

## UNITED KINGDOM: ESTIMATES OF SUPPORT TO AGRICULTURE

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In 2021, the OECD published the United Kingdom's estimates of support to agriculture for the first time, with calculations beginning in 2017. As work progresses, the coverage will extend to earlier years. Notwithstanding, the United Kingdom is included in the EU calculations of support up to 2020.

Public expenditure reported under the United Kingdom's indicators of support is the sum of national budget expenditure of the United Kingdom Exchequer and European Funds' expenditure attributed to the United Kingdom both under the European Agricultural Guarantee Fund (EAGF) – including expenditure under the Common Market Organisation (CMO) and direct payments – and under the European Fund for Rural Development (EAFRD).

Market price support calculations combine United Kingdom quantity and value measures of production and consumption volumes with the EU MPD. Market Price Support is calculated for a subset of commodities based on the so-called standard set of MPS commodities. See notes to tables 4.1 to 4.13.

### DEFINITIONS AND SOURCES

**Table 1. Agricultural Support Estimates / Total Transfers** contains country Total Support Estimate (TSE) and derived indicators, which cover all agricultural production, i.e. all agricultural commodities produced in the country. Definitions of basic data sets refer to the specific programs applied in the country. For the Producer Support Estimate (PSE) and Consumer Support Estimate (CSE), each policy measure is classified according to implementation criteria, which include: the *transfer basis* of support (output, input, area/animal numbers/receipts/income, and non-commodity criteria); whether support is based on *current or non-current basis*; whether *production is required* or *not* to receive payment. Each policy measure is also assigned several "labels" indicating additional implementation criteria. "MPS commodities", which vary across countries, are those for which the market price support is explicitly calculated in Tables 4.1 – 4.13.

**Table 2. Breakdown of PSE by Commodity and Other Transfers** provides a breakdown of the total PSE into four categories reflecting the flexibility given to farmers regarding which commodity to produce within the various policy measures. These categories are: Single Commodity Transfers (SCT); Group Commodity Transfers (GCT); All Commodity Transfers (ACT); and Other Transfers to Producers (OTP). All data sets in Table 2 come from Tables 1 and 3.1 – 3.13 where definitions are included.

**Tables 3.1 – 3.13 Producer Single Commodity Transfers** contain producer SCT by commodity, which are calculated for the United Kingdom for the following commodities: wheat, barley, maize, oats, rapeseed, sugar, milk, beef and veal, pig meat, poultry, sheep meat, and eggs, as the value of production of each of these commodities exceeds 1% of the total value of production (Tables 3.1 to 3.12). In addition, SCT for "Non-MPS commodities" is also calculated (Table 3.13), which covers transfers *to single commodities other than MPS commodities*. All data sets in the calculation of producer SCT by commodity come from Tables 1 and 4.1-4.13 where definitions are included.

**Tables 4.1 – 4.13** contain **Market Price Support (MPS)** and **Consumer Single Commodity Transfers** (consumer SCT) by commodity, calculated for the same set of commodities as **Tables 3.1 to 3.13**. Definitions are provided only for basic data sets from which all the other data sets in this table are derived.

Definitions of the indicators, criteria for classification of policy transfers included in support estimation, and methods of calculation are contained in the PSE Manual (*OECD's Producer Support Estimate and Related indicators of Agricultural Support: Concepts, Calculations, Interpretation and Use*). More general information on OECD's monitoring and evaluation of agricultural policies is found on <https://www.oecd.org/agriculture/topics/agricultural-policy-monitoring-and-evaluation/>

## TABLE 1: UNITED KINGDOM: TOTAL SUPPORT ESTIMATE

This Table contains the Total Support Estimate (TSE) calculation for the United Kingdom for the period 2017 to 2020 inclusive and derived indicators, which cover all agricultural production, i.e. all agricultural commodities produced in the country. Definitions of basic data sets refer to the specific programs applied in the country. For the Producer Support Estimate (PSE) and Consumer Support Estimate (CSE), each policy measure is classified according to implementation criteria, which include: the *transfer basis* of support (output, input, area/animal numbers/receipts/income, and non-commodity criteria); whether support is based on *current or non-current basis*; whether *production is required* or *not* to receive payment. Each policy measure is also assigned several “labels” indicating additional implementation criteria. "MPS commodities", which vary across countries, are those for which the market price support is explicitly calculated in Tables 4.1 – 4.13.

### I. Total value of production (at farm gate):

Total agricultural production valued at farm gate prices, i.e. value (at farm gate) of all agricultural commodities produced in the country [1].

*I.1. Of which share of MPS commodities (%):* Share of commodities for which MPS is explicitly calculated (in Tables 4.1-4-13) in the total value of agricultural production.

### II. Total value of consumption (at farm gate):

Consumption of all commodities domestically produced valued at farm gate prices, and estimated by increasing the value of consumption (at farm gate) of the MPS commodities according to their share in the total value of agricultural production by commodity group [(II.1) / (I.1) x100].

*II.1. Of which MPS commodities:* Sum of the value of consumption (at farm gate prices) of the MPS commodities as indicated in Tables 4.1-4.13.

### III.1 Producer Support Estimate (PSE):

Associated with total agricultural production, i.e. for all commodities domestically produced [Sum of A to G; when negative, the amounts represent an implicit or explicit tax on producers].

## ***A. Support based on commodity output***

### ***A.1. Market price support***

On quantities domestically produced (excluding for on-farm feed use -- *Excess Feed Cost*) of all agricultural commodities, estimated by increasing the MPS for the MPS commodities according to their share in the total value of production by commodity group [for each commodity group:  $(\sum \text{MPS for MPS commodities}) / (\sum \text{VP for MPS commodities}) \times \text{VP for total group}$ ]. The total MPS is then calculated as the sum of MPS by commodity group.

For the United Kingdom, the commodity groups considered are: group 1 (crops) and group 2 (livestock and animal products).

### ***A.2. Payments based on output***

No entry

## ***B. Payments based on input use***

### ***B.1. Variable input use***

#### ***Fuel tax rebates:***

**Period:** Measures with similar conditions have been delivered under this heading from 1990.

Income foregone under the Red diesel duty rebate.

Attribution to commodities: all commodities.

Use of labels: Production and payment limits: No; Variable payment rates: No; Input constraints: No.

### ***B.2. Fixed capital formation***

*Investment in agricultural holdings (includes CAP2014 P2 M04.1):*

**Period:** Measures with similar conditions have been delivered under this heading from 1986.

Grouping of expenditures on the following programmes:

- Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measure M04.1 to support investments in physical assets: improve the overall performance and sustainability of the agricultural holding. **Period:** From 2016.
- United Kingdom national expenditure on Start-up grant for farmers financially suffering due to COVID (Wales) part of support to new businesses opened during COVID, farm businesses also eligible to apply. **Period:** From 2020.
- United Kingdom national expenditure on Recovery fund (Scotland). Farming ventures to encourage economic growth in southern Scotland following COVID. 28 projects. **Period:** From 2020.

Attribution to commodities: all commodities.

Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO.

*Setting-up of young farmers (includes CAP2014 P2 M06.1):*

**Period:** Measures with similar conditions have been delivered under this heading from 2009. Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measure M06.1 to provide business start-up aid for young farmers and small farms and a one off payment to farmers eligible for the small farmers scheme who permanently transfer their holding to another farmer.

Attribution to commodities: *all commodities*.

Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO.

*Other capital grants:*

**Period:** Measures with similar conditions have been delivered under this heading from 1986.

Grouping of expenditures on the following programmes:

- United Kingdom national expenditure on Farm Business Improvement Scheme (Northern Ireland). **Period:** From 2017.
- United Kingdom national expenditure on Others (Environmental Farming Scheme (Northern Ireland) **Period:** From 2018.

Attribution to commodities: *all commodities*.

Use of labels: Production and payment limits: No; Variable payment rates: No; Input constraints: No.

*Drainage:*

**Period:** Measures with similar conditions have been delivered under this heading from 1986.

United Kingdom national expenditure on land improvement through drainage.

Attribution to commodities: *all commodities*.

Use of labels: Production and payment limits: No; Variable payment rates: No; Input constraints: No.

*Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments CAP2014 P2 M05*

Grouping of expenditures on the following programmes:

- United Kingdom national expenditure on Farming Recovery fund in England: **Period:** From 2019. The Fund provides help to farmers whose agricultural land has been affected by flooding that is declared a natural disaster by the Government. Covers cost of repair and reinstatement to return land/infrastructure to the condition before the flood.
- Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measure M05 to support to investments needed to restore production potential and introduce prevention actions. **Period:** From 2016.

Attribution to commodities: all commodities.

Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO.

*Investments in physical assets CAP2014 P2 M04.3 (50%) (M04.3 is allocated as follows 1/2 in PIF20 + 1/4 in GSSEJA + 1/4 in GSSEJB) if no details available entire CAP2014 P2 M04*

**Period:** From 2016.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measure M04.3 to support investments in physical assets: improve the overall performance and sustainability of the agricultural holding

Attribution to commodities: *all commodities*.

Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO.

### *B.3. On-farm services*

*Pest and disease control:*

**Period:** Measures with similar conditions have been delivered under this heading from 1986.

Pest and disease control expenditure.

Attribution to commodities: all commodities.

Use of labels: Production and payment limits: No; Variable payment rates: No; Input constraints: No.

*Setting-up of farm relief and farm management services (includes CAP2014 P2 M02.2 when available):*

**Period:** Measures with similar conditions have been delivered under this heading from 2001.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measure M02.2 to promote the setting up of farm management, farm relief and farm advisory services,

Attribution to commodities: all commodities.

Use of labels: Production and payment limits: No; Variable payment rates: No; Input constraints: No.

*Advisory services farm management and farm relief services (includes CAP2014 P2 M02.1 or P2 M02 total if no details available)*

**Period:** From 2017.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measure M02.1 to help farmers, young farmers benefit from the use of advisory services for the improvement of the economic and environmental performance as well as the climate friendliness and resilience of their holding, enterprise and/or investment; fixed payment per advice.

Attribution to commodities: all commodities.

Use of labels: Production and payment limits: No; Variable payment rates: No; Input constraints: No.

### *C. Payments based on current area planted/animal numbers/revenues/incomes, production required*

*Less-favoured area payments from 2000 (includes CAP2014 P2 M13):*

**Period:** Measures with similar conditions have been delivered under this heading from 2000.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measure M13 *Less favoured areas support schemes* (UK) per ha payment for continued agricultural land use and help preserve the farmed upland environment by ensuring that land in LFAs is managed in a sustainable way. These schemes provide support to livestock farmers in less favoured areas on a current basis. They provide support for agriculture in less favoured areas for its contribution to rural society and to the managed environment of uplands by compensating hill farmers for the difficulties of farming in less favoured areas. These replaced the HLCA, which was headage based. These less favoured areas schemes are expressly prohibited from being headage based; they are area based and on a current year basis. Part of Pillar II of the CAP2014.

Attribution to commodities: *all commodities*.

Use of labels: Production and payment limits: Yes; Variable payment rates: No; Input constraints: Voluntary.

*Payments to organic farming (includes CAP2014 M11):*

**Period:** Measures with similar conditions have been delivered under this heading from 1997.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measure M11 per hectare payments to farmers over five years on land being converted to organic production. The payment rate varies between less favoured areas (LFAs) and non-LFAs and decreases over time. Any agricultural land not already in organic production is eligible to enter the scheme. Existing organic farmers may also benefit when converting new land. The scheme is voluntary and there is a limit of a minimum of 1 hectare up to a maximum of 300 hectares per holding.

Attribution to commodities: all commodities.

Use of labels: Production and payment limits: No; Variable payment rates: No; Input constraints: Voluntary, organic production standards.

*Maintenance of protected/environmentally sensitive areas:*

**Period:** Measures with similar conditions have been delivered under this heading from 1989.

United Kingdom national expenditure on *Environmentally Sensitive Area* (ESA's) payments per hectare of land entered into the scheme to farmers to adopt agricultural practices which will safeguard and enhance the rural environment and create improvements in public access to areas of particularly high landscape, wildlife or historic value which are threatened by changes in farming practices. Payment rates in each Environmentally Sensitive Area (ESA) vary according to local economic conditions.

Attribution to commodities: all commodities.

Use of labels: Production and payment limits: No; Variable payment rates: No; Input constraints: Voluntary.

*Environmentally friendly production:*

**Period:** Measures with similar conditions have been delivered under this heading from 1994.

Grouping of United Kingdom national expenditure on the following programmes:

- *Environmental Stewardship Scheme* (England): **Period:** From 2005. Opened 2005 with first per ha payments in 2006. An agri-environment scheme which provides funding to farmers and other land managers in England who deliver effective environmental management on their land. There are three strands to the scheme: *entry-level* and *organic entry-level*, both of which are paid per hectare, and the *higher-level strand* for which payments depend on the options chosen. All participants in the higher-level have to be in either entry-level and organic entry-level. It replaces the *Environmentally Sensitive Areas Scheme* in England and the *Countryside Stewardship Scheme*. Its primary objectives are to:
  - conserve wildlife (biodiversity)
  - maintain and enhance landscape quality and character
  - protect the historic environment and natural resources
  - promote public access and understanding of the countryside
  - natural resource protection
- *Tir Glastir* (Wales): **Period** from 2012. *Tir Glastir* is a sustainable land management scheme, jointly funded by the Welsh government and the EU (adjustment has been made accordingly). Introduced in 2012, this scheme replaces Tir Gofal and Tir Cynnal (Wales) from 2014.
- Countryside Management (Northern Ireland).

Attribution to commodities: all commodities.

Use of labels: Production and payment limits: No; Variable payment rates: No; Input constraints: Voluntary animal welfare.

*Animal welfare payments (includes CAP2014 P2 M14):*

**Period:** Measures with similar conditions have been delivered under this heading from 2010.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measure M14 Animal welfare payments.

Attribution to commodities: all livestock.

Use of labels: Production and payment limits: No; Variable payment rates: No; Input constraints: Voluntary animal welfare.

*Agri-environment-climate CAP2014 P2 M10 based on area:*

**Period:** From 2016.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measure M10.

Use of labels: Production and payment limits: NO; Variable payment rates: NO, Input constraints: voluntary: environment.

***D. Payments based on non-current area planted/animal numbers/revenues/incomes-production required***

No entry

***E. Payments based on non-current area planted/animal numbers/revenues/incomes-production not required***

*Single Payment Scheme (regional)*

**Period:** From 2005.

European Agricultural Guarantee Fund (EAGF) expenditure on the CAP Pillar 1 Single Payment Scheme. Phased out and replaced by the Basic Payment Scheme of the CAP 2014-20.

Use of labels: Production and payment limits: yes; Variable payment rates: NO, Input constraints: mandatory.

*Basic Payment Scheme (BPS)*

**Period:** From 2015.

European Agricultural Guarantee Fund (EAGF) expenditure on the CAP Pillar 1 Basic Payment Scheme. Introduced by the CAP 2014-20.

Use of labels: Production and payment limits: yes; Variable payment rates: NO, Input constraints: mandatory

*Payments for agricultural practices beneficial for the climate and the environment - greening*

**Period:** From 2015.

European Agricultural Guarantee Fund (EAGF) expenditure on the CAP Pillar 1 Greening. Introduced by the CAP 2014-20.

Use of labels: Production and payment limits: yes; Variable payment rates: NO, Input constraints: mandatory

#### *Redistributive payment*

**Period:** From 2014.

European Agricultural Guarantee Fund (EAGF) expenditure on the CAP Pillar 1 Redistributive Payment

Use of labels: Production and payment limits: yes; Variable payment rates: NO, Input constraints: mandatory

#### *Payments for young farmers*

**Period:** From 2015.

European Agricultural Guarantee Fund (EAGF) expenditure on the CAP Pillar 1 Young farmer scheme/

Use of labels: Production and payment limits: yes; Variable payment rates: NO, Input constraints: mandatory

### ***F. Payments based on non-commodity criteria***

#### *F.1. Long-term resource retirement*

##### *Afforestation:*

**Period:** Measures with similar conditions have been delivered under this heading from 1990.

United Kingdom national expenditure on Farm woodlands and forestry: payments per hectare to encourage farmers to convert productive agricultural land to woodlands.

Use of labels: Production and payment limits: No; Input constraints: Voluntary other.

#### *F.2. Specific non-commodity output*

##### *Biodiversity*

**Period:** Measures with similar conditions have been continued from 1989 under this heading.

Grouping of United Kingdom national expenditure on the following programmes:

- *Habitat scheme:* payments per hectare for helping farmers to create or enhance certain valuable habitats over 10 or 20 years by taking land out of agricultural production, or introducing extensive grazing, and managing it for the benefit of wildlife. The scheme is targeted to land coming out of the former voluntary 5-year set-aside scheme, land suitable for conversion to salt marsh, and land alongside watercourses and lakes in six pilot areas.
- *Moorlands scheme*

Attribution to commodities: all commodities.

Use of labels: Production and payment limits: No; Input constraints: Voluntary environmental.

##### *Landscape payments (includes CAP2014 M04.4)*

**Period:** From 2017.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measure M04.4 on non-productive investments linked to the achievement of agri- environment -climate objectives as pursued

under this regulation, including biodiversity conservation status of species and habitat as well as enhancing the public amenity value of a Natura 2000 area or other high nature value systems to be defined in the programme.

Use of labels: Production and payment limits: NO; Input constraints: voluntary; environment

### ***G. Miscellaneous payments***

#### *UK dairy fund*

**Period:** From 2015.

United Kingdom national expenditure on the UK dairy fund.

#### *Miscellaneous Farm Recovery Fund (flooding) - England*

**Period:** From 2020.

United Kingdom national expenditure on The Farming Recovery Fund that supports the cost of repair and reinstatement, to return the land and/or infrastructure to the condition it was in before the natural disaster.

Only certain uninsurable recovery works are eligible for funding, including:

- repairing stone walls, fences, gates and gateways, tracks and bridges;
- restoring land by removing debris, re-cultivating and reseeded with grass or cover crop. United Kingdom expenditure.

#### *State Aid*

United Kingdom national expenditure on measures qualifying for State Aid.

### **III.2 Percentage PSE**

$[100 \times (\text{III.1}) / ((\text{I}) + (\text{Sum of A2 to G}))]$

### **III.3 Producer NPC:**

For all agricultural commodities the Producer NPC is estimated as a weighted average of the producer NPC calculated for the individual MPS commodities and shown in Table 4. For each commodity Producer NPC = [domestic price received by producers (at the farm gate) + unit payments based on output] / border price (also at the farm gate).

### **III.4 Producer NAC**

$[1 / (100 - (\text{III.2})) \times 100]$

## **IV. General Services Support Estimate (GSSE)**

Total budgetary expenditure to support general services provided to agriculture [Sum of H to M].

## ***H. Agricultural knowledge and innovation system (old H. Research and development)***

### *H.1 Agricultural knowledge generation:*

#### *Research*

**Period:** Measures with similar conditions have been delivered under this heading from 1986.

United Kingdom national expenditure on research and development (R&D) activities related to agriculture, irrespective of the institution (private or public, ministry, university, research centre or producer groups) where they take place, the nature of the research (scientific, institutional, etc.), or its purpose. The provider of the research can be public or private sector. Payments are made to eligible private or public services provided to agriculture generally, including policies where primary agriculture is the main beneficiary.

### *H.2. Agricultural knowledge transfer:*

#### *H2.a. education*

##### *Agricultural schools:*

**Period:** Measures with similar conditions have been delivered under this heading from 1986.

United Kingdom national expenditure on Agricultural schools.

#### *H2.b. extension services*

##### *Vocational training:*

**Period:** Measures with similar conditions have been delivered under this heading from 2002.

United Kingdom national expenditure on The *Vocational Training Scheme* (VTS) that provides funding of up to 75% of eligible costs for vocational training activities that contribute to an improvement in the occupational skill and competence of farmers and other persons involved in forestry and farming activities and their conversion (i.e. diversification into non farming or forestry activities, or a change from one type of agricultural activity to another). It ended June 2006. The VTS supports training which aims to:

- prepare farmers for the qualitative reorientation of production (improving the quality or scope of production in an environmentally sensitive manner);
  - improve the skills base in the agricultural (including horticultural) and forestry sectors;
  - improve the economic situation for farming, horticulture and forestry;
  - improve competitiveness;
  - strengthen the rural economy;
  - further diversification;
  - promote production practices which maintain and enhance the landscape;
  - protect the environment;
  - adopt best practice in relation to hygiene standards and animal welfare;
  - promote forest management practices that improve the economic, ecological or social functions of forests.
- Various training expenditures.

### ***CAP2014 P2 M01 and CAP2014 P2 M02.3***

**Period:** From 2017.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measures M01 and M02.3 on the following programmes:

- Promote the training of advisors. Paid per three years period for the training of advisors
- Knowledge.

### ***CAP2014 P2 M20***

**Period:** From 2017.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measures M20 for Technical assistance.

## ***I. Inspection and control***

### *I.1. Agricultural product safety and inspection:*

#### ***Official controls***

**Period:** From 2016.

United Kingdom national expenditure on Official controls.

### *I.2. Pest and disease inspection and control:*

#### ***Inspection services:***

**Period:** Measures with similar conditions have been delivered under this heading from 1996.

Grouping of United Kingdom national expenditure on programmes that fund Pest and disease control of agricultural inputs and outputs (control at the primary agriculture level) and public funding of veterinary (for the farming sector) and phytosanitary services.

### *I.3. Input control:*

#### ***Industrial & Biological Inputs inspection and control***

**Period:** From 2017.

United Kingdom national expenditure on inspection and control of industrial and biological inputs. Payments to eligible private or public services provided to agriculture generally, including policies where primary agriculture is the main beneficiary.

## ***J. Development and maintenance of infrastructure:***

### *J.1. Hydrological infrastructure*

*Investments in physical assets CAP2014 P2 M04.3 (25%) (M04.3 is allocated as follows: 1/2 in PIF20 + 1/4 in GSSEJA + 1/4 in GSSEJB)*

**Period:** From 2019.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measures M04.3 on infrastructure related to the development, modernisation or adaptation of agriculture and forestry, including access to farm and forest land, land consolidation and improvement, and the supply and saving of energy and water.

### *J.2. Storage, marketing and other physical infrastructure*

*Investments in physical assets CAP2014 P2 M04.3 (25%) (M04.3 is allocated as follows: 1/2 in PIF20 + 1/4 in GSSEJA + 1/4 in GSSEJB)*

**Period:** From 2019.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measures M04.3 on infrastructure related to the development, modernisation or adaptation of agriculture and forestry, including access to farm and forest land, land consolidation and improvement, and the supply and saving of energy and water.

### *J.3. Institutional infrastructure*

*Co-operation including CAP2014 P2 M16*

**Period:** From 2017.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measure M16 for co-operation.

### *J.4. Farm restructuring*

*CAP2014 P2 M06.2 + M06.4 and M06.5*

**Period:** From 2017.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measures M06.2, M06.4 and M06.5:

- Support granted to micro- and small enterprises and natural persons in rural areas, as well as to farmers or members of a farm household to invest in the creation and development of non-agricultural activities;

- Annual payments or one-off payments for farmers eligible for the small farmers scheme who permanently transfer their holding to another farmer;

### ***K. Marketing and promotion (old L. Marketing and promotion):***

#### *K.1. Collective schemes for processing and marketing:*

##### *Investments in physical assets CAP2014 P2 M04.2*

**Period:** From 2017.

Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Coordinating Body (UK matching funds). CAP2014 Pillar 2 Measure M04.2 for *Investments in physical assets*.

##### *Producer groups Fruits and vegetable CAP2014 P1 05 02 08 03*

**Period:** From 2017.

European Agricultural Guarantee Fund (EAGF) expenditure on the CAP Pillar 1 Operational funds for producer organisations in the Fruits and vegetable sector through interventions in agricultural markets.

#### *K.2. Promotion of agricultural products*

##### *Processing and marketing:*

**Period:** Measures with similar conditions have been continued under this heading from 1986. United Kingdom national expenditure on Marketing and promotion.

##### *Promotion of agro-food products*

**Period:** From 2017.

European Agricultural Guarantee Fund (EAGF) expenditure on the CAP Pillar 1 programme for the promotion of agro-food products through interventions in agricultural markets.

##### *Beekeeping*

**Period:** 2017.

European Agricultural Guarantee Fund (EAGF) expenditure on the CAP Pillar 1 programme on beekeeping through interventions in agricultural markets.

### ***L. Cost of public stockholding***

#### *Private storage and market measures milk and milk products*

**Period:** From 1986.

European Agricultural Guarantee Fund (EAGF) expenditures on the CAP Pillar 1 interventions in agricultural markets: sum of Private and public storage of skimmed-milk powder, Private storage for butter and for cheese. Expenditure is reported in 2017 and 2018.

### *Private storage pigmeat*

**Period:** From 2014.

European Agricultural Guarantee Fund (EAGF) expenditures on the CAP Pillar 1 interventions in agricultural markets for private storage in the pigmeat sector. Expenditure is reported in 2017.

### ***M. Miscellaneous***

No entry

## **V.1 Consumer Support Estimate (CSE)**

### ***N. Transfers to producers from consumers (-)***

Transfers associated with market price support on all domestically produced commodities, estimated by increasing the transfers calculated for the MPS commodities according to their share in the total value of production  $[(N.1) / (I.1) \times 100]$ .

*N.1. Of which MPS commodities:* Sum of the values of transfers from consumers to producers associated with market price support for the MPS commodities as calculated in Tables 4.1 to 4.13

### ***O. Other transfers from consumers (-)***

Transfers to the budget associated with market price support on the quantities imported of domestically produced commodities, estimated by increasing the transfers calculated for the MPS commodities according to their share in the total value of production by commodity group [for each commodity group:  $(\Sigma \text{OTC for MPS commodities}) / (\Sigma \text{VP for MPS commodities}) \times \text{VP for total group}$ ; the total OTC is then calculated as the sum of OTC by commodity group. For the list of commodity groups, see Section A.1. Market Price Support within this Table 1].

*O.1. Of which MPS commodities:* Sum of the transfers to the budget associated with market price support on the quantities imported of the MPS commodities as calculated in Tables 4.1 to 4.13.

### ***P. Transfers to consumers from taxpayers***

#### ***P.1. Commodity specific transfers to consumers:***

### *School milk*

**Period:** From 2017.

European Agricultural Guarantee Fund (EAGF) expenditures on the CAP Pillar 1 interventions in agricultural markets (Budget line 05 02 12 08) to maintain and promote consumption of milk products by school children. Phased out from 2017 and replaced by school schemes.

Attribution to commodities: milk

## ***P.2. Non-commodity specific transfers to consumers***

### *School schemes*

**Period:** From 2017

European Agricultural Guarantee Fund (EAGF) expenditures on the CAP Pillar 1 interventions in agricultural markets. Beginning in 2018, outlays for both the school milk (EU Budget line 05 02 12 08) and the school fruit and vegetable scheme (EU Budget line 05 02 08 12) (not used in the UK) were consolidated and widened to more farm products to maintain and promote their consumption by school children under this budget item (Budget line 05 02 18).

### *Domestic food aid*

**Period:** From 2020.

United Kingdom national expenditure on Food Aid (England) Programme will be delivered through charity partners including WRAP, FareShare and other food distributors, building on generosity of the food industry

### ***Q. Excess Feed Cost:***

Associated with market price support on quantities of domestically produced crops and used on-farm as feed as calculated (Sum of Excess Feed Cost in the MPS Tables 4.1, 4.3 and 4.4).

## **V.2 Percentage CSE**

$$[100 \times (V.1) / ((II) + (P))]$$

## **V.3 Consumer NPC**

For all agricultural commodities the consumer NPC is estimated as a weighted average of the consumer NPC calculated for the individual MPS commodities and shown in Table 2. For each commodity consumer NPC = domestic price paid by consumers (at the farm gate)/ border price (also at the farm gate).

## **V.4 Consumer NAC**

$$[(1 / (100 - (V.2)) \times 100]$$

## **VI. Total Support Estimate**

$$[(III.1) + (IV) + (P)] \text{ and } [(R) + (S) - (T)]$$

**R. Transfers from consumers [(N)+(O)]**

**S. Transfers from taxpayers [(III.1)-(N)+(IV)+(P)]**

**T. Budget revenues [(O)]**

**Sources**

[1] All production, consumption and value of production data are sourced from DEFRA's Agriculture in the United Kingdom (AUK) publication. Production, consumption and value data are mutually consistent for each commodity. [www.gov.uk/government/collections/agriculture-in-the-united-kingdom](http://www.gov.uk/government/collections/agriculture-in-the-united-kingdom)

Consumption data cover Total domestic use: (domestic production + imports – exports). These data sourced at AUK are comparable with data sourced at the Economic Accounts for Agriculture (EAA).

Commodity notes:

- All cereal production and consumption is harvested production.
- Sugar: Sugar beet data are provided in “refined equivalent”.
- All livestock data are provided as produced primarily for meat, i.e. home killed production and will exclude work in progress, trade of live animals, and gross fixed capital formation.
- All milk and egg data are provided as production/supply for human consumption.
- Milk: The volume/consumption of milk has been converted from million litres to thousand tonnes using a standard conversion factor.
- Eggs: The volume/consumption of eggs has been converted from million dozen to thousand tonnes using a standard conversion factor.

[2] Market Price Differential (MPD): European Union MPD – sourced in the European Union calculations of support indicators. see Definitions and sources for European Union tables 4-1 to 4-21 <http://stats.oecd.org/wbos/fileview2.aspx?IDFile=0870f8af-f85b-4a0e-8581-7f8b6ead7745>

[3] Budgetary expenditures include CAP expenditure (the EU funded a. European Agricultural Guarantee Fund (EAGF), b. European Agricultural Fund for Rural Development (EAFRD) and the United Kingdom Exchequer matched funding) and c. United Kingdom national expenditure.

CAP expenditure (a. and b.) consolidate data sourced from the United Kingdom Coordinating Body for a) the European Agricultural Guarantee Fund (EAGF), and b) the European Agricultural Fund for Rural Development (EAFRD) and the United Kingdom Exchequer matched funding.

- a CAP EAGF Public expenditure is EU funded expenditure for the United Kingdom. The data for the EAGF expenditure are sourced from the United Kingdom Co-ordinating Body (UKCB) who are responsible for submitting EAGF financial expenditure declarations to the EU.
- b Consolidated expenditures by EAFRD (EU co-financing) from United Kingdom Payment Agencies and the United Kingdom Co-ordinating Body (United Kingdom matching funds).

EAFRD Data are sourced from the individual Payment Agencies\* and from the United Kingdom Coordinating Body (UKCB), which reports to the European Commission on behalf of the United Kingdom. When available, submeasure level expenditures have been sourced from the Payment Agencies.

- c United Kingdom national expenditure include non-CAP-funded Government expenditures for the Agricultural Sector and are sourced at DEFRA and Other Government Departments

\*United Kingdom Payment Agencies: Rural Payment Agency (RPA) in England, Department of Agriculture, Environment and Rural Affairs (DAERA) in Northern Ireland, Welsh Government (WG) Welsh Assembly Government in Wales, Scottish Government (SG) in Scotland.

## TABLE 2. UNITED KINGDOM: BREAKDOWN OF PSE BY COMMODITY SPECIFICITY AND OTHER TRANSFERS

All data sets in Table 2 to come from Tables 1 and 3.1 to 3.13 where definitions are included.

### Definitions:

#### *I. Producer Single Commodity Transfers (producer SCT):*

The annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm level, arising from policy measures directly linked to the production of a single commodity such that the producer must produce the designated commodity in order to receive the payment. This includes policies where payments are specified on a per-commodity basis [Sum of SCTs for individual commodities from Tables 3.1-3.13].

**Percentage producer SCT:** is the commodity SCT expressed as a share of gross farm receipts for the specific commodities (including support in the denominator). This indicator can be expressed for the total SCT (Table 2), or for a specific commodity (Table 3.1 to 3.13).

$$\%SCT = 100 * SCT / (\text{Value of production}_{COM} + A.2_{COM} + B_{COM} + C_{COM} + D_{COM})$$

$$\text{Share in Total PSE (\%): } SCT_{SHARE} = 100 * SCT / PSE$$

#### *II. Group commodity transfers (GCT):*

The annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm gate level, arising from policy measures whose payments are made on the basis that one or more of a designated list of commodities is produced. That is, a producer may produce from a set of allowable commodities and receive a transfer that does not vary with respect to this decision [GCT = B<sub>GROUP</sub> + C<sub>GROUP</sub> + D<sub>GROUP</sub>].

$$\text{Share in Total PSE (\%): } GCT_{SHARE} = 100 * GCT / PSE$$

**Transfers to specific groups of commodities:** the GCT indicator is calculated for the United Kingdom for the following groups of commodities:

- **All livestock:** This group includes policies directed at producers of livestock, including cattle, pigs, dairy, and poultry. Examples are measures for disease control, breeding improvement, compensating losses or manure handling, as well as some regional payments.

**III. All commodity transfers (ACT):**

The annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm gate level, arising from policy measures that place no restrictions on the commodity produced but require the recipient to produce some commodity of their choice [ACT = C<sub>ALL</sub> + B<sub>ALL</sub> + D<sub>ALL</sub>].

**Share in Total PSE (%):**  $ACT_{SHARE} = 100 * ACT / PSE$

**IV. Other Transfers to Producers (OTP):** the annual monetary value of gross transfers made under policies that do not fall in the above three cases (SCT, GCT, ACT). That is, payments that do not require any commodity production at all. [OTP = E + F + G]

**Share in Total PSE (%):**  $OTP_{SHARE} = 100 * OTP / PSE$

**V. Total PSE:**  $PSE = A + B + C + D + E + F + G = SCT + GCT + ACT + OTP$

**Percentage PSE:**  $\%PSE = 100 * PSE / (\text{Total Value of Production at farm gate} + A + B + C + D + E + F + G)$

### **TABLE 3. UNITED KINGDOM: PRODUCER COMMODITY SPECIFIC TRANSFERS BY COMMODITY**

Tables 3.1 to 3.13, provide information on Producer Single Commodity Transfers (PSCT) for the following commodities: wheat, barley, maize, oats, rapeseed, sugar, milk, beef and veal, pig meat, poultry meat, sheep meat, eggs and “other commodities”. All data sets in the calculation SCT by commodity come from Tables 1 and 4.1 to 4.13 where definitions are included.

#### **Definitions:**

##### ***I. Level of production:***

Data from respective commodity Tables 4.1 – 4.13 (Market Price Support tables)

##### ***II. Value of production (at farm gate):***

Data for respective commodity Tables 4.1 – 4.13 (Market Price Support tables)

##### ***III. Producer Single Commodity Transfers:***

Sum of transfers to respective single commodity in categories A, B, C and D, described below.

##### ***A. Support based on commodity output***

*A1. Market Price Support* [Data for respective commodity from Table 4]

*A2. Payments based on output*

*B. Payments based on input use, single commodity* [ $B.1_{COM} + B.2_{COM} + B.3_{COM}$ ]

##### ***B1. Based on variable input use***

Payments based on variable input use ( $B.1_{COM}$ ) provided to respective single commodity [Data from Table 1].

##### ***B2. Based on Fixed capital formation***

Payments based on fixed capital formation ( $B.2_{COM}$ ) provided to respective single commodity [Data from Table 1].

##### ***B3. Based on on-farm services***

Payments based on on-farm services ( $B_{COM}$ ) provided to respective single commodity [Data from Table 1].

*C. Payments based on current A/An/R/I, production required, single commodity*

Payments based on current A/An/R/I ( $C_{COM}$ ) provided to respective single commodity [Data from Table 1].

*D. Payments based on non-current A/An/R/I, production required, single commodity*

**IV. Percentage producer SCT :**

$$\%SCT = 100 * (III) / ((II) + (A.2) + (B_{COM}) + (C_{COM}) + (D_{COM}))$$

**TABLE 4. UNITED KINGDOM: MARKET PRICE SUPPORT AND CONSUMER SUPPORT ESTIMATE BY COMMODITY**

Tables 4.1 to 4.13, contain calculation of the Market Price Support (MPS) and Consumer Single Commodity Transfers (consumer SCT) for the following commodities: wheat, barley, maize, oats, rapeseed, sugar, milk, beef and veal, pig meat, poultry meat, sheep meat, eggs, and “other commodities”. The data sets used in calculation of the MPS and consumer SCT by commodity are described below. Values for “other commodities” are derived using information on total Market Price Support and Value of Production, and individual commodity data.

**All MPS commodities**

***I. Level of production***

Total farm production

Source [1]

***II. Producer prices (at farm gate)***

[II=(III)/(I)\*1000]

***III. Value of production (at farm gate)***

Source [1]

***IV. Level of consumption***

Source [1]

***V. Consumption price (at farm gate)***

[V=II]

***VI. Value of consumption (at farm gate)***

[(IV) \* (V) / 1000 ]

### ***VIII. Market price differential at the farm gate***

The EU MPD is used. Source [2]

### ***IX. Market transfers***

(IX.1) + (IX.2) - (IX.3) for feed crops

#### ***IX.1. Transfers to producers from consumers***

=IF((IV)>(I),(VIII)\*(I)/1000,(VIII)\*(IV)/1000)

#### ***IX.2. Other transfers from consumers***

=IF ((IV)<(I),0,((IV)-(I))\*(VIII)/1000) or the actual value of import tax revenues or.....

#### ***IX.3. Excess feed cost***

=IF ((I.1)<I,(I.1)\*(VIII)/1000,0)

### ***X Budgetary transfers***

(X.1) + (X.2) + (X.3)

#### ***X.1. Transfers to producers from taxpayers***

=IF ((IV)>(I),0,((I)-(IV))\*(VIII)/1000)

#### ***X.2. Transfers to consumers from taxpayers***

#### ***X.3. Price levies (-)***

##### ***X.3.1 Price levies based on output(-)***

### ***XI. Market Price Support (MPS)***

(IX.1) + (X.1) + (X.3)

### ***XII. Producer NPC***

(III+XII.1+X.3.1)/(III-IX.1-X.1)

### *XII.1. Payments based on output*

### *XII.2. Payments based on output per tonne*

$$(XII.1)/(I)*1000$$

### *XIII. Consumer Single Commodity Transfers (CSCT)*

$$(X.2) - ((IX.1) + (IX.2)) + IX.3$$

### *XIV Consumer NPC*

$$1/[100-(IX.1+IX.2)/VI*100]*100$$

### *Sources*

[1]: All production, consumption and value of production data are sourced from DEFRA's Agriculture in the United Kingdom (AUK) publication. Production, consumption and value data are mutually consistent for each commodity. [www.gov.uk/government/collections/agriculture-in-the-united-kingdom](http://www.gov.uk/government/collections/agriculture-in-the-united-kingdom)

Consumption data cover Total domestic use: (domestic production + imports – exports). These data sourced at AUK are comparable with data sourced at the Economic Accounts for Agriculture (EAA).

Commodity notes:

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