



Agriculture in the United Kingdom

2012

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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Preface

Legal Basis

1. Agriculture in the United Kingdom (AUK) 2012 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 the policy issues, including proposals by the European Commission in respect to 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 proceeding issues. This is because of the use of later information, changes in scope and nature of available data and improvements in statistical methods.

Structure of Tables

3. Most of the data are on calendar year basis. The data for 2012 are provisional because the information is incomplete at the time of publication and therefore an element of forecasting was required.
4. The following points apply throughout:
 - All figures relate to the United Kingdom unless otherwise stated
 - In the tables
 - means 'nil' or 'negligible' (less than half the last digit shown)
 - .. means 'not available' or 'not applicable'.
 - 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.
 - Where statistics are shown for the European Union (EU) as a whole they represent the present member states in all the years regardless of when they became members.
5. Where figures are presented in real terms the measure of inflation used is the all-items Retail Price Index.

Chapter 1: Key Events

Total Income from Farming

In 2012 total income from farming fell to £4.70 billion, a 14 per cent fall in real terms from 2011 after adjusting for inflation. Similarly the total income from farming per agricultural work unit of entrepreneurial labour also fell by 14 per cent in real terms to £25,175 in 2012. A key factor in the fall of total income was the weather conditions experienced in 2012.

Weather

2012 was a year of dramatic contrast. The year began with ongoing concerns over long-term drought heightened by a relatively dry January to March. This was followed by an abrupt shift in weather patterns bringing an exceptionally wet period for most of the country from April lasting through much of the summer. Rainfall totals for autumn and December remained well above average, and a succession of rain events in late November and late December contributed to extensive disruption from flooding. The wet weather affected both the harvest of the 2012 crops and the planting and establishment of the 2013 crops.

Common Agricultural Policy Reform

The European Union commission confirmed that the replacement scheme will not be introduced in 2014. They are now working towards a January 2015 start date.

Bovine Tuberculosis

New rules were introduced on 1 January 2013 with the aim to reduce the spread of bovine tuberculosis between cattle. The measures included changes to the testing regime and cattle movement controls.

The planned culls of badgers in England were postponed until the summer of 2013. In Wales the planned culls are no longer going ahead. Instead it is to be replaced with a badger vaccination programme.

Schmallenberg Virus

In January 2012 it was confirmed that the ruminant virus known as Schmallenberg was in the United Kingdom. The virus affects milk yields in cattle and can cause congenital deformities in new born lambs, calves and kids.

New Defra Team

In a cabinet reshuffle Owen Paterson took over from Caroline Spelman as Secretary of State and David Heath replaced Jim Paice as Minister of State for Agriculture and Food.

Chapter 2: The Structure of the Industry

Summary

In 2012 compared with 2011:

- The Utilised Agricultural Area was stable at 17.2 million hectares, accounting for 70 per cent of land in the United Kingdom. Increases in crop areas and temporary grass have offset decreases in the areas of uncropped arable land and permanent grassland.
- The area of oilseed rape planted increased by 7.3 per cent to 756 thousand hectares.
- The cereal crops area increased by 2.2 per cent to 3.1 million hectares.
- Dairy herd numbers remained almost unchanged at 1.8 million.
- Pig numbers saw a small increase of 0.9 per cent from 2011, now standing at almost 4.5 million.
- The United Kingdom's sheep and lamb flock rose by 1.8 per cent to 32 million animals, largely due to a 2.4 per cent increase in the female breeding flock to 15 million.
- The number of people working on United Kingdom farms increased by 1.2 per cent to 481 thousand.

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 of Agriculture carried out in the four United Kingdom 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 are sourced from the Cattle Tracing System (CTS) in England and Wales and from the equivalent Animal and Public Health Administration (APHIS) system in Northern Ireland. In Scotland, cattle data continue to be sourced from agricultural surveys.
3. From 2009 onwards, England data relate to "commercial" holdings only. The term "commercial" covers all English holdings which have more than 5 hectares of agricultural land, 1 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 European Union Farm Structure Survey Regulation EC 1166/2008. The 2005 figures displayed in table 2.3 are also based on commercial holdings to allow comparisons to the 2012 results.
4. For more information on the June Survey and for more detailed results please see:

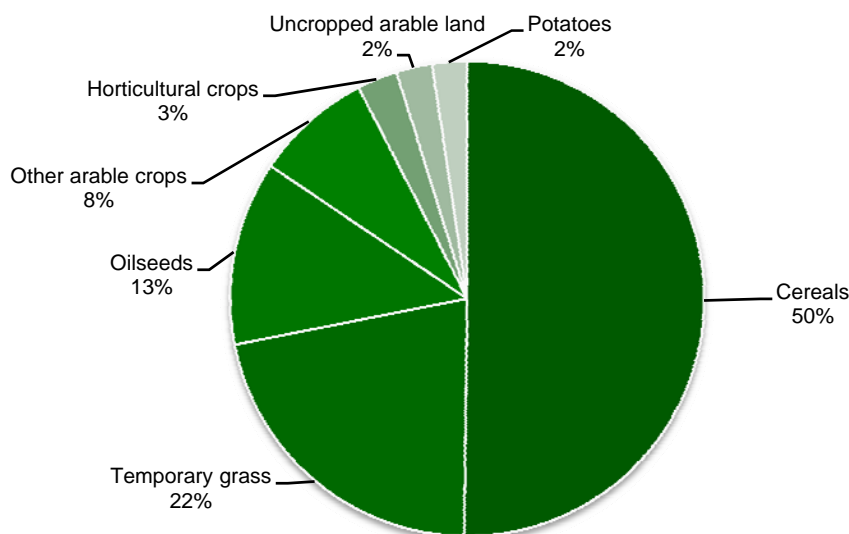
England: <https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs/series/structure-of-the-agricultural-industry>

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

Wales: <http://wales.gov.uk/topics/statistics/?lang=en>

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

Chart 2.1 Total croppable area on agricultural holdings June 2012



Land use, crop areas and livestock numbers (chart 2.1, tables 2.1, 2.2)

5. At June 2012 the Utilised Agricultural Area (UAA) was 17.2 million hectares, making up 70 per cent of the total United Kingdom land area. UAA is made up of arable and horticultural crops, uncropped arable land, common rough grazing, temporary and permanent grassland and land used for outdoor pigs. It does not include woodland and other non-agricultural land.
6. In 2012, 36 per cent of the UAA was considered to be croppable land, i.e. land currently under crops, bare fallow or temporary grassland. As chart 2.1 shows, 50 per cent of this croppable area is occupied by cereal crops. Wheat is the predominant cereal crop with an area of 2.0 million hectares in 2012.
7. The area of oilseed rape rose by 7.3 per cent to 756 thousand hectares.
8. In 2012 the total area of cereal crops planted increased by 2.2 per cent, standing at 3.1 million hectares, largely due to better prices for cereals. Wheat and barley areas saw increases of 1.1 per cent and 3.3 per cent respectively.
9. The main dairy herd remained almost unchanged from 2011 at 1.8 million animals, despite the long-term decline seen in recent years. Numbers in the beef herd fell by 1.0 per cent, standing at 1.7 million.
10. The United Kingdom population of sheep and lambs has risen by 1.8 per cent to 32 million animals, largely due to the 2.4 per cent increase in the female breeding flock to 15 million.
11. Pig numbers saw a small increase of 0.9 per cent from 2011, now standing at almost 4.5 million. This is mainly due to improvements in sow productivity which led to an increase in the availability of pigs for slaughter.
12. The number of laying and breeding fowl decreased by 4.1 per cent between 2011 and 2012 and now stands at 47 million birds. The number of table chickens remained virtually unchanged at 103 million.

Table 2.1 Agricultural land use (a)

Enquiries: Martin Allan on +44 (0) 1904 455332

email: farming-statistics@defra.gsi.gov.uk

Thousand hectares	At June of each year				
	2008	2009	2010	2011	2012
Utilised agricultural area (UAA) (b)	17 703	17 325	17 234	17 172	17 190
UAA as a proportion of total UK area	73%	71%	71%	70%	70%
Total agricultural area	18 697	18 296	18 282	18 263	18 349
Common rough grazing	1 238	1 237	1 228	1 199	1 200
Total area on agricultural holdings	17 459	17 060	17 054	17 064	17 149
Total croppable area	6 070	6 092	6 015	6 106	6 258
Total crops	4 735	4 607	4 610	4 673	4 748
Arable crops	4 565	4 437	4 441	4 497	4 576
Cereals	3 274	3 076	3 013	3 075	3 142
Oilseeds (includes linseed and borage)	621	600	686	742	785
Potatoes	144	144	138	146	149
Other crops	527	616	604	534	500
Horticultural crops	170	170	169	175	172
Uncropped arable land (c)	194	244	174	156	153
Temporary grass under 5 years old	1 141	1 241	1 232	1 278	1 357
Total permanent grassland	10 395	9 996	9 980	9 858	9 725
Grass over 5 years old	6 036	5 865	5 925	5 877	5 799
Sole right rough grazing (d)	4 359	4 131	4 055	3 981	3 926
Other land on agricultural holdings	994	972	1 059	1 100	1 166
Woodland	705	726	774	786	827
Land used for outdoor pigs	..	..	10	9	7
All other non-agricultural land	289	246	274	305	332

Sources: June Surveys of Agriculture, SAF land data

.. Data not collected

(a) Figures for England from 2009 onwards relate to commercial holdings only.

(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 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.

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

AGRICULTURE IN THE UNITED KINGDOM 2012

Table 2.2 Crop areas and livestock numbers (a)

Enquiries: Martin Allan on +44 (0) 1904 455332

email: farming-statistics@defra.gsi.gov.uk

	At June of each year				
	2008	2009	2010	2011	2012
Crop areas (thousand hectares)					
Total area of arable crops	4 565	4 437	4 441	4 497	4 576
of which:					
wheat	2 080	1 775	1 939	1 969	1 992
barley	1 032	1 143	921	970	1 002
oats	135	129	124	109	122
rye, mixed corn and triticale	27	28	29	27	26
oilseed rape	598	570	642	705	756
linseed	16	28	44	36	28
potatoes	144	144	138	146	149
sugar beet (not for stockfeeding)	120	114	118	113	120
peas for harvesting dry and field beans	148	228	210	155	120
maize	153	163	164	164	158
Total area of horticultural crops	170	170	169	175	172
of which:					
vegetables grown outdoors	122	125	121	129	123
orchard fruit (b)	24	22	24	24	24
soft fruit & wine grapes	10	10	10	10	9
outdoor plants and flowers	13	11	12	11	12
glasshouse crops	2	2	2	2	3
Livestock numbers (thousand head)					
Total cattle and calves	10 107	10 025	10 112	9 933	9 900
of which:					
cows in the dairy herd (c)	1 909	1 857	1 847	1 814	1 812
cows in the beef herd (d)	1 670	1 626	1 657	1 675	1 657
Total sheep and lambs	33 131	31 445	31 084	31 634	32 215
of which:					
ewes and shearlings	15 616	14 636	14 740	14 868	15 229
lambs under one year old	16 574	15 892	15 431	15 990	16 229
Total pigs	4 714	4 540	4 460	4 441	4 481
of which:					
sows in pig and other sows for breeding	365	379	360	362	357
gilts in pig	55	48	67	70	69
Total poultry	166 200	152 753	163 867	162 551	160 061
of which:					
table fowl	109 859	98 754	105 309	102 461	102 558
laying and breeding fowl	44 321	42 663	47 107	48 610	46 633
turkeys, ducks, geese and all other poultry	12 019	11 335	11 451	11 481	10 870

Sources: June Surveys of Agriculture, SAF land data, Cattle Tracing System, APHIS

(a) Figures for England from 2009 onwards relate to commercial holdings only.

(b) Includes non-commercial orchards.

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

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

Numbers and sizes of holdings and enterprises (tables 2.3 and 2.4)

13. As table 2.3 shows, the number of commercial agricultural holdings in the United Kingdom has decreased from 248 thousand in 2005 to 222 thousand in 2012 whereas the total area on holdings has shown little change. The 2010 Census provided a good opportunity to update 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 United Kingdom holdings.

Table 2.3 Numbers of holdings by size group (a)

Enquiries: Martin Allan on +44 (0) 1904 455332

email: farming-statistics@defra.gsi.gov.uk

		2005		2012	
		Number of holdings (thousand)	Hectares (thousand)	Number of holdings (thousand)	Hectares (thousand)
At June of each year					
Total area on holdings	under 20 hectares	120	812	104	694
	20 to under 50 hectares	49	1 620	42	1 399
	50 to under 100 hectares	37	2 625	34	2 428
	100 hectares and over	42	12 099	42	12 628
	Total	248	17 156	222	17 149
	Average area (hectares)		69		77
Average area on holdings with >=20 hectares			128		139
Croppable area (b)	0.1 to under 20 hectares	68	401	49	309
	20 to under 50 hectares	23	748	20	652
	50 to under 100 hectares	16	1 147	15	1 089
	100 hectares and over	17	3 533	19	4 208
	Total	124	5 829	103	6 258
Average croppable area (hectares)			47		61

Source: June Surveys of Agriculture, SAF land data

(a) Figures for England relate to commercial holdings only.

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

Table 2.4 Numbers of holdings by size group and country at June 2012

Enquiries: Martin Allan on +44 (0) 1904 455332

email: farming-statistics@defra.gsi.gov.uk

	England (a)		Wales		Scotland		Northern Ireland		
	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 area on holdings									
Under 20 hectares	36.4	321	25.5	107	32.4	165	9.7	102	
20 to under 50 hectares	21.4	715	6.3	208	6.2	203	8.4	272	
50 to under 100 hectares	19.4	1 398	5.1	362	5.2	375	4.3	293	
100 hectares and over	26.7	6 551	4.4	892	8.9	4 862	1.9	324	
Total	103.8	8 985	41.3	1 569	52.6	5 604	24.3	991	
Average area (hectares)		87		38		106		41	
Average area on holdings with >=20 hectares			129		93		269		61

Source: June Surveys of Agriculture, SAF land data

(a) Figures for England relate to commercial holdings only.

Labour force in agriculture (table 2.5)

14. The total number of people working on farms increased by 5 thousand workers between 2011 and 2012 and now stands at 481 thousand. Small increases were seen across most labour types with the largest increase in the number of casual workers, which rose by 6.9 per cent to 67 thousand.

Table 2.5 Agricultural labour force on commercial holdings (a)

Enquiries: Martin Allan on +44 (0) 1904 455332

email: farming-statistics@defra.gsi.gov.uk

Thousands	At June of each year				
	2008	2009	2010	2011	2012
Total labour force on commercial holdings (incl. farmers and spouses)	483	464	466	476	481
Farmers, business partners, directors and spouses	302	289	295	299	298
Full time	140	137	134	140	141
Part time (b)	161	152	161	159	158
Salaried managers	14	11	11	11	11
Other workers	167	164	160	166	172
Full time	64	63	64	64	65
Male	54	52	..	..	..
Female	11	11	..	..	..
Part time (b)	43	42	39	39	41
Male	27	27	..	..	..
Female	16	16	..	..	..
Seasonal, casual or gang labour	60	59	56	62	67
Male	42	42	40	44	48
Female	18	17	17	18	19

Source: June Surveys of Agriculture

.. Data not collected

(a) Figures for England relate to commercial holdings only.

(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 2.6)

15. Table 2.6 shows the proportion of holders by age group. The trend is towards an increase in age of holders. In 2000, almost a quarter (23 per cent) of holders were under 45 years old and a further quarter were aged 65 or older. By 2010, almost a third of holders were aged 65 and over whilst only 14 per cent were under 45 years old. Throughout the 2000 to 2010 period just over half (53 per cent) of the holders were aged 45 to 64.
16. The average age of holders is defined using the median. This is the middle value when all holder ages are ranked in order. In 2010 the median age for holders in the United Kingdom was 59 years old, unchanged from 2007.

Table 2.6 Proportion of holders in each age group (a)(b)

Enquiries: Martin Allan on +44 (0) 1904 455332

email: farming-statistics@defra.gsi.gov.uk

	% of holders				
	2000	2003	2005	2007	2010 (c)
Holders' age					
Under 35 years	5	3	3	3	3
35 - 44 years	18	15	14	12	11
45 - 54 years	26	24	23	23	25
55 - 64 years	26	29	29	29	29
65 years and over	25	29	31	33	32
Median age (years)	56	58	58	59	59

Source: EU Farm Structure Survey

(a) 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.

(b) Holdings run by an organisation (such as limited companies or institutions) do not have a holder and are therefore excluded from these figures.

(c) 2010 figures relate to commercial holdings only for all of the UK.

Chapter 3: Farming Income

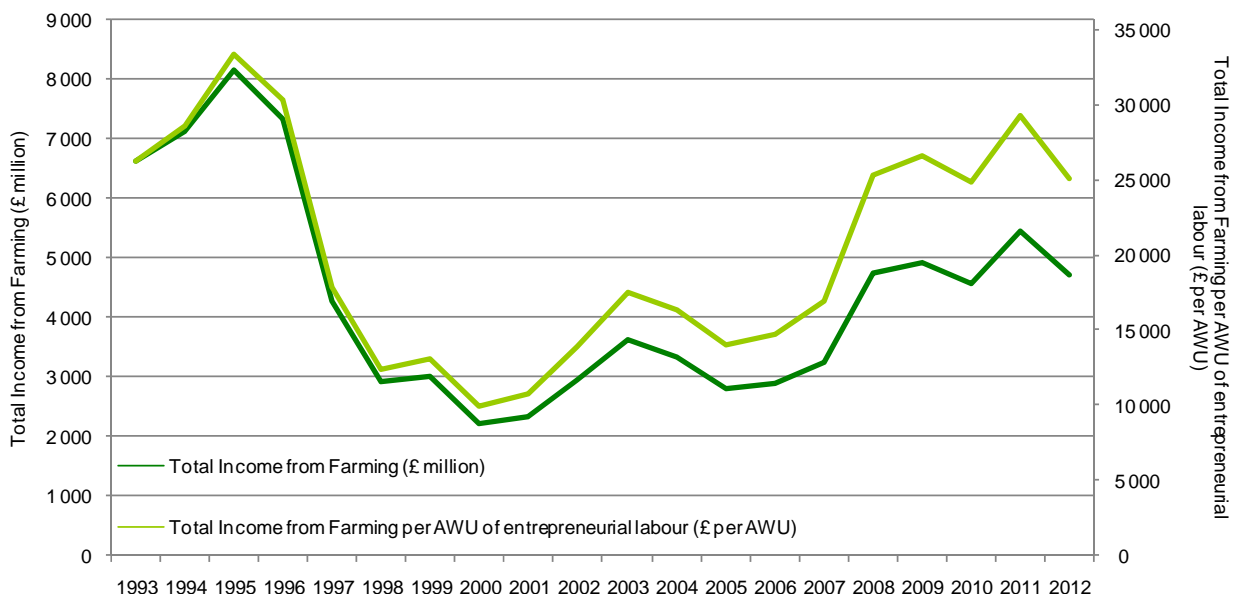
Summary

- Total Income from Farming for the United Kingdom is estimated to have fallen between 2011 and 2012 by 14 per cent (£737 million) in real terms to £4,704 million.
- Gross value added for the agricultural industry fell slightly by 0.6 per cent in the United Kingdom as a whole between 2011 and 2012. It fell by 29 per cent in Wales, 23 per cent in Northern Ireland and 7.1 per cent in Scotland but rose by 2.8 per cent in England.
- Since 2005, the agricultural industry in the United Kingdom has outperformed the industry in the European Union as a whole by all income measures.

Long term trends in farming income

1. Total Income from Farming is estimated to have fallen between 2011 and 2012 by 14 per cent (£737 million) in real terms after adjustment for the effect of inflation to £4,704 million. Total Income from Farming per annual work unit (AWU) of entrepreneurial labour (farmers and other unpaid labour) is also estimated to have fallen by 14 per cent in real terms to £25,200 in 2012.
2. Over the longer term, Total Income from Farming per Annual Work Unit (AWU) of entrepreneurial labour has performed better than Total Income from Farming owing to a decline in the number of farmers and other unpaid workers. Looking over the longer period, Total Income from Farming remains at a level higher than in the late 1990s/early 2000s though below the peak seen in the mid-1990s.
3. The fall in Total Income from Farming in 2012 was due to an increase in the value of inputs and other costs that was greater than an increase in the value of output, coupled with a fall in the value of direct payments to farmers due primarily to changes in the Pound to Euro exchange rate. Inflation as measured by the Retail Price Index increased by 3.2 per cent in 2012.

Chart 3.1 Long-term trends in farming income in real terms at 2012 prices



Summary measures including Total Income from Farming

4. Table 3.1 below provides information on summary measures from the aggregate agricultural accounts including Total Income from Farming; more information about the accounts may be found in Chapter 4.

Table 3.1 Summary measures from the aggregate agricultural accounts

Enquiries: Nick Olney on +44 (0) 1904 455355 or Keith Seabridge

email: keith.seabridge@defra.gsi.gov.uk

£ million (unless otherwise specified)

Year	Net value added at factor cost	Income 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	(£)
2002	4 636	2 135	1 836	3 971	10 200
2003	5 175	2 694	1 827	4 521	13 100
2004	5 121	2 547	1 894	4 441	12 600
2005	4 839	2 213	1 944	4 157	11 100
2006	4 993	2 347	1 973	4 319	12 000
2007	5 498	2 755	2 004	4 759	14 400
2008	6 950	4 195	2 067	6 262	22 400
2009	7 026	4 315	2 168	6 484	23 500
2010	6 954	4 197	2 216	6 413	22 900
2011	8 157	5 272	2 326	7 597	28 300
2012	7 665	4 704	2 373	7 077	25 200
In real terms, 2012 prices		A	B	A + B	(£)
2002	6 387	2 942	2 529	5 471	14 000
2003	6 928	3 607	2 446	6 053	17 500
2004	6 658	3 311	2 462	5 773	16 400
2005	6 118	2 798	2 458	5 256	14 000
2006	6 117	2 875	2 417	5 292	14 700
2007	6 460	3 237	2 355	5 591	17 000
2008	7 853	4 740	2 336	7 075	25 300
2009	7 981	4 902	2 463	7 365	26 700
2010	7 550	4 557	2 406	6 963	24 800
2011	8 419	5 441	2 400	7 841	29 300
2012	7 665	4 704	2 373	7 077	25 200

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

5. Net value added at factor cost is an income aggregate that is obtained from gross value added after the deduction of consumption of fixed capital and taxes but including all subsidies. It makes no allowance for interest, rent or labour costs. Net value added at factor cost for the agriculture industry in the United Kingdom fell by 6.0 per cent (9.0 per cent in real terms) between 2011 and 2012 to £7.7 billion.
6. Total Income from Farming is obtained from net value added at factor cost after the deduction of interest, rent and labour costs. It is income generated by production within the agriculture industry and represents business profits plus remuneration for work done by owners and other unpaid workers. It is estimated to have fallen by 11 per cent at current prices (14 per cent in real terms) to £4.7 billion.
7. Compensation of employees, which is the cost of employed labour, increased by 2.0 per cent (a fall of 1.1 per cent in real terms) to £2.4 billion. When compensation of employees is added to Total income from Farming, the result represents the total income from agriculture from all labour input, which is calculated to have fallen by 6.9 per cent (9.7 per cent in real terms) between 2011 and 2012.
8. Total Income from Farming per AWU of entrepreneurial income is a measure of average income for the input of one person with an entrepreneurial interest in the agricultural industry who is engaged in

agricultural activities on a full-time basis over an entire year, and is estimated to have fallen by 11 per cent (14 per cent in real terms) to £25,200.

Summary measures by country

9. Table 3.2 shows main measures for the agricultural industries in England, Wales, Scotland and Northern Ireland, and also for the United Kingdom as a whole. It also presents the contribution that agriculture makes to the economy of each country and to employment.

Table 3.2 Summary measures by country

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	2007	2008	2009	2010	2011	2012 (provisional)
Gross output at basic prices £ million						
United Kingdom	16 019	20 120	19 691	20 616	23 572	23 927
England	11 636	15 217	14 845	15 363	17 664	18 034
Wales	995	1 127	1 173	1 244	1 395	1 388
Scotland	2 147	2 366	2 333	2 495	2 805	2 785
Northern Ireland	1 241	1 411	1 340	1 515	1 709	1 720
Intermediate consumption £ million						
United Kingdom	10 419	12 946	12 647	13 554	14 916	15 322
England	7 312	9 314	8 945	9 697	10 643	10 817
Wales	852	960	931	1 012	1 085	1 164
Scotland	1 355	1 597	1 704	1 678	1 897	1 941
Northern Ireland	900	1 075	1 067	1 168	1 291	1 399
Gross value added at basic prices £ million						
United Kingdom	5 600	7 175	7 044	7 062	8 656	8 605
England	4 333	5 916	5 908	5 675	7 030	7 226
Wales	134	157	234	223	300	214
Scotland	792	768	629	817	908	844
Northern Ireland	341	333	273	347	418	321
Total Income from Farming £ million						
United Kingdom	2 755	4 195	4 315	4 197	5 272	4 704
England	1 860	3 299	3 433	3 101	3 996	3 802
Wales	70	112	202	160	240	124
Scotland	620	589	488	688	746	635
Northern Ireland	204	194	193	248	290	143
Agriculture's share of total regional gross value added at basic prices (a) %						
United Kingdom	0.44	0.56	0.56	0.54	0.65	..
England	0.41	0.55	0.56	0.52	0.62	..
Wales	0.30	0.35	0.53	0.48	0.63	..
Scotland	0.78	0.74	0.61	0.77	0.84	..
Northern Ireland	1.20	1.16	0.98	1.19	1.40	..
Agriculture's share of total regional employment %						
United Kingdom (b)	1.51	1.50	1.47	1.48	1.52	1.50
England (b)	1.15	1.15	1.10	1.10	1.14	1.12
Wales	4.08	4.13	4.10	4.27	4.29	4.26
Scotland	2.46	2.34	2.51	2.63	2.62	2.58
Northern Ireland	5.74	5.52	5.69	5.54	5.71	5.86

(a) Data on national and regional GVA for 2012 are not yet available.

(c) Estimates for England are based on employment on 'commercial holdings' only. Estimates for 2008 and 2009 are not directly comparable owing to a register cleaning exercise for England in 2010 that was also applied to 2009.

10. Gross value added for the agricultural industry, which is the result of the production activity of the industry and appears as the difference between the value of output and the value of intermediate consumption, fell slightly by 0.6 per cent in the United Kingdom as a whole between 2011 and 2012. This masks differing performances in the four countries of the United Kingdom with large falls of 29

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per cent in Wales, 23 per cent in Northern Ireland and 7.1 per cent in Scotland being offset by a 2.8 per cent increase in England.

11. The value of gross output for the agricultural industry in 2012 did not change significantly compared to 2011, increasing by 2.1 per cent in England and by 0.7 per cent in Northern Ireland, and falling by 0.5 per cent in Wales and 0.7 per cent in Scotland. Overall, gross output rose by 1.5 per cent for the United Kingdom.
12. Intermediate consumption, the value of goods and services used as inputs in the production process, rose by 2.7 per cent in the United Kingdom as a whole between 2011 and 2012. It increased in all countries of the United Kingdom, by 1.6 per cent in England, 7.3 per cent in Wales, 2.3 per cent in Scotland and by 8.4 per cent in Northern Ireland.
13. Total Income from Farming, which is gross value added after deduction of consumption of fixed capital, taxes, labour costs, interest and rent but including all subsidies, fell by 11 per cent in the United Kingdom between 2011 and 2012. A fall of 4.8 per cent in England offset significant falls of 15 per cent in Scotland, 48 per cent in Wales and 51 per cent in Northern Ireland.
14. The agricultural industry made a contribution of 0.65 per cent to the national economy of the United Kingdom in 2011 as measured by the gross value added of the agriculture industry compared to total workplace based gross value added. Figures for total workplace based gross value added are not yet available for 2012 so figures for 2011 are the latest available. In England, the agricultural industry made a contribution of 0.62 per cent to the economy in England. The agricultural industry in Wales made a contribution of 0.63 per cent to the Welsh economy. The Scottish agricultural industry made a contribution of 0.84 per cent to the Scottish economy and the agricultural industry in Northern Ireland made a larger contribution of 1.40 per cent to the economy there. These are noticeable increases compared to previous years, which arises because gross value added for agriculture increased significantly between 2010 and 2011, much more than total workplace based gross value added.
15. The agricultural industry contribution to employment may be measured by the total agricultural workforce compared to total workforce jobs. In 2012, the agricultural industry made its greatest contribution to employment in Northern Ireland where it accounted for 5.9 per cent of jobs and in Wales where it accounted for 4.3 per cent of jobs. It accounted for 2.6 per cent of jobs in Scotland and 1.1 per cent of jobs in England.

Comparison of income measures in EU Member States

16. Eurostat, the statistical office of the European Union, produces measures of income from agricultural activity based on data provided by Member States. These include:
 - Indicator A - Index of the real income of factors in agriculture per annual work unit, which corresponds to the real (i.e. deflated) net value added at factor cost of agriculture per total annual work unit.
 - Indicator B - Indicator B: Index of real net agricultural entrepreneurial income, per unpaid annual work unit.
 - Indicator C: Net entrepreneurial income of agriculture.
17. Since 2005, the reference year, the agricultural industry in the United Kingdom has outperformed the industry in the European Union as a whole by all measures. Indicator A for the United Kingdom rose by 37 per cent while that for the European Union as a whole rose by 29 per cent; Indicator B for the United Kingdom rose by 73 per cent and that for the European Union rose by 37 per cent; and Indicator C for the United Kingdom rose by 64 per cent while that for the European Union rose by 6 per cent.
18. Eurostat's preferred measure of agricultural income is Indicator A - Index of the real income of factors in agriculture, per annual work unit. Chart 3.2 shows the estimated change between 2011 and 2012 for all Member States and the European Union as a whole. The increase of 0.1 per cent in the European Union as a whole masks a great range of changes in Member States, from a fall of 27 per cent for Romania to an increase of 28 per cent in Belgium.

Table 3.3 Eurostat income indicators

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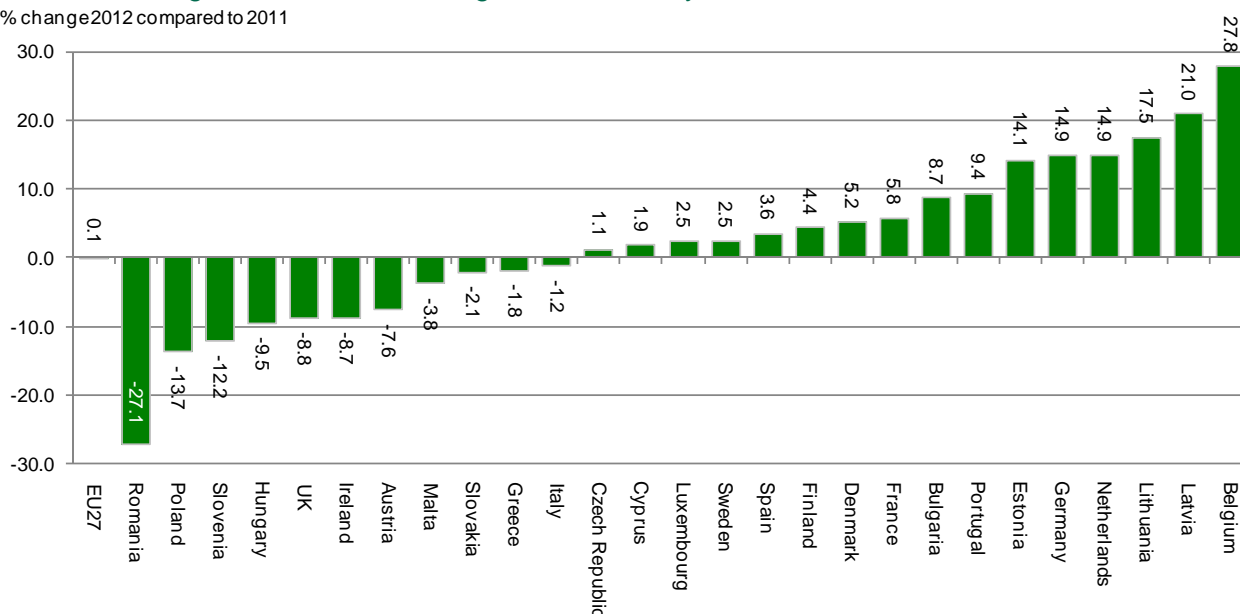
Index 2005 = 100

	2007	2008	2009	2010	2011	2012 (estimated)
Net value added at factor cost of agriculture per total Annual Work Unit (Indicator A)						
United Kingdom	111.1	139.5	141.4	135.0	150.7	137.4
EU27	115.8	112.3	101.3	118.6	128.4	128.5
Net agricultural entrepreneurial income per unpaid Annual Work Unit (Indicator B)						
United Kingdom	117.4	173.3	179.2	167.5	201.5	173.3
EU27	120.5	111.0	93.5	122.4	136.8	137.4
Net entrepreneurial income from agriculture (Indicator C)						
United Kingdom	112.7	163.1	165.6	154.3	190.0	164.1
EU27	110.8	99.2	80.8	97.3	105.6	105.7

Source: Eurostat database. Last update: 08.03.13. Extracted on 08.05.13.

Chart 3.2 Changes in incomes from agricultural activity across the EU: Indicator A

% change 2012 compared to 2011



Source: Eurostat database. Last update 8 March 2013. Extracted 10 May 2013

19. The figures for 2012 in Table 3.3 and Chart 3.2 are estimated based on data supplied to Eurostat in January 2013 and will be revised in due course.

Farm Business Incomes by farm type (tables 3.4, 3.5 and chart 3.3)

20. Farm Business Income, is presented in Tables 3.4 and 3.5. It replaced Net Farm Income as the headline measure of farming income in 2007. Chart 3.3 shows the distribution of performance for farms in the United Kingdom in 2011/12.
21. Estimates of Farm Business Income for 2012/13 (i.e. year ended February 2013) at current prices are shown in table 3.4 for England, Wales and Northern Ireland alongside outturn data for the previous three years. These estimates include Single Payment Scheme receipts which are recorded as due for the appropriate accounting year, e.g. receipts of the 2012 Single Payment Scheme are recorded in the 2012/13 accounting year.
22. It should be noted that forecasts of farm business income in 2012/13 are not produced in Scotland. Also data from 2009/10 are based on standard output typology for England, Wales and Northern Ireland but on standard gross margin typology for Scotland.

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23. On average single farm payments were around 8 per cent lower in 2012 due to a slightly stronger pound compared to the previous year. The exchange rate was 0.79805 in September 2012 compared to 0.86665 in September 2011.
24. Average Farm Business Income is expected to fall across most farm types in 2012/13 as the effect of the poor growing season and harvest is felt across both the cropping and livestock sectors. The falls forecast are substantial for dairy, lowland livestock, Less Favoured Areas (LFA) livestock and specialist pigs.
25. For the cropping sector higher output prices are expected to partially offset the impact of lower yields and quality due to the poor growing season. However the additional impact of higher costs is likely to result in a small fall in incomes.
26. Feed prices have risen in response to the higher values for cereals and oilseeds. Forage quality has also been compromised by the poor growing and harvesting conditions in 2012. On dairy and grazing livestock farms the wet weather meant livestock had to remain housed during some of the conventional grazing months, thus requiring additional feed.
27. On dairy farms, average Farm Business Income is forecast to fall substantially. Average milk prices increased by around 1 per cent over the 12 month period and prices for cull, store and finished cattle have also increased. However these are expected to be offset by higher costs, notably feed. The fall in dairy farm incomes is forecast to be more substantial in Northern Ireland as milk prices decreased by around 5 per cent in 2012/13.
28. In England and Wales, grazing livestock farms in both the lowland and Less Favoured Areas (LFA) are also expected to see a considerable fall in average incomes in 2012/13. A slightly smaller fall is expected for LFA farms in Northern Ireland. Whilst cattle prices have remained firm sheep values have been lower than those seen in 2011/12. This is predicted to result in a reduced level of output which combined with higher feed costs is likely to result lower incomes for these farms.
29. Average Farm Business Income is forecast to fall for the third consecutive year on specialist pig farms in 2012/13. This is despite an increase in livestock output, driven by firmer prices for finished pigs. Feed costs, which account for over half of the input costs on these farms, have continued to increase in 2012/13 as a result of higher cereal and soya prices. Subsequently incomes are expected to fall by around 50 per cent. Feed costs are also an important driver for incomes on specialist poultry farms. In this sector, whilst feed costs are predicted to increase, a higher output from both broiler and egg production are also expected, resulting in average incomes being unchanged.
30. Table 3.5 shows the variation in the level of Farm Business Income, Net Farm Income and Cash Income across farms in England, Wales, Scotland and Northern Ireland 2011/12. Around a third of farms in England, Wales and Scotland had a Farm Business Income of less than £20,000. The equivalent figure for Northern Ireland was just over 40 per cent.
31. 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).
32. Chart 3.3 shows the differences in performance of farms in the United Kingdom for 2011/12. Performance is measured as £ of output per £100 of input. The chart illustrates the significant variation in performance across all farms in the United Kingdom with around 10 percent of farms failing to recover their costs.

Table 3.4 Farm business income by country and type of farm (a)

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Average farm business income per farm (£ farm)	Accounting years ending on average in February						
	Standard Gross Margin (SGM) Typology (€)			Standard Output (SO) Typology (a)			
	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12	2012/13 Provisional
At current prices							
England							
Cereals	46 000	..	..	42 000	85 000	94 500	84 000
General cropping	66 000	..	..	66 500	111 500	101 000	90 000
Dairy	56 100	..	..	59 000	66 000	86 500	50 000
Grazing livestock (lowland)	22 000	..	..	29 000	21 500	32 000	18 000
Grazing livestock (LFA)	22 200	..	..	26 000	21 500	29 000	14 000
Specialist pigs	71 600	..	..	75 500	44 500	38 000	19 000
Specialist poultry	66 300	..	..	72 500	68 000	41 000	41 000
Mixed	39 800	..	..	33 000	51 000	66 000	50 000
Wales							
Dairy	52 200	..	..	48 600	56 800	66 100	52 400
Grazing livestock (lowland)	32 300	..	..	31 700	30 300	35 300	23 200
Grazing livestock (LFA)	33 600	..	..	36 600	29 800	34 600	21 700
Scotland							
Cereals	16 300	51 600	49 600	..	..	..	..
General cropping	18 400	70 600	50 400	..	..	..	..
Dairy	58 900	72 600	80 200	..	..	..	..
Grazing livestock (lowland)	32 100	31 000	25 000	..	..	..	..
Grazing livestock (LFA)	37 200	34 000	37 100	..	..	..	..
Mixed	39 700	47 400	47 900	..	..	..	..
Northern Ireland							
Dairy	19 300	..	..	19 900	51 600	58 100	27 500
Grazing livestock (LFA)	21 200	..	..	21 600	19 300	23 100	19 500
United Kingdom							
Cereals	42 100	..	..	..	..	..	..
General cropping	55 100	..	..	..	..	..	..
Dairy	47 700	..	..	..	..	..	..
Grazing livestock (lowland)	22 600	..	..	..	..	..	..
Grazing livestock (LFA)	29 600	..	..	..	..	..	..
Specialist pigs	67 400	..	..	..	..	..	..
Specialist poultry	66 300	..	..	..	..	..	..
Mixed	39 500	..	..	..	..	..	..
ALL TYPES (Including Horticulture)	38 800	..	..	..	..	..	..
In real terms (at 2012/13 prices)							
United Kingdom							
Cereals	37 100	..	..	..	..	..	..
General cropping	48 500	..	..	..	..	..	..
Dairy	42 000	..	..	..	..	..	..
Grazing livestock (lowland)	19 900	..	..	..	..	..	..
Grazing livestock (LFA)	26 100	..	..	..	..	..	..
Specialist pigs	59 400	..	..	..	..	..	..
Specialist poultry	58 400	..	..	..	..	..	..
Mixed	34 800	..	..	..	..	..	..
ALL TYPES (Including Horticulture)	34 200	..	..	..	..	..	..

(a) A note on the effect on farm business income in England as a result of the change from SGM to SO typology is available at: http://webarchive.nationalarchives.gov.uk/20130315143000/http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-farmmanage-fbs-reviseclass_111221.pdf

Table 3.5 All farm types: distribution of farm incomes by country 2011/12 (a)

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Percentage of farms

	England	Wales	Scotland	Northern Ireland	United Kingdom
Farm Business Income					
Less than zero	9	10	9	9	9
1 to less than £5,000	4	3	4	6	4
£5,000 to less than £10,001	5	6	4	8	5
£10,000 to less than £20,001	13	16	15	20	14
£20,000 to less than £30,001	11	11	13	17	12
£30,000 to less than £50,001	17	26	21	18	19
£50,000 and over	42	29	34	22	37
Average (£ thousand per farm)	66	41	45	34	57
Net Farm Income					
Less than zero	14	19	15	16	15
1 to less than £5,000	6	7	6	11	7
£5,000 to less than £10,001	6	6	7	8	6
£10,000 to less than £20,001	14	15	16	21	15
£20,000 to less than £30,001	11	12	13	16	12
£30,000 to less than £50,001	15	23	18	13	16
£50,000 and over	34	20	25	16	29
Average (£ thousand per farm)	53	30	35	27	45
Cash Income					
Less than zero	5	7	5	3	5
1 to less than £5,000	4	4	3	3	4
£5,000 to less than £10,001	5	4	2	4	4
£10,000 to less than £20,001	11	12	9	22	12
£20,000 to less than £30,001	12	14	14	17	13
£30,000 to less than £50,001	19	23	23	21	20
£50,000 and over	45	38	44	30	43
Average (£ thousand per farm)	78	50	60	48	69

(a) UK aggregate comprises England, Wales and Northern Ireland results derived using standard output (SO) typology with Scotland results derived using standard gross margin (SGM) typology.

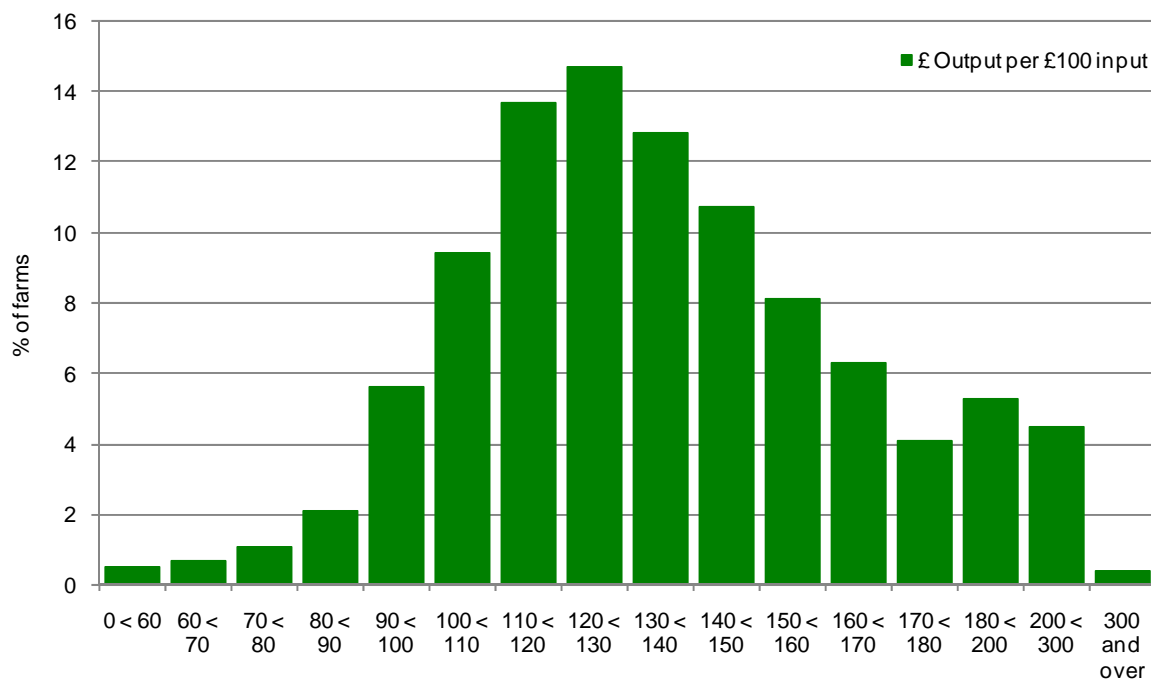
A note on the effect on farm business income in England as a result of the change from SGM to SO typology is available at:

http://webarchive.nationalarchives.gov.uk/20130315143000/http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-farmmanage-fbs-reviseclass_111221.pdf

Chart 3.3 Distribution of performance across farms 2011/12 (a)

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(a) UK aggregate comprises England, Wales and Northern Ireland results derived using standard output (SO) typology with Scotland results derived using standard gross margin (SGM) typology.

A note on the effect on farm business income in England as a result of the change from SGM to SO typology is available at:

http://webarchive.nationalarchives.gov.uk/20130315143000/http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-farmanage-fbs-reviseclass_111221.pdf

Farm income measure

33. **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.

34. **Total Income from Farming (TIFF)** represents business profits and remuneration for work done by owners and other unpaid workers. It is used to assess United Kingdom 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.

35. 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 United Kingdom 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.

Chapter 4: Accounts

Summary

- The value of gross output at basic prices of the agricultural industry in the United Kingdom rose by £354 million (1.5 per cent) between 2011 and 2012 to £23,927 million.
- The value of intermediate consumption, the goods and services consumed or used as inputs in the productive process, is estimated to have increased by £406 million (2.7 per cent) to £15,322 million.
- Gross value added for the agricultural industry, which appears as the difference between the value of output and the value of intermediate consumption, fell slightly by 0.6 per cent in the United Kingdom as a whole between 2011 and 2012.
- Net Value Added at factor cost, which is Gross Value Added at basic prices adjusted for consumption of fixed capital, other taxes on production and other subsidies on production, is estimated to have fallen by £492 million (-6.0 per cent) to £7,665 million
- Total Income from Farming at current prices is estimated to have fallen by £568 million (11 per cent) to £4,704 million between 2011 and 2012.

Introduction

1. This chapter shows production and income accounts for agriculture in the United Kingdom. These comprise a production account with details of output and input, generation of income account and entrepreneurial account, which together form the account presented in Table 4.1. These accounts conform to internationally agreed accounting principles required by both the United Kingdom's National and by Eurostat, the statistical office of the European Union.

Production and income accounts at current prices

Output

2. The value of gross output at basic prices rose by £354 million (1.5 per cent) in 2012 to £23,927 million. The value of total crop output fell by £170 million (-1.9 per cent) to £8,682 million, largely due falls in the value of output of wheat, oilseed rape and potatoes. This was offset by an increase in the value of total livestock output of £536 million (4.2 per cent) to £13,160 million, which was due mainly to increases in the value of output of livestock (other than sheep) and eggs.
3. The value of output of wheat fell by £215 million (-9.7 per cent) to £1,995 million. The wheat harvest fell by 13 per cent compared to 2011 due primarily to a 14 per cent fall in yield as a result of poor weather conditions. The fall in the value of output of wheat was offset by increases in the value of output of barley (£157 million; 19 per cent) and of oats (£64 million; 109 per cent) driven mainly by improved prices. Production of barley increased slightly by 0.5 per cent despite a small fall in yields (-2.7 per cent) and production of oats also increased (2.2 per cent).
4. The value of oilseed rape fell by £124 million (-11 per cent) to £986 million. The oilseed rape harvest fell by 7.3 per cent. Yield fell by 14 per cent following very poor weather during spring and summer; this was partly offset by a 7.3 per cent increase in area following favourable planting conditions in autumn 2011. The value of output of potatoes fell by £149 million (-21 per cent) as poor weather interrupted planting in the spring and led to low yielding potato crops and increased wastage. The value of output of sugar beet fell by £25 million (-9.8 per cent), affected by cold and wet weather, while

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the value of output of vegetables, plant and flowers rose by £46 million (2.0 per cent). The value of output of fruit fell by £45 million (-7.6 per cent), also affected by poor weather.

5. The value of output of cattle primarily produced for meat rose by £192 million (7.4 per cent) to £2,776 million. Supplies of prime cattle were significantly down compared to 2011 but tight supply helped maintain strong prices for much of the year. The value of output of sheep fell by £128 million (-11 per cent) to £1,020 million partly due to lower production but also to lower lamb prices compared to exceptionally strong prices seen in 2011. Poor weather in the second half of the year hampered the marketing of lambs resulting in a large carryover of the 2012 lamb crop into 2013. The value of output of pigs rose by £69 million (6.5 per cent) and that of poultry by £168 million (8.8 per cent), both due to increased production and higher prices.
6. The value of milk production rose by £31 million (0.8 per cent) to £3,769 million with a fall in production offset by an increase in average annual price paid to farmers, which masked some volatility in farm gate prices during the year. The value of egg production increased by £102 million (18 per cent) driven by stronger prices.

Intermediate consumption

7. The value of intermediate consumption, the goods and services consumed or used as inputs in the productive process, is estimated to have increased by £406 million (2.7 per cent) to £15,322 million.
8. The value of animal feed rose by £228 million (5.2 per cent) to £4,626 million, largely driven by an increase in the value of compound feed. The value for energy, principally motor and machinery fuels is estimated to have increased by £74 million (5.4 per cent) to £1,448 million. The value of fertilisers is estimated to have fallen by £32 million (-2.0 per cent) to £1,600 million, reflecting lower prices compared to 2011. The cost of animal feed, energy and fertilisers have increased significantly in recent years by around 55 per cent, 60 per cent and 100 per cent respectively since 2007.

Gross Value Added

9. The increase in the value of intermediate consumption was greater than the increase in the value of output leading to a small fall in Gross Value Added at basic prices of £51 million (-0.6 per cent) to £8,605 million.

Net Value Added at factor cost

10. Net Value Added at factor cost, which is Gross Value Added at basic prices adjusted for consumption of fixed capital, other taxes on production and other subsidies on production, is estimated to have fallen by £492 million (-6.0 per cent) to £7,665 million.
11. The value of consumption of fixed capital, which is capital, such as equipment, buildings and the breeding herd, used up in the process of generating new output, is estimated to have increased by £235 million (6.2 per cent) to £4,052 million. The value of other subsidies on production, which are direct payments received as a consequence of engaging in agricultural production but which are not linked to production, principally the Single Payment Scheme and agri-environment schemes, fell by £200 million (-5.8 per cent) to £3,239 million, due principally to changes in the Pound and Euro exchange rate.

Compensation of employees

12. Compensation of employees, which is total remuneration in cash or in kind payable to employees in return for work done, is estimated to have increased by £47 million (2.0 per cent) to £2,373 million.

Total Income from Farming

13. Total Income from Farming at current prices is estimated to have fallen by £568 million (-11 per cent) to £4,704 million between 2011 and 2012. Inflation, as measured by the Retail Price Index, increased by 3.2 per cent during 2012. In real terms, after adjustment for inflation, Total Income from Farming is estimated to have fallen by £737 million (-14 per cent).

Definition of terms used in tables 4.1 and 4.2

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 4.1 Production and income accounts at current prices

Enquiries: Nick Olney on +44 (0) 1904 455355 or Keith Seabridge

email: keith.seabridge@defra.gsi.gov.uk

£ million	2009	2010	2011	2012 (provisional)
Output at market prices (a)				
1 Output of cereals	2 338	2 306	3 108	3 116
of which: wheat	1 562	1 680	2 210	1 995
barley	701	560	834	992
2 Output of industrial crops	1 106	1 321	1 857	1 860
of which: oilseed rape	476	674	1 110	986
sugar beet	246	197	251	227
other industrial crops	367	427	468	631
3 Output of forage plants	302	293	266	230
4 Output of vegetables and horticultural products	1 962	2 260	2 262	2 308
of which: fresh vegetables	1 083	1 263	1 217	1 260
plants and flowers	879	997	1 045	1 048
5 Output of potatoes (including seeds)	681	640	711	562
6 Output of fruit	570	585	600	555
7 Output of other crop products including seeds	58	52	48	51
Total crop output (sum 1 - 7)	7 017	7 458	8 852	8 682
8 Output of livestock	7 148	7 241	8 236	8 675
primarily for meat	5 846	6 108	6 914	7 222
of which: cattle	2 131	2 154	2 584	2 776
pigs	968	978	1 070	1 139
sheep	967	979	1 149	1 020
poultry	1 590	1 799	1 904	2 072
gross fixed capital formation	1 302	1 133	1 322	1 453
of which: cattle	871	649	696	898
pigs	8	8	8	10
sheep	238	295	405	342
poultry	185	181	213	203
9 Output of livestock products	3 711	3 973	4 387	4 485
of which: milk	3 123	3 329	3 738	3 769
eggs	531	561	559	661
Total livestock output (8 + 9)	10 859	11 214	12 623	13 160
10 Other agricultural activities	865	925	1 042	1 050
11 Inseparable non-agricultural activities	913	991	1 028	1 012
12 Output (at market prices) (sum 1 to 11)	19 654	20 588	23 545	23 903
13 Total subsidies (less taxes) on product (b)	38	29	28	24
14 Gross output at basic prices (12 + 13)	19 691	20 616	23 572	23 927

continued

Table 4.1 continued

£ million	2009	2010	2011	2012 (provisional)
Intermediate consumption				
15 Seeds	690	636	658	610
16 Energy	1 094	1 201	1 374	1 448
of which: electricity and fuels for heating	340	354	369	387
motor and machinery fuels	754	846	1 005	1 061
17 Fertilisers	1 234	1 352	1 632	1 600
18 Plant protection products	715	762	809	839
19 Veterinary expenses	360	401	410	424
20 Animal feed	3 615	3 991	4 398	4 626
of which: compounds	2 088	2 255	2 622	2 809
straights	1 045	1 270	1 253	1 283
feed produced and used on farm or purchased from other farms	482	466	523	534
21 Total maintenance	1 288	1 371	1 433	1 459
of which: materials	794	852	892	906
buildings	494	519	541	553
22 Agricultural services	865	924	1 042	1 050
23 FISM	127	143	150	160
24 Other goods and services (c)	2 658	2 774	3 010	3 106
25 Total intermediate consumption (sum 15 to 24)	12 647	13 554	14 916	15 322
26 Gross value added at market prices (12 - 25)	7 007	7 033	8 629	8 581
27 Gross value added at basic prices (14 - 25)	7 044	7 062	8 656	8 605
28 Total consumption of Fixed Capital	3 493	3 439	3 817	4 052
of which: equipment	1 359	1 454	1 598	1 694
buildings	961	840	865	917
livestock	1 173	1 145	1 354	1 441
cattle	731	679	791	885
pigs	8	8	8	10
sheep	269	291	350	327
poultry	164	167	205	220
29 Net value added at market prices (26 - 28)	3 514	3 595	4 812	4 529
30 Net value added at basic prices (27 - 28)	3 551	3 623	4 839	4 553
31 Other taxes on production	- 106	- 114	- 121	- 127
32 Other subsidies on production (b)	3 580	3 445	3 439	3 239
33 Net value added at factor cost (30 + 31 + 32)	7 026	6 954	8 157	7 665
34 Compensation of employees	2 168	2 216	2 326	2 373
35 Rent	366	366	373	390
36 Interest (d)	176	175	187	199
37 Total Income from Farming (33 - 34 - 35 - 36)	4 315	4 197	5 272	4 704

- means 'nil' or 'negligible' (less than half the last digit shown).

. . means 'not available' or 'not applicable'.

(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) "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.

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

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

Table 4.2 Changes in outputs and inputs

Enquiries: Nick Olney on +44 (0) 1904 455355 or Keith Seabridge

email: keith.seabridge@defra.gsi.gov.uk

£ million

	Current price value		Changes %		
	2011	2012	value	volume	price
Output at market prices (a)					
1 Output of cereals	3 108	3 116	0	- 5	5
of which: wheat	2 210	1 995	- 10	- 11	1
barley	834	992	19	6	12
2 Output of industrial crops	1 857	1 860	0	3	- 3
of which: oilseed rape	1 110	986	- 11	- 7	- 4
sugar beet	251	227	- 10	- 14	5
other industrial crops	468	631	35	42	- 5
3 Output of forage plants	266	230	- 14	- 21	9
4 Output of vegetables and horticultural products	2 262	2 308	2	0	2
of which: fresh vegetables	1 217	1 260	4	- 5	9
plants and flowers	1 045	1 048	0	5	- 5
5 Output of potatoes (including seeds)	711	562	- 21	- 28	10
6 Output of fruit	600	555	- 8	- 9	1
7 Output of other crop products including seeds	48	51	6	1	5
Total crop output (sum 1 - 7)	8 852	8 682	- 2	- 5	3
8 Output of livestock	8 236	8 675	5	0	5
primarily for meat	6 914	7 222	4	0	4
of which: cattle	2 584	2 776	7	- 2	9
pigs	1 070	1 139	6	2	4
sheep	1 149	1 020	- 11	- 4	- 7
poultry	1 904	2 072	9	3	6
gross fixed capital formation	1 322	1 453	10	2	8
of which: cattle	696	898	29	8	19
pigs	8	10	25	11	13
sheep	405	342	- 16	- 7	- 10
poultry	213	203	- 5	- 6	1
9 Output of livestock products	4 387	4 485	2	- 2	4
of which: milk	3 738	3 769	1	- 2	3
eggs	559	661	18	- 3	22
Total livestock output (8 + 9)	12 623	13 160	4	- 1	5
10 Other agricultural activities	1 042	1 050	1	- 1	2
11 Inseparable non-agricultural activities	1 028	1 012	- 2	- 4	2
12 Output (at market prices) (sum 1 to 11)	23 545	23 903	2	- 2	4
13 Total subsidies (less taxes) on product (b)	28	24	- 14	- 8	- 7
14 Gross output at basic prices (12 + 13)	23 572	23 927	2	- 2	4

continued

Table 4.2 continued

£ million		Current price value		Changes %		
		2011	2012	value	volume	price
Intermediate consumption						
15	Seeds	658	610	- 7	5	- 11
16	Energy	1 374	1 448	5	2	3
	of which: electricity and fuels for heating	369	387	5	- 2	7
	motor and machinery fuels	1 005	1 061	6	3	3
17	Fertilisers	1 632	1 600	- 2	- 7	5
18	Plant protection products	809	839	4	2	2
19	Veterinary expenses	410	424	3	2	1
20	Animal feed	4 398	4 626	5	0	5
	of which: compounds	2 622	2 809	7	3	4
	straights	1 253	1 283	2	- 4	6
	feed produced and used on farm or purchased from other farms	523	534	2	- 4	6
21	Total maintenance	1 433	1 459	2	0	2
	of which: materials	892	906	2	0	2
	buildings	541	553	2	0	2
22	Agricultural services	1 042	1 050	1	- 1	2
23	FISM	150	160	7	- 14	24
24	Other goods and services (c)	3 010	3 106	3	1	2
25 Total intermediate consumption (sum 15 to 24)		14 916	15 322	3	0	3
26 Gross value added at market prices (12 - 25)		8 629	8 581	- 1	- 6	5
27 Gross value added at basic prices (14 - 25)		8 656	8 605	- 1	- 6	5
28	Total consumption of Fixed Capital	3 817	4 052	6	2	4
	of which: equipment	1 598	1 694	6	3	3
	buildings	865	917	6	0	6
	livestock	1 354	1 441	6	2	4
	cattle	791	885	12	0	12
	pigs	8	10	25	7	17
	sheep	350	327	- 7	3	- 10
	poultry	205	220	7	5	2
29	Net value added at market prices (26 - 28)	4 812	4 529	- 6	- 12	7
30	Net value added at basic prices (27 - 28)	4 839	4 553	- 6	- 12	7
31	Other taxes on production	- 121	- 127	5	..	..
32	Other subsidies on production (b)	3 439	3 239	- 6	..	..
33	Net value added at factor cost (30 + 31 + 32)	8 157	7 665	- 6	..	..
34	Compensation of employees	2 326	2 373	2	..	..
35	Rent	373	390	5	..	..
36	Interest (k)	187	199	6	..	..
37 Total Income from Farming (33 - 34 - 35 - 36)		5 272	4 704	- 11	..	..

- means 'nil' or 'negligible' (less than half the last digit shown).

.. means 'not available' or 'not applicable'.

(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) "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.

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

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

Chapter 5: Productivity

Summary

Over the longer term

- Since 1986, total factor productivity for the agricultural industry has grown by 20 per cent. However, there has been little change in productivity since 2005.
- The volume of final output (at market price) has remained largely unchanged while the volume of all inputs has fallen by 19 per cent.

In 2012, compared to 2011

- Total factor productivity fell by 3.2 per cent, the largest single year fall since our records started in 1973.
- The volume of final output fell by 3.7 per cent and the volume of input fell by 0.5 per cent.
- The total labour force, expressed as annual work units (or full time equivalents) rose by 0.7 per cent.
- Labour productivity fell by 13 per cent (measured by net value added at market prices per annual work unit)

Total factor productivity

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

Chart 5.1 Agricultural productivity

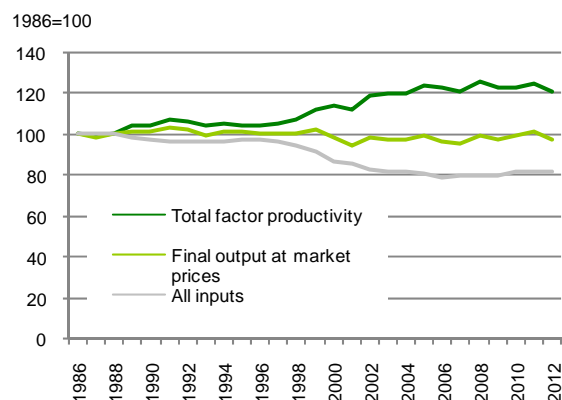


Table 5.1 Productivity

Enquiries: Nick Olney on +44 (0) 1904 455355

email: nick.olney@defra.gsi.gov.uk

	2008	2009	2010	2011	2012 (provisional)
Volume indices 2005 = 100					
Final output at market prices (gross output less transactions within the industry)	100.3	98.2	100.1	102.5	98.8
All inputs (including fixed capital, paid and entrepreneurial labour)	98.7	99.1	101.2	101.9	101.4
Total factor productivity (a)	101.6	99.1	98.9	100.6	97.4
<u>Labour productivity (net value added at market prices per AWU of all labour) (b)</u>	<u>108.0</u>	<u>97.8</u>	<u>93.2</u>	<u>100.9</u>	<u>87.8</u>
Labour volumes (c); annual work unit (thousand)					
Entrepreneurial labour	187	184	183	186	187
Paid labour	100	99	99	102	103
Total labour force	287	283	282	288	290

(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.

Latest figures and long term trends

- Over the longer term, total factor productivity for the agricultural industry in the United Kingdom has increased by 20 per cent between 1986 and 2012. In that time, the volume of final output has remained largely unchanged while the volume of all inputs fell by 19 per cent. Total factor productivity is at its lowest since 2004 due to a fall of 3.2 per cent in 2012. There has been little change in productivity since 2005
- The 3.2 per cent decrease in total factor productivity is the largest year on year fall seen in total factor productivity since 1985. The fall in productivity was down to the poor weather conditions in 2012 which resulted in lower volumes of outputs. Productivity in 1985 was also affected by poor weather conditions but unlike 1985, 2012 did not follow a year of high productivity.

Table 5.2 Output and input volume indices

Enquiries: Nick Olney on +44 (0) 1904 455355

email: nick.olney@defra.gsi.gov.uk

Indices 2005 = 100

	2008	2009	2010	2011	2012 (provisional)
Outputs at market prices					
1 Output of cereals	114.6	103.8	101.0	98.4	93.8
wheat	114.7	95.1	99.5	97.4	86.7
barley	111.0	124.2	101.2	102.0	107.8
2 Output of industrial crops	98.0	99.7	101.2	118.4	122.4
oilseed rape	109.7	106.3	124.0	153.3	142.1
sugar beet	88.0	97.3	75.1	97.9	83.9
3 Output of forage plants	81.9	104.9	94.5	82.0	65.0
4 Output of vegetables and horticultural products	95.2	93.0	96.5	94.2	93.8
fresh vegetables	96.0	100.2	103.9	101.8	97.2
plants and flowers	94.4	84.9	88.1	85.6	89.5
5 Output of potatoes (including seeds)	98.9	100.4	83.7	90.1	64.6
6 Output of fruit	118.3	124.9	125.1	125.7	114.5
7 Output of other crop products including seeds	85.4	89.7	82.9	74.8	75.8
Total crop output	103.7	101.2	99.5	101.0	96.3
8 Output of livestock	99.8	96.4	98.7	102.6	102.6
primarily for meat	97.2	94.4	97.8	100.7	100.4
cattle	96.4	93.8	98.3	101.6	99.4
pigs	103.9	100.4	104.9	112.4	114.3
sheep	96.6	93.5	86.5	91.6	87.5
poultry	94.3	91.6	99.8	98.8	102.0
gross fixed capital formation	116.5	109.8	105.8	115.8	117.8
cattle	123.0	105.0	96.6	103.8	112.0
pigs	125.1	110.8	122.9	133.7	148.2
sheep	92.6	115.4	120.0	140.4	131.1
poultry	108.0	123.3	127.6	132.9	124.9
9 Output of livestock products	95.2	94.4	98.1	99.3	97.1
milk	95.0	93.9	96.3	97.8	96.3
eggs	100.2	101.2	113.5	113.1	109.5
Total livestock and livestock product output	98.0	95.6	98.4	101.3	100.5
10 Other agricultural activities	116.6	125.3	131.2	129.8	128.1
11 Inseparable non-agricultural activities	102.6	115.3	119.3	117.2	112.8
12 Total output at market prices	101.2	99.7	101.1	103.2	100.7
13 Total subsidies (less taxes) on product	..	..	..	..	..
14 Gross output at basic prices	101.1	99.6	101.0	103.1	100.6

continued

AGRICULTURE IN THE UNITED KINGDOM 2012

Table 5.2 continued

Indices 2005 = 100

	2008	2009	2010	2011	2012 (provisional)
Intermediate consumption					
15 Seeds	118.1	115.2	109.9	115.2	120.6
16 Energy	94.4	112.9	109.6	106.4	108.0
electricity and fuels for heating	95.1	120.2	120.4	114.7	112.8
motor and machinery fuels	94.3	110.1	105.4	103.1	105.8
17 Fertilisers	84.8	76.8	86.9	90.4	84.4
18 Pesticides	120.4	122.4	134.0	142.7	146.1
19 Veterinary expenses	117.1	124.1	121.6	121.7	124.1
20 Animal feed	99.0	99.9	106.2	98.3	98.5
compounds	107.4	105.9	113.2	110.5	113.7
straights	91.5	91.0	101.9	87.7	84.3
feed produced and used on farm or purchased from other farms	85.2	98.3	90.1	77.1	74.3
21 Total maintenance (b)	104.1	108.2	109.5	108.2	108.2
materials	98.1	101.2	103.9	103.7	103.8
buildings	115.1	121.1	119.6	116.3	116.3
22 Agricultural services	118.2	127.0	133.0	131.6	129.9
23 FISIM	97.9	97.1	102.2	97.5	83.6
24 Other goods and services (b) (c)	97.1	99.9	97.4	100.2	101.4
25 Total intermediate consumption	100.8	103.2	106.2	104.9	104.7
26 Gross value added at market prices	101.8	93.7	92.2	99.9	93.8
27 Gross value added at basic prices	101.5	93.5	92.0	99.7	93.5
Consumption of Fixed Capital					
equipment	100.0	102.8	106.0	113.0	116.2
buildings (b)	103.0	101.4	100.6	101.4	101.1
livestock	95.1	80.0	82.4	89.7	91.2
cattle	90.9	69.9	74.9	84.1	84.4
pigs	110.3	96.4	102.8	117.2	125.3
sheep	102.7	97.0	88.4	89.8	92.3
poultry	101.0	108.6	116.4	125.6	132.5
28 Total consumption of Fixed Capital	99.7	94.8	96.7	102.5	104.2
29 Net value added at market prices	102.3	91.3	86.7	95.9	84.0
30 Net value added at basic prices	101.8	91.0	86.5	95.5	83.7

(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 6: Prices

Summary

In 2012 compared with 2011:

- The average producer price of agricultural products rose by 4.7 per cent.
- The average price of crop products rose by 4.6 per cent, with fresh vegetable prices rising 19 per cent and potato prices rising 15 per cent.
- The average price of livestock and livestock products rose 4.8 per cent, with milk prices having risen 2.7 per cent and eggs 26 per cent.
- The average price of agricultural inputs rose by 1.5 per cent.
- The average price of livestock feedingstuffs rose 4.6 per cent.
- The average price of fertiliser fell by 3.9 per cent.
- The average price of energy and lubricants rose by 3.7 per cent.

Data Sources

1. The Agricultural Price Index (API) measures the monthly price changes in agricultural outputs and inputs for the United Kingdom. The output series reflects the price farmers receive for their products, also referred to as farm gate price. Information is collected for all major crops (for example wheat and potatoes) and on livestock and livestock products (for example sheep, milk and eggs).
2. The input series reflects the price farmers pay for goods and services. This is split into two groups: goods and services currently consumed; and goods and services contributing to investment. Goods and services currently consumed refer to items that are used up in the production process, for example fertiliser, or seed. Goods and services contributing to investment relate to items that are required but not consumed in the production process, such as tractors or buildings.

Price Indices during 2012

3. The wet weather conditions in 2012 led to a poor harvest which saw crop prices rise in the second half of the year. There were also major fluctuations in the price of milk during the year.
4. The annual agricultural price index for agricultural outputs for 2012 rose by 4.7 per cent. During the year the price for outputs rose by 12 per cent with much of the increase coming in the latter half of the year when the effects of the weather on the harvest were known.
5. The price index for agricultural inputs rose by 1.5 per cent in 2012. The price for inputs fell by 1 per cent in the first half of the year and then rose by 6 per cent in the second half of the year. The rise in inputs was driven by a 22 per cent increase in the price of animal feeding stuffs.
6. Chart 6.1 shows how the price of cereals increased throughout 2012. In June the prices rose due to the forecast of poor harvest. A steep rise in the price of cereals was seen from October to the end of the year as the results of the harvest became known; reduced quantity and reduced quality.
7. Chart 6.2 shows the rise in animal feed stuffs price in 2012. And how it is driven by the cereal price.

Chart 6.1 Comparison monthly cereal price index 2011 and 2012 (2005=100)

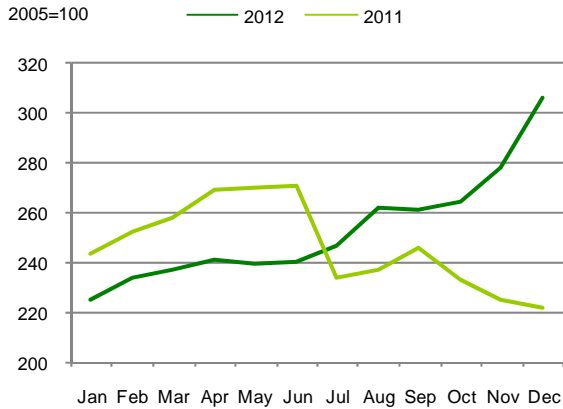
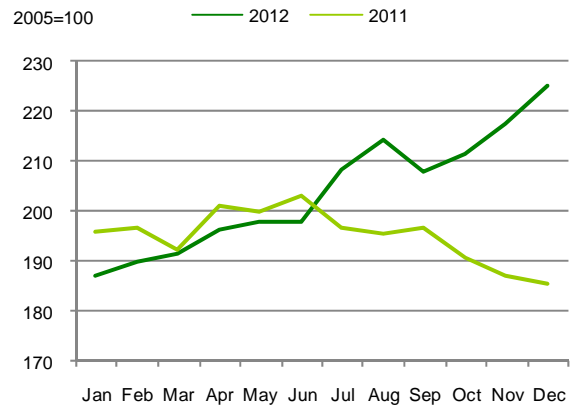


Chart 6.2 Comparison monthly animal feedingstuffs price index 2011 and 2012 (2005=100)



8. Although on average potato prices for 2012 were up 15 per cent on 2011 the monthly changes in potato prices tell a different story. Chart 6.3 shows how the price of potatoes doubled during 2012. The noticeable price change happened when the 2012 harvest came onto the market in July. Again the price increases were driven by the wet weather conditions and shortage of supply.
9. Chart 6.4 shows how the price of milk fluctuated in 2012. The price of milk fell by 6.3 per cent in the first half of the year as dairy companies renegotiated their prices. Following protests from dairy farmers the price of milk recovered in the second half of the year rising by 12 per cent. At the end of the year the price was 5 per cent higher than in December 2011 Compared to 2011 the price of milk was 2.7 per cent higher

Chart 6.3 Comparison of monthly potato price index 2011 and 2012 (2005=100)

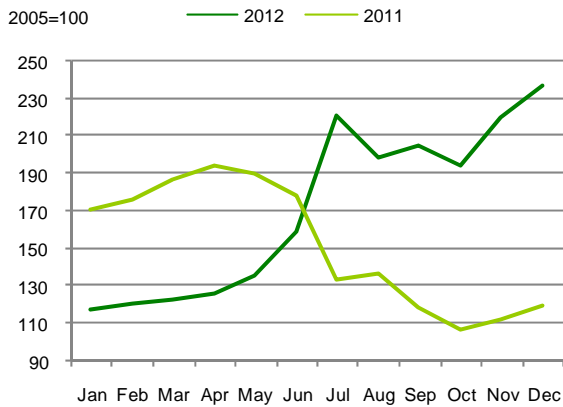


Chart 6.4 Comparison of monthly milk price index 2011 and 2012 (2005=100)

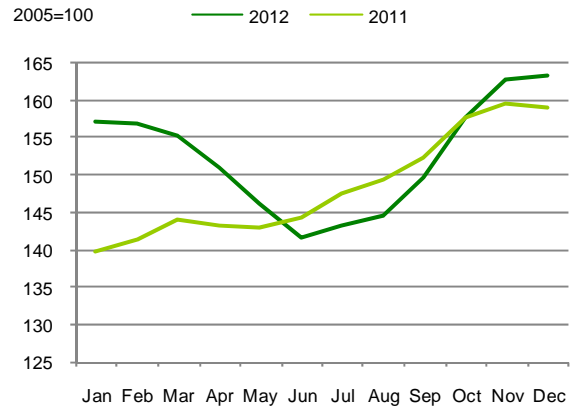


Table 6.1 Price indices for outputs and inputs

Enquiries: Julie Rumsey on +44 (0) 1904 455249

email: julie.rumsey@defra.gsi.gov.uk

	2008	2009	2010	2011	2012
All Outputs	142.7	136.3	145.1	165.1	172.8
Crop products	155.6	133.1	152.4	182.0	190.4
Cereals	207.1	150.1	172.4	245.6	253.0
Wheat	213.0	158.6	179.1	249.8	255.5
Barley	195.7	131.3	157.8	232.9	243.7
Oats	167.7	119.8	145.8	266.2	281.8
Potatoes	153.8	123.8	141.1	150.9	174.1
Industrial Crops	162.4	139.6	149.5	187.8	186.9
Oilseed Rape	238.4	184.2	204.7	289.4	281.8
Sugar Beet	92.2	97.5	98.5	95.1	100.2
Forage plants	145.6	147.7	181.5	214.2	198.2
Fresh Vegetables	117.5	113.9	131.9	119.7	141.8
Fresh Fruit	126.4	124.6	129.6	132.2	140.1
Flowers and plants	120.2	124.9	151.2	165.9	167.5
Other crop products	119.4	111.5	104.8	131.9	132.2
Animals and animal products	133.8	138.6	140.1	153.3	160.6
Animals (for slaughter & export)	129.4	144.5	143.8	157.2	164.4
Cattle and calves	141.9	151.4	144.2	166.1	185.9
Pigs	121.6	140.2	135.9	138.7	144.6
Sheep and lambs	116.4	147.4	162.2	181.4	170.7
All Poultry	122.3	133.9	134.5	138.8	141.8
Animal products	140.0	130.2	134.8	147.7	155.3
Milk	140.4	128.4	133.5	148.1	152.0
Eggs	140.4	144.7	137.8	137.9	174.2
All Inputs	140.1	130.6	135.8	151.9	154.2
All goods and services currently consumed in agriculture	146.1	133.9	139.3	158.0	160.4
Seeds	111.6	121.2	108.8	121.3	118.9
Energy and lubricants	160.6	132.0	149.8	177.0	183.6
Fertilisers and soil improvers	272.5	189.8	182.4	229.3	220.3
Plant protection products	106.4	108.5	105.6	105.4	106.5
Veterinary services	104.3	104.8	119.1	121.5	123.5
Animal feedingstuffs	167.3	152.5	161.0	194.9	203.8
Straight feedingstuffs	184.0	156.2	174.0	214.2	225.4
Compound feedingstuffs	154.6	149.8	151.2	180.2	187.2
Maintenance of Materials	116.3	121.5	126.9	133.1	135.2
Maintenance of Buildings	122.3	122.0	130.1	139.7	142.9
Other goods and services	113.8	115.4	123.6	127.8	128.0
Goods and services contributing to investment	111.4	114.7	118.9	122.6	124.0
Materials	107.4	111.5	115.2	117.5	118.3
Buildings	120.3	120.6	126.7	134.1	136.3
Other (Engineering and soil improvement operations)	111.6	117.7	120.1	123.2	125.6

Chapter 7: Crops

Summary

In 2012:

- The yield and quality of the 2012 wheat crop was adversely impacted by the weather during 2012. Consequently the imports of higher quality wheat for milling increased significantly. The value of production of wheat was down by 10 per cent on 2011 while that for barley increased by 19 per cent to £2.0 billion and £1.0 billion respectively.
- The oilseed rape crop was the second highest recorded at 2.6 million tonnes and exports to the European Union increased significantly to meet shortages in supply in the European Union. The value of production was £1.0 billion which was 11 per cent lower than in 2011.
- The yield of potatoes was severely impacted by the weather conditions during 2012 with the volume of production down by 28 per cent. At just 4.6 million tonnes it was the lowest recorded production over the last 30 years. Prices for early potatoes increased substantially but the increase for maincrop potatoes was more modest and the overall value of production for all potatoes reduced by 27 per cent to £522 million.
- The yield and sugar content for sugar beet returned to more typical levels after the record levels achieved in 2011 due to the wet weather and lack of sunshine. The volume of production was 14 per cent lower than in 2011 and the value of production was down 10 per cent at £227 million.
- The value of production of all fresh vegetables was up 3.5 per cent to £1.3 billion.
- The value of production of all fresh fruit was down 7.5 per cent to £555 million.
- The value of production of plants and flowers was static at £1.0 billion.

Data Revisions

1. Minor revisions have been made to the data for vegetables back to 2004 as a result of updated figures being supplied for Scotland and Northern Ireland. Minor revisions to the data for fruit back to 2006 are due to updated methodology for some items.
2. Revisions have been made to data for Wheat and Barley back to 2002 as a result of revised data and updated methodology.

Cereals (tables 7.1 to 7.4)

3. The area of wheat increased by 1.1 per cent and for barley the increase was 3.3 per cent. Overall wheat yields were 14 per cent lower than 2011; overall barley yields were 2.7 per cent lower and below the 5 year average for both crops. Yields were affected by high disease pressure throughout the spring and summer and poor sunlight levels during grain fill. Crops grown on heavier soils, which in a typical year would be expected to yield well, suffered whereas those on lighter soil performed better than normal due to a combination of reduced water stress and better drainage preventing the roots from getting damaged by excessive rainfall in spring and summer. Harvest was difficult, late crop maturity meant that the start was about two weeks later than normal and regular rain, particularly in northern and western regions caused further disruption and delays.

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4. The overall quality of the crops was lower than average with low specific weights a problem for a high proportion of the crop and they were the poorest since 1977. In wheat, a high proportion of the samples failed to meet the normal feed wheat specification of 72kg/hl let alone the milling requirement of 76kg/hl. The reduced supplies of domestic milling wheat resulted in increased demand for imported grain to meet miller's requirements both in terms of quality and quantity. Demand for cereals for animal feed was strong due to the poor weather leading to reduced fodder availability and the need for stock to be kept inside, with greater usage of maize and barley at the expense of wheat from July onwards. Demand for malting barley from the malting and distilling sector remained strong throughout 2012.
5. Cereal prices were generally below 2011 values for the first half of 2012 until harvest 2012 when they increased above 2011 levels, supported by weather related events in the main grain producing areas and a tight world market. The poor quality of the 2012 wheat meant that growers incurred penalties when the crop did not meet specifications. These deductions for the 2012 crop have been estimated for the wheat prices and taken into account for the valuation for 2012.
6. The value of production of wheat was £2.0 billion, 10 per cent lower than in 2011, due mainly to a fall in harvested production of 13 per cent. The value of production of barley increased by 19 per cent to £1.0 billion. The value of production of oats approximately doubled to £123 million. The increased value of production of barley and oats was due to small increases in harvested production and higher market prices for malting and feed barley and milling and feed oats.

Straw

7. Good establishment resulted in high tiller numbers and tall crops and the mild winter ensured high tiller survival through to the spring. Together with early nitrogen and good moisture levels, these factors all combined to give significantly higher than average straw yields compared to 2011 when yields were lower than average. Whilst decisions on baling or chopping straw are usually taken in advance of harvest, the late harvest and unsettled weather made clearing of straw from fields more difficult and some was chopped to allow timely cultivation and drilling of following crops.

Oilseed rape and linseed (tables 7.5 and 7.6)

8. Autumn planting conditions allowed drilling in near perfect conditions and at the optimum timing. This gave a further 7.3 increase on the area of oilseed rape planted for harvest in 2012 to a record 756 thousand tonnes. Yields were around average at 3.4 tonnes per hectare but lower than the record 3.9 tonnes per hectare reached in 2011, mainly due to lodging and low sunlight levels during pod fill. Consequently production in 2012 was 2.6 million tonnes. This is the second highest production achieved but 7.3 per cent lower than the record 2.8 million tonnes reached in 2011. The oil content of the oilseed rape was low and variable at 40-43 per cent.
9. Prices for oilseed rape have remained strong throughout the season, supported by the lack of available supplies in the European Union due to reduced plantings and/or losses due to winterkill. The value of production was £1.0 billion, down 11 per cent on 2011 but 46 per cent up on that for 2010. The shortage of supply in Europe created export opportunities for the United Kingdom and exports of oilseed rape increased substantially (60 per cent) in 2012 to 1.1 million tonnes with the main destinations being Germany, the Netherlands and Belgium. Imports were reduced by 70 per cent to just 18 thousand tonnes.
10. The area of linseed planted for harvest in 2012 fell by 24 percent to 28 thousand hectares, in line with the area harvested in 2009 after increased plantings in both 2010 and 2011. Yields for the 2012 crop were very disappointing and well below average caused by lodging resulting from lush autumn growth from the mild conditions. Production was 42 thousand tonnes, 41 per cent lower than 2011 and the value of production was down 36 per cent to £17 million.

Sugar beet (table 7.7)

11. The lower level sunshine and high rainfall delayed the development of the sugar beet crop so resulted in a later campaign with wet weather causing some difficulties and delays in harvesting. Yields were impacted by the weather and in 2012 was 20 per cent down on the record yield achieved in 2011 but similar to the five year average for the preceding years excluding 2011. The volume of production for 2012 was 7.3 million tonnes, 14 per cent down on 2011. The lack of sun reduced the sugar content to

17 per cent, just slightly down on the five year average. The value of production was £227 million, down 10 per cent on 2011.

Peas and beans (table 7.8)

12. The area of field peas was down 10 per cent compared to 2011 and has now declined 60 per cent since 2009. The reduction in area combined with a poor yield meant that production for animal feed stood at 26 thousand tonnes, a decrease of 47 per cent on 2011. Quality was poor with small peas and a significant amount of discolouring and staining along with soil contamination. The area of field beans was down 23 per cent to 96 thousand tonnes and despite a small increase in yield compared to last year, production was down 20 per cent to 336 thousand tonnes. The value of production for field peas fell 30 per cent to £6 million whereas the value of production of field beans increased 10 per cent to £79 million due to higher prices.

Fresh vegetables (table 7.9)

13. The overall value of production of all vegetables has shown an increase of 3.5 per cent on 2011 at £1.3 billion. This was driven by increases for carrots, up by £12 million and in particular calabrese, up by £31 million. Wet weather caused problems for brassicas with slugs and disease hitting yields and pushing up prices due to reduced supply. With stocks running low this created a need for calabrese to be air-freighted from the USA in the summer months. Brussels sprouts have also had a notable increase in value due to a combination of area increase and high prices.
14. Favourable drilling conditions for bulb onions in 2012 lead to good crop establishment. The value of production has shown a 30 per cent decrease in value compared to 2011 due to prices returning to more typical levels compared to the very high prices for 2010 and 2011. Crops matured as normal, yielding bulbs of reasonable size which has resulted in less imports of bulb onions.
15. Salad crops were adversely affected by low light levels across the country for most of the summer which has impacted production and pushed prices higher. This was with the exception of round tomatoes which had a slight step up due to increased areas and iceberg lettuce recovering to more normal levels after the 2011 E coli scare.
16. Production as a percentage of total new supply for use in the United Kingdom for all fresh vegetables was 56 per cent which was 2 per cent down on 2011. This change was largely driven by reduced home production and increased imports.

Plants and flowers (table 7.10)

17. The overall value of production in the ornamental sector remained static at £1.0 billion in 2012, reflecting slow and challenging trading conditions across all market sectors. The value of flowers/bulbs and protected stock saw decreases of 2.3 per cent and 4.2 per cent respectively, while the value of hardy ornamental nursery stock (including Christmas trees) increased by 2.2 per cent.
18. Retail sales were affected by poor weather during crucial trading periods. The area of narcissi planted increased slightly in 2012, however very heavy rainfall in early July delayed bulb harvesting for up to three weeks; in some cases marketing companies were unable to supply customers due to late delivery, especially for the export market.

Potatoes (table 7.11)

19. The area of potatoes planted in 2012 was up 1.8 per cent to 149 thousand hectares. The season started dry in England and Wales but was soon followed by persistent and prolonged rainfall with Scotland experiencing another waterlogged season. Planting progress and crop development were affected by unusually cold, dull and wet conditions across Great Britain. Yields were significantly impacted by the weather conditions during the growing season with production down 28 per cent to just 4.6 million tonnes. This is the lowest recorded in the last 30 years, including 1976 when there was a major drought and production was 4.8 million tonnes.

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20. Prices for new potatoes in 2012 were up 87 per cent to £300 per tonne. Prices for maincrop potatoes were typically around £115 per tonne early in the year and started to increase from May and reached £245 per tonne in December. The overall average weighted price for the 2012 calendar year was £163 per tonne, up 6.4 per cent on the equivalent 2011 price. The overall value of production of all potatoes was £522 million, down 27 per cent on 2011. Production as a percentage of new supply for use in the United Kingdom was reduced to 77 per cent compared to a typical 84-85 per cent in the previous three years and is the lowest recorded since 1985 when figures are available.

Fresh fruit (table 7.12)

21. The overall value of production for all fresh fruit decreased by 7.5 per cent on 2011 to £555 million. The decrease was driven by poor weather conditions, affecting fresh fruit across the board with the exception of culinary apples which showed a 4.5 per cent increase in value, with reduced yields leading to high prices. Early 2012 brought unusually dry weather with potential for drought; this was closely followed by heavy rain in April and May, making it one of the wettest years on record. This cold, wet weather during flowering and early fruit development affected fruit set and final yields for top fruit. Although raspberries and strawberries were more suited to the weather conditions prevailing through 2012 and cropped steadily to mid October, prices were largely affected by supply and demand issues.
22. Production as a percentage of total new supply for use in the United Kingdom has decreased from 12 per cent to 10 per cent. This decrease was due to reduced home production and increased imports.

Table 7.1 Total cereals

Enquiries: Allan Howsam on +44 (0) 1904 455076

email: allan.howsam@defra.gsi.gov.uk

Thousand tonnes (unless specified otherwise)	Calendar year				
	2008	2009	2010	2011	2012 (provisional)
Production					
Area (thousand hectares)	3 274	3 075	3 013	3 076	3 142
Volume of harvested production	24 283	21 618	20 946	21 484	19 515
Value of production at market prices (£ million) (a)	3 147	2 338	2 306	3 108	3 145
Supply and use					
Production	24 283	21 618	20 946	21 484	19 515
Imports from: the EU	1 537	1 677	1 535	1 361	2 346
the rest of the world	1 057	814	678	707	765
Exports to: the EU	3 016	3 274	3 945	2 908	1 827
the rest of the world	446	176	518	238	317
Total new supply	23 415	20 660	18 696	20 406	20 482
Change in farm and other stocks	2 910	75	- 2 335	- 28	- 364
Total domestic uses	20 505	20 585	21 032	20 435	20 846
Production as % of total new supply for use in the UK	104	105	112	105	95

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

Table 7.2 Wheat

Enquiries: Allan Howsam on +44 (0) 1904 455076

email: allan.howsam@defra.gsi.gov.uk

Thousand tonnes (unless specified otherwise)	Calendar year				
	2008	2009	2010	2011	2012 (provisional)
Production					
Area (thousand hectares)	2 080	1 775	1 939	1 969	1 992
Yield (tonnes per hectare)	8.28	7.93	7.67	7.75	6.66
Volume of harvested production	17 227	14 076	14 878	15 257	13 261
Value of production (£ million) (a)	2 241	1 562	1 680	2 210	1 995
of which : sales	1 781	1 546	1 728	2 208	2 245
on farm use	133	108	81	71	95
change in stocks	327	- 92	- 129	- 69	- 315
Value of production at market prices (£ million) (a)	2 242	1 562	1 680	2 210	1 995
Prices (£ per tonne)					
Milling wheat	152	122	122	175	176
Feed wheat	127	108	113	148	163
Supply and use					
Production	17 227	14 076	14 878	15 257	13 261
Imports from :					
the EU	645	780	642	493	1 358
the rest of the world	603	610	469	409	427
Exports to :					
the EU	2 389	2 378	2 908	2 125	1 282
the rest of the world	376	156	427	162	221
Total new supply	15 709	12 932	12 654	13 872	13 543
Change in farm and other stocks	2 136	- 810	- 1 231	283	- 567
Total domestic uses	13 573	13 742	13 885	13 589	14 110
of which : flour milling	6 123	6 067	6 458	6 202	6 291
animal feed	6 238	6 557	6 389	6 270	6 525
seed	322	290	295	295	319
other uses and waste	891	828	742	823	975
Production as % of total new supply for use in the UK	110	109	118	110	98
% of home grown wheat in milling grist	80	80	86	89	85

(a) Excludes farm saved seed

Table 7.3 Barley

Enquiries: Allan Howsam on +44 (0) 1904 455076

email: allan.howsam@defra.gsi.gov.uk

Thousand tonnes (unless specified otherwise)	Calendar year				
	2008	2009	2010	2011	2012 (provisional)
Production					
Area (thousand hectares)	1 032	1 143	921	970	1 002
Yield (tonnes per hectare)	5.95	5.83	5.70	5.66	5.51
Volume of harvested production	6 144	6 668	5 252	5 494	5 522
Value of production (£ million)	812	701	560	837	992
of which : sales	504	440	461	562	637
on farm use	222	191	207	279	301
change in stocks	86	69	- 109	- 4	53
Value of production at market prices (£ million) (a)	812	701	560	834	992
Prices (£ per tonne)					
Malting barley	153	125	108	162	185
Feed barley	118	88	98	146	159
Supply and use					
Production	6 144	6 668	5 252	5 494	5 522
Imports from : the EU	107	120	115	129	162
the rest of the world	11	10	-	-	-
Exports to : the EU	489	850	940	724	494
the rest of the world	70	19	91	76	96
Total new supply	5 704	5 929	4 336	4 823	5 094
Change in farm and other stocks	752	829	- 1 030	- 278	176
Total domestic uses	4 952	5 100	5 366	5 101	4 917
of which : brewing/distilling	1 749	1 638	1 650	1 778	1 828
animal feed	3 000	3 246	3 533	3 138	2 884
seed	160	171	145	145	165
other uses and waste	43	45	38	39	40
Production as % of total new supply for use in the UK	108	112	121	114	108

(a) Excludes farm saved seed

Table 7.4 Oats

Enquiries: Allan Howsam on +44 (0) 1904 455076

email: allan.howsam@defra.gsi.gov.uk

Thousand tonnes (unless specified otherwise)	Calendar year				
	2008	2009	2010	2011	2012 (provisional)
Production					
Area (thousand hectares)	135	129	124	109	122
Yield (tonnes per hectare)	5.80	5.77	5.52	5.62	5.14
Volume of harvested production	784	744	685	613	627
Value of production (£ million)	90	72	62	59	123
of which : sales	58	51	54	76	79
on farm use	23	20	18	26	25
change in stocks	9	1	- 9	- 44	19
Value of production at market prices (£ million) (a)	90	72	63	59	123
Prices (£ per tonne)					
Milling oats	113.7	96.8	93.0	149.8	182.1
Feed oats	114.9	96.9	93.1	159.3	184.2
Supply and use					
Production	784	744	685	613	627
Imports from : the EU	46	19	19	34	64
the rest of the world	-	-	-	-	-
Exports to : the EU	119	32	73	23	11
the rest of the world	-	-	-	-	-
Total new supply	711	731	631	624	680
Change in farm and other stocks	23	55	- 74	- 23	27
Total domestic uses	688	676	705	647	653
of which : milling	420	419	445	458	474
animal feed	244	233	240	170	159
seed	19	18	17	15	17
other uses and waste	4	5	3	3	3
Production as % of total new supply for use in the UK	110	102	109	98	92

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Table 7.5 Oilseed rape

Enquiries: Lindsay Holmes on +44 (0) 1904 455563

email: lindsay.holmes@defra.gsi.gov.uk

Thousand tonnes (unless specified otherwise)	Calendar year				
	2008	2009	2010	2011	2012 (provisional)
Production					
Area (thousand hectares)	598	570	642	705	756
Yield (tonnes per hectare)	3.3	3.4	3.5	3.9	3.4
Volume of harvested production	1 973	1 912	2 230	2 758	2 557
Value of production (£ million)	631	476	674	1 110	986
of which : sales	621	487	640	1 025	1 017
change in stocks	9	- 12	34	85	- 31
Prices (average weighted by volume of sales (£ per tonne))	319.6	248.7	302.3	402.3	385.6
Supply and use					
Production	1 973	1 912	2 230	2 758	2 557
Imports from :					
the EU	175	401	159	64	18
the rest of the world	0	21	9	-	-
Exports to :					
the EU	217	50	262	659	1 057
the rest of the world	2	3	2	-	-
Total new supply	1 930	2 281	2 134	2 164	1 518
Production as % of total new supply for use in the UK	102	84	104	127	168

Table 7.6 Linseed

Enquiries: Lindsay Holmes on +44 (0) 1904 455563

email: lindsay.holmes@defra.gsi.gov.uk

Thousand tonnes (unless specified otherwise)	Calendar year				
	2008	2009	2010	2011	2012 (provisional)
Production					
Area (thousand hectares)	16	28	44	36	28
Yield (tonnes per hectare)	1.8	2.0	1.6	2.0	1.5
Volume of harvested production	30	54	72	71	42
Value of production (£ million)	10	17	23	27	17
of which : sales	10	16	22	27	17
change in stocks	0	1	1	0	- 1
Supply and use					
Production	30	54	72	71	42
Imports from :					
the EU	9	6	10	8	12
the rest of the world	1	2	2	2	2
Exports to :					
the EU	13	36	47	49	52
the rest of the world	-	-	-	-	-
Total new supply	27	26	37	31	4
Production as % of total new supply for use in the UK	111	212	193	226	1 182

Table 7.7 Sugar beet

Enquiries: Lindsay Holmes on +44 (0) 1904 455563

email: lindsay.holmes@defra.gsi.gov.uk

Thousand tonnes (unless specified otherwise)	Calendar years				
	2008	2009	2010	2011	2012 (provisional)
Production					
Area (thousand hectares)	120	114	118	113	120
Yield (tonnes per hectare)	63.8	74.0	55.3	75.4	60.7
Volume of harvested production	7 641	8 457	6 527	8 504	7 291
Value of production (£ million)	208	246	197	251	227
Sugar content (%)	17.65	18.00	16.87	18.44	17.02
Prices (average market price (£ per adjusted tonne) (a))	27.3	29.1	30.1	29.6	31.1
Sugar (refined basis)					
Production (b)	1 192	1280	995	1315	1144
Imports from: the EU	220	246	404	393	406
the rest of the world	1 186	1 091	926	836	648
Exports to: the EU	462	387	225	154	157
the rest of the world	138	149	285	154	93
Total new supply	1 998	2 081	1 814	2 235	1 948
Production as % of total new supply for use in the UK	60	62	55	59	59

(a) Average price for all sugar, 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 7.8 Peas and beans harvested dry

Enquiries: Allan Howsam on +44 (0) 1904 455076

email: allan.howsam@defra.gsi.gov.uk

Thousand tonnes (unless specified otherwise)	Calendar year				
	2008	2009	2010	2011	2012 (provisional)
Peas for harvesting dry (a)					
Area (thousand hectares)	21	27	23	12	11
Yield (tonnes per hectare)	3.8	3.6	3.5	4.1	2.4
Volume of harvested production	81	98	81	49	26
Value of production (£ million)	11	12	12	8	6
Field beans					
Area (thousand hectares)	118	186	168	125	96
Yield (tonnes per hectare)	4.5	3.7	3.5	3.4	3.5
Volume of harvested production	526	688	580	419	336
Value of production (£ million)	73	83	92	72	79

(a) The figures presented here cover only that part of the crop which is harvested dry (about 80 to 90 per cent of total production) and used for stockfeed. The remainder is included in UK fresh vegetables, Table 7.9

Table 7.9 Fresh vegetables

Enquiries: Julie Dobson on +44 (0) 1904 455080

email: julie.dobson@defra.gsi.gov.uk

Thousand tonnes (unless specified otherwise)		Calendar year				
		2008	2009	2010	2011	2012
		(provisional)				
Production						
Area (thousand hectares):		117	125	122	122	120
of which:	grown in the open (a) (b)	117	125	122	121	119
	protected (c)	1	1	1	1	1
Value of production (£ million):		1 088	1 083	1 262	1 216	1 259
of which:	grown in the open	808	805	931	907	950
	protected	280	278	331	309	309
Selected crops:	cabbages	70	64	71	79	54
	carrots	121	112	115	114	126
	cauliflowers	52	44	48	45	53
	calabrese	65	59	60	56	87
	lettuces	111	123	147	143	156
	mushrooms	104	104	113	119	114
	onions	46	50	109	85	60
	tomatoes	96	90	116	95	97
Prices (farm gate price (£ per tonne))						
Selected crops:	cauliflowers	452	410	435	444	591
	tomatoes	1 082	1 035	1 288	1 052	1 165
Supply and use (d)						
Total production		2 586	2 636	2 750	2 593	2 493
Imports from:	the EU	1 698	1 577	1 620	1 718	1 804
	the rest of the world	258	246	252	258	255
Exports to:	the EU	62	72	89	84	83
	the rest of the world	18	6	6	5	4
Total new supply		4 462	4 382	4 526	4 480	4 465
Production as % of total new supply for use in the UK		58	60	61	58	56

(a) Includes peas harvested dry for human consumption.

(b) Areas relate to field areas multiplied by the number of crops in the year and hence differ from those shown in table 2.2.

(c) Excludes area of mushrooms.

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

Table 7.10 Plants and flowers

Enquiries: Joanne Gardiner on +44 (0) 1904 455681

email: joanne.gardiner@defra.gsi.gov.uk

Thousand tonnes (unless specified otherwise)	Calendar year				
	2008	2009	2010	2011	2012 (provisional)
Production					
Area (thousand hectares) (a):	20	18	18	18	19
Value of production (£ million)	819	879	996	1 048	1 048
of which: flowers and bulbs in the open (b)	34	35	33	38	37
hardy plants and flowers nursery stock	539	563	648	684	699
protected crops	246	280	314	326	312
Trade (£ million)					
Imports					
Bulbs	58	58	63	95	89
Cut flowers	573	564	605	628	654
Foliage	35	35	41	35	38
Indoor plants	107	110	121	112	107
Outdoor plants	51	48	43	59	55
Trees	81	66	63	68	63
Other	41	39	41	42	47
Total Imports (exc. Channel Islands)	945	921	977	1 039	1 055
Exports					
Bulbs	10	9	10	13	11
Cut flowers	17	19	16	22	14
Foliage	3	1	1	1	1
Indoor plants	2	6	6	6	5
Outdoor plants	3	3	3	4	5
Trees	3	2	2	3	3
Other	10	10	11	10	10
Total Exports	48	51	49	59	47

(a) Areas relate to field areas multiplied by the number of crops in the year and hence differ from those shown in table 2.2.

(b) Including forced flower bulbs.

Table 7.11 Potatoes

Enquiries: Lindsay Holmes on +44 (0) 1904 455563

email: lindsay.holmes@defra.gsi.gov.uk

Thousand tonnes (unless specified otherwise)	Calendar year				
	2008	2009	2010	2011	2012 (provisional)
Production					
Area (thousand hectares)	144	144	138	146	149
of which : early	17	15	11	13	13
maincrop	127	129	127	133	136
Yield (tonnes per hectare)	43	44	44	41	30
of which : early	13	16	23	23	10
maincrop	47	48	46	45	33
Volume of harvested production	6 132	6 396	6 056	6 310	4 553
of which : early	224	236	251	294	125
maincrop	5 908	6 160	5 805	6 016	4 428
End of year stocks	2 618	3 022	2 635	2 746	2 403
Value of production (£ million)	727	681	634	712	522
of which : sales	712	612	675	677	564
change in stocks	68	53	- 57	17	- 58
Prices (average price paid to registered producers (£ per tonne))					
early potatoes	207	149	226	161	300
maincrop potatoes	144	130	145	154	163
all potatoes	152	132	150	155	169
Supply and use					
Total production	6 132	6 396	6 056	6 310	4 553
Imports	1 842	1 606	1 568	1 672	1 858
of which : early potatoes	189	121	105	121	79
maincrop potatoes	285	145	128	119	359
processed (raw equivalent)	1 345	1 324	1 319	1 404	1 393
seed	23	16	16	28	27
Exports	432	424	509	555	481
of which : raw	150	166	239	265	170
processed (raw equivalent)	185	168	172	168	191
seed	98	91	97	123	120
Total new supply	7 568	7 609	7 115	7 427	5 930
Change in stocks	435	404	- 387	111	- 343
Production as % of total new supply for use in the UK	82	84	85	85	77

Table 7.12 Fresh fruit

Enquiries: Julie Dobson on +44 (0) 1904 455080

email: julie.dobson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified)		Calendar year				
		2008	2009	2010	2011	2012 (provisional)
Production						
Area (thousand hectares):		28	28	28	28	28
	of which: orchard fruit (a)	18	18	19	19	18
	soft fruit (b)	9	10	10	10	10
End year stocks (c)		64	69	66	59	52
Value of production (£ million) (d):		535	570	585	600	555
	of which: orchard fruit	145	147	144	149	144
	soft fruit	343	375	392	399	354
	of which: sales	538	567	587	604	560
	change in stocks (c)	- 3	4	- 2	- 4	- 5
Selected crops:	dessert apples	64	63	63	66	64
	culinary apples	56	46	40	44	46
	pears	10	10	16	17	16
	raspberries	104	111	103	111	90
	strawberries	195	221	239	245	221
Prices (farm gate price (£ per tonne))						
Selected crops:	dessert apples	540	516	509	532	604
	culinary apples	452	427	362	389	528
	pears	504	512	487	486	588
	raspberries	6 717	7 072	6 461	7 161	5 982
	strawberries	2 073	2 245	2 496	2 407	2 310
Supply and use (e)						
Total production		398	403	421	421	358
Imports from:	the EU	1 175	1 055	1 154	1 282	1 327
	the rest of the world	2 169	2 137	2 090	2 081	2 091
Exports to:	the EU	128	153	141	148	109
	the rest of the world	1	1	2	2	2
Total new supply		3 613	3 440	3 522	3 634	3 665
Change in stocks		- 5	6	- 4	- 6	- 7
Total domestic uses		3 618	3 435	3 526	3 640	3 672
Production as % of total new supply for use in the UK		11	12	12	12	10

(a) Includes field area of commercial orchards only, and may therefore differ from the area in table 2.2, which also includes non-commercial orchards.

(b) Excludes area of wine grapes and may therefore differ from the area in table 2.2.

(c) Stocks relate to apples and pears.

(d) Includes glasshouse fruit.

Chapter 8: Livestock

Summary

In 2012, compared with 2011, the value of production at market prices for:

- Beef and veal rose by 7.4 per cent to £2.8 billion.
- Pig meat rose by 7.0 per cent to £1.1 billion.
- Mutton and lamb fell by 11 per cent to £1.0 billion.
- Poultry meat rose by 8.1 per cent to £2.1 billion.
- Milk and milk products rose by 0.8 per cent to £3.8 billion.
- Eggs rose by 18.2 per cent to £661 million.

1. Across the livestock sector values have risen in 2012 with the exception of sheep and lambs where there was an 11 per cent decrease, a result of reduced domestic production and lower prices. Rising feed prices, exceptional weather conditions, and reduced feed and forage availability all led to a challenging year, with profit margins remaining tight.

Cattle and calves: beef and veal (table 8.1)

2. Recent declines in the breeding herd led to a reduction in the availability of prime cattle for slaughter. Despite cull cattle slaughterings remaining high, and in general heavier carcass weights, overall beef and veal production fell in 2012. The value of production, however, increased as tight supplies encouraged higher prices.

Pigs and pig meat (table 8.2)

3. In 2012 pig meat production was at its highest level since 2000. Clean pig slaughterings rose to above 10 million head, a result of increased productivity as the breeding herd remained stable and average carcass weights were unchanged. Increased production and price rises resulted in the value of home-fed production increasing, however higher input costs, especially feed prices, continue to impact on profits.

Sheep and lambs: mutton and lamb (table 8.3)

4. Mutton and lamb home fed production fell in 2012. The poor weather in the second half of the year led to difficulties finishing lambs. This disrupted the normal seasonal marketing pattern resulting in a significant reduction in lambs available for slaughter. The fall in value of home-fed production was a result of both reduced production and lower prices, although prices were still higher than those prior to 2011.

Poultry and poultry meat (table 8.4)

5. Total production of poultry meat rose to a record level in 2012, with steady growth in broiler, turkey and boiling fowl meat production, with overall production above 1.6 million tonnes for the first time. Turkey production saw the biggest increase, back to pre 2005 levels. Growing consumer demand for poultry has resulted in firm prices, to some extent offsetting the high feed costs for poultry producers.

Milk (table 8.5)

6. Milk production fell in 2012 despite little change in dairy herd numbers. Poor weather conditions in the second half of the year impacted on both quality and quantity of forage, resulting in lower yields and milk production, offsetting the higher production levels in the first half of the year.

Despite lower milk availability, the value of production rose in 2012. 'The Voluntary Dairy Code of Practice' agreed in August, meaning future contracts between farmers and dairy processors being freely negotiated, fairer and more transparent, encouraged price increases towards the end of the year, with record high prices recorded in November and December. Profit margins remained tight however, as greater reliance on feed due to the poor grazing conditions, and other associated rising costs impacted on profitability.

Hen eggs (table 8.6)

7. Egg production fell in 2012, with egg supplies very tight in the first half of the year, in particular intensive eggs, as the sector adjusted to the new EU Welfare Regulation introduced in January. Towards the end of the year supplies eased with the split between intensive and free range availability more balanced.

The value of production rose in 2012, with the annual average price per dozen higher than the previous year. However in 2012, due to survey methodology changes, the average price now includes bonus payments made, whereas historically it did not. Rising production costs, in particular high feed prices, impacted on profit margins, and together with tight supplies led to a significant price rise in the second Quarter of 2012. As supplies steadied, prices settled for the remainder of the year.

Table 8.1 Cattle and calves; beef and veal

Enquiries: Sarah Thompson on +44 (0) 1904 455097

email: sarah.thompson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise stated)

	2008	2009	2010 (g)	2011	2012 (provisional)
Population					
Total cattle and calves (thousand head at June)	10 107	10 025	10 112	9 933	9 900
of which: dairy cows	1 909	1 857	1 847	1 814	1 812
beef cows	1 670	1 626	1 657	1 675	1 657
Production (a)					
Total home-fed marketings (thousand head)	2 613	2 476	2 678	2 824	2 652
of which: steers, heifers and young bulls	1 956	1 946	2 063	2 090	1 930
calves	91	43	61	92	80
cows and adult bulls	566	487	554	642	641
Average dressed carcass weight (kg):					
steers, heifers and young bulls	349	342	347	345	347
calves	31	33	38	38	49
cows and adult bulls	314	315	320	316	311
Production (dressed carcass weight):					
home-fed production	866	823	897	931	877
Value of production (£ million)	2 121	2 155	2 176	2 606	2 800
of which: value of home-fed production (a)	2 095	2 130	2 220	2 653	2 761
subsidies (b)	49	23	22	22	24
change in work-in-progress (c)	- 21	9	- 55	- 63	20
less imported livestock	3	8	11	6	5
plus breeding animals exported	..	..	..	..	..
Value of production at market prices (£ million) (d)	2 071	2 131	2 154	2 584	2 776
Prices					
Store cattle (£ per head):					
Hereford/cross bull calves	119.4	165.5	148.1	156.2	195.8
Beef/cross yearling steers	539.3	639.3	638.6	670.9	814.0
Finished cattle (pence per kg liveweight): All prime cattle	144.8	154.6	147.2	169.3	189.9
Supply and use (thousand tonnes, dressed carcass weight) (e)					
Home-fed production (a)	866	823	897	931	877
Imports from:					
the EU (f)	216	218	225	221	224
the rest of the world	79	80	82	81	82
Exports to:					
the EU	99	96	125	164	135
the rest of the world	1	3	4	6	7
Total new supply	1 061	1 022	1 076	1 062	1 040
Home-fed production as % of total new supply for use in the UK	82	81	83	88	84

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

(b) Comprising Scottish Beef Calf Scheme and payments made under 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 8.2 Pigs and pig meat

Enquiries: Sarah Thompson on +44 (0) 1904 455097

email: sarah.thompson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified)

	2008	2009	2010 (e)	2011	2012 (provisional)
Population					
Total pigs (thousand head at June)	4 714	4 540	4 460	4 441	4 481
of which: sows in pig and other sows for breeding	365	379	360	362	357
gilts in pig	55	48	67	70	69
Production (a)					
Total home-fed marketings (thousand head)	8 997	8 557	(f)	(f)	9 763
of which: clean pigs	8 755	8 348	8 642	9 234	9 486
sows and boars	242	209	(f)	(f)	277
Average dressed carcass weight (kg):					
clean pigs	76	78	78	78	78
sows and boars	151	152	155	151	150
Production (dressed carcass weight):					
home-fed production (a)	706	681	710	759	781
Value of production (£ million)	865	968	978	1 070	1 139
of which: value of home-fed production	867	972	978	1 067	1 142
change in work in progress (b)	- 4	- 6	- 2	- 2	- 4
less imported livestock	..	..	..	..	..
plus breeding animals exported	2	3	3	6	2
Prices (pence per kg deadweight)					
Clean pigs	126.3	145.7	141.7	144.8	150.2
Supply and use of pigmeat (carcass weight equivalent) (c)					
Home-fed production (a)	706	681	710	759	781
Imports from:					
the EU (d)	801	804	802	771	719
the rest of the world	12	12	12	11	10
Exports to:					
the EU	130	109	145	154	140
the rest of the world	25	26	25	39	43
Total new supply	1 364	1 362	1 354	1 347	1 327
Home-fed production as % of total new supply for use in the UK	52	50	52	56	59

(a) Measures of home-fed marketings, dressed carcass 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 8.3 Sheep and lambs; mutton and lamb

Enquiries: Sarah Thompson on +44 (0) 1904 455097

email: sarah.thompson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified)

	2008	2009	2010 (h)	2011 (provisional)	2012
Population					
Total sheep and lambs (thousand head at June)	33 131	31 445	31 084	31 634	32 215
of which: ewes and shearlings	15 616	14 636	14 740	14 868	15 229
lambs under one year old	16 574	15 892	15 431	15 990	16 229
Production (a)					
Total home-fed marketings (thousand head)	16 989	15 911	14 440	15 007	14 221
of which: clean sheep and lambs	14 617	13 692	12 480	12 956	12 347
ewes and rams	2 372	2 219	1 961	2 051	1 874
Average dressed carcass weight (kg):					
clean sheep and lambs	19	19	19	19	19
ewes and rams	24	25	25	26	26
Production (dressed carcass weight):					
home-fed production (a)	332	313	287	301	286
Value of production (£ million)	798	967	979	1 149	1 020
of which: value of home-fed production	824	977	981	1 139	1 012
change in work in progress (b)	- 23	- 6	- 1	9	9
less imported livestock	3	4	2	-	-
plus breeding animals exported	..	..	..	..	..
Value of production at market prices (£ million) (c)	798	967	979	1 149	1 020
Prices					
Store sheep (£ per head): (d)					
Lambs, hoggets and tegs	33.7	46.5	59.3	60.3	67.5
Finished sheep (pence per kg estimated dressed carcass weight) (e):					
Great Britain	297.6	360.4	389.6	432.9	411.3
Northern Ireland	273.4	322.3	340.6	403.9	356.1
Supply and use (dressed carcass weight) (f)					
Home-fed production (a)	332	313	287	301	286
Imports from:					
the EU (g)	20	21	19	16	16
the rest of the world	115	122	109	93	90
Exports to:					
the EU	94	105	101	110	108
the rest of the world	1	1	1	1	1
Total new supply	372	350	313	299	283
Home-fed production as % of total new supply for use in the UK	89	89	92	101	101

(a) Measures of home-fed marketings, dressed carcass 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) Excluding subsidies and taxes.

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

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

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

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

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

Table 8.4 Poultry and poultry meat

Enquiries: Sarah Thompson on +44 (0) 1904 455097

email: sarah.thompson@defra.gsi.gov.uk

Thousand tonnes (unless otherwise specified)

	2008	2009	2010	2011	2012 (provisional)
Population					
Number (thousand head at June):	166 200	152 753	163 867	162 551	160 061
of which: table fowl	109 859	98 754	105 309	102 461	102 558
laying and breeding fowl	44 321	42 663	47 107	48 610	46 633
turkeys, ducks, geese and all other poultry	12 019	11 335	11 451	11 481	10 870
Production					
Slaughterings (millions):	862	868	933	931	953
of which: fowls	831	839	904	899	919
turkeys	16	15	16	17	18
ducks & geese	15	14	14	15	15
Production (carcase weight) (a):	1 464	1 459	1 570	1 559	1 613
of which: chickens and other table fowls	1 214	1 220	1 323	1 297	1 323
boiling fowls (culled hens)	56	50	53	56	59
turkeys	160	157	162	171	197
ducks & geese	35	32	31	35	34
Value of production (£ million):	1 579	1 590	1 799	1 904	2 072
of which: fowls	1 189	1 241	1 382	1 444	1 557
change in work in progress in fowls (b)	22	- 31	2	- 5	- 4
turkeys, ducks, geese	295	301	320	367	417
exports of live poultry	70	83	96	99	102
hatching eggs for export	23	29	31	33	40
less live poultry imported	10	12	15	18	15
less hatching eggs imported	11	21	17	17	26
Prices (average producer prices (pence per kg carcase weight)):					
Chickens and other table fowls	97.5	101.3	104.0	110.9	117.3
Boiling fowls (culled hens)	10.4	9.3	9.4	9.7	9.2
Turkeys	134.9	143.6	144.6	156.7	160.6
Ducks	204.8	218.1	250.4	263.3	274.0
Geese	615.2	555.4	588.5	616.6	616.1
Supply and use (carcase weight) (a)					
Production (a)	1 464	1 459	1 570	1 559	1 613
Imports from:					
the EU	377	388	442	483	452
the rest of the world	29	32	33	32	26
Exports to:					
the EU	255	218	206	205	202
the rest of the world	24	35	62	86	80
Total new supply	1 593	1 627	1 776	1 784	1 809
Production as % of total new supply for use in the UK	92	90	88	87	89

(a) Excludes offal.

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

Table 8.5 Milk

Enquiries: Leigh Riley on +44 (0) 1904 455095

email: leigh.riley@defra.gsi.gov.uk

Million litres (unless otherwise specified)					
	2008	2009	2010	2011	2012
				(provisional)	
Population and yield					
Dairy herd (annual average, thousand head) (a)	1 918	1 867	1 850	1 815	1 807
Average yield per dairy cow (litres per annum)	6 943	7 031	7 273	7 528	7 445
Production					
Milk from the dairy herd (b)	13 319	13 128	13 453	13 665	13 450
Milk from the beef herd (b)	7	7	7	7	7
less on farm waste and milk fed to stock	181	135	116	115	112
Volume for human consumption	13 145	13 001	13 344	13 557	13 345
Value of production (£ million)	3 447	3 123	3 329	3 738	3 769
of which: raw milk leaving farm (c)	3 368	3 055	3 259	3 674	3 711
raw milk processed on farm (d)	79	68	69	64	58
Value of production at market prices (£ million) (e)	3 447	3 123	3 329	3 738	3 769
Prices (average price received by milk producers, net of delivery charges (pence per litre)) (f)					
Farmgate price of milk excluding bonus payments	25.9	23.7	24.7	27.3	28.0
Farmgate price of milk including bonus payments	25.9	23.7	24.7	27.4	28.1
Supply and use					
Production	13 326	13 135	13 460	13 672	13 457
Imports	49	75	88	102	129
Exports	559	433	417	481	466
Total new supply	12 816	12 777	13 131	13 292	13 120
of which:					
for liquid consumption	6 678	6 626	6 836	6 892	6 813
for manufacture	5 840	5 699	6 112	6 260	6 095
of which: butter	229	242	246	267	298
cheese	3 635	3 369	3 529	3 710	3 723
cream	249	248	254	243	244
condensed milk (g)	332	308	279	300	289
milk powder	933	999	1 139	1 130	926
other	461	535	665	610	614
dairy wastage and stock change	92	293	45	3	78
other uses (h)	206	158	138	138	134
Production as a % of new supply	104	103	103	103	103

(a) Average size of the dairy herd across the whole year, rather than the size at a particular time of year. Dairy herd is defined as dairy cows over two years of age with offspring.

(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 8.6 Hen eggs

Enquiries: Leigh Riley on +44 (0) 1904 455095

email: leigh.riley@defra.gsi.gov.uk

Million dozen (unless otherwise specified)	Calendar years				
	2008	2009	2010	2011	2012 (provisional)
Population					
Number of laying fowl (thousands)	44 321	42 663	47 107	48 610	46 633
Production					
Volume of production of eggs	864	864	944	937	918
of which: eggs for human consumption	754	751	826	821	797
eggs for hatching	98	101	105	103	105
other (a)	12	13	13	13	16
Value of production of eggs for human consumption (£ million) (b)	520	531	561	559	661
Prices (pence per dozen)					
Weighted average of eggs graded in the UK (c)	69.0	70.7	68.0	68.1	83.0
Supply and use					
UK production of eggs for human consumption	754	751	826	821	797
of which: eggs sold in shell	577	597	673	664	654
eggs processed	177	154	152	158	143
Imports from (d): the EU	148	147	135	126	162
the rest of the world	1	1	1	1	1
Exports to (d): the EU	11	9	8	10	20
the rest of the world	-	-	-	1	-
Total new supply	892	890	953	937	940
Production as % of total new supply for use in the UK	84%	84%	87%	88%	85%

(a) Includes hatching eggs for export and waste

(b) Eggs for hatching and hatching egg exports are not valued as they are included in the final value for poultry in table 8.4

(c) Represents the price paid by packers to producers in the United Kingdom and takes accounts of all egg systems - intensive, free range, barn and organic. Methodology changes: data up to and including 2011 excludes bonus payments, thereafter bonus payments are included.

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

Chapter 9: Intermediate Consumption

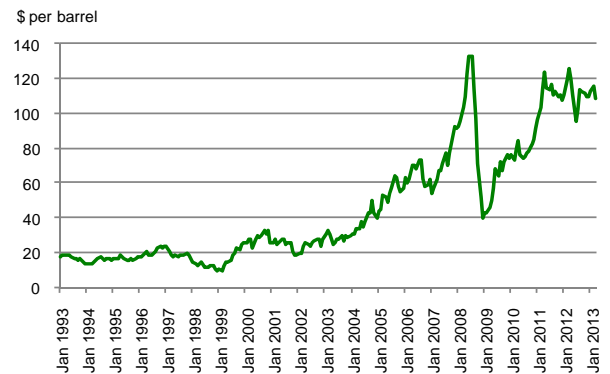
Summary

- In 2012, oil prices, which influence the price of some inputs, such as fuels, electricity and fertilisers, averaged around \$110 per barrel.
- The value of the energy used by the agricultural industry is estimated to have exceeded £1.4 billion in 2012, an increase of over 140 per cent compared to 1993.
- The value of fertiliser used by the industry declined slightly in 2012 to £1.6 billion but remains at historically high levels.
- The cost of animal feed is the largest item of expenditure recorded in the production and income account reaching a total value of £4.6 billion in 2012.

Introduction

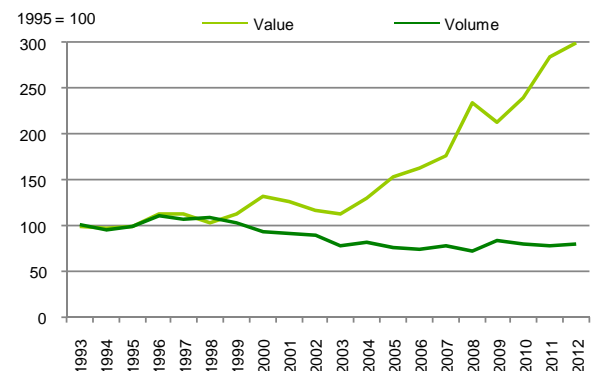
1. In recent years, increases in crude oil prices have led to increased concerns for the impact of high oil prices on the margins and profitability of agricultural businesses, which are dependent on products derived from petroleum, notably fuels. Some inputs, such as fuels, electricity and fertilisers are closely linked to the oil price while others are not and trends for those are shaped by other factors.
2. Chart 9.1 shows the trend in Europe Brent crude oil prices since 1993. The price began to rise in 2002 culminating in a steep peak in mid-2008 when the price reached over 130 dollars per barrel and then fell sharply to around 40 dollars per barrel by the end of the year. Subsequently the price rose steeply again until mid-2011 after which it has fluctuated around the 100-120 dollars per barrel level.

Chart 9.1 Europe Brent Spot Price FOB



Source: US Energy Information Administration

Chart 9.2 Motor and machinery fuels



Energy

3. The cost of energy, particularly motor and machinery fuels, is heavily influenced by trends in oil prices. The total value of energy used within the agricultural industry in the United Kingdom is estimated to have exceeded £1.4 billion in 2012, an increase of over 140 per cent compared to 1993.

AGRICULTURE IN THE UNITED KINGDOM 2012

4. The use of motor and machinery fuels has declined by 20 per cent since 1993 but this has only partly offset increases in prices and it is these that have shaped trends in cost. Chart 9.2 shows that the value of motor and machinery fuels used by the agricultural industry has noticeably increased by over 200 per cent since 1993; it is estimated to be over £1.0 billion in 2012.
5. The greatest contribution to the total value of motor and machinery fuels is the cost of red diesel. Chart 9.3 shows average monthly red diesel prices since January 1993. These have risen noticeably since 2003 to over 70 pence per litre in 2012. The impact of the oil price shock of the late 2000s is clearly seen.
6. The value of electricity and fuels for heating used principally for stationary activities, such as facility operations and dairies, is also recorded in the production and income accounts (see Chapter 4).
7. Chart 9.4 shows trends in the value and usage of electricity and fuels for heating. Usage declined from 2002 before increasing to near 2000 levels towards the end of the decade. Like motor and machinery fuels, the value of electricity and fuels for heating consumed has risen noticeably since 2003 and is estimated to have reached £387 million in 2012.

Chart 9.3 Red diesel price

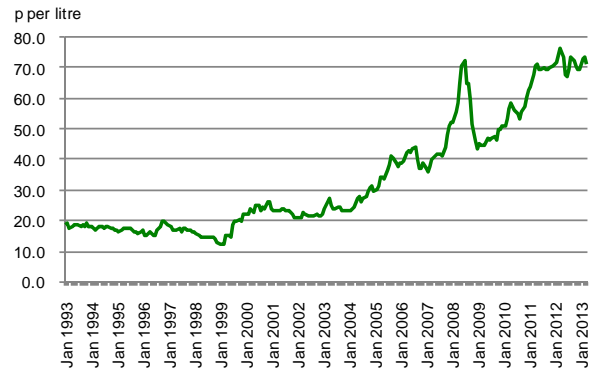
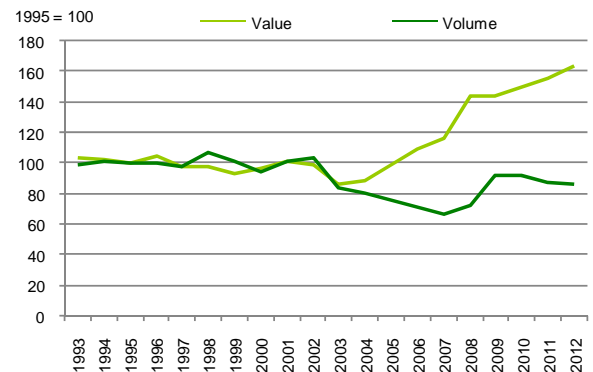


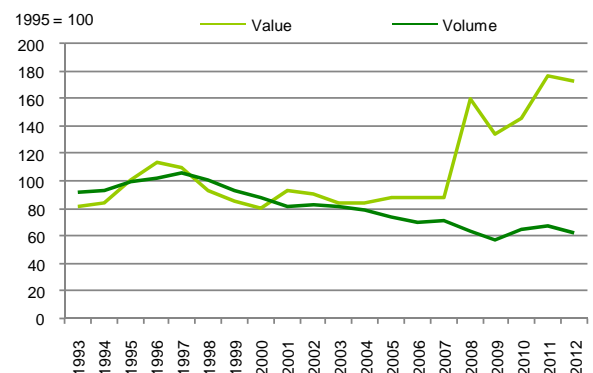
Chart 9.4 Electricity and fuels for heating



Fertiliser

8. The price of oil not only affects the price of energy, it also affects the cost of other inputs such as fertiliser, which has an energy intensive manufacturing process. The price of natural gas, used to synthesise atmospheric nitrogen, is a significant driver of the cost and is linked to the oil price.
9. Chart 9.5 shows that although usage has declined significantly by around 40 per cent since the mid-1990s, the value of the fertiliser used has risen driven by movements in prices and has remained at very high levels. The value declined slightly in 2012 to £1.6 billion.

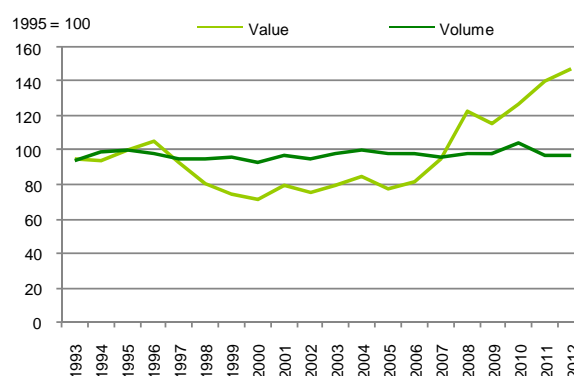
Chart 9.5 Fertiliser



Animal feed

10. The cost of animal feed is the largest item of expenditure recorded in the production and income account. Usage has remained broadly level since 1993 and so the value of animal feed used within the agricultural industry has closely followed trends in commodity prices shaped by exchange rates and world prices. The value fell sharply after 1996 but has increased substantially by around 90 per cent since the mid-2000s, reflecting increases in cereal prices.

Chart 9.6 Animal feed



11. The total value of all purchased animal feed rose by 5.2 per cent between 2011 and 2012 to £4.6 billion with high cereal prices being a factor in this increase. The total amount of all purchased animal feed rose by 1.8 per cent to 21 million tonnes. Total compound feed production increased by 3.3 per cent with increases across all livestock categories. Increases of 5.6 per cent in the volume of cattle compounds and 8.6 per cent in sheep compounds are due mainly to wet weather affecting the availability of forage and the need for animals to be housed indoors for longer than usual. The use of straight concentrates decreased slightly by 1.3 per cent and decreases were also seen in the use of maize gluten feed, field beans and field peas.

Table 9.1 Animal feed

Including direct inter-farm and intra-farm transfer
Enquiries: Tom Johnson on +44 (0) 1904 455301

email: tom.johnson@defra.gsi.gov.uk

Thousand tonnes (unless specified otherwise)

	2008	2009	2010	2011	2012 (provisional)
Compounds					
cattle	4 598	4 485	4 680	4 584	4 843
calves	212	204	213	218	244
pigs	1 540	1 464	1 580	1 621	1 651
poultry (a)	3 527	3 559	3 828	3 759	3 848
sheep	767	745	859	765	831
Total (b)	10 533	10 373	11 064	10 766	11 121
Straight concentrates (c)	6 960	7 183	7 859	6 902	6 815
Non-concentrates (d)	525	525	525	525	525
Inter/intra farm transfer	3 054	3 335	3 053	2 512	2 627
Total all purchased animal feed (e)	21 072	21 415	22 501	20 706	21 088
Value of purchased animal feed (£ million) (f)	3 744	3 451	3 831	4 239	4 511

- (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) Maize for stockfeed is not included in this total.
- (f) See table 4.1 for a breakdown of this total. Maize for stockfeed is not included in this total.

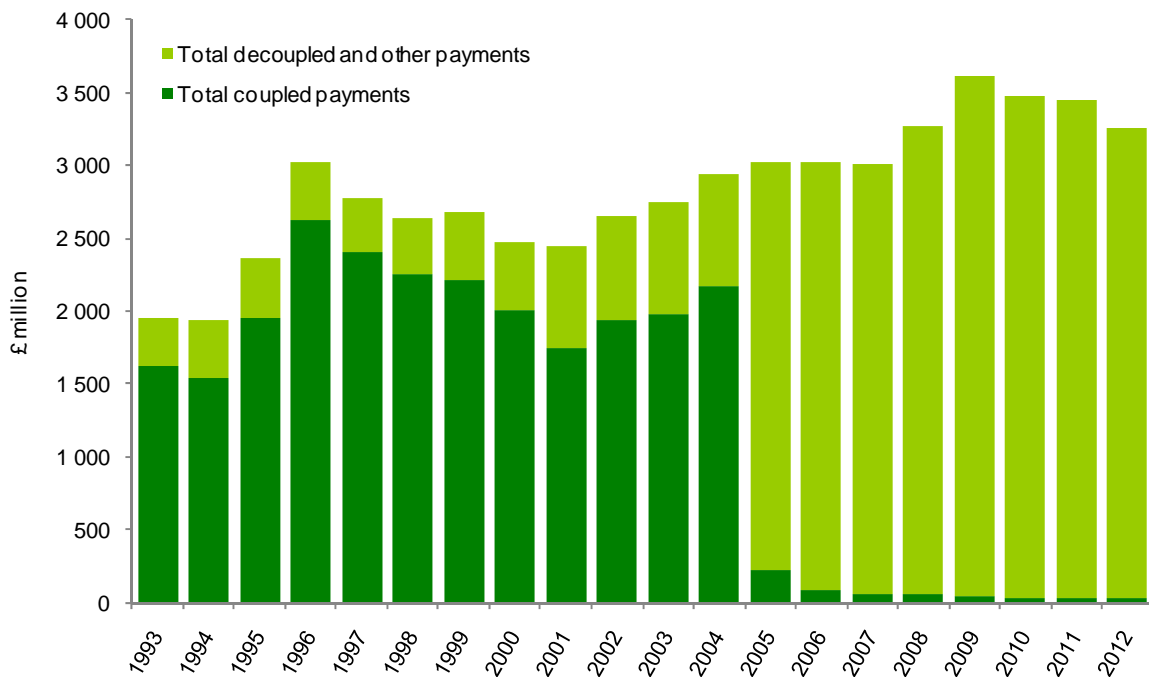
Chapter 10: Public Payments

Summary

In 2012

- Direct payments made to farmers totalled £3.26 billion down from £3.46 billion in 2011.
- Payments not linked to production, including Single Payment Scheme, were £3.24 billion.
- Payments linked to production were £24 million.
- Payments under the agri-environment schemes were £520 million.
- Payments under the less favoured area support schemes were £122 million.

Chart 10.1 Direct payments made to farmers



AGRICULTURE IN THE UNITED KINGDOM 2012

Table 10.1 Direct payments to farmers

Shows payments after deduction for modulation where appropriate
Enquiries: Nick Olney on +44 (0) 1904 455355

email: nick.olney@defra.gsi.gov.uk

£ million	2008	2009	2010	2011	2012
					(provisional)
Coupled payments (linked to production)					
Crop subsidies					
Other crop subsidies (a)	8	14	7	5	0
Livestock subsidies					
Over Thirty Month Scheme/Older Cattle Disposal Scheme	29	-	-	-	-
Scottish beef calf scheme	20	23	22	22	24
Total coupled payments	57	37	29	28	24
Decoupled and other payments (not linked to production)					
Single Payments Scheme	2 580	2 948	2 746	2 747	2 576
Agri-environment schemes (b)	486	475	517	536	520
Less Favoured Areas support schemes	134	135	138	123	122
Animal disease compensation (c)	17	22	17	18	20
Other (d)	-	1	27	1	-
Total decoupled and other payments	3 218	3 580	3 445	3 425	3 239
Total direct payments less levies	3 275	3 618	3 473	3 453	3 263
Capital transfers and other payments not included in the production and income account	146	56	37	39	30

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

(b) Value for Sites of Special Scientific Interest (SSSI) are included here.

(c) 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.

(d) Includes one off payments

Table 10.2 Direct payments to farmers by country for 2012

Shows payments after deduction for modulation where appropriate
Enquiries: Nick Olney on +44 (0) 1904 455355

email: nick.olney@defra.gsi.gov.uk

£ million	England	Wales	Scotland	Northern Ireland	United Kingdom
Coupled payments (linked to production)					
Livestock subsidies					
Scottish Beef Calf Scheme	-	-	24	-	24
Total coupled payments	-	-	24	-	24
Decoupled payments (not linked to production)					
Single Payment Scheme	1 630	259	443	244	2 576
Less Favoured Areas support schemes (a)	6	24	67	25	122
Agri-environment schemes					
Environmental Stewardship / Countryside Stewardship Schemes	378	-	-	-	378
Rural Priorities / Land Manager Options	-	-	42	-	42
Tir Glastir / Tir Gofal / Tir Cynnal	-	39	-	-	39
Countryside Management Scheme	-	-	-	16	16
Organic Aid & Organic Farming Schemes	0	4	1	-	5
Environmentally Sensitive Areas Schemes	31	-	-	7	38
Sites and Areas of Special Scientific Interest	-	2	1	-	3
Animal disease compensation	11	4	1	6	20
Total decoupled payments	2 055	332	554	298	3 239
Total direct payments	2 055	332	578	298	3 263

(a) Tir Mynydd in Wales, Less Favoured Area Compensatory Allowance Scheme in Northern Ireland, Less Favoured Areas Support Scheme in Scotland and Upland Transitional Payment (UTP) in England.

Direct Payments made through key measures of the Rural Development Programmes

1. There are four rural development programmes in the United Kingdom, covering England, Wales, Scotland and Northern Ireland.
2. Table 10.3 shows details of payments made through two key measures of these programmes: Less Favoured Areas and Agri-Environment.
3. Further information on the rural development programmes can be found at:

<https://www.gov.uk/rural-development-programme-for-england>
<http://www.scotland.gov.uk/Topics/farmingrural/SRDP>
<http://wales.gov.uk/topics/environmentcountryside/farmingandcountryside/ruraldevelopment>
<http://www.dardni.gov.uk/index/rural-development/rdp-campaign.htm>

Table 10.3 Direct payments made through key measures of the Rural Development Programmes

Enquiries: Nick Olney on +44 (0) 1904 455355

email: nick.olney@defra.gsi.gov.uk

£ Million

		2008	2009	2010	2011	2012 (provisional)
Less Favoured Areas and Areas with Environmental Restrictions measure						
England:	Hill Farm Allowance / Uplands Transitional Payment (a)	23.8	24.0	24.3	7.7	5.6
Wales:	Tir Mynydd	29.7	25.1	24.9	24.7	24.3
Scotland:	Less Favoured Areas Support Scheme	58.9	63.0	63.7	66.4	66.9
Northern Ireland:	Less Favoured Areas Compensatory Allowance	22.0	22.5	24.9	24.4	25.2
Agri-Environment and Animal Welfare measure						
England:	Organic Farming Scheme	0.5	-	-	-	-
	Countryside Stewardship Scheme	84.9	82.8	70.6	53.1	37.2
	Environmentally Sensitive Areas Scheme	53.3	41.7	47.6	39.4	30.7
	Environmental Stewardship Scheme	222.0	226.6	266.2	320.7	340.7
Wales:	Organic Farming Scheme	6.0	4.2	7.2	4.9	4.2
	Tir Cymen	0.1	-	-	-	-
	Tir Gofal	22.0	30.7	26.3	26.7	24.4
	Environmentally Sensitive Areas Scheme	1.9	2.2	0.9	0.3	0.3
	Tir Cynnal	6.3	8.6	7.2	7.1	7.3
	Glastir (b)	-	-	-	-	7.1
Scotland:	Organic Aid Scheme	4.7	2.6	2.1	1.7	0.7
	Countryside Premium Scheme	2.6	1.8	0.8	0.2	-
	Rural Stewardship Scheme	17.3	13.0	7.8	4.0	0.8
	Environmentally Sensitive Areas Scheme	3.6	2.7	1.5	0.6	0.2
	Land Management Contract Scheme	20.0	17.8	17.1	6.6	0.3
	Land Managers Options	-	0.4	0.9	3.5	6.9
	Rural Priorities	-	4.4	22.2	31.8	34.0
Northern Ireland:	Organic Farming Scheme	0.3	0.1	0.1	-	-
	Countryside Management Scheme	18.5	16.2	22.7	20.2	15.6
	New Environmentally Sensitive Areas Scheme (c)	7.7	6.5	7.6	8.4	6.6

(a) Hill Farm Allowance payments replaced by Uplands Transitional Payments in 2011

(b) Introduced in 2012; all existing scheme agreements in Wales will gradually move across to this scheme.

(c) 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.

Take-up of Agri-Environment Schemes

4. Agri-environment schemes require farmers to demonstrate good environmental practice. The take-up of Agri-environment schemes is shown by area of land under each type of agreement currently in existence in the United Kingdom (Table 10.4) and by the number of agreements (Table 10.5). Due to the differing requirements of schemes, care should be taken when making comparisons.

Table 10.4 Agri-environment schemes – area under schemes

Enquiries: Elizabeth Finch on +44 (0) 1904 455823

email: elizabeth.finch@defra.gsi.gov.uk

Thousand Hectares	31 December				
	2008	2009	2010	2011	2012
England					
Organic Farming Scheme	13	1	0	-	-
Countryside Stewardship Scheme	442	372	268	172	100
Environmentally Sensitive Areas Scheme	503	462	417	341	269
Environmental Stewardship Scheme					
Entry Level Scheme (a)	5 024	5 322	5 584	5 607	6 094
Higher Level Scheme (b)	291	453	818	882	1 047
Wales					
Organic Farming/Organic Farming Conversion Scheme (c)	121	126	132	130	132
Tir Cymen/Tir Gofal (d)	329	377	381	378	372
Environmentally Sensitive Areas Scheme	65	26	8	7	0
Tir Cynnal	293	281	279	245	253
Glastir (e)	-	-	-	-	223
Scotland					
Organic Aid Scheme (f)	117	115	94	34	4
Countryside Premium Scheme/Rural Stewardship Scheme (f)	314	239	118	36	0
Environmentally Sensitive Areas Scheme (f)	268	174	51	49	9
Land Management Contracts (f)	436	424	56	0	-
Land Managers Options	39	50	238	328	405
Rural Priorities	-	268	617	834	1 122
Northern Ireland					
Organic Farming Scheme (g)	6	7	5	3	2
Countryside Management Scheme (g)	315	352	351	333	350
New Environmentally Sensitive Areas Scheme (h)	122	109	108	107	103

(a) Includes Entry Level Pilot Scheme, OELS, Uplands ELS (from 2010) and HLS linked to ELS.

(b) Includes Freestanding HLS and HLS linked to ELS.

(c) Organic Farming Scheme replaced by Organic Farming Conversion Scheme.

(d) Now closed; all agreements will expire by end of 2013.

(e) Introduced in 2012; all existing scheme agreements will gradually move across to this scheme.

(f) Land is gradually being moved into Rural Priorities and Land Managers Options.

(g) Commenced on 1/1/2009 under 2007-2013 NIRD; existing agreements under the 2000-2006 NIRD continue to be honoured.

(h) Replaced the Environmentally Sensitive Areas Scheme (ended in 2002); existing ESA agreements continue to be honoured.

Table 10.5 Agri-environment schemes – number of agreements

Enquiries: Elizabeth Finch on +44 (0) 1904 455823

email: elizabeth.finch@defra.gsi.gov.uk

Rounded to nearest hundred agreements

	2008	2009	2010	2011	2012
31 December					
England					
Organic Farming Scheme	100	0	0	-	-
Countryside Stewardship Scheme	12 000	10 600	8 500	6 500	3 700
Environmentally Sensitive Areas Scheme	7 800	7 100	6 500	5 700	3 600
Environmental Stewardship Scheme:					
Entry Level Scheme (a)	37 300	40 200	41 000	41 600	44 700
Higher Level Scheme (b)	2 900	4 300	6 900	8 500	10 900
Wales					
Organic Farming/Organic Farming Conversion Scheme (c)	900	1 000	1 000	1 000	1 000
Tir Cymen/Tir Gofal (d)	2 900	3 200	3 100	3 000	3 000
Environmentally Sensitive Areas Scheme	800	200	0	-	-
Tir Cynnal	4 400	4 400	4 200	3 900	3 800
Glastir (e)	-	-	-	-	2 000
Scotland					
Organic Aid Scheme (f)	400	400	300	200	0
Countryside Premium Scheme/Rural Stewardship Scheme (f)	5 400	3 900	2 000	500	0
Environmentally Sensitive Areas Scheme (f)	1 200	900	200	200	0
Land Management Contracts (f)	5 700	5 700	1 900	0	-
Land Managers Options	1 000	1 300	3 500	4 600	4 900
Rural Priorities	-	1 500	3 200	4 500	5 800
Northern Ireland					
Organic Farming Scheme (g)	100	100	100	0	-
Countryside Management Scheme (g)	8 700	9 400	9 400	9 000	9 300
New Environmentally Sensitive Areas Scheme (h)	3 400	3 100	3 000	3 000	2 900

(a) Includes Entry Level Pilot Scheme, OELS, Uplands ELS (from 2010) and HLS linked to ELS.

(b) Includes Freestanding HLS and HLS linked to ELS.

(c) Organic Farming Scheme replaced by Organic Farming Conversion Scheme.

(d) Now closed; all agreements will expire by end of 2013.

(e) Introduced in 2012; all existing scheme agreements will gradually move across to this scheme.

(f) Land is gradually being moved into Rural Priorities and Land Managers Options.

(g) Commenced on 1/1/2009 under 2007-2013 NIRDP; existing agreements under the 2000-2006 NIRDP continue to be honoured.

(h) Replaced the Environmentally Sensitive Areas Scheme (ended in 2002); existing ESA agreements continue to be honoured.

All Common Agricultural Payments (CAP) by funding stream

5. Table 10.6 shows all agricultural market support under CAP. This is different to the other tables in chapter 10, which show expenditure feeding into the agricultural account only, i.e. only those payments received by units as a consequence of engaging in agricultural activity. The market price support element of this table can be paid to non-agricultural units. In addition, readers should note the difference in timings, as figures shown are in Euros and for European Union agricultural financial years (see table footnote).

Table 10.6 All CAP payments by funding stream; United Kingdom

Enquiries: Michael Redfern on +44 (0) 118 968 7439

email: michael.redfern@ukcb.gsi.gov.uk

Euros million	EU financial years (a)		
	2010	2011	2012
CAP payments			
Pillar 1	3 424	3 309	3 348
of which:			
Direct Aids	3 325	3 304	3 290
Market price support (b)	99	5	58
Pillar 2 (c)	913	1 018	1 085
of which:			
EAFRD (d)	512	653	742
Co-financing	401	365	343
Total CAP payments	4 337	4 327	4 433

(a) Information based on EU financial year 16th October – 15th October. Figures exclude financial corrections/penalties.

(b) Market price support covers interventions in agricultural markets, e.g. public intervention and private storage aid.

(c) Pillar 2 funds rural development, e.g. for agri-environment schemes, competitiveness of agriculture and economic diversification and quality of life in rural areas.

(d) EAFRD is the European Agricultural Fund for Rural Development. Member states are required to co-finance these receipts with a contribution from their exchequer. Figures are based on in-year quarterly returns, rather than the annual account (in order to provide the split between EAFRD and co-financing)

Chapter 11: Environment

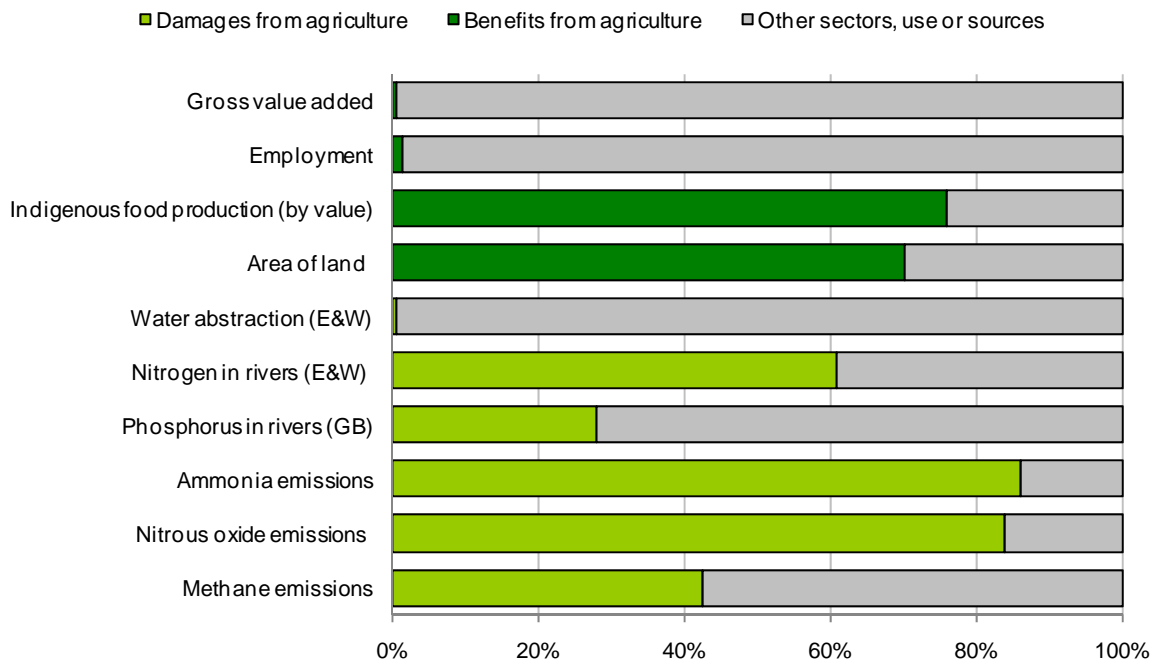
Summary

- Agriculture accounts for around 70 per cent of land use in the United Kingdom. The land management practices help to shape the landscape and may have a profound impact on soils, water bodies, air quality, biodiversity and ecosystem services.
- Over the last ten years the key drivers for changes to environmental pressures have been declines in the number of livestock, specifically ruminants, and reductions in fertiliser applications, particularly to grassland.
- Between 2000 and 2011 the soil nutrient balances for nitrogen and phosphorus are estimated to have fallen by 19 per cent and 33 per cent, respectively, indicating a reduction in the nutrient surpluses which could be lost to the environment.
- Greenhouse gas emissions from agriculture, have reduced between 1990 and 2011; Nitrous oxide emissions by 19 per cent and methane by 20 per cent.
- Ammonia emissions from agriculture have fallen by 24 per cent between 1990 and 2011.
- In 2011 the United Kingdom farmland bird index was at 50 per cent of its 1970 level.

Introduction

1. Agriculture makes a relatively small contribution to the United Kingdom's economy but provides around three-quarters of the food we eat and is the dominant form of land use (Chart 11.1). Along with other land management practices and activities, agriculture helps to shape the landscape and provide habitats for wildlife. These practices can have a profound impact on soils, water bodies, air quality, biodiversity and ecosystem services.
2. This chapter draws together a wide range of data to provide an overall picture of agriculture's environmental impacts. The results are based on data collected from environmental monitoring, administrative systems and farm-based surveys.

Chart 11.1 Agriculture’s contribution to the economy and the environment

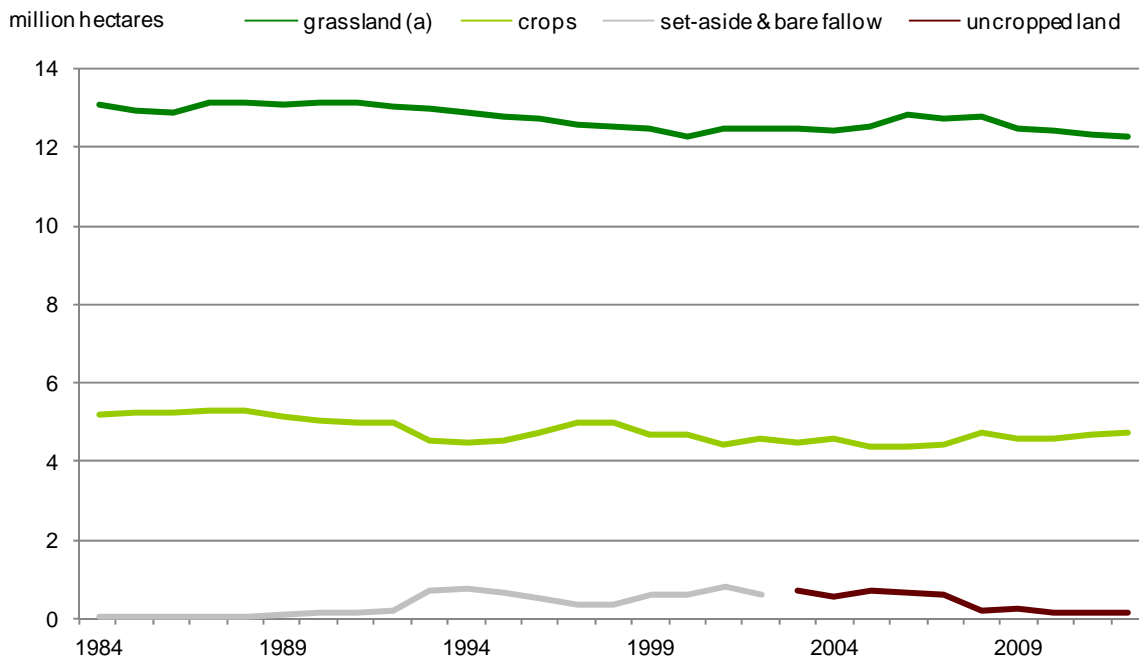


Source: Defra

Land Use

- Since 1983 agricultural land use has remained relatively stable (Chart 11.2) with little change in the proportion of land used for grassland (71 per cent) and crops (28 per cent). The total area of uncropped land fell sharply in 2008 due to high cereal prices and the setting of a zero rate for set-aside and has remained low.

Chart 11.2 Agricultural land use



(a) Grassland includes temporary and permanent grasslands, sole rights rough grazing and common rough grazing areas.

Source: Defra

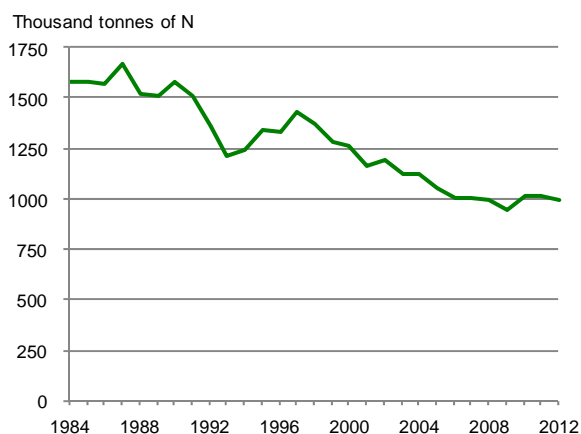
Agri-Environment Schemes

4. Agri-environment schemes provide payments to farmers who adopt land management and farm practices that are beneficial to the environment. The level of uptake of such schemes provides some indication of the extent of environmentally sensitive farming. The areas of land and number of agreements for each scheme operating within the United Kingdom are detailed in Chapter 10.

Fertiliser use

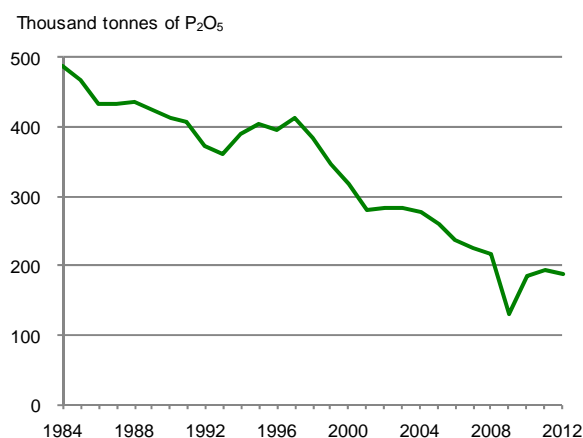
5. Two of the key nutrients required for crop growth are nitrogen and phosphorus. The main supply sources are mineral fertilisers and organic fertilisers, such as manures and slurries from livestock. Whilst their use contributes to higher crop yields, and therefore greater levels of production, losses of nutrients from soils and manures to the environment can impact on water quality (nitrogen and phosphorus levels in rivers), air quality (ammonia emissions) and climate change (nitrous oxide emissions).
6. Between 1990 and 2012 the quantity of nitrogen from mineral fertiliser use decreased by 37 per cent due to a reduction in application rates on grassland and the quantity of phosphate from mineral fertiliser use by 55 per cent, due to reductions in application rates on both grassland and tillage crops (Chart 11.3 and 11.4).

Chart 11.3 Quantities of Nitrogen (N) applied from mineral fertiliser use



Source: BSFP, Defra, AIC

Chart 11.4 Quantities of Phosphate (P_2O_5) applied from mineral fertiliser use



Source: BSFP, Defra, AIC

7. For Great Britain the overall mineral nitrogen application rate on cropped land has remained relatively constant staying in the range 145-150 kg/ha since 1983. Over the same time period the overall mineral phosphate application rate on cropped land has gradually declined and now stands at 28 kg/ha. For grassland, nutrient applications have always been lower than for cropped land. Since 2000 the overall nitrogen application rate on grassland has fallen consistently to a level of 55 kg/ha in 2012. The overall phosphate application rate has also declined on grassland since 1997 to a level of 9 kg/ha in 2012. Yearly fluctuations in overall application rates are influenced by fertiliser prices, crop prices and crop type. Further information concerning the British Survey of Fertiliser Practice 2012, including the full report, can be found at: <https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs/series/fertiliser-usage>.

Soil nutrient balances

8. Soil nutrient balances are indicators of the overall environmental pressure from levels of nitrogen and phosphorus in agricultural soils. They measure the difference between nutrients applied to soils (largely as fertiliser and manures) and those removed from soils by crops and grazing. High nutrient balances can impact on air quality through ammonia emissions from fertilisers and manures, on water quality through nitrogen and phosphorus levels in rivers, and on climate change through nitrous oxide emissions. There is no “ideal” balance of nitrogen or phosphorus, but a reduction in the balance per hectare broadly indicates a reduced environmental risk.
9. Provisional estimates for 2011 show that the nitrogen balance for the United Kingdom was a surplus of 90.2 kg/ha. This is a decrease of 4.2 kg/ha compared to 2010 (a reduction of 4 per cent) and a decline of 21.0 kg/ha compared to 2000 (an overall reduction of 19 per cent), reflecting the overall long-term downward trend. The United Kingdom phosphorus balance was estimated to be a surplus of 6.7 kg/ha in 2011. The balance has fallen by 0.4 kg/ha compared to 2010 (a reduction of 6 per cent) and by 10.0 kg/ha since 2000 (a reduction of 33 per cent).
10. The main drivers for the long-term reductions in the soil nutrient balances have been decreases in the application of inorganic fertilisers and manure production (due to lower livestock numbers). Further information, including graphical displays of the nutrient balances can be found at:
<http://webarchive.nationalarchives.gov.uk/20130305023126/http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-envirob-obs-research-soilnutrientbalance-1207-UK.pdf>

Water quality

11. A high level of nitrogen and phosphorus in agricultural soils increases the risk of their transportation to water bodies through drainflow (rainfall) events, soil erosion and leaching. An increase in nutrient concentrations, particularly phosphorus, can cause serious nutrient enrichment (eutrophication) effects such as excessive growth of macrophytes and algae resulting in poor water quality including low dissolved oxygen at night resulting in fish deaths. For regulatory reasons excessive levels of 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 61 per cent of the total nitrogen (N) in river water in England and Wales¹ and around 28 per cent of the total phosphorus load in river water in Great Britain²; this estimate may also include phosphorus from septic tanks³.
12. Due to the implementation of the Water Framework Directive the monitoring of water quality across the United Kingdom has changed since 2009. This has resulted in the need to develop new indicators which adhere to the new reporting system criteria. Water bodies are classified according to their ecological and chemical status. There are agreed European Union standards for phosphorus concentrations in water bodies which contribute to the ecological status classification. Indicators specifically concerning the levels of nitrates and phosphates in water bodies are under review and as a consequence no long-term comparative data are available at this time.

Water use

13. Water may be abstracted from surface waters and groundwater for irrigation purposes, particularly in areas where there is low rainfall, and for certain crops in order to achieve good crop quality and high yields. Water from agriculture may have positive impacts helping to recharge aquifers but may also contribute to soil erosion and flooding and over-abstraction may damage sensitive aquatic habitats. Agriculture accounts for less than 1.0 per cent of the total water abstracted in England and Wales; the majority is used in the South East and East of England where there are particular pressures for water resources.
14. Levels of water abstraction are highly variable from year to year and are greatly influenced by annual rainfall, particularly during the growing season. In 2011, the recorded agricultural abstraction rate in England and Wales was 144 million cubic metres per year, 12% higher than in 2010. Further information can be found at: <https://www.gov.uk/government/statistical-data-sets/agri-environment-indicators>.

¹ Hunt, D.T.E, *et al*, 2004, Updating an estimate of the sources of nitrogen to waters in England and Wales. Defra Project WT03016.

² White, P.J. and Hammond, J.P., 2006, Updating the estimate of the sources of phosphorus in UK waters. Defra Project WT0701CSF.

³ May, L., *et al*, 2011, The impact of phosphorus inputs from small discharges on designated freshwater sites. Report to Natural England and Broads Authority, SWR/CONTRACTS/08-9/112.

Greenhouse gas emissions

15. Agriculture is the major source of nitrous oxide and methane emissions in the United Kingdom. In 2011 agriculture accounted for 84 per cent of total nitrous oxide emissions and 43 per cent of total methane emissions in the United Kingdom.
16. The majority of nitrous oxide emissions from agriculture occur as a result of nitrogen applications made to agricultural soils. Between 1990 and 2011 nitrous oxide emissions from agriculture are estimated to have fallen by 19 per cent, consistent with trends in fertiliser usage over the same period. Further information can be found at: <https://www.gov.uk/government/statistical-data-sets/agri-environment-indicators>.
17. Methane emissions from agriculture arise mainly from enteric fermentation in ruminating animals and manure management practices. Between 1990 and 2011, methane emissions from agriculture are estimated to have fallen by 20 per cent mainly as a result of decreasing livestock numbers, particularly cattle. Further information can be found at: <https://www.gov.uk/government/statistical-data-sets/agri-environment-indicators>.

Air quality

18. Ammonia is a gas which impacts on air quality and therefore on human health. In addition, deposition of ammonia can damage sensitive habitats due to nutrient enrichment (eutrophication) and the acidification of soils. In 2011 agriculture accounted for around 86 per cent of the United Kingdom's ammonia emissions with livestock production, mainly cattle, being a major contributor.
19. Agricultural ammonia emissions since 1990 have fluctuated but overall have shown a declining trend and in 2011 were estimated to be 24 per cent below the 1990 level, largely due to reduced cattle numbers and more efficient fertiliser use. Further information can be found at: <https://www.gov.uk/government/statistical-data-sets/agri-environment-indicators>.

Pesticides

20. Pesticides of particular interest are the range of plant protection products used to manage pests and diseases in crops and to regulate growth. Plant protection products play a vital part in maintaining high crop yields and allowing greater production from agricultural land. However, they can have detrimental impacts on the environment, particularly on terrestrial and aquatic biodiversity.
21. Pesticide usage varies from year to year depending on the weather and its influence on disease, weed and pest pressures, and over a longer time period due to the range and activity of pesticides, the economics of pest control and pesticide resistance issues. For example, in England between 2008 and 2010 the total pesticide application rate on cereals decreased by 23 per cent largely due to dramatic changes in herbicide use; older chemicals were revoked and replaced with active substances requiring lower application rates. Further information on pesticide use in England from 1988 to 2010 can be found at: <https://www.gov.uk/government/statistical-data-sets/agri-environment-indicators>. The next update, which will cover pesticide use in 2012, is due in 2014.

Farmland bird index

22. Bird populations are considered to be a good indicator of the general state of wildlife as they have a wide habitat distribution and are near the top of the food chain. Farming has a significant impact on farmland bird populations, providing valuable resources in terms of winter food, spring forage and nesting habitats. Most of the decline in farmland bird populations occurred between the late 1970s and early 1990s largely due to the impact of rapid changes in farmland management during this period. Although some agricultural practices still have negative impacts, the situation is complex with other pressures, such as weather effects, disease pressures and land development also contributing.
23. The Farmland bird index comprises seven farmland generalist species and twelve farmland specialist species which are restricted to, or highly dependent, on farmland habitats. Since 2005 declines have occurred in both the specialist and generalist species and in 2011 the United Kingdom Farmland bird index was 50 per cent of its 1970 base value. Further information can be found at:
<https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs/series/biodiversity-and-wildlife-statistics>.

Chapter 12: Organic Farming

Summary

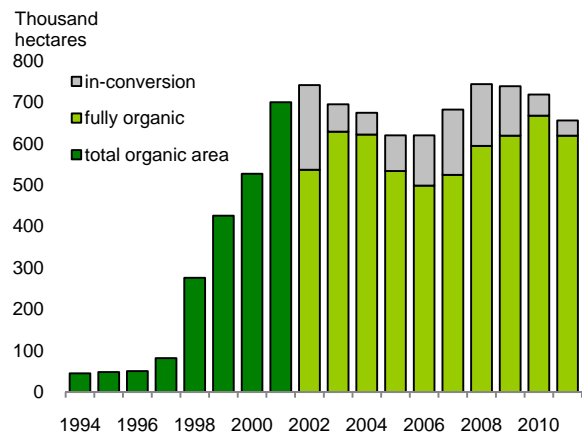
In 2011:

- The area of land managed as fully organic has fallen by 7.3 per cent between 2010 and 2011. This is the first time the area of fully organic land has fallen since 2006. Land under organic conversion fell by 27 per cent between 2010 and 2011, slowing the more dramatic drop of 57 per cent from the previous year.
- Permanent and temporary pasture continues to make up the greatest percentage of organically managed land (both fully and in-conversion land), covering 84 per cent of the total for the United Kingdom. Cereals cover the next greatest land area with 8.0 per cent of the total.
- England continues to have the majority of organically managed land in the United Kingdom with 54 per cent of the total area for 2011. Within England, nearly half of all organic land falls within the South West region with 49 per cent of the area for England.
- The number of organic producers and processors continued the downward trend in 2011 falling to 6,929, a reduction of 4.9 per cent on 2010.

Introduction

1. Organic farming is a method of farming that requires farmers to operate to a system based on ecological principles. It imposes strict limitations on the inputs that can be used and aims to minimise damage to the environment and wildlife. Emphasis is placed on natural methods of production and pest control.
2. Defra works with the organic certification bodies in the United Kingdom to collect and publish information about 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 on an on-going basis over the course of the year. Therefore, the figures presented in this chapter do not give an exact snapshot of organic farming at a specific time of year. This should be considered when interpreting the results. The column headers in the following tables relate to the year in which the data was gathered.

Chart 12.1 Organically managed land (a); United Kingdom



(a) The split between in-conversion and fully organic land is not available before 2002.

Table 12.1 Organic and in-conversion land by region

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email: sarah.harriss@defra.gsi.gov.uk

Thousand hectares

	2007	2008	2009	2010	2011
Land, in-conversion					
North East	4.8	9.8	6.5	4.0	2.9
North West	3.3	3.8	3.4	2.4	1.4
Yorkshire & Humberside	4.1	3.8	2.7	0.9	0.7
East Midlands	3.1	3.7	3.1	1.0	0.5
West Midlands	5.7	8.2	5.7	2.1	1.8
Eastern	5.3	4.8	4.1	1.4	1.0
South East (inc. London)	14.6	10.4	7.3	4.3	3.7
South West	48.2	46.5	34.7	13.6	13.5
England	89.0	91.1	67.6	29.8	25.4
Wales	30.9	49.5	36.8	4.0	2.4
Scotland	34.8	6.2	12.0	12.6	5.1
Northern Ireland	3.2	2.3	3.0	4.4	4.0
United Kingdom	157.9	149.1	119.4	50.8	36.9
Land, fully organic					
North East	25.8	25.6	26.8	30.6	28.1
North West	20.4	21.2	19.8	20.0	16.4
Yorkshire & Humberside	9.6	10.9	11.9	13.8	12.5
East Midlands	13.2	12.2	14.4	16.3	15.2
West Midlands	28.2	29.7	32.0	35.4	28.9
Eastern	12.7	13.2	14.2	17.3	15.8
South East (inc. London)	42.5	47.2	51.6	54.1	51.4
South West	106.3	123.9	140.4	174.6	157.2
England	258.7	284.0	311.2	362.0	325.6
Wales	65.1	75.1	88.6	118.8	120.4
Scotland	193.1	225.1	209.3	176.3	164.8
Northern Ireland	7.3	10.1	10.3	10.4	8.3
United Kingdom	524.3	594.4	619.3	667.6	619.1
Total UK organic land (in-conversion & fully organic)	682.2	743.5	738.7	718.3	656.0

Source: Organic certifier bodies collated by Defra statistics

Table 12.2 Organic and in-conversion land areas by use

Enquiries: Sarah Harriss on +44 (0) 1904 455407

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Thousand hectares	2007	2008	2009	2010	2011
Land, in-conversion					
Cereals	13.2	9.9	6.5	2.2	1.2
Other crops	3.5	2.5	2.1	0.7	0.4
Fruit & nuts	0.4	0.4	0.3	0.2	0.2
Vegetables (including potatoes)	2.6	2.0	1.6	0.5	0.3
Herbs & ornamentals	0.1	0.6	0.8	1.0	0.5
Temporary pasture	34.2	31.0	19.6	7.3	5.8
Set aside	0.0	0.0	0.0	0.0	0.0
Permanent pasture (a)	93.6	96.0	82.7	35.7	24.4
Woodland	5.6	2.7	2.6	1.9	1.7
Unutilised land	4.8	3.9	3.2	1.3	2.5
Total land, in conversion	157.9	149.1	119.4	50.8	36.9
Land, fully organic					
Cereals	38.4	47.3	53.4	54.7	51.3
Other crops	7.8	8.7	9.1	10.2	8.9
Fruit & nuts	1.6	1.5	1.9	2.0	2.0
Vegetables (including potatoes)	14.3	17.7	17.3	17.4	15.4
Herbs & ornamentals	0.5	4.9	4.9	5.2	5.7
Temporary pasture	90.9	98.8	106.6	117.5	110.3
Set aside	0.0	0.0	0.0	0.0	0.0
Permanent pasture (a)	358.4	398.3	413.0	443.3	410.5
Woodland	5.9	3.2	4.6	6.2	6.6
Unutilised land	6.5	14.0	8.4	11.0	8.4
Total land, fully organic	524.3	594.4	619.3	667.6	619.1

Source: Organic certifier bodies collated by Defra statistics

(a) Includes rough grazing.

AGRICULTURE IN THE UNITED KINGDOM 2012

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

Enquiries: Sarah Harriss on +44 (0) 1904 455407

email: sarah.harriss@defra.gsi.gov.uk

Number of businesses					
	2007	2008	2009	2010	2011
North East	173	179	167	160	152
North West	367	367	333	315	301
Yorkshire & Humberside	356	330	308	302	278
East Midlands	487	449	422	408	383
West Midlands	556	555	507	494	476
Eastern	574	551	529	515	481
South East (inc. London)	1 042	1 041	1 024	984	975
South West	1 961	2 002	1 988	1 953	1 851
England	5 516	5 474	5 278	5 131	4 897
Wales	953	1 230	1 176	1 166	1 119
Scotland	860	889	820	737	679
Northern Ireland	302	303	293	253	234
United Kingdom	7 631	7 896	7 567	7 287	6 929

Source: Organic certifier bodies collated by Defra statistics

(a) Processors 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 organic crop / livestock producers and processors 2011 (a)

Enquiries: Sarah Harriss on +44 (0) 1904 455407

email: sarah.harriss@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	110	4	85	3
North West	141	8	100	6
Yorkshire & Humberside	122	7	82	6
East Midlands	171	9	116	6
West Midlands	275	15	188	13
Eastern	168	18	64	14
South East (inc. London)	392	28	201	23
South West	1 328	71	901	56
England	2 707	160	1 737	127
Wales	950	29	795	21
Scotland	430	7	323	5
Northern Ireland	159	1	142	0
United Kingdom	4 246	197	2 997	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 Organic and in-conversion livestock numbers (a)

Enquiries: Sarah Harriss on +44 (0) 1904 455407

email: sarah.harriss@defra.gsi.gov.uk

Thousand head	2007	2008	2009	2010	2011
Cattle	250	320	331	350	335
Sheep (b)	..	..	885	981	1 162
Pigs	50	71	49	47	53
Poultry	4 441	4 363	3 959	3 871	2 838
Other livestock (c)	4	5	3	5	5

Source: Organic certifier bodies collated by Defra statistics

- (a) Certification bodies record production data at various times of the year so figures should be treated with care as they will not
- (b) We are unable to provide full historical data for sheep as there are inaccuracies in the historical data.
- (c) "Other Livestock" includes goats, farmed deer, horses, camelids and any livestock not recorded elsewhere.

Chapter 13: Overseas Trade

Summary

In 2012:

- The value of food, feed and drink exports was £18.2 billion, whilst this is a decrease of 3.0 per cent on the record level achieved in 2011 in real terms, it is a 5.7 per cent increase on 2010.
- The value of food, feed and drink imports decreased by 0.8 per cent to £37.6 billion in real terms.
- The trade gap in food, feed and drink widened by 1.4 per cent to £19.4 billion in real terms.
- Principal destinations for exports were the Irish Republic (17.4 per cent), France (10.2 per cent), USA (10.2 per cent), Germany (7.4 per cent) and the Netherlands (7.1 per cent).
- The most important trade partners for imports remained the Netherlands (12.2 per cent), France (11.6 per cent), Irish Republic (9.3 per cent), Germany (8.7 per cent) and Spain (6.2 per cent).
- Whisky was the largest value food, feed and drink export, totalling £4.4 billion in 2012, a slight decrease of 2 per cent on the very high 2011 value in real terms but 18 per cent higher than in 2010 and a 39 per cent increase over a 10 year period between 2003 and 2012.
- Fresh fruit and vegetables remain the highest value categories for imports, together totalling £4.6 billion in 2012 but 2.2 per cent lower than in 2011.
- Wine imports in 2012 were valued at £3.2 billion, an increase of 2.8 per cent compared to 2011 and a 13 per cent increase over the 10 year period between 2003 and 2012.

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 8 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 13.1, table 13.1)

3. The value of exports of food, feed and drink was 37 per cent higher in real terms in 2012 than in 2003. This is a consequence of the combination of the increased strength of sterling, disease related issues, and world commodity prices. The value of imports was 34 per cent higher in real terms in 2012 than in 2003. As a consequence, the trade gap in food, feed and drink has widened by 31 per cent in real terms between 2003 and 2012 to £19.4 billion.

4. Table 13.1 shows the value of trade at 2012 prices. The value of food, feed and drink exports was £18.2 billion in 2012, 3.0 per cent down in real terms on 2011 when it stood at £18.7 billion, while the value of food, feed and drink imports was £37.6 billion in 2012, a 0.8 per cent decrease in real terms on 2011, when it stood at £37.9 billion. As a result, the trade gap in food, feed and drink widened by 1.4 per cent in real terms between 2011 and 2012. All categories except coffee and tea etc, animal feed and oil have seen a decrease in exports, the largest nominal decrease being seen in fish which showed a 10.6 per cent decrease. Oil exports showed the largest percent increase at 23.3 per cent along with animal feed at 12.3 per cent. On the flip side the largest decrease in imports for 2012 was for oils, which showed a 5.6 per cent decrease. Cereal imports were up 13.3 per cent due to demand for larger amounts of high quality wheat for milling. All other categories showed marginal changes.

Chart 13.1 Trade in food, feed and drink at 2012 prices

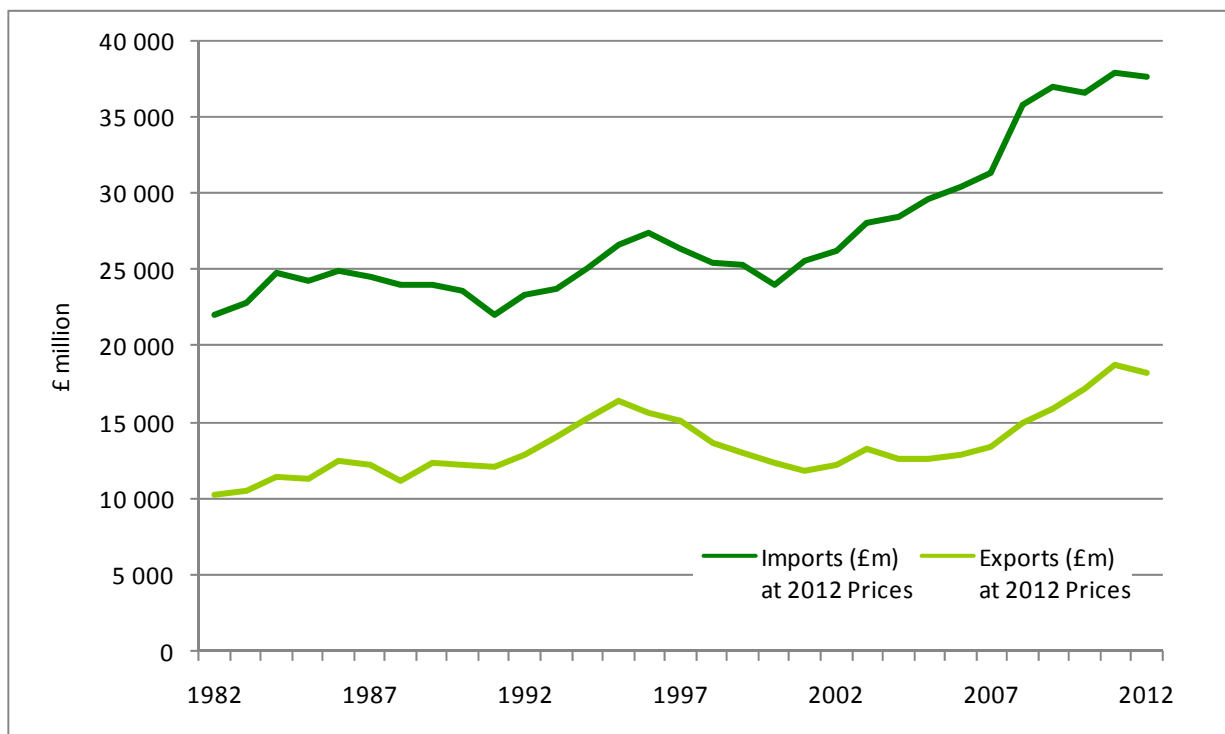


Table 13.1 Trade in food, feed and drink by SITC division (at 2012 prices)

Enquiries: Joanne Gardiner on +44 (0) 1904 455681

email: joanne.gardiner@defra.gsi.gov.uk

£ million		Calendar year									
SITC Division		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Code	Type	(provisional)									
Exports											
01	Meat	808	867	920	930	980	1 312	1 403	1 520	1 728	1 584
02	Dairy	1 018	1 017	911	890	949	991	950	1 124	1 285	1 168
03	Fish	1 193	1 152	1 188	1 157	1 154	1 141	1 325	1 461	1 511	1 350
04	Cereals	1 800	1 613	1 568	1 516	1 596	1 982	2 014	2 098	2 094	1 940
05	Fruit and Veg	633	660	651	714	704	779	861	879	910	855
06	Sugar	458	487	431	459	459	502	514	478	393	378
07	Coffee, tea, etc.	841	787	792	823	860	980	1 005	1 095	1 125	1 149
08	Animal feed	443	410	398	446	501	595	664	702	726	816
09	Misc.	915	929	926	951	916	1 009	1 131	1 186	1 215	1 215
11	Drink	4 689	4 386	4 434	4 592	4 813	5 164	5 596	6 077	7 005	6 804
22 + S4	Oils	431	304	350	393	464	503	472	575	747	921
Total		13 228	12 612	12 567	12 870	13 396	14 958	15 934	17 194	18 738	18 179
Imports											
01	Meat	4 506	4 602	4 705	4 808	4 797	5 301	5 649	5 513	5 914	5 734
02	Dairy	2 059	2 148	2 208	2 281	2 200	2 601	2 667	2 682	2 664	2 658
03	Fish	1 926	1 916	2 144	2 355	2 343	2 498	2 473	2 448	2 641	2 565
04	Cereals	1 862	1 897	1 910	1 908	2 260	2 786	2 802	2 558	2 627	2 976
05	Fruit and Veg	6 601	6 630	7 134	7 321	7 483	8 138	8 188	8 275	8 344	8 208
06	Sugar	1 149	1 167	1 212	1 187	1 142	1 317	1 366	1 269	1 316	1 277
07	Coffee, tea, etc.	1 599	1 607	1 747	1 809	1 888	2 209	2 630	2 716	2 889	2 713
08	Animal feed	1 209	1 206	1 174	1 244	1 260	1 615	1 760	1 853	1 748	1 780
09	Misc.	1 422	1 504	1 498	1 548	1 804	2 201	2 485	2 326	2 508	2 524
11	Drink	4 449	4 647	4 705	4 666	4 716	4 944	5 052	5 107	5 126	5 162
22+S4	Oils	1 255	1 199	1 178	1 300	1 426	2 149	1 857	1 794	2 111	1 992
Total		28 037	28 523	29 615	30 426	31 320	35 759	36 928	36 540	37 886	37 589

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

1. Meat: meat from cattle, sheep, pigs, goats, poultry, horses etc.; preparations including blood, juices, sausages, livers, offal.
 2. 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.
 3. Fish: All types of edible marine life excluding mammals, fresh, frozen, processed, prepared or preserved.
 4. Cereals: includes rice, wheat, barley, oats, maize, grain sorghum and preparations including sweet biscuits, waffles, gingerbread, and uncooked/unstuffed pasta.
 5. 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.
 6. Sugar: includes both natural sugar and sugar confectionery (but not chocolate or cocoa), both natural and artificial honey, and liquorice.
 7. 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.
 8. 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.
 9. 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 13.2, 13.3)

- Principal destinations of food, feed and drink exports to the European Union in 2012 were the Irish Republic (£3.2 billion), France (£1.8 billion), Germany (£1.3 billion) and Netherlands (£1.3 billion) and the principal European Union countries from which food, feed and drink were imported into the United Kingdom in 2012 were the Netherlands (£4.6 billion), France (£4.4 billion), the Irish Republic (£3.5 billion) and Germany (£3.3 billion).
- Principal non-EU destinations of food, feed and drink exports in 2012 were the USA (£1.8 billion), Singapore (£402 million) and Hong Kong (£331 million) while the main non-EU countries from which food, feed and drink were imported into the United Kingdom were the USA (£1.0 billion), Brazil (£917 million) and Thailand (£732 million).

Chart 13.2 Exports in food, feed and drink by country of destination 2012

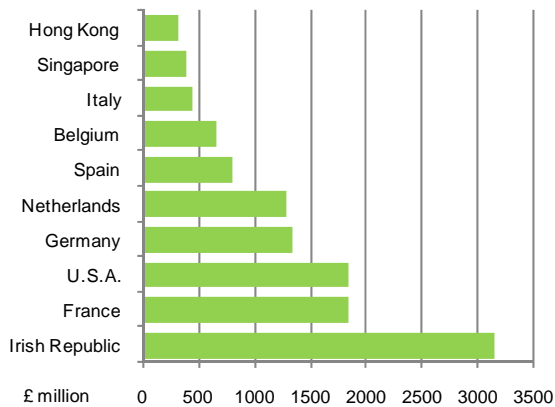
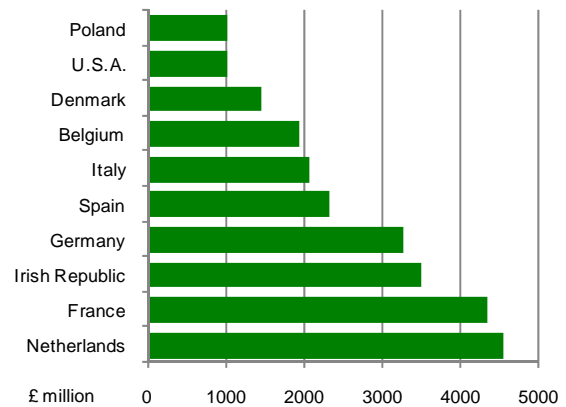
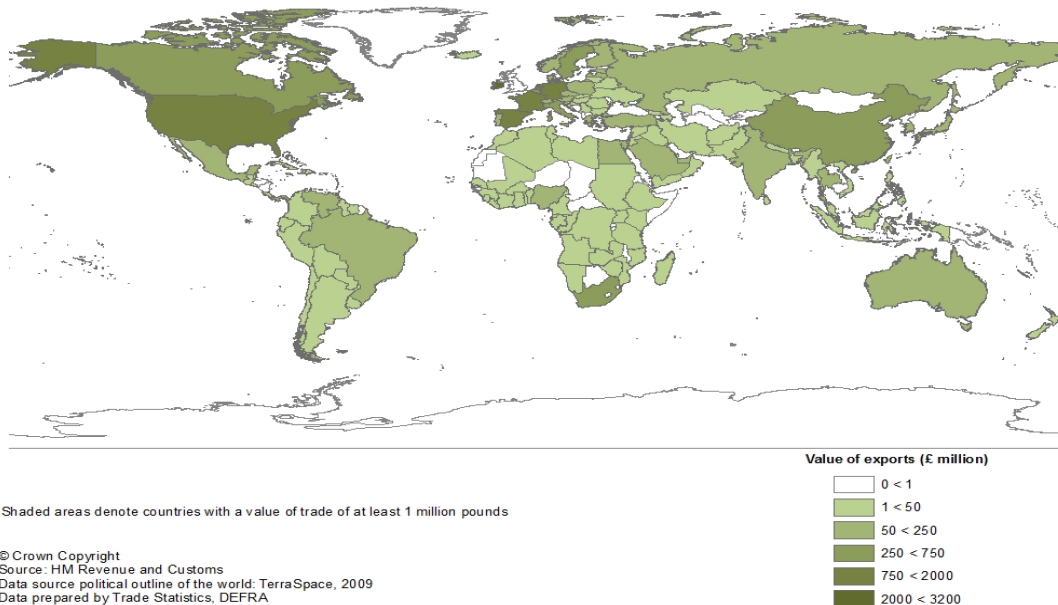


Chart 13.3 Imports in food, feed and drink by country of dispatch 2012



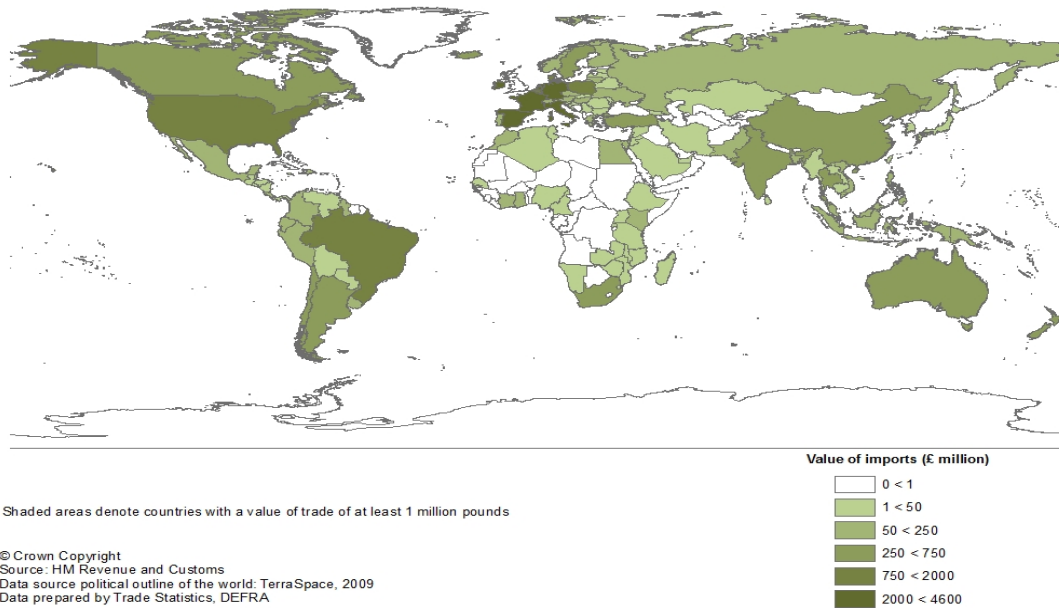
Map 13.1 Global exports 2012

Value (£ million) of UK exports of food, feed and drink by country of destination: 2012



Map 13.2 Global imports 2012

Value (£ million) of UK imports of food, feed and drink by country of dispatch: 2012



Exports and imports (charts 13.4, 13.5)

Over the 10 year period between 2003 and 2012, at 2012 prices:

- The value of exports of highly processed foods and drink, such as confectionery, canned meats, jams, alcoholic drinks and ice cream, increased by 43 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 27 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 44 per cent.

Over the 10 year period between 2003 and 2012, at 2012 prices:

- The value of imports of highly processed foods and drink increased by 44 per cent.
- The value of imports of lightly processed foods and drinks increased by 30 per cent.
- The value of imports of unprocessed commodities increased by 28 per cent.

Chart 13.4 Exports of food, feed and drink by degree of processing at 2012 prices

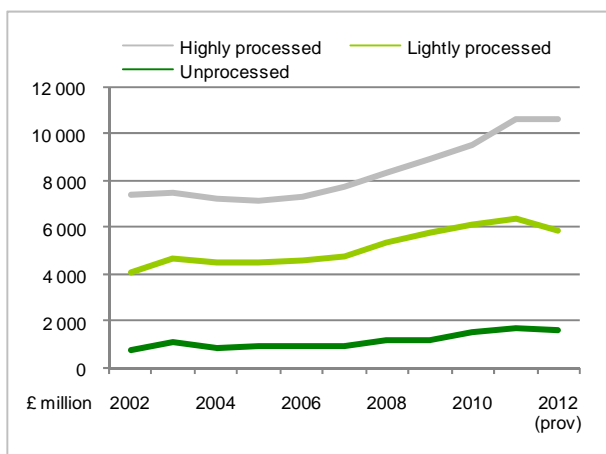
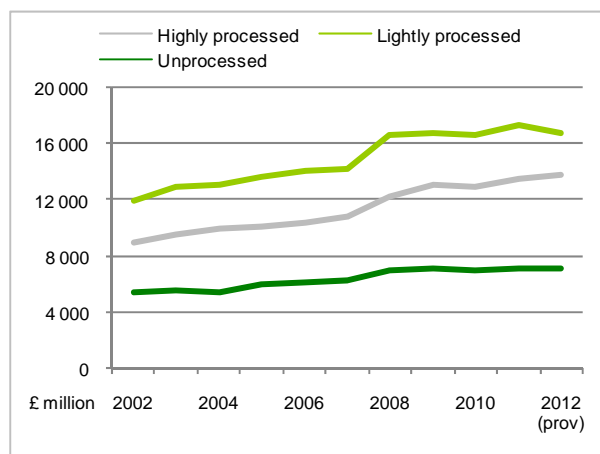


Chart 13.5 Imports of food, feed and drink by degree of processing at 2012 prices



Trade in key commodities (tables 13.2, 13.3)

Over the 10 year period between 2003 and 2012, at 2012 prices:

- Generally the value of exports across the range of different commodities has increased. The exceptions were bacon and ham where exports were particularly low for 2012 following strong exports in 2011. The decline for wheat in 2012 was also an exception, with the weather conditions during 2012 having an adverse impact on the United Kingdom wheat crop, requiring higher levels of imports of higher quality wheat (particularly for milling) and also reducing exports for 2012.
- The value of exports of whisky, which represents the highest valued individual food, feed and drink item, has shown continued growth, particularly in 2011. There was a small decrease in 2012 but exports were still valued at £4.4 billion, an increase of 35 per cent over this 10 year period. Strong growth has been seen for wine exports also which have more than doubled at £445 million in 2012.
- The value of exports of beef and veal showed a significant increase, reflecting the resumption of exports following the lifting in 2006 of the ban on exports that had been in place between March 1996 and November 2005.
- Generally the value of imports across the range of different commodities has increased over this 10 year period. The exceptions were bacon and ham and butter which have declined by 22 and 20 per cent respectively.
- The value of wine imports which is the single highest valued food, feed and drink item, increased by 10 per cent to £3.2 billion over this 10 year period.
- The value of fresh fruit and vegetables imports combined accounted for £4.6 billion in 2012; this is an increase of 14 per cent over this 10 year period.
- The value of imports of poultry meat products (such as cooked chicken) doubled while the value of exports increased by 49 per cent.
- The value of cheese imports increased by 30 per cent while exports increased by 69 per cent.

Table 13.2 Trade in key commodities in real terms at 2012 prices

Enquiries: Joanne Gardiner on +44 (0) 1904 455681

email: joanne.gardiner@defra.gsi.gov.uk

£ million	SITC Division Code	Calendar year									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 (provisional)
Whisky	Imports	114	119	126	140	116	121	137	136	134	130
	Exports	3 230	2 991	3 055	3 095	3 379	3 534	3 645	3 822	4 452	4 363
Wine	Imports	2 935	3 049	2 978	2 861	3 016	3 222	3 128	3 197	3 136	3 223
	Exports	190	154	163	210	245	267	369	465	561	445
Cheese	Imports	996	1 054	1 079	1 085	1 093	1 350	1 348	1 328	1 309	1 296
	Exports	240	262	277	283	283	318	322	370	417	407
Poultrymeat	Imports	887	961	962	864	911	889	971	1 034	1 114	967
	Exports	229	252	264	197	235	246	262	283	317	286
Poultry meat products	Imports	417	407	466	532	560	682	713	745	823	803
	Exports	92	101	113	107	147	154	138	137	148	138
Beef and veal	Imports	740	794	737	765	720	837	816	836	885	867
	Exports	27	26	32	113	148	241	293	360	451	389
Wheat, unmilled	Imports	158	121	171	163	245	361	291	218	234	401
	Exports	391	270	251	234	272	456	346	493	425	270
Lamb and mutton	Imports	337	368	369	345	328	354	433	415	425	369
	Exports	256	246	270	285	215	296	359	347	386	352
Pork	Imports	621	646	746	836	788	760	723	712	747	690
	Exports	87	120	132	122	104	149	131	162	177	189
Breakfast cereals	Imports	103	124	132	127	135	165	206	187	191	187
	Exports	376	369	383	387	368	399	470	398	393	361
Milk and cream	Imports	40	44	46	56	62	89	86	111	123	117
	Exports	224	182	218	218	215	226	222	268	306	253
Bacon and ham	Imports	833	712	667	674	662	777	870	780	698	649
	Exports	52	45	35	32	36	81	58	48	61	37
Butter	Imports	376	363	391	410	269	264	272	310	331	300
	Exports	100	77	93	73	78	62	65	87	132	102
Eggs and egg products	Imports	113	111	98	112	125	150	174	151	135	190
	Exports	39	43	35	30	30	43	52	51	50	60
Fresh vegetables	Imports	1 730	1 720	1 928	1 884	1 933	1 965	1 949	2 054	1 932	1 864
	Exports	63	59	61	59	58	61	74	81	75	73
Fresh fruit	Imports	2 284	2 296	2 445	2 552	2 526	2 703	2 769	2 727	2 735	2 703
	Exports	64	84	105	132	94	97	108	110	103	82
Salmon (inc. smoked)	Imports	36	55	106	173	169	170	224	243	260	251
	Exports	265	229	200	242	228	237	330	424	499	442

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.
Salmon (inc. smoked)	includes fresh, chilled, frozen or smoked, but not canned

AGRICULTURE IN THE UNITED KINGDOM 2012

Table 13.3 Trade in key commodities by volume

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Thousand tonnes (unless otherwise specified)		Calendar year									
SITC Divisor		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Code		(provisional)									
Whisky (million litres pure alcohol)	Imports	16	15	13	17	14	16	16	16	16	15
	Exports	278	273	284	302	326	308	311	305	361	345
Wine (million litres)	Imports	1 220	1 334	1 315	1 260	1 309	1 289	1 295	1 365	1 371	1 329
	Exports	25	22	21	32	48	44	58	90	88	80
Cheese	Imports	316	335	353	378	403	422	419	436	414	438
	Exports	90	93	96	104	97	88	105	113	124	126
Poultrymeat	Imports	347	396	406	382	383	335	340	381	412	393
	Exports	268	265	305	259	292	278	258	270	295	297
Poultry meat products	Imports	142	150	180	206	230	249	241	255	279	293
	Exports	25	27	33	31	46	46	38	38	46	46
Beef and veal	Imports	269	281	240	236	240	247	231	238	235	236
	Exports	6	7	9	41	59	81	83	110	144	120
Wheat, unmilled	Imports	985	776	1 201	1 028	1 238	1 248	1 390	1 111	902	1 785
	Exports	3 662	2 528	2 495	2 117	1 911	2 766	2 533	3 335	2 287	1 503
Lamb and mutton	Imports	112	116	110	114	114	112	116	101	88	86
	Exports	76	77	85	87	69	87	96	89	96	95
Pork	Imports	381	383	432	459	463	393	360	363	373	349
	Exports	69	84	92	95	99	118	104	131	144	154
Breakfast cereals	Imports	62	69	83	93	92	103	110	105	108	102
	Exports	162	156	171	175	165	160	171	158	161	150
Milk and cream	Imports	53	71	79	124	133	193	158	193	215	193
	Exports	312	339	592	621	513	532	539	561	648	617
Bacon and ham	Imports	303	302	283	264	277	293	323	313	280	258
	Exports	14	13	11	10	12	31	21	24	34	16
Butter	Imports	118	114	129	147	103	81	96	102	100	104
	Exports	44	35	45	36	32	24	27	27	36	38
Eggs and egg products	Imports	70	67	79	78	93	95	90	75	68	101
	Exports	18	15	14	13	12	14	23	24	17	18
Fresh vegetables	Imports	1 612	1 700	1 940	1 893	1 947	1 957	1 823	1 871	1 975	2 059
	Exports	103	93	88	83	88	80	78	95	89	87
Fresh fruit	Imports	2 976	3 175	3 284	3 470	3 510	3 326	3 175	3 229	3 347	3 408
	Exports	78	105	120	177	147	128	153	142	149	110
Salmon (inc. smoked)	Imports	11	17	30	44	48	47	53	50	57	62
	Exports	74	65	49	54	60	57	71	83	96	100

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 carcass meat, cuts and offal (inc. liver).
Beef and veal	includes carcass meat and cuts, both bone-in and boneless.
Wheat, unmilled	includes durum, other wheat (inc. spelt) and meslin.
Lamb and mutton	includes carcass meat and cuts, both bone-in and boneless.
Pork	includes carcass 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.
Salmon (inc. smoked)	includes fresh, chilled, frozen or smoked, but not canned

Trade with EU 26 countries (charts 13.6 to 13.11)

7. 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 European Union.

Bacon and ham

8. Imports of bacon and ham from the European Union 26 countries have been far in excess of exports for many years. Imports have remained relatively stable over the last 10 years with the exception of 2009 & 2010 when they went up to 323 and 313 thousand tonnes respectively. They have since declined to levels seen previously and total imports stood at 258 thousand tonnes in 2012. The Netherlands and Denmark provided 82 per cent of all imported bacon and ham with a further 15 per cent contributed by Germany and the Irish Republic. In 2012 exports decreased by 55 per cent to 15 thousand tonnes compared to 2011, when exports were at all time high, but still comparatively small in absolute terms.

Chart 13.6 Trade with EU 26 countries: bacon and ham

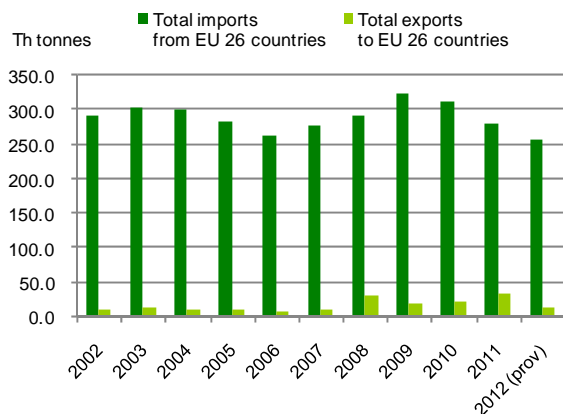
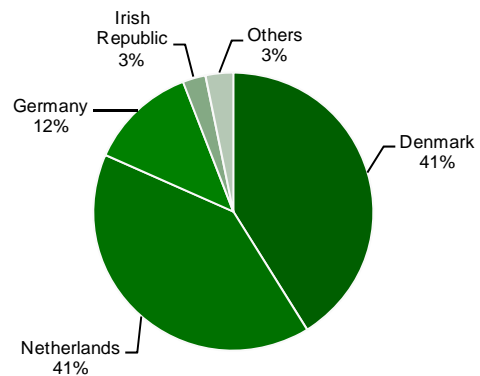


Chart 13.7 Trade with EU 26 countries: imports of bacon and ham



Pork

9. 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 on average they have shown a small year on year increase since 2004, and in 2012 stood at 112 thousand tonnes; this is still 32 per cent down on the 2000 level. Imports have shown continual gradual increases, peaking in 2007 at 458 thousand tonnes. There was a decline in 2008, since which levels have remained relatively stable and in 2012 stood at 347 thousand tonnes. Denmark accounted for 29 per cent of the imports of pork in 2012, Germany 19 per cent with a further 25 per cent contributed by the Netherlands and the Irish Republic.

Chart 13.8 Trade with EU 26 countries; pork

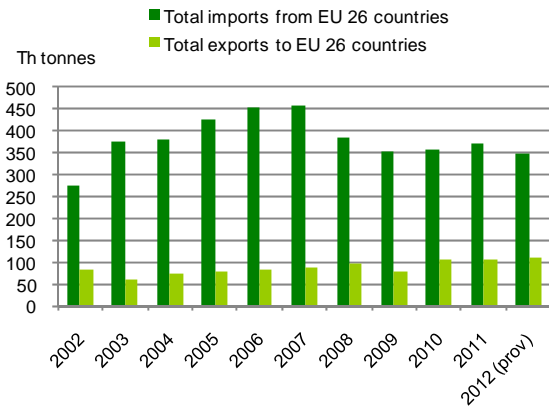
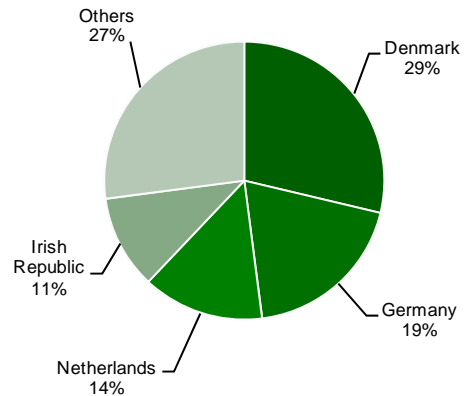


Chart 13.9 Trade with EU 26 countries; imports of pork 2012 (provisional)



Milk and cream

10. Imports of milk and cream increased between 2003 to 2008, dipping in 2009 before increasing again up to a peak level of 215 thousand tonnes in 2011. Imports should be viewed in the context of overall supply - imports only account for approximately 1 per cent of United Kingdom supply of liquid drinking milk. Exports rose sharply in the middle of the decade peaking in 2006 when they reached 620 thousand tonnes, and then steadily rising again to 2011. The 2012 figure of 616 tonnes is 4.8 per cent lower than 2011 but still outweighs imports by over three to one. In 2012, 83 per cent of milk and cream exports went to the Irish Republic with a further 11 per cent exported to Belgium, Luxembourg and the Netherlands.

Chart 13.10 Trade with EU 26 countries: milk and cream

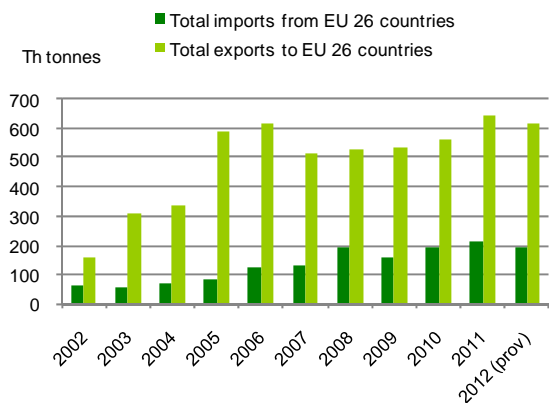
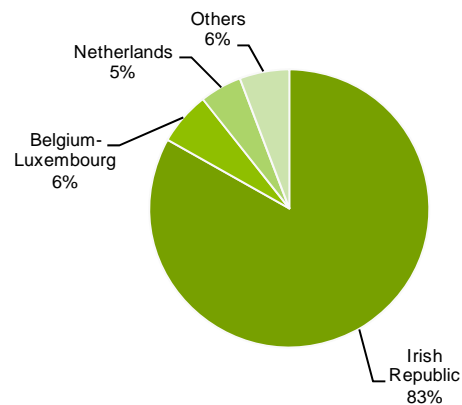


Chart 13.11 Trade with EU 26 countries: exports of milk and cream 2012 (provisional)



Trade with key trading partners (charts 13.12 to 13.25)

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

Lamb and mutton

12. The ban on exports during the outbreak of foot and mouth disease led to a dip in exports in 2001, followed by a recovery to 87 thousand tonnes in 2006. In 2007 exports declined to 69 thousand tonnes but from then on they have been strong, reaching 95 thousand tonnes in 2012. The majority, 55 per cent, of all lamb and mutton exported in 2012 went to France, with a further 24 per cent going to Germany, Hong Kong, Belgium and Luxembourg. Imports decreased to their lowest level recorded since 1993 of 86 thousand tonnes in 2012.

Chart 13.12 World trade: lamb and mutton

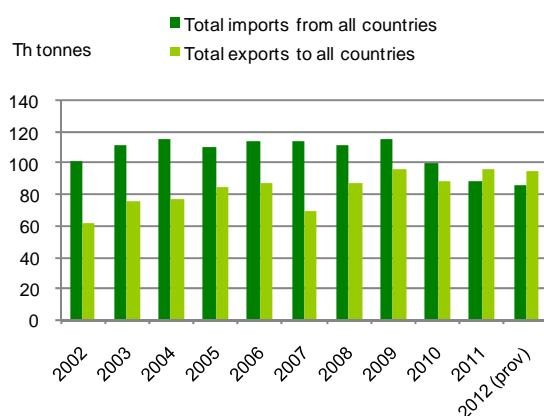
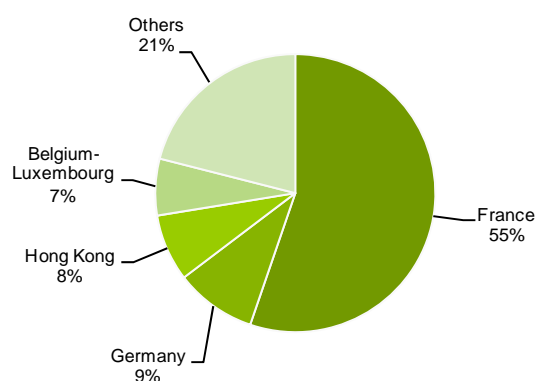


Chart 13.13 Trade with all countries: exports of lamb and mutton 2012 (provisional)



Beef and veal

13. 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 over that period were of beef and veal of non-United Kingdom origin which have been imported into the United Kingdom and then exported. Following the end of the ban, exports have continued to show signs of recovery reaching a high of 144 thousand tonnes in 2011. Although 2012 showed a decrease of 17 per cent on last year, levels remain strong at 120 thousand tonnes which is an 8.8 per cent increase on 2010, but still stands a long way below the 1995 level of 274 thousand tonnes. Imports rose during the export ban, peaking in 2004 at 281 thousand tonnes before declining to 240 thousand tonnes in 2005. Since then, imports have remained static and were 236 thousand tonnes in 2012. The Irish Republic accounted for 68 per cent of the imports in 2012 with the Netherlands, Germany and Poland accounting for a further 17 per cent.

Chart 13.14 World trade: beef and veal

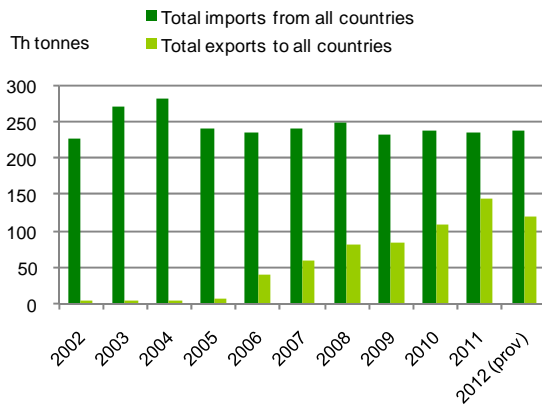
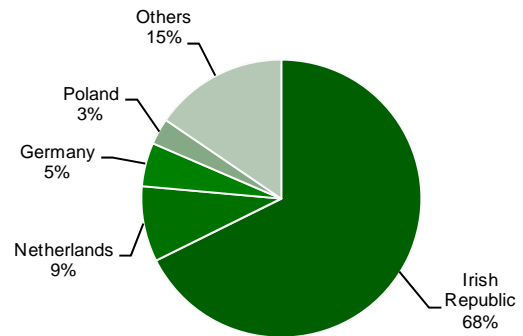


Chart 13.15 Trade with all countries: imports of beef and veal 2012 (provisional)



Poultry meat

14. The United Kingdom has run a long term trade deficit in poultry meat. Imports have increased steadily from 1993 reaching an initial peak in 2005 of 406 thousand tonnes before declining again to 2009. Increases were observed in both 2010 and 2011. Whilst in 2012 imports showed a decrease of 5 per cent on the record level achieved in 2011 of 412 thousand tonnes, it is a 3 per cent increase on 2010 and stood at 393 thousand tonnes. The Netherlands accounted for 46 per cent of imports in 2012 with Poland, Germany and the Irish Republic accounting for a further 27 per cent.

Chart 13.16 World trade: poultry meat

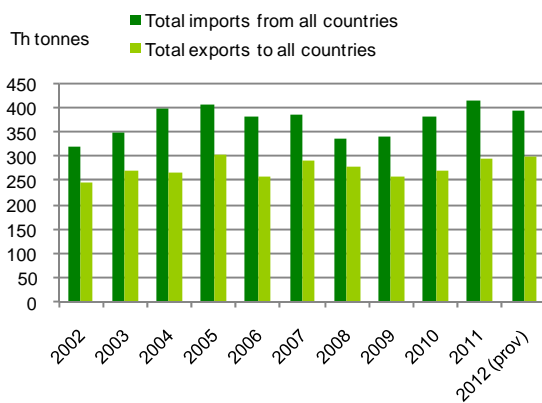
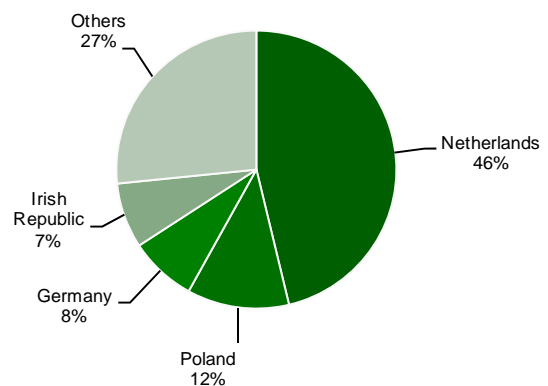


Chart 13.17 Trade with all countries: Imports of poultry meat 2012 (provisional)



Poultry meat Products

15. Poultry meat products include prepared, preserved, salted or cooked poultry meat. At 293 thousand tonnes, imports of poultry meat products were around 6 times the level of exports in 2012. This reflects an increasing year on year trade deficit. Thailand accounted for 46 per cent of imports with the Netherlands, Irish Republic and Brazil accounting for a further 28 per cent in similar proportions.

Chart 13.18 World trade: poultry meat products

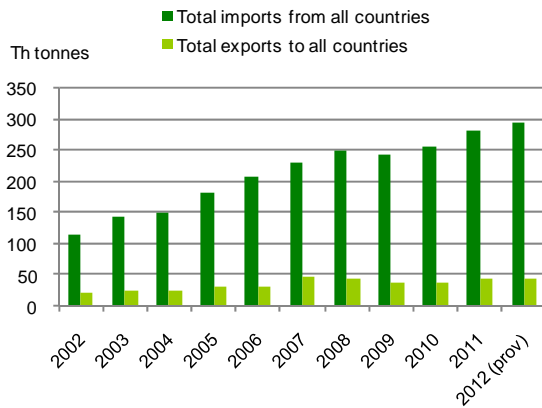
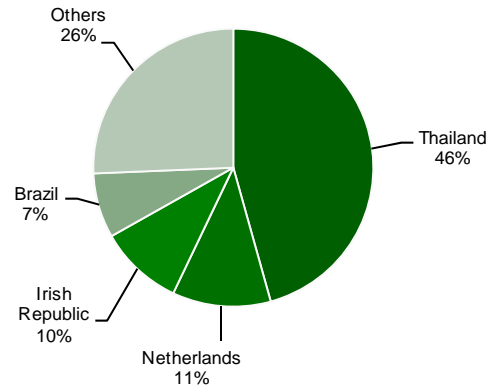


Chart 13.19 Trade with all countries: Imports of poultry meat products 2012 (provisional)



Unmilled wheat

16. Exports of unmilled wheat have comfortably exceeded imports every year from 1993 onwards with the exception of 2001 and 2002. In these two years exports fell to almost the same level as imports due to a poor 2001 United Kingdom harvest, caused by severe flooding in the previous winter. This was again the case in 2012 with the United Kingdom wheat crop adversely impacted by the weather which consequently pushed imports up to record levels of 1.8 million tonnes. Imports were sourced from Germany (29 per cent), Canada (18 per cent) and France (14 per cent). In 2012 exports stood at 1.5 million tonnes, a 34 per cent decrease on 2011, as a result of lower production and availability. Of this 1.5 million, 32 per cent went to Spain and a further 45 per cent went to the Netherlands, USA and Portugal.

Chart 13.20 World trade: unmilled wheat

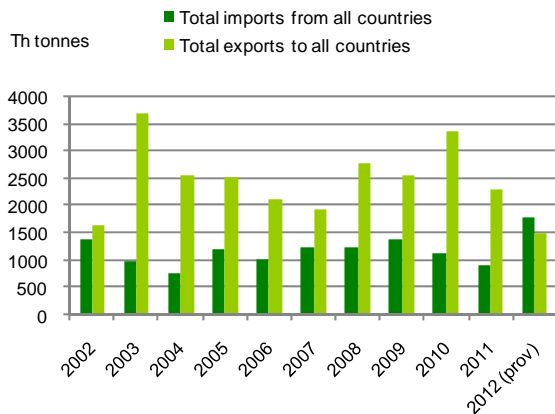
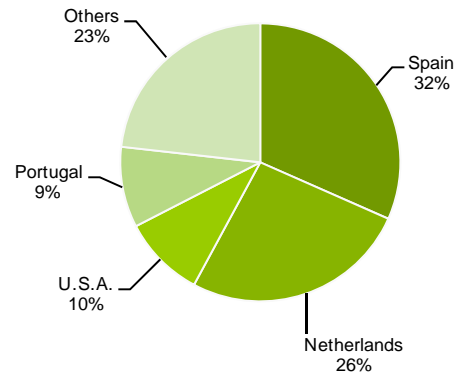


Chart 13.21 Trade with all countries: exports of unmilled wheat 2012 (provisional)



Fresh vegetables

17. The United Kingdom runs a large and steadily increasing trade deficit in fresh vegetables. Imports have risen virtually every year up to 2008. The following year showed a small decline of 7 per cent which was short lived as 2010 showed a small increase and this continued through into 2012 where levels reached 2 million tonnes, more than double the 1994 total. Exports stood at 87 thousand tonnes in 2012, showing a 2 per cent decrease on 2011 but within the typical range since 2005 but well below the peak seen in 2002 of 113 thousand tonnes. In 2012, 39 per cent of all fresh vegetables imports came from Spain and 31 per cent from the Netherlands with France, Poland and the Irish republic combined having the next largest share at 10 per cent.

Chart 13.22 World trade: fresh vegetables

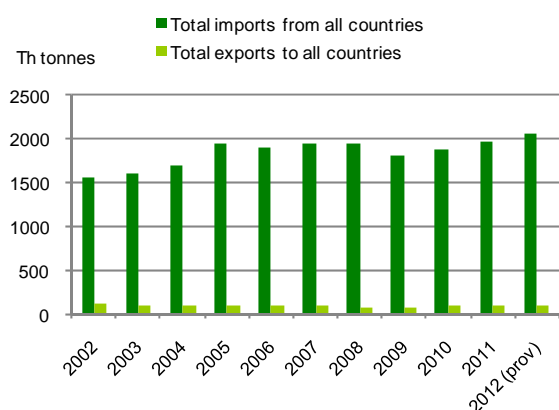
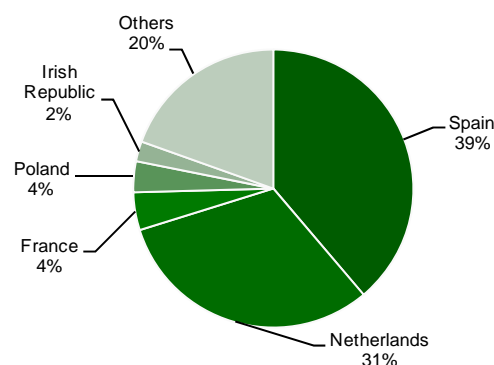


Chart 13.23 Trade with all countries: imports of fresh vegetables 2012 (provisional)



Fresh fruit

18. Imports of fresh fruit have historically been far in excess of exports and stood at 3.4 billion tonnes in 2012. Exports have increased since 2004 and reached a high of 149 thousand tonnes in 2011 but still represent just 3 per cent of imports. There was a 26 per cent fall in exports in 2012 to 111 thousand tonnes. Spain was the largest single source of imports with 16 per cent in 2012. The top three sources of imports (Spain, South Africa and Costa Rica) provided a total of just 33 per cent of imports, which demonstrates the diversity of supply of fresh fruit.

Chart 13.24 World trade: fresh fruit

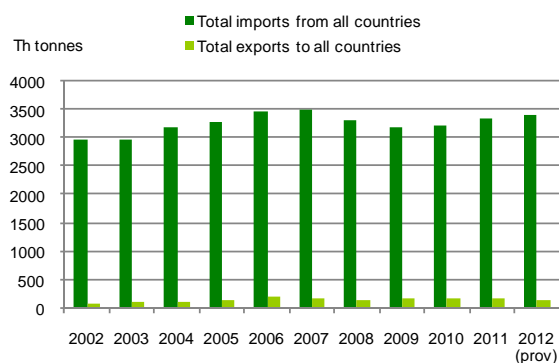
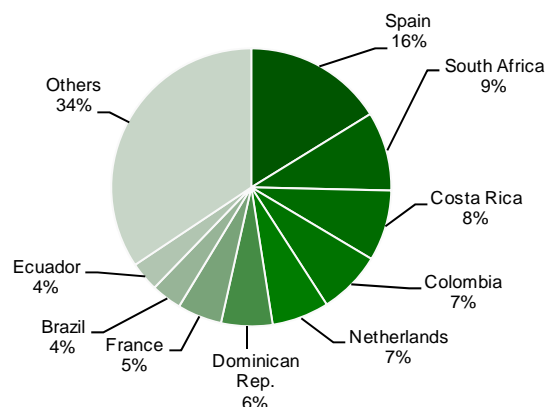


Chart 13.25 Trade with all countries: imports of fresh fruit 2012 (provisional)



Chapter 14: The Food Chain

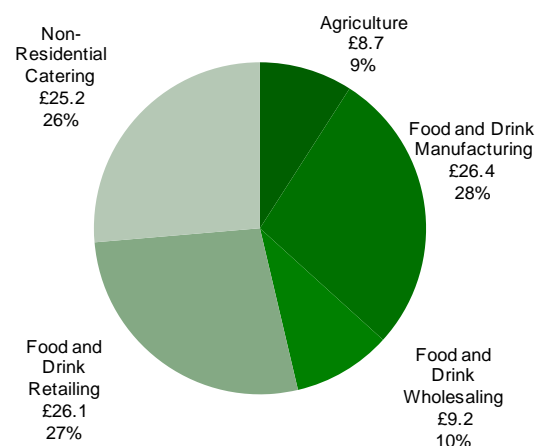
Summary

- In 2011, the agri-food sector in the United Kingdom accounted for a total estimated Gross Value Added (GVA) of £95 billion or 7.3 per cent of national GVA, up from 6.9 per cent in 2010. All food sectors increased GVA in 2011, with non-residential catering showing the largest increase at 15 per cent.
- Employment in the agri-food sector increased 5.0 per cent over the 12 month period to the third quarter of 2012 to around 3.7 million. The largest increase was in non-residential catering, rising by 110 thousand and in food retailing rising by 59 thousand. The agriculture sector increased by 5 thousand (1.1 per cent).
- In 2011, total factor productivity in the food sector excluding agriculture grew by 0.7 per cent having risen gradually since 2002, with food manufacture and food wholesale leading the growth. The average annual food inflation rate over 2012 was 3.3 per cent whilst the average rate for general inflation was 2.8 per cent.
- Excluding the effect of price rises consumers' expenditure fell 0.2 per cent in 2012 and has fallen 4.6 per cent since 2008, indicating that consumers were buying less or lower quality products.
- In 2012, the farmgate share of the price of a basket of items covering staples of agricultural production was 39 per cent. This is 16 per cent less than the farmgate share in 1988 but the highest it has been since 1997.

Contribution of the agri-food sector to the national economy (chart 14.1, table 14.1)

1. In 2011, the agri-food sector contributed £95 billion to the economy, around 7 per cent of the national gross value added. Within this, manufacturing, retailing and non-residential catering accounted for around one quarter each. Food wholesaling covers 9.6 per cent of the sector and agriculture made the smallest contribution at 9.1 per cent.
2. Comparing 2011 and 2010, all sectors of the food chain, except retail, saw year on year increases in productivity, most notably in catering. [Productivity](#) of food retail was unchanged on 2010. Benchmarking against a wider economy measure shows that the average annual growth in the food chain between 2002 and 2011 was 0.7 per cent compared to 0.2 per cent in the wider economy.

Chart 14.1 Contribution of the agri-food sector to the national economy (£ billion)



Source: Annual Business Survey (ONS) and Aggregate Agricultural Accounts (Defra).

Table 14.1 Agri-food sector contribution to the national economy

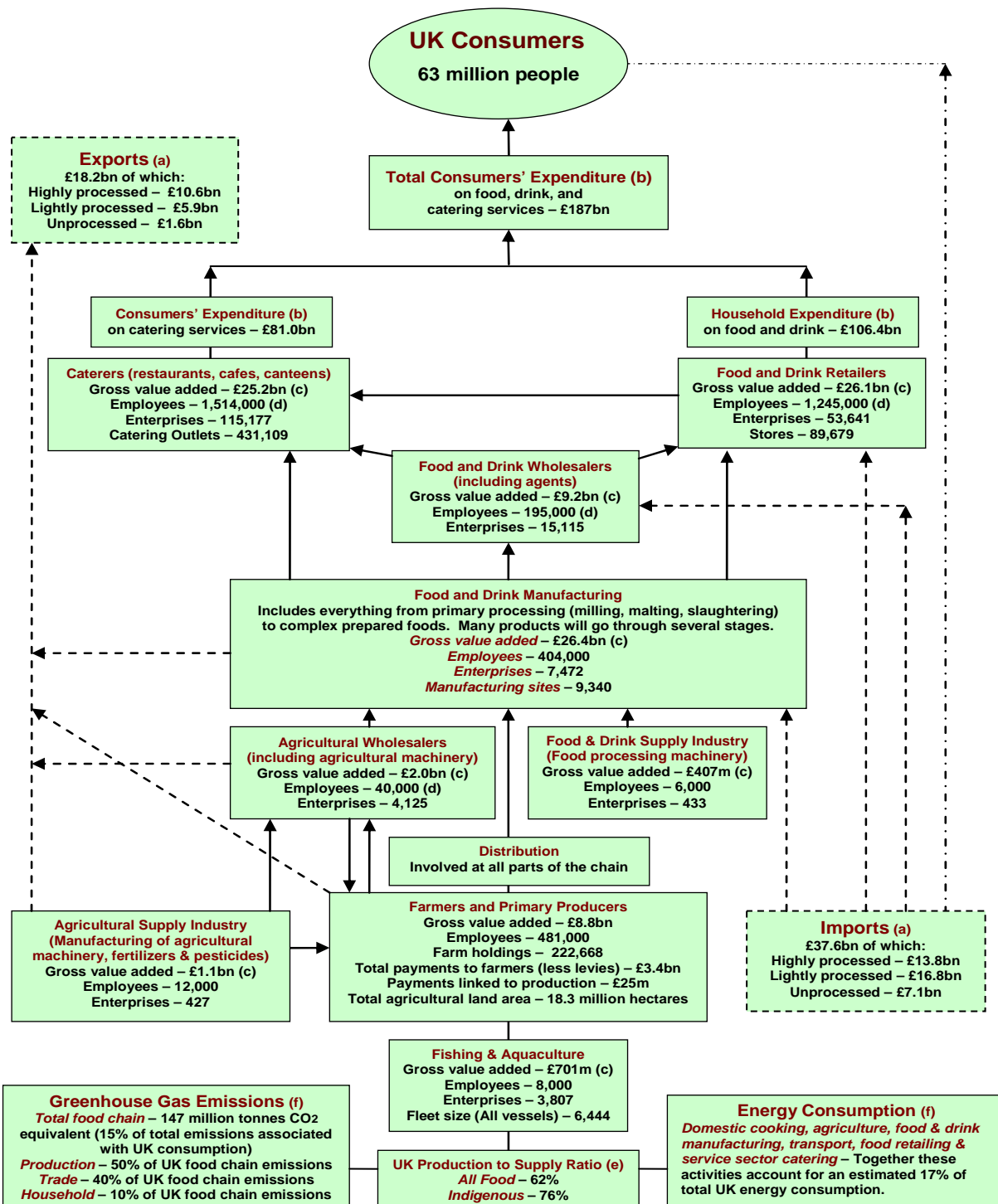
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email: david.lee@defra.gsi.gov.uk

£ million (unless otherwise specified)		2008	2009	2010	2011	2012 (provisional)
Agri-food sector's contribution to total economy gross value added						
at current prices	Agriculture	7 175	7 044	7 062	8 656	8 605
	Food Manufacturing	23 631	24 456	25 213	26 396	..
	Food Wholesaling	8 882	8 545	8 524	9 155	..
	Food Retailing	22 727	25 209	25 977	26 087	..
	Food Non-Residential Catering	22 047	20 144	21 946	25 153	..
% of national gross value added (current prices)		6.7	6.9	6.9	7.3	–
Workforce in the food sector (thousand persons)						
	Agriculture	441	421	426	434	439
	Food Manufacturing	380	373	371	376	382
	Food Wholesaling	229	218	218	217	215
	Food Retailing	1 152	1 189	1 139	1 142	1 201
	Food Non-Residential Catering	1 475	1 419	1 380	1 403	1 513
% of total workforce in employment		13.4	13.5	13.3	13.4	13.9
Trade in food, feed and drink (in real terms at 2012 prices)						
Imports of food, feed and drink		35 759	36 928	36 540	37 886	37 589
% of total UK imports		9.2	10.5	9.2	9.2	9.2
Exports of food, feed and drink		14 958	15 934	17 194	18 738	18 179
% of total UK exports		5.3	6.2	6.0	6.1	6.1
UK Food Production to Supply Ratio ('Self-Sufficiency')						
% of all food		59.9	58.4	61.0	63.1	62.1
% of indigenous type food		72.8	71.8	75.0	77.8	76.2
Household final consumption expenditure on food and alcoholic drinks						
at current prices		166 378	164 959	172 635	179 781	187 398
of which:	household food	77 580	79 233	81 610	84 723	88 588
	food eaten out	47 172	46 338	49 365	50 760	51 835
	alcoholic drinks	41 626	39 388	41 660	44 298	46 975
at constant 2009 prices (£ million)		173 559	164 959	168 072	165 900	165 625
of which:	household food	81 806	79 233	79 088	77 753	78 842
	food eaten out	48 524	46 338	48 237	47 454	46 042
	alcoholic drinks	43 229	39 388	40 747	40 693	40 741
% of total household final consumption expenditure		19.0	19.2	19.1	19.2	19.3
of which:	household food	8.9	9.2	9.0	9.0	9.1
	food eaten out	5.4	5.4	5.5	5.4	5.3
	alcoholic drinks	4.8	4.6	4.6	4.7	4.8
Producer prices for agricultural products (2008 = 100)		100.0	95.5	101.7	115.6	121.1
Consumer price index (2008 = 100):						
food		100.0	105.4	109.0	114.9	118.7
alcoholic drinks		100.0	104.5	107.8	114.1	117.3
all items		100.0	102.2	105.5	110.3	113.4

Sources: Annual Business Survey (ONS), Aggregate Agricultural Accounts (Defra), Labour Force Survey GB Q3 2012 (ONS), Overseas Trade Statistics (HMRC), Consumer Price Indices (ONS).

Chart 14.2: Economic summary of the Food Chain – Fourth quarter 2012



(a) Overseas trade data is provisional for full year 2012 from HM Revenue and Customs. (Data may not equal total due to rounding). Dashed lines indicate main trade flows.

(b) Consumers' expenditure, properly known as household final consumption expenditure, is provisional from the Office for National Statistics for full year 2012 and is calculated at current prices. (Data may not equal total due to rounding).

(c) Gross value added (GVA) is the difference between the value of goods and services produced and the cost of raw materials and other inputs used up in production. GVA figures are from the Annual Business Survey and are provisional data for full year 2011, which is calculated at basic prices (market prices less taxes plus subsidies).

(d) Employee data for grocery retailers is for Great Britain only and is for Q4 2012 from the Office for National Statistics. Food and drink wholesaling, and agricultural wholesaling include an estimate of employment by food and drink wholesaling agents, and wholesalers of agricultural machinery from the Annual Business Survey. (Employee data is rounded).

(e) UK Production to Supply Ratio (formerly known as the "Self-Sufficiency" Ratio). The UK sources food from diverse stable countries (with 29% of food coming from the European Free Trade Area), and imports can make up for domestic supply shortages.

(f) UK greenhouse gas emissions and energy consumption data does not relate to Q4 2012. Energy consumption does not take into account energy embedded in food that we import, nor does it subtract energy that went into producing food that is exported. Therefore the 17% of energy consumption cannot be directly compared to the 15% of GHG emissions.

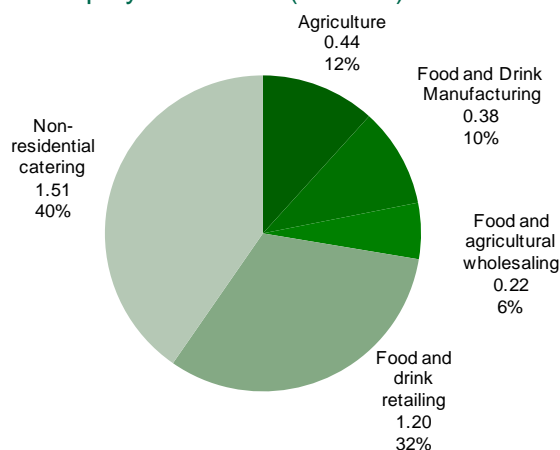
The food chain (chart 14.2)

- In 2012, the food supply chain in the United Kingdom as a whole received £168 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 14.2 shows the largest elements of the food chain from agriculture as a primary producer through food manufacturing and retail trade to consumers' expenditure.

Agri-food sector employees and self-employed farmers (chart 14.3)

- In the third quarter of 2012, the agri-food sector employed 3.75 million people, or 14 per cent of all employees in Great Britain. This proportion has been broadly the same since 2001. Agriculture accounts for less than half a million employees or 12 per cent of the agri-food sector (chart 14.3).

Chart 14.3 Agri-food sector employees and self-employed farmers (millions)



- In the twelve months to September 2012, employment in the agri-food sector increased by 5.0 per cent, driven by increases in non-residential catering and retailing. Only wholesaling showed a slight decrease. Employment across the whole economy increased 1.6 per cent over the same period.

Source: Labour Market Trends (ONS) and June Survey of Agricultural and Horticultural Holdings (Defra).

- Employment in the agri-food sector is at its highest level since 1998. Changes in the proportions of each of the sectors since 1998 show that employment in agriculture and manufacturing reduced by 28 per cent and 21 per cent respectively, while non-residential catering and retail increased by 25 per cent and 12 per cent respectively.

Food manufacturing

- Gross value added in the food manufacturing sector increased 4.7 per cent in 2011. It has had the largest gain in productivity since 2000. Employment was on a long term downward trend, reaching a low point around 2010, coinciding with start of food price increases. Higher food prices appear to have benefitted the food manufacturing industry and, combined with productivity growth in 2010 and 2011, helped facilitate increases in employment. Figures for quarter three 2012 show an increase of around 11 thousand employees or 3.0 per cent since 2010.

Food wholesaling

- Gross value added in the food wholesaling sector has been on an upward trend since 2000. At £9.2 billion in 2011, it is 65 per cent higher than in 2000. Excluding agriculture, it is the smallest contributor to the agri-food sector gross value added at 9.6 per cent. Employment in this sector fell 0.9 per cent in 2012, equating to around 2 thousand employees. Productivity has been on an upward trend since 2000 and increased 1.2 per cent in 2011. It is now 8.4 per cent higher than in 2000 with an average annual increase of 0.7 per cent.

Food retailing

- Food retailing gross value added was £26.1 billion in 2011, little changed at 0.4 per cent up on 2010. Employment in this sector fell by 50 thousand employees, 4.2 per cent, in 2010. However, a small increase in 2011 followed by a larger increase of 5.2 per cent in 2012 resulted in employment at the highest level in a decade. Productivity of food retail was unchanged in 2011 compared to 2010 and there has been no overall productivity growth in the sector since 2000.

Non-residential catering

- Non-residential catering gross value added has been on a long-term upward trend despite a dip in 2009. In 2011 gross value added increased 15 per cent to £25.1 billion, reversing the decrease of 2009 to a point 14 per cent higher than in 2008. Employment increased in 2012 by 7.8 per cent with an additional 110 thousand employees, 20 per cent more than in 2000. Productivity of catering rose by 3.0 per cent for the second year running in 2011.

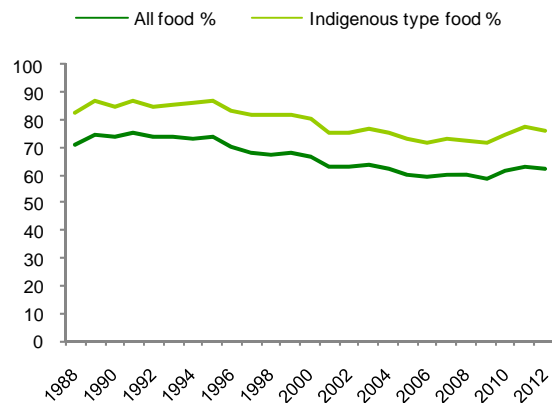
Trade in food, feed and drink (table 14.1)

- In 2012 the value of food, feed and drink exports was £18.2 billion. Whilst this is a decrease of 3.0 per cent on the record level achieved in 2011 in real terms, it is a 5.7 per cent increase on 2010.
- In 2012 the value of food, feed and drink imports decreased by 0.8 per cent to £37.6 billion in real terms, resulting in the trade gap in food, feed and drink widening by 1.4 per cent to £19.4 billion in real terms.

Food production to supply ratio (chart 14.4)

- Food Production to Supply Ratio (commonly referred to as the “Self Sufficiency Ratio”), calculated as the farm-gate value of raw food production divided by the value of raw food for human consumption, is estimated to be 62 per cent for all food in 2012 and 76 per cent for indigenous type food. This compares with 63 per cent and 78 per cent respectively in 2011.

Chart 14.4 Food production to supply ratio



- The Food Production to Supply Ratio figures for 2011 in Table 14.1 are slightly higher than those published in AUK 2011. This is due to provisional trade data being finalised.

- The food production to supply ratio has decreased slightly in 2012, after increases in 2010 and 2011. In 2012, the overall value of United Kingdom food production remained static, whilst increased imports of feed and seeds led to a slight decrease in the adjusted home food production value, resulting in the slight decrease in the ratio over 2011.
- The rise in the value of home production of beef was due to a decline in the breeding herd resulting in reduced domestic production. Tight supplies in 2012 led to strong prices; the value of home-fed beef production increasing 7.4 per cent on 2011.
- Shortages of supply led to high demand from European Union countries, particularly Germany for United Kingdom oilseed rape. Prices remained strong but were still lower than the record high prices seen in 2011. Yields were around average, below the very high level achieved in 2011, leading to a reduction in the value of production compared to 2011.
- Increased poultry meat production and growing demand leading to increased prices, resulted in the value of poultry meat production rising to a record level in 2012.
- In 2012, poor weather had a heavy impact on the United Kingdom wheat crop, leading to increased imports of milling quality wheat and a 10 per cent decrease in the value of United Kingdom production.

Distinction between competitiveness and food security

- The food production to supply ratio provides a very broad indicator of the ability of United Kingdom agriculture to meet consumer demand - also described as competitiveness. The ratio is not an

AGRICULTURE IN THE UNITED KINGDOM 2012

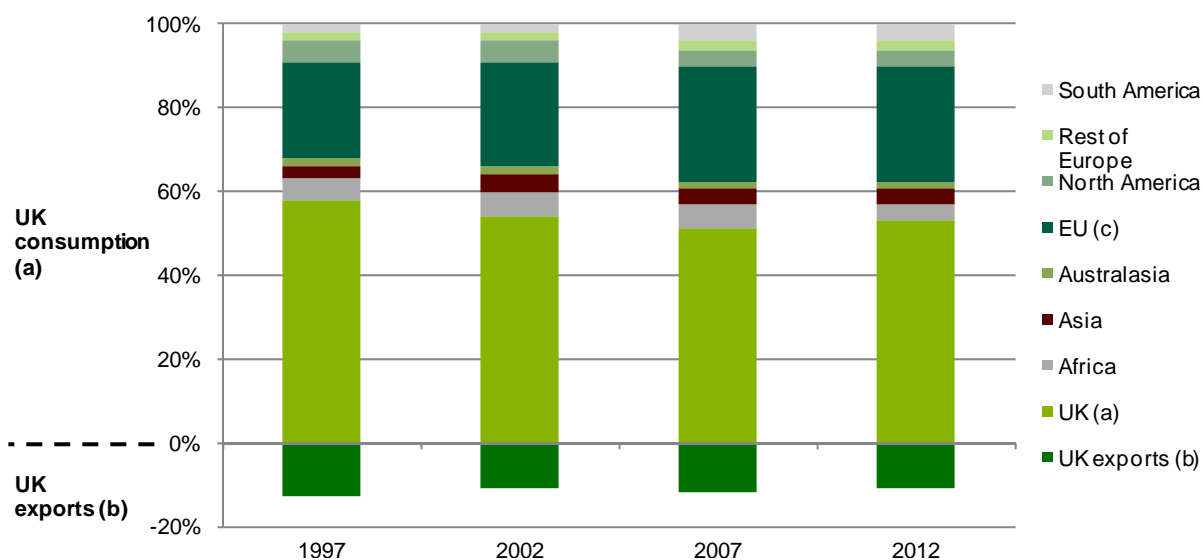
appropriate measure of “food security” since it fails to account for many dimensions of this complex issue.

21. 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>.
22. 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 14.5).
 - 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 European Union level than United Kingdom level, and the European Union as a whole has a food production to supply ratio of around 90 per cent.
 - Further trade liberalisation is unlikely to affect food security within the European Union.

Origins of food consumed in the United Kingdom (chart 14.5)

23. Chart 14.5 includes the proportion of United Kingdom food consumption that is produced in the United Kingdom. This should not be confused with the Food Production to Supply Ratio given in Chart 14.4. Chart 14.5 looks purely at the breakdown of food that the United Kingdom actually consumes.
24. The Food Production to Supply Ratio (Chart 14.4) considers all United Kingdom food production, including food that the United Kingdom exports instead of consuming. A further, much smaller difference is that the United Kingdom food production used in the food production to supply ratio calculations has been adjusted to take account of the balance of trade in important inputs into agriculture.

Chart 14.5 Origins of food consumed in the United Kingdom: 1997, 2002, 2007, 2012



Based on the farm-gate value of raw food.

(a) Consumption of UK origin consists of UK domestic production minus UK exports.

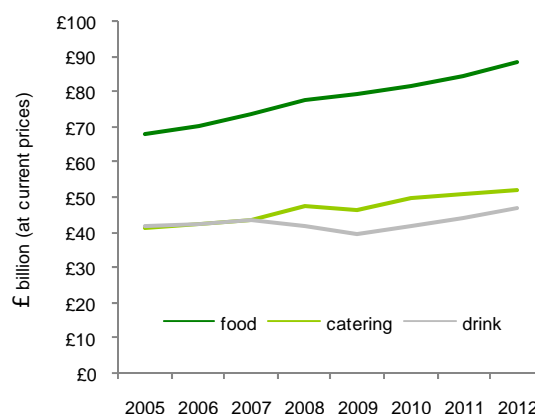
(b) UK exports are given as a percentage of total UK consumption.

(c) Membership of the EU increased between 2002 and 2007, from 15 to 27 countries.

Consumers' expenditure

25. Consumer expenditure on food, drink and catering continued to rise despite the economic downturn. There was a 4.2 per cent increase in 2012 to £187 billion. With higher food prices consumers responded in part by buying less or lower quality foods for the household, reducing amounts of eating out and reducing purchases of alcoholic drinks. At current prices, which incorporate the higher food prices, consumers spent 16 per cent more overall in 2012 than in 2007 (the last year before the recession started); 'food' saw the biggest increase at 20 per cent. Excluding the effects of price rises consumers spent 6.9 per cent less on household food in 2011 than in 2007, 8.3 per cent less on eating out and 6.6 per cent less on alcoholic drinks.

Chart 14.6 Consumers' expenditure on food, drink and catering



Source: Consumer trends, (ONS).
Food includes non-alcoholic drinks; Drink includes alcoholic drinks.

Table 14.2 Farmers' share of the value of a basket of food items^(a)

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		Farmgate share in 1988 %	Farmgate share in 2000 %	Farmgate share in 2012 %	% change in share 1988/2012	Weight in 2012 basket
Farmers' share of basket		47	35	39	-16	
Farm gate product	Retail product					
apples	dessert apples per kg	55	40	44	-20	5
beef	untrimmed beef (b) per kg	67	44	54	-20	193
carrots	carrots per kg	30	38	47	54	11
cabbages	cabbage, hearts, per kg	38	39	30	-21	5
chicken	oven ready roasting chicken, fresh or chilled per kg	47	37	39	-18	133
eggs	Free range eggs per dozen (c)	28	29	31	10	57
lamb	untrimmed lamb (b) per kg	65	43	53	-18	76
onions	onions per kg	25	19	23	-9	5
pork	untrimmed pork (b) per kg	57	47	40	-29	95
potatoes	old loose white potatoes per kg	24	27	22	-5	48
tomatoes	tomatoes per kg	48	41	42	-12	8
wheat	white loaf sliced, 800g	16	10	11	-33	46
milk	whole milk (d)	38	28	35	-8	318

(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) Farmgate share in 1988 is based on non-free range size 2 eggs; there was also a break in the series in 2012 due to changes in methodology, therefore the comparison with 2012 is indicative only.

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

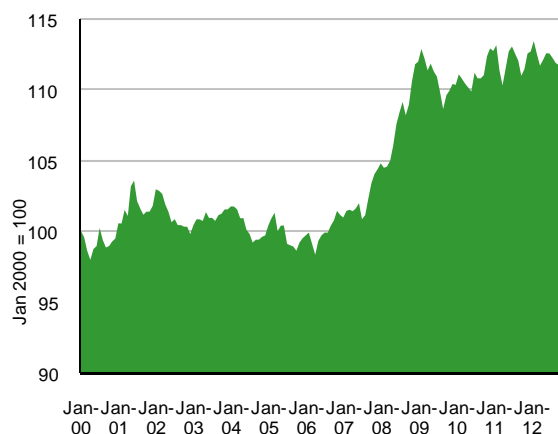
26. In 2012 the farmgate share of the retail price of a basket of items covering staples of agricultural production was 39 per cent, largely unchanged from the previous year. The absolute level of the farmgate share is sensitive to which retail products are chosen for the basket; some have a greater amount of added value beyond the farmgate and it would therefore be expected that the share accounted for by the farmer would be lower. After a sharp fall from its peak in the mid 1990s, the trend in farmgate share has been generally level; in the last few years, there is some indication of a slight upward trend.

27. Table 14.2 shows the items in the basket and how the farmers' share has changed for each. Items are weighted according to their value to farmers in the United Kingdom. Milk has a weight of 318 units, which means it accounts for 31.8 per cent of the basket. Meat and dairy products account for almost 90 per cent of the basket overall.
28. Meat and dairy products are influenced by the underlying feed costs required in production – crops are likewise affected by weather conditions. International trade and changes to currency exchange rates also have an impact and the farmgate share will reflect the relative influences of these factors in any given year.
29. In 2012:
 - The farmgate share fell notably for onions and cabbages, although these have been volatile in recent years, possibly reflecting weather affected yields.
 - There was little positive movement across the basket items in 2012, with increases of around 1 to 3 per cent. Apples and lamb were the exceptions with increases of 10 per cent and 7.5 per cent respectively.

Changes in consumers price indices (chart 14.7)

30. Historically (1975 to 2000) food prices tended to rise more slowly than general inflation, as measured by the Retail Price Index (RPI). Food prices in real terms were fairly stable between 2000 and 2007, as measured by the Consumer Price Index (CPI), before rising by 12 per cent and then returning to real terms stability from 2009 onwards. In March 2013, food prices were in real terms 13 per cent above those of 2000.
31. Averaged over 2012 the annual rate of food inflation was 3.3 per cent as measured by the Consumer Price Index. This compares with a general inflation rate of 2.8 per cent over the same period. The annual rate of food inflation exceeded all items CPI in seven out of the twelve months of 2012.
32. Between March 2012 and March 2013, the largest annual price rises were for fruit up by 11 per cent; vegetables up by 6.7 per cent; coffee, tea and cocoa up 4.4 per cent and confectionery up 4.1 per cent.

Chart 14.7 Changes in the food price index (in constant prices)



Source: Consumer Price Index (ONS).

Chapter 15: Key Statistics for EU Member States

Summary

- Agricultural income as measured by Eurostat's Indicator A has risen by 37 per cent in the United Kingdom between 2005 and 2012 compared to 29 per cent for the European Union as a whole.
- France was the largest producer in the European Union of wheat in 2011 and of beef and veal in 2012. Germany was largest producer of cows' milk in 2011 and of pig meat in 2012. The United Kingdom was the largest producer of sheep meat and goat meat in 2012.
- The producer price index for total agricultural production for the United Kingdom has risen by 74 per cent between 2005 and 2012 compared to 36 per cent for the European Union as a whole. The purchase price index for the total means of agricultural production for the United Kingdom has risen by 60 per cent between 2005 and 2012 compared to 44 per cent for the European Union as a whole.

Introduction

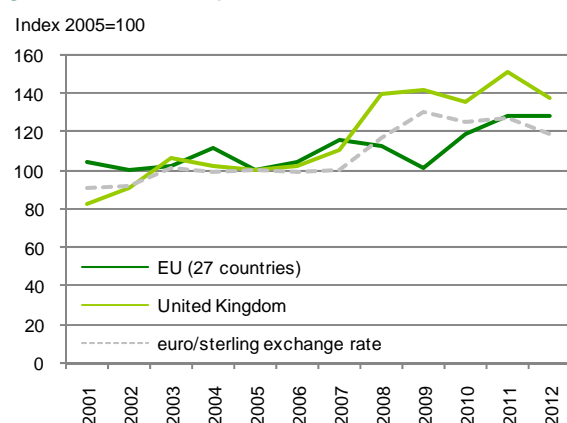
1. This chapter presents simple analyses of agriculture in the European Union to enable comparison of the United Kingdom with other Member States and with the European Union. The source of the data is the Eurostat website at <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home> where a range of data is available. Eurostat is the statistical office of the European Union. Its task is to provide the European Union with statistics at a European level that enables comparisons between countries and regions.

Agricultural income

2. Eurostat's favoured measure of agricultural income is Indicator A: Index of the real income of factors in agriculture, per annual work unit.
3. This indicator corresponds to the real (i.e. deflated) net value added at factor cost of agriculture, per total annual work unit. Net value added at factor cost is calculated by subtracting from the value of agricultural output at basic prices the value of intermediate consumption, the consumption of fixed capital, and adding the value of the (other) subsidies less taxes on production. The detailed data can be found at the Eurostat website.

4. Chart 15.1 shows indices for Indicator A for the United Kingdom and the European Union (27 countries). The euro/sterling exchange rate, which influences agricultural income in the United Kingdom, is also shown. Indicator A for the United Kingdom rose by 37 per cent between 2005 and 2012 compared to 29 per cent for the European Union as a whole.

Chart 15.1 Indicator A of the income from agricultural activity

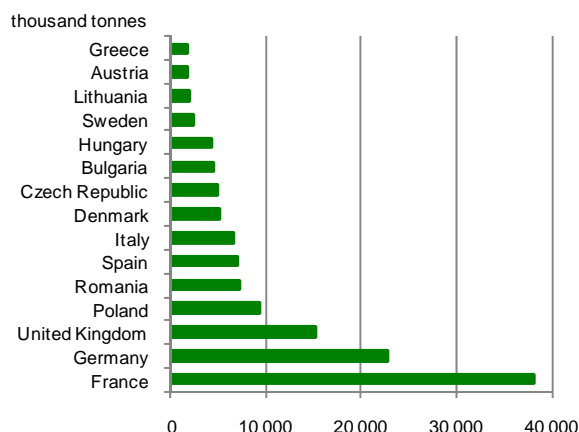


Source: Eurostat

Agricultural production

- 5. Chart 15.2 shows the quantity of common wheat and durum wheat produced by the top 15 producing Member States in 2011; data for 2012 is not yet available.
- 6. France was the largest producer of wheat in the European Union, producing over 38,000 thousand tonnes in 2011, followed by Germany (22,783 thousand tonnes) and the United Kingdom (15,257 thousand tonnes). These three countries produced over half of wheat output in the European Union in 2011.

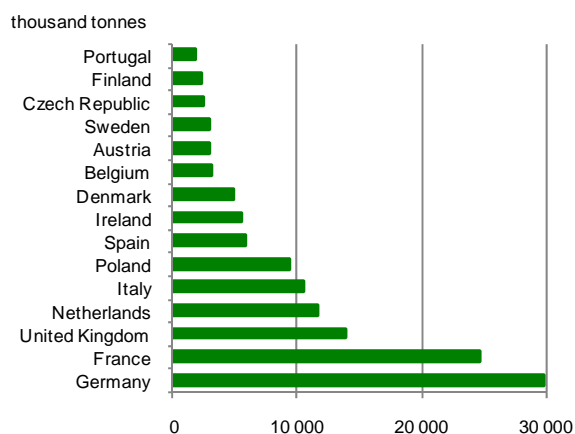
Chart 15.2 Production of wheat 2011



Source: Eurostat

- 7. Chart 15.3 shows the quantity of cows' milk produced by the top 15 producing Member States in 2011; data for 2012 is not yet available.
- 8. Germany was the largest producer of cows' milk in the European Union, producing just under 30,000 thousand tonnes in 2011, followed by France (24,651 thousand tonnes). The United Kingdom produced 13,805 thousand tonnes, followed by the Netherlands (11,642 thousand tonnes), Italy (10,480 thousand tonnes) and Poland (9,309 thousand tonnes).

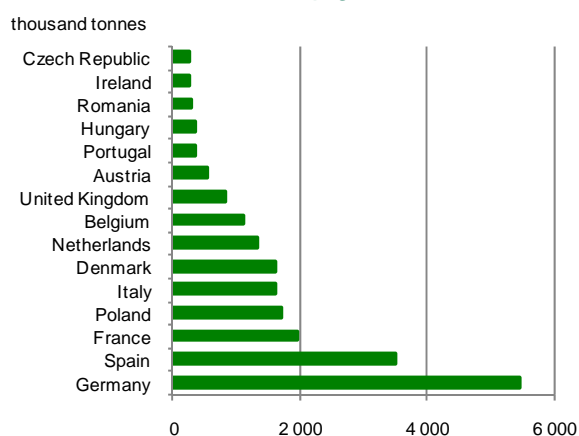
Chart 15.3 Production of cows' milk



Source: Eurostat

- 9. Chart 15.4 shows the quantity of pig meat produced by the top 15 producing Member States in 2012.
- 10. Germany was also the largest producer of pig meat in the European Union, producing almost 5,500 thousand tonnes in 2012 followed by Spain (3,515 thousand tonnes). The United Kingdom produced 825 thousand tonnes. Germany and Spain produced around 40 per cent of pig meat in the European Union in 2012.

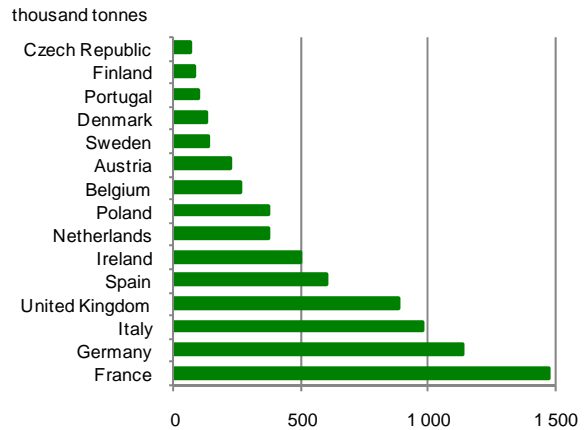
Chart 15.4 Production of pig meat



Source: Eurostat

11. Chart 15.5 shows the production of beef and veal in 2012.
12. France was the largest producer of beef and veal in the European Union, producing just under 1,500 thousand tonnes in 2012, followed by Germany (1,140 thousand tonnes), Italy (981 thousand tonnes) and the United Kingdom (883 thousand tonnes). These four countries produced about 60 per cent of all beef and veal in the European Union in 2012.

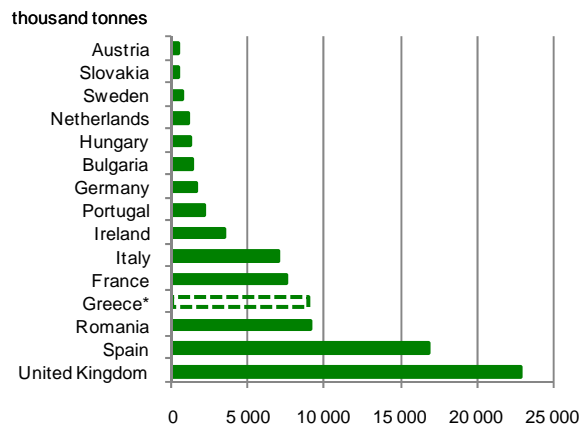
Chart 15.5 Production of beef and veal 2012



Source: Eurostat

13. Chart 15.6 shows the production of sheep meat and goat meat in 2012. There is no data for Greece for 2012 so data for 2011 is indicated in the chart.
14. The United Kingdom was the largest producer of sheep meat and goat meat in the European Union in 2012, producing just over 22,900 thousand tonnes, followed by Spain (16,804 thousand tonnes). Romania produced 9,052 thousand tonnes, followed by France (7,453 thousand tonnes) and Italy (7,016 thousand tonnes). Greece produced almost 9,000 thousand tonnes in 2011. The United Kingdom and Spain produced almost half of all sheep meat and goat meat in the European Union in 2012.

Chart 15.6 Production of sheep meat and goat meat 2012



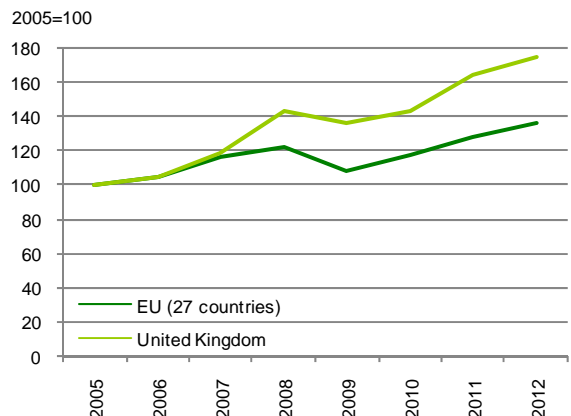
* data for Greece is for 2011

Source: Eurostat

Price indices

15. Chart 15.7 shows producer price indices for total agricultural production for the United Kingdom and the European Union (27 countries). These indices give information on the trends in the producer price of agricultural production as a whole. The sub-indices were weighted by the values of sales in 2005.
16. The index for the United Kingdom has risen by 74 per cent between 2005 and 2012 compared to 36 per cent for the European Union as a whole.

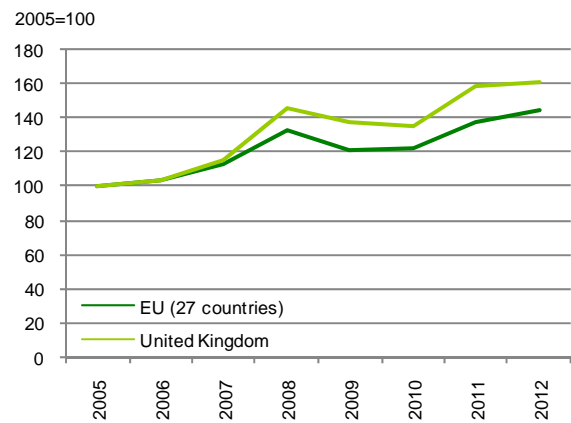
Chart 15.7 Producer price indices, total agricultural production



Source: Eurostat

17. Chart 15.8 shows purchase price indices for the total means of agricultural production for the United Kingdom and the European Union (27 countries). The indices in this table give information on the trends in the purchase price of the means of agricultural production as a whole. The sub-indices were weighted by the values of purchases in 2005.
18. The index for the United Kingdom has risen by 60 per cent between 2005 and 2012 compared to 44 per cent for the European Union as a whole.

Chart 15.8 Purchase price indices, total means of agricultural production



Source: Eurostat