Farm Business Survey

2013/2014

Horticulture Production in England

Richard Crane, David Deans and Peter Hoyle

RBR

independent research, data and analysis

Rural Business Research

Farm Business Survey

2013/14

Horticulture Production in England

Richard Crane, David Deans and Peter Hoyle

RBR at Reading
Agriculture and Food Investigation Team (AFIT)
School of Agriculture, Policy and Development
University of Reading
4 Earley Gate
Whiteknights
PO Box 237
Reading RG6 6AR

Telephone :	0118 378 7426
Fax :	0118 378 5034
E-mail :	r.t.crane@reading.ac.uk

March 2015

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 Ninth Series

As 2015 gets into swing the agricultural and horticultural sectors are met with both certainty and uncertainty at the same time. With respect to the revised Common Agricultural Policy (CAP) certainty, to some extent, now exists where it was previously lacking. For the most part, the process of implementation of the revised CAP is now available for farmers and their advisors to work with ahead of ensuring they submit their claims under the new Basic Payment Scheme (BPS) by the 15 May 2015 deadline. While this provides an element of certainty it also represents an evolution of policy that places increased emphasis on the management of the environment to attract the full BPS funding available per farm. Greening and Ecological Focus Areas (EFAs) represent new concepts and definitions to the industry, however, the rules of engagement are, by and large, now known.

However, while certainty exists with respect to policy, the wider agricultural and general economy continues to exhibit considerable uncertainty. The prices of many products, notably combinable crops and milk have been on a (largely downward) rollercoaster over the previous 12 months, while input costs driven in part by the falling cost of energy are exhibiting some considerable ‘stickiness’. The wider political economy within Europe will also have an impact on the fortunes of agriculture and horticulture in the UK. As the European Central Bank has initiated a programme of Quantitative Easing (QE), the likely direction of travel for the Euro against Sterling will be downward – making UK exports more expensive to our European trading neighbours, decreasing the value of the BPS funding to UK farmers, but conversely reducing input costs from Europe. Within the UK, the economic recovery continues to hold on set against mixed signals, with many commentators now moving out any predictions of an interest rate rise to 2016 (at the earliest) as inflationary pressures have dissipated.

Against this wider background Rural Business Research (RBR) are proud to produce the ninth series of reports that focus on the economics of agriculture and horticulture. Our data are drawn from the 2013/14 financial year and hence relate to the 2013 harvest / production calendar. In the foreword to the eight series I noted the climatically atypical 2012/13 production year; the 2013 harvest was not immune to the knock-on impacts from ‘12/13 and the outcomes presented in these reports must be considered against this backdrop. In particular the impact on Cereal farms which have witnessed a fall in Farm Business Income (FBI) of 27% from 2012/13 to 2013/14 reflects a combination of lower yields and an increased area of spring cropping. Similar falls in FBI were witnessed in General Cropping (-24%), Less Favoured Area Grazing Livestock (-22%) and Mixed farms (-20%). Conversely the dairy sector witnessed a strong improvement in FBI during 2013/14 (+67%), flowing largely from increased milk prices - albeit that these price improvements have now gone into reverse. Horticulture witnessed an improved FBI of 31%, while Specialist Pigs and Specialist Poultry also saw increased income levels, flowing largely from improvements in output.

While certainty and uncertainty both exist, we continue to observe large variation between performance within and across farm types. Businesses seeking to position themselves for the future will need to closely examine the costs of production and benchmark their performance to identify areas for continued business success. RBR hopes that this ninth series of reports provides the basis for such analysis. I particularly thank all the FBS research programme co-operators in providing us with the opportunity to collect, analyse and present these data for the benefit of the industry as a whole.

Dr Paul Wilson
Chief Executive Officer, Rural Business Research
January 2015
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.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

SUMMARY

Section 1

An overview of the horticultural industry in the United Kingdom (UK) using external data, including government published statistics and information from the press.

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 2013, the output from horticulture was £3,007 million, 12% of total agricultural output
- During the last decade, there has been a relatively modest increase in output (based on current prices) for total horticultural production, though an increase of 4% was recorded between 2012 and 2013; field vegetables and non-edibles being the most notable sectors recording growth of 5% and 4% respectively
- Vegetable production remains the largest horticultural sector, in terms of both land use and output, accounting for 45% of total UK horticultural output and 73% of total productive horticultural area in 2013; the proportion of total horticultural output from vegetable production has reduced over the last 30 years from a high of 56% in 1984, with output from non-edibles (37%) and fruit (18%) increasing in 2013
- In 2013 the UK was 38% self-sufficient in all vegetables, 16% in all fruit and 49% in all ornamentals, in terms of value
- The index of producer prices showed some wide variability with indices for apples and pears up 12% and 14% respectively, while for vegetables there was little change, except for onions, down 30% between 2011 and 2012
- The index of purchase price which recorded the steepest increase in 2014 was for fuel for heating, up by over a third on 2010

Section 2

A review of the financial results derived from the Farm Business Survey (FBS) for the 2013/14 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 2013 was 3,321, while the total FBS sample was 188 businesses, representing 5.6% of the national population of eligible businesses
- The weather conditions at the beginning of 2013 proved challenging for all sectors of horticulture with a wet and cold spring, but warm and dry weather from mid-summer helped crops recover to produce near average yields; over the whole sample, the average Farm Business Income (FBI) of horticultural businesses in 2013/14 increased by just over 30% from 2012, to £33,925 per business
- Profitability was improved for most horticulture business types, with per business FBI up almost 100% for specialist glass and up 77% for other horticulture businesses and up marginally (just over 1%) for specialist fruit, while HNS businesses recorded a fall in FBI of around 6%
- Across the whole sample gross output grew by 3%, variable cost fell by just under 4%, while fixed cost rose by the same amount

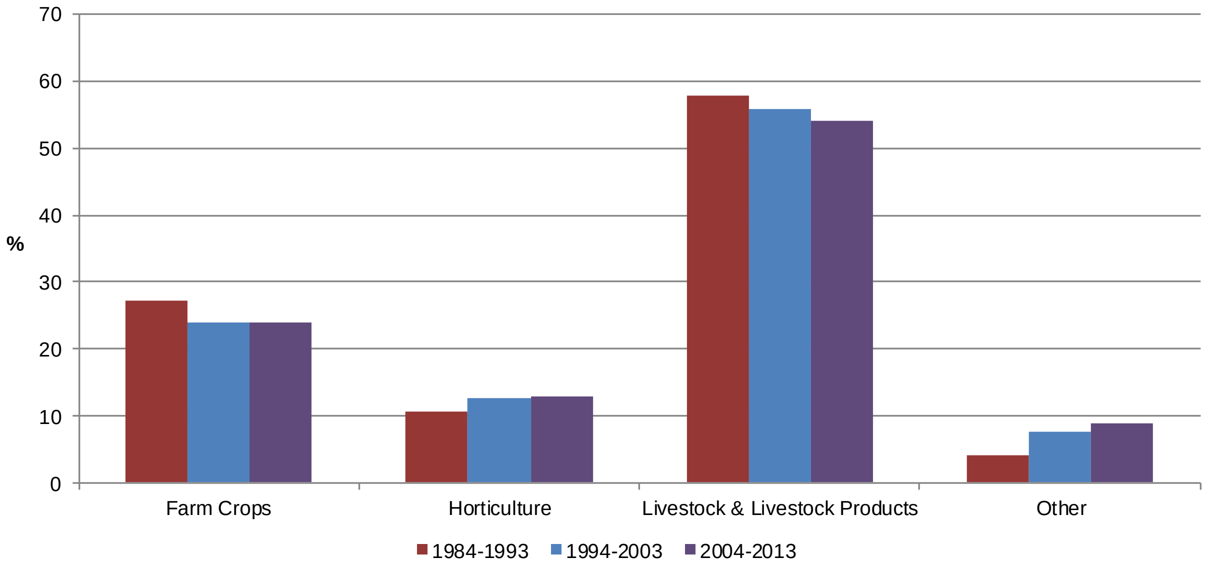
SECTION 1: THE HORTICULTURAL SECTOR

1.1 The contribution of horticulture to UK agricultural output

Total agricultural output in the UK was £25,694 million in 2013, up 6% from the previous year with increases in output from the livestock sector, farm crops, other output and the horticultural sector.

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 £3,007 million in 2013, contributing 12% to total agricultural output. Average horticultural output in the decade of 2004 to 2013 was £2,498 million, an increase of £987 million (65%) compared with the average for the period 1984 to 1993.

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



<u>Note:</u> 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 last 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 214,000ha in 1986 to a low of 166,000ha in 2006, increased to 175,000ha in 2011 and then dropped to 172,000ha in 2012. In 2013 the total area of land used for horticulture fell further, by 5% to 163,000ha. This was primarily due to a reduction of 7,000ha in the land used for growing outdoor vegetables.

Total horticultural output has grown steadily in the last three decades, rising from £1,162 million in 1984 to £3,007 million in 2013. There was an increase of just over 4% in total horticultural output between 2012 and 2013, going up from £2,877 million to £3,007 million.

Vegetables

Vegetable output in 2013 was £1,314 million, up 5% from 2012 and comprising 45% of total horticultural output. The proportion of horticultural output derived from vegetables has dropped from an average of 56% (£849 million) in the decade of 1984 to 1993 to 45% (£1,102 million) in the most recent decade (2004 to 2013), as the rate of growth in output from ornamentals and fruit production exceeded that from vegetable production. Since 1984 to 1993, the proportion of horticultural land used by the vegetable sector has increased slightly, rising from 68% (138,018ha) in the years 1984 to 1993 to 73% (122,141ha) in the last decade.

Fruit

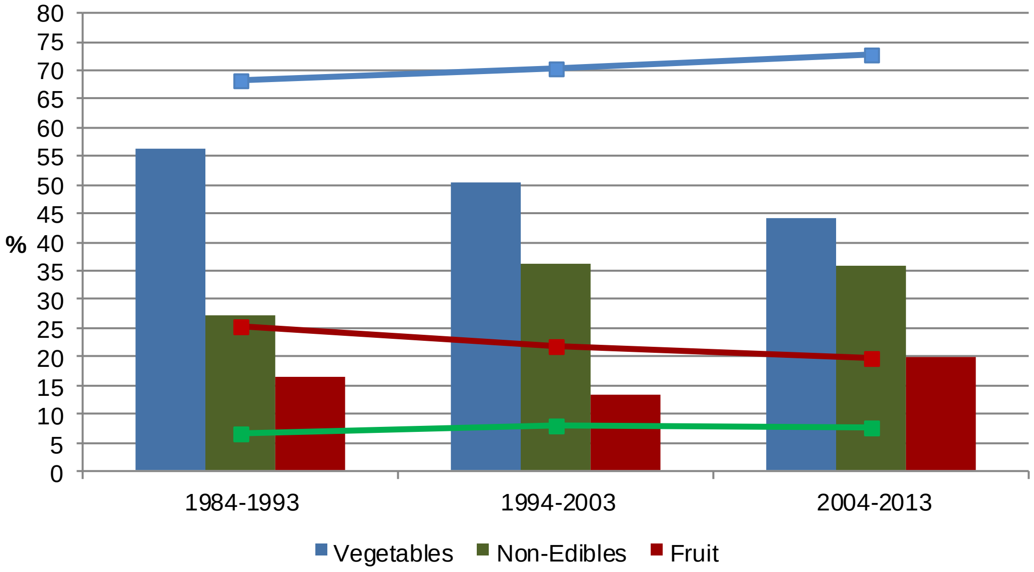
The fruit sector is the smallest in terms of horticultural output. Fruit output amounted to £596 million in 2013, an increase of 4% on the previous year and amounting to 18% of total horticultural output. Although the general trend has seen output grow, it has fluctuated on a year-on-year basis during the last 30 years. The contribution from the fruit sector to total horticultural output has increased from an average of 16% in the period 1984 to1993 to an average of 20% in the period 2004 to 2013. The area of land used for fruit production in 2013 was 32,978ha, representing 21% of the total horticultural land area, which has been fairly static since 2005 following a sharp decline since the 1980's; in 1985 there were 54,593ha of land in fruit production, 65% more than at present.

Non-edibles

The production of non-edibles is the smallest sector in terms of area, occupying just 7% (11,891ha) of the total horticultural area in 2013, but it generates 37% of output from horticulture. In value terms total output from non-edibles was £1,097 million in 2013, representing a 4% increase on the previous year. The area of land used increased by 30% from the early 1980's to a peak of 16,060ha in 2004. It has since declined to 11,891ha in contrast with output which has increased progressively in the last thirty years, from an average of 27% of total horticultural output in the period 1984 to 1993 to 36% in the most recent decade of 2004 to 2013.

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.

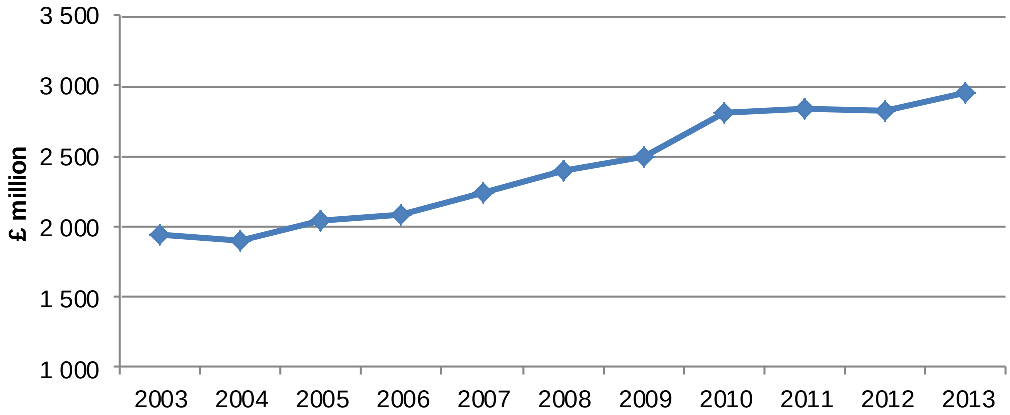


Note: Each sector includes both field grown and protected crops (crops grown under glass and polythene tunnels) for output, while the data for land area under production does not include protected horticultural crops (of which there is approximately 2,000ha) due to lack of data. The area relates to the 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 last decade

Total horticultural output in the UK (in current prices) has increased by 52% since 2003, rising from £1,946 million to £2,951 million in 2013. The upward trend observed in the period was down to growth in most sectors. In 2013 there has been a notable increase of £28 million (19%) in output from orchard fruit and a notable drop of £14 million (4%) in output from soft fruit.

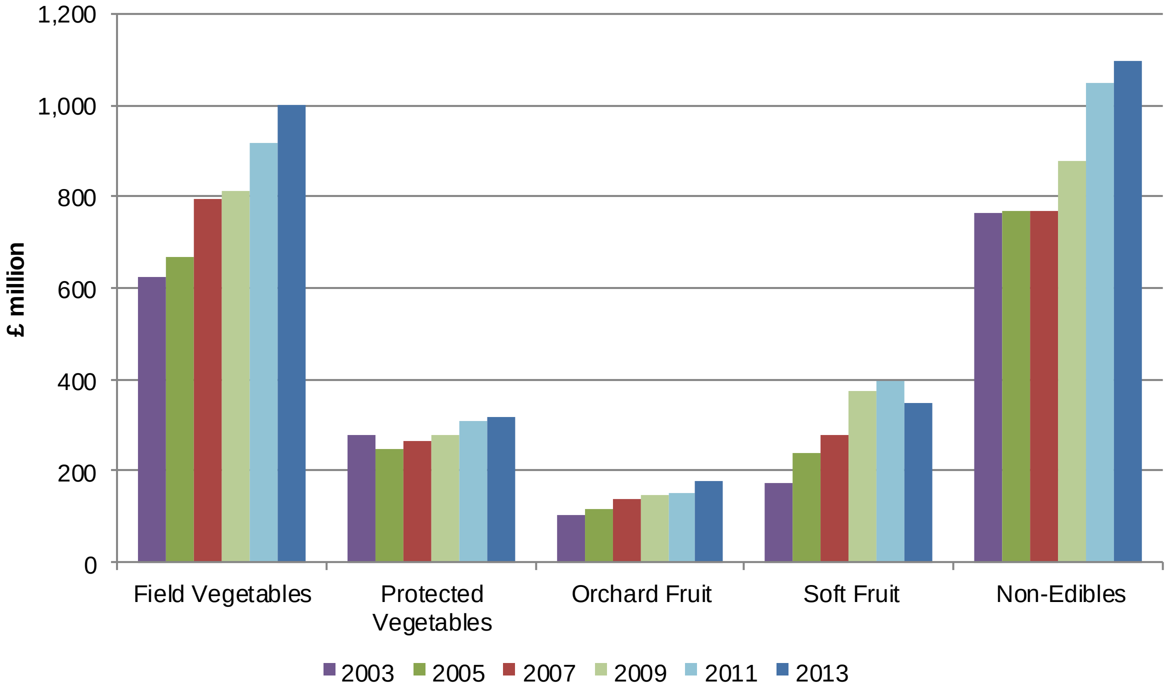
Figure 1.3 Total horticultural production in the last decade (current prices: £m)[1]



When three year average figures are used for comparison, the average for the years 2011 to 2013 compared with the years 2003 to 2005 shows a marked increase in output for soft fruit (190%), field vegetables (51%), orchard fruit (49%), non-edibles (38%) and protected vegetables (23%); average total horticultural output went up from £1,961 million in the period 2003 to 2005 to £2,868 million in the period 2011 to 2013.

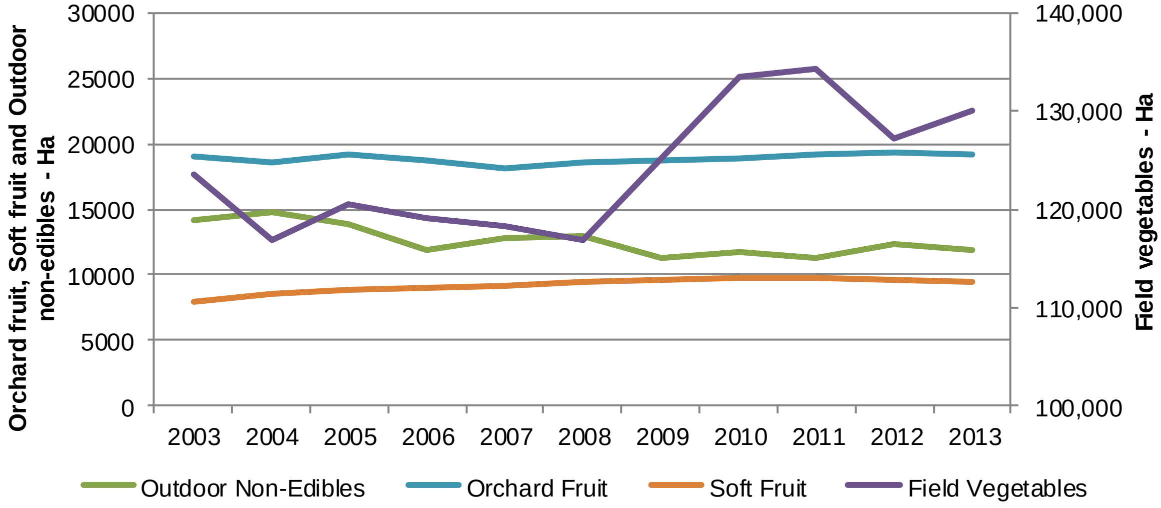
A significant increase in soft fruit output has been largely due to the expansion in the area of protected fruit grown under glass and Spanish tunnel systems, up by 55% (79ha) compared with 2003.

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



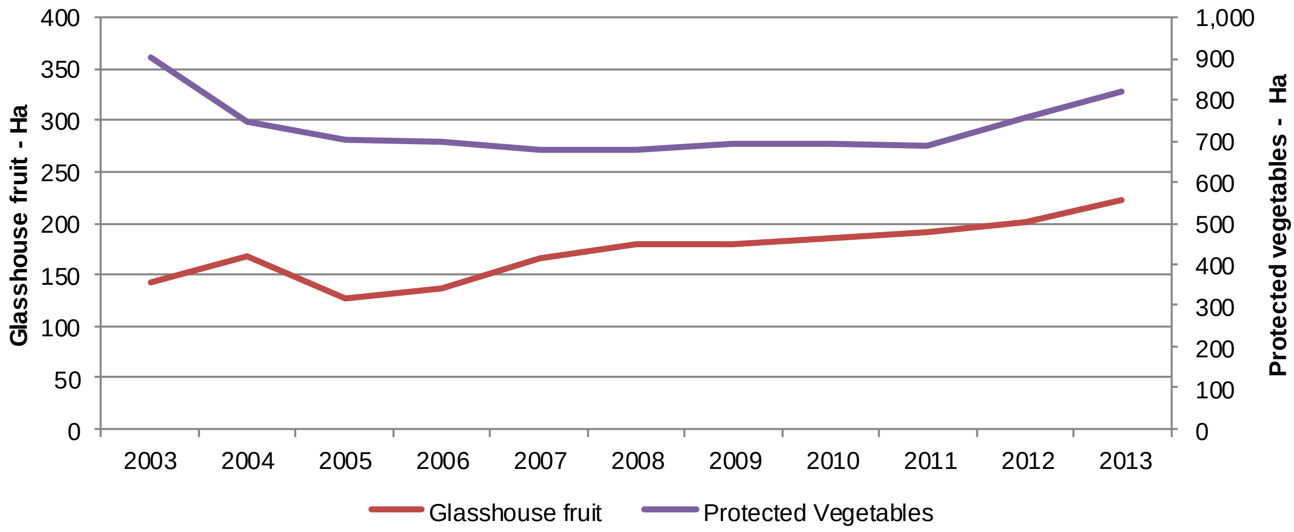
Large scale grubbing of orchards took place in the 1980s with a subsequent reduction of 22% (4,628ha) to their area from 2001 to 2007. Since then the area of productive orchards has increased and totalled 19,268ha in 2013. The area of non-edibles grown outdoors was 11,891ha during 2013, down by 17% (2,300ha) since 2003. A total area of 130,089ha of field vegetables was grown in 2013, and although fluctuating on a year-to-year basis it did not vary by more than 5% in any year in the period 2003 to 2013. Soft fruit was grown on a total of 9,514ha during 2013, an increase of 20% (1,567ha) on 2003, but was down 2% from 2011.

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



The area of protected vegetables grown in the years 2003 to 2013 has shown marked fluctuation. During the period between 2003 and 2008 there was a reduction of 25% (228ha), while between 2008 and 2013 there was an increase of 21% (141ha). In 2013, protected vegetables were grown on a total of 818ha. The area of glasshouse fruit was 222ha, an increase of 55% (79ha) 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]

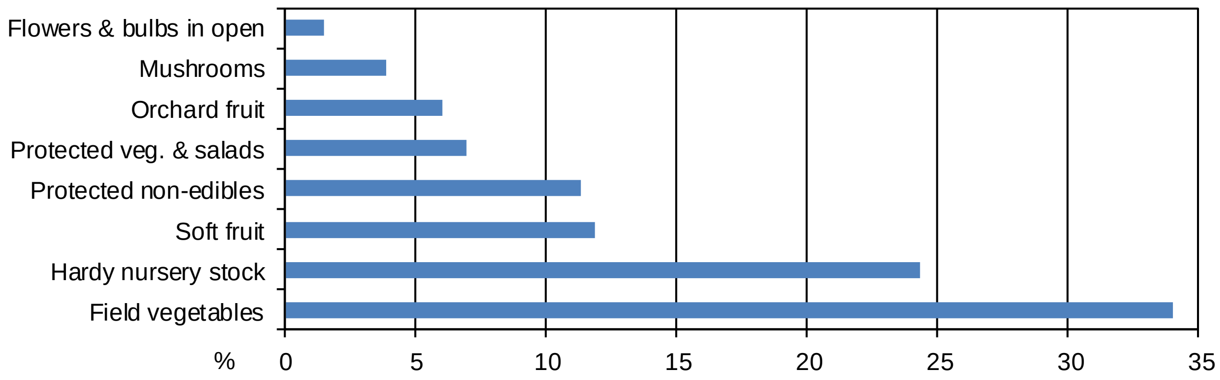


__Note__: The area of crops in figures 1.5, and 1.6 relate to the total area, which for some crops will be for more than one crop harvested from the same area of land in the same cropping year (multiple cropping).

1.4 *The horticultural sector in 2013*

The total value of horticultural produce in 2013 amounted to £2,951 million. Field scale vegetables made up the largest share of total output (34%), with the sector also accounting for just over three quarters 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.

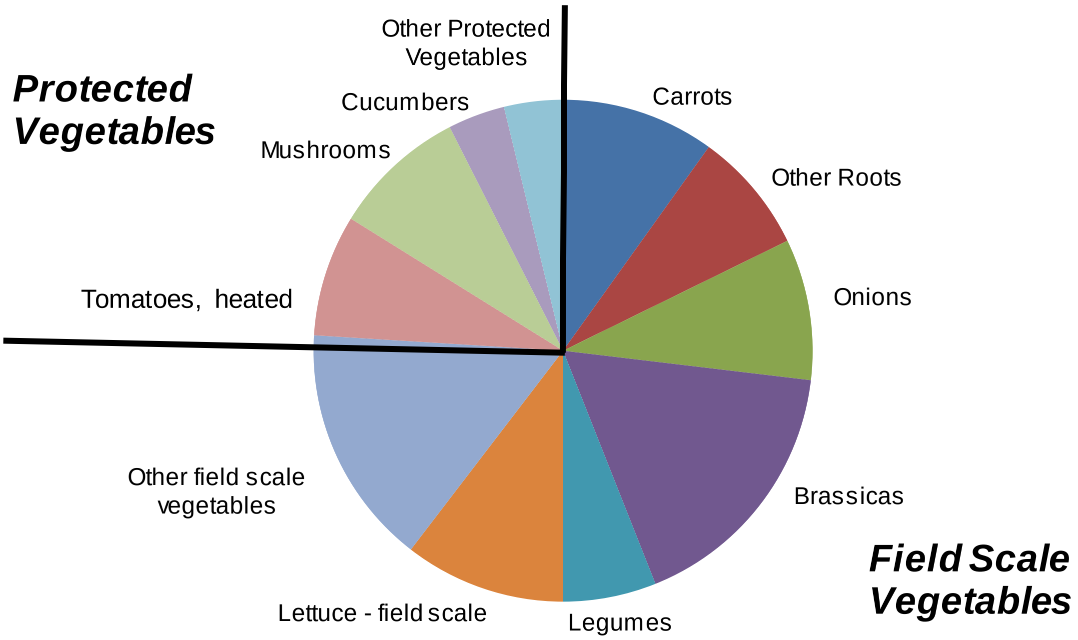
Figure 1.7 Value of horticultural produce in 2013 by proportion of total output [1]



Field scale vegetable production accounts for over three quarters 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 17% of the total output from vegetables.

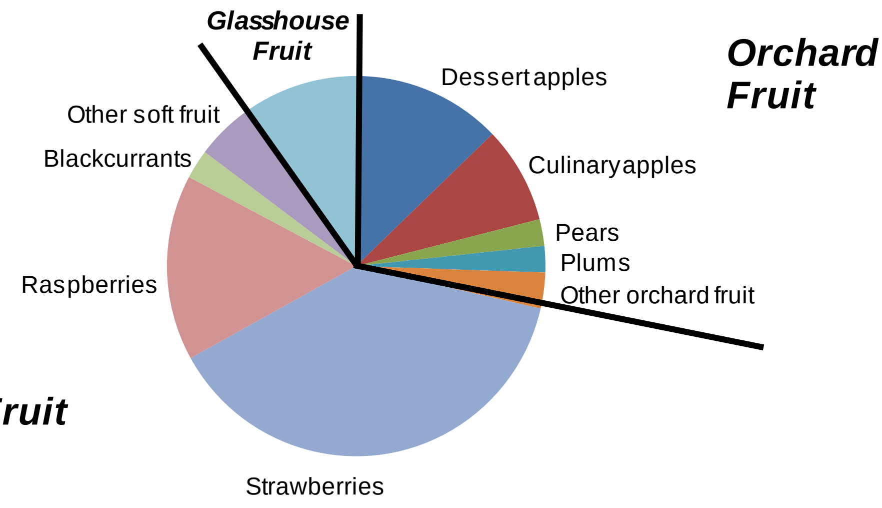
Protected vegetable output includes crops grown in both heated and cold glasshouses and polythene tunnels. Mushrooms and tomatoes between them contribute the highest output, together accounting for around 17% of total vegetable output. Other protected vegetables include crops such as celery and sweet peppers.

Figure 1.8 Composition of vegetable output in 2013 [2]



Total fruit output by value was £568 million, with the production of field grown soft fruit generating £351 million (62%), orchard fruit £162 million (28%) and glasshouse fruit £55 million (10%). Strawberry production contributed by far the greatest share of all soft fruit production at £218 million (62%), and 38% of total fruit production. Dessert apples generated 45% of orchard fruit output.

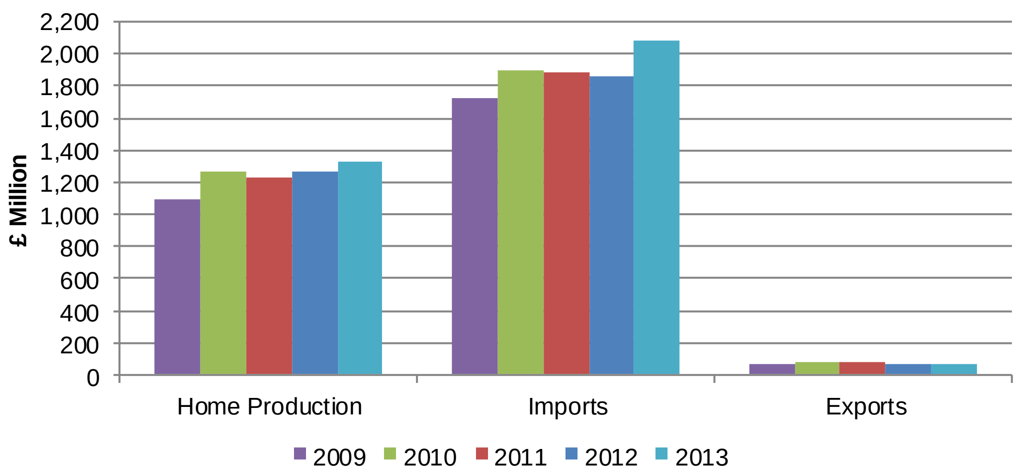
Figure 1.9 Composition of fruit output in 2013[2]



1.5 Imports and exports of horticultural produce

The UK was 38% self-sufficient in all vegetables in terms of value in 2013, with little change in this proportion observed over the last decade. There was a 12% increase in the value of vegetable imports between 2012 and 2013, with only minimal change in the value of exports. The value of home produced vegetables has increased over the last decade, being 58% higher in 2013 than in 2004 using actual prices.

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



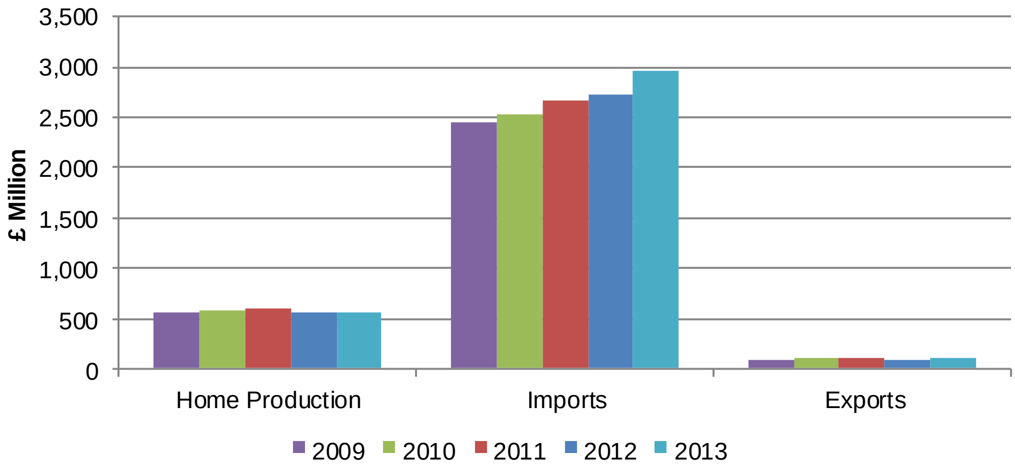
In terms of production levels, there has been a slight increase of 12,000 tonnes (just under 1%) in the marketing of home produced vegetables since 2004. Imports of vegetables have increased by 513,000 tonnes (30%), while exports decreased by 11,000 tonnes (12%) in the same period[2]. Fresh vegetable imports, in terms of value, totalled £2,085 million in 2013, an increase of £218 million (11%) on 2012. Tomato imports were the most significant of the imported crops, accounting for 20% (£418 million) by value followed by sweet peppers making up 12% (£244 million) of import value. The total quantity of fresh vegetables imported in 2013 was 2,225 million tonnes, a rise of 8% on 2012, with onions totalling 427.4 million tonnes (19%) and tomatoes 420.7 million tonnes (19%).

The total value of fresh vegetables exported in 2013 was £71.5 million, similar to that of 2012. Carrots, lettuce and turnips were the main fresh vegetables exported in terms of value, accounting for over 25% (£24.5 million) of exports, followed by tomatoes at 8% (£5.6 million). Carrots and turnips made up the largest share of exports, accounting for 22.4 thousand tonnes (27%) of the 81.4 thousand tonnes of fresh vegetables exported.

Fruit

In 2013, in terms of value, the UK was around 16% self-sufficient in fruit, down by a little over 1% from 2011 and lower than every year since 2007. However, there has been a small increase in the self-sufficiency of fruit in the UK since 2004 when it was recorded as being 14%.

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 2013 totalled £2,956 million, a rise of £232 million (8%) on 2012. 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 18% (£536 million) and 14% (£425 million) respectively of the value of imported fruit. Bananas also made up the largest share of the imports, accounting for 1,169 thousand tonnes (33%) of the 3,561 thousand tonnes of fruit imported. Apples were the second largest import, amounting to 479 thousand tonnes (13%). The total quantity of fruit imported was similar in both 2012 and 2013.

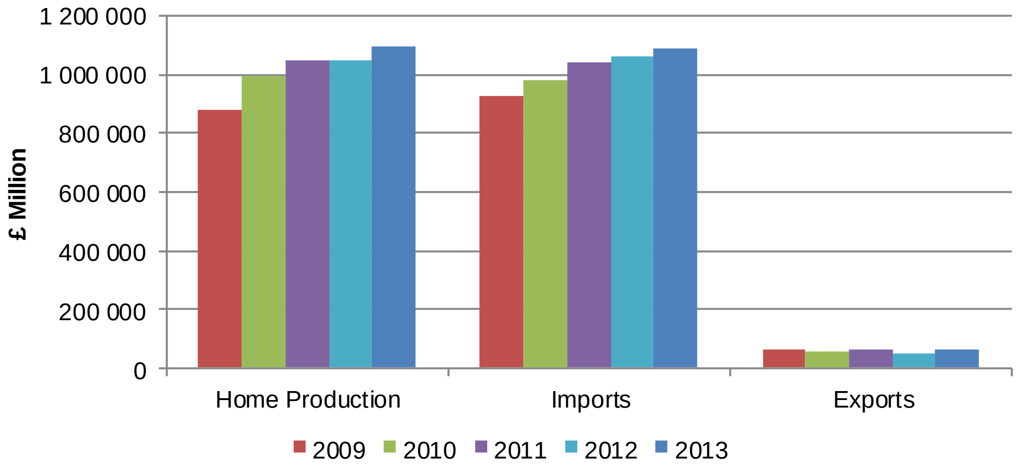
Fruit exports by value, totalled £111.5 million in 2013, an increase of £29 million (35%) on 2012. Bananas being the most significant, generating £24.5 million (22%) of the export value, followed by apples at £16.5 million (15%) and grapes at £15 million (13%). The total quantity of fruit exported was 147 thousand tonnes, an increase of 37 thousand tonnes (33%) on the previous year, with bananas accounting for 37 thousand tonnes (25%) and apples 21.5 thousand tonnes (15%) of the total.

The export figures include re-exported fruit and hence include some exotic fruits such as bananas and grapes. Bananas accounted for 33% of the total quantity imported and 25% of the total quantity exported, while they accounted for 18% of the value of imports and 22% of the value of exports.

Non-edibles

The UK was 49% self-sufficient in the production of ornamentals in 2013, with little change observed in the past three years, although the rate is up 5% since 2006.

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



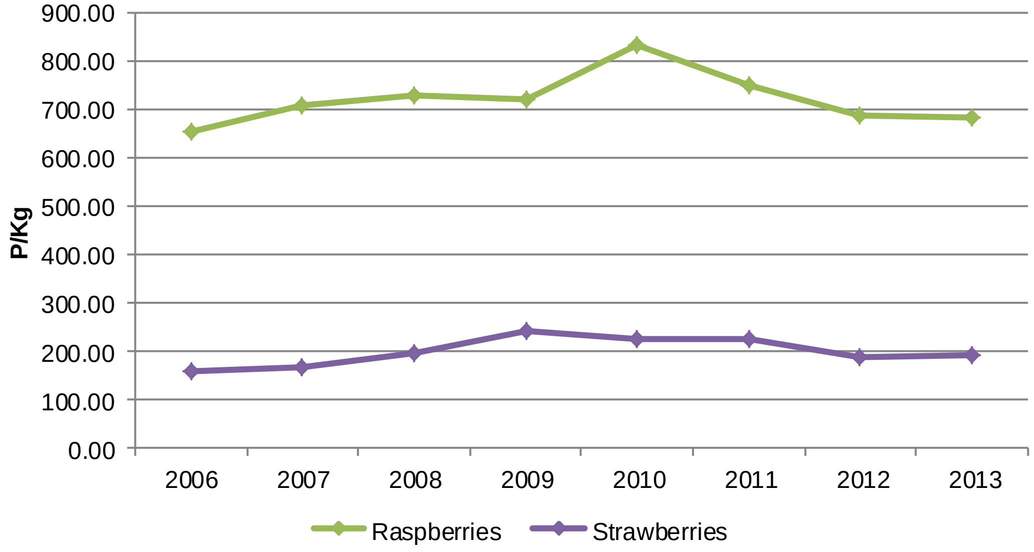
The total value of imports of non-edibles was £1,079 million in 2013, an increase of £26 million (2%) on 2012. Cut flowers were the biggest import by value, with cut roses the most significant at £168 million (15%) followed by chrysanthemums at £109 million (10%). Indoor plants accounted for 12% of all imports (£127 million), while bulbs accounted for 8% (£85 million). The value of exported non-edibles was £65 million in the year, a rise of £13 million (26%) on 2012. Cut flowers were the biggest export by value, accounting for £26 million (40%) of all exports, with bulbs accounting for 14% of the exports, with a total export value of £9 million.

1.6 Farm gate prices: recent trends

There has been a high degree of inter-year variability in the price of vegetables in the last decade, with the price of parsnips a good example of this fluctuation; up from 72p/kg in 2006 to 91p/kg in 2007, dropping back to 80p/kg in 2010 and then up to 102p/kg in 2013. However, the average farm gate price for many vegetables was higher in 2013 than in 2006 the baseline year for making comparisons; carrots up by 54% at 40p/kg, parsnips up 42% at 102p/kg, brussel sprouts up 24% at 82p/kg, calabrese up 14% at 128p/kg, cabbage up 14% at 32p/kg, lettuce up 57% at 33p/kg, tomatoes up 56% at 120p/kg, cucumbers up 40% at 77p/kg and mushrooms up 33% at 161p/kg.

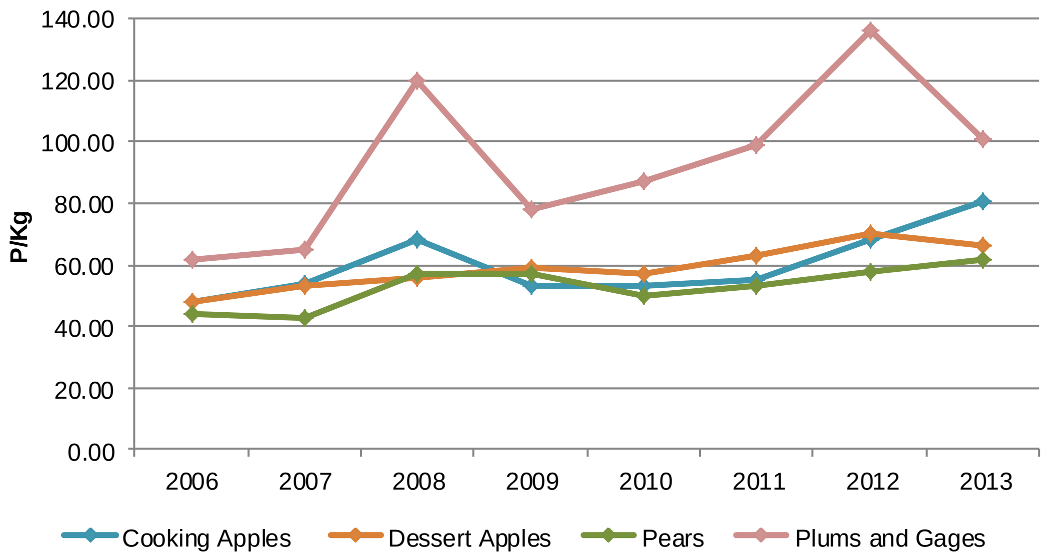
Fruit prices have also been subject to considerable variation in recent years. Overall though, as with vegetables, average prices were mostly higher in 2013 than they were in 2006; culinary apples up 69% at 81 p/kg, plum & gages up 63% at 101p/kg, pears up 41% at 62p/kg, dessert apples up 38% at 66p/kg, strawberries up 21% at 190p/kg, cherries up 16% at 276p/kg, blackcurrants up 10% at 403p/kg and raspberries up 4% at 684p/kg. The price of plums and gages has varied most in the time period 2006 to 2013, increasing from 62p/kg in 2006 to 120p/kg in 2008, falling to 78p/kg in 2009, rising to 136p/kg in 2012 and dropping back to 101p/kg in 2013.

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



Strawberry production levels in 2013 were similar to 2012, but many crops ripened at the same time as a result of the cold spring and late summer. The weather led to strawberry supply exceeding demand at times, although the year-on-year average price rose by 2% (3p/kg). The raspberry crops emerged late with reports of early and main season crops being picked together and causing some oversupply resulting in the average annual price dropping by just under 1% (3p/kg).

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



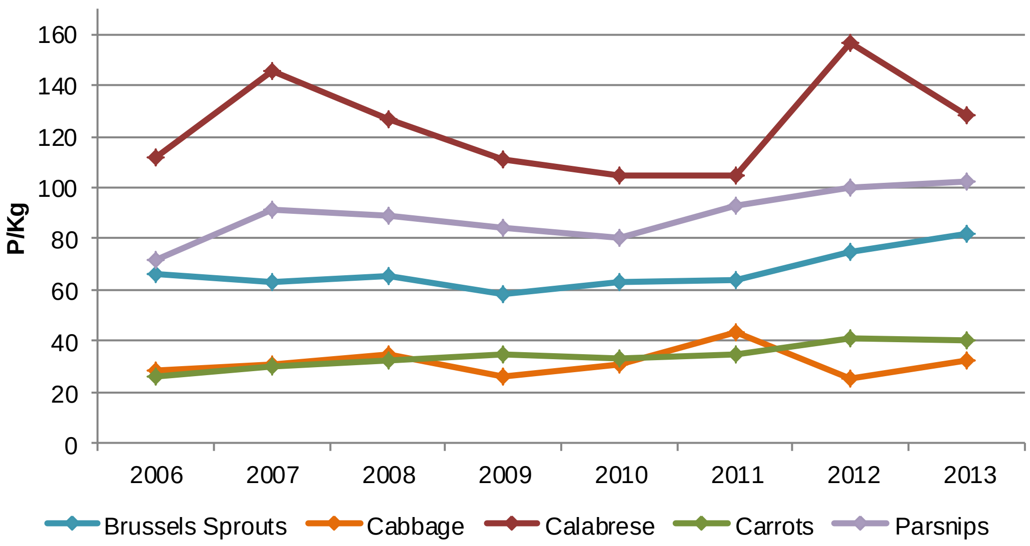
Cool spring weather delayed the early development of cooking apples in 2013. However, after much improved growing conditions from mid-summer, fruit size was fair to good at harvest in late September. Although near average yields were achieved, the cropping area was reduced with the year-on-year average price up by 19% (13p/kg).

After the poor dessert apple crop harvest of 2012, production increased in 2013. Late spring and summer weather resulted in a late finish to the 2013 harvest. Despite some unfavourable growing conditions yields held up thanks to the expansion in the area grown of the higher yielding Gala variety of dessert apple. The price of the 2013 dessert apples was down 4p/kg (6%) on the previous year.

Pear yields were lower than expected in 2013 and although the quality of the Conference pear was good, other pear varieties developed too quickly, resulting in low yields due to poor setting of fruit. Some of the fruit was also too big for the retail market. Saleable production was down and the average price increased by 7% (4p/kg).

Plum production was up in 2013 with most varieties getting off to a good start with the blossom coinciding with favourable weather conditions. Yields were much improved and back at the levels last achieved prior to the dull and extremely wet summer of 2012. The year-on-year average price dropped 35p/kg (26%) from 2012 to 2013 due to both higher yields and the expansion to the area of plums grown.

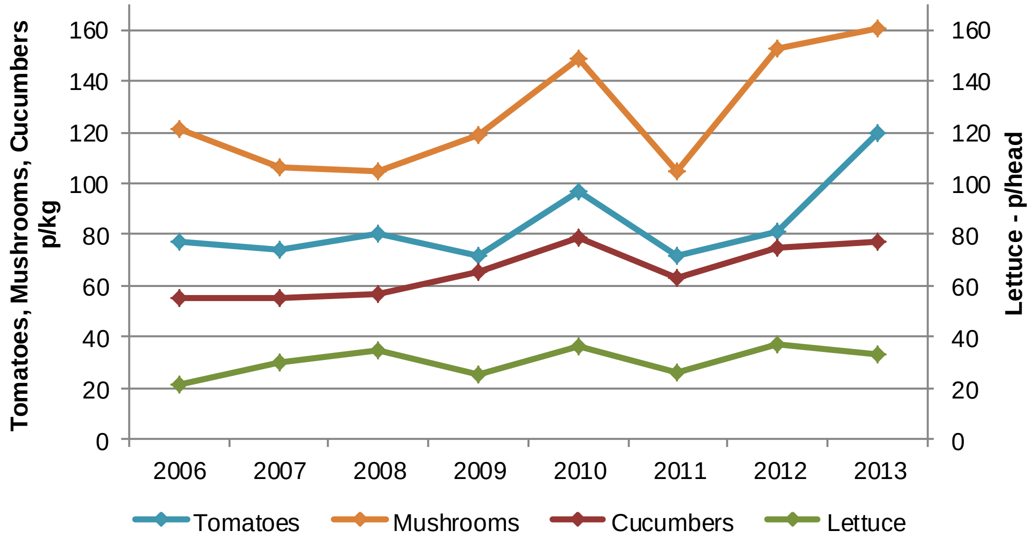
Figure 1.15 Average outdoor vegetable farm gate actual prices[3]



Production of field vegetables was 4% higher in 2013 than in 2012, at 2,330 thousand tonnes. This was despite the delayed planting of many of the crops and subsequent slow establishment due to the cold and wet conditions early in the year. The average year-on-year farm gate price increased for cabbage, up 28% (7p/kg), Brussel sprouts, up 9% (7p/kg) and parsnips, up 2% (2p/kg). There was a fall in the average price of calabrese and carrots, down 18% (29p/kg) and 2% (1p/kg) respectively.

Of the field grown vegetables, the price of calabrese has varied the most in the last eight years; up from 112p/kg in 2006 to 146 p/kg in 2007, down to 105p/kg in 2010, up to 157p/kg in 2012 and then down to 128p/kg in 2013. The average price of Brussel sprouts and parsnips in 2013, at 82p/kg and 102p/kg respectively, was the highest for these two crops since 2006.

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



Salad vegetables produced under protection in 2013 were adversely affected by the low level of light at the beginning of the year, leading to reductions in the level of production. Increased sunshine hours during the summer months provided an opportunity for yields to recover. Many of the salad crops saw their average farm gate price increase in 2013, with tomato prices up 48% to 120p/kg, mushrooms up 5% to 161p/kg and cucumbers up 3% to 77p/kg. By contrast the average price of lettuce was down 11% on 2012, to 33p/kg.

1.7 Price Indices in the UK

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

	2009	2010	2011	2012	2013	2014*
Dessert apples	96.6	100.0	107.0	118.0	117.1	112.3
Dessert pears	113.3	100.0	101.2	116.9	129.4	114.4
Strawberries	90.9	100.0	91.8	87.4	84.0	87.0
All fresh fruit	95.6	100.0	98.7	103.7	104.8	101.7
Lettuce	79.4	100.0	85.5	110.1	104.9	101.9
Onions	57.1	100.0	94.1	68.3	96.9	102.1
Cabbage	92.0	100.0	108.4	120.3	113.4	95.9
All fresh vegetables	87.8	100.0	92.7	108.6	110.5	99.9
Flowers & plants	86.6	100.0	101.4	110.3	109.7	114.0

***Note:** 2014 is data for January to September inclusive.

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

	2009	2010	2011	2012	2013	2014*
Current Inputs						
Seeds	105.0	100.0	105.8	98.5	110.2	102.4
Fertilisers & soil improvers	102.3	100.0	130.4	125.2	113.1	106.8
Plant protection	102.8	100.0	99.8	97.0	98.8	105.3
Fuel for heating	81.4	100.0	110.7	120.0	128.1	133.6
Hired labour	97.9	100.0	102.8	105.8	108.7	110.5
Capital inputs						
Machinery & other equipment	99.7	100.0	103.8	94.3	96.8	114.4
Buildings	95.2	100.0	105.8	107.4	107.7	108.5
Finance inputs						
Bank rate	125.0	100.0	100.0	100.0	100.0	100.0

***Note:** 2014 is data for January to September inclusive.

The index of producer prices shows wide variability over the last six years, although fresh fruit was on average, just under 2% more expensive in 2014 than in 2010.

Among the fruit indices, dessert apples and pears were up 12% and 14% respectively in 2014 compared with 2010, while strawberries were down 13%.

The index for all fresh vegetables was virtually unchanged in 2010 and 2014, although inter-year variation was prevalent, notably in 2011 (-7%) and 2013 (+11%). Variability among individual vegetable crops was greatest for onions, down over 30% in 2012.

Average prices index achieved for ornamentals increased by 14% between 2010 and 2014, with a fairly constant trend line of a rising index for the period.

The index of purchase prices recorded the steepest increase in 2014 for fuel for heating, up by one third on 2010. Fuel for heating increased every year in the period, with notable increases observed in 2011, 2012 and 2013. Other purchase price items to record increases that were noteworthy were for hired labour (11%) and for machinery (14%). During the period the index for fertilisers and soil improvers showed the greatest variability, increasing 30% between 2010 and 2011 and falling 12% and 6% respectively in 2013 and 2014.

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 2012/13 and 2013/14 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; HNS that is grown mainly under protection and HNS that is mainly grown outdoors

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

- Table 2.19 All specialist HNS businesses
- Table 2.20 Mainly protected HNS crops - 25% or more of crop output derived from glasshouse production of HNS
- Table 2.21 Outdoor HNS crops - 80% or more of crop output derived from outdoor production of HNS

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 then this initial weight being 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.

For the 2013/14 edition of this report there has been a change in the measurement of Standard Output (SO) from using figures derived for the period 2005-2009 (2007) as the basis for classification to revised figures to the period 2008 to 2012 (2010). The change is in keeping with the rest of the European Union (EU). SO coefficients for 2010 are generally higher than those for 2007, due to higher prices in the later period. As a result of this amendment there is a slight change in the numbers of farms classified as Specialist Horticulture, as well as a change in the weight allocated to each farm in the dataset. The previous year's dataset (2012/13) has been recalculated and consequently is slightly different from the 2012/13 data published in last year's report.

In 2013/14 an adjustment was made to the treatment of vegetables grown outdoors within the farm typology classification process. These are now typed as "field vegetables" when grown alongside arable crops, but as "market garden vegetables" if arable crops are not grown on the farm. Field vegetables are captured with farm crops and are usually associated with general cropping farms, while market garden vegetables are considered to be horticulture crops. This change has also been applied retrospectively for 2012/13, so readers may observe a slight change in the characteristics of the sample in this report compared to earlier editions.

The number of FBS eligible horticultural businesses in 2013 was 3,321, while the total FBS sample for the 2013 cropping year was 188 businesses, representing 5.7% of the national population of eligible horticultural businesses.

Table 2.1 FBS sample compared with eligible* horticultural businesses for 2013

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

	England population 2013 June Survey (number of businesses)	FBS sample 2013 (number of businesses)	FBS sample as a % of population
Specialist Glass	367	69	18.8%
Specialist Fruit	738	47	6.4%
Specialist HNS	912	32	3.5%
Other Horticulture	1,304	37	2.8%
All Horticulture	**3,321**	**188***	**5.6%**

Note: * Three businesses deemed as extreme outliers were excluded from the sub-groups

The 'All Horticulture' group results are based on a sample of 188 businesses and no outliers have been removed from this group. The Specialist Glass group has had two outliers removed from the sample. These were both large scale arable farms with a sufficient area of glass and polytunnels to classify them as Specialist Glass. However, due to their very large cropping areas they would have distorted the ‘per hectare’ results. The Hardy Nursery Stock (HNS) group has had one outlier removed for the same reason. These three outliers have also been excluded from the sub-groups as well. The two Specialist Glass businesses were only excluded in 2013/14, as in the previous year they were both classified as ‘Other Horticulture’, when they had a slightly different cropping pattern. The Specialist HNS business was excluded in 2012/13 and 2013/14.

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 (2013/14) – most frequently grown crops

Edible Crops	**No. of crops in FBS horticultural sample**	**Total area in FBS horticultural sample (ha)**
Mixed Fresh Vegetables	39	781.0*
Apples - Dessert	29	671.9
Pears	22	81.7
Apples - Culinary	22	146.9
Apples - Cider	14	360.4
Plums	15	84.1
Strawberries	13	129.1*
Tomatoes	10	16.7*
Lettuce	9	17.2*
Non edible crops		
Container Grown Plants	28	66.6*
Ornamental Trees & Shrubs	23	70.2*
Cut Flowers	27	48.8*
Bedding Plants	26	36.3*
Pot Plants	14	41.5*
Herbaceous Perennials	16	32.1*
Cut bulb flowers	8	52.3*

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

The total basic horticultural cropping area covered by the FBS is 4,183ha; 2.6% of the total horticultural land in the UK as recorded by the June survey in 2013.

The total basic protected cropping area (either glass or polytunnel) in the FBS sample in 2013/14 was 149ha; split between nursery stock (19ha), fresh fruit and vegetables (76ha) and flowers and ornamentals (54ha). When multiple cropping of the same land is taken into account, the total area of protected cropped area was 252ha, representing a cropping intensity of 169%.

There was a total of 1,569ha of unprotected market garden fruit and vegetables, 307ha of outside hardy nursery stock, flowers and ornamentals and, 1,669ha of permanent crops e.g. tree and bush fruit.

2.4 Overview of 2013/14

The average profitability as measured by Farm Business Income (FBI) increased by just over 30% to £33,900 per business for the whole sample of businesses in 2013/14 when compared with 2012/13, following a 43% decrease in the average FBI between 2011/12 and 2012/13.

The weather conditions at the beginning of 2013 proved to be challenging for all sectors of horticulture. After the very high rainfall at the end of 2012, soil conditions in spring 2013 were very wet. It was also the coldest spring in nearly 50 years and the total hours of spring sunshine was 18% lower at 527 hours, than for the 3 year average for the period 2010 – 2012. These factors led to delayed planting and growth for many of the crops was slow, while those crops grown under protection were also adversely affected by low levels of light.

Warmer and drier than average conditions from the end of June 2013 encouraged rapid crop growth. Favourable weather from mid-year led to improved yields later in the year, despite the challenging start to the season. Demand for produce was improved on the previous year, leading to an overall increase in sales.

Increased profitability was largely due to a reduction in variable costs, with expenditure on seeds and young plants, fertilisers and composts, crop protection and glasshouse fuel all showing notable decreases. After the dull and wet summer of 2012 which resulted in a poor growing season the summer months of 2013 were in stark contrast with the previous year with summer rainfall down by 57% (200 mm) and the total hours of summer sunshine up by 45% (201 hours).

The UK economy grew by 1.9% in 2013, the strongest rate of growth since 2007. On-going low interest rates continued to benefit businesses with borrowings through lower servicing charges. Despite the increase in profitability in 2013/14, the percentage equity in the average horticultural business remained similar to that of the previous year at around 82%.

2.5 Financial results for 2012/13 and 2013/14

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 2012 and 2013 harvest years, together with premium results for the 2013 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 increased by just over 30% from 2012, to £33,925 per business in 2013. The average total gross output for the sector improved by a little over 3% to £356,560 per business compared with 2012. Total variable costs decreased by around 4% and fixed costs increased by a similar rate.

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

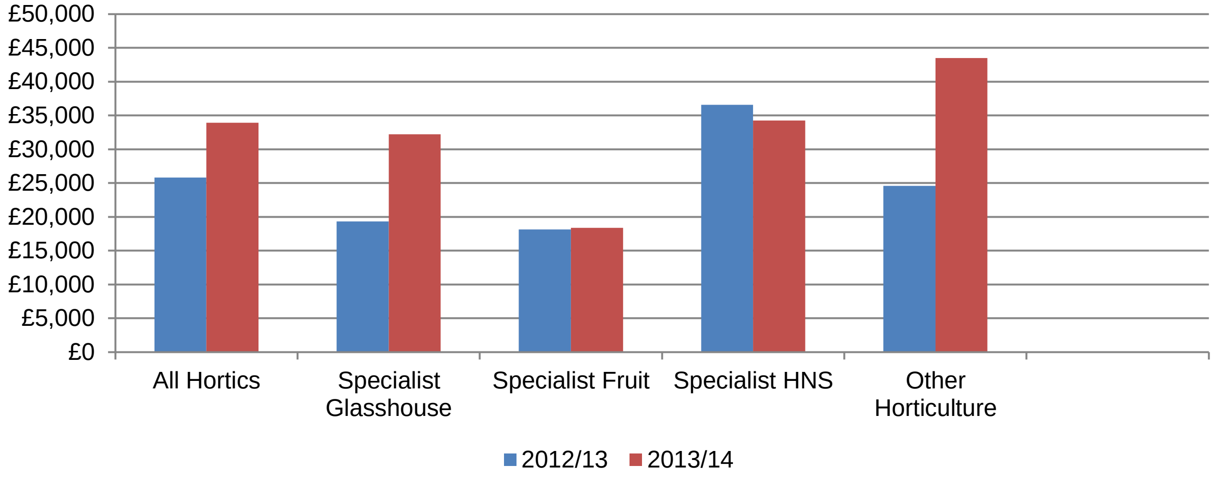
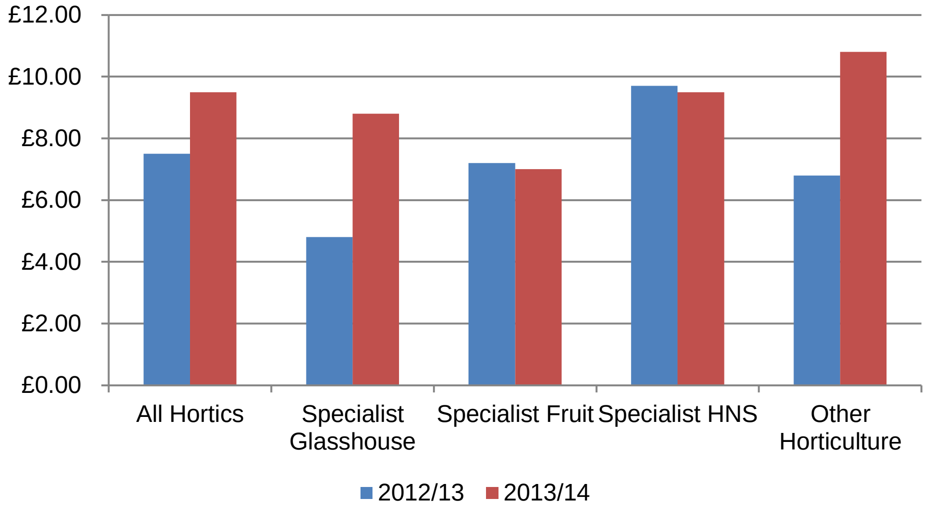


Figure 2.2 Average FBI per £100 of gross output for Horticultural Businesses in England by farm type



There was a rise in profitability among two of the four main horticulture type groups in 2013, with specialist glasshouse and other horticulture showing increases in FBI. The other horticulture group saw the largest increase, up over 75% to an average of £43,497 per business followed by specialist glasshouse up by around two thirds. The specialist hardy nursery stock producers saw a fall in profitability, with FBI dropping over 5% to £34,232 per business, whilst there was virtually no change to the profitability of specialist fruit farms in this period.

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 69 businesses in 2013/14. Average area of protected production was 0.75ha in 2013, down around 5% from 0.79ha recorded in the previous year.

Total gross output for the whole specialist glass sample was some 9% lower in 2013 than in 2012, reducing to £364,933 per business. Variable costs decreased by almost a fifth to £150,543, with the cost of both seeds and young plants and crop protection down by around a quarter. The cost of packaging materials and market charges was down by around 15%. Thanks to the favourable summer weather compared with 2012, the cost of glasshouse fuel was down by just over 15%. Fixed costs fell by 5%, with a 10% reduction to both the cost of regular and casual labour.

The sample of 69 specialist glass businesses is split between 43 businesses specialising in ornamental crops and 26 businesses specialising in edible crops.

Farm Business Income (FBI) increased for the specialist ornamental growers and decreased for those specialising in edible crop production, compared with 2012. When viewed on a per business and per hectare basis the ornamental sector recorded by far the biggest increase at just under 100% and around 120% respectively. By contrast there was a fall in FBI for growers of edible crops of around 3% on a per business basis and of almost 30% on a per hectare basis. Despite a rise of around two thirds in the average FBI for glasshouse businesses, the financial performance of the premium group (top quartile) was down significantly on the previous year; average FBI per hectare for the 15 businesses in the group in 2013 was £76,977/ha, compared with £104,716/ha for the 17 businesses in the group in 2012, or £17.5 per £100 of gross output in comparison to £18.4 in 2012.

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

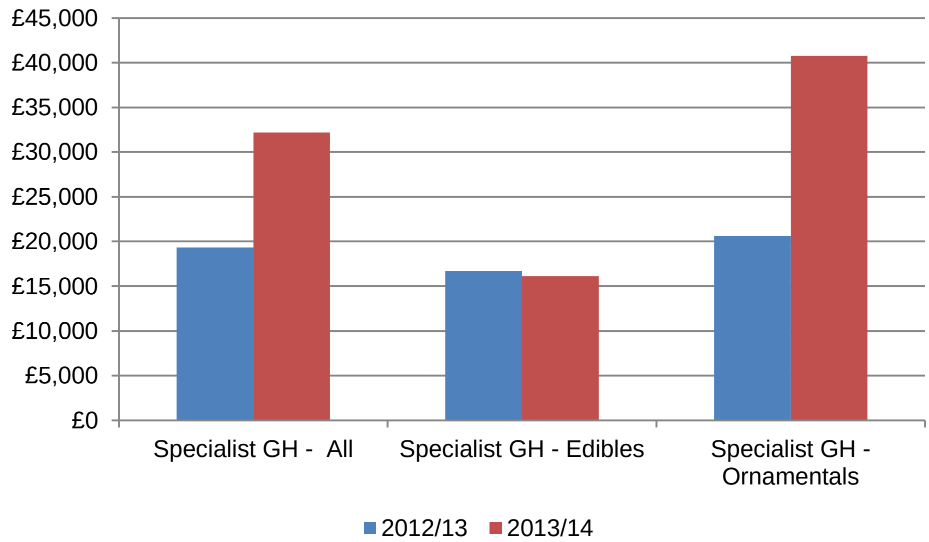


Figure 2.4 Average FBI per £100 of gross output for specialist glasshouse businesses in England by farm type

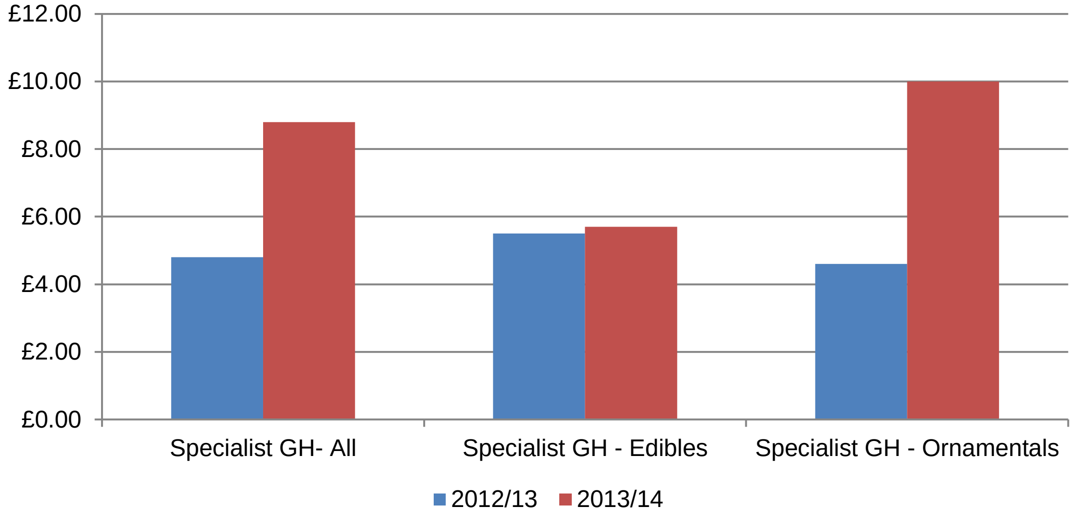


Table 2.6 Specialist Glass, mainly edible crops

The area of glasshouses (including polytunnels) in production per business for this group was 0.98ha in 2013, a slight reduction on the 1.00ha in the previous year. In 2013 glasshouse tomatoes contributed about one third of output for the group, down from 40% in the previous year; soft fruit and lettuce contributed a little over 30% and around 2% of output respectively.

The average profitability for this group fell by 3% to an average Farm Business Income (FBI) of £16,112 per business for the 2013 cropping year. Gross margin per hectare was down 27% to £96,492 and although variable costs recorded notable reductions, the reduction in total gross output was much greater at £44,184 per ha. While total fixed costs were down by 27% to £99,232 per ha, a near 30% drop in FBI to £10,230 per ha was recorded. Average FBI for the nine premium businesses in 2013 was £22,135/ha, or £9.3 per £100 of gross output.

Table 2.7 Specialist Glass, mainly non edible crops

The area of glasshouses in production per business dropped 8.6% in 2013, to 0.63 ha.

Businesses growing ornamental crops under glass saw a rise in Farm Business Income (FBI) of almost 100%, rising to £40,766 per business. Variable costs were reduced by 21%, as the costs of production fell in 2013 largely due to the warmer summer temperatures and reduced summer rainfall compared to the inclement weather of 2012.

The average gross margin per business was a little over 2% higher than the previous year, rising to £247,589 while there were decreases of around 8% for total gross output and 21% for variable costs. The nine premium businesses recorded a FBI of £176,548 per ha, with an average productive area of 0.49ha. Total variable costs for these high performing businesses were lower on a per £100 of gross output by £11.10 than for the average, while fixed costs were also lower by £3.50, resulting in a FBI that was £12.40 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 £29,131, lower than those with 90% output from protected crops. The average Farm Business Income (FBI) recorded for the premium group was £90,887 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 2013 was 46, with 26 businesses specialising in ornamental production and 20 in edible crops. The group specialising in edibles was subdivided further into a group of eleven 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 0.93ha in 2013, up from 0.81ha in 2012. Average Farm Business Income (FBI) was £34,079 per business and £36,201per ha with the premium group recording a FBI of £86,981 per ha. The average FBI per £100 of gross output was £8.00 for the group, compared with £4.80 in the previous year.

Output per hectare fell by around 10% from 2012/13 to 2013/14 and both variable and fixed costs also fell, resulting in an increase of almost 50% in FBI per hectare to £36,201. In particular there were notable reductions for the cost of crop protection, seeds and young plants, glasshouse fuel and repairs during the period.

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

Tomato production accounted for 36% and soft fruit 33% of all glasshouse output for these businesses in 2013.

Gross margin per hectare fell by around 7% in the period, to £174,652, mainly the result of gross output reducing by some 10%. Variable costs were down on 2012 particularly for glasshouse fuel, crop protection, seeds and young plants and packing materials. Total fixed costs per hectare were also down (-9%), resulting in a fall in Farm Business Income (FBI) to £13,522 (-31%).

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 2013 was 30% higher for businesses focusing on salad crops under glass (£17,521) than for the whole group of businesses specialising in the production of edible crops under glass (£13,522). Tomato production accounts for around two thirds of crop output for these businesses.

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

Although gross output fell by approximately 7% from 2012 to 2013, decreases in both variable and fixed costs meant that Farm Business Income (FBI) per business increased on average by £22,646 (106%), from £21,336 in the previous year to £43,982.

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 2013 was £996 for all specialist fruit businesses; £1,676 per ha for growers with mainly top fruit, £1,962 per ha for growers of top fruit, but not growing cider apples and, £954 per ha for cider apple growers. All three sub-groups recorded an increase in FBI on a business, per hectare and £100 of gross output basis, compared with 2012. Top fruit businesses with dessert and culinary apples, plums and pears had a higher FBI per business in 2013 compared to the other top fruit growers producing mainly cider apples, although FBI per £100 of gross output was higher for those specialising in cider apples due to a lower cost base than for other top fruit producers.

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

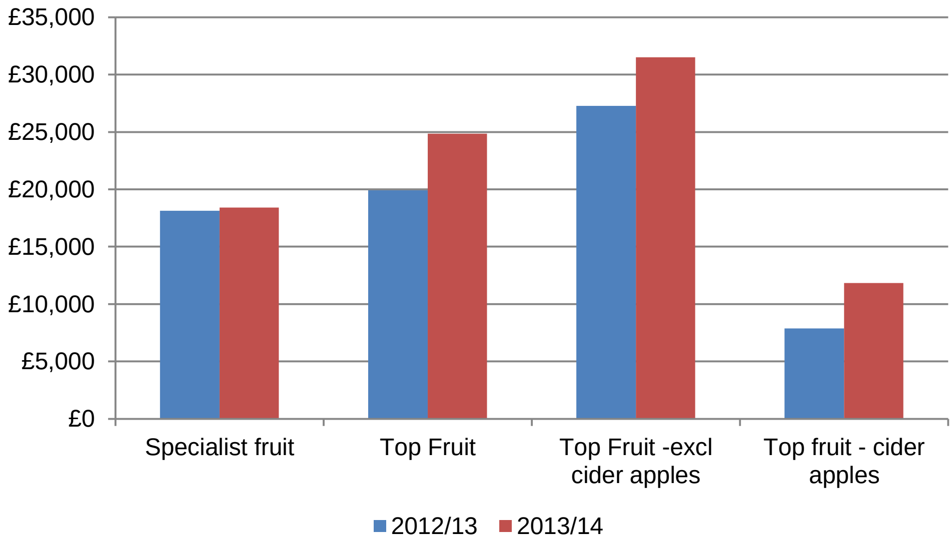


Figure 2.6 Average FBI per £100 of gross output for specialist fruit businesses in England by farm type

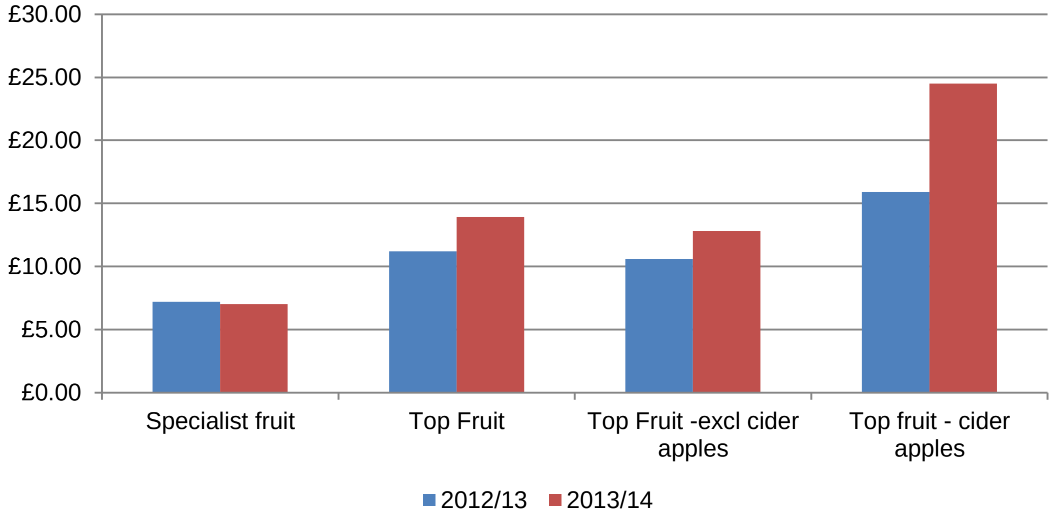


Table 2.15 Specialist fruit businesses

Within the specialist fruit group in 2013, almost 60% of crop output was from tree fruit and 40% from soft fruit production. A significant proportion of the total output (25% in 2013) 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 fell by approximately 10% in 2013, to an average of around 19ha per business.

Farm Business Income (FBI) per hectare in 2013 was £3,185 for businesses in the premium group, compared with the average of £996. The average FBI per business of £18,398 in 2013/14 showed little change on the year before, although gross output grew by around 5% to £263,507; variable and fixed costs rose in the year (+11% and +3% 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 2013, around 61% of crop output came from dessert apples and pears, 13% from culinary apples, 9% from cider apples and the remaining 17% from plums and other top fruit. The average cropping area in 2013 was 14.82ha, down by almost 2ha from the previous year, mainly due to a change in the composition of the sample.

Yields for culinary apples, dessert apples and cider apples were up for the 2013 harvest year compared with 2012, whereas yields for pears were down. Higher yields resulted in lower prices whilst lower production of the pear crop was offset by an increase to the price.

Average Farm Business Income (FBI) was £24,838 per business and £1,676 per ha, with both up on the previous year. The average total variable costs on a per business basis remained similar to those of 2012, and although expenditure on fertilisers and composts and crop protection were reduced, market charges were up by almost 10%.

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 22 growers in 2013, predominantly growing top fruit for eating. In 2013/14, around 66% of crop output was from dessert apples and pears, 14% from culinary apples for processing and the fresh market and the remaining 20% from other tree fruit. Almost 30% of the total gross output, or £71,859 per business, was derived from other output, i.e. not from cropping. The total cropping area per business for the sample decreased to 16.06ha in 2013, down from 17.58ha in 2012. Farm Business Income (FBI) per business increased by a little over 15% in 2013 when compared to 2012, rising to £31,513, while reductions were recorded to both the total variable and fixed costs of 4% and 5.5% respectively.

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 12.41ha in 2013, just under 3ha less than in 2012. Of the top fruit businesses, cider apple growers saw the largest rise in Farm Business Income (FBI), up by over 45% to £11,840 per business in 2013. Total gross margin increased by almost 4% or £1,473 per business, mainly due to a significant drop of around 30% to the total variable costs; notable decreases were recorded for fertilisers and compost costs (-43%) and crop protection costs (-35%). Cider apple growers had the highest FBI on a £100 of gross output basis of all horticulture business types, with an average of £24.50 in 2013/14.

Table 2.3 Top fruit yields, prices and output* – 2012/13 and 2013/14

Top Fruit		2012/13	2013/14
Culinary Apples	tonnes/ha	17.5	22.2
	£/tonne	500.3	425.8
	£ output/ha	**8,753**	**9,459**
Dessert Apples	tonnes/ha	15.1	19.9
	£/tonne	951.7	725.4
	£ output/ha	**11,888**	**12,879**
Cider Apples	tonnes/ha	20.7	23.5
	£/tonne	112.3	112.8
	£ output/ha	**2,325**	**2,653**
Pears	tonnes/ha	10.8	10.0
	£/tonne	701.8	814.7
	£ output/ha	**7,564**	**8,147**

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 derive over 25% of their crop output from glasshouse production of HNS; table 2.21 covers businesses that derive over 80% of the crop output from outdoor production of HNS.

Protected HNS had significantly higher output and profitability per hectare than outdoor grown HNS. In 2013/14 the Farm Business Income (FBI) per hectare was £12,336 for all HNS, £59,995 for protected HNS and £3,743 for outdoor grown HNS. The gross output per hectare for protected HNS was more than three times greater at £329,880, than for outdoor produced stock, at £99,134.

Table 2.19 Specialist HNS businesses

This group of businesses include growers of young HNS plants under protection, those growing plants outdoors, and a combination of the two production systems. The average cropped area for each business in the sample in 2013 was 2.77ha, a reduction of almost 10% on the previous year. On average, the sector has a very low proportion of output from other activities with a little less than 3% derived from such activities in 2013/14. For these businesses, crop output was divided between outdoor production at 78% and protected production at 22%.

Farm Business Income (FBI) per business was down on average by 6%, driven mainly by a decrease of some 4% to total gross output. While variable costs were down 7%, fixed costs rose by around 2%. Average FBI per £100 of gross output was £9.50 in 2013/14, while for the premium businesses it was £25.90, or almost three times greater than the average.

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

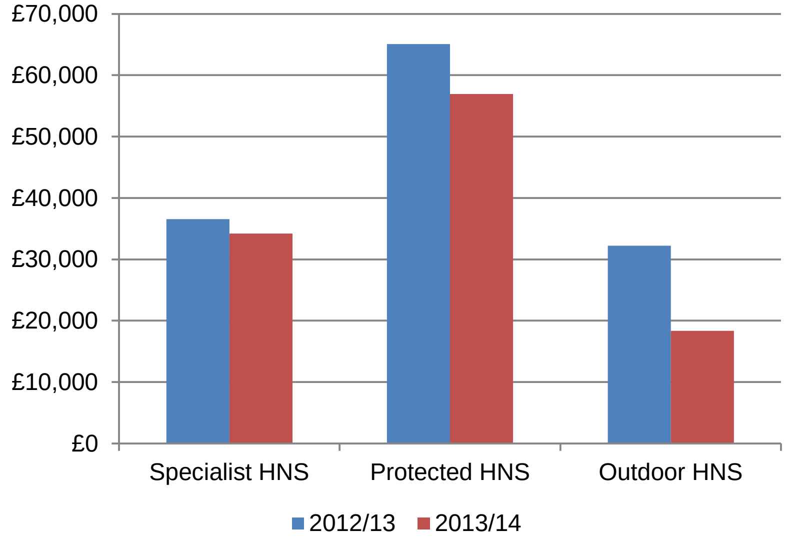


Figure 2.8 Average FBI per £100 of gross output for specialist HNS businesses in England, by proportion of output from protected crops

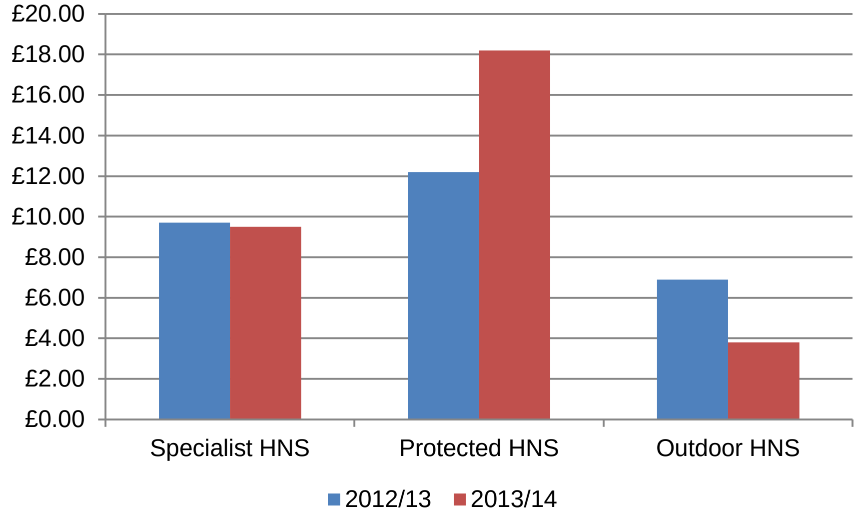


Table 2.20 Mainly protected HNS crops – 25% or more of crop output derived from glasshouse production of HNS

The sub-group covers businesses which grow a significant amount of HNS under glass (25% or more of crop output produced under glass or walk-through polythene tunnels). The average protected area in 2013/14 was 0.40ha, while the average total cropping area was 0.95ha.

Average Farm Business Income (FBI) per business decreased by almost 13%, to £56,925. By contrast FBI per hectare increased by around two thirds to £59,995. Gross output per hectare improved by over 10% to £329,880, while variable costs rose by £19,206 per ha (19%) and fixed costs were up by £6,031 per ha (4%).

Table 2.21 Outdoor HNS crops – 80% or more crop output derived from outdoor production of HNS

The table refers to a group of businesses with 80% or more of HNS output produced outdoors, including rootstock and larger trees, as well as shrubs and smaller nursery stock. The average cropping area in 2013/14 was 4.90ha.

Farm Business Income (FBI) per business dropped by over 40% to £18,353. Gross output per ha increased by £7,801 (9%) to £99,134; average variable costs rose by £4,346 per ha (10%) to £49,283 and fixed costs rose by £7,965 per ha (20%) to £48,529.

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 2013/14 the output from soft fruit accounted for 19% of total crop output, and for outdoor vegetables and glasshouse crops the proportions were 43% and 12% respectively.

Farm Business Income (FBI) per business for this group of farms increased from £24,571 in 2012 to £43,497 in 2013. Premium businesses recorded a FBI per hectare of £1,418 compared with the average of £1,261.

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 (13%), salad crops (1%) and other outdoor vegetable crops (72%), and glasshouse crops (4%), with other crops including farm cops accounting for the remainder (10%). Average cropping area of this group decreased from 23.78ha in 2012/13 to 19.44ha in 2013/14.

Farm Business Income (FBI) per business increased by almost 60% to £35,469 while FBI per hectare rose by over 90% to £1,825. Gross output per hectare rose 26% in the period, to £11,857, with total variable costs up by over 10% to £284 per ha and fixed costs were up by over 25% to £1,847 per ha. Among the variable costs, packaging materials rose by around two thirds while casual labour rose by over 50% and regular labour rose by around a fifth.

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

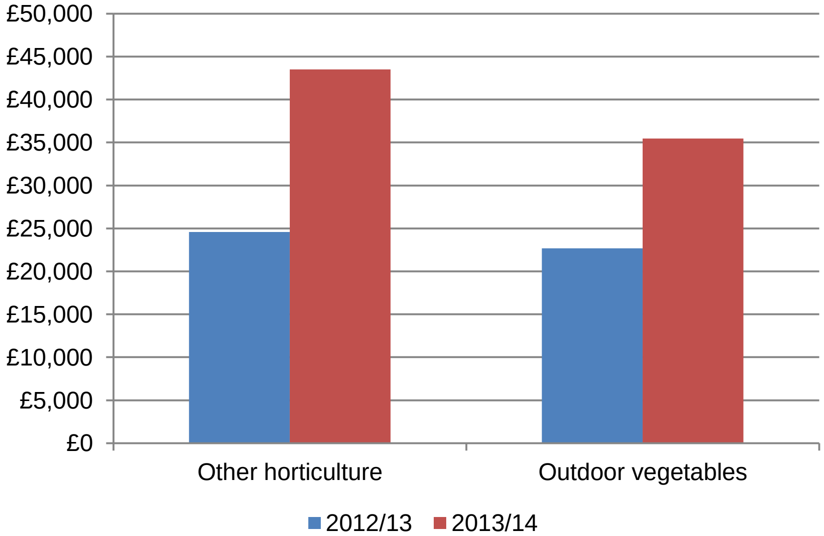
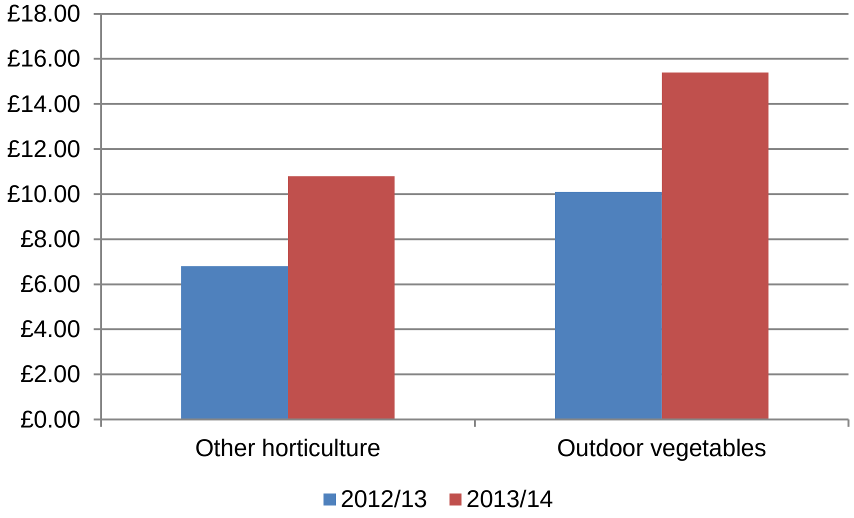


Figure 2.10 Average FBI per £100 of gross output for other horticulture businesses and mainly outdoor vegetable crops in England



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 increased during the year for all horticultural businesses types except specialist fruit businesses, for which the average percentage equity decreased from an average of 89% in 2012/13 to 88% in 2013/14. The average percentage equity for the whole sample of horticultural businesses remained at 81%. The value of the balance sheet total assets rose by just over 6% to an average of £859,383 for all horticulture businesses in 2013/14, while total external liabilities increased by 7% to £159,252 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 £1,430,397 per business, representing 89% 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 92%. While pig and poultry farms respectively have the lowest percentage equity at 77% and 72%, with horticulture in mid-range at 81%.

Table 2.4 All horticultural businesses

	Per business		*Per hectare*		*Per £100 of gross output*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	189	188	189	188	189	188
Productive cropping area (ha)	18.97	19.64	18.97	19.64		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**345,800**	**356,560**	**18,233**	**18,157**	**100.0**	**100.0**
Variable costs						
Seed & young plants	61,930	56,343	3,265	2,869	17.9	15.8
Fertilisers & composts	12,154	10,797	641	550	3.5	3.0
Crop protection	8,968	7,570	473	386	2.6	2.1
Market charges	19,074	19,065	1,006	971	5.5	5.3
Packing materials	14,135	16,114	745	821	4.1	4.5
Horticultural sundries	14,218	16,436	750	837	4.1	4.6
Glasshouse fuel	5,554	4,091	293	208	1.6	1.1
Other variable costs	696	1,172	37	60	0.2	0.3
Total variable costs	**136,730**	**131,589**	**7,210**	**6,701**	**39.5**	**36.9**
Total gross margin	**209,070**	**224,971**	**11,024**	**11,456**	**60.5**	**63.1**
Fixed costs						
Labour:						
Regular paid	62,292	59,904	3,285	3,051	18.0	16.8
Regular unpaid	29,193	28,829	1,539	1,468	8.4	8.1
Casual labour	32,054	45,013	1,690	2,292	9.3	12.6
Power & machinery costs:						
Contract & hire	5,400	6,136	285	312	1.6	1.7
Fuel & electricity	11,982	12,958	632	660	3.5	3.6
Repairs	8,589	8,447	453	430	2.5	2.4
Machinery depreciation	11,018	10,810	581	551	3.2	3.0
Glasshouse depreciation	5,037	2,376	266	121	1.5	0.7
Rent (incl. imputed)	15,116	16,015	797	816	4.4	4.5
Other costs:						
Occupier's repairs	5,502	5,133	290	261	1.6	1.4
Permanent crop depreciation	1,337	703	70	36	0.4	0.2
Water	1,805	1,658	95	84	0.5	0.5
Sundries	16,061	16,155	847	823	4.6	4.5
Total fixed costs	**205,386**	**214,136**	**10,830**	**10,905**	**59.4**	**60.1**
Management & investment income	**3,684**	**10,835**	**194**	**552**	**1.1**	**3.0**
Minus: management salaries	581	847	31	43	0.2	0.2
Plus: farmer & spouse labour	22,874	22,846	1,206	1,163	6.6	6.4
Net farm income	**25,977**	**32,834**	**1,370**	**1,672**	**7.5**	**9.2**
Farm business income	**25,830**	**33,925**	**1,362**	**1,728**	**7.5**	**9.5**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14
Glasshouse crops		
Flowers & nursery stock	23.3	16.9
Tomatoes	1.2	1.1
Lettuce	0.2	0.2
Soft fruit	1.8	2.6
Other glasshouse crops	3.0	2.1
Outdoor crops		
Flowers and nursery stock	27.9	27.6
Vegetables	10.5	18.2
Other outdoor crops	6.1	5.8
Top fruit		
Dessert apples and pears	7.1	8.3
Culinary apples	0.9	1.0
Cider apples	0.6	0.7
Plums	0.3	0.7
Other top fruit	0.7	1.0
Soft fruit		
Strawberries	12.0	8.9
Raspberries	2.7	2.7
Blackcurrants	0.1	0.2
Other soft fruit	1.5	2.1
Total	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2012/13	Average 2013/14
Crops and tillages	16	15
Stores	8	9
Glasshouses	13	8
Equipment	21	23
Livestock	1	1
Other	41	44
Total	**100**	**100**
Tenant's capital (£)	**537,828**	**508,729**

Table 2.5 All specialist glass businesses

	Per business		*Per hectare*		*Per £100 of gross output*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	64	69	64	69	64	69
Productive cropping area (ha)	1.02	1.10	1.02	1.10		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**399,813**	**364,933**	**393,893**	**331,331**	**100.0**	**100.0**
Variable costs						
Seed & young plants	76,610	58,456	75,476	53,074	19.2	16.0
Fertilisers & composts	11,672	11,975	11,499	10,872	2.9	3.3
Crop protection	3,064	2,359	3,019	2,141	0.8	0.6
Market charges	20,050	17,167	19,753	15,586	5.0	4.7
Packing materials	24,907	20,976	24,538	19,044	6.2	5.7
Horticultural sundries	17,544	12,202	17,284	11,078	4.4	3.3
Glasshouse fuel	32,780	27,390	32,295	24,868	8.2	7.5
Other variable costs	15	19	14	17	0.0	0.0
Total variable costs	**186,641**	**150,543**	**183,877**	**136,682**	**46.7**	**41.3**
Total gross margin	**213,172**	**214,390**	**210,015**	**194,649**	**53.3**	**58.7**
Fixed costs						
Labour:						
Regular paid	88,708	79,200	87,394	71,908	22.2	21.7
Regular unpaid	30,961	32,630	30,502	29,626	7.7	8.9
Casual labour	22,610	20,240	22,275	18,376	5.7	5.5
Power & machinery costs:						
Contract & hire	1,837	1,568	1,809	1,423	0.5	0.4
Fuel & electricity	10,466	10,425	10,311	9,465	2.6	2.9
Repairs	7,384	6,045	7,275	5,489	1.8	1.7
Machinery depreciation	9,173	8,417	9,037	7,642	2.3	2.3
Glasshouse depreciation	8,180	9,098	8,059	8,260	2.0	2.5
Rent (incl. imputed)	7,397	7,386	7,287	6,706	1.9	2.0
Other costs:						
Occupier's repairs	6,288	6,470	6,195	5,875	1.6	1.8
Permanent crop depreciation	-30	64	-29	58	0.0	0.0
Water	1,950	2,157	1,921	1,959	0.5	0.6
Sundries	19,407	18,993	19,120	17,244	4.9	5.2
Total fixed costs	**214,331**	**202,693**	**211,158**	**184,029**	**53.6**	**55.5**
Management & investment income	**-1,160**	**11,697**	**-1,142**	**10,620**	**-0.3**	**3.2**
Minus: management salaries	2,337	1,886	2,303	1,712	0.6	0.5
Plus: farmer & spouse labour	27,218	29,115	26,815	26,434	6.8	8.0
Net farm income	**23,722**	**38,926**	**23,370**	**35,342**	**5.9**	**10.7**
Farm business income	**19,348**	**32,206**	**19,061**	**29,241**	**4.8**	**8.8**

Premium businesses	Per hectare 2013/14	Per £100 of gross output 2013/14
Number of businesses	15	15
Productive cropping area (ha)	1.09	
	£ per hectare	*average %*
Gross output	**439,248**	**100.0**
Variable costs		
Seed & young plants	52,367	11.9
Fertilisers & composts	14,706	3.3
Crop protection	3,111	0.7
Market charges	25,281	5.8
Packing materials	15,110	3.4
Horticultural sundries	12,931	2.9
Glasshouse fuel	30,682	7.0
Other variable costs	0	0.0
Total variable costs	**154,188**	**35.1**
Total gross margin	**285,060**	**64.9**
Fixed costs		
Labour:		
Regular paid	92,681	21.1
Regular unpaid	27,143	6.2
Casual labour	13,996	3.2
Power & machinery costs:		
Contract & hire	1,725	0.4
Fuel & electricity	8,194	1.9
Repairs	4,812	1.1
Machinery depreciation	11,186	2.5
Glasshouse depreciation	17,823	4.1
Rent (incl. imputed)	9,811	2.2
Other costs:		
Occupier's repairs	8,336	1.9
Permanent crop depreciation	0	0.0
Water	1,686	0.4
Sundries	18,581	4.2
Total fixed costs	**215,975**	**49.2**
Management & investment income	**69,086**	**15.7**
Minus: management salaries	6,242	1.4
Plus: farmer & spouse labour	23,721	5.4
Net farm income	**86,564**	**19.7**
Farm business income	**76,977**	**17.5**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Glasshouse crops			
Flowers & nursery stock	68.2	63.1	70.8
Tomatoes	9.4	8.8	10.8
Lettuce	0.3	0.6	0.0
Soft fruit	4.0	8.1	10.9
Other glasshouse crops	9.4	9.1	4.3
Outdoor crops			
Flowers & nursery stock	8.3	9.5	2.9
Vegetables	0.2	0.6	0.0
Fruit	0.1	0.1	0.0
Other outdoor crops	0.0	0.1	0.2
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Crops & tillages	14	10	9
Stores	12	10	7
Glasshouses	26	30	36
Equipment	18	19	16
Livestock	0	0	0
Other	30	32	31
Total	**100**	**100**	**100**
Tenant's capital (£)	**528,312**	**502,866**	**819,075**

Table 2.6 Specialist glass businesses, mainly edible crops

	Per business		*Per hectare*		*Per £100 of gross output*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	22	26	22	26	22	26
Productive cropping area (ha)	1.16	1.57	1.16	1.57		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**300,850**	**281,611**	**259,294**	**178,808**	**100.0**	**100.0**
Variable costs						
Seed & young plants	25,276	21,941	21,785	13,931	8.4	7.8
Fertilisers & composts	8,326	8,210	7,176	5,213	2.8	2.9
Crop protection	3,817	2,628	3,290	1,669	1.3	0.9
Market charges	20,471	22,246	17,644	14,125	6.8	7.9
Packing materials	14,622	13,714	12,602	8,707	4.9	4.9
Horticultural sundries	7,333	6,236	6,320	3,960	2.4	2.2
Glasshouse fuel	66,884	54,614	57,645	34,677	22.2	19.4
Other variable costs	45	54	39	34	0.0	0.0
Total variable costs	**146,774**	**129,642**	**126,500**	**82,316**	**48.8**	**46.0**
Total gross margin	**154,076**	**151,969**	**132,794**	**96,492**	**51.2**	**54.0**
Fixed costs						
Labour:						
Regular paid	61,889	51,780	53,340	32,878	20.6	18.4
Regular unpaid	26,949	28,072	23,227	17,824	9.0	10.0
Casual labour	13,956	25,769	12,028	16,362	4.6	9.2
Power & machinery costs:						
Contract & hire	955	716	823	455	0.3	0.3
Fuel & electricity	6,167	6,766	5,315	4,296	2.0	2.4
Repairs	8,384	5,457	7,226	3,465	2.8	1.9
Machinery depreciation	7,045	6,535	6,071	4,150	2.3	2.3
Glasshouse depreciation	6,578	5,494	5,669	3,489	2.2	2.0
Rent (incl. imputed)	7,082	6,337	6,104	4,024	2.4	2.3
Other costs:						
Occupier's repairs	7,329	5,795	6,317	3,679	2.4	2.1
Permanent crop depreciation	-95	185	-82	117	0.0	0.1
Water	1,209	1,426	1,042	906	0.4	0.5
Sundries	10,714	11,952	9,234	7,589	3.6	4.2
Total fixed costs	**158,161**	**156,284**	**136,314**	**99,232**	**52.6**	**55.5**
Management & investment income	**-4,084**	**-4,315**	**-3,520**	**-2,740**	**-1.4**	**-1.5**
Minus: management salaries	767	565	661	359	0.3	0.2
Plus: farmer & spouse labour	24,142	25,643	20,807	16,282	8.0	9.1
Net farm income	**19,290**	**20,763**	**16,626**	**13,184**	**6.4**	**7.4**
Farm business income	**16,672**	**16,112**	**14,369**	**10,230**	**5.5**	**5.7**

Premium businesses	Per hectare 2013/14	Per £100 of gross output 2013/14
Number of businesses	9	9
Productive cropping area (ha)	2.29	
	£ per hectare	*average %*
Gross output	**238,811**	**100.0**
Variable costs		
Seed & young plants	21,619	9.1
Fertilisers & composts	6,675	2.8
Crop protection	2,541	1.1
Market charges	23,956	10.0
Packing materials	10,248	4.3
Horticultural sundries	5,237	2.2
Glasshouse fuel	44,501	18.6
Other variable costs	0	0.0
Total variable costs	**114,776**	**48.1**
Total gross margin	**124,035**	**51.9**
Fixed costs		
Labour:		
Regular paid	49,512	20.7
Regular unpaid	9,816	4.1
Casual labour	9,540	4.0
Power & machinery costs:		
Contract & hire	864	0.4
Fuel & electricity	3,025	1.3
Repairs	2,618	1.1
Machinery depreciation	7,007	2.9
Glasshouse depreciation	3,849	1.6
Rent (incl. imputed)	4,138	1.7
Other costs:		
Occupier's repairs	4,576	1.9
Permanent crop depreciation	0	0.0
Water	525	0.2
Sundries	8,426	3.5
Total fixed costs	**103,897**	**43.5**
Management & investment income	**20,138**	**8.4**
Minus: management salaries	956	0.4
Plus: farmer & spouse labour	8,969	3.8
Net farm income	**28,151**	**11.8**
Farm business income	**22,135**	**9.3**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Glasshouse crops			
Flowers & nursery stock	0.8	0.7	1.5
Tomatoes	40.4	33.4	41.5
Lettuce	1.2	2.1	2.0
Soft fruit	17.1	30.7	28.3
Other glasshouse crops	39.1	29.9	26.0
Outdoor crops			
Flowers & nursery stock	0.0	0.0	0.0
Vegetables	1.0	2.3	0.0
Fruit	0.4	0.4	0.0
Other outdoor crops	0.0	0.4	0.6
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Crops & tillages	1	2	2
Stores	7	7	9
Glasshouses	33	30	26
Equipment	22	23	30
Livestock	0	0	0
Other	37	38	33
Total	**100**	**100**	**100**
Tenant's capital (£)	**357,010**	**313,943**	**580,737**

Table 2.7 Specialist glass businesses, mainly non-edible crops

	Per business		***Per hectare***		***Per £100 of gross output***	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	42	43	42	43	42	43
Productive cropping area (ha)	0.95	0.85	0.95	0.85		
	Average £/business		***Average £/hectare***		***Average %***	
Gross output	**447,244**	**409,249**	**473,063**	**481,714**	**100.0**	**100.0**
Variable costs						
Seed & young plants	101,214	77,878	107,057	91,667	22.6	19.0
Fertilisers & composts	13,275	13,978	14,042	16,453	3.0	3.4
Crop protection	2,703	2,215	2,860	2,608	0.6	0.5
Market charges	19,848	14,466	20,994	17,027	4.4	3.5
Packing materials	29,836	24,838	31,558	29,236	6.7	6.1
Horticultural sundries	22,437	15,374	23,733	18,097	5.0	3.8
Glasshouse fuel	16,435	12,911	17,383	15,197	3.7	3.2
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**205,749**	**161,660**	**217,627**	**190,285**	**46.0**	**39.5**
Total gross margin	**241,495**	**247,589**	**255,437**	**291,430**	**54.0**	**60.5**
Fixed costs						
Labour:						
Regular paid	101,561	93,784	107,424	110,390	22.7	22.9
Regular unpaid	32,883	35,055	34,782	41,262	7.4	8.6
Casual labour	26,757	17,298	28,302	20,362	6.0	4.2
Power & machinery costs:						
Contract & hire	2,259	2,021	2,390	2,379	0.5	0.5
Fuel & electricity	12,527	12,371	13,250	14,561	2.8	3.0
Repairs	6,905	6,358	7,304	7,484	1.5	1.6
Machinery depreciation	10,194	9,418	10,782	11,085	2.3	2.3
Glasshouse depreciation	8,948	11,015	9,464	12,965	2.0	2.7
Rent (incl. imputed)	7,548	7,944	7,984	9,350	1.7	1.9
Other costs:						
Occupier's repairs	5,789	6,830	6,124	8,039	1.3	1.7
Permanent crop depreciation	2	0	2	0	0.0	0.0
Water	2,306	2,546	2,439	2,997	0.5	0.6
Sundries	23,573	22,738	24,934	26,764	5.3	5.6
Total fixed costs	**241,253**	**227,376**	**255,180**	**267,637**	**53.9**	**55.6**
Management & investment income	**242**	**20,213**	**256**	**23,792**	**0.1**	**4.9**
Minus: management salaries	3,090	2,588	3,268	3,046	0.7	0.6
Plus: farmer & spouse labour	28,693	30,961	30,349	36,444	6.4	7.6
Net farm income	**25,845**	**48,586**	**27,337**	**57,189**	**5.8**	**11.9**
Farm business income	**20,630**	**40,766**	**21,821**	**47,985**	**4.6**	**10.0**

Premium businesses	***Per hectare* 2013/14**	***Per £100 of gross output* 2013/14**
Number of businesses	9	9
Productive cropping area (ha)	0.49	
	£ per hectare	***average %***
Gross output	**786,911**	**100.0**
Variable costs		
Seed & young plants	100,788	12.8
Fertilisers & composts	23,783	3.0
Crop protection	5,449	0.7
Market charges	30,376	3.9
Packing materials	20,881	2.7
Horticultural sundries	14,758	1.9
Glasshouse fuel	27,409	3.5
Other variable costs	0	0.0
Total variable costs	**223,444**	**28.4**
Total gross margin	**563,467**	**71.6**
Fixed costs		
Labour:		
Regular paid	160,279	20.4
Regular unpaid	67,118	8.5
Casual labour	16,107	2.0
Power & machinery costs:		
Contract & hire	286	0.0
Fuel & electricity	16,950	2.2
Repairs	10,170	1.3
Machinery depreciation	16,263	2.1
Glasshouse depreciation	47,040	6.0
Rent (incl. imputed)	21,124	2.7
Other costs:		
Occupier's repairs	13,196	1.7
Permanent crop depreciation	0	0.0
Water	2,998	0.4
Sundries	38,522	4.9
Total fixed costs	**410,051**	**52.1**
Management & investment income	**153,416**	**19.5**
Minus: management salaries	18,731	2.4
Plus: farmer & spouse labour	57,037	7.2
Net farm income	**191,722**	**24.4**
Farm business income	**176,548**	**22.4**

Crop output per cent of total crop output (%)

	Average 2012/13	**Average 2013/14**	**Premium 2013/14**
Glasshouse crops			
Flowers & nursery stock	88.7	85.4	90.5
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	0.4	1.6	4.5
Outdoor crops			
Flowers & nursery stock	10.8	12.9	4.9
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 2012/13	**Average 2013/14**	**Premium 2013/14**
Crops & tillages	17	12	11
Stores	13	10	9
Glasshouses	24	30	42
Equipment	17	18	11
Livestock	0	0	0
Other	29	30	28
Total	**100**	**100**	**100**
Tenant's capital (£)	**528,312**	**502,866**	**819,075**

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

	Per business		*Per hectare*		*Per £100 of gross output*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	56	55	56	55	56	55
Productive cropping area (ha)	1.06	1.01	1.06	1.01		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**458,440**	**385,792**	**433,591**	**383,279**	**100.0**	**100.0**
Variable costs						
Seed & young plants	88,961	60,599	84,139	60,204	19.4	15.7
Fertilisers & composts	12,812	12,118	12,118	12,039	2.8	3.1
Crop protection	3,511	2,927	3,321	2,908	0.8	0.8
Market charges	23,481	19,922	22,209	19,792	5.1	5.2
Packing materials	28,569	23,202	27,020	23,050	6.2	6.0
Horticultural sundries	20,576	14,549	19,460	14,454	4.5	3.8
Glasshouse fuel	39,182	36,253	37,059	36,017	8.5	9.4
Other variable costs	17	26	17	26	0.0	0.0
Total variable costs	**217,110**	**169,595**	**205,342**	**168,491**	**47.4**	**44.0**
Total gross margin	**241,330**	**216,197**	**228,249**	**214,789**	**52.6**	**56.0**
Fixed costs						
Labour:						
Regular paid	100,922	77,592	95,451	77,087	22.0	20.1
Regular unpaid	31,491	33,300	29,784	33,083	6.9	8.6
Casual labour	26,527	25,524	25,089	25,357	5.8	6.6
Power & machinery costs:						
Contract & hire	2,101	1,848	1,988	1,836	0.5	0.5
Fuel & electricity	11,731	10,108	11,096	10,042	2.6	2.6
Repairs	8,482	5,697	8,023	5,660	1.9	1.5
Machinery depreciation	10,494	8,963	9,925	8,905	2.3	2.3
Glasshouse depreciation	9,641	7,717	9,118	7,666	2.1	2.0
Rent (incl. imputed)	7,747	7,352	7,327	7,304	1.7	1.9
Other costs:						
Occupier's repairs	7,179	7,090	6,789	7,044	1.6	1.8
Permanent crop depreciation	0	90	0	89	0.0	0.0
Water	2,211	2,445	2,091	2,429	0.5	0.6
Sundries	21,504	18,242	20,338	18,123	4.7	4.7
Total fixed costs	**240,030**	**205,967**	**227,020**	**204,626**	**52.4**	**53.4**
Management & investment income	**1,299**	**10,230**	**1,229**	**10,163**	**0.3**	**2.7**
Minus: management salaries	2,802	2,642	2,650	2,625	0.6	0.7
Plus: farmer & spouse labour	28,206	30,495	26,677	30,297	6.2	7.9
Net farm income	**26,703**	**38,083**	**25,256**	**37,835**	**5.8**	**9.9**
Farm business income	**21,103**	**29,322**	**19,959**	**29,131**	**4.6**	**7.6**

Premium businesses	Per hectare 2013/14	Per £100 of gross output 2013/14
Number of businesses	14	14
Productive cropping area (ha)	0.97	
	£ per hectare	*average %*
Gross output	**616,677**	**100.0**
Variable costs		
Seed & young plants	85,284	13.8
Fertilisers & composts	24,333	3.9
Crop protection	4,488	0.7
Market charges	38,391	6.2
Packing materials	31,630	5.1
Horticultural sundries	17,173	2.8
Glasshouse fuel	45,408	7.4
Other variable costs	0	0.0
Total variable costs	**246,707**	**40.0**
Total gross margin	**369,970**	**60.0**
Fixed costs		
Labour:		
Regular paid	123,484	20.0
Regular unpaid	35,071	5.7
Casual labour	24,475	4.0
Power & machinery costs:		
Contract & hire	3,232	0.5
Fuel & electricity	13,638	2.2
Repairs	6,867	1.1
Machinery depreciation	14,240	2.3
Glasshouse depreciation	12,296	2.0
Rent (incl. imputed)	9,003	1.5
Other costs:		
Occupier's repairs	9,724	1.6
Permanent crop depreciation	0	0.0
Water	2,480	0.4
Sundries	25,811	4.2
Total fixed costs	**280,319**	**45.5**
Management & investment income	**89,651**	**14.5**
Minus: management salaries	9,445	1.5
Plus: farmer & spouse labour	30,325	4.9
Net farm income	**110,530**	**17.9**
Farm business income	**90,887**	**14.7**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Glasshouse crops			
Flowers & nursery stock	69.5	65.0	76.0
Tomatoes	9.8	11.2	11.2
Lettuce	0.2	0.7	0.0
Soft fruit	3.9	10.3	11.3
Other glasshouse crops	9.6	10.0	1.5
Outdoor crops			
Flowers & nursery stock	6.8	2.6	0.0
Vegetables	0.0	0.1	0.0
Fruit	0.1	0.1	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 2012/13	Average 2013/14	Premium 2013/14
Crops & tillages	13	7	5
Stores	12	11	10
Glasshouses	27	26	24
Equipment	18	20	18
Livestock	0	0	0
Other	31	35	43
Total	**100**	**100**	**100**
Tenant's capital (£)	**601,912**	**499,887**	**832,442**

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*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	19	23	19	23	19	23
Productive cropping area (ha)	1.09	1.26	1.09	1.26		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**327,879**	**343,627**	**302,050**	**271,670**	**100.0**	**100.0**
Variable costs						
Seed & young plants	28,184	27,215	25,964	21,516	8.6	7.9
Fertilisers & composts	9,236	10,387	8,509	8,212	2.8	3.0
Crop protection	4,228	3,342	3,895	2,642	1.3	1.0
Market charges	22,502	28,332	20,729	22,399	6.9	8.2
Packing materials	14,907	16,347	13,732	12,924	4.5	4.8
Horticultural sundries	7,855	7,785	7,236	6,154	2.4	2.3
Glasshouse fuel	74,859	70,006	68,962	55,346	22.8	20.4
Other variable costs	50	69	46	54	0.0	0.0
Total variable costs	**161,821**	**163,483**	**149,073**	**129,249**	**49.4**	**47.6**
Total gross margin	**166,058**	**180,144**	**152,977**	**142,421**	**50.6**	**52.4**
Fixed costs						
Labour:						
Regular paid	67,675	63,944	62,344	50,554	20.6	18.6
Regular unpaid	26,866	27,625	24,749	21,841	8.2	8.0
Casual labour	14,696	32,215	13,539	25,469	4.5	9.4
Power & machinery costs:						
Contract & hire	1,031	893	950	706	0.3	0.3
Fuel & electricity	6,467	7,518	5,957	5,944	2.0	2.2
Repairs	9,124	6,179	8,405	4,885	2.8	1.8
Machinery depreciation	7,260	7,437	6,688	5,880	2.2	2.2
Glasshouse depreciation	7,139	6,757	6,576	5,342	2.2	2.0
Rent (incl. imputed)	7,331	7,084	6,753	5,600	2.2	2.1
Other costs:						
Occupier's repairs	8,028	6,990	7,395	5,526	2.4	2.0
Permanent crop depreciation	-3	237	-3	187	0.0	0.1
Water	1,314	1,705	1,211	1,348	0.4	0.5
Sundries	11,367	13,828	10,471	10,932	3.5	4.0
Total fixed costs	**168,295**	**182,413**	**155,037**	**144,215**	**51.3**	**53.1**
Management & investment income	**-2,236**	**-2,269**	**-2,060**	**-1,793**	**-0.7**	**-0.7**
Minus: management salaries	859	725	791	573	0.3	0.2
Plus: farmer & spouse labour	23,721	25,030	21,852	19,788	7.2	7.3
Net farm income	**20,625**	**22,036**	**19,001**	**17,422**	**6.3**	**6.4**
Farm business income	**17,453**	**15,511**	**16,078**	**12,263**	**5.3**	**4.5**

Premium businesses	Per hectare 2013/14	Per £100 of gross output 2013/14
Number of businesses	9	9
Productive cropping area (ha)	1.66	
	£ per hectare	*average %*
Gross output	**481,423**	**100.0**
Variable costs		
Seed & young plants	39,170	8.1
Fertilisers & composts	13,788	2.9
Crop protection	4,472	0.9
Market charges	44,451	9.2
Packing materials	19,835	4.1
Horticultural sundries	10,548	2.2
Glasshouse fuel	113,236	23.5
Other variable costs	0	0.0
Total variable costs	**245,500**	**51.0**
Total gross margin	**235,923**	**49.0**
Fixed costs		
Labour:		
Regular paid	103,628	21.5
Regular unpaid	13,860	2.9
Casual labour	16,418	3.4
Power & machinery costs:		
Contract & hire	1,487	0.3
Fuel & electricity	5,108	1.1
Repairs	8,827	1.8
Machinery depreciation	11,978	2.5
Glasshouse depreciation	8,343	1.7
Rent (incl. imputed)	7,124	1.5
Other costs:		
Occupier's repairs	8,879	1.8
Permanent crop depreciation	0	0.0
Water	1,342	0.3
Sundries	16,411	3.4
Total fixed costs	**203,405**	**42.3**
Management & investment income	**32,518**	**6.8**
Minus: management salaries	1,646	0.3
Plus: farmer & spouse labour	12,203	2.5
Net farm income	**43,075**	**8.9**
Farm business income	**30,973**	**6.4**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Glasshouse crops			
Flowers & nursery stock	0.9	0.8	1.4
Tomatoes	41.6	34.7	49.2
Lettuce	1.0	2.2	1.8
Soft fruit	16.6	32.1	25.0
Other glasshouse crops	39.4	29.5	22.7
Outdoor crops			
Flowers & nursery stock	0.0	0.0	0.0
Vegetables	0.1	0.2	0.0
Fruit	0.4	0.5	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 2012/13	Average 2013/14	Premium 2013/14
Crops & tillages	1	2	2
Stores	8	8	9
Glasshouses	34	31	29
Equipment	21	21	26
Livestock	0	0	0
Other	36	38	35
Total	**100**	**100**	**100**
Tenant's capital (£)	**376,146**	**376,942**	**835,253**

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*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	37	32	37	32	37	32
Productive cropping area (ha)	1.04	0.90	1.04	0.90		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**527,742**	**418,378**	**506,306**	**465,065**	**100.0**	**100.0**
Variable costs						
Seed & young plants	121,222	84,763	116,298	94,222	23.0	20.3
Fertilisers & composts	14,711	12,813	14,113	14,243	2.8	3.1
Crop protection	3,130	2,825	3,003	3,140	0.6	0.7
Market charges	24,001	15,501	23,026	17,231	4.5	3.7
Packing materials	35,821	28,893	34,366	32,118	6.8	6.9
Horticultural sundries	27,328	19,715	26,218	21,915	5.2	4.7
Glasshouse fuel	20,245	16,209	19,423	18,018	3.8	3.9
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**246,458**	**180,720**	**236,447**	**200,886**	**46.7**	**43.2**
Total gross margin	**281,284**	**237,659**	**269,859**	**264,179**	**53.3**	**56.8**
Fixed costs						
Labour:						
Regular paid	118,569	89,002	113,753	98,934	22.5	21.3
Regular unpaid	33,946	34,351	32,567	38,185	6.4	8.2
Casual labour	32,807	22,582	31,474	25,102	6.2	5.4
Power & machinery costs:						
Contract & hire	2,670	2,544	2,561	2,827	0.5	0.6
Fuel & electricity	14,526	11,688	13,936	12,992	2.8	2.8
Repairs	8,142	5,468	7,811	6,078	1.5	1.3
Machinery depreciation	12,211	10,043	11,715	11,164	2.3	2.4
Glasshouse depreciation	10,969	8,994	10,523	9,998	2.1	2.1
Rent (incl. imputed)	7,968	7,515	7,644	8,354	1.5	1.8
Other costs:						
Occupier's repairs	6,728	7,524	6,454	8,364	1.3	1.8
Permanent crop depreciation	2	0	2	0	0.0	0.0
Water	2,687	3,111	2,578	3,458	0.5	0.7
Sundries	26,884	21,661	25,792	24,078	5.1	5.2
Total fixed costs	**278,108**	**224,484**	**266,812**	**249,534**	**52.7**	**53.7**
Management & investment income	**3,176**	**13,175**	**3,047**	**14,645**	**0.6**	**3.1**
Minus: management salaries	3,833	4,007	3,677	4,454	0.7	1.0
Plus: farmer & spouse labour	30,586	31,480	29,344	34,993	5.8	7.5
Net farm income	**29,929**	**40,648**	**28,714**	**45,184**	**5.7**	**9.7**
Farm business income	**23,040**	**33,161**	**22,104**	**36,861**	**4.4**	**7.9**

Premium businesses	*Per hectare* 2013/14	*Per £100 of gross output* 2013/14
Number of businesses	10	10
Productive cropping area (ha)	0.90	
	£ per hectare	*average %*
Gross output	**666,170**	**100.0**
Variable costs		
Seed & young plants	106,105	15.9
Fertilisers & composts	26,024	3.9
Crop protection	4,926	0.7
Market charges	33,809	5.1
Packing materials	42,606	6.4
Horticultural sundries	26,176	3.9
Glasshouse fuel	19,716	3.0
Other variable costs	0	0.0
Total variable costs	**259,362**	**38.9**
Total gross margin	**406,808**	**61.1**
Fixed costs		
Labour:		
Regular paid	136,598	20.5
Regular unpaid	33,634	5.0
Casual labour	24,840	3.7
Power & machinery costs:		
Contract & hire	3,979	0.6
Fuel & electricity	16,621	2.5
Repairs	8,852	1.3
Machinery depreciation	14,786	2.2
Glasshouse depreciation	14,092	2.1
Rent (incl. imputed)	9,210	1.4
Other costs:		
Occupier's repairs	9,819	1.5
Permanent crop depreciation	0	0.0
Water	3,440	0.5
Sundries	32,652	4.9
Total fixed costs	**308,524**	**46.3**
Management & investment income	**98,284**	**14.8**
Minus: management salaries	14,961	2.2
Plus: farmer & spouse labour	27,092	4.1
Net farm income	**110,415**	**16.6**
Farm business income	**99,689**	**15.0**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Glasshouse crops			
Flowers & nursery stock	90.7	95.4	99.3
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	0.4	0.7	0.7
Outdoor crops			
Flowers & nursery stock	8.9	3.9	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 2012/13	Average 2013/14	Premium 2013/14
Crops & tillages	16	10	6
Stores	13	12	11
Glasshouses	25	26	22
Equipment	18	19	16
Livestock	0	0	0
Other	29	33	44
Total	**100**	**100**	**100**
Tenant's capital (£)	**528,312**	**502,866**	**819,075**

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

	Per business		*Per hectare*		*Per £100 of gross output*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	45	46	45	46	45	46
Productive cropping area (ha)	0.84	0.94	0.84	0.94		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**420,514**	**426,404**	**500,796**	**452,954**	**100.0**	**100.0**
Variable costs						
Seed & young plants	84,191	64,420	100,264	68,431	20.0	15.1
Fertilisers & composts	11,846	13,829	14,108	14,690	2.8	3.2
Crop protection	3,648	3,096	4,344	3,289	0.9	0.7
Market charges	19,600	22,344	23,342	23,735	4.7	5.2
Packing materials	25,511	26,550	30,381	28,203	6.1	6.2
Horticultural sundries	19,854	13,275	23,645	14,102	4.7	3.1
Glasshouse fuel	43,850	42,956	52,222	45,631	10.4	10.1
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**208,500**	**186,470**	**248,306**	**198,080**	**49.6**	**43.7**
Total gross margin	**212,014**	**239,934**	**252,490**	**254,873**	**50.4**	**56.3**
Fixed costs						
Labour:						
Regular paid	82,923	84,045	98,754	89,278	19.7	19.7
Regular unpaid	32,587	33,723	38,808	35,823	7.7	7.9
Casual labour	27,294	29,633	32,505	31,478	6.5	6.9
Power & machinery costs:						
Contract & hire	1,582	2,082	1,884	2,212	0.4	0.5
Fuel & electricity	9,018	11,268	10,739	11,969	2.1	2.6
Repairs	7,451	6,341	8,874	6,736	1.8	1.5
Machinery depreciation	9,601	9,933	11,434	10,551	2.3	2.3
Glasshouse depreciation	9,850	8,795	11,731	9,343	2.3	2.1
Rent (incl. imputed)	8,144	8,265	9,699	8,779	1.9	1.9
Other costs:						
Occupier's repairs	6,892	7,909	8,207	8,401	1.6	1.9
Permanent crop depreciation	0	114	0	121	0.0	0.0
Water	2,017	2,533	2,402	2,691	0.5	0.6
Sundries	16,985	19,281	20,228	20,481	4.0	4.5
Total fixed costs	**214,344**	**223,922**	**255,265**	**237,864**	**51.0**	**52.5**
Management & investment income	**-2,330**	**16,012**	**-2,775**	**17,009**	**-0.6**	**3.8**
Minus: management salaries	3,273	3,265	3,898	3,469	0.8	0.8
Plus: farmer & spouse labour	29,364	30,517	34,970	32,417	7.0	7.2
Net farm income	**23,761**	**43,264**	**28,297**	**45,958**	**5.7**	**10.1**
Farm business income	**20,386**	**34,079**	**24,278**	**36,201**	**4.8**	**8.0**

Premium businesses	*Per hectare* 2013/14	*Per £100 of gross output* 2013/14
Number of businesses	13	13
Productive cropping area (ha)	1.10	
	£ per hectare	*average %*
Gross output	**618,532**	**100.0**
Variable costs		
Seed & young plants	86,343	14.0
Fertilisers & composts	23,288	3.8
Crop protection	4,425	0.7
Market charges	39,927	6.5
Packing materials	32,110	5.2
Horticultural sundries	16,099	2.6
Glasshouse fuel	47,250	7.6
Other variable costs	0	0.0
Total variable costs	**249,442**	**40.3**
Total gross margin	**369,090**	**59.7**
Fixed costs		
Labour:		
Regular paid	128,477	20.8
Regular unpaid	31,130	5.0
Casual labour	21,635	3.5
Power & machinery costs:		
Contract & hire	3,222	0.5
Fuel & electricity	13,476	2.2
Repairs	6,584	1.1
Machinery depreciation	14,302	2.3
Glasshouse depreciation	12,621	2.0
Rent (incl. imputed)	9,121	1.5
Other costs:		
Occupier's repairs	9,863	1.6
Permanent crop depreciation	0	0.0
Water	2,354	0.4
Sundries	25,072	4.1
Total fixed costs	**277,857**	**44.9**
Management & investment income	**91,233**	**14.7**
Minus: management salaries	9,829	1.6
Plus: farmer & spouse labour	26,192	4.2
Net farm income	**107,596**	**17.4**
Farm business income	**86,981**	**14.1**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Glasshouse crops			
Flowers & nursery stock	71.1	64.9	75.5
Tomatoes	12.1	12.5	11.4
Lettuce	0.3	0.8	0.0
Soft fruit	4.6	11.4	11.5
Other glasshouse crops	11.8	10.4	1.6
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 2012/13	Average 2013/14	Premium 2013/14
Crops & tillages	11	5	4
Stores	12	11	11
Glasshouses	29	28	24
Equipment	18	20	18
Livestock	0	0	0
Other	30	37	43
Total	**100**	**100**	**100**
Tenant's capital (£)	**561,313**	**553,274**	**941,642**

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*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	17	20	17	20	17	20
Productive cropping area (ha)	0.95	1.26	0.95	1.26		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**357,580**	**425,755**	**374,843**	**338,134**	**100.0**	**100.0**
Variable costs						
Seed & young plants	30,769	34,092	32,255	27,076	8.6	8.0
Fertilisers & composts	10,113	12,905	10,601	10,249	2.8	3.0
Crop protection	4,531	3,814	4,750	3,029	1.3	0.9
Market charges	24,827	35,666	26,025	28,326	6.9	8.4
Packing materials	16,254	20,505	17,039	16,285	4.5	4.8
Horticultural sundries	8,591	9,852	9,006	7,825	2.4	2.3
Glasshouse fuel	82,635	89,011	86,624	70,692	23.1	20.9
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**177,721**	**205,845**	**186,301**	**163,482**	**49.7**	**48.3**
Total gross margin	**179,859**	**219,909**	**188,542**	**174,652**	**50.3**	**51.7**
Fixed costs						
Labour:						
Regular paid	74,414	79,562	78,007	63,188	20.8	18.7
Regular unpaid	27,283	26,708	28,601	21,211	7.6	6.3
Casual labour	14,564	39,145	15,268	31,089	4.1	9.2
Power & machinery costs:						
Contract & hire	1,122	1,135	1,177	901	0.3	0.3
Fuel & electricity	6,888	9,016	7,220	7,161	1.9	2.1
Repairs	10,023	7,759	10,507	6,162	2.8	1.8
Machinery depreciation	7,926	9,132	8,308	7,252	2.2	2.1
Glasshouse depreciation	7,874	7,964	8,255	6,325	2.2	1.9
Rent (incl. imputed)	7,510	8,338	7,873	6,622	2.1	2.0
Other costs:						
Occupier's repairs	8,749	8,734	9,171	6,936	2.4	2.1
Permanent crop depreciation	0	311	0	247	0.0	0.1
Water	1,425	2,116	1,493	1,680	0.4	0.5
Sundries	12,209	16,660	12,799	13,231	3.4	3.9
Total fixed costs	**179,989**	**216,579**	**188,678**	**172,007**	**50.3**	**50.9**
Management & investment income	**-130**	**3,330**	**-136**	**2,645**	**0.0**	**0.8**
Minus: management salaries	948	925	994	734	0.3	0.2
Plus: farmer & spouse labour	23,811	23,395	24,961	18,581	6.7	5.5
Net farm income	**22,733**	**25,801**	**23,831**	**20,491**	**6.4**	**6.1**
Farm business income	**18,746**	**17,025**	**19,651**	**13,522**	**5.2**	**4.0**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14
Glasshouse crops		
Flowers & nursery stock	0.9	0.8
Tomatoes	42.1	35.9
Lettuce	1.0	2.3
Soft fruit	16.1	32.6
Other glasshouse crops	39.7	28.5
Outdoor crops		
Flowers & nursery stock	0.0	0.0
Vegetables	0.1	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 2012/13	Average 2013/14
Crops & tillages	1	2
Stores	7	7
Glasshouses	34	30
Equipment	21	21
Livestock	0	0
Other	36	38
Total	**100**	**100**
Tenant's capital (£)	**410,159**	**463,918**

** no premium figures, sample too small*

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*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	10	11	10	11	10	11
Productive cropping area (ha)	0.97	1.09	0.97	1.09		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**441,844**	**502,960**	**455,848**	**459,721**	**100.0**	**100.0**
Variable costs						
Seed & young plants	25,241	29,584	26,041	27,041	5.7	5.9
Fertilisers & composts	13,046	17,896	13,460	16,357	3.0	3.6
Crop protection	5,575	5,024	5,751	4,592	1.3	1.0
Market charges	17,248	19,321	17,795	17,660	3.9	3.8
Packing materials	22,158	23,616	22,861	21,586	5.0	4.7
Horticultural sundries	8,012	7,999	8,266	7,311	1.8	1.6
Glasshouse fuel	129,624	161,112	133,733	147,261	29.3	32.0
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**220,905**	**264,551**	**227,907**	**241,808**	**50.0**	**52.6**
Total gross margin	**220,939**	**238,409**	**227,942**	**217,913**	**50.0**	**47.4**
Fixed costs						
Labour:						
Regular paid	97,698	114,154	100,794	104,340	22.1	22.7
Regular unpaid	26,122	28,174	26,950	25,752	5.9	5.6
Casual labour	5,926	6,879	6,114	6,288	1.3	1.4
Power & machinery costs:						
Contract & hire	1,652	1,597	1,704	1,460	0.4	0.3
Fuel & electricity	9,200	10,725	9,492	9,803	2.1	2.1
Repairs	16,029	13,534	16,537	12,370	3.6	2.7
Machinery depreciation	6,576	6,749	6,785	6,169	1.5	1.3
Glasshouse depreciation	11,473	13,381	11,836	12,230	2.6	2.7
Rent (incl. imputed)	8,619	9,289	8,892	8,490	2.0	1.8
Other costs:						
Occupier's repairs	12,216	11,907	12,604	10,883	2.8	2.4
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	1,534	1,280	1,582	1,170	0.3	0.3
Sundries	14,157	20,507	14,605	18,744	3.2	4.1
Total fixed costs	**211,201**	**238,175**	**217,895**	**217,699**	**47.8**	**47.4**
Management & investment income	**9,738**	**234**	**10,046**	**214**	**2.2**	**0.0**
Minus: management salaries	45	55	47	50	0.0	0.0
Plus: farmer & spouse labour	21,729	23,296	22,417	21,293	4.9	4.6
Net farm income	**31,421**	**23,475**	**32,417**	**21,457**	**7.1**	**4.7**
Farm business income	**32,404**	**19,169**	**33,431**	**17,521**	**7.3**	**3.8**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14
Glasshouse crops		
Flowers & nursery stock	0.0	0.0
Tomatoes	60.7	65.9
Lettuce	1.5	4.2
Soft fruit	0.0	0.0
Other glasshouse crops	37.8	29.9
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 2012/13	Average 2013/14
Crops & tillages	0	0
Stores	3	4
Glasshouses	40	39
Equipment	15	13
Livestock	0	0
Other	41	44
Total	**100**	**100**
Tenant's capital (£)	**505,113**	**598,001**

** 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*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	28	26	28	26	28	26
Productive cropping area (ha)	0.77	0.76	0.77	0.76		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**456,981**	**426,781**	**590,809**	**563,879**	**100.0**	**100.0**
Variable costs						
Seed & young plants	115,146	82,032	148,867	108,384	25.2	19.2
Fertilisers & composts	12,851	14,365	16,614	18,980	2.8	3.4
Crop protection	3,136	2,679	4,055	3,540	0.7	0.6
Market charges	16,571	14,607	21,424	19,300	3.6	3.4
Packing materials	30,874	30,060	39,916	39,717	6.8	7.0
Horticultural sundries	26,381	15,263	34,107	20,166	5.8	3.6
Glasshouse fuel	21,376	16,211	27,636	21,419	4.7	3.8
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**226,335**	**175,219**	**292,618**	**231,505**	**49.5**	**41.1**
Total gross margin	**230,646**	**251,562**	**298,191**	**332,374**	**50.5**	**58.9**
Fixed costs						
Labour:						
Regular paid	87,854	86,649	113,582	114,484	19.2	20.3
Regular unpaid	35,660	37,797	46,103	49,939	7.8	8.9
Casual labour	34,671	24,109	44,824	31,854	7.6	5.6
Power & machinery costs:						
Contract & hire	1,848	2,633	2,389	3,479	0.4	0.6
Fuel & electricity	10,252	12,575	13,254	16,614	2.2	2.9
Repairs	5,961	5,517	7,707	7,290	1.3	1.3
Machinery depreciation	10,572	10,398	13,668	13,738	2.3	2.4
Glasshouse depreciation	10,995	9,278	14,215	12,258	2.4	2.2
Rent (incl. imputed)	8,511	8,222	11,004	10,864	1.9	1.9
Other costs:						
Occupier's repairs	5,815	7,430	7,518	9,816	1.3	1.7
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,360	2,775	3,051	3,667	0.5	0.7
Sundries	19,752	20,803	25,537	27,485	4.3	4.9
Total fixed costs	**234,251**	**228,186**	**302,852**	**301,488**	**51.3**	**53.5**
Management & investment income	**-3,605**	**23,377**	**-4,661**	**30,886**	**-0.8**	**5.5**
Minus: management salaries	4,620	4,625	5,972	6,111	1.0	1.1
Plus: farmer & spouse labour	32,581	34,653	42,122	45,785	7.1	8.1
Net farm income	**24,357**	**53,405**	**31,489**	**70,560**	**5.3**	**12.5**
Farm business income	**21,336**	**43,982**	**27,584**	**58,111**	**4.7**	**10.3**

Premium businesses	*Per hectare* 2013/14	*Per £100 of gross output* 2013/14
Number of businesses	9	9
Productive cropping area (ha)	1.09	
	£ per hectare	*average %*
Gross output	**672,635**	**100.0**
Variable costs		
Seed & young plants	109,292	16.2
Fertilisers & composts	24,390	3.6
Crop protection	4,849	0.7
Market charges	36,068	5.4
Packing materials	44,155	6.6
Horticultural sundries	24,990	3.7
Glasshouse fuel	21,055	3.1
Other variable costs	0	0.0
Total variable costs	**264,798**	**39.4**
Total gross margin	**407,837**	**60.6**
Fixed costs		
Labour:		
Regular paid	145,846	21.7
Regular unpaid	26,941	4.0
Casual labour	20,111	3.0
Power & machinery costs:		
Contract & hire	4,014	0.6
Fuel & electricity	16,553	2.5
Repairs	8,514	1.3
Machinery depreciation	14,928	2.2
Glasshouse depreciation	14,758	2.2
Rent (incl. imputed)	9,422	1.4
Other costs:		
Occupier's repairs	10,059	1.5
Permanent crop depreciation	0	0.0
Water	3,294	0.5
Sundries	31,880	4.7
Total fixed costs	**306,318**	**45.5**
Management & investment income	**101,519**	**15.1**
Minus: management salaries	15,977	2.4
Plus: farmer & spouse labour	19,954	3.0
Net farm income	**105,496**	**15.7**
Farm business income	**93,749**	**13.9**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Glasshouse crops			
Flowers & nursery stock	99.3	99.1	99.3
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	0.6	0.8	0.7
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 2012/13	Average 2013/14	Premium 2013/14
Crops & tillages	15	7	6
Stores	14	12	11
Glasshouses	27	26	24
Equipment	17	19	16
Livestock	0	0	0
Other	27	36	44
Total	**100**	**100**	**100**
Tenant's capital (£)	**648,900**	**605,166**	**1,119,718**

Table 2.15 All specialist fruit businesses

	Per business		*Per hectare*		*Per £100 of gross output*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	52	47	52	47	52	47
Productive cropping area (ha)	20.51	18.48	20.51	18.48		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**251,380**	**263,507**	**12,258**	**14,261**	**100.0**	**100.0**
Variable costs						
Seed & young plants	6,563	7,503	320	406	2.6	2.8
Fertilisers & composts	5,673	3,636	277	197	2.3	1.4
Crop protection	13,029	11,947	635	647	5.2	4.5
Market charges	31,939	37,001	1,557	2,003	12.7	14.0
Packing materials	22,107	24,925	1,078	1,349	8.8	9.5
Horticultural sundries	10,323	15,311	503	829	4.1	5.8
Glasshouse fuel	0	0	0	0	0.0	0.0
Other variable costs	1,463	816	71	44	0.6	0.3
Total variable costs	**91,096**	**101,139**	**4,442**	**5,474**	**36.2**	**38.4**
Total gross margin	**160,285**	**162,368**	**7,816**	**8,788**	**63.8**	**61.6**
Fixed costs						
Labour:						
Regular paid	23,575	22,298	1,150	1,207	9.4	8.5
Regular unpaid	22,442	20,656	1,094	1,118	8.9	7.8
Casual labour	45,466	53,528	2,217	2,897	18.1	20.3
Power & machinery costs:						
Contract & hire	5,201	4,901	254	265	2.1	1.9
Fuel & electricity	8,664	9,152	422	495	3.4	3.5
Repairs	6,443	6,591	314	357	2.6	2.5
Machinery depreciation	11,357	10,688	554	578	4.5	4.1
Glasshouse depreciation	283	564	14	31	0.1	0.2
Rent (incl. imputed)	15,462	14,278	754	773	6.2	5.4
Other costs:						
Occupier's repairs	5,118	6,006	250	325	2.0	2.3
Permanent crop depreciation	2,199	2,798	107	151	0.9	1.1
Water	1,405	1,095	68	59	0.6	0.4
Sundries	13,259	12,985	647	703	5.3	4.9
Total fixed costs	**160,874**	**165,542**	**7,844**	**8,959**	**64.0**	**62.8**
Management & investment income	**-589**	**-3,174**	**-29**	**-172**	**-0.2**	**-1.2**
Minus: management salaries	251	278	12	15	0.1	0.1
Plus: farmer & spouse labour	19,635	18,352	957	993	7.8	7.0
Net farm income	**18,794**	**14,900**	**916**	**806**	**7.5**	**5.7**
Farm business income	**18,127**	**18,398**	**884**	**996**	**7.2**	**7.0**

Premium businesses	*Per hectare* 2013/14	*Per £100 of gross output* 2013/14
Number of businesses	10	10
Productive cropping area (ha)	13.58	
	£ per hectare	*average %*
Gross output	**11,853**	**100.0**
Variable costs		
Seed & young plants	68	0.6
Fertilisers & composts	74	0.6
Crop protection	551	4.7
Market charges	1,077	9.1
Packing materials	699	5.9
Horticultural sundries	438	3.7
Glasshouse fuel	0	0.0
Other variable costs	0	0.0
Total variable costs	**2,907**	**24.5**
Total gross margin	**8,947**	**75.5**
Fixed costs		
Labour:		
Regular paid	951	8.0
Regular unpaid	940	7.9
Casual labour	1,590	13.4
Power & machinery costs:		
Contract & hire	240	2.0
Fuel & electricity	495	4.2
Repairs	221	1.9
Machinery depreciation	416	3.5
Glasshouse depreciation	0	0.0
Rent (incl. imputed)	887	7.5
Other costs:		
Occupier's repairs	465	3.9
Permanent crop depreciation	223	1.9
Water	39	0.3
Sundries	582	4.9
Total fixed costs	**7,049**	**59.5**
Management & investment income	**1,897**	**16.0**
Minus: management salaries	27	0.2
Plus: farmer & spouse labour	832	7.0
Net farm income	**2,703**	**22.8**
Farm business income	**3,185**	**26.9**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Top fruit			
Dessert apples & pears	34.8	35.7	60.3
Culinary apples	6.9	6.8	2.6
Cider apples	5.2	5.1	7.8
Plums	2.7	4.8	12.3
Other top fruit	5.8	6.8	7.5
Soft fruit			
Strawberries	15.5	15.6	0.0
Raspberries	21.4	17.8	0.0
Blackcurrants	0.8	1.0	7.4
Other soft fruit	4.6	5.4	2.0
Other crops	2.2	1.1	0.0
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Crops & tillages	3	6	0
Stores	3	4	2
Glasshouses	0	1	0
Equipment	28	26	17
Livestock	2	1	0
Other	64	62	81
Total	**100**	**100**	**100**
Tenant's capital (£)	**461,684**	**449,622**	**349,897**

Table 2.16 Specialist fruit businesses, mainly top fruit*

	Per business		*Per hectare*		*Per £100 of gross output*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	31	32	31	32	31	32
Productive cropping area (ha)	16.73	14.82	16.73	14.82		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**178,447**	**179,235**	**10,667**	**12,094**	**100.0**	**100.0**
Variable costs						
Seed & young plants	704	682	42	46	0.4	0.4
Fertilisers & composts	1,797	1,339	107	90	1.0	0.7
Crop protection	10,098	8,996	604	607	5.7	5.0
Market charges	29,170	31,891	1,744	2,152	16.3	17.8
Packing materials	14,132	13,827	845	933	7.9	7.7
Horticultural sundries	7,929	7,106	474	479	4.4	4.0
Glasshouse fuel	0	0	0	0	0.0	0.0
Other variable costs	323	194	19	13	0.2	0.1
Total variable costs	**64,154**	**64,036**	**3,835**	**4,321**	**36.0**	**35.7**
Total gross margin	**114,293**	**115,200**	**6,832**	**7,773**	**64.0**	**64.3**
Fixed costs						
Labour:						
Regular paid	18,066	16,050	1,080	1,083	10.1	9.0
Regular unpaid	18,558	18,542	1,109	1,251	10.4	10.3
Casual labour	23,471	24,966	1,403	1,685	13.2	13.9
Power & machinery costs:						
Contract & hire	3,299	3,152	197	213	1.8	1.8
Fuel & electricity	7,293	7,270	436	491	4.1	4.1
Repairs	4,856	4,044	290	273	2.7	2.3
Machinery depreciation	10,291	8,807	615	594	5.8	4.9
Glasshouse depreciation	28	20	2	1	0.0	0.0
Rent (incl. imputed)	12,380	11,522	740	777	6.9	6.4
Other costs:						
Occupier's repairs	3,156	4,934	189	333	1.8	2.8
Permanent crop depreciation	2,304	2,933	138	198	1.3	1.6
Water	656	586	39	40	0.4	0.3
Sundries	10,163	8,988	607	606	5.7	5.0
Total fixed costs	**114,520**	**111,813**	**6,845**	**7,544**	**64.2**	**62.4**
Management & investment income	**-227**	**3,387**	**-14**	**229**	**-0.1**	**1.9**
Minus: management salaries	210	157	13	11	0.1	0.1
Plus: farmer & spouse labour	16,425	16,265	982	1,097	9.2	9.1
Net farm income	**15,988**	**19,495**	**956**	**1,315**	**9.0**	**10.9**
Farm business income	**19,916**	**24,838**	**1,190**	**1,676**	**11.2**	**13.9**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14
Top fruit		
Dessert apples & pears	61.6	60.6
Culinary apples	12.1	13.2
Cider apples	9.8	8.5
Plums	5.0	6.0
Other top fruit	10.8	11.2
Soft fruit		
Strawberries	0.0	0.0
Raspberries	0.0	0.0
Blackcurrants	0.0	0.0
Other soft fruit	0.1	0.2
Other crops	0.4	0.4
Total	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2012/13	Average 2013/14
Crops & tillages	4	4
Stores	3	3
Glasshouses	0	0
Equipment	29	25
Livestock	0	0
Other	64	68
Total	**100**	**100**
Tenant's capital (£)	**400,815**	**390,136**

** no premium figures, sample too small*

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

	Per business		*Per hectare*		*Per £100 of gross output*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	20	22	20	22	20	22
Productive cropping area (ha)	17.58	16.06	17.58	16.06		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**257,191**	**246,445**	**14,630**	**15,344**	**100.0**	**100.0**
Variable costs						
Seed & young plants	992	1,009	56	63	0.4	0.4
Fertilisers & composts	1,531	1,374	87	86	0.6	0.6
Crop protection	14,144	12,458	805	776	5.5	5.1
Market charges	46,121	47,462	2,624	2,955	17.9	19.3
Packing materials	22,636	20,625	1,288	1,284	8.8	8.4
Horticultural sundries	12,222	10,642	695	663	4.8	4.3
Glasshouse fuel	0	0	0	0	0.0	0.0
Other variable costs	46	0	3	0	0.0	0.0
Total variable costs	**97,693**	**93,570**	**5,557**	**5,826**	**38.0**	**38.0**
Total gross margin	**159,498**	**152,875**	**9,073**	**9,518**	**62.0**	**62.0**
Fixed costs						
Labour:						
Regular paid	26,805	23,123	1,525	1,440	10.4	9.4
Regular unpaid	21,253	21,536	1,209	1,341	8.3	8.7
Casual labour	36,343	36,125	2,067	2,249	14.1	14.7
Power & machinery costs:						
Contract & hire	2,669	2,607	152	162	1.0	1.1
Fuel & electricity	9,966	9,796	567	610	3.9	4.0
Repairs	6,173	5,161	351	321	2.4	2.1
Machinery depreciation	13,919	11,401	792	710	5.4	4.6
Glasshouse depreciation	45	30	3	2	0.0	0.0
Rent (incl. imputed)	16,720	14,515	951	904	6.5	5.9
Other costs:						
Occupier's repairs	4,291	6,948	244	433	1.7	2.8
Permanent crop depreciation	2,747	3,405	156	212	1.1	1.4
Water	942	787	54	49	0.4	0.3
Sundries	13,105	10,955	745	682	5.1	4.4
Total fixed costs	**154,979**	**146,388**	**8,816**	**9,114**	**60.3**	**59.4**
Management & investment income	**4,520**	**6,487**	**257**	**404**	**1.8**	**2.6**
Minus: management salaries	339	238	19	15	0.1	0.1
Plus: farmer & spouse labour	19,182	18,818	1,091	1,172	7.5	7.6
Net farm income	**23,363**	**25,068**	**1,329**	**1,561**	**9.1**	**10.2**
Farm business income	**27,276**	**31,513**	**1,552**	**1,962**	**10.6**	**12.8**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14
Top fruit		
Dessert apples & pears	68.3	66.1
Culinary apples	13.4	14.4
Cider apples	0.6	0.3
Plums	5.6	6.5
Other top fruit	11.9	12.1
Soft fruit		
Strawberries	0.0	0.0
Raspberries	0.0	0.0
Blackcurrants	0.0	0.0
Other soft fruit	0.2	0.2
Other crops	0.1	0.4
Total	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2012/13	Average 2013/14
Crops & tillages	5	5
Stores	2	2
Glasshouses	0	0
Equipment	29	25
Livestock	0	0
Other	64	68
Total	**100**	**100**
Tenant's capital (£)	**541,329**	**511,232**

** no premium figures, sample too small*

Table 2.18 Specialist fruit businesses, cider*

	Per business		*Per hectare*		*Per £100 of gross output*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	11	10	11	10	11	10
Productive cropping area (ha)	15.34	12.41	15.34	12.41		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**49,668**	**48,364**	**3,238**	**3,899**	**100.0**	**100.0**
Variable costs						
Seed & young plants	233	46	15	4	0.5	0.1
Fertilisers & composts	2,233	1,271	146	102	4.5	2.6
Crop protection	3,481	2,255	227	182	7.0	4.7
Market charges	1,448	1,570	94	127	2.9	3.2
Packing materials	225	590	15	48	0.5	1.2
Horticultural sundries	908	221	59	18	1.8	0.5
Glasshouse fuel	0	0	0	0	0.0	0.0
Other variable costs	777	573	51	46	1.6	1.2
Total variable costs	**9,304**	**6,526**	**607**	**526**	**18.7**	**13.5**
Total gross margin	**40,364**	**41,837**	**2,631**	**3,373**	**81.3**	**86.5**
Fixed costs						
Labour:						
Regular paid	3,773	2,279	246	184	7.6	4.7
Regular unpaid	14,151	12,712	923	1,025	28.5	26.3
Casual labour	2,419	3,236	158	261	4.9	6.7
Power & machinery costs:						
Contract & hire	4,329	4,212	282	340	8.7	8.7
Fuel & electricity	2,922	2,352	191	190	5.9	4.9
Repairs	2,703	1,871	176	151	5.4	3.9
Machinery depreciation	4,357	3,755	284	303	8.8	7.8
Glasshouse depreciation	0	0	0	0	0.0	0.0
Rent (incl. imputed)	5,281	5,693	344	459	10.6	11.8
Other costs:						
Occupier's repairs	1,299	1,012	85	82	2.6	2.1
Permanent crop depreciation	1,580	2,015	103	162	3.2	4.2
Water	187	195	12	16	0.4	0.4
Sundries	5,351	5,156	349	416	10.8	10.7
Total fixed costs	**48,354**	**44,487**	**3,152**	**3,586**	**97.4**	**92.0**
Management & investment income	**-7,990**	**-2,650**	**-521**	**-214**	**-16.1**	**-5.5**
Minus: management salaries	0	0	0	0	0.0	0.0
Plus: farmer & spouse labour	11,915	11,293	777	910	24.0	23.3
Net farm income	**3,925**	**8,643**	**256**	**697**	**7.9**	**17.9**
Farm business income	**7,879**	**11,840**	**514**	**954**	**15.9**	**24.5**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14
Top fruit		
Dessert apples & pears	0.0	0.0
Culinary apples	0.0	0.0
Cider apples	95.4	98.0
Plums	0.0	0.0
Other top fruit	0.5	1.0
Soft fruit		
Strawberries	0.0	0.0
Raspberries	0.0	0.0
Blackcurrants	0.0	0.0
Other soft fruit	0.1	0.1
Other crops	4.0	0.9
Total	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2012/13	Average 2013/14
Crops & tillages	0	1
Stores	6	7
Glasshouses	0	0
Equipment	29	25
Livestock	0	0
Other	65	66
Total	**100**	**100**
Tenant's capital (£)	**171,017**	**154,335**

** no premium figures, sample too small*

Table 2.19 All specialist hardy nursery stock businesses

	Per business		*Per hectare*		*Per £100 of gross output*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	38	32	38	32	38	32
Productive cropping area (ha)	3.07	2.77	3.07	2.77		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**377,721**	**361,317**	**122,911**	**130,209**	**100.0**	**100.0**
Variable costs						
Seed & young plants	121,144	113,686	39,420	40,969	32.1	31.5
Fertilisers & composts	12,803	12,078	4,166	4,353	3.4	3.3
Crop protection	3,395	2,829	1,105	1,020	0.9	0.8
Market charges	11,432	8,384	3,720	3,021	3.0	2.3
Packing materials	9,504	7,901	3,093	2,847	2.5	2.2
Horticultural sundries	12,582	14,383	4,094	5,183	3.3	4.0
Glasshouse fuel	1,148	943	374	340	0.3	0.3
Other variable costs	0	409	0	147	0.0	0.1
Total variable costs	**172,008**	**160,613**	**55,972**	**57,881**	**45.5**	**44.5**
Total gross margin	**205,712**	**200,704**	**66,939**	**72,328**	**54.5**	**55.5**
Fixed costs						
Labour:						
Regular paid	93,784	90,436	30,517	32,591	24.8	25.0
Regular unpaid	24,460	26,711	7,959	9,626	6.5	7.4
Casual labour	4,035	6,858	1,313	2,472	1.1	1.9
Power & machinery costs:						
Contract & hire	1,729	1,761	563	635	0.5	0.5
Fuel & electricity	8,500	9,354	2,766	3,371	2.3	2.6
Repairs	4,914	5,437	1,599	1,959	1.3	1.5
Machinery depreciation	7,529	7,012	2,450	2,527	2.0	1.9
Glasshouse depreciation	2,970	2,530	966	912	0.8	0.7
Rent (incl. imputed)	7,971	8,732	2,594	3,147	2.1	2.4
Other costs:						
Occupier's repairs	4,995	4,772	1,625	1,720	1.3	1.3
Permanent crop depreciation	23	21	7	8	0.0	0.0
Water	1,580	1,927	514	694	0.4	0.5
Sundries	17,095	18,162	5,563	6,545	4.5	5.0
Total fixed costs	**179,585**	**183,713**	**58,437**	**66,205**	**47.5**	**50.8**
Management & investment income	**26,127**	**16,991**	**8,502**	**6,123**	**6.9**	**4.7**
Minus: management salaries	481	499	156	180	0.1	0.1
Plus: farmer & spouse labour	20,448	21,967	6,654	7,916	5.4	6.1
Net farm income	**46,094**	**38,459**	**14,999**	**13,859**	**12.2**	**10.6**
Farm business income	**36,560**	**34,232**	**11,897**	**12,336**	**9.7**	**9.5**

Premium businesses	*Per hectare* **2013/14**	*Per £100 of gross output* **2013/14**
Number of businesses	10	10
Productive cropping area (ha)	2.43	
	£ per hectare	*average %*
Gross output	**156,180**	**100.0**
Variable costs		
Seed & young plants	13,506	8.6
Fertilisers & composts	7,976	5.1
Crop protection	2,368	1.5
Market charges	4,944	3.2
Packing materials	3,733	2.4
Horticultural sundries	5,976	3.8
Glasshouse fuel	554	0.4
Other variable costs	627	0.4
Total variable costs	**39,685**	**25.4**
Total gross margin	**116,496**	**74.6**
Fixed costs		
Labour:		
Regular paid	47,810	30.6
Regular unpaid	10,452	6.7
Casual labour	1,055	0.7
Power & machinery costs:		
Contract & hire	982	0.6
Fuel & electricity	4,260	2.7
Repairs	2,300	1.5
Machinery depreciation	3,136	2.0
Glasshouse depreciation	800	0.5
Rent (incl. imputed)	2,938	1.9
Other costs:		
Occupier's repairs	2,112	1.4
Permanent crop depreciation	0	0.0
Water	665	0.4
Sundries	7,216	4.6
Total fixed costs	**83,727**	**53.6**
Management & investment income	**32,768**	**21.0**
Minus: management salaries	158	0.1
Plus: farmer & spouse labour	8,452	5.4
Net farm income	**41,062**	**26.3**
Farm business income	**40,501**	**25.9**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Hardy nursery stock			
Glasshouse crops	22.5	22.0	22.0
Outdoor crops	77.5	78.0	78.0
Other crops	0.0	0.0	0.0
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Crops & tillages	34	29	41
Stores	12	12	8
Glasshouses	8	8	4
Equipment	13	13	14
Livestock	0	1	4
Other	32	37	29
Total	**100**	**100**	**100**
Tenant's capital (£)	**598,567**	**577,398**	**636,742**

Table 2.20 Specialist hardy nursery stock businesses, mainly protected crops*

	Per business		*Per hectare*		*Per £100 of gross output*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	11	12	11	12	11	12
Productive cropping area (ha)	1.80	0.95	1.80	0.95		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**534,681**	**312,999**	**297,470**	**329,880**	**100.0**	**100.0**
Variable costs						
Seed & young plants	81,896	65,595	45,563	69,133	15.3	21.0
Fertilisers & composts	19,487	16,323	10,841	17,203	3.6	5.2
Crop protection	6,338	2,439	3,526	2,571	1.2	0.8
Market charges	20,458	7,243	11,382	7,633	3.8	2.3
Packing materials	21,753	7,683	12,102	8,097	4.1	2.5
Horticultural sundries	26,392	13,085	14,683	13,791	4.9	4.2
Glasshouse fuel	5,608	1,894	3,120	1,996	1.0	0.6
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**181,932**	**114,262**	**101,218**	**120,424**	**34.0**	**36.5**
Total gross margin	**352,749**	**198,737**	**196,252**	**209,456**	**66.0**	**63.5**
Fixed costs						
Labour:						
Regular paid	185,041	84,243	102,948	88,787	34.6	26.9
Regular unpaid	23,618	29,127	13,140	30,698	4.4	9.3
Casual labour	9,832	6,632	5,470	6,990	1.8	2.1
Power & machinery costs:						
Contract & hire	1,586	910	883	959	0.3	0.3
Fuel & electricity	14,748	6,535	8,205	6,887	2.8	2.1
Repairs	5,984	3,071	3,329	3,237	1.1	1.0
Machinery depreciation	12,229	3,907	6,804	4,118	2.3	1.2
Glasshouse depreciation	6,168	1,803	3,432	1,901	1.2	0.6
Rent (incl. imputed)	10,697	6,765	5,951	7,130	2.0	2.2
Other costs:						
Occupier's repairs	7,391	4,613	4,112	4,862	1.4	1.5
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,260	2,063	1,257	2,174	0.4	0.7
Sundries	20,787	14,599	11,565	15,386	3.9	4.7
Total fixed costs	**300,342**	**164,268**	**167,096**	**173,127**	**56.2**	**52.5**
Management & investment income	**52,406**	**34,470**	**29,156**	**36,329**	**9.8**	**11.0**
Minus: management salaries	2,855	1,238	1,588	1,304	0.5	0.4
Plus: farmer & spouse labour	18,538	23,616	10,314	24,889	3.5	7.5
Net farm income	**68,089**	**56,848**	**37,882**	**59,914**	**12.7**	**18.2**
Farm business income	**65,071**	**56,925**	**36,202**	**59,995**	**12.2**	**18.2**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14
Hardy nursery stock		
Glasshouse crops	83.5	57.0
Outdoor crops	16.5	43.0
Other crops	0.0	0.0
Total	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2012/13	Average 2013/14
Crops & tillages	40	41
Stores	10	15
Glasshouses	11	7
Equipment	14	10
Livestock	0	0
Other	25	27
Total	**100**	**100**
Tenant's capital (£)	**895,028**	**422,547**

** no premium figures, sample too small*

Table 2.21 Specialist hardy nursery stock businesses, mainly outdoor crops*

	Per business		*Per hectare*		*Per £100 of gross output*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	22	18	22	18	22	18
Productive cropping area (ha)	5.13	4.90	5.13	4.90		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**468,804**	**486,087**	**91,333**	**99,134**	**100.0**	**100.0**
Variable costs						
Seed & young plants	173,042	185,066	33,712	37,743	36.9	38.1
Fertilisers & composts	12,014	11,472	2,341	2,340	2.6	2.4
Crop protection	4,353	3,909	848	797	0.9	0.8
Market charges	14,981	11,638	2,919	2,373	3.2	2.4
Packing materials	10,797	10,231	2,103	2,087	2.3	2.1
Horticultural sundries	15,180	18,955	2,957	3,866	3.2	3.9
Glasshouse fuel	291	381	57	78	0.1	0.1
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	**230,657**	**241,651**	**44,937**	**49,283**	**49.2**	**49.7**
Total gross margin	**238,147**	**244,435**	**46,396**	**49,851**	**50.8**	**50.3**
Fixed costs						
Labour:						
Regular paid	106,445	120,284	20,738	24,531	22.7	24.7
Regular unpaid	27,249	28,195	5,309	5,750	5.8	5.8
Casual labour	4,916	8,913	958	1,818	1.0	1.8
Power & machinery costs:						
Contract & hire	2,015	1,625	393	331	0.4	0.3
Fuel & electricity	10,619	13,726	2,069	2,799	2.3	2.8
Repairs	7,183	8,140	1,399	1,660	1.5	1.7
Machinery depreciation	10,044	10,468	1,957	2,135	2.1	2.2
Glasshouse depreciation	3,688	3,840	719	783	0.8	0.8
Rent (incl. imputed)	7,165	9,914	1,396	2,022	1.5	2.0
Other costs:						
Occupier's repairs	6,362	5,648	1,239	1,152	1.4	1.2
Permanent crop depreciation	47	45	9	9	0.0	0.0
Water	1,756	1,900	342	388	0.4	0.4
Sundries	20,721	25,255	4,037	5,151	4.4	5.2
Total fixed costs	**208,209**	**237,954**	**40,564**	**48,529**	**44.4**	**49.0**
Management & investment income	**29,938**	**6,482**	**5,833**	**1,322**	**6.4**	**1.3**
Minus: management salaries	0	0	0	0	0.0	0.0
Plus: farmer & spouse labour	20,669	23,190	4,027	4,729	4.4	4.8
Net farm income	**50,608**	**29,671**	**9,859**	**6,051**	**10.8**	**6.1**
Farm business income	**32,224**	**18,353**	**6,278**	**3,743**	**6.9**	**3.8**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14
Hardy nursery stock		
Glasshouse crops	2.4	3.6
Outdoor crops	97.6	96.4
Other crops	0.0	0.0
Total	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2012/13	Average 2013/14
Crops & tillages	33	26
Stores	12	11
Glasshouses	8	9
Equipment	13	14
Livestock	0	0
Other	34	40
Total	**100**	**100**
Tenant's capital (£)	**810,774**	**808,898**

** no premium figures, sample too small*

Table 2.22 All other horticulture businesses

	Per business		*Per hectare*		*Per £100 of gross output*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	34	37	34	37	34	37
Productive cropping area (ha)	31.80	34.49	31.80	34.49		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**360,849**	**402,691**	**11,348**	**11,677**	**100.0**	**100.0**
Variable costs						
Seed & young plants	48,859	45,026	1,536	1,306	13.5	11.2
Fertilisers & composts	14,743	12,988	464	377	4.1	3.2
Crop protection	11,913	9,371	375	272	3.3	2.3
Market charges	17,728	16,966	557	492	4.9	4.2
Packing materials	10,621	15,690	334	455	2.9	3.9
Horticultural sundries	16,530	19,814	520	575	4.6	4.9
Glasshouse fuel	4,017	1,876	126	54	1.1	0.5
Other variable costs	395	614	12	18	0.1	0.2
Total variable costs	**124,807**	**122,344**	**3,925**	**3,548**	**34.6**	**30.4**
Total gross margin	**236,042**	**280,347**	**7,423**	**8,129**	**65.4**	**69.6**
Fixed costs						
Labour:						
Regular paid	55,604	55,850	1,749	1,620	15.4	13.9
Regular unpaid	34,716	33,394	1,092	968	9.6	8.3
Casual labour	46,208	73,908	1,453	2,143	12.8	18.4
Power & machinery costs:						
Contract & hire	8,828	11,011	278	319	2.4	2.7
Fuel & electricity	16,210	18,035	510	523	4.5	4.5
Repairs	12,186	11,967	383	347	3.4	3.0
Machinery depreciation	13,274	13,503	417	392	3.7	3.4
Glasshouse depreciation	7,925	1,252	249	36	2.2	0.3
Rent (incl. imputed)	21,420	23,556	674	683	5.9	5.8
Other costs:						
Occupier's repairs	5,861	4,384	184	127	1.6	1.1
Permanent crop depreciation	2,135	175	67	5	0.6	0.0
Water	2,123	1,656	67	48	0.6	0.4
Sundries	15,970	15,677	502	455	4.4	3.9
Total fixed costs	**242,459**	**264,367**	**7,625**	**7,666**	**67.2**	**65.7**
Management & investment income	**-6,417**	**15,979**	**-202**	**463**	**-1.8**	**4.0**
Minus: management salaries	357	1,138	11	33	0.1	0.3
Plus: farmer & spouse labour	24,819	24,276	780	704	6.9	6.0
Net farm income	**18,045**	**39,116**	**567**	**1,134**	**5.0**	**9.7**
Farm business income	**24,571**	**43,497**	**773**	**1,261**	**6.8**	**10.8**

Premium businesses	Per hectare 2013/14	Per £100 of gross output 2013/14
Number of businesses	15	15
Productive cropping area (ha)	95.43	
	£ per hectare	*average %*
Gross output	**11,548**	**100.0**
Variable costs		
Seed & young plants	1,060	9.2
Fertilisers & composts	321	2.8
Crop protection	251	2.2
Market charges	442	3.8
Packing materials	463	4.0
Horticultural sundries	687	6.0
Glasshouse fuel	4	0.0
Other variable costs	0	0.0
Total variable costs	**3,229**	**28.0**
Total gross margin	**8,319**	**72.0**
Fixed costs		
Labour:		
Regular paid	1,652	14.3
Regular unpaid	189	1.6
Casual labour	2,386	20.7
Power & machinery costs:		
Contract & hire	358	3.1
Fuel & electricity	491	4.3
Repairs	358	3.1
Machinery depreciation	332	2.9
Glasshouse depreciation	13	0.1
Rent (incl. imputed)	657	5.7
Other costs:		
Occupier's repairs	67	0.6
Permanent crop depreciation	3	0.0
Water	32	0.3
Sundries	335	2.9
Total fixed costs	**6,873**	**59.5**
Management & investment income	**1,446**	**12.5**
Minus: management salaries	47	0.4
Plus: farmer & spouse labour	132	1.1
Net farm income	**1,530**	**13.3**
Farm business income	**1,418**	**12.3**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Glasshouse crops	24.4	11.6	11.6
Outdoor vegetables:			
Brassicas	4.0	18.1	18.1
Legumes	0.1	0.1	0.1
Salad crops	0.7	0.3	0.3
Other outdoor vegetables	20.2	24.1	24.1
Flowers & nursery stock	6.2	6.8	6.8
Soft fruit	25.6	19.0	19.0
Top fruit	5.4	5.7	5.7
Farm crops	13.5	14.2	14.2
Total	**100.0**	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2012/13	Average 2013/14	Premium 2013/14
Crops & tillages	8	10	8
Stores	6	9	11
Glasshouses	18	4	1
Equipment	25	31	27
Livestock	0	0	0
Other	42	46	53
Total	**100**	**100**	**100**
Tenant's capital (£)	**539,010**	**482,179**	**1,338,641**

Table 2.23 Other horticulture businesses, mainly outdoor vegetable crops*

	Per business		*Per hectare*		*Per £100 of gross output*	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
Number of businesses	14	15	14	15	14	15
Productive cropping area (ha)	23.78	19.44	23.78	19.44		
	Average £/business		*Average £/hectare*		*Average %*	
Gross output	**224,274**	**230,458**	**9,433**	**11,857**	**100.0**	**100.0**
Variable costs						
Seed & young plants	24,112	21,683	1,014	1,116	10.8	9.4
Fertilisers & composts	9,927	8,633	418	444	4.4	3.7
Crop protection	6,875	5,058	289	260	3.1	2.2
Market charges	11,267	8,891	474	457	5.0	3.9
Packing materials	7,560	10,247	318	527	3.4	4.4
Horticultural sundries	2,850	2,476	120	127	1.3	1.1
Glasshouse fuel	262	433	11	22	0.1	0.2
Other variable costs	784	116	33	6	0.3	0.1
Total variable costs	**63,637**	**57,536**	**2,676**	**2,960**	**28.4**	**25.0**
Total gross margin	**160,637**	**172,923**	**6,756**	**8,897**	**71.6**	**75.0**
Fixed costs						
Labour:						
Regular paid	29,622	29,178	1,246	1,501	13.2	12.7
Regular unpaid	30,628	35,605	1,288	1,832	13.7	15.4
Casual labour	28,913	35,888	1,216	1,846	12.9	15.6
Power & machinery costs:						
Contract & hire	10,935	10,085	460	519	4.9	4.4
Fuel & electricity	11,475	9,628	483	495	5.1	4.2
Repairs	7,020	6,636	295	341	3.1	2.9
Machinery depreciation	10,495	10,794	441	555	4.7	4.7
Glasshouse depreciation	470	710	20	37	0.2	0.3
Rent (incl. imputed)	15,821	15,169	665	780	7.1	6.6
Other costs:						
Occupier's repairs	3,259	2,227	137	115	1.5	1.0
Permanent crop depreciation	17	-103	1	-5	0.0	0.0
Water	1,260	1,358	53	70	0.6	0.6
Sundries	12,687	11,658	534	600	5.7	5.1
Total fixed costs	**162,602**	**168,831**	**6,839**	**8,686**	**72.5**	**73.3**
Management & investment income	**-1,965**	**4,092**	**-83**	**211**	**-0.9**	**1.8**
Minus: management salaries	727	692	31	36	0.3	0.3
Plus: farmer & spouse labour	22,514	25,618	947	1,318	10.0	11.1
Net farm income	**19,823**	**29,017**	**834**	**1,493**	**8.8**	**12.6**
Farm business income	**22,666**	**35,469**	**953**	**1,825**	**10.1**	**15.4**

Crop output per cent of total crop output (%)

	Average 2012/13	Average 2013/14
Glasshouse crops	3.8	4.0
Outdoor vegetables:		
Brassicas	11.5	13.1
Legumes	0.0	0.1
Salad crops	2.4	1.1
Other outdoor vegetables	69.7	71.9
Flowers & nursery stock	0.1	0.2
Soft fruit	0.2	0.2
Top fruit	0.2	0.1
Farm crops	12.2	9.4
Total	**100.0**	**100.0**

Distribution of tenant's type capital (%)

	Average 2012/13	Average 2013/14
Crops & tillages	4	2
Stores	5	4
Glasshouses	3	3
Equipment	36	36
Livestock	0	0
Other	53	55
Total	**100**	**100**
Tenant's capital (£)	**323,088**	**316,788**

** 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	188		69		47	
Harvest year	2013/14 Opening	2013/14 Closing	2013/14 Opening	2013/14 Closing	2013/14 Opening	2013/14 Closing
Assets						
Fixed assets						
Land,buildings & SPS entitlement	583,203	623,626	389,246	407,727	809,167	866,027
Breeding livestock	594	496	0	0	1,346	1,431
Machinery & glasshouses	57,630	57,630	46,485	46,485	57,132	57,132
Permanent crops	21,611	27,025	116	725	62,406	68,462
Miscellaneous business assets	1,573	1,199	58	58	779	618
Total fixed assets	**664,611**	**709,977**	**435,905**	**454,995**	**930,830**	**993,669**
Current assets						
Crops & trading livestock	38,063	41,278	26,912	24,037	8,148	19,728
Goods in store	22,607	22,488	23,807	24,340	7,290	10,314
Liquid assets	82,058	85,641	81,017	77,941	69,367	67,071
Total current assets	**142,727**	**149,407**	**131,737**	**126,318**	**84,806**	**97,113**
Total assets	**807,339**	**859,383**	**567,642**	**581,313**	**1,015,636**	**1,090,782**
Liabilities						
Bank term loan	25,672	27,371	18,662	17,261	40,139	44,639
Other loans	48,913	53,609	25,437	24,873	38,679	43,535
Bank overdraft	33,699	32,140	12,242	9,830	15,198	14,959
Other short term loans	41,019	46,132	37,639	35,686	23,222	32,649
Total external liabilities	**149,303**	**159,252**	**93,981**	**87,650**	**117,238**	**135,781**
Net worth	**658,036**	**700,132**	**473,661**	**493,663**	**898,397**	**955,001**
Percentage equity (%)	81.5%	81.5%	83.4%	84.9%	88.5%	87.6%

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

	Average Assets 2013/14	Average Liabilities 2013/14	Average Net Worth 2013/14	Average % Equity 2013/14
Defra main farm type				
Lowland cattle & sheep	1,098,166	82,541	1,015,625	92.5%
Cereals	2,404,554	201,996	2,202,558	91.6%
Mixed	1,690,319	171,127	1,519,192	89.9%
General cropping	2,140,466	214,675	1,925,792	90.0%
Horticulture	833,361	154,278	679,084	81.5%
Dairy	1,858,628	331,269	1,527,359	82.2%
Pigs	999,991	231,908	768,083	76.8%
Poultry	1,374,301	383,375	990,926	72.1%
All businesses	**1,602,706**	**172,309**	**1,430,397**	**89.2%**

Group	Specialist HNS		Other horticulture	
Number of businesses	32		37	
Harvest year	2013/14 Opening	2013/14 Closing	2013/14 Opening	2013/14 Closing
Assets				
Fixed assets				
Land,buildings & SPS entitlement	302,368	320,357	646,487	698,092
Breeding livestock	0	0	236	186
Machinery & glasshouses	38,779	38,779	70,644	70,644
Permanent crops	260	169	19,514	29,907
Miscellaneous business assets	5,295	4,010	0	0
Total fixed assets	**346,702**	**363,314**	**736,881**	**798,831**
Current assets				
Crops & trading livestock	88,278	87,453	22,032	25,429
Goods in store	34,738	33,278	22,365	20,801
Liquid assets	100,120	97,938	76,871	89,977
Total current assets	**223,137**	**218,669**	**121,268**	**136,207**
Total assets	**569,838**	**581,983**	**858,149**	**935,038**
Liabilities				
Bank term loan	14,423	10,116	27,024	32,103
Other loans	13,747	20,810	86,050	90,064
Bank overdraft	25,092	22,414	55,439	54,884
Other short term loans	44,254	42,837	47,776	57,042
Total external liabilities	**97,515**	**96,177**	**216,289**	**234,093**
Net worth	**472,323**	**485,806**	**641,860**	**700,945**
Percentage equity (%)	82.9%	83.5%	74.8%	75.0%

References

1. Agriculture in the United Kingdom datasets, 2014, DEFRA 2014
https://www.gov.uk/government/statistical-data-sets/agriculture-in-the-united-kingdom
2. Basic Horticultural Statistics 2014, DEFRA 2014
https://www.gov.uk/government/statistics/basic-horticultural-statistics-2014
3. National Average Monthly Wholesale Prices of Selected Home Grown Horticultural Produce in England, DEFRA 2014
https://www.gov.uk/government/statistics/wholesale-fruit-and-vegetable-prices
4. Agricultural Price Indices, DEFRA 2014
https://www.gov.uk/government/statistics/agricultural-price-indices
5. Bank of England Statistics, Official Bank Rate History, 2014
http://www.bankofengland.co.uk/statistics/Pages/bankstats/default.aspx
6. John Nix Farm Management Pocketbook, 44th Edition, 2014, Agrobusiness Consultants Ltd, 2013

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.

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**
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**

Details available at www.ruralbusinessresearch.co.uk

RBR at Reading
Agriculture and Food Investigation Team
School of Agriculture, Policy and Development
University of Reading
4 Earley Gate
Whiteknights
PO Box 237
Reading RG6 6AR

Phone 0118 378 7426
Fax 0118 975 5034

www.ruralbusinessresearch.co.uk