ORGANIC FARM INCOMES IN ENGLAND AND WALES 2005/06

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February 2008

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PRIFYSGOL ABERYSTWYTH UNIVERSITY

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Conventional farm data were supplied by Defra with whom copyright rests. Although all efforts are made to ensure the quality of the conventional farm data, the copyright holder, the original data producer, the Department for Environment, Food and Rural Affairs and the Data Archive bear no responsibility for the accuracy or comprehensiveness of these materials, or for their further analysis or interpretation.

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Summary

Results from research work carried out for the Department for Environment, Food and Rural Affairs (Defra) by the Organic Research Group at the Institute of Rural Sciences, Aberystwyth University on the economic performance of organic farms in 2005/06 are presented in this report.

The main aim of this work is to assess the financial performance of organic farms differentiated by farm type, in order to inform Defra policy-making with respect to economics of organic farming, and to provide a basis for assessments by farmers, advisers and other interested parties of the farm-level implications of conversion to and continued organic farming. This research builds on previous work on the economics of organic farming carried out by the Institute of Rural Sciences at Aberystwyth University (Projects OF0190, covering 1995/96 to 1998/99 and OF0189, covering 1999/00 to 2004/05).

In this report, time series financial data are shown for an identical farm sample for the 2004/05 and 2005/06 financial years, covering seven organic farm types including cropping, horticulture, lowland and LFA dairy, lowland and LFA cattle and sheep and mixed farming systems. The identical farm samples comprise farms that are present in both 2004/05 and 2005/06. The total number of organic farms for 2005/06, also referred to as the full farm sample data, is shown alongside the identical datasets.

Summarised and detailed financial input, output, income, returns to labour and capital, liabilities and assets and some physical performance measures are presented based on current Farm Business Survey (FBS) data collection and collation guidelines[1]. The full samples of organic farms per robust farm type are sufficiently large to give some reasonable level of confidence in the data; however, it should be noted that the organic farm samples are not statistically representative of their type, although the results can be seen as a reasonable indication of farm income levels for comparable organic and conventional farms. Smaller identical farm samples should be treated more cautiously as there is a possibility for outliers (especially larger farms) to have some influence on the average results.

An additional element of this work is the inclusion of comparable conventional farm data (obtained from the main FBS sample) for the farm types shown. Each organic farm within this study was matched with an appropriate cluster of conventional farms based on the resource endowment indicators for individual organic farms. Broadly speaking, the indicators included farm type, FBS region, Less Favoured Area (LFA) status, utilisable agricultural area (UAA), milk quota holding (where applicable) and farm business size. The cluster farm data were averaged for each farm type to derive the comparable conventional farm (CCF) data based on the organic farms from the identical and full farm samples.

Overall, the identical samples of organic farms showed similar or lower levels of net farm incomes for all farm types in 2005/06 than in 2004/05, with the exception of cropping farms and arable farms with field vegetables, which increased over the period. Although market conditions were starting to improve for many enterprises during this period, cost increases cancelled out many of the gains. However, compared with similar conventional farms, organic farms performed as well or better on average, and substantially better for the cropping and mixed farm types.

[1] See http://statistics.Defra.gov.uk/esg/publications/fab/2003/excel.asp for further information on the farm accounting system employed in England and Wales by Defra Economics Division.

Gross margin and, for the first time, net margin data are included for selected organic livestock and crop enterprises. Margins for organic dairy herds are presented on a herd size and top five performing herd as well as regional basis. Cattle and sheep gross margins are shown for lowland and LFA farm types. For arable crops, costs of production per tonne are also shown. Crops covered include winter and spring wheat, spring barley, triticale, spring oats, and beans for stockfeed. Where available, 2004/05 gross margin data are shown alongside the 2005/06 data.

Benchmark costs of production data are shown for organic milk, suckler store, finishing beef and lamb production enterprises. The results for the beef and lamb enterprises show the significance of support payments in making these enterprises viable, raising questions about the possible impact of the single farm payment on producer perceptions of their profitability.

1. Introduction

This report, funded by Defra as part of Project OF0373, continues the series of reports on organic farming incomes starting with the 1995/96- 1998/99 period under MAFF project OF0190 and continued from 1999/00-2004/05 under Defra Project OF0189.

The aim of this report is to show the financial performance of organic farms, differentiated by farm type, for 2005/06 including comparisons with similar conventional farms and with 2004/05 data, in order to:

- inform Defra policy-making with respect to organic farming, and
- provide a basis for assessments by farmers, advisers and other interested parties of the farm-level implications of conversion to and continued organic farming.

The project's specific objectives include:

- collection of farm accountancy data from up to 46 organic farms in England and Wales relating to the 2005/06 financial year and from 70 organic farms in England and 10 in Wales in each of the financial years 2006/07 and 2007/08 (from 2006/07 significant changes have been planned to both the way data is collected, with data collection fully integrated in the Farm Business Survey, and an increased number of organic farms in the samples, which will be reflected in future reports);
- analysis of the data collected in combination with data available from the main Farm Business Survey to produce an annual report on organic farming costs, incomes and margins.

This report includes a section on methodology, which shows the data sourcing and sampling techniques used to obtain a representative organic farm sample, as well as an explanation of the clustering procedure used to select comparable conventional farms (CCF) to match the organic farms. The financial results are presented with an explanation of the results and brief highlights, followed by summary data for each farm type. Detailed gross and net margins are included for livestock and cropping enterprises, as are benchmark costs of production per kg or tonne for arable, milk, beef and lamb. The detailed whole farm financial results can be found in Appendix 1.

2. Methods

2.1 Organic farm data sources and collection methods

Financial results have been derived from organic farm holdings in England and Wales with account years ending between July and the following April; for the majority of farms this fell between December and April. Where the farm financial year falls outside of the December to April bracket, an artificial year-end is used to avoid year-ends occurring during the growing season.

The data have been derived from three different sources and all data were collected and processed according to standardised Farm Business Survey methodology set down by the Department for Environment, Food and Rural Affairs, Economics (Farm Business) Division. In a few cases where it was not possible to standardise whole farm figures, only gross margin information for specific enterprises has been included (see Table 1).

1. Organic Research Group/Farm Business Survey Unit, (IRS, Aberystwyth University)

Data for a proportion of the holdings in England and Wales was collected directly by the Farm Business Survey Unit at Aberystwyth. This primary data collection was based on the holdings involved in the previous project to provide continuity pending new data collection arrangements formally involving the FBS in England and Wales with effect from 2006/07. Under the previous arrangements, the Farm Business Survey unit at Aberystwyth was responsible for collecting the main organic farm income data across England and Wales for the cropping, dairy, LFA and lowland cattle and sheep and mixed farm types with the aim of achieving 12 farms per robust type for whole farm and gross margin data. Holdings with more than 8 European Size Units (ESU) (for definition, see Appendix 2) and having at least 70% organic land status in 2001/02 were selected randomly from national producer lists obtained from organic control bodies and Defra. After five years, the number of holdings still participating has fallen, affecting the representativity of the farm samples, but given the new survey arrangements for 2006/07, it was not practical to recruit additional farms for one year only, therefore, the 2005/06 data collection is reliant on the previous survey farm samples as well as organic data collected via other FBS centres (see below). The Aberystwyth FBS Unit also contributed benchmarking data relating to their main FBS survey holdings, which has resulted in a high proportion of Welsh holdings in the livestock production cost results.

2. Defra: UK Data Archive

Each year, Farm Business Survey Centres around the UK submit FBS data to Defra. Within the remit of this project, it has been possible to derive further organic farms that form part of the farm sample from other FBS Centres in the UK with the introduction of organic indicators in 1999. This has proved a valuable method of increasing the sample number of organic farms. For 2005/06, farm income data from 2389 farms were submitted to Defra, of which 101 farms had organic or in-conversion enterprises on farm. From this total, 87 farms met the farm selection criteria; however only 71 farms have been included in this report as it was not possible to derive comparable conventional farm data for five of them and 11 belonged to farm types for which the sample sizes were too small. The other 14 farms were not included within the report as seven were still in conversion to organic status and seven had organic areas less than 70% of total agricultural area.

3. HDRA (Henry Doubleday Research Association)

For the final year, continuing the procedure started in the previous project, HDRA were responsible for supplying both whole farm and gross margin data for horticultural holdings. In total, 8 farms were retained for the horticultural section in 2005/06. Due to

large dissimilarities within the group in terms of the proportion of horticultural output/area and intensity of the enterprises, the horticulture section was split to show results for an arable/field vegetable group and an intensive horticulture group. It was not possible to include gross margin data for horticultural crops due to limited sample sizes per enterprise.

Table 1 Distribution of organic farms by type and source of data, 2005/06

Data source	*IRS*		*Defra UK Data Archive*		*HDRA*	*Total*	
Farm Type	*Whole farm*	*GM* only*	*Whole farm*	*GM* only*	*Whole farm*	*Whole farm*	*GM* only*
Cropping	6		8	1		14	1
Arable/field veg.	2$		4$		3	9$	
Horticulture			3		5	8	
Dairy (lowland)	2		17	3		19	3
Dairy (LFA)	1		4	1		5	1
Cattle and sheep							
LFA	5	4	20	7		25	11
Lowland	6		11			17	
Mixed	3	4	7	3		10	7
Total	23	8	71	15	8	102	23

* GM - Farms used for gross margin data purposes only as no comparable whole farm data available.
$ 2 IRS and 3 UK data archive farms are also part of 'Cropping' sample; column totals have been adjusted accordingly.

2.2 Farm samples and farm classification

The total farm sample consists of 104 surveyed organic farms for 2005/06. All farms were classified by constituent EC type (1985 EC Typology described in Commission Decision 85/377/EEC) and for the purposes of this report are presented in groups by robust type according to the UK farm classification system (revised 1994)[2]. (See Appendix 2 for more information). The use of constituent EC types relies on the use of standard gross margins (SGMs) from which European Size Units (ESUs) are derived (which in turn allow classification into EC types), a typology system originally devised for conventional agricultural systems.

The number of farms in both this organic survey and the Farm Business Survey overall are subject to change. In the Organic Farm Income 2004/05 report, data from 125 organic farms were available. Between the 2004/05 and 2005/06 survey periods, a further 17 farms dropped out of the directly collected organic surveys (most were not replaced due to the new system being introduced in 2006/7) and 18 organic farms were no longer available from the UK Data archive. Conversely, there were 26 new organic farms recorded for the main 2005/06 FBS survey, available via the UK Data archive, and a further two collected as part of the organic survey. Overall, 14 organic farms have been excluded from this report as it was either not possible to derive comparable conventional farm data for them for various reasons or there were not enough farms of a particular farm type.

[2] See http://statistics.Defra.gov.uk/esg/publications/fab/2003/excel.asp for further information on the farm accounting system employed in England and Wales by Defra Economics Division.

To ensure anonymity of results for farmers participating in these surveys, no data are presented for groups of less than five farms. Accordingly, robust types 1 (Cereals) and 2 (General Cropping) are merged to increase overall sample size for the arable farm type.

2.3 Continuous sampling and interpretation of results

To achieve comparability in the whole farm datasets, the data samples are presented as a continuous (identical) set of farms per farm type. The identical samples show organic farm incomes for both organic and comparable conventional farms in 2004/05 and 2005/06. The full samples show 2005/06 data only and are not based on identical farm samples.

In 2005/06, five farms changed farm type classification. Where applicable, these farms were included in the identical farm sample that applied to their 2004/05 farm type. For the full sample, farms were included in the farm sample according to their 2005/06 farm type.

An assessment of the distribution of farm type by region and size between the organic farm survey data and unpublished organic farming census data from Defra was undertaken in previous reports. The findings indicated that the organic farm sample was relatively representative on a regional and farm size basis. This exercise has not been repeated for this year with the 2005/06 organic data sample (see Table 2) being smaller but still similar to the earlier samples. Recruitment for 2006/7 has been completely restructured and will be described in the next annual report.

Table 2 Distribution of organic farms by type and size (European Size Units) for the identical and full farm samples, 2005/06

Identical sample		8 -	15 -	28 -	40 -	60 -	100 -		
ESU code	< 8	< 15	< 28	< 40	< 60	< 100	< 200	200 +	**Total**
Farm type									
Cereals and general cropping		1		2	1	5	1	1	**11**
Horticulture		1				1	2	1	**5**
Pigs and poultry									
Dairy (lowland)				1		2	5	3	**11**
Dairy (LFA)						3	2		**5**
Cattle and sheep									
- LFA		3	6	4	2	2			**17**
- lowland		2	8	1		1			**12**
Mixed		1	1	2	2		1		**7**
Total		8	15	10	5	14	11	5	**68**
Full sample									
Farm type									
Cereals and general cropping		1	1	2	3	7	2	2	**18**
Horticulture		1				1	3	2	**7**
Pigs and poultry									
Dairy (lowland)				3	1	3	7	5	**19**
Dairy (LFA)						3	2		**5**
Cattle and sheep									
- LFA		4	9	5	3	4			**25**
- lowland		4	10	2		1			**17**
Mixed		2	2	2	4		1		**11**
Total		12	22	14	11	19	15	9	**102**

2.4 Farm comparisons

A key aspect of this research work was to derive a cluster of similar conventional farms for each organic farm to provide comparison data. By generating comparison farm data, it is possible to determine and understand further the economic performance of organic farms, their relative competitiveness and the impact of policy on them in relation to conventional farms.

2.4.1 Background

Issues relating to comparing results from organic and conventional farms have been discussed by Lampkin and Padel (1994)[3] and Offermann and Nieberg (2000).[4]

The conventional farms selected need to be 'comparable'. The objective is to isolate the effect of the farming system on profits, so the choice of characteristics for comparison must be restricted to 'non-system determined' factors, i.e. location (climate, topography, soil, and market distance), size and tenure. The use of clusters of similar conventional farms to compare with each organic farm has the advantage over paired farm comparisons in that specific circumstances of individual conventional farms do not distort the comparison. The average for a group of organic farms can then be compared with the average for the group of matched clusters with greater confidence when the farm size, type and location characteristics of the organic and conventional groups are similar.

The idea of using clusters of conventional farms for comparisons has been carried out before (Fowler et al., 1999)[5], using a hierarchical cluster analysis technique on the basis of Euclidean squared difference; however, the method of clustering has been changed in this study.

2.4.2 Conventional farm selection

For each organic farm recorded, the aim was to generate a cluster of at least three comparable conventional farms (CCF) from the Farm Business Survey database (Defra, 2007)[6]. The emphasis for selection of comparable conventional farms for this study was to focus on resource endowment identifiers/variables. The resource endowment of the holding is normally independent of the organic or conventional management, and is a reflection of the resources with which the farm manager can run the farm business.

The main identifiers required to be identical for determining resource endowment include:

- Region (FBS province) - assists with selecting farms with similar production conditions (i.e. location, market distance, institutional and policy frameworks);
- Less Favoured Area and Non- Less Favoured Area status (See Table 3);
- Altitude (See Table 4);
- Main farm type, which is more descriptive typing than robust type (see Table 5).

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[3] Lampkin, NH and S Padel (1994) *Economics of Organic Farming – an international perspective.* CAB International, Wallingford.

[4] Offermann, F. and Nieberg, H. (2000) *Economic performance of organic farms in Europe.* Organic farming in Europe: Economics and Policy. Vol. 5. University of Hohenheim, Germany.

[5] Fowler, S.; Lampkin, N. H. and Midmore, P. (2000) Organic Farming Incomes in England and Wales 1995/96-1997/98. Report to MAFF. Institute of Rural Studies, University of Wales, Aberystwyth.

[6] Department for Environment, Food and Rural Affairs (Farm Business Division). Farm Business Survey Data, 2005/06 [Computer File]. Colchester, Essex: The Data Archive [Distributor] 4th December 2007.

Table 3 Recoding of LFA codes to simplify the clustering procedure

Less Favoured Area Codes		LFA types
All land outside LFA	1	**1**
All land inside severely disadvantaged area (SDA)	2	**2**
All land inside disadvantaged area (DA)	3	
50%+ in LFA of which 50%+ in SDA	4	**3**
50%+ in LFA of which 50%+ in DA	5	
<50%+ in LFA of which 50%+ in SDA	6	**4**
<50%+ in LFA of which 50%+ in DA	7	

Table 4 Altitude codes for farms in the FBS/FADN system

Altitude Description	Code
Most of holding below 300m	1
Most of holding at 300m to 600m	2
Most of holding at 600m or above	3

Table 5 Main type and robust types used in the FBS/FADN system

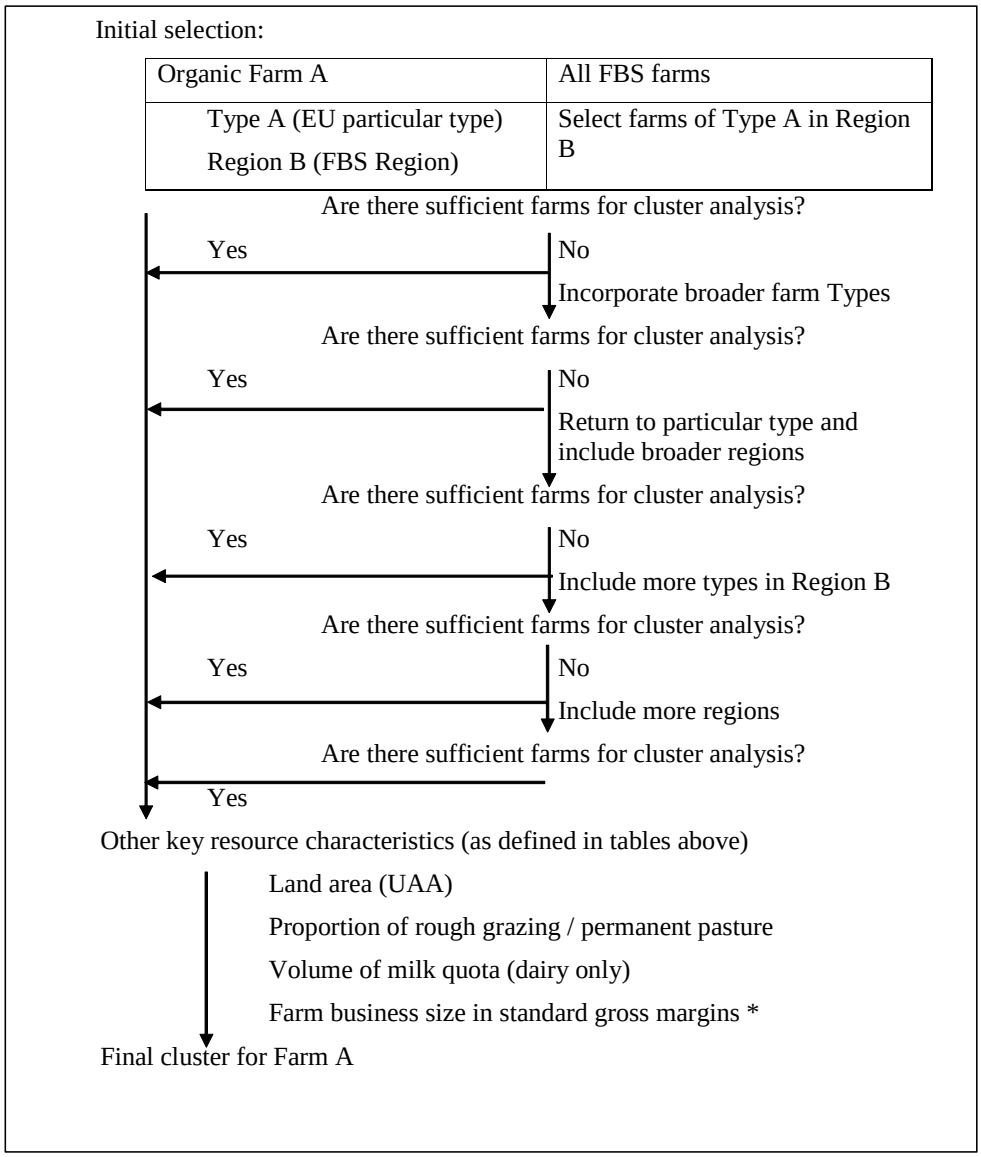
Farming Description	Main type	Robust type
Cereals	1	Cropping
General cropping	2	
Specialist fruit	3	Horticulture
Specialist glass	4	
Specialist hardy nursery stock	5	
Other horticulture	6	
Specialist pigs	7	Pigs an d poultry
Specialist poultry	8	
Dairy (LFA)	9	Dairy
Dairy (lowland)	10	
Specialist sheep (SDA)	11	LFA cattle and sheep
Specialist beef (SDA)	12	
Mixed cattle & sheep (SDA)	13	
Cattle & sheep (DA)	14	
Cattle & sheep (lowland)	15	Lowland cattle and sheep
Cropping and dairy	16	Mixed
Cropping, cattle & sheep	17	
Cropping, pigs & poultry	18	
Cropping & mixed livestock	19	
Mixed livestock	20	

To prevent limiting the number of CCFs unduly, the above variables were reassigned different codes to allow some flexibility in deriving the comparison farm data.

To identify comparable farm data with similar resource endowment, pre-defined ranges were used for land (UAA), milk quota ownership (dairy farms only), proportion of permanent pasture and rough grazing land, and the farm business size in standard gross margins (ESU) per farm. The range was defined by a percentage deviation from the value of the respective organic farm (e.g. +/- 20%) and/or an absolute value to prevent organic farms with small values being lost from the sample. It was not possible to identify comparable cluster farms for horticulture holdings/farms. Overall, the combination of variables for deriving farm clusters can be taken as a reasonable guide to identifying comparable resource endowment.

For all farm types, a standard procedure was undertaken to determine the comparable data selection per organic farm. However, it was not possible to achieve a reasonable number of CCFs in 33% of cases. Therefore, a hierarchical clustering approach was used, by adding farms of the same type from adjacent regions and on occasion increasing the pre-defined ranges per farm type (See Box 1 and Table 6).

Box 1 Conventional farm selection procedure



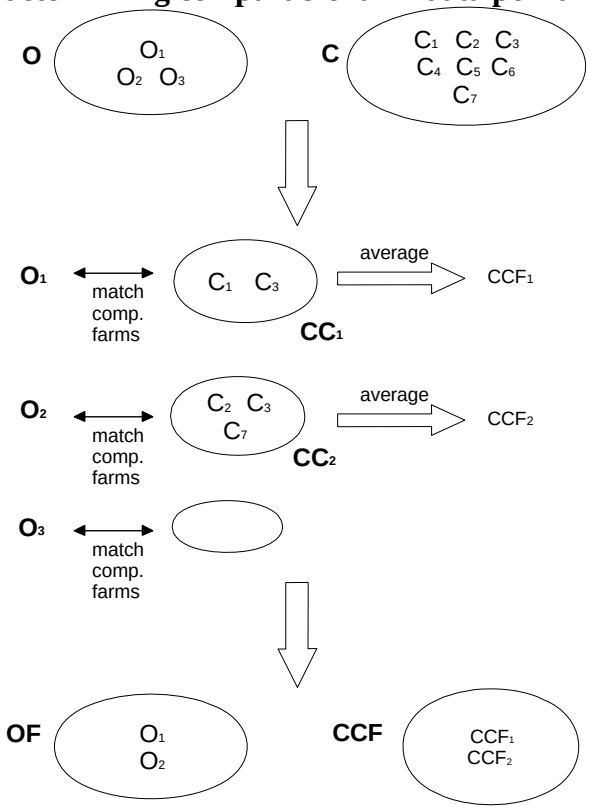
Farm business size, as measured by standard gross margins, is a measure of the potential economic activity of the particular mix and size of enterprises on the farm.

Table 6 Summary table to show the procedure used per farm type and the CCF results achieved (2005/06 farms)

	Cropping	Horticulture	Dairy (lowland)	Dairy (LFA)	Cattle and sheep Lowland	Cattle and sheep LFA	Mixed
Total organic farms	**14**	**n/a**	**19**	**5**	**17**	**25**	**10**
Baseline clustering criteria							
Utilisable agricultural area [UAA] (+/- %)	20	-	30	30	20	20	30
Quota owned (+/- %)	n/a	-	30	30	n/a	n/a	30
Permanent Pasture [PP] (+/- %)	25	-	n/a	n/a	30	30	30
Rough Grazing [RG] (+/- %)	25	-	n/a	n/a	30	30	30
Economic Size Units [ESU] (+/- %)	30	-	30	30	30	30	30
LFA status/altitude	identical	-	identical	identical	identical	identical	identical
Main type	identical	-	identical	identical	identical	identical	identical
Region	identical	-	identical	identical	identical	identical	identical
No. of farms for which baseline cluster obtained (min 3 farms)	11	-	12	5	11	13	4
(as a percent)	**79%**	**-**	**55%**	**100%**	**65%**	**52%**	**40%**
Modifications required to achieve clusters for remaining farms							
Regional (broader selection)	-	-	6	-	-	-	2
Regional and/or RG/PP and/or UAA (broader selection)	3	-	1	-	4	3	1
LFA/altitude (non-identical criteria)	-	-	-	-	2	3	-
Main type (incorporate broader farm type definition)	-	-	-	-	-	6	3
Resulting final cluster statistics							
Average number of farms in cluster per organic farm	8.0	-	6.4	5	10.8	5.4	6.5
No. of organic farms with more than 5 farms (CCF) per cluster	8	-	12	2	12	17	6
% of organic farms with more than 5 farms (CCF) per cluster	**67**	**-**	**63**	**20**	**71**	**68**	**60**
Range of CCF per organic farm per farm type: Minimum	3	-	3	3	3	3	3
Maximum	40	-	17	8	28	15	13

Once the comparable conventional farm data were identified from the main Farm Business Survey database (sample C in Box 2) and for the organic farms (sample O), the comparable conventional farm data for each cluster (CC_n) were averaged. This effectively creates a single ('artificial') comparable conventional farm CCF_n for each organic farm (O_n). Note that farms from sample C could be used more than once (in different clusters). All organic farms with no comparable data were removed from sample O, leaving set OF as the subset of sample O with matching clusters, and CCF as the set of averages for each cluster of non organic holdings drawn from sample C. The robust type comparative analysis presented in this report is based on average values for holdings matching the robust type criteria drawn from OF, compared with average values for their corresponding clusters drawn from CCF.

Box 2. Procedure for determining comparable farm data per farm type



Source: Offermann, 2004. [7]

2.4.3 Interpretation of results

It should be noted that the farms have been classified by Standard Gross Margins (SGMs), a typology system originally devised for conventional agricultural systems and therefore not entirely appropriate for these organic farms (see Appendix 2). Further, because of the systematic differences in structure on organic farms, clustering conventional farms is still only an approximate guide to the possible performance of organic farms if they were managed conventionally or vice versa.

The data source for the cluster farm comparisons is sufficiently large for a degree of confidence in the average; however, there is still a possibility for outliers (especially larger farms) to have some influence on the average.

[7] Offermann, F. (2004) Selection of comparable conventional farms: Some considerations for a general guideline. Unpublished project guidelines, Further Development of European Organic Farming Policy Project (www.irs.aber.ac.uk/euceeofp).

3. Presentation of results

3.1 Whole farm data

All whole farm results for each farm type in Section 4 and the appendices are simple averages. In the summary sections on each farm type, tables show breakdowns of average outputs, inputs and incomes in £/ha; for cropping, horticulture (arable/field vegetable and intensive horticulture), lowland and LFA dairy, and LFA and lowland cattle and sheep and mixed farms for identical and full samples. It should be noted that the identical samples were derived from individual organic farm data that were available for both 2004/05 and 2005/06 financial years. Comparable conventional farms for the identical samples are based on the 2004/05 cluster data only from conventional farms that appear in both years. To illustrate further, where the conventional farms from a cluster do not appear in 2005/06, these are removed from the 2004/05 cluster set to define a new cluster set per organic farm for 2004/05 and subsequently 2005/06 by default. The full sample represents the full set of organic data available for 2004/05 with newly derived comparable conventional farms based on the 2005/06 Farm Business Survey data.

Throughout the text, the terms *input* and *output* are used to define financial values rather than physical quantities (for further definitions of terms please see Appendix 3).

Within Appendix 1, Tables A1 to A7 give details of whole farm outputs, inputs, incomes, returns to labour and capital, asset and liability information, land utilisation and crop performance, and stocking and livestock performance for the seven robust farm types. Other physical information available, in addition to the financial data collected, includes figures for livestock units per forage hectare, and labour units per farm. Where direct labour data were not available, labour units have been derived from wages paid using standard agricultural wages (based on Agricultural Wages Board). All labour-use figures presented are, however, based on estimated hours and should be treated with caution.

Tables provide whole farm totals averaged for each farm type, and weighted averages per hectare of UAA over the farms or holdings. Values per hectare of total UAA are used (rather than measures per hectare in specific enterprises) because presenting the whole farm situation reflects the interdependence of enterprises. The fact that, for instance, organic horticultural holdings cannot crop their entire land in one year has a considerable influence on the overall farm profitability. However, gross margin data are shown separately to provide an indication of individual enterprise performance.

3.2 Income measures

In the presentation of the management and investment income (MII) and net farm income (NFI) results, all farms are effectively treated as tenanted, and a rental value is imputed as an expense for owner-occupied land. The cost of permanent improvements to farms, together with any capital grants relating to such work, are excluded from these income calculations, although such landlord-type improvements will be reflected in higher rent or rental value charges. Debt servicing charges incurred by farmers on farm borrowing or the leasing of equipment are ignored for the purposes of calculating NFI and MII, but such charges are taken into account in calculating occupier's net income (ONI) and cash income.

MII represents a return to management, whether paid or not, and tenant-type capital invested in the farm, whether borrowed or not. Thus, as well as the usual variable and fixed costs, it includes a nominal charge for farmer and spouse physical labour, but not management time, and a charge for depreciation of machinery (but not the actual costs of machinery purchased in that period). Interest payments are not included.

NFI represents the return to farmer and spouse for their manual and managerial labour and on the tenant-type capital invested in the farm. NFI can be derived from MII by deducting the cost of paid management, and adding back the notional charge for farmer and spouse labour.

In the presentation of the MII and NFI results, a number of adjustments are made to make farms comparable with each other as far as resource endowment is concerned:

- Land and property: all farms are treated as tenanted – a rental value is imputed as an expense for owner-occupied land. The costs of permanent improvements to farms, together with any capital grants relating to such work, are therefore excluded from these income calculations, although such landlord-type improvements are reflected in higher rent or rental value charges.
- Capital: all farms are treated as if they have no borrowings – debt service charges incurred by farmers on farm borrowing or the leasing of equipment were ignored for the purposes of calculating NFI and MII.
- Labour: all farms are treated as if all labour is paid – including other unpaid labour and, for MII, notional values for farmer and spouse manual labour are included.

ONI and cash income definitions exclude these notional charges and reflect actual land, property and capital costs. The measure closest to the normal definition of profit is that of ONI, as it excludes nominal charges for unpaid labour of farmer and spouse as well as any nominal rents charged, but includes interest charges and depreciation of buildings and works. ONI and cash income more closely represent the actual situations on farms, but comparisons with other farms are less reliable because of differences in land tenure, reliance on unpaid labour, and owner equity.

For further definitions of terms see Appendix 3.

4. Results highlights

This section summarises key changes in farm incomes (Table 7) for the *identical samples* of organic and similar conventional farms on a per ha basis between 2004/05 and 2005/06 as well as for *the full sample* in 2005/06 only. Organic farms achieved (in some cases substantially) higher incomes than conventional for nearly all farm types in 2005/06. Individual farm type data are summarised below, while detailed results are in Appendix 1.

Cropping and horticulture farms

Net farm income (NFI) for the organic cropping farms increased by 43% to £307/ha while there was a 33% increase to £45/ha for the conventional farm sample, resulting in a widening gap between the two. Although the conventional performance was higher (£138/ha) for the full sample in 2005/06, it was still substantially lower than the £347/ha achieved by the full organic sample. Cropping output increased by nearly 20%, reflecting improved market conditions, and inputs decreased by 14% for the organic farms between 2004/05 to 2005/06. For the conventional farms, both inputs and outputs declined slightly.

NFI for the organic arable/field vegetable farms increased nearly 3.4 fold to £470/ha in 2005/06 (following a similar rate of increase the previous year). Output increased by 31% with inputs increasing by 11% overall. However, the intensive horticulture holdings saw a NFI/ha reduction of 15% in 2005/06, with outputs up by 3% and inputs up by 12%. No conventional farm comparisons were available for these samples.

Dairy farms

For the identical LFA dairy farm samples, NFI fell by 19% to £190/ha in 2005/06 on the organic farms and fell by 6% to £160/ha for the comparable conventional farms. Outputs remained constant for the organic farms and increased by only 2% for the conventional farms. Inputs increased by 4% on organic and 3% on conventional farms.

NFI for the lowland dairy organic farms remained similar in 2005/06 at £296/ha, but increased by 11% for the comparable conventional farms to £293/ha. The full organic farm samples had slightly higher NFI than the conventional farms. Outputs were 5% higher on the organic holdings, reflecting higher milk prices, and up by 6.5% for conventional farms. Inputs increased by 7% for organic and by 6% for conventional farms.

Cattle and sheep farms

For the organic lowland cattle and sheep farms, NFI fell by 57% to £73/ha in 2005/06, while remaining similar for the conventional farm sample at £66/ha. For the full sample, the organic farms achieved a lower NFI (£63/ha) than the comparable conventional farms (£83/ha). Outputs fell by 10% while inputs increased by 6% on the organic farms, while both outputs and inputs remained similar on the conventional farms.

Net farm incomes on the LFA cattle and sheep farms fell by 13% to £148/ha in 2005/06 for the identical sample of organic farms, but were halved on the conventional farms falling to £72/ha. Outputs rose by 2% on the organic farms, but fell by 6% on the conventional farms, while inputs increased by 7% for the organic and 3% for the conventional farms.

Mixed farms

The identical sample of mixed organic farms also saw NFI fall by 54% to £104/ha in 2005/06 while the conventional farms saw NFI increase by 43% to £70/ha. Despite these trends, the full sample of organic farms achieved incomes nearly three times the level of conventional at £136/ha and £49/ha respectively. Outputs fell by 9% and inputs increased by 5% on the organic farms, while outputs increased slightly and inputs decreased slightly on the conventional farms.

Table 7 Farm data summary, average NFI (£/farm and £/ha), 2004/05-2005/06

Farm type	Number of farms	*Identical sample* 2004/05		2005/06		Number of farms	*Full sample* 2005/06	
Cropping		**£/farm**	**£/ha**	**£/farm**	**£/ha**		**£/farm**	**£/ha**
Organic	9	29260	214	38816	307	14	63454	347
Comparable conventional	54	4287	34	5905	45	111	22951	138
Arable/field vegetable								
Organic	6	23594	140	80170	470	9	170721	575
Comparable conventional	-	-	-	-	-	-	-	-
Horticulture								
Organic	6	47051	3197	40792	2731	8	89060	2711
Comparable conventional	-	-	-	-	-	-	-	-
LFA dairy								
Organic	5	22618	234	19605	190	5	19605	190
Comparable conventional	16	15833	170	14940	160	25	15621	157
Lowland dairy								
Organic	11	35795	309	36761	296	19	32298	263
Comparable conventional	76	28395	265	31325	293	118	28020	249
Lowland cattle and sheep								
Organic	12	15703	171	7152	73	17	5672	63
Comparable conventional	108	5408	61	5890	66	185	7793	83
LFA cattle and sheep								
Organic	17	20828	171	17984	148	25	17326	138
Comparable conventional	83	16548	144	8332	72	135	13021	108
Mixed								
Organic	6	29849	226	13627	104	10	15172	136
Comparable conventional	29	6451	49	9186	70	62	5347	49

4.1 Cropping farms

For detailed results see Appendix 1, Table A1, page 46.

Data from 9 organic cropping farms have been used for the two-year comparison of identical farms, where two farms were located in Northern England, four in the South West, and three in Central and Eastern England. In total, data for 14 organic cropping farms were available for 2005/06.

For the identical sample, the average farm size in terms of land area (UAA) were similar, the conventional sample business size (ESU) was slightly larger. For the full sample, organic farms were larger than conventional for both size measures. A significantly higher proportion of the organic UAA was used for peas/beans, set-aside and grassland, reflecting in part the need for fertility building in organic rotations.

The number of livestock units was 17% lower for the full sample of organic farms in 2005/06, although overall stocking rates were low on both organic and conventional farms at 0.2 LU per farm ha.

Table 8 Summary data for cropping farms (£/ha), 2004/05 and 2005/06

	Identical sample				*Full sample*	
Financial Year Data	2004/05		2005/06		2005/06	
	Org	**Conv.**	**Org**	**Conv.**	**Org**	**Conv.**
Sample number	9	54	9	54	14	111
Average farm size (UAA)	136.8	127.0	126.3	130.4	182.7	166.6
Business Size (ESU)	71.7	72.8	63.1	72.2	153.4	139.8
	£/ha	**£/ha**	**£/ha**	**£/ha**	**£/ha**	**£/ha**
Livestock outputs	271	102	253	104	159	67
Cropping outputs	303	373	362	352	904	791
Protein/energy support	0	9	0	4	0	0
Miscellaneous	92	121	88	135	168	162
Agri-env. payments	96	19	90	26	48	19
Subsidies/Single Payment	192	189	221	188	185	184
TOTAL OUTPUTS	**955**	**813**	**1015**	**809**	**1464**	**1224**
Livestock inputs	148	55	102	56	62	33
Crop inputs	57	191	49	175	252	284
Labour	95	80	82	72	144	158
Machinery	167	196	200	193	335	251
General	61	84	66	85	76	113
Land & rent	214	174	209	183	249	247
TOTAL INPUTS	**741**	**779**	**708**	**764**	**1117**	**1086**
NFI	214	34	307	45	347	138
Less farmer/spouse labour	102	122	117	120	83	100
Add paid management	0	0	0	0	0	5
Add BLSA	-2	0	0	0	-1	0
MII	**110**	**-88**	**190**	**-74**	**263**	**42**
ONI	212	64	295	70	383	190
Cash Income	292	182	391	185	566	379

Annual labour units per farm were higher on the full sample of organic farms in 2005/06, with 2.6 ALU/farm compared with 2.5 for conventional.

Total outputs for the identical sample of organic farms increased by 6% to £1015/ha, but decreased for the conventional farms by 1% to £809/ha in 2005/06, 20% lower than the organic farms.

Cropping outputs for the identical sample of organic farms increased by nearly 20% to £362/ha in 2005/6. Wheat yields on these farms increased by 9% to 4.8t/ha while the average wheat price received strengthened by 12% to £140/t. Pea/bean growing areas fell by 36%. For the identical sample of conventional farms, cropping output decreased by 6% to £352/ha in 2005/06 mainly due a slightly lower total cropping area than previously. Prices and yields remained similar, although low for most crop types, Potatoes and OSR rising a little. Cropping output was approximately 36% of total outputs for organic and 44% for conventional farms, with organic farm cropping output slightly above conventional.

Overall, the organic farm sample achieved considerably higher outputs for both livestock and environmental payments, which accounted for a large proportion of the difference in incomes achieved, with other output categories being similar to conventional. Livestock outputs represented approximately 25% and 13% of total output in both years for the organic and the conventional farms, respectively. Environmental payments represented approximately 9% of total output at £90/ha for the organic farms compared with 3% (£26/ha) for the conventional farms in 2005/06.

The organic identical sample crop input costs decreased by 14% to £49/ha in 2005/06, but fixed costs rose by 4% to £557/ha. The conventional sample crop input costs decreased by 8%. Cropping inputs were over 3.5 times greater for the conventional farms than for the organic farms, reflecting both the lower use of fertilisers and sprays on organic farms and the different balance of crop and livestock enterprises. Livestock costs for the organic sample fell by a third, reflecting lower livestock units in the sample, while conventional remained similar between the financial years. Overall, total inputs were slightly lower for 2005/06 for both types, at £708/ha for the organic farms and £764/ha for conventional farms.

Net farm income (NFI) increased in 2005/06 for the identical organic farms by nearly 44% to £307/ha, and by 33% rise for the conventional farms to £45/ha. Overall, the gap between the NFI of the organic and conventional farm sample grew to over six times greater for the organic farms than for the conventional farms in 2005/06. Management and investment income also showed an increasing gap, organic returning £190/ha, conventional -£74/ha. The returns to total labour units used for the identical samples in 2005/06 were £26,459 for the organic farms and £7,247 for the conventional farms.

4.2 Horticulture[8]

For detailed results see Appendix 1, Table A2a and A2b, page 54. Due to the nature of the farms in the horticulture groups, it was not possible to identify similar conventional holdings using the clustering procedure and no comparative results are shown.

For organic vegetable farmers, the 2005/06 growing and marketing season could be regarded as a good one, with favourable weather and a buoyant market, all of which are reflected in the financial data. During this season organic vegetables and potatoes in the UK were grown on 6,941 hectares (ha); this was a rise of 12% from the previous year. During the season there were concerns expressed that the supply of UK produce was not keeping up with the growing demand.

Whole-farm financial data was obtained from 17 organic farms where vegetables were the predominant enterprise. These were divided into a group of nine farms (average size of 307 ha), termed 'Arable/Field Vegetable', where vegetables were grown on a larger scale, and another group of eight smaller (average 35 ha) farms, termed 'Intensive Horticulture', where the vegetables were grown on a smaller scale. On the Arable/Field Vegetable farms, vegetables were on average grown on 14% of the farm, in rotation with other arable and fertility building crops. The vegetables typically accounted for 40% of the total farm revenue. In contrast on the Intensive Horticultural holdings, vegetables accounted for 78% of the Utilisable Agricultural Areas (UAA) and income from vegetables made up 95% of the farm's turnover. Although livestock were present on some of the farms, their contribution to total farm revenue in both farm types was very small (1-2%). Due to changes in the farm sample, data used for comparisons with the previous year (2004/05) were only available for six of each of the two groups of farms, which are the focus for the analysis here. Data from earlier years (2002/03 and 2003/04) based on an identical sample are also used to obtain a longer term view of the trends.

Arable/field vegetable farms

An identical data sample is shown for the arable/field vegetable farms for 2004/05 to 2005/06 where four farms were located in Central and Eastern England and the remaining farm located in the South West of England. Area utilisation changed significantly between 2004/05 and 2005/06 with an average increase in wheat area by 37% to 36.6 ha, grassland area by around 85% to 32.4 ha and fallow land by around 11 times to 7.7 ha. Conversely, field vegetable production decreased to 35.5 hectares from 47.4 hectares and set-aside area decreased by 28% to 50 ha.

The results for this sample are affected by one large farm within the sample with the remaining farms comprising less than 100 hectares. Despite increases in horticultural activity in 2005/06, the labour units utilised remained at similar levels to the previous year.

Net Farm Income (NFI) from the identical sample of organic farms was £470/ha in 2005/06, an increase of 236% from the previous year and was considerably higher than data recorded for this group of farms since 2002 (Table 10). Total output increased 31% to £2030/ha, whereas total expenses (including notional inputs) at £1560/ha only rose by 11%. Variable costs remained virtually unchanged at £271/ha, whereas fixed costs(including all labour) increased by 15%. Labour units per farm increased to eight, while labour costs, the largest cost accounting for 58% of fixed costs, increased by 20%, mainly due to harvesting higher yields.

The increase in farm output was achieved despite a decrease of 21% to 36 ha per farm in the average area of horticultural cropping. This was achieved by a combination of increased yields and prices. With some crops, such as calabrese, this was due to average yields increasing from 2.6t/ha to 5.23t/ha. With others such as leeks it was due to price increases (HDRA, 2006). Both factors reflect the favourable weather for growing and the buoyant market situation.

[8] Additional material provide by Chris Firth, HDRA.

Table 9 Summary data for arable/field vegetable farms (£/farm and £/ha), 2004/05 and 2005/06

	Identical sample				*Full sample*	
Financial Year Data	2004/05		2005/06		2005/06	
	Org		**Org**		**Org**	
Sample number	6		6		9	
Average farm size (UAA)	168.6		170.6		297.1	
Business Size (ESU)	264.6		247.1		499.0	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Livestock outputs	9896	59	9693	57	6678	22
Cropping outputs	208945	1239	293938	1723	625802	2106
Protein/energy support	0	0	44	0	0	0
Miscellaneous	7334	43	9142	54	27932	94
Agri-env. payments	4146	25	6592	39	6196	21
Subsidies/Single Payment	30496	181	26960	158	41295	139
TOTAL OUTPUTS	**260816**	**1547**	**346369**	**2030**	**707902**	**2383**
Livestock inputs	3737	22	4689	27	3236	11
Crop inputs	42351	251	41497	243	147166	495
Labour	87404	518	105242	617	126861	427
Machinery	54346	322	62517	366	142184	479
General	17013	101	17415	102	36564	123
Land & rent	32371	192	34840	204	81170	273
TOTAL INPUTS	**237222**	**1407**	**266199**	**1560**	**537181**	**1808**
NFI	23594	140	80170	470	170721	575
Less farmer/spouse labour	10046	60	11189	66	11741	40
Add paid management	6167	37	6352	37	4907	17
Add BLSA	0	0	0	0	0	0
MII	**19715**	**117**	**75333**	**441**	**163888**	**552**
ONI	49787	295	90801	532	193238	650
Cash Income	129638	769	101126	593	245254	826

Table 10 Key outputs, costs and performance indicators (£/ha) for arable/field vegetable farms, 2002/03-2005/06

	2002/03	*2003/04*	*2004/05*	*2005/06*
Total output	1555	1754	1547	2030
Variable costs	370	506	272	271
Farm gross margin	1185	1248	1275	1759
Fixed costs	1125	1151	930	1072
Net farm income	59	96	165	470
Return on tenant's capital (%)	17	19	19	73

The significantly better returns in 2005/06 can largely be attributed to the increased farm gross margin, which rose by 38% in comparison with the year before. Average vegetable crop enterprise gross margins increased by 91% from £2782 in 2004/05 to £5322/ha in 2005/06[9], more than recovering the previous decline from £3957/ha in 2003/04. Increased output was achieved with relatively static variable costs from 2004/05 to 2005/06. Variable costs per hectare have continued to decrease since 2003/04 (Table 10).

[9] Based on an HDRA survey of 43 vegetable crops on 10 farms, some of which are included in this sample

Intensive horticulture holdings

For this group, the identical farm sample was derived from six farms. One was located in the South West, one in Northern England and four in Central and Eastern England. In both 2004/05 and 2005/06, the farms grew approximately six hectares of horticultural crops with the remaining areas managed as grassland or fallowed. A small number of livestock were kept on the farms. Labour units increased from 3.5 to 3.6 units in 2005/06.

The situation for this group of farms is somewhat different than for the larger field-scale producers, with Net Farm Incomes falling by 15% to £2731/ha in 2005/06. These returns can be considered reasonable with returns on tenant's capital of 34%, and NFI is still higher than achieved in 2002/03 and 2003/04 (Table 12). Although total farm output rose by 3% to £9,710/ha in 2005/06, total expenses (including notional inputs) increased by 12%. Cropping and livestock outputs increased by 4% to £8483/ha and 22% to £199/ha respectively, whilst other income sources fell by around 8%. It is notable that both variable and fixed costs for these farms have risen considerably since 2002/03 (Table 12).

Table 11 Summary data for intensive horticulture (£/farm and £/ha), 2004/05 and 2005/06

	Identical sample				*Full sample*	
Financial Year Data	2004/05		2005/06		2005/06	
	Org		**Org**		**Org**	
Sample number	6		6		8	
Average farm size (UAA)	14.7		14.9		32.9	
Business Size (ESU)	165.7		172.6		246.2	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Livestock outputs	2406	163	2971	199	2228	68
Cropping outputs	120270	8171	126692	8483	469545	14294
Protein/energy support	0	0	0	0	0	0
Miscellaneous	13726	933	13213	885	10858	331
Agri-env. payments	1764	120	1467	98	10133	308
Subsidies/Single Payment	935	64	675	45	507	15
TOTAL OUTPUTS	**139100**	**9451**	**145017**	**9710**	**493270**	**15016**
Livestock inputs	941	64	1147	77	860	26
Crop inputs	23616	1604	26734	1790	244735	7450
Labour	30470	2070	28346	1898	52729	1605
Machinery	18979	1289	24565	1645	51363	1564
General	11316	769	15125	1013	17933	546
Land & rent	6727	457	8309	556	36591	1114
TOTAL INPUTS	**92048**	**6254**	**104225**	**6979**	**404210**	**12305**
NFI	47051	3197	40792	2731	89060	2711
Less farmer/spouse labour	16289	1107	16784	1124	17805	542
Add paid management	0	0	0	0	0	0
Add BLSA	0	0	0	0	0	0
MII	**30762**	**2090**	**24009**	**1608**	**71255**	**2169**
ONI	43119	2930	35516	2378	83409	2539
Cash Income	68533	4656	53890	3608	106058	3229

Table 12 Key outputs, costs and performance indicators (£/ha) for intensive horticulture, 2002/03-2005/06

	2002/03	*2003/04*	*2004/05*	*2005/06*
Total output	3931	4579	9451	9710
Variable costs	923	999	1669	1867
Farm gross margin	3008	3580	7782	7843
Fixed costs	1890	2203	4586	5112
Net farm income	1118	1377	3197	2731
Return on tenant's capital (%)	7	15	50	34

Farms within this sample are mainly marketing direct to consumers through their own farm shops, box schemes, farmers markets or selling onto other wholesalers or box scheme operators. These markets were buoyant in the 2004/05 season with much higher and stable prices than for those supplying packer type outlets. However, although these sectors saw further increases in demand in 2005/06, this did not appear to reflect in increased incomes for these farms. Net Farm Income (NFI) fell by 15% to £2,731/ha. This is thought to be because the market for these farms is becoming increasing competitive and more complex. The direct sales sector is becoming increasingly dominated by a small number of large vegetable box schemes with regional and national networks. In addition several pre-packers have begun to sell to independent retail outlets which have previously been the preserve of the wholesalers.

Total inputs rose by 11.5%. There were increases in all input costs except for labour costs. Rents increased by 46% and machinery by 27%. Some of the farms have reported difficulties of recruiting labour, in part due to high house prices in rural areas. These farms are heavily reliant on unpaid farmer and spouse labour and when this is included in the income calculation, Management and Investment Income fell by 23% to £1608/ha.

4.3 LFA dairy farms

For detailed results see Appendix 1, Table A3, page 62.

Five organic farms have been used for the LFA dairy identical farm analysis where one farm was located in Northern England, one in South West England and the remaining three in Wales. In total, the full sample of LFA organic dairy farms amounted to five farms.

Average farm size in the organic sample was approximately 9% higher, whilst business size is some 3% lower, than for the conventional farms in 2005/06. Labour was identical for both organic and conventional samples, and the organic stocking rate was equivalent to 81% of the conventional farms at 1.3 LU/eff. ha.

Livestock outputs decreased for the identical sample of organic farms by 3% to £1,082/ha. Milk yield and price increased slightly to 5637 litres/cow and 21.5 pence per litre respectively in 2005/06. Livestock output on conventional farms declined marginally, caused by a milk price decrease to 17.3 pence per litre, partly offset by milk yield increasing marginally to 6,103 litres per cow. Total outputs remained the same for organic farms in 2005/06 at £1,330/ha and increased by 2% for the conventional farms to £1,407/ha.

Table 13 Summary data for LFA dairy farms (£/ha), 2004/05 and 2005/06

	Identical sample				*Full sample*	
Financial Year Data	2004/05		2005/06		2005/06	
	Org	**Conv.**	**Org**	**Conv.**	**Org**	**Conv.**
Sample number	5	16	5	16	5	25
Average farm size (UAA)	96.8	93.1	103.0	93.5	103.0	99.7
Business Size (ESU)	89.8	91.4	89.3	92.2	89.3	92.1
	£/ha	**£/ha**	**£/ha**	**£/ha**	**£/ha**	**£/ha**
Livestock outputs	1117	1168	1082	1111	1082	1062
Cropping outputs	30	10	11	24	11	23
Protein/energy support	0	0	0	0	0	0
Miscellaneous	57	94	43	81	43	51
Agri-env. payments	83	15	85	32	85	37
Subsidies/Single Payment	42	93	109	158	109	152
TOTAL OUTPUTS	**1329**	**1380**	**1330**	**1407**	**1330**	**1326**
Livestock inputs	401	440	444	439	444	415
Crop inputs	24	75	21	84	21	80
Labour	190	149	189	150	189	142
Machinery	239	211	235	224	235	227
General	87	113	89	125	89	105
Land & rent	155	223	162	223	162	201
TOTAL INPUTS	**1095**	**1210**	**1139**	**1247**	**1139**	**1169**
NFI	234	170	190	160	190	157
Less farmer/spouse labour	145	208	140	206	140	188
Add paid management	0	0	0	0	0	0
Add BLSA	0	-2	0	-3	0	-8
MII	**89**	**-40**	**51**	**-49**	**51**	**-40**
ONI	265	171	233	173	233	164
Cash Income	640	364	482	362	482	368

Input costs were similar between the two years for most categories for both identical farm samples with the exception of livestock inputs, which increased for the organic farms by 10% to £444/ha. Crop inputs on the conventional farms were significantly higher than on the organic farms, reflecting in part the lower use of fertilisers and sprays on the organic holdings. For the organic farms, the proportion of input costs attributed to livestock was approximately 39% compared with 35% for the conventional farms. Labour costs remained around 20% higher in the organic sample. Overall, total input costs increased by 4% from £1,095/ha in 2004/05 to £1,139/ha in 2005/06 for the organic farms and to a lesser extent for the conventional farms from £1,210 to £1,247/ha.

Net farm income (NFI) for the identical organic farm sample fell by 19% to £190/ha, whilst the conventional identical fell by only 6% at £160/ha. This appears largely due to increases in organic purchased concentrates. Management and Investment Income fell on the organic farms, but remained positive at £51/ha, compared with a further fall in the conventional MII to £-49/ha.

The return on tenant's capital figure was lower for the organic farm sample at 3.8%, whilst the conventional sample was negative, at -3.0%. Returns to total labour units used for the identical samples were very similar at £9,446 for the organic farms and £9,424 for the conventional farms based on net farm income and labour calculations in 2005/06.

4.4 Lowland dairy farms

For detailed results see Appendix 1, Table A4, page 70.

Data from 11 organic lowland dairy farms have been used for the two year comparison of identical farms where two farms were in Northern England, three in Wales, three in the South West region and three from Central and Eastern England. In total, the full sample of lowland organic dairy farms amounted to 19 farms.

Average farm size and dairy cow numbers for the identical organic sample were approximately 16.5% and 19% higher respectively than for the conventional farms in 2005/06. The average herd size on the organic farms increased from 125 cows to 134 cows. As a result, business size was greater for the organic farm sample due to the greater number of dairy cows in comparison to the conventional farms. Annual labour units utilised were similar, while the organic stocking rate was equivalent to 94% of the conventional farms at 1.5 LU per effective hectare.

Table 14 Summary data for lowland dairy farms (£/ha), 2004/05 and 2005/06

	Identical sample				*Full sample*	
Financial Year Data	2004/05		2005/06		2005/06	
	Org	**Conv.**	**Org**	**Conv.**	**Org**	**Conv.**
Sample number	11	76	11	76	19	118
Average farm size (UAA)	115.9	107.2	124.4	106.7	122.7	112.8
Business Size (ESU)	146.2	136.2	152.1	134.8	148.5	136.8
	£/ha	**£/ha**	**£/ha**	**£/ha**	**£/ha**	**£/ha**
Livestock outputs	1517	1512	1510	1468	1466	1395
Cropping outputs	25	115	15	170	40	175
Protein/energy support	2	0	0	0	0	0
Miscellaneous	89	152	93	142	98	163
Agri-env. payments	53	10	45	13	44	14
Subsidies/Single Payment	50	73	154	191	162	199
TOTAL OUTPUTS	**1735**	**1862**	**1817**	**1983**	**1811**	**1946**
Livestock inputs	452	511	486	529	516	536
Crop inputs	37	132	46	177	47	166
Labour	194	254	212	251	217	246
Machinery	294	295	316	307	322	328
General	129	139	135	156	132	163
Land & rent	320	265	327	269	315	260
TOTAL INPUTS	**1426**	**1597**	**1521**	**1690**	**1548**	**1698**
NFI	309	265	296	293	263	249
Less farmer/spouse labour	182	196	181	201	179	202
Add paid management	0	0	0	0	0	0
Add BLSA	2	-4	11	7	13	11
MII	**129**	**65**	**125**	**100**	**97**	**57**
ONI	335	277	329	305	276	229
Cash Income	551	494	501	513	445	447

Livestock outputs remained similar in 2005/06 for the organic farms, although output from milk production increased with a slight decrease in milk yields to 5653 litres per cow counteracted by a 1.4ppl increase in milk price received to 22.1ppl. Livestock output fell by 3% for the conventional farms in 2005/06, although the average milk yield per cow remained similar, as did milk price received. Total outputs increased by 4.7% for the organic farms from 2004/05 (£1,735/ha) to 2005/06 (£1,817/ha) and similarly rose 6.5% for the conventional farms to £1,983/ha in 2005/06.

Between identical samples, the conventional cropping output was far greater than the organic farms, reflected by the cropping areas on average at 5.9 ha for the organic farms compared to 13.8 ha for the conventional farms. Other revenue sources were higher for the conventional sample, although organic farms received higher agri-environmental payments on a hectare basis than the conventional farms.

The level of input costs rose across the board between samples and financial periods. In general, input costs increased for the organic farms for all categories. Crop inputs on the conventional farms were significantly higher than on the organic farms, reflecting in part the lower use of fertilisers and sprays on the organic holdings. Likewise all input costs except labour increased for the conventional farms in 2005/06. Overall, total inputs increased for the organic farm sample by 6.7% and for the conventional farms by 5.8%.

Net farm income (NFI) for the identical organic sample decreased in 2005/06 by 4% to £296/ha, while increasing by 10% to £293/ha for the conventional farms. In 2005/06, NFI values were only 1% higher for the organic farms compared to the conventional farms, compared to 14% higher in 2004/05. Management and Investment Income showed similar trends, although the organic sample was still 25% higher than conventional.

The return on tenant's capital for the identical sample of organic farms remained very similar at 8.8% for 2004/05 and 8.9% for 2005/06. For the conventional farms, this value was 4.3% in the previous year, rising to 4.7% for 2005/06. The full sample of farms for 2005/06 indicated a similar relationship to the identical farm sample, although NFI was lower for both organic and conventional farms in the full sample compared to the identical sample. The return on tenant's capital was 7.6% for the organic full sample while the conventional farms returned 3.2% for this financial period. Returns to total labour units used for the identical samples were £17,909 for the organic farms and £16,564 for the conventional farms based on NFI and labour calculations in 2005/06.

The full sample data from 2005/06 indicate that NFI values for organic lowland dairy farms decreased by 13% in 2005/06 from £302/ha to £263/ha. The NFI for the conventional farms rose by 43% to £249/ha in 2005/06.

4.5 Lowland cattle and sheep farms

For detailed results see Appendix 1, Table A5, page 78.

Data from 12 organic lowland cattle and sheep farms have been used for the two-year comparison where six farms were located in Wales, four in the South West region of England and two from Central and Eastern England region. From the 2005/06 dataset, there were 17 organic lowland cattle and sheep farms in the full sample.

Average farm size was slightly larger in the identical organic sample, whilst business size was some 20% greater for the conventional farms than the organic farms. Other differences included 19% more livestock on the conventional farms than the organic farms, with stocking at 1.2 LU/eff. ha compared to 0.9 LU/eff. ha on the organic farms. Cattle represented 75% of the stock carried on the organic farms, compared with 65% of stock on the conventional farms on a livestock unit basis. Sheep mostly made up the remainder of stock carried for both farm samples, although the conventional farms on average carried slightly greater breeding ewe numbers than the organic farms. Annual labour units were similar for both organic and conventional farms at 1.6 to 1.5 units respectively.

Table 15 Summary data for lowland cattle and sheep farms (£/ha), 2004/05 and 2005/06

	Identical sample				*Full sample*	
Financial Year Data	2004/05		2005/06		2005/06	
	Org	**Conv.**	**Org**	**Conv.**	**Org**	**Conv.**
Sample number	12	108	12	108	17	185
Average farm size (UAA)	91.7	89.1	98.2	89.5	90.0	93.5
Business Size (ESU)	22.9	27.7	23.3	27.8	22.4	30.0
	£/ha	**£/ha**	**£/ha**	**£/ha**	**£/ha**	**£/ha**
Livestock outputs	270	355	280	354	301	372
Cropping outputs	20	47	5	45	9	54
Protein/energy support	0	0	0	0	0	0
Miscellaneous	68	90	63	93	56	66
Agri-env. payments	148	19	101	20	96	27
Subsidies/Single Payment	168	189	156	196	154	213
TOTAL OUTPUTS	**675**	**700**	**605**	**707**	**616**	**733**
Livestock inputs	72	140	71	137	93	138
Crop inputs	6	46	13	43	13	49
Labour	63	68	63	66	60	68
Machinery	113	140	129	143	130	149
General	69	77	73	78	78	76
Land & rent	180	168	183	175	180	169
TOTAL INPUTS	**504**	**639**	**532**	**642**	**554**	**649**
NFI	171	61	73	66	63	83
Less farmer/spouse labour	171	175	164	176	160	189
Add paid management	0	0	0	0	0	0
Add BLSA	0	-2	0	3	-1	2
MII	**0**	**-116**	**-91**	**-107**	**-98**	**-104**
ONI	232	94	139	99	120	120
Cash Income	392	197	311	229	283	254

In 2005/06, total outputs were higher for the identical conventional farms than for the organic farms due to higher outputs and subsidies received, except for agri-environment payments which were higher for organic farms. From 2004/05 to 2005/06, the organic farm output decreased around 10% to £605/ha, while total outputs for the conventional farms increased by 1% to £707/ha. For both samples, livestock outputs remained similar, organic sample rising slightly. Livestock price data indicate that prices were marginally higher or similar, except for store cattle that showed a decline. Overall, organic finished stock received higher prices than the conventional finished stock, while higher prices were received for the conventional younger stock/stores (1-2 yrs) than the organic stores (see Appendix 1, Table A5.4, page 84-85).

Other output differences included higher agri-environmental payments received by the organic farms, which accounted for £101/ha (17% of total output) in 2005/06 for the organic farms, compared with £20/ha (3% of total output) for the conventional farms.

For the organic sample general input costs rose by 5% to £532/ha, mainly higher machinery costs. For the conventional farms, input costs remained at similar levels at £642/ha. Crop inputs on the conventional farms were significantly higher than on the organic farms, reflecting in part the lower use of fertilisers and sprays on the organic holdings.

Net Farm Income (NFI) in both 2004/05 and 2005/06 remained higher for the organic farms than the conventional farms, but showed a marked decrease in difference. Overall, NFI for the organic farms decreased from £171/ha to £73/ha, whereas the conventional farms showed a small increase rising to £66/ha from £61/ha. Management and Investment Income values for all the data samples are negative, indicating that the income generated is insufficient to cover the farmer and spouse labour costs. Returns on tenant's capital were negative in both years for both samples. In 2005/06, the returns to total labour units were £4,997 on the organic farms and £5,367 for the conventional farms based on NFI and labour calculations.

Comparing the full sample data from 2004/05 (see previous report) with the full sample data for 2005/06, NFI decreased by 59% from £154/ha to £63/ha for the organic farms and increased 2.5 times to £83/ha for the conventional farms. Organic farm full sample NFI has now fallen behind that of the conventional farms.

4.6 LFA cattle and sheep farms

For detailed results see Appendix 1, Table A6, page 86.

Data from 17 organic LFA cattle and sheep farms have been used for the two year identical sample analysis. Twelve of these farms were located in Wales, one in Central and Eastern England, one in South West England with the remaining three farms located in Northern England.

Comparing the two identical samples, average farm size was greater for the organic farms by 5% compared to the conventional farms and business size was 15% greater on the conventional farms than the organic farms. Key system differences include lower stocking levels for the organic farms at 0.9 LU/ha compared to 1.2 LU/ha for the conventional farms. The lower stocking rate for the organic farms translates into lower stock numbers carried per farm despite the larger farm size. For the organic sample, 18% less stock are carried with the proportion of cattle and sheep managed at 60:40 compared to the conventional farms where the proportion of cattle and sheep is 47:53. The estimated labour use was 1.8 labour units per year for both the organic and conventional farms.

Table 16 Summary data for LFA cattle and sheep farms (£/ha), 2004/05 and 2005/06

	Identical sample				*Full sample*	
Financial Year Data	2004/05		2005/06		2005/06	
	Org	**Conv.**	**Org**	**Conv.**	**Org**	**Conv.**
Sample number	17	83	17	83	25	135
Average farm size (UAA)	121.6	115.3	121.6	116.2	125.3	121.1
Business Size (ESU)	32.3	39.0	32.2	38.4	33.1	38.6
	£/ha	**£/ha**	**£/ha**	**£/ha**	**£/ha**	**£/ha**
Livestock outputs	317	438	318	409	299	400
Cropping outputs	8	18	9	16	9	9
Protein/energy support	0	0	0	0	0	0
Miscellaneous	84	86	72	38	99	47
Agri-env. payments	99	33	115	74	121	76
Subsidies/Single Payment	207	232	216	219	190	215
TOTAL OUTPUTS	**715**	**807**	**731**	**755**	**717**	**746**
Livestock inputs	119	183	125	194	129	179
Crop inputs	22	56	27	51	22	48
Labour	80	72	86	76	88	63
Machinery	119	148	122	152	121	149
General	60	61	64	64	68	60
Land & rent	143	143	159	147	151	139
TOTAL INPUTS	**544**	**663**	**583**	**684**	**579**	**638**
NFI	171	144	148	72	138	108
Less farmer/spouse labour	121	134	126	138	133	143
Add paid management	2	0	1	0	1	0
Add BLSA	0	0	0	0	0	0
MII	**52**	**10**	**23**	**-66**	**6**	**-36**
ONI	198	172	157	103	152	129
Cash Income	281	307	247	253	231	265

In 2005/06, total output for the identical farm samples increased by 2.2% to £731/ha for the organic farms and decreased by 6.5% to £755/ha for the conventional farms. Livestock outputs remained similar for organic farms, but decreased for conventional units. Prices stayed at similar levels for most ruminant stock categories in 2005/06, although fat cattle sold at better prices for both organic and conventional farms. Overall, organic stock made higher prices than the conventional livestock for both years; however, store cattle prices were higher for the conventional stock in both 2004/05 and 2005/06 (see Appendix 1, Table A6.4, page 92-93).

The organic farms received higher agri-environmental payments than the conventional farms, but conventional farmers' payments rose much faster. Agri-environmental payments represented 13.8% (£99/ha) and 15.7% (£115/ha) of total output for the organic farms from 2004/05 to 2005/06, respectively. Agri-environmental payments represented only 4.1% (£33/ha) of total output in 2004/05 but had risen to 9.8% (£74/ha) of total output from the conventional farms by 2005/06.

Cropping represented a very small part of land utilisation by the LFA cattle and sheep farm type. Where crops were grown, organic yields were lower in 2005/06 compared to 2004/05. Organic crops were valued much higher than conventional crops.

Input costs were similar with no substantial changes in 2005/06 compared to the previous year for the organic and conventional farms, although overall organic inputs rose by 7% to £583/ha, conventional by 3% to £755. Crop inputs on the conventional farms were significantly higher than on the organic farms, reflecting in part the lower use of fertilisers and sprays on the organic holdings. The main increase to the organic sample costs was rent, whilst livestock input costs remained at 35% of the conventional level.

Overall, net farm income (NFI) decreased significantly in 2005/06, for the conventional farms by 50% to £72/ha, by 13% to £148/ha for the organic farms. Management and investment incomes show similar trends, with the conventional sample now showing a negative figure, and organics only £23/ha. In terms of returns on tenant's capital, the organic farms showed a positive return of 6.4% falling to 2.7% from 2004/05 to 2005/06, while the conventional farms showed a return of 0.9% falling to -6.1% for the same periods, respectively. Returns to total labour units used for the identical samples were £15,014 for the organic farms and £6,365 for the conventional farms based on NFI and labour calculations.

A comparison between the 2004/05 and the 2005/06 full sample datasets indicate that NFI remained similar at £138/ha on the organic farms and reduced by 32% to £108/ha for the conventional farms in 2005/06.

4.7 Mixed farms

For detailed results see Appendix 1, Table A7, page 94.

In total, there were six mixed organic farms in the two year farm comparison. All farms were classified as cropping, cattle and sheep farm types. Two farms were located in Wales, two in Central and Eastern England and two in South West England. The full sample comprises ten cropping, cattle and sheep farms.

Average farm size was similar for the identical organic and conventional farms, although business size was some 9% greater on the conventional farms. Land utilisation was similar between the organic and conventional farms as were stocking rates with the organic farms stocking at 0.8 LU/ha and the conventional farms at 1.0 LU/ha. However, the organic farms only carried the equivalent of 81% of the stock carried by the conventional farms. Cattle represented 70% of stock on the organic farms compared to 64% on the conventional farms. Sheep in general made up the remaining livestock carried. Labour use was similar on the farms at 2.3 and 2.1 labour units for the organic and conventional farms, respectively.

Table 17 Summary data for mixed farms (£/ha), 2004/05 and 2005/06

	Identical sample				*Full sample*	
Financial Year Data	2004/05		2005/06		2005/06	
	Org	**Conv.**	**Org**	**Conv.**	**Org**	**Conv.**
Sample number	6	29	6	29	10	62
Average farm size (UAA)	132.0	130.7	130.6	132.1	111.2	108.3
Business Size (ESU)	58.2	61.5	51.8	56.6	43.4	48.2
	£/ha	**£/ha**	**£/ha**	**£/ha**	**£/ha**	**£/ha**
Livestock outputs	316	330	339	314	348	339
Cropping outputs	221	206	173	205	154	183
Protein/energy support	0	144	1	1	0	0
Miscellaneous	85	95	80	105	94	90
Agri-env. payments	78	21	50	22	62	20
Subsidies/Single Payment	271	94	239	250	224	219
TOTAL OUTPUTS	**971**	**889**	**883**	**896**	**882**	**851**
Livestock inputs	98	169	101	143	101	154
Crop inputs	61	119	54	104	45	100
Labour	138	99	139	97	116	83
Machinery	201	208	228	227	217	208
General	84	69	91	77	94	75
Land & rent	164	175	167	178	172	180
TOTAL INPUTS	**745**	**839**	**779**	**827**	**746**	**801**
NFI	226	49	104	70	136	49
Less farmer/spouse labour	103	139	108	147	157	163
Add paid management	0	0	0	0	0	0
Add BLSA	8	-5	-2	2	-1	2
MII	**131**	**-94**	**-5**	**-75**	**-21**	**-112**
ONI	255	77	131	98	142	60
Cash Income	383	224	355	271	324	236

Livestock output represented 38% of total output with cropping-associated outputs representing around 20% in the organic sample, with little difference in the conventional group. Output generated from agri-environmental payments differed more markedly between samples with the organic farms deriving 8.0% (£78/ha) and 5.7% (£50/ha) of output from this revenue source in 2004/05 and 2005/06, respectively. On the conventional farms, agri-environmental payments represented less than 2.5% of total output in 2005/06 at £22/ha.

Livestock outputs on the organic farms increased by 7.5% to £339/ha in 2005/06, while decreasing by 4.9% to £314/ha on the conventional farms. Organic finished cattle prices were significantly higher than conventional, while conventional store cattle of all age groups had higher values on average than the equivalent organic stock in 2004/05 and 2005/06. In 2005/06, the organic finished cattle value was 3% higher than the previous year at £766/head and 25% higher than conventional finished cattle. For sheep, organic finished lamb values were slightly higher than conventional stock at £54/head.

Cropping output fell on the organic farms in 2005/06 by 22% to £173/ha while remaining similar for the conventional farms at £205/ha. Cropping output from the organic farms was on average 15.5% lower than the conventional farms and land utilised for arable cropping on the organic farms was the equivalent of 95% of the conventional cropping area. In 2005/06, organic wheat crop yields were 48% less than conventional, but at £149/tonne achieved a 230% premium for the crop above conventional prices. Prices for both organic and conventional wheat increased by around 10% in 2005/06.

Inputs associated with livestock production increased marginally for the organic farms, while they decreased for the conventional farms in 2005/06. Crop inputs fell for both the conventional and organic farms, though crop inputs on the conventional farms were significantly higher than on the organic farms, reflecting in part the lower use of fertilisers and sprays on the organic holdings. Most fixed costs including labour, general, land and rent costs remained similar, but machinery costs rose by around 10% for the identical farm samples. Total inputs increased in 2005/06 by 4.5% to £779/ha on the organic farms and decreased by 1.5% to £827/ha on the conventional farms.

Overall, net farm income (NFI) was 4.5 times higher (at £226/ha) for the organic farms in 2004/05 than for the conventional farms. In 2005/06, the organic farms had a higher NFI than the conventional farms, albeit at a much lower £104/ha compared to £70/ha for conventional. The management and investment incomes for both identical and full farm samples were negative in both years, except for the 2004/05 identical organic sample. The return on tenant's capital showed negative figures for both organic and conventional, identical and full samples. Returns to total labour used were £10,255 for the organic farms and £8,282 for the conventional farms in 2005/06 based on NFI and labour calculations.

A comparison between the full datasets in 2004/05 and 2005/06 indicates that NFI decreased by 39% for the organic farms to £136/ha. Meanwhile, NFI increased on the conventional farms by 20% to £49/ha.

5. Gross and net margins

Tables 18 to 21 show gross margin results for selected organic livestock and crop enterprises for 2005/06, with some 2004/05 data for comparative purposes. (It should be noted that the data 2004/05 are **not** from identical farms.) Gross margin figures are for certified organic enterprises, but may include some livestock/crops sold at conventional prices. The beef gross margins show suckler store and beef finishing enterprises separately for 2005/06, but 2004/05 comparison data is only available for all beef enterprises combined. Arable benchmark costs of production are included in this section as the results are directly derived from the gross/net margin data based on achieved yields. Not all crop results could be shown due to small sample sizes.

All gross margin data have been calculated by simple averages. Crop outputs include revenue and imputed values for farmhouse consumption, feed used on farm and a closing valuation for any unsold crop. It should be noted that feed values and closing valuations may be undervalued (i.e not valued at achievable organic premium prices) in the recording process – however, this will also be reflected in lower costs for the livestock enterprises where homegrown feed is used.

Table 18 Organic dairy gross and net margins (£/cow), 2005/06 and 2004/05

Herd characteristics	**<100 cows**	**>100 cows**	**N-Cent.**	**S-West**	**Wales**	**Top 5***	**All herds**	**All herds**
Year	**2005/06**	**2005/06**	**2005/06**	**2005/06**	**2005/06**	**2005/06**	**2005/06**	**2004/05**
Number of herds	14	11	8	8	9	5	25	12
Average farm area - actual ha	87	226	135	191	122	196	148	124
- effective ha	82	217	128	184	114	190	141	116
Average size of the farm business (ESU)	86	236	139	161	154	212	152	145
Average size of herd (dairy cows)	71	196	113	122	141	165	126	128
Average milk yield (litres per cow)	5649	5185	5578	5888	4933	6054	5283	5366
Implied milk price (ppl)	22.7	23.6	23.4	23.7	22.3	23.2	23.1	19.8
Enterprise output (£ per cow)								
Milk disposals (incl. for calves/farmhous	1296	1181	1285	1419	1014	1405	1217	1062
Calves - sales and transfers out	53	50	49	50	53	46	51	61
Bulls & cows - sales and transfers out	58	44	54	48	45	54	48	48
Net milk quota	0	-3	0	-1	-5	0	-2	15
Valuation change	19	13	27	15	6	23	15	49
Less: purchases & transfers in	138	144	156	155	122	142	142	144
Total enterprise output	**1287**	**1141**	**1258**	**1378**	**990**	**1386**	**1187**	**1091**
Variable costs (£ per cow)								
Concentrates	267	212	241	311	159	250	230	189
Purchased bulk feed	9	1	2	8	1	5	4	4
Stock keep	4	8	2	4	11	13	6	0
Veterinary & medicines	29	24	24	27	25	28	25	25
Other livestock costs - dairy	88	105	99	119	85	110	100	85
Total variable costs	**397**	**350**	**368**	**468**	**282**	**406**	**365**	**296**
Margin over concentrates	**1020**	**929**	**1018**	**1067**	**831**	**1136**	**958**	**875**
Gross margin before forage costs	**890**	**791**	**890**	**909**	**708**	**980**	**823**	**795**
Forage variable costs (£ per cow)								
Seeds	12	8	14	10	5	10	9	9
Fertilisers	11	4	3	4	11	7	6	11
Sprays	0	0	1	0	0	1	0	0
Other forage costs (excl. contracting)	10	4	9	7	3	4	6	5
Total forage variable costs	**32**	**16**	**26**	**20**	**18**	**21**	**21**	**25**
% of forage variable costs to dairy	63	67	68	65	64	67	66	64
Gross margin including forage costs	**858**	**775**	**890**	**909**	**708**	**958**	**801**	**770**

For the first time, net margins including allocated fixed and imputed costs are shown. These costs are allocated *pro rata* based on the number of livestock units and the land area allocated to individual enterprises. The imputed costs cover unpaid labour (based on standard rates for hours input) as well as rental value for owner occupied land and interest on tenant-type capital adjusted for actual interest payments. This ensures that the costs of the farm-family's own labour, land and capital resources used in the business are accounted for.

Table 18 (cont.)

Herd characteristics	**<100 cows**	**>100 cows**	**N-**	**S-West**	**Wales**	**Top 5***	**All herds**	**All herds**
Year	**2005/06**	**2005/06**	**2005/06**	**2005/06**	**2005/06**	**2005/06**	**2005/06**	**2004/05**
Fixed costs (£ per cow)$								
Paid labour	94	148	128	192	85	154	131	n/a
Casual labour	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Machinery - contract work	62	90	75	55	106	52	81	n/a
- repairs	55	44	54	44	45	47	47	n/a
- fuels	43	31	32	35	37	41	35	n/a
- depreciation	81	64	74	99	43	86	69	n/a
Buildings depreciation	31	30	30	26	36	40	31	n/a
General farm costs	48	38	58	39	32	40	41	n/a
Water	18	16	24	25	5	14	17	n/a
Electricity	19	16	24	11	16	12	17	n/a
Land expenses	24	29	24	19	37	27	28	n/a
Insurance	25	21	25	24	18	21	22	n/a
Rent	33	75	54	84	50	79	62	n/a
Interest payments	12	31	33	31	15	26	25	n/a
Total fixed costs	**545**	**632**	**633**	**684**	**525**	**639**	**605**	**n/a**
Total actual costs	**974**	**998**	**1028**	**1173**	**826**	**1067**	**991**	**n/a**
Net margin over actual costs	**313**	**143**	**231**	**205**	**165**	**319**	**196**	**n/a**
Imputed costs (£ per cow)								
Unpaid labour (farmer, spouse, other)	215	96	142	163	105	110	133	n/a
Imputed rent	80	64	91	52	67	70	69	n/a
Interest on tenant's capital (6% rate) #	42	15	18	28	25	26	24	n/a
Total imputed costs	**338**	**175**	**251**	**243**	**197**	**206**	**227**	**n/a**
Total costs including imputed	**1312**	**1172**	**1279**	**1415**	**1023**	**1272**	**1218**	**n/a**
Net margin over all costs	**-25**	**-32**	**-21**	**-38**	**-32**	**114**	**-31**	**n/a**
Other related outputs (£ per cow)								
LFA and agri-environmental payments	37	31	30	38	32	19	33	n/a
of which Organic Farming Scheme	13	10	2	15	15	10	11	n/a
By products and forage	4	-4	4	-1	-6	-4	-2	n/a
Single Payment Scheme	85	114	88	145	89	130	107	n/a
Total other related outputs	**126**	**141**	**122**	**182**	**115**	**145**	**138**	**n/a**

$Fixed costs are apportioned to enterprise according to the ratio of livestock units per enterprise and the proportion of the farm area in forage production (hay,silage and grazing area)

Interest on livestock, deadstock and machinery values minus actual interest paid (see fixed costs)

* Top five farms are based on highest gross margin including forage costs

Table 19 Organic beef gross and net margins (£/cow), 2005/06 and 2004/05

Location	Less favoured areas			Lowland		
Enterprise type	**finishing**	**stores**	**all types**	**finishing**	**stores**	**all types**
Year	**2005/06**	**2005/06**	**2004/05**	**2005/06**	**2005/06**	**2004/05**
Number of herds	13	8	13	16	5	17
Average farm area - actual ha	191	238	129	125	82	92
- effective ha	155	160	108	120	68	87
Average size of the farm business (ESU)	49	35	28	39	20	31
Average size of herd (breeding cows)	41	33	35	37	37	32
Enterprise output (£ per cow)						
Calf sales	3	30	27	2	64	19
Other store cattle - sales & transfers out	112	345	192	109	339	128
Bulls & cows - sales & transfers out	29	55	40	78	46	56
Finished cattle sales	613	30	311	783	21	488
Valuation change	28	-32	37	75	-5	-53
Less purchases & transfers in	136	71	85	176	145	102
Total enterprise output	**648**	**357**	**521**	**869**	**320**	**537**
Variable costs (£ per cow)						
Concentrates	86	40	89	31	22	50
Purchased bulk feed	19	3	13	7	1	7
Stock keep	31	2	0	6	0	0
Veterinary & medicines	22	21	25	21	16	21
Other livestock costs - beef	74	72	62	78	58	93
Total variable costs	**232**	**137**	**189**	**143**	**96**	**172**
Gross margin before forage costs	**416**	**219**	**332**	**726**	**224**	**365**
Forage variable costs (£ per cow)						
Seeds	4	6	3	16	9	16
Fertilisers	13	22	17	5	0	16
Sprays	0	0	0	0	0	0
Other forage costs (excl. contracting)	5	9	7	11	7	8
Total forage variable costs	**22**	**38**	**27**	**32**	**16**	**40**
% of forage variable costs to enterprise	51	25	77	62	97	76
Gross margin including forage costs	**393**	**182**	**305**	**694**	**208**	**325**

Table 19 (cont.)

Location	**Less favoured areas**			**Lowland**		
Enterprise type	**finishing**	**stores**	**all types**	**finishing**	**stores**	**all types**
Year	**2005/06**	**2005/06**	**2004/05**	**2005/06**	**2005/06**	**2004/05**
Fixed costs (£ per cow)*						
Paid labour	65	45	n/a	50	4	n/a
Casual labour	n/a	n/a	n/a	n/a	n/a	n/a
Machinery - contract work	74	64	n/a	98	36	n/a
- repairs	27	20	n/a	21	42	n/a
- fuels	25	16	n/a	25	9	n/a
-depreciation	58	40	n/a	109	105	n/a
Buildings depreciation	33	25	n/a	33	27	n/a
General farm costs	59	59	n/a	67	77	n/a
Water	4	1	n/a	5	6	n/a
Electricity	5	3	n/a	7	11	n/a
Land expenses	47	46	n/a	26	59	n/a
Insurance	31	28	n/a	37	34	n/a
Rent	99	20	n/a	85	58	n/a
Interest payments	80	58	n/a	50	31	n/a
Total fixed costs	**608**	**425**	**n/a**	**612**	**499**	**n/a**
Total actual costs	**862**	**600**	**n/a**	**787**	**611**	**n/a**
Net margin over actual costs	**-214**	**-243**	**n/a**	**82**	**-291**	**n/a**
Imputed costs (£ per cow)						
Unpaid labour (farmer, spouse, other)	156	145	n/a	210	248	n/a
Imputed rent	114	159	n/a	148	110	n/a
Interest on tenant's capital (6% rate) #	27	-18	n/a	46	69	n/a
Total imputed costs	**297**	**286**	**n/a**	**403**	**426**	**n/a**
Total costs including imputed	**1159**	**886**	**n/a**	**1190**	**1038**	**n/a**
Net margin over all costs	**-511**	**-529**	**n/a**	**-321**	**-718**	**n/a**
Other related outputs (£ per cow)						
LFA and agri-environmental payments	215	187	n/a	129	108	n/a
of which Organic Farming Scheme	45	85	n/a	20	18	n/a
By products and forage	-4	7	n/a	31	69	n/a
Single Payment Scheme	425	194	n/a	360	248	n/a
Total other related outputs	**635**	**388**	**n/a**	**521**	**426**	**n/a**

$Fixed costs are apportioned to enterprise according to the ratio of livestock units per enterprise and the proportion of the farm area in forage production (hay,silage and grazing area)

Interest on livestock, deadstock and machinery values minus actual interest paid (see fixed costs)

Table 20 Organic breeding sheep gross and net margins (£/ewe), 2005/06 and 2004/05

Location	**Less favoured area**			**Lowland**	
Flock type	**Low prod.**	**High prod.**	**All flocks**	**All flocks**	**All flocks**
Year	**2005/06**	**2005/06**	**2004/05**	**2005/06**	**2004/05**
Number of flocks	12	17	12	17	14
Average farm area - actual ha	153	248	130	130	104
- effective ha	127	172	107	122	98
Average size of the farm business (ES	32	56	27	43	40
Average size of flock (breeding ewes)	507	612	428	282	207
Finished lambs sold per ewe	0.6	1.0	0.8	1.2	1.1
Enterprise output (£ per ewe)					
Lamb sales - store	3.4	3.2	1.3	0.7	1.5
- finished	25.8	46.2	37.0	62.4	60.2
Ewe and ram sales	0.8	3.4	3.4	1.1	4.1
Other sheep sales	2.0	2.8	1.0	4.9	1.3
Wool sales	1.0	1.3	1.1	1.9	1.8
Valuation change	-0.4	8.2	-0.7	-3.4	-1.3
Less: sheep purchases	3.7	9.6	4.4	4.3	4.4
Total enterprise output	**29.4**	**55.5**	**38.6**	**63.3**	**63.1**
Variable costs (£ per ewe)					
Concentrates	8.8	14.4	7.0	5.5	7.8
Purchased bulk feed	0.6	5.3	0.1	0.3	0.0
Stock keep	0.4	3.7	1.1	0.4	0.1
Veterinary & medicines	4.0	7.0	2.4	3.1	3.2
Other livestock costs - sheep	4.7	9.6	4.7	7.6	6.6
Total variable costs	**18.6**	**40.0**	**15.2**	**16.8**	**17.6**
Gross margin before forage costs	**10.8**	**15.5**	**23.4**	**46.5**	**45.5**
Forage variable costs (£ per ewe)					
Seeds	0.3	0.4	0.2	1.4	1.0
Fertilisers	0.8	1.4	1.8	1.4	0.8
Sprays	0.0	0.0	0.0	0.0	0.0
Other forage costs (excl. contractors)	0.4	0.4	0.4	0.6	0.5
Total forage variable costs	**1.4**	**2.2**	**2.4**	**3.3**	**2.3**
% of forage variable costs to enterpris	56	45	54	40	40
Gross margin including forage costs	**9.4**	**13.3**	**21.0**	**43.2**	**43.2**

Table 20 (cont.)

Location	**Less favoured area**			**Lowland**	
Flock type	**Low prod.**	**High prod.**	**All flocks**	**All flocks**	**All flocks**
Year	**2005/06**	**2005/06**	**2004/05**	**2005/06**	**2004/05**
Fixed costs (£ per ewe)$					
Paid labour	3.7	9.4	n/a	8.6	n/a
Casual labour	n/a	n/a	n/a	n/a	n/a
Machinery - contract work	6.5	5.5	n/a	6.7	n/a
- repairs	3.9	3.1	n/a	4.0	n/a
- fuels	3.1	3.4	n/a	3.9	n/a
-depreciation	4.6	6.0	n/a	8.4	n/a
Buildings depreciation	2.9	3.4	n/a	2.6	n/a
General farm costs	3.5	4.5	n/a	6.4	n/a
Water	0.2	0.1	n/a	0.9	n/a
Electricity	0.4	0.3	n/a	0.9	n/a
Land expenses	4.0	2.6	n/a	2.7	n/a
Insurance	2.4	2.3	n/a	3.6	n/a
Rent	2.5	7.4	n/a	6.6	n/a
Interest payments	4.1	4.6	n/a	4.0	n/a
Total fixed costs	**41.7**	**52.5**	n/a	**59.3**	n/a
Total actual costs	47.9	64.4	n/a	70.2	n/a
Net margin over actual costs	-44.2	-54.8	n/a	-65.9	n/a
Imputed costs (£ per ewe)					
Unpaid labour (farmer, spouse, other)	19.3	9.2	n/a	17.4	n/a
Imputed rent	13.7	8.9	n/a	11.9	n/a
Interest on tenant's capital (6% rate) #	2.1	2.2	n/a	3.9	n/a
Total imputed costs	**35.1**	**20.3**	n/a	**33.2**	n/a
Total costs including imputed	82.9	84.7	n/a	103.4	n/a
Net margin over all costs	-79.3	-75.1	n/a	-99.1	n/a
Other related outputs (£ per ewe)					
LFA and agri-environmental payments	20.2	13.3	n/a	12.8	n/a
of which Organic Farming Scheme	4.5	4.2	n/a	1.8	n/a
By products and forage	-0.2	0.2	n/a	3.3	n/a
Single Payment Scheme	21.4	24.6	n/a	28.5	n/a
Total other related outputs	**41.4**	**38.1**	n/a	**44.6**	n/a

$Fixed costs are apportioned to enterprise according to the ratio of livestock units per enterprise and the proportion of the farm area in forage production (hay,silage and grazing area)

Interest on livestock, deadstock and machinery values minus actual interest paid (see fixed costs)

LFA high and low productivity flocks as recorded in FBS fieldbook: typically reflecting contrast between hill and upland breeds

Table 21 Organic arable crop gross and net margins (£/ha and £/tonne), 2004/05 and 2005/06

Enterprise type	Winter wheat			Spring wheat			Triticale		Spring barley			Spring oats			Beans for feed		
	2004/05	2005/06		2004/05	2005/06		2005/06		2004/05	2005/06		2004/05	2005/06		2004/05	2005/06	
Number of enterprises	13	11		9	12		5		11	8		9	5		13	14	
Average farm area - actual ha	n/a	222		n/a	213		110		n/a	214		n/a	155		n/a	241	
-effective ha	n/a	203		n/a	194		107		n/a	203		n/a	145		n/a	224	
Average size of the farm business (ESU)	n/a	98		n/a	98		76		n/a	120		n/a	49		n/a	124	
Area of crop grown (ha)	66	28		16	24		11		28	23		27	12		19	29	
Total production (tonnes)	295	140		59	93		38		110	77		88	37		49	89	
Yield (tonnes per hectare)	4.5	5.0		3.6	3.9		3.4		3.9	3.3		3.3	3.1		2.5	3.1	
Crop value (£ per tonne)	147	141		136	141		125		116	141		132	112		151	160	
	£/ha	**£/ha**	**£/t**	**£/ha**	**£/ha**	**£/t**	**£/ha**	**£/t**	**£/ha**	**£/ha**	**£/t**	**£/ha**	**£/ha**	**£/t**	**£/ha**	**£/ha**	**£/t**
Enterprise output																	
Closing valuation	62	195	39	194	50	13	50	15	89	138	42	40	257	83	52	66	21
Revenue (incl. protein support)	595	484	97	240	475	121	176	51	236	224	67	364	40	13	323	361	118
Feed used on farm	0	23	5	54	30	8	206	60	132	105	32	32	52	17	13	62	20
Crop enterprise output	**657**	**701**	**141**	**488**	**555**	**141**	**432**	**125**	**457**	**466**	**141**	**436**	**349**	**112**	**388**	**489**	**160**
- straw and beet tops	n/a	88	18	n/a	57	15	73	21	n/a	133	40	n/a	101	32	n/a	0	0
Total enterprise output	**657**	**789**	**158**	**488**	**612**	**156**	**506**	**147**	**457**	**600**	**181**	**436**	**449**	**145**	**388**	**489**	**160**
Variable costs																	
Seeds	49	56	11	64	37	10	39	11	35	42	13	58	10	3	72	49	16
Fertilisers	1	6	1	8	0	0	12	4	2	0	0	7	27	9	3	2	1
Crop protection	1	1	0	0	0	0	2	1	0	0	0	0	0	0	0	0	0
Other crop costs	37	10	2	68	18	5	18	5	25	42	13	36	95	31	38	14	4
Total variable costs	**88**	**73**	**15**	**140**	**56**	**14**	**71**	**21**	**61**	**86**	**26**	**101**	**132**	**42**	**113**	**65**	**21**
Gross margin	**569**	**716**	**144**	**348**	**556**	**142**	**435**	**126**	**396**	**514**	**155**	**335**	**318**	**102**	**275**	**425**	**139**

Table 21 (cont.)

Enterprise type	Winter wheat			Spring wheat			Triticale		Spring barley			Spring oats			Beans for feed		
	2004/05	2005/06		2004/05	2005/06		2005/06		2004/05	2005/06		2004/05	2005/06		2004/05	2005/06	
Fixed costs$																	
Paid labour	n/a	3	1	n/a	15	4	41	12	n/a	18	5	n/a	0	0	n/a	13	4
Casual labour	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Machinery - contract work	n/a	91	18	n/a	78	20	168	49	n/a	44	13	n/a	121	39	n/a	66	22
- repairs	n/a	72	14	n/a	69	18	58	17	n/a	62	19	n/a	108	35	n/a	54	18
- fuels	n/a	81	16	n/a	84	21	69	20	n/a	76	23	n/a	76	25	n/a	55	18
-depreciation	n/a	106	21	n/a	68	17	48	14	n/a	87	26	n/a	69	22	n/a	50	16
Buildings depreciation	n/a	14	3	n/a	18	4	4	1	n/a	34	10	n/a	27	9	n/a	22	7
General farm costs	n/a	24	5	n/a	36	9	31	9	n/a	29	9	n/a	33	11	n/a	22	7
Water	n/a	7	1	n/a	5	1	11	3	n/a	3	1	n/a	3	1	n/a	4	1
Electricity	n/a	5	1	n/a	4	1	6	2	n/a	6	2	n/a	2	1	n/a	4	1
Land expenses	n/a	19	4	n/a	23	6	13	4	n/a	21	6	n/a	12	4	n/a	17	5
Insurance	n/a	11	2	n/a	15	4	15	4	n/a	9	3	n/a	27	9	n/a	11	4
Rent	n/a	83	17	n/a	117	30	57	16	n/a	76	23	n/a	32	10	n/a	111	36
Interest payments	n/a	24	5	n/a	21	5	27	8	n/a	40	12	n/a	48	15	n/a	25	8
Total fixed costs	**n/a**	**540**	**108**	**n/a**	**552**	**140**	**548**	**159**	**n/a**	**506**	**153**	**n/a**	**557**	**180**	**n/a**	**454**	**148**
Total actual costs	**n/a**	**613**	**123**	**n/a**	**607**	**155**	**619**	**180**	**n/a**	**592**	**179**	**n/a**	**689**	**222**	**n/a**	**519**	**169**
Net margin over actual costs	**n/a**	**176**	**35**	**n/a**	**4**	**1**	**-114**	**-33**	**n/a**	**8**	**2**	**n/a**	**-239**	**-77**	**n/a**	**-29**	**-10**
Imputed costs																	
Unpaid labour (farmer, spouse, other)	n/a	69	14	n/a	57	15	234	68	n/a	108	33	n/a	521	168	n/a	61	20
Imputed rent	n/a	69	14	n/a	43	11	99	29	n/a	41	12	n/a	86	28	n/a	39	13
Interest on tenant's capital (6% rate) #	n/a	-4	-1	n/a	0	-1	0	0	n/a	-16	-5	n/a	-26	-8	n/a	-1	0
Total imputed costs	**n/a**	**134**	**27**	**n/a**	**101**	**25**	**332**	**96**	**n/a**	**132**	**40**	**n/a**	**581**	**187**	**n/a**	**99**	**32**
Total costs including imputed	**n/a**	**747**	**150**	**n/a**	**708**	**180**	**952**	**276**	**n/a**	**724**	**218**	**n/a**	**1269**	**409**	**n/a**	**617**	**202**
Net margin over all costs	**n/a**	**42**	**8**	**n/a**	**-96**	**-24**	**-446**	**-129**	**n/a**	**-125**	**-38**	**n/a**	**-820**	**-264**	**n/a**	**-128**	**-42**
Other related outputs																	
LFA and agri-environmental payments	n/a	58	12	n/a	52	13	59	17	n/a	65	20	n/a	116	37	n/a	62	20
of which Organic Farming Scheme	n/a	24	5	n/a	21	5	14	4	n/a	16	5	n/a	21	7	n/a	20	6
By products and forage	n/a	34	7	n/a	34	8	40	11	n/a	32	10	n/a	22	7	n/a	20	6
Single Payment Scheme	n/a	194	39	n/a	205	49	175	51	n/a	209	63	n/a	238	77	n/a	209	68
Total other related outputs	**n/a**	**287**	**58**	**n/a**	**291**	**70**	**273**	**79**	**n/a**	**305**	**92**	**n/a**	**376**	**121**	**n/a**	**315**	**103**

* Fixed costs are apportioned to enterprise according to the crop area as a proportion of total actual farm area

Interest on livestock, deadstock and machinery values minus actual interest paid (see fixed costs)

6. Benchmark costs of production

Tables 22 to 25 show costs of production data for organic milk, beef and lamb production. The 2005/06 average and top 5 (low cost) results are shown alongside whole sample data for 2004/05. It should be noted that the data are not from identical samples and are derived from supplementary organic farm data collected by the IRS Farm Business Survey Unit.

The cost of production data are calculated according to standard procedures whereby the variable costs relate to actual enterprise costs while the forage costs are apportioned according to the weighting of the livestock enterprise on the basis of livestock units associated with each livestock enterprise. This method is also carried out for allocating the fixed/overhead costs and other outputs, except that there is a further adjustment to account for the weighting of any arable enterprises within the whole farm system. Here, values are allocated on the basis of livestock units and the percentage area that is utilised by the livestock enterprises as a whole. This method assists preventing the allocation of arable costs to the livestock enterprises. All outputs and costs are then divided by the unit of production, this being litres for milk and kilograms (liveweight) for beef and lamb production.

To fully reflect costs and put holdings on a comparable basis with respect to use of own labour, land and capital resources, imputed values are estimated for unpaid labour (farmer/spouse/other), interest on the farmer's share of tenant's capital (the total on-farm value of buildings, machinery, livestock and milk quota calculated at an interest rate of 6%) and imputed rent (rental value of owner occupied land excluding buildings). These costs are allocated on the same basis as for other fixed costs described above.

6.1 Dairy enterprise production costs

The costs of production results are taken from 25 dairy farms in 2005/06 where three were located in Central and Eastern, five in the North and eight in the South West regions of England as well as nine in Wales. These farms were classified as 20 lowland and five LFA dairy farm types. The 2004/05 data are derived from eight lowland and four LFA farms all located in Wales. As the samples for the two years are made up from different farms, it is not possible to make a direct comparison between results for the two financial years. However, it is interesting to note the increase in milk price by 3.3ppl in 2005/06 compared with 2004/05.

The main physical differences between the top 5 (low cost) and average groups for 2005/06 included larger farm and herd sizes for the top 5 group as well as higher average milk yields per cow at 6055 litres per cow compared to 5283 litres for the average group. Costs overall were only slightly lower for the best performers. Total costs including imputed costs were 22.30 pence per litre for the low cost group and 23.60 pence per litre for the average group. Milk price was 23.0 pence per litre for the average group, and 23.2 for the top group. The margin of production including imputed costs was 1.6 pence per litre higher for the top 5 (low cost) group compared to the average, with the top 5 (low cost) group receiving 0.4 pence per litre more in total outputs and producing at 0.8 pence per litre less in total production costs (excluding imputed) due to the spreading of variable, forage and fixed costs, particularly feed and labour, over a higher milk output.

Table 22 Benchmark costs of production data for milk production, 2004/05 and 2005/06

	2005/06		2004/05
Sample size	25	Top 5	12
Herd size - numbers	126	172	128
Herd size - LU	124	174	128
Total Grazing LU	190	261	203
Litres of milk produced per cow	5283	6055	5056
Percentage Dairy LU to Total GLU	66	66	63
Farm size - effective hectares	141	198	116
Farm size - ESU	152	221	145
% of area used for forage/grazing	92	87	93
OUTPUTS	ppl	ppl	ppl
Dairy - milk	23.0	23.2	19.7
- livestock purchases, sales and transfer	-0.8	-0.7	2.1
- net milk quota	0.0	0.0	0.3
- slaughter premium	0.0	0.0	0.2
- valuation change	0.3	0.3	0.0
Dairy output	22.5	22.8	22.3
OTHER RELATED OUTPUTS			
LFA and agri-environmental payments	0.6	0.4	0.7
Miscellaneous revenue	2.9	3.2	0.3
By-products and forage	0.0	-0.1	0.1
Other output	3.5	3.5	1.1
TOTAL OUTPUTS	25.9	26.3	23.3
Margin of production - pence per litre (excluding imputed costs)	6.6	7.7	9.5
Margin of production - pence per litre (including imputed costs)	2.3	3.9	3.8

	2005/06		2004/05
	25	Top 5	12
COSTS	ppl	ppl	ppl
Concentrates	4.3	4.2	2.9
Purchased bulk feed (hay & straw)	0.1	0.1	0.1
Stock keep	0.1	0.2	0.0
Veterinary and medicines	0.5	0.5	0.4
Other livestock costs - dairy	1.9	1.8	1.6
Herd replacement	0.7	1.0	1.1
Total variable costs	**7.6**	**7.8**	**6.0**
Seeds	0.2	0.1	0.1
Fertilisers	0.1	0.1	0.2
Sprays	0.0	0.0	0.0
Other forage costs	0.1	0.1	1.0
Total forage costs	**0.4**	**0.3**	**1.3**
Paid labour	2.5	2.8	0.8
Casual labour	n/a	n/a	0.2
Machinery - contract work	1.5	0.8	0.0
- repairs	0.9	0.8	0.8
- fuels	0.7	0.7	0.5
-depreciation	1.3	1.4	0.8
Buildings depreciation	0.6	0.7	0.7
General farm costs	0.8	0.6	0.6
Water	0.3	0.2	0.1
Electricity	0.3	0.2	0.2
Land expenses	0.5	0.4	0.5
Insurance	0.4	0.3	0.4
Rent	1.0	1.1	0.6
Interest payments	0.5	0.4	0.3
Total fixed costs	**11.3**	**10.4**	**6.5**
TOTAL COSTS	19.3	18.5	13.9
Imputed costs			
Unpaid labour (farmer, spouse, other)	2.5	1.7	2.7
Imputed rent	1.3	1.1	1.8
Interest on tenant's capital (6% rate)	0.5	1.0	1.2

6.2 Beef enterprise production costs

Average cost of production data are shown for both suckler store and finishing beef production enterprises, from 19 farms in each case, in 2005/06.. Due to a change in the way suckler store and beef finishing enterprises are defined, there are no comparative data for 2004/05 available. The suckler store beef enterprises contain seven LFA and 12 lowland farms, while the finishing beef enterprise data are derived from eight LFA farms and 11 lowland farms. The suckler store enterprises were located one in the north, four in central/eastern and four in southwestern England, and ten in Wales, while the finishing enterprises were located one in northern, three in central/eastern and four in south western England and eleven in Wales. The 'low 5' group represents the lowest cost of production enterprises, while the 'high 5' group have the highest costs of production.

The major difference between the low and high costs groups is the total quantity of beef produced, due to lower stocking rates, herd size and output per head, despite similar farm size characteristics in the case of suckler stores. This meant that although output per kg (mainly price) was similar for both groups, costs had to be spread over fewer kg in the high cost group.

The suckler store margin of production including imputed costs, which reflect the value of the farmer's own land, labour and working capital, was minus 235 p/kg liveweight in 2005/06. The low cost producers reduced this deficit to 142 p/kg. To some extent, the single farm payment income could offset the losses, but it is clear that prices received are some way from covering the full costs of production.

For the finishing beef enterprises recorded, the margin of production including imputed costs is negative but by a smaller amount than for stores, averaging minus 132 p/kg liveweight for all herds, and minus 71 p/kg LW for the low cost group. Again this deficit could only be partly offset by the single farm payment income.

Table 23 Benchmark costs of production data for suckler store production, 2005/06

	19	Low 5	High 5
Herd size - numbers	30.4	36.6	19.8
Herd size - LU	26.6	28.3	18.8
Total Grazing LU	79.1	74.0	59.5
Stocking rate (LSU/ha)	0.7	0.7	0.5
Kilograms beef produced (weaned calves)	6,044	7,664	3,758
Percentage Beef LU to Total GLU	35	38	32
Kilograms beef produced (weaned calves) per Cow	202	219	187
Farm size ESU	28	28	32
Farm size - effective hectares	117.9	110.9	111
Percentage of farm for forage	91.9	89.2	81.5
OUTPUTS		p/kg LW	
Weaned Calf Output	104.8	96.9	100.8
- subsidies (not including BSP)	0.0	0.0	0.0
Beef output	**104.8**	**96.9**	**100.8**
OTHER RELATED OUTPUT			
LFA and agri-environmental payments	69.5	31.7	83.0
Miscellaneous revenue	33.7	16.4	73.5
By-products and forage	11.4	12.3	32.9
Other output	**114.5**	**60.4**	**189.4**
TOTAL OUTPUTS	**219.3**	**157.3**	**290.2**
Margin of production excluding imputed costs	**-39.3**	**3.6**	**-160.0**
Imputed costs (labour, interest, rental value)	195.6	145.3	271.9
Margin of production including imputed costs	**-234.9**	**-141.7**	**-431.9**
Single Farm Payment	**107.4**	**75.2**	**136.3**
Margin of production including imputed costs and single farm payment	**-127.6**	**-66.5**	**-295.7**

	19	Low 5	High 5
COSTS		p/kg LW	
Concentrates	15.4	10.8	26.6
Purchased bulk feed (hay & straw)	1.7	0.0	0.0
Stock keep	0.0	0.0	0.0
Veterinary and medicines	7.0	6.0	7.7
Other livestock costs - suckler beef	14.8	9.9	16.6
Net SCP quota leased	0.0	0.0	0.0
Herd replacement	5.0	-6.6	7.1
Total variable costs	**43.9**	**20.2**	**58.1**
Seeds	3.6	3.5	9.0
Fertilisers	4.4	0.0	9.5
Sprays	1.7	0.0	0.0
Other forage costs	14.9	11.3	20.5
Total forage costs	**24.6**	**14.9**	**39.0**
Paid labour	12.4	3.8	42.3
Casual labour	3.9	2.2	11.6
Machinery - contract work	7.5	5.0	19.8
- repairs	16.5	7.7	35.4
- fuels	17.9	10.8	22.9
-depreciation	32.2	21.8	54.5
Buildings depreciation	15.3	8.1	34.7
General farm costs	23.5	18.4	35.7
Water	1.7	2.3	3.8
Electricity	3.3	3.0	4.6
Land expenses	13.8	15.4	19.5
Insurance	14.0	6.9	24.1
Rent	11.7	4.0	23.1
Interest payments	16.5	9.3	21.0
Total fixed costs	**190.1**	**118.6**	**353.2**
TOTAL COSTS	**258.6**	**153.7**	**450.2**
Unpaid labour (farmer/spouse/other)	129.6	80.8	169.6
Interest on tenant's capital (6% rate)	15.9	13.4	31.2
Imputed rental value	50.0	51.2	71.1

Table 24 Benchmark costs of production data for finished beef production, 2005/06

	19	Low 5	High 5
Herd size - LU	23.2	27.3	24.3
Total Grazing LU	77.6	76.7	66.1
Percentage Beef LU to Total GLU	33.9	36.5	46.6
Stocking rate (LSU/ha)	0.69	0.92	0.60
No of cattle sold (store/finished)	28	37	25
Kilograms beef produced	7989	11506	4996
Percentage of farm for forage	90.5	98.6	94.0
Farm size - effective hectares	113.3	83.3	111.0
Farm size ESU	28.4	19.1	22.8
OUTPUTS		**p/kg LW**	
Beef - output	133.0	125.0	130.7
- subsidies	0.0	0.0	0.0
Beef output	**133.0**	**125.0**	**130.7**
OTHER RELATED OUTPUTS			
Tir Mynydd and other environmental p	50.3	42.3	81.2
Miscellaneous revenue	19.9	7.2	16.0
By-products and forage	8.4	-1.1	21.2
Other output	**78.6**	**48.3**	**118.3**
TOTAL OUTPUTS	**211.7**	**173.3**	**249.0**
Margin of production excluding imp	**8.9**	**63.3**	**-87.9**
Imputed costs (labour, interest, rental v	**140.9**	**134.7**	**243.4**
Margin of production including imp	**-131.9**	**-71.4**	**-331.2**
Single Farm Payment	**82.1**	**61.3**	**137.8**
Margin of production including imp and Single Farm Payment	**-49.9**	**-10.1**	**-193.4**

	19	Low 5	High 5
COSTS		**p/kg LW**	
Concentrates	21.6	8.3	40.8
Purchased bulk feed (hay & straw)	2.5	1.5	2.7
Stock keep	0.0	0.0	0.0
Veterinary and medicines	1.9	1.8	2.1
Other livestock costs - trading beef	20.5	15.6	24.2
Total variable costs	**46.5**	**27.3**	**69.9**
Seeds	2.2	0.3	2.7
Fertilisers	2.3	0.7	4.3
Sprays	0.9	1.9	0.0
Other forage costs	9.8	7.1	13.0
Total forage costs	**15.2**	**10.0**	**20.0**
Paid labour	7.5	0.0	9.9
Casual labour	1.8	2.4	0.5
Machinery - contract work	5.9	1.1	10.5
- repairs	10.2	6.0	16.5
- fuels	13.1	9.7	23.8
-depreciation	25.4	17.2	39.2
Buildings depreciation	7.8	3.7	9.0
General farm costs	18.7	12.3	37.9
Water	2.0	0.0	5.3
Electricity	2.6	1.5	4.6
Land expenses	13.2	4.2	34.1
Insurance	8.9	7.7	11.6
Rent	11.7	2.8	25.7
Interest payments	12.4	4.0	18.6
Total fixed costs	**141.1**	**72.7**	**247.1**
TOTAL COSTS	**202.7**	**110.0**	**336.9**
Unpaid labour (farmer/spouse/other)	90.7	99.5	140.0
Interest on tenant's capital (6% rate)	10.7	10.8	16.6
Imputed rental value	39.4	24.4	86.8

6.3 Lamb enterprise production costs

The costs of production data for lamb production are taken from 19 farms in 2005/06 and 15 farms in 2004/05. Data are shown for breeding ewe enterprises that sell store/finished stock and are derived from eight LFA and 11 lowland farm types in 2005/06, while the 2004/05 data contain seven LFA and eight lowland farms. Again, it should be noted that the data are not based on identical samples for the two financial years and that the top 5 group represents the lowest cost of production enterprises from the 2005/06 data.

The top 5 (low cost) group includes four lowland farms and one LFA farm. Average flock sizes are similar between the average and top 5 (low cost) data. The higher proportion of lowland to LFA farms within the top 5 (low cost) group highlights some of the differences in the financial results such as slightly lower concentrate costs and lower outputs from LFA and agri-environmental payments. Overall, the top 5 group had lower variable, forage and fixed costs as well as imputed costs giving rise to a greater margin of production. The lower costs of production for this top 5 (low cost) group can be partly explained by more kilograms of lamb produced per ewe, which dilutes the costs on a p/kg liveweight basis.

In 2004/05, the lamb enterprise margin excluding imputed costs, which equates to sheep output plus other output minus variable, forage and fixed costs, covered the costs of production leaving a margin of 51.5 p/kg. In 2005/06, the margin of production for the lamb enterprise was only 7.6 p/kg due to the income from livestock headage payments being absorbed in the single farm payment from 2005/06. However, the margin of production including imputed costs, which reflect the value of the farmer's own land, labour and working capital, indicates that both the average and top 5 (low cost) groups had a negative overall margin of production for lamb production. With the inclusion of the single farm payment, the margin of production was -37.4p per kg/lw for the average group and -7.7p per kg/lw for the top 5 (low cost) group in 2005/06, similar to the 2004/05 results.

Table 25 Benchmark costs of production data for lamb, 2004/05 and 2005/06

	2005/06		2004/05
Sample size	19	Top 5	15
Flock size - numbers	393	242	286
Flock size - LU	37	20	33.2
Total Grazing LU	79	60	70.3
Percentage Sheep LU to Total GLU	46.4	35.5	47.1
Lambs reared percentage	114.4	125.9	116.5
Kilograms lamb produced	16753	12694	11769
Kilograms of lamb produced per ewe	47.3	49.1	41.1
Farm size - effective hectares	123.0	87.5	114.0
Farm size ESU	32.3	28.3	37.7
Forage area % from total UAA	90.3	85.8	83.2
OUTPUTS	p/kg LW	p/kg LW	p/kg LW
Sheep - output	116.9	125.7	123.9
- subsidies	0.0	0.0	57.3
- wool	3.1	3.1	3.4
- valuation change	-2.6	-0.7	-0.5
Sheep output	**117.4**	**128.1**	**184.0**
OTHER RELATED OUTPUTS			
LFA and agri-environmental payments	43.3	13.7	39.3
Miscellaneous revenue	8.3	12.4	8.2
By-products and forage	6.6	9.7	6.9
Other output	**58.1**	**35.7**	**54.5**
TOTAL OUTPUTS	175.5	163.8	238.5
Margin of production excluding inputed costs	**7.6**	**38.7**	**51.5**
Imputed costs (labour, interest, rental value)	100.3	92.2	93.9
Margin of production including imputed costs	**-92.7**	**-53.6**	**-42.4**
Single Farm Payment	55.3	45.8	n/a
Margin of production including imputed costs and Single Farm Payment	**-37.4**	**-7.7**	**-42.4**

	2005/06		2004/05
	19	Top 5	15
COSTS	p/kg LW	p/kg LW	p/kg LW
Concentrates	16.0	12.7	20.3
Purchased bulk feed (hay & straw)	2.3	1.6	0.2
Stock keep	2.5	0.0	0.1
Veterinary and medicines	5.5	5.7	7.3
Other livestock costs - sheep	8.9	8.4	14.2
Net SAP quota leased	0.0	0.0	0.1
Flock replacement	17.5	8.7	18.7
Total variable costs	**52.6**	**37.2**	**60.8**
Seeds	1.8	1.4	1.8
Fertilisers	2.1	0.6	3.6
Sprays	0.7	0.9	0.0
Other forage costs	6.6	5.4	10.2
Total forage costs	**11.2**	**8.2**	**15.6**
Paid labour	11.0	2.6	9.4
Casual labour	2.2	1.3	2.6
Machinery - contract work	3.2	3.8	0.7
- repairs	8.0	4.8	10.2
- fuels	9.8	8.4	7.7
-depreciation	16.4	17.9	16.5
Buildings depreciation	6.2	4.7	6.0
General farm costs	12.1	12.9	15.4
Water	1.2	1.2	1.3
Electricity	1.9	1.6	2.9
Land expenses	8.5	7.5	7.9
Insurance	6.4	5.3	8.1
Rent	7.7	2.8	8.2
Interest payments	9.4	5.0	13.6
Total fixed costs	**104.0**	**79.8**	**110.6**
TOTAL COSTS	**167.8**	**125.2**	**187.0**
Imputed costs			
Unpaid labour	64.8	55.5	51.9
Imputed rent	6.6	10.2	38.9
Interest on tenants capital	28.9	26.5	3.2

7. Appendices

7.1 Appendix 1. Detailed farm results

Table A1.1 Cropping Farm Results — ORGANIC

OUTPUTS AND INPUTS		*Identical sample* 2004/05		*Identical sample* 2005/06		*Full sample* 2005/06	
Sample number		9		9		14	
Average farm size (UAA)		137		126		183	
Business size (ESU)		72		63		153	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	0	0	0	0	488	3
	cattle	0	0	0	0	551	3
	net quota	0	0	0	0	464	3
	valuation change	0	0	0	0	-600	-3
Other cattle	output	2079	15	1966	16	8180	45
	valuation change	264	2	1041	8	-2110	-12
Sheep -	total output	12206	89	8305	66	6796	37
	valuation change	-2908	-21	-1421	-11	-571	-3
Other livestock		25444	186	22073	175	15895	87
Arable crops	output	33724	247	39935	316	155365	850
	protein/energy support	0	0	66	0	241	1
By products forage and cults		7694	56	5826	46	9921	54
Miscellaneous (incl. farmhouse benefit value)		12631	92	11168	88	30614	168
	- organic grants	6355	46	4126	33	3602	20
	- other agri-env.payments	6830	50	7217	57	5125	28
	- subsidy/single farm paymer	26298	192	27932	221	33610	184
	FARM REVENUE	130618	955	128234	1015	267570	1464
INPUTS							
Feeds	purchased concentrates	15204	111	9007	71	6548	36
	homegrown concentrates	1436	10	1107	9	997	5
Purchased fodder, Tack and stock keep		108	1	59	0	450	2
Veterinary and medicines		854	6	689	5	687	4
Other livestock costs		2655	19	2035	16	2592	14
Seeds -	purchased and homegrown	3925	29	4231	34	11117	61
Fertilisers		1432	10	378	3	4700	26
Crop protection		175	1	174	1	7581	41
Other crop costs		2206	16	1391	11	22693	124
Labour	paid incl. paid management	9216	67	7695	61	18668	102
	casual	2202	16	1066	8	1223	7
Machinery	contract	10295	75	9247	73	15298	84
	repairs	2431	18	3627	29	13208	72
	fuels	3823	28	4999	40	10264	56
General farming costs		8305	61	8308	66	13847	76
Land expenses		5891	43	3666	29	4939	27
Rent		16061	117	15171	120	24624	135
	FARM EXPENSES	86218	630	72851	577	159437	872
Excess of expenses over revenue		44399	325	55383	438	108133	592
Notional inputs							
- rental value/imputed rent		7336	54	7592	60	15927	87
- unpaid labour		1560	11	1612	13	6367	35
- machinery depreciation		6254	46	7364	58	22385	122
		15150	111	16567	131	44679	244
NET FARM INCOME (excl. BLSA)		29260	214	38816	307	63454	347

Table A1.1 Cropping Farm Results **CONVENTIONAL**

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2004/05		2005/06		2005/06	
Sample number		54		54		111	
Average farm size (UAA)		127		130		167	
Business size (ESU)		73		72		140	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	75	1	53	0	0	0
	cattle	3	0	-16	0	0	0
	net quota	1	0	0	0	0	0
	valuation change	-7	0	14	0	0	0
Other cattle	output	6533	51	7233	55	6137	37
	valuation change	2	0	10	0	-840	-5
Sheep -	total output	5836	46	4661	36	2218	13
	valuation change	-370	-3	391	3	85	1
Other livestock		927	7	1229	9	3545	21
Arable crops	output	41970	331	41049	315	124257	746
	protein/energy support	1087	9	4362	4	181	1
By products forage and cults		5409	43	4884	37	7519	45
Miscellaneous (incl. farmhouse benefit value)		15405	121	17603	135	26996	162
	- organic grants	0	0	0	0	0	0
	- other agri-env.payments	2380	19	3404	26	3242	19
	- single payment scheme	23989	189	20654	188	30535	184
	FARM REVENUE	103240	813	105530	809	203874	1224
INPUTS							
Feeds	purchased concentrates	2239	18	2218	17	2221	13
	homegrown concentrates	1413	11	1593	12	1214	7
Purchased fodder, Tack and stock keep		134	1	106	1	168	1
Veterinary and medicines		872	7	903	7	585	4
Other livestock costs		2332	18	2426	19	1343	8
Seeds -	purchased and homegrown	3980	31	3828	29	10275	62
Fertilisers		9441	74	8932	69	11266	68
Crop protection		7902	62	7990	61	17011	102
Other crop costs		2873	23	2021	15	8794	53
Labour	paid incl. paid management	5344	42	4713	36	19624	118
	casual	820	6	796	6	3928	24
Machinery	contract	7435	59	7832	60	9628	58
	repairs	4705	37	3925	30	9287	56
	fuels	3448	27	4426	34	7717	46
General farming costs		10661	84	11123	85	18764	113
Land expenses		2238	18	2658	20	3280	20
Rent		6666	52	6687	51	11484	69
	FARM EXPENSES	72503	571	72175	554	136587	820
Excess of expenses over revenue		30738	242	33355	256	67287	404
Notional inputs							
- rental value/imputed rent		13195	104	14547	112	26348	158
- unpaid labour		3981	31	3875	30	2782	17
- machinery depreciation		9275	73	9028	69	15190	91
		26451	208	27450	211	44320	266
NET FARM INCOME (excl. BLSA)		4287	34	5905	45	22951	138

Table A1.2 Cropping Farm Results — ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2004/05		2005/06		2005/06	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	29260	214	38816	307	63454	347
Less farmer and spouse labour	13955	102	14775	117	15229	83
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	-241	-2	-23	0	-171	-1
MANAGEMENT & INVESTMENT INCOME	15053	110	24018	190	48055	263
NET FARM INCOME (excl. BLSA)	29260	214	38816	307	63454	347
plus net rental value/imputed rent	4251	31	4530	36	11637	64
minus occupier's expenses	83	1	113	1	226	1
minus interest payments	1408	10	3218	25	2432	13
minus build & works depreciation	3035	22	2811	22	2418	13
OCCUPIER'S NET INCOME	28984	212	37204	295	70014	383
plus other imputed items	1827	13	1879	15	6636	36
plus fixed asset depreciation	9353	68	10191	81	24813	136
minus valuation changes	174	1	-100	-1	-1893	-10
NOTIONAL CASH INCOME	39991	292	49374	391	103357	566
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.8		1.8		2.6	
of which farmer & spouse	0.9		1.1		1.1	
NFI and paid labour/Annual Labour Units	22083		26459		32247	
NFI/Farmer & Spouse Labour Units	32216		36145		59623	
TENANT'S CAPITAL - £ per farm						
Machinery	43953	321	44546	353	117007	640
Livestock	24561	180	23183	184	22582	124
Crops	8866	65	9750	77	25777	141
Stores	856	6	1475	12	11954	65
TOTAL	78236	572	78953	625	177320	970
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	180518	180591	178576	178039	403477	416259
Buildings, improvements and fixtures	12219	12266	12266	10704	9299	10481
Machinery	43852	44055	44055	45037	116037	117977
Livestock	26561	22561	22561	23804	23782	21382
Produce and goods in store	7960	11880	12100	10722	37687	38015
Quotas and single payment asset value	386	134	54333	49088	73834	67012
Credit balances	28466	29489	29489	47981	48643	76156
TOTAL	299963	300975	353379	365374	712759	747282
EXTERNAL LIABILITIES						
Long and medium term loans	211	0	0	0	16429	16536
Short term loans	13453	16191	16191	9927	25479	20289
Overdrafts	21026	27614	27614	23913	18718	18854
TOTAL	34690	43806	43806	33839	60625	55679
NET WORTH	**265272**	**257169**	**309573**	**331535**	**652134**	**691604**
RETURNS TO CAPITAL						
Owner Equity (%)	85.4		90.7		92.5	
ONI/Net worth (%)	11.3		11.2		10.1	
Return on tenant's capital (%)	19.2		30.4		27.1	
Return on all capital (%)	10.3		10.7		9.7	

Table A1.2 Cropping Farm Results — CONVENTIONAL

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2004/05		2005/06		2005/06	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	4287	34	5905	45	22951	138
Less farmer and spouse labour	15481	122	15612	120	16732	100
Add managerial input of paid manager	0	0	0	0	810	5
Add BLSA	9	0	3	0	25	0
MANAGEMENT & INVESTMENT INCOME	-11185	-88	-9704	-74	7052	42
NET FARM INCOME (excl. BLSA)	4287	34	5905	45	22951	138
plus net rental value/imputed rent	9306	73	9925	76	21274	128
minus occupier's expenses	426	3	471	4	705	4
minus interest payments	2727	21	3499	27	3103	19
minus build & works depreciation	2283	18	2706	21	8741	52
OCCUPIER'S NET INCOME	8157	64	9154	70	31676	190
plus other imputed items	3992	31	3882	30	2822	17
plus fixed asset depreciation	11560	91	11736	90	23924	144
minus valuation changes	571	4	653	5	-4724	-28
NOTIONAL CASH INCOME	23138	182	24119	185	63146	379
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.7		1.6		2.5	
of which farmer & spouse	1.0		1.0		1.1	
NFI and paid labour/Annual Labour Units	6202		7247		18243	
NFI/Farmer & Spouse Labour Units	4121		5900		21308	
TENANT'S CAPITAL - £ per farm						
Machinery	49988	394	49661	381	79961	480
Livestock	20567	162	20828	160	14453	87
Crops	18897	149	19145	147	27161	163
Stores	12624	99	12950	99	23951	144
TOTAL	102077	804	102584	787	145527	873
	Opening	Closing	Opening	Closing	Opening	Closing
ASSETS - £ per farm	Value	Value	Value	Value	Value	Value
Land and Property	441200	466045	431276	460995	587027	615422
Buildings, improvements and fixtures	10001	10784	10784	15291	39931	45769
Machinery	50277	49700	49770	49552	81960	77963
Livestock	20762	20372	20586	21069	14715	14191
Produce and goods in store	31036	32006	32009	32182	53248	49136
Quotas and single payment asset value	2296	860	60216	55009	74594	68027
Credit balances	21288	19174	20451	36621	69157	74668
TOTAL	576861	598940	625091	670718	920632	945175
EXTERNAL LIABILITIES						
Long and medium term loans	25453	27070	28241	25627	37538	43740
Short term loans	13980	14634	15081	15994	28505	25223
Overdrafts	19205	22521	22315	30258	22833	37549
TOTAL	58637	64226	65636	71880	88876	106513
NET WORTH	**518223**	**534714**	**559455**	**598839**	**831772**	**838677**
RETURNS TO CAPITAL						
Owner Equity (%)	89.3		89.3		88.7	
ONI/Net worth (%)	1.5		1.5		3.8	
Return on tenant's capital (%)	-11.0		-9.5		4.8	
Return on all capital (%)	-0.8		-0.4		2.0	

Table A1.3 Cropping Farm Results — ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2004/05	2005/06	2005/06
Tillage - maincrops	Wheat	31.0	36.5	51.9
	Barley	1.7	1.0	17.0
	Other cereals	4.3	5.6	3.9
	Oil seed rape	0.0	0.0	6.5
	Linseed	0.0	0.0	0.0
	Peas/Beans	25.4	16.2	14.5
	Potatoes	0.0	0.0	5.6
	Sugarbeet	0.4	0.0	5.0
	Horticulture	1.0	1.2	7.4
	Other crops	0.0	0.8	1.1
	Total cropping	**63.9**	**61.4**	**112.8**
	Set-aside	22.5	4.6	11.5
Tillage - fodder		2.8	0.0	0.0
Grassland	Grazing, hay and silage	33.3	34.0	39.3
Fallow and land let		14.2	26.2	19.1
Rough grazing	Effective	0.0	0.0	0.0
Utilisable agricultural area (Effective ha.)		136.8	126.3	182.7
Woods, roads and buildings		4.3	4.3	6.7
TOTAL AREA (Actual ha.)		141.1	130.6	189.4
effective forage area		**36.1**	**34.0**	**39.3**
Bare land and forage hired in		0.6	0.0	0.0
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		4.4	4.8	5.0
Barley		3.1	2.3	3.1
Oilseed Rape		0.0	0.0	2.8
Potatoes		25.0	0.0	34.7
Sugar Beet		0.0	0.0	54.9
- Prices (£ per tonne)*				
Wheat		125	140	126
Barley		60	139	117
Oilseed Rape		0	0	139
Potatoes		180	0	145
Sugar Beet		0	0	32

* Yield and price data is implied

Table A1.3 Cropping Farm Results **CONVENTIONAL**

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2004/05	2005/06	2005/06
Tillage - maincrops	Wheat	41.2	39.8	56.5
	Barley	18.3	15.5	14.3
	Other cereals	2.7	2.7	1.8
	Oil seed rape	9.2	10.8	9.4
	Linseed	0.0	0.0	2.3
	Peas/Beans	4.1	5.1	4.3
	Potatoes	0.5	0.6	8.4
	Sugarbeet	1.8	1.9	10.7
	Horticulture	0.2	0.1	1.7
	Other crops	0.0	0.0	0.8
	Total cropping	**78.0**	**76.5**	**110.2**
	Set-aside	11.3	9.0	17.2
Tillage - fodder		1.1	0.6	0.7
Grassland	Grazing, hay and silage	28.9	32.7	22.7
Fallow and land let		6.7	10.7	14.6
Rough grazing	Effective	1.0	1.0	1.2
Utilisable agricultural area (Effective ha.)		127.0	130.4	166.6
Woods, roads and buildings		5.0	5.4	6.5
TOTAL AREA (Actual ha.)		132.0	135.8	173.1
effective forage area		**32.3**	**35.9**	**26.4**
Bare land and forage hired in		2.4	1.6	2.4
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		7.5	7.6	8.0
Barley		6.0	6.0	5.7
Oilseed Rape		3.0	3.2	3.4
Potatoes		31.2	35.2	36.4
Sugar Beet		66.1	63.0	57.7
- Prices (£ per tonne)*				
Wheat		67	68	67
Barley		66	67	68
Oilseed Rape		134	148	145
Potatoes		90	131	118
Sugar Beet		29	29	31

* Yield and price data is implied

Table A1.4 Cropping Farm Results **ORGANIC**

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2004/05		2005/06		2005/06	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.6	1
Beef cows	2.1	3	1.8	2	4.8	6
Other cattle	8.3	13	6.0	9	11.3	19
Breeding sheep	20.6	230	10.4	122	7.7	90
Other sheep	3.3	81	2.4	59	1.8	45
Pigs	0.5	56	0.4	46	1.2	34
Poultry	2.8	339	3.0	344	2.0	239
Other livestock	0.0	12	0.0	14	0.0	9
TOTAL (L.U.)	37.6		24.0		29.6	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.3		0.2		0.2	
GLU/forage effective hectare*	1.0		0.7		0.8	

* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock

LIVESTOCK PERFORMANCE - Prices (£ per head)*			
Dairy cows (litres)	0	0	4078
Dairy cows	0	0	291
Dairy calves	0	0	0
Dairy heifers in calf	0	0	0
Beef heifers in calf	550	675	606
Fat cattle	720	784	651
Beef store cattle 1-2 yrs	517	475	475
Beef stores <1 yr	188	300	192
Ewes	45	58	58
Ewe hoggs	50	0	0
Fat lambs	49	53	52
Store lambs	0	0	0
Fat Pigs	110	135	114
Milk (pence per litre)	0.0	0.0	18.6
Wool (pence per kg)	57.2	61.8	58.2

* Price data is implied

Table A1.4 Cropping Farm Results — CONVENTIONAL

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2004/05		2005/06		2005/06	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.1	0	0.1	0	0.0	0
Beef cows	6.6	9	7.4	10	5.5	7
Other cattle	15.5	27	15.5	28	11.7	21
Breeding sheep	10.3	97	10.2	96	4.6	45
Other sheep	3.1	74	3.0	73	1.1	26
Pigs	0.0	0	0.0	0	0.0	0
Poultry	1.1	68	2.0	118	3.8	223
Other livestock	0.3	0	0.0	0	0.0	1
TOTAL (L.U.)	36.9		38.3		26.7	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.3		0.3		0.2	
GLU/forage effective hectare*	1.1		1.1		1.0	
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	2000		2838		0	
Dairy cows	0		0		0	
Dairy calves	0		0		0	
Dairy heifers in calf	0		0		0	
Beef heifers in calf	0		0		600	
Fat cattle	566		578		605	
Beef store cattle 1-2 yrs	546		516		497	
Beef stores <1 yr	112		203		190	
Ewes	55		34		46	
Ewe hoggs	43		35		84	
Fat lambs	49		46		48	
Store lambs	34		35		35	
Fat Pigs	0		96		0	
Milk (pence per litre)	35.8		18.7		0.0	
Wool (pence per kg)	54.9		50.9		57.0	

* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock

* Price data is implied

Table A2a.1 ARABLE FIELD VEGETABLE FARMS ORGANIC

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2004/05		2005/06		2005/06	
Sample number		6		6		9	
Average farm size (UAA)		169		171		297	
Business size (ESU)		265		247		499	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	0	0	0	0	0	0
	cattle	0	0	0	0	0	0
	net quota	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0
Other cattle	output	667	4	3766	22	2511	8
	valuation change	753	4	-1563	-9	-1042	-4
Sheep -	total output	3065	18	2884	17	1922	6
	valuation change	40	0	29	0	19	0
Other livestock		5372	32	4578	27	3268	11
Arable crops	output	208786	1238	292688	1715	620662	2089
	protein/energy support	0	0	44	0	481	1
By products forage and cults		159	1	1250	7	5140	17
Miscellaneous (incl. farmhouse benefit value)		7334	43	9142	54	27932	94
	- organic grants	3184	19	5080	30	3533	12
	- other agri-env.payments	961	6	1512	9	2663	9
	- subsidy/single farm paymen	30496	181	26960	158	40813	138
	FARM REVENUE	260816	1547	346369	2030	707902	2383
INPUTS							
Feeds	purchased concentrates	3117	18	2380	14	1690	6
	homegrown concentrates	0	0	200	1	133	0
Purchased fodder, Tack and stock keep		0	0	1051	6	700	2
Veterinary and medicines		154	1	234	1	156	1
Other livestock costs		466	3	824	5	556	2
Seeds -	purchased and homegrown	31447	186	23465	138	48323	163
Fertilisers		2164	13	1999	12	16851	57
Crop protection		7316	43	11408	67	29598	100
Other crop costs		1424	8	4625	27	52394	176
Labour	paid incl. paid management	21041	125	27915	164	69876	235
	casual	63714	378	75147	440	50558	170
Machinery	contract	36278	215	44263	259	46539	157
	repairs	6402	38	4546	27	29903	101
	fuels	2592	15	3136	18	16832	57
General farming costs		17013	101	17415	102	36564	123
Land expenses		1295	8	1748	10	9676	33
Rent		8372	50	8868	52	37583	127
	FARM EXPENSES	202795	1202	229222	1343	447932	1508
Excess of expenses over revenue		58021	344	117147	686	259970	875
Notional inputs							
- rental value/imputed rent		22704	135	24224	142	33911	114
- unpaid labour		2650	16	2180	13	6427	22
- machinery depreciation		9073	54	10573	62	48910	165
		34427	204	36977	217	89248	300
NET FARM INCOME (excl. BLSA)		23594	140	80170	470	170721	575

Table A2a.2 ARABLE FIELD VEGETABLE FARMS ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2004/05		2005/06		2005/06	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	23594	140	80170	470	170721	575
Less farmer and spouse labour	10046	60	11189	66	11741	40
Add managerial input of paid manager	6167	37	6352	37	4907	17
Add BLSA	0	0	0	0	0	0
MANAGEMENT & INVESTMENT INCOME	19715	117	75333	441	163888	552
NET FARM INCOME (excl. BLSA)	23594	140	80170	470	170721	575
plus net rental value/imputed rent	18704	111	20239	119	28120	95
minus occupier's expenses	3011	18	3156	18	2872	10
minus interest payments	-563	-3	4314	25	1075	4
minus build & works depreciation	-9937	-59	2139	13	1657	6
OCCUPIER'S NET INCOME	49787	295	90801	532	193238	650
plus other imputed items	3859	23	3375	20	7224	24
plus fixed asset depreciation	71205	422	12737	75	50583	170
minus valuation changes	-4787	-28	5787	34	5792	19
NOTIONAL CASH INCOME	129638	769	101126	593	245254	826
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	6.7		8.0		8.8	
of which farmer & spouse	0.5		0.9		0.9	
NFI and paid labour/Annual Labour Units	16291		22979		33254	
NFI/Farmer & Spouse Labour Units	43535		92189		182728	

Table A2a.3 ARABLE FIELD VEGETABLE FARMS ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2004/05	2005/06	2005/06
Tillage - maincrops	Wheat	26.6	36.6	65.8
	Barley	0.0	1.0	8.2
	Other cereals	0.0	1.1	0.7
	Oil seed rape	0.0	0.0	13.1
	Linseed	0.3	1.7	1.1
	Peas/Beans	2.0	0.0	6.6
	Potatoes	3.1	3.3	34.4
	Sugarbeet	1.3	0.0	11.3
	Horticulture	47.4	35.5	42.7
	Other crops	0.0	1.3	0.8
	Total cropping	**80.7**	**80.6**	**184.7**
	Set-aside	69.3	50.0	54.1
Tillage - fodder		0.2	0.0	0.0
Grassland	Grazing, hay and silage	17.7	32.4	24.1
Fallow and land let		0.7	7.7	34.2
Rough grazing	Effective	0.0	0.0	0.0
Utilisable agricultural area (Effective ha.)		168.6	170.6	297.1
Woods, roads and buildings		7.6	7.6	9.7
TOTAL AREA (Actual ha.)		176.8	178.2	306.8
effective forage area		**17.9**	**32.4**	**24.1**
Bare land and forage hired in		0.5	0.0	0.0
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		4.3	4.9	5.9
Barley		0.0	3.0	3.4
Oilseed Rape		0.0	0.0	3.2
Potatoes		29.3	23.9	35.0
Sugar Beet		58.1	0.0	57.7
- Prices (£ per tonne)*				
Wheat		151	149	107
Barley		0	140	102
Oilseed Rape		0	0	139
Potatoes		0	219	174
Sugar Beet		51	0	31

* Yield and price data is implied

Table A2a.4 ARABLE FIELD VEGETABLE FARMS ORGANIC

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2004/05		2005/06		2005/06	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0
Beef cows	2.5	3	2.6	3	1.7	2
Other cattle	2.8	6	2.4	5	1.6	4
Breeding sheep	2.9	48	0.7	12	0.5	8
Other sheep	1.2	31	1.2	29	0.8	19
Pigs	0.0	0	0.0	0	0.0	0
Poultry	3.5	209	3.1	184	2.2	128
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	13.0		10.1		6.8	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.1		0.1		0.0	
GLU/forage effective hectare*	0.7		0.3		0.3	
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	0		0		0	
Dairy cows	0		0		0	
Dairy calves	0		0		0	
Dairy heifers in calf	0		0		0	
Beef heifers in calf	0		0		0	
Fat cattle	857		628		628	
Beef store cattle 1-2 yrs	200		0		0	
Beef stores <1 yr	100		175		175	
Ewes	0		0		0	
Ewe hoggs	0		0		0	
Fat lambs	63		48		48	
Store lambs	0		0		0	
Fat Pigs	0		0		0	
Milk (pence per litre)	0.0		0.0		0.0	
Wool (pence per kg)	49.8		53.7		53.7	

* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock

* Price data is implied

Table A2b.1 INTENSIVE HORTICULTURE HOLDINGS ORGANIC

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2004/05		2005/06		2005/06	
Sample number		6		6		8	
Average farm size (UAA)		15		15		33	
Business size (ESU)		166		173		246	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	0	0	0	0	0	0
	cattle	0	0	0	0	0	0
	net quota	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0
Other cattle	output	2549	173	2251	151	1688	51
	valuation change	-141	-10	720	48	540	16
Sheep -	total output	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0
Other livestock		-2	0	0	0	0	0
Arable crops	output	118737	8067	123732	8285	467325	14226
	protein/energy support	0	0	0	0	0	0
By products forage and cults		1533	104	2960	198	2220	68
Miscellaneous (incl. farmhouse benefit value)		13726	933	13213	885	10858	331
	- organic grants	500	34	0	0	0	0
	- other agri-env.payments	1264	86	1467	98	10133	308
	- subsidy/single farm paymen	935	64	675	45	507	15
	FARM REVENUE	139100	9451	145017	9710	493270	15016
INPUTS							
Feeds	purchased concentrates	0	0	159	11	119	4
	homegrown concentrates	0	0	0	0	0	0
Purchased fodder, Tack and stock keep		163	11	0	0	0	0
Veterinary and medicines		422	29	153	10	115	3
Other livestock costs		356	24	836	56	627	19
Seeds -	purchased and homegrown	6627	450	6441	431	45063	1372
Fertilisers		6058	412	8034	538	14269	434
Crop protection		1350	92	2488	167	8168	249
Other crop costs		9581	651	9770	654	177234	5395
Labour	paid incl. paid management	17833	1212	12271	822	22365	681
	casual	8034	546	6876	460	23464	714
Machinery	contract	4305	293	4721	316	14044	428
	repairs	5609	381	7502	502	15057	458
	fuels	2666	181	2957	198	7590	231
General farming costs		11316	769	15125	1013	17933	546
Land expenses		1511	103	868	58	1321	40
Rent		1126	77	1397	94	28556	869
	FARM EXPENSES	76955	5229	79597	5330	375926	11444
Excess of expenses over revenue		62144	4222	65420	4380	117345	3572
Notional inputs							
- rental value/imputed rent		4091	278	6044	405	6713	204
- unpaid labour		4603	313	9200	616	6900	210
- machinery depreciation		6399	435	9385	628	14672	447
		15093	1025	24628	1649	28284	861
NET FARM INCOME (excl. BLSA)		47051	3197	40792	2731	89060	2711

Table A2b.2 INTENSIVE HORTICULTURE HOLDINGS ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2004/05		2005/06		2005/06	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	47051	3197	40792	2731	89060	2711
Less farmer and spouse labour	16289	1107	16784	1124	17805	542
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	0	0	0	0	0	0
MANAGEMENT & INVESTMENT INCOME	30762	2090	24009	1608	71255	2169
NET FARM INCOME (excl. BLSA)	47051	3197	40792	2731	89060	2711
plus net rental value/imputed rent	2349	160	4107	275	4727	144
minus occupier's expenses	3086	210	3844	257	2896	88
minus interest payments	3573	243	3770	252	4018	122
minus build & works depreciation	-378	-26	1769	118	3464	105
OCCUPIER'S NET INCOME	43119	2930	35516	2378	83409	2539
plus other imputed items	5952	404	10529	705	7897	240
plus fixed asset depreciation	20796	1413	12960	868	19605	597
minus valuation changes	1334	91	5115	342	4853	148
NOTIONAL CASH INCOME	68533	4656	53890	3608	106058	3229
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	3.5		3.6		5.3	
of which farmer & spouse	1.1		1.5		1.5	
NFI and paid labour/Annual Labour Units	20603		16813		25503	
NFI/Farmer & Spouse Labour Units	42441		27061		58383	

Table A2b.3 INTENSIVE HORTICULTURE HOLDINGS ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2004/05	2005/06	2005/06
Tillage - maincrops	Wheat	0.0	0.0	0.0
	Barley	0.0	0.0	0.0
	Other cereals	0.0	0.0	0.0
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0
	Potatoes	0.7	0.6	0.7
	Sugarbeet	0.0	0.0	0.0
	Horticulture	4.9	5.6	25.5
	Other crops	0.0	0.0	0.0
	Total cropping	**5.6**	**6.1**	**26.3**
	Set-aside	0.0	0.0	0.0
Tillage - fodder		0.0	0.0	0.0
Grassland	Grazing, hay and silage	8.5	8.8	6.6
Fallow and land let		0.6	0.0	0.0
Rough grazing	Effective	0.0	0.0	0.0
Utilisable agricultural area (Effective ha.)		14.7	14.9	32.9
Woods, roads and buildings		2.1	2.1	1.6
TOTAL AREA (Actual ha.)		16.8	17.0	34.5
effective forage area		**8.5**	**8.8**	**6.6**
Bare land and forage hired in		0.0	0.0	0.0
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		0.0	0.0	0.0
Barley		0.0	0.0	0.0
Oilseed Rape		21.9	0.0	0.0
Potatoes		0.0	29.2	25.0
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		0	0	0
Barley		0	0	0
Oilseed Rape		387	0	0
Potatoes		0	395	463
Sugar Beet		0	0	0

* Yield and price data is implied

Table A2b.4 INTENSIVE HORTICULTURE HOLDINGS ORGANIC

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2004/05		2005/06		2005/06	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0
Beef cows	2.8	4	3.1	4	2.3	3
Other cattle	3.2	6	3.3	7	2.5	6
Breeding sheep	0.2	2	0.2	2	0.1	2
Other sheep	0.0	0	0.0	0	0.0	0
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	6.1		6.6		5.0	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.4		0.4		0.2	
GLU/forage effective hectare*	0.7		0.8		0.8	
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	0		0		0	
Dairy cows	0		0		0	
Dairy calves	0		0		0	
Dairy heifers in calf	475		0		0	
Beef heifers in calf	897		600		600	
Fat cattle	460		923		923	
Beef store cattle 1-2 yrs	188		500		500	
Beef stores <1 yr	0		189		189	
Ewes	0		0		0	
Ewe hoggs	0		0		0	
Fat lambs	0		0		0	
Store lambs	0		0		0	
Fat Pigs	0		0		0	
Milk (pence per litre)	0.0		0.0		0.0	
Wool (pence per kg)	0.0		0.0		0.0	

* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock

* Price data is implied

Table A3.1 LFA DAIRY FARM RESULTS **ORGANIC**

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2004/05		2005/06		2005/06	
Sample number		5		5		5	
Average farm size (UAA)		97		103		103	
Business size (ESU)		90		89		89	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	83830	866	88748	862	88748	862
	cattle	1768	18	-2340	-23	-2340	-23
	net quota	2321	24	0	0	0	0
	valuation change	-586	-6	601	6	601	6
Other cattle	output	9000	93	13531	131	13531	131
	valuation change	1818	19	3351	33	3351	33
Sheep -	total output	9283	96	7366	72	7366	72
	valuation change	653	7	171	2	171	2
Other livestock		0	0	0	0	0	0
Arable crops	output	1440	15	1260	12	1260	12
	protein/energy support	0	0	0	0	0	0
By products forage and cults		1500	15	-144	-1	-144	-1
Miscellaneous (incl. farmhouse benefit value)		5523	57	4458	43	4458	43
	- organic grants	2067	21	2191	21	2191	21
	- other agri-env.payments	5922	61	6510	63	6510	63
	- subsidy/single farm paymer	4072	42	11233	109	11233	109
	FARM REVENUE	128611	1329	136934	1330	136934	1330
INPUTS							
Feeds	purchased concentrates	24056	249	30871	300	30871	300
	homegrown concentrates	3298	34	3016	29	3016	29
Purchased fodder, Tack and stock keep		1548	16	1571	15	1571	15
Veterinary and medicines		2180	23	3118	30	3118	30
Other livestock costs		7703	80	7192	70	7192	70
Seeds -	purchased and homegrown	629	7	596	6	596	6
Fertilisers		424	4	312	3	312	3
Crop protection		29	0	0	0	0	0
Other crop costs		1210	13	1243	12	1243	12
Labour	paid incl. paid management	0	0	2615	25	2615	25
	casual	2136	22	256	2	256	2
Machinery	contract	4425	46	5071	49	5071	49
	repairs	6613	68	5173	50	5173	50
	fuels	3430	35	4370	42	4370	42
General farming costs		8425	87	9173	89	9173	89
Land expenses		1966	20	2859	28	2859	28
Rent		3356	35	3580	35	3580	35
	FARM EXPENSES	71427	738	81015	787	81015	787
Excess of expenses over revenue		57184	591	55920	543	55920	543
Notional inputs							
- rental value/imputed rent		9633	100	10195	99	10195	99
- unpaid labour		16298	168	16572	161	16572	161
- machinery depreciation		8635	89	9547	93	9547	93
		34566	357	36315	353	36315	353
NET FARM INCOME (excl. BLSA)		22618	234	19605	190	19605	190

Table A3.1 LFA DAIRY FARM RESULTS — CONVENTIONAL

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2004/05		2005/06		2005/06	
Sample number		16		16		25	
Average farm size (UAA)		93		93		100	
Business size (ESU)		91		92		92	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	73552	790	76735	821	73856	741
	cattle	-1349	-14	-2943	-31	-3325	-33
	net quota	4248	46	168	2	84	1
	valuation change	-342	-4	1231	13	1373	14
Other cattle	output	12907	139	14244	152	16707	168
	valuation change	3259	35	566	6	-593	-6
Sheep -	total output	18053	194	14073	151	18507	186
	valuation change	-1618	-17	-253	-3	-660	-7
Other livestock		0	0	0	0	0	0
Arable crops	output	1216	13	900	10	995	10
	protein/energy support	0	0	0	0	0	0
By products forage and cults		-250	-3	1366	15	1321	13
Miscellaneous (incl. farmhouse benefit value)		8796	94	7594	81	5078	51
	- organic grants	0	0	0	0	0	0
	- other agri-env.payments	1379	15	2993	32	3707	37
	- single payment scheme	8670	93	14778	158	15195	152
	FARM REVENUE	128522	1380	131453	1407	132245	1326
INPUTS							
Feeds	purchased concentrates	23286	250	23854	255	24614	247
	homegrown concentrates	2024	22	2106	23	1756	18
Purchased fodder, Tack and stock keep		1314	14	1247	13	1197	12
Veterinary and medicines		4367	47	4280	46	4107	41
Other livestock costs		9932	107	9586	103	9700	97
Seeds -	purchased and homegrown	264	3	429	5	429	4
Fertilisers		5616	60	6231	67	6564	66
Crop protection		309	3	413	4	307	3
Other crop costs		766	8	801	9	638	6
Labour	paid incl. paid management	6359	68	6498	70	6849	69
	casual	1461	16	1170	13	863	9
Machinery	contract	3564	38	3808	41	4407	44
	repairs	4258	46	4562	49	4466	45
	fuels	3505	38	4705	50	4554	46
General farming costs		10521	113	11712	125	10471	105
Land expenses		3223	35	1963	21	2469	25
Rent		5211	56	4917	53	4526	45
	FARM EXPENSES	85982	923	88281	945	87916	881
Excess of expenses over revenue		42540	457	43171	462	44329	444
Notional inputs							
- rental value/imputed rent		12293	132	13950	149	13047	131
- unpaid labour		6064	65	6390	68	6430	64
- machinery depreciation		8350	90	7891	84	9232	93
		26707	287	28231	302	28709	288
NET FARM INCOME (excl. BLSA)		15833	170	14940	160	15621	157

Table A3.2 LFA DAIRY FARM RESULTS ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2004/05		2005/06		2005/06	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	22618	234	19605	190	19605	190
Less farmer and spouse labour	14042	145	14369	140	14369	140
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	0	0	0	0	0	0
MANAGEMENT & INVESTMENT INCOME	8576	89	5235	51	5235	51
NET FARM INCOME (excl. BLSA)	22618	234	19605	190	19605	190
plus net rental value/imputed rent	7120	74	8234	80	8234	80
minus occupier's expenses	276	3	282	3	282	3
minus interest payments	273	3	400	4	400	4
minus build & works depreciation	3497	36	3147	31	3147	31
OCCUPIER'S NET INCOME	25691	265	24010	233	24010	233
plus other imputed items	16920	175	16912	164	16912	164
plus fixed asset depreciation	22836	236	12694	123	12694	123
minus valuation changes	3520	36	4025	39	4025	39
NOTIONAL CASH INCOME	61927	640	49591	482	49591	482
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.3		2.4		2.4	
of which farmer & spouse	0.9		1.1		1.1	
NFI and paid labour/Annual Labour Units	10582		9446		9446	
NFI/Farmer & Spouse Labour Units	24880		17971		17971	
TENANT'S CAPITAL - £ per farm						
Machinery	56174	580	59653	579	59653	579
Livestock	68512	708	71103	691	71103	691
Crops	4250	44	4578	44	4578	44
Stores	490	5	931	9	931	9
TOTAL	129425	1337	136265	1323	136265	1323
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	180163	180163	180163	180163	180163	180163
Buildings, improvements and fixtures	21011	16938	16938	14742	16938	14742
Machinery	55539	56809	56809	62496	56809	62496
Livestock	67569	69454	69042	73165	69042	73165
Produce and goods in store	3922	5558	5558	5460	5558	5460
Quotas and single payment asset value	56787	59241	82490	42520	82490	42520
Credit balances	14809	18135	18135	19281	18135	19281
TOTAL	399800	406298	429136	397826	429136	397826
EXTERNAL LIABILITIES						
Long and medium term loans	181	0	0	175	0	175
Short term loans	4808	11123	11123	15974	11123	15974
Overdrafts	2238	2404	2404	2357	2404	2357
TOTAL	7227	13527	13527	18505	13527	18505
NET WORTH	**392573**	**378777**	**415609**	**379321**	**415609**	**379321**
RETURNS TO CAPITAL						
Owner Equity (%)	93.2		95.3		95.3	
ONI/Net worth (%)	6.8		6.3		6.3	
Return on tenant's capital (%)	6.6		3.8		3.8	
Return on all capital (%)	2.9		2.2		2.2	

Table A3.2 LFA DAIRY FARM RESULTS CONVENTIONAL

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2004/05		2005/06		2005/06	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	15833	170	14940	160	15621	157
Less farmer and spouse labour	19359	208	19229	206	18786	188
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	-204	-2	-258	-3	-810	-8
MANAGEMENT & INVESTMENT INCOME	-3729	-40	-4547	-49	-3974	-40
NET FARM INCOME (excl. BLSA)	15833	170	14940	160	15621	157
plus net rental value/imputed rent	10116	109	10984	118	10005	100
minus occupier's expenses	262	3	239	3	251	3
minus interest payments	5481	59	4831	52	3986	40
minus build & works depreciation	4264	46	4723	51	5013	50
OCCUPIER'S NET INCOME	15942	171	16132	173	16375	164
plus other imputed items	6230	67	6390	68	6430	64
plus fixed asset depreciation	12614	135	12614	135	14246	143
minus valuation changes	878	9	1313	14	319	3
NOTIONAL CASH INCOME	33908	364	33822	362	36732	368
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.5		2.4		2.3	
of which farmer & spouse	1.5		1.4		1.4	
NFI and paid labour/Annual Labour Units	9571		9424		10002	
NFI/Farmer & Spouse Labour Units	10873		10617		11097	
TENANT'S CAPITAL - £ per farm						
Machinery	54036	580	57478	615	63456	636
Livestock	83848	901	84145	900	83702	839
Crops	7484	80	7097	76	4753	48
Stores	2343	25	2404	26	1919	19
TOTAL	147710	1586	151124	1617	153830	1542
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	294109	300193	292575	333139	355385	396971
Buildings, improvements and fixtures	24423	24592	24592	32350	25414	31466
Machinery	53159	54913	54913	60044	61646	65267
Livestock	83300	84395	83502	84788	84046	83357
Produce and goods in store	10037	9616	9616	9385	6573	6771
Quotas and single payment asset value	58793	53463	84029	48452	78255	47927
Credit balances	16838	14163	14163	23028	13372	21912
TOTAL	540659	541335	563391	591187	624692	653672
EXTERNAL LIABILITIES						
Long and medium term loans	51564	49760	49760	88748	39405	78338
Short term loans	7927	10791	10791	16947	7995	14009
Overdrafts	19866	22284	22284	25104	20033	23435
TOTAL	79356	82835	82835	130799	67432	115782
NET WORTH	**461303**	**458500**	**480556**	**460388**	**557260**	**537890**
RETURNS TO CAPITAL						
Owner Equity (%)	84.7		77.9		82.3	
ONI/Net worth (%)	3.5		3.5		3.0	
Return on tenant's capital (%)	-2.5		-3.0		-2.6	
Return on all capital (%)	0.3		0.1		0.1	

Table A3.3 LFA DAIRY FARM RESULTS ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2004/05	2005/06	2005/06
Tillage - maincrops	Wheat	0.0	0.0	0.0
	Barley	3.6	3.6	3.6
	Other cereals	0.0	0.0	0.0
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.0	0.0
	Total cropping	**3.6**	**3.6**	**3.6**
	Set-aside	0.0	0.0	0.0
Tillage - fodder		0.4	0.5	0.5
Grassland	Grazing, hay and silage	85.8	91.9	91.9
Fallow and land let		0.0	0.0	0.0
Rough grazing	Effective	7.0	7.0	7.0
Utilisable agricultural area (Effective ha.)		96.8	103.0	103.0
Woods, roads and buildings		3.2	3.5	3.5
TOTAL AREA (Actual ha.)		100.5	106.4	106.4
effective forage area		**95.6**	**99.3**	**99.3**
Bare land and forage hired in		2.4	0.0	0.0
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		0.0	0.0	0.0
Barley		4.9	4.9	4.9
Oilseed Rape		0.0	0.0	0.0
Potatoes		0.0	0.0	0.0
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		0	0	0
Barley		0	70	70
Oilseed Rape		0	0	0
Potatoes		0	0	0
Sugar Beet		0	0	0

* Yield and price data is implied

Table A3.3 LFA DAIRY FARM RESULTS CONVENTIONAL

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2004/05	2005/06	2005/06
Tillage - maincrops	Wheat	0.0	0.0	0.0
	Barley	2.7	2.1	2.2
	Other cereals	0.5	0.5	0.4
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.0	0.0
	Total cropping	**3.2**	**2.6**	**2.6**
	Set-aside	0.1	0.2	0.3
Tillage - fodder		0.8	1.3	0.9
Grassland	Grazing, hay and silage	85.4	86.6	90.3
Fallow and land let		0.0	0.0	0.2
Rough grazing	Effective	3.6	2.7	5.3
Utilisable agricultural area (Effective ha.)		93.1	93.5	99.7
Woods, roads and buildings		2.4	2.7	3.5
TOTAL AREA (Actual ha.)		95.6	96.1	103.2
effective forage area		**96.1**	**94.5**	**99.8**
Bare land and forage hired in		6.3	3.9	3.3
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		0.0	0.0	0.0
Barley		5.3	4.9	5.8
Oilseed Rape		0.0	0.0	0.0
Potatoes		0.0	0.0	0.0
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		0	0	0
Barley		65	0	66
Oilseed Rape		0	0	0
Potatoes		0	0	0
Sugar Beet		0	0	0

* Yield and price data is implied

Table A3.4 LFA DAIRY FARM RESULTS ORGANIC

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2004/05		2005/06		2005/06	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	74.4	74	73.4	73	73.4	73
Beef cows	3.0	4	3.3	4	3.3	4
Other cattle	37.8	70	40.7	77	40.7	77
Breeding sheep	12.8	160	11.5	144	11.5	144
Other sheep	7.9	198	7.1	177	7.1	177
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	135.9		136.1		136.1	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.4		1.3		1.3	
GLU/forage effective hectare*	1.4		1.4		1.4	
* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	5601		5637		5637	
Dairy cows	275		262		262	
Dairy calves	40		31		31	
Dairy heifers in calf	448		400		400	
Beef heifers in calf	450		0		0	
Fat cattle	404		695		695	
Beef store cattle 1-2 yrs	255		1585		1585	
Beef stores <1 yr	182		162		162	
Ewes	39		32		32	
Ewe hoggs	48		50		50	
Fat lambs	50		51		51	
Store lambs	0		0		0	
Fat Pigs	0		0		0	
Milk (pence per litre)	20.2		21.5		21.5	
Wool (pence per kg)	60.7		50.3		50.3	
* Price data is implied						

Table A3.4 LFA DAIRY FARM RESULTS — CONVENTIONAL

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2004/05		2005/06		2005/06	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	69.7	70	71.2	71	69.7	70
Beef cows	2.4	3	2.8	4	1.7	2
Other cattle	48.1	86	48.9	89	48.6	88
Breeding sheep	23.2	287	21.2	265	26.3	329
Other sheep	8.8	217	8.3	201	11.0	268
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	152.1		152.4		157.3	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.6		1.6		1.6	
GLU/forage effective hectare*	1.6		1.6		1.6	
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	5914		6103		6018	
Dairy cows	321		410		398	
Dairy calves	50		45		31	
Dairy heifers in calf	0		583		480	
Beef heifers in calf	0		400		369	
Fat cattle	497		449		527	
Beef store cattle 1-2 yrs	393		372		434	
Beef stores <1 yr	111		113		85	
Ewes	48		65		74	
Ewe hoggs	36		59		59	
Fat lambs	43		42		41	
Store lambs	39		34		30	
Fat Pigs	0		0		0	
Milk (pence per litre)	17.6		17.3		17.3	
Wool (pence per kg)	47.0		49.4		50.4	

* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock

* Price data is implied

Table A4.1 LOWLAND DAIRY FARM RESULTS ORGANIC

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2004/05		2005/06		2005/06	
Sample number		11		11		19	
Average farm size (UAA)		116		124		123	
Business size (ESU)		146		152		149	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	155798	1345	173741	1397	162603	1325
	cattle	-1928	-17	-7044	-57	-6287	-51
	net quota	1413	12	-68	-1	-390	-3
	valuation change	539	5	5267	42	2629	21
Other cattle	output	14569	126	16906	136	14933	122
	valuation change	5115	44	-1313	-11	1330	11
Sheep -	total output	327	3	131	1	76	1
	valuation change	-52	0	147	1	85	1
Other livestock		0	0	0	0	5017	41
Arable crops	output	4143	36	2630	21	5630	46
	protein/energy support	279	2	0	0	0	0
By products forage and cults		-1291	-11	-761	-6	-664	-5
Miscellaneous (incl. farmhouse benefit value)		10286	89	11597	93	12061	98
	- organic grants	2876	25	1391	11	2124	17
	- other agri-env.payments	3222	28	4189	34	3299	27
	- subsidy/single farm paymer	5757	50	19176	154	19828	162
	FARM REVENUE	201055	1735	225988	1817	222274	1811
INPUTS							
Feeds	purchased concentrates	20823	180	26103	210	29941	244
	homegrown concentrates	6455	56	8291	67	10159	83
Purchased fodder, Tack and stock keep		916	8	1538	12	1482	12
Veterinary and medicines		4186	36	4081	33	4000	33
Other livestock costs		20025	173	20394	164	17716	144
Seeds -	purchased and homegrown	2070	18	2265	18	2740	22
Fertilisers		1124	10	2235	18	1576	13
Crop protection		2	0	85	1	167	1
Other crop costs		1146	10	1183	10	1292	11
Labour	paid incl. paid management	14974	129	16125	130	18835	153
	casual	1925	17	4024	32	3016	25
Machinery	contract	12532	108	15395	124	15657	128
	repairs	7466	64	7753	62	7892	64
	fuels	4882	42	6021	48	5445	44
General farming costs		15001	129	16750	135	16188	132
Land expenses		3805	33	4213	34	4918	40
Rent		14655	126	15158	122	16105	131
	FARM EXPENSES	131986	1139	151614	1219	157131	1280
Excess of expenses over revenue		69069	596	74375	598	65144	531
Notional inputs							
- rental value/imputed rent		18613	161	21248	171	17590	143
- unpaid labour		5535	48	6251	50	4741	39
- machinery depreciation		9125	79	10116	81	10515	86
		33273	287	37614	302	32845	268
NET FARM INCOME (excl. BLSA)		35795	309	36761	296	32298	263

Table A4.1 LOWLAND DAIRY FARM RESULTS CONVENTIONAL

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2004/05		2005/06		2005/06	
Sample number		76		76		118	
Average farm size (UAA)		107		107		113	
Business size (ESU)		136		135		137	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	132725	1238	132950	1246	131793	1169
	cattle	-3105	-29	-4561	-43	-6302	-56
	net quota	4504	42	-84	-1	-60	-1
	valuation change	923	9	196	2	1869	17
Other cattle	output	23207	216	23532	220	23205	206
	valuation change	601	6	1613	15	1361	12
Sheep -	total output	1868	17	1158	11	1336	12
	valuation change	-515	-5	-72	-1	-59	-1
Other livestock		1916	18	1930	18	4171	37
Arable crops	output	9415	88	17059	160	17616	156
	protein/energy support	5	0	0	0	0	0
By products forage and cults		2913	27	1053	10	2142	19
Miscellaneous (incl. farmhouse benefit value)		16251	152	15144	142	18391	163
	- organic grants	0	0	0	0	1	0
	- other agri-env.payments	1078	10	1411	13	1614	14
	- single payment scheme	7856	73	20338	191	22398	199
	FARM REVENUE	199641	1862	211668	1983	219476	1946
INPUTS							
Feeds	purchased concentrates	29931	279	32253	302	33272	295
	homegrown concentrates	4098	38	3523	33	4504	40
Purchased fodder, Tack and stock keep		1854	17	1828	17	1941	17
Veterinary and medicines		5688	53	5890	55	6019	53
Other livestock costs		13241	123	12999	122	14715	131
Seeds -	purchased and homegrown	2204	21	7738	72	5863	52
Fertilisers		8277	77	8200	77	8283	73
Crop protection		2431	23	1996	19	3049	27
Other crop costs		1287	12	990	9	1481	13
Labour	paid incl. paid management	17976	168	17000	159	17294	153
	casual	1564	15	1574	15	1586	14
Machinery	contract	7685	72	7692	72	10231	91
	repairs	7135	67	6933	65	7075	63
	fuels	4438	41	5318	50	5783	51
General farming costs		14895	139	16670	156	18336	163
Land expenses		4083	38	3691	35	4040	36
Rent		7100	66	6639	62	7098	63
	FARM EXPENSES	133887	1249	140934	1320	150569	1335
Excess of expenses over revenue		65754	613	70733	663	68907	611
Notional inputs							
- rental value/imputed rent		17274	161	18367	172	18204	161
- unpaid labour		7682	72	8167	77	8825	78
- machinery depreciation		12404	116	12875	121	13859	123
		37360	348	39408	369	40887	363
NET FARM INCOME (excl. BLSA)		28395	265	31325	293	28020	249

Table A4.2 LOWLAND DAIRY FARM RESULTS ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2004/05		2005/06		2005/06	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	35795	309	36761	296	32298	263
Less farmer and spouse labour	21143	182	22550	181	21944	179
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	246	2	1316	11	1607	13
MANAGEMENT & INVESTMENT INCOME	14898	129	15526	125	11961	97
NET FARM INCOME (excl. BLSA)	35795	309	36761	296	32298	263
plus net rental value/imputed rent	15862	137	17908	144	14341	117
minus occupier's expenses	438	4	425	3	380	3
minus interest payments	6416	55	6755	54	6372	52
minus build & works depreciation	5970	52	6604	53	6026	49
OCCUPIER'S NET INCOME	38833	335	40883	329	33861	276
plus other imputed items	5676	49	6405	51	4830	39
plus fixed asset depreciation	22793	197	16720	134	16541	135
minus valuation changes	3429	30	1721	14	625	5
NOTIONAL CASH INCOME	63872	551	62287	501	54607	445
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.8		3.2		3.0	
of which farmer & spouse	1.4		1.5		1.5	
NFI and paid labour/Annual Labour Units	18649		17909		18036	
NFI/Farmer & Spouse Labour Units	24936		24007		21634	
TENANT'S CAPITAL - £ per farm						
Machinery	54620	471	57371	461	59084	481
Livestock	99905	862	105538	849	96207	784
Crops	12341	107	10052	81	9793	80
Stores	2040	18	2263	18	2510	20
TOTAL	168907	1458	175224	1409	167594	1365
	Opening	Closing	Opening	Closing	Opening	Closing
ASSETS - £ per farm	Value	Value	Value	Value	Value	Value
Land and Property	285420	297098	280310	292091	244628	254388
Buildings, improvements and fixtures	28554	35446	35446	38789	29528	33593
Machinery	52884	56356	56356	58386	56239	61929
Livestock	96981	102830	102830	108247	93501	98913
Produce and goods in store	15468	13295	13505	11125	13893	10713
Quotas and single payment asset value	122580	74646	118144	83628	105630	74565
Credit balances	18107	16532	16809	39251	22485	42981
TOTAL	619995	596202	623399	631517	565903	577084
EXTERNAL LIABILITIES						
Long and medium term loans	41419	41356	41356	37310	51266	46726
Short term loans	19792	17817	18909	23004	20378	25086
Overdrafts	48852	52210	52239	66566	41746	60904
TOTAL	110064	111384	112504	126879	113391	132715
NET WORTH	**509931**	**484818**	**510894**	**504638**	**452512**	**444368**
RETURNS TO CAPITAL						
Owner Equity (%)	81.3		79.9		77.0	
ONI/Net worth (%)	8.0		8.1		7.6	
Return on tenant's capital (%)	8.8		8.9		7.1	
Return on all capital (%)	5.0		4.9		4.9	

Table A4.2 LOWLAND DAIRY FARM RESULTS CONVENTIONAL

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2004/05		2005/06		2005/06	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	28395	265	31325	293	28020	249
Less farmer and spouse labour	21029	196	21457	201	22817	202
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	-411	-4	772	7	1225	11
MANAGEMENT & INVESTMENT INCOME	6955	65	10640	100	6428	57
NET FARM INCOME (excl. BLSA)	28395	265	31325	293	28020	249
plus net rental value/imputed rent	13466	126	14253	134	13966	124
minus occupier's expenses	500	5	428	4	489	4
minus interest payments	7085	66	8231	77	9488	84
minus build & works depreciation	4587	43	4414	41	6151	55
OCCUPIER'S NET INCOME	29689	277	32505	305	25858	229
plus other imputed items	7796	73	8289	78	9045	80
plus fixed asset depreciation	16990	158	17289	162	20009	177
minus valuation changes	1525	14	3294	31	4475	40
NOTIONAL CASH INCOME	52951	494	54789	513	50438	447
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	3.2		3.0		3.2	
of which farmer & spouse	1.4		1.4		1.5	
NFI and paid labour/Annual Labour Units	15214		16564		14785	
NFI/Farmer & Spouse Labour Units	20159		23092		19253	
TENANT'S CAPITAL - £ per farm						
Machinery	68719	641	70279	658	74350	659
Livestock	95837	894	97589	914	98490	873
Crops	16997	159	18054	169	16125	143
Stores	6832	64	7091	66	9346	83
TOTAL	188385	1757	193013	1808	198311	1759
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	439399	479381	455593	481424	464232	486291
Buildings, improvements and fixtures	18987	21469	21469	24504	27633	34776
Machinery	69591	67848	67848	72710	70850	77850
Livestock	95547	96126	96307	98871	96271	100708
Produce and goods in store	23562	24096	24394	25897	24839	26103
Quotas and single payment asset value	123793	97109	144136	93121	133691	93308
Credit balances	36915	36374	36736	51481	36044	52071
TOTAL	807793	822403	846482	848007	853561	871106
EXTERNAL LIABILITIES						
Long and medium term loans	74857	73163	73709	77374	85089	94386
Short term loans	25111	22031	22197	26873	26678	30723
Overdrafts	34537	41497	41500	51276	51704	58776
TOTAL	134504	136691	137406	155524	163471	183885
NET WORTH	**673288**	**685713**	**709076**	**692641**	**690090**	**687258**
RETURNS TO CAPITAL						
Owner Equity (%)	83.4		81.7		78.9	
ONI/Net worth (%)	4.3		4.7		3.8	
Return on tenant's capital (%)	3.7		5.5		3.2	
Return on all capital (%)	1.7		2.0		1.6	

Table A4.3 LOWLAND DAIRY FARM RESULTS ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2004/05	2005/06	2005/06
Tillage - maincrops	Wheat	1.1	1.9	1.1
	Barley	0.6	0.0	0.4
	Other cereals	5.8	2.9	4.9
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	1.0	1.1	2.8
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.0	0.0
	Total cropping	**8.5**	**5.9**	**9.2**
	Set-aside	4.0	2.3	2.2
Tillage - fodder		8.9	6.6	9.0
Grassland	Grazing, hay and silage	93.6	109.6	101.7
Fallow and land let		0.9	0.0	0.0
Rough grazing	Effective	0.0	0.0	0.7
Utilisable agricultural area (Effective ha.)		115.9	124.4	122.7
Woods, roads and buildings		5.3	5.2	4.5
TOTAL AREA (Actual ha.)		121.1	129.6	127.3
effective forage area		**108.7**	**122.0**	**115.5**
Bare land and forage hired in		6.2	5.8	4.0
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		4.3	4.6	5.7
Barley		4.9	0.0	6.3
Oilseed Rape		0.0	0.0	2.6
Potatoes		0.0	0.0	0.0
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		106	115	115
Barley		100	0	70
Oilseed Rape		0	0	0
Potatoes		0	0	0
Sugar Beet		0	0	0

* Yield and price data is implied

Table A4.3 LOWLAND DAIRY FARM RESULTS CONVENTIONAL

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2004/05	2005/06	2005/06
Tillage - maincrops	Wheat	8.2	7.1	11.7
	Barley	5.3	5.2	5.2
	Other cereals	0.4	0.5	0.3
	Oil seed rape	0.0	0.0	1.2
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.1	0.5	2.0
	Potatoes	0.1	0.1	0.1
	Sugarbeet	0.5	0.4	0.1
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.0	0.0
	Total cropping	**14.7**	**13.8**	**20.5**
	Set-aside	3.1	3.6	4.4
Tillage - fodder		9.7	9.8	11.7
Grassland	Grazing, hay and silage	78.0	78.3	74.0
Fallow and land let		1.4	0.9	0.7
Rough grazing	Effective	0.3	0.3	1.4
Utilisable agricultural area (Effective ha.)		107.2	106.7	112.8
Woods, roads and buildings		3.4	3.3	3.0
TOTAL AREA (Actual ha.)		110.6	110.0	115.8
effective forage area		**91.7**	**92.3**	**91.0**
Bare land and forage hired in		3.7	4.4	4.8
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		7.1	7.8	7.8
Barley		6.1	5.7	6.2
Oilseed Rape		0.0	3.4	3.8
Potatoes		48.6	39.3	36.6
Sugar Beet		55.3	60.0	56.0
- Prices (£ per tonne)*				
Wheat		66	67	67
Barley		66	69	66
Oilseed Rape		0	125	126
Potatoes		74	80	142
Sugar Beet		25	22	0

* Yield and price data is implied

Table A4.4 LOWLAND DAIRY FARM RESULTS ORGANIC

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2004/05		2005/06		2005/06	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	125.1	125	133.9	134	129.0	129
Beef cows	0.0	0	0.0	0	0.1	0
Other cattle	57.8	106	55.0	103	50.4	94
Breeding sheep	0.5	5	0.5	4	0.3	3
Other sheep	0.1	3	0.2	5	0.1	3
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	1.4	760
Other livestock	0.0	0	0.0	1	0.0	0
TOTAL (L.U.)	183.6		189.6		181.3	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.6		1.5		1.5	
GLU/forage effective hectare*	1.7		1.6		1.6	
* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	5878		5653		5634	
Dairy cows	244		294		315	
Dairy calves	66		58		56	
Dairy heifers in calf	571		670		670	
Beef heifers in calf	0		0		0	
Fat cattle	725		408		445	
Beef store cattle 1-2 yrs	396		435		429	
Beef stores <1 yr	177		138		113	
Ewes	33		0		0	
Ewe hoggs	0		0		0	
Fat lambs	56		53		53	
Store lambs	0		0		0	
Fat Pigs	0		0		0	
Milk (pence per litre)	20.7		22.1		22.1	
Wool (pence per kg)	62.9		58.8		58.8	
* Price data is implied						

Table A4.4 LOWLAND DAIRY FARM RESULTS CONVENTIONAL

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2004/05		2005/06		2005/06	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	109.0	109	107.7	108	105.4	105
Beef cows	0.2	0	0.4	1	0.6	1
Other cattle	58.0	108	59.6	112	58.4	110
Breeding sheep	3.2	32	3.3	33	2.6	25
Other sheep	0.9	21	0.6	16	0.9	22
Pigs	0.5	5	1.0	8	1.9	13
Poultry	1.2	77	1.1	72	3.4	211
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	173.1		173.8		173.3	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.6		1.6		1.5	
GLU/forage effective hectare*	1.9		1.9		1.9	
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	6427		6499		6408	
Dairy cows	305		303		362	
Dairy calves	73		59		60	
Dairy heifers in calf	560		707		762	
Beef heifers in calf	0		0		0	
Fat cattle	505		548		537	
Beef store cattle 1-2 yrs	444		389		353	
Beef stores <1 yr	170		118		133	
Ewes	63		44		42	
Ewe hoggs	58		0		0	
Fat lambs	50		48		48	
Store lambs	27		23		23	
Fat Pigs	90		126		112	
Milk (pence per litre)	18.5		18.6		18.2	
Wool (pence per kg)	53.3		56.9		58.2	

* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock

* Price data is implied

Table A5.1 LOWLAND CATTLE AND SHEEP RESULTS ORGANIC

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2004/05		2005/06		2005/06	
Sample number		12		12		17	
Average farm size (UAA)		92		98		90	
Business size (ESU)		23		23		22	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	1344	15	0	0	414	5
	cattle	549	6	0	0	583	6
	net quota	59	1	0	0	0	0
	valuation change	-792	-9	0	0	-871	-10
Other cattle	output	15813	172	20922	213	17244	192
	valuation change	547	6	-1525	-16	-1408	-16
Sheep -	total output	7203	79	7835	80	8615	96
	valuation change	48	1	153	2	-125	-1
Other livestock		22	0	91	1	2645	29
Arable crops	output	917	10	371	4	522	6
	protein/energy support	0	0	0	0	0	0
By products forage and cults		946	10	80	1	324	4
Miscellaneous (incl. farmhouse benefit value)		6276	68	6229	63	5077	56
	- organic grants	2433	27	1783	18	1658	18
	- other agri-env.payments	11102	121	8103	83	6951	77
	- subsidy/single farm paymen	15437	168	15321	156	13878	154
	FARM REVENUE	61902	675	59364	605	55508	616
INPUTS							
Feeds	purchased concentrates	1188	13	1277	13	2756	31
	homegrown concentrates	823	9	630	6	840	9
Purchased fodder, Tack and stock keep		189	2	164	2	182	2
Veterinary and medicines		1038	11	1177	12	976	11
Other livestock costs		3339	36	3698	38	3602	40
Seeds -	purchased and homegrown	331	4	196	2	254	3
Fertilisers		94	1	572	6	517	6
Crop protection		0	0	0	0	0	0
Other crop costs		160	2	531	5	387	4
Labour	paid incl. paid management	198	2	138	1	902	10
	casual	607	7	667	7	471	5
Machinery	contract	2467	27	2033	21	2497	28
	repairs	2034	22	2698	27	2359	26
	fuels	1871	20	2408	25	2013	22
General farming costs		6368	69	7177	73	6987	78
Land expenses		1935	21	1780	18	2178	24
Rent		3301	36	3362	34	3295	37
	FARM EXPENSES	25941	283	28508	290	30216	336
Excess of expenses over revenue		35961	392	30855	314	25292	281
Notional inputs							
- rental value/imputed rent		11265	123	12772	130	10712	119
- unpaid labour		4999	55	5373	55	4055	45
- machinery depreciation		3994	44	5558	57	4853	54
		20258	221	23704	242	19620	218
NET FARM INCOME (excl. BLSA)		15703	171	7152	73	5672	63

Table A5.1 LOWLAND CATTLE AND SHEEP RESULTS CONVENTIONAL

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2004/05		2005/06		2005/06	
Sample number		108		108		185	
Average farm size (UAA)		89		89		94	
Business size (ESU)		28		28		30	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	3	0	0	0	81	1
	cattle	74	1	0	0	83	1
	net quota	8	0	0	0	0	0
	valuation change	-74	-1	0	0	-82	-1
Other cattle	output	17254	194	21326	238	21146	226
	valuation change	370	4	-1863	-21	-1806	-19
Sheep -	total output	12716	143	11258	126	13524	145
	valuation change	962	11	621	7	918	10
Other livestock		276	3	333	4	951	10
Arable crops	output	1645	18	1185	13	1853	20
	protein/energy support	0	0	0	0	0	0
By products forage and cults		2500	28	2828	32	3181	34
Miscellaneous (incl. farmhouse benefit value)		8039	90	8289	93	6212	66
	- organic grants	0	0	0	0	0	0
	- other agri-env.payments	1727	19	1769	20	2507	27
	- single payment scheme	16882	189	17548	196	19964	213
	FARM REVENUE	62382	700	63293	707	68532	733
INPUTS							
Feeds	purchased concentrates	4892	55	5185	58	5228	56
	homegrown concentrates	1309	15	1094	12	1533	16
Purchased fodder, Tack and stock keep		620	7	496	6	460	5
Veterinary and medicines		1768	20	1748	20	1886	20
Other livestock costs		3881	44	3724	42	3809	41
Seeds -	purchased and homegrown	458	5	475	5	676	7
Fertilisers		2879	32	2655	30	3033	32
Crop protection		404	5	369	4	527	6
Other crop costs		334	4	310	3	344	4
Labour	paid incl. paid management	1933	22	1776	20	1255	13
	casual	515	6	515	6	538	6
Machinery	contract	2644	30	2543	28	2608	28
	repairs	2811	32	2723	30	2887	31
	fuels	2072	23	2544	28	2726	29
General farming costs		6864	77	7007	78	7118	76
Land expenses		1988	22	2127	24	1898	20
Rent		3731	42	3672	41	4484	48
	FARM EXPENSES	39101	439	38963	435	41010	438
Excess of expenses over revenue		23281	261	24330	272	27522	294
Notional inputs							
- rental value/imputed rent		9274	104	9837	110	9464	101
- unpaid labour		3614	41	3638	41	4536	48
- machinery depreciation		4986	56	4965	55	5728	61
		17874	201	18440	206	19728	211
NET FARM INCOME (excl. BLSA)		5408	61	5890	66	7793	83

Table A5.2 LOWLAND CATTLE AND SHEEP RESULTS ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2004/05		2005/06		2005/06	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	15703	171	7152	73	5672	63
Less farmer and spouse labour	15716	171	16127	164	14377	160
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	37	0	9	0	-86	-1
MANAGEMENT & INVESTMENT INCOME	24	0	-8967	-91	-8790	-98
NET FARM INCOME (excl. BLSA)	15703	171	7152	73	5672	63
plus net rental value/imputed rent	9083	99	10201	104	8282	92
minus occupier's expenses	153	2	72	1	89	1
minus interest payments	1419	15	1344	14	1316	15
minus build & works depreciation	1979	22	2275	23	1771	20
OCCUPIER'S NET INCOME	21236	232	13662	139	10778	120
plus other imputed items	6208	68	6526	66	4869	54
plus fixed asset depreciation	8360	91	7833	80	6624	74
minus valuation changes	-146	-2	-2532	-26	-3226	-36
NOTIONAL CASH INCOME	35951	392	30552	311	25497	283
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.6		1.6		1.4	
of which farmer & spouse	1.0		1.2		1.0	
NFI and paid labour/Annual Labour Units	10303		4997		4932	
NFI/Farmer & Spouse Labour Units	15364		6156		5431	
TENANT'S CAPITAL - £ per farm						
Machinery	32539	355	37622	383	31976	355
Livestock	43733	477	43147	440	38567	428
Crops	3330	36	2801	29	2778	31
Stores	138	2	76	1	330	4
TOTAL	79739	870	83645	852	73652	818
	Opening	Closing	Opening	Closing	Opening	Closing
ASSETS - £ per farm	Value	Value	Value	Value	Value	Value
Land and Property	356028	353697	348216	360292	299869	309775
Buildings, improvements and fixtures	10859	12787	12787	13910	9449	10117
Machinery	29172	35906	35906	39337	30395	33557
Livestock	43799	43666	43785	42509	39814	37321
Produce and goods in store	3456	3480	3500	2254	3517	2698
Quotas and single payment asset value	9593	10	33770	33270	30453	29513
Credit balances	12060	19313	19313	24062	18049	22091
TOTAL	464967	468858	497277	515634	431546	445073
EXTERNAL LIABILITIES						
Long and medium term loans	17160	13614	13614	14894	13922	13238
Short term loans	3132	3294	3294	3377	2350	3296
Overdrafts	1999	457	457	5915	1499	6842
TOTAL	22291	17365	17365	24187	17771	23376
NET WORTH	**442676**	**451494**	**479937**	**491447**	**413792**	**421697**
RETURNS TO CAPITAL						
Owner Equity (%)	96.3		95.3		94.7	
ONI/Net worth (%)	4.7		2.8		2.6	
Return on tenant's capital (%)	0.0		-10.7		-11.9	
Return on all capital (%)	0.7		-1.1		-1.2	

Table A5.2 LOWLAND CATTLE AND SHEEP RESULTS CONVENTIONAL

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2004/05		2005/06		2005/06	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	5408	61	5890	66	7793	83
Less farmer and spouse labour	15628	175	15736	176	17687	189
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	-137	-2	260	3	163	2
MANAGEMENT & INVESTMENT INCOME	-10357	-116	-9586	-107	-9731	-104
NET FARM INCOME (excl. BLSA)	5408	61	5890	66	7793	83
plus net rental value/imputed rent	6927	78	7266	81	6794	73
minus occupier's expenses	505	6	484	5	224	2
minus interest payments	1967	22	2102	23	2031	22
minus build & works depreciation	1491	17	1683	19	1120	12
OCCUPIER'S NET INCOME	8373	94	8888	99	11212	120
plus other imputed items	3652	41	3638	41	4536	48
plus fixed asset depreciation	6477	73	6648	74	6848	73
minus valuation changes	919	10	-1330	-15	-1184	-13
NOTIONAL CASH INCOME	17582	197	20503	229	23781	254
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.6		1.5		1.6	
of which farmer & spouse	1.1		1.1		1.2	
NFI and paid labour/Annual Labour Units	5005		5367		5863	
NFI/Farmer & Spouse Labour Units	4719		5324		6450	
TENANT'S CAPITAL - £ per farm						
Machinery	31216	350	31937	357	36312	388
Livestock	52989	595	52656	588	56193	601
Crops	3987	45	3989	45	4313	46
Stores	1471	17	1359	15	1898	20
TOTAL	89663	1006	89941	1005	98716	1055
	Opening	Closing	Opening	Closing	Opening	Closing
ASSETS - £ per farm	Value	Value	Value	Value	Value	Value
Land and Property	313934	324590	315565	323900	324455	334555
Buildings, improvements and fixtures	7230	8802	8871	10254	5721	6152
Machinery	30862	31569	31509	32366	36496	36129
Livestock	52428	53551	53152	52160	56589	55796
Produce and goods in store	5629	5288	5387	5309	6325	6096
Quotas and single payment asset value	4994	0	37847	35875	43913	41103
Credit balances	20087	18770	18892	19721	18640	21476
TOTAL	435163	442569	471223	479584	492139	501307
EXTERNAL LIABILITIES						
Long and medium term loans	14929	15349	16967	16535	21934	20202
Short term loans	4132	3786	3975	3931	5700	4872
Overdrafts	14775	16712	16591	16968	11526	12455
TOTAL	33837	35847	37533	37434	39160	37529
NET WORTH	**401326**	**406722**	**433690**	**442162**	**452979**	**463783**
RETURNS TO CAPITAL						
Owner Equity (%)	91.9		92.2		92.5	
ONI/Net worth (%)	2.1		2.0		2.4	
Return on tenant's capital (%)	-11.6		-10.7		-9.9	
Return on all capital (%)	-1.5		-1.2		-1.0	

Table A5.3 LOWLAND CATTLE AND SHEEP RESULTS ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2004/05	2005/06	2005/06
Tillage - maincrops	Wheat	0.0	0.0	0.0
	Barley	1.9	0.7	0.9
	Other cereals	0.4	0.5	0.6
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.1	0.1	0.1
	Other crops	0.0	0.0	0.0
	Total cropping	**2.5**	**1.3**	**1.5**
	Set-aside	0.0	0.0	0.0
Tillage - fodder		0.4	1.5	1.7
Grassland	Grazing, hay and silage	85.4	92.7	84.1
Fallow and land let		1.7	0.3	0.2
Rough grazing	Effective	1.7	2.4	2.6
Utilisable agricultural area (Effective ha.)		91.7	98.2	90.0
Woods, roads and buildings		7.5	7.6	6.0
TOTAL AREA (Actual ha.)		100.2	105.8	96.7
effective forage area		**95.9**	**99.1**	**90.2**
Bare land and forage hired in		8.9	5.3	3.8
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		0.0	0.0	0.0
Barley		3.4	3.4	3.1
Oilseed Rape		0.0	0.0	0.0
Potatoes		0.0	0.0	0.0
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		0	0	0
Barley		97	63	92
Oilseed Rape		0	0	0
Potatoes		0	0	0
Sugar Beet		0	0	0

* Yield and price data is implied

Table A5.3 LOWLAND CATTLE AND SHEEP RESULTS CONVENTIONAL

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2004/05	2005/06	2005/06
Tillage - maincrops	Wheat	0.5	0.5	0.7
	Barley	3.5	3.0	4.1
	Other cereals	0.5	0.4	0.5
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.0	0.0
	Total cropping	**4.4**	**3.9**	**5.3**
	Set-aside	0.3	0.2	0.7
Tillage - fodder		2.2	2.1	2.5
Grassland	Grazing, hay and silage	77.2	78.1	81.6
Fallow and land let		4.4	4.7	3.0
Rough grazing	Effective	0.5	0.5	0.3
Utilisable agricultural area (Effective ha.)		89.1	89.5	93.5
Woods, roads and buildings		4.5	4.4	2.8
TOTAL AREA (Actual ha.)		93.6	93.9	96.3
effective forage area		**83.4**	**85.7**	**89.9**
Bare land and forage hired in		3.5	5.0	5.5
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		5.5	5.9	6.3
Barley		5.3	4.3	4.8
Oilseed Rape		0.0	0.0	0.0
Potatoes		0.0	0.0	0.0
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		71	61	63
Barley		69	67	66
Oilseed Rape		0	0	0
Potatoes		0	0	0
Sugar Beet		0	0	0

* Yield and price data is implied

Table A5.4 LOWLAND CATTLE AND SHEEP RESULTS ORGANIC

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2004/05		2005/06		2005/06	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	1.3	1	0.0	0	0.3	0
Beef cows	25.2	34	25.9	34	23.2	31
Other cattle	34.3	65	38.8	74	34.8	67
Breeding sheep	16.0	171	17.7	186	18.1	184
Other sheep	4.4	108	4.4	108	4.2	102
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	8	0.0	27	1.8	135
Other livestock	0.1	0	0.0	1	0.0	1
TOTAL (L.U.)	81.2		86.7		82.5	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.9		0.9		0.9	
GLU/forage effective hectare*	0.8		0.9		0.9	

* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock

LIVESTOCK PERFORMANCE - Prices (£ per head)*			
Dairy cows (litres)	4260	0	8228
Dairy cows	192	0	363
Dairy calves	0	0	0
Dairy heifers in calf	0	0	0
Beef heifers in calf	425	425	425
Fat cattle	684	696	687
Beef store cattle 1-2 yrs	413	366	382
Beef stores <1 yr	247	254	254
Ewes	30	34	36
Ewe hoggs	0	0	0
Fat lambs	54	53	53
Store lambs	49	33	33
Fat Pigs	0	0	0
Milk (pence per litre)	24.5	0.0	8.6
Wool (pence per kg)	54.3	52.3	53.0

* Price data is implied

Table A5.4 LOWLAND CATTLE AND SHEEP RESULTS CONVENTIONAL

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2004/05		2005/06		2005/06	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.1	0
Beef cows	18.3	24	19.0	25	15.3	20
Other cattle	49.2	88	48.7	87	50.8	90
Breeding sheep	27.7	263	28.2	266	33.0	311
Other sheep	6.7	166	7.5	183	8.2	202
Pigs	0.3	2	0.0	0	0.0	0
Poultry	0.2	10	0.2	11	0.1	7
Other livestock	0.2	1	0.0	0	0.0	1
TOTAL (L.U.)	102.7		103.6		107.5	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.2		1.2		1.1	
GLU/forage effective hectare*	1.2		1.2		1.2	
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	333		0		4441	
Dairy cows	508		0		253	
Dairy calves	0		0		0	
Dairy heifers in calf	0		0		0	
Beef heifers in calf	650		880		962	
Fat cattle	550		555		555	
Beef store cattle 1-2 yrs	447		432		443	
Beef stores <1 yr	196		158		173	
Ewes	34		34		49	
Ewe hoggs	45		53		49	
Fat lambs	47		45		45	
Store lambs	33		32		30	
Fat Pigs	0		0		75	
Milk (pence per litre)	73.3		0.0		16.1	
Wool (pence per kg)	52.2		49.1		52.5	

* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock

* Price data is implied

Table A6.1 LFA CATTLE AND SHEEP FARM RESULTS ORGANIC

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2004/05		2005/06		2005/06	
Sample number		17		17		25	
Average farm size (UAA)		122		122		125	
Business size (ESU)		32		32		33	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	55	0	0	0	1482	12
	cattle	866	7	0	0	-120	-1
	net quota	45	0	0	0	0	0
	valuation change	-595	-5	0	0	97	1
Other cattle	output	17198	141	21196	174	17719	141
	valuation change	3161	26	-1022	-8	-442	-4
Sheep -	total output	17198	141	17994	148	17797	142
	valuation change	-370	-3	-208	-2	143	1
Other livestock		1020	8	750	6	804	6
Arable crops	output	627	5	644	5	618	5
	protein/energy support	0	0	0	0	0	0
By products forage and cults		354	3	488	4	448	4
Miscellaneous (incl. farmhouse benefit value)		10238	84	8736	72	12345	99
	- organic grants	4199	35	3183	26	3279	26
	- other agri-env.payments	7880	65	10783	89	11878	95
	- subsidy/single farm paymen	25138	207	26321	216	23786	190
	FARM REVENUE	87017	715	88865	731	89833	717
INPUTS							
Feeds	purchased concentrates	5518	45	5247	43	5770	46
	homegrown concentrates	572	5	684	6	645	5
Purchased fodder, Tack and stock keep		1100	9	1369	11	1500	12
Veterinary and medicines		2423	20	2313	19	2331	19
Other livestock costs		4919	40	5552	46	5929	47
Seeds -	purchased and homegrown	537	4	560	5	445	4
Fertilisers		1361	11	1343	11	1319	11
Crop protection		0	0	2	0	6	0
Other crop costs		825	7	1350	11	1001	8
Labour	paid incl. paid management	6263	51	7866	65	8350	67
	casual	1367	11	848	7	1212	10
Machinery	contract	3474	29	2708	22	3144	25
	repairs	2393	20	3506	29	3239	26
	fuels	3525	29	3237	27	3050	24
General farming costs		7310	60	7780	64	8477	68
Land expenses		2775	23	4021	33	3744	30
Rent		2729	22	2475	20	2900	23
	FARM EXPENSES	47090	387	50861	418	53065	424
Excess of expenses over revenue		39927	328	38004	313	36768	294
Notional inputs							
- rental value/imputed rent		11938	98	12809	105	12323	98
- unpaid labour		2121	17	1802	15	1418	11
- machinery depreciation		5040	41	5409	44	5700	46
		19099	157	20020	165	19442	155
NET FARM INCOME (excl. BLSA)		20828	171	17984	148	17326	138

Table A6.1 LFA CATTLE AND SHEEP FARM RESULTS CONVENTIONAL

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2004/05		2005/06		2005/06	
Sample number		83		83		135	
Average farm size (UAA)		115		116		121	
Business size (ESU)		39		38		39	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	349	3	214	2	0	0
	cattle	84	1	6	0	0	0
	net quota	31	0	0	0	0	0
	valuation change	-107	-1	-8	0	0	0
Other cattle	output	22286	193	20093	173	20134	166
	valuation change	-972	-8	-1120	-10	-826	-7
Sheep -	total output	26827	233	27638	238	29357	242
	valuation change	1003	9	-75	-1	-341	-3
Other livestock		957	8	750	6	105	1
Arable crops	output	834	7	714	6	400	3
	protein/energy support	0	0	0	0	0	0
By products forage and cults		1288	11	1118	10	634	5
Miscellaneous (incl. farmhouse benefit value)		9884	86	4376	38	5663	47
	- organic grants	0	0	0	0	0	0
	- other agri-env.payments	3806	33	8588	74	9151	76
	- subsidy/single farm paymen	26744	232	25434	219	25997	214
	FARM REVENUE	93015	807	87728	755	90274	746
INPUTS							
Feeds	purchased concentrates	10697	93	11178	96	10558	87
	homegrown concentrates	538	5	362	3	223	2
Purchased fodder, Tack and stock keep		2192	19	2503	22	2473	20
Veterinary and medicines		3302	29	3624	31	3532	29
Other livestock costs		4409	38	4905	42	4934	41
Seeds -	purchased and homegrown	391	3	348	3	273	2
Fertilisers		5446	47	4856	42	4641	38
Crop protection		255	2	254	2	237	2
Other crop costs		401	3	487	4	620	5
Labour	paid incl. paid management	2590	22	2580	22	2354	19
	casual	406	4	816	7	918	8
Machinery	contract	3317	29	2958	25	3052	25
	repairs	3340	29	3607	31	3171	26
	fuels	3081	27	3704	32	3922	32
General farming costs		7066	61	7376	64	7208	60
Land expenses		2617	23	2726	23	2930	24
Rent		3327	29	3612	31	3990	33
	FARM EXPENSES	53376	463	55897	481	55036	455
Excess of expenses over revenue		39639	344	31832	274	35238	291
Notional inputs							
- rental value/imputed rent		10520	91	10767	93	9934	82
- unpaid labour		5297	46	5394	46	4384	36
- machinery depreciation		7275	63	7338	63	7899	65
		23091	200	23500	202	22217	184
NET FARM INCOME (excl. BLSA)		16548	144	8332	72	13021	108

Table A6.2 LFA CATTLE AND SHEEP FARM RESULTS ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2004/05		2005/06		2005/06	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	20828	171	17984	148	17326	138
Less farmer and spouse labour	14733	121	15277	126	16606	133
Add managerial input of paid manager	272	2	112	1	76	1
Add BLSA	-25	0	-12	0	-25	0
MANAGEMENT & INVESTMENT INCOME	6343	52	2807	23	771	6
NET FARM INCOME (excl. BLSA)	20828	171	17984	148	17326	138
plus net rental value/imputed rent	9454	78	10279	85	9257	74
minus occupier's expenses	182	1	181	1	194	2
minus interest payments	3805	31	6742	55	4808	38
minus build & works depreciation	2201	18	2299	19	2533	20
OCCUPIER'S NET INCOME	24093	198	19040	157	19048	152
plus other imputed items	2496	21	2212	18	1697	14
plus fixed asset depreciation	9480	78	7708	63	8233	66
minus valuation changes	1944	16	-1046	-9	17	0
NOTIONAL CASH INCOME	34125	281	30006	247	28962	231
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.8		1.8		1.9	
of which farmer & spouse	1.1		1.1		1.2	
NFI and paid labour/Annual Labour Units	15859		15014		13881	
NFI/Farmer & Spouse Labour Units	19256		15641		13879	
TENANT'S CAPITAL - £ per farm						
Machinery	31882	262	36080	297	37367	298
Livestock	63227	520	64899	534	61840	494
Crops	3035	25	3007	25	2493	20
Stores	1197	10	716	6	599	5
TOTAL	99342	817	104701	861	102299	817
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	400446	423968	416375	420078	410373	414920
Buildings, improvements and fixtures	8867	11458	11459	13037	14350	18512
Machinery	30574	33190	33356	38804	34829	39905
Livestock	62137	64317	65414	64384	61880	61800
Produce and goods in store	4363	4102	3736	3708	3056	3127
Quotas and single payment asset value	13235	2402	52138	49736	48265	45849
Credit balances	23393	22140	21594	16496	20688	17496
TOTAL	543015	561578	604072	606244	593441	601610
EXTERNAL LIABILITIES						
Long and medium term loans	38946	44597	75181	75629	59684	57388
Short term loans	2537	4273	3351	5918	4310	6674
Overdrafts	15255	11117	12001	13398	9278	15477
TOTAL	56738	59987	90534	94946	73272	79539
NET WORTH	**486278**	**501591**	**513539**	**511298**	**520169**	**522071**
RETURNS TO CAPITAL						
Owner Equity (%)	89.3		84.3		86.8	
ONI/Net worth (%)	4.8		3.7		3.6	
Return on tenant's capital (%)	6.4		2.7		0.8	
Return on all capital (%)	1.6		0.9		0.6	

Table A6.2 LFA CATTLE AND SHEEP FARM RESULTS CONVENTIONAL

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2004/05		2005/06		2005/06	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	16548	144	8332	72	13021	108
Less farmer and spouse labour	15390	134	15990	138	17372	143
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	-11	0	15	0	35	0
MANAGEMENT & INVESTMENT INCOME	1146	10	-7643	-66	-4316	-36
NET FARM INCOME (excl. BLSA)	16548	144	8332	72	13021	108
plus net rental value/imputed rent	8423	73	8575	74	7095	59
minus occupier's expenses	186	2	138	1	193	2
minus interest payments	2009	17	1832	16	1709	14
minus build & works depreciation	2900	25	2941	25	2542	21
OCCUPIER'S NET INCOME	19875	172	11995	103	15671	129
plus other imputed items	5329	46	5481	47	4636	38
plus fixed asset depreciation	10175	88	10279	88	10441	86
minus valuation changes	11	0	-1607	-14	-1333	-11
NOTIONAL CASH INCOME	35368	307	29363	253	32081	265
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.8		1.8		1.8	
of which farmer & spouse	1.2		1.2		1.3	
NFI and paid labour/Annual Labour Units	10653		6365		8932	
NFI/Farmer & Spouse Labour Units	13674		6897		10225	
TENANT'S CAPITAL - £ per farm						
Machinery	49508	430	52171	449	52382	433
Livestock	69888	606	69119	595	75893	627
Crops	3485	30	3285	28	3843	32
Stores	1414	12	1439	12	1230	10
TOTAL	124295	1078	126015	1085	133347	1101
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	340443	342263	335597	339507	335721	343954
Buildings, improvements and fixtures	13916	15440	15440	16315	12914	15690
Machinery	48100	50916	51079	53264	51666	53098
Livestock	69900	69876	69723	68516	76442	75344
Produce and goods in store	4887	4911	4917	4532	5173	4973
Quotas and single payment asset value	14359	1406	47403	46163	51900	49795
Credit balances	22001	24155	23984	21699	27651	29282
TOTAL	513607	508966	548143	549995	561466	572136
EXTERNAL LIABILITIES						
Long and medium term loans	11272	10614	10751	11617	10884	14303
Short term loans	7788	6418	6418	6065	5658	6833
Overdrafts	17055	17228	17181	15535	14388	14212
TOTAL	36114	34260	34350	33217	30931	35349
NET WORTH	**477492**	**474707**	**513793**	**516778**	**530535**	**536787**
RETURNS TO CAPITAL						
Owner Equity (%)	93.3		94.0		93.8	
ONI/Net worth (%)	4.2		2.3		2.9	
Return on tenant's capital (%)	0.9		-6.1		-3.2	
Return on all capital (%)	0.9		-0.7		-0.1	

Table A6.3 LFA CATTLE AND SHEEP FARM RESULTS ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2004/05	2005/06	2005/06
Tillage - maincrops	Wheat	0.0	0.0	0.0
	Barley	1.3	0.9	0.6
	Other cereals	0.3	0.8	1.3
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.0	0.0
	Total cropping	**1.6**	**1.7**	**2.0**
	Set-aside	0.0	0.0	0.0
Tillage - fodder		0.4	0.7	1.4
Grassland	Grazing, hay and silage	106.9	106.9	107.4
Fallow and land let		0.4	0.0	0.1
Rough grazing	Effective	12.3	12.3	14.4
Utilisable agricultural area (Effective ha.)		121.6	121.6	125.3
Woods, roads and buildings		10.0	10.0	8.9
TOTAL AREA (Actual ha.)		153.4	131.6	150.2
effective forage area		**123.1**	**123.2**	**125.6**
Bare land and forage hired in		3.4	3.3	2.4
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		0.0	0.0	0.0
Barley		3.2	2.6	2.6
Oilseed Rape		0.0	0.0	0.0
Potatoes		0.0	0.0	0.0
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		0	0	0
Barley		130	130	130
Oilseed Rape		0	0	0
Potatoes		0	0	0
Sugar Beet		0	0	0

* Yield and price data is implied

Table A6.3 LFA CATTLE AND SHEEP FARM RESULTS CONVENTIONAL

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2004/05	2005/06	2005/06
Tillage - maincrops	Wheat	0.1	0.1	0.1
	Barley	1.3	1.1	0.7
	Other cereals	0.7	0.4	0.2
	Oil seed rape	0.1	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.0	0.0
	Total cropping	**2.1**	**1.6**	**1.0**
	Set-aside	0.0	0.0	0.0
Tillage - fodder		0.9	0.6	0.4
Grassland	Grazing, hay and silage	100.6	102.4	105.9
Fallow and land let		0.0	0.0	0.3
Rough grazing	Effective	11.7	11.5	13.4
Utilisable agricultural area (Effective ha.)		115.3	116.2	121.1
Woods, roads and buildings		5.4	5.4	4.6
TOTAL AREA (Actual ha.)		136.4	121.6	125.6
effective forage area		**118.7**	**119.5**	**125.6**
Bare land and forage hired in		5.9	5.2	6.5
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		6.0	10.2	10.2
Barley		4.8	4.7	4.7
Oilseed Rape		2.0	0.0	0.0
Potatoes		35.8	45.3	0.0
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		62	0	0
Barley		69	69	0
Oilseed Rape		100	0	0
Potatoes		136	161	0
Sugar Beet		0	0	0

* Yield and price data is implied

Table A6.4 LFA CATTLE AND SHEEP FARM RESULTS ORGANIC

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2004/05		2005/06		2005/06	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.1	0	0.0	0	1.6	2
Beef cows	29.8	40	29.2	39	24.2	32
Other cattle	35.2	71	38.0	74	33.0	64
Breeding sheep	38.0	507	36.9	492	41.5	540
Other sheep	9.9	242	10.1	247	11.7	285
Pigs	0.0	1	0.0	1	0.0	1
Poultry	0.0	0	0.0	0	0.1	8
Other livestock	0.1	0	0.0	0	0.0	0
TOTAL (L.U.)	113.1		114.2		112.1	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.9		0.9		0.9	
GLU/forage effective hectare*	0.9		0.9		0.9	
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	3470		0		5468	
Dairy cows	592		0		316	
Dairy calves	0		0		68	
Dairy heifers in calf	0		0		0	
Beef heifers in calf	575		575		550	
Fat cattle	702		718		712	
Beef store cattle 1-2 yrs	416		400		419	
Beef stores <1 yr	182		188		188	
Ewes	25		31		39	
Ewe hoggs	37		44		46	
Fat lambs	44		46		45	
Store lambs	32		34		30	
Fat Pigs	125		0		0	
Milk (pence per litre)	11.4		0.0		17.2	
Wool (pence per kg)	49.6		51.6		51.0	

* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock

* Price data is implied

Table A6.4 LFA CATTLE AND SHEEP FARM RESULTS CONVENTIONAL

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2004/05		2005/06		2005/06	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.3	0	0.2	0	0.0	0
Beef cows	31.7	42	30.2	40	32.5	43
Other cattle	36.5	74	34.6	70	34.4	71
Breeding sheep	54.0	675	54.1	677	56.8	709
Other sheep	15.7	387	17.7	434	18.4	450
Pigs	2.1	13	2.0	23	0.1	1
Poultry	0.0	3	0.0	2	0.0	2
Other livestock	0.1	0	0.0	0	0.0	0
TOTAL (L.U.)	140.4		138.8		142.2	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.2		1.2		1.2	
GLU/forage effective hectare*	1.2		1.2		1.1	

* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock

LIVESTOCK PERFORMANCE - Prices (£ per head)*			
Dairy cows (litres)	7893	5723	0
Dairy cows	345	192	0
Dairy calves	64	0	0
Dairy heifers in calf	0	0	0
Beef heifers in calf	578	588	583
Fat cattle	563	584	555
Beef store cattle 1-2 yrs	484	460	453
Beef stores <1 yr	207	254	306
Ewes	31	51	51
Ewe hoggs	50	43	51
Fat lambs	43	41	41
Store lambs	34	35	34
Fat Pigs	61	60	58
Milk (pence per litre)	17.3	15.9	0.0
Wool (pence per kg)	52.5	49.8	48.5

* Price data is implied

Table A7.1 MIXED FARM RESULTS **ORGANIC**

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2004/05		2005/06		2005/06	
Sample number		6		6		10	
Average farm size (UAA)		132		131		111	
Business size (ESU)		58		52		43	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	0	0	0	0	0	0
	cattle	0	0	0	0	0	0
	net quota	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0
Other cattle	output	27354	207	26907	206	19221	173
	valuation change	-1748	-13	2640	20	4138	37
Sheep -	total output	14964	113	16349	125	13645	123
	valuation change	1125	9	-1574	-12	-1706	-15
Other livestock		0	0	0	0	3390	30
Arable crops	output	23796	180	16305	125	12006	108
	protein/energy support	0	0	267	1	114	1
By products forage and cults		5366	41	6355	49	5177	47
Miscellaneous (incl. farmhouse benefit value)		11252	85	10500	80	10508	94
	- organic grants	4960	38	971	7	1119	10
	- other agri-env.payments	5371	41	5512	42	5752	52
	- subsidy/single farm paymen	35752	271	31141	239	24750	223
	FARM REVENUE	128191	971	115372	883	98114	882
INPUTS							
Feeds	purchased concentrates	1105	8	747	6	1049	9
	homegrown concentrates	2410	18	2311	18	1788	16
Purchased fodder, Tack and stock keep		1069	8	792	6	529	5
Veterinary and medicines		1983	15	1880	14	1616	15
Other livestock costs		6352	48	7474	57	6254	56
Seeds -	purchased and homegrown	4195	32	4393	34	3300	30
Fertilisers		2624	20	1277	10	787	7
Crop protection		294	2	38	0	34	0
Other crop costs		899	7	1294	10	920	8
Labour	paid incl. paid management	6858	52	6360	49	5110	46
	casual	3150	24	3138	24	2210	20
Machinery	contract	3581	27	3535	27	3289	30
	repairs	6982	53	7844	60	5659	51
	fuels	5736	43	7007	54	5352	48
General farming costs		11060	84	11864	91	10493	94
Land expenses		2907	22	2467	19	2685	24
Rent		7958	60	7730	59	7011	63
	FARM EXPENSES	69162	524	70150	537	58083	522
Excess of expenses over revenue		59029	447	45223	346	40030	360
Notional inputs							
- rental value/imputed rent		10774	82	11597	89	9465	85
- unpaid labour		8232	62	8640	66	5544	50
- machinery depreciation		10174	77	11359	87	9849	89
		29180	221	31596	242	24858	223
NET FARM INCOME (excl. BLSA)		29849	226	13627	104	15172	136

Table A7.1 MIXED FARM RESULTS **CONVENTIONAL**

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2004/05		2005/06		2005/06	
Sample number		29		29		62	
Average farm size (UAA)		131		132		108	
Business size (ESU)		61		57		48	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	0	0	0	0	123	1
	cattle	0	0	0	0	2717	25
	net quota	0	0	0	0	0	0
	valuation change	0	0	0	0	-2756	-25
Other cattle	output	25356	194	28200	214	22255	206
	valuation change	-526	-4	-4430	-34	-747	-7
Sheep -	total output	14800	113	14306	108	13561	125
	valuation change	329	3	2015	15	1146	11
Other livestock		3140	24	1335	10	384	4
Arable crops	output	18962	145	16658	126	13733	127
	protein/energy support	18859	144	742	1	107	1
By products forage and cults		7927	61	10424	79	6089	56
Miscellaneous (incl. farmhouse benefit value)		12410	95	13884	105	9713	90
	- organic grants	0	0	0	0	0	0
	- other agri-env.payments	2683	21	2853	22	2201	20
	- subsidy/single farm paymen	12244	94	32375	250	23567	218
	FARM REVENUE	116185	889	118362	896	92094	851
INPUTS							
Feeds	purchased concentrates	7478	57	5786	44	5143	47
	homegrown concentrates	5043	39	4081	31	3852	36
Purchased fodder, Tack and stock keep		824	6	1198	9	654	6
Veterinary and medicines		2099	16	1809	14	2040	19
Other livestock costs		6647	51	6061	46	5021	46
Seeds -	purchased and homegrown	2454	19	2377	18	1655	15
Fertilisers		6709	51	5738	43	4937	46
Crop protection		4787	37	3906	30	3002	28
Other crop costs		1544	12	1760	13	1234	11
Labour	paid incl. paid management	7457	57	7619	58	3147	29
	casual	1209	9	757	6	1335	12
Machinery	contract	5773	44	6691	51	5523	51
	repairs	5806	44	5419	41	3951	36
	fuels	4180	32	4859	37	3936	36
General farming costs		9068	69	10128	77	8111	75
Land expenses		2210	17	1620	12	2067	19
Rent		6899	53	6805	52	7226	67
	FARM EXPENSES	80187	613	76612	580	62834	580
Excess of expenses over revenue		35998	275	41750	316	29260	270
Notional inputs							
- rental value/imputed rent		13769	105	15054	114	10235	95
- unpaid labour		4338	33	4474	34	4540	42
- machinery depreciation		11440	88	13035	99	9139	84
		29547	226	32564	247	23913	221
NET FARM INCOME (excl. BLSA)		6451	49	9186	70	5347	49

Table A7.2 MIXED FARM RESULTS — ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2004/05		2005/06		2005/06	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	29849	226	13627	104	15172	136
Less farmer and spouse labour	13590	103	14076	108	17419	157
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	1023	8	-203	-2	-143	-1
MANAGEMENT & INVESTMENT INCOME	17282	131	-652	-5	-2389	-21
NET FARM INCOME (excl. BLSA)	29849	226	13627	104	15172	136
plus net rental value/imputed rent	9502	72	9953	76	7397	66
minus occupier's expenses	170	1	112	1	1306	12
minus interest payments	3044	23	3596	28	3125	28
minus build & works depreciation	2522	19	2772	21	2300	21
OCCUPIER'S NET INCOME	33615	255	17100	131	15839	142
plus other imputed items	8633	65	9041	69	5784	52
plus fixed asset depreciation	15538	118	14131	108	12149	109
minus valuation changes	7271	55	-6130	-47	-2224	-20
NOTIONAL CASH INCOME	50514	383	46401	355	35996	324
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.3		2.3		2.1	
of which farmer & spouse	1.0		1.1		1.2	
NFI and paid labour/Annual Labour Units	17632		10255		10873	
NFI/Farmer & Spouse Labour Units	30543		12474		12216	
TENANT'S CAPITAL - £ per farm						
Machinery	67321	510	71397	546	58085	522
Livestock	65897	499	66754	511	53762	483
Crops	23307	177	23281	178	16622	149
Stores	2251	17	1993	15	1859	17
TOTAL	158777	1203	163424	1251	130328	1171
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	324274	335274	327909	331207	304184	313035
Buildings, improvements and fixtures	8336	12778	12778	14537	10998	13397
Machinery	66352	68291	68291	74504	55292	60878
Livestock	65697	66097	66322	67185	52617	54907
Produce and goods in store	21612	29506	28871	21676	20808	16153
Quotas and single payment asset value	10202	0	65179	60581	52375	48540
Credit balances	24260	33217	33217	47428	25742	36713
TOTAL	520733	545163	602567	617118	522017	543623
EXTERNAL LIABILITIES						
Long and medium term loans	41113	40866	51751	50383	35107	33762
Short term loans	11424	11100	11100	16342	11350	14258
Overdrafts	14722	5755	5755	25382	10213	27030
TOTAL	67259	57721	68606	92108	56669	75049
NET WORTH	**453474**	**487442**	**533961**	**525010**	**465348**	**468574**
RETURNS TO CAPITAL						
Owner Equity (%)	89.4		85.1		86.2	
ONI/Net worth (%)	6.9		3.3		3.4	
Return on tenant's capital (%)	10.9		-0.4		-1.8	
Return on all capital (%)	4.6		1.1		0.9	

Table A7.2 MIXED FARM RESULTS — CONVENTIONAL

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2004/05		2005/06		2005/06	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	6451	49	9186	70	5347	49
Less farmer and spouse labour	18121	139	19379	147	17700	163
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	-647	-5	234	2	178	2
MANAGEMENT & INVESTMENT INCOME	-12316	-94	-9959	-75	-12175	-112
NET FARM INCOME (excl. BLSA)	6451	49	9186	70	5347	49
plus net rental value/imputed rent	9718	74	10396	79	6994	65
minus occupier's expenses	306	2	290	2	236	2
minus interest payments	4007	31	4243	32	4027	37
minus build & works depreciation	1769	14	2081	16	1603	15
OCCUPIER'S NET INCOME	10088	77	12967	98	6474	60
plus other imputed items	4479	34	4641	35	4540	42
plus fixed asset depreciation	13209	101	15117	114	10742	99
minus valuation changes	-1473	-11	-3052	-23	-3768	-35
NOTIONAL CASH INCOME	29249	224	35776	271	25524	236
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.2		2.1		1.7	
of which farmer & spouse	1.2		1.2		1.2	
NFI and paid labour/Annual Labour Units	6974		8282		5637	
NFI/Farmer & Spouse Labour Units	5305		7526		4637	
TENANT'S CAPITAL - £ per farm						
Machinery	61962	474	63041	477	47948	443
Livestock	72560	555	70740	536	59457	549
Crops	13268	101	13611	103	12170	112
Stores	6561	50	6736	51	4620	43
TOTAL	154351	1181	154128	1167	124195	1147
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	514022	525270	488260	522155	307833	326841
Buildings, improvements and fixtures	7108	8580	8580	16298	6972	8695
Machinery	60677	63248	63248	62834	46837	49060
Livestock	73381	71739	71825	69656	60528	58386
Produce and goods in store	20067	19589	20671	20023	17514	16066
Quotas and single payment asset value	3681	778	72860	64515	62364	55974
Credit balances	24793	23570	24990	34820	19512	24682
TOTAL	703729	712774	750435	790300	521559	539703
EXTERNAL LIABILITIES						
Long and medium term loans	38073	38445	38524	36556	22837	21872
Short term loans	13227	15457	15695	15834	11400	11730
Overdrafts	29037	31532	31924	37778	34828	37306
TOTAL	80337	85434	86143	90168	69066	70909
NET WORTH	**623392**	**627340**	**664292**	**700131**	**452493**	**468901**
RETURNS TO CAPITAL						
Owner Equity (%)	88.0		88.6		86.9	
ONI/Net worth (%)	1.6		1.9		1.4	
Return on tenant's capital (%)	-8.0		-6.5		-9.8	
Return on all capital (%)	-0.8		-0.4		-0.9	

Table A7.3 MIXED FARM RESULTS ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2004/05	2005/06	2005/06
Tillage - maincrops	Wheat	20.3	17.5	11.9
	Barley	0.7	0.0	1.8
	Other cereals	11.0	7.7	6.4
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	11.2	8.5	5.6
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.3	0.2
	Total cropping	**43.2**	**33.9**	**25.9**
	Set-aside	3.0	2.2	1.3
Tillage - fodder		3.3	3.6	2.1
Grassland	Grazing, hay and silage	79.8	88.3	77.5
Fallow and land let		2.0	2.0	4.0
Rough grazing	Effective	0.7	0.7	0.4
Utilisable agricultural area (Effective ha.)		132.0	130.6	111.2
Woods, roads and buildings		3.3	3.4	2.4
TOTAL AREA (Actual ha.)		135.3	134.0	113.6
effective forage area		**90.2**	**97.6**	**84.5**
Bare land and forage hired in		6.4	5.1	4.4
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		3.5	3.6	3.5
Barley		4.9	0.0	3.4
Oilseed Rape		0.0	0.0	0.0
Potatoes		0.0	0.0	0.0
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		135	149	145
Barley		120	0	139
Oilseed Rape		0	0	0
Potatoes		0	0	0
Sugar Beet		0	0	0

* Yield and price data is implied

Table A7.3 MIXED FARM RESULTS — CONVENTIONAL

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2004/05	2005/06	2005/06
Tillage - maincrops	Wheat	18.4	15.7	10.6
	Barley	15.5	12.5	10.5
	Other cereals	3.0	2.3	3.7
	Oil seed rape	2.9	2.0	2.6
	Linseed	0.0	0.0	0.2
	Peas/Beans	2.0	2.3	1.5
	Potatoes	0.0	0.1	0.0
	Sugarbeet	0.0	0.0	0.3
	Horticulture	0.0	0.0	0.0
	Other crops	0.5	0.6	0.3
	Total cropping	**42.5**	**35.5**	**29.8**
	Set-aside	6.9	5.6	4.7
Tillage - fodder		1.5	2.9	2.6
Grassland	Grazing, hay and silage	76.8	85.4	69.0
Fallow and land let		1.9	2.6	2.2
Rough grazing	Effective	1.1	0.1	0.0
Utilisable agricultural area (Effective ha.)		130.7	132.1	108.3
Woods, roads and buildings		3.5	3.5	2.7
TOTAL AREA (Actual ha.)		134.3	135.6	111.0
effective forage area		**91.3**	**100.3**	**82.6**
Bare land and forage hired in		11.9	12.0	11.1
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		7.4	6.9	6.8
Barley		5.8	5.7	5.5
Oilseed Rape		2.3	3.5	3.5
Potatoes		37.2	37.3	49.6
Sugar Beet		0.0	0.0	39.4
- Prices (£ per tonne)*				
Wheat		63	65	66
Barley		65	67	67
Oilseed Rape		150	150	149
Potatoes		94	77	57
Sugar Beet		0	0	27

* Yield and price data is implied

Table A7.4 MIXED FARM RESULTS ORGANIC

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2004/05		2005/06		2005/06	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0
Beef cows	31.9	43	34.5	46	27.1	36
Other cattle	40.8	80	38.6	77	34.2	67
Breeding sheep	23.1	241	22.0	230	18.6	194
Other sheep	8.5	212	9.1	222	7.2	176
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	3.7	529
Other livestock	0.0	0	0.0	1	0.0	2
TOTAL (L.U.)	104.4		104.2		90.7	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.8		0.8		0.8	
GLU/forage effective hectare*	1.2		1.1		1.1	
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	0		0		0	
Dairy cows	0		0		0	
Dairy calves	0		0		0	
Dairy heifers in calf	0		0		0	
Beef heifers in calf	500		500		525	
Fat cattle	743		766		740	
Beef store cattle 1-2 yrs	317		438		448	
Beef stores <1 yr	150		150		150	
Ewes	32		0		0	
Ewe hoggs	0		0		57	
Fat lambs	57		54		52	
Store lambs	34		38		38	
Fat Pigs	0		0		0	
Milk (pence per litre)	0.0		0.0		0.0	
Wool (pence per kg)	56.5		51.7		53.3	

* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock

* Price data is implied

Table A7.4 MIXED FARM RESULTS — CONVENTIONAL

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2004/05		2005/06		2005/06	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.4	0
Beef cows	15.2	20	15.4	20	14.2	19
Other cattle	68.7	120	66.9	113	48.9	87
Breeding sheep	30.5	293	31.6	297	29.9	288
Other sheep	9.7	241	8.2	201	8.2	202
Pigs	2.6	16	5.8	34	0.2	1
Poultry	0.0	0	0.0	0	0.0	9
Other livestock	0.1	0	0.0	0	0.0	0
TOTAL (L.U.)	126.8		127.9		101.8	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.0		1.0		0.9	
GLU/forage effective hectare*	1.4		1.3		1.2	
* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	0		0		1953	
Dairy cows	0		0		523	
Dairy calves	0		0		0	
Dairy heifers in calf	0		0		875	
Beef heifers in calf	0		0		472	
Fat cattle	572		574		599	
Beef store cattle 1-2 yrs	554		566		494	
Beef stores <1 yr	269		232		195	
Ewes	38		53		54	
Ewe hoggs	55		54		58	
Fat lambs	50		50		48	
Store lambs	32		32		38	
Fat Pigs	76		0		62	
Milk (pence per litre)	0.0		0.0		17.6	
Wool (pence per kg)	57.4		53.1		53.4	

* Price data is implied

7.2 Appendix 2 The farm classification system

For each farm in the survey, each hectare of crop area and each head of livestock are assessed in terms of Standard Gross Margins (SGMs). These SGMs are expressed in European Currency Units, with 1200 such units equivalent to 1 European Size Unit (ESU).

Farm size is measured for a particular farm by the number of ESUs registered in total, and this is thus a measure of the size of the farm business. It is a measure of the economic size of holdings in terms of the value they add to variable inputs and thus differs from physical measures, such as area, which take no account of the intensity of production. The survey is designed to cover farms of at least 8 ESU in size.

Farm type is determined for a particular farm by the proportion of the SGM total accounted for by each enterprise. Precise details of the typology are complex, but may be summarised as follows:

Farm type	*Characteristics*
Cropping	In this report, two categories are combined:
Cereals	Farms on which cereals and other crops generally found in cereal rotations account for more than two thirds of their total SGM.
General cropping	Farms on which arable crops (including field scale vegetables) account for more than two thirds of their total SGM excluding farms classified as *cereals*.
Horticulture	Farms where horticultural crops or permanent crops including fruit, either alone or in combination, account for over one-third of total SGM and form the largest enterprise group.
Dairy	Farms where the dairy enterprise, including followers, accounts for over one third, and commonly over two-thirds of total SGM and is the largest enterprise group.
Cattle and Sheep	In this report, two categories are presented separately:
Lowland livestock	Farms outside the Less Favoured Areas on which grazing livestock, other than dairy cattle, account for over one-third, commonly over two-thirds, of total SGM, and form the largest enterprise group, or farms on which grazing livestock (except dairy cattle) and field crops each account for over one-third but less than two-thirds of total SGM.
LFA livestock	Farms in the Less Favoured Areas on which sheep, cattle or cattle and sheep together, other than dairy cattle, account for over one-third of total SGM, commonly over two-thirds and are the largest enterprise group.
Mixed	Farms with a range of enterprise where none clearly predominates.

7.3 Appendix 3 Definition of terms and abbreviations

Breeding Livestock Appreciation (BLSA)
BLSA is that element of Net Farm Income resulting from changes in breeding livestock prices between the opening and closing valuations. It is calculated by multiplying for each category of breeding livestock the change in the opening and closing valuations by the average number of livestock in that category during the year.

Cash Income
Cash income is based on actual receipts and actual expenditure. It represents the difference between receipts and expenditure on current account, before depreciation charges and investment spending.

Effective Hectares (Eff. ha)
The effective hectarage constitutes the total farm area minus the area occupied by roads, woodland, wasteland and buildings, and with rough grazings expressed in terms of their pasture equivalent. E.g. on a particular farm, 20 hectares of rough grazing in terms of its capacity to carry stock may be worth 4 hectares of permanent pasture - it is therefore regarded as being 4 effective hectares. A notional area is also estimated for the use made of any common grazings.

Enterprise Output
Enterprise output is all returns from an enterprise, plus the market value of any of its products transferred out to another enterprise, plus the market value of any production from the enterprise given to workers or consumed on the farm. In the case of livestock enterprises, the value of purchased livestock and the market value of livestock transferred in from another enterprise are deducted. All totals are adjusted for changes in valuation. Milk output includes quota transactions and any super-levies paid, have been deducted.

General Farming Costs
General farming costs include electricity, water and telephone charges, licences, insurances, subscriptions, professional charges, etc.

Livestock Units (LU) and Grazing Livestock Units (GLU)
Livestock numbers are converted to livestock units, which are based on estimated energy requirements, in order to calculate the total stocking of grazing livestock on the farm. The following conversion factors are used:

Dairy cow	1.00	Hill ewe	0.06
Beef/hill cow	0.75	Upland ewe	0.08
Beef/dairy bull	0.65	Lowland ewe	0.11
Beef/dairy heifer	0.80	Ram	0.08
Other cattle – 2 years old and over	0.80	Ewe lamb	0.08
- 1 to 2 years old	0.65	Other sheep 1 year old and over	0.08
- under 1 year old	0.34	Store lamb under 1 yr.	0.04

Management and Investment Income (MII)
MII is total farm enterprise output less total inputs (including the value of the labour input of the farmer and spouse). It represents the reward for the farmers(and spouse)'s management plus interest on the tenant's capital employed on the farm.

Margin over concentrates
Margin over concentrates is the difference between milk sales and the value of purchased and home grown concentrates used for the dairy herd.

Miscellaneous Output
Miscellaneous output includes contract work, farm cottage rents, benefit value of farmhouses, and profit on resale of purchased agricultural produce.

Net Farm Income (NFI)
NFI is total farm enterprise output less total inputs (excluding the value of the labour of the farmer and spouse). It is calculated as if all farms are tenanted, and represents the return to the farmer and spouse for their labour and management, and on the tenant-type capital of the business.

Net Worth
Net worth is the difference between total assets and total liabilities and represents the value of assets available to the business, all other claims against these assets having been met.

Occupier's Net Income
Occupier's net income is based on actual tenure and indebtedness. It represents the return to the farmer and spouse for their labour, management and investment in the farm business.

Other Crop Costs
Other crop costs include crop protection chemicals and other costs incurred specifically for crop enterprises and forage.

Other Livestock Costs
Other livestock costs include purchased bedding materials, and other costs incurred specifically for livestock enterprises.

Owner Equity
Owner equity is net worth expressed as a percentage of total assets.

Rental Value
For owner-occupied farms, a rental value is imputed to make it possible to compare results with farms on which rents have to be paid.

Return on All Capital
Return on all capital is management and investment income plus rental value expressed as a percentage of total capital.

Return on Tenant's Capital
Return on tenant's capital is management and investment income expressed as a percentage of total tenant's capital.

Tenant's Capital
Tenant's capital is the value of livestock, machinery, crops (including cultivations) and stores. In the tables, it is expressed as the average of the opening and closing valuations for these items.

Utilisable Agricultural Area
UAA is the land area that is actually farmed by the farmer excluding areas such as roads, farm yards, buildings woodlands, water or unused rough grazing.

Abbreviations used throughout text include:

AAPS – Arable Area Payment Scheme

ALU – Annual Labour Units

CCF – Comparable Conventional Farms

ESU – Economic Size Unit

FBS – Farm Business Survey

LFA – Less Favoured Area

LU – Livestock Unit

MII – Management and Investment Income

NFI – Net Farm Income

SGM – Standard Gross Margins

UAA – Utilisable Agricultural Area