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Agriculture in the United Kingdom: 1992

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Agriculture in the United Kingdom: 1992

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Preface

Statistical tables - general note

1. This issue of *Agriculture in the United Kingdom* sets out data on the economic condition of the United Kingdom agricultural industry compiled during the annual review, which was completed, later than usual, in January 1993. This change in timing was introduced to improve the quality of the forecasts for the latest year. 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 1993/94.

2. The tables in this edition are similar to those in *Agriculture in the United Kingdom 1991*, 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 1992 are described as forecasts since they generally reflect the position as seen in January 1993 when information for 1992 was still incomplete. 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 Community and with the rest of the world reflect country of consignment for imports and country of reported final destination for exports. The source of Overseas Trade Statistics is HM Customs and Excise;
- (iii) where 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'
 - ... means 'negligible' (less than half the last digit shown)
 - .. means 'not available' or 'not applicable'.

1 Summary of the year

Summary of the year

1. In the European Community the main feature of the year was the agreement on CAP reform reached in May: major changes were made to a number of commodity regimes and an important agri-environmental initiative was agreed. In the annual price fixing negotiations, which were concluded at the same time, most common prices were unchanged. In November the USA and the EC resolved their differences on the agricultural aspects of the Uruguay Round of the GATT and reached agreement on the long-running EC/US oilseeds dispute. In the latter half of the year the green pound was devalued four times in all to bring it more into line with its exchange rate value, significantly increasing support prices in the UK. For the second half of the year the United Kingdom held the Presidency of the EC Council of Ministers.

2. In the UK there was a series of environmental initiatives, including the development and extension of the Environmentally Sensitive Areas Schemes, the launch of an improved Farm Woodland Premium Scheme and implementation of a major review of the environmental aspects of support for hill farming. A pilot study of farm waste was also launched, as was a new Code of Good Agricultural Practice for the Protection of Air. Measures were also introduced to encourage producer collaboration in marketing agricultural produce, and the United Kingdom Register of Organic Food Standards (UKROFS) was designated to implement EC legislation on the production and marketing of organic foodstuffs.

3. Weather conditions during the 1991/92 agricultural year were generally favourable with a return to more normal rainfall. Autumn began warm and dry, especially in the south. The weather became cooler and unsettled in October with heavy rain and hail. November was wet in the north, but drier than normal over most of England, which enabled good progress to be made with autumn drilling. Winter started mostly dry, but with some severe frosts followed by heavy rain. After a settled spell, January was wet and windy, but became drier and settled later. February was mild with dry conditions in south east England, providing good conditions for autumn-sown crops and lambing. Spring temperatures and sunshine levels were near normal. A wet April was followed by a very warm and dry May everywhere. Early summer was warm over much of the UK, but the wet and unsettled July in many parts of the country continued into August and September, which caused problems for harvesting and crop yields.

4. The forecasts of the output, productivity and income of UK agriculture in 1992 show the following changes relative to 1991:

- the area planted to cereals changed little, but wheat yields fell. The fall in production was more than offset by higher prices giving a 3 per cent rise in the value of cereal output;
- there was a 19 per cent fall in the value of the output of oilseed rape, reflecting both a fall in production and a change in the timing of the subsidy payment;
- a fall in the market price of sugar beet was more than offset by higher yields, resulting in a 12 per cent increase in the value of output;
- although potato yields rose considerably, a large fall in prices was responsible for a 10 per cent fall in the value of output;
- the value of output of the horticulture sector fell by 5 per cent, with a higher volume of production being offset by generally lower prices;
- a fall in the volume of beef produced during the year was only partially offset by higher prices, reducing the value of output by 1 per cent;
- a decline in the volume of sheepmeat produced combined with changes in the mechanism of support to reduce the value of output by 9 per cent despite higher market prices;
- the average producer price of pigs rose from the low levels of 1991 leading to a 13 per cent increase in the value of output;
- the value of output of poultry increased by 2 per cent as the result of higher prices, while that of eggs remained unchanged;
- the value of output of milk increased by 5 per cent as a result of higher prices;
- overall, the volume of the industry's gross outputs rose slightly, while the volume of its inputs fell by 1 per cent. Taking into account changes in all its inputs, including labour and fixed capital, the industry's productivity rose by 3 per cent;
- both input and output prices rose by about 2 per cent overall and the industry's gross product at current prices showed a 3 per cent rise;
- with the continued decline in interest rates, the industry's interest charges fell by a further 16 per cent;

- the number of farm workers continued to fall, but the total cost of hired labour rose by 1 per cent;
- total income from farming, representing the income from agriculture of farmers, partners, directors, spouses and family workers, is forecast to have risen by 15 per cent. Farming income, which covers only farmers and their spouses, is forecast to have risen by 24 per cent;
- however, the two corresponding measures of cash flow are both forecast to have risen by only 4 per cent at current prices, and have remained virtually unchanged in real terms;
- all these changes are relative to revised estimates for 1991; the forecast levels of income and cash flow in 1991 published last year have been revised upwards;
- incomes were higher on most types of farm over the last year, though, as usual there was some variation in the fortune of different types of farm throughout the United Kingdom. The net farm income on dairy farms has risen and higher levels of subsidy have contributed to increases on most hill and upland livestock farms over the past two years. However, on lowland livestock farms there is considerable variation between different parts of the country and from year to year, with farms having a higher proportion of cattle than sheep tending to perform better. Cropping farms, particularly those specialising in cereals, have benefited from higher output prices. Average incomes on farms in the intensive livestock sector have remained broadly unchanged. During 1992 pig producers benefited from high output prices. However, falling prices and increasing feed costs towards the end of the year are likely to put pressure on future levels of income in this sector.

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

5. 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 1981-83	1988	1989	1990	1991	1992
Agriculture's contribution to Gross Domestic Product (a)						
at current prices (£ million)	4,830	5,351	6,226	6,565	6,558	6,790
at constant 1985 prices (£ million)	4,530	4,815	5,129	5,504	5,749	5,874
% of national GDP (current prices)	2.0	1.3	1.4	1.4	1.3	1.3
Workforce in agriculture ('000 persons)						
% of total workforce in employment	630	580	567	565	551	546
	2.6	2.2	2.1	2.1	2.1	2.1
Gross fixed capital formation in agriculture						
at current prices (£ million)	1,186	1,125	1,123	1,177	1,018	..
at constant 1985 prices (£ million)	1,286	965	882	878	737	..
% of national GFCF (current prices)	2.6	1.3	1.1	1.1	1.1	..
Imports of food, feed and drink (£ million)(b)						
of which: food, feed and non alcoholic drinks	7,361	10,602	11,420	12,288	12,262	13,407
alcoholic drinks	6,849	9,470	10,195	10,851	10,871	11,935
	513	1,133	1,225	1,437	1,391	1,472
Volume index (1985=100)	95.8	115.2	118.1	122.1	122.6	132.9
Unit value (price) index (1985=100)	76.8	98.3	104.3	108.5	107.9	109.3
% of total UK imports	12.7	10.0	9.4	9.8	10.3	10.7
Exports of food, feed and drink (£ million)(b)						
of which: food, feed and non alcoholic drinks	3,448	4,909	5,886	6,352	6,828	7,515
alcoholic drinks	2,447	3,361	4,118	4,287	4,627	5,133
	1,001	1,548	1,768	2,065	2,200	2,383
Volume index (1985=100)	88.1	116.0	128.8	128.6	132.9	142.0
Unit value (price) index (1985=100)	86.0	102.0	109.5	118.5	123.3	127.0
% of total UK exports	6.2	6.0	6.3	6.1	6.5	6.9
UK self-sufficiency in food and feed as a % of:						
all food and feed	61.3	53.9	58.5	56.5	57.9	56.5
indigenous type food and feed	76.9	68.9	75.5	72.1	73.7	72.1
Consumers' expenditure on food and drink						
at current prices (£ million)	45,146	70,606	76,643	83,357	88,583	91,300
of which: household food	26,499	36,587	39,264	41,869	44,130	45,200
meals out (c)	6,505	15,265	17,570	19,750	20,821	21,100
alcoholic drinks	12,142	18,754	19,809	21,738	23,632	25,000
at constant 1985 prices (£ million)	53,276	62,189	63,834	63,933	62,952	62,500
% of total consumers' expenditure	26.4	23.4	23.2	23.8	24.1	23.7
of which: household food	15.5	12.1	11.9	11.9	12.0	11.7
meals out (c)	3.8	5.1	5.3	5.6	5.7	5.5
alcoholic drinks	7.1	6.2	6.0	6.2	6.4	6.5
Retail price indices (1985=100)						
food	87.8	110.1	116.4	125.7	132.2	135.0
alcoholic drinks	82.0	114.3	120.8	132.4	148.7	158.4
all items	84.9	113.0	121.8	133.3	141.1	146.4

(a) Agriculture is here defined as in the national accounts, that is net of the landlord element and the produce of gardens and allotments.

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

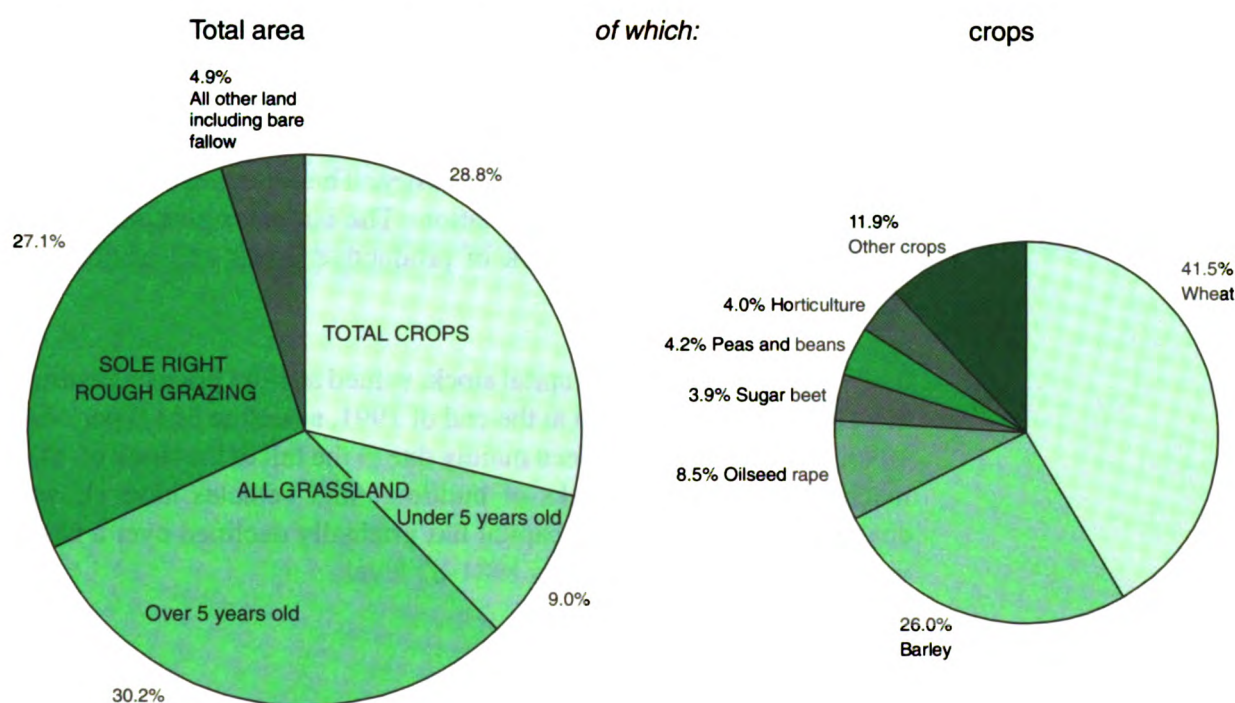
(c) Does not cover meals that are included with accommodation.

2 The structure of the industry

Introduction

1. The tables in this section portray the size and structure of the UK agricultural industry in 1992 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: 1992



Crop areas and livestock numbers (Tables 2.1 and 2.2)

2. At June 1992 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 1991 and 1992, the area of arable land showed a small decline: there were decreases in the areas of barley and oats, and a decline in the area of oilseed rape after two years of growth. Linseed continued its rapid growth, whilst wheat also increased after two years decline. The main trends in the livestock section of Table 2.2 are the continuing decline of the dairy herd and the steady increase in the beef breeding herd over the last five years, leading to the highest level for thirteen years. There was also a small increase

in sheep and lamb numbers. The pattern of agricultural land use in 1992 is shown in Chart 2.1 and the changes in crop areas and livestock numbers, relative to 1991, 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 1992. Table 2.3 shows that 29,900 holdings in the largest size group, just over 12 per cent of main holdings, accounted for 57.5 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.

Labour *(Table 2.5)*

4. Table 2.5 records the number of persons engaged in UK agriculture at June of each year. The total labour force decreased by 1.0 per cent between 1991 and 1992. The number of regular whole-time male workers has continued to decline, while the numbers of all other workers has been fairly stable over the last three years. The overall number of farmers, partners and directors has shown a small increase as a result of a rise, within this total, in the number working part time.

Fixed capital stock *(Table 2.6)*

5. Table 2.6 gives information on the stock of fixed capital (excluding land) available to the agricultural industry. The figures are at constant 1985 prices before allowing for depreciation. The estimates give an indication of the size of the industry's stock of productive assets and of how this has changed over recent years.

6. Agriculture's fixed capital stock, valued at 1985 prices, is estimated to have been £23,320 million at the end of 1991, a decline of 1.6 per cent from 1990. The reduction has been mainly due to the fall in the stock of plant and machinery, while the stocks of buildings and vehicles have shown little change. The total stock of capital has gradually declined over a number of years and is slightly below its 1981-83 level.

TABLE 2.1 Agricultural land use

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

'000 hectares	At June of each year					
	Average of 1981-83	1988	1989	1990	1991	1992
Total agricultural area (total area on agricultural holdings) plus common rough grazing	18,775	18,631	18,581	18,549	18,492	18,516
This comprises:						
Crops	5,031	5,255	5,137	5,013	4,956	4,980
Bare fallow	76	58	65	64	64	53
Total tillage	5,108	5,313	5,203	5,077	5,020	5,033
All grass under five years old	1,872	1,614	1,535	1,580	1,581	1,558
Total arable land	6,979	6,928	6,738	6,657	6,601	6,591
All grass five years old and over (excluding rough grazing)	5,102	5,159	5,249	5,263	5,267	5,225
Total crops and grass (b)	12,082	12,087	11,986	11,921	11,868	11,816
Sole right rough grazing	4,977	4,759	4,736	4,713	4,679	4,678
All other land on agricultural holdings including woodland (c)	503	570	623	680	712	791
Total area on agricultural holdings	17,562	17,415	17,345	17,313	17,259	17,285
Common rough grazing (estimated)	1,213	1,216	1,236	1,236	1,233	1,231

(a) Some of the figures shown in this table differ slightly from those in earlier editions of this publication since, for years from 1988 onwards, they now exclude returns on about 2,500 holdings (net) in Scotland which have been reclassified as minor holdings.

(b) Includes bare fallow.

(c) 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 in 1992 only. In Northern Ireland other land includes land under bog, water, roads buildings etc and wasteland not used for agriculture.

TABLE 2.2 Crop areas and livestock numbers

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

At June of each year

	Average of 1981-83	1988	1989	1990	1991	1992
Crop areas ('000 hectares)						
Total	5,031	5,255	5,137	5,013	4,956	4,980
This comprises:						
Total cereals	3,990	3,898	3,873	3,657	3,500	3,485
of which: wheat	1,616	1,886	2,083	2,013	1,980	2,066
barley	2,231	1,879	1,652	1,516	1,393	1,297
oats	127	120	118	107	103	100
rye and mixed corn	16	12	12	12	12	12
triticale (c)	..	..	8	9	11	11
Other arable crops (excluding potatoes)	623	968	882	971	1,076	1,117
of which: oilseed rape	174	347	321	390	440	421
sugar beet not for stockfeeding	204	201	197	194	196	197
hops	6	4	4	4	4	4
peas for harvesting						
dry and field beans	68	260	215	216	203	208
linseed (d)	..	..	17	34	92	142
other crops	171	156	128	133	142	146
Potatoes	193	180	174	177	177	180
Horticulture	226	209	208	208	204	197
of which: vegetables grown in the open	145	141	141	142	139	135
orchard fruit	42	37	36	34	34	33
soft fruit	18	15	15	15	15	14
ornamentals (e)	12	13	14	14	14	14
glasshouse crops	2	2	2	2	2	2
Livestock numbers ('000 head)						
Total cattle and calves	13,224	11,884	11,975	12,059	11,866	11,788
of which: dairy cows	3,258	2,912	2,865	2,847	2,770	2,682
beef cows	1,389	1,375	1,495	1,599	1,666	1,696
heifers in calf	854	834	793	757	733	762
Total sheep and lambs	33,078	41,007	42,988	43,799	43,621	43,973
of which: ewes and shearlings	15,764	19,077	20,039	20,411	20,326	20,374
lambs under one year old	16,095	20,596	21,564	22,023	21,942	22,329
Total pigs	8,008	7,982	7,509	7,449	7,596	7,608
of which: sows in pig and other sows for breeding	738	703	660	660	678	672
gilts in pig	114	101	97	109	107	108
Total fowls (f)	122,195	130,998	120,351	124,615	127,228	123,992
of which: table fowls including broilers	58,931	75,437	70,176	73,588	75,701	73,353
laying fowls	43,464	37,420	33,957	33,468	33,273	33,185
growing pullets	13,604	11,243	9,414	10,452	11,016	10,764

(a) For this and other reasons, the crop area figures shown in this table may differ slightly from those shown in Section 5 which, in principle, cover all holdings as they are directly linked to the valuation of output.

(b) Some of the figures shown in this table differ slightly from those in earlier editions of this publication since, for years from 1988 onwards, they now exclude returns on about 2,500 holdings (net) in Scotland which have been reclassified as minor holdings.

(c) Collected separately for the first time in 1989 (Great Britain only).

(d) Collected separately for the first time in 1989 (England and Wales).

(e) Hardy nursery stock, bulbs and flowers.

(f) Because of changes in the coverage of poultry holdings, data from 1988 cannot be directly compared with the average for 1981-1983.

CHART 2.2 Changes in crop areas and livestock numbers

Percentage change from 1991 to 1992

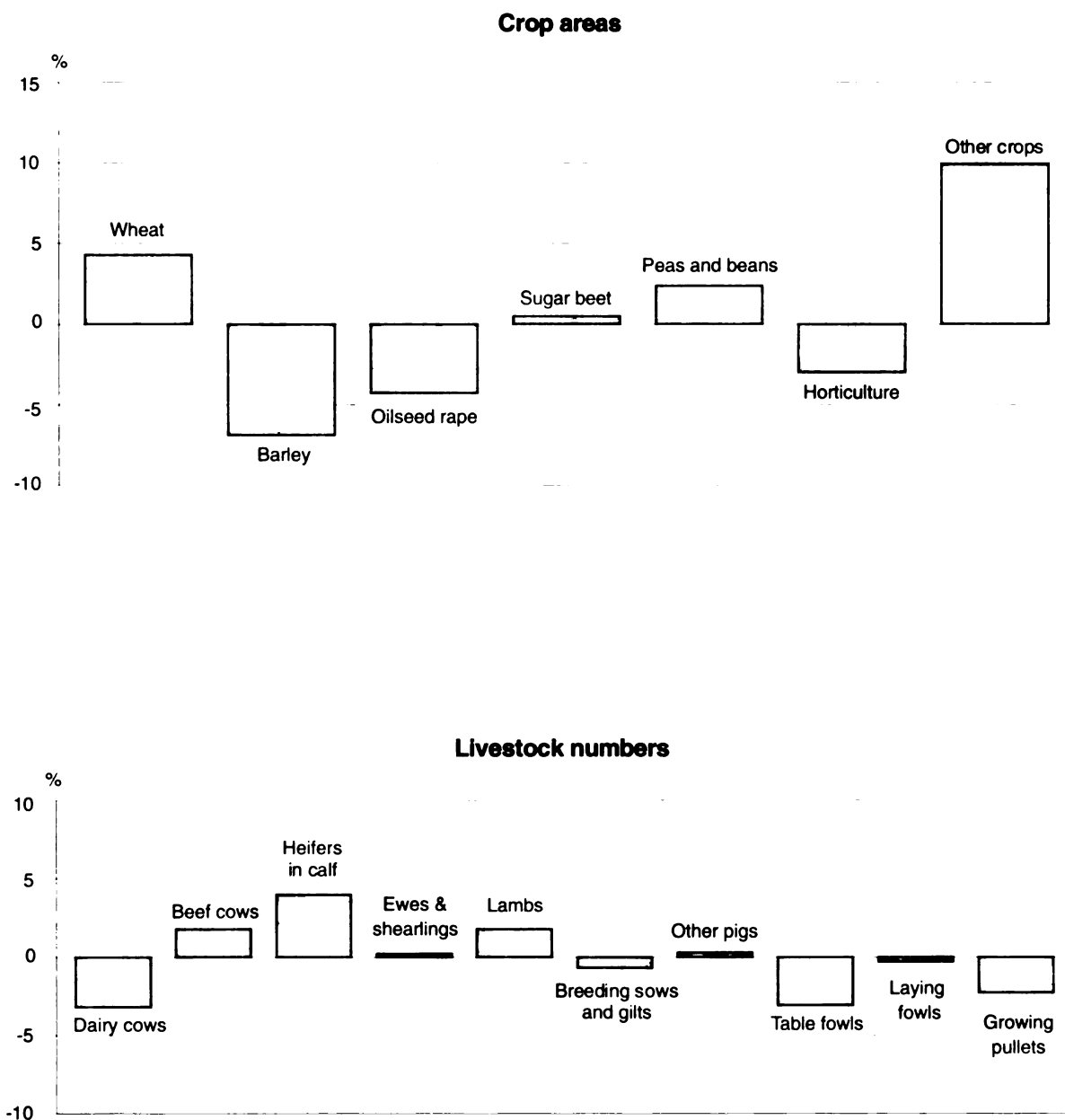


TABLE 2.3 Numbers and sizes of holdings

The data in this table exclude minor holdings

At June of each year

		1987		1992	
		Number of holdings ('000)	Percent of total BSU	Number of holdings ('000)	Percent of total BSU
Size of holding (BSU) (a) (British Size Units (BSUs) measure the financial potential of the holding in terms of the margins which might be expected from its crops and stock. The margins used are gross margins standardised at average 1978-80 values. The threshold of 4 BSU is judged to be the minimum for full-time holdings).	under 4.0 BSU	102.0	2.7	104.7	2.6
	4.0 to under 16.0 BSU	64.5	13.2	60.5	12.4
	16.0 to under 40.0 BSU	50.1	28.6	47.2	27.6
	40.0 BSU and over	29.7	55.4	29.9	57.5
	Total	246.2	100.0	242.3	100.0
	Holdings 4 BSU and over:				
	Average size :BSUs	..	30.1	..	31.2
	:total area (hectares)	..	106.6	..	107.7
		Number of holdings ('000)	Hectares ('000)	Number of holdings ('000)	Hectares ('000)
Total area on holdings (a)	0.1 to under 20 hectares	101.2	827	99.6	828
	20.0 to under 50 hectares	62.0	2,053	59.9	1,985
	50.0 to under 100 hectares	42.9	3,045	42.5	3,018
	100.0 hectares and over	40.2	11,392	40.3	11,312
	Total	246.2	17,317	242.3	17,143
	Average total area per holding (hectares)	..	70.3	..	70.8
	% of total area on holdings with 100 hectares and over	..	65.8	..	66.0
		Number of holdings ('000)	Hectares ('000)	Number of holdings ('000)	Hectares ('000)
Crops and grass area (a)(b)	0.1 to under 20 hectares	101.9	822	99.4	811
	20.0 to under 50 hectares	62.2	2,067	59.5	1,970
	50.0 to under 100 hectares	41.1	2,900	40.5	2,862
	100.0 hectares and over	31.4	6,232	31.1	6,097
	Total	236.7	12,010	230.5	11,741
	Average crops and grass area per holding (hectares)	..	50.7	..	50.9
	% of total crops and grass area on holdings with 100 hectares and over	..	51.9	..	51.9

- (a) Land in Great Britain let out under short term lets is attributed to the lessor, but land so let out in Northern Ireland (under the conacre system) is now attributed to the lessee. This difference, which applies to both the 1987 and 1992 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.

TABLE 2.4 Numbers and sizes of enterprises

The data in this table exclude minor holdings

At June of each year

		1987		1992	
		Number of holdings ('000)	Hectares ('000)	Number of holdings ('000)	Hectares ('000)
Cereals (excluding maize) (a)	0.1 to under 20 hectares	45.3	350	36.3	296
	20.0 to under 50 hectares	21.1	685	19.1	622
	50.0 hectares and over	23.8	2,897	21.6	2,564
	Total	90.2	3,932	77.0	3,482
	Average area (hectares)	..	43.6	..	45.2
	% of total cereals area on holdings with 50 hectares and over	..	73.7	..	73.6
Oilseed rape	0.1 to under 20 hectares	9.2	99	8.7	96
	20.0 to under 50 hectares	5.3	161	5.7	176
	50.0 hectares and over	1.6	127	1.8	149
	Total	16.0	387	16.2	421
	Average area (hectares)	..	24.2	..	26.0
	% of total oilseed rape area on holdings with 50 hectares and over	..	32.9	..	35.4
Sugar beet (England and Wales only)	0.1 to under 10 hectares	5.2	27	4.4	24
	10.0 to under 20 hectares	2.8	39	2.8	39
	20.0 hectares and over	3.1	136	3.0	134
	Total	11.1	202	10.2	196
	Average area (hectares)	..	18.1	..	19.3
	% of total sugar beet area on holdings with 20 hectares and over	..	67.1	..	68.3
Potatoes	0.1 to under 10 hectares	29.2	66	19.7	50
	10.0 to under 20 hectares	3.0	42	3.2	44
	20.0 hectares and over	2.0	70	2.3	85
	Total	34.2	177	25.2	180
	Average area (hectares)	..	5.2	..	7.1
	% of total potato area on holdings with 20 hectares and over	..	39.4	..	47.5

(a) Includes triticale for Scotland alone in 1987.

TABLE 2.4 Numbers and sizes of enterprises (continued)

The data in this table exclude minor holdings

At June of each year

		1987		1992	
		Number of holdings ('000)	Number of livestock ('000)	Number of holdings ('000)	Number of livestock ('000)
Dairy cows	1 to 49 dairy cows	24.9	635	20.4	536
	50 to 99	16.7	1,191	14.7	1,039
	100 and over	8.2	1,214	7.5	1,105
	Total	49.8	3,039	42.6	2,680
	Average size of herd	..	61	..	63
	% of total dairy cows in herds of 100 and over	..	39.9	..	41.2
Beef cows	1 to 19 beef cows	50.8	324	47.3	342
	20 to 49	14.0	430	17.7	544
	50 and over	6.6	578	9.1	800
	Total	71.4	1,332	74.0	1,685
	Average size of herd	..	19	..	23
Breeding sheep	1 to 99 breeding sheep	43.8	1,780	42.1	1,728
	100 to 499	34.6	7,835	37.2	8,552
	500 and over	9.1	8,409	11.0	9,952
	Total	87.5	18,024	90.3	20,233
	Average size of flock	..	206	..	224
Breeding pigs	1 to 49 breeding pigs	11.5	122	8.5	84
	50 to 99	1.7	119	1.2	87
	100 and over	2.4	574	2.3	606
	Total	15.6	815	12.0	777
	Average size of herd	..	52	..	65
Fattening pigs	1 to 199 fattening pigs	10.7	477	7.4	319
	200 to 999	3.6	1,695	3.1	1,523
	1,000 and over	1.2	2,632	1.3	2,816
	Total	15.5	4,804	11.8	4,658
	Average size of herd	..	309	..	394
	% of total fattening pigs in herds of 1,000 and over	..	54.8	..	60.4

TABLE 2.4 Numbers and sizes of enterprises (continued)

The data in this table exclude minor holdings

At June of each year

		1987		1992	
		Number of holdings ('000)	Number of livestock ('000)	Number of holdings ('000)	Number of livestock ('000)
Broilers (Includes small numbers of other table fowl in Scotland and Northern Ireland)	1 to 9,999 broilers	1.2	1,344	0.8	1,217
	10,000 to 99,999	0.9	29,891	0.8	31,309
	100,000 and over	0.2	39,153	0.2	40,368
	Total	2.2	70,388	1.8	72,894
	Average size of flock	..	31,536	..	40,587
	% of total broilers in flocks of 100,000 and over	..	55.6	..	55.4
Laying fowls	1 to 4,999 laying fowls	41.5	4,311	32.1	2,938
	5,000 to 19,999	0.8	7,708	0.6	5,952
	20,000 and over	0.4	26,240	0.3	24,072
	Total	42.6	38,260	33.0	32,962
	Average size of flock	..	898	..	999
	% of total laying fowls in flocks of 20,000 and over	..	68.6	..	73.0

TABLE 2.5 Labour force in agriculture

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

'000 persons

At June of each year

	Average of 1981-83	1988	1989	1990	1991	1992
Workers						
Regular whole-time:						
hired: male	125	93	88	85	80	76
female	11	10	11	12	11	11
family: male	30	28	26	25	24	23
female	5	4	4	4	4	4
Total	171	135	130	125	120	115
Regular part-time:						
hired: male	19	19	18	19	18	18
female	23	22	21	21	21	19
family: male	13	13	12	13	13	13
female	7	7	7	7	7	7
Total	62	60	58	60	59	57
Seasonal or casual:						
male	57	56	54	56	54	54
female	41	37	34	35	33	32
Salaried managers (b)	8	8	8	8	8	8
Total workers	338	296	284	283	273	265
Farmers, partners and directors						
whole-time	204	193	189	183	178	177
part-time	88	92	94	98	101	104
Total farmers, partners and directors	292	284	283	282	279	281
Total farmers, partners, directors and workers (c)	630	580	567	565	551	546
Spouses of farmers, partners and directors (engaged in farm work)	75	77	76	77	77	76
Total labour force (including farmers and their spouses)	705	657	644	642	628	622

(a) Some of the figures shown in this table differ slightly from those in earlier editions of this publication since, for years from 1988 onwards, they now exclude returns on about 2,500 holdings (net) in Scotland which have been reclassified as minor holdings.

(b) The figures for salaried managers relate to Great Britain only.

(c) This is the series referred to as 'Workforce in agriculture' in Table 1.1.

TABLE 2.6 Fixed capital stock of agriculture

At end year

	Average of 1981-83	1987	1988	1989	1990	1991
Gross capital stock (£ million, 1985 prices)						
Buildings and works	14,070	15,480	15,580	15,630	15,680	15,650
Plant and machinery	8,300	7,670	7,450	7,140	6,800	6,460
Vehicles	1,550	1,290	1,260	1,230	1,230	1,210
Total	23,920	24,440	24,290	24,000	23,710	23,320

Main types of agricultural machinery

('000 at December of each year, England and Wales only) (a)

Tractors: under 40 kw	186	149	141	137	..	..
40 kw and over	230	266	265	268	..	..
Tracklaying tractors	11	9	9	8	..	..
Combine harvesters	46	..	42	..	..	..

(a) Data for 1981-83 include machinery owned by agricultural contractors.

3 Policy developments in 1992

European Community developments

1. The year was again dominated by CAP reform with negotiations continuing, on the basis of the Commission's formal proposals of July 1991, during the first half of the year. Agreement in principle on a reform package was finally reached on 21 May, with the necessary legal texts adopted by the Council on 30 June.

2. The reform package marked a significant change in the direction of the CAP by reducing support for the end product (with its inherent incentive to costly over-production) and moving towards more direct payments to producers. The agreement substantially cut prices for the major commodities and introduced measures designed to curb over-production and to reduce the role of intervention. The measures taken will progressively improve the market-orientation of the CAP and reduce the gap between EC and world prices. The following outlines the detail for the main commodities:

Arable Crops - a new integrated scheme for cereals, oilseeds and protein crops was introduced. Support prices for cereals will be reduced to 100 ECU/tonne by 1995/96 - a fall of some 35 per cent from present buying-in levels. There will no longer be institutional prices for oilseeds and proteins. To compensate for the reduction in support, direct aids will be paid on an area basis to arable producers, subject to a requirement to set aside 15 per cent of the area on which payment is being claimed. These aids will be based on historic regional yields. For cereals the payments will be phased in over three years. There are separate rates for oilseeds and protein crops. Small claims, the maximum areas of which differ slightly in each region of the UK, are exempt from the set-aside requirement. The five regions in the UK defined for the purposes of this scheme in 1992/93 are England, Wales, Northern Ireland, Scotland (Less Favoured Areas) and Scotland (non LFAs);

Beef - support prices will be cut by 15 per cent over three years and new restrictions on intervention will be introduced, by means of tonnage ceilings and a reduced trigger for safety net intervention. The beef special premium will be progressively increased up to 1995 and will be payable up to twice in the life of each animal; regional reference ceilings, based on the number of payments made in 1991, and a headage limit of 90 for claims will control expenditure. The suckler cow premium will also be substantially increased over this period, but will be subject to individual producer quotas, based on the number of eligible animals in 1992. A maximum stocking limit of two livestock units per hectare will be phased in by 1996 and will apply to both the suckler cow and beef

special premium schemes. In calculating producers' entitlement under both schemes account will be taken of the number of sheep on which ewe premium is claimed and any dairy quota held. Producers with less than 1.4 livestock units per forage hectare will qualify for an additional extensification premium;

Sheep - the ewe premium will be subject from 1993 to individual quota limits, based on the number of animals for which a producer received premium in 1991. However, the total quota available to the UK industry will be based on the number of eligible animals in the national flock in 1990. The difference between the 1991 and 1990 numbers will be used to create a national reserve for hardship and other priority cases. An additional reserve will be created exclusively for producers in the Less Favoured Areas. Quotas will be transferable with or without transfer of the holding, although in the latter case a proportion of the quota will be syphoned off to the national reserve. Member states must take measures to prevent quotas moving away from sensitive areas where sheep production is especially important for the local economy. Headage limits remain unchanged, and above these limits (subject to quota) premium will continue to be paid at 50 per cent of the full rate;

Milk - the support price for butter will be cut by 5 per cent over 2 years (equivalent to a cut of 2.5 per cent for milk), subject to an annual review of the market situation. The existing quota system has been extended to the year 2000. National quotas for 1992/93 were frozen, but quota cuts of 1 per cent each year for the next two years were agreed in principle, depending on the market situation at the time. The co-responsibility levy will be abolished with effect from the 1993/94 marketing year;

Tobacco - although tobacco is not grown in the UK, the Government remains firmly committed to reducing costs in this sector where the subsidies per hectare are the highest under the CAP. The regime was substantially reformed to reduce supported production by nearly 23 per cent over the next two years. National quotas will be negotiated annually, within a progressively reduced overall limit, taking into account previous production and market demand. Payments to producers will be reduced, with premium payments lower than the previous support price. Intervention and export refunds will cease to be a normal feature of the regime, but safeguard powers will still be available if there is market disturbance. National control agencies are to be set up by the main producers to strengthen controls, and measures will be introduced which shift support away from less marketable varieties and to re-orientate production towards the market.

3. Detailed discussion by the Commission's Management Committees on implementation of the May agreement continued throughout the latter part of the year.

4. Environmental protection conditions were written into the new set-aside arrangements. On the UK's initiative, the Agriculture Council committed itself to the further integration of environmental considerations into the CAP and this formed the theme of the informal meeting of Agriculture Ministers held in Cambridge in September under the UK Presidency. In addition, an agri-environment action plan was agreed, requiring all Member States to follow the UK example of operating programmes to encourage environmentally friendly farming.

5. Proposals for an Integrated Administration and Control System for the CAP were agreed in November. The system, which consists of a computerised database, an identification system for fields and animals and an integrated system for checking and inspection, is designed to ensure the uniform enforcement of the reformed CAP throughout the Community and to reduce the scope for fraud.

6. The Commission's price proposals for 1992 were agreed at the same time as the reform package. The support prices for most commodities were frozen. The intervention price for olive oil was reduced by 6.3 per cent, the production aid increased by 19 per cent and consumption aid reduced by 15 per cent. Aid for dried fodder was cut by 20 per cent over two years. The guide price for cotton was increased by 7 per cent to compensate for tighter quality standards. Measures were agreed to improve the structure and competitiveness of the raspberry processing sector. To ensure stability of supply, it was agreed that processed tomatoes would be managed by means of a guaranteed threshold for 1992/93, but market management through a quota system will be reintroduced for 1993/94. As a result of 1992 production levels, stabiliser mechanisms led to abatements to the common prices set by the Council for: cereals (3 per cent), peas and beans (8.5 per cent), sheepmeat (provisionally 7 per cent), cotton (15 per cent), peaches (6 per cent), nectarines (5 per cent), satsumas (20 per cent), oranges (9 per cent) and mandarins (19 per cent).

7. The fall in the value of sterling in the second half of the year led to a substantial devaluation of the green pound. As a result, support prices in the UK for most commodities increased by some 18 per cent. In December agreement was reached on a reformed agrimonetary system; monetary compensatory amounts were abolished and in future green rates will be kept closely in line with market rates of exchange.

8. At the December council, the last one under the UK Presidency, a number of other measures were agreed. These included a consolidated and simplified milk quota regulation, an extension of the suckler cow premium (to which environmental protection conditions can now be attached) and, for one year only, an increase in the supplement paid in Less Favoured Areas on the ewe premium together with special arrangements to help Northern Ireland sheep producers adjust to the harmonised sheepmeat regime.

GATT Uruguay Round

9. Negotiations on agricultural reform in the GATT Uruguay Round in 1992 centred on discussions between the United States and the European

Community. These were complicated by a separate dispute over oilseeds. The GATT oilseeds panel concluded that recommendations it had made in 1988 had not been fully met by the new EC oilseeds regime, and the US threatened trade retaliation measures if these recommendations were not met. Agreement between the Commission, negotiating on behalf of the Community, and the United States was finally reached on 20 November on both the oilseeds dispute and on the wider agricultural issues in GATT. The agreement on oilseeds did not include tonnage limits, but restricted the production area in the EC to 5.128 million hectares, with a minimum of 10 per cent of this area set aside each year. Implementation of the oilseeds agreement is to be phased in from 1994. The wider agreement is consistent with the CAP reforms agreed in May and involves specific binding commitments in the areas of market access, domestic support and export subsidies. It must now be confirmed in the context of an agreement on the Uruguay Round as a whole.

United Kingdom developments

10. Over the year there was a series of environmental initiatives. In England the first five Environmentally Sensitive Areas (ESAs) were improved and extended, and consultations were held on the enhancement of the other five existing ESAs and the launch of the first six new ones. In Scotland the first two ESAs were improved and extended and consultations were held on five new areas. In Northern Ireland consultation documents were issued on the extension and upgrading of two existing ESAs and the designation of one new area. In April, a new Farm Woodland Premium Scheme was introduced aimed at enhancing the farmed landscape and providing an alternative use for agricultural land. Measures to improve the control of overgrazing were included in the Hill Livestock Compensatory Allowance (HLCA) scheme and all HLCA applicants were sent a copy of a new Code of Good Upland Management. In June, a pilot Farm Waste Plan Study was announced for three river catchments in England, to see if pollution can be cut by systematic planning by farmers of the disposal of manure, slurry and other organic wastes on their holdings. In July, a new code of Good Agricultural Practice for the Protection of Air for England and Wales was published to parallel the corresponding Water Code published the previous year. In Scotland a comprehensive code "Prevention of Environment Pollution for Agricultural Activities" was published.

11. A Group Marketing Grant was introduced in April to encourage producer collaboration in the marketing of their produce. It includes funds for a feasibility study and grants to form new groups or develop existing ones. The scheme is designed to encourage producers to link together in large professionally managed groups in order to respond to the needs of supermarkets and big buyers. An export initiative was announced in October with the aim of encouraging food and drink producers and manufacturers to seize export opportunities in Europe and further afield.

12. The designation of the United Kingdom Register of Organic Food Standards (UKROFS) was announced in October. This implements an EC regulation making it a legal requirement for anyone producing or preparing organic food, or importing it from outside the Community, to be registered and to operate to Community standards.

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 1991 and 1992 the output index has risen by 1.5 per cent and the input index has risen by 2.5 per cent. The index for crop products has fallen by 4.2 per cent while the index for animals and animal products has risen by 5.0 per cent.

TABLE 4.1 Price indices for products and inputs

Indices: 1985=100

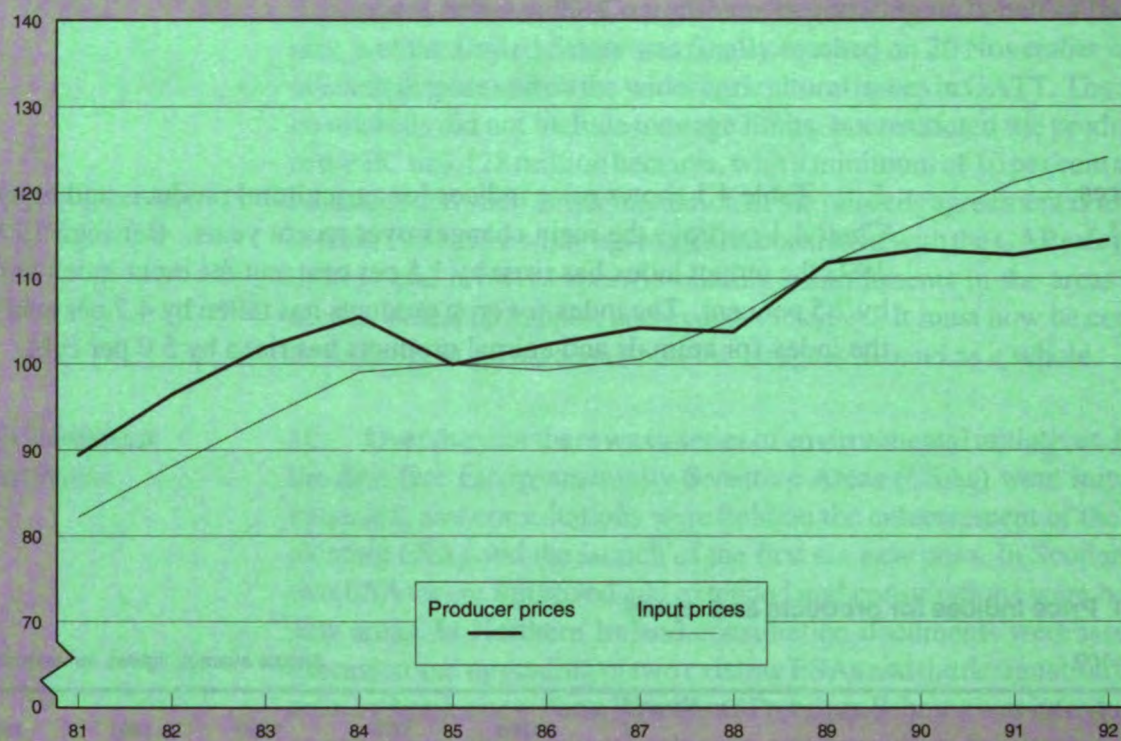
Annual average figures for calendar years

	Average of 1981-83	1988	1989	1990	1991	1992
Producer prices for agricultural products	96.0	103.8	111.8	113.3	112.7	114.4
of which:						
Crop products:	101.7	101.0	107.8	113.8	115.8	110.9
Cereals	102.8	96.2	97.2	98.8	104.1	106.2
Root crops	134.8	121.0	155.9	171.6	171.3	149.9
Fresh vegetables	84.4	100.3	101.9	112.5	112.8	99.5
Fresh fruit	92.1	114.2	120.1	137.0	136.0	119.1
Seeds	116.2	115.2	125.4	131.9	125.9	123.3
Flowers and plants	78.7	110.0	108.3	105.8	107.2	106.5
Other crop products	97.4	78.8	95.7	102.2	90.5	89.8
Animals and animal products:	92.8	105.5	114.2	113.0	110.8	116.4
Animals for slaughter	93.3	103.3	112.0	108.2	102.9	110.8
Milk	90.8	115.2	122.7	123.3	128.9	132.0
Eggs	98.3	77.5	93.2	106.3	93.0	91.6
Other animal products	88.9	98.9	98.0	93.7	85.7	81.1
Prices of agricultural inputs	88.0	105.3	111.7	116.4	121.1	124.1
of which:						
Currently consumed in agriculture:	88.6	103.3	109.3	113.6	117.7	120.3
Animal feedingstuffs	94.4	106.9	112.7	113.6	115.7	119.0
Seeds	105.9	100.7	96.7	102.8	109.0	116.8
Animals for rearing and production	80.5	111.9	116.1	116.5	109.5	116.0
Fertilisers and soil improvers	89.2	85.4	92.4	94.1	91.0	86.3
Plant protection products	92.5	110.4	115.2	126.8	141.5	147.8
Maintenance and repair of plant and machinery	79.5	117.7	124.5	136.2	150.6	162.1
Energy, lubricants	82.4	73.7	81.8	92.6	95.8	93.4
Maintenance and repair of buildings	82.4	113.2	123.4	129.6	133.6	134.7
Veterinary services	85.8	112.3	116.1	122.2	127.9	128.7
Materials and small tools	85.1	114.9	121.6	130.4	139.7	144.3
General expenses	73.4	119.6	126.2	129.3	138.0	143.2
Contributing to agricultural investment	84.9	116.1	124.3	131.4	139.3	144.6
Hired labour costs (a)	79.1	115.6	124.8	138.7	151.9	157.6

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

CHART 4.1 Price indices for products and inputs

1985=100



5 Commodities

Introduction

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

- (i) area and yield (for crops) or populations, marketings and slaughter weights (for livestock), leading to an estimate of production. Allowance for direct on-farm use (on own or other farm but without passing through merchants or millers etc), and for the net increase in the volume of stocks held by farmers, gives the quantity of output (sales). 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. These valuations 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. It should however be noted that the valuations of output of each commodity are based on sales within the calendar year and not 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 6.8 provides details of the value of the changes in on-farm stocks and work-in-progress (and Table 6.7 does the same for breeding 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 expenditure on them;
- (ii) the sources of the new supplies and, in some cases, 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 '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.

Cereals

Cereals (*Tables 5.1-5.6*)

2. The overall area planted to cereals in 1992 was similar to 1991 but, at 22.2 million tonnes, production was estimated to be some 0.4 million tonnes

down on the previous year. Despite a 4 per cent increase in the area planted to wheat, heavy rains and strong winds during August and September affected yields which were 5 per cent down on 1991. In the case of barley, however, a 7 per cent reduction in planted area was partially offset by a 4 per cent increase in yield. The quality of the 1992 wheat harvest was also adversely affected by the weather and was, at best, variable. Barley quality, on the other hand, was generally good.

3. The EC 1991 harvest was estimated at a record 181.8 million tonnes, including an estimated 11.6 million tonnes production from the former German Democratic Republic. Following drought in much of northern Europe, the 1992 harvest is initially estimated to be 166 million tonnes.

4. In the 1992 price-fixing it was decided that both the basic and the additional cereals co-responsibility levy should be abolished with effect from 1 July 1992. Although the Council agreed to leave intervention prices unchanged (and to reduce target prices by between 0.11 per cent and 0.24 per cent), a 1991 cereals harvest in excess of the Maximum Guaranteed Quantity (MGQ) triggered a 3 per cent cut in cereals intervention prices.

5. Ex-farm prices for breadmaking wheat, feed wheat and feed barley during the opening weeks of 1992 were generally higher than in the corresponding period of 1991. However, they subsequently fell below 1991 levels until late summer or early autumn when the reduced size of the 1992 harvest prompted prices to strengthen. In other than the first few weeks of the marketing season, premium malting barley prices were slightly up on 1991 levels.

TABLE 5.1 Wheat

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Area, yield, production and output						
Area ('000 hectares)	1,616	1,886	2,083	2,013	1,981	2,067
Yield (tonnes/hectare)	6.15	6.23	6.74	6.97	7.25	6.86
Production	9,942	11,751	14,033	14,033	14,363	14,185
Direct use on farms	..	954	964	997	1,041	1,204
Increase in farmers' stocks	..	-185	20	143	147	...
Output	8,927	10,981	13,048	12,893	13,175	12,981
Average realised price (£/tonne)	115.9	105.2	104.9	109.8	116.5	121.5
Value of output (£ million)	1,035	1,155	1,368	1,415	1,534	1,577
Supply and utilisation						
Production	9,942	11,751	14,033	14,033	14,363	14,185
Imports from: the Eleven	206	1,137	520	523	479	976
the rest of the world	1,353	504	339	350	264	301
Exports to: the Eleven	923	1,085	1,301	1,859	3,055	2,704
the rest of the world	883	843	1,978	2,777	970	1,199
Total new supply	9,694	11,464	11,611	10,270	11,081	11,559
Increase in farm and other stocks	325	-606	121	-840	443	763
Total domestic uses	9,369	12,070	11,490	11,110	10,636	10,796
of which: flour milling	4,573	5,111	5,032	4,878	4,790	4,855
animal feed	4,131	5,796	5,258	5,017	4,545	4,669
seed	297	357	365	353	357	337
other uses and waste	368	806	835	862	944	935
Production as % of total new supply for use in UK	103	103	121	137	130	123
% of home grown wheat in milling grist	69.5	65.6	82.7	87.6	87.2	83.4

TABLE 5.2 Barley

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Area, yield, production and output						
Area ('000 hectares)	2,232	1,880	1,653	1,517	1,393	1,297
Yield (tonnes/hectare)	4.65	4.67	4.88	5.22	5.47	5.70
Production	10,387	8,778	8,073	7,911	7,627	7,386
Direct use on farms	..	2,770	2,604	2,535	2,176	2,186
Increase in farmers' stocks	..	-33	-594	-133	-38	-77
Output	7,813	6,041	6,063	5,509	5,489	5,277
Average realised price (£/tonne)	109.1	103.7	106.7	108.8	107.8	114.2
Value of output (£ million)	852	627	647	599	592	603
Supply and utilisation						
Production	10,387	8,778	8,073	7,911	7,627	7,386
Imports from: the Eleven	82	312	277	255	199	215
the rest of the world	3	6	...	...	...	22
Exports to: the Eleven	1,382	731	427	916	1,302	1,067
the rest of the world	1,290	2,079	2,816	1,106	672	784
Total new supply	7,798	6,285	5,107	6,144	5,851	5,772
Increase in farm and other stocks	-159	-141	-1,177	-13	-5	-64
Total domestic uses	7,957	6,426	6,285	6,157	5,856	5,836
of which: brewing/distilling	1,908	1,745	1,851	1,835	1,941	1,843
animal feed	5,517	4,241	4,017	3,939	3,574	3,641
seed	340	273	243	220	193	210
other uses and waste	192	167	174	163	148	142
Production as % of total new supply for use in UK	133	140	158	129	130	128

TABLE 5.3 Oats

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Area, yield, production and output						
Area ('000 hectares)	127	120	119	107	104	100
Yield (tonnes/hectare)	4.36	4.55	4.46	4.96	5.04	5.17
Production	553	548	529	530	523	527
Direct use on farms	..	168	189	199	206	177
Increase in farmers' stocks	..	55	22	-4	4	-24
Output	261	325	318	335	313	374
Average realised price (£/tonne)	103.6	104.8	98.5	106.4	105.9	115.3
Value of output (£ million)	27	34	31	36	33	43
Supply and utilisation						
Production	553	548	529	530	523	527
Imports from: the Eleven	2	8	6	10	6	3
the rest of the world	9	1	...	1	1	1
Exports to: the Eleven	3	5	14	8	17	81
the rest of the world	...	...	...	1	...	...
Total new supply	562	551	521	532	513	450
Increase in farm and other stocks	-38	114	26	1	3	-28
Total domestic uses	600	437	495	531	510	478
of which: milling	130	185	225	235	215	223
animal feed	169	211	233	258	252	216
seed	19	27	21	22	27	20
other uses and waste	282	14	16	16	16	19
Production as % of total new supply for use in UK	98	99	102	100	102	117

Table 5.4 Rye, Mixed Corn and Triticale

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Area, production and output (a)						
Area ('000 hectares)	16	13	20	22	23	22
Production	64	85	94	109	122	97
Value of output (£ million)	3	3	3	4	4	3
Supply and utilisation						
Imports from (b): the Eleven	12	26	13	12	11	10
the rest of the world	...	...	...	1	...	...
Exports to (b): the Eleven	...	...	...	5	2	...
the rest of the world	...	...	...	...	...	...
Total new supply	76	111	107	117	131	107
Production as % of total new supply for use in UK	84	77	88	93	93	91

(a) Triticale has been included from 1988 onwards, with the area figure for 1988 and the production figures for 1988 and 1989 being estimates.

(b) Relates only to rye and triticale.

Table 5.5 Maize

'000 tonnes

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Supply and utilisation						
Imports from: the Eleven	816	1,156	1,273	1,407	1,180	1,281
the rest of the world	1,240	191	164	239	338	236
Exports to: the Eleven	9	7	26	15	15	12
the rest of the world	1	...	...	...	...	...
Total new supply	2,046	1,340	1,411	1,631	1,503	1,505

Table 5.6 Total cereals

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Area, production and output						
Area ('000 hectares)	3,991	3,905	3,874	3,658	3,501	3,486
Production	20,946	21,162	22,729	22,583	22,635	22,196
Output	17,025	17,374	19,459	18,775	19,010	18,661
Supply and utilisation						
Imports from: the Eleven	1,127	2,639	2,091	2,207	1,875	2,485
the rest of the world	2,583	702	503	591	603	560
Exports to: the Eleven	2,316	1,828	1,768	2,803	4,394	3,864
the rest of the world	2,174	2,922	4,794	3,884	1,642	1,983
Total new supply	20,166	19,752	18,760	18,694	19,078	19,393
Increase in stocks	118	-633	-1,030	-852	441	671
Total domestic uses	20,048	20,385	19,790	19,546	18,637	18,722
Production as % of total new supply for use in UK	104	107	121	121	119	114
Stocks (of wheat, barley and oats) held at year end: by farmers (a)	..	9,103	8,519	8,535	8,648	8,548
in intervention (b)	..	1,544	705	633	669	654
by processors and traders (a)	..	4,983	5,299	4,508	4,828	5,631

(a) Stocks held by agricultural co-operatives have been included in processors' and traders' stocks for the years 1981-83, and in farmers' stocks from 1988.

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

Other crops

Oilseed rape (Table 5.7)

6. There was a reduction in the area planted to oilseed rape, from 440,000 hectares in 1991 to an estimated 422,000 hectares. Production is forecast at 1.17 million tonnes, a decrease from 1991 production (1.28 million tonnes) and below the 1987 peak of 1.35 million tonnes.

7. From 1 July 1992 support for oilseed rape took the form of direct per hectare payments to producers, rather than the tonnage payments to processors of the previous system. The switch from a system of direct price support means that oilseed rape now trades at world market prices. The average producer price for oilseed rape between 1 July and November 1992 was £127 per tonne. The average for the year of £174 reflects the change in arrangements on 1 July. Before that date, prices were at the supported level and after that date were at the world level.

Sugar beet and sugar (Table 5.8)

8. The area of sugar beet harvested in 1992 is expected to have been around 170,000 hectares. Favourable weather in spring enabled most of the beet crop to be drilled by mid-April. Good plant establishment and sufficient rainfall during the summer ensured an above average crop. White sugar production is forecast to be about 1.40 million tonnes, compared with 1.22 million tonnes in 1991 and a UK quota of 1.144 million tonnes. Sugar produced over quota has to be exported from the Community without export refunds or carried forward to count against next year's quota.

Hops (Table 5.9)

9. The indications are that yields are lower than in the 1991 crop, mainly due to pests and diseases while prices remained firm.

Peas and beans (Table 5.10)

10. Production of peas for harvesting dry, including those for human consumption, has increased slightly from 258,000 tonnes in 1991 to an estimated 261,000 tonnes. The increase results from an increase in area sown from 72,000 hectares to an estimated 79,000 hectares although this was partially offset by lower estimated yields. Production of beans increased from 423,000 tonnes in 1991 to an estimated 445,000. This was due to higher forecast yields. The area sown fell from 131,000 hectares in 1991 to 129,000 hectares.

11. Community pea and bean production is estimated to have fallen slightly to 4.706 million tonnes in 1992 from 4.797 million tonnes in 1991. Under the stabiliser mechanism, the baseline guide price has been reduced by 8.5 per cent for the 1992/93 marketing year compared with a 16.5 per cent cut applied in 1991/92. This smaller reduction represents a 9.6 per cent price rise over last year in ECU terms.

12. From 1 July 1993 support for pea and bean production will form part of the new arable scheme covering cereals, oilseeds and protein crops.

Seeds

(Tables 5.12 and 5.13)

13. Total production of herbage and legume seeds in the year ended May 1992 fell by 8.8 per cent on the 17,000 tonnes produced in the previous year. At 6,900 tonnes, imports of seeds from other Member States of the European Community during 1991/92 showed a decrease of 2.8 per cent. The estimated area approved for the production of herbage and legume seed in 1992/93 indicates a 9.8 per cent fall from 1991/92.

Potatoes (Table 5.14)

14. UK imports of ware potatoes in the twelve months to August 1992 were 50 per cent up on the previous twelve months. The unusually favourable growing conditions for the 1992 crop not only advanced its harvesting by about a fortnight but resulted in high yields and a rapid build up of supplies, with 18,137 tonnes being dug by the end of May compared with 2,934 tonnes in 1991. These exceptional supplies of new potatoes overlapped with the tail end of the 1991 ware crop emerging from storage, causing very low ware prices and limited Potato Marketing Board (PMB) intervention in the ware market for the last three weeks of June. These heavy supplies of new potatoes resulted in very low prices and limited PMB intervention in the new potato market for the first week in July. Subsequently high yields and low prices for more mature potatoes twice triggered intervention with the PMB removing from the market a total of approximately 469,000 tonnes. Imports of ware potatoes from August onwards are less than a quarter of those imported during a similar period in 1991.

15. Plantings in the UK in 1992 were estimated at 180,000 hectares, about 2,600 hectares more than the previous year. Yield in 1992 was exceptionally high, well up on the three previous dry years.

16. In November the European Commission published proposals for a common regime for potatoes. These proposals would not allow national measures such as the Potato Marketing Scheme to continue.

TABLE 5.7 Oilseed rape

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Area ('000 hectares)	175	347	321	390	440	422
Yield (tonnes/hectare) (a)	2.82	3.00	2.94	3.23	2.90	2.76
Production (a)	494	1,040	948	1,258	1,282	1,166
Average producer price (b) (c) (£/tonne)	280	232	286	273	248	174
Value of output (c) (£ million)	139	242	271	343	318	258
Imports from: the Eleven	88	67	72	117	86	215
the rest of the world	12	14	32	94	52	...
Exports to: the Eleven	40	150	104	193	147	69
the rest of the world	...	...	...	1	...	...
Total new supply	554	971	950	1,276	1,269	1,311
Production as % of total new supply for use in UK	89	107	100	99	101	89

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

(b) Received by farmers for the year's crop, including 'Double-low' varieties. An adjustment is made for drying costs.

(c) The new Oilseed Support Scheme was introduced in July 1992. Payments are made in two halves; the advance payment is made between July and September and has hence been included in the Average Producer Price for 1992. The second payment will be made between January and March 1993.

TABLE 5.8 Sugar beet and sugar

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Sugar beet						
Area ('000 ha) (a)	204	201	197	194	196	197
Yield (tonnes/ha) (a)	41.27	40.65	41.28	40.66	41.15	46.19
Production of beet	8,299	8,152	8,113	7,902	7,673	9,100
Average market price (b) (£/tonne)	26.60	29.27	30.83	34.44	35.67	33.70
Value of output (£ million)	221	239	250	272	274	307
Sugar content %	16.33	17.65	17.22	17.20	17.49	16.90
Sugar extraction rate %	88.0	91.0	91.0	91.0	91.0	91.0
Sugar ('000 tonnes refined basis)						
Production (c)	1,191	1,304	1,267	1,241	1,220	1,400
Imports from (d): the Eleven (e)	162	121	128	154	136	122
the rest of the world	1,078	1,178	1,195	1,138	1,156	1,218
Exports to (d): the Eleven	11	64	78	37	64	105
the rest of the world	185	227	277	292	173	197
Total new supply	2,236	2,312	2,235	2,204	2,275	2,438
Production as % of total new supply for use in UK	53	56	57	56	54	57

(a) The area, and related yield figures, are based on June census definitions. The harvested area and related yields for 1991 and 1992 were 170,000 ha and 45.13 tonnes/ha and 170,000 ha and 54 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 only sugar as such and takes no account of the sugar content of processed products.

(e) Includes imports from French overseas departments.

TABLE 5.9 Hops

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Area ('000 hectares) (a)	5.7	4.0	3.9	3.9	3.7	3.6
Yield (tonnes/hectare) (a)	1.63	1.22	1.20	1.18	1.62	1.32
Production	9.4	4.9	4.7	4.6	6.0	4.8
Farm gate price (£/tonne)	2,843	2,468	2,662	2,922	3,211	3,210
Total realised return (£ million)	27	12	13	13	19	15
Other receipts (£ million) (b)	1	1	2	1	1	2
Value of production (£ million)	27	13	14	14	20	17
Imports from: the Eleven	1.5	1.3	1.4	0.8	0.7	0.8
the rest of the world	0.6	0.9	0.9	0.8	0.9	1.1
Exports to: the Eleven	2.3	0.8	2.1	1.4	1.2	1.4
the rest of the world	0.8	0.1	0.1	0.1	0.2	0.3
Total new supply	8.5	6.2	4.8	4.6	6.2	5.0
Production as % of total new supply for use in UK	111	80	98	99	96	97

(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) Production aid.

TABLE 5.10 Peas and beans for stockfeed

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Peas for harvesting dry (a)						
Area ('000 hectares)	..	90.6	72.3	61.6	57.6	63.2
Yield (tonnes/hectare)	..	3.38	3.25	4.23	3.59	3.31
Production ('000 tonnes)	..	306.3	234.8	260.6	206.8	209.2
Price (£/tonne)	..	160.4	172.7	160.1	176.5	193.6
Value of production (£ million)	..	49	41	42	37	41
Field beans (mainly for stockfeed)						
Area ('000 hectares)	..	153.7	129.0	139.0	131.0	129.0
Yield (tonnes/hectare)	..	3.88	3.49	3.50	3.23	3.45
Production ('000 tonnes)	..	596.4	450.2	486.5	423.1	445.1
Price (£/tonne)	..	156.2	168.4	164.0	168.8	184.1
Value of production (£ million)	..	93	76	80	71	82

(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 5.15.

TABLE 5.11 Purchased feedingstuffs (excluding direct inter-farm sales)

Million tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Concentrates						
Compounds for:						
cattle	5.0	3.7	3.8	3.8	3.7	3.8
calves	0.5	0.3	0.3	0.3	0.3	0.2
pigs	2.3	2.2	2.1	2.3	2.4	2.4
poultry	3.4	3.6	3.4	3.7	3.8	3.7
other	0.4	0.7	0.7	0.8	0.8	0.8
Total	11.6	10.5	10.4	10.9	10.9	10.9
Straight concentrates (ie cereals, cereal offals, proteins and other high energy feeds)	3.7	5.0	4.5	3.8	3.5	3.6
Total	15.3	15.5	14.9	14.7	14.4	14.5
Non - concentrates (low-energy bulk feeds expressed as concentrate equivalent) (a)	0.7	0.6	0.7	0.7	0.7	0.7
Total all purchased feedingstuffs	15.9	16.1	15.6	15.4	15.1	15.2
Cost of purchased feedingstuffs (£ million)	2,483	2,780	2,804	2,816	2,804	2,884
of which this part represents the value of sales off the national farm (and included in output) but subsequently repurchased as an input (£ million)	702	577	553	479	570	638

(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 5.12 Herbage and legume seeds (excluding field bean and field pea seeds)

'000 tonnes (unless otherwise specified)

June/May years

	Average of 1981/82- 1983/84	1988/89	1989/90	1990/91	1991/92	1992/93 (forecast)
Certified seed:						
area ('000 hectares)	14.5	17.7	17.4	14.6	14.4	13.0
production	15.9	16.6	18.6	17.0	15.5	16.5
Imports from: the Eleven	8.9	5.3	9.2	7.1	6.9	..
the rest of the world	5.3	4.5	3.9	4.8	2.9	..
Exports to: the Eleven	3.0	2.3	2.3	1.3	0.9	..
the rest of the world	0.5	0.3	0.3	0.6	0.1	..
Total new supply	26.6	23.8	29.1	27.0	24.3	..

TABLE 5.13 Purchased seeds

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Cereals	634.0	582.8	555.0	518.5	493.9	435.3
Grass and clover	22.7	14.7	17.2	14.5	11.9	11.4
Root and fodder crops	19.5	52.8	43.8	45.3	43.0	43.6
Potatoes	315.7	265.0	269.0	278.0	268.0	283.0
Vegetable and other horticultural seeds (a)	20.6	21.0	20.9	20.8	20.7	19.7
Total cost of all purchased seeds (£ million)	248	280	291	301	294	288
of which this part represents the value of sales off the national farm (and included in output) but subsequently repurchased as an input (£ million).	117	131	137	142	138	135

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

TABLE 5.14 Potatoes

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Area, yield, production and output						
Area ('000 hectares):	18.8	17.6	17.5	15.9	16.4	15.1
early	174.9	163.4	157.4	161.8	161.0	164.9
Yield (tonnes/hectare):	20.1	23.9	20.9	27.4	21.9	27.0
early	34.0	39.7	37.5	37.4	36.8	45.3
Production:	379	420	366	437	359	408
early	5,938	6,494	5,900	6,051	5,920	7,475
maincrop	6,317	6,914	6,266	6,488	6,279	7,882
total	770	919	812	695	725	882
Waste	-478	71	-445	22	-151	737
Increase in farmers' stocks						
Total output	6,025	5,925	5,899	5,771	5,705	6,263
Average price (£/tonne) (a) paid to registered producers for:						
early potatoes	100.6	103.1	132.9	82.7	143.2	82.8
maincrop potatoes	72.0	64.5	80.2	89.3	85.5	75.5
realised for all potatoes (b)	73.0	67.9	83.4	88.3	86.1	70.6
Value of output of potatoes (£ million)	438	402	492	510	491	442
Supplies and utilisation						
Total production	6,317	6,914	6,266	6,488	6,279	7,882
Supplies from the Channel Islands	30	35	31	41	42	50
Imports	794	947	1,005	897	907	929
of which: early from:						
the Eleven	52	40	84	55	48	43
the rest of the world	241	148	154	177	165	148
maincrop from:						
the Eleven	169	230	195	104	92	116
the rest of the world	10	14	...	10	12	45
processed (raw equivalent) from:						
the Eleven	264	484	532	480	518	520
the rest of the world	45	4	11	41	38	24
seed from:						
the Eleven	11	26	30	30	35	34
the rest of the world	1	...	...	...	...	...
Exports	200	164	169	189	273	131
of which: raw to:						
the Eleven	22	32	36	26	35	23
the rest of the world	29	35	26	39	48	17
processed (raw equivalent) to:						
the Eleven	34	36	43	53	59	24
the rest of the world	8	2	3	7	49	25
seed to:						
the Eleven	3	35	36	26	35	23
the rest of the world	104	24	26	39	48	17
Total new supply	6,941	7,732	7,134	7,237	6,955	8,731
Farmers' stocks :						
opening stocks	3,631	2,719	2,789	2,344	2,366	2,215
closing stocks	3,153	2,789	2,344	2,366	2,215	2,952
net increase	-478	71	-445	22	-151	737
Total domestic uses	7,419	7,662	7,579	7,216	7,106	7,993
of which: used for human consumption	5,782	6,022	6,033	5,904	5,716	5,888
seed for home crops (including seed imports)	617	560	566	566	580	577
support buying	205	142	92	12	17	514
chats,waste and retained stockfeed	814	937	889	733	793	1,014
Production as % of total new supply for use in UK	91	89	88	90	90	90

(a) Including the value of sacks.

(b) Takes account of wastage and intervention.

Horticulture

Horticulture

(Tables 5.15 and 5.16)

17. The total area devoted to horticulture as recorded in the June agricultural census was 197,000 hectares in 1992 compared with 204,000 hectares in 1991. However, the area figures shown in Table 5.15 differ from these for several reasons, including multi-cropping. This table gives information about the main sectors. More detailed information is given in Table 5.16 for cauliflowers, tomatoes, apples and pears, the four crops for which intervention arrangements apply.

18. There were poorer returns for salad crops in 1992, especially for tomatoes despite improved yields. Early season tomato prices were again poor but, unlike last year, failed to recover later in the season. Protected lettuce had another difficult season, but returns for field lettuce increased compared with last year. The overall area of salad crops remained much the same.

19. The area devoted to field vegetables showed a slight decline compared with last year. In the sector overall returns were well down on the previous season, largely due to poor returns for carrots and cabbages. However, the area, output and value of cauliflowers all increased compared with last season as did withdrawals from the market.

20. The total area of top fruit continued to decline in 1992 and although production increased in comparison with 1991, returns were down. Exceptionally warm spring and early summer weather followed by wet conditions in August and September resulted in a high proportion of large, good quality apples. Poor market demand has caused increased withdrawals compared with the previous season, and wet harvesting conditions have resulted in above average rotting levels during storage. Although pear yields were well down on last year, size, shape and quality were very good.

21. In the soft fruit sector the area of strawberries declined slightly, and although yields were similar to those in 1991 quality was better. This resulted in increased returns, despite the hot weather which caused excessive simultaneous ripening and some price reductions. The quality of fresh raspberries was excellent with improved prices for the main season crop. In Scotland the area and price of raspberries for processing stabilised. Blackcurrant prices were poor.

22. The garden centre and domestic market for ornamental plants remained favourable but there was less demand from the amenity sector. In response to a less certain demand, expansion of area and plant numbers has halted. Output value for all ornamentals in 1992 was slightly down on the previous year. A near perfect growing season resulted in excellent quality outdoor plants and crops although bulb yields from crops lifted in mid-season were lower than in the previous year. Bulb prices firmed as a result of reduced supply.

TABLE 5.15 Horticulture

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Vegetables						
Grown in the open (a):						
area ('000 hectares) (b)	181.4	192.1	187.9	198.1	198.5	197.3
value of output (£ million)	406	605	640	648	654	618
Protected:						
area ('000 hectares) (b) (c)	2.8	2.9	2.8	3.0	2.8	2.8
value of output (£ million)	189	325	339	376	349	323
Total value of output (£ million)	596	931	979	1,024	1,003	941
Fruit						
Orchard fruit:						
area ('000 hectares) (b)	39.1	34.1	33.0	32.2	31.7	31.0
value of output (£ million)	106	119	149	158	172	136
Soft fruit:						
area ('000 hectares) (b)	17.8	14.5	14.5	14.4	13.7	13.7
value of output (£ million)	86	118	112	114	116	121
Total value of output (£ million) (d)	192	237	261	272	288	257
Ornamentals						
Area ('000 hectares) (b)	17.0	18.6	18.3	18.6	18.6	18.7
Value of output (£ million)	204	389	446	495	502	500
of which: flower bulbs	24	26	31	33	33	33
flowers in the open	15	21	23	25	26	26
hardy nursery stock	91	182	213	237	236	235
protected crops	73	160	180	200	207	206
Seeds: value of output (£ million)	3	6	7	6	6	7
Total value of commercial horticultural output (£ million) (e)	995	1,563	1,693	1,813	1,776	1,708
Value of output of main crops (£ million)						
cabbages	59	83	86	86	84	75
carrots	45	83	81	72	82	59
cauliflowers	55	64	61	68	71	76
lettuces	56	103	117	125	112	124
mushrooms	88	163	168	177	171	164
peas (a)	54	56	57	70	62	60
tomatoes	51	72	82	91	79	65
apples	79	86	115	126	136	100
pears	12	15	16	18	18	15
raspberries	22	34	32	24	30	29
strawberries	49	65	62	67	59	74

(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) Includes glasshouse fruit.

(e) Includes hedgerow fruit and nuts

TABLE 5.16 Selected horticultural crops

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Cauliflowers						
Farm gate price (£/tonne)	191.0	187.4	193.7	220.6	226.0	219.6
Output	289	341	316	308	315	346
Supplies from Channel Islands	14	11	7	7	5	6
Imports from: the Eleven	30	60	53	33	33	27
the rest of the world	...	...	...	...	...	...
Total new supply	333	412	376	348	353	379
Output as % of total new supply for use in UK	87	83	84	89	89	92
Tomatoes						
Farm gate price (£/tonne)	429.1	561.3	558.9	666.9	581.8	463.5
Output	118	128	147	137	136	141
Supplies from Channel Islands	39	16	17	13	13	12
Imports from: the Eleven	123	164	173	161	148	130
the rest of the world	125	102	100	92	103	116
Exports to: the Eleven	6	7	6	5	7	7
the rest of the world	...	...	...	...	...	...
Total new supply	399	403	431	398	393	392
Output as % of total new supply for use in UK	30	32	34	34	35	36
Apples (excluding cider apples)						
Farm gate price (£/tonne):						
dessert	312.1	412.0	363.8	492.9	585.6	388.2
culinary	237.0	287.1	210.4	278.2	342.6	226.4
Output from the crop:						
dessert	168	132	202	179	148	165
culinary	112	111	197	134	144	161
Imports from: the Eleven	280	312	274	252	230	164
the rest of the world	130	187	196	215	234	237
Exports to: the Eleven	17	16	31	20	40	31
the rest of the world	1	...	...	...	1	...
Total new supply	671	726	839	760	715	695
Increase in stocks	-9	7	16	-27	1	22
Total domestic uses	663	733	855	733	717	717
Output as % of total new supply for use in UK	42	33	48	41	41	47
Closing stocks	81	100	116	89	90	112

TABLE 5.16 Selected horticultural crops (continued)

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Pears (excluding perry pears)						
Farm gate price (£/tonne)	299.6	331.6	424.2	521.1	496.9	496.8
Output from the crop	41	44	37	34	36	30
Imports from: the Eleven	55	63	72	60	53	51
the rest of the world	18	30	29	38	37	39
Exports to: the Eleven	2	1	1	2	3	3
the rest of the world	...	...	...	...	...	...
Total new supply	113	136	137	130	123	118
Increase in stocks	3	-14	4	-1	-1	-7
Total domestic uses	115	122	141	129	122	111
Output as % of total new supply						
for use in UK	37	32	27	26	29	26
Closing stocks	21	13	16	16	15	8

Livestock

Cattle and calves; beef and veal (Table 5.17)

23. The size of the beef breeding herd continued to increase, reaching its highest level for thirteen years. The increase in beef cows partially offset the continuing decrease in the dairy herd. Market prices for finished cattle were on average higher than in 1991, and remained relatively constant throughout 1992.

24. During the first quarter of 1992, 26,000 tonnes of beef were accepted into intervention. Purchases into intervention from April (the start of the intervention year) to December amounted to some 73,000 tonnes compared with 82,000 tonnes over the same period in 1991. Export sales from intervention remained limited, with the Middle East market showing little sign of recovery, and the imposition of restrictions by Mexico resulting in the loss of this important outlet. A significant number of markets remained closed due to continuing concerns about BSE. Domestic household consumption of beef remained static throughout the year, and at the same level as that reached in the third quarter of 1991. Producers continued to benefit from payments under the beef special premium and suckler cow premium schemes.

Sheep and lambs; mutton and lamb (Table 5.18)

25. The size of the breeding flock has remained fairly constant over the past year. However, domestic production of sheepmeat is estimated to be about 5 per cent lower than in 1991, due largely to the fact that some producers brought forward their marketings at the end of 1991 in order to qualify for the Sheep Variable Premium, which terminated on 5 January 1992. This factor also resulted in reduced supplies to the home market, which are expected to be 9 per cent lower than in 1991. Exports of sheep and sheepmeat are expected to have increased by 22 per cent, reflecting in particular greater competitiveness due to the ending of the "clawback" charge on GB exports and, latterly, the floating of sterling.

26. The average market price in Great Britain in 1992 is expected to be approximately 23 per cent above that for 1991. However, the average market price for Northern Ireland is expected to be 4 per cent below that for last year. The budgetary stabiliser mechanism for sheepmeat this year gave rise to a provisional cut of 7 per cent applied to the basic price, which is used for calculating the ewe premium. The 1991 definitive stabiliser reduction was 5.9 per cent for GB and 7 per cent for Northern Ireland. From the 1993 marketing year onwards the stabiliser will be fixed at 7 per cent.

27. The Agriculture Departments continue to pay compensation to sheep producers whose activities have been affected by restrictions following the Chernobyl accident in 1986. Compensation paid up to the end of 1992 is expected to amount to approximately £10 million.

Pigs and pigmeat
(Table 5.19)

28. Producer prices were generally good and producer profitability reasonable during 1992. Prices eased in late summer because of poor demand and plentiful supply but rose again in the last quarter of the year, helped by the competitiveness of UK exports.

29. The overall impact of Blue Ear Disease on UK pig production has been slight and the disease ceased to be notifiable on 5 November.

Poultry and poultrymeat
(Table 5.20)

30. Imports of chicken increased markedly during the first nine months of the year and UK production fell back. However, the exchange rate changes following sterling's suspension from the ERM in September led to some ground being recovered by domestic producers. Demand for all poultrymeat continued to increase over the levels of previous years. Prices were depressed during the early part of the year but firmed towards Christmas.

TABLE 5.17 Cattle and calves; beef and veal

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (a) (forecast)
Populations						
Total cattle and calves ('000 head at June)	13,224	11,884	11,975	12,059	11,866	11,788
of which: dairy cows	3,258	2,912	2,865	2,847	2,770	2,682
beef cows	1,389	1,375	1,495	1,599	1,666	1,696
dairy heifers in-calf	693	612	566	529	534	546
beef heifers in-calf	161	222	227	227	199	216
other	7,724	6,763	6,822	6,857	6,698	6,648
Selected market prices						
Store cattle (£ per head) (b):						
1st quality Hereford/cross bull calves (c)	111	186	188	128	120	145
1st quality beef/cross yearling steers (d)	277	414	431	397	397	419
Finished cattle (p per kg liveweight): All clean cattle	80.2	109.2	113.9	106.2	106.8	109.4
Marketings, production and returns						
Total home-fed marketings ('000 head)	4,060	3,598	3,710	3,834	4,004	3,769
of which: steers, heifers and young bulls	2,787	2,619	2,664	2,776	2,795	2,656
calves	338	286	350	400	463	463
cows and adult bulls	935	693	697	658	746	650
Average dressed carcase weights (dcw) (kgs) (e):						
steers, heifers and young bulls	272.9	282.9	288.0	288.8	286.4	290.3
calves	47.6	55.2	49.6	41.0	39.9	46.1
cows and adult bulls	264.8	276.7	277.6	279.0	279.1	286.6
Production ('000 tonnes, dcw):						
Home-fed production	1,021	944	972	997	1,023	972
Gross indigenous production (f)	..	923	960	986	1,015	967
Average realised return (p per kg dcw) (g)	167	200	202	181	180	189
Total realised return (£ million)	1,706	1,889	1,962	1,804	1,844	1,837
Other receipts (£ million) (h)	54	87	139	167	197	196
Value of home-fed production (£ million)	1,766	1,976	2,101	1,971	2,042	2,034
Supplies ('000 tonnes, dcw) (i)						
Home-fed production	1,021	944	972	997	1,023	972
Imports from: the Eleven (j)	167	238	191	161	165	170
the rest of the world	54	53	47	36	39	38
Exports to: the Eleven (k)	131	120	132	115	119	120
the rest of the world	35	36	35	22	31	31
Total new supply	1,076	1,079	1,044	1,058	1,076	1,029
Increase in stocks	-7	-22	-23	75	80	28
Total domestic uses	1,083	1,101	1,066	983	997	1,001
Home-fed production as % of total new supply for use in UK	95	87	93	94	95	95
Closing stocks	16	88	65	140	220	248

(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, calf subsidy and beef special 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 5.18 Sheep and lambs; mutton and lamb

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (a) (forecast)
Populations						
Total sheep and lambs ('000 head at June)	33,078	41,007	42,988	43,799	43,621	43,973
of which: ewes	12,916	15,521	16,205	16,760	16,944	17,099
shearlings	2,849	3,556	3,834	3,650	3,381	3,275
lambs under 1 year old	16,095	20,596	21,564	22,023	21,942	22,330
other	1,219	1,334	1,384	1,365	1,354	1,270
Selected market prices						
Store sheep (£ per head):						
1st quality lambs, hoggets and tegs (b)	33.0	37.5	36.1	33.8	35.5	37.9
Finished sheep (p per kg estimated dcw) (c):						
Great Britain	..	177.0	184.5	174.4	148.2	181.8
Northern Ireland	..	208.0	202.5	170.9	179.4	173.1
Marketings, production and returns (excluding clip wool)						
Total home-fed marketings ('000 head):	14,816	18,143	20,581	21,105	22,538	21,007
of which: clean sheep and lambs	13,319	16,452	18,611	19,005	20,620	19,081
ewes and rams	1,497	1,691	1,970	2,100	1,918	1,927
Average dressed carcase weights (dcw) (kgs) (d):						
clean sheep and lambs	18.0	18.2	18.0	17.8	17.8	17.8
ewes and rams	28.5	25.7	25.8	26.1	26.8	28.4
Production ('000 tonnes, dcw):						
Home-fed production	282	342	385	393	418	395
Gross indigenous production (e)	..	341	384	391	416	395
Average realised return (p per kg dcw) (f)	182	206	204	181	181	156
Total realised return (£ million)	514	704	785	711	756	617
Other receipts (£ million) (g)	82	198	184	281	375	417
Value of home-fed production (£ million)	596	902	969	993	1,132	1,034
Supplies ('000 tonnes, dcw) (h)						
Home-fed production	282	342	385	393	418	395
Imports from: the Eleven (i)	...	1	5	7	3	2
the rest of the world	182	136	134	147	122	129
Exports to: the Eleven (j)	48	94	107	98	114	140
the rest of the world	3	2	2	3	2	2
Total new supply	412	383	415	448	427	384
Increase in stocks	4	-6	-2	6	-2	-7
Total domestic uses	409	389	416	442	429	391
Home-fed production as % of total new supply for use in UK	68	89	93	88	98	103
Closing stocks	15	18	16	22	20	13

(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) Average of weekly market prices as used to determine level of ewe premium.

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

(e) See footnote (f) to Table 5.17.

(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 5.19 Pigs and pigmeat

	Calendar years					
	Average of 1981-83	1988	1989	1990	1991	1992 (a) (forecast)
Populations						
Total pigs ('000 head at June)	8,008	7,982	7,509	7,449	7,596	7,608
of which: sows in-pig and other sows for breeding	738	703	660	660	678	672
gilts in-pig	114	101	97	109	107	108
other	7,156	7,177	6,752	6,680	6,811	6,828
Selected market price						
Clean pigs (p per kg deadweight)	90.2	91.1	113.1	111.8	102.5	115.2
Marketings, production and returns						
Total home-fed marketings ('000 head)	15,405	15,823	14,578	14,294	14,688	14,639
of which: clean pigs	15,016	15,432	14,240	13,962	14,311	14,260
sows and boars	389	391	338	332	377	380
Average dressed carcase weights (dcw) (kgs) (b):						
clean pigs	61.5	62.6	63.0	64.7	65.6	65.8
sows and boars	132.5	134.8	137.4	144.8	144.5	140.6
Production ('000 tonnes, dcw):						
Home-fed production	975	1,019	943	952	994	991
Gross indigenous production (c)	..	1,020	944	953	995	997
Average realised return (p per kg dcw) (d)	91	86	108	107	98	110
Value of home-fed production (£ million)	885	881	1,022	1,014	969	1,091
Supplies of pork ('000 tonnes, dcw) (e) (f)						
Home-fed production	744	798	730	749	797	806
Imports from: the Eleven	27	57	90	80	74	88
the rest of the world	4	4	4	1	1	2
Exports to: the Eleven (g)	41	57	59	58	92	111
the rest of the world	2	1	1	1	2	2
Total new supply	732	800	764	772	778	782
Increase in stocks	1	...	1	2	...	-3
Total domestic uses	731	801	763	769	778	785
Home-fed production as % of total new supply for use in UK	102	100	96	97	103	103
Closing stocks	4	8	9	11	11	8
Supplies of bacon and ham ('000 tonnes, product weight) (e)						
Home-cured production	203	199	194	180	176	171
Imports from: the Eleven (h)	283	255	258	259	252	237
the rest of the world	3	1	2	1	2	1
Exports to: the Eleven	6	5	5	5	5	6
the rest of the world	...	...	...	...	...	...
Total new supply	483	450	449	435	424	403
Increase in stocks	...	1	...	-1	...	-2
Total domestic uses	484	449	448	436	424	405
Home-cured production as % of total new supply for use in UK	42	44	43	41	41	42
Closing stocks	2	6	6	5	5	3

(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 5.17.

(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 5.20 Poultry and poultrymeat

	Calendar years					
	Average of 1981-83	1988	1989	1990	1991	1992 (a) (forecast)
Population						
Number ('000 head at June):						
chickens and other table fowls	58,931	75,437	70,176	73,588	75,701	73,353
hens (boiling fowls)	12,005	8,787	7,569	6,940	7,013	6,196
turkeys (b)	8,012	9,403	9,391	9,596	9,759	10,066
ducks	1,395	1,661	1,909	2,038	2,033	2,198
geese	148	188	201	179	158	150
Slaughterings, production and returns						
Slaughterings (millions):						
fowls	426	547	494	522	545	537
turkeys	24	31	34	32	33	33
ducks	7	9	11	12	11	11
geese	...	1	1	1	1	1
Production ('000 tonnes deadweight):						
chickens and other table fowls	583	814	753	790	837	837
boiling fowls (culled hens)	59	51	37	39	37	32
turkeys	128	165	177	170	174	172
ducks	16	19	24	25	23	25
geese	2	3	3	3	3	3
Average producer price (p/kg live weight) for:						
chickens and other table fowls	53.9	53.8	56.6	59.7	55.9	57.0
boiling fowls (culled hens)	21.2	12.7	19.5	23.7	14.7	14.4
turkeys	78.7	86.5	90.9	87.8	89.4	90.7
ducks	82.3	105.4	117.0	119.9	125.5	129.0
geese	157.6	193.6	193.9	208.4	191.8	165.3
Value of output (£ million):						
fowls	436	593	578	642	631	642
turkeys, ducks, geese	149	213	246	236	241	244
Total	585	806	824	878	871	886
Supplies of poultrymeat ('000 tonnes deadweight)						
Production	788	1,052	994	1,027	1,074	1,069
Imports from: the Eleven	34	80	84	135	137	163
the rest of the world	...	...	...	...	...	...
Exports to : the Eleven	18	47	51	47	59	63
the rest of the world	2	14	15	15	21	17
Total new supply	802	1,072	1,012	1,100	1,131	1,152
Increase in stocks	-4	1	-25	9	17	-7
Total domestic uses	807	1,070	1,037	1,091	1,114	1,159
Production as % of total new supply	98	98	96	94	96	92

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

(b) From 1988 onwards data relates to November and to England and Wales only.

Livestock products

Milk and milk products (Tables 5.21 and 5.22)

31. There were no further quota cuts in 1992/93, but the Council decided that the 4.5 per cent of quota which had previously been temporarily suspended with compensation should not be reinstated. Once adjusted for a high level of butterfat, wholesale milk deliveries exceeded the 1991/92 quota and thus resulted in a levy (prior to verification) of about £4 million. A direct sales levy of under £1 million was also paid.

32. Under the United Kingdom Presidency the Council agreed a new consolidated and simplified milk quota regulation. The new Council regulation provides a flexible framework for the operation of milk quotas until the year 2000.

33. The European Court of Justice ruled that compensation should be paid to five producers who as a result of participation in the Non-Marketing of Milk and Dairy Herd Conversion Schemes had been excluded from milk production following the introduction of milk quotas. The Council and Commission have undertaken to introduce arrangements which will provide for compensation to be paid to all eligible producers who had been similarly affected in line with the Court ruling.

34. The weakening of the dairy market which began in 1990 continued up to July/August 1991. As a result of measures agreed in the 1991 price fixing together with good export opportunities, notably for milk powders, there was an upturn in the market for dairy products. Prices started to rise and sales of intervention skimmed milk powder stocks continued until the end of 1992 when they were limited by reduced availability of stocks. Sales of intervention butter were high during the early part of 1992, but have tailed off during the autumn.

Eggs (Table 5.23)

35. Demand appeared to fall for both eggs and egg products and total new supply fell during the year as production was reduced. Imports were also lower than in the previous year. Prices fell over the first eight months to very low levels but improved towards the end of the year giving the same average price as in 1991.

Wool (Table 5.24)

36. The volume of wool produced in the UK is expected to be largely unchanged from 1991. Market prices have continued to remain low in the face of a high level of stocks worldwide and low consumer demand. The Guarantee price for the 1992 wool clip was set at 117p per kg, a reduction of 3p per kg from 1991. As a result of the continuing weakness in the wool price, public expenditure on wool in 1992/93 is forecast to be around £26 million.

TABLE 5.21 Milk

Million litres (unless otherwise specified)

Calendar years

	Average of 1981-83	1988 (a)	1989	1990	1991	1992 (a) (forecast)
Production and output						
Dairy herd (annual average, '000 head) (b)	3,299	2,955	2,905	2,870	2,790	2,712
Average yield per cow (litres per annum)	4,883	4,975	4,989	5,157	5,141	5,259
Production of milk from the dairy herd (c)	16,115	14,702	14,492	14,799	14,341	14,262
Production of milk from the beef herd	34	12	11	9	8	7
less wastage and milk fed to stock	176	261	263	272	274	274
Output for human consumption	15,973	14,453	14,240	14,535	14,075	13,995
Average total return (pence per litre) (d)	14.54	17.73	19.17	19.31	19.90	20.93
Value of output (£ million)	2,323	2,562	2,730	2,806	2,800	2,930
Utilisation of the output for human consumption						
Sales through MMB schemes:						
for liquid consumption	7,024	6,792	6,793	6,780	6,745	6,736
for manufacture	8,572	7,426	7,146	7,403	6,901	6,797
of which: butter (e) (f)	4,605	3,023	2,806	2,934	2,326	2,010
cheese (g)	2,221	2,894	2,703	2,950	2,794	3,005
cream (f)	908	449	516	549	660	491
condensed milk (h)	484	411	442	436	435	472
milk powder - full cream	255	546	544	395	541	608
other	98	103	134	139	145	211
Total sales through schemes (i)	15,607	14,231	13,951	14,194	13,655	13,543
Other utilisations (j)	366	223	289	341	420	452

(a) 366 days.

(b) Dairy herd is defined as cows and heifers in milk plus cows in calf but not in milk, kept mainly for producing milk or rearing calves for the dairy herd.

(c) Excludes suckled milk.

(d) Derived by dividing total value of output by the total quantity of output available for human consumption.

(e) Includes a small quantity of milk utilised to manufacture anhydrous milk fat (AMF).

(f) Excludes the utilisation of the residual fat of low fat liquid milk production.

(g) Includes farmhouse cheese made under milk marketing schemes.

(h) Includes condensed milk used in the production of chocolate crumb plus production of sweetened and unsweetened machine skimmed milk.

(i) 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.

(j) 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 5.22 Milk products

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Butter (a) (b)						
Production (c)	210	140	130	138	112	97
Imports from: the Eleven	94	54	54	51	47	64
the rest of the world	98	74	64	63	57	56
Exports to: the Eleven (d)	53	115	61	35	35	51
the rest of the world	10	4	4	4	5	6
Total new supply (d)	339	149	182	213	177	160
Increase in stocks (e)	122	-137	-27	19	-9	-15
Total domestic uses (d) (e)	217	285	209	194	186	175
Production as % of total new supply for use in UK	62	94	71	65	63	61
Closing stocks (e)	115	82	55	74	65	51
Cheese						
Production (c)	244	301	284	315	303	326
Imports from: the Eleven	118	179	160	183	174	205
the rest of the world	17	18	19	19	18	20
Exports to: the Eleven	12	17	20	22	27	26
the rest of the world	18	11	17	19	24	20
Total new supply	348	470	427	477	444	505
Increase in stocks	3	33	-10	9	-21	20
Total domestic uses	345	437	436	467	465	485
Production as % of total new supply for use in UK	70	64	66	66	68	65
Closing stocks	113	146	136	145	125	145
Cream - fresh, frozen, sterilized						
Production (b) (c)	74	53	61	64	77	55
Imports from: the Eleven	5	3	3	2	3	2
the rest of the world	...	...	...	...	...	...
Exports to: the Eleven	1	1	6	10	33	31
the rest of the world	...	3	3	5	5	3
Total new supply	78	52	55	51	42	23
Increase in stocks	..	..	..	..	..	..
Total domestic uses	78	52	55	51	42	23
Production as % of total new supply for use in UK	95	102	111	125	197	239
Closing stocks	..	..	..	..	..	..

TABLE 5.22 Milk products (continued)

'000 tonnes (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Condensed milk (f)						
Production	187	183	207	204	198	209
Imports from: the Eleven	4	9	9	11	10	12
the rest of the world	...	...	...	...	...	...
Exports to: the Eleven	6	44	31	8	10	13
the rest of the world	30	25	34	41	37	44
Total new supply	155	123	152	166	161	164
Increase in stocks	...	1	5	-3	-3	3
Total domestic uses	155	121	147	169	164	161
Production as % of total new supply for use in UK	121	149	136	123	123	127
Closing stocks	16	10	15	12	9	12
Milk powder - full cream						
Production	32	104	95	70	80	89
Imports from: the Eleven	2	4	4	2	3	3
the rest of the world	...	...	...	...	...	...
Exports to: the Eleven	3	17	27	15	15	32
the rest of the world	22	55	44	35	50	46
Total new supply	9	36	28	22	17	14
Increase in stocks	1	2	...	-4	2	...
Total domestic uses	8	34	29	25	16	14
Production as % of total new supply for use in UK	356	289	339	319	695	636
Closing stocks	3	7	6	3	4	4
Skimmed milk powder						
Production	301	136	133	166	143	101
Imports from: the Eleven	11	9	16	6	8	17
the rest of the world	...	...	...	...	...	...
Exports to: the Eleven (d)	76	43	45	78	56	36
the rest of the world	50	40	37	26	15	14
Total new supply (d)	186	62	68	69	80	68
Increase in stocks	59	2	-1	2	-6	-8
Total domestic uses (d)	127	60	69	67	86	76
Production as % of total new supply for use in UK	162	223	196	244	190	149
Closing stocks	136	22	21	23	17	9

(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 5.23 Eggs

	Calendar years					
	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Number of layers and output of eggs						
Number of fowls in lay (annual average, millions) (a)	54.69	46.87	41.74	43.58	44.06	43.20
Average yield per layer (number of eggs)	238.0	243.7	243.3	244.6	246.4	247.4
Gross production (a) (million dozen)	1,084	952	846	888	905	891
Output of eggs for human consumption from fowls (excluding waste and eggs used for hatching) (million dozen)	1,019	869	763	804	816	806
Average realised price for eggs from fowls (p per dozen)	46.9	45.0	51.1	56.2	51.6	52.1
Value of output of eggs from fowls (£ million)	484	391	390	452	421	420
Value of output of all eggs (£ million)	487	396	397	459	427	427
Utilisation of UK output for human consumption and other supplies (million dozen)						
Total UK output of hen and duck eggs for human consumption (b)	1,023	874	770	811	822	812
of which: hen eggs sold in shell	983	801	688	727	738	719
hen eggs processed	36	68	76	77	77	87
Imports from (c): the Eleven	36	38	53	77	55	47
the rest of the world	2	...	...	...	...	...
Exports to (c): the Eleven	32	20	34	13	15	17
the rest of the world	2	1	1	1	1	...
Total new supply	1,027	891	789	874	861	843
Output as % of total new supply for use in UK	100	98	98	93	95	96

(a) Includes breeding flocks.

(b) Includes farmhouse consumption.

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

TABLE 5.24 Wool

Million kg, greasy weight equivalent (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Skin Wool (valued within output from sheep and lambs) Production	12	18	20	21	21	19
Clip Wool (a)						
Production	38	49	53	53	51	50
Producer price for clip (p per kg) (b)	92.0	97.9	96.8	92.5	83.4	82.0
Value of output (£ million)	35	48	52	49	43	41
Supplies						
Total production	50	67	73	74	72	70
Imports from: the Eleven	18	31	25	22	21	25
the rest of the world	89	102	83	79	65	81
Exports to: the Eleven	24	34	64	30	24	25
the rest of the world	15	38	38	39	25	27
Total new supply	118	128	80	106	109	124
Production as % of total new supply for use in UK	42	52	91	70	66	56

(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.

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 derived in this way from the difference between gross output and gross input are sensitive to quite moderate changes in these relatively large values. This sensitivity, the revisions now made to previously published figures for earlier years and the 'forecast' nature of the figures for 1992 all need to be borne in mind when considering the latest changes in product and income reported below for 1992. In particular it should be noted that these changes are from higher levels of gross (and net) product and incomes in 1991 than were forecast at this time last year.

4. In Table 6.2 estimates are provided for gross and net product and their components at 1985 prices, thus showing changes in the volumes of the various elements. Table 6.3 summarises the main changes forecast between 1991 and 1992, both in 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 values of the industry's gross output and gross input are forecast to have risen slightly between 1991 and 1992 (by 2.3 per cent and 1.4 per cent respectively), largely as a result of price rises in both cases. The volume of the industry's output (as indicated by gross output at constant prices) has risen by 0.5 per cent since 1991, while the volume of the industry's gross input has fallen by 1.0 per cent. These changes have resulted in increases of 3.2 per cent in gross product and 5.2 per cent in net product, 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 man equivalent, has risen by 47.7 per cent over the last decade, including a forecast rise of 3.8 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 23.9 per cent over the last ten years and by 3.3 per cent between 1991 and 1992.

Incomes from farming (Tables 6.1, 6.5 and 6.6)

7. In addition to the forecast rise in the industry's net product of 5.2 per cent, or some £266 million, there was also a further fall of £142 million (16.1 per cent) in the interest paid to the providers of much of the industry's financial capital. These changes were largely responsible for a £403 million (9.7 per cent) rise in the incomes of those engaged in the industry (line 32 in table 6.1). When the £23 million (1.4 per cent) increase in the cost of hired labour is taken into account *total income from farming* (line 34 of table 6.1) is forecast to have risen by £379 million (15.5 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 attribute 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 is an increase of £351 million (23.6 per cent) in *farming income*. When expressed in real terms *total income from farming* and *farming income* are forecast to have risen by 11.4 per cent and 19.2 per cent respectively.

8. Table 6.5 shows movements over the last decade in these income measures and in two measures of cash flow which correspond in coverage to total income from farming and farming income. The cash flow measures are intended to reflect more closely the variations as perceived by farmers and farm households. They show smaller increases between 1991 and 1992 than those forecast for the income measures; cash flow for the wider group has risen by 3.6 per cent while that for farmers (and their spouses) alone has risen by 3.8 per cent. In real terms, however, these measures have remained virtually unchanged since 1991.

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 1991 and 1992 but remain below 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.

Capital formation and stocks

(Tables 6.7 and 6.8)

10. Details of agriculture's investment in productive assets are given in Table 6.7. Total gross fixed capital formation is estimated to have been £1,018 million in 1991, 13 per cent lower than in 1990. The volume of investment measured at constant 1985 prices shows a decline of 16 per cent over the year, over half of which is due to the fall in investment in buildings and works. Increases are expected in the size of the beef breeding herd, in the number of lambs under one year old, and in the stocks of potatoes.

Hired labour

(Table 6.9)

11. Table 6.9 shows the forecast earnings for whole-time hired men (over the age of 20) to have increased from £203.80 for a 46.8 hour week in 1991 to £211.50 for a 46.6 hour week in 1992. The earnings figures include estimates of bonuses and of payments made by farmers towards employees' community charge. The forecasts for the last quarter of 1992 reflect increases in the statutory minimum wage for 1992/93 which averaged 4 per cent. The total cost of hired labour is derived by multiplying the numbers of different types of workers by the relevant earnings and adding on Employers' Liability and National Insurance and other payments such as Youth Training Scheme costs and redundancy payments. After taking account of the fall in the number of hired workers in the United Kingdom, the total cost of hired labour in 1992 is expected to rise by 1.4 per cent.

Interest (Table 6.10)

12. Details of interest charges payable on farmers' borrowings for current farming purposes and for investment in buildings and works are shown in Table 6.10. These interest payments are forecast to have fallen by £142 million between 1991 and 1992, to a figure of £741 million. This fall is mainly due to the decline in interest rates. The annual average rate paid by farmers on bank advances fell from 14.3 per cent in 1991 to an estimated 12.3 per cent in 1992. This fall combined with a decline in the level of bank lending from £5,760 million to £5,600 million, with only small offsetting increases in the levels of other forms of borrowing, resulted in the lowest overall interest bill for agriculture since 1988.

TABLE 6.1 Outputs, inputs and net product at current prices

£ million		Calendar years				
	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Outputs (a)						
Cereals:						
wheat	1,035	1,155	1,368	1,415	1,534	1,577
barley	852	627	647	599	592	603
oats	27	34	31	36	33	43
rye, mixed corn and triticale	3	3	3	4	4	3
other receipts (b)	-	2	2	1	2	2
1. Total cereals	1,917	1,821	2,052	2,055	2,165	2,229
Other crops:						
oilseed rape	139	242	271	343	318	258
sugar beet	221	239	250	272	274	307
hops	27	13	14	14	20	17
peas and beans for stockfeed	31	142	116	122	109	123
hay and dried grass	20	14	14	22	21	19
grass and clover seed	13	14	14	14	11	10
linseed	-	7	11	15	40	88
other minor crops (c)	16	43	34	37	40	41
2. Total other crops	467	713	725	839	832	863
3. Potatoes	438	402	492	510	491	442
Horticulture:						
vegetables (d)	652	1,019	1,071	1,139	1,098	1,030
fruit (d)	210	258	285	297	314	281
ornamentals	204	389	446	495	502	500
other (e)	4	7	7	6	6	7
4. Total horticulture	1,070	1,673	1,809	1,936	1,921	1,817
Livestock:						
finished cattle and calves	1,766	1,976	2,101	1,971	2,042	2,034
finished sheep and lambs	596	902	969	993	1,132	1,034
finished pigs	885	881	1,022	1,014	969	1,091
poultry (f)	597	821	844	901	900	919
other livestock (g)	78	109	117	122	125	139
other receipts (h)	6	1	1	...	...	...
5. Total livestock	3,928	4,692	5,053	5,000	5,168	5,217
Livestock products:						
milk	2,323	2,562	2,730	2,806	2,800	2,930
eggs (i)	493	405	408	467	439	437
clip wool	35	48	52	49	43	41
other (j)	18	20	31	31	31	33
6. Total livestock products	2,869	3,035	3,221	3,354	3,313	3,441
Own account capital formation (k):						
breeding livestock	8	33	42	31	-52	38
other assets	104	115	126	151	120	117
7. Total own account capital formation	112	148	168	182	68	155
8. Total output (1+2+3+4+5+6+7)	10,800	12,483	13,520	13,876	13,957	14,164
Other direct receipts:						
set-aside	-	-	10	19	26	37
milk quota cuts	-	57	74	65	79	61
milk outgoers	-	10	8	2	1	1
other receipts (l)	53	30	41	50	60	75
9. Total other direct receipts	53	97	132	136	167	175
10. Total receipts (8+9)	10,853	12,580	13,652	14,012	14,124	14,339

(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.

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

£ million

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Value of physical increase in work-in-progress(m) output stocks (m)	5 -13	-36 -10	-31 -67	-48 -8	-54 -1	14 42
11. Total value of physical increase	-8	-46	-98	-56	-55	57
12. Gross output (10 + 11)	10,845	12,534	13,553	13,956	14,069	14,395
Intermediate output (n) feed seed	702 117	577 131	553 137	479 142	570 138	638 135
13. Total intermediate output	818	709	689	621	708	774
14. Final output (12 - 13)	10,027	11,826	12,864	13,335	13,360	13,622
Inputs						
Expenditures (net of reclaimed VAT)						
Feedingstuffs: compounds straights other	1,862 485 136	1,833 775 172	1,919 736 149	2,029 627 159	2,059 588 158	2,113 607 164
15. Total feedingstuffs	2,483	2,780	2,804	2,816	2,804	2,884
Seeds: cereals other	121 127	125 155	126 165	121 181	122 172	115 173
16. Total seeds	248	280	291	301	294	288
Livestock: imported inter-farm expenses	56 128	57 144	37 148	36 136	26 130	20 136
17. Total livestock (imported and inter-farm expenses)	184	201	185	172	157	155
Fertilisers and lime: straights compounds lime other	306 438 37 19	284 347 36 31	298 376 42 33	303 375 42 36	262 295 38 36	223 263 35 37
18. Total fertilisers and lime	800	698	748	755	632	559
19. Pesticides	253	440	482	459	440	455
Machinery: repairs fuel and oil licences insurances other	368 383 25 40 10	579 258 33 70 15	606 263 32 72 16	645 299 32 73 18	705 311 35 82 20	752 297 35 99 21
20. Total machinery	826	955	989	1,067	1,153	1,204
Farm maintenance: (o) occupier landlord	165 47	239 62	262 61	279 59	298 59	302 59
21. Total farm maintenance	211	301	322	339	357	361

(e) Seeds, hedgerow fruits and nuts.

(f) Includes live poultry for export.

(g) Horses, breeding livestock exported, rabbits and game, knacker animals and other minor livestock.

(h) Guidance premium for beef and sheepmeat.

(i) Includes exports of eggs for hatching.

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

(k) This comprises the cost of that part of investment in buildings and works which is physically undertaken by the farmer or farm labour and the value of the physical increase in breeding livestock

(l) Includes animal disease compensation payments, co-operative society dividends and payments for grazing of horses.

(m) Work in progress is livestock other than breeding livestock. Output stocks comprise cereals, potatoes and some fruits.

(n) Sales included in output but subsequently re-purchased and also included within input.

TABLE 6.1 Outputs, Inputs and net product at current prices (continued)

£ million

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Miscellaneous expenditure:						
veterinary expenses and medicines	109	157	158	168	175	172
power and fuel (mainly electricity)	131	161	171	174	191	210
containers	86	130	139	136	140	148
sundry equipment	115	157	167	173	184	190
other (o) (p)	311	478	525	487	609	634
22. Total miscellaneous expenditure	751	1,083	1,160	1,138	1,298	1,354
23. Total expenditure (15+16+17+18+19+20+21+22)	5,755	6,738	6,980	7,048	7,135	7,259
Value of physical increase in stocks of:						
purchased feed	12	-23	-10	6	-14	2
fertilisers	-17	-72	14	4	-11	-6
24. Total value of physical increase in input stocks	-6	-95	4	10	-25	-4
25. Gross input (23 - 24)	5,761	6,834	6,976	7,038	7,160	7,264
26. Net input (25 - 13)	4,942	6,125	6,287	6,417	6,452	6,490
27. Gross product (12-25) or (14-26)	5,085	5,701	6,577	6,918	6,909	7,132
Depreciation:						
buildings and works:						
landlord (o)	75	87	94	99	94	89
other	381	524	577	620	601	580
plant, machinery and vehicles	809	975	1,026	1,040	1,051	1,034
28. Total depreciation	1,265	1,586	1,696	1,759	1,745	1,702
29. Net product (27 - 28)	3,820	4,115	4,881	5,159	5,163	5,429
30. Interest (q)	526	702	946	1,052	883	741
31. Net rent (o)	106	154	142	131	135	141
32. Income from agriculture of total labour input (29-30-31)	3,188	3,259	3,793	3,976	4,144	4,547
Hired labour (r)						
wages and salaries	1,078	1,330	1,376	1,490	1,549	1,572
insurances	126	108	115	124	133	135
other	5	11	12	12	11	10
33. Total hired labour (r)	1,209	1,449	1,503	1,626	1,693	1,716
34. Total income from farming (32-33)	1,980	1,810	2,290	2,350	2,452	2,831
35. Labour: family, partners and directors (s)	576	800	817	881	966	994
36. Farming income (t) (34-35)	1,403	1,010	1,473	1,469	1,486	1,837

(o) 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.

(p) Including fees, insurance, telephones, and drainage, water and local authority rates (but see reference to farm cottages at (r) below).

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

(r) 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).

(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

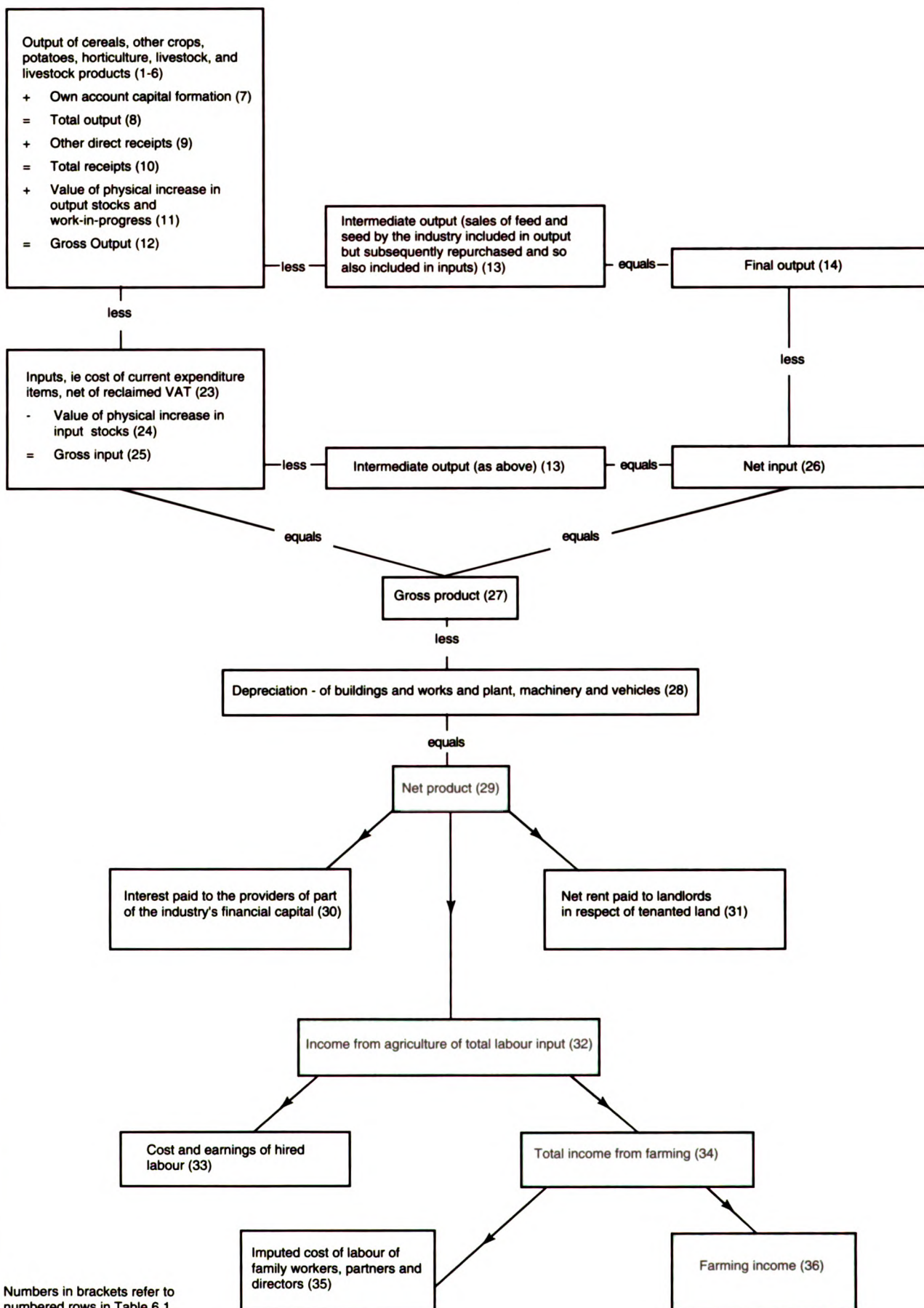


TABLE 6.2 Outputs, inputs and net product at constant (1985) prices

£ million

Calendar years

	Average of 1981-83(a)	1988	1989	1990	1991	1992 (forecast)
Outputs (b)						
Cereals:						
wheat	1,006	1,242	1,458	1,444	1,471	1,450
barley	696	639	642	580	578	554
oats	27	32	32	34	32	38
rye, mixed corn and triticale	3	3	3	4	4	3
1. Total cereals	1,737	1,917	2,135	2,061	2,084	2,045
Other crops:						
oilseed rape	135	286	268	345	351	320
sugar beet	246	245	244	237	230	273
hops	23	12	12	11	14	12
peas and beans for stockfeed	32	157	119	130	111	114
hay and dried grass	21	20	19	22	22	23
grass and clover seed	20	20	23	24	19	17
linseed	-	7	10	18	41	83
other minor crops (c)	17	32	28	28	28	29
2. Total other crops	496	778	722	815	817	870
3. Potatoes	295	288	285	278	268	300
Horticulture:						
vegetables (d)	745	896	900	868	875	916
fruit (d)	230	208	250	227	216	231
ornamentals	259	272	279	289	291	281
other (e)	5	7	7	6	6	7
4. Total horticulture	1,240	1,383	1,436	1,390	1,387	1,437
Livestock:						
finished cattle and calves	1,845	1,705	1,757	1,803	1,850	1,760
finished sheep and lambs	689	836	941	961	1,022	964
finished pigs	960	1,004	929	938	979	976
poultry (f)	651	867	837	860	905	906
other livestock (g)	98	96	95	94	92	106
5. Total livestock	4,245	4,507	4,559	4,655	4,847	4,713
Livestock products:						
milk	2,477	2,251	2,219	2,268	2,196	2,183
eggs (h)	552	443	394	409	419	412
clip wool	40	50	54	54	52	51
other (i)	19	18	24	27	22	23
6. Total livestock products	3,089	2,762	2,692	2,759	2,688	2,669
Own account capital formation (j):						
breeding livestock	8	32	38	27	-37	28
other assets	131	101	101	113	90	91
7. Total own account capital formation	139	133	139	140	53	120
8. Total output (1+2+3+4+5+6+7)	11,263	11,767	11,967	12,098	12,144	12,152
9. Total other direct receipts	56	82	94	89	106	97
10. Total receipts (8+9)	11,319	11,849	12,062	12,187	12,250	12,249
Value of physical increase in:						
work-in-progress (k)	6	-36	-29	-43	-34	-2
output stocks (k)	-14	-9	-60	-6	...	34
11. Total value of physical increase	-8	-45	-89	-50	-34	32
12. Gross output (10+11)	11,299	11,805	11,973	12,137	12,216	12,281

TABLE 6.2 Outputs, inputs and net product at constant (1985) prices (continued)

£ million		Calendar years				
	Average of 1981-83(a)	1988	1989	1990	1991	1992 (forecast)
Intermediate output (I) :						
feed	576	596	572	464	550	567
seed	116	124	117	113	108	103
13. Total intermediate output	692	720	689	576	658	669
14. Final output (12-13)	10,618	11,084	11,284	11,561	11,558	11,612
Inputs						
Expenditures (net of reclaimed VAT):						
feedingstuffs	2,634	2,669	2,587	2,558	2,498	2,518
seeds	248	264	248	240	230	218
livestock (imported and inter-farm expenses)	205	204	186	173	151	136
fertilisers and lime	873	847	923	910	782	731
pesticides	275	399	418	362	311	307
machinery: repairs	471	500	498	491	501	505
fuel and oil	483	432	409	402	407	405
other	38	85	84	82	81	81
farm maintenance (m)	263	268	268	270	278	278
miscellaneous expenditure (m)(n)	895	904	916	847	891	907
15. Total expenditure	6,418	6,570	6,536	6,335	6,131	6,087
16. Total value of physical increase in input stocks	-1	-103	9	10	-28	-8
17. Gross input (15-16)	6,411	6,673	6,527	6,325	6,159	6,095
18. Net input (17-13)	5,726	5,952	5,838	5,748	5,501	5,425
19. Gross product (12-17) or (14-18)	4,855	5,132	5,446	5,813	6,057	6,186
20. Total depreciation (m)	1,394	1,389	1,399	1,320	1,271	1,240
21. Net product (19-20)	3,455	3,743	4,047	4,493	4,786	4,946

- (a) For 1981 and 1982 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) 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 and other minor livestock and the guidance premium for beef and sheep meat.
- (h) Includes exports of eggs for hatching.
- (i) Honey, goats milk, and minor livestock products.
- (j) This comprises the cost of that part of investment in buildings and works which is physically undertaken by the farmer or farm labour and the value of the physical increase in breeding livestock.
- (k) Work in progress is livestock other than breeding livestock. Output stocks comprise cereals, potatoes and some fruits.
- (l) Sales included in output but subsequently re-purchased and so reappearing as input.
- (m) Landlords' expenses are included within farm maintenance, miscellaneous expenditure and depreciation of buildings and works.
- (n) Including fees, insurance, telephones, and drainage, water and local authority rates.

TABLE 6.3 Changes in outputs and inputs

	Change between 1991 and 1992 (forecast)			
	Total Change £ million	Percentage	Percentage change in Price	Percentage change in Quantity
Outputs				
Cereals	64	2.9	4.9	-1.9
Other crops	32	3.8	-2.5	6.4
Potatoes	-49	-9.9	-19.4	11.7
Horticulture	-104	-5.4	-8.7	3.6
Livestock	49	1.0	3.8	-2.8
Livestock products	128	3.9	4.6	-0.7
Other items (a)	207	..	..	..
Gross output	327	2.3	1.8	0.5
Inputs				
Feedingstuffs	80	2.8	2.0	0.8
Seeds	-6	-2.0	3.4	-5.2
Livestock	-1	-0.7	10.8	-10.4
Fertilisers and lime	-73	-11.6	-5.3	-6.6
Pesticides	15	3.3	4.6	-1.2
Machinery (total current expenses)	51	4.4	4.3	0.2
Farm maintenance	3	0.9	1.0	-0.1
Miscellaneous (inc vets and electricity)	56	4.3	2.4	1.9
Other items (b)	21	..	..	..
Gross input	104	1.4	2.5	-1.0
Gross product	223	3.2	1.1	2.1
Net product	266	5.2	1.8	3.3

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

(b) Covers value of the physical increase of feed and fertiliser stocks.

TABLE 6.4 Output volume and productivity

Year	Calendar years: 1985 = 100		
	Gross output (as defined in Table 6.1) at constant 1985 prices	Gross product (as defined in Table 6.1) at constant 1985 prices per whole-time man equivalent (a)	Gross output per unit of all inputs (including fixed capital and labour), at constant 1985 prices
1981	91.2	84.6	92.8
1982	97.3	90.9	95.4
1983	95.9	85.3	92.6
1984	103.2	105.4	102.5
1985	100.0	100.0	100.0
1986	100.4	102.2	101.1
1987	99.4	101.1	100.8
1988	99.0	101.3	100.9
1989	100.4	110.3	104.8
1990	101.8	120.1	110.0
1991	102.5	129.4	114.4
1992 (forecast)	103.0	134.3	118.2

(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 1991 and 1992 (forecast)

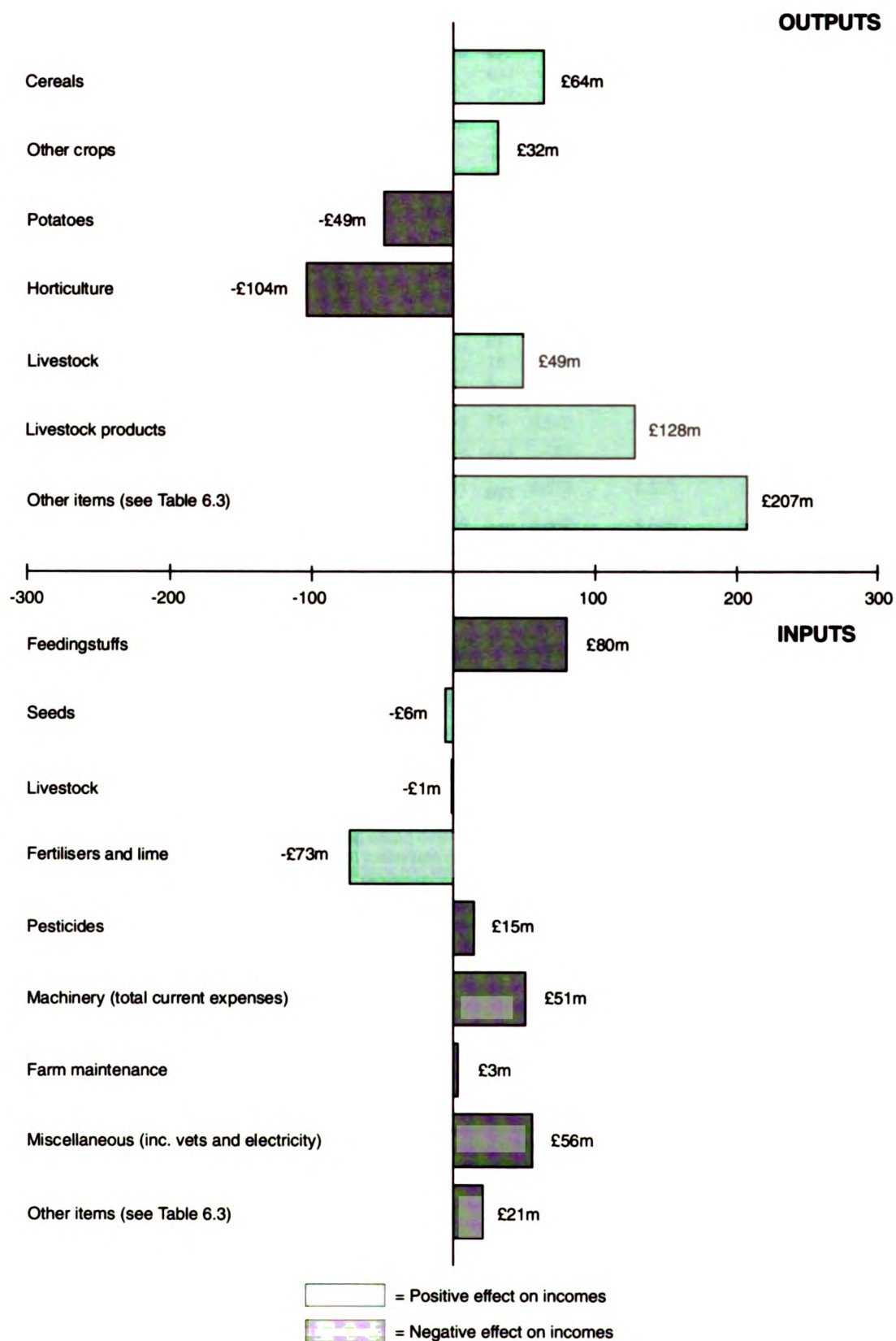


TABLE 6.5 Summary measures from the aggregate agricultural account

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						
1981	3,570	2,969	1,846	1,323	2,220	1,697
1982	4,088	3,437	2,226	1,650	2,395	1,819
1983	3,801	3,159	1,866	1,237	2,024	1,395
1984	4,748	4,013	2,689	2,043	2,803	2,157
1985	3,964	3,067	1,647	948	2,183	1,484
1986	4,346	3,492	2,104	1,365	2,535	1,796
1987	4,374	3,564	2,169	1,404	2,929	2,165
1988	4,115	3,259	1,810	1,010	2,371	1,571
1989	4,881	3,793	2,290	1,473	2,905	2,088
1990	5,159	3,976	2,350	1,469	2,936	2,055
1991	5,163	4,144	2,452	1,486	3,298	2,332
1992 (forecast)	5,429	4,547	2,831	1,837	3,416	2,422
Indices in real terms (deflated by RPI: 1985=100)						
1981	113.9	122.4	141.7	176.5	128.6	144.6
1982	120.1	130.4	157.3	202.6	127.7	142.7
1983	106.8	114.7	126.2	145.3	103.2	104.6
1984	127.0	138.8	173.1	228.5	136.2	154.1
1985	100.0	100.0	100.0	100.0	100.0	100.0
1986	106.0	110.1	123.5	139.2	112.3	117.0
1987	102.5	107.9	122.2	137.5	124.6	135.4
1988	91.9	94.0	97.2	94.3	96.1	93.7
1989	101.1	101.6	114.1	127.6	109.2	115.5
1990	97.6	97.3	107.0	116.2	100.9	103.9
1991	92.2	95.7	105.4	111.0	107.0	111.3
1992 (forecast)	93.6	101.3	117.4	132.3	106.9	111.5

TABLE 6.6 Eurostat income indicators

Year	Calendar years		
	Indicator 1 (a)	Indicator 2 (a)	Indicator 3 (a)
	Net value added at factor cost of total labour input	Net income from agricultural activity of total labour input	Net income from agricultural activity of family labour input
Indices in real terms (deflated by the GDP price index and per annual work unit; 1984/6 = 100)			
1981	97.2	99.7	105.3
1982	104.3	108.2	118.2
1983	93.0	95.4	94.7
1984	112.9	117.7	130.5
1985	89.9	85.9	75.8
1986	97.2	96.4	93.6
1987	95.7	96.3	94.5
1988	86.0	84.0	74.9
1989	97.9	93.9	90.2
1990	98.8	94.0	89.0
1991	95.8	94.9	89.3
1992 (forecast)	97.9	101.2	99.4

(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

Indices (deflated by RPI: 1985=100)

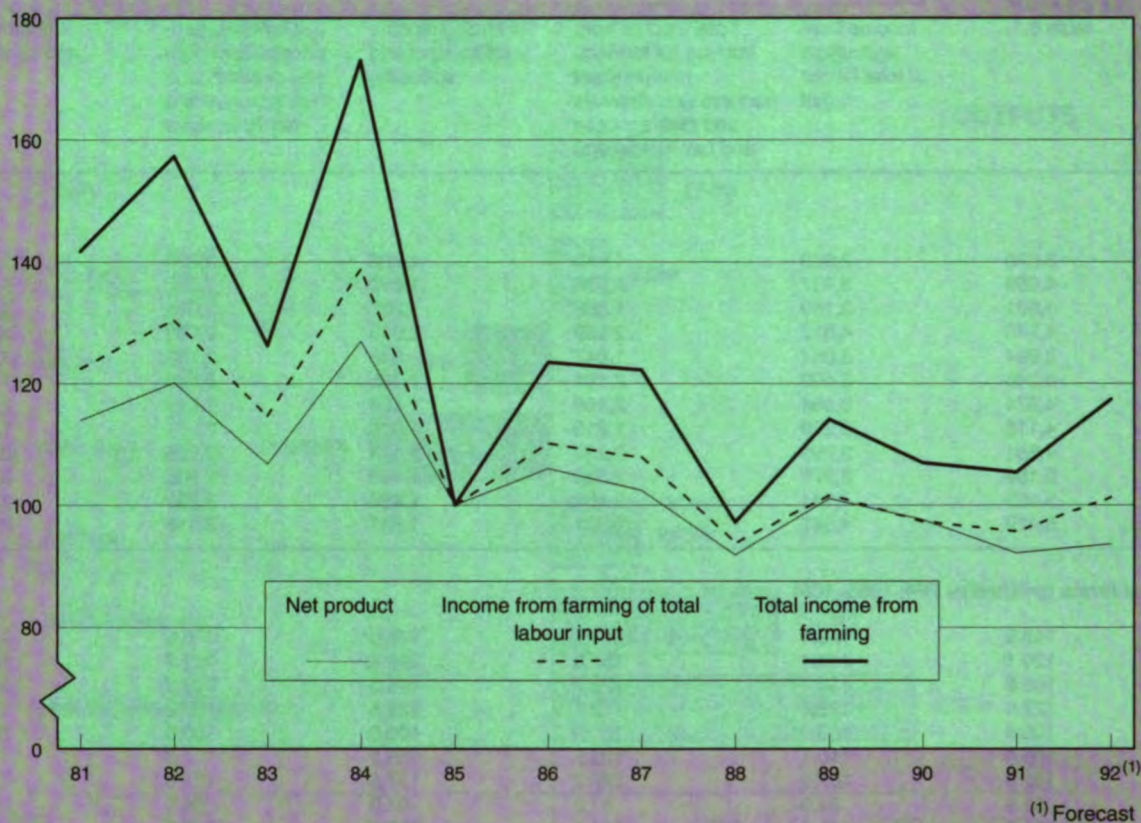


CHART 6.4 Eurostat indicators 1, 2 and 3

Indices (as defined in Table 6.6)

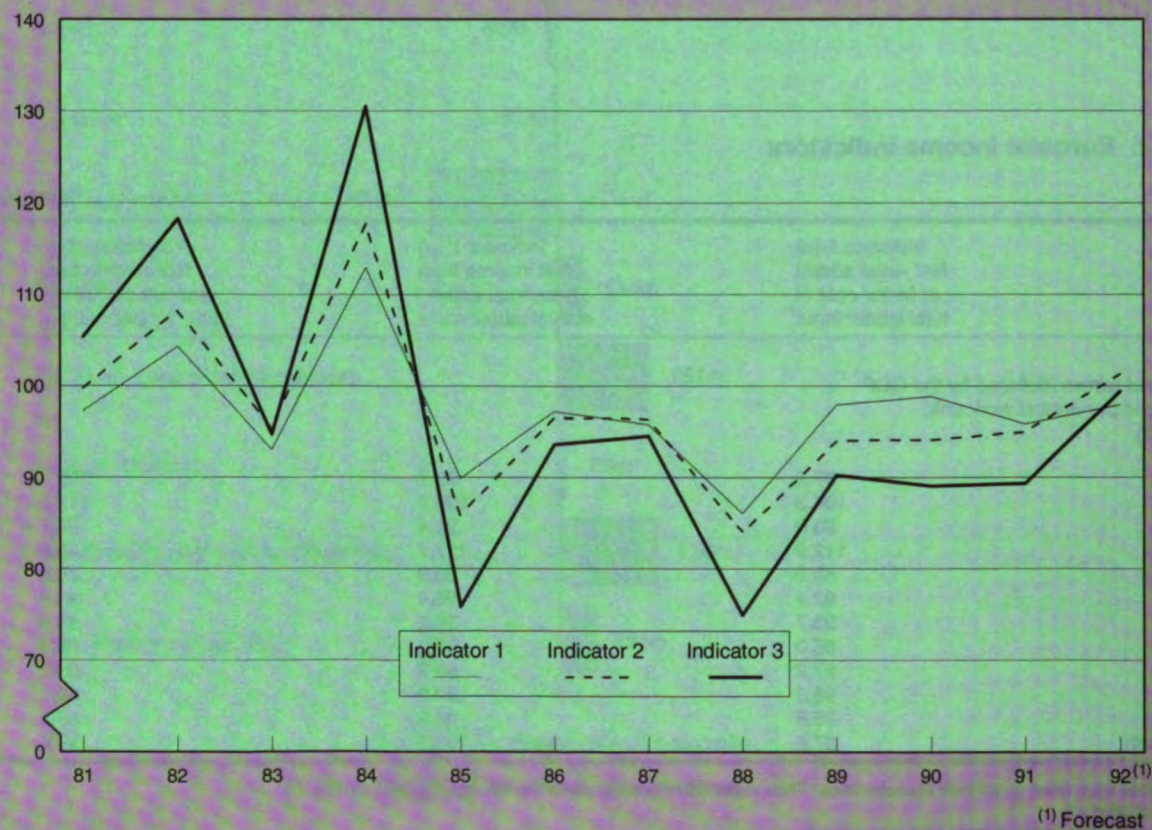


TABLE 6.7 Gross capital formation

£ million

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Gross capital formation at current prices						
Gross fixed capital formation:						
buildings and works	593	447	473	545	434	..
plant and machinery	481	538	489	431	394	..
vehicles	112	140	161	201	191	..
Total	1,186	1,125	1,123	1,177	1,018	..
Breeding livestock capital formation:						
cattle	1	23	15	19	-43	27
sheep	9	22	25	9	-11	9
pigs	-2	-12	2	3	2	2
Total	8	33	42	31	-52	38
Gross capital formation	1,194	1,158	1,165	1,209	967	..
Gross capital formation at constant 1985 prices						
Gross fixed capital formation:						
buildings and works	611	380	367	408	326	..
plant and machinery	541	474	395	332	289	..
vehicles	134	112	120	139	122	..
Total	1,286	965	882	878	737	..
Breeding livestock capital formation	8	32	38	27	-37	28
Gross capital formation	1,295	997	920	905	700	..

TABLE 6.8 Stocks and work in progress

£ million

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Increase in book value of stocks and work in progress	236	25	14	110	-8	64
Stock appreciation	249	166	109	156	72	12
Value of physical increase in stocks and work in progress:						
at current prices	-13	-141	-95	-46	-80	52
at constant (1985) prices	-23	-147	-80	-39	-62	24
Details at current prices:						
Output stocks:						
wheat	23	-12	1	9	11	...
barley	-13	-3	-47	-10	-3	-7
oats	-3	4	-1	1	...	-2
potatoes	-20	3	-25	1	-9	47
fruit	-1	-2	4	-8	...	4
Total	-13	-10	-67	-8	-1	42
Work in progress:						
cattle	5	-34	-5	-51	-21	-21
sheep	2	8	-6	3	-38	36
pigs	...	-8	-10	-1	4	...
poultry	-1	-2	-10	...	1	-1
Total	5	-36	-31	-48	-54	14
Input stocks:						
feedingstuffs	12	-23	-10	6	-14	2
fertilisers	-17	-72	14	4	-11	-6
Total	-5	-95	4	10	-25	-4

TABLE 6.9 Costs and earnings of hired labour

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Hired labour costs (£ million)						
Wages and salaries (a)	1,078	1,330	1,376	1,490	1,549	1,572
Insurance payments	126	108	114	124	133	134
Other payments (b)	5	11	12	12	11	10
Total	1,209	1,449	1,503	1,626	1,693	1,716
Hours and earnings of regular whole-time male workers, 20 years and over						
Hours per week (c)	46.8	46.6	46.6	46.7	46.8	46.6
Earnings per week (£) (d)	106.1	155.1	167.4	186.1	203.8	211.5
Index of earnings in real terms, (deflated by the RPI, 1985 = 100)	93.1	102.3	102.5	104.1	107.7	107.5

(a) Includes perquisites.

(b) Includes redundancy payments and Youth Training Scheme.

(c) All hours worked and statutory holidays.

(d) Includes pay for statutory holidays, employers' contribution to employees' community charge and payments in kind for houses, board and lodging and milk which are valued at rates set down by the Agricultural Wages Boards.

TABLE 6.10 Interest

£ million (unless otherwise specified)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
Interest rates						
average bank base lending rate in the UK (percentage)	11.6	10.1	13.9	14.8	11.7	9.6
average rate of interest on bank advances to agriculture (percentage)	14.0	12.5	16.2	17.1	14.3	12.3
Interest charges (for current farming purposes and building and works) on:						
bank advances	477	636	881	978	826	687
AMC loans	5	7	9	15	20	19
instalment credit	21	34	48	54	48	47
leased assets	30	54	55	56	47	37
other credit (a)	3	4	5	6	5	5
less interest on deposits (b)	10	31	51	58	63	54
Total	526	702	946	1,052	883	741

(a) This includes interest paid on loans from the Agricultural Credit Corporation and from private sources.

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

7 Farm rents, land prices and balance sheets

Introduction

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

Farm rents (Table 7.1)

2. Table 7.1 shows 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 1992 suggest an increase in average rents in Wales and Scotland of about 4.3 and 4.5 per cent respectively. In England average rent is estimated to have risen in 1992 by about 0.5 per cent and for Great Britain as a whole it has increased by a little over one per cent.

Agricultural land prices (Table 7.2)

3. The agricultural 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 substantial variation from year to year and in the case of the unweighted averages shown here may vary with size and type of lot sold in the year concerned.

4. The average price of land is forecast to fall in 1992 in all countries except Northern Ireland where it is expected to increase by about 5.6 per cent. In the tenanted sector average prices are expected to fall by about 2.6 per cent in England and 3.3 per cent in Scotland. Average prices of land with vacant possession are forecast to decline by about 2.2, 4.7 and 5.5 per cent in Scotland, England and Wales respectively. Chart 7.1 plots the vacant possession price for England since 1981 in both current prices and real terms.

Balance sheet (Table 7.3)

5. Estimates of the aggregate balance sheet at current prices shown in Table 7.3 indicate a forecast fall in the total value of assets (net of depreciation) of about 5.5 per cent in 1992. This is largely due to a fall in the value of land and buildings. The total value of liabilities is forecast to fall by about 3.7 per cent and the industry's net worth is expected to decline by around 5.8 per cent. In real terms net worth is expected to fall by about 8.9 per cent in 1992. Chart 7.2 shows the development (in real terms) of the main aggregates of the balance sheet since 1981.

TABLE 7.1 Farm rents

Average farm rents per hectare

Index numbers (1985=100)

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (provisional)
England	75.4	110.8	111.2	112.6	114.2	114.8
Wales	71.1	108.5	112.1	115.5	119.2	124.3
Scotland	75.1	112.3	113.3	116.2	122.5	128.0
Great Britain (a)	75.1	110.7	111.4	113.0	115.1	116.4

(a) Virtually all land in Northern Ireland is owner-occupied.

TABLE 7.2 Agricultural land prices

£ per hectare

Calendar years

	Average of 1981-83	1988	1989	1990	1991	1992 (forecast)
England (a)						
With vacant possession	3,625	4,220	4,746	4,683	4,198	4,000
Tenanted	2,448	3,061	2,135	2,131	2,053	2,000
Wales (a)						
With vacant possession	2,392	3,693	3,909	3,145	3,386	3,200
Scotland (a) (b)						
With vacant possession	1,860	1,911	2,504	2,807	2,863	2,800
Tenanted	1,204	856	873	1,226	1,251	1,210
Northern Ireland (a) (b)						
With vacant possession	2,816	2,855	3,359	3,464	3,455	3,650

(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.

(b) For Scotland and Northern Ireland figures for the most recent years are based on sales notified up to June and September 1992 respectively.

TABLE 7.3 Aggregate balance sheets for agriculture

£ million

As at December each year

	Average of 1981-83	1988	1989	1990	1991 (provisional)	1992 (forecast)
At current prices						
Assets						
Fixed (a):						
Land and buildings (b)	37,350	40,050	47,800	41,800	40,450	37,900
Plant, machinery and vehicles	4,300	5,000	5,250	5,250	5,150	5,000
Breeding livestock	3,850	3,600	4,050	3,850	3,950	3,650
Total fixed	45,500	48,700	57,050	50,800	49,500	46,500
Current:						
Trading livestock	2,650	2,850	2,900	2,650	2,650	2,700
Crops and stores	2,350	2,200	2,400	2,450	2,350	2,300
Debtors, cash deposits	1,350	2,100	2,400	2,650	3,050	2,950
Total current	6,350	7,150	7,700	7,750	8,050	7,900
Total Assets	51,850	55,850	64,750	58,550	57,550	54,400
Liabilities						
Long and medium term:						
Bank loans	1,100	1,500	1,600	1,500	1,550	1,500
Other	850	1,250	1,350	1,600	1,800	1,850
Total long and medium term	1,950	2,750	2,900	3,150	3,350	3,300
Short term:						
Bank overdraft	3,000	4,500	4,800	5,050	5,000	4,750
Other	1,350	1,950	2,250	2,350	2,400	2,250
Total short term	4,350	6,500	7,100	7,400	7,400	7,050
Total Liabilities	6,300	9,200	10,000	10,550	10,750	10,350
Net worth	45,500	46,600	54,750	48,050	46,800	44,100
Indices in real terms (deflated by RPI, Dec 1985=100)						
Total assets	120	97	104	86	81	75
Total liabilities	89	98	98	95	93	87
Net worth	136	96	105	84	79	72

(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

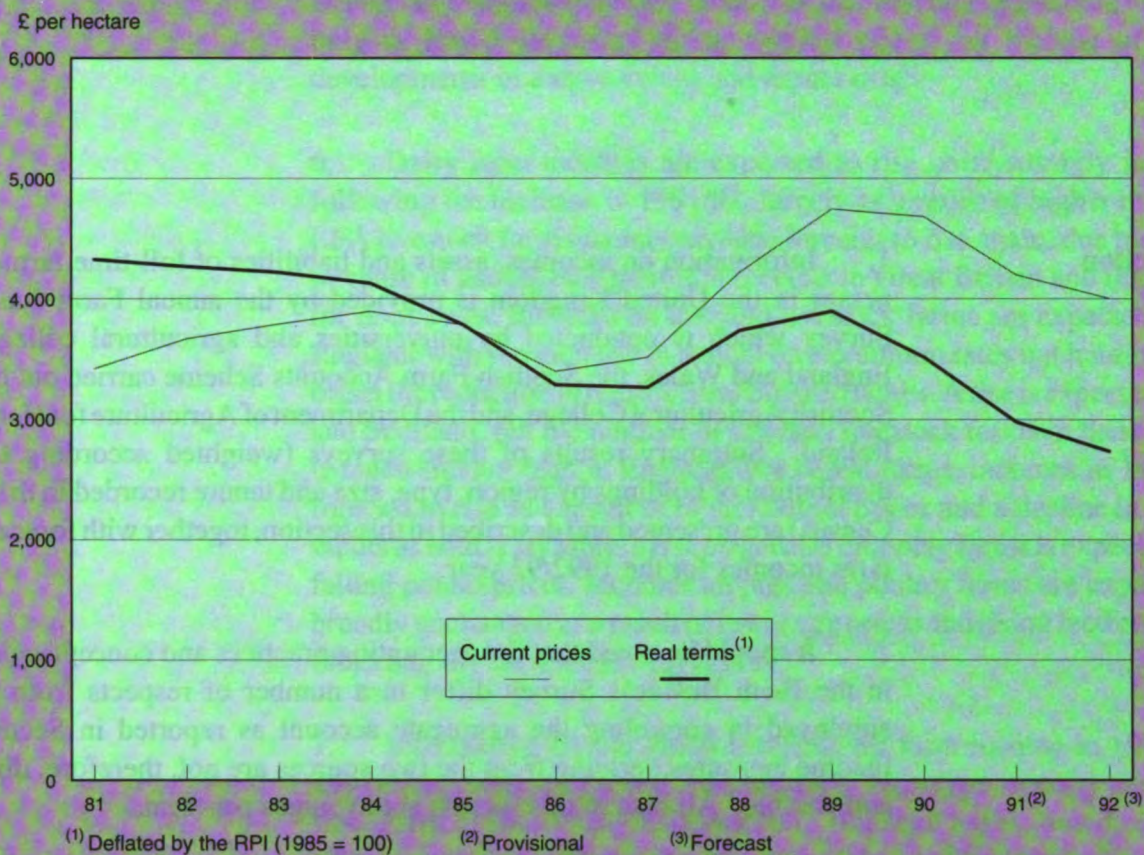
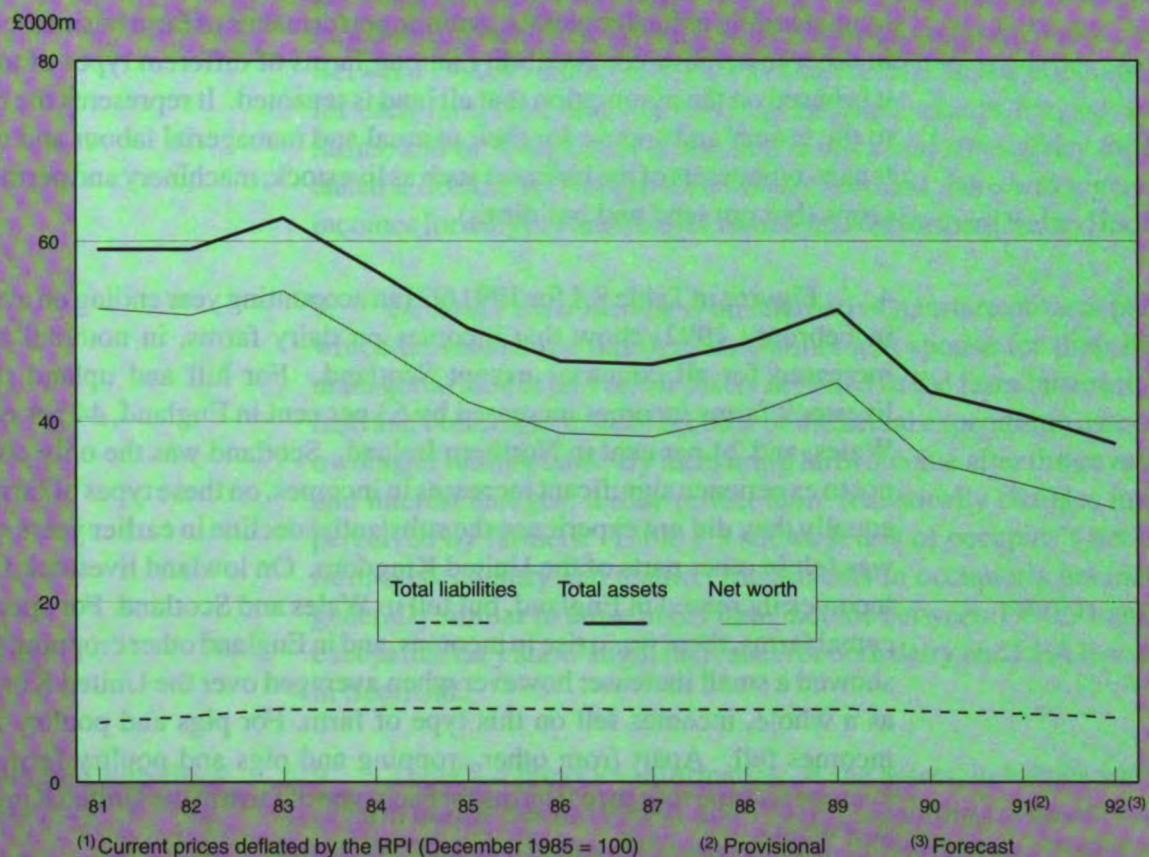


CHART 7.2 United Kingdom agricultural assets, liabilities and net worth in real terms⁽¹⁾



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 Survey which is conducted by universities and agricultural colleges in England and Wales, the Scottish Farm Accounts Scheme carried out by the Scottish Agricultural College, and the Department of Agriculture for Northern Ireland. Summary results of these surveys (weighted according to the distribution of holdings by region, type, size and tenure recorded in the June Census) are presented and described in this section, together with forecasts of farm incomes for the 1992/93 year.

2. It should be noted that the accounting practices and concepts adopted in the Farm Business Survey 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. 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 main farm types, are shown 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 livestock, machinery and permanent crops (but not land and buildings).

4. Figures in Table 8.1 for 1991/92 (an accounting year ending on average in February 1992) show that incomes on dairy farms, in nominal terms, increased for all countries except Scotland. For hill and upland (LFA) livestock farms incomes increased by 63 per cent in England, 44 per cent in Wales, and 24 per cent in Northern Ireland. Scotland was the only country not to experience significant increases in incomes, on these types of farm, but equally they did not experience the substantial decline in earlier years which was felt in other parts of the United Kingdom. On lowland livestock farms, incomes increased in England, but fell in Wales and Scotland. For specialist cereal farms, there was a rise in incomes, and in England other cropping farms showed a small increase; however when averaged over the United Kingdom as a whole, incomes fell on this type of farm. For pigs and poultry farms incomes fell. Apart from other cropping and pigs and poultry farms, the average income rose in real terms for each type of farm in the United Kingdom as a whole.

5. Forecasts of net farm income for 1992/93 are based on information from a wide variety of sources and assume normal weather patterns between December 1992 and February 1993. The income forecasts should be regarded only as broad indicators of the overall effects on income of expected developments in output values and input costs.

6. Dairy farm incomes are expected to rise quite strongly in 1992/93, following the increase in 1991/92, largely as a result of higher milk prices. LFA livestock farm incomes are also forecast to rise again, due mainly to an increase in annual ewe premium receipts in Great Britain and higher prices for draft ewes. Incomes on lowland livestock farms are expected to fall in England with the increase in annual ewe premium rates not being enough to offset the reduction in returns from finished lambs. A rise is expected in Wales and Scotland, but the number of lowland livestock farms in these countries is much smaller than in England. For cereal farms, incomes in 1992/93 are forecast to rise as a result of higher output prices and a decline in the use of inputs as land is set aside; a rise on general cropping farms is expected despite falling potato prices. Incomes on pigs and poultry farms are expected to be broadly unchanged as a result of lower egg prices and rising feed costs almost offsetting the increases in pig prices.

7. Information on the actual levels of net farm income in 1990/91 and 1991/92 is shown in Table 8.2 according to farm type, country and business size. Farm business size is measured in financial terms, based on standard gross margins per hectare of crops and per head of livestock. For each size group, pigs and poultry and dairy farms generally have the highest incomes, although they were also relatively high (over £35,000) on large cropping farms in England, and on large LFA livestock farms in Wales, in 1991/92. Between 1990/91 and 1991/92, the average level of net farm income increased for each farm type and size group in England, except for pigs and poultry farms, and in Wales, only lowland livestock and small dairy farms experienced a decline in average income. In Scotland there was a general fall in incomes for all types and sizes of farm while in Northern Ireland incomes rose.

8. *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 levels of occupier's net income by farm type, country and tenure. Movements in occupier's net income were generally similar to those in net farm income between 1990/91 and 1991/92, except that they show slight increases for both dairy and LFA livestock farms in Scotland.

Assets and liabilities (Table 8.4)

9. Table 8.4 provides information on the assets, liabilities and net worth of farm businesses in 1990/91 and 1991/92, according to country and type of tenure. The values of total assets per farm in England and Wales, in nominal terms, were largely unchanged in 1991/92 bringing to an end the upward trend

seen over recent years. The main exceptions to this static position were a small increase for tenanted farms in England and a small decrease for tenanted farms in Wales. Tenanted farms in Scotland and owner-occupied farms in Scotland and Northern Ireland showed a small increase in total assets. The value of fixed assets per farm moved in line with the small changes in total assets, except that they showed a small fall for mixed tenure farms in England. External liabilities increased or were unchanged for each tenure type and country, except for tenanted farms in England, and tenanted and mixed farms in Wales. Average net worth showed a very slight fall in England and Wales despite a small increase for tenanted farms in England. Net worth increased slightly in Scotland and Northern Ireland.

10. External liabilities, expressed as a percentage of total assets, gives an indication of indebtedness. This ratio (based on closing valuations) was largely unchanged from 1990/91 to 1991/92 for each tenure type and country, although for tenanted farms in Wales it fell from 18 per cent to 16 per cent.

TABLE 8.1 Net farm income by country and farm type

Indices of average net farm income per farm (1989/90-91/92=100)		Accounting years ending on average in February				
Country and farm type	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93 (forecast)
At current prices						
England:						
Dairy	95	121	112	89	99	120
Hill and upland (LFA) livestock	127	156	104	74	122	130
Lowland livestock	222	191	83	39	178	130
Cereals	29	23	74	101	125	155
Other cropping	39	37	98	100	102	115
Pigs and poultry	49	29	118	106	76	80
Wales:						
Dairy	94	115	115	91	95	115
Hill and upland (LFA) livestock	120	169	106	79	114	140
Lowland livestock	..	..	175	82	42	95
Scotland:						
Dairy	71	101	119	94	88	95
Hill and upland (LFA) livestock	96	108	103	102	96	105
Lowland livestock	94	112	98	120	82	100
Cropping	80	41	119	127	54	125
Northern Ireland:						
Dairy	123	144	134	73	93	115
Hill and upland (LFA) livestock	222	190	101	89	110	180
United Kingdom:						
Dairy	95	121	115	88	97	115
Hill and upland (LFA) livestock	118	144	104	86	110	130
Lowland livestock	239	223	103	68	130	115
Cereals	34	25	78	104	118	165
Other cropping	41	37	99	102	99	115
Pigs and poultry	49	29	118	106	76	80
In real terms (deflated by the RPI)						
United Kingdom:						
Dairy	116	140	123	86	90	105
Hill and upland (LFA) livestock	145	168	112	85	103	115
Lowland livestock	295	260	111	67	122	105
Cereals	43	29	85	103	111	150
Other cropping	50	44	107	100	93	100
Pigs and poultry	59	34	126	103	71	70

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

Farm type and country		With comparative data on average farm area and number of holdings										Accounting years ending on average in February				
		Farm Business Survey data (a)										Census data (b)				
		Net farm income (£'000 per farm)					Average farm area including rough grazing (hectares per farm) 1991/92					Number of holdings at June 1991				
		Small		Medium		Large		All size groups			Small	Medium	Large	Small	Medium	Large
		1990/91	1991/92	1990/91	1991/92	1990/91	1991/92	1990/91	1991/92	1991/92						
Dairy:																
England		9.5	10.8	16.5	17.8	35.6	40.5	19.6	21.8	35	65	143	5,504	11,274	5,189	
Wales		10.0	8.8	18.6	20.9	49.4	50.8	19.4	20.2	28	64	123	1,854	2,364	627	
Scotland		..	..	16.9	15.5	30.8	29.4	22.8	21.3	..	71	146	142	1,187	1,074	
N. Ireland		4.8	6.2	14.7	18.9	..	..	8.4	10.8	37	72	..	3,558	2,015	257	
LFA livestock:																
England		1.9	4.1	9.0	14.6	15.8	21.6	6.2	10.1	81	247	508	4,354	3,145	1,033	
Wales		4.1	7.2	12.2	14.8	23.4	39.5	8.5	12.3	74	214	551	5,139	3,332	683	
Scotland		5.6	5.5	12.2	11.1	21.6	20.6	9.7	9.1	257	428	915	4,897	3,296	953	
N. Ireland		2.6	3.0	..	..	..	..	3.0	3.8	76	..	..	4,045	340	34	
Lowland livestock:																
England		-1.3	0.5	3.2	5.9	10.4	17.2	0.7	3.0	61	101	185	10,439	3,645	1,121	
Wales		..	..	..	..	..	..	4.4	2.3	..	..	..	1,224	338	76	
Scotland		..	..	10.3	7.6	..	..	12.4	8.5	..	90	..	362	489	237	
Cropping:																
England		1.2	2.8	9.6	10.8	34.8	35.5	19.7	20.7	45	81	256	9,295	10,917	13,949	
Scotland		..	..	8.9	5.0	34.0	15.3	16.2	6.9	..	82	193	774	1,547	1,438	
Pigs and poultry:																
England		16.4	10.9	22.6	15.1	72.2	54.2	35.6	25.6	13	21	65	1,812	1,595	1,506	

(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 4 BSU 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)										Census data (b)					
	Occupier's net income (£'000 per farm)					Average farm area including rough grazing (hectares per farm) 1991/92					Number of holdings at June 1991					
	Tenanted		Mixed tenure		All types of tenure		Owner-occupied		Tenanted		Owner-occupied		Tenanted		Mixed tenure	
	1990/91	1991/92	1990/91	1991/92	1990/91	1991/92	1990/91	1991/92	1990/91	1991/92	1990/91	1991/92	1990/91	1991/92	1990/91	1991/92
Dairy:																
England	15.3	17.7	12.8	17.1	18.9	21.7	15.9	18.9	72	70	91	9,796	5,251	6,920		
Wales	14.3	15.9	16.7	14.9	21.0	23.1	16.3	17.4	55	48	73	2,833	790	1,222		
Scotland (c)	21.9	23.0	..	..	..	..	19.7	21.4	98	..	..	1,753	650	..		
N. Ireland (d)	4.9	7.4	..	..	..	..	..	..	50	..	..	5,830	..	..
LFA livestock:																
England	1.4	5.6	3.0	8.2	7.7	12.0	3.5	8.0	129	288	231	4,068	1,994	2,470		
Wales	5.8	10.8	5.6	7.4	6.4	10.9	5.9	10.4	153	125	192	5,718	1,220	2,216		
Scotland (c)	6.9	7.1	9.0	9.1	..	..	7.7	7.9	256	571	..	5,646	3,500	..		
N. Ireland (d)	1.2	2.0	..	..	..	..	..	..	85	..	..	4,419	..	..
Lowland livestock:																
England	0.7	4.6	0.2	1.5	1.9	5.2	0.9	4.4	75	87	87	8,920	2,616	3,669		
Wales	..	..	..	..	..	..	6.4	3.8	..	..	..	959	300	379		
Scotland (c)	8.3	9.2	..	..	..	..	10.1	9.7	86	..	..	743	345	..		
Cropping:																
England	16.8	18.5	11.9	15.2	23.3	25.0	17.9	20.0	145	145	174	14,233	7,981	11,947		
Scotland (c)	17.0	7.6	14.3	8.0	..	..	16.0	7.8	111	129	..	2,336	1,423	..		
Pigs and poultry:																
England	26.9	18.0	..	..	44.3	23.0	27.9	19.0	23	..	79	3,515	506	892		

(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 4 BSU 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

Closing valuations		Accounting years ending on average in February									
£'000 per farm		Owner-occupied		Tenanted		Mixed tenure		All types of tenure			
		1990/91	1991/92	1990/91	1991/92	1990/91	1991/92	1990/91	1991/92	1990/91	1991/92
England											
Total assets		556.7	555.0	155.9	159.1	551.4	552.4	475.0	475.1	475.0	475.1
of which: fixed assets		500.1	497.1	99.4	99.1	477.3	474.6	413.2	410.8	413.2	410.8
current assets		56.6	58.0	56.5	60.0	74.0	77.8	61.8	64.3	61.8	64.3
Total external liabilities		63.6	65.8	41.3	39.7	76.7	79.3	63.1	64.6	63.1	64.6
of which: long and medium term loans		26.6	28.8	5.5	5.7	27.0	28.2	22.5	24.0	22.5	24.0
short-term loans		37.0	37.0	35.8	34.1	49.7	51.1	40.6	40.6	40.6	40.6
Net worth		493.1	489.2	114.6	119.4	474.7	473.1	411.9	410.5	411.9	410.5
Occupier's net income 1991/92 year		..	13.9	..	13.8	..	20.0	..	15.7	..	15.7
Wales											
Total assets		400.9	400.2	95.1	92.1	351.4	352.6	349.3	348.7	349.3	348.7
of which: fixed assets		379.0	378.1	72.9	70.6	323.3	324.5	325.9	325.4	325.9	325.4
current assets		21.8	22.1	22.2	21.5	28.1	28.1	23.3	23.4	23.3	23.4
Total external liabilities		32.3	34.2	17.4	14.8	39.9	36.7	32.1	32.2	32.1	32.2
of which: long and medium term loans		12.7	15.7	1.7	3.9	11.8	14.6	11.1	13.9	11.1	13.9
short-term loans		19.5	18.4	15.7	10.9	28.0	22.0	21.0	18.3	21.0	18.3
Net worth		368.6	366.0	77.7	77.3	311.5	316.0	317.2	316.5	317.2	316.5
Occupier's net income 1991/92 year		..	11.6	..	10.6	..	14.6	..	12.1	..	12.1
Scotland (a)											
Total assets		325.3	328.1	137.7	141.1	..	..	257.6	260.6	257.6	260.6
of which: fixed assets		267.3	271.2	76.7	78.5	..	..	198.5	201.7	198.5	201.7
current assets		58.0	56.8	61.0	62.5	..	..	59.1	58.9	59.1	58.9
Total external liabilities		61.9	61.2	27.4	29.2	..	..	49.4	49.7	49.4	49.7
of which: long and medium term loans		14.9	14.4	4.4	4.3	..	..	11.1	10.8	11.1	10.8
short-term loans		46.9	46.8	23.0	24.9	..	..	38.3	38.9	38.3	38.9
Net worth		263.5	266.8	110.3	111.9	..	..	208.2	210.9	208.2	210.9
Occupier's net income 1991/92 year		..	10.0	..	9.8	..	..	..	9.9	..	9.9
Northern Ireland (b)											
Total assets		235.9	239.6	..	..	..	..	..	..	..	..
of which: fixed assets		208.7	211.5	..	..	..	..	..	..	..	..
current assets		27.2	28.1	..	..	..	..	..	..	..	..
Total external liabilities		13.2	13.0	..	..	..	..	..	..	..	..
of which: long and medium term loans		5.6	5.4	..	..	..	..	..	..	..	..
short-term loans		7.6	7.6	..	..	..	..	..	..	..	..
Net worth		222.7	226.6	..	..	..	..	..	..	..	..
Occupier's net income 1991/92 year		..	4.6	..	..	..	..	..	..	..	..

(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

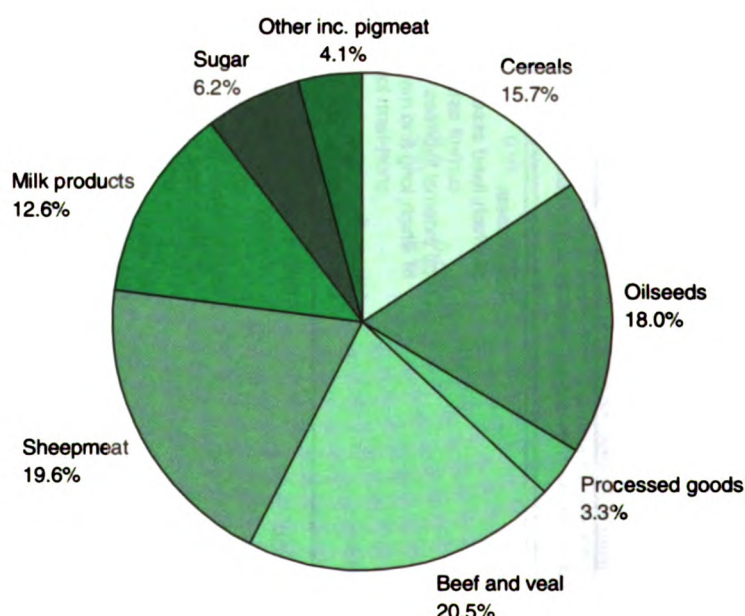
1. Table 9.1 shows public expenditure under the CAP and on national grants and subsidies, while Table 9.2 provides more detailed information on the costs of market regulation under the CAP. The tables exclude other expenditure which may benefit farmers (eg expenditure on animal health or on research, 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 1991/92 represent actual expenditure recorded in the Appropriation Accounts. The figures for 1992/93 are the latest estimates of expenditure.

Public expenditure (Tables 9.1 and 9.2)

2. Expenditure in the UK on market regulation under the CAP is estimated to be some £1,740 million in 1992/93 compared to about £1,624 million in 1991/92. Chart 9.1 illustrates the breakdown for each commodity sector. This expenditure includes export refunds and monetary compensation amounts, the net cost of buying, storing and selling commodities taken into intervention, and a variety of grants and subsidies such as the beef special premium and suckler cow premium schemes, the annual premium on ewes, the oilseeds

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

Forecast 1992/93



crushing subsidy, which ended in June 1992 to be replaced by the transitional oilseeds scheme, and payments to producers giving up milk production. Receipts from the milk co-responsibility and supplementary levies and the cereals co-responsibility levy (which ended in June 1992) are netted off expenditure on those commodities.

3. The major changes from 1991/92 to 1992/93 are increased expenditure on the purchase into intervention of cereals; cereals, milk and sugar export refunds; oilseeds subsidies and the annual premium on ewes together with the ending of the cereals co-responsibility levy. These increases are partly offset by lower expenditure on the purchase into intervention of beef, butter and skimmed milk powder, and the ending of the sheep variable premium scheme.

4. Other expenditure on agricultural support in the UK is estimated to be £326 million in 1992/93 compared with £335 million in 1991/92. This expenditure includes capital grants, assistance for agriculture in special areas and price guarantees. Expenditure in 1992/93 is forecast to be marginally lower than for the previous year because reductions in Hill Livestock Compensatory Allowances, reduced requirements for the wool guarantee and a small fall in the demand for capital grants more than outweigh increases in payments for Environmentally Sensitive Areas, optional Set-aside and the Agricultural Development Operational Programme in Northern Ireland.

Intervention stocks
(Table 9.3)

5. 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 1988 to 1992/93. This indicates that stocks of dairy products are forecast to decrease in 1992/93; increases in beef and cereals stocks are however expected.

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

£ million

April/March (financial years)

	1988/89	1989/90	1990/91	1991/92	1992/93 (forecast)
I Market regulation under the CAP					
(i) Expenditure by the Intervention Board (a):					
cereals	210.1	120.6	120.8	125.8	265.6
oilseeds	177.8	187.0	236.4	207.2	139.3
sugar	118.8	104.0	110.7	97.7	108.0
beef and veal	149.5	63.8	357.6	324.1	262.9
sheepmeat	133.2	78.6	126.5	139.8	-2.8
pigmeat	0.3	2.6	6.6	2.3	3.3
milk products	48.9	92.9	203.9	179.5	175.2
processed goods	45.6	38.5	44.6	59.4	58.0
other (b)	27.2	46.7	55.2	47.0	67.8
Sub-total	911.4	734.7	1,262.3	1,182.8	1,077.3
(ii) Expenditure by the Agriculture Departments:					
Repayment of Cereals Levies	2.2	24.2	19.2	1.8	8.0
Suckler Cow Premium Scheme	37.7	61.8	73.7	87.5	85.5
Annual Premium on Ewes	130.7	114.9	201.8	288.5	343.6
Payments to producers giving up some milk production	74.1	65.2	59.6	54.6	44.3
Beef Special Premium Scheme - Northern Ireland (c)	..	11.6	6.2	7.3	7.5
Orchard Grubbing Scheme	..	..	..	1.4	0.6
Transitional Oilseeds Scheme	..	..	..	..	173.2
Sub-total	244.6	277.7	360.5	441.1	662.7
Total	1,156.0	1,012.4	1,622.8	1,623.9	1,740.0
II Price guarantees					
Wool (d)	0.1	2.9	18.2	40.8	26.0
Assistance to the Egg Industry	2.9	0.1	0.1	-	-
Total	3.0	3.0	18.3	40.8	26.0
III Support for capital and other improvements					
Farm and Conservation Grant Scheme (EC) (e)	...	0.4	3.2	5.1	6.6
Agriculture Improvement Scheme (EC) (e)	25.9	24.0	13.3	7.9	5.8
Agriculture and Horticulture Development Scheme (e) (f)	21.6	15.1	12.2	8.5	6.7
Farm structures	0.4	0.3	0.3	0.3	0.2
Agriculture and Horticulture Grant Scheme (e) (g)	1.0	0.1	-	...	-
Agriculture Improvement Scheme (National) (e)	7.1	7.2	0.9	0.3	0.1
NIADP and NIADOP (e) (h)	1.1	2.6	7.0	1.5	5.5
Farm Woodlands	..	0.3	1.0	1.6	2.2
Farm and Conservation Grant Scheme (National) (e)	..	11.5	32.1	36.6	35.6
Guidance Premiums	1.0	0.3	0.1	...	...
Farm accounts	0.4	0.2	0.2	...	...
Others (i)	0.2	...	0.2	0.4	0.5
Total	58.7	62.0	70.5	62.4	63.4

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

£ million

April/March (financial years)

	1988/89	1989/90	1990/91	1991/92	1992/93 (forecast)
IV Support for agriculture in special areas					
Hill Livestock Compensatory Allowances:					
cattle	50.0	52.9	57.4	70.3	67.5
sheep	62.6	69.5	73.0	90.6	76.5
Additional benefit under AHDS, NIADP and NIADOP, AHGS, AIS (EC), AIS (Nat) FCGS (EC), FCGS (Nat)	19.6	20.1	18.6	14.9	15.4
Others (j)	4.9	8.1	10.1	8.4	13.7
Total	137.1	150.6	159.1	184.2	173.1
V Other payments					
Set -Aside (optional)	..	9.8	19.1	25.1	32.0
Milk outgoers scheme (h)	11.4	4.7	0.8	0.6	0.5
Storm Damage 1987	0.2	0.1	0.4	-	-
Sheep compensation scheme 1986	0.9	0.4	0.9	0.9	1.0
Cooperation grants	1.2	1.2	0.9	1.0	0.9
Crofting building grants and loans (net)	3.1	2.7	3.3	3.3	4.3
Farm Diversification:					
Capital Grants	0.5	2.3	2.8	2.6	1.8
Marketing and Feasibility grants	-	-	0.1	0.2	0.3
Nitrate Sensitive Areas	..	..	0.3	1.0	1.5
Environmentally Sensitive Areas	6.8	8.6	9.4	11.0	19.1
Extensification	..	..	-	0.4	0.8
Others (k)	0.8	0.2	1.0	1.1	1.2
Total	24.9	30.0	39.0	47.2	63.4
Total I to V (l)	1,379.7	1,258.0	1,909.7	1,958.5	2,065.9

- (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) Payments in Great Britain are made by the Intervention Board and included in Beef and Veal expenditure in Section (i).
- (d) Payments in respect of wool relate partly to clip of the year indicated and partly to the clip in the preceding year or years.
- (e) Farmers in special areas are also eligible for additional assistance. The estimated benefit is shown separately in Section IV of the table.
- (f) Includes the Farm and Horticulture Development Scheme.
- (g) Includes the Farm and Horticulture Capital Grant Schemes.
- (h) Except for the Northern Ireland Agricultural Development Programme (NIADP), the Northern Ireland Agricultural Development Operational Programme (NIADOP), and the Milk Outgoers Scheme expenditure from the Northern Ireland block is excluded.
- (i) Includes loan guarantees, grants for agricultural drainage in Scotland and farm structure loans.
- (j) Includes the integrated development programme for the Western Isles, the agricultural development programme for the Scottish Islands and grants for crofting improvements.
- (k) Includes producer organisations and forage groups and Shetland wool producers.
- (l) 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. Receipts reflect the arrangements for depreciation of stocks agreed at the European Council in February 1988.

1988/89	1989/90	1990/91	1991/92	1992/93 (forecast)
1,597.0	1,228.5	1,635.9	1,810.1	1,682.8

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

£ million

April/March (financial years)

	1988/89	1989/90	1990/91	1991/92	1992/93 (forecast)
Cereals					
Intervention purchases/sales	0.7	-42.3	5.9	-7.3	27.9
Intervention storage costs	32.6	19.8	9.4	8.7	14.4
Export refunds	238.7	236.1	184.0	216.3	244.1
Internal market measures	27.2	21.1	23.5	28.8	36.4
Co-responsibility/additional levy	-86.8	-89.9	-82.8	-118.9	-49.2
Total cereals	212.3	144.8	140.0	127.6	273.6
Oilseeds					
Intervention purchases/sales	-0.5	...	-	-	-
Intervention storage costs	0.2	...	...	-	-
Export refunds	...	...	0.1	...	...
Internal market measures	178.1	187.0	236.2	207.2	312.5
Total oilseeds	177.8	187.0	236.4	207.2	312.5
Sugar					
Intervention storage	18.4	24.5	22.7	25.3	27.3
Export refunds	86.1	64.1	69.0	37.2	50.6
Internal market measures	14.3	15.4	19.0	35.2	30.1
Total sugar	118.8	104.0	110.7	97.7	108.0
Beef and veal					
Intervention purchases/sales	6.4	-4.6	266.3	219.1	161.4
Intervention storage costs	12.5	6.5	31.8	44.8	46.9
Export refunds	16.0	19.0	20.3	22.3	24.9
Internal market measures	152.3	116.3	119.1	132.7	122.7
Total beef and veal	187.2	137.2	437.5	418.9	355.9
Sheepmeat					
Internal market measures	263.9	193.0	328.3	428.3	340.8
Pigmeat					
Intervention storage	0.4	-	...	0.2	0.3
Export refunds	-0.1	2.6	6.6	2.1	3.0
Total pigmeat	0.3	2.6	6.6	2.3	3.3
Milk products					
Intervention purchases/sales	-59.7	-12.6	62.6	1.9	-10.1
Intervention storage costs	7.8	2.4	3.2	2.5	1.0
Export refunds	93.3	80.1	74.9	111.4	120.3
Internal market measures	65.4	65.7	89.3	104.9	100.9
Co-responsibility/Supplementary levy	-58.0	-42.7	-26.1	-41.2	-36.9
Payments to those giving up milk production	74.0	65.2	59.6	54.6	44.3
Total milk products	123.0	158.1	263.5	234.1	219.5
Processed goods					
Export refunds	45.6	38.5	44.6	59.4	58.0
Others					
Export refunds	22.3	37.3	42.5	39.4	53.1
Internal market measures	7.1	11.8	13.9	13.1	20.7
Miscellaneous	-2.3	-0.4	-1.3	-4.1	-5.4
Total others	27.2	46.7	55.2	48.4	68.4
Total	1,156.0	1,012.4	1,622.8	1,623.9	1,740.0

TABLE 9.3 Commodity Intervention in the United Kingdom

'000 tonnes

Commodity	1988 (a)				1989/90 (b)				1990/91 (c)				1991/92 (c)				1992/93 (c) (forecast)			
	Closing/ opening stock (d)	Pur- chases	Sales	Closing/ opening stock (d)	Pur- chases	Sales	Closing/ opening stock (d)	Pur- chases	Sales	Closing/ opening stock (d)	Pur- chases	Sales	Closing/ opening stock (d)	Pur- chases	Sales	Closing/ opening stock (d)	Pur- chases	Sales	Closing stock (d)	
Wheat: feed	511	289	352	447	-	382	73	33	69	34	1	26	9	20	8	21	-	-	-	
bread	-	14	14	-	-	-	-	1	-	1	-	1	-	-	-	-	-	-	-	
Barley	601	335	229	707	2	160	550	131	1	680	78	141	617	285	245	657	-	-	-	
Rye	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Oilseeds	-	30	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Beef: boneless	34	26	33	24	12	24	12	94	16	91	87	40	138	60	49	149	-	-	-	
bone in	20	2	20	2	1	1	2	4	1	5	-	2	3	-	2	1	-	-	-	
Butter	160	2	138	24	-	18	6	23	4	26	10	19	18	1	15	4	-	-	-	
Skimmed milk powder	1	-	1	-	-	-	-	7	-	7	2	4	6	-	6	-	-	-	-	

(a) Calendar year.

(b) 1 January 1989 to 31 March 1990.

(c) 1 April to 31 March.

(d) 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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