



FARM BUSINESS SURVEY
South West England
Benchmarking Handbook
Harvest Year 2017

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THE CORNWALL COLLEGE GROUP

SOUTH WEST ENGLAND BENCHMARKING HANDBOOK

2019

2017/18 financial year data

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FOREWORD AND ACKNOWLEDGEMENTS

The information in this benchmarking handbook is intended for use in farm business planning and appraisal, and continues a long series of similar publications of farm management statistics for Southwest England. The standards data relate to farms situated in the South West Government Office Region consisting of Cornwall and the Isles of Scilly, Devon, Dorset, Somerset, Wiltshire, Gloucestershire, Bath and North East Somerset, North Somerset and South Gloucestershire, City of Bristol, Plymouth, Torquay, Bournemouth, Poole and Swindon and derive from the DEFRA commissioned annual Farm Business Survey, undertaken in the South West by the Duchy College and the University of Reading.

Section 1 illustrates the importance of the agricultural industry to the economy of South West England and the performance of the various sectors within it.

Section 2 brings together *Whole farm business standards for 2017/18*, presenting in a revised, more comprehensive layout six pages of financial and technical standards for each of six farm type groups. Section 3 publishes *Enterprise gross margins standards for 2017/18*, including four crops and ten livestock enterprises, giving survey results shown in 'per hectare' and 'per animal' form.

The production of this handbook has been possible only through the combined efforts of many people. Particular thanks are due to the many farmers throughout the region who have continued to support the research and investigational work of the College by making available detailed information for recording and analysis. Without their continued support and co-operation this work would not be possible and their help is greatly appreciated.

Many members of staff have contributed to the collection and analysis of the farm planning data presented in this handbook. During the period to which these statistics relate the College's research team comprised Jamie Blake, Mark Fogerty, Grace Kempthorne, Caroline Lambourne, Linda Lawrance, Greg MacQueen, Keith Robbins, Warren Sanders and Sally Thompson. Helen Polglase and Rachel Rollason have made a very significant contribution to the production of this handbook. Editorial responsibility has rested with Mark Fogerty and Keith Robbins.

Grateful thanks is also given to our colleagues at the University of Reading for the data they provided and all the farmers who have voluntarily provided records and information on which the annual Farm Business Survey, and this report, is based.

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INTRODUCTORY NOTES FOR USERS

The source of the benchmarking data

The benchmarking data published in this handbook 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 handbook 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 2017 harvest year, the farm businesses concerned having accounting years ending on average in late February.

The layout of the handbook

The handbook covers three areas. Section 1 is an overview of agriculture within the South West Government Office region, drawing on the Farm Business Survey Government Office Region Reports for 2017/18 and published on the internet at www.farmbusinesssurvey.co.uk. Section 2 contains whole farm benchmarking data drawn from farms within the Farm Business Survey, whilst Section 3 shows a number of enterprise gross margins.

Some notes on the use of the standards data

General

The FBS sample covers businesses with an economic Standard Output of 25,000 Euros and above. Practically all of the sampled accounts close within the four months from the end of December to the end of the following April with concentrations at the close of the calendar year and towards the end of March and early April. About 75 per cent of the accounts close during these two peak periods. Thus the results relate, on average, to March - February years.

Classification of survey farms by type of farming

The Standard Output (SO) is a financial measure used to classify farm type. Standard outputs measure the total value of output of any one enterprise - per head for livestock and per hectare for crops. For crops, this will be the main product (e.g. wheat, barley, peas) plus any by-product that is sold, for example straw. For livestock it will be the value of the main product (milk, eggs, lamb, pork) plus the value of any secondary product (calf, wool) minus the cost of replacement. Up until 2010, standard gross margins were used for the classification of farms. The difference between standard outputs and standard gross margins is that no variable costs are deducted in the derivation of standard outputs. Each farm is assigned a total SO by aggregating the SOs for its agricultural enterprises. The farm is classified into a 'particular' type of farming by evaluating the proportion of its total SO deriving from different enterprises.

The characteristics of each farm type are summarised as follows:-

Cereals- Farms on which cereals, oilseeds, peas and beans harvested dry account for over two-thirds of their total SO (holdings with more than two-thirds of their total SO in set-aside are excluded from the survey results). Standards for this group are, under 200 hectares, and over 200 hectares.

General cropping- Farms with over two-thirds of their total SO in arable crops (including field scale vegetables) or a mixture of arable and horticultural crops; and holdings where arable crops account for more than one-third of total SO and no other grouping accounts for more than one-third.

Dairy-Farms where the dairy enterprise, including followers, accounts for over two-thirds of their total SO. Standards are given for two herd size groups, under, and over 200 cows.

LFA grazing livestock-Farms with more than two-thirds of their total SO in cattle and sheep except holdings classified as dairy. A farm is classified as in the LFA if 50% or more of its total area is in the EC Less Favoured Area (both Disadvantaged and Severely Disadvantaged, and both SDA and DA groups are showing in this handbook).

Lowland grazing livestock-farms with more than two-thirds of their total SO in cattle and sheep except holdings classified as dairy. A farm is classified as "lowland" if less than 50% of its total area is in the EC Less Favoured Area.

Mixed farms- Farms where crops account for one-third, but less than two-thirds of total SO and livestock accounts for one-third, but less than two-thirds of total SO. It also includes holdings with mixtures of cattle and sheep and pigs and poultry and holdings where one or other of these groups is dominant, but does not account for more than two-thirds of the total SO. In this benchmarking handbook, the sub-group focussed on is Cropping, Cattle and Sheep.

Organic farms have been excluded from the group averages; to avoid the risk of distorting the averages, as in some groups the numbers of organic farms is much higher than would be found in a normal population distribution.

‘Average’ and ‘Premium’ standards

The ‘average’ standards have been obtained from samples of full-time farms in Southwest 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.

Weighting Procedure

All results in this report are weighted so as to provide estimates for the population. The weights are based on the ratio of numbers of businesses in the population (as given by the June Survey) and in the sample within each farm type and size group. These weights are then further refined by a calibration process using information from sources other than the Census (mostly administrative data). For more information on the FBS weighting procedure and other statistical issues, please see: <https://www.gov.uk/farm-business-survey-technical-notes-and-guidance>

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 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 are reviewed; one possible procedure is illustrated in the chart 1 ‘Analysing a farm business’.

Chart 2 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 'Definitions of terms used'. 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 level of 'output per hectare', 'tenant's capital per hectare' or 'farm size' varies 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. 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

NET PROFIT
Compare with Group Average and the Premium Group Average per hectare and per £100 output

If high, compare return on **TENANT'S CAPITAL**

If low, Management could be improved

Examine **TOTAL FARM OUTPUT** per hectare and 'output efficiency'

Stage II

If high, examine output relative to Tenant's Capital and variable and fixed inputs

If low, examine yields, stocking rate, the combination of enterprise (land use, % make-up of GLU's and Total Farm Output). Also check the level of Tenant's Capital employed

Stage III

Examine the **TOTAL FARM GROSS MARGIN** and individual **ENTERPRISE GROSS MARGIN**

If high, check relative level per £100 output and Tenant's Capital employed

If low, but total farm enterprise Outputs are high then examine the **VARIABLE COSTS** in detail and per £100 output

Stage IV

Examine **FIXED INPUTS** per hectare and per £100 output

LABOUR

MACHINERY

RENT & RATES INTEREST

LAND MAINTENANCE & GENERAL OVERHEADS

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.

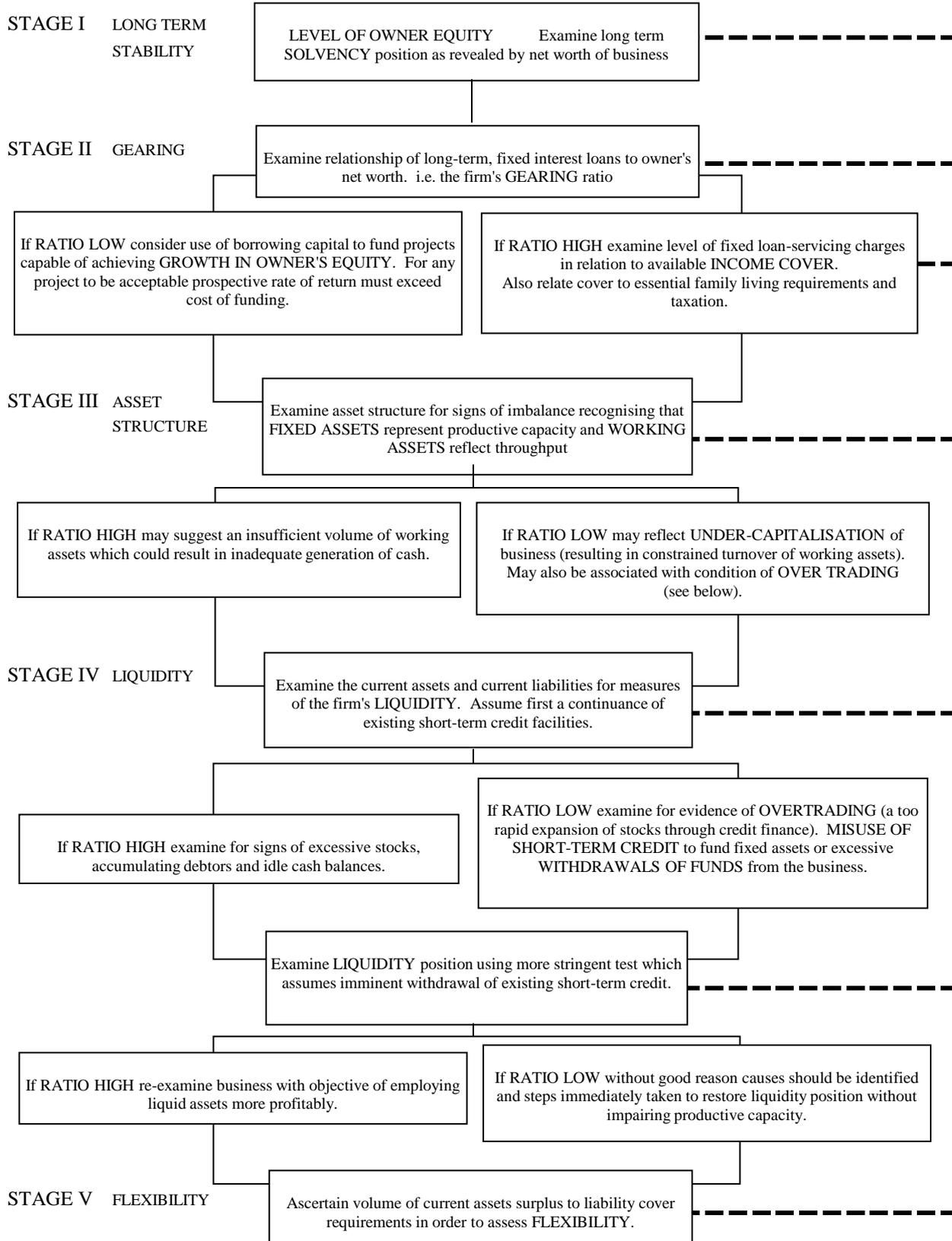
- the need to ensure that the income-generating potential of the farm business is capable of supporting the charges which debt servicing commitments, family living requirements and tax liability place upon it.

- 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

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

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

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

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

----- Current ratio (%) = $\frac{\text{Current assets}}{\text{Current liabilities}}$ x 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 stringently 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.

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

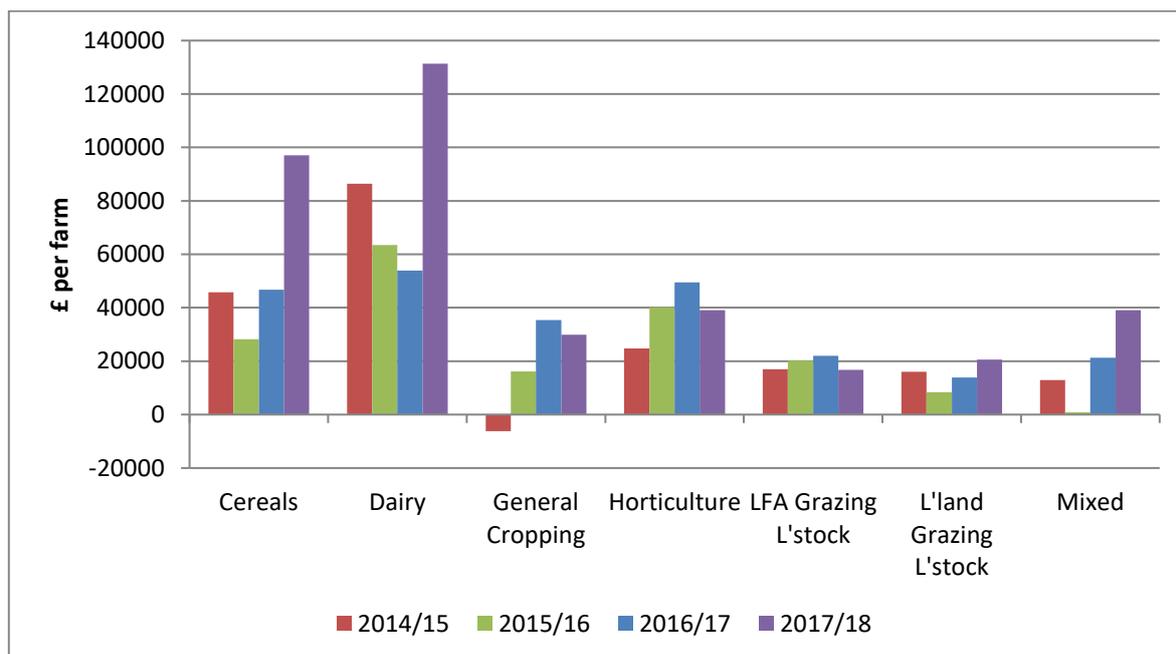
----- Net Working Capital (£) = Current assets *less* current liabilities

Farming in South West England, 2017/18

Summary results from the Farm Business Survey in South West England, 2017 crop year

- Average Farm Business Income in 2017/18 was higher than 2016/17 for Cereal, Dairy Lowland Grazing Livestock and Mixed farms. For General cropping, Horticulture and LFA Grazing Livestock farms income fell. A key driver was the exchange rate which led to firm prices for a number of commodities plus the increase in the rate of the Basic Payment Scheme receipts.

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



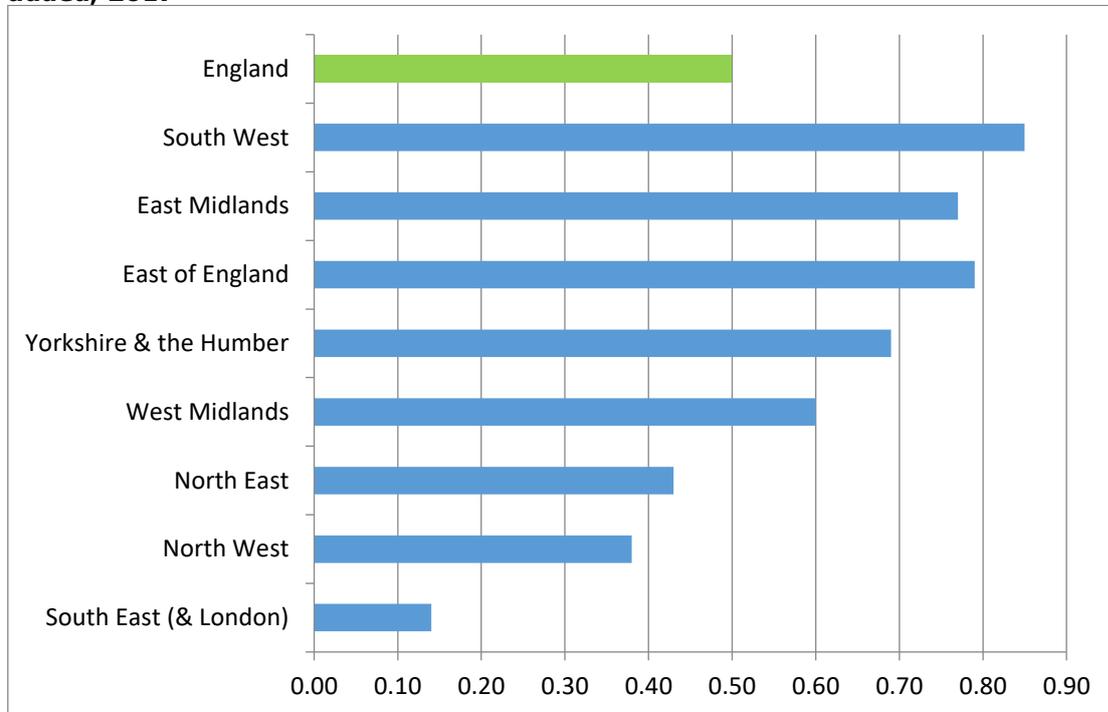
Source: Farm Business Survey, England

- For cropping farms commodity prices were higher with improved yields, except for the potatoes crop. These increases were offset by higher input costs leading to the average incomes increasing by over 100% on Cereal farms and a fall of 16% on General cropping farms.
- On dairy farms the higher average income was driven by an increased value of output from milk production. Milk prices were 20% higher and production was increased with more cows producing similar per cow yields (7500 litres per cow).
- On Lowland Grazing Livestock Farms higher incomes were the result of slightly higher output from cattle and more income from the Basic Payment. Average Agri-environmental payments were higher in 2017/18.
- LFA Grazing livestock Farm Business Income fell by 18% with output from cattle falling by 12%. Basic Payment Income was similar to the previous year but receipts from Agri-environment Schemes was 12% lower.

Introduction

The importance of agriculture in the South West to the wider economy is illustrated in Figure 1. Agriculture only contributes to 0.50% of the total English economy but is nearer twice as important to the South West and the highest of all the Government Office regions. The South West agriculture contributed £1,260 million to the economy in 2017.

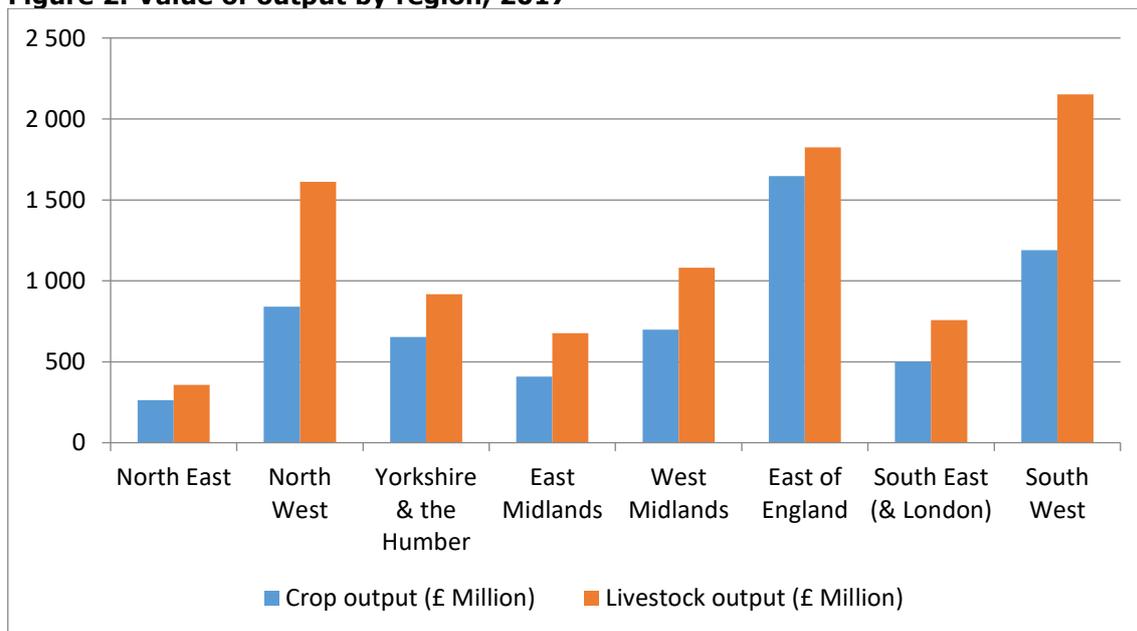
Figure 1: Agricultural gross value added as percentage of total regional gross value added, 2017



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 23% of the national livestock output comes from the South West, which is close to 20% larger than the next highest region, while 15% of the crop output comes from the South West.

Figure 2: Value of output by region, 2017



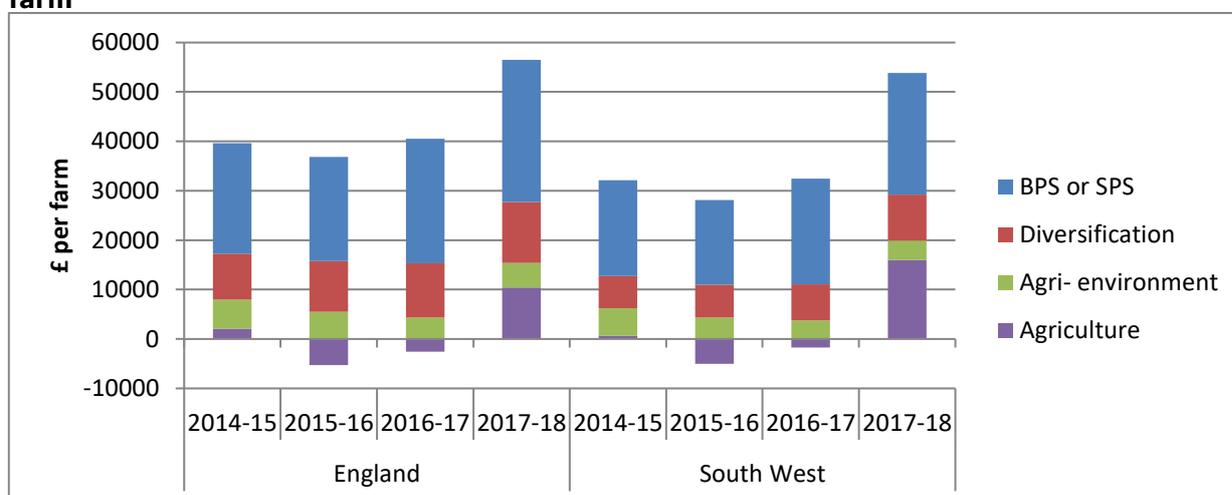
Source: Defra, Regional Dataset

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 Basic Payment Scheme (BPS).

Average South West farm business income across all farm types increased by a third to £53,800 compared to 2016-17 and is the highest since 2011-12. The increase in farm business income in England as a whole was 50%.

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

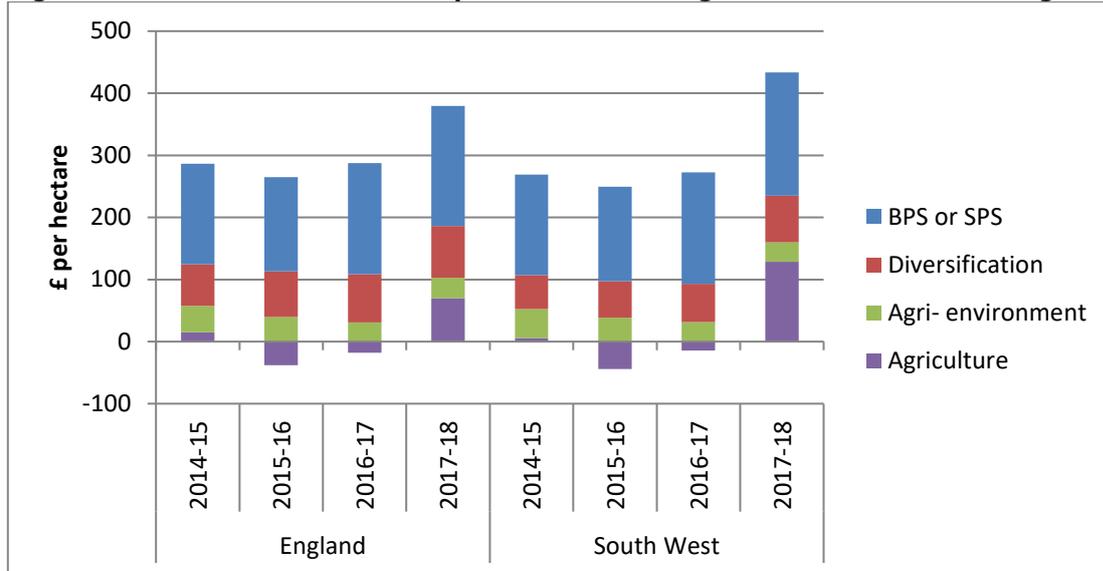


Source: Farm Business Survey, England

Figure 3 above shows the contributions of the four cost centres for the last four years. In 2017/18, the contribution from agriculture in the South West across all farm types improved by £17,000 compared to the previous year and contributed £16,000 to the total. The previous year this was a small loss. In 2017/18 the Basic Payment Scheme cost centre contributed 46% of the total farm business income for the South West which is lower than the national level at 51%. The Basic Payment Scheme payment per farm for 2017/18 was on average 15% higher than received in the previous year, due mainly to the value of Sterling relative to the Euro. The income from the Diversification showed an increase of over a quarter and the Agri-environment a £200 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 the first time the average Farm Business Income per hectare was higher in the South West than nationally. This was due entirely to the dominance of Dairy farms and their level of performance. For the previous three years the average farm business income per hectare was lower for the South West than England ranging between 4% and 10% lower.

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

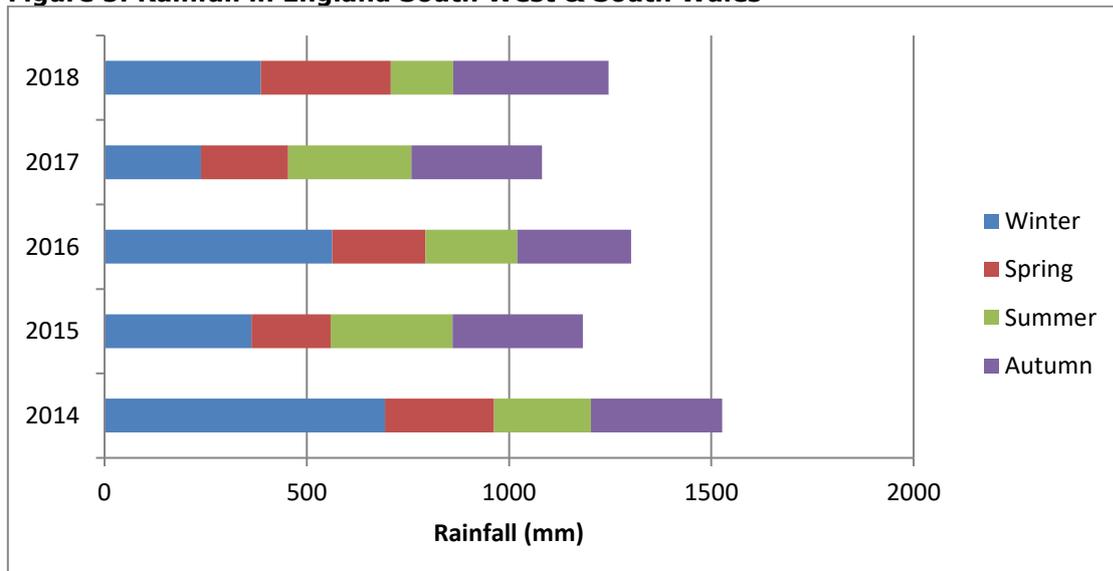


Source: Farm Business Survey, England

Weather

Favourable weather conditions in the autumn of 2016 enabled good establishment of winter cereals for the 2017 harvest. This led to a good flush of grass for the ewe tugging period and extended the grazing season. Winter 2017 was dry but warm which led to forward autumn crops. The warm and dry weather continued into the spring and forage production throughout the season was not adversely affected by the weather.

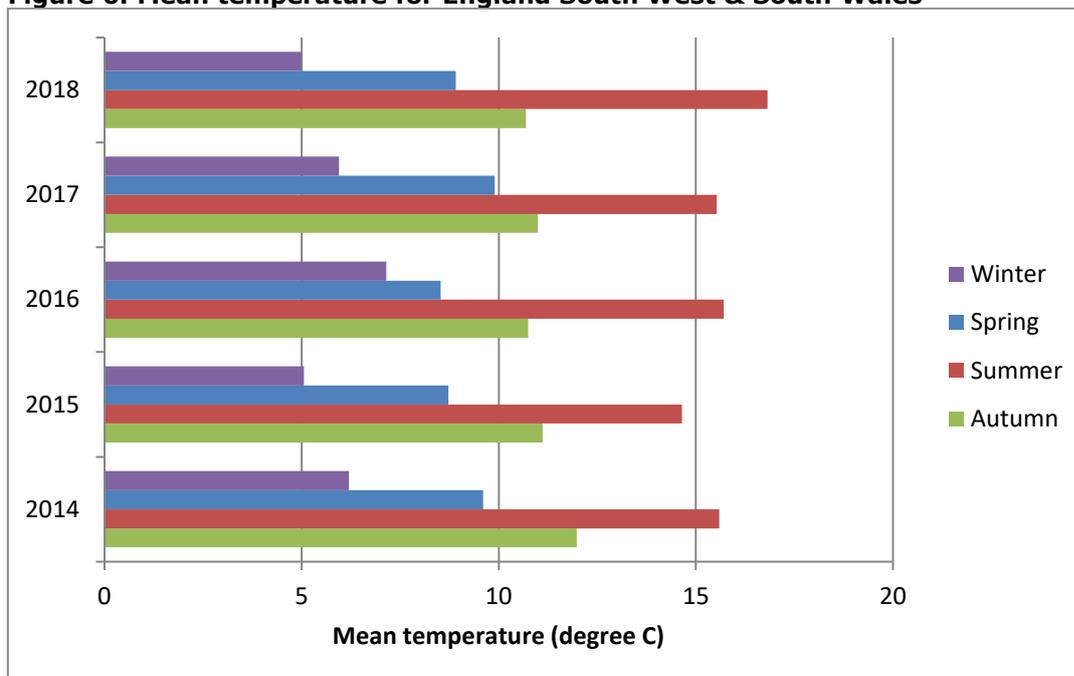
Figure 5: Rainfall in England South West & South Wales



Source: Met Office

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

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



Source: Met Office

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

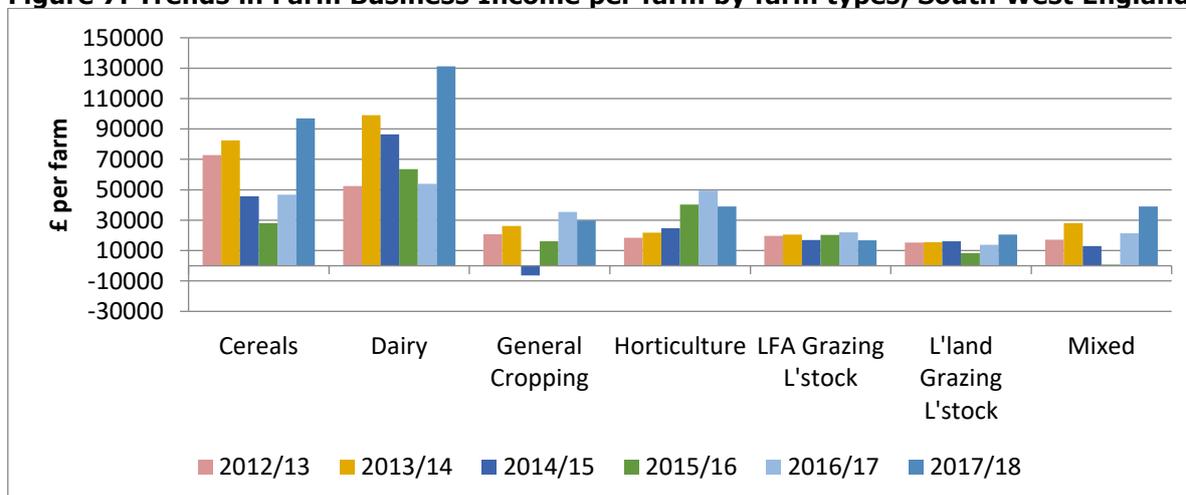
Results by Farm Type

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

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

Trends in farm business income in the South West are shown in Figure 7 from 2012/13 to 2017/18. In general incomes have declined over this six year period. The 2012 crop year was very poor with all farm types having substantial reductions in their incomes. 2013/14 saw an increase for all farms. In 2014/15, average Farm Business Income was lower across all robust farm types except lowland grazing livestock farms and horticulture. On lowland grazing livestock farms average incomes increased by 3 percent, whilst on horticulture farms the income increased by close to £2900. In the 2015 crop year General Cropping, Horticulture and LFA Grazing Livestock showed improved levels of Farm Business Income. Horticulture improved by 63%, LFA Grazing Livestock by just over £3,000 and General Cropping from a loss making to £16,000. In 2016/17 all farm types, except Dairy, had improved incomes. In 2017/18 there were large improvements in the incomes from Cereals, Dairy and Mixed farms with either modest increases or fall in income from the other farm types.

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

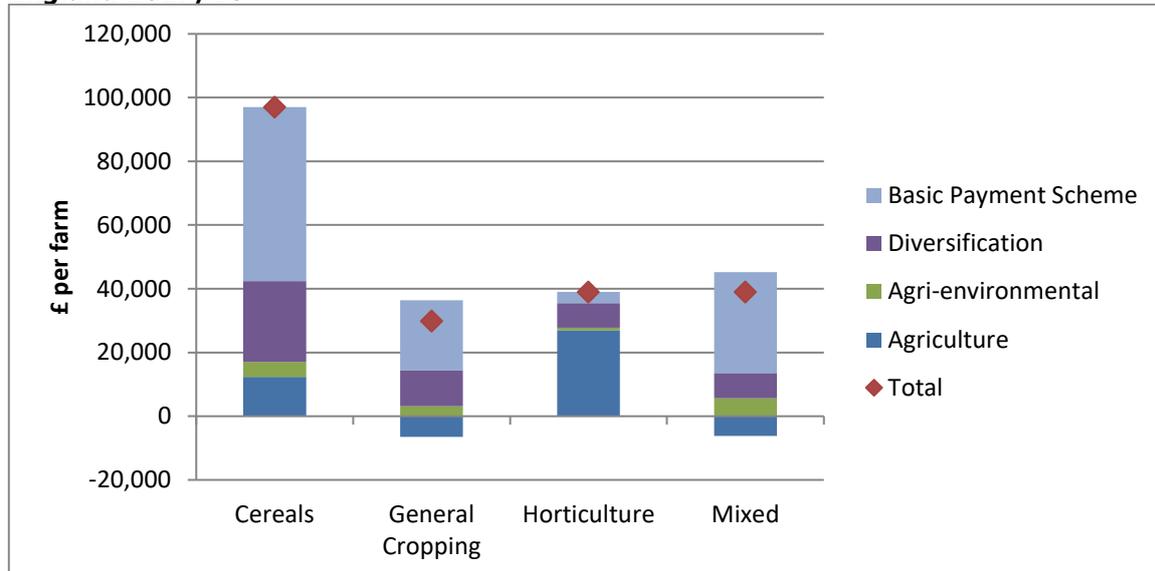


Source: Farm Business Survey, England

Cereal Farms

In 2017/18 the average Farm Business Income increased by over 100% to £97,000 as compared to the previous year. Total output was nearly a third higher with crop output increased by better cereals yields and by high prices per tonne of grain (Figure 9). Other output sources were 25% higher, the majority of this coming from extra Basic Payment Scheme income.

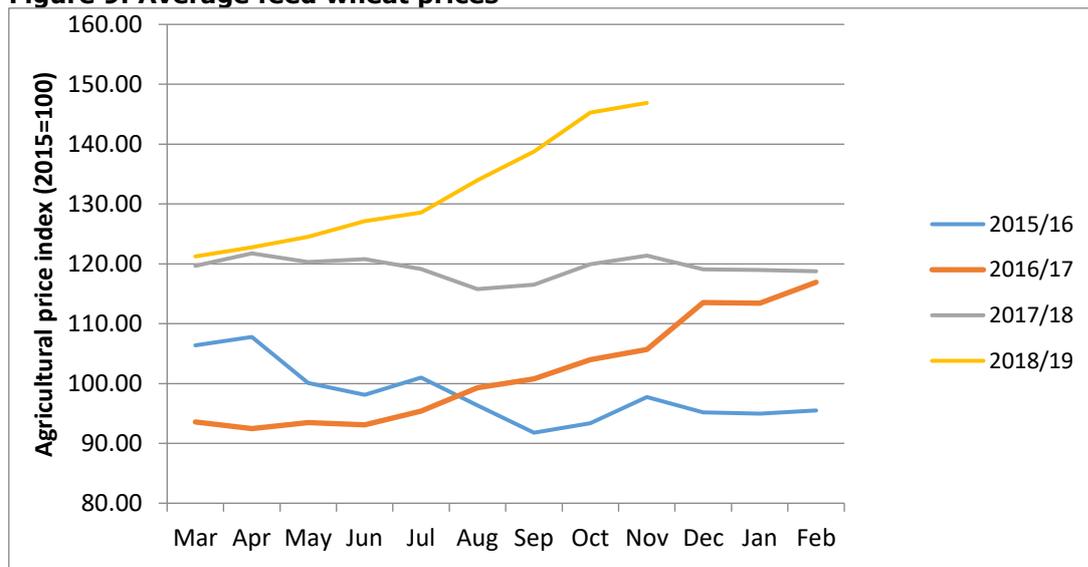
Figure 8: Farm Business Income of cropping type farms by cost centre, South West England 2017/18



Source: Farm Business Survey, England

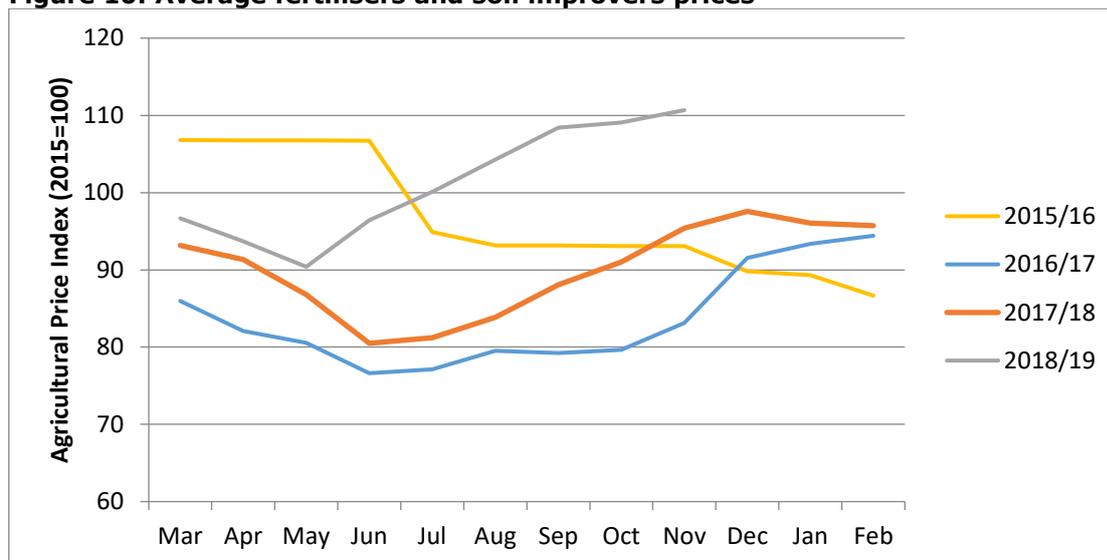
Average seed, fertiliser and other crop costs were all higher than the previous year. Total variable costs are 22% higher which alongside higher fixed costs (up 16 %) meant there were large cost increases. The agriculture costs centre generated a positive income of over £12,000 despite the major increases in costs, as illustrated in Figure 8. An example is given in Figure 10 which illustrates the reduction in price of fertilisers.

Figure 9: Average feed wheat prices



Source: Index of Producer Prices of Agriculture

Figure 10: Average fertilisers and soil improvers prices

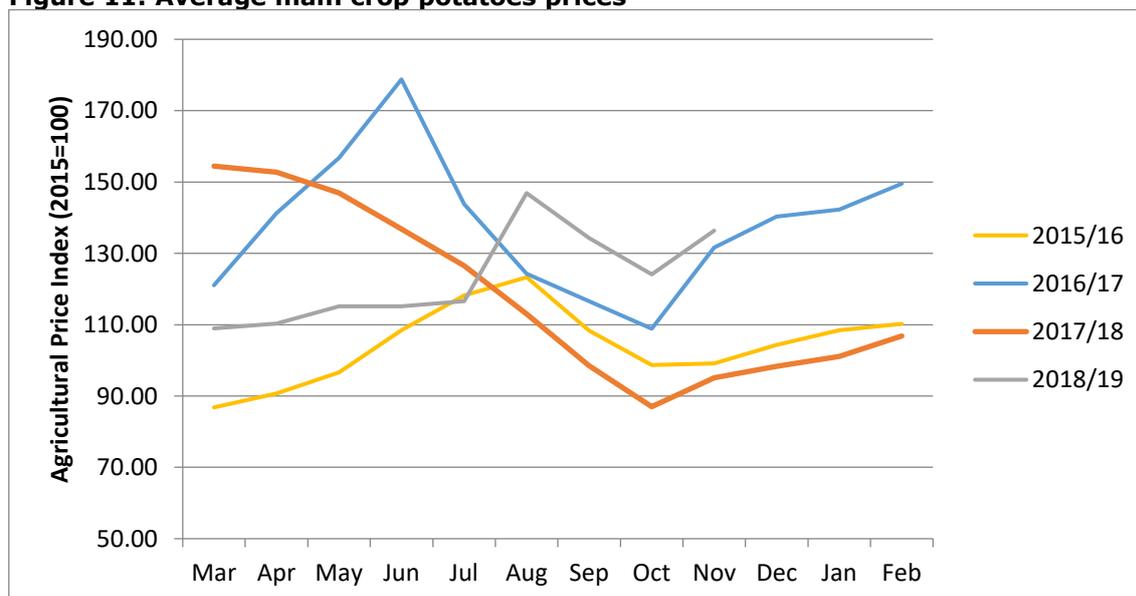


Source: Index of Producer Prices of Agriculture

General cropping

The average farm business income on general cropping farms in 2017/18 was £29,900 as compared to the farm business income of £35,400 in 2016/17. In the South West of England the potato crop is important to this type of farm and the output from potatoes decreased by 24% due mainly to the reduction in prices (Figure 11). In the South West, for this crop year the average yield of potatoes decreased by 15% as compared to 2016/17. Total farm output increased by 1% and with a small increases in variable costs and fixed costs increasing by 8% Farm Business Income was lower. The agriculture costs centres now makes a loss of £6,500 rather than a £1,800 profit the previous year.

Figure 11: Average main crop potatoes prices



Source: Index of Producer Prices of Agriculture

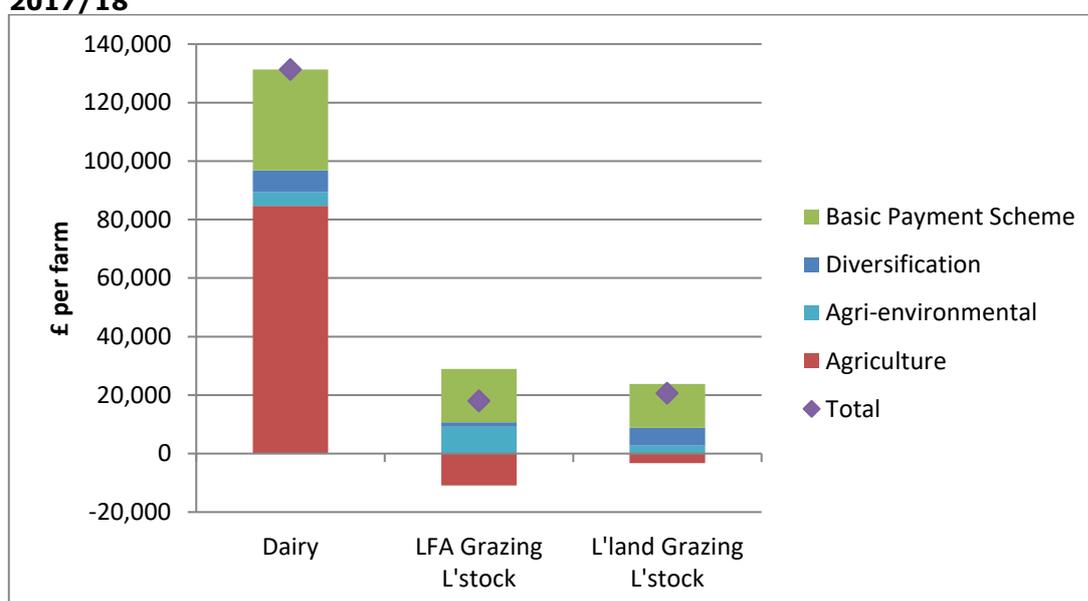
Horticultural farms

Farms in this group cover the three main sectors of fruit, vegetables and non-edibles, grown both outdoors and under cover. The average represents all these types and the Farm Business Income decreased by 21% to £39,000 in 2017/18. This follows the highest income in recent years in 2016/17. Total crop output decreased by 12%, with outdoor vegetables and soft fruit & strawberries showing the largest percentage decreases in output. Only glasshouse vegetables and top fruit had an increase in output. Total variable costs decreased by 17% with other crop costs decreasing over £10,000. Figure 8 shows the cost centres and how the agricultural cost centre is the most important in terms of farm business income to this group of farms.

Mixed farms

In 2017/18 the Farm Business Income for the Mixed farms increased by nearly £18,000, another large increase as compared to the previous year. Total farm output increased by 11% with the biggest increase coming from crop output. The majority of enterprises had higher output including Agri-environmental income and Basic Payment Scheme receipts. This increase in Agri-environmental income is also seen on many other farm types and is a result of new schemes and delayed payments now coming through. Total inputs were 4% higher with higher variable costs (3%) and fixed inputs 5% higher. The Agriculture cost centre made a loss of £6,200 which then leaves the Basic Payment Scheme cost centre income of £24,600 as 81% of the total Farm Business Income.

Figure 12: Farm Business Income of the grazing livestock farms by cost centre, 2017/18



Source: Farm Business Survey, England

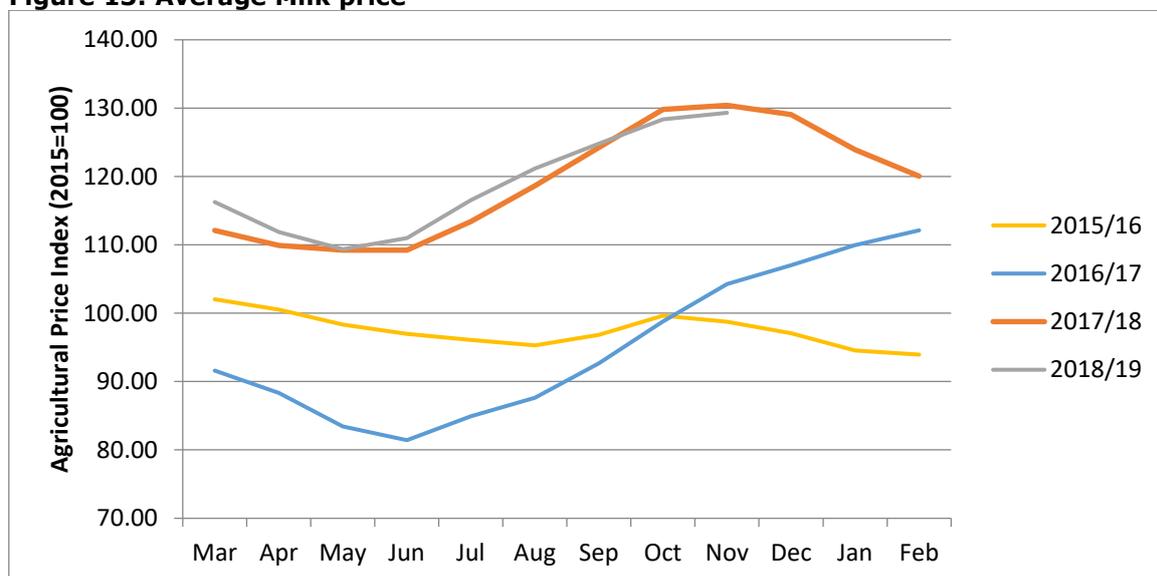
Dairy farms

The average Farm Business Income on Dairy farms was £131,300 in 2017/18, an increase of 144% in income compared to the previous year. Total farm output increased by 26% with average milk price 20% higher (Figure 13), similar yield per cow (7500 litres per cow per year) with an extra 12 cows kept. Total input costs increased by 12% compared to the previous year with feed (Figure 14) increasing 16%. Concentrate feed costs represent 55% of the variable

costs. The cost per tonne of compound feed was on a rising plane throughout the majority of 2017/18 year.

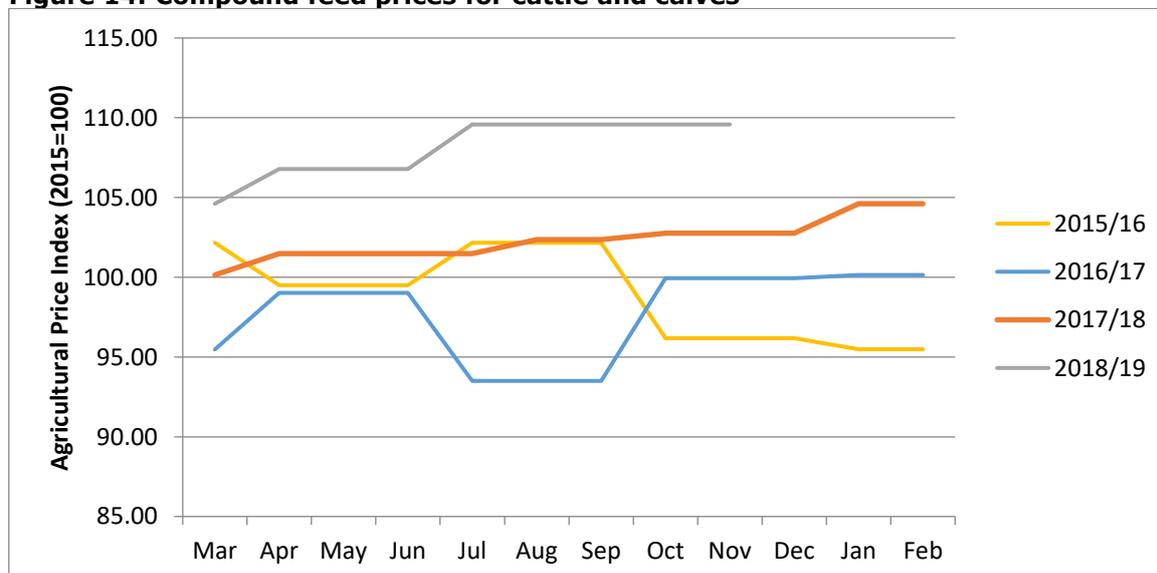
The Agriculture cost centre for the Dairy farms was positive (£84,700) which was £70,900 higher than in 2016/17 and the largest for the last five years.

Figure 13: Average Milk price



Source: Index of Producer Prices of Agriculture

Figure 14: Compound feed prices for cattle and calves



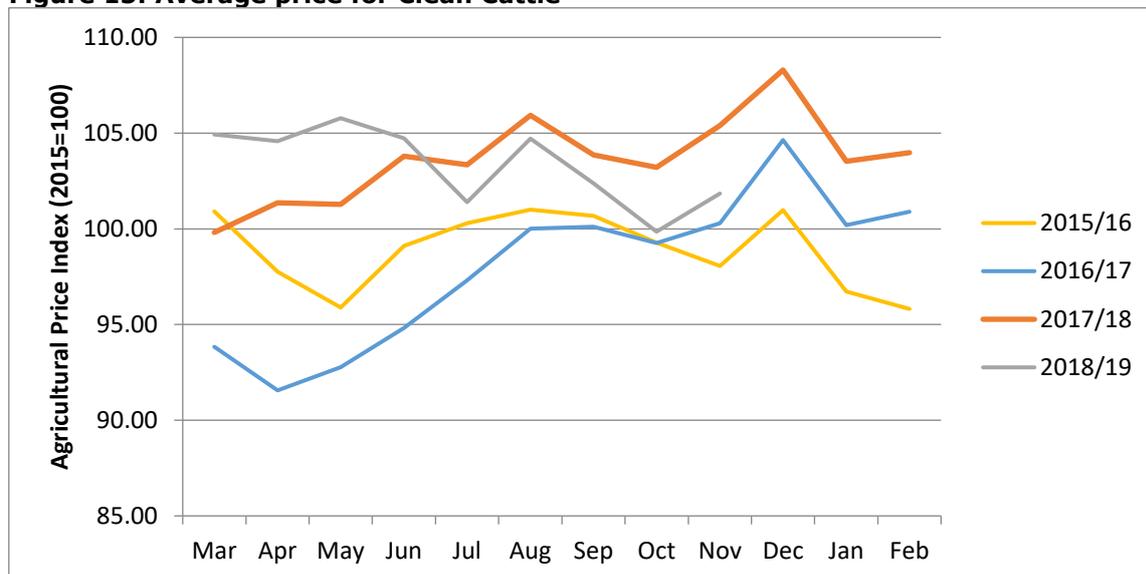
Source: Index of Producer Prices of Agriculture

Grazing Livestock Farms (Lowland)

In 2017/18 the average Farm Business Income on Lowland Grazing Livestock farms increased by nearly half, to £20,600, which is the second highest average income for this type of farm in the last 8 years, with the highest being in 2011/12. Total farm output increased by 1% with an increase in output from cattle of 1% (Figure 15). Sheep output decreased by 1%. Total input costs are 6% lower with similar percentage changes to both variable and fixed costs. On average these farms failed to make a positive return from agriculture reflecting the continuing difficult

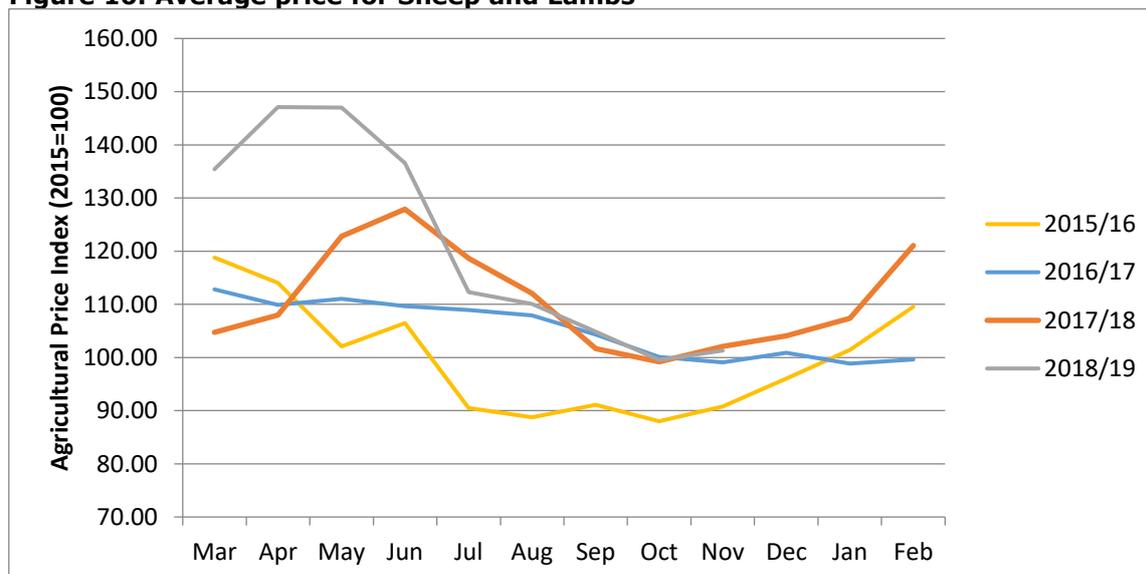
trading conditions for beef and sheep farmers throughout the year (Figure 12), the loss being £3,200. The contribution from the Basic Payment Scheme was significant on these farms, representing 73% of total Farm Business Income. These payments (BPS) increased by 3% due mainly to exchange rate differences.

Figure 15: Average price for Clean Cattle



Source: Index of Producer Prices of Agriculture

Figure 16: Average price for Sheep and Lambs



Source: Index of Producer Prices of Agriculture

Grazing Livestock Farms (Less Favoured Area)

The changes to income from the farms in the Less Favoured Area (LFA) normally follows the pattern of the lowland grazing livestock farms, but this year fell by 18%. The losses made from agriculture and the dependence on BPS is common to all beef and sheep producers. Average Farm Business Income on LFA grazing livestock farms was £18,000 in 2017/18. The Output from livestock decreased by 12% with lower output from cattle and no change to sheep output. The Basic Payment Scheme receipts were unchanged and Agri-environmental income fell by 12%. Total inputs were 10% lower with similar percentage changes for the variable and fixed costs.

Cereal farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2017/2018

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	1038	.	467	.	
Number of farms in FBS sample	18	.	15	.	
Average farmed area (hectares)	119	.	589	.	
Average proportion of total farmed area tenanted or hired (%)	40%	.	21%	.	
	£ per farm hectare				
<u>Output</u>					
Milk	0	.	0	.	
Cattle	16	.	21	.	
Herd depreciation	0	.	-1	.	
Sheep	28	.	20	.	
Flock depreciation	-4	.	-2	.	
Pigs	0	.	0	.	
Poultry	2	.	0	.	
Other livestock	1	.	0	.	
Cereals	447	.	588	.	
Oilseeds	39	.	186	.	
Pulses	16	.	43	.	
Other crops	0	.	9	.	
Straw	68	.	41	.	
Forage	86	.	26	.	
Agri-environment schemes and management agreements	20	.	19	.	
Rental income and imputed farmhouse rental equivalent	143	.	85	.	
Hirework	51	.	66	.	
Renewable energy generation	59	.	8	.	
Miscellaneous output	26	.	66	.	
Cultivations	-4	.	-5	.	
Basic Payment Scheme	223	.	226	.	
TOTAL FARM OUTPUT #	1217	.	1397	.	
<u>Variable costs</u>					
Concentrates	6	.	5	.	
Purchased fodder	0	.	0	.	
Veterinary and medicines	2	.	2	.	
Other livestock costs	10	.	5	.	
Seeds	46	.	66	.	
Fertilisers	87	.	129	.	
Crop protection	103	.	164	.	
Other crop costs	38	.	21	.	
TOTAL VARIABLE COSTS	291	.	393	.	
TOTAL GROSS MARGIN #	926	.	1004	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Cereal farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2017/2018

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	1038	.	467	.	
Number of farms in FBS sample	18	.	15	.	
Average farmed area (hectares)	119	.	589	.	
Average proportion of total farmed area tenanted or hired (%)	40%	.	21%	.	
	£ per farm hectare				
TOTAL GROSS MARGIN #	926	.	1004	.	
<u>Fixed costs</u>					
Paid labour	6	.	97	.	
Unpaid family labour	40	.	10	.	
Casual labour	6	.	3	.	
Contract	100	.	60	.	
Machinery repairs	33	.	41	.	
Machinery fuel	37	.	46	.	
Machinery depreciation	97	.	95	.	
Other depreciation	2	.	0	.	
Property maintenance	29	.	42	.	
Electricity	11	.	14	.	
Other fuel	7	.	6	.	
Water	6	.	5	.	
Insurance	35	.	22	.	
Professional fees	35	.	38	.	
Other general costs	25	.	31	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	470	.	514	.	
PROFIT BEFORE RENT AND INTEREST#	456	.	490	.	
Rent, hired in keep and bare land	81	.	54	.	
Rates	0	.	0	.	
Long-term interest	20	.	8	.	
Short-term interest	2	.	11	.	
Interest received (-)	1	.	1	.	
NET PROFIT#	354	.	418	.	
Reconciliation of Profit to NFI and M&I					
Plus - Interest charges (net)	21	.	19	.	
Plus - Landlord type repairs (included in property maintenance)	2	.	2	.	
Less - Rental value (of owner occupied land and buildings)	143	.	173	.	
NET FARM INCOME# (NFI)	234	.	266	.	
Less farmer and spouse labour	125	.	42	.	
MANAGEMENT AND INVESTMENT INCOME# (M&I)	110	.	224	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Cereal farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2017/2018

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	1038	.	467	.	
Number of farms in FBS sample	18	.	15	.	
Average farmed area (hectares)	119	.	589	.	
Average proportion of total farmed area tenanted or hired (%)	40%	.	21%	.	
	per £100 output				
<u>Output</u>					
Milk	0	.	0	.	
Cattle	1	.	1	.	
Sheep	2	.	1	.	
Pigs, poultry and other livestock	0	.	0	.	
Cereals	37	.	42	.	
Other cash crops	5	.	17	.	
Straw and forage	13	.	5	.	
Management agreements and agri-environment schemes	2	.	1	.	
Miscellaneous output	23	.	16	.	
Basic Payment Scheme	18	.	16	.	
TOTAL OUTPUT#	100	.	100	.	
<u>Variable costs</u>					
Concentrates, fodder and keep	0	.	0	.	
Veterinary, medicines and other livestock costs	1	.	1	.	
Seeds	4	.	5	.	
Fertilisers	7	.	9	.	
Crop protection and other crop costs	12	.	13	.	
TOTAL VARIABLE COSTS	24	.	28	.	
TOTAL GROSS MARGIN#	76	.	72	.	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	4	.	8	.	
Casual labour	1	.	0	.	
Contract	8	.	4	.	
Machinery repairs and fuel	6	.	6	.	
Machinery and other depreciation	8	.	7	.	
Property maintenance	2	.	3	.	
Electricity, other fuel and water	2	.	2	.	
Other general costs	8	.	7	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	39	.	37	.	
PROFIT BEFORE RENT AND INTEREST#	37	.	35	.	
Rent and rates	7	.	4	.	
Long-term interest paid	2	.	1	.	
Short-term interest paid	0	.	1	.	
Interest received (-)	0	.	0	.	
PROFIT#	29	.	30	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Cereal farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2017/2018

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	1038	.	467	.	
Number of farms in FBS sample	18	.	15	.	
Average farmed area (hectares)	119	.	589	.	
Average proportion of total farmed area tenanted or hired (%)	40%	.	21%	.	
<u>Land use</u>					
Percentage cropped	60	.	79	.	
Percentage forage	40	.	21	.	
<u>Grazing livestock units</u>					
			GLUs per farm		
Dairy cattle	0	.	0	.	
Other cattle	2	.	21	.	
Sheep	3	.	13	.	
Other livestock	1	.	2	.	
Total	6	.	36	.	
GLUs per ha	0.29	.	0.42	.	
GLUs per adjusted ha	0.29	.	0.43	.	
<u>Technical efficiency</u>					
<u>Dairy</u>					
Milk yield per cow		.		.	
Pence per litre		.		.	
Milk output per cow		.		.	
<u>Finished cattle and lambs</u>					
£ per finished animal		.	1000	.	
£ per finished lamb	93	.	75	.	
<u>Cereals##</u>					
Winter wheat					
Yield - tonnes per hectare	8.1	.	9.4	.	
Price per tonne	137	.	138	.	
Winter barley					
Yield - tonnes per hectare	6.8	.	7.7	.	
Price per tonne	127	.	118	.	
Spring barley					
Yield - tonnes per hectare	5.9	.	6.4	.	
Price per tonne	126	.	142	.	
Winter oats					
Yield - tonnes per hectare	4.3	.	7.0	.	
Price per tonne	187	.	133	.	
All cereals					
Yield - tonnes per hectare	6.8	.	9.4	.	
Price per tonne	141	.	118	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

##Cereal yields for groups representing less than 100 hectares excluded

Cereal farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2017/2018

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	1038	.	467	.	
Number of farms in FBS sample	18	.	15	.	
Average farmed area (hectares)	119	.	589	.	
Average proportion of total farmed area tenanted or hired (%)	40%	.	21%	.	
	£ per farm hectare				
<u>Tenant's capital formation</u>					
Livestock	47	.	60	.	
Crops, forage and cultivations	209	.	461	.	
Stores	137	.	166	.	
Machinery	683	.	589	.	
Basic Payment Scheme	208	.	201	.	
Miscellaneous business assets & other assets	70	.	11	.	
Total physical assets	1354	.	1487	.	
Liquid assets	605	.	1040	.	
Tenant's capital (TC)	1959	.	2527	.	
Management & investment income (M&I)#	110	.	224	.	
Return on tenant's capital (M&I as % of average TC)	5.6%	.	8.8%	.	
<u>Ratios per £100 of output (%)</u>					
Variable costs	24	.	28	.	
Gross margin	76	.	72	.	
Fixed costs (excluding rent and interest)	39	.	37	.	
Net profit	29	.	30	.	
Net farm income	19	.	19	.	
Farmer and spouse	10	.	3	.	
Management & Investment Income	9	.	16	.	
Tenant's capital	161	.	181	.	
Total assets	1088	.	1333	.	
Total external liabilities	61	.	143	.	
Net worth	1026	.	1190	.	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	177	.	153	.	
Costs (£ per £100 output)	15	.	11	.	
Costs (£ per £100 gross margin)	19	.	15	.	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	268	.	243	.	
Costs (£ per £100 output)	22	.	17	.	
Costs (£ per £100 gross margin)	29	.	24	.	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	445	.	396	.	
Costs (£ per £100 output)	37	.	28	.	
Costs (£ per £100 gross margin)	48	.	39	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Cereal farms

END-OF-YEAR BALANCE SHEETS, 2017/2018

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	1038	.	467	.	
Number of farms in FBS sample	18	.	15	.	
Average farmed area (hectares)	119	.	589	.	
Average proportion of total farmed area tenanted or hired (%)	40%	.	21%	.	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	11222	.	15987	.	
Basic Payment Scheme	207	.	207	.	
Machinery	669	.	578	.	
Tenant's other assets	15	.	0	.	
Breeding livestock	18	.	35	.	
Total fixed assets	12130	.	16807	.	
Suckler cow and ewe premium quota					
Trading livestock	30	.	26	.	
Crops	159	.	393	.	
Forage and cultivations	46	.	62	.	
Stores	136	.	177	.	
Debtors and loans	183	.	980	.	
Bank credit and cash	531	.	167	.	
Other current assets	26	.	3	.	
Total current assets	1112	.	1808	.	
Total assets	13242	.	18615	.	
Financed by					
Institutional loans	210	.	104	.	
Bank loans	357	.	109	.	
Other long term	50	.	6	.	
Total long term	617	.	219	.	
HP and lease	48	.	34	.	
Creditors	57	.	1576	.	
Bank overdraft	26	.	165	.	
Other short term	0	.	0	.	
Total current liabilities	131	.	1775	.	
Total Liabilities	748	.	1994	.	
Net worth	12494	.	16621	.	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	94%	.	89%	.	
% Fixed assets vs. total assets	92%	.	90%	.	
Gearing (long-term loans vs. total assets)	5%	.	1%	.	
Total debt (external liabilities vs. net worth)	6%	.	12%	.	
Current Ratio (current assets vs. current liabilities)	849%	.	102%	.	
Liquidity Ratio (liquid assets vs. current liabilities)	545%	.	65%	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Dairy farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2017/2018

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	1078	356	719	211	
Number of farms in FBS sample	40	13	21	6	
Average farmed area (hectares)	122	124	320	225	
Average proportion of total farmed area tenanted or hired (%)	42%	39%	61%	54%	
	£ per farm hectare				
<u>Output</u>					
Milk	2220	2638	2261	3604	
Cattle	669	718	531	928	
Herd depreciation	-176	-166	-183	-264	
Sheep	16	0	19	0	
Flock depreciation	-1	0	-5	0	
Pigs	3	0	0	0	
Poultry	0	0	0	0	
Other livestock	0	0	0	0	
Cereals	65	23	166	91	
Oilseeds	2	0	23	0	
Pulses	0	0	3	0	
Other crops	0	0	0	0	
Straw	11	5	38	0	
Forage	5	15	7	20	
Agri-environment schemes and management agreements	14	7	30	66	
Rental income and imputed farmhouse rental equivalent	49	71	41	44	
Hirework	10	7	73	180	
Renewable energy generation	23	49	5	0	
Miscellaneous output	24	64	6	1	
Cultivations	1	-2	-1	-1	
Basic Payment Scheme	191	190	175	177	
TOTAL FARM OUTPUT #	3123	3619	3187	4847	
<u>Variable costs</u>					
Concentrates	694	701	637	1000	
Purchased fodder	23	22	40	78	
Veterinary and medicines	85	71	77	99	
Other livestock costs	223	249	207	299	
Seeds	25	25	40	40	
Fertilisers	101	106	91	105	
Crop protection	26	17	49	29	
Other crop costs	19	15	26	38	
TOTAL VARIABLE COSTS	1197	1206	1168	1686	
TOTAL GROSS MARGIN #	1926	2413	2020	3161	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Dairy farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2017/2018

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	1078	356	719	211	
Number of farms in FBS sample	40	13	21	6	
Average farmed area (hectares)	122	124	320	225	
Average proportion of total farmed area tenanted or hired (%)	42%	39%	61%	54%	
	£ per farm hectare				
TOTAL GROSS MARGIN #	1926	2413	2020	3161	
<u>Fixed costs</u>					
Paid labour	194	191	262	356	
Unpaid family labour	117	115	85	115	
Casual labour	21	40	23	22	
Contract	172	181	174	144	
Machinery repairs	115	80	112	154	
Machinery fuel	62	58	64	98	
Machinery depreciation	181	162	147	206	
Other depreciation	0	0	0	0	
Property maintenance	62	59	66	82	
Electricity	53	48	42	42	
Other fuel	3	4	2	1	
Water	25	21	25	13	
Insurance	43	38	29	38	
Professional fees	35	35	26	29	
Other general costs	49	61	42	39	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	1131	1096	1100	1339	
PROFIT BEFORE RENT AND INTEREST#	795	1317	920	1821	
Rent, hired in keep and bare land	92	87	153	166	
Rates	0	1	1	3	
Long-term interest	53	82	66	165	
Short-term interest	18	6	10	18	
Interest received (-)	0	0	1	0	
NET PROFIT#	632	1142	691	1470	
Reconciliation of Profit to NFI and M&II					
Plus - Interest charges (net)	71	87	76	183	
Plus - Landlord type repairs (included in property maintenance)	3	3	2	2	
Less - Rental value (of owner occupied land and buildings)	239	250	166	222	
NET FARM INCOME# (NFI)	467	982	602	1432	
Less farmer and spouse labour	269	284	98	138	
MANAGEMENT AND INVESTMENT INCOME# (M&II)	199	698	504	1294	

* Top third selected on Management and investment income per hectare

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Dairy farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2017/2018

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	1078	356	719	211	
Number of farms in FBS sample	40	13	21	6	
Average farmed area (hectares)	122	124	320	225	
Average proportion of total farmed area tenanted or hired (%)	42%	39%	61%	54%	
	per £100 output				
<u>Output</u>					
Milk	71	73	71	74	
Cattle	16	15	11	14	
Sheep	0	0	0	0	
Pigs, poultry and other livestock	0	0	0	0	
Cereals	2	1	5	2	
Other cash crops	0	0	1	0	
Straw and forage	1	1	1	0	
Management agreements and agri-environment schemes	0	0	1	1	
Miscellaneous output	3	5	4	5	
Basic Payment Scheme	6	5	5	4	
TOTAL OUTPUT#	100	100	100	100	
<u>Variable costs</u>					
Concentrates, fodder and keep	23	20	21	22	
Veterinary, medicines and other livestock costs	10	9	9	8	
Seeds	1	1	1	1	
Fertilisers	3	3	3	2	
Crop protection and other crop costs	1	1	2	1	
TOTAL VARIABLE COSTS	38	33	37	35	
TOTAL GROSS MARGIN#	62	67	63	65	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	10	8	11	10	
Casual labour	1	1	1	0	
Contract	6	5	5	3	
Machinery repairs and fuel	6	4	6	5	
Machinery and other depreciation	6	4	5	4	
Property maintenance	2	2	2	2	
Electricity, other fuel and water	3	2	2	1	
Other general costs	4	4	3	2	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	36	30	35	28	
PROFIT BEFORE RENT AND INTEREST#	25	36	29	38	
Rent and rates	3	2	5	3	
Long-term interest paid	2	2	2	3	
Short-term interest paid	1	0	0	0	
Interest received (-)	0	0	0	0	
PROFIT#	20	32	22	30	

* Top third selected on Management and investment income per hectare

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Dairy farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2017/2018

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	1078	356	719	211	
Number of farms in FBS sample	40	13	21	6	
Average farmed area (hectares)	122	124	320	225	
Average proportion of total farmed area tenanted or hired (%)	42%	39%	61%	54%	
<u>Land use</u>					
Percentage cropped	58	61	39	46	
Percentage forage	42	39	61	54	
<u>Grazing livestock units</u>					
			GLUs per farm		
Dairy cattle	128	149	305	330	
Other cattle	71	72	163	190	
Sheep	3	0	8	0	
Other livestock	0	0	0	0	
Total	202	221	476	520	
GLUs per ha	1.80	1.83	1.90	2.55	
GLUs per adjusted ha	1.82	1.85	1.92	2.55	
<u>Technical efficiency</u>					
<u>Dairy</u>					
Milk yield per cow	7366	7545	7911	8203	
Pence per litre	28.9	29.2	29.9	30.0	
Milk output per cow	2126	2201	2369	2459	
<u>Finished cattle and lambs</u>					
£ per finished animal	1019	1199	1073	1062	
£ per finished lamb	82		95		
<u>Cereals##</u>					
Winter wheat					
Yield - tonnes per hectare	7.4	6.2	8.6	8.0	
Price per tonne	133	136	133	130	
Winter barley					
Yield - tonnes per hectare	7.1		6.9		
Price per tonne	121		119		
Spring barley					
Yield - tonnes per hectare	5.7	3.4	5.9	7.2	
Price per tonne	132	126	131	129	
Winter oats					
Yield - tonnes per hectare	6.2		8.1		
Price per tonne	118		135		
All cereals					
Yield - tonnes per hectare	6.7	5.6	7.8	7.6	
Price per tonne	132	134	130	130	

* Top third selected on Management and investment income per hectare

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

##Cereal yields for groups representing less than 100 hectares excluded

Dairy farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2017/2018

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	1078	356	719	211	
Number of farms in FBS sample	40	13	21	6	
Average farmed area (hectares)	122	124	320	225	
Average proportion of total farmed area tenanted or hired (%)	42%	39%	61%	54%	
	£ per farm hectare				
<u>Tenant's capital formation</u>					
Livestock	1761	1959	1492	2275	
Crops, forage and cultivations	146	101	189	157	
Stores	107	105	122	124	
Machinery	1113	969	893	1297	
Basic Payment Scheme	183	181	164	158	
Miscellaneous business assets & other assets	116	153	83	51	
Total physical assets	3425	3469	2943	4062	
Liquid assets	681	908	472	917	
Tenant's capital (TC)	4107	4377	3414	4979	
Management & investment income (M&I)#	199	698	504	1294	
Return on tenant's capital (M&I as % of average TC)	4.8%	15.9%	14.8%	26.0%	
<u>Ratios per £100 of output (%)</u>					
Variable costs	38	33	37	35	
Gross margin	62	67	63	65	
Fixed costs (excluding rent and interest)	36	30	35	28	
Net profit	20	32	22	30	
Net farm income	15	27	19	30	
Farmer and spouse	9	8	3	3	
Management & Investment Income	6	19	16	27	
Tenant's capital	132	121	107	103	
Total assets	577	573	377	346	
Total external liabilities	94	117	85	126	
Net worth	483	456	291	220	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	601	630	468	631	
Costs (£ per £100 output)	19	17	15	13	
Costs (£ per £100 gross margin)	31	26	23	20	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	530	482	497	602	
Costs (£ per £100 output)	17	13	16	12	
Costs (£ per £100 gross margin)	28	20	25	19	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	1131	1113	964	1233	
Costs (£ per £100 output)	36	31	30	25	
Costs (£ per £100 gross margin)	59	46	48	39	

* Top third selected on Management and investment income per hectare

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Dairy farms

END-OF-YEAR BALANCE SHEETS, 2017/2018

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	1078	356	719	211	
Number of farms in FBS sample	40	13	21	6	
Average farmed area (hectares)	122	124	320	225	
Average proportion of total farmed area tenanted or hired (%)	42%	39%	61%	54%	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	13711	16046	8455	11578	
Basic Payment Scheme	190	188	171	165	
Machinery	1143	1042	949	1380	
Tenant's other assets	3	0	0	0	
Breeding livestock	1345	1577	1159	1823	
Total fixed assets	16392	18852	10735	14947	
Suckler cow and ewe premium quota					
Trading livestock	484	494	399	598	
Crops	27	14	61	9	
Forage and cultivations	120	86	126	146	
Stores	113	110	126	132	
Debtors and loans	387	394	306	588	
Bank credit and cash	378	653	170	305	
Other current assets	106	138	80	35	
Total current assets	1615	1889	1268	1814	
Total assets	18007	20741	12003	16760	
Financed by					
Institutional loans	221	455	37	106	
Bank loans	1805	3253	1979	4813	
Other long term	173	97	50	8	
Total long term	2198	3806	2065	4927	
HP and lease	183	74	120	232	
Creditors	248	173	257	356	
Bank overdraft	281	171	278	584	
Other short term	12	13	1	2	
Total current liabilities	725	432	657	1174	
Total Liabilities	2923	4237	2722	6101	
Net worth	15084	16503	9281	10659	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	84%	80%	77%	64%	
% Fixed assets vs. total assets	91%	91%	89%	89%	
Gearing (long-term loans vs. total assets)	12%	18%	17%	29%	
Total debt (external liabilities vs. net worth)	19%	26%	29%	57%	
Current Ratio (current assets vs. current liabilities)	223%	438%	193%	155%	
Liquidity Ratio (liquid assets vs. current liabilities)	106%	243%	72%	76%	

* Top third selected on Management and investment income per hectare

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Lowland Grazing Livestock

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2017/2018

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3794	1236	805	245	
Number of farms in FBS sample	45	13	34	10	
Average farmed area (hectares)	58	62	158	160	
Average proportion of total farmed area tenanted or hired (%)	32%	25%	36%	39%	
	£ per farm hectare				
<u>Output</u>					
Milk	0	0	0	0	
Cattle	612	632	499	553	
Herd depreciation	-14	-14	-22	-30	
Sheep	111	121	195	248	
Flock depreciation	-10	-9	-18	-23	
Pigs	3	0	0	0	
Poultry	0	0	0	0	
Other livestock	0	0	0	0	
Cereals	22	47	66	94	
Oilseeds	0	0	2	0	
Pulses	0	0	1	2	
Other crops	0	1	0	0	
Straw	5	0	14	0	
Forage	41	56	28	28	
Agri-environment schemes and management agreements	31	37	38	70	
Rental income and imputed farmhouse rental equivalent	59	95	53	45	
Hirework	66	73	30	43	
Renewable energy generation	11	6	23	46	
Miscellaneous output	130	292	40	49	
Cultivations	0	0	-2	-3	
Basic Payment Scheme	211	211	196	217	
TOTAL FARM OUTPUT #	1280	1548	1143	1338	
<u>Variable costs</u>					
Concentrates	117	105	105	116	
Purchased fodder	7	3	4	6	
Veterinary and medicines	34	27	35	36	
Other livestock costs	89	79	80	80	
Seeds	9	13	15	14	
Fertilisers	46	51	55	61	
Crop protection	8	13	20	21	
Other crop costs	11	16	11	12	
TOTAL VARIABLE COSTS	321	307	325	346	
TOTAL GROSS MARGIN #	960	1241	818	993	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Lowland Grazing Livestock

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2017/2018

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3794	1236	805	245	
Number of farms in FBS sample	45	13	34	10	
Average farmed area (hectares)	58	62	158	160	
Average proportion of total farmed area tenanted or hired (%)	32%	25%	36%	39%	
	£ per farm hectare				
TOTAL GROSS MARGIN #	960	1241	818	993	
Fixed costs					
Paid labour	3	8	74	117	
Unpaid family labour	65	38	59	18	
Casual labour	12	8	20	22	
Contract	82	85	57	44	
Machinery repairs	63	74	57	60	
Machinery fuel	49	52	42	48	
Machinery depreciation	136	156	92	102	
Other depreciation	0	0	0	0	
Property maintenance	44	44	67	53	
Electricity	11	10	10	10	
Other fuel	6	4	6	7	
Water	13	10	8	10	
Insurance	55	55	34	38	
Professional fees	35	37	26	19	
Other general costs	40	41	28	28	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	614	623	578	577	
PROFIT BEFORE RENT AND INTEREST#	346	618	240	416	
Rent, hired in keep and bare land	53	52	54	64	
Rates	2	4	0	0	
Long-term interest	11	15	14	29	
Short-term interest	10	15	7	3	
Interest received (-)	0	0	0	0	
NET PROFIT#	269	533	165	319	
Reconciliation of Profit to NFI and M&II					
Plus - Interest charges (net)	21	30	21	33	
Plus - Landlord type repairs (included in property maintenance)	4	4	13	2	
Less - Rental value (of owner occupied land and buildings)	157	157	149	129	
NET FARM INCOME# (NFI)	138	411	49	224	
Less farmer and spouse labour	407	295	159	149	
MANAGEMENT AND INVESTMENT INCOME### (M&II)	-269	116	-109	75	

* Top third selected on Management and investment income per hectare

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Lowland Grazing Livestock

FINANCIAL COMPARISONS per £100 OUTPUT, 2017/2018

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3794	1236	805	245	
Number of farms in FBS sample	45	13	34	10	
Average farmed area (hectares)	58	62	158	160	
Average proportion of total farmed area tenanted or hired (%)	32%	25%	36%	39%	
	per £100 output				
Output					
Milk	0	0	0	0	
Cattle	47	40	42	39	
Sheep	8	7	15	17	
Pigs, poultry and other livestock	0	0	0	0	
Cereals	2	3	6	7	
Other cash crops	0	0	0	0	
Straw and forage	4	4	4	2	
Management agreements and agri-environment schemes	2	2	3	5	
Miscellaneous output	21	30	13	13	
Basic Payment Scheme	16	14	17	16	
TOTAL OUTPUT#	100	100	100	100	
<u>Variable costs</u>					
Concentrates, fodder and keep	10	7	10	9	
Veterinary, medicines and other livestock costs	10	7	10	9	
Seeds	1	1	1	1	
Fertilisers	4	3	5	5	
Crop protection and other crop costs	1	2	3	2	
TOTAL VARIABLE COSTS	25	20	28	26	
TOTAL GROSS MARGIN#	75	80	72	74	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	5	3	12	10	
Casual labour	1	1	2	2	
Contract	6	5	5	3	
Machinery repairs and fuel	9	8	9	8	
Machinery and other depreciation	11	10	8	8	
Property maintenance	3	3	6	4	
Electricity, other fuel and water	2	2	2	2	
Other general costs	10	9	8	6	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	48	40	51	43	
PROFIT BEFORE RENT AND INTEREST#	27	40	21	31	
Rent and rates	4	4	5	5	
Long-term interest paid	1	1	1	2	
Short-term interest paid	1	1	1	0	
Interest received (-)	0	0	0	0	
PROFIT#	21	34	14	24	

* Top third selected on Management and investment income per hectare

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Lowland Grazing Livestock

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2017/2018

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3794	1236	805	245	
Number of farms in FBS sample	45	13	34	10	
Average farmed area (hectares)	58	62	158	160	
Average proportion of total farmed area tenanted or hired (%)	32%	25%	36%	39%	
<u>Land use</u>					
Percentage cropped	68	75	64	61	
Percentage forage	32	25	36	39	
<u>Grazing livestock units</u>					
			GLUs per farm		
Dairy cattle	0	0	0	0	
Other cattle	52	54	114	108	
Sheep	7	7	38	44	
Other livestock	1	0	1	3	
Total	60	61	153	155	
GLUs per ha	1.15	1.19	1.10	1.13	
GLUs per adjusted ha	1.16	1.19	1.11	1.13	
<u>Technical efficiency</u>					
<u>Dairy</u>					
Milk yield per cow					
Pence per litre					
Milk output per cow					
<u>Finished cattle and lambs</u>					
£ per finished animal	1174	1231	1160	1242	
£ per finished lamb	83	85	81	84	
<u>Cereals#</u>					
Winter wheat					
Yield - tonnes per hectare	9.4	9.4	8.1	8.9	
Price per tonne	128	128	135	136	
Winter barley					
Yield - tonnes per hectare	5.0	5.1	7.2	7.3	
Price per tonne	123	123	126	129	
Spring barley					
Yield - tonnes per hectare	4.5	4.5	4.5	4.3	
Price per tonne	126	127	126	126	
Winter oats					
Yield - tonnes per hectare	4.9	4.9	6.3	6.8	
Price per tonne	117	117	120	118	
All cereals					
Yield - tonnes per hectare	5.4	5.8	6.2	6.2	
Price per tonne	125	125	127	128	

* Top third selected on Management and investment income per hectare

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

##Cereal yields for groups representing less than 100 hectares excluded

Lowland Grazing Livestock

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2017/2018

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3794	1236	805	245	
Number of farms in FBS sample	45	13	34	10	
Average farmed area (hectares)	58	62	158	160	
Average proportion of total farmed area tenanted or hired (%)	32%	25%	36%	39%	
	£ per farm hectare				
Tenant's capital formation					
Livestock	1072	930	1086	1071	
Crops, forage and cultivations	87	70	81	78	
Stores	61	60	59	56	
Machinery	840	968	593	678	
Basic Payment Scheme	204	205	180	204	
Miscellaneous business assets & other assets	16	10	7	4	
Total physical assets	2280	2244	2007	2091	
Liquid assets	557	709	290	312	
Tenant's capital (TC)	2837	2953	2297	2403	
Management & investment income (M&I)#	-269	116	-109	75	
Return on tenant's capital (M&I as % of average TC)	-9.5%	3.9%	-4.8%	3.1%	
<u>Ratios per £100 of output (%)</u>					
Variable costs	25	20	28	26	
Gross margin	75	80	72	74	
Fixed costs (excluding rent and interest)	48	40	51	43	
Net profit	21	34	14	24	
Net farm income	11	27	4	17	
Farmer and spouse	32	19	14	11	
Management & Investment Income	-21	8	-10	6	
Tenant's capital	222	191	201	180	
Total assets	1353	1291	1200	948	
Total external liabilities	63	55	64	73	
Net worth	1289	1236	1136	875	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	487	348	311	306	
Costs (£ per £100 output)	38	22	27	23	
Costs (£ per £100 gross margin)	51	28	38	31	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	330	367	247	254	
Costs (£ per £100 output)	26	24	22	19	
Costs (£ per £100 gross margin)	34	30	30	26	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	817	716	558	561	
Costs (£ per £100 output)	64	46	49	42	
Costs (£ per £100 gross margin)	85	58	68	56	

* Top third selected on Management and investment income per hectare

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Lowland Grazing Livestock

END-OF-YEAR BALANCE SHEETS, 2017/2018

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3794	1236	805	245	
Number of farms in FBS sample	45	13	34	10	
Average farmed area (hectares)	58	62	158	160	
Average proportion of total farmed area tenanted or hired (%)	32%	25%	36%	39%	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	14440	16977	11332	10173	
Basic Payment Scheme	211	212	187	212	
Machinery	840	952	609	696	
Tenant's other assets	1	0	0	0	
Breeding livestock	411	421	534	588	
Total fixed assets	15903	18563	12662	11669	
Suckler cow and ewe premium quota					
Trading livestock	694	511	589	542	
Crops	7	9	27	38	
Forage and cultivations	78	59	53	35	
Stores	64	75	63	59	
Debtors and loans	178	257	139	92	
Bank credit and cash	386	513	177	243	
Other current assets	4	10	2	3	
Total current assets	1412	1433	1050	1013	
Total assets	17314	19996	13712	12682	
Financed by					
Institutional loans	74	199	58	32	
Bank loans	234	176	314	576	
Other long term	140	62	33	80	
Total long term	449	437	405	688	
HP and lease	71	100	55	78	
Creditors	103	136	117	85	
Bank overdraft	165	173	155	115	
Other short term	18	10	2	6	
Total current liabilities	358	420	329	283	
Total Liabilities	807	857	734	972	
Net worth	16507	19139	12978	11710	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	95%	96%	95%	92%	
% Fixed assets vs. total assets	92%	93%	92%	92%	
Gearing (long-term loans vs. total assets)	3%	2%	3%	5%	
Total debt (external liabilities vs. net worth)	5%	4%	6%	8%	
Current Ratio (current assets vs. current liabilities)	395%	341%	319%	357%	
Liquidity Ratio (liquid assets vs. current liabilities)	158%	183%	96%	118%	

* Top third selected on Management and investment income per hectare

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Less Favoured Area Grazing Livestock

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2017/2018

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	468	143	477	.	
Number of farms in FBS sample	15	9	9	.	
Average farmed area (hectares)	132	206	57	.	
Average proportion of total farmed area tenanted or hired (%)	51%	64%	9%	.	
	£ per farm hectare				
<u>Output</u>					
Milk	0	0	0	.	
Cattle	193	213	406	.	
Herd depreciation	-16	-12	-17	.	
Sheep	280	213	330	.	
Flock depreciation	-51	-29	-52	.	
Pigs	0	0	0	.	
Poultry	0	0	0	.	
Other livestock	0	0	0	.	
Cereals	1	0	0	.	
Oilseeds	0	0	0	.	
Pulses	0	0	0	.	
Other crops	0	0	0	.	
Straw	1	0	0	.	
Forage	7	1	12	.	
Agri-environment schemes and management agreements	122	142	58	.	
Rental income and imputed farmhouse rental equivalent	7	9	18	.	
Hirework	22	43	50	.	
Renewable energy generation	12	15	1	.	
Miscellaneous output	8	5	27	.	
Cultivations	0	0	0	.	
Basic Payment Scheme	177	160	234	.	
TOTAL FARM OUTPUT #	763	761	1067	.	
<u>Variable costs</u>					
Concentrates	74	79	109	.	
Purchased fodder	9	10	22	.	
Veterinary and medicines	29	21	40	.	
Other livestock costs	59	56	102	.	
Seeds	3	3	4	.	
Fertilisers	27	24	51	.	
Crop protection	1	0	1	.	
Other crop costs	2	2	7	.	
TOTAL VARIABLE COSTS	205	194	336	.	
TOTAL GROSS MARGIN #	558	567	731	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Less Favoured Area Grazing Livestock

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2017/2018

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	468	143	477	.	
Number of farms in FBS sample	15	9	9	.	
Average farmed area (hectares)	132	206	57	.	
Average proportion of total farmed area tenanted or hired (%)	51%	64%	9%	.	
	£ per farm hectare				
TOTAL GROSS MARGIN #	558	567	731	.	
Fixed costs					
Paid labour	24	36	23	.	
Unpaid family labour	37	15	29	.	
Casual labour	17	14	11	.	
Contract	30	28	34	.	
Machinery repairs	29	30	69	.	
Machinery fuel	29	30	44	.	
Machinery depreciation	63	81	93	.	
Other depreciation	0	0	0	.	
Property maintenance	33	40	79	.	
Electricity	6	4	7	.	
Other fuel	5	6	3	.	
Water	3	1	15	.	
Insurance	32	23	38	.	
Professional fees	14	15	22	.	
Other general costs	27	23	54	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	349	345	523	.	
PROFIT BEFORE RENT AND INTEREST#	209	222	208	.	
Rent, hired in keep and bare land	37	42	15	.	
Rates	0	0	0	.	
Long-term interest	14	19	17	.	
Short-term interest	6	5	19	.	
Interest received (-)	0	0	0	.	
NET PROFIT#	152	156	158	.	
Reconciliation of Profit to NFI and M&I					
Plus - Interest charges (net)	20	24	36	.	
Plus - Landlord type repairs (included in property maintenance)	3	3	6	.	
Less - Rental value (of owner occupied land and buildings)	66	61	195	.	
NET FARM INCOME# (NFI)	108	122	5	.	
Less farmer and spouse labour	183	132	362	.	
MANAGEMENT AND INVESTMENT INCOME# (M&I)	-75	-10	-358	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Less Favoured Area Grazing Livestock

FINANCIAL COMPARISONS per £100 OUTPUT, 2017/2018

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	468	143	477	.	
Number of farms in FBS sample	15	9	9	.	
Average farmed area (hectares)	132	206	57	.	
Average proportion of total farmed area tenanted or hired (%)	51%	64%	9%	.	
	per £100 output				
<u>Output</u>					
Milk	0	0	0	.	
Cattle	23	26	36	.	
Sheep	30	24	26	.	
Pigs, poultry and other livestock	0	0	0	.	
Cereals	0	0	0	.	
Other cash crops	0	0	0	.	
Straw and forage	1	0	1	.	
Management agreements and agri-environment schemes	16	19	5	.	
Miscellaneous output	6	10	9	.	
Basic Payment Scheme	23	21	22	.	
TOTAL OUTPUT#	100	100	100	.	
<u>Variable costs</u>					
Concentrates, fodder and keep	11	12	12	.	
Veterinary, medicines and other livestock costs	12	10	13	.	
Seeds	0	0	0	.	
Fertilisers	3	3	5	.	
Crop protection and other crop costs	0	0	1	.	
TOTAL VARIABLE COSTS	27	25	31	.	
TOTAL GROSS MARGIN#	73	75	69	.	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	8	7	5	.	
Casual labour	2	2	1	.	
Contract	4	4	3	.	
Machinery repairs and fuel	8	8	11	.	
Machinery and other depreciation	8	11	9	.	
Property maintenance	4	5	7	.	
Electricity, other fuel and water	2	1	2	.	
Other general costs	9	8	11	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	46	45	49	.	
PROFIT BEFORE RENT AND INTEREST#	27	29	20	.	
Rent and rates	5	6	1	.	
Long-term interest paid	2	2	2	.	
Short-term interest paid	1	1	2	.	
Interest received (-)	0	0	0	.	
PROFIT#	20	21	15	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Less Favoured Area Grazing Livestock

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2017/2018

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	468	143	477	.	
Number of farms in FBS sample	15	9	9	.	
Average farmed area (hectares)	132	206	57	.	
Average proportion of total farmed area tenanted or hired (%)	51%	64%	9%	.	
<u>Land use</u>					
Percentage cropped	49	36	91	.	
Percentage forage	51	64	9	.	
<u>Grazing livestock units</u>					
			GLUs per farm		
Dairy cattle	0	0	0	.	
Other cattle	44	82	43	.	
Sheep	40	48	22	.	
Other livestock	1	4	0	.	
Total	85	134	65	.	
GLUs per ha	0.65	0.65	1.16	.	
GLUs per adjusted ha	0.81	0.93	1.17	.	
<u>Technical efficiency</u>					
<u>Dairy</u>					
Milk yield per cow				.	
Pence per litre				.	
Milk output per cow				.	
<u>Finished cattle and lambs</u>					
£ per finished animal	1146	1122	1034	.	
£ per finished lamb	77	75	80	.	
<u>Cereals##</u>					
Winter wheat					
Yield - tonnes per hectare				.	
Price per tonne				.	
Winter barley					
Yield - tonnes per hectare				.	
Price per tonne				.	
Spring barley					
Yield - tonnes per hectare	4.0			.	
Price per tonne	129			.	
Winter oats					
Yield - tonnes per hectare				.	
Price per tonne				.	
All cereals					
Yield - tonnes per hectare	4.0			.	
Price per tonne	129			.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

##Cereal yields for groups representing less than 100 hectares excluded

Less Favoured Area Grazing Livestock

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2017/2018

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	468	143	477	.	
Number of farms in FBS sample	15	9	9	.	
Average farmed area (hectares)	132	206	57	.	
Average proportion of total farmed area tenanted or hired (%)	51%	64%	9%	.	
	£ per farm hectare				
<u>Tenant's capital formation</u>					
Livestock	677	679	1250	.	
Crops, forage and cultivations	28	35	27	.	
Stores	17	17	35	.	
Machinery	367	473	591	.	
Basic Payment Scheme	191	159	222	.	
Miscellaneous business assets & other assets	29	14	25	.	
Total physical assets	1309	1377	2150	.	
Liquid assets	186	247	601	.	
Tenant's capital (TC)	1495	1624	2751	.	
Management & investment income (M&I)##	-75	-10	-358	.	
Return on tenant's capital (M&I as % of average TC)	-5.0%	-0.6%	-13.0%	.	
<u>Ratios per £100 of output (%)</u>					
Variable costs	27	25	31	.	
Gross margin	73	75	69	.	
Fixed costs (excluding rent and interest)	46	45	49	.	
Net profit	20	21	15	.	
Net farm income	14	16	0	.	
Farmer and spouse	24	17	34	.	
Management & Investment Income	-10	-1	-34	.	
Tenant's capital	196	213	258	.	
Total assets	976	874	1904	.	
Total external liabilities	90	102	82	.	
Net worth	886	772	1822	.	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	262	197	426	.	
Costs (£ per £100 output)	34	26	40	.	
Costs (£ per £100 gross margin)	47	35	58	.	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	152	169	241	.	
Costs (£ per £100 output)	20	22	23	.	
Costs (£ per £100 gross margin)	27	30	33	.	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	413	366	667	.	
Costs (£ per £100 output)	54	48	62	.	
Costs (£ per £100 gross margin)	74	64	91	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Less Favoured Area Grazing Livestock

END-OF-YEAR BALANCE SHEETS, 2017/2018

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	468	143	477	.	
Number of farms in FBS sample	15	9	9	.	
Average farmed area (hectares)	132	206	57	.	
Average proportion of total farmed area tenanted or hired (%)	51%	64%	9%	.	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	5917	4961	17546	.	
Basic Payment Scheme	200	166	231	.	
Machinery	353	461	613	.	
Tenant's other assets	0	0	0	.	
Breeding livestock	495	449	672	.	
Total fixed assets	6965	6037	19062	.	
Suckler cow and ewe premium quota					
Trading livestock	183	236	516	.	
Crops	0	0	0	.	
Forage and cultivations	28	34	26	.	
Stores	21	21	39	.	
Debtors and loans	158	227	155	.	
Bank credit and cash	88	99	524	.	
Other current assets	1	2	2	.	
Total current assets	480	619	1262	.	
Total assets	7445	6656	20324	.	
Financed by					
Institutional loans	234	389	293	.	
Bank loans	146	132	82	.	
Other long term	64	83	7	.	
Total long term	443	604	383	.	
HP and lease	9	19	55	.	
Creditors	78	75	65	.	
Bank overdraft	153	81	372	.	
Other short term	1	0	0	.	
Total current liabilities	241	175	491	.	
Total Liabilities	684	779	874	.	
Net worth	6761	5877	19450	.	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	91%	88%	96%	.	
% Fixed assets vs. total assets	94%	91%	94%	.	
Gearing (long-term loans vs. total assets)	6%	9%	2%	.	
Total debt (external liabilities vs. net worth)	10%	13%	4%	.	
Current Ratio (current assets vs. current liabilities)	199%	353%	257%	.	
Liquidity Ratio (liquid assets vs. current liabilities)	102%	185%	138%	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

General Cropping and Cattle, Sheep and Cropping

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2017/2018

	General cropping		Cattle, sheep and cropping		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	547	.	719	.	
Number of farms in FBS sample	13	.	18	.	
Average farmed area (hectares)	109	.	175	.	
Average proportion of total farmed area tenanted or hired (%)	39%	.	61%	.	
	£ per farm hectare				
<u>Output</u>					
Milk	0	.	0	.	
Cattle	109	.	236	.	
Herd depreciation	-4	.	-2	.	
Sheep	40	.	188	.	
Flock depreciation	-7	.	-27	.	
Pigs	0	.	0	.	
Poultry	0	.	0	.	
Other livestock	0	.	0	.	
Cereals	324	.	315	.	
Oilseeds	57	.	20	.	
Pulses	9	.	4	.	
Other crops	526	.	99	.	
Straw	60	.	64	.	
Forage	115	.	40	.	
Agri-environment schemes and management agreements	34	.	39	.	
Rental income and imputed farmhouse rental equivalent	110	.	31	.	
Hirework	75	.	133	.	
Renewable energy generation	59	.	4	.	
Miscellaneous output	33	.	17	.	
Cultivations	0	.	-1	.	
Basic Payment Scheme	204	.	212	.	
TOTAL FARM OUTPUT #	1744	.	1372	.	
<u>Variable costs</u>					
Concentrates	26	.	89	.	
Purchased fodder	4	.	5	.	
Veterinary and medicines	5	.	21	.	
Other livestock costs	28	.	63	.	
Seeds	142	.	50	.	
Fertilisers	134	.	99	.	
Crop protection	134	.	73	.	
Other crop costs	56	.	19	.	
TOTAL VARIABLE COSTS	529	.	419	.	
TOTAL GROSS MARGIN #	1215	.	953	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

General Cropping and Cattle, Sheep and Cropping

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2017/2018

	General Cropping		Cattle, Sheep and Cropping		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	547	.	719	.	
Number of farms in FBS sample	13	.	18	.	
Average farmed area (hectares)	109	.	175	.	
Average proportion of total farmed area tenanted or hired (%)	39%	.	61%	.	
	£ per farm hectare				
TOTAL GROSS MARGIN #	1215	.	953	.	
<u>Fixed costs</u>					
Paid labour	71	.	114	.	
Unpaid family labour	107	.	64	.	
Casual labour	35	.	14	.	
Contract	105	.	65	.	
Machinery repairs	73	.	83	.	
Machinery fuel	68	.	63	.	
Machinery depreciation	196	.	124	.	
Other depreciation	4	.	0	.	
Property maintenance	32	.	26	.	
Electricity	23	.	7	.	
Other fuel	16	.	5	.	
Water	8	.	5	.	
Insurance	53	.	39	.	
Professional fees	36	.	19	.	
Other general costs	51	.	29	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	878	.	657	.	
PROFIT BEFORE RENT AND INTEREST#	337	.	296	.	
Rent, hired in keep and bare land	90	.	121	.	
Rates	0	.	1	.	
Long-term interest	50	.	12	.	
Short-term interest	12	.	12	.	
Interest received (-)	0	.	0	.	
NET PROFIT#	185	.	150	.	
Reconciliation of Profit to NFI and M&I					
Plus - Interest charges (net)	63	.	24	.	
Plus - Landlord type repairs (included in property maintenance)	2	.	1	.	
Less - Rental value (of owner occupied land and buildings)	162	.	89	.	
NET FARM INCOME# (NFI)	87	.	87	.	
Less farmer and spouse labour	235	.	160	.	
MANAGEMENT AND INVESTMENT INCOME** (M&I)	-147	.	-73	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

General Cropping and Cattle, Sheep and Cropping

FINANCIAL COMPARISONS per £100 OUTPUT, 2017/2018

	General Cropping		Cattle, Sheep and Cropping		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	547	.	719	.	
Number of farms in FBS sample	13	.	18	.	
Average farmed area (hectares)	109	.	175	.	
Average proportion of total farmed area tenanted or hired (%)	39%	.	61%	.	
	per £100 output				
<u>Output</u>					
Milk	0	.	0	.	
Cattle	6	.	17	.	
Sheep	2	.	12	.	
Pigs, poultry and other livestock	0	.	0	.	
Cereals	19	.	23	.	
Other cash crops	34	.	9	.	
Straw and forage	10	.	8	.	
Management agreements and agri-environment schemes	2	.	3	.	
Miscellaneous output	16	.	13	.	
Basic Payment Scheme	12	.	15	.	
TOTAL OUTPUT#	100	.	100	.	
<u>Variable costs</u>					
Concentrates, fodder and keep	2	.	7	.	
Veterinary, medicines and other livestock costs	2	.	6	.	
Seeds	8	.	4	.	
Fertilisers	8	.	7	.	
Crop protection and other crop costs	11	.	7	.	
TOTAL VARIABLE COSTS	30	.	31	.	
TOTAL GROSS MARGIN#	70	.	69	.	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	10	.	13	.	
Casual labour	2	.	1	.	
Contract	6	.	5	.	
Machinery repairs and fuel	8	.	11	.	
Machinery and other depreciation	11	.	9	.	
Property maintenance	2	.	2	.	
Electricity, other fuel and water	3	.	1	.	
Other general costs	8	.	6	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	50	.	48	.	
PROFIT BEFORE RENT AND INTEREST#	19	.	22	.	
Rent and rates	5	.	9	.	
Long-term interest paid	3	.	1	.	
Short-term interest paid	1	.	1	.	
Interest received (-)	0	.	0	.	
PROFIT#	11	.	11	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

General Cropping and Cattle, Sheep and Cropping

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2017/2018

	General Cropping		Cattle, Sheep and Cropping		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	547	.	719	.	
Number of farms in FBS sample	13	.	18	.	
Average farmed area (hectares)	109	.	175	.	
Average proportion of total farmed area tenanted or hired (%)	39%	.	61%	.	
<u>Land use</u>					
Percentage cropped	61	.	39	.	
Percentage forage	39	.	61	.	
<u>Grazing livestock units</u>					
			GLUs per farm		
Dairy cattle	0	.	0	.	
Other cattle	18	.	54	.	
Sheep	6	.	44	.	
Other livestock	0	.	0	.	
Total	24	.	98	.	
GLUs per ha	0.67	.	1.17	.	
GLUs per adjusted ha	0.67	.	1.27	.	
<u>Technical efficiency</u>					
<u>Dairy</u>					
Milk yield per cow		.		.	
Pence per litre		.		.	
Milk output per cow		.		.	
<u>Finished cattle and lambs</u>					
£ per finished animal	1061	.	1168	.	
£ per finished lamb	66	.	84	.	
<u>Cereals##</u>					
Winter wheat					
Yield - tonnes per hectare	8.4	.	7.3	.	
Price per tonne	135	.	142	.	
Winter barley					
Yield - tonnes per hectare	6.8	.	6.9	.	
Price per tonne	123	.	122	.	
Spring barley					
Yield - tonnes per hectare	5.4	.	4.9	.	
Price per tonne	128	.	132	.	
Winter oats					
Yield - tonnes per hectare		.	6.7	.	
Price per tonne		.	121	.	
All cereals					
Yield - tonnes per hectare	7.3	.	6.4	.	
Price per tonne	132	.	134	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

##Cereal yields for groups representing less than 100 hectares excluded

General Cropping and Cattle, Sheep and Cropping

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2017/2018

	General Cropping		Cattle, Sheep and Cropping		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	547	.	719	.	
Number of farms in FBS sample	13	.	18	.	
Average farmed area (hectares)	109	.	175	.	
Average proportion of total farmed area tenanted or hired (%)	39%	.	61%	.	
	£ per farm hectare				
<u>Tenant's capital formation</u>					
Livestock	219	.	565	.	
Crops, forage and cultivations	461	.	355	.	
Stores	175	.	83	.	
Machinery	1347	.	815	.	
Basic Payment Scheme	193	.	201	.	
Miscellaneous business assets & other assets	216	.	16	.	
Total physical assets	2611	.	2034	.	
Liquid assets	441	.	292	.	
Tenant's capital (TC)	3052	.	2325	.	
Management & investment income (M&I)#	-147	.	-73	.	
Return on tenant's capital (M&I as % of average TC)	-4.8%	.	-3.1%	.	
<u>Ratios per £100 of output (%)</u>					
Variable costs	30	.	31	.	
Gross margin	70	.	69	.	
Fixed costs (excluding rent and interest)	50	.	48	.	
Net profit	11	.	11	.	
Net farm income	5	.	6	.	
Farmer and spouse	13	.	12	.	
Management & Investment Income	-8	.	-5	.	
Tenant's capital	175	.	169	.	
Total assets	860	.	680	.	
Total external liabilities	143	.	67	.	
Net worth	717	.	613	.	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	0	.	0	.	
Costs (£ per £100 output)	0	.	0	.	
Costs (£ per £100 gross margin)	0	.	0	.	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	0	.	0	.	
Costs (£ per £100 output)	0	.	0	.	
Costs (£ per £100 gross margin)	0	.	0	.	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	0	.	0	.	
Costs (£ per £100 output)	0	.	0	.	
Costs (£ per £100 gross margin)	0	.	0	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

General Cropping and Cattle, Sheep and Cropping

END-OF-YEAR BALANCE SHEETS, 2017/2018

	General Cropping		Cattle, Sheep and Cropping		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	547	.	719	.	
Number of farms in FBS sample	13	.	18	.	
Average farmed area (hectares)	109	.	175	.	
Average proportion of total farmed area tenanted or hired (%)	39%	.	61%	.	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	11890	.	6930	.	
Basic Payment Scheme	200	.	209	.	
Machinery	1333	.	832	.	
Tenant's other assets	162	.	2	.	
Breeding livestock	73	.	236	.	
Total fixed assets	13658	.	8209	.	
Suckler cow and ewe premium quota					
Trading livestock	170	.	356	.	
Crops	379	.	249	.	
Forage and cultivations	131	.	117	.	
Stores	146	.	76	.	
Debtors and loans	337	.	204	.	
Bank credit and cash	162	.	113	.	
Other current assets	8	.	1	.	
Total current assets	1333	.	1115	.	
Total assets	14991	.	9325	.	
Financed by					
Institutional loans	847	.	0	.	
Bank loans	928	.	285	.	
Other long term	9	.	114	.	
Total long term	1784	.	399	.	
HP and lease	146	.	159	.	
Creditors	146	.	161	.	
Bank overdraft	405	.	195	.	
Other short term	6	.	7	.	
Total current liabilities	703	.	522	.	
Total Liabilities	2486	.	920	.	
Net worth	12505	.	8404	.	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	83%	.	90%	.	
% Fixed assets vs. total assets	91%	.	88%	.	
Gearing (long-term loans vs. total assets)	12%	.	4%	.	
Total debt (external liabilities vs. net worth)	20%	.	11%	.	
Current Ratio (current assets vs. current liabilities)	190%	.	214%	.	
Liquidity Ratio (liquid assets vs. current liabilities)	71%	.	61%	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Wheat

Gross margin per hectare

Crop year 2017

	WINTER			SPRING		
	Average	Premium*	Your Farm	Average***	Premium***	Your Farm
Number of farms in the population represented	3215	1118				
Number of farms	87	29		.	.	
Area per farm (ha)	46.0	62.5		.	.	
Yield: tonnes/ha	8.6	9.6		.	.	
Price: £/tonne	136.9	138.9		.	.	
	£ per hectare					
Grain	1181.3	1338.8		.	.	
Straw	134.0	128.3		.	.	
ENTERPRISE OUTPUT	1315.3	1467.1		.	.	
Seeds (inc.homegrown)	71.1	68.4		.	.	
Fertilisers	173.5	170.2		.	.	
Sprays	247.5	261.6		.	.	
Other crop costs	47.9	26.1		.	.	
TOTAL VARIABLES ‡	540.0	526.2		.	.	
GROSS MARGIN	775.3	940.9		.	.	

* Top third in order of Gross Margin per hectare

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

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

Organic farms have been excluded from this benchmarking data

Barley

Gross margin per hectare

Crop year 2017

	WINTER			SPRING		
	Average	Premium*	Your Farm	Average	Premium*	Your Farm
Number of farms in the population represented	2425	827		2900	987	
Number of farms	67	28		86	30	
Area per farm (ha)	23.9	22.6		26.7	42.1	
Yield: tonnes/ha	7.1	7.5		6.0	6.7	
Price: £/tonne	121.0	127.3		133.7	134.5	
	£ per hectare					
Grain	862.0	958.2		798.2	905.4	
Straw	174.9	241.4		105.7	105.2	
ENTERPRISE OUTPUT	1036.9	1199.5		903.9	1010.6	
Seeds (inc.homegrown)	88.3	65.2		67.9	66.7	
Fertilisers	155.9	143.2		133.5	131.6	
Sprays	185.2	167.1		126.1	120.4	
Other crop costs	29.1	35.7		45.0	28.0	
TOTAL VARIABLES ‡	458.6	411.2		372.5	346.8	
GROSS MARGIN	578.3	788.3		531.4	663.9	

* Top third in order of Gross Margin per hectare

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

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

Organic farms have been excluded from this benchmarking data

Oats

Gross margin per hectare	Crop year 2017					
	WINTER			SPRING		
	Average	Premium*	Your Farm	Average	Premium*	Your Farm
Number of farms in the population represented	592	.		749	259	
Number of farms	67	28		86	30	
Area per farm (ha)	23.9	22.6		26.7	42.1	
Yield: tonnes/ha	7.1	7.5		6.0	6.7	
Price: £/tonne	121.0	127.3		133.7	134.5	
	£ per hectare					
Grain	862.0	958.2		798.2	905.4	
Straw	174.9	241.4		105.7	105.2	
ENTERPRISE OUTPUT	1036.9	1199.5		903.9	1010.6	
Seeds (inc.homegrown)	88.3	65.2		67.9	66.7	
Fertilisers	155.9	143.2		133.5	131.6	
Sprays	185.2	167.1		126.1	120.4	
Other crop costs	29.1	35.7		45.0	28.0	
TOTAL VARIABLES ‡	458.6	411.2		372.5	346.8	
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** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

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

Organic farms have been excluded from this benchmarking data

Oilseed rape

Gross margin per hectare

Crop year 2017

	WINTER			SPRING		
	Average	Premium**	Your Farm	Average**	Premium**	Your Farm
Number of farms in the population represented	1035	347				
Number of farms	32	14				
Area per farm (ha)	47.2	82.3				
Yield: tonnes/ha	3.6	3.9				
Price: £/tonne	331.5	336.0				
	£ per hectare					
Grain	1176.8	1307.5				
Straw	11.5	6.9				
ENTERPRISE OUTPUT	1188.3	1314.4				
Seeds (inc.homegrown)	70.3	73.3				
Fertilisers	191.5	205.4				
Sprays	226.6	239.1				
Other crop costs	35.6	26.3				
TOTAL VARIABLES ‡	524.1	544.1				
GROSS MARGIN	664.3	770.4				

* Top third in order of Gross Margin per hectare

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

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

Organic farms have been excluded from this benchmarking data

Dairy cows - mainly Fresian/Holsteins

Gross margins per cow and per hectare

2017/18

	Conventional		Organic		Your Farm
	Average	Premium*	Average	Premium***	
Number of farms in the population represented	1781	608	134		
Number of farms in sample	62	18	16		
Cows per herd	188	232	149		
Yield: litres/cow	7662	8749	5890		
Price: pence/litre	29.6	30.0	39.5		
Stocking rate: cows/ha	1.81	1.81	1.38		
ha/cow	0.55	0.55	0.73		
	£ per cow				
Output - milk	2271.5	2622.9	2329.0		
miscellaneous revenue	7.9	4.1	11.2		
calves	122.3	126.6	113.1		
depreciation	-180.2	-175.7	-155.2		
ENTERPRISE OUTPUT (excl. BLSA)	2221.4	2578.0	2298.0		
Concentrates	546.7	629.2	589.2		
Coarse fodder	21.7	38.7	13.1		
Veterinary and medicines	67.3	64.5	52.4		
Other livestock costs	152.8	165.4	187.6		
Forage †	87.1	89.1	31.8		
TOTAL VARIABLE COSTS ‡	875.5	986.8	874.1		
GROSS MARGIN per cow (excl. BLSA)	1345.9	1591.2	1424.0		
GROSS MARGIN per hectare (excl. BLSA)	2442.6	3143.0	1942.9		
Margin - milk over concentrates	1724.7	1993.7	1739.8		
Concentrates per £100 of milk output	24.1	24.0	25.3		

* Top third in order of Gross Margin per cow.

**** CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

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

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

Organic farms have been identified as a separate group from this benchmarking table

Dairy Cows - mainly Fresian/Holsteins

Gross margins per cow and per hectare

2017/18

Yield per cow (litres)	Less than 5999	6000- 6999**	7000- 7999**	Over 8000	Your Farm
Number of farms in the population represented	466	222	382	711	
Number of farms in sample	19	8	14	21	
Cows per herd	177	145	187	208	
Yield: litres/cow	5242	6589	7484	9330	
Price: pence/litre	30.7	29.9	29.9	29.2	
Stocking rate: cows/ha	2.00	4.13	1.97	1.64	
ha/cow	0.50	0.24	0.51	0.61	
	£ per cow				
Output - milk	1610.1	1972.0	2234.2	2722.9	
miscellaneous revenue	11.4	13.8	5.8	5.6	
calves	110.7	117.4	128.9	126.7	
depreciation	-138.0	-127.0	-209.0	-201.4	
ENTERPRISE OUTPUT (excl. BLSA)	1594.2	1976.1	2160.0	2653.8	
Concentrates	242.9	404.2	596.9	722.6	
Coarse fodder	4.4	6.5	11.0	39.8	
Veterinary and medicines	39.5	55.0	82.0	78.3	
Other livestock costs	85.9	114.3	157.0	196.3	
Forage †	65.1	88.0	90.6	97.4	
TOTAL VARIABLE COSTS ‡	437.8	668.1	937.5	1134.4	
GROSS MARGIN per cow (excl. BLSA)	1156.4	1308.1	1222.5	1519.4	
GROSS MARGIN per hectare (excl. BLSA)	877.1	1272.5	1893.1	1851.9	
Margin - milk over concentrates	1367.2	1567.8	1637.3	2000.3	
Concentrates per £100 of milk output	15.1	20.5	26.7	26.5	

* Top third in order of Gross Margin per cow.

**** CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

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

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

Organic farms have been excluded from this benchmarking data

Dairy Cows - mainly Fresian/Holsteins

Gross margins per cow and per hectare

2017/18

Average number of cows	Under 100	100-150**	150-200	Over 200	Your Farm
Number of farms in the population represented	416	311	412	642	
Number of farms in sample	16	12	15	19	
Cows per herd	62	128	168	311	
Yield: litres/cow	6816	7132	7646	7884	
Price: pence/litre	28.7	28.7	29.1	30.1	
Stocking rate: cows/ha	1.54	1.75	1.93	1.82	
ha/cow	0.65	0.57	0.52	0.55	
	£ per cow				
Output - milk	1959.2	2047.2	2223.8	2373.2	
miscellaneous revenue	50.4	22.9	2.7	1.1	
calves	135.8	115.4	133.6	118.1	
depreciation	-162.4	-170.8	-162.5	-190.5	
ENTERPRISE OUTPUT (excl. BLSA)	1983.0	2014.7	2197.5	2301.9	
Concentrates	528.0	500.0	551.2	556.9	
Coarse fodder	14.4	9.2	17.9	26.4	
Veterinary and medicines	53.3	80.5	64.4	67.4	
Other livestock costs	157.3	156.4	155.3	150.6	
Forage †	84.9	103.1	78.6	87.1	
TOTAL VARIABLE COSTS ‡	838.0	849.2	867.3	888.5	
GROSS MARGIN per cow (excl. BLSA)	1145.0	1165.5	1330.2	1413.5	
GROSS MARGIN per hectare (excl. BLSA)	1285.1	1480.5	1666.0	1633.3	

Margin - milk over concentrates	1431.2	1547.2	1672.6	1816.3	
Concentrates per £100 of milk output	26.9	24.4	24.8	23.5	

* Top third in order of Gross Margin per cow.

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

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

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

Organic farms have been excluded from this benchmarking data

Dairy Cows - mainly Fresian/Holsteins

Gross margins per cow and per hectare

2017/18

Stocking rate (GLU per hectare)	Less than 1.6GLU/ha	1.6 to 2.0 GLU/ha	Over 2.0GLU/ha	Your Farm
Number of farms in the population represented	461	685	636	
Number of farms in sample	16	25	21	
Cows per herd	171	150	241	
Yield: litres/cow	7989	7046	7906	
Price: pence/litre	29.1	29.3	30.1	
Stocking rate: cows/ha	1.24	1.80	2.40	
ha/cow	0.81	0.56	0.42	
	£ per cow			
Output - milk	2324.2	2066.9	2381.0	
miscellaneous revenue	6.8	14.8	3.8	
calves	132.2	124.7	115.7	
depreciation	-188.8	-164.5	-186.3	
ENTERPRISE OUTPUT (excl. BLSA)	2274.4	2041.9	2314.2	
Concentrates	526.2	484.4	598.9	
Coarse fodder	31.9	9.4	24.7	
Veterinary and medicines	66.0	67.4	67.8	
Other livestock costs	177.7	142.9	146.6	
Forage †	109.1	77.1	82.4	
TOTAL VARIABLE COSTS ‡	911.0	781.2	920.3	
GROSS MARGIN per cow (excl. BLSA)	1363.4	1260.7	1393.9	
GROSS MARGIN per hectare (excl. BLSA)	1120.8	1398.3	2236.5	

Margin - milk over concentrates	1798.0	1582.5	1782.2	
Concentrates per £100 of milk output	22.6	23.4	25.2	

* Top third in order of Gross Margin per cow.

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

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

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Organic farms have been excluded from this benchmarking data

Beef cows

Gross margins per cow, per LU and per hectare

2017/18

	LFA suckler cows		Lowland suckler cows		Your Farm
	Average	**Premium*	Average	Premium*	
Number of farms in the population represented	494	250	3420	1168	
Number of farms in sample	19	9	75	21	
Cows per herd	41	37	33	28	
Stocking rate: LU/ha ha/LU	0.86	0.96	1.10	1.05	
	1.16	1.05	0.91	0.95	
	£ per cow				
Output - calf output	505.8	576.8	529.3	632.9	
depreciation	-70.1	-56.8	-59.3	-25.9	
ENTERPRISE OUTPUT (excl. BLSA)	435.7	520.0	470.0	607.0	
Concentrates	23.1	31.6	29.4	15.7	
Coarse fodder	11.1	9.0	5.0	2.1	
Veterinary and medicines	23.3	19.0	39.0	32.8	
Other livestock costs	72.0	77.6	65.0	57.0	
Forage †	53.8	61.2	61.8	36.8	
TOTAL VARIABLE COSTS ‡	183.3	198.4	200.2	144.4	
GROSS MARGIN per cow (excl. BLSA)	252.4	321.6	269.9	462.6	
GROSS MARGIN per LU (excl. BLSA)	248.8	308.7	274.4	460.6	
GROSS MARGIN per hectare (excl. BLSA)	214.8	295.0	302.4	482.3	
Concentrates per £100 output	5.3	6.1	6.3	2.6	

* Top third in order of Gross Margin per cow.

**** CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

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

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

Organic farms have been excluded from this benchmarking data

Dairy followers

Gross margins per head, per LU and per hectare

2017/18

	Average	**Premium*	Your Farm
Number of farms in the population represented	1039	392	
Number of farms in sample	36	14	
Cattle per herd	178	173	
Average finished animal sale price - £/head	1010	946	
Stocking rate: LU/ha	1.85	2.06	
ha/LU	0.54	0.48	
	£ per head		
Output - cattle	424.3	570.3	
ENTERPRISE OUTPUT (excl. BLSA)	424.3	570.3	
Concentrates	100.8	83.4	
Coarse fodder	16.0	25.7	
Veterinary and medicines	12.4	8.5	
Other livestock costs	55.8	67.2	
Forage †	44.6	42.9	
TOTAL VARIABLE COSTS ‡	229.6	227.7	
GROSS MARGIN per head	194.7	342.6	
GROSS MARGIN per LU	365.9	644.5	
GROSS MARGIN per hectare	678.4	1329.4	
Concentrates per £100 output	23.8	14.6	

* Top third in order of Gross Margin per cow.

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

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

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

Organic farms have been excluded from this benchmarking data

Dairy bred cattle

Gross margins per head, per LU and per hectare

2017/18

	Mainly store cattle		Mainly finished cattle		Your Farm
	Average	**Premium*	Average	**Premium*	
Number of farms in the population represented	725	292	1042	442	
Number of farms in sample	13	7	24	8	
Cattle per herd	95	112	144	133	
Average finished animal sale price - £/head	991	924	1144	1241	
Stocking rate: LU/ha	1.30	1.44	1.40	1.28	
ha/LU	0.77	0.69	0.71	0.78	
	£ per head				
Output - cattle	390.2	52130.8	461.2	522.3	
ENTERPRISE OUTPUT (excl. BLSA)	390.2	52130.8	461.2	522.3	
Concentrates	87.9	9369.5	105.2	78.3	
Coarse fodder	3.5	472.0	1.1	0.0	
Veterinary and medicines	12.6	1283.2	10.6	15.2	
Other livestock costs	53.4	6573.5	47.0	45.6	
Forage †	40.3	5563.5	38.7	36.4	
TOTAL VARIABLE COSTS ‡	197.7	23261.7	202.7	175.6	
GROSS MARGIN per head	192.5	28869.1	258.5	346.7	
GROSS MARGIN per LU	365.9	497.5	451.4	590.7	
GROSS MARGIN per hectare	474.0	718.0	634.2	757.7	
Concentrates per £100 output	22.5	18.0	22.8	15.0	

* Top third in order of Gross Margin per cow.

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

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

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

Organic farms have been excluded from this benchmarking data

Suckler bred cattle

Gross margins per head, per LU and per hectare

2017/18

	Mainly Store cattle		Mainly finished cattle		Your Farm
	Average	Premium*	Average	Premium*	
Number of farms in the population represented	1617	539	2890	1103	
Number of farms in sample	40	16	83	36	
Cattle per herd	52	41	71	62	
Average finished animal sale price - £/head	1088	1210	1184	1241	
Stocking rate: LU/ha	1.22	0.86	1.17	0.98	
ha/LU	0.82	1.16	0.85	1.02	
	£ per head				
Output - cattle	387.5	507.1	488.4	614.9	
ENTERPRISE OUTPUT (excl. BLSA)	387.5	507.1	488.4	614.9	
Concentrates	81.7	62.3	102.3	107.0	
Coarse fodder	4.5	3.8	6.0	3.1	
Veterinary and medicines	14.9	18.7	13.2	16.6	
Other livestock costs	58.9	66.5	69.9	70.2	
Forage †	38.2	37.5	33.2	25.2	
TOTAL VARIABLE COSTS ‡	198.3	188.8	224.6	222.0	
GROSS MARGIN per head	189.2	318.3	263.8	392.9	
GROSS MARGIN per LU	334.8	555.6	442.6	657.4	
GROSS MARGIN per hectare	408.9	479.0	518.5	646.9	
Concentrates per £100 output	21.1	12.3	21.0	17.4	

* Top third in order of Gross Margin per cow.

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

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

Organic farms have been excluded from this benchmarking data

Other beef enterprises

Gross margins per head, per LU and per hectare

2017/18

	Average	Premium***	Your Farm
Number of farms in the population represented	745	.	
Number of farms in sample	20	.	
Cattle per herd	124	69	
Average finished animal sale price - £/head	1098	1197	
Stocking rate: LU/ha	1.44	.	
ha/LU	0.69	.	
	£ per head		
Output - cattle	467.0	825.6	
ENTERPRISE OUTPUT (excl. BLSA)	467.0	825.6	
Concentrates	126.6	162.3	
Coarse fodder	3.4	1.6	
Veterinary and medicines	9.5	11.9	
Other livestock costs	64.1	186.9	
Forage †	39.0	.	
TOTAL VARIABLE COSTS ‡	242.7	387.9	
GROSS MARGIN per head	224.3	437.7	
GROSS MARGIN per LU	439.7	.	
GROSS MARGIN per hectare	634.0	.	
Concentrates per £100 output	27.1	.	

* Top third in order of Gross Margin per cow.

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

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

Organic farms have been excluded from this benchmarking data

Breeding ewes

Gross margins per ewe and per hectare

2017/18

	High hill flock	Other LFA	Lowland		Your Farm
	**Average	Average	Average	Premium*	
Number of farms in the population represented	268	471	2511	879	
Number of farms in sample	9	15	69	22	
Average number of ewes	430	340	274	199	
Average lamb sale price - £/lamb	74.2	79.9	82.0	84.1	
Stocking rate - ewes per hectare	5.7	7.0	6.2	6.3	
	£ per ewe				
Output - Lambs (inc lamb sales, transfers into flock & change in valuation of ewe hoggs)	72.6	102.2	124.5	160.8	
wool	1.8	2.3	2.0	2.5	
miscellaneous	0.1	0.0	0.0	0.0	
depreciation	-15.8	-17.0	-15.0	-13.8	
ENTERPRISE OUTPUT (excl. BLSA)	58.7	87.5	111.6	149.5	
Concentrates	13.7	15.1	16.1	19.1	
Coarse fodder	1.1	3.1	1.3	1.4	
Veterinary and medicines	6.0	8.0	8.7	9.8	
Other livestock costs	8.9	11.0	14.1	16.3	
Forage †	4.4	5.5	11.9	8.5	
TOTAL VARIABLE COSTS ‡	34.2	42.6	52.1	55.1	
GROSS MARGIN per ewe (excl. BLSA)	24.5	45.0	59.5	94.4	
GROSS MARGIN per LU (excl. BLSA)	221.2	361.3	382.3	590.4	
GROSS MARGIN per hectare (excl. BLSA)	138.4	313.1	370.3	596.2	
Concentrates per £100 of output	23.3	17.2	14.4	12.8	

* Top third in order of Gross Margin per cow.

**** CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

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

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

Organic farms have been excluded from this benchmarking data

DEFINITION OF TERMS USED

Average farm size 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 is the total value of the production of the current year's cash crops and excludes the profit and loss on the disposal of the previous year's cash crops.

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 item of farm revenue.

Total farm 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 and keep includes purchased bulk feeds such as potatoes, vegetable residues, wet brewers' grains, hay and straw, and payments for grass keep, agistment and forage land rented from others for less than one year. It does not include forage produced on the holding.

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, packing materials, bedding straw, show expenses, processing and marketing charges, disposal of casualties, etc.

Seeds includes 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.

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.

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 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 where 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).

Management and investment income (M & I) 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 tenant-type capital invested in the business.

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

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	0.11 LU	Upland ewes	0.08 LU	Hill ewes	0.06 LU
Bulls	0.65 LU	Rams	0.08 LU	Store lambs < 1 yr	0.06 LU

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 in this handbook is measured as the average of its value at the beginning and end of the accounting period.

Return on 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.

Farm forage hectares is the sum of the grassland area, including adjusted rough grazings, and the arable forage crops area.

Output efficiency measures actual farm output as a percentage of standard output.

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 is 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 consists 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.

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