



**Table 1 Output, Input and Income in Agriculture, 2000**
*Advance estimate*

| Description                                      | Estimated Value |                |                | Change 2000/1999 |              |
|--|-----------------|----------------|----------------|------------------|--------------|
|  | 1998            | 1999           | 2000           | Value            | Volume       |
|  | £m              |                |                | Percent          |              |
| <b>Livestock</b> (incl. stock changes)           | <b>1,751.8</b>  | <b>1,673.9</b> | <b>1,859.5</b> | <b>11.1%</b>     | <b>-2.1%</b> |
| of which: cattle                                 | 1,134.3         | 1,086.7        | 1,206.0        | 11.0%            | -0.2%        |
| <i>pigs</i>                                      | 210.7           | 182.2          | 213.6          | 17.2%            | -6.7%        |
| <i>sheep and lambs</i>                           | 176.9           | 171.5          | 170.9          | -0.3%            | -13.4%       |
| <b>Livestock Products</b>                        | <b>1,163.0</b>  | <b>1,136.1</b> | <b>1,174.5</b> | <b>3.4%</b>      | <b>2.5%</b>  |
| of which: <i>milk</i>                            | 1,140.1         | 1,111.5        | 1,140.1        | 2.6%             | 1.7%         |
| <b>Crops</b> (incl. stock changes <sup>1</sup> ) | <b>793.9</b>    | <b>797.5</b>   | <b>838.5</b>   | <b>5.1%</b>      | <b>7.6%</b>  |
| of which: <i>cereals</i>                         | 125.3           | 146.1          | 167.9          | 14.9%            | 22.4%        |
| <i>root crops</i>                                | 133.1           | 123.8          | 120.7          | -2.5%            | 0.3%         |
| <i>forage plants</i>                             | 341.7           | 336.8          | 359.5          | 6.7%             | 6.7%         |
| <b>Goods output at producer prices</b>           | <b>3,708.7</b>  | <b>3,607.5</b> | <b>3,872.5</b> | <b>7.4%</b>      | <b>1.2%</b>  |
| Agricultural services                            | 197.3           | 214.9          | 209.1          | -2.7%            | 0.4%         |
| Subsidies less taxes on products                 | 694.5           | 562.3          | 629.7          | 12.0%            | 9.6%         |
| <b>Agricultural output at basic prices</b>       | <b>4,600.6</b>  | <b>4,384.7</b> | <b>4,711.3</b> | <b>7.5%</b>      | <b>2.0%</b>  |
| <b>Intermediate consumption</b>                  | <b>2,289.2</b>  | <b>2,336.9</b> | <b>2,460.0</b> | <b>5.3%</b>      | <b>-0.2%</b> |
| of which: <i>feeding stuffs</i>                  | 654.2           | 676.8          | 660.8          | -2.4%            | -3.7%        |
| <i>fertilizers</i>                               | 258.9           | 266.5          | 264.9          | -0.6%            | -5.9%        |
| <i>energy</i>                                    | 241.7           | 268.9          | 358.9          | 33.5%            | 6.5%         |
| <i>forage plants</i>                             | 338.8           | 333.6          | 356.3          | 6.8%             | 6.8%         |
| <i>agricultural services</i>                     | 197.3           | 214.9          | 209.1          | -2.7%            | 0.4%         |
| <b>Gross value added at basic prices</b>         | <b>2,311.4</b>  | <b>2,047.8</b> | <b>2,251.4</b> | <b>9.9%</b>      |              |
| Fixed capital consumption                        | 446.6           | 455.6          | 497.3          | 9.2%             |              |
| <b>Net value added at basic prices</b>           | <b>1,864.8</b>  | <b>1,592.2</b> | <b>1,754.0</b> | <b>10.2%</b>     |              |
| Subsidies less taxes on production               | 320.5           | 328.6          | 318.9          | -3.0%            |              |
| <b>Factor income</b>                             | <b>2,185.3</b>  | <b>1,920.8</b> | <b>2,072.9</b> | <b>7.9%</b>      |              |
| Compensation of employees                        | 200.7           | 199.8          | 197.9          | -0.9%            |              |
| <b>Operating surplus<sup>2</sup></b>             | <b>1,984.5</b>  | <b>1,721.0</b> | <b>1,875.0</b> | <b>9.0%</b>      |              |

<sup>1</sup> Principally cereals and potatoes

<sup>2</sup> This is calculated before deductions for interest payments on borrowed capital and land rental and land annuities paid by farmers to landowners. The estimates for these items are:

Interest:- 1998, £197m; 1999, £181m; 2000, £210m.

Land Rental:- 1998, £119m; 1999, £126m; 2000, £144m.

## Background notes

- Introduction** This release contains provisional agricultural accounts estimates for the years 1998, 1999 and 2000. The estimates are based on a new methodology arising from the revision of the System of National Accounts in 1995. The new methodology has introduced a number of important changes including an updating of the base year for the calculation of volume changes (from 1990 to 1995).
- National farm** The concept of the 'National farm' has been dropped. With this change, certain transactions between farms and between different enterprises within the same farm are now valued as both output and intermediate consumption.
- Basic prices** Output is now valued added at basic prices. The basic price corresponds to the producer (ex-farm) price plus any subsidies directly linked to a product minus any taxes on products. VAT is excluded. Subsidies and taxes linked to production are not included in output.
- Forage plants** The production of forage plants is now valued as a part of output. Silage and hay are the main items in this category. These items are also treated as intermediate consumption with minor exceptions such as sales of straw to racing stables.
- Agricultural services** Activities performed by agricultural contractors directly related to the production of agricultural products (e.g. harvesting) are an integral part of agriculture. The value of such work is included as output and also as intermediate consumption.
- Fixed capital consumption** This relates to foreseeable wear and tear and obsolescence of fixed capital goods. It is calculated on the basis of the probable economic life of the asset. It is not calculated for breeding livestock nor for non-produced assets such as land.
- Compensation of employees** This includes remuneration in cash and in kind. It does not include the remuneration of work undertaken by the farmer or by non-salaried family farm members.
- Operating surplus** This indicator is an approximation for the income indicator used under the old agricultural accounts methodology. It is calculated before deductions for interest payments on borrowed capital and before deductions for land annuities and for rent paid by farmers to landowners for the use of their land.
- Land rental** This mainly corresponds to rents paid by farmers to the landowners. Land annuity payments as well as rentals for under and over one year are included.
- Interest paid** This concerns interest payable on a capital loan granted to finance agricultural activity.
- Entrepreneurial income** This is before payment by farmers of taxes on income.
- Valuation of stock changes** For each category the volume difference between closing year stocks and opening year stocks is valued at the average price for the year.
- Volume indices** These are calculated by applying base year prices (1995) to current year quantities. The volume index is calculated by comparing the total value in 2000 at average 1995 prices against the total value in 1995 at average 1995 prices.
- Price indices** These are calculated by dividing the value index by the volume index.