



FARM BUSINESS SURVEY

South West England
Benchmarking Handbook
Harvest Year 2018

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THE CORNWALL COLLEGE GROUP

SOUTH WEST ENGLAND BENCHMARKING HANDBOOK 2020

2018/19 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 2018/19*, 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 2028/19*, 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 Lawrence, 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 2018 harvest year, the farm businesses concerned having accounting years ending on average in late February.

The layout of the handbook

The handbook cover three areas. Section 1 is an overview of agriculture with the South West Government Office region, drawing on the Farm Business Survey Government Office Region Reports for 2018/19 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.

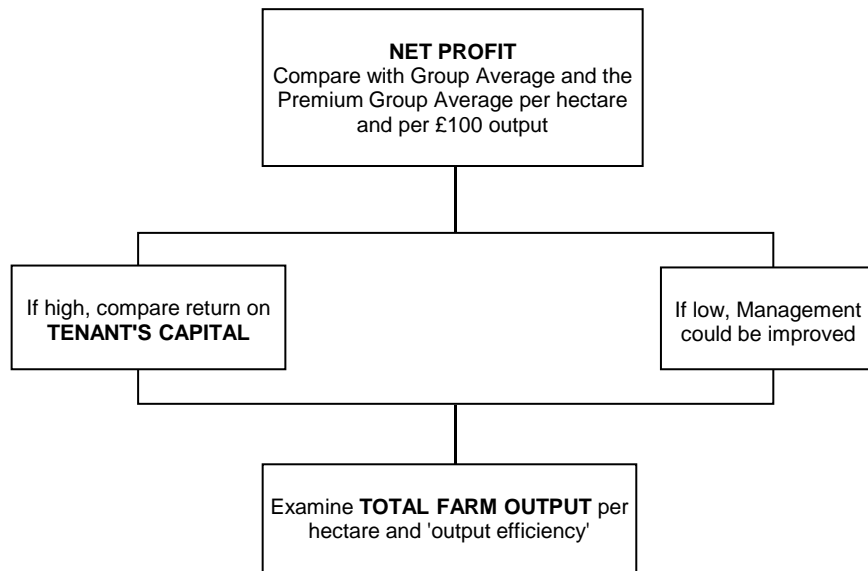
9. Where this form of benchmarking (or modified comparative analysis) is carried out carefully, it is a useful tool in highlighting areas of the business which may justify closer scrutiny and control.

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.

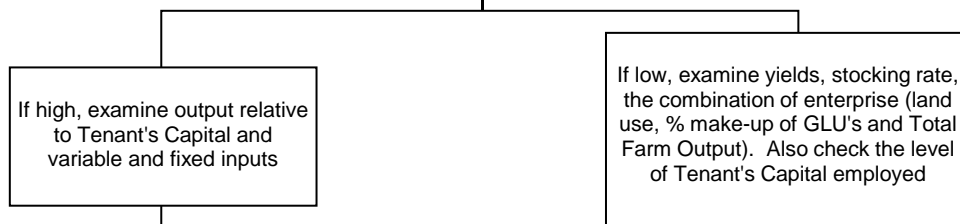
Chart 1

ANALYSING A FARM BUSINESS

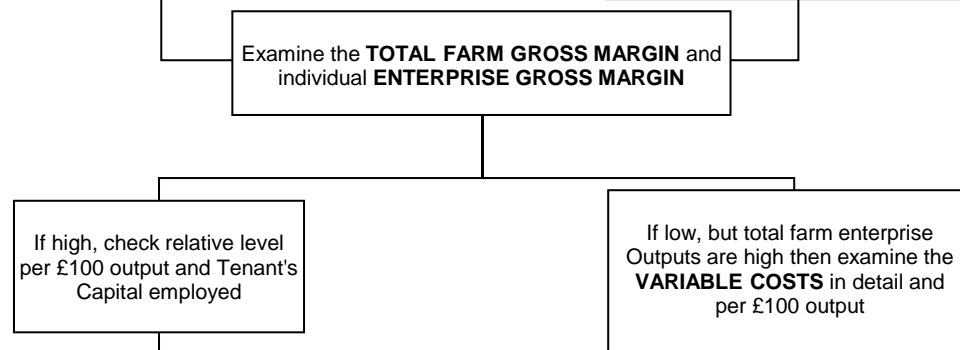
Stage I



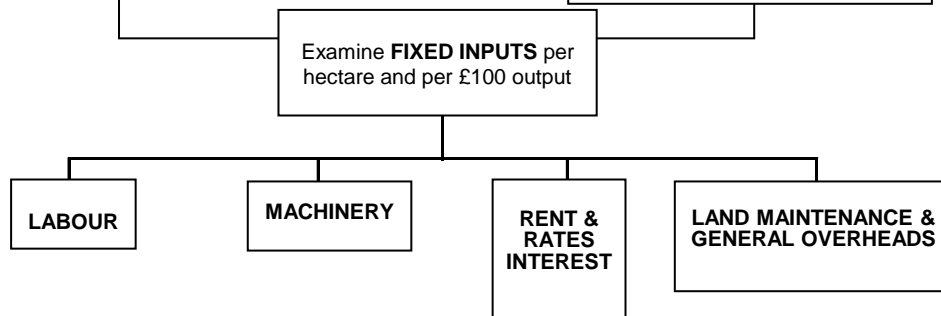
Stage II



Stage III



Stage IV



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

Using balance sheet data for farm business management purposes

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

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

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

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

- the requirement that essentially long-term fixed assets should be financed from commensurately long-term funding sources, whether these be in the form of the farmer's own equity finance or debt capital.

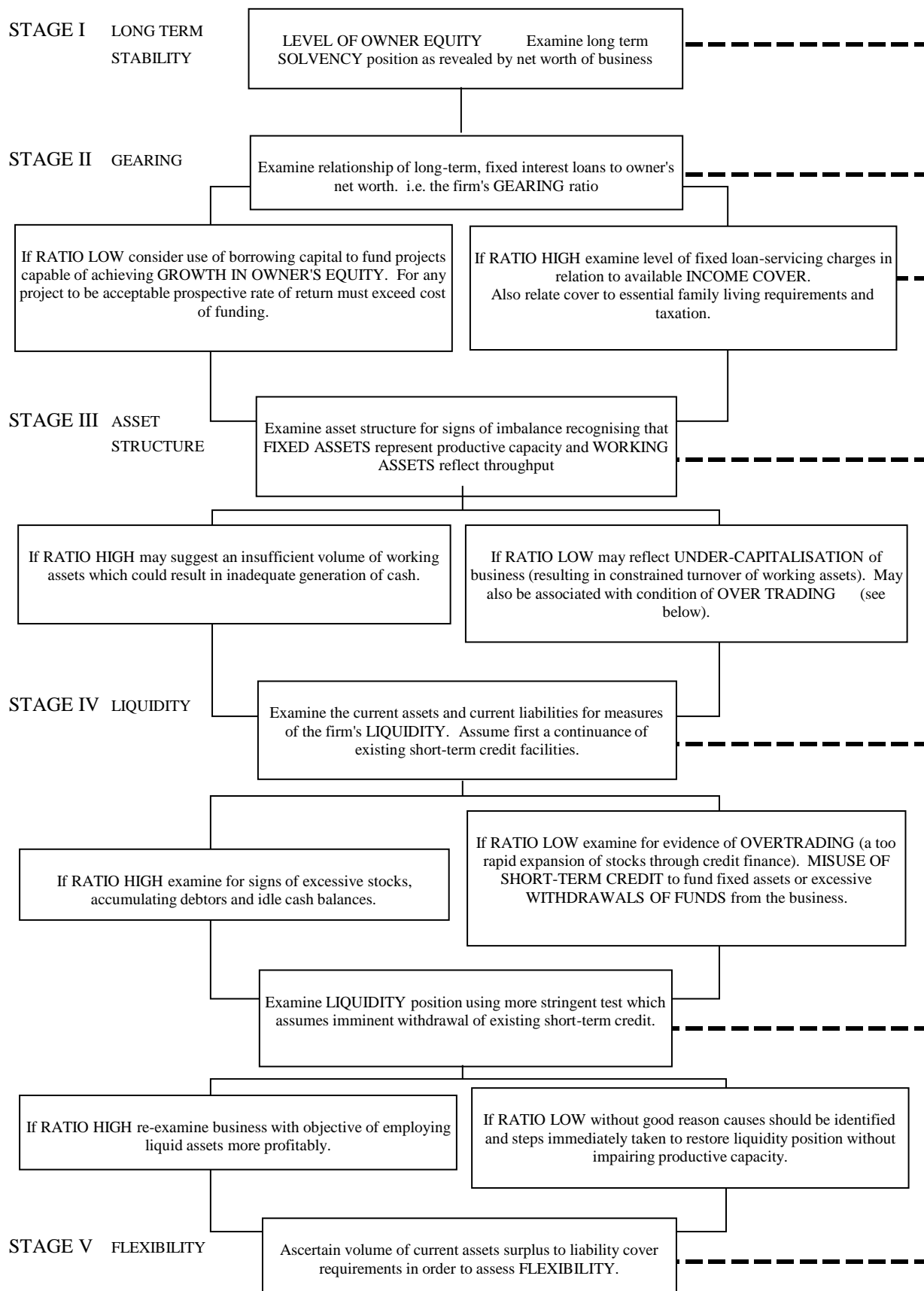
- the need to ensure that the income-generating potential of the farm business is capable of supporting the charges which debt servicing commitments, family living requirements and tax liability place upon it.

- the need to provide adequate cover, in the form of realisable assets, cash or unused short-term credit facilities, to withstand any sudden claims which might conceivably be made upon the business and thereby jeopardise its efficiency of operation or even its survival.

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

Chart 2

ANALYSING A FARM'S FINANCIAL STABILITY



RATIO/MEASURE EMPLOYED

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

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

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

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

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

Notes:

1. Gross farm income is defined as net farm income plus any notional charges (imputed rent, board and lodge, unpaid labour and depreciation) less imputed credits. It is employed as a measure of gross farm profit before deduction of depreciation, interest and tax.
2. The components of the ratio presented above can easily be varied to produce a series of tests of a progressive 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.

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

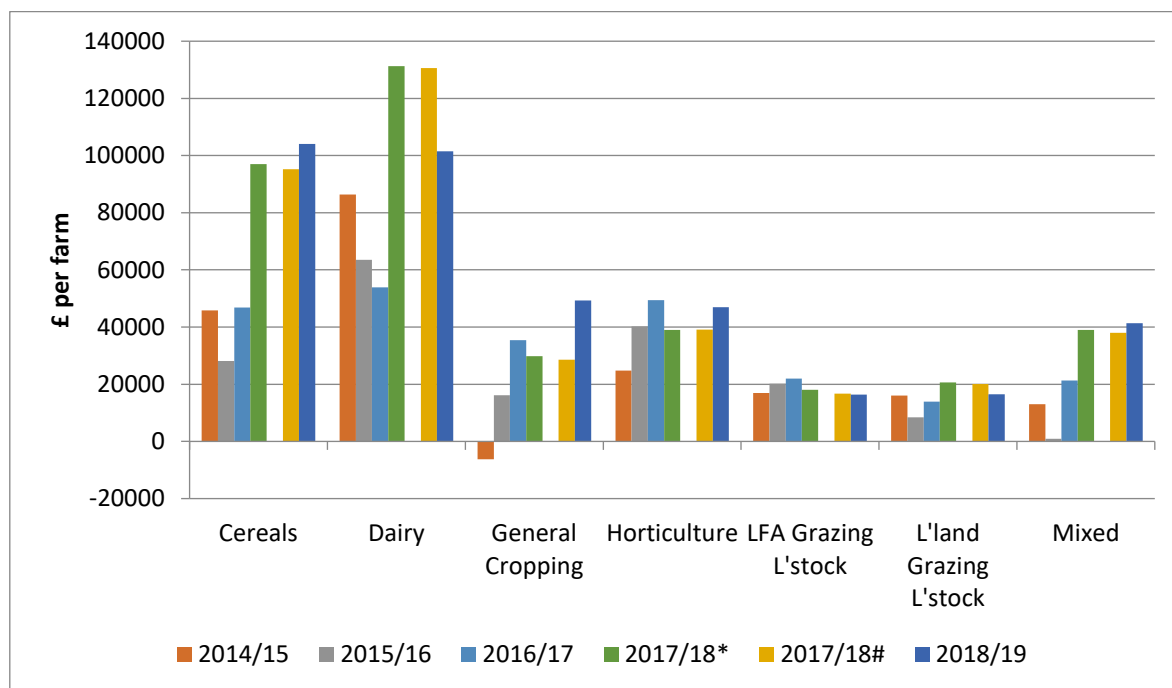
$$\text{----- Net Working Capital (£)} = \text{Current assets less current liabilities}$$

Farming in South West England, 2018/19

Summary results from the Farm Business Survey in South West England, 2018 crop year

- Average Farm Business Income in 2018/19 was higher than 2017/18 for Cereal, General cropping, Horticulture and Mixed farms. For Dairy and both Lowland and LFA Grazing Livestock farms income fell.

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



Source: Farm Business Survey, England

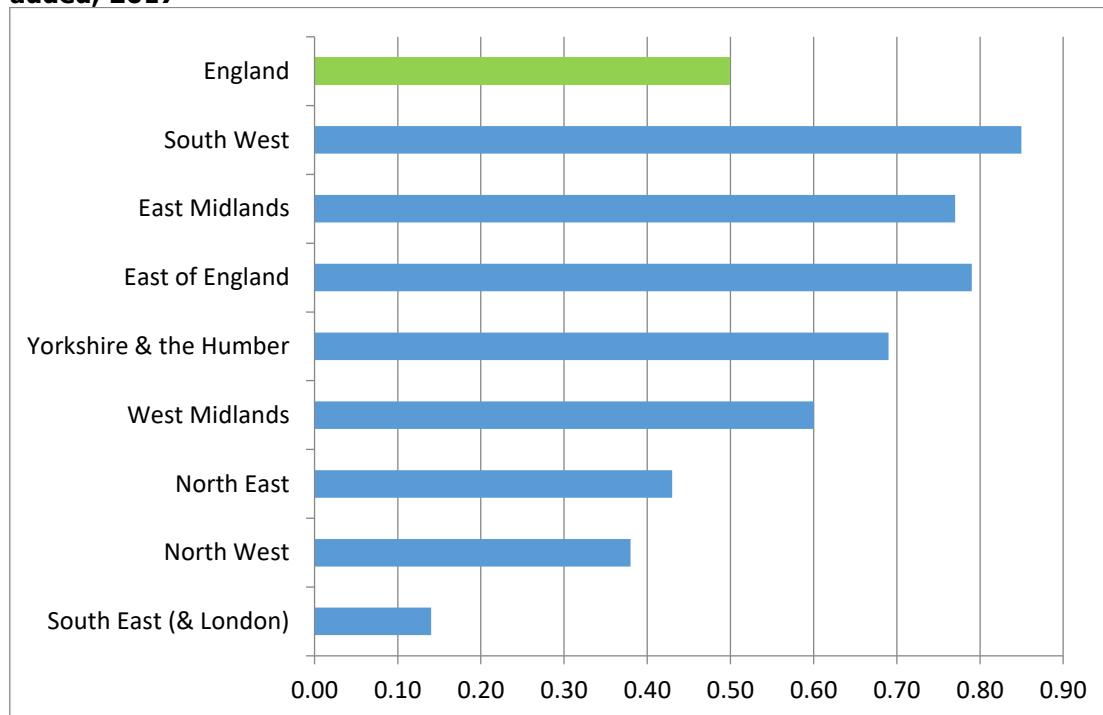
- The dry weather conditions led to reduced yields on cereal and general cropping farms although these were mitigated by higher prices for some crops, particularly cereals. The average income for these farm types increased by 9 percent and 72 percent respectively
- On dairy farms, lower average income was driven by higher input costs, particularly feed influenced by the lack of forage due to the drought and increased prices of cereals. This more than offset a 13% increase in the output of milk.
- Notable increases to feed costs were also a major influence on average incomes for grazing livestock farms, which fell by 18 percent for lowland farms and 2 percent for those in the LFA.
- The average Basic Payment across all farm types was £26,000, very similar to 2017. In recent years the reduced strength of the pound increased payment rates and helped drive up income for some farm types. However, in 2018 the payment reflected the very similar Euro / Sterling exchange rates in the September of each year (2017 and 2018) when the payment rates are determined.

¹ The classifications of farms was changed in 2017/18 from Standard Output co-efficient for 2010 to 2013 which changed the income levels so two years data is now shown for this year. *SO 2010 for all year prior to 2017/18. #SO 2013 from 2017/18 onwards

Introduction

The importance of agriculture in the South West to the wider economy is illustrated in Figure 1. Agriculture only contributes 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 £1,448 million to the economy in 2018.

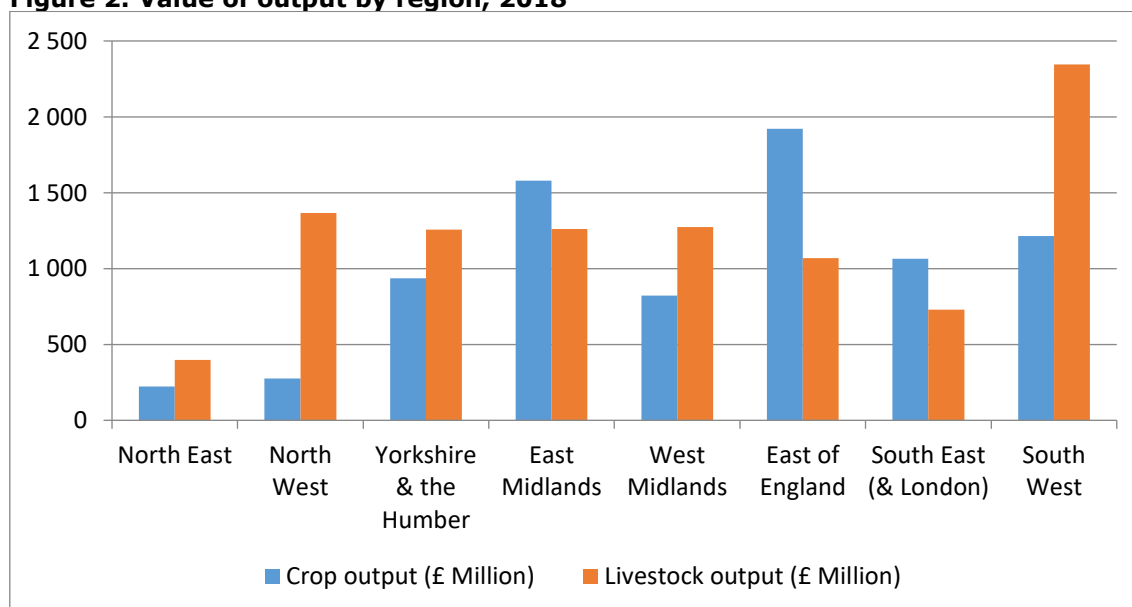
Figure 1: Agricultural gross value added as percentage of total regional gross value added, 2017



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 24% of the national livestock output comes from the South West, which is close to 70% larger than the next highest region, the North West, while 15% of the crop output comes from the South West.

Figure 2: Value of output by region, 2018



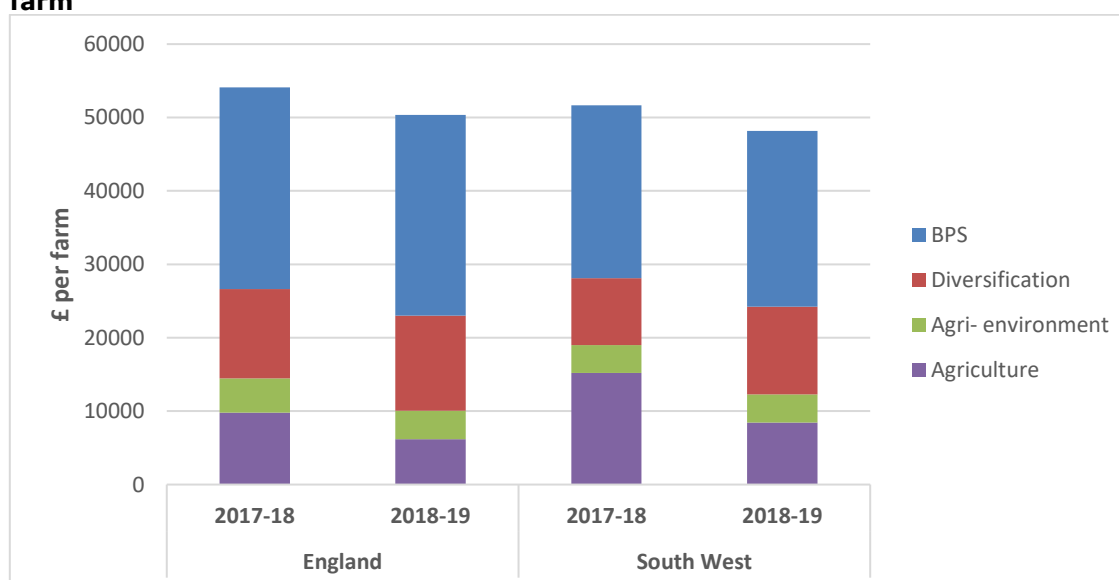
Source: Defra, Regional Dataset

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 decreased by 7% to £48,000 per farm compared to 2017-18 and is the second highest in the last five years. The decrease in Farm Business Income in England as a whole was also 7% but is £2200 higher than the South West.

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

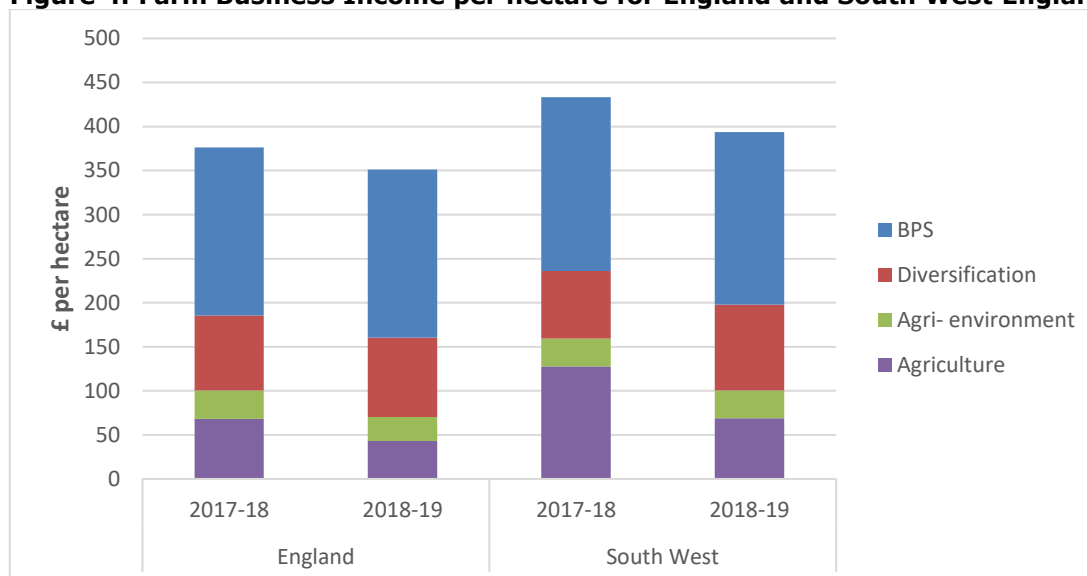


Source: Farm Business Survey, England

Figure 3 above shows the contributions of the four cost centres for the last two years. In 2017/18, the contribution from agriculture in the South West across all farm types totalled £15,000. In 2016/17 this was a small loss and in 2018/19 this fell back to £8,400. This is higher than the England average income from Agriculture. 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 2018/19 was very similar to the previous year. The income from the Diversification in the South West showed an increase of over a quarter and the Agri-environment a £90 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, in 2017/18, 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 2018/19 higher income per hectare has continued with the main difference being the performance of the Agriculture income stream which is on average has £25 per hectare more income. On a per hectare basis, for 2018/19, the other three income stream are similar.

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

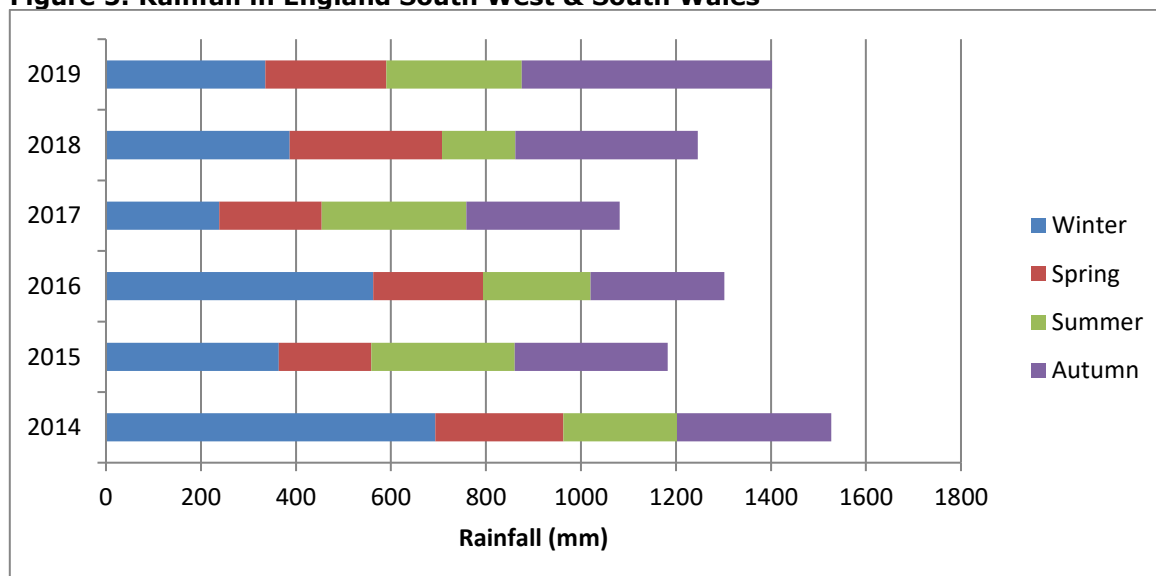


Source: Farm Business Survey, England

Weather

The weather for 2018 crop year was characterised by a cold, late spring and a hot dry summer as illustrated in Figures 5 and 6. These challenging weather conditions limited crop yields for all types of farming. The extreme weather caused by the 'Beast from the East' also led to higher mortality and lower production, particularly in the hill areas.

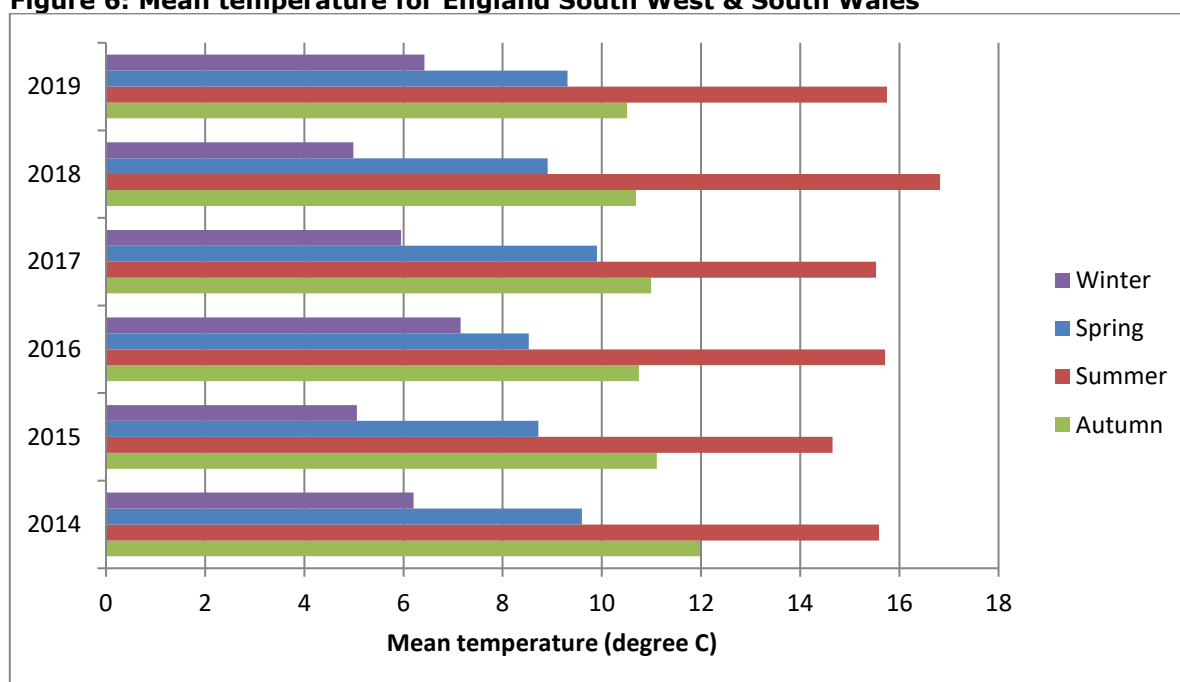
Figure 5: Rainfall in England South West & South Wales



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:

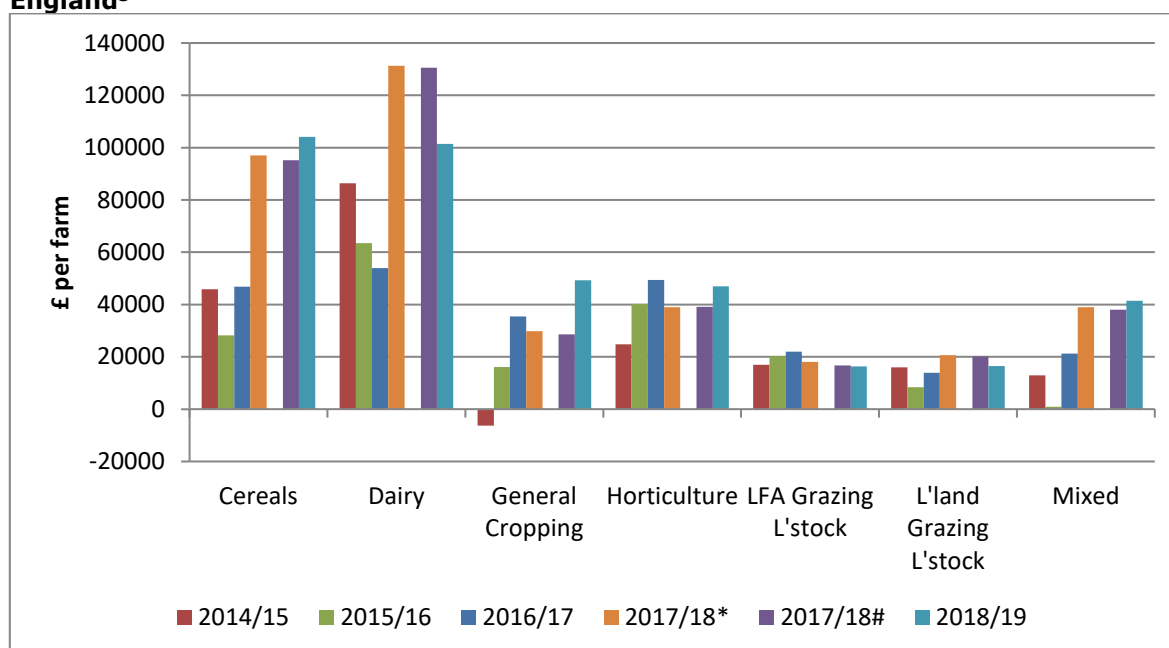
<http://www.farmbusinesssurvey.co.uk/regional/Data.asp>

Trends in Farm Business Income in the South West are shown in Figure 7 from 2014/15 to 2018/19². Incomes have been volatile over this five year period. In 2014/15, average Farm Business Income was lower across all robust farm types except lowland grazing livestock farms and horticulture, than the previous year. 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.

The changes to the Farm Business Incomes for 2018/19 depends, broadly, on the type of production. Those farms producing crops showed varying degrees of improved incomes and livestock producers had lower incomes.

² The regional data has relatively small sample sizes so care needs to be taken when interpreting the data. The classifications of farms was changed in 2017/18 from Standard Output co-efficient for 2010 to 2013 which changed the income levels so two years data is now shown for this year. *SO 2010 for all year prior to 2017/18. #SO 2013 from 2017/18 onwards

Figure 7: Trends in Farm Business Income per farm by farm types, South West England³

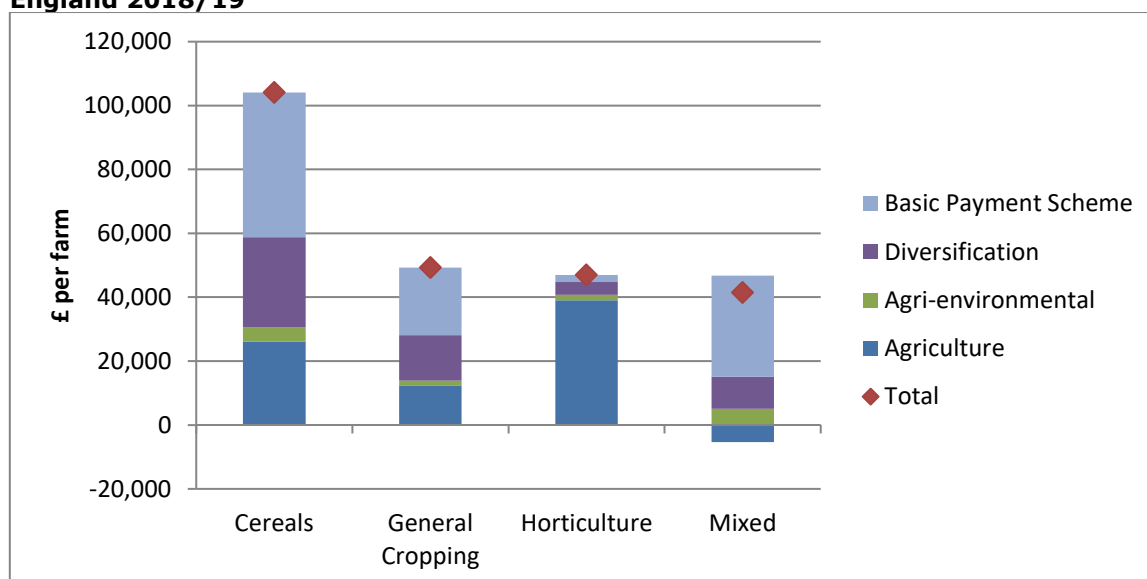


Source: Farm Business Survey, England

Cereal Farms

In 2018/19 the average Farm Business Income increased by 9% to £104,000 as compared to the previous year. Total output was 7% lower with crop output reduced by reduced cereals yields and by high prices per tonne of grain (Figure 9). Other output sources were 9% lower, the majority of this coming from a reduction in Basic Payment Scheme income.

Figure 8: Farm Business Income of cropping type farms by cost centre, South West England 2018/19

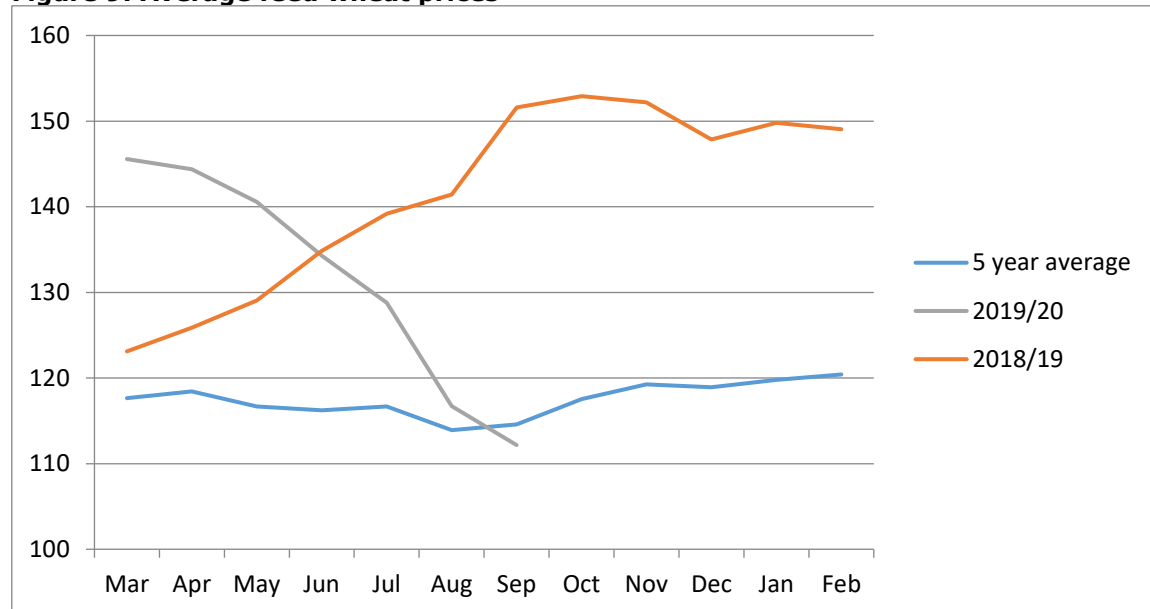


Source: Farm Business Survey, England

³ The classifications of farms was changed in 2017/18 from Standard Output co-efficient for 2010 to 2013 which changed the income levels so two years data is now shown for this year. *SO 2010 for all year prior to 2017/18. #SO 2013 from 2017/18 onwards

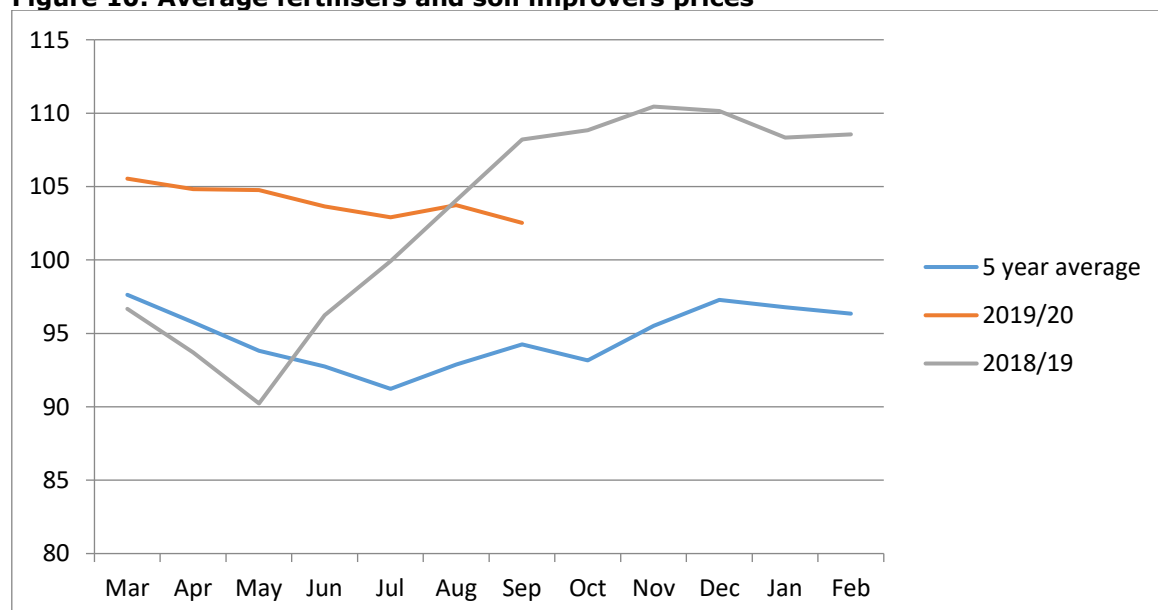
Average seed, fertiliser, crop protection and other crop costs were all lower than the previous year. Total variable costs are 16% lower which alongside lower fixed costs (down 10%) meant there were large cost reductions. The agriculture costs centre generated a positive income of over £26,000, as illustrated in Figure 8. An example of cost reduction 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

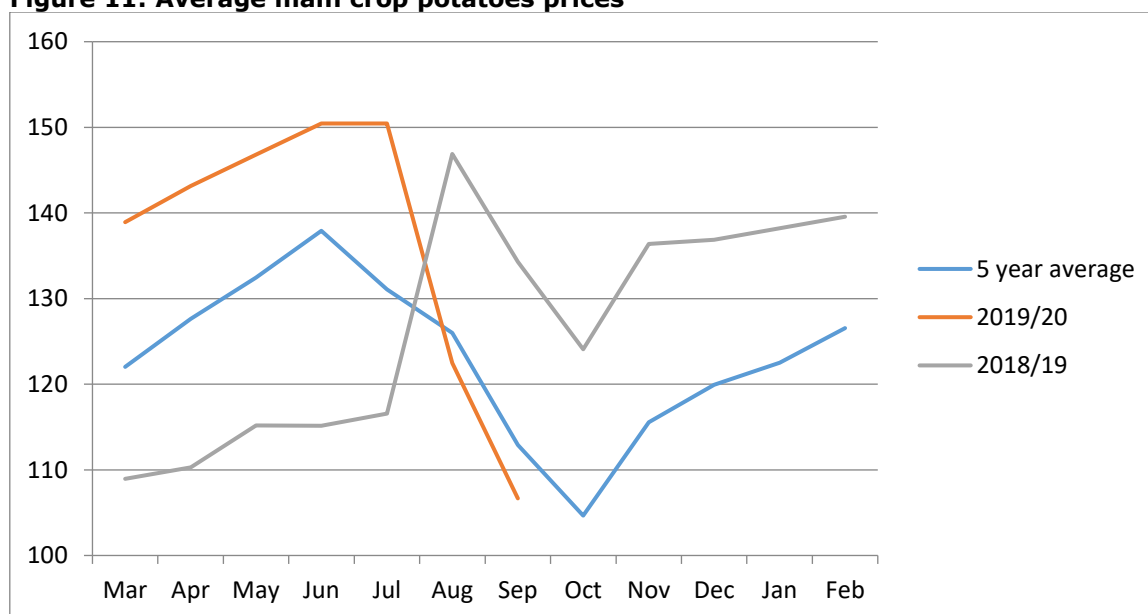


Source: Index of Producer Prices of Agriculture

General cropping

The average Farm Business Income on general cropping farms in 2018/19 was £49,000 as compared to the Farm Business Income of £29,000 in 2017/18. In the South West of England the potato crop is important to this type of farm and the output from potatoes was similar to the previous year with lower yields compensated for by improved prices (Figure 11). In the South West, for this crop year the average yield of potatoes decreased by 2% as compared to 2017/18. Total farm output increased by 4% and with reductions in variable costs and fixed costs the Farm Business Income was 72% higher. The agriculture costs centre made £12,000 rather than a £6,500 loss the previous year.

Figure 11: Average main crop potatoes prices



Source: Index of Producer Prices of Agriculture

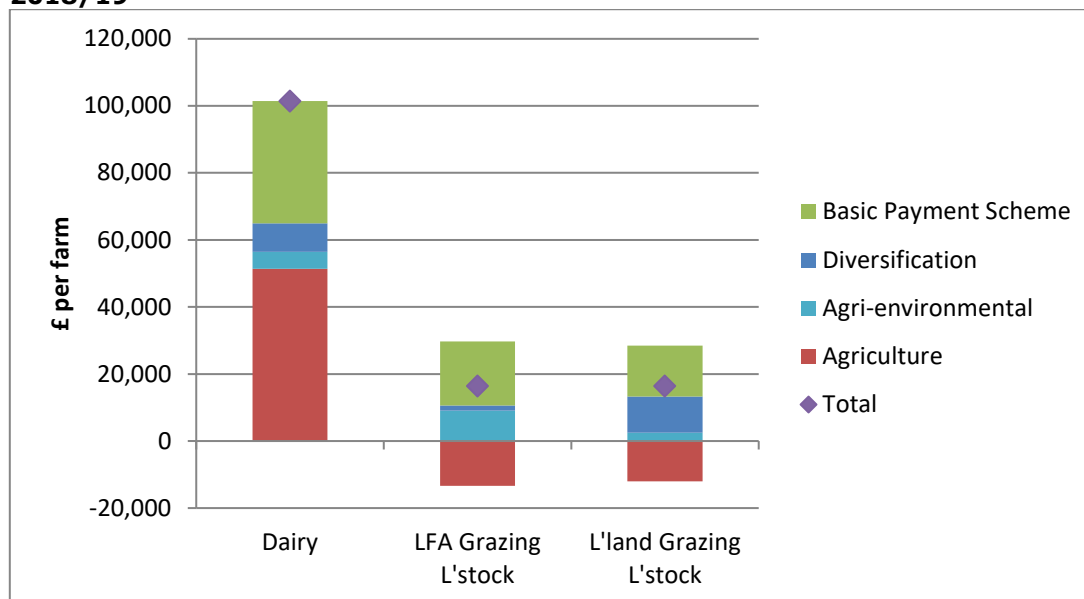
Horticultural farms

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 increased by 20% to £47,000 in 2018/19. This follows an income close to the five year average in 2017/18. Total crop output increased by 21%, with flowers and nursery stock both outdoor and protected stock and soft fruit & strawberries showing the largest percentage increases in output. Only top fruit had a decrease in output. Total variable costs increased by 17% with seed costs increasing over £12,000. 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 2018/19 the Farm Business Income for the Mixed farms increased by more than £3,000, a modest 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. Total inputs were 4% higher with higher variable costs (3%) and fixed inputs 5% higher. The Agriculture cost centre made a loss of £5,300 which then leaves the Basic Payment Scheme cost centre income of £31,700 as 77% of the total Farm Business Income.

Figure 12: Farm Business Income of the grazing livestock farms by cost centre, 2018/19



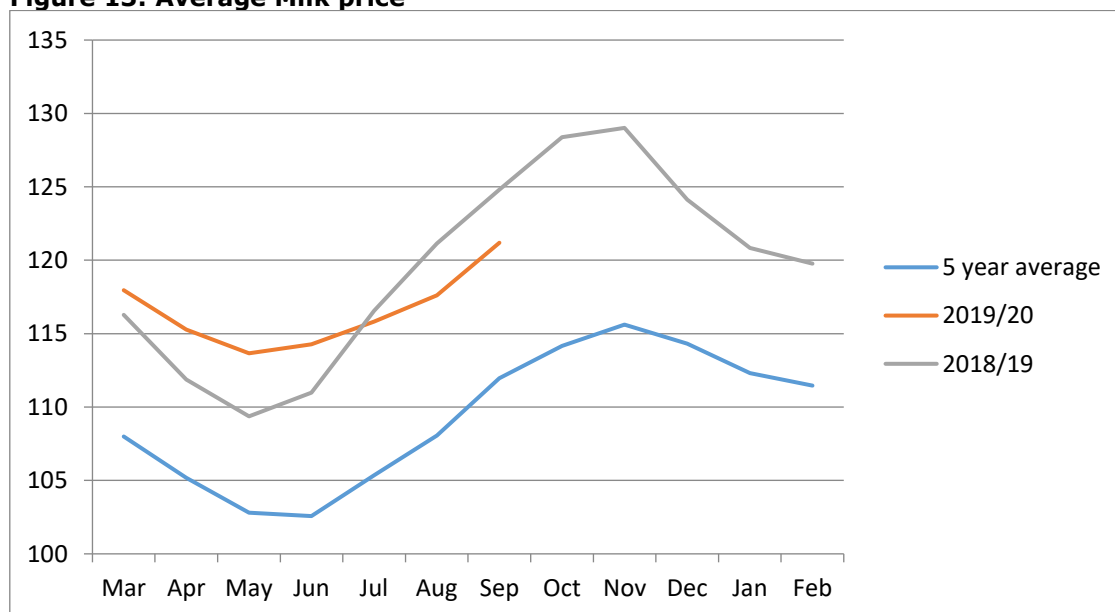
Source: Farm Business Survey, England

Dairy farms

The average Farm Business Income on Dairy farms was £101,000 in 2018/19, a decrease of 22% in income compared to the previous year. Total farm output increased by 11% with average milk price 4% higher (Figure 13), increased yield per cow (Annual yield 7685 litres per cow) with an extra 14 cows kept. Total input costs increased by 21% compared to the previous year with feed (Figure 14) increasing 26%. Concentrate feed costs represent 57% of the variable costs. The cost per tonne of compound feed was on a rising plane throughout the majority of 2018/19 year.

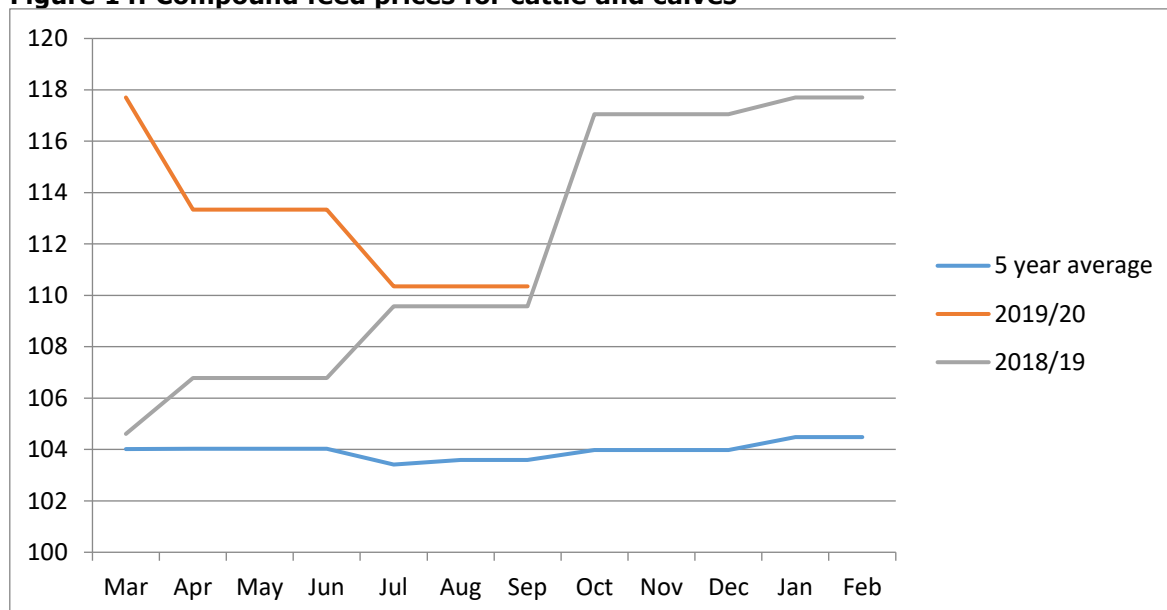
The Agriculture cost centre for the Dairy farms was positive (£51,400) which was £33,300 lower than in 2017/18 and but the second largest for the last five years.

Figure 13: Average Milk price



Source: Index of Producer Prices of Agriculture

Figure 14: Compound feed prices for cattle and calves

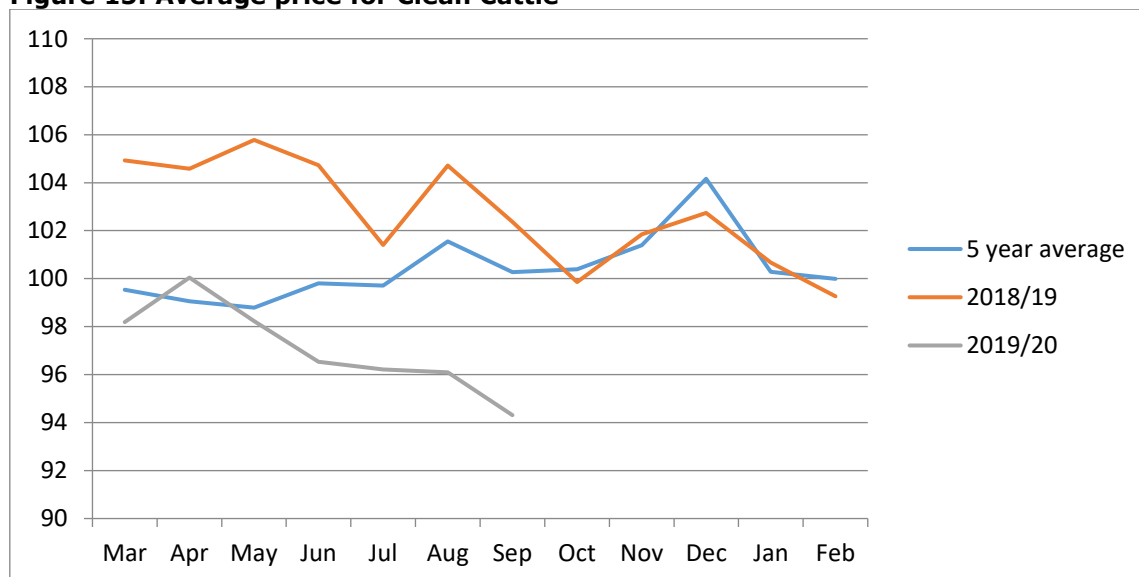


Source: Index of Producer Prices of Agriculture

Grazing Livestock Farms (Lowland)

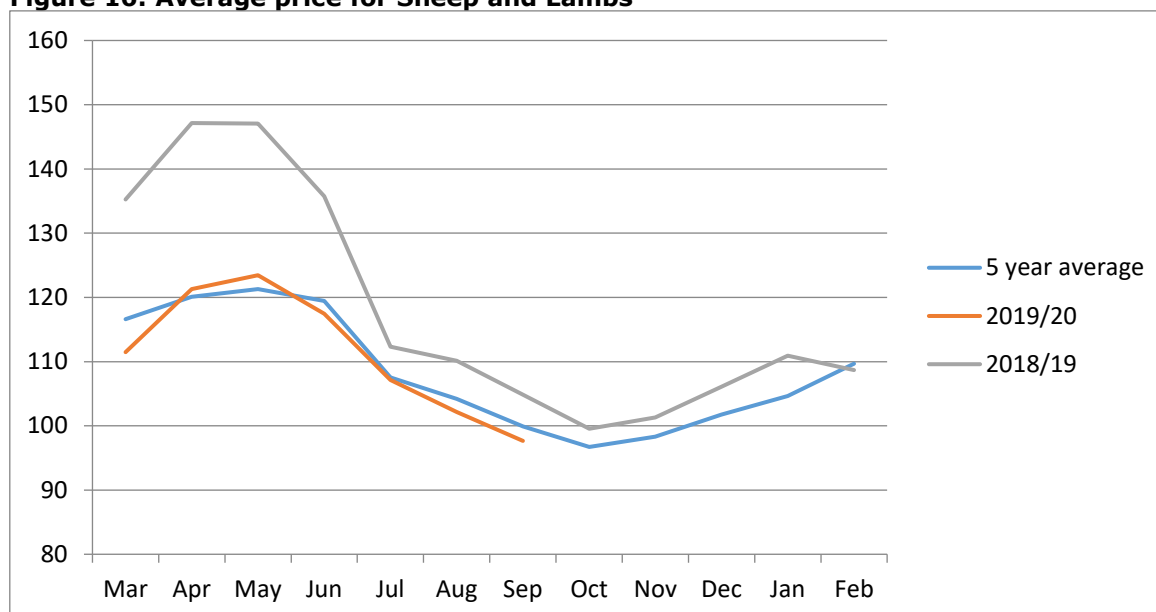
In 2018/19 the average Farm Business Income on Lowland Grazing Livestock farms fell by 18%, to £16,500, which is the slightly above the estimated five year average income for this type of farm. Total farm output increased by 7% with an increase in output from Diversified Activities of £4,900 (Figure 15). Cattle output was 8% lower and Sheep output increased by 25%. Total input costs are 14% higher with higher percentage changes to variable 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 £12,000. The contribution from the Basic Payment Scheme was significant on these farms, representing 93% of total Farm Business Income. These payments (BPS) increased by 6% due mainly to more hectares being farmed.

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 FBI from the farms in the Less Favoured Area (LFA) normally follows the pattern of the lowland grazing livestock farms, but this year fell by 2%. 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 £16,400 in 2018/19. The Output from livestock increased by 9% with higher output from cattle and little change to sheep output. The Basic Payment Scheme receipts were £2,500 higher and Agri-environmental income increased by 6%. Total inputs were 16% higher with roughly similar percentage changes for the variable and fixed costs.

Cereal farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2018/2019

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	1210	.	412	125	
Number of farms in FBS sample	18	.	19	6	
Average farmed area (hectares)	100	.	559	1034	
Average proportion of total farmed area tenanted or hired (%)	22%	.	20%	17%	
£ per farm hectare					
<u>Output</u>					
Milk	0	.	0	0	
Cattle	27	.	20	31	
Herd depreciation	0	.	0	0	
Sheep	25	.	14	0	
Flock depreciation	-1	.	-2	0	
Pigs	0	.	0	0	
Poultry	0	.	0	0	
Other livestock	0	.	0	0	
Cereals	563	.	673	720	
Oilseeds	51	.	179	185	
Pulses	10	.	7	10	
Other crops	6	.	4	0	
Straw	110	.	67	0	
Forage	107	.	40	40	
Agri-environment schemes and management agreements	9	.	28	11	
Rental income and imputed farmhouse rental equivalent	119	.	106	72	
Hirework	62	.	67	100	
Renewable energy generation	58	.	14	8	
Miscellaneous output	31	.	93	151	
Cultivations	5	.	14	12	
Basic Payment Scheme	223	.	226	225	
TOTAL FARM OUTPUT #	1404	.	1548	1565	
<u>Variable costs</u>					
Concentrates	6	.	6	5	
Purchased fodder	1	.	1	1	
Veterinary and medicines	3	.	2	1	
Other livestock costs	8	.	5	4	
Seeds	55	.	59	57	
Fertilisers	117	.	127	124	
Crop protection	121	.	154	167	
Other crop costs	35	.	22	16	
TOTAL VARIABLE COSTS	345	.	377	376	
TOTAL GROSS MARGIN #	1059	.	1172	1189	

* 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, 2018/2019

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	1210	.	412	125	
Number of farms in FBS sample	18	.	19	6	
Average farmed area (hectares)	100	.	559	1034	
Average proportion of total farmed area tenanted or hired (%)	22%	.	20%	17%	
£ per farm hectare					
TOTAL GROSS MARGIN #	1059	.	1172	1189	
<u>Fixed costs</u>					
Paid labour	16	.	106	103	
Unpaid family labour	68	.	8	7	
Casual labour	9	.	4	2	
Contract	109	.	66	60	
Machinery repairs	45	.	51	48	
Machinery fuel	52	.	51	59	
Machinery depreciation	139	.	96	80	
Other depreciation	0	.	0	0	
Property maintenance	32	.	52	44	
Electricity	13	.	10	11	
Other fuel	5	.	4	3	
Water	6	.	6	7	
Insurance	42	.	25	22	
Professional fees	34	.	31	26	
Other general costs	31	.	27	19	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	602	.	539	491	
PROFIT BEFORE RENT AND INTEREST	457	.	632	699	
Rent, hired in keep and bare land	40	.	50	53	
Rates	0	.	1	0	
Long-term interest	18	.	10	9	
Short-term interest	5	.	10	4	
Interest received (-)	2	.	0	0	
NET PROFIT##	395	.	563	634	
Reconciliation of Profit to NFI and M&II					
Plus - Interest charges (net)	22	.	19	12	
Plus - Landlord type repairs (included in property maintenance)	3	.	2	2	
Less - Rental value (of owner occupied land and buildings)	175	.	180	172	
NET FARM INCOME## (NFI)	244	.	404	476	
Less farmer and spouse labour	164	.	41	29	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	80	.	363	447	

* 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, 2018/2019

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	1210	.	412	125	
Number of farms in FBS sample	18	.	19	6	
Average farmed area (hectares)	100	.	559	1034	
Average proportion of total farmed area tenanted or hired (%)	22%	.	20%	17%	
per £100 output					
<u>Output</u>					
Milk	0	.	0	0	
Cattle	2	.	1	2	
Sheep	2	.	1	0	
Pigs, poultry and other livestock	0	.	0	0	
Cereals	40	.	43	46	
Other cash crops	5	.	12	12	
Straw and forage	15	.	7	3	
Management agreements and agri-environment schemes	1	.	2	1	
Miscellaneous output	20	.	19	22	
Basic Payment Scheme	16	.	15	14	
TOTAL OUTPUT**	100	.	100	100	
<u>Variable costs</u>					
Concentrates, fodder and keep	0	.	0	0	
Veterinary, medicines and other livestock costs	1	.	0	0	
Seeds	4	.	4	4	
Fertilisers	8	.	8	8	
Crop protection and other crop costs	11	.	11	12	
TOTAL VARIABLE COSTS	25	.	24	24	
TOTAL GROSS MARGIN**	75	.	76	76	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	6	.	7	7	
Casual labour	1	.	0	0	
Contract	8	.	4	4	
Machinery repairs and fuel	7	.	7	7	
Machinery and other depreciation	10	.	6	5	
Property maintenance	2	.	3	3	
Electricity, other fuel and water	2	.	1	1	
Other general costs	8	.	5	4	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	43	.	35	31	
PROFIT BEFORE RENT AND INTEREST	33	.	41	45	
Rent and rates	3	.	3	3	
Long-term interest paid	1	.	1	1	
Short-term interest paid	0	.	1	0	
Interest received (-)	0	.	0	0	
PROFIT**	28	.	36	41	

* 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, 2018/2019

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	1210	.	412	125	
Number of farms in FBS sample	18	.	19	6	
Average farmed area (hectares)	100	.	559	1034	
Average proportion of total farmed area tenanted or hired (%)	22%	.	20%	17%	
<u>Land use</u>					
Percentage cropped	78	.	80	83	
Percentage forage	22	.	20	17	
<u>Grazing livestock units</u>					
		GLUs per farm			
Dairy cattle	0	.	0	0	
Other cattle	3	.	17	42	
Sheep	2	.	10	0	
Other livestock	0	.	2	6	
Total	5	.	29	48	
GLUs per ha	0.32	.	0.39	0.39	
GLUs per adjusted ha	0.32	.	0.39	0.39	
<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	1225	.	1021	1123	
£ per finished lamb	92	.	71		
<u>Cereals##</u>					
Winter wheat					
Yield - tonnes per hectare	7.5	.	8.4	8.7	
Price per tonne	166	.	170	174	
Winter barley					
Yield - tonnes per hectare	6.6	.	6.1	6.3	
Price per tonne	153	.	150	149	
Spring barley					
Yield - tonnes per hectare	5.9	.	6.0	7.2	
Price per tonne	159	.	166	166	
Winter oats					
Yield - tonnes per hectare	6.2	.	6.5	7.3	
Price per tonne	163	.	182	159	
All cereals					
Yield - tonnes per hectare	6.7	.	9.7	11.8	
Price per tonne	161	.	128	114	

* 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, 2018/2019

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	1210	.	412	125	
Number of farms in FBS sample	18	.	19	6	
Average farmed area (hectares)	100	.	559	1034	
Average proportion of total farmed area tenanted or hired (%)	22%	.	20%	17%	
£ per farm hectare					
<u>Tenant's capital formation</u>					
Livestock	78	.	53	56	
Crops, forage and cultivations	370	.	492	626	
Stores	186	.	190	147	
Machinery	923	.	622	495	
Basic Payment Scheme	218	.	204	190	
Miscellaneous business assets & other assets	57	.	11	5	
Total physical assets	1832	.	1571	1520	
Liquid assets	790	.	1022	1318	
Tenant's capital (TC)	2622	.	2592	2838	
Management & investment income (M&I)**	80	.	363	447	
Return on tenant's capital (M&I as % of average TC)	3.1%	.	14.0%	15.7%	
<u>Ratios per £100 of output (%)</u>					
Variable costs	25	.	24	24	
Gross margin	75	.	76	76	
Fixed costs (excluding rent and interest)	43	.	35	31	
Net profit	28	.	36	41	
Net farm income	17	.	26	30	
Farmer and spouse	12	.	3	2	
Management & Investment Income	6	.	23	29	
Tenant's capital	187	.	167	181	
Total assets	1241	.	1180	1176	
Total external liabilities	61	.	130	169	
Net worth	1180	.	1050	1007	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	258	.	160	140	
Costs (£ per £100 output)	18	.	10	9	
Costs (£ per £100 gross margin)	24	.	14	12	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	346	.	265	247	
Costs (£ per £100 output)	25	.	17	16	
Costs (£ per £100 gross margin)	33	.	23	21	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	603	.	425	388	
Costs (£ per £100 output)	43	.	27	25	
Costs (£ per £100 gross margin)	57	.	36	33	

* 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, 2018/2019

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	1210	.	412	125	
Number of farms in FBS sample	18	.	19	6	
Average farmed area (hectares)	100	.	559	1034	
Average proportion of total farmed area tenanted or hired (%)	22%	.	20%	17%	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	14637	.	15505	15373	
Basic Payment Scheme	220	.	207	194	
Machinery	976	.	652	541	
Tenant's other assets	17	.	1	0	
Breeding livestock	14	.	28	22	
Total fixed assets	15863	.	16393	16130	
Suckler cow and ewe premium quota					
Trading livestock	59	.	27	36	
Crops	386	.	474	677	
Forage and cultivations	73	.	77	75	
Stores	215	.	201	159	
Debtors and loans	237	.	915	1081	
Bank credit and cash	562	.	185	248	
Other current assets	27	.	2	4	
Total current assets	1559	.	1882	2279	
Total assets	17423	.	18274	18409	
Financed by					
Institutional loans	244	.	122	92	
Bank loans	211	.	272	149	
Other long term	51	.	31	2	
Total long term	506	.	425	242	
HP and lease	81	.	70	49	
Creditors	145	.	1357	2324	
Bank overdraft	116	.	163	37	
Other short term	3	.	1	0	
Total current liabilities	346	.	1591	2410	
Total Liabilities	852	.	2016	2652	
Net worth	16570	.	16259	15757	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	95%	.	89%	86%	
% Fixed assets vs. total assets	91%	.	90%	88%	
Gearing (long-term loans vs. total assets)	3%	.	2%	1%	
Total debt (external liabilities vs. net worth)	5%	.	12%	17%	
Current Ratio (current assets vs. current liabilities)	451%	.	118%	95%	
Liquidity Ratio (liquid assets vs. current liabilities)	231%	.	69%	55%	

* 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, 2018/2019

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	517	170	1091	360	
Number of farms in FBS sample	21	7	34	11	
Average farmed area (hectares)	108	107	271	219	
Average proportion of total farmed area tenanted or hired (%)	32%	25%	61%	63%	
£ per farm hectare					
<u>Output</u>					
Milk	1982	1809	2425	3469	
Cattle	508	503	549	771	
Herd depreciation	-175	-139	-196	-270	
Sheep	8	10	11	2	
Flock depreciation	0	0	-4	-1	
Pigs	3	7	0	0	
Poultry	1	0	0	0	
Other livestock	0	0	0	0	
Cereals	63	107	165	175	
Oilseeds	0	0	18	17	
Pulses	0	0	0	0	
Other crops	0	0	0	0	
Straw	10	22	25	0	
Forage	13	28	8	-19	
Agri-environment schemes and management agreements	11	6	26	9	
Rental income and imputed farmhouse rental equivalent	52	55	41	53	
Hirework	17	39	51	57	
Renewable energy generation	5	14	11	4	
Miscellaneous output	7	1	21	59	
Cultivations	1	1	1	2	
Basic Payment Scheme	192	194	179	174	
TOTAL FARM OUTPUT #	2698	2660	3332	4501	
<u>Variable costs</u>					
Concentrates	652	462	755	1038	
Purchased fodder	33	51	72	114	
Veterinary and medicines	83	77	86	85	
Other livestock costs	214	168	231	267	
Seeds	32	35	45	46	
Fertilisers	88	89	96	112	
Crop protection	24	37	46	42	
Other crop costs	13	12	18	17	
TOTAL VARIABLE COSTS	1139	930	1348	1722	
TOTAL GROSS MARGIN #	1559	1730	1984	2779	

* 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, 2018/2019

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	517	170	1091	360	
Number of farms in FBS sample	21	7	34	11	
Average farmed area (hectares)	108	107	271	219	
Average proportion of total farmed area tenanted or hired (%)	32%	25%	61%	63%	
	£ per farm hectare				
TOTAL GROSS MARGIN #	1559	1730	1984	2779	
<u>Fixed costs</u>					
Paid labour	166	187	283	356	
Unpaid family labour	139	118	75	82	
Casual labour	33	28	26	34	
Contract	164	138	191	149	
Machinery repairs	130	97	130	145	
Machinery fuel	65	55	75	94	
Machinery depreciation	175	171	159	164	
Other depreciation	0	0	0	0	
Property maintenance	77	62	83	91	
Electricity	53	36	54	67	
Other fuel	4	5	3	2	
Water	26	26	32	30	
Insurance	49	47	30	30	
Professional fees	35	42	28	29	
Other general costs	45	50	44	50	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	1162	1062	1213	1323	
PROFIT BEFORE RENT AND INTEREST	397	668	771	1456	
Rent, hired in keep and bare land	72	59	158	192	
Rates	0	0	0	0	
Long-term interest	43	19	61	86	
Short-term interest	17	6	13	18	
Interest received (-)	1	2	3	0	
NET PROFIT##	266	585	542	1160	
Reconciliation of Profit to NFI and M&II					
Plus - Interest charges (net)	59	24	71	104	
Plus - Landlord type repairs (included in property maintenance)	4	5	2	2	
Less - Rental value (of owner occupied land and buildings)	285	240	176	188	
NET FARM INCOME## (NFI)	44	373	439	1078	
Less farmer and spouse labour	311	304	119	166	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-267	69	320	912	

* 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, 2018/2019

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	517	170	1091	360	
Number of farms in FBS sample	21	7	34	11	
Average farmed area (hectares)	108	107	271	219	
Average proportion of total farmed area tenanted or hired (%)	32%	25%	61%	63%	
per £100 output					
<u>Output</u>					
Milk	73	68	73	77	
Cattle	12	14	11	11	
Sheep	0	0	0	0	
Pigs, poultry and other livestock	0	0	0	0	
Cereals	2	4	5	4	
Other cash crops	0	0	1	0	
Straw and forage	1	2	1	0	
Management agreements and agri-environment schemes	0	0	1	0	
Miscellaneous output	3	4	4	4	
Basic Payment Scheme	7	7	5	4	
TOTAL OUTPUT**	100	100	100	100	
<u>Variable costs</u>					
Concentrates, fodder and keep	25	19	25	26	
Veterinary, medicines and other livestock costs	11	9	10	8	
Seeds	1	1	1	1	
Fertilisers	3	3	3	2	
Crop protection and other crop costs	1	2	2	1	
TOTAL VARIABLE COSTS	42	35	40	38	
TOTAL GROSS MARGIN**	58	65	60	62	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	11	11	11	10	
Casual labour	1	1	1	1	
Contract	6	5	6	3	
Machinery repairs and fuel	7	6	6	5	
Machinery and other depreciation	6	6	5	4	
Property maintenance	3	2	2	2	
Electricity, other fuel and water	3	3	3	2	
Other general costs	5	5	3	2	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	43	40	36	29	
PROFIT BEFORE RENT AND INTEREST	15	25	23	32	
Rent and rates	3	2	5	4	
Long-term interest paid	2	1	2	2	
Short-term interest paid	1	0	0	0	
Interest received (-)	0	0	0	0	
PROFIT**	10	22	16	26	

* 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, 2018/2019

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	517	170	1091	360	
Number of farms in FBS sample	21	7	34	11	
Average farmed area (hectares)	108	107	271	219	
Average proportion of total farmed area tenanted or hired (%)	32%	25%	61%	63%	
<u>Land use</u>					
Percentage cropped	68	75	39	37	
Percentage forage	32	25	61	63	
<u>Grazing livestock units</u>					
	GLUs per farm				
Dairy cattle	101	102	266	287	
Other cattle	55	53	139	147	
Sheep	1	0	5	0	
Other livestock	0	0	0	0	
Total	157	155	410	434	
GLUs per ha	1.54	1.62	1.85	2.35	
GLUs per adjusted ha	1.56	1.62	1.86	2.39	
<u>Technical efficiency</u>					
<u>Dairy</u>					
Milk yield per cow	7276	6450	7970	8502	
Pence per litre	29.1	29.4	31.0	31.1	
Milk output per cow	2121	1894	2472	2646	
<u>Finished cattle and lambs</u>					
£ per finished animal	1095	1185	1134	1177	
£ per finished lamb	102	103	91	117	
<u>Cereals**</u>					
Winter wheat					
Yield - tonnes per hectare	7.6	7.3	8.3	8.9	
Price per tonne	167	162	158	161	
Winter barley					
Yield - tonnes per hectare	7.9	7.9	7.0	7.5	
Price per tonne	147	147	142	149	
Spring barley					
Yield - tonnes per hectare	5.4	4.8	5.0	4.7	
Price per tonne	163	166	151	162	
Winter oats					
Yield - tonnes per hectare			8.0		
Price per tonne			154		
All cereals					
Yield - tonnes per hectare	7.0	6.6	7.7	8.5	
Price per tonne	165	161	155	158	

* 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, 2018/2019

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	517	170	1091	360	
Number of farms in FBS sample	21	7	34	11	
Average farmed area (hectares)	108	107	271	219	
Average proportion of total farmed area tenanted or hired (%)	32%	25%	61%	63%	
£ per farm hectare					
<u>Tenant's capital formation</u>					
Livestock	1560	1456	1595	2210	
Crops, forage and cultivations	111	161	178	144	
Stores	141	176	139	167	
Machinery	1045	968	1014	1200	
Basic Payment Scheme	189	195	176	165	
Miscellaneous business assets & other assets	93	209	91	113	
Total physical assets	3139	3165	3194	3999	
Liquid assets	729	832	558	1041	
Tenant's capital (TC)	3868	3997	3752	5040	
Management & investment income (M&I)**	-267	69	320	912	
Return on tenant's capital (M&I as % of average TC)	-6.9%	1.7%	8.5%	18.1%	
<u>Ratios per £100 of output (%)</u>					
Variable costs	42	35	40	38	
Gross margin	58	65	60	62	
Fixed costs (excluding rent and interest)	43	40	36	29	
Net profit	10	22	16	26	
Net farm income	2	14	13	24	
Farmer and spouse	12	11	4	4	
Management & Investment Income	-10	3	10	20	
Tenant's capital	143	150	113	112	
Total assets	688	727	379	348	
Total external liabilities	85	45	83	114	
Net worth	602	682	296	234	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	649	637	503	637	
Costs (£ per £100 output)	24	24	15	14	
Costs (£ per £100 gross margin)	42	37	25	23	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	535	462	555	552	
Costs (£ per £100 output)	20	17	17	12	
Costs (£ per £100 gross margin)	34	27	28	20	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	1184	1099	1058	1189	
Costs (£ per £100 output)	44	41	32	26	
Costs (£ per £100 gross margin)	76	64	53	43	

* 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, 2018/2019

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	517	170	1091	360	
Number of farms in FBS sample	21	7	34	11	
Average farmed area (hectares)	108	107	271	219	
Average proportion of total farmed area tenanted or hired (%)	32%	25%	61%	63%	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	14723	15328	8738	10325	
Basic Payment Scheme	192	199	180	174	
Machinery	1044	1003	1096	1331	
Tenant's other assets	0	0	2	0	
Breeding livestock	1187	1163	1182	1728	
Total fixed assets	17147	17693	11199	13557	
Suckler cow and ewe premium quota					
Trading livestock	364	317	415	503	
Crops	13	39	62	37	
Forage and cultivations	96	123	112	92	
Stores	159	192	148	171	
Debtors and loans	348	328	340	642	
Bank credit and cash	329	434	270	557	
Other current assets	92	209	84	103	
Total current assets	1401	1642	1432	2106	
Total assets	18548	19335	12631	15663	
Financed by					
Institutional loans	0	0	112	64	
Bank loans	1336	784	1814	4018	
Other long term	206	0	63	57	
Total long term	1542	784	1989	4139	
HP and lease	169	71	167	182	
Creditors	333	191	276	330	
Bank overdraft	242	140	339	465	
Other short term	13	8	10	2	
Total current liabilities	757	410	792	979	
Total Liabilities	2299	1194	2780	5119	
Net worth	16249	18142	9851	10544	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	88%	94%	78%	67%	
% Fixed assets vs. total assets	92%	92%	89%	87%	
Gearing (long-term loans vs. total assets)	8%	4%	16%	26%	
Total debt (external liabilities vs. net worth)	14%	7%	28%	49%	
Current Ratio (current assets vs. current liabilities)	185%	401%	181%	215%	
Liquidity Ratio (liquid assets vs. current liabilities)	89%	186%	77%	122%	

* 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, 2018/2019

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3057	972	861	284	
Number of farms in FBS sample	43	12	32	9	
Average farmed area (hectares)	63	65	162	183	
Average proportion of total farmed area tenanted or hired (%)	27%	15%	44%	56%	
£ per farm hectare					
<u>Output</u>					
Milk	0	0	0	0	
Cattle	528	401	444	386	
Herd depreciation	-24	-19	-21	-10	
Sheep	158	231	186	129	
Flock depreciation	-15	-22	-21	-17	
Pigs	3	0	0	0	
Poultry	0	0	0	0	
Other livestock	0	0	0	0	
Cereals	23	35	82	79	
Oilseeds	0	0	3	8	
Pulses	0	0	0	0	
Other crops	0	0	0	0	
Straw	6	0	17	0	
Forage	46	74	24	39	
Agri-environment schemes and management agreements	26	44	37	54	
Rental income and imputed farmhouse rental equivalent	50	111	52	59	
Hirework	57	89	30	14	
Renewable energy generation	14	20	19	34	
Miscellaneous output	244	647	46	64	
Cultivations	1	1	1	0	
Basic Payment Scheme	213	217	189	206	
TOTAL FARM OUTPUT #	1330	1831	1089	1045	
<u>Variable costs</u>					
Concentrates	141	128	141	92	
Purchased fodder	11	5	8	7	
Veterinary and medicines	32	25	32	25	
Other livestock costs	97	80	86	47	
Seeds	12	15	18	16	
Fertilisers	49	39	53	37	
Crop protection	6	8	22	19	
Other crop costs	17	33	11	8	
TOTAL VARIABLE COSTS	364	333	371	252	
TOTAL GROSS MARGIN #	966	1498	718	793	

* 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, 2018/2019

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3057	972	861	284	
Number of farms in FBS sample	43	12	32	9	
Average farmed area (hectares)	63	65	162	183	
Average proportion of total farmed area tenanted or hired (%)	27%	15%	44%	56%	
	£ per farm hectare				
TOTAL GROSS MARGIN #	966	1498	718	793	
<u>Fixed costs</u>					
Paid labour	3	4	68	71	
Unpaid family labour	74	49	55	2	
Casual labour	11	14	18	13	
Contract	93	111	62	41	
Machinery repairs	64	73	50	43	
Machinery fuel	55	68	46	38	
Machinery depreciation	130	143	92	71	
Other depreciation	0	0	0	0	
Property maintenance	48	69	47	32	
Electricity	12	11	10	8	
Other fuel	6	10	4	5	
Water	15	6	10	6	
Insurance	50	54	36	31	
Professional fees	33	52	22	16	
Other general costs	42	45	28	24	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	633	708	548	401	
PROFIT BEFORE RENT AND INTEREST	333	789	170	392	
Rent, hired in keep and bare land	38	24	63	82	
Rates	2	3	0	0	
Long-term interest	14	15	10	7	
Short-term interest	9	11	8	6	
Interest received (-)	0	0	0	0	
NET PROFIT##	270	736	88	296	
Reconciliation of Profit to NFI and M&II					
Plus - Interest charges (net)	23	26	19	13	
Plus - Landlord type repairs (included in property maintenance)	7	13	2	2	
Less - Rental value (of owner occupied land and buildings)	167	173	137	93	
NET FARM INCOME## (NFI)	134	603	-28	218	
Less farmer and spouse labour	389	299	167	144	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-255	304	-196	74	

* 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, 2018/2019

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3057	972	861	284	
Number of farms in FBS sample	43	12	32	9	
Average farmed area (hectares)	63	65	162	183	
Average proportion of total farmed area tenanted or hired (%)	27%	15%	44%	56%	
per £100 output					
Output					
Milk	0	0	0	0	
Cattle	38	21	39	36	
Sheep	11	11	15	11	
Pigs, poultry and other livestock	0	0	0	0	
Cereals	2	2	8	8	
Other cash crops	0	0	0	1	
Straw and forage	4	4	4	4	
Management agreements and agri-environment schemes	2	2	3	5	
Miscellaneous output	27	47	14	16	
Basic Payment Scheme	16	12	17	20	
TOTAL OUTPUT**	100	100	100	100	
<u>Variable costs</u>					
Concentrates, fodder and keep	11	7	14	9	
Veterinary, medicines and other livestock costs	10	6	11	7	
Seeds	1	1	2	2	
Fertilisers	4	2	5	4	
Crop protection and other crop costs	2	2	3	3	
TOTAL VARIABLE COSTS	27	18	34	24	
TOTAL GROSS MARGIN**	73	82	66	76	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	6	3	11	7	
Casual labour	1	1	2	1	
Contract	7	6	6	4	
Machinery repairs and fuel	9	8	9	8	
Machinery and other depreciation	10	8	8	7	
Property maintenance	4	4	4	3	
Electricity, other fuel and water	2	1	2	2	
Other general costs	9	8	8	7	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	48	39	50	38	
PROFIT BEFORE RENT AND INTEREST	25	43	16	38	
Rent and rates	3	1	6	8	
Long-term interest paid	1	1	1	1	
Short-term interest paid	1	1	1	1	
Interest received (-)	0	0	0	0	
PROFIT**	20	40	8	28	

* 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, 2018/2019

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3057	972	861	284	
Number of farms in FBS sample	43	12	32	9	
Average farmed area (hectares)	63	65	162	183	
Average proportion of total farmed area tenanted or hired (%)	27%	15%	44%	56%	
<u>Land use</u>					
Percentage cropped	73	85	56	44	
Percentage forage	27	15	44	56	
<u>Grazing livestock units</u>					
	GLUs per farm				
Dairy cattle	0	0	0	0	
Other cattle	53	40	113	105	
Sheep	11	15	36	28	
Other livestock	1	1	2	4	
Total	65	56	151	137	
GLUs per ha	1.10	0.98	1.07	0.88	
GLUs per adjusted ha	1.14	0.98	1.08	0.88	
<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	1226	1154	1181	1160	
£ per finished lamb	87	89	82	83	
<u>Cereals**</u>					
Winter wheat					
Yield - tonnes per hectare	7.4		7.6	8.3	
Price per tonne	170		165	173	
Winter barley					
Yield - tonnes per hectare	6.3	6.0	7.0	5.8	
Price per tonne	161	159	154	152	
Spring barley					
Yield - tonnes per hectare	4.3	4.3	4.5	3.4	
Price per tonne	153	156	158	160	
Winter oats					
Yield - tonnes per hectare	5.5	5.6	6.7	6.1	
Price per tonne	148	150	147	146	
All cereals					
Yield - tonnes per hectare	4.7	4.3	5.9	5.5	
Price per tonne	154	153	158	161	

* 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, 2018/2019

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3057	972	861	284	
Number of farms in FBS sample	43	12	32	9	
Average farmed area (hectares)	63	65	162	183	
Average proportion of total farmed area tenanted or hired (%)	27%	15%	44%	56%	
	£ per farm hectare				
Tenant's capital formation					
Livestock	1108	762	1075	817	
Crops, forage and cultivations	85	74	83	75	
Stores	71	65	75	52	
Machinery	835	1018	625	541	
Basic Payment Scheme	214	220	180	187	
Miscellaneous business assets & other assets	15	8	7	0	
Total physical assets	2327	2147	2045	1672	
Liquid assets	537	886	294	482	
Tenant's capital (TC)	2864	3033	2339	2154	
Management & investment income (M&I)**	-255	304	-196	74	
Return on tenant's capital (M&I as % of average TC)	-8.9%	10.0%	-8.4%	3.4%	
<u>Ratios per £100 of output (%)</u>					
Variable costs	27	18	34	24	
Gross margin	73	82	66	76	
Fixed costs (excluding rent and interest)	48	39	50	38	
Net profit	20	40	8	28	
Net farm income	10	33	-3	21	
Farmer and spouse	29	16	15	14	
Management & Investment Income	-19	17	-18	7	
Tenant's capital	215	166	215	206	
Total assets	1355	1124	1124	840	
Total external liabilities	66	40	58	53	
Net worth	1288	1083	1065	787	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	476	366	308	230	
Costs (£ per £100 output)	36	20	28	22	
Costs (£ per £100 gross margin)	49	24	43	29	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	341	394	251	193	
Costs (£ per £100 output)	26	22	23	18	
Costs (£ per £100 gross margin)	35	26	35	24	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	817	760	559	423	
Costs (£ per £100 output)	61	42	51	41	
Costs (£ per £100 gross margin)	85	51	78	53	

* 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, 2018/2019

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3057	972	861	284	
Number of farms in FBS sample	43	12	32	9	
Average farmed area (hectares)	63	65	162	183	
Average proportion of total farmed area tenanted or hired (%)	27%	15%	44%	56%	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	15117	17449	9899	6609	
Basic Payment Scheme	215	219	182	189	
Machinery	841	1025	646	575	
Tenant's other assets	2	0	0	0	
Breeding livestock	445	338	483	366	
Total fixed assets	16619	19032	11210	7740	
Suckler cow and ewe premium quota					
Trading livestock	641	409	557	445	
Crops	11	16	32	33	
Forage and cultivations	79	67	56	53	
Stores	81	72	84	54	
Debtors and loans	244	506	180	304	
Bank credit and cash	331	463	120	151	
Other current assets	4	8	1	0	
Total current assets	1391	1542	1030	1040	
Total assets	18010	20573	12240	8780	
Financed by					
Institutional loans	56	167	82	93	
Bank loans	361	125	221	182	
Other long term	111	59	30	75	
Total long term	528	351	333	350	
HP and lease	54	85	40	32	
Creditors	116	137	100	67	
Bank overdraft	169	166	159	101	
Other short term	12	0	2	6	
Total current liabilities	351	388	302	205	
Total Liabilities	879	739	635	556	
Net worth	17131	19834	11604	8224	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	95%	96%	95%	94%	
% Fixed assets vs. total assets	92%	93%	92%	88%	
Gearing (long-term loans vs. total assets)	3%	2%	3%	4%	
Total debt (external liabilities vs. net worth)	5%	4%	5%	7%	
Current Ratio (current assets vs. current liabilities)	396%	397%	341%	507%	
Liquidity Ratio (liquid assets vs. current liabilities)	164%	250%	99%	222%	

* 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, 2018/2019

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	483	161	516	.	
Number of farms in FBS sample	19	10	10	.	
Average farmed area (hectares)	157	279	59	.	
Average proportion of total farmed area tenanted or hired (%)	55%	67%	9%	.	
£ per farm hectare					
<u>Output</u>					
Milk	0	0	0	.	
Cattle	215	230	440	.	
Herd depreciation	-19	-20	-33	.	
Sheep	245	225	329	.	
Flock depreciation	-46	-54	-58	.	
Pigs	0	0	0	.	
Poultry	0	0	0	.	
Other livestock	0	0	0	.	
Cereals	3	4	4	.	
Oilseeds	0	0	0	.	
Pulses	0	0	0	.	
Other crops	0	0	0	.	
Straw	1	0	1	.	
Forage	3	6	35	.	
Agri-environment schemes and management agreements	115	121	60	.	
Rental income and imputed farmhouse rental equivalent	4	3	38	.	
Hirework	11	11	84	.	
Renewable energy generation	9	4	1	.	
Miscellaneous output	7	2	64	.	
Cultivations	0	0	0	.	
Basic Payment Scheme	184	178	220	.	
TOTAL FARM OUTPUT #	733	710	1186	.	
<u>Variable costs</u>					
Concentrates	69	58	132	.	
Purchased fodder	6	2	26	.	
Veterinary and medicines	29	21	42	.	
Other livestock costs	64	51	100	.	
Seeds	3	3	6	.	
Fertilisers	35	32	63	.	
Crop protection	2	2	3	.	
Other crop costs	2	2	7	.	
TOTAL VARIABLE COSTS	210	170	379	.	
TOTAL GROSS MARGIN #	524	540	807	.	

* 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, 2018/2019

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	483	161	516	.	
Number of farms in FBS sample	19	10	10	.	
Average farmed area (hectares)	157	279	59	.	
Average proportion of total farmed area tenanted or hired (%)	55%	67%	9%	.	
	£ per farm hectare				
TOTAL GROSS MARGIN #	524	540	807	.	
<u>Fixed costs</u>					
Paid labour	30	42	24	.	
Unpaid family labour	36	28	39	.	
Casual labour	22	15	7	.	
Contract	28	29	37	.	
Machinery repairs	40	36	49	.	
Machinery fuel	32	28	60	.	
Machinery depreciation	55	47	107	.	
Other depreciation	0	0	0	.	
Property maintenance	33	24	72	.	
Electricity	5	3	9	.	
Other fuel	4	2	3	.	
Water	3	0	14	.	
Insurance	26	18	40	.	
Professional fees	12	8	32	.	
Other general costs	27	22	47	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	352	304	540	.	
PROFIT BEFORE RENT AND INTEREST	172	236	267	.	
Rent, hired in keep and bare land	44	53	14	.	
Rates	0	0	0	.	
Long-term interest	19	23	14	.	
Short-term interest	5	4	12	.	
Interest received (-)	0	1	0	.	
NET PROFIT##	104	157	227	.	
Reconciliation of Profit to NFI and M&I					
Plus - Interest charges (net)	24	26	26	.	
Plus - Landlord type repairs (included in property maintenance)	4	3	5	.	
Less - Rental value (of owner occupied land and buildings)	70	54	205	.	
NET FARM INCOME## (NFI)	63	132	53	.	
Less farmer and spouse labour	148	98	393	.	
MANAGEMENT AND INVESTMENT INCOME** (M&I)	-86	34	-340	.	

* 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, 2018/2019

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	483	161	516	.	
Number of farms in FBS sample	19	10	10	.	
Average farmed area (hectares)	157	279	59	.	
Average proportion of total farmed area tenanted or hired (%)	55%	67%	9%	.	
	per £100 output				
<u>Output</u>					
Milk	0	0	0	.	
Cattle	27	30	34	.	
Sheep	27	24	23	.	
Pigs, poultry and other livestock	0	0	0	.	
Cereals	0	1	0	.	
Other cash crops	0	0	0	.	
Straw and forage	1	1	3	.	
Management agreements and agri-environment schemes	16	17	5	.	
Miscellaneous output	4	3	16	.	
Basic Payment Scheme	25	25	19	.	
TOTAL OUTPUT**	100	100	100	.	
<u>Variable costs</u>					
Concentrates, fodder and keep	10	8	13	.	
Veterinary, medicines and other livestock costs	13	10	12	.	
Seeds	0	0	1	.	
Fertilisers	5	4	5	.	
Crop protection and other crop costs	1	1	1	.	
TOTAL VARIABLE COSTS	29	24	32	.	
TOTAL GROSS MARGIN**	71	76	68	.	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	9	10	5	.	
Casual labour	3	2	1	.	
Contract	4	4	3	.	
Machinery repairs and fuel	10	9	9	.	
Machinery and other depreciation	8	7	9	.	
Property maintenance	4	3	6	.	
Electricity, other fuel and water	2	1	2	.	
Other general costs	9	7	10	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	48	43	46	.	
PROFIT BEFORE RENT AND INTEREST	23	33	22	.	
Rent and rates	6	7	1	.	
Long-term interest paid	3	3	1	.	
Short-term interest paid	1	1	1	.	
Interest received (-)	0	0	0	.	
PROFIT**	14	22	19	.	

* 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, 2018/2019

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	483	161	516	.	
Number of farms in FBS sample	19	10	10	.	
Average farmed area (hectares)	157	279	59	.	
Average proportion of total farmed area tenanted or hired (%)	55%	67%	9%	.	
<u>Land use</u>					
Percentage cropped	45	33	91	.	
Percentage forage	55	67	9	.	
<u>Grazing livestock units</u>					
	GLUs per farm				
Dairy cattle	0	0	0	.	
Other cattle	66	124	42	.	
Sheep	44	68	21	.	
Other livestock	2	6	0	.	
Total	112	198	63	.	
GLUs per ha	0.72	0.71	1.09	.	
GLUs per adjusted ha	0.91	0.97	1.11	.	
<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	1044	1043	1035	.	
£ per finished lamb	80	81	87	.	
<u>Cereals**</u>					
Winter wheat					
Yield - tonnes per hectare				.	
Price per tonne				.	
Winter barley					
Yield - tonnes per hectare			5.2	.	
Price per tonne			162	.	
Spring barley					
Yield - tonnes per hectare	7.1	7.1		.	
Price per tonne	162	162		.	
Winter oats					
Yield - tonnes per hectare				.	
Price per tonne				.	
All cereals					
Yield - tonnes per hectare	7.1	7.1	5.2	.	
Price per tonne	162	162	162	.	

* 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, 2018/2019

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	483	161	516	.	
Number of farms in FBS sample	19	10	10	.	
Average farmed area (hectares)	157	279	59	.	
Average proportion of total farmed area tenanted or hired (%)	55%	67%	9%	.	
£ per farm hectare					
<u>Tenant's capital formation</u>					
Livestock	741	761	1172	.	
Crops, forage and cultivations	19	15	35	.	
Stores	23	21	59	.	
Machinery	322	270	642	.	
Basic Payment Scheme	197	176	227	.	
Miscellaneous business assets & other assets	31	19	28	.	
Total physical assets	1333	1262	2163	.	
Liquid assets	199	155	677	.	
Tenant's capital (TC)	1532	1417	2840	.	
Management & investment income (M&I)**	-86	34	-340	.	
Return on tenant's capital (M&I as % of average TC)	-5.6%	2.4%	-12.0%	.	
<u>Ratios per £100 of output (%)</u>					
Variable costs	29	24	32	.	
Gross margin	71	76	68	.	
Fixed costs (excluding rent and interest)	48	43	46	.	
Net profit	14	22	19	.	
Net farm income	9	19	4	.	
Farmer and spouse	20	14	33	.	
Management & Investment Income	-12	5	-29	.	
Tenant's capital	209	200	239	.	
Total assets	970	841	1660	.	
Total external liabilities	116	122	78	.	
Net worth	855	720	1582	.	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	235	184	464	.	
Costs (£ per £100 output)	32	26	39	.	
Costs (£ per £100 gross margin)	45	34	58	.	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	155	141	254	.	
Costs (£ per £100 output)	21	20	21	.	
Costs (£ per £100 gross margin)	30	26	31	.	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	391	325	718	.	
Costs (£ per £100 output)	53	46	61	.	
Costs (£ per £100 gross margin)	75	60	89	.	

* 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, 2018/2019

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	483	161	516	.	
Number of farms in FBS sample	19	10	10	.	
Average farmed area (hectares)	157	279	59	.	
Average proportion of total farmed area tenanted or hired (%)	55%	67%	9%	.	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	5602	4562	16804	.	
Basic Payment Scheme	198	177	227	.	
Machinery	310	256	633	.	
Tenant's other assets	0	0	0	.	
Breeding livestock	524	538	606	.	
Total fixed assets	6633	5533	18270	.	
Suckler cow and ewe premium quota					
Trading livestock	206	216	536	.	
Crops	0	0	0	.	
Forage and cultivations	18	15	45	.	
Stores	26	27	72	.	
Debtors and loans	129	85	212	.	
Bank credit and cash	103	93	551	.	
Other current assets	1	1	2	.	
Total current assets	482	436	1418	.	
Total assets	7115	5969	19688	.	
Financed by					
Institutional loans	182	232	352	.	
Bank loans	361	417	96	.	
Other long term	79	54	32	.	
Total long term	622	703	480	.	
HP and lease	7	6	47	.	
Creditors	53	39	104	.	
Bank overdraft	167	115	288	.	
Other short term	0	0	0	.	
Total current liabilities	227	159	440	.	
Total Liabilities	849	863	920	.	
Net worth	6266	5107	18769	.	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	88%	86%	95%	.	
% Fixed assets vs. total assets	93%	93%	93%	.	
Gearing (long-term loans vs. total assets)	9%	12%	2%	.	
Total debt (external liabilities vs. net worth)	14%	17%	5%	.	
Current Ratio (current assets vs. current liabilities)	212%	274%	323%	.	
Liquidity Ratio (liquid assets vs. current liabilities)	102%	112%	174%	.	

* 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, 2018/2019

	General cropping		Cattle, sheep and cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	676	.	862	263	
Number of farms in FBS sample	13	.	20	7	
Average farmed area (hectares)	105	.	163	244	
Average proportion of total farmed area tenanted or hired (%)	32%	.	57%	76%	
£ per farm hectare					
<u>Output</u>					
Milk	0	.	0	0	
Cattle	83	.	248	283	
Herd depreciation	-1	.	-4	-8	
Sheep	28	.	154	163	
Flock depreciation	-5	.	-20	-19	
Pigs	0	.	0	0	
Poultry	0	.	0	0	
Other livestock	0	.	0	0	
Cereals	326	.	353	378	
Oilseeds	41	.	21	11	
Pulses	0	.	7	2	
Other crops	499	.	98	180	
Straw	63	.	74	0	
Forage	296	.	60	46	
Agri-environment schemes and management agreements	17	.	38	55	
Rental income and imputed farmhouse rental equivalent	106	.	35	12	
Hirework	80	.	155	308	
Renewable energy generation	57	.	8	5	
Miscellaneous output	79	.	16	27	
Cultivations	3	.	3	1	
Basic Payment Scheme	210	.	214	210	
TOTAL FARM OUTPUT #	1883	.	1460	1653	
<u>Variable costs</u>					
Concentrates	25	.	100	93	
Purchased fodder	4	.	5	7	
Veterinary and medicines	5	.	21	24	
Other livestock costs	17	.	60	66	
Seeds	136	.	45	39	
Fertilisers	111	.	91	84	
Crop protection	120	.	72	63	
Other crop costs	47	.	18	24	
TOTAL VARIABLE COSTS	464	.	411	401	
TOTAL GROSS MARGIN #	1418	.	1049	1253	

* 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, 2018/2019

	General Cropping		Cattle, Sheep and Cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	676	.	862	263	
Number of farms in FBS sample	13	.	20	7	
Average farmed area (hectares)	105	.	163	244	
Average proportion of total farmed area tenanted or hired (%)	32%	.	57%	76%	
	£ per farm hectare				
TOTAL GROSS MARGIN #	1418	.	1049	1253	
<u>Fixed costs</u>					
Paid labour	22	.	126	231	
Unpaid family labour	94	.	49	17	
Casual labour	22	.	7	9	
Contract	218	.	63	71	
Machinery repairs	65	.	79	96	
Machinery fuel	61	.	75	100	
Machinery depreciation	165	.	142	176	
Other depreciation	6	.	0	0	
Property maintenance	48	.	40	31	
Electricity	20	.	8	7	
Other fuel	8	.	6	7	
Water	7	.	8	8	
Insurance	45	.	36	32	
Professional fees	53	.	18	19	
Other general costs	33	.	29	30	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	868	.	686	832	
PROFIT BEFORE RENT AND INTEREST	550	.	362	420	
Rent, hired in keep and bare land	76	.	133	195	
Rates	0	.	1	1	
Long-term interest	52	.	12	4	
Short-term interest	17	.	12	17	
Interest received (-)	0	.	0	0	
NET PROFIT##	405	.	204	202	
Reconciliation of Profit to NFI and M&II					
Plus - Interest charges (net)	69	.	24	22	
Plus - Landlord type repairs (included in property maintenance)	2	.	1	0	
Less - Rental value (of owner occupied land and buildings)	166	.	100	53	
NET FARM INCOME## (NFI)	310	.	129	171	
Less farmer and spouse labour	144	.	162	96	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	167	.	-33	76	

* 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, 2018/2019

	General Cropping		Cattle, Sheep and Cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	676	.	862	263	
Number of farms in FBS sample	13	.	20	7	
Average farmed area (hectares)	105	.	163	244	
Average proportion of total farmed area tenanted or hired (%)	32%	.	57%	76%	
per £100 output					
<u>Output</u>					
Milk	0	.	0	0	
Cattle	4	.	17	17	
Sheep	1	.	9	9	
Pigs, poultry and other livestock	0	.	0	0	
Cereals	17	.	24	23	
Other cash crops	29	.	9	12	
Straw and forage	19	.	9	3	
Management agreements and agri-environment schemes	1	.	3	3	
Miscellaneous output	17	.	15	21	
Basic Payment Scheme	11	.	15	13	
TOTAL OUTPUT**	100	.	100	100	
<u>Variable costs</u>					
Concentrates, fodder and keep	2	.	7	6	
Veterinary, medicines and other livestock costs	1	.	5	5	
Seeds	7	.	3	2	
Fertilisers	6	.	6	5	
Crop protection and other crop costs	9	.	6	5	
TOTAL VARIABLE COSTS	25	.	28	24	
TOTAL GROSS MARGIN**	75	.	72	76	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	6	.	12	15	
Casual labour	1	.	0	1	
Contract	12	.	4	4	
Machinery repairs and fuel	7	.	11	12	
Machinery and other depreciation	9	.	10	11	
Property maintenance	3	.	3	2	
Electricity, other fuel and water	2	.	2	1	
Other general costs	7	.	6	5	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	46	.	47	50	
PROFIT BEFORE RENT AND INTEREST	29	.	25	25	
Rent and rates	4	.	9	12	
Long-term interest paid	3	.	1	0	
Short-term interest paid	1	.	1	1	
Interest received (-)	0	.	0	0	
PROFIT**	22	.	14	12	

* 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, 2018/2019

	General Cropping		Cattle, Sheep and Cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	676	.	862	263	
Number of farms in FBS sample	13	.	20	7	
Average farmed area (hectares)	105	.	163	244	
Average proportion of total farmed area tenanted or hired (%)	32%	.	57%	76%	
<u>Land use</u>					
Percentage cropped	68	.	43	24	
Percentage forage	32	.	57	76	
<u>Grazing livestock units</u>					
	GLUs per farm				
Dairy cattle	0	.	0	0	
Other cattle	13	.	54	83	
Sheep	5	.	34	56	
Other livestock	0	.	0	1	
Total	18	.	88	140	
GLUs per ha	0.39	.	1.11	1.10	
GLUs per adjusted ha	0.39	.	1.19	1.24	
<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	1139	.	1213	1290	
£ per finished lamb	70	.	90	88	
<u>Cereals**</u>					
Winter wheat					
Yield - tonnes per hectare	8.6	.	7.6	8.4	
Price per tonne	165	.	168	167	
Winter barley					
Yield - tonnes per hectare	6.2	.	6.1	7.8	
Price per tonne	140	.	171	148	
Spring barley					
Yield - tonnes per hectare	5.0	.	4.4	5.1	
Price per tonne	146	.	165	161	
Winter oats					
Yield - tonnes per hectare	6.8	.	6.0	6.3	
Price per tonne	146	.	159	171	
All cereals					
Yield - tonnes per hectare	7.0	.	6.0	6.7	
Price per tonne	156	.	167	163	

* 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, 2018/2019

	General Cropping		Cattle, Sheep and Cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	676	.	862	263	
Number of farms in FBS sample	13	.	20	7	
Average farmed area (hectares)	105	.	163	244	
Average proportion of total farmed area tenanted or hired (%)	32%	.	57%	76%	
£ per farm hectare					
<u>Tenant's capital formation</u>					
Livestock	199	.	586	652	
Crops, forage and cultivations	399	.	362	470	
Stores	119	.	92	64	
Machinery	1066	.	866	1040	
Basic Payment Scheme	204	.	209	201	
Miscellaneous business assets & other assets	139	.	23	31	
Total physical assets	2127	.	2137	2458	
Liquid assets	346	.	360	453	
Tenant's capital (TC)	2472	.	2496	2911	
Management & investment income (M&I)**	167	.	-33	76	
Return on tenant's capital (M&I as % of average TC)	6.7%	.	-1.3%	2.6%	
<u>Ratios per £100 of output (%)</u>					
Variable costs	25	.	28	24	
Gross margin	75	.	72	76	
Fixed costs (excluding rent and interest)	46	.	47	50	
Net profit	22	.	14	12	
Net farm income	16	.	9	10	
Farmer and spouse	8	.	11	6	
Management & Investment Income	9	.	-2	5	
Tenant's capital	131	.	171	176	
Total assets	855	.	707	390	
Total external liabilities	119	.	69	67	
Net worth	736	.	639	322	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	0	.	0	0	
Costs (£ per £100 output)	0	.	0	0	
Costs (£ per £100 gross margin)	0	.	0	0	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	0	.	0	0	
Costs (£ per £100 output)	0	.	0	0	
Costs (£ per £100 gross margin)	0	.	0	0	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	0	.	0	0	
Costs (£ per £100 output)	0	.	0	0	
Costs (£ per £100 gross margin)	0	.	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, 2018/2019

	General Cropping		Cattle, Sheep and Cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	676	.	862	263	
Number of farms in FBS sample	13	.	20	7	
Average farmed area (hectares)	105	.	163	244	
Average proportion of total farmed area tenanted or hired (%)	32%	.	57%	76%	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	13567	.	7748	3387	
Basic Payment Scheme	207	.	210	202	
Machinery	1059	.	896	1110	
Tenant's other assets	96	.	2	2	
Breeding livestock	50	.	214	315	
Total fixed assets	14978	.	9070	5016	
Suckler cow and ewe premium quota					
Trading livestock	152	.	365	328	
Crops	304	.	264	373	
Forage and cultivations	82	.	114	127	
Stores	137	.	102	66	
Debtors and loans	314	.	229	382	
Bank credit and cash	112	.	182	150	
Other current assets	9	.	1	1	
Total current assets	1109	.	1256	1428	
Total assets	16088	.	10326	6444	
Financed by					
Institutional loans	905	.	0	0	
Bank loans	846	.	323	153	
Other long term	90	.	98	59	
Total long term	1842	.	420	212	
HP and lease	82	.	209	375	
Creditors	124	.	202	290	
Bank overdraft	187	.	162	220	
Other short term	0	.	8	17	
Total current liabilities	393	.	581	903	
Total Liabilities	2235	.	1001	1115	
Net worth	13852	.	9324	5329	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	86%	.	90%	83%	
% Fixed assets vs. total assets	93%	.	88%	78%	
Gearing (long-term loans vs. total assets)	11%	.	4%	3%	
Total debt (external liabilities vs. net worth)	16%	.	11%	21%	
Current Ratio (current assets vs. current liabilities)	282%	.	216%	158%	
Liquidity Ratio (liquid assets vs. current liabilities)	108%	.	71%	59%	

* 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 2018

	WINTER			SPRING		
	Average	Premium*	Your Farm	Average***	Premium***	Your Farm
Number of farms in the population represented	3184	1069				
Number of farms	89	30		.	.	
Area per farm (ha)	45.9	65.0		.	.	
Yield: tonnes/ha	8.0	9.0		.	.	
Price: £/tonne	168.4	170.4		.	.	
	£ per hectare					
Grain	1350.5	1533.1		.	.	
Straw	169.3	181.0		.	.	
ENTERPRISE OUTPUT	1519.7	1714.0		.	.	
Seeds (inc.homegrown)	75.7	70.8		.	.	
Fertilisers	182.3	183.9		.	.	
Sprays	243.6	240.0		.	.	
Other crop costs	36.8	24.3		.	.	
TOTAL VARIABLES ‡	538.5	519.1		.	.	
GROSS MARGIN	981.3	1195.0		.	.	

* 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 2018

	WINTER			SPRING		
	Average	Premium*	Your Farm	Average	Premium*	Your Farm
Number of farms in the population represented	2477	827		3367	1178	
Number of farms	67	26		85	32	
Area per farm (ha)	18.9	15.9		21.3	23.3	
Yield: tonnes/ha	6.6	7.7		5.5	6.6	
Price: £/tonne	150.0	157.5		159.6	166.0	
	£ per hectare					
Grain	992.1	1212.3		870.9	1088.1	
Straw	237.8	285.7		135.1	157.9	
ENTERPRISE OUTPUT	1229.9	1498.0		1006.0	1246.0	
Seeds (inc.homegrown)	92.8	91.5		71.5	66.3	
Fertilisers	161.1	162.3		113.3	103.3	
Sprays	175.6	188.7		124.4	122.5	
Other crop costs	24.2	16.0		35.2	18.9	
TOTAL VARIABLES ‡	453.7	458.4		344.4	311.0	
GROSS MARGIN	776.3	1039.6		661.6	935.0	

* 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 2018		
	WINTER			SPRING		
	Average	Premium*	Your Farm	Average	Premium*	Your Farm
Number of farms in the population represented	871	312		836	344	
Number of farms	67	26		85	32	
Area per farm (ha)	18.9	15.9		21.3	23.3	
Yield: tonnes/ha	6.6	7.7		5.5	6.6	
Price: £/tonne	150.0	157.5		159.6	166.0	
	£ per hectare					
Grain	992.1	1212.3		870.9	1088.1	
Straw	237.8	285.7		135.1	157.9	
ENTERPRISE OUTPUT	1229.9	1498.0		1006.0	1246.0	
Seeds (inc.homegrown)	92.8	91.5		71.5	66.3	
Fertilisers	161.1	162.3		113.3	103.3	
Sprays	175.6	188.7		124.4	122.5	
Other crop costs	24.2	16.0		35.2	18.9	
TOTAL VARIABLES ‡	453.7	458.4		344.4	311.0	
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* 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

Oilseed rape

Gross margin per hectare			Crop year 2018			
	WINTER			SPRING		
	Average	Premium*	Your Farm	Average**	Premium**	Your Farm
Number of farms in the population represented	1130	377				
Number of farms	35	15				
Area per farm (ha)	45.8	75.6				
Yield: tonnes/ha	3.3	3.8				
Price: £/tonne	327.7	330.3				
	£ per hectare					
Grain	1094.2	1247.2				
Straw	20.3	21.5				
ENTERPRISE OUTPUT	1114.5	1268.7				
Seeds (inc.homegrown)	61.3	55.3				
Fertilisers	217.9	240.8				
Sprays	241.7	252.4				
Other crop costs	26.7	22.4				
TOTAL VARIABLES ‡	547.6	570.8				
GROSS MARGIN	566.9	697.8				

* 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

	Conventional		Orga
	Average	Premium*	Average
Number of farms in the population represented	1685	590	123
Number of farms in sample	59	17	17
Cows per herd	195	250	144
Yield: litres/cow	7768	8924	5713
Price: pence/litre	30.7	31.1	39.2
Stocking rate: cows/ha	1.77	1.77	1.27
ha/cow	0.57	0.57	0.79
£ per cow			
Output - milk	2385.4	2776.8	2240.3
miscellaneous revenue	0.0	0.0	0.0
calves	118.0	112.2	112.9
depreciation	-206.6	-201.1	-159.3
ENTERPRISE OUTPUT (excl. BLSA)	2296.7	2687.9	2193.9
Concentrates	606.1	666.3	624.4
Coarse fodder	48.9	68.3	33.8
Veterinary and medicines	74.0	67.7	57.9
Other livestock costs	169.4	180.4	210.8
Forage †	87.2	88.7	28.4
TOTAL VARIABLE COSTS ‡	985.6	1071.5	955.2
GROSS MARGIN per cow (excl. BLSA)	1311.2	1616.4	1238.7
GROSS MARGIN per hectare (excl. BLSA)	2315.9	2751.9	1557.8
Margin - milk over concentrates	1779.2	2110.4	1615.9
Concentrates per £100 of milk output	25.4	24.0	27.9

* Top third in order of Gross Margin per cow.

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

*** 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

2018/19

Yield per cow (litres)	Less than 5999	6000- 6999**	7000- 7999**	Over 8000	Your Farm
Number of farms in the population represented	319	353	279	735	
Number of farms in sample	16	13	10	20	
Cows per herd	160	215	150	218	
Yield: litres/cow	4731	6605	7533	9351	
Price: pence/litre	32.6	31.8	29.2	30.4	
Stocking rate: cows/ha	1.95	1.15	1.68	1.62	
ha/cow	0.51	0.87	0.60	0.62	
£ per cow					
Output - milk	1540.8	2100.5	2200.8	2838.0	
miscellaneous revenue	0.0	0.0	0.0	0.0	
calves	103.1	128.7	121.2	116.8	
depreciation	-175.0	-166.9	-248.5	-224.5	
ENTERPRISE OUTPUT (excl. BLSA)	1468.9	2062.3	2073.4	2730.3	
Concentrates	267.7	495.6	604.3	767.0	
Coarse fodder	49.2	49.7	27.4	54.0	
Veterinary and medicines	39.7	67.7	95.2	82.3	
Other livestock costs	112.9	110.5	184.1	211.4	
Forage †	57.9	74.3	102.8	98.7	
TOTAL VARIABLE COSTS ‡	527.3	797.8	1013.8	1213.4	
GROSS MARGIN per cow (excl. BLSA)	941.6	1264.5	1059.7	1516.9	
GROSS MARGIN per hectare (excl. BLSA)	1051.1	1653.4	1697.1	1962.7	

Margin - milk over concentrates	1273.1	1604.9	1596.5	2071.0	
Concentrates per £100 of milk output	17.4	23.6	27.5	27.0	

* 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

Dairy Cows - mainly Fresian/Holsteins

Gross margins per cow and per hectare

2018/19

Average number of cows	Under 100	100-150**	150-200**	Over 200	Your Farm
Number of farms in the population represented	376	304	381	624	
Number of farms in sample	16	11	13	19	
Cows per herd	57	129	171	326	
Yield: litres/cow	6627	7746	8123	7779	
Price: pence/litre	29.0	29.2	30.1	31.4	
Stocking rate: cows/ha	1.56	1.48	1.67	1.90	
ha/cow	0.64	0.67	0.60	0.53	
Output - milk miscellaneous revenue calves depreciation ENTERPRISE OUTPUT (excl. BLSA) Concentrates Coarse fodder Veterinary and medicines Other livestock costs Forage † TOTAL VARIABLE COSTS ‡ GROSS MARGIN per cow (excl. BLSA) GROSS MARGIN per hectare (excl. BLSA)	£ per cow				
	1918.7	2263.1	2442.6	2439.8	
	0.0	0.0	0.0	0.0	
	118.0	104.1	117.0	121.0	
	-190.6	-187.8	-239.7	-201.4	
	1846.1	2179.4	2319.9	2359.4	
	541.3	595.4	669.6	594.8	
	9.0	31.9	26.3	63.6	
	62.0	89.7	79.8	70.3	
	156.7	200.1	178.3	161.9	
	75.1	103.7	104.5	79.8	
	844.2	1020.8	1058.6	970.3	
	1002.0	1158.6	1261.3	1389.1	
	1321.7	1505.1	1767.5	1843.3	
Margin - milk over concentrates	1377.5	1667.8	1773.0	1845.0	
Concentrates per £100 of milk output	28.2	26.3	27.4	24.4	

* 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

† 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

2018/19

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	650	563	471	
Number of farms in sample	24	20	15	
Cows per herd	152	153	305	
Yield: litres/cow	8066	7729	7587	
Price: pence/litre	30.4	30.7	30.9	
Stocking rate: cows/ha	1.27	1.78	2.40	
ha/cow	0.79	0.56	0.42	
Output - milk miscellaneous revenue calves depreciation ENTERPRISE OUTPUT (excl. BLSA) Concentrates Coarse fodder Veterinary and medicines Other livestock costs Forage † TOTAL VARIABLE COSTS ‡ GROSS MARGIN per cow (excl. BLSA)	£ per cow			
	2455.4	2369.6	2346.6	
	0.0	0.0	0.0	
	121.0	124.1	112.2	
	-208.5	-247.3	-180.9	
	2368.0	2246.3	2277.9	
	576.2	647.8	601.8	
	44.1	28.2	64.5	
	80.7	79.1	66.2	
	195.0	171.5	150.4	
	110.2	96.0	66.2	
	1006.2	1022.7	949.1	
	1361.8	1223.7	1328.8	
GROSS MARGIN per hectare (excl. BLSA)	1277.7	1810.6	2290.1	

Margin - milk over concentrates	1879.2	1721.8	1744.8	
Concentrates per £100 of milk output	23.5	27.3	25.6	

* 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

Beef cows

Gross margins per cow, per LU and per hectare

2018/19

	LFA suckler cows		Lowland suckler cows		Your Farm
	Average	**Premium*	Average	Premium*	
Number of farms in the population represented	521	187	3057	1020	
Number of farms in sample	23	10	69	25	
Cows per herd	54	75	35	40	
Stocking rate: LU/ha ha/LU	0.85	0.89	1.06	0.98	
	1.18	1.12	0.94	1.02	
Output - calf output depreciation	£ per cow				
	467.8	518.2	505.9	553.4	
	-82.6	-72.5	-74.5	-52.8	
ENTERPRISE OUTPUT (excl. BLSA)	385.2	445.7	431.4	500.6	
Concentrates	26.2	16.8	37.7	23.1	
Coarse fodder	16.5	6.6	10.8	4.7	
Veterinary and medicines	24.1	25.6	36.2	26.0	
Other livestock costs	61.8	48.2	74.0	59.9	
Forage †	55.1	55.1	60.3	44.9	
TOTAL VARIABLE COSTS ‡	183.7	152.2	219.0	158.6	
GROSS MARGIN per cow (excl. BLSA)	201.5	293.5	212.4	342.0	
GROSS MARGIN per LU (excl. BLSA)	206.6	288.1	216.7	353.9	
GROSS MARGIN per hectare (excl. BLSA)	174.8	256.8	229.8	347.6	
Concentrates per £100 output	6.8	3.8	8.7	4.6	

* 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

2018/19

	Average	**Premium*	Your Farm
Number of farms in the population represented	820	278	
Number of farms in sample	31	11	
Cattle per herd	181	184	
Average finished animal sale price - £/head	1081	1085	
Stocking rate: LU/ha	1.89	2.26	
ha/LU	0.53	0.44	
	£ per head		
Output - cattle	418.2	540.9	
ENTERPRISE OUTPUT (excl. BLSA)	418.2	540.9	
Concentrates	133.5	157.8	
Coarse fodder	28.7	34.7	
Veterinary and medicines	14.3	12.5	
Other livestock costs	60.4	46.1	
Forage †	41.2	42.4	
TOTAL VARIABLE COSTS ‡	278.2	293.6	
GROSS MARGIN per head	140.0	247.3	
GROSS MARGIN per LU	270.5	464.4	
GROSS MARGIN per hectare	512.1	1050.9	

Concentrates per £100 output	31.9	29.2	
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* 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

2018/19

	Mainly store cattle		Mainly finished cattle		Your Farm
	Average	Premium***	Average	**Premium*	
Number of farms in the population represented	465	.	1163	416	
Number of farms in sample	12	.	29	7	
Cattle per herd	125	.	152	55	
Average finished animal sale price - £/head	829	.	1140	1114	
Stocking rate: LU/ha	1.63	.	1.37	0.98	
ha/LU	0.61	.	0.73	1.02	
	£ per head				
Output - cattle	441.7	.	443.9	587.1	
ENTERPRISE OUTPUT (excl. BLSA)	441.7	.	443.9	587.1	
Concentrates	97.3	.	138.0	114.2	
Coarse fodder	10.9	.	4.5	2.2	
Veterinary and medicines	12.6	.	10.0	12.1	
Other livestock costs	55.2	.	59.7	65.0	
Forage †	36.3	.	44.5	60.7	
TOTAL VARIABLE COSTS ‡	212.3	.	256.7	254.3	
GROSS MARGIN per head	229.4	.	187.2	332.8	
GROSS MARGIN per LU	442.4	.	339.5	529.9	
GROSS MARGIN per hectare	722.1	.	463.6	521.2	
Concentrates per £100 output	22.0	.	31.1	19.5	

* 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

Suckler bred cattle

Gross margins per head, per LU and per hectare

2018/19

	Mainly Store cattle		Mainly finished cattle		Your Farm
	Average	Premium*	Average	Premium*	
Number of farms in the population represented	1614	559	870	341	
Number of farms in sample	43	21	32	15	
Cattle per herd	46	43	173	177	
Average finished animal sale price - £/head	1027	1090	1081	1085	
Stocking rate: LU/ha	1.11	0.92	1.82	1.83	
ha/LU	0.90	1.09	0.55	0.55	
	£ per head				
Output - cattle	325.4	441.9	431.8	543.6	
ENTERPRISE OUTPUT (excl. BLSA)	325.4	441.9	431.8	543.6	
Concentrates	67.4	49.2	128.7	162.4	
Coarse fodder	5.6	4.8	24.2	30.0	
Veterinary and medicines	14.4	15.2	11.0	10.8	
Other livestock costs	62.4	66.4	49.1	44.3	
Forage †	35.2	33.7	43.6	49.3	
TOTAL VARIABLE COSTS ‡	185.0	169.2	256.6	297.0	
GROSS MARGIN per head	140.4	272.6	175.1	246.7	
GROSS MARGIN per LU	235.0	466.2	335.5	465.1	
GROSS MARGIN per hectare	259.8	428.5	611.5	849.7	
Concentrates per £100 output	20.7	11.1	29.8	29.9	

* 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

Other beef enterprises

Gross margins per head, per LU and per hectare

2018/19

	Average	**Premium*	Your Farm
Number of farms in the population represented	695	232	
Number of farms in sample	21	6	
Cattle per herd	153	176	
Average finished animal sale price - £/head	1161	1148	
Stocking rate: LU/ha	1.41	1.34	
ha/LU	0.71	0.75	
	£ per head		
Output - cattle	416.5	464.7	
ENTERPRISE OUTPUT (excl. BLSA)	416.5	464.7	
Concentrates	149.7	124.9	
Coarse fodder	13.2	3.9	
Veterinary and medicines	11.9	13.1	
Other livestock costs	63.4	63.5	
Forage †	43.2	43.6	
TOTAL VARIABLE COSTS ‡	281.4	248.9	
GROSS MARGIN per head	135.1	215.9	
GROSS MARGIN per LU	263.1	390.0	
GROSS MARGIN per hectare	372.1	522.5	
Concentrates per £100 output	35.9	26.9	

* 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

Breeding ewes

Gross margins per ewe and per hectare

2018/19

	High hill flock	Other LFA	Lowland		Your Farm
	**Average	**Average	Average	Premium*	
Number of farms in the population represented	272	418	2473	864	
Number of farms in sample	11	14	70	23	
Average number of ewes	517	348	274	269	
Average lamb sale price - £/lamb	72.4	84.0	85.3	87.4	
Stocking rate - ewes per hectare	6.6	7.1	6.1	6.6	
£ per ewe					
Output - Lambs (inc lamb sales, transfers into flock & change in valuation of ewe hoggs)	63.0	106.3	126.7	160.5	
wool	1.4	1.8	1.6	1.8	
miscellaneous	0.0	0.0	0.0	0.0	
depreciation	-21.1	-11.4	-14.9	-11.1	
ENTERPRISE OUTPUT (excl. BLSA)	43.4	96.7	113.4	151.2	
Concentrates	12.7	16.4	20.8	27.6	
Coarse fodder	1.0	1.8	1.7	1.2	
Veterinary and medicines	5.3	8.1	9.4	8.4	
Other livestock costs	7.4	13.5	13.9	13.3	
Forage †	5.3	8.1	12.4	10.6	
TOTAL VARIABLE COSTS ‡	31.8	47.9	58.2	61.2	
GROSS MARGIN per ewe (excl. BLSA)	11.7	48.8	55.2	90.0	
GROSS MARGIN per LU (excl. BLSA)	116.8	397.6	354.4	579.0	
GROSS MARGIN per hectare (excl. BLSA)	76.6	345.9	336.1	596.1	
Concentrates per £100 of output	29.3	17.0	18.4	18.3	

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

Net farm income (NFI) represents the reward to the farmer and spouse for their own manual labour and management and the return on 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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