



Farm Business Survey

2014/15

Lowland Grazing Livestock Production in England



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RBR

independent research, data and analysis

Rural Business Research

Acknowledgements

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Foreword to the First Series

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

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

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

Prof. Martin Seabrook

(Chief Executive of the Consortium)

Spring 2007

Foreword to the Tenth Series

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

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

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

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

Professor Paul Wilson

Chief Executive Officer, Rural Business Research
March 2016

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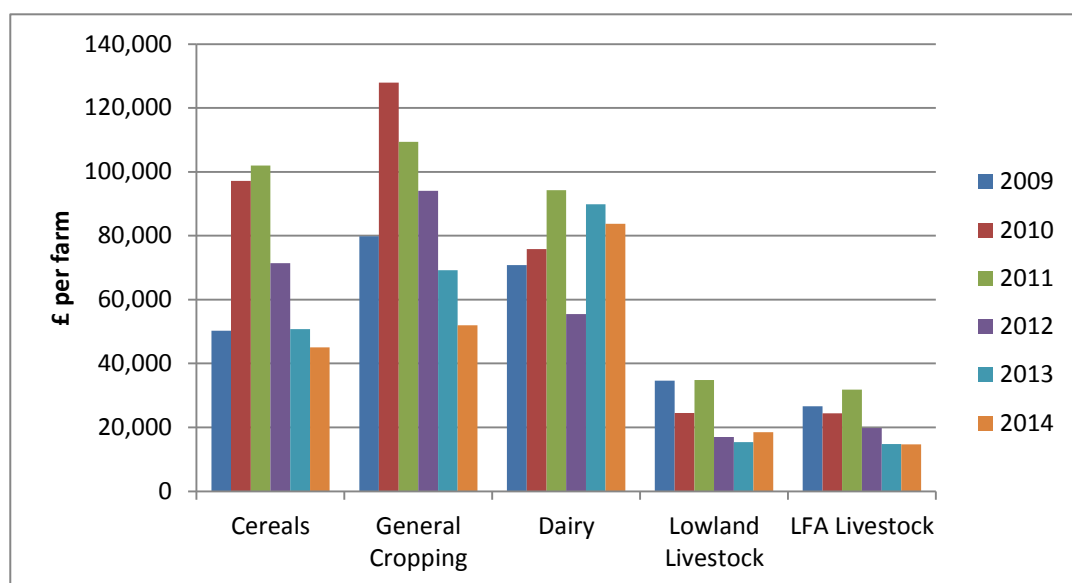
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Summary of Lowland Grazing Livestock Production in England 2014/15

- Lowland Grazing Livestock farms account for about a quarter of commercial holdings in England. The majority, nearly three quarters, of these businesses are small or part-time. All other farm types are, on average, larger businesses.
- As compared to the other lowland land-based farm types in England, the Grazing Livestock farms produce the lowest incomes per farm, per hectare and per annual labour units. For example, for the Lowland Grazing Livestock farms the Farm Business Income (FBI) per farm was close to a fifth of the Dairy farms in 2014/15 but as compared to the LFA Grazing Livestock farms incomes were similar.

Trends in Farm Business Income £ per farm, in England, for selected farm types (in real terms to 2014)



- The average Farm Business Income (which closely resembles farm profit) for 2014/15 for the Lowland Grazing Livestock farms in England was £18,471 per farm, an increase of £3,403 compared to the previous year but only 81% of the average of the previous five years.
- There is a wide range in the level of Farm Business Income per farm within the Lowland Grazing Livestock producers. In 2014/15, more than one in five of farms had a negative income and more than three quarters of farmers had an income of less than £30,000.
- Farm size is important, with the better performing businesses (based on the ratio of output/input) being much larger farms. The High Performance Band producers farmed approaching three times the area of the Low Performance producers and also produced a higher Farm Business Income per hectare, £379 per hectare compared to a loss of £104 per hectare.
- For the average Lowland Grazing Livestock farm in 2014/15 the value of unpaid labour used by the business (£26,275) and the level of private drawings (£22,732) are similar but these businesses are 'paying' themselves at 86% the appropriate market rate for their labour. For this year the Farm Business Income is £7,800 lower than the value of unpaid labour, thus not covering living expenses or representing any financial return on their capital invested in the business.
- This year's sub-sample of organic producers farm a similar area to their conventional contemporaries and their Farm Business Income is not significantly different on a per farm

basis. The organic farms have more output from agri-environmental sources due to their eligibility for extra organic aid, much lower variable costs and similar fixed costs.

- The Single Payment Scheme is crucial to the level of income the Lowland Grazing Livestock farms achieve. Without the Single Payment Scheme, the average Lowland Livestock Grazing farm, in England, for 2014/15 would be making a Farm Business Income of £2,270.
- From the gross margin analysis the premium (top third) producers, as ranked by gross margin per head, have gross margins close to 50% higher for both the lowland beef cows and lowland breeding ewes.
- Comparing the gross margin per hectare across the differing livestock enterprises on the Lowland Grazing Livestock farms, the beef bred cattle finishers have the highest margin followed by beef bred store cattle producers and the lowland breeding ewes. Beef cows produce the lowest gross margin per hectare

Lowland Grazing Livestock Production in England 2014/15

The Structure of the Lowland Grazing Livestock industry

Grazing Livestock farms are classified as farms with more than two-thirds of their total Standard Output produced by cattle and sheep (excluding holdings classified as dairy). A farm is classified as "Lowland" if less than 50% of its total area is in the EC Less Favoured Area.

Approaching a quarter of those farm businesses in England that are eligible for the Farm Business Survey are classified as Lowland Grazing Livestock. Further details are shown in Table 1, which also illustrates the predominance of part-time and small farms. Almost three quarters of lowland grazing livestock farms are classed as either part-time or small. Although similar to cereal farms, this is much higher than for dairy (14%) or general cropping (53%) farms.

Table 1 June Survey 2014 – England farms by size of businesses (selected farm types)¹

Number of businesses (thousands)	Lowland Grazing Livestock	Dairy	Cereals	General Cropping	LFA Grazing Livestock	All Types
Part time	5.2	0.2	6.6	1.3	2.4	18.9
Small	4.0	0.8	3.9	1.5	2.0	15.2
Medium	1.6	1.1	1.8	0.8	1.0	8.3
Large	1.7	4.8	2.1	1.6	1.1	15.1
Total	12.4	6.5	14.4	5.2	6.6	57.5
% of All types	22%	11%	25%	9%	11%	

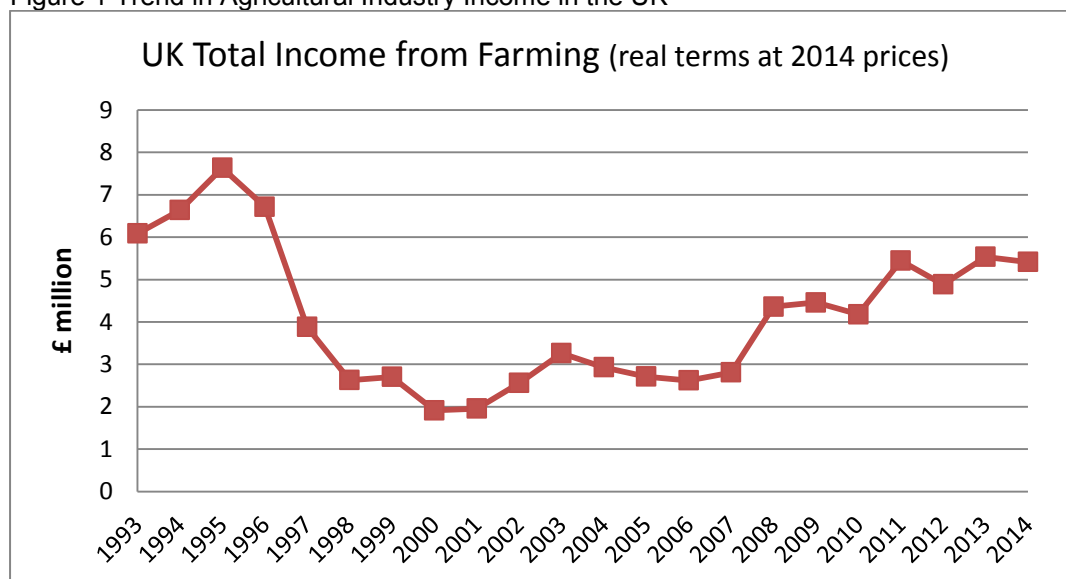
Farms with at least 25,000 euros of Standard Output
Source: Defra "Farm Accounts in England 2014/2015"

Income trends in agriculture

Total Income from Farming (TIFF) in the UK is often quoted as an indicator of the overall trend in income for agriculture. Figure 1 illustrates TIFF in real terms at 2014 prices, showing a decline in incomes in real terms compared to the mid 1990's. The lowest point in income was seen in 2000, but since then the industry has seen a steady recovery and for 2014 is back to 71% of its 1995 level, but more than two and a half times the figure achieved in 2000. The last four years TIFF has been more stable, averaging approximately £5.3 billion per year, but with a high of £5.5 billion in 2013.

¹ see Appendix 1 for an explanation of the size groups

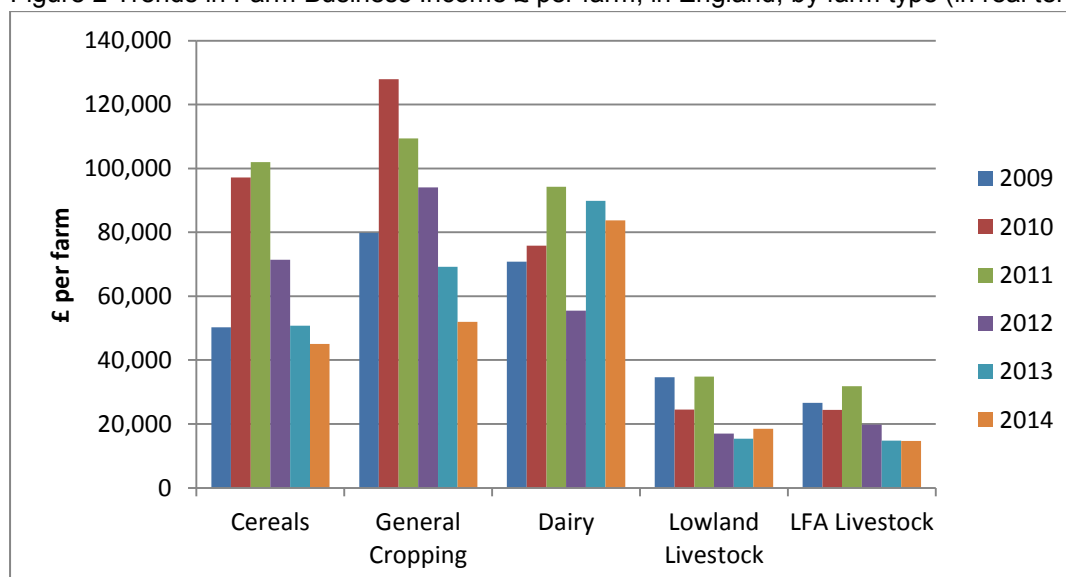
Figure 1 Trend in Agricultural Industry Income in the UK



Source: Defra: Agriculture in the United Kingdom publication

Figure 2 illustrates the trends in Farm Business Income per farm in England for the 'land using' farm types from 2009 - 2014. The Grazing Livestock businesses have the lowest Farm Business Income of the land based farm types. More details of LFA Grazing Livestock farms can be found in another publication from this series, Hill Farming in England (see Appendix 22).

Figure 2 Trends in Farm Business Income £ per farm, in England, by farm type (in real terms to 2014)

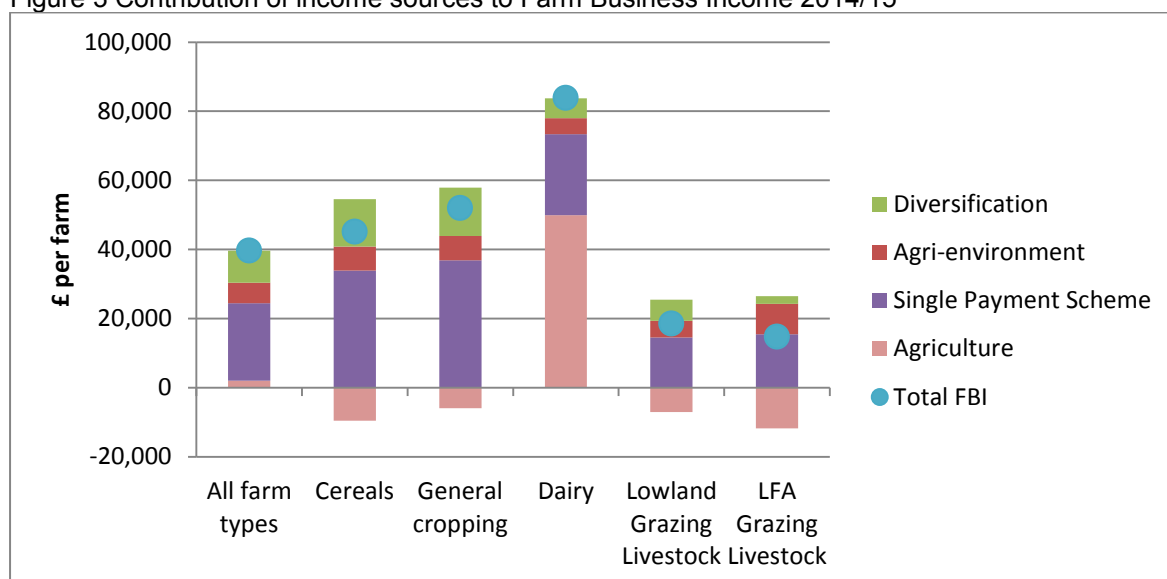


Source: <http://www.farmbusinesssurvey.co.uk>

In 2011 the average Farm Business Income (in real terms) was close to £35,000 for Lowland Grazing Livestock farms, but in 2014 it was near to £18,000, close to half the figure of three years previous and is nearly half of the Farm Business Income of 'All farms' figure for 2014².

² 'All farm types' also includes mixed, horticulture, specialist pig and specialist poultry farms.

Figure 3 Contribution of income sources to Farm Business Income 2014/15



Source: <http://www.farmbusinesssurvey.co.uk>

Of those farm types shown the Dairy farms were the only farm types to make a profit (on average) from the Agricultural Cost centre in 2014/15 as shown in Figure 3. (Further explanation of the cost centre approach is discussed later in this report). Note that the column for 'All farm' types also includes mixed, horticulture, specialist pig and specialist poultry farms.

Further comparisons with other Farm Types in Lowland England 2014/15

Lowland Grazing Livestock farms are by definition dependent on cattle and sheep production, which generate poorer incomes than other enterprises commonly adopted in the lowlands of England, particularly in recent years. The average area farmed by Lowland Grazing Livestock farms is smaller than the other main land using farm types in lowland England, and this is a contributing factor to the Farm Business Income per farm being much lower than the other farm types, see Table 2. On a per farm basis, the 2014 average Farm Business Income for Lowland Grazing Livestock farms is 41% of the next lowest farm type, Cereals, and about a fifth of the Dairy farms. The All farms profit is 8% lower than 92% that of the previous year.

Farm Business Income (FBI) per hectare for Lowland Grazing Livestock farms is two thirds of that of the 'All farm types'. When considered by per Annual Labour Unit (ALU) Lowland Grazing Livestock businesses achieve a level of income equivalent to General Cropping farms but half that achieved by the Cereal farms and Dairy farms. There is a higher labour requirement per hectare for livestock rearing units than for cereal production.

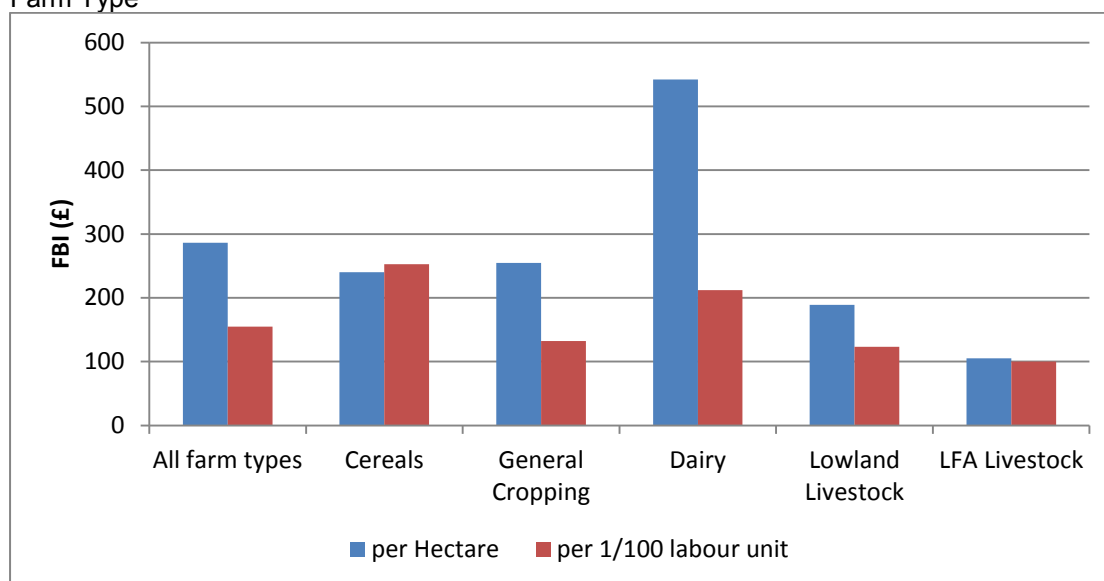
Table 2 Farm Business Income per farm, per hectare and per annual labour unit

Crop Year-2014	FBI per farm (£)	Area farmed (Ha)	FBI per Ha (£)	Annual labour units per farm	FBI per ALU (£)
All farm types	39,645	138	286	2.56	15,486
Cereals	45,021	188	240	1.78	25,293
General cropping	51,963	204	255	3.93	13,222
Dairy	83,760	155	542	3.95	21,205
Lowland Grazing Livestock	18,471	98	189	1.50	12,314

Source: <http://www.farmbusinesssurvey.co.uk>

Figure 4 also illustrates that Lowland Grazing Livestock farms are the least profitable farm type in the English lowlands, using either per hectare or per ALU.

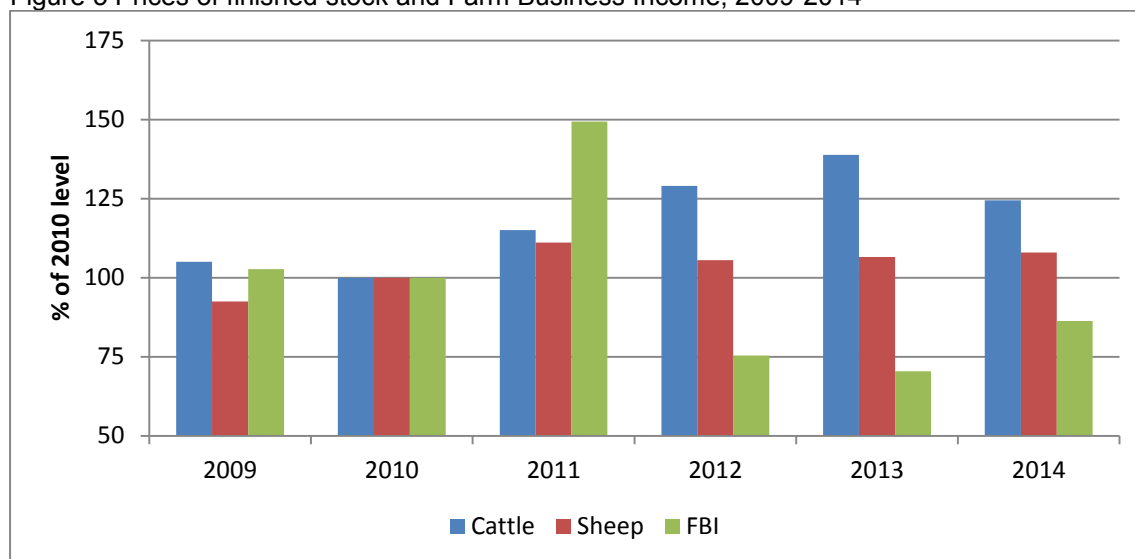
Figure 4 Farm Business Income per hectare and per Annual Labour Unit, in England 2014/15, by Farm Type



The market environment

More than half of the output from the Lowland Grazing Livestock farms comes from cattle and sheep production, so changes to the value of these products will obviously influence the level of income achieved. Figure 5 shows the annual average prices of finished stock and the Farm Business Income for the Lowland Grazing Livestock farms all relative to 2010 prices/income (not adjusted for inflation).

Figure 5 Prices of finished stock and Farm Business Income, 2009-2014



Source: Defra 'Agriculture in the UK' and FBS data

Prices of finished cattle improved from 2010 to 2013 driven by lower supplies of prime cattle combined with strong domestic and export demand but declined in 2014. Over the same period the sheep price first increased then fell back and was similar in the period 2012 to 2014. The total improvement in sheep price over the five years is less than half that seen for the price of finished cattle.

Over the last six years the Farm Business Income has been much more variable. The level seen in 2011 was the highest since 2003 when this income measure was introduced, but 2012 saw a very large reduction in income due to the very difficult year dominated by poor weather conditions. The Farm Business Income for 2014 was close to three quarters of the average for the last five years. Farm Business Income is more variable than the finished prices of cattle and sheep would have suggested, indicating that the costs to the businesses, valuation changes to the livestock (which are part of the output) and other sources of output were more variable and all have a part to play in the level of income for these farms.

Figure 6 Lowland Grazing Livestock farms in England - Average Farm Business Income by Cost Centre 2009-2014

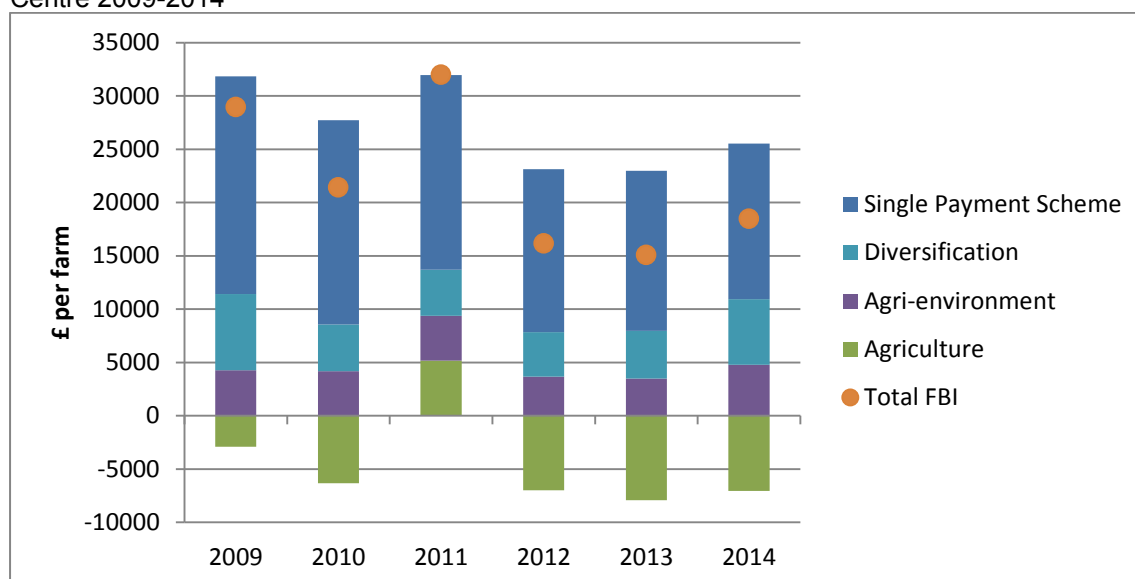
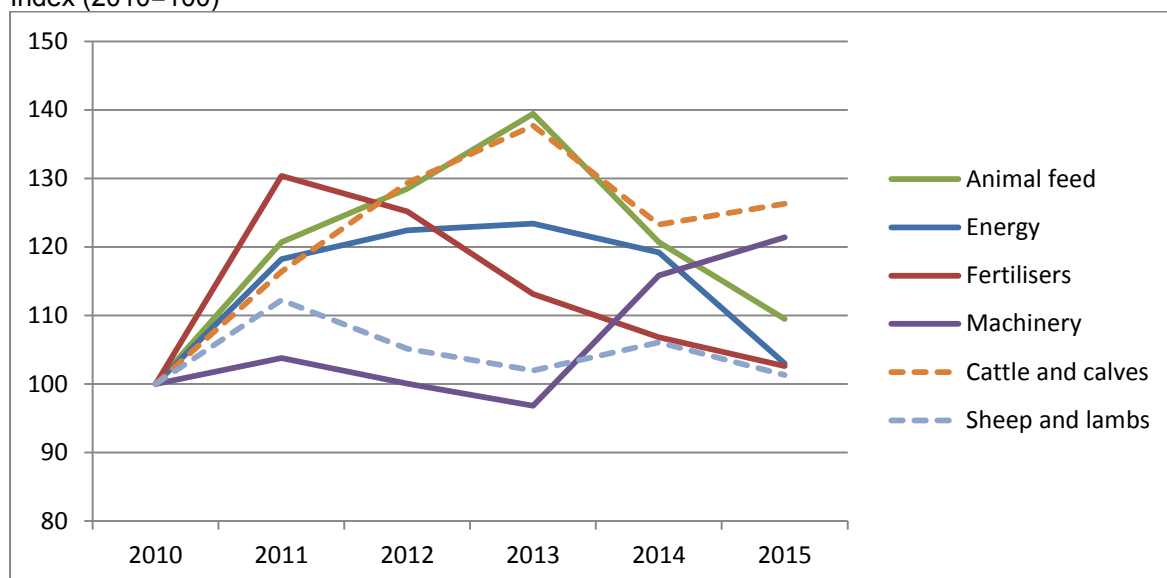


Figure 6 shows average Farm Business Income broken down into the four cost centres, Agriculture, Agri-environment, Diversification and Single Payment Scheme for the most recent 6 year period. It

illustrates that the largest variation in income between years comes from the Agriculture cost centre which only made a positive contribution in 2011. A number of Indices of Prices of Agricultural Products (United Kingdom) are illustrated in Figure 7. This shows the changes in average annual prices for energy, fertiliser, animal feed and machinery; which have all seen large changes since 2010. Output prices from cattle and sheep have also seen large changes and volatility in the same period.

Animal feed costs, for example, have increased by 10% in 2015 compared to the base year 2010; but were as much as 40% greater in 2013. Energy costs have increased by 20%, whereas the sheep value has increased by 1%. Beef on the other hand has increased by close to a quarter in the same period.

Figure 7 Indices of Producer and input Prices of Agricultural Products (United Kingdom)
Index (2010=100)



Source: Defra

Lowland Grazing Livestock Production in 2014/15

As described earlier, Lowland Grazing Livestock farms which cover a large part of lowland England, are dominated by small businesses and, in terms of income, are consistently the 'poor relations' compared to other lowland farm types, with the lowest per farm figures but they do achieve similar incomes to LFA Grazing livestock farms.

This report will concentrate on data extracted from the Farm Business Survey (FBS) for this important group of farms and includes data from 289 farms which has been 'weighted' to produce figures that represent the whole of the Lowland Grazing Livestock industry in England, excluding the smallest farms which are not included within the survey (see Appendix 1). The majority of the farmed area is in the lowlands of England and only 6% of the farms have any land within the Less Favoured Areas.

The results for the FBS farms for 2014/15 show an increase in Farm Business Income from 2013/14 to £18,471. The Net Farm Income was £7,570 per farm, again an increase on the previous year's figure. Full details of the 'All Farms' data is given in Appendix 2. Table 3 summarizes the components of income for the Lowland Grazing Livestock farms.

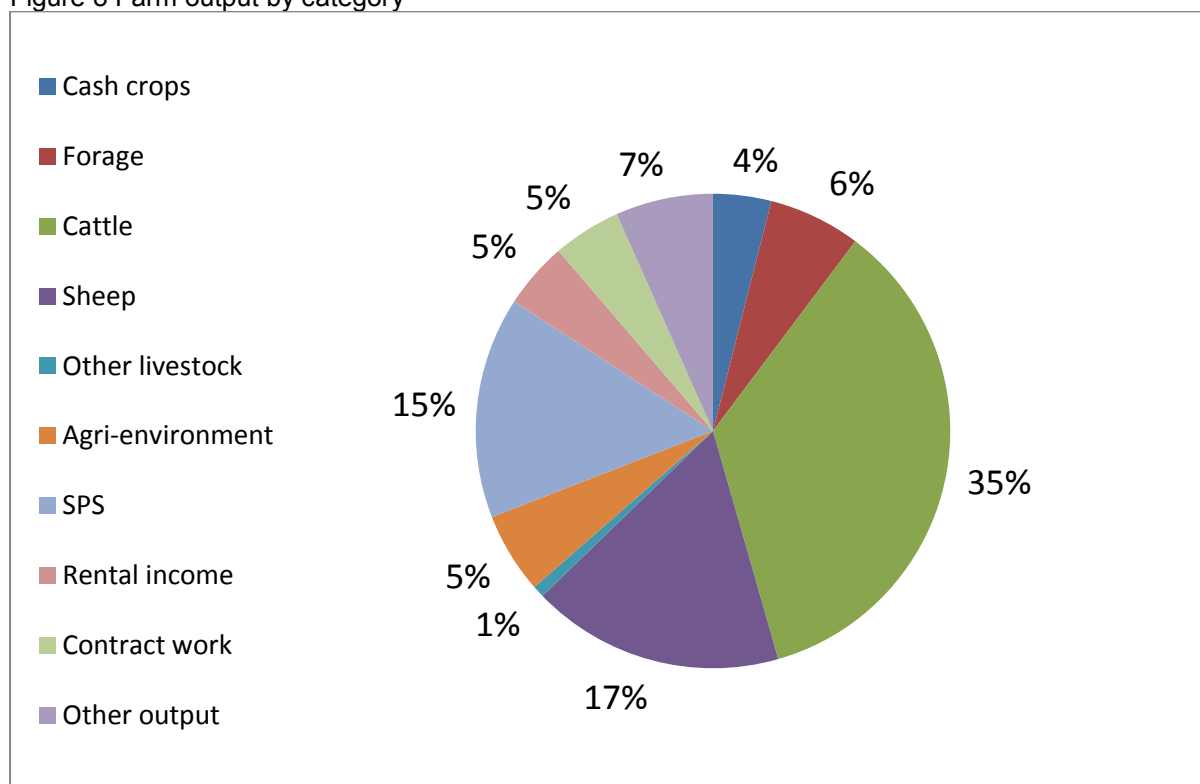
Table 3 Average Income data for Lowland Grazing Livestock Farms³

Total	(£ per farm)
Farm output	107,130
Variable costs	30,680
Gross margin	76,450
Fixed costs	57,979
Farm Business Income	18,471
Net Farm Income	7,570
Farmer & Spouse labour	21,893
Management and Investment Income	-14,299

The average Lowland Grazing Livestock farm was 61% owner occupied and the average area farmed was 97.8 hectares. Permanent grassland and rough grazing covers three quarters of the area with temporary grassland and fodder crops another 15%. The stocking rate is low, emphasising the 'extensive' type of production adopted by this farm type, with only 1.0 Grazing Livestock Units per hectare. Cattle account for 69% of these livestock units.

A breakdown of the sources of Farm output is shown in Figure 8. Cash crops, forage and livestock output come to 64% of the Total Output. Within this, the importance of cattle is evident, being more than double the output of the sheep which has the next largest 'farming' output.

Figure 8 Farm output by category



³ For the tables in this report (unless stated), Casual labour and Contracting are considered as fixed costs rather than variable costs. Interest received is shown as income and paid as a cost. This differs from the approach taken in Defra's Farm Accounts in England where interest is shown net.

'Non-production' output makes up the remaining 36% of total output, and is dominated by the Single Payment Scheme, which accounts for 40% of this output. Agri-environmental, Rental Income, Contract work and 'Other' output all have relatively similar levels of output. Full details of the data can be found in Appendix 2.

Variable costs are dominated by concentrates at £11,720 per farm), which account for 38% of the total and of this, £2,247 are home grown cereals fed to the livestock. The fertiliser and spray costs are £5,710 which amounts to 19% of the variable costs.

Machinery costs represent about a third of the total fixed costs. Land & property costs (16%) and general farming costs (20%) have broadly similar importance followed by labour at 11% of the total fixed costs.

The balance sheet for the average farm shows over £90,000 of liabilities with the majority of borrowing held by the banks, as loans or overdraft. Total assets for the business of £1,304,000 are dominated by the land and buildings which account for 84% of the total.

The balance sheet ratios therefore indicate a strong financial position for these farms in terms of ratios of assets to liabilities, but with the low incomes earned, extra borrowing on the back of the favourable balance sheet position is still difficult to justify and then service.

Farm Fund Flow- The cash situation within the business

The relationship between trading profit generated, capital investment made, drawings taken by the farming family/families, and the funding of the trading business is summarised by the 'flow of funds'. This explains the 'cash' situation within the business and is also shown in Appendix 2.

The trading net fund surplus from these farms is £31,000 after depreciation on buildings and machinery is added back to Farm Business Income and the increase in live and deadstock valuations is deducted. Over £8,000 was spent on capital purchases. Sales of land and property averaged over £6,000, with machinery investment accounting for over £10,000. The machinery pool on these farms was thus maintained with re-investment being close to the level of machinery depreciation charged to these businesses.

This left a farm fund flow surplus of nearly £23,000. The private drawings from the farm were £22,732 and this year there was no net transfer in of funds, and so there was little change to the funding.

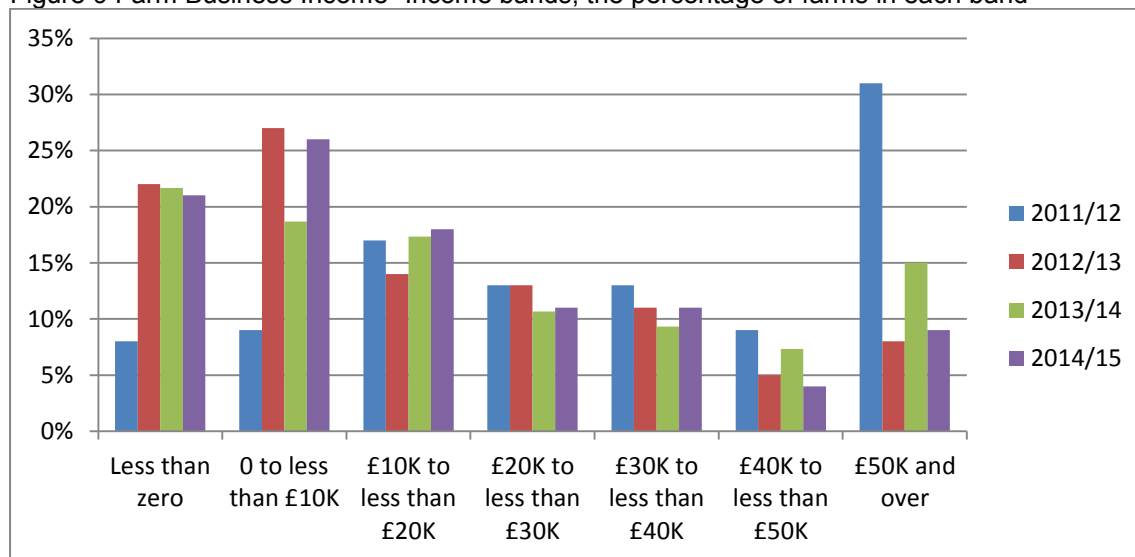
The introduction of funds from private sources has been a feature of Lowland Grazing Livestock farms for a long period, where the low incomes have not been sufficient to allow for both re-investments in the business and private drawings to support the farming family. This year this was not required due to the sale of assets,

Distribution of incomes

The range of Farm Business Income per farm across the Lowland Grazing Livestock farm type is large.

Figure 9 illustrates the differing levels of Farm Business Income per farm; 21% of farms had a negative Farm Business Income in 2014/15, with close to two thirds of farms making less than £20,000. Nine percent of businesses made over £50,000.

Figure 9 Farm Business Income- Income bands, the percentage of farms in each band



Economic Performance Band

A farm's performance level is determined by many factors including physical, financial and managerial. 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.

Performance bands based on economic performance percentiles are as follows:-

Low performers - were in the bottom 25% economic performers.

Medium performers - were in the middle 50% of economic performers.

High performers - were in the top 25% economic performers.

More details of the data are given in Appendix 2.

The data shown in Table 4 illustrates the businesses split into performance bands. Farm size is an issue, with the better performing businesses being much larger farms and therefore able to spread their fixed costs over a larger area. Thus on a per hectare basis, Farm Business Income tends to be higher on the High performing farms. Low performing farms tended to have lower levels of farm output per hectare.

Substantial cost savings are made with fixed costs, where those of the highest performing group are 70% of the Medium performing group of producers. Lower costs are seen in all the fixed cost categories for the High performing group but the differences in the machinery costs have the largest impact. The highest performing group own half the area they farm whereas the low and medium performing group own two thirds of the farmed area.

These relationships of output and costs are all the same as in the previous two years.

Table 4 Farm Business Income by Performance Band, 2014/15, £ per hectare

Performance Band	Low	Medium	High
Average farmed area (hectares)	56.1	93.7	146.3
Average proportion of owned total farmed area	75%	65%	50%
	£ per hectare		
Output			
Livestock and crops	555	773	653
Agri- environment type schemes	38	56	74
Single Payment Scheme	168	173	156
Other	63	178	203
TOTAL FARM OUTPUT	824	1180	1086
Variable costs			
Livestock specific costs	225	282	176
Crop specific costs	86	96	56
TOTAL VARIABLE COSTS	311	378	232
TOTAL GROSS MARGIN	513	802	854
Fixed costs			
Labour	33	80	52
Machinery	276	290	197
General farming costs	134	136	94
Land & Property	142	136	113
Interest paid	32	35	19
TOTAL FIXED COSTS	617	677	475
FARM BUSINESS INCOME	-104	125	379

Categories of Lowland Grazing Farms

Within the lowland grazing livestock farm type, five further sub-groups have been established, by the authors, depending on the breakdown of their output and includes all farms in the sample.

These sub-types are;

1. Beef- those farms where 50% or more of the total farm output comes from cattle
2. Sheep - those farms where 50% or more of the total farm output comes from sheep
3. Beef & Sheep - those farms not classified as Beef or Sheep but with a combined output from cattle and sheep of over 50% of the total farm output.
4. Agri-related - those farms where 50% or more of the total farm output is derived from miscellaneous income. This comes from agriculture related and integrated diversified activities. It includes Single Payment Scheme (SPS), rental income and agri-environment schemes.

5. Other- These include some with other livestock enterprises, and other farms with no dominant income stream which did not have more than 50% of output from beef, sheep or miscellaneous income.

Table 5 summarises the position of the differing farm sub-types⁴. The 'Sheep' farms are dominated by tenanted land whilst the other types are closer to the 'All farms' average of 61% of the total farmed area being owned.

Table 5 Farm Sub-type data to Farm Business Income, 2014/15

	Farm sub-types					
Farm sub-types	Average all farms	Beef	Sheep	Beef & Sheep	Agri-related	Other
Number of farms in group	289	90	30	63	59	47
Average farmed area (hectares)	97.8	75.4	123.1	105.6	123.5	89.7
Average proportion of owned total farmed area	61%	63%	32%	52%	68%	75%
	£ per farm					
Output						
Livestock and crops	68,263	71,371	89,982	78,095	45,982	66,293
Agri- environment type schemes	5,886	3,032	3,518	4,748	13,843	4,694
Single Payment Scheme	16,201	12,704	13,675	15,559	22,851	17,165
Other	16,781	6,156	12,114	9,554	47,986	11,100
TOTAL FARM OUTPUT	107,131	93,263	119,289	107,956	130,662	99,252
Variable costs						
Livestock specific costs	22,924	24,607	31,653	26,996	16,027	19,087
Crop specific costs	7,756	8,160	6,054	8,801	6,013	8,883
TOTAL VARIABLE COSTS	30,680	32,767	37,707	35,797	22,040	27,970
TOTAL GROSS MARGIN	76,451	60,496	81,582	72,159	108,622	71,282
Fixed costs						
Labour	6,149	2,811	8,923	4,946	10,857	6,579
Machinery	24,766	22,231	24,355	24,521	27,458	26,774
General farming costs	11,712	9,454	10,752	10,442	17,110	11,560
Land & Property	12,551	10,404	13,922	12,852	15,378	12,316
Interest paid	2,802	2,453	1,517	2,569	4,454	2,546
TOTAL FIXED COSTS	57,980	47,353	59,469	55,330	75,257	59,775
FARM BUSINESS INCOME	18,471	13,143	22,113	16,829	33,365	11,507

The 'Beef' farms tend to be smaller than the other four farm types. The agri-environment type output per farm ranges from £3,032 for 'Beef' farms to £13,843 for the 'Agri-related' farms, accounting for 3% to 11% of total farm output. The Single Payment Scheme income per farm, ranges from £12,704 to £22,851 and is worth £166 per hectare farmed for the All farm average. The Sheep farms Single

⁴ A full analysis is given in Appendix 4

Payment was worth £111 per farmed hectare and £190 per farmed hectare on the Agri-related farms and Other farms. The £166 per hectare is a 7% reduction on the level of receipts received the previous year. The higher value of the pound against the euro led to a lower Single Payment rate per hectare.

Variable costs also follow the same pattern as output; those farm types with high output tend to have higher variable costs. Gross margins for each farm type vary by 40% around the 'All farms' average of £76,451. Fixed costs per farm show slightly less variation than variable costs.

Farm Business Income ranges from £11,507 per farm for 'Other' farms to £33,365 for the 'Agri-related' farms, and is illustrated in Figure 10. The 'All' Farms Farm Business Income is £18,471.

Figure 10 Comparisons of Farm Business Income by Farm sub-type

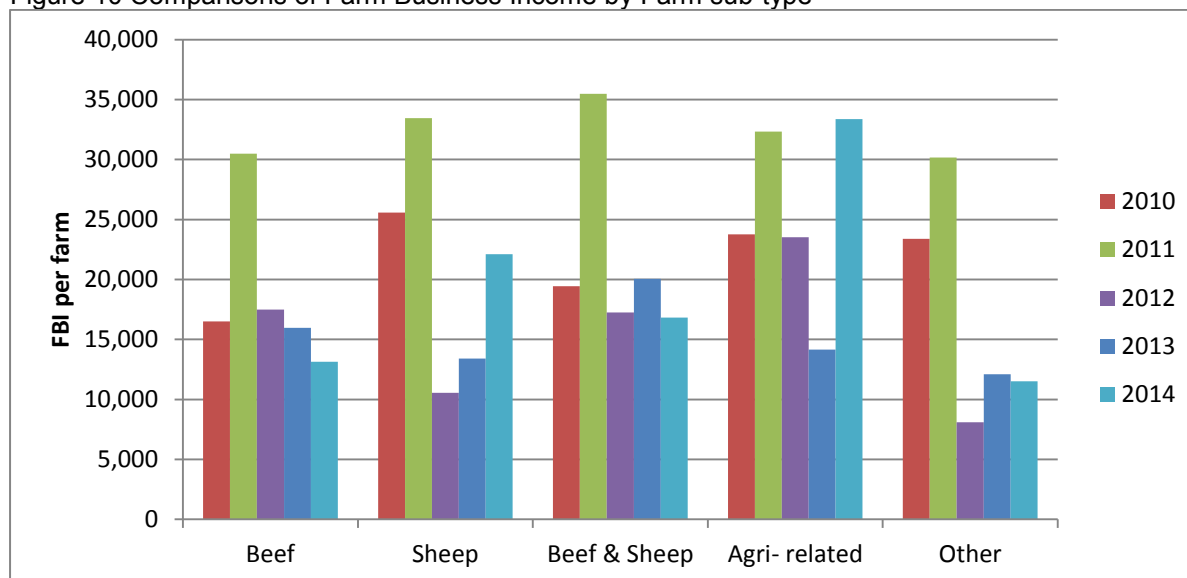


Table 6 Farm Sub-type data Farm Business Income, Private drawings and value of Unpaid Labour, 2014/15

	All farms	Beef	Sheep	Beef & Sheep	Agri-related	Other
	£ per farm					
Farm Business Income	18,471	13,142	22,114	16,829	33,367	11,508
Private drawings	22,732	19,891	22,216	19,884	34,029	18,498
Value of all Unpaid Labour	26,275	25,750	29,663	29,005	24,344	25,047

Table 6 shows the level of private drawings for the same farm sub-types. The average farm in 2014/15 has private drawings 23% higher than their Farm Business Income. The level of drawings is still below the value of the unpaid labour input to the business. The value of all unpaid labour is estimated using hours worked, at rates of pay dependent upon location, age and experience. Thus these farms are withdrawing less from the business than the 'going' rate for their labour and are now unable to reward themselves for their considerable investment in the business, with total assets approaching £1.3 million pounds. Only the Agri-related farms took higher private drawings than the value of the unpaid labour.

Table 7 summarizes the physical details of the farm sub-types. Less than 10% of the area farmed by any of the farm types is used for cash crops and close to two thirds is permanent grassland or rough grazing. The Agri-related farms have the largest area of rough grazing, which will largely be grazed by

sheep but may also contribute to agri-environmental scheme income. The area of temporary grass is higher on the 'Beef & Sheep' farms and 'Other' farms type as is the cropped area.

With the exception of the 'Sheep' farms; the remaining farm types keep similar numbers of beef cows. In addition, the 'Beef' farms keep a third more 'other cattle' than any other farm type. Overall, the stocking rates on these farms are low, but the 'Beef' farms and 'Beef & Sheep' farms have higher stocking rates. The Agri-related farms have the fewest animals and lower stocking rates, at more than a third lower than the average farm.

Table 7 Land and Livestock Details- Farm Sub-Types, 2014/15

Hectares	All farms	Beef	Sheep	Beef & Sheep	Agri-related	Other
Farmed area	97.8	75.4	123.1	105.6	123.5	89.7
Crops	5.8	5.3	2.6	7.8	3.9	8.4
Temporary grass	13.2	13.8	6.2	13.2	9.1	20.0
Permanent grass	67.8	50.2	96.7	77.1	87.5	54.2
Rough grazing	5.2	1.7	1.4	1.1	17.9	3.6
Average No. of Beef cows	23	27	5	32	20	20
Average No. of Other Cattle	82	125	12	79	63	66
Average No. of Ewes	166	26	636	292	122	99
Average Livestock Units	90.1	94.1	107.8	112.1	73.8	71.7
GLU's per adjusted Ha	1.0	1.4	0.9	1.2	0.6	0.9

The balance sheet data for these farms is dominated by the value of the land, with 84% of the value of total assets being land and buildings for the average farm. All farm sub-types have very similar balance sheet ratios, with the percentage owner equity of 92% or more, percentage fixed assets over 90%, gearing close to 5% and total debt either 7% or 8%.

Table 8 Farm Sub-type data Current Assets and Current Liabilities, 2014/15

	All farms	Beef	Sheep	Beef & Sheep	Agri-related	Other
	£ '000 per farm					
Current Assets	92	107	62	84	93	89
Current Liabilities	30	28	24	28	39	29

As a group, these farms have strong balance sheets but the dominance of the fixed assets (which represent productive capacity); versus working assets (which reflect throughput) mean that cash generation may be inadequate. Having current assets close to current liabilities highlights a potential problem with the liquidity of the businesses, particularly if existing short-term credit facilities became unavailable (Table 8). This position also creates a potential problem with the flexibility of the farm to manage cashflow. This is not currently an issue at the year-end but any narrowing of the gap may cause issues.

Organic Producers

Within the total Farm Business Survey sample there is a group of organic farms, and Table 9 compares the organic lowland grazing livestock farms with the conventional producers⁵. The organic farms are broadly similar in size to their conventional counterparts as is the percentage of the land they own.

Output from the organic farms is lower when compared to conventional equivalents but the difference is not statistically significant. However, there are important differences in how this output is achieved; organic farms tend to get more than their conventional counterparts from agri-environment schemes and less from livestock and crops. The output from the agri-environment type schemes is approaching two and a half times higher for the organic producers reflecting the extra support they receive as Organic Aid or Organic Entry Level Stewardship.

Table 9 Farm Business Income for Conventional and Organic farms, 2014/15

Type of Production	Conventional	Organic
Number of farms in group	244	45
Average farmed area (hectares)	98.6	90.2
Average proportion of owned total farmed area	60%	67%
	£ per farm	
Output		
Livestock and crops	70,510	44,483
Agri- environment type schemes	5,197	13,172
Single Payment Scheme	16,140	16,842
Other	16,827	16,299
TOTAL FARM OUTPUT	108,674	90,796
Variable costs		
Livestock specific costs	24,048	11,029
Crop specific costs	8,250	2,530
TOTAL VARIABLE COSTS	32,298	13,559
TOTAL GROSS MARGIN	76,376	77,237
Fixed costs		
Labour	6,070	6,986
Machinery	24,758	24,843
General farming costs	11,728	11,540
Land & Property	12,554	12,523
Interest paid	2,774	3,099
TOTAL FIXED COSTS	57,884	58,991
FARM BUSINESS INCOME	18,492	18,246

⁵ Appendix 5 gives full details of Conventional and Organic producers

With the lower 'farming' output, organic farms tend to have lower variable costs; being less than half the level of conventional producers. The resulting total gross margin per farm for the organic farmers is similar to the conventional level. Fixed costs for the organic farms are also similar to the conventional producers. Thus the Farm Business Income per farm for the organic producers is similar to that of their conventional counterparts.

Table 10 illustrates the sources of output and costs for the differing types of production relative to the level of output achieved. The organic producers have higher environmental type payments, Single Payment Scheme and Other output relative to total output, and less 'livestock & crops' which now amounts to less than a half of the output. This makes organic production potentially more vulnerable to changes to the support given to farming in the form of the Single Payment Scheme and the agri-environmental schemes, or depending on the AES they could have a more reliable, constant income stream. The Conventional producers are more reliant on the 'market place', compared to Organic producers, so are therefore less affected by any changes to the support mechanisms.

For the organic producers the lower variable costs, but higher fixed costs in comparison to output of the conventional producers result in very similar Farm Business Income per £100 output.

Both types of production have very 'strong' end of year balance sheets. Their balance sheet ratios are very similar which is not unexpected with almost identical land owning structures (see Appendix 4).

Table 10 Type of Production- Income and Costs illustrated 'Per £100 Output', 2014/15

Type of Production	Conventional	Organic
Number of farms in group	244	45
Average farmed area (hectares)	98.6	90.2
Average proportion of owned total farmed area	60%	67%
	£ per £100 output	
Output		
Livestock and crops	65	49
Agri- environment type schemes	5	15
Single Payment Scheme	15	19
Other	15	18
TOTAL FARM OUTPUT	100	100
Variable costs		
Livestock specific costs	22	12
Crop specific costs	8	3
TOTAL VARIABLE COSTS	30	15
TOTAL GROSS MARGIN	70	85
Fixed costs		
Labour	6	8
Machinery	23	27
General farming costs	11	13
Land & Property	12	14
Interest paid	3	3
TOTAL FIXED COSTS	53	65
FARM BUSINESS INCOME	17	20

Table 11 illustrates some of the physical differences between the types of production; on average, organic producers keep 77 fewer ewes and 20 fewer 'Other cattle', slightly more than three quarters the level of the conventional total livestock units. Stocking rates on organic farms are 87% of the conventional level, which in itself is not very high at 1.01 Livestock Units per hectare.

Organic producers tend to reseed their grassland more frequently so they have more temporary grassland than conventional producers.

Table 11 Land and Livestock Details- Organic and Conventional Production, 2014/15

	Conventional	Organic
Number of farms in group	244	45
Farmed area (ha)	98.6	90.2
Crops (ha)	5.8	5.7
Temporary grass (ha)	12.7	18.1
Permanent grass (ha)	68.4	60.9
Rough grazing (ha)	5.4	3.6
Average No. of Beef cows	22	27
Average No. of Other Cattle	84	64
Average No. of Ewes	173	96
Total Livestock Units	92	72
GLU's per adjusted Ha	1.0	0.9

Regional differences in Lowland Grazing Livestock farms

The EU Regions are used for administrative purposes at the European level and represent amalgamations of Government Office regions.

- The EU West region is the South West and West Midlands GO regions.
- The EU North region includes the North West, North East and Yorkshire and Humberside GO regions.
- EU East region is the East Midlands, Eastern and South East GO regions

Those farms in the EU West region tend to be smaller than those in either the North or East, and they also own a greater proportion of the area they farm. Further data is available in Table 12⁶, which shows that the North and East have the highest Farm Business Income per farm with the West the lowest.

When looking at the figures on a per hectare basis, the West achieved the highest income (£201 per hectare) followed by the East, with the North being £25 per hectare lower than the West. Farms in the North region tend to have a greater proportion of their grassland as rough grazing. These farms also tend to have more finishing cattle and sheep and higher stocking rates. Farms in the East tend to have a higher proportion of their land as grass and have lower stocking rates (see Appendix 5).

⁶ Appendix 5 gives more detailed data for the EU regions

Table 12- EU Regional- Summary Financial Data, 2014/15

EU region	North	East	West
Number of farms in group	59	89	141
Average farmed area (hectares)	118.2	115.7	80.5
Average proportion of owned total farmed area	49%	53%	73%
£ per farm			
Output			
Livestock and crops	100,138	64,044	61,188
Agri- environment type schemes	4,272	7,703	5,240
Single Payment Scheme	20,105	18,165	13,780
Other	13,931	19,116	16,188
TOTAL FARM OUTPUT	138,446	109,028	96,396
Variable costs			
Livestock specific costs	36,662	21,893	19,382
Crop specific costs	12,601	6,078	7,330
TOTAL VARIABLE COSTS	49,263	27,971	26,712
TOTAL GROSS MARGIN	89,183	81,057	69,684
Fixed costs			
Labour	5,692	7,847	5,225
Machinery	31,530	24,428	22,915
General farming costs	11,366	12,575	11,276
Land & Property	16,176	12,364	11,563
Interest paid	3,520	2,923	2,507
TOTAL FIXED COSTS	68,284	60,137	53,486
FARM BUSINESS INCOME	20,899	20,920	16,198

The balance sheets show farms in the North have the lowest total assets, with the East and West having more land and building assets. Total liabilities are lowest in the West and highest in the North. (see Appendix 5).

Farm Size Comparisons

Farm size can be described in terms of Standard Labour Requirement. Five sizes, ranging from Part-time to Very Large, are used and the financial details are shown in Table 13⁷. Full details of the definitions relating to farm size are given in Appendix 1.

⁷ Appendix 6 gives more details of the Farm Size data

Table 13 Farm Business Income by size of business, 2014/15

Farm Size by Standard Labour Requirement	Part-time	Small	Medium	Large	Very Large
Number of farms in group	44	90	64	53	38
Average farmed area (hectares)	57.1	76.9	124.4	161.7	402.4
Average proportion of owned total farmed area	74%	81%	68%	48%	21%
	£ per farm				
Output					
Livestock and crops	36,682	54,702	81,382	131,747	281,034
Agri- environment type schemes	3,226	5,107	10,724	7,927	16,956
Single Payment Scheme	10,726	13,831	21,296	25,359	48,568
Other	15,066	17,786	18,120	17,014	21,292
TOTAL FARM OUTPUT	65,700	91,426	131,522	182,047	367,850
Variable costs					
Livestock specific costs	11,207	19,001	24,469	45,880	105,446
Crop specific costs	3,716	7,482	9,400	15,394	26,336
TOTAL VARIABLE COSTS	14,923	26,483	33,869	61,274	131,782
TOTAL GROSS MARGIN	50,777	64,943	97,653	120,773	236,068
Fixed costs					
Labour	3,401	4,176	7,386	10,898	31,171
Machinery	17,050	22,495	28,133	42,444	65,070
General farming costs	8,878	11,341	13,787	16,452	24,438
Land & Property	7,353	11,052	14,079	22,823	44,910
Interest paid	1,055	3,818	3,231	4,144	8,004
TOTAL FIXED COSTS	37,737	52,882	66,616	96,761	173,593
FARM BUSINESS INCOME	13,040	12,061	31,037	24,012	62,475

The average size of the Part-time farms is close to 57 hectares (141 acres), compared to the Very Large farms, which are more than seven times bigger. The total area farmed by the business increases in relation to the size of the farm and the proportion of tenanted land remains similar from Part-time to Medium farms and then increases on Large and Very Large farms, with the Very Large farms renting nearly 80% of the land they farm.

The gross margin per hectare is similar on all sizes except for the Very Large farms where the gross margin was less than three quarters of the level achieved by the other businesses; Farm Business Income per hectare shows no trend as size increasing with Small farms and the Very Large farms having the lowest Farm Business Income per hectare and Part-time farms and Medium Farms the highest, as illustrated in Figure 11.

Figure 11 Gross Margin and Farm Business Income per hectare by farm size, 2014/15

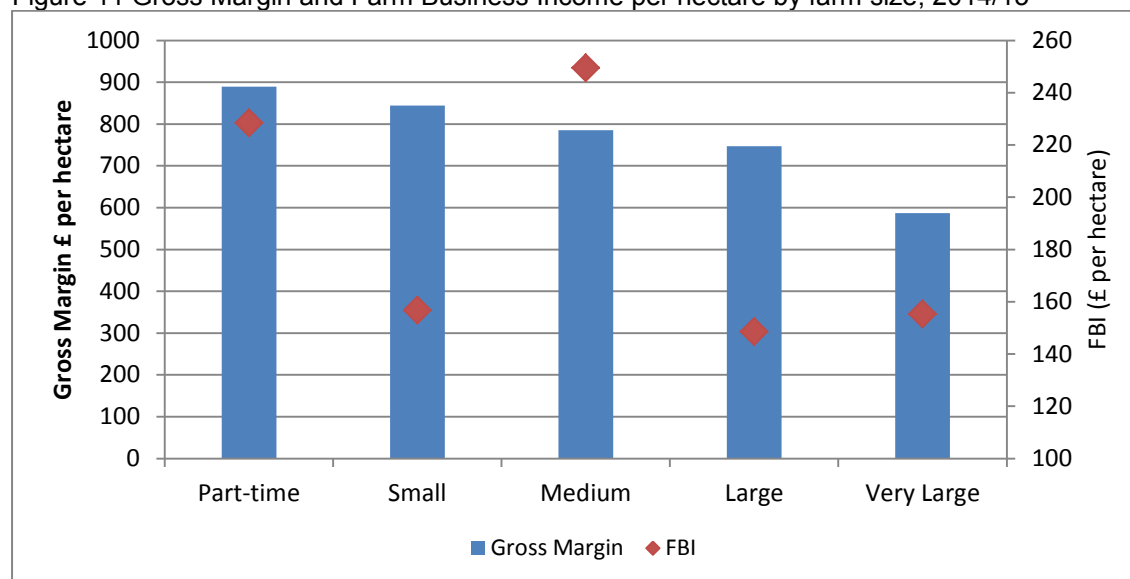


Figure 12 illustrates how scale of business affects the gross margin and farm business income on a per farm basis. As the scale of business increases, one anticipates economies of scale, particularly with fixed costs.

Figure 12- Output, Gross Margin, Fixed Costs and Farm Business Income by farm size, 2014/15

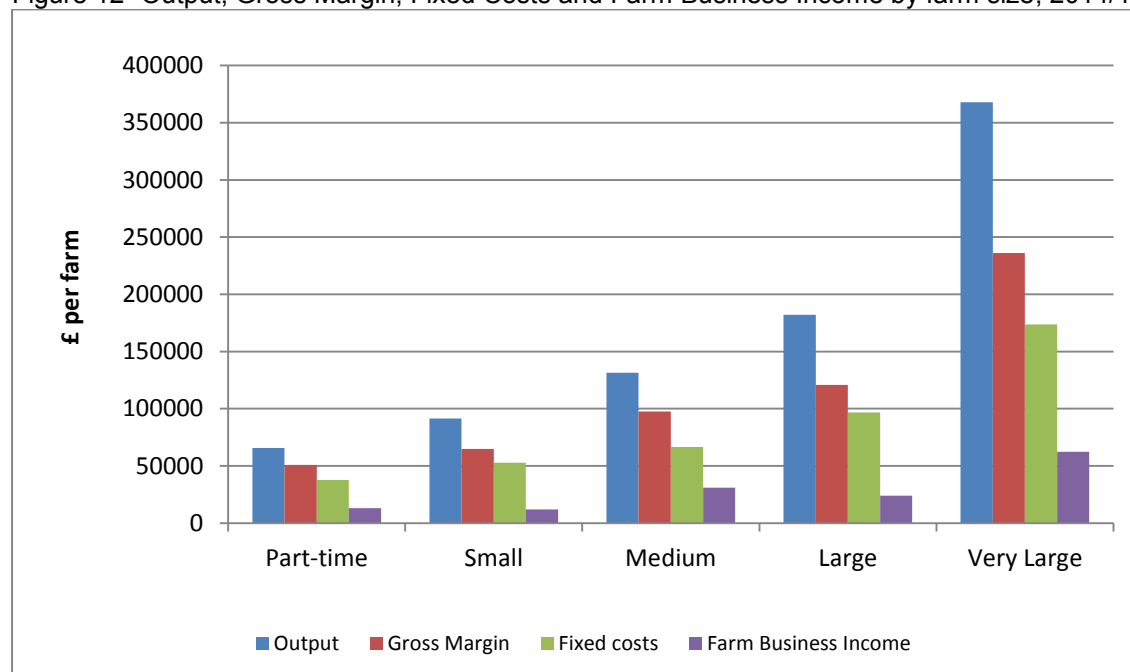


Figure 13 illustrates the farmed area and livestock unit per farm along with Farm Business Income. The differences are small but the Large farms had the highest stocking rates. The other groups have broadly similar stocking rates, apart from the Part-time farms which have the lowest stocking rates.

Figure 13 Farm Business Income, Livestock Units (LU) and Farmed Area (hectares) by farm size, 2014/15

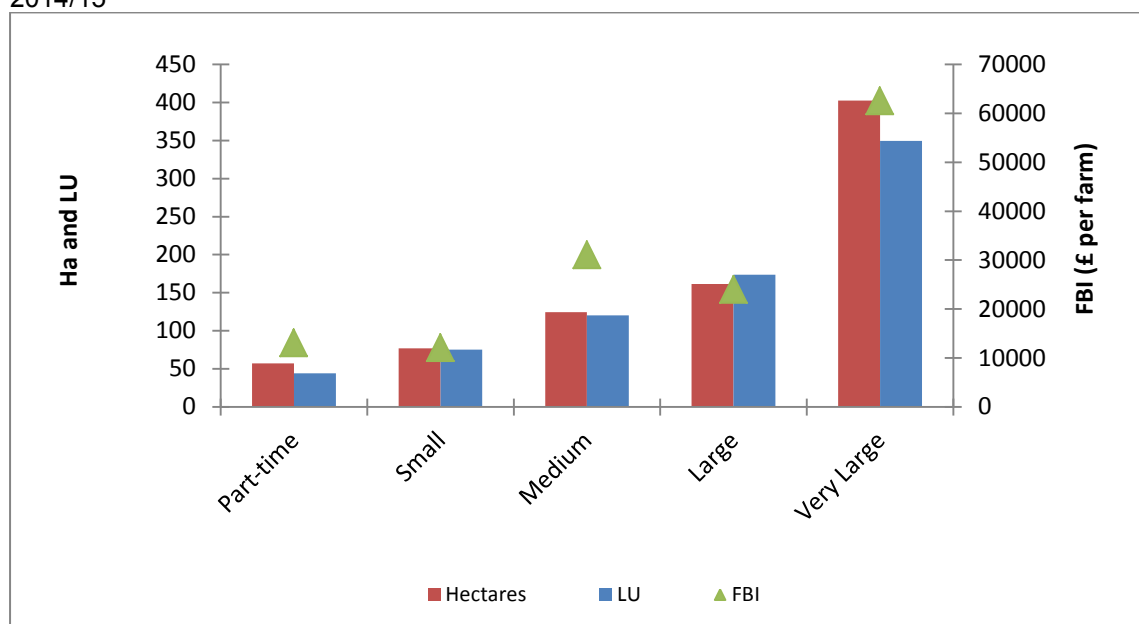


Table 14 Farm size- data per £100 of output, 2014/15

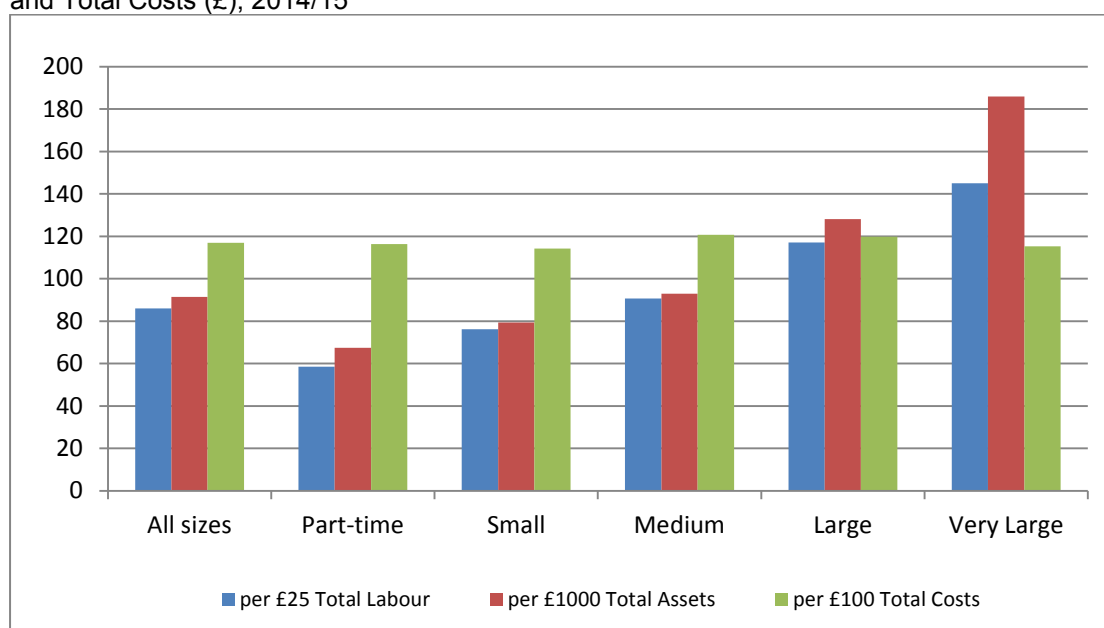
Farm Size by Standard Labour Requirement	Part-time	Small	Medium	Large	Very Large
	£ per £100 output				
Output					
Livestock and crops	56	60	62	72	76
Agri- environment type schemes	5	6	8	4	5
Single Payment Scheme	16	15	16	14	13
Other	23	19	14	9	6
TOTAL FARM OUTPUT	100	100	100	100	100
Variable costs					
Livestock specific costs	17	21	19	25	29
Crop specific costs	6	8	7	8	7
TOTAL VARIABLE COSTS	23	29	26	34	36
TOTAL GROSS MARGIN	77	71	74	66	64
Fixed costs					
Labour	5	5	6	6	8
Machinery	26	25	21	23	18
General farming costs	14	12	10	9	7
Land & Property	11	12	11	13	12
Interest paid	2	4	2	2	2
TOTAL FIXED COSTS	57	58	51	53	47
FARM BUSINESS INCOME	20	13	23	13	17

The Single Payment Scheme (SPS) income per hectare declines as the size of the business increases from £188 for Part-time farms to £121 for the Very Large farms. With the SPS for 2014 based entirely as an area payment the difference relates to land hired in on which the farmer cannot claim the SPS. In this situation the SPS would be claimed by the landlord, assuming the land is eligible for SPS in the first place.

The normal trend of the increasing size of the business and their decreasing reliance on the 'diversified' income is also apparent. The fixed costs do loosely follow economies of scale, being lower per hectare as the size of the farms increases, except for the Part-time farms that have lower fixed costs per hectare than expected and Large farms higher (Table 14). The stocking rate also increases with scale from the Part-time to the Large farms but declines on the Very Large farms.

Other performance measures by size of farm are illustrated in Figure 14. For this analysis the total labour costs includes an estimate for the labour contributed by the farmer & spouse.

Figure 14 – Performance measures- Farm Business Output achieved by Total Labour, Total assets and Total Costs (£), 2014/15



Labour and Total Assets relative to output indicate that with increasing scale their use improves but Total costs are very similar across all farm sizes.

The importance of the Single Payment Scheme to the Lowland Livestock Grazing farms

With the low level of the Farm Business Income generated by the Lowland Grazing Livestock farms the importance of the Single Payment Scheme (SPS) cannot be underestimated, as illustrated in Table 15. The SPS per farm is similar to the previous year, for all farms and represents 16% of the Total Output for Lowland Livestock Grazing farms.

Without the Single Payment Scheme, the average Lowland Livestock Grazing farm would be making a Farm Business Income of £2,270. The Small and Large farms would be making a loss, compared with Part-time, Medium and Very Large which would be making a positive income. The Very Large farms would be making nearly £14,000. The All farms level of private drawings was £20,000 greater than the Farm Business Income net of SPS. None of the farm size groups would have an income greater than their private drawings without SPS.

Table 15 Farm Business Income and Single Payment Scheme, 2014/15

	All Farms	Part-time	Small	Medium	Large	Very Large
	£ per farm					
Farm Business Income	18,471	13,039	12,061	31,036	24,012	62,474
Single Payment Scheme Income	16,201	10,726	13,831	21,296	25,359	48,568
Farm Business Income less SPS	2,270	2,313	-1,770	9,740	-1,347	13,906
Private drawings	22,732	17,950	20,646	29,574	32,837	39,933

When the SPS was introduced it was anticipated that the market would adjust to any reduction in supplies by lifting prices for the livestock and crops produced by English farms, thus maintaining incomes as SPS gradually moved to the flat rate by 2013. From 2015 the Basic Payment Scheme replaces SPS with the payment rates for lowland England, per hectare, lower than those received for the SPS.

Farm Business Income by 'Cost Centre'

The Farm Business Survey farm data has been split into four 'Cost Centres' for a number of years. For the 2008/09 year onwards, estimates have also been made to a number of the variable and fixed costs in order to produce Farm Business Incomes for these four cost centres-

1. Agriculture
2. Agri-environment and other payments
3. Diversification out of agriculture
4. Single Payment Scheme

For these calculations, Casual labour and Contracting are considered variable costs rather than fixed costs as in our other tables, and interest is net rather than being shown as an income and a cost.

Table 16 Farm Business Income by Cost Centre by EU region, 2014/15

£ per farm	All farms	EU North	EU East	EU West
Total Farm Business Income	18,471	20,899	20,919	16,199
<i>Of which, by cost apportionment</i>				
Agriculture	-7,046	-4,557	-9,907	-6,013
Agri-environment and other payments	4,793	3,763	6,498	4,040
Diversification out of agriculture	6,148	3,688	7,955	5,766
Single Payment Scheme	14,576	18,005	16,373	12,406

In 2011/12 the Farm Business Income for the Agriculture cost centre was positive for 'All farms' and also for all the EU regions. This was the first and only time. In 2014/15 the average loss ranges from the agriculture cost centre were -£4,500 and -£10,000 (see Table 16). As compared to the previous year, the 'Agri-environment and other payments' and 'Diversification out of agriculture' now make a

greater contribution with increases of over a third for 'All farms'. The Contribution to Farm Business Income of the Single Payment Scheme cost centre is approximately £500 per farm lower.

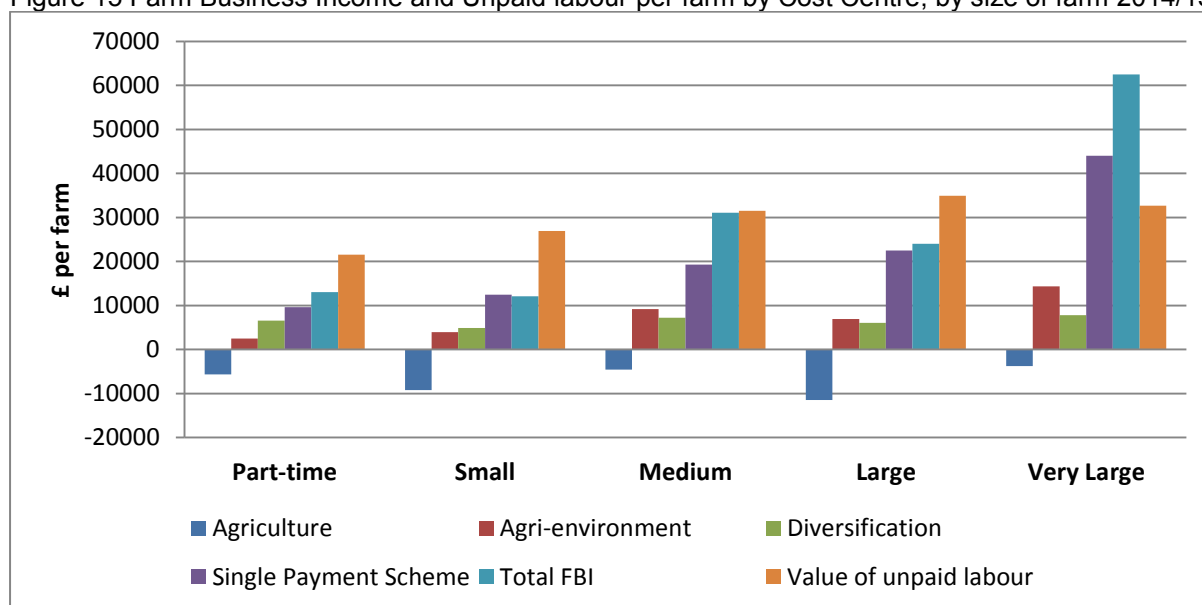
The majority of the Farm Business Income comes from the Single Payment Scheme 'cost centre' - 79% of the total Farm Business Income figure for 'All farms'.

Table 17 illustrates how the Farm Business Income changes for the different size of businesses. The contribution from the 'Agriculture' cost centre is negative for each group with the largest loss on the Large farms and the least loss on the Very Large sized businesses. The Part-time and Medium sized businesses have the highest per hectare income. The Very Large farms are more than twice the size of the Large farms with lower fixed costs per hectare but they also have the lowest gross margin per hectare of all the different size groups. Thus the Agriculture income strand makes a loss of over £3,500.

Table 17 Farm Business Income by Cost Centre by Size of farm, 2014/15

£ per farm	Part-time	Small	Medium	Large	Very Large
Total Farm Business Income	13,039	12,061	31,036	24,012	62,474
<i>Of which, by cost apportionment</i>					
Agriculture	-5,643	-9,238	-4,593	-11,453	-3,736
Agri-environment and other payments	2,487	3,943	9,169	6,892	14,374
Diversification out of agriculture	6,551	4,906	7,181	6,083	7,823
Single Payment Scheme	9,644	12,450	19,280	22,490	44,013

Figure 15 Farm Business Income and Unpaid labour per farm by Cost Centre, by size of farm 2014/15



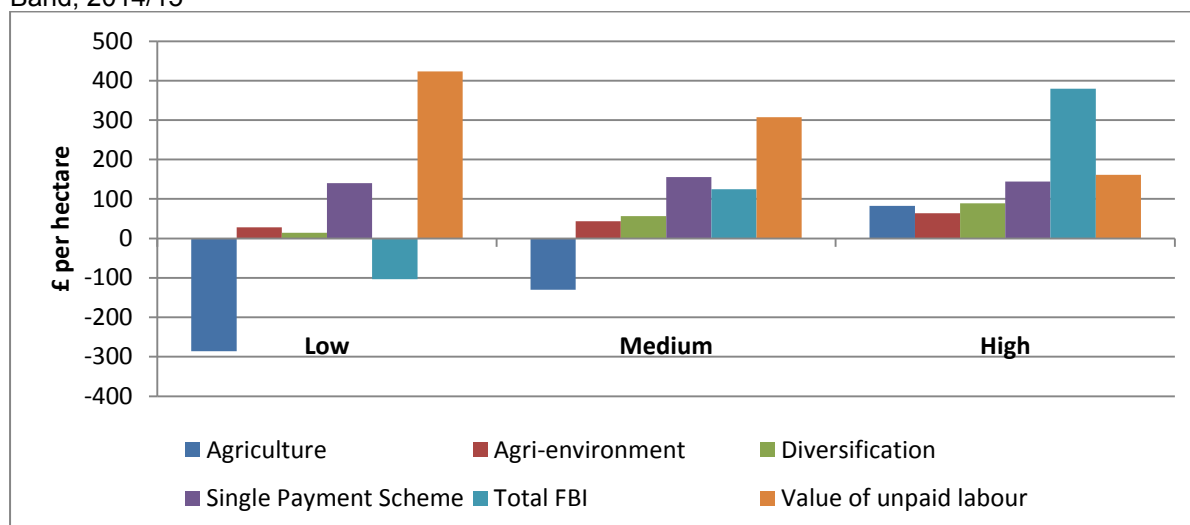
The value of unpaid labour used by the businesses is illustrated alongside the Farm Business Income by Cost centre (Figure 15). Only the Very Large farms have a Farm Business Income greater than the value of unpaid labour. The contribution from the Single Payment Scheme cost centre ranges from 62% of the total Farm Business Income for Medium sized farms, 70% for Very Large farms, 74% for Part-time farms, 94% for Large farms and 103% for Small farms. Full details of the data are available in Appendices 8-19.

Following on from the previous discussion regarding the importance of the Single Payment Scheme to the Lowland Grazing Livestock farms the reality of farming without the majority of this support would look very bleak.

The scale of a business does have a large effect on the Performance Band of a farm, with higher performing farms being larger in area. Low performers have only 38% of the farmed area of the higher performing farms. Representing the data on a per hectare basis as in Figure 16 illustrates a number of points;

- The Agriculture cost centre accounts for most of the difference between the Farm Business Income per hectare of the three performance groups. Farm Business Income per hectare from 'Agriculture' increases with performance band with the Low performers making a loss of £286 per hectare, the Medium making a loss of £130 and the High performers making £82 per hectare. The Low performance band showed an improvement per hectare of £90 with the Medium and High performers little changed compared to the previous year.
- On Low and Medium Performing farms the contribution from the agri-environmental and diversification cost centres to total Farm Business Income is lower than that of the High performance band, with the Low performing group less than half that of the High performing group.
- The FBI generated by the Single Payment Scheme cost centre is highest for Medium performing farms (£ per ha) with High performing farms receiving £11 less per hectare, and is £15 lower per hectare for Low performing farms

Figure 16 Farm Business Income and Unpaid labour per hectare by Cost Centre, by Performance Band, 2014/15



Gross Margin data from the Lowland Grazing Livestock farms

A number of the Lowland Grazing Livestock farms within the Farm Business Survey sample are able to calculate gross margins for their enterprises with the full details summarized in Appendices 19-21. Where the sample sizes allow, top third group figures (weighted total population) are also produced and shown alongside the average figures. Sample sizes are small for some of these analyses and standard error bars have been included in the figures to indicate the accuracy of the estimate of the mean. Error bars are shown on 95% confidence intervals as a measure of the uncertainty that may apply to the estimated means. These signify that we are 95% confident that this range contains the true value. They are calculated as the standard error (se) multiplied by 1.96 to give the 95% confidence interval (95% CI)

Table 18 summarizes the gross margin from the beef cow enterprises for the conventional and organic producers. Gross margin per cow is 17% higher for the organic producers as compared to conventional producers, but with lower stocking rates the gross margin per hectare for the organic producers is lower than the conventional producers.

The Top Third producers' gross margins per cow are approximately 75% higher than that of the average, with the majority of the difference due to higher output, but also much lower variable costs.

Table 18 Lowland Beef Cow Gross Margin data

Gross margins per cow, per LU and per hectare

2014/15

(Weighted performance)

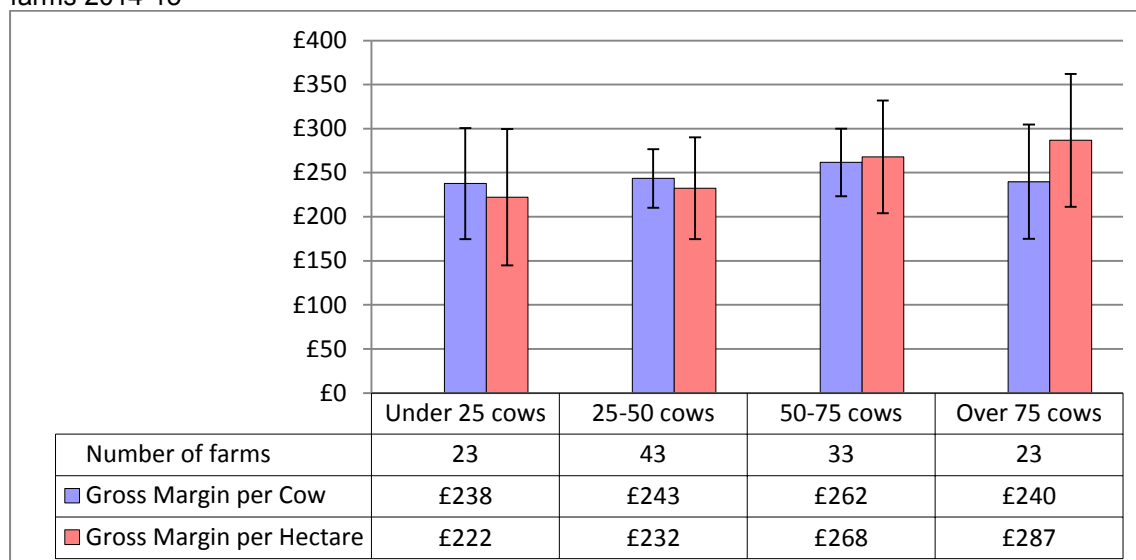
		CONVENTIONAL		ORGANIC
		Average	Top third*	Average
Number of farms		122	41	33
Cows per herd		41	42	38
Stocking rate:	LU/ha	1.0	1.0	0.9
		£ per cow		
Output		450	555	379
Variable Costs		203	172	125
Gross Margin per head		247	383	254
Gross Margin per LU		249	380	251
Gross Margin per Hectare		252	403	229

* Top third selected by level of gross margin per cow

Compared to the previous three years the gross margin per beef cow is similar for both the Conventional and Organic producers. Output is slightly higher this year and variable costs are unchanged.

Figure 17 shows the Lowland Beef Cow gross margin per head and per hectare for four size groups of conventional producers. Care is needed to interpret the data due to small sample sizes. The gross margin per cow and per hectare is similar across the size groups but on a per hectare basis, tends to increase with herd size.

Figure 17 Lowland Beef Cow Gross Margin per Head and Per Hectare, by Herd size, conventional farms 2014-15



The beef rearing gross margin data for 'beef bred' store cattle and finished cattle are summarized for conventional producers in Table 19. Both systems produce a broadly similar gross margin per head, both on average and at the premium level. Output is higher in the finishing system but so are their variable costs. On a per hectare basis the finishers have much higher stocking rates so achieved superior gross margins. Gross margins are similar to 2013/14.

Table 19- Lowland Beef Rearing Enterprise Gross Margin data, 2014/15
Gross margins per head, per LU and per hectare
(Weighted average performance)

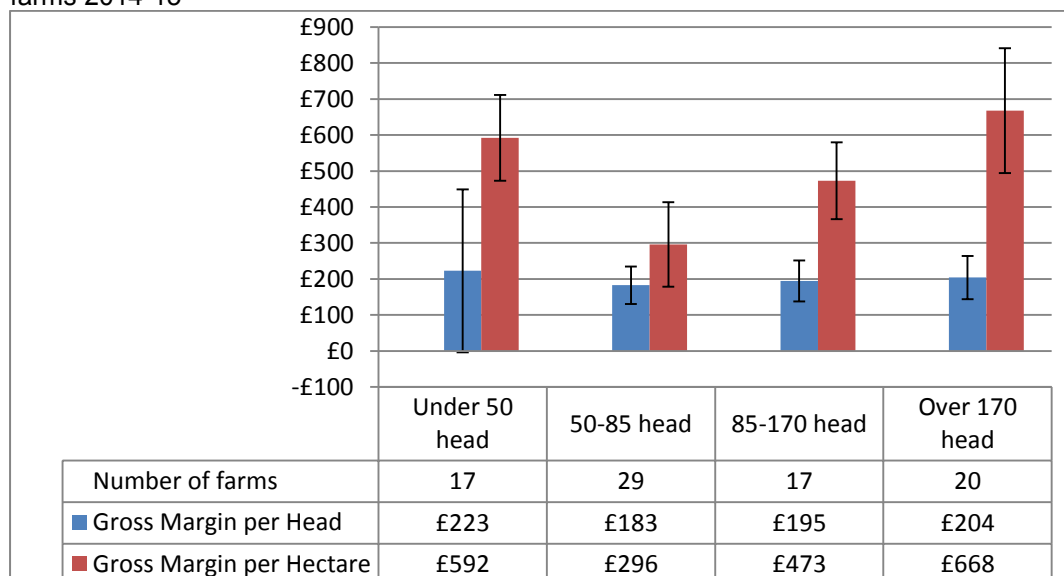
	Beef bred store cattle		Beef bred finished cattle		Beef Bred finished cattle (organic)
	Average	Top third*	Average	Top third*	Average
Number of farms	58	19	83	28	21
Number of head per farm	41	33	94	86	73
Stocking rate: LU/Ha	1.1	1.0	1.7	1.7	1.5
	£ per head				
Output	405	558	444	570	400
Variable Costs	174	155	245	218	119
Gross Margin per head	231	403	199	352	281
Gross Margin per LU	395	693	335	583	432
Gross Margin per Hectare	432	719	564	965	664

* Top third selected by level of gross margin per head

For the lowland beef bred finishing systems, the lower variable costs per head for the organic producers more than compensates for their lower output, leaving the average conventional beef bred finisher with the lower gross margin per head. (See Table 19)

The Top third group of producers have a gross margin per head close to three quarters higher than the average. On a per hectare basis a similar increase can also be seen for both the premium beef finishers and store cattle producers. As with most of the gross margins from these farms the Top third producers have higher output and lower variable costs.

Figure 18 Beef Bred Finished Cattle Gross Margin per Head & per Hectare, by herd size conventional farms 2014-15



The output per head from the Beef Bred Finished Cattle producers tends to increase with the scale of enterprise, as does the level of variable costs, particularly concentrate feeds, but the resulting gross margins are not consistent (Figure 18). However, the number of data points for each herd size group is low (less than 30 in each case) so differences between groups should be treated with some caution. The herds with 50-85 head have the lowest gross margin per head and the herds with less than 50 have the highest. The stocking rate is greatest for the largest herds.

The gross margin details for the lowland ewes are given in Table 20, showing an advantage in margin of £6 per ewe in favour of the conventional producers when compared to the organic producers. The stocking rates for both types of production are low, at close to 5 ewes per hectare which is about half the stocking rate of Lowland Dairy farms. As compared to the previous year the gross margin per ewe from conventional producers increased by about £17 per head due mainly to higher output, with the average finished lamb price the same as the previous year but with more lambs produced.. For organic lowland sheep flocks the gross margin was similar to 2013/14 with both output and costs unchanged.

Table 20 –Lowland Ewe Gross Margin data, 2014/15

Gross margins per ewe and per hectare

	CONVENTIONAL		ORGANIC
	Average	Top third*	Average
Number of farms	125	42	27
Ewes per flock	353	313	209
Average lamb sale price - £/lamb	78	80	76
Stocking rate - ewes per hectare	5.4	7.0	4.8
	£ per head		
Output	105	146	90
Variable Costs	45	55	36
Gross Margin per head	60	91	54
Gross Margin per LU	383	563	350
Gross Margin per Hectare	325	631	263

*Top third selected by gross margin per ewe

Figure 19 Lowland Ewe Gross Margin per Head and Per Hectare by flock size. 2014/15

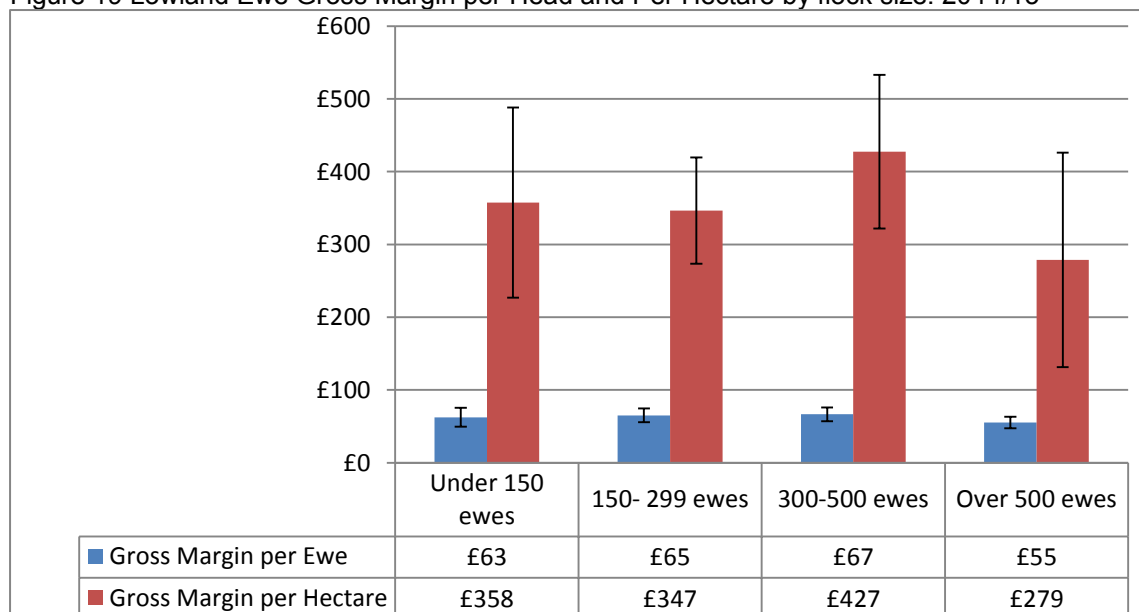
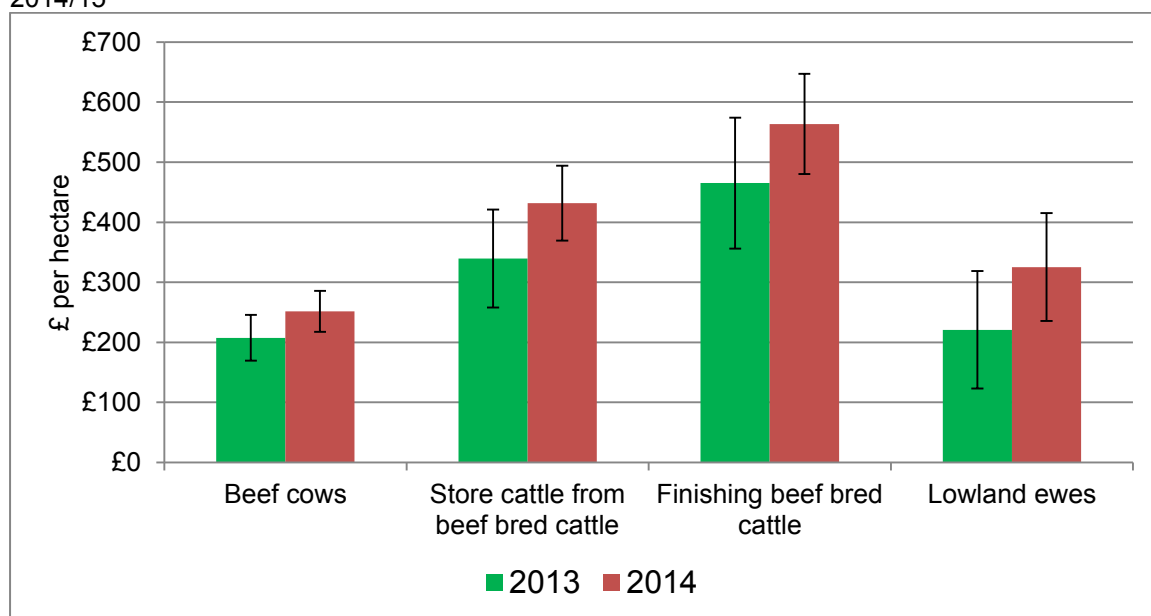


Figure 19 illustrates the differences in gross margins by the size of flock. The largest flocks have the lowest gross margin, both per head and per hectare. There is a lot of variability in this group particularly on a per hectare basis. The three smallest flock sizes have similar performance per ewe but the gross margin per hectare is highest for flock with 300-500 ewes.

Gross margins per hectare from all the main livestock enterprises increased compared to the previous year, back to levels similar to 2012 and more normal climatic conditions. Comparing the average gross margin per hectare across the differing livestock enterprises (Figure 20), the beef finishers have the highest margin followed by store cattle producers and the ewes, with the beef cows having the lowest gross margin per hectare.

Figure 20 Comparing gross margin per hectare for average conventional producers 2013/14 and 2014/15



Appendix 1 The Farm Business Survey (FBS)

General

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

Classification of survey farms by type of farming and size of business

A revised classification of farm types was introduced in 2010/11 based on Standard Outputs, which caused changes to the distribution of farms by farm type. Further details of the revised classification and its effect on the FBS sample may be found at:

<https://www.gov.uk/farm-business-survey-technical-notes-and-guidance>

The lower size threshold for the Farm Business Survey was also changed from 0.5 Standard Labour Requirements (in annual full-time equivalents) to a standard output of 25,000 Euros. Therefore, the results published here relate to farms for which the total standard output from cropping and stocking activities is at least 25,000 Euros.

The Standard Labour Requirement (SLR) of a farm represents the normal labour requirement, in Full Time Equivalents, for all the enterprises on a farm under typical conditions. The SLR for a farm is calculated from standard coefficients applied to each enterprise on the farm. The standard coefficients represent the input of labour required per head of livestock or per hectare of crops for enterprises of average size and performance.

Farms in the sample are grouped by type of farm based on the EC system of classification defined by Commission Decision 85/377/EEC (with minor modifications to adapt it to United Kingdom conditions) and Standard Outputs per hectare of crop area and per head of livestock estimated over the period 2008-2012.

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

The characteristics of each farm type are summarised as follows:

Dairy-Farms where the dairy enterprise, including followers, accounts for over two-thirds of their total SO.

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

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

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

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

Horticulture- Holdings on which fruit (including vineyards), hardy nursery stock, glasshouse flowers and vegetables, market garden scale vegetables, outdoor bulbs and flowers, and mushrooms account for more than two thirds of their total SO

Specialist pigs- Farms on which pigs account for over two-thirds of their total SO.

Specialist poultry -Farms on which poultry account for over two-thirds of their total SO.

Mixed farms- Farms where crops account for one-third, but less than two-thirds of total SO and livestock accounts for one-third, but less than two-thirds of total SO. It also includes holdings with mixtures of cattle and sheep and pigs and poultry and holdings where one or other of these groups is dominant, but does not account for more than two-thirds of the total SO.

Farm business size in the United Kingdom is measured in Standard Labour Requirements (SLR) expressed in terms of full-time equivalents. Five size groups are defined for this report:

- Part-time (greater than 0.5 and less than 1.0)
- Small (greater than or equal to 1 less than 2)
- Medium (greater than or equal to 2 less than 3)
- Large (greater than or equal to 3 less than 5)
- Very Large (greater than or equal to 5)

Farms are allocated to performance bands according to total farm output divided by total farm costs. The farms are then ranked and allocated to groups representing 25, 50 and 25 percentiles; equivalent to low, medium and high performance bands.

Weighting Procedure

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

<https://www.gov.uk/farm-business-survey-technical-notes-and-guidance>

Definition of Terms

Utilised agricultural area is the crop area, including fodder, set-aside land, temporary and permanent grass and rough grazing in sole occupation (but not shared rough grazing) i.e. the agricultural area of the farm. It includes bare land and forage let out for less than one year.

Total area of farm is the utilised agricultural area plus woodland and other areas of the farm not used for agriculture (e.g. buildings, roads, water, and household gardens).

Total tillage comprises the utilised agricultural area, plus bare land and forage hired in from others in the accounting period, minus temporary and permanent grass and rough grazing in sole occupation (but not shared rough grazing).

Total area farmed comprises the total area of the farm minus woodlands and buildings, etc. plus net land hired in.

Adjusted utilised agricultural area comprises the utilised agricultural area with rough grazing in sole occupation converted to a permanent pasture equivalent.

Stocking figures are the average annual level of stocking based on estimated average livestock numbers on the farm for the year, including fractions for livestock on the farm for less than a year.

Total livestock units are used as an approximate measure of stocking intensity and are based on the estimated energy requirements of different species and ages of livestock. . A summary of the main livestock units is shown below

Dairy cows	1.00 LU	Beef Cows	0.75 LU	Heifers in calf	0.80 LU
Cattle over 2 years	0.80 LU	Cattle 1-2 years	0.65 LU	Cattle 0-12 months	0.34 LU
Bulls	0.75 LU	Lowland Ewes	0.10 LU	Upland Ewes	0.08 LU
Hill Ewes	0.06 LU	Store lambs	0.04 LU	Rams	0.08 LU

Annual labour units (ALU) are the estimated number of full time worker equivalents of persons working on the holding during the year. Part-time workers are converted to full-time equivalents in

proportion to their actual working time related to that of a full-time worker. One ALU represents one person employed for 2,200 hours.

Enterprise output is the main measure of individual crop and livestock output. It comprises:

- (a) **Cash crop enterprise output**, which is the total value of cash crops produced by the farm (other than losses in the field and in store) including *direct crop subsidies* due. It includes crops used for feed and seed by the farm business and those consumed in the farmhouse and by farm labour. Crop enterprise output is calculated on a "harvest year" as distinct from an "accounting year" basis; that is, it refers only to those crops (with the exception of certain horticultural crops) wholly or partly harvested during the accounting year and excludes any crop carried over from the previous year. Thus valuation changes (between the previous and current crops) are not relevant and the total harvested yield of the crop is valued at market prices (plus any subsidies). However, any difference between the opening valuation of any stocks of previous crops and their ultimate disposal value (sales, used on farm and any end-year stocks) is included in total farm output and net farm income.
- (b) **By-products, forage and cultivations**, which cover the value of output of the by-products of agricultural activity, sales of fodder, valuation changes for fodder and cultivations. It also covers revenue from the letting of bare land or forage on a short-term lease.
- (c) **Livestock enterprise output** comprises the total sales of livestock and livestock products, part of the valuation change (see below), produce consumed in the farmhouse and by labour and the value of milk and milk products fed on the farm (excluding direct suckling) adjusted for debtors at the beginning and end of the year and transfers between enterprises; less purchases of livestock and livestock products from outside the farm business. Stock appreciation for breeding livestock (cattle, sheep and pigs) has been excluded from individual livestock enterprise outputs. However, changes in the numbers of breeding livestock between the opening and closing valuation and the total valuation change of trading livestock are included. Unlike crop enterprise output, livestock enterprise output is calculated on an accounting year basis.
- (d) **Rental Income** comprises the renting-out of farm cottages and other buildings, where these are inseparable from the main farm account
- (e) **Contract work** includes returns from the use of farm resources for hire work
- (f) **Miscellaneous output includes** returns from recreational activities, added value activities, the private share of the rental of the farmhouse and the value of any farm labour or other inputs used for producing capital assets for the farm.

Total farm output is the sum of crop and livestock enterprise output, income from the agri-environment schemes, single payment scheme and miscellaneous output, and the adjustment for previous years' crops. It excludes breeding livestock stock appreciation.

Inputs comprise payments and the estimated value of non-cash inputs, including home-grown feed and seed, adjusted for changes in stocks and creditors between the beginning and end of the year. The appropriate share of any input not used entirely by the farm business is deducted.

Total variable costs

These are taken to be costs of feed, veterinary fees and medicines, other livestock costs, seeds, fertilisers, crop protection and other crop costs.

Concentrate feed includes (a) bought compounds and grains, sugar beet pulp, proteins, milk powder, animal and plant proteins, additives, minerals and vitamins; and (b) home produced cereals, beans, peas, milk and milk products, valued at the average ex-farm price.

Purchased Fodder includes purchased bulk feeds such as potatoes, vegetable residues, wet brewers' grains, hay and feed straw, and agistment. It does not include forage produced on the holding. Payments for grass keep and bare land are shown with land charges.

Veterinary fees and medicines consist of veterinary fees and the cost of all medicines.

Other livestock costs includes all expenditure relating directly to livestock production such as freeze branding, AI fees, milk tests, breed society fees, dairy and other detergents, packing materials, bedding straw, show expenses, processing and marketing charges, disposal of casualties, etc. and other livestock costs not separately identified.

Seeds This comprises expenditure on purchased seeds, plants and trees adjusted for changes in stocks. Home-grown seed from the previous crop is included and charged at estimated market price: any seeds from current crops and sown for a succeeding crop are excluded, but are included in the closing valuation of the crop and hence in enterprise output. This enables the value of homegrown seed used in the production of the current crop to be identified.

Fertilizers This includes lime, fertilisers and other manures, and is adjusted for changes in stock. Fertilisers sown for next year's crops are treated as if they were still in store and are included in the closing valuation.

Crop protection This includes costs of pre-emergent sprays, fungicides, herbicides, dusts and insecticides and other crop sprays.

Other crop costs includes all expenditure relating directly to crop production such as packing materials, baler cord, soil analyses, crop competition costs, polythene (for tunnels), all storage and market preparation costs, purchase of standing crops, marketing charges, soil sterilisation, etc. It also includes the cost of renting bare land (for growing cash crops) for less than one year.

Total fixed costs

These are the costs of labour, machinery, contract work, land and buildings, other general farming costs and depreciation.

Labour (excluding farmer and spouse) costs include all work in connection with the normal running of the holding including field work, livestock husbandry, market preparation, maintenance, transport and other related operations. They exclude work to produce fixed assets (construction or repairs of buildings and machinery, etc), domestic work and business travel/professional meetings, etc. 'Unpaid' labour is valued at the appropriate rate for the work actually done. The value of the manual labour of the farmer and spouse is not charged as an input in calculating net farm income

Contract costs These costs include expenditure on work carried out by agricultural contractors, including the costs of materials employed, such as fertilisers, unless these can be allocated to the specific heading. Costs of hiring machines to be used by the farm's own labour are also included. Expenditure on contract labour is only included here if it is associated with the hiring of a machine. Otherwise it is entered under (casual) labour.

Machinery costs relate to all machinery and equipment items, which originally cost more than £500, including the farm share of road vehicles. Depreciation is calculated on a replacement cost basis (broadly equivalent to 15% of current replacement costs). Repairs are recorded net of insurance receipts.

Land expenses include tenant-type repairs and land upkeep costs as Property repairs, the actual rents paid by tenant farmers and drainage rates where incurred. Payments for grass keep and bare land are also included. For land and buildings owned a 'rental value' is included based on similar payments made by tenants in similar circumstances.

General overheads include the farm share of electricity, heating fuel, water, insurance (including labour and buildings insurance) and professional fees. Bank charges secretarial costs, consultancy fees and other sundry costs (such as subscriptions, telephone, postage, stationery, etc.) are included in Other general costs.

Net Farm Income (NFI) is intended as a consistent measure of the profitability of tenant-type farming which allows farms of different business organisation, tenure and indebtedness to be compared. It represents the return to the farmer and spouse alone for their manual and managerial labour and on the tenant-type capital invested in the farm business.

To represent the return to farmer and spouse alone, a notional deduction is made for any unpaid labour provided by non-principal partners and directors, their spouses and by others; this unpaid labour is valued at average local market rates for manual agricultural work.

To confine the measure to the tenant-type activities and assets of the business, an imputed rent is deducted for owner-occupied land and buildings and for landlord-type improvements made by the tenant. No deduction is made for interest payments on any farming loans, overdrafts or mortgages; interest earned on financial assets is also excluded.

Because of these two restrictions, NFI is not a proxy for farm business income; other measures, such as Net Profit and Family Farm Income should be used instead. Nor is it a proxy for farm household income both because NFI does not accurately represent the farmer and spouse share of the business and because it takes no account of any income from off-farm sources.

Breeding livestock stock appreciation represents the change in market prices of breeding cattle, sheep and pigs between the opening and closing valuations.

Farm business income (FBI) for sole traders and partnerships represents the financial return to all unpaid labour (farmers and spouses, non-principal partners and directors and their spouses and family workers) and on all their capital invested in the farm business, including land and buildings. It is defined as Total Farm Output (TFO) plus profit / loss on sale of assets 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 diversification, single farm payment, agri-environmental payments, other grants and subsidies, miscellaneous receipts; C is defined as variable

costs plus fixed costs. Note that prior to 2008/09 directors remuneration was not deducted in the calculation of farm business income. For corporate businesses it represents the financial return on the shareholders capital invested in the farm business. It is used when assessing the impact of new policies or regulations on the individual farm business. Although Farm Business Income is equivalent to financial Net Profit, in practice they are likely to differ because Net Profit is derived from financial accounting principles whereas Farm Business Income is derived from management accounting principles. For example in financial accounting output stocks are usually valued at cost of production, whereas in management accounting they are usually valued at market price. In financial accounting depreciation is usually calculated at historic cost whereas in management accounting it is often calculated at replacement cost.

Farm corporate income represents the return on own capital invested in the farm business, to risk and to entrepreneurship. It is derived by deducting unpaid labour, both manual and managerial, from Farm Business Profit. This allows the profitability of sole traders and partnerships to be compared directly with that of companies. Currently we are able to deduct an estimate of unpaid manual labour but not of unpaid managerial labour and so the data are only approximate. However, we plan to undertake a research project to produce a method for deriving an estimate of unpaid managerial labour, so that we can produce better data for this measure in future.

Farm investment income represents the return on **all** capital invested in the farm business **whether borrowed or not**, to risk and to entrepreneurship. It is a general measure of the profitability of farming as an activity rather than of a particular business.

It is derived by adding net interest payments to Farm Corporate Income. Since currently the data for Farm Corporate income are only approximate, so too are the data for Farm Investment Income.

Balance Sheet Tables

Total fixed assets include milk and livestock quotas, as well as land, buildings, breeding livestock, and machinery and equipment. For tenanted farmers, assets can include farm buildings, cottages, quotas, etc., where these are owned by the occupier.

Bank term loans and **other long and medium term loans** are loans which exceed 12 months.

Net Worth represents the residual claim or interest of the owner in the business. It is the balance sheet value of assets available to the owner of the business after all other claims against these assets have been met.

Appendix 2- Analysis of English Grazing Livestock Farms (Lowland) by level of Farm Business Income by Performance Band

Gross Output, Variable Costs and Farm Gross Margin, 2014/15

	Average all farms	Performance Band		
		Low	Medium	High
Number of farms in group	289	46	156	87
Average farmed area (hectares)	97.8	56.1	93.7	146.3
Average proportion of owned total farmed area	61%	75%	65%	50%
£ per farm				
<u>Output</u>				
Cattle	37,894	20,665	39,780	50,662
Sheep	18,643	5,115	21,219	26,469
Other livestock	688	305	459	1,517
Crops	5,060	3,100	5,363	6,337
Forage	5,978	1,920	5,615	10,609
Environmentally Sensitive Area	17	0	0	69
Countryside Stewardship	452	12	405	971
Higher and Entry Level Stewardship	4,789	1,606	4,370	8,694
Organic Aid/ Organic Entry Level Stewardship	514	434	285	1,050
Other management/ agri-environment schemes	113	61	164	61
Single Payment Scheme	16,201	9,431	16,168	22,774
Rental income	5,093	636	3,122	13,340
Contract work	4,610	1,101	4,885	7,433
Miscellaneous output	7,048	1,821	8,640	8,871
Interest received	30	3	21	74
TOTAL FARM OUTPUT	107,130	46,209	110,495	158,932
<u>Variable costs</u>				
Concentrates	11,720	6,004	14,391	11,847
Purchased fodder	1,120	359	1,091	1,911
Veterinary and medicines	2,755	1,444	3,034	3,455
Other livestock costs	7,328	4,792	7,918	8,581
Seeds	1,171	717	1,300	1,348
Fertilisers	4,663	2,994	5,436	4,714
Crop protection	1,047	647	1,106	1,313
Other crop costs	875	475	1,115	778
TOTAL VARIABLE COSTS	30,680	17,432	35,390	33,946
TOTAL GROSS MARGIN	76,450	28,777	75,105	124,986

Fixed Costs, Farm Business Income, Farm Corporate Income and Farm Investment Income, 2014/15

	Average all farms	Performance Band		
		Low	Medium	High
		£ per farm		
TOTAL GROSS MARGIN	76,450	28,777	75,105	124,986
<u>Fixed costs</u>				
Paid regular labour	4,749	716	6,115	5,878
Directors remuneration	273	568	218	102
Casual labour	1,127	560	1,142	1,642
Contract	5,947	4,233	6,413	6,656
Machinery repairs	4,540	2,830	4,982	5,295
Machinery fuel	4,745	2,607	5,532	5,217
Machinery depreciation	9,534	5,779	10,259	11,687
Other depreciation	0	0	0	0
Electricity	1,128	591	1,107	1,686
Other fuel	275	201	271	354
Water	1,024	741	1,185	970
Insurance	3,612	2,459	3,785	4,374
Professional fees	2,316	1,564	2,446	2,776
Other general costs	3,357	1,951	3,926	3,564
Property maintenance	4,402	2,717	4,731	5,361
Rent, hired in keep and bare land	4,801	2,686	4,942	6,550
Rates	122	32	164	124
Buildings depreciation	3,226	2,533	2,951	4,447
Long-term interest	1,929	736	2,338	2,254
Short-term interest	873	1,077	918	586
TOTAL FIXED COSTS	57,979	34,581	63,425	69,525
 FARM BUSINESS INCOME	 18,471	 -5,804	 11,680	 55,462
 Less - All unpaid labour	 26,275	 23,732	 28,830	 23,585
 <i>Equals</i> - FARM CORPORATE INCOME	 -7,804	 -29,536	 -17,149	 31,876
 Plus - Net Interest	 2,772	 1,809	 3,235	 2,766
 <i>Equals</i> - FARM INVESTMENT INCOME	 -5,032	 -27,727	 -13,915	 34,643

Alternative Income Measures, 2014/15

		Average all farms	Performance Band		
			Low	Medium	High
Reconciliation between Net Farm Income and Farm Business Profit					
	FARM BUSINESS INCOME	18,471	-5,804	11,680	55,462
Plus-	Directors remuneration	273	568	218	102
Less-	Net income from assets associated with the farm business	0	0	0	0
Plus-	Buildings and works depreciation	3,226	2,533	2,951	4,447
Plus-	Landlord type expenses	460	362	516	441
Plus-	Imputed rental income	221	77	292	219
Less-	Imputed rent and rental value	13,471	9,449	13,441	17,399
Plus-	Net Interest	2,772	1,809	3,235	2,766
Less-	Unpaid labour of partners	4,383	2,619	5,154	4,529
Equals-	NET FARM INCOME**	7,570	-12,522	296	41,509

** Excluding Breeding Livestock Stock Appreciation

Land Use and Indicators of Technical Efficiency, 2014/15

	Average all farms	Performance Band		
		Low	Medium	High
Number of farms in group	289	46	156	87
Average farmed area (hectares)	97.8	56.1	93.7	146.3
Average proportion of owned total farmed area(%)	61%	75%	65%	50%
Land use				
Area of crops	5.8	3.9	6.0	7.1
Temporary grass	13.2	9.5	14.5	14.1
Permanent grass	67.8	39.9	65.4	99.3
Fodder crops	1.5	0.5	2.0	1.5
Rough grazing	5.2	1.0	1.7	16.3
Uncropped, fallow and turf	0.6	0.2	0.5	1.0
Forage hired in	3.9	1.2	3.6	6.9
Stocking				
Average number of dairy cows	1	0	1	0
Average number of beef cows	23	20	25	22
Average number of other cattle	82	62	80	105
Average number of ewes	166	57	174	256
Average number of other sheep	175	65	192	245
Grazing livestock units		GLUs per farm		
Dairy cows	0.5	0.0	1.1	0.0
Beef cows	11.4	9.9	12.4	10.8
Other cattle	50.5	38.5	49.2	64.9
Sheep	26.2	9.2	27.7	39.3
Other livestock	1.5	1.6	1.4	1.7
Total	90.1	59.1	91.7	116.7
GLUs per ha	0.98	1.14	1.05	0.84
GLUs per adjusted ha	1.00	1.15	1.06	0.86

Balance Sheet, 2014/15

(end of year)

	Average all farms	Performance Band		
		Low	Medium	High
Number of farms in group	289	46	156	87
Average farmed area (hectares)	97.8	56.1	93.7	146.3
Average proportion of owned total farmed area	61%	75%	65%	50%
£ per farm				
End of year assets & liabilities				
Land & buildings	1,089,096	804,293	1,064,525	1,412,290
Milk quota	0	0	0	0
Single Payment Scheme	21,501	12,859	21,434	29,944
Machinery	56,774	33,148	61,302	70,383
Tenant's other assets	231	73	214	418
Breeding livestock	43,873	28,992	47,421	51,047
Total fixed assets	1,211,476	879,365	1,194,896	1,564,082
Trading livestock	48,295	34,897	46,399	64,985
Crops	1,499	1,205	1,500	1,777
Forage and cultivations	5,996	4,216	6,983	5,723
Stores	5,308	3,232	5,906	6,102
Debtors and loans	8,484	5,110	7,161	14,386
Bank credit and cash	22,598	12,526	17,220	43,091
Other current assets	0	0	0	0
Total current assets	92,178	61,186	85,170	136,064
Total assets	1,303,654	940,551	1,280,066	1,700,145
Financed by				
AMC	16,277	9,307	10,938	33,711
Bank loans	35,829	10,464	49,039	33,656
Other long term	8,288	3,257	7,055	15,603
Total long term	60,394	23,029	67,032	82,970
HP and lease	4,773	2,786	5,666	4,886
Creditors	9,086	5,091	10,547	9,991
Bank overdraft	15,871	8,955	21,001	12,207
Other short term	114	128	139	49
Total current liabilities	29,844	16,959	37,354	27,132
Total Liabilities	90,238	39,988	104,386	110,102
Net worth	1,213,416	900,563	1,175,680	1,590,043
Balance sheet ratios				
% Owner equity (net worth v.total assets)	93%	96%	92%	94%
% Fixed assets vs. total assets	93%	93%	93%	92%
Gearing (long-term loans v.total assets)	5%	2%	5%	5%
Total debt (external liabilities v.net worth)	7%	4%	9%	7%

FUND FLOWS, 2014/15

	Average all farms	Performance Band		
		Low	Medium	High
Number of farms in group	289	46	156	87
Average farmed area (hectares)	97.8	56.1	93.7	146.3
Average proportion of owned total farmed area(%)	61%	75%	65%	50%
£ per farm				
Funds available from trading				
Farm Business Income	18,471	-5,804	11,680	55,462
Buildings and works depreciation	3,226	2,533	2,951	4,447
Machinery depreciation	9,534	5,779	10,259	11,687
Change in valuation *	-84	1,592	695	-3,261
Trading net fund flow surplus	31,148	4,099	25,586	68,335
Funds used for farm investments				
Net property and quota purchases	-6,331	5,757	-26,699	22,996
Net landlord capital purchases	4,462	1,105	4,648	7,315
Net machinery and equipment purchases	10,196	3,370	11,876	13,379
Capital net fund flow	8,326	10,231	-10,175	43,690
Total farm fund flow surplus	22,822	-6,132	35,760	24,645
Funds used for private expenditure				
Private drawings	22,732	11,429	22,453	34,159
Net private funds introduced	-352	23,676	-10,881	-2,285
Private fund outflow	23,084	-12,247	33,334	36,444
Total net fund flow surplus	-262	6,115	2,427	-11,799
Increase in loans and deposits	4,858	3,402	-2,808	21,669
Increase in bank balance	4,879	9,575	2,647	4,851
Increase in cash in hand	-25	-75	-13	-1
Increase in debtors	20	-705	-1,183	3,137
Increase in creditors	278	-722	1,831	-1,883
Net change in funding	262	-6,115	-2,427	11,799

* An increase in valuation is represented as a negative, with funds being used to increase the live and deadstock valuation

Appendix 3- Analysis of English Grazing Livestock Farms (Lowland) by Farm Sub-type

Gross Output, Variable Costs and Farm Gross Margin, 2014/15

	Farm sub-types					
	Average all farms	Beef	Sheep	Beef & Sheep	Agri- related	Other
Number of farms in group	289	90	30	63	59	47
Average farmed area (hectares)	97.8	75.4	123.1	105.6	123.5	89.7
Average proportion of owned total farmed area	61%	63%	32%	52%	68%	75%
	£ per farm					
<u>Output</u>						
Cattle	37,894	60,949	4,578	36,209	26,614	28,703
Sheep	18,643	3,288	79,826	32,518	10,083	9,914
Other livestock	688	342	604	668	394	1,669
Crops	5,060	4,638	2,146	7,224	2,881	7,754
Forage	5,978	2,153	2,828	1,477	6,012	18,253
Environmentally Sensitive Area	17	52	0	0	0	0
Countryside Stewardship	452	28	380	126	1,530	376
Higher and Entry Level Stewardship	4,789	2,724	3,130	4,407	10,621	3,434
Organic Aid/ Organic Entry Level Stewardship	514	208	0	193	1,481	577
Other management/ agri- environment schemes	113	19	9	22	211	308
Single Payment Scheme	16,201	12,704	13,675	15,559	22,851	17,165
Rental income	5,093	2,376	2,493	2,615	16,153	1,675
Contract work	4,610	2,607	1,721	4,091	9,333	5,096
Miscellaneous output	7,048	1,158	7,882	2,809	22,472	4,273
Interest received	30	16	19	38	28	56
TOTAL FARM OUTPUT	107,130	93,262	119,289	107,956	130,663	99,253
<u>Variable costs</u>						
Concentrates	11,720	14,037	15,423	13,652	6,260	9,799
Purchased fodder	1,120	1,208	1,819	1,401	840	647
Veterinary and medicines	2,755	2,276	4,914	3,732	2,131	2,250
Other livestock costs	7,328	7,086	9,497	8,211	6,796	6,392
Seeds	1,171	1,050	823	1,288	1,360	1,264
Fertilisers	4,663	5,309	4,057	5,456	2,773	5,163
Crop protection	1,047	955	942	1,161	585	1,650
Other crop costs	875	846	232	895	1,294	806
TOTAL VARIABLE COSTS	30,680	32,767	37,707	35,796	22,040	27,971
TOTAL GROSS MARGIN	76,450	60,495	81,583	72,160	108,623	71,282

Fixed Costs, Farm Business Income, Farm Corporate Income and Farm Investment Income, 2014/15

	Average all farms	Beef	Sheep	Farm sub-types		Other
				Beef & Sheep	Agri- related	
			£ per farm			
TOTAL GROSS MARGIN	76,450	60,495	81,583	72,160	108,623	71,282
<u>Fixed costs</u>						
Paid regular labour	4,749	2,009	7,096	3,729	7,955	5,789
Directors remuneration	273	55	0	0	1,254	0
Casual labour	1,127	747	1,827	1,217	1,648	789
Contract	5,947	6,124	6,980	6,022	6,014	4,952
Machinery repairs	4,540	4,208	4,501	4,571	4,310	5,358
Machinery fuel	4,745	4,270	4,380	5,197	4,796	5,318
Machinery depreciation	9,534	7,630	8,495	8,732	12,338	11,147
Other depreciation	0	0	0	0	0	0
Electricity	1,128	827	840	623	2,347	958
Other fuel	275	189	74	321	456	299
Water	1,024	1,085	773	1,180	1,185	741
Insurance	3,612	3,192	3,395	3,428	4,380	3,809
Professional fees	2,316	1,852	1,757	1,835	3,385	2,713
Other general costs	3,357	2,307	3,913	3,055	5,358	3,041
Property maintenance	4,402	3,596	3,611	3,584	6,999	4,195
Rent, hired in keep and bare land	4,801	3,881	9,016	6,559	3,672	3,826
Rates	122	50	49	135	316	68
Buildings depreciation	3,226	2,878	1,245	2,573	4,390	4,226
Long-term interest	1,929	1,582	1,058	1,708	3,717	1,296
Short-term interest	873	871	459	861	737	1,250
TOTAL FIXED COSTS	57,979	47,353	59,469	55,331	75,257	59,774
 FARM BUSINESS INCOME	 18,471	 13,142	 22,114	 16,829	 33,367	 11,508
 Less - All unpaid labour	 26,275	 25,750	 29,663	 29,005	 24,344	 25,047
 <i>Equals</i> - FARM CORPORATE INCOME	 -7,804	 -12,608	 -7,549	 -12,176	 9,022	 -13,539
 Plus - Net Interest	 2,772	 2,437	 1,498	 2,531	 4,426	 2,489
 <i>Equals</i> - FARM INVESTMENT INCOME	 -5,032	 -10,170	 -6,051	 -9,644	 13,449	 -11,050

Alternative Income Measures, 2014/15

		Average all farms	Farm sub-types				Other
			Beef	Sheep	Beef & Sheep	Agri- related	
Reconciliation between Net Farm Income and Farm Business Profit							
	FARM BUSINESS INCOME	18,471	13,142	22,114	16,829	33,367	11,508
Plus-	Directors remuneration	273	55	0	0	1,254	0
Less-	Net income from assets associated with the farm business	0	0	0	0	0	0
Plus-	Buildings and works depreciation	3,226	2,878	1,245	2,573	4,390	4,226
Plus-	Landlord type expenses	460	375	298	349	596	647
Plus-	Imputed rental income	221	147	256	219	242	314
Less-	Imputed rent and rental value	13,471	11,019	8,109	11,757	19,505	15,712
Plus-	Net Interest	2,772	2,437	1,498	2,531	4,426	2,489
Less-	Unpaid labour of partners	4,383	4,655	4,829	4,528	3,983	3,968
Equals-	NET FARM INCOME**	7,570	3,360	12,473	6,218	20,787	-494

** Excluding Breeding Livestock Stock Appreciation

Land Use and Indicators of Technical Efficiency, 2014/15

	Farm sub-types					
	Average all farms	Beef	Sheep	Beef & Sheep	Agri- related	Other
Number of farms in group	289	90	30	63	59	47
Average farmed area (hectares)	97.8	75.4	123.1	105.6	123.5	89.7
Average proportion of owned total farmed area(%)	61%	63%	32%	52%	68%	75%
Land use						
Area of crops	5.8	5.3	2.6	7.8	3.9	8.4
Temporary grass	13.2	13.8	6.2	13.2	9.1	20.0
Permanent grass	67.8	50.2	96.7	77.1	87.5	54.2
Fodder crops	1.5	1.8	1.2	0.5	1.1	2.4
Rough grazing	5.2	1.7	1.4	1.1	17.9	3.6
Uncropped, fallow and turf	0.6	0.3	0.1	0.2	1.8	0.3
Forage hired in	3.9	2.4	14.9	5.7	2.1	0.8
Stocking						
Average number of dairy cows	1	0	0	0	1	2
Average number of beef cows	23	27	5	32	20	20
Average number of other cattle	82	125	12	79	63	66
Average number of ewes	166	26	636	292	122	99
Average number of other sheep	175	36	608	327	116	115
Grazing livestock units			GLUs per farm			
Dairy cows	0.5	0.0	0.0	0.0	0.9	1.8
Beef cows	11.4	13.4	2.4	15.9	10.2	9.8
Other cattle	50.5	75.6	7.8	49.5	39.9	41.6
Sheep	26.2	4.5	97.5	46.4	18.7	16.3
Other livestock	1.5	0.6	0.1	0.4	4.0	2.2
Total	90.1	94.1	107.8	112.1	73.8	71.7
GLUs per ha	0.98	1.35	0.89	1.15	0.63	0.88
GLUs per adjusted ha	1.00	1.37	0.90	1.15	0.64	0.90

Balance Sheet, 2014/15

(end of year)

	Farm sub-types					
	Average all farms	Beef	Sheep	Beef & Sheep	Agri- related	Other
Number of farms in group	289	90	30	63	59	47
Average farmed area (hectares)	97.8	75.4	123.1	105.6	123.5	89.7
Average proportion of owned total farmed area	61%	63%	32%	52%	68%	75%
	£ per farm					
End of year assets & liabilities						
Land & buildings	1,089,096	927,336	660,676	942,799	1,526,418	1,264,022
Milk quota	0	0	0	0	0	0
Single Payment Scheme	21,501	17,030	17,460	21,116	30,219	22,557
Machinery	56,774	47,068	50,202	53,136	72,358	63,901
Tenant's other assets	231	296	13	333	89	295
Breeding livestock	43,873	30,675	76,751	68,153	34,798	37,798
Total fixed assets	1,211,476	1,022,405	805,101	1,085,538	1,663,883	1,388,573
Trading livestock	48,295	67,679	17,425	49,261	38,335	40,495
Crops	1,499	1,097	589	2,304	872	2,639
Forage and cultivations	5,996	6,092	4,344	5,831	5,495	7,380
Stores	5,308	5,622	4,070	4,737	5,120	6,117
Debtors and loans	8,484	7,661	10,355	6,107	10,359	9,029
Bank credit and cash	22,598	18,695	24,866	16,238	32,346	23,467
Other current assets	0	0	0	0	0	0
Total current assets	92,178	106,846	61,649	84,479	92,527	89,128
Total assets	1,303,654	1,129,251	866,750	1,170,016	1,756,409	1,477,701
Financed by						
AMC	16,277	10,911	1,358	19,346	17,311	29,778
Bank loans	35,829	26,487	16,075	35,441	68,393	28,460
Other long term	8,288	7,167	20,055	6,208	11,098	2,854
Total long term	60,394	44,565	37,488	60,995	96,803	61,092
HP and lease	4,773	5,145	823	5,080	6,456	4,163
Creditors	9,086	8,038	11,023	8,080	8,662	11,226
Bank overdraft	15,871	14,190	11,803	14,787	23,510	13,823
Other short term	114	208	88	91	50	50
Total current liabilities	29,844	27,581	23,736	28,038	38,677	29,261
Total Liabilities	90,238	72,146	61,225	89,033	135,480	90,353
Net worth	1,213,416	1,057,106	805,526	1,080,984	1,620,930	1,387,347
Balance sheet ratios						
% Owner equity (net worth v. total assets)	93%	94%	93%	92%	92%	94%
% Fixed assets vs. total assets	93%	91%	93%	93%	95%	94%
Gearing (long-term loans v. total assets)	5%	4%	4%	5%	6%	4%
Total debt (external liabilities v. net worth)	7%	7%	8%	8%	8%	7%

FUND FLOWS, 2014/15

	Farm sub-types					
	Average all farms	Beef	Sheep	Beef & Sheep	Agri- related	Other
Number of farms in group	289	90	30	63	59	47
Average farmed area (hectares)	97.8	75.4	123.1	105.6	123.5	89.7
Average proportion of owned total farmed area(%)	61%	63%	32%	52%	68%	75%
	£ per farm					
Funds available from trading						
Farm Business Income	18,471	13,142	22,114	16,829	33,367	11,508
Buildings and works depreciation	3,226	2,878	1,245	2,573	4,390	4,226
Machinery depreciation	9,534	7,630	8,495	8,732	12,338	11,147
Change in valuation *	-84	2,560	-7,066	-3,224	1,376	210
Trading net fund flow surplus	31,148	26,210	24,788	24,911	51,470	27,091
Funds used for farm investments						
Net property and quota purchases	-6,331	-929	-105,179	16,093	-23,025	34,658
Net landlord capital purchases	4,462	2,674	1,540	2,240	6,204	9,244
Net machinery and equipment purchases	10,196	8,165	14,570	9,161	10,477	12,036
Capital net fund flow	8,326	9,909	-89,070	27,493	-6,344	55,938
Total farm fund flow surplus	22,822	16,301	113,858	-2,582	57,814	-28,847
Funds used for private expenditure						
Private drawings	22,732	19,891	22,216	19,884	34,029	18,498
Net private funds introduced	-352	7,626	-88,597	14,930	-1,801	20,624
Private fund outflow	23,084	12,265	110,813	4,954	35,829	-2,126
Total net fund flow surplus	-262	4,036	3,045	-7,536	21,985	-26,721
Increase in loans and deposits	4,858	2,368	-1,140	6,961	-15,370	31,985
Increase in bank balance	4,879	6,705	2,241	-575	7,665	4,922
Increase in cash in hand	-25	3	-59	-6	2	-100
Increase in debtors	20	-10	1,063	233	-2,075	1,553
Increase in creditors	278	295	1,340	227	-1,024	1,112
Net change in funding	262	-4,036	-3,045	7,536	-21,985	26,721

* An increase in valuation is represented as a negative, with funds being used to increase the live and deadstock valuation

Appendix 4- Analysis of English Grazing Livestock Farms (Lowland) – Organic and Conventional

Gross Output, Variable Costs and Farm Gross Margin, 2014/15

	Type of Production	
	Conventional	Organic
Number of farms in group	244	45
Average farmed area (hectares)	98.56	90.23
Average proportion of owned total farmed area	60%	67%
	£ per farm	
<u>Output</u>		
Cattle	38,778	28,528
Sheep	19,605	8,462
Other livestock	705	514
Crops	5,124	4,380
Forage	6,298	2,599
Environmentally Sensitive Area	19	0
Countryside Stewardship	491	41
Higher and Entry Level Stewardship	4,575	7,058
Organic Aid/ Organic Entry Level Stewardship	2	5,928
Other management/ agri-environment schemes	110	146
Single Payment Scheme	16,140	16,842
Rental income	5,292	2,991
Contract work	4,721	3,444
Miscellaneous output	6,784	9,838
Interest received	30	26
TOTAL FARM OUTPUT	108,674	90,796
<u>Variable costs</u>		
Concentrates	12,483	3,649
Purchased fodder	1,145	856
Veterinary and medicines	2,865	1,594
Other livestock costs	7,555	4,931
Seeds	1,146	1,440
Fertilisers	5,073	326
Crop protection	1,140	54
Other crop costs	891	710
TOTAL VARIABLE COSTS	32,298	13,559
TOTAL GROSS MARGIN	76,376	77,237

Fixed Costs, Farm Business Income, Farm Corporate Income and Farm Investment Income, 2014/15

	Type of Production	
	Conventional	Organic
	£ per farm	
TOTAL GROSS MARGIN	76,376	77,237
<u>Fixed costs</u>		
Paid regular labour	4,863	3,540
Directors remuneration	20	2,951
Casual labour	1,187	495
Contract	6,084	4,492
Machinery repairs	4,552	4,411
Machinery fuel	4,833	3,807
Machinery depreciation	9,289	12,132
Other depreciation	0	1
Electricity	1,140	997
Other fuel	280	218
Water	1,038	874
Insurance	3,673	2,966
Professional fees	2,261	2,903
Other general costs	3,336	3,582
Property maintenance	4,388	4,545
Rent, hired in keep and bare land	4,791	4,904
Rates	127	67
Buldings depreciation	3,247	3,008
Long-term interest	1,885	2,392
Short-term interest	889	707
TOTAL FIXED COSTS	57,883	58,990
FARM BUSINESS INCOME	18,493	18,247
<i>Less - All unpaid labour</i>	26,455	24,376
<i>Equals - FARM CORPORATE INCOME</i>	-7,962	-6,130
<i>Plus - Net Interest</i>	2,743	3,073
<i>Equals - FARM INVESTMENT INCOME</i>	-5,219	-3,057

Alternative Income Measures, 2014/15

		Type of Production	
		Conventional	Organic
Reconciliation between Net Farm Income and Farm Business Profit			
	FARM BUSINESS INCOME	18,493	18,247
Plus-	Directors remuneration	20	2,951
Less-	Net income from assets associated with the farm business	0	0
Plus-	Buildings and works depreciation	3,247	3,008
Plus-	Landlord type expenses	465	404
Plus-	Imputed rental income	227	161
Less-	Imputed rent and rental value	13,502	13,141
Plus-	Net Interest	2,743	3,073
Less-	Unpaid labour of partners	4,438	3,798
Equals-	NET FARM INCOME**	7,255	10,904

** Excluding Breeding Livestock Stock Appreciation

Land Use and Indicators of Technical Efficiency, 2014/15
Type of Production

	Conventional	Organic
Number of farms in group	244	45
Average farmed area (hectares)	98.56	90.23
Average proportion of owned total farmed area(%)	60%	67%
Land use		
Area of crops	5.8	5.7
Temporary grass	12.7	18.1
Permanent grass	68.4	60.9
Fodder crops	1.6	0.5
Rough grazing	5.4	3.6
Uncropped, fallow and turf	0.6	0.4
Forage hired in	4.1	1.1
Stocking		
Average number of dairy cows	1	0
Average number of beef cows	22	27
Average number of other cattle	84	64
Average number of ewes	173	96
Average number of other sheep	182	97
Grazing livestock units	GLU's per farm	
Dairy cows	0.6	0.0
Beef cows	11.2	13.5
Other cattle	51.4	41.8
Sheep	27.2	15.1
Other livestock	1.5	1.3
Total	91.8	71.8
GLUs per ha	1.00	0.85
GLUs per adjusted ha	1.01	0.88

Balance Sheet, 2014/15

(end of year)

Type of Production**Conventional****Organic**

Number of farms in group	244	45
Average farmed area (hectares)	98.56	90.23
Average proportion of owned total farmed area	60%	67%

£ per farm**End of year assets & liabilities**

Land & buildings	1,080,727	1,177,669
Milk quota	0	0
Single Payment Scheme	21,394	22,637
Machinery	55,439	70,900
Tenant's other assets	226	288
Breeding livestock	44,370	38,622
Total fixed assets	1,202,155	1,310,115
Trading livestock	49,737	33,029
Crops	1,532	1,139
Forage and cultivations	6,239	3,425
Stores	5,647	1,717
Debtors and loans	8,495	8,367
Bank credit and cash	23,132	16,939
Other current assets	0	0
Total current assets	94,783	64,616
Total assets	1,296,938	1,374,732

Financed by

AMC	16,380	15,187
Bank loans	34,981	44,799
Other long term	8,438	6,696
Total long term	59,800	66,683
HP and lease	4,748	5,030
Creditors	9,279	7,044
Bank overdraft	16,063	13,841
Other short term	121	39
Total current liabilities	30,211	25,954
Total Liabilities	90,011	92,637

Net worth

1,206,927	1,282,094
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Balance sheet ratios

% Owner equity (net worth v. total assets)	93%	93%
% Fixed assets vs. total assets	93%	95%
Gearing (long-term loans v. total assets)	5%	5%
Total debt (external liabilities v. net worth)	7%	7%

FUND FLOWS, 2014/15

	Conventional	Organic
Number of farms in group	244	45
Average farmed area (hectares)	98.56	90.23
Average proportion of owned total farmed area(%)	60%	67%
	£ per farm	
Funds available from trading		
Farm Business Income	18,493	18,247
Buildings and works depreciation	3,247	3,008
Machinery depreciation	9,289	12,133
Change in valuation *	121	-2,254
Trading net fund flow surplus	31,150	31,134
Funds used for farm investments		
Net property and quota purchases	-7,203	2,887
Net landlord capital purchases	4,406	5,052
Net machinery and equipment purchases	10,144	10,743
Capital net fund flow	7,348	18,682
Total farm fund flow surplus	23,802	12,452
Funds used for private expenditure		
Private drawings	22,788	22,139
Net private funds introduced	-659	2,890
Private fund outflow	-23,447	-19,249
Total net fund flow surplus	355	-6,797
Increase in loans and deposits	4,933	4,067
Increase in bank balance	5,271	721
Increase in cash in hand	-27	0
Increase in debtors	129	-1,130
Increase in creditors	85	2,320
Net change in funding	-355	6,797

* An increase in valuation is represented as a negative, with funds being used to increase the live and deadstock valuation

Appendix 5- Analysis of English Grazing Livestock Farms (Lowland) by EU Region

Gross Output, Variable Costs and Farm Gross Margin, 2014/15

		EU region		
	Average all farms	North	East	West
Number of farms in group	289	59	89	141
Average farmed area (hectares)	97.8	118.2	115.7	80.5
Average proportion of owned total farmed area	61%	49%	53%	73%
		£ per farm		
<u>Output</u>				
Cattle	37,894	56,519	32,285	35,727
Sheep	18,643	23,798	22,425	14,703
Other livestock	688	2,016	390	470
Crops	5,060	10,564	4,085	3,993
Forage	5,978	7,239	4,858	6,295
Environmentally Sensitive Area	17	0	54	0
Countryside Stewardship	452	107	848	310
Higher and Entry Level Stewardship	4,789	3,931	6,207	4,164
Organic Aid/ Organic Entry Level Stewardship	514	167	348	723
Other management/ agri- environment schemes	113	67	246	43
Single Payment Scheme	16,201	20,105	18,165	13,780
Rental income	5,093	2,371	4,299	6,420
Contract work	4,610	5,670	4,015	4,660
Miscellaneous output	7,048	5,842	10,752	5,096
Interest received	30	48	49	13
TOTAL FARM OUTPUT	107,130	138,446	109,027	96,397
<u>Variable costs</u>				
Concentrates	11,720	21,572	10,654	9,385
Purchased fodder	1,120	1,406	1,454	824
Veterinary and medicines	2,755	4,141	2,529	2,474
Other livestock costs	7,328	9,542	7,256	6,699
Seeds	1,171	1,731	808	1,228
Fertilisers	4,663	7,792	3,415	4,491
Crop protection	1,047	1,882	985	831
Other crop costs	875	1,197	871	780
TOTAL VARIABLE COSTS	30,680	49,263	27,971	26,712
TOTAL GROSS MARGIN	76,450	89,183	81,056	69,685

Fixed Costs, Farm Business Income, Farm Corporate Income and Farm Investment Income, 2014/15

	Average all farms	EU region		
		North	East	West
		£ per farm		
TOTAL GROSS MARGIN	76,450	89,183	81,056	69,685
<u>Fixed costs</u>				
Paid regular labour	4,749	4,538	6,299	3,842
Directors remuneration	273	0	362	301
Casual labour	1,127	1,154	1,186	1,082
Contract	5,947	7,279	6,632	5,112
Machinery repairs	4,540	5,226	4,598	4,294
Machinery fuel	4,745	5,983	4,932	4,250
Machinery depreciation	9,534	13,043	8,266	9,258
Other depreciation	0	0	0	0
Electricity	1,128	1,132	951	1,237
Other fuel	275	288	198	319
Water	1,024	1,011	1,344	827
Insurance	3,612	3,874	3,527	3,586
Professional fees	2,316	2,001	2,594	2,238
Other general costs	3,357	3,058	3,962	3,069
Property maintenance	4,402	4,455	3,889	4,707
Rent, hired in keep and bare land	4,801	6,743	5,476	3,786
Rates	122	133	265	29
Buildings depreciation	3,226	4,846	2,734	3,041
Long-term interest	1,929	1,552	2,252	1,842
Short-term interest	873	1,968	672	665
TOTAL FIXED COSTS	57,979	68,285	60,137	53,486
FARM BUSINESS INCOME	18,471	20,899	20,919	16,199
Less - All unpaid labour	26,275	28,385	24,101	26,994
<i>Equals</i> - FARM CORPORATE INCOME	-7,804	-7,486	-3,182	-10,795
Plus - Net Interest	2,772	3,472	2,874	2,494
<i>Equals</i> - FARM INVESTMENT INCOME	-5,032	-4,014	-307	-8,301

Alternative Income Measures, 2014/15

		Average all farms	EU region		
			North	East	West
Reconciliation between Net Farm Income and Farm Business Profit					
	FARM BUSINESS INCOME	18,471	20,899	20,919	16,199
Plus-	Directors remuneration	273	0	362	301
Less-	Net income from assets associated with the farm business	0	0	0	0
Plus-	Buildings and works depreciation	3,226	4,846	2,734	3,041
Plus-	Landlord type expenses	460	516	560	380
Plus-	Imputed rental income	221	355	174	210
Less-	Imputed rent and rental value	13,471	15,065	13,174	13,172
Plus-	Net Interest	2,772	3,472	2,874	2,494
Less-	Unpaid labour of partners	4,383	7,349	2,994	4,348
Equals-	NET FARM INCOME**	7,570	7,674	11,455	5,106

** Excluding Breeding Livestock Stock Appreciation

Land Use and Indicators of Technical Efficiency, 2014/15

		EU region		
	Average all farms	North	East	West
Number of farms in group	289	59	89	141
Average farmed area (hectares)	97.8	118.2	115.7	80.5
Average proportion of owned total farmed area(%)	61%	49%	53%	73%
Land use				
Area of crops	5.8	12.2	4.4	4.7
Temporary grass	13.2	21.3	8.9	13.4
Permanent grass	67.8	57.7	94.3	54.3
Fodder crops	1.5	2.4	0.9	1.6
Rough grazing	5.2	21.4	3.2	1.6
Uncropped, fallow and turf	0.6	0.5	0.2	0.8
Forage hired in	3.9	2.8	3.9	4.2
Stocking				
Average number of dairy cows	1	0	1	1
Average number of beef cows	23	25	22	22
Average number of other cattle	82	122	70	78
Average number of ewes	166	218	192	135
Average number of other sheep	175	238	191	145
	GLUs per farm			
Grazing livestock units				
Dairy cows	0.5	0.0	0.6	0.7
Beef cows	11.4	12.7	11.2	11.0
Other cattle	50.5	73.2	44.3	47.5
Sheep	26.2	34.9	29.9	21.2
Other livestock	1.5	1.9	1.9	1.1
Total	90.1	122.8	87.8	81.5
GLUs per ha	0.98	1.16	0.79	1.09
GLUs per adjusted ha	1.00	1.19	0.80	1.10

Balance Sheet, 2014/15

(end of year)

		EU region		
	Average all farms	North	East	West
Number of farms in group	289	59	89	141
Average farmed area (hectares)	97.8	118.2	115.7	80.5
Average proportion of owned total farmed area	61%	49%	53%	73%
		£ per farm		
End of year assets & liabilities				
Land & buildings	1,089,096	914,340	1,125,026	1,119,873
Milk quota	0	0	0	0
Single Payment Scheme	21,501	27,040	23,958	18,274
Machinery	56,774	76,442	46,764	57,046
Tenant's other assets	231	286	192	239
Breeding livestock	43,873	59,469	42,467	40,000
Total fixed assets	1,211,476	1,077,576	1,238,406	1,235,432
Trading livestock	48,295	74,208	41,615	44,577
Crops	1,499	2,387	1,305	1,348
Forage and cultivations	5,996	7,312	7,143	4,877
Stores	5,308	5,545	4,930	5,473
Debtors and loans	8,484	10,698	7,382	8,499
Bank credit and cash	22,598	20,575	28,612	19,448
Other current assets	0	0	0	0
Total current assets	92,178	120,725	90,987	84,223
Total assets	1,303,654	1,198,301	1,329,393	1,319,655
Financed by				
AMC	16,277	39,397	18,191	8,031
Bank loans	35,829	35,192	30,306	39,481
Other long term	8,288	4,353	17,306	3,841
Total long term	60,394	78,942	65,803	51,353
HP and lease	4,773	8,722	3,508	4,360
Creditors	9,086	13,566	8,190	8,282
Bank overdraft	15,871	16,697	18,458	14,000
Other short term	114	0	136	134
Total current liabilities	29,844	38,985	30,293	26,776
Total Liabilities	90,238	117,928	96,095	78,130
Net worth	1,213,416	1,080,374	1,233,298	1,241,526
Balance sheet ratios				
% Owner equity (net worth v.total assets)	93%	90%	93%	94%
% Fixed assets vs. total assets	93%	90%	93%	94%
Gearing (long-term loans v.total assets)	5%	7%	5%	4%
Total debt (external liabilities v.net worth)	7%	11%	8%	6%

FUND FLOWS, 2014/15

	Average all farms	EU region		
		North	East	West
Number of farms in group	289	59	89	141
Average farmed area (hectares)	97.8	118.2	115.7	80.5
Average proportion of owned total farmed area(%)	61%	49%	53%	73%
		£ per farm		
Funds available from trading				
Farm Business Income	18,471	20,899	20,919	16,199
Buildings and works depreciation	3,226	4,846	2,734	3,041
Machinery depreciation	9,534	13,043	8,266	9,258
Change in valuation *	-84	-461	766	-500
Trading net fund flow surplus	31,148	38,327	32,685	27,998
Funds used for farm investments				
Net property and quota purchases	-6,331	27,897	3,911	-23,178
Net landlord capital purchases	4,462	6,419	2,670	4,987
Net machinery and equipment purchases	10,196	10,639	8,317	11,237
Capital net fund flow	8,326	44,955	14,899	-6,954
Total farm fund flow surplus	22,822	-6,628	17,786	34,952
Funds used for private expenditure				
Private drawings	22,732	24,201	22,913	22,171
Net private funds introduced	-352	17,446	6,028	-9,772
Private fund outflow	23,084	6,755	16,885	31,943
Total net fund flow surplus	-262	-13,383	901	3,009
Increase in loans and deposits	4,858	29,335	-2,482	1,992
Increase in bank balance	4,879	14,137	-786	5,603
Increase in cash in hand	-25	-117	-19	0
Increase in debtors	20	4,977	-1,694	-418
Increase in creditors	278	3,044	-918	184
Net change in funding	262	13,383	-901	-3,009

* An increase in valuation is represented as a negative, with funds being used to increase the live and deadstock valuation

Appendix 6- Analysis of English Grazing Livestock Farms (Lowland) by Farm Size by Standard Labour Requirement

Gross Output, Variable Costs and Farm Gross Margin, 2014/15

Farm Size by Standard Labour Requirement

	Part-time	Small	Medium	Large	Very Large
Number of farms in group	44	90	64	53	38
Average farmed area (hectares)	57.09	76.94	124.38	161.73	402.37
Average proportion of owned total farmed area	74%	81%	68%	48%	21%
£ per farm					
<u>Output</u>					
Cattle	22,586	34,413	45,004	62,332	130,798
Sheep	5,077	10,594	26,416	51,361	107,761
Other livestock	272	436	345	796	6,942
Crops	1,683	3,775	6,201	11,986	27,216
Forage	7,064	5,485	3,416	5,272	8,317
Environmentally Sensitive Area	0	0	0	191	0
Countryside Stewardship	0	472	1,655	799	206
Higher and Entry Level Stewardship	2,644	3,965	8,741	5,968	15,810
Organic Aid/ Organic Entry Level Stewardship	532	452	187	963	824
Other management/ agri-environment schemes	50	217	141	6	116
Single Payment Scheme	10,726	13,831	21,296	25,359	48,568
Rental income	5,830	3,341	5,896	4,992	7,872
Contract work	3,072	5,669	6,043	6,740	3,148
Miscellaneous output	6,134	8,753	6,135	5,244	10,260
Interest received	30	23	47	39	13
TOTAL FARM OUTPUT	65,701	91,426	131,522	182,047	367,849
<u>Variable costs</u>					
Concentrates	5,645	8,852	11,886	25,984	57,243
Purchased fodder	282	832	1,423	2,769	6,499
Veterinary and medicines	1,136	2,456	3,235	5,439	12,723
Other livestock costs	4,143	6,861	7,925	11,688	28,981
Seeds	456	1,240	1,513	2,162	4,246
Fertilisers	2,266	4,614	5,505	9,822	14,085
Crop protection	376	899	1,129	2,054	5,880
Other crop costs	618	729	1,253	1,356	2,125
TOTAL VARIABLE COSTS	14,923	26,483	33,869	61,274	131,782
TOTAL GROSS MARGIN	50,777	64,943	97,653	120,773	236,067

Fixed Costs, Farm Business Income, Farm Corporate Income and Farm Investment Income, 2014/15

	Farm Size by Standard Labour Requirement				
	Part-time	Small	Medium	Large	Very Large
			£ per farm		
TOTAL GROSS MARGIN	50,777	64,943	97,653	120,773	236,067
<u>Fixed costs</u>					
Paid regular labour	2,216	3,518	5,845	7,589	27,073
Directors remuneration	607	0	0	202	0
Casual labour	578	658	1,541	3,107	4,098
Contract	3,988	5,876	6,244	9,471	16,368
Machinery repairs	3,114	3,958	5,192	7,929	12,741
Machinery fuel	3,188	4,184	5,882	7,719	13,387
Machinery depreciation	6,761	8,478	10,815	17,325	22,574
Other depreciation	0	0	0	0	0
Electricity	1,027	912	1,316	1,374	2,437
Other fuel	186	200	311	732	574
Water	697	1,068	1,443	1,358	1,799
Insurance	2,821	3,298	4,517	4,926	7,628
Professional fees	1,731	2,576	2,482	2,712	4,636
Other general costs	2,417	3,286	3,718	5,350	7,366
Property maintenance	3,156	4,014	4,920	7,420	10,798
Rent, hired in keep and bare land	2,004	3,357	5,508	10,608	26,228
Rates	41	176	209	52	381
Buldings depreciation	2,152	3,505	3,442	4,743	7,504
Long-term interest	840	2,410	2,325	3,052	5,241
Short-term interest	215	1,409	906	1,092	2,763
TOTAL FIXED COSTS	37,738	52,882	66,616	96,761	173,594
FARM BUSINESS INCOME	13,039	12,061	31,036	24,012	62,474
<i>Less - All unpaid labour</i>	21,549	26,893	31,496	34,931	32,665
<i>Equals - FARM CORPORATE INCOME</i>	-8,509	-14,832	-459	-10,919	29,809
<i>Plus - Net Interest</i>	1,025	3,795	3,185	4,105	7,992
<i>Equals - FARM INVESTMENT INCOME</i>	-7,484	-11,037	2,725	-6,814	37,801

Alternative Income Measures, 2014/15

		Farm Size by Standard Labour Requirement				
		Part-time	Small	Medium	Large	Very Large
Reconciliation between Net Farm Income and Farm Business Profit						
	FARM BUSINESS INCOME	13,039	12,061	31,036	24,012	62,474
Plus-	Directors remuneration	607	0	0	202	0
Less-	Net income from assets associated with the farm business	0	0	0	0	0
Plus-	Buildings and works depreciation	2,152	3,505	3,442	4,743	7,504
Plus-	Landlord type expenses	303	607	548	453	662
Plus-	Imputed rental income	50	296	34	745	806
Less-	Imputed rent and rental value	9,850	14,177	16,862	18,020	22,724
Plus-	Net Interest	1,025	3,795	3,185	4,105	7,992
Less-	Unpaid labour of partners	2,869	4,280	5,922	8,142	6,869
Equals-	NET FARM INCOME**	4,458	1,807	15,460	8,098	49,844

** Excluding Breeding Livestock Stock Appreciation

Land Use and Indicators of Technical Efficiency, 2014/15
Farm Size by Standard Labour Requirement

	Part-time	Small	Medium	Large	Very Large
Number of farms in group	44	90	64	53	38
Average farmed area (hectares)	57.09	76.94	124.38	161.73	402.37
Average proportion of owned total farmed area(%)	74%	81%	68%	48%	21%
Land use					
Area of crops	2.0	4.7	7.0	14.5	26.4
Temporary grass	9.2	11.5	14.2	23.5	36.8
Permanent grass	44.1	54.0	93.8	105.8	222.4
Fodder crops	0.4	2.0	0.8	3.3	6.0
Rough grazing	0.6	2.1	3.0	3.3	78.5
Uncropped, fallow and turf	0.4	0.8	0.1	0.2	1.6
Forage hired in	0.3	1.9	5.4	11.1	30.6
Stocking					
Average number of dairy cows	0	0	0	1	5
Average number of beef cows	14	23	35	33	47
Average number of other cattle	49	75	105	142	241
Average number of ewes	32	99	230	436	1112
Average number of other sheep	29	108	236	536	1049
Grazing livestock units					
		GLU's per farm			
Dairy cows	0.4	0.0	0.0	1.4	4.8
Beef cows	6.9	11.4	17.6	16.3	23.6
Other cattle	31.0	46.1	65.9	83.9	146.7
Sheep	4.9	15.8	35.8	72.0	169.6
Other livestock	1.2	2.0	0.9	0.3	4.7
Total	44.4	75.3	120.1	173.8	349.5
GLUs per ha	0.81	1.05	1.02	1.18	0.93
GLUs per adjusted ha	0.81	1.06	1.04	1.19	0.96

Balance Sheet, 2014/15

(end of year)

Farm Size by Standard Labour Requirement

	Part-time	Small	Medium	Large	Very Large
Number of farms in group	44	90	64	53	38
Average farmed area (hectares)	57.09	76.94	124.38	161.73	402.37
Average proportion of owned total farmed area	74%	81%	68%	48%	21%
	£ per farm				
End of year assets & liabilities					
Land & buildings	881,037	1,068,037	1,484,448	1,282,061	1,575,473
Milk quota	0	0	0	0	0
Single Payment Scheme	13,980	18,478	28,368	34,094	64,800
Machinery	37,825	50,987	67,743	106,916	135,957
Tenant's other assets	26	355	258	500	667
Breeding livestock	17,165	37,706	61,870	88,505	186,263
Total fixed assets	950,033	1,175,564	1,642,685	1,512,076	1,963,160
Trading livestock	26,004	41,461	55,721	88,703	194,379
Crops	528	1,034	1,965	3,609	7,852
Forage and cultivations	4,191	5,134	7,667	8,795	17,666
Stores	3,297	5,327	5,086	9,885	15,057
Debtors and loans	3,603	8,824	8,597	10,813	45,596
Bank credit and cash	20,498	20,227	26,283	23,753	44,280
Other current assets	0	0	0	0	0
Total current assets	58,120	82,008	105,318	145,558	324,829
Total assets	1,008,153	1,257,572	1,748,004	1,657,635	2,287,989
Financed by					
AMC	3,497	17,784	13,765	13,436	135,277
Bank loans	8,127	47,811	42,700	83,173	94,135
Other long term	3,990	6,648	8,502	16,518	41,299
Total long term	15,614	72,243	64,966	113,127	270,711
HP and lease	2,429	5,385	6,014	7,730	12,489
Creditors	4,033	7,806	7,637	20,228	45,710
Bank overdraft	6,972	18,269	18,831	20,773	62,374
Other short term	0	226	76	275	193
Total current liabilities	13,434	31,686	32,558	49,006	120,765
Total Liabilities	29,048	103,929	97,524	162,133	391,476
Net worth	979,106	1,153,642	1,650,479	1,495,501	1,896,513
Balance sheet ratios					
% Owner equity (net worth v.total assets)	97%	92%	94%	90%	83%
% Fixed assets vs. total assets	94%	93%	94%	91%	86%
Gearing (long-term loans v.total assets)	2%	6%	4%	7%	12%
Total debt (external liabilities v.net worth)	3%	9%	6%	11%	21%

FUND FLOWS, 2014/15

	Part-time	Small	Medium	Large	Very Large
Number of farms in group	44	90	64	53	38
Average farmed area (hectares)	57.09	76.94	124.38	161.73	402.37
Average proportion of owned total farmed area(%)	74%	81%	68%	48%	21%
	£ per farm				
Funds available from trading					
Farm Business Income	13,039	12,061	31,036	24,012	62,474
Buildings and works depreciation	2,152	3,505	3,442	4,743	7,504
Machinery depreciation	6,761	8,478	10,815	17,325	22,574
Change in valuation *	2,306	1,782	-45	-4,885	-24,790
Trading net fund flow surplus	24,259	25,825	45,248	41,196	67,761
Funds used for farm investments					
Net property and quota purchases	-2,655	-30,051	7,249	-16,498	97,864
Net landlord capital purchases	3,313	2,262	4,468	14,022	10,593
Net machinery and equipment purchases	5,510	7,756	13,404	27,655	25,019
Capital net fund flow	6,169	-20,032	25,121	25,178	133,476
Total farm fund flow surplus	18,090	45,858	20,127	16,018	-65,715
Funds used for private expenditure					
Private drawings	17,950	20,646	29,574	32,837	39,933
Net private funds introduced	6,894	-17,622	9,842	1,474	14,913
Private fund outflow	-11,056	-38,268	-19,733	-31,362	-25,020
Total net fund flow surplus	7,034	7,590	394	-15,344	-90,735
Increase in loans and deposits	-4,766	-451	103	12,837	125,652
Increase in bank balance	3,543	6,615	1,657	2,147	20,336
Increase in cash in hand	-13	-59	0	-10	-2
Increase in debtors	-1,913	340	-1,231	-1,648	22,412
Increase in creditors	-651	-244	-70	2,997	7,828
Net change in funding	-7,034	-7,590	-394	15,344	90,735

* An increase in valuation is represented as a negative, with funds being used to increase the live and deadstock valuation

Appendix 7 Cost Centre details for Lowland Grazing Livestock Farms in England, All Farms

Derivation of farm income measures: 2014/15	Cost Centre				
	Agriculture	Agri- environment and other payments	Diversified out of agriculture	Single Payment Scheme	Farm Business
Total Output	73,177	5,922	11,800	16,201	107,100
Variable costs (b)	37,042	173	515	4	37,734
Total Gross Margin	36,135	5,749	11,285	16,197	69,366
Fixed costs (c)	43,663	956	5,137	1,620	51,376
Total Costs	80,705	1,129	5,652	1,624	89,110
Profit/(loss) on sale of machinery, glasshouses and permanent crops (d)					482
Farm Business Income (e)	-7,046	4,793	6,148	14,576	18,471
Adjustment for unpaid manual labour (f)	24,360	348	1,567	0	26,275
Farm Corporate Income (g)	-31,406	4,445	4,580	14,576	-7,804
Interest payments on borrowing (net of interest received) (c)	2,487	35	205	45	2,772
Farm Investment Income (h)	-28,919	4,480	4,786	14,621	-5,032
Holding gains not included in farm income:					82,121
<i>of which:</i>					
Breeding Livestock Stock Appreciation (BLSA)					764
Revaluation of machinery, permanent crops, glasshouses, quota					441
Revaluation of land					80,916
Derivation of Net Farm Income:					
(h) <i>plus</i> Director remuneration					273
<i>minus</i> Imputed rent (i)					13,250
<i>plus</i> Ownership charges					3,686
<i>minus</i> Non-agricultural output historically not accounted for in Net Farm Income					0
<i>plus</i> Non-agricultural input costs historically not accounted for in Net Farm Income					0
<i>plus</i> Unpaid labour of principal farmer and spouse					21,893
<i>equals</i> Net Farm Income					7,569

Appendix 8 Cost Centre details for Lowland Grazing Livestock Farms, EU North

Derivation of farm income measures: 2014/15	Cost Centre				
	Agriculture	Agri- environment and other payments	Diversified out of agriculture	Single Payment Scheme	Farm Business
Total Output	106,361	4,350	7,582	20,105	138,398
Variable costs (b)	57,460	23	162	4	57,647
Total Gross Margin	48,901	4,328	7,420	20,101	80,750
Fixed costs (c)	54,542	565	3,732	2,096	60,935
Total Costs	112,002	587	3,894	2,100	118,583
Profit/(loss) on sale of machinery, glasshouses and permanent crops (d)					1,084
Farm Business Income (e)	-4,557	3,763	3,688	18,005	20,899
Adjustment for unpaid manual labour (f)	27,003	113	1,268	0	28,385
Farm Corporate Income (g)	-31,560	3,650	2,419	18,005	-7,486
Interest payments on borrowing (net of interest received) (c)	3,280	23	112	57	3,472
Farm Investment Income (h)	-28,280	3,673	2,532	18,061	-4,014
Holding gains not included in farm income:					30,703
<i>of which:</i>					
Breeding Livestock Stock Appreciation (BLSA)					2,209
Revaluation of machinery, permanent crops, glasshouses, quota					681
Revaluation of land					27,814
Derivation of Net Farm Income:					
(h) <i>plus</i> Director remuneration					0
<i>minus</i> Imputed rent (i)					14,710
<i>plus</i> Ownership charges					5,362
<i>minus</i> Non-agricultural output historically not accounted for in Net Farm Income					0
<i>plus</i> Non-agricultural input costs historically not accounted for in Net Farm Income					0
<i>plus</i> Unpaid labour of principal farmer and spouse					21,036
<i>equals</i> Net Farm Income					7,674

Appendix 9 Cost Centre details for Lowland Grazing Livestock Farms, EU East

Derivation of farm income measures: 2014/15	Cost Centre				
	Agriculture	Agri- environment and other payments	Diversified out of agriculture	Single Payment Scheme	Farm Business
Total Output	68,096	7,755	14,961	18,165	108,977
Variable costs (b)	34,695	40	1,042	5	35,782
Total Gross Margin	33,401	7,715	13,919	18,160	73,196
Fixed costs (c)	43,629	1,217	5,964	1,787	52,597
Total Costs	78,324	1,257	7,006	1,792	88,379
Profit/(loss) on sale of machinery, glasshouses and permanent crops (d)					320
Farm Business Income (e)	-9,907	6,498	7,955	16,373	20,919
Adjustment for unpaid manual labour (f)	21,975	402	1,724	0	24,101
Farm Corporate Income (g)	-31,882	6,095	6,232	16,373	-3,182
Interest payments on borrowing (net of interest received) (c)	2,526	26	278	44	2,874
Farm Investment Income (h)	-29,356	6,121	6,510	16,417	-307
Holding gains not included in farm income:					99,929
<i>of which:</i>					
Breeding Livestock Stock Appreciation (BLSA)					1,020
Revaluation of machinery, permanent crops, glasshouses, quota					402
Revaluation of land					98,507
Derivation of Net Farm Income:					
(h) <i>plus</i> Director remuneration					362
<i>minus</i> Imputed rent (i)					13,000
<i>plus</i> Ownership charges					3,293
<i>minus</i> Non-agricultural output historically not accounted for in Net Farm Income					0
<i>plus</i> Non-agricultural input costs historically not accounted for in Net Farm Income					0
<i>plus</i> Unpaid labour of principal farmer and spouse					21,106
<i>equals</i> Net Farm Income					11,454

Appendix 10 Cost Centre details for Lowland Grazing Livestock Farms, EU West

Derivation of farm income measures: 2014/15	Cost Centre				
	Agriculture	Agri- environment and other payments	Diversified out of agriculture	Single Payment Scheme	Farm Business
Total Output	66,243	5,254	11,106	13,780	96,383
Variable costs (b)	32,288	303	292	3	32,886
Total Gross Margin	33,955	4,951	10,814	13,777	63,497
Fixed costs (c)	40,367	911	5,048	1,371	47,697
Total Costs	72,655	1,214	5,340	1,374	80,583
Profit/(loss) on sale of machinery, glasshouses and permanent crops (d)					399
Farm Business Income (e)	-6,013	4,040	5,766	12,406	16,199
Adjustment for unpaid manual labour (f)	25,047	386	1,561	0	26,994
Farm Corporate Income (g)	-31,061	3,654	4,206	12,406	-10,795
Interest payments on borrowing (net of interest received) (c)	2,220	44	188	42	2,494
Farm Investment Income (h)	-28,841	3,698	4,394	12,448	-8,301
Holding gains not included in farm income:					86,646
<i>of which:</i>					
Breeding Livestock Stock Appreciation (BLSA)					163
Revaluation of machinery, permanent crops, glasshouses, quota					393
Revaluation of land					86,090
Derivation of Net Farm Income:					
(h) <i>plus</i> Director remuneration					301
<i>minus</i> Imputed rent (i)					12,963
<i>plus</i> Ownership charges					3,421
<i>minus</i> Non-agricultural output historically not accounted for in Net Farm Income					0
<i>plus</i> Non-agricultural input costs historically not accounted for in Net Farm Income					0
<i>plus</i> Unpaid labour of principal farmer and spouse					22,646
<i>equals</i> Net Farm Income					5,105

Appendix 11 Cost Centre details for Lowland Grazing Livestock Farms in England, Part-time

Derivation of farm income measures: 2014/15	Cost Centre				
	Agriculture	Agri- environment and other payments	Diversified out of agriculture	Single Payment Scheme	Farm Business
Total Output	40,071	3,230	11,644	10,726	65,671
Variable costs (b)	18,867	90	530	2	19,489
Total Gross Margin	21,204	3,139	11,114	10,724	46,182
Fixed costs (c)	26,942	652	4,563	1,080	33,237
Total Costs	45,809	742	5,093	1,082	52,726
Profit/(loss) on sale of machinery, glasshouses and permanent crops (d)					95
Farm Business Income (e)	-5,643	2,487	6,551	9,644	13,039
Adjustment for unpaid manual labour (f)	19,519	312	1,718	0	21,549
Farm Corporate Income (g)	-25,162	2,175	4,833	9,644	-8,509
Interest payments on borrowing (net of interest received) (c)	890	9	113	14	1,025
Farm Investment Income (h)	-24,272	2,184	4,946	9,658	-7,484
Holding gains not included in farm income:					62,753
<i>of which:</i>					
Breeding Livestock Stock Appreciation (BLSA)					231
Revaluation of machinery, permanent crops, glasshouses, quota					279
Revaluation of land					62,242
Derivation of Net Farm Income:					
(h) <i>plus</i> Director remuneration					607
<i>minus</i> Imputed rent (i)					9,800
<i>plus</i> Ownership charges					2,455
<i>minus</i> Non-agricultural output historically not accounted for in Net Farm Income					0
<i>plus</i> Non-agricultural input costs historically not accounted for in Net Farm Income					0
<i>plus</i> Unpaid labour of principal farmer and spouse					18,680
<i>equals</i> Net Farm Income					4,458

Appendix 12 Cost Centre details for Lowland Grazing Livestock Farms in England, Small

Derivation of farm income measures: 2014/15	Cost Centre				
	Agriculture	Agri- environment and other payments	Diversified out of agriculture	Single Payment Scheme	Farm Business
Total Output	61,279	5,127	11,165	13,831	91,402
Variable costs (b)	32,148	243	616	4	33,012
Total Gross Margin	29,131	4,884	10,549	13,826	58,391
Fixed costs (c)	38,910	941	5,643	1,376	46,870
Total Costs	71,058	1,185	6,259	1,380	79,882
Profit/(loss) on sale of machinery, glasshouses and permanent crops (d)					541
Farm Business Income (e)	-9,238	3,943	4,906	12,450	12,061
Adjustment for unpaid manual labour (f)	24,880	408	1,605	0	26,893
Farm Corporate Income (g)	-34,118	3,535	3,301	12,450	-14,832
Interest payments on borrowing (net of interest received) (c)	3,387	59	280	70	3,795
Farm Investment Income (h)	-30,731	3,594	3,580	12,521	-11,037
Holding gains not included in farm income:					89,687
<i>of which:</i>					
Breeding Livestock Stock Appreciation (BLSA)					853
Revaluation of machinery, permanent crops, glasshouses, quota					427
Revaluation of land					88,407
Derivation of Net Farm Income:					
(h) <i>plus</i> Director remuneration					0
<i>minus</i> Imputed rent (i)					13,882
<i>plus</i> Ownership charges					4,112
<i>minus</i> Non-agricultural output historically not accounted for in Net Farm Income					0
<i>plus</i> Non-agricultural input costs historically not accounted for in Net Farm Income					0
<i>plus</i> Unpaid labour of principal farmer and spouse					22,613
<i>equals</i> Net Farm Income					1,807

Appendix 13 Cost Centre details for Lowland Grazing Livestock Farms in England, Medium

Derivation of farm income measures: 2014/15	Cost Centre				
	Agriculture	Agri- environment and other payments	Diversified out of agriculture	Single Payment Scheme	Farm Business
Total Output	87,640	10,778	11,760	21,296	131,475
Variable costs (b)	41,153	200	163	7	41,523
Total Gross Margin	46,487	10,578	11,597	21,289	89,952
Fixed costs (c)	51,937	1,410	4,416	2,010	59,773
Total Costs	93,090	1,610	4,579	2,017	101,296
Profit/(loss) on sale of machinery, glasshouses and permanent crops (d)					857
Farm Business Income (e)	-4,593	9,169	7,181	19,280	31,036
Adjustment for unpaid manual labour (f)	29,583	456	1,456	0	31,496
Farm Corporate Income (g)	-34,176	8,712	5,725	19,280	-459
Interest payments on borrowing (net of interest received) (c)	2,692	48	389	56	3,185
Farm Investment Income (h)	-31,484	8,760	6,114	19,335	2,725
Holding gains not included in farm income:					110,731
<i>of which:</i>					
Breeding Livestock Stock Appreciation (BLSA)					296
Revaluation of machinery, permanent crops, glasshouses, quota					533
Revaluation of land					109,902
Derivation of Net Farm Income:					
(h) <i>plus</i> Director remuneration					0
<i>minus</i> Imputed rent (i)					16,828
<i>plus</i> Ownership charges					3,989
<i>minus</i> Non-agricultural output historically not accounted for in Net Farm Income					0
<i>plus</i> Non-agricultural input costs historically not accounted for in Net Farm Income					0
<i>plus</i> Unpaid labour of principal farmer and spouse					25,574
<i>equals</i> Net Farm Income					15,460

Appendix 14 Cost Centre details for Lowland Grazing Livestock Farms in England, Large

Derivation of farm income measures: 2014/15	Cost Centre				
	Agriculture	Agri- environment and other payments	Diversified out of agriculture	Single Payment Scheme	Farm Business
Total Output	135,912	8,056	12,676	25,359	182,004
Variable costs (b)	72,937	102	806	4	73,849
Total Gross Margin	62,975	7,955	11,870	25,355	108,155
Fixed costs (c)	75,502	1,062	5,787	2,866	85,217
Total Costs	148,439	1,164	6,593	2,869	159,065
Profit/(loss) on sale of machinery, glasshouses and permanent crops (d)					1,074
Farm Business Income (e)	-11,453	6,892	6,083	22,490	24,012
Adjustment for unpaid manual labour (f)	33,526	194	1,211	0	34,931
Farm Corporate Income (g)	-44,979	6,699	4,872	22,490	-10,919
Interest payments on borrowing (net of interest received) (c)	3,938	42	66	58	4,105
Farm Investment Income (h)	-41,041	6,741	4,938	22,548	-6,814
Holding gains not included in farm income:					83,713
<i>of which:</i>					
Breeding Livestock Stock Appreciation (BLSA)					1,927
Revaluation of machinery, permanent crops, glasshouses, quota					785
Revaluation of land					81,001
Derivation of Net Farm Income:					
(h) <i>plus</i> Director remuneration					202
<i>minus</i> Imputed rent (i)					17,279
<i>plus</i> Ownership charges					5,196
<i>minus</i> Non-agricultural output historically not accounted for in Net Farm Income					0
<i>plus</i> Non-agricultural input costs historically not accounted for in Net Farm Income					0
<i>plus</i> Unpaid labour of principal farmer and spouse					26,789
<i>equals</i> Net Farm Income					8,094

Appendix 15 Cost Centre details for Lowland Grazing Livestock Farms in England, Very Large

Derivation of farm income measures: 2014/15	Cost Centre				
	Agriculture	Agri- environment and other payments	Diversified out of agriculture	Single Payment Scheme	Farm Business
Total Output	286,295	17,161	15,809	48,568	367,833
Variable costs (b)	151,557	521	161	5	152,244
Total Gross Margin	134,738	16,639	15,648	48,563	215,588
Fixed costs (c)	139,805	2,265	7,825	4,550	154,445
Total Costs	291,362	2,787	7,986	4,555	306,690
Profit/(loss) on sale of machinery, glasshouses and permanent crops (d)					1,331
Farm Business Income (e)	-3,736	14,374	7,823	44,013	62,474
Adjustment for unpaid manual labour (f)	31,416	267	982	0	32,665
Farm Corporate Income (g)	-35,152	14,107	6,841	44,013	29,809
Interest payments on borrowing (net of interest received) (c)	7,541	53	290	108	7,992
Farm Investment Income (h)	-27,611	14,160	7,130	44,121	37,801
Holding gains not included in farm income:					120,576
<i>of which:</i>					
Breeding Livestock Stock Appreciation (BLSA)					4,087
Revaluation of machinery, permanent crops, glasshouses, quota					1,059
Revaluation of land					115,431
Derivation of Net Farm Income:					
(h) <i>plus</i> Director remuneration					0
<i>minus</i> Imputed rent (i)					21,922
<i>plus</i> Ownership charges					8,166
<i>minus</i> Non-agricultural output historically not accounted for in Net Farm Income					0
<i>plus</i> Non-agricultural input costs historically not accounted for in Net Farm Income					0
<i>plus</i> Unpaid labour of principal farmer and spouse					25,796
<i>equals</i> Net Farm Income					49,840

Appendix 16 Cost Centre details for Lowland Grazing Livestock Farms in England, Low Performance Band

Derivation of farm income measures: 2014/15	Cost Centre				
	Agriculture	Agri- environment and other payments	Diversified out of agriculture	Single Payment Scheme	Farm Business
Total Output	32,829	2,125	1,821	9,431	46,206
Variable costs (b)	22,045	7	168	4	22,224
Total Gross Margin	10,783	2,117	1,654	9,428	23,982
Fixed costs (c)	27,078	520	855	1,573	30,026
Total Costs	49,123	527	1,022	1,577	52,250
Profit/(loss) on sale of machinery, glasshouses and permanent crops (d)					240
Farm Business Income (e)	-16,054	1,597	799	7,854	-5,804
Adjustment for unpaid manual labour (f)	23,114	167	451	0	23,732
Farm Corporate Income (g)	-39,168	1,430	347	7,854	-29,536
Interest payments on borrowing (net of interest received) (c)	1,729	11	25	44	1,809
Farm Investment Income (h)	-37,439	1,441	373	7,899	-27,727
Holding gains not included in farm income:					55,274
<i>of which:</i>					
Breeding Livestock Stock Appreciation (BLSA)					620
Revaluation of machinery, permanent crops, glasshouses, quota					262
Revaluation of land					54,391
Derivation of Net Farm Income:					
(h) <i>plus</i> Director remuneration					568
<i>minus</i> Imputed rent (i)					9,371
<i>plus</i> Ownership charges					2,895
<i>minus</i> Non-agricultural output historically not accounted for in Net Farm Income					0
<i>plus</i> Non-agricultural input costs historically not accounted for in Net Farm Income					0
<i>plus</i> Unpaid labour of principal farmer and spouse					21,114
<i>equals</i> Net Farm Income					-12,522

Appendix 17 Cost Centre details for Lowland Grazing Livestock Farms in England, Medium Performance Band

Derivation of farm income measures: 2014/15	Cost Centre				
	Agriculture	Agri- environment and other payments	Diversified out of agriculture	Single Payment Scheme	Farm Business
Total Output	77,720	5,260	11,325	16,168	110,473
Variable costs (b)	41,952	230	745	4	42,932
Total Gross Margin	35,768	5,029	10,580	16,164	67,540
Fixed costs (c)	48,589	981	5,283	1,612	56,465
Total Costs	90,541	1,211	6,028	1,616	99,396
Profit/(loss) on sale of machinery, glasshouses and permanent crops (d)					604
Farm Business Income (e)	-12,217	4,048	5,297	14,552	11,680
Adjustment for unpaid manual labour (f)	26,946	372	1,511	0	28,830
Farm Corporate Income (g)	-39,164	3,676	3,786	14,552	-17,149
Interest payments on borrowing (net of interest received) (c)	2,900	42	245	48	3,235
Farm Investment Income (h)	-36,264	3,718	4,031	14,600	-13,915
Holding gains not included in farm income:					82,604
<i>of which:</i>					
Breeding Livestock Stock Appreciation (BLSA)					673
Revaluation of machinery, permanent crops, glasshouses, quota					512
Revaluation of land					81,420
Derivation of Net Farm Income:					
(h) <i>plus</i> Director remuneration					218
<i>minus</i> Imputed rent (i)					13,151
<i>plus</i> Ownership charges					3,467
<i>minus</i> Non-agricultural output historically not accounted for in Net Farm Income					0
<i>plus</i> Non-agricultural input costs historically not accounted for in Net Farm Income					0
<i>plus</i> Unpaid labour of principal farmer and spouse					23,676
<i>equals</i> Net Farm Income					295

Appendix 18 Cost Centre details for Lowland Grazing Livestock Farms in England, High Performance Band

Derivation of farm income measures: 2014/15	Cost Centre				
	Agriculture	Agri- environment and other payments	Diversified out of agriculture	Single Payment Scheme	Farm Business
Total Output	102,833	10,905	22,347	22,774	158,858
Variable costs (b)	41,588	217	384	3	42,193
Total Gross Margin	61,245	10,687	21,962	22,770	116,665
Fixed costs (c)	49,703	1,324	8,962	1,684	61,673
Total Costs	91,291	1,542	9,347	1,687	103,866
Profit/(loss) on sale of machinery, glasshouses and permanent crops (d)					469
Farm Business Income (e)	12,011	9,363	13,000	21,087	55,462
Adjustment for unpaid manual labour (f)	20,358	474	2,754	0	23,585
Farm Corporate Income (g)	-8,346	8,889	10,247	21,087	31,876
Interest payments on borrowing (net of interest received) (c)	2,384	42	300	41	2,766
Farm Investment Income (h)	-5,963	8,931	10,546	21,128	34,643
Holding gains not included in farm income:					106,960
<i>of which:</i>					
Breeding Livestock Stock Appreciation (BLSA)					1,085
Revaluation of machinery, permanent crops, glasshouses, quota					473
Revaluation of land					105,402
Derivation of Net Farm Income:					
(h) <i>plus</i> Director remuneration					102
<i>minus</i> Imputed rent (i)					17,180
<i>plus</i> Ownership charges					4,888
<i>minus</i> Non-agricultural output historically not accounted for in Net Farm Income					0
<i>plus</i> Non-agricultural input costs historically not accounted for in Net Farm Income					0
<i>plus</i> Unpaid labour of principal farmer and spouse					19,057
<i>equals</i> Net Farm Income					41,509

Footnotes for Appendices 7-18:

Definitions of the measures of income can be found at
<http://www.defra.gov.uk/evidence/statistics/foodfarm/farmmanage/fbs/published-data/farmaccounts/2010/Appendix2.doc>

- (b) Includes casual labour costs which have been allocated between costs centres in proportion to total costs.
- (c) Interest payments have been allocated between cost centres in proportion to costs, and interest received in proportion to output.
- (d) Assumed to be attributable entirely to agriculture
- (e) Financial return to unpaid labour (farmers and other unpaid partners in the business) and to their capital invested in the farm business, including land and buildings. For corporate businesses it represents the financial return on shareholders' capital.
- (f) Manual labour of farmer, spouse (if unpaid) and unpaid business partners
- (g) Represents the return on own capital invested in the farm business, to risk and to entrepreneurship.
- (h) Represents the return on all capital invested in the farm business whether borrowed or not, to risk and to entrepreneurship.
- (i) Net of imputed rent receipts

Appendix 19- Gross Margin details for the Lowland Grazing Livestock Farms. Average and Top Third performance

Cereals

Gross Margin per Hectare (Weighted performance)					Crop year 2014	
	Winter Wheat		Winter Barley		Spring Barley	
	Average	Top Third*	Average	Top Third*	Average	Top Third*
Number of farms	30	10	55	18	51	17
Area per farm (ha)	14.02	16.81	8.72	8.93	9.61	8.03
Yield: tonnes/ha	7.1	9.4	6.5	7.6	5.1	6.5
Price: £/tonne	122	122	115	118	114	121
£ per hectare						
Grain	860	1145	746	894	583	782
Straw	89	142	117	146	124	172
ENTERPRISE OUTPUT	948	1287	863	1040	706	954
Seeds (inc.homegrown)	75	63	69	73	59	54
Fertilisers	168	184	157	147	114	115
Sprays	169	174	131	151	87	79
Other crop costs	22	31	19	24	17	18
TOTAL VARIABLES						
‡	435	452	376	395	278	266
GROSS MARGIN	514	835	487	644	429	688
<i>Averages - previous year</i>						
	2013	2013	2013	2013	2013	2013
Yield: tonnes/ha	7.9	8.4	5.8	7.4	5.5	6.7
Price: £/tonne	160	161	136	137	138	133
Gross Margin: £/ha	896	1036	535	834	571	805

* Top Third of Weighted Population

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

Lowland Beef Cows

Gross margins per cow, per LU and per hectare
(Weighted average performance)

2014/15

		Average	Top Third*
Number of farms		122	41
Cows per herd		41	42
Stocking rate:	LU/ha	1.02	1.05
	ha/LU	0.98	0.95
		£ per cow	
Output -	calf output	507.3	606.4
	depreciation	-57.8	-51.9
ENTERPRISE OUTPUT (excl. BLSA)		449.5	554.5
Concentrates		40.1	31.9
Coarse fodder		9.0	9.7
Veterinary and medicines		31.7	29.0
Other livestock costs		56.4	43.8
Forage †		65.3	57.6
TOTAL VARIABLE COSTS ‡		202.5	171.9
GROSS MARGIN per cow (excl. BLSA)		247.0	382.6
GROSS MARGIN per LU (excl. BLSA)		249	380
GROSS MARGIN per hectare (excl. BLSA)		252	403
Concentrates per £100 output		9	6
<i>Averages - previous year</i>			
Stocking rate:	LU/ha	1.01	0.99
Gross Margin: £/cow		205.6	363.4
Gross Margin: £/ha		208	360

* Top Third of Weighted Population

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

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

Store Cattle from beef bred calves or stores

Gross margins per head, per LU and per hectare
(Weighted average performance)

2014/15

		Average	Top Third*
Number of farms		58	19
Number of head per farm		41	33
Stocking rate:	LU/ha	1.09	1.04
	ha/LU	0.91	0.96
		£ per head	
OUTPUT		405.1	557.7
Concentrates		57.9	56.4
Coarse fodder		4.6	2.0
Veterinary and medicines		15.9	15.8
Other livestock costs		62.8	52.3
Forage †		32.5	28.5
TOTAL VARIABLE COSTS ‡		173.8	155.0
GROSS MARGIN per head		231.4	402.7
GROSS MARGIN per LU		395	693
GROSS MARGIN per hectare		432	719
Concentrates per £100 output		14	10
<i>Averages - previous year</i>			
Stocking rate:	LU/ha	0.92	0.80
Gross Margin: £/head		220.0	358.1
Gross Margin: £/ha		340	475

* Top Third of Weighted Population

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

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

Finished Cattle from beef bred calves or stores

Gross margins per head, per LU and per hectare
(Weighted average performance) 2014/15

	Average	Top Third*
Number of farms	83	28
Cattle per herd	94	86
Average finished animal sale price - £/head	1125	1149
Stocking rate: LU/ha	1.68	1.66
ha/LU	0.59	0.60
	£ per head	
OUTPUT	443.5	570.1
Concentrates	126.6	103.7
Coarse fodder	8.3	8.6
Veterinary and medicines	12.4	12.2
Other livestock costs	59.0	50.1
Forage †	38.5	43.7
TOTAL VARIABLE COSTS ‡	244.8	218.3
GROSS MARGIN per head	198.6	351.8
GROSS MARGIN per LU	335	583
GROSS MARGIN per hectare	564	965
Concentrates per £100 output	29	18
<i>Averages - previous year</i>		
Stocking rate: LU/ha	1.21	1.24
Gross Margin: £/head	222.3	364.1
Gross Margin: £/ha	465	752
Average finished sale price- £ /head	1221	1280

* Top Third of Weighted Population

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

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

Breeding Ewes- Lowland

Gross margins per ewe and per hectare
(Weighted average performance)

2014/15

	Average	Top Third*
Number of flocks	125	42
Ewes per flock	353	313
Average lamb sale price - £/lamb	77.2	80.3
Stocking rate - ewes per hectare	5.40	6.96
	£ per head	
Output - lambs	112.7	151.6
wool	3.3	3.4
depreciation	-11.2	-9.1
ENTERPRISE OUTPUT (excl. BLSA)	104.8	146.0
Concentrates	17.3	22.7
Coarse fodder	1.6	2.3
Veterinary and medicines	6.7	7.4
Other livestock costs	11.8	14.2
Forage †	7.2	8.5
TOTAL VARIABLE COSTS ‡	44.5	55.2
GROSS MARGIN per ewe (excl. BLSA)	60.3	90.7
GROSS MARGIN per LU (excl. BLSA)	383	563
GROSS MARGIN per hectare (excl. BLSA)	325	631
Concentrates per £100 of output	16	16
<i>Averages - previous year</i>		
ewes/		
Stocking rate: hectare	5.1	6.8
Gross Margin: £/ewe	43.2	81.1
Gross Margin: £/ha	221	554
Average finished sale price- £ /head	78.1	82.0

* Top Third of Weighted Population

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

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

Appendix 20- Gross Margin details for the Lowland Grazing Livestock Farms. Average Figures for Organic farms

Organic Lowland Beef Cows

Gross margins per cow, per LU and per hectare (Weighted average performance)		2014/15
		Average
Number of farms		33
Cows per herd		38
Stocking rate:	LU/ha	0.90
	ha/LU	1.11
		£ per cow
Output -	calf output	444.5
	depreciation	-65.7
ENTERPRISE OUTPUT (excl. BLSA)		378.8
Concentrates		21.6
Coarse fodder		16.0
Veterinary and medicines		15.7
Other livestock costs		50.6
Forage †		20.7
TOTAL VARIABLE COSTS ‡		124.7
GROSS MARGIN per cow (excl. BLSA)		254.1
GROSS MARGIN per LU (excl. BLSA)		251
GROSS MARGIN per hectare (excl. BLSA)		229
Concentrates per £100 output		6
<i>Averages - previous year</i>		
Stocking rate:	LU/ha	29.00
Gross Margin: £/cow		277.1
Gross Margin: £/ha		217

* Top Third of Weighted Population

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

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

Organic Finished Cattle from beef bred calves or stores

Gross margins per head, per LU and per hectare
(Weighted average performance)

2014/15

		Average
Number of farms		21
Cattle per herd		73
Average finished animal sale price - £/head		1064
Stocking rate:	LU/ha	1.54
	ha/LU	0.65

		£ per head
OUTPUT		399.9
Concentrates		45.5
Coarse fodder		5.4
Veterinary and medicines		9.5
Other livestock costs		47.7
Forage †		15.8
TOTAL VARIABLE COSTS ‡		118.5
GROSS MARGIN per head		281.4
GROSS MARGIN per LU		432
GROSS MARGIN per hectare		664
Concentrates per £100 output		11

Averages - previous year

Stocking rate:		LU/ha	1.58
Gross Margin: £/head			288.6
Gross Margin: £/ha			720
Average finished sale price- £ /head			1273

* Top Third of Weighted Population

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

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

Organic Breeding Ewes- Lowland

2014/15

Gross margins per ewe and per hectare
(Weighted average
performance)

Average

Number of flocks 27

Ewes per flock 209

Average lamb sale price - £/lamb 76.3

Stocking rate - ewes per hectare 4.8

£ per head

Output - lambs 100.9

wool 3.0

depreciation -13.9

ENTERPRISE OUTPUT (excl. BLSA) 89.9

Concentrates 11.3

Coarse fodder 1.6

Veterinary and medicines 7.4

Other livestock costs 10.7

Forage † 4.5

TOTAL VARIABLE COSTS ‡ 35.5

GROSS MARGIN per ewe (excl. BLSA) 54.4

GROSS MARGIN per LU (excl. BLSA) 350

GROSS MARGIN per hectare (excl. BLSA) 263

Concentrates per £100 of
output 13

Averages - previous year

ewes/
Stocking rate: hectare 5.0

Gross Margin: £/ewe 54.2

Gross Margin: £/ha 269

Average finished sale price- £ /head 74.7

* Top Third of Weighted Population

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

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

Appendix 21- Gross Margin details for the Lowland Grazing Livestock Farms by size of enterprise.

Lowland Beef Cows

-by average number of cows

Gross margins per cow, per LU and per hectare
(Weighted average performance)

2014/15

		Under 25 cows	25-49 cows	50-75 cows	Over 75 cows
Number of farms		23	43	33	23
Cows per herd		18	36	60	97
Stocking rate:	LU/ha	0.93	0.95	1.02	1.20
	ha/LU	1.07	1.05	0.98	0.84
			£ per cow		
Output -	calf output	520	497	514	508
	depreciation	-66	-36	-59	-85
ENTERPRISE OUTPUT (excl. BLSA)		454	461	454	423
Concentrates		23	42	45	42
Coarse fodder		5	8	12	9
Veterinary and medicines		31	39	27	28
Other livestock costs		96	64	47	34
Forage †		62	66	61	71
TOTAL VARIABLE COSTS ‡		217	217	192	184
GROSS MARGIN per cow (excl. BLSA)		238	243	262	240
GROSS MARGIN per LU (excl. BLSA)		240	245	262	244
GROSS MARGIN per hectare (excl. BLSA)		222	232	268	287
Concentrates per £100 output		5	9	10	10

* Top third in order of Gross Margin per cow.

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

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

Store Cattle from beef bred calves or stores

Gross margins per head, per LU and per hectare
(Weighted average performance)

2014/15

	Under 28 head	28-60 head	Over 60 head
Number of farms	19	22	17
Number of head per farm	17	40	99
Stocking rate: LU/ha	0.79	1.30	1.39
ha/LU	1.26	0.77	0.72
		£ per head	
OUTPUT	413	453	291
Concentrates	47	74	51
Coarse fodder	2	3	13
Veterinary and medicines	16	17	14
Other livestock costs	82	53	37
Forage †	41	26	26
TOTAL VARIABLE COSTS ‡	187	169	128
GROSS MARGIN per head	227	284	163
GROSS MARGIN per LU	378	499	276
GROSS MARGIN per hectare	301	648	384
Concentrates per £100 output	11	16	17

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

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

Finished Cattle from beef bred calves or stores

Gross margins per head, per LU and per hectare
(Weighted average performance)

2014/15

	Under 50 head	50-85 head	85-170 head	Over 170 head
Number of farms	17	29	17	20
Cattle per herd	30	66	112	332
Average finished animal sale price - £/head	1121	1085	1154	1162
Stocking rate: LU/ha	1.63	1.62	1.56	1.81
ha/LU	0.61	0.62	0.64	0.55
		£ per head		
OUTPUT	445	408	430	470
Concentrates	98	104	126	147
Coarse fodder	1	7	3	13
Veterinary and medicines	15	14	11	12
Other livestock costs	70	58	54	59
Forage †	38	42	43	35
TOTAL VARIABLE COSTS ‡	222	225	236	266
GROSS MARGIN per head	223	183	195	204
GROSS MARGIN per LU	363	296	303	369
GROSS MARGIN per hectare	592	480	473	668
Concentrates per £100 output	22	26	29	31

* Top third in order of Gross Margin per head.

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

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

Breeding Ewes- Lowland

Gross margins per ewe and per hectare
(Weighted average performance)

2014/15

	Under 150 ewes	150- 299 ewes	300-500 ewes	Over 500 ewes
Number of flocks	28	38	28	31
Ewes per flock	102	220	390	970
Average lamb sale price - £/lamb	79.8	75.9	79.4	76.4
Stocking rate - ewes per hectare	5.7	5.3	6.4	5.0
		£ per head		
Output - lambs	118.9	115.7	121.5	106.8
wool	3.1	3.1	3.3	3.5
depreciation	-11.4	-8.4	-10.8	-12.5
ENTERPRISE OUTPUT (excl. BLSA)	110.6	110.4	114.0	97.7
Concentrates	17.7	16.0	18.9	17.0
Coarse fodder	1.8	1.4	1.3	1.7
Veterinary and medicines	6.3	6.7	5.8	7.1
Other livestock costs	14.6	13.6	11.1	10.9
Forage †	7.6	7.5	10.5	5.7
TOTAL VARIABLE COSTS ‡	48.1	45.2	47.5	42.4
GROSS MARGIN per ewe (excl. BLSA)	62.5	65.2	66.5	55.3
GROSS MARGIN per LU (excl. BLSA)	382	411	418	357
GROSS MARGIN per hectare (excl. BLSA)	358	347	427	279
Concentrates per £100 of output	16	14	17	17

* Top third in order of Gross Margin per ewe.

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

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

Appendix 22 Reports in this series:

Reports in this series:

Crop Production in England

Dairy Farming in England

Hill Farming in England

Horticulture Production in England

Lowland Grazing Livestock Production in England

Organic Farming in England

Pig Production in England

Poultry Production in England

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