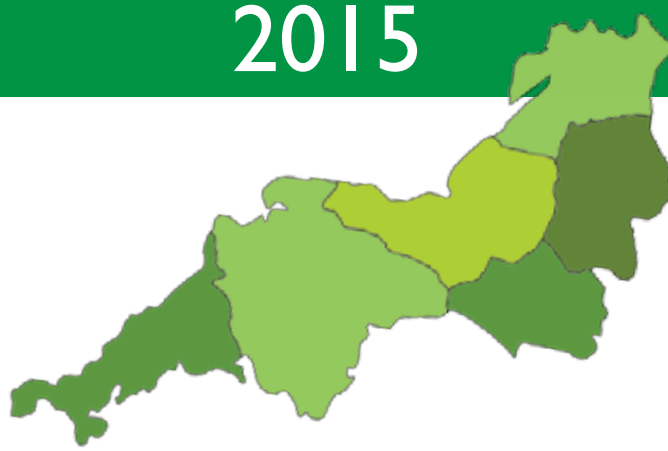
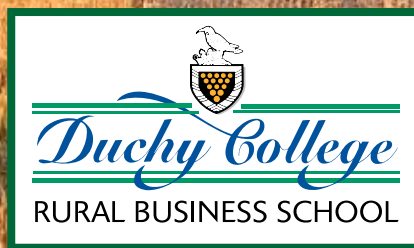


Farm Business Management Digest

2015



South West England
Farm Business Survey



Farm Business Management Digest 2015

South West England

2013/14 financial year data.

August 2015

Copies of this book may be obtained from:

Rural Business School, Duchy College, Stoke Climsland, Callington
Cornwall, PL17 8PB. Tel: 0845 458 7485, Fax: 01579 372335

www.ruralbusinessschool.org.uk

ISBN: 978-0-9563210-6-0

Published by the Rural Business School

2015

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The basic information on which this report is based was originally collected on behalf of and largely financed by DEFRA, and is Crown Copyright.

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FOREWORD AND ACKNOWLEDGEMENTS

Foreword

I am delighted to introduce the 5th Farm Business Management Digest, which has proved very popular with both industry and students alike. The digest comprises of detailed information relating to hundreds of farms across the Government Office Region of South West England. It is regularly audited and assessed for its independence, authority and statistical accuracy.

This is the fifth 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, Jamie Blake, Ed Hammond, Caroline Lambourne, Linda Lawrance, Helen Lloyd, Greg MacQueen, Andrew Quance, Liz Reddaway, Rachel Rollason, Andrew Sheppard, Ann Stitson, Teresa Sturtivant, Marilyn Tasker, Sally Thompson and Simon White. Thanks also to the FBS team at Reading University.

Richard Soffe FRAg.S

**The Rural Business School
Duchy College
August 2015**

SECTION 1

Farming in South West England, 2013/14

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

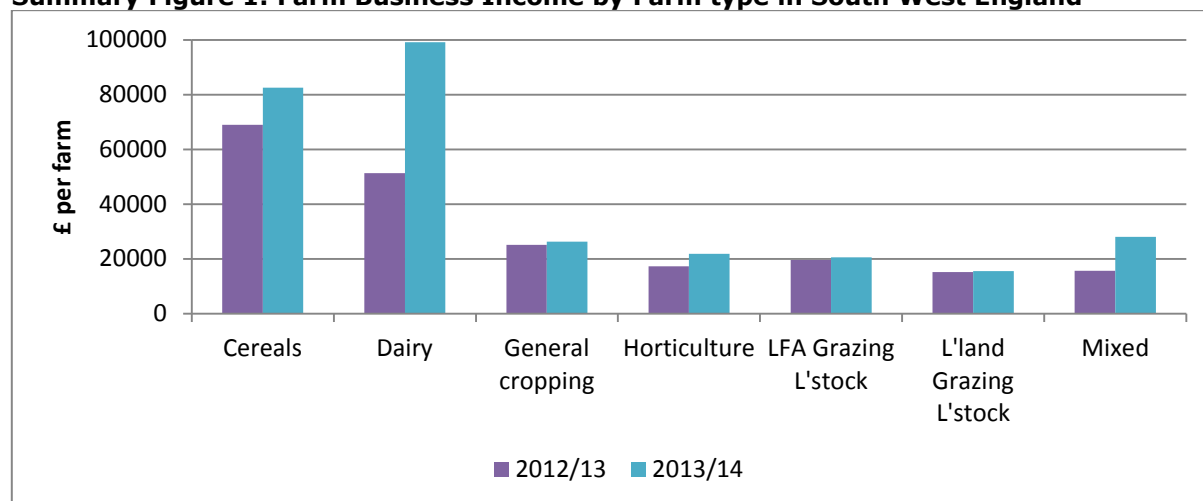
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Farming in South West England, 2013/14

Summary results from the Farm Business Survey in South West England, 2013 crop year

- Average Farm Business Income increased on all farm types in 2013/14. General cropping and grazing livestock farms by less than 5%, Cereals and Horticulture by closer to 20% and Dairy and Mixed farms by over 80%.

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



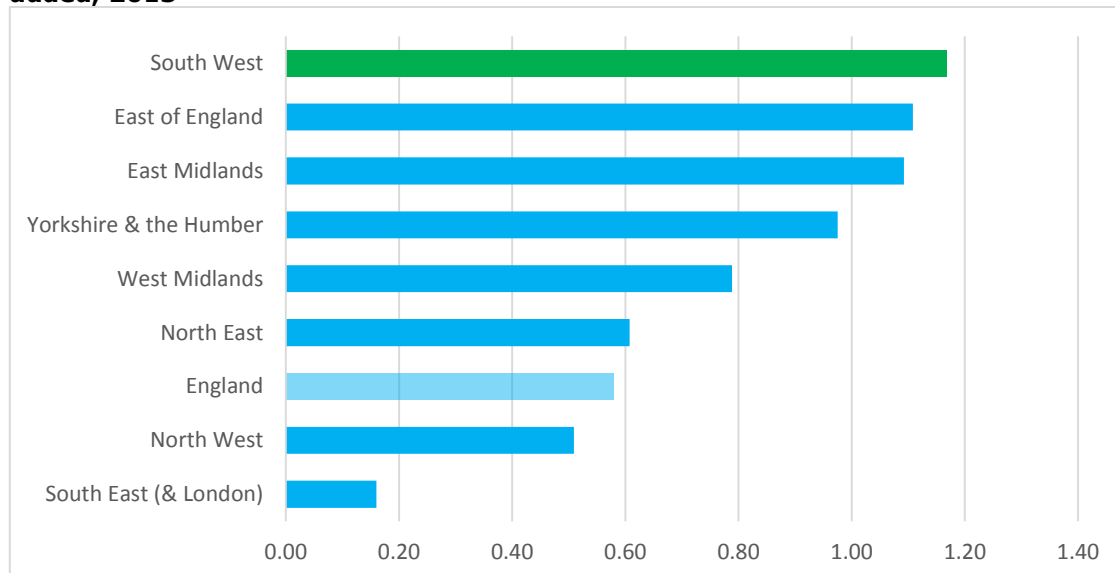
Source: Defra, Regional dataset

- For the cropping sector, the wet autumn of 2012 continued to influence profitability. Drilling was disrupted, leading to increased areas of lower yielding spring crops harvested in 2013 but the average wheat and barley yields increased from the previous year. Crop prices were also lower due to weakening global markets.
- On dairy farms, the increased income was driven by a higher milk price which was 13% higher than in 2012/13 and increased production (8% higher than in 2012/13).
- Average incomes fell on grazing livestock farms (lowland and LFA). The cold, late spring following the wet autumn of 2012 led to higher feed costs and lower output from the sheep enterprises. In the LFA, output from beef was also lower than in 2012/13.
- The 2013 Single Payment was, on average, unchanged compared to the previous year. The impact of the weaker exchange rate was offset by the introduction of financial discipline.

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.

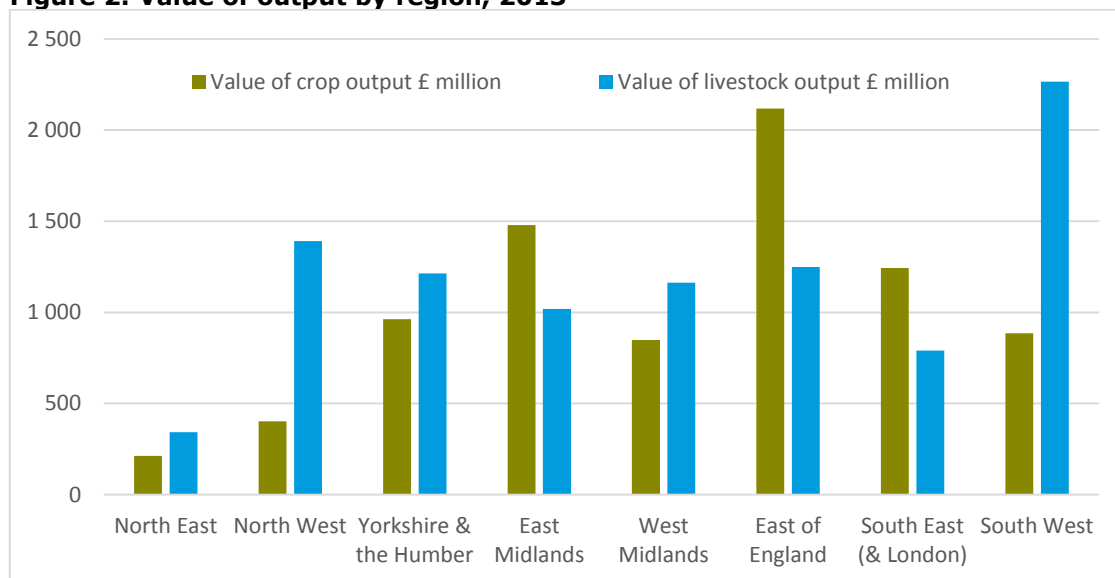
Figure 1: Agricultural gross value added as percentage of total regional gross value added, 2013



Source: Defra, Regional dataset

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

Figure 2: Value of output by region, 2013



Source: Defra, Regional dataset

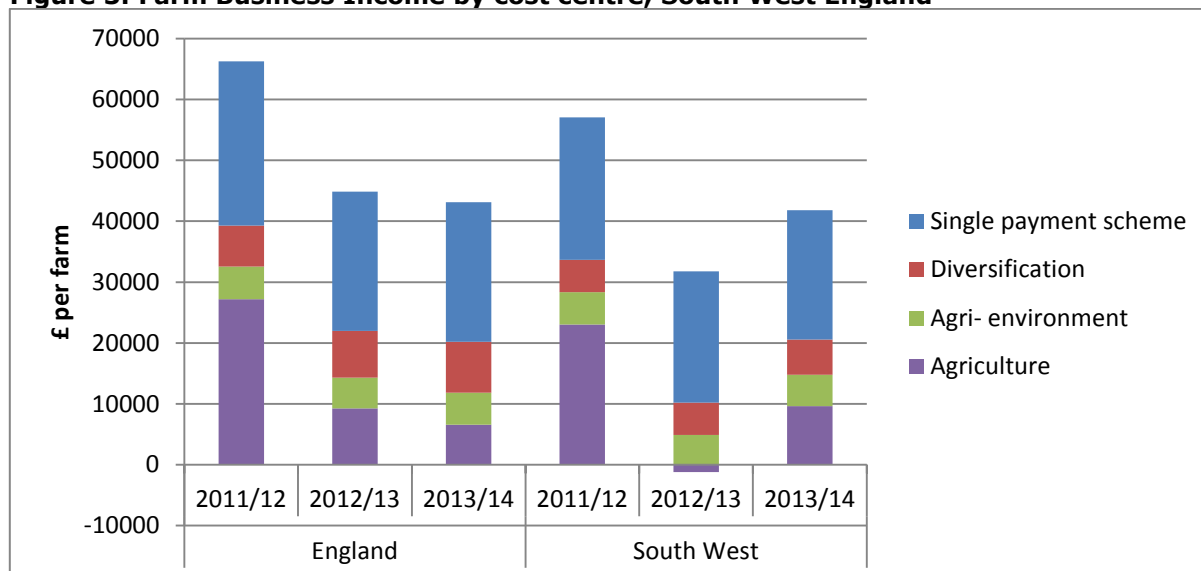
Overview across all farm types

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 increased by 37% to £41,800 compared to 2012/13. The 2012/13 season was a very difficult growing season and harvest which effected both cropping and livestock sectors. The 2013/14 year was less effected by the weather thus incomes recover but still well short of the 2011/12 year. The decrease in farm business income in England as a whole was 4% with the majority of the difference being from agriculture, thus the South West which suffered more, in 2012/13, than other regions with the poor weather has recovered with incomes now close to the national average.

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

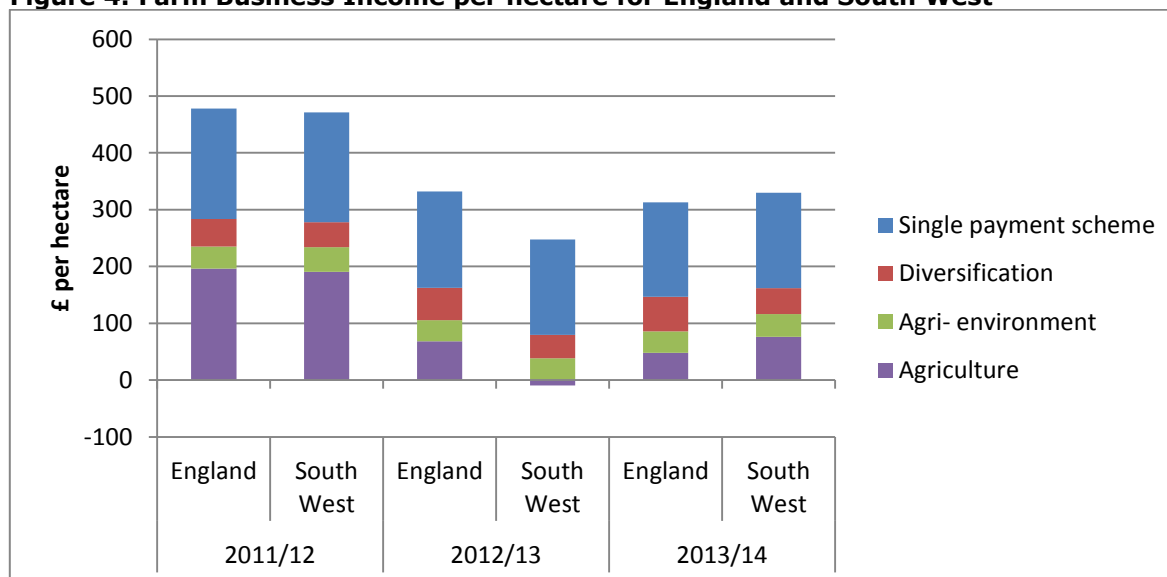


Source: Farm Business Survey, England

Figure 3 above shows the contributions of the four cost centres for 2011/12, 2012/13 and 2013/14. In 2013/14, the contribution from agriculture in the South West across all farm types increased by £10,800 compared to the previous year which was a small loss. In 2013/14 the Single Payment Scheme cost centre contributed 51% of the total farm business income for the South West which is similar to the national level. The SPS payment for 2013/14 was on average 1% lower than the previous year due mainly to the value of Sterling relative to the Euro but also the introduction of financial discipline of approximately 2.5% by the EU. The income from the other two cost centres showed a modest increase.

The average South West farm is smaller, than the average farm across England. Representing these figures on a per hectare basis removes these scale differences and is shown in Figure 4. For 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. For 2013/14 the per hectare farm business income in the South West is now slightly higher than the England figure.

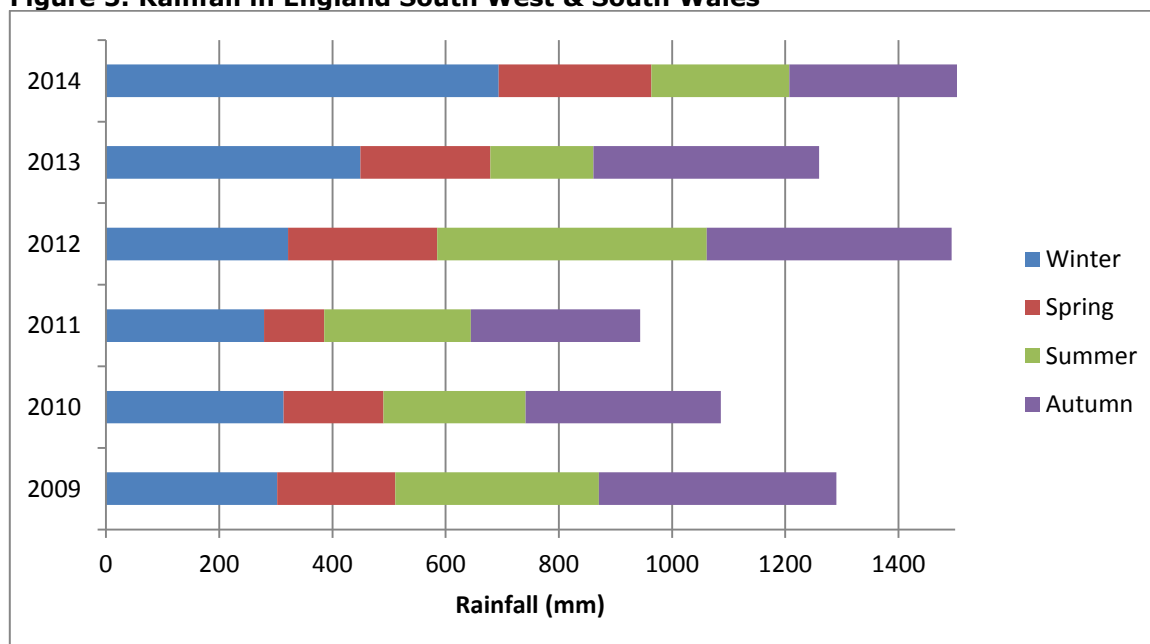
Figure 4: Farm Business Income per hectare for England and South West



Weather

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

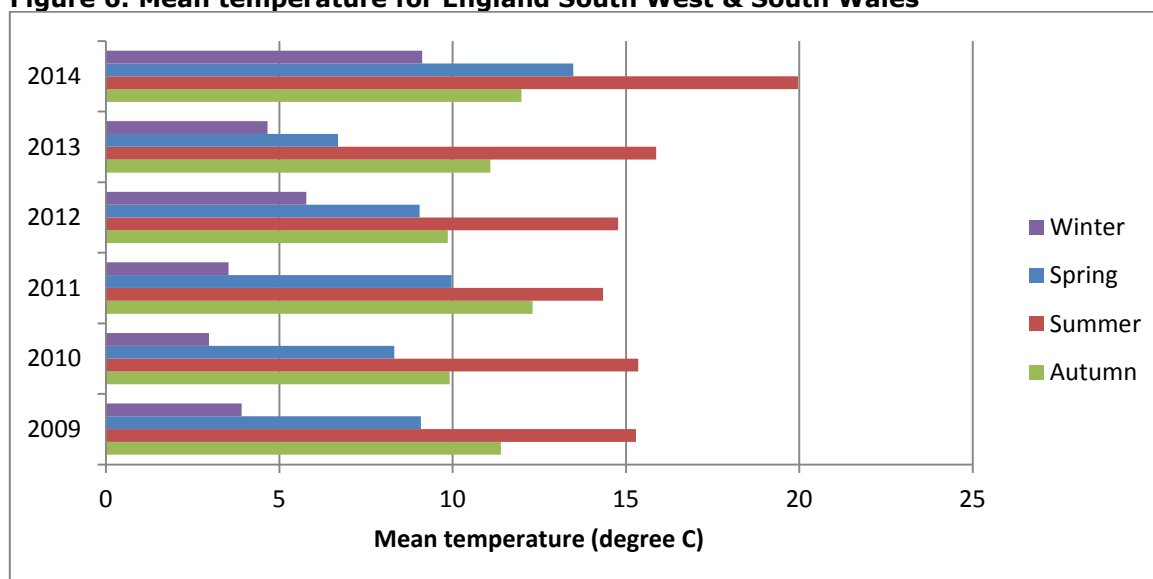
Figure 5: Rainfall in England South West & South Wales



Source: Met Office

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

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



Source: Met Office

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

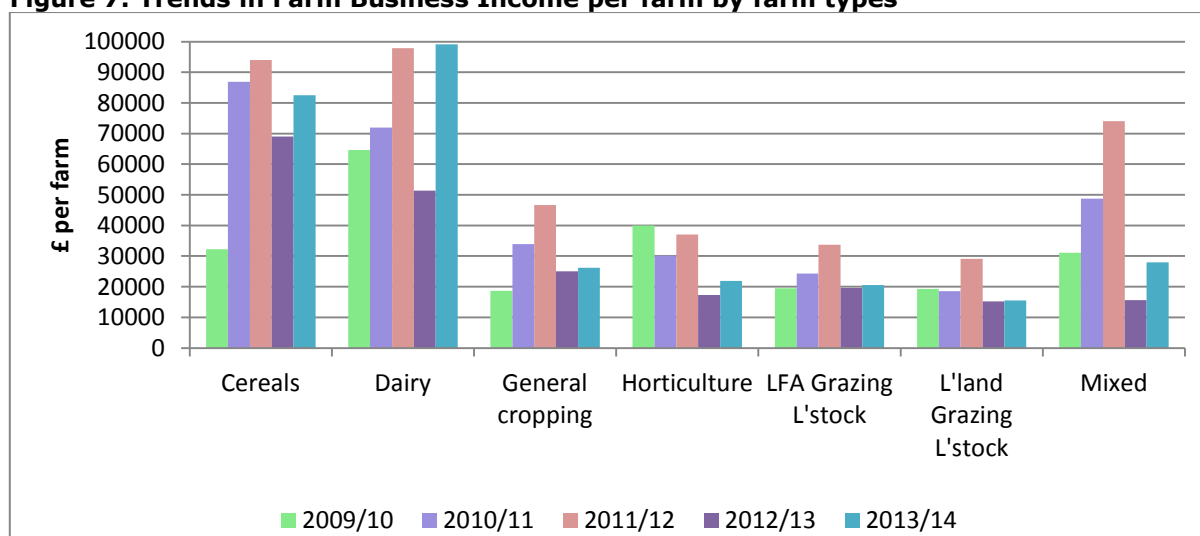
The 2013 crop year was less extreme with less rain and higher temperatures particularly in the summer/ autumn period consequently crop production and quality was higher. The wet autumn of 2012 did disrupt drilling and leading to more spring cereals being grown. The winter months were cold and very wet with flooding incidents. A cold then dry spring meant turnout of livestock was late and many farmers had to buy extra expensive feed. The summer was drier than average and harvest was slightly late but carried out in good conditions for the majority of the time.

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 2013/14. 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. 2013/14 saw an increase for all farms, although only dairy has return to the levels of 2011/12

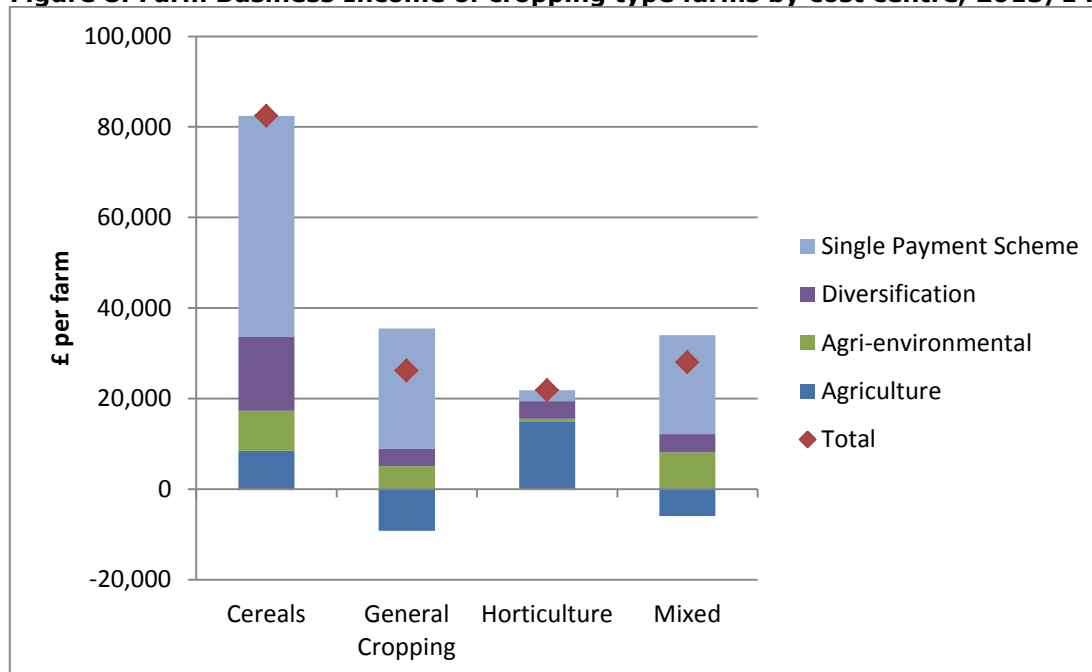
Figure 7: Trends in Farm Business Income per farm by farm types



Cereal Farms

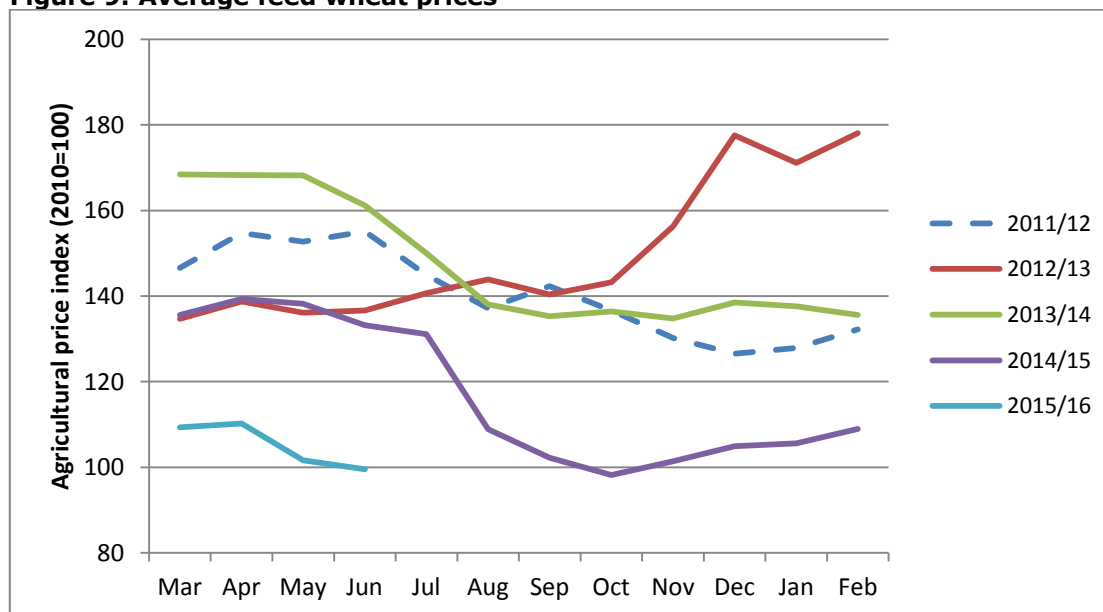
In 2013/14 the average Farm Business Income increased by 19% to £82,500 as compared to the previous year. Global market pressure meant that market prices decreased (Figure 9) but total farm output increased by 3% with higher average yields, particularly wheat.

Figure 8: Farm Business Income of cropping type farms by cost centre, 2013/14



Source: Farm Business Survey, England

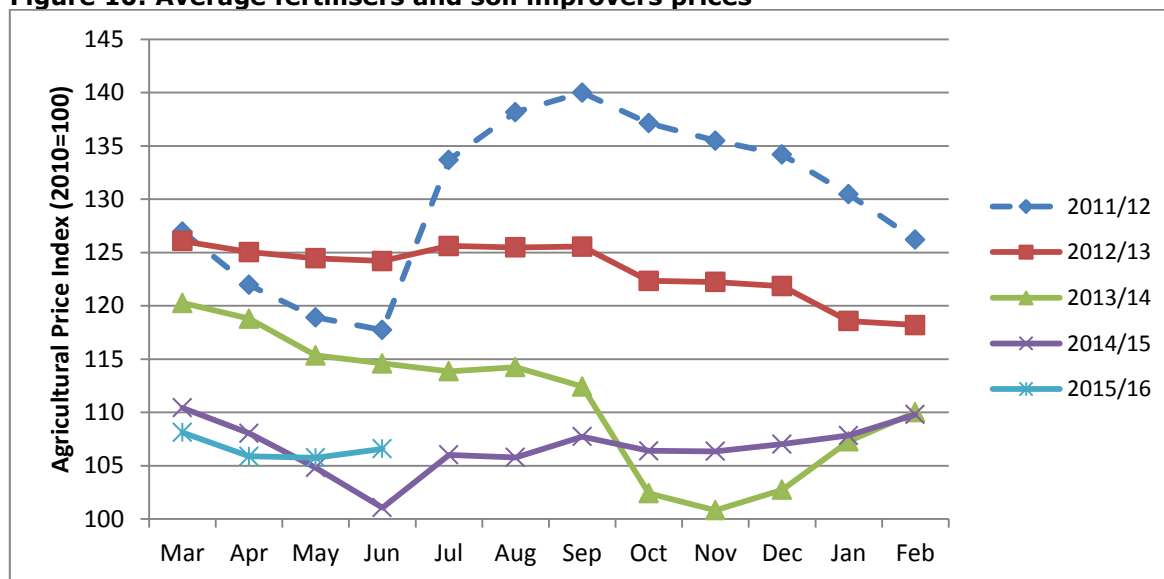
Figure 9: Average feed wheat prices



Source: Index of Producer Prices of Agriculture

As compared to the other farm types that are dependent on growing crops the Cereal farms have higher output from diversification. There was a decrease in the cost of inputs, in particular fertiliser (Figure 10), crop protection and other crop costs. Total variable costs decreased by over 6%. Figure 8 illustrates the dependence of Cereal farms to the SPS Cost centre and the small (£8,500) profit made by the agricultural cost centre.

Figure 10: Average fertilisers and soil improvers prices

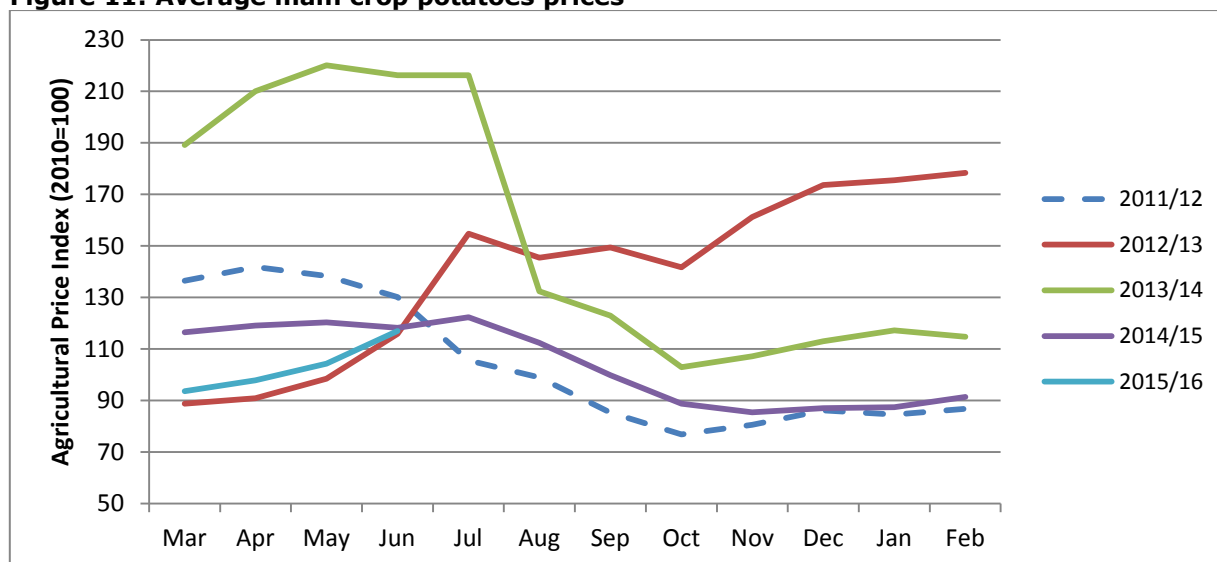


Source: Index of Producer Prices of Agriculture

General cropping

The average farm business income on general cropping farms in 2013/14 increased by 5% to £26,200 compared to 2012/13. In the South West of England the potato crop is important to this type of farm and the output from potatoes increased by 32% despite the substantial decrease in prices. Yields recovered from the level achieved in the previous year, due to more favourable weather (Figure 11).

Figure 11: Average main crop potatoes prices



Source: Index of Producer Prices of Agriculture

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

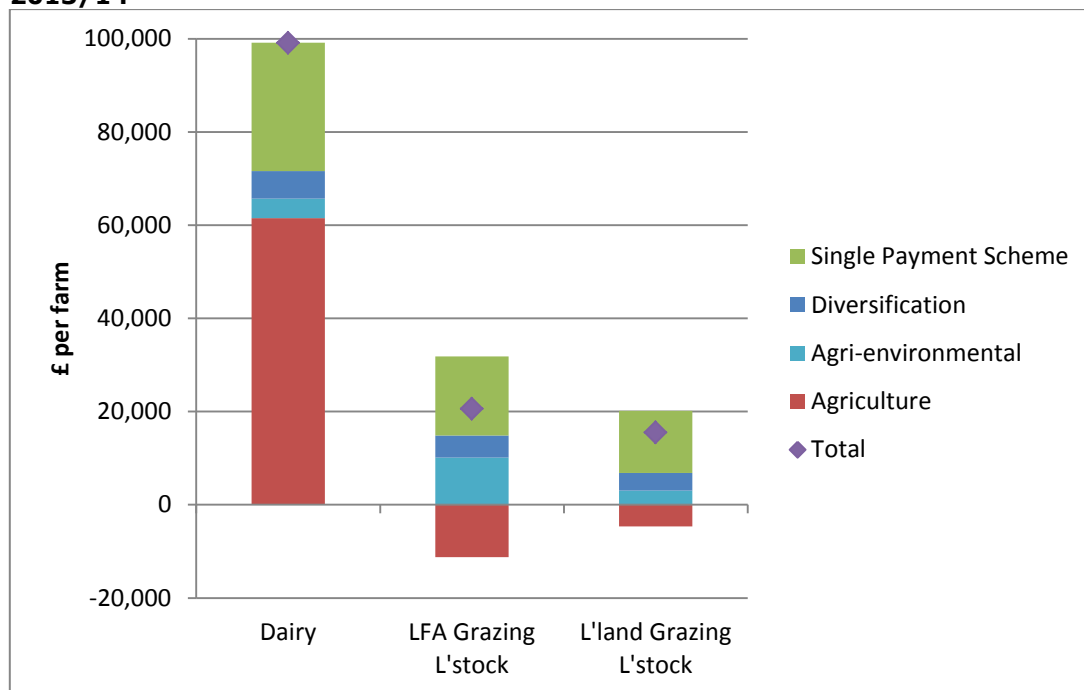
Farms in this group cover the three main sectors of fruit, vegetables and non-edibles, grown both outdoors and under cover. The average represents all these types and the Farm Business Income increased by more than a quarter to £21,900 in 2013/14. Total crop output decreased by 21%, with top fruit, glasshouse vegetables and outdoor vegetables showing

large percentage increases in output. Flowers and nursery stock, both indoors and outdoors, and fruit all had a reduction in output. Total variable costs fell by 32% with seed and other crop costs decreasing 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 2013/14 the Farm Business Income for the Mixed farms increased by 79%, the second largest increase 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 Farm Business Income is £28,000 per farm. Total farm output fell by 6% with a lower output from crop but an 18% increase in livestock output. Total inputs were 10% lower with similar variable and but lower fixed inputs. The agriculture cost centre (Figure 4) made a loss of £6,000 which then means the SPS cost centre of £21,800 is more than three quarters the total Farm Business Income.

Figure 12: Farm Business Income of the grazing livestock farms by cost centre, 2013/14

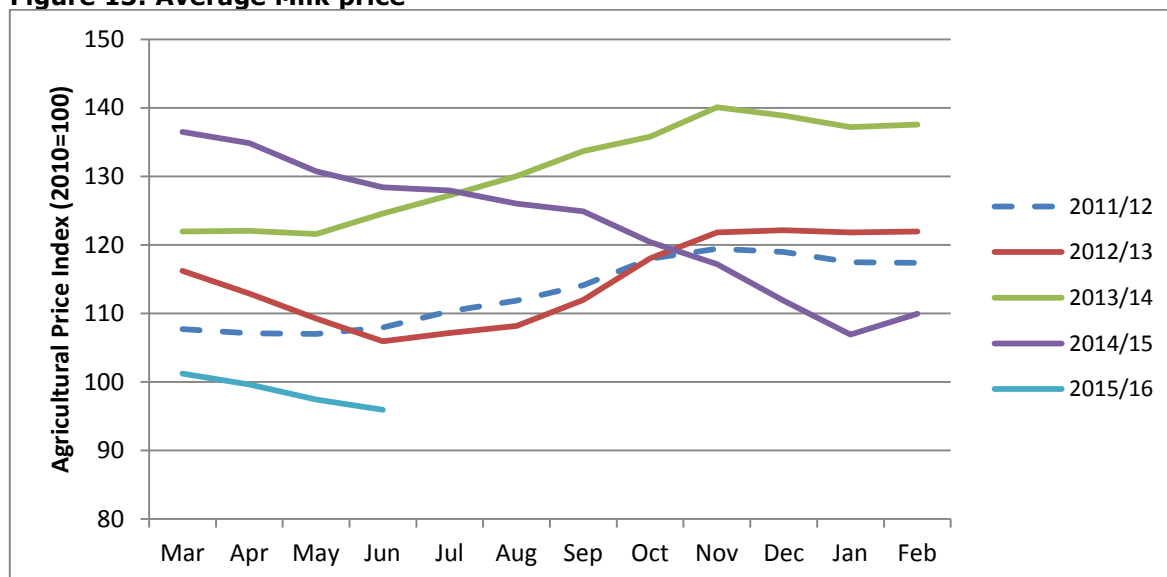


Source: Farm Business Survey, England

Dairy farms

The average Farm Business Income on Dairy farms was £99,100 in 2013/14, a near doubling of income compared to the previous year. Total farm output increased by over 20% with milk output increasing by 25%, with a large milk price (Figure 13) increase, extra yield per cow (up approximately 5%) plus extra cows kept.

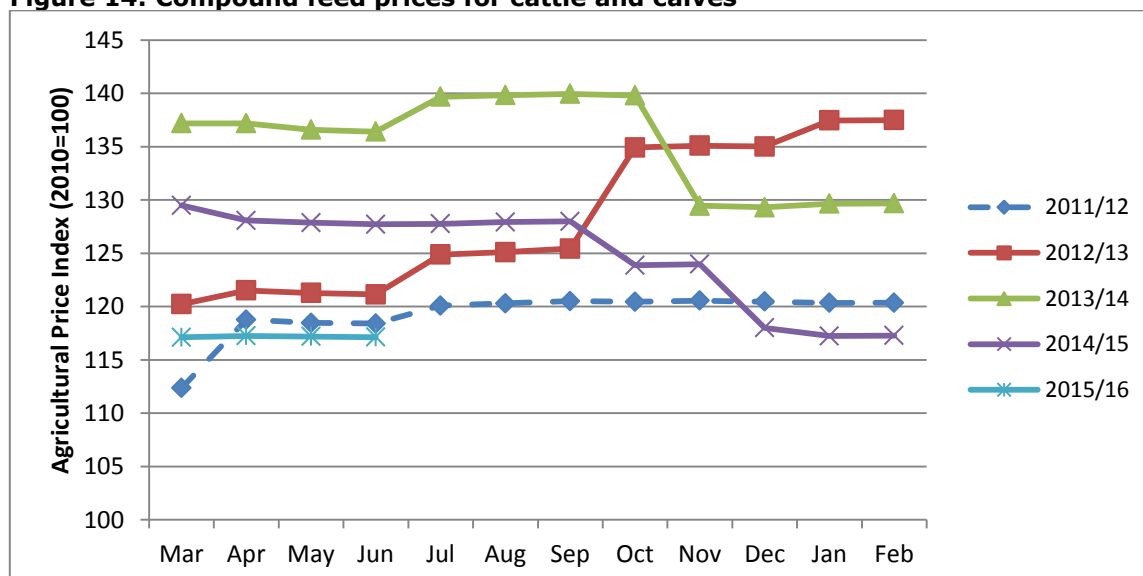
Figure 13: Average Milk price



Source: Index of Producer Prices of Agriculture

Total input costs increased by over 13% compared to the previous year with feed (Figure 14) increasing over 22%. The cost of compound feed was higher throughout the 2013/14 year and the legacy of difficult weather the previous year meant that cows were still 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

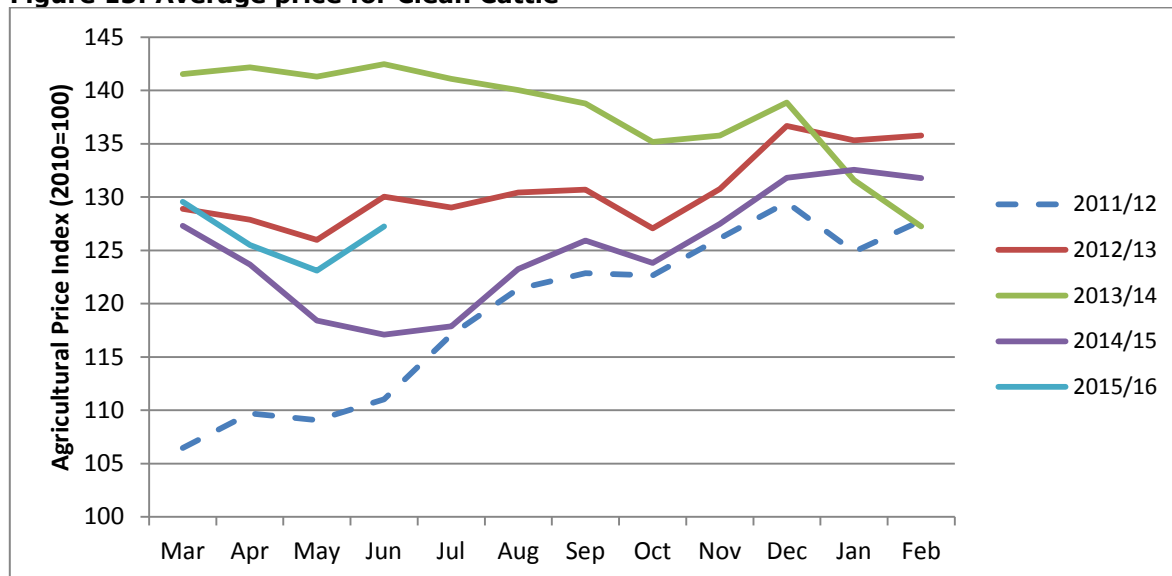
The Agriculture Cost Centre for the Dairy farms was positive (£61,500) which along with Horticulture and Cereals were the only 'land using' farm types to do so in 2013/14.

Grazing Livestock Farms (Lowland)

The average Farm Business Income on Lowland Grazing Livestock farms increased by 2% to £15,500. Total output increased by 3% with an increase in output from cattle of over 16% (Figure 15). Total input costs are only slightly higher (2%) with a larger increase of feed (47%). On average these farms failed to make a positive return from agriculture reflecting the difficult trading conditions for beef and sheep farmers throughout the year (Figure 12).

The contribution from the Single Payment Scheme was significant on these farms, representing 96% of total Farm Business Income despite the fact these payments fell by 3% due mainly to lower exchange rate.

Figure 15: Average price for Clean Cattle



Source: Index of Producer Prices of Agriculture

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 increased by 5% on LFA grazing livestock farms to £20,600 in 2013/14. Output from livestock decreased across all enterprises totalling 12%. Total inputs fell by 4%.

Current year

Since the end of the 2013/14 year the economic conditions have changed. The farming output has fallen considerably for most commodities (Figures 9, 11, 13, 15). Despite reductions in the cost of some inputs, as illustrated by the reduction in feed and fertilisers prices (Figures 10 and 14), the level of incomes for all farm types will be lower. How much lower is more difficult to predict with the volatile changes occurring in the milk and cereal sectors, in particular.

INTRODUCTORY NOTES FOR USERS

The source of the benchmarking data

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

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

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

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

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

Analysing a farm business

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

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

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

Stages in benchmarking your farm results

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

2. Compare the whole farm results with those of first the average, and then the premium, standards, to identify your farm's relative strengths and weaknesses. No single measure

should be taken in isolation: sometimes there will be compensating factors and there may be a substitution between cost headings - for example, between purchased or concentrate feed costs and fertiliser costs, or between the efficiency of labour use and the investment in machinery or the use made of agricultural contractors.

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

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

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

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

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

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

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

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

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

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

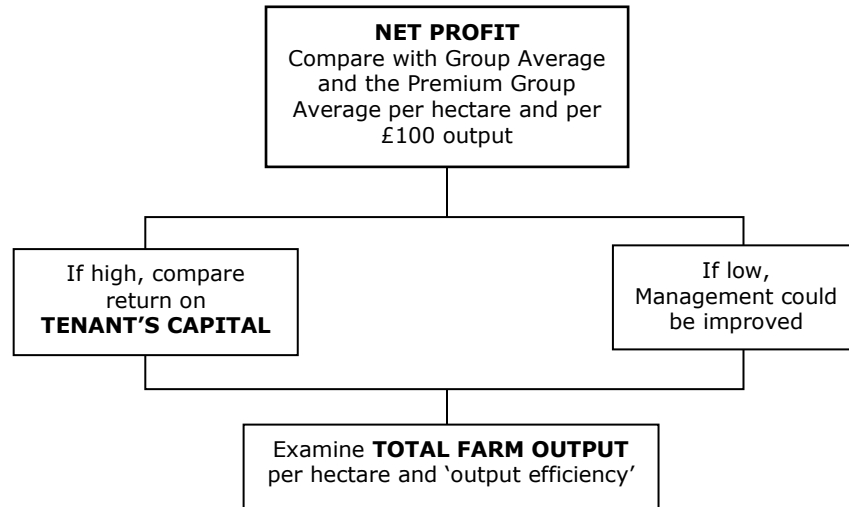
8. An examination and comparison of the farm balance sheet should be attempted to give a broader view of the financial position of the business. Although individual circumstances will inevitably result in considerable, and acceptable, variation in some of the comparative ratios, it is the degree of change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

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

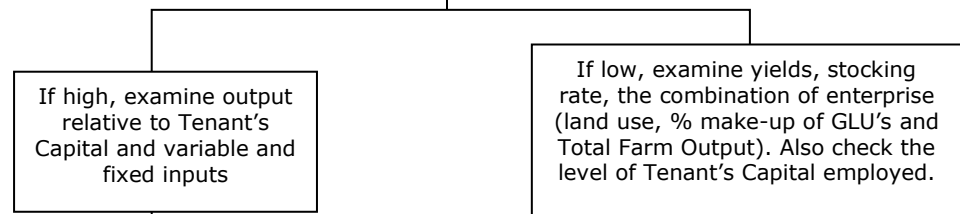
Chart 1

ANALYSING A FARM BUSINESS

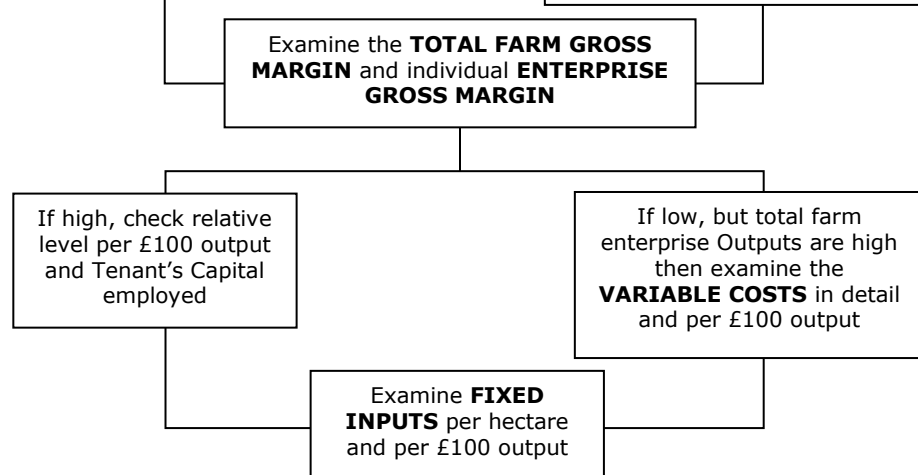
Stage I



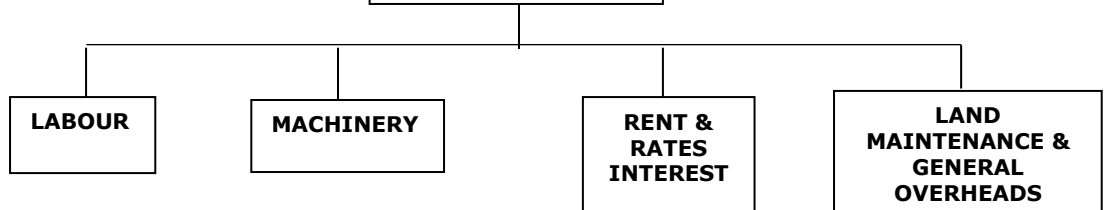
Stage II



Stage III



Stage IV



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

Using balance sheet data for farm business management purposes

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

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

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

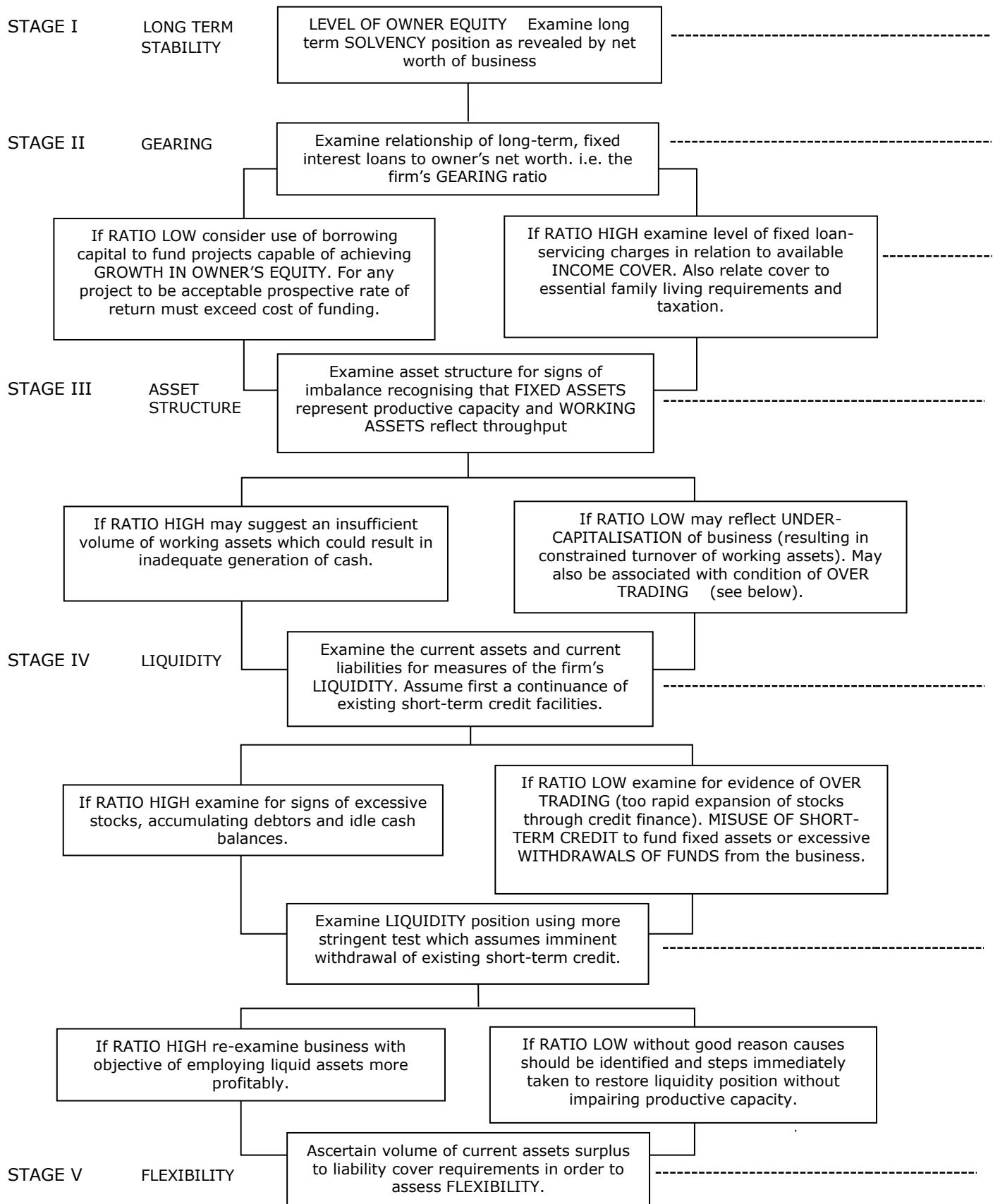
Among the fundamental relationships which financial management should seek to preserve are:

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

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

Chart 2

ANALYSING A FARM'S FINANCIAL STABILITY



RATIO/MEASURE EMPLOYED

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

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

$$\text{Prior charge cover ratio (number of times income covers charges)} = \frac{\text{Gross farm income}}{\text{Debt servicing charge}} \quad (\text{see notes in box below})$$

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

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

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 2013/2014**

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Dairy farms	- under 80 hectares, 80-140 hectares and over 140 hectares	41
Lowland Cattle and Sheep farms	- average and premium	47
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 120 hectares and over	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 10. Some farm types have therefore been amalgamated to provide additional detail by size of farm, i.e. DA farms added to SDA group to generate LFA Cattle and Sheep.

Cereal farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2013/2014

	Average	Premium*
Number of farms in group	34	11
Average farmed area (hectares)	276	415
Average proportion of total farmed area tenanted or hired (%)	36	34
	£ per farm hectare	
<u>Output</u>		
Milk	0	0
Milk quota leasing less milk quota levy	0	0
Cattle	30	37
Herd depreciation	0	0
Sheep	33	8
Flock depreciation	-5	-2
Wool	1	0
Pigs	1	0
Poultry	0	0
Other livestock	1	0
Cereals	548	696
Oilseeds	128	154
Pulses	8	5
Other crops	1	1
Crop subsidies	0	0
Straw	83	89
Forage	52	70
Agri-environment schemes and management agreements	45	36
Rental income and imputed farmhouse rental equivalent	95	103
Hirework	48	41
Miscellaneous output	49	41
Cultivations	5	3
Single Payment Scheme	205	198
TOTAL FARM OUTPUT **	1329	1479
<u>Variable costs</u>		
Concentrates	17	11
Purchased fodder	2	2
Veterinary and medicines	5	3
Other livestock costs	11	12
Seeds	63	72
Fertilisers	155	170
Crop protection	107	133
Other crop costs	33	31
TOTAL VARIABLE COSTS	392	436
TOTAL GROSS MARGIN**	938	1044

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Cereal farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2013/2014

	Average	Premium*
Number of farms in group	34	11
Average farmed area (hectares)	276	415
Average proportion of total farmed area tenanted or hired (%)	36	34
	£ per farm hectare	
TOTAL GROSS MARGIN**	938	1044
<u>Fixed costs</u>		
Paid labour	52	57
Unpaid family labour	32	0
Casual labour	10	15
Contract	102	101
Machinery repairs	48	52
Machinery fuel	59	55
Machinery depreciation	130	116
Other depreciation	19	3
Property maintenance	43	40
Electricity	9	8
Other fuel	11	11
Water	6	6
Insurance	31	28
Professional fees	24	26
Other general costs	28	22
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	604	540
PROFIT BEFORE RENT AND INTEREST	334	504
Rent, hired in keep and bare land	60	63
Rates	0	0
Long-term interest	29	11
Short-term interest	9	5
Interest received (-)	0	1
NET PROFIT**	235	425
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	38	15
Plus - Landlord type repairs (included in property maintenance)	3	2
Less - Rental value (of owner occupied land and buildings)	150	139
NET FARM INCOME** (NFI)	126	303
Less farmer and spouse labour	91	52
MANAGEMENT AND INVESTMENT INCOME** (M&II)	35	250

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Cereal farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2013/2014

	Average	Premium*
Number of farms in group	34	11
Average farmed area (hectares)	276	415
Average proportion of total farmed area tenanted or hired (%)	36	34
	per £100 output	
<u>Output</u>		
Milk	0	0
Cattle	2	3
Sheep	2	0
Pigs, poultry and other livestock	0	0
Cereals	41	47
Other cash crops	10	11
Straw and forage	10	11
Management agreements and agri-environment schemes	3	2
Miscellaneous output	15	13
Single Payment Scheme	15	13
TOTAL OUTPUT**	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	1	1
Veterinary, medicines and other livestock costs	1	1
Seeds	5	5
Fertilisers	12	11
Crop protection and other crop costs	11	11
TOTAL VARIABLE COSTS	29	29
TOTAL GROSS MARGIN**	71	71
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	6	4
Casual labour	1	1
Contract	8	7
Machinery repairs and fuel	8	7
Machinery and other depreciation	11	8
Property maintenance	3	3
Electricity, other fuel and water	2	2
Other general costs	6	5
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	45	37
PROFIT BEFORE RENT AND INTEREST	25	34
Rent and rates	5	4
Long-term interest paid	2	1
Short-term interest paid	1	0
Interest received (-)	0	0
PROFIT**	18	29

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Cereal farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2013/2014

	Average	Premium*
Number of farms in group	34	11
Average farmed area (hectares)	276	415
Average proportion of total farmed area tenanted or hired (%)	36	34
<u>Land use</u>		
Percentage cropped	67	74
Percentage forage	33	26
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	0	0
Other cattle	13	28
Sheep	8	5
Other livestock	2	3
Total	23	36
GLUs per ha	0.56	0.70
GLUs per adjusted ha	0.58	0.70
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	n/a	n/a
Pence per litre	n/a	n/a
Milk output per cow	n/a	n/a
Dairy calf output, £ per calf	n/a	n/a
<u>Finished cattle and lambs</u>		
£ per finished animal	1130	1176
£ per finished lamb	78	70
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare	8.4	9.0
Price per tonne	163	161
Winter barley		
Yield - tonnes per hectare	7.6	7.8
Price per tonne	151	151
Spring barley		
Yield - tonnes per hectare	6.1	6.6
Price per tonne	147	147
Winter oats		
Yield - tonnes per hectare	5.7	6.7
Price per tonne	148	130
All cereals		
Yield - tonnes per hectare	7.4	8.2
Price per tonne	157	157

* Top third selected on Management and investment income per hectare

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

Cereal farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2013/2014

	Average	Premium*
Number of farms in group	34	11
Average farmed area (hectares)	276	415
Average proportion of total farmed area tenanted or hired (%)	36	34
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	87	98
Crops, forage and cultivations	374	421
Stores	203	251
Machinery	820	635
Single Payment Scheme	273	267
Miscellaneous business assets & other assets	13	23
Total physical assets	1769	1695
Liquid assets	356	410
Tenant's capital (TC)	2125	2104
Management & investment income (M&II)**	35	250
Return on tenant's capital (M&II as % of average TC)	1.7%	11.9%
<u>Ratios per £100 of output (%)</u>		
Variable costs	29	29
Gross margin	71	71
Fixed costs (excluding rent and interest)	45	37
Net profit	18	29
Net farm income	10	20
Farmer and spouse	7	4
Management & Investment Income	3	17
Tenant's capital		
Total assets	984	719
Total external liabilities	97	45
Net worth	887	674
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	93	72
Costs (£ per £100 output)	7	5
Costs (£ per £100 gross margin)	10	7
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	339	324
Costs (£ per £100 output)	26	22
Costs (£ per £100 gross margin)	36	31
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	432	396
Costs (£ per £100 output)	33	27
Costs (£ per £100 gross margin)	46	38

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Cereal farms

END-OF-YEAR BALANCE SHEETS, 2013/2014

	Average	Premium*
Number of farms in group	34	11
Average farmed area (hectares)	276	415
Average proportion of total farmed area tenanted or hired (%)	36	34
End of year assets & liabilities	£ per farm hectare	
Land & buildings	10955	8537
Milk quota	0	0
Single Payment Scheme	276	267
Machinery	831	611
Tenant's other assets	5	2
Breeding livestock	50	50
Total fixed assets	12117	9468
Trading livestock	27	40
Crops	280	302
Forage and cultivations	78	93
Stores	208	250
Debtors and loans	177	166
Bank credit and cash	182	297
Other current assets	8	21
Total current assets	960	1168
Total assets	13077	10636
Financed by		
AMC	298	276
Bank loans	467	43
Other long term	214	14
Total long term	979	333
HP and lease	63	32
Creditors	122	160
Bank overdraft	119	139
Other short term	4	0
Total current liabilities	308	330
Total Liabilities	1287	663
Net worth	11790	9973
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	90%	94%
% Fixed assets vs. total assets	93%	89%
Gearing (long-term loans vs. total assets)	7%	3%
Total debt (external liabilities vs. net worth)	11%	7%
Current Ratio (current assets vs. current liabilities)	311%	354%
Liquidity Ratio (liquid assets vs. current liabilities)	116%	140%

* Top third selected on Management and investment income per hectare

Cereal and general cropping farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2013/2014

	Under 160 hectares	Over 160 hectares
Number of farms in group	18	27
Average farmed area (hectares)	105	343
Average proportion of total farmed area tenanted or hired (%)	38	38
	£ per farm hectare	
<u>Output</u>		
Milk	0	0
Milk quota leasing less milk quota levy	0	0
Cattle	84	38
Herd depreciation	0	-1
Sheep	37	34
Flock depreciation	-3	-7
Wool	1	1
Pigs	1	0
Poultry	0	1
Other livestock	0	1
Cereals	435	538
Oilseeds	68	146
Pulses	1	10
Other crops	978	35
Crop subsidies	0	0
Straw	85	72
Forage	41	49
Agri-environment schemes and management agreements	15	57
Rental income and imputed farmhouse rental equivalent	96	73
Hirework	60	78
Miscellaneous output	83	27
Cultivations	-5	7
Single Payment Scheme	184	200
TOTAL FARM OUTPUT **	2161	1355
<u>Variable costs</u>		
Concentrates	38	16
Purchased fodder	2	2
Veterinary and medicines	6	5
Other livestock costs	25	12
Seeds	243	67
Fertilisers	198	149
Crop protection	163	105
Other crop costs	117	30
TOTAL VARIABLE COSTS	791	386
TOTAL GROSS MARGIN**	1370	969

* 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, 2013/2014

	Under 160 hectares	Over 160 hectares
Number of farms in group	18	27
Average farmed area (hectares)	105	343
Average proportion of total farmed area tenanted or hired (%)	38	38
	£ per farm hectare	
TOTAL GROSS MARGIN**	1370	969
<u>Fixed costs</u>		
Paid labour	104	80
Unpaid family labour	74	13
Casual labour	70	10
Contract	153	86
Machinery repairs	79	59
Machinery fuel	91	66
Machinery depreciation	163	147
Other depreciation	27	9
Property maintenance	45	49
Electricity	23	9
Other fuel	9	12
Water	11	4
Insurance	46	29
Professional fees	26	23
Other general costs	35	29
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	955	626
PROFIT BEFORE RENT AND INTEREST	415	343
Rent, hired in keep and bare land	97	65
Rates	0	0
Long-term interest	35	27
Short-term interest	11	11
Interest received (-)	1	0
NET PROFIT**	273	239
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	45	38
Plus - Landlord type repairs (included in property maintenance)	3	8
Less - Rental value (of owner occupied land and buildings)	154	144
NET FARM INCOME** (NFI)	167	141
Less farmer and spouse labour	257	69
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-90	72

* 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, 2013/2014

	Under 160 hectares	Over 160 hectares
Number of farms in group	18	27
Average farmed area (hectares)	105	343
Average proportion of total farmed area tenanted or hired (%)	38	38
	per £100 output	
<u>Output</u>		
Milk	0	0
Cattle	4	3
Sheep	2	2
Pigs, poultry and other livestock	0	0
Cereals	20	40
Other cash crops	48	14
Straw and forage	6	9
Management agreements and agri-environment schemes	1	4
Miscellaneous output	11	14
Single Payment Scheme	9	15
TOTAL OUTPUT**	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	2	1
Veterinary, medicines and other livestock costs	1	1
Seeds	11	5
Fertilisers	9	11
Crop protection and other crop costs	13	10
TOTAL VARIABLE COSTS	37	29
TOTAL GROSS MARGIN**	63	71
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	8	7
Casual labour	3	1
Contract	7	6
Machinery repairs and fuel	8	9
Machinery and other depreciation	9	12
Property maintenance	2	4
Electricity, other fuel and water	2	2
Other general costs	5	6
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	44	46
PROFIT BEFORE RENT AND INTEREST	19	25
Rent and rates	4	5
Long-term interest paid	2	2
Short-term interest paid	1	1
Interest received (-)	0	0
PROFIT**	13	18

* 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, 2013/2014

	Under 160 hectares	Over 160 hectares
Number of farms in group	18	27
Average farmed area (hectares)	105	343
Average proportion of total farmed area tenanted or hired (%)	38	38
<u>Land use</u>		
Percentage cropped	72	66
Percentage forage	28	34
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	0	0
Other cattle	11	21
Sheep	4	14
Other livestock	1	2
Total	16	37
GLUs per ha	0.90	0.67
GLUs per adjusted ha	0.90	0.70
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	n/a	n/a
Pence per litre	n/a	n/a
Milk output per cow	n/a	n/a
Dairy calf output, £ per calf	n/a	n/a
<u>Finished cattle and lambs</u>		
£ per finished animal	1123	1138
£ per finished lamb	82	75
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare	6.9	8.6
Price per tonne	165	163
Winter barley		
Yield - tonnes per hectare	5.8	7.8
Price per tonne	139	151
Spring barley		
Yield - tonnes per hectare	5.5	6.3
Price per tonne	138	148
Winter oats		
Yield - tonnes per hectare	6.0	5.5
Price per tonne	133	154
All cereals		
Yield - tonnes per hectare	6.3	7.6
Price per tonne	151	158

* 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, 2013/2014

	Under 160 hectares	Over 160 hectares
Number of farms in group	18	27
Average farmed area (hectares)	105	343
Average proportion of total farmed area tenanted or hired (%)	38	38
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	121	123
Crops, forage and cultivations	412	407
Stores	279	193
Machinery	1038	816
Single Payment Scheme	242	266
Miscellaneous business assets & other assets	76	3
Total physical assets	2168	1807
Liquid assets	503	337
Tenant's capital (TC)	2671	2144
Management & investment income (M&II)**	-90	72
Return on tenant's capital (M&II as % of average TC)	-3.4%	3.4%
<u>Ratios per £100 of output (%)</u>		
Variable costs	37	29
Gross margin	63	71
Fixed costs (excluding rent and interest)	44	46
Net profit	13	18
Net farm income	8	10
Farmer and spouse	12	5
Management & Investment Income	-4	5
Tenant's capital		
Total assets	600	951
Total external liabilities	70	99
Net worth	531	851
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	248	104
Costs (£ per £100 output)	11	8
Costs (£ per £100 gross margin)	18	11
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	486	358
Costs (£ per £100 output)	22	26
Costs (£ per £100 gross margin)	35	37
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	734	462
Costs (£ per £100 output)	34	34
Costs (£ per £100 gross margin)	54	48

* 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, 2013/2014

	Under 160 hectares	Over 160 hectares
Number of farms in group	18	27
Average farmed area (hectares)	105	343
Average proportion of total farmed area tenanted or hired (%)	38	38
End of year assets & liabilities	£ per farm hectare	
Land & buildings	10340	10729
Milk quota	0	0
Single Payment Scheme	245	269
Machinery	1036	824
Tenant's other assets	60	0
Breeding livestock	29	70
Total fixed assets	11711	11892
Trading livestock	82	48
Crops	329	304
Forage and cultivations	76	79
Stores	280	201
Debtors and loans	211	221
Bank credit and cash	266	135
Other current assets	15	2
Total current assets	1260	992
Total assets	12971	12884
Financed by		
AMC	165	271
Bank loans	653	519
Other long term	218	131
Total long term	1036	921
HP and lease	113	100
Creditors	134	153
Bank overdraft	205	161
Other short term	17	10
Total current liabilities	469	424
Total Liabilities	1505	1345
Net worth	11466	11540
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	88%	90%
% Fixed assets vs. total assets	90%	92%
Gearing (long-term loans vs. total assets)	8%	7%
Total debt (external liabilities vs. net worth)	13%	12%
Current Ratio (current assets vs. current liabilities)	269%	234%
Liquidity Ratio (liquid assets vs. current liabilities)	102%	84%

* Top third selected on Management and investment income per hectare

Dairy farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2013/2014

	Average	Premium*
Number of farms in group	86	28
Average farmed area (hectares)	149	158
Average proportion of total farmed area tenanted or hired (%)	48	54
	£ per farm hectare	
<u>Output</u>		
Milk	2577	3303
Milk quota leasing less milk quota levy	0	0
Cattle	590	686
Herd depreciation	-234	-275
Sheep	14	20
Flock depreciation	-1	-2
Wool	0	0
Pigs	23	68
Poultry	0	0
Other livestock	0	0
Cereals	57	30
Oilseeds	2	0
Pulses	2	0
Other crops	0	0
Crop subsidies	0	0
Straw	11	7
Forage	15	26
Agri-environment schemes and management agreements	23	19
Rental income and imputed farmhouse rental equivalent	30	30
Hirework	22	16
Miscellaneous output	40	73
Cultivations	2	0
Single Payment Scheme	172	166
TOTAL FARM OUTPUT **	3344	4167
<u>Variable costs</u>		
Concentrates	820	959
Purchased fodder	64	118
Veterinary and medicines	87	104
Other livestock costs	241	270
Seeds	33	33
Fertilisers	144	143
Crop protection	23	18
Other crop costs	21	18
TOTAL VARIABLE COSTS	1433	1664
TOTAL GROSS MARGIN**	1911	2504

* 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, 2013/2014

	Average	Premium*
Number of farms in group	86	28
Average farmed area (hectares)	149	158
Average proportion of total farmed area tenanted or hired (%)	48	54
	£ per farm hectare	
TOTAL GROSS MARGIN**	1911	2504
<u>Fixed costs</u>		
Paid labour	178	255
Unpaid family labour	111	97
Casual labour	32	33
Contract	161	187
Machinery repairs	109	97
Machinery fuel	87	87
Machinery depreciation	179	166
Other depreciation	5	13
Property maintenance	68	84
Electricity	48	51
Other fuel	6	6
Water	28	21
Insurance	48	43
Professional fees	33	35
Other general costs	45	48
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	1139	1223
PROFIT BEFORE RENT AND INTEREST	772	1281
Rent, hired in keep and bare land	100	119
Rates	1	1
Long-term interest	46	50
Short-term interest	22	17
Interest received (-)	3	3
NET PROFIT**	606	1097
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	65	64
Plus - Landlord type repairs (included in property maintenance)	4	5
Less - Rental value (of owner occupied land and buildings)	199	195
NET FARM INCOME** (NFI)	476	971
Less farmer and spouse labour	289	247
MANAGEMENT AND INVESTMENT INCOME** (M&II)	188	724

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2013/2014

	Average	Premium*
Number of farms in group	86	28
Average farmed area (hectares)	149	158
Average proportion of total farmed area tenanted or hired (%)	48	54
	per £100 output	
<u>Output</u>		
Milk	77	79
Cattle	11	10
Sheep	0	0
Pigs, poultry and other livestock	1	2
Cereals	2	1
Other cash crops	0	0
Straw and forage	1	1
Management agreements and agri-environment schemes	1	0
Miscellaneous output	3	3
Single Payment Scheme	5	4
TOTAL OUTPUT**	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	26	26
Veterinary, medicines and other livestock costs	10	9
Seeds	1	1
Fertilisers	4	3
Crop protection and other crop costs	1	1
TOTAL VARIABLE COSTS	43	40
TOTAL GROSS MARGIN**	57	60
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	9	8
Casual labour	1	1
Contract	5	4
Machinery repairs and fuel	6	4
Machinery and other depreciation	6	4
Property maintenance	2	2
Electricity, other fuel and water	2	2
Other general costs	4	3
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	34	29
PROFIT BEFORE RENT AND INTEREST	23	31
Rent and rates	3	3
Long-term interest paid	1	1
Short-term interest paid	1	0
Interest received (-)	0	0
PROFIT**	18	26

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2013/2014

	Average	Premium*
Number of farms in group	86	28
Average farmed area (hectares)	149	158
Average proportion of total farmed area tenanted or hired (%)	48	54
<u>Land use</u>		
Percentage cropped	6	3
Percentage forage	94	97
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	160	205
Other cattle	82	93
Sheep	3	2
Other livestock	0	0
Total	245	300
GLUs per ha	1.85	2.01
GLUs per adjusted ha	1.87	2.04
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	6887	7391
Pence per litre	32.5	32.8
Milk output per cow	2332	2447
Dairy calf output, £ per calf	143	149
<u>Finished cattle and lambs</u>		
£ per finished animal	1086	1011
£ per finished lamb	88	91
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare	7.3	7.7
Price per tonne	161	157
Winter barley		
Yield - tonnes per hectare	6.7	
Price per tonne	141	
Spring barley		
Yield - tonnes per hectare	5.8	5.6
Price per tonne	137	140
Winter oats		
Yield - tonnes per hectare		
Price per tonne		
All cereals		
Yield - tonnes per hectare	6.7	6.6
Price per tonne	152	151

* 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, 2013/2014

	Average	Premium*
Number of farms in group	86	28
Average farmed area (hectares)	149	158
Average proportion of total farmed area tenanted or hired (%)	48	54
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1913	2284
Crops, forage and cultivations	127	107
Stores	134	131
Machinery	1081	1065
Single Payment Scheme	231	223
Miscellaneous business assets & other assets	86	101
Total physical assets	3571	3911
Liquid assets	618	735
Tenant's capital (TC)	4189	4646
Management & investment income (M&II)**	188	724
Return on tenant's capital (M&II as % of average TC)	4.5%	15.6%
<u>Ratios per £100 of output (%)</u>		
Variable costs	43	40
Gross margin	57	60
Fixed costs (excluding rent and interest)	34	29
Net profit	18	26
Net farm income	14	23
Farmer and spouse	9	6
Management & Investment Income	6	17
Tenant's capital		
Total assets	444	370
Total external liabilities	70	60
Net worth	374	310
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	321	385
Costs (£ per £100 output)	10	9
Costs (£ per £100 gross margin)	17	15
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	535	537
Costs (£ per £100 output)	16	13
Costs (£ per £100 gross margin)	28	21
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	857	923
Costs (£ per £100 output)	26	22
Costs (£ per £100 gross margin)	45	37

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms

END-OF-YEAR BALANCE SHEETS, 2013/2014

	Average	Premium*
Number of farms in group	86	28
Average farmed area (hectares)	149	158
Average proportion of total farmed area tenanted or hired (%)	48	54
End of year assets & liabilities	£ per farm hectare	
Land & buildings	10478	10508
Milk quota	9	11
Single Payment Scheme	233	226
Machinery	1109	1087
Tenant's other assets	1	0
Breeding livestock	1544	1909
Total fixed assets	13374	13741
Trading livestock	413	453
Crops	25	12
Forage and cultivations	109	107
Stores	138	136
Debtors and loans	450	529
Bank credit and cash	237	312
Other current assets	90	113
Total current assets	1462	1661
Total assets	14835	15402
Financed by		
AMC	205	169
Bank loans	1142	1380
Other long term	124	132
Total long term	1471	1681
HP and lease	202	168
Creditors	262	259
Bank overdraft	388	380
Other short term	15	4
Total current liabilities	866	811
Total Liabilities	2337	2492
Net worth	12498	12910
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	84%	84%
% Fixed assets vs. total assets	90%	89%
Gearing (long-term loans vs. total assets)	10%	11%
Total debt (external liabilities vs. net worth)	19%	19%
Current Ratio (current assets vs. current liabilities)	169%	205%
Liquidity Ratio (liquid assets vs. current liabilities)	79%	104%

* Top third selected on Management and investment income per hectare

Dairy farms by farm size

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2013/2014

	Under 80 hectares	80 to 140 hectares	Over 140 hectares
Number of farms in group	17	36	34
Average farmed area (hectares)	57	109	234
Average proportion of total farmed area tenanted or hired (%)	50	40	53
	£ per farm hectare		
<u>Output</u>			
Milk	2245	2696	2568
Milk quota leasing less milk quota levy	0	0	0
Cattle	484	679	544
Herd depreciation	-221	-248	-223
Sheep	13	15	14
Flock depreciation	-2	-1	-1
Wool	0	1	0
Pigs	0	1	58
Poultry	2	0	0
Other livestock	0	0	0
Cereals	0	30	113
Oilseeds	0	0	5
Pulses	0	0	4
Other crops	0	0	0
Crop subsidies	0	0	0
Straw	0	6	21
Forage	-1	11	26
Agri-environment schemes and management agreements	26	23	21
Rental income and imputed farmhouse rental equivalent	13	28	39
Hirework	27	16	25
Miscellaneous output	33	48	33
Cultivations	0	1	2
Single Payment Scheme	177	164	178
TOTAL FARM OUTPUT **	2798	3470	3429
<u>Variable costs</u>			
Concentrates	679	875	816
Purchased fodder	82	76	42
Veterinary and medicines	61	98	87
Other livestock costs	230	260	228
Seeds	14	29	47
Fertilisers	132	153	142
Crop protection	6	17	37
Other crop costs	19	20	22
TOTAL VARIABLE COSTS	1224	1529	1421
TOTAL GROSS MARGIN**	1574	1941	2008

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms by farm size

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2013/2014

	Under 80 hectares	80 to 140 hectares	Over 140 hectares
Number of farms in group	17	28	34
Average farmed area (hectares)	57	110	234
Average proportion of total farmed area tenanted or hired (%)	50	39	53
	£ per farm hectare		
TOTAL GROSS MARGIN**	1574	1506	2008
<u>Fixed costs</u>			
Paid labour	85	131	254
Unpaid family labour	75	135	124
Casual labour	26	23	28
Contract	140	169	155
Machinery repairs	94	110	115
Machinery fuel	71	86	92
Machinery depreciation	179	176	169
Other depreciation	8	2	10
Property maintenance	52	65	65
Electricity	52	47	45
Other fuel	7	6	6
Water	34	36	30
Insurance	54	46	42
Professional fees	28	41	33
Other general costs	50	40	42
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	954	1113	1209
PROFIT BEFORE RENT AND INTEREST	620	393	799
Rent, hired in keep and bare land	95	75	119
Rates	2	2	0
Long-term interest	15	59	45
Short-term interest	21	25	17
Interest received (-)	4	15	2
NET PROFIT**	491	247	620
Reconciliation of Profit to NFI and M&II			
Plus - Interest charges (net)	31	69	60
Plus - Landlord type repairs (included in property maintenance)	4	5	3
Less - Rental value (of owner occupied land and buildings)	183	217	179
NET FARM INCOME** (NFI)	343	104	504
Less farmer and spouse labour	575	303	141
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-232	-200	363

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms by farm size

FINANCIAL COMPARISONS per £100 OUTPUT, 2013/2014

	Under 80 hectares	80 to 140 hectares	Over 140 hectares
Number of farms in group	17	36	34
Average farmed area (hectares)	57	109	234
Average proportion of total farmed area tenanted or hired (%)	50	40	53
per £100 output			
<u>Output</u>			
Milk	80	78	75
Cattle	9	12	9
Sheep	0	0	0
Pigs, poultry and other livestock	0	0	2
Cereals	0	1	3
Other cash crops	0	0	0
Straw and forage	0	1	1
Management agreements and agri-environment schemes	1	1	1
Miscellaneous output	3	3	3
Single Payment Scheme	6	5	5
TOTAL OUTPUT**	100	100	100
<u>Variable costs</u>			
Concentrates, fodder and keep	27	27	25
Veterinary, medicines and other livestock costs	10	10	9
Seeds	1	1	1
Fertilisers	5	4	4
Crop protection and other crop costs	1	1	2
TOTAL VARIABLE COSTS	44	44	41
TOTAL GROSS MARGIN**	56	56	59
<u>Fixed costs</u>			
Labour - paid and unpaid, excluding farmer and spouse	6	7	11
Casual labour	1	1	1
Contract	5	5	5
Machinery repairs and fuel	6	6	6
Machinery and other depreciation	7	6	5
Property maintenance	2	2	2
Electricity, other fuel and water	3	2	2
Other general costs	5	4	3
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	34	33	35
PROFIT BEFORE RENT AND INTEREST	22	23	23
Rent and rates	3	2	3
Long-term interest paid	1	2	1
Short-term interest paid	1	1	0
Interest received (-)	0	0	0
PROFIT**	18	18	18

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms by farm size

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2013/2014

	Under 80 hectares	80 to 140 hectares	Over 140 hectares
Number of farms in group	17	36	34
Average farmed area (hectares)	57	109	234
Average proportion of total farmed area tenanted or hired (%)	50	40	53
<u>Land use</u>			
Percentage cropped	0	3	12
Percentage forage	100	97	88
<u>Grazing livestock units</u>	GLUs per farm		
Dairy cattle	64	132	234
Other cattle	26	66	125
Sheep	1	2	4
Other livestock	1	0	0
Total	92	200	363
GLUs per ha	1.61	1.89	1.85
GLUs per adjusted ha	1.62	1.92	1.88
<u>Technical efficiency</u>			
<u>Dairy</u>			
Milk yield per cow	6164	6914	7195
Pence per litre	32.1	32.3	33.0
Milk output per cow	2066	2209	2441
Dairy calf output, £ per calf	151	146	135
<u>Finished cattle and lambs</u>			
£ per finished animal	889	1044	1170
£ per finished lamb	89	87	90
<u>Cereals**</u>			
Winter wheat			
Yield - tonnes per hectare			7.3
Price per tonne			161
Winter barley			
Yield - tonnes per hectare		6.2	6.9
Price per tonne		137	142
Spring barley			
Yield - tonnes per hectare		6.0	5.8
Price per tonne		132	137
Winter oats			
Yield - tonnes per hectare			
Price per tonne			
All cereals			
Yield - tonnes per hectare		6.4	6.8
Price per tonne		143	153

* Top third selected on Management and investment income per hectare

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

Dairy farms by farm size

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2013/2014

	Under 80 hectares	80 to 140 hectares	Over 140 hectares
Number of farms in group	17	36	34
Average farmed area (hectares)	57	109	234
Average proportion of total farmed area tenanted or hired (%)	50	40	53
£ per farm hectare			
<u>Tenant's capital formation</u>			
Livestock	1715	2093	1788
Crops, forage and cultivations	65	130	150
Stores	130	126	143
Machinery	1153	1110	1039
Single Payment Scheme	248	220	235
Miscellaneous business assets & other assets	114	98	56
Total physical assets	3426	3777	3411
Liquid assets	566	544	711
Tenant's capital (TC)	3992	4321	4122
Management & investment income (M&II)**	-232	169	363
Return on tenant's capital (M&II as % of average TC)	-5.8%	3.9%	8.8%
<u>Ratios per £100 of output (%)</u>			
Variable costs	44	44	41
Gross margin	56	56	59
Fixed costs (excluding rent and interest)	34	33	35
Net profit	18	18	18
Net farm income	12	14	15
Farmer and spouse	21	9	4
Management & Investment Income	-8	5	11
Tenant's capital			
Total assets	495	482	397
Total external liabilities	57	80	64
Net worth	439	403	333
<u>Efficiency of labour use</u>			
Costs (£ per hectare)	185	297	405
Costs (£ per £100 output)	7	9	12
Costs (£ per £100 gross margin)	12	15	20
<u>Efficiency of machinery use</u>			
Costs (£ per hectare)	483	562	531
Costs (£ per £100 output)	17	16	15
Costs (£ per £100 gross margin)	31	29	26
<u>Efficiency of labour and machinery use</u>			
Costs (£ per hectare)	669	859	937
Costs (£ per £100 output)	24	25	27
Costs (£ per £100 gross margin)	42	44	47

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Dairy farms by farm size

END-OF-YEAR BALANCE SHEETS, 2013/2014

	Under 80 hectares	80 to 140 hectares	Over 140 hectares
Number of farms in group	17	36	34
Average farmed area (hectares)	57	109	234
Average proportion of total farmed area tenanted or hired (%)	50	40	53
End of year assets & liabilities	£ per farm hectare		
Land & buildings	9836	12234	9269
Milk quota	8	10	9
Single Payment Scheme	253	221	237
Machinery	1181	1143	1061
Tenant's other assets	0	0	2
Breeding livestock	1479	1661	1427
Total fixed assets	12757	15269	12006
Trading livestock	251	493	398
Crops	0	13	49
Forage and cultivations	63	123	115
Stores	134	126	150
Debtors and loans	460	402	487
Bank credit and cash	80	211	339
Other current assets	116	101	62
Total current assets	1103	1469	1599
Total assets	13860	16738	13605
Financed by			
AMC	0	259	244
Bank loans	665	1474	996
Other long term	247	136	46
Total long term	913	1868	1286
HP and lease	236	223	157
Creditors	223	265	273
Bank overdraft	180	392	475
Other short term	37	13	5
Total current liabilities	676	893	909
Total Liabilities	1588	2762	2195
Net worth	12272	13976	11410
Balance sheet ratios			
% Owner equity (net worth vs. total assets)	89%	83%	84%
% Fixed assets vs. total assets	92%	91%	88%
Gearing (long-term loans vs. total assets)	7%	11%	9%
Total debt (external liabilities vs. net worth)	13%	20%	19%
Current Ratio (current assets vs. current liabilities)	163%	164%	176%
Liquidity Ratio (liquid assets vs. current liabilities)	80%	69%	91%

* Top third selected on Management and investment income per hectare

Lowland cattle and sheep farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2013/2014

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	108	120
Average proportion of total farmed area tenanted or hired (%)	31	35
	£ per farm hectare	
<u>Output</u>		
Milk	0	0
Milk quota leasing less milk quota levy	0	0
Cattle	579	529
Herd depreciation	-17	-14
Sheep	149	172
Flock depreciation	-12	-13
Wool	3	3
Pigs	1	0
Poultry	0	0
Other livestock	0	0
Cereals	45	39
Oilseeds	2	4
Pulses	0	0
Other crops	4	13
Crop subsidies	0	0
Straw	11	10
Forage	35	42
Agri-environment schemes and management agreements	39	55
Rental income and imputed farmhouse rental equivalent	46	65
Hirework	56	43
Miscellaneous output	32	21
Cultivations	0	0
Single Payment Scheme	185	187
TOTAL FARM OUTPUT **	1158	1155
<u>Variable costs</u>		
Concentrates	136	79
Purchased fodder	13	9
Veterinary and medicines	34	27
Other livestock costs	93	76
Seeds	15	15
Fertilisers	73	79
Crop protection	9	7
Other crop costs	9	8
TOTAL VARIABLE COSTS	382	300
TOTAL GROSS MARGIN**	775	855

* 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, 2013/2014

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	108	120
Average proportion of total farmed area tenanted or hired (%)	31	35
	£ per farm hectare	
TOTAL GROSS MARGIN**	775	855
<u>Fixed costs</u>		
Paid labour	23	19
Unpaid family labour	44	23
Casual labour	22	27
Contract	69	62
Machinery repairs	43	37
Machinery fuel	53	47
Machinery depreciation	92	77
Other depreciation	5	2
Property maintenance	52	38
Electricity	9	4
Other fuel	6	3
Water	12	9
Insurance	38	33
Professional fees	23	18
Other general costs	32	23
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	522	422
PROFIT BEFORE RENT AND INTEREST	253	433
Rent, hired in keep and bare land	49	57
Rates	2	0
Long-term interest	18	27
Short-term interest	9	7
Interest received (-)	0	0
NET PROFIT**	175	341
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	27	34
Plus - Landlord type repairs (included in property maintenance)	3	3
Less - Rental value (of owner occupied land and buildings)	148	119
NET FARM INCOME** (NFI)	58	259
Less farmer and spouse labour	287	215
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-228	43

* 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, 2013/2014

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	108	120
Average proportion of total farmed area tenanted or hired (%)	31	35
	per £100 output	
<u>Output</u>		
Milk	0	0
Cattle	49	45
Sheep	12	14
Pigs, poultry and other livestock	0	0
Cereals	4	3
Other cash crops	1	1
Straw and forage	4	5
Management agreements and agri-environment schemes	3	5
Miscellaneous output	12	11
Single Payment Scheme	16	16
TOTAL OUTPUT**	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	13	8
Veterinary, medicines and other livestock costs	11	9
Seeds	1	1
Fertilisers	6	7
Crop protection and other crop costs	2	1
TOTAL VARIABLE COSTS	33	26
TOTAL GROSS MARGIN**	67	74
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	6	4
Casual labour	2	2
Contract	6	5
Machinery repairs and fuel	8	7
Machinery and other depreciation	8	7
Property maintenance	4	3
Electricity, other fuel and water	2	1
Other general costs	8	6
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	45	37
PROFIT BEFORE RENT AND INTEREST	22	37
Rent and rates	4	5
Long-term interest paid	2	2
Short-term interest paid	1	1
Interest received (-)	0	0
PROFIT**	15	30

* 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, 2013/2014

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	108	120
Average proportion of total farmed area tenanted or hired (%)	31	35
<u>Land use</u>		
Percentage cropped	6	5
Percentage forage	94	95
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	0	0
Other cattle	82	79
Sheep	23	21
Other livestock	1	2
Total	106	102
GLUs per ha	1.14	0.99
GLUs per adjusted ha	1.15	0.99
<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	1194	1178
£ per finished lamb	80	82
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare	6.7	
Price per tonne	162	
Winter barley		
Yield - tonnes per hectare	6.4	
Price per tonne	137	
Spring barley		
Yield - tonnes per hectare	5.6	5.0
Price per tonne	132	138
Winter oats		
Yield - tonnes per hectare		
Price per tonne		
All cereals		
Yield - tonnes per hectare	6.0	6.0
Price per tonne	139	139

* 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, 2013/2014

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	108	120
Average proportion of total farmed area tenanted or hired (%)	31	35
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1128	970
Crops, forage and cultivations	78	75
Stores	59	57
Machinery	566	472
Single Payment Scheme	249	252
Miscellaneous business assets & other assets	9	8
Total physical assets	2089	1835
Liquid assets	272	290
Tenant's capital (TC)	2360	2125
Management & investment income (M&II)**	-228	43
Return on tenant's capital (M&II as % of average TC)	-9.7%	2.0%
<u>Ratios per £100 of output (%)</u>		
Variable costs	33	26
Gross margin	67	74
Fixed costs (excluding rent and interest)	45	37
Net profit	15	30
Net farm income	5	22
Farmer and spouse	25	19
Management & Investment Income	-20	4
Tenant's capital		
Total assets	1281	1303
Total external liabilities	75	83
Net worth	1206	1220
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	88	70
Costs (£ per £100 output)	8	6
Costs (£ per £100 gross margin)	11	8
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	257	222
Costs (£ per £100 output)	22	19
Costs (£ per £100 gross margin)	33	26
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	346	292
Costs (£ per £100 output)	30	25
Costs (£ per £100 gross margin)	45	34

* 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, 2013/2014

	Average	Premium*
Number of farms in group	71	23
Average farmed area (hectares)	108	120
Average proportion of total farmed area tenanted or hired (%)	31	35
End of year assets & liabilities	£ per farm hectare	
Land & buildings	12472	12838
Milk quota	0	0
Single Payment Scheme	247	250
Machinery	570	498
Tenant's other assets	3	4
Breeding livestock	511	461
Total fixed assets	13804	14051
Trading livestock	621	512
Crops	17	19
Forage and cultivations	62	61
Stores	61	57
Debtors and loans	116	127
Bank credit and cash	144	215
Other current assets	6	4
Total current assets	1027	994
Total assets	14831	15046
Financed by		
AMC	94	140
Bank loans	420	472
Other long term	65	80
Total long term	579	692
HP and lease	44	43
Creditors	105	110
Bank overdraft	140	115
Other short term	2	0
Total current liabilities	292	268
Total Liabilities	871	960
Net worth	13960	14086
<u>Balance sheet ratios</u>		
% Owner equity (net worth vs. total assets)	94%	94%
% Fixed assets vs. total assets	93%	93%
Gearing (long-term loans vs. total assets)	4%	5%
Total debt (external liabilities vs. net worth)	6%	7%
Current Ratio (current assets vs. current liabilities)	352%	371%
Liquidity Ratio (liquid assets vs. current liabilities)	89%	127%

* Top third selected on Management and investment income per hectare

Lowland cattle and sheep farms, by farm size

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2013/2014

	Under 80 hectares	Over 80 hectares
Number of farms in group	34	37
Average farmed area (hectares)	58	153
Average proportion of total farmed area tenanted or hired (%)	28	33
	£ per farm hectare	
<u>Output</u>		
Milk	0	0
Milk quota leasing less milk quota levy	0	0
Cattle	658	507
Herd depreciation	-16	-18
Sheep	132	164
Flock depreciation	-9	-16
Wool	3	3
Pigs	2	0
Poultry	0	0
Other livestock	0	0
Cereals	23	64
Oilseeds	0	4
Pulses	0	0
Other crops	0	8
Crop subsidies	0	0
Straw	6	15
Forage	24	44
Agri-environment schemes and management agreements	36	42
Rental income and imputed farmhouse rental equivalent	59	34
Hirework	76	38
Miscellaneous output	37	28
Cultivations	0	0
Single Payment Scheme	188	183
TOTAL FARM OUTPUT **	1219	1101
<u>Variable costs</u>		
Concentrates	146	126
Purchased fodder	13	13
Veterinary and medicines	39	30
Other livestock costs	108	79
Seeds	10	20
Fertilisers	74	72
Crop protection	5	14
Other crop costs	9	9
TOTAL VARIABLE COSTS	403	363
TOTAL GROSS MARGIN**	816	738

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Lowland cattle and sheep farms, by farm size

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2013/2014

	Under 80 hectares	Over 80 hectares
Number of farms in group	34	37
Average farmed area (hectares)	58	153
Average proportion of total farmed area tenanted or hired (%)	28	33
	£ per farm hectare	
TOTAL GROSS MARGIN**	816	738
<u>Fixed costs</u>		
Paid labour	3	41
Unpaid family labour	40	49
Casual labour	11	31
Contract	73	66
Machinery repairs	39	47
Machinery fuel	50	56
Machinery depreciation	99	85
Other depreciation	8	2
Property maintenance	60	44
Electricity	9	9
Other fuel	7	5
Water	13	10
Insurance	44	33
Professional fees	23	22
Other general costs	39	26
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	519	526
PROFIT BEFORE RENT AND INTEREST	297	213
Rent, hired in keep and bare land	44	54
Rates	2	1
Long-term interest	16	20
Short-term interest	10	8
Interest received (-)	0	0
NET PROFIT**	226	129
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	26	28
Plus - Landlord type repairs (included in property maintenance)	4	3
Less - Rental value (of owner occupied land and buildings)	156	140
NET FARM INCOME** (NFI)	99	20
Less farmer and spouse labour	396	186
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-297	-166

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Lowland cattle and sheep farms, by farm size

FINANCIAL COMPARISONS per £100 OUTPUT, 2013/2014

	Under 80 hectares	Over 80 hectares
Number of farms in group	34	37
Average farmed area (hectares)	58	153
Average proportion of total farmed area tenanted or hired (%)	28	33
	per £100 output	
<u>Output</u>		
Milk	0	0
Cattle	53	44
Sheep	10	14
Pigs, poultry and other livestock	0	0
Cereals	2	6
Other cash crops	0	1
Straw and forage	3	5
Management agreements and agri-environment schemes	3	4
Miscellaneous output	14	9
Single Payment Scheme	15	17
TOTAL OUTPUT**	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	13	13
Veterinary, medicines and other livestock costs	12	10
Seeds	1	2
Fertilisers	6	7
Crop protection and other crop costs	1	2
TOTAL VARIABLE COSTS	33	33
TOTAL GROSS MARGIN**	67	67
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	4	8
Casual labour	1	3
Contract	6	6
Machinery repairs and fuel	7	9
Machinery and other depreciation	9	8
Property maintenance	5	4
Electricity, other fuel and water	2	2
Other general costs	9	7
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	43	48
PROFIT BEFORE RENT AND INTEREST	24	19
Rent and rates	4	5
Long-term interest paid	1	2
Short-term interest paid	1	1
Interest received (-)	0	0
PROFIT**	19	12

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Lowland cattle and sheep farms, by farm size

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2013/2014

	Under 80 hectares	Over 80 hectares
Number of farms in group	34	37
Average farmed area (hectares)	58	153
Average proportion of total farmed area tenanted or hired (%)	28	33
<u>Land use</u>		
Percentage cropped	3	8
Percentage forage	97	92
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	0	0
Other cattle	49	113
Sheep	12	33
Other livestock	1	2
Total	62	148
GLUs per ha	1.16	1.13
GLUs per adjusted ha	1.17	1.13
<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	1233	1161
£ per finished lamb	78	80
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare		6.8
Price per tonne		162
Winter barley		
Yield - tonnes per hectare		6.5
Price per tonne		137
Spring barley		
Yield - tonnes per hectare		5.6
Price per tonne		134
Winter oats		
Yield - tonnes per hectare		
Price per tonne		
All cereals		
Yield - tonnes per hectare	5.2	6.1
Price per tonne	132	140

* 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, by farm size

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2013/2014

	Under 80 hectares	Over 80 hectares
Number of farms in group	34	37
Average farmed area (hectares)	58	153
Average proportion of total farmed area tenanted or hired (%)	28	33
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1160	1098
Crops, forage and cultivations	76	79
Stores	61	57
Machinery	614	523
Single Payment Scheme	252	245
Miscellaneous business assets & other assets	5	13
Total physical assets	2168	2016
Liquid assets	344	205
Tenant's capital (TC)	2512	2221
Management & investment income (M&II)**	-297	-166
Return on tenant's capital (M&II as % of average TC)	-11.8%	-7.5%
<u>Ratios per £100 of output (%)</u>		
Variable costs	33	33
Gross margin	67	67
Fixed costs (excluding rent and interest)	43	48
Net profit	19	12
Net farm income	8	2
Farmer and spouse	32	17
Management & Investment Income	-24	-15
Tenant's capital		
Total assets	1319	1243
Total external liabilities	54	97
Net worth	1265	1146
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	54	120
Costs (£ per £100 output)	4	11
Costs (£ per £100 gross margin)	7	16
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	262	254
Costs (£ per £100 output)	21	23
Costs (£ per £100 gross margin)	32	34
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	315	374
Costs (£ per £100 output)	26	34
Costs (£ per £100 gross margin)	39	51

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

Lowland cattle and sheep farms, by farm size

END-OF-YEAR BALANCE SHEETS, 2013/2014

	Under 80 hectares	Over 80 hectares
Number of farms in group	34	37
Average farmed area (hectares)	58	153
Average proportion of total farmed area tenanted or hired (%)	28	33
End of year assets & liabilities	£ per farm hectare	
Land & buildings	13596	11440
Milk quota	0	1
Single Payment Scheme	250	244
Machinery	610	533
Tenant's other assets	3	3
Breeding livestock	501	519
Total fixed assets	14962	12740
Trading livestock	679	568
Crops	8	25
Forage and cultivations	65	59
Stores	62	60
Debtors and loans	103	128
Bank credit and cash	196	97
Other current assets	2	10
Total current assets	1115	946
Total assets	16076	13686
Financed by		
AMC	114	76
Bank loans	257	569
Other long term	55	75
Total long term	426	720
HP and lease	51	39
Creditors	93	116
Bank overdraft	81	193
Other short term	2	2
Total current liabilities	227	351
Total Liabilities	653	1071
Net worth	15423	12615
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	96%	92%
% Fixed assets vs. total assets	93%	93%
Gearing (long-term loans vs. total assets)	3%	5%
Total debt (external liabilities vs. net worth)	4%	8%
Current Ratio (current assets vs. current liabilities)	491%	270%
Liquidity Ratio (liquid assets vs. current liabilities)	132%	64%

* Top third selected on Management and investment income per hectare

SDA cattle and sheep farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2013/2014

	Average	Premium*
Number of farms in group	22	
Average farmed area (hectares)	254	
Average proportion of total farmed area tenanted or hired (%)	48	
	£ per farm hectare	
<u>Output</u>		
Milk	0	
Milk quota leasing less milk quota levy	0	
Cattle	232	
Herd depreciation	-18	
Sheep	241	
Flock depreciation	-30	
Wool	7	
Pigs	0	
Poultry	0	
Other livestock	0	
Cereals	4	
Oilseeds	0	
Pulses	0	
Other crops	0	
Crop subsidies	0	
Straw	1	
Forage	3	
Agri-environment schemes and management agreements	110	
Rental income and imputed farmhouse rental equivalent	21	
Hirework	13	
Miscellaneous output	7	
Cultivations	0	
Single Payment Scheme	137	
TOTAL FARM OUTPUT **	726	
<u>Variable costs</u>		
Concentrates	72	
Purchased fodder	12	
Veterinary and medicines	22	
Other livestock costs	60	
Seeds	3	
Fertilisers	48	
Crop protection	1	
Other crop costs	4	
TOTAL VARIABLE COSTS	223	
TOTAL GROSS MARGIN**	503	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

SDA cattle and sheep farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2013/2014

	Average	Premium*
Number of farms in group	22	
Average farmed area (hectares)	254	
Average proportion of total farmed area tenanted or hired (%)	48	
	£ per farm hectare	
TOTAL GROSS MARGIN**	503	
<u>Fixed costs</u>		
Paid labour	32	
Unpaid family labour	35	
Casual labour	16	
Contract	26	
Machinery repairs	30	
Machinery fuel	35	
Machinery depreciation	61	
Other depreciation	2	
Property maintenance	25	
Electricity	5	
Other fuel	3	
Water	1	
Insurance	22	
Professional fees	18	
Other general costs	19	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	331	
PROFIT BEFORE RENT AND INTEREST	172	
Rent, hired in keep and bare land	36	
Rates	1	
Long-term interest	20	
Short-term interest	6	
Interest received (-)	0	
NET PROFIT**	110	
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	26	
Plus - Landlord type repairs (included in property maintenance)	1	
Less - Rental value (of owner occupied land and buildings)	62	
NET FARM INCOME** (NFI)	75	
Less farmer and spouse labour	151	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-77	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

SDA cattle and sheep farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2013/2014

	Average	Premium*
Number of farms in group	22	
Average farmed area (hectares)	254	
Average proportion of total farmed area tenanted or hired (%)	48	
	per £100 output	
<u>Output</u>		
Milk	0	
Cattle	29	
Sheep	30	
Pigs, poultry and other livestock	0	
Cereals	1	
Other cash crops	0	
Straw and forage	1	
Management agreements and agri-environment schemes	15	
Miscellaneous output	6	
Single Payment Scheme	19	
TOTAL OUTPUT**	100	
<u>Variable costs</u>		
Concentrates, fodder and keep	12	
Veterinary, medicines and other livestock costs	11	
Seeds	0	
Fertilisers	7	
Crop protection and other crop costs	1	
TOTAL VARIABLE COSTS	31	
TOTAL GROSS MARGIN**	69	
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	9	
Casual labour	2	
Contract	4	
Machinery repairs and fuel	9	
Machinery and other depreciation	9	
Property maintenance	3	
Electricity, other fuel and water	1	
Other general costs	8	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	46	
PROFIT BEFORE RENT AND INTEREST	24	
Rent and rates	5	
Long-term interest paid	3	
Short-term interest paid	1	
Interest received (-)	0	
PROFIT**	15	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

SDA cattle and sheep farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2013/2014

	Average	Premium*
Number of farms in group	22	
Average farmed area (hectares)	254	
Average proportion of total farmed area tenanted or hired (%)	48	
<u>Land use</u>		
Percentage cropped	0	
Percentage forage	100	
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	0	
Other cattle	103	
Sheep	64	
Other livestock	4	
Total	171	
GLUs per ha	0.68	
GLUs per adjusted ha	0.89	
<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	73	
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare		
Price per tonne		
Winter barley		
Yield - tonnes per hectare		
Price per tonne		
Spring barley		
Yield - tonnes per hectare		
Price per tonne		
Winter oats		
Yield - tonnes per hectare		
Price per tonne		
All cereals		
Yield - tonnes per hectare		
Price per tonne		

* Insufficient farms

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

SDA cattle and sheep farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2013/2014

	Average	Premium*
Number of farms in group	22	
Average farmed area (hectares)	254	
Average proportion of total farmed area tenanted or hired (%)	48	
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	766	
Crops, forage and cultivations	17	
Stores	21	
Machinery	367	
Single Payment Scheme	195	
Miscellaneous business assets & other assets	1	
Total physical assets	1368	
Liquid assets	214	
Tenant's capital (TC)	1582	
Management & investment income (M&II)**	-77	
Return on tenant's capital (M&II as % of average TC)	-4.8%	
<u>Ratios per £100 of output (%)</u>		
Variable costs	31	
Gross margin	69	
Fixed costs (excluding rent and interest)	46	
Net profit	15	
Net farm income	10	
Farmer and spouse	21	
Management & Investment Income	-11	
Tenant's capital		
Total assets	1163	
Total external liabilities	116	
Net worth	1047	
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	83	
Costs (£ per £100 output)	11	
Costs (£ per £100 gross margin)	17	
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	152	
Costs (£ per £100 output)	21	
Costs (£ per £100 gross margin)	30	
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	235	
Costs (£ per £100 output)	32	
Costs (£ per £100 gross margin)	47	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

SDA cattle and sheep farms

END-OF-YEAR BALANCE SHEETS, 2013/2014

	Average	Premium*
Number of farms in group	22	
Average farmed area (hectares)	254	
Average proportion of total farmed area tenanted or hired (%)	48	
End of year assets & liabilities	£ per farm hectare	
Land & buildings	6865	
Milk quota	0	
Single Payment Scheme	208	
Machinery	377	
Tenant's other assets	0	
Breeding livestock	553	
Total fixed assets	8002	
Trading livestock	205	
Crops	2	
Forage and cultivations	15	
Stores	21	
Debtors and loans	110	
Bank credit and cash	91	
Other current assets	1	
Total current assets	446	
Total assets	8448	
Financed by		
AMC	332	
Bank loans	292	
Other long term	21	
Total long term	645	
HP and lease	43	
Creditors	53	
Bank overdraft	100	
Other short term	1	
Total current liabilities	197	
Total Liabilities	843	
Net worth	7605	
<u>Balance sheet ratios</u>		
% Owner equity (net worth vs. total assets)	90%	
% Fixed assets vs. total assets	95%	
Gearing (long-term loans vs. total assets)	8%	
Total debt (external liabilities vs. net worth)	11%	
Current Ratio (current assets vs. current liabilities)	226%	
Liquidity Ratio (liquid assets vs. current liabilities)	102%	

* Insufficient farms

LFA cattle and sheep farms, by farm size

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2013/2014

	Under 120 hectares	120 hectares and over
Number of farms in group	15	21
Average farmed area (hectares)	83	278
Average proportion of total farmed area tenanted or hired (%)	24	45
	£ per farm hectare	
<u>Output</u>		
Milk	0	0
Milk quota leasing less milk quota levy	0	0
Cattle	473	222
Herd depreciation	-19	-23
Sheep	254	191
Flock depreciation	-24	-33
Wool	8	5
Pigs	0	0
Poultry	0	0
Other livestock	0	0
Cereals	7	2
Oilseeds	0	0
Pulses	0	0
Other crops	0	0
Crop subsidies	0	0
Straw	1	1
Forage	17	6
Agri-environment schemes and management agreements	50	112
Rental income and imputed farmhouse rental equivalent	55	20
Hirework	25	14
Miscellaneous output	41	8
Cultivations	0	0
Single Payment Scheme	178	139
TOTAL FARM OUTPUT **	1066	664
<u>Variable costs</u>		
Concentrates	155	64
Purchased fodder	11	11
Veterinary and medicines	35	18
Other livestock costs	82	52
Seeds	8	2
Fertilisers	75	39
Crop protection	2	1
Other crop costs	9	4
TOTAL VARIABLE COSTS	377	191
TOTAL GROSS MARGIN**	688	473

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

LFA cattle and sheep farms, by farm size

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2013/2014

	Under 120 hectares	120 hectares and over
Number of farms in group	15	21
Average farmed area (hectares)	83	278
Average proportion of total farmed area tenanted or hired (%)	24	45
	£ per farm hectare	
TOTAL GROSS MARGIN**	688	473
<u>Fixed costs</u>		
Paid labour	8	39
Unpaid family labour	14	45
Casual labour	14	17
Contract	28	25
Machinery repairs	37	32
Machinery fuel	53	35
Machinery depreciation	95	55
Other depreciation	1	2
Property maintenance	50	25
Electricity	8	5
Other fuel	4	2
Water	10	3
Insurance	35	21
Professional fees	19	17
Other general costs	25	17
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	400	340
PROFIT BEFORE RENT AND INTEREST	288	133
Rent, hired in keep and bare land	21	34
Rates	0	1
Long-term interest	27	20
Short-term interest	7	5
Interest received (-)	0	0
NET PROFIT**	233	74
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	34	25
Plus - Landlord type repairs (included in property maintenance)	3	1
Less - Rental value (of owner occupied land and buildings)	132	66
NET FARM INCOME** (NFI)	139	34
Less farmer and spouse labour	325	121
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-186	-87

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

LFA cattle and sheep farms, by farm size

FINANCIAL COMPARISONS per £100 OUTPUT, 2013/2014

	Under 120 hectares	120 hectares and over
Number of farms in group	15	21
Average farmed area (hectares)	83	278
Average proportion of total farmed area tenanted or hired (%)	24	45
	per £100 output	
<u>Output</u>		
Milk	0	0
Cattle	43	30
Sheep	22	25
Pigs, poultry and other livestock	0	0
Cereals	1	0
Other cash crops	0	0
Straw and forage	2	1
Management agreements and agri-environment schemes	5	17
Miscellaneous output	11	6
Single Payment Scheme	17	21
TOTAL OUTPUT**	100	100
<u>Variable costs</u>		
Concentrates, fodder and keep	16	11
Veterinary, medicines and other livestock costs	11	11
Seeds	1	0
Fertilisers	7	6
Crop protection and other crop costs	1	1
TOTAL VARIABLE COSTS	35	29
TOTAL GROSS MARGIN**	65	71
<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	8	10
Machinery and other depreciation	9	9
Property maintenance	5	4
Electricity, other fuel and water	2	2
Other general costs	7	8
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	38	51
PROFIT BEFORE RENT AND INTEREST	27	20
Rent and rates	2	5
Long-term interest paid	3	3
Short-term interest paid	1	1
Interest received (-)	0	0
PROFIT**	22	11

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

LFA cattle and sheep farms, by farm size

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2013/2014

	Under 120 hectares	120 hectares and over
Number of farms in group	15	21
Average farmed area (hectares)	83	278
Average proportion of total farmed area tenanted or hired (%)	24	45
<u>Land use</u>		
Percentage cropped	1	0
Percentage forage	99	100
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	0	0
Other cattle	52	114
Sheep	28	64
Other livestock	0	5
Total	80	183
GLUs per ha	0.98	0.67
GLUs per adjusted ha	0.95	0.88
<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	1119	1128
£ per finished lamb	78	71
<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, by farm size

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2013/2014

	Under 120 hectares	120 hectares and over
Number of farms in group	15	21
Average farmed area (hectares)	83	278
Average proportion of total farmed area tenanted or hired (%)	24	45
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1122	734
Crops, forage and cultivations	50	17
Stores	52	17
Machinery	583	324
Single Payment Scheme	241	195
Miscellaneous business assets & other assets	1	1
Total physical assets	2049	1289
Liquid assets	417	252
Tenant's capital (TC)	2466	1541
Management & investment income (M&II)**	-186	-87
Return on tenant's capital (M&II as % of average TC)	-7.6%	-5.6%
<u>Ratios per £100 of output (%)</u>		
Variable costs	35	29
Gross margin	65	71
Fixed costs (excluding rent and interest)	38	51
Net profit	22	11
Net farm income	13	5
Farmer and spouse	30	18
Management & Investment Income	-17	-13
Tenant's capital		
Total assets	1292	1242
Total external liabilities	94	120
Net worth	1198	1122
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	35	101
Costs (£ per £100 output)	3	15
Costs (£ per £100 gross margin)	5	21
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	213	147
Costs (£ per £100 output)	20	22
Costs (£ per £100 gross margin)	31	31
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	249	247
Costs (£ per £100 output)	23	37
Costs (£ per £100 gross margin)	36	52

* Top third selected on Management and investment income per hectare

** Excluding Breeding Livestock Stock Appreciation

LFA cattle and sheep farms, by farm size

END-OF-YEAR BALANCE SHEETS, 2013/2014

	Under 120 hectares	120 hectares and over
Number of farms in group	15	21
Average farmed area (hectares)	83	278
Average proportion of total farmed area tenanted or hired (%)	24	45
End of year assets & liabilities	£ per farm hectare	
Land & buildings	11349	6707
Milk quota	0	0
Single Payment Scheme	246	207
Machinery	591	334
Tenant's other assets	0	0
Breeding livestock	609	492
Total fixed assets	12796	7740
Trading livestock	510	229
Crops	1	2
Forage and cultivations	54	16
Stores	44	18
Debtors and loans	73	92
Bank credit and cash	288	152
Other current assets	1	2
Total current assets	973	510
Total assets	13769	8250
Financed by		
AMC	126	304
Bank loans	628	293
Other long term	38	12
Total long term	792	610
HP and lease	46	37
Creditors	49	55
Bank overdraft	112	93
Other short term	0	1
Total current liabilities	207	186
Total Liabilities	999	796
Net worth	12770	7454
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	93%	90%
% Fixed assets vs. total assets	93%	94%
Gearing (long-term loans vs. total assets)	6%	7%
Total debt (external liabilities vs. net worth)	8%	11%
Current Ratio (current assets vs. current liabilities)	470%	274%
Liquidity Ratio (liquid assets vs. current liabilities)	175%	131%

* Top third selected on Management and investment income per hectare

Mixed cropping, cattle and sheep farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2013/2014

	Average	Premium*
Number of farms in group	25	
Average farmed area (hectares)	182	
Average proportion of total farmed area tenanted or hired (%)	40	
	£ per farm hectare	
<u>Output</u>		
Milk	0	
Milk quota leasing less milk quota levy	0	
Cattle	426	
Herd depreciation	-8	
Sheep	141	
Flock depreciation	-22	
Wool	3	
Pigs	7	
Poultry	4	
Other livestock	-1	
Cereals	299	
Oilseeds	26	
Pulses	3	
Other crops	57	
Crop subsidies	0	
Straw	62	
Forage	43	
Agri-environment schemes and management agreements	62	
Rental income and imputed farmhouse rental equivalent	40	
Hirework	57	
Miscellaneous output	44	
Cultivations	5	
Single Payment Scheme	192	
TOTAL FARM OUTPUT **	1439	
<u>Variable costs</u>		
Concentrates	157	
Purchased fodder	10	
Veterinary and medicines	20	
Other livestock costs	74	
Seeds	47	
Fertilisers	131	
Crop protection	62	
Other crop costs	24	
TOTAL VARIABLE COSTS	524	
TOTAL GROSS MARGIN**	915	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Mixed cropping, cattle and sheep farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2013/2014

	Average	Premium*
Number of farms in group	25	
Average farmed area (hectares)	182	
Average proportion of total farmed area tenanted or hired (%)	40	
	£ per farm hectare	
TOTAL GROSS MARGIN**	915	
<u>Fixed costs</u>		
Paid labour	75	
Unpaid family labour	74	
Casual labour	6	
Contract	60	
Machinery repairs	58	
Machinery fuel	76	
Machinery depreciation	141	
Other depreciation	5	
Property maintenance	39	
Electricity	11	
Other fuel	6	
Water	7	
Insurance	41	
Professional fees	28	
Other general costs	33	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	662	
PROFIT BEFORE RENT AND INTEREST	253	
Rent, hired in keep and bare land	63	
Rates	0	
Long-term interest	28	
Short-term interest	11	
Interest received (-)	1	
NET PROFIT**	152	
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	39	
Plus - Landlord type repairs (included in property maintenance)	2	
Less - Rental value (of owner occupied land and buildings)	134	
NET FARM INCOME** (NFI)	58	
Less farmer and spouse labour	218	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-160	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Mixed cropping, cattle and sheep farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2013/2014

	Average	Premium*
Number of farms in group	25	
Average farmed area (hectares)	182	
Average proportion of total farmed area tenanted or hired (%)	40	
	per £100 output	
<u>Output</u>		
Milk	0	
Cattle	29	
Sheep	8	
Pigs, poultry and other livestock	1	
Cereals	21	
Other cash crops	6	
Straw and forage	7	
Management agreements and agri-environment schemes	4	
Miscellaneous output	10	
Single Payment Scheme	13	
TOTAL OUTPUT**	100	
<u>Variable costs</u>		
Concentrates, fodder and keep	12	
Veterinary, medicines and other livestock costs	7	
Seeds	3	
Fertilisers	9	
Crop protection and other crop costs	6	
TOTAL VARIABLE COSTS	36	
TOTAL GROSS MARGIN**	64	
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	10	
Casual labour	0	
Contract	4	
Machinery repairs and fuel	9	
Machinery and other depreciation	10	
Property maintenance	3	
Electricity, other fuel and water	2	
Other general costs	7	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	46	
PROFIT BEFORE RENT AND INTEREST	18	
Rent and rates	4	
Long-term interest paid	2	
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, 2013/2014

	Average	Premium*
Number of farms in group	25	
Average farmed area (hectares)	182	
Average proportion of total farmed area tenanted or hired (%)	40	
<u>Land use</u>		
Percentage cropped	38	
Percentage forage	62	
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	0	
Other cattle	112	
Sheep	23	
Other livestock	0	
Total	135	
GLUs per ha	1.33	
GLUs per adjusted ha	1.35	
<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	1212	
£ per finished lamb	84	
<u>Cereals**</u>		
Winter wheat		
Yield - tonnes per hectare	6.9	
Price per tonne	160	
Winter barley		
Yield - tonnes per hectare	6.4	
Price per tonne	146	
Spring barley		
Yield - tonnes per hectare	5.7	
Price per tonne	137	
Winter oats		
Yield - tonnes per hectare	5.7	
Price per tonne	140	
All cereals		
Yield - tonnes per hectare	6.2	
Price per tonne	149	

* 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, 2013/2014

	Average	Premium*
Number of farms in group	25	
Average farmed area (hectares)	182	
Average proportion of total farmed area tenanted or hired (%)	40	
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	865	
Crops, forage and cultivations	267	
Stores	116	
Machinery	886	
Single Payment Scheme	254	
Miscellaneous business assets & other assets	5	
Total physical assets	2392	
Liquid assets	368	
Tenant's capital (TC)	2761	
Management & investment income (M&II)**	-160	
Return on tenant's capital (M&II as % of average TC)	-5.8%	
<u>Ratios per £100 of output (%)</u>		
Variable costs	36	
Gross margin	64	
Fixed costs (excluding rent and interest)	46	
Net profit	11	
Net farm income	4	
Farmer and spouse	15	
Management & Investment Income	-11	
Tenant's capital		
Total assets	979	
Total external liabilities	70	
Net worth	910	
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	156	
Costs (£ per £100 output)	11	
Costs (£ per £100 gross margin)	17	
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	335	
Costs (£ per £100 output)	23	
Costs (£ per £100 gross margin)	37	
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	491	
Costs (£ per £100 output)	34	
Costs (£ per £100 gross margin)	54	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Mixed cropping, cattle and sheep farms

END-OF-YEAR BALANCE SHEETS, 2013/2014

	Average	Premium*
Number of farms in group	25	
Average farmed area (hectares)	182	
Average proportion of total farmed area tenanted or hired (%)	40	
End of year assets & liabilities	£ per farm hectare	
Land & buildings	11367	
Milk quota	0	
Single Payment Scheme	252	
Machinery	864	
Tenant's other assets	1	
Breeding livestock	356	
Total fixed assets	12840	
Trading livestock	505	
Crops	150	
Forage and cultivations	123	
Stores	126	
Debtors and loans	177	
Bank credit and cash	168	
Other current assets	4	
Total current assets	1253	
Total assets	14092	
Financed by		
AMC	127	
Bank loans	427	
Other long term	90	
Total long term	643	
HP and lease	125	
Creditors	99	
Bank overdraft	132	
Other short term	3	
Total current liabilities	359	
Total Liabilities	1003	
Net worth	13090	
Balance sheet ratios		
% Owner equity (net worth vs. total assets)	93%	
% Fixed assets vs. total assets	91%	
Gearing (long-term loans vs. total assets)	5%	
Total debt (external liabilities vs. net worth)	8%	
Current Ratio (current assets vs. current liabilities)	349%	
Liquidity Ratio (liquid assets vs. current liabilities)	96%	

* Insufficient farms

Organic dairy farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2013/2014

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	196	
Average proportion of total farmed area tenanted or hired (%)	59	
	£ per farm hectare	
<u>Output</u>		
Milk	1745	
Milk quota leasing less milk quota levy	0	
Cattle	391	
Herd depreciation	-130	
Sheep	7	
Flock depreciation	-1	
Wool	0	
Pigs	1	
Poultry	0	
Other livestock	0	
Cereals	6	
Oilseeds	0	
Pulses	0	
Other crops	0	
Crop subsidies	0	
Straw	1	
Forage	-7	
Agri-environment schemes and management agreements	52	
Rental income and imputed farmhouse rental equivalent	25	
Hirework	2	
Miscellaneous output	45	
Cultivations	1	
Single Payment Scheme	170	
TOTAL FARM OUTPUT **	2307	
<u>Variable costs</u>		
Concentrates	545	
Purchased fodder	36	
Veterinary and medicines	51	
Other livestock costs	211	
Seeds	32	
Fertilisers	3	
Crop protection	0	
Other crop costs	11	
TOTAL VARIABLE COSTS	889	
TOTAL GROSS MARGIN**	1418	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic dairy farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2013/2014

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	196	
Average proportion of total farmed area tenanted or hired (%)	59	
	£ per farm hectare	
TOTAL GROSS MARGIN**	1418	
<u>Fixed costs</u>		
Paid labour	226	
Unpaid family labour	36	
Casual labour	18	
Contract	105	
Machinery repairs	79	
Machinery fuel	61	
Machinery depreciation	134	
Other depreciation	4	
Property maintenance	51	
Electricity	38	
Other fuel	2	
Water	18	
Insurance	38	
Professional fees	21	
Other general costs	30	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	861	
PROFIT BEFORE RENT AND INTEREST	557	
Rent, hired in keep and bare land	112	
Rates	1	
Long-term interest	26	
Short-term interest	16	
Interest received (-)	2	
NET PROFIT**	404	
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	40	
Plus - Landlord type repairs (included in property maintenance)	5	
Less - Rental value (of owner occupied land and buildings)	143	
NET FARM INCOME** (NFI)	305	
Less farmer and spouse labour	254	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	51	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic dairy farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2013/2014

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	196	
Average proportion of total farmed area tenanted or hired (%)	59	
	per £100 output	
<u>Output</u>		
Milk	76	
Cattle	11	
Sheep	0	
Pigs, poultry and other livestock	0	
Cereals	0	
Other cash crops	0	
Straw and forage	0	
Management agreements and agri-environment schemes	2	
Miscellaneous output	3	
Single Payment Scheme	7	
TOTAL OUTPUT**	100	
<u>Variable costs</u>		
Concentrates, fodder and keep	25	
Veterinary, medicines and other livestock costs	11	
Seeds	1	
Fertilisers	0	
Crop protection and other crop costs	0	
TOTAL VARIABLE COSTS	39	
TOTAL GROSS MARGIN**	61	
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	11	
Casual labour	1	
Contract	5	
Machinery repairs and fuel	6	
Machinery and other depreciation	6	
Property maintenance	2	
Electricity, other fuel and water	2	
Other general costs	4	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	37	
PROFIT BEFORE RENT AND INTEREST	24	
Rent and rates	5	
Long-term interest paid	1	
Short-term interest paid	1	
Interest received (-)	0	
PROFIT**	17	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic dairy farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2013/2014

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	196	
Average proportion of total farmed area tenanted or hired (%)	59	
<u>Land use</u>		
Percentage cropped	1	
Percentage forage	99	
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	142	
Other cattle	76	
Sheep	2	
Other livestock	0	
Total	220	
GLUs per ha	1.23	
GLUs per adjusted ha	1.23	
<u>Technical efficiency</u>		
<u>Dairy</u>		
Milk yield per cow	5911	
Pence per litre	38.2	
Milk output per cow	2294	
Dairy calf output, £ per calf	120	
<u>Finished cattle and lambs</u>		
£ per finished animal	1275	
£ per finished lamb	93	
<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	2.4	
Price per tonne	217	

* Insufficient farms

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

Organic dairy farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2013/2014

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	196	
Average proportion of total farmed area tenanted or hired (%)	59	
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	1311	
Crops, forage and cultivations	70	
Stores	69	
Machinery	754	
Single Payment Scheme	229	
Miscellaneous business assets & other assets	23	
Total physical assets	2455	
Liquid assets	519	
Tenant's capital (TC)	2974	
Management & investment income (M&II)**	51	
Return on tenant's capital (M&II as % of average TC)	1.7%	
<u>Ratios per £100 of output (%)</u>		
Variable costs	39	
Gross margin	61	
Fixed costs (excluding rent and interest)	37	
Net profit	17	
Net farm income	13	
Farmer and spouse	11	
Management & Investment Income	2	
Tenant's capital		
Total assets	491	
Total external liabilities	50	
Net worth	441	
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	281	
Costs (£ per £100 output)	12	
Costs (£ per £100 gross margin)	20	
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	379	
Costs (£ per £100 output)	16	
Costs (£ per £100 gross margin)	27	
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	660	
Costs (£ per £100 output)	29	
Costs (£ per £100 gross margin)	47	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic dairy farms

END-OF-YEAR BALANCE SHEETS, 2013/2014

	Average	Premium*
Number of farms in group	13	
Average farmed area (hectares)	196	
Average proportion of total farmed area tenanted or hired (%)	59	
End of year assets & liabilities	£ per farm hectare	
Land & buildings	8254	
Milk quota	5	
Single Payment Scheme	228	
Machinery	785	
Tenant's other assets	0	
Breeding livestock	1073	
Total fixed assets	10346	
Trading livestock	265	
Crops	3	
Forage and cultivations	59	
Stores	79	
Debtors and loans	367	
Bank credit and cash	188	
Other current assets	24	
Total current assets	986	
Total assets	11332	
Financed by		
AMC	436	
Bank loans	277	
Other long term	54	
Total long term	767	
HP and lease	99	
Creditors	149	
Bank overdraft	145	
Other short term	1	
Total current liabilities	393	
Total Liabilities	1160	
Net worth	10172	
<u>Balance sheet ratios</u>		
% Owner equity (net worth vs. total assets)	90%	
% Fixed assets vs. total assets	91%	
Gearing (long-term loans vs. total assets)	7%	
Total debt (external liabilities vs. net worth)	11%	
Current Ratio (current assets vs. current liabilities)	251%	
Liquidity Ratio (liquid assets vs. current liabilities)	141%	

* Insufficient farms

Organic lowland cattle and sheep farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2013/2014

	Average	Premium*
Number of farms in group	21	
Average farmed area (hectares)	185	
Average proportion of total farmed area tenanted or hired (%)	48	
	£ per farm hectare	
<u>Output</u>		
Milk	0	
Milk quota leasing less milk quota levy	0	
Cattle	295	
Herd depreciation	-20	
Sheep	65	
Flock depreciation	-10	
Wool	2	
Pigs	0	
Poultry	1	
Other livestock	0	
Cereals	55	
Oilseeds	2	
Pulses	3	
Other crops	0	
Crop subsidies	0	
Straw	13	
Forage	26	
Agri-environment schemes and management agreements	133	
Rental income and imputed farmhouse rental equivalent	101	
Hirework	22	
Miscellaneous output	81	
Cultivations	-1	
Single Payment Scheme	203	
TOTAL FARM OUTPUT **	971	
<u>Variable costs</u>		
Concentrates	41	
Purchased fodder	4	
Veterinary and medicines	14	
Other livestock costs	48	
Seeds	24	
Fertilisers	14	
Crop protection	1	
Other crop costs	7	
TOTAL VARIABLE COSTS	153	
TOTAL GROSS MARGIN**	818	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic lowland cattle and sheep farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2013/2014

	Average	Premium*
Number of farms in group	21	
Average farmed area (hectares)	185	
Average proportion of total farmed area tenanted or hired (%)	48	
	£ per farm hectare	
TOTAL GROSS MARGIN**	818	
<u>Fixed costs</u>		
Paid labour	21	
Unpaid family labour	34	
Casual labour	6	
Contract	53	
Machinery repairs	42	
Machinery fuel	42	
Machinery depreciation	95	
Other depreciation	48	
Property maintenance	82	
Electricity	8	
Other fuel	3	
Water	10	
Insurance	31	
Professional fees	18	
Other general costs	33	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	525	
PROFIT BEFORE RENT AND INTEREST	293	
Rent, hired in keep and bare land	69	
Rates	1	
Long-term interest	46	
Short-term interest	8	
Interest received (-)	1	
NET PROFIT**	171	
Reconciliation of Profit to NFI and M&II		
Plus - Interest charges (net)	53	
Plus - Landlord type repairs (included in property maintenance)	2	
Less - Rental value (of owner occupied land and buildings)	103	
NET FARM INCOME** (NFI)	123	
Less farmer and spouse labour	189	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-66	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic lowland cattle and sheep farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2013/2014

	Average	Premium*
Number of farms in group	21	
Average farmed area (hectares)	185	
Average proportion of total farmed area tenanted or hired (%)	48	
	per £100 output	
<u>Output</u>		
Milk	0	
Cattle	28	
Sheep	6	
Pigs, poultry and other livestock	0	
Cereals	6	
Other cash crops	0	
Straw and forage	4	
Management agreements and agri-environment schemes	14	
Miscellaneous output	21	
Single Payment Scheme	21	
TOTAL OUTPUT**	100	
<u>Variable costs</u>		
Concentrates, fodder and keep	5	
Veterinary, medicines and other livestock costs	6	
Seeds	2	
Fertilisers	1	
Crop protection and other crop costs	1	
TOTAL VARIABLE COSTS	16	
TOTAL GROSS MARGIN**	84	
<u>Fixed costs</u>		
Labour - paid and unpaid, excluding farmer and spouse	6	
Casual labour	1	
Contract	5	
Machinery repairs and fuel	9	
Machinery and other depreciation	15	
Property maintenance	8	
Electricity, other fuel and water	2	
Other general costs	8	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	54	
PROFIT BEFORE RENT AND INTEREST	30	
Rent and rates	7	
Long-term interest paid	5	
Short-term interest paid	1	
Interest received (-)	0	
PROFIT**	18	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic lowland cattle and sheep farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2013/2014

	Average	Premium*
Number of farms in group	21	
Average farmed area (hectares)	185	
Average proportion of total farmed area tenanted or hired (%)	48	
<u>Land use</u>		
Percentage cropped	8	
Percentage forage	92	
<u>Grazing livestock units</u>	GLUs per farm	
Dairy cattle	0	
Other cattle	82	
Sheep	28	
Other livestock	2	
Total	112	
GLUs per ha	0.70	
GLUs per adjusted ha	0.70	
<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	1250	
£ per finished lamb	78	
<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	4.4	
Price per tonne	224	
Winter oats		
Yield - tonnes per hectare		
Price per tonne		
All cereals		
Yield - tonnes per hectare	3.4	
Price per tonne	215	

* 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, 2013/2014

	Average	Premium*
Number of farms in group	21	
Average farmed area (hectares)	185	
Average proportion of total farmed area tenanted or hired (%)	48	
	£ per farm hectare	
<u>Tenant's capital formation</u>		
Livestock	622	
Crops, forage and cultivations	54	
Stores	27	
Machinery	728	
Single Payment Scheme	274	
Miscellaneous business assets & other assets	2	
Total physical assets	1706	
Liquid assets	311	
Tenant's capital (TC)	2018	
Management & investment income (M&II)**	-66	
Return on tenant's capital (M&II as % of average TC)	-3.3%	
<u>Ratios per £100 of output (%)</u>		
Variable costs	16	
Gross margin	84	
Fixed costs (excluding rent and interest)	54	
Net profit	18	
Net farm income	13	
Farmer and spouse	19	
Management & Investment Income	-7	
Tenant's capital		
Total assets	1178	
Total external liabilities	170	
Net worth	1008	
<u>Efficiency of labour use</u>		
Costs (£ per hectare)	60	
Costs (£ per £100 output)	6	
Costs (£ per £100 gross margin)	7	
<u>Efficiency of machinery use</u>		
Costs (£ per hectare)	231	
Costs (£ per £100 output)	24	
Costs (£ per £100 gross margin)	28	
<u>Efficiency of labour and machinery use</u>		
Costs (£ per hectare)	292	
Costs (£ per £100 output)	30	
Costs (£ per £100 gross margin)	36	

* Insufficient farms

** Excluding Breeding Livestock Stock Appreciation

Organic lowland cattle and sheep farms

END-OF-YEAR BALANCE SHEETS, 2013/2014

	Average	Premium*
Number of farms in group	21	
Average farmed area (hectares)	185	
Average proportion of total farmed area tenanted or hired (%)	48	
End of year assets & liabilities	£ per farm hectare	
Land & buildings	9376	
Milk quota	0	
Single Payment Scheme	272	
Machinery	720	
Tenant's other assets	1	
Breeding livestock	308	
Total fixed assets	10677	
Trading livestock	319	
Crops	16	
Forage and cultivations	30	
Stores	28	
Debtors and loans	190	
Bank credit and cash	169	
Other current assets	1	
Total current assets	753	
Total assets	11430	
Financed by		
AMC	277	
Bank loans	986	
Other long term	95	
Total long term	1358	
HP and lease	75	
Creditors	90	
Bank overdraft	126	
Other short term	1	
Total current liabilities	291	
Total Liabilities	1648	
Net worth	9781	
<u>Balance sheet ratios</u>		
% Owner equity (net worth vs. total assets)	86%	
% Fixed assets vs. total assets	93%	
Gearing (long-term loans vs. total assets)	12%	
Total debt (external liabilities vs. net worth)	17%	
Current Ratio (current assets vs. current liabilities)	259%	
Liquidity Ratio (liquid assets vs. current liabilities)	124%	

* Insufficient farms

SECTION 3**ENTERPRISE GROSS MARGINS 2013/14**

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

WHEAT

Gross margin per hectare		Crop year 2013		
		WINTER		SPRING
		Average	Premium*	Average
Number of farms		86	29	11
Area per farm (ha)		37.2	51.7	13.5
Yield: tonnes/ha		7.3	8.7	6.0
Price: £/tonne		159.4	160.2	169.8
		£ per hectare		
Grain		1163.8	1393.4	1019.0
Straw		180.0	217.6	172.7
ENTERPRISE OUTPUT		1343.8	1611.0	1191.7
Seeds (inc.homegrown)		100.0	80.5	108.8
Fertilisers		227.1	229.4	122.7
Sprays		187.0	190.8	127.2
Other crop costs		47.5	42.3	26.4
TOTAL VARIABLES ‡		561.6	543.0	385.1
GROSS MARGIN		782.2	1068.0	806.6

Averages - previous year	2012	2012*	2012	2012**
Yield: tonnes/ha	5.9	6.7	3.8	
Price: £/tonne	178.7	186.5	176.3	
Gross Margin: £/ha	672.6	933.1	590.2	

* 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 2013			
		WINTER		SPRING	
		Average	Premium*	Average	Premium*
Number of farms		67	22	103	34
Area per farm (ha)		18.0	21.7	29.6	35.7
Yield: tonnes/ha		6.5	7.8	5.9	6.9
Price: £/tonne		140.6	142.0	136.8	139.8
		£ per hectare			
Grain		913.7	1107.8	807.2	964.8
Straw		204.3	252.2	156.8	181.1
ENTERPRISE OUTPUT		1118.0	1360.0	964.0	1145.9
Seeds (inc.homegrown)		94.3	80.4	75.2	76.3
Fertilisers		208.4	198.3	145.1	140.6
Sprays		163.3	147.4	107.5	110.7
Other crop costs		35.1	39.4	25.7	18.8
TOTAL VARIABLES ‡		501.1	465.5	353.5	346.4
GROSS MARGIN		616.9	894.5	610.5	799.5

Averages - previous year	2012	2012*	2012	2012*
Yield: tonnes/ha	5.5	6.7	4.4	5.3
Price: £/tonne	174.3	176.0	176.4	178.0
Gross Margin: £/ha	677.0	1007.5	574.0	781.0

* 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 2013		
		WINTER		SPRING
		Average	Premium*	Average
Number of farms		34	11	19
Area per farm (ha)		16.1	17.9	16.6
Yield: tonnes/ha		5.9	6.5	5.4
Price: £/tonne		134.8	154.2	127.8
		£ per hectare		
Grain		795.1	1002.3	690.1
Straw		181.3	185.1	154.0
ENTERPRISE OUTPUT		976.4	1187.4	844.1
Seeds (inc.homegrown)		76.0	79.6	67.4
Fertilisers		189.6	199.8	153.7
Sprays		111.9	107.8	98.6
Other crop costs		37.1	43.6	25.6
TOTAL VARIABLES ‡		414.6	430.8	345.3
GROSS MARGIN		561.8	756.6	498.8

Averages - previous year	2012	2012*	2012	2012**
Yield: tonnes/ha	5.4	6.8	5.2	
Price: £/tonne	176.3	170.5	179.6	
Gross Margin: £/ha	726.0	1000.7	775.5	

* 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 2013	
	WINTER OILSEED RAPE		SPRING OILSEED RAPE	
	Average	Premium*	Average**	Premium**
Number of farms	37	12		
Area per farm (ha)	43.3	67.3		
Yield: tonnes/ha	3.3	4.0		
Price: £/tonne	319.8	327.8		
	£ per hectare			
Oilseed	1055.3	1311.2		
Haulm	22.6	25.0		
ENTERPRISE OUTPUT	1077.9	1336.2		
Seeds (inc.homegrown)	74.6	66.3		
Fertilisers	251.6	227.6		
Sprays	198.6	203.7		
Other crop costs	39.7	44.3		
TOTAL VARIABLES ‡	564.5	541.9		
GROSS MARGIN	513.4	794.3		

Averages - previous year	2012	2012*	2012**	2012**
Yield: tonnes/ha	3.3	3.8		
Price: £/tonne	385.4	394.9		
Gross Margin: £/ha	706.6	997.2		

* 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		2013/14	
		Average	Premium*
Number of farms		86	29
Cows per herd		150	176
Yield:	litres/cow	6852	7996
Price:	pence/litre	32.5	33.2
Stocking rate:	cows/ha	1.78	1.67
	ha/cow	0.56	0.60
		£ per cow	
Output -	milk	2228.7	2652.8
	milk quota leasing and levy	0.0	0.0
	miscellaneous revenue	0.1	0.2
	calves	121.6	136.4
	depreciation	-200.4	-201.4
ENTERPRISE OUTPUT (excl. BLSA)		2150.0	2588.0
Concentrates		591.3	659.6
Coarse fodder		33.5	34.8
Veterinary and medicines		67.8	71.1
Other livestock costs		160.9	161.8
Forage †		116.6	120.7
TOTAL VARIABLE COSTS ‡		970.1	1048.0
GROSS MARGIN per cow (excl. BLSA)		1179.9	1540.0
GROSS MARGIN per hectare (excl. BLSA)		2097.0	2567.2
Margin - milk over concentrates		1637.4	1993.2
Concentrates per £100 of milk output		26.5	24.9

* 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

DAIRY COWS - ORGANIC MILK PRODUCTION

Gross margins per cow and per hectare

2013/14

	Organic Average	Conventional Average
Number of farms	13	86
Cows per herd	142	150
Yield: litres/cow	5823	6852
Price: pence/litre	37.6	32.5
Stocking rate: cows/ha	1.25	1.78
ha/cow	0.80	0.56
	£ per cow	
Output - milk	2203.7	2228.7
milk quota leasing and levy	0.0	0.0
miscellaneous revenue	1.2	0.1
calves	102.5	121.6
depreciation	-161.3	-200.4
ENTERPRISE OUTPUT (excl. BLSA)	2146.2	2150.0
Concentrates	544.8	591.3
Coarse fodder	31.4	33.5
Veterinary and medicines	55.2	67.8
Other livestock costs	174.5	160.9
Forage †	37.3	116.6
TOTAL VARIABLE COSTS ‡	843.2	970.1
GROSS MARGIN per cow (excl. BLSA)	1303.0	1179.9
GROSS MARGIN per hectare (excl. BLSA)	1626.2	2097.0
Margin - milk over concentrates	1658.9	1637.4
Concentrates per £100 of milk output	24.7	26.5

* Insufficient farms

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

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

DAIRY COWS - MAINLY FRIESIAN/HOLSTEINS

Gross margins per cow and per hectare

2013/14

		Less than 5999	6000-6999	7000-7999	Over 8000
Number of farms		26	13	24	23
Cows per herd		130	137	160	171
Yield:	litres/cow	4781	6637	7556	8580
Price:	pence/litre	32.2	32.7	32.4	32.7
Stocking rate:	cows/ha	1.80	1.80	1.90	1.70
	ha/cow	0.56	0.56	0.53	0.59
		£ per cow			
Output -	milk	1544.0	2172.3	2449.8	2803.9
	milk quota leasing and levy	0.0	0.0	0.0	0.0
	miscellaneous revenue	0.0	0.0	0.0	0.3
	calves	104.5	126.0	135.4	124.4
	depreciation	-157.7	-175.2	-217.7	-244.7
ENTERPRISE OUTPUT (excl. BLSA)		1490.8	2123.1	2367.5	2683.6
Concentrates		336.1	565.0	660.8	822.1
Coarse fodder		23.8	24.3	30.0	53.2
Veterinary and medicines		42.9	72.0	81.1	79.7
Other livestock costs		132.3	157.8	157.4	198.8
Forage †		101.1	124.3	122.7	123.2
TOTAL VARIABLE COSTS ‡		636.2	943.4	1052.0	1277.0
GROSS MARGIN per cow (excl. BLSA)		854.6	1179.7	1315.5	1406.6
GROSS MARGIN per hectare (excl. BLSA)		1538.3	2123.5	2499.5	2391.2
Margin - milk over concentrates		1207.9	1607.3	1789.0	1981.8
Concentrates per £100 of milk output		21.8	26.0	27.0	29.3

* Top third in order of Gross Margin per cow.

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

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

Conventional milk production only

DAIRY COWS - MAINLY FRIESIAN/HOLSTEINS

Gross margins per cow and per hectare

2013/14

		Under 70	70-99	100-150	150-200	Over 200
Number of farms		15	14	24	13	20
Cows per herd		53	85	125	154	281
Yield:	litres/cow	6128	6305	7162	5979	7206
Price:	pence/litre	32.4	32.7	32.0	32.3	33.1
Stocking rate:	cows/ha	1.40	1.90	1.70	1.50	2.10
	ha/cow	0.71	0.53	0.59	0.67	0.48
		£ per cow				
Output -	milk	1986.3	2065.0	2292.1	1933.3	2386.8
	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	0.3
	calves	120.8	131.1	126.1	90.8	115.1
	depreciation	-161.5	-182.6	-210.4	-178.3	-223.6
ENTERPRISE OUTPUT (excl. BLSA)		1945.6	2013.5	2207.8	1845.8	2278.3
Concentrates		488.5	528.9	629.7	506.2	653.9
Coarse fodder		36.4	33.6	20.1	30.1	45.4
Veterinary and medicines		63.0	49.1	77.0	63.4	69.8
Other livestock costs		186.5	142.7	173.0	107.4	160.8
Forage †		102.4	113.8	126.4	98.8	118.3
TOTAL VARIABLE COSTS ‡		876.8	868.1	1026.2	805.9	1048.2
GROSS MARGIN per cow (excl. BLSA)		1068.8	1145.4	1181.6	1039.9	1230.1
GROSS MARGIN per hectare (excl. BLSA)		1496.3	2176.3	2008.7	1559.9	2583.2
Margin - milk over concentrates		1497.8	1536.1	1662.4	1427.1	1732.9
Concentrates per £100 of milk output		24.6	25.6	27.5	26.2	27.4

* 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
2013/14

	Average	Premium*
Number of farms	26	
Cows per herd	67	
Stocking rate: LU/ha ha/LU	0.77 1.29	
	£ per cow	
Output - calf output	509.1	
miscellanoeous revenue	0.0	
depreciation	-72.3	
ENTERPRISE OUTPUT (excl. BLSA)	436.8	
Concentrates	25.6	
Coarse fodder	18.1	
Veterinary and medicines	15.3	
Other livestock costs	57.6	
Forage †	67.5	
TOTAL VARIABLE COSTS ‡	184.2	
GROSS MARGIN per cow (excl. BLSA)	252.6	
GROSS MARGIN per LU (excl.BLSA)	250.6	
GROSS MARGIN per hectare (excl. BLSA)	195.4	
Concentrates per £100 output	5.9	

* Insufficient farms

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

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

LOWLAND BEEF COWS

Gross margins per cow, per LU and per hectare

2013/14

	Average	Premium*
Number of farms	72	24
Cows per herd	45	42
Stocking rate:		
LU/ha	1.12	1.13
ha/LU	0.89	0.89
	£ per cow	
Output - calf output	493.0	599.1
depreciation	-36.9	26.2
ENTERPRISE OUTPUT (excl. BLSA)	456.1	625.3
Concentrates	37.4	28.7
Coarse fodder	11.7	9.0
Veterinary and medicines	29.9	28.9
Other livestock costs	70.4	84.2
Forage †	82.4	82.0
TOTAL VARIABLE COSTS ‡	231.7	232.8
GROSS MARGIN per cow (excl. BLSA)	224.4	392.5
GROSS MARGIN per LU (excl. BLSA)	220.8	374.6
GROSS MARGIN per hectare (excl. BLSA)	252.1	442.8
Concentrates per £100 output	8.2	4.6

* 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.

ORGANIC LOWLAND BEEF COWS

Gross margins per cow, per LU and per hectare

2013/14

	Organic Average	Conventional Average
Number of farms	21	72
Cows per herd	41	45
Stocking rate: LU/ha ha/LU	0.74 1.35	1.12 0.89
	£ per cow	
Output - calf output	502.3	493.0
depreciation	-89.0	-36.9
ENTERPRISE OUTPUT (excl. BLSA)	413.3	456.1
Concentrates	24.3	37.4
Coarse fodder	9.5	11.7
Veterinary and medicines	28.7	29.9
Other livestock costs	69.0	70.4
Forage †	52.1	82.4
TOTAL VARIABLE COSTS ‡	183.6	231.7
GROSS MARGIN per cow (excl. BLSA)	229.7	224.4
GROSS MARGIN per LU (excl. BLSA)	226.0	220.8
GROSS MARGIN per hectare (excl. BLSA)	169.7	252.1
Concentrates per £100 output	5.9	8.2

* 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.

DAIRY FOLLOWERS

Gross margins per head, per LU and per hectare

2013/14

	Average	Premium*
Number of farms	52	17
Number of head per farm	116	124
Stocking rate: LU/ha ha/LU	1.70 0.59	1.76 0.57
	£ per head	
Output - cattle	449.0	592.8
ENTERPRISE OUTPUT	449.0	592.8
Concentrates	102.8	69.4
Coarse fodder	16.2	17.5
Veterinary and medicines	12.3	12.3
Other livestock costs	63.5	86.5
Forage †	57.9	60.2
TOTAL VARIABLE COSTS ‡	252.7	245.9
GROSS MARGIN per head	196.3	346.9
GROSS MARGIN per LU	375.3	674.5
GROSS MARGIN per hectare	638.3	1188.6
Concentrates per £100 output	22.9	11.7

* 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.

STORE CATTLE FROM DAIRY BRED CALVES OR STORES

Gross margins per head, per LU and per hectare

2013/14

	Average	Premium*
Number of farms	20	
Cattle per herd	152	
Stocking rate: LU/ha ha/LU	1.56 0.64	
	£ per head	
Output - cattle	412.9	
ENTERPRISE OUTPUT (excl. BLSA)	412.9	
Concentrates	96.4	
Coarse fodder	6.8	
Veterinary and medicines	10.2	
Other livestock costs	45.2	
Forage †	63.0	
TOTAL VARIABLE COSTS ‡	221.6	
GROSS MARGIN per head	191.3	
GROSS MARGIN per LU	347.2	
GROSS MARGIN per hectare	543.2	
Concentrates per £100 output	23.3	

* Insufficient farms

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

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

STORE CATTLE FROM BEEF BRED CALVES OR STORES

Gross margins per head, per LU and per hectare

2013/14

	Average	Premium*
Number of farms	46	15
Cattle per herd	50	41
Stocking rate: LU/ha ha/LU	0.87 1.15	0.95 1.06
	£ per head	
Output - cattle	386.7	584.6
ENTERPRISE OUTPUT (excl. BLSA)	386.7	584.6
Concentrates	68.4	56.8
Coarse fodder	9.2	5.3
Veterinary and medicines	15.7	18.4
Other livestock costs	60.4	71.3
Forage †	42.5	41.5
TOTAL VARIABLE COSTS ‡	196.1	193.3
GROSS MARGIN per head	190.7	391.3
GROSS MARGIN per LU	331.7	691.4
GROSS MARGIN per hectare	289.2	654.5
Concentrates per £100 output	17.7	9.7

* 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.

FINISHED CATTLE FROM DAIRY BRED CALVES OR STORES

Gross margins per head, per LU and per hectare

2013/14

	Average	Premium*
Number of farms	27	
Cattle per herd	173	
Average finished animal sale price - £/head	1157	
Stocking rate: LU/ha ha/LU	1.48 0.68	
	£ per head	
Output - cattle	486.9	
ENTERPRISE OUTPUT (excl. BLSA)	486.9	
Concentrates	138.6	
Coarse fodder	5.1	
Veterinary and medicines	9.0	
Other livestock costs	58.8	
Forage †	75.2	
TOTAL VARIABLE COSTS ‡	286.7	
GROSS MARGIN per head	200.2	
GROSS MARGIN per LU	365.3	
GROSS MARGIN per hectare	539.9	
Concentrates per £100 output	28.5	

* Insufficient farms

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

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

FINISHED CATTLE FROM BEEF BRED CALVES OR STORES

Gross margins per head, per LU and per hectare

2013/14

	Average	Premium*
Number of farms	58	19
Cattle per herd	113	124
Average finished animal sale price - £/head	1189	1230
Stocking rate: LU/ha	1.13	1.32
ha/LU	0.88	0.76
	£ per head	
Output - cattle	481.5	623.6
ENTERPRISE OUTPUT (excl. BLSA)	481.5	623.6
Concentrates	135.7	118.9
Coarse fodder	7.8	5.2
Veterinary and medicines	14.8	14.6
Other livestock costs	68.2	86.0
Forage †	51.4	49.8
TOTAL VARIABLE COSTS ‡	277.9	274.5
GROSS MARGIN per head	203.6	349.1
GROSS MARGIN per LU	329.1	558.8
GROSS MARGIN per hectare	372.0	738.3
Concentrates per £100 output	28.2	19.1

* 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

2013/14

	Organic Average	Conventional Average
Number of farms	15	58
Cattle per herd	101	113
Average finished animal sale price - £/head	1374	1189
Stocking rate: LU/ha ha/LU	0.70 1.42	1.13 0.88
	£ per head	
Output - cattle	455.0	481.5
ENTERPRISE OUTPUT (excl. BLSA)	455.0	481.5
Concentrates	53.5	135.7
Coarse fodder	3.9	7.8
Veterinary and medicines	4.8	14.8
Other livestock costs	53.4	68.2
Forage †	29.5	51.4
TOTAL VARIABLE COSTS ‡	145.1	277.9
GROSS MARGIN per head	309.9	203.6
GROSS MARGIN per LU	506.6	329.1
GROSS MARGIN per hectare	357.1	372.0
Concentrates per £100 output	11.8	28.2

* 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

2013/14

	Average	Premium*
Number of flocks	68	23
Average number of ewes	314	262
Lambing % (births divided by number of ewes tupped)	135	154
Average lamb sale price - £/lamb	73.6	86.4
Stocking rate - ewes per hectare	7.9	9.9
	£ per ewe	
Output - lambs	116.7	162.0
wool	2.4	2.8
miscellaneous	0.1	0.0
depreciation	-14.7	-16.2
ENTERPRISE OUTPUT (excl. BLSA)	104.5	148.6
Concentrates	19.2	20.8
Coarse fodder	2.1	2.7
Veterinary and medicines	6.7	7.0
Other livestock costs	13.4	16.0
Forage †	12.9	15.4
TOTAL VARIABLE COSTS ‡	54.4	61.9
GROSS MARGIN per ewe (excl. BLSA)	50.1	86.7
GROSS MARGIN per LU (excl. BLSA)	318.4	544.6
GROSS MARGIN per hectare (excl. BLSA)	395.8	858.3
Concentrates per £100 of output	18.4	14.0

* Top third in order of Gross Margin per ewe.

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

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

LESS FAVOURED AREA BREEDING EWES

Gross margins per ewe and per hectare

2013/14

Gross margin per ewe and per hectare		Average	Premium*
Number of flocks		28	
Average number of ewes		608	
Lambing % (births divided by number of ewes tupped)		112	
Average finished lamb sale price - £/lamb		79.5	
Stocking rate - ewes per hectare		7.3	
		£ per ewe	
Output -	lambs	83.8	
	wool	2.3	
	depreciation	-12.3	
ENTERPRISE OUTPUT (excl. BLSA)		73.8	
Concentrates		16.8	
Coarse fodder		1.6	
Veterinary and medicines		5.2	
Other livestock costs		8.6	
Forage †		7.8	
TOTAL VARIABLE COSTS ‡		39.9	
GROSS MARGIN per ewe (excl. BLSA)		33.9	
GROSS MARGIN per LU (excl.BLSA)		322.6	
GROSS MARGIN per hectare (excl. BLSA)		247.5	
Concentrates per £100 of output		22.8	

* Insufficient farms

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

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

APPENDIX 1:

DEFINITION OF FARMING TYPES

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

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

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

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

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

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

'Average' and 'Premium' standards

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

APPENDIX 2:

DEFINITION OF TERMS USED

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

Gross output

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

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

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

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

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

Variable costs

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

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

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

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

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

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

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

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

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

Fixed costs

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

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

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

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

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

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

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

Source and allocation of funds

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

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

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

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

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

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

Gross margins

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

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

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

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

Technical efficiency measures

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

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

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

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

Tenants capital and financial efficiency

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

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

Assets and Liabilities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX 3:**USEFUL WEBSITES**

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

Natural England	www.naturalengland.org.uk
Newcastle University	www.ncl.ac.uk/afrd
Rothamsted Research	www.rothamsted.ac.uk/northwyke
Office of National Statistics	www.statistics.gov.uk
Organic Centre Wales	www.organic.aber.ac.uk
Organic Farmers and Growers	www.organicfarmers.org.uk
Organic Research Centre	www.efrc.com
Organic Studies Centre	www.organicstudiescornwall.co.uk
Peninsula Partnership for the Rural Environment	www.ppre.ac.uk
Royal Agricultural Society of England	www.rase.org.uk
Royal Institution of Chartered Surveyors	www.rics.org
Royal Society for the Protection of Birds	www.rspb.org.uk
Rural Business Research	www.ruralbusinessresearch.co.uk
Rural Business School	www.ruralbusinessschool.org.uk
Rural Payments Agency	www.rpa.gov.uk
Scottish Agricultural College	www.sac.ac.uk
Soil Association	www.soilassociation.org
South West Rural Enterprise Gateway	www.reqsw.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 2013/14

Dairy Farming in England 2013/14

Hill Farming in England 2013/14

Horticulture Production in England 2013/14

Lowland Grazing Livestock Production in England 2013/14

Organic Farming in England 2013/14

Pig Production in England 2013/14

Poultry Production in England 2013/14

Further details available at www.ruralbusinessresearch.co.uk