



# Farm Business Survey

2011/2012

## Poultry Production in England



Richard Crane, Ross Davenport  
and Rod Vaughan





## **Farm Business Survey**

**2011/12**

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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 lead 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](http://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 new reports will make a valuable and useful contribution to the farming industry and we commend them to you.

**Prof. Martin Seabrook**

(Chief Executive Officer of the Consortium)

Spring 2007

## Foreword to the Seventh Series

After months of negotiations Europe's leaders and finance ministers have finally agreed a finance package for the EU for the period up to 2020. To many people and businesses this may be of minor interest to their daily lives, but to those engaged in agriculture and horticulture such news carries more weight. Crucially, there are many farm businesses which rely heavily on the Single Farm Payment (SFP). Of course, not all sectors are equally reliant upon the SFP, in particular those in the pig, poultry and horticultural sectors for which the SFP is often a minor or non-existent revenue source. However, as Europe's leaders have now agreed the budget deal, the focus now turns to looking for clarity over the future of the Common Agricultural Policy (CAP). As noted in the foreword to the Sixth series of these reports, the only realistic direction of the value of the SFP is downwards; focusing upon the market, reducing business inefficiencies and dealing with risk and volatility are key areas for business development and growth.

Having witnessed one of the wettest summers on record during 2012, many businesses have observed first-hand the extreme production and price volatility that can result from operating within the natural environment. While the 2011 cropping and production year, upon which the results presented in this series are based, represented a more benign agricultural and horticultural environment, the variation in business and enterprise performance remains a strong feature of the analyses we present. Set against an environment of increased volatility, farmers and growers need to be aware of the strengths and weaknesses of their business and of their comparative position within their particular sector; having the data to undertake this analysis is therefore a key business requirement.

*Rural Business Research's (RBR) series of enterprise and farm type reports based upon independent analysis from the Defra-funded Farm Business Survey (FBS) for England is now in its seventh series. It has, over a short space of time, become increasingly recognised as a key independent information source for businesses, business advisors and government to turn to for their data needs. In business standing still often equates to moving backwards as those around you grow and develop. In the competitive sectors in which agriculture and horticulture operates, knowledge and information remain key business tools for success.*

As our series of reports has grown in popularity, I thank all the farmers and growers who take part in the FBS research programme which allows us to produce these valued information sources. I trust that the independent data produced within these reports continues to offer value to all the reports' readers.

### **Dr Paul Wilson**

Chief Executive Officer, Rural Business Research  
Spring 2013

[www.ruralbusinessresearch.co.uk](http://www.ruralbusinessresearch.co.uk)

## Acknowledgements

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

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

*The views expressed in this publication are those of the authors and are not necessarily shared by other members of the University or by the University as a whole.*

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## Summary

- Total number of birds in production in 2012 decreased to 118 million, 2% lower than 2011
- The value of UK poultry production totalled £1.89 billion in 2011, 23% of total livestock output
- Egg production was valued at £559 million, 13% of total livestock products
- Egg prices in 2012 rose sharply rising on average by 23% to 86.3p/doz
- UK self-sufficiency in eggs decreased by 4% in 2011, to 88%; poultry meat self-sufficiency remained at 83%
- Specialist poultry farm businesses were less profitable [-39%] in the 2011/12 financial year than in the previous year, with an average Farm Business Income (FBI) of £41,110 per business
- Within the sector, both the layers and poultry meat producers experienced a downturn in profit
- The average number of birds per farm for farms in the survey decreased by 28.2%
- The price of eggs for farms in the survey increased by 19.7%
- Expenditure on feed increased from 58.9% of output in 2010/11 to 61.5% in 2011/12
- Net worth of specialist poultry farms as measured by percentage equity fell from 75.5% to 73.6% in 2011/12
- Gross margin for egg production in 2011/12 on a per dozen basis was 22.69p, up 8.7% on the previous year, with gross margins for caged, barn & deep litter at 25.26p per dozen and for free range systems was 21.1 p per dozen
- Gross margins for non contract broilers and table chickens increased by 11.6% in 2011/12, to £2.40 per bird on an annualised basis

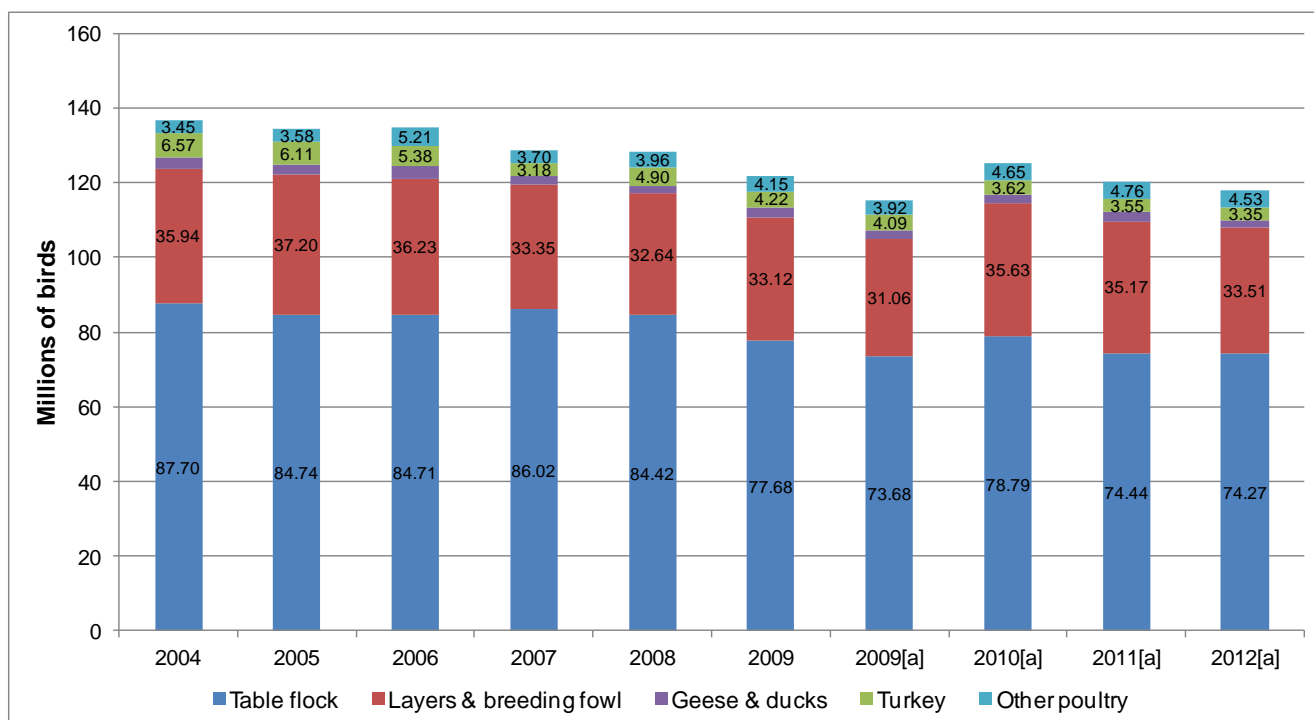


## SECTION 1: COMMENTARY ON THE UK POULTRY INDUSTRY

### 1.1 General introduction

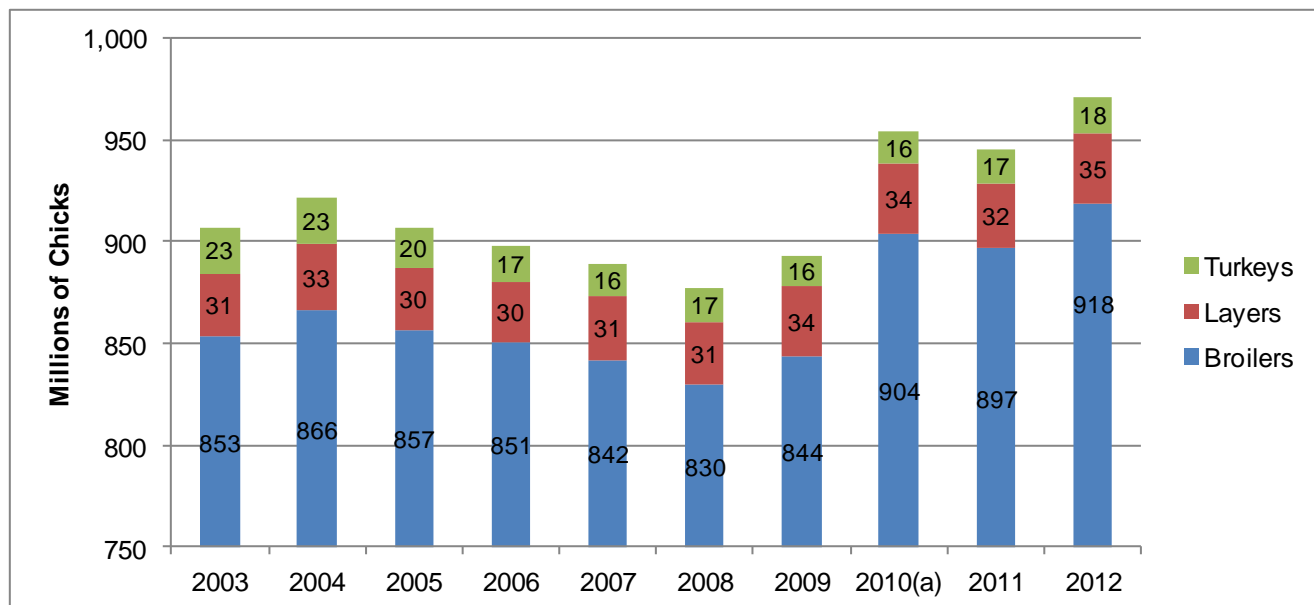
The English poultry flock at 118 million birds in production continued the long term downward trend, decreasing 2% compared to 2011. All types of poultry production were down on the previous year, the largest fall was in layer numbers, down 5.4%, while the table birds flock fell by 0.2%. The poultry flock in England consists of 63% table birds, 28% layers and breeding fowl, 4% other poultry, 3% turkey and 2% duck and geese[1].

Figure 1.1 English poultry numbers at June 2004-2012 [1]



Notes: [a] June 2009 figures were revised on 16 September 2010 for two reasons. Firstly, the new methodology for 2010 employed thresholds to exclude holdings with very low activity, so revised 2009 figures were required to permit like-for-like comparison between 2009 and 2010. Secondly, the census exercise included a register cleaning exercise to enable the removal of inactive holdings from the register. Further details on the revisions referred to are available from the June Survey Statistical Release.

**Figure 1.2 UK chick and poult placings 2003-2012 [2]**



Note: (a) denotes a 53 week year

Only data for UK chick and poult placings is available and it is therefore not possible to focus solely on the situation for England. A total of 977 million chicks and poults were placed in 2012, a rise of 3 per cent on the previous year. Broiler placement increased by 18 million birds, to 797 million. This is in contrast to the overall average broiler population in 2010 and 2011 when it remained at similar levels; this may suggest broilers are being finished earlier. Layer placement increased by 2.5 million birds [2].

**Figure 1.3 Density of traditional poultry at 1<sup>st</sup> January 2012 [3]**

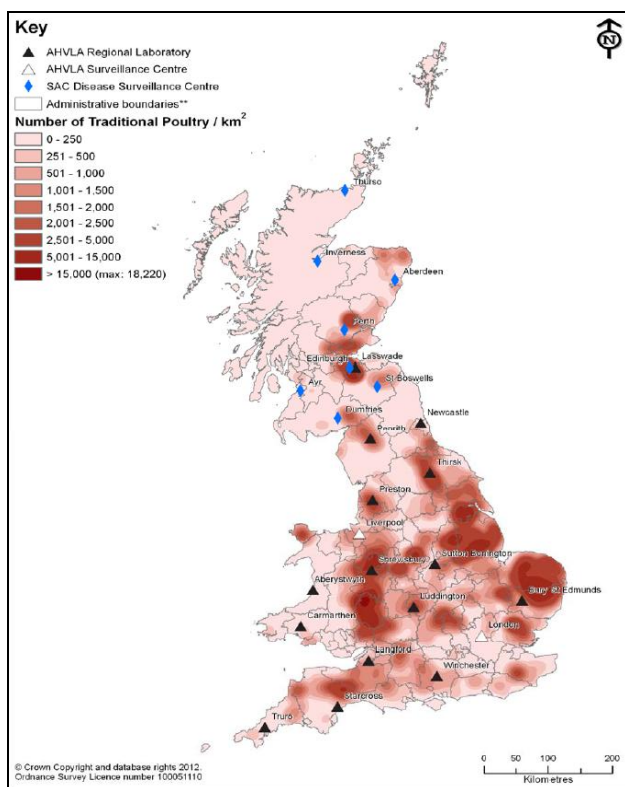


Figure 1.3 shows poultry population density throughout England. The highest densities of the English flock are in East Anglia, Lincolnshire and along the English/Welsh border, with insignificant populations in the south east of England.

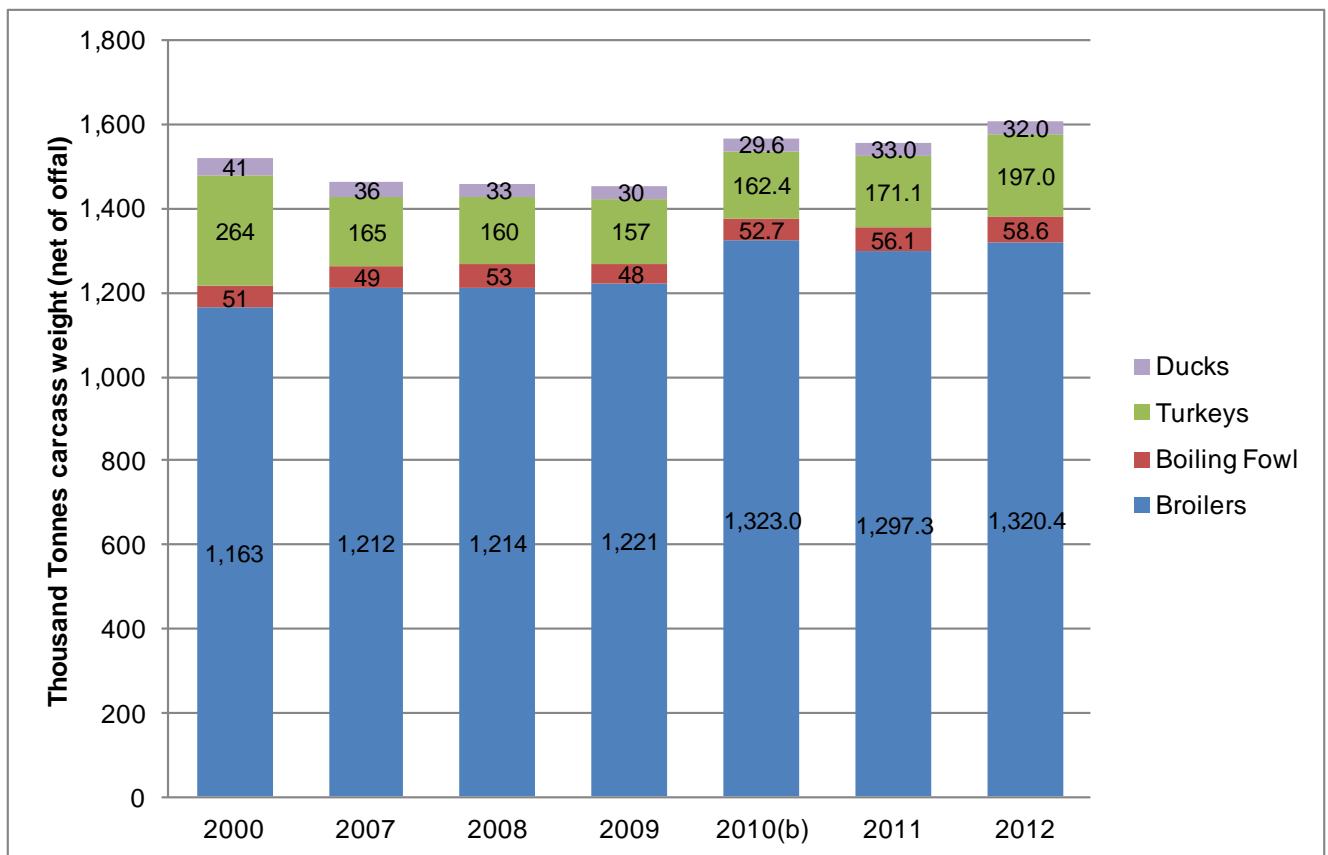
## 1.2 The Structure of the industry

### 1.2.1 Poultry for meat

The number of registered broiler premises in England in 2012 totalled 1,681, housing 115 million birds [3]. By contrast 1,684 premises were registered housing 111 million birds in 2011[4].

According to the British poultry register 81% of broilers are reared indoor whilst 6% are 'free range'. The 'other' category contains caged bird, coop housing and other less conventional housing. Only 1.7% of broilers are reared organically [5].

**Figure 1.4 Annual UK production of poultry meat by type [6]**



Note: (b) 2010 was a 53 week year

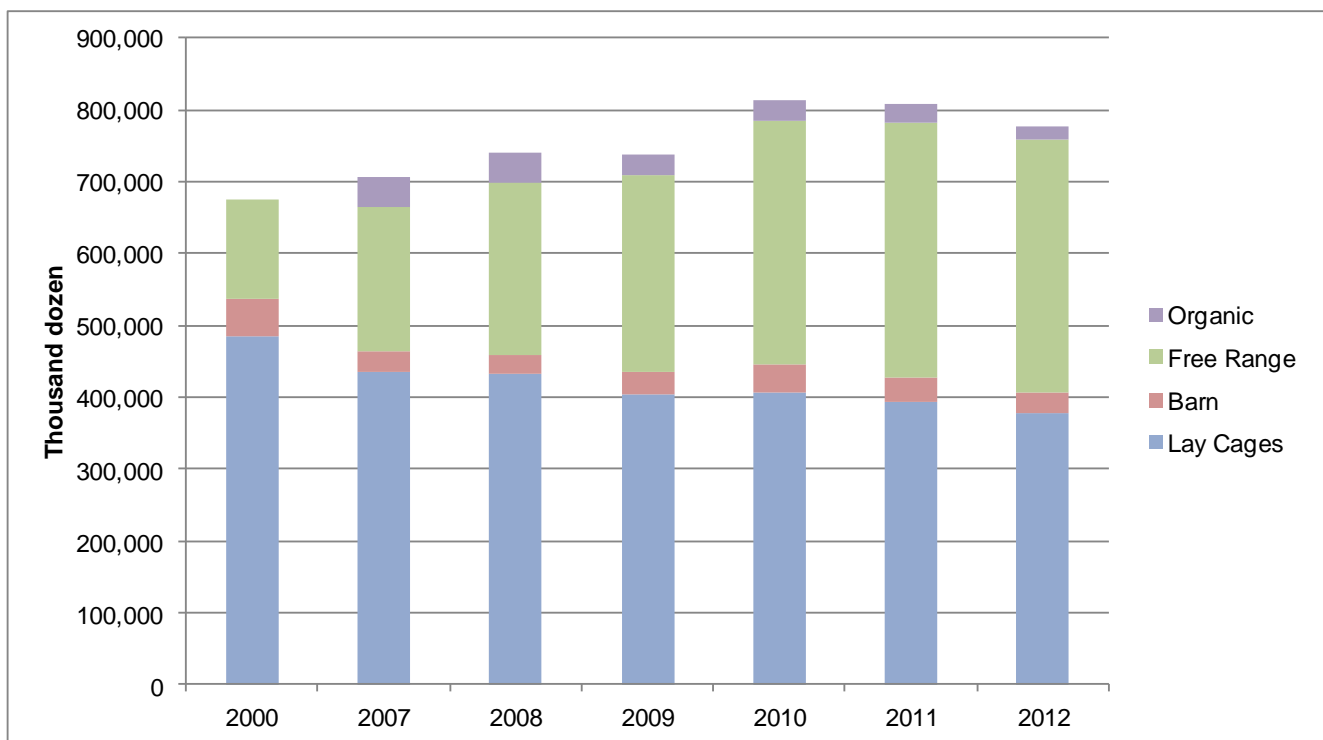
Total annual production of poultry meat in 2012 totalled 1,608 thousand tonnes, fifty thousand (3.2%) more tonnes compared with that in 2011. By type 82% were broilers, 12% turkey, 4% boiling fowl and 2% duck. Poultry meat is regarded as a cheap source of protein compared with other sources such as beef and lamb, which strongly suggests it is the reason for increased production in the current economic recession.

### 1.2.2 Poultry for eggs

Eggs are produced in three basic types of production system:

- *Enriched cages* – As of 1<sup>st</sup> January 2012 poultry within Europe if raised in cage systems must be housed in enriched cages, categorised as having 750cm<sup>2</sup> of cage area per hen (compared to 550cm<sup>2</sup> in conventional housing), housing must include a nesting area, litter to allow dust bathing, perches of at least 15cm per bird, and claw shortening devices. The EC issued ‘final warnings’ six months after the introduction of the ban to 10 member states who had not complied up to that point [7].
- *Barn system* – this system employs open-space hen houses with a series of perches at different levels. Birds are allowed to roam the litter covered floor space, at a maximum density (since 2002) of 9 birds per m<sup>2</sup>. There is a Deep Litter variant of this system, where hen houses have solid floors covered with straw, sand, shavings or turf and a lower stocking density of 7 birds per m<sup>2</sup>. Both systems provide communal nest boxes and raised feeding troughs to prevent the scattering of feeds [8].
- *Free Range System* – this system requires birds to have continuous daytime access to outdoor ‘runs’, largely covered with vegetation, to a maximum stocking density of 9 laying hens per m<sup>2</sup> usable area. The Welfare of Laying Hens Directive imposes the same hen house conditions as for the Barn System. Free range production can also be organic, where, additionally, feeds are organic and the hens are ranged on organically managed land [8].

**Figure 1.5 Annual UK egg production by production systems [9]**



Packing station throughput decreased by 4% in 2012; this may have been due to producers ceasing production following the ban on conventional cage systems from 1<sup>st</sup> January 2012. In the calendar year 2012 48.6% of eggs were produced in lay cages, 45.2% in free range systems, 3.6% in barns, and 2.6% from organic systems. In comparison to 2011 only the free range system increased its share of the sector, up by 1.1%. Organic production declined 0.5 % compared to 2011[9].

Figure 1.6 Average packers to producer prices by housing type [9, 10]



Note: (c) 2012 data for barn eggs suppressed as sample too small

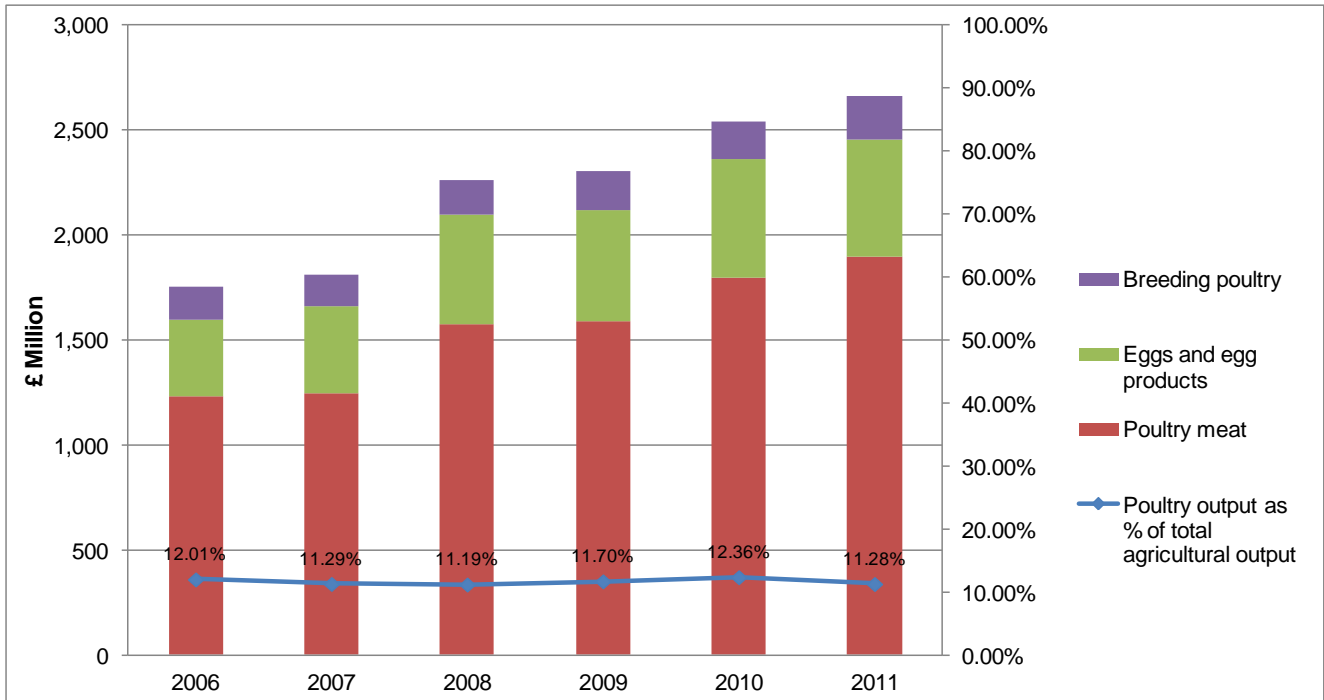
Average packer to producer price increased 16p/doz (+23%) on the back of the EU battery cage ban and rising feed costs. The lack of compliance in some EU member states meant a reduced supply of imported eggs and therefore higher demand for UK produced eggs [11]. Free range eggs saw the average price increase by 15p/doz in 2012 Lay cage egg price also increased by 18p/dozen to 72p/dozen a rise of 34% from the low of 2010. Organic eggs increased by 7p/doz, however this price was 7.5p/doz lower than the high price achieved in 2008 [9].

### 1.3 Contribution of the poultry sector to the economy

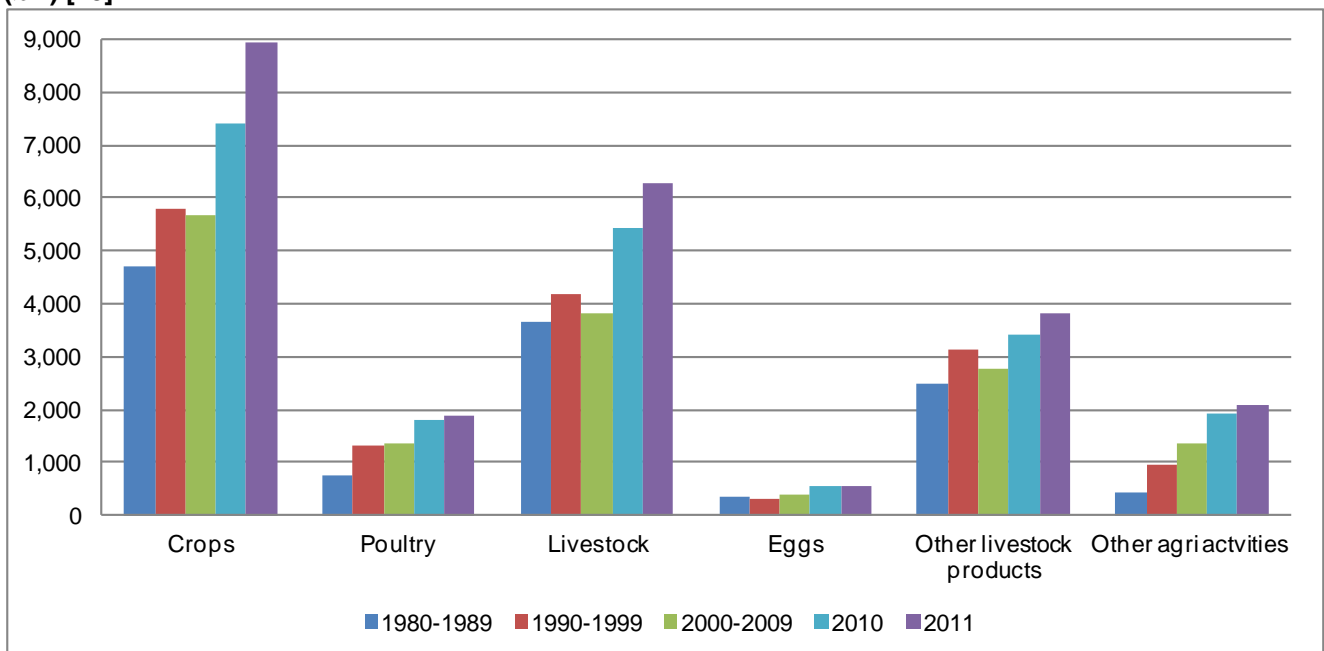
#### 1.3.1 The farm sector

Total poultry output for 2011 increased by 5% compared to 2010 to £2.66 billion; total agricultural output was up by 15%. Poultry output was up largely due to the increase in poultry meat production increasing to £1.9 billion an increase of £100 million on 2010. The output from poultry as a proportion of the total output from agriculture reduced to 11.3%. However, within the livestock sector poultry output is the third largest contributor to total livestock output at 21% behind milk (29%) and cattle (26%) [12].

**Figure 1.7 Producer value of UK-produced poultry meat and eggs 2006-2011 (£M) [12]**



**Figure 1.8 Poultry and egg output compared to other agricultural outputs through time at current prices (£M) [13]**





The poultry industry increased its share of total agricultural output from an average of 9.5% in the 1980's to 12.2% of output in the 2000's. Output from eggs increased by 40% in 2011 [13].

### 1.3.2 The retail sector

#### 1.3.2.1 Poultry meat

Poultry has maintained its popularity in the consumers' food basket by being regarded as low in fat, healthy and in the current economic climate, cheaper than red meats [14]. Poultry meat is also environmentally efficient, with its consumption, contributing just 1% of total UK greenhouse gas emissions [15].

#### 1.3.2.2 Eggs

In 2011, 959 million dozen eggs were consumed in the UK with a retail value of approximately £885 million [16]. In this period imports amounted to 173 million dozen eggs down from 204 million dozen in 2010 and exports increased from 21 million in 2010 to 22 million dozen.

### 1.4 Trade

In 2012, the UK remained unchanged from the previous year at 82% self-sufficient in poultry meat. UK production increased in 2012, with only minor changes to exports and imports. This suggests the poultry sector is able to react quickly to market forces. In June 2012 the EU lifted the ban on fresh poultry meat from Thailand [17], which has not impacted so far on overall imports.

Egg and egg product self-sufficiency reduced by 4% to 88% in 2012. UK production decreased in 2012, and imports made up the short fall [18].

**Table 1.1 UK imports and exports of Eggs and Poultry meat [18]**

<b>Eggs (Million Dozen)</b>	<b>2010</b>	<b>2011</b>	<b>2012<sup>(c)</sup></b>
Imports	76	68	100
Exports	24	17	18
UK production	826	821	778
% self sufficient	91%	92%	88%

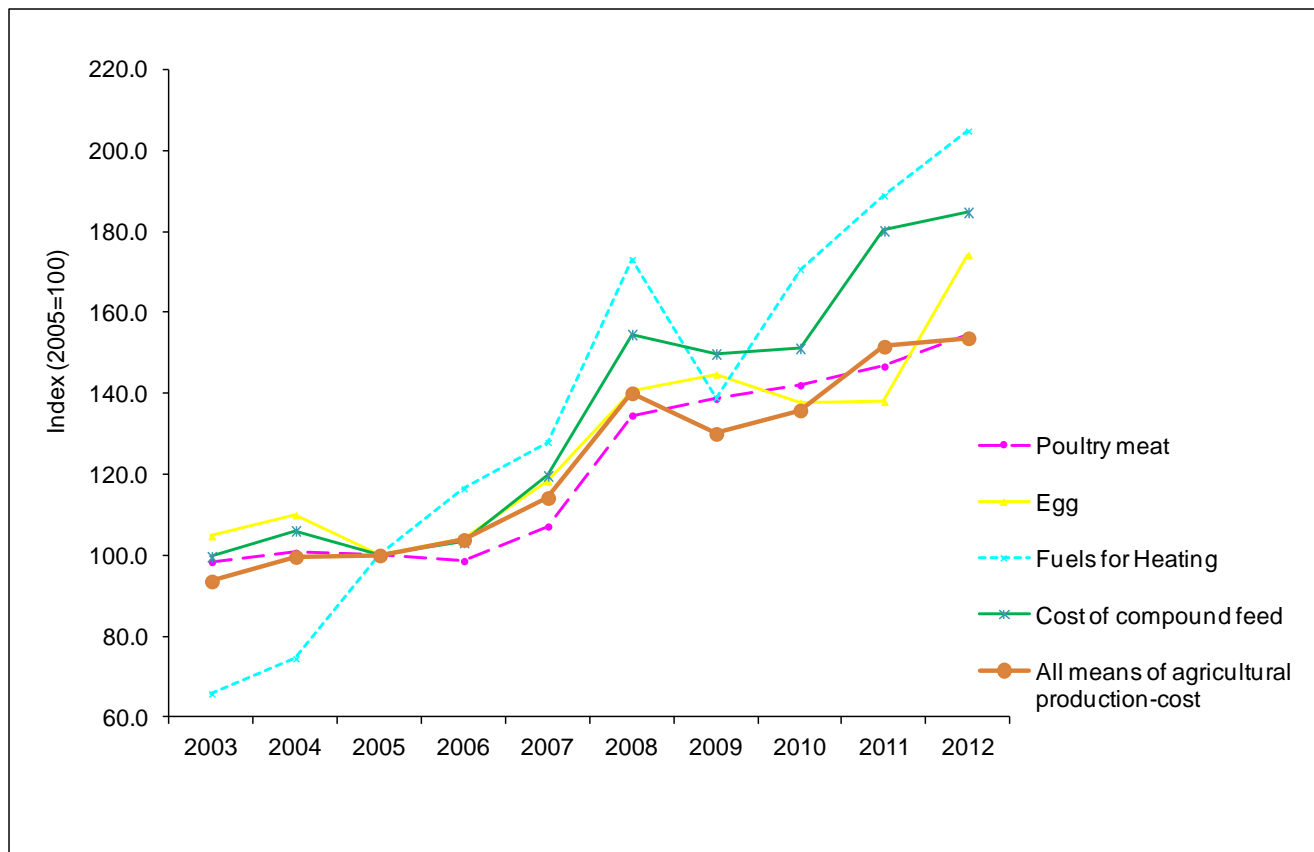
<b>Poultry meat (carcass weight thousand tonnes)</b>	<b>2010</b>	<b>2011</b>	<b>2012<sup>(c)</sup></b>
Imports	635	691	685
Exports	309	341	342
UK production	1,570	1,558	1,608
% self sufficient	83%	82%	82%

Note: (c) 2012 data is provisional only

### 1.5 Producer prices

Input prices rose in 2012 but not as significantly as in previous years. Fuel prices increased 8.5 per cent. Feed prices increased more modestly by 2.5 per cent, with overall means of agricultural production rising by just 1 per cent. Egg output increased by an unprecedented 26% and poultry meat output increased by 5% [19].

**Figure 1.9 Index of producer prices for poultry and eggs and cost of production [19]**



### 1.6 Animal welfare, regulation, and disease

The Poultry industry is heavily regulated in terms of animal welfare codes and public hygiene that have been introduced which govern the way in which birds are housed, fed and transported. As a result, poultry production is undertaken increasingly in England and the rest of the UK and the European Union (EU) within standardised and closely regulated environments.

The ban on conventional cages for laying hens came into force on 1<sup>st</sup> January 2012. The UK was fully compliant by mid-February 2012 [20]. Six months after the ban the EC issued final warnings to 10 member states that had still not complied with the ban on un-enriched cages [21]. No legal action has been taken to date against these member states.

The EC directive setting a maximum stocking density for conventionally grown broilers units of 42kg/m<sup>2</sup> was implemented in England in early 2011 and set at 39kg/m<sup>2</sup>. Other EU members states have opted for the maximum stocking density allowed of 42kg/m<sup>2</sup> [22].

A ban on beak trimming of laying hens was due to have been implemented by the end of 2010. However, Defra agreed an amendment to the bill allowing infra-red beak trimming at one day old. The Farm Animal Welfare Council (FAWC) also recommended a deferment of the ban until 2015 in the interest of laying hen welfare as birds with trimmed beaks show a reduction in feather pecking and cannibalism. Further development in management techniques and breeding of birds with low aggression traits will also help reduce feather pecking and cannibalism, ultimately reducing the need for beak trimming [23].

In March 2011, the Poultry meat (England) regulations 2011 came into force. These transpose European council regulations which cover grading by quality, condition of presentation, labelling, extraneous water content, weight classification, and Special Marketing Term criteria all of which must be met before the adoption of different farm assured based production systems such as 'free-range' and 'barn'. The regulations prescribe minimum uniform standards for producers to adhere to, to ensure availability of good quality fresh and frozen poultry meat produced to a common standard for EU consumers [24].

There were 83 outbreaks [63 in 2010] of food borne infectious diseases reported in 2011 of which 20 of these outbreaks were attributed to campylobacter spp and Salmonella spp. was detected in 17 cases. Poultry meat remains the largest largest transmitter of food borne disease outbreaks with 28 incidents. Egg and egg products account for 10 incidents [25].

### 1.7 Important developments in the poultry industry in 2012

**Table 1.2 Important developments in the poultry industry in 2012**

<p><b>January 2012</b> EU laying hen welfare directive comes into force. Banning battery laying cages [26].</p>
<p><b>February 2012</b> DEFRA announce the UK is fully compliant with the cage ban. After 32 UK producers using old style cages destocked [27].</p>
<p><b>April 2012</b> EU member states voted to lift the ban on imports of raw chicken from Thailand. The ban was imposed in January 2004 after a highly pathogenic avian flu virus was confirmed. It is expected Thailand has the capacity to export 50,000 metric tonnes in the second half of 2012 [17].</p>
<p><b>November 2012</b> Leading supermarket moves away from 100% British poultry meat. The supermarket retailer Morrisons has announced that it will source some poultry meat from within Europe citing the requirement to provide the customer with better value products. A spokesman for the company commented it sells a higher proportion of British meat than any other major British supermarket [28].</p>
<p><b>December 2012</b> The NFU farmer confidence survey found egg producers to be less optimistic about the forthcoming year relative to 2012. However, mid term confidence was marginally higher. Broiler producers were only slightly pessimistic about the short term prospects of the industry but were very optimistic about the mid-term [29].</p>



## SECTION 2: FINANCIAL RESULTS FOR POULTRY PRODUCTION IN ENGLAND

### **2.1 Introduction to the data**

The following series of tables [Tables 2.2 to 2.11] are drawn from a sample of farmers who participate in the Farm Business Survey (FBS) in England and whose farms are classified as specialist poultry farms. Tables 2.12 to 2.17 are drawn from a sample of farms that participate in the FBS who have a poultry enterprise. This sample of farms includes all farm type groups, including specialist poultry farms.

### **2.2 Definition of poultry type groups**

*Specialist Poultry farms are farms on which poultry account for more than two thirds of their total Standard Output.*

#### **Specialist Poultry Farms**

- Table 2.2 –All specialist poultry farms
  - Sample includes all types of laying and non-laying enterprises, defined as specialist poultry farms

#### **Specialist Poultry Farms – split between laying flocks and poultry meat producers:**

- Table 2.3-All laying flocks
  - Sample includes all types of laying enterprises producing eggs for human consumption including cage, free range and deep litter and breeder/rearer enterprises (growing pullets, layer breeders and broiler breeders)
- Table 2.4 –Poultry meat producers
  - Sample includes all types of poultry meat enterprises including contract and non-contract broilers, turkeys, and ducks

#### **Layers – further sub-groups of table 2.3:**

- Table 2.5 –Laying flocks producing eggs for human consumption
  - Sample includes all types of laying enterprises including cage, free range and deep litter systems
- Table 2.6 –Laying flocks with mixed production systems including cage, barn and deep litter systems
  - Sample includes all cage laying and mixed laying enterprises [a sub-set of Table 2.5]
- Table 2.7 –Laying flocks with free range hens
  - Sample includes solely free range laying enterprises [a sub-set of Table 2.5]

#### **Poultry meat producers – further sub-group of table 2.4:**

- Table 2.8 –Non-contract broilers
  - Sample includes non-contract broiler enterprises [a sub-set of Table 2.4]

#### **Gross margin analysis for all poultry enterprises**

This sample of farms includes all farm type groups, including specialist poultry farms.

- Table 2.12 –All laying flocks
  - Sample includes all types of laying enterprises (cage, free range and deep litter)
- Table 2.13 –Laying flocks with mixed production systems including cage, barn and deep litter
  - Sample includes all cage laying and mixed laying enterprises [a sub-set of Table 2.12]

- Table 2.14 –Laying flocks with free range hens
  - Sample includes solely free range laying enterprises [a sub-set of Table 2.12]
- Table 2.15 –Laying flocks (cage and free range systems)
  - Gross margin per dozen eggs
- Table 2.16 –Non-contract broilers and table chickens
  - Sample includes non-contract broiler and table chicken enterprises
- Table 2.17 –Turkey production
  - Sample includes mainly Christmas turkey producers

### **2.3 The sample**

The Farm Business Survey (FBS) covers businesses with a Standard Output (SO) of 25,000 Euros and above. Standard Outputs are representative of the level of output that could be expected on the average farm under “normal” conditions (i.e. no disease outbreaks or adverse weather). They measure the total value of output of any one enterprise; per head for livestock and per hectare for crops. It is calculated from standard coefficients applied to each enterprise on the farm and represents the output per hectare of crops or per head of livestock.

The sample is drawn from a stratified population of seven regions in England. The weighting of the FBS results is a two stage process with firstly an initial weight being produced and then this initial weight being adjusted via a calibration procedure. The weights are based on population data from the June business register (see section on Sampling and Recruitment) and are calculated for each design stratum. The initial weights for the FBS are based on the inverse sampling fraction. Suppose for example there were 250 Cereal farms in the population and of these 50 were sampled then these 50 sampled farms would be given an initial sample weight of 5 (250/50). These weights are then adjusted (Calibration Weighting) so that they produce correct population totals for a series of calibration variables for which accurate population values are known from other sources. This ensures that the weights produce precise estimates of other variables, with little bias, despite the inevitable imperfections of the sampling strategy. This weight when applied to each business represents the number of times that business’ data must be replicated in order to ‘represent’ businesses not selected for the sample, so as to reflect the entire population, and applies to all variables.

According to the 2011 June survey there are 1,394 specialist poultry farms in England. This excludes farms that are regarded as too small for inclusion in the FBS, as they fall below the minimum size threshold. The smallest ‘commercial’ poultry farms by June Survey definition are not eligible for the FBS. The FBS is drawn from a business level dataset where the size criterion is set at a minimum SO of 25,000 Euros.

The FBS sample for the 2011/12 financial year includes 96 specialist poultry farms, which represents 6.9% of the population of specialist poultry farms.

The data in this report have been compiled from the 2010/11 and 2011/12 FBS.

Results for this survey can be accessed at:

<http://farmbusinesssurvey.co.uk> and at:

<http://www.defra.gov.uk/statistics/foodfarm/farmmanage/fbs/publications/farmaccounts/>

## **2.4 Financial results for 2010/11 and 2011/12**

### **2.4.1 Specialist poultry farms [Table 2.2]**

In 2011/12 a total of 96 farms participating in the Farm Business Survey (FBS) in England classified as specialist poultry farms, compared with 97 farms in 2010/11.

Specialist poultry farm businesses were less profitable [-39.7%] in the 2011/12 financial year than in the previous year, with an average profit as measured by Farm Business Income (FBI) of £41,110 per business. Within this sector, both the layers and the poultry meat producers experienced a downturn in profit. Layers saw a reduction of 67.7% [table 2.3] in FBI from £17,558 to £5,673, while the FBI for the poultry meat sector fell by 39.8% [table 2.4], from £127,061 to £76,509. These specialist meat producers tend to be larger businesses than the specialist layer enterprises, and so have a greater influence on the overall specialist poultry figures.

The average number of birds per farm decreased by 28.2% to 52,092 birds, with hens in lay decreasing by 44.3% and poultry for meat production falling by 21.9%. Consequently, total gross output fell by 16.3% to £621,938 per farm. The price of eggs increased on average by 19.7%, to 90.2p per dozen; [75.3p in 2010/11]. This is broadly in line with the national data as shown in Figure 1.7 that showed the average packer to producer price increased by 16p/doz [+23%].

Although the sample of poultry businesses is divided fairly evenly between layers [51] and meat producers [45] in 2011/12 the balance was very different in terms of poultry output with 25% derived from egg production and 75% from meat production.

The decrease in the number of birds resulted in variable costs falling by 12.6% to £398,846 and fixed costs decreasing by 17% to £195,454 per farm in 2011/12. Although total expenditure fell with the reduction in bird numbers, the costs per bird increased. Among the variable costs expenditure on feed rose again in 2011/12, up from 58.9% of output in 2010/11 to 61.5%.

The net result of the year-on-year change to output and costs saw FBI fall by 39.7%, to £41,110 per farm. In common with past income trends there was a wide range in the level of FBI per farm business, with 35% of farms producing an average annual FBI of over £50,000 in 2011/12 and 30% of farms incurring a loss as measured by FBI, compared with 38% and 21% respectively in the previous year.

### **2.4.2 Layers producing eggs for human consumption and breeder/rearers [Table 2.3]**

In 2011/12 51 specialist poultry farms classified as layers (Defra farm typology code 521), which included 43 businesses with laying flocks producing eggs for human consumption, and eight businesses comprising breeding and rearing units. This latter category includes growing pullets, layer breeders and broiler breeders. By contrast 55 poultry farms classified as layers in 2010/11, including 43 farms producing eggs for human consumption and 12 breeding and rearing units.

Gross output fell by 26.9% to £362,768 in 2011/12, with total variable costs falling by 24.5% to £212,294 and total fixed costs by 26.8% to £157,440. The result of which, saw FBI fall by 67.7% to £5,673.

### **2.4.3 Layers producing eggs for human consumption [Table 2.5]**

This sub-set of farms consists of those flocks producing eggs for human consumption. These include enriched cages, barn, deep litter and free range production units. This section does not include breeding poultry (laying flocks producing hatching eggs, day-old chicks and pullets).

The average flock size in the FBS sample saw the number of birds decrease by 47% from 31,499 in 2010/11 to 16,687 in 2011/12. Although, the average price received for eggs increased by 22.5% to 91p/doz, gross output for laying flocks in England in 2011/12 was down 36.3% at £307,767.

Total variable costs decreased by 34.2% to £199,383 per farm amongst which feed comprising 88.9% of all these costs decreased by 33.4% to £177,213 per farm. As a consequence of lower output particularly, average gross margin fell by 39.8% to £108,384 per farm. Total fixed costs decreased by 32% to £124,059 per farm.

On a 'per bird' basis gross output increased by 20% to £18.44. This was due to the increase in egg price, while production fell by 0.9% to 276 eggs per bird. However, feed costs increased by 25.7% to £10.62, and overhead costs increased by 28.5% to £7.43. Consequently, the profit per bird as measured by FBI fell from 68p per bird in 2010/11 to 2p per bird in 2011/12, and on a 'per dozen' basis was down from 3p per dozen in the previous year to 0.1p in 2011/12.

The reduction in the profit per bird coupled with the large fall in the average flock number, meant that the total FBI per holding fell from £21,391 in 2010/11 to £367 in 2011/12.

#### 2.4.4 Mixed production systems and free range flocks [Table 2.6 and 2.7]

The laying flock group producing eggs for human consumption has been subdivided into two further groups of mixed production systems and free range flocks. Although the mixed production systems are predominantly cage units, they comprise some mixed systems, including barn and deep litter egg production.

In 2011/12 there were ten mixed/caged units and 31 free range egg producers, compared with 13 mixed/caged units and 30 free range egg producers in 2010/11. With the very small sample size in the mixed/caged group, care should be taken interpreting the figures.

**Table 2.1 Comparison of financial performance measures for mixed production systems and free range systems compared with All Laying flocks in 2011/12**

	All Laying Flocks [Table 2.5] (£ per farm)	Mixed production systems including cages, barn & deep litter hens [Table 2.6] (£ per farm) (% difference from All Laying Flocks)	Free Range hens (£ per farm) (% difference from All Laying Flocks) [Table 2.7]
Total Gross Output	307,767	550,300 (+78.8)	255,813 (-16.9)
Total Gross Margin	108,384	186,777 (+72.3)	91,160 (-15.9)
Farm Business Income	367	-2,913	1,543

The 2011/12 financial year was challenging for all types of laying hen producers, with low profitability prevailing. The average number of birds in the intensive units fell by 49% to 30,873, while for the free range units numbers fell by 11% to 13,217.

The average price of eggs in the mixed/caged unit group increased by 38.6% from 65.1p per dozen to 90.2p in 2011/12. Average egg production remained similar in both years at 278 eggs per bird. As a result of this increase in the egg price the output per bird increased by 40% to £17.82. However, feed costs increased by 26.9% to £9.63 per bird. Overhead costs also increased on a per bird basis and despite an increase in the price of eggs there was no positive margin left after taking account of all expenditure.

The average price of free range eggs decreased by 3.8% from 95.2p per dozen to 91.6p. Whereas in 2010/11 there was a 46.3% differential in price between caged and free range eggs, in 2011/12 the premium had virtually disappeared between the intensive and free range systems. Egg production for free range units was similar to the intensive units, with 278 and 279 eggs per bird produced for the respective systems. However, the intensive units have on average 2.3 times more laying hens than the average free range egg producing unit. A wide variation in the average price of eggs for farms was observed in the FBS in 2011/12. Numerous outlets are used including selling eggs directly to a packing station, to shops and catering outlets and direct to the consumer. Although it has already been noted previously in Section 1 that the average price of eggs has increased by 23%, the larger increase observed in the survey appears to be the result of the multi-various marketing outlets used and as a consequence there is little difference in the price of eggs between the different production systems.



On a per bird basis, poultry output fell by £2 for free range units, as reflected in the relative changes in egg prices. Feed costs increased by £1.27 on these units [+£2.04 on intensive units]. Over 90% of the total variable costs were attributable to feed [94%]. Although overhead costs decreased by £1.07 for free range units, the profit as measured by FBI, fell from £2.51 per bird to 12p.

Overall, the largest decrease in profitability on a 'business' basis was for the free range units, whilst in the previous year it had been the caged/mixed units that had seen a large fall in their profits. After several years of rising costs both production systems suffered from poor profitability in 2011/12.

#### **2.4.5 Poultry meat producers [Table 2.4]**

This group of farms classify as poultry meat producers (Defra farm typology code 522). In 2011/12 there were 45 specialist poultry farms that produced poultry for meat, compared with 42 farms in 2010/11. These flocks included 21 broiler producers amongst them, whose results are shown separately elsewhere in this section. In addition this group include contract broiler producers with the birds and feed provided by the rearing company who in turn pay a fee to the producer. Although broiler production is the predominant system, a small number of producers of table chickens, turkeys, ducks and geese were also present in the sample.

Gross output fell by 14.4% to £880,828 per farm for these units and feed costs (the principal variable cost) decreased by 12.4% and total fixed costs fell by 9.8%, while the average number of birds also decreased by 27.7% to 80,999. FBI decreased by 39.8% to £76,509 per business for 2011/12.

Although this group includes both contract and non-contract poultry meat producers it was not possible to publish the results for individual enterprises, due to their very small sample sizes.

#### **2.4.6 Non-contract broiler production [Table 2.8]**

Producers in this group own the birds and incur all the costs associated with the production of broilers. A production cycle is approximately 42 days which normally leads to seven crops per year. The results on a per bird basis are on an individual crop basis.

Total poultry output decreased by 6.9% to £1,638,871, as did total throughput which decreased by 14.4% to 1,116,248 birds per year. The main cost to the farm business for this system is feed which decreased by 5.4% to £1,210,462. In 2010/11 feed costs were 72.7% of poultry output increasing to 73.9% in 2011/12.

The result of which saw, FBI fall by 34.3% from £160,480 per farm in 2010/11 to £105,505 in 2011/12. Although throughput was lower, productivity improved from 7.0 crops to 7.3 crops of birds reared per year in 2011/12. The average price received for broilers in 2011/12 was £1.82 per bird, an increase of 14p on the previous year, while the price of chicks increased by 2p to 32p per chick.

## **2.5 Balance sheet information [Table 2.9 to 2.11]**

Table 2.9 shows the assets, liabilities and net worth for the same group of farms included in the preceding commentary on financial results. For specialist poultry farms as a whole, the percentage equity in the business decreased by 1.9% during the year to 73.6%. The value of fixed assets increased by 6.1% to £855,645, whilst total external liabilities increased by 10%, to £262,089.

The laying flock systems saw their percentage equity fall in 2011/12 from 62.5% to 56.9%, while the poultry meat producers recorded a very small change in percentage equity from 83.4% to 83.1%.

Table 2.10 compares the net worth and percentage equity with other Robust Farm Type classification used in England with an overall average of £1,270,238 recorded per farm, representing 89.2% equity in the business. Those farms that are predominantly land based have the highest net worth, while those businesses with intensive livestock systems and with a very low dependency on land have lower net worth and a consequent smaller stake in the equity of their businesses. For example, lowland cattle & sheep farms and cereal farms having the highest percentage equity at 93.1% and 92.0%, while pig and poultry farms have the lowest percentage equity at 75.6% and 74.5% respectively.

## **2.6. Gross margins for all poultry enterprises**

Tables 2.12 to 2.17 show the gross margin results from all farms in the survey with poultry enterprises, some of which will be in addition to the specialist poultry farms commented upon earlier in this report. Hence the sample of farms on which gross margins have been calculated is larger, although the average flock size is smaller, as the poultry enterprises on these additional farms tend to be supplementary to the main farm enterprises.

### **2.6.1 Gross margin for laying flocks [Table 2.12 to 2.15]**

The average flock size for this group of farms at 13,395 hens in 2011/12 is 80% of the specialist poultry layers group [Table 2.5] however the trend in financial results is very similar. Average egg price was 88.3p per dozen, compared with 73.5p in the previous year. This rise in the price of eggs saw output increase to £16.86 [+£2.35] per bird. Feed costs, amounting to 63.7% of output, increased to £10.74 [+£1.86] per bird, resulting in a gross margin of £5.11 [+25p] for 2011/12. The gross margin per dozen eggs was 22.7p for all layers, an increase of 1.8p [table 2.15].

As with the specialist poultry farms, the free range egg producers saw a small decrease in output while the caged/mixed production systems recorded an increase in output. The gross margin for free range egg production was £4.85 [-£2.20] per bird compared with £5.53 [+£1.97] for caged/mixed egg production for the 2011/12 financial year. Consequently, these two production systems are showing similar trends in their results to those of the combined specialist poultry farms in 2011/12.

The average egg price was 5% less for free range egg production at 86.4p per dozen, than for intensive units in 2011/12, while a 40% premium had been achieved in the previous year. Egg production for free range systems and caged/mixed systems was 282 and 278 eggs per year. Feed costs were also 16% higher for free range egg producers at £11.37 per bird. The gross margin per dozen eggs was 21.1p for free range egg production and 25.3p for intensive/mixed egg production systems.

Intensive/mixed laying hen systems had the advantage of size, having 2.4 times more birds on average than their free range counterparts in 2011/12.

### **2.6.2 Gross margin for broilers & table chicken production (non-contract) [Table 2.16]**

The average price received for broilers in 2011/12 was £1.82 [+13p] per bird, while the average purchase price for chicks was 32p [+2p] per bird. Feed costs increased to £1.09 [+11p] per bird, producing a gross margin of 33p per bird compared with 31p per bird in the previous year. With 7.3 crops per year an average gross margin of £2.41 per bird was recorded on a twelve month basis, an increase of 29p on the previous year.

### **2.6.3 Turkey production [Table 2.17]**

Farms in this group are predominantly small scale Christmas turkey producers. The average price received for turkeys in 2011/12 was £33.10 [+£1.19] per bird, while the average purchase price was £4.59 [+96p] per bird. Overall, poultry output was £26.93 per bird [+67p], while the feed cost was £7.89 per bird [+39p]. This resulted in a gross margin of £16.02 [-39p] per bird for 2011/12.

**Table 2.2 Financial results for all specialist poultry farms**

	<i>Per farm</i>			<i>Per bird (annual basis)</i>		
	2010/11	2011/12	% change	2010/11	2011/12	£ change
Number of farms	97	96		97	96	
Average number of birds/year	72,538	52,092		72,538	52,092	
	<i>Average £ per farm</i>			<i>Average £ per bird</i>		
<b>Gross output</b>						
Eggs	215,875	145,024	-32.8	2.98	2.78	-0.19
Hen depreciation	-19,403	-4,788	75.3	-0.27	-0.09	0.18
Broilers	380,931	350,648	-7.9	5.25	6.73	1.48
Other poultry output	102,209	81,473	-20.3	1.41	1.56	0.15
<b>Total poultry output</b>	<b>679,611</b>	<b>572,356</b>	<b>-15.8</b>	<b>9.37</b>	<b>10.99</b>	<b>1.62</b>
Crops	26,040	19,601	-24.7	0.36	0.38	0.02
Other livestock	7,308	6,398	-12.5	0.10	0.12	0.02
Other output	30,172	23,583	-21.8	0.42	0.45	0.04
<b>Total gross output</b>	<b>743,132</b>	<b>621,938</b>	<b>-16.3</b>	<b>10.24</b>	<b>11.94</b>	<b>1.69</b>
<b>Variable costs</b>						
Feed	400,603	352,125	-12.1	5.52	6.76	1.24
Seed, fertiliser, crop costs	7,578	6,004	-20.8	0.10	0.12	0.01
Vet. & medicines	11,591	9,363	-19.2	0.16	0.18	0.02
Other livestock costs	36,735	31,355	-14.6	0.51	0.60	0.10
<b>Total variable costs</b>	<b>456,507</b>	<b>398,846</b>	<b>-12.6</b>	<b>6.29</b>	<b>7.66</b>	<b>1.36</b>
<b>Total gross margin</b>	<b>286,625</b>	<b>223,092</b>	<b>-22.2</b>	<b>3.95</b>	<b>4.28</b>	<b>0.33</b>
<b>Fixed costs</b>						
Labour:						
Regular paid	58,078	40,086	-31.0	0.80	0.77	-0.03
Regular unpaid	21,362	21,542	0.8	0.29	0.41	0.12
Casual labour	3,941	4,097	4.0	0.05	0.08	0.02
Power & machinery costs:						
Contract & hire	10,504	9,771	-7.0	0.14	0.19	0.04
Fuel	6,712	5,839	-13.0	0.09	0.11	0.02
Electricity	9,946	8,439	-15.2	0.14	0.16	0.02
Heat	13,142	11,410	-13.2	0.18	0.22	0.04
Repairs	11,480	8,942	-22.1	0.16	0.17	0.01
Depreciation	17,826	15,810	-11.3	0.25	0.30	0.06
Rent (incl. imputed)	44,277	32,083	-27.5	0.61	0.62	0.01
Other costs:						
Occupiers repairs	10,354	12,127	17.1	0.14	0.23	0.09
Sundries (incl. bad debts)	27,758	25,308	-8.8	0.38	0.49	0.10
<b>Total fixed costs</b>	<b>235,380</b>	<b>195,454</b>	<b>-17.0</b>	<b>3.24</b>	<b>3.75</b>	<b>0.51</b>
<b>Management &amp; investment income</b>	<b>51,245</b>	<b>27,638</b>	<b>-46.1</b>	<b>0.71</b>	<b>0.53</b>	<b>-0.18</b>
Minus: management salaries	68	93	37.5	0.00	0.00	0.00
Plus: farmer & spouse labour	16,385	17,044	4.0	0.23	0.33	0.10
<b>Net farm income</b>	<b>67,562</b>	<b>44,589</b>	<b>-34.0</b>	<b>0.93</b>	<b>0.86</b>	<b>-0.08</b>
<b>Farm business income</b>	<b>68,219</b>	<b>41,110</b>	<b>-39.7</b>	<b>0.94</b>	<b>0.79</b>	<b>-0.15</b>

**Per £100 of gross output**

	2010/11	2011/12	£ change	<b>Farm Business Income (FBI) per farm</b>		
				(% distribution by number of farms)		
				%	% 2010/11 2011/12	
Number of farms	97	96				
Average number (birds/year)	72,538	52,092				
<b>Average £ per £100 of gross output</b>						
<b>Gross output (%)</b>						
Eggs (%)	29.05	23.32		Over £100,000	24	20
Hen depreciation (%)	-2.61	-0.77		£50,000 to <£100,000	14	16
Broilers (%)	51.26	56.38		£25,000 to <£50,000	18	14
Other poultry output (%)	13.75	13.10		£12,500 to <£25,000	15	10
<b>Total poultry output (%)</b>	<b>91.45</b>	<b>92.03</b>		0 to <£12,500	8	10
				-£25,000 to 0	11	19
Crops (%)	3.50	3.15		Below -£25,000	9	11
Other livestock (%)	0.98	1.03		<b>Total</b>	<b>100</b>	<b>100</b>
Other output (%)	4.06	3.79				
<b>Total gross output (%)</b>	<b>100.00</b>	<b>100.00</b>				
<b>Variable costs</b>						
Feed	53.91	56.62	2.71			
Seed, fertiliser, crop costs	1.02	0.97	-0.05			
Vet. & medicines	1.56	1.51	-0.05			
Other livestock costs	4.94	5.04	0.10			
<b>Total variable costs</b>	<b>61.43</b>	<b>64.13</b>	<b>2.70</b>			
<b>Total gross margin</b>	<b>38.57</b>	<b>35.87</b>	<b>-2.70</b>			
<b>Fixed costs</b>						
<b>Labour:</b>				<b>Average Poultry Numbers</b>		
Regular paid	7.82	6.45	-1.37		<b>Average</b>	<b>Average</b>
Regular unpaid	2.87	3.46	0.59		<b>2010/11</b>	<b>2011/12</b>
Casual labour	0.53	0.66	0.13	Hens in lay	15,236	8,484
<b>Power &amp; machinery costs:</b>				Pullets	5,445	3,087
Contract & hire	1.41	1.57	0.16	Broilers & other poultry	51,856	40,521
Fuel	0.90	0.94	0.04	<b>Total Average</b>	<b>72,538</b>	<b>52,092</b>
Electricity	1.34	1.36	0.02			
Heat	1.77	1.83	0.07			
Repairs	1.54	1.44	-0.11			
Depreciation	2.40	2.54	0.14			
Rent (incl. imputed)	5.96	5.16	-0.80			
<b>Other costs:</b>						
Occupiers repairs	1.39	1.95	0.56			
Sundries (incl. bad debts)	3.74	4.07	0.33			
<b>Total fixed costs</b>	<b>31.67</b>	<b>31.43</b>	<b>-0.25</b>			
<b>Management &amp; investment income</b>	<b>6.90</b>	<b>4.44</b>	<b>-2.45</b>			
Minus: management salaries	0.01	0.01	0.01	<b>Other efficiency factors</b>		
Plus: farmer & spouse labour	2.20	2.74	0.54		<b>Average</b>	<b>Average</b>
<b>Net farm income</b>	<b>9.09</b>	<b>7.17</b>	<b>-1.92</b>		<b>2010/11</b>	<b>2011/12</b>
				Eggs per bird	226	227
<b>Farm business income</b>	<b>9.18</b>	<b>6.61</b>	<b>-2.57</b>	Eggs (p/doz.)	75.32	90.17

**Table 2.3 Financial results for all laying flocks**

	<i>Per farm</i>			<i>Per bird (annual basis)</i>		
	<b>2010/11</b>	<b>2011/12</b>	<b>% change</b>	<b>2010/11</b>	<b>2011/12</b>	<b>£ change</b>
Number of farms	55	51		55	51	
Average number of birds/year	38,487	23,154		38,487	23,154	
	<i>Average £ per farm</i>			<i>Average £ per bird</i>		
<b>Gross output</b>						
Eggs	401,735	290,204	-27.8	10.44	12.53	2.10
Hen depreciation	-36,109	-9,581	73.5	-0.94	-0.41	0.52
Broilers	0	0	0.0	0.00	0.00	0.00
Other poultry output	100,515	56,273	-44.0	2.61	2.43	-0.18
<b>Total poultry output</b>	<b>466,142</b>	<b>336,896</b>	<b>-27.7</b>	<b>12.11</b>	<b>14.55</b>	<b>2.44</b>
Crops	8,357	6,892	-17.5	0.22	0.30	0.08
Other livestock	7,120	1,757	-75.3	0.18	0.08	-0.11
Other output	14,892	17,223	15.7	0.39	0.74	0.36
<b>Total gross output</b>	<b>496,510</b>	<b>362,768</b>	<b>-26.9</b>	<b>12.90</b>	<b>15.67</b>	<b>2.77</b>
<b>Variable costs</b>						
Feed	231,330	181,023	-21.7	6.01	7.82	1.81
Seed, fertiliser, crop costs	2,256	1,799	-20.3	0.06	0.08	0.02
Vet. & medicines	11,920	7,577	-36.4	0.31	0.33	0.02
Other livestock costs	35,572	21,896	-38.4	0.92	0.95	0.02
<b>Total variable costs</b>	<b>281,077</b>	<b>212,294</b>	<b>-24.5</b>	<b>7.30</b>	<b>9.17</b>	<b>1.87</b>
<b>Total gross margin</b>	<b>215,433</b>	<b>150,474</b>	<b>-30.2</b>	<b>5.60</b>	<b>6.50</b>	<b>0.90</b>
<b>Fixed costs</b>						
Labour:						
Regular paid	71,628	41,428	-42.2	1.86	1.79	-0.07
Regular unpaid	22,183	23,429	5.6	0.58	1.01	0.44
Casual labour	2,277	3,902	71.3	0.06	0.17	0.11
Power & machinery costs:						
Contract & hire	4,343	2,711	-37.6	0.11	0.12	0.00
Fuel	5,319	4,175	-21.5	0.14	0.18	0.04
Electricity	9,564	7,021	-26.6	0.25	0.30	0.05
Heat	4,215	1,881	-55.4	0.11	0.08	-0.03
Repairs	7,772	5,342	-31.3	0.20	0.23	0.03
Depreciation	18,630	15,375	-17.5	0.48	0.66	0.18
Rent (incl. imputed)	35,428	26,716	-24.6	0.92	1.15	0.23
Other costs:						
Occupiers repairs	7,059	7,195	1.9	0.18	0.31	0.13
Sundries (incl. bad debts)	26,735	18,266	-31.7	0.69	0.79	0.09
<b>Total fixed costs</b>	<b>215,155</b>	<b>157,440</b>	<b>-26.8</b>	<b>5.59</b>	<b>6.80</b>	<b>1.21</b>
<b>Management &amp; investment income</b>	<b>278</b>	<b>-6,966</b>	<b>-2,609.6</b>	<b>0.01</b>	<b>-0.30</b>	<b>-0.31</b>
Minus: management salaries	126	20	-84.3	0.00	0.00	0.00
Plus: farmer & spouse labour	17,544	18,786	7.1	0.46	0.81	0.36
<b>Net farm income</b>	<b>17,696</b>	<b>11,800</b>	<b>-33.3</b>	<b>0.46</b>	<b>0.51</b>	<b>0.05</b>
<b>Farm business income</b>	<b>17,558</b>	<b>5,673</b>	<b>-67.7</b>	<b>0.46</b>	<b>0.25</b>	<b>-0.21</b>

**Per £100 of gross output**

	2010/11	2011/12	£ change
Number of farms	55	51	
Average number (birds/year)	38,487	23,154	

**Average £ per £100 of gross output**

<b>Gross output (%)</b>			
Eggs (%)	80.91	80.00	
Hen depreciation (%)	-7.27	-2.64	
Broilers (%)	0.00	0.00	
Other poultry output (%)	20.24	15.51	
<b>Total poultry output (%)</b>	<b>93.88</b>	<b>92.87</b>	
Crops (%)	1.68	1.90	
Other livestock (%)	1.43	0.48	
Other output (%)	3.00	4.75	
<b>Total gross output (%)</b>	<b>100.00</b>	<b>100.00</b>	
<b>Variable costs</b>			
Feed	46.59	49.90	3.31
Seed, fertiliser, crop costs	0.45	0.50	0.04
Vet. & medicines	2.40	2.09	-0.31
Other livestock costs	7.16	6.04	-1.13
<b>Total variable costs</b>	<b>56.61</b>	<b>58.52</b>	<b>1.91</b>
<b>Total gross margin</b>	<b>43.39</b>	<b>41.48</b>	<b>-1.91</b>
<b>Fixed costs</b>			
Labour:			
Regular paid	14.43	11.42	-3.01
Regular unpaid	4.47	6.46	1.99
Casual labour	0.46	1.08	0.62
Power & machinery costs:			
Contract & hire	0.87	0.75	-0.13
Fuel	1.07	1.15	0.08
Electricity	1.93	1.94	0.01
Heat	0.85	0.52	-0.33
Repairs	1.57	1.47	-0.09
Depreciation	3.75	4.24	0.49
Rent (incl. imputed)	7.14	7.36	0.23
Other costs:			
Occupiers repairs	1.42	1.98	0.56
Sundries (incl. bad debts)	5.38	5.04	-0.35
<b>Total fixed costs</b>	<b>43.33</b>	<b>43.40</b>	<b>0.07</b>
<b>Management &amp; investment income</b>	<b>0.06</b>	<b>-1.92</b>	<b>-1.98</b>
Minus: management salaries	0.03	0.01	-0.02
Plus: farmer & spouse labour	3.53	5.18	1.65
<b>Net farm income</b>	<b>3.56</b>	<b>3.25</b>	<b>-0.31</b>
<b>Farm business income</b>	<b>3.54</b>	<b>1.56</b>	<b>-1.97</b>

**Pence per dozen eggs**

	2010/11	2011/12
<b>Gross output</b>		
Eggs	75.32	90.17
Other poultry output	12.08	14.51
Other output	5.69	8.04
<b>Total gross output</b>	<b>93.09</b>	<b>112.72</b>
<b>Variable costs</b>		
Feed	43.37	56.25
Other variable costs	9.33	9.72
<b>Total variable costs</b>	<b>52.70</b>	<b>65.97</b>
<b>Total gross margin</b>	<b>40.39</b>	<b>46.76</b>
<b>Total fixed costs</b>	<b>40.34</b>	<b>48.92</b>
<b>Management &amp; investment income</b>	<b>0.05</b>	<b>-2.16</b>
<b>Net farm income</b>	<b>3.32</b>	<b>3.67</b>
<b>Farm business income</b>	<b>3.29</b>	<b>1.76</b>

**Farm Business Income (FBI) per farm**

(% distribution by number of farms)	2010/11	2011/12
Over £100,000	13	10
£50,000 to <£100,000	7	10
£25,000 to <£50,000	24	12
£12,500 to <£25,000	13	12
0 to <£12,500	13	14
-£25,000 to 0	16	24
Below -£25,000	15	20
<b>Total</b>	<b>100</b>	<b>100</b>

**Average Poultry Numbers**

	Average 2010/11	Average 2011/12
Hens in lay	28,355	16,977
Pullets	10,133	6,177
Broilers & other poultry	0	0
<b>Total Average</b>	<b>38,487</b>	<b>23,154</b>

**Other efficiency factors**

	Average 2010/11	Average 2011/12
Eggs per bird	226	227
Eggs (p/doz.)	75.32	90.17

**Table 2.4 Financial results for all poultry meat producers**

	<i>Per farm</i>			<i>Per bird (annual basis)</i>		
	<b>2010/11</b>	<b>2011/12</b>	<b>% change</b>	<b>2010/11</b>	<b>2011/12</b>	<b>£ change</b>
Number of farms	42	45		42	45	
Average number of birds/year	112,087	80,999		112,087	80,999	
	<i>Average £ per farm</i>			<i>Average £ per bird</i>		
<b>Gross output</b>						
Eggs	0	0	0.0	0.00	0.00	0.00
Hen depreciation	0	0	0.0	0.00	0.00	0.00
Broilers	823,379	700,915	-14.9	7.35	8.65	1.31
Other poultry output	104,176	106,646	2.4	0.93	1.32	0.39
<b>Total poultry output</b>	<b>927,555</b>	<b>807,561</b>	<b>-12.9</b>	<b>8.28</b>	<b>9.97</b>	<b>1.69</b>
Crops	46,579	32,297	-30.7	0.42	0.40	-0.02
Other livestock	7,527	11,034	46.6	0.07	0.14	0.07
Other output	47,921	29,937	-37.5	0.43	0.37	-0.06
<b>Total gross output</b>	<b>1,029,582</b>	<b>880,828</b>	<b>-14.4</b>	<b>9.19</b>	<b>10.87</b>	<b>1.69</b>
<b>Variable costs</b>						
Feed	597,213	523,042	-12.4	5.33	6.46	1.13
Seed, fertiliser, crop costs	13,760	10,204	-25.8	0.12	0.13	0.00
Vet. & medicines	11,210	11,148	-0.6	0.10	0.14	0.04
Other livestock costs	38,086	40,804	7.1	0.34	0.50	0.16
<b>Total variable costs</b>	<b>660,268</b>	<b>585,197</b>	<b>-11.4</b>	<b>5.89</b>	<b>7.22</b>	<b>1.33</b>
<b>Total gross margin</b>	<b>369,313</b>	<b>295,631</b>	<b>-20.0</b>	<b>3.29</b>	<b>3.65</b>	<b>0.35</b>
<b>Fixed costs</b>						
Labour:						
Regular paid	42,339	38,745	-8.5	0.38	0.48	0.10
Regular unpaid	20,407	19,656	-3.7	0.18	0.24	0.06
Casual labour	5,873	4,292	-26.9	0.05	0.05	0.00
Power & machinery costs:						
Contract & hire	17,661	16,824	-4.7	0.16	0.21	0.05
Fuel	8,330	7,501	-10.0	0.07	0.09	0.02
Electricity	10,390	9,855	-5.1	0.09	0.12	0.03
Heat	23,510	20,929	-11.0	0.21	0.26	0.05
Repairs	15,787	12,539	-20.6	0.14	0.15	0.01
Depreciation	16,891	16,243	-3.8	0.15	0.20	0.05
Rent (incl. imputed)	54,555	37,444	-31.4	0.49	0.46	-0.02
Other costs:						
Occupiers repairs	14,182	17,055	20.3	0.13	0.21	0.08
Sundries (incl. bad debts)	28,946	32,343	11.7	0.26	0.40	0.14
<b>Total fixed costs</b>	<b>258,870</b>	<b>233,426</b>	<b>-9.8</b>	<b>2.31</b>	<b>2.88</b>	<b>0.57</b>
<b>Management &amp; investment income</b>	<b>110,443</b>	<b>62,205</b>	<b>-43.7</b>	<b>0.99</b>	<b>0.77</b>	<b>-0.22</b>
Minus: management salaries	0	166	100.0	0.00	0.00	0.00
Plus: farmer & spouse labour	15,038	15,304	1.8	0.13	0.19	0.05
<b>Net farm income</b>	<b>125,481</b>	<b>77,343</b>	<b>-38.4</b>	<b>1.12</b>	<b>0.95</b>	<b>-0.16</b>
<b>Farm business income</b>	<b>127,061</b>	<b>76,509</b>	<b>-39.8</b>	<b>1.13</b>	<b>0.94</b>	<b>-0.19</b>



**Per £100 of gross output**

	2010/11	2011/12	£ change	<b>Farm Business Income (FBI) per farm</b>		
				(% distribution by number of farms)		
				%	% 2010/11 2011/12	
Number of farms	42	45				
Average number (birds/year)	112,087	80,999				
<b>Average £ per £100 of gross output</b>						
<b>Gross output (%)</b>				Over £100,000	38	31
Eggs (%)	0.00	0.00		£50,000 to <£100,000	24	22
Hen depreciation (%)	0.00	0.00		£25,000 to <£50,000	10	16
Broilers (%)	79.97	79.57		£12,500 to <£25,000	19	9
Other poultry output (%)	10.12	12.11		0 to <£12,500	2	7
<b>Total poultry output (%)</b>	<b>90.09</b>	<b>91.68</b>		-£25,000 to 0	5	13
				Below -£25,000	2	2
Crops (%)	4.52	3.67		<b>Total</b>	<b>100</b>	<b>100</b>
Other livestock (%)	0.73	1.25				
Other output (%)	4.65	3.40				
<b>Total gross output (%)</b>	<b>100.00</b>	<b>100.00</b>				
<b>Variable costs</b>						
Feed	58.01	59.38	1.38			
Seed, fertiliser, crop costs	1.34	1.16	-0.18			
Vet. & medicines	1.09	1.27	0.18			
Other livestock costs	3.70	4.63	0.93			
<b>Total variable costs</b>	<b>64.13</b>	<b>66.44</b>	<b>2.31</b>			
<b>Total gross margin</b>	<b>35.87</b>	<b>33.56</b>	<b>-2.31</b>			
<b>Fixed costs</b>						
				<b>Average Poultry Numbers</b>		
Labour:					<b>Average</b>	<b>Average</b>
Regular paid	4.11	4.40	0.29		<b>2010/11</b>	<b>2011/12</b>
Regular unpaid	1.98	2.23	0.25			
Casual labour	0.57	0.49	-0.08	Hens in lay	0	0
Power & machinery costs:				Pullets	0	0
Contract & hire	1.72	1.91	0.19	Broilers & other poultry	112,087	80,999
Fuel	0.81	0.85	0.04			
Electricity	1.01	1.12	0.11	<b>Total Average</b>	<b>112,087</b>	<b>80,999</b>
Heat	2.28	2.38	0.09			
Repairs	1.53	1.42	-0.11			
Depreciation	1.64	1.84	0.20			
Rent (incl. imputed)	5.30	4.25	-1.05			
Other costs:						
Occupiers repairs	1.38	1.94	0.56			
Sundries (incl. bad debts)	2.81	3.67	0.86			
<b>Total fixed costs</b>	<b>25.14</b>	<b>26.50</b>	<b>1.36</b>			
<b>Management &amp; investment income</b>	<b>10.73</b>	<b>7.06</b>	<b>-3.66</b>			
Minus: management salaries	0.00	0.02	0.02			
Plus: farmer & spouse labour	1.46	1.74	0.28			
<b>Net farm income</b>	<b>12.19</b>	<b>8.78</b>	<b>-3.41</b>			
<b>Farm business income</b>	<b>12.34</b>	<b>8.69</b>	<b>-3.66</b>			

**Table 2.5 Financial results for laying flocks producing eggs for human consumption**

	<i>Per farm</i>			<i>Per bird (annual basis)</i>		
	2010/11	2011/12	% change	2010/11	2011/12	£ change
Number of farms	43	43		43	43	
Average number of birds/year	31,499	16,687		31,499	16,687	
	<i>Average £ per farm</i>			<i>Average £ per bird</i>		
<b>Gross output (%)</b>						
Eggs	523,665	331,344	-36.7	16.62	19.86	3.23
Hen depreciation	-73,703	-49,924	32.3	-2.34	-2.99	-0.65
Broilers	0	0	0.0	0.00	0.00	0.00
Other poultry output	493	1,519	208.0	0.02	0.09	0.08
<b>Total poultry output</b>	<b>450,455</b>	<b>282,939</b>	<b>-37.2</b>	<b>14.30</b>	<b>16.96</b>	<b>2.66</b>
Crops	6,673	4,787	-28.3	0.21	0.29	0.08
Other livestock	9,762	2,033	-79.2	0.31	0.12	-0.19
Other output	16,120	18,008	11.7	0.51	1.08	0.57
<b>Total gross output</b>	<b>483,010</b>	<b>307,767</b>	<b>-36.3</b>	<b>15.33</b>	<b>18.44</b>	<b>3.11</b>
<b>Variable costs</b>						
Feed	266,079	177,213	-33.4	8.45	10.62	2.17
Seed, fertiliser, crop costs	1,936	1,309	-32.4	0.06	0.08	0.02
Vet. & medicines	4,005	2,451	-38.8	0.13	0.15	0.02
Other livestock costs	30,900	18,411	-40.4	0.98	1.10	0.12
<b>Total variable costs</b>	<b>302,920</b>	<b>199,383</b>	<b>-34.2</b>	<b>9.62</b>	<b>11.95</b>	<b>2.33</b>
<b>Total gross margin</b>	<b>180,090</b>	<b>108,384</b>	<b>-39.8</b>	<b>5.72</b>	<b>6.50</b>	<b>0.78</b>
<b>Fixed costs</b>						
Labour:						
Regular paid	52,244	22,126	-57.6	1.66	1.33	-0.33
Regular unpaid	25,509	24,691	-3.2	0.81	1.48	0.67
Casual labour	2,668	4,028	51.0	0.08	0.24	0.16
Power & machinery costs:						
Contract & hire	3,104	2,025	-34.8	0.10	0.12	0.02
Fuel	4,922	3,848	-21.8	0.16	0.23	0.07
Electricity	6,943	4,655	-33.0	0.22	0.28	0.06
Heat	807	652	-19.3	0.03	0.04	0.01
Repairs	8,210	4,688	-42.9	0.26	0.28	0.02
Depreciation	17,070	13,808	-19.1	0.54	0.83	0.29
Rent (incl. imputed)	37,469	26,751	-28.6	1.19	1.60	0.41
Other costs:						
Occupiers repairs	5,656	4,975	-12.0	0.18	0.30	0.12
Sundries (incl. bad debts)	17,762	11,812	-33.5	0.56	0.71	0.14
<b>Total fixed costs</b>	<b>182,364</b>	<b>124,059</b>	<b>-32.0</b>	<b>5.79</b>	<b>7.43</b>	<b>1.65</b>
<b>Management &amp; investment income</b>	<b>-2,274</b>	<b>-15,675</b>	<b>-589.3</b>	<b>-0.07</b>	<b>-0.94</b>	<b>-0.87</b>
Minus: management salaries	115	0	-100.0	0.00	0.00	0.00
Plus: farmer & spouse labour	19,680	19,643	-0.2	0.62	1.18	0.55
<b>Net farm income</b>	<b>17,290</b>	<b>3,969</b>	<b>-77.0</b>	<b>0.55</b>	<b>0.24</b>	<b>-0.31</b>
<b>Farm business income</b>	<b>21,393</b>	<b>367</b>	<b>-98.3</b>	<b>0.68</b>	<b>0.02</b>	<b>-0.66</b>

**Per £100 of gross output**

	2010/11	2011/12	£ change
Number of farms	43	43	
Average number (birds/year)	31,499	16,687	
<b>Average £ per £100 of gross output</b>			
<b>Gross output (%)</b>			
Eggs (%)	113.91	110.58	
Hen depreciation (%)	-16.94	-14.92	
Broilers (%)	0.00	0.00	
Other poultry output (%)	0.06	0.04	
<b>Total poultry output (%)</b>	<b>97.03</b>	<b>95.70</b>	
Crops (%)	0.12	0.16	
Other livestock (%)	0.14	0.00	
Other output (%)	2.71	4.14	
<b>Total gross output (%)</b>	<b>100.00</b>	<b>100.00</b>	
<b>Variable costs</b>			
Feed	55.09	57.58	2.49
Seed, fertiliser, crop costs	0.40	0.43	0.02
Vet. & medicines	0.83	0.80	-0.03
Other livestock costs	6.40	5.98	-0.42
<b>Total variable costs</b>	<b>62.72</b>	<b>64.78</b>	<b>2.07</b>
<b>Total gross margin</b>	<b>37.28</b>	<b>35.22</b>	<b>-2.07</b>
<b>Fixed costs</b>			
Labour:			
Regular paid	10.82	7.19	-3.63
Regular unpaid	5.28	8.02	2.74
Casual labour	0.55	1.31	0.76
Power & machinery costs:			
Contract & hire	0.64	0.66	0.02
Fuel	1.02	1.25	0.23
Electricity	1.44	1.51	0.08
Heat	0.17	0.21	0.04
Repairs	1.70	1.52	-0.18
Depreciation	3.53	4.49	0.95
Rent (incl. imputed)	7.76	8.69	0.93
Other costs:			
Occupiers repairs	1.17	1.62	0.45
Sundries (incl. bad debts)	3.68	3.84	0.16
<b>Total fixed costs</b>	<b>37.76</b>	<b>40.31</b>	<b>2.55</b>
<b>Management &amp; investment income</b>	<b>-0.47</b>	<b>-5.09</b>	<b>-4.62</b>
Minus: management salaries	0.02	0.00	-0.02
Plus: farmer & spouse labour	4.07	6.38	2.31
<b>Net farm income</b>	<b>3.58</b>	<b>1.29</b>	<b>-2.29</b>
<b>Farm business income</b>	<b>4.43</b>	<b>0.12</b>	<b>-4.31</b>

**Pence per dozen eggs**

	2010/11	2011/12
<b>Gross output</b>		
Eggs	74.28	91.02
Other poultry output	-10.38	-13.30
Other output	4.62	6.82
<b>Total gross output</b>	<b>68.51</b>	<b>84.54</b>
<b>Variable costs</b>		
Feed	37.74	48.68
Other variable costs	5.23	6.09
<b>Total variable costs</b>	<b>42.97</b>	<b>54.77</b>
<b>Total gross margin</b>	<b>25.54</b>	<b>29.77</b>
<b>Total fixed costs</b>	<b>25.87</b>	<b>34.08</b>
<b>Management &amp; investment income</b>	<b>-0.32</b>	<b>-4.31</b>
<b>Net farm income</b>	<b>2.45</b>	<b>1.09</b>
<b>Farm business income</b>	<b>3.03</b>	<b>0.10</b>
<b>Farm Business Income (FBI) per farm</b>		
(% distribution by number of farms)		
	%	%
	2010/11	2011/12
Over £100,000	14	9
£50,000 to <£100,000	9	7
£25,000 to <£50,000	21	9
£12,500 to <£25,000	14	12
0 to <£12,500	12	16
-£25,000 to 0	16	26
Below -£25,000	14	21
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Average Poultry Numbers</b>		
	<b>Average</b>	<b>Average</b>
	<b>2010/11</b>	<b>2011/12</b>
Hens in lay	30,363	15,822
Pullets	1,137	865
Broilers & other poultry	0	0
<b>Total Average</b>	<b>31,499</b>	<b>16,687</b>
<b>Other efficiency factors</b>		
	<b>Average</b>	<b>Average</b>
	<b>2010/11</b>	<b>2011/12</b>
Eggs per bird	279	276
Eggs (p/doz.)	74.28	91.02

**Table 2.6 Financial results for cage, barn and deep litter hens**

	<i>Per farm</i>			<i>Per bird (annual basis)</i>		
	<b>2010/11</b>	<b>2011/12</b>	<b>% change</b>	<b>2010/11</b>	<b>2011/12</b>	<b>£ change</b>
Number of farms	13	10		13	10	
Average number of birds/year	61,065	30,873		61,065	30,873	
	<i>Average £ per farm</i>			<i>Average £ per bird</i>		
<b>Gross output (%)</b>						
Eggs	883,935	608,531	-31.2	14.48	19.71	5.24
Hen depreciation	-131,476	-82,103	37.6	-2.15	-2.66	-0.51
Broilers	0	0	0.0	0.00	0.00	0.00
Other poultry output	437	213	0.0	0.01	0.01	0.00
<b>Total poultry output</b>	<b>752,896</b>	<b>526,641</b>	<b>-30.1</b>	<b>12.33</b>	<b>17.06</b>	<b>4.73</b>
Crops	941	900	-4.4	0.02	0.03	0.01
Other livestock	1,116	0	-100.0	0.02	0.00	-0.02
Other output	21,026	22,759	8.2	0.34	0.74	0.39
<b>Total gross output</b>	<b>775,979</b>	<b>550,300</b>	<b>-29.1</b>	<b>12.71</b>	<b>17.82</b>	<b>5.12</b>
<b>Variable costs</b>						
Feed	463,607	297,248	-35.9	7.59	9.63	2.04
Seed, fertiliser, crop costs	77	183	139.0	0.00	0.01	0.00
Vet. & medicines	5,516	4,186	-24.1	0.09	0.14	0.05
Other livestock costs	70,463	61,907	-12.1	1.15	2.01	0.85
<b>Total variable costs</b>	<b>539,663</b>	<b>363,523</b>	<b>-32.6</b>	<b>8.84</b>	<b>11.77</b>	<b>2.94</b>
<b>Total gross margin</b>	<b>236,316</b>	<b>186,777</b>	<b>-21.0</b>	<b>3.87</b>	<b>6.05</b>	<b>2.18</b>
<b>Fixed costs</b>						
Labour:						
Regular paid	96,330	53,980	-44.0	1.58	1.75	0.17
Regular unpaid	24,579	30,593	24.5	0.40	0.99	0.59
Casual labour	3,957	8,808	122.6	0.06	0.29	0.22
Power & machinery costs:						
Contract & hire	4,124	1,035	-74.9	0.07	0.03	-0.03
Fuel	8,535	9,629	12.8	0.14	0.31	0.17
Electricity	12,352	8,727	-29.3	0.20	0.28	0.08
Heat	1,777	1,582	-11.0	0.03	0.05	0.02
Repairs	16,900	12,749	-24.6	0.28	0.41	0.14
Depreciation	17,389	17,575	1.1	0.28	0.57	0.28
Rent (incl. imputed)	51,377	46,217	-10.0	0.84	1.50	0.66
Other costs:						
Occupiers repairs	7,120	4,104	-42.4	0.12	0.13	0.02
Sundries (incl. bad debts)	28,395	19,266	-32.1	0.46	0.62	0.16
<b>Total fixed costs</b>	<b>272,835</b>	<b>214,265</b>	<b>-21.5</b>	<b>4.47</b>	<b>6.94</b>	<b>2.47</b>
<b>Management &amp; investment income</b>	<b>-36,519</b>	<b>-27,488</b>	<b>24.7</b>	<b>-0.60</b>	<b>-0.89</b>	<b>-0.29</b>
Minus: management salaries	320	0	-100.0	0.01	0.00	-0.01
Plus: farmer & spouse labour	16,353	18,908	15.6	0.27	0.61	0.34
<b>Net farm income</b>	<b>-20,486</b>	<b>-8,580</b>	<b>58.1</b>	<b>-0.34</b>	<b>-0.28</b>	<b>0.06</b>
<b>Farm business income</b>	<b>-6,777</b>	<b>-2,913</b>	<b>57.0</b>	<b>-0.11</b>	<b>-0.09</b>	<b>0.02</b>

**Per £100 of gross output**

	2010/11	2011/12	£ change
Number of farms	13	10	
Average number (birds/year)	61,065	30,873	
<b>Average £ per £100 of gross output</b>			
<b>Gross output (%)</b>			
Eggs (%)	113.91	110.58	
Hen depreciation (%)	-16.94	-14.92	
Broilers (%)	0.00	0.00	
Other poultry output (%)	0.06	0.04	
<b>Total poultry output (%)</b>	<b>97.03</b>	<b>95.70</b>	
Crops (%)	0.12	0.16	
Other livestock (%)	0.14	0.00	
Other output (%)	2.71	4.14	
<b>Total gross output (%)</b>	<b>100.00</b>	<b>100.00</b>	
<b>Variable costs</b>			
Feed	59.74	54.02	-5.73
Seed, fertiliser, crop costs	0.01	0.03	0.02
Vet. & medicines	0.71	0.76	0.05
Other livestock costs	9.08	11.25	2.17
<b>Total variable costs</b>	<b>69.55</b>	<b>66.06</b>	<b>-3.49</b>
<b>Total gross margin</b>	<b>30.45</b>	<b>33.94</b>	<b>3.49</b>
<b>Fixed costs</b>			
Labour:			
Regular paid	12.41	9.81	-2.60
Regular unpaid	3.17	5.56	2.39
Casual labour	0.51	1.60	1.09
Power & machinery costs:			
Contract & hire	0.53	0.19	-0.34
Fuel	1.10	1.75	0.65
Electricity	1.59	1.59	-0.01
Heat	0.23	0.29	0.06
Repairs	2.18	2.32	0.14
Depreciation	2.24	3.19	0.95
Rent (incl. imputed)	6.62	8.40	1.78
Other costs:			
Occupiers repairs	0.92	0.75	-0.17
Sundries (incl. bad debts)	3.66	3.50	-0.16
<b>Total fixed costs</b>	<b>35.16</b>	<b>38.94</b>	<b>3.78</b>
<b>Management &amp; investment income</b>	<b>-4.71</b>	<b>-5.00</b>	<b>-0.29</b>
Minus: management salaries	0.04	0.00	-0.04
Plus: farmer & spouse labour	2.11	3.44	1.33
<b>Net farm income</b>	<b>-2.64</b>	<b>-1.56</b>	<b>1.08</b>
<b>Farm business income</b>	<b>-0.87</b>	<b>-0.53</b>	<b>0.34</b>

**Pence per dozen eggs**

	2010/11	2011/12
<b>Gross output</b>		
Eggs	65.07	90.20
Other poultry output	-9.65	-12.14
Other output	1.70	3.51
<b>Total gross output</b>	<b>57.12</b>	<b>81.57</b>
<b>Variable costs</b>		
Feed	34.13	44.06
Other variable costs	5.60	9.82
<b>Total variable costs</b>	<b>39.73</b>	<b>53.89</b>
<b>Total gross margin</b>	<b>17.40</b>	<b>27.69</b>
<b>Total fixed costs</b>	<b>20.08</b>	<b>31.76</b>
<b>Management &amp; investment income</b>	<b>-2.69</b>	<b>-4.07</b>
<b>Net farm income</b>	<b>-1.51</b>	<b>-1.27</b>
<b>Farm business income</b>	<b>-0.50</b>	<b>-0.43</b>
<b>Farm Business Income (FBI) per farm</b>		
(% distribution by number of farms)		
	%	%
	2010/11	2011/12
Over £100,000	15	10
£50,000 to <£100,000	0	0
£25,000 to <£50,000	8	10
£12,500 to <£25,000	15	10
0 to <£12,500	15	40
-£25,000 to 0	23	10
Below -£25,000	23	20
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Average Poultry Numbers</b>		
	<b>Average</b>	<b>Average</b>
	<b>2010/11</b>	<b>2011/12</b>
Hens in lay	58,404	29,135
Pullets	2,661	1,738
Broilers & other poultry	0	0
<b>Total Average</b>	<b>61,065</b>	<b>30,873</b>
<b>Other efficiency factors</b>		
	<b>Average</b>	<b>Average</b>
	<b>2010/11</b>	<b>2011/12</b>
Eggs per bird	279	278
Eggs (p/doz.)	65.07	90.20

**Table 2.7 Financial results for laying flocks with free range hens**

	<i>Per farm</i>			<i>Per bird (annual basis)</i>		
	2010/11	2011/12	% change	2010/11	2011/12	£ change
Number of farms	30	31		30	31	
Average number of birds/year	14,850	13,217		14,850	13,217	
	<i>Average £ per farm</i>			<i>Average £ per bird</i>		
<b>Gross output (%)</b>						
Eggs	320,790	275,464	-14.1	21.60	20.84	-0.76
Hen depreciation	-41,171	-46,104	-12.0	-2.77	-3.49	-0.72
Broilers	0	0	0.0	0.00	0.00	0.00
Other poultry output	525	117	-77.8	0.04	0.01	-0.03
<b>Total poultry output</b>	<b>280,144</b>	<b>229,477</b>	<b>-18.1</b>	<b>18.86</b>	<b>17.36</b>	<b>-1.50</b>
Crops	9,901	6,140	-38.0	0.67	0.46	-0.20
Other livestock	14,631	2,795	-80.9	0.99	0.21	-0.77
Other output	13,358	17,401	30.3	0.90	1.32	0.42
<b>Total gross output</b>	<b>318,034</b>	<b>255,813</b>	<b>-19.6</b>	<b>21.42</b>	<b>19.36</b>	<b>-2.06</b>
<b>Variable costs</b>						
Feed	154,847	154,646	-0.1	10.43	11.70	1.27
Seed, fertiliser, crop costs	2,983	1,768	-40.7	0.20	0.13	-0.07
Vet. & medicines	3,154	2,108	-33.2	0.21	0.16	-0.05
Other livestock costs	8,621	6,130	-28.9	0.58	0.46	-0.12
<b>Total variable costs</b>	<b>169,606</b>	<b>164,653</b>	<b>-2.9</b>	<b>11.42</b>	<b>12.46</b>	<b>1.04</b>
<b>Total gross margin</b>	<b>148,428</b>	<b>91,160</b>	<b>-38.6</b>	<b>10.00</b>	<b>6.90</b>	<b>-3.10</b>
<b>Fixed costs</b>						
Labour:						
Regular paid	27,418	14,193	-48.2	1.85	1.07	-0.77
Regular unpaid	26,032	23,438	-10.0	1.75	1.77	0.02
Casual labour	1,943	2,722	40.1	0.13	0.21	0.08
Power & machinery costs:						
Contract & hire	2,530	2,420	-4.3	0.17	0.18	0.01
Fuel	2,888	2,257	-21.8	0.19	0.17	-0.02
Electricity	3,897	3,511	-9.9	0.26	0.27	0.00
Heat	261	172	-34.0	0.02	0.01	0.00
Repairs	3,316	2,404	-27.5	0.22	0.18	-0.04
Depreciation	16,890	13,641	-19.2	1.14	1.03	-0.11
Rent (incl. imputed)	29,638	22,397	-24.4	2.00	1.69	-0.30
Other costs:						
Occupiers repairs	4,832	5,432	12.4	0.33	0.41	0.09
Sundries (incl. bad debts)	11,774	10,208	-13.3	0.79	0.77	-0.02
<b>Total fixed costs</b>	<b>131,418</b>	<b>102,795</b>	<b>-21.8</b>	<b>8.85</b>	<b>7.78</b>	<b>-1.07</b>
<b>Management &amp; investment income</b>	<b>17,010</b>	<b>-11,635</b>	<b>-168.4</b>	<b>1.15</b>	<b>-0.88</b>	<b>-2.03</b>
Minus: management salaries	0	0	0.0	0.00	0.00	0.00
Plus: farmer & spouse labour	21,553	19,997	-7.2	1.45	1.51	0.06
<b>Net farm income</b>	<b>38,563</b>	<b>8,362</b>	<b>-78.3</b>	<b>2.60</b>	<b>0.63</b>	<b>-1.96</b>
<b>Farm business income</b>	<b>37,255</b>	<b>1,543</b>	<b>-95.9</b>	<b>2.51</b>	<b>0.12</b>	<b>-2.39</b>

**Per £100 of gross output**

	2010/11	2011/12	£ change
Number of farms	30	31	
Average number (birds/year)	14,850	13,217	
<b>Average £ per £100 of gross output</b>			
<b>Gross output (%)</b>			
Eggs (%)	100.87	107.68	
Hen depreciation (%)	-12.95	-18.02	
Broilers (%)	0.00	0.00	
Other poultry output (%)	0.17	0.05	
<b>Total poultry output (%)</b>	<b>88.09</b>	<b>89.70</b>	
Crops (%)	3.11	2.40	
Other livestock (%)	4.60	1.09	
Other output (%)	4.20	6.80	
<b>Total gross output (%)</b>	<b>100.00</b>	<b>100.00</b>	
<b>Variable costs</b>			
Feed	48.69	60.45	11.76
Seed, fertiliser, crop costs	0.94	0.69	-0.25
Vet. & medicines	0.99	0.82	-0.17
Other livestock costs	2.71	2.40	-0.31
<b>Total variable costs</b>	<b>53.33</b>	<b>64.36</b>	<b>11.04</b>
<b>Total gross margin</b>	<b>46.67</b>	<b>35.64</b>	<b>-11.04</b>
<b>Fixed costs</b>			
Labour:			
Regular paid	8.62	5.55	-3.07
Regular unpaid	8.19	9.16	0.98
Casual labour	0.61	1.06	0.45
Power & machinery costs:			
Contract & hire	0.80	0.95	0.15
Fuel	0.91	0.88	-0.03
Electricity	1.23	1.37	0.15
Heat	0.08	0.07	-0.01
Repairs	1.04	0.94	-0.10
Depreciation	5.31	5.33	0.02
Rent (incl. imputed)	9.32	8.76	-0.56
Other costs:			
Occupiers repairs	1.52	2.12	0.60
Sundries (incl. bad debts)	3.70	3.99	0.29
<b>Total fixed costs</b>	<b>41.32</b>	<b>40.18</b>	<b>-1.14</b>
<b>Management &amp; investment income</b>	<b>5.35</b>	<b>-4.55</b>	<b>-9.90</b>
Minus: management salaries	0.00	0.00	0.00
Plus: farmer & spouse labour	6.78	7.82	1.04
<b>Net farm income</b>	<b>12.13</b>	<b>3.27</b>	<b>-8.86</b>
<b>Farm business income</b>	<b>11.71</b>	<b>0.60</b>	<b>-11.11</b>

**Pence per dozen eggs**

	2010/11	2011/12
<b>Gross output</b>		
Eggs	95.18	91.55
Other poultry output	-12.06	-15.28
Other output	11.24	8.75
<b>Total gross output</b>	<b>94.36</b>	<b>85.02</b>
<b>Variable costs</b>		
Feed	45.94	51.40
Other variable costs	4.38	3.33
<b>Total variable costs</b>	<b>50.32</b>	<b>54.72</b>
<b>Total gross margin</b>	<b>44.04</b>	<b>30.30</b>
<b>Total fixed costs</b>	<b>38.99</b>	<b>34.17</b>
<b>Management &amp; investment income</b>	<b>5.05</b>	<b>-3.87</b>
<b>Net farm income</b>	<b>11.44</b>	<b>2.78</b>
<b>Farm business income</b>	<b>11.05</b>	<b>0.51</b>
<b>Farm Business Income (FBI) per farm</b>		
(% distribution by number of farms)		
	%	%
	2010/11	2011/12
Over £100,000	13	10
£50,000 to <£100,000	13	10
£25,000 to <£50,000	27	10
£12,500 to <£25,000	13	10
0 to <£12,500	10	10
-£25,000 to 0	13	29
Below -£25,000	10	23
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Average Poultry Numbers</b>		
	<b>Average</b>	<b>Average</b>
	<b>2010/11</b>	<b>2011/12</b>
Hens in lay	14,572	12,930
Pullets	278	287
Broilers & other poultry	0	0
<b>Total Average</b>	<b>14,850</b>	<b>13,217</b>
<b>Other efficiency factors</b>		
	<b>Average</b>	<b>Average</b>
	<b>2010/11</b>	<b>2011/12</b>
Eggs per bird	278	279
Eggs (p/doz.)	95.18	91.55

**Table 2.8 Financial results for non-contract broilers**

	<i>Per farm</i>			<i>Per bird (annual basis)</i>		
	<b>0</b>	<b>0</b>	<b>% change</b>	<b>2010/11</b>	<b>2011/12</b>	<b>£ change</b>
Number of farms	17	21		17	21	
Average number of birds/year	187,094	152,582		187,094	152,582	
Throughput of birds/year	1,303,493	1,116,248		1,303,493	1,116,248	
	<i>Average £ per farm</i>			<i>Average £ per bird</i>		
<b>Gross output (%)</b>						
Eggs	0	0	0.0	0.00	0.00	0.00
Hen depreciation	0	0	0.0	0.00	0.00	0.00
Broilers	1,752,544	1,632,093	-6.9	1.34	1.46	0.12
Other poultry output	7,943	6,778	-14.7	0.01	0.01	0.00
<b>Total poultry output</b>	<b>1,760,487</b>	<b>1,638,871</b>	<b>-6.9</b>	<b>1.35</b>	<b>1.47</b>	<b>0.12</b>
Crops	11,677	11,184	-4.2	0.01	0.01	0.00
Other livestock	10,229	12,606	23.2	0.01	0.01	0.00
Other output	25,758	21,061	-18.2	0.02	0.02	0.00
<b>Total gross output</b>	<b>1,808,152</b>	<b>1,683,722</b>	<b>-6.9</b>	<b>1.39</b>	<b>1.51</b>	<b>0.12</b>
<b>Variable costs</b>						
Feed	1,279,273	1,210,462	-5.4	0.98	1.08	0.10
Seed, fertiliser, crop costs	4,175	3,747	-10.2	0.00	0.00	0.00
Vet. & medicines	23,808	24,881	4.5	0.02	0.02	0.00
Other livestock costs	51,311	46,376	-9.6	0.04	0.04	0.00
<b>Total variable costs</b>	<b>1,358,566</b>	<b>1,285,466</b>	<b>-5.4</b>	<b>1.04</b>	<b>1.15</b>	<b>0.11</b>
<b>Total gross margin</b>	<b>449,586</b>	<b>398,255</b>	<b>-11.4</b>	<b>0.34</b>	<b>0.36</b>	<b>0.01</b>
<b>Fixed costs</b>						
Labour:						
Regular paid	39,365	38,584	-2.0	0.03	0.03	0.00
Regular unpaid	18,320	17,047	-6.9	0.01	0.02	0.00
Casual labour	6,036	1,834	-69.6	0.00	0.00	0.00
Power & machinery costs:						
Contract & hire	19,158	16,459	-14.1	0.01	0.01	0.00
Fuel	7,574	7,718	1.9	0.01	0.01	0.00
Electricity	15,163	18,630	22.9	0.01	0.02	0.01
Heat	48,149	44,439	-7.7	0.04	0.04	0.00
Repairs	22,475	19,158	-14.8	0.02	0.02	0.00
Depreciation	17,434	16,492	-5.4	0.01	0.01	0.00
Rent (incl. imputed)	59,276	49,543	-16.4	0.05	0.04	0.00
Other costs:						
Occupiers repairs	9,059	19,715	117.6	0.01	0.02	0.01
Sundries (incl. bad debts)	31,110	42,832	37.7	0.02	0.04	0.01
<b>Total fixed costs</b>	<b>293,119</b>	<b>292,452</b>	<b>-0.2</b>	<b>0.22</b>	<b>0.26</b>	<b>0.04</b>
<b>Management &amp; investment income</b>	<b>156,466</b>	<b>105,804</b>	<b>-32.4</b>	<b>0.12</b>	<b>0.09</b>	<b>-0.03</b>
Minus: management salaries	0	365	0.0	0.00	0.00	0.00
Plus: farmer & spouse labour	14,555	14,655	0.7	0.01	0.01	0.00
<b>Net farm income</b>	<b>171,021</b>	<b>120,094</b>	<b>-29.8</b>	<b>0.13</b>	<b>0.11</b>	<b>-0.02</b>
<b>Farm business income</b>	<b>160,480</b>	<b>105,505</b>	<b>-34.3</b>	<b>0.12</b>	<b>0.09</b>	<b>-0.03</b>



**Per £100 of gross output**

	2010/11	2011/12	£ change	<b>Farm Business Income (FBI) per farm</b>		
				(% distribution by number of farms)		
				%	% 2010/11 2011/12	
Number of farms	17	21				
Average number (birds/year)	187,094	152,582				
<b>Average £ per £100 of gross output</b>						
<b>Gross output (%)</b>				Over £100,000	29	33
Eggs (%)	0.00	0.00		£50,000 to <£100,000	41	29
Hen depreciation (%)	0.00	0.00		£25,000 to <£50,000	12	10
Broilers (%)	96.92	96.93		£12,500 to <£25,000	12	0
Other poultry output (%)	0.44	0.40		0 to <£12,500	6	5
				-£25,000 to 0	0	19
<b>Total poultry output (%)</b>	<b>97.36</b>	<b>97.34</b>		Below -£25,000	0	5
Crops (%)	0.65	0.66		<b>Total</b>	<b>100</b>	<b>100</b>
Other livestock (%)	0.57	0.75				
Other output (%)	1.42	1.25				
<b>Total gross output (%)</b>	<b>100.00</b>	<b>100.00</b>				
<b>Variable costs</b>						
Feed	70.75	71.89	1.14			
Seed, fertiliser, crop costs	0.23	0.22	-0.01			
Vet. & medicines	1.32	1.48	0.16			
Other livestock costs	2.84	2.75	-0.08			
<b>Total variable costs</b>	<b>75.14</b>	<b>76.35</b>	<b>1.21</b>			
<b>Total gross margin</b>	<b>24.86</b>	<b>23.65</b>	<b>-1.21</b>			
<b>Fixed costs</b>						
Labour:				<b>Other efficiency factors</b>		
Regular paid	2.18	2.29	0.11		<b>Average</b>	<b>Average</b>
Regular unpaid	1.01	1.01	0.00		<b>2010/11</b>	<b>2011/12</b>
Casual labour	0.33	0.11	-0.22			
Power & machinery costs:				Broiler sale price	1.68	1.82
Contract & hire	1.06	0.98	-0.08	(£/bird)		
Fuel	0.42	0.46	0.04			
Electricity	0.84	1.11	0.27	Broiler purchase price	0.30	0.32
Heat	2.66	2.64	-0.02	(£/bird)		
Repairs	1.24	1.14	-0.11			
Depreciation	0.96	0.98	0.02	Average number of	7.0	7.3
Rent (incl. imputed)	3.28	2.94	-0.34	crops/year		
Other costs:						
Occupiers repairs	0.50	1.17	0.67			
Sundries (incl. bad debts)	1.72	2.54	0.82			
<b>Total fixed costs</b>	<b>16.21</b>	<b>17.37</b>	<b>1.16</b>			
<b>Management &amp; investment income</b>	<b>8.65</b>	<b>6.28</b>	<b>-2.37</b>			
Minus: management salaries	0.00	0.02	0.02			
Plus: farmer & spouse labour	0.80	0.87	0.07			
<b>Net farm income</b>	<b>9.46</b>	<b>7.13</b>	<b>-2.33</b>			
<b>Farm business income</b>	<b>8.88</b>	<b>6.27</b>	<b>-2.61</b>			

**Table 2.9 Balance sheet data for 2011/12 - specialist poultry farms**

Group	All specialist poultry farms		All laying flocks		All poultry meat producers	
	96		51		45	
Financial year	2011/12		2011/12		2011/12	
	Opening	Closing	Opening	Closing	Opening	Closing
<b>Assets</b>						
Fixed assets						
Land, buildings & SPS	717,747	758,950	494,034	511,691	939,503	1,005,020
Breeding livestock	3,201	3,856	1,885	2,355	4,516	5,356
Machinery	83,757	91,305	86,734	88,286	80,783	94,321
Miscellaneous business assets	1,471	1,533	1,903	2,012	2,757	1,977
<b>Total fixed assets</b>	<b>806,177</b>	<b>855,645</b>	<b>584,556</b>	<b>604,344</b>	<b>1,027,560</b>	<b>1,106,674</b>
Current assets						
Crops & trading livestock	40,473	39,314	43,568	48,201	37,382	30,437
Feedstuffs & goods in store	7,649	7,950	5,789	5,437	9,507	10,460
Liquid assets	117,457	90,565	99,279	61,981	135,615	119,118
<b>Total current assets</b>	<b>165,579</b>	<b>137,829</b>	<b>148,636</b>	<b>115,619</b>	<b>182,504</b>	<b>160,015</b>
<b>Total assets</b>	<b>971,756</b>	<b>993,474</b>	<b>733,192</b>	<b>719,964</b>	<b>1,210,064</b>	<b>1,266,689</b>
<b>Liabilities</b>						
Bank term loans	99,429	115,363	146,685	161,961	52,225	68,815
Other loans	49,921	58,609	51,211	45,311	48,633	71,893
Bank overdraft	40,915	37,800	32,531	52,828	49,289	22,788
Other short term loans	48,026	50,317	44,754	49,902	51,294	50,731
<b>Total external liabilities</b>	<b>238,291</b>	<b>262,089</b>	<b>275,180</b>	<b>310,002</b>	<b>201,441</b>	<b>214,227</b>
<b>Net worth</b>	<b>733,466</b>	<b>731,385</b>	<b>458,011</b>	<b>409,961</b>	<b>1,008,623</b>	<b>1,052,462</b>
<b>Percentage equity (%)</b>	<b>75.5%</b>	<b>73.6%</b>	<b>62.5%</b>	<b>56.9%</b>	<b>83.4%</b>	<b>83.1%</b>

**Table 2.10 Comparison of net worth and percentage equity by farm type for 2011/12**

	Average Assets	Average Liabilities	Average Net Worth	Average % Equity
<b>Defra main farm type</b>				
Lowland cattle & sheep	966,862	66,470	900,392	93.1%
Cereals	1,866,790	149,380	1,717,410	92.0%
Mixed	1,542,414	172,221	1,370,193	88.8%
General cropping	2,284,117	255,256	2,028,862	88.8%
Horticulture	976,325	155,656	820,670	84.1%
Dairy	1,547,858	259,614	1,288,244	83.2%
Pigs	1,011,374	246,858	764,516	75.6%
Poultry	982,615	250,190	732,425	74.5%
<b>All businesses</b>	<b>1,424,191</b>	<b>153,953</b>	<b>1,270,238</b>	<b>89.2%</b>

<b>Group</b>	<b>Broilers, non contract</b>	
Number of farms	21	
Financial year	<b>2011/12</b>	
	Opening	Closing
<b>Assets</b>		
Fixed assets		
Land, buildings & SPS	870,930	991,477
Breeding livestock	4,234	4,707
Machinery	84,826	93,466
Miscellaneous business assets	743	781
<b>Total fixed assets</b>	<b>960,734</b>	<b>1,090,431</b>
Current assets		
Crops & trading livestock	53,140	44,167
Feedstuffs & goods in store	12,595	13,228
Liquid assets	190,021	168,427
<b>Total current assets</b>	<b>255,756</b>	<b>225,822</b>
<b>Total assets</b>	<b>1,216,490</b>	<b>1,316,253</b>
<b>Liabilities</b>		
Bank term loans	25,566	43,514
Other loans	50,852	112,104
Bank overdraft	56,608	19,500
Other short term loans	93,346	62,497
<b>Total external liabilities</b>	<b>226,371</b>	<b>237,614</b>
<b>Net worth</b>	<b>990,118</b>	<b>1,078,639</b>
<b>Percentage equity (%)</b>	<b>81.4%</b>	<b>81.9%</b>

**Table 2.11 Distribution of tenant's type capital (%)**

	<b>Specialist poultry</b>	<b>Laying flocks, cage, barn &amp; deep litter</b>	<b>Free range layers</b>	<b>Broilers, non contract</b>
Crops & tillages	2.4	0.8	3.8	1.0
Stores	3.2	2.5	3.8	3.9
Machinery	35.8	39.1	33.1	26.6
Livestock	15.4	20.7	10.9	14.8
Other	43.2	36.9	48.5	53.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Tenant's type capital (£)</b>	<b>244,266</b>	<b>223,715</b>	<b>264,795</b>	<b>335,167</b>

**Table 2.12 Gross margin for all laying flocks**

	<i>Per bird (annual basis)</i>			<i>Per £100 of gross output</i>		
	2010/11	2011/12	£ change	2010/11	2011/12	£ change
Number of farms	52	50				
Average number of birds/year	19,723	13,395				
	<i>Average £ per bird (annual basis)</i>			<i>Average £ per £100 gross output</i>		
<b>Gross output</b>						
Eggs	17.14	19.90	2.77			
Hen depreciation	-2.64	-3.05	-0.41			
Other poultry output	0.02	0.01	-0.01			
<b>Total output</b>	<b>14.52</b>	<b>16.86</b>	<b>2.35</b>	<b>100.00</b>	<b>100.00</b>	
<b>Variable costs</b>						
Feed	8.88	10.74	1.86	61.18	63.69	2.52
Vet. & medicines	0.11	0.14	0.03	0.75	0.83	0.08
Other livestock costs	0.64	0.85	0.21	4.43	5.04	0.61
Other variable costs	0.02	0.02	0.00	0.13	0.10	-0.03
<b>Total variable costs</b>	<b>9.65</b>	<b>11.75</b>	<b>2.09</b>	<b>66.50</b>	<b>69.66</b>	<b>3.17</b>
<b>Total gross margin</b>	<b>4.86</b>	<b>5.11</b>	<b>0.25</b>	<b>33.50</b>	<b>30.34</b>	<b>-3.17</b>

**Table 2.13 Gross margin for laying flocks with mixed production systems including cage, barn and deep litter hens**

	<i>Per bird (annual basis)</i>			<i>Per £100 of gross output</i>		
	2010/11	2011/12	£ change	2010/11	2011/12	£ change
Number of farms	18	12				
Average number of birds/year	32,757	24,450				
	<i>Average £ per bird (annual basis)</i>			<i>Average £ per £100 gross output</i>		
<b>Gross output</b>						
Eggs	14.99	20.00	5.01			
Hen depreciation	-2.49	-2.73	-0.25			
Other poultry output	0.01	0.01	0.00			
<b>Total output</b>	<b>12.51</b>	<b>17.27</b>	<b>4.76</b>	<b>100.00</b>	<b>100.00</b>	
<b>Variable costs</b>						
Feed	8.07	9.77	1.70	64.53	56.58	-7.94
Vet. & medicines	0.07	0.13	0.07	0.53	0.78	0.25
Other livestock costs	0.78	1.79	1.01	6.24	10.38	4.14
Other variable costs	0.03	0.04	0.01	0.23	0.24	0.01
<b>Total variable costs</b>	<b>8.95</b>	<b>11.74</b>	<b>2.79</b>	<b>71.53</b>	<b>67.99</b>	<b>-3.54</b>
<b>Total gross margin</b>	<b>3.56</b>	<b>5.53</b>	<b>1.97</b>	<b>28.47</b>	<b>32.01</b>	<b>3.54</b>

**Table 2.14 Gross margin for laying flocks with free range hens**

	<i>Per bird (annual basis)</i>			<i>Per £100 of gross output</i>		
	2010/11	2011/12	£ change	2010/11	2011/12	£ change
Number of farms	34	38				
Average number of birds/year	11,831	10,351				
	<i>Average £ per bird (annual basis)</i>			<i>Average £ per £100 gross output</i>		
<b>Gross output</b>						
Eggs	20.74	19.84	-0.90			
Hen depreciation	-2.89	-3.26	-0.37			
Other poultry output	0.03	0.01	-0.02			
<b>Total output</b>	<b>17.88</b>	<b>16.59</b>	<b>-1.29</b>	<b>100.00</b>	<b>100.00</b>	
<b>Variable costs</b>						
Feed	10.24	11.37	1.13	57.25	68.50	11.26
Vet. & medicines	0.18	0.14	-0.04	1.01	0.86	-0.15
Other livestock costs	0.41	0.24	-0.18	2.31	1.42	-0.89
Other variable costs	0.00	0.00	0.00	0.03	0.01	-0.01
<b>Total variable costs</b>	<b>10.83</b>	<b>11.75</b>	<b>0.91</b>	<b>60.60</b>	<b>70.80</b>	<b>10.20</b>
<b>Total gross margin</b>	<b>7.05</b>	<b>4.85</b>	<b>-2.20</b>	<b>39.40</b>	<b>29.20</b>	<b>-10.20</b>

**Table 2.15 Gross margin per dozen eggs for all laying flocks (annual basis)**

	<b>Layers</b>		<b>Laying flocks, cage, barn &amp; deep litter</b>		<b>Free range layers</b>	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
Number of farms	52	50	18	12	34	38
No of dozen eggs	459,654	301,928	766,792	535,137	273,695	237,710
Average egg yield/bird	283	281	283	278	283	282
Average egg price p/doz	73.54	88.31	64.02	91.36	89.67	86.41
	<i>Average pence per dozen (annual basis)</i>					
<b>Gross output</b>						
Eggs	73.54	88.31	64.02	91.36	89.67	86.41
Hen depreciation	-11.32	-13.54	-10.62	-12.48	-12.50	-14.19
Other poultry output	0.07	0.04	0.03	0.03	0.12	0.04
<b>Total output</b>	<b>62.28</b>	<b>74.80</b>	<b>53.43</b>	<b>78.90</b>	<b>77.29</b>	<b>72.26</b>
<b>Variable costs</b>						
Feed	38.10	47.64	34.48	44.64	44.25	49.50
Vet. & medicines	0.47	0.62	0.28	0.61	0.78	0.62
Other livestock costs	2.76	3.77	3.34	8.19	1.79	1.03
Other variable costs	0.08	0.08	0.12	0.19	0.02	0.01
<b>Total variable costs</b>	<b>41.42</b>	<b>52.11</b>	<b>38.22</b>	<b>53.64</b>	<b>46.84</b>	<b>51.16</b>
<b>Total gross margin</b>	<b>20.87</b>	<b>22.69</b>	<b>15.21</b>	<b>25.26</b>	<b>30.46</b>	<b>21.10</b>

**Table 2.16 Gross margin for non-contract broilers and table chicken**

	<i>Per bird</i>			<i>Per £100 of gross output</i>		
	2010/11	2011/12	£ change	2010/11	2011/12	£ change
Number of farms	25	28				
Average number of birds/year	112,266	94,779				
Throughput of birds/year	780,009	688,009				
Average number of crops/year	6.95	7.26				
Average sale price (broilers) - £/bird	1.69	1.82				
Average purchase price (broilers) - £/bird	0.30	0.32				
	<i>Average £ per bird (per flock)</i>			<i>Average £ per £100 gross output</i>		
<b>Gross output</b>						
Broilers	1.37	1.50	0.13			
<b>Total output</b>	<b>1.37</b>	<b>1.50</b>	<b>0.13</b>	<b>100.00</b>	<b>100.00</b>	
<b>Variable costs</b>						
Feed	0.98	1.09	0.11	71.99	72.77	0.77
Vet. & medicines	0.02	0.02	0.00	1.31	1.47	0.16
Other livestock costs	0.04	0.05	0.01	2.94	3.12	0.18
Other variable costs	0.02	0.01	-0.01	1.40	0.48	-0.92
<b>Total variable costs</b>	<b>1.06</b>	<b>1.16</b>	<b>0.10</b>	<b>77.65</b>	<b>77.84</b>	<b>0.19</b>
<b>Total gross margin</b>	<b>0.31</b>	<b>0.33</b>	<b>0.03</b>	<b>22.35</b>	<b>22.16</b>	<b>-0.19</b>

**Table 2.17 Gross margin for turkey production**

	<i>Per bird</i>			<i>Per £100 of gross output</i>		
	2010/11	2011/12	£ change	2010/11	2011/12	£ change
Number of farms	23	26				
Average number of birds/year	856	759				
Throughput of birds/year	1,796	1,634				
Average sale price (turkeys) - £/bird	31.90	33.10				
Average purchase price (turkeys) - £/bird	3.62	4.59				
	<i>Average £ per bird</i>			<i>Average £ per £100 gross output</i>		
<b>Gross output</b>						
Other poultry output	26.26	26.93	0.67			
<b>Total output</b>	<b>26.26</b>	<b>26.93</b>	<b>0.67</b>	<b>100.00</b>	<b>100.00</b>	
<b>Variable costs</b>						
Feed	7.49	7.89	0.39	28.53	29.28	0.75
Vet. & medicines	0.11	0.15	0.04	0.42	0.56	0.15
Other livestock costs	2.21	2.87	0.66	8.42	10.66	2.24
Other variable costs	0.03	0.00	-0.03	0.13	0.00	-0.13
<b>Total variable costs</b>	<b>9.85</b>	<b>10.91</b>	<b>1.06</b>	<b>37.50</b>	<b>40.50</b>	<b>3.01</b>
<b>Total gross margin</b>	<b>16.41</b>	<b>16.02</b>	<b>-0.39</b>	<b>62.50</b>	<b>59.50</b>	<b>-3.01</b>

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## **Glossary**

### ***Farm Business Income (FBI)***

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

### ***Fixed costs***

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

### ***Gross output***

Total revenue adjusted for changes in valuation of livestock and stores, less purchases of livestock, or produce for resale.

### ***Labour***

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

### ***Management and investment income (MII)***

Total gross output less all costs (including the value of unpaid manual labour) other than salaried management. It represents the reward to management, both paid and unpaid and the return on tenant-type capital whether that capital is borrowed or not.

### ***Net farm income***

Represents the return to the farmer and spouse for their manual labour, management and interest on tenant-type capital invested in the farm, whether that capital is borrowed or not.

### ***Per £100 gross output***

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

### ***Power and machinery***

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

### ***Rent***

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

### ***Tenant-type capital***

Assets normally provided by tenants and includes growing crops, stores, machinery, livestock, cash and other assets needed to run the business. Permanent crops (including orchards) and glasshouses are also generally considered to be tenant-type capital.

### ***Total gross margin***

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

### ***Variable costs***

These vary in direct proportion to the size of each holding enterprise and include all purchased feed, seed, fertilisers, crop protection, veterinary and livestock costs.



## Abbreviations used in this Publication

/	per
£	pounds (stirling)
Defra	Department for Environment, Food and Rural Affairs
ha	hectare
no.	number
n/a	not applicable
p	pence

## Rounding

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

## Derivation of Farm Business Income

Net Farm Income

Plus:

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

Imputed rent and rental value

Less:

Net interest payments

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

Director's remuneration

Equals:

Farm Business Income

## Appendix 1: Reports in this series

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

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