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1978

Business Statistics Office

Business Monitor

**Report on the
Census of Production**

**Formulated pesticides,
etc**

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Report on the Census of Production 1978

Formulated pesticides, etc

Presented by the Secretary of State for Industry
to Parliament in pursuance of the Statistics of Trade Act 1947
(10 & 11 Geo.6 Cha.39 sec 7)

Department of Industry
Business Statistics Office

London: Her Majesty's Stationery Office

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PA279.4 FORMULATED PESTICIDES ETC.

PA279.4

The information in this report relates to establishments classified to the Formulated pesticides, etc., industry, minimum list heading 279.4 in the Standard Industrial Classification (revised 1968). The activities of the industry include:—

Manufacturing formulated pesticides, sheep dips, weedkillers and other phytosanitary products and disinfectants. Fertilizers and Antiseptics are excluded.

In interpreting the data in the tables it is essential to bear in mind the notes and definitions which commence on page (iii).

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TABLE 1

PA279.4

Output and costs, 1974-1978
All United Kingdom establishments classified to the industry (a)

	Unit	1974	1975	1976	1977	1978
Enterprises	Number	61	59	55	55	57
Establishments	"	65	63	58	57	60
Sales of goods produced	£ thousand	82,075	118,900	125,210	159,300	164,799
Receipts for work done and industrial services rendered	"	(b)	(b)	409	(b)	70
Capital goods produced for establishments' own use	"	164	344	465	466	939
Non-industrial services rendered	"	430	777	126	262	422
Goods merchanted or factored	"	98,160	113,690	126,162	172,248	176,446
Total sales and work done (c)	"	180,830	233,711	252,371	332,276	342,677
Increase during the year, work in progress and goods on hand for sale	"	5,829	5,590	2,199	5,959	7,078
Gross output	"	186,659	239,301	254,570	338,235	349,754
Purchases of materials for use in production, and packaging and fuel	"	56,240	76,979	62,673	78,789	89,217
Purchases of goods for merchenting or factoring	"	70,218	77,535	87,418	125,427	114,985
Increase during the year, stocks of materials, stores and fuel	"	5,349	5,711	3,904	2,731	1,015
Cost of industrial services received	"	1,936	2,187	2,161	2,836	3,222
Net output	"	63,613	88,311	106,222	133,914	143,345
Total employment (d)	Thousands	4.3	4.7	4.3	4.2	4.2
Net output per head	£	14,712	18,786	24,571	31,539	33,960
Payments for non-industrial services						
Hire of vehicles, plant and machinery	£ thousand	642	1,037	1,041	878	1,038
Rents of industrial and commercial buildings	"	(e)	(e)	553	545	568
Commercial insurance premiums	"	321	572	623	619	812
Bank charges	"	54	40	65	73	99
Other non-industrial services	"	6,331	8,859	9,008	10,214	14,490
Licensing of motor vehicles	"	28	32	41	50	64
Rates, excluding water rates	"	359	587	546	584	633
Gross value added at factor cost	"	55,878	77,183	94,346	120,950	125,641
Gross value added at factor cost per head	£	12,923	16,419	21,824	28,486	29,766

(a) Including estimates for establishments not making satisfactory returns, non-response and establishments not selected for the Census. Satisfactory returns accounted for 88 per cent of employment within the industry.

(b) Included in sales of goods produced.

(c) Details of manufacturers' quarterly sales of principal products are published regularly in Business Monitor PQ279.4

(d) Average number employed, including full and part-time employees (see table 7) and working proprietors.

(e) For 1974 and 1975 rents of industrial and commercial buildings were not recorded separately, but included in hire of vehicles, plant and machinery.

TABLE 2

PA279.4

Capital expenditure, 1974-1978
All United Kingdom establishments classified to the industry (a)(b)

	£ thousand				
	1974	1975	1976	1977	1978
Land and buildings					
New building work	693	985	1,255	1,856	3,367
Land and existing buildings					
Acquisitions	503	717	574	162	(c)
Disposals	8	-	211	-	28
Vehicles					
Acquisitions	344	642	730	794	1,177
Disposals	100	135	145	206	389
Plant and machinery					
Acquisitions	3,367	4,819	6,995	6,621	5,006
Disposals	156	10	602	11	(d)
Total net capital expenditure	4,645	7,018	8,597	9,217	9,134

(a) Including estimates for establishments not making satisfactory returns, non-response and establishments not selected for the Census.

(b) Capital expenditure in respect of manufacturing establishments where production had not commenced before the end of the year, is included.

(c) Combined with Land buildings New building work.

(d) Combined with Plant and machinery Acquisitions.

TABLE 3

Stocks and work in progress, 1974-1978
All United Kingdom establishments classified to the industry (a)

	£ thousand				
	1974	1975	1976	1977	1978
	Increase				Value at end of year
Materials, stores and fuel	5,349	5,711	3,904	2,731	1,015
Work in progress	677	955	425	431	517
Goods on hand for sale	5,152	4,635	1,774	5,527	6,561
Total	11,178	11,302	6,103	8,689	8,093
					74,081

(a) Including estimates for establishments not making satisfactory returns, non-response and establishments not selected for the Census.

TABLE 4

PA279.4

Analysis of establishments by size, 1978
All United Kingdom establishments classified to the industry (a)

Size group (b)	Estab-lish-ments	Enter-prises (c)	Employment			Wages and salaries (f)			
			Total (d)	Opera-tives	Others (e)	Operatives		Others (e)	
						Total	per head	Total	per head
Number	Number	Number	Number	Number	Number	£ thousand	£	£ thousand	£
1-10	33	32	164)						
)						
11-19	7	7	105)						
)	439	292	1,351	3,077	1,208	4,137
20-49	3	3	83)						
)						
50-99	5	5	399)						
)						
100-199	5	5	749	270	478	810	3,001	2,246	4,698
200 and over	7	7	2,721	1,176	1,545	5,102	4,338	7,811	5,056
Total	60	57	4,221	1,885	2,315	7,264	3,854	11,265	4,866

- (a) Including estimates for establishments not making satisfactory returns, non-response and establishments not selected for the Census.
 (b) Average number employed, including full and part-time employees (see table 7) and working proprietors.
 (c) The sum of the figures for the size groups may exceed the total for the industry because some enterprises control establishments in more than one size group.
 (d) Including working proprietors.
 (e) Administrative, technical and clerical employees.

PA279.4

Total sales and work done (g)	Gross output	Net output		Gross value added at factor cost		Net capital expenditure (h)	Total stocks and work in progress at end of year
		Total	per head	Total	per head		
£ thousand	£ thousand	£ thousand	£	£ thousand	£	£ thousand	£ thousand
25,922	26,501	9,458	12,594	(j)	(j)	757	8,032
29,863	30,815	13,377	17,859	16,171(j)	10,781(j)	1,154	10,564
286,892	292,439	120,510	44,289	109,471	40,232	7,223	55,485
342,677	349,754	143,345	33,960	125,641	29,766	9,134	74,081

- (f) The cost of employers' contributions to national insurance, pensions and welfare schemes and the running costs of canteens, is estimated for the industry at £3,258 thousand.
 (g) Sales of goods produced, capital goods manufactured and buildings constructed by establishments for their own use, work done, industrial and non-industrial services rendered and merchanted goods.
 (h) New building work plus acquisitions less disposals of land and existing buildings, vehicles and plant and machinery.
 (j) Gross value added data relate to establishments employing 1-199.

TABLE 5

PA279.4

Regional distribution of employment, net capital expenditure, net output and gross value added at factor cost, 1978
All United Kingdom establishments classified to the industry (a)

Area	Total employment (b)		Net capital expenditure (c)		Net output (d)	Gross value added at factor cost (d)	Gross value added at factor cost returned by establishments with 80 per cent or more of their employment in the region as a proportion of total gross value added at factor cost in the region
	Thousands	per cent of United Kingdom	£ thousand	per cent of United Kingdom	£ thousand	£ thousand	percentage
Standard regions of England							
North	*	*	*	*	*	*	*
Yorkshire and Humberside	*	*	*	*	*	*	*
East Midlands	*	*	*	*	*	*	*
East Anglia	0.7	15.7	2,208	24.2	34,870	29,723	39.2
South East	2.1	50.2	3,689	40.4	87,844	79,999	93.0
South West	*	*	*	*	*	*	*
West Midlands	**	*	*	*	*	*	*
North West	0.3	7.5	347	3.8	6,444	4,900	34.4
England	3.8	89.7	8,724	95.5	138,580	122,003	/
Wales	*	*	*	*	*	*	*
Scotland	*	*	*	*	*	*	*
Great Britain	4.2	100.0	9,134	100.0	143,345	125,641	/
Northern Ireland	—	—	—	—	—	—	—
United Kingdom	4.2	100.0	9,134	100.0	143,345	125,641	/

(a) Including estimates for establishments not making satisfactory returns, non-response and establishments not selected for the Census.

(b) Average number employed, including full and part-time employees (see table 7) and working proprietors.

(c) New building work plus acquisitions less disposals of land and existing buildings, vehicles and plant and machinery.

(d) Where a census return covered addresses in two or more regions, an estimate of the net output attributable to each address was made by assuming that net output was proportionate to employment. An estimate for each region was obtained by aggregating estimates of net output for addresses located in that region. Gross value added at factor cost is treated similarly.

TABLE 6

PA279.4

Percentage analysis of twelve-month periods covered by returns received from United Kingdom establishments, 1978

Accounting year ended	Percentage of total returns received	Percentage of total number employed
	per cent	per cent
1978 April (a)	—	—
May	—	—
June	12.5	15.2
July	—	—
August	6.2	24.5
September	6.2	0.6
October	—	—
November	6.2	4.7
December	62.5	48.4
1979 January	—	—
February	6.2	6.6
March (b)	—	—

(a) From 6th April.

(b) Including returns made for twelve-month period ended 1st to 5th April 1979.

TABLE 7

Percentage analysis of employees, by full and part-time employment and sex, 1977(a)
Other chemical industries, minimum list heading 279

Sex	Full-time	Part-time	All employees
	per cent	per cent	per cent
Male	63	1	64
Female	29	7	36

Source: Department of Employment

(a) The percentages relate to the numbers employed (excluding working proprietors) in the United Kingdom in minimum list heading 279 at mid-June, 1977. In the 1977 Census of Production the employment of the Formulated Pesticides etc. industry represented 7 per cent of the employment of minimum list heading 279 as a whole.

TABLE 8

PA279.4

Operating ratios, 1977-1978
All United Kingdom establishments classified to the industry (a)

	Unit	1977	1978
Gross output per head	£	79,660	82,861
Net output per head	£	31,539	33,960
Gross value added per head	£	28,486	29,766
Gross value added as a percentage of gross output	%	36	36
Ratio of gross output to stocks		5.1	4.7
Wages and salaries as a percentage of gross value added	%	14	15
Ratio of operatives to administrative, technical and clerical employees		0.8	0.8
Wages and salaries per administrative, technical and clerical employee	£	4,368	4,866
Wages and salaries per operative	£	3,353	3,854
Net capital expenditure per head	£	2,171	2,164
Net capital expenditure as a percentage of gross value added	%	8	7

(a) Including estimates for establishments not making satisfactory returns, non-response and establishments not selected for the Census.

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Notes

These notes give the main information needed for interpreting the figures in the industry Business Monitors: more detailed information about the census is given in a separate Business Monitor PA 1001 (Introductory Notes) of the Report on the Census of Production, 1978.

GENERAL INFORMATION

Changes made for 1978

The Census for 1978 is in line with similar inquiries being conducted in other member countries of the European Economic Communities.

The census differed from earlier censuses in three respects. Sampling was introduced for establishments employing 20 to 49 and a sample of smaller units was selected. A new question on the leasing of capital assets was included for 1978 only. This will provide register information for use in related inquiries into leasing.

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Establishments are asked to exclude from their returns particulars relating to any department not engaged in production eg merchanting, transport, warehousing, for which they keep a separate set of accounts. Transfers of goods produced to such departments are treated as sales and respondents are asked to value them as far as possible as if sold to an independent purchaser. Where separate accounts are not kept they are asked to include details of all these activities in their return.

Particulars relating to head offices mainly engaged in the administration of the production units within the scope of the census were included. Where more than one return was made the information in respect of the head office was apportioned among them.

For certain purposes in the annual censuses of production (especially the enterprise analyses of Business Monitor PA 1002) related establishments are combined. An enterprise group is defined as a business consisting of either a single establishment or two or more establishments under common ownership or control. Bringing together establishments into enterprise groups is also necessary for the purpose of ensuring that there will be no disclosure of the activities of any one enterprise group. Information about the relationship of establishments, the changing structure of groups of companies and about common ownership links is obtained from many sources, including the Stock Exchange Year Book, company reports, press reports and information supplied by individual establishments.

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The regions defined in Table 5 take account of the boundary changes arising out of the Local Government Act 1972 and the Local Government Act (Scotland) 1973. These changes came into effect in April 1974 in England and Wales and May 1975 in Scotland.

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Working proprietors

These include all persons regarded as "self-employed" for national insurance purposes and members of their families who worked in the business without receiving a wage or salary; but such persons who worked less than half the normal number of working hours are excluded. Directors working in the business but not in receipt of a definite wage, salary or commission are included under this heading: directors paid by fee only are not included.

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Administrative, technical and clerical employees include directors in receipt of a definite wage, salary or commission, managers and works foremen; research and design employees (other than operatives); draughtsmen, editorial staff, advertising staff, travellers and all office employees.

Operatives include all other classes of employees, that is, broadly speaking, all manual wage earners. They include operatives employed in power stations, transport (including roundsmen), warehouses, stores, shops and canteens, inspectors, maintenance workers and cleaners. Operatives engaged in outside work of erecting, fitting etc are also included, but outworkers are excluded.

Capital expenditure

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This represents the cost incurred during the year of new building and other constructional work to be used in connection with the business covered by the return. The value is that charged to capital account during the year of return; it includes expenditure on new buildings and on the extension or reconstruction of old buildings, the value of works of a capital nature carried out by the establishment's own staff and the cost of any newly constructed buildings purchased. Figures shown include legal charges, stamp duties, agents' commissions, etc.

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Notes

These notes give the main information needed for interpreting the figures in the industry Business Monitors: more detailed information about the census is given in a separate Business Monitor PA 1001 (Introductory Notes) of the Report on the Census of Production, 1978.

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customers; and of food, etc for any canteen covered by the establishment's return. Transfers of goods to the establishment from another department of the same firm not covered by the establishment's return are included at a cost corresponding to the estimated selling value recorded by the other department. Amounts payable to transport firms or credited to the firm's own transport department for delivery of materials are excluded, as are all purchases of machinery and plant charged to capital account. Purchases of goods for merchanting or factoring have been collected separately since 1973. The values shown exclude VAT. They include, in addition to the actual purchase price, the value of packaging material charged to the establishment. The value of returned goods or packaging material returned to suppliers and any trade discounts are excluded. Materials purchased duty-paid are included at their duty-paid value, less any drawback, rebate, etc. The cost of transport is included only if it is included with the purchase price in the firm's accounts. Imported goods are included at their full delivered cost. If in the firm's accounts the transport from docks or airport is not included in the cost of goods purchased, the cost is entered at cif plus duty (if applicable). Leasing, renting and hire purchase charges are excluded.

Sales of goods produced

Sales for the purposes of the annual censuses means deliveries on sale of goods made by establishments in the United Kingdom covered by the inquiry. Sales of goods made for these establishments by outworkers or by other establishments from materials given out to them and sales of waste products are included. New building work and machinery or other capital items produced by establishments for hiring out or leasing are regarded as sales, the value included in the return being that adopted in the establishments' capital asset accounts. Forward sales and canteen takings are excluded. All sales in the period of the inquiry are included irrespective of when the goods were manufactured. Goods produced in one establishment and transferred either to ancillary departments not engaged in production for which there are separate accounts, or to another establishment of the same firm not covered by the return, are treated as sales by the producing establishment and valued as far as possible as if they had been sold to an independent purchaser. Goods transferred to wholesale or retail selling organisations, for which separate accounts are kept are valued on the same basis. The value shown for sales is the "net selling value" defined as the amount (excluding VAT) charged to customers whether on an ex-works or delivered basis, after any trade discounts and agents' commissions have been deducted. The cost of packing materials less allowance for returnable cases is included. In industries where products attract Excise Duty the value stated is usually inclusive of duty if sold duty-paid and exclusive of duty if sold in bond or exported.

Receipts for work done and industrial services rendered

Figures for work done represent the amount charged for work carried out on materials supplied by a customer and include repair work. Within certain industries this heading covers a wide variety of activities, for example, within the food sector - butter packed on commission; within the textile industries - making up of garments, fur dressing and textile finishing; within printing and publishing - preparatory work on type-setting, block making and binding. Work done is also significant in the electrical machinery and heavy engineering industries, covering erection, installation and repair and jobbing work. Other activities within this heading include exploration work, research and development, glass cutting and dressing and planing of timber. Industrial services rendered include repairs and maintenance, installation work, and technical research and studies for other organisations.

Capital goods produced for establishments' own use

This includes all work of a capital nature carried out during the year by the establishments' own staff for their own use.

Non-industrial services rendered

This includes rents received for commercial and industrial buildings, amounts charged for hiring out plant, machinery and vehicles and other goods and amounts charged to other organisations for the provision of transport. It also includes amounts received for the right to use patents, trademarks, copyrights etc, manufacturing and quarrying rights and technical "know-how" and revenue from such staff facilities as canteens.

Goods merchanted or factored

Merchanted goods are those (excluding canteen sales) sold without having been subjected to any manufacturing process by the seller.

Stocks and work in progress

Values are given of stocks of goods on hand for sale and of materials, stores and fuel, at the end of the year of return and of the change during the year, including any stocks of goods held for merchanting or factoring. Work in progress is defined as materials which have been partially processed by the establishment but which are not usually sold or transferred to another establishment without further processing. The values include the cost of materials consumed and labour used. Progress payments made to sub-contractors are excluded and progress payments received from other organisations are not deducted.

Wages and salaries

These are amounts paid during the year to operatives and to administrative, technical and clerical employees. Payments to working proprietors, whether called salaries or not, are excluded. The values shown include all overtime payments, bonuses and commissions, whether paid regularly or not, and no deduction is made for income tax, insurances, contributory pensions etc. The value of redundancy payments less any amounts reimbursed from Government sources is included. The value of any payments in kind, travelling expenses etc is included.

Remuneration paid to outworkers

The remuneration paid to outworkers (ie persons employed by the establishment who do their work in their own homes) is generally on a piece-work basis. Only amounts paid to outworkers whose names appear on the establishment's payroll are included. Amounts paid to outworkers by sub-contractors are excluded.

Employers' insurance and welfare contributions

This item includes employers' contributions to national insurance under the Social Security Pensions Act, 1975 as well as commercial insurance premiums to provide pensions, superannuation or other retirement benefits, sickness benefits, personal accident benefits, disability or death benefits for employees or former employees or their dependants. Contributions to the running costs of canteens, social centres, children's and holiday homes, etc for employees, former employees and their dependants are also included.

Operating ratios

The operating ratios shown were obtained by dividing the estimate of the industry total for the quantity shown in the numerator by the corresponding estimate for the quantity shown in the denominator. These estimates cover all establishments classified to each industry, including not selected establishments and non-respondents. Within an industry, it is possible to compare ratios for an individual firm with the ratios shown for the relevant industry. However, it is important to bear in mind that various factors may affect the results - for example, differences in definitions, treatment of depreciation (which is not identified in the census data) and varying practice with regard to stock valuation, may affect comparability in some respects.

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