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Farm management

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FARM MANAGEMENT AND THE E.E.C.

A Survey of F.M.A. Attitudes and Knowledge

A. K. Giles
J. S. Marsh

Miscellaneous Study No. 52

1972

Price 25p

**University of Reading
Department of Agricultural
Economics and Management**

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Preface and Acknowledgements

In the Spring of 1972 the authors were invited by the Farm Management Association to conduct a survey amongst the Association's farming members that would test their attitude to and knowledge of farming in the European Economic Community. It was also suggested that it would be appropriate to disclose the collective views reflected by the survey at the Association's Annual Conference to be held in November of the same year, with the theme 'The Prospects for Farming in Europe'.

This publication contains the results of that survey and a commentary on them. Inevitably, in the limited time that was available both the questionnaire and the interpretation of the replies have had to be brief. No more was anticipated at the outset but, even so, the work could not have been completed on time without help from others. The authors are grateful to them all and especially to Dr. R.B. Morrison (School of Education, University of Reading) for his guidance in designing the particular kind of questionnaire that was used; to the F.M.A.'s Secretary, Miss P.C. Jukes, who organised the distribution of the questionnaire; in this Department to Miss Wendy Brooker and Mr. F.G. England, for their analytical work; to Mrs. D.R. Turner and Mrs. B.L. Fisher for typing, and finally to the 50% of those who received the questionnaire and who completed and returned them so promptly.

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I Interpretation and Comment

Introduction

Until recently there was no firm knowledge about the number of salaried managers employed in British Agriculture. A recent N.E.D.O. publication¹, however, has put the figure for England and Wales at around 15,500 and believes this to be a 'reasonable first estimate'. 435 managers (in the whole of the U.K.) are currently members of the Farm Management Association. For a variety of reasons it is not easy to be more precise nationally about numbers of farmers. Ignoring farms below 15 acres, the figure is unlikely, however, to be below 200,000 and F.M.A. membership currently includes 668 of them i.e. about 0.3% of the farmers as against 2.8% of the managers.

This pattern of membership together with its concentration in the Eastern, Central and Southern parts of the country (Question 2) and on the larger sized farms (Question 3) means that the Association offers no true national reflection of the farm population; and neither would it claim to do so. Neither, therefore, could this survey claim to reflect farmers' circumstances or attitudes generally. It can, however, reasonably claim to reflect something of these matters so far as the F.M.A.'s farming members are concerned. This element of the membership constitutes 64% of the total and is divided as between self-employed farmers and managers in the following way:-

Self-employed	668	61%
Salaried managers	<u>435</u>	<u>39%</u>
	1103	100%

The questionnaire, shown in Part II of this report was sent to 400 randomly selected names from the Association's list of farming members and resulted in the following interesting division, reflecting exactly the division in total membership:-

Self-employed	244	61%
Salaried managers	<u>156</u>	<u>39%</u>
	400	100%

1. Agricultural Manpower in England and Wales. Agriculture E.D.C. H.M.S.O. 1972.

Of the twenty questions which made up the questionnaire, ten aimed to test a knowledge of E.E.C. conditions and procedures whilst ten explored the individual circumstances and attitudes of the recipients. Fifty percent of those to whom questionnaires were sent responded with, again, the following interesting division between the self-employed and the salaried:-

Self-employed	131	66%
Salaried managers	60	30%
Both	7	4%
	198	100%

Importance of the F.M.A. view

It is never easy to know with accuracy how a particular group or sector of the community might react to some future event or changed circumstance. The views expressed by individuals often seem to differ from 'official' views expressed on their behalf. Farmers are no exception in this - and the 'Common Market' question is a case in point. There can have been few more persistent and far reaching questions to confront British farmers in recent decades, and yet, as membership approaches, what is known, reliably, of their attitudes and plans?

This survey - as already noted - can speak only for those farmers and managers who belong to the F.M.A. It might well be argued, however, that as a group they are not so untypical of the larger scale elements of British farming (whose importance is increasingly disproportionate to their numbers) than they are of farmers in total. It might further be argued that membership of this particular Association reflects a conscious interest in professional management that will increasingly characterise those who survive in the industry. If these arguments can be sustained - and the authors believe that they can be - then the attitudes reflected here may prove to have substantially more significance than can be strictly claimed for them. They may be of interest, therefore, well beyond the Farm Management Association itself.

Attitudes

Questions 19 and 20 asked the members to express their attitude to membership of the E.E.C., first as individual farmer/managers and secondly

from the wider view point of the long term prosperity of the industry. The replies were optimistic - and not untypical in the authors' experience of the views expressed by farmers generally in personal conversation. Speaking for themselves, nearly 70 per cent either 'greatly welcomed' or 'welcomed' the prospect of membership. Only three per cent were 'seriously worried by it'. For the industry generally 80 per cent envisaged some increase (mainly slight) in prosperity. Eleven per cent anticipate some reduction in prosperity - also mainly slight. Self employed farmers seemed marginally more optimistic than managers both as individuals and for the industry generally. Not surprisingly those operating on larger farms are significantly more enthusiastic about membership than are those on the smaller ones. Unfortunately any interpretation of replies to these two questions according to the enterprises followed is complicated, first by the fact that most farms in the survey operated more than one enterprise and secondly because it was decided at the outset not to ask for details about scale of enterprise. For interest, however, an analysis of replies according to enterprise is set out in Appendix II.

Adjustment

As the five year transitional period for British agriculture approaches, with all its attendant publicity, it might be a natural reaction to feel that adjustment to individual production systems will be required on some unprecedented scale. Certainly the degree of uncertainty could, for some years at least, be unprecedented - but initially this may in fact act as a deterrent to major adjustments rather than as an encouragement. In any case adjustment will be no new phenomena. The need for it has always existed and farmers have always responded to it. Post war British agriculture, in particular, has been characterised by such changes. For the majority of individuals, however, adjustment is a marginal matter: a little more of 'this' and a little less of 'that'. The process is continuous and 'going into' or 'getting out of' an enterprise is a very occasional occurrence on most farms.

The analysis of replies to Question 4 of this survey supports this belief. A very high proportion of farmers and managers in the

survey anticipate that during the 'next few years' they are 'likely to increase' certain enterprises: the grass-based ones in particular (dairying 80%, beef 73% and sheep 64%). Without any evidence of a correspondingly high intention to reduce or eliminate other enterprises, one must assume that intensification rather than substitution will be a major aspect of any adjustment that takes place. And certainly those figures in the analysis which show the rate of movement out of enterprises during the last two years, and the possible rate of introduction of new ones during the next few years are minute when compared with those for adjustment (especially expansion) within existing enterprises.

There comes a time, however, for each individual, when possible future adjustments either do or do not become a reality and at that point (or just prior to it) two important questions arise. First, where is the data to come from by which alternative programmes can be evaluated, and secondly, on what criteria will decisions actually be based? Questions 17 and 18 of the survey throw interesting light on these two points.

Data about prices and costs has always been a necessary part of the manager's equipment - but there is little doubt that the substantially new price and cost structures to which the British economy must gradually adjust will create new demands for this kind of data. Respondents were therefore asked in Question 17 to state, in order of importance, which agencies they would regard as the most appropriate sources of the data. The farming press, with 58 per cent of the first choice votes, was placed clearly in first place, with A.D.A.S. and the N.F.U. sharing a poor second place. The addition of first, second and third choice votes still left the farming press in front with 30 per cent of the total votes cast. The N.F.U. followed with 19 per cent of the total and A.D.A.S. with 16 per cent. For various reasons it is unlikely that the institutions mentioned here would want to ignore this challenge in the future any more than they have done in the past. Neither, presumably will they ignore the question of 'relevance of data' discussed later in this text.

Given the relevant data, however, businessmen are still left, after all the calculations have been done, with the need to actually

make a decision. There may of course be some situations, especially if the relative profitabilities of enterprises do not change in order, where the decision is to do nothing. More often than not, however, if only because of rising fixed costs, some more positive decisions will probably be necessary. Decisions should be guided, of course, not just by what is happening to costs or to prices or even to profit trends generally - but by what seems appropriate in the particular circumstances on a particular farm. It is frequently the case that even in what look like similar circumstances the right answer on one farm is the wrong one on another - and vice versa. While it was gratifying, therefore, to find 69 per cent of respondents answering Question 18 as they did (i.e. that they would be most influenced by 'the enterprises which offer the greatest profits on their farms') it was at the same time disappointing that the remaining third selected less defensible replies.

Knowledge

So far this commentary has concentrated on the circumstances and attitudes of respondents. How far these attitudes are in any way conditioned by knowledge or how far the acquisition of knowledge is itself a function of circumstances and attitude it is impossible to say. Whatever the case may be there is certainly considerable disagreement about the effect of United Kingdom membership of the European Communities upon the working of the British economy. Pessimists fear that the U.K. may become an offshore island of Europe, exposed to all the disadvantages of a peripheral location and incapable of taking independent action to safeguard the welfare of its citizens. Optimists anticipate that closer links with the mainland of Europe will stimulate economic growth and make possible the much sought for rise in real income levels and employment which has eluded successive British governments since the war.

In the event much will depend upon the response of individual businessmen within Britain. However great the opportunities they can only be realised if proper decisions are taken by management. However real the dangers, the extent to which they materialise will depend, in part at least, on the speed and ingenuity with which management reacts

to the new situation. Managers are, however, faced with an uncertain situation. Uncertainty results both from our inability to predict with assurance the pattern of future demand or production and from doubts about the operation of the policies of the Community itself.

It is, however, in such an uncertain situation that decisions must be taken which will not only affect the prosperity of the individual farm business but also determine the response of the industry as a whole to the challenge of joining the E.E.C. It is therefore important to discover whether farmers have, in general, a fairly accurate impression of how the Community works and what it is that they are planning to do in response to this new situation. Even with the best possible data there will remain much which is unknown at this stage, but mistaken views of what currently exists are more likely to lead to bad than to good plans for the future.

As a broad indication of the present state of knowledge about the E.E.C. respondents were asked ten factual type questions, (5 to 16 excluding 12 and 13). Out of a possible score of ten correct replies, 43 per cent scored five or more. There were some marked differences between size groups in the percentage of correct answers.

<u>Size Group</u> <u>acres</u>	<u>% with five or more</u> <u>correct answers</u>
Under 250	26
250 - 499	50
500 - 999	49
1,000 - 2,000	42
over 2,000	36

Perhaps the lower scores among farmers of less than 250 acres indicate an inability to substantially modify their current farming system - and among the very large farms a confidence that, whatever the policy, they would be able to survive.

The questions differed very greatly in their commercial significance. They may be divided into three groups. First questions 5, 10 and 11, which dealt with such general aspects of the Community as the date it began and the mechanisms for policy making. Second,

questions 14, 15 and 16 which posed some general questions about the economic position of farming in France. Third, questions which related to the mechanism of price maintenance in the Community, 6, 7, 8 and 9. Clearly it is the last group of questions which will most immediately and directly affect the profitability of farming in Britain, and here some 75 per cent of respondents gave correct answers. The situation in France is relevant both because it may help to shape future agricultural policy in the Community and because French agriculture represents a major competitive threat to British producers. Overall, only about 25 per cent of the answers were correct in this section. Questions relating to the general background of the Community and its policy making institutions are of very general interest, they also suggest ways in which farmers and their representative bodies may make their needs known to those in authority. The correct answers, 39 per cent of the total, indicated a fair degree of knowledge about these matters. The general impression is that farmers and managers have made it their business to get a good knowledge of the aspects of the C.A.P. which seem to be of more immediate relevance, but that in some areas in which developments may occur which are of great long run importance, there is still a need for more knowledge and understanding.

It might be thought that those who were more enthusiastic about the prospect of membership of the Community would show a distinctive pattern of knowledge compared with those who were indifferent or worried about it. In fact of those who 'welcomed' or 'greatly welcomed' membership (Question 19) 45 per cent had scores of five or more, whilst of those who were 'indifferent', 'concerned' or 'worried', 39 per cent achieved this score. Certainly the evidence is not consistent with the hypothesis that all those who have bothered to find out what the Community means for farming are of one mind in their attitude to membership.

In terms of those who thought membership would improve the prosperity of British agriculture (some 71% of all respondents), the proportion of those with scores above five, (47%) was higher than those who believed farmers would be worse off, (33%) or that membership would have little effect (32%). Again it would be wrong on the basis of this sample or of the differences recorded to draw simple conclusions that

those who have studied the problem most feel more re-assured about the prosperity of agriculture. However, it is perhaps encouraging that most farmers appear to view the immediate future as being more promising within the framework of the Community than outside it.

Future Prospects

The general prosperity of the industry involves much more than the level of prices and the level of direct costs but both are important components in any overall view. It is therefore interesting to note that in response to questions 12 and 13, respondents took a relatively modest view of future price and cost increases.

In 1970/71 average prices received by farmers in France, the lowest priced Community country, were for milk 104% of U.K. prices, for wheat 129% and barley 128%, for steers 135% and for fat pigs 109%. Since then prices have risen both in the Community and in Britain and the rate of inflation has given rise to expectations of further price increases in future. Against this background it is somewhat surprising that 22% of respondents expected lower milk prices by 1978, 7% expected lower cereal prices, 2% lower beef prices and 30% lower pig prices compared with present British levels. Equally the number of respondents expecting prices in 1978 to be 75% or more higher than present British levels is relatively small; 1.5% for milk, 9% for cereals, 20% for beef and 1% for pigs.

In assessing future changes in costs, farmers seem to be more impressed by the inflationary pressures of recent years. Thus increases in cost of 75% or more are expected by 28% of the respondents for labour, 15% for rents, 16% for concentrated feeding stuffs and 14% for fertiliser. On the other hand, those who expect costs to remain stationary or even to fall are very few: 3% for labour, 4% for rents, 2.5% for concentrates and 5% for fertiliser. Reluctantly the authors must side with those who anticipate substantial increases in costs, especially of feeding stuffs and labour.

The impression given by the replies to questions 12 and 13, of moderate rises in prices and substantial increases in costs seem difficult to square with the general expectation of prosperous

conditions in the industry. Unless there are to be considerable improvements in technology or savings in fixed capital costs it seems hard to understand why farming should become more prosperous if these expectations are fulfilled. More probably it may well have been a sub-conscious expectation among those who visualized a more prosperous future that C.A.P. prices would be adjusted upward to meet inflationary rises in costs. Given present Community arrangements it may well be that prices do rise although it seems improbable that they will fully reflect the extent of inflation in the economy as a whole. If this is the case farmers must assess the probable future rate of inflation in Britain and assess how rapidly this might erode any benefits from the currently higher level of prices prevailing in the Community.

As it stands the Common Agricultural Policy creates a situation in which products from other member countries will appear cheaper to British importers than products from the rest of the world. As a result a given quantity of goods from abroad will cost more in terms of foreign exchange than hitherto. Even if agricultural goods are purchased from third countries, a levy will be placed on them to bring their prices up to Community levels and 90% of this levy must be contributed to Community funds.

This loss of foreign exchange can be reduced only by reduced consumption or increased production within the United Kingdom. Official estimates¹, have suggested that the volume of total agricultural production might rise by three to ten per cent above what it would otherwise have been. Whether this increase will be achieved, and if so, in which commodities is a matter of great public concern.

The information derived from this survey is inadequate to quantify the extent of any changes in output planned by farmers or to provide a picture on a national scale in which commodities any increase in production may take place. Nevertheless, since there is so much uncertainty about the total effect of the C.A.P. on farm production, the replies of respondents to this survey, which cover the first two years of the transitional period are of considerable interest.

1. Britain and the European Communities - an Economic Assessment,
CMND 4289.

The table below shows the proportion of farmers producing a particular commodity who were planning to increase or to reduce production.

	<u>Per cent likely to increase</u>	<u>Per cent likely to reduce or eliminate production</u>
Cereals	19	27
Potatoes	6	41
Sugar Beet	53	4
Vegetables	25	22
Dairy	80	1
Beef	73	7
Sheep	64	5
Pigs	53	7
Poultry	11	28

It is generally expected that entry to the Common Market will result in a sharp increase in the cost of animal feeding stuffs. At the same time cereal prices are expected to rise by some 40% during the transitional period. Against this background the intention to increase livestock production and to cut back in cereals was unexpected.

Before the significance of these figures is exaggerated their limitations should be carefully considered. The form of the question does not permit us to know whether planned expansion or contraction is of a minor or substantial character. It may be the case that small increases in livestock numbers may take place without significant new fixed investment and that in this sense the expansion foreseen represents the completion of expansion plans made already. Again a cut back in cereal production might result from an attempt to improve rotational patterns or to temporarily rest fields which have become infested with wild oats or disease. In aggregate we do not know whether the quantities which it is intended to expand or contract balance or outweigh each other.

With these reservations in mind the information presented in this table poses some intriguing questions. Recent studies by Michigan

State University have suggested a substantial increase in U.K. cereal production under E.E.C. conditions. If the farmers in this survey were representative of farmers as a whole then this prediction seems unlikely to be fulfilled. Again the growth in milk and beef output may be 'grass based' but it seems hard to square with a substantial drop in feeding stuff sales. Even more clearly increased pig production is likely to result in a greater demand for feeding stuffs. Allowing for the fact that more farmers expected to reduce poultry production than to increase it, the overall picture is one consistent with a sustained demand for animal feed. To some extent the cereal content of this feed may be reduced by the incorporation of ingredients such as tapioca and soya meal which enter free of levy. Despite this possibility if these plans are typical the U.K. might well remain a larger net importer of cereals for animal feed than has been widely anticipated.

To offset the balance of payments effect of this, the reported plans raise the real possibility that imports of dairy products and beef, of which consumption is expected to fall as a result of higher prices, may well be much reduced. Indeed the U.K. could well be a net exporter of beef to other E.E.C. countries. The extra pig and sheep production seems likely to enter into local consumption, in part replacing beef and in part replacing imports from non E.E.C. countries.

In value terms this outcome might prove quite attractive. If we compare the value of a 10% increase in wheat and barley production, worth some £50 million at E.E.C. 1972 prices, with a 10% increase in beef, sheep, pork and milk, worth some £80 million at E.E.C. 1972 prices, the advantage to the balance of payments of concentrating extra production in the livestock sector, which already contributes some two thirds of British farm output, seems promising. Obviously such a simplistic assumption grossly underates the complexity of increasing production in the various sectors of British farming but it does suggest that the present plans of farmers in the U.K. are not inconsistent with a sensible national adaptation to the Common Agricultural Policy.

Communications

Both from the point of view of the individual farm and of the national economy there are important benefits from a prompt and accurate response to the new conditions created by the C.A.P. Whilst the farmers and managers who replied showed a generally good appreciation of the immediate commercial situation, there were still many who appeared ill informed and a majority who had no good notion of the longer run issues which may have a decisive effect on agriculture in the Community in the future.

It is very much in the national interest that better communication of facts about the C.A.P. take place and that aid be given to farmers in translating this into production plans. One general aspect of this survey has been that farmers absorb and apply most readily the information which they see to be relevant. In the media, references to the role of the Council as the decision making body of the Community have been legion. Despite this only 38% of farmers gave the correct reply to Question 10. In contrast information about intervention mechanisms has, on the whole, been featured in the specialist farming papers rather than the general press, radio or T.V. The greater apparent relevance of this ensured that 64% of the farmers gave the right answer to Questions 6 and 7.

An important implication of this observation is that if farmers are to be given the necessary information those whose job it is to communicate must indicate its relevance. This task will demand of the advisory services, the press and all professional 'communicators' not just that they understand the workings of the E.E.C., but also that they apply this clearly to identifiable farming situations. In the past farmers in Britain have become adapted to our system of guaranteed prices and deficiency payments. Although the system has gradually shifted over the 25 years since 1947, farmers have felt able to comprehend its political structure and to anticipate the direction in which modification may take place. In the post-entry period much more will need to be learned of the operation and decision-taking structure of the Community if investment, which may be long lived, is to prove profitable. One practical benefit of

this survey will have been provided if this need for understanding the wider framework of the Community is more fully appreciated.

II QUESTIONS¹ AND REPLIES²

A Survey conducted by the Department of Agricultural Economics & Management
University of Reading
for
The Farm Management Association

The object of this survey is to explore some of your current attitudes to and knowledge of the E.E.C. Please sit down as soon as you can and answer these questions without consulting anybody or any references. The questionnaire is in three sections and each section is explained as you come to it.

SECTION A IS ABOUT YOU AND YOUR FARM. PLEASE ANSWER EACH QUESTION AS INDICATED.

1. Are you self-employed or salaried?

Replies:	No.	%
Self Employed	131	66
Salaried	60	30
Both	7	4
Total	198	100

2. In what county do you farm?

Replies grouped into Regions (see Appendix I):	%
1. Eastern and South Eastern	43
2. Central and Southern	29
3. South Western	6
4. Wales	4
5. Northern	4
6. Scotland	14
7. Northern Ireland	0
	100

3. What is the total acreage of your farm?

Replies:	%
Under 250 acres	12
250 - 499 acres	23
500 - 999 acres	23
1000 - 2000 acres	31
Over 2000 acres	11
	100

1. The wording and layout of the questions and the instructions printed here have been marginally altered from the questionnaire that was circulated in order to accommodate the summaries of replies. In no case has the sense of the question been altered.
2. All percentage figures have been rounded to the nearest whole number.

4. Please list the enterprises that you currently have on your farm (e.g. cereals, potatoes, vegetables, dairy, beef, pigs, etc.) and then indicate:

(A) how they have (or have not) altered in scale in the last two years, and
 (B) how, in the light of E.E.C. prices and costs, they might (or might not) alter during the next few years:-

<u>Enterprises</u>	<u>Actual Number</u>	(A) Last two years						(B) Next few years					
		Significantly increased	Slightly increased	Unchanged	Slightly reduced	Significantly reduced		Likely to increase	Likely to remain unaltered	Likely to be reduced	Likely to be eliminated		
Cereals	167	9	23	45	20	3	100	19	54	26	1	100	
Potatoes	84	11	14	38	29	8	100	6	53	33	8	100	
Sugar Beet	49	12	31	53	2	2	100	53	43	2	2	100	
Vegetables	51	14	12	45	14	15	100	25	53	9	13	100	
Dairy	95	43	40	16	1	0	100	80	19	1	0	100	
Beef	95	45	27	22	4	2	100	73	20	6	1	100	
Sheep	38	29	42	18	11	0	100	64	31	5	0	100	
Pigs	46	43	24	24	7	2	100	53	40	7	0	100	
Poultry	20	15	10	65	10	0	100	11	61	17	11	100	

In addition, are there enterprises which you:-

<u>Enterprises</u>	<u>Actual Number</u>	Have eliminated in the last two years		Will consider introducing in the next few years	
		% ²	% ²	% ²	% ²
Cereals	167	1		1	
Potatoes	84	4		1	
Sugar Beet	49	4		8	
Vegetables	51	12		16	
Dairy	95	2		7	
Beef	95	5		27	
Sheep	38	18		21	
Pigs	46	4		13	
Poultry	20	25		0	

1. Excluding a few cases where the replies did not lend themselves to formal analysis.
 2. In the absence of precisely accurate data about the total number of the sample holdings engaged in or likely to be engaged in a given enterprise in the time periods suggested here (i.e. 'the last two years' and 'the next few years') the numbers likely to eliminate or to introduce a particular enterprise have both been expressed as a percentage of the total numbers in the sample actually engaged in that enterprise at the time of the survey.

SECTION B IS A TEST OF YOUR KNOWLEDGE OF E.E.C. CONDITIONS. WITH EACH QUESTION YOU ARE OFFERED FOUR OR FIVE ALTERNATIVE ANSWERS, ONE OF WHICH IS CORRECT. IN EACH CASE PLEASE WRITE THE LETTER (A,B,C, OR D) WHICH CORRESPONDS TO WHAT YOU THINK IS THE CORRECT ANSWER IN THE BOX PROVIDED. FOR EXAMPLE:

C.A.P. stands for:

- A. Community Agricultural Policy
- B. Common Agrarian Policy
- C. Common Agricultural Policy
- D. Common Agricultural Plan

Correct Answer

C

IF YOU DO NOT KNOW THE ANSWER TO A PARTICULAR QUESTION PLEASE DO NOT GUESS;
LEAVE THE BOX BLANK AND MOVE ON THROUGH THE QUESTIONNAIRE.

5. The E.E.C. came into existence in:

	Replies:	%	Correct Answer
A. 1955			
B. 1956	Correct	29	
C. 1958	Wrong	60	
D. 1960	No reply	11	
		100	

6. The E.E.C. intervenes to support the prices of all the following EXCEPT:

	Replies:	%	Correct Answer
A. Wheat			
B. Barley	Correct	64	
C. Oats	Wrong	29	
D. Oilseed Rape	No reply	7	
		100	

7. The E.E.C. also intervenes to support the prices of all the following, EXCEPT:

	Replies:	%	Correct Answer
A. Milk			
B. Beef	Correct	65	
C. Pigmeat	Wrong	24	
D. Mutton and Lamb	No reply	11	
		100	

8. Market intervention for cereals under the C.A.P. is carried out by:

	Replies:	%	Correct Answer
A. The Commission in Brussels			
B. Sub-Offices of the Community in each country	Correct	44	
C. National Marketing Authorities authorised by the Community	Wrong	49	
D. Producer Marketing Boards	No reply	7	
		100	

9. Trade between E.E.C. member countries and the U.K. will take place on preferential terms as from:-

	Replies:	%	Correct Answer
A. 1973			
B. 1975	Correct	52	
C. 1978	Wrong	45	
D. Gradually	No reply	3	
		100	

Correct Answer

A

10. Under the C.A.P., the level of agricultural prices is decided by:

	Replies:	%	Correct Answer
A. The Economic & Social Committee			
B. The Council	Correct	38	
C. The Commission	Wrong	54	
D. The European Parliament	No reply	8	
		100	

Correct Answer

B

11. Under the C.A.P. the level of each year's prices is proposed by:

A. The Economic & Social Committee	Replies:	%	Correct	50	Correct Answer
B. The Council			Wrong	37	
C. The Commission			No reply	13	
D. The European Parliament				100	<input type="checkbox"/> C

12. Taking present U.K. conditions to equal 100, which of the following indices approximates closest to your estimate of where E.E.C. prices might be in 1978.
N.B. No known correct answer.

For Milk Replies	A: 75 3%	B: 100 20%	C: 125 56%	D: 150 10%	E: 175 1%	No reply 10%	Total 100%
For Cereals Replies	A: 75 1%	B: 100 7%	C: 125 36%	D: 150 44%	E: 175 9%	<input type="checkbox"/> 3%	100%
For Beef Replies	A: 75 0%	B: 100 2%	C: 125 22%	D: 150 50%	E: 175 21%	<input type="checkbox"/> 5%	100%
For Pigs Replies	A: 75 4%	B: 100 27%	C: 125 44%	D: 150 12%	E: 175 1%	<input type="checkbox"/> 12%	100%

13. Similarly, which index approximates closest to your estimate of where E.E.C. costs might be in 1978.
N.B. No known correct answer.

For Labour Replies	A: 75 1%	B: 100 2%	C: 125 19%	D: 150 47%	E: 175 28%	No reply 3%	Total 100%
For Rent Replies	A: 75 0%	B: 100 4%	C: 125 37%	D: 150 40%	E: 175 14%	<input type="checkbox"/> 5%	100%
For Concentrates Replies	A: 75 1%	B: 100 2%	C: 125 23%	D: 150 53%	E: 175 16%	<input type="checkbox"/> 5%	100%
For Fertilizer Replies	A: 75 0%	B: 100 5%	C: 125 31%	D: 150 47%	E: 175 14%	<input type="checkbox"/> 3%	100%

14. In the U.K. the average size of all farms is 82 acres.
In France it is:

A: less than 20;	B: 20-39;	C: 40-59;	D: 60-79;	E: 80-99	Correct Answer
		Replies:	%		
		Correct	23		<input type="checkbox"/> C
		Wrong	73		
		No reply	4		
			100		

15. In the U.K. 2.9% of the population is employed in agriculture.
In France the corresponding figure is:

A: less than 4%	B: 4-6%;	C: 7-9%;	D: 10-12%;	E: 13-15%	Correct Answer
		Replies:	%		
		Correct	36		<input type="checkbox"/> E
		Wrong	61		
		No reply	3		
			100		

16. In the U.K. agriculture accounts for about 3% of the Gross Domestic Product.
In France it accounts for:

A: less than 4%;	B: 4-6%;	C: 7-9%;	D: 10-12%;	E: 13-15%	Correct Answer
		Replies:	%		
		Correct	17		<input type="checkbox"/> B
		Wrong	73		
		No reply	10		
			100		

SECTION C THANK YOU VERY MUCH FOR COMPLETING OUR QUESTIONNAIRE UP TO THIS POINT. WE LOOK FORWARD TO REPORTING THE RESULTS OF THE SURVEY AT YOUR ANNUAL CONFERENCE. BUT, FINALLY COULD WE PLEASE ASK YOU TO REPLY TO THE FOLLOWING QUESTIONS? WE ARE SIMPLY INTERESTED IN YOUR OPINIONS.

17. Farming in the E.E.C. will create new demands for information about prices and costs. In order of importance, which of the following agencies would you regard as the three most appropriate sources of this data?

	<u>Replies:</u>			share of all votes %
	1st choice %	2nd choice %	3rd choice %	
A. The Farming Press	58	14	15	30 (A)
B. A.D.A.S.	13	20	15	16 (B)
C. Management Consultants	0	1	7	3 (C)
D. Universities	8	15	12	12 (D)
E. N.F.U.	13	28	15	19 (E)
F. F.M.A.	2	5	12	6 (F)
G. Market Research Organisations	6	8	10	8 (G)
H. Ancillary firms (e.g. feed, fertilizer)	0	7	10	6 (H)
No reply	0	2	4	-
	100	100	100	100

18. In deciding which enterprise to reduce or increase in the future will you be most influenced by:

	<u>Replies:</u>	%
A. The prospect of higher prices for certain commodities,		1
B. Enterprises which offer the greatest profits on your farm,		69
C. Enterprises which offer the most scope for cost cutting,		5
D. Enterprises for which it is generally felt there is a prospect of increased profits.		24
No reply		1
		100

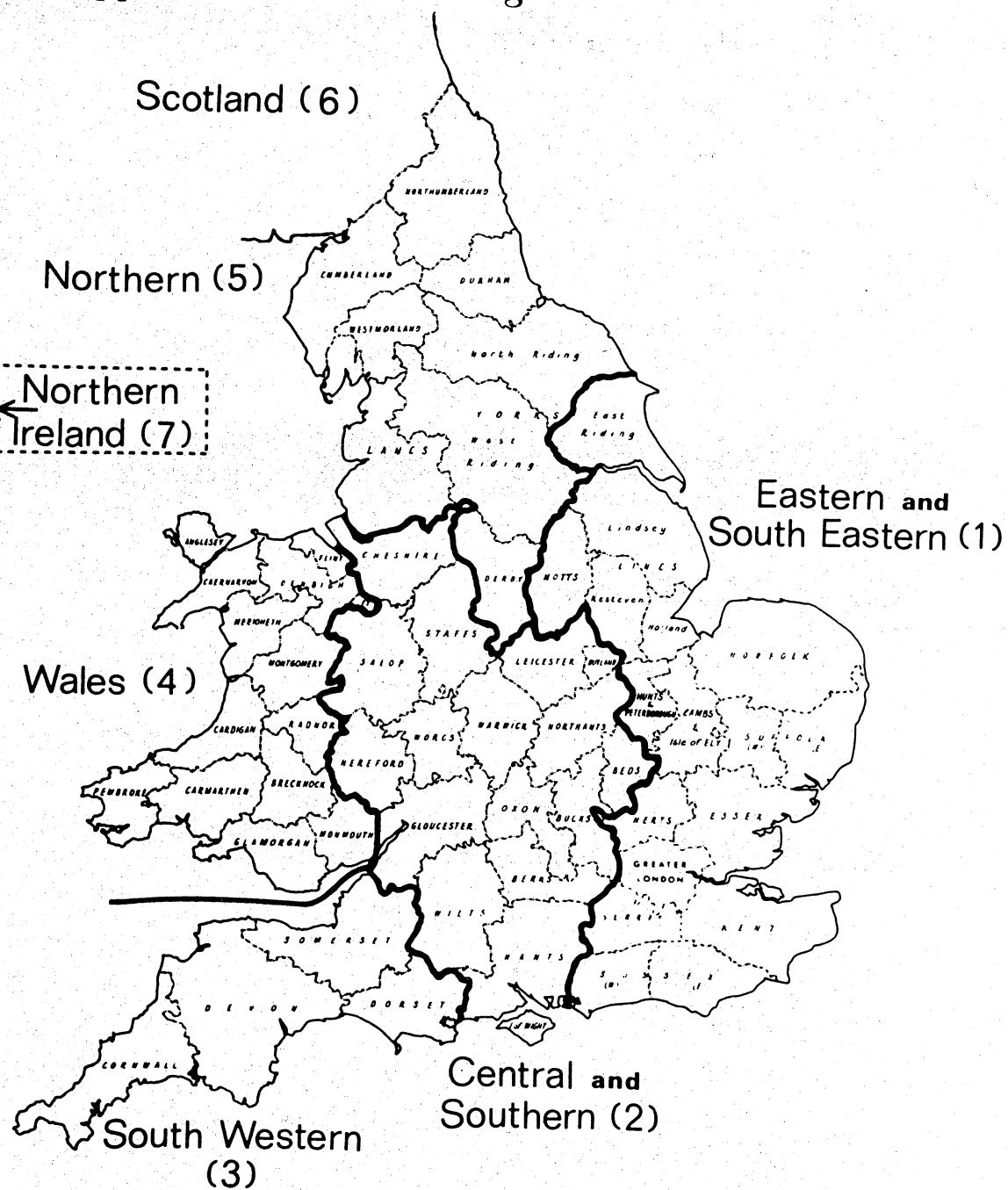
19. Is your personal attitude as a farmer/manager to membership of the E.E.C. best described by saying that you:

	<u>Replies</u>	%
A. Greatly welcome it		16
B. Welcome it		52
C. Feel indifferent		9
D. Are somewhat concerned by it		20
E. Are seriously worried by it		3
		100

20. Taking a long term view of the agricultural industry generally, do you feel that membership of the E.E.C. will:

	<u>Replies</u>	%
A. Greatly increase its prosperity		9
B. Slightly increase its prosperity		62
C. Have little or no effect		18
D. Slightly reduce its prosperity		9
E. Greatly reduce its prosperity		2
		100

Appendix 1 The Regions



Appendix II. Questions 19 and 20 analysed according to enterprises on farms

Q. 19. Is your personal attitude as a farmer/manager to membership of the E.E.C. best described by saying that you:

Enterprise	Reply	Greatly welcome it %	Welcome it %	Feel indifferent %	Are somewhat concerned by it %	Are seriously worried by it %	Total %
Cereals		15	54	9	19	3	100
Potatoes		18	51	10	19	2	100
Sugar Beet		21	51	8	18	2	100
Vegetables		20	55	8	14	3	100
Dairy		17	49	8	19	7	100
Beef		11	55	12	19	3	100
Sheep		5	60	10	23	2	100
Pigs		15	50	8	23	4	100
Poultry		20	50	0	25	5	100

Q. 20. Taking a long term view of the agricultural industry generally, do you feel that membership of the E.E.C. will:

Enterprise	Reply	Greatly increase its prosperity %	Slightly increase its prosperity %	Have little or no effect %	Slightly reduce its prosperity %	Greatly reduce its prosperity %	Total %
Cereals		9	62	19	8	2	100
Potatoes		7	61	18	11	3	100
Sugar Beet		4	68	12	12	4	100
Vegetables		7	72	13	5	3	100
Dairy		8	59	21	8	4	100
Beef		8	66	20	5	1	100
Sheep		13	65	20	2	0	100
Pigs		15	58	15	8	4	100
Poultry		15	60	10	10	5	100

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