Includes cropped area of commercial orchards only, and may therefore differ from the area in Table 2.2, which also includes non-commercial orchards.
(f) Includes glasshouse fruit.
(g) These figures differ from the horticulture values in Table 6.1, which include estimates for gardens and allotments, and hedgerow fruit and nuts.
(h) Including forced flower bulbs.

TABLE 5.17 Selected horticultural crops

'000 tonnes (unless otherwise specified) — Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Cauliflowers						
Farm gate price (£/tonne)	197.5	221.4	229.2	195.4	235.5	231.3
Output	303	306	311	341	316	301
Supplies from Channel Islands	13	7	5	8	5	5
Imports from: the Eleven	44	33	33	29	50	54
the rest of the world	-	-	-	-	-	-
Total new supply	360	346	349	378	371	360
Output as % of total new supply for use in UK	84	88	89	90	85	84
Tomatoes						
Farm gate price (£/tonne)	478.5	670.2	587.6	478.8	483.6	566.2
Output	120	134	133	134	130	130
Supplies from Channel Islands	27	13	13	9	8	9
Imports from: the Eleven	136	162	151	144	110	140
the rest of the world	100	90	101	107	51	104
Exports to: the Eleven	7	5	7	9	3	6
the rest of the world	-	-	-	-	-	-
Total new supply	376	394	391	385	296	377
Output as % of total new supply for use in UK	32	34	34	35	44	34
Apples (excluding cider apples)						
Farm gate price (£/tonne):						
dessert	340.7	494.5	585.6	385.6	335.2	330.6
culinary	232.5	278.2	342.6	216.7	212.4	250.4
Output from the crop:						
dessert	170	179	148	165	167	178
culinary	123	134	157	162	160	146
Imports from: the Eleven	286	252	230	203	234	222
the rest of the world	126	215	234	255	177	222
Exports to: the Eleven	21	20	40	33	9	27
the rest of the world	-	-	1	3	0	1
Total new supply	684	760	729	748	729	739
Increase in stocks	22	-27	-8	34	-5	-5
Total domestic uses	706	733	721	783	723	734
Output as % of total new supply for use in UK	43	41	42	44	45	44
Closing stocks	103	89	88	122	117	112

TABLE 5.17 Selected horticultural crops (continued)

'000 tonnes (unless otherwise specified) — Calendar years

		Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Pears (excluding perry pears)							
Farm gate price (£/tonne)		301.5	521.1	496.9	482.9	376.9	422.7
Output from the crop		43	34	36	31	30	30
Imports from:	the Eleven	56	60	53	67	60	60
	the rest of the world	16	38	37	41	39	39
Exports to:	the Eleven	1	2	3	3	2	2
	the rest of the world	-	-	-	-	-	-
Total new supply		111	130	123	136	127	126
Increase in stocks		3	-1	0	-8	8	14
Total domestic uses		114	129	123	129	136	140
Output as % of total new supply for use in UK		39	26	29	23	23	23
Closing stocks		24	16	16	7	15	14

Livestock

Cattle and calves; beef and veal
(Table 5.18)

24. The size of the beef and dairy herds increased slightly in 1994. Beef market prices in 1994 were down on 1993 but still remained significantly above 1992 prices. Cull cow prices and male dairy calf prices in the second half of 1994 were adversely affected by the new European Union BSE trade rules introduced in July and a ban by cross Channel ferry companies on live animal carriage.

25. There were no intervention purchases in the UK or elsewhere in the EU during 1994. Consequently, 1994 saw a sharp fall in UK intervention stock levels, down from 98,000 tonnes (product weight) at the end of 1993 to 21,500 tonnes at the end of 1994. EU intervention stock levels were well below 100,000 tonnes at the end of 1994 compared with stocks of 335,000 tonnes at the beginning of the year.

26. In spite of the new BSE trade rules in the second half of the year, beef exports continued to perform strongly.

Sheep and lambs; mutton and lamb
(Table 5.19)

27. The size of the breeding flock was virtually unchanged, the fall of 1.3 per cent in adult ewe numbers being offset by a 6.0 per cent increase in shearling ewes. Gross indigenous production of sheepmeat is estimated to be about 2 per cent higher than in 1993. Exports of sheep and sheepmeat are forecast to have decreased by 5 per cent, reflecting in particular the bans and restrictions placed by ferry companies in the latter part of the year on the export of live animals. Imports also fell by 7 per cent, resulting in an expected net decrease of 1 per cent in supplies to the home market.

28. The average market price for sheepmeat in Great Britain in 1994 is expected to be approximately 8 per cent above that for 1993 and 11 per cent higher in Northern Ireland. The continuing high export demand was an important factor in higher prices for sheepmeat in the UK. The bans and restrictions on the transport of livestock imposed by some ferry companies in the autumn do not appear to have had an impact on 1994 prices.

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 compensation paid up to the end of 1994 is expected to amount to approximately £11.5 million.

Pigs and pigmeat
(Table 5.20)

30. Although the Community pig breeding herd ceased to expand during the year, and fell back slightly, producer prices and profitability remained at low levels, except for a short period during the summer. UK pig slaughterings were at a high level reflecting the increases in productivity and in the sow herd in 1993. The Community support measures which had been introduced in areas of Germany and Belgium, placed under veterinary restriction in 1993 as a result of Classical Swine Fever, were removed but re-introduced later in the year. The Pig Carcase (Grading) Regulations 1994 came into force in September and gave the industry the opportunity to dress carcases to either UK or EC specifications. Prices started to show signs of improvement towards the end of the year.

Poultry and poultrymeat
(Table 5.21)

31. The volume of poultrymeat produced showed a small increase compared with the previous year. Producer prices held up well although they began to fall back slightly towards the end of the year. Compound feed prices did not go down to the extent expected. Exports were maintained but imports fell back.

TABLE 5.18 Cattle and calves; beef and veal

Calendar years

	Average of 1983-85	1990	1991	1992 (a)	1993	1994 (provisional)
Populations						
Total cattle and calves ('000 head at June)	13,153	12,079	11,885	11,804	11,729	11,834
of which: dairy cows	3,254	2,847	2,770	2,682	2,667	2,715
beef cows	1,350	1,603	1,669	1,699	1,751	1,775
dairy heifers in-calf	683	529	534	546	568	554
beef heifers in-calf	162	228	199	216	230	217
other	7,705	6,872	6,713	6,660	6,514	6,573
Selected market prices						
Store cattle (£ per head) (b):						
1st quality Hereford/cross bull calves (c)	117	128	120	145	186	182
1st quality beef/cross yearling steers (d)	299	397	397	419	459	435
Finished cattle (p per kg liveweight): All clean cattle	95.6	106.3	106.9	109.6	128.0	121.7
Marketings, production and returns						
Total home-fed marketings ('000 head)	4,310	3,838	4,008	3,767	3,469	3,549
of which: steers, heifers and young bulls	3,018	2,776	2,795	2,647	2,351	2,389
calves	312	400	463	463	502	511
cows and adult bulls	980	663	750	656	616	649
Average dressed carcase weights (dcw) (kgs) (e):						
steers, heifers and young bulls	275.7	288.8	286.4	289.5	292.2	299.8
calves	49.9	41.0	39.9	43.3	41.1	38.0
cows and adult bulls	266.3	279.2	279.6	286.4	287.7	328.8
Production ('000 tonnes, dcw):						
Home-fed production	1,105	999	1,024	968	879	945
Gross indigenous production (f)		987	1,016	966	875	947
Average realised return (p per kg dcw) (g)	175	182	180	189	221	208
Total realised return (£ million)	1,930	1,816	1,848	1,832	1,942	1,969
Other receipts (£ million) (h)	69	167	197	212	379	427
Value of home-fed production (£ million)	1,999	1,982	2,045	2,044	2,321	2,396
Supplies ('000 tonnes, dcw) (i)						
Home-fed production	1,105	999	1,024	968	879	945
Imports from: the Eleven (j)	156	161	165	161	123	111
the rest of the world	52	37	39	45	52	40
Exports to: the Eleven (k)	140	115	123	137	159	213
the rest of the world	57	22	31	25	45	64
Total new supply	1,116	1,060	1,075	1,013	850	819
Increase in stocks	31	75	80	21	-37	-119
Total domestic uses	1,085	985	995	992	887	938
Home-fed production as % of total new supply for use in UK	99	94	95	96	102	100
Closing stocks	91	140	220	241	204	66

(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 as a means for making international comparisons. It is measured 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 amounts, 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 1983-85	1990	1991	1992 (a)	1993	1994 (provisional)
Populations						
Total sheep and lambs ('000 head at June)	34,842	43,828	43,639	43,998	43,901	43,295
of which: ewes	13,621	16,773	16,951	17,109	17,092	16,864
shearlings	2,937	3,652	3,383	3,277	3,471	3,679
lambs under 1 year old	17,087	22,036	21,950	22,341	22,132	21,510
other	1,197	1,367	1,355	1,272	1,206	1,241
Selected market prices						
Store sheep (£ per head):						
1st quality lambs, hoggets and tegs (b)	35.1	33.8	35.5	37.9	35.6	40.0
Finished sheep (p per kg estimated dcw) (c):						
Great Britain	..	174.4	148.2	182.1	219.0	236.9
Northern Ireland	..	170.9	179.4	172.4	199.5	222.0
Marketings, production and returns (excluding clip wool)						
Total home-fed marketings ('000 head):	15,790	21,121	22,498	21,035	21,266	20,877
of which: clean sheep and lambs	14,141	19,024	20,583	19,109	19,160	18,323
ewes and rams	1,648	2,098	1,915	1,926	2,106	2,555
Average dressed carcase weights (dcw) (kgs) (d):						
clean sheep and lambs	18.2	17.8	17.8	17.8	17.5	17.6
ewes and rams	28.0	26.2	26.8	26.4	29.4	27.3
Production ('000 tonnes, dcw):						
Home-fed production	303	394	418	392	397	391
Gross indigenous production (e)	-	391	417	391	398	405
Average realised return (p per kg dcw) (f)	194	181	181	157	182	195
Total realised return (£ million)	587	714	756	617	723	763
Other receipts (£ million) (g)	130	280	372	431	538	448
Value of home-fed production (£ million)	717	995	1,127	1,048	1,261	1,212
Supplies ('000 tonnes, dcw) (h)						
Home-fed production	303	394	418	392	397	391
Imports from: the Eleven (i)	-	7	3	8	7	10
the rest of the world	162	147	122	119	122	110
Exports to: the Eleven (j)	53	98	111	144	181	172
the rest of the world	4	3	2	2	3	2
Total new supply	408	448	429	372	342	338
Increase in stocks	-4	6	-2	-10	6	-1
Total domestic uses	412	442	431	382	336	339
Home-fed production as % of total new supply for use in UK	74	88	97	105	116	116
Closing stocks	41	22	20	11	16	16

(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 amounts 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 1983-85	1990	1991	1992 (a)	1993	1994 (provisional)
Populations						
Total pigs ('000 head at June)	7,910	7,450	7,597	7,609	7,754	7,797
of which: sows in-pig and other sows for breeding	720	660	678	672	687	680
gilts in-pig	109	109	107	108	115	104
other	7,082	6,681	6,811	6,829	6,952	7,013
Selected market price						
Clean pigs (p per kg deadweight)	100.9	111.8	102.5	115.1	103.1	99.7
Marketings, production and returns						
Total home-fed marketings ('000 head)	15,487	14,356	14,702	14,642	14,818	15,256
of which: clean pigs	15,106	14,013	14,314	14,253	14,444	14,832
sows and boars	381	343	389	389	374	424
Average dressed carcase weights (dcw) (kgs) (b):						
clean pigs	61.2	64.7	65.6	65.7	66.4	66.7
sows and boars	134.8	146.2	146.2	142.1	139.5	135.8
Production ('000 tonnes, dcw):						
Home-fed production	975	957	996	992	1,011	1,047
Gross indigenous production (c)		952	996	994	1,017	1,056
Average realised return (p per kg dcw) (d)	96	106	97	110	97	94
Value of home-fed production (£ million)	941	1,018	970	1,091	985	986
Supplies of pork ('000 tonnes, dcw) (e) (f)						
Home-fed production	740	749	798	809	821	856
Imports from: the Eleven	28	80	75	90	111	108
the rest of the world	6	1	1	1	-	3
Exports to: the Eleven (g)	47	58	94	122	107	141
the rest of the world	2	1	2	2	4	5
Total new supply	724	771	778	775	821	821
Increase in stocks	1	2	-	-1	2	-2
Total domestic uses	723	769	777	777	819	823
Home-fed production as % of total new supply for use in UK	102	97	103	104	100	104
Closing stocks	6	11	11	10	12	11
Supplies of bacon and ham ('000 tonnes, product weight) (e)						
Home-cured production	208	180	176	168	181	182
Imports from: the Eleven (h)	265	259	253	234	238	238
the rest of the world	2	1	1	-	-	-
Exports to: the Eleven	6	5	5	5	3	4
the rest of the world	-	-	-	-	1	1
Total new supply	469	435	424	397	415	415
Increase in stocks	-	-1	-	-4	1	2
Total domestic uses	468	436	424	401	414	414
Home-cured production as % of total new supply for use in UK	44	41	41	42	44	44
Closing stocks	4	5	5	2	2	4

(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 1983-85	1990	1991	1992 (a)	1993	1994 (provisional)
Populations						
Number ('000 head at June):						
chickens and other table fowls	59,846	73,588	75,701	73,298	79,451	75,205
hens (boiling fowls)	11,001	6,942	7,014	6,198	6,591	6,561
turkeys (b)	7,732	9,596	9,759	10,202	9,134	9,551
ducks	1,421	2,038	2,033	2,198	2,388	2,353
geese	139	179	158	150	164	143
Total	80,139	92,341	94,664	91,671	97,179	93,813
Slaughterings, production and returns						
Slaughterings (millions):						
fowls	447	522	546	544	540	537
turkeys	26	32	33	33	35	35
ducks	8	12	11	11	13	13
geese	1	1	1	1	1	1
Total	482	567	591	589	589	586
Production ('000 tonnes deadweight):						
chickens and other table fowls	627	790	837	846	834	830
boiling fowls (culled hens)	58	39	37	32	30	35
turkeys	138	170	174	172	182	183
ducks	17	25	23	24	27	28
geese	2	3	3	3	3	3
Total	842	1,027	1,074	1,077	1,076	1,079
Average producer price (p/kg live weight) for:						
chickens and other table fowls	57.0	59.7	55.9	56.9	59.7	59.3
boiling fowls (culled hens)	25.8	23.7	14.6	14.7	26.9	23.1
turkeys	85.6	87.8	89.4	95.7	99.9	99.3
ducks	92.9	119.9	125.5	129.0	129.6	128.8
geese	152.3	208.4	191.8	163.4	189.5	187.7
Value of output (£ million):						
fowls	496	642	631	648	673	667
turkeys, ducks, geese	173	236	241	254	282	282
Total (c)	669	878	871	902	955	949
Supplies of poultrymeat ('000 tonnes deadweight)						
Production	842	1,027	1,074	1,077	1,076	1079
Imports from: the Eleven	55	135	137	171	145	169
the rest of the world	-	-	-	-	1	1
Exports to: the Eleven	24	47	59	64	56	66
the rest of the world	3	15	21	17	23	28
Total new supply	870	1,100	1,130	1,167	1,143	1,155
Change in stocks	-1	9	17	-7	-7	-4
Total domestic uses	871	1,091	1,114	1,174	1,150	1,159
Production as % of total new supply	97	94	96	92	94	93

(a) For comparability with other years, the figures have been adjusted from a 53-week to a 52-week basis.
(b) From 1989 onwards 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. 1994 saw a continuation of the upturn in the dairy market which began in 1992. Under the GATT International Dairy Arrangement minimum prices for butter and butteroil were suspended for a year with effect from 3 May and the market was allowed to establish the price levels for these products. Prices, however, remained firm and consequently there were only small sales of butter into intervention in the EC. At the end of the year EC public butter stocks stood at some 63,000 tonnes (5,400 tonnes in the UK) and private stocks at 69,000 tonnes (2,800 tonnes in the UK). Small quantities of skimmed milk powder (SMP) were taken into public storage before intervention closed at the end of August. At the end of November, public stocks of SMP amounted to 73,000 tonnes (6,800 tonnes in the UK).

33. In the price-fixing agreement, the Council decided to reduce the intervention price for butter by 1 per cent from 1 August on top of the 2 per cent which had already been agreed and which came in effect on 1 July. On milk quotas, the Council agreed that there would be no quota cut in 1994/95 or in 1995/96 and provision was made for the linear allocation of the additional quota remaining from the previous year's increase. Milk production in 1993/94 exceeded quota, resulting in a wholesale levy of £21 million and a direct sales levy of £2 million.

34. In August the Minister of State announced that the spare quota left over from the SLOM 3 allocation would be distributed at the end of the current quota year. This will amount to an increase of about half a per cent for all quota holders and will count against production in 1994/95 and subsequent quota years.

Eggs *(Table 5.24)*

35. Egg production levels, price and output remained at their 1993 levels, with the substantial increase in eggs for processing noted last year being maintained. The long-term decline in the household consumption of shell eggs continued.

Wool *(Table 5.25)*

36. The Agriculture Act 1993 terminated the Wool Guarantee with effect from 30 April 1993. Virtually all the remaining wool collected before that date (which continues to be eligible for a guarantee if it is sold before 1 May 1995) has now been sold by the British Wool Marketing Board. The marketing arrangements for UK clip wool, including the Board's obligation to purchase all wool, remain unchanged but will be subject to review in early 1995.

37. The volume of wool produced in the UK in the 1994 clip year is expected to fall slightly in comparison with 1993. Wool market prices improved significantly during the year and producers also benefited from a reduction in the Board's marketing costs. The stockpile of 25 million kg held by the Board in April 1991 has now been cleared. Net expenditure in 1994/95 under the final stages of the guarantee arrangements is forecast to be around £55,000.

TABLE 5.22 Milk

Million litres (unless otherwise specified) Calendar years

	Average of 1983-85	1990	1991	1992 (a)	1993	1994 (provisional)
Production and output						
Dairy herd (annual average, '000 head) (b)	3,295	2,872	2,790	2,719	2,721	2,735
Average yield per cow (litres per annum)	4,865	5,158	5,139	5,251	5,278	5,372
Production of milk from the dairy herd (c)	16,035	14,811	14,336	14,276	14,360	14,690
Production of milk from the beef herd	30	9	8	7	7	7
less wastage and milk fed to stock	194	272	274	272	272	273
Output for human consumption	15,870	14,548	14,070	14,011	14,095	14,425
Average total return (pence per litre) (d)	15.16	19.31	19.90	21.02	22.70	22.60
Value of output (£ million)	2,405	2,809	2,801	2,945	3,203	3,266
Utilisation of the output for human consumption						
Sales through MMB schemes: (e)						
for liquid consumption	6,945	6,780	6,745	6,722	6,778	6,765
for manufacture	8,757	7,403	6,910	6,792	6,765	7,122
of which: butter (f) (g)	4,695	2,934	2,326	2,037	2,230	2,474
cheese (h)	2,484	2,950	2,794	3,017	2,921	2,843
cream (g)	720	549	660	466	443	485
condensed milk (j)	446	436	435	466	474	488
milk powder - full cream	326	395	543	592	424	544
other	87	139	145	214	273	289
Total sales through schemes (j)	15,717	14,194	13,664	13,523	13,542	13,886
Other utilisations (k)	153	355	407	488	553	539

(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. 1994 does not include any end-year supplement which may be paid to producers following the ending of the Milk Marketing Boards.
(e) The Milk Marketing Schemes in Great Britain ended on 31 October 1994. Figures for 1994 include estimates for November and December based on returns to the Intervention Board Executive Agency.
(f) Includes a smallquantity of milk utilised to manufacture anhydrous milk fat (AMF).
(g) Excludes the utilisation of the residual fat of low fat liquid 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 1983-85	1990	1991	1992	1993	1994 (provisional)
Butter (a) (b)						
Production (c)	217	138	112	98	109	117
Imports from: the Eleven	75	51	47	77	57	61
the rest of the world	87	63	57	53	55	56
Exports to: the Eleven (d)	26	35	35	45	47	34
the rest of the world	9	4	5	6	6	5
Total new supply (d)	344	213	177	178	168	194
Increase in stocks (e)	51	19	-9	-4	-26	-3
Total domestic uses (d) (e)	293	194	186	182	194	198
Production as % of total new supply for use in UK	63	65	63	55	65	60
Closing stocks (e)	224	74	61	57	30	27
Cheese						
Production (c)	249	315	302	327	333	326
Imports from: the Eleven	131	183	174	212	165	174
the rest of the world	16	19	18	20	19	18
Exports to: the Eleven	14	22	27	29	31	28
the rest of the world	18	19	24	20	27	29
Total new supply	364	473	440	508	457	459
Increase in stocks	2	9	-21	21	8	-4
Total domestic uses	361	464	460	487	449	464
Production as % of total new supply for use in UK	69	66	68	64	72	71
Closing stocks	111	145	125	146	154	150
Cream - fresh, frozen, sterilized						
Production (b) (c)	59	64	77	54	51	56
Imports from: the Eleven	4	2	3	2	3	3
the rest of the world	-	-	-	-	-	-
Exports to: the Eleven	-	10	33	31	36	47
the rest of the world	-	5	5	3	3	2
Total new supply	62	51	42	22	15	10
Increase in stocks	..	..	..	..	..	..
Total domestic uses	62	51	42	22	15	10
Production as % of total new supply for use in UK	95	125	183	245	338	546
Closing stocks	..	..	..	..	..	..

TABLE 5.23 Milk products (continued)

'000 tonnes (unless otherwise specified) Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Condensed milk (f)						
Production	184	204	198	206	191	195
Imports from: the Eleven	6	11	10	13	10	11
the rest of the world	-	-	-	-	-	-
Exports to: the Eleven	15	8	10	11	4	5
the rest of the world	18	41	37	47	45	43
Total new supply	157	166	161	161	152	157
Increase in stocks	-2	-3	-3	1	-	-
Total domestic uses	159	169	164	160	153	157
Production as % of total new supply for use in UK	118	123	123	128	126	124
Closing stocks	14	12	9	10	10	10
Milk powder - full cream						
Production	49	70	79	84	71	87
Imports from: the Eleven	7	2	3	5	6	5
the rest of the world	-	-	-	-	-	-
Exports to: the Eleven	5	15	15	35	23	22
the rest of the world	33	35	50	45	33	36
Total new supply	17	22	17	9	20	34
Increase in stocks	-	-4	1	-2	1	-
Total domestic uses	17	25	16	11	9	33
Production as % of total new supply for use in UK	322	319	467	960	357	259
Closing stocks	3	3	4	2	3	3
Skimmed milk powder						
Production	262	166	143	102	124	134
Imports from: the Eleven	20	6	8	26	13	15
the rest of the world	-	-	-	-	-	-
Exports to: the Eleven (d)	101	78	56	35	42	27
the rest of the world	50	26	15	10	13	13
Total new supply (d)	132	69	80	83	81	110
Increase in stocks	-25	2	-6	-4	-1	-3
Total domestic uses (d)	157	67	86	88	83	113
Production as % of total new supply for use in UK	235	242	179	123	152	119
Closing stocks	127	23	17	12	11	8

(a) Includes butter other than natural (ie butterfat and oil, dehydrated butter and ghee).
(b) Excludes 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 1983-85	1990	1991	1992	1993	1994 (provisional)
Production for human consumption and for hatching						
Number of fowls in lay (annual average, millions) (a)	49.62	42.45	43.0	42.4	42.09	42.51
Average yield per layer (number of eggs)	243.0	251.0	252.5	253.0	254.0	254.8
Gross production (million dozen)	1,005	888	905	894	889	903.0
Of which:						
Eggs for human consumption	937	804	816	806	803	811
Eggs for hatching	58.2	74.9	79.7	79.8	79.4	83.0
Waste	9.4	9.1	9.3	8.7	9.0	9.0
Production for human consumption						
Output of eggs for human consumption from fowls (excluding waste) (million dozen)	937	804	816	806	803	811
Average realised price for eggs from fowls (p per dozen)	49.9	56.2	51.6	51.3	56.0	56.2
Value of output of eggs from fowls (£ million)	467	452	421	413	449	465
Utilisation and supplies for human consumption (million dozen)						
Total UK output of hen eggs for human consumption (b)	937	804	816	806	803	811
of which: hen eggs sold in shell	895	724	738	711	687	696
hen eggs processed	42	80	77	95	114	111
Imports from (c): the Eleven	49	77	55	45	35	49
the rest of the world	1	-	-	-	-	-
Exports to (c): the Eleven	22	13	15	15	12	13
the rest of the world	1	1	1	1	-	-
Total new supply	964	867	855	835	826	847
Output as % of total new supply for use in UK	97	93	95	97	97	96

(a) Population is implied from Gross Production and Average Yield and hence differs from census figures in table 2.2.
(b) Includes farmhouse consumption.
(c) 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 1983-85	1990	1991	1992	1993	1994 (provisional)
Skin Wool (valued within output from sheep and lambs)						
Production	15	21	21	20	19	19
Clip Wool (a)						
Production	41	53	51	51	48	47
Producer price for clip (p per kg) (b) (c)	96.4	92.5	83.4	80.9	86.6	93.0
Value of output (£ million)	39	49	42	41	42	44
Supplies						
Total production	55	74	72	70	68	67
Imports from: the Eleven	21	18	21	23	30	42
the rest of the world	103	66	65	71	58	81
Exports to: the Eleven	27	25	24	25	26	33
the rest of the world	20	24	25	27	29	27
Total new supply	132	109	109	112	100	130
Production as % of total new supply for use in UK	42	68	66	63	68	51

(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

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.

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

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 product, 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 1994.

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 1993 and 1994, 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.

5. The value of the industry's gross output is estimated to have risen by 2.0 per cent between 1993 and 1994, while the value of its gross input has risen by 0.8 per cent over this period. The volume of the industry's output (as indicated by gross output at constant prices) has risen by 0.7 per cent since 1993, with the volume of the industry's gross input increasing by 0.5 per cent. These changes have resulted in increases of 3.1 per cent in gross product and 3.7 per cent in net product, both at current prices.

Productivity
(Table 6.4)

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 3.1 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 0.8 per cent between 1993 and 1994.

Incomes from farming
(Tables 6.1, 6.5 and 6.6)

7. In addition to the rise in the industry's net product of 3.7 per cent, or some £233 million, there was also a further fall of £54 million (10.9 per cent) in the interest paid to the providers of much of the industry's financial capital. These changes were largely responsible for a £284 million (5.1 per cent) rise in the incomes of those engaged in the industry (line 29 in table 6.1). When the £12 million (0.7 per cent) increase in the cost of hired labour is taken into account the provisional figures for *total income from farming* (line 31 of table 6.1) show a rise of £273 million (6.9 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 £262 million (8.8 per cent) in *farming income*. When expressed in real terms *total income from farming* and *farming income* are forecast to have risen by 4.4 per cent and 6.3 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 smaller increases between 1993 and 1994 than those estimated for the income measures; in real terms cash flow for the wider group has risen by 6.5 per cent while that for farmers (and their spouses) alone has risen by 8.7 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 1993 and 1994 to 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 1994 the agricultural industry received £2,090 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 £1,137 million in 1993. This is 13.7 per cent higher than in the previous year and similar to the level seen in 1990. Investment is estimated to have increased in all three categories of fixed capital goods, both in current and constant price terms. A further, more modest increase in investment is expected in 1994. Decreases are expected in the stocks of wheat, barley and potatoes held by farmers at the end of 1994, but greater numbers of non-breeding livestock are expected.

Hired labour
(Table 6.10)

12. Table 6.10 shows that average weekly earnings for whole-time hired men (over the age of 20) increased by 3.9 per cent from £218.0 in 1993 to £226.5 in 1994. Average weekly hours increased slightly from 46.3 hours in 1993 to 46.4 hours in 1994. The rise in earnings followed increases in the statutory minimum wage of around 2.7 per cent in the summer of 1993 and 4.9 per cent in the summer of 1994. Over the last ten years, earnings per week have increased, on average, by 1.2 per cent per annum in real terms. The total cost of hired labour is derived by multiplying the numbers of each of the different types of workers by the relevant earnings, adding on Employers' Liability and National Insurance, and 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. With a fall of 1.9 per cent in the aggregate volume of labour input, the total cost of hired labour rose by 0.7 per cent between 1993 and 1994. Aggregate wages and salaries increased by 1.2 per cent, while lower national insurance rates led to a fall of nearly 5 per cent in employer insurance contributions.

Interest *(Table 6.11)*

13. Details of interest charges payable on farmers' borrowings for current farming purposes and for investment in buildings and works are shown in Table 6.11. These interest payments, net of interest on short-term deposits, are estimated to have fallen by £54 million between 1993 and 1994, to £444 million. Since 1990, the level of net interest payments has fallen by nearly 60 per cent. Although the level of bank advances to agriculture for current farming purposes and buildings and works are now nearly 10 per cent lower than in 1990 at around £5,200 million, the main cause of the reduction in payments is the lower level of interest rates, which have more than halved over the period.

TABLE 6.1 Outputs, inputs and income at current prices

£ million — Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Outputs (a)						
Cereals:						
wheat	1,328	1,415	1,536	1,548	1,620	1,679
barley	874	603	592	583	654	664
oats	27	35	33	46	54	58
rye, mixed corn and triticale	3	4	4	4	6	7
other receipts (b)	-	1	2	2	-	-
1. Total cereals	2,232	2,058	2,166	2,183	2,334	2,408
Other crops:						
oilseed rape	224	343	316	262	336	360
linseed	1	15	42	85	185	40
sugar beet	233	272	276	329	328	288
hops	24	14	20	17	20	19
peas and beans for stockfeed	50	123	110	122	193	147
hay and dried grass	21	22	21	16	17	19
grass and clover seed	19	14	11	10	10	11
other minor crops (c)	22	37	40	27	36	40
2. Total other crops	593	841	836	869	1,124	925
3. Potatoes	454	515	491	431	393	661
Horticulture:						
vegetables (d)	783	1,142	1,094	1,035	1,084	1,136
fruit (d)	235	297	313	278	267	250
ornamentals	235	507	520	550	582	645
other (e)	3	6	6	9	8	9
4. Total horticulture	1,255	1,952	1,933	1,871	1,941	2,040
Livestock:						
finished cattle and calves	1,999	1,982	2,045	2,044	2,321	2,396
finished sheep and lambs	717	995	1,127	1,048	1,261	1,212
finished pigs	941	1,018	970	1,091	985	986
poultry (f)	678	901	900	934	994	1,000
other livestock and receipts (g)	89	122	126	134	134	133
5. Total livestock	4,425	5,018	5,168	5,252	5,695	5,728
Livestock products:						
milk	2,405	2,809	2,801	2,945	3,203	3,266
eggs (h)	479	467	440	405	469	486
clip wool	39	49	42	41	42	44
other (i)	17	27	26	29	27	29
6. Total livestock products	2,939	3,352	3,309	3,420	3,741	3,824
7. Own account capital formation: livestock (j)	-8	31	-78	122	50	-1
8. Total output (1+2+3+4+5+6+7)	11,895	13,767	13,825	14,147	15,279	15,584
Other direct receipts:						
set-aside	-	18	25	34	168	245
milk quota cuts	-	65	60	81	44	32
milk outgoers	-	2	1	1	1	1
other receipts (k)	46	46	57	77	89	125
9. Total other direct receipts	46	132	143	193	303	403
10. Total receipts (8+9)	11,938	13,899	13,968	14,341	15,582	15,987

(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) Payment 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 exports of eggs for hatching and duck eggs.

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

£ million | Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Value of physical increase in						
work-in-progress(l)	-35	-48	-39	-39	15	17
output stocks (l)	5	-8	4	48	15	-84
11. Total value of physical increase	-30	-56	-35	9	30	-67
12. **Gross output** (10 +11)	11,911	13,843	13,933	14,349	15,612	15,920
of which: Intermediate output (m)						
feed	753	482	570	615	323	645
seed	127	142	139	147	135	137
Inputs						
Expenditures (net of reclaimed VAT)						
Feedingstuffs: compounds	1,929	2,029	2,059	2,122	2,360	2,367
straights	640	627	588	612	733	712
other	119	159	158	170	177	187
13. Total feedingstuffs	2,688	2,816	2,804	2,904	3,269	3,266
Seeds: cereals	120	121	123	132	110	111
other	149	181	172	180	177	181
14. Total seeds	269	301	295	312	287	291
Livestock: imported	68	36	27	36	34	33
inter-farm expenses	135	137	132	137	152	141
15. Total livestock (imported and inter-farm expenses)	203	173	159	173	186	174
Fertilisers and lime:						
straights	323	313	301	248	210	240
compounds	476	423	392	349	314	365
lime	42	37	37	35	40	42
other	23	36	36	37	38	40
16. Total fertilisers and lime	864	808	766	669	603	687
17. Pesticides	326	459	440	428	449	435
Machinery: repairs	433	645	700	720	708	668
fuel and oil	444	300	311	290	298	299
licences	29	32	35	35	37	42
insurances	42	73	82	97	112	116
other	12	18	20	21	22	23
18. Total machinery	960	1,068	1,147	1,164	1,177	1,148
Farm maintenance: (n)						
occupier	134	211	236	242	252	263
landlord	55	59	59	59	58	59
19. Total farm maintenance	189	270	295	300	311	323

(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, 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).

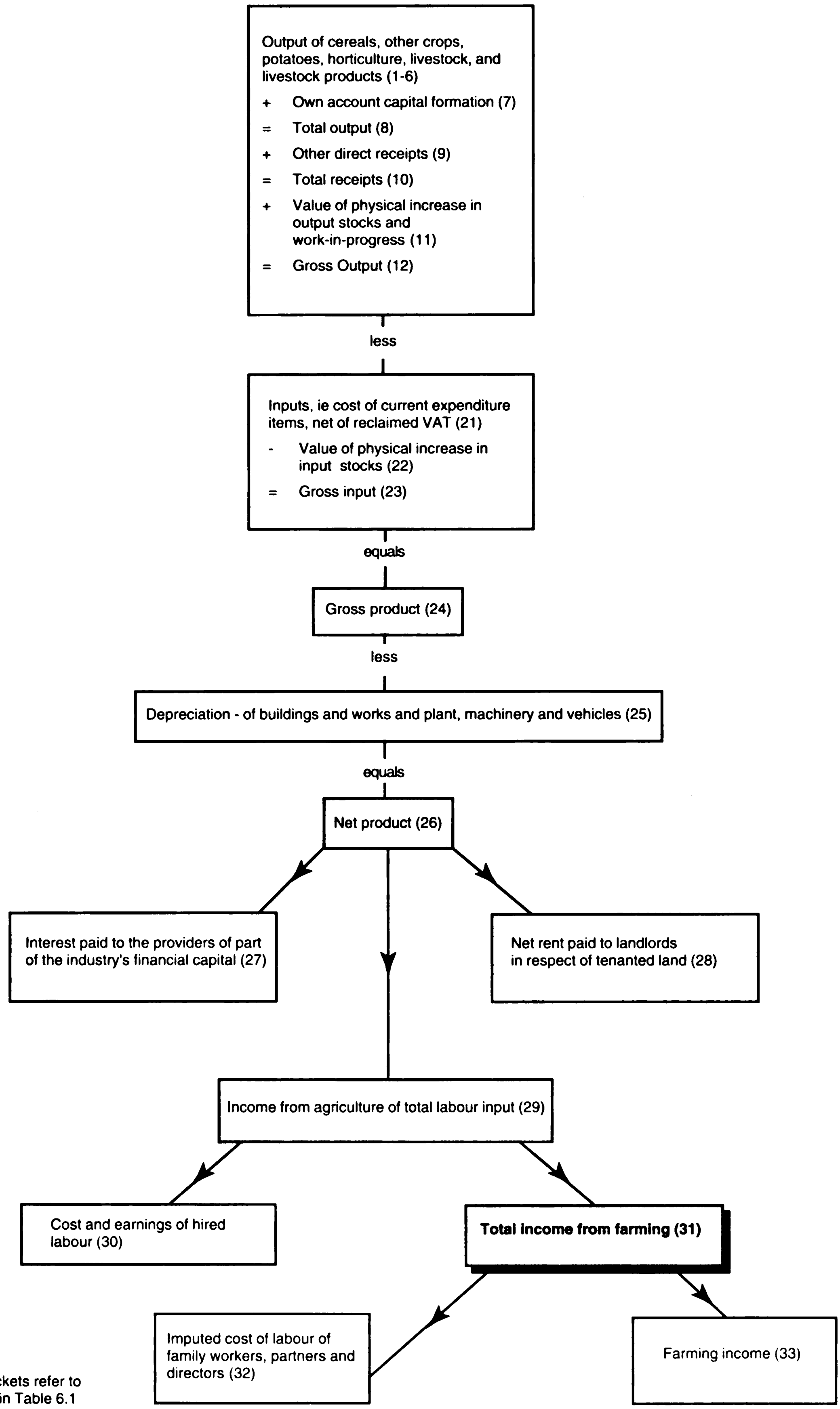
TABLE 6.1 Outputs, inputs and income at current prices (continued)

£ million | Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Miscellaneous expenditure:						
veterinary expenses and medicines	124	169	175	177	186	193
power and fuel (mainly electricity)	138	174	191	201	202	210
containers	101	143	148	163	152	145
sundry equipment	131	173	183	191	205	197
other (n) (o)	362	488	606	653	695	710
20. Total miscellaneous expenditure	855	1,147	1,303	1,384	1,440	1,455
21. Total expenditure (13+14+15+16+17+18+19+20)	6,354	7,042	7,210	7,333	7,721	7,778
Value of physical increase in stocks of:						
purchased feed	-5	11	-20	29	11	-10
fertilisers	-23	4	-11	-8	-11	3
22. Total value of physical increase in input stocks	-28	15	-31	21	-	-7
23 **Gross input** (21-22)	6,383	7,027	7,241	7,312	7,721	7,786
24. **Gross product** (12-23)	5,526	6,816	6,692	7,038	7,891	8,135
Depreciation:						
buildings and works:						
landlord (n)	75	97	87	76	75	75
other	407	607	559	500	500	510
plant, machinery and vehicles	890	1,040	1,051	1,037	1,036	1,037
25. Total depreciation	1,371	1,744	1,698	1,613	1,611	1,621
26. **Net product** (24-25)	4,154	5,072	4,995	5,425	6,280	6,514
27. Interest (p)	621	1,052	883	742	498	444
28. Net rent (n)	140	133	141	152	152	154
29. Income from agriculture of total labour input (26-27-28)	3,393	3,887	3,970	4,531	5,630	5,915
Hired labour (q) (r)						
wages and salaries	1,180	1,446	1,521	1,528	1,538	1,557
insurances	121	128	138	138	144	137
other	8	12	11	10	10	10
30. Total hired labour (q) (r)	1,309	1,587	1,670	1,675	1,691	1,703
31. **Total income from farming** (29-30)	2,084	2,300	2,300	2,856	3,939	4,212
32. Labour: family, partners and directors (r) (s)	655	878	957	979	978	990
33. Farming income (t) (31-32)	1,429	1,422	1,343	1,877	2,961	3,222

(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. Does not include interest on land
(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 1983-85(a)	1990	1991	1992	1993	1994 (provisional)
Outputs (b)						
Cereals:						
wheat	1,258	1,415	1,445	1,409	1,232	1,380
barley	803	603	599	560	496	471
oats	26	35	33	42	35	39
rye, mixed corn and triticale	3	4	4	4	4	4
other receipts (c)	-	1	2	2	-	-
1. Total cereals	2,090	2,058	2,083	2,017	1,768	1,895
Other crops:						
oilseed rape	216	343	349	318	310	345
linseed	1	15	41	50	45	21
sugar beet	278	272	264	320	309	276
hops	24	14	18	15	17	14
peas and beans for stockfeed	46	122	106	107	144	110
hay and dried grass	20	22	22	19	19	20
grass and clover seed	12	14	11	10	9	10
other minor crops (d)	26	37	37	35	41	43
2. Total other crops	623	839	848	875	895	838
3. Potatoes	545	515	498	538	563	524
Horticulture:						
vegetables (e)	1,016	1,142	1,108	1,219	1,247	1,229
fruit (e)	331	297	299	315	309	288
ornamentals	413	507	515	522	538	552
other (f)	4	6	6	6	6	6
4. Total horticulture	1,764	1,952	1,928	2,063	2,100	2,076
Livestock:						
finished cattle and calves	2,190	1,982	2,036	1,925	1,753	1,881
finished sheep and lambs	766	995	1,055	990	1,004	989
finished pigs	1,061	1,018	1,060	1,056	1,075	1,114
poultry (g)	718	901	947	958	959	980
other livestock (h)	120	122	120	130	121	120
5. Total livestock	4,856	5,018	5,218	5,058	4,912	5,084
Livestock products:						
milk	3,044	2,809	2,715	2,702	2,722	2,786
eggs (i)	559	467	481	471	471	480
clip wool	38	49	47	47	45	44
other (j)	18	27	21	23	23	22
6. Total livestock products	3,658	3,352	3,265	3,244	3,261	3,332
7. Own account capital formation: livestock (k)	-9	31	-73	97	34	4
8. Total output (1+2+3+4+5+6+7)	13,527	13,766	13,765	13,890	13,532	13,752
9. Total other direct receipts	40	132	135	174	142	114
10. Total receipts (8+9)	13,567	13,897	13,900	14,064	13,674	13,866
Value of physical increase in:						
work-in-progress (l)	-40	-48	-38	-38	15	18
output stocks (l)	17	-8	4	72	15	-88
11. Total value of physical increase	-23	-56	-34	34	30	-70
12. **Gross output** (10+11)	13,544	13,841	13,866	14,098	13,704	13,796

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

£ million at constant (1990) prices | Calendar years

	Average of 1983-85(a)	1990	1991	1992	1993	1994 (provisional)
of which : Intermediate output (m)						
feed	689	482	569	574	362	665
seed	137	142	136	138	130	130
Inputs						
Expenditures (net of reclaimed VAT):						
feedingstuffs	2,910	2,816	2,753	2,846	3,059	3,104
seeds	291	301	290	293	276	277
livestock (imported and inter-farm expenses)	223	173	157	163	151	139
fertilisers and lime	733	808	785	725	680	743
pesticides	429	459	394	367	378	359
machinery: repairs	619	645	658	631	592	551
fuel and oil	352	300	303	293	283	281
other	134	123	122	120	119	119
farm maintenance (n)	248	270	286	292	295	294
miscellaneous expenditure (n)(o)	1,164	1,147	1,139	1,128	1,136	1,132
13. Total expenditure	7,103	7,042	6,887	6,857	6,967	6,998
14. Total value of physical increase in input stocks	-28	15	-32	17	-3	-6
15. **Gross input** (13-14)	7,094	7,027	6,919	6,840	6,970	7,004
16. **Gross product** (12-15)	6,450	6,814	6,947	7,258	6,734	6,791
17. Total depreciation (n)	1,892	1,744	1,700	1,643	1,608	1,578
18. **Net product** (16-17)	4,558	5,070	5,247	5,615	5,126	5,214

(a) For 1982-84 the required national accounts method of calculating totals and sub-totals 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) Payment 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 1993 and 1994 (provisional)			
	Total Change		Percentage change in	
	£ million	Percentage	Price	Quantity
Outputs				
Cereals	74	3.2	-3.8	7.2
Other crops	-200	-17.8	-12.2	-6.3
Potatoes	268	68.2	80.7	-6.9
Horticulture	99	5.1	6.3	-1.1
Livestock	32	0.6	-2.8	3.5
Livestock products	83	2.2	-	2.2
Other items (a)	-47	..	..	..
Gross output	308	2.0	1.3	0.7
Inputs				
Feedingstuffs	-3	-0.1	-1.5	1.5
Seeds	5	1.6	1.3	0.3
Livestock	-11	-6.0	1.7	-7.6
Fertilisers and lime	84	13.9	4.2	9.4
Pesticides	-14	-3.1	2.0	-5.0
Machinery (total current expenses)	-29	-2.5	1.8	-4.3
Farm maintenance	12	3.8	4.2	-0.3
Miscellaneous (inc vets and electricity)	15	1.0	1.5	-0.4
Other items (b)	-8	..	..	..
Gross input	65	0.8	0.3	0.5
Gross product	244	3.1	2.2	0.9
Net product	233	3.7	2.0	1.7

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

TABLE 6.4 Output volume and productivity

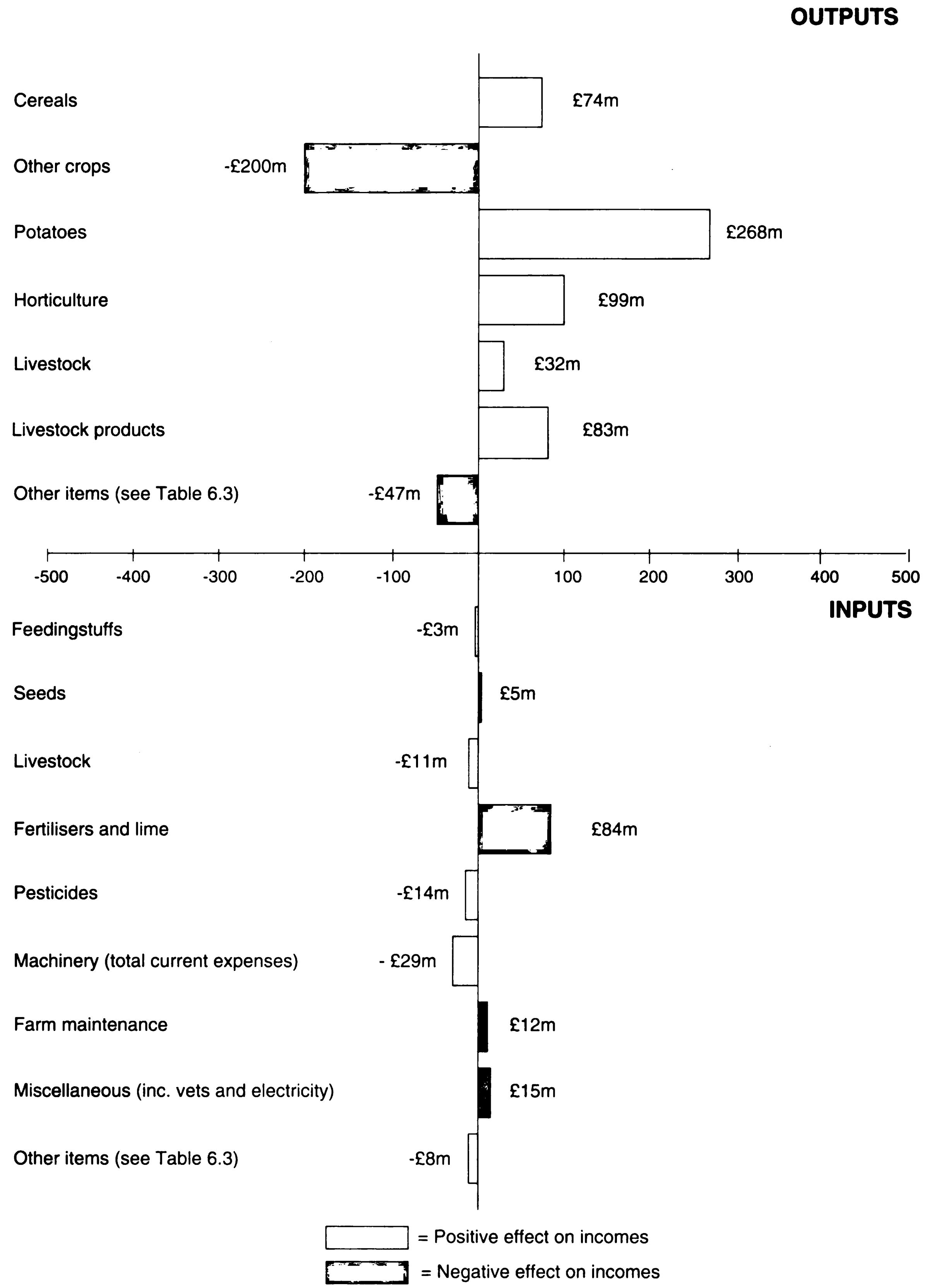
At constant 1990 prices: indices, 1990=100 Calendar years

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)
1983	93.8	74.2	89.1
1984	100.8	90.7	98.1
1985	97.7	85.3	94.7
1986	98.2	84.5	92.9
1987	97.6	85.6	92.5
1988	97.6	87.1	92.9
1989	99.0	93.9	95.9
1990	100.0	100.0	100.0
1991	100.2	104.9	101.8
1992	101.9	111.2	104.8
1993	99.0	104.1	101.6
1994 (provisional)	99.7	107.3	102.4

(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, 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 1993 and 1994 (provisional) [1]



[1] 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						
1983	3,823	3,178	1,919	1,295	2,182	1,558
1984	4,708	3,970	2,682	2,042	2,931	2,291
1985	3,933	3,032	1,652	951	2,299	1,597
1986	4,198	3,328	1,980	1,236	2,502	1,758
1987	4,324	3,510	2,146	1,369	2,978	2,202
1988	4,084	3,226	1,819	1,013	2,482	1,676
1989	4,785	3,692	2,240	1,421	2,969	2,151
1990	5,072	3,887	2,300	1,422	3,059	2,181
1991	4,995	3,970	2,300	1,343	3,247	2,290
1992	5,425	4,531	2,856	1,877	3,439	2,461
1993	6,280	5,630	3,939	2,961	4,332	3,353
1994 (provisional)	6,514	5,915	4,212	3,222	4,722	3,732
In real terms (as deflated by the RPI): indices, 1990=100						
1983	111.9	121.4	123.8	135.1	105.9	106.1
1984	131.3	144.5	165.0	203.2	135.6	148.6
1985	103.4	104.0	95.7	89.1	100.2	97.6
1986	106.7	110.4	110.9	112.0	105.4	103.9
1987	105.5	111.8	115.5	119.1	120.5	125.0
1988	95.0	97.9	93.3	84.0	95.7	90.6
1989	103.2	104.0	106.6	109.4	106.2	107.9
1990	100.0	100.0	100.0	100.0	100.0	100.0
1991	93.0	96.5	94.5	89.2	100.3	99.2
1992	97.4	106.1	113.0	120.2	102.4	102.7
1993	111.0	129.9	153.5	186.6	126.9	137.8
1994 (provisional)	112.4	133.2	160.3	198.3	135.1	149.8

TABLE 6.6 Eurostat income indicators

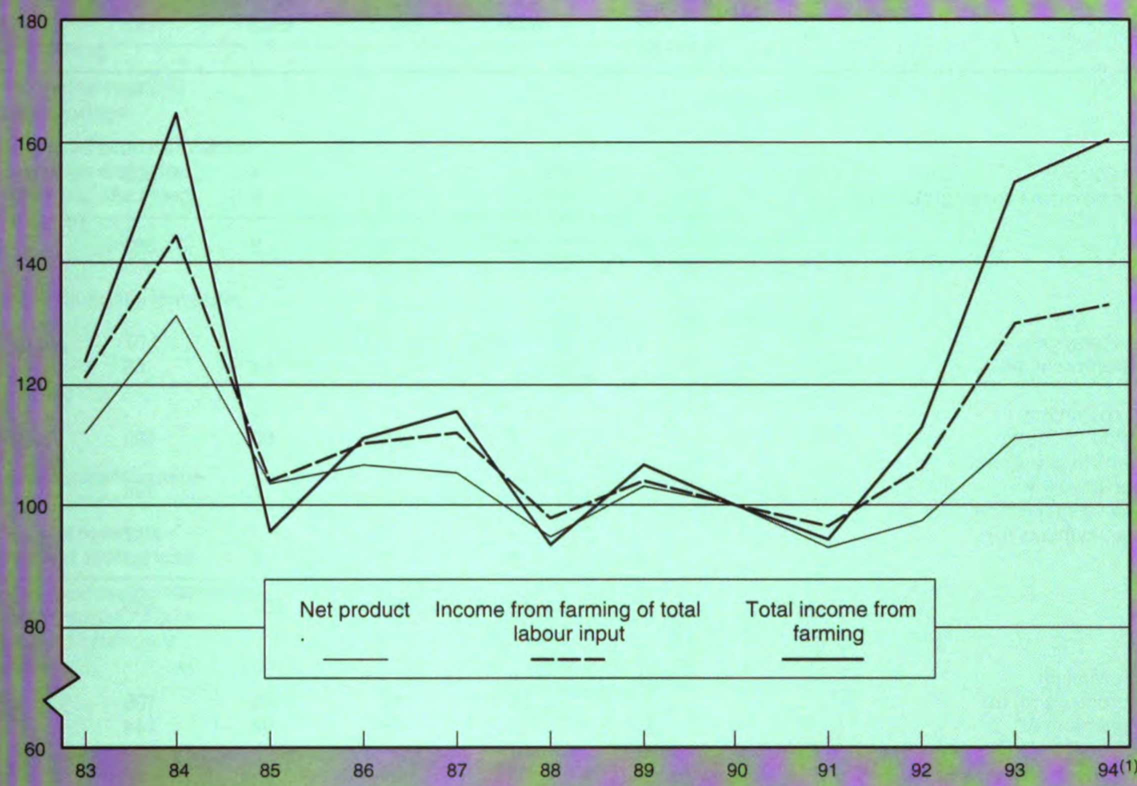
Calendar years

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			
1983	98.1	104.9	112.7
1984	117.7	127.6	151.2
1985	93.2	92.4	87.6
1986	98.1	100.0	101.6
1987	98.8	103.1	107.6
1988	89.5	91.0	87.0
1989	100.6	99.8	102.0
1990	102.2	100.7	101.0
1991	97.3	99.4	97.1
1992	102.7	110.3	115.9
1993	116.0	133.8	155.1
1994 (provisional)	118.8	138.8	162.9

(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 indicators 1, 2 and 3

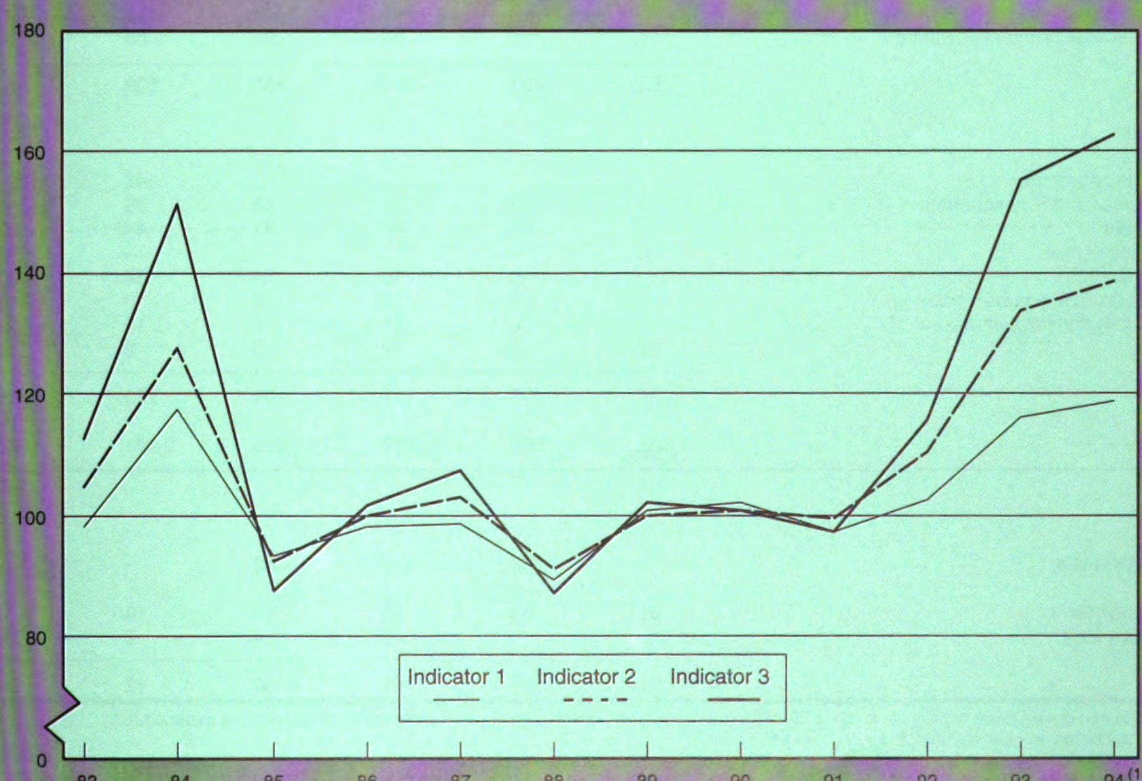
In real terms (as deflated by the RPI): indices, 1990=100



(1) Provisional

CHART 6.4 Eurostat indicators 1, 2 and 3

Indices (as defined in Table 6.6)



(1) Provisional

TABLE 6.7 Subsidies and levies included in the aggregate agricultural account

This table excludes non-government levies (a)

£ million | Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Subsidies						
Cereals:						
arable area payments	-	-	-	-	393	543
payments to small scale cereal producers	3	1	2	2	-	-
Total	3	1	2	2	393	543
All other crops:						
oilseed rape:						
arable area payments	-	-	-	-	87	176
oilseed support scheme	-	-	-	84	86	-
linseed:						
arable area payments	-	-	-	-	-	28
oilseed support scheme	-	7	21	60	160	-
peas and beans for stockfeed:						
arable area payments	-	-	-	-	102	80
peas for human consumption:						
arable area payments (b)	-	-	-	-	7	-
others (c)	4	5	5	6	7	6
Total	4	12	26	151	449	291
Cattle:						
beef variable premium	128	-	-	-	-	-
beef special premium (d) (e)	-	41	45	45	165	193
suckler cow premium (d)	23	71	88	99	144	179
calf subsidy	6	2	-	-	-	-
hill livestock compensatory allowance	42	53	65	69	70	55
disease compensation (f)	-	4	4	4	7	5
Total	200	170	201	216	386	432
Sheep:						
sheep variable premium	141	120	209	-	-	-
annual ewe premium	86	208	288	346	473	391
hill livestock compensatory allowance	56	73	84	85	65	57
Total	283	401	581	431	538	449
Other subsidies:						
set-aside:						
arable area payments	-	-	-	-	142	227
5 year, 1 year and levy schemes	-	18	25	33	26	18
milk quota cuts	-	65	60	81	44	32
non-marketing of milk	8	-	-	-	-	45
BSE compensation	-	9	16	29	38	25
other animal disease compensation (g)	6	3	3	3	3	1
environmentally sensitive areas	-	9	11	17	18	24
others (h)	20	2	2	2	2	2
Total	34	107	117	164	273	375
Total subsidies	523	690	927	966	2,041	2,090
Levies						
Cereals:						
co-responsibility levy	-	94	119	42	-	-
Milk:						
co-responsibility levy	61	33	33	34	10	-
supplementary levy	-	-	9	4	2	24
Total levies	61	127	161	80	12	24

(a) Levies paid to non-government organisations 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 areas, farm accounts grants and others.

TABLE 6.8 Gross capital formation

£ million | Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Gross capital formation at current prices						
Gross fixed capital formation:						
buildings and works	625	558	441	398	418	..
plant and machinery	586	428	427	438	540	..
vehicles	117	150	141	164	179	..
Total	1,328	1,136	1,009	1,000	1,137	..
Livestock capital formation:						
cattle	-12	19	-67	91	47	5
sheep	7	9	-19	28	-1	3
pigs	-3	3	2	2	-	-4
poultry	..	..	6	-	3	-5
Total	-8	31	-78	122	50	-1
Gross capital formation	1,320	1,167	931	1,121	1,187	..
Gross capital formation at constant 1990 prices						
Gross fixed capital formation:						
buildings and works	857	558	481	487	511	..
plant and machinery	781	428	400	391	461	..
vehicles	182	150	131	155	170	..
Total	1,820	1,136	1,012	1,033	1,142	..
Livestock capital formation	-9	31	-73	97	34	4
Gross capital formation	1,811	1,167	939	1,130	1,176	..

TABLE 6.9 Stocks and work in progress

£ million — Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Increase in book value of stocks and work in progress	102	115	43	8	-184	70
Stock appreciation	160	156	109	-22	-215	143
Value of physical increase in stocks and work in progress:						
at current prices	-58	-41	-66	30	31	-74
at constant (1990) prices	-62	-41	-66	51	27	-76
Details at current prices:						
Output stocks:						
wheat	20	9	14	13	57	-40
barley	-14	-10	-3	9	-23	-15
oats	1	1	-	-6	1	3
potatoes	2	-8	-	6	1	-2
fruit	-4	1	-7	27	-19	-29
Total	5	-8	4	48	15	-84
Work in progress:						
cattle	-35	-51	-17	-50	13	24
sheep	4	4	-25	-	-3	-3
pigs	-3	-1	4	5	3	-1
poultry	-2	-1	-1	6	2	-3
Total	-35	-48	-39	-39	15	17
Input stocks:						
feedingstuffs	-5	11	-20	29	11	-10
fertilisers	-23	4	-11	-8	-11	3
Total	-28	15	-31	21	-	-7

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

Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
Hired labour costs (£ million)						
Wages and salaries (a)	1,180	1,446	1,521	1,528	1,538	1,557
Insurance payments	121	128	138	138	144	137
Other payments (b)	8	12	11	10	10	10
Total	1,309	1,587	1,670	1,675	1,691	1,704
Hours and earnings of regular whole-time male workers, 20 years and over						
Hours per week (c)	46.6	46.7	46.9	46.3	46.3	46.4
Earnings per week (£) (d)	124.5	186.4	204.1	211.5	218.0	226.5
Index of earnings in real terms (1990=100) (deflated by RPI)	94.3	100.0	103.5	103.4	104.8	106.3

(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 1983-85	1990	1991	1992	1993	1994 (provisional)
Interest rates						
average bank base lending rate in the UK (percentage)	10.6	14.8	11.7	9.6	6.0	5.5
average rate of interest on bank advances to agriculture (percentage)	13.0	17.1	14.3	12.3	8.7	8.2
Interest charges (for current farming purposes and building and works) on:						
bank advances	557	978	826	687	464	422
AMC loans	5	15	20	18	13	16
instalment credit	27	54	48	47	35	27
leased assets	38	56	47	36	25	18
other credit (a)	3	6	5	6	6	5
less interest on deposits (b)	9	58	63	52	44	44
Total	621	1,052	883	742	498	444

(a) This includes interest paid on loans from the Scottish Agricultural Securities Corporation, private sources and charges on loans guaranteed by the Agricultural Credit Corporation.
(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 1994 suggest increases in average rents in England, Wales and Scotland of about 1.4, 5.8 and 8.1 per cent respectively. For Great Britain as a whole average rent per hectare increased by about 2.9 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. In 1993 the change in the average price of land sold with vacant possession varied considerably in the different countries of the UK. The average price increased by 3.8 per cent in England, 13.5 per cent in Wales and 23.7 per cent in Northern Ireland. In Scotland, by contrast, the average price declined by 2.0 per cent for vacant possession sales. In the tenanted sector the average price of land sold declined in England and Scotland by 1.9 and 3.0 per cent respectively. Chart 7.1 plots the average vacant possession price for 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 1993 there was an increase of about 7.8 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 fell by about 1.4 per cent in 1993 and the industry's net worth increased by about 8.6 per cent. In real terms net worth increased by about 6.6 per cent. Chart 7.2 shows the development (in real terms) of the main balance sheet aggregates since 1984.

TABLE 7.1 Farm rents

Average per hectare: indices, 1990=100 — Calendar years

	Average of 1983-85	1990	1991	1992	1993	1994 (provisional)
England	82.1	100.0	101.4	101.9	102.5	103.9
Wales	79.2	100.0	102.8	106.2	110.0	116.4
Scotland	80.8	100.0	103.2	102.4	102.5	110.8
Great Britain (a)	82.0	100.0	101.6	102.1	103.3	106.3

(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 1983-85	1990	1991	1992	1993
England (a)					
With vacant possession	3,820	4,683	4,198	3,674	3,814
Tenanted	2,463	2,131	2,053	1,766	1,733
Wales (a)					
With vacant possession	2,612	3,145	3,386	2,453	2,783
Scotland (a)					
With vacant possession	1,720	3,399	2,943	2,405	2,357
Tenanted	844	1,271	1,056	1,195	1,159
Northern Ireland (a)					
With vacant possession	2,984	3,464	3,458	3,613	4,469

(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 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 not available due to insufficient sales and virtually all land in Northern Ireland is owner-occupied or let on an annual basis.

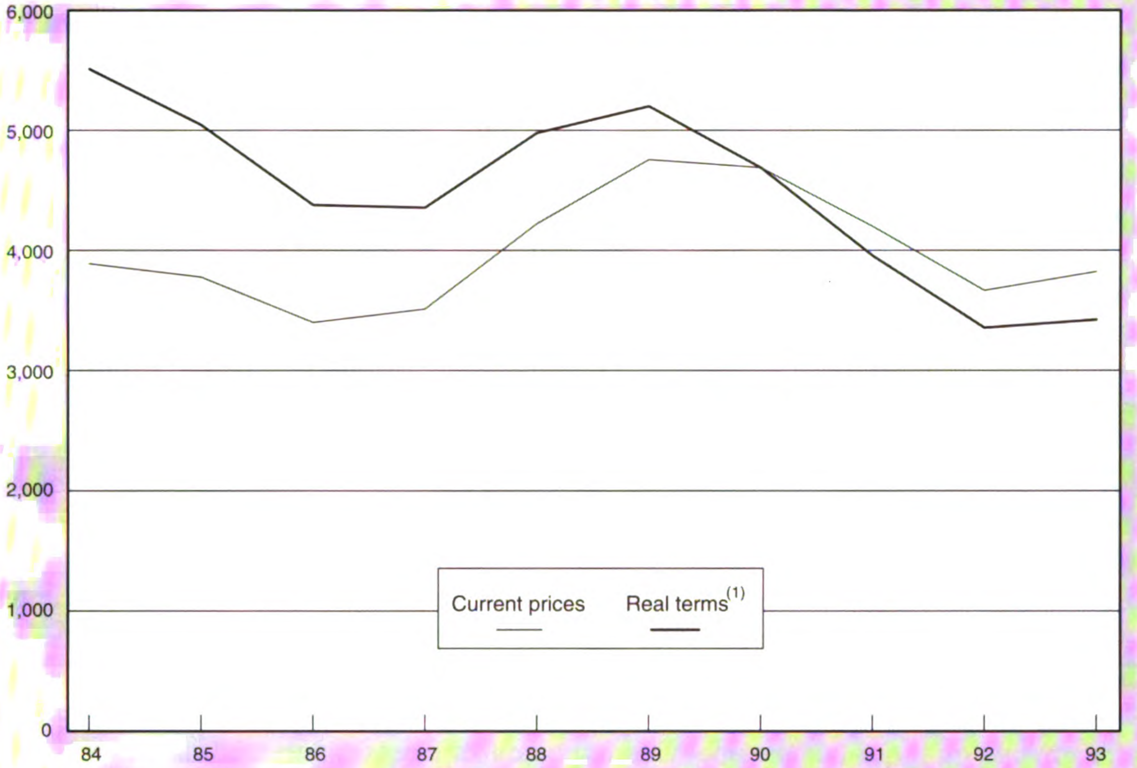
TABLE 7.3 Aggregate balance sheets for agriculture

£ million | As at December each year

	Average of 1983-85	1990	1991	1992	1993 (provisional)
At current prices					
Assets					
Fixed (a):					
Land and buildings (b)	38,200	41,850	38,450	34,600	37,450
Plant, machinery and vehicles	4,550	5,200	5,150	5,100	5,100
Breeding livestock	3,800	3,750	4,250	5,650	6,350
Total fixed	46,550	50,800	47,850	45,350	48,900
Current:					
Trading livestock	2,800	2,750	2,900	2,950	3,050
Crops and stores	2,650	2,450	2,350	2,350	2,200
Debtors, cash deposits	1,550	2,700	3,250	3,950	4,000
Total current	7,000	7,900	8,450	9,200	9,300
Total Assets	53,550	58,700	56,300	54,600	58,200
Liabilities					
Long and medium term:					
Bank loans	1,300	1,550	1,600	1,750	1,750
Other	1,000	1,600	1,800	1,800	1,800
Total long and medium term	2,300	3,150	3,400	3,550	3,600
Short term:					
Bank overdraft	3,800	5,050	4,900	4,450	4,100
Other	1,650	2,350	2,400	2,450	2,650
Total short term	5,450	7,400	7,300	6,900	6,750
Total Liabilities	7,700	10,550	10,700	10,500	10,350
Net worth	45,800	48,150	45,600	44,100	47,900
In real terms (as deflated by the RPI): indices, December 1990=100					
Total assets	130	100	92	87	91
Total liabilities	104	100	97	93	90
Net worth	136	100	91	85	91

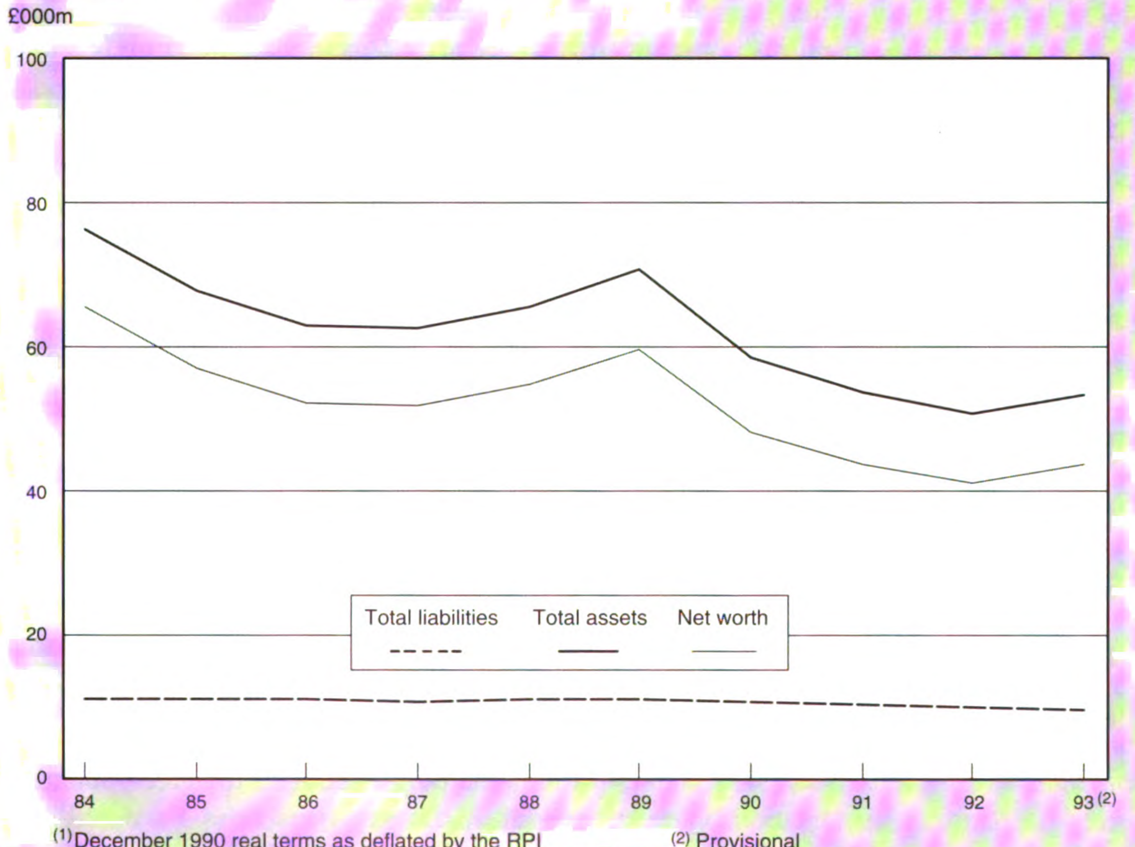
(a) The valuations of land, buildings and breeding livestock are at average market prices; those of plant, machinery and vehicles are at replacement cost, net of depreciation.
(b) Includes the value of owner-occupied and tenanted land.

CHART 7.1 Prices of agricultural land with vacant possession : England



(1) 1990 real terms as deflated by the RPI

CHART 7.2 United Kingdom agricultural assets, liabilities and net worth in real terms (1)



(1) December 1990 real terms as deflated by the RPI (2) Provisional

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 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 June Census) are presented and described in this section, together with provisional estimates of net farm income for the 1994/95 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. One important difference is that all data in this section are averages per farm.

Farm incomes
(Tables 8.1 - 8.3)

3. Movements in *net farm income* over recent years for each country and for the major farm types (excluding horticulture) are shown in 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 assets of the business such as permanent crops, livestock and machinery (but not land or buildings).

4. Over the United Kingdom as a whole, average net farm income rose in 1993/94 by 18 per cent on full-time cattle and sheep farms inside the Less Favoured Areas and by over a quarter on lowland cattle and sheep farms and general cropping farms. There was a smaller increase on dairy farms and modest decreases on cereal and mixed farms. On pig and poultry farms, there was a large fall in net farm income mainly as a result of a substantial decline in pig prices.

5. There were substantial increases in the market prices of grazing livestock in 1993/94 and in the amount of sheep annual premium received. The increase in the premium resulted from the lower value of sterling from late 1992 and the subsequent devaluations of the green pound. The rise in income on cattle and sheep farms in the Less Favoured Areas (LFA)

occurred in spite of reduced rates of Hill Livestock Compensatory Allowances in 1993. Cereal prices fell substantially, set aside requirements were introduced and the new arable area payments for cereals, oilseeds, proteins and set aside payments were paid for the first time. These changes left average cereal output down on cereal farms in England but total crop output and net farm income were virtually unchanged. In Scotland, the fall in cereal output was greater than in England, due to a significant fall in cereal yields, and average net farm income fell. Much improved prices for potatoes and some horticultural products helped incomes on general cropping farms.

6. Provisional estimates of net farm income for 1994/95 are included as indices in Table 8.1. These are based on the most recent information on prices, direct subsidy rates, animal populations and marketings, and crop areas and yields. The estimates should be regarded only as broad indicators of the overall effects on income of expected changes in output values and input costs.

7. The net farm income of dairy farms is expected to be broadly unchanged for 1994/95. A rise in milk output, from higher milk yields and some price increases, is likely to be offset by a lower sale price for calves and an increase in input prices, including higher quota leasing costs. For cattle and sheep farms in the Less Favoured Areas (LFA), estimates of income show a fall, except in Northern Ireland. Income is also expected to fall on lowland cattle and sheep farms in England and Wales. Lower or unchanged beef prices and a fall in the rate of sheep annual premium are expected to keep farm output static while input costs rise. Incomes on cereal farms are expected to rise as the result of relatively firm cereals prices and an increase in subsidy payments. These factors should also contribute to a rise in incomes on general cropping farms although the main influence in this case is likely to have been a large increase in potato prices. Estimates of pig and poultry farm incomes also show a rise, due to a small increase in the finished pig price and a rise in marketings; input costs are expected to be unchanged, partly as the result of a fall in the price of purchased concentrates. However the expected improvement in income is not expected to be sufficient to offset the fall of the previous year.

8. Information on actual levels of net farm income in 1992/93 and 1993/94 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. Average net farm income on full-time dairy farms in England and Scotland rose by around 10 per cent, despite a fall on small farms in England. In Wales and Northern Ireland there was virtually no change. Average net farm income rose on small, medium and large full-time cattle and sheep farms in the Less Favoured Areas of all four countries. When averaged over all sizes, the increases were between 15 per cent and 16 per cent in Northern Ireland, Wales and Scotland and 27 per cent in England. Many lowland cattle and sheep farms are small and average farm incomes are lower than for other types. There was hardly any change in the average net farm income on these farms in Wales, but in England an increase of 36 per cent, to £9,400, was recorded. Incomes on small cereal farms in England increased, but falls on medium and large farms left the average over all sizes virtually unchanged. In Scotland, incomes averaged

over all sizes of cereal farms fell by nearly a quarter due to lower yields which resulted from very poor harvest conditions in parts of the country. Conversely, incomes on general cropping farms in both Scotland and England increased by a quarter. In the case of England, the average net farm income in 1993/94 at £35,500 was higher than all other major types, including dairy farms. There was a dramatic fall in the average net farm income on pig and poultry farms in England, with the average for small farms being slightly negative. The fall resulted from much lower pig prices; output of eggs and poultry on this farm type increased slightly.

9. *Occupier's net income* is an alternative measure of farm performance which represents the return to the farmer and spouse for their manual and managerial labour and on all assets invested in the farm business, including land and buildings. It takes account of the actual expenditure associated with owning or renting land. By measuring farm income after the payment of rent and interest charges it may reflect more realistically changes in income as perceived by farmers. Table 8.3 shows estimates of occupier's net income by farm type, country and tenure basis in 1992/93 and 1993/94. Occupier's net income increased on average on each major farm type with the exception of cereal farms in Scotland and pig and poultry farms in England. There were also falls on owner-occupied mixed farms in each country.

Assets and liabilities
(Table 8.4)

10. Table 8.4 provides information on the assets, liabilities and net worth of farm businesses at the beginning and end of 1993/94 according to country and type of tenure. In England, Scotland and Northern Ireland assets and external liabilities increased such that net worth rose by around 4 per cent or 5 per cent in all three countries. In Wales, external liabilities fell on tenanted and mixed tenure farms and were virtually unchanged on owner-occupied farms. With higher assets, net worth rose in Wales by 9 per cent when averaged over all types of tenure.

11. External liabilities expressed as a percentage of total assets give an indicator of indebtedness of farm businesses. This measure fell in Wales in 1993/94 but was almost unchanged in England and Scotland. 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	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95 (prov)
At current prices									
England:									
Dairy	76	92	123	113	89	98	128	141	145
Cattle and sheep (LFA)	80	113	145	103	78	119	172	220	195
Cattle and sheep (lowland)	121	228	227	120	61	119	179	243	215
Cereals	163	22	32	79	104	117	157	157	170
General cropping	72	29	20	112	97	91	97	122	165
Pigs and poultry	70	49	22	126	108	67	75	22	35
Mixed	96	85	84	97	99	104	133	130	135
Wales:									
Dairy	66	88	110	111	89	100	123	124	110
Cattle and sheep (LFA)	119	128	176	109	79	112	144	167	135
Cattle and sheep (lowland)	46	134	197	73	125	102	109	106	80
Scotland:									
Dairy	31	79	99	118	94	89	109	119	120
Cattle and sheep (LFA)	39	100	121	107	99	95	115	133	125
Cattle and sheep (lowland)	25	96	130	130	98	72	115	122	135
Cereals	128	85	53	95	131	74	214	164	225
General Cropping	107	71	40	134	121	44	65	81	245
Mixed	64	105	105	104	117	79	175	173	225
Northern Ireland:									
Dairy	55	121	141	130	75	95	141	141	150
Cattle and sheep (LFA)	75	199	186	111	86	103	162	185	220
Mixed	43	111	81	138	94	68	120	87	135
United Kingdom:									
Dairy	69	94	121	115	88	97	127	137	135
Cattle and sheep (LFA)	73	121	148	107	86	107	143	169	155
Cattle and sheep (lowland)	87	202	212	116	79	104	150	189	170
Cereals	173	30	36	82	108	110	159	154	175
General cropping	81	35	24	116	99	85	94	119	180
Pigs and poultry	74	57	27	125	107	68	80	22	40
Mixed	86	92	91	100	104	96	138	133	145
In real terms (as deflated by the RPI)									
United Kingdom:									
Dairy	87	114	140	123	86	91	114	121	120
Cattle and sheep (LFA)	93	148	172	115	85	100	129	151	135
Cattle and sheep (lowland)	110	247	245	125	78	97	136	168	150
Cereals	222	37	42	89	107	104	145	139	150
General cropping	103	43	27	124	97	79	84	105	155
Pigs and poultry	94	69	31	133	104	63	71	20	30
Mixed	110	113	106	108	102	90	125	118	125

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

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) 1993/94			Number of holdings at June 1993		
	Small		Medium		Large		All size groups							
	1992/93	1993/94	1992/93	1993/94	1992/93	1993/94	1992/93	1993/94	Small	Medium	Large	Small	Medium	Large
Dairy:														
England	12.1	10.3	25.3	28.1	59.3	66.9	30.8	33.9	32	62	122	4,524	9,855	4,059
Wales	14.6	14.7	29.9	30.2	63.6	63.1	28.3	28.4	29	63	111	1,649	1,998	466
Scotland	..	..	23.6	25.1	48.6	54.4	28.9	31.6	..	75	139	165	1,092	550
N. Ireland	11.4	11.1	27.3	27.7	..	..	18.0	18.1	36	62	..	2,714	1,942	289
Cattle and sheep (LFA):														
England	7.3	10.4	22.4	27.1	..	..	14.2	18.0	107	246	..	4,825	2,093	341
Wales	9.2	10.3	23.7	28.7	55.1	64.4	13.8	16.0	86	217	432	6,117	1,997	188
Scotland	8.4	8.9	15.5	18.4	23.2	30.5	11.6	13.4	202	468	1,033	4,941	2,590	475
N. Ireland	5.0	5.6	15.5	19.1	..	..	5.9	6.8	74	157	..	5,329	529	39
Cattle and sheep (lowland):														
England	2.8	2.7	11.3	18.9	39.2	56.3	6.9	9.4	67	135	185	10,297	2,446	1,046
Wales	..	..	..	..	..	..	10.7	10.4	43	129	339	1,550	440	100
Cereals:														
England	3.5	6.3	22.5	20.4	57.7	56.0	23.1	23.0	55	134	347	7,350	5,907	3,502
Scotland	..	..	..	..	..	..	17.9	13.7	..	..	..	1,252	821	340
General cropping:														
England	9.9	13.4	17.4	22.9	51.4	63.0	28.2	35.5	51	96	287	4,192	4,108	4,093
Scotland	..	..	..	..	31.4	42.2	16.9	21.2	..	..	256	413	804	797
Pigs and poultry:														
England	9.7	-1.7	22.0	15.6	92.9	21.7	31.3	9.0	6	15	39	1,462	1,065	813
Mixed:														
England	6.5	5.3	15.6	17.3	56.6	53.9	24.4	23.8	60	125	275	4,217	2,961	2,425
Scotland	6.5	6.5	16.1	16.1	..	..	15.6	15.4	24	33	..	1,106	749	405
N. Ireland	6.4	3.8	10.2	11.1	..	..	7.2	5.2	40	81	..	797	195	44

(a) Figures are not shown separately where the sample contains fewer than 20 farms.
(b) For comparison with the Farm Business Survey, census data relate to holdings of 8 ESU and over.

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): Occupier's net income (£'000 per farm)								Census data (b): Average farm area including rough grazing (hectares per farm) 1993/94			Census data (b): Number of holdings at June 1993		
	Owner-occupied 1992/93	Owner-occupied 1993/94	Tenanted 1992/93	Tenanted 1993/94	Mixed tenure 1992/93	Mixed tenure 1993/94	All types of tenure 1992/93	All types of tenure 1993/94	Owner-occupied	Tenanted	Mixed tenure	Owner-occupied	Tenanted	Mixed tenure
Dairy:														
England	27.5	31.9	22.8	26.6	34.3	40.9	28.6	33.5	66	60	84	8,490	4,364	5,584
Wales	23.1	24.4	..	..	35.1	37.0	25.5	27.4	54	..	67	2,520	672	921
Scotland (c)	30.8	35.7	..	..	..	..	30.1	37.3	86	..	..	1,381	426	..
N. Ireland (d)	15.3	16.4	..	..	..	..	..	..	47	..	..	4,945	..	..
Cattle and Sheep (LFA):														
England	12.0	15.5	14.5	21.3	19.1	24.4	14.5	19.3	121	224	216	3,433	1,673	2,153
Wales	13.3	16.0	9.2	13.9	17.8	21.0	14.0	16.9	123	107	140	5,243	1,009	2,050
Scotland (c)	12.3	14.9	10.3	13.8	..	..	11.5	14.5	256	490	..	4,873	3,133	..
N. Ireland (d)	4.7	6.0	..	..	..	..	..	..	81	..	..	5,897	..	..
Cattle and sheep (lowland):														
England	7.2	9.5	6.3	9.3	13.5	20.1	8.7	12.2	84	105	85	8,005	2,296	3,488
Wales	9.8	9.1	..	..	..	..	11.7	12.3	69	..	..	1,188	350	552
Cereals:														
England	25.0	25.1	18.6	21.3	28.3	31.7	24.6	26.4	138	144	176	7,583	3,798	5,378
Scotland	20.0	17.4	..	..	..	..	19.9	17.9	114	..	..	1,619	794	..
General Cropping.														
England	27.2	36.8	26.1	24.7	29.1	43.2	27.8	36.6	149	143	169	4,490	2,826	5,077
Scotland (c)	26.8	26.3	..	..	..	..	22.8	26.3	134	..	..	1,298	716	..
Pigs and poultry:														
England	27.6	5.2	..	..	..	..	27.2	5.8	13	..	..	2,673	285	382
Mixed:														
England	20.0	18.5	23.3	26.8	33.0	36.2	25.1	26.2	119	165	171	4,404	2,049	3,150
Scotland (c)	17.0	16.6	14.2	16.1	..	..	16.1	16.4	145	200	..	1,536	724	..
N. Ireland (d)	7.8	6.2	..	..	..	..	..	..	48	..	..	1,036	..	..

(a) Figures are not shown separately where the sample contains fewer than 20 farms.
(b) For comparison with the Farm Business Survey, census data relate to holdings of 8 ESU and over.
(c) All survey farms in Scotland are classified according to the main tenure category of land on the holding.
(d) Practically all farms in Northern Ireland are owner-occupied.

TABLE 8.4 Assets and liabilities of farm businesses by country and tenure: average for all farm types, 1993/94

£'000 per farm

Accounting years ending on average in February

		Owner-occupied		Tenanted		Mixed tenure		All types of tenure	
		Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing
England	Total assets	537.3	554.0	156.0	168.7	558.2	586.6	467.9	487.3
	of which: fixed assets	476.6	492.4	91.7	104.5	473.8	500.5	399.4	417.8
	current assets	60.7	61.6	64.3	64.2	84.4	86.1	68.5	69.5
	Total external liabilities	60.0	61.0	36.9	38.5	82.0	83.9	62.0	63.4
	of which: long and medium term loans	28.5	29.4	6.2	8.0	30.8	32.3	24.8	26.0
	short-term loans	31.5	31.6	30.7	30.5	51.2	51.6	37.2	37.4
	Net worth	477.2	493.0	119.1	130.1	476.2	502.7	405.8	423.9
	Occupier's net income 1993/94 year	..	21.2	..	21.8	..	34.0	..	25.1
Wales	Total assets	368.2	393.0	81.5	100.0	337.3	373.5	329.0	355.7
	of which: fixed assets	346.2	369.0	63.2	79.8	307.9	340.0	305.7	329.9
	current assets	22.0	24.1	18.3	20.2	29.4	33.6	23.3	25.8
	Total external liabilities	30.8	30.7	13.9	12.6	29.2	27.6	28.5	28.0
	of which: long and medium term loans	16.2	15.9	3.7	3.0	13.8	13.0	14.3	13.8
	short-term loans	14.6	14.8	10.2	9.6	15.4	14.6	14.3	14.2
	Net worth	337.4	362.3	69.6	87.4	308.2	346.0	300.4	327.7
	Occupier's net income 1993/94 year	..	17.1	..	17.7	..	24.4	..	18.9
Scotland (a)	Total assets	391.8	410.1	170.3	181.3	..	..	314.8	330.3
	of which: fixed assets	326.4	340.5	108.7	119.4	..	..	250.6	263.4
	current assets	65.4	69.6	61.6	61.9	..	..	64.2	66.9
	Total external liabilities	57.6	60.6	31.9	34.6	..	..	48.6	51.5
	of which: long and medium term loans	15.0	15.4	5.3	6.3	..	..	11.6	12.2
	short-term loans	42.6	45.2	26.6	28.3	..	..	37.0	39.3
	Net worth	334.2	349.5	138.4	146.7	..	..	266.2	278.8
	Occupier's net income 1993/94 year	..	19.5	..	18.4	..	..	..	19.2
Northern Ireland (b)	Total assets	248.1	259.1	..	..	..	..	..	..
	of which: fixed assets	217.9	226.3	..	..	..	..	..	..
	current assets	30.2	32.8	..	..	..	..	..	..
	Total external liabilities	13.1	15.3	..	..	..	..	..	..
	of which: long and medium term loans	5.2	5.8	..	..	..	..	..	..
	short-term loans	7.9	9.5	..	..	..	..	..	..
	Net worth	235.0	243.8	..	..	..	..	..	..
	Occupier's net income 1993/94 year	..	9.7	..	..	..	..	..	..

(a) All survey farms in Scotland are classified according to the main tenure category of land on the holding.
(b) Practically all farms in Northern Ireland are owner-occupied.

9 Public expenditure on agriculture

Introduction

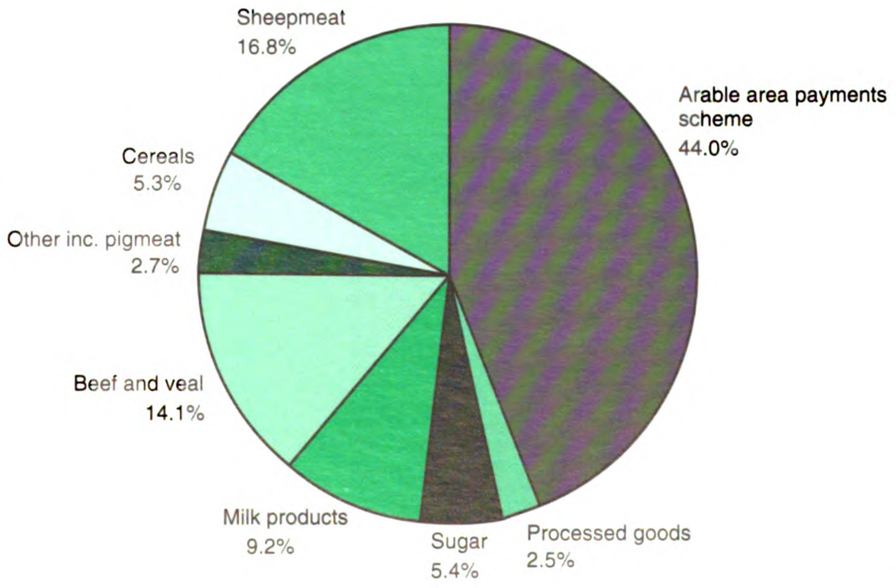
1. Table 9.1 shows public expenditure under the CAP and on national grants and subsidies, while Table 9.2 provides more detailed information on the costs of market regulation under the CAP. The tables exclude other expenditure which may benefit farmers (eg expenditure on animal health or on research, 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 1993/94 represent actual expenditure recorded in the Appropriation Accounts. The figures for 1994/95 are the latest estimates of expenditure.

Public expenditure
(Tables 9.1 and 9.2)

2. Total United Kingdom expenditure in 1994/95, compared with the previous year, is forecast to decrease by some £165 million to £2,704 million, with spending in the UK on the CAP forecast to reduce from £2,610 million in 1993/94 to £2,436 million. Chart 9.1 illustrates the expenditure breakdown by commodity sector, with more detail in Table 9.2.The main savings are on reduced purchases into intervention of beef and cereals, milk and cereals export refunds, ewe premiums, and compensation in connection with milk

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

Forecast 1994/95



quota cuts and from increased receipts from sales of intervention cereals.Increases arise on the arable area payment scheme and the Beef Special and Suckler Cow Premiums as part of the reform of the CAP.Expenditure year on year also increased due to an increase in the green rates following devaluation of the pound against the ECU.

3. Other expenditure on agricultural support in the UK is estimated to be £268 million in 1994/95 compared with an actual outturn of £259 million in 1993/94. 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 1990/91 to 1994/95. This indicates that stocks of cereals, beef and skimmed milk powder are forecast to decrease in 1994/95, while stocks of butter are unchanged.

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

£ million — April/March (financial years)

	1990/91	1991/92	1992/93	1993/94	1994/95 (forecast)
I Market regulation and other agricultural support measures under the CAP					
(i) Expenditure by the Intervention Board (a):					
Cereals	120.8	125.8	256.3	399.8	129.9
Oilseeds	236.4	207.2	126.0	161.0	-
Sugar	110.7	97.7	129.9	154.1	131.7
Beef and veal	357.6	324.1	252.8	11.1	-7.8
Sheepmeat	126.5	139.8	0.9	0.4	-5.8
Pigmeat	6.6	2.3	2.1	2.5	2.2
Milk products	203.9	179.5	167.9	236.9	212.6
Processed goods	44.6	59.4	55.9	66.3	59.7
Other (b)	55.2	47.0	58.0	42.2	30.8
Sub-total	1,262.3	1,182.8	1,049.8	1,076.2	553.4
(ii) Expenditure by Agriculture and other Departments:					
(A) Agricultural measures:					
Repayment of Cereals Levies	19.2	1.8	5.5	-	-
Suckler Cow Premium Scheme	73.7	87.5	90.4	65.6	180.3
Annual Premium on Ewes	201.8	288.5	338.1	486.7	415.5
Payments to producers giving up some milk production	59.6	54.6	44.3	79.0	10.5
Beef Special Premium Scheme (c)	6.2	7.3	6.2	88.7	166.8
Orchard Grubbing Scheme	..	1.4	0.7	0.5	1.0
Transitional Oilseeds Scheme	..	..	163.7	4.6	-
Arable area payments scheme - cereals	..	..	..	387.4	562.0
- oilseeds	..	..	..	153.5	199.2
- linseed	..	..	..	..	26.7
- protein	..	..	..	101.9	80.2
- set-aside	..	..	..	141.8	203.3
Beef deseasonalisation scheme (NI)	..	..	..	5.1	5.0
Sub-total	360.5	441.1	648.9	1,514.8	1850.5
(B) Agri-environment and other measures (d):					
Environmentally Sensitive Areas	..	..	..	13.1	11.8
Nitrate Sensitive Areas	..	..	..	0.4	0.2
Pilot Beef and Sheep Extensification scheme	..	..	..	0.2	0.1
Organic farming	..	..	..	..	0.2
Countryside Stewardship	..	..	..	..	2.8
Tir Cymen	..	..	..	..	1.2
Farm woodlands and forestry	..	..	..	5.1	15.4
Sub-total	..	..	..	18.8	31.7
Total	1,622.8	1,623.9	1,698.7	2,609.8	2435.6
II Price guarantees (national)					
Potatoes (e)	-	-	1.0	0.5	-
Wool (f)	18.2	40.8	26.4	12.0	0.1
Assistance to the Egg Industry	0.1	-	-	-	-
Total	18.3	40.8	27.4	12.5	0.1
III Support for conservation and other improvements					
Farm Diversification:					
Capital Grants	2.8	2.6	0.6	0.6	0.3
Marketing and Feasibility grants	0.1	0.2	-	0.2	0.1
Nitrate Sensitive Areas	0.3	1.0	1.4	1.0	1.1
Environmentally Sensitive Areas	9.4	11.0	13.9	10.2	29.5
Pilot beef and sheep extensification scheme	-	0.4	0.4	0.3	0.4
Farm and Conservation Grant Scheme (EC) (g)	3.2	5.1	3.4	6.9	7.9
Agriculture Improvement Scheme (EC) (g)	13.3	7.9	4.3	1.9	2.2
Agriculture and Horticulture Development Scheme (g) (h)	12.2	8.5	5.8	1.9	1.1
Farm structures	0.3	0.3	0.1	0.2	0.2
Agriculture Improvement Scheme (National) (g)	0.9	0.3	0.1	0.1	0.1
NIADP and NIADOP (g) (i)	7.0	1.5	8.1	10.7	32.6
Organic Scheme	..	..	..	..	0.6

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

£ million — April/March (financial years)

	1990/91	1991/92	1992/93	1993/94	1994/95 (forecast)
Farm Woodlands (i)	1.0	1.6	2.7	2.8	4.3
Farm and Conservation Grant Scheme (National) (g)	32.1	36.6	35.8	38.0	31.1
Guidance Premiums	0.1	-	-	-	-
Farm accounts	0.2	-	-	-	-
Others (j)	0.2	0.4	0.3	0.1	0.4
Total	83.1	77.6	76.9	74.9	111.9
IV Support for agriculture in special areas					
Hill Livestock Compensatory Allowances:					
cattle	57.4	70.3	83.2	62.0	56.0
sheep	73.0	90.6	56.2	62.5	57.0
Additional benefit under AHDS, NIADP and NIADOP, AHGS, AIS (EC), AIS (Nat), FCGS (EC), FCGS (Nat)	18.6	14.9	8.8	8.2	13.0
Others (k)	10.1	8.4	13.5	6.8	6.0
Total	159.1	184.2	161.7	139.5	132.0
V Other payments					
Optional Set-Aside (National)	19.1	25.1	31.1	25.1	17.0
Milk outgoers scheme (i)	0.8	0.6	0.6	0.7	0.5
Storm Damage 1987	0.4	-	-	-	-
Sheep compensation scheme 1986 (i)	0.9	0.9	0.9	0.9	1.0
Cooperation grants	0.9	1.0	1.0	0.4	0.6
Crofting building grants and loans (net)	3.3	3.3	3.8	3.7	4.5
Others (l)	1.0	1.1	0.9	1.1	0.5
Total	26.4	32.0	38.3	31.9	24.1
Total I to V (m)	1,909.7	1,958.5	2,003.0	2,868.6	2703.7

(a) The figures are net of receipts treated as negative expenditure. Receipts from levies on the production and storage of sugar and isoglucose and on third country exports, which are regarded as Community Own Resources, are excluded.
(b) Includes eggs, poultrymeat, fruit and vegetables, hops, herbage seeds, dried fodder, peas and beans, fisheries and flax. Also includes expenditure on products covered by the CAP but not produced to any significant extent in the United Kingdom (olive oil, rice, wine, grape must and hemp).
(c) 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.
(d) Exchequer funding of these schemes is shown in section (III) except for that on the Woodland Grant Scheme (administered by the Forestry Commission and the Department of Agriculture for Northern Ireland), Countryside Stewardship (administered by the Countryside Commission) and Tir Cymen (administered by the Countryside Council for Wales).
(e) Payments relate solely to the 1992/93 crop year.
(f) Payments in respect of wool relate partly to clip of the year indicated and partly to the clip in the preceding year or years.
(g) Farmers in special areas are also eligible for additional assistance. The estimated benefit is shown separately in Section IV of the table.
(h) Includes the Farm and Horticulture Development Scheme.
(i) 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 the Northern Ireland block is excluded.
(j) Includes loan guarantees, grants for agricultural drainage in Scotland and farm structure loans.
(k) Includes the Rural Enterprise programme,the Agriculture Business Improvement Programme, the Rural Development Programme, the Agricultural Development programme for the Scottish Islands and grants for crofting.
(l)) Includes producer organisations , forage groups,Shetland wool producers and Marketing Development.
(m) Receipts from the European Community (to which the UK contributes) are set out below (£ million). Receipts do not always relate to expenditure in the year in which they are received. Reimbursement of spending on structural measures (Section III) is normally a year in arrears.

1990/91	1991/92	1992/93	1993/94	1994/95 (forecast)
1,645.0	1,812.4	1,596.3	2,892.1	2,603.0

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

£ million — April/March (financial years)

	1990/91	1991/92	1992/93	1993/94	1994/95 (forecast)
Cereals					
Intervention purchases/sales	5.9	-7.3	34.9	161.0	-70.1
Intervention storage costs	9.4	8.7	12.0	22.7	18.5
Export refunds	184.0	216.3	232.2	194.8	168.8
Internal market measures	23.5	28.8	26.7	22.1	12.9
Co-responsibility/additional levy	-82.8	-118.9	-44.0	-0.8	-0.1
Total cereals	140.0	127.6	261.8	399.8	130.0
Oilseeds					
Export refunds	0.1	-	-	-	-
Internal market measures	236.2	207.2	289.7	167.6	-
Total oilseeds	236.4	207.2	289.7	167.6	-
Sugar					
Export refunds	69.0	37.2	79.4	85.2	78.3
Internal market measures	41.7	60.5	50.5	68.9	53.4
Total sugar	110.7	97.7	129.9	154.1	131.7
Beef and veal					
Intervention purchases/sales	266.3	219.1	140.7	-80.1	-95.3
Intervention storage costs	31.8	44.8	44.4	21.8	7.1
Export refunds	20.3	22.3	38.4	68.2	78.8
Internal market measures	119.1	132.7	125.9	160.6	353.7
Total beef and veal	437.5	418.9	349.4	170.5	344.3
Sheepmeat					
Internal market measures	328.3	428.3	339.0	487.1	409.7
Pigmeat					
Internal market measures	-	0.2	-	0.1	-
Export refunds	6.6	2.1	2.1	2.4	2.2
Total pigmeat	6.6	2.3	2.1	2.5	2.2
Milk products					
Intervention purchases/sales	62.6	1.9	-7.5	0.8	5.8
Intervention storage costs	3.2	2.5	1.1	0.9	0.6
Export refunds	74.9	111.4	111.6	116.6	109.2
Internal market measures	89.3	104.9	101.4	126.4	86.7
Co-responsibility/Supplementary levy	-26.1	-41.2	-38.7	-7.8	-21.6
Payments to those giving up milk production (a)	59.6	54.6	44.3	79.0	42.5
Total milk products	263.5	234.1	212.2	315.9	223.2
Processed goods					
Export refunds	44.6	59.4	55.9	66.3	59.7
Arable area payments scheme					
Internal market measures	..	..	..	784.6	1,071.4
Others					
Export refunds	42.5	39.4	45.9	26.9	2.9
Internal market measures	13.9	13.1	18.2	40.2	64.4
Miscellaneous	-1.3	-4.1	-5.4	-5.6	-3.9
Total others	55.2	48.4	58.7	61.5	63.4
Total	1,622.8	1,623.9	1,698.7	2,609.8	2435.6

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

TABLE 9.3 Commodity intervention in the United Kingdom

'000 tonnes

April/March (financial years)

Commodity	1990/91			1991/92			1992/93			1993/94			1994/95 (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/ opening stock (a)	Pur-chases	Sales	Closing stock (a)
Wheat: feed	73	33	69	34	1	26	9	6	-	15	277	-	292	52	279	65
bread	-	1	-	1	-	1	-	2	2	-	3	-	3	1	4	-
Barley	550	131	1	680	78	141	617	609	396	835	690	246	1,286	119	684	720
Rye	-	-	-	-	-	-	-	1	-	1	-	1	-	-	-	-
Beef: boneless	12	94	16	91	87	40	138	65	39	164	4	78	89	-	81	8
bone in	2	4	1	5	-	2	3	-	3	-	-	-	-	-	-	-
Butter	6	23	4	26	10	19	18	1	15	11	4	9	6	1	1	6
Skimmed milk powder	-	7	-	7	2	4	6	-	5	-	6	-	6	1	3	4

(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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