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# British Agriculture in the Common Market

AND

THE OUTLOOK FOR NORTH OF SCOTLAND FARMING  
TO 1977/78

(Based on Papers Presented at a Conference on  
British Agriculture and the Common Market.  
Held on 19th April 1972 at the School of  
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STRUCTURAL REFORM IN THE  
EUROPEAN ECONOMIC COMMUNITY  
and  
IMPLICATIONS FOR AGRICULTURE  
IN THE  
NORTH OF SCOTLAND

Table 9.1

## HILL FARM CASE STUDY — NORTH OF SCOTLAND

	(1)	(2)	(3)	(4)		
	At U.K. Prices and Costs 1971/72	At E.E.C. Prices and Costs 1971/72	At E.E.C. Prices and Costs 1977/78	Increases in 1971/72 U.K. Prices needed to cover loss of subsidies		
	£	£	£	£	%	
<b>SALES</b>						
Cattle	450	600 <sup>(1)</sup>	630	870	+93	
Sheep	1,500	1,500 <sup>(2)</sup>	1,800 <sup>(6)</sup>	2,895	+93	
Wool	650	300 <sup>(3)</sup>	300	300		
Miscellaneous	50	50	60	50		
<b>TOTAL</b>	<b>2,650</b>	<b>2,450</b>	<b>2,790</b>	<b>4,115</b>		
<b>EXCHEQUER SUPPORT</b>						
Cows	280	—	}	—		
Calves	140	—		—		
Sheep	940	—		?	—	
Other	105	—		—		
<b>TOTAL</b>	<b>1,465</b>	<b>—</b>		<b>—</b>		
<b>TOTAL GROSS OUTPUT</b>	<b>4,115</b>	<b>2,450</b>	<b>2,790</b>	<b>4,115</b>		
<b>VARIABLE COSTS</b>						
Feed	430	520 <sup>(4)</sup>	620			
Wintering	225	280	400			
Lime and Fertiliser	200	250 <sup>(5)</sup>	400			
Other	450	450	580			
<b>TOTAL</b>	<b>1,305</b>	<b>1,500</b>	<b>2,000</b>			
<b>FIXED COSTS</b>						
Regular Labour	850	850	1,360			
Power	250	250	340			
Other Overheads	560	560	760			
<b>TOTAL</b>	<b>1,660</b>	<b>1,660</b>	<b>2,460</b>			
<b>TOTAL COSTS</b>	<b>2,965</b>	<b>3,160</b>	<b>4,460</b>	<b>2,965</b>		
<b>NET FARM INCOME</b>	<b>1,150</b>	<b>-710</b>	<b>-1,670</b>	<b>1,150</b>		

## Notes

- (1) 33 per cent increase
- (2) Present E.E.C sheep prices are similar to U.K.
- (3) Reduced by subsidy element (55 per cent)
- (4) 20 per cent cost increase
- (5) Increased by present subsidy paid
- (6) Assumes that the large projected rise in beef prices will increase demand for mutton so that sheep prices rise 20 per cent