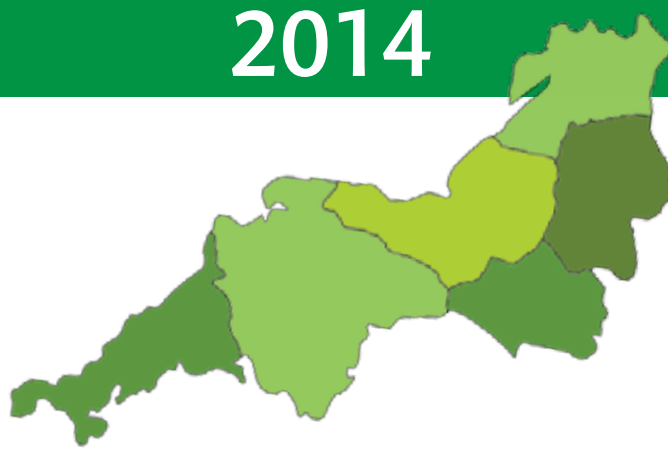


Farm Business Management Digest

2014



South West England
Farm Business Survey



Farm Business Management Digest 2013

South West England

2012/13 financial year data.

May 2014

Copies of this book may be obtained from:

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FOREWORD AND ACKNOWLEDGEMENTS

Foreword

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 fourth 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 at Duchy College Rural Business School and 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 Becky Butland for compiling this digest.

Thanks also to the data collection and processing team at Duchy College: - Keith Robbins, Mark Fogerty, Gemma Ayre, Jamie Blake, Ed Hammond, Linda Lawrance, Helen Lloyd, Greg MacQueen, Caroline Nichols, Sophie Pugh, Andrew Quance, Liz Reddaway, Rachel Rollason, Andrew Sheppard, Ann Stitson, Teresa Sturtivant, Sally Thompson and Simon White. Thanks also to the FBS team at Reading University.

Richard Soffe FRAg.S
The Rural Business School
Duchy College
May 2014

SECTION 1

Farming in South West England, 2012/13

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

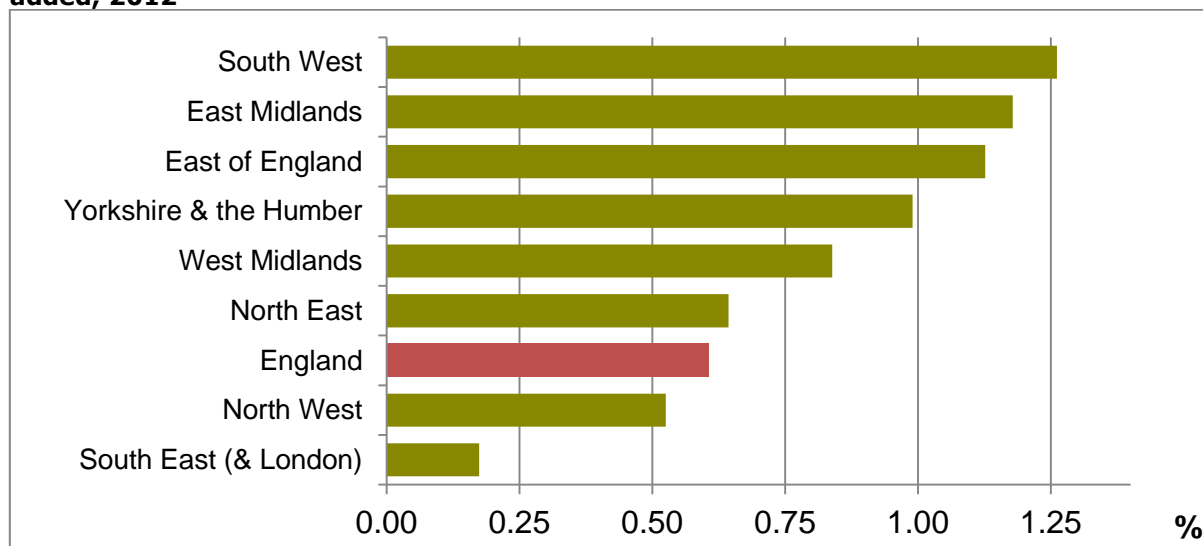
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Farming in South West England, 2012/13

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.

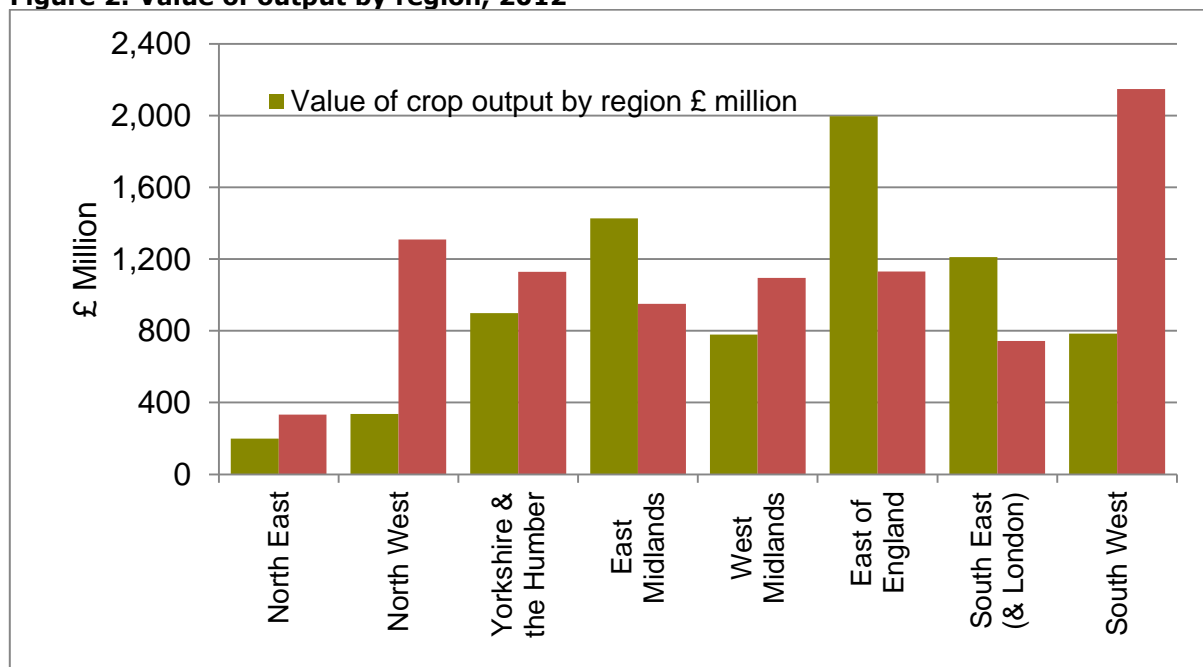
Figure 1: Agricultural gross value added as percentage of total regional gross value added, 2012



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 and 10% of the crop output.

Figure 2: Value of output by region, 2012



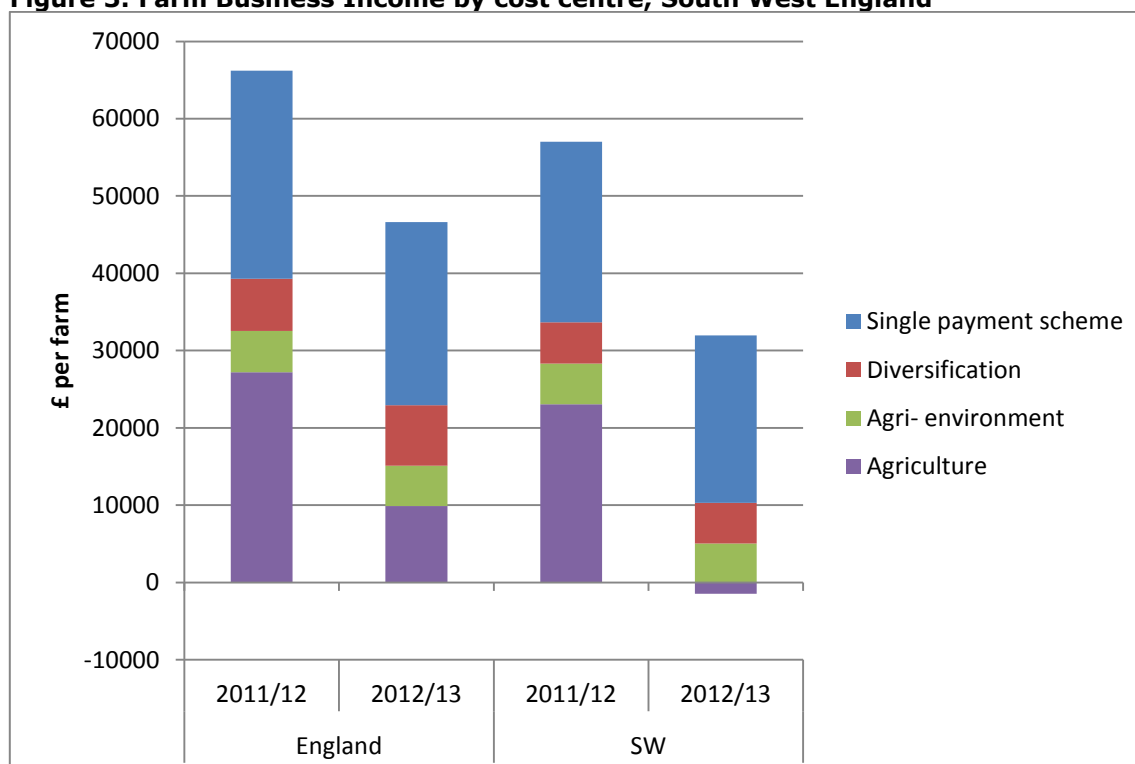
Source: Defra, Regional dataset

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 by 47% to £30,500 compared to 2011/12. This was due to the very difficult growing season and harvest which effected both cropping and livestock sectors. The decrease in farm business income in England as a whole was 30% with the majority of the difference being from agriculture, thus the South West suffered more than other regions with the poor weather.

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

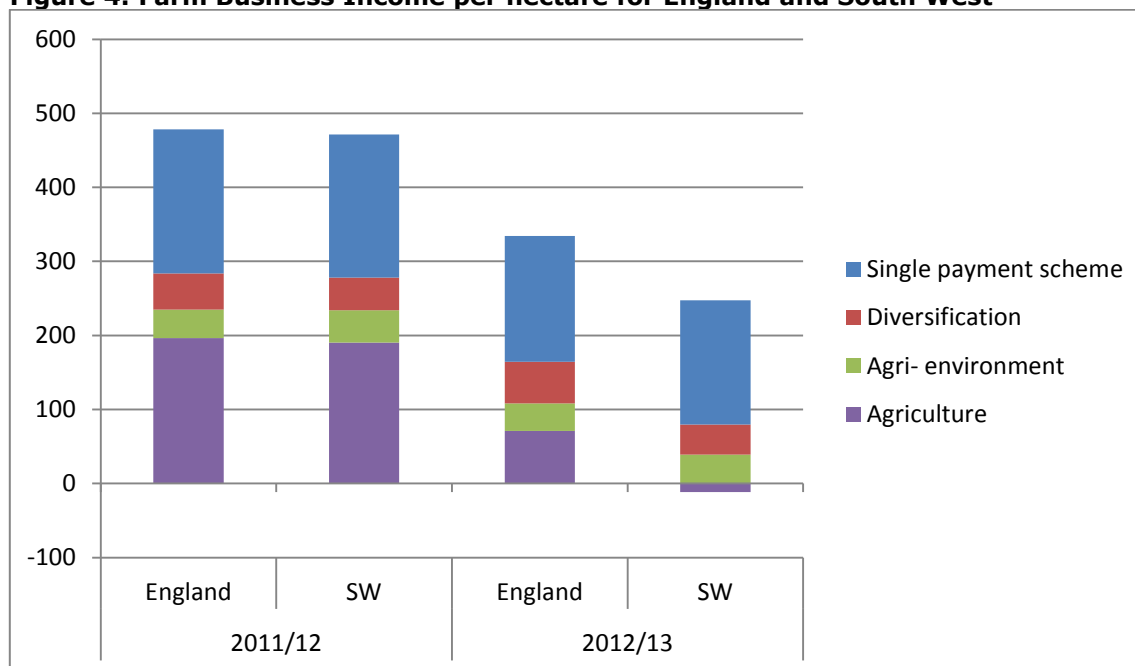


Source: Farm Business Survey, England

Figure 3 above shows the contributions of the four cost centres for 2011/12 and 2012/13. In 2012/13, the contribution from agriculture in the South West across all farm types fell by £24,500 compared to the previous year and actually made a small loss. In 2012/13 the Single Payment Scheme cost centre contributed over 70% of the total farm business income for the South West but nationally SPS was 50% due to the higher positive contribution from agriculture. The SPS payment for 2012/13 was on average 7% lower than the previous year due mainly to the value of Sterling relative to the Euro. The income from the other two cost centres also decreased.

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 2011/12 the average farm business income was similar for the South West and England but for 2012/13 the South West was only 70% of the England figure. The effects of the weather were, thus, more severely felt by the livestock sector than the crop sector with the dominance of livestock in the South West.

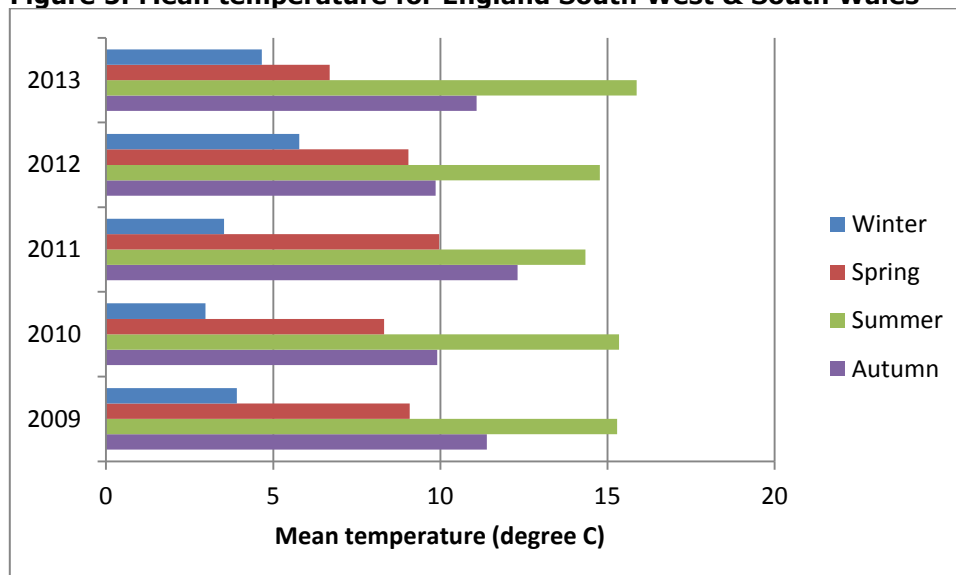
Figure 4: Farm Business Income per hectare for England and South West



Weather

The crop year 2012 was particularly difficult due mainly to the quantity and frequency of the rainfall (Figure 6). The summer was very wet and consequently cooler than normal (Figure 5). Producing quality forage was difficult for the livestock farmers and yields /quality of arable crops much reduced.

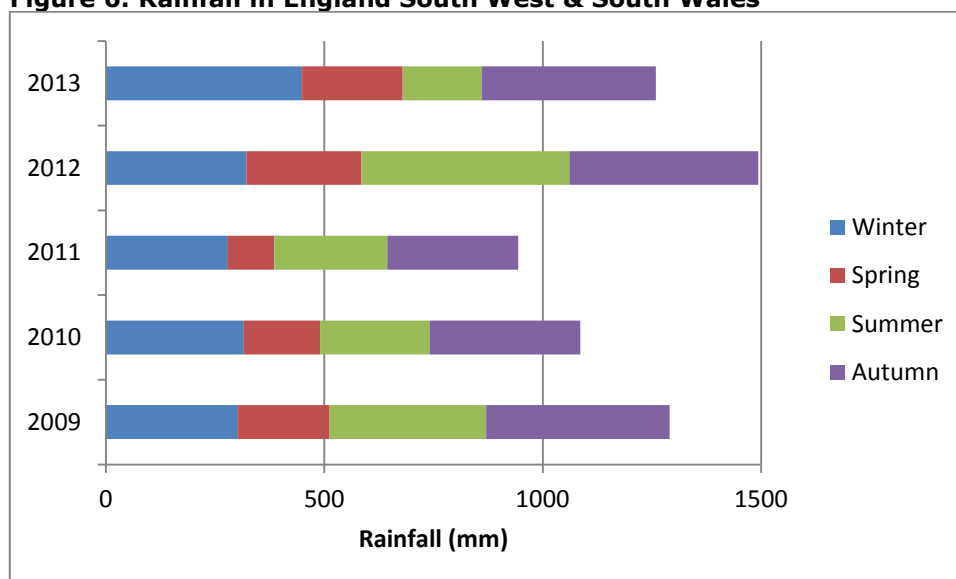
Figure 5: Mean temperature for England South West & South Wales



Source: Met Office

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

Figure 6: Rainfall in England South West & South Wales



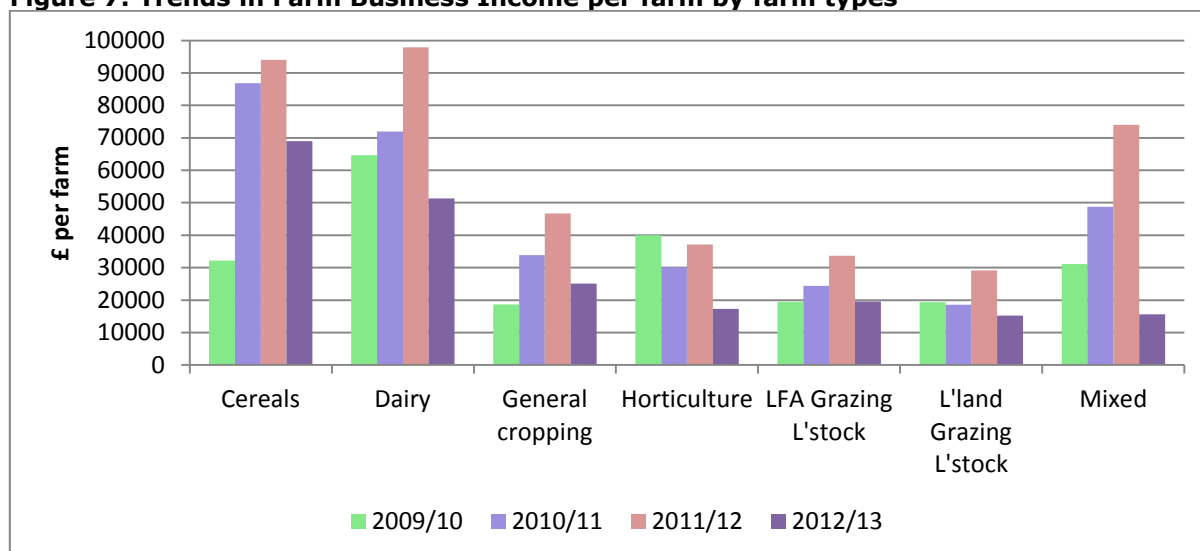
Source: Met Office

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 2009/10 to 2012/13. In general incomes improved for the first three 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.

Figure 7: Trends in Farm Business Income per farm by farm types

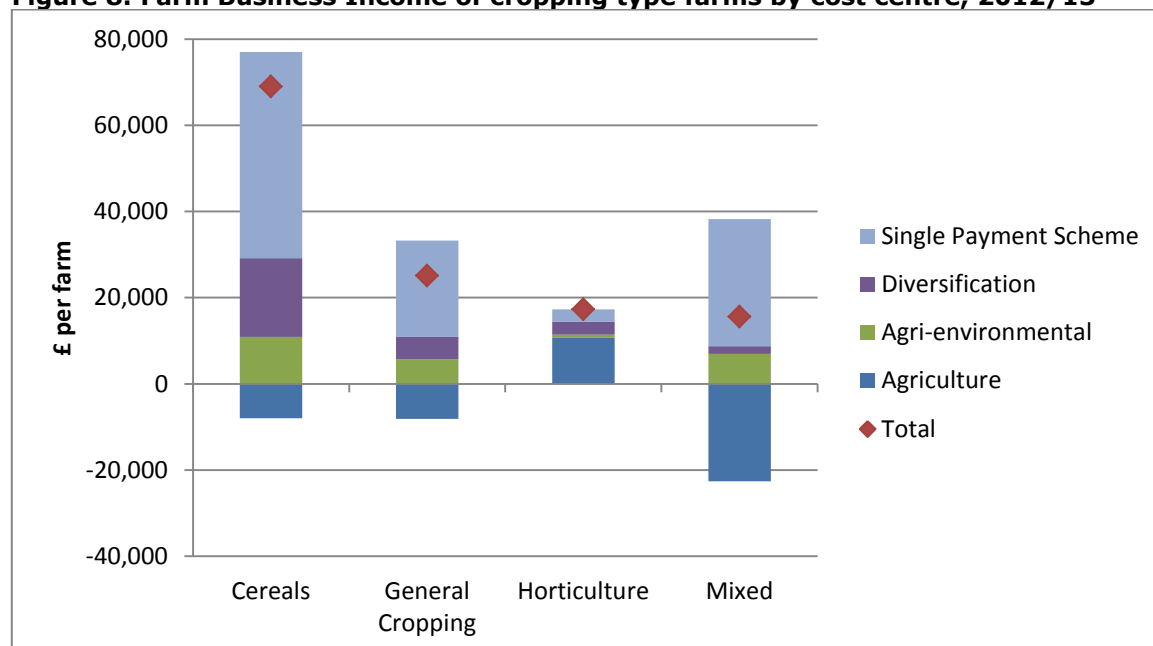


Cereal Farms

In 2012/13 the average Farm Business Income decreased by 27% to £69,000. The yields of the crops grown were down on the previous year, as was quality. Global market pressure meant that market prices increased (Figure 9) so that total farm output increased by 19%. However there was a substantial increase in the cost of inputs, in particular seed, fertiliser (Figure 10) and crop protection. Total variable costs increased by over 60%. Figure

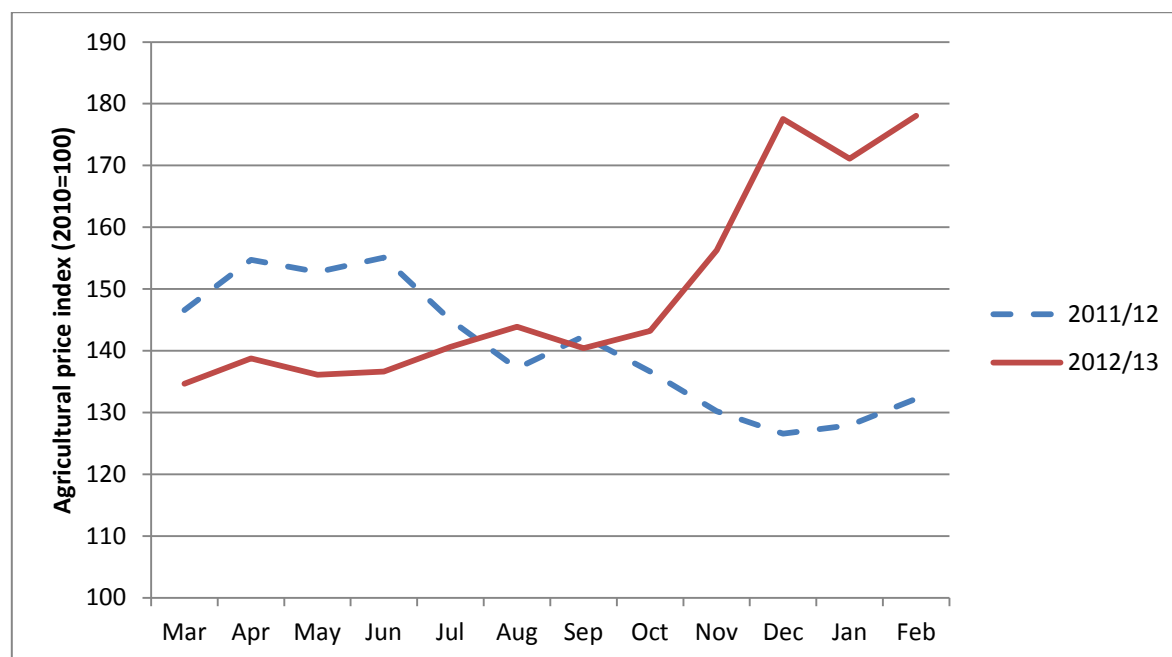
8 illustrates the dependence of Cereal farms to the SPS Cost centre and the loss made by the agricultural cost centre.

Figure 8: Farm Business Income of cropping type farms by cost centre, 2012/13



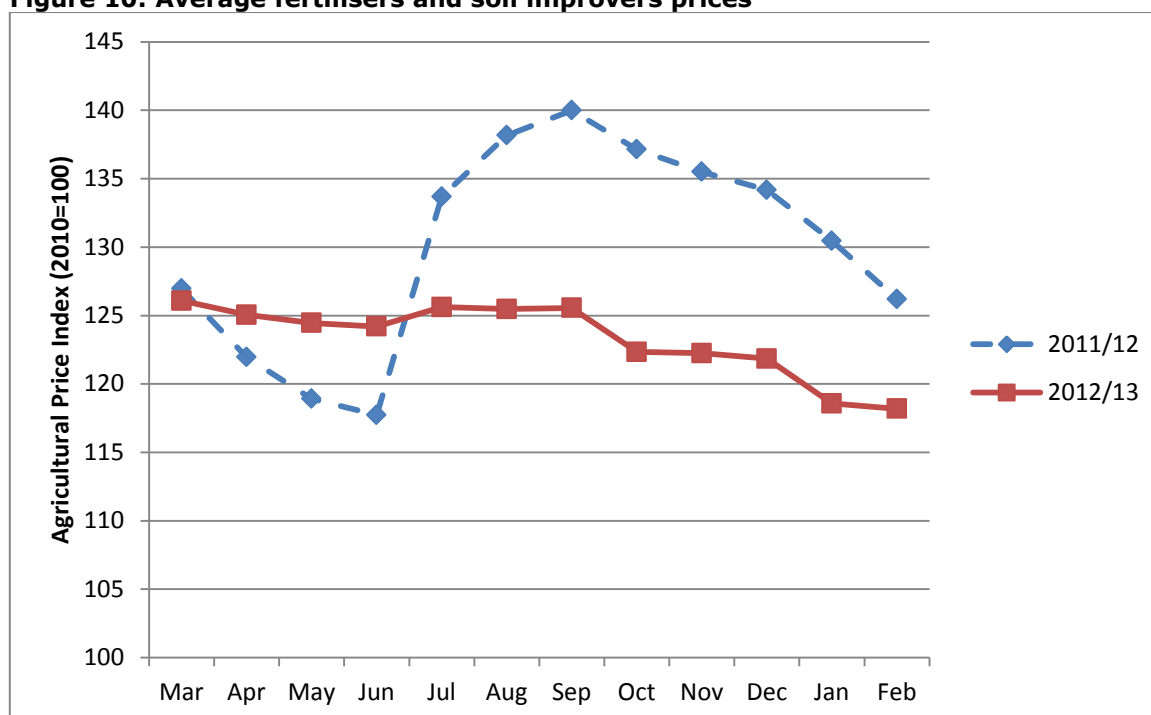
Source: Farm Business Survey, England

Figure 9: Average feed wheat prices



Source: Index of Producer Prices of Agriculture

Figure 10: Average fertilisers and soil improvers prices

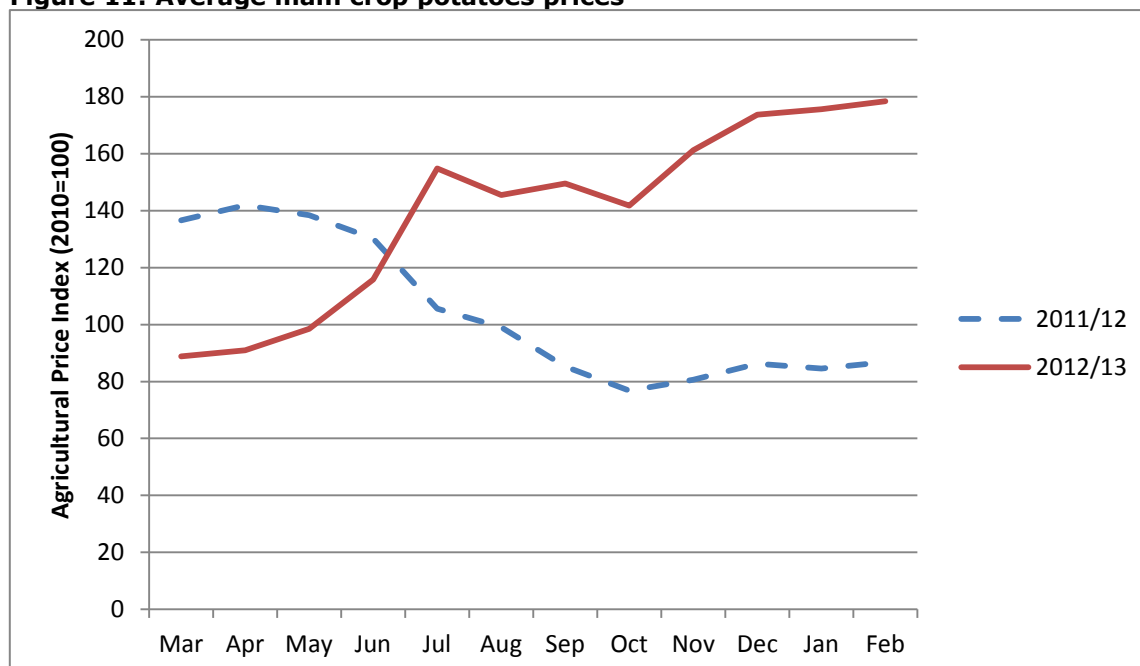


Source: Index of Producer Prices of Agriculture

General Cropping

The average farm business income on general cropping farms in 2012/13 decreased by 46% to £25,100 compared to 2011/12. In the South West of England the potato crop is important to this type of farm and the output from potatoes fell by 12% despite the substantial increase in prices but yields suffered due to the poor weather (Figure 11).

Figure 11: Average main crop potatoes prices



Source: Index of Producer Prices of Agriculture

Total output from the farm decreased by 14% with a fall in total inputs of 2%. Figure 4 also illustrates the dependence of General cropping farms on the SPS Cost centre and the loss made by the agricultural cost centre.

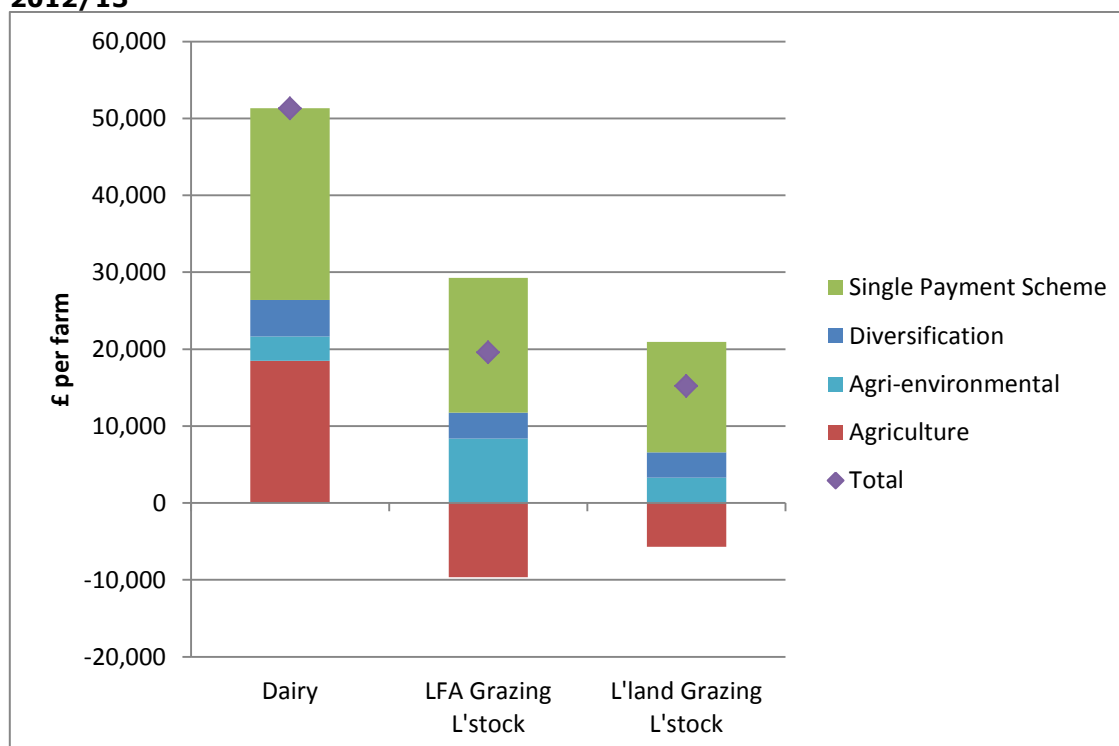
Horticultural Farms

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 fell by more than half to £17,300 in 2012/13. Total crop output decreased by 15%, with top fruit and outdoor vegetables showing large percentage reductions in output. Outdoor flowers and nursery stock were the only sector with improved output. Total variable costs increased by 10% with seed and crop protection increasing by over 30%. Figure 4 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 is positive.

Mixed Farms

In 2012/13 the Farm Business Income for the Mixed farms fell by 79%, the largest drop in income of all the farm types in the South West. Some of this difference is likely to be due to a change in the sample of farms and the mix of enterprises present, so caution is needed when interpreting these results. Their average FBI is only £15,600 per farm. Total farm output fell by 28% with a lower output from both crop and livestock enterprises. Total inputs were 15% lower with both variable and fixed inputs showing reductions. The agriculture cost centre (Figure 4) made a very large loss of £22,600 which then means the SPS cost centre of £29,500 is approaching twice the total farm FBI.

Figure 12: Farm Business Income of the grazing livestock farms by cost centre, 2012/13

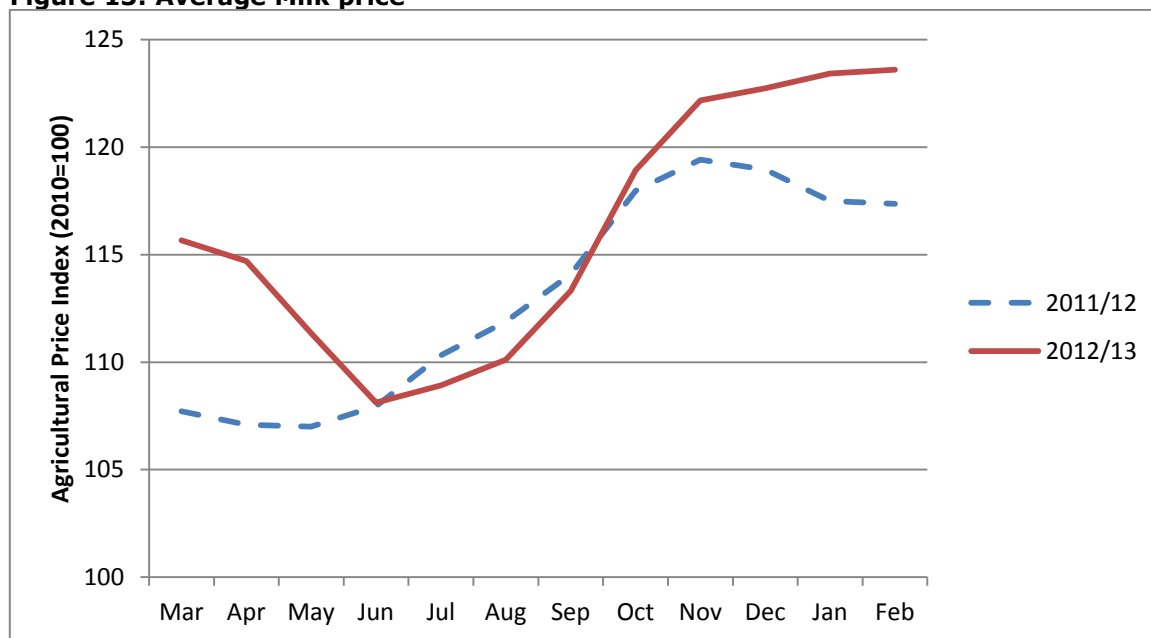


Source: Farm Business Survey, England

Dairy Farms

The average Farm Business Income on Dairy farms was £51,300 in 2012/13 a decrease of 48% compared to the previous year. Total farm output was similar to the previous year but milk output increase by 4% with a milk price (Figure 13) increase compensating for lower yield despite extra cows kept.

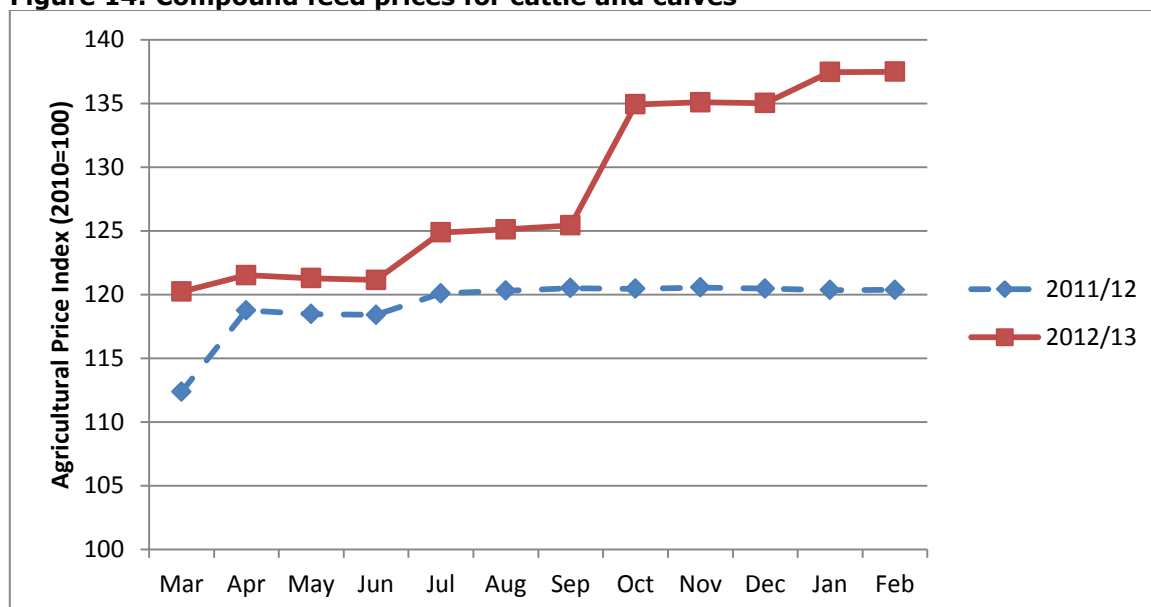
Figure 13: Average Milk price



Source: Index of Producer Prices of Agriculture

Total input costs increased by over 12% compared to the previous year with feed (Figure 14) increasing over 23% and fertiliser by over a third. The difficult weather meant that cows were housed for longer periods than normal thus increasing the quantity of feed required.

Figure 14: Compound feed prices for cattle and calves



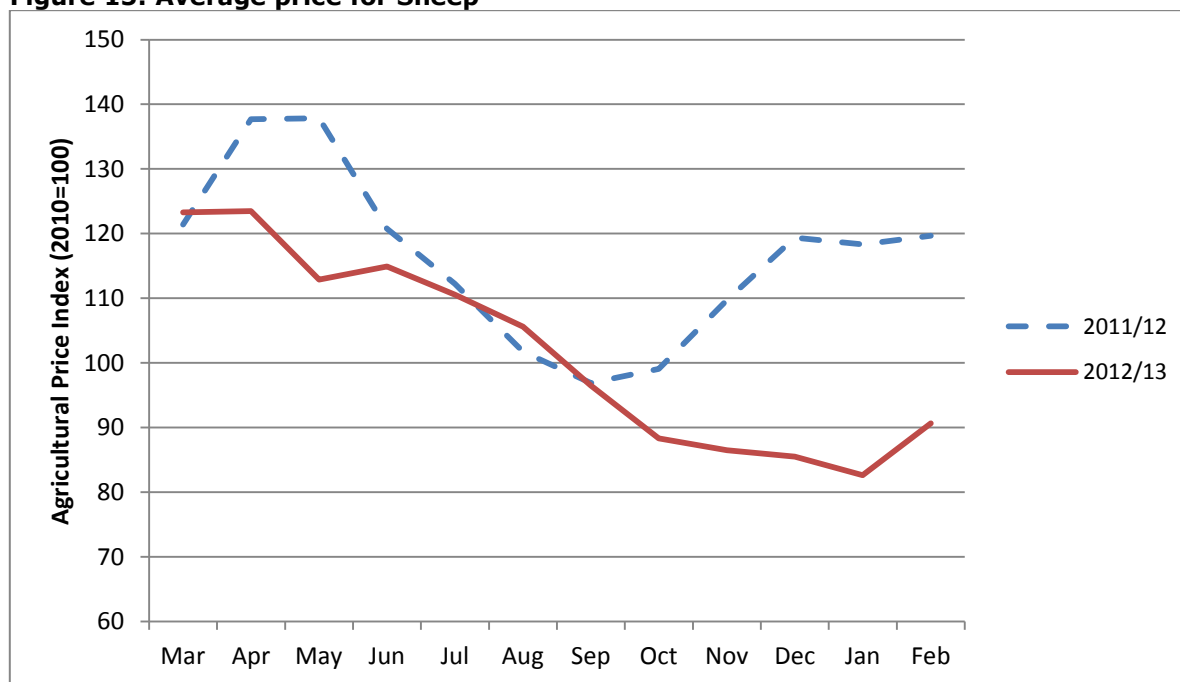
Source: Index of Producer Prices of Agriculture

The Agriculture Cost Centre for the Dairy farms was positive (£18,500) which along with Horticulture were the only 'land using' farm types to do so in 2012/13.

Grazing Livestock Farms (Lowland)

The average Farm Business Income on Lowland Grazing Livestock farms fell by 48% to £15,200. Total output fell by 13% with loss of output from miscellaneous sources as well as sheep (Figure 15). Total input costs are only slightly higher (2%) with larger increases of feed (18%) and fertiliser (23%). On average these farms failed to make a positive return from agriculture reflecting the difficult conditions for beef and sheep farmers throughout the year (Figure 12). The contribution from the Single Payment Scheme was significant on these farms, representing 94% of total FBI despite the fact these payments fell by 13% due mainly to lower exchange rate.

Figure 15: Average price for Sheep



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 fell by 42% on LFA grazing livestock farms to £19,600 in 2012/13. Output from livestock decreased across all enterprises totalling 13%. Total inputs increased by 5%.

Summary Points-

- Average Farm Business Income fell by close to a half in 2012/13. The poor growing season and harvest was felt by both the livestock and cropping sectors. The income from agriculture was a small loss and the majority of income came from the Single Payment Scheme, over 70%.
- Higher feed costs were the main cause of lower incomes on the dairy and grazing livestock farms.
- Lower yields and quality of arable crops were offset by higher prices for cereals, in particular, but higher costs also impacted resulting in lower incomes.
- The income from Diversification, Agri-environment and Single Payment were all lower than the previous year.

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 2012 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.

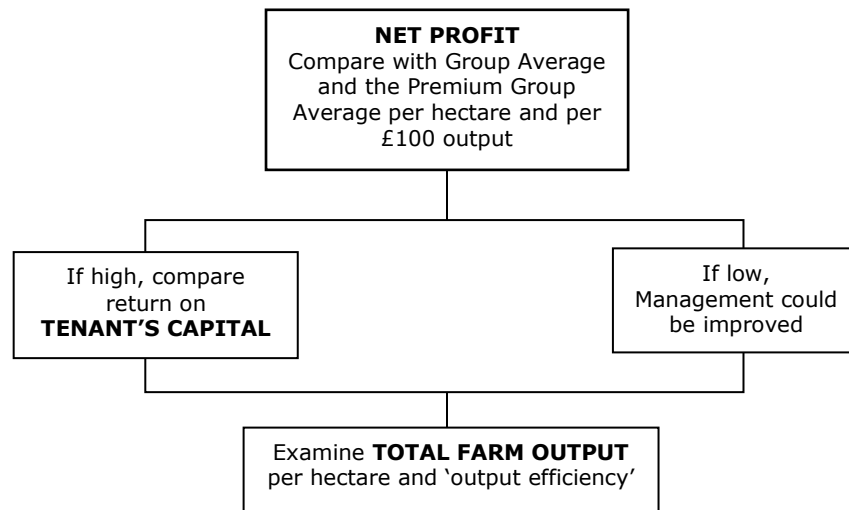
8. An examination and comparison of the farm balance sheet should be attempted to give a broader view of the financial position of the business. Although individual circumstances will inevitably result in considerable, and acceptable, variation in some of the comparative ratios, it is the degree of change 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.

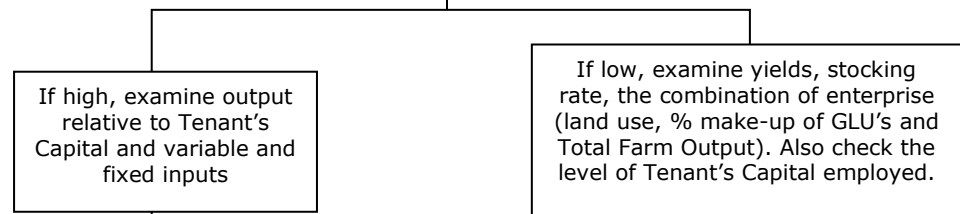
Chart 1

ANALYSING A FARM BUSINESS

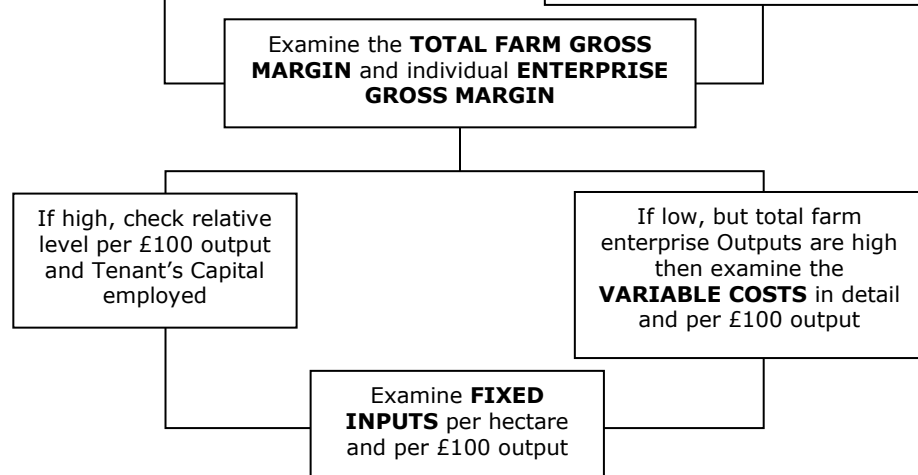
Stage I



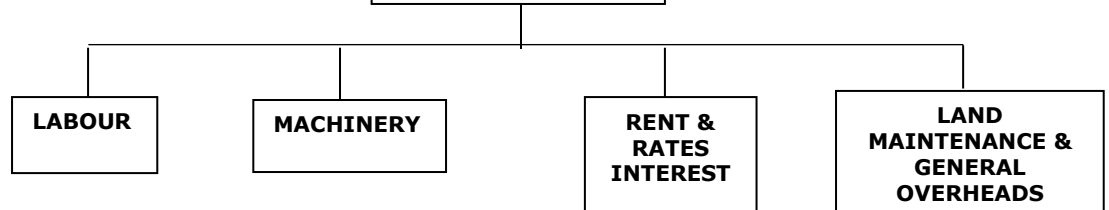
Stage II



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.

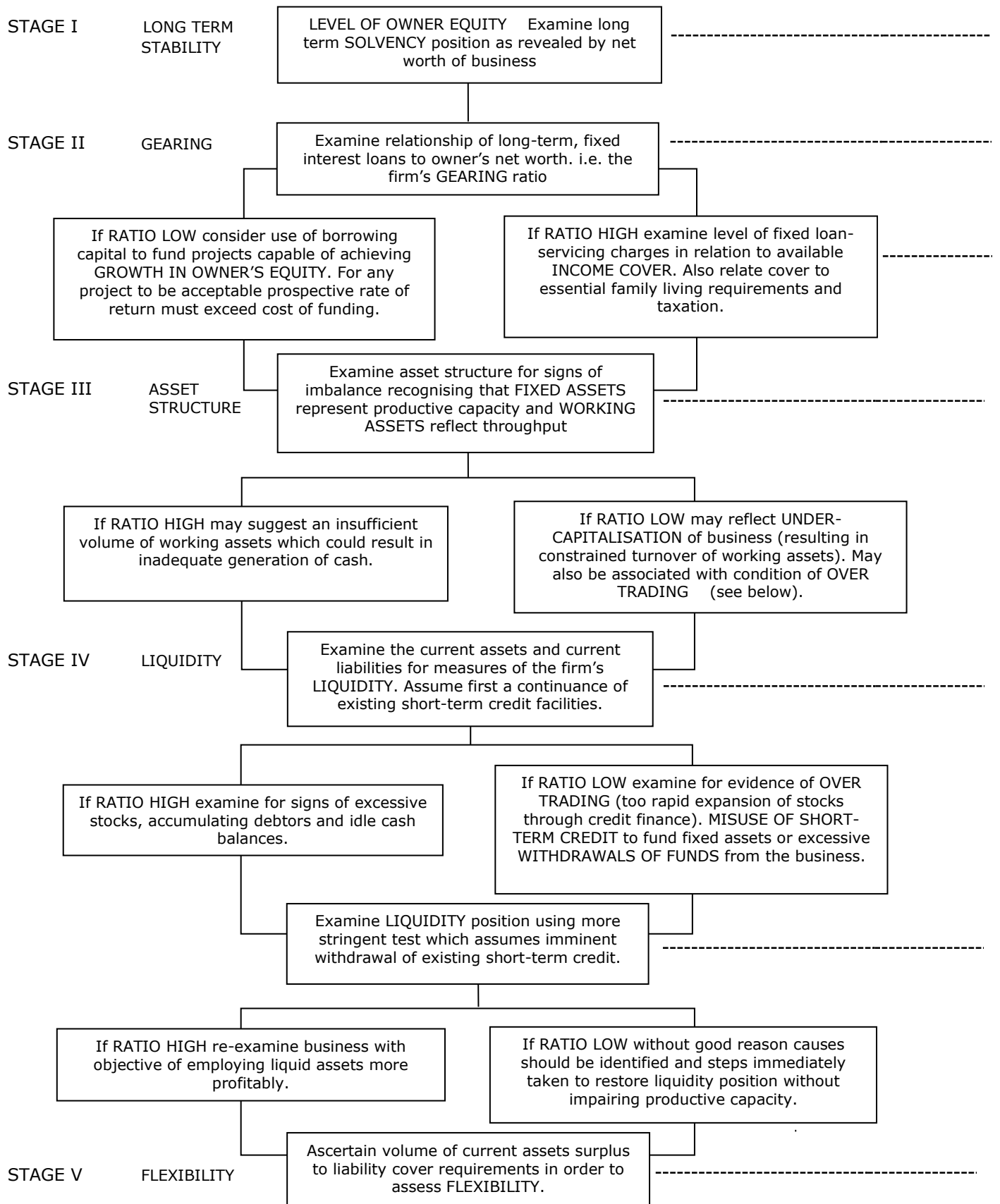
Among the fundamental relationships which financial management should seek to preserve are:

- 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 2012/2013**

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Lowland Cattle and Sheep farms	- under 80 hectares and over 80 hectares 53
SDA Cattle and Sheep farms	- average and premium 59
LFA Cattle and Sheep farms	- under 120 hectares and over 120 hectares 65
Mixed Cropping, Cattle and Sheep farms	- average 71
Organic Dairy farms	- average 77
Organic Lowland Cattle and Sheep farms	- average 83

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 15. 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, 2012/2013

	Average	Premium*
Number of farms in group	24	
Average farmed area (hectares)	200	
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	38	
Herd depreciation	0	
Sheep	12	
Flock depreciation	-1	
Wool	0	
Pigs	0	
Poultry	0	
Other livestock	0	
Cereals	538	
Oilseeds	169	
Pulses	9	
Other crops	0	
Crop subsidies	0	
Straw	83	
Forage	37	
Agri-environment schemes and management agreements	43	
Rental income and imputed farmhouse rental equivalent	56	
Hirework	16	
Miscellaneous output	45	
Cultivations	-15	
Single Payment Scheme	208	
TOTAL FARM OUTPUT **	1239	
<u>Variable costs</u>		
Concentrates	11	
Purchased fodder	0	
Veterinary and medicines	3	
Other livestock costs	10	
Seeds	52	
Fertilisers	177	
Crop protection	122	
Other crop costs	37	
TOTAL VARIABLE COSTS	412	
TOTAL GROSS MARGIN**	827	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Cereal farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2012/2013

	Average	Premium*
Number of farms in group	24	
Average farmed area (hectares)	200	
Average proportion of total farmed area tenanted or hired (%)	47	
	£ per farm hectare	
TOTAL GROSS MARGIN**	827	
<u>Fixed costs</u>		
Paid labour	50	
Unpaid family labour	17	
Casual labour	8	
Contract	105	
Machinery repairs	33	
Machinery fuel	45	
Machinery depreciation	117	
Other depreciation	1	
Property maintenance	25	
Electricity	9	
Other fuel	15	
Water	5	
Insurance	27	
Professional fees	20	
Other general costs	24	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	502	
PROFIT BEFORE RENT AND INTEREST	324	
Rent, hired in keep and bare land	66	
Rates	0	
Long-term interest	11	
Short-term interest	6	
Interest received (-)	0	
NET PROFIT**	241	
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	17	
Plus - Landlord type repairs (included in property maintenance)	3	
Less - Rental value (of owner occupied land and buildings)	119	
NET FARM INCOME** (NFI)	142	
Less farmer and spouse labour	97	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	45	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Cereal farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2012/2013

	Average	Premium*
Number of farms in group	24	
Average farmed area (hectares)	200	
Average proportion of total farmed area tenanted or hired (%)	47	
	per £100 output	
<u>Output</u>		
Milk	0	
Cattle	3	
Sheep	1	
Pigs, poultry and other livestock	0	
Cereals	43	
Other cash crops	14	
Straw and forage	10	
Management agreements and agri-environment schemes	3	
Miscellaneous output	8	
Single Payment Scheme	17	
TOTAL OUTPUT**	100	
<u>Variable costs</u>		
Concentrates, fodder and keep	1	
Veterinary, medicines and other livestock costs	1	
Seeds	4	
Fertilisers	14	
Crop protection and other crop costs	13	
TOTAL VARIABLE COSTS	33	
TOTAL GROSS MARGIN**	67	
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	5	
Casual labour	1	
Contract	8	
Machinery repairs and fuel	6	
Machinery and other depreciation	10	
Property maintenance	2	
Electricity, other fuel and water	2	
Other general costs	6	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	41	
PROFIT BEFORE RENT AND INTEREST	26	
Rent and rates	5	
Long-term interest paid	1	
Short-term interest paid	0	
Interest received (-)	0	
PROFIT**	19	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Cereal farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2012/2013

	Average	Premium*
Number of farms in group	24	
Average farmed area (hectares)	200	
Average proportion of total farmed area tenanted or hired (%)	47	
<u>Land use</u>		
Percentage cropped	71	
Percentage forage	29	
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	n/a	
Other cattle	10	
Sheep	4	
Other livestock	1	
Total	15	
GLUs per ha	0.52	
GLUs per adjusted ha	0.54	
<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	989	
£ per finished lamb	70	
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare	5.7	
Price per tonne	172	
Winter barley		
Yield - tonnes per hectare	5.6	
Price per tonne	174	
Spring barley		
Yield - tonnes per hectare	4.9	
Price per tonne	180	
Winter oats		
Yield - tonnes per hectare	5.2	
Price per tonne	179	
All cereals		
Yield - tonnes per hectare	5.5	
Price per tonne	174	

* Insufficient farms

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

Cereal farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2012/2013

	Average	Premium*
Number of farms in group	24	
Average farmed area (hectares)	200	
Average proportion of total farmed area tenanted or hired (%)	47	
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	82	
Crops, forage and cultivations	437	
Stores	215	
Machinery	640	
Single Payment Scheme	284	
Miscellaneous business assets & other assets	13	
Total physical assets	1671	
Liquid assets	388	
Tenant's capital (TC)	2059	
Management & investment income (M&II)**	45	
Return on tenant's capital (M&II as % of average TC)	2.2%	
<u>Ratios per £100 of output (%)</u>		
Variable costs	33	
Gross margin	67	
Fixed costs (excluding rent and interest)	41	
Net profit	19	
Net farm income	11	
Farmer and spouse	8	
Management & Investment Income	4	
Tenant's capital		
Total assets	821	
Total external liabilities	75	
Net worth	746	
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	75	
Costs (£ per £100 output)	6	
Costs (£ per £100 gross margin)	9	
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	301	
Costs (£ per £100 output)	24	
Costs (£ per £100 gross margin)	36	
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	376	
Costs (£ per £100 output)	30	
Costs (£ per £100 gross margin)	45	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Cereal farms

END-OF-YEAR BALANCE SHEETS, 2012/2013

	Average	Premium*
Number of farms in group	24	
Average farmed area (hectares)	200	
Average proportion of total farmed area tenanted or hired (%)	47	
End of year assets & liabilities	£ per farm hectare	
Land & buildings	8167	
Milk quota	0	
Single Payment Scheme	273	
Machinery	633	
Tenant's other assets	11	
Breeding livestock	40	
Total fixed assets	9124	
Trading livestock	48	
Crops	356	
Forage and cultivations	56	
Stores	199	
Debtors and loans	202	
Bank credit and cash	187	
Other current assets	2	
Total current assets	1049	
Total assets	10173	
Financed by		
AMC	182	
Bank loans	332	
Other long term	152	
Total long term	666	
HP and lease	49	
Creditors	104	
Bank overdraft	110	
Other short term	2	
Total current liabilities	264	
Total Liabilities	930	
Net worth	9243	
<u>Balance sheet ratios</u>		
% Owner equity (net worth vs. total assets)	91%	
% Fixed assets vs. total assets	90%	
Gearing (long-term loans vs. total assets)	7%	
Total debt (external liabilities vs. net worth)	10%	
Current Ratio (current assets vs. current liabilities)	397%	
Liquidity Ratio (liquid assets vs. current liabilities)	147%	

* Insufficient farms

Cereal and General Cropping farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2012/2013

	Under 140 hectares	Over 140 hectares
Number of farms in group	16	23
Average farmed area (hectares)	100	262
Average proportion of total farmed area tenanted or hired (%)	43	48
	£ per farm hectare	
<u>Output</u>		
Milk	0	0
Milk quota leasing less milk quota levy	0	0
Cattle	104	71
Herd depreciation	-4	1
Sheep	3	19
Flock depreciation	0	-4
Wool	0	1
Pigs	0	0
Poultry	0	1
Other livestock	0	0
Cereals	416	507
Oilseeds	96	189
Pulses	1	11
Other crops	1170	89
Crop subsidies	0	0
Straw	61	76
Forage	48	24
Agri-environment schemes and management agreements	28	59
Rental income and imputed farmhouse rental equivalent	55	53
Hirework	19	24
Miscellaneous output	41	27
Cultivations	2	-12
Single Payment Scheme	181	203
TOTAL FARM OUTPUT **	2222	1339
<u>Variable costs</u>		
Concentrates	18	28
Purchased fodder	0	2
Veterinary and medicines	4	7
Other livestock costs	22	14
Seeds	235	58
Fertilisers	195	180
Crop protection	180	134
Other crop costs	118	34
TOTAL VARIABLE COSTS	772	457
TOTAL GROSS MARGIN**	1451	881

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Cereal and General Cropping farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2012/2013

	Under 140 hectares	Over 140 hectares
Number of farms in group	16	23
Average farmed area (hectares)	100	262
Average proportion of total farmed area tenanted or hired (%)	43	48
	£ per farm hectare	
TOTAL GROSS MARGIN**	1451	881
<u>Fixed costs</u>		
Paid labour	145	59
Unpaid family labour	58	19
Casual labour	86	17
Contract	157	71
Machinery repairs	73	47
Machinery fuel	89	58
Machinery depreciation	158	147
Other depreciation	1	2
Property maintenance	27	33
Electricity	24	9
Other fuel	14	20
Water	10	3
Insurance	47	27
Professional fees	31	20
Other general costs	38	30
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	959	562
PROFIT BEFORE RENT AND INTEREST	492	320
Rent, hired in keep and bare land	122	57
Rates	0	0
Long-term interest	26	18
Short-term interest	22	11
Interest received (-)	0	1
NET PROFIT**	321	234
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	48	28
Plus - Landlord type repairs (included in property maintenance)	3	4
Less - Rental value (of owner occupied land and buildings)	114	121
NET FARM INCOME** (NFI)	258	146
Less farmer and spouse labour	327	83
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-69	63

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Cereal and General Cropping farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2012/2013

	Under 140 hectares	Over 140 hectares
Number of farms in group	16	23
Average farmed area (hectares)	100	262
Average proportion of total farmed area tenanted or hired (%)	43	48
	per £100 output	
<u>Output</u>		
Milk	0	0
Cattle	4	5
Sheep	0	1
Pigs, poultry and other livestock	0	0
Cereals	19	38
Other cash crops	57	22
Straw and forage	5	7
Management agreements and agri-environment schemes	1	4
Miscellaneous output	5	7
Single Payment Scheme	8	15
TOTAL OUTPUT**	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	1	2
Veterinary, medicines and other livestock costs	1	2
Seeds	11	4
Fertilisers	9	13
Crop protection and other crop costs	13	13
TOTAL VARIABLE COSTS	35	34
TOTAL GROSS MARGIN**	65	66
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	9	6
Casual labour	4	1
Contract	7	5
Machinery repairs and fuel	7	8
Machinery and other depreciation	7	11
Property maintenance	1	2
Electricity, other fuel and water	2	2
Other general costs	5	6
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	43	42
PROFIT BEFORE RENT AND INTEREST	22	24
Rent and rates	6	4
Long-term interest paid	1	1
Short-term interest paid	1	1
Interest received (-)	0	0
PROFIT**	14	17

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Cereal and general cropping farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2012/2013

	Under 140 hectares	Over 140 hectares
Number of farms in group	16	23
Average farmed area (hectares)	100	262
Average proportion of total farmed area tenanted or hired (%)	43	48
<u>Land use</u>		
Percentage cropped	68	72
Percentage forage	32	28
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	n/a	n/a
Other cattle	16	24
Sheep	1	8
Other livestock	1	n/a
Total	18	32
GLUs per ha	0.70	0.85
GLUs per adjusted ha	0.70	0.91
<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	1047	1194
£ per finished lamb	n/a	73
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare	6.2	5.8
Price per tonne	174	175
Winter barley		
Yield - tonnes per hectare	5.7	5.7
Price per tonne	178	182
Spring barley		
Yield - tonnes per hectare	3.9	4.9
Price per tonne	184	180
Winter oats		
Yield - tonnes per hectare	6.0	5.6
Price per tonne	171	184
All cereals		
Yield - tonnes per hectare	5.8	5.6
Price per tonne	175	177

* Top third selected on Management and investment income per hectare

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

Cereal and general cropping farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2012/2013

	Under 140 hectares	Over 140 hectares
Number of farms in group	16	23
Average farmed area (hectares)	100	262
Average proportion of total farmed area tenanted or hired (%)	43	48
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	160	157
Crops, forage and cultivations	558	477
Stores	270	212
Machinery	938	805
Single Payment Scheme	246	281
Miscellaneous business assets & other assets	21	2
Total physical assets	2192	1934
Liquid assets	436	440
Tenant's capital (TC)	2628	2374
Management & investment income (M&II)**	-69	63
Return on tenant's capital (M&II as % of average TC)	-2.6%	2.7%
<u>Ratios per £100 of output (%)</u>		
Variable costs	35	34
Gross margin	65	66
Fixed costs (excluding rent and interest)	43	42
Net profit	14	17
Net farm income	12	11
Farmer and spouse	15	6
Management & Investment Income	-3	5
Tenant's capital		
Total assets	559	778
Total external liabilities	64	91
Net worth	495	687
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	288	95
Costs (£ per £100 output)	13	7
Costs (£ per £100 gross margin)	20	11
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	478	323
Costs (£ per £100 output)	22	24
Costs (£ per £100 gross margin)	33	37
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	766	419
Costs (£ per £100 output)	34	31
Costs (£ per £100 gross margin)	53	47

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Cereal and general cropping farms

END-OF-YEAR BALANCE SHEETS, 2012/2013

	Under 140 hectares	Over 140 hectares
Number of farms in group	16	23
Average farmed area (hectares)	100	262
Average proportion of total farmed area tenanted or hired (%)	43	48
End of year assets & liabilities	£ per farm hectare	
Land & buildings	9761	8040
Milk quota	0	0
Single Payment Scheme	237	268
Machinery	937	804
Tenant's other assets	16	0
Breeding livestock	44	87
Total fixed assets	10995	9200
Trading livestock	143	74
Crops	479	383
Forage and cultivations	86	62
Stores	283	185
Debtors and loans	211	333
Bank credit and cash	224	170
Other current assets	4	2
Total current assets	1430	1209
Total assets	12425	10408
Financed by		
AMC	160	144
Bank loans	349	513
Other long term	93	96
Total long term	602	753
HP and lease	113	92
Creditors	240	144
Bank overdraft	468	214
Other short term	0	9
Total current liabilities	822	460
Total Liabilities	1423	1212
Net worth	11002	9196
<u>Balance sheet ratios</u>		
% Owner equity (net worth vs. total assets)	89%	88%
% Fixed assets vs. total assets	88%	88%
Gearing (long-term loans vs. total assets)	5%	7%
Total debt (external liabilities vs. net worth)	13%	13%
Current Ratio (current assets vs. current liabilities)	174%	263%
Liquidity Ratio (liquid assets vs. current liabilities)	53%	109%

* Top third selected on Management and investment income per hectare

Dairy farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2012/2013

	Average	Premium*
Number of farms in group	69	23
Average farmed area (hectares)	152	193
Average proportion of total farmed area tenanted or hired (%)	49	52
	£ per farm hectare	
<u>Output</u>		
Milk	2157	2319
Milk quota leasing less milk quota levy	0	0
Cattle	590	715
Herd depreciation	-240	-249
Sheep	6	1
Flock depreciation	-1	0
Wool	0	0
Pigs	5	2
Poultry	1	0
Other livestock	0	0
Cereals	71	117
Oilseeds	4	5
Pulses	1	0
Other crops	0	0
Crop subsidies	0	0
Straw	11	21
Forage	2	-7
Agri-environment schemes and management agreements	15	12
Rental income and imputed farmhouse rental equivalent	29	40
Hirework	16	10
Miscellaneous output	27	42
Cultivations	-1	-2
Single Payment Scheme	169	168
TOTAL FARM OUTPUT **	2862	3194
<u>Variable costs</u>		
Concentrates	729	702
Purchased fodder	35	51
Veterinary and medicines	89	94
Other livestock costs	238	258
Seeds	33	32
Fertilisers	147	144
Crop protection	29	34
Other crop costs	21	19
TOTAL VARIABLE COSTS	1322	1334
TOTAL GROSS MARGIN**	1541	1860

* 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, 2012/2013

	Average	Premium*
Number of farms in group	69	23
Average farmed area (hectares)	152	193
Average proportion of total farmed area tenanted or hired (%)	49	52
	£ per farm hectare	
TOTAL GROSS MARGIN**	1541	1860
<u>Fixed costs</u>		
Paid labour	169	221
Unpaid family labour	105	113
Casual labour	22	21
Contract	144	124
Machinery repairs	105	102
Machinery fuel	87	95
Machinery depreciation	173	167
Other depreciation	8	18
Property maintenance	59	54
Electricity	45	48
Other fuel	6	5
Water	33	27
Insurance	43	40
Professional fees	35	41
Other general costs	43	42
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	1076	1118
PROFIT BEFORE RENT AND INTEREST	464	741
Rent, hired in keep and bare land	101	114
Rates	1	1
Long-term interest	40	27
Short-term interest	21	12
Interest received (-)	19	25
NET PROFIT**	320	613
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	43	14
Plus - Landlord type repairs (included in property maintenance)	4	3
Less - Rental value (of owner occupied land and buildings)	182	163
NET FARM INCOME** (NFI)	184	466
Less farmer and spouse labour	288	201
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-104	265

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2012/2013

	Average	Premium*
Number of farms in group	69	23
Average farmed area (hectares)	152	193
Average proportion of total farmed area tenanted or hired (%)	49	52
	per £100 output	
<u>Output</u>		
Milk	75	73
Cattle	12	15
Sheep	0	0
Pigs, poultry and other livestock	0	0
Cereals	2	4
Other cash crops	0	0
Straw and forage	0	0
Management agreements and agri-environment schemes	1	0
Miscellaneous output	2	3
Single Payment Scheme	6	5
TOTAL OUTPUT**	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	27	24
Veterinary, medicines and other livestock costs	11	11
Seeds	1	1
Fertilisers	5	5
Crop protection and other crop costs	2	2
TOTAL VARIABLE COSTS	46	42
TOTAL GROSS MARGIN**	54	58
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	10	10
Casual labour	1	1
Contract	5	4
Machinery repairs and fuel	7	6
Machinery and other depreciation	6	6
Property maintenance	2	2
Electricity, other fuel and water	3	2
Other general costs	4	4
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	38	35
PROFIT BEFORE RENT AND INTEREST	16	23
Rent and rates	4	4
Long-term interest paid	1	1
Short-term interest paid	1	0
Interest received (-)	1	1
PROFIT**	11	19

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2012/2013

	Average	Premium*
Number of farms in group	69	23
Average farmed area (hectares)	152	193
Average proportion of total farmed area tenanted or hired (%)	49	52
<u>Land use</u>		
Percentage cropped	7	12
Percentage forage	93	88
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	154	207
Other cattle	79	110
Sheep	1	n/a
Other livestock	n/a	n/a
Total	234	317
GLUs per ha	1.80	1.98
GLUs per adjusted ha	1.81	1.99
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	6869	6803
Pence per litre	28.8	29.0
Milk output per cow	2047	2042
Dairy calf output, £ per calf	143	147
<u>Finished cattle and lambs</u>		
£ per finished animal	1011	899
£ per finished lamb	88	76
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare	6.1	6.1
Price per tonne	167	164
Winter barley		
Yield - tonnes per hectare	6.7	6.6
Price per tonne	171	172
Spring barley		
Yield - tonnes per hectare	4.9	5.4
Price per tonne	165	161
Winter oats		
Yield - tonnes per hectare		
Price per tonne		
All cereals		
Yield - tonnes per hectare	6.0	6.1
Price per tonne	167	166

* 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, 2012/2013

	Average	Premium*
Number of farms in group	69	23
Average farmed area (hectares)	152	193
Average proportion of total farmed area tenanted or hired (%)	49	52
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1853	2026
Crops, forage and cultivations	127	153
Stores	142	150
Machinery	1006	1072
Single Payment Scheme	237	235
Miscellaneous business assets & other assets	111	97
Total physical assets	3475	3732
Liquid assets	550	735
Tenant's capital (TC)	4025	4467
Management & investment income (M&II)**	-104	265
Return on tenant's capital (M&II as % of average TC)	-2.6%	5.9%
<u>Ratios per £100 of output (%)</u>		
Variable costs	46	42
Gross margin	54	58
Fixed costs (excluding rent and interest)	38	35
Net profit	11	19
Net farm income	6	15
Farmer and spouse	10	6
Management & Investment Income	-4	8
Tenant's capital		
Total assets	457	413
Total external liabilities	74	43
Net worth	383	370
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	296	355
Costs (£ per £100 output)	10	11
Costs (£ per £100 gross margin)	19	19
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	508	488
Costs (£ per £100 output)	18	15
Costs (£ per £100 gross margin)	33	26
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	805	843
Costs (£ per £100 output)	28	26
Costs (£ per £100 gross margin)	52	45

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms

END-OF-YEAR BALANCE SHEETS, 2012/2013

	Average	Premium*
Number of farms in group	69	23
Average farmed area (hectares)	152	193
Average proportion of total farmed area tenanted or hired (%)	49	52
End of year assets & liabilities	£ per farm hectare	
Land & buildings	9081	8701
Milk quota	8	9
Single Payment Scheme	226	225
Machinery	1035	1108
Tenant's other assets	1	3
Breeding livestock	1440	1552
Total fixed assets	11791	11597
Trading livestock	405	485
Crops	23	43
Forage and cultivations	94	92
Stores	141	157
Debtors and loans	408	580
Bank credit and cash	153	183
Other current assets	75	59
Total current assets	1298	1600
Total assets	13089	13198
Financed by		
AMC	200	1
Bank loans	1027	697
Other long term	92	107
Total long term	1320	805
HP and lease	139	100
Creditors	247	217
Bank overdraft	378	263
Other short term	45	2
Total current liabilities	809	581
Total Liabilities	2129	1386
Net worth	10960	11811
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	84%	89%
% Fixed assets vs. total assets	90%	88%
Gearing (long-term loans vs. total assets)	10%	6%
Total debt (external liabilities vs. net worth)	19%	12%
Current Ratio (current assets vs. current liabilities)	160%	275%
Liquidity Ratio (liquid assets vs. current liabilities)	69%	131%

* Top third selected on Management and investment income per hectare

Dairy farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2012/2013

	Under 80 hectares	80 to 140 hectares	Over 140 hectares
Number of farms in group	14	28	26
Average farmed area (hectares)	62	110	233
Average proportion of total farmed area tenanted or hired (%)	59	39	53
	£ per farm hectare		
<u>Output</u>			
Milk	2140	2262	2108
Milk quota leasing less milk quota levy	0	0	0
Cattle	511	667	565
Herd depreciation	-235	-253	-235
Sheep	5	9	3
Flock depreciation	0	-1	-1
Wool	0	0	0
Pigs	16	3	1
Poultry	4	0	0
Other livestock	0	0	0
Cereals	7	28	143
Oilseeds	0	0	8
Pulses	0	0	1
Other crops	0	0	0
Crop subsidies	0	0	0
Straw	1	4	22
Forage	7	4	-2
Agri-environment schemes and management agreements	16	15	14
Rental income and imputed farmhouse rental equivalent	14	23	43
Hirework	9	15	21
Miscellaneous output	13	23	40
Cultivations	0	0	-2
Single Payment Scheme	174	163	173
TOTAL FARM OUTPUT **	2682	2962	2904
<u>Variable costs</u>			
Concentrates	692	815	673
Purchased fodder	33	49	23
Veterinary and medicines	75	100	89
Other livestock costs	230	261	222
Seeds	21	33	39
Fertilisers	115	157	157
Crop protection	11	21	45
Other crop costs	19	21	22
TOTAL VARIABLE COSTS	1196	1456	1271
TOTAL GROSS MARGIN**	1486	1506	1632

* 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, 2012/2013

	Under 80 hectares	80 to 140 hectares	Over 140 hectares
Number of farms in group	14	28	26
Average farmed area (hectares)	62	110	233
Average proportion of total farmed area tenanted or hired (%)	59	39	53
	£ per farm hectare		
TOTAL GROSS MARGIN**	1486	1506	1632
<u>Fixed costs</u>			
Paid labour	90	131	261
Unpaid family labour	62	135	93
Casual labour	20	23	22
Contract	128	169	129
Machinery repairs	91	110	109
Machinery fuel	74	86	95
Machinery depreciation	172	176	171
Other depreciation	12	2	12
Property maintenance	48	65	58
Electricity	42	47	44
Other fuel	4	6	7
Water	41	36	26
Insurance	49	46	39
Professional fees	28	41	34
Other general costs	53	40	42
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	914	1113	1142
PROFIT BEFORE RENT AND INTEREST	572	393	491
Rent, hired in keep and bare land	105	75	123
Rates	1	2	0
Long-term interest	16	59	34
Short-term interest	32	25	12
Interest received (-)	15	15	25
NET PROFIT**	432	247	346
Reconciliation of Profit to NFI and M&II			
Plus - Interest charges (net)	34	69	21
Plus - Landlord type repairs (included in property maintenance)	4	5	2
Less - Rental value (of owner occupied land and buildings)	163	217	157
NET FARM INCOME** (NFI)	307	104	213
Less farmer and spouse labour	553	303	139
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-246	-200	74

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2012/2013

	Under 80 hectares	80 to 140 hectares	Over 140 hectares
Number of farms in group	14	28	26
Average farmed area (hectares)	62	110	233
Average proportion of total farmed area tenanted or hired (%)	59	39	53
	per £100 output		
<u>Output</u>			
Milk	80	76	73
Cattle	10	14	11
Sheep	0	0	0
Pigs, poultry and other livestock	1	0	0
Cereals	0	1	5
Other cash crops	0	0	0
Straw and forage	0	0	1
Management agreements and agri-environment schemes	1	1	0
Miscellaneous output	1	2	4
Single Payment Scheme	7	5	6
TOTAL OUTPUT**	100	100	100
<u>Variable costs</u>			
Concentrates, fodder and keep	27	29	24
Veterinary, medicines and other livestock costs	11	12	11
Seeds	1	1	1
Fertilisers	4	5	5
Crop protection and other crop costs	1	1	2
TOTAL VARIABLE COSTS	45	49	44
TOTAL GROSS MARGIN**	55	51	56
<u>Fixed costs</u>			
Labour - paid and unpaid, excluding farmer and spouse	6	9	12
Casual labour	1	1	1
Contract	5	6	4
Machinery repairs and fuel	6	7	7
Machinery and other depreciation	7	6	6
Property maintenance	2	2	2
Electricity, other fuel and water	3	3	3
Other general costs	5	4	4
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	34	38	39
PROFIT BEFORE RENT AND INTEREST	21	13	17
Rent and rates	4	3	4
Long-term interest paid	1	2	1
Short-term interest paid	1	1	0
Interest received (-)	1	1	1
PROFIT**	16	8	12

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2012/2013

	Under 80 hectares	80 to 140 hectares	Over 140 hectares
Number of farms in group	14	28	26
Average farmed area (hectares)	62	110	233
Average proportion of total farmed area tenanted or hired (%)	59	39	53
<u>Land use</u>			
Percentage cropped	1	3	15
Percentage forage	99	97	85
<u>Grazing livestock units</u>	GLUs per farm		
Dairy cattle	68	129	228
Other cattle	30	62	122
Sheep	1	1	1
Other livestock	n/a	n/a	n/a
Total	99	192	351
GLUs per ha	1.62	1.82	1.87
GLUs per adjusted ha	1.63	1.86	1.87
<u>Technical efficiency</u>			
<u>Dairy</u>			
Milk yield per cow	6751	6805	6997
Pence per litre	28.9	28.5	29.2
Milk output per cow	1985	1915	2130
Dairy calf output, £ per calf	143	145	141
<u>Finished cattle and lambs</u>			
£ per finished animal	632	965	1067
£ per finished lamb	88	81	94
<u>Cereals**</u>			
Winter wheat			
Yield - tonnes per hectare		6.7	6.0
Price per tonne		174	165
Winter barley			
Yield - tonnes per hectare			6.7
Price per tonne			171
Spring barley			
Yield - tonnes per hectare		4.7	5.4
Price per tonne		171	161
Winter oats			
Yield - tonnes per hectare			
Price per tonne			
All cereals			
Yield - tonnes per hectare		5.6	6.1
Price per tonne		173	166

* 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, 2012/2013

	Under 80 hectares	80 to 140 hectares	Over 140 hectares
Number of farms in group	14	28	26
Average farmed area (hectares)	62	110	233
Average proportion of total farmed area tenanted or hired (%)	59	39	53
	£ per farm hectare		
<u>Tenant's capital formation</u>			
Livestock	1773	2031	1753
Crops, forage and cultivations	70	105	183
Stores	145	136	149
Machinery	1076	965	1029
Single Payment Scheme	247	227	240
Miscellaneous business assets & other assets	137	109	101
Total physical assets	3448	3572	3456
Liquid assets	690	441	608
Tenant's capital (TC)	4138	4013	4064
Management & investment income (M&II)**	-246	-200	74
Return on tenant's capital (M&II as % of average TC)	-5.9%	-5.0%	1.8%
<u>Ratios per £100 of output (%)</u>			
Variable costs	45	49	44
Gross margin	55	51	56
Fixed costs (excluding rent and interest)	34	38	39
Net profit	16	8	12
Net farm income	11	3	7
Farmer and spouse	21	10	5
Management & Investment Income	-9	-7	3
Tenant's capital			
Total assets	476	488	419
Total external liabilities	68	89	62
Net worth	408	398	357
<u>Efficiency of labour use</u>			
Costs (£ per hectare)	172	289	376
Costs (£ per £100 output)	6	10	13
Costs (£ per £100 gross margin)	12	19	23
<u>Efficiency of machinery use</u>			
Costs (£ per hectare)	465	541	504
Costs (£ per £100 output)	17	18	17
Costs (£ per £100 gross margin)	31	36	31
<u>Efficiency of labour and machinery use</u>			
Costs (£ per hectare)	638	830	880
Costs (£ per £100 output)	24	28	30
Costs (£ per £100 gross margin)	43	55	54

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms

END-OF-YEAR BALANCE SHEETS, 2012/2013

	Under 80 hectares	80 to 140 hectares	Over 140 hectares
Number of farms in group	14	28	26
Average farmed area (hectares)	62	110	233
Average proportion of total farmed area tenanted or hired (%)	59	39	53
End of year assets & liabilities			
Land & buildings	8631	10454	8110
Milk quota	7	8	8
Single Payment Scheme	236	216	231
Machinery	1147	973	1056
Tenant's other assets	0	0	2
Breeding livestock	1437	1599	1311
Total fixed assets	11458	13250	10718
Trading livestock	329	440	418
Crops	1	4	53
Forage and cultivations	70	94	110
Stores	140	135	149
Debtors and loans	533	322	444
Bank credit and cash	138	123	199
Other current assets	97	75	65
Total current assets	1309	1193	1438
Total assets	12767	14443	12156
Financed by			
AMC	1	315	192
Bank loans	727	1411	810
Other long term	187	70	69
Total long term	915	1796	1070
HP and lease	243	123	101
Creditors	304	242	228
Bank overdraft	227	455	382
Other short term	143	34	7
Total current liabilities	917	854	718
Total Liabilities	1832	2650	1788
Net worth	10935	11792	10368
Balance sheet ratios			
% Owner equity (net worth vs. total assets)	86%	82%	85%
% Fixed assets vs. total assets	90%	92%	88%
Gearing (long-term loans vs. total assets)	7%	12%	9%
Total debt (external liabilities vs. net worth)	17%	22%	17%
Current Ratio (current assets vs. current liabilities)	143%	140%	200%
Liquidity Ratio (liquid assets vs. current liabilities)	73%	52%	90%

* Top third selected on Management and investment income per hectare

Lowland Cattle and Sheep farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2012/2013

	Average	Premium*
Number of farms in group	54	18
Average farmed area (hectares)	110	133
Average proportion of total farmed area tenanted or hired (%)	28	38
	£ per farm hectare	
<u>Output</u>		
Milk	0	0
Milk quota leasing less milk quota levy	0	0
Cattle	488	450
Herd depreciation	-13	-5
Sheep	148	175
Flock depreciation	-14	-16
Wool	5	5
Pigs	1	0
Poultry	0	0
Other livestock	0	0
Cereals	67	87
Oilseeds	0	0
Pulses	0	0
Other crops	0	0
Crop subsidies	0	0
Straw	14	20
Forage	35	82
Agri-environment schemes and management agreements	41	44
Rental income and imputed farmhouse rental equivalent	28	44
Hirework	27	7
Miscellaneous output	20	34
Cultivations	-2	-3
Single Payment Scheme	187	181
TOTAL FARM OUTPUT **	1031	1105
<u>Variable costs</u>		
Concentrates	110	78
Purchased fodder	7	7
Veterinary and medicines	28	25
Other livestock costs	78	64
Seeds	12	10
Fertilisers	72	56
Crop protection	14	14
Other crop costs	16	27
TOTAL VARIABLE COSTS	336	280
TOTAL GROSS MARGIN**	695	825

* 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, 2012/2013

	Average	Premium*
Number of farms in group	54	18
Average farmed area (hectares)	110	133
Average proportion of total farmed area tenanted or hired (%)	28	38
	£ per farm hectare	
TOTAL GROSS MARGIN**	695	825
<u>Fixed costs</u>		
Paid labour	22	27
Unpaid family labour	47	25
Casual labour	14	19
Contract	61	46
Machinery repairs	47	40
Machinery fuel	52	46
Machinery depreciation	92	87
Other depreciation	6	3
Property maintenance	37	33
Electricity	9	6
Other fuel	5	3
Water	10	7
Insurance	36	26
Professional fees	21	16
Other general costs	29	22
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	488	408
PROFIT BEFORE RENT AND INTEREST	207	417
Rent, hired in keep and bare land	45	61
Rates	2	2
Long-term interest	8	11
Short-term interest	7	5
Interest received (-)	1	1
NET PROFIT**	145	339
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	14	14
Plus - Landlord type repairs (included in property maintenance)	3	2
Less - Rental value (of owner occupied land and buildings)	136	117
NET FARM INCOME** (NFI)	27	239
Less farmer and spouse labour	267	231
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-239	8

* 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, 2012/2013

	Average	Premium*
Number of farms in group	54	18
Average farmed area (hectares)	110	133
Average proportion of total farmed area tenanted or hired (%)	28	38
	per £100 output	
<u>Output</u>		
Milk	0	0
Cattle	46	40
Sheep	13	15
Pigs, poultry and other livestock	0	0
Cereals	6	8
Other cash crops	0	0
Straw and forage	5	9
Management agreements and agri-environment schemes	4	4
Miscellaneous output	7	7
Single Payment Scheme	18	16
TOTAL OUTPUT**	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	11	8
Veterinary, medicines and other livestock costs	10	8
Seeds	1	1
Fertilisers	7	5
Crop protection and other crop costs	3	4
TOTAL VARIABLE COSTS	33	25
TOTAL GROSS MARGIN**	67	75
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	7	5
Casual labour	1	2
Contract	6	4
Machinery repairs and fuel	10	8
Machinery and other depreciation	10	8
Property maintenance	4	3
Electricity, other fuel and water	2	2
Other general costs	8	6
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	47	37
PROFIT BEFORE RENT AND INTEREST	20	38
Rent and rates	5	6
Long-term interest paid	1	1
Short-term interest paid	1	0
Interest received (-)	0	0
PROFIT**	14	31

* 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, 2012/2013

	Average	Premium*
Number of farms in group	54	18
Average farmed area (hectares)	110	133
Average proportion of total farmed area tenanted or hired (%)	28	38
<u>Land use</u>		
Percentage cropped	8	10
Percentage forage	92	90
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	n/a	n/a
Other cattle	86	81
Sheep	20	26
Other livestock	1	3
Total	107	110
GLUs per ha	1.17	0.98
GLUs per adjusted ha	1.18	0.98
<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	1048	995
£ per finished lamb	75	75
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare	5.4	4.9
Price per tonne	173	168
Winter barley		
Yield - tonnes per hectare	5.3	5.8
Price per tonne	177	176
Spring barley		
Yield - tonnes per hectare	4.1	4.5
Price per tonne	175	170
Winter oats		
Yield - tonnes per hectare	4.7	5.1
Price per tonne	172	170
All cereals		
Yield - tonnes per hectare	4.8	5.0
Price per tonne	174	171

* 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, 2012/2013

	Average	Premium*
Number of farms in group	54	18
Average farmed area (hectares)	110	133
Average proportion of total farmed area tenanted or hired (%)	28	38
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1061	910
Crops, forage and cultivations	97	130
Stores	68	61
Machinery	536	537
Single Payment Scheme	261	250
Miscellaneous business assets & other assets	13	13
Total physical assets	2034	1901
Liquid assets	274	231
Tenant's capital (TC)	2308	2131
Management & investment income (M&II)**	-239	8
Return on tenant's capital (M&II as % of average TC)	-10.4%	0.4%
<u>Ratios per £100 of output (%)</u>		
Variable costs	33	25
Gross margin	67	75
Fixed costs (excluding rent and interest)	47	37
Net profit	14	31
Net farm income	3	22
Farmer and spouse	26	21
Management & Investment Income	-23	1
Tenant's capital		
Total assets	1312	1078
Total external liabilities	66	55
Net worth	1246	1023
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	83	72
Costs (£ per £100 output)	8	6
Costs (£ per £100 gross margin)	12	9
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	252	219
Costs (£ per £100 output)	24	20
Costs (£ per £100 gross margin)	36	27
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	335	291
Costs (£ per £100 output)	33	26
Costs (£ per £100 gross margin)	48	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, 2012/2013

	Average	Premium*
Number of farms in group	54	18
Average farmed area (hectares)	110	133
Average proportion of total farmed area tenanted or hired (%)	28	38
End of year assets & liabilities	£ per farm hectare	
Land & buildings	11182	9765
Milk quota	0	0
Single Payment Scheme	250	239
Machinery	556	550
Tenant's other assets	4	6
Breeding livestock	495	418
Total fixed assets	12487	10977
Trading livestock	592	517
Crops	20	28
Forage and cultivations	70	95
Stores	63	62
Debtors and loans	150	115
Bank credit and cash	144	115
Other current assets	8	6
Total current assets	1047	937
Total assets	13534	11914
Financed by		
AMC	96	8
Bank loans	270	261
Other long term	67	95
Total long term	433	364
HP and lease	38	36
Creditors	69	55
Bank overdraft	140	150
Other short term	4	1
Total current liabilities	250	242
Total Liabilities	683	607
Net worth	12851	11307
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	95%	95%
% Fixed assets vs. total assets	92%	92%
Gearing (long-term loans vs. total assets)	3%	3%
Total debt (external liabilities vs. net worth)	5%	5%
Current Ratio (current assets vs. current liabilities)	419%	386%
Liquidity Ratio (liquid assets vs. current liabilities)	117%	95%

* Top third selected on Management and investment income per hectare

Lowland Cattle and Sheep farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2012/2013

	Under 80 hectares	Over 80 hectares
Number of farms in group	26	28
Average farmed area (hectares)	60	156
Average proportion of total farmed area tenanted or hired (%)	26	30
	£ per farm hectare	
<u>Output</u>		
Milk	0	0
Milk quota leasing less milk quota levy	0	0
Cattle	465	509
Herd depreciation	-11	-15
Sheep	151	145
Flock depreciation	-10	-17
Wool	6	4
Pigs	2	0
Poultry	0	0
Other livestock	0	0
Cereals	41	91
Oilseeds	0	0
Pulses	0	0
Other crops	0	0
Crop subsidies	0	0
Straw	11	18
Forage	13	54
Agri-environment schemes and management agreements	44	39
Rental income and imputed farmhouse rental equivalent	23	33
Hirework	37	18
Miscellaneous output	8	31
Cultivations	-1	-3
Single Payment Scheme	187	186
TOTAL FARM OUTPUT **	965	1093
<u>Variable costs</u>		
Concentrates	92	126
Purchased fodder	7	7
Veterinary and medicines	30	26
Other livestock costs	79	76
Seeds	10	13
Fertilisers	64	80
Crop protection	11	18
Other crop costs	11	21
TOTAL VARIABLE COSTS	304	367
TOTAL GROSS MARGIN**	661	726

* 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, 2012/2013

	Under 80 hectares	Over 80 hectares
Number of farms in group	26	28
Average farmed area (hectares)	60	156
Average proportion of total farmed area tenanted or hired (%)	26	30
	£ per farm hectare	
TOTAL GROSS MARGIN**	661	726
<u>Fixed costs</u>		
Paid labour	8	35
Unpaid family labour	39	54
Casual labour	13	15
Contract	61	61
Machinery repairs	39	55
Machinery fuel	48	57
Machinery depreciation	94	90
Other depreciation	11	2
Property maintenance	37	36
Electricity	9	8
Other fuel	5	5
Water	12	8
Insurance	39	34
Professional fees	23	20
Other general costs	30	27
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	468	506
PROFIT BEFORE RENT AND INTEREST	193	220
Rent, hired in keep and bare land	44	46
Rates	5	0
Long-term interest	3	13
Short-term interest	7	7
Interest received (-)	1	1
NET PROFIT**	134	155
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	10	19
Plus - Landlord type repairs (included in property maintenance)	3	4
Less - Rental value (of owner occupied land and buildings)	132	139
NET FARM INCOME** (NFI)	15	38
Less farmer and spouse labour	341	198
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-325	-159

* 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, 2012/2013

	Under 80 hectares	Over 80 hectares
Number of farms in group	26	28
Average farmed area (hectares)	60	156
Average proportion of total farmed area tenanted or hired (%)	26	30
	per £100 output	
<u>Output</u>		
Milk	0	0
Cattle	47	45
Sheep	15	12
Pigs, poultry and other livestock	0	0
Cereals	4	8
Other cash crops	0	0
Straw and forage	2	7
Management agreements and agri-environment schemes	5	4
Miscellaneous output	7	7
Single Payment Scheme	19	17
TOTAL OUTPUT**	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	10	12
Veterinary, medicines and other livestock costs	11	9
Seeds	1	1
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	5	8
Casual labour	1	1
Contract	6	6
Machinery repairs and fuel	9	10
Machinery and other depreciation	11	8
Property maintenance	4	3
Electricity, other fuel and water	3	2
Other general costs	9	7
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	49	46
PROFIT BEFORE RENT AND INTEREST	20	20
Rent and rates	5	4
Long-term interest paid	0	1
Short-term interest paid	1	1
Interest received (-)	0	0
PROFIT**	14	14

* 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, 2012/2013

	Under 80 hectares	Over 80 hectares
Number of farms in group	26	28
Average farmed area (hectares)	60	156
Average proportion of total farmed area tenanted or hired (%)	26	30
<u>Land use</u>		
Percentage cropped	5	11
Percentage forage	95	89
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	n/a	n/a
Other cattle	48	122
Sheep	13	27
Other livestock	n/a	2
Total	61	151
GLUs per ha	1.15	1.17
GLUs per adjusted ha	1.17	1.18
<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	1008	1081
£ per finished lamb	77	74
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare		5.3
Price per tonne		170
Winter barley		
Yield - tonnes per hectare		5.5
Price per tonne		176
Spring barley		
Yield - tonnes per hectare		4.1
Price per tonne		179
Winter oats		
Yield - tonnes per hectare		4.7
Price per tonne		166
All cereals		
Yield - tonnes per hectare	4.8	4.8
Price per tonne	177	174

* 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, 2012/2013

	Under 80 hectares	Over 80 hectares
Number of farms in group	26	28
Average farmed area (hectares)	60	156
Average proportion of total farmed area tenanted or hired (%)	26	30
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1065	1056
Crops, forage and cultivations	74	118
Stores	52	82
Machinery	562	511
Single Payment Scheme	264	259
Miscellaneous business assets & other assets	9	16
Total physical assets	2027	2041
Liquid assets	314	237
Tenant's capital (TC)	2340	2279
Management & investment income (M&II)**	-325	-159
Return on tenant's capital (M&II as % of average TC)	-13.9%	-7.0%
<u>Ratios per £100 of output (%)</u>		
Variable costs	31	34
Gross margin	69	66
Fixed costs (excluding rent and interest)	49	46
Net profit	14	14
Net farm income	2	4
Farmer and spouse	35	18
Management & Investment Income	-34	-15
Tenant's capital		
Total assets	1438	1209
Total external liabilities	39	89
Net worth	1400	1120
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	61	104
Costs (£ per £100 output)	6	10
Costs (£ per £100 gross margin)	9	14
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	242	262
Costs (£ per £100 output)	25	24
Costs (£ per £100 gross margin)	37	36
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	302	366
Costs (£ per £100 output)	31	33
Costs (£ per £100 gross margin)	46	50

* 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, 2012/2013

	Under 80 hectares	Over 80 hectares
Number of farms in group	26	28
Average farmed area (hectares)	60	156
Average proportion of total farmed area tenanted or hired (%)	26	30
End of year assets & liabilities	£ per farm hectare	
Land & buildings	11485	10900
Milk quota	0	1
Single Payment Scheme	251	248
Machinery	592	523
Tenant's other assets	4	4
Breeding livestock	474	515
Total fixed assets	12807	12190
Trading livestock	585	598
Crops	10	30
Forage and cultivations	60	79
Stores	51	75
Debtors and loans	175	127
Bank credit and cash	191	101
Other current assets	4	12
Total current assets	1075	1022
Total assets	13881	13212
Financed by		
AMC	48	140
Bank loans	108	421
Other long term	39	93
Total long term	195	653
HP and lease	33	42
Creditors	67	71
Bank overdraft	75	200
Other short term	4	3
Total current liabilities	179	316
Total Liabilities	374	969
Net worth	13507	12242
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	97%	93%
% Fixed assets vs. total assets	92%	92%
Gearing (long-term loans vs. total assets)	1%	5%
Total debt (external liabilities vs. net worth)	3%	8%
Current Ratio (current assets vs. current liabilities)	600%	323%
Liquidity Ratio (liquid assets vs. current liabilities)	204%	72%

* Top third selected on Management and investment income per hectare

SDA Cattle and Sheep farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2012/2013

	Average	Premium*
Number of farms in group	21	
Average farmed area (hectares)	205	
Average proportion of total farmed area tenanted or hired (%)	56	
	£ per farm hectare	
<u>Output</u>		
Milk	0	
Milk quota leasing less milk quota levy	0	
Cattle	203	
Herd depreciation	-19	
Sheep	239	
Flock depreciation	-23	
Wool	10	
Pigs	0	
Poultry	0	
Other livestock	0	
Cereals	2	
Oilseeds	0	
Pulses	0	
Other crops	0	
Crop subsidies	0	
Straw	1	
Forage	7	
Agri-environment schemes and management agreements	91	
Rental income and imputed farmhouse rental equivalent	23	
Hirework	12	
Miscellaneous output	17	
Cultivations	0	
Single Payment Scheme	126	
TOTAL FARM OUTPUT **	690	
<u>Variable costs</u>		
Concentrates	53	
Purchased fodder	7	
Veterinary and medicines	22	
Other livestock costs	45	
Seeds	2	
Fertilisers	38	
Crop protection	2	
Other crop costs	6	
TOTAL VARIABLE COSTS	174	
TOTAL GROSS MARGIN**	516	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

SDA Cattle and Sheep farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2012/2013

	Average	Premium*
Number of farms in group	21	
Average farmed area (hectares)	205	
Average proportion of total farmed area tenanted or hired (%)	56	
	£ per farm hectare	
TOTAL GROSS MARGIN**	516	
<u>Fixed costs</u>		
Paid labour	28	
Unpaid family labour	31	
Casual labour	16	
Contract	26	
Machinery repairs	27	
Machinery fuel	33	
Machinery depreciation	61	
Other depreciation	2	
Property maintenance	28	
Electricity	5	
Other fuel	2	
Water	2	
Insurance	20	
Professional fees	13	
Other general costs	20	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	314	
PROFIT BEFORE RENT AND INTEREST	203	
Rent, hired in keep and bare land	45	
Rates	1	
Long-term interest	16	
Short-term interest	4	
Interest received (-)	0	
NET PROFIT**	136	
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	20	
Plus - Landlord type repairs (included in property maintenance)	1	
Less - Rental value (of owner occupied land and buildings)	60	
NET FARM INCOME** (NFI)	98	
Less farmer and spouse labour	139	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-41	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

SDA Cattle and Sheep farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2012/2013

	Average	Premium*
Number of farms in group	21	
Average farmed area (hectares)	205	
Average proportion of total farmed area tenanted or hired (%)	56	
	per £100 output	
<u>Output</u>		
Milk	0	
Cattle	27	
Sheep	33	
Pigs, poultry and other livestock	0	
Cereals	0	
Other cash crops	0	
Straw and forage	1	
Management agreements and agri-environment schemes	13	
Miscellaneous output	8	
Single Payment Scheme	18	
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	25	
TOTAL GROSS MARGIN**	75	
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	8	
Casual labour	2	
Contract	4	
Machinery repairs and fuel	9	
Machinery and other depreciation	9	
Property maintenance	4	
Electricity, other fuel and water	1	
Other general costs	8	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	45	
PROFIT BEFORE RENT AND INTEREST	29	
Rent and rates	7	
Long-term interest paid	2	
Short-term interest paid	1	
Interest received (-)	0	
PROFIT**	20	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

SDA Cattle and Sheep farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2012/2013

	Average	Premium*
Number of farms in group	21	
Average farmed area (hectares)	205	
Average proportion of total farmed area tenanted or hired (%)	56	
<u>Land use</u>		
Percentage cropped	n/a	
Percentage forage	100	
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	n/a	
Other cattle	79	
Sheep	53	
Other livestock	2	
Total	134	
GLUs per ha	0.66	
GLUs per adjusted ha	0.75	
<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	1057	
£ per finished lamb	72	
<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, 2012/2013

	Average	Premium*
Number of farms in group	21	
Average farmed area (hectares)	205	
Average proportion of total farmed area tenanted or hired (%)	56	
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	727	
Crops, forage and cultivations	17	
Stores	20	
Machinery	336	
Single Payment Scheme	181	
Miscellaneous business assets & other assets	1	
Total physical assets	1281	
Liquid assets	252	
Tenant's capital (TC)	1533	
Management & investment income (M&II)**	-41	
Return on tenant's capital (M&II as % of average TC)	-2.7%	
<u>Ratios per £100 of output (%)</u>		
Variable costs	25	
Gross margin	75	
Fixed costs (excluding rent and interest)	45	
Net profit	20	
Net farm income	14	
Farmer and spouse	20	
Management & Investment Income	-6	
Tenant's capital		
Total assets	1056	
Total external liabilities	106	
Net worth	949	
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	75	
Costs (£ per £100 output)	11	
Costs (£ per £100 gross margin)	14	
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	147	
Costs (£ per £100 output)	21	
Costs (£ per £100 gross margin)	29	
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	222	
Costs (£ per £100 output)	32	
Costs (£ per £100 gross margin)	43	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

SDA Cattle and Sheep farms

END-OF-YEAR BALANCE SHEETS, 2012/2013

	Average	Premium*
Number of farms in group	21	
Average farmed area (hectares)	205	
Average proportion of total farmed area tenanted or hired (%)	56	
End of year assets & liabilities	£ per farm hectare	
Land & buildings	5733	
Milk quota	0	
Single Payment Scheme	173	
Machinery	355	
Tenant's other assets	0	
Breeding livestock	541	
Total fixed assets	6801	
Trading livestock	187	
Crops	0	
Forage and cultivations	17	
Stores	18	
Debtors and loans	126	
Bank credit and cash	131	
Other current assets	1	
Total current assets	480	
Total assets	7282	
Financed by		
AMC	257	
Bank loans	313	
Other long term	25	
Total long term	595	
HP and lease	26	
Creditors	54	
Bank overdraft	58	
Other short term	1	
Total current liabilities	139	
Total Liabilities	734	
Net worth	6548	
<u>Balance sheet ratios</u>		
% Owner equity (net worth vs. total assets)	90%	
% Fixed assets vs. total assets	93%	
Gearing (long-term loans vs. total assets)	8%	
Total debt (external liabilities vs. net worth)	11%	
Current Ratio (current assets vs. current liabilities)	345%	
Liquidity Ratio (liquid assets vs. current liabilities)	185%	

* Insufficient farms

LFA cattle and sheep farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2012/2013

	Under 120 hectares	Over 120 hectares
Number of farms in group	18	21
Average farmed area (hectares)	83	226
Average proportion of total farmed area tenanted or hired (%)	36	48
	£ per farm hectare	
<u>Output</u>		
Milk	0	0
Milk quota leasing less milk quota levy	0	0
Cattle	442	195
Herd depreciation	-21	-21
Sheep	235	232
Flock depreciation	-27	-29
Wool	9	11
Pigs	0	0
Poultry	0	0
Other livestock	0	0
Cereals	11	3
Oilseeds	0	0
Pulses	0	0
Other crops	0	0
Crop subsidies	0	0
Straw	2	1
Forage	-3	5
Agri-environment schemes and management agreements	41	88
Rental income and imputed farmhouse rental equivalent	28	21
Hirework	7	12
Miscellaneous output	6	20
Cultivations	0	0
Single Payment Scheme	169	131
TOTAL FARM OUTPUT **	900	669
<u>Variable costs</u>		
Concentrates	144	53
Purchased fodder	11	6
Veterinary and medicines	32	21
Other livestock costs	77	46
Seeds	5	2
Fertilisers	62	33
Crop protection	3	2
Other crop costs	10	6
TOTAL VARIABLE COSTS	343	169
TOTAL GROSS MARGIN**	557	500

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

LFA cattle and sheep farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2012/2013

	Under 120 hectares	Over 120 hectares
Number of farms in group	18	21
Average farmed area (hectares)	83	226
Average proportion of total farmed area tenanted or hired (%)	36	48
	£ per farm hectare	
TOTAL GROSS MARGIN**	557	500
<u>Fixed costs</u>		
Paid labour	8	38
Unpaid family labour	14	46
Casual labour	6	18
Contract	28	25
Machinery repairs	33	27
Machinery fuel	49	33
Machinery depreciation	89	59
Other depreciation	2	2
Property maintenance	41	32
Electricity	7	5
Other fuel	4	2
Water	9	2
Insurance	31	22
Professional fees	18	14
Other general costs	24	20
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	364	346
PROFIT BEFORE RENT AND INTEREST	193	155
Rent, hired in keep and bare land	37	40
Rates	0	1
Long-term interest	25	17
Short-term interest	14	4
Interest received (-)	0	0
NET PROFIT**	117	93
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	39	21
Plus - Landlord type repairs (included in property maintenance)	3	1
Less - Rental value (of owner occupied land and buildings)	106	70
NET FARM INCOME** (NFI)	53	46
Less farmer and spouse labour	294	124
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-241	-78

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

LFA cattle and sheep farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2012/2013

	Under 120 hectares	Over 120 hectares
Number of farms in group	18	21
Average farmed area (hectares)	83	226
Average proportion of total farmed area tenanted or hired (%)	36	48
	per £100 output	
<u>Output</u>		
Milk	0	0
Cattle	47	26
Sheep	24	32
Pigs, poultry and other livestock	0	0
Cereals	1	0
Other cash crops	0	0
Straw and forage	0	1
Management agreements and agri-environment schemes	4	13
Miscellaneous output	5	8
Single Payment Scheme	19	20
TOTAL OUTPUT**	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	17	9
Veterinary, medicines and other livestock costs	12	10
Seeds	1	0
Fertilisers	7	5
Crop protection and other crop costs	1	1
TOTAL VARIABLE COSTS	38	25
TOTAL GROSS MARGIN**	62	75
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	2	13
Casual labour	1	3
Contract	3	4
Machinery repairs and fuel	9	9
Machinery and other depreciation	10	9
Property maintenance	5	5
Electricity, other fuel and water	2	2
Other general costs	8	8
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	40	52
PROFIT BEFORE RENT AND INTEREST	21	23
Rent and rates	4	6
Long-term interest paid	3	3
Short-term interest paid	2	1
Interest received (-)	0	0
PROFIT**	13	14

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

LFA cattle and sheep farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2012/2013

	Under 120 hectares	Over 120 hectares
Number of farms in group	18	21
Average farmed area (hectares)	83	226
Average proportion of total farmed area tenanted or hired (%)	36	48
<u>Land use</u>		
Percentage cropped	1	n/a
Percentage forage	99	100
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	n/a	n/a
Other cattle	56	89
Sheep	24	58
Other livestock	2	2
Total	82	149
GLUs per ha	1.00	0.67
GLUs per adjusted ha	0.97	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	1042	1038
£ per finished lamb	73	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		

* Top third selected on Management and investment income per hectare

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

LFA cattle and sheep farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2012/2013

	Under 120 hectares	Over 120 hectares
Number of farms in group	18	21
Average farmed area (hectares)	83	226
Average proportion of total farmed area tenanted or hired (%)	36	48
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1122	723
Crops, forage and cultivations	45	18
Stores	45	17
Machinery	503	317
Single Payment Scheme	239	187
Miscellaneous business assets & other assets	1	3
Total physical assets	1955	1266
Liquid assets	410	269
Tenant's capital (TC)	2365	1535
Management & investment income (M&II)**	-241	-78
Return on tenant's capital (M&II as % of average TC)	-10.2%	-5.1%
<u>Ratios per £100 of output (%)</u>		
Variable costs	38	25
Gross margin	62	75
Fixed costs (excluding rent and interest)	40	52
Net profit	13	14
Net farm income	6	7
Farmer and spouse	33	18
Management & Investment Income	-27	-12
Tenant's capital		
Total assets	1273	1222
Total external liabilities	117	110
Net worth	1155	1113
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	28	102
Costs (£ per £100 output)	3	15
Costs (£ per £100 gross margin)	5	20
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	200	144
Costs (£ per £100 output)	22	21
Costs (£ per £100 gross margin)	36	29
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	228	246
Costs (£ per £100 output)	25	37
Costs (£ per £100 gross margin)	41	49

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

LFA cattle and sheep farms

END-OF-YEAR BALANCE SHEETS, 2012/2013

	Under 120 hectares	Over 120 hectares
Number of farms in group	18	21
Average farmed area (hectares)	83	226
Average proportion of total farmed area tenanted or hired (%)	36	48
End of year assets & liabilities	£ per farm hectare	
Land & buildings	9088	6647
Milk quota	0	0
Single Payment Scheme	228	179
Machinery	511	334
Tenant's other assets	0	0
Breeding livestock	647	499
Total fixed assets	10475	7658
Trading livestock	460	227
Crops	2	0
Forage and cultivations	38	16
Stores	50	14
Debtors and loans	120	84
Bank credit and cash	313	178
Other current assets	1	3
Total current assets	983	523
Total assets	11459	8181
Financed by		
AMC	108	280
Bank loans	564	301
Other long term	29	17
Total long term	700	598
HP and lease	51	18
Creditors	94	52
Bank overdraft	209	65
Other short term	0	1
Total current liabilities	354	136
Total Liabilities	1054	735
Net worth	10404	7447
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	91%	91%
% Fixed assets vs. total assets	91%	94%
Gearing (long-term loans vs. total assets)	6%	7%
Total debt (external liabilities vs. net worth)	10%	10%
Current Ratio (current assets vs. current liabilities)	278%	384%
Liquidity Ratio (liquid assets vs. current liabilities)	122%	193%

* Top third selected on Management and investment income per hectare

Mixed Cropping, Cattle and Sheep farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2012/2013

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	144	
Average proportion of total farmed area tenanted or hired (%)	45	
	£ per farm hectare	
<u>Output</u>		
Milk	0	
Milk quota leasing less milk quota levy	0	
Cattle	350	
Herd depreciation	-12	
Sheep	156	
Flock depreciation	-15	
Wool	5	
Pigs	0	
Poultry	4	
Other livestock	1	
Cereals	332	
Oilseeds	34	
Pulses	1	
Other crops	45	
Crop subsidies	0	
Straw	72	
Forage	74	
Agri-environment schemes and management agreements	36	
Rental income and imputed farmhouse rental equivalent	19	
Hirework	31	
Miscellaneous output	27	
Cultivations	-1	
Single Payment Scheme	195	
TOTAL FARM OUTPUT **	1353	
<u>Variable costs</u>		
Concentrates	135	
Purchased fodder	4	
Veterinary and medicines	17	
Other livestock costs	65	
Seeds	37	
Fertilisers	174	
Crop protection	76	
Other crop costs	27	
TOTAL VARIABLE COSTS	535	
TOTAL GROSS MARGIN**	818	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Mixed Cropping, Cattle and Sheep farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2012/2013

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	144	
Average proportion of total farmed area tenanted or hired (%)	45	
	£ per farm hectare	
TOTAL GROSS MARGIN**	818	
<u>Fixed costs</u>		
Paid labour	62	
Unpaid family labour	33	
Casual labour	5	
Contract	76	
Machinery repairs	54	
Machinery fuel	72	
Machinery depreciation	134	
Other depreciation	1	
Property maintenance	33	
Electricity	10	
Other fuel	9	
Water	7	
Insurance	39	
Professional fees	19	
Other general costs	30	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	585	
PROFIT BEFORE RENT AND INTEREST	234	
Rent, hired in keep and bare land	62	
Rates	0	
Long-term interest	20	
Short-term interest	7	
Interest received (-)	0	
NET PROFIT**	144	
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	27	
Plus - Landlord type repairs (included in property maintenance)	2	
Less - Rental value (of owner occupied land and buildings)	118	
NET FARM INCOME** (NFI)	56	
Less farmer and spouse labour	224	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-169	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Mixed Cropping, Cattle and Sheep farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2012/2013

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	144	
Average proportion of total farmed area tenanted or hired (%)	45	
	per £100 output	
<u>Output</u>		
Milk	0	
Cattle	25	
Sheep	11	
Pigs, poultry and other livestock	0	
Cereals	25	
Other cash crops	6	
Straw and forage	11	
Management agreements and agri-environment schemes	3	
Miscellaneous output	6	
Single Payment Scheme	14	
TOTAL OUTPUT**	100	
<u>Variable costs</u>		
Concentrates, fodder and keep	10	
Veterinary, medicines and other livestock costs	6	
Seeds	3	
Fertilisers	13	
Crop protection and other crop costs	8	
TOTAL VARIABLE COSTS	40	
TOTAL GROSS MARGIN**	60	
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	7	
Casual labour	0	
Contract	6	
Machinery repairs and fuel	9	
Machinery and other depreciation	10	
Property maintenance	2	
Electricity, other fuel and water	2	
Other general costs	6	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	43	
PROFIT BEFORE RENT AND INTEREST	17	
Rent and rates	5	
Long-term interest paid	1	
Short-term interest paid	1	
Interest received (-)	0	
PROFIT**	11	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Mixed Cropping, Cattle and Sheep farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2012/2013

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	144	
Average proportion of total farmed area tenanted or hired (%)	45	
<u>Land use</u>		
Percentage cropped	40	
Percentage forage	60	
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	n/a	
Other cattle	74	
Sheep	24	
Other livestock	n/a	
Total	98	
GLUs per ha	1.24	
GLUs per adjusted ha	1.28	
<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	1155	
£ per finished lamb	84	
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare	5.6	
Price per tonne	178	
Winter barley		
Yield - tonnes per hectare	5.6	
Price per tonne	169	
Spring barley		
Yield - tonnes per hectare	4.5	
Price per tonne	178	
Winter oats		
Yield - tonnes per hectare	4.9	
Price per tonne	169	
All cereals		
Yield - tonnes per hectare	5.4	
Price per tonne	175	

* 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, 2012/2013

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	144	
Average proportion of total farmed area tenanted or hired (%)	45	
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	716	
Crops, forage and cultivations	336	
Stores	148	
Machinery	752	
Single Payment Scheme	271	
Miscellaneous business assets & other assets	9	
Total physical assets	2232	
Liquid assets	372	
Tenant's capital (TC)	2604	
Management & investment income (M&II)**	-169	
Return on tenant's capital (M&II as % of average TC)	-6.5%	
<u>Ratios per £100 of output (%)</u>		
Variable costs	40	
Gross margin	60	
Fixed costs (excluding rent and interest)	43	
Net profit	11	
Net farm income	4	
Farmer and spouse	17	
Management & Investment Income	-12	
Tenant's capital		
Total assets	848	
Total external liabilities	75	
Net worth	772	
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	100	
Costs (£ per £100 output)	7	
Costs (£ per £100 gross margin)	12	
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	336	
Costs (£ per £100 output)	25	
Costs (£ per £100 gross margin)	41	
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	435	
Costs (£ per £100 output)	32	
Costs (£ per £100 gross margin)	53	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Mixed Cropping, Cattle and Sheep farms

END-OF-YEAR BALANCE SHEETS, 2012/2013

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	144	
Average proportion of total farmed area tenanted or hired (%)	45	
End of year assets & liabilities	£ per farm hectare	
Land & buildings	8900	
Milk quota	0	
Single Payment Scheme	261	
Machinery	739	
Tenant's other assets	2	
Breeding livestock	326	
Total fixed assets	10228	
Trading livestock	424	
Crops	189	
Forage and cultivations	143	
Stores	144	
Debtors and loans	169	
Bank credit and cash	168	
Other current assets	7	
Total current assets	1244	
Total assets	11473	
Financed by		
AMC	220	
Bank loans	409	
Other long term	113	
Total long term	742	
HP and lease	62	
Creditors	78	
Bank overdraft	138	
Other short term	0	
Total current liabilities	279	
Total Liabilities	1020	
Net worth	10453	
<u>Balance sheet ratios</u>		
% Owner equity (net worth vs. total assets)	91%	
% Fixed assets vs. total assets	89%	
Gearing (long-term loans vs. total assets)	6%	
Total debt (external liabilities vs. net worth)	10%	
Current Ratio (current assets vs. current liabilities)	447%	
Liquidity Ratio (liquid assets vs. current liabilities)	121%	

* Insufficient farms

Organic dairy farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2012/2013

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	203	
Average proportion of total farmed area tenanted or hired (%)	59	
	£ per farm hectare	
<u>Output</u>		
Milk	1577	
Milk quota leasing less milk quota levy	0	
Cattle	398	
Herd depreciation	-168	
Sheep	10	
Flock depreciation	-1	
Wool	0	
Pigs	1	
Poultry	0	
Other livestock	0	
Cereals	25	
Oilseeds	0	
Pulses	2	
Other crops	0	
Crop subsidies	0	
Straw	5	
Forage	4	
Agri-environment schemes and management agreements	58	
Rental income and imputed farmhouse rental equivalent	18	
Hirework	2	
Miscellaneous output	19	
Cultivations	-2	
Single Payment Scheme	167	
TOTAL FARM OUTPUT **	2113	
<u>Variable costs</u>		
Concentrates	515	
Purchased fodder	37	
Veterinary and medicines	58	
Other livestock costs	221	
Seeds	15	
Fertilisers	4	
Crop protection	2	
Other crop costs	12	
TOTAL VARIABLE COSTS	864	
TOTAL GROSS MARGIN**	1249	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic dairy farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2012/2013

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	203	
Average proportion of total farmed area tenanted or hired (%)	59	
	£ per farm hectare	
TOTAL GROSS MARGIN**	1249	
<u>Fixed costs</u>		
Paid labour	234	
Unpaid family labour	26	
Casual labour	26	
Contract	116	
Machinery repairs	73	
Machinery fuel	52	
Machinery depreciation	121	
Other depreciation	4	
Property maintenance	46	
Electricity	34	
Other fuel	4	
Water	28	
Insurance	32	
Professional fees	17	
Other general costs	30	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	843	
PROFIT BEFORE RENT AND INTEREST	406	
Rent, hired in keep and bare land	105	
Rates	1	
Long-term interest	22	
Short-term interest	10	
Interest received (-)	9	
NET PROFIT**	278	
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	23	
Plus - Landlord type repairs (included in property maintenance)	5	
Less - Rental value (of owner occupied land and buildings)	136	
NET FARM INCOME** (NFI)	169	
Less farmer and spouse labour	185	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-16	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic dairy farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2012/2013

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	203	
Average proportion of total farmed area tenanted or hired (%)	59	
	per £100 output	
<u>Output</u>		
Milk	75	
Cattle	11	
Sheep	0	
Pigs, poultry and other livestock	0	
Cereals	1	
Other cash crops	0	
Straw and forage	0	
Management agreements and agri-environment schemes	3	
Miscellaneous output	2	
Single Payment Scheme	8	
TOTAL OUTPUT**	100	
<u>Variable costs</u>		
Concentrates, fodder and keep	26	
Veterinary, medicines and other livestock costs	13	
Seeds	1	
Fertilisers	0	
Crop protection and other crop costs	1	
TOTAL VARIABLE COSTS	41	
TOTAL GROSS MARGIN**	59	
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	12	
Casual labour	1	
Contract	5	
Machinery repairs and fuel	6	
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	40	
PROFIT BEFORE RENT AND INTEREST	19	
Rent and rates	5	
Long-term interest paid	1	
Short-term interest paid	0	
Interest received (-)	0	
PROFIT**	13	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic dairy farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2012/2013

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	203	
Average proportion of total farmed area tenanted or hired (%)	59	
<u>Land use</u>		
Percentage cropped	4	
Percentage forage	96	
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	150	
Other cattle	75	
Sheep	3	
Other livestock	n/a	
Total	228	
GLUs per ha	1.26	
GLUs per adjusted ha	1.27	
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	5744	
Pence per litre	33.8	
Milk output per cow	1982	
Dairy calf output, £ per calf	123	
<u>Finished cattle and lambs</u>		
£ per finished animal	1184	
£ per finished lamb	78	
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare	2.5	
Price per tonne	284	
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	3.1	
Price per tonne	234	

* Insufficient farms

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

Organic dairy farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2012/2013

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	203	
Average proportion of total farmed area tenanted or hired (%)	59	
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1312	
Crops, forage and cultivations	81	
Stores	61	
Machinery	697	
Single Payment Scheme	239	
Miscellaneous business assets & other assets	49	
Total physical assets	2438	
Liquid assets	496	
Tenant's capital (TC)	2935	
Management & investment income (M&II)**	-16	
Return on tenant's capital (M&II as % of average TC)	-0.5%	
<u>Ratios per £100 of output (%)</u>		
Variable costs	41	
Gross margin	59	
Fixed costs (excluding rent and interest)	40	
Net profit	13	
Net farm income	8	
Farmer and spouse	9	
Management & Investment Income	-1	
Tenant's capital		
Total assets	483	
Total external liabilities	57	
Net worth	426	
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	286	
Costs (£ per £100 output)	14	
Costs (£ per £100 gross margin)	23	
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	362	
Costs (£ per £100 output)	17	
Costs (£ per £100 gross margin)	29	
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	648	
Costs (£ per £100 output)	31	
Costs (£ per £100 gross margin)	52	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic dairy farms

END-OF-YEAR BALANCE SHEETS, 2012/2013

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	203	
Average proportion of total farmed area tenanted or hired (%)	59	
End of year assets & liabilities	£ per farm hectare	
Land & buildings	7315	
Milk quota	4	
Single Payment Scheme	229	
Machinery	709	
Tenant's other assets	0	
Breeding livestock	1035	
Total fixed assets	9292	
Trading livestock	279	
Crops	7	
Forage and cultivations	67	
Stores	62	
Debtors and loans	405	
Bank credit and cash	74	
Other current assets	22	
Total current assets	916	
Total assets	10208	
Financed by		
AMC	519	
Bank loans	252	
Other long term	54	
Total long term	825	
HP and lease	81	
Creditors	149	
Bank overdraft	154	
Other short term	2	
Total current liabilities	387	
Total Liabilities	1212	
Net worth	8996	
<u>Balance sheet ratios</u>		
% Owner equity (net worth vs. total assets)	88%	
% Fixed assets vs. total assets	91%	
Gearing (long-term loans vs. total assets)	8%	
Total debt (external liabilities vs. net worth)	13%	
Current Ratio (current assets vs. current liabilities)	237%	
Liquidity Ratio (liquid assets vs. current liabilities)	124%	

* Insufficient farms

Organic Lowland Cattle and Sheep farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2012/2013

	Average	Premium*
Number of farms in group	16	
Average farmed area (hectares)	137	
Average proportion of total farmed area tenanted or hired (%)	39	
	£ per farm hectare	
<u>Output</u>		
Milk	0	
Milk quota leasing less milk quota levy	0	
Cattle	300	
Herd depreciation	-20	
Sheep	64	
Flock depreciation	-10	
Wool	2	
Pigs	2	
Poultry	43	
Other livestock	0	
Cereals	32	
Oilseeds	0	
Pulses	2	
Other crops	0	
Crop subsidies	0	
Straw	9	
Forage	38	
Agri-environment schemes and management agreements	81	
Rental income and imputed farmhouse rental equivalent	96	
Hirework	10	
Miscellaneous output	67	
Cultivations	3	
Single Payment Scheme	202	
TOTAL FARM OUTPUT **	920	
<u>Variable costs</u>		
Concentrates	61	
Purchased fodder	3	
Veterinary and medicines	11	
Other livestock costs	49	
Seeds	16	
Fertilisers	8	
Crop protection	2	
Other crop costs	7	
TOTAL VARIABLE COSTS	157	
TOTAL GROSS MARGIN**	763	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic Lowland Cattle and Sheep farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2012/2013

	Average	Premium*
Number of farms in group	16	
Average farmed area (hectares)	137	
Average proportion of total farmed area tenanted or hired (%)	39	
	£ per farm hectare	
TOTAL GROSS MARGIN**	763	
<u>Fixed costs</u>		
Paid labour	30	
Unpaid family labour	27	
Casual labour	2	
Contract	41	
Machinery repairs	44	
Machinery fuel	41	
Machinery depreciation	98	
Other depreciation	36	
Property maintenance	35	
Electricity	13	
Other fuel	3	
Water	10	
Insurance	31	
Professional fees	29	
Other general costs	43	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	483	
PROFIT BEFORE RENT AND INTEREST	279	
Rent, hired in keep and bare land	54	
Rates	1	
Long-term interest	43	
Short-term interest	7	
Interest received (-)	6	
NET PROFIT**	179	
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	45	
Plus - Landlord type repairs (included in property maintenance)	2	
Less - Rental value (of owner occupied land and buildings)	113	
NET FARM INCOME** (NFI)	113	
Less farmer and spouse labour	226	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-113	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic Lowland Cattle and Sheep farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2012/2013

	Average	Premium*
Number of farms in group	16	
Average farmed area (hectares)	137	
Average proportion of total farmed area tenanted or hired (%)	39	
	per £100 output	
<u>Output</u>		
Milk	0	
Cattle	30	
Sheep	6	
Pigs, poultry and other livestock	5	
Cereals	3	
Other cash crops	0	
Straw and forage	5	
Management agreements and agri-environment schemes	9	
Miscellaneous output	19	
Single Payment Scheme	22	
TOTAL OUTPUT**	100	
<u>Variable costs</u>		
Concentrates, fodder and keep	7	
Veterinary, medicines and other livestock costs	6	
Seeds	2	
Fertilisers	1	
Crop protection and other crop costs	1	
TOTAL VARIABLE COSTS	17	
TOTAL GROSS MARGIN**	83	
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	6	
Casual labour	0	
Contract	4	
Machinery repairs and fuel	9	
Machinery and other depreciation	15	
Property maintenance	4	
Electricity, other fuel and water	3	
Other general costs	11	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	53	
PROFIT BEFORE RENT AND INTEREST	30	
Rent and rates	6	
Long-term interest paid	5	
Short-term interest paid	1	
Interest received (-)	1	
PROFIT**	20	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic Lowland Cattle and Sheep farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2012/2013

	Average	Premium*
Number of farms in group	16	
Average farmed area (hectares)	137	
Average proportion of total farmed area tenanted or hired (%)	39	
<u>Land use</u>		
Percentage cropped	5	
Percentage forage	95	
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	n/a	
Other cattle	77	
Sheep	23	
Other livestock	n/a	
Total	100	
GLUs per ha	0.81	
GLUs per adjusted ha	0.82	
<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	1135	
£ per finished lamb	77	
<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	3.3	
Price per tonne	226	

* 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, 2012/2013

	Average	Premium*
Number of farms in group	16	
Average farmed area (hectares)	137	
Average proportion of total farmed area tenanted or hired (%)	39	
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	659	
Crops, forage and cultivations	55	
Stores	20	
Machinery	714	
Single Payment Scheme	278	
Miscellaneous business assets & other assets	1	
Total physical assets	1727	
Liquid assets	245	
Tenant's capital (TC)	1972	
Management & investment income (M&II)**	-113	
Return on tenant's capital (M&II as % of average TC)	-5.8%	
<u>Ratios per £100 of output (%)</u>		
Variable costs	17	
Gross margin	83	
Fixed costs (excluding rent and interest)	53	
Net profit	20	
Net farm income	12	
Farmer and spouse	25	
Management & Investment Income	-12	
Tenant's capital		
Total assets	1328	
Total external liabilities	176	
Net worth	1152	
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	59	
Costs (£ per £100 output)	6	
Costs (£ per £100 gross margin)	8	
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	224	
Costs (£ per £100 output)	24	
Costs (£ per £100 gross margin)	29	
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	283	
Costs (£ per £100 output)	31	
Costs (£ per £100 gross margin)	37	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic Lowland Cattle and Sheep farms

END-OF-YEAR BALANCE SHEETS, 2012/2013

	Average	Premium*
Number of farms in group	16	
Average farmed area (hectares)	137	
Average proportion of total farmed area tenanted or hired (%)	39	
End of year assets & liabilities	£ per farm hectare	
Land & buildings	10144	
Milk quota	0	
Single Payment Scheme	268	
Machinery	794	
Tenant's other assets	0	
Breeding livestock	296	
Total fixed assets	11503	
Trading livestock	373	
Crops	10	
Forage and cultivations	53	
Stores	21	
Debtors and loans	169	
Bank credit and cash	81	
Other current assets	1	
Total current assets	707	
Total assets	12210	
Financed by		
AMC	307	
Bank loans	922	
Other long term	54	
Total long term	1283	
HP and lease	68	
Creditors	76	
Bank overdraft	186	
Other short term	1	
Total current liabilities	332	
Total Liabilities	1615	
Net worth	10595	
<u>Balance sheet ratios</u>		
% Owner equity (net worth vs. total assets)	87%	
% Fixed assets vs. total assets	94%	
Gearing (long-term loans vs. total assets)	11%	
Total debt (external liabilities vs. net worth)	15%	
Current Ratio (current assets vs. current liabilities)	213%	
Liquidity Ratio (liquid assets vs. current liabilities)	75%	

* Insufficient farms

SECTION 3**ENTERPRISE GROSS MARGINS 2012/13**

	Page
Wheat - winter- average and premium	90
Barley - winter and spring - average and premium	91
Oats - winter – average and premium	92
Oilseed rape - winter – average and premium	93
Dairy cows - conventional per cow - average and premium	94
- organic per cow – average	95
- conventional by yield – average	96
- conventional by size of herd – average	97
Beef cows - LFA per head – average	98
- lowland per head- average and premium	99
- lowland organic per head – average	100
Dairy followers – average and premium	101
Store cattle - from dairy bred calves or stores per head – average	102
- from beef bred calves or stores per head – average and premium	103
Finished beef - from dairy bred calves or stores per head - average	104
- from beef bred calves or stores per head – average and premium	105
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Breeding ewes - lowland per ewe - average and premium	107
- LFA per ewe - average and premium	108

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 2012		
	Winter		SPRING	
	Average	Premium*	Average	Premium**
Number of farms	92	31		
Area per farm (ha)	61.6	29.7		
Yield: tonnes/ha	5.9	6.7		
Price: £/tonne	178.7	186.5		
Grain Straw ENTERPRISE OUTPUT Seeds (inc.homegrown) Fertilisers Sprays Other crop costs TOTAL VARIABLES ‡ GROSS MARGIN				
	1044.7	1242.6		
	166.0	167.2		
	1210.7	1409.8		
	70.5	71.5		
	232.6	201.6		
	199.9	174.5		
	35.1	29.1		
	538.1	476.7		
	672.6	933.1		

Averages - previous year	2011	2011*	2011	2011**
Yield: tonnes/ha	8.5	9.7	4,1	
Price: £/tonne	153.5	155.1	182.7	
Gross Margin: £/ha	1015.9	1306.6	522.8	

* 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 2012		
		WINTER		SPRING
		Average	Premium*	Average
Number of farms		68	23	83
Area per farm (ha)		21.6	16.5	23.7
Yield: tonnes/ha		5.5	6.7	4.4
Price: £/tonne		174.3	176.0	176.4
		£ per hectare		
Grain		948.3	1177.8	776.0
Straw		193.0	230.8	138.7
ENTERPRISE OUTPUT		1141.3	1408.6	914.7
Seeds (inc.homegrown)		72.6	73.2	68.4
Fertilisers		202.5	160.0	145.7
Sprays		154.0	137.0	102.6
Other crop costs		35.2	30.9	23.3
TOTAL VARIABLES ‡		464.3	401.1	340.0
GROSS MARGIN		677.0	1007.5	574.7

Averages - previous year	2011	2011*	2011	2011*
Yield: tonnes/ha	6.6	7.9	5.8	7.2
Price: £/tonne	151.0	156.5	160.9	173.7
Gross Margin: £/ha	813.2	1099.8	789.4	1070.0

* 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 2012		
	WINTER		SPRING	
	Average	Premium*	Average	Premium**
Number of farms	26			
Area per farm (ha)	19.2			
Yield: tonnes/ha	5.4			
Price: £/tonne	176.3			
	£ per hectare			
Grain	945.4			
Straw	172.7			
ENTERPRISE OUTPUT	1118.1			
Seeds (inc.homegrown)	59.8			
Fertilisers	186.3			
Sprays	109.9			
Other crop costs	36.1			
TOTAL VARIABLES ‡	392.1			
GROSS MARGIN	726.0			

Averages - previous year	2011	2011	2011	2011**
Yield: tonnes/ha	6.3	7.1	4.3	
Price: £/tonne	152.6	161.9	150.1	
Gross Margin: £/ha	833.1	1120.6	469.6	

* 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 2012	
	WINTER OILSEED RAPE		SPRING OILSEED RAPE	
	Average	Premium*	Average**	Premium**
Number of farms	37	12		
Area per farm (ha)	63.6	101.9		
Yield: tonnes/ha	3.3	3.8		
Price: £/tonne	385.4	394.9		
	£ per hectare			
Oilseed	1255.6	1484.3		
Haulm	12.1	7.1		
ENTERPRISE OUTPUT	1267.7	1491.4		
Seeds (inc.homegrown)	51.3	55.6		
Fertilisers	260.0	214.0		
Sprays	212.7	206.3		
Other crop costs	37.1	18.3		
TOTAL VARIABLES ‡	561.1	494.2		
GROSS MARGIN	706.6	997.2		

Averages - previous year	2011	2011	2011	2011**
Yield: tonnes/ha	4.0	4.5	0.0	
Price: £/tonne	369.2	390.6	0.0	
Gross Margin: £/ha	1035.6	1346.6	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

2012/13

	Average	Premium*
Number of farms	75	25
Cows per herd	152	166
Yield: litres/cow	6756	7650
Price: pence/litre	28.6	29.8
Stocking rate: cows/ha	1.77	1.77
ha/cow	0.56	0.56
	£ per cow	
Output - milk	1941.1	2280.0
milk quota leasing and levy	0.0	0.0
miscellaneous revenue	0.0	0.0
calves	119.2	138.8
depreciation	-212.8	-200.7
ENTERPRISE OUTPUT (excl. BLSA)	1847.5	2218.1
Concentrates	546.0	606.9
Coarse fodder	21.9	19.0
Veterinary and medicines	67.3	72.5
Other livestock costs	161.7	172.1
Forage †	109.8	103.9
TOTAL VARIABLE COSTS ‡	906.7	974.4
GROSS MARGIN per cow (excl. BLSA)	940.8	1243.7
GROSS MARGIN per hectare (excl. BLSA)	1665.2	2201.3
Margin - milk over concentrates	1395.1	1673.1
Concentrates per £100 of milk output	28.1	26.6

* 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

2012/13

	Organic Average	Conventional Average
Number of farms	13	75
Cows per herd	150	152
Yield: litres/cow	5654	6756
Price: pence/litre	33.7	28.6
Stocking rate: cows/ha	1.25	1.77
ha/cow	0.80	0.56
£ per cow		
Output - milk	1911.6	1941.1
milk quota leasing and levy	0.0	0.0
miscellaneous revenue	0.0	0.0
calves	100.3	119.2
depreciation	-202.9	-212.8
ENTERPRISE OUTPUT (excl. BLSA)	1809.0	1847.5
Concentrates	522.9	546.0
Coarse fodder	15.8	21.9
Veterinary and medicines	60.0	67.3
Other livestock costs	199.0	161.7
Forage †	20.9	109.8
TOTAL VARIABLE COSTS ‡	818.6	906.7
GROSS MARGIN per cow (excl. BLSA)	990.4	940.8
GROSS MARGIN per hectare (excl. BLSA)	1238.0	1665.2

Margin - milk over concentrates	1388.7	1395.1
Concentrates per £100 of milk output	27.4	28.1

* 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

2012/13

		Less than 5999	6000-6999	7000-7999	Over 8000
Number of farms		22	19	21	13
Cows per herd		135	129	175	177
Yield:	litres/cow	5132	6592	7458	8607
Price:	pence/litre	28.4	27.9	28.9	29.7
Stocking rate:	cows/ha	1.80	1.70	1.80	1.80
	ha/cow	0.56	0.59	0.56	0.56
		£ per cow			
Output -	milk	1461.7	1838.4	2153.7	2558.8
	milk quota				
	leasing and				
	levy	0.0	0.0	0.0	0.0
	miscellaneous				
	revenue	0.0	0.0	0.0	0.0
	calves	101.4	122.6	135.7	117.5
	depreciation	-179.0	-214.1	-202.6	-284.2
ENTERPRISE OUTPUT (excl. BLSA)		1384.1	1746.9	2086.8	2392.1
Concentrates		339.7	506.1	641.8	798.4
Coarse fodder		15.4	20.2	35.6	13.2
Veterinary and medicines		39.2	68.1	79.2	94.7
Other livestock costs		141.1	145.9	165.9	213.1
Forage †		97.4	105.6	127.4	108.7
TOTAL VARIABLE COSTS ‡		632.8	845.9	1049.9	1228.1
GROSS MARGIN per cow (excl. BLSA)		751.3	901.0	1036.9	1164.0
GROSS MARGIN per hectare (excl. BLSA)		1352.3	1531.7	1866.4	2095.2

Margin - milk over concentrates	1122.0	1332.3	1511.9	1760.4
Concentrates per £100 of milk output	23.2	27.5	29.8	31.2

* 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 - MAINLY FRIESIAN/HOLSTEINS

Gross margins per cow and per hectare

2012/13

	Under 70	70-99	100-150	150-200	Over 200
Number of farms	13	12	20	10	20
Cows per herd	52	83	124	183	270
Yield: litres/cow	6242	6571	7116	6567	6934
Price: pence/litre	28.5	28.2	28.5	28.5	29.6
Stocking rate: cows/ha	1.40	1.60	1.80	1.90	2.00
ha/cow	0.71	0.63	0.56	0.53	0.50
£ per cow					
Output - milk	1778.0	1852.1	2026.6	1871.2	2049.8
milk quota leasing and levy	0.0	0.0	0.0	0.0	0.0
miscellaneous revenue	0.0	0.0	0.0	0.0	0.0
calves	120.4	124.7	122.6	131.5	105.6
depreciation	-164.9	-226.4	-220.8	-182.9	-242.5
ENTERPRISE OUTPUT (excl. BLSA)	1733.5	1750.4	1928.4	1819.8	1912.9
Concentrates	448.7	517.5	601.7	500.9	593.1
Coarse fodder	19.4	39.0	18.6	12.3	21.3
Veterinary and medicines	53.7	56.7	78.0	71.3	70.0
Other livestock costs	190.3	138.7	169.6	141.1	159.4
Forage †	91.1	111.4	109.8	124.9	113.4
TOTAL VARIABLE COSTS ‡	803.2	863.3	977.7	850.5	957.2
GROSS MARGIN per cow (excl. BLSA)	930.3	887.1	950.7	969.3	955.7
GROSS MARGIN per hectare (excl. BLSA)	1302.4	1419.4	1711.3	1841.7	1911.4
Margin - milk over concentrates	1329.3	1334.6	1424.9	1370.3	1456.7
Concentrates per £100 of milk output	25.2	27.9	29.7	26.8	28.9

* 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

LESS FAVOURED AREA BEEF COWS

Gross margins per cow, per LU and per hectare

2012/13

	Average	Premium*
Number of farms	26	
Cows per herd	67	
Stocking rate:		
LU/ha	0.89	
ha/LU	1.12	
	£ per cow	
Output -	469.8	
calf output	0.0	
miscellaneous revenue	-60.8	
depreciation		
ENTERPRISE OUTPUT (excl. BLSA)	409.0	
Concentrates	27.8	
Coarse fodder	11.1	
Veterinary and medicines	18.9	
Other livestock costs	47.2	
Forage †	56.9	
TOTAL VARIABLE COSTS ‡	161.8	
GROSS MARGIN per cow (excl. BLSA)	247.2	
GROSS MARGIN per LU (excl. BLSA)	246.9	
GROSS MARGIN per hectare (excl. BLSA)	220.0	
Concentrates per £100 output	6.8	

* Insufficient farms

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

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

LOWLAND BEEF COWS

Gross margins per cow, per LU and per hectare

2012/13

	Average	Premium*
Number of farms	63	21
Cows per herd	43	44
Stocking rate: LU/ha ha/LU	1.24 0.81	0.98 1.02
	£ per cow	
Output - calf output	466.1	559.2
depreciation	-43.9	-39.8
ENTERPRISE OUTPUT (excl. BLSA)	422.2	519.4
Concentrates	35.8	14.8
Coarse fodder	5.8	6.9
Veterinary and medicines	29.7	20.4
Other livestock costs	74.8	55.2
Forage †	76.8	56.1
TOTAL VARIABLE COSTS ‡	222.9	153.5
GROSS MARGIN per cow (excl. BLSA)	199.3	365.9
GROSS MARGIN per LU (excl. BLSA)	197.0	359.6
GROSS MARGIN per hectare (excl. BLSA)	247.1	358.6
Concentrates per £100 output	8.5	2.8

* 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

2012/13

	Organic Average	Conventional Average
Number of farms	20	63
Cows per herd	35	43
Stocking rate: LU/ha ha/LU	0.76 1.32	1.24 0.81
	£ per cow	
Output - calf output	460.4	466.1
depreciation	-83.3	-43.9
ENTERPRISE OUTPUT (excl. BLSA)	377.1	422.2
Concentrates	18.7	35.8
Coarse fodder	8.9	5.8
Veterinary and medicines	19.7	29.7
Other livestock costs	51.2	74.8
Forage †	33.1	76.8
TOTAL VARIABLE COSTS ‡	131.7	222.9
GROSS MARGIN per cow (excl. BLSA)	245.4	199.3
GROSS MARGIN per LU (excl.BLSA)	243.9	197.0
GROSS MARGIN per hectare (excl. BLSA)	186.5	247.1
Concentrates per £100 output	5.0	8.5

* 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.

DAIRY FOLLOWERS

Gross margins per head, per LU and per hectare

2012/13

	Average	Premium*
Number of farms	39	13
Number of head per farm	116	127
Stocking rate: LU/ha ha/LU	1.78 0.56	1.91 0.52
	£ per head	
Output - cattle	487.4	644.6
ENTERPRISE OUTPUT	487.4	644.6
Concentrates	94.6	89.7
Coarse fodder	12.4	5.1
Veterinary and medicines	13.0	16.5
Other livestock costs	59.7	68.0
Forage †	58.4	65.5
TOTAL VARIABLE COSTS ‡	238.1	244.8
GROSS MARGIN per head	249.3	399.8
GROSS MARGIN per LU	474.1	753.8
GROSS MARGIN per hectare	843.9	1439.8
Concentrates per £100 output	19.4	13.9

* 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

2012/13

	Average	Premium*
Number of farms	17	
Cattle per herd	136	
Stocking rate: LU/ha ha/LU	1.50 0.67	
	£ per head	
Output - cattle	389.8	
ENTERPRISE OUTPUT (excl. BLSA)	389.8	
Concentrates	84.1	
Coarse fodder	5.4	
Veterinary and medicines	9.1	
Other livestock costs	49.9	
Forage †	50.5	
TOTAL VARIABLE COSTS ‡	198.9	
GROSS MARGIN per head	190.9	
GROSS MARGIN per LU	359.0	
GROSS MARGIN per hectare	538.5	
Concentrates per £100 output	21.6	

* 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.

STORE CATTLE FROM BEEF BRED CALVES OR STORES

Gross margins per head, per LU and per hectare

2012/13

	Average	Premium*
Number of farms	44	15
Cattle per herd	45	52
Stocking rate: LU/ha ha/LU	0.99 1.01	1.20 0.83
	£ per head	
Output - cattle	413.6	561.3
ENTERPRISE OUTPUT (excl. BLSA)	413.6	561.3
Concentrates	78.6	80.8
Coarse fodder	8.2	4.6
Veterinary and medicines	15.3	13.4
Other livestock costs	58.8	57.3
Forage †	38.0	43.1
TOTAL VARIABLE COSTS ‡	199	199.2
GROSS MARGIN per head	214.6	362.1
GROSS MARGIN per LU	370.5	586.0
GROSS MARGIN per hectare	366.8	703.2
Concentrates per £100 output	19.0	14.4

* 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

2012/13

	Average	Premium*
Number of farms	27	
Cattle per herd	167	
Average finished animal sale price - £/head	1049	
Stocking rate: LU/ha ha/LU	1.60 0.63	
	£ per head	
Output - cattle	473.3	
ENTERPRISE OUTPUT (excl. BLSA)	473.3	
Concentrates	129.6	
Coarse fodder	2.4	
Veterinary and medicines	10.9	
Other livestock costs	54.7	
Forage †	56.0	
TOTAL VARIABLE COSTS ‡	253.6	
GROSS MARGIN per head	219.7	
GROSS MARGIN per LU	383.1	
GROSS MARGIN per hectare	613.0	
Concentrates per £100 output	27.4	

* 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 BEEF BRED CALVES OR STORES

Gross margins per head, per LU and per hectare

2012/13

	Average	Premium*
Number of farms	42	14
Cattle per herd	102	87
Average finished animal sale price - £/head	1088	1089
Stocking rate: LU/ha	1.27	1.21
ha/LU	0.79	0.83
	£ per head	
Output - cattle	478.8	560.6
ENTERPRISE OUTPUT (excl. BLSA)	478.8	560.6
Concentrates	113.4	73.1
Coarse fodder	2.5	3.4
Veterinary and medicines	14.6	12.9
Other livestock costs	60.4	58.9
Forage †	51.7	36.6
TOTAL VARIABLE COSTS ‡	242.6	184.9
GROSS MARGIN per head	236.2	375.7
GROSS MARGIN per LU	385.6	608.1
GROSS MARGIN per hectare	489.7	735.8
Concentrates per £100 output	23.7	13.0

* 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

2012/13

	Organic Average	Conventional Average
Number of farms	16	42
Cattle per herd	93	102
Average finished animal sale price - £/head	1160	1088
Stocking rate: LU/ha	0.75	1.27
ha/LU	1.33	0.79
	£ per head	
Output - cattle	425.5	478.8
ENTERPRISE OUTPUT (excl. BLSA)	425.5	478.8
Concentrates	64.1	113.4
Coarse fodder	7.9	2.5
Veterinary and medicines	8.7	14.6
Other livestock costs	54.8	60.4
Forage †	25.8	51.7
TOTAL VARIABLE COSTS ‡	161.3	242.6
GROSS MARGIN per head	264.2	236.2
GROSS MARGIN per LU	431.8	385.6
GROSS MARGIN per hectare	323.9	489.7
Concentrates per £100 output	15.1	23.7

* 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.

BREEDING EWES - LOWLAND

Gross margins per ewe and per hectare

2012/13

	Average	Premium*
Number of flocks	56	19
Average number of ewes	360	284
Lambing % (births divided by number of ewes tupped)	135	164
Average lamb sale price - £/lamb	77.7	80.1
Stocking rate - ewes per hectare	7.3	8.6
	£ per ewe	
Output - lambs	107.8	131.8
wool	3.5	4.3
miscellaneous	0.0	0.0
depreciation	-13.6	-11.2
ENTERPRISE OUTPUT (excl. BLSA)	97.7	124.9
Concentrates	13.8	14.7
Coarse fodder	1.4	1.4
Veterinary and medicines	7.3	6.9
Other livestock costs	11.0	9.9
Forage †	11.9	10.4
TOTAL VARIABLE COSTS ‡	45.4	43.3
GROSS MARGIN per ewe (excl. BLSA)	52.3	81.6
GROSS MARGIN per LU (excl. BLSA)	325.9	494.7
GROSS MARGIN per hectare (excl. BLSA)	391.1	742.1
Concentrates per £100 of output	14.1	11.8

* 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

2012/13

	Average	Premium*
Number of flocks	31	10
Average number of ewes	572	498
Lambing % (births divided by number of ewes tupped)	123	146
Average finished lamb sale price - £/lamb	69.4	72.9
Stocking rate - ewes per hectare	7.6	7.4
	£ per ewe	
Output - lambs	93.7	134.3
wool	4.1	5.3
depreciation	-13.3	-13.6
ENTERPRISE OUTPUT (excl. BLSA)	84.5	126.0
Concentrates	15.5	21.7
Coarse fodder	1.6	2.0
Veterinary and medicines	6.0	7.1
Other livestock costs	8.1	9.5
Forage †	7.7	10.1
TOTAL VARIABLE COSTS ‡	38.8	50.3
GROSS MARGIN per ewe (excl. BLSA)	45.7	75.7
GROSS MARGIN per LU (excl.BLSA)	370.4	571.4
GROSS MARGIN per hectare (excl. BLSA)	333.4	571.4

Concentrates per £100 of output	18.3	17.2
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* 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.

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 Gross Margins (SGM) 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 SGM. 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 SGM.

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

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

Cattle and sheep farms are those on which cattle and sheep account for more than two thirds of their total SGM, 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 SGM; and livestock account for one third, but less than two thirds, of total SGM.

'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.

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
Askham Bryan College	www.askham-bryan.ac.uk
Bank of England	www.bankofengland.co.uk
BPEX	www.bpex.org
British Cattle Movement Service	www.bcms.gov.uk
British Crop Production Council	www.bcpc.org
British Grassland Society	www.britishgrassland.com
British Potato Council	www.potato.org.uk
British Poultry Council	www.poultry.uk.com
Business Link	www.businesslink.gov.uk
Country Land and Business Association	www.cla.org.uk
DairyCo	www.dairyco.org.uk
DARDNI	www.dardni.gov.uk
Defra	www.defra.gov.uk
Duchy College	www.duchy.ac.uk
EBLEX	www.eblex.org.uk
Environment Agency	www.environment-agency.gov.uk
European Parliament	www.europarl.eu.int
Game and Wildlife Conservation Trust	www.gwct.org.uk
HM Revenue and Customs	www.hmrc.gov.uk
Home Grown Cereals Authority	www.hgca.com
Horticultural Development Council	www.hdc.org.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
North Wyke Research	www.northwyke.bbsrc.ac.uk
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

Crop Production in England 2012/13

Dairy Farming in England 2012/13

Hill Farming in England 2012/13

Horticulture Production in England 2012/13

Lowland Grazing Livestock Production in England 2012/13

Organic Farming in England 2012/13

Pig Production in England 2012/13

Poultry Production in England 2012/13

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