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Farm economics branch

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WAR-TIME TRENDS IN LABOUR COSTS.

(Northern Counties).

1. Since the outbreak of war, at the request of the Ministry of Agriculture, the Farm Economics Branch has made regular inquiries into the movements in farm wages in the northern counties. This memorandum gives a summary of what has happened during the first two years of war.

2. The facts presented are drawn from the same 25 farms throughout the period at quarter intervals. These farms are arranged to represent three main types, viz :-

   (1) Mixed Livestock, where the production of arable crops takes second place to the production of livestock and livestock products, e.g. a typical Cumberland mixed farm.

   (2) Mixed Arable, where cattle and sheep are, in the main, complementary to the production of arable sale crops e.g. a typical Tweedside Farm.

   (3) Dairying, where, although a fair proportion of the land may be arable, and some return obtained from the sale of cattle and sheep, yet the main emphasis is definitely on milk production.

3. In order that the figures may be correctly understood, the following explanations are necessary.

   (i) The inquiries have been concerned with the trend in basic wages rather than the actual wages bill per farm at any time. Payments for overtime, therefore, which vary from season to season, have been excluded. On the other hand wages lost through sickness and other incidental causes have been included.

   (ii) Only Regular, Hired Workers have been taken into account, that is to say casual and unpaid family workers are excluded.

   (iii) The value of payments in kind (perquisites) as well as cash wages, is ~~excluded~~ included.

4. For each farming group the Table shows (i) Numbers of Hired Workers, and how the total is made up of Males and females, under and over 21 years of age. (Cols 1 to 5).

   (ii) Full Contract Wages (excluding overtime) for these workers, at quarterly intervals. (Col. 7).

   (iii) Percentage changes, compared with September 1939, in Numbers Employed, and in Total Contract Wages (Cols 6 and 8 respectively). These are the trends.

5. Further calculations have been made to illustrate the trend in labour cost. For this purpose the different classes of labour have been reduced to a common measure by reckoning each male over 21, as ONE UNIT; each female over 21 as 7/10ths of a unit, each male under 21 as 6/10ths of a unit, and each female under 21 as 5/10ths of a unit. Each unit is described as a Hired Man Equivalent.

6. The numbers employed in terms of Hired Man Equivalent and the cost per Hired Man Equivalent are set out in Columns 9 to 12.

7. The following general conclusions may be noted:-

(i) Total numbers of workers increased in all groups.

(ii) The numbers of female workers increased in all groups.

(iii) There has been no substitution of adult male workers by females or younger male workers.

(iv) The proportionate increase in numbers employed was greatest on the Mixed Livestock farms and least on the Mixed Arable farms.

(v) The proportionate increase in Total Contract Wages was greatest on the Mixed Arable farms, the other two groups being about even.

(vi) The proportionate increase in the cost per unit of labour (Hired Man Equivalent) was highest on the Mixed Arable farms and lowest on the Mixed Livestock Farms.

This calculation, of course, depends largely on the "equivalents" used.

(vii) On the Mixed Livestock farms, about half the increase in total contract wages occurred in the first year of war; in the other two groups, about two-thirds of the increase occurred in the same period.

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November, 1941.

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	No. of Workers.						Total Contract Wages.		No. Hired Man Equivalents.		Cost per Hired Man Equivalent.	
	Males		Females		Total Workers	Total Sept = 100	£	Sept=100	No.	Sept=100	£	Sept=100
	Over 21	Under 21	Over 21	Under 21								
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
Mixed L/Stk. (10 Farms).												
1939 Sept.	34	8	2	-	44	100	368	100	40.2	100	9.15	100
Dec.	34	9	2	-	45	102	376	102	40.8	101	9.22	101
1940 March	33	10	3	2	48	109	403	110	42.1	105	9.57	105
June	32	9	3	2	46	105	388	105	40.5	101	9.58	105
Sept.	32	9	3	2	46	105	456	124	40.5	101	11.26	123
Dec.	35	7	2	3	47	107	456	124	42.1	105	10.83	118
1941 March	37	7	2	3	49	111	479	130	44.1	110	10.86	119
June	37	8	3	4	52	118	513	139	45.9	114	11.18	122
Sept.	37	10	3	4	54	123	547	149	47.1	117	11.61	127
Dairy Farming (8 Farms).												
1939 Sept.	29	6	2	-	37	100	318	100	34.0	100	9.35	100
Dec.	29	6	2	-	37	100	322	101	34.0	100	9.47	101
1940 March	28	9	3	-	40	108	341	107	35.5	104	9.61	103
June	29	11	3	-	43	116	379	119	37.7	111	10.05	107
Sept.	31	13	2	2	48	130	433	136	41.2	121	10.51	112
Dec.	29	10	4	2	45	122	438	138	38.8	114	11.29	121
1941 March	29	12	4	2	47	127	450	142	40.0	118	11.25	120
June	29	9	5	2	45	122	474	149	38.9	114	12.18	130
Sept.	29	9	4	2	44	119	471	148	38.2	112	12.33	132
Mixed Arable (7 Farms).												
1939 Sept.	59	22	8	2	91	100	641	100	78.8	100	8.13	100
1940 April	58	20	9	2	89	98	659	103	77.3	98	8.53	105
June	60	23	6	2	91	100	726	113	79.0	100	9.19	113
Sept.	58	26	8	-	92	101	904	141	79.2	101	11.41	140
Dec.	58	25	7	-	90	99	900	140	77.9	99	11.55	142
1941 March	57	23	8	-	88	97	886	138	76.4	97	11.60	143
June	60	23	11	1	95	104	991	155	82.0	104	12.09	149
Sept.	63	22	12	1	98	108	1033	161	85.1	108	12.14	149