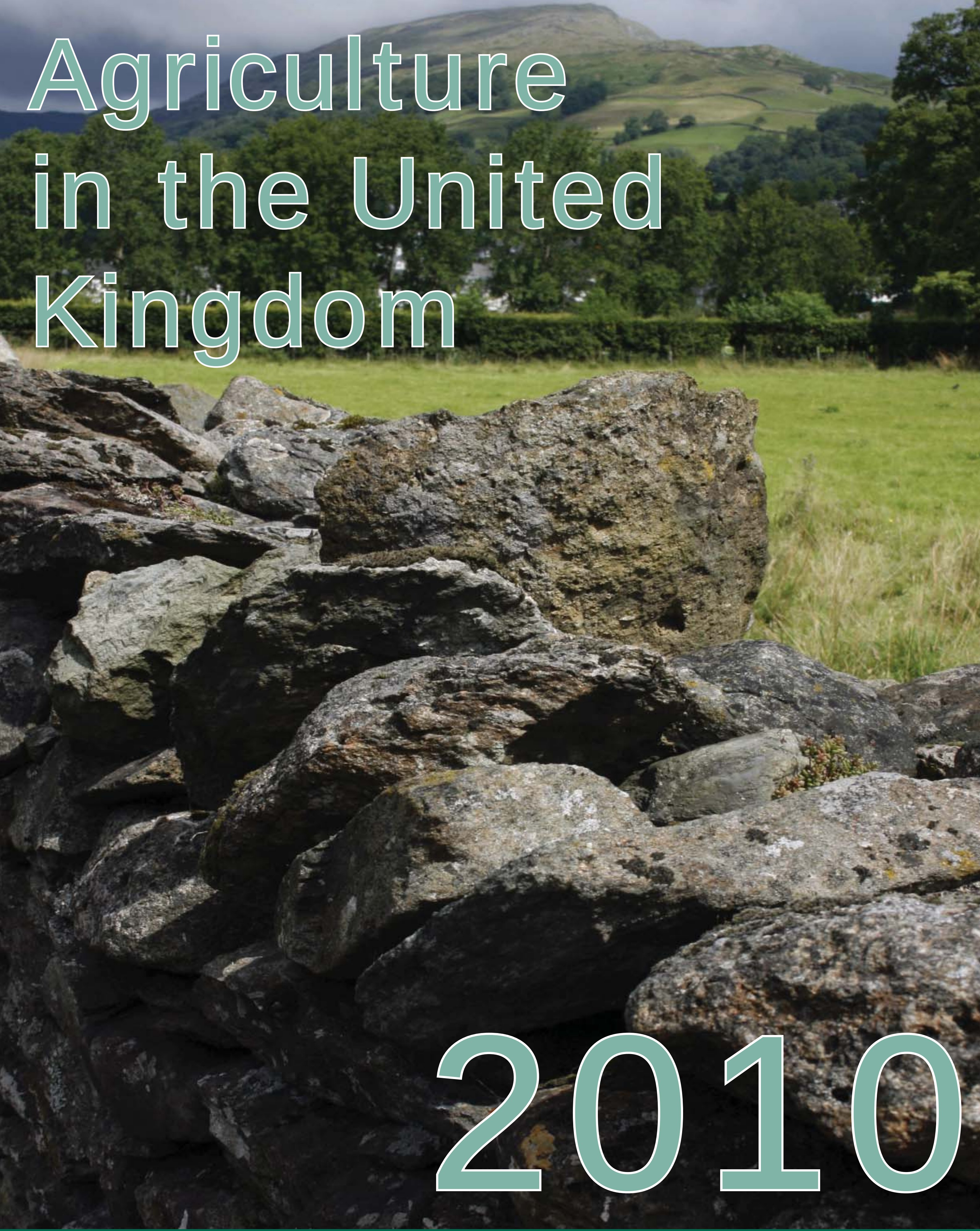
Agriculture in the United Kingdom

2010



Department for Environment, Food and Rural Affairs

Department of Agriculture and Rural Development (Northern Ireland)

The Scottish Government, Rural and Environment Research and Analysis Directorate

Welsh Assembly Government, The Department for Rural Affairs and Heritage

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Produced by:

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Contents

Preface

Legal basis

1 Agriculture in the United Kingdom 2009 fulfils the requirement under the Agriculture Act 1993 that Ministers publish an annual report on such matters relating to price support for agricultural produce as they consider relevant. The Government will draw on this information when considering policy issues, including proposals by the European Commission in respect of the Common Agricultural Policy (CAP) and the provision of agricultural support.

Changes

2 Some of the figures now given for past years may differ from those published in preceding issues. This is because of the use of later information, changes in the scope and nature of the available data and improvements in statistical methods.

3 AUK 2010 does not include a chapter on Animal Health and Welfare. Information on Animal Health and Welfare statistics can be found at: http://www.defra.gov.uk/statistics/foodfarm/landuselivestock/cattletb/

4 Due to a lack of available data, publication of Defra's Agricultural Land Sales and Prices in England was suspended in 2005. More recent information on land prices is available from the Royal Institution of Chartered Surveyors (RICS) at http://www.rics.org/ruralmarketsurvey.

Structure of Tables

5 Most of the data are on a calendar year basis. The data for 2010 are provisional because information for 2009 was still incomplete at the time of publication and therefore an element of forecasting was required.

6 The following points apply throughout:

(a) All figures relate to the United Kingdom unless otherwise stated.

(b) In the tables

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

(c) The figures for imports and exports include those from intervention stocks and the figures for exports include re-exports. Imports are based on country of consignment. Exports are based on country of reported final destination. The source of Overseas Trade Statistics is HM Revenue and Customs.

(d) Where statistics are shown for the European Union (EU) as a whole they represent the present Member States in all years regardless of when they became a member.

7 Where figures are presented in real terms the measure of inflation used is the all-items Retail Price Index.

Chapter 1 Key events in 2010

Total Income from Farming

1. Total Income from Farming is estimated to have fallen by 4.3 per cent in real terms after adjusting for inflation, to £4.38 billion. Total Income from Farming per annual work unit of entrepreneurial labour is estimated to have fallen by 3.4 per cent to £23,953. The three years from 2008 to 2010 had the highest incomes for the agricultural industry since 1996.

New Defra Secretary of State

2. Following the result of the general election, Conservative MP Caroline Spelman was appointed as Secretary of State for Environment, Food and Rural Affairs on 13th May 2010. Mrs Spelman has been the Member of Parliament for Meriden since 1997.

Comprehensive Spending Review

3. The Chancellor, George Osborne, presented the Government's Spending Review on 20 October 2010, which fixes spending budgets for each Government department up to 2014-15.

4. Over the course of the Spending Review period, the Department for Environment, Food and Rural Affairs will reduce resource spending by 29 per cent and capital spending by 34 per cent.

Public bodies

5. As part of the Government's commitment to radically increase the transparency and accountability of all public services, Defra, like all other departments, examined its network of arm's-length bodies (ALBs) to increase accountability, improve efficiency and reduce their number and cost.

6. In an announcement by Environment Secretary Caroline Spelman on 14 October 2010, Mrs Spelman explained that "the number of Defra's arm's-length bodies will reduce by over half".

Defra Structural Reform Plan

7. In reaching the decisions on the future of the department's ALBs, Ministers have been guided by the strategic objectives set out in Defra's Structural Reform Plan which was published on 16th July 2010 and updated on 13th May 2011:

- to support and develop British farming and encourage sustainable food production;
- to help to enhance the environment and biodiversity to improve quality of life; and
- to support a strong and sustainable green economy, which is resilient to climate change.

Implementation of the Rural Development Plan for England (RDPE)

8. Following the Comprehensive Spending Review in October 2010, it was announced that spending on Axis 2 of the RDPE (agri-environment) would be maintained over the Spending Review period. Within this, spend on Higher Level Stewardship (HLS) which delivers the biggest benefits for biodiversity and the natural environment, will increase by over 80% by 2013/14 compared with 2010/11, allowing HLS to continue to grow year on year. There were no changes to funding for Entry Level Stewardship (ELS) or the new Uplands ELS element of Environmental Stewardship (ES).

9. The Uplands Entry Level Stewardship (Uplands ELS), a new strand of ES, replaced the Hill Farm Allowance (HFA) from 2010. Uplands ELS explicitly recognises the key role of upland farmers in maintaining some of the most iconic areas of England (e.g. the Cumbrian Fells, Dartmoor, and the Peak District), whilst enabling better targeting of funding towards the delivery of environmental and landscape benefits. It is open to all eligible farmers and land managers, and offers a higher payment than ELS to reflect the higher costs of farming in those areas.

Task Force on Farming Regulation

10. An independent Task Force on Farming Regulation was established in July 2010 to support the development of a more competitive farming sector that contributes to economic recovery. The Task Force will identify ways to reduce the regulatory burden on farmers and food processors through a review of relevant regulations and their implementation, and advise on how best to achieve a risk-based system of regulation in future whilst maintaining high environmental, welfare and safety standards.

Common Agricultural Policy Reform

11. The European Commission released its ‘Communication on the CAP towards 2020’ on 18 November 2010. A series of Defra hosted meetings for key stakeholders relating to the CAP reform negotiations began on 15 December 2010. Organisations representing the farming, food and environmental sectors in England met to discuss the next steps in the reform process. Jim Paice, Minister of State for Food and Farming reflected on the negotiations and the emerging UK position, and heard from organisations such as the National Farmers Union, RSPB, Country Land and Business Association, Dairy UK, Compassion in World Farming, and Friends of the Earth about how they will respond to the Commission’s consultation. Further meetings will take place throughout 2011.

Chapter 2 Farming Income

Summary

In 2010:

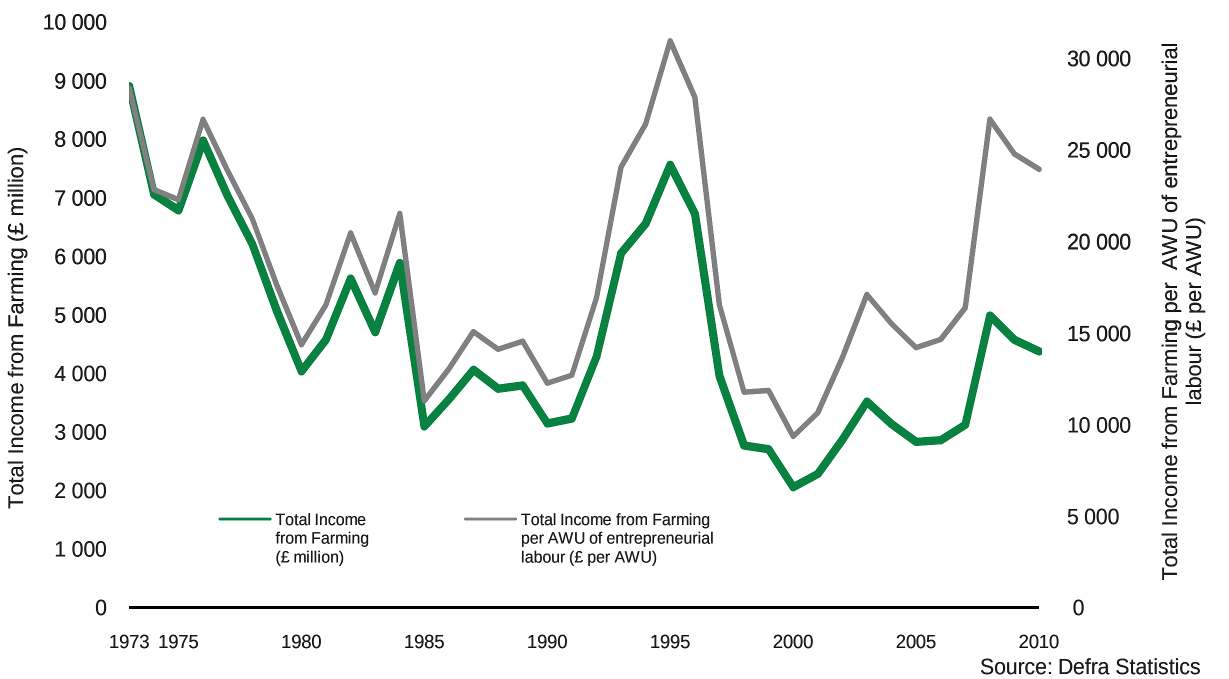
- Total Income from Farming is estimated to have fallen by 4.3 per cent in real terms after adjusting for inflation, to £4.38 billion;
- Total Income from Farming per annual work unit of entrepreneurial labour is estimated to have fallen by 3.4 per cent to £23,953;
- the three years from 2008 to 2010 represents the best performance for the agricultural industry since 1996.
- in real terms, average farm incomes for cropping farms in England are expected to increase in 2010/11. On livestock farms, average incomes are expected to fall in England, Wales and Northern Ireland apart from dairy farms in Northern Ireland where they are forecast to increase.

Long-term trends in farming income (chart 2.1)

1. In 2010, Total Income from Farming, a key measure of the performance of the agricultural industry in the United Kingdom, is estimated to have fallen by 4.3 per cent in real terms after adjusting for inflation. Total Income from Farming per annual work unit of entrepreneurial labour is estimated to have fallen by 3.4 per cent to £23,953. Despite this fall, the three years from 2008 to 2010 represents the best performance for the agricultural industry since 1996.

2. The dramatic rise in farming's profitability in the early nineties followed the decline in the euro/sterling exchange rate after the United Kingdom left the Exchange Rate Mechanism. The equally rapid reverse in the second half of the decade was caused by increases in the exchange rate, lower world commodity prices and the impact of BSE. The increase in 2008 followed a decline in the euro/sterling exchange rate as the United Kingdom entered into recession and increases in commodity prices.

Chart 2.1 Long-term trends in farming income



Source: Defra Statistics

Summary measures including Total Income from Farming (table 2.1)

3. Table 2.1 shows the main indicators derived from the aggregate agricultural account at the United Kingdom level. These are:

- Net Value Added at factor cost - a measure of the value added by the agricultural industry to all goods and services from outside agriculture after provision has been made for depreciation. It includes all subsidies but excludes interest, rent or labour costs.

- Total Income from Farming - a key measure of the performance of the agricultural industry in the United Kingdom. It is income generated by production within the agriculture industry, including subsidies, and represents business profits and remuneration for work done by owners and other unpaid workers.

- Compensation of employees - the full costs of employees to the business.

- Income from agriculture of total labour input - the sum of 'Total Income from Farming' and 'Compensation of employees'.

- Total Income from Farming per Annual Work Unit (AWU) of entrepreneurial labour – a measure of income received by owners and other unpaid workers. To take account of part-time and seasonal work, agricultural labour is measured in annual work units; one annual work unit correspondents to the input of one person engaged in agricultural activities on a full-time basis over one year.

- Cash flow from farming – this reflects sales and expenditure on gross fixed capital formation and includes capital transfers paid to the industry in exchange for assets. Variations in cash flow since 2005 largely reflect delays in payments made through the Single Payment Scheme.

Table 2.1 Summary measures from the aggregate agricultural account; United Kingdom

Enquiries: Christine Holleran on +44 (0)1904 455080 email: keith.seabridge@defra.gsi.gov.uk

£ million (unless otherwise specified) Calendar years

Year	Net value added at factor cost	Income from farming				Cash flow from farming
		Total Income from Farming	Compensation of employees	Income from agriculture of total labour input	Total Income from Farming per AWU of entrepreneurial labour (a)	
Current prices		A	B	A + B	(£)	
2000	4 170	1 567	1 900	3 467	7 100	2 682
2001	4 355	1 770	1 910	3 679	8 200	3 820
2002	4 814	2 263	1 877	4 140	10 800	2 650
2003	5 379	2 854	1 860	4 714	13 900	3 328
2004	5 230	2 619	1 921	4 540	12 900	2 646
2005	5 084	2 432	1 958	4 389	12 200	659
2006	5 215	2 536	1 982	4 518	13 000	2 892
2007	5 670	2 886	2 004	4 890	15 100	3 509
2008	7 535	4 793	2 051	6 844	25 600	4 195
2009	7 011	4 373	2 123	6 496	23 700	4 069
2010	6 999	4 377	2 129	6 506	24 000	4 652

continued

Table 2.1 continued

£ million (unless otherwise specified) Calendar years

Year	Net value added at factor cost	Income from farming: Total Income from Farming	Income from farming: Compensation of employees	Income from farming: Income from agriculture of total labour input	Income from farming: Total Income from Farming per AWU of entrepreneurial labour (a)	Cash flow from farming
In real terms, 2010 prices		A	B	A+B	(£)	
2000	5 476	2 057	2 495	4 552	9 400	3 521
2001	5 617	2 282	2 463	4 745	10 600	4 926
2002	6 108	2 871	2 382	5 253	13 700	3 362
2003	6 632	3 518	2 294	5 812	17 100	4 104
2004	6 263	3 136	2 300	5 437	15 500	3 168
2005	5 920	2 832	2 280	5 111	14 200	767
2006	5 885	2 861	2 237	5 098	14 700	3 264
2007	6 137	3 124	2 169	5 292	16 400	3 798
2008	7 841	4 988	2 135	7 122	26 700	4 365
2009	7 335	4 575	2 222	6 797	24 800	4 257
2010	6 999	4 377	2 129	6 506	24 000	4 652

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

Summary measures by country (table 2.2)

4. Table 2.2 shows the main economic indicators for the agricultural industries in England, Northern Ireland, Scotland and Wales in 2010. Largely by virtue of the size of the land area, England contributes the greater amount to the national economy and to Total Income from Farming at the United Kingdom level.

Table 2.2 Summary measures by country

Enquiries: Graham Brown on +44 (0)1904 455084 email: graham.brown@defra.gsi.gov.uk

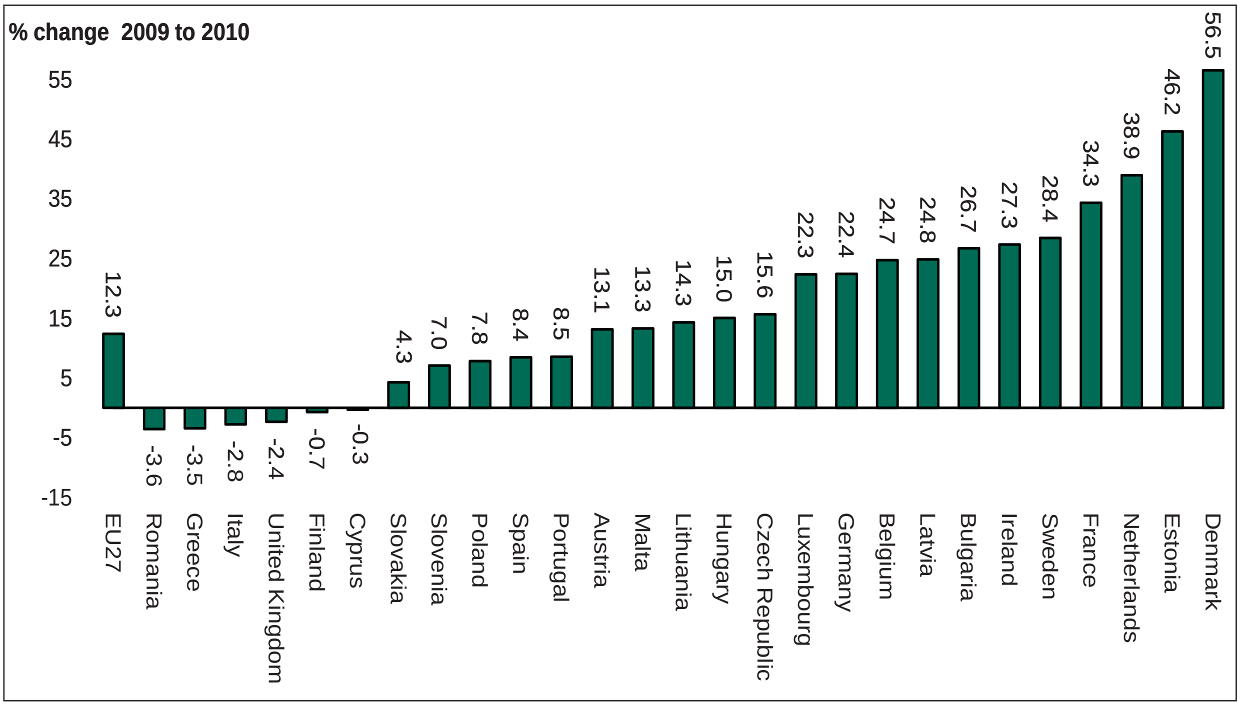
	Gross output at basic prices	Intermediate consumption	Gross value added at basic prices	Total Income from Farming	Agriculture's share of total regional gross value added at basic prices (a)	Agriculture's share of total regional employment	Agriculture's share of total gross fixed capital formation
	£ million	£ million	£ million	£ million	%	%	%
United Kingdom	20 654	13 450	7 204	4 377	0.55	1.52	1.65
England	15 538	9 705	5 833	3 306	0.53	1.13	. .
Wales	1 200	983	217	178	0.52	4.29	. .
Scotland	2 424	1 649	775	618	0.61	2.65	. .
Northern Ireland	1 492	1 113	379	275	1.01	5.58	. .

(a) Data on national and regional GVA for 2010 are not yet available. Data for 2009 are shown for illustration.

Income measures in the EU (chart 2.3, table 2.3)

5. The EU's preferred measure of agricultural income is 'Indicator A', which is an index derived from net value added at factor cost in real terms, per total annual work unit of all labour. They also calculate two other indicators: 'Indicator B', an index of net agricultural entrepreneurial income in real terms, per unpaid annual work units; and 'Indicator C', an index of net entrepreneurial income of agriculture. Chart 2.3 shows the percentage change in agricultural income as measured by Indicator A, from 2009 to 2010 while Table 2.3 shows medium term perspectives for Indicators A, B and C.

Chart 2.2 Agricultural income (Indicator A) in the EU, change 2010 over 2009 (%)



Sources: Defra/Eurostat

Table 2.3 Eurostat income indicators

Enquiries: Christine Holleran on +44 (0)1904 455080 email: keith.seabridge@defra.gsi.gov.uk

Index 2005 = 100

	2004	2005	2006	2007	2008	2009	2010
Net value added at factor cost of agriculture per total Annual Work Unit (Indicator A)							
United Kingdom	101.0	100.0	102.1	108.7	142.8	134.3	131.1
EU15	106.7	100.0	103.3	112.1	105.6	93.8	106.0
EU27	110.2	100.0	104.0	114.8	109.9	98.9	111.1
Net agricultural entrepreneurial income per unpaid Annual Work Unit (Indicator B)							
United Kingdom	102.8	100.0	103.0	113.4	181.4	168.8	164.6
EU15	114.2	100.0	104.1	120.8	106.0	83.9	106.8
EU27	120.0	100.0	104.8	119.9	108.2	89.0	110.4
Net entrepreneurial income from agriculture (Indicator C)							
United Kingdom	104.3	100.0	100.9	108.5	170.0	156.3	150.9
EU15	118.2	100.0	102.0	110.1	93.6	74.5	93.2
EU27	120.5	100.0	101.9	108.3	95.3	76.9	93.8

Source: Defra/Eurostat

Farm Business Incomes by farm type (tables 2.4, 2.5 and chart 2.3)

6. Farm Business Income is presented in tables 2.4, 2.5 and Chart 2.3. It replaced Net Farm Income as the headline measure of farming income in 2007.

7. Estimates of Farm Business Income for 2010/11 (i.e. year ended February 2011) at current prices are shown in table 2.4 for England, Wales and Northern Ireland alongside outturn data for the previous six years. These estimates include Single Payment Scheme receipts which are recorded as due for the appropriate accounting year, e.g. receipts of the 2010 Single Payment Scheme are recorded in the 2010/11 accounting year. It should be noted that forecasts of farm business income in 2010/11 are not produced in Scotland.

8. On average, the Single Payment receipt fell by between 8 and 10 per cent in 2010 compared to the previous year as the value of sterling increased against the euro. The conversion rate at the end of September 2010 was 0.85995 compared to 0.9093 at the same time the previous year.

9. Substantial increases in average Farm Business Incomes are expected on cereal and general cropping farms in England for 2010/11, reflecting much higher prices for cereals, oilseed rape and potatoes. Drilling conditions in the autumn of 2009 enabled a return to winter cropping and, although average yields were lower and input costs higher, the sharp rise in crop prices is expected to lead to a significant increase in output.

10. Average Farm Business Income on dairy farms is forecast to fall in England and Wales in 2010/11 compared with the previous year. Despite an increase in the average milk price, higher costs, particularly those associated with purchased feed, are forecast to more than offset the increase in output from milk. However, in Northern Ireland the average milk price was substantially higher in 2010. This is expected to offset the increase in costs and result in a substantial increase in incomes on dairy farms.

11. On livestock grazing farms in both the lowland and Less Favoured Areas, incomes are predicted to fall. Input costs are expected to rise, particularly for purchased concentrate and forage feeds and for fuel, and although output from the sheep enterprise is expected to be higher, a decline is anticipated for the beef enterprise. This results from lower prices for fat and store cattle along with a fall in the closing valuation compared to the previous year.

12. Average Farm Business Income is forecast to fall on specialist pig and poultry farms in England 2010/11. This is primarily a result of higher feed costs combined with lower prices for eggs and pigmeat reducing output. For specialist pig farms the falling value of trading livestock towards the end of the accounting year is also expected to lead to a considerable change in the year on year closing valuation.

13. Incomes on mixed farms are also expected to fall by around forty per cent in 2010/11. Overall farm output is forecast to increase slightly, largely due to a substantial increase in output from the cereal and dairy enterprises more than offsetting a marked fall in output from the cattle enterprises and a lower single farm payment. However higher costs, notably for feed and fuel, are expected to more than offset this modest increase and lead to an overall fall in income compared to the previous year.

14. Table 2.5 shows the variation in the level of Farm Business Income, Net Farm Income and Cash Income across farms in the United Kingdom in 2009/10. Around a quarter of farms in the UK had a Farm Business Income of £10,000 or less whilst a further quarter had an income of more than £50,000.

15. A greater proportion of farms fall into the lower band income ranges for Net Farm Income. This is because Net Farm Income is a narrower measure of income; it is net of an imputed rent on owned land and an imputed cost for unpaid labour (apart from farmer and spouse).

16. Chart 2.3 shows the differences in performance of farms in the United Kingdom for 2009/10. Performance is measured as £ of output per £100 of input. The chart illustrates the significant variation in performance across all farms in the UK with around 13 per cent of farms failing to recover their costs.

Table 2.4 Farm business income by country and type of farm (a)

Enquiries: +44 (0)20 7238 3274 email: fbs.queries@DEFRA.gsi.gov.uk

Average farm business income per farm (£ farm) Accounting years ending on average in February

	2004/05	2005/06	2006/07	2007/08	2008/09 (b)	2009/10	2010/11 (provisional)
At current prices							
England							
Cereals	29 200	29 000	45 900	73 400	69 700	46 000	79 500
General cropping	42 400	36 900	62 200	81 000	96 000	66 000	104 400
Dairy	33 100	33 600	30 800	55 100	69 400	56 100	42 700
Grazing livestock (lowland)	9 300	9 400	11 400	12 400	18 500	22 000	12 100
Grazing livestock (LFA)	16 200	15 800	10 500	10 400	17 100	22 200	14 500
Specialist pigs	25 900	30 300	24 500	6 300	59 100	71 600	26 200
Specialist poultry	86 000	93 100	100 600	139 200	47 700	66 300	62 400
Mixed	23 900	25 800	27 200	37 300	29 300	39 800	23 900
Wales							
Dairy	28 500	30 600	30 500	51 300	62 200	52 200	45 600
Grazing livestock (lowland)	11 600	10 000	21 900	19 000	24 400	32 300	23 700
Grazing livestock (LFA)	21 000	17 800	17 500	19 800	24 500	33 600	27 300
Scotland							
Cereals	-	-	36 900	65 900	41 800	16 700	-
General cropping	-	-	53 000	75 400	60 900	18 300	-
Dairy	-	-	47 200	69 600	78 400	58 700	-
Grazing livestock (LFA)	-	-	16 400	22 500	24 400	37 600	-
Mixed	-	-	31 400	37 500	45 300	40 200	-
Northern Ireland							
Dairy	24 900	28 700	27 300	58 700	37 500	19 300	39 800
Grazing livestock (LFA)	10 200	11 900	12 600	13 400	20 200	21 200	17 900
United Kingdom							
Cereals	-	-	44 600	71 900	65 600	42 100	-
General cropping	-	-	60 400	79 700	87 900	55 100	-
Dairy	-	-	32 200	56 600	62 400	47 700	-
Grazing livestock (lowland)	-	-	13 400	13 600	19 100	22 600	-
Grazing livestock (LFA)	-	-	14 700	16 900	21 800	29 600	-
Specialist pigs	-	-	24 800	7 300	51 600	67 400	-
Specialist poultry	-	-	100 600	139 200	47 700	66 300	-
Mixed	-	-	27 400	46 200	33 300	39 500	-
ALL TYPES (including Horticulture)	-	-	30 400	42 600	44 200	38 800	-
In real terms (2009/10 prices)							
United Kingdom	-						
Cereals	-	-	48 000	74 200	65 500	42 100	-
General cropping	-	-	65 000	82 200	87 800	55 100	-

continued

Table 2.4 continued

Average farm business income per farm (£ farm) — Accounting years ending on average in February

	2004/05	2005/06	2006/07	2007/08	2008/09[b]	2009/10	2010/11 (provisional)
Dairy	-	-	34 600	58 400	62 300	47 700	-
Grazing livestock (lowland)	-	-	14 400	14 000	19 100	22 600	-
Grazing livestock (LFA)	-	-	15 800	17 400	21 800	29 600	-
Specialist pigs	-	-	26 700	7 500	51 500	67 400	-
Specialist poultry	-	-	108 200	143 600	47 600	66 300	-
Mixed	-	-	29 500	47 700	33 200	39 500	-
ALL TYPES (including Horticulture)	-	-	32 700	43 900	44 100	38 800	-

(a) The calculation of 'farm business income' has been modified and applied back through the time series as the calculation in earlier publications was incorrectly defined in terms of profit or loss on sale of fixed assets. Therefore the figures presented above will not match those published prior to 2007/08.

(b) Revised Scotland figures.

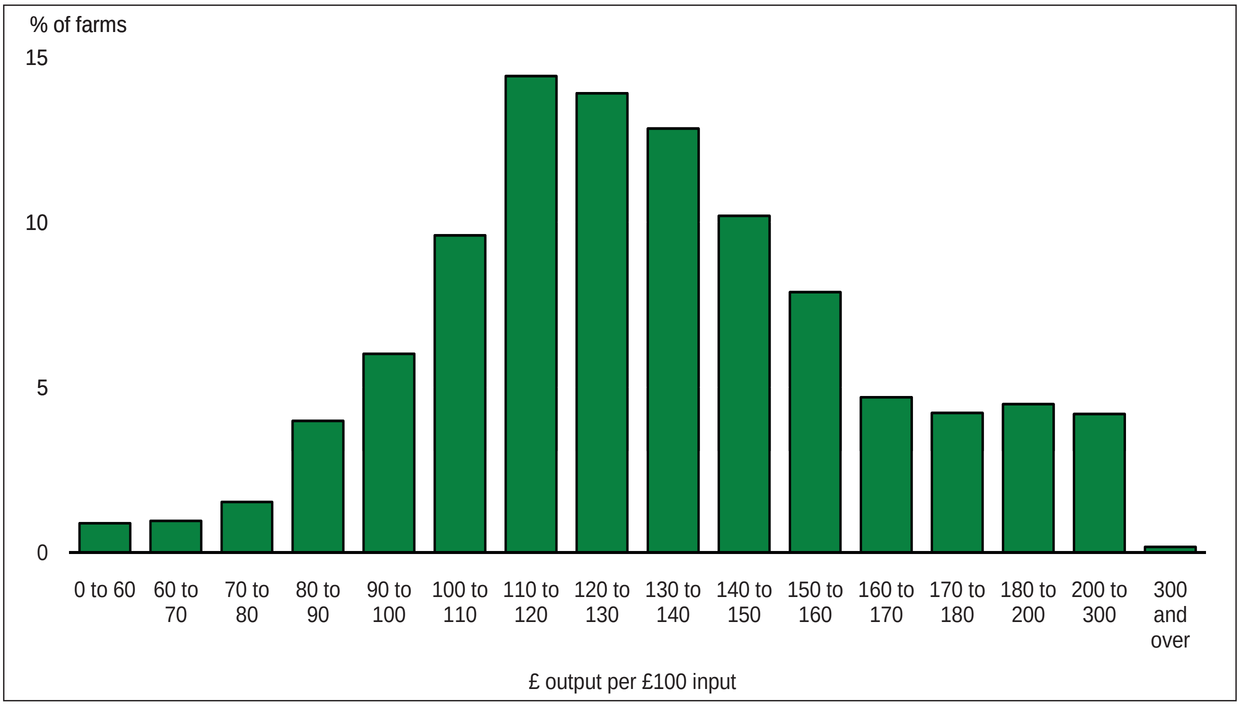
Table 2.5 All farm types: distribution of farm incomes by country 2009/10

Enquiries: +44 (0)20 7238 3274 — email: fbs.queries@DEFRA.gsi.gov.uk

Percentage of farms

	England	Wales	Scotland	Northern Ireland	United Kingdom
Farm Business Income					
Less than zero	11.7	4.5	12.4	14.2	11.2
0 to less than £5,000	7.6	3.0	3.3	6.0	6.3
£5,000 to less than £10,000	7.4	7.5	7.7	13.0	8.1
£10,000 to less than £20,000	15.0	19.6	19.7	19.4	16.7
£20,000 to less than £30,000	14.2	22.7	11.6	19.1	15.4
£30,000 to less than £50,000	17.1	19.6	17.3	15.4	17.2
£50,000 and over	27.1	23.0	28.0	12.8	25.1
Average (£ thousand per farm)	43.3	36.2	34.4	21.6	38.8
Net Farm Income					
Less than zero	22.7	11.4	24.9	27.4	22.1
0 to less than £5,000	8.7	7.1	5.1	10.4	8.2
£5,000 to less than £10,000	9.1	6.2	8.9	10.6	8.9
£10,000 to less than £20,000	15.3	23.7	17.3	18.0	16.9
£20,000 to less than £30,000	10.4	18.8	11.8	16.2	12.3
£30,000 to less than £50,000	13.4	19.1	15.4	10.2	14.0
£50,000 and over	20.5	13.8	16.5	7.2	17.6
Average (£ thousand per farm)	31.5	26.6	21.3	14.2	27.6
Cash Income					
Less than zero	7.5	2.1	5.0	6.3	6.4
0 to less than £5,000	3.2	4.7	2.8	4.2	3.4
£5,000 to less than £10,000	4.9	2.2	4.5	6.6	4.7
£10,000 to less than £20,000	13.0	12.5	14.2	19.1	13.8
£20,000 to less than £30,000	13.8	23.6	13.1	17.2	15.3
£30,000 to less than £50,000	19.0	27.1	24.7	24.1	21.4
£50,000 and over	38.6	27.6	35.8	22.5	35.1
Average (£ thousand per farm)	63.4	44.1	48.9	35.1	55.9

Chart 2.3 Distribution of performance across farms >0.5 SLR 2009/10; United Kingdom



Farm income measures

17. **Farm Business Income (FBI)** is the preferred measure for comparisons of farm type and represents the return to all unpaid labour (farmers, spouses and others with an entrepreneurial interest in the farm business) and to all their capital invested in the farm business including land and farm buildings.

Farm Business Income equals

Total output from agriculture (includes crop and livestock valuation change) *plus*

Total output from agri-environment schemes *plus*

Total output from diversification *plus*

Single payment scheme *less*

Expenditure (costs, overheads, fuel, repairs, rent, depreciation, paid labour) *plus*

Profit/(loss) on sale of fixed assets

18. **Total Income from Farming (TIFF)** represents business profits and remuneration for work done by owners and other unpaid workers. It is used to assess UK agriculture as a whole.

Total Income from Farming *equals*

Gross output at basic prices *plus*

Other subsidies less taxes *less*

Total intermediate consumption, rent, paid labour *less*

Total consumption of fixed capital (depreciation) *less*

Interest.

19. Differences and similarities

Farm Business Income

- the preferred measure for comparisons of farm type;
- covers the 12 month period March to February;
- does not include imputed rent for owner occupiers;
- complete range of on-farm activities including income from diversified activities where they are included in the farm accounts;
- treatment of stocks: the change in the book value of stocks between the start and end of the accounting year.

Total Income from Farming

- the main aggregate measure of farm income used to assess UK agriculture as a whole.
- covers the calendar year;
- does not include imputed rent for owner occupiers;
- complete range of on-farm activities including income from diversified activities where they are included in the farm accounts;
- treatment of stocks: the physical changes in stocks valued at average calendar year prices.

Diversification

20. Diversification is widely held to offer considerable scope for improving the economic viability of farm businesses. It can be thought of as “the entrepreneurial use of farm resources for a non-agricultural purpose for commercial gain”. There are some obvious activities that are included as diversification such as tourism, sport, recreation and processing, and others that are not, such as the production of organic or novel crops, which while possibly reflecting a change in focus and entrepreneurial activity by the farmer, remain agricultural activities. Others such as off-farm employment or investment income are not regarded as diversified activities as they do not utilise farm resources.

21. Further information on diversification in England and Wales is available at:

http://archive.defra.gov.uk/rural/rdpe/erdp/schemes/index.htm

http://wales.gov.uk/topics/statistics/headlines/agric2008/hdw200806242/?lang=en

Chapter 3 The Structure of the Industry

Summary

In 2010 compared with 2009:

- the total area on agricultural holdings remained virtually unchanged at 17.1 million hectares;
- the total croppable area decreased by 1.3 per cent to 6.0 million hectares;
- the total number of cattle increased by 0.9 per cent in 2010 to 10.1 million head;
- there were 4.5 million pigs in 2010, a decrease of 1.8 per cent from June 2009;
- the number of sheep and lambs decreased by 1.1 per cent to 31 million;
- there were 466 thousand people employed in agriculture in the United Kingdom in 2010.

Introduction

1. The tables in this chapter show the size and structure of the agricultural industry in the United Kingdom. They provide information on land use and livestock numbers, on the distribution of these between holdings, on the labour force, the age of holders and on the industry's fixed capital.

2. Data in this chapter are sourced primarily from the June Surveys/Census of Agriculture carried out in the four UK countries each year. The exceptions to this are the holder age data (sourced from the EU Farm Structure Survey) and land use data in Scotland (sourced from Single Application Form (SAF) subsidy data). Also, cattle data is sourced from the Cattle Tracing System (CTS) in England and Wales and from the equivalent APHIS system in Northern Ireland. In Scotland, cattle data continues to be sourced from agricultural surveys.

3. In 2010, England data relates to "commercial" holdings only. The term "commercial" covers all English holdings which have more than five hectares of agricultural land, one hectare of orchards, 0.5 hectares of vegetables or 0.1 hectares of protected crops, or more than 10 cows, 50 pigs, 20 sheep, 20 goats or 1,000 poultry. These thresholds are specified in the EU Farm Structure Survey Regulation EC 1166/2008. The 2009 figures for England were subsequently revised to be on a comparable basis with 2010. The 2005 figures displayed in tables 3.3 and 3.4 are also based on commercial holdings to allow comparisons to the 2010 results.

4. For more information on the June Survey and for more detailed results please visit the following web pages:

   England: http://www.defra.gov.uk/statistics/foodfarm/landuselivestock/junesurvey/

   Scotland: http://www.scotland.gov.uk/Topics/Statistics/Browse/Agriculture-Fisheries/PubFinalResultsJuneCensus.

   Wales: www.wales.gov.uk/statistics

   Northern Ireland: http://www.dardni.gov.uk/index/news/press-releases-statistical/press-release-statistical-current.htm

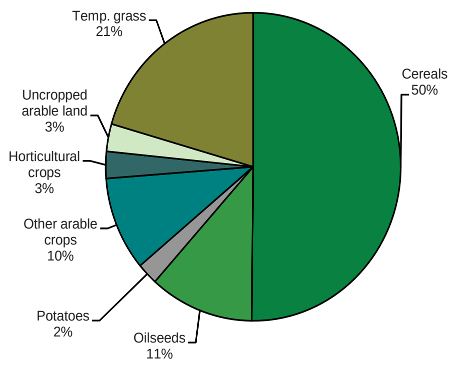
Land use, crop areas and livestock numbers (tables 3.1, 3.2, charts 3.1 to 3.3)

5. At June 2010, the total area of land on agricultural holdings was 17.1 million hectares. A further 1.2 million hectares of common rough grazing land gave a total area of agricultural land in the UK of 18.3 million hectares in 2010.

6. A little over 35 per cent of the land on agricultural holdings was considered to be croppable land, i.e. land currently under crops, bare fallow or temporary grassland. As chart 3.1 shows, 50 per cent of this croppable area is occupied by cereal crops and of these cereals, wheat is the predominant crop, occupying over 64 per cent of the cereal area in June 2010.

7. The area of cereals fell by 2.0 per cent between June 2009 and June 2010 to 3.0 million hectares, primarily due to a decrease of 19 per cent in the area of barley planted. The decrease in cereals was offset by increases in other crops, such as oilseeds, which rose by 14 per cent in 2010 due to good autumn planting conditions. Changes in crop areas are shown below in chart 3.2.

Chart 3.1 Total croppable area on agricultural holdings June 2010; United Kingdom



8. The main dairy herd was almost unchanged between 2009 and 2010 at 1.8 million animals. The beef herd increased by 1.9 per cent to 1.7 million animals in June 2010.

9. Sheep numbers decreased in 2010 and the total figure now stands at just over 31 million animals. Chart 3.3 shows the 2.9 per cent decrease seen in the number of lambs, which fell to 15.4 million. A slight increase of 0.7 per cent in the number of ewes and shearlings may indicate some optimism in the sector.

10. The total number of pigs fell by 1.8 per cent to just under 4.5 million in June 2010. This decrease was partly due to a 4.9 per cent reduction in the number of breeding sows to 360 thousand. The total number of laying and breeding poultry increased by 10.4 per cent to 47 million birds. Table chickens increased by 6.6 per cent to 105 million birds in June 2010.

Chart 3.2 Changes in crop areas; United Kingdom

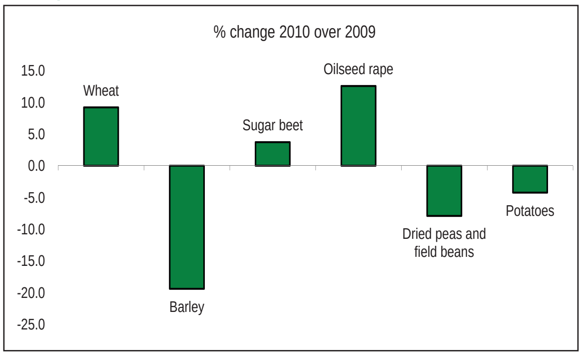


Chart 3.3 Changes in livestock numbers; United Kingdom

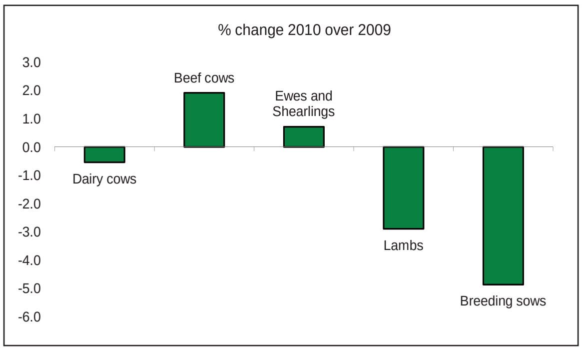


Table 3.1 Agricultural land use; United Kingdom

Enquiries: Jennie Blackburn on +44 (0)1904 455091 email: jennie.blackburn@defra.gsi.gov.uk

Thousand hectares At June of each year

	2006	2007	2008	2009 revised (a)	2010 (a)
Utilised agricultural area (UAA) (b)	17 897	17 737	17 703	17 325	17 234
UAA as a proportion of total UK area	73%	73%	73%	71%	71%
Total agricultural area	18 770	18 692	18 697	18 296	18 282
Common rough grazing	1 241	1 238	1 238	1 237	1 228
Total area on agricultural holdings	17 529	17 453	17 459	17 060	17 054
Total croppable area	6 197	6 215	6 070	6 092	6 015
Total crops	4 397	4 440	4 735	4 607	4 610
Arable crops (c)	4 231	4 271	4 565	4 437	4 441
Cereals	2 864	2 885	3 274	3 076	3 013
Oilseeds (includes linseed) (d)	605	687	621	600	686
Potatoes	140	140	144	144	138
Other crops	623	559	527	616	604
Horticultural crops	166	169	170	170	169
Uncropped arable land (e)(f)	663	599	194	244	174
Temporary grass under 5 years old	1 137	1 176	1 141	1 241	1 232
Total permanent grassland	10 458	10 284	10 395	9 996	9 980
Grass over 5 years old	5 967	5 965	6 036	5 865	5 925
Sole right rough grazing (g)	4 491	4 319	4 359	4 131	4 055
Other land on agricultural holdings	874	954	994	972	1 059
Woodland	606	663	705	726	774
Land used for outdoor pigs	..	..	..	..	10
All other non-agricultural land	268	291	289	246	274

Source: June Surveys/Census of Agriculture/SAF land data Scotland. For more details please see the introduction section of this chapter.

Please note that totals may not add up to the sum of components due to rounding. Totals may not agree across tables for the same reason.

(a) Figures for England from 2009 onwards relate to commercial holdings only. More information on commercial holdings can be found in the introduction section of this chapter.

(b) UAA includes all arable and horticultural crops, uncropped arable land, common rough grazing, temporary and permanent grassland and land used for outdoor pigs (it excludes woodland and other non-agricultural land).

(c) Includes crops grown on previous set-aside land for England for 2006 and 2007.

(d) The oilseeds total also includes borage for England from 2008 onwards.

(e) Includes uncropped set-aside land for 2007 and earlier years.

(f) Includes all arable land not in production, including land managed in Good Agricultural and Environmental Condition (GAEC12), wild bird cover and game cover. In the 2009 form guidance notes for England, bird cover and game strips were for the first time explicitly stated as belonging in this category, so the 2009 figure may have captured more of this land than in previous years.

(g) Also includes mountains, hills, heathland or moorland.

Table 3.2 Crop areas and livestock numbers; United Kingdom

Enquiries: Jennie Blackburn on +44 (0)1904 455091 email: jennie.blackburn@defra.gsi.gov.uk

At June of each year

		2006	2007	2008	2009 revised (a)	2010 (a)
Crop areas (thousand hectares)						
Total area of arable crops (b)		4 231	4 271	4 565	4 437	4 441
of which:	wheat	1 836	1 830	2 080	1 775	1 939
	barley	881	898	1 032	1 143	921
	oats	121	129	135	129	124
	rye, mixed corn and triticale	25	27	27	28	29
	oilseed rape	568	674	598	570	642
	linseed	36	13	16	28	44
	potatoes	140	140	144	144	138
	sugar beet (not for stockfeeding)	130	125	120	114	118
	peas for harvesting dry and field beans	231	161	148	228	210
	maize	137	146	153	163	164
Total area of horticultural crops		166	169	170	170	169
of which:	vegetables grown outdoors	119	121	122	125	121
	orchard fruit (c)	23	23	24	22	24
	soft fruit & wine grapes	10	10	10	10	10
	outdoor plants and flowers	12	13	13	11	12
	glasshouse crops	2	2	2	2	2
Livestock numbers (thousand head)						
Total cattle and calves (d)		10 579	10 304	10 107	10 025	10 112
of which:	dairy cows (e)	1 979	1 954	1 909	1 857	1 847
	beef cows (f)	1 737	1 698	1 670	1 626	1 657
Total sheep and lambs		34 722	33 946	33 131	31 445	31 084
of which:	ewes and shearlings	16 637	16 064	15 616	14 636	14 740
	lambs under one year old	17 058	16 855	16 574	15 892	15 431
Total pigs		4 933	4 834	4 714	4 540	4 460
of which:	sows in pig and other sows for breeding	401	398	365	379	360
	gilts in pig	67	57	55	48	67
Total poultry		173 081	167 667	166 200	152 753	163 867
of which:	table fowl	110 672	109 794	109 859	98 754	105 309
	laying and breeding fowl	47 530	47 719	44 321	42 663	47 107
	turkeys, ducks, geese and all other poultry	14 879	10 154	12 019	11 335	11 451

Source: June Surveys/Census of Agriculture/SAF land data Scotland. Also Cattle Tracing System/APHIS (for cattle data). For more details please see the introduction section of this chapter.

Please note that totals may not add up to the sum of components due to rounding. Totals may not agree across tables for the same reason.

(a) Figures for England from 2009 onwards relate to commercial holdings only. More information on commercial holdings can be found in the introduction section of this chapter.

(b) Includes crops grown on set-aside land for England for 2006 and 2007.

(c) Includes non-commercial orchards.

(d) Cattle figures in this table are based on all agricultural holdings. Therefore these figures do not match the totals in table 3.4, which are based on commercial holdings for England.

(e) Dairy cows are defined as female dairy cows over 2 years old with offspring.

(f) Beef cows are defined as female beef cows over 2 years old with offspring.

Numbers and sizes of holdings and enterprises (tables 3.3 to 3.7)

11. As table 3.3 shows, the number of commercial agricultural holdings has decreased from 248 thousand in 2005 to 222 thousand in 2010. The 2010 Census provided a good opportunity to clean the statistical register of English holdings. As a result of this exercise a large number of inactive holdings were removed from the register. This is part of the reason for the decrease seen in the total number of UK holdings.

Table 3.3 Numbers of holdings by size group; United Kingdom (a)

Enquiries: Jennie Blackburn on +44 (0)1904 455091 email: jennie.blackburn@defra.gsi.gov.uk

At June of each year

		2005		2010	
		Number of holdings (thousand)	Total SLR (thousand)	Number of holdings (thousand)	Total SLR (thousand)
Size of holding (SLR) (b)	under 1 Standard Labour Requirement (SLR)	171.1	43.7	156.7	36.1
	1 to under 2 SLR	34.7	49.7	26.4	38.0
	2 to under 3 SLR	17.1	42.0	14.1	34.6
	3 to under 5 SLR	14.8	56.6	13.8	52.9
	5 SLRs and over	9.7	93.0	11.4	116.3
	Total	247.5	285.0	222.4	277.8
		Number of holdings (thousand)	Hectares (thousand)	Number of holdings (thousand)	Hectares (thousand)
Total area on holdings	under 20 hectares	120.0	812.2	104.3	704.1
	20 to under 50 hectares	49.1	1 619.6	43.1	1 424.9
	50 to under 100 hectares	36.7	2 624.9	33.6	2 404.8
	100 hectares and over	41.7	12 099.1	41.4	12 520.3
	Total	247.5	17 155.9	222.4	17 054.1
	Average area (hectares)		69.3		76.7
	Average area on holdings with >=20 hectares		128.2		138.5
Croppable area (c)	0.1 to under 20 hectares	67.9	400.9	51.9	312.3
	20 to under 50 hectares	22.9	748.1	19.7	646.1
	50 to under 100 hectares	16.1	1 147.3	14.5	1 036.1
	100 hectares and over	16.6	3 533.0	17.6	4 021.0
	Total	123.5	5 829.2	103.7	6 015.4
	Average croppable area (hectares)		47.2		58.0

Source: June Surveys/Census of Agriculture/SAF land data Scotland. For more details please see the introduction section of this chapter.

Please note that totals may not add up to the sum of components due to rounding. Totals may not agree across tables for the same reason.

(a) Figures for England relate to commercial holdings only. More information on commercial holdings can be found in the introduction section of this chapter.

(b) Standard Labour Requirement (SLR) is defined as the theoretical number of workers required to run a holding, based on its cropping and livestock activities.

(c) Croppable area is defined as land under crops, temporary grass under five years old and uncropped arable land.

Table 3.4 Numbers of holdings and land areas / livestock numbers by size group; United Kingdom (a)

Enquiries: Jennie Blackburn on +44 (0)1904 455091 email: jennie.blackburn@defra.gsi.gov.uk

At June of each year

		2005		2010	
		Number of holdings (thousand)	Hectares (thousand)	Number of holdings (thousand)	Hectares (thousand)
Wheat	0.1 to under 15 hectares	11.6	93.7	8.9	73.1
	15 to under 30 hectares	8.3	179.4	6.9	151.5
	30 to under 50 hectares	6.6	259.1	6.0	234.2
	50 to under 100 hectares	7.2	505.9	6.8	481.3
	100 hectares and over	4.6	827.5	5.4	998.4
	Total	38.4	1 865.7	34.0	1 938.6
	Average wheat area (hectares)		48.6		57.0
	Average wheat area on holdings with >=15 hectares of wheat (hectares)		66.2		74.3
Barley	0.1 to under 15 hectares	20.3	143.9	16.4	120.8
	15 to under 30 hectares	8.9	190.3	8.1	174.3
	30 to under 50 hectares	5.0	194.5	4.8	184.6
	50 to under 100 hectares	3.6	243.4	3.6	243.9
	100 hectares and over	1.1	164.7	1.3	197.6
	Total	38.9	936.8	34.2	921.2
	Average barley area (hectares)		24.1		26.9
	Average barley area on holdings with >=15 hectares of barley (hectares)		42.5		45.1
Cereals	0.1 to under 15 hectares	20.5	148.0	16.2	119.8
	15 to under 30 hectares	11.1	240.8	9.5	206.6
	30 to under 50 hectares	8.9	349.4	8.0	312.1
	50 to under 100 hectares	10.7	752.6	9.6	683.3
	100 hectares and over	7.8	1 425.6	8.8	1 691.3
	Total	59.0	2 916.4	52.2	3 013.2
	Average cereal area (hectares)		49.4		57.7
	Average cereal area on holdings with >=15 hectares of cereals (hectares)		71.9		80.4
Oilseed rape	0.1 to under 10 hectares	2.8	16.9	1.8	10.7
	10 to under 20 hectares	3.7	54.9	3.2	47.2
	20 to under 30 hectares	2.6	64.7	2.7	65.6
	30 to under 50 hectares	2.9	113.1	3.2	125.0
	50 hectares and over	3.0	269.2	4.1	393.1
	Total	15.1	518.7	14.9	641.6
	Average oilseed rape area (hectares)		34.4		43.0
	Average oilseed rape area on holdings with >=10 hectares of oilseed rape (hectares)		40.9		48.0
Sugar beet	0.1 to under 10 hectares	2.8	14.9	1.7	8.7
	10 to under 20 hectares	2.0	28.7	1.3	19.2
	20 hectares and over	2.5	104.7	1.9	90.6
	Total	7.3	148.2	4.9	118.5
	Average sugar beet area (hectares)		20.3		24.0
	Average sugar beet area on holdings with >=10 hectares sugar beet (hectares)		29.8		34.2

Continued

Table 3.4 continued

		2005		2010	
		Number of holdings (thousand)	Hectares (thousand)	Number of holdings (thousand)	Hectares (thousand)
Potatoes	0.1 to under 2 hectares	3.9	1.9	2.8	1.3
	2 to under 5 hectares	1.6	5.4	1.1	3.8
	5 to under 10 hectares	2.2	16.4	1.7	12.5
	10 to under 20 hectares	2.3	32.1	2.1	30.2
	20 hectares and over	1.9	81.1	2.0	90.4
	Total	11.8	136.8	9.7	138.3
	Average potato area (hectares)		11.6		14.3
	Average potato area on holdings with >=2 hectares of potatoes (hectares)		17.0		19.8
		2005		**2010**	
		Number of holdings (thousand)	Number of livestock (thousand)	Number of holdings (thousand)	Number of livestock (thousand)
Dairy cows (b)	1 to 9 dairy cows	8.7	22	7.6	20
	10 to 49	5.5	167	3.5	104
	50 to 99	7.4	544	5.2	385
	100 to 149	4.3	516	3.5	430
	150 and over	3.4	747	3.8	905
	Total	29.3	1 997	23.7	1 844
	Average number of dairy cows		68		78
	Average number of dairy cows on holdings with >=10 dairy cows		96		113
Beef cows (c)	1 to 9 beef cows	24.5	99	24.1	100
	10 to 19	12.8	178	11.9	170
	20 to 29	7.9	189	7.4	179
	30 to 49	8.6	328	7.9	305
	50 to 99	7.1	482	6.6	453
	100 and over	3.0	473	2.7	443
	Total	63.9	1 749	60.6	1 650
	Average number of beef cows		27		27
	Average number of beef cows on holdings with >=10 beef cows		42		42
Total cattle and calves	1 to 9 cattle and calves	13.3	62	11.5	55
	10 to 29	19.3	364	16.8	316
	30 to 49	12.5	492	10.8	424
	50 to 99	19.9	1 447	16.6	1 200
	100 to 149	11.8	1 454	9.8	1 201
	150 and over	24.0	6 939	22.0	6 880
	Total	100.7	10 758	87.5	10 076
	Average number of cattle and calves		107		115
	Average number of cattle and calves on holdings with >=10 cattle and calves		122		132

Continued

Table 3.4 continued

		2005		2010	
		Number of holdings (thousand)	Number of livestock (thousand)	Number of holdings (thousand)	Number of livestock (thousand)
Female sheep breeding flock	1 to 19 breeding sheep	13.2	134	12.7	124
	20 to 49	14.1	466	12.6	412
	50 to 124	18.2	1 503	15.1	1 234
	125 to 499	22.8	5 852	19.8	5 101
	500 to 999	6.6	4 592	5.9	4 056
	1 000 and over	2.8	4 363	2.5	3 813
	Total	77.8	16 911	68.6	14 740
	Average number of female breeding sheep		217		215
	Average number of female breeding sheep on holdings with >=20 female breeding sheep		260		262
Total sheep and lambs	1 to 19 sheep and lambs	9.4	77	9.8	86
	20 to 49	11.3	377	10.3	342
	50 to 124	15.1	1 248	13.4	1 103
	125 to 499	25.4	6 713	21.6	5 725
	500 to 999	10.4	7 432	9.3	6 620
	1 000 and over	10.4	19 520	9.1	17 208
	Total	81.9	35 366	73.4	31 084
	Average number of sheep and lambs		432		423
	Average number of sheep and lambs on holdings with >=20 sheep and lambs		486		487
Female pig breeding herd	1 to 4 breeding pigs	2.5	5	3.2	6
	5 to 24	1.4	17	1.3	14
	25 to 99	0.8	45	0.6	31
	100 and over	1.1	401	0.9	375
	Total	5.8	468	6.0	427
	Average number of female breeding pigs		80		71
	Average number of female breeding pigs on holdings with >=5 female breeding pigs		141		148
Fattening pigs (d)	1 to 9 fattening pigs	2.9	11	3.8	14
	10 to 49	1.5	34	1.8	39
	50 to 299	1.2	163	1.1	143
	300 to 999	1.3	781	1.0	587
	1 000 and over	1.3	3 309	1.2	3 159
	Total	8.2	4 298	8.8	3 942
	Average number of fattening pigs		523		448
	Average number of fattening pigs on holdings with >=10 fattening pigs		803		783
Total pigs	1 to 9 pigs	3.7	13	5.1	18
	10 to 49	1.8	42	2.2	47
	50 to 299	1.4	188	1.2	161
	300 to 999	1.3	771	1.0	592
	1 000 and over	1.4	3 835	1.3	3 643
	Total	9.6	4 849	10.7	4 460
	Average number of pigs		503		416
	Average number of pigs on holdings with >=10 pigs		814		783

Continued

Table 3.4 continued

		2005 Number of holdings (thousand)	2005 Number of livestock (thousand)	2010 Number of holdings (thousand)	2010 Number of livestock (thousand)
Broilers	1 to 9 999 broilers	1.8	662	1.6	543
	10 000 to 99 999	0.7	33 844	0.6	28 190
	100 000 and over	0.4	76 963	0.4	76 576
	Total	2.9	111 468	2.6	105 309
	Average number of broilers		37 953		41 024
	Average number of broilers on holdings with >=10 000 broilers		98 495		104 141

Source: June Surveys/Census of Agriculture/SAF land data Scotland. Also Cattle Tracing System/APHIS (for cattle data). For more details please see the introduction section of this chapter.

Please note that totals may not add up to the sum of components due to rounding. Totals may not agree across tables for the same reason.

(a) Figures for England relate to commercial holdings only. More information on commercial holdings can be found in the introduction section of this chapter.

(b) Dairy cows are defined as female dairy cows over 2 years old with offspring.

(c) Beef cows are defined as female beef cows over 2 years old with offspring.

(d) All fattening pigs (includes barren sows).

Table 3.5 Numbers of holdings by size group and country at June 2010

Enquiries: Jennie Blackburn on +44 (0)1904 455091 email: jennie.blackburn@defra.gsi.gov.uk

	England (a)		Wales		Scotland		Northern Ireland	
	Number of holdings (thousand)	Total SLR (thousand)	Number of holdings (thousand)	Total SLR (thousand)	Number of holdings (thousand)	Total SLR (thousand)	Number of holdings (thousand)	Total SLR (thousand)
Size of holding (Standard Labour Requirements) (b)								
under 1 SLR	64.6	19.9	31.2	5.0	42.3	4.8	18.6	6.3
1 to under 2 SLR	16.2	23.4	3.6	5.2	3.4	5.0	3.1	4.4
2 to under 3 SLR	8.6	21.0	2.2	5.3	2.1	5.2	1.3	3.1
3 to under 5 SLR	8.3	32.0	2.0	7.8	2.4	9.3	1.0	3.9
5 SLRs and over	7.7	85.7	1.2	9.1	2.0	17.8	0.5	3.6
Total	105.4	182.0	40.2	32.4	52.3	42.1	24.5	21.3
	Number of holdings (thousand)	Hectares (thousand)	Number of holdings (thousand)	Hectares (thousand)	Number of holdings (thousand)	Hectares (thousand)	Number of holdings (thousand)	Hectares (thousand)
Total farmed area								
Under 20 hectares	37.9	334.7	24.7	104.7	31.8	163.5	9.9	101.1
20 to under 50 hectares	22.2	740.6	6.2	207.6	6.2	204.5	8.4	272.1
50 to under 100 hectares	19.1	1 374.3	4.9	352.8	5.3	385.7	4.3	292.0
100 hectares and over	26.3	6 437.7	4.3	864.4	8.9	4 889.4	1.9	327.9
Total	105.4	8 887.3	40.2	1 529.4	52.3	5 643.1	24.5	993.1
Average farmed area (hectares)		84.3		38.1		107.9		40.6

Source: June Surveys/Census of Agriculture/SAF land data Scotland. For more details please see the introduction section of this chapter.

Please note that totals may not add up to the sum of components due to rounding. Totals may not agree across tables for the same reason.

(a) Figures for England relate to commercial holdings only. More information on commercial holdings can be found in the introduction section of this chapter.

(b) Standard Labour Requirement (SLR) is defined as the theoretical number of workers required to run a holding, based on its cropping and livestock activities.

Table 3.6 Numbers of holdings and land areas by Less Favoured Area designation at June 2010 (a)

Enquiries: Jennie Blackburn on +44 (0)1904 455091 email: jennie.blackburn@defra.gsi.gov.uk

	England (b)			Wales			Scotland (c)			Northern Ireland		
	SDA	DA	Non-LFA	SDA	DA	Non-LFA	SDA	DA	Non-LFA	SDA	DA	Non-LFA
	(thousand hectares)			(thousand hectares)			(thousand hectares)			(thousand hectares)		
Farmed area on holdings												
Under 20 hectares	29	29	276	40	40	24	114	5	44	39	35	28
20 to under 50 hectares	61	64	616	81	77	50	132	14	59	114	81	77
50 to under 100 hectares	121	114	1 140	159	114	80	217	32	137	121	78	94
100 hectares and over	789	264	5 385	559	162	143	4 216	68	605	179	53	96
Total farmed area	1 001	470	7 417	839	393	298	4 678	119	846	453	247	294
	England (b)			Wales			Scotland (c)			Northern Ireland		
	SDA	DA	Non-LFA	SDA	DA	Non-LFA	SDA	DA	Non-LFA	SDA	DA	Non-LFA
	Number of holdings (thousands)			Number of holdings (thousands)			Number of holdings (thousands)			Number of holdings (thousands)		
Number of holdings												
Under 20 hectares	3.1	3.1	31.6	10.1	8.9	5.7	21.1	0.9	9.8	3.6	3.3	3.0
20 to under 50 hectares	1.8	1.9	18.5	2.4	2.3	1.5	4.0	0.4	1.8	3.5	2.5	2.3
50 to under 100 hectares	1.7	1.6	15.8	2.2	1.6	1.1	3.0	0.4	1.9	1.8	1.1	1.4
100 hectares and over	2.5	1.3	22.4	2.5	0.9	0.8	5.9	0.4	2.7	0.9	0.4	0.6
Total number of holdings	9.2	8.0	88.3	17.2	13.8	9.2	34.0	2.1	16.2	9.8	7.4	7.3

Source: June Surveys/Census of Agriculture/SAF land data Scotland and departmental definitions of LFA boundaries. For more details please see the introduction section of this chapter.

Please note that totals may not add up to the sum of components due to rounding. Totals may not agree across tables for the same reason.

(a) Less Favoured Areas (LFAs) were established in 1975 as a means to provide support to mountainous and hill farming areas. The present LFAs are subdivided into two areas. The more environmentally challenging areas within the LFA are classed as 'Severely Disadvantaged Areas' (SDA). The remainder is classified as 'Disadvantaged Areas' (DA).

(b) Figures for England relate to commercial holdings only. More information on commercial holdings can be found in the introduction section of this chapter.

(c) In Scotland the entire area of a holding is allocated to the holding's overall LFA designation.

Table 3.7 Numbers of holdings by farm type and country 2010 (a)

Enquiries: Jennie Blackburn on +44 (0)1904 455091 email: jennie.blackburn@defra.gsi.gov.uk

Thousands

	England (b)	Wales	Scotland	Northern Ireland
Cereals	15.6	0.4	1.3	0.5
General Cropping	17.2	0.1	13.8	0.3
Horticulture	4.6	0.5	1.9	0.3
Specialist Pigs	1.6	0.1	3.7	0.2
Specialist Poultry	2.1	0.7	2.4	0.4
Dairy	7.6	2.0	0.3	3.2
Grazing Livestock (Less Favoured Areas)	12.7	12.2	2.0	14.1
Grazing Livestock (Lowland)	34.0	2.4	1.1	4.2
Mixed	8.4	1.1	2.1	0.8
Other	1.6	20.6	23.7	0.6
Total	105.4	40.2	52.3	24.5

Source: June Surveys/Census of Agriculture.

Please note that totals may not add up to the sum of components due to rounding. Totals may not agree across tables for the same reason.

(a) Farm type is classified by the predominant farming activity taking place on the holding, based on economic measure and profitability (Standard Gross Margin, SGM). The farm type is defined as the activity which contributes more than two thirds of the total SGM for the holding. For England in 2010 onwards the methodology for classifying farms has changed to one based on standard outputs. More details can be found on the June Survey webpage: http://www.defra.gov.uk/statistics/foodfarm/landuselivestock/junesurvey/junesurveyresults/

(b) Figures for England relate to commercial holdings only. More information on commercial holdings can be found in the introduction section of this chapter.

Labour force in agriculture (table 3.8)

12. The total labour force at June 2010 is estimated to have increased slightly on 2009 figures to 466 thousand workers. This includes a 1.9 per cent increase in the number of principal farmers (defined as farmers, business partners, directors and spouses working on the holding) to 295 thousand.

Table 3.8 Agricultural labour force on commercial holdings; United Kingdom (a)

Enquiries: Jennie Blackburn +44 (0)1904 455091 email: jennie.blackburn@defra.gsi.gov.uk

Thousands

	2006	2007	2008	2009	2010
Total labour force on commercial holdings (incl. farmers and spouses) (a)	491	481	483	464	466
Farmers, business partners, directors and spouses	313	305	302	289	295
Full time	146	141	140	137	134
Part time (b)	167	165	161	152	161
Salaried managers	14	15	14	11	11
Other workers	164	161	167	164	160
Full time	63	61	64	63	64
Male	53	51	54	52	..
Female	10	10	11	11	..
Part time (b)	39	43	43	42	39
Male	23	27	27	27	..
Female	16	16	16	16	..
Seasonal, casual or Gang labour	62	57	60	59	56
Male	43	40	42	42	40
Female	19	17	18	17	17

Source: June Surveys/Census of Agriculture

Please note that totals may not add up to the sum of components due to rounding.

(a) Figures for England relate to commercial holdings only. More information on commercial holdings can be found in the introduction section of this chapter.

(b) Part time is defined as less than 39 hours per week in England and Wales, less than 38 hours per week in Scotland and less than 30 hours per week in Northern Ireland.

Age of holders (table 3.9)

13. The average age of holders in 2007 was 59 years old, ranging from 54 to 60 years old across the different farm types. The average age is derived using the median measure - the middle value when all holder ages are ranked in order. This median age compares to a median of 58 years in 2005, with a range of 55 to 60 years between farm types. It can be seen that the youngest holders are on dairy farms, these farms having a median age of 55 years in 2005 and 54 in 2007. The older holders tend to be on the ‘other farm type’ (specialist grass, horses and unclassified holdings) having a median age of 60 years for both 2005 and 2007. This data has been sourced from the EU Farm Structure Survey and 2007 is the latest data available. This data was collected in 2010 but has not yet been fully processed and will be subject to revision until the final dataset has been approved by Eurostat in early 2012.

Table 3.9 Holders' age by farm type; United Kingdom (a)(b)(c)

Enquiries: Martin Fowell +44 (0)1904 456406 email: martin.fowell@defra.gsi.gov.uk

Thousand persons

	Farm Type								
	Cereals	General Cropping	Horticulture	Pigs and Poultry	Dairy	Cattle and Sheep (LFA and lowland)	Mixed	Other	All Types
2005									
Holders' age									
Under 35 years	0.6	0.4	0.1	0.3	0.7	3.4	0.5	2.5	8.6
35 - 44 years	3.4	1.9	1.2	1.8	3.9	11.9	2.5	11.3	37.7
45 - 54 years	6.0	3.0	2.2	2.9	5.9	19.0	4.0	21.3	64.3
55 - 64 years	7.5	3.6	2.9	3.3	6.2	22.8	4.9	28.0	79.1
65 years and over	7.5	3.6	2.3	2.9	4.2	25.4	3.7	34.6	84.2
Total	25.0	12.4	8.8	11.2	20.8	82.5	15.6	97.7	274.0
Median age (years)	58	58	58	57	55	58	57	60	58
2007									
Holders' age									
Under 35 years	0.5	0.2	0.1	0.2	0.6	3.1	0.3	2.6	7.5
35 - 44 years	2.8	1.1	0.9	1.5	3.1	11.6	1.8	12.1	34.7
45 - 54 years	6.4	2.3	2.0	2.3	5.7	18.8	3.6	25.3	66.4
55 - 64 years	8.1	2.7	2.7	3.0	5.0	23.2	3.8	33.8	82.3
65 years and over	8.8	2.5	2.4	2.8	3.8	25.7	3.5	43.0	92.5
Total	26.6	8.8	8.1	9.8	18.1	82.4	13.0	116.7	283.4
Median age (years)	59	58	59	58	54	58	57	60	59

Source: EU Farm Structure Survey.

Please note that totals may not add up to the sum of components due to rounding

(a) Data on the average age of farmers is collected via the EU Farm Structure Survey. The survey runs four times per decade in the years ending in 0, 3, 5 and 7. Our latest data was collected in 2010. This data has not yet been fully processed and will be subject to revision until the final dataset has been approved by Eurostat in early 2012. We are therefore unable to provide an update at this time.

(b) The holder is defined as the person in whose name the holding is operated. The data in this table relate to all holders whether or not the holder is also the manager of the holding.

(c) The data excludes holdings such as limited companies where there is no single holder.

Fixed capital stock (table 3.10)

14. Agriculture's total volume of fixed capital stock is estimated to be unchanged at the end of 2010 compared to the end of 2009 but 9 per cent lower than the average for 1998 to 2000. The capital stock of 'buildings and works' has declined since the mid-1990s. That for 'plant and machinery' has declined since the mid-1990s but shows an increase in recent years. The capital stock of vehicles has been fairly constant since the mid-1990s with an upturn in recent years.

15. Table 3.10 provides information on the volume of gross stock of fixed capital (excluding land and livestock) available to the agricultural industry. The figures are shown before allowing for consumption of fixed capital and give a broad indication of how this aspect of the industry's productive capacity has changed over the years.

Table 3.10 Fixed capital stock of agriculture; United Kingdom

Enquiries: Graham Brown on +44 (0)1904 455084 email: graham.brown@defra.gsi.gov.uk

Indices 2000 = 100 At year end

	2006	2007	2008	2009	2010 (provisional)
Gross capital stock (excludes livestock capital assets)					
Buildings and works	91.5	90.7	90.4	90.6	90.2
Plant and machinery	91.3	91.9	94.0	95.9	97.3
Vehicles	100.0	100.7	103.5	104.8	104.8
Total	91.9	91.7	92.5	93.3	93.7

Chapter 4 Prices

Summary

In 2010:

- the average producer price of agricultural products rose 5.0 per cent.;
- the average price of cereals rose 15 per cent; world demand for cereals continues to grow;
- the average price of forage crops rose 21 per cent; hay prices increased after a poor harvest;
- the average price of fresh vegetables rose 16 per cent; weather affected many home grown crops leading to a rise in prices;
- the average price of potatoes rose 14 per cent; increased demand saw the average price of potatoes rise;
- the average price of eggs fell 5.0 per cent; prices were under pressure for much of the year due to increasing production, particularly from new free range units in the run up to the 2012 ban on conventional cages;
- the average price of agricultural inputs rose 5.0 per cent;
- the average price of energy and lubricants rose 14 per cent;
- the average price of veterinary services rose 14 per cent.

Price indices (table 4.1, chart 4.1)

1. The price indices for agricultural products and inputs are constructed using fixed annual weights relating to 2005. They reflect observed market prices and do not take account of subsidy payments coupled to production. The price changes presented in table 9.2 are based on current production and may differ from the price movements presented here.

Chart 4.1 Price Indices for agricultural products and inputs; United Kingdom

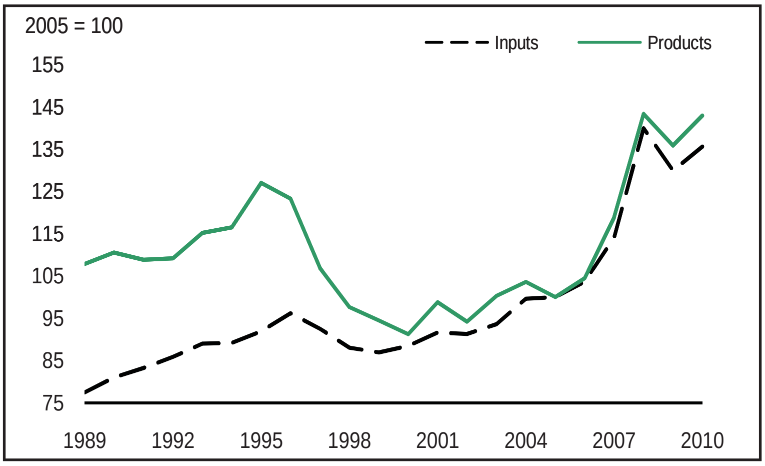


Table 4.1 Price indices for products and inputs; United Kingdom

Enquiries: Julie Rumsey on +44 (0)1904 455249 email: julie.rumsey@defra.gsi.gov.uk

Indices (a) 2005 = 100 Calendar years

	2006	2007	2008	2009	2010 (provisional)
Producer prices for agricultural products (b)	104.5	118.8	143.3	135.8	142.9
of which:					
Crop products:	109.6	133.6	153.7	131.1	145.8
Cereals (including seeds)	111.8	166.7	207.1	150.1	171.8
Industrial Crops	106.7	108.2	152.4	132.0	138.8
Forage Crops	95.2	128.6	145.6	147.7	178.0
Fresh vegetables	109.1	122.1	117.5	113.9	131.9
Potatoes	130.4	145.9	153.7	123.4	140.8
Fresh fruit	104.1	107.4	126.4	124.6	129.6
Seeds	100.2	118.3	126.4	126.4	126.4
Flowers and plants	103.4	110.1	115.1	116.7	117.3
Other crop products	100.5	113.3	119.4	119.5	119.9
Livestock and livestock products:	101.0	108.5	136.0	139.1	140.9
Livestock (for slaughter and export)	103.5	105.5	133.2	145.5	145.8
Milk	97.2	112.2	140.4	128.4	133.5
Eggs	104.0	118.3	140.4	144.7	137.8
Other livestock products	87.7	106.7	130.5	121.4	130.7
Prices of agricultural inputs:	103.6	114.0	139.9	129.9	135.6
of which:					
Currently consumed in agriculture:	103.8	115.4	145.7	133.0	139.0
Livestock feedingstuffs	104.6	129.7	167.3	152.5	160.1
Seeds	89.5	100.1	111.2	109.1	107.3
Fertilisers and soil improvers	105.7	119.8	272.5	189.8	182.4
Plant protection products	102.5	104.2	106.4	107.7	105.1
Maintenance and repair of plant and machinery	105.8	109.9	116.3	121.5	126.9
Energy, lubricants	112.2	117.9	158.2	132.9	151.4
Maintenance and repair of buildings	106.3	114.1	122.3	122.0	130.4
Veterinary services	106.9	108.4	104.0	104.7	118.8
Other Goods and Services	102.6	108.2	113.5	115.4	123.4
Contributing to agricultural investment (c):	103.0	107.1	111.4	114.8	119.2
Machinery and other equipment	104.5	110.3	117.5	122.1	125.3
Transport Equipment	100.2	100.6	100.7	104.5	109.4
Buildings	105.9	113.0	120.3	120.6	126.9
Engineering and Soil Improvement operations	102.1	107.3	112.1	118.2	119.8

(a) Indices covering an aggregation of commodities are weighted annual averages with weights based on the values of output of the respective commodities in 2005.

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

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

Farm rents (table 4.2)

2. The average farm rents shown in table 4.2 for England and Wales are sourced from the Farm Business Survey. Results for Northern Ireland continue to be sourced from the Northern Ireland Farm Business Survey. Figures shown for 2009 refer to the 2009/10 survey. A methodological review of the Scottish Tenanted Land Survey is currently underway and results will be made available once the review is complete.

3. UK estimates cannot be provided until Scottish rent data is available. In England average farm rent prices for agreements over a year in length remained almost unchanged between 2008 and 2009 at £150 per hectare. The average rent price of full agricultural tenancies was £140 per hectare in 2009.

Table 4.2 Farm rents

Enquiries: Jennie Blackburn on +44 (0)1904 455332 email: farming-statistics@defra.gsi.gov.uk

Average rent price (£ per hectare) Calendar years

		2005	2006	2007	2008	2009	% change 2009/08
England (a)	Full Agricultural Tenancies only	130	130	130	140	140	2.0
	All agreements over a year (b)	140	140	140	150	150	1.8
Wales (a)	Full Agricultural Tenancies only	..	113	104	100	101	1.5
	All agreements over a year (b)	..	124	148	157	170	8.1
Scotland (c)		..	..	..	..	..	..
Northern Ireland (d)		158	165	162	171	168	-1.8

(a) Rent data for England and Wales is now sourced from the Farm Business Survey. Figures for 2009 refer to results from the 2009/10 Farm Business Survey.

(b) This relates to agreements lasting a year or more and comprises Full Agricultural Tenancy agreements and Farm Business Tenancy agreements.

(c) The Tenanted Land Survey (TLS) in Scotland is currently undergoing a methodological review. Results will be made available once the review has been completed.

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

Chapter 5 Commodities

Summary

In 2010:

- wheat increased by 9.0 per cent to £1.7 billion;
- barley decreased by 25 per cent to £510 million; the volume of production was down 21 per cent;
- oilseed rape increased by 50 per cent to £702 million; the volume of production reached a record 2.2 million tonnes;
- sugar beet crop was down 20 per cent; the crop was severely impacted by the frosts in November/December and the mild January with yields down by 26 per cent;
- potatoes increased by 18 per cent to £780 million due to strong prices;
- fresh vegetables increased by 16 per cent with increases for onions and a range of salad crops.

In 2010, compared with 2009, the value of production at market prices for:

- beef and veal rose by 2.8 per cent to £2.2 billion ;
- pigmeat rose by 0.9 per cent to £984 million;
- mutton and lamb rose by 1.3 per cent to £ 970 million;
- poultrymeat rose by 13.1 per cent to £1.8 billion;
- milk and milk products rose by 6.4 per cent to £3.3 billion;
- eggs rose by 5.7 per cent to £561 million.

Cereals and Oilseeds (tables 5.1 to 5.6)

1. More favourable planting conditions in the autumn of 2009 and strong market prices led to the increased wheat and oilseed plantings, up 9.0 and 13 per cent respectively compared to 2009. However poor market conditions for malting barley resulted in reduced plantings, down 19 per cent.

2. Cereal yields were lower in 2010 compared to 2009 and those based on a 5 year average. The crops were adversely affected by the prolonged dry spell in April and May during spring crop establishment and then continued dry weather in the grain fill period of June and July. This caused stress to crops on all soil types, but especially lighter soils. The production of wheat and barley in 2010 was at 14.9 and 5.3 million tonnes, up 6 per cent and down 21 per cent respectively on 2009. Conversely weather conditions have been good for oilseed rape and, combined with better disease control, has contributed to a higher yield. This has resulted in the production of oilseed rape being up 17 per cent to a record 2.2 million tonnes.

3. Cereal prices started to increase quite markedly in August and continued through the rest of the year. Prices followed the increase of international grain prices on the back of export restrictions in Russia and the Ukraine, coupled with lower-than-expected yields as a result of adverse weather conditions in the United States. Furthermore, dry weather in Argentina, and the heavy rainfall and flooding across eastern Australia right at the end of 2010 pushed market prices up further.

4. A certain amount of the grain would have been bought forward prior to the price increases which started in August. This is reflected in the price data collected under the Corn Returns Act which is utilised in deriving the valuation estimates. For this reason the prices quoted in the tables (milling wheat at £122 per tonne and feed wheat at £113 per tonne) will not directly correlate with spot market prices and the valuation estimates may not be as high as might otherwise be expected.

5. The value of production of wheat increased by 8.6 per cent to £1.7 billion whilst that for barley decreased by 25 per cent to £ 510 million. The annual average price for malting barley at £108 per tonne is lower than the £125 per tonne reported for 2009 and the tonnage of grain available was lower, hence the overall reduction in the value of production of barley.

Straw

6. Straw prices were higher in 2010 and the value of production for straw rose by 15 per cent to £346 million. The dry weather in April/May and June/July 2010 affected cereal crop growth resulting in reduced yields of straw however the quality was good.

Oilseed Rape (table 5.5)

7. Prices for oilseed rape also have been strong and have increased throughout the year due to a tight market supply, resulting in a 50 per cent increase in the value of production to £702 million. The trade figures for 2009 for oilseed rape are known to be unreliable and are currently being investigated so have not been published.

8. The price increases for cereals and oilseed rape in particular are reflected in the valuation of production of animal feed (see Chapter 6) although there is a lag between price increases in the raw ingredients and the compound feed.

Linseed (table 5.6)

9. The area of linseed more than doubled in 2010 to 44 thousand hectares and production was up 33 per cent on 2009 to 72 thousand tonnes.

Sugar Beet (table 5.7)

10. The sugar beet crop was particularly badly impacted by the severe frosts at the end of 2010 followed by mild conditions in January which caused damage and rotting of late lifted crops that were still in the ground which meant that the beet was unprocessable. Yields were down 26 per cent on the high of 2009 and overall production was down 23 per cent to 6.5 million tonnes. Consequently the value of production at market prices is also down 20 per cent on 2009 at £198 million.

Peas and beans for harvesting dry (table 5.8)

11. The area of field beans was down 11 per cent on 2010 and with lower yields, production was down by 17 per cent to 573 thousand tonnes. However the valuation of production of field beans has been continually increasing over the last few years and in 2010 reached £91 million, up 10 per cent on 2009.

Fresh Vegetables (table 5.9)

12. The overall value of production of all vegetables increased by 16 per cent on 2009 at £1.3 billion. This was driven largely by increases for onions, up by £60 million, lettuces up by £23 million and tomatoes up by £26 million.

13. Salad crops on the whole have had a stronger year in 2010, particularly for cherry tomatoes, cucumbers and speciality lettuce through a combination of good demand, higher yields and higher prices.

14. It has been a difficult season for onions with the cold winter and spring delaying planting and reduced growth under dry conditions with a later than usual harvest, resulting in reduced yields and poorer skin finish for some crops. This has been compounded by shortages in other countries which have reduced imports with consequential substantial price increases.

15. Snow and icy conditions at the start of the year lead to many brassicae crops being unmarketable. Growth throughout the spring remained slow with general low quality of cauliflowers and bolting in cabbage. The severe winter weather from late November resulted in the loss of some winter white cabbage and yield losses in cauliflower, although in the latter case the impact will be greater in the 2011 marketings.

16. Production as a percentage of total new supply for use in the United Kingdom for all fresh vegetables has remained at 60 per cent.

Plants and Flowers (table 5.10)

17. The value of production in the ornamental sector has increased by 12 per cent to £975 million. Within the category hardy ornamental nursery stock, Christmas trees are a major contributor to this value. As a result of fewer imports of Christmas trees, the demand for domestic supplies increased which in turn saw the retail cost of and farm-gate price of Christmas trees increase. Protected crops also saw an increase in value of 12 per cent to £340 million for 2010 and includes items such as protected bulb and cut flowers, pot plants and bedding plants. Both the protected cut flower and pot plant industries benefitted from the weaker sterling to euro exchange rate which led to an increase in demand.

Potatoes (table 5.11)

18. The area of potaoes planted decreased by 4.0 per cent and the volume of production decreased by 5.0 per cent.

19. Prices for potatoes have been strong during 2010, up 25 per cent overall on 2009 at £143 per tonne for all potatoes. The overall value of production for potatoes was up 18 per cent to £780 million.

Fresh Fruit (table 5.12)

20. The overall value of production of all fresh fruit has reduced by just 1.0 per cent on 2009 at £574 million. The value of production of raspberries and strawberries in 2010 was very similar to the levels seen in 2009, stabilising following a period of stronger growth in preceding years, especially for raspberries. Production as a percentage of total new supply for use in the United Kingdom has remained at 12 per cent.

Table 5.1 Total cereals; United Kingdom

Enquiries: Karen Stark on +44 (0)1904 455076 email: karen.p.stark@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010 (provisional)
Production						
Area (thousand hectares)		2 859	2 884	3 274	3 075	3 013
Volume of harvested production		20 838	19 130	24 283	21 618	20 946
Value of production (£ million) (a)		1 507	1 948	3 150	2 300	2 259
Value of production at market prices (£ million)		1 507	1 948	3 150	2 300	2 259
Supply and use						
Production		20 838	19 130	24 283	21 618	20 946
Imports from:	the EU	1 861	1 662	1 537	1 677	1 547
	the rest of the world	655	1 103	1 057	814	679
Exports to:	the EU	2 680	2 362	3 016	3 274	3 920
	the rest of the world	65	78	446	176	518
Total new supply		20 609	19 455	23 415	20 660	18 734
Change in farm and other stocks		66	- 971	2 919	149	-2 436
Total domestic uses		20 543	20 426	20 496	20 511	21 171
Production as % of total new supply for use in UK		101	98	104	105	112

(a) Includes arable area payments, but excludes set-aside payments and farm saved seed. Taxes, where applicable, are deducted.

Table 5.2 Wheat; United Kingdom

Enquiries: Karen Stark on +44 (0)1904 455076 email: karen.p.stark@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010 (provisional)
Production						
Area (thousand hectares)		1 836	1 830	2 080	1 775	1 939
Yield (tonnes per hectare)		8.0	7.2	8.3	7.9	7.7
Volume of harvested production		14 755	13 221	17 227	14 076	14 878
Value of production (£ million) (a)		1 066	1 325	2 242	1 550	1 683
of which:	sales	990	1 344	1 781	1 546	1 730
	subsidies (b)	-	-	-	-	-
	on farm use	83	100	133	110	111
	change in stocks	- 7	- 119	327	- 107	- 157
Value of production at market prices (£ million) (c)		1 066	1 325	2 242	1 550	1 683
Prices (average prices weighted by volumes of sales (£ per tonne))						
Milling wheat		76	109	152	122	122
Feed wheat		72	99	127	108	113
Supply and use						
Production		14 755	13 221	17 227	14 076	14 878
Imports from:	the EU	569	625	645	780	654
	the rest of the world	459	613	603	610	469
Exports to:	the EU	2 094	1 903	2 389	2 378	2 891
	the rest of the world	22	9	376	156	427
Total new supply		13 667	12 547	15 709	12 932	12 683
Change in farm and other stocks		157	- 879	2 155	- 804	-1 369
Total domestic uses		13 510	13 426	13 554	13 736	14 052
of which:	flour milling	5 616	5 673	6 123	6 067	6 417
	animal feed	6 746	6 562	6 263	6 620	6 602
	seed	254	311	322	290	291
	other uses and waste	894	880	846	759	742
Production as % of total new supply for use in UK		108	105	110	109	117
% of home grown wheat in milling grist		84	83	80	80	86

(a) Excludes farm saved seed.

(b) Includes arable area payments but excludes set-aside payments and is net of taxes.

(c) Excluding subsidies and taxes.

Table 5.3 Barley; United Kingdom

Enquiries: Karen Stark on +44 (0)1904 455076 email: karen.p.stark@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010 (provisional)
Production						
Area (thousand hectares)		881	898	1 032	1 143	921
Yield (tonnes per hectare)		5.9	5.7	6.0	5.8	5.7
Volume of harvested production		5 239	5 079	6 144	6 668	5 252
Value of production (£ million) (a)		384	555	816	676	510
of which:	sales	259	395	504	440	460
	subsidies (b)	-	-	-	-	-
	on farm use	142	178	207	156	178
	change in stocks	- 18	- 17	105	79	- 128
Value of production at market prices (£ million) (c)		384	555	816	676	510
Prices (average prices weighted by volumes of sales (£ per tonne))						
Malting barley		80	124	153	125	108
Feed barley		70	106	118	88	98
Supply and use						
Production		5 239	5 079	6 144	6 668	5 252
Imports from:	the EU	94	95	107	120	115
	the rest of the world	9	3	11	10	-
Exports to:	the EU	539	408	489	850	939
	the rest of the world	27	63	70	19	91
Total new supply		4 776	4 706	5 704	5 929	4 337
Change in farm and other stocks		- 206	- 134	740	897	- 977
Total domestic uses		4 982	4 840	4 964	5 032	5 314
of which:	brewing/distilling	1 683	1 732	1 774	1 632	1 692
	animal feed	3 127	2 916	2 987	3 184	3 445
	seed	135	155	160	171	138
	other uses and waste	38	37	43	45	38
Production as % of total new supply for use in UK		110	108	108	112	121

(a) Excludes farm saved seed.

(b) Includes arable area payments but excludes set-aside payments and is net of taxes.

(c) Excluding subsidies and taxes.

Table 5.4 Oats; United Kingdom

Enquiries: Karen Stark on +44 (0)1904 455076 email: karen.p.stark@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010 (provisional)
Production						
Area (thousand hectares)		121	129	135	129	124
Yield (tonnes per hectare)		6.0	5.5	5.8	5.8	5.5
Volume of harvested production		728	712	784	744	685
Value of production (£ million) (a)		54	65	89	71	63
of which:	sales:	33	46	57	50	53
	subsidies (b)	-	-	-	-	-
	on farm use	15	19	23	20	19
	change in stocks	6	-	9	1	- 9
Value of production at market prices (£ million) (c)		54	65	89	71	63
Prices (average prices weighted by volumes of sales (£ per tonne))						
Milling oats		74.7	91.6	113.7	96.8	93.1
Feed oats		77.0	92.5	114.9	96.9	93.0
Supply and use						
Production		728	712	784	744	685
Imports from:	the EU	49	53	46	19	19
	the rest of the world	-	1	-	-	-
Exports to:	the EU	30	32	119	32	76
	the rest of the world	8	6	-	1	-
Total new supply		747	734	711	731	628
Change in farm and other stocks		116	41	23	56	- 91
Total domestic uses		631	693	688	675	719
of which:	milling	383	418	420	419	444
	animal feed	220	246	244	233	255
	seed	17	18	19	18	17
	other uses and waste	12	10	4	5	3
Production as % of total new supply for use in UK		97	97	110	102	109

(a) Excludes farm saved seed.

(b) Includes arable area payments but excludes set-aside payments and is net of taxes.

(c) Excluding subsidies and taxes.

Table 5.5 Oilseed rape; United Kingdom

Enquiries: Lindsay Holmes on +44 (0) 1904 455563 email: lindsay.holmes@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010 (provisional)
Production						
Area (thousand hectares)		575	681	598	570	642
Yield (tonnes per hectare)		3.3	3.1	3.3	3.4	3.5
Volume of harvested production		1 890	2 108	1 973	1 912	2 230
of which:						
Production not on set-aside land:						
	Area (thousand hectares)	500	602	598	581	642
	Yield (tonnes per hectare) (a)	3.4	3.2	3.3	3.4	3.5
	Production (a)	1 674	1 900	1 973	1 951	2 230
Production on set-aside land:						
	Area (thousand hectares)	76	80	-	-	-
	Yield (tonnes per hectare)	2.9	2.6	-	-	-
	Production	216	208	-	-	-
Value of production (£ million) (b)		310	422	618	469	702
of which:	sales	312	404	609	481	666
	subsidies (c)	-	-	-	-	-
	change in stocks	- 2	18	9	- 12	35
Value of production at market prices (£ million) (d)		310	422	618	469	702
Supply and use						
Production		1 890	2 108	1 973	1 912	2 230
Imports from:	the EU	132	63	175	. . (e)	159
	the rest of the world	-	-	-	. . (e)	9
Exports to:	the EU	179	264	217	. . (e)	258
	the rest of the world	15	-	2	. . (e)	2
Total new supply		1 829	1 907	1 930	. . (e)	2 138
Production as % of total new supply for use in UK		103	111	102	. . (e)	104

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

(b) Value of production is calculated taking into account the price for oilseed rape produced not on set-aside with an average oil content of 43 per cent.

(c) Includes arable area payments but excludes set-aside payments.

(d) Excluding subsidies and taxes.

(e) Trade data for 2009 have not been reported since there are known inaccuracies.

Table 5.6 Linseed; United Kingdom

Enquiries: Lindsay Holmes on +44 (0) 1904 455563 email: lindsay.holmes@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010 (provisional)
Production						
Area (thousand hectares)		36	13	16	28	44
Yield (tonnes per hectare)		1.4	1.6	1.8	2.0	1.6
Volume of harvested production		50	20	30	54	72
of which:						
Production not on set-aside land:						
	Area (thousand hectares)	33	11	16	28	44
	Yield (tonnes per hectare) (a)	1.4	1.6	1.8	2.0	1.6
	Production (a)	44	17	30	54	72
Production on set-aside land:						
	Area (thousand hectares)	4	2	-	-	-
	Yield (tonnes per hectare) (a)	1.5	1.4	-	-	-
	Production (a)	6	2	-	-	-
Value of production (£ million)		8	4	10	17	23
of which:	sales	8	5	10	16	22
	subsidies (b)	. .	. .	-	-	-
	change in stocks	- 1	- 1	-	1	1
Value of production at market prices (£ million) (c)		8	4	10	17	23
Supply and use						
Production		50	20	30	54	72
Imports from:	the EU	4	6	9	6	10
	the rest of the world	2	1	1	2	2
Exports to:	the EU	22	20	13	36	47
	the rest of the world	-	-	-	-	-
Total new supply		33	6	27	26	37
Production as % of total new supply for use in UK		152	318	111	212	193

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

(b) Includes arable area payments but excludes set-aside payments.

(c) Excluding subsidies and taxes.

Table 5.7 Sugar beet and sugar; United Kingdom

Enquiries: Anna Moore on +44 (0) 1904 456371 email: anna.moore@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010 (provisional)
Sugar beet (a)						
Area (thousand hectares)		131	125	120	114	119
Yield (adjusted tonnes per hectare)		56.6	53.8	63.8	74.0	54
Volume of harvested production		7 400	6 733	7 641	8 457	6 484
Value of production (£ million)		178	162	208	246	198
Sugar content %		16.63	17.96	17.65	18.00	16.85
Prices (average market price (£ per adjusted tonne) (a)		24.1	24.0	27.3	29.1	30.5
Sugar (refined basis)						
Production (b)		1 157	1 049	1 192	1 280	992
Imports from:	the EU	234	197	220	246	404
	the rest of the world	1 099	1 109	1 186	1 091	926
Exports to:	the EU	183	414	462	387	225
	the rest of the world	679	143	138	149	285
Total new supply		1 627	1 798	1 998	2 081	1 812
Production as % of total new supply for use in UK		71	58	60	62	55

(a) Average price for all sugar beet, including transport allowance and bonuses.

(b) Sugar coming out of the factory in the early part of the new year is regarded as being part of the previous calendar year's production.

Table 5.8 Peas and beans harvested dry; United Kingdom

Enquiries: Anna Moore on +44 (0)1904 456371 email: Anna.moore@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010 (provisional)
Peas for harvesting dry (a)						
Area (thousand hectares)		37	26	21	27	23
Yield (tonnes per hectare)		3.3	3.1	4.0	3.6	3.5
Volume of harvested production		122	80	85	98	81
Value of production (£ million)		10	14	12	12	12
of which:	sales	10	14	12	12	12
	subsidies (b)	-	-	-	-	-
Value of production at market prices (£ million) (c)		10	14	12	12	12
Field beans						
Area (thousand hectares)		184	123	118	186	168
Yield (tonnes per hectare)		3.4	3.0	4.5	3.7	3
Volume of harvested production (a)		617	375	526	688	579
Value of production (£ million)		52	65	73	83	91
of which:	sales	52	65	73	83	91
	subsidies (b)	-	-	-	-	-
Value of production at market prices (£ million) (c)		52	65	73	83	91

(a) The figures presented here cover only that part of the crop which is harvested dry (about 80% to 90% of total production) and largely used for stockfeed. The remainder is included in UK fresh vegetables, table 5.9.

(b) Includes arable area payments but excludes set-aside payments; includes protein crop premium from 2004.

(c) Excluding subsidies and taxes.

Table 5.9 Fresh vegetables; United Kingdom

Enquiries: Julie Dobson on +44 (0) 1904 454473 email: julie.dobson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

			2006	2007	2008	2009	2010 (provisional)
Production							
	Area (thousand hectares):		120	119	117	125	122
	of which:	grown in the open (a) (b)	119	118	117	125	122
		protected (c)	1	1	1	1	1
Value of production (£ million):			1 011	1 068	1 105	1 082	1 257
	of which:	grown in the open	752	803	825	804	926
		protected	259	265	280	278	331
	of which:	subsidies (d)	. .	. .	. .	. .	. .
	Selected crops:	cabbages	60	65	70	64	71
		carrots	102	123	126	116	114
		cauliflowers	41	48	52	44	47
		lettuces	108	95	111	124	147
		mushrooms	99	106	104	104	113
		onions	52	67	46	50	110
		peas	40	35	46	53	52
		tomatoes	83	86	96	90	116
	Value of production at market prices (£ million) (e)		1 011	1 068	1 105	1 082	1 257
Prices (farm gate price (£ per tonne))							
	Selected crops:	cauliflowers	331	391	451	408	431
		tomatoes	990	1 010	1 080	1 034	1 288
Supply and use (f)							
	Total production		2 632	2 481	2 588	2 657	2 712
	Imports from:	the EU	1 683	1 685	1 698	1 577	1 642
		the rest of the world	210	263	258	246	252
	Exports to:	the EU	71	69	62	72	87
		the rest of the world	12	19	18	6	6
	Total new supply		4 443	4 341	4 465	4 403	4 513
	Production as % of total new supply for use in the UK		59	57	58	60	60

(a) Includes peas harvested dry for human consumption.

(b) Areas relate to field areas multiplied by the number of crops in the year and hence differ from those shown in table 3.2.

(c) Excludes area of mushrooms from 1992.

(d) Arable area payments for peas harvested dry.

(e) Excluding subsidies and taxes.

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

Table 5.10 Plants and flowers; United Kingdom

Enquiries: Karen Stark on +44 (0)1904 455076 email: karen.p.stark@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

	2006	2007	2008	2009	2010 (provisional)
Production					
Area (thousand hectares) (a):	18	19	20	18	18
Value of production (£ million)	751	782	799	870	975
of which: flowers and bulbs in the open (b)	35	33	36	37	38
hardy plants and flowers nursery stock	460	487	514	529	597
protected crops	257	262	250	303	340
Trade (£ million)					
Imports					
Bulbs	52	53	58	58	62
Cut flowers	552	559	573	564	620
Foliage	28	35	35	35	41
Indoor plants	104	104	107	110	123
Outdoor plants	66	69	51	48	43
Trees	71	72	81	66	62
Other	36	35	41	39	41
Total Imports (exc. Channel Islands)	909	928	945	921	992
Exports					
Bulbs	8	10	10	9	10
Cut flowers	23	17	17	19	16
Foliage	2	3	3	1	1
Indoor plants	2	2	2	6	6
Outdoor plants	4	3	3	3	3
Trees	2	2	3	2	1
Other	6	7	10	10	11
Total Exports	47	45	48	51	48

(a) Areas relate to field areas multiplied by the number of crops in the year and hence differ from those shown in table 3.2.

(b) Including forced flower bulbs.

Table 5.11 Potatoes; United Kingdom

Enquiries: Lindsay Holmes on +44 (0) 1904 455563 email: lindsay.holmes@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010 (provisional)
Production						
Area (thousand hectares)		140	140	144	144	138
of which:	early	11	16	17	15	11
	maincrop	129	124	127	129	127
Yield (tonnes per hectare):		40.8	39.7	42.8	44.3	44
of which:	early	15.7	12.5	13.3	15	23
	maincrop	43.0	43.1	46.7	48	45
Volume of harvested production		5727	5564	6145	6396	6 045
of which:	early	177	198	224	236	251
	maincrop	5 550	5 367	5 921	6 160	5 794
End year stocks		2 448	2 182	2 618	3 424	3 176
Value of production (£ million)		638	684	767	664	780
of which:	sales	675	714	689	559	800
	change in stocks	- 53	- 38	66	89	- 36
Prices (average price paid to registered producers (£ per tonne) (a)						
	early potatoes (a)	193.7	153.0	206.8	148.8	226.0
	maincrop potatoes (a)	125.0	141.4	143.8	113.2	139.4
	all potatoes (a)(b)	129.4	144.3	151.6	114.9	143.3
Supply and use						
Total production		5 727	5 564	6 145	6 396	6 045
Imports		1 404	1 544	1 705	1 606	1 560
of which:	early	92	195	162	121	105
	maincrop	126	148	258	145	127
	processed (raw equivalent)	1 177	1 185	1 267	1 324	1 312
	seed	9	16	18	16	16
Exports		628	380	388	424	508
of which:	raw	172	154	125	166	239
	processed (raw equivalent)	360	131	171	168	172
	seed	96	95	92	91	97
Total new supply		6 502	6 729	7 462	7 578	7 097
Change in stocks		- 409	- 266	435	806	- 248
Production as % of total new supply for use in the UK		88	83	82	84	85

(a) Includes a price for sacks where appropriate (up to and including 2008 data).

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

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

Table 5.12 Fresh fruit; United Kingdom

Enquiries: Julie Dobson on +44 (0) 1904 454473 email: julie.dobson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010 (provisional)
Production						
Area (thousand hectares):		28	27	28	28	29
of which:	orchard fruit (a)	19	18	18	18	19
	soft fruit (b)	9	10	10	10	10
End year stocks (c)		59	69	64	69	65
Value of production (£ million) (d):		383	467	546	580	574
of which:	orchard fruit	117	141	145	147	143
	soft fruit	232	292	360	393	391
of which:	sales	399	462	549	576	577
	change in stocks (c)	- 16	6	- 3	4	- 2
Selected crops:	dessert apples	56	52	64	63	63
	culinary apples	42	51	56	46	40
	pears	11	8	10	10	16
	raspberries	70	91	104	108	103
	strawberries	136	168	213	243	243
Prices (farm gate price (£ per tonne)						
Selected crops:	dessert apples	433.6	488.0	540.2	516.1	508.9
	culinary apples	378.7	373.0	452.1	427.5	388.4
	pears	391.9	386.9	504.0	511.9	487.0
Supply and use (e)						
Total production		392	406	408	413	421
Imports from:	the EU	1 361	1 264	1 175	1 055	1 148
	the rest of the world	2 128	2 268	2 169	2 137	2 090
Exports to:	the EU	177	146	128	153	141
	the rest of the world	1	2	1	1	2
Total new supply		3 704	3 790	3 623	3 451	3 516
Change in stocks		-31	9	-5	6	-5
Total domestic uses		3 735	3 781	3 628	3 445	3 521
Production as % of total new supply for use in the UK		11	11	11	12	12

(a) Includes field area of commercial orchards only, and may therefore differ from the area in table 3.2, which also includes non-commercial orchards.

(b) Excludes area of wine grapes and may therefore differ from the area in table 3.2.

(c) Stocks relate to apples and pears.

(d) Includes glasshouse fruit.

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

Livestock

21. Across the livestock sector values have risen in 2010 however increased production costs, especially higher feed and fuel prices, resulted in tighter profit margins.

Cattle and calves: beef and veal (table 5.13)

22. The increase in value of production at market prices of beef and veal was due to increased home production and a general rise in carcase weights, as producers tended to hold on to cattle longer to cover high purchase costs. Increased availability of cattle for slaughter and moderate consumer demand, due to the economic climate, kept live weight cattle prices lower than a year ago throughout most of 2010.

Pigs and pigmeat (table 5.14)

23. The value of home-fed pigmeat production rose slightly in 2010 despite lower prices. Heavier carcase weights and continued improvements in productivity resulted in an increase in home fed production. With feed costs accounting for over 60 per cent of total costs the increase in feed prices seen in the last six months of 2010 had a significant impact on the industry, with producer profit margins squeezed.

Sheep and lambs: mutton and lamb (table 5.15)

24. Mutton and lamb home fed production fell in 2010. The reduced breeding flock and a lower than normal lamb crop, affected by the harsh weather early in the year, led to a reduction in the availability of lambs for slaughter. Strong farm gate prices, due to the limited supplies at home and globally, caused the rise in the value of production at market prices.

Poultry and poultrymeat (table 5.16)

25. The value of poultrymeat production rose significantly in 2010 with prices remaining strong and a marked increase in broiler production. During 2010, despite high feed and fuel costs, the poultry industry was largely able to deal with the rising costs better than other meat sectors, possibly due to the more integrated nature of the business.

Milk (table 5.17)

26. Milk production from the dairy herd increased in 2010, the first time since 2004. After years of decline, the national dairy herd stabilised, which combined with increasing yields, resulted in more milk being available. The value of production rose in 2010 with the higher production and farmgate milk prices, however rising input costs were a major factor for UK milk producers during the year, reducing profit margins. Good global demand for dairy products led to an increase in the production of butter, cheese and milk powders compared to the previous year.

27. In 2010 eligible dairy farmers across the UK were due to receive payments of £26.5 million from the EU Dairy Fund. This payment was intended to help farmers affected by the higher input costs.

Hen eggs (table 5.18)

28. Egg production rose significantly in 2010. In preparation for the upcoming ban on conventional cages in 2012 there was some new free-range production, but also an increase in intensive egg production resulting in an over-supply of eggs. The value of egg production for human consumption continued the recent trend of a year-on-year increase to its current peak, however the annual average price per dozen was lower than a year ago and with higher feed prices, producers saw profit margins tighten.

Table 5.13 Cattle and calves; beef and veal; United Kingdom

Enquiries: Sarah Thompson on +44 (0)1904 455097 email: sarah.thompson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise stated) Calendar years

		2006	2007	2008	2009	2010(g) (provisional)
Population						
Total cattle and calves (thousand head at June)		10 579	10 304	10 107	10 025	10 112
of which:	dairy cows	1 979	1 954	1 909	1 857	1 847
	beef cows	1 737	1 698	1 670	1 626	1 657
Production (a)						
Total home-fed marketings (thousand head)		2 702	2 724	2 613	2 476	2 690
of which:	steers, heifers and young bulls	2 208	2 155	1 956	1 946	2 075
	calves	125	108	91	43	61
	cows and adult bulls	370	461	566	487	554
Average dressed carcase weight (kg):						
	steers, heifers and young bulls	330	342	349	342	346
	calves	29	32	31	33	32
	cows and adult bulls	311	317	314	315	320
Production (dressed carcase weight):						
	home-fed production	852	888	866	823	898
Value of production (£ million)		1 629	1 670	2 118	2 151	2 210
of which:	home-fed production	1 593	1 668	2 095	2 130	2 221
	subsidies (b)	68	47	47	20	19
	change in work-in-progress (c)	- 30	- 44	- 21	9	- 20
	less imported livestock	2	1	3	8	10
	plus breeding animals exported	. .	-	-	-	-
Value of production at market prices (£ million) (d)		1 561	1 623	2 071	2 131	2 191
Prices						
Store cattle (£ per head):						
	Hereford/cross bull calves	73.4	93.0	119.4	165.5	148.1
	Beef/cross yearling steers	444.1	480.9	539.3	639.3	638.6
Finished cattle (pence per kg liveweight): All prime cattle		110.6	112.3	144.8	154.6	147.2
Supply and use (thousand tonnes, dressed carcase weight) (e)						
Home-fed production (a)		852	888	866	823	898
Imports from:	the EU (f)	198	204	216	208	203
	the rest of the world	72	75	79	76	74
Exports to:	the EU	52	76	99	96	120
	the rest of the world	-	1	1	3	4
Total new supply		1 069	1 090	1 061	1 008	1 051
Home-fed production as % of total new supply for use in the UK		80	81	82	82	85

(a) Measures of home-fed marketings, dressed carcase weights, production and value include animals raised and slaughtered in the UK, excluding any animals removed from the food chain.

(b) Comprising variable premium, calf subsidy, hill livestock compensatory allowances, suckler cow premium, beef special premium, deseasonalisation premium, extensification payments, slaughter premium and Scottish Beef Calf Scheme. Includes payments made under the Over Thirty Month Scheme, Calf Processing Aid Scheme and the Older Cattle Disposal Scheme.

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

(d) Excluding subsidies and taxes.

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

(f) Includes meat from imports of live finished animals.

(g) For comparability with other years, the figures for 2010 have been adjusted from a 53-week to a 52-week basis where appropriate.

Table 5.14 Pigs and pigmeat; United Kingdom

Enquiries: Sarah Thompson on +44 (0)1904 455097 email: sarah.thompson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010(e) (provisional)
Population						
Total pigs (thousand head at June)		4 933	4 834	4 714	4 540	4 460
of which:	sows in pig and other sows for breeding	401	398	365	379	360
	gilts in pig	67	57	55	48	67
Production (a)						
Total home-fed marketings (thousand head)		8 727	9 076	8 997	8 557	(f)
of which:	clean pigs	8 518	8 858	8 755	8 348	8 671
	sows and boars	209	218	242	209	(f)
Average dressed carcase weight (kg):						
	clean pigs	75	76	76	78	78
	sows and boars	153	151	151	152	155
Production (dressed carcase weight):						
	home-fed production	667	707	706	681	712
Value of production (£ million)		685	736	865	976	984
of which:	value of home-fed production	678	733	867	972	981
	change in work in progress (b)	- 1	- 1	- 4	2	-
	less imported livestock	. .	. .	. .	. .	. .
	plus breeding animals exported	8	4	2	3	3
Prices (pence per kg deadweight)						
Clean pigs		104.2	107.1	126.3	145.7	141.7
Supply and use of pigmeat (carcase weight equivalent) (c)						
Home-fed production (a)		667	707	706	681	712
Imports from:	the EU (d)	837	864	801	804	801
	the rest of the world	7	5	12	12	12
Exports to:	the EU	110	113	130	109	146
	the rest of the world	10	12	25	26	25
Total new supply		1 391	1 451	1 364	1 362	1 353
Home-fed production as % of total new supply for use in the UK		48	49	52	50	53

(a) Measures of home-fed marketings, dressed carcase weights, production and value include animals raised and slaughtered in the UK, excluding any animals removed from the food chain.

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

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

(d) Includes meat from imports of live finished animals.

(e) For comparability with other years, the figures for 2010 have been adjusted from a 53-week to a 52-week basis where appropriate.

(f) data are confidential.

Table 5.15 Sheep and lambs; mutton and lamb; United Kingdom

Enquiries: Sarah Thompson on +44 (0)1904 455097 email: sarah.thompson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010(i) (provisional)
Population						
Total sheep and lambs (thousand head at June)		34 722	33 946	33 131	31 445	31 084
of which:	ewes and shearlings	16 637	16 064	15 616	14 636	14 740
	lambs under one year old	17 058	16 855	16 574	15 892	15 431
Production (a)						
Total home-fed marketings (thousand head)		16 590	16 036	16 989	15 911	14 446
of which:	clean sheep and lambs	14 279	13 791	14 617	13 692	12 485
	ewes and rams	2 311	2 245	2 372	2 219	1 961
Average dressed carcase weight (kg):						
	clean sheep and lambs	19	19	19	19	19
	ewes and rams	28	27	24	25	25
Production (dressed carcase weight):						
	home-fed production	334	329	332	313	287
Value of production (£ million)		709	641	797	958	970
of which:	value of home-fed production	712	638	823	976	979
	subsidies (b)	. .	. .	. .	. .	. .
	change in work in progress (c)	5	7	- 23	- 14	- 8
	less imported livestock	7	4	3	4	2
	plus breeding animals exported	-	-	-	-	-
Value of production at market prices (£ million) (d)		709	641	797	958	970
Prices						
Store sheep (£ per head): (e)						
Lambs, hoggets and tegs		30.7	30.3	33.7	46.5	59.3
Finished sheep (pence per kg estimated dressed carcase weight) (f):						
Great Britain		258.5	236.8	297.6	360.4	389.3
Northern Ireland		230.8	226.0	273.4	322.3	361.3
Supply and use (dressed carcase weight) (g)						
Home-fed production (a)		334	329	332	313	287
Imports from:	the EU (h)	21	21	20	21	19
	the rest of the world	119	116	115	122	109
Exports to:	the EU	94	76	94	105	101
	the rest of the world	1	1	1	1	1
Total new supply		379	390	372	350	313
Home-fed production as % of total new supply for use in the UK		88	84	89	89	92

(a) Measures of home-fed marketings, dressed carcase weights, production and value include animals raised and slaughtered in the UK, excluding any animals removed from the food chain.

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

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

(d) Excluding subsidies and taxes.

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

(f) Unweighted average of weekly prices at representative markets.

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

(h) Includes meat from imports of live finished animals.

(i) For comparability with other years, the figures for 2010 have been adjusted from a 53-week to a 52-week basis where appropriate.

Table 5.16 Poultry and poultrymeat; United Kingdom

Enquiries: Sarah Thompson on +44 (0)1904 455097 email: sarah.thompson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010 (provisional)
Population						
Number (thousand head at June):		173 081	167 667	166 200	152 753	163 867
of which:	table fowls	110 672	109 794	109 859	98 754	105 309
	laying and breeding fowl	47 530	47 719	44 321	42 663	47 107
	turkeys, ducks, geese & all other poultry	14 879	10 154	12 019	11 335	11 451
Production						
Slaughterings (millions):		886	874	862	868	933
of which:	fowls	849	842	831	839	904
	turkeys	18	16	16	15	16
	ducks & geese	19	17	15	14	14
Production (carcase weight) (a):		1 511	1 464	1 462	1 457	1 573
of which:	chickens and other table fowls	1 237	1 212	1 214	1 221	1 327
	boiling fowls (culled hens)	51	49	53	48	53
	turkeys	178	165	160	157	162
	ducks & geese	44	38	35	32	31
Value of production (£ million):		1 233	1 249	1 578	1 590	1 799
of which:	fowls	895	943	1 188	1 241	1 389
	change in work in progress in fowls (b)	- 7	- 36	22	- 31	2
	turkeys, ducks, geese	272	276	295	301	314
	exports of live poultry	72	65	70	83	94
	hatching eggs for export	16	17	23	29	31
	less live poultry imported	5	7	10	12	15
	less hatching eggs imported	10	10	11	21	17
Prices (average producer prices (pence per kg carcase weight)):						
Chickens and other table fowls		71.9	77.4	97.5	101.3	104.3
Boiling fowls (culled hens)		10.7	10.4	10.4	9.3	9.3
Turkeys		105.4	121.8	134.9	143.6	140.9
Ducks		169.5	176.6	204.8	218.1	250.4
Geese		468.2	498.9	615.2	555.4	588.5
Supply and use (carcase weight) (a)						
Production		1 511	1 464	1 462	1 457	1 573
Imports from:	the EU	411	430	377	388	441
	the rest of the world	40	31	29	32	33
Exports to:	the EU	163	268	255	218	203
	the rest of the world	70	25	24	35	62
Total new supply		1 729	1 631	1 590	1 624	1 781
Production as % of total new supply for use in the UK		87	90	92	90	88

(a) Excludes offal.

(b) A valuation of the change in work-in-progress of fowls to be slaughtered.

Table 5.17 Milk; United Kingdom

Enquiries: Leigh Riley on +44 (0)1904 455095 email: leigh.riley@defra.gsi.gov.uk

Million litres (unless otherwise specified) Calendar years

	2006	2007	2008	2009	2010 (provisional)
Population and yield					
Dairy herd (annual average, thousand head) (a)	1 992	1 970	1 918	1 867	1 850
Average yield per dairy cow (litres per annum)	6 977	6 913	6 943	7 068	7 315
Production					
Milk from the dairy herd (b)	13 902	13 619	13 319	13 197	13 533
Milk from the beef herd (b)	7	7	7	7	7
less on farm waste and milk fed to stock	198	184	181	200	209
Volume for human consumption	13 711	13 442	13 145	13 004	13 331
Value of production (£ million)	2 497	2 823	3 447	3 124	3 325
of which: raw milk leaving farm (c)	2 432	2 752	3 368	3 056	3 260
raw milk processed on farm (d)	65	72	79	68	65
subsidies	. .	. .	. .	. .	. .
less levies	. .	. .	. .	. .	. .
Value of production at market prices (£ million) (e)	2 497	2 823	3 447	3 124	3 325
Prices (average price received by milk producers, net of delivery charges (pence per litre)) (f)					
Farmgate price of milk excluding bonus payments	17.9	20.7	25.9	23.7	24.7
Farmgate price of milk including bonus payments	18.0	20.7	25.9	23.7	24.7
Supply and use					
Production	13 909	13 626	13 326	13 204	13 540
Imports	33	57	49	75	67
Exports	617	538	559	433	433
Total new supply	13 325	13 146	12 816	12 845	13 174
of which:					
for liquid consumption	6 734	6 724	6 678	6 626	6 756
for manufacture	6 266	6 085	5 840	5 699	6 082
of which: butter	241	248	229	242	256
cheese	3 779	3 561	3 635	3 369	3 585
cream	321	285	249	248	248
condensed milk (g)	303	300	332	308	279
milk powder	1 187	1 232	933	999	1 057
other	435	459	461	535	657
dairy wastage and stock change	100	127	92	293	99
other uses (h)	225	210	206	226	237
Production as a % of new supply	104	104	104	103	103

(a) This is the average size of the dairy herd across the whole year, rather than the size at a particular time of year. From 2005 the dairy herd is defined as dairy cows over two years of age with offspring. Until 2004 the dairy herd was 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.

(b) Excludes suckled milk.

(c) Value of raw milk sold to other businesses (dairies) for processing.

(d) Value of milk and milk products processed on farm and sold direct to the consumer.

(e) Excluding subsidies and taxes/levies.

(f) No deduction is made for superlevy.

(g) Includes condensed milk used in the production of chocolate crumb and in the production of machine skimmed milk.

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

Table 5.18 Hen eggs; United Kingdom

Enquiries: Leigh Riley on +44 (0)1904 455095 email: leigh.riley@defra.gsi.gov.uk

Million dozen (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010 (provisional)
Population						
Number of laying fowl and breeding fowl (millions)		47,530	47,719	44,321	42,663	47,107
Production						
Volume of production of eggs		852	831	867	869	950
of which:	eggs for human consumption	742	720	754	751	826
	eggs for hatching	97	99	98	101	105
	hatching eggs for export	5	5	8	10	10
	waste	7	7	8	8	8
Value of production of eggs for human consumption (£ million) (a)		362	410	520	531	561
Prices (pence per dozen)						
Weighted average price of eggs graded in the UK (b)		48.7	56.9	69.0	70.7	68.0
Supply and use						
UK production of eggs for human consumption		742	720	754	751	826
of which:	eggs sold in shell	554	539	577	597	673
	eggs processed	189	181	177	154	152
Imports from (c):	the EU	168	203	219	224	201
	the rest of the world	2	2	1	1	3
Exports to (c):	the EU	18	17	24	18	20
	the rest of the world	-	-	-	1	1
Total new supply		894	908	950	957	1 008
Production as % of total new supply for use in the UK		83	79	79	78	82

(a) Excludes the value of eggs for hatching, as that is included in the value of poultry

(b) Represents the price paid by packers to producers in the United Kingdom, excluding bonus, and takes accounts of all egg systems - laying cages, free range, barn and organic.

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

Chapter 6 Intermediate Consumption

Summary

In 2010:

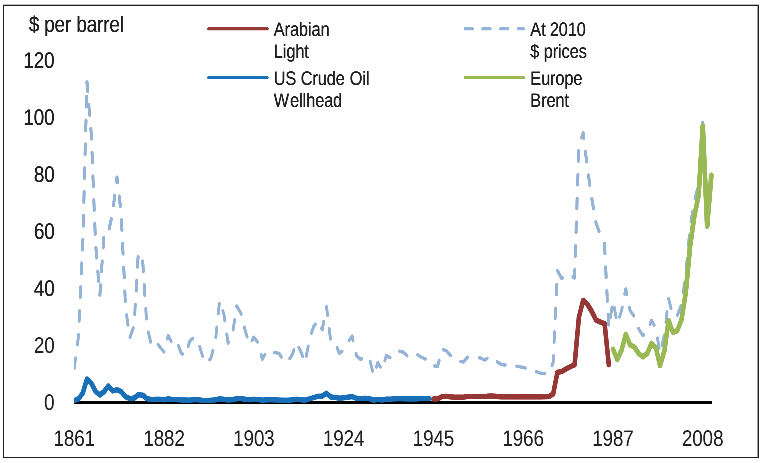
- crude oil prices, which peaked at over $140 per barrel in July 2008 before falling rapidly to under $40 per barrel by the end of the year, rose to over $90 per barrel by the end of 2010;
- expenditure on motor and machinery fuels is estimated to have risen by over 10 times since 1973 while usage has halved;
- expenditure on electricity is estimated to have risen by 9 times since 1973 while usage is at about the same level;
- expenditure on fertiliser is estimated to have almost doubled since 2000 while the volume purchased has fallen by 30 per cent;
- expenditure on animal feed is estimated to have increased by two-thirds since 2005 to £4.0 billion.

Introduction

1. In recent years, increases in crude oil prices have led to increased concerns for the impact of high oil prices on the margins and profitability of agricultural businesses, which are dependent on products derived from petroleum, notably fuels. This chapter presents long-term trends in crude oil prices and the cost of selected inputs as recorded in the intermediate consumption section of the production and income account (see chapter 9).

2. Intermediate consumption represents the consumption of goods and services, e.g. fuels, feed, seeds, fertiliser, plant protection products. Some inputs, such as fuels, electricity and fertilisers are closely linked to the oil price while others are not and trends for these are shaped by other factors. The figures for 2010 are provisional estimates and will be revised in due course; users are thus advised to consider long-term trends in costs rather than year-on-year changes for 2010.

Chart 6.1 Historic trends in crude oil prices 1861-2010

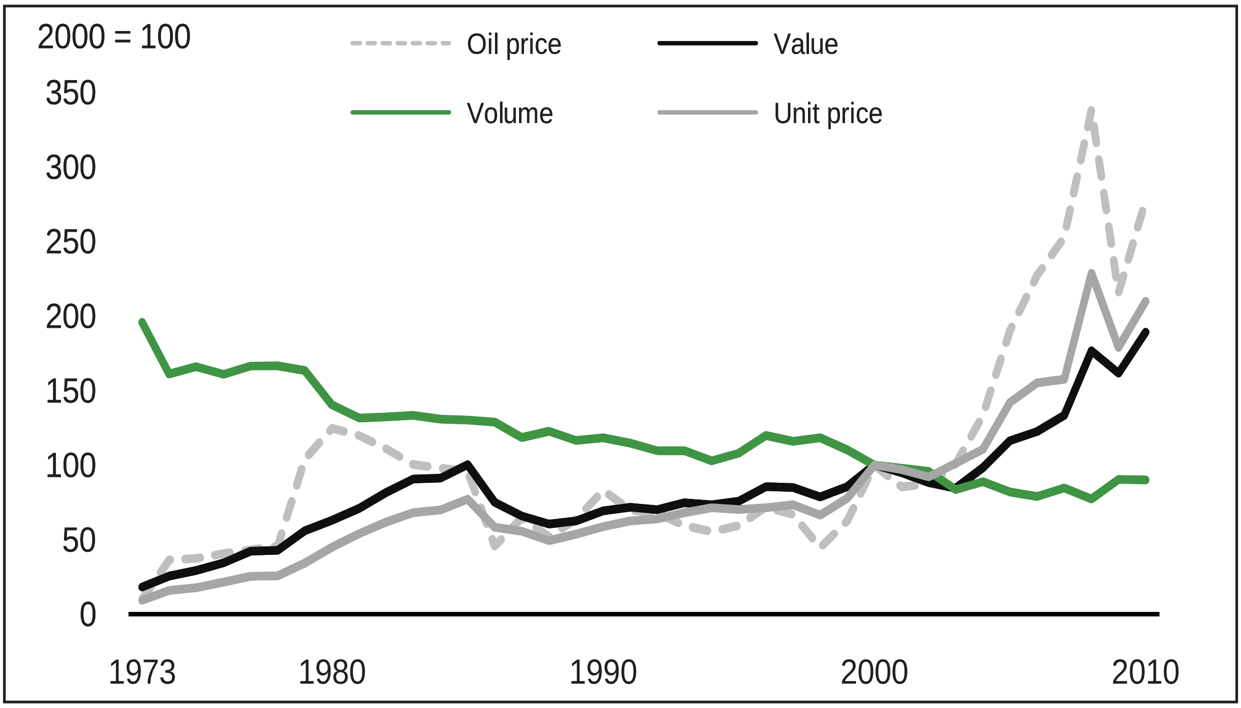


Source: Energy Information Administration, U.S. Department of Energy, BP Statistical Review of World Energy 2008, US Bureau of Labour Statistics

Motor and machinery fuels (chart 6.2, 6.3)

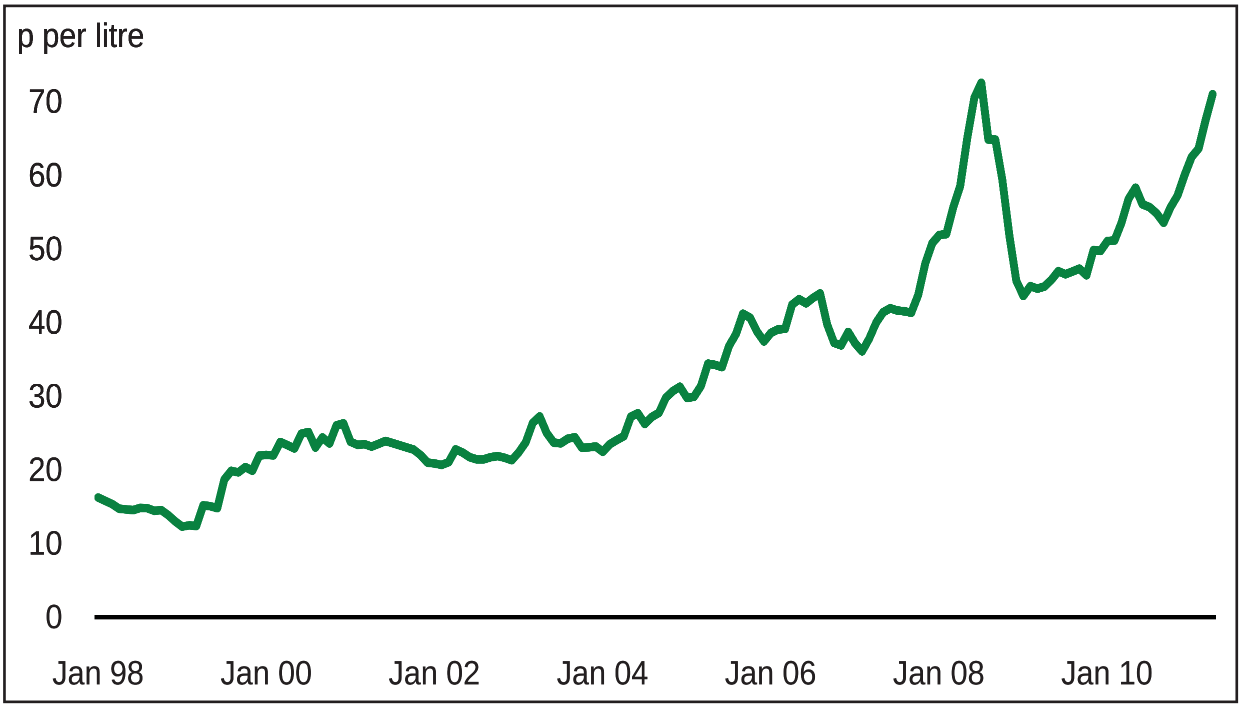
3. The cost of motor and machinery fuels, principally red diesel, is heavily influenced by trends in oil prices, although the oil price is more volatile.

Chart 6.2 Motor and machinery fuels



Source: Defra/Aggregate Agricultural Accounts

Chart 6.3 Red diesel prices

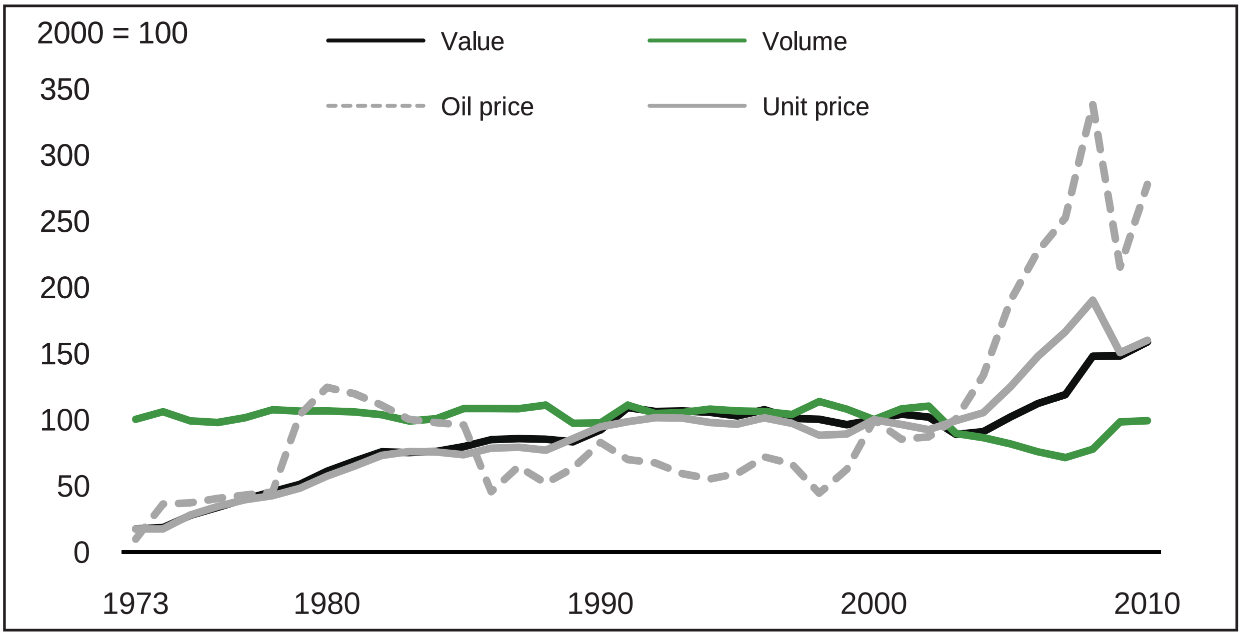


Source: Defra/DECC

Electricity and fuels for heating (chart 6.4)

4. This represents power and fuel, mainly electricity, used primarily for stationary activities, such as the operation of facilities and dairies, and is a significant source of energy costs.

Chart 6.4 Electricity and fuels for heating

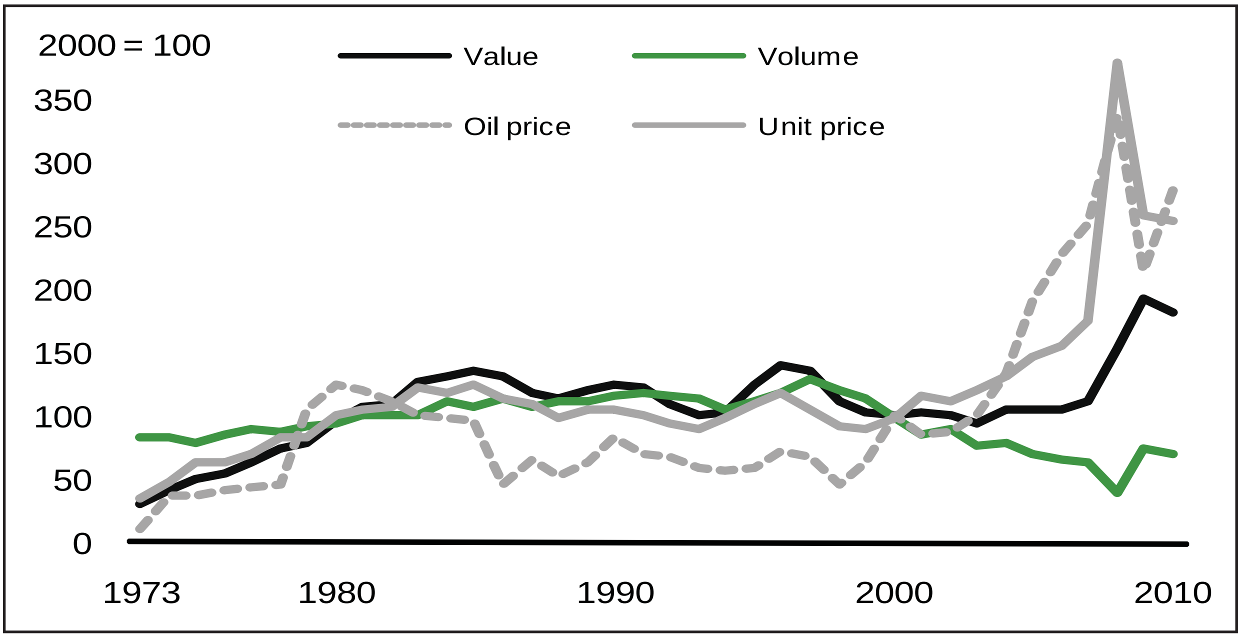


Source: Defra/Aggregate Agricultural Accounts

Fertiliser (chart 6.5)

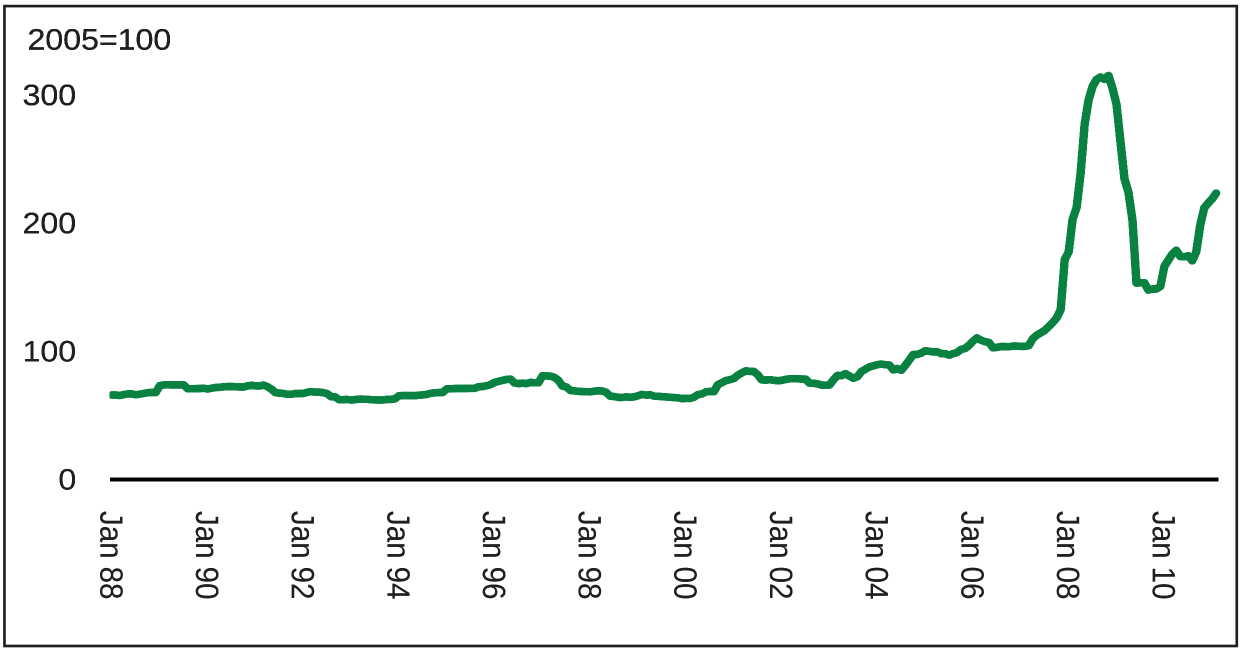
5. The production of fertiliser is an energy intensive manufacturing process in which natural gas is used to synthesise atmospheric nitrogen. The price of natural gas is linked to the oil price and reflects movement in the oil price. High fuel prices also impact on delivery costs.

Chart 6.5 Fertiliser



Source: Defra/Aggregate Agricultural Accounts

Chart 6.6 Monthly fertiliser and soil improvers price index

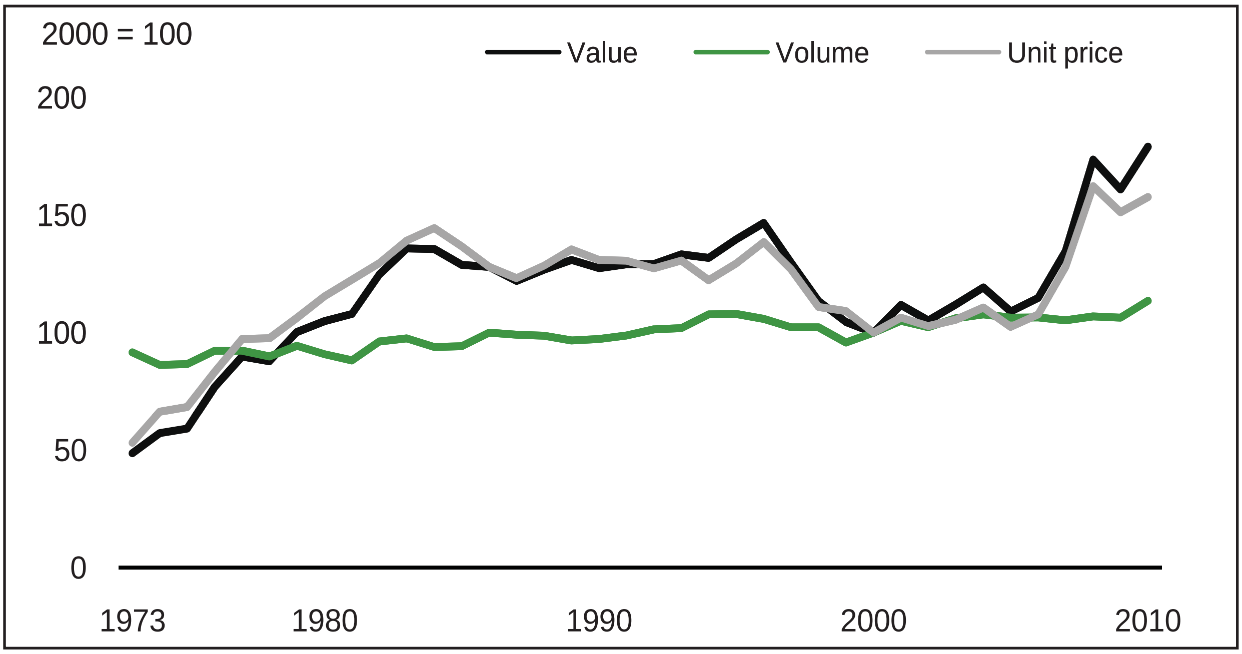


Source: Defra/Agricultural Price Index

Animal feed (chart 6.7, table 6.1)

6. The cost of animal feed is the largest item of expenditure recorded in the production and income account. Total expenditure rose steeply from 1973 to 1984 but levelled out after the introduction of milk production quota in 1984. It fell sharply after 1996, largely as a result of the fall in commodity prices which were shaped by exchange rates and world prices, and a fall in the volume of feed for pigs that mirrored a decline in the pig herd. In recent years, the cost of feed has increased, mirroring increases in cereal prices.

Chart 6.7 Animal feed



Source: Defra/Aggregate Agricultural Accounts

7. The total cost of all purchased animal feed rose sharply by 11.5 per cent to £3.8 billion for 2010. All categories of compound feed have seen increases in both volume and value. This is a reflection of stronger demand throughout the year and the more expensive costs of raw materials, particularly cereals and oilseeds. The increased use of compound feed is due to the shortage of winter forage stocks. Winter forage has seen decreases of 15-30 per cent as a result of the high rates of winter forage feeding, leading to a low rate of carryover to 2010 combined with slow grass growth in spring/summer 2010.

8. In 2010 the use of straight concentrates increased by 10 per cent. Increases were specifically seen in field peas and beans. The straights concentrate figure includes production of poultry feed by the integrated poultry units where there was a 6 per cent increase in the amount of feed wheat used.

Table 6.1 Animal feed; United Kingdom

Including direct inter-farm and intra-farm transfer

Enquiries: Anna Moore on +44 (0)1904 455163 email: anna.moore@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

	2006	2007	2008	2009	2010 (provisional)
Compounds:					
cattle	4 485	4 544	4 598	4 485	4 700
calves	188	201	212	204	218
pigs	1 640	1 708	1 540	1 464	1 575
poultry (a)	3 278	3 509	3 527	3 559	3 816
other	828	725	767	745	855
Total (b)	10 283	10 570	10 533	10 373	11 064
Straight concentrates (c)	7 276	6 696	6 290	7 034	7 731
Non-concentrates (d)	525	525	525	525	525
Inter/intra farm transfer	3 402	3 008	2 918	2 962	2 996
Total all purchased animal feed	21 486	20 799	20 265	20 894	22 315
Value of purchased animal feed (£ million) (e)	2 424	2 876	3 743	3 432	3 825

(a) Includes poultry feed produced by 'retail' compounders, but excludes production from integrated poultry units which are included within the straight concentrates data.

(b) Includes imports, less exports

(c) These are cereals, cereal offals, proteins and other high energy feeds.

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

(e) See Table 9.1 for a breakdown of this total.

Chapter 7 The Food Chain

Summary

- food prices rose 20 per cent between August 2007 and February 2009, with average annual food inflation at 4.5 per cent in 2007, 9.1 per cent in 2008 and 5.4 per cent in 2009. Since February 2009 food prices have been relatively stable in real terms.
- with higher food prices, consumers' expenditure on household food rose 4.3 per cent in 2009 and a further 5.2 per cent in 2010. The volume (quantity plus quality) of food purchased was 1.0 per cent down in 2009, indicating that consumers were buying less or lower quality products. The volume rose 1.9 per cent in 2010 showing that consumer demand was robust to higher food prices.
- in 2009 the agri-food sector in the United Kingdom accounted for a total estimated gross value added of £85 billion or 6.9 per cent of national GVA, up from 6.7 per cent in 2008. Food manufacturing, food wholesaling and food retailing sectors all increased gross value added in 2009 while non-residential catering saw a reduction.
- employment in the agri-food sector fell by 1.6 per cent over the 12 month period to the third quarter of 2010 to just over 3.5 million. The largest drop was in non-residential catering, falling by 38 thousand while in food retailing there was a drop of 21 thousand.
- in 2009 total factor productivity in the food sector excluding agriculture was broadly the same as in 2008. There was a rise from the food manufacturing sector of 3.7 per cent offset by downward movements in wholesaling, retail and non-residential catering.
- in 2010 the farmgate share of the price of a basket of items covering staples of agricultural production was 36 per cent and despite the large shifts in commodity prices and food retail prices in the last few years the farmers' share of the retail price of food has remained stable.

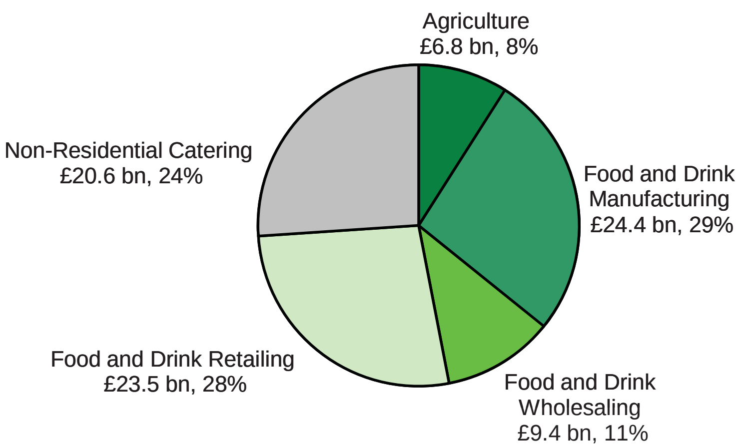
Contribution of the agri-food sector to the national economy (chart 7.1, table 7.1)

1. In the agri-food sector in 2009 food manufacturing was the largest contributor at 29 per cent, just ahead of food retailing at 28 per cent and non-residential catering at 24 per cent. Food wholesaling covers 11 per cent of the sector and agriculture made the smallest contribution at 8.0 per cent.

2. Gross value added in food manufacturing and food retailing has risen steadily despite food price rises and the economic downturn. Gross value added in food manufacturing is 16 per cent higher than in 2005, while food retailing is 28 per cent higher.

3. There was a big decrease in gross value added in non-residential catering of 9.3 per cent in 2009 taking it back to its 2005 level. Food wholesaling gross value added increased by 8.2 per cent in 2009 to £9.4 billion.

Chart 7.1 Conribution of the agri-food sector to the national economy



Source: Annual Business Survey (ONS) and AUK (Defra)

Table 7.1 Agri-food sector contribution to the national economy; United Kingdom

Enquiries: Jim Holding on +44 (0)1904 455069 email: jim.holding@defra.gsi.gov.uk

£ million (unless otherwise specified) Calendar years

		2006	2007	2008	2009	2010 (provisional)
Agri-food sector's contribution to total economy gross value added						
at current prices	Agriculture	5 091	5 535	7 475	6 783	7 204
	Food Manufacturing (a)	21 279	21 797	22 954	24 399	. .
	Food Wholesaling (a)	9 066	9 156	8 663	9 373	. .
	Food Retailing (a) (f)	21 054	21 791	22 764	23 507	. .
	Food Non-Residential Catering (a)	21 343	21 817	22 713	20 597	. .
% of national gross value added (current prices)		6.8	6.6	6.7	7	-
Workforce in the food sector (thousand persons)						
	Agriculture (b) (c)	441	432	434	416	419
	Food Manufacturing (c)	401	400	380	371	367
	Food Wholesaling (c)	211	212	226	214	217
	Food Retailing (c)	1 136	1 118	1 145	1 182	1 161
	Food Non-Residential Catering (c)	1 421	1 416	1 459	1 399	1 361
% of total workforce in employment		13.7	13.5	13.7	14.0	13.6
Trade in food, feed and drink (in real terms at 2009 prices)						
Imports of food, feed and drink (d) (e)		26 791	27 577	31 486	32 516	. .
% of total UK imports		7.8	8.6	9.2	10.5	. .
Exports of food, feed and drink (d) (e)		11 332	11 795	13 171	14 030	. .
% of total UK exports		4.3	5.2	5.3	6.2	. .
UK Food Production to Supply Ratio ('Self-Sufficiency')						
% of all food		59.2	60.0	59.9	58.2	60.2
% of indigenous type food		72.2	73.1	72.7	71.7	74.4
Household final consumption expenditure on food and alcoholic drinks						
at current prices		159 352	166 388	173 770	174 421	182 325
of which:	household food	69 643	74 133	80 316	83 805	88 195
	food eaten out	47 542	48 843	50 274	49 509	51 965
	alcoholic drinks	42 167	43 412	43 180	41 107	42 165
at constant 2006 prices (£ million)		159 352	160 369	157 662	151 540	153 667
of which:	household food	69 643	70 865	70 563	69 891	71 190
	food eaten out	47 542	47 198	46 615	44 743	45 567
	alcoholic drinks	42 167	42 306	40 484	36 906	36 910
% of total household final consumption expenditure		19.4	19.3	19.5	19.9	19.9
of which:	household food	8.5	8.6	9.0	9.6	9.6
	food eaten out	5.8	5.7	5.6	5.7	5.7
	alcoholic drinks	5.1	5.0	4.8	4.7	4.6
Producer prices for agricultural products (2005 = 100)		104.5	118.8	143.3	135.8	142.3
Consumer price index (2005 = 100):						
	food	102.5	107.1	116.9	123.2	127.3
	alcoholic drinks	100.3	101.3	104.5	109.2	112.7
	all items	102.3	104.7	108.5	110.8	114.5

continued

Table 7.1 continued

(a) Results from the Annual Business Survey (ONS).

b) Results from 1998 are not consistent with previous years, due to changes in the labour questions on the June Agricultural and Horticultural Survey, and due to revisions made to English and Welsh results. This series now includes spouses of farmers, partners and directors, which were not previously available.

(c) Results are for the third quarter of the year and from Labour Force Survey (ONS) for GB.

(d) This aggregate covers Standard International Trade Classification divisions 01-09, 11, 22 and Section 4.

(e) The figures for 1993 onwards are Overseas Trade Statistics (OTS), based on data collected by HM Revenue and Customs. Data shown has been adjusted to 2009 prices using the all items RPI index (1987 = 100).

(f) Includes some non-food retailing such as tobacco and, from 2008, sales of petrol from food stores

The food chain (chart 7.2)

4. In 2009 the food supply chain in the United Kingdom as a whole received £156 billion which came from spending by consumers in the United Kingdom, plus exports less imports of agricultural commodities and processed food and drink products (assuming that imports and exports directly to and from consumers are negligible). Chart 7.2 shows the largest elements of the food chain from agriculture as a primary producer through food manufacturing and retail trade to consumers' expenditure.

Consumer expenditure

5. With higher food prices in 2009 consumers responded in part by buying less or lower quality foods but mainly by reductions in eating out and alcoholic drinks. In 2010 there was some reversal of this reaction to household food and to eating out. At current prices, which incorporate the higher food prices, consumers spent 0.4 per cent more in 2009 and 4.5 per cent more in 2010. This represented an overall drop of 3.9 per cent in volume for the sector in 2009.

6. The consumer response to higher food prices in 2009 was to spend 1.5 per cent less on eating out and 4.8 per cent less on alcoholic drinks. In volume terms this was a 4.0 per cent drop in eating out and an 8.8 per cent drop in alcoholic drinks. In 2010 the volume of eating out partly rose back by 1.8 per cent while the volume of alcoholic drinks remained static.

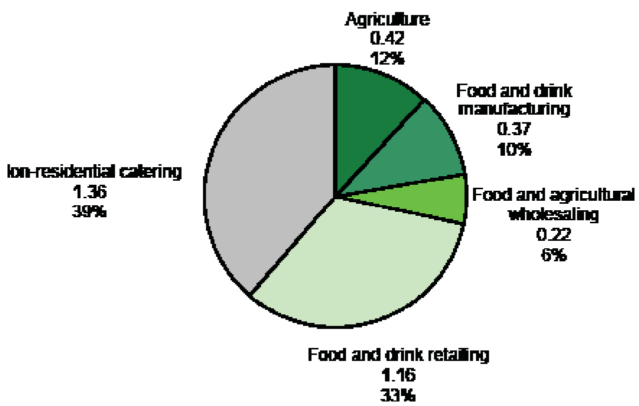
Food chain employees and self–employed farmers (chart 7.3)

7. In the third quarter of 2010, the agri-food sector employed 14 per cent of all employees in Great Britain. It has been about 14 per cent since 2001. Of these less than half a million were employed in agriculture – see chart 7.3.

8. Employment in the agri-food sector fell by more than the national average in the 12 months to Q3 2010. Employment in the agri-food sector fell by 1.6 per cent due to large drops in non-residential catering and food retailing, while employment in the whole economy fell by 1.0 per cent.

9. Employment in food and drink wholesaling increased by 1.4 per cent and in agriculture by 0.6 per cent, each equating to around three thousand employees. These are the smallest sectors accounting for a combined total of around 635 thousand employees.

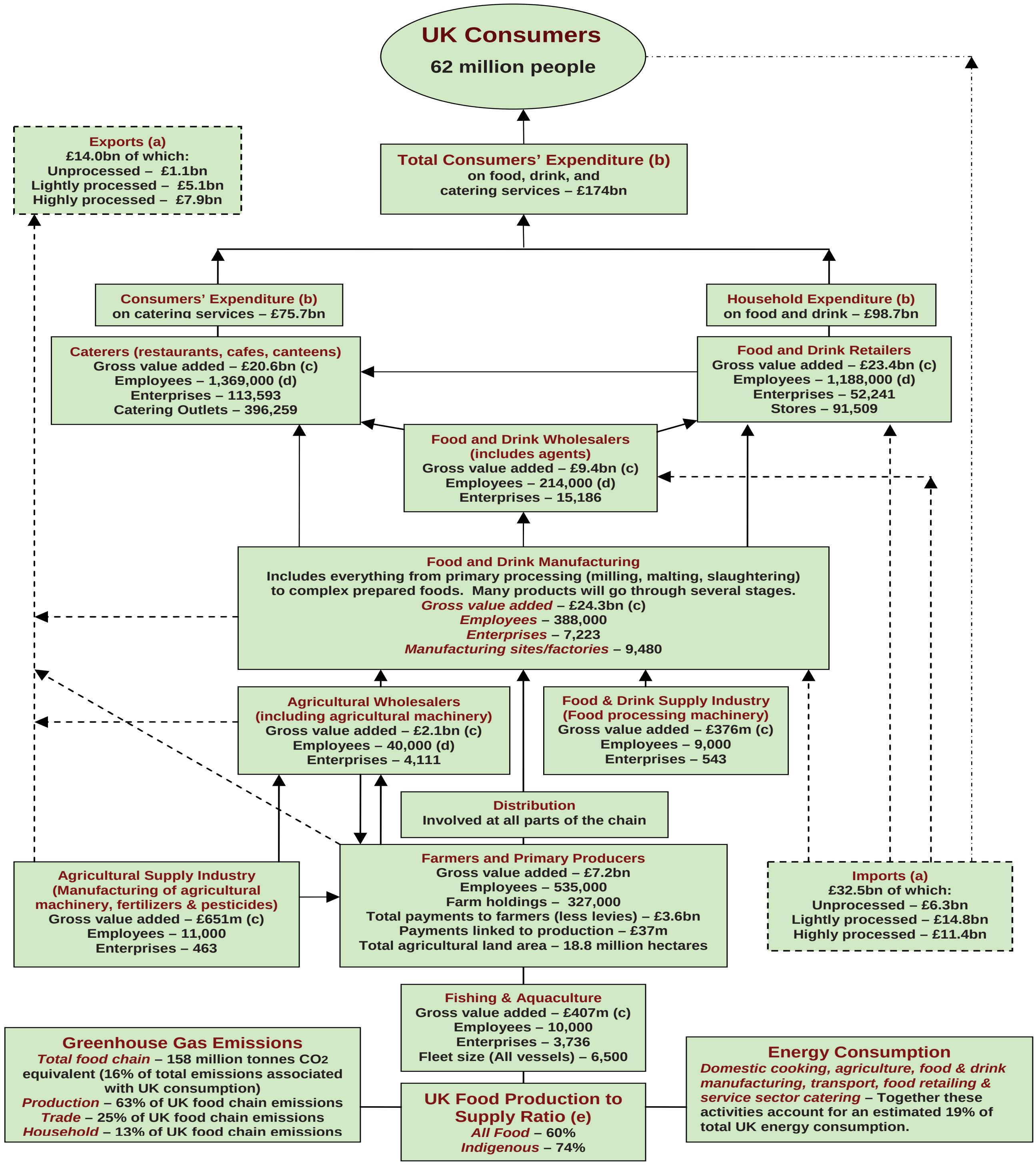
Chart 7.3 Food chain employees and self-employed farmers



Source: Labour Market Trends (ONS) and Defra

10. Employment in food manufacturing is on a downward trend and the reduction in 2010 of four thousand employees is in line with this long term trend. Employment in food manufacturing in 2010 was 11 per cent lower than in 2005.

Chart 7.2 The food chain; United Kingdom



(a) Overseas trade data is provisional for 2009 from HM Revenue and Customs. Dashed lines indicate main trade flows.
(b) Consumers' expenditure (household final consumption expenditure) are for 2009 from the Office for National Statistics.
(c) Gross value added is the difference between the value of goods and services produced and the cost of raw materials and other inputs used up in production. The estimates are provisional for 2009 from the Annual Business Survey at basic prices, which includes subsidies on products.
(d) Employee data is for Great Britain in Q4 2010 from the Economic & Labour Market Review published by the Office for National Statistics. Food and drink wholesaling, and agricultural wholesaling, including wholesaling agents and wholesalers of agricultural machinery, are from the Annual Business Survey.
(e) The UK Food production to supply ratio is not an appropriate measure of "food security" as it fails to account for many aspects of this complex issue.

Total Factor Productivity of the Food Chain (excluding agriculture)

11. Overall there was little change in total factor productivity in 2009 in the food sector excluding agriculture but there were differences in the sub-sectors. In 2009 food and drink manufacturing showed an increase in total factor productivity of 3.7 per cent and has shown an average annual increase of 1.4 per cent since 2000. Total factor productivity for the food retailing sector decreased by 1.3 per cent in 2009, although this is before a reduction in employment in 2010. Productivity in non-residential catering has been falling since 2004 with falls in the volume of output not matched by falls in the volume of inputs.

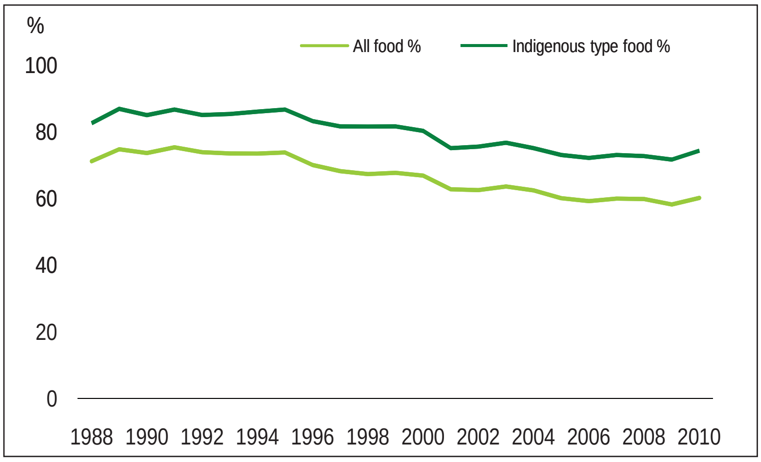
Trade in food, feed and drink (table 7.1)

12. The value of imports of food, feed and drink was over £32.5 billion in 2009, an increase of 3.3 per cent from 2008. The value of exports of food, feed and drink rose by 6.5 per cent over the same period to £14 billion, resulting in little change to the trade gap at £18.5 billion.

Food Production to Supply Ratio (commonly referred to as the 'Self-sufficiency' ratio) (chart 7.4)

13. Food Production to Supply Ratio, which is calculated as the farm-gate value of raw food production divided by the value of raw food for human consumption is estimated to be 60 per cent for all food in 2010 and 74 per cent for indigenous type food. This compares with 58 per cent and 72 per cent respectively in 2009. This slight increase on 2009 is a result of increases in the value of domestically produced oilseed, milk, poultry and fruit. The Food Production to Supply Ratio figures for 2008 and 2009 in table 7.1 above are slightly lower than those published in AUK 2009. For 2008, this is due to a revision of the factors used to convert the value of trade into the farmgate value of the raw food. For 2009, as well as revisions to the factors there were slight revisions to home production estimates and trade data which was provisional in 2009 has been finalised in time for AUK 2010.

Chart 7.4 Food production to supply ratio



14. Over the last 50 years the food production to supply ratio has been significantly and consistently below 100 per cent and the growth towards a peak in the 1980s reflected the influence of the Common Agricultural Policy (CAP) on agriculture in the United Kingdom. From 1995, the food production to supply ratio has gradually declined, with the series for all food and for indigenous food following near identical patterns.

15. The commodities which contributed most to the decline since 1995 were beef, pork and milk products:

- the fall in the production to supply ratio for beef was due to reduced domestic production resulting from a combination of the BSE export ban and the Over Thirty Month Scheme,
- the fall in the production to supply ratio for pork was due to imports from the Netherlands and Denmark displacing domestic production as a result of the impact of currency movements and disease on the competitiveness of production in the United Kingdom,
- the fall in the production to supply ratio for milk products was mainly due to a rise in cheese and butter imports from the EU (primarily France, the Irish Republic, Denmark and the Netherlands) where the impact of currency movements reduced relative United Kingdom competitiveness.

Distinction between competitiveness and food security

16. The production to supply ratio provides a very broad indicator of the ability of United Kingdom agriculture to meet consumer demand, which can also be described as competitiveness. The ratio is not an appropriate measure of “food security” since it fails to account for many dimensions of this complex issue.

17. A detailed analysis is given in the defra publication ‘UK Food Security Assessment’ available at:

http://archive.defra.gov.uk/foodfarm/food/security/index.htm.

18. The key points on food production to supply ratio and food security from this paper are:

- Diversity enhances security. The United Kingdom sources foods from diverse stable countries, mainly European countries, and imports can make up for domestic supply shortages; see chart 7.5 ‘Origins of food consumed in the United Kingdom’.

- A high food production to supply ratio fails to insulate a country against many possible disruptions to its supply chain.

- Production potential is more relevant at EU level than United Kingdom level, and the EU as a whole has a food production to supply ratio of over 90 per cent. Further trade liberalisation is unlikely to materially affect food security within the EU.

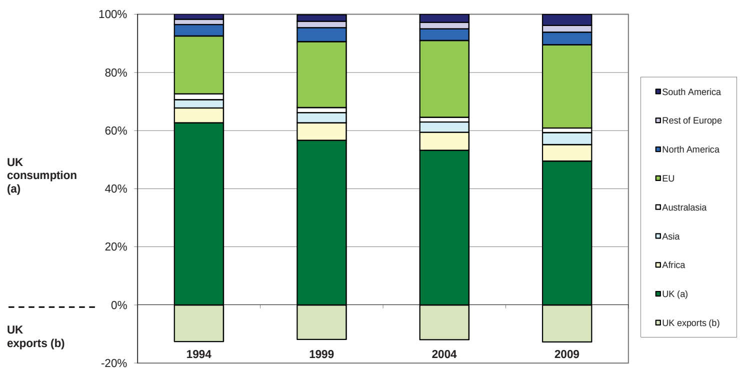
None of the main reasons behind the overall decline in the food production to supply ratio since 1995 can be considered as having a negative impact on food security in the United Kingdom.

Origins of food consumed in the United Kingdom (chart 7.5)

19. Chart 7.5 includes the proportion of United Kingdom food consumption that is produced in the United Kingdom. This should not be confused with the measure of United Kingdom Food Production to Supply Ratio given in chart 7.4. Chart 7.5 looks purely at the breakdown of food that the United Kingdom actually consumes.

20. The United Kingdom Food Production to Supply Ratio (chart 7.4) considers all United Kingdom food production, including food that the United Kingdom exports instead of consuming. A further, much smaller, difference is that the UK food production used in the food production to supply ratio calculations has been adjusted to take account of the balance of trade in the important inputs into agriculture.

Chart 7.5 Origins of food consumed in the United Kingdom: 1994, 1999, 2004, 2009



Based on the farm-gate value of raw food
(a) Consumption of UK origin consists of UK domestic production minus UK exports
(b) UK exports are given as a percentage of total UK consumption.

Farmers’ share of consumers’ expenditure (table 7.2, chart 7.6)

21. In 2010 the farmgate share of the price of a basket of items covering staples of agricultural production was 36 per cent. This is 23 per cent less than the farmgate share in 1988. However, since 1998 the farmgate share has remained relatively constant. The absolute level of the farmgate share is sensitive to which retail products are chosen for the basket; some have a greater amount of added value beyond the farmgate and it would therefore be expected that the share accounted for by the farmer would be lower.

22. Table 7.2 shows the items in the basket and how the farmers' share has changed for each. They are weighted according to their value to farmers in the United Kingdom. Milk has a weight of 311 units which means it accounts for 31.1 per cent of the basket.

23. Agricultural commodity prices and food retail prices have both risen since 2007 but the farmers' overall share of food retail prices has remained stable.

24. In 2010:

- the farmgate share rose notably for bread, lamb, potatoes, tomatoes and cabbages;
- the farmgate share fell notably for eggs;
- the farmgate share was hardly changed for apples, beef, pork, chicken, carrots, onions, pork and milk.

25. Since 1988 the largest reductions have been for bread where the farmers' share has reduced by 50 per cent and for pork and beef where the shares have reduced by about 30 per cent. For carrots there has been a 30 per cent rise in the farmgate share since 1988, while there have also been increases for cabbages and tomatoes.

Chart 7.6 Farmers' share of consumers' expenditure

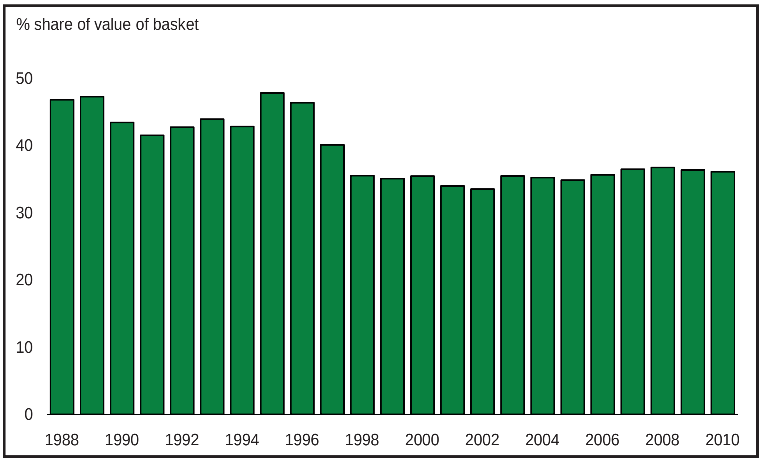


Table 7.2 Farmers' share of the value of a basket of food items (a); United Kingdom

Enquiries: Jim Holding on +44 (0)1904 455069 e-mail: jim.holding@defra.gsi.gov.uk

		Farmgate share in 1988 %	Farmgate share in 2010 %	% change in share 1988/2010	Weight in basket 2010
Farmers' share of basket		47	36	- 23	
Farm gate product	**Retail product**				
apples	dessert apples per kg	55	42	- 24	6
beef	untrimmed beef (b) per kg	67	48	- 29	173
carrots	carrots per kg	30	41	33	11
cabbages	cabbage, hearts, per kg	38	41	7	7
chicken	oven ready roasting chicken, fresh or chilled per kg	47	38	- 19	125
eggs	Free range eggs per dozen (d)	28	27	- 6	57
lamb	untrimmed lamb (b) per kg	65	56	- 14	82
onions	onions per kg	25	20	- 20	10
pork	untrimmed pork (b) per kg	57	39	- 31	91
potatoes	old loose white potatoes per kg	24	20	- 16	76
tomatoes	tomatoes per kg	48	52	9	11
wheat	white loaf sliced, 800g	16	8	- 52	40
milk	whole milk (c)	38	32	- 16	311

(a) Farm gate prices from Defra, retail prices from the Office for National Statistics and the Agriculture & Horticulture Development Board (AHDB).

(b) Retail prices for beef, lamb and pork are untrimmed AHDB prices adjusted for drip loss.

(c) The average price of one pint of delivered milk and one pint of shop milk (the shop milk based on a two pint purchase).

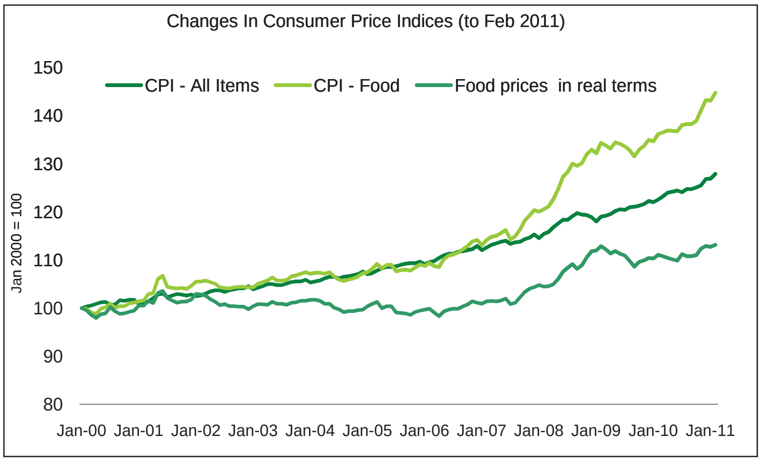
(d) Farmgate share in 1988 is based on non-free range size 2 eggs.

Changes in consumer price indices (chart 7.7)

26. Historically food prices have tended to rise more slowly than general inflation, and between 1976 and 2007 food prices fell 30 per cent in real terms.

27. In August 2007 food prices started to rise and finally peaked in February 2009, having risen about 20 per cent. This caused annual food inflation of 4.5 per cent in 2007, 9.1 per cent in 2008 and 5.4 per cent in 2009 as measured by the Consumer Price Index. These food price rises were in response to rises in agricultural commodity prices, rises in fuel prices and the weakening of sterling, which makes imported food more expensive.

Chart 7.7 Changes in consumer price indices



Source: Consumer Price Index (ONS)

28. Since February 2009 food prices have been relatively stable in real terms. By the end of 2009 food prices in real terms were 2.2 per cent down on the peak, and by March 2011 they were 1.4 per cent down on the peak. In 2010 annual food inflation was 3.4 per cent while all items inflation was 3.3 per cent as measured by the Consumer Price Index.

29. Between 2007 and 2011 the largest price rises were for butter up by 60 per cent, for lamb and eggs up by 50 per cent and for tea up by 40 per cent.

Chapter 8 Overseas Trade

Summary

In 2009:

- the value of food, feed and drink exports was £14 billion, a rise of 7.0 per cent on 2008 in real terms;
- the value of food, feed and drink imports increased by 3.0 per cent to £32.5 billion in real terms;
- the trade gap in food, feed and drink widened by only 1.0 per cent to £18.5 billion in real terms;
- principal destinations for exports were the Irish Republic (19 per cent), France (13 per cent), USA (7.0 per cent), Spain (7.0 per cent) and the Netherlands (6.0 per cent);
- the most important trade partners for imports remained the Netherlands (13 per cent), France (11 per cent), Irish Republic (9.0 per cent), Germany (8.0 per cent) and Spain (6.0 per cent).

Introduction

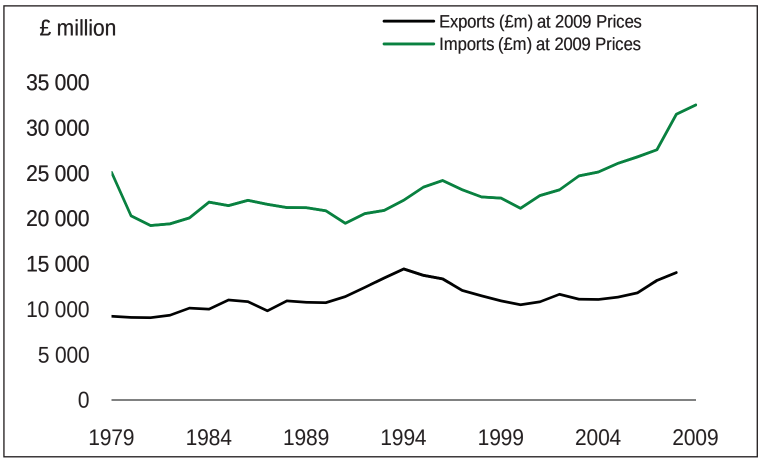
1. The Overseas Trade Statistics presented in this chapter are based on data collected by HM Revenue and Customs and are compiled from returns made by importers and exporters. Before the completion of the Single Market in the European Union at the end of 1992, all overseas trade data for the United Kingdom was compiled from Customs declarations made by traders. Since the beginning of 1993 the collection of trade statistics has been divided into two categories: that transacted between the United Kingdom and countries outside the European Union (extra-EU trade) and that between the United Kingdom and its European Union partners (intra-EU trade). Extra-EU trade statistics are compiled, as before, from Customs declarations by importers, exporters and their agents; intra-EU trade statistics are compiled using a system linked to traders' VAT returns, known as Intrastat.

2. The trade statistics shown here may not match those shown in the commodities tables in Chapter 5 where, for example, trade in meat includes the carcase weight equivalent of trade in live animals and trade in milk is of raw milk before processing and not of processed and packaged milk and cream as shown here.

Trade in food, feed and drink (chart 8.1, table 8.1)

3. The value of exports of food, feed and drink was 29 per cent higher in real terms in 2009 than in 2000. This is a consequence of the combination of the strength of sterling, disease related issues, and world commodity prices. The value of imports was 54 per cent higher in real terms in 2009 than in 2000. As a consequence, the trade gap in food, feed and drink has widened by 81 per cent in real terms between 2000 and 2009 to £18.5 billion.

Chart 8.1 Trade in food, feed and drink at 2009 prices; United Kingdom



Chapter 8 - Overseas Trade

4. Table 8.1 shows the value of trade at 2009 prices. The value of food, feed and drink exports was £14 billion in 2009, 7 per cent up in real terms on 2008 when it stood at £13.1billion, while the value of food, feed and drink imports was £32.5 billion in 2009, 3.0 per cent higher in real terms than in 2008, when it stood at £31.5 billion. As a result, the trade gap in food, feed and drink widened by only 1.0 per cent in real terms between 2008 and 2009. All categories except dairy and oils have seen a rise in exports with the largest nominal increase being seen in Drink which showed an 8.0 per cent increase. Fish exports showed the largest percent increase at 16 per cent following a decrease in 2008. Categories which influenced the small increase in imports were Coffee, tea etc, which showed 19 per cent increase, Miscellaneous (mostly ingredients for the food processing industry) which rose by 13 per cent and Animal Feed which showed a 9.0 per cent increase.

Table 8.1 Trade in food, feed and drink by SITC division (at 2009 prices); United Kingdom

Enquiries: Joanne Gardiner on +44 (0)1904 455681 email: joanne.gardiner@defra.gsi.gov.uk

£ million Calendar years

SITC Division Code	Title	2005	2006	2007	2008	2009
Exports						
01	Meat	809.8	818.6	863.1	1 155.2	1 234.9
02	Dairy	801.8	783.7	835.3	872.4	836.6
03	Fish	1 045.6	1 018.4	1 016.0	1 004.4	1 166.2
04	Cereals	1 380.4	1 334.5	1 405.0	1 745.1	1 773.6
05	Fruit and Veg	573.2	628.7	620.1	686.3	757.8
06	Sugar	379.5	403.9	403.9	441.7	452.1
07	Coffee, tea, etc.	697.2	724.6	757.6	863.3	884.9
08	Animal feed	350.8	392.3	441.3	524.3	584.7
09	Misc.	815.4	837.5	806.2	888.7	995.9
11	Drink	3 903.9	4 043.5	4 238.1	4 547.1	4 927.4
22 + S4	Oils	307.8	346.1	408.2	442.5	415.6
	Total	11 065.4	11 332.0	11 794.9	13 171.0	14 029.9
Imports						
01	Meat	4 142.5	4 233.0	4 224.0	4 667.6	4 974.3
02	Dairy	1 944.2	2 008.8	1 936.9	2 290.3	2 348.2
03	Fish	1 888.1	2 073.4	2 063.0	2 199.4	2 177.5
04	Cereals	1 681.8	1 680.3	1 990.0	2 453.4	2 467.4
05	Fruit and Veg	6 281.6	6 445.9	6 589.2	7 165.4	7 209.8
06	Sugar	1 067.3	1 045.5	1 005.4	1 159.2	1 202.4
07	Coffee, tea, etc.	1 538.5	1 592.8	1 662.2	1 945.3	2 315.5
08	Animal feed	1 033.3	1 094.9	1 109.4	1 422.2	1 549.4
09	Misc.	1 318.8	1 362.8	1 588.5	1 937.6	2 188.3
11	Drink	4 143.1	4 108.4	4 152.6	4 353.0	4 448.0
22+S4	Oils	1 037.3	1 144.7	1 255.9	1 892.4	1 634.9
	Total	26 076.6	26 790.6	27 577.2	31 485.8	32 515.8

Defra's aggregate 'Food, Feed and Drink' is composed of the following divisions from the Standard International Trade Classification:

01 Meat: meat from cattle, sheep, pigs, goats, poultry, horses etc.; preparations including blood, juices, sausages, livers, offal.

02 Dairy: includes milk (skimmed or otherwise), butter, buttermilk, cream, yoghurt, ice cream, whey, cheese and curd, all types of eggs both in and out of shell.

03 Fish: All types of edible marine life excluding mammals, fresh, frozen, processed, prepared or preserved.

continued

Table 8.1 continued

04	Cereals: includes rice, wheat, barley, oats, maize, grain sorghum and preparations including sweet biscuits, waffles, gingerbread, uncooked/unstuffed pasta.
05	Fruit and vegetables: includes fresh, frozen or prepared fruit (except crystallised) and vegetables, nuts (except groundnuts), vegetable and fruit juices of all kinds except wine (see division 11), jams, marmalades, fruit or nut puree/paste etc.
06	Sugar: includes both natural sugar and sugar confectionery (but not chocolate or cocoa), both natural and artificial honey, and liquorice.
07	Coffee, tea, etc.: includes all types of tea, coffee (e.g. green, decaffeinated), extracts and substitutes thereof; cocoa and chocolate (of all kinds): all kinds of spices.
08	Animal feed: includes hay, fodder, bran, sharps and other residues derived from cereals or leguminous plants, oil-cake and other solid residues, other residues, brewing dregs, all types of pet or animal food.
09	Miscellaneous: includes margarine, shortening, homogenised products or preparations not elsewhere specified, sauces, vinegar, soups, yeasts, cooked/stuffed pasta, food preparations for infant use.
11	Drink: includes alcoholic drinks of all kinds; also natural or artificial mineral and aerated waters sweetened or otherwise.
22+S4	Oils: includes groundnuts (peanuts), soya beans, sunflower seeds, rape seeds, palm nuts, linseed, poppy seeds etc., lard, pig fat, olive oil, rape oil, corn oil, linseed oil, beeswax etc.

Division 00, which covers all live animals, is excluded from the aggregate 'Food, Feed and Drink' because it includes non-food animals, particularly race horses.

S4 stands for Section 4 in the SITC and covers animal and vegetable oils, fats and waxes.

Trading partners (charts 8.2, 8.3) (maps 8.1, 8.2 see next page)

5. Principal destinations of food, feed and drink exports to the European Union in 2009 were the Irish Republic (£2.7 billion), France (£1.9 billion), Spain (£1 billion) and Germany (£8 million). The principal European Union countries from which food, feed and drink were imported into the United Kingdom in 2008 were the Netherlands (£4.1 billion), France (£3.7 billion), the Irish Republic (£2.9 billion) and Germany (£2.7 billion).

6. Principal non-EU destinations of food, feed and drink exports in 2009 were the USA (£1 billion), Canada (£230 million) and Singapore (£201 million) while the main non-EU countries from which food, feed and drink were imported into the United Kingdom were Brazil (£856 million), the USA (£781million), and Thailand (£590 million).

Chart 8.2 Exports in food, feed and drink by country of destination 2009; United Kingdom

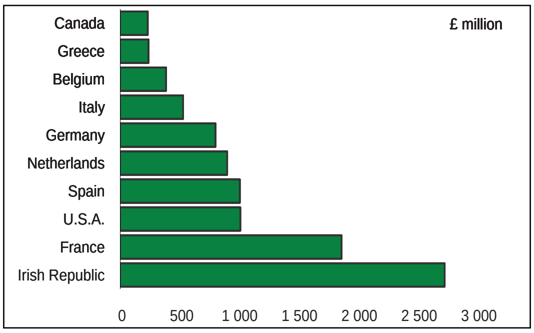
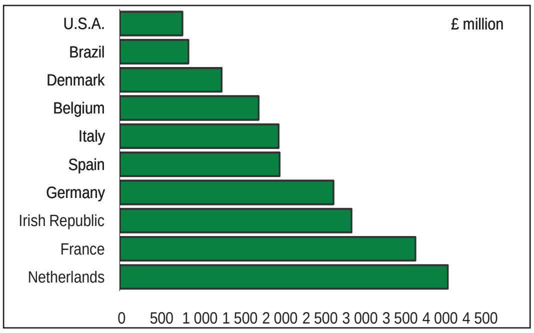


Chart 8.3 Imports in food, feed and drink by country of despatch 2009; United Kingdom



Exports and imports (charts 8.4, 8.5)

7. Between 2000 and 2009, at 2009 prices:

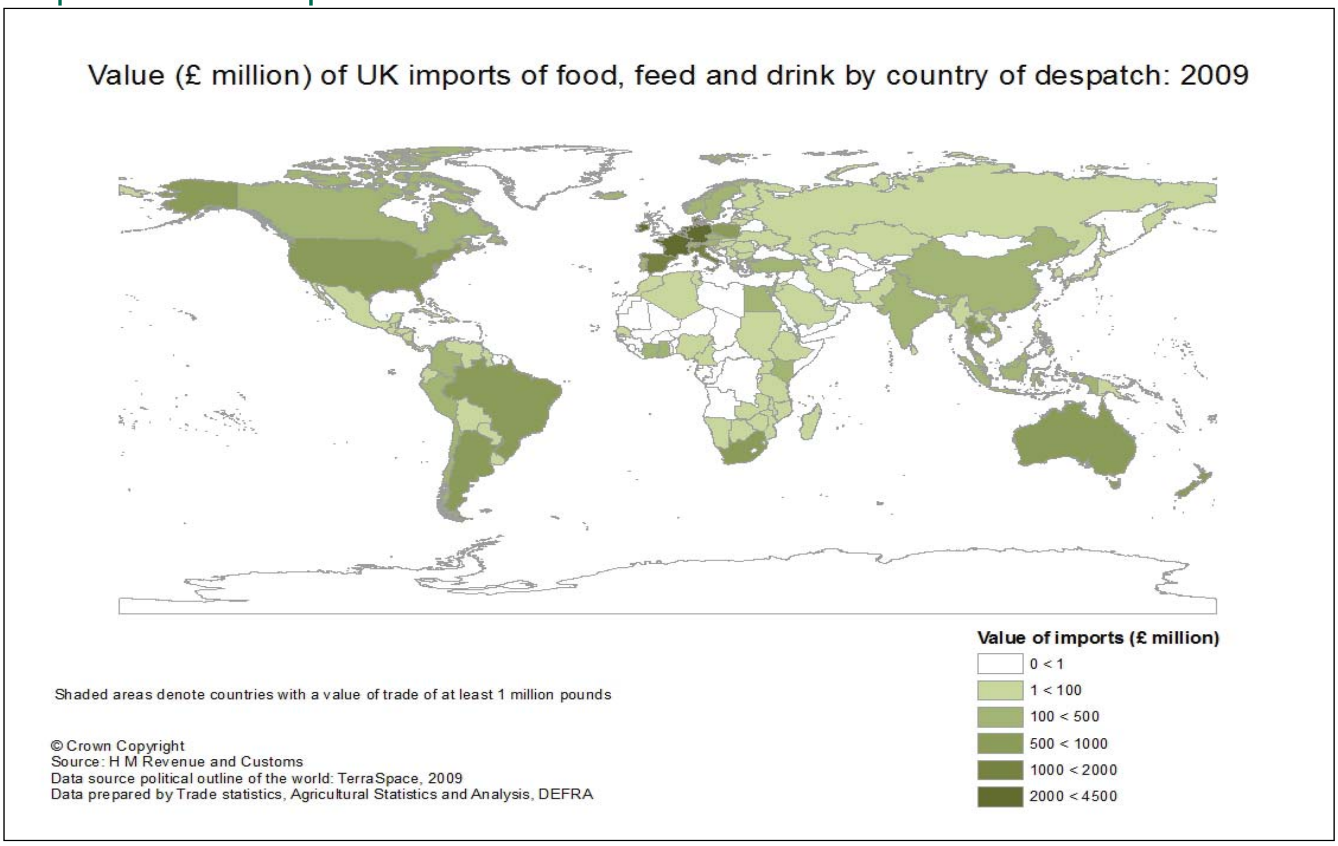
- The value of exports of highly processed foods and drink, such as confectionery, canned meats, jams, alcoholic drinks and ice cream, increased by 25 per cent;

- The value of exports of lightly processed foods and drinks, i.e. goods that retain their raw recognisable form, such as meat, cheese and butter, powdered milk, flour and sugar, rose by 38 per cent;

- The value of exports of unprocessed commodities, such as fresh fruit and vegetables, honey, eggs, milk and cream and unmilled cereals, increased by 15 per cent.

Map 8.1 Global exports 2009

Map 8.2 Global imports 2009



Exports and imports (charts 8.4, 8.5) (continued)

8. Between 2000 and 2009, at 2009 prices:

- The value of imports of highly processed foods and drink increased by 62 per cent;
- The value of imports of lightly processed foods and drinks increased by 50 per cent;
- The value of imports of unprocessed commodities increased by 51 per cent.

Chart 8.4 Exports of food, feed and drink by degree of processing at 2009 prices; United Kingdom

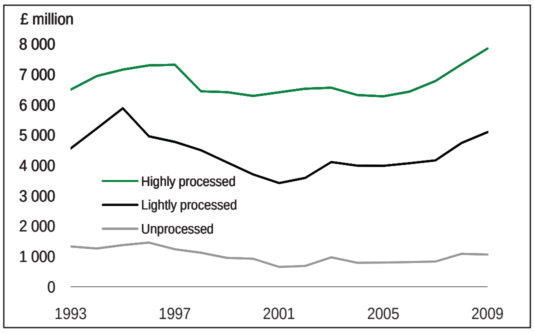
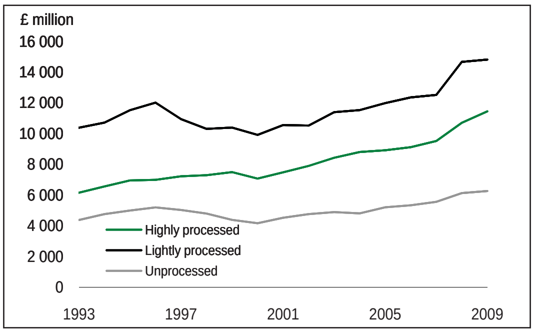


Chart 8.5 Imports of food, feed and drink by degree of processing at 2009 prices; United Kingdom



Trade in key commodities (tables 8.2, 8.3)

9. Between 2000 and 2009, at 2009 prices:

- the value of exports of whisky increased by 17 per cent to £3.2 billion; the value of wine imports in creased by 30 per cent to £2.8 billion;
- the value of exports of lamb and mutton showed an increase of 25 per cent meeting increased demand in Europe (exports were banned during the outbreak of foot and mouth disease in 2001 but partially recovered in 2002 and 2003);
- the value of beef and veal exports showed a massive increase of 879 per cent (the pattern of beef ex ports reflects the export ban on beef between March 1996 and November 2005, the recent increase demonstrating a continuing recovery of the beef export market) and the value of imports increased by 75 per cent;
- the value of pork imports rose by 84 per cent while exports declined by 35 per cent over the same period reflecting the fall in pig production in the United Kingdom;
- the value of poultrymeat imports increased by 149 per cent while the value of exports increased by 107 per cent;
- the value of breakfast cereal imports increased by 192 per cent while the value of exports rose by 26 per cent;
- the value of cheese exports increased by 74 per cent while imports increased by 57 per cent.

Table 8.2 Trade in key commodities in real terms at 2009 prices; United Kingdom

Enquiries: Joanne Gardiner on +44 (0)1904 455681 email: joanne.gardiner@defra.gsi.gov.uk

£ million Calendar years

		2005	2006	2007	2008	2009
Whisky	Imports	111.3	123.2	101.8	106.9	120.3
	Exports	2 690.3	2 725.6	2 975.6	3 112.1	3209.6
Wine	Imports	2 621.9	2 519.5	2 655.8	2 836.9	2754.2
	Exports	143.1	184.8	215.9	235.3	324.5
Cheese	Imports	950.3	955.7	962.3	1 189.1	1186.6
	Exports	244.3	248.8	249.6	279.9	283.1
Poultrymeat	Imports	847.0	760.8	802.6	782.5	855.0
	Exports	232.1	173.2	207.2	216.4	231.1
Poultry meat products	Imports	410.0	468.4	493.1	600.1	627.9
	Exports	99.4	94.1	129.0	135.3	121.6
Beef and veal	Imports	649.2	673.8	634.3	736.7	718.6
	Exports	28.4	99.4	130.0	212.1	257.7
Wheat, unmilled	Imports	150.3	143.5	215.3	318.1	256.4
	Exports	221.3	205.9	239.2	401.7	304.9
Lamb and mutton	Imports	325.0	304.2	288.9	311.7	381.3
	Exports	237.9	251.1	189.0	260.9	316.2
Pork	Imports	656.8	736.2	693.4	669.5	636.2
	Exports	116.0	107.5	91.2	131.5	115.7
Breakfast cereals	Imports	115.9	111.7	119.1	144.9	181.2
	Exports	337.4	340.4	324.3	351.0	413.5
Milk and cream	Imports	40.3	49.6	54.4	78.5	75.9
	Exports	192.3	192.3	189.3	198.6	195.4
Bacon and ham	Imports	587.7	593.6	582.8	683.8	766.0
	Exports	30.9	27.8	31.3	71.4	51.4
Butter	Imports	344.5	361.1	236.4	232.4	239.5
	Exports	81.5	64.6	68.4	54.5	57.3
Eggs and egg products	Imports	85.9	98.5	110.1	131.7	153.6
	Exports	30.6	26.3	26.1	38.1	45.6
Fresh vegetables	Imports	1 698.0	1 659.0	1 702.0	1 730.3	1716.2
	Exports	53.3	52.3	50.7	53.9	65.3
Fresh fruit	Imports	2 153.0	2 247.1	2 224.2	2 379.8	2438.5
	Exports	92.5	116.5	82.8	85.1	95.2

Whisky	includes bourbon, scotch (malted and blended) and other whiskies.
Wine	includes grape must, vermouth and wine of fresh grapes (sparkling and still).
Cheese	includes grated or powdered, processed, blue-veined and fresh (e.g. curd).
Poultrymeat (inc. poultry offal)	includes carcase meat, cuts and offal (inc. liver).
Beef and veal	includes carcase meat and cuts, both bone-in and boneless.
Wheat, unmilled	includes durum, other wheat (inc. spelt) and meslin.
Lamb and mutton	includes carcase meat and cuts, both bone-in and boneless.
Pork	includes carcase meat and cuts, both bone-in and boneless.
Breakfast cereals	includes cereal grains worked or prepared for breakfast cereals
Milk and cream	includes milk (inc. skimmed milk) and cream, not concentrated or sweetened.
Fresh vegetables	excludes potatoes.

Table 8.3 Trade in key commodities by volume; United Kingdom

Enquiries: Joanne Gardiner on +44 (0)1904 455681 email: joanne.gardiner@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified) Calendar years

		2005	2006	2007	2008	2009
Whisky (million litres)	Imports	13.5	16.9	14.4	15.6	15.9
	Exports	284.1	302.0	326.3	308.1	311.5
Wine (million litres)	Imports	1 315.1	1 260.1	1 308.9	1 288.9	1 295.2
	Exports	21.4	32.3	47.7	43.7	57.6
Cheese	Imports	352.9	378.1	402.9	421.8	418.6
	Exports	96.3	104.2	97.2	88.4	104.7
Poultrymeat	Imports	406.4	381.7	383.4	335.5	339.9
	Exports	304.6	258.7	291.8	278.3	258.0
Poultry meat products	Imports	180.3	206.0	230.4	248.6	241.4
	Exports	33.0	31.3	46.4	45.5	38.3
Beef and veal	Imports	239.9	235.7	240.1	247.5	230.8
	Exports	8.9	41.2	59.4	81.3	83.4
Wheat, unmilled	Imports	1 200.7	1 028.1	1 238.4	1 248.3	1 390.2
	Exports	2 494.8	2 116.5	1 911.1	2 765.7	2 533.1
Lamb and mutton	Imports	110.1	113.8	114.1	111.9	116.0
	Exports	85.2	87.1	68.8	86.8	96.1
Pork	Imports	432.0	458.8	462.9	393.5	360.2
	Exports	91.5	94.7	98.6	117.9	104.4
Breakfast cereals	Imports	83.3	92.7	91.8	103.0	110.5
	Exports	171.5	174.8	165.3	160.3	171.4
Milk and cream	Imports	79.0	123.8	133.5	192.7	157.6
	Exports	592.2	621.3	513.2	532.5	538.7
Bacon and ham	Imports	283.4	264.0	277.5	292.7	322.9
	Exports	10.6	10.2	11.9	31.4	21.2
Butter	Imports	128.6	147.1	103.2	81.4	96.2
	Exports	45.1	35.7	31.7	23.8	26.5
Eggs and egg products	Imports	78.7	78.4	93.1	95.3	90.3
	Exports	13.7	13.1	11.9	14.0	23.0
Fresh vegetables	Imports	1 940.1	1 893.1	1 947.3	1 956.7	1 823.0
	Exports	87.6	82.7	87.9	79.9	77.6
Fresh fruit	Imports	3 283.7	3 470.1	3 510.2	3 326.2	3 175.0
	Exports	119.8	176.8	147.1	128.1	152.8

Whisky	includes bourbon, scotch (malted and blended) and other whiskies.
Wine	includes grape must, vermouth and wine of fresh grapes (sparkling and still).
Cheese	includes grated or powdered, processed, blue-veined and fresh (e.g. curd).
Poultrymeat (inc. poultry offal)	includes fresh, chilled or frozen carcase meat, cuts and offal (inc. liver).
Poultry meat products	includes prepared, preserved, salted or cooked poultrymeat and offal (inc. liver).
Beef and veal	includes carcase meat and cuts, both bone-in and boneless.
Wheat, unmilled	includes durum, other wheat (inc. spelt) and meslin.
Lamb and mutton	includes carcase meat and cuts, both bone-in and boneless.
Pork	includes carcase meat and cuts, both bone-in and boneless.
Breakfast cereals	includes cereal grains worked or prepared for breakfast cereals

continued

Table 8.3 continued

Milk and cream	includes milk (inc. skimmed milk) and cream, not concentrated or sweetened.
Fresh vegetables	excludes potatoes, dried legumes and processed vegetables.
Fresh fruit	excludes jams, juices, dried and processed fruit.

Note: Definitions of 'fresh vegetables' and 'fresh fruit' used have been revised in 2009 to be consistent with those used for AUK Chapter 5.

Trade with EU 26 countries (charts 8.6 to 8.11)

10. This section describes the volume of trade in 3 key commodities between the United Kingdom and the other 26 Member States of the European Union (the EU 26 countries). These commodities have been chosen because the vast majority of United Kingdom trade in them is with countries within the EU.

Bacon and ham

11. Imports of bacon and ham from the EU 26 countries have been far in excess of exports for many years and 2009 saw a fall in exports of 33 per cent to 21 thousand tonnes. This fall was mainly driven by decreases in exports to Denmark, and Spain. Total imports have fluctuated a little but have shown a mostly upward trend in the 2000's and stood at 323 thousand tonnes in 2009. In 2009, the Netherlands and Denmark provided 82 per cent of all imported bacon and ham.

Chart 8.6 Trade with EU 26 countries; bacon and ham

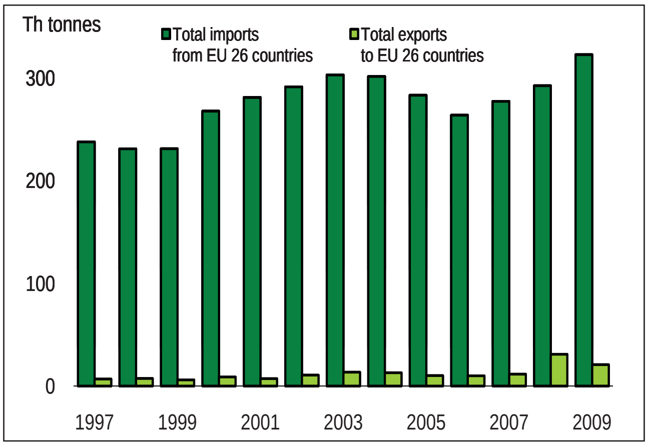
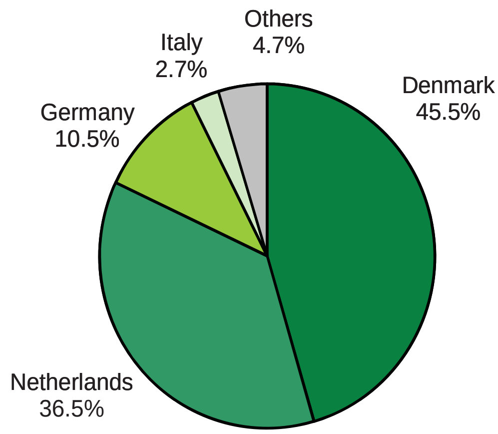


Chart 8.7 Trade with EU 26 countries; imports of bacon and ham 2009



Pork

12. Since the ban on exports during the outbreak of foot and mouth disease in 2001, exports have been much lower than their pre-2001 levels. However they showed a small year on year increase between 2004 and 2008 before decreasing by 16 per cent in 2009 to 72 thousand tonnes; this is 52 per cent down on the 2000 level. Although imports have been consistently much higher than their pre-2001 levels there was a decrease in 2009 to 352 thousand tonnes. Denmark accounted for 29 per cent of the imports of pork in 2009 with a further 54 per cent contributed by the Netherlands, Germany, Belgium, Luxembourg and the Irish Republic.

Chart 8.8 Trade with EU 26 countries; pork

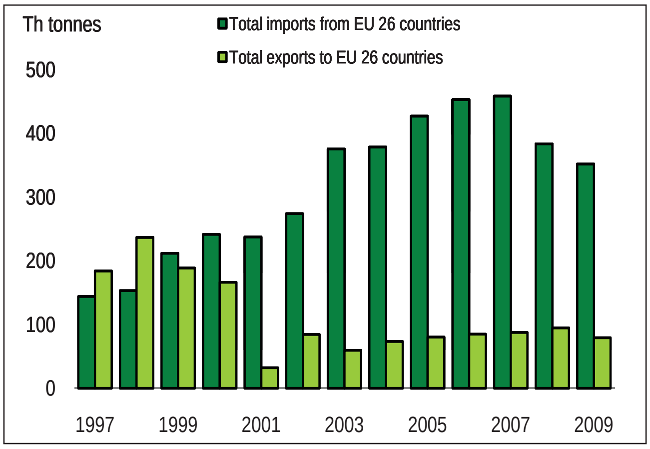
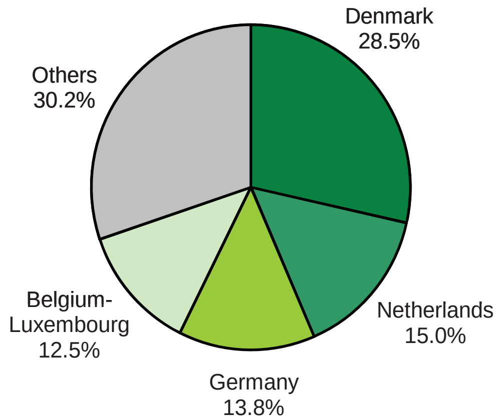


Chart 8.9 Trade with EU 26 countries; imports of pork 2009



Milk and cream

13. Imports of milk and cream saw year on year increases from 2003 to 2008 but in 2009 there was an 18 per cent decrease to 158 thousand tonnes. However, the 2009 figure is still three times the 2003 total. Imports should be viewed in the context of overall supply - imports only account for approximately 1.0 per cent of United Kingdom supply of liquid drinking milk. Exports rose sharply in the middle of the decade and even though they have fallen back recently, the 2009 figure of 537 tonnes outweighs imports by over three to one. In 2009, 81 per cent of milk and cream exports went to the Irish Republic with a further 14 per cent exported to Belgium, Luxembourg and France.

Chart 8.10 Trade with EU 26 countries; milk and cream

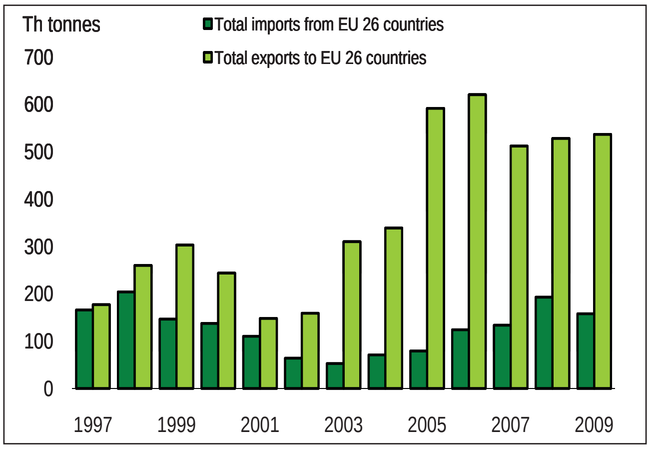
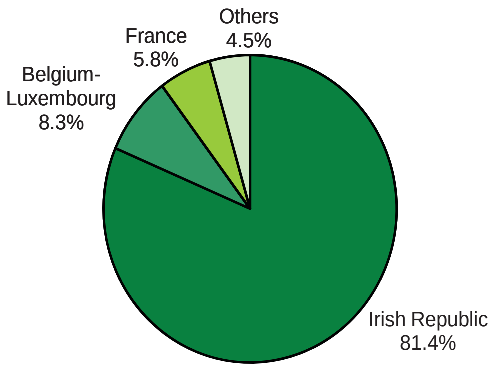


Chart 8.11 Trade with EU 26 countries; imports of milk and cream 2009



Trade with key trading partners (charts 8.12 to 8.25)

14. This section describes the volume of trade in several key commodities between the United Kingdom and all countries, both inside and outside the EU.

Lamb and mutton

15. The ban on exports during the outbreak of foot and mouth disease explains the dip in exports in 2001, followed by a recovery to 87.1 thousand tonnes in 2006. In 2007 exports fell back to 68.8 thousand tonnes but increased in 2008 and again in 2009 to 96 thousand tonnes. Imports continue to remain steady with the 2009 figure standing at 116 thousand tonnes. 67 per cent of all lamb and mutton exported in 2009 went to France, with a further 21 per cent going to Belgium, Luxembourg, Germany and Italy.

Chart 8.12 World trade; lamb and mutton

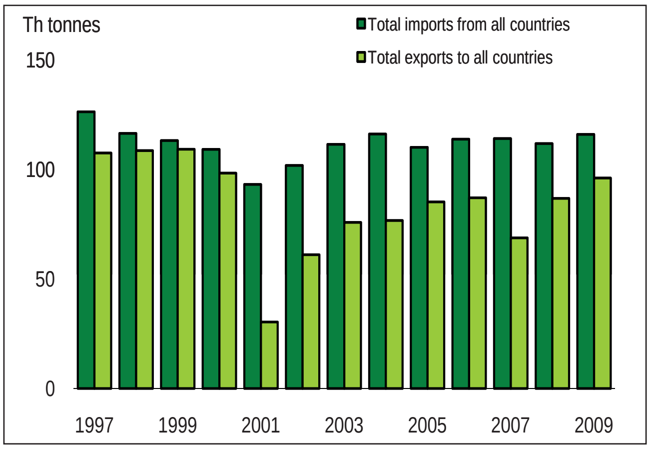
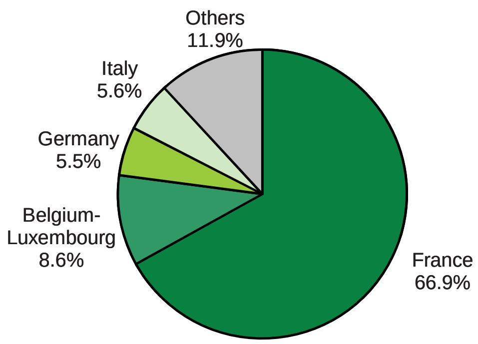


Chart 8.13 Trade all countries; exports of lamb and mutton 2009



Beef and veal

16. Following the Government's announcement of a link between BSE and new variant CJD, exports of beef originating in the United Kingdom were banned between March 1996 and November 2005. The small amounts of exports seen here over that period are of beef and veal of non-UK origin which have been imported into the United Kingdom and then exported. Following the end of the ban, exports continue to show signs of recovery though the 2009 level of 83 thousand tonnes still stands a long way below the 1995 level of 274 thousand tonnes. Imports rose during the export ban and are currently still around twice the level of imports before the ban. The Irish Republic accounted for 65 per cent of the imports in 2009 with the Netherlands, Uruguay and Germany accounting for a further 18 percent.

Chart 8.14 World trade; beef and veal

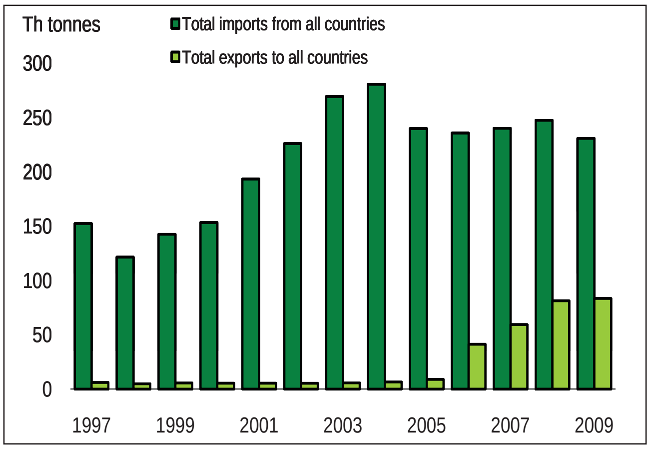
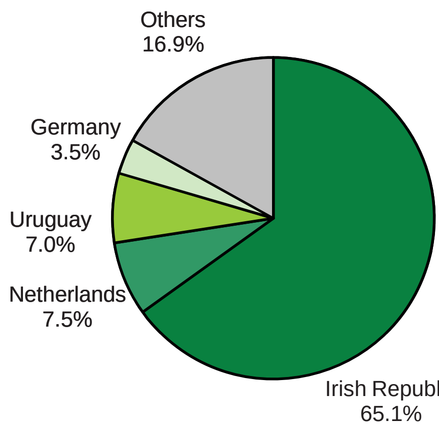


Chart 8.15 Trade all countries; imports of beef and veal 2009



Poultrymeat

17. The United Kingdom has run a long term trade deficit in poultrymeat. Imports have increased steadily from 1993 reaching a peak in the middle of the decade. In 2009 imports stood at 340 thousand tonnes. The Netherlands accounted for 47 per cent of imports in 2009 with Poland, the Irish Republic and France accounting for a further 23 per cent.

Chart 8.16 World trade; poultrymeat

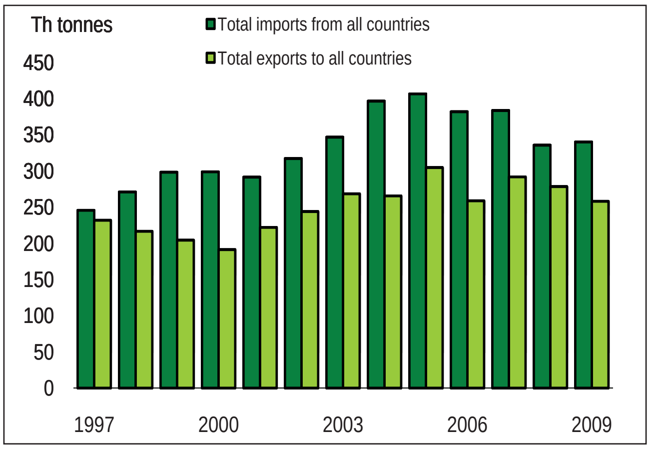
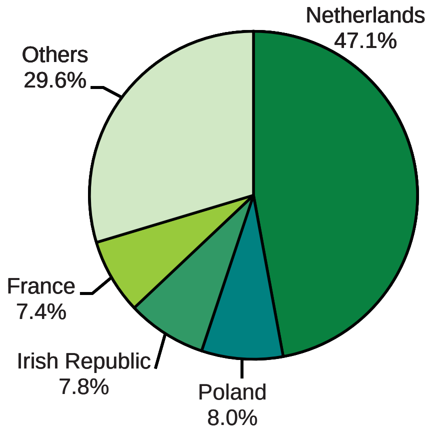


Chart 8.17 Trade all countries; imports of poultrymeat 2009



Poultrymeat Products

18. Poultrymeat products include prepared, preserved, salted or cooked poultrymeat. At 241 thousand tonnes, imports of poultrymeat products were around 6 times the level of exports in 2009. This reflects an increasing year on year trade deficit. Thailand accounted for 51 per cent of imports with the Netherlands and the Irish Republic having the next largest shares at 12 per cent each.

Chart 8.18 World trade; poultrymeat products

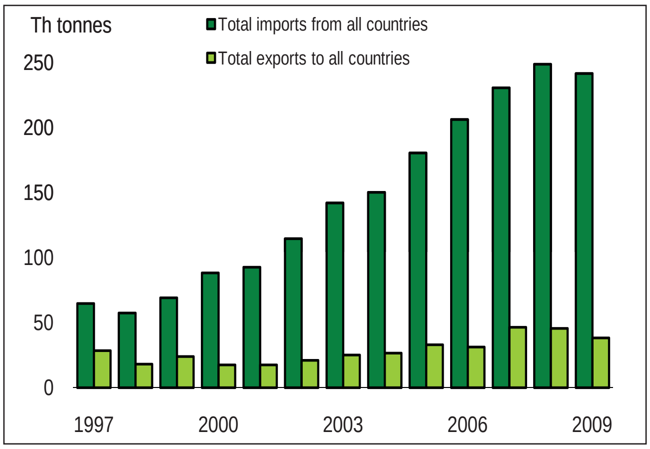
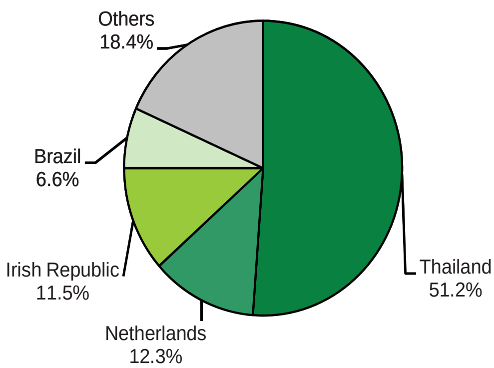


Chart 8.19 Trade all countries; imports of poultrymeat products 2009



Unmilled wheat

19. Exports of unmilled wheat have comfortably exceeded imports every year from 1993 apart from 2001 and 2002. In these two years exports fell to almost the same level as imports due to a poor 2001 harvest, caused by severe flooding in the previous winter. In 2009 exports stood at 2.5 million tonnes, of which 37 per cent went to Spain. A further 44 per cent went to the Netherlands, Portugal and the Irish Republic.

Chart 8.20 World Trade; unmilled wheat

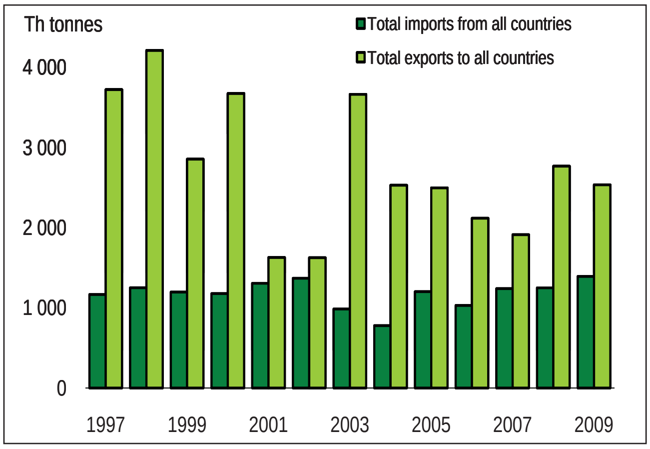
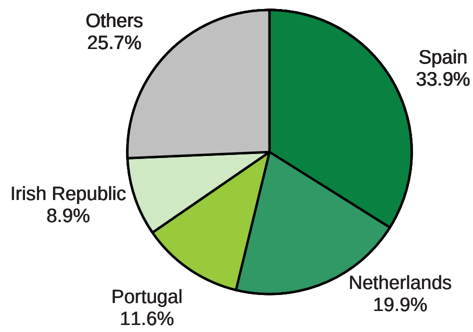


Chart 8.21 Trade all countries; exports of unmilled wheat 2009



Fresh vegetables

20. The United Kingdom runs a large and steadily increasing trade deficit in fresh vegetables. Imports have risen virtually every year for over a decade reaching 1.8 million tonnes in 2009, almost double the 1994 total. Exports have declined to 78 thousand tonnes since a peak of 113 thousand tonnes in 2002. In 2009, 38 per cent of all fresh vegetables imports came from Spain and 31 per cent from the Netherlands with France having the next largest share at 86 thousand tonnes, 5.0 per cent.

Chart 8.22 World trade; fresh vegetables

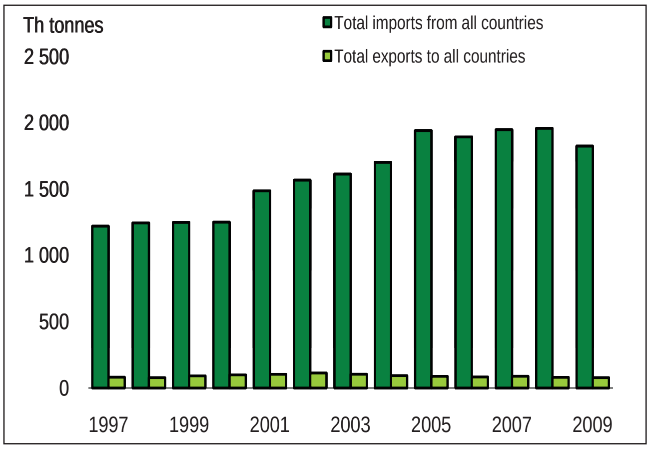
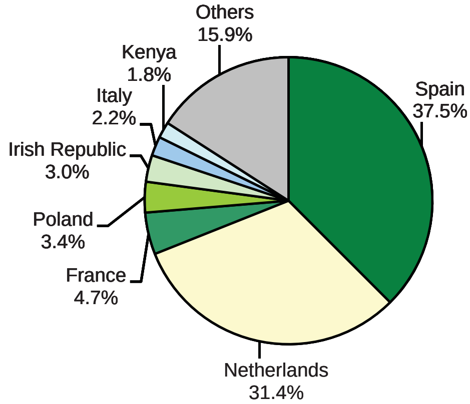


Chart 8.23 Trade all countries; imports of fresh vegetables 2009



Fresh fruit

21. Imports of fresh fruit have historically been far in excess of exports and stood at 3.2 billion tonnes in 2009. Exports have seen higher levels in recent years but represent just 5 per cent of imports. Spain was the largest single source of imports with 14 per cent in 2009. The top three sources of imports (Spain, South Africa and Costa Rica) provided a total 35 per cent of imports, which demonstrates the diversity of supply of fresh fruit.

Chart 8.24 World trade; fresh fruit

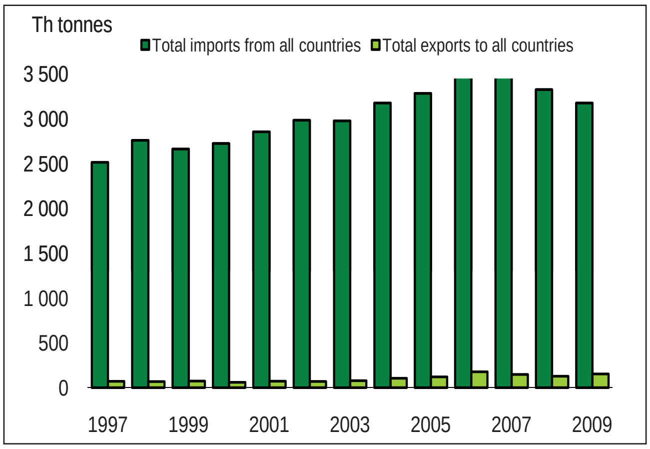
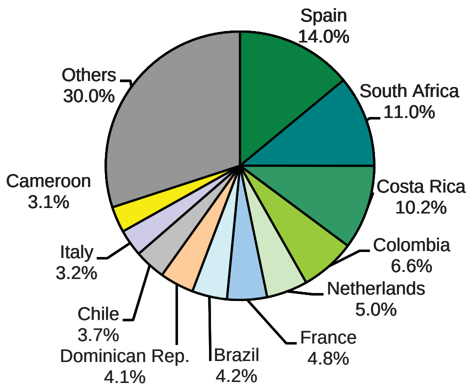


Chart 8.25 Trade all countries; imports of fresh fruit 2009



Chapter 9 Accounts

Summary

- The three years from 2008 to 2010 as measured by Total Income from Farming represents the best performance for the agricultural industry since 1996;
- agriculture's contribution to the national economy is estimated at £7.2 billion;
- the net worth of the agricultural industry in the United Kingdom was estimated to be £203 billion in 2009.

Introduction

1. This chapter shows a sequence of inter-related accounts for agriculture including current accounts, accumulation accounts and balance sheets. These accounts conform to internationally agreed accounting principles required by both the United Kingdom's National Accounts and by Eurostat, the statistical office of the European Union.

2. The production and income account provides details of the industry's outputs, inputs and generation of income; the balance sheets show the total assets and liabilities for agriculture at the end of each calendar year, together with their net worth; and the accumulation accounts analyse the various components of change in the assets and liabilities of agriculture and record changes in net worth. The net worth shown in the balance sheets incorporates changes due to all of the accumulation accounts.

Production and income account at current prices (table 9.1)

3. The production and income account produces a key measure of the performance of the agricultural industry, Total Income from Farming. This is income generated by production within the agriculture industry, including subsidies, and represents business profits and remuneration for work done by owners and other unpaid workers. It is estimated to have fallen by 4.3 per cent in real terms in 2010 after adjusting for inflation, to £4.38 billion.

4. The increase in Total Income from Farming was the result of an increase in the value of agricultural output offset by an increase in inputs and other costs and a fall in the total value of payments to which farmers are entitled by virtue of engaging in agriculture, such as the single farm payment.

5. Gross Value Added for the agricultural industry is estimated to have contributed £7.2 billion to the national economy in 2010 with the total value of output being estimated at £20.7 billion and total intermediate consumption estimated at £13.5 billion.

6. Increases in the value of both crop production and livestock production contributed to an increase in agricultural output. The increase in the value of crop production was due to increases in oilseeds and other industrial crops, vegetables and horticulture products, and potatoes. The value of production of cereals fell as an increase in the value of production of wheat was offset by a fall in the value of production of barley, owing to increased plantings of wheat and reduced plantings of barley reflecting market conditions for these products. The increase in value of livestock production was mainly due to increases in the value of production of poultry, where volume increased and prices remained strong, and of milk, reflecting increases in both volume and prices. These increases in the value of output were offset by higher costs, particularly for animal feed and energy costs.

7. Total Income from Farming is sensitive to small percentage changes in the values of outputs and inputs. This sensitivity, the provisional nature of the figures for the latest year, and revisions made to previously published figures for earlier years as methodology or data sources improve, all need to be borne in mind when using the figures.

Definition of terms used in tables 9.1 and 9.2

The following list is provided to aid the used with the terms used in tables 9.1 and 9.2

Terms	Table 9.1 reference number	Definition
Agricultural industry		All activities taking place within businesses that carry out any agricultural activities. These businesses include all farms and specialist agricultural contractors.
Capital formation in livestock	8	Production of animals that will be used as the means of production, e.g. breeding animals.
Other agricultural activities	10	Agricultural activities that do not result in sales of final product, e.g. quota leasing, contract work.
Inseparable non-agricultural activities	11	Non-agricultural activities which are included within the business level accounts and are inseparable, e.g. some cases of bed and breakfast and recreation facilities.
Output at market prices	12	Output excluding subsidies. The output of the agricultural industry includes some non-agricultural activities and transactions within the industry.
Basic prices		Market price plus directly paid subsidies that are linked to production of specific product.
Subsidies (less taxes) on product	13	Subsidies and taxes linked to the production of an agricultural product. All subsidies are recorded on an ‘as due’ basis.
FISIM	23	Financial Intermediation Services Indirectly Measured (FISIM) is an estimate of the value of services provided by financial intermediaries, such as banks, for which no explicit charges are made, and which are paid for as part of the margin between rate applied to savers and borrowers.
Intermediate consumption	25	Consumption of goods and services, e.g. feed, seeds, fertiliser, pesticides.
Gross value added	26	Gross output less intermediate consumption.
Consumption of fixed capital	28	The reduction in value (at current prices) of capital assets used in the production process, e.g. buildings, plant, machinery, vehicles and livestock.
Net value added	30	Gross value added at basic prices less consumption of fixed capital.
Other subsidies on production	32	Subsidies and taxes not linked to production of a specific product, e.g. Single Payment Scheme, agri-environment payments, animal disease compensation.
Net value added at factor cost	33	Net value added at basic prices plus other subsidies (less taxes) on production.
Compensation of employees	34	The full costs of employees to the business including national insurance contributions.
Total Income from Farming	37	Income to those with an entrepreneurial interest in the agricultural industry, e.g. farmers, partners, spouses and most other family workers.

Table 9.1 Production and income account at current prices; United Kingdom

Enquiries: Christine Holleran on +44 (0)1904 455080 email: keith.seabridge@defra.gsi.gov.uk

£ million Calendar years

	2006	2007	2008	2009	2010 (provisional)
Output at market prices (a)					
1 Output of cereals	1 507	1 948	3 150	2 300	2 259
wheat	1 066	1 325	2 242	1 550	1 683
rye	1	2	2	2	2
barley	384	555	816	676	510
oats and summer cereal mixtures	54	65	89	71	63
other cereals	1	1	1	2	2
2 Output of industrial crops	735	769	1 165	1 099	1 342
oil seeds	318	427	628	486	724
oilseed rape	310	422	618	469	702
other oil seeds	8	4	10	17	23
sugar beet	178	162	208	246	198
other industrial crops	238	181	328	367	420
fibre plants	1	-	1	-	1
hops	4	4	4	4	4
other industrial crops (b)	233	176	323	362	415
3 Output of forage plants	234	238	292	317	326
4 Output of vegetables and horticultural products	1 762	1 850	1 904	1 952	2 232
fresh vegetables	1 011	1 068	1 105	1 082	1 257
plants and flowers	751	782	799	870	975
5 Output of potatoes (including seeds)	638	683	767	667	780
6 Output of fruit	383	467	546	580	575
7 Output of other crop products including seeds	48	43	45	58	50
Total crop output (sum 1 - 7)	5 307	5 999	7 868	6 973	7 564
8 Output of livestock	5 096	5 232	6 580	7 115	7 274
primarily for meat	4 364	4 432	5 502	5 845	6 142
cattle	1 561	1 623	2 071	2 131	2 191
pigs	685	736	865	976	984
sheep	709	641	797	958	970
poultry	1 233	1 249	1 578	1 590	1 799
other animals	176	183	190	189	198
gross fixed capital formation	732	799	1 078	1 270	1 132
cattle	447	493	784	849	726
pigs	8	5	6	9	9
sheep	146	153	125	228	219
poultry	131	149	162	185	179
9 Output of livestock products	2 918	3 286	4 019	3 712	3 961
milk	2 497	2 823	3 447	3 124	3 325
eggs	362	410	520	531	561
raw wool	11	12	10	14	25
other animal products	48	41	41	43	49

continued

Table 9.1 continued

	2006	2007	2008	2009	2010 (provisional)
Total livestock output (8 + 9)	8 014	8 518	10 599	10 827	11 235
10 Other agricultural activities	624	680	792	870	910
agricultural services	623	680	792	870	910
leasing out quota	1	-	-	-	-
11 Inseparable non-agricultural activities	684	763	814	914	920
12 Output (at market prices) (sum 1 to 11)	14 628	15 960	20 073	19 583	20 629
of which:					
transactions within the agricultural industry					
feed wheat	83	100	133	110	111
feed barley	142	178	207	156	178
feed oats	15	19	23	20	19
fodder maize	151	146	153	179	194
seed potatoes	16	9	13	16	15
straw	191	137	267	302	346
contract work	623	680	792	870	910
leasing of quota	1	-	-	-	-
total capital formation in livestock	732	799	1 078	1 270	1 132
13 Total subsidies (less taxes) on product (c)	85	59	55	34	25
14 Gross output at basic prices (12 + 13)	14 713	16 019	20 127	19 617	20 654
Intermediate consumption					
15 Seeds	580	608	704	690	637
16 Energy	831	897	1 166	1 097	1 250
electricity and fuels for heating	258	274	341	341	366
motor and machinery fuels	573	623	826	755	884
17 Fertilisers	775	827	1 130	1 426	1 342
18 Pesticides	518	571	690	715	711
19 Veterinary expenses	284	302	338	361	388
20 Animal feed (d)	2 575	3 023	3 896	3 611	4 020
compounds	1 426	1 702	2 186	2 088	2 256
straights	758	877	1 194	1 058	1 261
feed produced and used on farm or puchased from other farms	392	443	517	465	503
21 Total maintenance (e)	1 016	1 086	1 215	1 280	1 336
materials	655	695	745	798	826
buildings	361	390	470	482	510
22 Agricultural services	623	680	792	870	910
23 FISIM	104	110	139	118	103
24 Other goods and services (e)(f)	2 318	2 381	2 583	2 667	2 752
25 Total intermediate consumption (sum 15 to 24)	9 623	10 484	12 652	12 834	13 450
26 Gross value added at market prices (12 - 25)	5 006	5 475	7 420	6 749	7 179
27 Gross value added at basic prices (14 - 25)	5 091	5 535	7 475	6 783	7 204
28 Total Consumption of Fixed Capital	2 681	2 717	3 070	3 253	3 263
equipment	1 199	1 213	1 268	1 391	1 449
buildings (e)(g)	685	696	709	713	707
livestock	798	809	1 093	1 149	1 106
cattle	499	503	745	710	662
pigs	7	6	7	8	8
sheep	162	157	188	267	269
poultry	129	142	153	164	166

continued

Table 9.1 continued

	2006	2007	2008	2009	2010 (provisional)
29 Net value added at market prices (25 - 28)	2 325	2 758	4 350	3 496	3 917
30 Net value added at basic prices (26 - 28)	2 409	2 817	4 405	3 530	3 942
31 Other taxes on production	- 98	- 101	- 103	- 106	- 113
32 Other subsidies on production (c)	2 904	2 954	3 233	3 588	3 170
33 Net value added at factor cost (30 + 31 + 32)	5 215	5 670	7 535	7 011	6 999
34 Compensation of employees (h)	1 982	2 004	2 051	2 123	2 129
35 Rent	283	309	338	354	353
rent paid (i)	371	406	433	443	441
rent received (j)	- 87	- 97	- 95	- 89	- 88
36 Interest (k)	414	471	353	161	141
37 Total income from farming (33 - 34 - 35 - 36)	**2 536**	**2 886**	**4 793**	**4 373**	**4 377**

(a) Output is net of VAT collected on the sale of non-edible products. Figures for output at market prices exclude subsidies on products.

(b) Includes straw and minor crops.

(c) “Subsidies (less taxes) on product”: payments linked to the production of agricultural products. “Other subsidies on production”: payments not linked to production from which agricultural producers can benefit as a consequence of engaging in agricultural activities e.g. Single Payment Scheme, agri-environment schemes.

(d) For years prior to 1992 the split between compounds and straights was derived from the split present in later years.

(e) Landlords' expenses are included within total maintenance, other goods and services and total consumption of fixed capital of buildings.

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

(g) A more empirically based methodology for calculating landlords' consumption of fixed capital was introduced in 2000. The new series has been linked with the old one using a smoothing procedure for the transition year of 1996.

(h) Excludes the value of work done by farm labour on own account capital formation in buildings and works.

(i) Rent paid on all tenanted land (including 'conacre' land in Northern Ireland) less landlords' expenses, landlords' consumption of fixed capital and the benefit value of dwellings on that land.

(j) Rent received by farming landowners from renting of land to other farmers less landlords’ expenses. This series starts in 1996 following a revision to the methodology of calculating net rent.

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

Table 9.2 Changes in outputs and inputs; United Kingdom

Enquiries: Christine Holleran on +44 (0)1904 455080 email: keith.seabridge@defra.gsi.gov.uk

£ million Calendar years

	Current price value		Changes %		
	2009	2010	value	volume	price
Output at market prices (a)					
1 Output of cereals	2 300	2 259	- 2	- 3	1
wheat	1 550	1 683	9	5	4
rye	2	2	- 9	-	- 9
barley	676	510	- 24	- 24	- 1
oats and summer cereal mixtures	71	63	- 11	- 8	- 4
other cereals	2	2	- 37	- 27	- 14
2 Output of industrial crops	1 099	1 342	22	2	20
oil seeds	486	724	49	17	28
oilseed rape	469	702	50	16	29
other oil seeds	17	23	33	60	- 17
sugar beet	246	198	- 20	- 26	8

continued

Table 9.2 continued

	Current price value		Changes %		
	2009	2010	value	volume	price
other industrial crops	367	420	14	- 4	19
fibre plants	-	1	167	50	78
hops	4	4	-	-	-
other industrial crops (b)	362	415	15	- 4	19
3 Output of forage plants	317	326	3	- 8	12
4 Output of vegetables and horticultural products	1 952	2 232	14	3	11
fresh vegetables	1 082	1 257	16	3	13
plants and flowers	870	975	12	3	8
5 Output of potatoes (including seeds)	667	780	17	- 6	25
6 Output of fruit	580	575	- 1	-	-
7 Output of other crop products including seeds	58	50	- 13	- 11	- 3
Total crop output (sum 1 - 7)	6 973	7 564	8	- 1	9
8 Output of livestock	7 115	7 274	2	3	- 1
primarily for meat	5 845	6 142	5	4	1
cattle	2 131	2 191	3	7	- 4
pigs	976	984	1	4	- 3
sheep	958	970	1	- 7	9
poultry	1 590	1 799	13	9	4
other animals	189	198	5	-	5
gross fixed capital formation	1 270	1 132	- 11	- 3	- 8
cattle	849	726	- 15	- 1	- 14
pigs	9	9	- 3	- 1	- 2
sheep	228	219	- 4	- 18	16
poultry	185	179	- 3	-	- 3
9 Output of livestock products	3 712	3 961	7	4	3
milk	3 124	3 325	6	2	4
eggs	531	561	6	12	- 6
raw wool	14	25	84	- 2	87
other animal products	43	49	15	8	6
Total livestock output (8 + 9)	10 827	11 235	4	3	-
10 Other agricultural activities	870	910	5	3	2
agricultural services	870	910	5	3	2
leasing out quota	-	-	4	-	5
11 Inseparable non-agricultural activities	914	920	1	- 5	6
12 Output (at market prices) (sum 1 to 11)	19583	20629	5	1	4
of which:					
transactions within the agricultural industry					
feed wheat	110	111	1	- 3	4
feed barley	156	178	14	4	10
feed oats	20	19	- 3	2	- 5
fodder maize	179	194	8	- 4	13
seed potatoes	16	15	- 1	- 4	3
straw	302	346	15	- 5	21
contract work	870	910	5	3	2
total capital formation in livestock	1 270	1 132	- 11	- 3	- 8
13 Total subsidies (less taxes) on product (c)	34	25	- 26	. .	. .

continued

Table 9.2 continued

	Current price value		Changes %		
	2009	2010	value	volume	price
14 Gross output at basic prices (12 + 13)	19 617	20 654	5	1	4
Intermediate Consumption					
15 Seeds	690	637	- 8	- 3	- 4
16 Energy	1 097	1 250	14	-	14
electricity and fuels for heating	341	366	7	1	6
motor and machinery fuels	755	884	17	-	17
17 Fertilisers	1 426	1 342	- 6	- 8	2
18 Pesticides	715	711	- 1	2	- 2
19 Veterinary expenses	361	388	8	4	4
20 Animal feed (d)	3 611	4 020	11	7	4
compounds	2 088	2 256	8	7	1
straights	1 058	1 261	19	9	9
feed produced and used on farm or purchased from other farms	465	503	8	-	8
21 Total maintenance (e)	1 280	1 336	4	-	5
materials	798	826	4	-	4
buildings	482	510	6	-	6
22 Agricultural services	870	910	5	3	2
23 FISM	118	103	- 12	-	- 12
24 Other goods and services (e) (f)	2 667	2 752	3	- 3	6
25 Total intermediate consumption (sum 15 - 24)	12 834	13 450	5	1	4
26 Gross value added at market prices (12 - 25)	6 749	7 179	6	2	4
27 Gross value added at basic prices (14 - 25)	6 783	7 204	6	2	4
28 Total consumption of Fixed Capital	3 253	3 263	-	1	- 1
equipment	1 391	1 449	4	1	4
buildings (e) (g)	713	707	- 1	-	-
livestock	1 149	1 106	- 4	2	- 6
cattle	710	662	- 7	5	- 11
pigs	8	8	-	-	-
sheep	267	269	1	- 10	12
poultry	164	166	1	8	- 6
29 Net value added at market prices (25 - 28)	3 496	3 917	12	3	9
30 Net value added at basic prices (26 - 28)	3 530	3 942	12	3	9
31 Other taxes on production	- 106	- 113	6	. .	. .
32 Other subsidies on production (c)	3 588	3 170	- 12	. .	. .
33 Net value added at factor cost (30 + 31 + 32)	7 011	6 999	-	. .	. .
34 Compensation of employees (h)	2 123	2 129	-	. .	. .
35 Rent	354	353	-	. .	. .
rent paid (i)	443	441	- 1	. .	. .
rent received (j)	- 89	- 88	- 2	. .	. .
36 Interest (k)	161	141	- 13	. .	. .
37 Total income from farming (33 - 34 - 35 - 36)	4 373	4 377	-	. .	. .

(a) Output is net of VAT collected on the sale of non-edible products. Figures for output at market prices exclude subsidies on products.

(b) Includes straw and minor crops.

(c) “Subsidies (less taxes) on product”: payments linked to the production of agricultural products. “Other subsidies on production”: payments not linked to production from which agricultural producers can benefit as a consequence of engaging in agricultural activities e.g. Single Payment Scheme, agri-environment schemes.

continued

Table 9.2 continued

(d) For years prior to 1992 the split between compounds and straights was derived from the split present in later years.

(e) Landlords' expenses are included within total maintenance, other goods and services and total consumption of fixed capital of buildings.

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

(g) A more empirically based methodology for calculating landlords' consumption of fixed capital was introduced in 2000. The new series has been linked with the old one using a smoothing procedure for the transition year of 1996.

(h) Excludes the value of work done by farm labour on own account capital formation in buildings and works.

(i) Rent paid on all tenanted land (including 'conacre' land in Northern Ireland) less landlords' expenses, landlords' consumption of fixed capital and the benefit value of dwellings on that land.

(j) Rent received by farming landowners from renting of land to other farmers less landlords' expenses. This series starts in 1996 following a revision to the methodology of calculating net rent.

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

Balance sheets (table 9.3)

8. The aggregate balance sheets for agriculture values the total assets and liabilities for agriculture at the end of each calendar year and estimates the total net worth of the industry. Net worth was estimated to be £195 billion in 2009.

Table 9.3 Aggregate balance sheets for agriculture; United Kingdom

Enquiries: Graham Brown on +44 (0)1904 455084 email: graham.brown@defra.gsi.gov.uk

£ million As at December each year

	2005	2006	2007	2008	2009 (provisional)
At current prices					
Assets					
Fixed: (a)					
Land and buildings (b)	120 851	131 869	150 892	187 394	176 379
Plant, machinery and vehicles	7 147	7 287	7 680	8 302	9 178
Breeding livestock	3 897	4 183	5 726	6 650	9 842
Total fixed	131 895	143 339	164 298	202 346	195 399
Current:					
Trading livestock	3 945	5 029	5 291	3 031	3 064
Crops and stores	2 041	2 238	2 867	3 172	2 999
Debtors, cash deposits	4 837	4 649	4 781	5 244	5 328
Total current	10 823	11 916	12 938	11 447	11 391
Total assets	142 718	155 254	177 237	213 794	206 790
Liabilities					
Long and medium-term:					
AMC and SASC (c)	1 363	1 482	948	1 069	1 213
Building societies and institutions	470	485	534	758	984
Bank loans	2 329	2 506	2 951	3 423	3 531
Family loans	552	528	550	479	406
Other	378	533	178	41	21
Total long and medium-term	5 091	5 534	5 161	5 770	6 156
Short-term:					
Leasing	121	93	112	111	89
Hire purchase	624	706	844	981	942
Trade credit	1 376	1 480	1 604	1 799	1 698

continued

Table 9.3 continued

	2005	2006	2007	2008	2009 (provisional)
Bank overdrafts	3 499	3 220	3 053	2 976	3 053
Other	123	94	138	131	103
Total short-term	5 743	5 593	5 750	5 998	5 885
Total liabilities	10 834	11 127	10 911	11 768	12 040
Net worth	131 884	144 127	166 326	202 025	194 749
In real terms (as deflated by the retail price index):					
Indices 2000 = 100					
Total assets	110	115	126	150	142
Total liabilities	98	96	91	97	97
Net worth	111	116	129	155	146

(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 consumption of fixed capital.

(b) Values of land and buildings are not directly comparable with data prior to 1993.

(c) Agricultural Mortgage Corporation (AMC) and Scottish Agricultural Securities Corporation (SASC).

Accumulation accounts (table 9.4)

9. The accumulation accounts analyses the various components of change in the assets and liabilities of agriculture. The capital account shows estimates of changes in the value of assets held by the agricultural sector in the United Kingdom and includes gross fixed capital formation, consumption of fixed assets and changes in inventories. Capital formation and capital consumption in livestock measure the value of output due to the production and depreciation of breeding animals, mainly dairy cows, beef cows, ewes, sows and egg laying poultry. Consumption of fixed capital in livestock, which is approximated by assuming that all depreciation takes place at the time animals leave the breeding herds. Changes in inventories contribute to income.

Table 9.4 Accumulation accounts; United Kingdom

Enquiries: Graham Brown on +44 (0)1904 455084 email: graham.brown@defra.gsi.gov.uk

£ million Calendar years

	2006	2007	2008	2009	2010 (provisional)
Capital account					
Gross fixed capital formation	2 500	2 825	3 419	3 714	3 332
Acquisitions less disposals of non-livestock assets:	1 769	2 025	2 341	2 443	2 200
buildings and works	749	745	881	983	836
plant and machinery	986	1 245	1 422	1 425	1 333
vehicles	34	35	38	35	31
Capital formation in livestock (a):	732	799	1 078	1 270	1 132
cattle	447	493	784	849	726
sheep	146	153	125	228	219
pigs	8	5	6	9	9
poultry	131	149	162	185	179

continued

Table 9.4 continued

	2006	2007	2008	2009	2010 (provisional)
Consumption of fixed capital	2 681	2 717	3 070	3 253	3 263
Non-livestock assets:	1 884	1 909	1 977	2 104	2 156
buildings and works	685	696	709	713	707
plant and machinery	986	999	1 047	1 150	1 200
vehicles	213	213	221	241	249
Livestock (b):	798	809	1 093	1 149	1 106
cattle	499	503	745	710	662
sheep	162	157	188	267	269
pigs	7	6	7	8	8
poultry	129	142	153	164	166
Changes in inventories	- 175	- 278	403	121	- 325
stocks of crops	- 92	- 152	514	59	- 296
work-in-progress livestock	- 83	- 126	- 110	62	- 29
Total Income from Farming	2 536	2 886	4 793	4 373	4 377
Other capital grants and payments not included in the production and income account	74	74	158	57	43

(a) Capital formation in livestock is estimated by valuing the number of entries to the breeding herds at the entry price less the disposal price.

(b) Consumption of fixed capital in livestock is estimated by valuing the disposals from the breeding herds at the entry price less the disposal price.

Revaluation accounts (table 9.5)

10. Revaluation or holding gains measures the change in value between the time of production and the end of the accounting period due to changes in price. It includes the value of work-in progress for production of non-breeding livestock and for replacement animals, and the value of work-in-progress of crop production. Revaluation is not included in the production and income account and therefore does not contribute to income. The value of total holding gains was estimated at £300 million for 2010.

Table 9.5 Revaluation account; United Kingdom

Enquiries: Christine Holleran on +44 (0)1904 455080 email: keith.seabridge@defra.gsi.gov.uk

£ million Calendar years

	2006	2007	2008	2009	2010 (provisional)
Livestock production work-in-progress (non-breeders)					
cattle	153	- 34	427	220	- 50
sheep	- 11	- 20	71	81	- 1
pigs	75	- 90	11	28	- 52
poultry (a)	- 4	23	24	9	8
Total	212	- 121	533	338	- 95
Replacement animals for breeding herds					
cattle	305	1	315	263	- 335
sheep	- 5	- 9	31	35	- 1
pigs	1	- 2	-	-	- 1
Total	301	- 9	346	299	- 336

continued

Table 9.5 continued

	2006	2007	2008	2009	2010 (provisional)
Crop production work-in-progress					
wheat	107	428	- 149	- 162	312
barley	21	93	- 29	- 101	108
potatoes	112	51	- 97	- 29	165
other crops (b)	28	80	- 23	- 15	147
Total	268	652	- 297	- 308	732
Total holding gains	782	522	582	329	300

(a) Broilers, ducks, geese and turkeys.

(b) Oats, oilseeds, apples and pears.

Interest (table 9.6)

11. Table 9.6 presents estimates of total interest charges payable on farmers' borrowings for agricultural purposes including land purchases, less interest received on short-term deposits. Total interest changes are estimated at £141 million in 2010. The table also includes an estimate of Financial Services Indirectly Measured (FISIM); this an estimate of the value of the services provided by financial intermediaries, such as banks, for which no explicit charges are made, and which are paid for as part of the margin between rates applied to savers and borrowers. FISIM is included in intermediate consumption and is estimated at £103 million in 2010.

Table 9.6 Interest; United Kingdom

Enquiries: Graham Brown on +44 (0)1904 455084 email: graham.brown@defra.gsi.gov.uk

£ million (unless otherwise specified) Calendar years

	2006	2007	2008	2009	2010 (provisional)
Interest rates					
average bank base lending rate in the UK	4.6%	5.5%	4.6%	0.6%	0.5%
average rate of interest on bank advances	6.5%	7.1%	6.7%	3.2%	3.0%
Unadjusted interest charges (all lending to the farm business) on:					
bank advances	378	432	428	234	206
AMC and SASC loans (a)	63	65	20	22	19
instalment credit	55	74	77	38	33
leased assets	7	9	9	3	3
other credit (b)	60	62	35	19	16
less interest earned on money held on short-term deposit	44	61	77	37	33
Total	518	581	492	279	244
Interest charges (all lending to the farm business) after adjustment for FISIM					
Interest paid	468	544	447	209	183
less interest received	54	73	94	48	43
Total interest	414	471	353	161	141
Financial intermediation services indirectly measured (FISIM) (c)	104	110	139	118	103

(a) Agricultural Mortgage Company (AMC) and Scottish Agricultural Securities Corporation (SASC).

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

(c) FISIM is an estimate of the value of the services provided by financial intermediaries, such as banks, for which no explicit charges are made, and which are paid for as part of the margin between rates applied to savers and borrowers.

Changes in volume of capital assets (table 9.7)

12. Table 9.7 presents medium-term trends in the volume of capital assets expressed as indices, including gross fixed capital formation and capital consumption.

Table 9.7 Changes in volume of capital assets; United Kingdom

Enquiries: Graham Brown on +44 (0)1904 455084 email: graham.brown@defra.gsi.gov.uk

Indices 2005 = 100 Calendar years

	2006	2007	2008	2009	2010 (provisional)
Total volume of gross fixed capital formation					
Gross fixed capital formation:	106.6	103.5	119.4	132.5	113.1
non livestock:	107.6	133.4	148.6	139.3	125.6
buildings and works	91.0	93.0	100.0	86.7	75.5
plant and machinery	103.9	108.9	116.7	107.9	104.2
vehicles	101.0	103.6	123.4	102.2	101.4
livestock	118.7	131.7	92.6	110.2	94.0
Total volume of capital consumption					
Consumption of fixed capital	102.0	104.5	105.0	104.9	104.3
non livestock:	97.8	97.4	99.5	102.3	102.9
buildings and works	99.4	99.4	101.1	103.1	103.7
plant and machinery	90.4	87.8	95.3	78.3	80.0
vehicles	85.8	81.4	91.2	67.7	72.3
livestock	100.6	98.7	102.7	96.1	85.7

Chapter 10 Productivity

Summary

In 2010, compared to 2009:

- the volume of final output at market prices rose by 1.9 per cent;
- the volume of all inputs including entrepreneurial labour, rose by 0.3 per cent;
- and as a result, total factor productivity rose by 1.6 per cent;
- the total labour force expressed in annual work units (or full-time person equivalent) fell by 1.1 per cent;
- labour productivity as measured by net value added at market prices per annual work unit rose by 4.8 per cent.

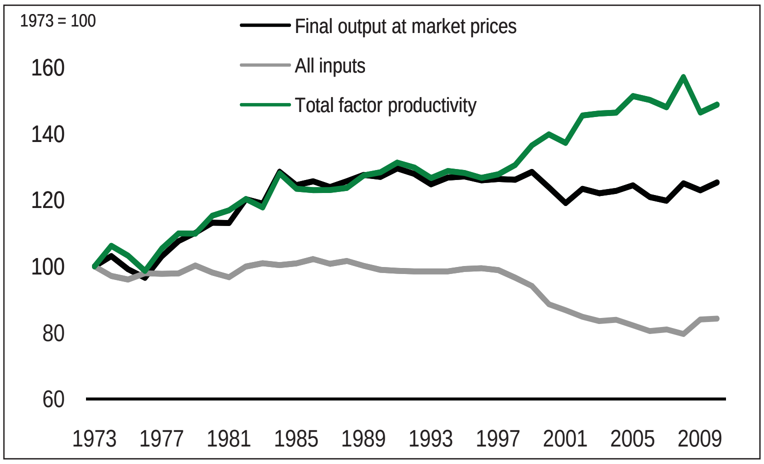
Over the longer term:

- since 1973, total factor productivity for agriculture has grown by 49 per cent, the volume of final output at market prices has increased by 25 per cent and the volume of all inputs has fallen by 16 per cent;
- however the long term upward trend can be seen to have levelled off from around 2005.

Introduction

1. A key measure of agriculture's economic performance and a key component of its competitiveness is its productivity, that is, how efficiently the agricultural industry uses the resources that are available to turn inputs into outputs. It is a key measure of the economic sustainability of United Kingdom farming and food, an important driver of farm incomes and an essential foundation for the environmental and social contributions which farming and food make.

Chart 10.1 Agricultural productivity; United Kingdom



2. Measuring productivity is not straightforward and comparisons need to be interpreted carefully because of both practical problems in obtaining robust data and because performance is often shaped by factors outside farmers' control, such as climate, topography and location.

3. The headline measure, total factor productivity, shows the volume of output leaving the industry per unit of all inputs including fixed capital and labour. It encompasses all businesses engaged in farming activities, including specialist contractors. Labour productivity measures the volume of net value added per unit of all labour (paid and entrepreneurial) and is a key component of total factor productivity.

Table 10.1 Productivity; United Kingdom

Enquiries: Christine Holleran on +44 (0)1904 455080 email: keith.seabridge@defra.gsi.gov.uk

Calendar Years

	2006	2007	2008	2009	2010 (provisional)
Volume indices 2005 = 100					
Final output at market prices (gross output less transactions within the industry)	97	96	100	99	101
All inputs (including fixed capital, paid and entrepreneurial labour)	98	98	97	102	102
Total factor productivity (a)	99	98	104	97	98
Labour productivity (net value added at market prices per AWU of all labour) (b)	100	92	121	87	91
Labour volumes (c); Annual work unit (thousand)					
Entrepreneurial labour	195	191	187	185	183
Paid labour	101	100	100	99	98
Total Labour force	296	291	287	284	281

(a) Final output per unit of all inputs (including fixed capital and labour).

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

(c) Volume of paid labour relating to agricultural work only and excluding time spent on the construction of farm buildings.

Table 10.2 Output and input volume indices; United Kingdom

Enquiries: Christine Holleran on +44 (0)1904 455080 email:keith.seabridge@defra.gsi.gov.uk

Indices 2005 = 100 Calendar years

	2006	2007	2008	2009	2010 (provisional)
Outputs at market prices					
1 Output of cereals	99	91	115	102	99
wheat	99	89	115	94	100
rye	100	100	100	100	100
barley	96	93	111	119	93
oats and summer cereal mixtures	138	134	148	141	129
other cereals	100	85	98	154	128
2 Output of industrial crops	93	84	98	99	101
oil seeds	97	107	105	103	121
oilseed rape	100	111	109	106	123
other oil seeds	56	22	33	61	80
sugar beet	85	78	88	97	75
other industrial crops	96	61	101	103	99
fibre plants	102	51	77	21	60
hops	83	83	83	83	83
others (a)	97	61	102	104	100
3 Output of forage plants	98	90	101	115	107
4 Output of vegetables and horticultural products	94	93	95	94	97
fresh vegetables	99	94	96	101	103
plants and flowers	90	93	95	86	89
5 Output of potatoes (including seeds)	95	91	97	110	104
6 Output of fruit	101	119	123	129	128
7 Output of other crop products including seeds	90	81	86	90	80
Total crop output	96	92	105	102	101

continued

Table 10.2 continued

	2006	2007	2008	2009	2010 (provisional)
8 Output of livestock	98	99	100	96	99
primarily for meat	98	98	97	94	99
cattle	96	98	96	94	100
pigs	100	105	104	101	106
sheep	100	99	97	93	86
poultry	97	92	94	91	100
other animals	99	100	100	100	100
gross fixed capital formation	104	109	117	108	104
cattle	101	104	123	102	101
pigs	121	111	125	124	123
sheep	119	132	93	110	94
poultry	99	106	108	129	129
9 Output of livestock products	99	96	95	94	98
milk	99	97	95	94	96
eggs	97	94	100	101	114
raw wool	90	83	80	74	73
other animal products	100	79	65	69	74
Total livestock output	98	98	98	95	99
10 Other agricultural activities	96	102	117	126	129
agricultural services	97	104	118	127	131
leasing out quota	10	4	2	2	2
11 Inseparable non-agricultural activities	96	102	103	115	111
12 Output (at market prices)	97	96	102	100	101
of which:					
transactions within the agricultural industry					
feed wheat	90	78	81	79	76
feed barley	98	86	81	84	87
feed oats	114	115	109	114	116
fodder maize	105	112	117	125	124
seed potatoes	105	40	58	54	51
straw	95	56	99	101	96
contract work	97	104	118	127	131
leasing of quota	10	4	2	2	2
total capital formation in livestock	104	109	117	108	104
13 Total subsidies (less taxes) on product	. .	. .	. .	. .	. .
14 Gross output at basic prices	97	96	101	100	101
Intermediate consumption					
15 Seeds	108	122	117	113	109
16 Energy	95	98	94	113	113
electricity and fuels for heating	93	87	95	120	122
motor and machinery fuels	96	103	94	110	110
17 Fertilisers	95	89	57	104	100
18 Pesticides	94	102	120	123	126
19 Veterinary expenses	95	100	117	124	128
20 Animal feed	100	99	101	100	107
compounds	105	108	107	106	113
straights	93	86	92	92	101
feed produced and used on farm or purchased from other farms	99	94	93	96	96

continued

Table 10.2 continued

	2006	2007	2008	2009	2010 (provisional)
21 Total maintenance (b)	97	101	107	109	109
materials	96	101	103	104	104
buildings	99	101	114	117	116
22 Agricultural services	97	104	118	127	131
23 FISM	100	98	101	105	104
24 Other goods and services (b) (c)	96	94	97	100	97
25 Total intermediate consumption	98	99	98	107	108
26 Gross value added at market prices	97	92	108	87	89
27 Gross value added at basic prices	97	92	108	87	89
28 Total consumption of Fixed Capital	97	96	100	94	95
equipment	98	98	100	102	103
buildings (b)	102	105	105	105	104
livestock	90	88	95	78	80
cattle	86	81	91	68	72
pigs	97	102	110	98	98
sheep	101	99	103	96	86
poultry	97	100	101	109	116
29 Net value added at market prices	97	88	114	81	84
30 Net value added at basic prices	97	88	113	81	84

(a) Includes straw and minor crops.

(b) Landlords' expenses are included within total maintenance, other goods and services and total consumption of fixed capital of buildings.

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

Chapter 11 Public Payments

Summary

In 2010:

- direct payments made to farmers totalled £3.19 billion, a 12 per cent decrease on 2009;
- payments not linked to production, including the Single Payment Scheme, fell by 11 per cent to £3.17 billion;
- payments linked to production totalled £25 million, a 26 per cent decrease from 2009;
- payments under the Less Favoured Areas Scheme totalled £113 million, an 18 per cent decrease on 2009;
- payments under the agri-environment schemes totalled £476 million which was similar to 2009.

Chart 11.1 Direct payments made to farmers; United Kingdom

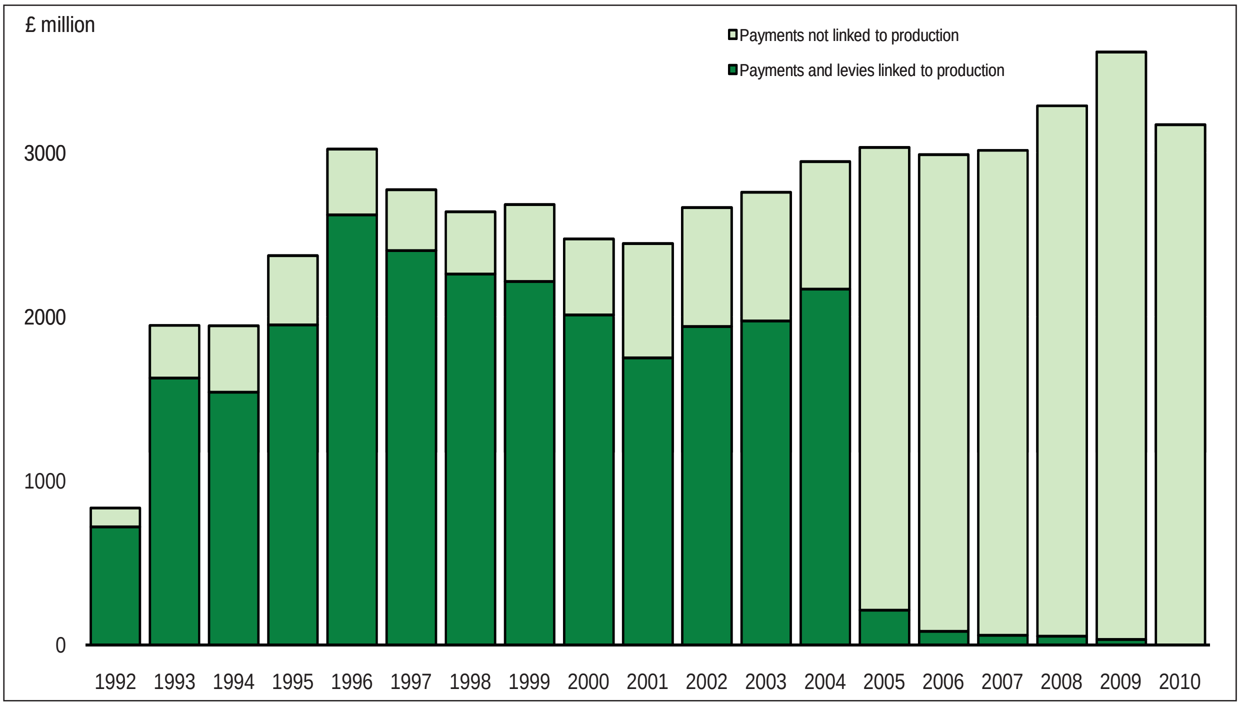


Table 11.1 Direct payments to farmers and levies recorded in the production and income account; United Kingdom

Shows payments after deduction for modulation where appropriate.

Enquiries: Alan Horsfall on +44 (0)1904 455083 email: alan.horsfall@defra.gsi.gov.uk

£ million Calendar years

	2006	2007	2008	2009	2010 (provisional)
Payments and levies linked to the production of agricultural products					
Crop subsidies					
Arable area payments	. .	. .	. .	. .	. .
Other crop subsidies (a)	17	13	8	14	6
Livestock subsidies					
Beef special premium	. .	. .	. .	. .	. .
Suckler cow premium	. .	. .	. .	. .	. .
Slaughter premium	. .	. .	. .	. .	. .
Over Thirty Month Scheme/Older Cattle Disposal Scheme	50	28	29	. .	. .
Beef national envelope	. .	. .	. .	. .	. .
Scottish beef calf scheme	18	19	18	20	19
Sheep annual premium	. .	. .	. .	. .	. .
Sheep national envelope	. .	. .	. .	. .	. .
Other livestock subsidies	. .	. .	. .	. .	. .
Dairy subsidies (b)	. .	. .	. .	. .	. .
less Levies:					
Milk superlevy	. .	. .	. .	. .	. .
Total coupled payments	85	59	55	34	25
Payments not linked to production					
Single Payments Scheme	2 366	2 311	2 580	2 948	2 532
Agri-environment schemes	377	460	486	472	476
Less Favoured Areas support schemes (c)	143	131	138	139	113
Animal disease compensation (d)	17	21	26	21	20
Extensification schemes	. .	. .	. .	. .	. .
Rural World Premium	. .	. .	. .	. .	. .
Arable area payments setaside	. .	. .	. .	. .	. .
Other (e)	. .	31	-	-	30
Total decoupled and other payments	2 903	2 954	3 229	3 579	3 170
Total payments less levies	2 988	3 013	3 284	3 613	3 196
Capital transfers and other payments not included in the production and income account	74	74	158	57	43

(a) CAP hops and herbage seeds support; hemp and flax aid; protein crop premium; area aid for nuts; energy crops aid.

(b) Dairy premium and additional dairy premium.

(c) Tir Mynydd in Wales, Less Favoured Area Compensatory Allowance Scheme in Northern Ireland, Less Favoured Areas Support Scheme in Scotland and Hill Farm Allowance in England.

(d) Compensation paid for livestock compulsorily slaughtered under disease control measures. Compensation paid for work-in-progress livestock are recorded as income compensation paid for capital livestock are recorded as capital transfers.

(e) Northern Ireland Deseasonalisation payments 1998-99; Northern Ireland Weather Aid 2007; 2010: Scotland - Severe Weather Grant Scheme: £3 million; 2010 - EU Dairy Fund £26.5 million .

Table 11.2 Payments to farmers by country in 2009

Shows payments after deduction for modulation where appropriate

Enquiries: Alan Horsfall on +44 (0)1904 455083 email: alan.horsfall@defra.gsi.gov.uk

£ million Calendar year

	England	Wales	Scotland	Northern Ireland	United Kingdom
Payments and levies linked to the production of agricultural products					
Crop subsidies					
Protein crop premium; area aid for nuts; energy crops aid.	13	. .	. .	. .	14
Livestock subsidies					
Over Thirty Month Scheme / Older Cattle Disposal Scheme	. .	. .	. .	. .	. .
Scottish Beef Calf Scheme	. .	. .	20	. .	20
Total coupled payments	13	. .	20	. .	34
Payments not linked to production					
Single Payment Scheme	1 860	286	512	290	2 948
Less Favoured Areas support schemes (a)	. .	25	64	23	139
Agri-environment schemes					
Environmental Stewardship / Countryside Stewardship Schemes	309	. .	. .	. .	309
Countryside Premium / Rural Stewardship / Land Management Contracts Schemes	. .	. .	38	. .	38
Tir Cymen / Tir Gofal / Tir Cynnal	. .	39	. .	. .	39
Countryside Management Scheme	. .	. .	. .	16	16
Organic Aid & Organic Farming Schemes	-	4	3	-	7
Environmentally Sensitive Areas Schemes	42	2	3	6	53
Sites and Areas of Special Scientific Interest	8	2	3	-	13
Animal disease compensation	11	4	-	5	21
Other (b)	. .	-	-	-	-
Total decoupled and other payments	2 257	363	623	341	3 584
Total subsidies less levies and taxes	2 271	363	643	341	3 618

(a) Tir Mynydd in Wales, Less Favoured Area Compensatory Allowance Scheme in Northern Ireland, Less Favoured Areas Support Scheme in Scotland and Hill Farm Allowance in England.

(b) Sheep Welfare Scheme (Scotland); Scottish Ewe Scheme; Exceptional payments to hill farmers (England); Welsh light lambs scheme.

Payments made through key measures of the Rural Development Programmes (table 11.3)

1. There are four rural development programmes in the United Kingdom, covering England, Wales, Scotland and Northern Ireland.

2. Table 11.3 shows details of payments made through two key measures of these programmes; Less Favoured Areas and Agri-Environment, adopted by each of the countries of the United Kingdom.

3. Further information on the rural development programmes may be found at:

   http://www.defra.gov.uk/rural/rdpe/
   http://www.scotland.gov.uk/Topics/farmingrural/SRDP
   http://wales.gov.uk/topics/environmentcountryside/farmingandcountryside/ruraldevelopment/?lang=en
   http://www.dardni.gov.uk/index/rural-development/nirdp2007-2013.htm

Table 11.3 Payments made through key measures of the Rural Development Programmes

Enquiries: Alan Horsfall on +44 (0)1904 455083 email:alan.horsfall@defra.gsi.gov.uk

£ Million Calendar Years

		2005	2006	2007	2008	2009
Less Favoured Areas and Areas with Environmental Restrictions measure						
England:	Hill Farm Allowance	27.3	27.2	27.2	27.2	27.2
Wales:	Tir Mynydd	35.8	34.8	23.7	29.7	25.2
Scotland:	Less Favoured Areas Support Scheme	61.0	60.3	59.2	58.9	64.0
Northern Ireland:	Less Favoured Areas Compensatory Allowance	21.8	21.0	21.0	22.0	22.5
Agri-Environment and Animal Welfare measure						
England:	Organic Farming Scheme	4.6	2.6	2.3	0.5	-
	Countryside Stewardship Scheme	117.4	106.5	94.2	84.9	82.8
	Environmentally Sensitive Areas Scheme	69.8	63.8	56.4	53.3	41.7
	Environmental Stewardship Scheme	. .	84.3	170.3	222.0	226.6
Wales:	Organic Farming Scheme	2.3	2.0	2.5	6.0	4.2
	Tir Gofal	19.1	18.3	25.2	22.0	30.7
	Environmentally Sensitive Areas Scheme	5.3	5.4	3.7	1.9	2.2
	Tir Cynnal	. .	6.2	5.7	6.3	8.6
Scotland:	Organic Aid Scheme	2.5	3.0	5.1	4.7	2.6
	Rural Stewardship Scheme	12.3	20.8	24.9	17.3	13.0
	Environmentally Sensitive Areas Scheme	8.2	6.3	5.1	3.6	2.7
	Land Management Contract Scheme	14.5	22.0	19.8	20.0	18.5
Northern Ireland:	Organic Farming Scheme	0.3	0.4	0.6	0.3	0.1
	Countryside Management Scheme	5.8	10.2	16.9	18.5	16.2
	New Environmentally Sensitive Areas Scheme	4.9	4.8	7.4	7.7	6.5

Take-up of agri-environment schemes (tables 11.4 and 11.5)

4. Agri-environment schemes require farmers to demonstrate good environmental practice. Tables 11.4 and 11.5 show the take-up of agri-environment schemes by area of land under management agreements and by the number of agreement holders. Due to the differing requirements of schemes, care should be taken when making comparisons.

Table 11.4 Agri-environment schemes; area under agreements

Enquiries: Alan Horsfall on +44 (0)1904 455083 email: alan.horsfall@defra.gsi.gov.uk

Thousand Hectares as at 31 December

	2006	2007	2008	2009	2010
England					
Organic Farming Scheme	68	25	13	-	-
Countryside Stewardship Scheme	514	474	442	372	268
Environmentally Sensitive Areas Scheme	582	546	503	462	417
Environmental Stewardship Scheme					
Entry Level Scheme (a)	3 921	4 725	5 024	5 609	5 584
Higher Level Scheme	83	175	291	453	924

Continued

Table 11.4 continued

	2006	2007	2008	2009	2010
Wales					
Organic Farming / Maintenance Schemes	81	76	121	126	132
Tir Cymen/Tir Gofal	429	439	329	377	381
Environmentally Sensitive Areas Scheme	77	78	65	26	8
Tir Cynnal	223	273	293	281	279
Scotland					
Organic Aid Scheme	127	124	117	115	94
Countryside Premium Scheme/Rural Stewardship Scheme	461	477	314	239	118
Environmentally Sensitive Areas Scheme	530	351	268	174	51
Land Management Contracts / Land Managers Options	439	437	488	492	367
Northern Ireland					
Organic Farming Scheme	10	6	6	7	5
Countryside Management Scheme	318	317	315	352	351
New Environmentally Sensitive Areas Scheme (b)	141	131	122	109	108

(a) Includes Entry Level Pilot Scheme and Organic Entry Level Scheme.

(b) The Environmentally Sensitive Areas Scheme (ESA) in Northern Ireland ended in 2002 when it was replaced by the New Environmentally Sensitive Areas Scheme (NESA); existing agreements under the ESA Scheme continue to be honoured.

Table 11.5 Agri-environment schemes - number of agreement holders

Enquiries: Alan Horsfall on +44 (0)1904 455083 email: alan.horsfall@defra.gsi.gov.uk

Rounded to nearest hundred as at 31 December

	2006	2007	2008	2009	2010
England					
Organic Farming Scheme	800	300	100	-	-
Countryside Stewardship Scheme	15 600	13 400	12 000	10 600	8 500
Environmentally Sensitive Areas Scheme	9 600	8 600	7 800	7 100	6 500
Environmental Stewardship Scheme:					
Entry Level Scheme (a)	28 500	34 300	37 300	42 500	41 000
Higher Level Scheme	1 200	2 000	2 900	4 300	7 700
Wales					
Organic Farming Scheme	800	800	900	1 000	1 000
Tir Cymen/Tir Gofal	3 300	3 200	2 900	3 200	3 100
Environmentally Sensitive Areas Scheme	1 000	1 000	800	200	-
Tir Cynnal	3 400	4 200	4 400	4 400	4 200
Scotland					
Organic Aid Scheme	400	400	400	400	300
Countryside Premium Scheme/Rural Stewardship Scheme	6 200	6 400	5 400	3 900	2 000
Environmentally Sensitive Areas Scheme	2 000	1 600	1 200	900	200
Land Management Contracts / Land Managers Options	5 800	5 800	6 700	6 900	5 400
Northern Ireland					
Organic Farming Scheme	100	100	100	100	100
Countryside Management Scheme	8 900	8 800	8 700	9 400	9 400
New Environmentally Sensitive Areas Scheme (b)	4 300	3 900	3 400	3 100	3 000

(a) Includes Entry Level Pilot Scheme and Organic Entry Level Scheme.

(b) The Environmentally Sensitive Areas Scheme (ESA) in Northern Ireland ended in 2002 when it was replaced by the New Environmentally Sensitive Areas Scheme (NESA); existing agreements under the ESA Scheme continue to be honoured.

Chapter 12 Organic Farming

Summary

In 2009:

- the total area of land that was organically managed (either fully organic or in-conversion) fell slightly by 0.6 per cent;
- eighty four per cent of all organically managed land in the United Kingdom continues to be used for permanent and temporary pasture. Cereals cover the next greatest land area with 8.1 per cent of the total;
- just over half of all organically managed land in the United Kingdom was in England, covering 379 thousand hectares;
- the total number of producers and / or processors in the United Kingdom fell to 7,567 in 2009 from 7,896 in 2008, with 70 per cent of producers and / or processors located in England. The fall in the number of organic producers and / or processors between 2008 and 2009 may reflect the economic slow-down which has forced some consumers to switch to cheaper types of food;
- the South West region of England still has the highest proportion of both crop and livestock producers in the United Kingdom with 30 per cent and 31 per cent respectively.

Introduction

1. Organic farming is a method of farming that requires farmers to operate to a system based on ecological principles and which imposes strict limitations on the inputs that can be used in order to minimise damage to the environment and wildlife. Emphasis is placed on natural methods of production and pest control.

2. Defra works with the various organic certification bodies in the United Kingdom to collect and publish data on the organic sector. Each year, certifier bodies visit their registered farms to carry out annual inspections. During these inspections, certifiers record the crop areas and numbers of livestock present on the organic holding on that day. The data collected during these inspections is sent to Defra each January. Due to the nature of the inspections, the data is collected at varying times through the year. Therefore, the data presented in this chapter does not give an exact snapshot of organic farming at any specific time of year so this should be considered when interpreting the results.

3. Since the 2008 edition of Agriculture in the United Kingdom which coincided with a review of published organic data, there has been some adjustment to the way in which yearly data is labelled. As mentioned above, organic data is collected throughout the year and supplied to Defra the following January. The existing method for labelling the yearly data meant that data collected throughout 2009 would be labelled January 2010. It was thought that this method was slightly mis-leading as this could imply that the data provided represents the state of organic production at that given point in time. The revised method means that data collected during 2009 and supplied at the end of January 2010 will now be labelled 2009. All yearly data has been re-labelled accordingly.

Map 12.1 Distribution of registered organic producers in Great Britain; 2009

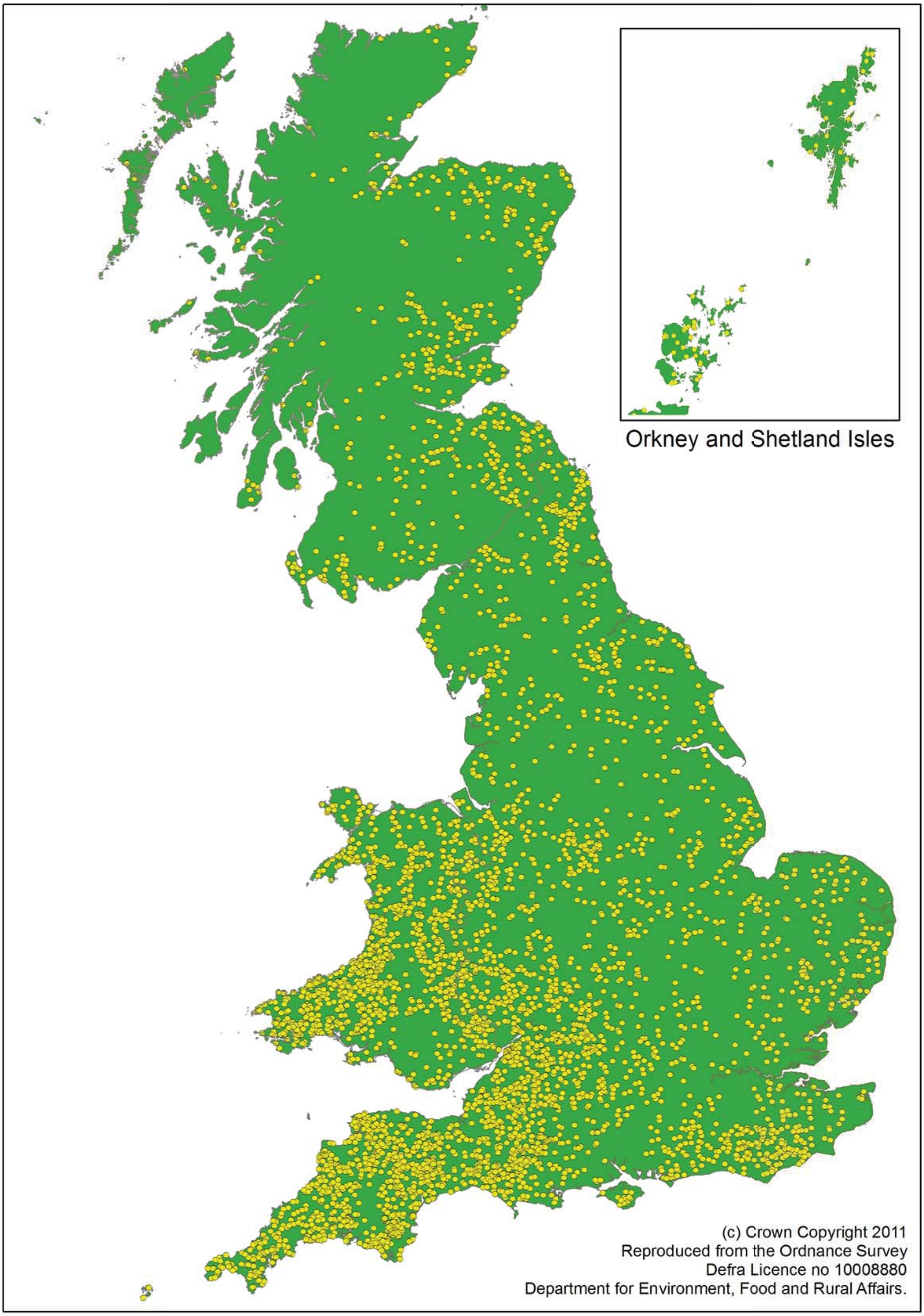


Table 12.1 Total UK organic land (in-conversion & fully organic)

Enquiries: Organic Statistics Team on +44 (0)1904 455407 email: organic-stats@defra.gsi.gov.uk

Thousand hectares

	2005	2006	2007	2008	2009
Land, in-conversion					
North East	6.6	6.9	4.8	9.8	6.5
North West	3.2	1.8	3.3	3.8	3.4
Yorkshire & Humberside	2.3	3.4	4.1	3.8	2.7
East Midlands	2.4	2.1	3.1	3.7	3.1
West Midlands	3.2	4.0	5.7	8.2	5.7
Eastern	2.6	3.6	5.3	4.8	4.1
South West	22.0	31.6	48.2	46.5	34.7
South East (inc. London)	10.7	13.2	14.6	10.4	7.3
England	53.2	66.5	89.0	91.1	67.6
Wales	12.8	15.4	30.9	49.5	36.8
Scotland	16.7	35.2	34.8	6.2	12.0
Northern Ireland	3.2	4.0	3.2	2.3	3.0
United Kingdom	86.0	121.1	157.9	149.1	119.4
Land, fully organic					
North East	29.3	22.6	25.8	25.6	26.8
North West	18.9	19.4	20.4	21.2	19.8
Yorkshire & Humberside	9.0	9.0	9.6	10.9	11.9
East Midlands	13.2	12.5	13.2	12.2	14.4
West Midlands	27.0	26.3	28.2	29.7	32.0
Eastern	11.8	10.8	12.7	13.2	14.2
South West	94.0	93.4	106.3	123.9	140.4
South East (inc. London)	35.2	35.8	42.5	47.2	51.6
England	238.4	229.9	258.7	284.0	311.2
Wales	58.0	63.5	65.1	75.1	88.6
Scotland	231.2	200.1	193.1	225.1	209.3
Northern Ireland	6.3	5.1	7.3	10.1	10.3
United Kingdom	533.9	498.6	524.3	594.4	619.3
Total UK organic land (in-conversion & fully organic)	619.9	619.8	682.2	743.5	738.7

Source: OASIS

Chart 12.1 Organically managed land; United Kingdom

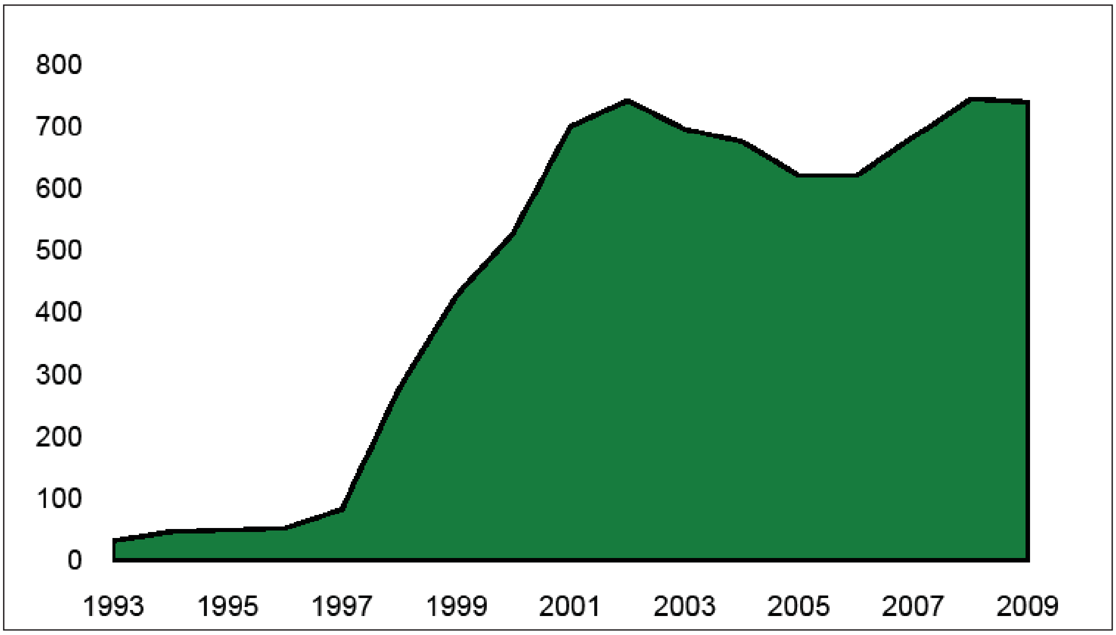


Table 12.2 Organic and in-conversion land use; United Kingdom

Enquiries: Organic Statistics Team on +44 (0)1904 455407 email: organic-stats@defra.gsi.gov.uk

Thousand hectares

	2005	2006	2007	2008	2009
Land, in-conversion					
Cereals	10.3	11.9	13.2	9.9	6.5
Other crops	3.5	3.4	3.5	2.5	2.1
Fruit & nuts (nuts not included in Mar 03)	0.2	0.2	0.4	0.4	0.3
Vegetables (including potatoes)	1.3	2.1	2.6	2.0	1.6
Herbs & ornamentals (included nuts in Mar 03)	0.2	0.1	0.1	0.6	0.8
Temporary pasture	15.9	22.9	34.2	31.0	19.6
Set aside	1.4	1.1	-	-	-
Permanent pasture (a)	47.5	72.1	93.6	96.0	82.7
Woodland	3.5	4.2	5.6	2.7	2.6
Non cropping	1.1	2.3	3.3	1.9	1.1
Other	1.1	0.2	0.3	0.3	0.1
Unknown	0.1	0.8	1.1	1.7	2.0
Total	86.0	121.1	157.9	149.1	119.4
Land, fully organic	0.0				
Cereals	37.4	35.5	38.4	47.3	53.4
Other crops	7.3	6.8	7.8	8.7	9.1
Fruit & nuts (nuts not included in Mar 03)	1.5	1.6	1.6	1.5	1.9
Vegetables (including potatoes)	12.4	13.5	14.3	17.7	17.3
Herbs & ornamentals (included nuts in Mar 03)	0.6	0.6	0.5	4.9	4.9
Temporary pasture	82.0	79.8	90.9	98.8	106.6
Set aside	2.3	1.3	0.0	0.0	0.0
Permanent pasture (a)	380.9	350.5	358.4	398.3	413.0
Woodland	3.3	4.0	5.9	3.2	4.6
Non cropping	2.4	4.0	4.7	4.4	5.7
Other	3.2	0.4	0.4	1.0	1.5
Unknown	0.4	0.6	1.4	8.6	1.1
Total	533.9	498.6	524.3	594.4	619.3

(a) Includes rough grazing.

Table 12.3 Organic producers and / or processors (a) - regional breakdown

Enquiries: Organic Statistics Team on +44 (0)1904 455407 email: organic-stats@defra.gsi.gov.uk

Number of businesses

	2005	2006	2007	2008	2009
North East	129	161	173	179	167
North West	311	332	367	367	333
Yorkshire & Humberside	279	319	356	330	308
East Midlands	416	446	487	449	422
West Midlands	478	520	556	555	507
Eastern	508	556	574	551	529
South West	1532	1732	1961	2002	1988
South East (inc. London)	901	939	1042	1041	1024
England	4554	5005	5516	5474	5278
Wales	800	835	953	1230	1176
Scotland	792	911	860	889	820
Northern Ireland	267	292	302	303	293
United Kingdom	6413	7043	7631	7896	7567

(a) Processers can include abattoirs, bakers, storers and wholesalers. The recorded location depends on the address registered with the Certifier Bodies and so larger businesses may be recorded at their headquarters.

Table 12.4 Numbers of crop / livestock organic producers and processors 2009 (a)

Enquiries: Organic Statistics Team on +44 (0)1904 455407 email: organic-stats@defra.gsi.gov.uk

Number of businesses

	No. crop producers	No. crop producers and processors	No. livestock producers	No. livestock producers and processors
North East	116	6	73	5
North West	158	10	104	7
Yorkshire & Humberside	131	9	86	4
East Midlands	197	10	130	6
West Midlands	308	14	183	13
Eastern	207	17	71	9
South West	1403	74	845	60
South East (inc. London)	420	32	186	24
England	2940	172	1678	128
Wales	988	27	551	14
Scotland	531	15	292	11
Northern Ireland	208	0	190	0
United Kingdom	4667	214	2711	153

Source: Organic certifier bodies collated by Defra statistics

(a) Mixed organic holdings will be recorded under both the crop and livestock headings above so the above numbers cannot be added together to get total producers / processors by region as this will lead to double counting. For totals please see Table 12.3.

Table 12.5 Estimates of organic and in-conversion livestock numbers (a); United Kingdom

Enquiries: Organic Statistics Team on +44 (0)1904 455407 email: organic-stats@defra.gsi.gov.uk

Thousand head

	2005	2006	2007	2008	2009
Cattle	214.3	244.8	250.4	319.6	331.2
Sheep	691.0	747.3	863.1	1 178.3	884.8
Pigs	30.0	32.9	50.4	71.2	48.2
Poultry	3 439.5	4 421.3	4 440.7	4 362.9	3 958.7
Goats	0.5	0.6	0.5	0.4	0.1
Other livestock	1.5	4.3	3.4	4.4	3.3

(a) Certification bodies record production data at various times of the year so figures should be treated with care as they will not represent an exact snapshot of organic livestock farming.

Chapter 13 Environment

Summary

- occupying over 17 million hectares, agriculture accounts for around three quarters of land use of the UK. Over half of the farmland in the United Kingdom is managed under agri-environment schemes;
- use of nitrate fertiliser increased by 11 per cent between 2009 and 2010;
- use of phosphate fertiliser increased by 31 per cent between 2009 and 2010;
- the volume of pesticide used on cereals increased by 4.0 per cent between 2006 and 2008;
- between 2008 and 2009 agricultural emissions of methane fell by 1.6 percent and of nitrous oxide by 0.7 per cent;
- ammonia emissions from agriculture remained unchanged between 2008 and 2009;
- the proportion of river lengths in England exceeding 30mg of nitrate per litre fell from 32 per cent to 29 per cent between 2008 and 2009;
- the proportion of river lengths in England exceeding 0.1 mg of phosphate per litre fell from 52 per cent to 50 per cent between 2008 and 2009;
- the index of farmland bird populations in the United Kingdom fell by 3.0 per cent between 2008 and 2009.

Introduction

1. Agriculture uses land as a resource to produce a range of food and non-food commodities. Agricultural and other land management and activities therefore help to shape the landscape and provide habitats for wildlife. However, they can also have a profound impact on soils, air and water bodies in the natural environment.

2. Agriculture accounts for around three quarters of total land use in the United Kingdom, covering over 17 million hectares. Just over 70 per cent of this is grassland used for grazing livestock and slightly less than 30 per cent used to grow crops. The remaining small proportion is uncropped, cultivable land that is not currently in production.

3. Environmental Stewardship Schemes make payments to farmers who adopt land management and farm practices that are beneficial to the environment. The level of uptake of these schemes therefore gives an indication of the extent of environmentally sensitive farming. Further details of agri-environment schemes and other support payments are in chapter 11.

4. Fertilisers are the main source of nutrient input to agricultural soils. The key nutrients for crop growth are nitrogen and phosphorus, the main sources of which are mineral fertilisers and organic fertilisers, such as manures and slurries from livestock. While their use contributes to high crop yields, allowing greater levels of production to be achieved, a surplus of these nutrients in agricultural soils poses an environmental risk.

5. Soil nutrient balances provide a method of quantifying the environmental risk of nitrogen and phosphorus losses by estimating the total loadings of these nutrients in agricultural soils. The balance indicates

whether there is a surplus or deficit of nutrients and its size and is calculated as the difference between nutrient inputs, including mineral fertilisers and animal manures, and nutrient removals by crop products and fodder, including for grazing.

6. A high level of nitrogen and phosphorus in agricultural soils increases the risk of their transportation to river water from soil erosion and leaching. Nitrogen and phosphorus in river water can cause environmental impacts such as eutrophication or acidification and a loss of biodiversity. For human health reasons, excessive levels of these nutrients must be removed from water bodies used for drinking water, incurring significant costs to water companies. It is estimated that agriculture accounts for around 60 per cent of the nitrates (ADAS report 2004) and around 29 per cent of phosphates in river water (White and Hammond 2006).

7. Nitrogen can also be lost to the air in the form of ammonia (NH_3) or nitrous oxide (N_2O).

8. Ammonia emissions have an impact on air quality and thus on human health. Deposition of ammonia can also damage sensitive habitats due to acidification and eutrophication, where excessive growth of a few dominant species leads to a decline in diversity of other species. Livestock production is a major source of ammonia emissions mainly from livestock housing and from the spreading of animal manure. Agriculture is responsible for 89 per cent of the total United Kingdom emissions.

9. Nitrous oxide is a potent greenhouse gas, emitted to the air from nitrogen applied to agricultural soils. The main sources of this nitrogen are mineral fertilisers and animal manures and the surplus is measured by the soil nitrogen balance. Agriculture emissions represent 79 per cent of total UK emissions in 2009.

10. Agriculture is also a major contributor to Methane emissions, another greenhouse gas, contributing to climate change. Agricultural emissions of methane arise mainly from enteric fermentation in ruminating animals and agriculture accounted for 41 per cent of United Kingdom emissions of methane in 2009.

11. Pesticides include a range of plant protection products to manage pests and disease and regulate growth. These play a vital part in maintaining high crop yields and allow greater levels of production from land. However, pesticides can have detrimental impacts on the environment, in particular to terrestrial and aquatic biodiversity.

12. Water abstraction from rivers and groundwater provides a source for irrigation, particularly for certain crops and in areas of low rainfall, helping to achieve high yields and crop quality. Agricultural water use can have both positive impacts such as the recharge of aquifers but also negative impacts to flooding and soil erosion. Over-abstraction can also lead to damage to sensitive aquatic habitats. Although agriculture accounts for only about 1.0 per cent of the total water abstracted, much of the water used in agriculture is in the south and east of England – areas of particular pressure for water resources.

13. Farmland bird populations are considered a good indicator of the state of wildlife more generally because they have a wide habitat distribution and are near the top of the food chain. Land management and farming practices can provide habitats for nesting birds and valuable sources of winter food and spring forage. As a result, farming has a significant impact on the farmland bird populations, although these are also affected by non-agricultural factors such as the severity of winters. The farmland birds index is made up of generalist species and farmland specialist species. Since 1970 the generalist populations have remained stable and the overall declining trend for all species is driven mainly by the trend for the specialists.

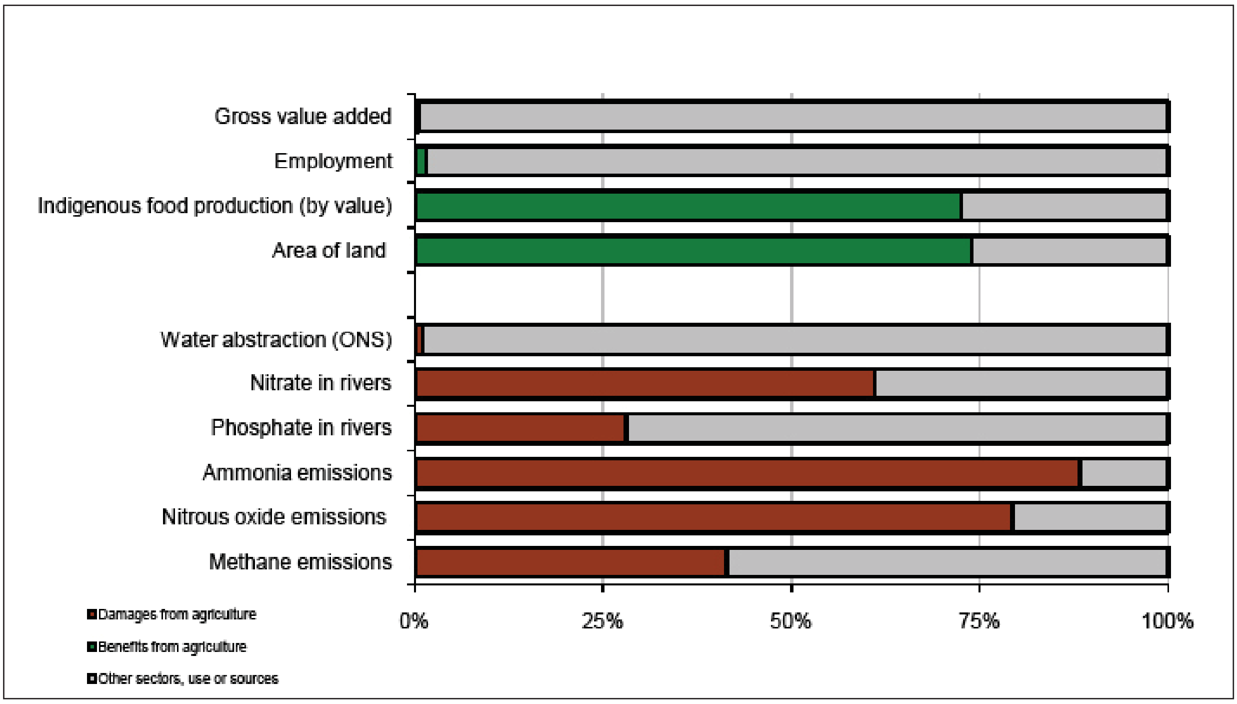
Results

14. The following section brings together a wide range of data to provide an overall picture of farming's environmental impacts. The results are based on data collected from environmental monitoring, administrative systems or farm-based surveys. The results presented here have been chosen because they meet the following criteria; as being from well-established data series, reliable sources and generally updated annually.

15. In the last ten years the key drivers for change in the environmental impacts of agriculture have arguably been the fall in livestock numbers and a reduction in application of fertilisers, particularly to grassland. The fall in livestock numbers, in particular ruminants, has led directly to a reduction in methane emissions. This decrease in livestock combined with the reduction in fertiliser use has led to a decrease in the soil nutrient surplus of both nitrogen and phosphorus. The decline in the soil nitrogen balance has reduced the risk of loss of nitrogen to the environment and is reflected in a reduction in both nitrous oxide and ammonia emissions. There has also been a decrease in transportation of nitrogen and phosphorus to water bodies.

16. Chart 13.1 summarises agriculture's contribution to the economy, environment and society. It shows the relative contribution that agriculture makes to the UK economy, landscapes and biodiversity, natural resources and societal well-being. While agriculture makes a relatively small contribution to the economy (less than 1 per cent) it provides us with nearly three quarters of the food we eat and is the dominant form of land use The extent of this land use contributes to the significance of the environmental impacts.

Chart 13.1 Environmental profile of the agricultural sector; United Kingdom

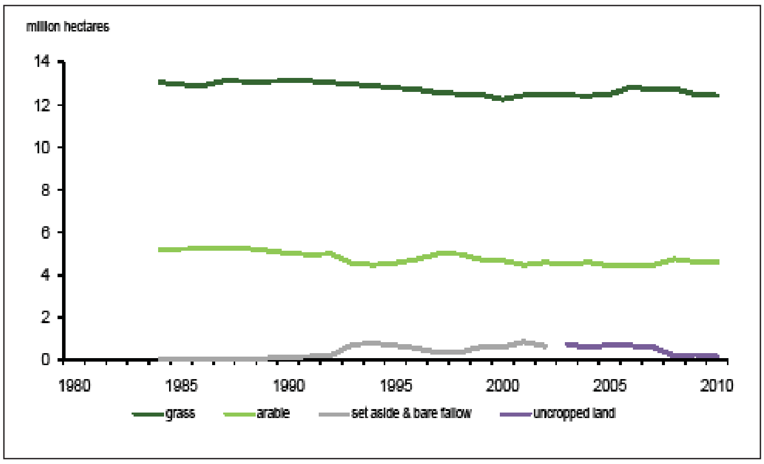


Source: Defra

Land Use (chart 13.2)

17. Agricultural land use has remained fairly stable since 1983 with the proportion of land used for grass and arable remaining fairly constant. The total area of uncropped land fell sharply in 2008, reflecting high cereal prices and the setting of a zero rate of set-aside. It has increased slightly since then but not returned to previous levels.

Chart 13.2 Land Use; United Kingdom



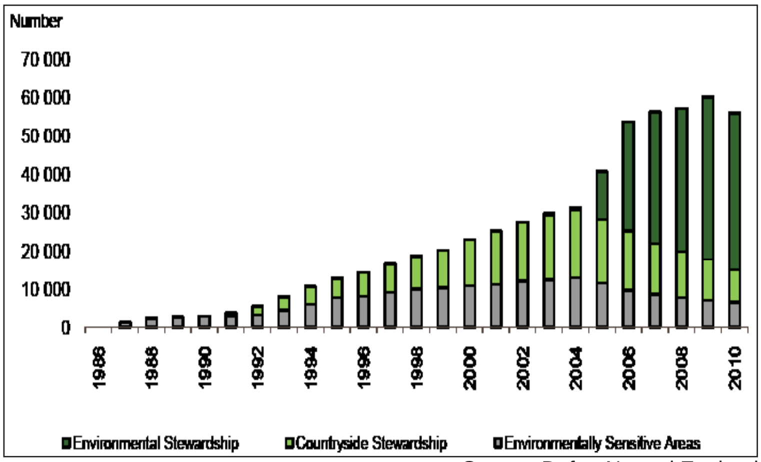
Source: Defra

Chapter 13 - Environment

Uptake of stewardship schemes (chart 13.3)

18. Uptake of the Entry Level Environmental Stewardship Scheme has seen a steady increase since it was introduced in 2005 .

Chart 13.3 Agri-environment schemes - Number of agreements; England



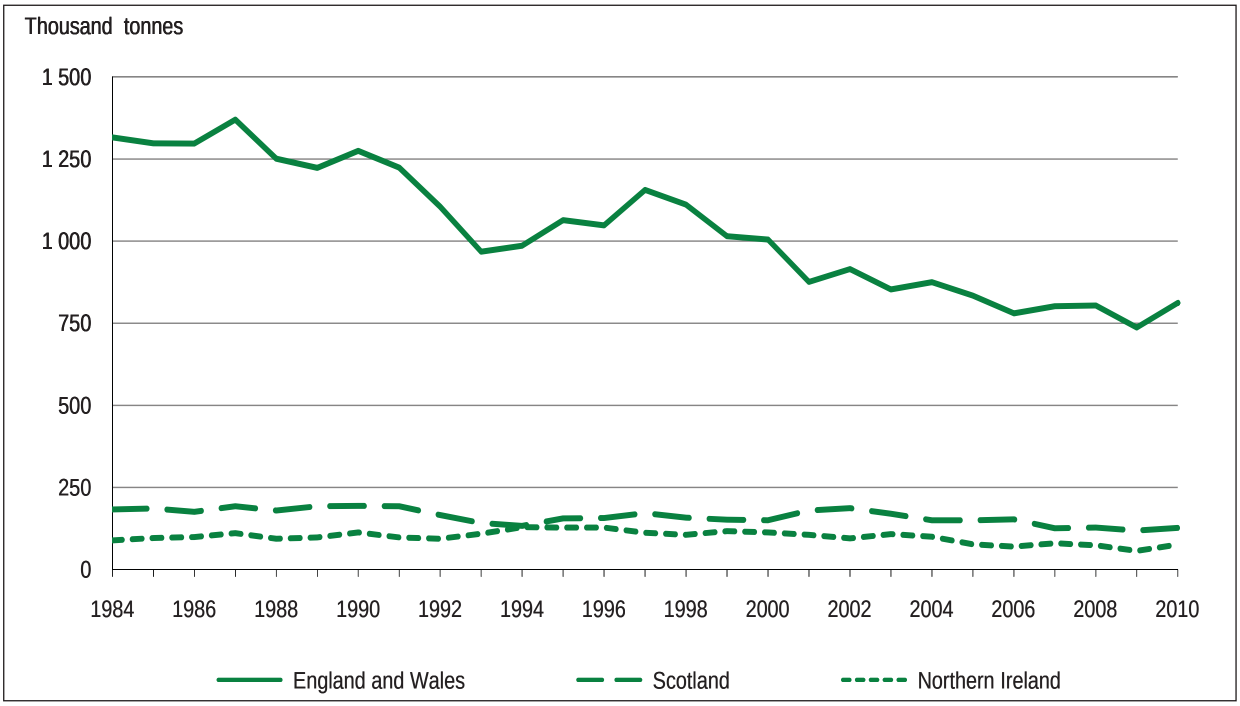
Source; Defra, Natural England

Fertiliser use (charts 13.4 and 13.5)

19. Levels of fertiliser use in Scotland and Wales are generally low whilst they have been considerably higher in England, mainly as a result of the high levels of cropping as fertiliser is generally applied at a higher rate on arable land than pasture. All UK countries have shown an overall declining trend since 1984 for both nitrogen and phosphate, mainly reflecting a reduction in application rates on grass.

20. Levels of nitrogen fertiliser use (chart 13.4) in England have fluctuated from year to year, influenced by fertiliser prices, crop prices and crop type. In spite of a fall of one third in the amount of fertiliser applied, yields have increased steadily over this time period.

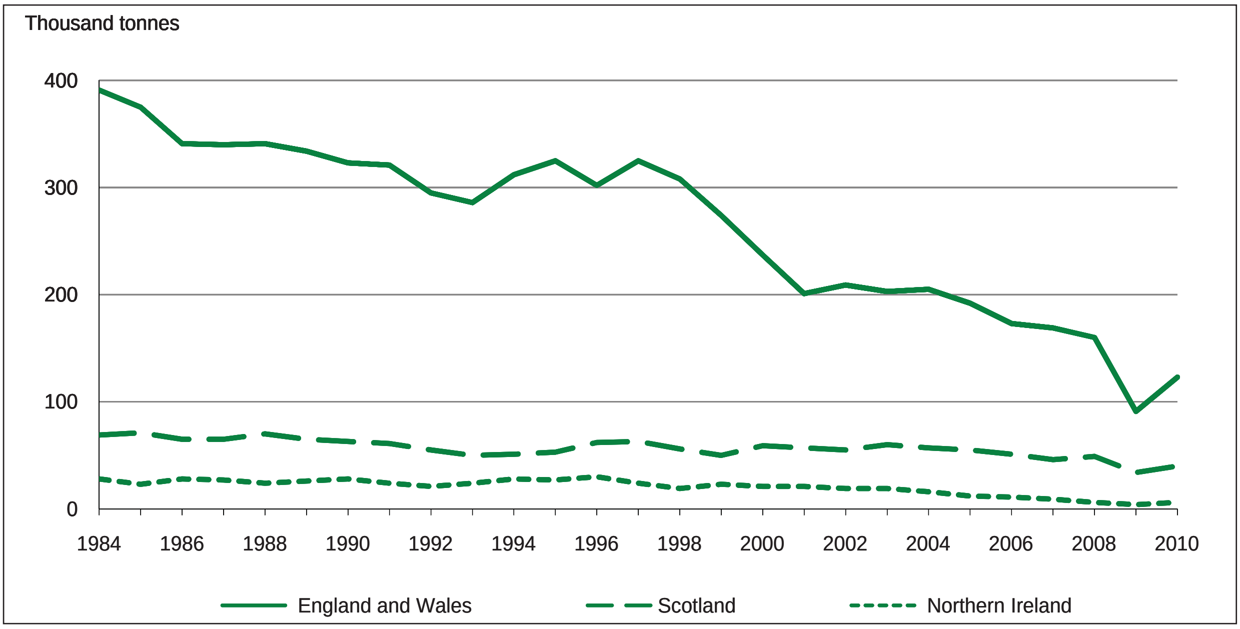
Chart 13.4 Nitrogen (N) fertiliser use in Great Britain 1984 to 2010



Source: BSFP, DEFRA, AIC

21. Phosphate fertiliser use in England shows a similar fluctuating pattern but with an overall decline of nearly two thirds over this time period. This is for the same reasons as those that influenced nitrogen fertiliser use.

Chart 13.5 Phosphate (P_2O_5) fertiliser use in Great Britain 1984 to 2010

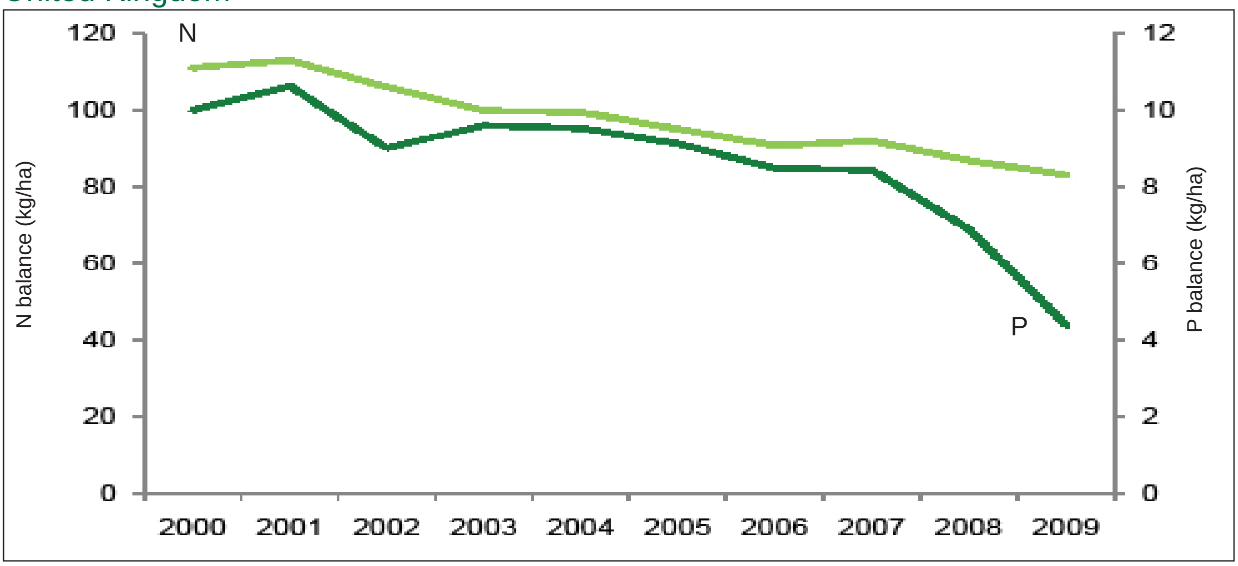


Source: BSFP, DEFRA, AIC

Soil Nutrient Balances (chart 13.6)

22. The soil nutrient balance for both nitrogen and phosphorus shows an overall declining trend from 2000 to 2009. This is mainly due to a fall in the numbers of livestock and a reduction in the use of mineral fertilisers on grassland. The nitrogen balance has fallen to 83.2 kg N per hectare in 2009. This represents a steady improvement but is still a high level presenting a risk of loss to the environment. The phosphorus balance has fallen to 4.4 kg P per hectare, a level that represents better matching of applications to the crop growth requirements.

Chart 13.6 Soil Nutrient Balances for Nitrogen (N) and Phosphorus (P); United Kingdom

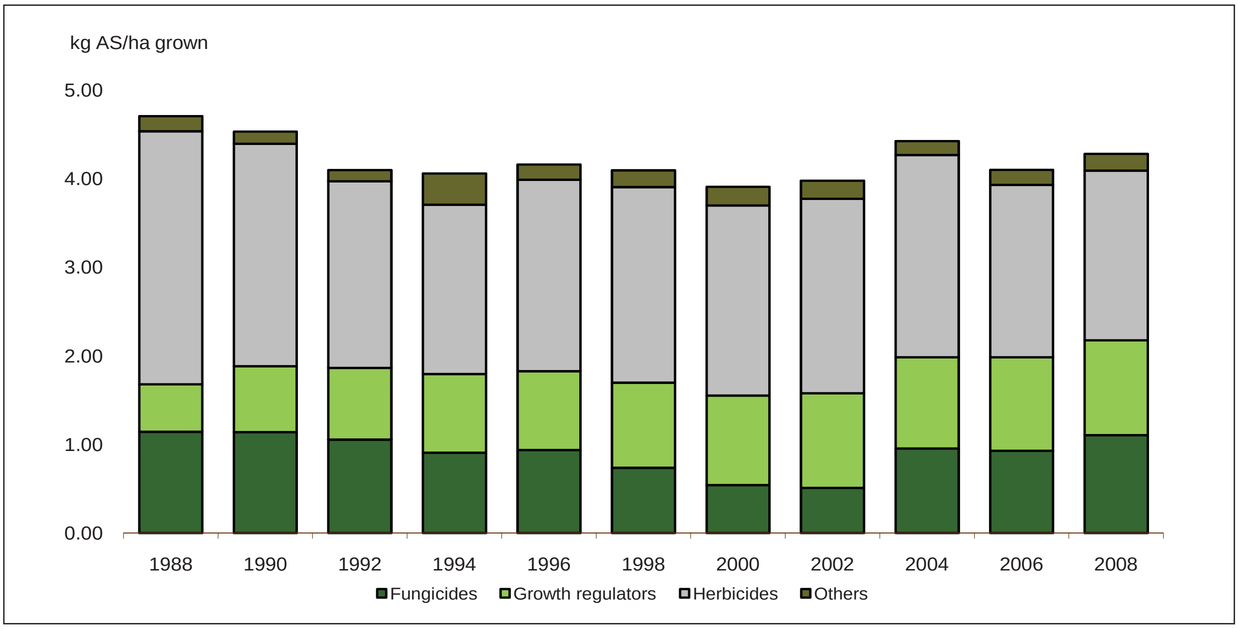


Source: Defra

Pesticides (chart 13.7)

23. The majority of pesticides are used on cereals and chart 13.7 shows the levels of usage of different pesticides on cereals between 1988 and 2008.

Chart 13.7 Pesticide use on cereals

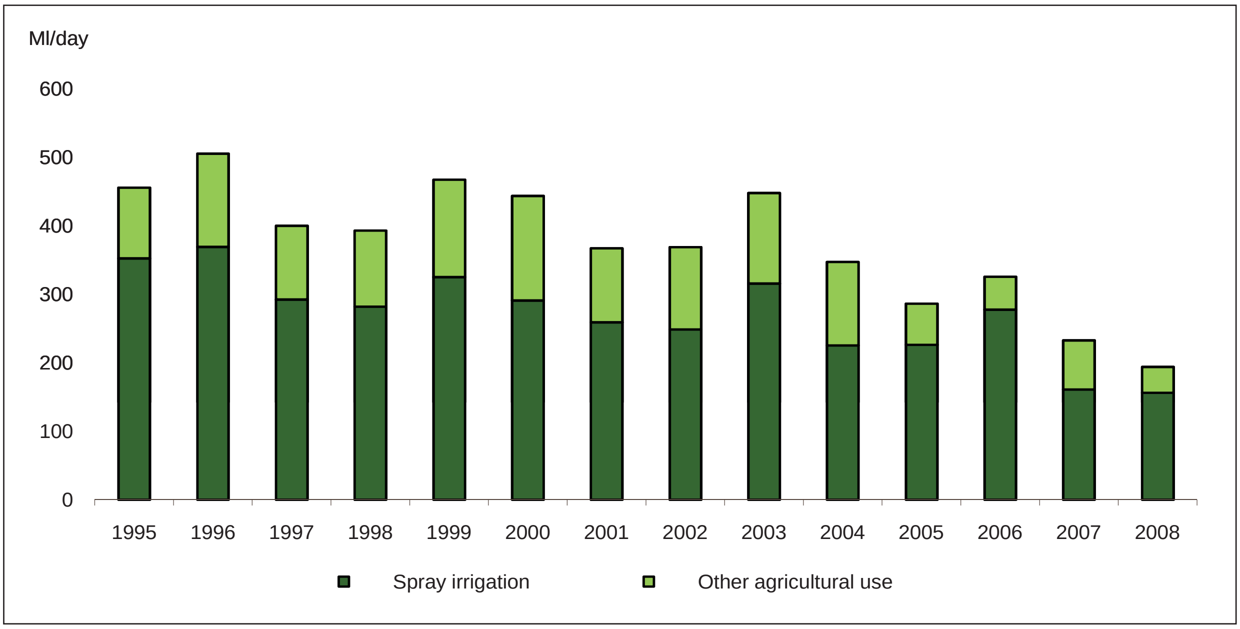


Source: Defra Pesticide Usage Survey

Water use (chart 13.8)

24. Levels of water abstraction for agricultural use are highly variable over years and greatly influenced by annual rainfall, particularly during the growing season. In 2008 the total volume of water abstracted fell to the lowest levels since 1995, continuing the overall declining trend.

Chart 13.8 Water abstracted for agricultural use 1995 to 2008; England and Wales



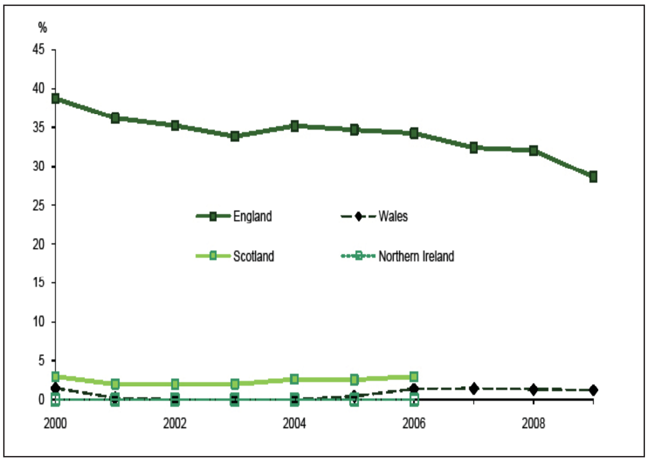
Source: Environment Agency

Water Quality (charts 13.9 and 13.10)

25. Nitrate levels in rivers in Scotland, Wales and Northern Ireland have historically been low and remain so. In England levels have been considerably higher but have shown an overall fall since 2000. This trend is consistent with that in the soil nitrogen balance over the same period, which is a result of decreasing mineral fertiliser use on grassland and falling livestock numbers.

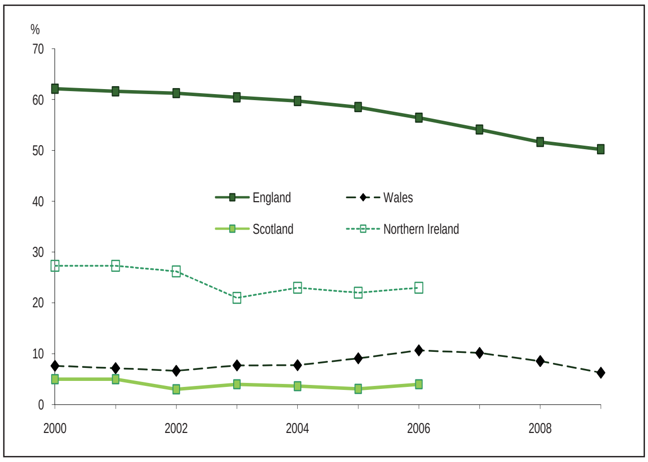
26. Phosphate levels in rivers in Scotland and Wales are low, whereas levels in Northern Ireland have been quite high and even higher levels found in England. The low levels in Scotland and Wales have remained stable whilst the higher levels in Northern Ireland and England have both shown an overall decreasing trend since 2000. This trend is consistent with that in the soil phosphorus balance over the same period, which is a result of decreasing mineral fertiliser use on grassland and falling livestock numbers.

Chart 13.9 Per cent of river length nitrate levels >30mgNO_3/l 2000 - 2009; United Kingdom



Source: Environment Agency, Scottish Environment Protection Agency, Environment and Heritage Service, Northern Ireland Environment Agency.

Chart 13.10 Per cent of river length phosphate levels >0.1mgP/l 2000 - 2009; United Kingdom

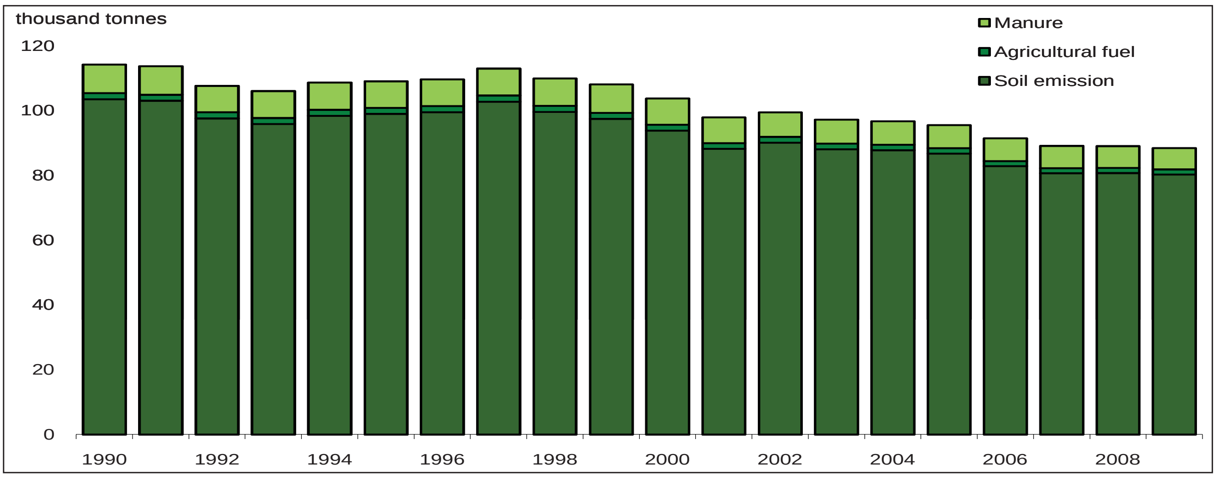


Source: Environment Agency, Scottish Environment Protection Agency, Environment and Heritage Service, Northern Ireland Environment Agency.

Greenhouse gas emissions (charts 13.11 to 13.12)

27. Nitrous oxide emissions have shown an overall fall since the late 1990s, reflecting a fall in the nitrogen surplus in agricultural soils. This is mainly due to a reduction in mineral fertilisers applied to grassland and a decrease in animal manures due to falling livestock numbers.

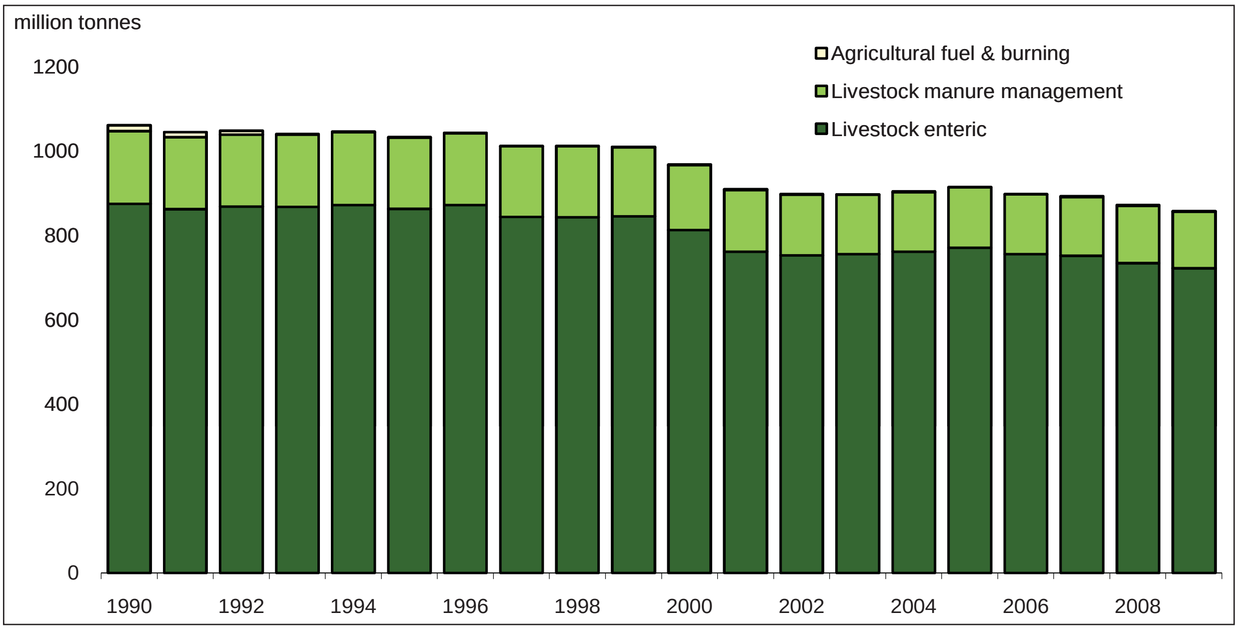
Chart 13.11 Nitrous oxide emissions by source 1990 to 2009; United Kingdom



Source: AEA Energy & Environment, Department of Energy and Climate Change

28. The overall fall in methane emissions is mainly as a result of decreasing livestock numbers, particularly cattle.

Chart 13.12 Methane emissions by source 1990 to 2009; United Kingdom

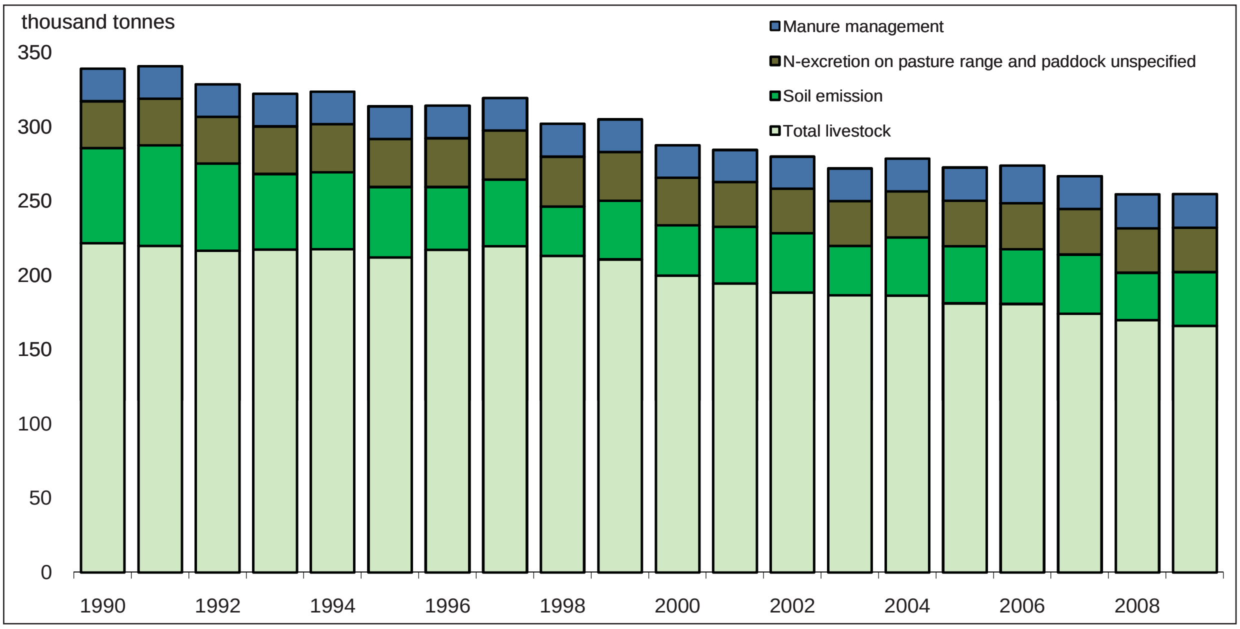


Source: AEA Energy & Environment, Department of Energy and Climate Change

Air Quality (chart 13.13)

29. Ammonia emissions since 1990 have fluctuated but overall shown a declining trend. This reflects a fall in the nitrogen surplus in agricultural soils. This is mainly due to a reduction in mineral fertilisers applied to grassland and a decrease in animal manures due to falling livestock numbers.

Chart 13.13 Ammonia emissions by source 1990 to 2009; United Kingdom

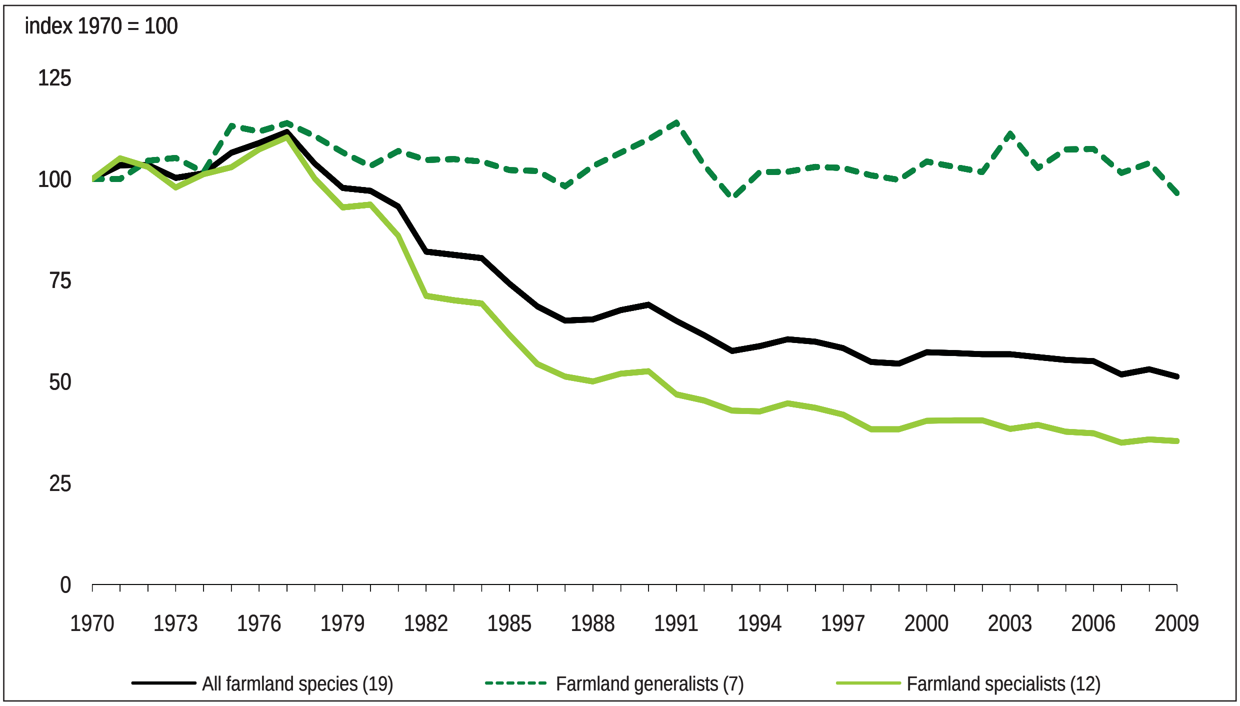


Source: AEA Energy & Environment, eDigest of Environmental Statistics

Farmland birds (chart 13.14)

30. The farmland birds index showed a sharp decline from around 1980 through to 1990. Since then the decline has slowed and the populations have remained more stable. However there are still no signs of the trend being reversed.

Chart 13.14 Farmland bird index; United Kingdom



Source: Defra/RSPB/BTO

Chapter 14 Key Statistics for EU Member States

Summary

In 2010:

- Income from agricultural activity in the United Kingdom as measured by Indicator A was 21 per cent higher than in 2005, while for the EU27 it was 11 per cent higher.

In 2010, of the EU27 Member States:

- the United Kingdom produced the third largest quantity of wheat;
- was the largest producer of sheep and goat meat;
- was the fourth largest producer of beef and veal;
- was the ninth largest producer of pigmeat.

In 2009, of the EU27 Member States:

- The United Kingdom was the third largest producer of cows' milk.

Between 2000 and 2008:

- Producer prices for crop products rose by 64 per cent in the United Kingdom and by 36 per cent in the EU27;
- producer prices for animals and animal products rose by 50 per cent in the United Kingdom and by 22 per cent in the EU27.
- purchase prices for the means of agricultural production rose by 63 per cent in the United Kingdom and by 40 per cent in the EU27.

Introduction

1. This chapter presents simple analyses of agriculture in the European Union to enable comparison of the United Kingdom with other Member States. The source of the data is the Eurostat website where a range of data is available free of charge. The Eurostat website may be found at http:// ec.europa.eu/ eurostat.

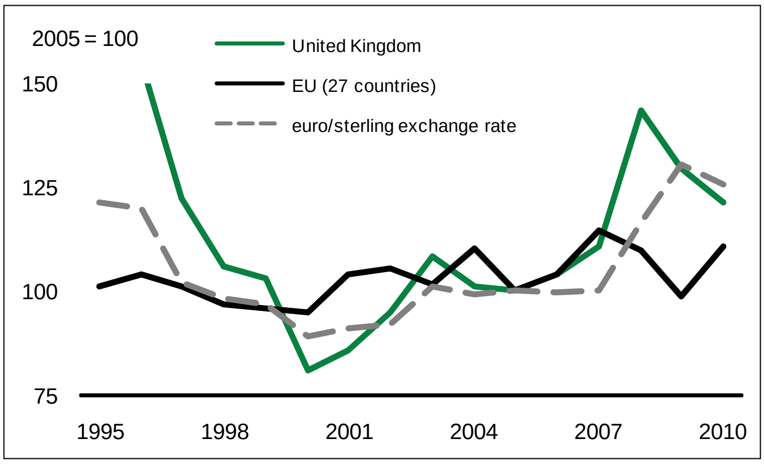
2. Eurostat is the statistical office of the European Union. Its task is to provide the European Union with statistics at European level that enable comparisons between countries and regions.

Incomes

Indicator A of the income from agricultural activity

3. Chart 14.1 shows Indicator A, a measure of the average income obtained from agriculture, for the United Kingdom and the EU27. An index showing the trend in the euro/sterling exchange rate is also shown.

Chart 14.1 Indicator A of the income from agricultural activity

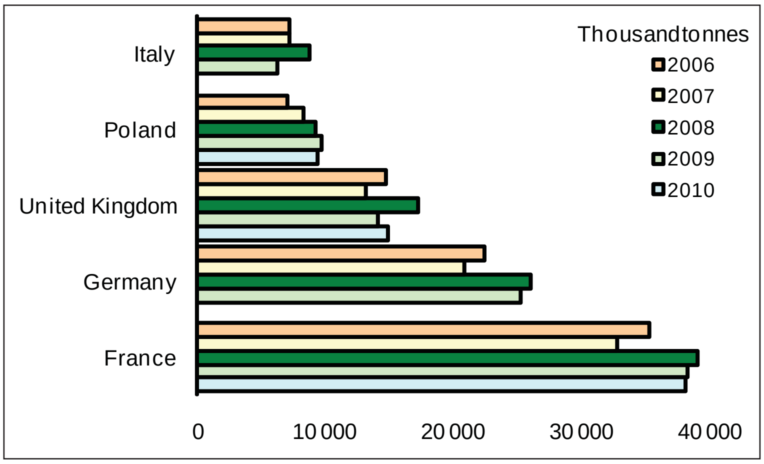


Agricultural Products

Wheat

4. Chart 14.2 shows the quantities of wheat produced by the top five producing Member States in 2006 to 2010. This is the production of common wheat and durum wheat.

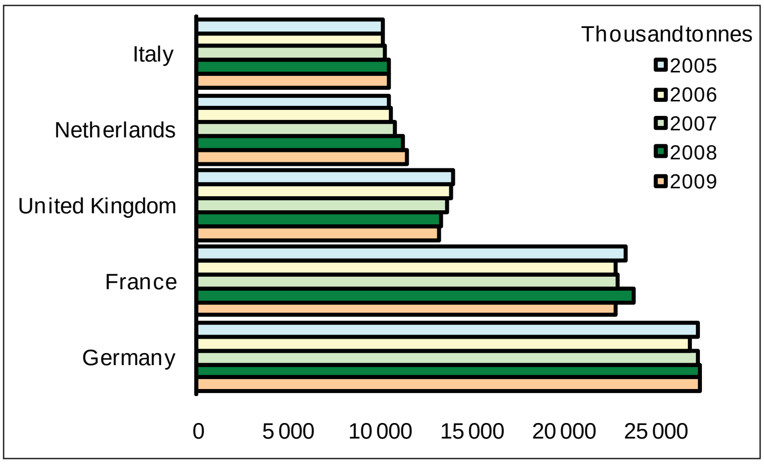
Chart 14.2 Production of wheat



Cows' milk

5. Chart 14.3 shows the proportions of cow's milk collected by the top five producing Member States in 2005 to 2009. This is cows' milk collected from farms by approved dairies and excludes milk consumed on farm, sold direct to consumers and used for cattle feed.

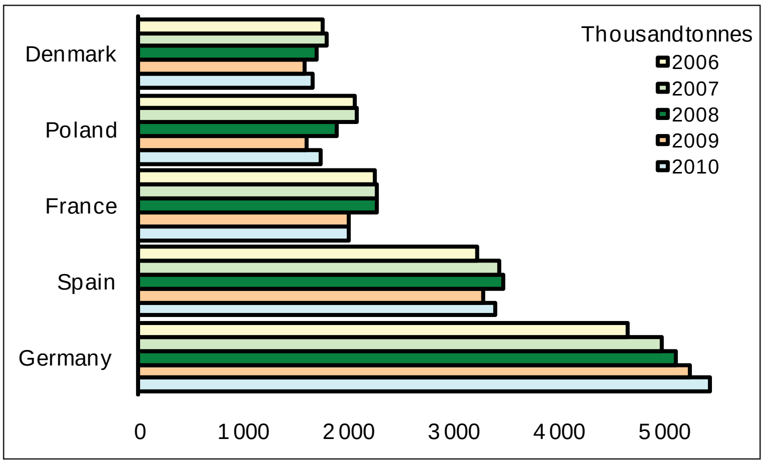
Chart 14.3 Collection of cows' milk



Pigmeat

6. Chart 14.4 shows the quantities of pigmeat produced by the top five producing Member States in 2006 to 2010. This is the total carcase weight of pigs slaughtered in slaughter houses and on the farm whose meat is declared fit for human consumption.

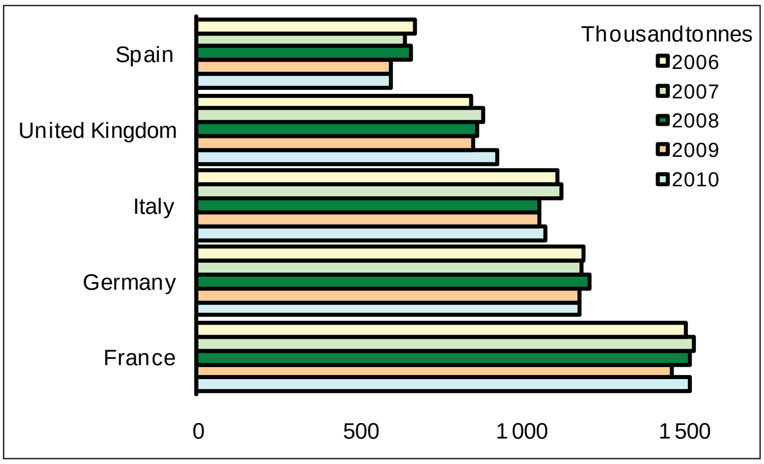
Chart 14.4 Production of pigmeat



Beef and Veal

7. Chart 14.5 the proportions of beef and veal produced by the topfive producing Member States in 2006 to 2010. This is the carcase weight of bovine animals (calves, bullocks, bulls, heifers and cows) slaughtered in slaughter houses and on the farm whose meat is declared fit for human consumption.

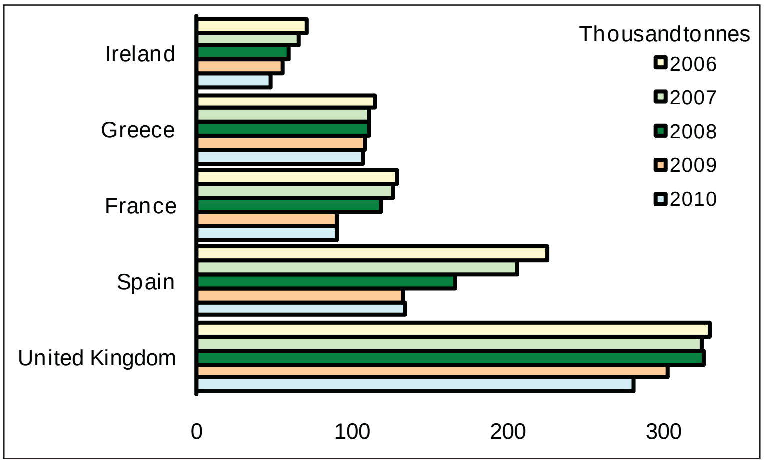
Chart 14.5 Production of beef and veal



Sheep and goat meat

8. Chart 14.6 shows the proportions of sheep and goat meat produced by the top five producing Member States in 2006 to 2010. This is the carcase weight of sheep, including lambs, and goats slaughtered in slaughter houses or elsewhere whose meat is declared fit for human consumption.

Chart 14.6 Production of sheep and goat meat

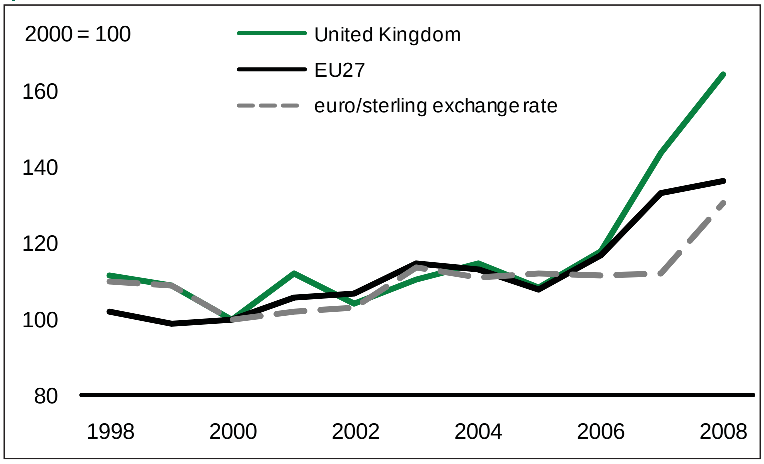


Price Indices

Crop Products

9. The indices in Chart 14.7 show the trends in the nominal producer prices of crop products as a whole. The sub-indices were weighted by the values of sales in 2000. An index showing the trend in the euro/ sterling exchange rate is also shown.

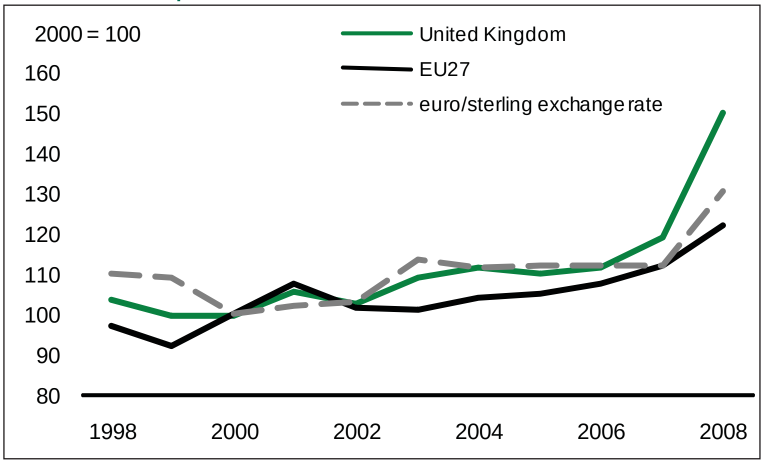
Chart 14.7 Producer price indices, nominal: Crop products



Animal and animal products

10. The indices in chart 14.8 show the trends in the nominal producer prices of animal and animal products as a whole and in the euro/sterling exchange rate.

Chart 14.8 Producer price indices, nominal: Animals and animal products



Total means of agricultural production

11. The indices in Chart 14.9 show the trends in nominal purchase prices of the means of agricultural production as a whole and in the euro/sterling exchange rate.

Chart 14.9 Purchase price indices, nominal: Total means of agricultural production