THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE

Memorandum Series No. 164.

Agricultural Planning in Ireland

Robert O'Connor

Paper given to the annual conference of the Agricultural Economics Society of Ireland, October 1982

December 1983

Price IR£2

Agricultural Planning in Ireland

by

R. O'Connor

Introduction

In his classic work "Agriculture in an Unstable Economy" Prof. T.W. Schultz (1945) said that " A great part of the farm problem is likely to arise through business fluctuations and the unbalanced expansion of the economy. Farm prices and farm incomes are affected by the decisions and policies of workers and households, of business firms and of government agents. The basic causes of the farm problem - the low earnings of most farm people and the great unstability of income from farming are not within agriculture but elsewhere in our economy."

These views were expressed at a time when support policies for farm produce were not widely adopted and when most farm prices were subject to all the vagaries of the market. Since then protectionist policies for agriculture have been widely adopted throughout the world but despite these, agricultural prices and farmers incomes can never be fully independent of the business cycle. Even within the Common Market which has a very highly developed system of agricultural price supports we are still liable to get wide fluctuations from year to year. Despite intervention prices for pig meat, the pig cycle in Europe is probably more severe than in pre - EEC days and there are many years when producers margins are squeezed to zero. Similarly with the cattle prices. The Cattle Crisis in 1974 was associated with the oil problem of that year and the subsequent world depression. The present difficulties of farmers are related to the current depression and high non-farm inflation rates. Hence we must agree with Schultz that a great part of the farm problem is likely to come from outside the farm sector, from an area over which the farmer has no control. Agricultural planners should therefore keep this in mind and not be too disappointed if their projections do not always work out, if problems arise which they have not forseen or if despite carefully thought-out policies growth is erratic or non-existant. The fluctuations in the business cycle are likely to dominate all farm plans at least in the short-term. We may well ask therefore, why do we go to the trouble of planning at all ?

Schultz T.W. 1945 Agriculture in and Unstable Economy, McGraw Hill Book Co. Inc. New York.

Why do we plan

We make plans in order to bring a certain amount of order into the chaos which is all round us. If we adopt a "laissez faire" (leave it alone) attitude the economic system will work automatically but the results may not be what the Government desires either economically or socially. The price system will tend to allocate resources in the most efficient way possible but this may have very undesirable side effects particularly for the poorer members of society who do not have the resources available to benefit from the system. Under this type of free enterprise regime the rich tend to get richer and the poor poorer. This breeds dissatisfaction and discontent and may in the ultimate lead to civil strife. We have had war in Ireland about land division in previous centuries.

Planning attempts to create more egalatarian conditions whereby the trade offs between efficiency, (income growth) equity, (income distribution) and stability in price levels are balanced in some acceptable way. Some economists would argue that in a democratic society we cannot do this; that powerful market forces will prevail regardless, and that we are only deluding ourselves if we think that by indicative planning we can control these forces at work. According to these commentators the planner is as pathetic as King Canute of old who stood with a saucepan trying to keep back the inrushing tide.

I'm afraid I do not hold with this school of economists. I believe that governments, through sensible monetary and fiscal policies, can control to some extent the wild market forces which prevail. Enlightened taxation and social welfare policies can be used to redistribute income from the richer to the poorer sections of society; life can be made easier for the old, the infirm and for those who cannot cope. In the long run, of course, the meritocracy will win out but despite this the less able can always be helped. I believe that planning should be used to control the free market system, and that it can work, if not perfectly, at least to some reasonable extent.

How do we plan at the macro level

Normally a macro agricultural plan is one element in an overall national plan but it is possible to prepare an agricultural plan on its own without fitting it into the wider framework. If this is to be an effective exercise however the government must be prepared to accept the targets set and implement whatever policies are suggested for the implementation of the plan. But whether or not the agricultural plan is part of a national plan, the planning method is the same.

In making an agricultural plan two procedures are possible. The planner can set an overall growth target for the sector based usually on past trends, and then arrange the growth of the individual enterprises to produce this target. He can also start at the other end by reviewing the major enterprises, setting targets for these and aggregating these targets to give the sectoral target. Usually the experienced planner does both these things simultaneously. In setting targets for the individual enterprises he has in mind an overall growth target and he arranges the pieces to give him the desired whole.

This may appear like cheating but one could be very far out if one added up individual projections without taking into account an overall contraint. Normally growth in the Agricultural Sector in all developed countries is slow - around 2 per cent per annum in volume of gross output. There is little point therefore in specifying a very much higher rate; it is not likely to be achieved. Indeed unless some exceptional technical or economic development is expected to take place during the planning period the overall growth rate should be based fairly closely on historical trends. There is no point in being too optimistic, though there will be political pressure on the planners to set unrealistically high trends. Politicians like to be optimistic but they can also be quite devastating if their optimism is not shown to be correct. There are examples of statisticians being liquidated because they showed that targets had not been met.

As a preclude to planning, the individual enterprises should be reviewed carefully to see what has been happening in these areas in recent years. Since it is the individual enterprises which give the overall growth the constraints on these are very important. The constraints can be technical or economic and a vital part of the exercise is to examine these constraints in order to see if they can be alleviated. For example on the technical side a major constraint may be plant or animal disease, soil erosion, water logging, drought conditions, deficient machines etc. These deficiencies will come to light in the reviews and suggestions for their alleviation should be included in the plan. In making these suggestions however some kind of a cost/benefit analysis should be undertaken to determine if the removal of a constraint can be recommended on economic grounds, i.e., can large land reclamation, drainage, irrigation, or disease eradication proposals be justified. Indeed in some cases the whole plan may consist of a cost/benefit analysis of some binding constraint which if removed would revolutionise the whole economy of a country.

The economic constraints are likely to be at the market end. The planner must determine where extra output will be sold and at what kind of price. Will this price be sufficiently attractive to bring forth the desired output, and if not, can price supports be introduced ? It is here that the agricultural plan impinges very much on national policy issues and for that reason some fairly senior member of the Ministry of Finance should always be included in the planning team. He will give the other members some idea of the finances which may be available to implement the plan while these members in turn may be able to convince the finance person that certain expenditures are worthwhile, if not from an economic, at least from a social point of view.

The important point to be kept in mind is that in setting targets for the individual enterprises the capacity to handle the increased output and the marketing channels must be specified while the policies required to achieve the targets should be enunciated in detail. These points should all be brought together in writing up the plan and the total policy and other costs aggregated so that both the planners and financial authorities can compare the projected returns with the costs.

Brief Review of Agricultural Planning in Ireland

First Programme for Economic Expansion

The first programme for economic expansion (Whitaker 1958)* has been rightly hailed as a major departure in Irish planning. At the time of its introduction in the late 1950's modern planning theories were just beginning to be articulated and for that reason it is not surprising that the planning ideas put forward were not very sophisticated. In fact the programme while devoting considerable attention to the analyses of past policies did not have a formal planning methodology behind it. It envisaged an annual increase in GNP at constant prices of two per cent for the coming five years but did not give a break down of the figures between different sectors of the economy.

The main objective of the agricultural part of the programme was to obtain a substantial increase in cattle output, since beef was the most important agricultural product in the country, and one which could be sold on export markets without a subsidy. The increased output was to be obtained through a dynamic grassland policy, brought about by increased use of subsidised fertilisers. Except for the latter, little attention was paid

* Whitaker, T.K. 1958 Economic Development, Dublin, Stationery Office.

to the specification of other policy instruments. The support prices already in existence for a large number of commodities were to be left mainly unaltered.

Outcome

The overall target set for GNP in the first programme was more than achieved, the increase between 1958 and 1963 at constant prices being about 18.5 per cent (3.5 per cent per annum). Industrial output was the main factor contributing tc this growth, the increase being 42 per cent in volume or 7.2 per cent per annum on average. The growth in agricultural output on the other hand was very disappointing. Between 1957 and 1963 the volume of net agricultural output increased by less than 1 per cent. The rapid industrial growth and the agricultural stagnation which occurred at the same time are in strange contrast and are difficult to rationalise. However, Kennedy and Dowling (1975) say that the overwhelming achievement of the first programme was in dissipating the prevailing pessimism even before recovery from economic depression had begun. If this is a correct appraisal of the situation then the first programme could be said to have set the stage for the agricultural development which took place in later years, but which took longer than industry to get underway.

Second Programme for Economic Expansion

The second programme for economic expansion appeared in 1963. In preparing this plan the Department of Agriculture produced a detailed projection of the agricultural sector and of the output of the materials which would be used by the agriculture based industries. At this stage earlier growth targets were refined and one of 2.9 per cent per annum between 1960 and 1970 was adopted for the volume of gross agricultural product or an average of 3.8 per cent per annum for the period 1963-1970. This was to contribute to an average growth in the volume of GNP of 4.14 per cent per annum for the decade 1960-1970 or 4.3 per cent per annum from 1963-1970. Projections were made for the different agricultural enterprises and in addition policy instruments aimed at achieving these targets were worked out. For example the calved heifer subsidy scheme and an increase of 2d per gallon in the price of milk were introduced in an effort to increase cow numbers which had remained at a level of about 1.2 million for a very long period.

A temporary support scheme on beef exports was also introduced which was made more permanent with the conclusion of the Anglo-Irish Free Trade Area Agreement in 1965. Guaranteed prices continued to be paid for pigs and attractive rates of grants were made available for piggery construction. Guaranteed prices were also maintained for important crops while smaller schemes of various kinds were introduced for sheep and poultry. Not alone this but the various schemes were kept under review in subsequent years and altered where necessary. (C.F. Agriculture in the Second Programme for Economic Expansion 1964 and Annual Reports of Minister of Agriculture and Fisheries 1964/65 - 70/71).

Despite the detailed research involved in its construction the agricultural section of this plan did not work out very well. Few if any of the actual targets were reached. Though direct subsidies on milk products increased substantially, the actual output in 1970 was 14 per cent less than target. The target for cattle on the other hand was almost achieved as was also that for barley. In contrast sheep and wool production declined below the 1963 level as also did those of eggs, oats and potatoes. The last items, however, were not of great significance. The growth in gross agricultural product between 1963 and 1970 was only 9.2 per cent compared with about 29 per cent planned. The growth in the volume of GNP was more satisfactory being 28.7 per cent compared with an increase of 35 per cent projected.

Inability to achieve EEC membership during the period of the plan was without doubt partly responsible for the disappointing agricultural out-turn but the plan could be criticised on the ground that the overall growth rate of 3.8 per cent per annum for a period of 7 years was far too optimistic when judged by previous Irish records and achievement in EEC countries.

The Third Programme for Economic and Social Development 1969-72.

The third programme which was drawn up against the background of a National Industrial Economic Council (NIEC) report on full employment had included in it a social dimension which it was hoped would shape the social aspects of Irish life in accordance with National aspirations. The agricultural projections in the published document were however not nearly as detailed as those in the Second Programme.

As if learning a lesson from the first and second programmers those drafting the third programme were far more modest in their outlook for agriculture. The average annual rate of growth in gross agricultural product aimed at was $1\frac{3}{4}$ per cent or just over 7 per cent for the whole period. This was estimated as being equivalent to an increase of 11 per cent in the volume of gross agricultural output over the period or 2.7 per cent per annum. The volume of GNP was projected to increase by 17 per cent over the four year period while the accompanying rate of increase in employment (16,000) was expected to reduce emigration to an average annual level of 12,000-13,000. The programme stated that the commodities envisaged as likely to make the greatest contribution to growth were cattle and pigs; an expansion in sheep and wool output was also envisaged but prospects for expansion in the output of poultry, eggs and crops were not considered as being very bright. No targets however were set for the different enterprises and we cannot therefore make detailed comparisons of achievements with projections.

Production Incentives

In May 1968 it was announced that the government intended to terminate the Calved Heifer scheme on 30 June 1969. To replace this the government introduced a new Beef Cattle incentive scheme, the purpose of which was to expand beef production without at the same time increasing commercial milk production. The scheme which came into operation on the 1 April 1969 applied to herds not engaged in the commercial production of milk and provided for the payment of an annual grant of £8 for each calved cow in excess of two in such herds. The scheme was designed to offer a definite incentive for increased beef production vis-a-vis milk on which a state subsidy of over £25 million was paid in 1968/69.

Other incentives for the cattle sector were an improvement in artificial insemination service, grants for the improvement of meat export premises and increased emphasis by An Foras Taluntais on research in relation to beef, and cattle feeding. The Minister for Agriculture also announced the establishment of a livestock and meat export promotional board (CBF) which would be concerned with the export of cattle, sheep, beef, mutton and lamb and take over responsibilities for promotional activities in connection with all meat export marketing.

On the dairying side emphasis was placed on the improvement of milk quality and the rationalisation of the milk processing sector through amalgamation of the smaller co-operatives into larger units. Heavy State subsidation of milk quality production was also to continue but through rather a controversial two tier price system whereby higher prices per gallon were paid to smaller rather than larger producers.

Guaranteed minimum prices for pigs were increased and a farrowed sow scheme which had been in operation from 1966 to 1968 was replaced by a scheme applicable to the western counties only. A new scheme was also introduced designed to encourage the establishment of large scale pig fattening units. It replaced a previous system of guaranteed loans, by the provision of outright grants. On the pig marketing side grading of pigs was to be brought under review and incentives were to be made available for the establishment of factories for the production of diversified pig meat products. Various other grants and incentives were introduced also but those listed above are the more important.

Outcome of the Third Programme

The overall targets aimed at in the third programme were more than achieved. Between 1968 and 1972 gross agricultural product increased by 14.5 per cent as against 7 per cent planned while gross agricultural output increased by 13.6 per cent as against 11 per cent planned. There were also substantial increases in cow and cattle numbers, but sheep numbers declined. Pigs also increased in the first two years but then started to decline in the usual cyclical manner. The barley acreage also increased but total tillage declined.

The increase in the overall growth rate was no doubt influenced by our impending entry to the EEC. Agricultural prices rose considerably over the period and there was a general air of optimism among farmers. It was also a boom period for business generally. The volume of GNP rose by 18.5 per cent between 1969 and 1972 compared with a projected expansion of 17 per cent.

The Accession of Ireland to the EEC

When the negotiations for Ireland's accession to the EEC were nearing completion, the Government issued a white paper. (The Accession of Ireland to the European Communities January 1972) explaining the outcome of the negotiations, the terms agreed and the Government's assessment of these terms.

On the agricultural front the volume of gross agricultural output was projected to increases by one third between 1970 and 1978 and it was estimated that this rise together with the movement to EEC prices could mean a doubling of farm incomes at 1970/71 EEC prices, over the same period. It was expected that cattle, beef, milk and dairy products generally would account for the major part of the agricultural expansion but some increase in sheep and pig outputs were also expected. The acreage under tillage was considered unlikely to change appreciably with an increase in barley and some fall in wheat.

The annual growth rate in the output of manufacturing industry was estimated to average $8\frac{1}{2}$ per cent per annum compared with a rate of $6\frac{1}{2}$ per cent in the 1960's. The overall national growth in volume of GNP was estimated to average nearly 5 per cent per annum.

The main targets and outcomes are summarised in Table 1.0.

Table 1 Agricultural, Industrial and National Projections and Outcomes. 1970 and 1978

Commodity	Unit	1970 (000)	1978 Actual (000)	Target (000)
Live Cattle Output	No	1449	1813	1949
Milk Output	Gallons	656	999	1000
Pigs Output	No	2085	2108	-
Sheep & Lambs Output	No	1404	1604	-
Milch Cows	No	1713	2096	2250
Wheat	Acres	233.7	122.1	-
Oats	"	168.0	76.3	-
Barley	"	529.5	959.9	-
Gross Agric. Output	Index	100	134.8	133.3
Gross National Product	"	100	136.2	147.8
Industrial Output	"	100	150.0	192.1

This table shows that the volume of gross agricultural output turned out almost as projected. Looking at the different enterprises we see that the output of live cattle while increasing substantially on the 1970 level fell somewhat short of target. Similarly with the number of milch cows. The shortfall in these enterprises was no doubt due to the severe cattle crisis in 1974, though it could also be argued that the crisis was exacerbated by the rapid expansion in cattle numbers which had taken place in anticipation of EEC entry. Milk output reached target over the period due to both increases in dairy cow numbers and expansion in milk yields. Output of sheep, lambs, and pigs also increased somewhat but the acreage under wheat and oats declined. The acreage under barley on the other hand increased substantially. There was also a considerable expansion on manufacturing industry (50%) though not to the extent expected (92%). GNP also fell short of target, the growth being 36 per cent as against about 48 per cent planned. This shortfall however was not surprising when account is taken of the 1973 oil crisis and the subsequent depression generated.

<u>Economic and Social Development 1976 - 1980</u>

This green paper which was produced in September 1976 reviewed the present economic situation and its causes, stressing in particular the world wide recession and inflation following the oil crisis in 1973. Following this review the paper attempted to forsee the situation towards which the economy would tend (in the light of expected international developments) if action were not taken to redirect it. From this examination it was concluded that uncontrolled movement would lead to continuing high inflation, mounting balance of payments deficits, drastic cuts in public expenditure, an unacceptable level of taxation, an impossible borrowing requirement and growing unemployment. The economy could not for long be allowed to move towards this situation and means were therefore suggested aimed at avoiding such unacceptable prospects.

The first priority in this situation was to keep the economy competitive. This meant getting the rate of increase in manufacturing wage costs down to about $4\frac{1}{2}$ per cent a year which would bring price rises in Ireland down to the target rates of competing countries. Policy measures aimed at reducing the rate of inflation were also discussed.

On the assumption that cost competitiveness could be maintained and that policies could be re-oriented to support increased investment, the growth potential of the economy was assessed and the results incorporated into a projection of reasonable growth for the period up to 1980. It was projected that gross output in manufacturing industry could expand at an average annual rate of some 9 per cent over the period 1976-1980. If this growth rate could be obtained employment in manufacturing industry could rise by about 50,000 over the period.

A detailed assessment of the likely growth in the output for individual commodities showed that it would be possible to achieve a growth rate of 6 per cent a year in gross agricultural output in 1977-1980 compared with 3.2 per cent in the period 1971-1976. Growth at this rate would require a substantial increase in the put of farm materials particularly of fertilisers and feed, so that the net result would be a growth rate of 4.7 per cent a year in the sectoral product of agriculture. The agricultural labour force was expected to decline over the period to 1980 by 3500 a year which would be well under half the rate in the 1960's.

A number of measures were suggested to achieve these projections. Among them were agreement with the Social partners on wage restraint, a reorganisation of the tax rate to reduce the liability on business and certain individuals, expansion of training and retaining programmes, the establishment of an Industrial Development Corporation to exercise a supervisory and co-ordinating role over the activities of existing promotional agencies, measures to promote productivity by associating employees more closely with the enterprises such as worker participation schemes etc.

On the agricultural front the paper mentioned more productive use of grasslands, increased milk yields, an expansion of tillage and activity by the Government to influence the EEC policies to the advantage of Irish Farmers. Beyond this no specific policy instruments were mentioned.

The projections in the green paper and estimated outcomes are summarised in Table 2 which shows that the industry and service targets for employment were realised whereas the industrial production and GNP targets were not. Agricultural output and employment also fell below the projected levels.

Table 2: Agricultural Industrial and National Projections and Outcomes (Where Available) 1977-1980

Item	Input	Output or Number		
			1980	
		1976	Actual	Target
Gross Agricultural Output	Index	100	115	126
Output of Manufacturing Industry	"	100	122	141
Gross Domestic Product	"	100	117	126
Employment in				
Agricultural Forestry Fishing	No	242	220	228
Industry	"	304	372	359
Services	"	488	571	508
Total	"	1034	1163	1095

Other Government Development Programmes

Since 1976 there have been three further White Papers on National Development. The first, National Development 1977-1980, set targets similar to those for the 1976-1980 programme with, of course, the same results. Outcomes fell well short of targets. Policies in this paper not mentioned in previous programmes were the establishment of a Land Development Authority which would be responsible for structural reform, and the encouragement of long term leasing to assist young farmers in acquiring land. The second White Paper was entitled Programme for National Development 1978-1981. This made very slight revisions to the 1977-1980 Programme and set sectoral targets for increase employment of 25,000 per annum and GNP of 6 per cent per annum for the period 1979-1981. As a result of the depression these targets have not been realised and there is little point in discussing them further. The third White Paper "Investment in National Development 1979-1983" set a target of 3-4 per cent per annum for gross Agricultural Output, a target of 6 per cent per annum for crop output mainly barley, and a growth rate of 3 per cent per annum for livestock numbers. Again, because of the depression these targets are unlikely to be achieved.

The ACOT Programme 1981-1986

All the programmes discussed above were prepared for the Government by the Civil Service, sometimes, though not always, in consultation with outside experts. A departure from this procedure which is worthy of recording was made in the case of the ACOT programme.

When ACOT was set up as a semi-state organisation in 1980 it was asked by the Taoiseach to prepare a national agricultural programme. This innovation had certain merits. The advisory service would have a more positive say than heretofore in the planning exercise, new points of view could be put forward and it could be argued that if advisors were associated with the programme they would be very interested in its implementation.

The disadvantage of such an approach are, of course, obvious. The programme would have to be approved by both the Civil Service and the Government and if either felt in any way hostile or disapproved of the findings the chances of implementation would be remote.

The procedure adopted in preparing the ACOT programme was as follows:-

(1) An expert steering group of ten people was appointed by the Council of ACOT to prepare the report. This group which was chaired by Dr. J. Callaghan of ACOT consisted of people from the Department of Agriculture, CSO, ACOT, AFT, ICOS, Bord Bainne, UCD and ESRI. These members were selected on the basis of their own expertise and not as representatives of their organisations.

(2) The expert steering group in turn set up a number of working groups to prepare reports on the different commodities and sectors based on terms of reference supplied by the steering group. Twelve such groups were established for the following commodities or sectors:- cattle/beef, dairying, cereals, horticulture/tillage, sheep, pigs, poultry, horses, farm development schemes, The Common Agricultural Policy, land use, and services for agriculture. Each group submitted a report to the steering committee.

(3) When the commodity and other reports were received they were reviewed by the steering group which then prepared the programme on the basis of these

papers. The programme consisted of a table showing current agricultural outputs and expenditure, projections for 1986 and short reviews of the various sectors, together with policy recommendations. An Appendix was included giving a brief cost/benefit analysis of the policies proposed.

It might be mentioned that in the course of preparing the final reports two preliminary reports were submitted to the Government outlining the problems then facing farmers and making suggestions for their alleviation. Most of these suggestions were adopted by the Government. Unfortunately the final report was not published and for that reason I give as an Appendix to this paper the table of projections given in it. As can be seen Gross Agricultural Output was projected to increase by 2.1 per cent per annum between 1980 and 1986 and income arising by 2.4 per cent per annum. As might be expected the bulk of the increase, if it comes about, will have to come from cattle and milk and the group spent considerable time in thinking of ways and means whereby cattle production could be made less risky and more profitable. The recommendations in this regard are set forth in the report and need implementation if Irish agriculture is to progress.

Though everybody might not agree with the projections, or with the policies recommended for their attainment, the report is in many ways the most comprehensive and best researched document on Irish agriculture yet produced. The Commodity Committees reviewed all the available research in their areas and this knowledge together with their own expertise ensured in depth contributions on all sectors. Copies of the commodity reviews are available from ACOT.

It should be mentioned however that the preparation of the report was not all smooth sailing. The exercise was begun in 1980 at a time when Irish agriculture was undergoing one of the worst recessions since the 1930s. There was "gloom and doom" on all sides and the steering group was not immune. Indeed in the early stages some members argued that it was impossible to make forward plans in the circumstances prevailing and suggested that the exercise be deferred until some kind of a reasonable recovery had taken place.

As time progressed, however, conditions improved somewhat and the pressure for postponement decreased. I mention this to indicate how the economic climate can affect the attitude of planners. Indeed an important point raised at some of the earlier meetings might be discussed here, namely:- whether or not it is possible to make realistic plans when the economic outlook is bad.

Other Plans

As mentioned above, the ACOT programme, though submitted to the Government, was never published. Instead two further plans were prepared or are currently in course of preparation. One is being produced in the Department of Agriculture with the assistance of a small group of outside experts and will form part of a comprehensive economic plan for the whole economy. I understand that this plan lays down broad guidelines for future agricultural policies but it does not go into much detail regarding the different commodities.

The second plan is being prepared by a representative group composed of people from Government departments, institutions, semi-state bodies and farmers organisations. It is expected that this will be a very comprehensive programme and considering the constitution of the group it is hard to see how it can differ greatly from the ACOT Report.

Summary and Conclusions

In the period of the first programme, the projection for GNP was more than fulfilled whereas there was very little movement in agricultural output. In the period of the second programme, the projection for GNP was not achieved and there were also large shortfalls in GAP and GAO. In the third programme all the targets were achieved, the out-turn for GAP being almost twice that projected. The achievement for GNP in the EEC Accession White Paper fell far short of target due no doubt to the 1974/75 recession but the target for GAO was just over achieved. In the final period between 1976 and 1981 both the GNP and agricultural achievements were much less than the targets.

It is difficult to draw any firm conclusions from these figures as to the success or failure of the planners. Certainly in the early years from 1958 to 1967 the agricultural growth rate was very slow and it looked as if the planners who had taken a very optimistic view, were widely off target. After this date, however, things seemed to pick up on the agricultural front and there was a reasonable concordance between target and turn-out over the next 10 years or so. Ireland's proposed and actual accession to EEC was mainly responsible for these favourable results; the planners' optimism was justified.

Now that we are full members of the EEC however and the transitional price rise period is over, it would seem that growth rates in agriculture are going to be much lower than in the 1970-80 decade. Hence, it would appear that very optimistic projections cannot be justified in future years. Policy makers however should not feel too badly about this situation. Normally agriculture is a slow growing sector in all countries. The Irish conditions over the period 1970 to 1978 were abnormal and we cannot hope for their continuance.

Appendix: AGRICULTURAL OUTPUT EXPENSES AND PRODUCT 1980 AND 1986

VALUED AT 1980 PRICES

Product	Unit of Quantity	Quantity 1980	Quantity 1986	Value (£'000) 1980	Value (£'000) 1986	% Change
Cattle	(000)	1,644	1,870	593,815	644,450	8.4
Milk	Mill gal.	1,006	1,190	539,612	638,000	18.2
Sheep	(000)	1,483	1,780	53,185	65,462	23.1
Wool	Tonnes	5,893	6,875	5,392	6,609	22.6
Pigs	(000)	2,166	2,500	131,463	150,581	14.5
Horses	(000)	12	12	8,145	9,000	22.8
Poultry				48,762	59,132	21.3
Eggs	Million	450	505	18,689	20,973	12.2
Other Products				2,032	2,200	8.3
Wheat	Tonnes (000)	239	312	21,496	28,061	30.5
Oats	"	41	40	3,624	3,536	-2.4
Barley	"	1,247	1,371	107,031	117,674	9.9
Oil Seed Rape	"	-	15	-	3,800	-
Sugar Beet	"	1,154	1,300	32,504	36,616	12.7
Potatoes	"	327	313	29,233	27,981	-4.3
Fruit & Vegetables and other crops	-	-	-	56,455	58,650	3.9
Turf (farmers)	Tonnes (000)	914	840	14,179	13,031	-8.1
Total Gross Output				1,665,617	1,885,756	13.2 (2.1)
Feed, Seed and Fertiliser				502,772	580,000	15.4
Net Output including livestock changes				1,162,845	1,305,756	12.3 (2.0)
Expenses of Agriculture				471,000	527,670	-
Net Output less Expenses				691,845	778,086	-
Plus subsidies not related to sales				48,000	75,000	-
Income arising (Net Agricultural Product)				739,845	853,086	15.3 (2.4)