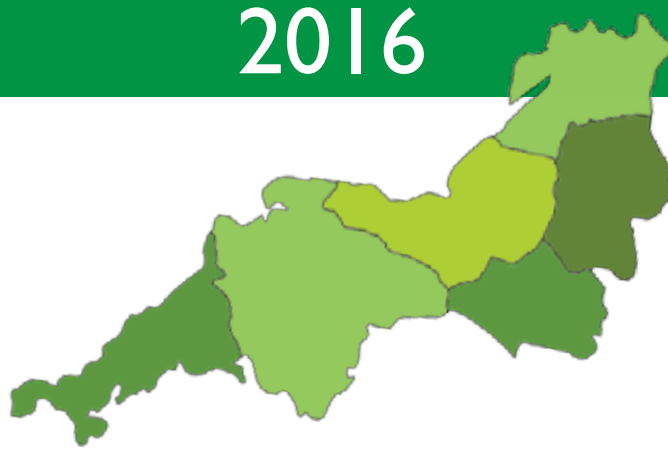


Farm Business Management Digest

2016



South West England
Farm Business Survey



Farm Business Management Digest 2016

South West England

2014/15 financial year data

February 2016

Copies of this book may be obtained from:

Rural Business School, Duchy College, Stoke Climsland, Callington
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FOREWORD AND ACKNOWLEDGEMENTS

Foreword

I am delighted to introduce the 6th Farm Business Management Digest, which has proved very popular with both industry and students alike. The digest comprises of detailed information relating to hundreds of farms across the Government Office Region of South West England. It is regularly audited and assessed for its independence, authority and statistical accuracy.

This is the sixth year of the new format Rural Business School Digest and has been welcomed by industry and academics as useful and informative. The digest is intended to provide farmers, growers, students and advisors with a benchmarking tool for farm management decisions and commentary on farming for South West England. The digest covers businesses in the six counties of South West England, namely Gloucestershire, Wiltshire, Dorset, Somerset, Devon and Cornwall.

We wish to thank the many hundreds of rural businesses that contribute confidentially to the survey each year. We annually recruit new farmers and growers onto this "in depth" annual survey and would be pleased to send more information regarding the Farm Business Survey Research, in South West England.

The research information comes from the Farm Business Survey which is conducted by Rural Business Research, the Rural Business School (Duchy College and Bicton College) and the University of Reading and is funded by Department of Environment Food and Rural Affairs.

Rural Business Research is a consortium of six universities and colleges across England. For more information please see www.ruralbusinessresearch.co.uk

Acknowledgements

We would like to thank all those involved with the research. The Farm Business Survey Farmers, horticulturists and other rural businesses who provided confidential data for the survey and received back benchmarking information on the performance of their business relative to previous years and similar businesses in the South West region.

Particular thanks go to Keith Robbins, Mark Fogerty and Valerie Darwall for compiling this digest.

Thanks also to the data collection and processing team at Duchy College: - Keith Robbins, Mark Fogerty, Jamie Blake, Valerie Darwall, Ed Hammond, Caroline Lambourne, Linda Lawrance, Greg MacQueen, Andrew Quance, Liz Reddaway, Rachel Rollason, Warren Sanders, Andrew Sheppard, Ann Stitson, Teresa Sturtivant, Marilyn Tasker and Sally Thompson. Thanks also to the FBS team at Reading University.

Richard Soffe FRAg.S

The Rural Business School

Duchy College and Bicton College

February 2016

SECTION 1

Agriculture in South West England, 2014/15

The following is a copy of the report published on the Rural Business Research website, covering the South West Government Office region. Additional weighted whole farm and per hectare data is available from www.ruralbusinessresearch.co.uk

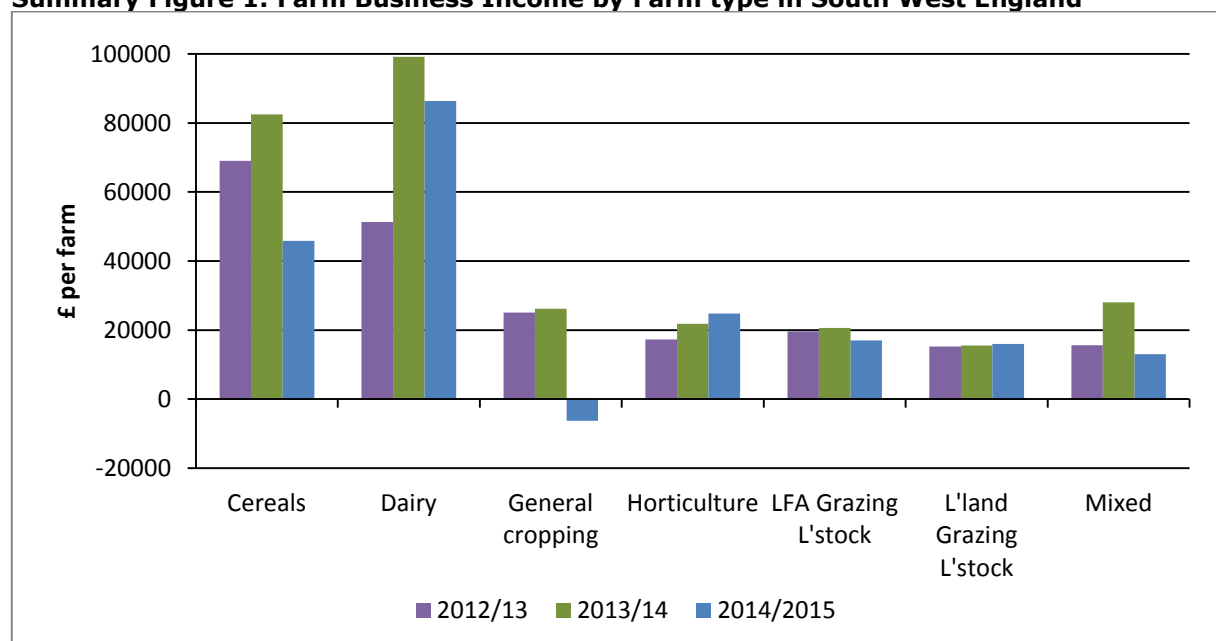
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Agriculture in South West England, 2014/15

Summary results from the Farm Business Survey in South West England, 2014 crop year

- In 2014/15, average Farm Business Income was lower across all robust farm types except lowland grazing livestock farms and horticulture. On lowland grazing livestock farms average incomes increased by 3 percent, whilst on horticulture farms the income increased by close to £2900.

Summary Figure 1: Farm Business Income by Farm type in South West England



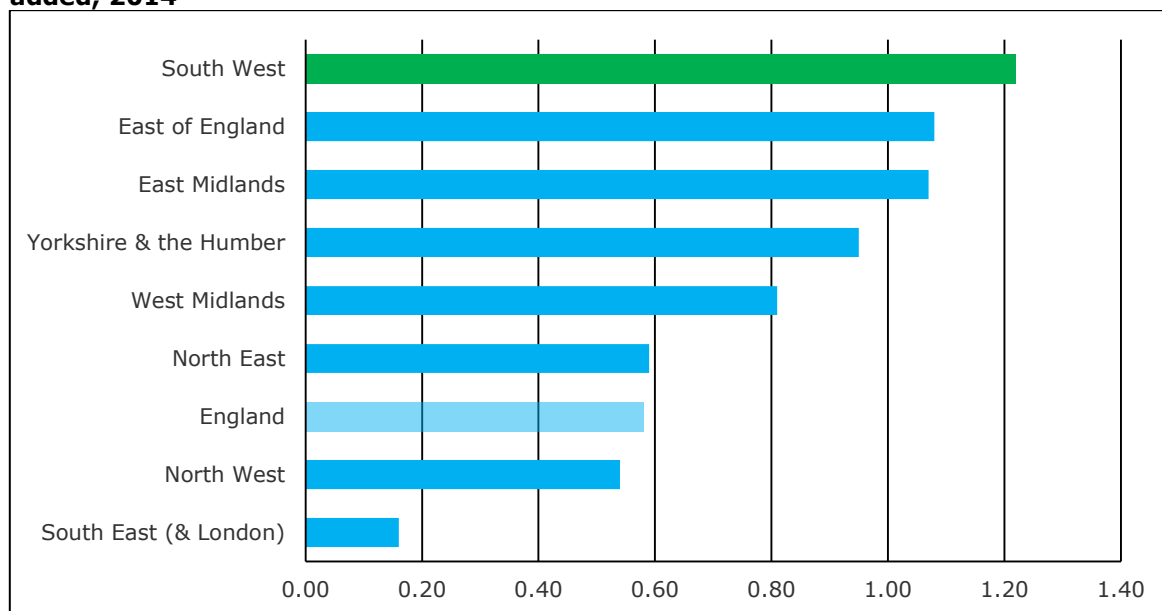
Source: Farm Business Survey, England

- For cropping farms, improved weather and a return to more usual cropping patterns saw a decreased area of spring crops compared to the previous year and an improvement in yields. However, the increased production was more than offset by lower commodity prices due to plentiful supplies on global markets and a strong pound against other currencies.
- On dairy farms the lower average income was driven by a reduced value of output from milk production. Milk prices fell gradually throughout the year but for the first six months were higher than for the same period in 2013. This together with increased volumes partially offset the lower average price for the year as a whole.
- The higher value of the pound against the euro led to a lower Single Payment. It also had a negative impact on prices as domestic production had to compete with cheaper imports and alternative suppliers for export markets.

Introduction

The importance of agriculture in the South West to the wider economy is illustrated in Figure 1. Agriculture contributes to only 0.6% of the English economy but is twice as important to the South West and the highest of all the regions.

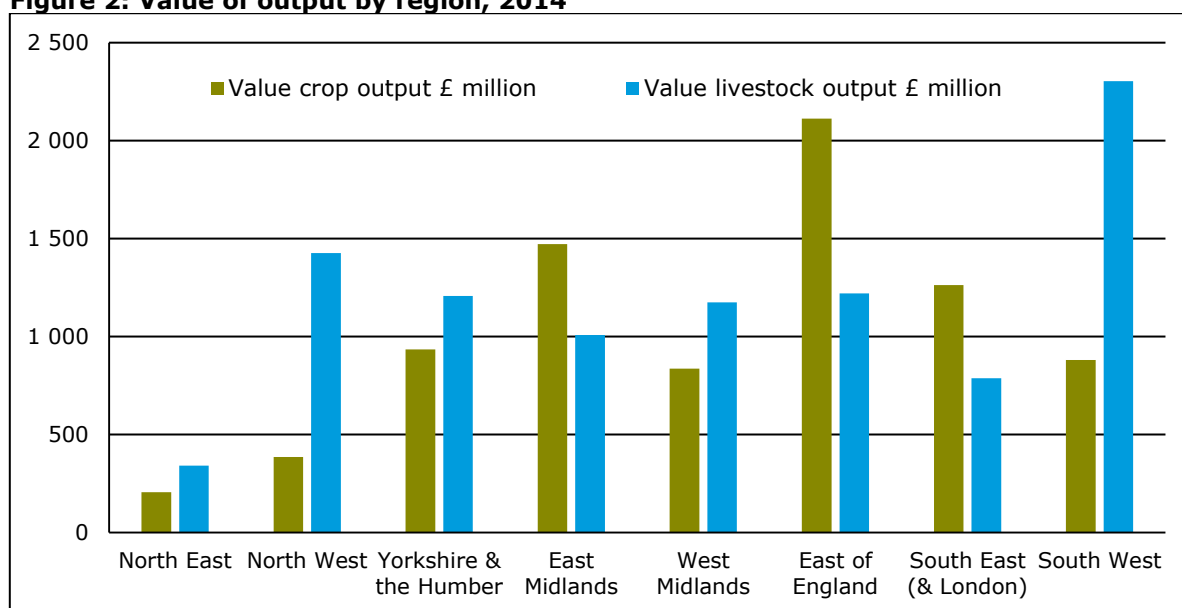
Figure 1: Agricultural gross value added as percentage of total regional gross value added, 2014



Source: Defra, Regional Dataset

The South West is predominantly a grass growing region and therefore is dominated by livestock production (Figure 2). Defra estimated that 24% of the national livestock output comes from the South West, which is close to two thirds larger than the next highest region, while 11% of the crop output comes from the South West.

Figure 2: Value of output by region, 2014



Source: Defra, Regional Dataset

Overview across all farm types

Farm Business Income (FBI) can be considered as comprising of income from four broad cost centres of the business. Some estimation of costs allocation, mainly the fixed costs, is required but the methodology is consistent across all types and gives a broad indication to their contribution to the businesses. The four cost centres are agriculture, agri-environment, diversification and Single Payment Scheme (SPS).

Average South West farm business income across all farm types fell 23% to £32,000 compared to 2013/14. The decrease in farm business income in England as a whole was 8% with the majority of the difference being from agriculture which fell by more in the South West than the whole of England.

Figure 3: Farm Business Income by cost centre, South West England

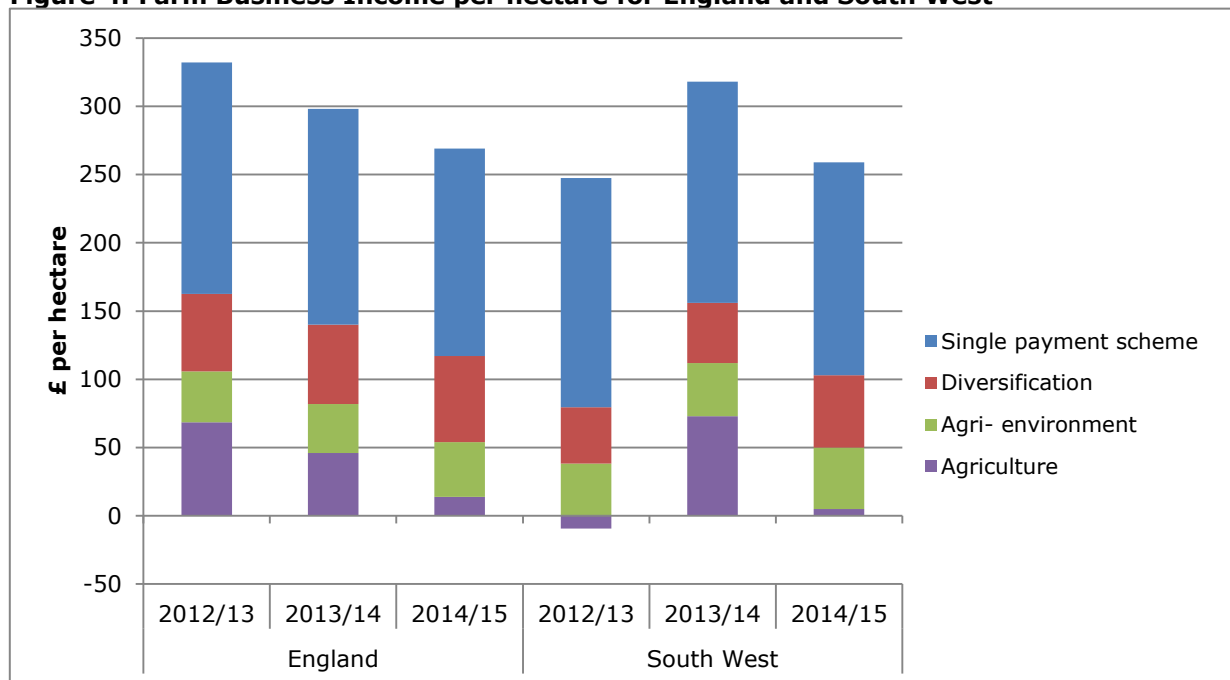


Source: Farm Business Survey, England

Figure 3 above shows the contributions of the four cost centres for 2012/13, 2013/14 and 2014/15. In 2014/15, the contribution from agriculture in the South West across all farm types decreased by nearly £9,000 compared to the previous year. In 2014/15 the Single Payment Scheme cost centre contributed 60% of the total farm business income for the South West which is higher than the national level. The SPS payment for 2014/15 was on average 9% lower than the previous year due mainly to the value of Sterling relative to the Euro. The income from the other two cost centres showed a modest increase.

The average South West farm is smaller, than the average farm across England. Representing these figures on a per hectare basis removes these scale differences and is shown in Figure 4. For 2012/13 the average farm business income was lower for the South West than England but for 2013/14 the South West was 8% higher than the England figure. For 2014/15 the per hectare farm business income in the South West is now similar to the England figure.

Figure 4: Farm Business Income per hectare for England and South West



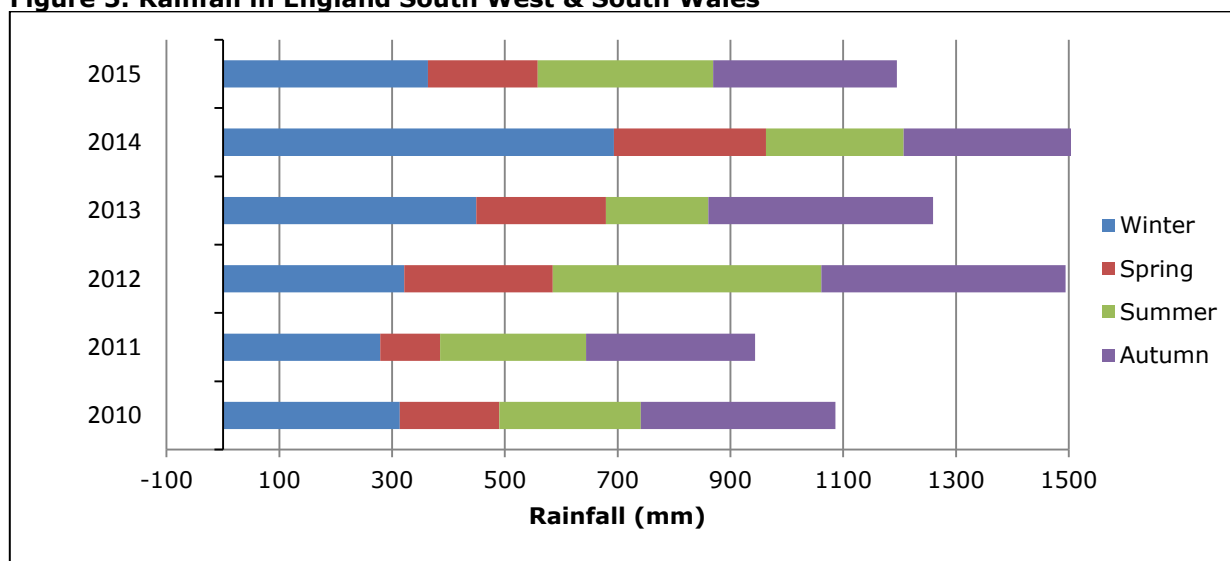
Source: Farm Business Survey, England

Weather

Favourable weather conditions in the autumn of 2013 enabled good establishment of winter cereals the 2014 harvest. The warm spring resulted in good grass growth with livestock being turned out earlier than usual in some parts of the regions and forage production throughout the season was not adversely affected by the weather.

Harvesting of cereals started earlier in some regions with little need for crop drying. However, the cold and wet conditions in August impacted on the harvest in other areas with increased instances of downtime and crop drying.

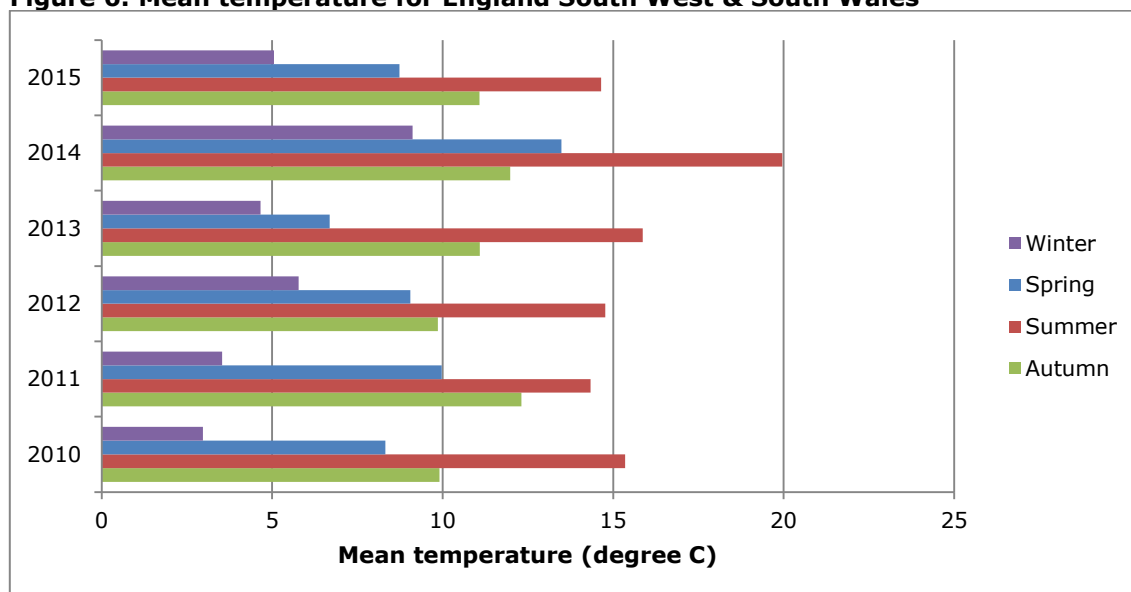
Figure 5: Rainfall in England South West & South Wales



Source: Met Office

Winter=Dec-Feb, Spring=Mar-May, Summer=Jun-Aug, Autumn=Sep-Nov

Figure 6: Mean temperature for England South West & South Wales



Source: Met Office

Winter=Dec-Feb, Spring=Mar-May, Summer=Jun-Aug, Autumn=Sep-Nov

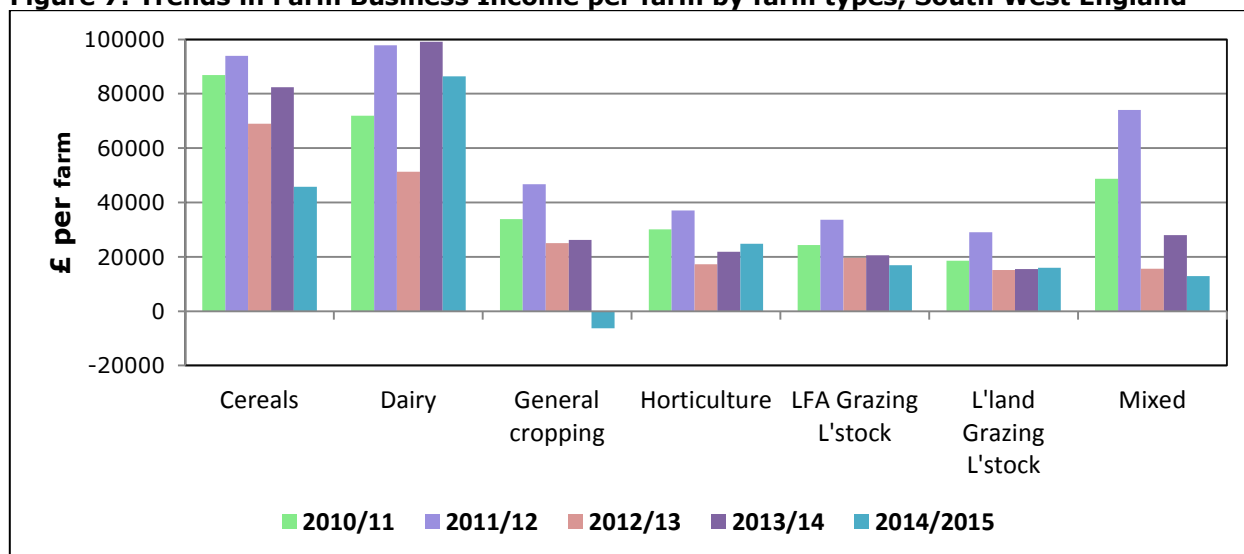
Results by Farm Type

Detailed data covering output, costs and income can be found at:

<http://www.farmbusinesssurvey.co.uk/regional/Data.asp>

Trends in farm business income in the South West are shown in Figure 7 from 2010/11 to 2014/15. In general incomes improved for the first two years to peak in 2011/12 which was a very good year for the South West farm incomes but 2012/13 was very poor with all farm types having substantial reductions in their incomes. 2013/14 saw an increase for all farms, although only dairy has return to the levels of 2011/12. In 2014/15, average Farm Business Income was lower across all robust farm types except lowland grazing livestock farms and horticulture. On lowland grazing livestock farms average incomes increased by 3 percent, whilst on horticulture farms the income increased by close to £2900.

Figure 7: Trends in Farm Business Income per farm by farm types, South West England

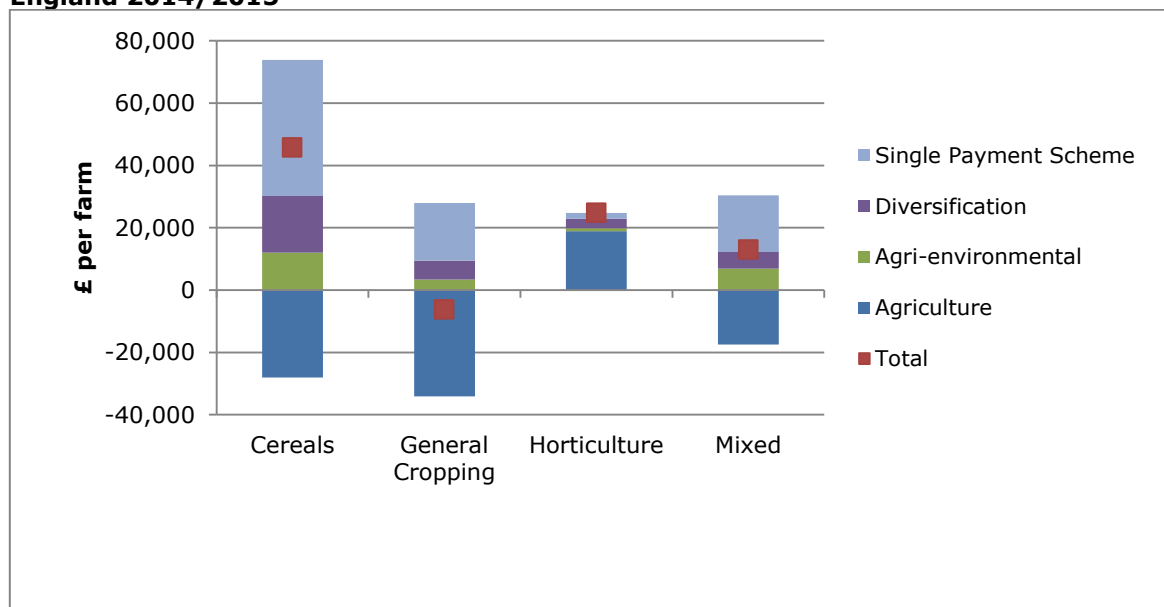


Source: Farm Business Survey, England

Cereal Farms

In 2013/14 the average Farm Business Income fell by 44% to £45,800 as compared to the previous year. Global market pressure meant that market prices decreased (Figure 9) and total farm output decreased by 18%.

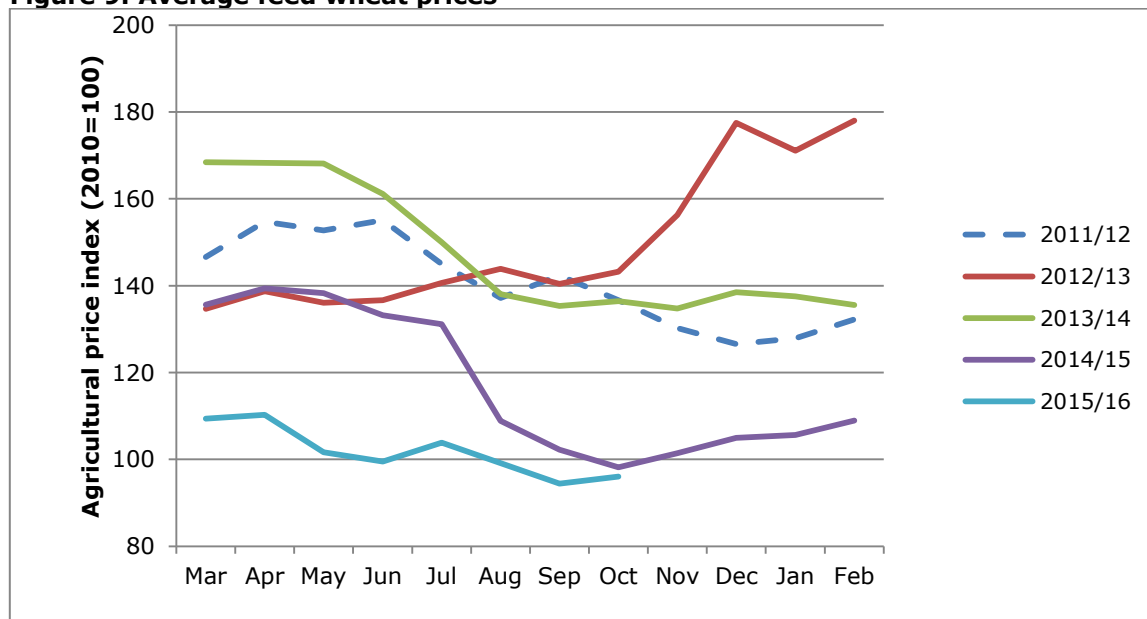
Figure 8: Farm Business Income of cropping type farms by cost centre, South West England 2014/2015



Source: Farm Business Survey, England

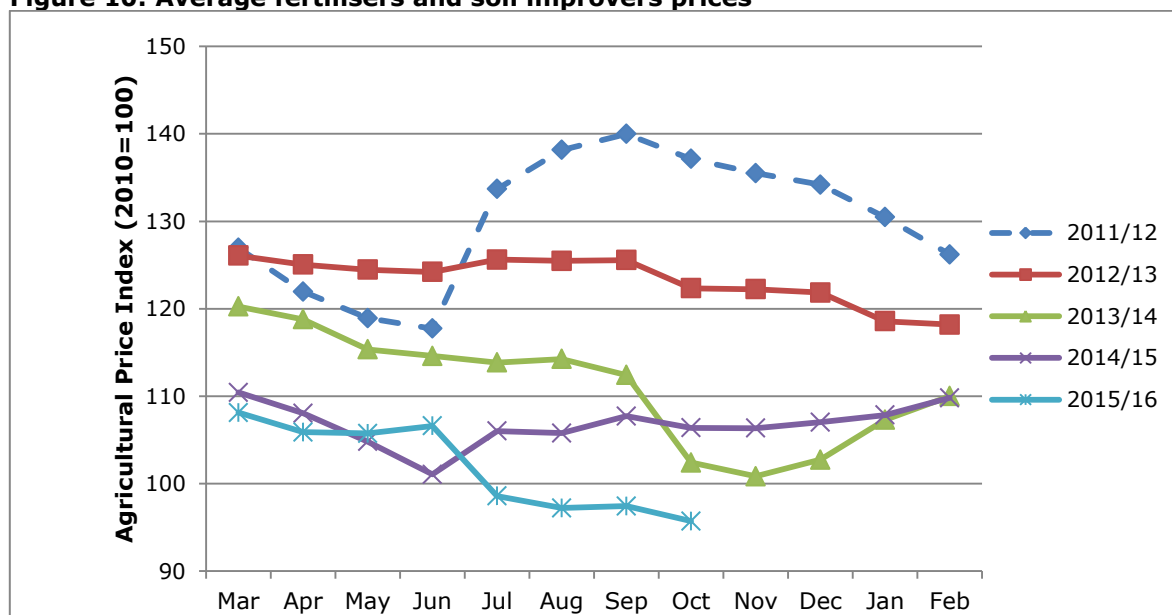
Average seed, fertiliser and crop protection costs were all lower than the previous year. Total variable costs are 13% lower which alongside lower fixed costs (9% lower) were large but the reduction in total costs could not make up for the much lower output in 2014.

Figure 9: Average feed wheat prices



Source: Index of Producer Prices of Agriculture

Figure 10: Average fertilisers and soil improvers prices

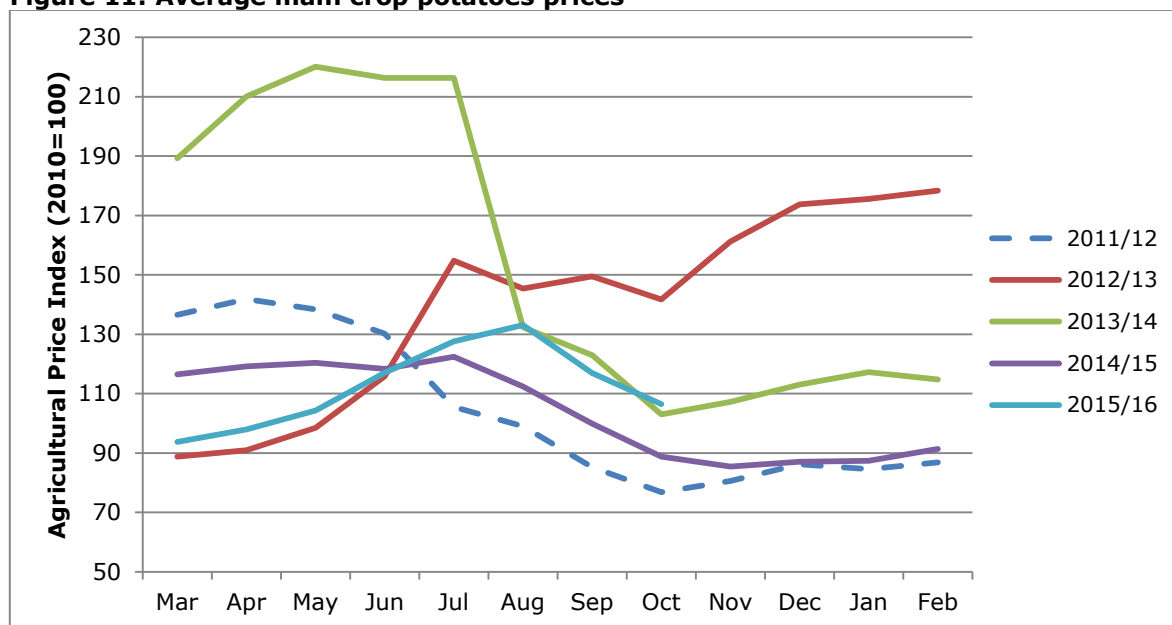


Source: Index of Producer Prices of Agriculture

General cropping

The average farm business income on general cropping farms in 2014/15 decreased by 124% to a loss of £6,200 compared to 2013/14. In the South West of England the potato crop is important to this type of farm and the output from potatoes nearly halved due mainly to the substantial decrease in prices (Figure 11). For this crop year the yields of potatoes increased by 10% in the South West as compared to 2013/14

Figure 11: Average main crop potatoes prices



Source: Index of Producer Prices of Agriculture

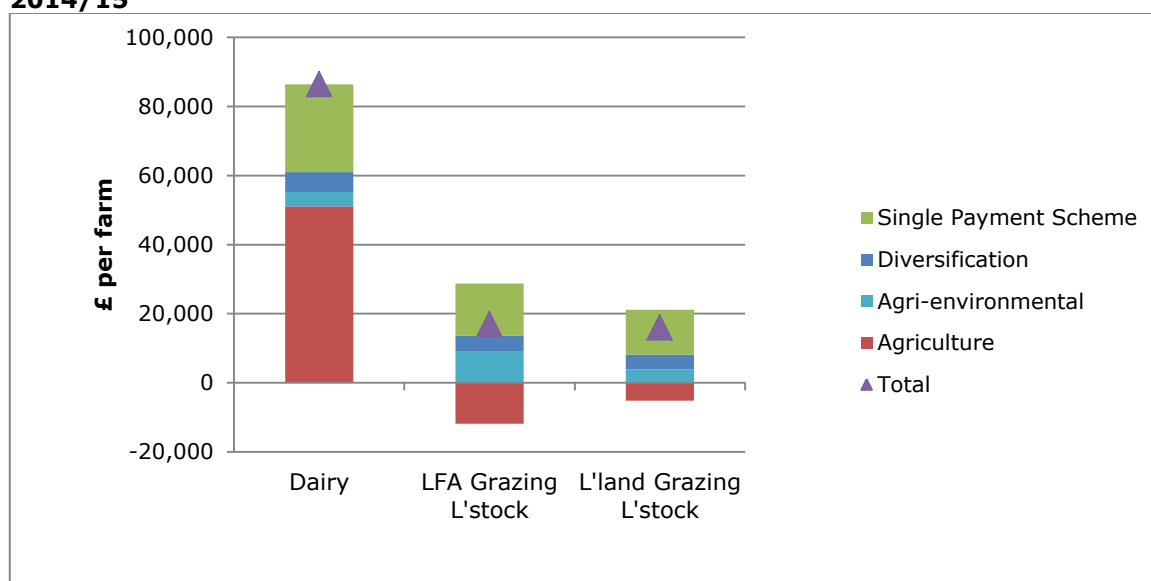
Horticultural farms

Farms in this group cover the three main sectors of fruit, vegetables and non-edibles, grown both outdoors and under cover. The average represents all these types and the Farm Business Income increased by 13% to £24,800 in 2014/15. Total crop output increased by a third, with soft fruit, glasshouse vegetables and outdoor vegetables showing large percentage increases in output. Only glasshouse fruit had a reduction in output. Total variable costs increased by 28% with similar increases over all cost types. Figure 8 shows the cost centres and how the agricultural cost centre is the most important in terms of farm business income to this group of farms and, unlike all other cropping farms is positive.

Mixed farms

In 2014/15 the Farm Business Income for mixed farms fell by over half, the second largest decrease in income of all the farm types in the South West. Their average Farm Business Income is £13,000 per farm. Total farm output fell by 26% with a lower output from crops and livestock output. Total inputs were 25% lower with lower variable and similar fixed inputs. The agriculture cost centre (Figure 4) made a loss of £17,000 which then means the SPS cost centre of £18,200 is 140% of the total Farm Business Income.

Figure 12: Farm Business Income of the grazing livestock farms by cost centre, 2014/15



Source: Farm Business Survey, England

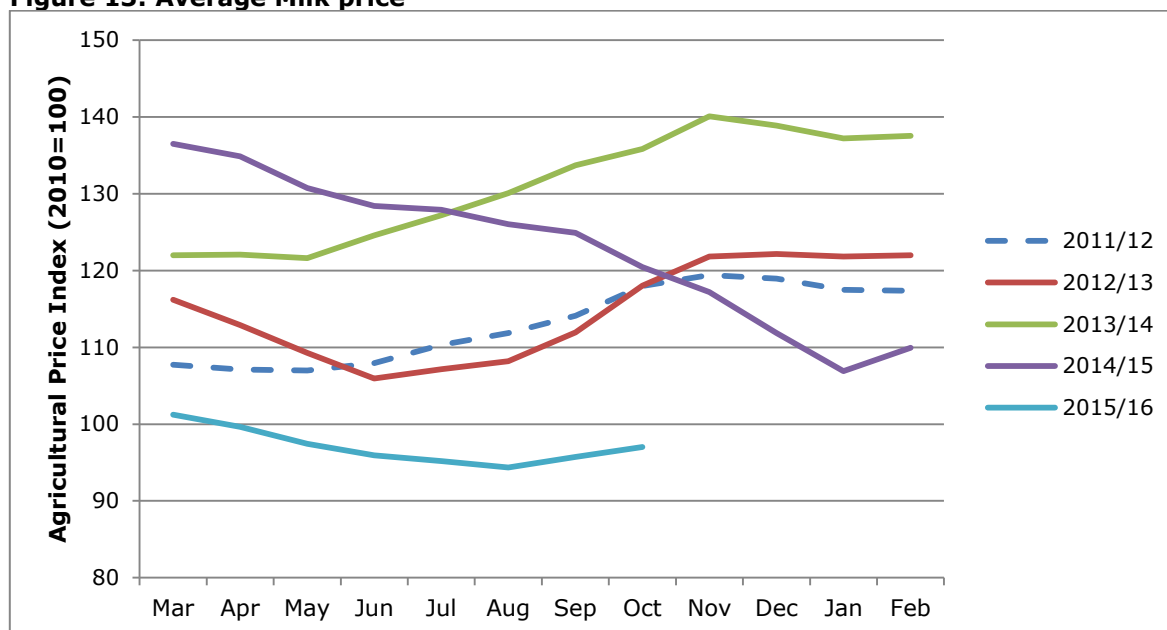
Dairy farms

The average Farm Business Income on Dairy farms was £86,000 in 2014/15, a fall of 13% in income compared to the previous year. Total farm output decreased by 7% with average milk price down 3% (Figure 13) and a lower yield per cow (down approximately 3%) from a similar number of cows kept.

Total input costs decreased by over 5% compared to the previous year with feed (Figure 14) decreasing over 15%. The cost of compound feed was lower throughout the second half of 2014/15 year.

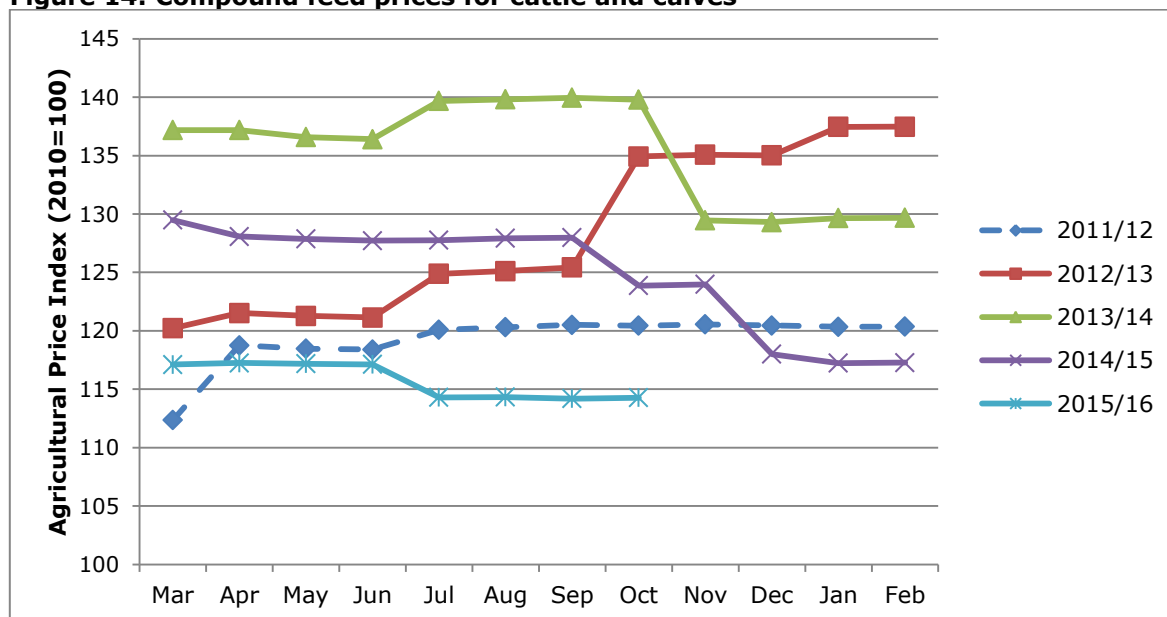
The Agriculture Cost Centre for the Dairy farms was positive (£51,000) which along with Horticulture were the only 'land using' farm types to do so in 2014/15

Figure 13: Average Milk price



Source: Index of Producer Prices of Agriculture

Figure 14: Compound feed prices for cattle and calves

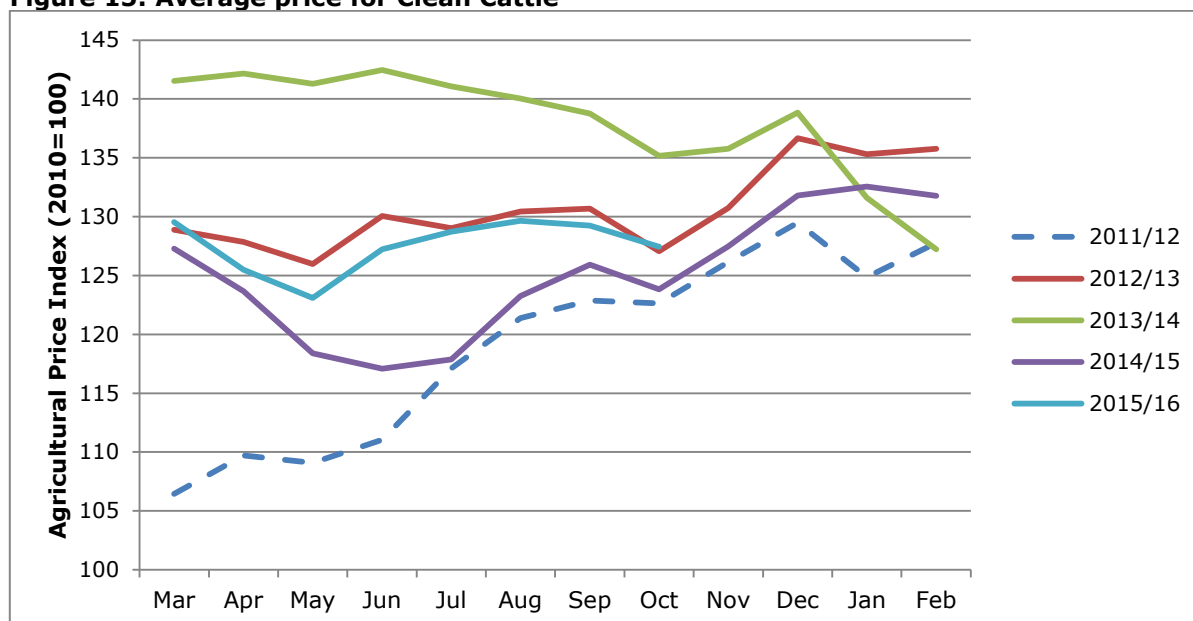


Source: Index of Producer Prices of Agriculture

Grazing Livestock Farms (Lowland)

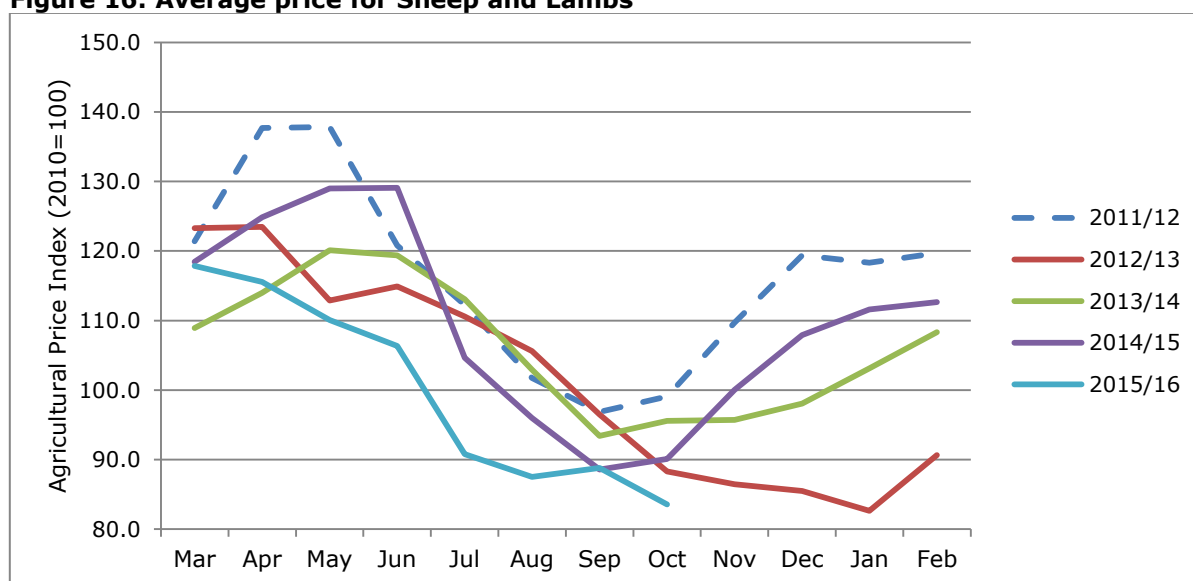
The average Farm Business Income on Lowland Grazing Livestock farms increased by 3% to £16,000. Total output increased by 2% with an increase in output from sheep of over 11% (Figure 16). Cattle output fell by 6%. Total input costs are only slightly higher (2%) with a larger increase of fixed costs (7%). On average these farms failed to make a positive return from agriculture reflecting the difficult trading conditions for beef and sheep farmers throughout the year (Figure 12). The contribution from the Single Payment Scheme was significant on these farms, representing 81% of total Farm Business Income despite the fact these payments fell by 3% due mainly to lower exchange rate.

Figure 15: Average price for Clean Cattle



Source: Index of Producer Prices of Agriculture

Figure 16: Average price for Sheep and Lambs



Source: Index of Producer Prices of Agriculture

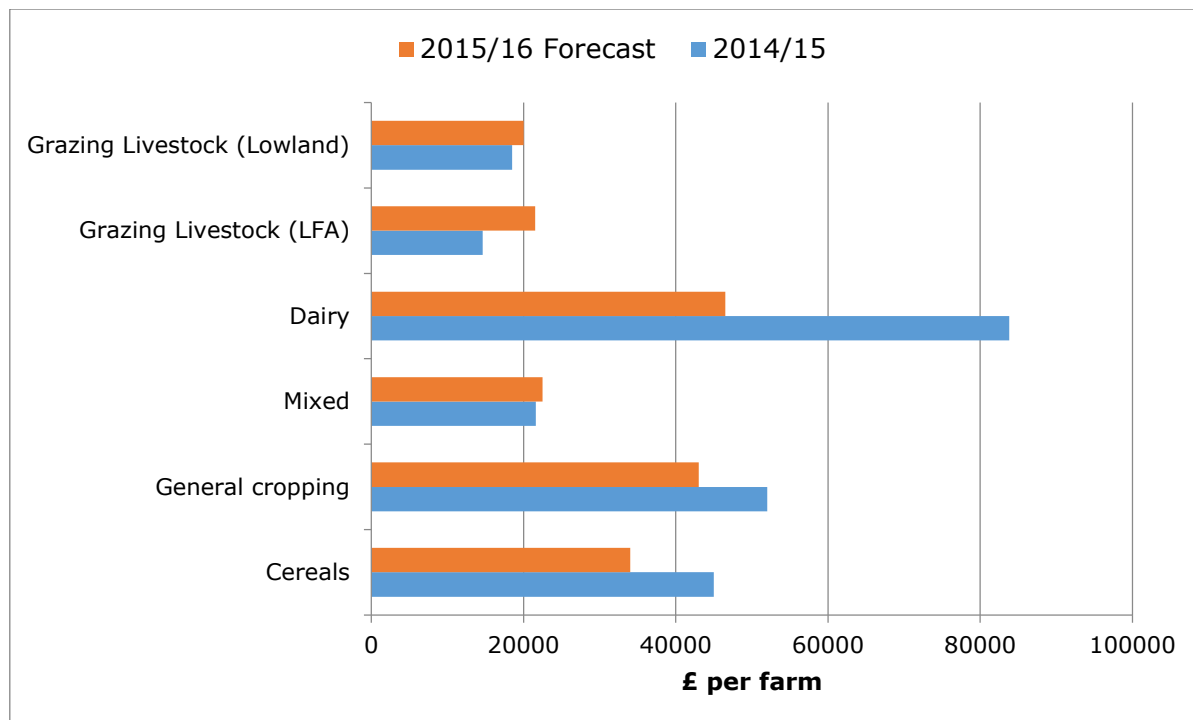
Grazing Livestock Farms (Less Favoured Area)

The changes to income from the farms in the Less Favoured Area (LFA) followed very closely the situation of the lowland grazing livestock farms. The losses made from agriculture and the dependence on SPS is common to all beef and sheep producers. Average Farm Business Income decreased by 17% on LFA grazing livestock farms to £17,000 in 2014/15. Output from livestock increased by 1% but with extra output from sheep (4%) and lower output from cattle. Total inputs fell by 2%.

Current year

The trading conditions for agriculture in 2015/16 have been particularly difficult with plentiful global supplies and a strong pound. The value of nearly all production is much reduced despite good yields of most commodities. The reductions in the value of some inputs, namely feed and fuels are not sufficient to compensate for the lower output value. Defra's latest estimates for the 2015 crop year show the Farm Business Income for Cereal farms falling by nearly a quarter as compared to the 2014 crop year and the Dairy income close to half that achieved in the previous year.

Figure 17: Average Farm Business Income by Type of Farm in England (£ per farm)



Source: Defra, published 28 January 2016

NOTES

INTRODUCTORY NOTES FOR USERS

The source of the benchmarking data

The benchmarking data in this publication are based on the detailed information collected from a cross-section of farm businesses as part of the annual Farm Business Survey (FBS). The FBS is widely recognised as the most authoritative survey of the financial position and performance of farmers' businesses in England and Wales. The results of the survey work, which is funded by DEFRA, are widely used by government and by the agricultural industry as a reliable source of information on the financial position and performance of various types and sizes of farm businesses. The FBS is supported by the National Farmers' Union, the Country Land and Business Association and the Tenant Farmers' Association and other farming organisations.

The FBS involves the collection of a range of management accounting information on all aspects of farmers' businesses including detailed information on:

- Revenues and costs
- Assets and liabilities
- Areas and production of crops
- Sales and purchases of livestock
- Labour use
- Diversified activities

To ensure complete consistency in all aspects of survey procedures, irrespective of farm type or size, rigorous standards are applied. The user is referred to the extensive 'definitions of terms used' to be found at the back of this publication, which will give some guidance about the survey's approach. One further aspect of the FBS deserves mention in relation to its reliability as a source of farm planning data. Close attention is given to the design of the sample, sample turnover is maintained in order to refresh the 'panel' and new farms are recruited from lists chosen at random from the agricultural census. This provides an important element of statistical validity to the survey results.

The accounting data from which these farm benchmarking standards have been derived relate to the 2013 harvest year, the farm businesses concerned having accounting years ending on average in late February.

Analysing a farm business

The analysis of a farm business using the data framework in this manual must be based on comparable management accounts and the user is referred to the definitions of terms used (p110) for guidance. It should be noted that the assets and liabilities data are heavily influenced by the tenure of the sample farms and due allowance for this fact should be made. Benchmarking a farm business requires a progressive and ordered approach, as a range of indicators is reviewed; one possible procedure is illustrated in the chart 1 'Analysing a farm business' on p18.

Chart 2 (p20) illustrates the interpretation and use of the contents of the farm balance sheet in assessing the financial stability of the business.

The analysis of a farm business as outlined in these charts is based on the assumption that the individual farm accounts have been compiled in accordance with the generally accepted format for management purposes, and will include those adjustments arising from the adoption of a replacement cost basis of valuation for certain assets as described in the glossary.

Stages in benchmarking your farm results

1. Identify which type of farming group your farm most closely corresponds to and translate your own financial results for the same cropping year into the tables. It may be useful to check definitions and other accounting procedures using the information in Appendix 2: 'Definitions of terms used' on page 110. In some cases, it may prove useful to compare your results with standards from two different farm type groups, particularly where your farm operates a more diverse system. Chart 1 illustrates some of the more important stages in benchmarking financial performance.

2. Compare the whole farm results with those of first the average, and then the premium, standards, to identify your farm's relative strengths and weaknesses. No single measure should be taken in isolation: sometimes there will be compensating factors and there may be a substitution between cost headings - for example, between purchased or concentrate feed costs and fertiliser costs, or between the efficiency of labour use and the investment in machinery or the use made of agricultural contractors.

3. Compare profitability and the return on tenant-type capital. Variations in efficiency are invariably due to a combination of factors, including, for example, the relative 'mix' of enterprises, the actual levels of both physical and financial performance (such as yields, stocking rates and unit prices) and unquantified factors such as farm characteristics (including topography, land quality, farm organisation and level of fragmentation) and management.

4. Additional information regarding specific enterprise gross margins can be found in Section 2, and may help to pinpoint individual areas of weakness which exert an influence over the whole farm situation.

5. Where for an individual farm the levels of 'output per hectare', 'tenant's capital per hectare' or 'farm size' vary considerably from the standard, some of the more general measures of efficiency (such as 'efficiency per £100 output') may provide more useful comparisons.

6. Variable costs must be expected to vary between farms and therefore should be judged in relation to total output together, where possible, with comparisons of individual enterprise variable costs relative to gross margins in Section 2. In looking at the levels of costs, the important question is 'What level of profit are these costs bringing in to the business?'

7. Variation in the efficiency of use of fixed costs may be due to a number of different factors:

- A poor level of output, or inefficiency in the use of variable costs, both of which will show up at the gross margin level and thus adversely affect the financial efficiency of use of fixed costs.

- An inefficient use of machinery due to over-mechanisation resulting in a high depreciation charge; or excessive repair charges due either to a lack of care and maintenance or to the consequences of insufficient re-investment in machinery.

- An inappropriate combination of enterprises which creates peaks and troughs in labour or machinery use may not be conducive to optimal efficiency in financial terms.

- High interest or land rental charges, although fixed by personal circumstances, may still be worth close examination in relation to the level of output obtained. Looking at the level of tenant's capital in relation to output can also point to a possible area for attention.

- Although high costs for land maintenance and/or overheads may be justified by personal circumstances, significant adverse variation from the average would suggest that tighter control could be of benefit.

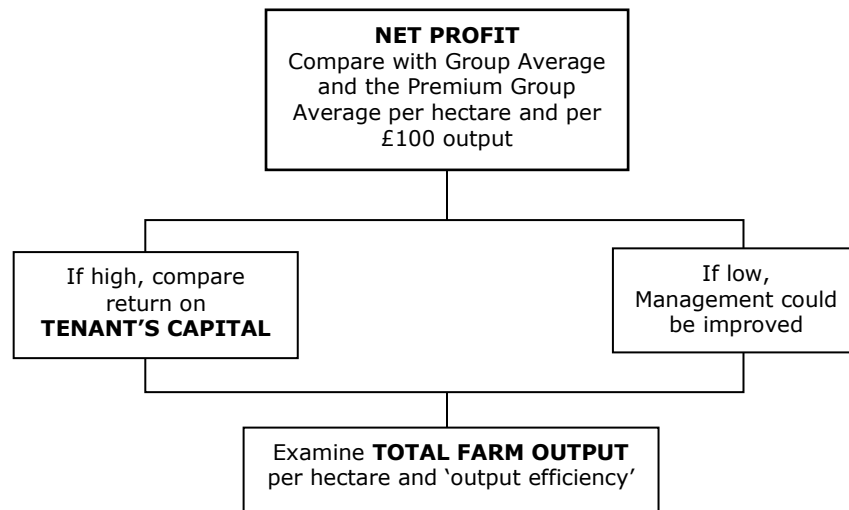
8. An examination and comparison of the farm balance sheet should be attempted to give a broader view of the financial position of the business. Although individual circumstances will inevitably result in considerable, and acceptable, variation in some of the comparative ratios, it is the degree of change between two years and the direction of any trend over time that should be closely monitored. Chart 2 illustrates some of the more important stages in examining the balance sheet of a farm business, and this is dealt with in more detail below.

9. Where this form of benchmarking (or modified comparative analysis) is carried out carefully, it is a useful tool in highlighting areas of the business which may justify closer scrutiny and control. Although in some situations the 'premium' (top third) farms may appear to be only slightly more efficient on individual factors, it is often the cumulative effect of a number of small improvements which produces significant benefits to the business as a whole.

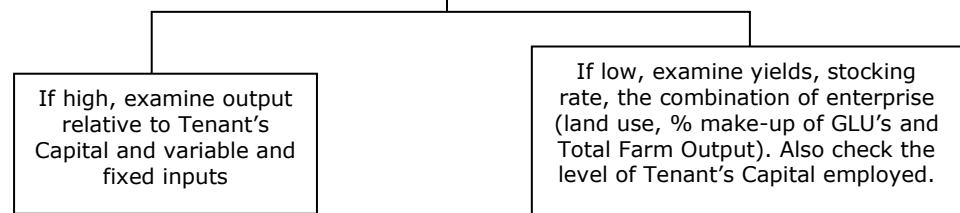
Chart 1

ANALYSING A FARM BUSINESS

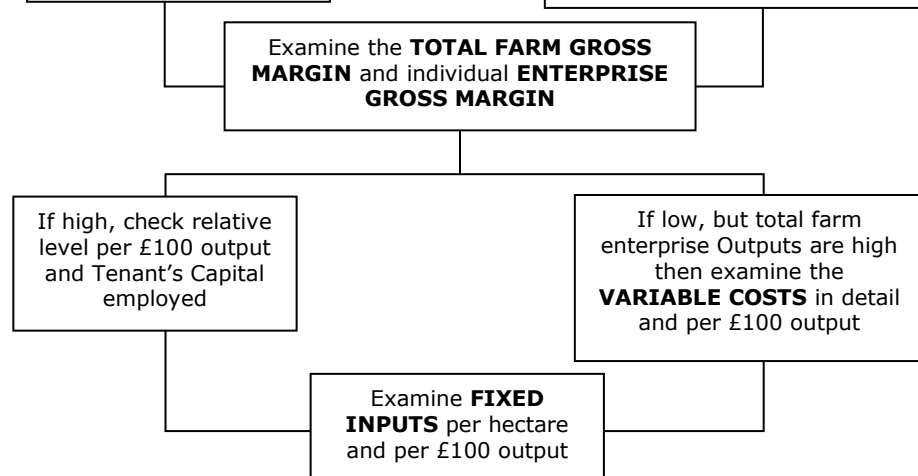
Stage I



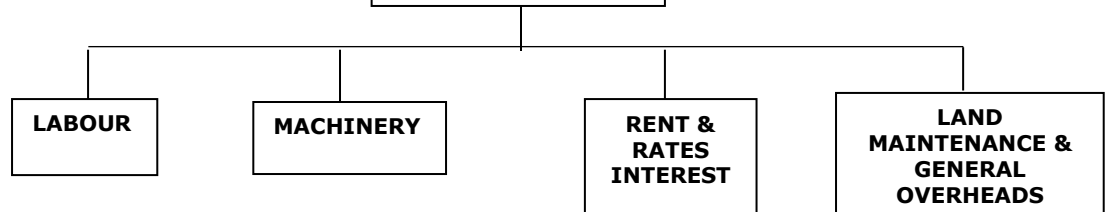
Stage II



Stage III



Stage IV



Stage V **LIABILITIES AND ASSETS** to check financial security

Using balance sheet data for farm business management purposes

It must be stressed that Chart 2 represents a very simplified and generalised framework for the analysis of the stability, liquidity and flexibility of the farm business. Moreover, the terms 'high' and 'low', when applied to any of the ratios employed, are not to be interpreted as indicating any specific or recommended level. Rather, they should be regarded strictly as relative terms, the significance of which can only be gauged when they are placed within the context of the particular farm or compared with 'standard' levels of financial performance and practice on comparable farms.

The early construction of a time series for each individual ratio employed, specifically for the farm business being managed, is also imperative in order that trends may be revealed. The direction in which a ratio is moving may be of greater significance than its absolute level at any given point in time.

When using the analytical framework provided by the diagram, there is a continuing need of an awareness that the measures which it advocates offer little in the way of assistance if regarded simply as an end in themselves or viewed in isolation one from another. Rather they must be seen as giving some degree of quantitative expression to quite crucial relationships which exist within the financial structure of any business and over which control should be exercised if the health of the business is to be maintained and its objectives more readily attained.

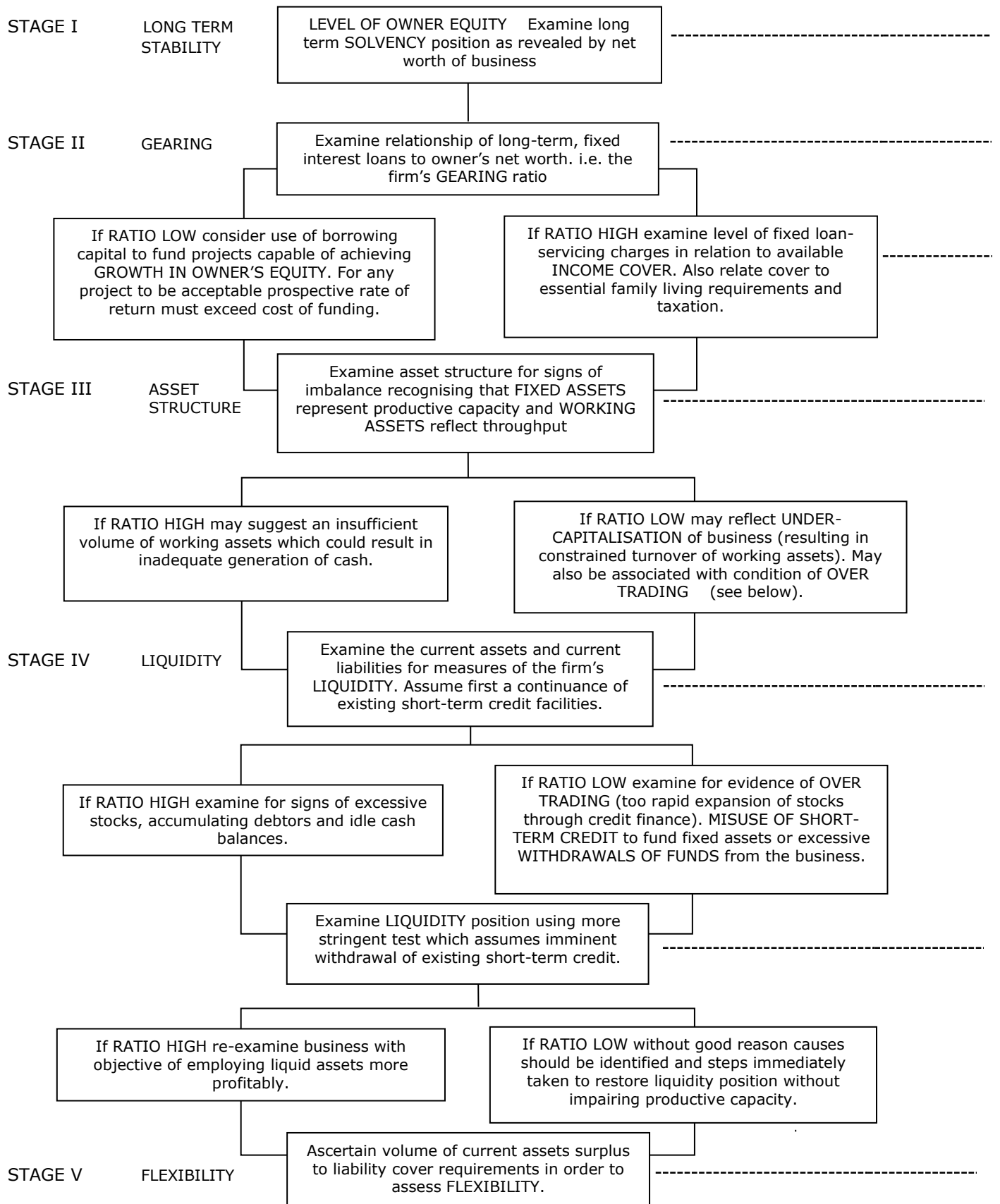
Among the fundamental relationships which financial management should seek to preserve are:

- the requirement that essentially long-term fixed assets should be financed from commensurately long-term funding sources, whether these be in the form of the farmer's own equity finance or debt capital;
- the need to ensure that the income-generating potential of the farm business is capable of supporting the charges which debt servicing commitments, family living requirements and tax liability place upon it;
- the need to provide adequate cover, in the form of realisable assets, cash or unused short-term credit facilities, to withstand any sudden claims which might conceivably be made upon the business and thereby jeopardise its efficiency of operation or even its survival.

The approach suggested by the chart is acknowledged to be a simplified one but it is hoped that it will at least serve as an introductory guide for those who may be unfamiliar with the type of analysis with which it is concerned. The scope of that analysis can be progressively extended and a wider selection of ratios chosen from the many which are available to the business analyst as greater conversancy with their application is gained.

Chart 2

ANALYSING A FARM'S FINANCIAL STABILITY



RATIO/MEASURE EMPLOYED

$$\text{Owner Equity ratio (\%)} = \frac{\text{Net worth}}{\text{Total assets}} \times 100$$

$$\text{Gearing ratio (\%)} = \frac{\text{Long term loans}}{\text{Net worth}} \times 100$$

$$\text{Prior charge cover ratio (number of times income covers charges)} = \frac{\text{Gross farm income}}{\text{Debt servicing charge}}$$

(see notes in box below)

$$\text{Fixed Assets ratio (\%)} = \frac{\text{Fixed assets}}{\text{Total assets}} \times 100$$

$$\text{Current ratio (\%)} = \frac{\text{Current assets}}{\text{Current liabilities}} \times 100$$

Notes:

1. Gross farm income is defined as net farm income plus any notional charges (imputed rent, board and lodge, unpaid labour and depreciation) less imputed credits. It is employed as a measure of gross farm profit before deduction of depreciation, interest and tax.
2. The components of the ratio presented above can easily be varied to produce a series of tests of a progressive stringency which will measure the cover available to meet all prior charges on income. Such a series might culminate in a ratio which relates net cash surplus (as a residual of gross farm income after removal of its valuation components and elements of accrued expenditure and receipts) to total prior charges comprising debt servicing charges, minimum living requirements and tax liability.

$$\text{Liquidity ratio (\%)} = \frac{\text{Liquid assets}}{\text{Current liabilities}} \times 100$$

$$\text{Net Working Capital (£)} = \text{Current assets /less current liabilities}$$

SECTION 2**WHOLE FARM BUSINESS STANDARDS 2014/2015**

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Organic Dairy farms	- average 79
Organic Lowland Cattle and Sheep farms	- average 85

Organic farms have been excluded from all the farm groups except those specifically called organic.

To allow publication the minimum number of farms in each sample is 10. Some farm types have therefore been amalgamated to provide additional detail by size of farm, i.e. DA farms added to SDA group to generate LFA Cattle and Sheep.

Cereal farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2014/2015

	Average	Premium*
Number of farms in group	35	12
Average farmed area (hectares)	231	262
Average proportion of total farmed area tenanted or hired (%)	38	33
	£ per farm hectare	
<u>Output</u>		
Milk	0	0
Milk quota leasing less milk quota levy	0	0
Cattle	38	34
Herd depreciation	-1	-1
Sheep	24	13
Flock depreciation	-3	0
Wool	1	0
Pigs	1	0
Poultry	0	0
Other livestock	1	3
Cereals	517	597
Oilseeds	101	130
Pulses	9	0
Other crops	2	6
Crop subsidies	0	0
Straw	84	75
Forage	54	68
Agri-environment schemes and management agreements	50	62
Rental income and imputed farmhouse rental equivalent	108	209
Hirework	50	96
Miscellaneous output	97	117
Cultivations	-5	-6
Single Payment Scheme	194	197
TOTAL FARM OUTPUT **	1320	1601
<u>Variable costs</u>		
Concentrates	12	16
Purchased fodder	2	1
Veterinary and medicines	4	3
Other livestock costs	16	22
Seeds	54	55
Fertilisers	144	152
Crop protection	123	134
Other crop costs	33	43
TOTAL VARIABLE COSTS	387	426
TOTAL GROSS MARGIN**	933	1175

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Cereal farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2014/2015

	Average	Premium*
Number of farms in group	35	12
Average farmed area (hectares)	231	262
Average proportion of total farmed area tenanted or hired (%)	38	33
	£ per farm hectare	
TOTAL GROSS MARGIN**	933	1175
<u>Fixed costs</u>		
Paid labour	58	58
Unpaid family labour	32	24
Casual labour	7	15
Contract	99	123
Machinery repairs	45	45
Machinery fuel	55	59
Machinery depreciation	120	108
Other depreciation	17	6
Property maintenance	41	51
Electricity	23	10
Other fuel	10	11
Water	5	5
Insurance	33	31
Professional fees	28	38
Other general costs	28	33
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	601	617
PROFIT BEFORE RENT AND INTEREST	332	558
Rent, hired in keep and bare land	62	45
Rates	0	0
Long-term interest	22	15
Short-term interest	7	6
Interest received (-)	1	3
NET PROFIT**	241	495
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	28	18
Plus - Landlord type repairs (included in property maintenance)	3	4
Less - Rental value (of owner occupied land and buildings)	153	172
NET FARM INCOME** (NFI)	120	345
Less farmer and spouse labour	98	73
MANAGEMENT AND INVESTMENT INCOME** (M&II)	21	272

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Cereal farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2014/2015

	Average	Premium*
Number of farms in group	35	12
Average farmed area (hectares)	231	262
Average proportion of total farmed area tenanted or hired (%)	38	33
	per £100 output	
<u>Output</u>		
Milk	0	0
Cattle	3	2
Sheep	2	1
Pigs, poultry and other livestock	0	0
Cereals	39	37
Other cash crops	8	8
Straw and forage	10	9
Management agreements and agri-environment schemes	4	4
Miscellaneous output	19	26
Single Payment Scheme	15	12
TOTAL OUTPUT**	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	1	1
Veterinary, medicines and other livestock costs	2	2
Seeds	4	3
Fertilisers	11	9
Crop protection and other crop costs	12	11
TOTAL VARIABLE COSTS	29	27
TOTAL GROSS MARGIN**	71	73
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	7	5
Casual labour	1	1
Contract	7	8
Machinery repairs and fuel	8	7
Machinery and other depreciation	10	7
Property maintenance	3	3
Electricity, other fuel and water	3	2
Other general costs	7	6
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	46	39
PROFIT BEFORE RENT AND INTEREST	25	35
Rent and rates	5	3
Long-term interest paid	2	1
Short-term interest paid	1	0
Interest received (-)	0	0
PROFIT**	18	31

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Cereal farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2014/2015

	Average	Premium*
Number of farms in group	35	12
Average farmed area (hectares)	231	262
Average proportion of total farmed area tenanted or hired (%)	38	33
<u>Land use</u>		
Percentage cropped	67	70
Percentage forage	33	30
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	0	0
Other cattle	17	25
Sheep	7	1
Other livestock	2	4
Total	26	30
GLUs per ha	0.60	0.84
GLUs per adjusted ha	0.63	0.86
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	n/a	n/a
Pence per litre	n/a	n/a
Milk output per cow	n/a	n/a
Dairy calf output, £ per calf	n/a	n/a
<u>Finished cattle and lambs</u>		
£ per finished animal	1049	1063
£ per finished lamb	80	89
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare	9.0	9.5
Price per tonne	128	132
Winter barley		
Yield - tonnes per hectare	6.8	7.2
Price per tonne	126	134
Spring barley		
Yield - tonnes per hectare	6.9	7.4
Price per tonne	137	138
Winter oats		
Yield - tonnes per hectare	7.0	7.1
Price per tonne	121	122
All cereals		
Yield - tonnes per hectare	7.9	8.4
Price per tonne	128	134

* Top third selected on Management and investment income per hectare

**Cereal yields for groups growing less than 40 hectares excluded

Cereal farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY,
2014/2015

	Average	Premium*
Number of farms in group	35	12
Average farmed area (hectares)	231	262
Average proportion of total farmed area tenanted or hired (%)	38	33
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	89	76
Crops, forage and cultivations	361	454
Stores	185	190
Machinery	833	769
Single Payment Scheme	274	284
Miscellaneous business assets & other assets	14	21
Total physical assets	1758	1794
Liquid assets	380	593
Tenant's capital (TC)	2137	2387
Management & investment income (M&II)**	21	272
Return on tenant's capital (M&II as % of average TC)	1.0%	11.4%
<u>Ratios per £100 of output (%)</u>		
Variable costs	29	27
Gross margin	71	73
Fixed costs (excluding rent and interest)	46	39
Net profit	18	31
Net farm income	9	22
Farmer and spouse	7	5
Management & Investment Income	2	17
Tenant's capital		
Total assets	1028	960
Total external liabilities	80	58
Net worth	948	902
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	97	97
Costs (£ per £100 output)	7	6
Costs (£ per £100 gross margin)	10	8
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	318	335
Costs (£ per £100 output)	24	21
Costs (£ per £100 gross margin)	34	29
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	415	432
Costs (£ per £100 output)	31	27
Costs (£ per £100 gross margin)	44	37

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Cereal farms

END-OF-YEAR BALANCE SHEETS, 2014/2015

	Average	Premium*
Number of farms in group	35	12
Average farmed area (hectares)	231	262
Average proportion of total farmed area tenanted or hired (%)	38	33
	£ per farm hectare	
End of year assets & liabilities		
Land & buildings	11435	12939
Milk quota	0	0
Single Payment Scheme	260	261
Machinery	845	799
Tenant's other assets	1	2
Breeding livestock	47	27
Total fixed assets	12588	14027
Suckler cow and ewe premium quota		
Trading livestock	40	55
Crops	279	364
Forage and cultivations	90	65
Stores	184	183
Debtors and loans	178	234
Bank credit and cash	199	421
Other current assets	14	19
Total current assets	984	1340
Total assets	13572	15368
Financed by		
AMC	229	267
Bank loans	396	129
Other long term	117	119
Total long term	742	516
HP and lease	89	84
Creditors	111	159
Bank overdraft	111	159
Other short term	5	15
Total current liabilities	316	417
Total Liabilities	1058	933
Net worth	12514	14435
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	92%	94%
% Fixed assets vs. total assets	93%	91%
Gearing (long-term loans vs. total assets)	5%	3%
Total debt (external liabilities vs. net worth)	8%	6%
Current Ratio (current assets vs. current liabilities)	311%	321%
Liquidity Ratio (liquid assets vs. current liabilities)	119%	157%

* Top third selected on Management and investment income per hectare

Cereal and general cropping farms by farm size

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2014/2015

	Under 160 hectares	Over 160 hectares
Number of farms in group	20	25
Average farmed area (hectares)	106	287
Average proportion of total farmed area tenanted or hired (%)	45	33
	£ per farm hectare	
<u>Output</u>		
Milk	0	0
Milk quota leasing less milk quota levy	0	0
Cattle	74	42
Herd depreciation	0	-2
Sheep	29	25
Flock depreciation	-2	-6
Wool	1	0
Pigs	1	0
Poultry	1	0
Other livestock	0	1
Cereals	346	547
Oilseeds	42	122
Pulses	6	12
Other crops	730	5
Crop subsidies	0	0
Straw	80	75
Forage	77	39
Agri-environment schemes and management agreements	19	64
Rental income and imputed farmhouse rental equivalent	118	90
Hirework	65	30
Miscellaneous output	195	37
Cultivations	-5	-4
Single Payment Scheme	173	192
TOTAL FARM OUTPUT *	1951	1270
<u>Variable costs</u>		
Concentrates	28	10
Purchased fodder	3	2
Veterinary and medicines	4	5
Other livestock costs	30	12
Seeds	194	56
Fertilisers	171	148
Crop protection	147	129
Other crop costs	100	28
TOTAL VARIABLE COSTS	678	390
TOTAL GROSS MARGIN*	1272	880

* Excluding Breeding Livestock Stock Appreciation

Cereal and general cropping farms by farm size

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2014/2015

	Under 160 hectares	Over 160 hectares
Number of farms in group	20	25
Average farmed area (hectares)	106	287
Average proportion of total farmed area tenanted or hired (%)	45	33
	£ per farm hectare	
TOTAL GROSS MARGIN*	1272	880
<u>Fixed costs</u>		
Paid labour	97	73
Unpaid family labour	72	13
Casual labour	90	8
Contract	135	89
Machinery repairs	71	48
Machinery fuel	87	55
Machinery depreciation	156	123
Other depreciation	25	10
Property maintenance	39	47
Electricity	42	15
Other fuel	8	12
Water	10	4
Insurance	54	29
Professional fees	34	27
Other general costs	37	30
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	956	584
PROFIT BEFORE RENT AND INTEREST	316	296
Rent, hired in keep and bare land	119	51
Rates	0	0
Long-term interest	30	24
Short-term interest	13	9
Interest received (-)	2	0
NET PROFIT*	157	211
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	41	33
Plus - Landlord type repairs (included in property maintenance)	3	4
Less - Rental value (of owner occupied land and buildings)	152	159
NET FARM INCOME* (NFI)	49	89
Less farmer and spouse labour	313	72
MANAGEMENT AND INVESTMENT INCOME* (M&II)	-265	17

* Excluding Breeding Livestock Stock Appreciation

Cereal and general cropping farms by farm size

FINANCIAL COMPARISONS per £100 OUTPUT, 2014/2015

	Under 160 hectares	Over 160 hectares
Number of farms in group	20	25
Average farmed area (hectares)	106	287
Average proportion of total farmed area tenanted or hired (%)	45	33
	per £100 output	
<u>Output</u>		
Milk	0	0
Cattle	4	3
Sheep	1	2
Pigs, poultry and other livestock	0	0
Cereals	18	43
Other cash crops	40	11
Straw and forage	8	9
Management agreements and agri-environment schemes	1	5
Miscellaneous output	19	12
Single Payment Scheme	9	15
TOTAL OUTPUT*	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	2	1
Veterinary, medicines and other livestock costs	2	1
Seeds	10	4
Fertilisers	9	12
Crop protection and other crop costs	13	12
TOTAL VARIABLE COSTS	35	31
TOTAL GROSS MARGIN*	65	69
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	9	7
Casual labour	5	1
Contract	7	7
Machinery repairs and fuel	8	8
Machinery and other depreciation	9	11
Property maintenance	2	4
Electricity, other fuel and water	3	2
Other general costs	6	7
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	49	46
PROFIT BEFORE RENT AND INTEREST	16	23
Rent and rates	6	4
Long-term interest paid	2	2
Short-term interest paid	1	1
Interest received (-)	0	0
PROFIT*	8	17

* Excluding Breeding Livestock Stock Appreciation

Cereal and general cropping farms by farm size

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2014/2015

	Under 160 hectares	Over 160 hectares
Number of farms in group	20	25
Average farmed area (hectares)	106	287
Average proportion of total farmed area tenanted or hired (%)	45	33
	GLUs per farm	
<u>Land use</u>		
Percentage cropped	66	69
Percentage forage	34	31
<u>Grazing livestock units</u>		
Dairy cattle	0	0
Other cattle	15	22
Sheep	3	10
Other livestock	1	2
Total	19	34
GLUs per ha	0.81	0.67
GLUs per adjusted ha	0.82	0.70
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	n/a	n/a
Pence per litre	n/a	n/a
Milk output per cow	n/a	n/a
Dairy calf output, £ per calf	n/a	n/a
<u>Finished cattle and lambs</u>		
£ per finished animal	983	1030
£ per finished lamb	91	73
<u>Cereals*</u>		
Winter wheat		
Yield - tonnes per hectare	8.0	9.2
Price per tonne	124	128
Winter barley		
Yield - tonnes per hectare	5.8	7.1
Price per tonne	112	128
Spring barley		
Yield - tonnes per hectare	5.6	7.1
Price per tonne	112	139
Winter oats		
Yield - tonnes per hectare	6.9	7.2
Price per tonne	104	126
All cereals		
Yield - tonnes per hectare	6.9	8.2
Price per tonne	117	130

*Cereal yields for groups growing less than 40 hectares excluded

Cereal and general cropping farms by farm size

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY,
2014/2015

	Under 160 hectares	Over 160 hectares
Number of farms in group	20	25
Average farmed area (hectares)	106	287
Average proportion of total farmed area tenanted or hired (%)	45	33
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	123	121
Crops, forage and cultivations	394	395
Stores	227	193
Machinery	1061	786
Single Payment Scheme	239	273
Miscellaneous business assets & other assets	75	2
Total physical assets	2118	1771
Liquid assets	504	362
Tenant's capital (TC)	2622	2133
Management & investment income (M&II)*	-265	17
Return on tenant's capital (M&II as % of average TC)	-10.1%	0.8%
<u>Ratios per £100 of output (%)</u>		
Variable costs	35	31
Gross margin	65	69
Fixed costs (excluding rent and interest)	49	46
Net profit	8	16
Net farm income	2	7
Farmer and spouse	16	6
Management & Investment Income	-14	1
Tenant's capital		
Total assets	1077	1114
Total external liabilities	76	92
Net worth	1001	1022
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	259	94
Costs (£ per £100 output)	13	7
Costs (£ per £100 gross margin)	20	11
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	448	315
Costs (£ per £100 output)	23	25
Costs (£ per £100 gross margin)	35	36
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	706	409
Costs (£ per £100 output)	36	32
Costs (£ per £100 gross margin)	56	47

* Excluding Breeding Livestock Stock Appreciation

Cereal and general cropping farms by farm size

END-OF-YEAR BALANCE SHEETS, 2014/2015

	Under 160 hectares	Over 160 hectares
Number of farms in group	20	25
Average farmed area (hectares)	106	287
Average proportion of total farmed area tenanted or hired (%)	45	33
	£ per farm hectare	
End of year assets & liabilities		
Land & buildings	18364	12015
Milk quota	0	0
Single Payment Scheme	230	258
Machinery	1060	812
Tenant's other assets	48	0
Breeding livestock	31	64
Total fixed assets	19733	13149
Suckler cow and ewe premium quota		
Trading livestock	99	56
Crops	323	329
Forage and cultivations	79	90
Stores	207	190
Debtors and loans	201	216
Bank credit and cash	346	106
Other current assets	24	2
Total current assets	1278	990
Total assets	21011	14139
Financed by		
AMC	48	288
Bank loans	834	429
Other long term	172	37
Total long term	1054	753
HP and lease	100	118
Creditors	127	138
Bank overdraft	190	147
Other short term	17	7
Total current liabilities	434	410
Total Liabilities	1488	1164
Net worth	19523	12975
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	93%	92%
% Fixed assets vs. total assets	94%	93%
Gearing (long-term loans vs. total assets)	5%	5%
Total debt (external liabilities vs. net worth)	8%	9%
Current Ratio (current assets vs. current liabilities)	295%	241%
Liquidity Ratio (liquid assets vs. current liabilities)	126%	79%

Dairy farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2014/2015

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	152	190
Average proportion of total farmed area tenanted or hired (%)	47	52
	£ per farm hectare	
<u>Output</u>		
Milk	2491	2881
Milk quota leasing less milk quota levy	0	0
Cattle	569	613
Herd depreciation	-231	-249
Sheep	13	10
Flock depreciation	0	0
Wool	0	0
Pigs	17	0
Poultry	0	0
Other livestock	0	0
Cereals	63	107
Oilseeds	3	5
Pulses	2	3
Other crops	0	0
Crop subsidies	0	0
Straw	10	16
Forage	33	22
Agri-environment schemes and management agreements	21	21
Rental income and imputed farmhouse rental equivalent	30	38
Hirework	27	24
Miscellaneous output	37	71
Cultivations	0	0
Single Payment Scheme	162	164
TOTAL FARM OUTPUT **	3245	3726
<u>Variable costs</u>		
Concentrates	786	779
Purchased fodder	38	46
Veterinary and medicines	89	89
Other livestock costs	247	259
Seeds	35	42
Fertilisers	146	148
Crop protection	30	38
Other crop costs	23	25
TOTAL VARIABLE COSTS	1396	1426
TOTAL GROSS MARGIN**	1850	2300

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2014/2015

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	152	190
Average proportion of total farmed area tenanted or hired (%)	47	52
	£ per farm hectare	
TOTAL GROSS MARGIN**	1850	2300
<u>Fixed costs</u>		
Paid labour	178	248
Unpaid family labour	108	66
Casual labour	34	31
Contract	184	231
Machinery repairs	118	108
Machinery fuel	79	74
Machinery depreciation	185	152
Other depreciation	6	9
Property maintenance	72	92
Electricity	52	50
Other fuel	5	5
Water	30	22
Insurance	49	38
Professional fees	33	34
Other general costs	51	52
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	1184	1211
PROFIT BEFORE RENT AND INTEREST	666	1089
Rent, hired in keep and bare land	105	127
Rates	1	0
Long-term interest	53	49
Short-term interest	22	11
Interest received (-)	2	1
NET PROFIT**	487	903
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	73	59
Plus - Landlord type repairs (included in property maintenance)	4	3
Less - Rental value (of owner occupied land and buildings)	212	190
NET FARM INCOME** (NFI)	352	775
Less farmer and spouse labour	307	235
MANAGEMENT AND INVESTMENT INCOME** (M&II)	46	540

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2014/2015

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	152	190
Average proportion of total farmed area tenanted or hired (%)	47	52
	per £100 output	
<u>Output</u>		
Milk	77	77
Cattle	10	10
Sheep	0	0
Pigs, poultry and other livestock	1	0
Cereals	2	3
Other cash crops	0	0
Straw and forage	1	1
Management agreements and agri-environment schemes	1	1
Miscellaneous output	3	4
Single Payment Scheme	5	4
TOTAL OUTPUT**	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	25	22
Veterinary, medicines and other livestock costs	10	9
Seeds	1	1
Fertilisers	5	4
Crop protection and other crop costs	2	2
TOTAL VARIABLE COSTS	43	38
TOTAL GROSS MARGIN**	57	62
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	9	8
Casual labour	1	1
Contract	6	6
Machinery repairs and fuel	6	5
Machinery and other depreciation	6	4
Property maintenance	2	2
Electricity, other fuel and water	3	2
Other general costs	4	3
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	36	32
PROFIT BEFORE RENT AND INTEREST	21	29
Rent and rates	3	3
Long-term interest paid	2	1
Short-term interest paid	1	0
Interest received (-)	0	0
PROFIT**	15	24

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2014/2015

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	152	190
Average proportion of total farmed area tenanted or hired (%)	47	52
<u>Land use</u>		
Percentage cropped	7	12
Percentage forage	93	88
	GLUs per farm	
<u>Grazing livestock units</u>		
Dairy cattle	161	212
Other cattle	76	101
Sheep	3	1
Other livestock	0	0
Total	240	314
GLUs per ha	1.83	2.04
GLUs per adjusted ha	1.85	2.05
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	7090	7324
Pence per litre	31.3	31.8
Milk output per cow	2295	2414
Dairy calf output, £ per calf	140	142
<u>Finished cattle and lambs</u>		
£ per finished animal	1004	1041
£ per finished lamb	87	87
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare	8.7	8.7
Price per tonne	125	129
Winter barley		
Yield - tonnes per hectare	7.3	7.3
Price per tonne	114	110
Spring barley		
Yield - tonnes per hectare	5.7	
Price per tonne	110	
Winter oats		
Yield - tonnes per hectare		
Price per tonne		
All cereals		
Yield - tonnes per hectare	7.9	8.2
Price per tonne	121	124

* Top third selected on Management and investment income per hectare

**Cereal yields for groups growing less than 40 hectares excluded

Dairy farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY,
2014/2015

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	152	190
Average proportion of total farmed area tenanted or hired (%)	47	52
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1877	2065
Crops, forage and cultivations	149	195
Stores	134	130
Machinery	1153	977
Single Payment Scheme	224	226
Miscellaneous business assets & other assets	93	116
Total physical assets	3631	3709
Liquid assets	653	817
Tenant's capital (TC)	4283	4526
Management & investment income (M&II)**	46	540
Return on tenant's capital (M&II as % of average TC)	1.1%	11.9%
<u>Ratios per £100 of output (%)</u>		
Variable costs	43	38
Gross margin	57	62
Fixed costs (excluding rent and interest)	36	33
Net profit	15	24
Net farm income	11	21
Farmer and spouse	9	6
Management & Investment Income	1	14
Tenant's capital		
Total assets	500	452
Total external liabilities	82	78
Net worth	419	373
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	320	344
Costs (£ per £100 output)	10	9
Costs (£ per £100 gross margin)	17	15
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	566	564
Costs (£ per £100 output)	17	15
Costs (£ per £100 gross margin)	31	25
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	886	909
Costs (£ per £100 output)	27	24
Costs (£ per £100 gross margin)	48	40

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms

END-OF-YEAR BALANCE SHEETS, 2014/2015

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	152	190
Average proportion of total farmed area tenanted or hired (%)	47	52
	£ per farm hectare	
End of year assets & liabilities		
Land & buildings	11921	12180
Milk quota	0	0
Single Payment Scheme	218	223
Machinery	1188	1005
Tenant's other assets	1	3
Breeding livestock	1440	1633
Total fixed assets	14768	15044
Suckler cow and ewe premium quota		
Trading livestock	416	410
Crops	19	42
Forage and cultivations	137	163
Stores	131	125
Debtors and loans	377	445
Bank credit and cash	298	483
Other current assets	94	114
Total current assets	1473	1780
Total assets	16242	16824
Financed by		
AMC	272	315
Bank loans	1389	1709
Other long term	144	135
Total long term	1806	2159
HP and lease	212	124
Creditors	270	290
Bank overdraft	350	338
Other short term	18	8
Total current liabilities	851	761
Total Liabilities	2656	2921
Net worth	13585	13903
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	84%	83%
% Fixed assets vs. total assets	91%	89%
Gearing (long-term loans vs. total assets)	11%	13%
Total debt (external liabilities vs. net worth)	20%	21%
Current Ratio (current assets vs. current liabilities)	173%	234%
Liquidity Ratio (liquid assets vs. current liabilities)	79%	122%

* Top third selected on Management and investment income per hectare

Dairy farms by farm size

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2014/2015

	Under 100 hectares	100 to 160 hectares	Over 160 hectares
Number of farms in group	24	27	21
Average farmed area (hectares)	71	127	274
Average proportion of total farmed area tenanted or hired (%)	39	44	59
	£ per farm hectare		
<u>Output</u>			
Milk	2389	2637	2402
Milk quota leasing less milk quota levy	0	0	0
Cattle	619	588	478
Herd depreciation	-210	-269	-203
Cattle subsidies and SCP quota leasing			
Sheep	9	9	22
Flock depreciation	0	0	-1
Sheep subsidies			
Wool	1	0	1
Pigs	0	43	0
Poultry	0	0	0
Other livestock	0	0	0
Cereals	7	34	161
Oilseeds	0	0	11
Pulses	0	0	6
Other crops	0	0	0
Crop subsidies	0	0	0
Straw	2	6	25
Forage	35	27	36
Agri-environment schemes and management agreements	20	21	25
Rental income and imputed farmhouse rental equivalent	11	35	43
Hirework	20	25	39
Miscellaneous output	17	72	15
Cultivations	0	0	-1
Single Payment Scheme	162	158	166
TOTAL FARM OUTPUT *	3081	3387	3224
<u>Variable costs</u>			
Concentrates	731	841	744
Purchased fodder	54	35	28
Veterinary and medicines	80	92	95
Other livestock costs	232	262	243
Seeds	24	32	48
Fertilisers	140	155	139
Crop protection	14	21	58
Other crop costs	19	21	30
TOTAL VARIABLE COSTS	1296	1460	1385
TOTAL GROSS MARGIN*	1785	1926	1839

* Excluding Breeding Livestock Stock Appreciation

Dairy farms by farm size

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2014/2015

	Under 100 hectares	100 to 160 hectares	Over 160 hectares
Number of farms in group	24	27	21
Average farmed area (hectares)	71	127	274
Average proportion of total farmed area tenanted or hired (%)	39	44	59
	£ per farm hectare		
TOTAL GROSS MARGIN*	1785	1926	1839
<u>Fixed costs</u>			
Paid labour	103	157	301
Unpaid family labour	86	161	60
Casual labour	58	29	20
Contract	182	172	198
Machinery repairs	114	115	122
Machinery fuel	71	82	84
Machinery depreciation	187	197	163
Other depreciation	4	11	1
Property maintenance	68	69	79
Electricity	56	53	45
Other fuel	6	5	5
Water	34	26	27
Insurance	61	45	40
Professional fees	34	29	35
Other general costs	48	48	56
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	1111	1200	1236
PROFIT BEFORE RENT AND INTEREST	673	727	603
Rent, hired in keep and bare land	74	99	145
Rates	0	1	1
Long-term interest	45	54	60
Short-term interest	20	23	21
Interest received (-)	4	1	1
NET PROFIT*	538	551	378
Reconciliation of Profit to NFI and M&II			
Plus - Interest charges (net)	61	75	80
Plus - Landlord type repairs (included in property maintenance)	6	3	3
Less - Rental value (of owner occupied land and buildings)	245	217	168
NET FARM INCOME* (NFI)	360	412	292
Less farmer and spouse labour	508	267	135
MANAGEMENT AND INVESTMENT INCOME* (M&II)	-148	144	157

* Excluding Breeding Livestock Stock Appreciation

Dairy farms by farm size

FINANCIAL COMPARISONS per £100 OUTPUT, 2014/2015

	Under 100 hectares	100 to 160 hectares	Over 160 hectares
Number of farms in group	24	27	21
Average farmed area (hectares)	71	127	274
Average proportion of total farmed area tenanted or hired (%)	39	44	59
	per £100 output		
<u>Output</u>			
Milk	78	78	74
Cattle	13	9	9
Sheep	0	0	1
Pigs, poultry and other livestock	0	1	0
Cereals	0	1	5
Other cash crops	0	0	0
Straw and forage	1	1	2
Management agreements and agri-environment schemes	1	1	1
Miscellaneous output	2	4	3
Single Payment Scheme	5	5	5
TOTAL OUTPUT*	100	100	100
<u>Variable costs</u>			
Concentrates, fodder and keep	25	26	24
Veterinary, medicines and other livestock costs	10	10	10
Seeds	1	1	2
Fertilisers	5	5	4
Crop protection and other crop costs	1	1	3
TOTAL VARIABLE COSTS	42	43	43
TOTAL GROSS MARGIN*	58	57	57
<u>Fixed costs</u>			
Labour - paid and unpaid, excluding farmer and spouse	6	9	11
Casual labour	2	1	1
Contract	6	5	6
Machinery repairs and fuel	6	6	6
Machinery and other depreciation	6	6	5
Property maintenance	2	2	2
Electricity, other fuel and water	3	2	2
Other general costs	5	4	4
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	36	35	38
PROFIT BEFORE RENT AND INTEREST	22	21	19
Rent and rates	2	3	5
Long-term interest paid	1	2	2
Short-term interest paid	1	1	1
Interest received (-)	0	0	0
PROFIT*	17	16	12

* Excluding Breeding Livestock Stock Appreciation

Dairy farms by farm size

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2014/2015

	Under 100 hectares	100 to 160 hectares	Over 160 hectares
Number of farms in group	24	27	21
Average farmed area (hectares)	71	127	274
Average proportion of total farmed area tenanted or hired (%)	39	44	59
	GLUs per farm		
<u>Land use</u>			
Percentage cropped	1	4	19
Percentage forage	99	96	81
<u>Grazing livestock units</u>			
Dairy cattle	81	154	256
Other cattle	44	64	126
Sheep	1	1	6
Other livestock	0	0	0
Total	126	219	388
GLUs per ha	1.81	1.83	1.84
GLUs per adjusted ha	1.81	1.85	1.85
<u>Technical efficiency</u>			
<u>Dairy</u>			
Milk yield per cow	6878	6892	7576
Pence per litre	30.9	31.3	32.1
Milk output per cow	2145	2154	2453
Dairy calf output, £ per calf	140	143	141
<u>Finished cattle and lambs</u>			
£ per finished animal	1002	1025	986
£ per finished lamb	77	82	91
<u>Cereals*</u>			
Winter wheat			
Yield - tonnes per hectare			8.6
Price per tonne			125
Winter barley			
Yield - tonnes per hectare		7.1	7.3
Price per tonne		115	114
Spring barley			
Yield - tonnes per hectare			5.7
Price per tonne			109
Winter oats			
Yield - tonnes per hectare			
Price per tonne			
All cereals			
Yield - tonnes per hectare		7.2	8.0
Price per tonne		118	122

*Cereal yields for groups growing less than 40 hectares excluded

Dairy farms by farm size

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2014/2015

	Under 100 hectares	100 to 160 hectares	Over 160 hectares
Number of farms in group	24	27	21
Average farmed area (hectares)	71	127	274
Average proportion of total farmed area tenanted or hired (%)	39	44	59
	£ per farm hectare		
<u>Tenant's capital formation</u>			
Livestock	1832	2084	1645
Crops, forage and cultivations	100	146	204
Stores	124	131	149
Machinery	1208	1225	969
Single Payment Scheme	229	219	229
Miscellaneous business assets & other assets	100	114	58
Total physical assets	3593	3918	3254
Liquid assets	686	757	477
Tenant's capital (TC)	4279	4675	3730
Management & investment income (M&II)*	-148	144	157
Return on tenant's capital (M&II as % of average TC)	-3.5%	3.1%	4.2%
<u>Ratios per £100 of output (%)</u>			
Variable costs	42	43	43
Gross margin	58	57	57
Fixed costs (excluding rent and interest)	36	35	38
Net profit	17	16	12
Net farm income	12	12	9
Farmer and spouse	16	8	4
Management & Investment Income	-5	4	5
<u>Tenant's capital</u>			
Total assets	602	496	406
Total external liabilities	78	79	87
Net worth	524	417	319
<u>Efficiency of labour use</u>			
Costs (£ per hectare)	247	347	381
Costs (£ per £100 output)	8	10	12
Costs (£ per £100 gross margin)	14	18	21
<u>Efficiency of machinery use</u>			
Costs (£ per hectare)	553	566	566
Costs (£ per £100 output)	18	17	18
Costs (£ per £100 gross margin)	31	29	31
<u>Efficiency of labour and machinery use</u>			
Costs (£ per hectare)	800	913	947
Costs (£ per £100 output)	26	27	29
Costs (£ per £100 gross margin)	45	47	51

* Excluding Breeding Livestock Stock Appreciation

Dairy farms by farm size

END-OF-YEAR BALANCE SHEETS, 2014/2015

	Under 100 hectares	100 to 160 hectares	Over 160 hectares
Number of farms in group	24	27	21
Average farmed area (hectares)	71	127	274
Average proportion of total farmed area tenanted or hired (%)	39	44	59
	£ per farm hectare		
End of year assets & liabilities			
Land & buildings	14225	12170	9220
Milk quota	0	0	0
Single Payment Scheme	222	214	225
Machinery	1224	1259	1020
Tenant's other assets	0	0	4
Breeding livestock	1424	1614	1229
Total fixed assets	17094	15257	11698
Suckler cow and ewe premium quota			
Trading livestock	397	425	411
Crops	4	6	54
Forage and cultivations	104	146	161
Stores	122	123	149
Debtors and loans	394	358	381
Bank credit and cash	331	372	172
Other current assets	96	122	55
Total current assets	1448	1551	1383
Total assets	18543	16808	13081
Financed by			
AMC	141	344	317
Bank loans	1230	1480	1387
Other long term	230	129	60
Total long term	1601	1953	1764
HP and lease	205	234	180
Creditors	280	210	326
Bank overdraft	284	264	520
Other short term	21	27	3
Total current liabilities	789	735	1030
Total Liabilities	2390	2688	2795
Net worth	16152	14120	10286
Balance sheet ratios			
% Owner equity (net worth vs. total assets)	87%	84%	79%
% Fixed assets vs. total assets	92%	91%	89%
Gearing (long-term loans vs. total assets)	9%	12%	13%
Total debt (external liabilities vs. net worth)	15%	19%	27%
Current Ratio (current assets vs. current liabilities)	183%	211%	134%
Liquidity Ratio (liquid assets vs. current liabilities)	92%	99%	54%

Lowland cattle and sheep farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2014/2015

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	107	133
Average proportion of total farmed area tenanted or hired (%)	27	31
	£ per farm hectare	
<u>Output</u>		
Milk	0	0
Milk quota leasing less milk quota levy	0	0
Cattle	545	409
Herd depreciation	-27	-17
Sheep	172	234
Flock depreciation	-15	-14
Wool	5	7
Pigs	1	0
Poultry	0	0
Other livestock	0	0
Cereals	34	31
Oilseeds	0	0
Pulses	0	0
Other crops	2	0
Crop subsidies	0	0
Straw	10	11
Forage	55	95
Agri-environment schemes and management agreements	50	68
Rental income and imputed farmhouse rental equivalent	32	35
Hirework	47	66
Miscellaneous output	41	64
Cultivations	0	-1
Single Payment Scheme	175	172
TOTAL FARM OUTPUT **	1127	1157
<u>Variable costs</u>		
Concentrates	133	70
Purchased fodder	8	8
Veterinary and medicines	33	32
Other livestock costs	83	71
Seeds	15	14
Fertilisers	75	64
Crop protection	10	8
Other crop costs	12	8
TOTAL VARIABLE COSTS	369	276
TOTAL GROSS MARGIN**	758	881

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Lowland cattle and sheep farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2014/2015

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	107	133
Average proportion of total farmed area tenanted or hired (%)	27	31
	£ per farm hectare	
TOTAL GROSS MARGIN**	758	881
<u>Fixed costs</u>		
Paid labour	35	47
Unpaid family labour	53	19
Casual labour	14	13
Contract	66	53
Machinery repairs	49	49
Machinery fuel	51	48
Machinery depreciation	89	78
Other depreciation	8	7
Property maintenance	49	37
Electricity	11	8
Other fuel	5	4
Water	10	8
Insurance	40	37
Professional fees	25	25
Other general costs	35	34
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	540	466
PROFIT BEFORE RENT AND INTEREST	218	415
Rent, hired in keep and bare land	43	45
Rates	0	0
Long-term interest	22	33
Short-term interest	7	7
Interest received (-)	0	0
NET PROFIT**	145	330
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	29	40
Plus - Landlord type repairs (included in property maintenance)	5	5
Less - Rental value (of owner occupied land and buildings)	151	126
NET FARM INCOME** (NFI)	29	249
Less farmer and spouse labour	305	238
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-276	11

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Lowland cattle and sheep farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2014/2015

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	107	133
Average proportion of total farmed area tenanted or hired (%)	27	31
	per £100 output	
<u>Output</u>		
Milk	0	0
Cattle	46	34
Sheep	14	20
Pigs, poultry and other livestock	0	0
Cereals	3	3
Other cash crops	0	0
Straw and forage	6	9
Management agreements and agri-environment schemes	4	6
Miscellaneous output	11	14
Single Payment Scheme	16	15
TOTAL OUTPUT**	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	13	7
Veterinary, medicines and other livestock costs	10	9
Seeds	1	1
Fertilisers	7	6
Crop protection and other crop costs	2	1
TOTAL VARIABLE COSTS	33	24
TOTAL GROSS MARGIN**	67	76
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	8	6
Casual labour	1	1
Contract	6	5
Machinery repairs and fuel	9	8
Machinery and other depreciation	9	7
Property maintenance	4	3
Electricity, other fuel and water	2	2
Other general costs	9	8
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	48	40
PROFIT BEFORE RENT AND INTEREST	19	36
Rent and rates	4	4
Long-term interest paid	2	3
Short-term interest paid	1	1
Interest received (-)	0	0
PROFIT**	13	29

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Lowland cattle and sheep farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2014/2015

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	107	133
Average proportion of total farmed area tenanted or hired (%)	27	31
<u>Land use</u>		
Percentage cropped	6	5
Percentage forage	94	95
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	0	0
Other cattle	85	79
Sheep	25	37
Other livestock	1	1
Total	111	117
GLUs per ha	1.19	1.05
GLUs per adjusted ha	1.20	1.07
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	n/a	n/a
Pence per litre	n/a	n/a
Milk output per cow	n/a	n/a
Dairy calf output, £ per calf	n/a	n/a
<u>Finished cattle and lambs</u>		
£ per finished animal	1035	1102
£ per finished lamb	80	80
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare		
Price per tonne		
Winter barley		
Yield - tonnes per hectare	7.3	
Price per tonne	112	
Spring barley		
Yield - tonnes per hectare	4.9	5.0
Price per tonne	111	112
Winter oats		
Yield - tonnes per hectare	5.8	
Price per tonne	103	
All cereals		
Yield - tonnes per hectare	5.8	5.4
Price per tonne	113	110

* Top third selected on Management and investment income per hectare

**Cereal yields for groups growing less than 40 hectares excluded

Lowland cattle and sheep farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY,
2014/2015

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	107	133
Average proportion of total farmed area tenanted or hired (%)	27	31
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1148	943
Crops, forage and cultivations	88	70
Stores	62	59
Machinery	583	517
Single Payment Scheme	245	242
Miscellaneous business assets & other assets	8	10
Total physical assets	2134	1841
Liquid assets	329	356
Tenant's capital (TC)	2464	2197
Management & investment income (M&II)**	-276	11
Return on tenant's capital (M&II as % of average TC)	-11.2%	0.5%
<u>Ratios per £100 of output (%)</u>		
Variable costs	33	24
Gross margin	67	76
Fixed costs (excluding rent and interest)	48	40
Net profit	13	29
Net farm income	3	22
Farmer and spouse	27	21
Management & Investment Income	-24	1
Tenant's capital		
Total assets	1466	1314
Total external liabilities	77	94
Net worth	1389	1220
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	102	79
Costs (£ per £100 output)	9	7
Costs (£ per £100 gross margin)	13	9
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	255	228
Costs (£ per £100 output)	23	20
Costs (£ per £100 gross margin)	34	26
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	357	307
Costs (£ per £100 output)	32	27
Costs (£ per £100 gross margin)	47	35

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Lowland cattle and sheep farms

END-OF-YEAR BALANCE SHEETS, 2014/2015

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	107	133
Average proportion of total farmed area tenanted or hired (%)	27	31
	£ per farm hectare	
End of year assets & liabilities		
Land & buildings	14033	12990
Milk quota	0	0
Single Payment Scheme	236	233
Machinery	591	530
Tenant's other assets	4	7
Breeding livestock	510	513
Total fixed assets	15373	14273
Suckler cow and ewe premium quota		
Trading livestock	630	415
Crops	19	23
Forage and cultivations	74	49
Stores	64	64
Debtors and loans	104	121
Bank credit and cash	257	260
Other current assets	4	3
Total current assets	1151	936
Total assets	16524	15210
Financed by		
AMC	117	128
Bank loans	430	603
Other long term	69	162
Total long term	616	893
HP and lease	51	37
Creditors	87	65
Bank overdraft	114	93
Other short term	1	0
Total current liabilities	253	196
Total Liabilities	868	1089
Net worth	15656	14121
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	95%	93%
% Fixed assets vs. total assets	93%	94%
Gearing (long-term loans vs. total assets)	4%	6%
Total debt (external liabilities vs. net worth)	6%	8%
Current Ratio (current assets vs. current liabilities)	455%	479%
Liquidity Ratio (liquid assets vs. current liabilities)	143%	195%

* Top third selected on Management and investment income per hectare

Lowland cattle and sheep farms by farm size

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2014/2015

	Under 100 hectares	Over 100 hectares
Number of farms in group	40	31
Average farmed area (hectares)	68	157
Average proportion of total farmed area tenanted or hired (%)	24	32
	£ per farm hectare	
<u>Output</u>		
Milk	0	0
Milk quota leasing less milk quota levy	0	0
Cattle	562	525
Herd depreciation	-22	-33
Sheep	165	182
Flock depreciation	-10	-21
Wool	5	5
Pigs	2	0
Poultry	0	0
Other livestock	0	0
Cereals	17	55
Oilseeds	0	0
Pulses	0	0
Other crops	1	3
Crop subsidies	0	0
Straw	6	14
Forage	70	35
Agri-environment schemes and management agreements	45	56
Rental income and imputed farmhouse rental equivalent	34	30
Hirework	57	34
Miscellaneous output	25	61
Cultivations	0	0
Single Payment Scheme	181	168
TOTAL FARM OUTPUT *	1137	1115
<u>Variable costs</u>		
Concentrates	127	141
Purchased fodder	5	11
Veterinary and medicines	34	31
Other livestock costs	87	77
Seeds	10	23
Fertilisers	77	72
Crop protection	7	14
Other crop costs	10	14
TOTAL VARIABLE COSTS	357	384
TOTAL GROSS MARGIN*	780	731

* Excluding Breeding Livestock Stock Appreciation

Lowland cattle and sheep farms by farm size

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2014/2015

	Under 100 hectares	Over 100 hectares
Number of farms in group	40	31
Average farmed area (hectares)	68	157
Average proportion of total farmed area tenanted or hired (%)	24	32
	£ per farm hectare	
TOTAL GROSS MARGIN*	780	731
<u>Fixed costs</u>		
Paid labour	13	63
Unpaid family labour	55	51
Casual labour	7	23
Contract	76	52
Machinery repairs	48	50
Machinery fuel	52	50
Machinery depreciation	101	75
Other depreciation	8	8
Property maintenance	52	46
Electricity	12	10
Other fuel	4	6
Water	10	11
Insurance	45	34
Professional fees	29	21
Other general costs	34	36
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	544	536
PROFIT BEFORE RENT AND INTEREST	236	195
Rent, hired in keep and bare land	37	51
Rates	0	0
Long-term interest	17	30
Short-term interest	8	7
Interest received (-)	1	0
NET PROFIT*	175	108
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	24	36
Plus - Landlord type repairs (included in property maintenance)	6	5
Less - Rental value (of owner occupied land and buildings)	162	137
NET FARM INCOME* (NFI)	43	12
Less farmer and spouse labour	393	190
MANAGEMENT AND INVESTMENT INCOME* (M&II)	-351	-179

* Excluding Breeding Livestock Stock Appreciation

Lowland cattle and sheep farms by farm size

FINANCIAL COMPARISONS per £100 OUTPUT, 2014/2015

	Under 100 hectares	Over 100 hectares
Number of farms in group	40	31
Average farmed area (hectares)	68	157
Average proportion of total farmed area tenanted or hired (%)	24	32
	per £100 output	
<u>Output</u>		
Milk	0	0
Cattle	47	44
Sheep	14	15
Pigs, poultry and other livestock	0	0
Cereals	2	5
Other cash crops	0	0
Straw and forage	7	4
Management agreements and agri-environment schemes	4	5
Miscellaneous output	10	11
Single Payment Scheme	16	15
TOTAL OUTPUT*	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	12	14
Veterinary, medicines and other livestock costs	11	10
Seeds	1	2
Fertilisers	7	7
Crop protection and other crop costs	2	3
TOTAL VARIABLE COSTS	31	34
TOTAL GROSS MARGIN*	69	66
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	6	10
Casual labour	1	2
Contract	7	5
Machinery repairs and fuel	9	9
Machinery and other depreciation	10	7
Property maintenance	5	4
Electricity, other fuel and water	2	2
Other general costs	9	8
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	48	48
PROFIT BEFORE RENT AND INTEREST	21	18
Rent and rates	3	5
Long-term interest paid	1	3
Short-term interest paid	1	1
Interest received (-)	0	0
PROFIT*	15	10

* Excluding Breeding Livestock Stock Appreciation

Lowland cattle and sheep farms by farm size

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2014/2015

	Under 100 hectares	Over 100 hectares
Number of farms in group	40	31
Average farmed area (hectares)	68	157
Average proportion of total farmed area tenanted or hired (%)	24	32
<u>Land use</u>		
Percentage cropped	3	8
Percentage forage	97	92
	GLUs per farm	
<u>Grazing livestock units</u>		
Dairy cattle	0	0
Other cattle	57	122
Sheep	15	38
Other livestock	1	2
Total	73	162
GLUs per ha	1.19	1.19
GLUs per adjusted ha	1.20	1.20
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	n/a	n/a
Pence per litre	n/a	n/a
Milk output per cow	n/a	n/a
Dairy calf output, £ per calf	n/a	n/a
<u>Finished cattle and lambs</u>		
£ per finished animal	1094	992
£ per finished lamb	83	79
<u>Cereals*</u>		
Winter wheat		
Yield - tonnes per hectare		
Price per tonne		
Winter barley		
Yield - tonnes per hectare		7.7
Price per tonne		112
Spring barley		
Yield - tonnes per hectare	3.7	5.2
Price per tonne	109	112
Winter oats		
Yield - tonnes per hectare		6.1
Price per tonne		102
All cereals		
Yield - tonnes per hectare	4.7	6.1
Price per tonne	110	113

*Cereal yields for groups growing less than 40 hectares excluded

Lowland cattle and sheep farms by farm size

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY,
2014/2015

	Under 100 hectares	Over 100 hectares
Number of farms in group	40	31
Average farmed area (hectares)	68	157
Average proportion of total farmed area tenanted or hired (%)	24	32
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1158	1135
Crops, forage and cultivations	89	85
Stores	64	60
Machinery	625	529
Single Payment Scheme	254	234
Miscellaneous business assets & other assets	9	7
Total physical assets	2199	2051
Liquid assets	414	220
Tenant's capital (TC)	2613	2271
Management & investment income (M&II)*	-351	-179
Return on tenant's capital (M&II as % of average TC)	-13.4%	-7.9%
<u>Ratios per £100 of output (%)</u>		
Variable costs	31	34
Gross margin	69	66
Fixed costs (excluding rent and interest)	48	48
Net profit	15	10
Net farm income	4	1
Farmer and spouse	35	17
Management & Investment Income	-31	-16
Tenant's capital		
Total assets	1575	1322
Total external liabilities	61	98
Net worth	1514	1224
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	75	137
Costs (£ per £100 output)	7	12
Costs (£ per £100 gross margin)	10	19
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	276	227
Costs (£ per £100 output)	24	20
Costs (£ per £100 gross margin)	35	31
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	351	365
Costs (£ per £100 output)	31	33
Costs (£ per £100 gross margin)	45	50

* Excluding Breeding Livestock Stock Appreciation

Lowland cattle and sheep farms by farm size

END-OF-YEAR BALANCE SHEETS, 2014/2015

	Under 100 hectares	Over 100 hectares
Number of farms in group	40	31
Average farmed area (hectares)	68	157
Average proportion of total farmed area tenanted or hired (%)	24	32
	£ per farm hectare	
<u>End of year assets & liabilities</u>		
Land & buildings	15287	12414
Milk quota	0	0
Single Payment Scheme	242	228
Machinery	623	550
Tenant's other assets	3	5
Breeding livestock	494	531
Total fixed assets	16649	13728
Suckler cow and ewe premium quota		
Trading livestock	641	616
Crops	12	28
Forage and cultivations	83	62
Stores	64	63
Debtors and loans	116	88
Bank credit and cash	341	148
Other current assets	5	2
Total current assets	1262	1007
Total assets	17910	14736
<u>Financed by</u>		
AMC	90	152
Bank loans	280	623
Other long term	99	29
Total long term	470	804
<u>HP and lease</u>	55	45
Creditors	83	92
Bank overdraft	89	146
Other short term	0	3
Total current liabilities	228	285
Total Liabilities	697	1089
Net worth	17213	13647
<u>Balance sheet ratios</u>		
% Owner equity (net worth vs. total assets)	96%	93%
% Fixed assets vs. total assets	93%	93%
Gearing (long-term loans vs. total assets)	3%	5%
Total debt (external liabilities vs. net worth)	4%	8%
Current Ratio (current assets vs. current liabilities)	554%	353%
Liquidity Ratio (liquid assets vs. current liabilities)	201%	83%

SDA cattle and sheep farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2014/2015

	Average	Premium ⁺
Number of farms in group	19	
Average farmed area (hectares)	182	
Average proportion of total farmed area tenanted or hired (%)	40	
	£ per farm hectare	
<u>Output</u>		
Milk	0	
Milk quota leasing less milk quota levy	0	
Cattle	234	
Herd depreciation	-18	
Sheep	256	
Flock depreciation	-24	
Wool	8	
Pigs	0	
Poultry	0	
Other livestock	0	
Cereals	3	
Oilseeds	0	
Pulses	0	
Other crops	0	
Crop subsidies	0	
Straw	1	
Forage	14	
Agri-environment schemes and management agreements	121	
Rental income and imputed farmhouse rental equivalent	17	
Hirework	20	
Miscellaneous output	8	
Cultivations	0	
Single Payment Scheme	132	
TOTAL FARM OUTPUT *	771	
<u>Variable costs</u>		
Concentrates	59	
Purchased fodder	7	
Veterinary and medicines	24	
Other livestock costs	55	
Seeds	3	
Fertilisers	50	
Crop protection	2	
Other crop costs	5	
TOTAL VARIABLE COSTS	204	
TOTAL GROSS MARGIN*	567	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

SDA cattle and sheep farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2014/2015

	Average	Premium ⁺
Number of farms in group	19	
Average farmed area (hectares)	182	
Average proportion of total farmed area tenanted or hired (%)	40	
	£ per farm	hectare
TOTAL GROSS MARGIN*	567	
<u>Fixed costs</u>		
Paid labour	35	
Unpaid family labour	55	
Casual labour	20	
Contract	30	
Machinery repairs	34	
Machinery fuel	36	
Machinery depreciation	73	
Other depreciation	5	
Property maintenance	25	
Electricity	6	
Other fuel	4	
Water	1	
Insurance	27	
Professional fees	23	
Other general costs	25	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	399	
PROFIT BEFORE RENT AND INTEREST	168	
Rent, hired in keep and bare land	30	
Rates	0	
Long-term interest	20	
Short-term interest	6	
Interest received (-)	0	
NET PROFIT*	112	
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	26	
Plus - Landlord type repairs (included in property maintenance)	2	
Less - Rental value (of owner occupied land and buildings)	57	
NET FARM INCOME* (NFI)	83	
Less farmer and spouse labour	185	
MANAGEMENT AND INVESTMENT INCOME* (M&II)	-102	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

SDA cattle and sheep farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2014/2015

	Average	Premium ⁺
Number of farms in group	19	
Average farmed area (hectares)	182	
Average proportion of total farmed area tenanted or hired (%)	40	
	per £100 output	
<u>Output</u>		
Milk	0	
Cattle	28	
Sheep	31	
Pigs, poultry and other livestock	0	
Cereals	0	
Other cash crops	0	
Straw and forage	2	
Management agreements and agri-environment schemes	16	
Miscellaneous output	6	
Single Payment Scheme	17	
TOTAL OUTPUT*	100	
<u>Variable costs</u>		
Concentrates, fodder and keep	9	
Veterinary, medicines and other livestock costs	10	
Seeds	0	
Fertilisers	6	
Crop protection and other crop costs	1	
TOTAL VARIABLE COSTS	26	
TOTAL GROSS MARGIN*	74	
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	12	
Casual labour	3	
Contract	4	
Machinery repairs and fuel	9	
Machinery and other depreciation	10	
Property maintenance	3	
Electricity, other fuel and water	1	
Other general costs	10	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	52	
PROFIT BEFORE RENT AND INTEREST	22	
Rent and rates	4	
Long-term interest paid	3	
Short-term interest paid	1	
Interest received (-)	0	
PROFIT*	15	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

SDA cattle and sheep farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2014/2015

	Average	Premium ⁺
Number of farms in group	19	
Average farmed area (hectares)	182	
Average proportion of total farmed area tenanted or hired (%)	40	
<u>Land use</u>		
Percentage cropped	0	
Percentage forage	100	
	GLUs per farm	
<u>Grazing livestock units</u>		
Dairy cattle	0	
Other cattle	74	
Sheep	44	
Other livestock	1	
Total	119	
GLUs per ha	0.66	
GLUs per adjusted ha	0.79	
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	n/a	
Pence per litre	n/a	
Milk output per cow	n/a	
Dairy calf output, £ per calf	n/a	
<u>Finished cattle and lambs</u>		
£ per finished animal	1032	
£ per finished lamb	73	
<u>Cereals*</u>		
Winter wheat		
Yield - tonnes per hectare		
Price per tonne		
Winter barley		
Yield - tonnes per hectare		
Price per tonne		
Spring barley		
Yield - tonnes per hectare		
Price per tonne		
Winter oats		
Yield - tonnes per hectare		
Price per tonne		
All cereals		
Yield - tonnes per hectare		
Price per tonne		

⁺ Insufficient farms

* Cereal yields for groups growing less than 40 hectares excluded

SDA cattle and sheep farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2014/2015

	Average	Premium ⁺
Number of farms in group	19	
Average farmed area (hectares)	182	
Average proportion of total farmed area tenanted or hired (%)	40	
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	735	
Crops, forage and cultivations	25	
Stores	18	
Machinery	462	
Single Payment Scheme	224	
Miscellaneous business assets & other assets	1	
Total physical assets	1465	
Liquid assets	223	
Tenant's capital (TC)	1688	
Management & investment income (M&II)*	-102	
Return on tenant's capital (M&II as % of average TC)	-6.0%	
<u>Ratios per £100 of output (%)</u>		
Variable costs	26	
Gross margin	74	
Fixed costs (excluding rent and interest)	52	
Net profit	15	
Net farm income	11	
Farmer and spouse	24	
Management & Investment Income	-13	
Tenant's capital		
Total assets	1235	
Total external liabilities	112	
Net worth	1123	
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	111	
Costs (£ per £100 output)	14	
Costs (£ per £100 gross margin)	20	
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	173	
Costs (£ per £100 output)	22	
Costs (£ per £100 gross margin)	30	
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	283	
Costs (£ per £100 output)	37	
Costs (£ per £100 gross margin)	50	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

SDA cattle and sheep farms

END-OF-YEAR BALANCE SHEETS, 2014/2015

	Average	Premium ⁺
Number of farms in group	19	
Average farmed area (hectares)	182	
Average proportion of total farmed area tenanted or hired (%)	40	
	£ per farm hectare	
End of year assets & liabilities		
Land & buildings	7807	
Milk quota	0	
Single Payment Scheme	227	
Machinery	480	
Tenant's other assets	0	
Breeding livestock	539	
Total fixed assets	9053	
Suckler cow and ewe premium quota		
Trading livestock	200	
Crops	1	
Forage and cultivations	27	
Stores	17	
Debtors and loans	112	
Bank credit and cash	110	
Other current assets	1	
Total current assets	469	
Total assets	9523	
Financed by		
AMC	325	
Bank loans	251	
Other long term	83	
Total long term	660	
HP and lease	50	
Creditors	49	
Bank overdraft	106	
Other short term	1	
Total current liabilities	206	
Total Liabilities	866	
Net worth	8657	
<u>Balance sheet ratios</u>		
% Owner equity (net worth vs. total assets)	91%	
% Fixed assets vs. total assets	95%	
Gearing (long-term loans vs. total assets)	7%	
Total debt (external liabilities vs. net worth)	10%	
Current Ratio (current assets vs. current liabilities)	228%	
Liquidity Ratio (liquid assets vs. current liabilities)	108%	

⁺ Insufficient farms

LFA cattle and sheep farms by farm size

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2014/2015

	Under 120 hectares	Over 120 hectares
Number of farms in group	13	18
Average farmed area (hectares)	76	211
Average proportion of total farmed area tenanted or hired (%)	16	40
	£ per farm hectare	
<u>Output</u>		
Milk	0	0
Milk quota leasing less milk quota levy	0	0
Cattle	430	210
Herd depreciation	-23	-16
Sheep	307	230
Flock depreciation	-41	-21
Wool	9	7
Pigs	0	0
Poultry	0	0
Other livestock	0	0
Cereals	7	4
Oilseeds	0	0
Pulses	0	0
Other crops	0	0
Crop subsidies	0	0
Straw	1	1
Forage	20	14
Agri-environment schemes and management agreements	48	113
Rental income and imputed farmhouse rental equivalent	1	25
Hirework	5	21
Miscellaneous output	10	7
Cultivations	0	0
Single Payment Scheme	166	132
TOTAL FARM OUTPUT *	941	728
<u>Variable costs</u>		
Concentrates	132	55
Purchased fodder	5	7
Veterinary and medicines	39	20
Other livestock costs	82	47
Seeds	4	2
Fertilisers	62	46
Crop protection	3	2
Other crop costs	6	6
TOTAL VARIABLE COSTS	335	184
TOTAL GROSS MARGIN*	607	544

* Excluding Breeding Livestock Stock Appreciation

LFA cattle and sheep farms by farm size

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2014/2015

	Under 120 hectares	Over 120 hectares
Number of farms in group	13	18
Average farmed area (hectares)	76	211
Average proportion of total farmed area tenanted or hired (%)	16	40
	£ per farm hectare	
TOTAL GROSS MARGIN*	607	544
<u>Fixed costs</u>		
Paid labour	16	41
Unpaid family labour	55	50
Casual labour	13	21
Contract	35	28
Machinery repairs	40	32
Machinery fuel	46	35
Machinery depreciation	99	64
Other depreciation	4	3
Property maintenance	27	32
Electricity	10	5
Other fuel	4	4
Water	10	2
Insurance	38	23
Professional fees	21	19
Other general costs	29	21
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	449	379
PROFIT BEFORE RENT AND INTEREST	158	166
Rent, hired in keep and bare land	16	30
Rates	0	0
Long-term interest	36	21
Short-term interest	7	6
Interest received (-)	0	0
NET PROFIT*	99	109
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	42	27
Plus - Landlord type repairs (included in property maintenance)	4	2
Less - Rental value (of owner occupied land and buildings)	116	66
NET FARM INCOME* (NFI)	31	72
Less farmer and spouse labour	324	150
MANAGEMENT AND INVESTMENT INCOME* (M&II)	-294	-78

* Excluding Breeding Livestock Stock Appreciation

LFA cattle and sheep farms by farm size

FINANCIAL COMPARISONS per £100 OUTPUT, 2014/2015

	Under 120 hectares	Over 120 hectares
Number of farms in group	13	18
Average farmed area (hectares)	76	211
Average proportion of total farmed area tenanted or hired (%)	16	40
	per £100 output	
<u>Output</u>		
Milk	0	0
Cattle	43	27
Sheep	29	30
Pigs, poultry and other livestock	0	0
Cereals	1	1
Other cash crops	0	0
Straw and forage	2	2
Management agreements and agri-environment schemes	5	16
Miscellaneous output	2	7
Single Payment Scheme	18	18
TOTAL OUTPUT*	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	15	8
Veterinary, medicines and other livestock costs	13	9
Seeds	0	0
Fertilisers	7	6
Crop protection and other crop costs	1	1
TOTAL VARIABLE COSTS	36	25
TOTAL GROSS MARGIN*	64	75
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	8	12
Casual labour	1	3
Contract	4	4
Machinery repairs and fuel	9	9
Machinery and other depreciation	11	9
Property maintenance	3	4
Electricity, other fuel and water	2	2
Other general costs	9	9
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	48	52
PROFIT BEFORE RENT AND INTEREST	17	23
Rent and rates	2	4
Long-term interest paid	4	3
Short-term interest paid	1	1
Interest received (-)	0	0
PROFIT*	11	15

* Excluding Breeding Livestock Stock Appreciation

LFA cattle and sheep farms by farm size

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2014/2015

	Under 120 hectares	Over 120 hectares
Number of farms in group	13	18
Average farmed area (hectares)	76	211
Average proportion of total farmed area tenanted or hired (%)	16	40
<u>Land use</u>		
Percentage cropped	1	1
Percentage forage	99	99
	GLUs per farm	
<u>Grazing livestock units</u>		
Dairy cattle	0	0
Other cattle	48	85
Sheep	29	46
Other livestock	0	2
Total	77	133
GLUs per ha	1.04	0.64
GLUs per adjusted ha	0.96	0.77
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	n/a	n/a
Pence per litre	n/a	n/a
Milk output per cow	n/a	n/a
Dairy calf output, £ per calf	n/a	n/a
<u>Finished cattle and lambs</u>		
£ per finished animal	1031	1009
£ per finished lamb	77	73
<u>Cereals*</u>		
Winter wheat		
Yield - tonnes per hectare		
Price per tonne		
Winter barley		
Yield - tonnes per hectare		
Price per tonne		
Spring barley		
Yield - tonnes per hectare		
Price per tonne		
Winter oats		
Yield - tonnes per hectare		
Price per tonne		
All cereals		
Yield - tonnes per hectare		
Price per tonne		

*Cereal yields for groups growing less than 40 hectares excluded

LFA cattle and sheep farms by farm size

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY,
2014/2015

	Under 120 hectares	Over 120 hectares
Number of farms in group	13	18
Average farmed area (hectares)	76	211
Average proportion of total farmed area tenanted or hired (%)	16	40
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1147	698
Crops, forage and cultivations	51	24
Stores	41	21
Machinery	616	373
Single Payment Scheme	249	216
Miscellaneous business assets & other assets	2	2
Total physical assets	2107	1334
Liquid assets	378	238
Tenant's capital (TC)	2485	1571
Management & investment income (M&II)*	-294	-78
Return on tenant's capital (M&II as % of average TC)	-11.8%	-5.0%
<u>Ratios per £100 of output (%)</u>		
Variable costs	36	25
Gross margin	64	75
Fixed costs (excluding rent and interest)	48	52
Net profit	11	15
Net farm income	3	10
Farmer and spouse	34	21
Management & Investment Income	-31	-11
Tenant's capital		
Total assets	1712	1252
Total external liabilities	141	105
Net worth	1571	1147
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	85	112
Costs (£ per £100 output)	9	15
Costs (£ per £100 gross margin)	14	21
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	221	158
Costs (£ per £100 output)	23	22
Costs (£ per £100 gross margin)	36	29
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	305	270
Costs (£ per £100 output)	32	37
Costs (£ per £100 gross margin)	50	50

* Excluding Breeding Livestock Stock Appreciation

LFA cattle and sheep farms, by farm size

END-OF-YEAR BALANCE SHEETS, 2014/2015

	Under 120 hectares	Over 120 hectares
Number of farms in group	13	18
Average farmed area (hectares)	76	211
Average proportion of total farmed area tenanted or hired (%)	16	40
	£ per farm hectare	
End of year assets & liabilities		
Land & buildings	13619	7561
Milk quota	0	0
Single Payment Scheme	244	217
Machinery	657	375
Tenant's other assets	0	0
Breeding livestock	691	492
Total fixed assets	15211	8645
Suckler cow and ewe premium quota		
Trading livestock	452	200
Crops	1	2
Forage and cultivations	53	26
Stores	44	20
Debtors and loans	89	89
Bank credit and cash	263	132
Other current assets	2	2
Total current assets	905	470
Total assets	16116	9115
Financed by		
AMC	269	343
Bank loans	482	251
Other long term	180	12
Total long term	930	607
HP and lease	62	40
Creditors	64	43
Bank overdraft	274	72
Other short term	0	1
Total current liabilities	400	157
Total Liabilities	1330	763
Net worth	14785	8352
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	92%	92%
% Fixed assets vs. total assets	94%	95%
Gearing (long-term loans vs. total assets)	6%	7%
Total debt (external liabilities vs. net worth)	9%	9%
Current Ratio (current assets vs. current liabilities)	226%	300%
Liquidity Ratio (liquid assets vs. current liabilities)	88%	141%

Mixed cropping, cattle and sheep farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2014/2015

	Average	Premium ⁺
Number of farms in group	24	
Average farmed area (hectares)	140	
Average proportion of total farmed area tenanted or hired (%)	47	
	£ per farm hectare	
<u>Output</u>		
Milk	0	
Milk quota leasing less milk quota levy	0	
Cattle	322	
Herd depreciation	-14	
Sheep	98	
Flock depreciation	-10	
Wool	2	
Pigs	6	
Poultry	25	
Other livestock	0	
Cereals	306	
Oilseeds	45	
Pulses	9	
Other crops	32	
Crop subsidies	0	
Straw	54	
Forage	59	
Agri-environment schemes and management agreements	68	
Rental income and imputed farmhouse rental equivalent	46	
Hirework	41	
Miscellaneous output	58	
Cultivations	-2	
Single Payment Scheme	184	
TOTAL FARM OUTPUT *	1330	
<u>Variable costs</u>		
Concentrates	105	
Purchased fodder	8	
Veterinary and medicines	20	
Other livestock costs	65	
Seeds	48	
Fertilisers	128	
Crop protection	86	
Other crop costs	26	
TOTAL VARIABLE COSTS	486	
TOTAL GROSS MARGIN*	844	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

Mixed cropping, cattle and sheep farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2014/2015

	Average	Premium ⁺
Number of farms in group	24	
Average farmed area (hectares)	140	
Average proportion of total farmed area tenanted or hired (%)	47	
	£ per farm hectare	
TOTAL GROSS MARGIN*	844	
<u>Fixed costs</u>		
Paid labour	59	
Unpaid family labour	74	
Casual labour	11	
Contract	72	
Machinery repairs	68	
Machinery fuel	67	
Machinery depreciation	125	
Other depreciation	7	
Property maintenance	30	
Electricity	15	
Other fuel	6	
Water	8	
Insurance	42	
Professional fees	23	
Other general costs	37	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	641	
PROFIT BEFORE RENT AND INTEREST	203	
Rent, hired in keep and bare land	73	
Rates	0	
Long-term interest	32	
Short-term interest	10	
Interest received (-)	0	
NET PROFIT*	88	
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	42	
Plus - Landlord type repairs (included in property maintenance)	2	
Less - Rental value (of owner occupied land and buildings)	127	
NET FARM INCOME* (NFI)	4	
Less farmer and spouse labour	218	
MANAGEMENT AND INVESTMENT INCOME* (M&II)	-214	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

Mixed cropping, cattle and sheep farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2014/2015

	Average	Premium ⁺
Number of farms in group	24	
Average farmed area (hectares)	140	
Average proportion of total farmed area tenanted or hired (%)	47	
	per £100 output	
<u>Output</u>		
Milk	0	
Cattle	23	
Sheep	7	
Pigs, poultry and other livestock	2	
Cereals	23	
Other cash crops	6	
Straw and forage	9	
Management agreements and agri-environment schemes	5	
Miscellaneous output	11	
Single Payment Scheme	14	
TOTAL OUTPUT*	100	
<u>Variable costs</u>		
Concentrates, fodder and keep	8	
Veterinary, medicines and other livestock costs	6	
Seeds	4	
Fertilisers	10	
Crop protection and other crop costs	8	
TOTAL VARIABLE COSTS	37	
TOTAL GROSS MARGIN*	63	
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	10	
Casual labour	1	
Contract	5	
Machinery repairs and fuel	10	
Machinery and other depreciation	10	
Property maintenance	2	
Electricity, other fuel and water	2	
Other general costs	8	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	48	
PROFIT BEFORE RENT AND INTEREST	15	
Rent and rates	6	
Long-term interest paid	2	
Short-term interest paid	1	
Interest received (-)	0	
PROFIT*	7	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

Mixed cropping, cattle and sheep farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2014/2015

	Average	Premium ⁺
Number of farms in group	24	
Average farmed area (hectares)	140	
Average proportion of total farmed area tenanted or hired (%)	47	
<u>Land use</u>		
Percentage cropped	43	
Percentage forage	57	
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	0	
Other cattle	64	
Sheep	22	
Other livestock	1	
Total	87	
GLUs per ha	1.17	
GLUs per adjusted ha	1.18	
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	n/a	
Pence per litre	n/a	
Milk output per cow	n/a	
Dairy calf output, £ per calf	n/a	
<u>Finished cattle and lambs</u>		
£ per finished animal	1149	
£ per finished lamb	78	
<u>Cereals*</u>		
Winter wheat		
Yield - tonnes per hectare	8.0	
Price per tonne	127	
Winter barley		
Yield - tonnes per hectare	7.6	
Price per tonne	113	
Spring barley		
Yield - tonnes per hectare	5.9	
Price per tonne	120	
Winter oats		
Yield - tonnes per hectare	6.6	
Price per tonne	104	
All cereals		
Yield - tonnes per hectare	7.3	
Price per tonne	121	

⁺ Insufficient farms

* Cereal yields for groups growing less than 40 hectares excluded

Mixed cropping, cattle and sheep farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY,
2014/2015

	Average	Premium ⁺
Number of farms in group	24	
Average farmed area (hectares)	140	
Average proportion of total farmed area tenanted or hired (%)	47	
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	703	
Crops, forage and cultivations	250	
Stores	140	
Machinery	879	
Single Payment Scheme	253	
Miscellaneous business assets & other assets	13	
Total physical assets	2238	
Liquid assets	369	
Tenant's capital (TC)	2607	
Management & investment income (M&II)*	-214	
Return on tenant's capital (M&II as % of average TC)	-8.2%	
<u>Ratios per £100 of output (%)</u>		
Variable costs	37	
Gross margin	63	
Fixed costs (excluding rent and interest)	48	
Net profit	7	
Net farm income	0	
Farmer and spouse	16	
Management & Investment Income	-16	
Tenant's capital		
Total assets	1028	
Total external liabilities	76	
Net worth	952	
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	143	
Costs (£ per £100 output)	11	
Costs (£ per £100 gross margin)	17	
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	330	
Costs (£ per £100 output)	25	
Costs (£ per £100 gross margin)	39	
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	473	
Costs (£ per £100 output)	36	
Costs (£ per £100 gross margin)	56	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

Mixed cropping, cattle and sheep farms

END-OF-YEAR BALANCE SHEETS, 2014/2015

	Average	Premium ⁺
Number of farms in group	24	
Average farmed area (hectares)	140	
Average proportion of total farmed area tenanted or hired (%)	47	
End of year assets & liabilities	£ per farm hectare	
Land & buildings	11036	
Milk quota	0	
Single Payment Scheme	248	
Machinery	897	
Tenant's other assets	10	
Breeding livestock	302	
Total fixed assets	12493	
Suckler cow and ewe premium quota		
Trading livestock	401	
Crops	127	
Forage and cultivations	115	
Stores	137	
Debtors and loans	185	
Bank credit and cash	217	
Other current assets	4	
Total current assets	1187	
Total assets	13680	
Financed by		
AMC	210	
Bank loans	333	
Other long term	92	
Total long term	634	
HP and lease	94	
Creditors	119	
Bank overdraft	163	
Other short term	2	
Total current liabilities	378	
Total Liabilities	1013	
Net worth	12667	
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	93%	
% Fixed assets vs. total assets	91%	
Gearing (long-term loans vs. total assets)	5%	
Total debt (external liabilities vs. net worth)	8%	
Current Ratio (current assets vs. current liabilities)	314%	
Liquidity Ratio (liquid assets vs. current liabilities)	106%	

⁺ Insufficient farms

Organic dairy farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2014/2015

	Average	Premium ⁺
Number of farms in group	13	
Average farmed area (hectares)	200	
Average proportion of total farmed area tenanted or hired (%)	61	
	£ per farm hectare	
<u>Output</u>		
Milk	1813	
Milk quota leasing less milk quota levy	0	
Cattle	363	
Herd depreciation	-141	
Sheep	6	
Flock depreciation	-2	
Wool	0	
Pigs	1	
Poultry	0	
Other livestock	0	
Cereals	15	
Oilseeds	0	
Pulses	1	
Other crops	0	
Crop subsidies	0	
Straw	1	
Forage	9	
Agri-environment schemes and management agreements	55	
Rental income and imputed farmhouse rental equivalent	42	
Hirework	2	
Miscellaneous output	34	
Cultivations	0	
Single Payment Scheme	156	
TOTAL FARM OUTPUT *	2358	
<u>Variable costs</u>		
Concentrates	529	
Purchased fodder	26	
Veterinary and medicines	52	
Other livestock costs	199	
Seeds	27	
Fertilisers	2	
Crop protection	0	
Other crop costs	11	
TOTAL VARIABLE COSTS	845	
TOTAL GROSS MARGIN*	1513	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

Organic dairy farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2014/2015

	Average	Premium ⁺
Number of farms in group	13	
Average farmed area (hectares)	200	
Average proportion of total farmed area tenanted or hired (%)	61	
	£ per farm hectare	
TOTAL GROSS MARGIN*	1513	
<u>Fixed costs</u>		
Paid labour	237	
Unpaid family labour	33	
Casual labour	10	
Contract	128	
Machinery repairs	73	
Machinery fuel	52	
Machinery depreciation	131	
Other depreciation	5	
Property maintenance	46	
Electricity	36	
Other fuel	2	
Water	23	
Insurance	40	
Professional fees	21	
Other general costs	31	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	868	
PROFIT BEFORE RENT AND INTEREST	644	
Rent, hired in keep and bare land	131	
Rates	1	
Long-term interest	28	
Short-term interest	11	
Interest received (-)	0	
NET PROFIT*	474	
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	39	
Plus - Landlord type repairs (included in property maintenance)	5	
Less - Rental value (of owner occupied land and buildings)	144	
NET FARM INCOME* (NFI)	374	
Less farmer and spouse labour	237	
MANAGEMENT AND INVESTMENT INCOME* (M&II)	136	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

Organic dairy farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2014/2015

	Average	Premium ⁺
Number of farms in group	13	
Average farmed area (hectares)	200	
Average proportion of total farmed area tenanted or hired (%)	61	
	per £100 output	
<u>Output</u>		
Milk	77	
Cattle	9	
Sheep	0	
Pigs, poultry and other livestock	0	
Cereals	1	
Other cash crops	0	
Straw and forage	0	
Management agreements and agri-environment schemes	2	
Miscellaneous output	3	
Single Payment Scheme	7	
TOTAL OUTPUT*	100	
<u>Variable costs</u>		
Concentrates, fodder and keep	24	
Veterinary, medicines and other livestock costs	11	
Seeds	1	
Fertilisers	0	
Crop protection and other crop costs	0	
TOTAL VARIABLE COSTS	36	
TOTAL GROSS MARGIN*	64	
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	11	
Casual labour	0	
Contract	5	
Machinery repairs and fuel	5	
Machinery and other depreciation	6	
Property maintenance	2	
Electricity, other fuel and water	3	
Other general costs	4	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	37	
PROFIT BEFORE RENT AND INTEREST	27	
Rent and rates	6	
Long-term interest paid	1	
Short-term interest paid	0	
Interest received (-)	0	
PROFIT*	20	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

Organic dairy farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2014/2015

	Average	Premium ⁺
Number of farms in group	13	
Average farmed area (hectares)	200	
Average proportion of total farmed area tenanted or hired (%)	61	
<u>Land use</u>		
Percentage cropped	2	
Percentage forage	98	
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	146	
Other cattle	87	
Sheep	2	
Other livestock	0	
Total	235	
GLUs per ha	1.29	
GLUs per adjusted ha	1.30	
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	6019	
Pence per litre	39.2	
Milk output per cow	2386	
Dairy calf output, £ per calf	122	
<u>Finished cattle and lambs</u>		
£ per finished animal	1130	
£ per finished lamb	92	
<u>Cereals*</u>		
Winter wheat		
Yield - tonnes per hectare	3.8	
Price per tonne	205	
Winter barley		
Yield - tonnes per hectare		
Price per tonne		
Spring barley		
Yield - tonnes per hectare	2.5	
Price per tonne	201	
Winter oats		
Yield - tonnes per hectare		
Price per tonne		
All cereals		
Yield - tonnes per hectare	3.3	
Price per tonne	202	

⁺ Insufficient farms

* Cereal yields for groups growing less than 40 hectares excluded

Organic dairy farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2014/2015

	Average	Premium ⁺
Number of farms in group	13	
Average farmed area (hectares)	200	
Average proportion of total farmed area tenanted or hired (%)	61	
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1267	
Crops, forage and cultivations	63	
Stores	77	
Machinery	800	
Single Payment Scheme	216	
Miscellaneous business assets & other assets	25	
Total physical assets	2448	
Liquid assets	547	
Tenant's capital (TC)	2995	
Management & investment income (M&II)*	136	
Return on tenant's capital (M&II as % of average TC)	4.6%	
<u>Ratios per £100 of output (%)</u>		
Variable costs	36	
Gross margin	64	
Fixed costs (excluding rent and interest)	37	
Net profit	20	
Net farm income	16	
Farmer and spouse	10	
Management & Investment Income	6	
Tenant's capital		
Total assets	491	
Total external liabilities	49	
Net worth	442	
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	280	
Costs (£ per £100 output)	12	
Costs (£ per £100 gross margin)	19	
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	384	
Costs (£ per £100 output)	16	
Costs (£ per £100 gross margin)	25	
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	664	
Costs (£ per £100 output)	28	
Costs (£ per £100 gross margin)	44	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

Organic dairy farms

END-OF-YEAR BALANCE SHEETS, 2014/2015

	Average	Premium ⁺
Number of farms in group	13	
Average farmed area (hectares)	200	
Average proportion of total farmed area tenanted or hired (%)	61	
	£ per farm hectare	
End of year assets & liabilities		
Land & buildings	8545	
Milk quota	0	
Single Payment Scheme	211	
Machinery	852	
Tenant's other assets	0	
Breeding livestock	1020	
Total fixed assets	10629	
Suckler cow and ewe premium quota		
Trading livestock	226	
Crops	4	
Forage and cultivations	63	
Stores	76	
Debtors and loans	357	
Bank credit and cash	191	
Other current assets	27	
Total current assets	943	
Total assets	11572	
Financed by		
AMC	421	
Bank loans	294	
Other long term	67	
Total long term	782	
HP and lease	84	
Creditors	156	
Bank overdraft	123	
Other short term	2	
Total current liabilities	365	
Total Liabilities	1147	
Net worth	10425	
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	90%	
% Fixed assets vs. total assets	92%	
Gearing (long-term loans vs. total assets)	7%	
Total debt (external liabilities vs. net worth)	11%	
Current Ratio (current assets vs. current liabilities)	259%	
Liquidity Ratio (liquid assets vs. current liabilities)	150%	

⁺ Insufficient farms

Organic lowland cattle and sheep farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2014/2015

	Average	Premium ⁺
Number of farms in group	23	
Average farmed area (hectares)	140	
Average proportion of total farmed area tenanted or hired (%)	41	
	£ per farm hectare	
<u>Output</u>		
Milk	0	
Milk quota leasing less milk quota levy	0	
Cattle	357	
Herd depreciation	-17	
Sheep	88	
Flock depreciation	-8	
Wool	3	
Pigs	0	
Poultry	1	
Other livestock	0	
Cereals	50	
Oilseeds	0	
Pulses	1	
Other crops	0	
Crop subsidies	0	
Straw	12	
Forage	25	
Agri-environment schemes and management agreements	150	
Rental income and imputed farmhouse rental equivalent	71	
Hirework	25	
Miscellaneous output	89	
Cultivations	0	
Single Payment Scheme	179	
TOTAL FARM OUTPUT *	1029	
<u>Variable costs</u>		
Concentrates	38	
Purchased fodder	15	
Veterinary and medicines	17	
Other livestock costs	55	
Seeds	18	
Fertilisers	6	
Crop protection	1	
Other crop costs	10	
TOTAL VARIABLE COSTS	159	
TOTAL GROSS MARGIN*	869	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

Organic lowland cattle and sheep farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2014/2015

	Average	Premium ⁺
Number of farms in group	23	
Average farmed area (hectares)	140	
Average proportion of total farmed area tenanted or hired (%)	41	
	£ per farm hectare	
TOTAL GROSS MARGIN*	869	
<u>Fixed costs</u>		
Paid labour	25	
Unpaid family labour	34	
Casual labour	7	
Contract	55	
Machinery repairs	44	
Machinery fuel	40	
Machinery depreciation	79	
Other depreciation	47	
Property maintenance	66	
Electricity	13	
Other fuel	3	
Water	10	
Insurance	29	
Professional fees	26	
Other general costs	32	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	511	
PROFIT BEFORE RENT AND INTEREST	358	
Rent, hired in keep and bare land	65	
Rates	0	
Long-term interest	45	
Short-term interest	8	
Interest received (-)	1	
NET PROFIT*	240	
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	53	
Plus - Landlord type repairs (included in property maintenance)	3	
Less - Rental value (of owner occupied land and buildings)	129	
NET FARM INCOME* (NFI)	167	
Less farmer and spouse labour	209	
MANAGEMENT AND INVESTMENT INCOME* (M&II)	-42	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

Organic lowland cattle and sheep farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2014/2015

	Average	Premium ⁺
Number of farms in group	23	
Average farmed area (hectares)	140	
Average proportion of total farmed area tenanted or hired (%)	41	
	per £100 output	
<u>Output</u>		
Milk	0	
Cattle	33	
Sheep	8	
Pigs, poultry and other livestock	0	
Cereals	5	
Other cash crops	0	
Straw and forage	4	
Management agreements and agri-environment schemes	15	
Miscellaneous output	18	
Single Payment Scheme	17	
TOTAL OUTPUT*	100	
<u>Variable costs</u>		
Concentrates, fodder and keep	5	
Veterinary, medicines and other livestock costs	7	
Seeds	2	
Fertilisers	1	
Crop protection and other crop costs	1	
TOTAL VARIABLE COSTS	15	
TOTAL GROSS MARGIN*	85	
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	6	
Casual labour	1	
Contract	5	
Machinery repairs and fuel	8	
Machinery and other depreciation	12	
Property maintenance	6	
Electricity, other fuel and water	3	
Other general costs	8	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	50	
PROFIT BEFORE RENT AND INTEREST	35	
Rent and rates	6	
Long-term interest paid	4	
Short-term interest paid	1	
Interest received (-)	0	
PROFIT*	23	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

Organic lowland cattle and sheep farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2014/2015

	Average	Premium ⁺
Number of farms in group	23	
Average farmed area (hectares)	140	
Average proportion of total farmed area tenanted or hired (%)	41	
<u>Land use</u>		
Percentage cropped	8	
Percentage forage	92	
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	0	
Other cattle	92	
Sheep	29	
Other livestock	1	
Total	122	
GLUs per ha	0.97	
GLUs per adjusted ha	0.98	
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	n/a	
Pence per litre	n/a	
Milk output per cow	n/a	
Dairy calf output, £ per calf	n/a	
<u>Finished cattle and lambs</u>		
£ per finished animal	1102	
£ per finished lamb	80	
<u>Cereals*</u>		
Winter wheat		
Yield - tonnes per hectare		
Price per tonne		
Winter barley		
Yield - tonnes per hectare		
Price per tonne		
Spring barley		
Yield - tonnes per hectare	3.9	
Price per tonne	176	
Winter oats		
Yield - tonnes per hectare		
Price per tonne		
All cereals		
Yield - tonnes per hectare	4.3	
Price per tonne	161	

⁺ Insufficient farms

* Cereal yields for groups growing less than 40 hectares excluded

Organic lowland cattle and sheep farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY,
2014/2015

	Average	Premium ⁺
Number of farms in group	23	
Average farmed area (hectares)	140	
Average proportion of total farmed area tenanted or hired (%)	41	
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	790	
Crops, forage and cultivations	51	
Stores	20	
Machinery	770	
Single Payment Scheme	249	
Miscellaneous business assets & other assets	2	
Total physical assets	1881	
Liquid assets	265	
Tenant's capital (TC)	2146	
Management & investment income (M&II)*	-42	
Return on tenant's capital (M&II as % of average TC)	-2.0%	
<u>Ratios per £100 of output (%)</u>		
Variable costs	15	
Gross margin	85	
Fixed costs (excluding rent and interest)	50	
Net profit	23	
Net farm income	16	
Farmer and spouse	20	
Management & Investment Income	-4	
Tenant's capital		
Total assets	1341	
Total external liabilities	150	
Net worth	1191	
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	65	
Costs (£ per £100 output)	6	
Costs (£ per £100 gross margin)	8	
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	219	
Costs (£ per £100 output)	21	
Costs (£ per £100 gross margin)	25	
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	284	
Costs (£ per £100 output)	28	
Costs (£ per £100 gross margin)	33	

⁺ Insufficient farms

* Excluding Breeding Livestock Stock Appreciation

Organic lowland cattle and sheep farms

END-OF-YEAR BALANCE SHEETS, 2014/2015

	Average	Premium ⁺
Number of farms in group	23	
Average farmed area (hectares)	140	
Average proportion of total farmed area tenanted or hired (%)	41	
End of year assets & liabilities	£ per farm hectare	
Land & buildings	11640	
Milk quota	0	
Single Payment Scheme	239	
Machinery	787	
Tenant's other assets	1	
Breeding livestock	425	
Total fixed assets	13093	
Suckler cow and ewe premium quota		
Trading livestock	378	
Crops	17	
Forage and cultivations	37	
Stores	20	
Debtors and loans	89	
Bank credit and cash	159	
Other current assets	1	
Total current assets	702	
Total assets	13795	
Financed by		
AMC	241	
Bank loans	883	
Other long term	91	
Total long term	1215	
HP and lease	68	
Creditors	68	
Bank overdraft	188	
Other short term	1	
Total current liabilities	325	
Total Liabilities	1541	
Net worth	12254	
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	89%	
% Fixed assets vs. total assets	95%	
Gearing (long-term loans vs. total assets)	9%	
Total debt (external liabilities vs. net worth)	13%	
Current Ratio (current assets vs. current liabilities)	216%	
Liquidity Ratio (liquid assets vs. current liabilities)	76%	

⁺ Insufficient farms

SECTION 3**ENTERPRISE GROSS MARGINS 2014/15**

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Premium data available when more than 10 farms in a group. Gross margin details refer to enterprises on the farm and are not specific to any farm type.

WHEAT

Gross margin per hectare		Crop year 2014		
	WINTER		SPRING	
	Average	Premium*	Average ⁺	Premium ⁺
Number of farms	90	30		
Area per farm (ha)	53.4	50.8		
Yield: tonnes/ha	8.4	9.5		
Price: £/tonne	123.1	124.3		
	£ per hectare			
Grain	1034.0	1181.2		
Straw	164.8	208.0		
ENTERPRISE OUTPUT	1198.8	1389.2		
Seeds (inc.homegrown)	78.5	73.1		
Fertilisers	209.1	210.8		
Sprays	211.9	206.1		
Other crop costs	49.1	38.8		
TOTAL VARIABLES ‡	548.6	528.8		
GROSS MARGIN	650.2	860.4		

Averages - previous year	2013	2013	2013	2013 ⁺
Yield: tonnes/ha	7.3	8.7	6.0	
Price: £/tonne	159.4	160.2	169.8	
Gross Margin: £/ha	782.2	1038.0	806.0	

* Top third in order of Gross Margin per hectare

⁺ Insufficient farms

‡ Restricted to seeds, fertilisers, sprays and other crop costs

BARLEY

Gross margin per hectare		Crop year 2014		
	WINTER		SPRING	
	Average	Premium*	Average*	Premium*
Number of farms	71	24	84	28
Area per farm (ha)	26.0	23.1	24.7	33.0
Yield: tonnes/ha	6.9	7.7	5.7	7.0
Price: £/tonne	114.8	120.8	117.4	123.9
	£ per hectare			
Grain	792.1	930.3	669.1	867.3
Straw	183.9	214.6	146.9	182.2
ENTERPRISE OUTPUT	976.0	1144.9	816.0	1049.5
Seeds (inc.homegrown)	73.1	69.2	61.5	62.5
Fertilisers	181.1	172.3	126.1	122.0
Sprays	161.4	153.0	116.6	122.1
Other crop costs	34.7	28.1	28.0	33.1
TOTAL VARIABLES ‡	450.3	422.6	332.2	339.7
GROSS MARGIN	525.7	722.3	483.8	709.8

Averages - previous year	2013	2013	2013	2013
Yield: tonnes/ha	6.5	7.8	5.9	6.9
Price: £/tonne	140.6	142.0	136.8	139.8
Gross Margin: £/ha	616.9	894.5	610.5	799.5

* Top third in order of Gross Margin per hectare

‡ Restricted to seeds, fertilisers, sprays and other crop costs

OATS

Gross margin per hectare		Crop year 2014		
	WINTER		SPRING	
	Average	Premium*	Average ⁺	Premium ⁺
Number of farms	34	11		
Area per farm (ha)	16.9	19.9		
Yield: tonnes/ha	6.6	7.6		
Price: £/tonne	108.9	114.8		
	£ per hectare			
	Grain	719.0	872.1	
	Straw	186.4	180.8	
	ENTERPRISE OUTPUT	905.4	1052.9	
	Seeds (inc.homegrown)	67.9	68.3	
	Fertilisers	155.6	148.0	
	Sprays	118.6	109.2	
	Other crop costs	42.3	26.7	
	TOTAL VARIABLES ‡	384.4	352.2	
	GROSS MARGIN	521.0	700.7	

Averages - previous year	2013	2013	2013	2013 ⁺
Yield: tonnes/ha	5.9	6.5	5.4	
Price: £/tonne	134.8	154.2	127.8	
Gross Margin: £/ha	561.8	756.6	498.8	

* Top third in order of Gross Margin per hectare

⁺ Insufficient farms

‡ Restricted to seeds, fertilisers, sprays and other crop costs

OILSEED RAPE

Gross margin per hectare		Crop year 2014		
	WINTER		SPRING	
	Average	Premium*	Average ⁺	Premium ⁺
Number of farms	38	13		
Area per farm (ha)	43.2	27.0		
Yield: tonnes/ha	3.3	3.7		
Price: £/tonne	265.9	285.9		
	£ per hectare			
	Oilseed	877.4	1057.9	
	Haulm	28.5	42.8	
	ENTERPRISE OUTPUT	905.9	1100.7	
	Seeds (inc.homegrown)	62.4	56.2	
	Fertilisers	224.1	205.1	
	Sprays	210.1	211.7	
	Other crop costs	33.1	30.4	
	TOTAL VARIABLES ‡	529.7	503.4	
	GROSS MARGIN	376.2	597.3	

Averages - previous year	2013	2013	2013	2013 ⁺
Yield: tonnes/ha	3.3	4.0	0.0	
Price: £/tonne	319.8	327.8	0.0	
Gross Margin: £/ha	513.4	794.3	0.0	

* Top third in order of Gross Margin per hectare

⁺ Insufficient farms

‡ Restricted to seeds, fertilisers, sprays and other crop costs

DAIRY COWS - MAINLY FRIESIAN/HOLSTEINS

Gross margins per cow and per hectare

2014/15

	Average	Premium*
Number of farms	77	26
Cows per herd	156	165
Yield: litres/cow	7016	7701
Price: pence/litre	31.3	31.6
Stocking rate: cows/ha	1.81	1.65
ha/cow	0.55	0.61
	£ per cow	
Output - milk	2190.6	2431.5
milk quota leasing and levy	0.0	0.0
miscellaneous revenue	0.2	0.0
calves	116.0	121.6
depreciation	-208.0	-177.3
ENTERPRISE OUTPUT (excl. BLSA)	2098.7	2375.8
Concentrates	561.5	560.3
Coarse fodder	24.0	17.6
Veterinary and medicines	70.5	68.0
Other livestock costs	156.8	161.9
Forage †	115.5	117.2
TOTAL VARIABLE COSTS ‡	928.3	925.0
GROSS MARGIN per cow (excl. BLSA)	1170.4	1450.8
GROSS MARGIN per hectare (excl. BLSA)	2113.0	2390.0
Margin - milk over concentrates	1629.1	1871.2
Concentrates per £100 of milk output	25.6	23.0

* Top third in order of Gross Margin per cow.

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

Conventional milk production only

DAIRY COWS - ORGANIC MILK PRODUCTION

Gross margins per cow and per hectare

2014/15

	Average	Premium ⁺
Number of farms	13	
Cows per herd	146	
Yield: litres/cow	5788	
Price: pence/litre	38.3	
Stocking rate: cows/ha ha/cow	1.31 0.76	
	£ per cow	
Output - milk	2236.7	
milk quota leasing and levy	0.0	
miscellaneous revenue	0.0	
calves	97.1	
depreciation	-167.3	
ENTERPRISE OUTPUT (excl. BLSA)	2166.5	
Concentrates	525.6	
Coarse fodder	22.0	
Veterinary and medicines	54.3	
Other livestock costs	197.1	
Forage †	31.1	
TOTAL VARIABLE COSTS ‡	830.1	
GROSS MARGIN per cow (excl. BLSA)	1336.4	
GROSS MARGIN per hectare (excl. BLSA)	1755.2	
Margin - milk over concentrates	1711.1	
Concentrates per £100 of milk output	23.5	

⁺ Insufficient farms

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

DAIRY COWS - MAINLY FRIESIAN/HOLSTEINS

Gross margins per cow and per hectare

2014/15

Yield per cow (litres)		Less than 5999	6000-6999	7000-7999	Over 8000
Number of farms		21	14	23	19
Cows per herd		135	153	157	181
Yield:	litres/cow	5050	6635	7503	8882
Price:	pence/litre	32.3	30.7	31.0	31.1
Stocking rate:	cows/ha	1.88	1.77	1.79	1.81
	ha/cow	0.53	0.56	0.56	0.55
		£ per cow			
Output -	milk	1628.2	2039.5	2330.1	2754.4
	milk quota leasing and levy	0.0	0.0	0.0	0.0
	miscellaneous revenue	0.0	0.0	0.0	0.8
	calves	102.2	110.0	132.2	116.7
	depreciation	-166.5	-156.4	-243.2	-249.5
ENTERPRISE OUTPUT (excl. BLSA)		1563.9	1993.1	2219.1	2621.6
Concentrates		320.0	474.3	625.6	815.2
Coarse fodder		14.3	13.9	34.6	29.1
Veterinary and medicines		44.6	72.4	77.0	90.0
Other livestock costs		121.6	139.1	161.5	203.1
Forage †		93.5	126.4	121.9	124.1
TOTAL VARIABLE COSTS ‡		594.0	826.1	1020.6	1261.5
GROSS MARGIN per cow (excl. BLSA)		969.9	1167.0	1198.5	1360.1
GROSS MARGIN per hectare (excl. BLSA)		1823.4	2065.6	2145.3	2461.8

Margin - milk over concentrates	1308.2	1565.2	1704.5	1939.2
Concentrates per £100 of milk output	19.7	23.3	26.8	29.6

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

Conventional milk production only

DAIRY COWS - MAINLY FRIESIAN/HOLSTEINS

Gross margins per cow and per hectare

2014/15

Size of Herd	Under 70	70-109	110-150	150-200	Over 200
Number of farms	14	13	17	13	20
Cows per herd	54	88	133	167	284
Yield: litres/cow	6469	6704	7207	7031	7431
Price: pence/litre	31.1	31.5	30.9	30.8	31.6
Stocking rate: cows/ha	1.49	1.74	1.86	1.86	2.00
ha/cow	0.67	0.57	0.54	0.54	0.50
£ per cow					
Output - milk	2013.1	2114.3	2229.2	2166.5	2347.2
milk quota leasing	0.0	0.0	0.0	0.0	0.0
and levy	0.0	0.0	0.0	0.0	0.7
miscellaneous revenue	119.2	108.0	141.5	102.6	106.5
calves	-207.3	-190.1	-228.0	-185.6	-217.9
depreciation					
ENTERPRISE OUTPUT (excl. BLSA)	1925.0	2032.2	2142.7	2083.5	2235.8
Concentrates	484.3	506.8	634.5	507.3	624.4
Coarse fodder	28.2	17.8	29.3	24.3	20.2
Veterinary and medicines	69.1	57.8	78.4	71.9	72.3
Other livestock costs	166.1	155.4	156.5	152.7	154.2
Forage †	94.2	118.9	124.5	120.1	117.5
TOTAL VARIABLE COSTS ‡	841.9	856.7	1023.2	876.3	988.6
GROSS MARGIN per cow (excl. BLSA)	1090.6	1182.2	1112.8	1205.2	1250.1
GROSS MARGIN per hectare (excl. BLSA)	1617.8	2013.4	2069.0	2178.2	2506.4
Margin - milk over concentrates	1528.8	1607.5	1594.7	1659.2	1722.8
Concentrates per £100 of milk output	24.1	24.0	28.5	23.4	26.6

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

Conventional milk production only

LESS FAVOURED AREA BEEF COWS

Gross margins per cow, per LU and per hectare

2014/15

	Average	Premium ⁺
Number of farms	25	
Cows per herd	60	
Stocking rate: LU/ha ha/LU	0.72 1.38	
	£ per cow	
Output - calf output	488.6	
depreciation	-54.7	
ENTERPRISE OUTPUT (excl. BLSA)	433.9	
Concentrates	20.2	
Coarse fodder	16.5	
Veterinary and medicines	19.1	
Other livestock costs	47.8	
Forage †	63.2	
TOTAL VARIABLE COSTS ‡	166.9	
GROSS MARGIN per cow (excl. BLSA)	267.0	
GROSS MARGIN per LU (excl. BLSA)	270.4	
GROSS MARGIN per hectare (excl. BLSA)	193.5	
Concentrates per £100 output	4.7	

⁺ Insufficient farms

[†] Forage includes seeds, fertilisers, sprays and other crop costs

[‡] Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

LOWLAND BEEF COWS

Gross margins per cow, per LU and per hectare

2014/15

		Average	Premium*
Number of farms		67	22
Cows per herd		45	42
Stocking rate:	LU/ha	1.10	1.08
	ha/LU	0.91	0.92
		£ per cow	
Output -	calf output	507.8	616.3
	depreciation	-74.8	-55.7
ENTERPRISE OUTPUT (excl. BLSA)		433.2	560.7
Concentrates		33.6	24.1
Coarse fodder		7.7	3.6
Veterinary and medicines		34.9	41.1
Other livestock costs		59.8	63.6
Forage †		77.6	76.2
TOTAL VARIABLE COSTS ‡		213.6	208.8
GROSS MARGIN per cow (excl. BLSA)		219.6	351.9
GROSS MARGIN per LU (excl. BLSA)		219.4	352.1
GROSS MARGIN per hectare (excl. BLSA)		240.6	381.1
Concentrates per £100 output		7.8	4.3

* Top third in order of Gross Margin per cow.

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

ORGANIC LOWLAND BEEF COWS

Gross margins per cow, per LU and per hectare		2014/15	
		Organic Average	Conventional Average
Number of farms		21	67
Cows per herd		52	45
Stocking rate:	LU/ha	0.73	1.10
	ha/LU	1.38	0.91
		£ per cow	
Output -	calf output	471.6	507.8
	depreciation	-71.0	-74.8
ENTERPRISE OUTPUT (excl. BLSA)		400.6	433.2
Concentrates		13.5	33.6
Coarse fodder		18.0	7.7
Veterinary and medicines		17.8	34.9
Other livestock costs		52.1	59.8
Forage †		34.2	77.6
TOTAL VARIABLE COSTS ‡		135.5	213.6
GROSS MARGIN per cow (excl. BLSA)		265.1	219.6
GROSS MARGIN per LU (excl. BLSA)		259.0	219.4
GROSS MARGIN per hectare (excl. BLSA)		192.4	240.6
Concentrates per £100 output		3.4	7.8

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

DAIRY FOLLOWERS

Gross margins per head, per LU and per hectare		2014/15	
		Average	Premium*
Number of farms		42	14
Number of head per farm		120	118
Stocking rate:	LU/ha	1.77	1.82
	ha/LU	0.56	0.55
		£ per head	
Output -	cattle	442.6	550.0
ENTERPRISE OUTPUT		442.6	550.0
Concentrates		93.3	74.1
Coarse fodder		12.7	8.8
Veterinary and medicines		13.0	11.2
Other livestock costs		71.2	69.5
Forage †		63.0	58.1
TOTAL VARIABLE COSTS ‡		253.2	221.7
GROSS MARGIN per head		189.4	328.3
GROSS MARGIN per LU		355.2	618.2
GROSS MARGIN per hectare		629.4	1126.2
Concentrates per £100 output		21.1	13.5

* Top third in order of Gross Margin per head.

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

STORE CATTLE FROM DAIRY BRED CALVES OR STORES

Gross margins per head, per LU and per hectare

2014/15

	Average	Premium ⁺
Number of farms	16	
Cattle per herd	120	
Stocking rate: LU/ha ha/LU	1.42 0.71	
	£ per head	
Output - cattle	354.5	
ENTERPRISE OUTPUT (excl. BLSA)	354.5	
Concentrates	85.1	
Coarse fodder	3.2	
Veterinary and medicines	12.7	
Other livestock costs	49.9	
Forage †	54.5	
TOTAL VARIABLE COSTS ‡	205.4	
GROSS MARGIN per head	149.1	
GROSS MARGIN per LU	310.4	
GROSS MARGIN per hectare	439.4	
Concentrates per £100 output	24.0	

⁺ Insufficient farms

[†] Forage includes seeds, fertilisers, sprays and other crop costs

[‡] Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

STORE CATTLE FROM BEEF BRED CALVES OR STORES

Gross margins per head, per LU and per hectare

2014/15

	Average	Premium*
Number of farms	43	14
Cattle per herd	47	34
Stocking rate:		
LU/ha	0.76	0.88
ha/LU	1.31	1.13
	£ per head	
Output - cattle	248.5	350.6
ENTERPRISE OUTPUT (excl. BLSA)	248.5	350.6
Concentrates	32.9	29.4
Coarse fodder	4.7	2.0
Veterinary and medicines	9.8	8.5
Other livestock costs	38.7	38.9
Forage †	24.2	14.3
TOTAL VARIABLE COSTS ‡	110.2	93.1
GROSS MARGIN per head	138.3	257.5
GROSS MARGIN per LU	392.9	722.0
GROSS MARGIN per hectare	299.1	637.8
Concentrates per £100 output	13.2	8.4

* Top third in order of Gross Margin per head.

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

FINISHED CATTLE FROM DAIRY BRED CALVES OR STORES

Gross margins per head, per LU and per hectare		2014/15	
		Average	Premium ⁺
Number of farms		27	
Cattle per herd		214	
Average finished animal sale price - £/head		1065	
Stocking rate:	LU/ha ha/LU	1.80 0.56	
		£ per head	
Output -	cattle	383.4	
ENTERPRISE OUTPUT (excl. BLSA)		383.4	
Concentrates		129.4	
Coarse fodder		5.0	
Veterinary and medicines		8.5	
Other livestock costs		43.6	
Forage †		52.1	
TOTAL VARIABLE COSTS ‡		238.6	
GROSS MARGIN per head		144.8	
GROSS MARGIN per LU		270.4	
GROSS MARGIN per hectare		486.6	
Concentrates per £100 output		33.8	

⁺ Insufficient farms

[†] Forage includes seeds, fertilisers, sprays and other crop costs

[‡] Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

FINISHED CATTLE FROM BEEF BRED CALVES OR STORES

Gross margins per head, per LU and per hectare

2014/15

	Average	Premium*
Number of farms	57	19
Cattle per herd	86	88
Average finished animal sale price - £/head	1088	1139
Stocking rate: LU/ha	1.12	1.19
ha/LU	0.90	0.84
	£ per head	
Output - cattle	315.0	411.3
ENTERPRISE OUTPUT (excl. BLSA)	315.0	411.3
Concentrates	73.6	64.3
Coarse fodder	4.1	3.4
Veterinary and medicines	10.2	10.6
Other livestock costs	48.9	49.1
Forage †	41.7	38.3
TOTAL VARIABLE COSTS ‡	178.5	165.7
GROSS MARGIN per head	136.5	245.6
GROSS MARGIN per LU	300.6	505.8
GROSS MARGIN per hectare	335.4	603.7
Concentrates per £100 output	23.4	15.6

* Top third in order of Gross Margin per head.

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

FINISHED CATTLE FROM ORGANICALLY BEEF BRED CALVES OR STORES

Gross margins per head, per LU and per hectare		2014/15	
		Organic Average	Conventional Average
Number of farms		19	57
Cattle per herd		69	86
Average finished animal sale price - £/head		1144	1088
Stocking rate:	LU/ha ha/LU	0.86 1.16	1.12 0.90
		£ per head	
Output -	cattle	265.2	315.0
ENTERPRISE OUTPUT (excl. BLSA)		265.2	315.0
Concentrates		31.8	73.6
Coarse fodder		4.9	4.1
Veterinary and medicines		6.7	10.2
Other livestock costs		33.4	48.9
Forage †		20.4	41.7
TOTAL VARIABLE COSTS ‡		97.2	178.5
GROSS MARGIN per head		168.0	136.5
GROSS MARGIN per LU		357.7	300.6
GROSS MARGIN per hectare		307.6	335.4
Concentrates per £100 output		12.0	23.4

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

BREEDING EWES - LOWLAND

Gross margins per ewe and per hectare		2014/15	
		Average	Premium*
Number of flocks		60	20
Average number of ewes		292	257
Lambing % (births divided by number of ewes tupped)		134	149
Average lamb sale price - £/lamb		79.4	83.1
Stocking rate - ewes per hectare		7.5	9.2
		£ per ewe	
Output -	lambs	120.0	153.6
	wool	3.4	4.1
	miscellaneous	0.4	1.0
	depreciation	-14.3	-13.3
ENTERPRISE OUTPUT (excl. BLSA)		109.5	145.4
Concentrates		15.6	14.6
Coarse fodder		1.5	0.8
Veterinary and medicines		6.8	7.3
Other livestock costs		12.6	16.1
Forage †		13.4	12.5
TOTAL VARIABLE COSTS ‡		50.0	51.4
GROSS MARGIN per ewe (excl. BLSA)		59.5	94.0
GROSS MARGIN per LU (excl. BLSA)		378.9	598.1
GROSS MARGIN per hectare (excl. BLSA)		479.5	865.1
Concentrates per £100 of output		14.2	10.0

* Top third in order of Gross Margin per ewe.

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

LESS FAVOURED AREA BREEDING EWES

Gross margins per ewe and per hectare

2014/15

	Average	Premium ⁺
Number of flocks	26	
Average number of ewes	551	
Lambing % (births divided by number of ewes tupped)	122	
Average finished lamb sale price - £/lamb	68.6	
Stocking rate - ewes per hectare	7.5	
	£ per ewe	
Output -	91.6	
lambs	2.9	
wool	-11.7	
depreciation		
ENTERPRISE OUTPUT (excl. BLSA)	82.8	
Concentrates	12.3	
Coarse fodder	1.4	
Veterinary and medicines	5.9	
Other livestock costs	8.9	
Forage †	7.7	
TOTAL VARIABLE COSTS ‡	36.1	
GROSS MARGIN per ewe (excl. BLSA)	46.7	
GROSS MARGIN per LU (excl. BLSA)	381.0	
GROSS MARGIN per hectare (excl. BLSA)	351.5	
Concentrates per £100 of output	14.9	

⁺ Insufficient farms

[†] Forage includes seeds, fertilisers, sprays and other crop costs

[‡] Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

APPENDIX 1:

DEFINITION OF FARMING TYPES

The farming type groups are derived from the 'robust types' used in the UK farm classification system, which utilises Standard Output (SO) per hectare for crops and per head for livestock in estimating business size. Farms are then classified by type according to the relative proportions of their total SO. The farm types included in this publication are:

Cereals farms are those on which cereals and cereal rotational crops account for more than two thirds of their total SO.

General cropping farms are those on which non-cereal arable crops (including field-scale vegetables) account for more than two thirds of their SO.

Dairy farms are those on which dairy cows and followers account for more than two thirds of their total SO.

Cattle and sheep farms are those on which cattle and sheep account for more than two thirds of their total SO, excluding farms classified as dairy. Two categories of cattle and sheep farms are identified. The Less Favoured Area (LFA) group comprises of farms where 50% or more of their total area is in the LFA. Lowland farms include all other systems based on cattle and sheep production.

Mixed cropping, cattle and sheep farms are those on which crops account for one third, but less than two thirds, of total SO; and livestock account for one third, but less than two thirds, of total SO.

'Average' and 'Premium' standards

The 'average' standards have been obtained from samples of full-time farms in South West England, which represent a broad cross-section of the main farm types. 'Premium' standards relate to the most profitable farms in each group (based on a minimum five farms), selected on management and investment income per hectare. Enterprise gross margin premium groups are based on a minimum of ten farms per enterprise, in order of gross margin per hectare or head.

APPENDIX 2:

DEFINITION OF TERMS USED

Average area farmed is based on the utilised agricultural area of the farm (U.A.A.) and includes the arable area, permanent pasture, the enclosed rough grazing and the area of permanent crops. It also includes areas of keep and bare land taken for the year. Areas of land let are also included in the farm size as letting revenue is included within output.

Gross output

Livestock enterprise output comprises the total revenue from livestock and livestock products, livestock production grants, produce consumed and milk and milk products fed on the farm, adjusted for livestock valuation changes and the value of transfers between enterprises, less purchases of livestock and livestock products from outside the farm business. Breeding livestock stock appreciation is excluded.

Crop enterprise output comprises the revenue from current crop sales plus the closing valuation and value of crops fed to livestock. The profit and loss on the disposal of the previous year's cash crops is shown separately.

Miscellaneous revenue includes the domestic portion of the farmhouse rent, rents of cottages used for the farm business, hirework, miscellaneous production grants excluding livestock production grants, the gross output of forage crops and any other sundry items of farm revenue.

Area based support payments includes ESA, HFA, organic and stewardship payments

Total gross output is the sum of the output of the livestock and cash crop enterprises plus miscellaneous revenue. It excludes breeding livestock stock appreciation.

Variable costs

Concentrates includes (a) bought compounds and grains, sugar beet pulp, proteins, milk powder, animal and plant proteins, additives, minerals and vitamins; and (b) home produced cereals, beans, peas, milk and milk products, valued at the average ex-farm price.

Fodder includes purchased bulk feeds such as potatoes, vegetable residues, wet brewers' grains, hay and feed straw, and agistment. It does not include forage produced on the holding. Payments for grass keep and bare land are shown with land charges.

Veterinary and medicines includes the cost of all veterinary fees and medicines.

Other livestock costs includes all expenditure relating directly to livestock production such as freeze branding, AI fees, milk tests, breed society fees, dairy and other detergents, packing materials, bedding straw, show expenses, processing and marketing charges, disposal of casualties, etc.

Seeds include both actual gross expenditure on seeds and seed cleaning/dressing, and the estimated ex-farm value of home-produced seeds and young plants.

Fertilisers include the purchase costs of all straight, compound and organic fertilisers and similar products.

Sprays include all crop protection products including pre-emergent sprays, fungicides, herbicides and crop sprays.

Other crop costs includes all expenditure relating directly to crop production such as packing materials, baler cord, soil analyses, crop competition costs, polythene (for tunnels), all storage and market preparation costs, purchase of standing crops, marketing charges, soil sterilisation, etc. It also includes the cost of renting bare land (for growing cash crops) for less than one year.

Contracting includes the total expenditure on work carried out by agricultural contractors and payments for equipment hire. Contract labour is only included when associated with the hiring of a machine.

Fixed costs

Regular paid and unpaid labour costs include all work in connection with the normal running of the holding including field work, livestock husbandry, market preparation, maintenance, transport and other related operations. They exclude work to produce fixed assets (construction or repairs of buildings and machinery, etc.), domestic work and business travel/professional meetings, etc. 'Unpaid' labour is costed at the appropriate rate for the work actually done (e.g. AWB rates).

Machinery costs relate to all machinery and equipment items, which originally cost more than £200, including the farm, *share* of road vehicles. Depreciation is calculated on a replacement cost basis (broadly equivalent to 15% of current replacement costs). Repairs are recorded net of insurance receipts.

Land expenses include tenant-type repairs and land upkeep costs, the actual rents paid by tenant farmers and drainage rates were incurred.

General overheads include the farm share of electricity, heating fuel, water, insurance (including labour and buildings), bank charges, professional fees, secretarial costs, consultancy fees and other sundry costs (such as subscriptions, telephone, postage, stationery, etc.)

Interest charges relate to borrowings incurred by the farm business. Long term loans include bank and other institutional loans and private/family loans. Short term loans include bank overdrafts, hire purchase and leasing agreements (the latter are capitalised and repayments treated as part capital, part interest), and trade/merchant credit.

Profit is broadly equivalent to that shown in conventional management accounts. It is the residue of farm output less variable and fixed costs including interest on borrowed capital and any cash rent paid, but excluding rental value and the imputed charge for the manual labour of the farmer and spouse. It represents the reward for the labour input of farmer and spouse and a return to their own invested capital (Net Worth).

Breeding livestock stock appreciation (BLSA) has been excluded from output, profit and income figures. It represents the change in the market prices of breeding cattle, sheep and pigs between the opening and closing valuations.

Source and allocation of funds

Trading net fund flow is the cash surplus generated by the trading activities over the year and is the farm profit before depreciation and valuation changes.

Capital net fund flow is the net additional capital investment for the year and includes machinery, buildings, quota and land.

Total farm fund flow is the amount generated by the business after re-investment.

Private fund flow is the net difference between private expenditure and private funds and included transfers of monies to and from non-farm accounts.

Total net fund flow represents the surplus or deficit the business shows after funding re-investment and drawings. A deficit indicates that the business has increase indebtedness or reduced bank deposits to fund the current year's activities.

Net change in funding corresponds with the net fund flow and identifies the changes in external funding.

Gross margins

Enterprise gross margin is the enterprise gross output less the variable costs associated with that enterprise. Grazing livestock enterprises are allocated a share of the forage variable costs of seed, fertiliser, sprays and other crop costs based on their share of the grazing livestock units.

Total farm gross margin is the sum of the gross margins of the individual enterprises plus miscellaneous revenue or, alternatively, it equals the total farm output less total variable costs.

Management and investment income (M & II) is the excess of total gross output over variable costs and fixed costs. It excludes interest on borrowed capital, but includes rental value (in lieu of landlord-type property maintenance charges) and an imputed charge for the manual

work of the farmer and spouse. It represents the reward to management and the return on tenant-type capital invested in the business.

Net farm income (NFI) represents the reward to the farmer and spouse for their own manual labour and management and the return on the tenant-type capital invested in the business.

Technical efficiency measures

Grazing livestock units have been calculated using the following coefficients based on annual average numbers of stock.

Dairy cows	1.00 LU	Beef cows	0.75 LU	Heifers in calf	0.80 LU
Cattle over 2 years	0.80 LU	Cattle 1-2 years	0.65 LU	Cattle 0-12 months	0.34 LU
Lowland ewes	0.10 LU	Upland ewes	0.08 LU	Hill ewes	0.06 LU

Stocking rate is the ratio of total grazing livestock units to forage hectares.

Adjusted stocking rate is based on the ratio of grazing livestock units to forage hectares adjusted for forage bought or sold, and changes in valuation, and adjustments for the quality of grazing.

Tenants capital and financial efficiency

Total Tenant's capital is total assets less the value of any owner occupied land, buildings and improvements, tenant's improvements and all quota values, and is the average of its value at the beginning and end of the accounting period.

Return on total tenant's capital. Management and investment income expressed as a percentage of the total tenant's capital represents the composite return for management and interest on tenant's capital employed.

Assets and Liabilities

Assets include all items owned by the farm business which have a realisable money value and all claims which the business has on others in respect of items with a realisable money value.

Fixed assets are assets which are not used up in the course of a single production cycle and, therefore, cannot be realised without impairing the existing productive capacity of the business. They represent the longer-term investment in the business and include farm property in the form of land, buildings and all improvements thereto, glasshouses, machinery and breeding livestock. Land, building, improvements, glasshouses and machinery have been subjected to revaluation procedures to reflect their current value to the business.

Current assets are assets which circulate within the business in the course of the production cycle. They consist of physical working assets and liquid assets.

Physical working assets comprise the raw materials and stock-in-trade of the business normally intended for conversion into cash within one production cycle. They include trading livestock, harvested and growing crops, stocks of livestock products and items of deadstock excluding machinery.

Liquid assets are those which require little or no conversion to generate cash. They include cash balances in hand or at the bank, pre-payments, short-term loans and sundry debtors.

Total assets are the sum of the fixed and current assets of the business.

Liabilities represent the value of claims which the various suppliers of funds to a business have on its assets.

Long term loans consist of loans, mortgages and other debts which, under normal circumstances, are not liable to early recall. Examples include Agricultural Mortgage Corporation mortgages, bank loans and private and family loans.

Current liabilities are claims upon the assets of the business which may have to be met within the span of a normal production or accounting period. They include sundry trade creditors and accrued charges, bank overdrafts and short-term loans.

Net worth or owner's equity is the residual claim which the owners of a business have against its assets after all external claims against them have been met.

Total liabilities comprise loan capital, current liabilities and net worth.

Owner equity ratio* measures owner equity (net worth) as a percentage of the total assets of the business and, in so doing, measure the extent of the internal funding of the business or, alternatively, the reliance of the business on outside sources of finance. Existing levels of borrowing by the business will clearly be of interest to prospective additional lenders.

Fixed asset ratio* measures the relative importance of fixed assets (the means of production) within the overall asset structure of the business. While fixed assets invariably predominate in farming, it is imperative that the volume of the remaining assets (current assets entering directly into the production process) is sufficient to generate enough income to adequately maintain and reward the capital invested and to recompense the management and manual effort expended in its organisation.

Gearing ratio* measures the relationship between loan capital and owner equity as contributory sources to the long-term capital invested in the farm business and is expressed as a percentage with the loan capital as the numerator and owner equity as the denominator. Farming generally tends to be low-g geared (i.e. employs relatively little outside finance) particularly when compared with manufacturing industries. The importance of any increase in this ratio lies in the immediate increase in the prior charges (in the form of interest) which are placed on available income as a consequence.

Current ratio* expresses current assets as a percentage of current liabilities and measures the amount of cover which is afforded by the current assets of the business to those outstanding claims against the business which may be presented in the shorter term (current liabilities). Normally one will expect current assets to meet short term claims. What the amount of the excess should be will depend on the nature of the production process undertaken but, as a general guide, it should be noted that the more prominently do liquid assets (cash and near-cash balances) feature within the total of current assets the narrower can the current ratio safely be.

Liquidity ratio* expresses liquid assets as a percentage of current liabilities and measures the extent to which fully liquid assets - cash and near-cash assets - are readily available to meet the immediate claims which may be made against the business. Normally one would look to the maintenance of parity between current liabilities and liquid assets unless special circumstances (e.g. the granting of bank overdraft facilities) justify a relaxation of this requirement.

* A single ratio of a business should not be considered in isolation, nor the examination of a set of ratios for only one point in time. Wherever possible, the interpretation of ratios should be an integrated exercise using a series of such ratios to indicate trends and employing the actual balance sheet data and related material in a supportive and amplifying role.

APPENDIX 3:**USEFUL WEBSITES**

ADAS	www.adas.co.uk
Agriculture and Horticulture Development Board	www.ahdb.org.uk
AHDB Beef & Lamb (formerly EBLEX)	www.beefandlamb.ahdb.org.uk
AHDB Cereals & Oilseeds (formerly HGCA)	www.cereals.ahdb.org.uk
AHDB Dairy (formerly DairyCo)	www.dairy.ahdb.org.uk
AHDB Horticulture (formerly Horticultural Development Council)	www.horticulture.ahdb.org.uk
AHDB Pork (formerly BPEX)	www.pork.ahdb.org.uk
AHDB Potatoes (formerly British Potato Council)	www.potatoes.ahdb.org.uk
Askham Bryan College	www.askham-bryan.ac.uk
Bank of England	www.bankofengland.co.uk
Bicton College	www.bicton.ac.uk
British Cattle Movement Service	www.bcms.gov.uk
British Crop Production Council	www.bcpcc.org
British Grassland Society	www.britishgrassland.com
British Poultry Council	www.britishpoultry.org.uk
Business Link	www.businesslink.gov.uk
Country Land and Business Association	www.cla.org.uk
DARDNI	www.dardni.gov.uk
Defra	www.defra.gov.uk
Duchy College	www.duchy.ac.uk
Environment Agency	www.environment-agency.gov.uk
European Parliament	www.europarl.europa.eu/portal/en
Game and Wildlife Conservation Trust	www.gwct.org.uk
HM Revenue and Customs	www.hmrc.gov.uk
Imperial College London (Wye Campus)	www.imperial.ac.uk/wyecampus
Institute of Agricultural Secretaries & Administrators	www.iagsa.co.uk
Linking Environment and Farming	www.leafuk.org
National Beef Association	www.nationalbeefassociation.com
National Farmers Union	www.nfuonline.com

National Sheep Association	www.nationalsheep.org.uk
Natural England	www.naturalengland.org.uk
Newcastle University	www.ncl.ac.uk/afrd
Rothamsted Research	www.rothamsted.ac.uk/northwyke
Office of National Statistics	www.statistics.gov.uk
Organic Centre Wales	www.organic.aber.ac.uk
Organic Farmers and Growers	www.organicfarmers.org.uk
Organic Research Centre	www.efrc.com
Organic Studies Centre	www.organicstudiescornwall.co.uk
Peninsula Partnership for the Rural Environment	www.ppre.ac.uk
Royal Agricultural Society of England	www.rase.org.uk
Royal Institution of Chartered Surveyors	www.rics.org
Royal Society for the Protection of Birds	www.rspb.org.uk
Rural Business Research	www.ruralbusinessresearch.co.uk
Rural Business School	www.ruralbusinessschool.org.uk
Rural Payments Agency	www.rpa.gov.uk
Scottish Agricultural College	www.sac.ac.uk
Soil Association	www.soilassociation.org
South West Rural Enterprise Gateway	www.regsw.org.uk
Tenant Farmers Association	www.tenant-farmers.org.uk
UK Government	www.direct.gov.uk
UK Parliament	www.parliament.uk
University of Cambridge	www.landecon.cam.ac.uk
University of Exeter, Centre for Rural Policy Research	www.centres.exeter.ac.uk/crpr
University of Nottingham	www.nottingham.ac.uk/rbru
University of Reading	www.apd.reading.ac.uk
Worshipful Company of Farmers	www.farmerslivery.org.uk

APPENDIX 4: Latest Rural Business Research publications

Farm Business Management Digest South West England 2015

Intelligence Report October 2015

Intelligence Report April 2015

Crop Production in England 2013/14

Dairy Farming in England 2013/14

Hill Farming in England 2013/14

Horticulture Production in England 2013/14

Lowland Grazing Livestock Production in England 2013/14

Organic Farming in England 2013/14

Pig Production in England 2013/14

Poultry Production in England 2013/14

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