



FARM BUSINESS SURVEY
South West England
Benchmarking Handbook
Harvest Year 2019

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THE CORNWALL COLLEGE GROUP

SOUTH WEST ENGLAND BENCHMARKING HANDBOOK

2021

2019/20 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.

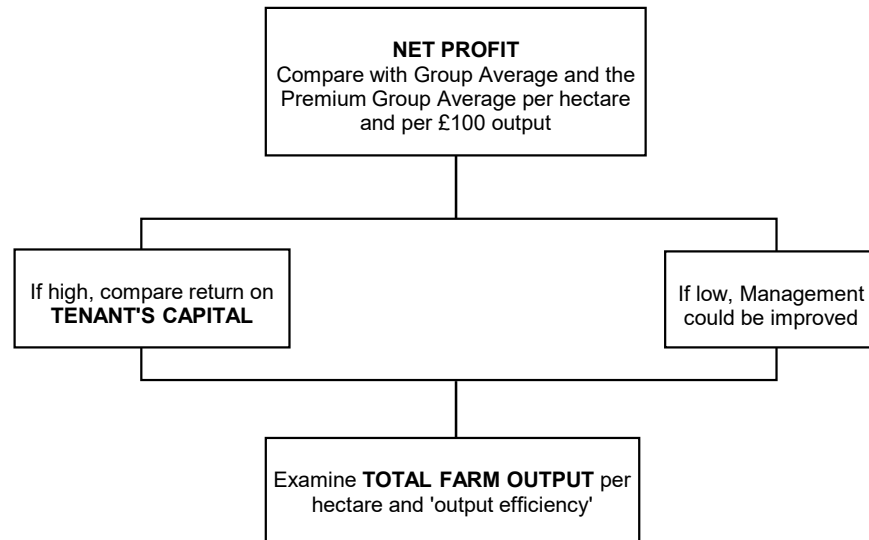
8. An examination and comparison of the farm balance sheet should be attempted to give a broader view of the financial position of the business. Although individual circumstances will inevitably result in considerable, and acceptable, variation in some of the comparative ratios, it is the degree of change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

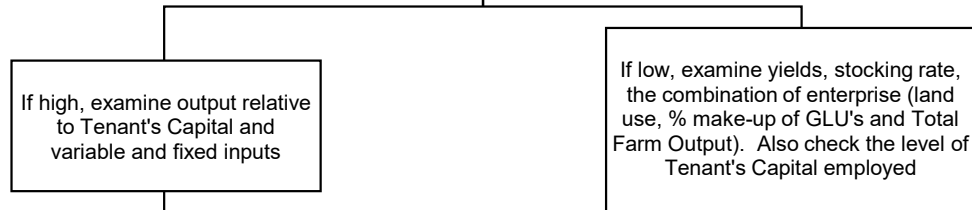
Chart 1

ANALYSING A FARM BUSINESS

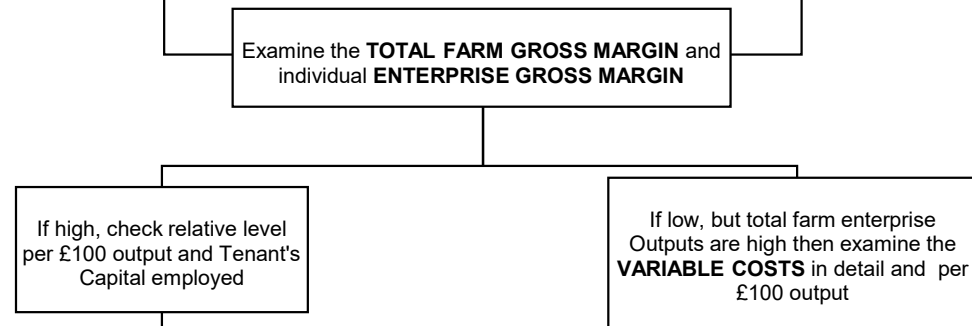
Stage I



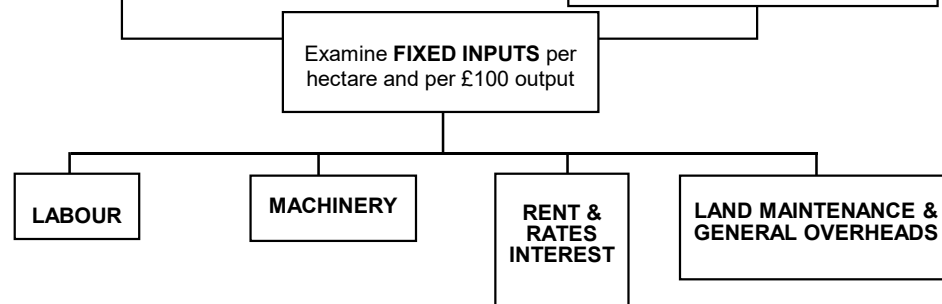
Stage II



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.

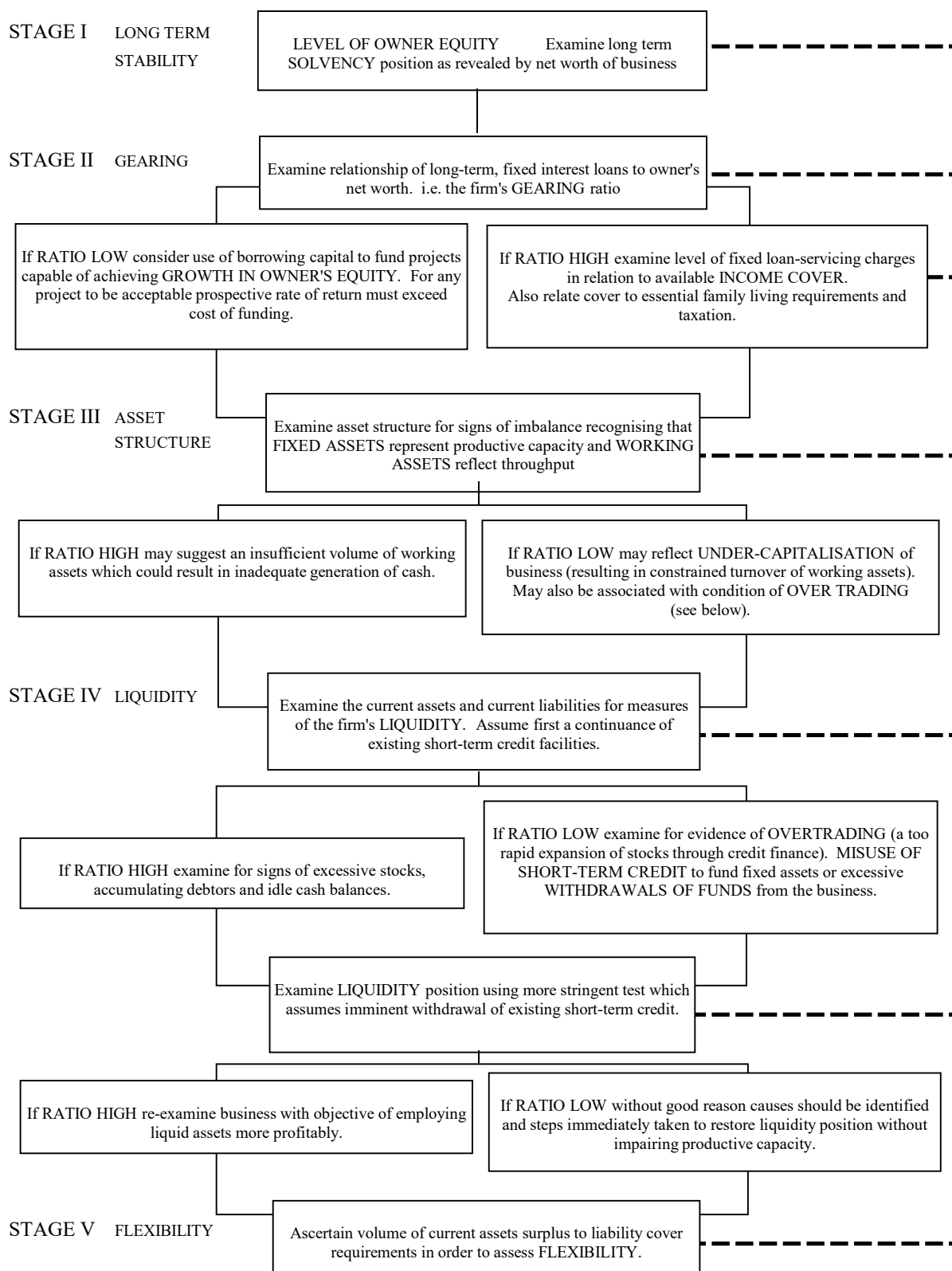
Among the fundamental relationships which financial management should seek to preserve are:

- 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.

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

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

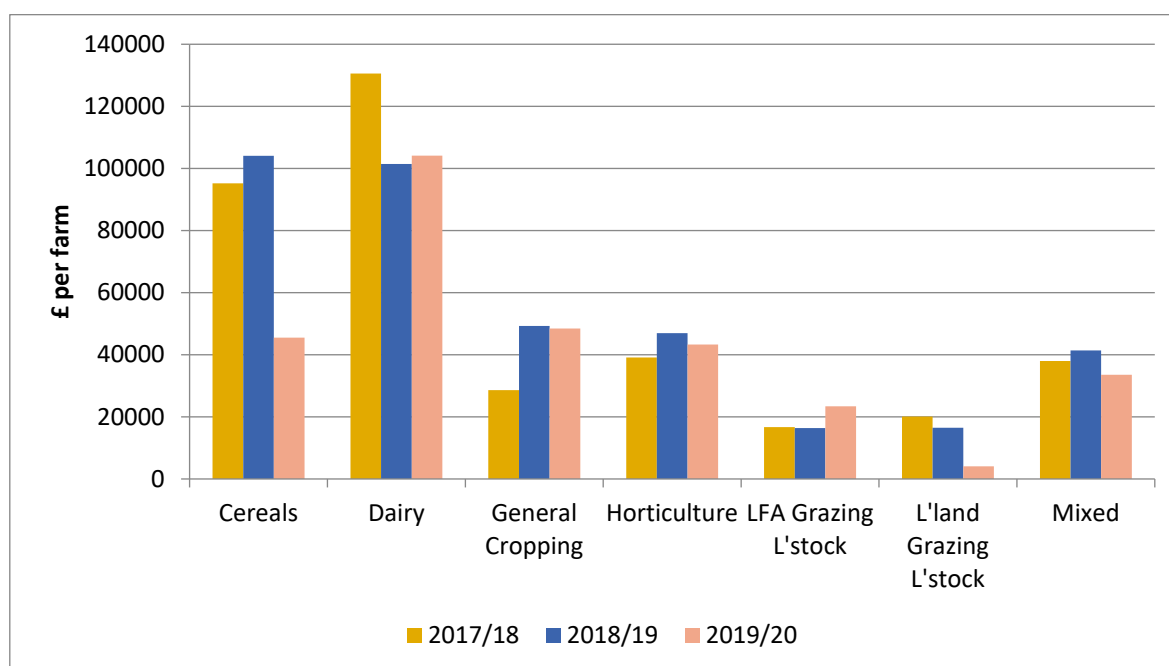
Farming in South West England, 2019/20

It is important to note that all surveys are subject to sampling error as they are not measuring the whole population, the Farm Business Survey is no exception. It is common practice to publish 95% confidence intervals and error bars alongside any published estimated figures to give the reader an indication of the size of the sampling error. These signify that we are 95% confident that this range contains the true value. For simplicity within these reports, the confidence intervals have not always been published. Readers should be aware that the figures calculated from the Farm Business Survey data have a level of uncertainty around them and that all figures are estimates. Generally, the smaller the sample size the greater the sampling error and the less confidence we have in the estimates. For details on the Farm Business Survey confidence intervals, please refer to Defra FBS publications <https://www.gov.uk/government/collections/farm-business-survey>

Summary results from the Farm Business Survey in South West England, 2019 crop year

- Average Farm Business Income in 2019/20 was lower than 2018/19 for Cereal, General Cropping, Horticulture, Lowland Grazing Livestock and Mixed farms. For Dairy and LFA Grazing Livestock farms income increased.

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



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

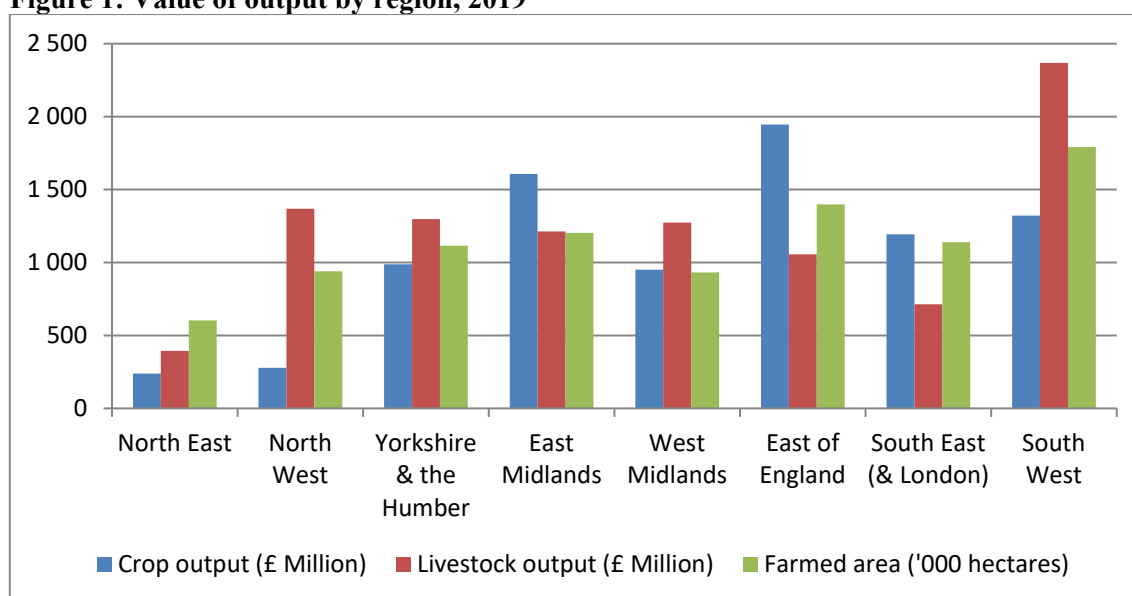
- The favourable weather conditions led to increased yields on Cereal and General Cropping farms although this advantage was lost with poorer prices for some crops, particularly cereals. The average income for these two farm types decreased by 56 percent and 2 percent respectively
- On Dairy farms, higher average income was driven by lower input costs, particularly feed. This more than offset a 6% decrease in the output of milk.
- On Lowland Grazing Livestock farms, lower incomes were driven by reduced output from both cattle and sheep, along with a fall in diversified income. Farm Business Income fell by 75% as compared to the previous year

- For LFA Grazing Livestock farms a reduction in costs, particularly feed, and increased output for both cattle and sheep led to a 43 percent increase in average income.
- The average Basic Payment across all farm types was £22,000, similar to the last three years on a per hectare basis but slightly lower on a per farm basis due to the reduction in the average area farmed. The Euro / Sterling exchange rates in the September of each year determines the payment rate per hectare.

Introduction

The South West of England is the largest government office region and is predominantly a grass growing region, therefore is dominated by livestock production (Figure 1). Defra estimated that 24% of the national livestock output comes from the South West, which is close to 75% larger than the next highest region, the North West, while 16% of the national crop output comes from the South West.

Figure 1: Value of output by region, 2019



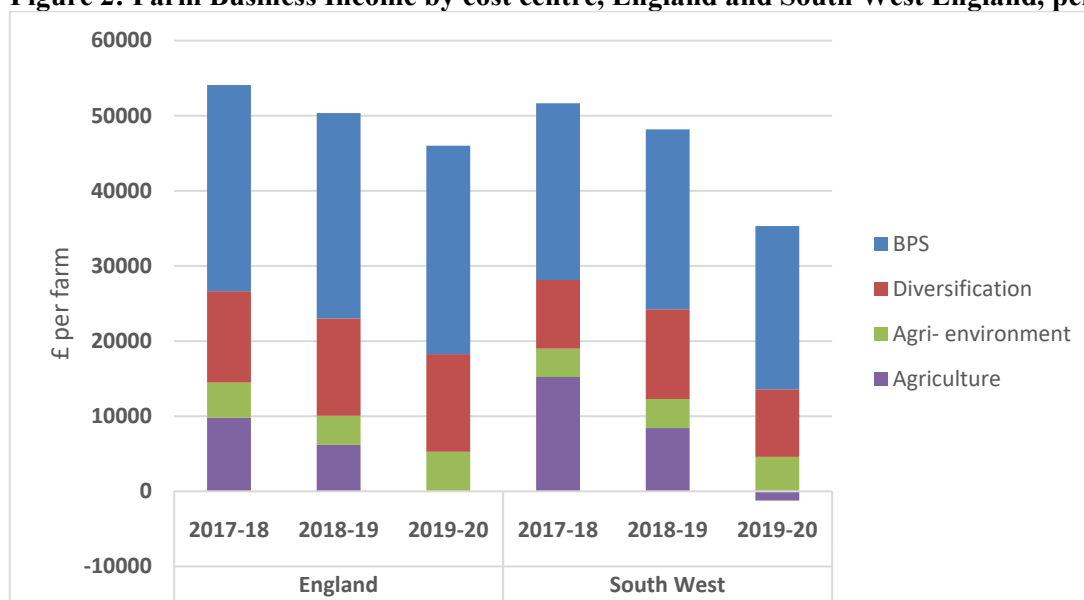
Source: <https://www.gov.uk/government/statistics/total-income-from-farming-for-the-regions-of-england>

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 29% to £34,000 per farm compared to 2018-19 and the lowest for three years. The decrease in Farm Business Income in England as a whole was 9% so the gap between the average South West farm and the average England farm has now widened with the South West farm now having a Farm Business income nearly £12,000 per farm lower. The reduction in the incomes of the Cereals and Lowland Grazing Livestock farms in the South West are responsible for the majority of this reduction in the average farm income.

Figure 2: Farm Business Income by cost centre, England and South West England, per farm



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

Figure 2 above shows the contributions of the four cost centres for the last three years. In 2017/18, the contribution from agriculture in the South West across all farm types totalled £15,000 and in 2018/19 this fell back to £8,400. For 2019/20 this became a loss of £1,200. Compared to England, the South West average income from Agriculture was higher in both 2017/18 and 2018/19, but in 2019/20 the average loss of £1,200 was greater than that seen in England.

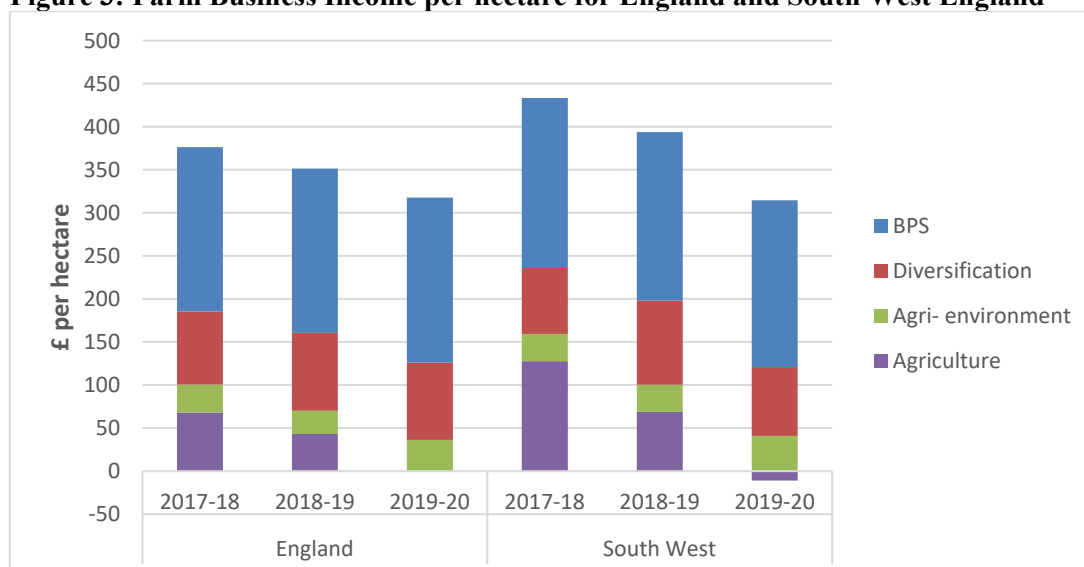
Basic Payment Scheme cost centre contributed 46% of the total Farm Business Income for the South West in 2017/18 which was lower than the national level at 51% and these percentages are broadly similar for the following two years.

The income from Diversification in the South West showed an increase of over a quarter between 2017/18 and 2018/19 but fell back to the lower level again in 2019/20.

The Agri-environment element increased between 2018/19 and 2019/20 for both England and the South West with the CSS payment schedule now up to date. The importance to each region is similar with income per hectare now close to £40 per farmed hectare.

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 3. 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 £25 per hectare higher. On a per hectare basis, for 2019/20, the other three income stream are similar. For 2019/20 the income per hectare fell slightly below that of the England with less income from the diversification and agriculture cost centres.

Figure 3: Farm Business Income per hectare for England and South West England

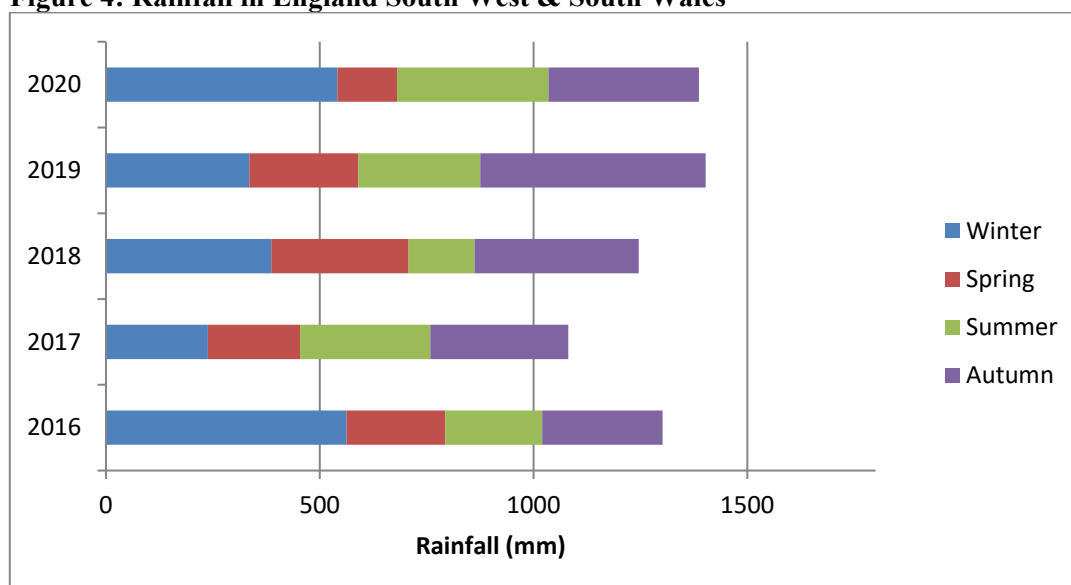


Source: <http://www.farmbusinesssurvey.co.uk/regional/Data.asp>.

Weather

The weather for 2019 crop year was much more favourable than for the previous year as illustrated in Figures 4 and 5. These better weather conditions increased crop yields for most types of farming. There was no extreme weather such as the ‘Beast from the East’ which had led to higher mortality and lower production, particularly in the hill areas in the previous year.

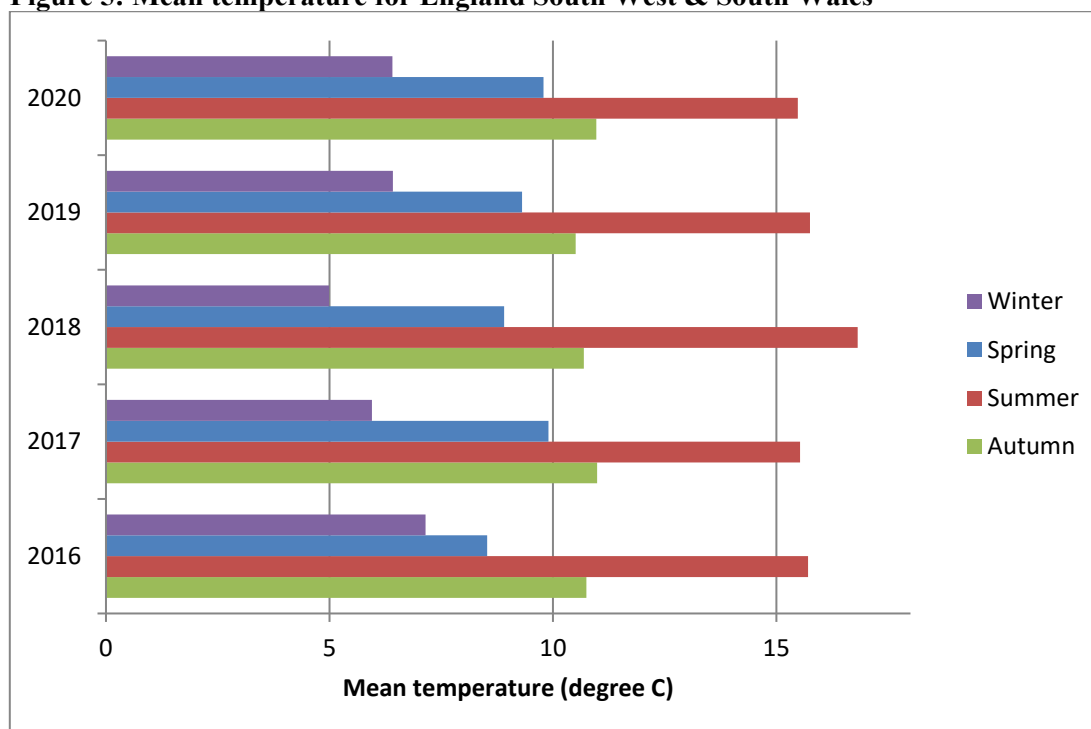
Figure 4: Rainfall in England South West & South Wales



Source: Met Office

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

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



Source: Met Office

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

Results by Farm Type

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

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

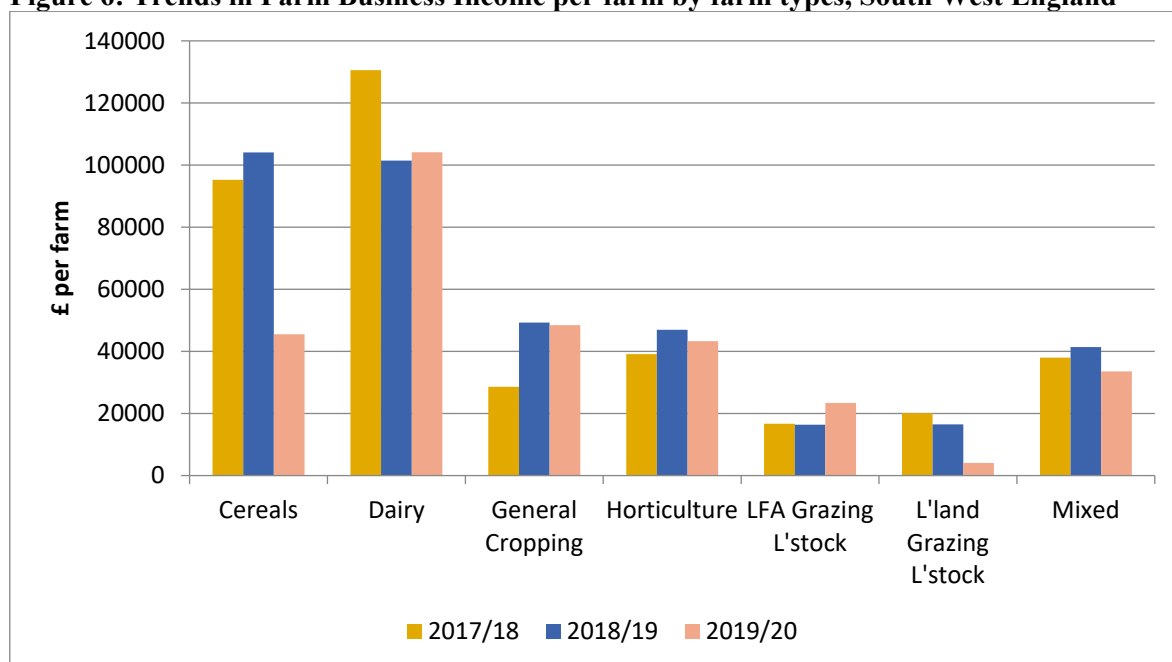
Trends in Farm Business Income in the South West are shown in Figure 6 from 2017/18 to 2019/20¹. Incomes have been volatile over this three year period. In 2017/18 there were large improvements in the incomes from Cereals, Dairy and Mixed farms with either modest increases or fall in income from the 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.

In 2019/20 the changes to income were quite small for Dairy, General Cropping, and Horticulture. Cereals and Lowland Grazing Livestock farms had large reductions in their Farm Business Income.

¹ The regional data has relatively small sample sizes so care needs to be taken when interpreting the data, particularly the General cropping data from less than 15 farms. The classifications of farms was changed in 2017/18 from Standard Output co-efficient for 2010 to 2013.

Figure 6: Trends in Farm Business Income per farm by farm types, South West England

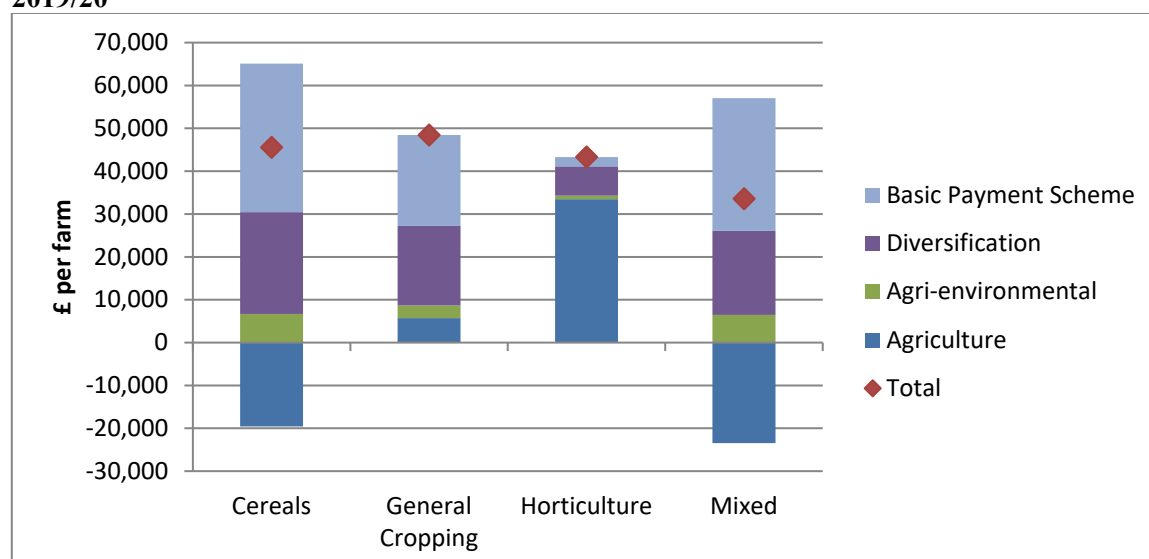


Source: <http://www.farmbusinesssurvey.co.uk/regional/Data.asp>.

Cereal Farms

In 2019/20 the average Farm Business Income decreased by 56% to £45,500 as compared to the previous year. Total output was 25% lower with crop output reduced by higher cereals yields but with low prices per tonne of grain (Figure 8). Other output sources were 18% lower, the majority of this coming from a reduction in Basic Payment Scheme income. The Cereals farms achieved a positive income from their agricultural activity of £26,000 in 2018/19 but this became a loss of £19,500 in 2019/20 (Figure 7). The Basic Payment Scheme income was 76% of the total Farm Business Income.

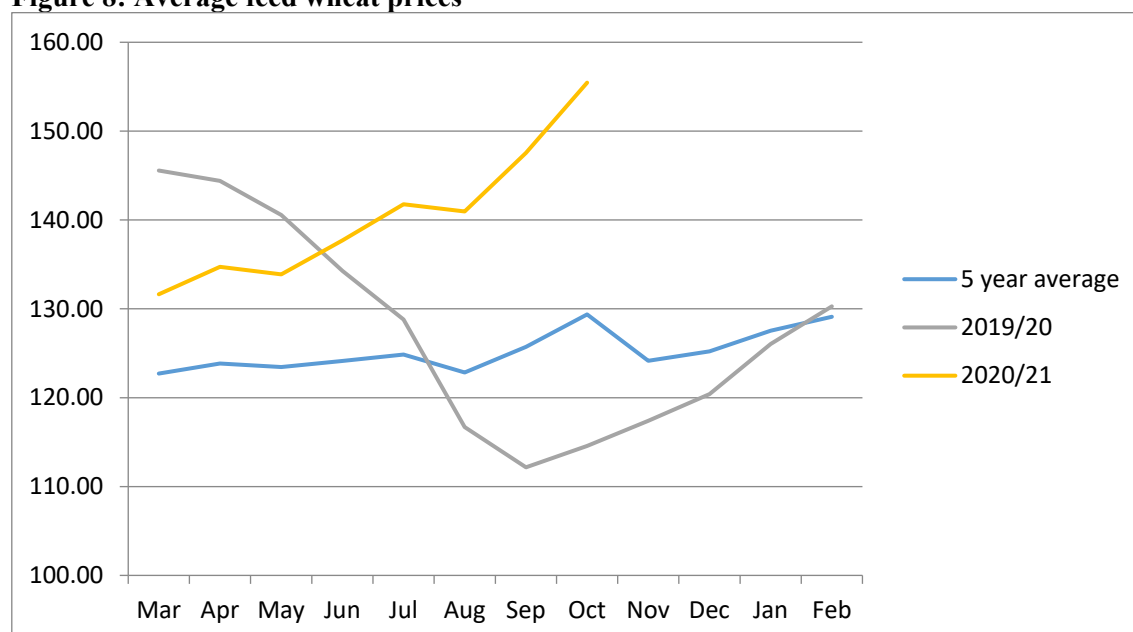
Figure 7: Farm Business Income of cropping type farms by cost centre, South West England 2019/20²



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

Average seed, fertiliser, crop protection and other crop costs were all lower than the previous year. Total variable costs are 17% lower which alongside lower fixed costs (down 12%) meant there were large cost reductions. An example of cost reduction is given in Figure 10 which illustrates the reduction in the Producer Price index of fertilisers.

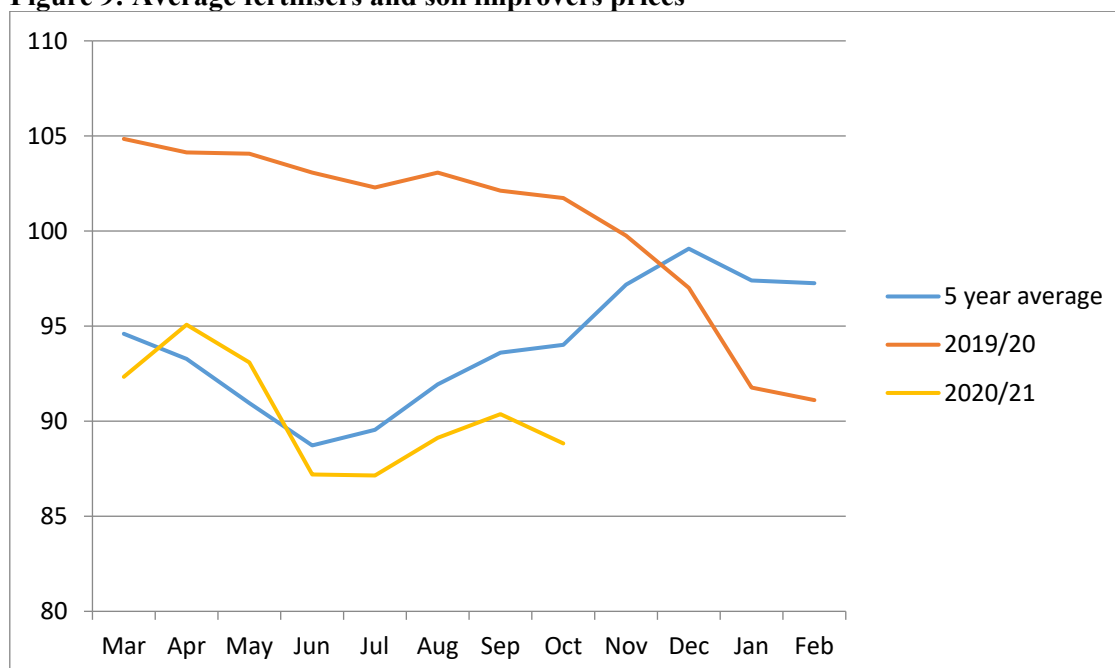
Figure 8: Average feed wheat prices



Source: Index of Producer Prices of Agriculture

² Caution is needed in interpreting results where there are less than 15 farms in the sample. There are only 13 General cropping farms

Figure 9: Average fertilisers and soil improvers prices

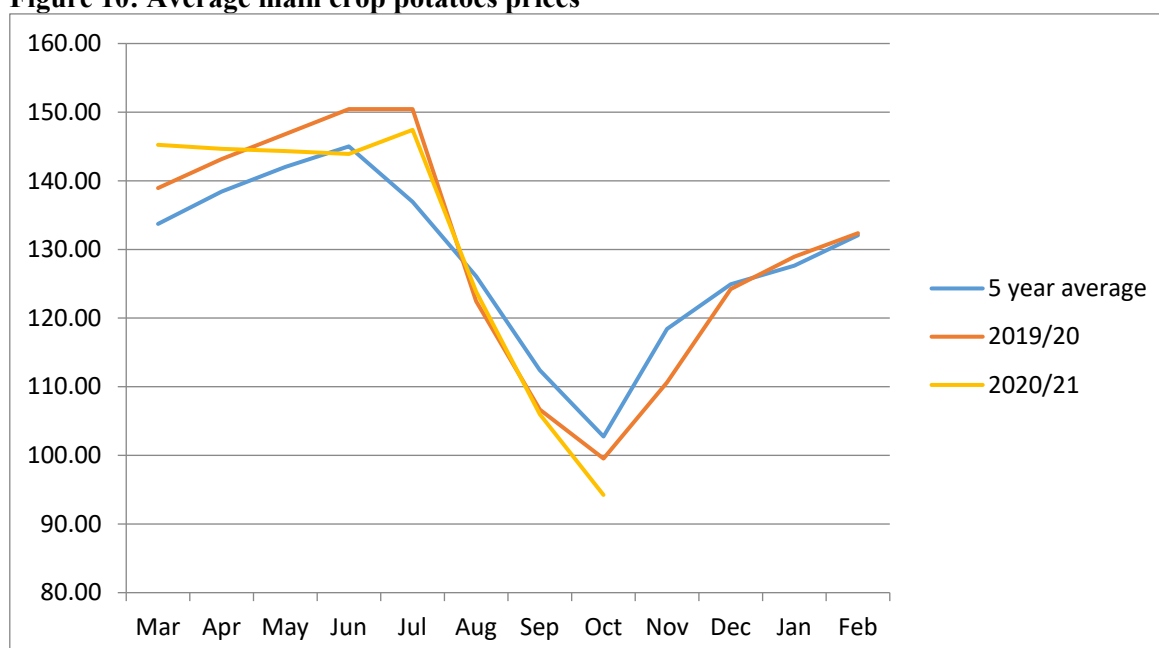


Source: Index of Producer Prices of Agriculture

General Cropping

The General Cropping group only had 13 farms for 2019/20 so caution is needed in interpreting the results. The average Farm Business Income on general cropping farms in 2019/20 was £48,000 as compared to the Farm Business Income of £49,000 in 2018/19. In the South West of England the potato crop is important to this type of farm and the output from potatoes was higher than the previous year with better yields and prices running above the five year average for much of the year (Figure 10). Total farm output increased by 11% but with increases in both in variable costs and fixed costs the Farm Business Income was 2% lower. The agriculture costs centre made £5,700 rather than the £13,400 the previous year.

Figure 10: Average main crop potatoes prices



Source: Index of Producer Prices of Agriculture

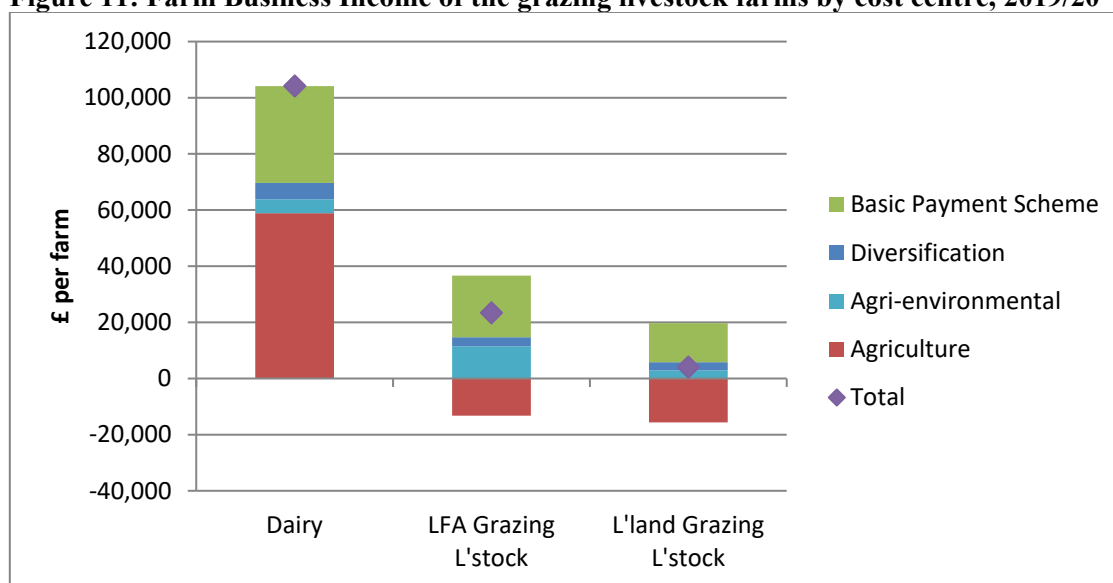
Horticultural farms

Farms in this group cover the three main sectors of fruit, vegetables and non-edibles, grown both outdoors and under cover. The average represents all these types and the Farm Business Income decreased by 8% to £43,000 in 2019/20. Total crop output increased by 16%, with outdoor flowers and nursery stock, top fruit and soft fruit & strawberries showing the largest percentage increases in output. Only vegetables both outdoor and protected had a decrease in output. Total variable costs increased by 23% with other crop costs increasing over £10,000. Figure 7 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 2019/20 the Farm Business Income for the Mixed farms decreased by close to £8,000, a 19% decrease as compared to the previous year. Total farm output reduced by 3% with the biggest decrease coming from livestock output. The Agri-environmental and Diversification income increased and Basic Payment Scheme receipts were similar to the previous year. Total inputs were 1% lower but lower variable costs (5%) and fixed inputs 1% higher. The Agriculture cost centre made a loss of £23,000 which then leaves the Basic Payment Scheme cost centre income of £31,000 as 92% of the total Farm Business Income (see Figure 7).

Figure 11: Farm Business Income of the grazing livestock farms by cost centre, 2019/20



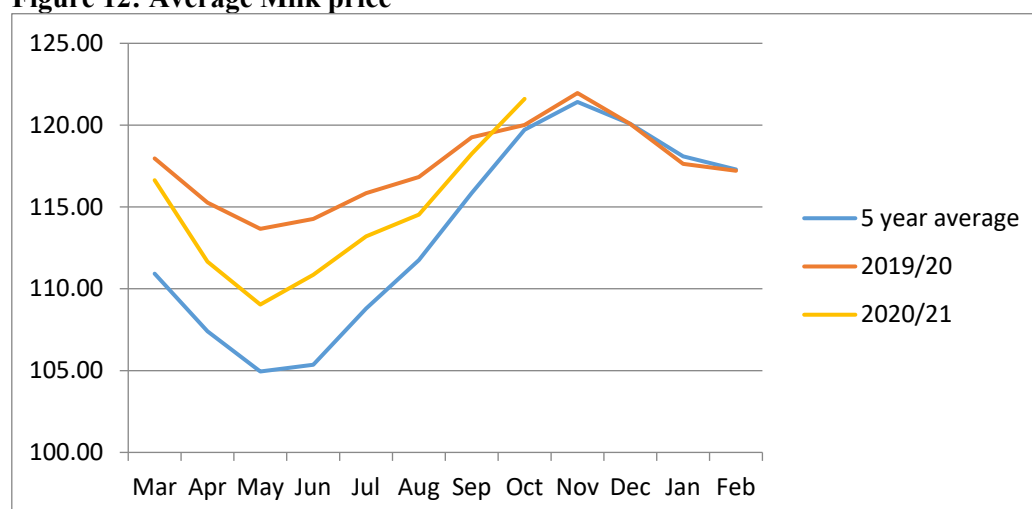
Source: <http://www.farmbusinesssurvey.co.uk/regional/Data.asp>.

Dairy farms

The average Farm Business Income on Dairy farms was £104,000 in 2019/20, an increase of 3% in income compared to the previous year. Total farm output decreased by 6% with slightly lower average milk price (illustrated in Figure 12) but with 14 less cows kept. Total input costs decreased by 7% compared to the previous year with feed (Figure 13) decreasing 10%. Concentrate feed costs represent 56% of the variable costs. The cost per tonne of compound feed was on a falling plane throughout the majority of 2019/20 year.

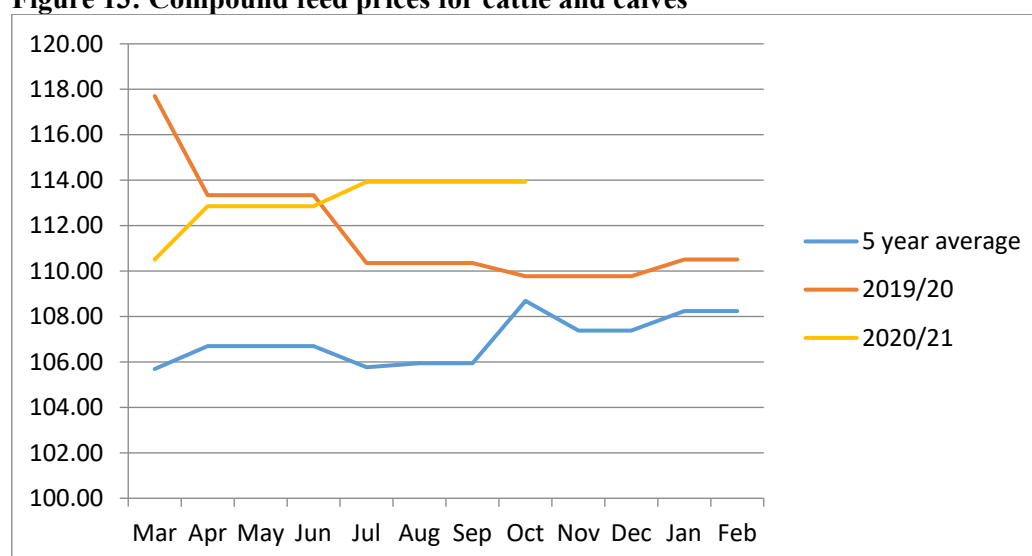
The Agriculture cost centre for the Dairy farms was positive (£59,000) which was £7,500 higher than in 2018/19 and the second largest for the last five years. It represents 57% of the total Farm Business Income. The Basic Payment Scheme cost centre still represents a third of the total Farm Business Income at £34,000.

Figure 12: Average Milk price



Source: Index of Producer Prices of Agriculture

Figure 13: Compound feed prices for cattle and calves



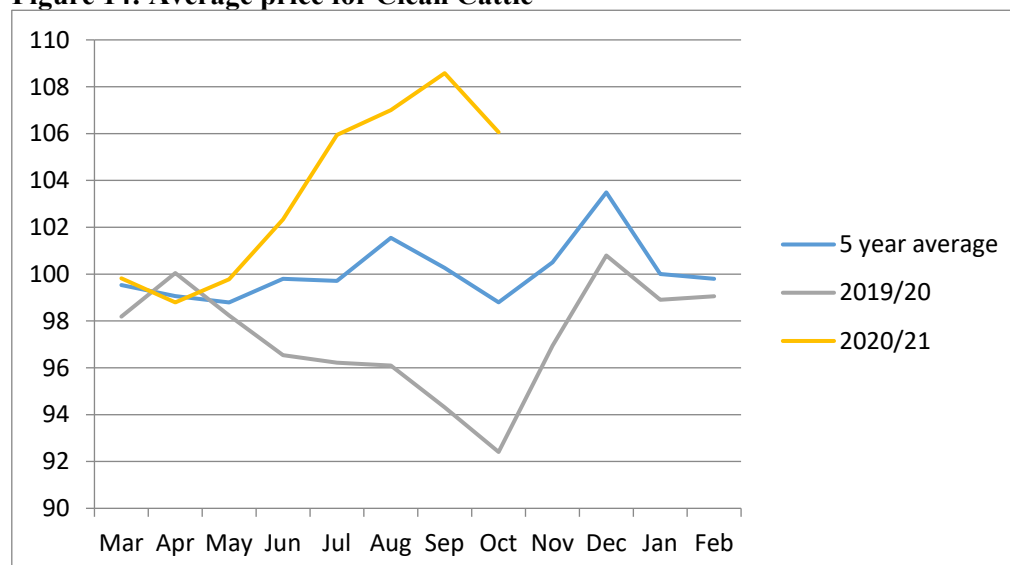
Source: Index of Producer Prices of Agriculture

Grazing Livestock Farms (Lowland)

In 2019/20 the average Farm Business Income on Lowland Grazing Livestock farms fell by 75%, to £4,000, which is the lowest for more than a decade for this type of farm. Total farm output decreased by 16% with reductions from all sources of revenue. Cattle output, the main revenue source, was 14% lower and sheep output decreased by 17% with prices illustrated in Figures 14 and 15. Total input costs are 6% lower 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 11), the loss being £15,500. The contribution from the Basic Payment Scheme was significant on these farms, representing more than three times

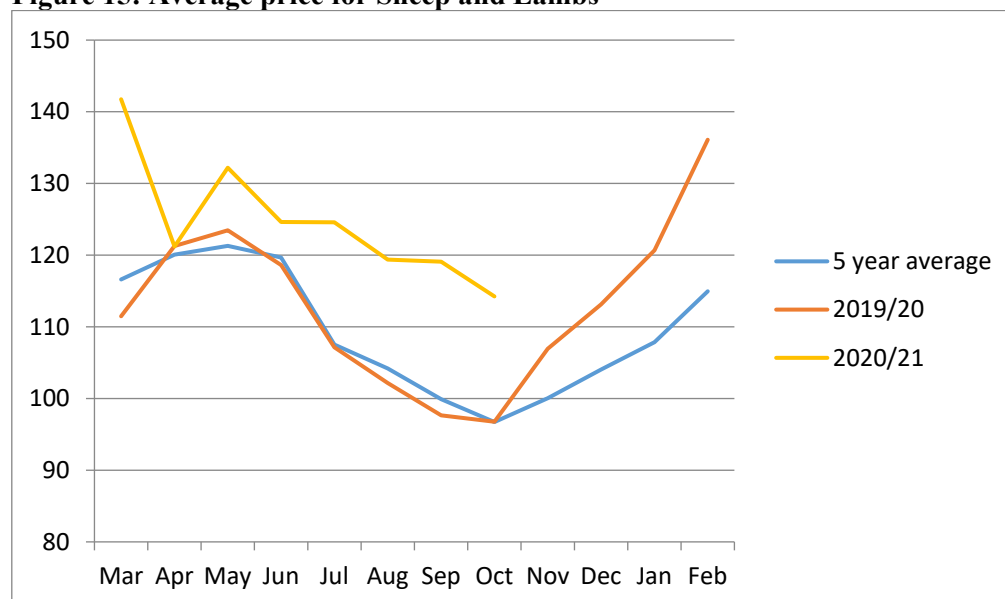
the total Farm Business Income. These payments (BPS) decreased by 7% due mainly to fewer hectares being farmed.

Figure 14: Average price for Clean Cattle



Source: Index of Producer Prices of Agriculture

Figure 15: Average price for Sheep and Lambs



Source: Index of Producer Prices of Agriculture

Grazing Livestock Farms (Less Favoured Area)

The changes to Farm Business Income from the farms in the Less Favoured Area (LFA) normally follows the pattern of the lowland grazing livestock farms, but this year increased by 43%. 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 £23,400 in 2019/20. The Output from livestock increased by 9% with higher output from both cattle (12%) and sheep (5%). The Basic Payment Scheme receipts were £3,000 higher and Agri-environmental income increased by 27%, mainly due to the catching up on payments for the stewardship schemes. Total inputs were 8% higher with little change to variable costs and fixed costs.

Cereal farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2019/2020

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	1088	.	462	144	
Number of farms in FBS sample	16	.	18	6	
Average farmed area (hectares)	103	.	336	314	
Average proportion of total farmed area tenanted or hired (%)	23%	.	37%	5%	
£ per farm hectare					
<u>Output</u>					
Milk	0	.	0	0	
Cattle	13	.	27	22	
Herd depreciation	0	.	-1	0	
Sheep	20	.	36	0	
Flock depreciation	-3	.	-5	0	
Pigs	0	.	0	0	
Poultry	0	.	0	0	
Other livestock	1	.	0	0	
Cereals	557	.	611	711	
Oilseeds	48	.	115	88	
Pulses	12	.	16	27	
Other crops	1	.	4	0	
Straw	79	.	57	0	
Forage	102	.	49	59	
Agri-environment schemes and management agreements	20	.	58	37	
Rental income and imputed farmhouse rental equivalent	118	.	142	166	
Hirework	15	.	50	36	
Renewable energy generation	80	.	15	12	
Miscellaneous output	35	.	43	78	
Cultivations	1	.	-15	-6	
Basic Payment Scheme	222	.	220	231	
TOTAL FARM OUTPUT #	1322	.	1424	1461	
<u>Variable costs</u>					
Concentrates	7	.	13	7	
Purchased fodder	0	.	1	0	
Veterinary and medicines	6	.	5	1	
Other livestock costs	6	.	11	2	
Seeds	59	.	62	64	
Fertilisers	139	.	126	130	
Crop protection	119	.	127	142	
Other crop costs	54	.	23	15	
TOTAL VARIABLE COSTS	390	.	368	361	
TOTAL GROSS MARGIN #	932	.	1055	1101	

* 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, 2019/2020

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	1088	.	462	144	
Number of farms in FBS sample	16	.	18	6	
Average farmed area (hectares)	103	.	336	314	
Average proportion of total farmed area tenanted or hired (%)	23%	.	37%	5%	
	£ per farm hectare				
TOTAL GROSS MARGIN #	932	.	1055	1101	
<u>Fixed costs</u>					
Paid labour	7	.	117	98	
Unpaid family labour	44	.	9	2	
Casual labour	14	.	5	14	
Contract	112	.	74	38	
Machinery repairs	54	.	58	66	
Machinery fuel	43	.	50	54	
Machinery depreciation	145	.	132	143	
Other depreciation	0	.	0	0	
Property maintenance	31	.	69	64	
Electricity	20	.	10	8	
Other fuel	6	.	11	13	
Water	6	.	3	2	
Insurance	48	.	34	33	
Professional fees	30	.	41	47	
Other general costs	37	.	32	26	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	595	.	647	606	
PROFIT BEFORE RENT AND INTEREST	337	.	409	494	
Rent, hired in keep and bare land	49	.	70	11	
Rates	0	.	0	0	
Long-term interest	16	.	20	23	
Short-term interest	4	.	15	9	
Interest received (-)	3	.	1	0	
NET PROFIT##	271	.	305	451	
Reconciliation of Profit to NFI and M&II					
Plus - Interest charges (net)	17	.	34	33	
Plus - Landlord type repairs (included in property maintenance)	4	.	2	2	
Less - Rental value (of owner occupied land and buildings)	169	.	167	236	
NET FARM INCOME## (NFI)	122	.	173	250	
Less farmer and spouse labour	175	.	70	71	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-53	.	103	179	

* 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, 2019/2020

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	1088	.	462	144	
Number of farms in FBS sample	16	.	18	6	
Average farmed area (hectares)	103	.	336	314	
Average proportion of total farmed area tenanted or hired (%)	23%	.	37%	5%	
per £100 output					
<u>Output</u>					
Milk	0	.	0	0	
Cattle	1	.	2	1	
Sheep	1	.	2	0	
Pigs, poultry and other livestock	0	.	0	0	
Cereals	42	.	43	49	
Other cash crops	5	.	10	8	
Straw and forage	14	.	7	4	
Management agreements and agri-environment schemes	2	.	4	3	
Miscellaneous output	19	.	17	20	
Basic Payment Scheme	17	.	15	16	
TOTAL OUTPUT**	100	.	100	100	
<u>Variable costs</u>					
Concentrates, fodder and keep	1	.	1	0	
Veterinary, medicines and other livestock costs	1	.	1	0	
Seeds	4	.	4	4	
Fertilisers	10	.	9	9	
Crop protection and other crop costs	13	.	11	11	
TOTAL VARIABLE COSTS	29	.	26	25	
TOTAL GROSS MARGIN**	71	.	74	75	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	4	.	9	7	
Casual labour	1	.	0	1	
Contract	8	.	5	3	
Machinery repairs and fuel	7	.	8	8	
Machinery and other depreciation	11	.	9	10	
Property maintenance	2	.	5	4	
Electricity, other fuel and water	2	.	2	2	
Other general costs	9	.	8	7	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	45	.	45	41	
PROFIT BEFORE RENT AND INTEREST	26	.	29	34	
Rent and rates	4	.	5	1	
Long-term interest paid	1	.	1	2	
Short-term interest paid	0	.	1	1	
Interest received (-)	0	.	0	0	
PROFIT**	20	.	21	31	

* 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, 2019/2020

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	1088	.	462	144	
Number of farms in FBS sample	16	.	18	6	
Average farmed area (hectares)	103	.	336	314	
Average proportion of total farmed area tenanted or hired (%)	23%	.	37%	5%	
<u>Land use</u>					
Percentage cropped	77	.	63	95	
Percentage forage	23	.	37	5	
<u>Grazing livestock units</u>					
		GLUs per farm			
Dairy cattle	0	.	0	0	
Other cattle	3	.	18	10	
Sheep	3	.	18	0	
Other livestock	1	.	1	3	
Total	7	.	37	13	
GLUs per ha	0.32	.	0.58	0.46	
GLUs per adjusted ha	0.33	.	0.59	0.46	
<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		.	1028	1046	
£ per finished lamb	85	.	70		
<u>Cereals##</u>					
Winter wheat					
Yield - tonnes per hectare	9.0	.	9.4	10.0	
Price per tonne	151	.	141	139	
Winter barley					
Yield - tonnes per hectare	7.6	.	8.6	9.2	
Price per tonne	125	.	125	126	
Spring barley					
Yield - tonnes per hectare	6.5	.	6.6	7.0	
Price per tonne	130	.	137	134	
Winter oats					
Yield - tonnes per hectare	4.8	.	7.1	7.0	
Price per tonne	181	.	127	125	
All cereals					
Yield - tonnes per hectare	7.5	.	8.4	9.0	
Price per tonne	140	.	138	135	

* 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, 2019/2020

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	1088	.	462	144	
Number of farms in FBS sample	16	.	18	6	
Average farmed area (hectares)	103	.	336	314	
Average proportion of total farmed area tenanted or hired (%)	23%	.	37%	5%	
£ per farm hectare					
<u>Tenant's capital formation</u>					
Livestock	60	.	118	33	
Crops, forage and cultivations	480	.	376	543	
Stores	222	.	217	153	
Machinery	974	.	838	931	
Basic Payment Scheme	218	.	221	228	
Miscellaneous business assets & other assets	56	.	12	39	
Total physical assets	2010	.	1782	1927	
Liquid assets	578	.	498	202	
Tenant's capital (TC)	2588	.	2280	2129	
Management & investment income (M&I)**	-53	.	103	179	
Return on tenant's capital (M&I as % of average TC)	-2.0%	.	4.5%	8.4%	
<u>Ratios per £100 of output (%)</u>					
Variable costs	29	.	26	25	
Gross margin	71	.	74	75	
Fixed costs (excluding rent and interest)	45	.	45	41	
Net profit	20	.	21	31	
Net farm income	9	.	12	17	
Farmer and spouse	13	.	5	5	
Management & Investment Income	-4	.	7	12	
Tenant's capital	196	.	160	146	
Total assets	1327	.	1020	1304	
Total external liabilities	46	.	70	75	
Net worth	1281	.	949	1229	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	239	.	201	185	
Costs (£ per £100 output)	18	.	14	13	
Costs (£ per £100 gross margin)	26	.	19	17	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	354	.	314	301	
Costs (£ per £100 output)	27	.	22	21	
Costs (£ per £100 gross margin)	38	.	30	27	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	594	.	516	486	
Costs (£ per £100 output)	45	.	36	33	
Costs (£ per £100 gross margin)	64	.	49	44	

* 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, 2019/2020

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	1088	.	462	144	
Number of farms in FBS sample	16	.	18	6	
Average farmed area (hectares)	103	.	336	314	
Average proportion of total farmed area tenanted or hired (%)	23%	.	37%	5%	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	15034	.	12419	16947	
Basic Payment Scheme	217	.	221	228	
Machinery	970	.	839	929	
Tenant's other assets	16	.	0	0	
Breeding livestock	24	.	53	0	
Total fixed assets	16261	.	13532	18104	
Suckler cow and ewe premium quota					
Trading livestock	34	.	65	37	
Crops	432	.	279	418	
Forage and cultivations	74	.	74	95	
Stores	217	.	207	139	
Debtors and loans	175	.	258	178	
Bank credit and cash	325	.	100	85	
Other current assets	29	.	0	0	
Total current assets	1286	.	984	951	
Total assets	17547	.	14516	19056	
Financed by					
Institutional loans	160	.	189	83	
Bank loans	157	.	259	668	
Other long term	71	.	27	0	
Total long term	389	.	475	751	
HP and lease	72	.	138	144	
Creditors	131	.	133	93	
Bank overdraft	20	.	253	109	
Other short term	0	.	0	0	
Total current liabilities	223	.	524	346	
Total Liabilities	612	.	999	1097	
Net worth	16935	.	13517	17958	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	97%	.	93%	94%	
% Fixed assets vs. total assets	93%	.	93%	95%	
Gearing (long-term loans vs. total assets)	2%	.	3%	4%	
Total debt (external liabilities vs. net worth)	4%	.	7%	6%	
Current Ratio (current assets vs. current liabilities)	576%	.	188%	275%	
Liquidity Ratio (liquid assets vs. current liabilities)	224%	.	68%	76%	

* 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, 2019/2020

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	933	311	615	193	
Number of farms in FBS sample	36	12	17	6	
Average farmed area (hectares)	131	143	312	266	
Average proportion of total farmed area tenanted or hired (%)	48%	44%	60%	53%	
£ per farm hectare					
<u>Output</u>					
Milk	2240	2444	2523	2970	
Cattle	530	546	603	694	
Herd depreciation	-191	-202	-213	-243	
Sheep	10	3	12	4	
Flock depreciation	0	0	-16	0	
Pigs	2	0	0	0	
Poultry	1	0	0	0	
Other livestock	0	0	0	0	
Cereals	76	16	216	243	
Oilseeds	0	0	19	0	
Pulses	0	0	8	0	
Other crops	0	0	0	0	
Straw	9	3	24	0	
Forage	29	28	23	26	
Agri-environment schemes and management agreements	22	29	26	20	
Rental income and imputed farmhouse rental equivalent	30	10	42	54	
Hirework	13	3	29	1	
Renewable energy generation	19	11	6	4	
Miscellaneous output	2	1	27	78	
Cultivations	-1	0	-2	0	
Basic Payment Scheme	193	205	178	176	
TOTAL FARM OUTPUT #	2983	3098	3503	4028	
<u>Variable costs</u>					
Concentrates	721	707	784	701	
Purchased fodder	25	18	32	29	
Veterinary and medicines	83	71	86	82	
Other livestock costs	228	217	234	182	
Seeds	36	33	45	33	
Fertilisers	114	115	139	167	
Crop protection	26	17	47	43	
Other crop costs	24	24	21	9	
TOTAL VARIABLE COSTS	1259	1202	1388	1245	
TOTAL GROSS MARGIN #	1725	1896	2115	2783	

* 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, 2019/2020

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	933	311	615	193	
Number of farms in FBS sample	36	12	17	6	
Average farmed area (hectares)	131	143	312	266	
Average proportion of total farmed area tenanted or hired (%)	48%	44%	60%	53%	
£ per farm hectare					
TOTAL GROSS MARGIN #	1725	1896	2115	2783	
<u>Fixed costs</u>					
Paid labour	208	181	311	308	
Unpaid family labour	117	139	60	71	
Casual labour	10	9	33	22	
Contract	183	198	215	123	
Machinery repairs	115	57	112	85	
Machinery fuel	68	51	71	72	
Machinery depreciation	202	163	153	171	
Other depreciation	0	0	0	0	
Property maintenance	66	65	92	128	
Electricity	54	50	50	59	
Other fuel	4	3	3	2	
Water	31	18	33	9	
Insurance	47	35	29	22	
Professional fees	33	23	33	18	
Other general costs	46	47	43	40	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	1185	1038	1239	1132	
PROFIT BEFORE RENT AND INTEREST	540	858	876	1651	
Rent, hired in keep and bare land	108	102	163	154	
Rates	0	0	0	1	
Long-term interest	43	48	54	132	
Short-term interest	17	7	11	8	
Interest received (-)	0	0	0	0	
NET PROFIT##	373	701	649	1355	
Reconciliation of Profit to NFI and M&II					
Plus - Interest charges (net)	59	55	65	140	
Plus - Landlord type repairs (included in property maintenance)	3	2	2	2	
Less - Rental value (of owner occupied land and buildings)	219	230	163	225	
NET FARM INCOME## (NFI)	216	528	552	1273	
Less farmer and spouse labour	267	201	97	124	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-51	327	455	1148	

* 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, 2019/2020

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	933	311	615	193	
Number of farms in FBS sample	36	12	17	6	
Average farmed area (hectares)	131	143	312	266	
Average proportion of total farmed area tenanted or hired (%)	48%	44%	60%	53%	
per £100 output					
<u>Output</u>					
Milk	75	79	72	74	
Cattle	11	11	11	11	
Sheep	0	0	0	0	
Pigs, poultry and other livestock	0	0	0	0	
Cereals	3	1	6	6	
Other cash crops	0	0	1	0	
Straw and forage	1	1	1	1	
Management agreements and agri-environment schemes	1	1	1	0	
Miscellaneous output	2	1	3	3	
Basic Payment Scheme	6	7	5	4	
TOTAL OUTPUT**	100	100	100	100	
<u>Variable costs</u>					
Concentrates, fodder and keep	25	23	23	18	
Veterinary, medicines and other livestock costs	10	9	9	7	
Seeds	1	1	1	1	
Fertilisers	4	4	4	4	
Crop protection and other crop costs	2	1	2	1	
TOTAL VARIABLE COSTS	42	39	40	31	
TOTAL GROSS MARGIN**	58	61	60	69	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	11	10	11	9	
Casual labour	0	0	1	1	
Contract	6	6	6	3	
Machinery repairs and fuel	6	3	5	4	
Machinery and other depreciation	7	5	4	4	
Property maintenance	2	2	3	3	
Electricity, other fuel and water	3	2	2	2	
Other general costs	4	3	3	2	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	40	33	35	28	
PROFIT BEFORE RENT AND INTEREST	18	28	25	41	
Rent and rates	4	3	5	4	
Long-term interest paid	1	2	2	3	
Short-term interest paid	1	0	0	0	
Interest received (-)	0	0	0	0	
PROFIT**	13	23	19	34	

* 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, 2019/2020

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	933	311	615	193	
Number of farms in FBS sample	36	12	17	6	
Average farmed area (hectares)	131	143	312	266	
Average proportion of total farmed area tenanted or hired (%)	48%	44%	60%	53%	
<u>Land use</u>					
Percentage cropped	52	56	40	47	
Percentage forage	48	44	60	53	
<u>Grazing livestock units</u>					
	GLUs per farm				
Dairy cattle	127	140	310	352	
Other cattle	74	77	169	170	
Sheep	1	0	7	0	
Other livestock	0	0	0	0	
Total	202	217	486	522	
GLUs per ha	1.65	1.55	2.00	2.32	
GLUs per adjusted ha	1.66	1.56	2.01	2.34	
<u>Technical efficiency</u>					
<u>Dairy</u>					
Milk yield per cow	7827	8208	8372	7039	
Pence per litre	29.6	30.3	30.4	31.9	
Milk output per cow	2316	2487	2541	2247	
<u>Finished cattle and lambs</u>					
£ per finished animal	1002	1051	983	1123	
£ per finished lamb	89	88	76	107	
<u>Cereals**</u>					
Winter wheat					
Yield - tonnes per hectare	9.0	7.9	10.0	11.5	
Price per tonne	144	129	148	153	
Winter barley					
Yield - tonnes per hectare	8.1		7.8	8.6	
Price per tonne	128		124	123	
Spring barley					
Yield - tonnes per hectare	6.5	6.2	6.9		
Price per tonne	123	124	128		
Winter oats					
Yield - tonnes per hectare			6.3		
Price per tonne			130		
All cereals					
Yield - tonnes per hectare	8.5	7.3	8.6	10.8	
Price per tonne	140	128	141	147	

* 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, 2019/2020

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	933	311	615	193	
Number of farms in FBS sample	36	12	17	6	
Average farmed area (hectares)	131	143	312	266	
Average proportion of total farmed area tenanted or hired (%)	48%	44%	60%	53%	
£ per farm hectare					
<u>Tenant's capital formation</u>					
Livestock	1667	1725	1632	2121	
Crops, forage and cultivations	139	106	227	131	
Stores	127	86	149	172	
Machinery	1246	948	959	1067	
Basic Payment Scheme	189	199	170	166	
Miscellaneous business assets & other assets	83	140	64	153	
Total physical assets	3450	3204	3200	3810	
Liquid assets	621	769	522	668	
Tenant's capital (TC)	4071	3973	3722	4478	
Management & investment income (M&I)**	-51	327	455	1148	
Return on tenant's capital (M&I as % of average TC)	-1.2%	8.2%	12.2%	25.6%	
<u>Ratios per £100 of output (%)</u>					
Variable costs	42	39	40	31	
Gross margin	58	61	60	69	
Fixed costs (excluding rent and interest)	40	33	35	28	
Net profit	13	23	19	34	
Net farm income	7	17	16	32	
Farmer and spouse	9	6	3	3	
Management & Investment Income	-2	11	13	29	
Tenant's capital	136	128	106	111	
Total assets	527	527	375	446	
Total external liabilities	70	48	86	172	
Net worth	457	479	289	274	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	602	529	501	526	
Costs (£ per £100 output)	20	17	14	13	
Costs (£ per £100 gross margin)	35	28	24	19	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	568	470	550	452	
Costs (£ per £100 output)	19	15	16	11	
Costs (£ per £100 gross margin)	33	25	26	16	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	1170	999	1052	977	
Costs (£ per £100 output)	39	32	30	24	
Costs (£ per £100 gross margin)	68	53	50	35	

* 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, 2019/2020

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	933	311	615	193	
Number of farms in FBS sample	36	12	17	6	
Average farmed area (hectares)	131	143	312	266	
Average proportion of total farmed area tenanted or hired (%)	48%	44%	60%	53%	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	11630	12267	9408	13428	
Basic Payment Scheme	191	203	172	171	
Machinery	1298	1075	1009	1086	
Tenant's other assets	5	0	0	0	
Breeding livestock	1267	1378	1187	1699	
Total fixed assets	14390	14923	11776	16384	
Suckler cow and ewe premium quota					
Trading livestock	398	390	433	454	
Crops	36	5	113	61	
Forage and cultivations	117	110	136	85	
Stores	116	79	145	165	
Debtors and loans	309	294	359	343	
Bank credit and cash	275	382	132	306	
Other current assets	74	133	51	150	
Total current assets	1325	1392	1370	1562	
Total assets	15715	16315	13147	17946	
Financed by					
Institutional loans	170	466	61	114	
Bank loans	1027	544	2155	6341	
Other long term	167	68	46	6	
Total long term	1365	1077	2262	6462	
HP and lease	199	193	152	11	
Creditors	269	165	258	154	
Bank overdraft	243	32	335	283	
Other short term	10	12	8	0	
Total current liabilities	720	402	753	448	
Total Liabilities	2085	1479	3014	6910	
Net worth	13630	14837	10132	11036	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	87%	91%	77%	61%	
% Fixed assets vs. total assets	92%	91%	90%	91%	
Gearing (long-term loans vs. total assets)	9%	7%	17%	36%	
Total debt (external liabilities vs. net worth)	15%	10%	30%	63%	
Current Ratio (current assets vs. current liabilities)	184%	347%	182%	349%	
Liquidity Ratio (liquid assets vs. current liabilities)	81%	168%	65%	145%	

* 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, 2019/2020

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3371	1108	818	256	
Number of farms in FBS sample	43	17	34	11	
Average farmed area (hectares)	57	74	158	169	
Average proportion of total farmed area tenanted or hired (%)	29%	29%	44%	51%	
£ per farm hectare					
<u>Output</u>					
Milk	0	0	0	0	
Cattle	480	327	443	439	
Herd depreciation	-24	-18	-20	-30	
Sheep	119	170	193	194	
Flock depreciation	-10	-14	-20	-21	
Pigs	3	0	0	0	
Poultry	0	0	3	0	
Other livestock	0	0	0	0	
Cereals	28	44	77	64	
Oilseeds	0	0	1	0	
Pulses	0	0	0	0	
Other crops	0	0	0	0	
Straw	7	0	22	0	
Forage	30	40	21	12	
Agri-environment schemes and management agreements	43	81	51	71	
Rental income and imputed farmhouse rental equivalent	71	105	51	41	
Hirework	50	68	29	42	
Renewable energy generation	13	15	8	19	
Miscellaneous output	101	8	28	56	
Cultivations	-1	-2	-1	0	
Basic Payment Scheme	216	223	194	209	
TOTAL FARM OUTPUT #	1124	1048	1081	1096	
<u>Variable costs</u>					
Concentrates	114	90	138	120	
Purchased fodder	11	8	8	9	
Veterinary and medicines	30	26	35	29	
Other livestock costs	92	63	88	69	
Seeds	13	17	17	15	
Fertilisers	55	51	67	62	
Crop protection	10	15	18	12	
Other crop costs	18	8	11	12	
TOTAL VARIABLE COSTS	342	279	381	329	
TOTAL GROSS MARGIN #	782	768	700	767	

* 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, 2019/2020

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3371	1108	818	256	
Number of farms in FBS sample	43	17	34	11	
Average farmed area (hectares)	57	74	158	169	
Average proportion of total farmed area tenanted or hired (%)	29%	29%	44%	51%	
	£ per farm hectare				
TOTAL GROSS MARGIN #	782	768	700	767	
<u>Fixed costs</u>					
Paid labour	13	12	65	89	
Unpaid family labour	47	52	55	29	
Casual labour	8	12	17	18	
Contract	94	64	75	48	
Machinery repairs	82	51	55	52	
Machinery fuel	56	44	45	44	
Machinery depreciation	142	109	101	99	
Other depreciation	0	0	0	0	
Property maintenance	62	34	58	43	
Electricity	13	11	11	9	
Other fuel	3	3	3	3	
Water	16	10	8	8	
Insurance	51	38	35	35	
Professional fees	36	38	24	18	
Other general costs	45	28	27	22	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	669	505	576	518	
PROFIT BEFORE RENT AND INTEREST	113	263	123	249	
Rent, hired in keep and bare land	50	54	63	70	
Rates	2	2	0	0	
Long-term interest	10	7	11	15	
Short-term interest	7	4	7	4	
Interest received (-)	0	0	0	0	
NET PROFIT##	43	197	42	160	
Reconciliation of Profit to NFI and M&II					
Plus - Interest charges (net)	17	10	18	19	
Plus - Landlord type repairs (included in property maintenance)	14	4	3	4	
Less - Rental value (of owner occupied land and buildings)	175	151	139	103	
NET FARM INCOME## (NFI)	-100	60	-75	80	
Less farmer and spouse labour	399	246	179	157	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-500	-186	-255	-77	

* 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, 2019/2020

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3371	1108	818	256	
Number of farms in FBS sample	43	17	34	11	
Average farmed area (hectares)	57	74	158	169	
Average proportion of total farmed area tenanted or hired (%)	29%	29%	44%	51%	
per £100 output					
Output					
Milk	0	0	0	0	
Cattle	41	30	39	37	
Sheep	10	15	16	16	
Pigs, poultry and other livestock	0	0	0	0	
Cereals	3	4	7	6	
Other cash crops	0	0	0	0	
Straw and forage	3	4	4	1	
Management agreements and agri-environment schemes	4	8	5	6	
Miscellaneous output	21	19	11	14	
Basic Payment Scheme	19	21	18	19	
TOTAL OUTPUT**	100	100	100	100	
<u>Variable costs</u>					
Concentrates, fodder and keep	11	9	14	12	
Veterinary, medicines and other livestock costs	11	9	11	9	
Seeds	1	2	2	1	
Fertilisers	5	5	6	6	
Crop protection and other crop costs	2	2	3	2	
TOTAL VARIABLE COSTS	30	27	35	30	
TOTAL GROSS MARGIN**	70	73	65	70	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	5	6	11	11	
Casual labour	1	1	2	2	
Contract	8	6	7	4	
Machinery repairs and fuel	12	9	9	9	
Machinery and other depreciation	13	10	9	9	
Property maintenance	6	3	5	4	
Electricity, other fuel and water	3	2	2	2	
Other general costs	12	10	8	7	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	60	48	53	47	
PROFIT BEFORE RENT AND INTEREST	10	25	11	23	
Rent and rates	5	5	6	6	
Long-term interest paid	1	1	1	1	
Short-term interest paid	1	0	1	0	
Interest received (-)	0	0	0	0	
PROFIT**	4	19	4	15	

* 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, 2019/2020

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3371	1108	818	256	
Number of farms in FBS sample	43	17	34	11	
Average farmed area (hectares)	57	74	158	169	
Average proportion of total farmed area tenanted or hired (%)	29%	29%	44%	51%	
<u>Land use</u>					
Percentage cropped	71	71	56	49	
Percentage forage	29	29	44	51	
<u>Grazing livestock units</u>					
	GLUs per farm				
Dairy cattle	0	0	0	0	
Other cattle	47	43	110	109	
Sheep	8	14	36	38	
Other livestock	1	1	2	4	
Total	56	58	148	151	
GLUs per ha	1.06	0.91	1.07	0.99	
GLUs per adjusted ha	1.07	0.92	1.13	1.16	
<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	1109	1113	1122	1134	
£ per finished lamb	82	84	81	84	
<u>Cereals**</u>					
Winter wheat					
Yield - tonnes per hectare	8.4	9.1	8.8	7.5	
Price per tonne	122	124	142	153	
Winter barley					
Yield - tonnes per hectare	5.9	5.9	8.8	9.4	
Price per tonne	125	125	124	124	
Spring barley					
Yield - tonnes per hectare	5.4	5.2	5.6	5.3	
Price per tonne	120	117	124	124	
Winter oats					
Yield - tonnes per hectare	4.7	4.1	6.9	7.5	
Price per tonne	114	118	116	117	
All cereals					
Yield - tonnes per hectare	6.2	6.0	7.2	6.6	
Price per tonne	121	121	128	128	

* Top third selected on Management and investment income per hectare

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

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

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

Lowland Grazing Livestock

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2019/2020

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3371	1108	818	256	
Number of farms in FBS sample	43	17	34	11	
Average farmed area (hectares)	57	74	158	169	
Average proportion of total farmed area tenanted or hired (%)	29%	29%	44%	51%	
	£ per farm hectare				
Tenant's capital formation					
Livestock	1026	804	1055	935	
Crops, forage and cultivations	88	91	94	65	
Stores	75	37	78	72	
Machinery	906	724	632	578	
Basic Payment Scheme	214	221	188	206	
Miscellaneous business assets & other assets	13	10	7	2	
Total physical assets	2324	1886	2054	1860	
Liquid assets	779	898	283	373	
Tenant's capital (TC)	3102	2785	2336	2233	
Management & investment income (M&I)**	-500	-186	-255	-77	
Return on tenant's capital (M&I as % of average TC)	-16.1%	-6.7%	-10.9%	-3.4%	
<u>Ratios per £100 of output (%)</u>					
Variable costs	30	27	35	30	
Gross margin	70	73	65	70	
Fixed costs (excluding rent and interest)	60	48	53	47	
Net profit	4	19	4	15	
Net farm income	-9	6	-7	7	
Farmer and spouse	36	23	17	14	
Management & Investment Income	-44	-18	-24	-7	
Tenant's capital	276	266	216	204	
Total assets	1630	1618	1164	985	
Total external liabilities	71	38	53	61	
Net worth	1559	1580	1111	924	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	468	322	315	293	
Costs (£ per £100 output)	42	31	29	27	
Costs (£ per £100 gross margin)	60	42	45	38	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	374	268	276	243	
Costs (£ per £100 output)	33	26	25	22	
Costs (£ per £100 gross margin)	48	35	39	32	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	841	590	591	535	
Costs (£ per £100 output)	75	56	55	49	
Costs (£ per £100 gross margin)	108	77	84	70	

* 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, 2019/2020

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3371	1108	818	256	
Number of farms in FBS sample	43	17	34	11	
Average farmed area (hectares)	57	74	158	169	
Average proportion of total farmed area tenanted or hired (%)	29%	29%	44%	51%	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	15130	13847	10271	8563	
Basic Payment Scheme	215	221	188	206	
Machinery	922	733	629	578	
Tenant's other assets	1	0	0	0	
Breeding livestock	419	418	472	500	
Total fixed assets	16687	15219	11561	9847	
Suckler cow and ewe premium quota					
Trading livestock	587	375	559	430	
Crops	9	14	40	26	
Forage and cultivations	75	73	61	44	
Stores	79	33	73	67	
Debtors and loans	260	303	144	95	
Bank credit and cash	610	926	145	286	
Other current assets	6	9	1	2	
Total current assets	1625	1733	1023	949	
Total assets	18312	16953	12583	10796	
Financed by					
Institutional loans	39	0	54	110	
Bank loans	236	167	246	323	
Other long term	107	69	33	64	
Total long term	382	236	334	497	
HP and lease	58	15	23	30	
Creditors	136	93	100	110	
Bank overdraft	201	50	119	30	
Other short term	16	4	2	0	
Total current liabilities	413	161	244	171	
Total Liabilities	794	398	578	667	
Net worth	17517	16555	12005	10129	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	96%	98%	95%	94%	
% Fixed assets vs. total assets	91%	90%	92%	91%	
Gearing (long-term loans vs. total assets)	2%	1%	3%	5%	
Total debt (external liabilities vs. net worth)	5%	2%	5%	7%	
Current Ratio (current assets vs. current liabilities)	394%	1075%	419%	557%	
Liquidity Ratio (liquid assets vs. current liabilities)	211%	762%	118%	223%	

* 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, 2019/2020

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	397	281	410	.	
Number of farms in FBS sample	17	12	9	.	
Average farmed area (hectares)	159	179	82	.	
Average proportion of total farmed area tenanted or hired (%)	58%	59%	26%	.	
£ per farm hectare					
<u>Output</u>					
Milk	0	0	0	.	
Cattle	211	181	410	.	
Herd depreciation	-21	-22	-18	.	
Sheep	213	221	316	.	
Flock depreciation	-42	-45	-41	.	
Pigs	0	0	0	.	
Poultry	0	0	0	.	
Other livestock	0	0	0	.	
Cereals	2	3	5	.	
Oilseeds	0	0	0	.	
Pulses	0	0	0	.	
Other crops	0	0	0	.	
Straw	0	0	1	.	
Forage	10	9	24	.	
Agri-environment schemes and management agreements	141	147	54	.	
Rental income and imputed farmhouse rental equivalent	4	2	81	.	
Hirework	15	12	107	.	
Renewable energy generation	7	3	2	.	
Miscellaneous output	2	1	34	.	
Cultivations	0	0	0	.	
Basic Payment Scheme	185	180	225	.	
TOTAL FARM OUTPUT #	727	693	1201	.	
<u>Variable costs</u>					
Concentrates	60	53	86	.	
Purchased fodder	9	11	10	.	
Veterinary and medicines	22	21	51	.	
Other livestock costs	57	50	90	.	
Seeds	2	2	6	.	
Fertilisers	35	30	64	.	
Crop protection	2	2	3	.	
Other crop costs	2	2	10	.	
TOTAL VARIABLE COSTS	189	172	321	.	
TOTAL GROSS MARGIN #	537	521	880	.	

* 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, 2019/2020

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	397	281	410	.	
Number of farms in FBS sample	17	12	9	.	
Average farmed area (hectares)	159	179	82	.	
Average proportion of total farmed area tenanted or hired (%)	58%	59%	26%	.	
	£ per farm hectare				
TOTAL GROSS MARGIN #	537	521	880	.	
<u>Fixed costs</u>					
Paid labour	30	28	32	.	
Unpaid family labour	35	24	50	.	
Casual labour	15	18	4	.	
Contract	28	25	38	.	
Machinery repairs	42	41	41	.	
Machinery fuel	29	28	55	.	
Machinery depreciation	52	43	101	.	
Other depreciation	0	0	0	.	
Property maintenance	26	22	73	.	
Electricity	6	5	9	.	
Other fuel	1	2	3	.	
Water	2	2	9	.	
Insurance	25	22	38	.	
Professional fees	17	14	32	.	
Other general costs	25	23	40	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	333	296	525	.	
PROFIT BEFORE RENT AND INTEREST	204	226	355	.	
Rent, hired in keep and bare land	46	46	46	.	
Rates	0	0	0	.	
Long-term interest	17	19	24	.	
Short-term interest	6	5	18	.	
Interest received (-)	0	0	0	.	
NET PROFIT##	135	156	267	.	
Reconciliation of Profit to NFI and M&I					
Plus - Interest charges (net)	22	24	42	.	
Plus - Landlord type repairs (included in property maintenance)	2	1	3	.	
Less - Rental value (of owner occupied land and buildings)	63	58	166	.	
NET FARM INCOME## (NFI)	97	123	146	.	
Less farmer and spouse labour	143	148	297	.	
MANAGEMENT AND INVESTMENT INCOME** (M&I)	-46	-25	-151	.	

* 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, 2019/2020

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	397	281	410	.	
Number of farms in FBS sample	17	12	9	.	
Average farmed area (hectares)	159	179	82	.	
Average proportion of total farmed area tenanted or hired (%)	58%	59%	26%	.	
	per £100 output				
<u>Output</u>					
Milk	0	0	0	.	
Cattle	26	23	33	.	
Sheep	24	25	23	.	
Pigs, poultry and other livestock	0	0	0	.	
Cereals	0	0	0	.	
Other cash crops	0	0	0	.	
Straw and forage	1	1	2	.	
Management agreements and agri-environment schemes	19	21	5	.	
Miscellaneous output	4	3	19	.	
Basic Payment Scheme	25	26	19	.	
TOTAL OUTPUT**	100	100	100	.	
<u>Variable costs</u>					
Concentrates, fodder and keep	10	9	8	.	
Veterinary, medicines and other livestock costs	11	10	12	.	
Seeds	0	0	1	.	
Fertilisers	5	4	5	.	
Crop protection and other crop costs	1	1	1	.	
TOTAL VARIABLE COSTS	26	25	27	.	
TOTAL GROSS MARGIN**	74	75	73	.	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	9	7	7	.	
Casual labour	2	3	0	.	
Contract	4	4	3	.	
Machinery repairs and fuel	10	10	8	.	
Machinery and other depreciation	7	6	8	.	
Property maintenance	4	3	6	.	
Electricity, other fuel and water	1	1	2	.	
Other general costs	9	8	9	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	46	43	44	.	
PROFIT BEFORE RENT AND INTEREST	28	33	30	.	
Rent and rates	6	7	4	.	
Long-term interest paid	2	3	2	.	
Short-term interest paid	1	1	1	.	
Interest received (-)	0	0	0	.	
PROFIT**	19	22	22	.	

* 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, 2019/2020

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	397	281	410	.	
Number of farms in FBS sample	17	12	9	.	
Average farmed area (hectares)	159	179	82	.	
Average proportion of total farmed area tenanted or hired (%)	58%	59%	26%	.	
<u>Land use</u>					
Percentage cropped	42	41	74	.	
Percentage forage	58	59	26	.	
<u>Grazing livestock units</u>					
	GLUs per farm				
Dairy cattle	0	0	0	.	
Other cattle	68	70	57	.	
Sheep	39	46	29	.	
Other livestock	3	4	0	.	
Total	110	120	86	.	
GLUs per ha	0.70	0.67	1.07	.	
GLUs per adjusted ha	0.91	0.90	1.12	.	
<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	1033	1020	1000	.	
£ per finished lamb	76	77	82	.	
<u>Cereals**</u>					
Winter wheat					
Yield - tonnes per hectare				.	
Price per tonne				.	
Winter barley					
Yield - tonnes per hectare			5.4	.	
Price per tonne			123	.	
Spring barley					
Yield - tonnes per hectare	5.8	5.8		.	
Price per tonne	139	139		.	
Winter oats					
Yield - tonnes per hectare				.	
Price per tonne				.	
All cereals					
Yield - tonnes per hectare	5.8	5.8	5.4	.	
Price per tonne	139	139	123	.	

* 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, 2019/2020

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	397	281	410	.	
Number of farms in FBS sample	17	12	9	.	
Average farmed area (hectares)	159	179	82	.	
Average proportion of total farmed area tenanted or hired (%)	58%	59%	26%	.	
£ per farm hectare					
<u>Tenant's capital formation</u>					
Livestock	722	701	1132	.	
Crops, forage and cultivations	18	14	43	.	
Stores	22	20	59	.	
Machinery	303	241	660	.	
Basic Payment Scheme	198	196	221	.	
Miscellaneous business assets & other assets	25	27	30	.	
Total physical assets	1288	1199	2145	.	
Liquid assets	207	182	505	.	
Tenant's capital (TC)	1495	1381	2651	.	
Management & investment income (M&I)**	-46	-25	-151	.	
Return on tenant's capital (M&I as % of average TC)	-3.1%	-1.8%	-5.7%	.	
<u>Ratios per £100 of output (%)</u>					
Variable costs	26	25	27	.	
Gross margin	74	75	73	.	
Fixed costs (excluding rent and interest)	46	43	44	.	
Net profit	19	22	22	.	
Net farm income	13	18	12	.	
Farmer and spouse	20	21	25	.	
Management & Investment Income	-6	-4	-13	.	
Tenant's capital	206	199	221	.	
Total assets	955	985	1147	.	
Total external liabilities	108	122	112	.	
Net worth	847	862	1035	.	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	222	217	383	.	
Costs (£ per £100 output)	31	31	32	.	
Costs (£ per £100 gross margin)	41	42	44	.	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	151	137	234	.	
Costs (£ per £100 output)	21	20	19	.	
Costs (£ per £100 gross margin)	28	26	27	.	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	373	354	617	.	
Costs (£ per £100 output)	51	51	51	.	
Costs (£ per £100 gross margin)	69	68	70	.	

* 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, 2019/2020

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	397	281	410	.	
Number of farms in FBS sample	17	12	9	.	
Average farmed area (hectares)	159	179	82	.	
Average proportion of total farmed area tenanted or hired (%)	58%	59%	26%	.	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	5436	5434	11150	.	
Basic Payment Scheme	199	197	225	.	
Machinery	313	250	694	.	
Tenant's other assets	0	0	0	.	
Breeding livestock	518	520	658	.	
Total fixed assets	6466	6401	12727	.	
Suckler cow and ewe premium quota					
Trading livestock	207	185	529	.	
Crops	0	0	0	.	
Forage and cultivations	19	15	46	.	
Stores	21	18	51	.	
Debtors and loans	120	121	93	.	
Bank credit and cash	106	81	317	.	
Other current assets	1	1	3	.	
Total current assets	475	420	1040	.	
Total assets	6941	6822	13767	.	
Financed by					
Institutional loans	161	154	389	.	
Bank loans	331	408	563	.	
Other long term	68	46	44	.	
Total long term	559	607	997	.	
HP and lease	24	20	60	.	
Creditors	61	52	81	.	
Bank overdraft	137	164	206	.	
Other short term	3	4	0	.	
Total current liabilities	226	239	347	.	
Total Liabilities	785	847	1344	.	
Net worth	6156	5975	12423	.	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	89%	88%	90%	.	
% Fixed assets vs. total assets	93%	94%	92%	.	
Gearing (long-term loans vs. total assets)	8%	9%	7%	.	
Total debt (external liabilities vs. net worth)	13%	14%	11%	.	
Current Ratio (current assets vs. current liabilities)	210%	176%	299%	.	
Liquidity Ratio (liquid assets vs. current liabilities)	100%	84%	118%	.	

* 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, 2019/2020

	General cropping		Cattle, sheep and cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	589	.	919	300	
Number of farms in FBS sample	12	.	25	9	
Average farmed area (hectares)	107	.	185	248	
Average proportion of total farmed area tenanted or hired (%)	45%	.	50%	47%	
£ per farm hectare					
<u>Output</u>					
Milk	0	.	0	0	
Cattle	98	.	213	223	
Herd depreciation	-4	.	-4	-2	
Sheep	31	.	112	78	
Flock depreciation	-5	.	-20	-8	
Pigs	0	.	4	10	
Poultry	0	.	0	0	
Other livestock	0	.	0	0	
Cereals	381	.	351	422	
Oilseeds	70	.	34	58	
Pulses	0	.	14	16	
Other crops	592	.	100	6	
Straw	65	.	61	0	
Forage	176	.	104	135	
Agri-environment schemes and management agreements	34	.	48	60	
Rental income and imputed farmhouse rental equivalent	146	.	43	54	
Hirework	106	.	126	56	
Renewable energy generation	74	.	6	5	
Miscellaneous output	74	.	1	11	
Cultivations	-4	.	-8	-6	
Basic Payment Scheme	205	.	211	219	
TOTAL FARM OUTPUT #	2037	.	1396	1338	
<u>Variable costs</u>					
Concentrates	29	.	83	76	
Purchased fodder	3	.	7	6	
Veterinary and medicines	6	.	15	12	
Other livestock costs	22	.	56	42	
Seeds	160	.	53	40	
Fertilisers	131	.	110	116	
Crop protection	138	.	79	79	
Other crop costs	61	.	27	26	
TOTAL VARIABLE COSTS	551	.	431	396	
TOTAL GROSS MARGIN #	1486	.	965	942	

* 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, 2019/2020

	General cropping		Cattle, sheep and cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	589	.	919	300	
Number of farms in FBS sample	12	.	25	9	
Average farmed area (hectares)	107	.	185	248	
Average proportion of total farmed area tenanted or hired (%)	45%	.	50%	47%	
£ per farm hectare					
TOTAL GROSS MARGIN #	1486	.	965	942	
<u>Fixed costs</u>					
Paid labour	34	.	90	54	
Unpaid family labour	129	.	50	38	
Casual labour	12	.	7	6	
Contract	127	.	73	80	
Machinery repairs	94	.	80	58	
Machinery fuel	73	.	71	46	
Machinery depreciation	216	.	139	141	
Other depreciation	12	.	0	0	
Property maintenance	32	.	33	32	
Electricity	29	.	9	8	
Other fuel	15	.	7	8	
Water	9	.	7	6	
Insurance	57	.	37	22	
Professional fees	33	.	23	25	
Other general costs	41	.	28	27	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	911	.	654	550	
PROFIT BEFORE RENT AND INTEREST	575	.	311	392	
Rent, hired in keep and bare land	96	.	107	103	
Rates	4	.	0	0	
Long-term interest	103	.	22	29	
Short-term interest	12	.	11	5	
Interest received (-)	0	.	1	2	
NET PROFIT##	360	.	172	257	
Reconciliation of Profit to NFI and M&I					
Plus - Interest charges (net)	114	.	32	32	
Plus - Landlord type repairs (included in property maintenance)	2	.	2	2	
Less - Rental value (of owner occupied land and buildings)	162	.	123	135	
NET FARM INCOME## (NFI)	315	.	82	157	
Less farmer and spouse labour	221	.	154	109	
MANAGEMENT AND INVESTMENT INCOME** (M&I)	94	.	-72	47	

* 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, 2019/2020

	General cropping		Cattle, sheep and cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	589	.	919	300	
Number of farms in FBS sample	12	.	25	9	
Average farmed area (hectares)	107	.	185	248	
Average proportion of total farmed area tenanted or hired (%)	45%	.	50%	47%	
per £100 output					
<u>Output</u>					
Milk	0	.	0	0	
Cattle	5	.	15	17	
Sheep	1	.	7	5	
Pigs, poultry and other livestock	0	.	0	1	
Cereals	19	.	25	32	
Other cash crops	32	.	11	6	
Straw and forage	12	.	12	10	
Management agreements and agri-environment schemes	2	.	3	4	
Miscellaneous output	19	.	12	9	
Basic Payment Scheme	10	.	15	16	
TOTAL OUTPUT**	100	.	100	100	
<u>Variable costs</u>					
Concentrates, fodder and keep	2	.	6	6	
Veterinary, medicines and other livestock costs	1	.	5	4	
Seeds	8	.	4	3	
Fertilisers	6	.	8	9	
Crop protection and other crop costs	10	.	8	8	
TOTAL VARIABLE COSTS	27	.	31	30	
TOTAL GROSS MARGIN**	73	.	69	70	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	8	.	10	7	
Casual labour	1	.	1	0	
Contract	6	.	5	6	
Machinery repairs and fuel	8	.	11	8	
Machinery and other depreciation	11	.	10	11	
Property maintenance	2	.	2	2	
Electricity, other fuel and water	3	.	2	2	
Other general costs	6	.	6	6	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	45	.	47	41	
PROFIT BEFORE RENT AND INTEREST	28	.	22	29	
Rent and rates	5	.	8	8	
Long-term interest paid	5	.	2	2	
Short-term interest paid	1	.	1	0	
Interest received (-)	0	.	0	0	
PROFIT**	18	.	12	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

General Cropping and Cattle, Sheep and Cropping

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2019/2020

	General cropping		Cattle, sheep and cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	589	.	919	300	
Number of farms in FBS sample	12	.	25	9	
Average farmed area (hectares)	107	.	185	248	
Average proportion of total farmed area tenanted or hired (%)	45%	.	50%	47%	
<u>Land use</u>					
Percentage cropped	55	.	50	53	
Percentage forage	45	.	50	47	
<u>Grazing livestock units</u>					
			GLUs per farm		
Dairy cattle	0	.	0	0	
Other cattle	17	.	60	80	
Sheep	6	.	30	26	
Other livestock	0	.	0	0	
Total	23	.	90	106	
GLUs per ha	0.59	.	1.00	1.11	
GLUs per adjusted ha	0.59	.	1.05	1.28	
<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	1127	.	1094	1161	
£ per finished lamb	67	.	85	87	
<u>Cereals**</u>					
Winter wheat					
Yield - tonnes per hectare	9.9	.	8.7	9.7	
Price per tonne	142	.	145	147	
Winter barley					
Yield - tonnes per hectare	7.8	.	6.4	6.2	
Price per tonne	124	.	142	160	
Spring barley					
Yield - tonnes per hectare	6.2	.	5.5	5.1	
Price per tonne	125	.	132	134	
Winter oats					
Yield - tonnes per hectare	6.0	.	6.7	7.3	
Price per tonne	105	.	123	127	
All cereals					
Yield - tonnes per hectare	8.6	.	7.3	7.9	
Price per tonne	136	.	140	145	

* 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, 2019/2020

	General cropping		Cattle, sheep and cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	589	.	919	300	
Number of farms in FBS sample	12	.	25	9	
Average farmed area (hectares)	107	.	185	248	
Average proportion of total farmed area tenanted or hired (%)	45%	.	50%	47%	
£ per farm hectare					
<u>Tenant's capital formation</u>					
Livestock	266	.	511	407	
Crops, forage and cultivations	509	.	415	487	
Stores	167	.	104	102	
Machinery	1418	.	1013	935	
Basic Payment Scheme	215	.	213	214	
Miscellaneous business assets & other assets	211	.	27	24	
Total physical assets	2785	.	2282	2169	
Liquid assets	609	.	497	604	
Tenant's capital (TC)	3395	.	2779	2774	
Management & investment income (M&I)**	94	.	-72	47	
Return on tenant's capital (M&I as % of average TC)	2.8%	.	-2.6%	1.7%	
<u>Ratios per £100 of output (%)</u>					
Variable costs	27	.	31	30	
Gross margin	73	.	69	70	
Fixed costs (excluding rent and interest)	45	.	47	41	
Net profit	18	.	12	19	
Net farm income	15	.	6	12	
Farmer and spouse	11	.	11	8	
Management & Investment Income	5	.	-5	4	
Tenant's capital	167	.	199	207	
Total assets	765	.	873	950	
Total external liabilities	166	.	79	80	
Net worth	600	.	794	870	
<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, 2019/2020

	General cropping		Cattle, sheep and cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	589	.	919	300	
Number of farms in FBS sample	12	.	25	9	
Average farmed area (hectares)	107	.	185	248	
Average proportion of total farmed area tenanted or hired (%)	45%	.	50%	47%	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	12233	.	9356	9908	
Basic Payment Scheme	210	.	214	213	
Machinery	1437	.	1037	931	
Tenant's other assets	153	.	5	8	
Breeding livestock	57	.	195	173	
Total fixed assets	14090	.	10806	11234	
Suckler cow and ewe premium quota					
Trading livestock	185	.	298	233	
Crops	364	.	314	331	
Forage and cultivations	147	.	119	139	
Stores	166	.	101	107	
Debtors and loans	424	.	257	297	
Bank credit and cash	210	.	283	352	
Other current assets	10	.	7	16	
Total current assets	1505	.	1379	1475	
Total assets	15595	.	12186	12709	
Financed by					
Institutional loans	1389	.	98	164	
Bank loans	1237	.	375	426	
Other long term	215	.	94	115	
Total long term	2841	.	566	705	
HP and lease	120	.	195	62	
Creditors	179	.	170	171	
Bank overdraft	232	.	131	119	
Other short term	2	.	41	8	
Total current liabilities	533	.	536	360	
Total Liabilities	3374	.	1103	1065	
Net worth	12221	.	11083	11644	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	78%	.	91%	92%	
% Fixed assets vs. total assets	90%	.	89%	88%	
Gearing (long-term loans vs. total assets)	18%	.	5%	6%	
Total debt (external liabilities vs. net worth)	28%	.	10%	9%	
Current Ratio (current assets vs. current liabilities)	282%	.	257%	409%	
Liquidity Ratio (liquid assets vs. current liabilities)	119%	.	101%	180%	

* 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 2019

	WINTER			SPRING		
	Average	Premium*	Your Farm	Average***	Premium***	Your Farm
Number of farms in the population represented	3293	1107				
Number of farms	94	32		.	.	
Area per farm (ha)	39.1	52.6		.	.	
Yield: tonnes/ha	9.3	10.3		.	.	
Price: £/tonne	144.4	145.4		.	.	
	£ per hectare					
Grain	1343.6	1492.3		.	.	
Straw	150.5	190.3		.	.	
ENTERPRISE OUTPUT	1494.1	1682.7		.	.	
Seeds (inc.homegrown)	79.0	74.5		.	.	
Fertilisers	200.9	202.3		.	.	
Sprays	231.0	218.0		.	.	
Other crop costs	58.9	48.6		.	.	
TOTAL VARIABLES ‡	569.8	543.4		.	.	
GROSS MARGIN	924.3	1139.3		.	.	

* 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 2019

	WINTER			SPRING		
	Average	Premium*	Your Farm	Average	Premium*	Your Farm
Number of farms in the population represented	2652	900		2937	987	
Number of farms	66	24		74	28	
Area per farm (ha)	19.9	19.3		18.2	20.2	
Yield: tonnes/ha	7.8	9.3		6.2	7.0	
Price: £/tonne	128.0	128.3		130.5	131.3	
	£ per hectare					
Grain	1003.0	1199.2		813.2	917.9	
Straw	206.3	309.5		123.3	159.1	
ENTERPRISE OUTPUT	1209.4	1508.8		936.5	1077.0	
Seeds (inc.homegrown)	91.4	84.8		74.0	67.0	
Fertilisers	195.1	198.4		147.0	138.9	
Sprays	192.5	179.6		120.0	121.5	
Other crop costs	37.7	26.8		48.5	29.7	
TOTAL VARIABLES ‡	516.7	489.5		389.5	357.1	
GROSS MARGIN	692.7	1019.3		546.9	719.8	

* 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

Oats

Gross margin per hectare				Crop year		2019
	WINTER			SPRING		
	Average	Premium*	Your Farm	Average	Premium*	Your Farm
Number of farms in the population represented	1060	383		782	279	
Number of farms	66	24		74	28	
Area per farm (ha)	19.9	19.3		18.2	20.2	
Yield: tonnes/ha	7.8	9.3		6.2	7.0	
Price: £/tonne	128.0	128.3		130.5	131.3	
	£ per hectare					
	Grain	1003.0	1199.2		813.2	917.9
	Straw	206.3	309.5		123.3	159.1
	ENTERPRISE OUTPUT	1209.4	1508.8		936.5	1077.0
	Seeds (inc.homegrown)	91.4	84.8		74.0	67.0
	Fertilisers	195.1	198.4		147.0	138.9
	Sprays	192.5	179.6		120.0	121.5
	Other crop costs	37.7	26.8		48.5	29.7
	TOTAL VARIABLES ‡	516.7	489.5		389.5	357.1
	GROSS MARGIN	692.7	1019.3		546.9	719.8

* 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

Oilseed rape

Gross margin per hectare

Crop year 2019

	WINTER			SPRING		
	Average	Premium**	Your Farm	Average**	Premium**	Your Farm
Number of farms in the population represented	883	314				
Number of farms	29	13				
Area per farm (ha)	35.7	38.9				
Yield: tonnes/ha	3.2	3.8				
Price: £/tonne	337.1	339.9				
	£ per hectare					
Grain	1079.8	1300.0				
Straw	15.4	27.1				
ENTERPRISE OUTPUT	1095.2	1327.2				
Seeds (inc.homegrown)	63.9	50.5				
Fertilisers	209.7	205.8				
Sprays	206.1	188.6				
Other crop costs	35.0	29.3				
TOTAL VARIABLES ‡	514.7	474.2				
GROSS MARGIN	580.5	852.9				

* Top third in order of Gross Margin per hectare

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

*** Insufficient farms

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

Organic farms have been excluded from this benchmarking data

Dairy cows - mainly Fresian/Holsteins

Gross margins per cow and per hectare

2019/20

	Conventional		Organic	Your Farm
	Average	Premium*	Average	
Number of farms in the population represented	1784	607	154	
Number of farms in sample	75	16	18	
Cows per herd	190	255	154	
Yield: litres/cow	7999	9053	5968	
Price: pence/litre	30.5	30.5	38.5	
Stocking rate: cows/ha	1.80	1.80	1.28	
ha/cow	0.56	0.56	0.78	
Output - milk	£ per cow			
	2436.0	2759.2	2294.8	
miscellaneous revenue	0.0	0.0	0.0	
calves	117.9	124.6	93.3	
depreciation	-203.5	-212.9	-184.3	
ENTERPRISE OUTPUT (excl. BLSA)	2350.3	2670.8	2203.8	
Concentrates	616.0	683.5	639.6	
Coarse fodder	23.4	20.3	21.5	
Veterinary and medicines	72.5	76.5	51.2	
Other livestock costs	179.5	177.9	195.1	
Forage †	101.1	104.0	29.3	
TOTAL VARIABLE COSTS ‡	992.5	1062.2	936.7	
GROSS MARGIN per cow (excl. BLSA)	1357.8	1608.7	1267.1	
GROSS MARGIN per hectare (excl. BLSA)	2439.8	3120.8	1191.0	

Margin - milk over concentrates	1819.9	2075.7	1655.2	
Concentrates per £100 of milk output	25.3	24.8	27.9	

* 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 identified as a separate group from this benchmarking table

Dairy Cows - mainly Fresian/Holsteins

Gross margins per cow and per hectare

2019/20

Yield per cow (litres)	Less than 5999	6000- 6999	7000- 7999**	Over 8000	Your Farm
Number of farms in the population represented	327	379	277	801	
Number of farms in sample	26	16	10	23	
Cows per herd	122	181	242	204	
Yield: litres/cow	4320	6469	7385	9792	
Price: pence/litre	33.8	31.9	30.0	29.8	
Stocking rate: cows/ha	1.59	1.92	1.97	1.73	
ha/cow	0.63	0.52	0.51	0.58	
	£ per cow				
Output - milk	1458.3	2063.3	2217.2	2920.9	
miscellaneous revenue	0.0	0.0	0.0	0.0	
calves	93.2	110.0	134.0	120.6	
depreciation	-155.1	-138.8	-217.9	-236.5	
ENTERPRISE OUTPUT (excl. BLSA)	1396.4	2034.6	2133.2	2804.9	
Concentrates	243.1	463.4	513.0	813.4	
Coarse fodder	21.3	23.5	19.2	25.5	
Veterinary and medicines	32.3	55.7	77.0	87.6	
Other livestock costs	124.0	118.8	145.8	232.3	
Forage †	55.1	99.1	100.0	113.7	
TOTAL VARIABLE COSTS ‡	475.8	760.5	854.9	1272.4	
GROSS MARGIN per cow (excl. BLSA)	920.6	1274.1	1278.3	1532.5	
GROSS MARGIN per hectare (excl. BLSA)	764.3	1486.8	1678.1	2199.7	

Margin - milk over concentrates	1215.2	1599.9	1704.1	2107.5	
Concentrates per £100 of milk output	16.7	22.5	23.1	27.8	

* Top third in order of Gross Margin per cow.

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

*** Insufficient farms

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

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

Organic farms have been excluded from this benchmarking data

Dairy Cows - mainly Fresian/Holsteins

Gross margins per cow and per hectare

2019/20

Average number of cows	Under 100	100- 150	150- 200**	Over 200	Your Farm
Number of farms in the population represented	373	364	373	675	
Number of farms in sample	21	16	14	24	
Cows per herd	66	127	170	304	
Yield: litres/cow	6328	7858	8088	8204	
Price: pence/litre	30.6	29.7	29.8	30.8	
Stocking rate: cows/ha	1.40	1.53	1.69	1.99	
ha/cow	0.71	0.66	0.59	0.50	
	£ per cow				
Output - milk	1938.9	2331.3	2406.4	2528.3	
miscellaneous revenue	0.0	0.0	0.0	0.0	
calves	111.8	107.4	117.1	121.2	
depreciation	-184.9	-148.9	-216.3	-214.1	
ENTERPRISE OUTPUT (excl. BLSA)	1865.8	2289.8	2307.2	2435.4	
Concentrates	513.0	581.2	645.6	627.1	
Coarse fodder	15.5	14.3	24.7	25.9	
Veterinary and medicines	57.8	75.6	76.6	72.3	
Other livestock costs	164.9	202.7	166.0	180.2	
Forage †	80.5	117.7	110.9	96.8	
TOTAL VARIABLE COSTS ‡	831.6	991.4	1023.9	1002.4	
GROSS MARGIN per cow (excl. BLSA)	1034.1	1298.3	1283.3	1433.1	
GROSS MARGIN per hectare (excl. BLSA)	1175.7	1505.1	1723.3	1989.5	
Margin - milk over concentrates	1425.8	1750.1	1760.7	1901.2	
Concentrates per £100 of milk output	26.5	24.9	26.8	24.8	

* Top third in order of Gross Margin per cow.

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

*** Insufficient farms

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

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

Organic farms have been excluded from this benchmarking data

Dairy Cows - mainly Fresian/Holsteins

Gross margins per cow and per hectare

2019/20

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	678	565	542	
Number of farms in sample	37	23	15	
Cows per herd	137	145	303	
Yield: litres/cow	7895	7331	8393	
Price: pence/litre	31.4	30.1	30.1	
Stocking rate: cows/ha	1.24	1.77	2.45	
ha/cow	0.80	0.57	0.41	
£ per cow				
Output - milk	2477.0	2203.7	2529.0	
miscellaneous revenue	0.0	0.0	0.0	
calves	131.6	113.0	112.5	
depreciation	-214.6	-184.7	-206.7	
ENTERPRISE OUTPUT (excl. BLSA)	2394.0	2132.0	2434.8	
Concentrates	634.1	545.3	641.1	
Coarse fodder	37.5	14.9	19.6	
Veterinary and medicines	79.0	62.6	73.8	
Other livestock costs	222.6	151.3	169.1	
Forage †	120.1	102.1	89.9	
TOTAL VARIABLE COSTS ‡	1093.4	876.1	993.6	
GROSS MARGIN per cow (excl. BLSA)	1300.6	1255.9	1441.2	
GROSS MARGIN per hectare (excl. BLSA)	1352.0	1546.1	2431.5	

Margin - milk over concentrates	1842.9	1658.4	1887.8	
Concentrates per £100 of milk output	25.6	24.7	25.4	

* 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

Beef cows

Gross margins per cow, per LU and per hectare

2019/20

	LFA suckler cows		Lowland suckler cows		Your Farm
	Average	**Premium*	Average	Premium*	
Number of farms in the population represented	396	140	3144	1054	
Number of farms in sample	20	7	69	25	
Cows per herd	66	52	32	32	
Stocking rate: LU/ha ha/LU	0.85 1.17	0.92 1.08	1.02 0.98	1.05 0.96	
Output - calf output depreciation	£ per cow				
	436.4	591.8	487.2	536.8	
	-71.7	-76.3	-74.5	-39.0	
ENTERPRISE OUTPUT (excl. BLSA)	364.7	515.5	412.8	497.9	
Concentrates	19.2	35.3	35.4	24.4	
Coarse fodder	6.0	0.9	10.4	15.3	
Veterinary and medicines	22.4	31.2	34.9	29.0	
Other livestock costs	54.1	87.4	78.2	52.4	
Forage †	54.6	62.2	68.4	49.7	
TOTAL VARIABLE COSTS ‡	156.4	216.9	227.3	170.8	
GROSS MARGIN per cow (excl. BLSA)	208.3	298.6	185.5	327.0	
GROSS MARGIN per LU (excl. BLSA)	212.4	295.5	186.7	320.4	
GROSS MARGIN per hectare (excl. BLSA)	181.0	272.5	191.3	335.2	
Concentrates per £100 output	5.3	6.8	8.6	4.9	

* 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

Dairy followers

Gross margins per head, per LU and per hectare

2019/20

	Average	**Premium*	Your Farm
Number of farms in the population represented	908	308	
Number of farms in sample	32	12	
Cattle per herd	176	208	
Average finished animal sale price - £/head	1006	1122	
Stocking rate: LU/ha	1.82	2.02	
ha/LU	0.55	0.50	
	£ per head		
Output - cattle	459.2	573.4	
ENTERPRISE OUTPUT (excl. BLSA)	459.2	573.4	
Concentrates	159.9	167.3	
Coarse fodder	6.8	3.5	
Veterinary and medicines	11.3	9.5	
Other livestock costs	66.2	70.4	
Forage †	55.2	51.4	
TOTAL VARIABLE COSTS ‡	299.5	302.2	
GROSS MARGIN per head	159.7	271.2	
GROSS MARGIN per LU	309.1	516.0	
GROSS MARGIN per hectare	561.7	1042.4	

Concentrates per £100 output	34.8	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

2019/20

	Mainly store cattle		Mainly finished cattle		Your Farm
	Average	Premium***	Average	**Premium*	
Number of farms in the population represented	362	.	999	339	
Number of farms in sample	12	.	27	7	
Cattle per herd	130	.	172	215	
Average finished animal sale price - £/head	905	.	1098	1112	
Stocking rate: LU/ha	1.44	.	1.42	1.37	
ha/LU	0.70	.	0.71	0.73	
	£ per head				
Output - cattle	428.0	.	411.6	452.1	
ENTERPRISE OUTPUT (excl. BLSA)	428.0	.	411.6	452.1	
Concentrates	95.7	.	116.7	81.9	
Coarse fodder	4.6	.	2.6	2.1	
Veterinary and medicines	10.1	.	11.3	10.1	
Other livestock costs	45.1	.	52.4	44.0	
Forage †	52.1	.	47.3	41.6	
TOTAL VARIABLE COSTS ‡	207.6	.	230.3	179.7	
GROSS MARGIN per head	220.4	.	181.4	272.5	
GROSS MARGIN per LU	431.7	.	330.8	497.7	
GROSS MARGIN per hectare	620.9	.	468.9	681.7	
Concentrates per £100 output	22.3	.	28.3	18.1	

* Top third in order of Gross Margin per cow.

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

*** Insufficient farms

† 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

2019/20

	Mainly Store cattle		Mainly finished cattle		Your Farm
	Average	Premium*	Average	Premium*	
Number of farms in the population represented	1861	635	2362	794	
Number of farms in sample	42	15	54	19	
Cattle per herd	51	37	64	70	
Average finished animal sale price - £/head	987	999	1111	1120	
Stocking rate: LU/ha	1.12	0.95	1.08	0.99	
ha/LU	0.90	1.05	0.93	1.01	
	£ per head				
Output - cattle	305.7	434.1	416.9	502.5	
ENTERPRISE OUTPUT (excl. BLSA)	305.7	434.1	416.9	502.5	
Concentrates	70.4	53.1	121.1	101.6	
Coarse fodder	4.0	6.0	5.5	4.8	
Veterinary and medicines	14.3	16.3	12.2	13.5	
Other livestock costs	60.6	60.3	70.6	75.9	
Forage †	29.4	26.7	48.4	47.6	
TOTAL VARIABLE COSTS ‡	178.6	162.4	257.9	243.4	
GROSS MARGIN per head	127.1	271.7	159.0	259.1	
GROSS MARGIN per LU	229.2	465.2	260.6	426.1	
GROSS MARGIN per hectare	255.8	442.2	281.4	423.0	
Concentrates per £100 output	23.0	12.2	29.0	20.2	

* Top third in order of Gross Margin per cow.

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

*** Insufficient farms

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

‡ 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

2019/20

	Average	**Premium*	Your Farm
Number of farms in the population represented	873	305	
Number of farms in sample	26	9	
Cattle per herd	135	68	
Average finished animal sale price - £/head	970	1076	
Stocking rate: LU/ha	1.36	0.81	
ha/LU	0.73	1.23	
	£ per head		
Output - cattle	372.0	439.4	
ENTERPRISE OUTPUT (excl. BLSA)	372.0	439.4	
Concentrates	153.9	82.5	
Coarse fodder	4.6	1.2	
Veterinary and medicines	11.7	9.3	
Other livestock costs	41.5	52.4	
Forage †	52.0	42.8	
TOTAL VARIABLE COSTS ‡	263.7	188.2	
GROSS MARGIN per head	108.3	251.2	
GROSS MARGIN per LU	209.5	433.9	
GROSS MARGIN per hectare	285.2	352.4	
Concentrates per £100 output	41.4	18.8	

* Top third in order of Gross Margin per cow.

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

*** Insufficient farms

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

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

Organic farms have been excluded from this benchmarking data

Breeding ewes

Gross margins per ewe and per hectare

2019/20

	High hill flock	Other LFA	Lowland		Your Farm
	**Average	**Average	Average	Premium*	
Number of farms in the population represented	213	399	2412	807	
Number of farms in sample	10	12	67	20	
Average number of ewes	652	293	280	224	
Average lamb sale price - £/lamb	74.8	80.2	81.5	82.2	
Stocking rate - ewes per hectare	7.0	7.0	5.8	7.0	
£ per ewe					
Output - Lambs (inc lamb sales, transfers into flock & change in valuation of ewe hoggs)	61.1	102.6	116.9	147.5	
wool	1.7	1.7	1.5	1.7	
miscellaneous	0.0	0.0	0.0	0.0	
depreciation	-17.0	-12.0	-18.7	-12.1	
ENTERPRISE OUTPUT (excl. BLSA)	45.8	92.3	99.7	137.1	
Concentrates	12.0	13.3	18.7	19.1	
Coarse fodder	1.3	2.9	1.7	2.3	
Veterinary and medicines	6.6	7.9	9.5	9.7	
Other livestock costs	9.8	12.1	14.6	13.2	
Forage †	6.8	6.5	13.8	12.2	
TOTAL VARIABLE COSTS ‡	36.5	42.8	58.5	56.5	
GROSS MARGIN per ewe (excl. BLSA)	9.3	49.5	41.2	80.6	
GROSS MARGIN per LU (excl. BLSA)	96.8	423.1	268.9	516.7	
GROSS MARGIN per hectare (excl. BLSA)	65.2	345.5	238.8	562.8	
Concentrates per £100 of output	26.2	14.5	18.8	13.9	

* 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

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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