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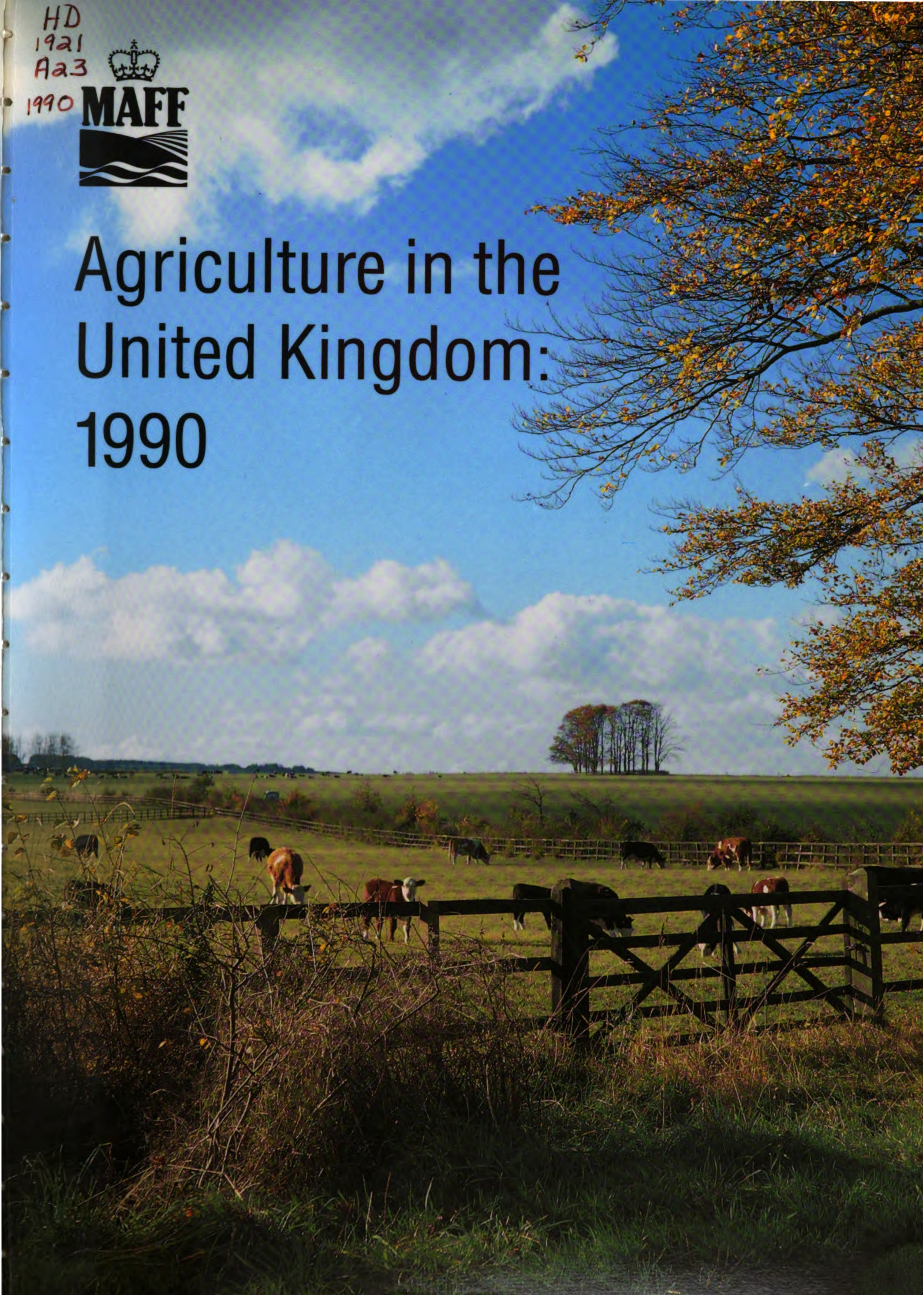
# Agriculture in the United Kingdom: 1990



Ministry of Agriculture Fisheries and Food

# Agriculture in the United Kingdom: 1990



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# Preface

1. This issue of *Agriculture in the United Kingdom* sets out data on the economic condition of, and prospects for, the United Kingdom agricultural industry considered during the annual review which was completed towards the end of 1990. The Government will draw on this information when considering policy issues, including proposals by the European Commission for agricultural support in 1991/92.

**Statistical tables - general note**

2. The tables in this issue are similar to those in the previous issue, *Agriculture in the United Kingdom 1989*. However some of the figures for past years may differ from those published last year and in the preceding annual review documents 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 the structure of the commodity tables is provided in the introduction to Section 5.

3. Most of the data is on a calendar year basis. The figures for 1990 are described as forecasts since they generally reflect the position up to the end of the year as seen at November 1990 on the basis of the information then available. The figures in the tables in Sections 8 and 9 relate to years ending (on average) in 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 third countries 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 roundings;
(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. There were no major changes in 1990 to the Common Agricultural Policy (CAP) commodity regimes in the European Community. The price fixing generally froze common prices, although green pound devaluations meant substantial support price increases in the United Kingdom. In October the Commission produced proposals on agriculture and the environment.

2. The weather conditions in the United Kingdom during the 1989/90 agricultural year were generally sunnier, warmer and drier than normal although there was considerable regional variation, particularly in rainfall. A generally dry and warm autumn in 1989 permitted rapid and early establishment of autumn-sown combinable crops. The mild winter (with much more rainfall than normal) further assisted establishment and deep rooting of arable crops, which helped in resisting the worst effects of the summer drought. The absence of severe frosts and general mildness encouraged pest and disease problems. The sunny, warm and (in England) exceptionally dry spring hampered the growth of spring crops. Apart from a cool spell in late June, the summer was warm, sunny and dry. Yields and quality of winter crops were generally good, but spring crops and potatoes were affected by the drought. Although spring weather conditions produced good yields of early silage, the benefits were soon lost as the summer drought necessitated premature use of these supplies and caused forage prices to escalate.

3. The different sectors of UK agriculture experienced varying fortunes, in part as a result of some major swings in producer prices over the year. Among the main features of the year were the following:

- production of cereals was little changed, with slightly higher yields almost offsetting a decline in the planted area. Higher prices offset a decline in output (off-farm sales);
- the values of output of oilseed rape and sugar beet increased significantly, due to a higher volume of production and a higher producer return respectively;
- higher potato prices more than offset a decline in volume of output;
- the value of output of the horticultural sector rose, with increases in price for many items offsetting generally lower volumes of output;
- producer prices in the livestock sector, having been relatively firm at the beginning of the year, fell markedly in the later months. Taking the year as a whole, a substantial decline in the average realised returns for cattle and calves was reflected in a lower value of production. That of pigs and of sheep and lambs rose only slightly;
- the prices for both poultry and eggs were higher than in recent years, particularly in the early months of the year. The value of output of eggs increased considerably;

- the value of milk and milk products sold off the farm increased slightly, reflecting increased output for human consumption;
- overall the volume of the industry's gross output rose by about 1 per cent while that of its gross input fell by about the same magnitude. This difference is reflected in the measures of the industry's productivity;
- however with the increase in overall input prices of nearly 5 per cent exceeding the increase of under 2 per cent in average realised returns from output, the industry's net product rose by less than 2 per cent (in money terms);
- after allowing for interest, rent and labour costs, total income from farming fell by 7 per cent and farming income by 14 per cent;
- these differences were reflected in the income patterns between farm types. The past two years have seen a recovery in the fortunes of cereal, other cropping and particularly intensive livestock farms while there have been declines for dairy and extensive livestock farms.

4. In the United Kingdom, the pilot Nitrate Scheme began in June; to date 65 per cent of eligible farmers in Nitrate Sensitive Areas have applied to join the scheme. The pilot Beef and Sheep Extensification Schemes were launched in July; applications exceeded the number of places under the schemes. In May a code of practice on the safe use of pesticides was issued.

**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 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (provisional) |
|---|---|---|---|---|---|---|
| Agriculture's contribution to Gross Domestic Product (a) | | | | | | |
| at current prices (£ million) | 4,083 | 5,576 | 5,645 | 5,414 | 6,217 | 6,378 |
| at constant 1985 prices (£ million) | 4,153 | 5,026 | 5,047 | 5,030 | 5,276 | 5,493 |
| % of national GDP (current prices) | 2.1 | 1.8 | 1.7 | 1.4 | 1.5 | 1.4 |
| Persons engaged in agriculture ('000 persons) | 649 | 603 | 589 | 581 | 568 | 561 |
| % of total workforce in employment | 2.6 | 2.5 | 2.3 | 2.2 | 2.2 | 2.1 |
| Gross fixed capital formation in agriculture | | | | | | |
| at current prices (£ million) | 1,014 | 1,049 | 968 | 1,125 | 1,123 | .. |
| at constant 1985 prices (£ million) | 1,244 | 1,016 | 899 | 965 | 882 | .. |
| % of national GFCF (current prices) | 2.5 | 1.6 | 1.3 | 1.2 | 1.2 | .. |
| | | | | | | (Jan - Sept) |
| Imports of food, feed and beverages (£ million) | 6,752 | 10,473 | 10,658 | 11,031 | 11,882 | 9,589 |
| of which: food, feed and non alcoholic drinks | 6,296 | 9,507 | 9,618 | 9,898 | 10,658 | 8,602 |
| alcoholic drinks | 456 | 966 | 1,040 | 1,132 | 1,225 | 986 |
| Volume index (1985=100) | 92.6 | 109.8 | 111.7 | 113.4 | 118.3 | 121.5 |
| Unit value (price) index (1985=100) | 73.3 | 97.1 | 97.2 | 99.1 | 104.1 | 109.6 |
| % of total UK imports | 13.4 | 12.2 | 11.3 | 10.4 | 9.8 | 10.1 |
| | | | | | | (Jan - Sept) |
| Exports of food, feed and beverages (£ million) | 3,048 | 5,380 | 5,592 | 5,276 | 6,273 | 4,731 |
| of which: food, feed and non alcoholic drinks | 2,166 | 4,072 | 4,204 | 3,728 | 4,505 | 3,291 |
| alcoholic drinks | 881 | 1,308 | 1,388 | 1,548 | 1,768 | 1,440 |
| Volume index (1985=100) | 81.3 | 113.0 | 115.1 | 110.7 | 123.2 | 117.8 |
| Unit value (price) index (1985=100) | 74.9 | 103.1 | 103.1 | 106.2 | 112.8 | 120.7 |
| % of total UK exports | 6.4 | 7.4 | 7.0 | 6.5 | 6.7 | 6.3 |
| UK self-sufficiency in food and feed as a % of: | | | | | | |
| all food and feed | 57.8 | 56.5 | 56.8 | 53.9 | 58.5 | 56.4 |
| indigenous type food and feed | 72.8 | 74.5 | 72.3 | 68.9 | 75.5 | 73.3 |
| Consumers' expenditure on food and drink | | | | | | |
| at current prices (£ million) | 38,869 | 60,233 | 64,485 | 71,566 | 77,867 | 85,100 |
| of which: household food | 23,196 | 33,070 | 34,464 | 36,579 | 39,181 | 41,900 |
| meals out (b) | 5,749 | 10,760 | 12,569 | 16,233 | 18,868 | 21,800 |
| alcoholic drinks | 9,924 | 16,404 | 17,452 | 18,754 | 19,818 | 21,400 |
| at constant 1985 prices (£ million) | 54,104 | 58,199 | 59,046 | 62,011 | 63,352 | 63,900 |
| % of total consumers' expenditure | 28.1 | 24.9 | 24.3 | 24.0 | 23.7 | 23.0 |
| of which: household food | 16.8 | 13.7 | 13.0 | 12.2 | 11.9 | 11.3 |
| meals out (b) | 4.2 | 4.4 | 4.7 | 5.4 | 5.7 | 5.9 |
| alcoholic drinks | 7.2 | 6.8 | 6.6 | 6.3 | 6.0 | 5.8 |
| Retail price indices (1985=100) | | | | | | (Jan - Nov ) |
| food | 75.5 | 103.3 | 106.4 | 110.1 | 116.4 | 125.4 |
| alcoholic drinks | 63.5 | 104.5 | 108.8 | 114.3 | 120.8 | 132.0 |
| all items | 69.9 | 103.4 | 107.7 | 113.0 | 121.8 | 133.0 |

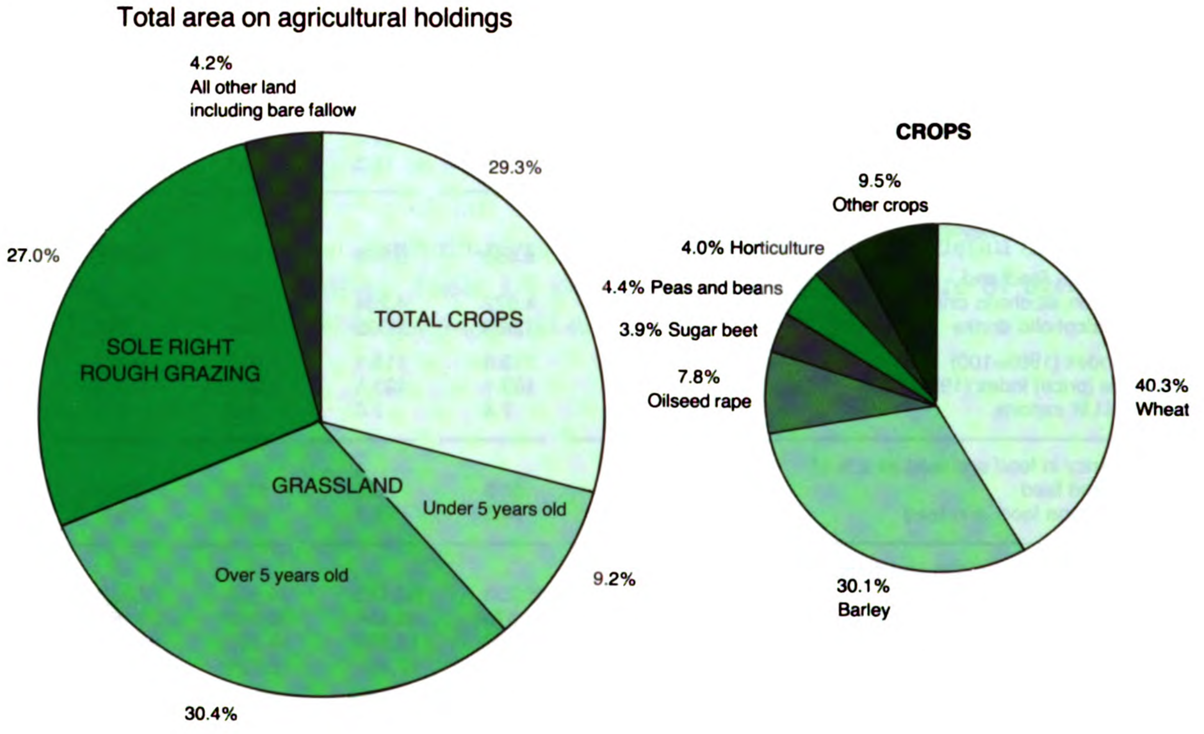
(a) Agriculture is here defined as in the national accounts, that is net of the landlord element and the produce of gardens and allotments.
(b) Does not include meals that are included with accommodation.

# 2 The structure of the industry

**Introduction**

1. The tables in this section portray the size and structure of the UK agricultural industry in 1990 and earlier years. Together they provide information on land use and livestock numbers in UK agriculture, on the distribution of these between holdings, and on the industry's labour force and its stock of fixed capital.

**CHART 2.1 Agricultural land use: 1990**




**Crop areas and livestock numbers**
*(Tables 2.1 and 2.2)*

2. At June 1990 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 1989 and 1990, the area of arable land showed a small decline: the areas of all main cereals decreased, but the area of oilseed rape increased sharply and that of peas for harvesting dry and field beans showed a slight increase. The main features of the livestock part of Table 2.2 are the continuing decline of the dairy herd, the marked upturn in the beef breeding herd over the last four years and the steady expansion in sheep numbers (over 40 per cent in the last decade). The pattern of agricultural land

use in 1990 is shown in Chart 2.1 and the changes on 1989 in crop areas and livestock numbers 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 1990. They do not include estimates for 'minor' (or very small) agricultural holdings. In England and Wales these are holdings which satisfy all of the following conditions: the total area of the holding is less than 6 hectares; there is no regular whole-time farmer or worker on the holding; the annual labour requirement is less than 100 standard man days (a standard man day is 8 hours productive work by an adult worker under average conditions); the glasshouse area is less than 100 square metres and the occupier does not farm another holding. Holdings which do not meet all of these conditions are regarded as being in the main category. Table 2.3 shows that 30,000 holdings in the largest size group, just under 13 per cent of the holdings covered in the table, accounted for 56.6 per cent of total agricultural activity. Size distributions of holdings according to their crop areas and livestock numbers are presented in Table 2.4.

**Labour** *(Table 2.5)*

4. Table 2.5 records the number of persons engaged in UK agriculture at June of each year. The number of whole-time workers continues to decline, while the number of part-time workers appears to have stabilised. The overall number of farmers, partners and directors has fallen although, within this total, the number working part-time has shown a further small increase.

**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. These 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 £24,000 million at the end of 1989, about 1 per cent down on the 1988 figure. The total fixed capital stock has been declining for a number of years, although it remains above its 1979-81 level. Within the total, the stock of plant and machinery and vehicles has fallen, while that of buildings and works has shown a modest increase.

## TABLE 2.1 Agricultural land use

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

'000 hectares | At June of each year

| | Average of 1979-1981 | 1986 | 1987 | 1988 | 1989 | 1990 (provisional) |
|---|---|---|---|---|---|---|
| Total agricultural area (total area on agricultural holdings) plus common rough grazing | 18,899 | 18,676 | 18,622 | 18,595 | 18,553 | 18,525 |
| This comprises: | | | | | | |
| Crops | 4,960 | 5,239 | 5,271 | 5,253 | 5,138 | 5,063 |
| Bare fallow | 69 | 48 | 42 | 58 | 65 | 62 |
| Total tillage | 5,030 | 5,287 | 5,313 | 5,311 | 5,202 | 5,124 |
| All grass under five years old | 1,933 | 1,723 | 1,691 | 1,613 | 1,534 | 1,587 |
| Total arable land | 6,962 | 7,011 | 7,004 | 6,924 | 6,736 | 6,711 |
| All grass five years old and over (excluding rough grazing) | 5,145 | 5,077 | 5,112 | 5,161 | 5,251 | 5,250 |
| Total crops and grass (a) | 12,107 | 12,088 | 12,116 | 12,085 | 11,987 | 11,961 |
| Sole right rough grazing | 5,093 | 4,829 | 4,743 | 4,712 | 4,710 | 4,669 |
| All other land on agricultural holdings including woodland (b) | 486 | 543 | 547 | 562 | 620 | 658 |
| Total area on agricultural holdings | 17,686 | 17,460 | 17,406 | 17,359 | 17,317 | 17,289 |
| Common rough grazing (estimated) | 1,213 | 1,216 | 1,216 | 1,236 | 1,236 | 1,236 |

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

## TABLE 2.2 Crop areas and livestock numbers

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

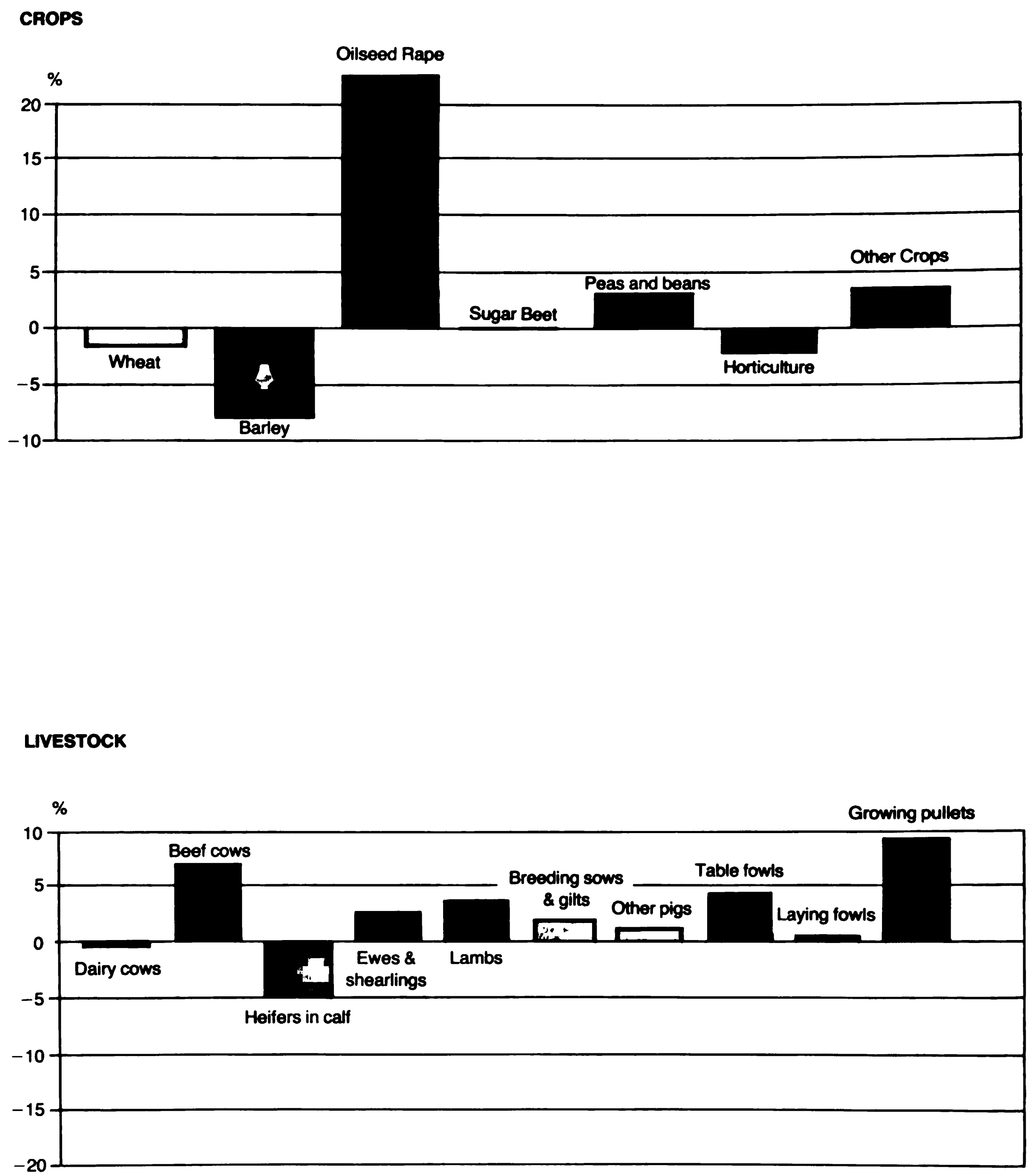
At June of each year

| | Average of 1979-1981 | 1986 | 1987 | 1988 | 1989 | 1990 (provisional) |
|---|---|---|---|---|---|---|
| **Crop areas** ('000 hectares) | | | | | | |
| Total | 4,960 | 5,239 | 5,270 | 5,253 | 5,138 | 5,063 |
| This comprises: | | | | | | |
| Total cereals | 3,932 | 4,024 | 3,935 | 3,896 | 3,873 | 3,693 |
| of which: wheat | 1,435 | 1,997 | 1,994 | 1,886 | 2,083 | 2,042 |
| barley | 2,335 | 1,916 | 1,830 | 1,878 | 1,652 | 1,522 |
| oats | 142 | 97 | 99 | 120 | 119 | 106 |
| rye and mixed corn | 20 | 14 | 13 | 12 | 12 | 13 |
| triticale (a) | .. | .. | .. | .. | 8 | 9 |
| Other arable crops (excluding potatoes) | 591 | 824 | 958 | 969 | 882 | 989 |
| of which: oilseed rape | 97 | 299 | 388 | 347 | 321 | 397 |
| sugar beet not for stockfeeding | 212 | 201 | 200 | 198 | 197 | 197 |
| hops | 6 | 4 | 4 | 4 | 4 | 4 |
| peas for harvesting dry and field beans | 78 | 150 | 208 | 260 | 215 | 222 |
| other crops | 198 | 165 | 156 | 156 | 146 | 169 |
| Potatoes | 200 | 178 | 177 | 180 | 175 | 178 |
| Horticulture | 270 | 213 | 199 | 209 | 208 | 203 |
| of which: vegetables grown in the open | 190 | 146 | 132 | 141 | 141 | 138 |
| orchard fruit | 46 | 38 | 37 | 37 | 36 | 34 |
| soft fruit | 18 | 15 | 15 | 15 | 15 | 15 |
| ornamentals (b) | 13 | 12 | 12 | 13 | 14 | 13 |
| other | 2 | 2 | 2 | 2 | 2 | 2 |
| **Livestock numbers** ('000 head) | | | | | | |
| Total cattle and calves | 13,384 | 12,533 | 12,158 | 11,872 | 11,977 | 12,108 |
| of which: dairy cows | 3,237 | 3,138 | 3,042 | 2,911 | 2,865 | 2,854 |
| beef cows | 1,481 | 1,308 | 1,343 | 1,373 | 1,495 | 1,601 |
| heifers in calf | 855 | 879 | 774 | 834 | 793 | 753 |
| Total sheep and lambs | 31,163 | 37,016 | 38,701 | 40,942 | 42,967 | 44,217 |
| of which: ewes and shearlings | 14,924 | 17,398 | 18,068 | 19,017 | 19,994 | 20,500 |
| lambs under one year old | 14,974 | 18,384 | 19,377 | 20,587 | 21,582 | 22,341 |
| Total pigs | 7,836 | 7,937 | 7,942 | 7,980 | 7,509 | 7,606 |
| of which: sows in pig and other sows for breeding | 730 | 716 | 713 | 703 | 660 | 664 |
| gilts in pig | 110 | 108 | 107 | 101 | 97 | 110 |
| Total fowls (c) | 125,712 | 120,740 | 128,628 | 130,809 | 120,198 | 124,763 |
| of which: table fowls including broilers | 58,300 | 63,807 | 70,754 | 75,305 | 70,042 | 73,356 |
| laying fowls | 46,201 | 38,096 | 38,498 | 37,389 | 33,957 | 34,152 |
| growing pullets | 14,727 | 12,502 | 12,230 | 11,236 | 9,411 | 10,329 |

(a) Collected separately for the first time in 1989 (Great Britain only).
(b) Hardy nursery stock, bulbs and flowers.
(c) Because of changes in coverage of poultry holdings, data for 1984 and subsequent years cannot be directly compared with data for earlier years.

**CHART 2.2 Changes in crop areas and livestock numbers**

Percentage change from 1989 to 1990



## TABLE 2.3 Numbers and sizes of holdings

The data in this table exclude minor holdings — At June of each year

| | | 1985 | | 1990 (provisional) | |
|---|---|---|---|---|---|
| | | Number of holdings ('000) | Percentage of total BSU | Number of holdings ('000) (a) | Percentage of total BSU |
| **Size of holding (BSU)** (b) | under 4.0 BSU | 100.0 | 2.8 | 97.3 | 2.5 |
| (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). | 4.0 to under 16.0 BSU | 67.3 | 13.9 | 61.8 | 12.7 |
| | 16.0 to under 40.0 BSU | 50.9 | 29.2 | 48.3 | 28.2 |
| | 40.0 BSU and over | 29.1 | 54.2 | 30.0 | 56.6 |
| | Total | 247.4 | 100.0 | 237.4 | 100.0 |
| | Holdings 4 BSU and over: | | | | |
| | Average size: BSUs | .. | 29.3 | .. | 30.7 |
| | total area (hectares) | .. | 104.7 | .. | 100.7 |

| | | Number of holdings ('000) | Hectares ('000) | Number of holdings ('000) (a) | Hectares ('000) |
|---|---|---|---|---|---|
| **Total area on holdings** (b) | under 20 hectares | 100.5 | 839 | 94.1 | 805 |
| | 20.0 to under 50 hectares | 63.7 | 2,110 | 60.5 | 2,006 |
| | 50.0 to under 100 hectares | 43.3 | 3,068 | 42.5 | 3,021 |
| | 100.0 hectares and over | 39.9 | 11,325 | 40.2 | 11,254 |
| | Total | 247.4 | 17,342 | 237.4 | 17,087 |
| | Average total area per holding (hectares) | .. | 70.1 | .. | 72.0 |
| | % of total area on holdings with 100 hectares and over | .. | 65.3 | .. | 65.9 |

| | | Number of holdings ('000) | Hectares ('000) | Number of holdings ('000) (a) | Hectares ('000) |
|---|---|---|---|---|---|
| **Crops and grass area** (b) (c) | 0.1 to under 20 hectares | 100.2 | 836 | 93.6 | 797 |
| | 20.0 to under 50 hectares | 63.9 | 2,107 | 60.5 | 2,003 |
| | 50.0 to under 100 hectares | 41.3 | 2,908 | 40.7 | 2,874 |
| | 100.0 hectares and over | 31.0 | 6,124 | 31.2 | 6,142 |
| | Total | 237.3 | 11,976 | 226.0 | 11,815 |
| | Average crops and grass area per holding (hectares) | .. | 50.5 | .. | 52.3 |
| | % of total crops and grass area on holdings with 100 hectares and over | .. | 51.1 | .. | 52.0 |

(a) Excludes 6,000 small-scale holdings in Scotland from which detailed information has not been collected since 1987.
(b) The numbers of holdings in this table have been revised downwards compared with the numbers in previous editions. This revision is largely attributable to a change in treatment of those holdings in Northern Ireland whose land is all let out under the conacre system of eleven month lets.
(c) 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

| | | 1985 | | 1990 (provisional) | |
|---|---|---|---|---|---|
| | | Number of holdings ('000) | Hectares ('000) | Number of holdings ('000) (a) | Hectares ('000) |
| Cereals (excluding maize) | 0.1 to under 20 hectares | 49.7 | 374 | 36.9 | 298 |
| | 20.0 to under 50 hectares | 21.4 | 692 | 19.0 | 619 |
| | 50.0 hectares and over | 23.9 | 2,943 | 21.9 | 2,657 |
| | Total | 94.9 | 4,010 | 77.9 | 3,574 |
| | Average area (hectares) | .. | 42.2 | .. | 45.9 |
| | % of total cereals area on holdings with 50 hectares and over | .. | 73.4 | .. | 74.3 |
| Oilseed rape | 0.1 to under 20 hectares | 7.3 | 81 | 8.1 | 89 |
| | 20.0 to under 50 hectares | 4.1 | 123 | 5.2 | 160 |
| | 50.0 hectares and over | 1.1 | 91 | 1.6 | 126 |
| | Total | 12.5 | 295 | 14.9 | 376 |
| | Average area (hectares) | .. | 23.5 | .. | 25.2 |
| | % of total oilseed rape area on holdings with 50 hectares and over | .. | 30.8 | .. | 33.6 |
| Sugar beet (only grown in England and Wales) | 0.1 to under 10 hectares | 5.6 | 29 | 4.8 | 25 |
| | 10.0 to under 20 hectares | 2.9 | 40 | 2.8 | 39 |
| | 20.0 hectares and over | 3.1 | 136 | 3.0 | 130 |
| | Total | 11.5 | 205 | 10.5 | 194 |
| | Average area (hectares) | .. | 17.8 | .. | 18.4 |
| | % of total sugar beet area on holdings with 20 hectares and over | .. | 66.3 | .. | 67.0 |
| Potatoes | 0.1 to under 10 hectares | 33.2 | 73 | 21.0 | 53 |
| | 10.0 to under 20 hectares | 3.3 | 45 | 3.1 | 42 |
| | 20.0 hectares and over | 2.1 | 72 | 2.1 | 76 |
| | Total | 38.5 | 191 | 26.1 | 171 |
| | Average area (hectares) | .. | 5.0 | .. | 6.6 |
| | % of total potato area on holdings with 20 hectares and over | .. | 37.9 | .. | 44.4 |

## TABLE 2.4 Numbers and sizes of enterprises (continued)

The data in this table exclude minor holdings — At June of each year

| | | 1985 | | 1990 (provisional) | |
|---|---|---|---|---|---|
| | | Number of holdings ('000) | Number of livestock ('000) | Number of holdings ('000) (a) | Number of livestock ('000) |
| Dairy cows | 1 to 49 dairy cows | 28.1 | 694 | 21.4 | 559 |
| | 50 to 99 | 17.8 | 1,251 | 15.3 | 1,076 |
| | 100 and over | 8.1 | 1,201 | 7.8 | 1,152 |
| | Total | 54.0 | 3,147 | 44.4 | 2,788 |
| | Average size of herd | .. | 58 | .. | 63 |
| | % of total dairy cows in herds of 100 and over | .. | 38.2 | .. | 41.3 |
| Beef cows | 1 to 19 beef cows | 51.5 | 327 | 47.5 | 332 |
| | 20 to 49 | 13.8 | 422 | 16.0 | 489 |
| | 50 and over | 6.5 | 571 | 7.7 | 668 |
| | Total | 71.9 | 1,320 | 71.1 | 1,489 |
| | Average size of herd | .. | 18 | .. | 21 |
| | % of total beef cows in herds of 50 and over | .. | 43.3 | .. | 44.9 |
| Breeding sheep | 1 to 99 breeding sheep | 43.3 | 1,741 | 39.5 | 1,640 |
| | 100 to 499 | 32.4 | 7,265 | 36.1 | 8,326 |
| | 500 and over | 7.9 | 7,014 | 9.8 | 8,609 |
| | Total | 83.6 | 16,020 | 85.5 | 18,575 |
| | Average size of flock | .. | 192 | .. | 217 |
| | % of total breeding sheep in flocks of 500 and over | .. | 43.8 | .. | 46.4 |
| Breeding pigs | 1 to 49 breeding pigs | 13.2 | 141 | 8.9 | 94 |
| | 50 to 99 | 1.8 | 130 | 1.4 | 97 |
| | 100 and over | 2.4 | 552 | 2.2 | 555 |
| | Total | 17.5 | 823 | 12.5 | 746 |
| | Average size of herd | .. | 47 | .. | 60 |
| | % of total breeding pigs in herds of 100 and over | .. | 67.1 | .. | 74.4 |
| Fattening pigs | 1 to 199 fattening pigs | 11.8 | 521 | 7.9 | 358 |
| | 200 to 999 | 3.8 | 1,720 | 3.1 | 1,507 |
| | 1,000 and over | 1.2 | 2,489 | 1.2 | 2,672 |
| | Total | 16.8 | 4,729 | 12.2 | 4,537 |
| | Average size of herd | .. | 282 | .. | 371 |
| | % of total fattening pigs in herds of 1,000 and over | .. | 52.6 | .. | 58.9 |

## TABLE 2.4 Numbers and sizes of enterprises (continued)

The data in this table exclude minor holdings — At June of each year

| | | 1985 | | 1990 (provisional) | |
|---|---|---|---|---|---|
| | | Number of holdings ('000) | Number of livestock ('000) | Number of holdings ('000) (a) | Number of livestock ('000) |
| Broilers (includes small numbers of other table fowl in Scotland and Northern Ireland) | 1 to 9,999 broilers | 1.1 | 2,542 | 0.9 | 1,180 |
| | 10,000 to 99,999 | 0.7 | 30,153 | 0.8 | 30,388 |
| | 100,000 and over | 0.1 | 28,240 | 0.2 | 39,327 |
| | Total | 2.0 | 60,935 | 1.9 | 70,895 |
| | Average size of flock | .. | 30,559 | .. | 37,912 |
| | % of total broilers in flocks of 100,000 and over | .. | 46.4 | .. | 55.5 |
| Laying fowls | 1 to 4,999 laying fowls | 45.1 | 4,538 | 32.9 | 3,075 |
| | 5,000 to 19,999 | 0.9 | 8,861 | 0.6 | 5,970 |
| | 20,000 and over | 0.4 | 25,870 | 0.3 | 22,680 |
| | Total | 46.4 | 39,268 | 33.8 | 31,725 |
| | Average size of flock | .. | 847 | .. | 938 |
| | % of total laying fowls in flocks of 20,000 and over | .. | 65.9 | .. | 71.5 |

(a) Excludes 6,000 small-scale holdings in Scotland from which detailed information has not been collected since 1987.

## TABLE 2.5 Numbers of persons engaged in agriculture

'000 persons — At June of each year

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (provisional) |
|---|---|---|---|---|---|---|
| **Workers** | | | | | | |
| Regular whole-time: | | | | | | |
| hired: male | 133 | 102 | 96 | 91 | 86 | 82 |
| female | 12 | 10 | 10 | 10 | 11 | 11 |
| family: male | 30 | 32 | 31 | 29 | 28 | 27 |
| female | 6 | 5 | 4 | 4 | 4 | 4 |
| Regular part-time: | | | | | | |
| hired: male | 20 | 19 | 18 | 18 | 18 | 19 |
| female | 24 | 22 | 22 | 22 | 21 | 21 |
| family: male | 13 | 13 | 13 | 13 | 12 | 13 |
| female | 7 | 7 | 7 | 7 | 7 | 7 |
| Seasonal or casual: | | | | | | |
| male | 57 | 57 | 56 | 56 | 54 | 56 |
| female | 41 | 38 | 38 | 37 | 34 | 34 |
| Salaried managers (a) | 8 | 8 | 8 | 8 | 8 | 8 |
| Total | 351 | 314 | 303 | 296 | 284 | 282 |
| **Farmers, partners and directors** | | | | | | |
| whole-time | 209 | 197 | 194 | 193 | 189 | 184 |
| part-time | 89 | 92 | 91 | 93 | 95 | 96 |
| Total | 298 | 289 | 286 | 285 | 285 | 279 |
| Total persons engaged in agriculture | 649 | 603 | 589 | 581 | 568 | 561 |
| Spouses of farmers, partners and directors (engaged in farm work) | 76 | 77 | 77 | 77 | 77 | 77 |

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

## TABLE 2.6 Fixed capital stock of agriculture

At end year

| | Average of 1979-81 | 1985 | 1986 | 1987 | 1988 | 1989 |
|---|---|---|---|---|---|---|
| **Gross capital stock** (£ million 1985 prices) | | | | | | |
| Buildings and works | 13,270 | 15,290 | 15,430 | 15,480 | 15,580 | 15,630 |
| Plant and machinery | 8,550 | 8,120 | 7,940 | 7,670 | 7,450 | 7,140 |
| Vehicles | 1,640 | 1,400 | 1,350 | 1,290 | 1,260 | 1,230 |
| Total | 23,460 | 24,810 | 24,720 | 24,440 | 24,290 | 24,000 |
| **Main types of agricultural machinery** ('000 at December of each year,England and Wales only) | | | | | | |
| Tractors: under 40 kw | 204 | 156 | 152 | 149 | .. | .. |
| 40 kw and over | 203 | 265 | 264 | 266 | .. | .. |
| Tracklaying tractors | 12 | 10 | 10 | 9 | .. | .. |
| Combine harvesters | 48 | .. | 45 | .. | .. | .. |

# 3 Policy developments in 1990

**European Community developments**

1. There were no major changes to the CAP regimes in 1990.

2. The *1990 price fixing* maintained the reforms of the CAP agreed in 1988. In general, common prices were frozen, although there were some changes mainly for Mediterranean products. Other measures included steps to tighten the citrus and tobacco regimes. A set of measures was adopted to assist smaller farmers and those in disadvantaged areas; these included an additional four ecus on the annual ewe premium in Less Favoured Areas.

3. The price fixing also involved major devaluations of the green pound. These came into effect at the beginning of the appropriate marketing years and raised the level of support prices in the UK by 8.5 per cent in the beef sector, 10.7 per cent for crops, 6.8 per cent for milk and 11 per cent for sheepmeat. The appreciation of sterling since the spring has led to a further marked reduction in UK negative MCAs.

4. As a result of 1990 production levels, *stabiliser mechanisms* led to abatements to the common prices set by the Council for: oilseed rape (15.5 per cent), sunflower seed (21 per cent), soya (30 per cent), peas and beans (20 per cent), sheepmeat (11 per cent in Great Britain, 7.25 per cent in Northern Ireland and elsewhere in the Community), cotton (25 per cent), peaches (6 per cent), nectarines (12 per cent), lemons (3 per cent) and cauliflowers (4 per cent).

5. In June, the Council agreed that set-aside land could be used for the production of cereals for industrial use. The scheme is voluntary for member states. Farmers who set aside at least 30 per cent of their arable land, and secure a contract to supply cereals for industrial use, may grow cereals for that purpose on a maximum of 50 per cent of the set-aside area. Cereals produced under this scheme will count towards the maximum guaranteed quantity under the cereals stabiliser rules.

6. In October, the Commission produced a set of proposals on *agriculture and the environment* which arose from their review of the operation of extensification measures and Environmentally Sensitive Areas (ESA)-type schemes. These proposals would introduce significant changes to the rules for extensification, set-aside and ESA schemes.

**GATT Uruguay Round**

7. Agriculture was identified as a major issue in the GATT Round of multilateral trade negotiations. All parties tabled offers of reductions in support which they were prepared to make, the Community's offer being for

a 30 per cent reduction in internal support over the period 1986 to 1996 (as defined by an 'aggregate' measure) and associated reductions in border protection and export subsidies. The negotiations aimed at achieving a freer and more market-orientated agricultural trading system. It was not possible, as had been hoped, to conclude the negotiations by the end of the year.

**United Kingdom developments**

8. A new Code of Practice for the Safe Use of Pesticides on Farms and Holdings was launched in May, emphasising the need to protect both human health and the environment. The Code provides practical guidance on user training and certification, the protection of wildlife and wild plants, prevention of spray drift, protection of neighbours and walkers, safe disposal of waste and record keeping. The Code is designed to help farmers and growers meet their obligations under the Control of Pesticides Regulations 1986 and the Control of Substances Hazardous to Health Regulations 1988.

9. The details of the pilot *Nitrate Scheme* were announced in April and the scheme began in June. The aim of the scheme is to test the effectiveness of agricultural measures in reducing nitrate leaching to assist future policy development. Ten Nitrate Sensitive Areas covering about 11,000 hectares of agricultural land have been designated in which farmers may receive payments for undertaking to restrict agricultural practices such as fertiliser use and for switching from cereal to grassland production. To date, 65 per cent of eligible farmers have put forward over 5,600 hectares for the scheme. In a further nine Nitrate Advisory Areas, covering about 20,000 hectares, farmers have been visited by Agricultural Development and Advisory Service (ADAS) officers and encouraged to follow practices designed to reduce nitrate leaching at little or no cost to them. The map shows the locations of the nineteen areas.

10. The pilot *Beef and Sheep Extensification Schemes* were launched in July with the aim of reducing production of these commodities. Farmers receive annual compensation payments to reduce output by at least 20 per cent and to maintain the reduction over a five year period. By the end of November, 149 applications had been received for 105 places. Participants in the schemes will also be required to maintain certain environmental features of their farms such as walls, hedges, ponds and unimproved grassland. The schemes will be evaluated to see whether they reduce production and can be effectively administered and monitored. It is the intention to launch national schemes in 1991.

11. The terms of the *Set-Aside Scheme* were amended in 1990 to include a requirement for a second cut of plant cover on fallow land, a greater number of features which participants have to maintain and a limited grazed fallow option. The scheme has continued to attract interest, and applications have been received covering a further 31,000 hectares for the 1990/91 crop year.


PILOT NITRATE SCHEME
Nitrate Sensitive Areas
Nitrate Advisory Areas
10 Kilham
6 Boughton
2 Branston Booths
5 Far Baulker
8 Wellings
1 Sleaford
4 Cringle Brook
1 Sedgeford
2 Bircham & Fring
3 Hillington, Gayton, Congham
9 Tom Hill
6 Bourne Brook
7 Wildmoor
7 Fowlmere
8 The Swells
4 Old Chalford
3 Ogbourne St George
5 Egford
9 Dotton & Colaton

# 4 Output prices and input costs

**Prices 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 1989 and 1990 the index of product prices is forecast to rise by 1.5 per cent and that of input prices by 4.2 per cent. On the product side the rise is due almost entirely to the increase for crop products (5.7 per cent). The index for animal products has fallen slightly with decreases for animals for slaughter and increases for milk and eggs.

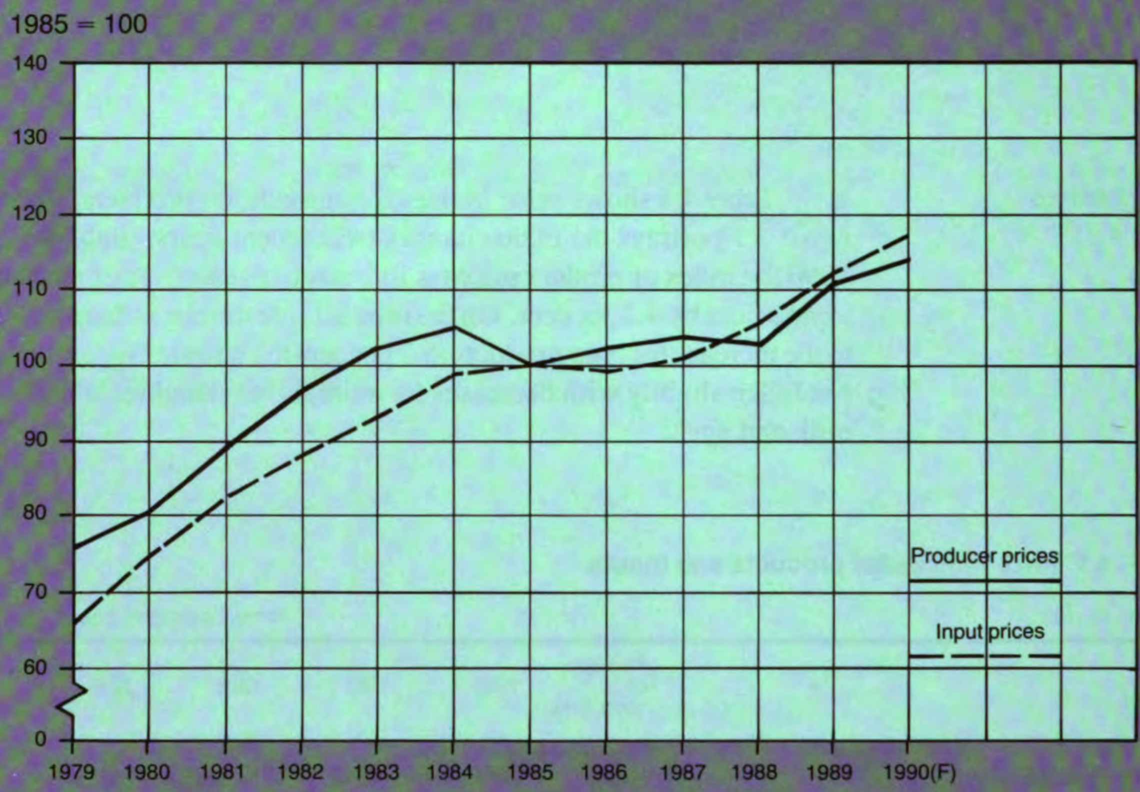
**TABLE 4.1 Price indices for products and inputs**

Indices: 1985=100 — Annual average figures for calendar years

| | Average of 1979-81(a) | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Producer prices for agricultural products** | 82.2 | 102.3 | 104.2 | 103.8 | 111.9 | 113.6 |
| of which: | | | | | | |
| Crop products: | 85.9 | 106.4 | 107.7 | 101.0 | 107.9 | 114.0 |
| cereals | 88.7 | 100.4 | 98.9 | 96.2 | 97.2 | 98.6 |
| root crops | 106.2 | 147.9 | 152.9 | 121.0 | 155.9 | 170.7 |
| fresh vegetables | 73.8 | 93.5 | 104.6 | 100.7 | 102.4 | 114.0 |
| fresh fruit | 70.8 | 117.5 | 108.3 | 114.2 | 120.2 | 137.2 |
| seeds | 106.9 | 109.7 | 124.3 | 115.2 | 125.4 | 135.0 |
| flowers and plants | 69.5 | 99.2 | 105.5 | 110.0 | 108.3 | 106.5 |
| other crop products | 82.8 | 99.7 | 88.5 | 79.0 | 95.7 | 102.6 |
| Animals and animal products: | 80.4 | 99.8 | 102.2 | 105.5 | 114.2 | 113.3 |
| animals for slaughter | 81.2 | 99.8 | 100.4 | 103.3 | 112.0 | 107.4 |
| milk | 76.1 | 103.5 | 107.5 | 115.2 | 122.7 | 125.6 |
| eggs | 94.1 | 81.5 | 91.4 | 77.5 | 93.2 | 106.0 |
| other animal products | 91.1 | 100.4 | 99.3 | 98.9 | 98.0 | 97.9 |
| **Prices of agricultural inputs** | 74.3 | 99.6 | 101.2 | 106.1 | 112.1 | 116.8 |
| of which: | | | | | | |
| Currently consumed in agriculture: | 75.3 | 98.3 | 98.8 | 103.3 | 109.0 | 113.2 |
| animal feedingstuffs | 82.0 | 101.2 | 101.3 | 106.9 | 112.7 | 114.0 |
| seeds | 99.1 | 92.5 | 100.6 | 100.7 | 96.7 | 97.5 |
| animals for rearing and production | 61.8 | 98.8 | 102.6 | 111.9 | 116.1 | 116.1 |
| fertilisers and soil improvers | 77.2 | 90.4 | 82.9 | 85.4 | 92.4 | 94.0 |
| plant protection products | 81.1 | 102.6 | 106.4 | 110.4 | 115.2 | 125.7 |
| maintenance and repair of plant and machinery | 64.8 | 106.1 | 111.0 | 117.7 | 124.5 | 136.0 |
| energy, lubricants | 58.5 | 79.4 | 77.7 | 73.7 | 78.0 | 90.2 |
| maintenance and repair of buildings | 67.6 | 105.2 | 108.2 | 113.2 | 123.4 | 129.8 |
| veterinary services | 69.4 | 106.6 | 106.8 | 112.3 | 116.1 | 122.1 |
| materials and small tools | 73.2 | 103.8 | 108.6 | 114.9 | 121.6 | 129.7 |
| general expenses | 66.5 | 104.9 | 109.4 | 119.6 | 126.3 | 129.2 |
| Contributing to agricultural investment | 70.5 | 106.8 | 113.9 | 120.8 | 128.9 | 135.7 |
| Labour costs | 66.2 | 104.1 | 110.2 | 115.4 | 124.5 | 140.4 |

(a) 1980 based indices re-referenced to 1985 = 100.

CHART 4.1 Price indices for products and inputs



# 5 Commodities

**Introduction**

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

(i) area and yield (for crops) or populations, marketings and slaughter weights (for livestock), leading to an estimate of production. 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 on farms, 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 assist readers to prepare estimates of the magnitude of each commodity sector on the alternative 'production for sale' basis, Table 6.6 provides details of the value of the changes in on-farm stocks and work-in-progress (and Table 6.5 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 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. In 1990 the cereals harvest was again early and completed in very favourable conditions. Production, at 22.6 million tonnes, was almost a repeat of 1989 (22.7 million tonnes). Higher yields offset a reduction of about 180,000 hectares in the total area sown to cereals. The wheat area was slightly

smaller but the main reason for the reduction in total area sown was the continuing decrease in plantings of spring barley. The quality of both the wheat and barley crops was good, with a marked increase in supplies of premium malting barley.

3. Following changes agreed by the Council, the rate of cereals co-responsibility levy was set for the whole of the 1990/91 season, so avoiding the need first to collect the levy and then re-imburse part of it. The Commission's estimate of the 1990 EC harvest has been deferred to February 1991 in the interest of improved accuracy. The Commission will then decide whether next season's levy has to be adjusted to compensate for any under- or over-payment in the 1990/91 season and whether there will be a 3 per cent price cut next season under the stabiliser rules.

4. Ex-farm prices of feed wheat and feed barley started 1990 higher than in the corresponding period of 1989, before falling below the previous year's level in the spring. Prices for bread wheat were lower than in the first half of 1989. In the second half of the year, ex-farm prices of new crop feed wheat and barley were mostly £4-£6 per tonne higher than in 1989. Bread wheat prices were some £10 per tonne higher but prices of premium malting barley were considerably lower because of increased availability of supplies.

## TABLE 5.1 Wheat

'000 tonnes (unless otherwise specified) Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Area, yield, production and output** | | | | | | |
| Area ('000 hectares) | 1,435 | 1,997 | 1,994 | 1,886 | 2,083 | 2,042 |
| Yield (tonnes/hectare) | 5.66 | 6.96 | 5.99 | 6.22 | 6.74 | 6.86 |
| Production | 8,116 | 13,911 | 11,940 | 11,723 | 14,032 | 14,009 |
| Direct use on farms | . . | 992 | 951 | 775 | 977 | 999 |
| Increase in farm stocks | . . | 537 | -396 | -185 | 9 | 16 |
| Output | 7,352 | 12,381 | 11,386 | 11,131 | 13,046 | 12,993 |
| Average realised price (£/tonne) | 101.8 | 111.1 | 112.1 | 105.1 | 104.7 | 109.5 |
| Value of output (£ million) | 748 | 1,376 | 1,276 | 1,170 | 1,365 | 1,423 |
| **Supply and utilisation** | | | | | | |
| Production | 8,116 | 13,911 | 11,940 | 11,723 | 14,032 | 14,009 |
| Imports from: the Eleven | 478 | 994 | 1,233 | 1,137 | 520 | 497 |
| third countries | 1,739 | 714 | 479 | 504 | 339 | 300 |
| Exports to: the Eleven | 630 | 3,040 | 1,593 | 1,085 | 1,301 | 1,348 |
| third countries | 326 | 950 | 2,525 | 843 | 1,978 | 2,406 |
| Total new supply | 9,376 | 11,628 | 9,534 | 11,436 | 11,612 | 11,052 |
| Increase in farm and other stocks | 297 | -84 | -2,417 | -430 | -223 | -735 |
| Total domestic uses | 9,051 | 11,712 | 11,951 | 11,867 | 11,833 | 11,787 |
| of which: flour milling | 4,873 | 4,828 | 4,919 | 5,111 | 5,038 | 4,877 |
| animal feed | 3,608 | 5,840 | 5,976 | 5,593 | 5,593 | 5,735 |
| seed | 284 | 357 | 337 | 357 | 365 | 347 |
| other uses and waste | 286 | 688 | 719 | 806 | 837 | 828 |
| Production as % of total new supply for use in UK | 116 | 120 | 125 | 103 | 121 | 127 |
| % of home grown wheat in milling grist | 87.0 | 63.8 | 77.8 | 65.6 | 82.7 | 86.6 |

## TABLE 5.2 Barley

'000 tonnes (unless otherwise specified) — Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Area, yield, production and output** | | | | | | |
| Area ('000 hectares) | 2,335 | 1,916 | 1,830 | 1,878 | 1,652 | 1,522 |
| Yield (tonnes/hectare) | 4.31 | 5.22 | 5.04 | 4.64 | 4.88 | 5.21 |
| Production | 10,059 | 10,014 | 9,225 | 8,705 | 8,070 | 7,938 |
| Direct use on farms | .. | 2,785 | 2,416 | 2,253 | 2,447 | 2,417 |
| Increase in farm stocks | .. | -87 | -114 | -99 | -578 | -23 |
| Output | 7,098 | 7,318 | 6,923 | 6,550 | 6,201 | 5,545 |
| Average realised price (£/tonne) | 94.8 | 105.8 | 105.1 | 103.2 | 106.4 | 108.7 |
| Value of output (£ million) | 673 | 775 | 728 | 676 | 660 | 603 |
| **Supply and utilisation** | | | | | | |
| Production | 10,059 | 10,014 | 9,225 | 8,705 | 8,070 | 7,938 |
| Imports from: the Eleven | 180 | 265 | 236 | 312 | 277 | 298 |
| third countries | 33 | 15 | ... | 6 | ... | ... |
| Exports to: the Eleven | 703 | 2,220 | 1,048 | 731 | 427 | 706 |
| third countries | 1,063 | 1,891 | 2,047 | 2,079 | 2,816 | 1,305 |
| Total new supply | 8,406 | 6,183 | 6,366 | 6,212 | 5,104 | 6,225 |
| Increase in farm and other stocks | -318 | -234 | -436 | -141 | -1203 | -103 |
| Total domestic uses | 8,627 | 6,417 | 6,801 | 6,353 | 6,308 | 6,328 |
| of which: brewing/distilling | 2,000 | 1,478 | 1,740 | 1,745 | 1,851 | 1,841 |
| animal feed | 6,043 | 4,467 | 4,627 | 4,168 | 4,040 | 4,119 |
| seed | 386 | 277 | 256 | 273 | 243 | 220 |
| other uses and waste | 197 | 195 | 177 | 167 | 174 | 149 |
| Production as % of total new supply for use in UK | 120 | 162 | 145 | 140 | 158 | 128 |

## TABLE 5.3 Oats

'000 tonnes (unless otherwise specified) — Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Area, yield, production and output** | | | | | | |
| Area ('000 hectares) | 142 | 97 | 99 | 120 | 119 | 106 |
| Yield (tonnes/hectare) | 4.12 | 5.16 | 4.57 | 4.53 | 4.45 | 4.97 |
| Production | 587 | 503 | 452 | 545 | 528 | 527 |
| Direct use on farms | . . | 291 | 196 | 211 | 152 | 181 |
| Increase in farm stocks | . . | -92 | 2 | 44 | 59 | 25 |
| Output | 240 | 305 | 255 | 292 | 316 | 320 |
| Average realised price (£/tonne) | 94.6 | 101.1 | 115.3 | 106.6 | 98.7 | 105.2 |
| Value of output (£ million) | 23 | 31 | 29 | 31 | 31 | 34 |
| **Supply and utilisation** | | | | | | |
| Production | 587 | 503 | 452 | 545 | 528 | 527 |
| Imports from: the Eleven | 29 | 15 | 7 | 8 | 8 | 11 |
| third countries | 3 | 2 | . . . | 1 | . . . | 1 |
| Exports to: the Eleven | 3 | 1 | 9 | 5 | 13 | 7 |
| third countries | . . . | . . . | . . . | . . . | . . . | . . . |
| Total new supply | 617 | 519 | 450 | 549 | 522 | 532 |
| Increase in farm and other stocks | -35 | -107 | -4 | 58 | 58 | 22 |
| Total domestic uses | 652 | 626 | 454 | 490 | 464 | 510 |
| of which: milling | 143 | 158 | 162 | 185 | 225 | 236 |
| animal feed | 494 | 434 | 259 | 264 | 203 | 238 |
| seed | 30 | 19 | 20 | 27 | 21 | 20 |
| other uses and waste | 15 | 15 | 13 | 15 | 15 | 16 |
| Production as % of total new supply for use in UK | 95 | 97 | 100 | 99 | 101 | 99 |

## Table 5.4 Rye and mixed corn

'000 tonnes (unless otherwise specified) — Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Area, production and output** | | | | | | |
| Area ('000 hectares) | 20 | 14 | 13 | 12 | 12 | 13 |
| Production | 78 | 61 | 58 | 55 | 55 | 60 |
| Value of output (£ million) | 2 | 3 | 3 | 3 | 3 | 3 |
| **Supply and utilisation** | | | | | | |
| Imports from (a): the Eleven | 19 | 13 | 19 | 26 | 13 | 12 |
| third countries | 2 | 1 | 1 | . . | . . | 1 |
| Total new supply | 99 | 75 | 78 | 81 | 68 | 67 |
| Production as % of total new supply for use in UK | 79 | 81 | 74 | 68 | 81 | 90 |

(a) Relates solely to rye.

## Table 5.5 Maize

'000 tonnes | Calendar years

| | | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|---|
| **Supply and utilisation** | | | | | | | |
| Imports from: | the Eleven | 830 | 1,288 | 1,207 | 1,156 | 1,273 | 1,437 |
| | third countries | 1,920 | 183 | 303 | 191 | 164 | 230 |
| Exports to: | the Eleven | 15 | 12 | 20 | 7 | 26 | 22 |
| | third countries | ... | ... | ... | ... | ... | ... |
| Total new supply | | 2,734 | 1,459 | 1,490 | 1,340 | 1,411 | 1,645 |

## Table 5.6 Total cereals

'000 tonnes (unless otherwise specified) | Calendar years

| | | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|---|
| **Area, production and output** (a) | | | | | | | |
| Area ('000 hectares) | | 3,932 | 4,024 | 3,935 | 3,896 | 3,866 | 3,683 |
| Production | | 18,840 | 24,489 | 21,675 | 21,028 | 22,685 | 22,533 |
| Output | | 14,714 | 20,028 | 18,588 | 17,997 | 19,587 | 18,882 |
| **Supply and utilisation** (a) | | | | | | | |
| Imports from: | the Eleven | 1,530 | 2,575 | 2,702 | 2,639 | 2,089 | 2,255 |
| | third countries | 3,695 | 915 | 783 | 702 | 503 | 531 |
| Exports to: | the Eleven | 1,450 | 5,273 | 2,670 | 1,828 | 1,767 | 2,083 |
| | third countries | 1,389 | 2,841 | 4,572 | 2,922 | 4,794 | 3,711 |
| Total new supply | | 21,231 | 19,865 | 17,918 | 19,619 | 18,716 | 19,525 |
| Increase in stocks | | -57 | -441 | -2,842 | -503 | -1,362 | -816 |
| Total domestic uses | | 18,330 | 20,311 | 20,759 | 20,121 | 20,078 | 22,534 |
| Production as % of total new supply for use in UK | | 89 | 123 | 121 | 107 | 121 | 115 |
| Stocks (of wheat, barley and oats) held at year end: | on farms | 8,872 | 9,380 | 8,870 | 8,630 | 8,120 | 8,138 |
| | in intervention (b) | .. | 4,271 | 1,729 | 1,544 | 705 | 723 |
| | by processors, traders and cooperatives | .. | 5,020 | 5,214 | 5,127 | 5,107 | 4,255 |

(a) Excluding triticale (approximately 8,000 hectares in 1989 and 9,000 hectares in 1990).
(b) Recorded as all physical stocks held at the particular date.

## Other crops

**Oilseed rape** *(Table 5.7)*

5. There was a significant increase from 321,000 hectares in 1989 to an estimated 397,000 hectares in the area planted to oilseed rape. Production is forecast at 1.23 million tonnes, an increase of 26 per cent. This is above the 1989 production of 0.98 million tonnes, but below the 1987 peak of 1.35 million tonnes. The increase is probably largely due to the relatively high prices paid for the 1989 crop.

6. Community production has risen from 4.97 million tonnes in 1989 to an estimated 5.84 million tonnes, an increase of over 18 per cent. Under the stabiliser mechanism, the baseline target price has been cut by 15.5 per cent for the 1990/91 marketing year compared with a 3.1 per cent cut applied in 1989/90. Taking into account the green pound devaluations of 11 January and 1 July 1990, the support price in the UK for 1990/91 is 3.2 per cent (£9.94/tonne) lower than the 1989 level.

**Sugar beet and sugar** *(Table 5.8)*

7. The area of sugar beet harvested in 1990 is expected to be around 194,000 hectares. The dry and mild conditions in most beet growing areas allowed drilling to commence about two weeks earlier than usual but caused some difficulties with the germination of seeds. The dry and hot conditions later in the season put severe stress on unirrigated beet. There were two outbreaks of rhizomania, both in Norfolk, affecting 12 hectares of crop. White sugar production is forecast to be about 1.25 million tonnes, compared with 1.27 million tonnes in 1989: 72,000 tonnes of white sugar which were produced in excess of quota in 1989 were carried forward into 1990. Total supply is expected to be considerably above the maximum quota of 1.144 million tonnes set for the UK under the Community sugar regime. The excess has to be exported without export refunds or carried forward to count against next year's quota.

**Hops** *(Table 5.9)*

8. The indications are that yields and alpha acid contents are slightly lower than in the 1989 crop, and that prices for hops sold under contract are at a similar level.

**Peas and beans** *(Table 5.10)*

9. Production of peas has increased from 277,000 tonnes in 1989 to an estimated 284,000 tonnes. The increase results from higher forecast yields. The hectarage fell from 85,000 to an estimated 79,000 hectares. Production of beans rose from 450,000 tonnes in 1989 to an estimated 465,000 tonnes. The area sown increased from 129,000 hectares in 1989 to an estimated 143,000 hectares.

10. Forecasts of Community pea and bean production have risen to 4.38 million tonnes in 1990, compared to 4.14 million tonnes in 1989. Under the stabiliser mechanism, the base line guide price has been reduced by 20 per cent for the 1990/91 marketing year. Taking into account green pound devaluations, the support price in the UK for 1990/91 is 2.6 per cent (£4.95/tonne) lower than the 1989 level.

**Seeds**
*(Tables 5.12 and 5.13)*

11. Total production of herbage and legume seed in the year ended May 1990 increased by 12 per cent on the 16,600 tonnes produced in the previous year: 9,200 tonnes of seed were imported from other member states of the Community during 1989/90 (the highest level reached for a decade). The area approved for the production of herbage and legume seed in 1990/91 is expected to fall by 17.7 per cent from last year's level.

**Potatoes** *(Table 5.14)*

12. Low prices at the beginning of the 1990 crop year in Pembroke and Cornwall led to the Potato Marketing Board removing some 14,000 tonnes of early potatoes from the market in July 1990. No Government expenditure was involved. UK imports of ware potatoes in the early part of 1990 were markedly fewer than for the comparable period of 1989.

13. Plantings in the UK (including minor holdings in Scotland and Northern Ireland) in 1990 were estimated at 178,300 hectares, about 97 per cent of the target of 183,591 hectares. Yields of 1990 crop ware potatoes were slightly down on 1989, also a drought year. However, overall yields were marginally higher due to some exceptionally high yields recorded for early potatoes.

14. Amendments to the Potato Marketing Scheme to give non-producer interests a greater influence in market management decisions came into force in mid-August. The continuation of the scheme will be kept under review. It remains the Government's intention to abolish the guarantee arrangements as soon as Parliamentary time permits but, in the meantime, the industry is being called upon to bear a greater share of the cost of its price support arrangements. In Northern Ireland, market support arrangements are provided for in an agreement between the Department of Agriculture and the Ulster Farmers' Union. This was revised in July 1990.

**TABLE 5.7 Oilseed rape**

'000 tonnes (unless otherwise specified) — Calendar years

| | | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|---|
| Area ('000 hectares) | | 97 | 299 | 388 | 347 | 321 | 397 |
| Yield (tonnes/hectare) (a) | | 2.88 | 3.18 | 3.49 | 3.00 | 3.04 | 3.10 |
| Production (a) | | 279 | 951 | 1,353 | 1,040 | 976 | 1,231 |
| Average producer price (b) (£/tonne) | | 233 | 284.4 | 220.5 | 231.9 | 285.5 | 279.8 |
| Value of output (£ million) | | 66 | 270 | 298 | 241 | 279 | 344 |
| Imports from: | the Eleven | 65 | 65 | 151 | 67 | 71 | 133 |
| | third countries | 81 | 180 | 40 | 14 | 31 | 88 |
| Exports to: | the Eleven | 1 | 496 | 295 | 150 | 103 | 193 |
| | third countries | ... | ... | 1 | ... | ... | ... |
| Total new supply | | 425 | 714 | 1,248 | 971 | 975 | 1,259 |
| Production as % of total new supply for use in UK | | 65 | 133 | 108 | 107 | 101 | 98 |

(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.

## TABLE 5.8 Sugar beet and sugar

'000 tonnes (unless otherwise specified) — Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Sugar beet** | | | | | | |
| Area ('000 ha) (a) | 210 | 201 | 200 | 198 | 194 | 194 |
| Yield (tonnes/ha) | 35.56 | 40.35 | 39.91 | 41.30 | 41.80 | 41.24 |
| Production of beet | 7,478 | 8,118 | 7,992 | 8,152 | 8,113 | 8,000 |
| Average market price (b) (£/tonne) | 26.40 | 28.06 | 27.85 | 29.27 | 30.58 | 34.00 |
| Value of output (£ million) | 197 | 228 | 223 | 239 | 248 | 272 |
| Sugar content % | 16.83 | 18.14 | 16.78 | 17.65 | 17.22 | 17.50 |
| Sugar extraction rate % | 88.8 | 89.5 | 91.0 | 91.0 | 91.0 | 90.0 |
| **Sugar** ('000 tonnes refined basis) | | | | | | |
| Production (c) | 1,117 | 1,318 | 1,226 | 1,304 | 1,267 | 1,250 |
| Imports from (d): the Eleven (e) | 172 | 131 | 93 | 121 | 128 | 161 |
| third countries | 1,131 | 1,124 | 1,084 | 1,178 | 1,195 | 1,152 |
| Exports to (d): the Eleven | 8 | 37 | 40 | 64 | 78 | 34 |
| third countries | 86 | 136 | 288 | 227 | 277 | 309 |
| Total new supply | 2,326 | 2,400 | 2,075 | 2,312 | 2,235 | 2,220 |
| Production as % of total new supply for use in UK | 48 | 55 | 59 | 56 | 57 | 56 |

(a) Harvested area. This is slightly below the sown area.
(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 previous calendar years production.
(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 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| Area ('000 hectares) (a) | 5.7 | 4.2 | 4.0 | 3.9 | 3.7 | 3.7 |
| Yield (tonnes/hectare) | 1.71 | 1.20 | 1.31 | 1.27 | 1.26 | 1.25 |
| Production | 9.8 | 5.1 | 5.2 | 4.9 | 4.7 | 4.6 |
| Farm gate price (£/tonne) | 2,207 | 2,233 | 2,299 | 2,417 | 2,395 | 2,400 |
| Total realised return (£ million) | 21 | 11 | 12 | 12 | 12 | 11 |
| Other receipts (£ million) (b) | 1 | 1 | 1 | 1 | 1 | 1 |
| Value of production (£ million) | 22 | 12 | 13 | 14 | 13 | 13 |
| Imports from: the Eleven | 1.9 | 1.7 | 1.2 | 1.3 | 1.4 | 1.0 |
| third countries | .. | 0.7 | 1.0 | 0.9 | 0.9 | 0.9 |
| Exports to: the Eleven | 2.7 | 1.5 | 0.8 | 0.8 | 2.1 | 1.0 |
| third countries | .. | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total new supply | 9.0 | 6.0 | 6.5 | 6.3 | 4.8 | 5.4 |
| Production as % of total new supply for use in UK | 109 | 85 | 80 | 79 | 98 | 85 |

(a) This is the area 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 refers to the area in production.
(b) Production aid.

## TABLE 5.10 Peas and beans for stockfeed

Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Peas for harvesting dry** (a) | | | | | | |
| Area ('000 hectares) | .. | 77.4 | 99.1 | 90.6 | 72.3 | 67.2 |
| Yield (tonnes/hectare) | .. | 3.64 | 2.65 | 3.38 | 3.25 | 3.59 |
| Production ('000 tonnes) | .. | 281.7 | 262.6 | 306.3 | 235.5 | 241.1 |
| Price (£/tonne) | .. | 220.4 | 198.3 | 160.4 | 172.7 | 165.2 |
| Value of production (£ million) | .. | 62 | 52 | 49 | 41 | 40 |
| **Field beans** (mainly for stockfeed) | | | | | | |
| Area ('000 hectares) | .. | 59.7 | 91.0 | 153.7 | 129.0 | 143.0 |
| Yield (tonnes/hectare) | .. | 3.84 | 3.23 | 3.88 | 3.49 | 3.25 |
| Production('000 tonnes) | .. | 229.2 | 293.9 | 596.4 | 450.2 | 464.8 |
| Price (£/tonne) | .. | 211.7 | 193.0 | 156.2 | 168.4 | 159.5 |
| Value of production (£ million) | .. | 49 | 57 | 93 | 76 | 74 |

(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 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Concentrates** | | | | | | |
| Compounds for: | | | | | | |
| cattle | 4.6 | 4.5 | 3.8 | 3.7 | 3.8 | 3.9 |
| calves | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 |
| pigs | 2.3 | 2.2 | 2.2 | 2.2 | 2.1 | 2.2 |
| poultry | 3.4 | 3.4 | 3.5 | 3.6 | 3.4 | 3.6 |
| other | 0.4 | 0.6 | 0.6 | 0.7 | 0.7 | 0.8 |
| Total | 11.1 | 11.0 | 10.5 | 10.5 | 10.4 | 10.8 |
| Straight concentrates (ie cereals, cereal offals, proteins and other high energy feeds) | 3.5 | 4.6 | 4.8 | 4.7 | 4.5 | 4.6 |
| Total | 14.6 | 15.6 | 15.3 | 15.2 | 14.9 | 15.4 |
| Non - concentrates (low-energy bulk feeds expressed as concentrate equivalent) (a) | 0.7 | 0.7 | 0.7 | 0.6 | 0.7 | 0.7 |
| Total all purchased feedingstuffs | 15.3 | 16.3 | 15.9 | 15.9 | 15.6 | 16.1 |
| Cost of purchased feedingstuffs (£ million) | 2,133 | 2,680 | 2,665 | 2,788 | 2,871 | 3,017 |
| of which this part represents the value of sales off the national farm (and included in output) but subsequently repurchased as an input (£ million) | 563 | 682 | 583 | 634 | 561 | 579 |

(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 1979/80-1981/82 | 1986/87 | 1987/88 | 1988/89 | 1989/90 | 1990/91 (forecast) |
|---|---|---|---|---|---|---|---|
| Certified seed: | | | | | | | |
| area ('000 hectares) | | 19.3 | 17.0 | 17.8 | 17.7 | 17.4 | 15.0 |
| production | | 18.5 | 16.3 | 15.9 | 16.6 | 18.6 | 15.3 |
| Imports from: | the Eleven | 8.0 | 7.8 | 6.9 | 5,3 | 9.2 | .. |
| | third countries | 5.6 | 5.6 | 3.9 | 4.5 | 3.9 | .. |
| Exports to: | the Eleven | 4.2 | 4.2 | 3.1 | 2.3 | 2.3 | .. |
| | third countries | 0.7 | 0.9 | 0.7 | 0.3 | 0.3 | .. |
| Total new supply | | 27.2 | 24.6 | 22.9 | 23.8 | 29.1 | .. |

## TABLE 5.13 **Purchased seeds** (excluding direct inter-farm sales)

'000 tonnes — Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| Cereals | 603.7 | 572.0 | 550.4 | 582.8 | 557.7 | 529.7 |
| Grass and clover | 21.2 | 16.8 | 14.7 | 14.7 | 17.2 | 17.8 |
| Root and fodder crops | 52.5 | 39.1 | 51.4 | 52.8 | 43.7 | 46.5 |
| Potatoes | 305.0 | 269.0 | 251.0 | 265.0 | 269.0 | 276.0 |
| Vegetable and other horticultural seeds (a) | 21.5 | 19.6 | 18.7 | 19.5 | 19.8 | 20.7 |
| Total cost of all purchased seeds (£ million) | 215 | 268 | 278 | 276 | 290 | 30 |
| of which this part represents the value of sales off the national farm (and included in output) but subsequently repurchased as an input (£ million). | 101 | 126 | 131 | 130 | 136 | 145 |

(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 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Area, yield, production and output** | | | | | | |
| Area ('000 hectares): early | 20.2 | 17.2 | 16.6 | 17.5 | 17.5 | 15.9 |
| maincrop | 180.1 | 161.7 | 162.0 | 163.7 | 157.6 | 162.4 |
| Yield (tonnes/hectare): early | 19.6 | 21.0 | 23.6 | 24.0 | 21.0 | 27.6 |
| maincrop | 34.0 | 37.4 | 39.0 | 39.6 | 37.0 | 36.6 |
| Production: early | 397 | 361 | 392 | 420 | 368 | 438 |
| maincrop | 6,127 | 6,051 | 6,322 | 6,479 | 5,830 | 5,952 |
| total | 6,524 | 6,412 | 6,714 | 6,899 | 6,198 | 6,390 |
| Waste | .. | 816 | 793 | 901 | 783 | 662 |
| Stock increase | .. | -401 | 105 | 81 | -455 | 8 |
| Total output | .. | 5,997 | 5,816 | 5,917 | 5,870 | 5,720 |
| Average price (£/tonne) (a) paid to registered producers for: early potatoes | .. | 104.7 | 119.4 | 103.2 | 132.9 | 83.7 |
| maincrop potatoes | .. | 70.2 | 82.4 | 64.5 | 80.3 | 90.2 |
| realised for all potatoes | .. | 71.7 | 83.3 | 67.3 | 82.9 | 89.0 |
| Value of output of potatoes (£ million) | 363 | 430 | 484 | 398 | 486 | 509 |
| **Supplies and utilisation** | | | | | | |
| Total production | 6,524 | 6,412 | 6,714 | 6,899 | 6,198 | 6,390 |
| Supplies from the Channel Islands | 35 | 36 | 43 | 36 | 31 | 40 |
| Imports | 566 | 848 | 986 | 916 | 1006 | 980 |
| of which: early from: the Eleven | 44 | 63 | 59 | 40 | 84 | 55 |
| third countries | 263 | 184 | 133 | 148 | 154 | 180 |
| maincrop from: the Eleven | 87 | 198 | 372 | 230 | 195 | 143 |
| third countries | 6 | 6 | 7 | 14 | ... | ... |
| processed (raw equivalent) from: the Eleven | 101 | 356 | 375 | 423 | 543 | 550 |
| third countries | 58 | 25 | 19 | 35 | ... | 28 |
| seed from: the Eleven | 6 | 16 | 21 | 26 | 30 | 24 |
| third countries | 1 | ... | ... | ... | ... | ... |
| Exports | 214 | 247 | 266 | 156 | 208 | 233 |
| of which: raw to: the Eleven | 11 | 60 | 39 | 32 | 60 | 60 |
| third countries | 36 | 32 | 55 | 35 | 40 | 37 |
| processed (raw equivalent) to: the Eleven | 40 | 49 | 53 | 28 | 43 | 59 |
| third countries | 8 | 6 | 6 | 2 | 3 | 10 |
| seed to: the Eleven | 2 | 31 | 52 | 35 | 36 | 33 |
| third countries | 117 | 69 | 61 | 24 | 26 | 34 |
| Total new supply | .. | 7,049 | 7,477 | 7,695 | 7,027 | 7,177 |
| Opening stocks | .. | 3,112 | 2,711 | 2,816 | 2,897 | 2,442 |
| Closing stocks | .. | 2,711 | 2,816 | 2,897 | 2,442 | 2,450 |
| Net increase in farm and other stocks | .. | -401 | 105 | 81 | -455 | 8 |
| Total domestic uses | .. | 7,450 | 7,372 | 7,614 | 7,482 | 7,169 |
| of which: used for human consumption | .. | 6,067 | 5,985 | 5,993 | 6,005 | 5,892 |
| seed for home crops (including seed imports) | .. | 566 | 564 | 568 | 562 | 570 |
| support buying | .. | - | - | 142 | 92 | 14 |
| chats,waste and retained stockfeed | .. | 817 | 823 | 911 | 823 | 693 |
| Production as % of total new supply for use in UK | .. | 91 | 90 | 90 | 88 | 89 |

(a) Including sacks.

**Horticulture**
*(Tables 5.15 and 5.16)*

15. The total area devoted to horticulture as recorded in the June agricultural census was 203,000 hectares in 1990 (provisional) compared to 208,000 hectares in 1989. The areas shown in Table 5.15 however differ from these for several reasons, including multi-cropping. This table gives information about the main sectors. Table 5.16 gives details for cauliflowers, tomatoes, apples and pears, the four crops for which intervention arrangements apply.

16. Another hot, dry summer resulted in generally high levels of returns from *salad crops*. The area of Butterhead lettuce declined further in favour of Iceberg and other 'exotic' varieties. Tomato yields and prices improved through the year so that outputs per unit area were similar to those achieved in 1989. Withdrawals were slightly higher than last year. Imports up to the end of June were slightly below those for the same period last year. Returns for cucumbers were higher than in 1989.

17. The continued decrease in overall area devoted to *field vegetables* and the prolonged dry weather again affected supplies but with no significant effect on returns. The prolonged hot spell also caused irregular summer cauliflower production. Withdrawals of cauliflowers increased in 1989/90 to 13,000 tonnes. The 1990 dry bulb onion crop achieved good quality and prices, with yields similar to last year. Carrot prices were higher than those of last year.

18. In the *top fruit* sector, withdrawals of apples increased substantially in 1989/90 to 36,000 tonnes but lower levels of withdrawal are expected in 1990/91. Withdrawals of pears were higher in 1989/90 following very little intervention in the previous year. The total area of top fruit continued to decline in 1990 and production was reduced by spring frosts and low temperatures. Despite the dry weather, fruit of good flavour, size and quality was produced. Yields of Cox were only about 55 per cent of last year's although yields of other dessert apple varieties were generally similar to those of 1989. Yields of Bramley's Seedling were also much lower than those of last year and, because of continued low calcium levels, store monitoring will be vital. Yields of Conference pears were about 75 per cent of those for last year.

19. Among *soft fruit* crops, the season for strawberries was very early. The crop was larger than in 1989 but late summer production was reduced by very hot weather. Returns for good quality produce were higher than in 1989. The raspberry and blackcurrant crops were smaller than in 1989.

20. Within the *ornamental sector*, hardy nursery stock realised good returns during the spring. However later, hot weather caused difficult planting and growing conditions. Home production of bedding plants continued to expand. The 1990 season produced good bulb crops but the market was oversupplied. Production of cut flowers continued to increase but prices were lower than those for 1989.

## TABLE 5.15 Horticulture

Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Vegetables** | | | | | | |
| Grown in the open (a): | | | | | | |
| area ('000 hectares) (b) | 191.3 | 185.9 | 178.4 | 191.0 | 191.9 | 187.7 |
| value of output (£ million) | 355 | 462 | 537 | 531 | 560 | 570 |
| Protected: | | | | | | |
| area ( '000 hectares) (b) | 3.1 | 3.4 | 3.3 | 3.4 | 3.4 | 3.1 |
| value of output (£ million) | 174 | 274 | 310 | 310 | 327 | 350 |
| Total value of output (£ million) | 529 | 737 | 848 | 840 | 886 | 920 |
| **Fruit** | | | | | | |
| Orchard fruit: | | | | | | |
| area ('000 hectares) | 44.1 | 34.8 | 35.2 | 33.9 | 32.8 | 32.2 |
| value of output (£ million) | 86 | 120 | 115 | 119 | 149 | 154 |
| Soft fruit: | | | | | | |
| area ( '000 hectares) (b) | 18.6 | 15.1 | 14.6 | 14.7 | 14.5 | 14.4 |
| value of output (£ million) | 71 | 111 | 108 | 114 | 116 | 118 |
| Total value of output (£ million) (c) | 157 | 235 | 223 | 234 | 265 | 273 |
| **Ornamentals** | | | | | | |
| Area ('000 hectares) | .. | 17.0 | 17.9 | 18.1 | 18.2 | 18.5 |
| Value of output (£ million) | 175 | 280 | 328 | 380 | 434 | 475 |
| of which: flower bulbs | .. | 25 | 27 | 26 | 30 | 33 |
| flowers in the open | 13 | 17 | 18 | 21 | 23 | 26 |
| hardy nursery stock | 75 | 124 | 144 | 181 | 213 | 237 |
| protected crops | .. | 113 | 138 | 152 | 167 | 178 |
| Seeds: value of output (£ million) | 6 | 6 | 9 | 6 | 7 | 7 |
| Total value of commercial horticultural output (£ million) (d) | 844 | 1,257 | 1,407 | 1,460 | 1,592 | 1,675 |
| **Value of output of main crops** (£ million) | | | | | | |
| cabbages | 47 | 62 | 75 | 88 | 91 | 90 |
| carrots | 36 | 47 | 65 | 71 | 73 | 76 |
| cauliflowers | 51 | 54 | 64 | 67 | 61 | 67 |
| lettuces | 50 | 69 | 93 | 64 | 57 | 66 |
| mushrooms | 75 | 139 | 145 | 163 | 168 | 173 |
| peas (a) | 58 | 58 | 40 | 48 | 50 | 59 |
| tomatoes | 52 | 67 | 79 | 56 | 69 | 78 |
| apples | 63 | 89 | 84 | 87 | 113 | 120 |
| pears | 10 | 15 | 14 | 15 | 17 | 18 |
| raspberries | 17 | 40 | 29 | 33 | 35 | 25 |
| strawberries | 39 | 55 | 63 | 63 | 66 | 72 |

(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) Includes glasshouse fruit.
(d) Includes hedgerow fruit and nuts

## TABLE 5.16 Selected horticultural crops

'000 tonnes (unless otherwise specified) | Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Cauliflowers** | | | | | | |
| Farm gate price (£/tonne) | 168.5 | 161.2 | 224.4 | 183.3 | 188.5 | 223.7 |
| Output | 304 | 338 | 285 | 360 | 322 | 301 |
| Supplies from Channel Islands | 10 | 10 | 10 | 11 | 7 | 7 |
| Imports from: the Eleven | 25 | 56 | 41 | 60 | 53 | 34 |
| third countries | ... | ... | ... | ... | ... | ... |
| Total new supply | 339 | 404 | 336 | 431 | 382 | 342 |
| Output as % of total new supply for use in UK | 90 | 84 | 85 | 84 | 84 | 88 |
| **Tomatoes** | | | | | | |
| Farm gate price (£/tonne) | 406.9 | 545.9 | 629.6 | 453.2 | 487.4 | 540.0 |
| Output | 127 | 126 | 125 | 123 | 141 | 144 |
| Supplies from Channel Islands | 49 | 16 | 12 | 16 | 17 | 18 |
| Imports from: the Eleven | 111 | 160 | 152 | 166 | 175 | 171 |
| third countries | 68 | 97 | 104 | 100 | 98 | 86 |
| Exports to: the Eleven | 5 | 8 | 6 | 7 | 6 | 6 |
| third countries | ... | ... | ... | ... | ... | ... |
| Total new supply | 350 | 391 | 387 | 398 | 425 | 413 |
| Output as % of total new supply for use in UK | 36 | 32 | 32 | 31 | 33 | 35 |
| **Apples** (excluding cider apples) | | | | | | |
| Farm gate price (£/tonne): | | | | | | |
| dessert | 236.6 | 361.6 | 335.6 | 412.2 | 359.9 | 494.5 |
| culinary | 159.4 | 261.7 | 244.0 | 300.8 | 210.3 | 320.9 |
| Output from the crop: | | | | | | |
| dessert | 179 | 148 | 160 | 130 | 203 | 169 |
| culinary | 130 | 134 | 124 | 110 | 188 | 119 |
| Imports from: the Eleven | 263 | 288 | 291 | 312 | 274 | 250 |
| third countries | 110 | 154 | 152 | 187 | 196 | 200 |
| Exports to: the Eleven | 15 | 19 | 32 | 16 | 31 | 28 |
| third countries | ... | ... | ... | ... | ... | ... |
| Total new supply | 697 | 705 | 695 | 723 | 830 | 710 |
| Increase in stocks | -19 | 3 | -23 | ... | 18 | -13 |
| Total domestic uses | 716 | 708 | 672 | 723 | 848 | 697 |
| Output as % of total new supply for use in UK | 43 | 40 | 41 | 33 | 47 | 41 |
| Closing stocks | 84 | 117 | 94 | 94 | 112 | 99 |

## TABLE 5.16 Selected horticultural crops (continued)

'000 tonnes (unless otherwise specified) | Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Pears** (excluding perry pears) | | | | | | |
| Farm gate price (£/tonne) | 220.8 | 330.3 | 308.1 | 334.9 | 430.0 | 574.2 |
| Output from the crop | 45 | 45 | 45 | 45 | 39 | 32 |
| Imports from: the Eleven | 37 | 51 | 55 | 63 | 73 | 67 |
| third countries | 15 | 14 | 22 | 30 | 30 | 36 |
| Exports to: the Eleven | 1 | 1 | 1 | 1 | 1 | 2 |
| third countries | ... | ... | ... | ... | ... | ... |
| Total new supply | 84 | 109 | 121 | 137 | 141 | 133 |
| Increase in stocks | -4 | -6 | 6 | -10 | 3 | ... |
| Total domestic uses | 88 | 103 | 127 | 127 | 144 | 133 |
| Output as % of total new supply for use in UK | 51 | 41 | 37 | 33 | 28 | 24 |
| Closing stocks | 18 | 18 | 24 | 14 | 17 | 17 |

## Livestock

**Cattle and calves; beef and veal**
*(Table 5.17)*

21. The size of the beef breeding herd continued to rise, reaching its highest level for eleven years, with the increase in beef cows more than offsetting the further decrease in the dairy herd. For the first three months of 1990, market prices were around last year's levels. Prices subsequently fell continuously until October. They then rose slightly but were still significantly below the levels reached at the same time last year. The depressed state of the beef market throughout the EC can be attributed to a number of factors. Significant increases in output have been matched by a long-term decline in consumption, exacerbated this year by concerns over BSE, the Gulf crisis and the effects of German unification.

22. During the first quarter of 1990, intervention purchases were under 5,000 tonnes. However, as a result of the decrease in market prices, intervention purchases then began to increase. The special intervention arrangements ('safety net'), which apply when the beef market is particularly depressed, were opened in the UK in June. As a result of these measures, intervention stocks had increased to 94,000 tonnes (carcase weight equivalent) by mid-November from 11,000 tonnes at the end of 1989.

**Sheep and lambs; mutton and lamb**
*(Table 5.18)*

23. Over the year the breeding flock continued to expand, although the increase of 3 per cent between 1989 and 1990 was considerably smaller than the 5 per cent recorded for the previous year. Domestic production of sheepmeat in 1990 is estimated to be just under 2 per cent higher than in 1989. Exports are expected to be around 8 per cent less than last year and supplies to the home market are expected to stabilise. Average market prices for Great Britain are expected to be about 1.5 per cent below those of last year with a fall of about 16 per cent anticipated for Northern Ireland.

24. The budgetary stabiliser mechanism for sheepmeat is calculated by comparing the cumulative expansion of the breeding flock with a 1987 base figure. This year, it gave rise to a provisional cut of 11 per cent applied to the 1990 guide price, which is used for determining the variable premium in Great Britain. The 1989 definitive stabiliser reduction, as applied to the basic price for calculating the 1989 annual ewe premium, was 5 per cent for both Great Britain and Northern Ireland.

25. The Agricultural Departments continue to pay compensation to sheep producers whose activities have been affected by the restrictions imposed following the Chernobyl accident in 1986. Compensation to date is in excess of £7.5 million.

**Pigs and pigmeat**
*(Table 5.19)*

26. Smaller supplies of pigmeat throughout the EC early in the year, exacerbated by a serious outbreak of classical swine fever in Belgium and a fall in demand for beef in the UK, caused UK prices to rise to record levels by the summer. Expansion of production, the ending of veterinary restrictions in Belgium and the unification of Germany increased EC supplies in the second half of the year and prices fell back.

**Poultry and poultrymeat**
*(Table 5.20)*

27. The chicken market was undersupplied in the earlier part of 1990 but the situation improved following a recovery in chick placings and the use of new vaccines to combat a virulent strain of Gumboro disease. With demand continuing to rise, imports increased to meet the shortfall in domestic production. Prices remained firm throughout 1990 with only a slight weakening in the autumn. Turkey production fell back to near 1988 levels.

## TABLE 5.17 Cattle and calves; beef and veal

Calendar years

| | Average of 1979-81 | 1986 | 1987(a) | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Populations** | | | | | | |
| Total cattle and calves ('000 head at June) | 13,384 | 12,533 | 12,158 | 11,872 | 11,977 | 12,108 |
| of which: dairy cows | 3,237 | 3,138 | 3,042 | 2,911 | 2,865 | 2,854 |
| beef cows | 1,481 | 1,308 | 1,343 | 1,373 | 1,495 | 1,601 |
| dairy heifers in-calf | 687 | 711 | 598 | 612 | 566 | 530 |
| beef heifers in-calf | 168 | 168 | 176 | 222 | 227 | 223 |
| other | 7,812 | 7,208 | 6,998 | 6,754 | 6,824 | 6,901 |
| **Selected market prices** | | | | | | |
| Store cattle (£ per head) (b): | | | | | | |
| 1st quality Hereford/cross bull calves (c) | 103 | 133 | 134 | 186 | 188 | 129 |
| 1st quality beef/cross yearling steers (d) | 251 | 347 | 360 | 414 | 431 | 395 |
| Finished cattle (p per kg liveweight): all clean cattle | 80.2 | 94.4 | 96.0 | 109.2 | 113.9 | 105.7 |
| **Marketings, production and returns** | | | | | | |
| Total home-fed marketings ('000 head) | 4,407 | 4,130 | 4,463 | 3,599 | 3,710 | 3,797 |
| of which: steers, heifers and young bulls | .. | 3,058 | 3,075 | 2,620 | 2,664 | 2,758 |
| calves | .. | 284 | 459 | 286 | 350 | 390 |
| cows and adult bulls | .. | 788 | 929 | 693 | 697 | 649 |
| Average dressed carcase weights (dcw) (kgs) (e): | | | | | | |
| steers, heifers and young bulls | .. | 273.7 | 276.0 | 282.9 | 288.0 | 289.1 |
| calves | .. | 47.3 | 51.3 | 55.2 | 49.6 | 41.7 |
| cows and adult bulls | .. | 271.3 | 272.9 | 276.7 | 277.6 | 278.6 |
| Production ('000 tonnes, dcw): | | | | | | |
| Home-fed production | 1,076 | 1,062 | 1,119 | 945 | 972 | 991 |
| Gross indigenous production (f) | .. | 1,038 | 1,102 | 923 | 959 | 981 |
| Average realised return (p per kg dcw) (g) | 140 | 172 | 177 | 200 | 202 | 180 |
| Total realised return (£ million) | 1,509 | 1,825 | 1,981 | 1,890 | 1,962 | 1,788 |
| Other receipts (£ million) (h) | 42 | 78 | 88 | 87 | 139 | 159 |
| Value of home-fed production (£ million) | 1,551 | 1,902 | 2,069 | 1,977 | 2,100 | 1,946 |
| **Supplies** ('000 tonnes, dcw) (i) | | | | | | |
| Home-fed production | 1,076 | 1,062 | 1,119 | 945 | 972 | 991 |
| Imports from: the Eleven (j) | 235 | 212 | 209 | 238 | 191 | 159 |
| third countries | 47 | 49 | 50 | 53 | 47 | 38 |
| Exports to: the Eleven (k) | 137 | 140 | 164 | 120 | 132 | 94 |
| third countries | 20 | 79 | 60 | 36 | 35 | 29 |
| Total new supply | 1,201 | 1,103 | 1,153 | 1,079 | 1,043 | 1,065 |
| Increase in stocks | -9 | -30 | -7 | -22 | -23 | 95 |
| Total domestic uses | 1,210 | 1,134 | 1,161 | 1,102 | 1,066 | 970 |
| Home-fed production as % of total new supply for use in UK | 90 | 96 | 97 | 87 | 93 | 93 |
| Closing stocks | 31 | 118 | 110 | 88 | 65 | 160 |

(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 pure bred 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 1979-81 | 1986 | 1987(a) | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Populations** | | | | | | |
| Total sheep and lambs ('000 head at June) | 31,163 | 37,016 | 38,701 | 40,942 | 42,967 | 44,217 |
| of which: ewes | 12,138 | 14,252 | 14,780 | 15,461 | 16,154 | 16,848 |
| shearlings | 2,786 | 3,146 | 3,288 | 3,557 | 3,840 | 3,652 |
| lambs under 1 year old | 14,974 | 18,384 | 19,377 | 20,587 | 21,582 | 22,341 |
| other | 1,265 | 1,234 | 1,256 | 1,338 | 1,391 | 1,376 |
| **Selected market prices** | | | | | | |
| Store sheep (£ per head): | | | | | | |
| 1st quality lambs, hoggets and tegs (b) | 27.4 | 36.7 | 37.5 | 37.5 | 36.1 | 34.0 |
| Finished sheep (p per kg estimated dcw): | | | | | | |
| Great Britain (c) | .. | 175.3 | 196.7 | 177.0 | 184.4 | 181.9 |
| Northern Ireland | .. | 200.1 | 213.7 | 208.0 | 202.5 | 169.4 |
| **Marketings, production and returns** (excluding clip wool) | | | | | | |
| Total home-fed marketings ('000 head) | 13,991 | 16,055 | 16,494 | 18,143 | 20,582 | 21,049 |
| of which: clean sheep and lambs | 12,560 | 14,533 | 14,842 | 16,452 | 18,611 | 18,971 |
| ewes and rams | 1,431 | 1,522 | 1,652 | 1,691 | 1,970 | 2,078 |
| Average dressed carcase weights (dcw) (kgs) (d): | | | | | | |
| clean sheep and lambs | .. | 17.8 | 18.0 | 18.2 | 18.0 | 17.8 |
| ewes and rams | .. | 26.8 | 26.2 | 25.7 | 25.8 | 25.8 |
| Production ('000 tonnes, dcw): | | | | | | |
| Home-fed production | 268 | 299 | 311 | 342 | 385 | 391 |
| Gross indigenous production (e) | .. | 300 | 309 | 341 | 384 | 391 |
| Average realised return (p per kg dcw) (f) | 147 | 205 | 207 | 206 | 204 | 179 |
| Total realised return (£ million) | 393 | 613 | 644 | 704 | 785 | 701 |
| Other receipts (£ million) (g) | 51 | 175 | 171 | 198 | 184 | 280 |
| Value of home-fed production (£ million) | 444 | 788 | 815 | 903 | 969 | 981 |
| **Supplies** ('000 tonnes, dcw) (h) | | | | | | |
| Home-fed production | 268 | 299 | 311 | 342 | 385 | 391 |
| Imports from: the Eleven (i) | ... | ... | ... | 1 | 2 | 3 |
| third countries | 185 | 142 | 154 | 136 | 136 | 122 |
| Exports to: the Eleven (j) | 45 | 70 | 88 | 94 | 107 | 97 |
| third countries | 4 | 2 | 3 | 2 | 2 | 3 |
| Total new supply | 404 | 370 | 374 | 383 | 414 | 415 |
| Increase in stocks | -10 | -15 | -5 | -6 | -2 | 3 |
| Total domestic uses | 414 | 384 | 380 | 390 | 416 | 412 |
| Home-fed production as % of total new supply for use in UK | 66 | 81 | 83 | 89 | 93 | 94 |
| Closing stocks | 15 | 29 | 24 | 18 | 16 | 19 |

(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) Market prices in Great Britain for animals certified under the sheep variable premium scheme.
(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 1979-81 | 1986 | 1987(a) | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Populations** | | | | | | |
| Total pigs ('000 head at June) | 7,836 | 7,937 | 7,942 | 7,980 | 7,509 | 7,606 |
| of which: sows in-pig and other sows for breeding | 730 | 716 | 713 | 703 | 660 | 664 |
| gilts in-pig | 110 | 108 | 107 | 101 | 97 | 110 |
| other | 6,996 | 7,113 | 7,122 | 7,176 | 6,752 | 6,832 |
| **Selected market price** | | | | | | |
| Clean pigs (p per kg deadweight) | 87.2 | 98.1 | 97.6 | 91.0 | 113.0 | 113.3 |
| **Marketings, production and returns** | | | | | | |
| Total home-fed marketings ('000 head) | 14,999 | 15,667 | 15,659 | 15,823 | 14,579 | 14,261 |
| of which: clean pigs | 14,646 | 15,324 | 15,311 | 15,432 | 14,245 | 13,934 |
| sows and boars | 353 | 343 | 348 | 391 | 335 | 326 |
| Average dressed carcase weights (dcw) (kgs) (b): | | | | | | |
| clean pigs | .. | 61.3 | 62.2 | 62.6 | 63.0 | 65.3 |
| sows and boars | .. | 132.8 | 133.4 | 134.9 | 137.7 | 145.9 |
| Production ('000 tonnes, dcw): | | | | | | |
| Home-fed production | 935 | 985 | 999 | 1,019 | 944 | 957 |
| Gross indigenous production (c) | .. | 986 | 999 | 1,020 | 944 | 958 |
| Average realised return (p per kg dcw) (d) | 84 | 94 | 93 | 86 | 108 | 108 |
| Value of home-fed production (£ million) | 787 | 927 | 931 | 881 | 1,023 | 1,033 |
| **Supplies of pork** ('000 tonnes, dcw) (e) (f) | | | | | | |
| Home-fed production | 700 | 753 | 778 | 801 | 731 | 756 |
| Imports from: the Eleven | 33 | 30 | 44 | 57 | 90 | 78 |
| third countries | 5 | 4 | 5 | 4 | 4 | 4 |
| Exports to: the Eleven (g) | 24 | 54 | 47 | 57 | 58 | 56 |
| third countries | ... | 3 | 4 | 1 | 1 | 1 |
| Total new supply | 713 | 730 | 777 | 804 | 766 | 781 |
| Increase in stocks | -1 | 2 | 1 | ... | 1 | 2 |
| Total domestic uses | 714 | 729 | 776 | 804 | 765 | 779 |
| Home-fed production as % of total new supply for use in UK | 98 | 103 | 100 | 100 | 95 | 98 |
| Closing stocks | 3 | 7 | 8 | 8 | 9 | 10 |
| **Supplies of bacon and ham** ('000 tonnes, product weight) (e) | | | | | | |
| Home-cured production | 207 | 206 | 198 | 196 | 191 | 179 |
| Imports from: the Eleven (h) | 293 | 256 | 259 | 255 | 258 | 255 |
| third countries | 11 | 2 | 1 | 1 | 2 | 2 |
| Exports to: the Eleven | 4 | 6 | 5 | 5 | 5 | 5 |
| third countries | ... | ... | ... | ... | ... | ... |
| Total new supply | 507 | 459 | 453 | 447 | 446 | 432 |
| Increase in stocks | -1 | ... | 2 | 1 | ... | -1 |
| Total domestic uses | 508 | 459 | 452 | 446 | 446 | 433 |
| Home-cured production as % of total new supply for use in UK | 41 | 45 | 44 | 44 | 43 | 42 |
| Closing stocks | 2 | 4 | 5 | 6 | 6 | 5 |

(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 1979-81 | 1986 | 1987 (a) | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Population** | | | | | | |
| Number ('000 head at June): | | | | | | |
| chickens and other table fowls | 58,300 | 63,807 | 70,754 | 75,305 | 70,042 | 73,356 |
| hens (boiling fowls) | 12,187 | 8,318 | 9,963 | 8,777 | 7,577 | 6,791 |
| turkeys (b) | 7,015 | 8,952 | 8,840 | 9,403 | 9,391 | 9,400 |
| ducks | 1,377 | 1,583 | 1,576 | 1,651 | 1,902 | 1,852 |
| geese | 142 | 158 | 181 | 186 | 199 | 173 |
| **Slaughterings, production and returns** | | | | | | |
| Slaughterings (millions): | | | | | | |
| fowls | 413 | 484 | 515 | 547 | 500 | 529 |
| turkeys | 23 | 29 | 31 | 31 | 34 | 32 |
| ducks | 7 | 8 | 8 | 9 | 10 | 10 |
| geese (c) | ... | ... | 1 | 1 | 1 | 1 |
| Production ('000 tonnes deadweight): | | | | | | |
| chickens and other table fowls | 555 | 689 | 755 | 812 | 759 | 798 |
| boiling fowls (culled hens) | 62 | 58 | 53 | 51 | 38 | 37 |
| turkeys | 117 | 152 | 160 | 166 | 176 | 169 |
| ducks | 15 | 18 | 18 | 19 | 21 | 21 |
| geese (c) | 2 | 2 | 3 | 3 | 3 | 3 |
| Average producer price (p/kg live weight) for: | | | | | | |
| chickens and other table fowls | 49.1 | 56.4 | 55.5 | 53.8 | 56.6 | 60.4 |
| boiling fowls (culled hens) | 19.2 | 28.9 | 25.6 | 12.7 | 19.4 | 25.3 |
| turkeys | 73.4 | 96.5 | 90.2 | 86.5 | 88.0 | 92.9 |
| ducks | 75.3 | 99.8 | 102.3 | 105.3 | 116.9 | 119.3 |
| geese | 143.1 | 189.7 | 187.3 | 193.1 | 193.4 | 195.4 |
| Value of output (£ million): | | | | | | |
| fowls | 379 | 540 | 577 | 592 | 583 | 655 |
| turkeys, ducks, geese (c) | 127 | 213 | 212 | 213 | 234 | 239 |
| Total | 506 | 753 | 789 | 805 | 817 | 894 |
| **Supplies of poultry meat** ('000 tonnes deadweight) | | | | | | |
| Production | 751 | 919 | 989 | 1,050 | 997 | 1,029 |
| Imports from: the Eleven | .. | 88 | 82 | 80 | 84 | 122 |
| third countries | .. | 1 | 1 | ... | ... | ... |
| Exports to: the Eleven | .. | 29 | 40 | 47 | 51 | 49 |
| third countries | .. | 9 | 10 | 14 | 15 | 14 |
| Total new supply | .. | 970 | 1,022 | 1,069 | 1,015 | 1,088 |
| Increase in stocks | .. | 5 | 15 | 1 | -5 | ... |
| Total domestic uses | .. | 965 | 1,007 | 1,068 | 1,020 | 1,088 |
| Production as % of total new supply | .. | 95 | 97 | 98 | 98 | 95 |

(a) For comparability with other years, the figures have been adjusted from a 53-week to a 52-week basis.
(b) From 1986 onwards data relates to November and to England and Wales only.
(c) Includes for the first time geese production from imported day-old goslings.

## Livestock products

**Milk and milk products** *(Tables 5.21 and 5.22)*

28. Despite a dry summer, milk production increased by an estimated 2.5 per cent in 1990 - made possible by the allocation of additional milk quota during the summer of 1989 (0.5 per cent) and March 1990 (1.0 per cent) (see below). This led to estimated annual increases in production of butter and cream by 7 per cent, of skimmed milk powder by 25 per cent, and of cheese by 10 per cent. Whole milk powder production fell by 22 per cent and production of condensed milk was at broadly the same level as in 1989. Production patterns were affected by disruption to exports, particularly of whole milk powder. This disruption was caused by the situation in the Gulf and by a weak world dairy market, which was exacerbated by changes in Eastern Europe.

29. Market prices fell steadily from the end of 1989 and intervention buying of butter by tender resumed in January 1990. UK intervention stocks reached 20,000 tonnes by the end of October. Intervention for skimmed milk powder closed at the end of August and intervention stocks now stand at approximately 7,000 tonnes in the UK. As a result of the weak EC and world markets, the levels of Community subsidies for export and internal disposal increased. The continuing difficulties in dairy commodity markets meant that the upward movement in UK producer prices in 1989 was checked this year. Indeed in Northern Ireland they were the cause of a significant decline in producer prices in 1990.

30. In December 1989 the Council agreed a 1 per cent increase in the overall EC milk quota. As a result an additional 149 million litres of milk quota became available for allocation to producers in the UK. The beneficiaries were producers whose awards from the Dairy Produce Quota Tribunals had not been fully met and those on small family farms or in remote areas.

**Eggs** *(Table 5.23)*

31. Consumer confidence in eggs continued to recover following the range of Government measures taken to deal with the problems of salmonella in eggs and poultry. With domestic supplies low following cut-backs in layer placings, imports increased so that for the year as a whole total supply was higher than in 1989, although below 1988 levels. Prices, which had been very firm at the beginning of the year, returned to more normal levels in the summer.

**Wool** *(Table 5.24)*

32. Wool production in the UK has again risen in 1990, by a forecast 2.7 per cent, largely as a result of increasing sheep numbers. The wool price has fallen, however, in the face of a high level of stocks world-wide and reduced consumer demand in the UK. The guarantee price for the 1990 wool clip was set at 125p per kg, a reduction of 4p per kg from the 1989 level. As a result of the weakness in the wool price, public expenditure on wool is forecast to rise to £22 million in 1990/91.

33. The Government announced in October 1988 that it intended to end the guarantee arrangements for wool as soon as Parliamentary time permitted. That remains the Government's intention, although it has not yet been possible to introduce the necessary legislation.

**TABLE 5.21 Milk**

Million litres (unless otherwise specified) — Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988(a) | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Production and output** | | | | | | |
| Dairy herd (annual average, '000 head) (b) | 3,273 | 3,191 | 3,072 | 2,953 | 2,904 | 2,887 |
| Average yield per cow (litres per annum) | 4,713 | 4,974 | 4,902 | 4,975 | 4,984 | 5,137 |
| Production of milk from the dairy herd (c) | 15,424 | 15,872 | 15,059 | 14,693 | 14,473 | 14,831 |
| Production of milk from the beef herd | 36 | 15 | 14 | 13 | 13 | 13 |
| *less* wastage and milk fed to stock | 174 | 260 | 262 | 261 | 261 | 261 |
| Output for human consumption | 15,286 | 15,627 | 14,811 | 14,445 | 14,225 | 14,583 |
| Average total return (pence per litre) (d) | 12.70 | 16.07 | 16.47 | 17.74 | 19.15 | 19.23 |
| Value of output of milk and farmhouse manufacture of milk products (£ million) | 1,941 | 2,512 | 2,439 | 2,562 | 2,724 | 2,804 |
| **Utilisation of the output for human consumption** | | | | | | |
| Sales through MMB schemes: | | | | | | |
| for liquid consumption | 7,194 | 6,851 | 6,814 | 6,792 | 6,792 | 6,772 |
| for manufacture | 7,929 | 8,597 | 7,808 | 7,429 | 7,145 | 7,507 |
| of which: butter (e) | 3,723 | 4,712 | 3,764 | 3,023 | 2,806 | 3,001 |
| cheese (f) | 2,385 | 2,562 | 2,620 | 2,894 | 2,703 | 2,938 |
| cream (g) | 1,004 | 447 | 410 | 449 | 516 | 550 |
| condensed milk (h) | 488 | 432 | 409 | 411 | 442 | 446 |
| milk powder - full cream | 228 | 354 | 512 | 549 | 543 | 436 |
| other | 100 | 91 | 93 | 103 | 135 | 136 |
| for export (i) | .. | .. | .. | .. | 52 | 68 |
| Total sales (j) | 15,127 | 15,460 | 14,630 | 14,234 | 13,998 | 14,359 |
| Milk used on farms (k) | 159 | 167 | 181 | 211 | 226 | 224 |

(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) Includes farmhouse cheese made under milk marketing schemes.
(g) Excludes cream made from residual fat of low fat milk production.
(h) Includes condensed milk used in the production of chocolate crumb plus production of sweetened and unsweetened machine skimmed milk.
(i) Milk exported prior to 1989 is included under sales either for liquid consumption or for manufacture.
(j) From 1981 total sales will not equal liquid plus manufacture sales as the measurement of liquid sales is now adjusted for waste in transit.
(k) Includes farmhouse manufacture of butter, cheese, and full cream, milk consumed in farm households and sales outside milk marketing schemes.

## TABLE 5.22 Milk products

'000 tonnes (unless otherwise specified) Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Butter** (a) | | | | | | |
| Production (b) | 168 | 222 | 176 | 140 | 130 | 139 |
| Imports from: the Eleven | 111 | 69 | 52 | 54 | 54 | 60 |
| third countries | 109 | 76 | 72 | 74 | 64 | 61 |
| Exports to: the Eleven (c) | 63 | 29 | 128 | 115 | 62 | 40 |
| third countries | 8 | 5 | 6 | 4 | 4 | 6 |
| Total new supply (c) | 317 | 333 | 166 | 149 | 182 | 214 |
| Increase in stocks (d) | -37 | 59 | -103 | -138 | -27 | 24 |
| Total domestic uses (c) (d) | 354 | 274 | 269 | 287 | 209 | 190 |
| Production as % of total new supply for use in UK | 53 | 67 | 106 | 94 | 71 | 65 |
| Closing stocks (d) | 79 | 323 | 220 | 82 | 55 | 79 |
| **Cheese** | | | | | | |
| Production (b) | 238 | 258 | 266 | 301 | 279 | 307 |
| Imports from: the Eleven | 121 | 156 | 142 | 180 | 160 | 192 |
| third countries | 11 | 17 | 18 | 18 | 19 | 19 |
| Exports to: the Eleven | 9 | 21 | 20 | 17 | 20 | 20 |
| third countries | 9 | 13 | 16 | 11 | 16 | 20 |
| Total new supply | 352 | 397 | 390 | 471 | 422 | 478 |
| Increase in stocks | 9 | 8 | -10 | 33 | -10 | 23 |
| Total domestic uses | 343 | 389 | 400 | 438 | 432 | 455 |
| Production as % of total new supply for use in UK | 68 | 65 | 68 | 64 | 66 | 64 |
| Closing stocks | 107 | 123 | 113 | 146 | 136 | 159 |
| **Cream - fresh, frozen, sterilized** | | | | | | |
| Production (b) (e) | 83 | 54 | 51 | 53 | 60 | 64 |
| Imports from: the Eleven | 5 | 3 | 4 | 3 | 3 | 2 |
| third countries | ... | ... | ... | ... | ... | ... |
| Exports to: the Eleven | 1 | ... | ... | 1 | 6 | 3 |
| third countries | ... | 1 | 2 | 3 | 3 | 4 |
| Total new supply | 87 | 56 | 53 | 52 | 54 | 59 |
| Increase in stocks | .. | .. | .. | .. | .. | .. |
| Total domestic uses | 87 | 56 | 53 | 52 | 54 | 59 |
| Production as % of total new supply for use in UK | 95 | 96 | 96 | 102 | 111 | 108 |
| Closing stocks | .. | .. | .. | .. | .. | .. |

## TABLE 5.22 Milk products (continued)

'000 tonnes (unless otherwise specified) — Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Condensed milk** (f) | | | | | | |
| Production | 189 | 174 | 180 | 183 | 207 | 207 |
| Imports from: the Eleven | 3 | 9 | 11 | 9 | 9 | 13 |
| third countries | ... | 1 | ... | ... | ... | ... |
| Exports to: the Eleven | 6 | 5 | 6 | 44 | 31 | 11 |
| third countries | 28 | 22 | 30 | 25 | 34 | 37 |
| Total new supply | 158 | 157 | 155 | 123 | 151 | 172 |
| Increase in stocks | ... | -1 | 2 | 1 | 5 | 4 |
| Total domestic uses | 158 | 158 | 153 | 122 | 146 | 168 |
| Production as % of total new supply for use in UK | 120 | 111 | 116 | 149 | 137 | 120 |
| Closing stocks | 16 | 7 | 9 | 10 | 15 | 19 |
| **Milk powder - full cream** | | | | | | |
| Production | 28 | 57 | 94 | 104 | 95 | 74 |
| Imports from: the Eleven | 3 | 13 | 12 | 4 | 4 | 3 |
| third countries | ... | ... | ... | ... | ... | ... |
| Exports to: the Eleven | 4 | 7 | 16 | 17 | 24 | 22 |
| third countries | 18 | 38 | 36 | 55 | 44 | 32 |
| Total new supply | 9 | 25 | 54 | 36 | 31 | 23 |
| Increase in stocks | ... | -1 | 2 | 3 | -1 | ... |
| Total domestic uses | 9 | 26 | 52 | 33 | 32 | 23 |
| Production as % of total new supply for use in UK | 311 | 228 | 174 | 289 | 306 | 322 |
| Closing stocks | 2 | 2 | 4 | 7 | 6 | 6 |
| **Skimmed milk powder** | | | | | | |
| Production | 254 | 268 | 194 | 136 | 133 | 166 |
| Imports from: the Eleven | 12 | 16 | 15 | 9 | 16 | 5 |
| third countries | ... | ... | 1 | ... | ... | ... |
| Exports to: the Eleven (c) | 60 | 137 | 71 | 44 | 44 | 86 |
| third countries | 71 | 38 | 38 | 40 | 37 | 28 |
| Total new supply (c) | 135 | 109 | 101 | 61 | 68 | 57 |
| Increase in stocks | -7 | -22 | -22 | 2 | -1 | 2 |
| Total domestic uses (c) | 142 | 131 | 123 | 59 | 69 | 55 |
| Production as % of total new supply for use in UK | 188 | 246 | 192 | 223 | 196 | 291 |
| Closing stocks | 37 | 42 | 20 | 22 | 21 | 23 |

(a) From 1980 includes butter other than natural (ie butterfat and oil, dehydrated butter and ghee).
(b) Includes farmhouse manufacture.
(c) These figures include the use of these products for animal feed.
(d) 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.
(e) Excludes cream made from the residual fat of low fat milk products.
(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 1979-81 | 1986 | 1987(a) | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Number of layers and output of eggs** | | | | | | |
| Number of fowls in lay in commercial flocks (annual average, millions) (b) (c) | 58.34 | 49.79 | 50.37 | 50.99 | 45.17 | 46.16 |
| Average yield per layer (number of eggs) | 233.3 | 242.4 | 244.1 | 244.1 | 247.5 | 246.2 |
| Gross commercial production (b) (c) (million dozen) | 1,134 | 1,006 | 1,025 | 1,037 | 932 | 947 |
| Output of eggs for human consumption from fowls (including production on non-commercial holdings but excluding waste and eggs used for hatching) (million dozen) | 1,116 | 997 | 1,009 | 1,018 | 909 | 927 |
| Average realised price for eggs from fowls (p per dozen) | 43.7 | 45.0 | 50.5 | 45.0 | 51.3 | 58.0 |
| Value of output of eggs from fowls (£ million) | 488 | 449 | 509 | 459 | 466 | 537 |
| Value of output of all eggs (£ million) | 491 | 453 | 513 | 463 | 471 | 544 |
| **Utilisation of UK output for human consumption and other supplies** (million dozen) | | | | | | |
| Total UK output of hen and duck eggs for human consumption (d) | 1,120 | 1,002 | 1,013 | 1,023 | 914 | 933 |
| of which: hen eggs sold in shell | 1,080 | 947 | 953 | 950 | 833 | 851 |
| hen eggs processed | 36 | 50 | 56 | 68 | 76 | 76 |
| Imports from (e): the Eleven | 38 | 44 | 34 | 38 | 53 | 85 |
| third countries | 2 | ... | ... | ... | ... | ... |
| Exports to (e): the Eleven | 41 | 20 | 17 | 20 | 34 | 13 |
| third countries | 4 | 1 | 1 | 1 | 1 | ... |
| Total new supply | 1,115 | 1,025 | 1,029 | 1,040 | 932 | 1,005 |
| Output as % of total new supply for use in UK | 100 | 98 | 98 | 98 | 98 | 93 |

(a) For comparability with other years, the figures have been adjusted from 53-week to a 52-week basis.
(b) Excludes fowls and production on non-commercial holdings.
(c) Includes breeding flocks.
(d) Includes farmhouse consumption.
(e) Includes shell egg equivalent of whole dried, frozen and yolk but excludes albumen.

## TABLE 5.24 Wool

Million kg, greasy weight equivalent (unless otherwise specified) — Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Skin Wool** (valued within output from sheep and lambs) | | | | | | |
| Production | 12 | 17 | 17 | 18 | 20 | 21 |
| **Clip Wool** (a) | | | | | | |
| Production | 38 | 42 | 45 | 49 | 53 | 54 |
| Producer price for clip (p per kg) (b) | 92.1 | 98.7 | 98.4 | 97.9 | 96.8 | 93.4 |
| Value of output (£ million) | 35 | 41 | 43 | 48 | 51 | 50 |
| **Supplies** | | | | | | |
| Total production | 50 | 59 | 62 | 67 | 73 | 75 |
| Imports from: the Eleven | 14 | 25 | 41 | 31 | 25 | 24 |
| Imports from: third countries | 95 | 121 | 131 | 102 | 83 | 82 |
| Exports to: the Eleven | 23 | 39 | 42 | 34 | 64 | 58 |
| Exports to: third countries | 9 | 35 | 39 | 38 | 38 | 29 |
| Total new supply | 127 | 131 | 153 | 128 | 80 | 94 |
| Production as % of total new supply for use in UK | 39 | 45 | 41 | 52 | 91 | 80 |

(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 and hence of its productivity and of the incomes of those engaged, in various ways, in the industry.

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

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 of various commodities) this gives the industry's gross output. Deducting its gross input (expenditure on current inputs adjusted for stock changes) gives its gross product which, after allowing for depreciation of its fixed assets, leads to its net product. This provides 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. Since gross and net product and the resulting income measures are the differences between two large magnitudes (gross output and gross input) it follows that they are very sensitive to changes in either or both of these magnitudes. They are also similarly sensitive to revisions in the estimates of these magnitudes. These points, the revisions now made to previously published figures for earlier years and the forecast nature of the figures for 1990 all need to be borne in mind when considering the forecast changes reported below for 1990.

4. Comparing 1990 with 1989, the value of the industry's gross output is forecast to have risen by 3.2 per cent, reflecting increases of 1.0 and 2.1 per cent respectively in volume and average prices. The cost of the industry's gross input is forecast to have risen by 3.6 per cent, with a 1.2 per cent reduction in the quantity of its usage of inputs being offset by a 4.9 per cent increase in their prices. These changes are reflected in increases, of 2.8 per cent and 1.8 per cent respectively, in the industry's gross product and net product. Table 6.2 summarises the components of the forecast changes in the industry's gross output and gross input between 1989 and 1990 in both absolute and percentage terms (and separately for the underlying volume and price elements). These changes are also portrayed in Chart 6.2.

**Productivity**
*(Table 6.3)*

5. Table 6.3 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 nearly 50 per cent over the last decade, including a forecast rise of 5.7 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 inputs employed (including labour, capital items and material inputs) provides an alternative measure of productivity. This indicator is forecast to have risen by 22 per cent over the last ten years and by 2.9 per cent between 1989 and 1990.

**Incomes from farming**
*(Tables 6.1 and 6.4)*

6. The increase of 1.8 per cent, or some £88 million, in the industry's net product is reflected in the income streams which flow from it. However it was more than offset by the increase of £125 million in interest paid to the providers of much of the industry's financial capital. With virtually no change in net rent, this means that the incomes of those engaged in the industry (line 24 in Table 6.1) fell by £37 million. The cost (and earnings) of hired workers rose by £115 million, so *total income from farming* (line 26) fell by £152 million (6.7 per cent). This measure reflects the total incomes 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). It provides the basis for the measure used by the EC to compare trends in incomes from farming across member states. In order to derive farming income (which covers farmers and 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 a decrease of £217 million (14.3 per cent) in *farming income*. The trends in the main income measures are portrayed in Chart 6.3.

7. It will be clear from the above that no single indicator of income can portray the fluctuating fortunes of those involved in an industry, such as agriculture, in which family workers play such an important role and in which a sole person or family unit may be the provider(s) of labour input, managerial skills and financial capital. Table 6.4 therefore shows changes over the last decade in a number of measures: the industry's net product, the two measures of incomes from farming and two corresponding measures of cash flow. The cash flow measures are intended to reflect more closely the variations as perceived by farmers and farm households. They show rather lower falls between 1989 and 1990 than do the corresponding income series: ones of 3.8 per cent for the wider groups and of 8.2 per cent for farmers and their spouses alone.

**Capital formation and stocks**
*(Tables 6.5 and 6.6)*

8. Details of agriculture's investment in productive assets are given in Table 6.5. Total gross fixed capital formation is estimated to have been £1,123 million in 1989, little changed from that in 1988. The volume of investment, measured at constant 1985 prices, shows a decline of 8.5 per cent between the two years. However within this total there was a rise in the volume of investment in vehicles, whilst investment in buildings and works, and plant and machinery, fell. Provisional information suggests that there will be a further fall in the volume of investment in 1990. As shown in Table 6.6, the industry's total stocks, of outputs and inputs, did not change much in 1990.

**Hired labour**
*(Table 6.7)*

9. Table 6.7 shows the forecast average earnings for full-time hired men to be £187.40 for a working week of 46.8 hours in 1990, compared to £167.40 for an average week of 46.6 hours in 1989. For the labour force as a whole, average weekly earnings are estimated to have risen by 9.0 per cent. These increases in earnings reflect an increase in June 1990 of 9 per cent (and of slightly more in Scotland and for part-time workers) in the statutory minimum wages payable in the United Kingdom. They also reflect any payments made by farmers towards the community charge of employees, following the introduction of this charge in Scotland in April 1989 and in England and Wales in April 1990. Multiplying the unit wage costs by estimates of the numbers employed and allowing for other payments, including an estimate of the value of rates paid by farmers on employees' houses, gives the total cost of hired labour. This has increased by 7.7 per cent to £1,616 million in 1990.

**Interest** *(Table 6.8)*

10. Details of interest charges payable on farmers' borrowings for current farming purposes and buildings and works are shown in Table 6.8. During 1990, these interest payments are forecast to have risen by £125 million to a figure of £1,080 million. The average level of interest rates throughout the year was estimated to be almost one per cent higher than in 1989 and this accounted for just under half the increase; the remainder being due to an increase in borrowings, mainly from banks.

**Farm rents**
*(Tables 6.9 and 6.10)*

11. Continuing its upward trend, the average rent per hectare in Great Britain is forecast to have risen by 4.5 per cent between 1989 and 1990 (Table 6.9). However the net rent received by landlords shows little change, due mainly to an increase in landlords' depreciation. These forecasts are based on the provisional results of the annual rent enquiry in England and Wales (Table 6.10) and on continuing field surveys in Scotland. In England and Wales, 48 per cent of the farms so far included in the sample which were due a rent review during the year to October 1990 showed an increase, 11 per cent a decrease and there was no change for the remaining 41 per cent.

**Survey of personal incomes**

12. The latest results from this Inland Revenue survey - Table 6.5 in last year's issue - are not yet available. They will provide some further information on farmers' total income and, if available, will be published in *Farm Incomes in the United Kingdom*, which includes other data on farmers' incomes from non-agricultural sources. A note about that publication appears on the inside back cover.

## TABLE 6.1 Outputs, inputs and net product

£ million | Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Outputs** (a) | | | | | | |
| Cereals: | | | | | | |
| wheat | 748 | 1,376 | 1,276 | 1,170 | 1,365 | 1,423 |
| barley | 673 | 775 | 728 | 676 | 660 | 603 |
| oats | 23 | 31 | 29 | 31 | 31 | 34 |
| rye and mixed corn | 2 | 3 | 3 | 3 | 3 | 3 |
| other receipts (b) | .. | .. | 2 | 2 | 2 | 1 |
| 1. Total cereals | 1,446 | 2,184 | 2,038 | 1,881 | 2,061 | 2,062 |
| Other crops: | | | | | | |
| oilseed rape | 66 | 270 | 298 | 241 | 279 | 344 |
| sugar beet | 197 | 228 | 223 | 239 | 248 | 272 |
| hops | 22 | 12 | 13 | 14 | 13 | 13 |
| peas and beans for stockfeed | 21 | 111 | 109 | 142 | 117 | 114 |
| fodder and other minor crops (c) | 46 | 66 | 73 | 71 | 70 | 83 |
| 2. Total other crops | 353 | 687 | 716 | 706 | 726 | 826 |
| Potatoes | | | | | | |
| 3. Total potatoes | 363 | 430 | 484 | 398 | 486 | 509 |
| Horticulture: | | | | | | |
| vegetables (d) | 579 | 807 | 928 | 920 | 970 | 1,007 |
| fruit (d) | 171 | 256 | 243 | 255 | 288 | 297 |
| ornamentals | 175 | 280 | 328 | 380 | 434 | 475 |
| other (e) | 4 | 6 | 9 | 6 | 7 | 7 |
| 4. Total horticulture | 929 | 1,348 | 1,508 | 1,562 | 1,700 | 1,787 |
| Livestock: | | | | | | |
| finished cattle and calves | 1,551 | 1,902 | 2,069 | 1,977 | 2,100 | 1,946 |
| finished sheep and lambs | 444 | 788 | 815 | 903 | 969 | 981 |
| finished pigs | 787 | 927 | 931 | 881 | 1,023 | 1,033 |
| poultry | 506 | 753 | 789 | 805 | 817 | 894 |
| other livestock (f) | 79 | 108 | 120 | 126 | 136 | 152 |
| other receipts (g) | 12 | 4 | 2 | 1 | ... | ... |
| 5. Total livestock | 3,379 | 4,481 | 4,726 | 4,693 | 5,045 | 5,007 |
| Livestock products: | | | | | | |
| milk and milk products (farm manufacture only) | 1,941 | 2,512 | 2,439 | 2,562 | 2,724 | 2,804 |
| eggs | 491 | 453 | 513 | 463 | 471 | 544 |
| clip wool | 35 | 41 | 43 | 48 | 51 | 50 |
| other (h) | 16 | 26 | 26 | 29 | 44 | 38 |
| 6. Total livestock products | 2,483 | 3,032 | 3,022 | 3,103 | 3,291 | 3,437 |
| Own account capital formation (i): | | | | | | |
| breeding livestock | -22 | 5 | -30 | 34 | 45 | 45 |
| other assets | 77 | 103 | 98 | 115 | 126 | 128 |
| 7. Total own account capital formation | 55 | 108 | 68 | 149 | 170 | 173 |
| 8. Total output (1+2+3+4+5+6+7) | 9,009 | 12,270 | 12,562 | 12,492 | 13,480 | 13,801 |
| 9. Other direct receipts (j) | 45 | 64 | 45 | 96 | 131 | 138 |
| 10. Total receipts (8+9) | 9,054 | 12,334 | 12,607 | 12,589 | 13,610 | 13,939 |
| Value of physical increase in: | | | | | | |
| work-in-progress (k) | -27 | -32 | -87 | -36 | -31 | 16 |
| output stocks (k) | -22 | -2 | -34 | -17 | -60 | -3 |
| 11. Total value of physical increase | -49 | -34 | -121 | -53 | -90 | 13 |
| 12. Gross output (10+11) | 9,006 | 12,300 | 12,486 | 12,536 | 13,520 | 13,952 |
| Intermediate output (l): | | | | | | |
| feed | 563 | 682 | 583 | 634 | 561 | 579 |
| seed | 101 | 126 | 131 | 130 | 136 | 145 |
| 13. Total | 664 | 808 | 714 | 764 | 697 | 724 |
| 14. Final output (12-13) | 8,342 | 11,492 | 11,772 | 11,772 | 12,823 | 13,228 |

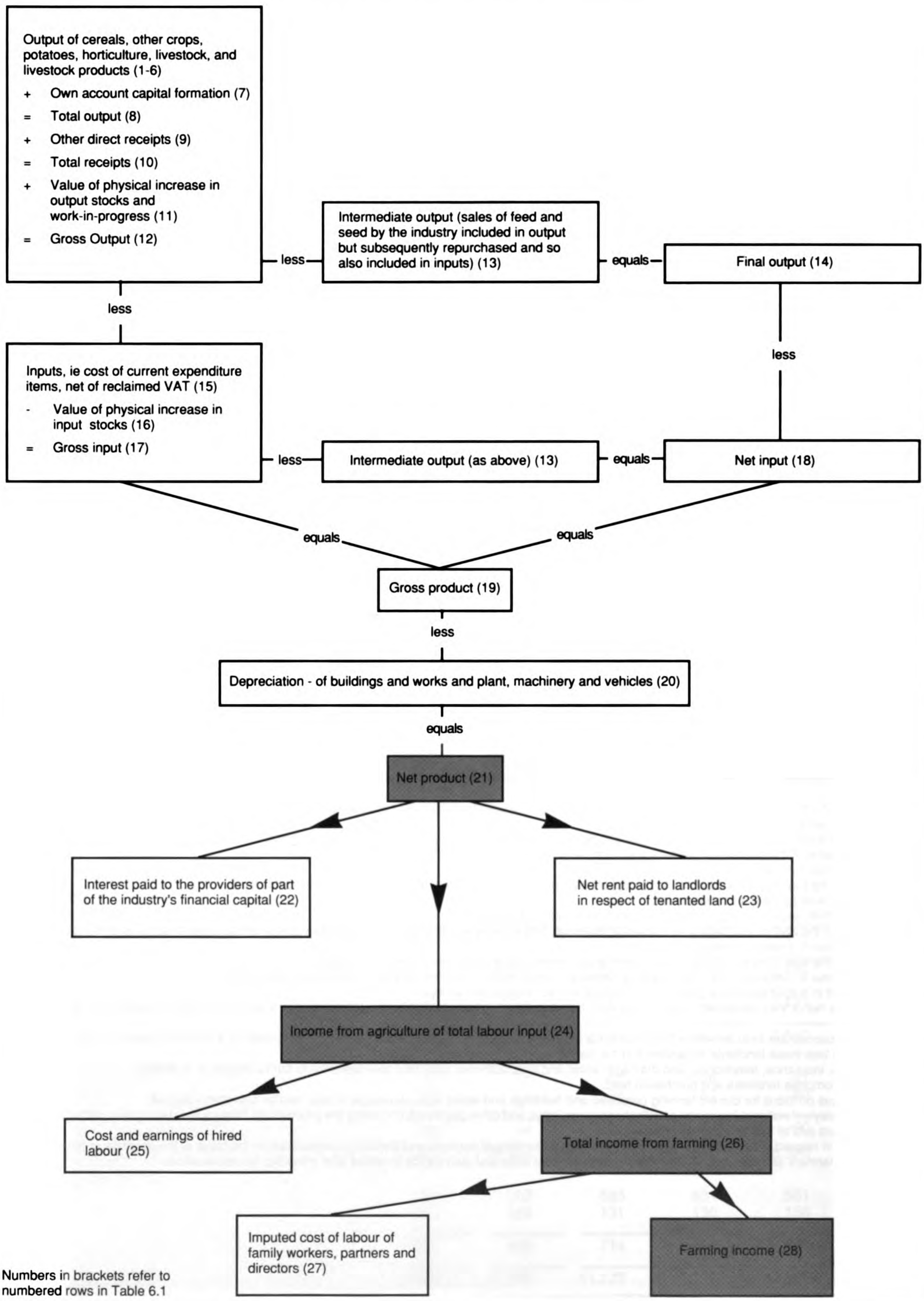
## TABLE 6.1 Outputs, inputs and net product (continued)

£ million | Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Inputs** | | | | | | |
| Expenditures (net of reclaimed VAT) (m): | | | | | | |
| feedingstuffs | 2,133 | 2,680 | 2,665 | 2,788 | 2,871 | 3,017 |
| seeds | 215 | 268 | 278 | 276 | 290 | 309 |
| livestock (imported and inter-farm expenses) | 151 | 197 | 186 | 201 | 188 | 174 |
| fertilisers and lime | 653 | 801 | 710 | 701 | 741 | 722 |
| pesticides | 168 | 318 | 334 | 401 | 440 | 461 |
| machinery: repairs | 306 | 516 | 546 | 581 | 601 | 633 |
| fuel and oil | 300 | 351 | 293 | 259 | 268 | 300 |
| other | 62 | 98 | 108 | 118 | 122 | 123 |
| farm maintenance (n) | 178 | 270 | 295 | 300 | 314 | 357 |
| veterinary expenses and medicines | 88 | 145 | 152 | 157 | 158 | 170 |
| electricity | 100 | 135 | 135 | 141 | 149 | 153 |
| miscellaneous expenditures (n) (o) | 426 | 688 | 730 | 770 | 837 | 809 |
| 15. Total expenditure | 4,780 | 6,468 | 6,432 | 6,694 | 6,979 | 7,227 |
| 16. Value of physical increase in input stocks (p) | 18 | 75 | -65 | -86 | 22 | 18 |
| 17. Gross input (15-16) | 4,762 | 6,393 | 6,497 | 6,780 | 6,957 | 7,209 |
| 18. Net input (17-13) | 4,098 | 5,585 | 5,783 | 6,017 | 6,260 | 6,484 |
| 19. **Gross product** (12-17) or (14-18) | 4,244 | 5,906 | 5,989 | 5,755 | 6,562 | 6,743 |
| Depreciation: buildings and works (n) | 388 | 546 | 581 | 611 | 671 | 754 |
| plant, machinery and vehicles | 712 | 910 | 921 | 975 | 1026 | 1035 |
| 20. Total depreciation | 1,100 | 1,456 | 1,503 | 1,586 | 1,696 | 1,790 |
| 21. **Net product** (19-20) | 3,144 | 4,451 | 4,486 | 4,169 | 4,866 | 4,954 |
| 22. Interest (q) | 417 | 700 | 637 | 696 | 955 | 1,080 |
| 23. Net rent (n) | 74 | 158 | 161 | 157 | 145 | 145 |
| 24. Income from agriculture of total labour input (21-22-23) | 2,652 | 3,593 | 3,688 | 3,316 | 3,766 | 3,729 |
| 25. Labour: hired (r) | 1,021 | 1,383 | 1,378 | 1,443 | 1,500 | 1,616 |
| 26. Total income from farming (24-25) | 1,632 | 2,210 | 2,310 | 1,874 | 2,265 | 2,113 |
| 27. Labour: family, partners and directors (s) | 414 | 686 | 708 | 710 | 753 | 818 |
| 28. Farming income (t) (26-27) | 1,218 | 1,525 | 1,601 | 1,164 | 1,513 | 1,296 |

(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) Hay and dried grass, grass and clover seed, 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) Horses, breeding livestock exported, poultry for export, rabbits and game, knacker animals and other minor livestock.
(g) Guidance premium for beef and sheepmeat.
(h) Honey, goats milk, exports of eggs for hatching and minor livestock products.
(i) 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.
(j) This includes the Milk Outgoers Schemes, compensation for milk quota cuts and set-aside payments.
(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) Expenditure is net of VAT reclaimed in the normal way, but each heading includes VAT paid without recovery by, for example, producers not registered for VAT.
(n) Landlords' expenses are included within farm maintenance, miscellaneous expenditure and depreciation of buildings and works. Net rent is the rent paid on tenanted land less these landlords' expenses and the benefit value of dwellings on that land.
(o) Including fees, insurance, telephones, and drainage, water and local authority rates (but see reference to farm cottages at (r) below).
(p) Input stocks comprise fertilisers and purchased feed.
(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 (except spouses), non-principal partners and directors is calculated on the basis of the earnings of hired labour.
(t) The return to farmers and spouses for their labour, management skills and own capital invested after providing for depreciation.

**CHART 6.1 Outputs, inputs, net product and the resulting incomes**




Numbers in brackets refer to numbered rows in Table 6.1

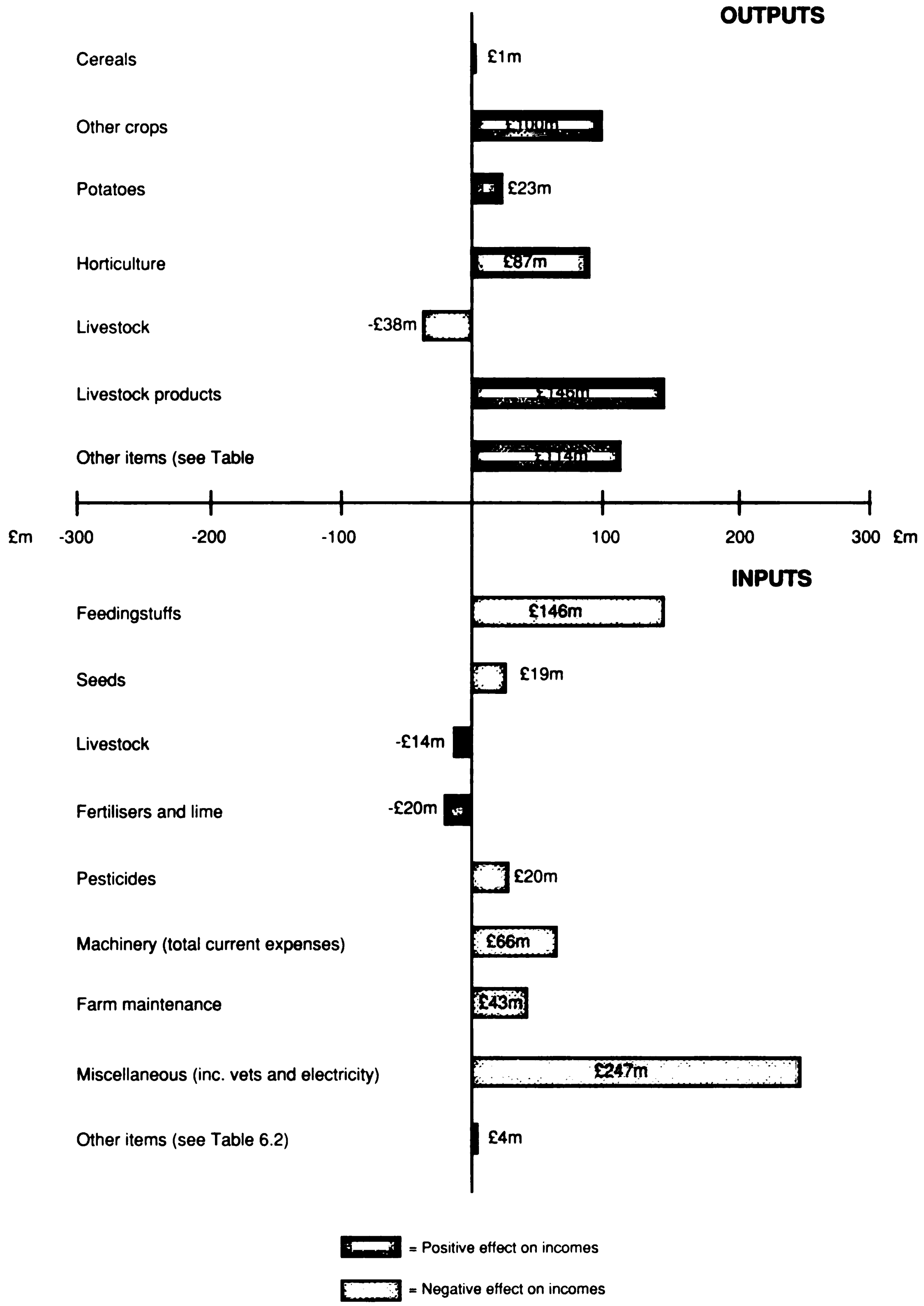
**TABLE 6.2 Changes in outputs and inputs**

| | Change between 1989 and 1990 | | | |
|---|---|---|---|---|
| | Total change | | Percentage change in | |
| | £ million | Percentage | Price | Quantity |
| **Outputs** | | | | |
| Cereals | 1 | 0.1 | 3.8 | -3.6 |
| Other crops | 100 | 13.7 | 3.0 | 10.4 |
| Potatoes | 23 | 4.7 | 7.9 | -3.0 |
| Horticulture | 87 | 5.1 | 11.3 | -5.5 |
| Livestock | -38 | -0.8 | -2.5 | 1.8 |
| Livestock products | 146 | 4.4 | 2.2 | 2.2 |
| Other items (a) | 114 | .. | .. | .. |
| Gross output | 432 | 3.2 | 2.1 | 1.0 |
| **Inputs** | | | | |
| Feedingstuffs | 146 | 5.1 | 1.8 | 3.3 |
| Seeds | 19 | 6.6 | 6.5 | 0.1 |
| Livestock | -14 | -7.4 | -0.5 | -7.0 |
| Fertilisers and lime | -20 | -2.7 | 2.1 | -4.7 |
| Pesticides | 20 | 4.6 | 12.8 | -7.3 |
| Machinery (total current expenses) | 66 | 6.6 | 10.1 | -3.1 |
| Farm maintenance | 43 | 13.6 | 5.3 | 7.9 |
| Miscellaneous (inc vets and electricity) | 247 | 3.5 | 4.9 | -1.3 |
| Other items (b) | 4 | .. | .. | .. |
| Gross input | 251 | 3.6 | 4.9 | -1.2 |
| Gross product | 181 | 2.8 | -0.9 | 3.7 |

(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 in feed and fertiliser stocks.

**CHART 6.2 Changes in outputs and inputs**

Changes in value of outputs and inputs between 1989 and 1990 forecast



## TABLE 6.3 Output volume and productivity

Calendar years: 1985 = 100

| Year | 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 prices |
|---|---|---|---|
| 1979 | 87.4 | 67.9 | 85.3 |
| 1980 | 90.7 | 78.5 | 89.7 |
| 1981 | 90.1 | 81.8 | 91.1 |
| 1982 | 96.3 | 88.6 | 93.8 |
| 1983 | 95.3 | 84.4 | 91.9 |
| 1984 | 102.5 | 104.0 | 101.6 |
| 1985 | 100.0 | 100.0 | 100.0 |
| 1986 | 99.0 | 98.8 | 99.2 |
| 1987 | 99.8 | 101.8 | 100.6 |
| 1988 | 99.5 | 103.2 | 101.9 |
| 1989 | 100.6 | 110.7 | 106.7 |
| 1990 (forecast) | 101.7 | 117.0 | 109.8 |

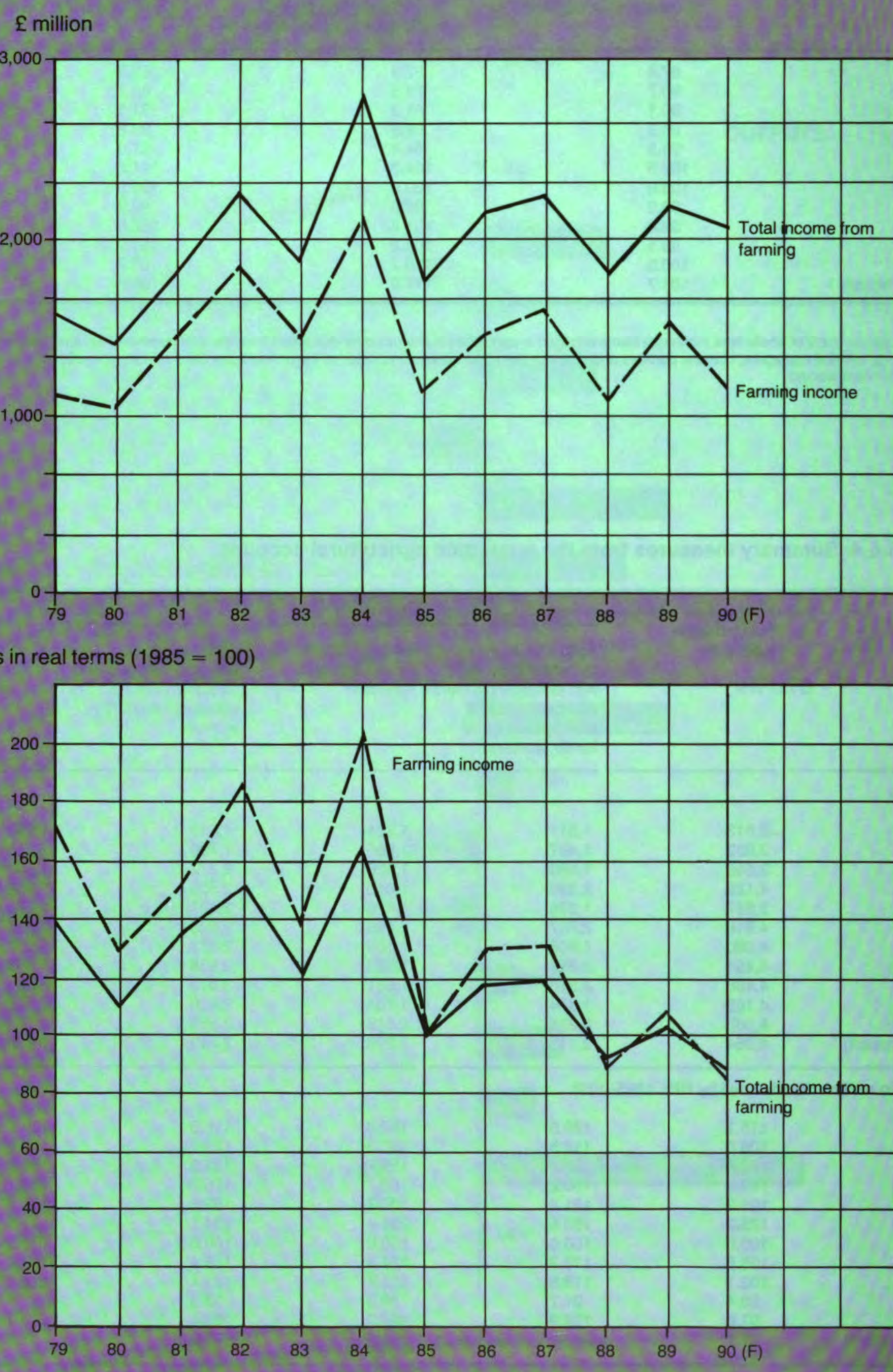
(a) The total numbers of whole-time man-equivalents engaged in agriculture is estimated for this series from the total number of full-time, part-time and casual workers, salaried managers, farmers, partners and directors (and their spouses) returned in the annual June Censuses weighted by their estimated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

## TABLE 6.4 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 | |
|---|---|---|---|---|---|
| | | 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** | | | | | |
| 1979 | 2,813 | 1,511 | 1,164 | 1,610 | 1,263 |
| 1980 | 3,052 | 1,487 | 1,065 | 1,790 | 1,368 |
| 1981 | 3,566 | 1,898 | 1,426 | 2,272 | 1,800 |
| 1982 | 4,128 | 2,330 | 1,815 | 2,500 | 1,985 |
| 1983 | 3,887 | 1,976 | 1,420 | 2,127 | 1,572 |
| 1984 | 4,816 | 2,787 | 2,199 | 2,923 | 2,335 |
| 1985 | 4,080 | 1,808 | 1,158 | 2,312 | 1,662 |
| 1986 | 4,451 | 2,210 | 1,525 | 2,638 | 1,953 |
| 1987 | 4,486 | 2,310 | 1,601 | 3,072 | 2,364 |
| 1988 | 4,169 | 1,874 | 1,164 | 2,436 | 1,726 |
| 1989 | 4,866 | 2,265 | 1,513 | 2,856 | 2,103 |
| 1990 (forecast) | 4,954 | 2,113 | 1,296 | 2,748 | 1,930 |
| **Indices in real terms** (deflated by RPI: 1985=100) | | | | | |
| 1979 | 115.1 | 139.5 | 167.8 | 116.3 | 126.9 |
| 1980 | 106.0 | 116.5 | 130.3 | 109.7 | 116.6 |
| 1981 | 110.5 | 132.7 | 155.7 | 124.3 | 136.9 |
| 1982 | 117.9 | 150.2 | 182.7 | 126.0 | 139.2 |
| 1983 | 106.2 | 121.8 | 136.7 | 102.6 | 105.5 |
| 1984 | 125.2 | 163.5 | 201.4 | 134.1 | 149.0 |
| 1985 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1986 | 105.5 | 118.3 | 127.4 | 110.4 | 113.7 |
| 1987 | 102.1 | 118.6 | 128.4 | 123.4 | 132.1 |
| 1988 | 90.4 | 91.7 | 89.0 | 93.3 | 91.9 |
| 1989 | 97.9 | 102.9 | 107.3 | 101.4 | 103.9 |
| 1990 (forecast) | 91.1 | 87.7 | 84.0 | 89.2 | 87.1 |

CHART 6.3 Trends in income from farming



## TABLE 6.5 Gross capital formation

£ million | Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Gross capital formation at current prices** | | | | | | |
| Gross Fixed Capital Formation: | | | | | | |
| buildings and works | 490 | 432 | 396 | 447 | 473 | .. |
| plant and machinery | 429 | 495 | 447 | 538 | 489 | .. |
| vehicles | 95 | 122 | 126 | 140 | 161 | .. |
| Total | 1,014 | 1,049 | 968 | 1,125 | 1, 123 | .. |
| Breeding livestock capital formation: | | | | | | |
| cattle | -26 | -17 | -47 | 23 | 21 | 21 |
| sheep | 5 | 23 | 18 | 22 | 23 | 18 |
| pigs | -1 | -1 | -1 | -12 | 2 | 6 |
| Total | -22 | 5 | -30 | 34 | 45 | 45 |
| Gross capital formation | 992 | 1,054 | 939 | 1,159 | 1,168 | .. |
| **Gross capital formation at constant 1985 prices** | | | | | | |
| Gross Fixed Capital Formation: | | | | | | |
| buildings and works | 562 | 407 | 357 | 380 | 367 | .. |
| plant and machinery | 549 | 495 | 434 | 474 | 395 | .. |
| vehicles | 133 | 114 | 109 | 112 | 120 | .. |
| Total | 1,244 | 1,016 | 899 | 965 | 882 | .. |
| Breeding livestock capital formation | -27 | 5 | -29 | 32 | 40 | 38 |
| Gross capital formation | 1,217 | 1,021 | 871 | 998 | 922 | .. |

## TABLE 6.6 Stocks and work in progress

£ million | Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| Increase in book value of stocks and work in progress | 277 | -148 | -118 | 29 | 91 | 162 |
| Stock appreciation | 308 | -189 | 68 | 169 | 158 | 131 |
| **Value of physical increase in stocks and work in progress** | | | | | | |
| At current prices | -31 | 41 | -186 | -139 | -68 | 31 |
| At constant prices | -37 | 59 | -197 | -143 | -60 | 31 |
| Details at current prices: | | | | | | |
| Output stocks: | | | | | | |
| wheat | 17 | 31 | -27 | -13 | 1 | 1 |
| barley | -22 | -6 | -8 | -8 | -46 | -2 |
| oats | -2 | -6 | - | 3 | 5 | 2 |
| potatoes | -10 | -20 | 5 | 4 | -26 | - |
| fruit | -5 | -1 | -5 | -4 | 7 | -5 |
| Total | -22 | -2 | -34 | -17 | -60 | -3 |
| Work in progress: | | | | | | |
| cattle | -22 | -51 | -110 | -34 | -4 | -9 |
| sheep | -1 | 11 | 21 | 8 | -7 | 12 |
| pigs | ... | 1 | -1 | -8 | -10 | 9 |
| poultry | -3 | 7 | 3 | -2 | -11 | 4 |
| Total | -27 | -32 | -87 | -36 | -31 | 16 |
| Input stocks: | | | | | | |
| feedingstuffs | 3 | 41 | -27 | -23 | 2 | 11 |
| fertilisers | 15 | 34 | -38 | -63 | 20 | 8 |
| Total | 18 | 75 | -65 | -86 | 22 | 18 |

## TABLE 6.7 Costs and earnings of hired labour

£ million (unless otherwise specified) — Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Hired labour costs** | | | | | | |
| Wages and salaries (a) | 906 | 1,271 | 1,271 | 1,330 | 1,375 | 1,479 |
| Insurance payments | 112 | 104 | 99 | 106 | 117 | 129 |
| Other payments (b) | 2 | 7 | 7 | 7 | 8 | 7 |
| Total | 1,021 | 1,383 | 1,378 | 1,443 | 1,500 | 1,616 |
| Hours and earnings of regular whole-time male workers, 20 years and over | | | | | | |
| Hours per week (c) | 46.1 | 46.7 | 46.5 | 46.6 | 46.6 | 46.8 |
| Earnings per week (£) (d) | 84.7 | 140.8 | 148.0 | 155.4 | 167.4 | 187.4 |
| Index of earnings in real terms, (deflated by the RPI, 1985 = 100) | 91.1 | 101.5 | 102.4 | 102.6 | 102.6 | 104.7 |

(a) Includes perquisites.
(b) Includes redundancy payments, Workers' Pension Scheme 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 laid down by the Agricultural Wages Boards.

## TABLE 6.8 Interest

£ million (unless otherwise specified) — Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (forecast) |
|---|---|---|---|---|---|---|
| **Interest rates** | | | | | | |
| Average bank base lending rate in the UK (percentage) | 14.4 | 10.9 | 9.7 | 10.1 | 13.9 | 14.8 |
| Average rate of interest on bank advances to agriculture (percentage) | 16.8 | 13.3 | 12.1 | 12.5 | 16.2 | 17.1 |
| **Interest charges** (for current farming purposes and buildings and works) on: | | | | | | |
| bank advances | 423 | 656 | 595 | 636 | 881 | 991 |
| AMC loans | 5 | 6 | 7 | 7 | 9 | 11 |
| instalment credit | 20 | 30 | 29 | 34 | 48 | 59 |
| leased assets | 14 | 58 | 42 | 50 | 65 | 68 |
| other credit (a) | 3 | 3 | 4 | 4 | 5 | 6 |
| *less* interest on deposits (b) | 47 | 54 | 40 | 34 | 52 | 54 |
| Total | 417 | 700 | 637 | 696 | 955 | 1,080 |

(a) This includes interest paid on loans from the Agricultural Credit Corporation, from the Department of Agriculture for Northern Ireland and from private sources.
(b) Interest earned on money held on short term deposit.

## TABLE 6.9 Farm rents

Average farm rents per hectare: indices (1985 = 100) — Calendar years

| | Average of 1979-81 | 1986 | 1987 | 1988 | 1989 | 1990 (provisional) |
|---|---|---|---|---|---|---|
| England | 57.0 | 106.0 | 109.7 | 110.8 | 112.2 | 117.9 |
| Wales | 52.4 | 102.0 | 103.7 | 108.5 | 110.6 | 113.5 |
| Scotland | 45.1 | 105.4 | 109.9 | 112.8 | 115.3 | 118.3 |
| Great Britain (a) | 56.4 | 105.7 | 109.4 | 110.7 | 112.4 | 117.5 |

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

## TABLE 6.10 Outcome of farm rent reviews

Outcome of rent reviews due in the year ending October 1990 (provisional) (a)

| | England | Wales | England and Wales |
|---|---|---|---|
| Number of farms in the sample due a rent review | 532 | 25 | 557 |
| % of those farms in which the review outcome per hectare was | | | |
| an increase | | | |
| of 0 - 4.9% | 8.1 | 12.0 | 8.3 |
| 5 - 9.9 % | 13.1 | 24.0 | 13.6 |
| 10 - 19.9 % | 16.0 | 44.0 | 17.2 |
| 20 - 29.9 % | 3.6 | 4.0 | 3.6 |
| 30 - 39.9 % | 2.8 | 4.0 | 2.9 |
| 40 % and over | 3.0 | 0.0 | 2.9 |
| a standstill | 42.3 | 8.0 | 40.8 |
| a decrease | | | |
| of 0 - 4.9 % | 3.4 | 4.0 | 3.4 |
| 5 - 9.9 % | 5.8 | 0.0 | 5.6 |
| 10 - 19.9 % | 1.1 | 0.0 | 1.1 |
| 20 - 29.9 % | 0.2 | 0.0 | 0.2 |
| 30 - 39.9 % | 0.2 | 0.0 | 0.2 |
| 40 % and over | 0.4 | 0.0 | 0.4 |

(a) Final results from the 1990 Rent Enquiry are due to be published in February 1991.

# 7 Land prices and balance sheets

**Agricultural land prices**
*(Table 7.1)*

1. This section reports on developments in average agricultural land prices and in the balance sheets for agriculture.

2. The comprehensive Inland Revenue series on agricultural land prices show that the average price of land sold with vacant possession in 1989 rose in all countries of the United Kingdom. The average price per hectare increased by 12.5 per cent in England, 5.8 per cent in Wales, 1.9 per cent in Scotland and 17.7 per cent in Northern Ireland. In the tenanted sector, the average price in England fell from the peak reached in 1988 by about 30 per cent, but in Scotland it rose by about 1 per cent. Current land prices monitored in the Ministry survey indicate that land sold with vacant possession in England in the first nine months of 1990 has fallen in price by about 17 per cent compared with the same period in 1989.

**Balance sheet**
*(Table 7.2)*

3. Estimates of the aggregate balance sheet show that in 1989 the industry's net worth at current prices rose by 14.1 per cent over its 1988 level. The total value of assets (net of depreciation) rose by 13 per cent, reflecting in the main an increase in the value of land and buildings. The value of total liabilities rose by 7.8 per cent, though in real terms it remained unchanged. Net worth in real terms rose in 1989 by nearly 6 per cent reflecting stable liabilities and rising real assets.

## TABLE 7.1 Agricultural land prices

£ per hectare — Calendar years

| | Average of 1979-81 | 1985 | 1986 | 1987 | 1988 | 1989 (b) |
|---|---|---|---|---|---|---|
| England (a) | | | | | | |
| With vacant possession | 3,372 | 3,784 | 3,397 | 3,516 | 4,220 | 4,746 |
| Tenanted | 2,389 | 2,197 | 2,070 | 2,340 | 3,061 | 2.135 |
| Wales (a) | | | | | | |
| With vacant possession | 2,309 | 2,585 | 2,480 | 1,912 | 3,693 | 3,909 |
| Scotland (a) | | | | | | |
| With vacant possession | 1,908 | 1,568 | 1,560 | 1,458 | 1,472 | 1,500 |
| Tenanted | 1,297 | 623 | 761 | 860 | 794 | 800 |
| Northern Ireland (a) | | | | | | |
| With vacant possession | 3,151 | 3,130 | 3,128 | 3,204 | 2,855 | 3,359 |

(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 and Northern Ireland are 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 March1990 respectively.

## TABLE 7.2 Aggregate balance sheets for agriculture

£ million — As at December each year

| | Average of 1979-81 | 1985 | 1986 | 1987 | 1988 | 1989 (provisional) |
|---|---|---|---|---|---|---|
| **At current prices** | | | | | | |
| Assets | | | | | | |
| fixed(a): land and buildings | 35,550 | 35,050 | 33,700 | 34,100 | 40,100 | 46,000 |
| plant, machinery and vehicles | 4,150 | 4,650 | 4,650 | 4,700 | 5,000 | 5,250 |
| breeding livestock | 3,100 | 3,750 | 3,050 | 3,800 | 3,600 | 4,150 |
| current | 5,400 | 6,900 | 7,100 | 6,950 | 7,200 | 7,850 |
| Total | 48,150 | 50,400 | 48,500 | 49,550 | 55,950 | 63,250 |
| Liabilities | | | | | | |
| bank loans and overdrafts | 2,900 | 5,500 | 5,600 | 5,600 | 6,000 | 6,400 |
| other | 1,800 | 2,750 | 2,750 | 3,000 | 3,250 | 3,550 |
| Total | 4,700 | 8,200 | 8,400 | 8,600 | 9,250 | 9,950 |
| Net worth | 43,450 | 42,200 | 40,100 | 40,950 | 46,700 | 53,250 |
| **Indicators in real terms** (deflated by RPI, Dec 1985=100) | | | | | | |
| Total assets | 133 | 100 | 93 | 91 | 97 | 101 |
| Total liabilities | 79 | 100 | 98 | 97 | 98 | 98 |
| Net worth | 144 | 100 | 92 | 90 | 96 | 102 |

(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.

# 8 Farm business data

**Introduction**

1. Information on incomes, assets and liabilities of full-time farm businesses in the United Kingdom is provided by a continuing series of annual Farm Business Surveys. These are conducted by universities and agricultural colleges in Great Britain and by the Department of Agriculture in Northern Ireland. Summary results of these surveys (weighted according to the distribution of holdings by type and size recorded in the June Census) are presented and described in this section, together with forecasts of farm income for the 1990/91 year.

2. It should be noted that the accounting practices and concepts adopted in the Farm Business Surveys differ in a number of respects from those employed in compiling the aggregate accounts as reported in Section 6. Income measures deriving from the two sources are not, therefore, directly comparable.

**Farm incomes**
*(Tables 8.1 - 8.3)*

3. Movements in net farm income over recent years are shown in Table 8.1 for each country and for the main farm types. This income measure is a long-standing indicator of the economic performance of farm businesses and, in order to achieve comparability between farms of different types of tenure, it is based on the assumption that all land is tenanted. It represents the return to the farmer and spouse for their manual and managerial labour and on the tenant-type assets of the business such as permanent crops, livestock and machinery (but not land or buildings).

4. Figures in the table for 1989/90 (an accounting year ending on average in February 1990) show that for the UK as a whole incomes on dairy farms dropped slightly, although the trend for these farms varied significantly by region. For hill and upland (LFA) livestock farms there was a marked drop in income in all countries except Scotland, while incomes on lowland livestock farms also fell in England while remaining roughly constant in Scotland. Incomes on cropping farms rose significantly in 1989/90 in both England and Scotland, and an even more marked rise was seen for pig and poultry farms in England.

5. Forecasts of net farm income for 1990/91 are based on information from a variety of sources, and assume normal weather patterns between November 1990 and February 1991. They should be regarded only as broad indicators of the overall effects on income of expected developments in output values and input costs.

6. For all countries other than Scotland, a further and substantial decline in incomes on dairy farms is expected in 1990/91, with milk prices stable or

falling over the year following the increases of recent years. Sharp falls in income are forecast on both hill and upland (LFA) livestock and lowland livestock farm types in all countries, following markedly lower livestock prices in both the cattle and sheep sectors. A further small increase in income is expected on specialist cereal farms due to improved yields and prices, while incomes on general cropping farms are expected to decline somewhat with higher revenue from cereals and sugar beet being offset by lower returns from potatoes and livestock enterprises. For pig and poultry farms, income levels are forecast to be similar to those in 1989/90, with poultry and eggs expected to show greater increases in output value than pigs.

7. Information on actual levels of net farm income in 1988/89 and 1989/90 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. Pig and poultry farms showed the highest absolute income level in 1989/90 in all size groups, while dairy farms continued to show larger incomes on average than cropping farms. Trends in income across the three business size groups were broadly similar, with minor differences according to size category on LFA livestock farms in Scotland and dairy farms in Wales.

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 basis. Movements in occupier's net income were generally similar to those in net farm income between 1988/89 and 1989/90 across the different tenure types.

**Assets and liabilities**
*(Table 8.4)*

9. Table 8.4 provides information on the assets, liabilities and net worth of farm businesses in 1988/89 and 1989/90, according to country and type of tenure. Total assets per farm again increased on average between these two years across all countries and tenure types. There was a general rise in average fixed asset values, while the value of current assets per farm was on average more stable (in nominal terms) and fell for some tenure types in Wales. Average net worth continued to rise for all countries and tenure types. The trend in liabilities per farm varied considerably across the countries, with both increases and falls across the different tenure types in England and Wales, a small decline in Scotland and a rise in Northern Ireland.

10. External liabilities, expressed as a percentage of total assets, give an indicator of indebtedness. In England this ratio (on 1989/90 closing valuations) was under 11 per cent for owner-occupied farms, around 27 per cent for tenanted farms and about 15 per cent for mixed tenure farms - all values slightly lower than their 1988/89 equivalents. Figures for Wales showed a

ratio of 8 per cent for owner-occupied farms, 14 per cent for tenanted farms and 10 per cent for farms with mixed tenure. In Scotland, ratios were around 16 per cent for wholly or mainly owner-occupied farms, and 20 per cent for wholly or mainly tenanted farms. Nearly all farms are owner-occupied in Northern Ireland, and for these farms average liabilities remained at around 5 per cent of total assets.

**TABLE 8.1 Net farm income by country and farm type**

Indices (1982/83=100) of average net farm income per farm — Accounting years ending on average in February

| Country and farm type | 1985/86 | 1986/87 | 1987/88 | 1988/89 | 1989/90 | 1990/91 (forecast) |
|---|---|---|---|---|---|---|
| **At current prices** | | | | | | |
| England: | | | | | | |
| Dairy | 76 | 85 | 103 | 132 | 122 | 90 |
| LFA livestock | 100 | 73 | 100 | 123 | 82 | 50 |
| Lowland livestock | 32 | 12 | 29 | 25 | 11 | 5 |
| Cereals | 23 | 53 | 9 | 7 | 22 | 25 |
| Other cropping | 32 | 107 | 45 | 43 | 114 | 90 |
| Pigs and poultry | 136 | 111 | 94 | 56 | 228 | 225 |
| Wales: | | | | | | |
| Dairy | 93 | 92 | 123 | 152 | 151 | 100 |
| LFA livestock | 118 | 119 | 129 | 182 | 114 | 90 |
| Scotland: | | | | | | |
| Dairy | 50 | 49 | 119 | 170 | 199 | 200 |
| LFA livestock | 81 | 44 | 104 | 117 | 112 | 90 |
| Lowland livestock | -9 | 24 | 52 | 62 | 54 | 50 |
| Cropping | -102 | 88 | 58 | 30 | 87 | 100 |
| Northern Ireland: | | | | | | |
| Dairy | 55 | 51 | 109 | 128 | 119 | 55 |
| LFA livestock | 32 | 34 | 125 | 107 | 57 | -40 |
| United Kingdom: | | | | | | |
| Dairy | 74 | 80 | 108 | 136 | 129 | 90 |
| LFA livestock | 92 | 72 | 109 | 133 | 96 | 65 |
| Lowland livestock | 28 | 16 | 34 | 31 | 14 | 5 |
| Cereals | 14 | 55 | 14 | 10 | 31 | 35 |
| Other cropping | 25 | 113 | 49 | 45 | 119 | 100 |
| Pigs and poultry | 136 | 111 | 94 | 56 | 228 | 225 |
| **In real terms** (deflated by the RPI) | | | | | | |
| United Kingdom: | | | | | | |
| Dairy | 64 | 66 | 86 | 102 | 91 | 60 |
| LFA livestock | 79 | 60 | 87 | 101 | 67 | 40 |
| Lowland livestock | 24 | 13 | 27 | 23 | 10 | 5 |
| Cereals | 12 | 46 | 11 | 6 | 22 | 25 |
| Other cropping | 21 | 94 | 39 | 34 | 83 | 65 |
| Pigs and poultry | 117 | 93 | 75 | 43 | 160 | 145 |

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

With comparative data on average farm area and number of holdings — Accounting years ending on average in February

| Farm type and country | Farm Business Survey data (a) | | | | | | | | | | | Census data | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Net farm income (£'000 per farm) | | | | | | | | Average farm area including rough grazing (hectares per farm) 1989/90 | | | Number of holdings at June 1989 | | |
| | Small | | Medium | | Large | | All size groups | | | | | | | |
| | 1988/89 | 1989/90 | 1988/89 | 1989/90 | 1988/89 | 1989/90 | 1988/89 | 1989/90 | Small | Medium | Large | Small | Medium | Large |
| Dairy: | | | | | | | | | | | | | | |
| England | 11.1 | 8.8 | 21.7 | 21.4 | 48.8 | 43.4 | 25.6 | 23.6 | 34 | 62 | 140 | 6,110 | 11,592 | 5,292 |
| Wales | 10.2 | 10.4 | 23.1 | 22.4 | 53.0 | 54.0 | 21.8 | 21.7 | 31 | 64 | 135 | 2,064 | 2,449 | 632 |
| Scotland | .. | .. | 15.8 | 20.5 | 35.9 | 39.2 | 23.4 | 27.4 | .. | 71 | 123 | 167 | 1,293 | 1,046 |
| N. Ireland | 12.1 | 10.9 | 28.7 | 27.4 | .. | .. | 16.5 | 15.3 | 40 | 72 | .. | 3,664 | 1,973 | 263 |
| LFA livestock: | | | | | | | | | | | | | | |
| England | 5.5 | 3.4 | 16.3 | 12.1 | 28.1 | 16.2 | 12.0 | 8.0 | 92 | 228 | 514 | 4,433 | 3,051 | 965 |
| Wales | 6.0 | 2.2 | 19.4 | 13.8 | 59.7 | 43.4 | 14.0 | 8.8 | 87 | 250 | 577 | 5,158 | 3,274 | 660 |
| Scotland | 6.6 | 5.9 | 11.8 | 11.9 | 24.8 | 23.4 | 10.2 | 9.7 | 238 | 445 | 1099 | 4,943 | 3,166 | 887 |
| N. Ireland | 6.3 | 3.2 | .. | .. | .. | .. | 5.9 | 3.1 | 84 | .. | .. | 3,729 | 278 | 15 |
| Lowland livestock: | | | | | | | | | | | | | | |
| England | 4.1 | 2.3 | 9.7 | 3.1 | 26.8 | 11.0 | 7.1 | 3.1 | 58 | 100 | 171 | 10,331 | 3,829 | 1,162 |
| Scotland | .. | .. | 7.9 | 9.0 | .. | .. | 10.0 | 8.8 | .. | 91 | .. | 383 | 463 | 207 |
| Cropping: | | | | | | | | | | | | | | |
| England | 3.1 | 5.0 | 2.3 | 6.8 | 11.3 | 32.8 | 6.3 | 17.3 | 40 | 82 | 252 | 9,999 | 11,452 | 14,146 |
| Scotland | .. | .. | 3.4 | 9.2 | 13.9 | 37.8 | 6.6 | 19.2 | .. | 92 | 201 | 787 | 1,581 | 1,724 |
| Pigs and poultry: | | | | | | | | | | | | | | |
| England | 1.0 | 16.3 | 5.9 | 38.3 | 31.8 | 93.4 | 11.1 | 44.8 | 6 | 25 | 83 | 1,921 | 1,596 | 1,378 |

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

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

With comparative data on average farm area and number of holdings

Accounting years ending on average in February

| Farm type and country | Farm Business Survey data (a): Occupier's net income (£'000 per farm): Owner-occupied 1988/89 | Owner-occupied 1989/90 | Tenanted 1988/89 | Tenanted 1989/90 | Mixed tenure 1988/89 | Mixed tenure 1989/90 | All types of tenure 1988/89 | All types of tenure 1989/90 | Average farm area including rough grazing (hectares per farm) 1989/90: Owner-occupied | Tenanted | Mixed tenure | Census data: Number of holdings at June 1989: Owner-occupied | Tenanted | Mixed tenure |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Dairy: | | | | | | | | | | | | | | |
| England | 24.7 | 21.0 | 20.5 | 17.3 | 25.9 | 22.6 | 24.1 | 20.6 | 65 | 69 | 88 | 10,046 | 5,599 | 7,349 |
| Wales | 21.1 | 19.6 | .. | .. | 23.6 | 22.4 | 21.4 | 19.7 | 57 | .. | 81 | 2,991 | 894 | 1,260 |
| Scotland (b) | 24.0 | 25.5 | .. | .. | .. | .. | 22.7 | 25.0 | 91 | .. | .. | 1,802 | 704 | .. |
| N. Ireland (c) | 14.2 | 12.3 | .. | .. | .. | .. | .. | .. | 50 | .. | .. | 5,900 | .. | .. |
| LFA livestock: | | | | | | | | | | | | | | |
| England | 8.9 | 2.5 | 11.2 | 7.4 | 14.6 | 8.2 | 11.0 | 5.3 | 115 | 274 | 238 | 3,891 | 2,086 | 2,472 |
| Wales | 13.1 | 7.3 | .. | .. | 12.7 | 6.4 | 12.4 | 6.6 | 150 | .. | 228 | 5,719 | 1,210 | 2,163 |
| Scotland (b) | 8.8 | 7.3 | 10.5 | 9.5 | .. | .. | 9.5 | 8.1 | 275 | 586 | .. | 5,500 | 3,496 | .. |
| N. Ireland (c) | 4.2 | 0.8 | .. | .. | .. | .. | .. | .. | 83 | .. | .. | 4,022 | .. | .. |
| Lowland livestock: | | | | | | | | | | | | | | |
| England | 6.3 | 3.1 | 5.2 | 1.7 | 9.9 | 0.5 | 7.0 | 2.3 | 63 | 75 | 92 | 8,938 | 2,622 | 3,762 |
| Scotland (b) | .. | .. | .. | .. | .. | .. | 13.8 | 10.7 | .. | .. | .. | 719 | 334 | .. |
| Cropping: | | | | | | | | | | | | | | |
| England | 7.5 | 12.4 | 2.9 | 11.6 | 7.6 | 20.4 | 6.4 | 15.1 | 142 | 138 | 161 | 14,571 | 8,547 | 12,479 |
| Scotland (b) | 7.6 | 14.7 | 6.1 | 18.0 | .. | .. | 7.0 | 15.9 | 126 | 132 | .. | 2,537 | 1,555 | .. |
| Pigs and poultry: | | | | | | | | | | | | | | |
| England | 2.7 | 33.3 | .. | .. | 13.1 | 44.6 | 4.2 | 34.9 | 25 | .. | 60 | 3,497 | 494 | 904 |

(a) Figures not shown separately where the sample contains fewer than 20 farms.
(b) All survey farms in Scotland are classified according to the main tenure category of the land on the holding.
(c) Practically all farms in Northern Ireland are owner-occupied.

## TABLE 8.4 Assets and liabilities of farm businesses

Closing valuations by country and type of tenure

£'000 per farm — Accounting years ending on average in February

| | | Owner-occupied | | Tenanted | | Mixed tenure | | All types of tenure | |
|---|---|---|---|---|---|---|---|---|---|
| | | 1988/89 | 1989/90 | 1988/89 | 1989/90 | 1988/89 | 1989/90 | 1988/89 | 1989/90 |
| England | Total assets | 499.6 | 535.1 | 138.9 | 145.7 | 479.9 | 522.3 | 419.1 | 450.8 |
| | of which:fixed assets | 446.8 | 482.4 | 88.0 | 92.5 | 412.9 | 451.1 | 362.4 | 392.3 |
| | current assets | 52.7 | 52.7 | 50.9 | 53.1 | 66.9 | 71.2 | 56.7 | 58.5 |
| | Total external liabilities | 53.7 | 56.2 | 39.6 | 38.8 | 74.8 | 76.3 | 57.3 | 58.8 |
| | of which:long and medium term loans | 21.2 | 23.0 | 6.0 | 5.1 | 25.0 | 28.1 | 19.2 | 20.9 |
| | short-term loans | 32.5 | 33.2 | 33.7 | 33.6 | 49.9 | 48.2 | 38.1 | 37.9 |
| | Net worth | 445.8 | 478.9 | 99.2 | 106.9 | 405.0 | 446.0 | 361.8 | 392.0 |
| | Occupier's net income 1989/90 year | .. | 13.6 | .. | 12.2 | .. | 17.7 | .. | 14.6 |
| Wales | Total assets | 328.9 | 362.0 | 84.2 | 89.7 | 338.4 | 372.5 | 301.3 | 331.3 |
| | of which:fixed assets | 308.9 | 342.2 | 64.3 | 72.0 | 309.1 | 341.5 | 279.1 | 309.1 |
| | current assets | 20.0 | 19.8 | 19.9 | 17.7 | 29.4 | 31.0 | 22.2 | 22.2 |
| | Total external liabilities | 26.0 | 27.5 | 12.1 | 12.8 | 38.9 | 35.8 | 27.4 | 27.7 |
| | of which:long and medium term loans | 8.4 | 8.9 | 1.0 | 0.6 | 13.6 | 12.8 | 8.8 | 8.8 |
| | short-term loans | 17.6 | 18.5 | 11.1 | 12,2 | 25.3 | 23.0 | 18.6 | 18.8 |
| | Net worth | 302.8 | 334.5 | 72.2 | 76.8 | 299.6 | 336.7 | 273.9 | 303.7 |
| | Occupier's net income 1989/90 year | .. | 10.9 | .. | 7.9 | .. | 10.6 | .. | 10.5 |
| Scotland (a) | Total assets | 322.6 | 344.0 | 122.4 | 131.1 | .. | .. | 249.4 | 259.8 |
| | of which:fixed assets | 272.6 | 281.1 | 68.5 | 71.7 | .. | .. | 197.9 | 204.5 |
| | current assets | 50.0 | 52.9 | 53.8 | 59.4 | .. | .. | 51.4 | 55.3 |
| | Total external liabilities | 56.6 | 56.1 | 26.7 | 26.8 | .. | .. | 45.6 | 45.4 |
| | of which:long and medium term loans | 10.4 | 11.4 | 5.1 | 4.7 | .. | .. | 8.4 | 8.9 |
| | short-term loans | 46.2 | 44.7 | 21.6 | 22.1 | .. | .. | 37.2 | 36.4 |
| | Net worth | 266.1 | 278.0 | 95.6 | 104.3 | .. | .. | 203.7 | 214.4 |
| | Occupier's net income 1989/90 year | .. | 12.2 | .. | 13.6 | .. | .. | .. | 12.7 |
| Northern Ireland (b) | Total assets | 219.9 | 231.7 | .. | .. | .. | .. | .. | .. |
| | of which:fixed assets | 191.8 | 203.6 | .. | .. | .. | .. | .. | .. |
| | current assets | 28.0 | 28.1 | .. | .. | .. | .. | .. | .. |
| | Total external liabilities | 10.7 | 11.6 | .. | .. | .. | .. | .. | .. |
| | of which:long and medium term loans | 4.9 | 5.2 | .. | .. | .. | .. | .. | .. |
| | short-term loans | 5.7 | 6.5 | .. | .. | .. | .. | .. | .. |
| | Net worth | 209.2 | 220.1 | .. | .. | .. | .. | .. | .. |
| | Occupier's net income 1989/90 year | .. | 6.5 | .. | .. | .. | .. | .. | .. |

(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**

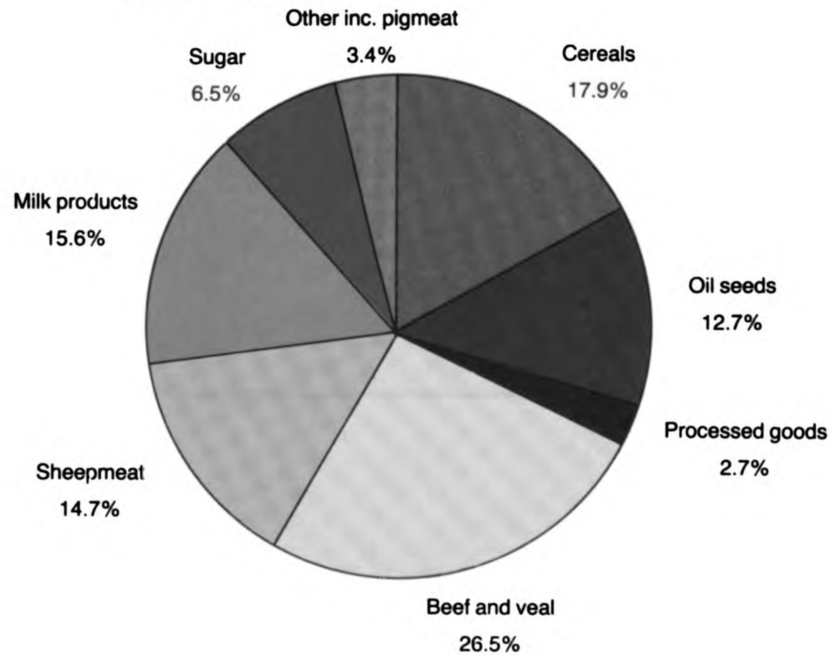
1. Table 9.1 shows public expenditure under the CAP and on national grants and subsidies, while Table 9.2 provides more detailed information on the costs of market regulation under the CAP. The tables exclude other expenditure which may benefit farmers (eg expenditure on animal health or on research, advice and education). They do, however, include some expenditure which benefits consumer and trade interests rather than producers directly. The figures for financial years up to and including 1989/90 represent actual expenditure recorded in the Appropriation Accounts. The figures for 1990/91 are the latest estimates of expenditure.

**Public expenditure**
*(Tables 9.1 and 9.2)*

2. Expenditure in the United Kingdom on market regulation under the CAP is estimated to be some £1,665 million in 1990/91 compared to about £1,012 million in 1989/90. Chart 9.1 illustrates the breakdown for each commodity sector. This expenditure includes export refunds and monetary compensatory amounts; the net cost of buying, storing and selling commodities bought into intervention; and a variety of grants and subsidies such as the

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

Forecast 1990/91



sheepmeat variable premium scheme, the beef special premium and suckler cow premium schemes, the annual premium on ewes, the oilseeds crushing subsidy and payments to producers giving up milk production. Receipts from the milk co-responsibility and supplementary levies and the cereals co-responsibility and additional levies are netted off expenditure on those commodities.

3. The major changes from 1989/90 to 1990/91 arise from increased intervention activity - principally for beef but also for cereals and dairy products; increased expenditure on the suckler cow subsidy and on the annual premium on ewes but lower expenditure on the variable premium for beef (which has now ended) and for sheepmeat (which is being phased out with a consequent shift in support to annual ewe premium); higher expenditure on the oilseeds crushing subsidy, and lower receipts of co-responsibility levies on cereals reflecting revised collection arrangements and on milk because no supplementary levies are expected.

4. Other expenditure on agricultural support in the United Kingdom is estimated to be £293 million in 1990/91 compared with £246 million in 1989/90. This expenditure includes capital grants, assistance for agriculture in special areas and price guarantees. Increased expenditure in 1990/91 is mainly due to a substantial sum being needed for the wool guarantee, as a result of severely depressed world prices; greatly increased uptake in the second year of the Farm and Conservation Grant Scheme (national), which mainly covers investment in farm waste management facilities; and to increased uptake in the second year of the Set-Aside Scheme.

**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 1986 to 1990/91. This indicates how stocks of cereals, beef, butter and skimmed milk powder, having rapidly decreased over recent years, are forecast to increase in 1990/91.

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

£ million | April/March (financial years)

| | 1986/87 | 1987/88 | 1988/89 | 1989/90 | 1990/91 (forecast) |
|---|---|---|---|---|---|
| **I Market regulation under the CAP** | | | | | |
| (i) Expenditure by the Intervention Board (a): | | | | | |
| cereals | 114.5 | 229.4 | 210.1 | 120.6 | 274.4 |
| oilseeds | 118.4 | 208.3 | 177.8 | 187.0 | 211.0 |
| sugar | 117.2 | 151.1 | 118.8 | 104.0 | 109.0 |
| beef and veal | 229.7 | 201.4 | 149.5 | 63.8 | 364.7 |
| sheepmeat | 102.3 | 119.4 | 133.2 | 78.6 | 56.0 |
| pigmeat | -2.4 | -1.9 | 0.3 | 2.6 | 6.3 |
| milk products | 299.6 | 251.1 | 48.9 | 92.9 | 200.0 |
| processed goods | 41.6 | 47.6 | 45.6 | 38.5 | 45.3 |
| other (b) | 18.1 | 16.6 | 27.2 | 46.7 | 49.9 |
| Sub-total | 1,039.0 | 1,222.9 | 911.4 | 734.7 | 1316.6 |
| (ii) Expenditure by the Agriculture Departments: | | | | | |
| Repayment of Cereals Levies | ... | 1.7 | 2.2 | 24.2 | 22.8 |
| Suckler Cow Premium Scheme | 26.9 | 36.7 | 37.7 | 61.8 | 70.8 |
| Annual Premium on Ewes | 101.7 | 80.6 | 130.7 | 114.9 | 189.3 |
| Milk Non-Marketing Premiums | ... | ... | ... | ... | - |
| Payments to producers giving up some milk production | ... | 51.0 | 74.1 | 65.2 | 59.7 |
| Beef Special Premium Scheme - Northern Ireland (c) | .. | .. | .. | 11.6 | 5.8 |
| Sub-total | 128.6 | 170.0 | 244.6 | 277.7 | 348.4 |
| Total | 1,167.6 | 1,392.9 | 1,156.0 | 1012.4 | 1665.0 |
| **II Price guarantees** | | | | | |
| Potatoes (d) | ... | - | - | - | - |
| Wool (d) | 8.1 | 0.7 | 0.1 | 2.9 | 22.0 |
| Assistance to the Egg Industry | ... | ... | 2.9 | 0.1 | - |
| Total | 8.1 | 0.7 | 3.0 | 3.0 | 22.0 |
| **III Support for capital and other improvements** | | | | | |
| Farm and Conservation Grant Scheme (EC)(e) | ... | ... | ... | 0.4 | 4.8 |
| Agriculture Improvement Scheme (EC)(e) | 7.5 | 18.9 | 25.9 | 24.0 | 18.7 |
| Agriculture and Horticulture Development Scheme (e) (f) | 45.3 | 32.3 | 21.6 | 15.1 | 12.3 |
| Farm structures | 0.3 | 0.4 | 0.4 | 0.3 | 0.2 |
| Agriculture and Horticulture Grant Scheme (e) (g) | 25.6 | 3.6 | 1.0 | 0.1 | - |
| Agriculture Improvement Scheme (National) (e) | 8.9 | 9.0 | 7.1 | 7.2 | 1.3 |
| Northern Ireland Agricultural Development Programme (e) (h) | 4.0 | 2.0 | 1.1 | 2.6 | 4.4 |
| Farm Woodlands | .. | .. | .. | 0.3 | 1.1 |
| Farm and Conservation Grant Scheme (National) (e) | .. | .. | .. | 11.5 | 31.6 |
| Guidance Premiums | 3.2 | 2.3 | 1.0 | 0.3 | 0.1 |
| Farm accounts | 0.7 | 0.7 | 0.4 | 0.2 | 0.2 |
| Environmentally Sensitive Areas | .. | 2.9 | 6.8 | 8.6 | 10.6 |
| Others (i) | 0.2 | 0.3 | 0.2 | ... | ... |
| Total | 95.7 | 72.4 | 65.5 | 70.6 | 85.3 |

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

£ million — April/March (financial years)

| | 1986/87 | 1987/88 | 1988/89 | 1989/90 | 1990/91 (forecast) |
|---|---|---|---|---|---|
| **IV Support for agriculture in special areas** | | | | | |
| Hill Livestock Compensatory Allowances: | | | | | |
| cattle | 53.2 | 52.0 | 50.0 | 52.9 | 54.9 |
| sheep | 68.5 | 69.0 | 62.6 | 69.5 | 72.7 |
| Additional benefit under AHDS, NIADP, AHGS, AIS (EC), AIS (Nat) FCGS (EC), FCGS (Nat) | 29.9 | 20.9 | 19.6 | 20.1 | 19.6 |
| Others (j) | 4.9 | 4.1 | 4.9 | 8.1 | 7.0 |
| Total | 156.5 | 145.9 | 137.1 | 150.6 | 154.2 |
| **V Other payments** | | | | | |
| Set Aside | .. | .. | .. | 9.8 | 21.6 |
| Milk outgoers scheme (h) | 9.5 | 11.1 | 11.4 | 4.7 | 0.7 |
| Weather Aid 1985 | .. | .. | .. | - | - |
| Storm Damage 1987 | .. | .. | 0.2 | 0.1 | - |
| Sheep compensation scheme 1986 | 4.3 | 1.0 | 0.9 | 0.4 | 0.3 |
| Cooperation grants (k) | 2.7 | 1.7 | 1.2 | 1.2 | 1.7 |
| Crofting building grants and loans (net) | 3.2 | 3.3 | 3.1 | 2.7 | 3.2 |
| Farm Diversification: | | | | | |
| Capital Grants | .. | .. | 0.5 | 2.3 | 3.5 |
| Marketing and Feasibility grants | .. | .. | - | - | 0.2 |
| Others (l) | 1.4 | 1.0 | 0.8 | 0.2 | 0.4 |
| Total | 21.1 | 18.1 | 18.1 | 21.4 | 31.6 |
| Total I to V (m) | 1,449.0 | 1,630.0 | 1,379.7 | 1258.0 | 1958.1 |

(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 potatoes and wool relate partly to the crop or clip of the year indicated and partly to the crop or 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) 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) Scheme cash limited in 1987/88.
(l) Includes producer organisations and forage groups (both cash limited in 1987/88) and Shetland wool producers.
(m) Receipts from the European Community (to which the UK contributes) are set out below.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 for 1988/89 and subsequent years reflect the arrangements for depreciation of stocks agreed at the European Council in February 1988.

| 1986/87 | 1987/88 | 1988/89 | 1989/90 | 1990/91 (forecast) |
|---|---|---|---|---|
| 1480.8 | 1127.7 | 1597.0 | 1228.5 | 1615.0 |

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

£ million April/March (financial years)

| | 1986/87 | 1987/88 | 1988/89 | 1989/90 | 1990/91 (forecast) |
|---|---|---|---|---|---|
| **Cereals** | | | | | |
| Intervention purchases/sales | -64.0 | - 88.5 | 0.7 | -42.3 | 36.6 |
| Intervention storage costs | 79.2 | 59.6 | 32.6 | 19.8 | 14.8 |
| Export refunds | 109.9 | 273.8 | 238.7 | 236.1 | 281.4 |
| Disposal measures | 15.9 | 26.9 | 25.5 | 18.8 | 27.3 |
| Co-responsibility/additional levy | -26.5 | -42.3 | -86.8 | -89.9 | -64.6 |
| Production support | - | 1.7 | 1.7 | 2.3 | 1.7 |
| Total cereals | 114.5 | 231.1 | 212.3 | 144.8 | 297.2 |
| **Oilseeds** | | | | | |
| Intervention purchases/sales | - | ... | -0.5 | ... | ... |
| Intervention storage costs | - | ... | 0.2 | ... | ... |
| Export refunds | ... | ... | ... | ... | ... |
| Production support | 118.4 | 208.3 | 178.1 | 187.0 | 211.0 |
| Total oilseeds | 118.4 | 208.3 | 177.8 | 187.0 | 211.0 |
| **Sugar** | | | | | |
| Intervention storage | 20.1 | 24.2 | 18.4 | 24.5 | 21.9 |
| Export refunds | 94.5 | 121.3 | 86.1 | 64.1 | 69.5 |
| Disposal measures | 2.4 | 5.5 | 6.6 | 5.8 | 9.8 |
| Production support | 0.3 | - | 7.7 | 9.6 | 7.8 |
| Total sugar | 117.2 | 151.1 | 118.8 | 104.0 | 109.0 |
| **Beef and veal** | | | | | |
| Intervention purchases/sales | 57.9 | 47.9 | 6.4 | -4.6 | 254.0 |
| Intervention storage costs | 31.6 | 20.3 | 12.5 | 6.5 | 33.2 |
| Export refunds | 9.2 | -2.8 | 16.0 | 19.0 | 38.5 |
| Production support | 157.9 | 172.7 | 152.3 | 116.3 | 115.6 |
| Total beef and veal | 256.6 | 238.1 | 187.2 | 137.2 | 441.3 |
| **Sheepmeat** | | | | | |
| Production support | 204.0 | 200.0 | 263.9 | 193.5 | 245.3 |
| **Pigmeat** | | | | | |
| Intervention storage | 0.2 | 0.5 | 0.4 | - | 0.4 |
| Export refunds | -2.6 | -2.4 | -0.1 | 2.6 | 5.9 |
| Total pigmeat | -2.4 | -1.9 | 0.3 | 2.6 | 6.3 |
| **Milk products** | | | | | |
| Intervention purchases/sales | 141.4 | 92.8 | - 59.7 | -12.6 | 56.0 |
| Intervention storage costs | 26.1 | 20.2 | 7.8 | 2.4 | 3.5 |
| Export refunds | 60.4 | 82.5 | 93.3 | 80.1 | 77.4 |
| Disposal measures | 119.9 | 121.2 | 65.4 | 65.7 | 86.7 |
| Production support | - | - | - | - | - |
| Co-responsibility/Supplementary levy | -48.2 | -65.6 | -58.0 | -42.7 | -23.6 |
| Payments to those giving up milk production | .. | 51.0 | 74.0 | 65.2 | 59.7 |
| Total milk products | 299.6 | 302.0 | 123.0 | 158.1 | 259.7 |
| **Processed goods** | | | | | |
| Export refunds | 41.6 | 47.6 | 45.6 | 38.5 | 45.3 |
| **Others** | | | | | |
| Export refunds | 19.9 | 16.1 | 22.3 | 37.3 | 44.5 |
| Disposal measures | 2.9 | 2.7 | 0.7 | 3.5 | 1.5 |
| Production support | 5.5 | 4.3 | 6.4 | 6.3 | 7.4 |
| Miscellaneous | -10.2 | -7.5 | -2.3 | -0.4 | -3.5 |
| Total others | 18.1 | 16.6 | 27.2 | 46.7 | 49.9 |
| **Total** | 1,167.6 | 1,392.9 | 1,156.0 | 1,012.4 | 1,665.0 |

**TABLE 9.3 Commodity intervention in the United Kingdom**

'000 tonnes

| Commodity | 1986 (a) | | | 1987 (a) | | | 1988 (a) | | | 1989 - 90 (b) | | | 1990 - 91 (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 stock (d) |
| Wheat:feed | 3,672 | 604 | 1,663 | 2,615 | . . . | 2,109 | 511 | 289 | 352 | 447 | - | 382 | 73 | 42 | 40 | 75 |
| bread | . . . | - | . . . | - | - | - | - | 14 | 14 | - | - | - | - | 168 | 60 | 108 |
| Barley | 2,028 | 254 | 1,089 | 1,179 | 44 | 619 | 601 | 335 | 229 | 707 | 2 | 160 | 550 | 205 | 200 | 555 |
| Rye | . . . | . . . | . . . | - | - | - | - | . . . | . . . | . . . | - | . . . | - | - | - | - |
| Oilseeds | - | - | - | - | - | - | - | 30 | 30 | - | - | - | - | . . . | . . . | - |
| Beef: boneless | 51 | 28 | 39 | 39 | 26 | 31 | 34 | 26 | 33 | 24 | 12 | 24 | 12 | 84 | 6 | 89 |
| bone in | 34 | 6 | 24 | 17 | 8 | 5 | 20 | 2 | 20 | 2 | 1 | 1 | 2 | 6 | 1 | 7 |
| Butter | 202 | 77 | 41 | 238 | 67 | 156 | 160 | 2 | 138 | 24 | - | 18 | 6 | 26 | 8 | 23 |
| Skimmed milk powder | 41 | 23 | 41 | 23 | . . . | 22 | 1 | - | 1 | . . . | - | . . . | - | 7 | 1 | 6 |

(a) Calendar years.
(b) 1 January 1989 to 31 March 1990.
(c) 1 April 1990 to 31 March 1991.
(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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