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Rural Business Research

Farm Business Survey

2014/2015

Horticulture Production in England

Richard Crane, David Deans,
Blake Knox and Thomas Wedd

RBR *independent research, data and analysis*

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Foreword to the First Series

This report is one of a series being produced based on the results of the Farm Business Survey (FBS) for England. The annual Farm Business Survey is the most comprehensive and independent survey of farm incomes and provides a definitive data source on the economic and physical performance of farm businesses in England. It is conducted by a Consortium comprising the Universities of Cambridge, Newcastle upon Tyne, Nottingham and Reading, and Askham Bryan, Duchy and Imperial Colleges. The Consortium is led by the University of Nottingham and its members work in partnership, using uniform and standard practices in reporting on their findings to ensure consistent data quality, accuracy and validity. The Survey is financed by Defra and the Consortium values greatly the input of their staff.

These detailed reports for various farm types and enterprises are in addition to the comprehensive Farm Business Survey Reports for Government Office Regions published at www.farmbusinesssurvey.co.uk. The Consortium is seeking by these additional reports to ensure that timely and relevant information is available to farmers, consultants, advisers and other organisations and individuals interested in farming and land management. The analysis and publication of these reports uses data from farm businesses across England, with an individual member of the Consortium undertaking the research analysis. In line with the ethos of the Consortium, these reports present results in such a way as to ensure a significant element of continuity and consistency from one report to the other, whilst also ensuring that each report captures the contemporary issues of relevance to the sector of agriculture in England to which it relates.

We believe these reports will make a valuable and useful contribution to the farming industry and we commend them to you.

Prof. Martin Seabrook

(Chief Executive of the Consortium)

Spring 2007

Foreword to the Tenth Series

This series of reports on the economics of agriculture and horticulture in England celebrates ten years of *Rural Business Research (RBR)* providing independent data and analysis to the individual sectors of the agricultural and horticultural industry. Drawing upon Farm Business Survey data from the 2014/15 financial year our reports are set against a modest decrease in overall Farm Business Income (FBI) of around 8% to an average £39,700 per farm. Of this overall measure of farm business profitability, the income derived from the Single Payment Scheme accounted for around 55%, highlighting the importance of support payments to the average farm business in England. The 2014/15 data relates to the 2014 harvest / production year – since this time there have been some marked downturns in a number of output prices for farm businesses – it is therefore clear that the importance of policy support to businesses at the start of 2016 is even greater than the above data indicates.

Over the ten years that RBR has been presenting this series of reports, farm businesses have witnessed widely fluctuating fortunes due to the vagaries of world market input and output prices and fluctuations in weather patterns. Throughout this period our reports have sought to demonstrate the variation in performance across farm businesses, within the specific sectors covered in each report, and also to provide businesses with the independent data required to benchmark their own performance and explore possibilities for production within the sectors. Ten years on, our aim to provide comprehensive and independent analysis remains at the very core of our work on the Farm Business Survey research programme for England.

The wider agricultural and horticultural market place in the mid-2010s clearly demonstrates the need for farm businesses to focus on the market opportunities for their produce and to understand the wider economic environment in which they operate. There are a number of technical and weather-related issues facing farm businesses at the start of 2016. But arguably the largest political issue over recent decades – the EU referendum which the current government will hold on the 23 June 2016 – represents the greatest uncertainty. There will be numerous debates and discussions about this major political issue over the coming months and, potentially, years. Given the importance of the EU Common Agricultural Policy support to the average FBI figures for 2014/15, the outcome of the EU referendum will be closely watched by those managing UK farm businesses. At the same time, the wider global economy continues to exhibit rather sluggish performance, with UK inflation remaining around the 0% mark, oil prices substantially lower than a year ago and signs of any interest rate increase in the UK being continually pushed further out into the future. With recent price volatility, and generally lower output prices, it remains important for businesses to plan ahead and focus on financial margins in contrast to physical output performance.

Against this wider economic context we hope that this tenth series of reports helps farm businesses in England to examine and benchmark their own performance. Our research work within the FBS programme could not be possible without the direct support of our farmer and grower co-operators and the wider support of agricultural and horticultural businesses and sector stakeholders; our thanks are given to them all.

Professor Paul Wilson
Chief Executive Officer, Rural Business Research
January 2016

www.ruralbusinessresearch.co.uk

Acknowledgements

Rural Business Research thanks sincerely all those farmers and growers who have voluntarily provided records and information on which the annual Farm Business Survey, and this report, is based.

The basic information on which this report is based was collected on behalf of, and largely financed by, the Department for Environment, Food and Rural Affairs and is Crown Copyright.

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The report illustrates the importance of horticulture to UK agriculture output, the composition of its sectors and highlights historical and current trends in the output, prices and the areas used for horticultural crop production. The review also includes price indices for key products and inputs.

Highlights:

- In 2014, the output from horticulture was £3,008 million, 12% of total agricultural output
- During the last decade, there has been an average annual increase of just over 5% in output (based on current prices) for total horticultural production, though a decrease of 6% was recorded between 2013 and 2014; vegetables and non-edibles showed decreases of 10% and 4% respectively
- Vegetable production remains the largest horticultural sector, in terms of both land use and output, accounting for 41% of total UK horticultural output and 73% of total productive horticultural area in 2014; the proportion of total horticultural output from vegetable production has reduced over the last 30 years from a high of 56% in the decade 1985 to 1994, with output from non-edibles (39%) and fruit (21%), increasing in 2014
- In 2014 the UK was 37% self-sufficient in all vegetables, 17% in all fruit and 50% in all ornamentals, in terms of value
- The index of producer prices showed some wide variability between 2014 and 2015 with indices for dessert pears down 11 points, strawberries up 2 points and onions down 7 points
- The index of purchase prices saw fuel for heating increase every year in the period 2010 to 2014, with significant increases observed in 2011 (10.7), 2012 (9.3) and 2013 (8.1); falling oil prices on the world market have followed through with the index for fuel for heating down 4.2 between 2014 and 2015

Section 2

A review of the financial results derived from the Farm Business Survey (FBS) for the 2014/15 financial year.

The stratification of the FBS horticulture sample is explained and key trends are shown for the businesses included both, as a whole, and for the four main sectors of Glass, Fruit, Hardy Nursery Stock (HNS) and Other Horticulture. The results for each group are presented in tables reporting on output, costs and Farm Business Income (FBI) at a business level, per hectare and per £100 of gross output basis.

Highlights:

- The number of FBS eligible horticultural businesses in 2014 was 3,295, while the total FBS sample was 186 businesses, representing 5.6% of the national population of eligible businesses
- Weather conditions for the 2014/15 financial year were more beneficial than in the previous year, enabling higher yields but generally poorer prices.
- Profitability for all Horticultural businesses, as measured by Farm Business Income (FBI), fell by 7% to £31,500 per business in 2014/15
- Specialist Glass and Specialist Hardy Nursery Stock type businesses increased profitability by 9% and 16% respectively, whereas Specialist Fruit and Other Horticulture type businesses both decreased profitability by 21%
- Across the whole sample gross output fell by 3%, variable costs were 4% lower, and fixed costs remained virtually unchanged

SECTION 1: THE HORTICULTURAL SECTOR

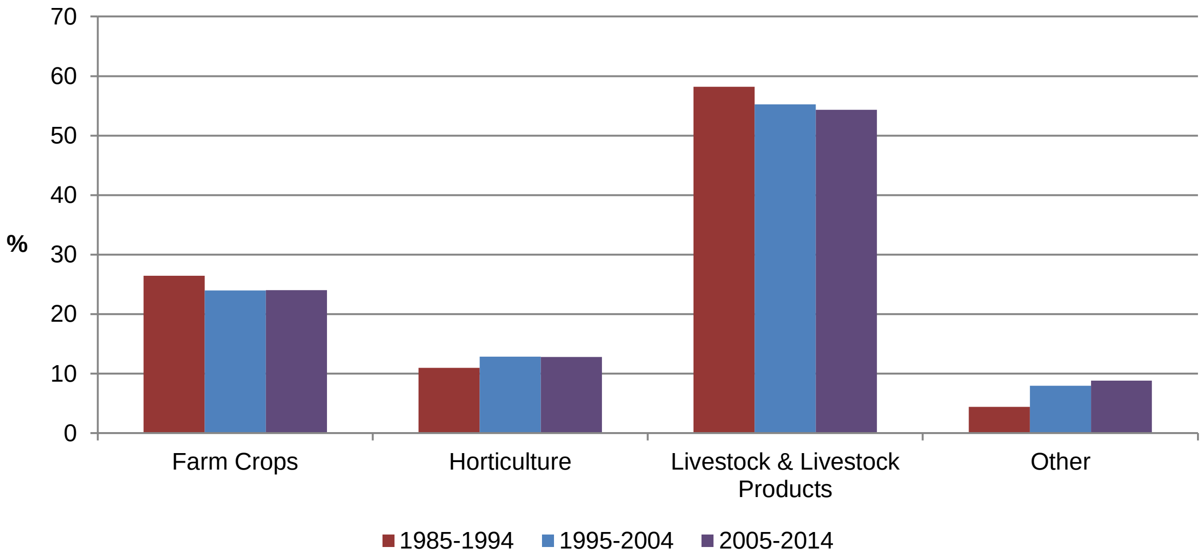
1.1 The contribution of horticulture to UK agricultural output

Total agricultural output in the UK was £25,779 million in 2014, down 2% from the previous year with decreases in output from the livestock sector, farm crops and the horticultural sector, but offset by an increase in other agricultural activities.

Horticulture remains a small but important part of the UK agricultural sector, and the proportion of its output has changed little over the past thirty years. Total horticultural output in the UK was £3,008 million in 2014, contributing 12% to total agricultural output.

Average horticultural output in the decade of 2005 to 2014 was £2,623 million, an increase of £1,044 million (66%), compared with the average for the period 1985 to 1994.

Figure 1.1 Composition of total UK agricultural output, ten year average (%)[1]



Note: Output from crops and livestock does not include payments from the Single Farm Payment Scheme and other decoupled subsidies, which are recorded in "Other" output.

1.2 Historic changes in the composition of the main sectors of horticulture

Horticulture can be split into the three main sectors of fruit, vegetables and non-edibles. The output and area used by each sector has varied over the past thirty years, however, the vegetable sector consistently accounts for the largest proportion of both output and the use of land, followed by non-edibles and fruit.

The total area of horticultural land declined from 213,648ha in 1986 to a low of 165,923ha in 2006, increased to 175,309ha in 2011 and then dropped to 163,355ha in 2013. No significant change was observed in the area of land devoted to horticultural production between 2013 and 2014.

Total horticultural output has grown steadily in the past three decades, rising from £1,157 million in 1985 to £3,008 million in 2014. There was a decrease of just below 6% in total horticultural output between 2013 and 2014, going down from £3,187 million to £3,008 million.

Vegetables

Vegetable output in 2014 was £1,220 million, down 10% from 2013 and comprising 41% of total horticultural output.. The proportion of horticultural output, see figure 1.2, derived from vegetables has dropped from an average of 56% (£878 million) in the decade of 1985 to 1994, to 44% (£1,146 million) in the most recent decade (2005 to 2014), as the rate of growth in output from ornamentals and fruit production exceeded that from vegetable production. Since the period 1985 to 1994, the proportion of horticultural land used by the vegetable sector has increased, rising from 68% (137,362ha) to 73% (121,260ha) in the past decade of 2005 to 2014, though the area used for growing vegetables has reduced in line with the reduction to the area devoted to horticultural production.

Fruit

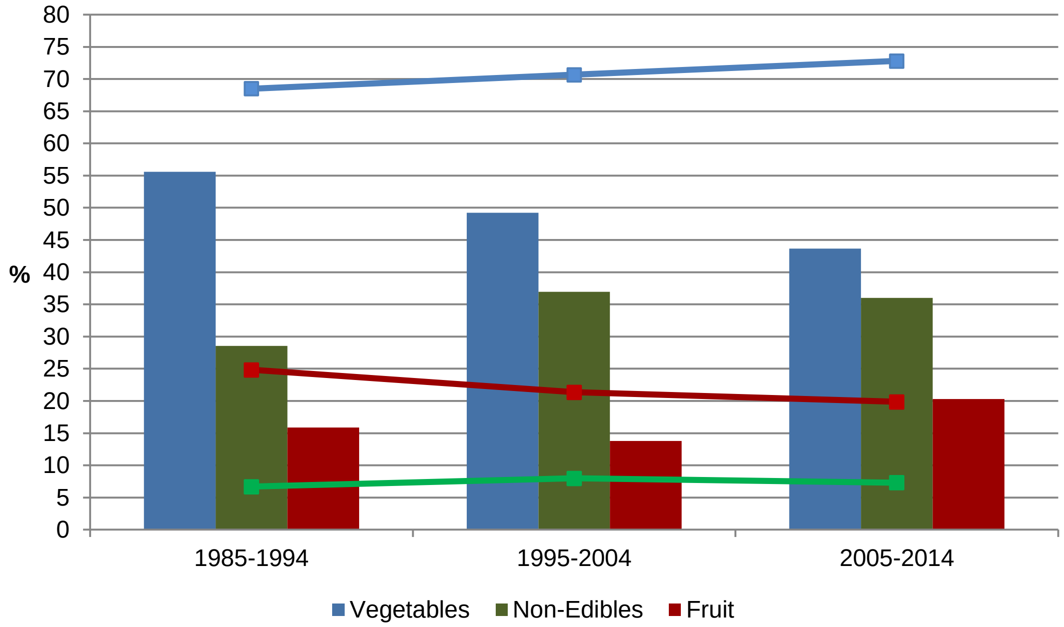
The fruit sector is the smallest in terms of horticultural output. Fruit output amounted to £622 million in 2014, an increase of just over 1% on the previous year and amounting to 21% of total horticultural output. Although the general trend has seen output grow, it has fluctuated on a year-on-year basis during the past 30 years. The contribution from the fruit sector to total horticultural output has increased from an average of 16% in the period 1985 to 1994, to an average of 20% in the period 2005 to 2014. The area of land used for fruit production in 2014 was 32,813ha, representing 20% of the total horticultural land area, which has varied between 19% and 21% since 2005, following a sharp decline since the 1980's; in 1985 there was 54,593ha of land in fruit production, 66% more than at present.

Non-edibles

The production of non-edibles is the smallest sector in terms of area, occupying just 7% (11,996ha) of the total horticultural area in 2014, but it generates 39% of output from horticulture. In value terms total output from non-edibles was £1,166 million in 2014, representing a 4% decrease on the previous year. The area of land used increased by 23% from 1985 to a peak of 15,048ha in 2002. It has since declined to 11,996ha, in contrast with output, which has increased progressively in the past thirty years, from an average of 29% of total horticultural output in the period 1985 to 1994, to 36% in the most recent decade of 2005 to 2014.

Figure 1.2 Composition of UK horticultural output and area (%)[1]

The lines represent proportion of total horticultural area, while the bars represent proportion of total horticultural output.

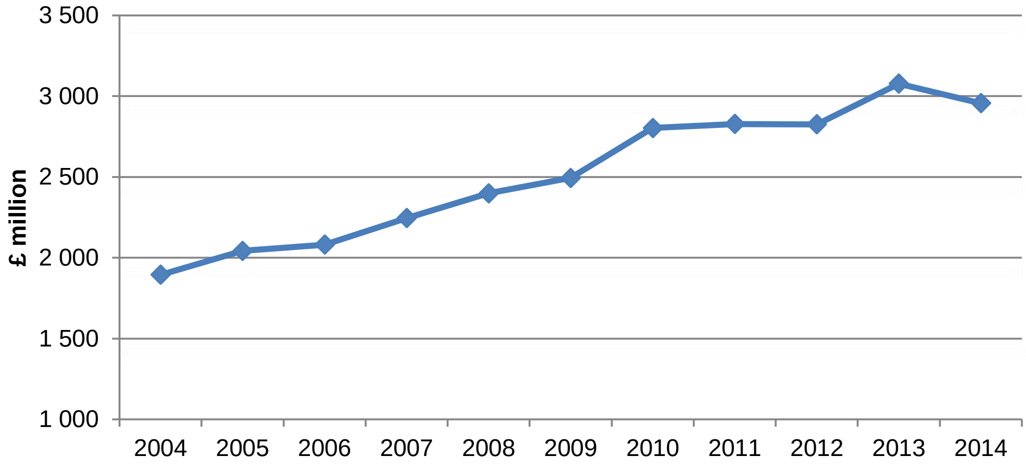


Note: Each sector includes both field grown and protected crops (crops grown under glass and polythene tunnels) for output, while the data for land area under production does not include protected horticultural crops (of which there is approximately 2,000ha) due to lack of data. The area relates to the total area that crops are grown on, which for some crops sees more than one crop harvested from the same area of land during the cropping year (multiple cropping).

1.3 Horticultural production in the past decade

Total horticultural output in the UK (in current prices) has increased by 56% since 2004, rising from £1,895 million to £2,956 million in 2014. The upward trend observed in the period was down to growth in most sectors. In 2014 there has been a notable increase of £40 million (11%) in output from soft fruit and a notable drop of £140 million (14%) in output from field vegetables.

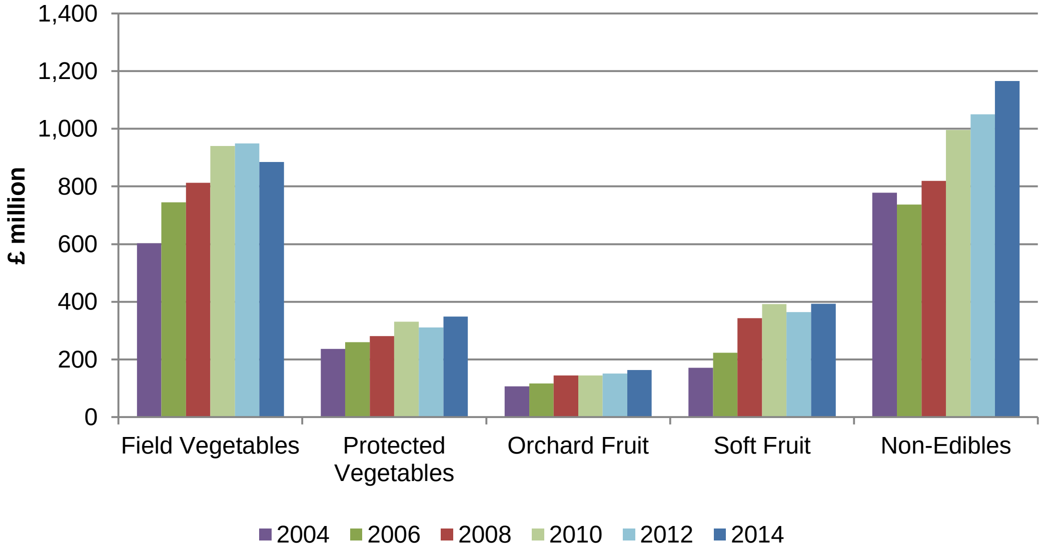
Figure 1.3 Total horticultural production in the past decade (current prices: £m)[1]



When three year average figures are used for comparison, the average for the years 2012 to 2014 compared with the years 2002 to 2004 shows a marked increase in output for soft fruit (127%), orchard fruit (69%), field vegetables (60%), non-edibles (49%) and protected vegetables (22%); average total horticultural output went up from £1,887 million in the period 2002 to 2004 and to £2,953 million in the period 2012 to 2014.

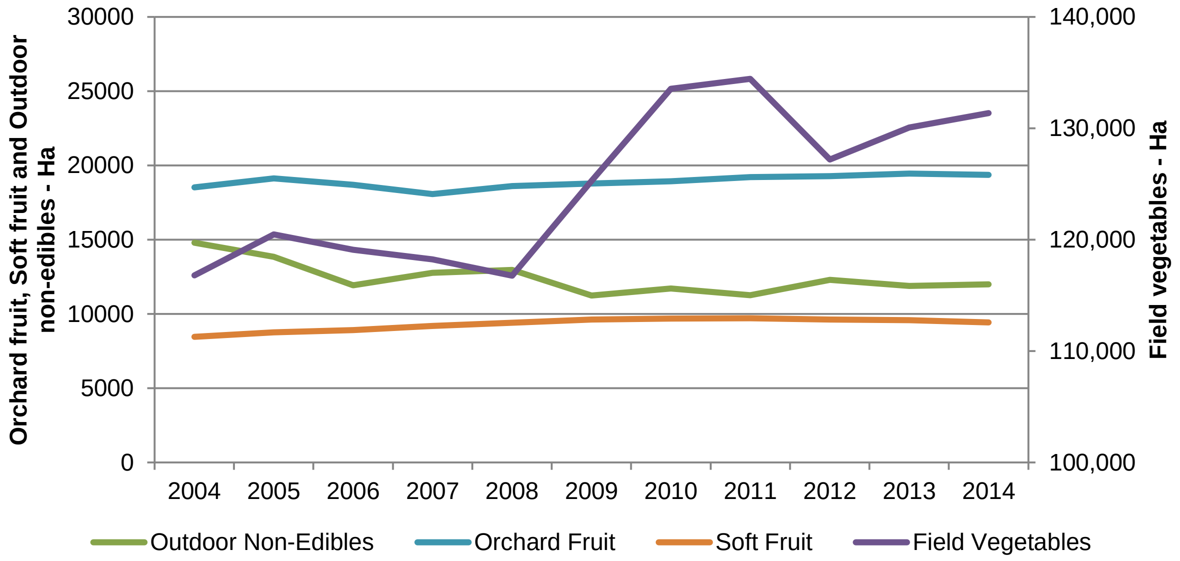
Soft fruit output has been largely due to the expansion in the area of protected fruit grown under glass and Spanish tunnel systems, up by 31% (53ha), compared with 2004.

Figure 1.4 Value of horticultural production (current prices: £m)[1]



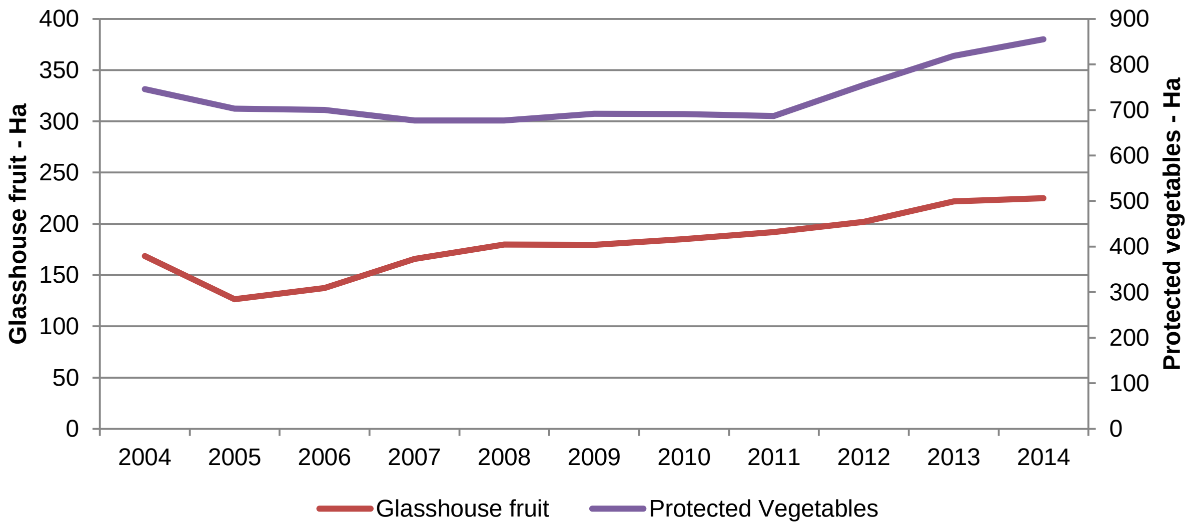
Large scale grubbing of orchards took place in the 1980s with a subsequent reduction of 11% (2,134ha) to their area from 2002 to 2007. Since then the area of productive orchards has increased and totalled 19,378ha in 2014. The area of non-edibles grown outdoors was 11,996ha during 2014, down by 19% (2,803ha) since 2004. Between 2005 and 2014, although the total area of field vegetables fluctuated, it was only by 9% of the average for the period. The total area of field vegetables grown in 2014 was 131,374ha. Soft fruit was grown on a total of 9,440ha during 2014, a reduction of 2% (144ha) on 2013.

Figure 1.5 Area of outdoor grown crops in UK[2]



The area of protected vegetables grown in the years 2004 to 2014 has shown marked fluctuations. During the period between 2003 and 2008 there was a reduction of 25% (228ha), whilst between 2008 and 2014 there was an increase of 26% (178ha). In 2014, protected vegetables were grown on a total of 855ha. The area of glasshouse fruit was 225ha, an increase of 57% (82ha) since 2003. No data is currently available on the area of protected ornamentals grown since 2007, when 821ha was recorded, having decreased from 1,019ha in 2003.

Figure 1.6 Area of protected crops in UK[1,2]

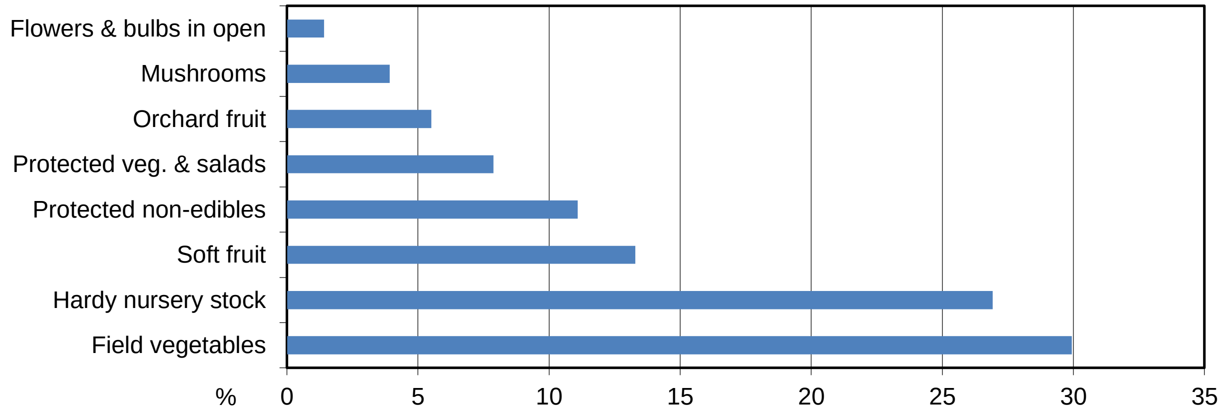


<u>Note</u>: The area of crops in figures 1.5, and 1.6 relate to the total area, which for some crops will be for more than one crop harvested from the same area of land in the same cropping year (multiple cropping).

1.4 The horticultural sector in 2014

The total value of horticultural produce in 2014 amounted to £2,956 million. Field scale vegetables made up the largest share of total output (30%), with the sector also accounting for four fifths of the total area of horticultural production. Flowers and bulbs grown in the open accounted for the lowest share of the total output at 1%, grown on just 7% of the total area.

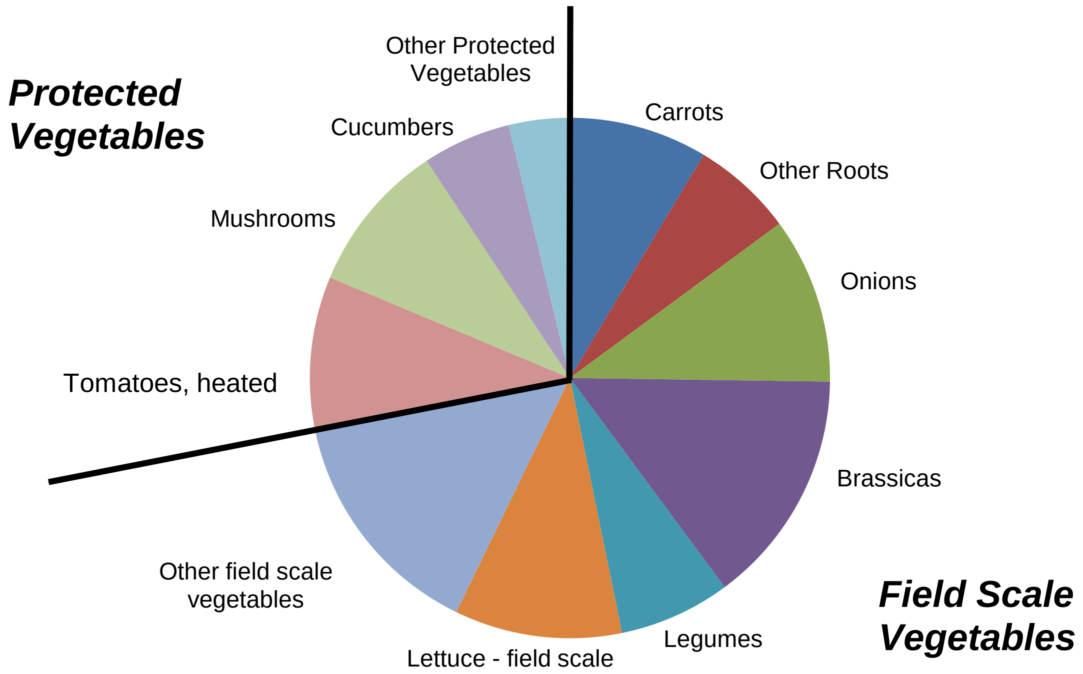
Figure 1.7 Value of horticultural produce in 2014 by proportion of total output [1]



Field scale vegetable production accounts for just over 70% of total vegetable output and includes brassicas, carrots, beetroot, legumes, parsnips, turnips, swede, asparagus, watercress, leeks, lettuce, rhubarb, celery and onions (dry bulb and green). Brassicas account for the largest proportion by category at 15% of the total output from vegetables.

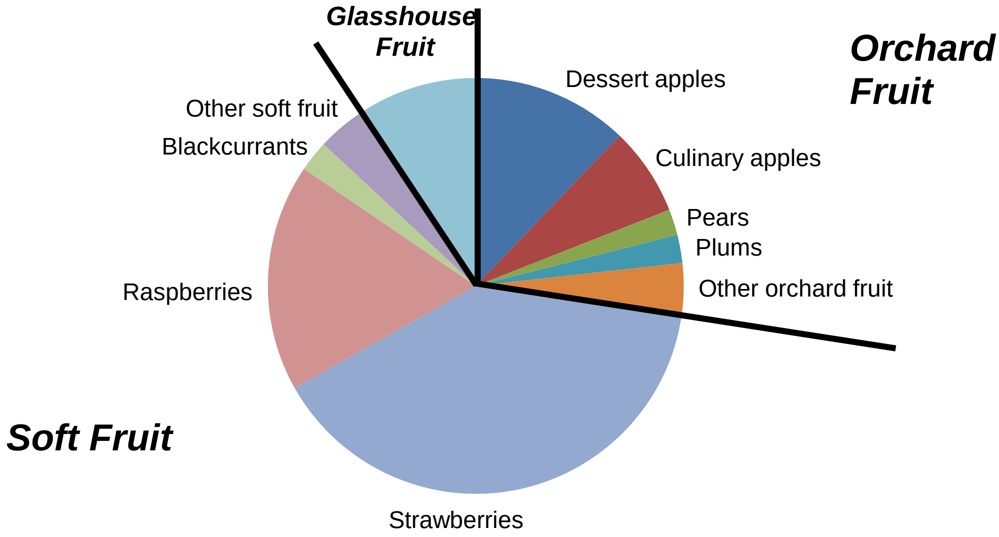
Protected vegetable output includes crops grown in both heated and cold glasshouses and polythene tunnels. Mushrooms and tomatoes between them contribute the highest output, accounting for 9% and 10% respectively of total vegetable output. Other protected vegetables include crops such as celery and sweet peppers.

Figure 1.8 Composition of vegetable output in 2014[2]



Total fruit output by value was £616 million, with the production of field grown soft fruit generating £393 million (64%), orchard fruit £167 million (27%) and glasshouse fruit £55 million (9%). Strawberry production contributed by far the greatest share of all soft fruit production at £244 million (62%), and 40% of total fruit production. Dessert apples generated 45% of orchard fruit output.

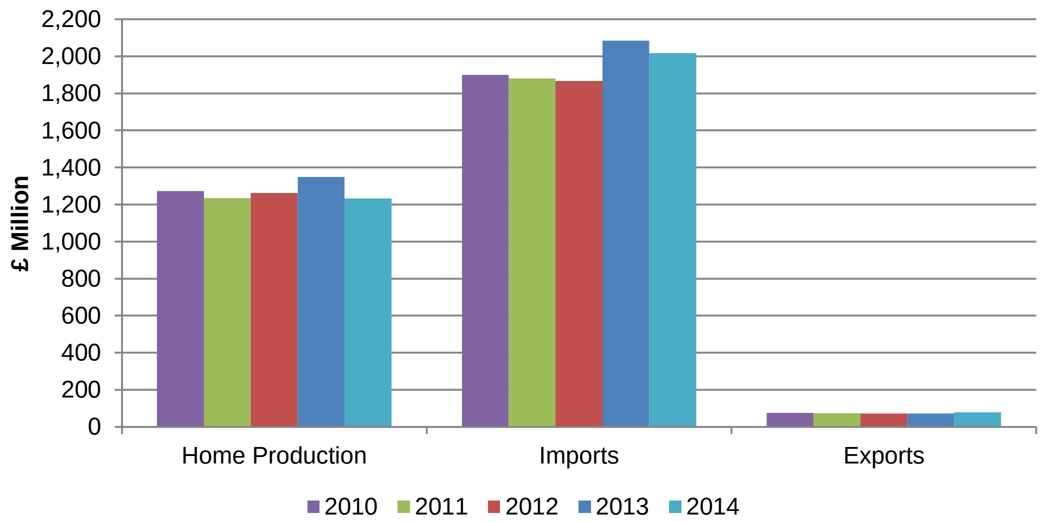
Figure 1.9 Composition of fruit output in 2014[2]



1.5 Imports and exports of horticultural produce

The UK was 37% self-sufficient in all vegetables in terms of value in 2014, ranging between 36% and 38% over the past decade. There was a 2% decrease in the value of vegetable imports between 2013 and 2014, with an 11% increase in the value of exports. The value of home produced vegetables has increased over the past decade, being 35% higher in 2014 than in 2005, using actual prices.

Figure 1.10 Value of vegetables (£m)[2]



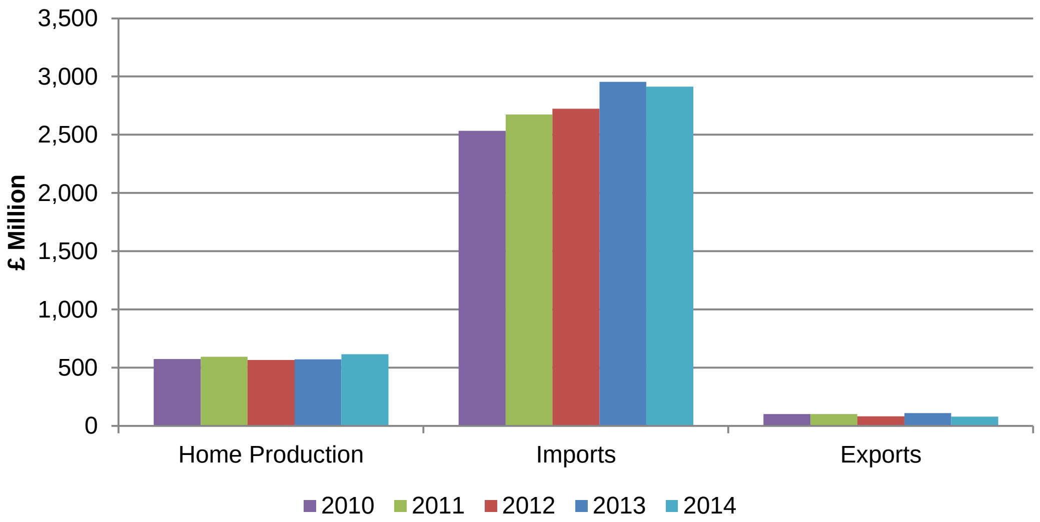
In terms of production levels, there has been a slight increase of 21,000 tonnes (<1%) in the marketing of home produced vegetables since 2005. Imports of vegetables have increased by 240,000 tonnes (11%), while exports increased by 30,000 tonnes (10%) in the same period. Fresh vegetable imports, in terms of value, totalled £2,017 million in 2014, an increase of £68 million (3%) on 2013. Tomato imports were the most significant of the imported crops, accounting for 20% (£415 million) by value followed by sweet peppers making up 12% (£240 million) of import value. The total quantity of fresh vegetables imported in 2014 was 2,180 million tonnes, a fall of 2% on 2013, with onions totalling 405.2 million tonnes (19%) and tomatoes 413.3 million tonnes (19%).

The total value of fresh vegetables exported in 2014 was £80 million, a 13% increase on 2013. Carrots, lettuce and turnips were the main fresh vegetables exported in terms of value, accounting for over 25% (£21.4 million) of exports, followed by tomatoes at 7% (£5.6 million). Carrots and turnips made up the largest share of exports, accounting for 38.6 thousand tonnes (33%) of the 118.7 thousand tonnes of fresh vegetables exported.

Fruit

In 2014, in terms of value, the UK was around 17% self-sufficient in fruit. There has been a small increase in the self-sufficiency of fruit in the UK since 2005, when it was recorded as being 16%.

Figure 1.11 Value of fruit (£m)[2]



Note: Fruit imports include some dried fruit as data on fresh produce cannot be obtained separately.

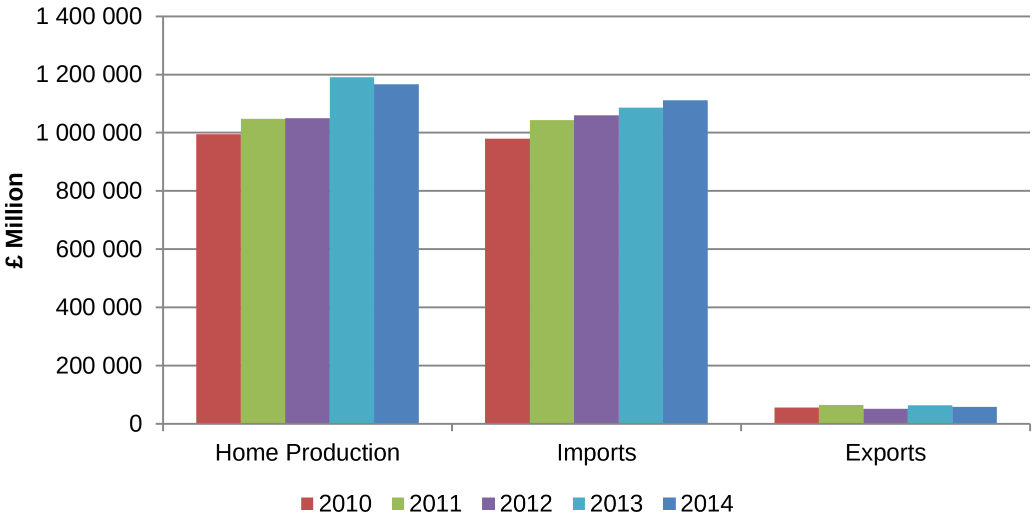
The value of fruit imported in 2014 totalled £2,915 million, a fall of £40 million (1%) on 2013. While the value of fruit imports appears to be high in comparison to the value of home production, approximately two thirds of imported fruit cannot be grown in the UK. For example, bananas and grapes represent 17% (£502 million) and 16% (£452 million) respectively of the value of imported fruit. Bananas also made up the largest share of the imports, accounting for 1,150 thousand tonnes (32%) of the 3,610 thousand tonnes of fruit imported. Apples were the second largest import, amounting to 444 thousand tonnes (12%). The total quantity of fruit imported increased by 49 thousand tonnes (1%) between 2013 and 2014.

The export figures include re-exported fruit and hence include some exotic fruits such as bananas, oranges and grapes. Fruit exports by value, totalled £80 million in 2014, a decrease of £30 million (27%) on 2013. Bananas being the most significant, generating £14 million (18%) of the export value, followed by grapes at £10.8 million (14%), oranges at £9.4 million (12%), apples at £9.3 million (12%). Of other fruit, strawberries accounted for £2.2 million (3%) and raspberries £1.1 million (1%). The total quantity of fruit exported was 103 thousand tonnes, a decrease of 44 thousand tonnes (30%) on the previous year, with oranges accounting for 30 thousand tonnes (30%), bananas 23 thousand tonnes (22%), apples 16 thousand tonnes (16%), grapes 6 thousand tonnes (6%) and strawberries 1 thousand tonnes (1%) of the total.

Non-edibles

The UK was 50% self-sufficient in the production of ornamentals in 2014, with only very small changes observed in the past three years, although the rate is up significantly (7%) since 2006.

Figure 1.12 Value of non - edibles (£m)[2]



The total value of imports of non-edibles was £1,119 million in 2014, an increase of £25 million (2%) on 2013. Cut flowers were the biggest import by value, with cut roses the most significant at £163 million (15%), followed by chrysanthemums at £109 million (10%). Indoor plants accounted for 12% of all imports (£136 million), while bulbs accounted for 7% (£82 million). The value of exported non-edibles was £59 million in the year, a fall of £6 million (9%) on 2013. Cut flowers were the biggest export by value, accounting for £24 million (41%) of all exports, with bulbs accounting for 12% of the exports, with a total export value of £7 million.

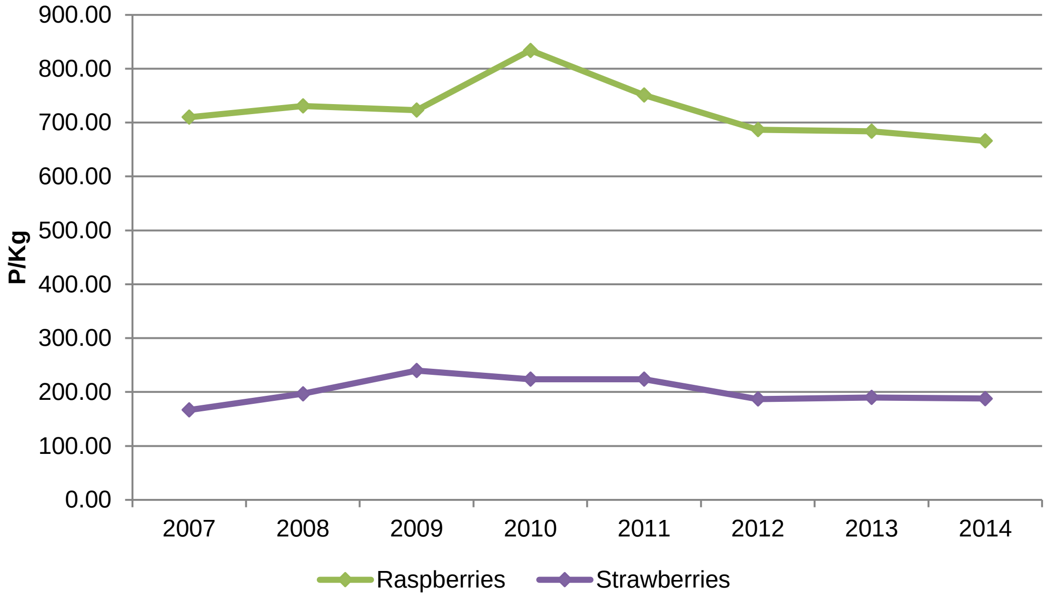
1.6 Farm gate prices (actual): recent trends

There has been a high degree of inter-year variability in the price of vegetables in the past decade, with the price of cabbage a good example of this variation; up from 31p/kg in 2007 to 43p/kg in 2011, dropping back to 25p/kg in 2012, up to 32p/kg in 2013 and easing back to 27p/kg in 2014. However, the average farm gate price for many vegetables was lower in 2014 than the baseline year of 2007. For example, brussels sprouts were 38% lower, at 24p/kg, calabrese 46% lower at 67p/kg, carrots 3% lower at 29p/kg, parsnips 4% lower at 87p/kg and lettuce 3% lower at 29p/kg. The exceptions to the price decreases were tomatoes, which were up by 5% at 78p/kg, cucumbers up by 27%, at 70p/kg and mushrooms up 70% at 180p/kg.

Fruit prices have also been subject to considerable variation in recent years. Overall though, unlike vegetables, average prices were mostly higher in 2014 than they were in 2007. Plums and gages were up 75%, at 49p/kg, pears up 21% at 52p/kg, both cooking apples and dessert apples were up 13% at 61p/kg and 60p/kg respectively. Strawberries were also up 13%, at 188p/kg, although raspberries were down 6%, at 666p/kg.

The price of plums and gages has varied most in the time period 2007 to 2014, increasing from 65p/kg in 2007, to 120p/kg in 2008, falling to 78p/kg in 2009, rising to 136p/kg in 2012 and dropping back to 114p/kg in 2014.

Figure 1.13 Average soft fruit farm gate actual prices[3]

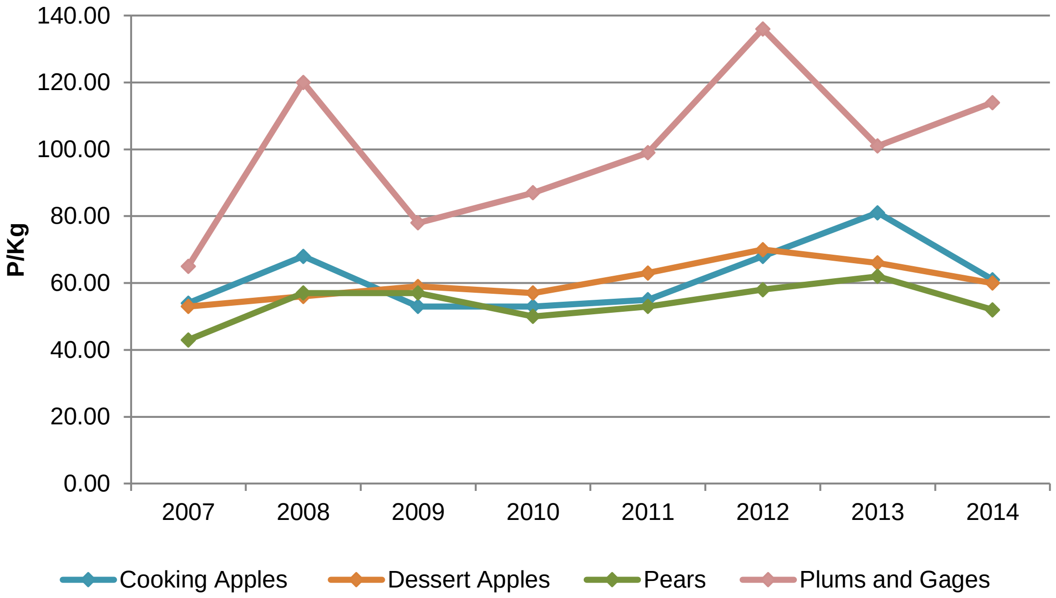


The 2014 tonnage of strawberries produced was a record for the UK, with a total of home production marketed of 104 thousand tonnes. Exports accounted for an additional 1,000 tonnes. The growing conditions during 2014 were favourable for good yields with good levels of sunshine, low humidity, warm temperatures and cooler nights. The average price for strawberries dropped 2 p/kg (<1%) between 2013 and 2014.

Growing conditions were also favourable in 2014 for raspberries, with mild weather throughout the spring getting the crop ready for a good harvest. Home production marketed in 2014 increased by 22%, to 18 thousand tonnes, the highest since 1992 (20 thousand tonnes). Exports in 2014 amounted to 300 tonnes. The average price for raspberries fell by 3% (18p/kg) between 2013 and 2014.

The introduction of polythene tunnels in the early 1990s and of new plant varieties have been major factors in the successful expansion of the soft fruit sector. Another recent development to note that is also contributing towards growth in the sector is the use of glasshouses originally erected for salad and flower crops. These structures provide a controlled environment allowing berry fruits to benefit from the constant temperatures and humidity that is maintained the same throughout the growing season.

Figure 1.14 Average top fruit farm gate actual prices[3]

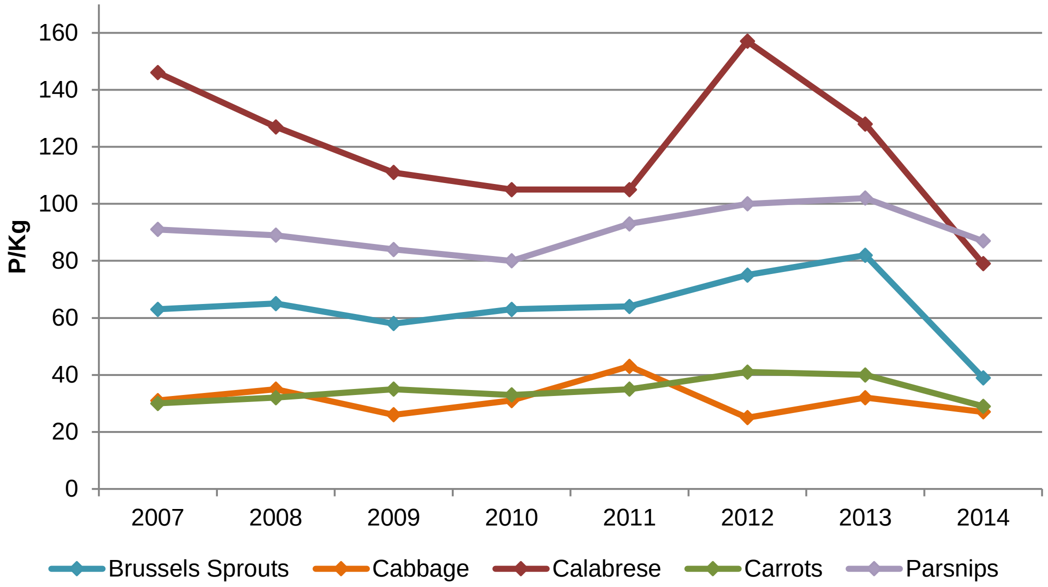


During the 2014 growing season the weather was ideal for apple production, with an early spring, warm temperatures, good levels of sunshine and adequate rainfall. Total home production marketed, was 242 thousand tonnes, up 12% on 2013. Although there was a 25% fall in price from 81p/kg to 61p/kg between 2013 and 2014, culinary apples have risen in value by 13% overall since 2007. The fall in price was less dramatic for dessert apples between 2013 and 2014, down 6p/kg, to 60p/kg (9%). Between 2007 and 2014, apple production grew by 13%.

Pear home production marketed was up 19%, to 26 thousand tonnes, with a price decrease of 16%, from 62p/kg to 52p/kg. During the period 2007 to 2014, the price increase was 21%, with a rise of 26% in home produce marketed.

Plum home production marketed fell by 700 tonnes (6%) to 11,700 tonnes, but this was matched by additional imports. There was a 13% price increase between 2013 and 2014, to 114p/kg.

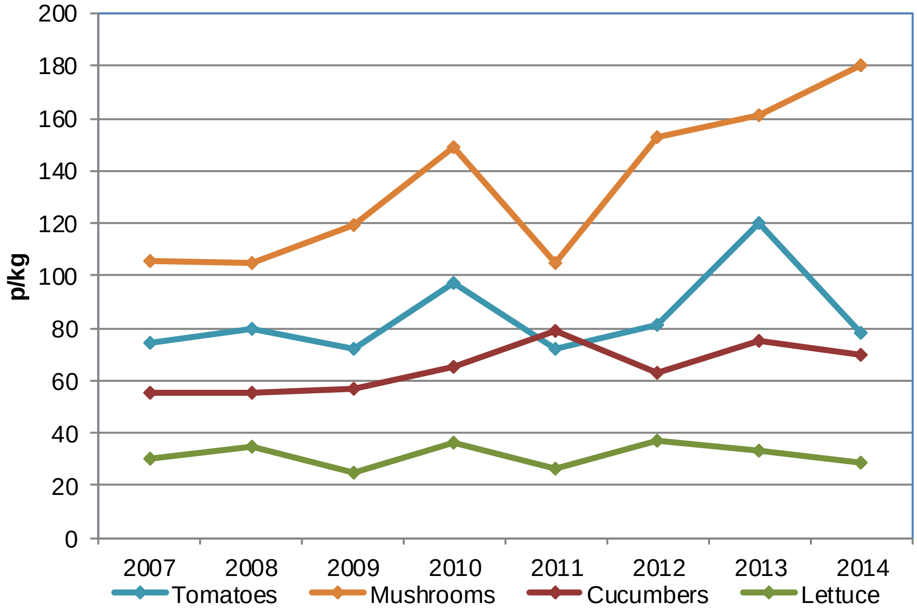
Figure 1.15 Average outdoor vegetable farm gate actual prices[3]



Field scale vegetable production was 6% higher at 2.5 million tonnes in 2014, but the value dipped from 2013, by 14% to £885 million, due to generally lower prices caused by oversupply and a lack of demand. Between 2013 and 2014, brussels sprouts were down 52% (43p/kg), calabrese down 38% (49p/kg), carrots down 28% (11p/kg) cabbages were down 16% (5p/kg) and parsnips down 15% (15p/kg).

Of the field grown vegetables, the price of calabrese has varied the most in the past eight years; down from 146p/kg in 2007 to 127p/kg in 2008, and to 105p/kg in 2010 & 2011, up to 157p/kg in 2012 and down to 79p/kg in 2014. The average price of brussels sprouts and carrots in 2014, at 39p/kg and 29p/kg respectively, was the lowest for carrots since 2007 and the lowest for brussels sprouts since 2009.

Figure 1.16 Average salad crop farm gate actual prices[3]



Salad vegetable production rose by 2.3% in 2014, to 289 thousand tonnes. The warm weather in 2014 provided the crops with excellent growing conditions and led to good yields and high quality. Production has been increasing since 2008 and was 16% higher in 2014 than in 2008, with tonnages of most salad crops showing similar increases. The total value of protected vegetables rose by 7.8% in 2014, to £348 million.

Many of the salad crops saw their average farm gate price decrease in 2014, with tomato prices down 35% to 78p/kg, lettuce down by 12% to 29p/kg and cucumbers down 7% to 70p/kg. By contrast the average price of mushrooms was up 12% on 2013, to 180p/kg.

1.7 Price Indices in the UK

Table 1.1 Index of producer prices (Index: 2010 =100)[4]

	2010	2011	2012	2013	2014	2015*
Dessert apples	100.0	107.0	118.0	117.1	112.3	112.5
Dessert pears	100.0	101.2	116.9	129.4	114.4	103.4
Strawberries	100.0	91.8	87.4	84.0	87.0	89.3
All fresh fruit	100.0	98.7	103.7	104.8	101.7	100.6
Lettuce	100.0	85.5	110.1	104.9	101.9	100.8
Onions	100.0	94.1	68.3	96.9	102.1	94.8
Cabbage	100.0	108.4	120.3	113.4	95.9	108.0
All fresh vegetables	100.0	92.7	108.6	110.5	99.9	100.6
Flowers & plants	100.0	101.4	110.3	109.7	114.0	109.3

***Note:** 2015 is data for January to September inclusive.

Table 1.2 Index of purchase prices (index 2010 =100)[4,5,6]

	2010	2011	2012	2013	2014*	2015*
Current Inputs						
Seeds	100.0	105.8	98.5	110.2	102.4	92.0
Fertilisers & soil improvers	100.0	130.4	125.2	113.1	106.8	104.1
Plant protection	100.0	99.8	97.0	98.8	105.3	105.8
Fuel for heating	100.0	110.7	120.0	128.1	133.6	129.4
Hired labour	100.0	102.8	105.8	108.7	110.5	110.5
Capital inputs						
Machinery & other equipment	100.0	103.8	94.3	96.8	114.4	121.4
Buildings	100.0	105.8	107.4	107.7	108.5	107.5
Finance inputs						
Bank rate	100.0	100.0	100.0	100.0	100.0	100.0

***Note:** 2015 is data for January to September inclusive.

The index of producer prices shows wide variability over the past six years, although in 2015 all fresh fruit, lettuce and all fresh vegetables were within one point of their 2010 indices. Most notable changes for the period were for strawberries down 11 points and for dessert apples up 13 points.

The index for all fresh vegetables was virtually unchanged in 2010 and 2015, although inter-year variation was prevalent, notably in 2011 (down 7 points) and 2013 (up 11 points). Variability among individual vegetable crops was greatest for onions, down over 30 points in 2012.

Among the 2015 fruit indices, dessert pears showed an 11 point decrease, strawberries a 2 point increase and dessert apples were unchanged, compared with 2014.

The index for all fresh fruit has ranged from 98.7 (2011) to 104.8 (2013) of the 2010 index of 100, with the largest fluctuation (+5), between 2011 and 2012.

For ornamentals the index ranged from 100 in 2010 to 114 in 2014 and down to 109.3 in 2015.

The index of purchase prices saw fuel for heating increase every year in the period 2010 to 2014, with significant increases observed in 2011 (10.7), 2012 (9.3) and 2013 (8.1). Falling oil prices on the world market have followed through with the index for fuel for heating down 4.2 between 2014 and 2015. Other inputs to record noteworthy increases were for hired labour (11 points) and machinery (21 points). During the period the index for fertilisers and soil improvers showed the greatest variability, increasing by over 30 points between 2010 and 2011 and falling six points and three points respectively in 2014 and 2015, due to a much weaker market for oil in the past year.

SECTION 2: FINANCIAL RESULTS FOR HORTICULTURE IN ENGLAND

2.1 Introduction to the data

The following series of tables are drawn from a sample of farmers and growers who participate in the Farm Business Survey (FBS) in England and whose businesses are classified under one of the four main Defra horticultural type groups. These four type groups of Specialist Glass, Specialist Fruit, Specialist Hardy Nursery Stock and Other Horticulture are defined below.

For the purposes of the Defra classification, field scale vegetable producers are classified as General Cropping farms, and so their results are not included in these tables, although smaller scale outdoor vegetable producers are recorded in the 'Other Horticulture' typology group.

The data in this report were compiled from the 2013/14 and 2014/15 FBS and can be accessed at:

- www.farmbusinesssurvey.co.uk and at
- www.defra.gov.uk/statistics/foodfarm/farmmanage/fbs/publications/farmaccounts

2.2 Definition of horticultural type groups

Horticultural businesses are defined as businesses where horticultural crops or permanent crops including fruit, either alone or in combination, account for over two thirds of total standard output.

Specialist glass

- Market garden vegetables and flowers under glass (either alone or in combination) accounting for more than two thirds of the total standard output of the business, including walk-through polythene tunnels
- The specialist glass businesses have been further sub-divided into those businesses with mainly edible crops (more than 50% of crop output from edible crops) and those with mainly non-edible crops (more than 50% of crop output from non-edible crops)
- In addition to this, the specialist glass group has been sub-divided by the level of intensity of glasshouse production, showing both '50% or more' and '90% or more' of total crop output produced from protected crops

The results from these businesses are found in the following tables:-

- Table 2.5 All specialist glass businesses
- Table 2.6 Specialist glass, mainly edible crops
- Table 2.7 Specialist glass, mainly non-edible crops
- Table 2.8 Specialist glass (50% or more of crop output from glasshouse production)
- Table 2.9 Specialist glass (50% or more of crop output from glasshouse production), mainly edible crops
- Table 2.10 Specialist glass (50% or more of crop output from glasshouse production), mainly non-edible crops
- Table 2.11 Specialist glass (90% or more of crop output from glasshouse production)
- Table 2.12 Specialist glass (90% or more of crop output from glasshouse production), mainly edible crops
- Table 2.13 Specialist glass (90% or more of crop output from glasshouse production), mainly salad crops
- Table 2.14 Specialist glass (90% or more of crop output from glasshouse production), mainly non-edible crops

Specialist fruit

- Fruit (top and soft fruit) accounting for more than two thirds of total standard output of the business
- The specialist fruit group has three sub-groups of mainly top fruit businesses

The results from these businesses are found in the following tables:-

- Table 2.15 All specialist fruit businesses
- Table 2.16 Mainly top fruit – 90% or more of crop output derived from top fruit
- Table 2.17 Mainly top fruit – 90% or more of crop output derived from top fruit, excluding cider apples growers
- Table 2.18 Mainly top fruit – 90% or more of crop output derived from cider apples

Specialist hardy nursery stock

- Hardy nursery stock (HNS) accounting for more than two thirds of total standard output of the business
- The specialist HNS group has two sub-groups; intensive HNS crops with output more than £175,000 per hectare and extensive HNS crops with output less than £175,000 per hectare.

The results from these businesses are found in the following tables:-

- Table 2.19 All specialist HNS businesses
- Table 2.20 Intensive HNS – crop output more than £175,000 per hectare
- Table 2.21 Extensive HNS – crop output less than £175,000 per hectare

Other horticulture

- Businesses in which none of the above categories accounts for more than two thirds of standard output
- The ‘other horticulture’ group has one sub-group of mainly outdoor vegetable growers

The results from these businesses are found in the following tables:-

- Table 2.22 All other horticulture businesses
- Table 2.23 Mainly outdoor vegetables – 50% or more of crop output derived from outdoor vegetables

2.3 The Sample

The Farm Business Survey (FBS) covers businesses with a Standard Output (SO) of 25,000 euros and above. SO is representative of the level of output that could be expected on the average farm under "normal" conditions (i.e. no disease outbreaks or adverse weather) and measures the total value of output of any one enterprise – it is calculated on a per head basis for livestock and per hectare basis for crops.

The sample is drawn from a stratified population of seven regions in England by the four main horticultural typologies of Specialist Glass, Specialist Fruit, Specialist Hardy Nursery Stock and Other Horticulture. Within each stratum a single weight is calculated as the ratio of numbers of businesses in the population and in the sample. The weighting of the FBS results is a two stage process with, firstly, an initial weight being produced and, secondly this initial weight is then adjusted by a calibration procedure. The weights are based on population data from the June business register (see Table 2.1) and are calculated for each design stratum. The initial weights for the FBS are based on the inverse sampling fraction. Suppose for example, there were 250 Cereal farms in the population and of these, 50 were sampled then these 50 sampled farms would be given an initial sample weight of 5 (250/50). These weights are then adjusted (Calibration Weighting) so that they produce representative population totals for a series of calibration variables for which accurate population values are known from other sources. This ensures that the weights produce precise estimates of other variables, with minimal bias, despite the inevitable imperfections of the sampling strategy. This weight when applied to each business represents the number of times that the business' data must be replicated in order to 'represent' the businesses not selected for the sample, so as to reflect the entire population. This weight is applied to all variables.

Since 2010, the classification to farm type for the June Survey database has been based on Standard Output (SO). A minimum size threshold is also used in order to eliminate those businesses which are not deemed to be commercially active. For horticultural crops, the threshold is: one hectare of orchard, 0.5 hectares of vegetable crops or 0.1 hectares of protected crops.

As the FBS sample is drawn from a business level dataset with a minimum Standard Output (SO) of 25,000 euros, the smallest 'commercial' horticultural businesses by June Survey definition are therefore not eligible for the FBS.

The number of FBS eligible horticultural businesses in 2014 was 3,295, while the total FBS sample for the 2014 cropping year was 186 businesses, representing 5.6% of the national population of eligible horticultural businesses.

Table 2.1 FBS sample compared with eligible* horticultural businesses for 2014

(*Businesses with Standard Output of 25,000 euros and above)

	England population 2014 June Survey (number of businesses)	**FBS sample 2014 (number of businesses)**	**FBS sample as a % of population**
Specialist Glass	348	68	19.5%
Specialist Fruit	689	51	7.4%
Specialist HNS	917	33	3.6%
Other Horticulture	1,341	34	2.5%
All Horticulture	**3,295**	**186**	**5.6%**

The 'All Horticulture' group results are based on a sample of 186 businesses and no outliers have been removed from this group.

Within the four broad horticulture groups over 50 different crops and crop groups (e.g. mixed fresh vegetables) are recorded and they are grown in varying systems ranging from heated glasshouses to orchard fruit production, with market garden and Spanish tunnel production in between. Such diversity makes the raising of a representative sample very difficult, resulting in reporting often being based upon groups of a variety of similar but not identical activities to ensure minimum sample size criteria are met and the robustness of the data is maintained. Table 2.2 shows the total number and total area of crops most frequently grown in the FBS horticultural sample.

Table 2.2 FBS horticultural sample (2014/15) – most frequently grown crops

Edible Crops	**No. of crops in FBS horticultural sample**	**Total area in FBS horticultural sample (ha)**
Mixed Fresh Vegetables	36	846.1*
Apples - Dessert	28	583.2
Pears	22	96.9
Apples - Culinary	20	150.2
Apples - Cider	15	370.4
Plums	14	83.4
Strawberries	14	214.6*
Tomatoes	10	16.7*
Lettuce	9	17.2*
Non edible crops		
Container Grown Plants	27	62.1*
Ornamental Trees & Shrubs	21	49.4*
Cut Flowers	9	54.5*
Bedding Plants	25	43.4*
Pot Plants	12	37.5*
Herbaceous Perennials	13	30.9*
Cut bulb flowers	9	54.5*

Note: * Includes multiple cropping of the same area of land

The total basic horticultural cropping area covered by the FBS is 3,643ha; 2.2% of the total horticultural land in the UK as recorded by the June survey in 2014.

The total basic protected cropping area (either glass or polytunnel) in the FBS sample in 2014/15 was 159ha; split between nursery stock (28ha), fresh fruit and vegetables (77ha) and flowers and ornamentals (54ha). When multiple cropping of the same land is taken into account, the total area of protected cropped area was 296ha, representing a cropping intensity of 186%.

There was a total of 1,716ha of unprotected market garden fruit and vegetables, 338ha of outside hardy nursery stock, flowers and ornamentals and, 1,655ha of permanent crops e.g. tree and bush fruit.

2.4 Overview of 2014/15

The average profitability as measured by Farm Business Income (FBI) decreased by just over 7% to £31,500 per business for the whole sample of businesses in 2014/15 when compared with 2013/14, following a 30% increase in the average FBI between 2012/13 and 2013/14.

Although profitability as measured by Farm Business Income (FBI) was down for the sector as a whole, some categories of horticultural production fared better with specialist glass and hardy nursery stock businesses showing increases of around 9% and 16% respectively. However, the decrease in profitability by over a fifth for specialist fruit and other horticulture businesses offset the improvements elsewhere.

Weather conditions towards the end of 2013 were warm with temperatures a little higher than the norm. However, the winter months were very stormy and the wettest for over a century, with major flooding occurring around the country, especially in the Somerset Levels and parts of the Thames Catchment area. Flooding caused some over winter crops to be lost and the very wet ground conditions delayed early drilling and planting of horticultural crops.

Growers mostly benefitted from a warm spring in 2014 with temperatures throughout the March to May period being above normal, though those without irrigation struggled with establishing crops during the very dry spell in the early spring. Temperatures continued above the seasonal average until July, but August was the coldest for twenty years and was also very wet in most of the main growing areas. There was some respite for growers in the autumn of 2014 with the return of warmer weather which helped with the later harvesting of fruit and vegetables.

The UK economy maintained its recovery to grow in 2014 at over 2.5%, following the strong recovery seen in 2013, though by the end of the year the rate of growth had slowed a little suggesting 2015 will see a weakening of the economy. Businesses still operate in a very low interest environment with little sign of an increase to the current low base rate of 0.5% which is welcome news to businesses servicing debt, which has seen the total rise to over £16billion in the UK for the whole of agriculture.

2.5 Financial results for 2013/14 and 2014/15

The results in this section are shown for businesses classified according to the Defra classification system, as described in section 2.3 of this report. They are shown on a ‘per business’, ‘per hectare’ and ‘per £100 of gross output’ basis. It should be noted that all are based on the productive cropping area of the business.

Average results are shown for the 2013 and 2014 harvest years, together with premium results for the 2014 harvest year, where the sample size is large enough for publication. The premium results are for the top quartile of businesses, as measured by a ratio of farm business output to farm business costs and are shown on a per hectare basis. Note that the farm weights are used to allocate farms to quartiles so the number of farms in a quartile will not necessarily be equivalent to a quarter of the sample. This provides a better representation of the full farm population.

The horticultural sector represents a very diverse group of growers, with some operating highly intensive glasshouse operations and others engaged in more extensive top fruit and vegetable production. Overall, average FBI of horticultural businesses decreased by 7% from 2013, to £31,496 per business in 2014. The average total gross output for the sector fell by 3% to £346,440 per business compared with 2013. Total variable costs decreased by just over 4% and fixed costs decreased by less than 1%.

Although horticultural businesses receive little in the way of direct income payments from the Common Agricultural Policy (CAP) support arrangements, the extension of the Single Payment Scheme (SPS) to include permanent crops has enabled top fruit growers to submit SPS claims since 2010.

Figure 2.1 Average FBI per business for Horticultural Businesses in England by farm type

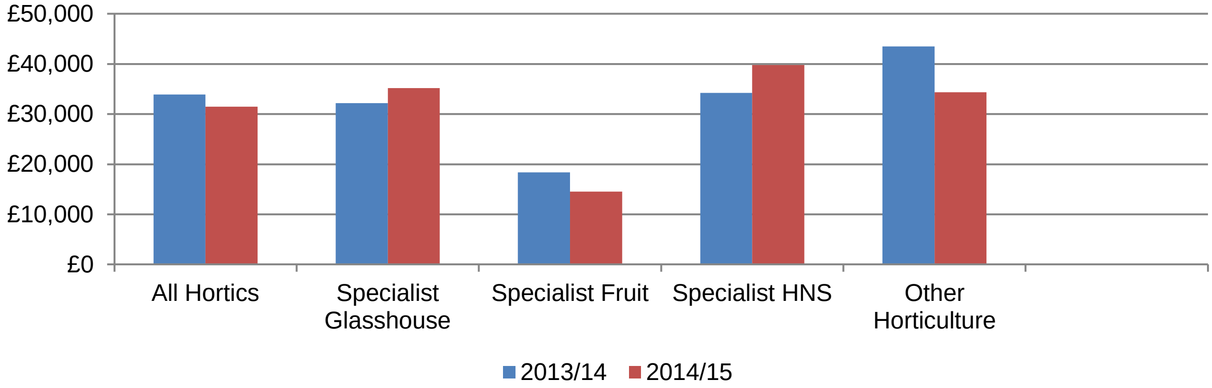
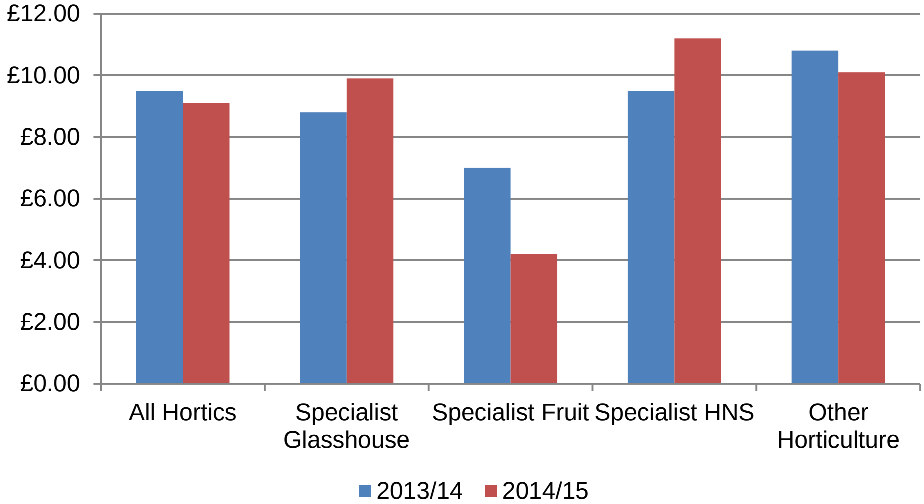


Figure 2.2 Average FBI per £100 of gross output for Horticultural Businesses in England by farm type



There was a rise in profitability among two of the four main horticulture type groups in 2014, with specialist glasshouse and specialist hardy nursery stock showing increases in FBI. The specialist hardy nursery stock group saw the largest increase, up 16% to an average of £39,755 per business followed by specialist glasshouse up by around 9%, up to £35,178. The specialist fruit producers saw a fall in profitability, with FBI dropping 21% to £14,552 per business, whilst the other horticulture group also fell by 21% to £34,332 per business.

2.6 Specialist Glass [Tables 2.5 to 2.14]

There are ten tables reporting on the financial results of specialist glass businesses, differentiating between crop types (edible crops vs. ornamentals) and the level of glasshouse production.

A number of businesses within the specialist glasshouse group have some outdoor crop production; the group has been sub-divided according to the intensity of glasshouse production between businesses with 50% or more of crop output derived from glasshouse production (Tables 2.8 to 2.10) and those with 90% or more of crop output derived from glasshouse production (Tables 2.11 to 2.14).

Table 2.5 Specialist Glass, all crops

The specialist glass group includes both heated and unheated glasshouses and polytunnels and comprised a sample of 68 businesses in 2014/15. Average area of protected production was 0.88ha in 2014, up around 17% from 0.75ha recorded in the previous year.

Total gross output for the whole specialist glass sample was some 2.5% lower in 2014 than in 2013, reducing to £355,921 per business. Variable costs decreased by 10% to £135,568, with the cost of seeds and young plants, along with fertilisers and composts down by 10% and 7% respectively. Whilst the cost of packaging materials fell by around 9%, the cost of glasshouse fuel saw the biggest decrease of variable costs for specialist glass in 2014 compared with 2013, falling by just over 30%. Fixed costs increased by 2% overall with reductions in fuel and electricity and glasshouse depreciation of 17% and 25%, along with large increases in casual labour, contract hire and occupier's repairs of 43%, 58% and 29% respectively.

The sample of 68 specialist glass businesses is split between 41 businesses specialising in ornamental crops and 27 businesses specialising in edible crops.

Farm Business Income (FBI) increased for both the specialist ornamental growers and growers specialising in edible crop production, compared with 2013. When viewed on a per business and per hectare basis, businesses specialising in edible crops recorded an increase of FBI of 55%, whilst recording a decrease of 9% on a per hectare basis. By contrast there was an increase of FBI for ornamental growers of around 8% on a per business basis and of almost 1% on a per hectare basis. Despite a rise of 9% in the average FBI for glasshouse businesses, the financial performance of the premium group (top quartile) was down on the previous year; average FBI per hectare for the 25 businesses in the group in 2014 was £25,031/ha, compared with £76,977/ha for the 15 businesses in the premium group in 2013, or £11.8 per £100 of gross output in comparison to £17.50 in 2013.

Figure 2.3 Average FBI per business for specialist glasshouse businesses in England by farm type

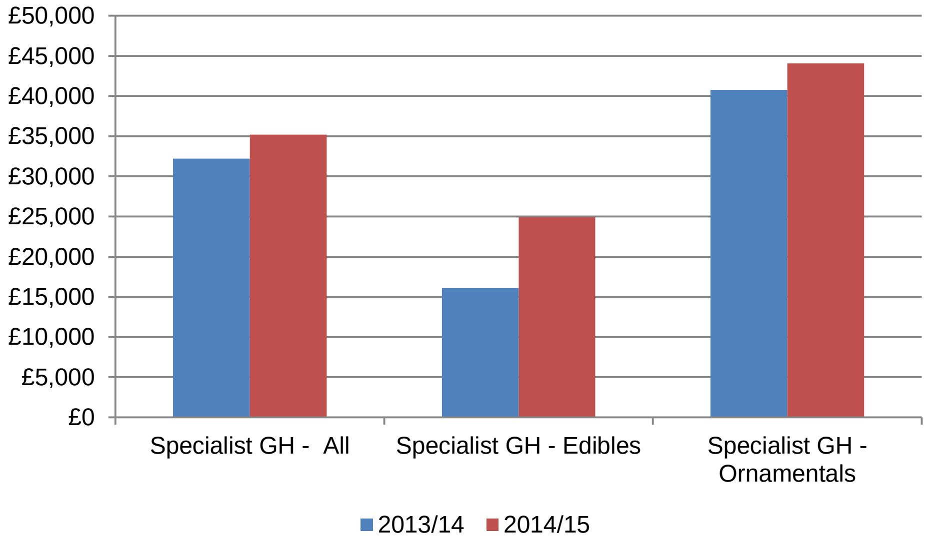


Figure 2.4 Average FBI per £100 of gross output for specialist glasshouse businesses in England by farm type

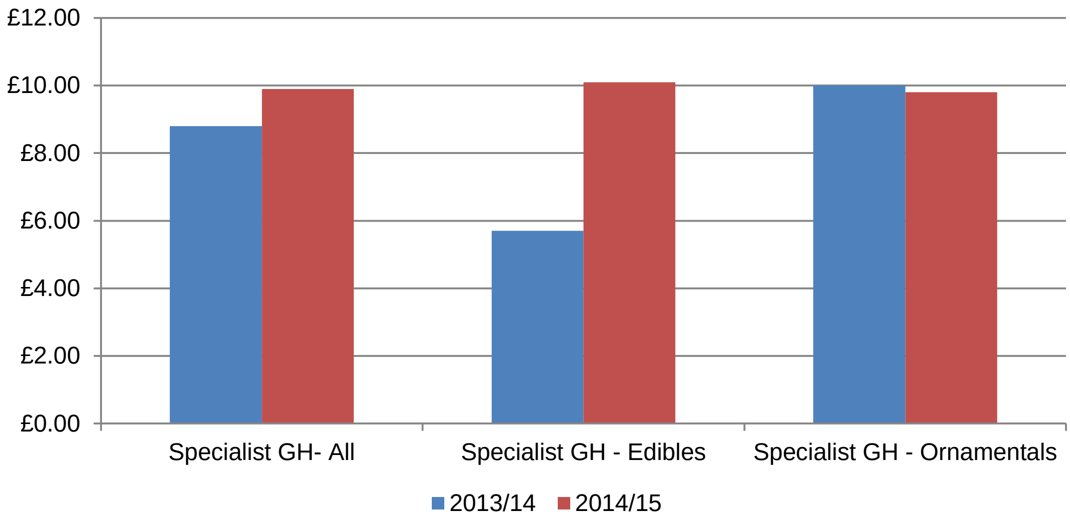


Table 2.6 Specialist Glass, mainly edible crops

The area of glasshouses (including polytunnels) in production per business for this group was 1.14ha in 2014, a slight increase on the 0.98ha in the previous year. In 2014 glasshouse tomatoes contributed about 28% output for the group, down from 33% in the previous year; soft fruit and lettuce contributed a little short of 40% and around 2% of output respectively.

The average profitability for this group increased by 55% to an average Farm Business Income (FBI) of £24,931 per business for the 2014 cropping year. Gross margin per hectare was down nearly 39% to £59,213 despite some notable reductions in variable costs per hectare, for example market charges down by nearly 64%. While total fixed costs were down by 41% to £58,593 per ha, a 9% drop in FBI to £9,284 per ha was recorded. Average FBI for the 13 premium businesses in 2014 was £8,516/ha, or £8.3 per £100 of gross output.

Table 2.7 Specialist Glass, mainly non edible crops

The area of glasshouses in production per business increased 6% in 2014, to 0.67 ha.

Businesses growing ornamental crops under glass saw a rise in Farm Business Income (FBI) of 8%, rising to £44,049 per business, despite increases in variable costs by just under 9% and fixed costs by almost 10%. In comparison, per hectare results for this group resulted in a slight increase in FBI by just under 1%.

The ten premium businesses recorded a FBI of £124,713 per ha, with an average productive area of 0.84ha. Total variable costs for these high performing businesses were lower on a per £100 of gross output by £3.70 than for the average, while fixed costs were also lower by £7.80, resulting in a FBI that was £9 higher than for the average.

Tables 2.8 - 2.10 Specialist glass businesses (50% or more crop output from glasshouse production)

The three tables provide the results for all specialist glasshouse businesses where 50% or more of the output is derived from glasshouse production, and for the sub groups of those specialising in the production of edible and non-edible crops.

The average profitability per ha of this group is £31,834, lower than those with 90% output from protected crops. The average Farm Business Income (FBI) recorded for the premium group was £51,589 per ha, significantly higher than for the group average.

Table 2.11 - 2.14 Specialist glass businesses (90% or more crop output from glasshouse production)

These four tables provide the results for specialist glasshouse businesses where 90% or more of the output is derived from glasshouse production, and for the three sub groups of businesses specialising in ornamental crops, edible crops and salad crops. The total sample size of these businesses in 2014 was 45, with 28 businesses specialising in ornamental production and 17 in edible crops. The group specialising in edibles was subdivided further into a group of 10 businesses that focused on salad crop production.

Table 2.11 Specialist glass businesses (90% or more crop output from glasshouse production) – All

The average area under glass for each business in the group was 0.98ha in 2014, up from 0.92ha in 2013. Average Farm Business Income (FBI) was £39,380 per business and £40,273 per ha with the premium group recording a FBI of £63,140 per ha. The average FBI per £100 of gross output was £8.60 for the group, compared with £8.30 in the previous year.

In terms of per hectare results for the group, output remained virtually unchanged from 2013/14 to 2014/15. Despite an increase of fixed costs by nearly 4% per hectare, FBI per hectare increased by over 4% to £40,273 in 2014/15. There were notable reductions of variable costs for the cost of glasshouse fuel (-24%) and market charges (-11%) during the period.

Table 2.12 Specialist glass businesses (90% or more crop output from glasshouse production) – Mainly edible crops

Tomato production accounted for 43% and soft fruit 41% of all glasshouse output for these businesses in 2014.

Gross margin per hectare increased by 6% in the period, to £192,230, mainly the result of variable costs falling by almost a fifth compared with 2013. Although total fixed costs per hectare were up by 6%, a large increase in Farm Business Income (FBI) was recorded of 52% to £22,837 from £14,995 in 2013.

Table 2.13 Specialist glass businesses (90% or more crop output from glasshouse production) – Mainly salad crops

The average Farm Business Income (FBI) per hectare in 2014 was 66% higher for businesses focusing on salad crops under glass compared to 2013. Tomato production accounts for around 80% of crop output for these businesses.

Table 2.14 Specialist glass businesses (90% or more crop output from glasshouse production) – Mainly non-edible crops

Despite increases in both variable and fixed costs, the Farm Business Income (FBI) per business increased by 12% to £49,344 in 2014.

2.7 Specialist Fruit [Tables 2.15 to 2.18]

There are four tables reporting on the financial results for this type group and its sub-groups. Table 2.15 shows the results for all specialist fruit businesses, table 2.16 shows a sub group of this sample for businesses with over 90% of their total crop output derived from top fruit and table 2.17 and 2.18 splits this down further to a group excluding cider apple growers and a group of predominantly cider apple growers.

Average Farm Business Income (FBI) per hectare in 2014 was £659 for all specialist fruit businesses; £1,403 per ha for growers with mainly top fruit, £1,523 per ha for growers of top fruit, but not growing cider apples and, £1,131 per ha for cider apple growers. Cider apple growers recorded an increase in FBI on a per business (+91%), per hectare (+19%) and per £100 of gross output basis (+2%), compared with 2013. Growers with mainly top fruit recorded an increase in FBI on a per business basis by 14%, however recorded a decrease on a per hectare (-11%) and a per £100 of gross output basis (-13%), compared with 2013. Growers of top fruit, but not growing cider apples recorded a decrease in FBI on a per business (-4%), per hectare (-17%) and a per £100 of gross output basis (-18%), compared with 2013.

Figure 2.5 Average FBI per business for specialist fruit businesses in England by farm type

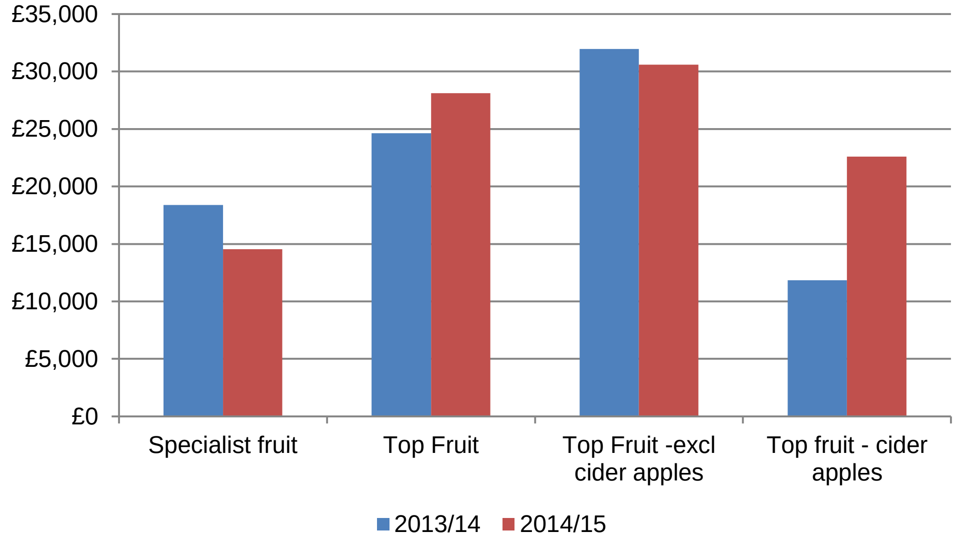


Figure 2.6 Average FBI per £100 of gross output for specialist fruit businesses in England by farm type

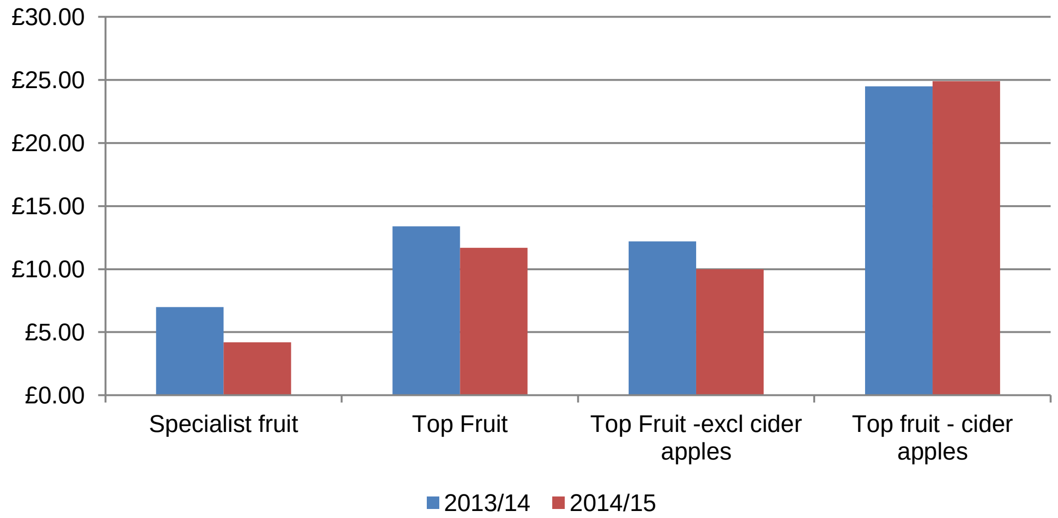


Table 2.15 Specialist fruit businesses

Within the specialist fruit group in 2014, around 50% of crop output was from tree fruit and from soft fruit production. A significant proportion of the total output (25% in 2014) is derived from other activities, for example, adding value to the crop by means of on-farm processing of fruit or offering customised pack house services to other growers. The cropped area increased by approximately 20% in 2014, to an average of around 22ha per business.

Farm Business Income (FBI) per hectare in 2014 was £3,400 for businesses in the premium group, compared with the average of £659. The average FBI per business of £14,552 in 2014/15 fell by 21% on the year before, although gross output grew by around a third to £349,074; variable and fixed costs rose in the year (+35% and +33% respectively).

Table 2.16 Mainly top fruit businesses - 90% or more crop output derived from top fruit

The group includes businesses that specialise in top fruit production, with 90% or more of their total crop output derived from top fruit. In 2014, around 56% of crop output came from dessert apples and pears, 12% from culinary apples, 13% from cider apples and the remaining 19% from plums and other top fruit. The average cropping area in 2014 was 20.05ha, up by over 4ha from the previous year, mainly due to a change in the composition of the sample.

Yields for culinary apples, dessert apples, cider apples and pears were up for the 2014 harvest year compared with 2013. Higher yields resulted in lower prices, except for cider apples, but output per hectare was up for all top fruit.

Average Farm Business Income (FBI) was £28,120 per business and £1,403 per ha, up from the £24,624 per business and down from £1,582 per hectare in 2013. The average total variable costs on a per business basis increased by 24%, along with an increase in fixed costs of 32%. Despite this, an increase of 14% of FBI on a per business basis was achieved largely due to an increase of gross output of just under 31% on a per business basis.

Table 2.17 Mainly top fruit businesses – 90% or more crop output derived from top fruit, excluding cider apple growers

This sub-group of specialist top fruit growers consists of 23 growers in 2014, predominantly growing top fruit for eating. In 2014/15, around 64% of crop output was from dessert apples and pears, 14% from culinary apples for processing and the fresh market and the remaining 22% from other tree fruit. Approximately 25% of the total gross output, or £78,803 per business, was derived from other output, i.e. not from cropping. The total cropping area per business for the sample increased from 17.4ha in 2013, to 20.08ha in 2014. Farm Business Income (FBI) per business decreased by a little over 4% in 2014 when compared to 2013, falling to £30,581.

Table 2.18 Mainly top fruit businesses – 90% or more crop output derived from cider apples

The average total area of cropping per business was 19.97 in 2014, an increase of 7.5ha compared with 2013. Of the top fruit businesses, cider apple growers saw the largest rise in Farm Business Income (FBI), up by 90% to £22,585 per business in 2014. On a 'per hectare' basis, the total gross margin increased by 13% to £3,799 per hectare. Cider apple growers had the highest FBI on a £100 of gross output basis of all horticulture business types, with an average of £24.90 in 2014/15.

Table 2.3 Top fruit yields, prices and output* – 2013/14 and 2014/15

Top Fruit		2013/14	2014/15
Culinary Apples	tonnes/ha	22.7	28.5
	£/tonne	419.5	375.5
	£ output/ha	**9,540**	**10,698**
Dessert Apples	tonnes/ha	20.8	23.5
	£/tonne	694.6	598.0
	£ output/ha	**12,922**	**13,810**
Cider Apples	tonnes/ha	23.5	34.5
	£/tonne	112.8	114.0
	£ output/ha	**2,653**	**3,933**
Pears	tonnes/ha	13.3	17.7
	£/tonne	687.0	548.3
	£ output/ha	**9,151**	**9,682**

Note: * The areas used when calculating the per hectare figures are field areas (not tree areas) and the fruit tonnage is for all the fruit sold either fresh or for processing and juice.

2.8 Specialist Hardy Nursery Stock [Tables 2.19 to 2.21]

There are three tables reporting on the financial results of Specialist Hardy Nursery Stock (HNS) businesses. Table 2.19 covers all HNS businesses in the sample. Tables 2.20 and 2.21 are sub-groups of the main sample. Table 2.20 is for businesses that have a crop output of more than £175,000 per hectare; table 2.21 is for businesses that have a crop output of less than £175,000 per hectare.

Intensive HNS had significantly higher output and profitability per hectare than extensively grown HNS. In 2014/15 the Farm Business Income (FBI) per hectare was £16,695 for all HNS, £38,561 for intensive HNS and £6,671 for extensive HNS. The gross output per hectare for intensive HNS was more than four times greater at £318,393, than for extensively produced stock, at £70,357.

Table 2.19 Specialist HNS businesses

This group of businesses include growers of young HNS plants under protection, those growing plants outdoors and on hard standings, and a combination of these production systems. The average cropped area for each business in the sample in 2014 was 2.38ha, a reduction of 14% on the previous year. On average, the sector has a very low proportion of output from other activities with a little less than 5% derived from such activities in 2014/15. For these businesses, crop output was divided between outdoor production at 63% and protected production at 37%.

Farm Business Income (FBI) per business rose on average by 16%, driven mainly by a saving in some of the variable costs. Average FBI per £100 of gross output was £11.20 in 2014/15, while for the premium businesses it was £15.00, or one and a half times greater than the average.

Figure 2.7 Average FBI per business for specialist HNS businesses in England, by proportion of output from protected and outdoor crops

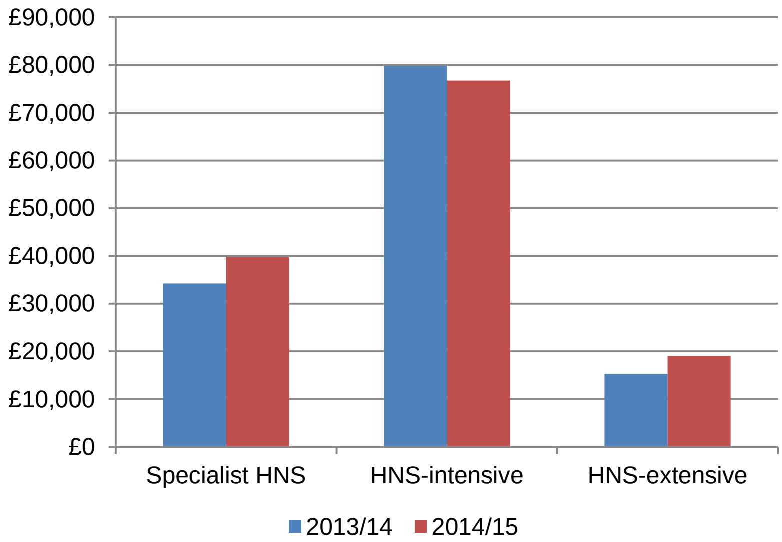


Figure 2.8 Average FBI per £100 of gross output for specialist HNS businesses in England, by proportion of output from protected and outdoor crops

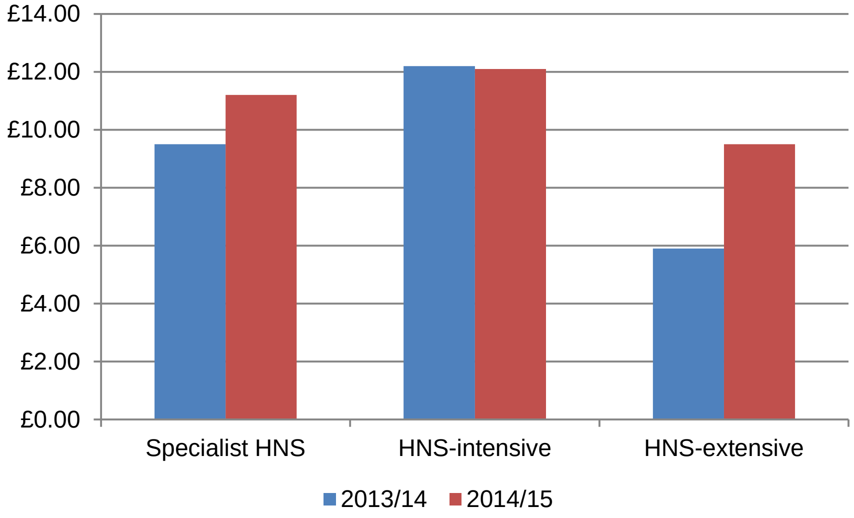


Table 2.20 Intensive HNS businesses (crop output more than £175,000 per hectare)

The sub-group covers businesses with a crop output of more than £175,000 per hectare. These businesses grow a significant amount of HNS under glass or walk-through polythene tunnels as well as outside hard standings, and higher value field crops. The average protected area in 2014/15 was 0.42ha, while the average total cropping area was 1.99ha.

Average Farm Business Income (FBI) per business decreased by almost 4%, to £76,722. By contrast FBI per hectare increased by almost 10% to £38,561. Gross output per hectare improved by over 10% to £318,393, while variable costs fell by £3,751 per ha (3%) and fixed costs were up by £30,091 per ha (24%).

Table 2.21 Extensive HNS businesses (crop output less than £175,000 per hectare)

The table refers to a group of businesses with crop output of less than £175,000 per hectare, including rootstock and larger trees, as well as shrubs and smaller nursery stock. The average cropping area in 2014/15 was 2.85ha.

Farm Business Income (FBI) per business increased by a little over 24% to £19,026. Gross output per ha decreased by £9,680 (12%) to £70,357; average variable costs fell by £1,878 per ha (6%) to £31,927 and fixed costs fell by £6,602 per ha (14%) to £39,754.

2.9 Other Horticulture [Tables 2.22 and 2.23]

Table 2.22 Other horticultural businesses

The table refers to a diverse group of farms, for which crop output is comprised of a combination of small scale outdoor vegetables, ornamentals, soft fruit, top fruit and farm crops. In 2014/15 the output from soft fruit accounted for 28% of total crop output, and for outdoor vegetables and glasshouse crops the proportions were 36% and 14% respectively.

Farm Business Income (FBI) per business for this group of farms decreased from £43,497 in 2013 to £34,332 in 2014. Premium businesses recorded a FBI per hectare of £5,664 compared with the average of £1,328.

Table 2.23 Mainly outdoor vegetables – 50% or more output derived from outdoor vegetables

Crop output for the sample of outdoor vegetable growers (where 50% or more crop output produced from outdoor vegetables) is primarily derived from brassicas (18%), salad crops (2%) and other outdoor vegetable crops (65%), and glasshouse crops (6%), with other crops including farm crops accounting for the remainder (9%). Average cropping area of this group decreased slightly from 19.44 in 2013/14 to 18.5ha in 2014/15.

Farm Business Income (FBI) per business fell by 11% to £31,626 while FBI per hectare decreased by 6% to £1,709. Gross output per hectare rose 5% in the period, to £12,414, with total variable costs down by 7% to £2,767 per hectare and fixed costs were up by 10% to £9,526 per hectare.

Figure 2.9 Average FBI per business for other horticulture businesses and mainly outdoor vegetable crops in England

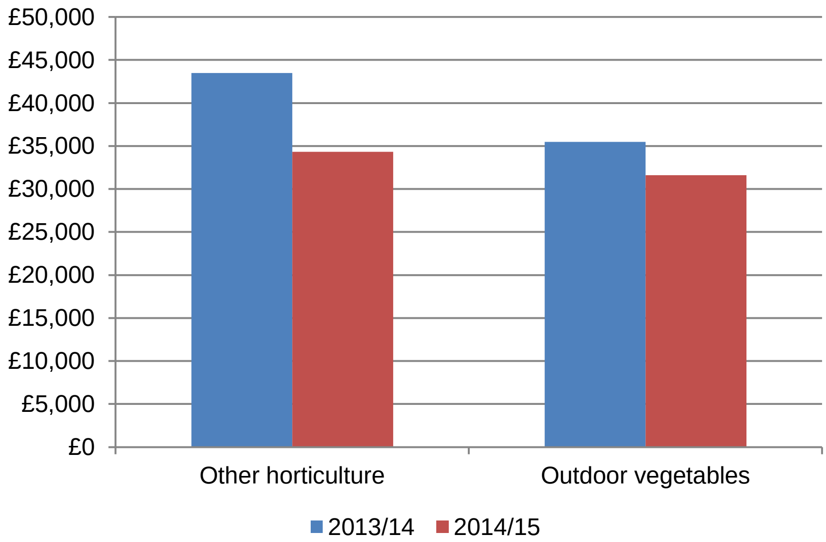
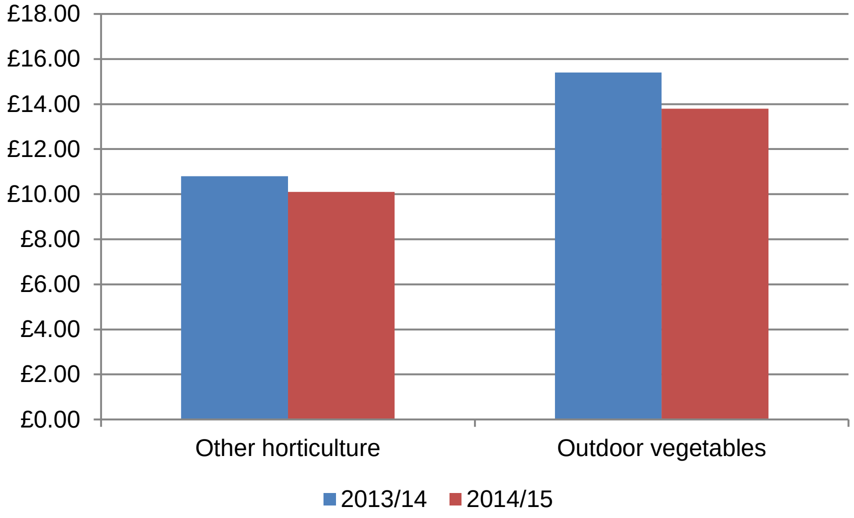


Figure 2.10 Average FBI per £100 of gross output for other horticulture businesses and mainly outdoor vegetable crops in England



2.10 Balance Sheet Information [Tables 2.24 and 2.25]

The assets, liabilities and net worth for the horticulture sample are reported in table 2.24.

The percentage equity in the business remained the same during the year for all horticultural businesses types except specialist glass businesses, for which the average percentage equity decreased from an average of 86.5% in 2013/14 to 84.0% in 2014/15. The average percentage equity for the whole sample of horticultural businesses remained at 83.5%. The value of the balance sheet total assets rose by just over 8% to an average of £937,675 for all horticulture businesses in 2014/15, while total external liabilities increased by 8% to £154,826 over the same period.

Table 2.25 reports on the net worth and percentage equity for the Defra main farm type classifications used in England. The average net worth for all businesses is approximately £1,615,414 per business, representing 89.7% equity.

Those businesses that are predominantly land based have the highest net worth, while those with intensive livestock systems and less land have a lower net worth and percentage equity. Consequently, lowland cattle & sheep farms and cereal farms have the highest percentage equity at 93%. While pig and poultry farms respectively have the lowest percentage equity at 78% and 71%, with horticulture in mid-range at 83.5%.

Table 2.4 All horticultural businesses

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	188	186	188	186	188	186
Productive cropping area (ha)	19.64	16.55	19.64	16.55		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**356,560**	**346,440**	**18,157**	**20,937**	**100.0**	**100.0**
Variable costs						
Seed & young plants	56,343	47,061	2,869	2,844	15.8	13.6
Fertilisers & composts	10,797	10,102	550	611	3.0	2.9
Crop protection	7,570	8,703	386	526	2.1	2.5
Market charges	19,065	23,744	971	1,435	5.3	6.9
Packing materials	16,114	18,445	821	1,115	4.5	5.3
Horticultural sundries	16,436	14,285	837	863	4.6	4.1
Glasshouse fuel	4,091	2,998	208	181	1.1	0.9
Other variable costs	1,172	693	60	42	0.3	0.2
Total variable costs	**131,589**	**126,031**	**6,701**	**7,617**	**36.9**	**36.4**
Total gross margin	**224,971**	**220,409**	**11,456**	**13,320**	**63.1**	**63.6**
Fixed costs						
Labour:						
Regular paid	59,904	61,881	3,051	3,740	16.8	17.9
Regular unpaid	28,829	29,927	1,468	1,809	8.1	8.6
Casual labour	45,013	40,660	2,292	2,457	12.6	11.7
Power & machinery costs:						
Contract & hire	6,136	5,953	312	360	1.7	1.7
Fuel & electricity	12,958	11,202	660	677	3.6	3.2
Repairs	8,447	8,400	430	508	2.4	2.4
Machinery depreciation	10,810	10,722	551	648	3.0	3.1
Glasshouse depreciation	2,376	1,837	121	111	0.7	0.5
Rent (incl. imputed)	16,015	15,349	816	928	4.5	4.4
Other costs:						
Occupier's repairs	5,133	6,955	261	420	1.4	2.0
Permanent crop depreciation	703	974	36	59	0.2	0.3
Water	1,658	1,772	84	107	0.5	0.5
Sundries	16,155	17,605	823	1,064	4.5	5.1
Total fixed costs	**214,136**	**213,237**	**10,905**	**12,887**	**60.1**	**61.6**
Management & investment income	**10,835**	**7,171**	**552**	**433**	**3.0**	**2.1**
Minus: management salaries	847	623	43	38	0.2	0.2
Plus: farmer & spouse labour	22,846	23,744	1,163	1,435	6.4	6.9
Net farm income	**32,834**	**30,292**	**1,672**	**1,831**	**9.2**	**8.7**
Farm business income	**33,925**	**31,496**	**1,728**	**1,903**	**9.5**	**9.1**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15
Glasshouse crops		
Flowers & nursery stock	16.9	22.4
Tomatoes	1.1	1.0
Lettuce	0.2	0.4
Soft fruit	2.6	1.6
Other glasshouse crops	2.1	1.6
Outdoor crops		
Flowers and nursery stock	27.6	24.4
Vegetables	18.2	14.6
Other outdoor crops	5.8	3.5
Top fruit		
Dessert apples and pears	8.3	6.3
Culinary apples	1.0	1.0
Cider apples	0.7	1.1
Plums	0.7	0.7
Other top fruit	1.0	1.1
Soft fruit		
Strawberries	8.9	11.7
Raspberries	2.7	5.2
Blackcurrants	0.2	0.2
Other soft fruit	2.1	3.0
Total	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15
Crops and tillages	15	18
Stores	9	7
Glasshouses	8	6
Equipment	23	25
Livestock	1	1
Other	44	43
Total	**100**	**100**
Tenant's capital (£)	**508,729**	**487,958**

Table 2.5 All specialist glass businesses

	Per business		Per hectare		Per £100 of gross output	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Number of businesses	69	68	69	68	69	68
Productive cropping area (ha)	1.10	1.73	1.10	1.73		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**364,933**	**355,921**	**331,331**	**205,280**	**100.0**	**100.0**
Variable costs						
Seed & young plants	58,456	52,391	53,074	30,217	16.0	14.7
Fertilisers & composts	11,975	11,148	10,872	6,430	3.3	3.1
Crop protection	2,359	2,502	2,141	1,443	0.6	0.7
Market charges	17,167	17,506	15,586	10,097	4.7	4.9
Packing materials	20,976	19,061	19,044	10,993	5.7	5.4
Horticultural sundries	12,202	14,065	11,078	8,112	3.3	4.0
Glasshouse fuel	27,390	18,859	24,868	10,877	7.5	5.3
Other variable costs	19	36	17	21	0.0	0.0
Total variable costs	**150,543**	**135,568**	**136,682**	**78,190**	**41.3**	**38.1**
Total gross margin	**214,390**	**220,352**	**194,649**	**127,090**	**58.7**	**61.9**
Fixed costs						
Labour:						
Regular paid	79,200	78,078	71,908	45,032	21.7	21.9
Regular unpaid	32,630	31,084	29,626	17,928	8.9	8.7
Casual labour	20,240	29,028	18,376	16,742	5.5	8.2
Power & machinery costs:						
Contract & hire	1,568	2,480	1,423	1,430	0.4	0.7
Fuel & electricity	10,425	8,636	9,465	4,981	2.9	2.4
Repairs	6,045	6,462	5,489	3,727	1.7	1.8
Machinery depreciation	8,417	8,276	7,642	4,773	2.3	2.3
Glasshouse depreciation	9,098	6,789	8,260	3,916	2.5	1.9
Rent (incl. imputed)	7,386	7,470	6,706	4,308	2.0	2.1
Other costs:						
Occupier's repairs	6,470	8,367	5,875	4,826	1.8	2.4
Permanent crop depreciation	64	63	58	37	0.0	0.0
Water	2,157	2,210	1,959	1,275	0.6	0.6
Sundries	18,993	17,510	17,244	10,099	5.2	4.9
Total fixed costs	**202,693**	**206,453**	**184,029**	**119,073**	**55.5**	**58.0**
Management & investment income	**11,697**	**13,899**	**10,620**	**8,016**	**3.2**	**3.9**
Minus: management salaries	1,886	1,921	1,712	1,108	0.5	0.5
Plus: farmer & spouse labour	29,115	27,393	26,434	15,799	8.0	7.7
Net farm income	**38,926**	**39,371**	**35,342**	**22,707**	**10.7**	**11.1**
Farm business income	**32,206**	**35,178**	**29,241**	**20,289**	**8.8**	**9.9**

Premium businesses	Per hectare 2014/15	Per £100 of gross output 2014/15
Number of businesses	25	25
Productive cropping area (ha)	4.15	
	£ per hectare	*average %*
Gross output	**211,920**	**100.0**
Variable costs		
Seed & young plants	29,570	14.0
Fertilisers & composts	7,133	3.4
Crop protection	1,512	0.7
Market charges	9,874	4.7
Packing materials	10,178	4.8
Horticultural sundries	6,941	3.3
Glasshouse fuel	8,893	4.2
Other variable costs	0	0.0
Total variable costs	**74,101**	**35.0**
Total gross margin	**137,819**	**65.0**
Fixed costs		
Labour:		
Regular paid	49,411	23.3
Regular unpaid	6,878	3.2
Casual labour	20,351	9.6
Power & machinery costs:		
Contract & hire	1,887	0.9
Fuel & electricity	4,986	2.4
Repairs	3,566	1.7
Machinery depreciation	4,272	2.0
Glasshouse depreciation	4,128	1.9
Rent (incl. imputed)	3,131	1.5
Other costs:		
Occupier's repairs	4,939	2.3
Permanent crop depreciation	0	0.0
Water	1,030	0.5
Sundries	9,546	4.5
Total fixed costs	**114,125**	**53.9**
Management & investment income	**23,694**	**11.2**
Minus: management salaries	1,768	0.8
Plus: farmer & spouse labour	6,113	2.9
Net farm income	**28,039**	**13.2**
Farm business income	**25,031**	**11.8**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Glasshouse crops			
Flowers & nursery stock	63.1	59.0	60.2
Tomatoes	8.8	9.0	8.5
Lettuce	0.6	0.7	0.4
Soft fruit	8.1	12.7	13.5
Other glasshouse crops	9.1	7.3	6.8
Outdoor crops			
Flowers & nursery stock	9.5	8.0	7.7
Vegetables	0.6	1.4	0.0
Fruit	0.1	1.8	2.7
Other outdoor crops	0.1	0.2	0.2
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Crops & tillages	10	9	8
Stores	10	11	11
Glasshouses	30	24	26
Equipment	19	20	20
Livestock	0	0	0
Other	32	36	35
Total	**100**	**100**	**100**
Tenant's capital (£)	**502,866**	**453,675**	**999,628**

Table 2.6 Specialist glass businesses, mainly edible crops

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	26	27	26	27	26	27
Productive cropping area (ha)	1.57	2.69	1.57	2.69		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**281,611**	**247,973**	**178,808**	**92,343**	**100.0**	**100.0**
Variable costs						
Seed & young plants	21,941	18,646	13,931	6,944	7.8	7.5
Fertilisers & composts	8,210	6,177	5,213	2,300	2.9	2.5
Crop protection	2,628	2,770	1,669	1,032	0.9	1.1
Market charges	22,246	13,798	14,125	5,138	7.9	5.6
Packing materials	13,714	11,368	8,707	4,233	4.9	4.6
Horticultural sundries	6,236	7,334	3,960	2,731	2.2	3.0
Glasshouse fuel	54,614	28,795	34,677	10,723	19.4	11.6
Other variable costs	54	77	34	29	0.0	0.0
Total variable costs	**129,642**	**88,966**	**82,316**	**33,130**	**46.0**	**35.9**
Total gross margin	**151,969**	**159,007**	**96,492**	**59,213**	**54.0**	**64.1**
Fixed costs						
Labour:						
Regular paid	51,780	41,192	32,878	15,340	18.4	16.6
Regular unpaid	28,072	28,694	17,824	10,685	10.0	11.6
Casual labour	25,769	38,232	16,362	14,237	9.2	15.4
Power & machinery costs:						
Contract & hire	716	992	455	370	0.3	0.4
Fuel & electricity	6,766	5,483	4,296	2,042	2.4	2.2
Repairs	5,457	5,958	3,465	2,219	1.9	2.4
Machinery depreciation	6,535	6,222	4,150	2,317	2.3	2.5
Glasshouse depreciation	5,494	7,059	3,489	2,629	2.0	2.8
Rent (incl. imputed)	6,337	6,880	4,024	2,562	2.3	2.8
Other costs:						
Occupier's repairs	5,795	5,504	3,679	2,050	2.1	2.2
Permanent crop depreciation	185	137	117	51	0.1	0.1
Water	1,426	1,596	906	594	0.5	0.6
Sundries	11,952	9,392	7,589	3,497	4.2	3.8
Total fixed costs	**156,284**	**157,342**	**99,232**	**58,593**	**55.5**	**63.5**
Management & investment income	**-4,315**	**1,665**	**-2,740**	**620**	**-1.5**	**0.7**
Minus: management salaries	565	453	359	169	0.2	0.2
Plus: farmer & spouse labour	25,643	25,630	16,282	9,545	9.1	10.3
Net farm income	**20,763**	**26,843**	**13,184**	**9,996**	**7.4**	**10.8**
Farm business income	**16,112**	**24,931**	**10,230**	**9,284**	**5.7**	**10.1**

Premium businesses	Per hectare 2014/15	Per £100 of gross output 2014/15
Number of businesses	13	13
Productive cropping area (ha)	7.73	
	£ per hectare	*average %*
Gross output	**103,103**	**100.0**
Variable costs		
Seed & young plants	7,791	7.6
Fertilisers & composts	2,501	2.4
Crop protection	1,207	1.2
Market charges	6,413	6.2
Packing materials	3,740	3.6
Horticultural sundries	3,178	3.1
Glasshouse fuel	13,432	13.0
Other variable costs	0	0.0
Total variable costs	**38,262**	**37.1**
Total gross margin	**64,842**	**62.9**
Fixed costs		
Labour:		
Regular paid	18,192	17.6
Regular unpaid	3,498	3.4
Casual labour	18,009	17.5
Power & machinery costs:		
Contract & hire	437	0.4
Fuel & electricity	1,703	1.7
Repairs	2,018	2.0
Machinery depreciation	2,453	2.4
Glasshouse depreciation	2,805	2.7
Rent (incl. imputed)	2,329	2.3
Other costs:		
Occupier's repairs	2,012	2.0
Permanent crop depreciation	0	0.0
Water	481	0.5
Sundries	3,178	3.1
Total fixed costs	**57,114**	**55.4**
Management & investment income	**7,728**	**7.5**
Minus: management salaries	229	0.2
Plus: farmer & spouse labour	3,065	3.0
Net farm income	**10,565**	**10.2**
Farm business income	**8,516**	**8.3**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Glasshouse crops			
Flowers & nursery stock	0.7	0.5	0.6
Tomatoes	33.4	27.5	30.4
Lettuce	2.1	2.1	1.3
Soft fruit	30.7	38.5	43.9
Other glasshouse crops	29.9	21.1	17.2
Outdoor crops			
Flowers & nursery stock	0.0	0.0	0.0
Vegetables	2.3	4.1	0.0
Fruit	0.4	5.6	6.2
Other outdoor crops	0.4	0.5	0.5
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Crops & tillages	2	3	3
Stores	7	9	12
Glasshouses	30	29	29
Equipment	23	23	27
Livestock	0	0	0
Other	38	36	29
Total	**100**	**100**	**100**
Tenant's capital (£)	**313,943**	**305,894**	**804,151**

Table 2.7 Specialist glass businesses, mainly non-edible crops

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	43	41	43	41	43	41
Productive cropping area (ha)	0.85	0.91	0.85	0.91		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**409,249**	**449,381**	**481,714**	**493,817**	**100.0**	**100.0**
Variable costs						
Seed & young plants	77,878	81,608	91,667	89,678	19.0	18.2
Fertilisers & composts	13,978	15,452	16,453	16,980	3.4	3.4
Crop protection	2,215	2,270	2,608	2,495	0.5	0.5
Market charges	14,466	20,716	17,027	22,764	3.5	4.6
Packing materials	24,838	25,721	29,236	28,265	6.1	5.7
Horticultural sundries	15,374	19,892	18,097	21,859	3.8	4.4
Glasshouse fuel	12,911	10,257	15,197	11,271	3.2	2.3
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**161,660**	**175,916**	**190,285**	**193,311**	**39.5**	**39.1**
Total gross margin	**247,589**	**273,465**	**291,430**	**300,506**	**60.5**	**60.9**
Fixed costs						
Labour:						
Regular paid	93,784	110,014	110,390	120,893	22.9	24.5
Regular unpaid	35,055	33,153	41,262	36,431	8.6	7.4
Casual labour	17,298	21,059	20,362	23,142	4.2	4.7
Power & machinery costs:						
Contract & hire	2,021	3,768	2,379	4,141	0.5	0.8
Fuel & electricity	12,371	11,366	14,561	12,489	3.0	2.5
Repairs	6,358	6,899	7,484	7,581	1.6	1.5
Machinery depreciation	9,418	10,054	11,085	11,048	2.3	2.2
Glasshouse depreciation	11,015	6,556	12,965	7,204	2.7	1.5
Rent (incl. imputed)	7,944	7,980	9,350	8,769	1.9	1.8
Other costs:						
Occupier's repairs	6,830	10,845	8,039	11,917	1.7	2.4
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,546	2,741	2,997	3,012	0.6	0.6
Sundries	22,738	24,538	26,764	26,964	5.6	5.5
Total fixed costs	**227,376**	**248,973**	**267,637**	**273,593**	**55.6**	**55.4**
Management & investment income	**20,213**	**24,491**	**23,792**	**26,913**	**4.9**	**5.4**
Minus: management salaries	2,588	3,193	3,046	3,508	0.6	0.7
Plus: farmer & spouse labour	30,961	28,919	36,444	31,778	7.6	6.4
Net farm income	**48,586**	**50,217**	**57,189**	**55,183**	**11.9**	**11.2**
Farm business income	**40,766**	**44,049**	**47,985**	**48,405**	**10.0**	**9.8**

Premium businesses	Per hectare 2014/15	Per £100 of gross output 2014/15
Number of businesses	10	10
Productive cropping area (ha)	0.84	
	£ per hectare	*average %*
Gross output	**661,884**	**100.0**
Variable costs		
Seed & young plants	111,370	16.8
Fertilisers & composts	23,044	3.5
Crop protection	3,724	0.6
Market charges	25,897	3.9
Packing materials	29,559	4.5
Horticultural sundries	27,278	4.1
Glasshouse fuel	13,368	2.0
Other variable costs	0	0.0
Total variable costs	**234,240**	**35.4**
Total gross margin	**427,644**	**64.6**
Fixed costs		
Labour:		
Regular paid	145,667	22.0
Regular unpaid	36,983	5.6
Casual labour	16,534	2.5
Power & machinery costs:		
Contract & hire	3,873	0.6
Fuel & electricity	11,464	1.7
Repairs	9,127	1.4
Machinery depreciation	17,809	2.7
Glasshouse depreciation	9,393	1.4
Rent (incl. imputed)	11,052	1.7
Other costs:		
Occupier's repairs	21,613	3.3
Permanent crop depreciation	0	0.0
Water	3,568	0.5
Sundries	28,258	4.3
Total fixed costs	**315,340**	**47.6**
Management & investment income	**112,304**	**17.0**
Minus: management salaries	14,620	2.2
Plus: farmer & spouse labour	33,616	5.1
Net farm income	**131,300**	**19.8**
Farm business income	**124,713**	**18.8**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Glasshouse crops			
Flowers & nursery stock	85.4	87.6	94.8
Tomatoes	0.0	0.0	0.0
Lettuce	0.0	0.0	0.0
Soft fruit	0.0	0.0	0.0
Other glasshouse crops	1.6	0.5	0.0
Outdoor crops			
Flowers & nursery stock	12.9	11.9	5.2
Vegetables	0.0	0.0	0.0
Fruit	0.0	0.0	0.0
Other outdoor crops	0.0	0.0	0.0
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Crops & tillages	12	12	8
Stores	10	11	9
Glasshouses	30	22	21
Equipment	18	19	18
Livestock	0	0	0
Other	30	35	44
Total	**100**	**100**	**100**
Tenant's capital (£)	**502,866**	**453,675**	**999,628**

Table 2.8 Specialist glass businesses (50% or more of crop output from glasshouse production)

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	55	58	55	58	55	58
Productive cropping area (ha)	1.01	1.09	1.01	1.09		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**385,792**	**427,616**	**383,279**	**391,773**	**100.0**	**100.0**
Variable costs						
Seed & young plants	60,599	68,698	60,204	62,939	15.7	16.1
Fertilisers & composts	12,118	13,769	12,039	12,615	3.1	3.2
Crop protection	2,927	2,773	2,908	2,541	0.8	0.6
Market charges	19,922	23,215	19,792	21,269	5.2	5.4
Packing materials	23,202	23,054	23,050	21,121	6.0	5.4
Horticultural sundries	14,549	19,120	14,454	17,518	3.8	4.5
Glasshouse fuel	36,253	25,979	36,017	23,801	9.4	6.1
Other variable costs	26	50	26	45	0.0	0.0
Total variable costs	**169,595**	**176,657**	**168,491**	**161,850**	**44.0**	**41.3**
Total gross margin	**216,197**	**250,959**	**214,789**	**229,923**	**56.0**	**58.7**
Fixed costs						
Labour:						
Regular paid	77,592	96,114	77,087	88,058	20.1	22.5
Regular unpaid	33,300	31,372	33,083	28,742	8.6	7.3
Casual labour	25,524	29,542	25,357	27,065	6.6	6.9
Power & machinery costs:						
Contract & hire	1,848	3,250	1,836	2,978	0.5	0.8
Fuel & electricity	10,108	9,942	10,042	9,109	2.6	2.3
Repairs	5,697	7,100	5,660	6,505	1.5	1.7
Machinery depreciation	8,963	9,707	8,905	8,893	2.3	2.3
Glasshouse depreciation	7,717	8,791	7,666	8,054	2.0	2.1
Rent (incl. imputed)	7,352	7,073	7,304	6,480	1.9	1.7
Other costs:						
Occupier's repairs	7,090	9,306	7,044	8,526	1.8	2.2
Permanent crop depreciation	90	88	89	81	0.0	0.0
Water	2,445	2,449	2,429	2,244	0.6	0.6
Sundries	18,242	20,662	18,123	18,930	4.7	4.8
Total fixed costs	**205,967**	**235,397**	**204,626**	**215,665**	**53.4**	**55.0**
Management & investment income	**10,230**	**15,562**	**10,163**	**14,258**	**2.7**	**3.6**
Minus: management salaries	2,642	2,659	2,625	2,436	0.7	0.6
Plus: farmer & spouse labour	30,495	28,075	30,297	25,722	7.9	6.6
Net farm income	**38,083**	**40,978**	**37,835**	**37,543**	**9.9**	**9.6**
Farm business income	**29,322**	**34,747**	**29,131**	**31,834**	**7.6**	**8.1**

Premium businesses	Per hectare 2014/15	Per £100 of gross output 2014/15
Number of businesses	24	24
Productive cropping area (ha)	2.15	
	£ per hectare	*average %*
Gross output	**564,644**	**100.0**
Variable costs		
Seed & young plants	89,086	15.8
Fertilisers & composts	18,602	3.3
Crop protection	3,630	0.6
Market charges	35,136	6.2
Packing materials	26,870	4.8
Horticultural sundries	25,568	4.5
Glasshouse fuel	28,390	5.0
Other variable costs	0	0.0
Total variable costs	**227,283**	**40.3**
Total gross margin	**337,362**	**59.7**
Fixed costs		
Labour:		
Regular paid	132,646	23.5
Regular unpaid	13,449	2.4
Casual labour	42,105	7.5
Power & machinery costs:		
Contract & hire	5,245	0.9
Fuel & electricity	12,144	2.2
Repairs	8,351	1.5
Machinery depreciation	10,989	1.9
Glasshouse depreciation	10,898	1.9
Rent (incl. imputed)	5,873	1.0
Other costs:		
Occupier's repairs	11,511	2.0
Permanent crop depreciation	0	0.0
Water	2,468	0.4
Sundries	24,968	4.4
Total fixed costs	**280,648**	**49.7**
Management & investment income	**56,714**	**10.0**
Minus: management salaries	4,921	0.9
Plus: farmer & spouse labour	11,163	2.0
Net farm income	**62,955**	**11.1**
Farm business income	**51,589**	**9.1**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Glasshouse crops			
Flowers & nursery stock	65.0	64.0	63.0
Tomatoes	11.2	10.3	8.4
Lettuce	0.7	0.8	0.4
Soft fruit	10.3	10.1	12.7
Other glasshouse crops	10.0	7.4	7.5
Outdoor crops			
Flowers & nursery stock	2.6	7.0	8.0
Vegetables	0.1	0.1	0.0
Fruit	0.1	0.2	0.0
Other outdoor crops	0.0	0.0	0.0
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Crops & tillages	7	7	8
Stores	11	10	11
Glasshouses	26	26	26
Equipment	20	20	20
Livestock	0	0	0
Other	35	37	35
Total	**100**	**100**	**100**
Tenant's capital (£)	**499,887**	**548,334**	**1,353,402**

Table 2.9 Specialist glass businesses (50% or more of crop output from glasshouse production) - mainly edible crops

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	23	23	23	23	23	23
Productive cropping area (ha)	1.26	1.10	1.26	1.10		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**343,627**	**255,296**	**271,670**	**233,094**	**100.0**	**100.0**
Variable costs						
Seed & young plants	27,215	21,123	21,516	19,286	7.9	8.3
Fertilisers & composts	10,387	6,927	8,212	6,324	3.0	2.7
Crop protection	3,342	2,587	2,642	2,362	1.0	1.0
Market charges	28,332	17,594	22,399	16,064	8.2	6.9
Packing materials	16,347	10,075	12,924	9,199	4.8	3.9
Horticultural sundries	7,785	9,284	6,154	8,476	2.3	3.6
Glasshouse fuel	70,006	38,605	55,346	35,248	20.4	15.1
Other variable costs	69	103	54	94	0.0	0.0
Total variable costs	**163,483**	**106,297**	**129,249**	**97,053**	**47.6**	**41.6**
Total gross margin	**180,144**	**148,998**	**142,421**	**136,041**	**52.4**	**58.4**
Fixed costs						
Labour:						
Regular paid	63,944	44,402	50,554	40,541	18.6	17.4
Regular unpaid	27,625	27,212	21,841	24,845	8.0	10.7
Casual labour	32,215	29,267	25,469	26,722	9.4	11.5
Power & machinery costs:						
Contract & hire	893	983	706	898	0.3	0.4
Fuel & electricity	7,518	4,695	5,944	4,286	2.2	1.8
Repairs	6,179	5,920	4,885	5,406	1.8	2.3
Machinery depreciation	7,437	5,437	5,880	4,964	2.2	2.1
Glasshouse depreciation	6,757	9,159	5,342	8,362	2.0	3.6
Rent (incl. imputed)	7,084	5,314	5,600	4,852	2.1	2.1
Other costs:						
Occupier's repairs	6,990	6,130	5,526	5,597	2.0	2.4
Permanent crop depreciation	237	183	187	167	0.1	0.1
Water	1,705	1,530	1,348	1,397	0.5	0.6
Sundries	13,828	10,068	10,932	9,192	4.0	3.9
Total fixed costs	**182,413**	**150,301**	**144,215**	**137,230**	**53.1**	**58.9**
Management & investment income	**-2,269**	**-1,302**	**-1,793**	**-1,189**	**-0.7**	**-0.5**
Minus: management salaries	725	597	573	545	0.2	0.2
Plus: farmer & spouse labour	25,030	24,580	19,788	22,442	7.3	9.6
Net farm income	**22,036**	**22,680**	**17,422**	**20,708**	**6.4**	**8.9**
Farm business income	**15,511**	**21,083**	**12,263**	**19,249**	**4.5**	**8.3**

Premium businesses	Per hectare 2014/15	Per £100 of gross output 2014/15
Number of businesses	11	11
Productive cropping area (ha)	2.33	
	£ per hectare	*average %*
Gross output	**383,824**	**100.0**
Variable costs		
Seed & young plants	31,237	8.1
Fertilisers & composts	9,759	2.5
Crop protection	3,885	1.0
Market charges	29,449	7.7
Packing materials	13,938	3.6
Horticultural sundries	14,725	3.8
Glasshouse fuel	63,652	16.6
Other variable costs	0	0.0
Total variable costs	**166,643**	**43.4**
Total gross margin	**217,181**	**56.6**
Fixed costs		
Labour:		
Regular paid	73,319	19.1
Regular unpaid	11,485	3.0
Casual labour	47,219	12.3
Power & machinery costs:		
Contract & hire	1,516	0.4
Fuel & electricity	5,262	1.4
Repairs	7,369	1.9
Machinery depreciation	7,297	1.9
Glasshouse depreciation	13,191	3.4
Rent (incl. imputed)	5,320	1.4
Other costs:		
Occupier's repairs	7,826	2.0
Permanent crop depreciation	0	0.0
Water	1,462	0.4
Sundries	12,464	3.2
Total fixed costs	**193,731**	**50.5**
Management & investment income	**23,450**	**6.1**
Minus: management salaries	1,068	0.3
Plus: farmer & spouse labour	10,470	2.7
Net farm income	**32,852**	**8.6**
Farm business income	**27,241**	**7.1**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Glasshouse crops			
Flowers & nursery stock	0.8	0.6	0.7
Tomatoes	34.7	35.8	38.5
Lettuce	2.2	2.7	1.6
Soft fruit	32.1	35.2	37.7
Other glasshouse crops	29.5	24.6	21.5
Outdoor crops			
Flowers & nursery stock	0.0	0.0	0.0
Vegetables	0.2	0.5	0.0
Fruit	0.5	0.6	0.0
Other outdoor crops	0.0	0.0	0.0
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Crops & tillages	2	3	3
Stores	8	5	7
Glasshouses	31	33	35
Equipment	21	19	21
Livestock	0	0	0
Other	38	39	34
Total	**100**	**100**	**100**
Tenant's capital (£)	**376,942**	**335,851**	**936,956**

Table 2.10 Specialist glass businesses (50% or more of crop output from glasshouse production) - mainly non-edible crops

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	32	35	32	35	32	35
Productive cropping area (ha)	0.90	1.09	0.90	1.09		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**418,378**	**586,648**	**465,065**	**539,187**	**100.0**	**100.0**
Variable costs						
Seed & young plants	84,763	112,604	94,222	103,494	20.3	19.2
Fertilisers & composts	12,813	20,083	14,243	18,458	3.1	3.4
Crop protection	2,825	2,946	3,140	2,708	0.7	0.5
Market charges	15,501	28,403	17,231	26,105	3.7	4.8
Packing materials	28,893	35,032	32,118	32,197	6.9	6.0
Horticultural sundries	19,715	28,199	21,915	25,917	4.7	4.8
Glasshouse fuel	16,209	14,326	18,018	13,167	3.9	2.4
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**180,720**	**241,591**	**200,886**	**222,046**	**43.2**	**41.2**
Total gross margin	**237,659**	**345,057**	**264,179**	**317,141**	**56.8**	**58.8**
Fixed costs						
Labour:						
Regular paid	89,002	143,839	98,934	132,202	21.3	24.5
Regular unpaid	34,351	35,211	38,185	32,363	8.2	6.0
Casual labour	22,582	29,795	25,102	27,385	5.4	5.1
Power & machinery costs:						
Contract & hire	2,544	5,343	2,827	4,911	0.6	0.9
Fuel & electricity	11,688	14,786	12,992	13,589	2.8	2.5
Repairs	5,468	8,188	6,078	7,526	1.3	1.4
Machinery depreciation	10,043	13,647	11,164	12,543	2.4	2.3
Glasshouse depreciation	8,994	8,453	9,998	7,769	2.1	1.4
Rent (incl. imputed)	7,515	8,696	8,354	7,993	1.8	1.5
Other costs:						
Occupier's repairs	7,524	12,236	8,364	11,246	1.8	2.1
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	3,111	3,298	3,458	3,032	0.7	0.6
Sundries	21,661	30,438	24,078	27,976	5.2	5.2
Total fixed costs	**224,484**	**313,931**	**249,534**	**288,533**	**53.7**	**53.5**
Management & investment income	**13,175**	**31,126**	**14,645**	**28,608**	**3.1**	**5.3**
Minus: management salaries	4,007	4,563	4,454	4,194	1.0	0.8
Plus: farmer & spouse labour	31,480	31,301	34,993	28,768	7.5	5.3
Net farm income	**40,648**	**57,864**	**45,184**	**53,183**	**9.7**	**9.9**
Farm business income	**33,161**	**47,357**	**36,861**	**43,526**	**7.9**	**8.1**

Premium businesses	*Per hectare* 2014/15	*Per £100 of gross output* 2014/15
Number of businesses	10	10
Productive cropping area (ha)	1.34	
	£ per hectare	*average %*
Gross output	**718,579**	**100.0**
Variable costs		
Seed & young plants	133,667	18.6
Fertilisers & composts	23,941	3.3
Crop protection	4,414	0.6
Market charges	32,443	4.5
Packing materials	43,747	6.1
Horticultural sundries	38,165	5.3
Glasshouse fuel	14,570	2.0
Other variable costs	0	0.0
Total variable costs	**290,947**	**40.5**
Total gross margin	**427,632**	**59.5**
Fixed costs		
Labour:		
Regular paid	154,431	21.5
Regular unpaid	21,404	3.0
Casual labour	52,722	7.3
Power & machinery costs:		
Contract & hire	5,178	0.7
Fuel & electricity	13,545	1.9
Repairs	6,314	0.9
Machinery depreciation	17,734	2.5
Glasshouse depreciation	9,336	1.3
Rent (incl. imputed)	8,532	1.2
Other costs:		
Occupier's repairs	15,587	2.2
Permanent crop depreciation	0	0.0
Water	3,547	0.5
Sundries	23,015	3.2
Total fixed costs	**331,344**	**46.1**
Management & investment income	**96,288**	**13.4**
Minus: management salaries	13,809	1.9
Plus: farmer & spouse labour	18,297	2.5
Net farm income	**100,776**	**14.0**
Farm business income	**90,932**	**12.7**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Glasshouse crops			
Flowers & nursery stock	95.4	89.7	100.0
Tomatoes	0.0	0.0	0.0
Lettuce	0.0	0.0	0.0
Soft fruit	0.0	0.0	0.0
Other glasshouse crops	0.7	0.5	0.0
Outdoor crops			
Flowers & nursery stock	3.9	9.8	0.0
Vegetables	0.0	0.0	0.0
Fruit	0.0	0.0	0.0
Other outdoor crops	0.0	0.0	0.0
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Crops & tillages	10	9	6
Stores	12	12	12
Glasshouses	26	23	22
Equipment	19	20	19
Livestock	0	0	0
Other	33	36	40
Total	**100**	**100**	**100**
Tenant's capital (£)	**502,866**	**453,675**	**999,628**

Table 2.11 Specialist glass businesses (90% or more of crop output from glasshouse production)

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	43	45	43	45	43	45
Productive cropping area (ha)	0.93	0.98	0.93	0.98		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**437,326**	**458,535**	**468,116**	**468,935**	**100.0**	**100.0**
Variable costs						
Seed & young plants	64,564	69,448	69,109	71,023	14.8	15.1
Fertilisers & composts	14,656	15,444	15,688	15,794	3.4	3.4
Crop protection	3,157	3,312	3,380	3,387	0.7	0.7
Market charges	22,673	21,150	24,269	21,630	5.2	4.6
Packing materials	28,126	27,526	30,106	28,150	6.4	6.0
Horticultural sundries	12,564	18,825	13,448	19,252	2.9	4.1
Glasshouse fuel	44,489	35,423	47,621	36,227	10.2	7.7
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**190,228**	**191,129**	**203,621**	**195,464**	**43.5**	**41.7**
Total gross margin	**247,098**	**267,406**	**264,495**	**273,471**	**56.5**	**58.3**
Fixed costs						
Labour:						
Regular paid	85,412	91,805	91,425	93,888	19.5	20.0
Regular unpaid	34,110	32,881	36,511	33,627	7.8	7.2
Casual labour	31,176	39,658	33,371	40,558	7.1	8.6
Power & machinery costs:						
Contract & hire	2,208	2,862	2,364	2,927	0.5	0.6
Fuel & electricity	11,631	9,775	12,450	9,997	2.7	2.1
Repairs	6,678	7,340	7,148	7,506	1.5	1.6
Machinery depreciation	9,862	11,609	10,556	11,872	2.3	2.5
Glasshouse depreciation	9,286	11,045	9,940	11,295	2.1	2.4
Rent (incl. imputed)	8,590	8,833	9,195	9,033	2.0	1.9
Other costs:						
Occupier's repairs	8,049	11,023	8,616	11,273	1.8	2.4
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,566	2,565	2,747	2,623	0.6	0.6
Sundries	19,418	18,799	20,786	19,225	4.4	4.1
Total fixed costs	**228,987**	**248,196**	**245,109**	**253,825**	**52.4**	**54.1**
Management & investment income	**18,110**	**19,210**	**19,385**	**19,646**	**4.1**	**4.2**
Minus: management salaries	3,234	3,674	3,462	3,758	0.7	0.8
Plus: farmer & spouse labour	30,677	29,897	32,836	30,575	7.0	6.5
Net farm income	**45,553**	**45,432**	**48,760**	**46,463**	**10.4**	**9.9**
Farm business income	**36,114**	**39,380**	**38,657**	**40,273**	**8.3**	**8.6**

Premium businesses	Per hectare 2014/15	Per £100 of gross output 2014/15
Number of businesses	15	15
Productive cropping area (ha)	1.78	
	£ per hectare	*average %*
Gross output	**532,335**	**100.0**
Variable costs		
Seed & young plants	85,506	16.1
Fertilisers & composts	15,871	3.0
Crop protection	4,392	0.8
Market charges	27,340	5.1
Packing materials	32,312	6.1
Horticultural sundries	28,461	5.3
Glasshouse fuel	18,881	3.5
Other variable costs	0	0.0
Total variable costs	**212,761**	**40.0**
Total gross margin	**319,574**	**60.0**
Fixed costs		
Labour:		
Regular paid	103,290	19.4
Regular unpaid	15,779	3.0
Casual labour	61,814	11.6
Power & machinery costs:		
Contract & hire	3,175	0.6
Fuel & electricity	9,970	1.9
Repairs	6,531	1.2
Machinery depreciation	11,693	2.2
Glasshouse depreciation	6,563	1.2
Rent (incl. imputed)	6,430	1.2
Other costs:		
Occupier's repairs	11,050	2.1
Permanent crop depreciation	0	0.0
Water	2,952	0.6
Sundries	16,712	3.1
Total fixed costs	**255,960**	**48.1**
Management & investment income	**63,614**	**12.0**
Minus: management salaries	7,940	1.5
Plus: farmer & spouse labour	13,999	2.6
Net farm income	**69,674**	**13.1**
Farm business income	**63,140**	**11.9**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Glasshouse crops			
Flowers & nursery stock	67.2	67.5	77.5
Tomatoes	13.0	13.8	4.5
Lettuce	0.8	1.0	0.7
Soft fruit	11.6	13.0	13.5
Other glasshouse crops	7.2	4.5	3.8
Outdoor crops			
Flowers & nursery stock	0.1	0.0	0.0
Vegetables	0.0	0.0	0.0
Fruit	0.0	0.0	0.0
Other outdoor crops	0.0	0.0	0.0
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Crops & tillages	5	5	7
Stores	10	9	11
Glasshouses	28	28	22
Equipment	19	20	20
Livestock	0	0	0
Other	37	38	41
Total	**100**	**100**	**100**
Tenant's capital (£)	**567,867**	**607,946**	**1,063,779**

Table 2.12 Specialist glass businesses (90% or more of crop output from glasshouse production) - mainly edible crops

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	17	17	17	17	17	17
Productive cropping area (ha)	1.31	1.11	1.31	1.11		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**459,468**	**366,705**	**351,637**	**331,389**	**100.0**	**100.0**
Variable costs						
Seed & young plants	27,883	20,774	21,339	18,773	6.1	5.7
Fertilisers & composts	15,266	11,319	11,683	10,229	3.3	3.1
Crop protection	4,161	3,868	3,185	3,495	0.9	1.1
Market charges	39,608	27,771	30,313	25,096	8.6	7.6
Packing materials	24,064	16,081	18,416	14,532	5.2	4.4
Horticultural sundries	6,896	9,981	5,277	9,020	1.5	2.7
Glasshouse fuel	103,868	64,196	79,491	58,014	22.6	17.5
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**221,746**	**153,989**	**169,705**	**139,159**	**48.3**	**42.0**
Total gross margin	**237,722**	**212,716**	**181,932**	**192,230**	**51.7**	**58.0**
Fixed costs						
Labour:						
Regular paid	82,813	63,287	63,378	57,192	18.0	17.3
Regular unpaid	26,366	27,312	20,179	24,682	5.7	7.4
Casual labour	46,016	47,014	35,217	42,486	10.0	12.8
Power & machinery costs:						
Contract & hire	1,317	1,637	1,008	1,479	0.3	0.4
Fuel & electricity	9,650	6,511	7,385	5,884	2.1	1.8
Repairs	9,116	9,428	6,977	8,520	2.0	2.6
Machinery depreciation	8,736	7,160	6,686	6,470	1.9	2.0
Glasshouse depreciation	9,304	14,847	7,121	13,417	2.0	4.0
Rent (incl. imputed)	9,362	7,227	7,165	6,531	2.0	2.0
Other costs:						
Occupier's repairs	9,351	8,663	7,156	7,829	2.0	2.4
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,127	1,895	1,628	1,713	0.5	0.5
Sundries	16,512	12,576	12,637	11,365	3.6	3.4
Total fixed costs	**230,671**	**207,558**	**176,535**	**187,568**	**50.2**	**56.6**
Management & investment income	**7,052**	**5,158**	**5,397**	**4,662**	**1.5**	**1.4**
Minus: management salaries	314	285	241	257	0.1	0.1
Plus: farmer & spouse labour	22,327	24,821	17,087	22,430	4.9	6.8
Net farm income	**29,065**	**29,694**	**22,244**	**26,834**	**6.3**	**8.1**
Farm business income	**19,593**	**25,271**	**14,995**	**22,837**	**4.3**	**6.9**

Premium businesses	*Per hectare* 2014/15	*Per £100 of gross output* 2014/15
Number of businesses	9	9
Productive cropping area (ha)	3.19	
	£ per hectare	*average %*
Gross output	**364,503**	**100.0**
Variable costs		
Seed & young plants	21,076	5.8
Fertilisers & composts	10,680	2.9
Crop protection	3,904	1.1
Market charges	31,576	8.7
Packing materials	13,649	3.7
Horticultural sundries	10,271	2.8
Glasshouse fuel	65,190	17.9
Other variable costs	0	0.0
Total variable costs	**156,346**	**42.9**
Total gross margin	**208,157**	**57.1**
Fixed costs		
Labour:		
Regular paid	66,655	18.3
Regular unpaid	7,802	2.1
Casual labour	54,065	14.8
Power & machinery costs:		
Contract & hire	1,722	0.5
Fuel & electricity	4,842	1.3
Repairs	7,717	2.1
Machinery depreciation	6,473	1.8
Glasshouse depreciation	14,818	4.1
Rent (incl. imputed)	5,440	1.5
Other costs:		
Occupier's repairs	7,511	2.1
Permanent crop depreciation	0	0.0
Water	1,482	0.4
Sundries	9,355	2.6
Total fixed costs	**187,881**	**51.5**
Management & investment income	**20,276**	**5.6**
Minus: management salaries	341	0.1
Plus: farmer & spouse labour	6,620	1.8
Net farm income	**26,556**	**7.3**
Farm business income	**21,059**	**5.8**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Glasshouse crops			
Flowers & nursery stock	0.0	0.0	0.0
Tomatoes	40.4	43.1	41.4
Lettuce	2.6	3.2	2.0
Soft fruit	36.2	40.8	46.9
Other glasshouse crops	20.8	12.7	9.7
Outdoor crops			
Flowers & nursery stock	0.0	0.0	0.0
Vegetables	0.0	0.1	0.0
Fruit	0.0	0.0	0.0
Other outdoor crops	0.0	0.0	0.0
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Crops & tillages	2	1	2
Stores	5	4	4
Glasshouses	33	36	43
Equipment	19	17	21
Livestock	0	0	0
Other	41	41	30
Total	**100**	**100**	**100**
Tenant's capital (£)	**489,546**	**482,533**	**1,164,848**

Table 2.13 Specialist glass businesses (90% or more of crop output from glasshouse production) - mainly salad crops*

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	11	10	11	10	11	10
Productive cropping area (ha)	1.09	0.93	1.09	0.93		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**502,960**	**416,530**	**459,721**	**448,873**	**100.0**	**100.0**
Variable costs						
Seed & young plants	29,584	21,723	27,041	23,409	5.9	5.2
Fertilisers & composts	17,896	13,378	16,357	14,417	3.6	3.2
Crop protection	5,024	5,592	4,592	6,027	1.0	1.3
Market charges	19,321	21,805	17,660	23,498	3.8	5.2
Packing materials	23,616	14,831	21,586	15,983	4.7	3.6
Horticultural sundries	7,999	5,144	7,311	5,544	1.6	1.2
Glasshouse fuel	161,112	111,400	147,261	120,050	32.0	26.7
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**264,551**	**193,874**	**241,808**	**208,928**	**52.6**	**46.5**
Total gross margin	**238,409**	**222,656**	**217,913**	**239,945**	**47.4**	**53.5**
Fixed costs						
Labour:						
Regular paid	114,154	96,616	104,340	104,118	22.7	23.2
Regular unpaid	28,174	26,023	25,752	28,044	5.6	6.2
Casual labour	6,879	5,265	6,288	5,674	1.4	1.3
Power & machinery costs:						
Contract & hire	1,597	1,915	1,460	2,063	0.3	0.5
Fuel & electricity	10,725	7,668	9,803	8,263	2.1	1.8
Repairs	13,534	14,773	12,370	15,920	2.7	3.5
Machinery depreciation	6,749	6,764	6,169	7,289	1.3	1.6
Glasshouse depreciation	13,381	26,441	12,230	28,494	2.7	6.3
Rent (incl. imputed)	9,289	7,753	8,490	8,355	1.8	1.9
Other costs:						
Occupier's repairs	11,907	9,648	10,883	10,397	2.4	2.3
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	1,280	936	1,170	1,008	0.3	0.2
Sundries	20,507	15,636	18,744	16,850	4.1	3.8
Total fixed costs	**238,175**	**219,437**	**217,699**	**236,476**	**47.4**	**52.7**
Management & investment income	**234**	**3,219**	**214**	**3,469**	**0.0**	**0.8**
Minus: management salaries	55	57	50	62	0.0	0.0
Plus: farmer & spouse labour	23,296	23,155	21,293	24,953	4.6	5.6
Net farm income	**23,475**	**26,317**	**21,457**	**28,360**	**4.7**	**6.3**
Farm business income	**19,169**	**26,979**	**17,521**	**29,074**	**3.8**	**6.5**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15
Glasshouse crops		
Flowers & nursery stock	0.0	0.0
Tomatoes	65.9	79.4
Lettuce	4.2	5.9
Soft fruit	0.0	0.0
Other glasshouse crops	29.9	14.6
Outdoor crops		
Flowers & nursery stock	0.0	0.0
Vegetables	0.0	0.0
Fruit	0.0	0.0
Other outdoor crops	0.0	0.0
Total	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15
Crops & tillages	0	0
Stores	4	2
Glasshouses	39	44
Equipment	13	11
Livestock	0	0
Other	44	42
Total	**100**	**100**
Tenant's capital (£)	**598,001**	**671,395**

** no premium figures, sample too small*

Table 2.14 Specialist glass businesses (90% or more of crop output from glasshouse production) - mainly non-edible crops

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	26	28	26	28	26	28
Productive cropping area (ha)	0.76	0.89	0.76	0.89		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**426,781**	**523,383**	**563,879**	**590,123**	**100.0**	**100.0**
Variable costs						
Seed & young plants	82,032	103,821	108,384	117,060	19.2	19.8
Fertilisers & composts	14,365	18,357	18,980	20,698	3.4	3.5
Crop protection	2,679	2,920	3,540	3,292	0.6	0.6
Market charges	14,607	16,475	19,300	18,576	3.4	3.1
Packing materials	30,060	35,608	39,717	40,148	7.0	6.8
Horticultural sundries	15,263	25,070	20,166	28,267	3.6	4.8
Glasshouse fuel	16,211	15,105	21,419	17,031	3.8	2.9
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**175,219**	**217,356**	**231,505**	**245,072**	**41.1**	**41.5**
Total gross margin	**251,562**	**306,027**	**332,374**	**345,051**	**58.9**	**58.5**
Fixed costs						
Labour:						
Regular paid	86,649	111,944	114,484	126,219	20.3	21.4
Regular unpaid	37,797	36,814	49,939	41,509	8.9	7.0
Casual labour	24,109	34,464	31,854	38,859	5.6	6.6
Power & machinery costs:						
Contract & hire	2,633	3,727	3,479	4,203	0.6	0.7
Fuel & electricity	12,575	12,080	16,614	13,621	2.9	2.3
Repairs	5,517	5,865	7,290	6,613	1.3	1.1
Machinery depreciation	10,398	14,751	13,738	16,632	2.4	2.8
Glasshouse depreciation	9,278	8,360	12,258	9,426	2.2	1.6
Rent (incl. imputed)	8,222	9,967	10,864	11,237	1.9	1.9
Other costs:						
Occupier's repairs	7,430	12,689	9,816	14,307	1.7	2.4
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,775	3,038	3,667	3,425	0.7	0.6
Sundries	20,803	23,194	27,485	26,151	4.9	4.4
Total fixed costs	**228,186**	**276,893**	**301,488**	**312,202**	**53.5**	**52.9**
Management & investment income	**23,377**	**29,134**	**30,886**	**32,849**	**5.5**	**5.6**
Minus: management salaries	4,625	6,068	6,111	6,842	1.1	1.2
Plus: farmer & spouse labour	34,653	33,481	45,785	37,750	8.1	6.4
Net farm income	**53,405**	**56,546**	**70,560**	**63,757**	**12.5**	**10.8**
Farm business income	**43,982**	**49,344**	**58,111**	**55,636**	**10.3**	**9.4**

Premium businesses	Per hectare 2014/15	Per £100 of gross output 2014/15
Number of businesses	7	7
Productive cropping area (ha)	0.96	
	£ per hectare	*average %*
Gross output	**573,927**	**100.0**
Variable costs		
Seed & young plants	109,817	19.1
Fertilisers & composts	20,683	3.6
Crop protection	4,033	0.7
Market charges	19,246	3.4
Packing materials	17,058	3.0
Horticultural sundries	12,258	2.1
Glasshouse fuel	19,694	3.4
Other variable costs	0	0.0
Total variable costs	**202,789**	**35.3**
Total gross margin	**371,138**	**64.7**
Fixed costs		
Labour:		
Regular paid	116,278	20.3
Regular unpaid	33,433	5.8
Casual labour	15,963	2.8
Power & machinery costs:		
Contract & hire	853	0.1
Fuel & electricity	11,925	2.1
Repairs	4,184	0.7
Machinery depreciation	17,543	3.1
Glasshouse depreciation	10,296	1.8
Rent (incl. imputed)	8,534	1.5
Other costs:		
Occupier's repairs	16,659	2.9
Permanent crop depreciation	0	0.0
Water	1,877	0.3
Sundries	22,008	3.8
Total fixed costs	**259,552**	**45.2**
Management & investment income	**111,586**	**19.4**
Minus: management salaries	23,066	4.0
Plus: farmer & spouse labour	28,120	4.9
Net farm income	**116,640**	**20.3**
Farm business income	**104,192**	**18.2**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Glasshouse crops			
Flowers & nursery stock	99.1	99.2	100.0
Tomatoes	0.0	0.0	0.0
Lettuce	0.0	0.0	0.0
Soft fruit	0.0	0.0	0.0
Other glasshouse crops	0.8	0.7	0.0
Outdoor crops			
Flowers & nursery stock	0.1	0.1	0.0
Vegetables	0.0	0.0	0.0
Fruit	0.0	0.0	0.0
Other outdoor crops	0.0	0.0	0.0
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Crops & tillages	7	7	6
Stores	12	12	13
Glasshouses	26	23	25
Equipment	19	21	16
Livestock	0	0	0
Other	36	37	40
Total	**100**	**100**	**100**
Tenant's capital (£)	**605,166**	**696,510**	**905,102**

Table 2.15 All specialist fruit businesses

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	47	51	47	51	47	51
Productive cropping area (ha)	18.48	22.07	18.48	22.07		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**263,507**	**349,074**	**14,261**	**15,818**	**100.0**	**100.0**
Variable costs						
Seed & young plants	7,503	8,155	406	370	2.8	2.3
Fertilisers & composts	3,636	5,866	197	266	1.4	1.7
Crop protection	11,947	16,715	647	757	4.5	4.8
Market charges	37,001	48,827	2,003	2,213	14.0	14.0
Packing materials	24,925	37,451	1,349	1,697	9.5	10.7
Horticultural sundries	15,311	17,365	829	787	5.8	5.0
Glasshouse fuel	0	0	0	0	0.0	0.0
Other variable costs	816	1,758	44	80	0.3	0.5
Total variable costs	**101,139**	**136,137**	**5,474**	**6,169**	**38.4**	**39.0**
Total gross margin	**162,368**	**212,937**	**8,788**	**9,649**	**61.6**	**61.0**
Fixed costs						
Labour:						
Regular paid	22,298	27,525	1,207	1,247	8.5	7.9
Regular unpaid	20,656	21,546	1,118	976	7.8	6.2
Casual labour	53,528	79,822	2,897	3,617	20.3	22.9
Power & machinery costs:						
Contract & hire	4,901	10,328	265	468	1.9	3.0
Fuel & electricity	9,152	11,404	495	517	3.5	3.3
Repairs	6,591	8,342	357	378	2.5	2.4
Machinery depreciation	10,688	13,502	578	612	4.1	3.9
Glasshouse depreciation	564	473	31	21	0.2	0.1
Rent (incl. imputed)	14,278	18,655	773	845	5.4	5.3
Other costs:						
Occupier's repairs	6,006	6,463	325	293	2.3	1.9
Permanent crop depreciation	2,798	4,033	151	183	1.1	1.2
Water	1,095	1,702	59	77	0.4	0.5
Sundries	12,985	15,645	703	709	4.9	4.5
Total fixed costs	**165,542**	**219,441**	**8,959**	**9,944**	**62.8**	**62.9**
Management & investment income	**-3,174**	**-6,504**	**-172**	**-295**	**-1.2**	**-1.9**
Minus: management salaries	278	314	15	14	0.1	0.1
Plus: farmer & spouse labour	18,352	19,190	993	870	7.0	5.5
Net farm income	**14,900**	**12,372**	**806**	**561**	**5.7**	**3.5**
Farm business income	**18,398**	**14,552**	**996**	**659**	**7.0**	**4.2**

Premium businesses	Per hectare 2014/15	Per £100 of gross output 2014/15
Number of businesses	17	17
Productive cropping area (ha)	22.70	
	£ per hectare	*average %*
Gross output	**13,797**	**100.0**
Variable costs		
Seed & young plants	163	1.2
Fertilisers & composts	187	1.4
Crop protection	563	4.1
Market charges	1,157	8.4
Packing materials	596	4.3
Horticultural sundries	411	3.0
Glasshouse fuel	0	0.0
Other variable costs	56	0.4
Total variable costs	**3,133**	**22.7**
Total gross margin	**10,663**	**77.3**
Fixed costs		
Labour:		
Regular paid	773	5.6
Regular unpaid	768	5.6
Casual labour	3,188	23.1
Power & machinery costs:		
Contract & hire	315	2.3
Fuel & electricity	446	3.2
Repairs	317	2.3
Machinery depreciation	505	3.7
Glasshouse depreciation	0	0.0
Rent (incl. imputed)	700	5.1
Other costs:		
Occupier's repairs	210	1.5
Permanent crop depreciation	164	1.2
Water	79	0.6
Sundries	634	4.6
Total fixed costs	**8,099**	**58.7**
Management & investment income	**2,564**	**18.6**
Minus: management salaries	16	0.1
Plus: farmer & spouse labour	645	4.7
Net farm income	**3,194**	**23.2**
Farm business income	**3,400**	**24.6**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Top fruit			
Dessert apples & pears	35.7	28.5	22.6
Culinary apples	6.8	5.6	2.4
Cider apples	5.1	6.2	19.3
Plums	4.8	4.1	5.5
Other top fruit	6.8	6.2	8.3
Soft fruit			
Strawberries	15.6	14.3	20.5
Raspberries	17.8	25.1	15.8
Blackcurrants	1.0	1.2	0.9
Other soft fruit	5.4	7.7	3.6
Other crops	1.1	1.3	1.1
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Crops & tillages	6	7	3
Stores	4	4	4
Glasshouses	1	1	0
Equipment	26	27	22
Livestock	1	2	1
Other	62	60	70
Total	**100**	**100**	**100**
Tenant's capital (£)	**449,622**	**569,975**	**569,916**

Table 2.16 Specialist fruit businesses, mainly top fruit

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	31	33	31	33	31	33
Productive cropping area (ha)	15.57	20.05	15.57	20.05		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**183,893**	**240,377**	**11,812**	**11,990**	**100.0**	**100.0**
Variable costs						
Seed & young plants	733	881	47	44	0.4	0.4
Fertilisers & composts	1,438	2,186	92	109	0.8	0.9
Crop protection	9,380	13,656	603	681	5.1	5.7
Market charges	34,228	39,968	2,199	1,994	18.6	16.6
Packing materials	14,701	18,192	944	907	8.0	7.6
Horticultural sundries	7,617	9,418	489	470	4.1	3.9
Glasshouse fuel	0	0	0	0	0.0	0.0
Other variable costs	209	333	13	17	0.1	0.1
Total variable costs	**68,305**	**84,633**	**4,387**	**4,221**	**37.1**	**35.2**
Total gross margin	**115,588**	**155,744**	**7,425**	**7,768**	**62.9**	**64.8**
Fixed costs						
Labour:						
Regular paid	17,236	20,957	1,107	1,045	9.4	8.7
Regular unpaid	19,855	21,368	1,275	1,066	10.8	8.9
Casual labour	26,020	40,206	1,671	2,005	14.1	16.7
Power & machinery costs:						
Contract & hire	2,749	4,790	177	239	1.5	2.0
Fuel & electricity	7,296	8,971	469	447	4.0	3.7
Repairs	4,235	6,534	272	326	2.3	2.7
Machinery depreciation	9,209	13,155	592	656	5.0	5.5
Glasshouse depreciation	21	18	1	1	0.0	0.0
Rent (incl. imputed)	11,028	13,420	708	669	6.0	5.6
Other costs:						
Occupier's repairs	3,509	3,870	225	193	1.9	1.6
Permanent crop depreciation	3,150	4,671	202	233	1.7	1.9
Water	580	608	37	30	0.3	0.3
Sundries	9,053	11,584	582	578	4.9	4.8
Total fixed costs	**113,941**	**150,153**	**7,319**	**7,489**	**62.0**	**62.5**
Management & investment income	**1,647**	**5,591**	**106**	**279**	**0.9**	**2.3**
Minus: management salaries	169	193	11	10	0.1	0.1
Plus: farmer & spouse labour	17,410	18,582	1,118	927	9.5	7.7
Net farm income	**18,888**	**23,981**	**1,213**	**1,196**	**10.3**	**10.0**
Farm business income	**24,624**	**28,120**	**1,582**	**1,403**	**13.4**	**11.7**

Premium businesses	*Per hectare* 2014/15	*Per £100 of gross output* 2014/15
Number of businesses	8	8
Productive cropping area (ha)	18.46	
	£ per hectare	*average %*
Gross output	**10,271**	**100.0**
Variable costs		
Seed & young plants	0	0.0
Fertilisers & composts	127	1.2
Crop protection	485	4.7
Market charges	735	7.2
Packing materials	158	1.5
Horticultural sundries	162	1.6
Glasshouse fuel	0	0.0
Other variable costs	58	0.6
Total variable costs	**1,726**	**16.8**
Total gross margin	**8,545**	**83.2**
Fixed costs		
Labour:		
Regular paid	944	9.2
Regular unpaid	820	8.0
Casual labour	1,025	10.0
Power & machinery costs:		
Contract & hire	51	0.5
Fuel & electricity	377	3.7
Repairs	271	2.6
Machinery depreciation	414	4.0
Glasshouse depreciation	0	0.0
Rent (incl. imputed)	593	5.8
Other costs:		
Occupier's repairs	153	1.5
Permanent crop depreciation	216	2.1
Water	19	0.2
Sundries	416	4.1
Total fixed costs	**5,300**	**51.6**
Management & investment income	**3,245**	**31.6**
Minus: management salaries	27	0.3
Plus: farmer & spouse labour	646	6.3
Net farm income	**3,864**	**37.6**
Farm business income	**4,302**	**41.9**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Top fruit			
Dessert apples & pears	61.5	56.4	46.4
Culinary apples	13.4	12.3	4.8
Cider apples	8.6	13.0	34.7
Plums	6.0	6.7	0.5
Other top fruit	9.8	10.6	13.6
Soft fruit			
Strawberries	0.0	0.0	0.0
Raspberries	0.0	0.0	0.0
Blackcurrants	0.0	0.0	0.0
Other soft fruit	0.2	0.1	0.0
Other crops	0.4	0.9	0.0
Total	**100.0**	**100.0**	**100**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Crops & tillages	4	5	3
Stores	3	2	2
Glasshouses	0	0	0
Equipment	26	27	17
Livestock	0	0	0
Other	67	65	78
Total	**100**	**100**	**100**
Tenant's capital (£)	**398,686**	**551,541**	**514,244**

Table 2.17 Specialist fruit businesses, mainly top fruit-excluding cider

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	21	23	21	23	21	23
Productive cropping area (ha)	17.38	20.08	17.38	20.08		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**261,582**	**307,012**	**15,049**	**15,286**	**100.0**	**100.0**
Variable costs						
Seed & young plants	1,126	1,208	65	60	0.4	0.4
Fertilisers & composts	1,533	1,940	88	97	0.6	0.6
Crop protection	13,464	17,051	775	849	5.1	5.6
Market charges	52,948	56,586	3,046	2,817	20.2	18.4
Packing materials	22,790	26,047	1,311	1,297	8.7	8.5
Horticultural sundries	11,856	12,898	682	642	4.5	4.2
Glasshouse fuel	0	0	0	0	0.0	0.0
Other variable costs	0	4	0	0	0.0	0.0
Total variable costs	**103,718**	**115,734**	**5,967**	**5,762**	**39.7**	**37.7**
Total gross margin	**157,864**	**191,278**	**9,082**	**9,523**	**60.3**	**62.3**
Fixed costs						
Labour:						
Regular paid	25,810	28,568	1,485	1,422	9.9	9.3
Regular unpaid	23,949	23,511	1,378	1,171	9.2	7.7
Casual labour	39,080	56,511	2,248	2,814	14.9	18.4
Power & machinery costs:						
Contract & hire	1,911	3,661	110	182	0.7	1.2
Fuel & electricity	10,131	11,199	583	558	3.9	3.6
Repairs	5,591	7,659	322	381	2.1	2.5
Machinery depreciation	12,335	15,434	710	768	4.7	5.0
Glasshouse depreciation	33	26	2	1	0.0	0.0
Rent (incl. imputed)	14,085	15,065	810	750	5.4	4.9
Other costs:						
Occupier's repairs	4,940	4,209	284	210	1.9	1.4
Permanent crop depreciation	3,800	5,267	219	262	1.5	1.7
Water	801	780	46	39	0.3	0.3
Sundries	11,287	13,937	649	694	4.3	4.5
Total fixed costs	**153,754**	**185,827**	**8,846**	**9,252**	**58.8**	**60.5**
Management & investment income	**4,110**	**5,451**	**236**	**271**	**1.6**	**1.8**
Minus: management salaries	265	278	15	14	0.1	0.1
Plus: farmer & spouse labour	20,916	20,341	1,203	1,013	8.0	6.6
Net farm income	**24,761**	**25,513**	**1,425**	**1,270**	**9.5**	**8.3**
Farm business income	**31,952**	**30,581**	**1,838**	**1,523**	**12.2**	**10.0**

Premium businesses	*Per hectare* 2014/15	*Per £100 of gross output* 2014/15
Number of businesses	9	9
Productive cropping area (ha)	29.97	
	£ per hectare	*average %*
Gross output	**23,137**	**100.0**
Variable costs		
Seed & young plants	21	0.1
Fertilisers & composts	101	0.4
Crop protection	976	4.2
Market charges	4,625	20.0
Packing materials	1,298	5.6
Horticultural sundries	1,131	4.9
Glasshouse fuel	0	0.0
Other variable costs	0	0.0
Total variable costs	**8,152**	**35.2**
Total gross margin	**14,985**	**64.8**
Fixed costs		
Labour:		
Regular paid	1,936	8.4
Regular unpaid	753	3.3
Casual labour	4,628	20.0
Power & machinery costs:		
Contract & hire	176	0.8
Fuel & electricity	645	2.8
Repairs	434	1.9
Machinery depreciation	984	4.3
Glasshouse depreciation	0	0.0
Rent (incl. imputed)	901	3.9
Other costs:		
Occupier's repairs	277	1.2
Permanent crop depreciation	333	1.4
Water	36	0.2
Sundries	917	4.0
Total fixed costs	**12,019**	**51.9**
Management & investment income	**2,966**	**12.8**
Minus: management salaries	34	0.1
Plus: farmer & spouse labour	652	2.8
Net farm income	**3,584**	**15.5**
Farm business income	**3,858**	**16.7**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Top fruit			
Dessert apples & pears	67.2	63.9	61.0
Culinary apples	14.7	13.9	13.4
Cider apples	0.3	1.6	3.1
Plums	6.6	7.6	10.5
Other top fruit	10.7	12.0	11.8
Soft fruit			
Strawberries	0.0	0.0	0.0
Raspberries	0.0	0.0	0.0
Blackcurrants	0.0	0.0	0.0
Other soft fruit	0.2	0.1	0.1
Other crops	0.4	0.8	0.1
Total	**100.0**	**100.0**	**100**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Crops & tillages	5	6	8
Stores	2	2	2
Glasshouses	0	0	0
Equipment	26	26	24
Livestock	0	0	0
Other	67	66	67
Total	**100**	**100**	**100**
Tenant's capital (£)	**538,756**	**666,390**	**1,383,520**

Table 2.18 Specialist fruit businesses, cider*

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	10	10	10	10	10	10
Productive cropping area (ha)	12.41	19.97	12.41	19.97		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**48,364**	**90,562**	**3,899**	**4,535**	**100.0**	**100.0**
Variable costs						
Seed & young plants	46	145	4	7	0.1	0.2
Fertilisers & composts	1,271	2,742	102	137	2.6	3.0
Crop protection	2,255	6,021	182	302	4.7	6.6
Market charges	1,570	2,603	127	130	3.2	2.9
Packing materials	590	532	48	27	1.2	0.6
Horticultural sundries	221	1,592	18	80	0.5	1.8
Glasshouse fuel	0	0	0	0	0.0	0.0
Other variable costs	573	1,075	46	54	1.2	1.2
Total variable costs	**6,526**	**14,711**	**526**	**737**	**13.5**	**16.2**
Total gross margin	**41,837**	**75,851**	**3,373**	**3,799**	**86.5**	**83.8**
Fixed costs						
Labour:						
Regular paid	2,279	3,846	184	193	4.7	4.2
Regular unpaid	12,712	16,550	1,025	829	26.3	18.3
Casual labour	3,236	3,547	261	178	6.7	3.9
Power & machinery costs:						
Contract & hire	4,212	7,327	340	367	8.7	8.1
Fuel & electricity	2,352	3,963	190	198	4.9	4.4
Repairs	1,871	4,004	151	201	3.9	4.4
Machinery depreciation	3,755	8,030	303	402	7.8	8.9
Glasshouse depreciation	0	0	0	0	0.0	0.0
Rent (incl. imputed)	5,693	9,723	459	487	11.8	10.7
Other costs:						
Occupier's repairs	1,012	3,106	82	156	2.1	3.4
Permanent crop depreciation	2,015	3,331	162	167	4.2	3.7
Water	195	220	16	11	0.4	0.2
Sundries	5,156	6,296	416	315	10.7	7.0
Total fixed costs	**44,487**	**69,945**	**3,586**	**3,503**	**92.0**	**77.2**
Management & investment income	**-2,650**	**5,906**	**-214**	**296**	**-5.5**	**6.5**
Minus: management salaries	0	0	0	0	0.0	0.0
Plus: farmer & spouse labour	11,293	14,629	910	733	23.3	16.2
Net farm income	**8,643**	**20,535**	**697**	**1,028**	**17.9**	**22.7**
Farm business income	**11,840**	**22,585**	**954**	**1,131**	**24.5**	**24.9**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15
Top fruit		
Dessert apples & pears	0.0	0.0
Culinary apples	0.0	0.0
Cider apples	98.0	97.9
Plums	0.0	0.0
Other top fruit	1.0	0.2
Soft fruit		
Strawberries	0.0	0.0
Raspberries	0.0	0.0
Blackcurrants	0.0	0.0
Other soft fruit	0.1	0.0
Other crops	0.9	1.9
Total	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15
Crops & tillages	1	1
Stores	7	3
Glasshouses	0	0
Equipment	25	33
Livestock	0	3
Other	66	60
Total	**100**	**100**
Tenant's capital (£)	**154,335**	**293,326**

** no premium figures, sample too small*

Table 2.19 All specialist hardy nursery stock businesses

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	32	32	32	32	32	32
Productive cropping area (ha)	2.77	2.38	2.77	2.38		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**361,317**	**355,415**	**130,209**	**149,255**	**100.0**	**100.0**
Variable costs						
Seed & young plants	113,686	92,736	40,969	38,944	31.5	26.1
Fertilisers & composts	12,078	9,304	4,353	3,907	3.3	2.6
Crop protection	2,829	2,473	1,020	1,039	0.8	0.7
Market charges	8,384	20,580	3,021	8,642	2.3	5.8
Packing materials	7,901	8,583	2,847	3,604	2.2	2.4
Horticultural sundries	14,383	15,536	5,183	6,524	4.0	4.4
Glasshouse fuel	943	649	340	272	0.3	0.2
Other variable costs	409	0	147	0	0.1	0.0
Total variable costs	**160,613**	**149,862**	**57,881**	**62,934**	**44.5**	**42.2**
Total gross margin	**200,704**	**205,553**	**72,328**	**86,321**	**55.5**	**57.8**
Fixed costs						
Labour:						
Regular paid	90,436	82,761	32,591	34,755	25.0	23.3
Regular unpaid	26,711	28,664	9,626	12,037	7.4	8.1
Casual labour	6,858	13,702	2,472	5,754	1.9	3.9
Power & machinery costs:						
Contract & hire	1,761	1,310	635	550	0.5	0.4
Fuel & electricity	9,354	6,958	3,371	2,922	2.6	2.0
Repairs	5,437	5,937	1,959	2,493	1.5	1.7
Machinery depreciation	7,012	5,856	2,527	2,459	1.9	1.6
Glasshouse depreciation	2,530	1,479	912	621	0.7	0.4
Rent (incl. imputed)	8,732	8,665	3,147	3,639	2.4	2.4
Other costs:						
Occupier's repairs	4,772	6,293	1,720	2,643	1.3	1.8
Permanent crop depreciation	21	8	8	3	0.0	0.0
Water	1,927	1,894	694	795	0.5	0.5
Sundries	18,162	21,936	6,545	9,212	5.0	6.2
Total fixed costs	**183,713**	**185,463**	**66,205**	**77,885**	**50.8**	**52.2**
Management & investment income	**16,991**	**20,089**	**6,123**	**8,437**	**4.7**	**5.7**
Minus: management salaries	499	403	180	169	0.1	0.1
Plus: farmer & spouse labour	21,967	24,335	7,916	10,219	6.1	6.8
Net farm income	**38,459**	**44,021**	**13,859**	**18,487**	**10.6**	**12.4**
Farm business income	**34,232**	**39,755**	**12,336**	**16,695**	**9.5**	**11.2**

Premium businesses	Per hectare 2014/15	Per £100 of gross output 2014/15
Number of businesses	13	13
Productive cropping area (ha)	4.17	
	£ per hectare	*average %*
Gross output	**181,360**	**100.0**
Variable costs		
Seed & young plants	38,910	21.5
Fertilisers & composts	3,515	1.9
Crop protection	1,269	0.7
Market charges	12,538	6.9
Packing materials	4,572	2.5
Horticultural sundries	7,433	4.1
Glasshouse fuel	269	0.1
Other variable costs	0	0.0
Total variable costs	**68,508**	**37.8**
Total gross margin	**112,852**	**62.2**
Fixed costs		
Labour:		
Regular paid	45,046	24.8
Regular unpaid	6,040	3.3
Casual labour	8,861	4.9
Power & machinery costs:		
Contract & hire	715	0.4
Fuel & electricity	2,664	1.5
Repairs	2,667	1.5
Machinery depreciation	2,319	1.3
Glasshouse depreciation	593	0.3
Rent (incl. imputed)	3,000	1.7
Other costs:		
Occupier's repairs	2,690	1.5
Permanent crop depreciation	0	0.0
Water	767	0.4
Sundries	10,609	5.8
Total fixed costs	**85,972**	**47.4**
Management & investment income	**26,880**	**14.8**
Minus: management salaries	319	0.2
Plus: farmer & spouse labour	4,722	2.6
Net farm income	**31,283**	**17.2**
Farm business income	**27,116**	**15.0**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Hardy nursery stock			
Glasshouse crops	22.0	37.1	51.4
Outdoor crops	78.0	62.5	47.9
Other crops	0.0	0.5	0.7
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Crops & tillages	29	43	54
Stores	12	8	8
Glasshouses	8	6	5
Equipment	13	14	14
Livestock	1	0	0
Other	37	29	19
Total	**100**	**100**	**100**
Tenant's capital (£)	**577,398**	**457,654**	**841,051**

Table 2.20 Intensive hardy nursery stock - crop output more than £175,000 per hectare*

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	11	14	11	14	11	14
Productive cropping area (ha)	2.27	1.99	2.27	1.99		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**653,362**	**633,491**	**287,399**	**318,393**	**100.0**	**100.0**
Variable costs						
Seed & young plants	226,036	151,680	99,428	76,235	34.6	23.9
Fertilisers & composts	18,762	14,817	8,253	7,447	2.9	2.3
Crop protection	3,207	3,955	1,411	1,988	0.5	0.6
Market charges	11,907	43,935	5,238	22,082	1.8	6.9
Packing materials	13,783	17,028	6,063	8,558	2.1	2.7
Horticultural sundries	29,197	27,022	12,843	13,581	4.5	4.3
Glasshouse fuel	2,537	1,409	1,116	708	0.4	0.2
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**305,428**	**259,847**	**134,351**	**130,599**	**46.7**	**41.0**
Total gross margin	**347,934**	**373,644**	**153,048**	**187,794**	**53.3**	**59.0**
Fixed costs						
Labour:						
Regular paid	168,807	165,037	74,254	82,948	25.8	26.1
Regular unpaid	32,747	33,660	14,405	16,917	5.0	5.3
Casual labour	10,832	25,316	4,765	12,724	1.7	4.0
Power & machinery costs:						
Contract & hire	1,450	2,013	638	1,012	0.2	0.3
Fuel & electricity	11,389	8,736	5,010	4,391	1.7	1.4
Repairs	6,538	8,604	2,876	4,324	1.0	1.4
Machinery depreciation	9,767	7,385	4,296	3,712	1.5	1.2
Glasshouse depreciation	2,142	2,255	942	1,133	0.3	0.4
Rent (incl. imputed)	8,561	9,291	3,766	4,670	1.3	1.5
Other costs:						
Occupier's repairs	6,451	9,487	2,838	4,768	1.0	1.5
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,427	3,297	1,068	1,657	0.4	0.5
Sundries	27,234	37,150	11,979	18,672	4.2	5.9
Total fixed costs	**288,346**	**312,232**	**126,837**	**156,928**	**44.1**	**49.3**
Management & investment income	**59,587**	**61,412**	**26,211**	**30,866**	**9.1**	**9.7**
Minus: management salaries	1,664	1,047	732	526	0.3	0.2
Plus: farmer & spouse labour	25,339	24,554	11,146	12,341	3.9	3.9
Net farm income	**83,263**	**84,918**	**36,625**	**42,680**	**12.7**	**13.4**
Farm business income	**79,824**	**76,722**	**35,113**	**38,561**	**12.2**	**12.1**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15
Hardy nursery stock		
Glasshouse crops	32.7	50.5
Outdoor crops	67.3	48.9
Other crops	0.0	0.6
Total	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15
Crops & tillages	31	48
Stores	17	7
Glasshouses	4	6
Equipment	13	14
Livestock	0	0
Other	35	25
Total	**100**	**100**
Tenant's capital (£)	**797,540**	**624,074**

** no premium figures, sample too small*

Table 2.21 Extensive hardy nursery stock - crop output less than £175,000 per hectare*

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	20	17	20	17	20	17
Productive cropping area (ha)	3.23	2.85	3.23	2.85		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**258,208**	**200,660**	**80,037**	**70,357**	**100.0**	**100.0**
Variable costs						
Seed & young plants	72,556	62,741	22,490	21,999	28.1	31.3
Fertilisers & composts	10,154	6,586	3,147	2,309	3.9	3.3
Crop protection	2,951	1,709	915	599	1.1	0.9
Market charges	7,618	6,719	2,361	2,356	3.0	3.3
Packing materials	5,963	3,713	1,848	1,302	2.3	1.9
Horticultural sundries	8,881	9,393	2,753	3,294	3.4	4.7
Glasshouse fuel	287	195	89	68	0.1	0.1
Other variable costs	648	0	201	0	0.3	0.0
Total variable costs	**109,057**	**91,056**	**33,804**	**31,927**	**42.2**	**45.4**
Total gross margin	**149,151**	**109,604**	**46,232**	**38,430**	**57.8**	**54.6**
Fixed costs						
Labour:						
Regular paid	62,999	35,208	19,528	12,345	24.4	17.5
Regular unpaid	25,967	27,813	8,049	9,752	10.1	13.9
Casual labour	5,713	6,846	1,771	2,400	2.2	3.4
Power & machinery costs:						
Contract & hire	1,241	814	385	286	0.5	0.4
Fuel & electricity	9,078	6,519	2,814	2,286	3.5	3.2
Repairs	5,162	4,238	1,600	1,486	2.0	2.1
Machinery depreciation	6,271	4,916	1,944	1,724	2.4	2.5
Glasshouse depreciation	2,988	1,118	926	392	1.2	0.6
Rent (incl. imputed)	8,532	7,746	2,645	2,716	3.3	3.9
Other costs:						
Occupier's repairs	4,309	4,271	1,336	1,498	1.7	2.1
Permanent crop depreciation	34	14	10	5	0.0	0.0
Water	1,705	1,026	529	360	0.7	0.5
Sundries	15,554	12,850	4,821	4,506	6.0	6.4
Total fixed costs	**149,553**	**113,380**	**46,357**	**39,754**	**57.9**	**56.5**
Management & investment income	**-401**	**-3,776**	**-124**	**-1,324**	**-0.2**	**-1.9**
Minus: management salaries	0	0	0	0	0.0	0.0
Plus: farmer & spouse labour	21,975	26,304	6,812	9,223	8.5	13.1
Net farm income	**21,574**	**22,527**	**6,687**	**7,899**	**8.4**	**11.2**
Farm business income	**15,322**	**19,026**	**4,749**	**6,671**	**5.9**	**9.5**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15
Hardy nursery stock		
Glasshouse crops	8.5	4.3
Outdoor crops	91.5	95.7
Other crops	0.0	0.0
Total	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15
Crops & tillages	29	39
Stores	8	10
Glasshouses	10	5
Equipment	14	14
Livestock	2	0
Other	37	32
Total	**100**	**100**
Tenant's capital (£)	**525,719**	**383,156**

** no premium figures, sample too small*

Table 2.22 All other horticulture businesses

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	37	34	37	34	37	34
Productive cropping area (ha)	34.49	25.85	34.49	25.85		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**402,691**	**340,613**	**11,677**	**13,177**	**100.0**	**100.0**
Variable costs						
Seed & young plants	45,026	36,107	1,306	1,397	11.2	10.6
Fertilisers & composts	12,988	12,368	377	478	3.2	3.6
Crop protection	9,371	10,097	272	391	2.3	3.0
Market charges	16,966	15,041	492	582	4.2	4.4
Packing materials	15,690	15,432	455	597	3.9	4.5
Horticultural sundries	19,814	12,160	575	470	4.9	3.6
Glasshouse fuel	1,876	2,041	54	79	0.5	0.6
Other variable costs	614	268	18	10	0.2	0.1
Total variable costs	**122,344**	**103,513**	**3,548**	**4,004**	**30.4**	**30.4**
Total gross margin	**280,347**	**237,099**	**8,129**	**9,172**	**69.6**	**69.6**
Fixed costs						
Labour:						
Regular paid	55,850	62,667	1,620	2,424	13.9	18.4
Regular unpaid	33,394	34,507	968	1,335	8.3	10.1
Casual labour	73,908	42,258	2,143	1,635	18.4	12.4
Power & machinery costs:						
Contract & hire	11,011	7,774	319	301	2.7	2.3
Fuel & electricity	18,035	14,573	523	564	4.5	4.3
Repairs	11,967	10,552	347	408	3.0	3.1
Machinery depreciation	13,503	12,972	392	502	3.4	3.8
Glasshouse depreciation	1,252	1,526	36	59	0.3	0.4
Rent (incl. imputed)	23,556	20,050	683	776	5.8	5.9
Other costs:						
Occupier's repairs	4,384	7,378	127	285	1.1	2.2
Permanent crop depreciation	175	286	5	11	0.0	0.1
Water	1,656	1,620	48	63	0.4	0.5
Sundries	15,677	15,899	455	615	3.9	4.7
Total fixed costs	**264,367**	**232,063**	**7,666**	**8,977**	**65.7**	**68.1**
Management & investment income	**15,979**	**5,037**	**463**	**195**	**4.0**	**1.5**
Minus: management salaries	1,138	603	33	23	0.3	0.2
Plus: farmer & spouse labour	24,276	24,754	704	958	6.0	7.3
Net farm income	**39,116**	**29,188**	**1,134**	**1,129**	**9.7**	**8.6**
Farm business income	**43,497**	**34,332**	**1,261**	**1,328**	**10.8**	**10.1**

Premium businesses	*Per hectare* 2014/15	*Per £100 of gross output* 2014/15
Number of businesses	8	8
Productive cropping area (ha)	12.29	
	£ per hectare	*average %*
Gross output	**17,957**	**100.0**
Variable costs		
Seed & young plants	897	5.0
Fertilisers & composts	450	2.5
Crop protection	501	2.8
Market charges	487	2.7
Packing materials	484	2.7
Horticultural sundries	476	2.7
Glasshouse fuel	0	0.0
Other variable costs	0	0.0
Total variable costs	**3,294**	**18.3**
Total gross margin	**14,662**	**81.7**
Fixed costs		
Labour:		
Regular paid	1,999	11.1
Regular unpaid	2,065	11.5
Casual labour	2,652	14.8
Power & machinery costs:		
Contract & hire	65	0.4
Fuel & electricity	663	3.7
Repairs	494	2.8
Machinery depreciation	596	3.3
Glasshouse depreciation	1	0.0
Rent (incl. imputed)	913	5.1
Other costs:		
Occupier's repairs	304	1.7
Permanent crop depreciation	-77	-0.4
Water	59	0.3
Sundries	1,083	6.0
Total fixed costs	**10,817**	**60.2**
Management & investment income	**3,845**	**21.4**
Minus: management salaries	0	0.0
Plus: farmer & spouse labour	1,965	10.9
Net farm income	**5,810**	**32.4**
Farm business income	**5,664**	**31.5**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Glasshouse crops	11.6	14.4	0.2
Outdoor vegetables:			
Brassicas	18.1	7.6	23.7
Legumes	0.1	0.7	2.7
Salad crops	0.3	0.9	0.0
Other outdoor vegetables	24.1	27.0	18.4
Flowers & nursery stock	6.8	9.9	25.8
Soft fruit	19.0	28.3	23.2
Top fruit	5.7	0.0	0.0
Farm crops	14.2	11.1	6.0
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15	Premium 2014/15
Crops & tillages	10	11	3
Stores	9	6	4
Glasshouses	4	6	0
Equipment	31	32	38
Livestock	0	0	0
Other	46	44	56
Total	**100**	**100**	**100**
Tenant's capital (£)	**482,179**	**473,920**	**259,056**

Table 2.23 Other horticulture businesses, mainly outdoor vegetable crops*

	Per business		*Per hectare*		*Per £100 of gross output*	
	2013/14	**2014/15**	**2013/14**	**2014/15**	**2013/14**	**2014/15**
Number of businesses	15	16	15	16	15	16
Productive cropping area (ha)	19.44	18.50	19.44	18.50		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**230,458**	**229,661**	**11,857**	**12,414**	**100.0**	**100.0**
Variable costs						
Seed & young plants	21,683	17,229	1,116	931	9.4	7.5
Fertilisers & composts	8,633	6,640	444	359	3.7	2.9
Crop protection	5,058	4,279	260	231	2.2	1.9
Market charges	8,891	8,536	457	461	3.9	3.7
Packing materials	10,247	10,856	527	587	4.4	4.7
Horticultural sundries	2,476	3,015	127	163	1.1	1.3
Glasshouse fuel	433	234	22	13	0.2	0.1
Other variable costs	116	410	6	22	0.1	0.2
Total variable costs	**57,536**	**51,198**	**2,960**	**2,767**	**25.0**	**22.3**
Total gross margin	**172,923**	**178,463**	**8,897**	**9,646**	**75.0**	**77.7**
Fixed costs						
Labour:						
Regular paid	29,178	32,046	1,501	1,732	12.7	14.0
Regular unpaid	35,605	37,067	1,832	2,004	15.4	16.1
Casual labour	35,888	39,202	1,846	2,119	15.6	17.1
Power & machinery costs:						
Contract & hire	10,085	6,023	519	326	4.4	2.6
Fuel & electricity	9,628	9,564	495	517	4.2	4.2
Repairs	6,636	8,892	341	481	2.9	3.9
Machinery depreciation	10,794	8,500	555	459	4.7	3.7
Glasshouse depreciation	710	474	37	26	0.3	0.2
Rent (incl. imputed)	15,169	16,746	780	905	6.6	7.3
Other costs:						
Occupier's repairs	2,227	3,698	115	200	1.0	1.6
Permanent crop depreciation	-103	-446	-5	-24	0.0	-0.2
Water	1,358	1,493	70	81	0.6	0.7
Sundries	11,658	12,973	600	701	5.1	5.6
Total fixed costs	**168,831**	**176,232**	**8,686**	**9,526**	**73.3**	**76.7**
Management & investment income	**4,092**	**2,230**	**211**	**121**	**1.8**	**1.0**
Minus: management salaries	692	737	36	40	0.3	0.3
Plus: farmer & spouse labour	25,618	27,259	1,318	1,473	11.1	11.9
Net farm income	**29,017**	**28,753**	**1,493**	**1,554**	**12.6**	**12.5**
Farm business income	**35,469**	**31,626**	**1,825**	**1,709**	**15.4**	**13.8**

Crop output per cent of total crop output (%)

	Average 2013/14	Average 2014/15
Glasshouse crops	4.0	6.1
Outdoor vegetables:		
Brassicas	13.1	18.3
Legumes	0.1	0.3
Salad crops	1.1	2.3
Other outdoor vegetables	71.9	65.1
Flowers & nursery stock	0.2	0.0
Soft fruit	0.2	0.0
Top fruit	0.1	0.1
Farm crops	9.4	7.8
Total	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2013/14	Average 2014/15
Crops & tillages	2	2
Stores	4	7
Glasshouses	3	2
Equipment	36	31
Livestock	0	0
Other	55	58
Total	**100**	**100**
Tenant's capital (£)	**316,788**	**338,659**

** no premium figures, sample too small*

Table 2.24 Balance sheet data for horticultural businesses

Group	All horticulture		Specialist glass		Specialist fruit	
Number of businesses	186		68		51	
Harvest year	2014/15 Opening	2014/15 Closing	2014/15 Opening	2014/15 Closing	2014/15 Opening	2014/15 Closing
Assets						
Fixed assets						
Land,buildings & SPS entitlement	649,171	707,547	360,556	384,089	1,041,920	1,128,821
Breeding livestock	984	835	0	0	4,104	3,616
Machinery & glasshouses	59,828	63,652	44,760	47,528	73,681	78,007
Permanent crops	21,635	22,011	54	72	80,462	81,132
Miscellaneous business assets	369	332	50	50	611	611
Total fixed assets	**731,987**	**794,376**	**405,420**	**431,738**	**1,200,778**	**1,292,187**
Current assets						
Crops & trading livestock	45,330	44,046	20,495	20,994	23,269	19,617
Goods in store	15,631	16,199	23,352	24,362	11,119	9,792
Liquid assets	72,466	83,054	74,380	86,076	75,292	82,012
Total current assets	**133,427**	**143,299**	**118,226**	**131,432**	**109,680**	**111,421**
Total assets	**865,414**	**937,675**	**523,647**	**563,170**	**1,310,458**	**1,403,608**
Liabilities						
Bank term loan	36,651	43,836	8,168	18,913	97,844	106,430
Other loans	36,795	34,981	20,101	23,601	47,937	49,873
Bank overdraft	25,265	21,460	9,041	6,690	31,701	33,761
Other short term loans	44,099	54,549	33,202	40,819	36,741	40,851
Total external liabilities	**142,811**	**154,826**	**70,512**	**90,022**	**214,223**	**230,914**
Net worth	**722,604**	**782,849**	**453,134**	**473,148**	**1,096,235**	**1,172,694**
Percentage equity (%)	83.5%	83.5%	86.5%	84.0%	83.7%	83.5%

Table 2.25 A comparison of net worth and percentage equity by farm type

	Average Assets 2014/15	Average Liabilities 2014/15	Average Net Worth 2014/15	Average % Equity 2014/15
Defra main farm type				
Lowland cattle & sheep	1,263,308	89,433	1,173,875	92.9%
Cereals	2,563,303	191,578	2,371,725	92.5%
Mixed	1,721,481	160,788	1,560,694	90.7%
General cropping	2,892,026	281,116	2,610,910	90.3%
Horticulture	901,545	148,818	752,726	83.5%
Dairy	1,975,181	366,547	1,608,635	81.4%
Pigs	1,078,288	236,264	842,025	78.1%
Poultry	1,610,892	462,629	1,148,264	71.3%
All businesses	**1,800,759**	**185,345**	**1,615,414**	**89.7%**

Group	Specialist HNS		Other horticulture	
Number of businesses	32		34	
Harvest year	2014/15 Opening	2014/15 Closing	2014/15 Opening	2014/15 Closing
Assets				
Fixed assets				
Land,buildings & SPS entitlement	327,767	361,766	707,961	777,126
Breeding livestock	0	0	131	69
Machinery & glasshouses	32,600	33,405	73,512	79,119
Permanent crops	437	463	11,372	11,918
Miscellaneous business assets	869	731	2	2
Total fixed assets	**361,672**	**396,364**	**792,979**	**868,234**
Current assets				
Crops & trading livestock	96,416	98,667	28,303	25,788
Goods in store	18,844	19,293	13,752	15,251
Liquid assets	60,845	67,083	79,652	95,023
Total current assets	**176,105**	**185,042**	**121,707**	**136,061**
Total assets	**537,777**	**581,405**	**914,685**	**1,004,295**
Liabilities				
Bank term loan	10,646	13,849	30,203	38,590
Other loans	23,153	25,264	45,184	37,421
Bank overdraft	23,197	15,350	27,653	22,881
Other short term loans	32,271	34,067	58,649	78,812
Total external liabilities	**89,266**	**88,530**	**161,689**	**177,703**
Net worth	**448,510**	**492,875**	**752,997**	**826,593**
Percentage equity (%)	83.4%	84.8%	82.3%	82.3%

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Glossary

Costs
Expenditure plus opening valuation less closing valuation (where appropriate). Interest on borrowed capital, including bank overdrafts is not included in these calculations.

Farm Business Income (FBI)
Represents the return to all unpaid labour (farmers, spouses and others with an entrepreneurial interest in the farm business) and to all their capital invested in the farm business including land and farm buildings. It is defined as Total Farm Output (TFO) minus cost (C): where TFO is defined as the sum of output from: crop enterprises, adjustment for disposal of previous crops, livestock enterprises, separable non-agricultural diversifications, single farm payment, agri-environmental payments, other grants and subsidies, miscellaneous receipts; C is defined as variable costs plus fixed costs.

Farm crops
Comprise cereals and other non-horticultural cash crops, fodder crops and grassland.

Fixed costs
These include rent (or imputed rent), regular wages, unpaid manual labour, casual labour, power and machinery costs, glasshouse depreciation, building and general repairs, insurance, water, office expenses and miscellaneous expenditure.

Gross output
Total revenue inclusive of marketing charges, where known, adjusted for changes in valuation of crops and tillage, and less purchases of livestock, or produce for resale. Gross output per hectare reflects the intensity of the system as well as the yields and prices obtained.

Labour
Covers not only the costs of hired labour, but also an appropriate allowance for the unpaid manual labour of the grower and members of the family.

Management and investment income
Total gross output less all costs (including the value of unpaid labour) other than salaried management. It represents the reward to management and use of ‘tenant’s capital’ whether that capital is borrowed or not.

Management salaries
Includes all paid managerial input and represents that part of total paid labour which relates to managerial work

Marketing charges
Include, where known, packhouse charges, paid carriage and commission and handling charges levied on sales.

Net farm income
Represents the return to the grower and spouse for their manual labour as well as for their management and capital investment.

Occupier’s repairs
This includes maintenance of glass and the associated heating equipment, as well as traditional tenant type repairs.

Per £100 gross output
Shows the relative importance of the main resources used in each unit product, and in total provide a useful measure of profitability.

Power and machinery
Include contract and hire, fuel, electricity, repairs and an allowance for depreciation. A deduction is made for the private use of vehicles. Machinery depreciation is calculated on a ‘replacement cost’ basis.

Premium results

Farm performance is measured as the ratio of farm business output to farm business costs. An imputed value for unpaid manual labour, including that of the farmer and spouse is added to farm business costs. The value of paid managerial input is subtracted. The farms are ranked in descending order according to this ratio and allocated to quartiles with the top quartile (25 percent) representing the high performance band (Premium Group). Note that the farm weights are used to allocate farms to quartiles so the number of farms in a quartile will not necessarily be equivalent to a quarter of the sample.

Rent

In the case of an owner occupier, an imputed rent is charged in accordance with what a tenant in similar circumstances, including length of occupation, would be paying.

Standards

Average results are drawn from all businesses in a particular group.

Tenant's capital

Assets normally provided by tenants and includes growing crops, stores, machinery, livestock, cash and other assets needed to run the business. Permanent crops (including orchards) and glasshouses are also considered to be tenant-type capital. It represents approximately the capital currently invested in the horticultural business. The difficulties involved in making realistic assessments of tenant's capital, particularly of permanent fruit crops, should be kept in mind when interpreting these results.

Total gross margin

This is the difference between total gross output and total variable costs and measures the contribution of the business towards covering its fixed costs and providing for a profit.

Variable costs

These vary in direct proportion to the size of each business enterprise and include all purchased seed & plants, fertiliser & composts, crop protection, market charges, packing materials, horticultural sundries, glasshouse fuel and other variable costs.

Abbreviations used in this Publication

/	**per**
£	**pounds (stirling)**
Defra	**Department for Environment, Food and Rural Affairs**
Ave	**Average**
depn.	**Depreciation**
Fert	**Fertiliser**
ha	**hectare**
HNS	**Hardy nursery stock**
no.	**number**
n/a	**not applicable**

Rounding

Totals are calculated from unrounded components and may not therefore be the total of the rounded components shown.

Derivation of Farm Business Income

Net Farm Income

Plus:

Value of unpaid labour [excluding farmer & spouse; already taken into account in deriving Net Farm Income]

Imputed rent and rental value

Less:

Net interest payments

Ownership charges [buildings & works depreciation; insurance of farm buildings; landlord-type repairs and upkeep]

Director’s remuneration

Equals:

Farm Business Income

Appendix 1: Reports in this series

- **Crop Production in England**
- **Dairy Farming in England**
- **Hill Farming in England**
- **Horticulture Production in England**
- **Lowland Grazing Livestock in England**
- **Organic Farming in England**
- **Pig Production in England**
- **Poultry Production in England**

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