

# **ORGANIC FARM INCOMES IN ENGLAND AND WALES 2007/08**

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*April 2009*

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Contract reference: OF 0373

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Data not collected directly were supplied by Defra with whom copyright rests. Although all efforts are made to ensure the quality of the farm data supplied, the copyright holder, the original data producer, Defra 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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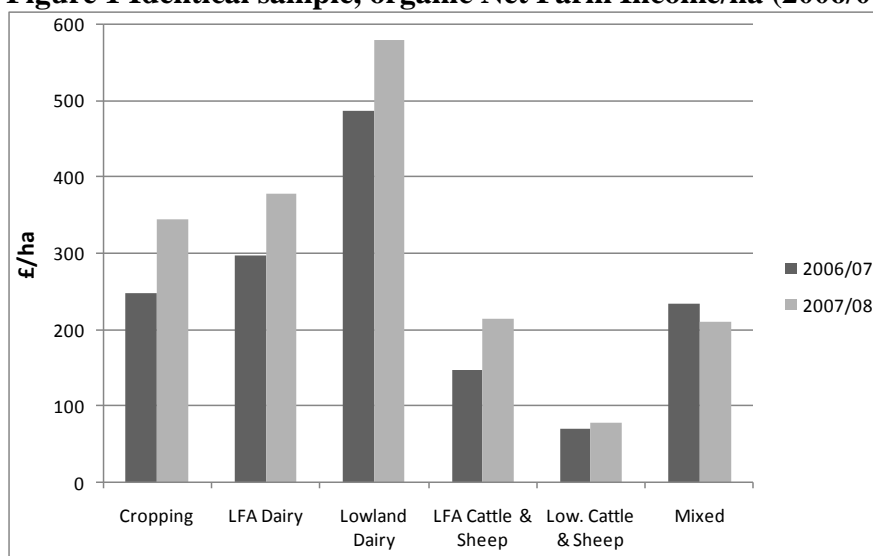
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## Executive Summary

This report presents result of research on the financial performance of organic farms in 2006/07 and 2007/08, carried out for the Department for Environment, Food and Rural Affairs (Defra). This research builds on previous work on the economics of organic farming carried out at Aberystwyth University (Projects OF0190, covering 1995/96 to 1998/99 and OF0189, covering 1999/00 to 2004/05)<sup>1</sup>.

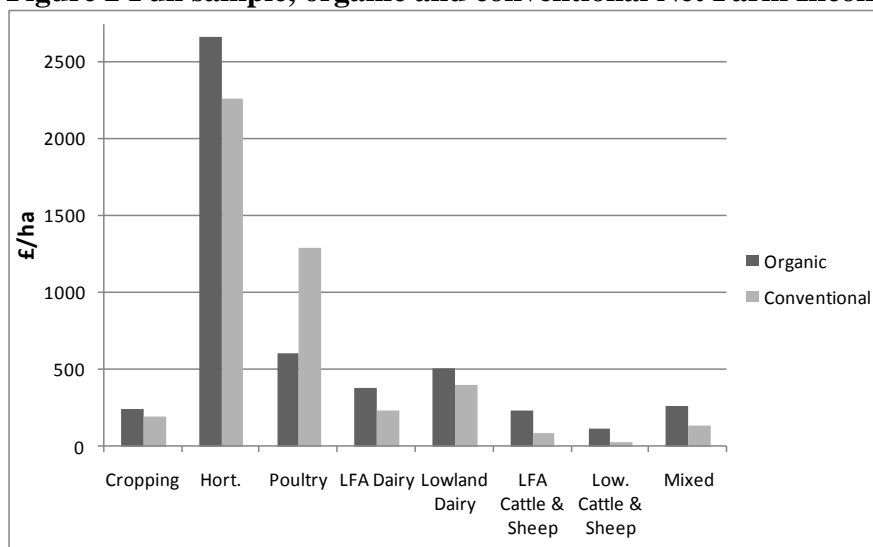
Overall, Figure 1 highlights that of the identical organic farm samples examined over the two year period (2006/07 to 2007/08), most organic net farm incomes were higher. LFA cattle and sheep farm Net Farm Income (NFI) had the greatest increase, gaining by 46%, with strong gains in cropping and dairying. Organic mixed farming was the only sector to see reduced profitability, the identical sample falling back by 10%, while lowland cattle and sheep farming NFI increased by only 10%.

**Figure 1 Identical sample, organic Net Farm Income/ha (2006/07 and 2007/08)**



When compared with comparable conventional farms, Figure 2 shows that all organic farming sectors except poultry were above comparable conventional farm profitability levels in 2007/08.

**Figure 2 Full sample, organic and conventional Net Farm Income/ha (2007/08)**



<sup>1</sup> Previous reports can be found at: [https://statistics.defra.gov.uk/esg/index/list.asp?i\\_id=130](https://statistics.defra.gov.uk/esg/index/list.asp?i_id=130)



Summary figures within Table 1 below indicate that despite strong improvements in many conventional sectors, organic farms have maintained their financial superiority.

**Table 1 Summary of Net Farm Incomes (£/farm and £/ha) by farm type, 2006/07 and 2007/08**

	NFI £/farm (exc. BLSA)				NFI £/ha (exc. BLSA)			
	Identical sample		Full sample		Identical sample		Full sample	
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
<b>Cropping</b>								
Organic	42271	58070	50073	47183	248	345	275	241
Comparable conventional	15085	33485	22417	35675	97	215	145	199
<b>Horticulture</b>								
Organic	-	-	35769	50625	-	-	1571	2662
Comparable conventional	-	-	47423	41336	-	-	3403	2261
<b>Poultry</b>								
Organic	-	-	-	20534	-	-	-	607
Comparable conventional	-	-	-	33742	-	-	-	1293
<b>LFA dairy</b>								
Organic	26704	33129	25420	33129	297	380	304	380
Comparable conventional	12536	18842	11337	18675	157	234	147	231
<b>Lowland dairy</b>								
Organic	57511	69888	58674	63955	487	580	461	510
Comparable conventional	22394	45663	22211	45739	209	419	191	401
<b>LFA cattle and sheep</b>								
Organic	21320	31695	18289	33727	147	215	138	238
Comparable conventional	9374	11306	8829	11730	65	77	73	88
<b>Lowland cattle and sheep</b>								
Organic	6887	7779	6268	12307	72	79	71	115
Comparable conventional	4749	3540	7053	3220	55	40	85	34
<b>Mixed</b>								
Organic	38723	35601	51158	41649	235	211	335	265
Comparable conventional	19237	24592	8484	19563	123	151	60	132

BLSA = Breeding livestock appreciation (see Appendix 3)

### *Cropping and horticulture*

Organic cropping identical sample NFI was 40% higher in 2007/08, at £345/ha, still substantially higher than the improved £215/ha achieved by the conventional sample, though the full sample difference was much smaller. Cropping output was lower in both sectors, despite a 38% increase in the organic wheat price, reflecting a lower cropped area percentage within the samples. Livestock and agri-environment payments continued to represent a higher percentage of output within the organic sample. Organic input costs remained similar, conventional increased by 9%.

Organic crop gross and net margins were generally similar or slightly lower than in 2006/07, with yields typically 30% lower, though supported by strong price increases of up to 70%, barley and wheat typically sold for around £250/t. Net margins were variable when compared to conventional data, organic wheat lower, but peas and potatoes very similar.

The full sample organic horticultural businesses achieved a NFI of £2662/ha in 2007/08, 15% higher than the conventional sample. Outputs were lower, as were inputs, highlighting that only 50% of the businesses surveyed were identical between years. The small sample of horticultural net margins showed a return of £813/ha for field vegetables, and £8181/ha for protected crops.

### *Poultry*

The small, full sample organic NFI of £607/ha was 47% of the conventional at £1293/ha, in part due to the lower organic stocking rate at around half of the conventional density. Organic farms had similar output but higher livestock, labour, land and rent costs, but lower machinery costs.

### *Dairy*

NFI for the identical LFA dairy farm organic sample was £345/ha, 28% higher than for the 2006/07 sample, with the conventional sample 49% higher at £234/ha. Output was 18% higher for the organic farms and only 7% higher for the conventional farms, with organic farms outperforming conventional both in price and volume, averaging 29 pence per litre (ppl), compared to 20ppl for conventional. Inputs were 16% higher on organic and only 2% up on conventional farms, mainly due to increasing feed costs.

NFI for the identical lowland dairy organic farms increased by 19% in 2007/08 to £580/ha, and by 100% to £419/ha for the comparable conventional farms. Outputs were 12% higher on the identical sample organic businesses and 18% greater on the conventional farms, both reflecting higher milk prices. Inputs also increased, by 10% for organic and by 8% for conventional farms, with organic livestock inputs rising 23%, linked to rising feed costs.

Dairy net margin figures showed a superior organic gross margin of £1,022/cow, and an overall net margin over all costs of £64/cow, better than the £-26/cow achieved by the comparable conventional units. The identical sample of 27 organic and 104 conventional farms showed that over two years output increased by 12%, but total costs rose by 11%, the organic farms achieving a net margin over all costs (including imputed) of £74/cow, conventional at £-21/cow in 2007/08.

### *Cattle and sheep*

Identical sample organic LFA cattle and sheep NFI improved by 46% to £215/ha in 2007/08, and remained similar at £77/ha on the conventional farms. Outputs and inputs remained similar for both organic and conventional samples, with a 7% increase in costs for organic farms, 4% for conventional. Support payments reached almost half of organic farm output at 48%, conventional slightly less at 43%.

Identical sample organic lowland cattle and sheep NFI increased 10% to £79/ha in 2007/08, while falling 27% for the conventional farm sample to £40/ha. Outputs were lower for both sectors, organic down by 6%, conventional by 7%, while inputs fell by 7% on the organic farms, but increased on conventional farms.

Cattle organic net margin data showed output increased by around 20%, but costs also increased leading to a small overall increase of around 3%, still significantly greater than conventional figures. The organic sheep net margin data highlights a 3% fall in output, but also a reduction in costs, resulting in a 40% increased margin, maintaining dominance over conventional figures. Both cattle and sheep data highlights the high costs of production compared to the price achieved for stock, and therefore reliance on support payments for whole farm profitability.

### *Mixed*

The identical sample of farms achieved a NFI 10% lower at £211/ha and £151/ha for organic and conventional farms respectively. Compared with 2006/07, livestock outputs rose by 15% for organic and did not alter for conventional, but organic cropping output fell by 2%, conventional rising 43%. Overall livestock inputs fell and crop inputs increased, total inputs increased slightly on both organic and conventional farms in 2007/08.

**In summary**, most sectors of the organic English and Welsh farming industry have continued to improve their financial position in 2007/08, with most organic sectors maintaining their advantage over comparable conventional farms, though the advantage is reduced in some cases. Despite a strong performance by the organic sector in 2007/08 caution is required, as organic farms can have higher variable and or fixed costs, and rely on price premiums and or additional support payments for superior financial performance. The meat sector in particular is seeing premiums reduced to a minimum during 2008/09; all sectors need to contain costs to maintain profitability in the light of potentially reduced demand and price premiums.

## **1. Introduction**

This report, funded by Defra as part of Project OF0373, continues the series of reports on organic farm incomes started with the 1995/96-1998/99 period under MAFF project OF0190 and continued from 1999/00-2004/05 under Defra Project OF0189<sup>2</sup>.

The aim of this report is to show the financial performance of organic farms, differentiated by farm type for 2007/08 including comparisons with similar conventional farms and with 2006/07 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 70 organic farms in England and 10 in Wales in the 2006/07 and 2007/08 financial years using a new approach which is fully integrated with the English and Welsh Farm Business Surveys. (This replaces the previous direct collection of data across England by Aberystwyth University and has enabled an increase in the number of farmers included as well as better regional and farm type representation).
- Analysis of the data collected in combination with data for 100 businesses already available from the main Farm Business Surveys to produce an annual report on organic farming costs, incomes and margins.

This report includes a section on methodology (see Appendix 5), 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 results can be found in Appendix 1.

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<sup>2</sup> Previous reports can be found at: [https://statistics.defra.gov.uk/esg/index/list.asp?i\\_id=130](https://statistics.defra.gov.uk/esg/index/list.asp?i_id=130)

## **2. Methods**

In this report, financial data are shown for the 2006/07 and 2007/08 financial years, including between year comparisons and comparisons with similar conventional farms. Identical sample comparisons are presented for all main farm types and comprise farms that are present in both the 2006/07 and 2007/08 datasets. The total number of organic farms for 2007/08, also referred to as the full farm sample data, is shown alongside the identical datasets. It was not possible to produce an identical horticulture sample, therefore data for the full samples in 2006/07 and 2007/08 are presented, but comparisons should be treated with caution due to a 50% change in sample composition between years. For the first time it has been possible to present a poultry dataset, though this only covers 2007/08 due to lack of data in 2006/07.

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<sup>3</sup>. The full samples of organic farms per robust farm type are sufficiently large to give some reasonable level of confidence in the data although it should be noted that the organic farm samples are not statistically representative of their type. However, the results can be seen as a reasonable indication of farm income levels for comparable organic and conventional farms. Smaller farm samples should be treated more cautiously as there is a possibility for outliers (especially larger farms) to have a significant 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. The indicators included farm type, FBS region, Less Favoured Area (LFA) status, utilisable agricultural area (UAA), milk quota held (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.

This report includes the newer Farm Business Income (FBI) measure adopted recently by Defra and the Welsh Assembly Government. This income measure is intended to reflect more closely actual profitability of farm businesses and does not include the adjustments designed to make farms comparable in terms of land tenure, reliance on borrowed capital and reliance on unpaid staff which Net Farm Income and Management and Investment Income were intended to do. As a result of the exclusion of notional costs for unpaid resources, Farm Business Income values are typically higher than Net Farm Incomes, but the relative performance of organic and conventional farms is similar in most cases. Defra have slightly changed the methodology for calculating FBI, therefore 2006/07 and 2007/08 FBI figures are not directly comparable. In general 2007/08 FBI figures are slightly higher than in 2006/07 due to changes in the calculation of imputed rent for farmhouses and farm cottages within the FBI calculation.

Gross and 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 performing herds as well as regional basis, in addition to a two year identical sample, presented for the first time in this report. 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 stock feed. Where available, 2006/07 organic gross margin data

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<sup>3</sup> See <https://statistics.defra.gov.uk/esg/publications/fab/2008/excel.htm> for further information on the farm accounting system employed in England and Wales by Defra Economics Division.

are shown alongside the 2007/08 data. For the first time, conventional farm data are also included from holdings that have been clustered within the whole farm section of this report.

Benchmark costs of production data are shown for organic milk, suckler store, finishing beef and lamb production enterprises. Due to the change in data collection approach, only costs of production for milk have been derived from the full FBS sample. Instead costs of production for milk, beef and lamb from the Welsh Farm Business Survey are presented, including comparisons with results from conventional farms in Wales. The results for the beef and lamb enterprises continue to show the importance of support payments in making these enterprises viable for both organic and conventional producers.

As in the 2006/07 report, data was collected as part of the English and Welsh Farm Business Surveys by the constituent Rural Business Research Units in England and by the Welsh Farm Business Survey Unit at Aberystwyth University. Standard Farm Business Survey methodology<sup>4</sup> was used. Financial results have been obtained from businesses in England and Wales with account years ending between December and April. The data for all the organic and non-organic farms surveyed was collated by Defra, stored in the Defra Data Archive and made available to the Aberystwyth University team for analysis.

The sample of ca. 100 wholly or partly organic businesses occurring by chance within the English and Welsh Farm Business Surveys was extended by 80 businesses to better reflect the regional and farm type distribution of organic farms in England and Wales 2005/06 (see recruitment guidelines in Annex 4), and to enable minimum sample sizes of 15 to be achieved for key robust farm types and at least 5 for specific main types. The 2007/08 sample shows a further increase in the number of existing Farm Business Survey participating farms converting to organic, enhancing the organic sample size further, and for the first time it has been possible to carry out a poultry sector analysis, though albeit still a small sample.

The analysis within this report is focused on businesses having at least 70% organic land status in 2007/08. Of the total 213 businesses with some organic land identified in the Defra Data Archive, only 174 met the >70% organic criterion (Table 1). Of the 174 >70% organic holdings, it was not possible to identify comparable conventional businesses for 16, and a further 3 were excluded for technical reasons (e.g. dispersal of dairy herd mid-year). However, the gross margin results from 11 of these 19 businesses could be utilised.

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)<sup>5</sup>. (See Appendix 2 for more information). The constituent EC types are determined using standard gross margins (SGMs) for conventional farms to estimate European Size Units (ESUs). This classification system may not appropriately reflect the enterprise profile of organic farms due to differences in gross margin values, but there is currently no alternative classification system available that reflects organic gross margins better and it is considered that the resulting classification errors are likely to be small. The distribution of the businesses by size (ESU) and type is shown in Table 2.

To ensure anonymity of results for farmers participating in these surveys, no data are presented for groups of less than five farms. However, it should be noted that individual farm results can still have a significant effect on average results for these small samples, so that where possible, results are presented for groups of more than 15 businesses. In some cases, robust types (e.g. types 1

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<sup>4</sup> See <http://statistics.Defra.gov.uk/esg/publications/fab/2007/excel.asp> for further information on the farm accounting system employed in England and Wales by Defra Economics Division.

(specialist cereals) and 2 (general cropping)) have been merged to achieve this. Where results are presented for groups of less than 15, the results should be treated with some caution.

**Table 2 Distribution of surveyed organic farms by type and region, 2007/08**

<i>Farm Type</i>	<i>Whole farm</i>	<i>GM* only</i>	North East	North West	East Mid	West Mid	East Eng	South Eng	South West	Wales
Cropping	22		1 (0)	3 (0)	4 (0)	4 (0)	3 (0)	5 (3)	2 (0)	0 (0)
Horticulture	8	1	0 (0)	1 (0)	0 (0)	5 (0)	1 (1)	0 (0)	1 (0)	0 (0)
poultry	5	1	0 (0)	1 (0)	1 (0)	1 (0)	0 (0)	0 (0)	2 (2)	0 (0)
Dairy (LFA)	6		0 (0)	3 (0)	1 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (0)
Dairy (low)	33	3	1 (0)	3 (1)	4 (0)	0 (0)	2 (0)	10 (1)	9 (0)	4 (1)
Cattle/sheep (lowland)	37	1	9 (0)	1 (1)	2 (0)	0 (0)	0 (0)	0 (0)	5 (0)	20 (0)
Cattle/sheep (LFA)	31	2	1 (0)	0 (0)	4 (0)	2 (0)	4 (0)	5 (1)	10 (2)	5 (0)
Mixed	13	3	1 (1)	0 (0)	3 (0)	0 (1)	1 (1)	2 (1)	3 (2)	3 (0)
<b>Total</b>	<b>155</b>	<b>11</b>	<b>13 (1)</b>	<b>12 (2)</b>	<b>19 (0)</b>	<b>12 (1)</b>	<b>11 (2)</b>	<b>22 (6)</b>	<b>32 (6)</b>	<b>34 (1)</b>

\* GM - Farms used for gross margin data purposes only as no comparable whole-farm data available.

See Appendix 4 for distribution of organic farm population in 2007/08 and recruitment targets

Figures in parentheses indicate businesses that clustering was not possible and those excluded for technical reasons.

**Table 3 Distribution of surveyed organic farms by type and size (European Size Units) for the identical and full farm samples, 2007/08**

<i>Farm type</i>	<i>ESU code</i>								<b>Total</b>	
	< 8	< 16	< 28	< 40	< 60	< 100	< 200	200 +		
<b>Identical sample</b>										
Cereals and general cropping				2	4	1	5			<b>12</b>
Horticulture										<b>0</b>
Pigs and poultry										<b>0</b>
Dairy (LFA)				1	1	2	2			<b>6</b>
Dairy (lowland)				1	2	7	8	5		<b>23</b>
Cattle and sheep - LFA			1	9	10	3	4			<b>27</b>
Cattle and sheep - lowland	1	10	7	6	1	1				<b>26</b>
Mixed			3	1	2	1	3			<b>10</b>
<b>Total</b>	<b>1</b>	<b>11</b>	<b>19</b>	<b>21</b>	<b>13</b>	<b>16</b>	<b>18</b>	<b>5</b>		<b>104</b>
<b>Full sample</b>										
<i>Farm type</i>										
Cereals and general cropping			2	2	7	1	7	3		<b>22</b>
Horticulture				1	1	2	2	2		<b>8</b>
Pigs and poultry			1	1	1	2				<b>5</b>
Dairy (LFA)				1	1	2	2			<b>6</b>
Dairy (lowland)				1	2	9	15	6		<b>33</b>
Cattle and sheep - LFA		3	15	10	4	4	1			<b>37</b>
Cattle and sheep - lowland	1	10	8	6	4	2				<b>31</b>
Mixed			3	1	3	3	3			<b>13</b>
<b>Total</b>	<b>1</b>	<b>13</b>	<b>29</b>	<b>23</b>	<b>23</b>	<b>25</b>	<b>30</b>	<b>11</b>		<b>155</b>

Following a data processing error in the original 2006/07 report, for 2007/08 a new software process has been employed to carry out the data analysis. The software change has not significantly affected the result outputs, but to ensure a full analysis of 2006/07 data and to achieve full comparability between years, both 2006/07 and 2007/08 datasets have therefore been analysed using the same process. To improve between year comparisons in the whole-farm datasets, the data samples are also presented as a continuous (identical) sample for most farm types. It has not been possible to achieve this in all cases, but represents a significant improvement on the previous report which was affected by changes in the data collection approaches implemented between 2005/06<sup>5</sup> and 2006/07, that resulted in a significant change in the farms sampled.

For the whole-farm results presented in Section 3 and in Appendix 1, data for comparable conventional businesses has been obtained using a clustering procedure to identify a group of similar conventional businesses for each individual organic business. The average for the group of individual organic businesses is then compared with the average for the group of conventional farm clusters. The intention is to ensure, as far as possible, that differences between organic and conventional farms can be attributed to their management system and not to differences in business resource endowment that they are not related to the production system employed. The method used is described in more detail in Appendix 5.

The identical sample farm clusters show identical organic and conventional clustered farm groups for both 2006/07 and 2007/08, allowing greater analysis between years, though sample sizes are generally smaller than within full samples. The full sample comparisons represent the full set of clusterable organic data available for both 2006/07 and 2007/08, presented with the average of the comparable conventional farm clusters.

This report now also includes conventional data for comparison (where possible), for both gross and net margins, and costs of production data. It has also been possible to produce a two year identical organic and conventional sample for dairy gross and net margins, and costs of production, allowing greater analysis of changes during the time periods covered by this report.

As a result of the changes to data collection approaches in 2006/07, it has not been possible to collect the livestock sales weight data needed to prepare cost of production data across both England and Wales, however it has been possible to do this as part of a separate project in Wales. Livestock sales costs of production data for Welsh farm businesses only (including conventional farm comparisons) are included in this report, but may not reflect the more intensive lowland conditions prevailing in much of England.

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<sup>5</sup> Details of the approach adopted in previous years can be found in the relevant reports published at: [https://statistics.defra.gov.uk/esg/index/list.asp?i\\_id=130](https://statistics.defra.gov.uk/esg/index/list.asp?i_id=130)

### 3. Whole-farm results

#### 3.1 Presentation of results

As explained above, most sectors have both identical and full sample analysis, though this was not possible for horticulture, any interpretation between years should be made with caution, due to changes in farm sample composition. Only a single year of full sample analysis was possible with the poultry data, due to the lack of previous data. All whole-farm results for each farm type in this section and the appendices are simple averages.

In the summary sections on each farm type, the tables show breakdowns of average outputs, inputs and incomes in £/ha; for cropping, horticulture (intensive horticulture), poultry, LFA and lowland dairy, and LFA and lowland cattle and sheep and mixed farms for identical (where available) and full samples. The terms *input* and *output* are used to define financial values rather than physical quantities (for further definitions of terms see Appendix 3).

Tables A1 to A8 in Appendix 1 provide 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.

Values per hectare shown are weighted averages per hectare of farm utilised agricultural area (UAA) rather than per hectare of a specific enterprise because presenting the whole-farm situation reflects the interdependence of enterprises. For example, organic horticultural businesses cannot crop their entire land each year and this has a considerable influence on the overall farm profitability. However, gross/net margin data are shown separately to provide an indication of individual enterprise performance within farm businesses.

In line with changes to Farm Business Survey practice, two main income measures are shown: Net Farm Income and Farm Business Income. (It should be noted that due to Defra changes in definition that FBI is not directly comparable between the two years analysed in this report). Other previously used income measures (management and investment income, occupiers' net income and cash income are not shown) but can be derived from the results presented if required.

Net Farm Income (NFI) represents the return to farmer and spouse for their manual and managerial labour and on the tenant-type capital invested in the farm. For this measure, 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, 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 also excluded. Unpaid labour (other than that of farmer and spouse) is treated as if paid at standard rates.

Farm Business Income (FBI) represents the return to all unpaid labour (farmers, spouses and others with an entrepreneurial interest in the farm business) and to all their capital invested in the farm business including land and farm buildings. FBI excludes notional rental values for owner-occupied land and unpaid labour included in NFI, but includes interest and other capital charges. It is designed to better reflect overall business performance including the increasing levels of business diversification currently found on farms.



### 3.2 Summary of whole-farm net farm income results

Table 4 summarises the Net Farm Income (NFI) results for *identical* and *full samples* of organic and similar conventional farms on a whole farm and per ha basis for 2006/07 and 2007/08.

**Table 4 Summary of Net Farm Incomes by farm type, 2006/07 and 2007/08**

<i>Identical samples</i>		Number of farms	2006/07		Number of farms	2007/08	
Farm type	Type*		£/farm	£/ha		£/farm	£/ha
<b>Cropping</b>	Organic	12	42271	248	12	58070	345
	CCF	106	15085	97	106	33485	215
<b>Horticulture</b>	Organic	-	-	-	-	-	-
	CCF	-	-	-	-	-	-
<b>Poultry</b>	Organic	-	-	-	-	-	-
	CCF	-	-	-	-	-	-
<b>LFA dairy</b>	Organic	6	26704	297	6	33129	380
	CCF	24	12536	157	24	18842	234
<b>Lowland dairy</b>	Organic	23	57511	487	23	69888	580
	CCF	113	22394	209	113	45663	419
<b>LFA cattle and sheep</b>	Organic	27	21320	147	27	31695	215
	CCF	193	9374	65	193	11306	77
<b>Lowland cattle and sheep</b>	Organic	26	6887	72	26	7779	79
	CCF	165	4749	55	165	3540	40
<b>Mixed</b>	Organic	10	38723	235	10	35601	211
	CCF	46	19237	123	46	24592	151
<i>Full samples</i>		Number of farms	2006/07		Number of farms	2007/08	
Farm type	Type*		£/farm	£/ha		£/farm	£/ha
<b>Cropping</b>	Organic	17	50073	275	22	47183	241
	CCF	137	22417	145	174	35675	199
<b>Horticulture</b>	Organic	8	35769	1571	8	50625	2662
	CCF	31	47423	3403	30	41336	2261
<b>Poultry</b>	Organic	-	-	-	5	20534	607
	CCF	-	-	-	17	33742	1293
<b>LFA dairy</b>	Organic	7	25420	304	6	33129	380
	CCF	49	11337	147	25	18675	231
<b>Lowland dairy</b>	Organic	29	58674	461	33	63955	510
	CCF	184	22211	191	219	45739	401
<b>LFA cattle and sheep</b>	Organic	34	18289	138	37	33727	238
	CCF	236	8829	73	248	11730	88
<b>Lowland cattle and sheep</b>	Organic	30	6268	71	31	12307	115
	CCF	210	7053	85	205	3220	34
<b>Mixed</b>	Organic	12	51158	335	13	41649	265
	CCF	72	8484	60	59	19563	132

\*Type: Organic=Organically managed farms, CCF=Clustered Conventional Farms  
BLSA = Breeding livestock appreciation (see Appendix 3)

### 3.3 Cropping farms

For detailed results see Appendix 1, Table A1, page 52.

Data from 12 organic cropping farms have been used for the two-year comparison of identical farms, where one farm was located in North-East England, two in North-West, two in East Midlands, four in West Midlands, one in Eastern, one in South-East and one in South-West England. In total, data for 22 organic cropping farms were suitable for full sample analysis in 2007/08.

For both samples the average organic farm size in terms of land area (UAA) was greater, whilst the business size (ESU) was very similar. A higher proportion of the organic UAA was used for peas/beans, set-aside and grassland, though other cereals land area increased in 2007/08 reflecting increased plantings of oats and triticale.

The number of livestock units was higher for all samples except the identical conventional farms in 2007/08. Overall stocking rates were low on both organic and conventional farms at 0.4 LU per farm ha for organic, 0.3 for conventional. Annual labour units per farm were higher on both organic samples in 2007/08, with 3.1ALU/farm compared with 1.8 and 2.2 for conventional identical and full samples respectively.

**Table 5 Summary data for cropping farms (£/ha), 2006/07 and 2007/08**

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>
Sample number	12	106	12	106	17	137	22	174
Average farm size (UAA)	170.3	154.9	168.4	156.0	181.8	154.5	196.2	179.5
Business Size (ESU)	90.2	93.7	96.3	94.3	92.1	92.6	106.9	107.5
	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>
Livestock outputs	184	103	197	112	175	115	200	140
Cropping outputs	581	470	673	633	481	492	514	645
Protein/energy support	1	1	1	1	1	1	1	1
Miscellaneous	203	151	174	134	173	204	178	132
Agri-env. payments	116	42	132	52	112	45	119	45
Subsidies/Single Payment	210	203	202	190	206	191	194	192
<b>TOTAL OUTPUTS</b>	<b>1293</b>	<b>970</b>	<b>1379</b>	<b>1122</b>	<b>1147</b>	<b>1048</b>	<b>1205</b>	<b>1156</b>
Livestock inputs	82	57	91	65	76	65	104	77
Crop inputs	111	191	113	209	89	203	86	207
Labour	186	107	205	101	140	105	186	128
Machinery	287	204	276	229	244	215	247	239
General	101	85	99	93	91	97	92	90
Land & rent	279	229	250	211	233	218	249	217
<b>TOTAL INPUTS</b>	<b>1045</b>	<b>873</b>	<b>1034</b>	<b>908</b>	<b>872</b>	<b>903</b>	<b>965</b>	<b>957</b>
<b>Net Farm Income</b>	<b>248</b>	<b>97</b>	<b>345</b>	<b>215</b>	<b>275</b>	<b>145</b>	<b>241</b>	<b>199</b>
<b>Farm Business Income</b>	<b>280</b>	<b>221</b>	<b>410</b>	<b>343</b>	<b>285</b>	<b>218</b>	<b>313</b>	<b>305</b>

Total outputs for the identical sample of organic farms increased by 7% to £1379/ha, conventional farms rising by 16% to £1122/ha in 2007/08, still 19% lower than the organic farms.

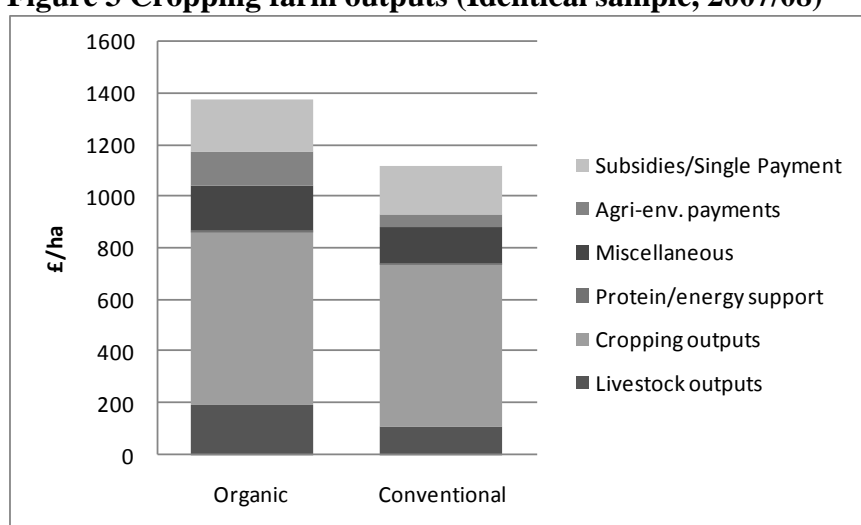
Cropping outputs for the identical sample of organic farms increased by 16% to £673/ha in 2007/08. Wheat yields on these farms decreased by 20% to 3.3t/ha though the average wheat price received rose dramatically by 38% to £253/t. The area of other cereals increased by 24% whilst pea/bean

growing areas fell by 26% to only 11% of the total cropping area. Cropping output was approximately 49% of total outputs for organic and 56% for conventional.

For the full sample of conventional farms, cropping output similarly increased by 7% to £514/ha in 2007/08. Wheat yields were also lower within the full sample, barley lower but only by 16% to 3.2t/ha. Conversely, cereal prices rose rapidly, barley rising a significant 72% to £263/t, and supporting cropping output as yields fell. Potato yields were similar, prices rising by a third to £326/t. Conventional prices also increased steeply, increasing around 72% to £148/t for wheat.

Overall, highlighted in Figure 3, the organic farm samples continued to achieve considerably higher outputs for livestock and environmental payments with other output categories being similar to conventional. Livestock outputs represented approximately 17% and 12% of total output in both years for the organic and the conventional farms, respectively. Environmental payments represented approximately 10% of total output at £119/ha for the organic farms compared with 4% (£45/ha) for the conventional farms in 2007/08.

**Figure 3 Cropping farm outputs (Identical sample, 2007/08)**



The organic identical sample crop input costs remained similar at £113/ha in 2007/08, while fixed costs fell by 3% to £830/ha. The conventional sample crop input costs increased by 9% to £209/ha, nearly double the organic cost. However, conventional fixed costs were 31% lower at £634/ha, despite a 1% increase in 2007/08. Organic labour and machinery costs were much higher than conventional, increasing by around 10%. Livestock costs increased by 11% and 14% for identical organic and conventional samples, respectively. Total inputs for the identical organic sample fell slightly to £1034/ha, and the conventional rose by 4% to £908/ha.

Identical sample organic net farm income (NFI) increased by nearly 40% to £345/ha in 2007/08, and by more than double for the comparable conventional farms to £215/ha, resulting in a smaller gap between the two systems, but organic farms still maintaining a significant margin. Farm Business Income increased for both sectors, with the identical sample still showing a clear organic advantage, the full sample showing similar results for both sectors in 2007/08 at £313/ha and £305/ha for organic and conventional respectively. The organic full sample NFI decreased by 12% to £241/ha, around 21% ahead of the 37% improved conventional sample at £199/ha.

The return on tenant's capital for the identical sample of organic farms climbed from 16% for 2006/07 to 26% in 2007/08. On the conventional farms, this value was 1% in the previous year, increasing to 13%. Returns to total labour units for the identical samples were £26,509 for organic and £22,392 for conventional farms based on NFI and labour calculations in 2007/08.

### 3.4 Horticulture

For detailed results see Appendix 1, Table A2, page 60.

Whole-farm financial data were obtained from eight organic horticultural farms. Although not possible to produce an identical sample, a full sample with clustered conventional data is shown for 2006/07 as well as 2007/08. Only half of the farms in the sample appear in both years' results so caution should be taken when comparing between years. The sample includes three specialist fruit, three specialist glass and two other type horticultural holdings.

The sample shows a higher level of horticultural crop area in the 2007/08 sample (15.4ha compared with 4.6ha in 2006/07), with a smaller area of grassland and fallow land. Although similar in total land area, the ESU size varies between years, reflecting the 2007/08 sample consisting of smaller, less intensive businesses. With less grass area in the 2007/08 sample the number of livestock kept on the farms has reduced from 0.5 LU in 2006/07 to 0.2 LU per farm in 2007/08. There is a reduction in annual labour units (ALU) between samples, being lower at 4.1 ALU/farm in 2007/08 compared with 6.6 ALU/farm in 2006/07.

NFI for the 2007/08 sample was 69% higher at £2662/ha, 15% ahead of the conventional NFI of £2261/ha. Total farm output was lower at £14,520/ha in 2007/08, mainly due to lower cropping output, but total expenses (including notional inputs) were also lower at £11,859/ha. Organic costs and in particular crop input and labour costs were significantly lower than the comparable conventional farms.

**Table 6 Summary data for horticulture businesses (£/farm and £/ha), 2006/07 and 2007/08**

Financial Year Data	<i>Full sample</i>			
	2006/07		2007/08	
	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>
Sample number	8	31	8	30
Average farm size (UAA)	22.8	13.9	19.0	18.3
Business Size (ESU)	264.1	277.0	186.0	189.5
	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>
Livestock outputs	383	150	35	30
Cropping outputs	13596	28018	12912	15641
Protein/energy support	0	0	0	0
Miscellaneous	1288	4553	1438	2671
Agri-env. payments	21	63	112	36
Subsidies/Single Payment	65	37	22	41
<b>TOTAL OUTPUTS</b>	<b>15353</b>	<b>32820</b>	<b>14520</b>	<b>18420</b>
Livestock inputs	299	66	28	27
Crop inputs	5244	15789	5787	7890
Labour	3967	7409	2516	4894
Machinery	1172	2057	2000	1186
General	2071	2795	854	1344
Land & rent	1029	1301	672	817
<b>TOTAL INPUTS</b>	<b>13782</b>	<b>29418</b>	<b>11859</b>	<b>16158</b>
<b>Net Farm Income</b>	<b>1571</b>	<b>3403</b>	<b>2662</b>	<b>2261</b>
<b>Farm Business Income</b>	<b>1516</b>	<b>3456</b>	<b>2592</b>	<b>2458</b>

### 3.5 Poultry farms

For detailed results see Appendix 1, Table A3, page 64.

Whole-farm financial data were obtained from five organic poultry farms, two egg producers and three broiler units. To ensure comparability the organic layer and broiler farms are only matched to similar conventional producers, due to the different nature of poultry businesses. Although not possible to produce an identical sample, a full sample with clustered conventional data is shown for 2007/08, and it is hoped that this can be expanded upon in 2008/09.

The sample shows that the organic units are slightly larger both in terms of area (UAA) and business size (ESU). The organic units have around 80% of their effective area as forage, the conventional units only 40%. The number of livestock kept on the organic farms is higher at 3.1 LU/ha overall, with 9% more poultry at 19,560 average number, though GLU/forage ha is considerably lower at 3.8 compared to 7.2, reflecting the greater area used for organic poultry production. Cropping area is less on organic units, though peas/beans are grown for protein, a major organic cost if purchased. Labour use is slightly higher on organic units, at 1.9 ALU/farm compared with 1.6 ALU/farm on the conventional farms.

The organic NFI was only 47% of the conventional at £607/ha, though FBI was much closer, at only 15% difference. Total farm output was similar for both farming systems, but organic total expenses (including notional inputs) were 11% higher at £4236/ha. Organic livestock costs, labour and land & rent were higher, though machinery was lower than the conventional farms.

**Table 7 Summary data for poultry farms (£/ha), 2007/08**

Financial Year Data	<i>Full sample</i>	
	2007/08	
	<b>Org</b>	<b>Conv.</b>
Sample number	5	17
Average farm size (UAA)	33.8	26.1
Business Size (ESU)	48.5	43.2
	<b>£/ha</b>	<b>£/ha</b>
Livestock outputs	4357	4368
Cropping outputs	125	197
Protein/energy support	1	0
Miscellaneous	39	227
Agri-env. payments	150	201
Subsidies/Single Payment	171	120
<b>TOTAL OUTPUTS</b>	<b>4843</b>	<b>5114</b>
Livestock inputs	1743	1215
Crop inputs	23	172
Labour	555	366
Machinery	371	801
General	432	573
Land & rent	1112	694
<b>TOTAL INPUTS</b>	<b>4236</b>	<b>3821</b>
<b>Net Farm Income</b>	<b>607</b>	<b>1293</b>
<b>Farm Business Income</b>	<b>1112</b>	<b>1310</b>

### 3.6 LFA dairy farms

For detailed results see Appendix 1, Table A4, page 68.

Six organic farms were suitable for the LFA dairy identical farm analysis where three farms were located in North-West England, one in East Midlands and two in Wales. In total, the full sample of LFA organic dairy farms amounted to the same six farms as the identical sample in 2007/08.

Average farm size in the organic sample was approximately 9% higher, whilst business size is some 4% lower, than for the conventional farms in 2007/08. Labour was higher for both organic samples in both years at 2.5 ALU/farm, conventional at around 2.0 ALU/farm. Organic stocking rates increased slightly to 1.4 GLU/effective forage ha, equivalent to 88% of the conventional level of 1.6 GLU/effective forage ha.

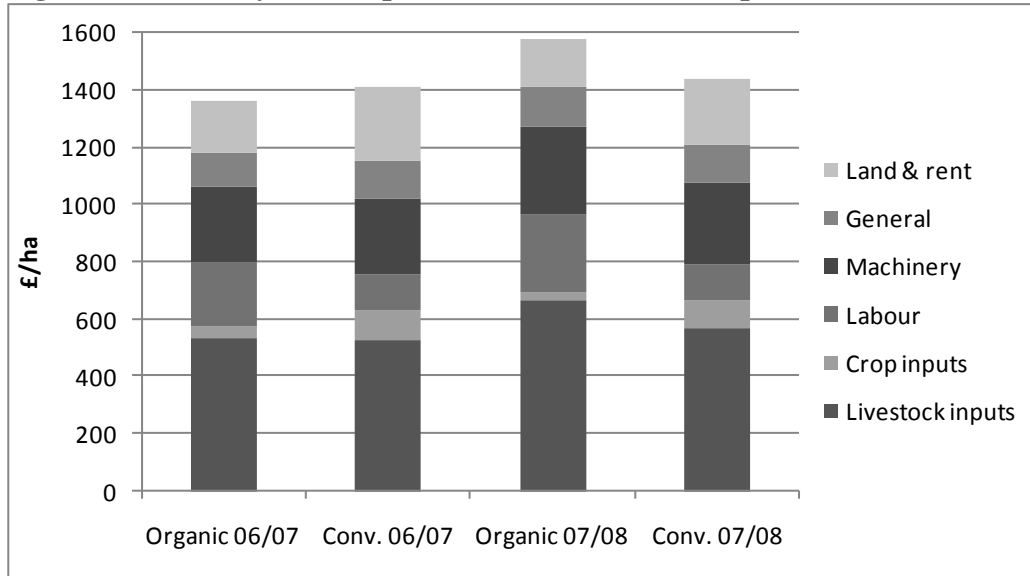
Organic livestock outputs increased by over 20% to £1,675/ha as both milk yield and price improved to 5,782 litres/cow and 29 pence per litre respectively in 2007/08. Conventional livestock output also improved, due to a milk price increase to 20 pence per litre, though milk yield decreased slightly to 5,709 litres per cow. Total outputs rose by 18% to £1,961/ha for the organic farms in 2007/08 and increased by 7% for the conventional farms to £1,676/ha.

**Table 8 Summary data for LFA dairy farms (£/ha), 2006/07 and 2007/08**

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>
Sample number	6	24	6	24	7	49	6	25
Average farm size (UAA)	89.8	79.7	87.2	80.7	83.5	76.9	87.2	80.8
Business Size (ESU)	78.1	84.5	81.2	84.3	71.9	75.9	81.2	83.5
	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>
Livestock outputs	1392	1270	1675	1407	1346	1076	1675	1396
Cropping outputs	3	9	29	9	3	24	29	9
Protein/energy support	0	0	0	0	0	0	0	0
Miscellaneous	54	64	28	33	75	127	28	31
Agri-env. payments	89	40	78	37	104	47	78	36
Subsidies/Single Payment	123	188	151	191	123	186	151	189
<b>TOTAL OUTPUTS</b>	<b>1660</b>	<b>1571</b>	<b>1961</b>	<b>1676</b>	<b>1650</b>	<b>1460</b>	<b>1961</b>	<b>1661</b>
Livestock inputs	536	529	666	573	529	449	666	566
Crop inputs	39	102	31	96	39	87	31	97
Labour	222	129	269	126	206	94	269	125
Machinery	270	260	306	285	267	265	306	282
General	114	132	137	134	116	123	137	133
Land & rent	182	261	172	229	189	295	172	228
<b>TOTAL INPUTS</b>	<b>1363</b>	<b>1413</b>	<b>1582</b>	<b>1443</b>	<b>1346</b>	<b>1312</b>	<b>1582</b>	<b>1430</b>
<b>Net Farm Income</b>	<b>297</b>	<b>157</b>	<b>380</b>	<b>234</b>	<b>304</b>	<b>147</b>	<b>380</b>	<b>231</b>
<b>Farm Business Income</b>	<b>513</b>	<b>214</b>	<b>655</b>	<b>274</b>	<b>511</b>	<b>228</b>	<b>655</b>	<b>273</b>

Input costs (shown in Figure 4), increased by 16% for organic farms, but only by 2% for conventional farms. It can be seen that livestock inputs saw the greatest increase, largely due to feed costs. Organic labour costs continued to remain much higher than conventional, increasing by 20% in the year, taking total organic input costs to £139/ha greater than conventional.

**Figure 4 LFA dairy farm input sources (Identical sample, 2006/07 and 2007/08)**



Net farm income (NFI) for the organic farm sample increased by 28% to £380/ha, whilst the conventional identical sample also improved, by a significant 49% to £234/ha. Therefore the organic sample still remains far more financially competitive, but this is entirely due to a higher milk price, and organic costs remain significantly greater. . The organic FBI had improved to £655/ha in 2007/08, nearly 2.4 times higher than the conventional at £274/ha.

The return on tenant’s capital for the identical sample of organic farms rose significantly from 11% for 2006/07 to 16% for 2007/08. For the conventional farms, this value was -6% in the previous year, increasing to 2% for 2007/08. Returns to total labour units used for the identical samples were £18,840 for the organic farms and £10,075 for the conventional farms based on NFI and labour calculations in 2007/08.

The full sample of farms for 2007/08 indicated a very similar relationship to the identical farm sample NFI, due to the organic sample being identical and the conventional sample very similar.

### 3.7 Lowland dairy farms

For detailed results see Appendix 1, Table A5, page 76.

Data from twenty three organic lowland dairy farms have been used for the two year comparison of identical farms where one farm was in Northern-East England, three in the North-West, three in East Midlands, two in the East, six in South-East, five in the South-West and three in Wales. In total, the full sample of lowland organic dairy farms amounted to thirty three farms in 2007/08.

Average farm size and business size for the identical organic sample were approximately 11% and 4% higher respectively than for the conventional farms in 2007/08, growing by 2% and 4% since 2006/07. The average herd size on the organic farms increased slightly from 122 to 127 cows, the identical conventional farms increasing slightly to 110 cows. Annual labour units utilised were almost identical in both years and between samples, while the organic stocking rate at 1.5LU per effective hectare was equivalent to 94% of the conventional farms. The conventional units did have a higher forage stocking rate of 1.8GLU/eff. forage ha, organic at 1.5GLU/eff. forage ha, mainly due to a larger conventional cropping area, though if this feed is home-fed the overall stocking rate is very similar.

**Table 9 Summary data for lowland dairy farms (£/ha), 2006/07 and 2007/08**

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>
Sample number	23	113	23	113	29	184	33	219
Average farm size (UAA)	118.1	107.4	120.5	109.0	127.4	116.1	125.4	114.0
Business Size (ESU)	137.6	134.0	142.6	137.3	154.6	138.4	148.7	144.3
	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>
Livestock outputs	1798	1520	2068	1874	1741	1390	2049	1917
Cropping outputs	31	108	67	164	43	142	69	170
Protein/energy support	0	0	0	0	0	0	0	0
Miscellaneous	143	135	122	96	133	179	98	84
Agri-env. payments	71	22	65	24	74	22	75	26
Subsidies/Single Payment	197	213	191	200	210	214	193	210
<b>TOTAL OUTPUTS</b>	<b>2241</b>	<b>1999</b>	<b>2513</b>	<b>2357</b>	<b>2201</b>	<b>1947</b>	<b>2484</b>	<b>2408</b>
Livestock inputs	654	644	806	739	657	581	833	768
Crop inputs	40	140	37	152	38	138	40	153
Labour	253	233	271	244	244	252	274	264
Machinery	326	347	348	383	335	343	370	386
General	165	159	178	166	166	156	171	163
Land & rent	315	268	294	255	300	287	286	272
<b>TOTAL INPUTS</b>	<b>1754</b>	<b>1790</b>	<b>1934</b>	<b>1938</b>	<b>1740</b>	<b>1756</b>	<b>1974</b>	<b>2007</b>
<b>Net Farm Income</b>	<b>487</b>	<b>209</b>	<b>580</b>	<b>419</b>	<b>461</b>	<b>191</b>	<b>510</b>	<b>401</b>
<b>Farm Business Income</b>	<b>551</b>	<b>278</b>	<b>640</b>	<b>495</b>	<b>484</b>	<b>253</b>	<b>538</b>	<b>491</b>

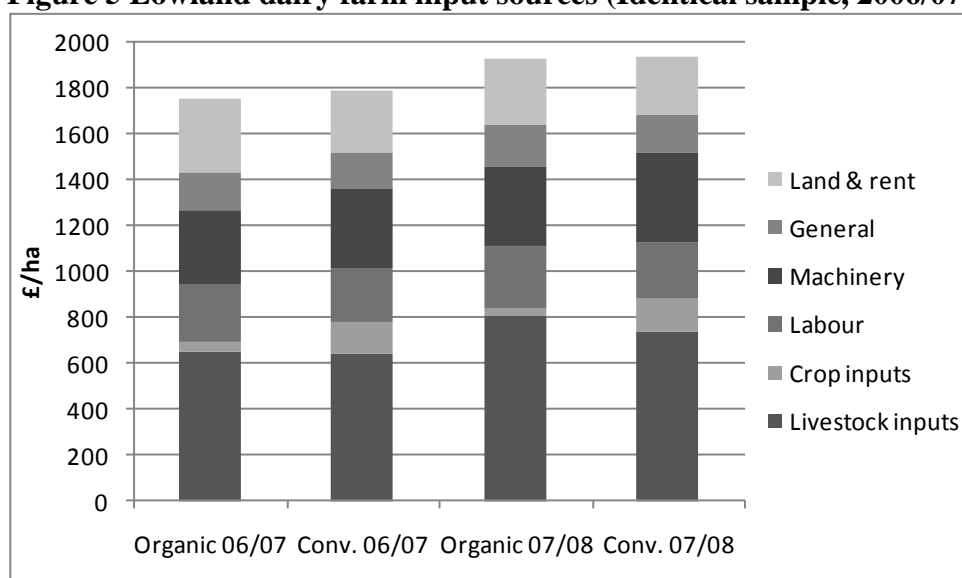
Livestock output increased by 15% in 2007/08 for the identical organic farms, with output from milk production increasing due to a 5% increase in milk yield to 6062 litres per cow and due to a 3.1ppl increase to 29ppl in the milk price received. Livestock output rose by 23% for the conventional farms in 2007/08, though the average milk yield per cow fell to 6713, but the milk price received rose to 21.4ppl. Conventional farm crop output was greater than on the organic farms, mainly due to differences in cropping area, which averaged around 3 times the organic area.



Other revenue sources were similar for both samples, though organic farms received almost double the level of agri-environmental payments. Overall, total outputs increased by 12% for the organic farms to £2,513/ha and by 18% for the conventional farms to £2,357/ha.

The level of input costs continued to increase for virtually all inputs, for all samples. Identical sample organic livestock inputs increased by 23%, conventional by 15%, reflecting the large increase in feed costs during the year. Crop inputs actually fell within the organic sample but continued to rise on conventional farms, reflecting in part the lower use of fertilisers and sprays by the organic businesses. Labour remained slightly higher on organic farms, but other costs were very similar between samples. Overall, total inputs increased for the organic farm sample by 10% and for the conventional farms by 8%.

**Figure 5 Lowland dairy farm input sources (Identical sample, 2006/07 and 2007/08)**



Net farm income (NFI) for the identical organic sample improved by 19% in 2007/08 to £580/ha, while increasing by 100% to £419/ha for the conventional farms. The variation between organic and conventional profitability has closed considerably during 2007/08 (conventional at 72% of organic NFI in 2007/08, 42% in 2006/07), with the superior organic performance very dependant upon an organic milk premium. The organic identical sample FBI had increased to £640/ha in 2007/08, still 29% higher than the conventional at £495/ha.

The return on tenant's capital for the identical sample of organic farms rose significantly from 23% for 2006/07 to 33% for 2007/08. For the conventional farms, this value was 0% in the previous year, increasing to 18% for 2007/08. The full sample of farms for 2007/08 indicated a similar relationship to the identical farm sample NFI, organic at £510/ha, and conventional farms considerably improved at £410/ha. The return on tenant's capital was 31% for the organic full sample while the conventional farms returned 19% for this financial period. Returns to total labour units used for the identical samples were £28,421 for the organic farms and £18,928 for the conventional farms based on NFI and labour calculations in 2007/08.

### 3.8 LFA cattle and sheep farms

For detailed results see Appendix 1, Table A6, page 84.

Data from twenty seven organic LFA cattle and sheep farms have been used for the two-year comparison where seven farms were located in the North-East, one in North-West, one in East Midlands, one in South-West and seventeen in Wales. In the 2007/08 dataset, there were thirty seven organic LFA cattle and sheep farms in the full sample.

Comparing identical samples, average organic farm size was slightly larger than conventional, whilst business size was almost identical. Both organic and conventional farms carried around the same level of stock, with stocking at 0.9 LU/effective ha on both. Cattle represented 53% of the stock carried on the organic farms, compared with 40% 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 greater breeding ewe numbers than the organic farms. Annual labour units were similar for both organic and conventional farms at 1.7 and 1.8 ALU/farm respectively.

**Table 10 Summary data for LFA cattle and sheep farms (£/ha), 2006/07 and 2007/08**

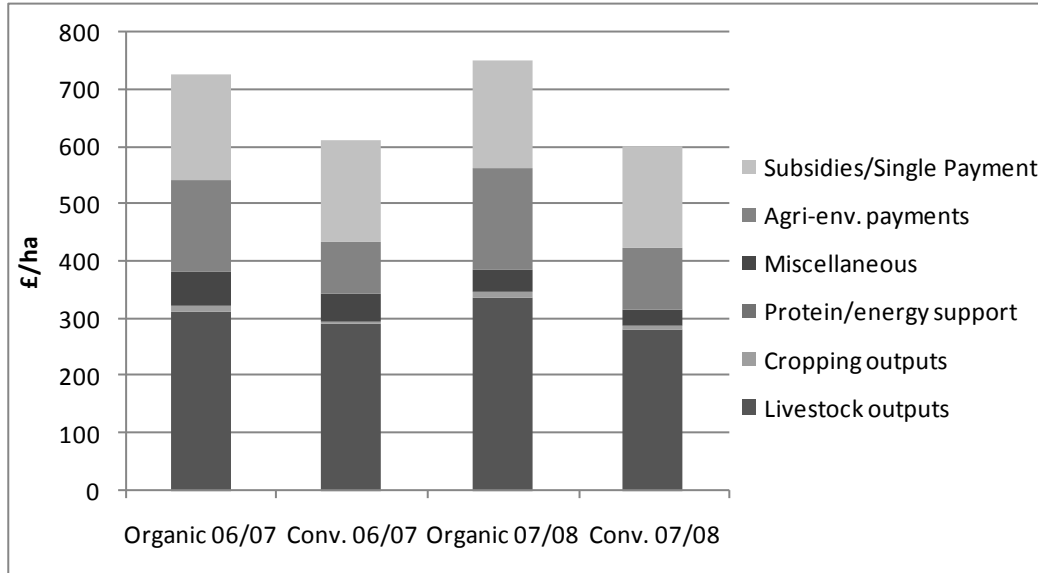
Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>
Sample number	27	193	27	193	34	236	37	248
Average farm size (UAA)	144.6	143.5	147.5	146.1	132.2	120.8	141.5	132.9
Business Size (ESU)	35.6	35.5	35.4	34.4	33.0	33.0	35.3	33.1
	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>
Livestock outputs	315	291	337	281	342	324	397	293
Cropping outputs	10	5	10	6	13	17	13	10
Protein/energy support	0	0	0	0	0	0	0	0
Miscellaneous	59	50	41	29	102	56	38	30
Agri-env. payments	158	88	176	109	145	87	167	103
Subsidies/Single Payment	187	178	188	177	179	194	187	188
<b>TOTAL OUTPUTS</b>	<b>728</b>	<b>612</b>	<b>752</b>	<b>602</b>	<b>780</b>	<b>679</b>	<b>802</b>	<b>624</b>
Livestock inputs	133	153	121	150	139	159	149	152
Crop inputs	18	33	19	35	17	42	18	35
Labour	86	54	84	54	75	56	71	53
Machinery	127	120	133	117	155	135	138	121
General	66	53	62	53	73	61	63	55
Land & rent	151	134	119	116	182	153	125	120
<b>TOTAL INPUTS</b>	<b>580</b>	<b>547</b>	<b>537</b>	<b>525</b>	<b>642</b>	<b>605</b>	<b>564</b>	<b>535</b>
<b>Net Farm Income</b>	<b>147</b>	<b>65</b>	<b>215</b>	<b>77</b>	<b>138</b>	<b>73</b>	<b>238</b>	<b>88</b>
<b>Farm Business Income</b>	<b>199</b>	<b>118</b>	<b>256</b>	<b>132</b>	<b>179</b>	<b>134</b>	<b>276</b>	<b>145</b>

In 2007/08, total outputs were higher for the identical sample of organic farms than for the conventional farms, due to higher livestock outputs and superior agri-environmental payments. From 2006/07 to 2007/08, the organic farm output increased around 3% to £752/ha, while total outputs for the conventional farms decreased by 2% to £602/ha. Organic livestock outputs were 7% higher while conventional livestock output decreased by 3%. Cattle prices were higher than the previous year, with finished organic cattle prices around 22% higher than conventional (see

Appendix 1, Table A5.4, pages 90-91), but sheep prices fell considerably for the conventional sector.

Other output differences included higher agri-environmental payments received by the organic farms, which accounted for £176/ha (23% of total output) in 2007/08, up from 21% in 2006/07, compared with only £109/ha (18% of total output, up by 4%) for the conventional farms. Overall, Figure 6 shows that support payments made up 48% of both organic and conventional farm income in 2007/08, up from 47% and 43% respectively in 2006/07.

**Figure 6 LFA cattle and sheep farm outputs (Identical sample, 2006/07 and 2007/08)**



Total input costs were lower for both types, down 7% for organic and 4% for conventional between years. Most individual costs remained at similar levels, organic farms making savings with livestock and land costs, conventional reducing land and rent costs. Crop inputs on the conventional farms remained significantly higher than on the organic farms, reflecting in part the lower use of fertilisers and sprays by the organic businesses.

In 2007/08 organic identical sample NFI increased by 46% to £215/ha, while conventional NFI remained similar at £77/ha. The rise is due to increases in output in all sectors compared to the previous year. Farm business income (FBI) showed a similar trend, with organic rising to £256/ha and conventional remaining similar at £132/ha, around 50% of the organic level. The return on tenant’s capital was 13% for the organic samples, but negative in both years for the conventional samples. In 2007/08, the returns to total labour units were £20,003/ALU on the organic farms and £6,776/ALU for the conventional farms based on NFI and labour calculations.

Comparing the full sample data, organic NFI was 72% higher at £238/ha and conventional NFI 21% higher at £88/ha in 2007/08 compared with 2006/07. The organic farm FBI continued to improve further over the conventional figure in 2007/08.

### 3.9 Lowland cattle and sheep farms

For detailed results see Appendix 1, Table A7, page 92.

Data from twenty six organic lowland cattle and sheep farms have been used for the two-year comparison where one farm was located in the North-East, three in East Midlands, one in West Midlands, four in the East, four in South-East, nine in South-West and four in Wales. In the 2007/08 dataset, there were thirty one organic LFA cattle and sheep farms in the full sample.

Comparing the two identical samples, average farm size was 12% greater for the organic farms compared to the conventional farms and business size was almost identical, organic farms reducing by 8% in the year. Stocking rates are very similar, organic at 0.8LU/eff. ha, conventional at 0.9LU/eff. ha, both reduced slightly from 2006/07. The proportion of organic cattle and sheep at 69:31 is slightly higher when compared to the conventional farms where the proportion of cattle and sheep is 65:35, both virtually unchanged since 2006/07. Annual labour use was similar at 1.5 ALU/farm for the organic and 1.4 ALU/farm for the conventional farms.

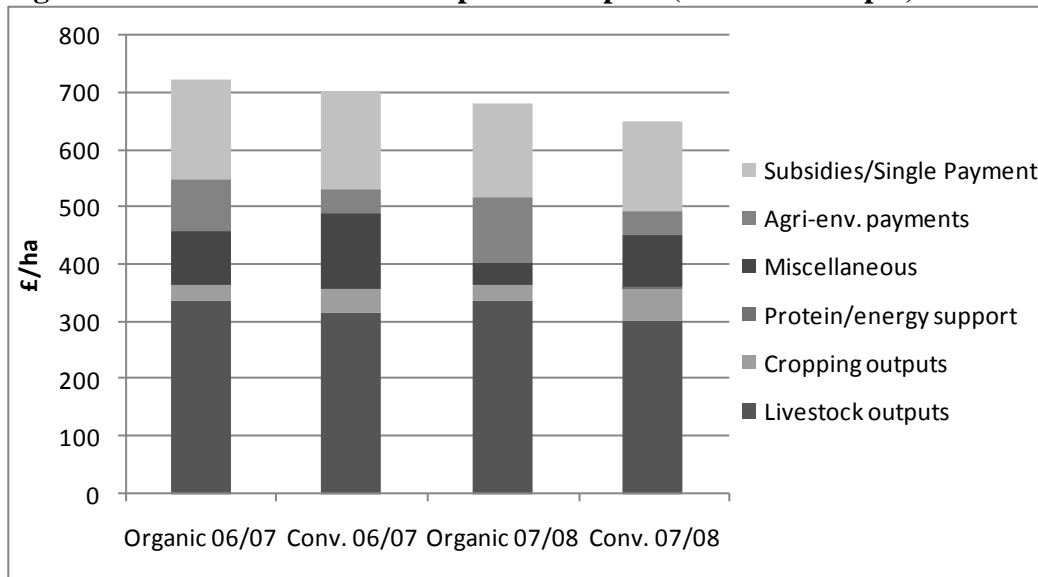
**Table 11 Summary data for lowland cattle and sheep farms (£/ha), 2006/07 and 2007/08**

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>
Sample number	26	165	26	165	30	210	31	205
Average farm size (UAA)	95.9	86.6	99.0	87.5	88.2	82.6	106.8	95.0
Business Size (ESU)	24.7	22.6	22.7	22.1	23.8	23.3	26.8	25.7
	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>
Livestock outputs	339	317	338	304	349	346	359	322
Cropping outputs	26	42	26	57	30	55	37	74
Protein/energy support	0	0	0	0	0	0	0	0
Miscellaneous	93	131	39	91	105	143	42	90
Agri-env. payments	93	42	116	42	90	51	118	38
Subsidies/Single Payment	174	168	164	158	174	179	173	164
<b>TOTAL OUTPUTS</b>	<b>725</b>	<b>701</b>	<b>683</b>	<b>652</b>	<b>748</b>	<b>774</b>	<b>729</b>	<b>687</b>
Livestock inputs	123	123	112	126	126	145	113	138
Crop inputs	14	37	13	37	12	40	16	46
Labour	72	60	71	53	76	63	73	66
Machinery	159	157	165	157	172	154	167	161
General	88	77	81	84	88	84	83	85
Land & rent	197	193	162	154	203	201	162	157
<b>TOTAL INPUTS</b>	<b>653</b>	<b>646</b>	<b>605</b>	<b>611</b>	<b>677</b>	<b>688</b>	<b>613</b>	<b>653</b>
<b>Net Farm Income</b>	<b>72</b>	<b>55</b>	<b>79</b>	<b>40</b>	<b>71</b>	<b>85</b>	<b>115</b>	<b>34</b>
<b>Farm Business Income</b>	<b>128</b>	<b>120</b>	<b>148</b>	<b>100</b>	<b>139</b>	<b>152</b>	<b>176</b>	<b>106</b>

Total output decreased for both sectors (see Figure 7), identical sample organic reduced by 6% to £683/ha, identical conventional by 7% to £652/ha. Livestock outputs remained almost identical for organic farms, and fell slightly for conventional units. Prices increased 12% for finished cattle, but fell for store cattle and finished lambs. Conventional livestock prices saw increased cattle prices, but a decrease in sheep prices. Overall, organic finished stock continued to make higher prices than the conventional livestock for both years, a premium of 30% for cattle, 23% for lamb (see Appendix 1, Table A7.4, pages 98-99).

The organic farms continued to receive higher agri-environmental payments representing 17% (£116/ha) of total organic output, and 6% (£42/ha) of conventional total output in 2007/08.

**Figure 7 Lowland cattle and sheep farm outputs (Identical sample, 2006/07 and 2007/08)**



Input costs were lower in 2007/08 compared to the previous year for both sectors and samples. Overall organic inputs fell by 7% to £605/ha, conventional by 5% to £611/ha. Crop inputs on the conventional farms remained significantly higher than on the organic farms, reflecting in part the lower use of fertilisers and sprays by the organic businesses, and lower cropping areas.

Overall, identical sample organic net farm income (NFI) increased by 10% to £79/ha, and conventional NFI fell by 27% to £40/ha in 2007/08. FBI increased to £148/ha for the organic farms, and fell to £100/ha for conventional. In terms of returns on tenant's capital, the organic farms showed a negative return of -9%, improving slightly from 11% in 2006/07, while the conventional farms showed a return of -15%, falling from -14% for 2006/07. Returns to total labour units used for the identical samples were £6,607/ALU for the organic farms and £2,377/ALU for the conventional farms.

A comparison between the 2006/07 and the 2007/08 full sample datasets indicate that organic NFI has improved to a greater extent to £115/ha and conventional NFI is 60% lower at £34/ha. The FBI difference is less stark, the organic figure 66% higher at £176/ha, with conventional at £106/ha.

### 3.10 Mixed farms

For detailed results see Appendix 1, Table A8, page 100.

In total, there were ten mixed organic farms in the two year farm comparison. One farm was classified as cropping and dairy, the remaining were all cropping, cattle and sheep farm types. The two year comparison of identical farms comprised one farm was in Northern-East England, three in East Midlands, one in the East, two in South-East and three in Wales. The full sample comprises thirteen mixed farms, (one cropping and dairy, ten cropping, cattle and sheep and two cropping, pigs and poultry type farms).

Average farm size was slightly greater for the identical organic farms with similar business size, all higher than in 2006/07. Land utilisation was similar between the organic and conventional farms with around 28% of land down as crops, though organic farms had a higher percentage as peas/beans (15%). Stocking rates were also similar, organic farms stocked at 0.6 LU/ha and the conventional farms at 0.7 LU/ha, the organic farms only carrying the equivalent of 91% of the stock carried by the conventional farms. Cattle represented 84% of stock on the organic farms compared to 69% on the conventional farms. Sheep in general made up the remaining livestock carried. Labour use was similar on the farms at 2.1 and 2.2 labour units for the organic and conventional farms, respectively.

**Table 12 Summary data for mixed farms (£/ha), 2006/07 and 2007/08**

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>	<b>Org</b>	<b>Conv.</b>
Sample number	10	46	10	46	12	72	13	59
Average farm size (UAA)	164.8	156.4	168.6	163.0	152.7	140.8	157.0	148.0
Business Size (ESU)	70.3	67.8	71.5	70.0	81.1	79.2	72.4	70.1
	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>
Livestock outputs	317	333	365	334	488	426	486	407
Cropping outputs	269	216	263	309	306	257	259	336
Protein/energy support	0	0	2	0	0	0	2	0
Miscellaneous	62	126	52	86	76	142	52	85
Agri-env. payments	78	51	78	51	67	47	101	50
Subsidies/Single Payment	191	209	180	187	209	190	175	185
<b>TOTAL OUTPUTS</b>	<b>918</b>	<b>935</b>	<b>940</b>	<b>968</b>	<b>1145</b>	<b>1063</b>	<b>1074</b>	<b>1064</b>
Livestock inputs	118	140	154	165	157	204	167	216
Crop inputs	48	106	55	100	49	125	56	112
Labour	99	98	112	104	136	127	137	114
Machinery	179	177	186	190	198	220	195	210
General	72	83	66	81	79	96	74	96
Land & rent	167	208	155	177	191	231	180	184
<b>TOTAL INPUTS</b>	<b>683</b>	<b>812</b>	<b>729</b>	<b>817</b>	<b>810</b>	<b>1002</b>	<b>809</b>	<b>932</b>
<b>Net Farm Income</b>	<b>235</b>	<b>123</b>	<b>211</b>	<b>151</b>	<b>335</b>	<b>60</b>	<b>265</b>	<b>132</b>
<b>Farm Business Income</b>	<b>253</b>	<b>198</b>	<b>221</b>	<b>229</b>	<b>356</b>	<b>136</b>	<b>297</b>	<b>219</b>

Livestock output represented 39% of total output with cropping-associated outputs representing around 28% in the organic sample, with little difference in the conventional group. Output generated from agri-environmental payments differed more markedly between samples with the

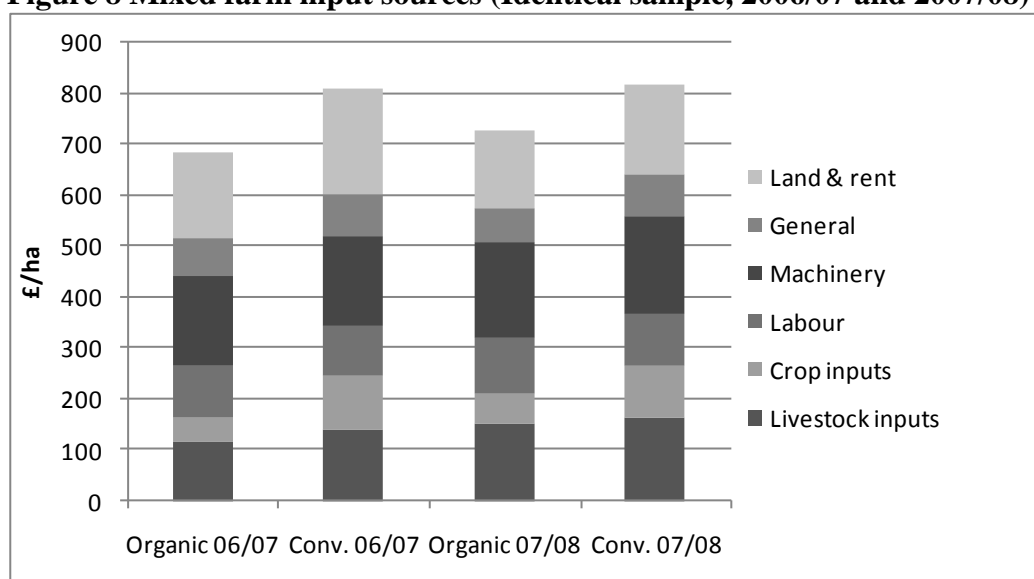
organic farms deriving 8% (£78/ha) of output from this revenue source in both years. Conventional farms agri-environmental payments represented around 5% of total output in 2007/08 at £51/ha.

Livestock outputs on the organic farms increased by 15% to £365/ha in 2007/08, while staying at £334/ha on the conventional farms. Organic finished cattle prices were significantly higher than conventional at £921/head; organic lambs at £58/head, organic cattle prices rising 23% in the year, lamb prices almost identical.

Cropping output fell slightly on the identical organic farms in 2007/08, to £263/ha (-2%), while conventional output increased by 43% to £309/ha. Cropping output from the organic farms was on average 15% lower than the conventional farms and land utilised for arable cropping on the organic farms was the equivalent of 105% of the conventional cropping area. In 2007/08 the organic average wheat crop yielded 3.4t/ha, down around 15% on 2006/07, and at 54% of the conventional yield, but at £258/tonne achieved a 73% premium for the crop above conventional prices. Prices for both organic and conventional wheat increased dramatically in 2007/08, organic by 34%, conventional by 73%, leading to a far greater cropping output..

Inputs associated with livestock production increased significantly for both the organic and conventional farms (see Figure 8), while crop inputs remained stable. Most fixed costs including labour, general, land and rent costs remained similar for the identical farm samples. Total inputs increased in 2007/08 by 7% to £729/ha on the organic farms and increased marginally to £817/ha on the conventional farms.

**Figure 8 Mixed farm input sources (Identical sample, 2006/07 and 2007/08)**



Overall, organic net farm income (NFI) of £211/ha was 10% lower for the identical organic farms in 2007/08, but still 40% higher than for the conventional farms at £151/ha. The return on tenant’s capital reduced to 12% for organic and increased to 3% for conventional identical samples. Returns to total labour used were £20,675 for the organic farms and £14,393 for the conventional farms in 2007/08 based on NFI and labour calculations. Farm Business Income (FBI) was similar for both sectors, conventional slightly ahead of organic at £229/ha and £221/ha respectively.

A comparison between the full datasets in 2006/07 and 2007/08 indicates that NFI decreased by 21% for the organic farms to £265/ha, while, NFI increased on the conventional farms by 120% to £322/ha. FBI for the full data set shows a clear advantage for organic farms at £297/ha.

## **4. Enterprise gross and net margins**

Tables 13 to 17 show gross margin results for selected organic livestock and crop enterprises for 2007/08 and 2006/07. Where possible comparative conventional data for is also shown. (Data is only identically matched over two years for dairy production in Table 14. Gross margin figures are for certified organic enterprises, but may include some livestock/crops sold at conventional prices. 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 as 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 home-grown feed is used.

Estimated net margins including allocated fixed and imputed costs are also shown. These costs are allocated pro rata based on the number of livestock units (LU) 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 13, comprises a sample of 38 organic dairy enterprises, and 126 conventional enterprises (from clustered conventional farms within whole farm analysis). Table 14 presents an identical sample of 27 organic and 104 conventional dairy net margins over two years. The organic farms achieved over 10% higher output, mainly due to a higher milk price, and despite a 17% lower milk yield than conventional. Some organic costs were higher, notably feed and labour, while forage was much lower, with total costs (including imputed) only 6% higher. Overall, the full sample dairy net margin figures showed a higher organic gross margin of £1,022/cow, and an overall net margin over all costs of £64/cow, better than the £-26/cow achieved by the comparable conventional units. The identical sample of 27 organic and 104 conventional farms showed that over two years organic output increased by 12%, but total costs rose by 11%, the organic sample achieving a net margin over all costs (including imputed) of £74/cow, conventional at £-21/cow in 2007/08.

Table 15 shows organic cattle net margin data, output increasing by around 20%, but costs also increasing leading to a limited overall increase of 3%, however this is still significantly greater than conventional figures. The organic sheep net margin data in Table 16 highlights a 3% fall in output, but also a reduction in costs, resulting in a 40% increased margin, maintaining dominance over conventional figures. Both cattle and sheep margin data highlights the high costs of production compared to the price achieved for stock, and therefore reliance on support payments for whole farm profitability.

Table 17 presents crop gross and net margin data. Organic crop gross and net margins were generally similar or slightly lower than in 2006/07, with yields typically 30% lower, though supported by strong price increases of up to 70%, organic barley and wheat typically sold for around £250/t. Typically, organic gross margins are superior to conventional, though net margins were more variable, (mainly due to higher organic fixed costs in many cases), organic wheat and barley lower, but triticale, peas and potatoes very similar.. The small sample of horticultural net margins highlight high costs and high returns, showing a net return of £813/ha for field vegetables, and £8181/ha for protected crops.



**Table 13 Organic dairy gross and net margins (£/cow), 2007/08 (non-organic for comparison)**

Herd characteristics	<100 cows		>100 cows		North Eng		Central Eng		SWest Eng		Wales		Top 5*		All herds		Non-org**	
	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08
Number of herds	19	19	19	8	5	20	5	5	20	5	5	5	5	5	38	38	126	126
Average farm area - actual ha	74	180	180	90	143	143	143	143	143	103	103	103	89	89	127	127	113	113
-effective ha	70	174	174	82	138	140	144	144	144	98	98	152	85	85	122	122	108	108
Average size of the farm business (ESU)	75	196	196	99	143	144	125	125	125	144	144	144	115	115	136	136	137	137
Average size of herd (dairy cows)	66	170	170	81	122	122	125	125	125	144	144	103	103	103	118	118	111	111
Average milk yield (litres per cow)	5613	5910	5910	5854	5470	5801	5801	5801	5801	5744	5744	7083	7083	7083	5887	5887	7054	7054
Implied milk price (ppl)	29.4	29.3	29.3	29.7	29.5	29.4	29.4	29.4	29.4	28.6	28.6	29.2	29.2	29.2	29.4	29.4	21.3	21.3
<b>Enterprise output (£ per cow)</b>																		
Milk disposals (1)	1680	1756	1756	1894	1595	1761	1761	1761	1761	1621	1621	2103	2103	2103	1735	1735	1528	1528
Calves - sales and transfers out	66	53	53	52	65	50	50	50	50	76	76	100	100	100	56	56	63	63
Bulls & cows - sales and transfers out	63	60	60	68	51	62	62	62	62	62	62	62	62	62	61	61	78	78
Net milk quota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valuation change	-9	-28	-28	62	-92	-40	-40	-40	-40	18	18	67	67	67	-23	-23	-11	-11
Less: purchases & transfers in	156	168	168	259	98	168	168	168	168	123	123	245	245	245	164	164	180	180
<b>Total enterprise output</b>	<b>1645</b>	<b>1673</b>	<b>1673</b>	<b>1816</b>	<b>1521</b>	<b>1664</b>	<b>1664</b>	<b>1664</b>	<b>1664</b>	<b>1655</b>	<b>1655</b>	<b>2087</b>	<b>2087</b>	<b>2087</b>	<b>1665</b>	<b>1665</b>	<b>1479</b>	<b>1479</b>
<b>Variable Costs (£ per cow)</b>																		
Concentrates	409	437	437	493	386	445	445	445	445	353	353	439	439	439	429	429	384	384
Purchased bulk feed	18	12	12	11	6	16	16	16	16	16	16	26	26	26	14	14	19	19
Stock keep	2	8	8	2	3	4	4	4	4	22	22	6	6	6	6	6	4	4
Veterinary & medicines	34	41	41	42	48	38	38	38	38	34	34	47	47	47	39	39	55	55
Other livestock costs - dairy	120	134	134	134	154	129	129	129	129	111	111	146	146	146	130	130	117	117
<b>Total variable costs</b>	<b>583</b>	<b>632</b>	<b>632</b>	<b>683</b>	<b>597</b>	<b>631</b>	<b>631</b>	<b>631</b>	<b>631</b>	<b>534</b>	<b>534</b>	<b>664</b>	<b>664</b>	<b>664</b>	<b>618</b>	<b>618</b>	<b>579</b>	<b>579</b>
<b>Margin over concentrates</b>	<b>1235</b>	<b>1237</b>	<b>1237</b>	<b>1323</b>	<b>1135</b>	<b>1219</b>	<b>1219</b>	<b>1219</b>	<b>1219</b>	<b>1302</b>	<b>1302</b>	<b>1648</b>	<b>1648</b>	<b>1648</b>	<b>1236</b>	<b>1236</b>	<b>1095</b>	<b>1095</b>
<b>Gross margin before forage costs</b>	<b>1062</b>	<b>1041</b>	<b>1041</b>	<b>1134</b>	<b>924</b>	<b>1033</b>	<b>1033</b>	<b>1033</b>	<b>1033</b>	<b>1121</b>	<b>1121</b>	<b>1423</b>	<b>1423</b>	<b>1423</b>	<b>1047</b>	<b>1047</b>	<b>900</b>	<b>900</b>
<b>Forage variable costs (£ per cow)</b>																		
Seeds	7	10	10	7	9	10	10	10	10	9	9	16	16	16	9	9	11	11
Fertilisers	8	7	7	4	4	6	6	6	6	19	19	13	13	13	8	8	46	46
Sprays	0	0	0	0	1	0	0	0	0	0	0	1	1	1	0	0	5	5
Other forage costs	6	8	8	9	6	8	8	8	8	7	7	9	9	9	8	8	8	8
<b>Total forage variable costs per cow</b>	<b>22</b>	<b>26</b>	<b>26</b>	<b>20</b>	<b>19</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>34</b>	<b>34</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>25</b>	<b>25</b>	<b>70</b>	<b>70</b>
% of forage variable costs to dairy	72	69	69	68	74	68	68	68	68	75	75	70	70	70	69	69	64	64
<b>Gross margin including forage costs</b>	<b>1040</b>	<b>1015</b>	<b>1015</b>	<b>1134</b>	<b>924</b>	<b>1033</b>	<b>1033</b>	<b>1033</b>	<b>1033</b>	<b>1121</b>	<b>1121</b>	<b>1384</b>	<b>1384</b>	<b>1384</b>	<b>1022</b>	<b>1022</b>	<b>830</b>	<b>830</b>

\* Top five farms are based on highest gross margin per cow (including forage costs)

\*\* Non-organic data are from whole farm analysis clustered conventional farms

Table 13 (cont.)

Herd characteristics	<100 cows		>100 cows		North Eng		Central Eng		SWest Eng		Wales		Top 5*		All herds		Non-org**		
	2007/08		2007/08		2007/08		2007/08		2007/08		2007/08		2007/08		2007/08		2007/08		
<b>Fixed Costs (£ per cow)\$</b>																			
Paid labour	73	186	138	173	183	52	182	154	115										
Casual labour	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a										
Machinery - contract work	77	77	70	116	73	64	93	77	62										
- repairs	48	40	40	53	39	49	58	42	36										
- fuels	36	33	36	25	32	45	46	34	28										
-depreciation	80	60	82	43	68	65	95	66	60										
Buildings depreciation	21	34	31	23	24	64	44	30	31										
General farm costs	65	50	59	71	54	38	62	54	45										
Water	29	25	20	45	28	7	25	26	19										
Electricity	24	21	31	27	19	16	27	22	24										
Land expenses	26	39	19	34	42	27	30	35	29										
Insurance	37	25	34	36	27	22	28	28	26										
Rent	26	64	43	54	61	39	42	54	27										
Interest payments	58	49	61	29	60	27	40	51	45										
<b>Total fixed costs</b>	<b>599</b>	<b>703</b>	<b>664</b>	<b>728</b>	<b>710</b>	<b>514</b>	<b>772</b>	<b>674</b>	<b>548</b>										
<b>Total actual costs</b>	<b>1204</b>	<b>1361</b>	<b>1367</b>	<b>1345</b>	<b>1365</b>	<b>1082</b>	<b>1475</b>	<b>1317</b>	<b>1197</b>										
<b>Net margin over actual costs</b>	<b>441</b>	<b>312</b>	<b>449</b>	<b>176</b>	<b>299</b>	<b>573</b>	<b>612</b>	<b>348</b>	<b>282</b>										
<b>Imputed costs</b>																			
Unpaid labour (farmer, spouse, other)	348	130	250	221	172	181	184	191	209										
Imputed rent	102	65	48	72	79	92	74	75	82										
Interest on tenant's capital (6% rate) #	15	18	10	31	14	26	40	17	18										
<b>Total imputed costs</b>	<b>465</b>	<b>213</b>	<b>308</b>	<b>324</b>	<b>264</b>	<b>299</b>	<b>298</b>	<b>284</b>	<b>308</b>										
<b>Total costs including imputed</b>	<b>1669</b>	<b>1574</b>	<b>1675</b>	<b>1668</b>	<b>1629</b>	<b>1381</b>	<b>1772</b>	<b>1601</b>	<b>1505</b>										
<b>Net margin over all costs</b>	<b>-25</b>	<b>99</b>	<b>141</b>	<b>-147</b>	<b>35</b>	<b>274</b>	<b>314</b>	<b>64</b>	<b>-26</b>										
<b>Other related inputs</b>																			
LFA and agri-environmental payments	54	53	39	53	64	23	34	53	13										
Organic Farming Scheme Payment	2	12	0	0	11	18	2	9	0										
By products and forage	19	14	14	3	20	7	23	15	16										
Single Payment Scheme	121	132	104	145	137	111	104	129	113										
<b>Total other related inputs</b>	<b>194</b>	<b>198</b>	<b>158</b>	<b>202</b>	<b>221</b>	<b>142</b>	<b>161</b>	<b>197</b>	<b>142</b>										

\$ Fixed costs are proportioned 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)

# Tenants capital concerns livestock and machinery values minus actual interest paid in fixed costs

**Table 14 Identical sample organic and conventional dairy gross and net margins (£/cow), 2006/07 and 2007/08**

Herd characteristics		Organic		Conventional**	
Year		2006/07	2007/08	2006/07	2007/08
Number of herds		27	27	104	104
Average farm area - actual ha		116	118	107	108
	-effective ha	111	113	103	104
Average size of the farm business (ES)		125	129	129	132
Average size of herd (dairy cows)		111	114	104	106
Average milk yield (litres per cow)		5690	5865	7145	7022
Implied milk price (ppl)		26.7	29.6	17.4	21.3
<b>Enterprise output (£ per cow)</b>					
Milk disposals (1)		1512	1740	1256	1523
Calves - sales and transfers out		58	58	61	63
Bulls & cows - sales and transfers out		50	62	74	81
Net milk quota		0	0	0	0
Valuation change		40	-23	21	-15
Less: purchases & transfers in		159	158	173	183
<b>Total enterprise output</b>		<b>1501</b>	<b>1679</b>	<b>1237</b>	<b>1470</b>
<b>Variable Costs (£ per cow)</b>					
Concentrates		331	424	321	374
Purchased bulk feed		19	15	15	19
Stock keep		8	8	3	4
Veterinary & medicines		36	38	50	56
Other livestock costs - dairy		119	126	108	117
<b>Total variable costs</b>		<b>513</b>	<b>610</b>	<b>498</b>	<b>570</b>
<b>Margin over concentrates</b>		<b>1170</b>	<b>1255</b>	<b>916</b>	<b>1096</b>
<b>Gross margin before forage costs</b>		<b>988</b>	<b>1069</b>	<b>740</b>	<b>900</b>
<b>Forage variable costs (£ per cow)</b>					
Seeds		11	8	10	10
Fertilisers		7	6	45	46
Sprays		0	0	5	5
Other forage costs		5	7	6	7
<b>Total forage variable costs per cow</b>		<b>22</b>	<b>21</b>	<b>66</b>	<b>68</b>
% of forage variable costs to dairy		70	71	64	64
<b>Gross margin including forage costs</b>		<b>966</b>	<b>1048</b>	<b>674</b>	<b>832</b>

Herd characteristics		Organic		Conventional**	
Year		2006/07	2007/08	2006/07	2007/08
<b>Fixed Costs (£ per cow)\$</b>					
Paid labour		122	141	111	115
Machinery - contract work		72	80	54	61
- repairs		44	42	36	36
- fuels		33	34	26	27
-depreciation		62	66	63	57
Buildings depreciation		34	33	34	33
General farm costs		54	56	44	44
Water		24	28	20	19
Electricity		19	22	22	23
Land expenses		31	32	23	27
Insurance		29	29	27	27
Rent		46	52	23	27
Interest payments		33	38	39	42
<b>Total fixed costs</b>		<b>603</b>	<b>653</b>	<b>522</b>	<b>539</b>
<b>Total actual costs</b>		<b>1139</b>	<b>1285</b>	<b>1086</b>	<b>1177</b>
<b>Net margin over actual costs</b>		<b>362</b>	<b>395</b>	<b>152</b>	<b>293</b>
<b>Imputed costs</b>					
Unpaid labour (farmer, spouse, other)		206	206	214	212
Imputed rent		76	85	80	81
Interest on tenant's capital (6% rate)		27	30	17	21
<b>Total imputed costs</b>		<b>309</b>	<b>320</b>	<b>312</b>	<b>314</b>
<b>Total costs including imputed</b>		<b>1448</b>	<b>1605</b>	<b>1397</b>	<b>1491</b>
<b>Net margin over all costs</b>		<b>53</b>	<b>74</b>	<b>-160</b>	<b>-21</b>
<b>Other related inputs</b>					
LFA and agri-environmental payment		46	44	12	13
Organic Farming Scheme Payment		8	5	0	0
By products and forage		1	18	10	15
Single Payment Scheme		122	120	120	113
<b>Total other related inputs</b>		<b>169</b>	<b>182</b>	<b>142</b>	<b>140</b>

\$ Fixed costs are proportioned to enterprise according to the ratio of livestock units per enterprise and the proportion of the farm area in forage production  
# Tenants capital concerns livestock and machinery values minus actual interest pa

**Table 15 Organic beef gross and net margins (£/cow), 2006/07 and 2007/08 (conventional data for comparison)**

Location Enterprise type Organic/Conventional	Less-favoured Area				Lowland			
	Suckler Finishing		Suckler Store		Suckler Finishing		Suckler Store	
	Organic 2006/07	Conv. 2007/08	Organic 2006/07	Conv. 2007/08	Organic 2006/07	Conv. 2007/08	Organic 2006/07	Conv. 2007/08
Number of herds	15	18	10	7	25	35	8	12
Average farm area - actual ha -effective ha	213	163	130	212	166	151	68	93
Average size of the farm business (ESU)	205	127	118	238	148	136	60	83
Average size of herd (breeding cows)	49	40	40	41	60	53	16	33
	55	32	35	30	42	40	34	31
<b>Enterprise output (£ per cow)</b>								
Calf Sales	0	1	10	62	2	0	8	11
Other store cattle - sales & transfers out	102	138	103	437	85	146	284	306
Bulls & cows - sales & transfers out	50	107	68	59	72	49	33	48
Finished cattle sales	603	1242	645	30	672	638	109	185
Valuation change	196	-6	58	-9	18	94	160	229
Less: purchases & transfers in	126	383	160	118	137	135	190	194
<b>Total enterprise output</b>	<b>827</b>	<b>1099</b>	<b>724</b>	<b>460</b>	<b>712</b>	<b>793</b>	<b>404</b>	<b>584</b>
								<b>475</b>
<b>Variable Costs (£ per cow)</b>								
Concentrates	131	165	213	96	96	94	20	94
Purchased bulk feed	11	9	8	13	20	15	20	14
Stock keep	16	35	23	9	7	9	0	1
Veterinary & medicines	44	37	36	31	24	25	33	28
Other livestock costs - beef	93	134	88	53	92	90	78	94
<b>Total variable costs</b>	<b>295</b>	<b>380</b>	<b>367</b>	<b>202</b>	<b>240</b>	<b>234</b>	<b>151</b>	<b>231</b>
								<b>185</b>
<b>Gross margin before forage costs</b>	<b>531</b>	<b>719</b>	<b>357</b>	<b>259</b>	<b>472</b>	<b>559</b>	<b>253</b>	<b>353</b>
<b>Forage variable costs (£ per cow)</b>								
Seeds	7	10	5	2	24	19	4	9
Fertilisers	13	19	79	51	4	6	1	10
Sprays	2	0	4	2	1	0	0	0
Other forage costs (excl. contracting)	7	13	10	7	10	10	4	12
<b>Total forage variable costs</b>	<b>28</b>	<b>41</b>	<b>97</b>	<b>61</b>	<b>39</b>	<b>35</b>	<b>9</b>	<b>32</b>
% of forage variable costs to enterprise	53	54	55	42	74	73	91	86
<b>Gross margin including forage costs</b>	<b>503</b>	<b>677</b>	<b>260</b>	<b>197</b>	<b>433</b>	<b>525</b>	<b>244</b>	<b>321</b>
								<b>234</b>

Table 15 (cont.)

Location Enterprise type Organic/Conventional	Less-favoured Area				Lowland			
	Suckler Finishing Organic 2006/07	Suckler Finishing Conv. 2007/08	Suckler Store Organic 2006/07	Suckler Store Conv. 2007/08	Suckler Finishing Organic 2006/07	Suckler Finishing Conv. 2007/08	Suckler Store Organic 2006/07	Suckler Store Conv. 2007/08
<b>Fixed Costs (£ per cow)\$</b>								
Paid labour	199	95	73	91	150	163	20	58
Machinery - contract work	67	79	58	31	77	86	23	45
- repairs	40	51	27	49	58	56	66	63
- fuels	53	69	37	36	45	54	43	36
-depreciation	78	136	78	76	112	116	131	108
Buildings depreciation	56	40	40	46	44	55	50	79
General farm costs	69	79	57	57	83	84	69	70
Water	6	7	3	2	14	17	10	9
Electricity	9	11	8	5	10	11	12	11
Land expenses	42	58	25	32	56	43	38	63
Insurance	31	42	35	38	40	40	34	38
Rent	101	60	26	41	83	107	16	50
Interest payments	56	76	79	81	65	61	49	31
<b>Total fixed costs</b>	<b>807</b>	<b>801</b>	<b>547</b>	<b>586</b>	<b>837</b>	<b>892</b>	<b>561</b>	<b>770</b>
<b>Total actual costs</b>	<b>1130</b>	<b>1223</b>	<b>788</b>	<b>824</b>	<b>1116</b>	<b>1160</b>	<b>721</b>	<b>1033</b>
<b>Net margin over actual costs</b>	<b>-304</b>	<b>-124</b>	<b>-266</b>	<b>-243</b>	<b>-404</b>	<b>-368</b>	<b>-317</b>	<b>-449</b>
<b>Imputed costs (£ per cow)</b>								
Unpaid labour (farmer, spouse, other)	179	311	214	206	327	346	380	388
Imputed rent	103	150	159	131	116	139	179	232
Interest on tenant's capital (6% rate) #	52	71	5	-3	36	46	44	-12
<b>Total Imputed costs</b>	<b>334</b>	<b>531</b>	<b>378</b>	<b>335</b>	<b>480</b>	<b>531</b>	<b>603</b>	<b>608</b>
<b>Total costs including imputed</b>	<b>1465</b>	<b>1754</b>	<b>1166</b>	<b>1158</b>	<b>1596</b>	<b>1692</b>	<b>1325</b>	<b>1641</b>
<b>Net margin over all costs</b>	<b>-638</b>	<b>-655</b>	<b>-644</b>	<b>-578</b>	<b>-884</b>	<b>-899</b>	<b>-921</b>	<b>-1057</b>
<b>Other related inputs</b>								
LFA and agri-environmental payments	179	367	380	403	165	224	120	269
of which Organic Farming Scheme	30	77	84	54	18	9	8	21
By products and forage	11	16	15	0	46	57	30	24
Single Payment Scheme	364	445	351	354	393	358	212	373
<b>Total other related inputs</b>	<b>554</b>	<b>827</b>	<b>746</b>	<b>757</b>	<b>604</b>	<b>638</b>	<b>362</b>	<b>666</b>
<b>Total</b>	<b>384</b>	<b>523</b>	<b>479</b>	<b>479</b>	<b>523</b>	<b>523</b>	<b>384</b>	<b>384</b>

\$ Fixed costs are proportioned 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 16 Organic breeding sheep gross and net margins (£/ewe), 2006/07 and 2007/08

Flock type Productivity* Organic/Conventional Year	Less-favoured Area				Lowland All flocks	
	Lower		Higher		Organic	Conv.
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
<b>Number of flocks</b>	14	9	24	23	27	38
Average farm area - actual ha - effective ha	246	208	297	311	156	144
Average size of the farm business (ES)	239	153	284	167	139	130
Average size of flock (breeding ewes)	33	32	58	49	52	58
Finished lambs sold per ewe	537	550	701	659	209	187
	0.6	0.7	1.0	1.0	1.1	1.0
	70	191	120	173	151	135
	116	127	130	130	130	130
	39	37	37	37	58	61
	636	589	589	589	314	314
	0.6	0.6	1.0	1.0	1.1	1.0
	19.7	19.7	40.3	40.3	46.1	46.1
<b>Enterprise output (£ per ewe)</b>						
Lamb sales - finished	26.8	28.7	50.1	53.7	65.4	56.3
- store	1.8	6.0	3.5	7.2	1.0	0.8
Ewe and ram sales	1.0	0.1	4.3	4.2	0.6	1.4
Other sheep sales	3.4	2.2	3.5	4.8	5.9	5.3
Wool sales	0.8	0.3	1.1	0.4	1.6	0.6
Valuation change	-1.8	-4.6	3.9	2.8	0.6	2.4
Less: sheep purchases	1.9	2.2	4.1	9.4	9.3	7.4
<b>Total enterprise output</b>	<b>30.1</b>	<b>30.8</b>	<b>62.4</b>	<b>63.6</b>	<b>65.7</b>	<b>59.4</b>
	<b>24.6</b>	<b>24.6</b>	<b>45.4</b>	<b>45.4</b>	<b>52.3</b>	<b>52.3</b>
<b>Variable Costs (£ per ewe)</b>						
Concentrates	5.4	4.8	8.9	9.8	7.3	8.0
Purchased bulk feed	1.7	1.1	1.5	1.6	1.8	1.4
Stock keep	0.4	0.4	0.6	1.7	0.4	0.3
Veterinary & medicines	2.0	2.4	6.0	4.1	4.9	4.3
Other livestock costs - sheep	3.0	3.1	5.8	6.4	10.1	8.4
<b>Total variable costs</b>	<b>12.6</b>	<b>11.8</b>	<b>22.8</b>	<b>23.8</b>	<b>24.5</b>	<b>22.4</b>
	<b>18.4</b>	<b>18.4</b>	<b>23.2</b>	<b>23.2</b>	<b>26.9</b>	<b>26.9</b>
<b>Gross margin before forage costs</b>	<b>17.5</b>	<b>19.0</b>	<b>39.6</b>	<b>39.9</b>	<b>41.2</b>	<b>37.0</b>
	<b>6.2</b>	<b>6.2</b>	<b>22.2</b>	<b>22.2</b>	<b>25.4</b>	<b>25.4</b>
<b>Forage variable costs (£ per ewe)</b>						
Seeds	0.3	0.5	0.5	0.4	2.8	1.8
Fertilisers	0.9	1.2	0.9	1.0	1.0	0.6
Sprays	0.0	0.0	0.2	0.0	0.0	0.0
Other forage costs	0.2	0.1	0.3	0.5	0.9	0.9
<b>Total forage variable costs</b>	<b>1.4</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	<b>4.8</b>	<b>3.3</b>
% of forage variable costs to enterprise	58.5	55.9	48.3	57.5	34.1	27.7
	60.1	60.1	56.6	56.6	42.2	42.2
<b>Gross margin including forage costs</b>	<b>16.1</b>	<b>17.2</b>	<b>37.8</b>	<b>38.0</b>	<b>36.4</b>	<b>33.7</b>
	<b>2.1</b>	<b>2.1</b>	<b>16.9</b>	<b>16.9</b>	<b>20.0</b>	<b>20.0</b>

Table 16 (cont.)

Flock type Productivity* Organic/Conventional Year	Less-favoured Area				Lowland All flocks	
	Lower		Higher		Organic	Conv.
	Organic 2006/07	Conv. 2007/08	Organic 2006/07	Conv. 2007/08	2006/07	2007/08
<b>Fixed Costs (£ per ewe)\$</b>						
Paid labour	3.8	2.8	2.3	10.6	18.5	15.7
Machinery - contract work	2.2	2.3	2.1	3.4	5.6	5.0
- repairs	2.8	2.8	2.7	3.6	4.8	5.3
- fuels	3.8	3.5	2.8	3.8	4.4	4.4
-depreciation	6.8	6.6	5.2	8.0	11.0	11.0
Buildings depreciation	3.2	3.4	2.6	3.8	5.4	7.2
General farm costs	4.7	3.6	3.1	4.5	7.1	6.7
Water	0.2	0.4	0.2	0.3	1.2	1.2
Electricity	0.6	0.4	0.5	0.6	0.7	1.0
Land expenses	2.7	1.7	1.8	2.8	6.6	4.1
Insurance	3.4	2.8	2.2	2.1	3.2	3.2
Rent	3.1	1.6	2.1	7.0	8.3	5.5
Interest payments	7.2	4.4	3.9	3.3	5.4	6.3
<b>Total fixed costs</b>	<b>44.7</b>	<b>36.3</b>	<b>31.5</b>	<b>60.5</b>	<b>82.2</b>	<b>76.8</b>
<b>Total actual costs</b>	<b>58.7</b>	<b>41.2</b>	<b>38.9</b>	<b>85.1</b>	<b>111.5</b>	<b>88.5</b>
<b>Net margin over actual costs</b>	<b>-28.6</b>	<b>-39.0</b>	<b>-36.5</b>	<b>-22.8</b>	<b>-45.8</b>	<b>-61.8</b>
<b>Imputed costs</b>						
Unpaid labour (farmer, spouse, other)	19.8	21.1	16.9	12.0	34.7	28.5
Imputed rent	13.1	12.7	7.7	8.6	13.4	20.9
Interest on tenant's capital (6% rate) #	-0.8	2.1	2.1	4.4	4.1	3.7
<b>Total Imputed costs</b>	<b>32.1</b>	<b>35.9</b>	<b>26.8</b>	<b>25.0</b>	<b>52.2</b>	<b>53.0</b>
<b>Total costs including imputed</b>	<b>90.8</b>	<b>77.2</b>	<b>65.6</b>	<b>110.1</b>	<b>163.6</b>	<b>141.5</b>
<b>Net margin over all costs</b>	<b>-60.7</b>	<b>-75.0</b>	<b>-63.3</b>	<b>-47.8</b>	<b>-97.9</b>	<b>-134.1</b>
<b>Other related inputs</b>						
LFA and agri-environmental payments	23.3	27.0	11.8	17.2	18.7	19.6
of which Organic Farming Scheme	6.6	4.6	0.0	2.9	2.7	0.9
By products and forage	0.6	0.8	0.5	0.8	5.0	5.3
Single Payment Scheme	23.7	24.6	22.1	24.7	35.1	30.3
<b>Total other related inputs</b>	<b>47.7</b>	<b>52.4</b>	<b>34.4</b>	<b>45.5</b>	<b>61.6</b>	<b>55.2</b>
<b>Total other related inputs</b>	<b>47.7</b>	<b>52.4</b>	<b>34.4</b>	<b>45.5</b>	<b>61.6</b>	<b>55.2</b>

\$ Fixed costs are proportioned to enterprise according to the ratio of livestock units per enterprise and the proportion of the farm area in forage production (hay, silage and grazin)  
# Interest on livestock, deadstock and machinery values minus actual interest paid (see fixed costs)











Table 17 (cont.)

Crop enterprise	Beans for feed		Ware Potatoes		Organic vegetables	
	Organic	Non-org.	Organic	Non-org.	Market gdn	Protected
Year	2006/07	2007/08	2006/07	2007/08	2007/08	2007/08
Number of enterprises	24	18	8	7	8	6
Average farm area - actual ha	251	217	184	117	122	42
-effective ha	245	202	182	115	113	40
Average business size (ESU)	121	110	246	93	109	196
Area of crop grown (ha.)	20	19	8	6	6	1
Total production (tonnes/units)	43	32	226	106	-	-
Yield tonnes/units per hectare	2.2	1.6	29.3	17	-	-
Crop Value (£ per tonne/unit)	185	313	289	259	-	-
<b>Enterprise output</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>	<b>£/ha</b>
Closing valuation	143	66	253	9	219	537
Revenue	209	96	8221	280	8193	44768
Farm house consumption, benefits	0	0	0	0	0	0
Feed used on farm	49	22	0	5	0	0
<b>Crop enterprise output</b>	<b>401</b>	<b>185</b>	<b>8474</b>	<b>289</b>	<b>8413</b>	<b>45306</b>
-output from straw and beet tops	0	0	0	0	0	0
<b>Total enterprise output</b>	<b>401</b>	<b>185</b>	<b>8474</b>	<b>289</b>	<b>8413</b>	<b>45306</b>
<b>Variable Costs</b>						
Seeds	65	30	739	25	1228	2225
Fertilisers	3	2	60	2	98	4346
Crop protection	0	0	40	1	15	23
Other crop costs	12	5	99	3	510	1328
<b>Total variable costs</b>	<b>80</b>	<b>37</b>	<b>938</b>	<b>32</b>	<b>1851</b>	<b>7923</b>
<b>Gross margin</b>	<b>320</b>	<b>148</b>	<b>7537</b>	<b>257</b>	<b>6562</b>	<b>37383</b>

\$ Fixed costs are proportioned to enterprise according to the crop area as a % of total actual farm area

# Interest at 6% on deadstock and machinery values minus actual interest paid (see fixed costs)



## **5. Benchmark costs of production**

Tables 18 to 23 show costs of production data for organic milk, beef and lamb production (crop production costs are shown in Table 16 in the previous section).

Table 18 shows the organic and conventional dairy whole sample average data for 2007/08, top 5 organic (low cost) results in 2007/08 and organic whole sample average data for 2006/07. Table 19 shows the dairy costs of production for an identical sample of organic and conventional farms in 2006/07 and 2007/08. (Conventional data is taken from clustered conventional dairy farms utilised within the whole farm section of this report).

Under the existing data collection system for England it is no longer possible to obtain the sale/transfer weights needed to calculate costs of production for beef and lamb. Tables 20 to 23 are therefore for Welsh farms only, using data collected separately by the Farm Business Survey Unit, IBERS within Aberystwyth University. The comparable conventional farm data represents results for all farms for which costs of production data were collected. The clustering approach used for selecting comparable conventional farms for the whole-farm data presented in this report could not be used in this case.

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 (litres for milk, kg liveweight for stores and deadweight for finished beef and lamb production).

To fully reflect costs and put businesses 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.

## **5.1 Overview of livestock production costs**

Organic milk variable costs continued to be higher than on conventional farms, mainly as a result of higher feed costs, whilst both organic and conventional beef enterprise variable costs of production per kg were similar. Lower forage costs were balanced by higher other variable costs and by higher feed costs for beef finishing on the organic farms. For organic lamb, variable costs were lower than conventional, with lower feed and forage costs.

Fixed costs per kg or litre were higher for all organic systems, and only partly explained by lower stocking rates/yields per hectare, which limit the spreading of overhead costs over more output (whole farm data, presented elsewhere in this report does not show a strong pattern of organic farms having higher fixed costs).

Organic premium prices were able to compensate for the higher total costs in most cases, to give similar or better than conventional net margins. This applies before and after including the value of farm family's own land, labour and capital resources (imputed costs) and support payments. It also applies on a per kg basis, as well as per hectare, despite the lower organic yields. The main exception is breeding beef, due to the lower organic price applied to the transfer out of store animals. The net margins including the value of own resources show a very substantial loss for beef and sheep enterprises. In other words, current livestock prices (organic or otherwise) are significantly below the costs of production, despite some improvement in 2007/08 figures. For milk, the net margins were positive, with the higher organic price compensating for higher costs with improved overall results for organic and conventional businesses. Taking account of the imputed costs, Welsh organic milk production makes a small net margin per litre.

To an extent, the negative margins resulting from lower-than-production-cost prices and imputed costs can be offset by other support payments including Tir Mynydd, Organic Farming Scheme and other agri-environment payments, as well as the Single Farm Payment. However, given the political pressure to reduce the level of support payments overall, and the theoretical desirability of using this income to support the development of the farm as a whole, rather than cross-subsidise loss-making enterprises, there is still a real challenge to be faced by both organic and conventional producers.

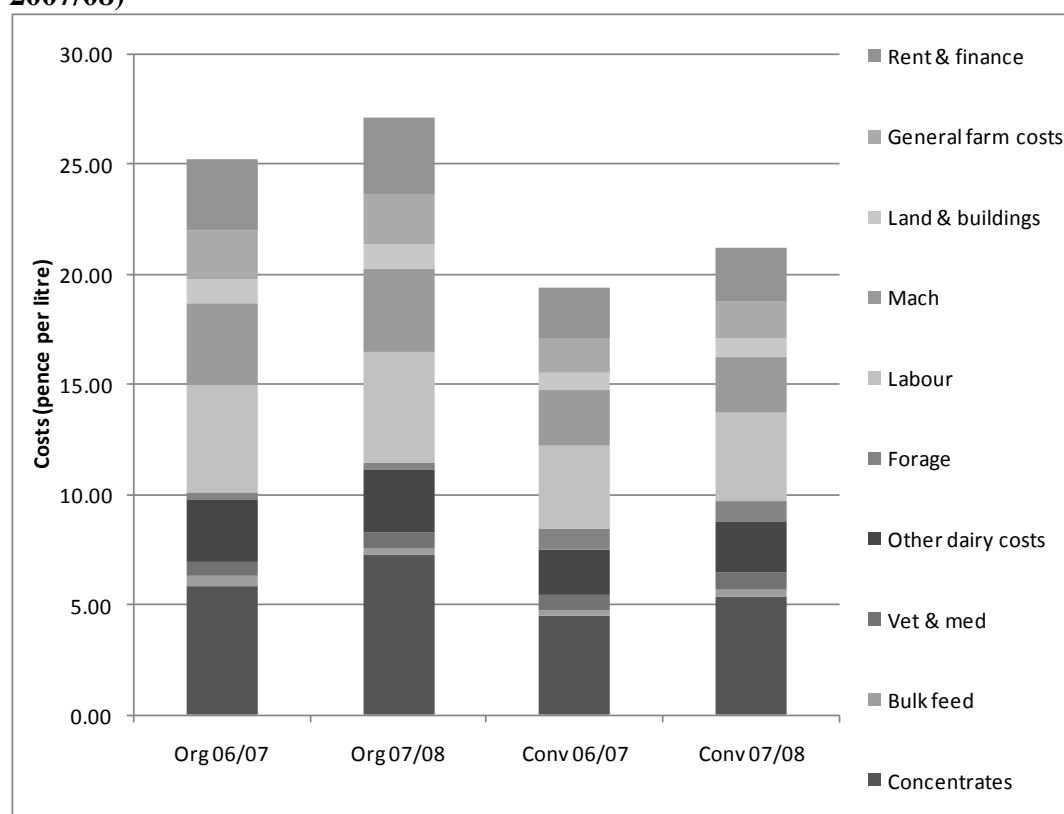
## 5.2 Dairy enterprise production costs

The costs of production results for England and Wales shown in Table 18 are taken from 38 dairy farms in 2007/08, (up from 35 in 2006/07). These farms were classified as 33 lowland and five LFA dairy farm types. The 2006/07 data are derived from 28 lowland and seven LFA farms. Table 19 presents an identical organic and conventional sample over two years (comprising 22 lowland and 5 LFA dairy farms), and highlights a 12% organic milk price increase, rising to 29.7ppl, conventional prices increasing by 23%, but remaining significantly lower at 21.7ppl. Top five organic producers' milk price, at 29.7 pence per litre was only slightly higher than the average group at 29.5, though total output was 1.6ppl greater.

The main physical differences between the top 5 (low cost) and average groups for 2007/08 included smaller farm and herd sizes for the top 5 group as well as significantly higher average milk yields per cow at 7083 litres per cow compared to 5887 litres for the average group. Costs were slightly lower for the best performers, with total costs including imputed costs at 25.8 pence per litre and 27.2 pence per litre for the average group.

Figure 9 highlights that identical sample organic concentrate costs have risen 23% in 2007/08, conventional by 18%. The net margin of production including imputed costs was 6.4 ppl for the top 5 group, more than twice the average value of 2.9 ppl.

**Figure 9 Organic and conventional dairy costs of production (Identical sample, 2006/07 and 2007/08)**



The Welsh dairy farm costs of production data from a sample of 8 farms is shown in Table 20, indicating a higher average level of performance in terms of yields per cow. Costs of production are lower at 24.4ppl, though milk price was lower at 27ppl, while enterprise net margin was 4.4ppl (including imputed costs and excluding Single Farm Payment).





**Table 19 Costs of production data for milk production on identical organic and conventional farms, 2006/07 and 2007/08**

	Organic		Conventional	
	2006/07	2007/08	2006/07	2007/08
<b>COSTS</b>	ppl	ppl	ppl	ppl
Concentrates	5.8	7.2	4.5	5.3
Purchased bulk feed (hay & straw)	0.3	0.2	0.2	0.3
Stock keep	0.1	0.1	0.0	0.1
Veterinary and medicines	0.6	0.6	0.7	0.8
Other livestock costs - dairy	2.1	2.1	1.5	1.7
Herd replacement	0.7	0.7	0.5	0.7
<b>Total variable costs</b>	<b>9.8</b>	<b>11.1</b>	<b>7.5</b>	<b>8.8</b>
Seeds	0.2	0.1	0.1	0.1
Fertilisers	0.1	0.1	0.6	0.7
Sprays	0.0	0.0	0.1	0.1
Other forage costs	0.1	0.1	0.1	0.1
<b>Total forage costs</b>	<b>0.4</b>	<b>0.4</b>	<b>0.9</b>	<b>1.0</b>
Paid labour	2.1	2.4	1.6	1.6
Machinery - contract work	1.3	1.4	0.8	0.9
- repairs	0.8	0.7	0.5	0.5
- fuels	0.6	0.6	0.4	0.4
- depreciation	1.1	1.1	0.9	0.8
Buildings depreciation	0.6	0.6	0.5	0.5
General farm costs	1.0	1.0	0.6	0.6
Water	0.4	0.5	0.3	0.3
Electricity	0.3	0.4	0.3	0.3
Land expenses	0.5	0.5	0.3	0.4
Insurance	0.5	0.5	0.4	0.4
Rent	0.8	0.9	0.3	0.4
Interest payments	0.6	0.6	0.5	0.6
<b>Total fixed costs</b>	<b>10.6</b>	<b>11.1</b>	<b>7.3</b>	<b>7.7</b>
<b>TOTAL COSTS</b>	<b>20.7</b>	<b>22.6</b>	<b>15.7</b>	<b>17.4</b>
<b>Imputed costs</b>				
Unpaid labour (farmer, spouse, other)	2.7	2.6	2.3	2.3
Imputed rent	1.3	1.4	1.1	1.2
Interest on tenant's capital (6% rate)	0.5	0.5	0.2	0.3
<b>OUTPUTS</b>	ppl	ppl	ppl	ppl
Dairy - milk	26.6	29.7	17.6	21.7
- livestock purchases, sales and transfers	-0.9	-0.7	-0.5	-0.5
- net milk quota	0.0	0.0	0.0	0.0
- valuation change	0.7	-0.4	0.3	-0.2
<b>Dairy output</b>	<b>26.4</b>	<b>28.6</b>	<b>17.3</b>	<b>20.9</b>
<b>OTHER RELATED OUTPUTS</b>				
LFA and agri-environmental payments	0.8	0.7	0.2	0.2
Miscellaneous revenue	1.5	1.2	0.8	0.5
By-products and forage	0.0	0.3	0.1	0.2
<b>Other output</b>	<b>2.3</b>	<b>2.3</b>	<b>1.1</b>	<b>0.9</b>
<b>TOTAL OUTPUTS</b>	<b>28.7</b>	<b>30.9</b>	<b>18.4</b>	<b>21.8</b>
Margin of production - pence per litre (excluding imputed costs)	8.0	8.3	2.7	4.4
Margin of production - pence per litre (including imputed costs)	3.4	3.8	-1.0	0.6

**Table 20 Costs of production for Welsh milk production, 2006/07–2007/08 (ppl)**

	ORGANIC		CONVENTIONAL	
	2006/07	2007/08	2006/07	2007/08
Number of herds	10	8	113	107
Farm size ESU	191	189	138	139
Farm size - eff ha	126.65	127.17	101.78	116
Farm size - forage ha	126.02	115.06	95.44	102
Total Grazing LU	258	246	203	204
Stocking rate - all GLU/ha	2.05	2.14	2.13	2.00
Herd size - numbers	176	177	117	120
Percentage Dairy LU to Total GLU	0.68	0.67	0.57	0.60
Milk yield per cow (litres)	5446	6295	6683	6453
Litres milk per ha	11152	13460	14234	12929
<b>Variable costs</b>				
Purchased concentrates	4.83	5.73	3.89	4.54
Home grown concentrates	0.00	0.40	0.19	0.32
Coarse fodder and tack	0.19	0.32	0.14	0.10
Veterinary and medicines	0.70	0.61	0.62	0.69
Dairy livestock costs	1.92	1.58	1.39	1.56
Allocatable contracting	0.30	0.22	0.16	0.13
Net leased quota	-0.09	0.00	0.00	0.00
<b>Total variable costs</b>	<b>7.85</b>	<b>8.86</b>	<b>6.38</b>	<b>7.34</b>
<b>Herd replacement cost</b>	<b>1.77</b>	<b>1.04</b>	<b>0.75</b>	<b>0.91</b>
<b>Forage costs</b>				
Fertilisers, seeds and sprays	0.45	0.63	0.89	1.00
Forage contracting	0.62	0.61	0.48	0.49
Grass keep	0.19	0.38	0.17	0.20
Other forage costs	0.09	0.13	0.11	0.12
<b>Total forage costs</b>	<b>1.35</b>	<b>1.75</b>	<b>1.65</b>	<b>1.81</b>
<b>Overhead costs</b>				
Paid labour	1.34	0.76	0.79	0.60
Machinery - repairs	0.77	0.72	0.48	0.55
- fuel	0.61	0.63	0.41	0.49
- other contract and hire	0.03	0.15	0.11	0.09
- depreciation	0.71	1.03	0.76	0.96
Property - repairs	0.34	0.39	0.40	0.38
- water	0.10	0.16	0.12	0.14
- depreciation	1.03	0.91	0.61	0.63
Other - general farm costs	0.72	0.73	0.57	0.66
- insurances	0.34	0.35	0.27	0.33
Rent and finance - rent	0.66	0.48	0.32	0.33
- bank interest	0.83	0.43	0.55	0.51
- bank charges	0.06	0.05	0.05	0.06
- other interest	0.08	0.08	0.12	0.19
- loss on sale of machinery	0.00	0.00	-0.01	0.00
<b>Total overhead costs</b>	<b>7.62</b>	<b>6.87</b>	<b>5.55</b>	<b>5.92</b>
<b>Total cost of production</b>	<b>18.60</b>	<b>18.52</b>	<b>14.34</b>	<b>15.98</b>
<b>Dairy enterprise output</b>				
Milk output	22.07	26.96	17.15	20.56
Calf output	1.01	1.20	0.91	1.02
Miscellaneous output	0.00	0.00	0.00	0.00
By-products	-0.27	0.09	0.24	0.26
<b>Total enterprise output</b>	<b>22.82</b>	<b>28.25</b>	<b>18.30</b>	<b>21.84</b>
<b>Enterprise gross margin (excl. overheads)</b>	<b>11.84</b>	<b>16.60</b>	<b>9.52</b>	<b>11.78</b>
<b>Enterprise net margin (incl. overheads)</b>	<b>4.22</b>	<b>9.73</b>	<b>3.97</b>	<b>5.86</b>
<b>Enterprise net margin (£/ha)</b>	<b>471</b>	<b>1310.11</b>	<b>565</b>	<b>757.99</b>
<b>Value of farm family's own resources</b>		0.00		0.00
Own/spouse labour	1.06	1.95	1.28	1.77
Other unpaid labour	0.60	0.95	0.53	0.79
Rental value of owner-occupied land	2.43	2.01	2.73	2.21
Interest on tenant's capital less bank interest	0.64	0.98	0.87	0.95
<b>Total own resources</b>	<b>4.72</b>	<b>5.89</b>	<b>5.41</b>	<b>5.71</b>
<b>Enterprise net margin including own resources</b>	<b>-0.50</b>	<b>3.84</b>	<b>-1.44</b>	<b>0.15</b>
<b>Support payments</b>				
Agri-environment payments	0.55	0.28	0.32	0.45
Organic Aid	0.68	0.27	0.00	0.00
Single Payment Scheme	3.40	2.80	3.56	3.47
<b>Total support payments</b>	<b>4.63</b>	<b>3.35</b>	<b>3.88</b>	<b>3.92</b>
<b>Enterprise net margin including own resources and support payments</b>	<b>4.12</b>	<b>7.19</b>	<b>2.44</b>	<b>4.07</b>
<b>Enterprise NM incl. OR &amp; SP (£/ha)</b>	<b>460</b>	<b>968</b>	<b>347</b>	<b>526</b>

### 5.3 Beef enterprise production costs

Table 21 and 22 show the average cost of production data for both suckler store and finishing beef production enterprises, from 19 and 21 Welsh organic farms respectively (22 and 25 in 2006/07 respectively). The top and bottom third groups are classified by net margin per kg output.

Table 21 shows the suckler store margin of production including imputed costs, which reflect the value of the farmer's own land, labour and working capital. The organic system was minus 408p/kg liveweight (LW) in 2007/08, a 15% improvement on 2006/07, but still behind conventional farms. The top third producers reduced this deficit to minus 253p/kg LW. The negative net margins are partly caused by the relatively low value applied to weaned organic calves, and to some extent, the single farm payment and support payment income offset these losses, as the average margin including support payments is much improved to a positive 46/kg LW. It is clear however that prices received are still considerably lower than covering the full costs of production. In comparison with conventional store production organic producers have similar output and variable costs, lower forage costs but 50% higher fixed costs (as highlighted in Figure 10 below), with a similar net margin overall.

**Figure 10 Organic and conventional breeding and finishing beef costs of production, 2006/07 and 2007/08 (Breeding p/kg LW, Finishing p/kg/DW)**

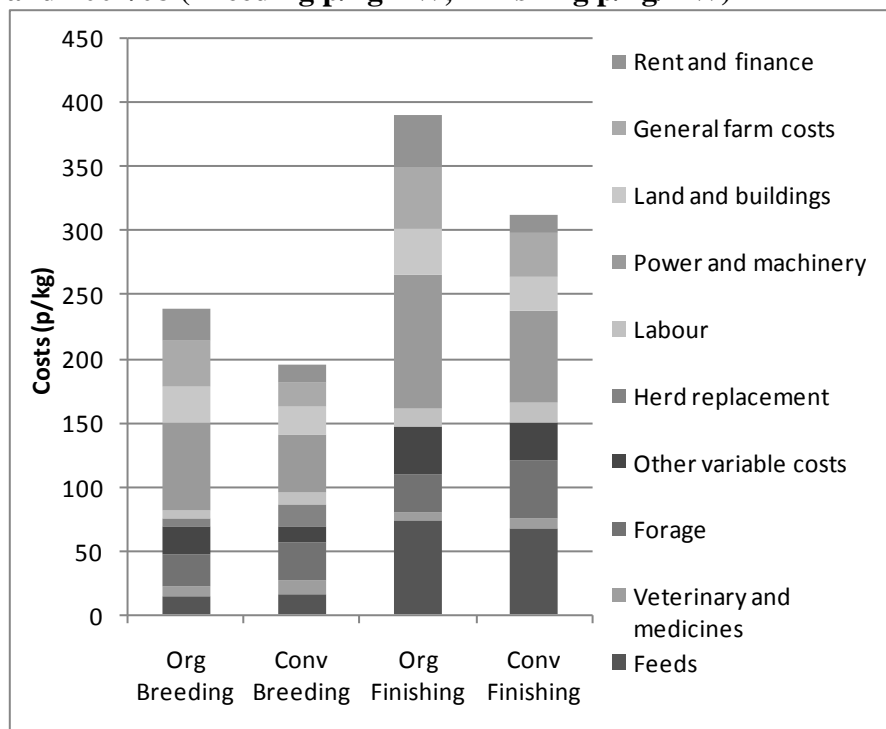


Table 22 indicates the finishing beef enterprise recorded data. The organic margin over costs, including imputed is negative but by a greater amount than for stores, averaging minus 457 p/kg deadweight (DW) for all herds and minus 272 p/kg DW for the top third group, representing a 28% and 55% improvement respectively upon 2006/07. Again, this deficit is offset by the single farm payment and other support payment income: The average margin including support payments was 312 p/kg DW, reflecting the substantial reliance on support payments for overall farm income. When compared with conventional production the organic samples shows considerably, 44% higher output and 33% lower forage costs, while variable costs are 12% higher and fixed costs are 50% greater. Overall, net margin is nearly three times higher due to greater support payments per kg.

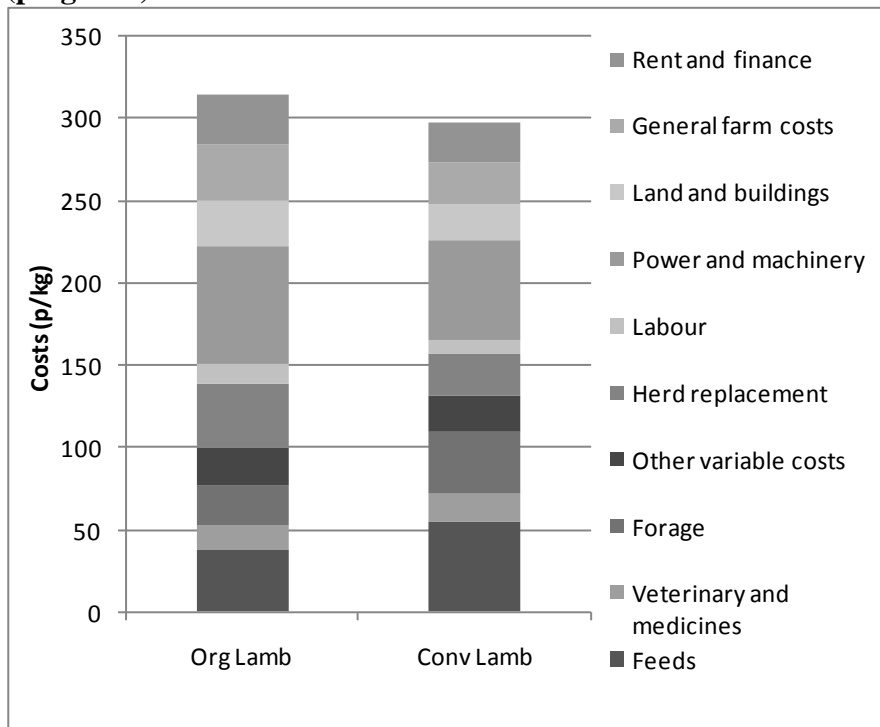
### 5.4 Lamb enterprise production costs

The costs of production data for lamb production in Table 23, are taken from 24 organic farms in 2007/08 (19 in 2006/07) and conventional results for the same periods are shown for comparison.

The top third producers (highest net margin per kg of production) tend to have smaller flocks (on larger area farms in 2007/08), but with higher stocking rates both years, and considerably lower fixed costs. Overall, the top performers had lower variable, forage and fixed costs and similar imputed costs, giving rise to a greater margin of production. The lower costs of production for this top third group can be partly explained by the top third producers consistently producing more kilograms of lamb per ewe, which dilutes costs on a p/kg deadweight basis and selling their lambs at a higher price per kilogram.

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 third groups had a negative overall margin of production for lamb production, at minus 301p/kg DW and 212p/kg DW, respectively. However, with the inclusion of the single farm payment and other area payments, the margin of production was 155p/ kg DW for the average group and 418p/ kg DW for the top third group in 2007/08.

**Figure 11 Organic and conventional lamb costs of production, 2006/07 and 2007/08 (p/kg/DW)**



In comparison, Figure 11 demonstrates that conventional output was 19% lower, variable costs were 24% higher, forage costs were 56% higher, and fixed costs were 25% lower. Organic lamb production per ewe was similar and benefitted from a 21% price premium per kilogram. Overall, organic net margins (including support payments) were nearly three times higher than conventional due to the greater support payments per kg. As with beef systems, both organic and conventional systems continue to rely heavily upon support payments for overall farm profitability. Each average organic lamb kilogram, is costing 572p to produce (including imputed costs), and receiving payment of 266p/kg from processors.

Table 21 Costs of production for Welsh suckler store production, 2006/07 and 2007/08 (p/kg LW)

	ORGANIC			CONVENTIONAL		
	2006/07 Average	Top 33%* Bottom 33%*	Bottom 33%* Average	2006/07 Average	2007/08 Top 33%* Bottom 33%*	2007/08 Average
Number of herds	22	7	7	47	7	51
Farm size ESU	29	39	40	34	36	41
Farm size - eff ha	132	104	124	118	127	131
Farm size - forage ha	127	102	123	113	122	127
Total Grazing LU	107	117	107	117	117	139
Stocking rate - all GLU/ha	0.92	1.04	0.87	1	1	1.10
Herd size - numbers	36	34	26	40	46	45
Percentage Beef LU to Total GLU	27	29	31	35	34	30
<b>All values below pence per kilogram liveweight unless otherwise indicated</b>						
<b>Variable costs</b>						
Purchased concentrates	11.0	3.3	25.4	12.5	8.9	12.5
Home grown concentrates	1.4	0.0	3.8	0.5	0.0	0.7
Coarse fodder, tack and grass keep	2.2	0.0	5.7	0.6	0.0	4.2
Veterinary and medicines	10.0	4.9	15.9	8.9	6.9	10.1
Other livestock costs	25.2	9.2	41.3	19.5	11.8	10.9
Allocatable contracting	1.2	0.9	0.9	2.5	2.4	1.6
<b>Total variable costs</b>	<b>50.9</b>	<b>18.3</b>	<b>93.0</b>	<b>44.4</b>	<b>30.0</b>	<b>38.9</b>
<b>Herd replacement cost</b>	<b>17.4</b>	<b>10.8</b>	<b>24.3</b>	<b>6.6</b>	<b>5.1</b>	<b>17.4</b>
<b>Forage costs (allocated on a livestock unit basis)</b>						
Fertilisers, seeds and sprays	7.3	4.3	6.8	7.1	4.4	17.8
Forage contracting	11.8	6.7	24.8	11.7	3.2	6.5
Grass keep	2.5	2.1	1.5	4.0	0.4	4.1
Other forage costs	3.3	5.0	1.9	1.6	2.4	1.8
<b>Total forage costs</b>	<b>24.9</b>	<b>18.1</b>	<b>35.0</b>	<b>24.4</b>	<b>10.4</b>	<b>30.2</b>
<b>Overhead costs (allocated on a livestock unit basis)</b>						
Paid labour	9.4	1.6	11.2	6.1	5.3	9.4
Machinery - repairs	13.7	6.1	25.0	16.9	7.7	9.8
- fuel	15.7	9.4	24.9	18.1	9.1	10.8
- other contract and hire	4.3	3.0	7.6	2.6	0.7	1.8
- depreciation	31.6	15.4	57.4	30.4	26.4	22.3
Property - repairs	14.3	4.3	30.5	10.7	7.8	7.1
- water	1.5	0.4	3.5	2.2	0.2	0.9
- depreciation	14.4	5.3	29.5	16.2	5.5	13.1
Other - general farm costs	24.6	13.9	45.8	22.4	13.6	10.7
- insurances	15.8	10.0	29.1	13.7	8.4	8.5
Rent and finance - rent	7.7	6.6	10.0	7.3	9.3	7.6
- bank interest	6.4	1.0	6.6	9.0	2.9	4.6
- bank charges	1.7	0.6	3.8	1.7	0.6	1.3
- other interest	8.5	3.6	13.3	6.9	7.3	0.7
<b>Total overhead costs</b>	<b>169.5</b>	<b>81.1</b>	<b>298.0</b>	<b>164.0</b>	<b>104.7</b>	<b>108.8</b>
<b>Total cost of production</b>	<b>262.7</b>	<b>128.2</b>	<b>450.4</b>	<b>239.4</b>	<b>150.2</b>	<b>195.3</b>

\* sorted by net margin/kg



Table 22 Costs of production for Welsh finished beef production, 2006/07 and 2007/08 (p/kg DW)

	ORGANIC			CONVENTIONAL		
	2006/07 Average	Top 33%* Bottom 33%*	Average	2006/07 Average	Top 33%* Bottom 33%*	2007/08 Average
Number of herds	25	9	19	26	6	19
Farm size ESU	37	32	44	43	31	42
Farm size - eff ha	128	116	130	116	128	123
Farm size - forage ha	123	112	122	103	85	103
Stocking rate - all GLU/ha	0.93	1.03	0.99	1.30	0.74	1.40
Herd size - LU	43.88	54.95	38.55	54.60	33.51	57.85
Total Grazing LU	115.03	115.74	121.43	134.18	106.37	144.32
Percentage Beef LU to Total GLU	38.14	48.09	32.72	43.15	28.42	43.72
	All values below pence per kilogram deadweight unless otherwise indicated					
<b>Variable costs</b>						
Purchased concentrates	54.4	8.2	44.5	38.3	36.3	46.0
Home grown concentrates	13.4	-0.4	28.9	13.5	39.0	19.9
Coarse fodder, tuck and grass keep	3.1	0.1	0.9	0.6	0.0	1.4
Veterinary and medicines	3.4	-0.1	4.8	6.4	2.4	7.9
Other livestock costs	40.4	38.6	34.1	31.9	37.8	28.0
Allocatable contracting	0.6	0.2	2.8	0.8	0.0	0.5
<b>Total variable costs</b>	<b>115.3</b>	<b>46.7</b>	<b>116.0</b>	<b>91.6</b>	<b>115.5</b>	<b>103.7</b>
<b>Forage costs (allocated on a livestock unit basis)</b>						
Fertilisers, seeds and sprays	10.1	1.9	11.2	30.9	10.3	27.1
Forage contracting	8.2	3.1	13.0	9.3	7.9	8.4
Grass keep	1.9	-0.4	3.1	5.7	2.0	7.9
Other forage costs	6.3	8.6	3.4	2.4	4.5	2.8
<b>Total forage costs</b>	<b>26.4</b>	<b>13.2</b>	<b>30.7</b>	<b>48.3</b>	<b>24.7</b>	<b>46.3</b>
<b>Overhead costs (allocated on a livestock unit basis)</b>						
Paid labour	11.6	-2.4	14.2	15.7	12.2	15.0
Machinery - repairs	21.7	20.2	23.6	13.7	16.9	14.0
- fuel	26.7	16.1	28.4	17.2	15.3	18.2
- other contract and hire	5.2	4.5	4.5	2.7	6.6	2.3
- depreciation	48.9	28.5	47.8	34.4	34.6	38.9
Property - repairs	18.9	8.4	16.9	9.7	9.2	9.5
- water	2.3	2.2	3.0	2.7	1.2	2.4
- depreciation	18.1	15.6	16.3	15.7	8.4	13.8
Other - general farm costs	32.1	21.7	31.8	18.1	20.3	18.3
- insurances	20.4	14.4	17.5	13.1	11.9	16.0
Rent and finance - rent	22.2	1.7	18.1	10.0	20.5	4.4
- bank interest	8.8	2.2	12.0	8.8	0.0	8.1
- bank charges	2.4	0.6	3.5	1.6	0.7	1.7
- other interest	9.5	7.8	7.0	0.5	0.1	0.2
<b>Total overhead costs</b>	<b>248.9</b>	<b>141.5</b>	<b>244.6</b>	<b>163.9</b>	<b>158.0</b>	<b>162.7</b>
<b>Total cost of production</b>	<b>390.6</b>	<b>201.4</b>	<b>391.2</b>	<b>303.8</b>	<b>298.1</b>	<b>312.5</b>

\* sorted by net margin/kg



Table 22 (cont.)

	ORGANIC				CONVENTIONAL			
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
	Average	Top 33%*	Bottom 33%*	Average	Top 33%*	Bottom 33%*	Average	Average
Average finished weight (kg)	238	209	228	296	299	278	314	324
Kg beef produced	4512	2894	2618	6214	5715	3793	9686	10866
Average finished price (£)	766	785	652	939	977	866	667	705
Finished price per kg (£)	3.22	3.76	2.86	3.17	3.27	3.11	2.12	2.17
Kg beef per ha	96.10	53.58	87.13	155.16	235.69	88.35	217.31	240.65
<b>Trading beef enterprise output</b>								
Fat cattle sold	372.4	322.2	405.0	417.1	480.1	417.2	419.0	525.8
Cattle transferred out	37.1	17.5	56.6	67.2	77.3	59.7	12.9	14.6
Store cattle sold	135.3	205.7	157.1	88.2	54.7	70.7	1.1	0.0
Killed for home consumption	0.0	0.0	0.0	3.4	0.0	3.2	0.0	0.0
Cattle valuation change	-21.5	-84.7	20.5	1.3	16.0	57.5	24.2	7.6
By-products	16.2	26.4	22.4	13.0	25.1	18.3	41.1	38.6
Less cattle purchased	26.1	14.2	47.4	37.1	5.2	68.4	190.8	234.7
Less cattle transferred in	173.3	112.2	302.4	158.3	199.6	168.6	66.7	77.7
<b>Total enterprise output</b>	<b>340.1</b>	<b>360.7</b>	<b>311.8</b>	<b>394.9</b>	<b>448.5</b>	<b>389.5</b>	<b>240.9</b>	<b>274.3</b>
<b>Enterprise gross margin (excl. overheads)</b>	<b>198.4</b>	<b>300.8</b>	<b>110.8</b>	<b>248.3</b>	<b>308.3</b>	<b>221.3</b>	<b>101.0</b>	<b>124.4</b>
<b>Enterprise net margin (incl. overheads)</b>	<b>-50.4</b>	<b>159.3</b>	<b>-282.0</b>	<b>3.7</b>	<b>150.3</b>	<b>-116.4</b>	<b>-62.9</b>	<b>-38.3</b>
<b>Enterprise net margin (£/ha)</b>	<b>-48</b>	<b>85</b>	<b>-246</b>	<b>6</b>	<b>354</b>	<b>-103</b>	<b>-137</b>	<b>-92</b>
<b>Value of farm family's own resources</b>								
Own/spouse labour	116.3	87.6	189.7	114.2	91.9	146.6	66.7	70.5
Unpaid labour	31.9	37.2	26.6	27.6	26.3	36.2	24.6	25.6
Rental value of O-O land	294.3	479.1	395.5	187.1	122.0	305.9	135.3	113.6
Interest on Tenants Capital less bank interest	141.2	165.7	216.7	132.0	182.1	56.1	93.1	85.3
<b>Total own resources</b>	<b>583.7</b>	<b>769.6</b>	<b>828.4</b>	<b>460.9</b>	<b>422.3</b>	<b>544.7</b>	<b>319.8</b>	<b>295.1</b>
<b>Enterprise net margin including own resources</b>	<b>-634.1</b>	<b>-610.3</b>	<b>-1,110.5</b>	<b>-457.2</b>	<b>-272.0</b>	<b>-661.1</b>	<b>-382.7</b>	<b>-333.3</b>
<b>Support payments</b>								
Agri-environment payments	267.9	399.0	358.5	177.6	92.3	373.0	45.5	64.2
Organic Aid	117.6	130.9	132.5	68.7	48.4	121.3	0.0	0.0
Single Payment Scheme	550.6	884.4	792.5	412.0	388.1	471.2	298.2	315.7
<b>Total support payments</b>	<b>936.0</b>	<b>1,414.3</b>	<b>1,283.6</b>	<b>658.3</b>	<b>528.9</b>	<b>965.4</b>	<b>343.7</b>	<b>379.9</b>
<b>Enterprise net margin including own resources and support payments</b>	<b>301.9</b>	<b>804.0</b>	<b>173.1</b>	<b>201.1</b>	<b>256.9</b>	<b>304.3</b>	<b>-39.0</b>	<b>46.6</b>
<b>Enterprise NM incl. OR &amp; SP (£/ha)</b>	<b>290</b>	<b>431</b>	<b>151</b>	<b>312</b>	<b>605</b>	<b>269</b>	<b>-85</b>	<b>112</b>

# minus actual interest paid (see fixed costs)

Table 23 Costs of production for Welsh lamb production, 2006/07 and 2007/08 (p/kg DW)

	ORGANIC			CONVENTIONAL		
	2006/07 Average	Top 33%* Bottom 33%*	2007/08 Average	2006/07 Average	Top 33%* Bottom 33%*	2007/08 Average
Number of flocks	19	6	24	73	8	107
Farm size ESU	39	49	45	46	32	44
Farm size - eff ha	135	99	147	137	118	122
Farm size - forage ha	131	90	139	135	111	119
Stocking rate - all GLU/ha	0.86	1.40	0.93	1.06	0.91	1.13
Flock size - ewes and ewe lambs put to ram - Nos	492	309	535	772	458	662
Percentage Sheep LU to Total GLU	45%	29%	45%	56%	45%	57%
<b>All values below pence per kilogram deadweight unless otherwise indicated</b>						
<b>Variable costs</b>						
Purchased concentrates	32.5	19.6	30.2	42.5	44.8	44.8
Home grown concentrates	3.8	8.2	4.1	0.5	7.8	2.8
Coarse fodder, tack and grass keep	6.3	2.1	3.9	11.1	0.0	7.8
Veterinary and medicines	12.4	10.5	14.0	14.4	16.0	16.7
Other livestock costs	22.4	23.1	23.1	20.2	29.5	21.0
Allocatable contracting	0.5	0.0	0.7	0.6	1.3	1.2
<b>Total variable costs</b>	<b>77.9</b>	<b>63.5</b>	<b>75.9</b>	<b>89.4</b>	<b>99.4</b>	<b>94.3</b>
<b>Flock replacement cost</b>	<b>39.3</b>	<b>15.2</b>	<b>38.6</b>	<b>28.5</b>	<b>57.0</b>	<b>26.4</b>
<b>Forage costs</b>						
Fertilisers, seeds and sprays	9.7	12.5	9.9	21.2	15.1	21.7
Forage contracting	5.3	1.5	7.5	5.9	11.0	7.0
Grass keep	2.4	1.0	3.8	5.7	5.4	5.9
Other forage costs	3.6	7.7	2.5	1.7	2.2	2.6
<b>Total forage costs</b>	<b>21.0</b>	<b>22.7</b>	<b>23.8</b>	<b>34.5</b>	<b>33.6</b>	<b>37.1</b>
<b>Overhead costs</b>						
Paid labour	12.6	8.6	12.3	8.5	4.4	8.0
Machinery - repairs	13.9	9.1	16.1	11.3	21.9	13.8
- fuel	19.9	16.1	20.2	14.5	26.3	13.9
- other contract and hire	4.5	1.1	2.5	1.9	1.7	2.3
- depreciation	36.8	25.9	32.8	30.9	47.4	30.5
Property - repairs	13.2	5.9	10.2	9.0	15.9	7.9
- water	1.0	1.1	2.2	1.3	2.6	1.7
- depreciation	15.0	9.0	14.1	13.0	12.6	12.3
Other - general farm costs	23.0	14.4	21.7	15.4	27.2	14.6
- insurances	15.2	8.7	12.2	9.5	14.2	11.0
Rent and finance - rent	17.1	10.3	11.1	12.4	9.6	11.2
- bank interest	10.2	2.9	10.9	6.6	10.7	8.8
- bank charges	1.9	1.3	1.9	1.4	3.5	1.4
- other interest	10.7	0.8	7.9	1.5	10.4	1.6
- loss on machinery sales	1.9	-0.2	-0.7	0.2	-0.8	0.7
<b>Total overhead costs</b>	<b>197.1</b>	<b>115.0</b>	<b>175.3</b>	<b>137.5</b>	<b>207.7</b>	<b>139.8</b>
<b>Total cost of production</b>	<b>335.2</b>	<b>216.5</b>	<b>313.7</b>	<b>289.9</b>	<b>397.7</b>	<b>297.7</b>

\* sorted by net margin/kg

Table 23 (cont.)

	ORGANIC				CONVENTIONAL			
	Average	2006/07 Top 33%*	Bottom 33%*	Average	2006/07 Average	2007/08 Top 33%*	Bottom 33%*	2007/08 Average
Kg lamb produced	9804	8942	9363	12601	17342	14219	9060	16083
Kg lamb per ha	169	343	116	200	228	280	183	237
Lambs reared per ewe	1.24	1.52	1.12	1.26	1.27	1.34	1.22	1.31
Kg lamb produced per ewe	22.4	30.0	19.0	23.5	23.0	29.2	19.8	24.3
Average finished lamb weight (kg)	17.6	18.9	16.7	18.9	17.9	19.2	19.0	18.8
Average finished lamb price (£)	51.43	65.07	44.24	50.06	40.88	55.56	49.18	41.32
Averaged finished price per kg (£)	2.92	3.44	2.64	2.66	2.28	2.89	2.59	2.19
<b>Lamb enterprise output</b>								
Finished lambs sold	232.6	324.3	166.0	224.3	188.7	253.9	207.7	188.8
Lambs transferred out	40.0	20.6	49.2	36.9	38.3	35.0	42.5	30.5
Store lambs sold	6.0	0.0	18.6	5.0	1.9	0.0	6.9	2.1
Killed for home consumption	1.1	0.0	1.2	0.1	0.1	0.0	0.2	0.0
Lamb valuation change	2.1	-1.7	6.2	1.5	-0.4	4.1	0.9	-2.2
<i>Less lambs purchased</i>	<i>1.2</i>	<i>3.8</i>	<i>0.0</i>	<i>3.2</i>	<i>0.4</i>	<i>7.1</i>	<i>0.0</i>	<i>0.3</i>
<b>Total lamb output</b>	<b>280.6</b>	<b>339.4</b>	<b>241.2</b>	<b>264.5</b>	<b>228.1</b>	<b>286.0</b>	<b>258.2</b>	<b>219.1</b>
Other by-products	6.5	17.1	3.5	4.5	2.9	5.6	3.8	6.3
Wool	5.5	5.1	6.2	1.3	5.0	1.4	1.5	1.6
Mark & Release receipts	0.5	0.0	0.0	0.4	0.8	0.0	0.0	0.5
<b>Total by-products</b>	<b>12.6</b>	<b>22.3</b>	<b>9.7</b>	<b>6.2</b>	<b>8.7</b>	<b>7.0</b>	<b>5.4</b>	<b>8.3</b>
<b>Total enterprise output</b>	<b>293.2</b>	<b>361.7</b>	<b>250.9</b>	<b>270.8</b>	<b>236.8</b>	<b>292.9</b>	<b>263.6</b>	<b>227.4</b>
<b>Enterprise gross margin (excl. overheads)</b>	<b>155.0</b>	<b>260.2</b>	<b>78.3</b>	<b>132.4</b>	<b>84.4</b>	<b>198.7</b>	<b>73.6</b>	<b>69.5</b>
<b>Enterprise net margin (incl. overheads)</b>	<b>-42.0</b>	<b>145.2</b>	<b>-215.8</b>	<b>-42.9</b>	<b>-53.0</b>	<b>49.0</b>	<b>-134.2</b>	<b>-70.3</b>
<b>Enterprise net margin (£/ha)</b>	<b>-71</b>	<b>498</b>	<b>-249</b>	<b>-86</b>	<b>-121</b>	<b>137</b>	<b>-246</b>	<b>-167</b>
<b>Value of farm family's own resources</b>								
Own/spouse labour	89.9	51.5	111.8	83.2	70.3	62.0	115.6	71.4
Other unpaid labour	15.8	26.3	6.4	19.7	17.5	19.1	24.0	16.7
Rental value of owner-occupied land	143.0	160.7	173.5	97.4	84.7	111.0	90.4	62.4
Interest on tenant's capital less bank interest	62.9	107.7	45.7	57.7	44.0	68.6	74.1	43.9
<b>Total own resources</b>	<b>311.6</b>	<b>346.3</b>	<b>337.4</b>	<b>258.0</b>	<b>216.6</b>	<b>260.9</b>	<b>304.0</b>	<b>194.4</b>
<b>Enterprise net margin including own resources</b>	<b>-353.6</b>	<b>-201.1</b>	<b>-553.2</b>	<b>-300.9</b>	<b>-269.6</b>	<b>-211.9</b>	<b>-438.2</b>	<b>-264.7</b>
<b>Support payments</b>								
Agri-environment payments	132.9	72.3	189.0	107.7	53.3	66.7	131.6	53.9
Organic Aid	56.5	47.3	54.9	35.0	0.0	38.0	44.6	0.0
Single Payment Scheme	245.5	224.2	264.8	235.6	163.2	256.4	245.3	167.9
<b>Total support payments</b>	<b>434.9</b>	<b>343.8</b>	<b>508.7</b>	<b>378.3</b>	<b>216.6</b>	<b>361.1</b>	<b>421.5</b>	<b>221.8</b>
<b>Enterprise net margin including own resources and support payments</b>	<b>81.3</b>	<b>142.7</b>	<b>-44.5</b>	<b>77.4</b>	<b>-53.1</b>	<b>149.2</b>	<b>-16.7</b>	<b>-43.0</b>
<b>Enterprise NM incl. OR &amp; SP (£/ha)</b>	<b>137</b>	<b>490</b>	<b>-51</b>	<b>155</b>	<b>-121</b>	<b>418</b>	<b>-31</b>	<b>-102</b>

# minus actual interest paid (see fixed costs)

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## **Appendix 1 Detailed farm results**

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**Table A1.1 CROPPING FARM RESULTS**

**OUTPUTS AND INPUTS**

**ORGANIC**

		<i>Identical sample</i>				<i>Full sample</i>			
		2006/07		2007/08		2006/07		2007/08	
Sample number		12		12		17		22	
Average farm size (UAA)		170		168		182		196	
Business size (ESU)		90		96		92		107	
<b>OUTPUTS</b>		<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>
Dairy -	milk output	0	0	0	0	0	0	423	2
	cattle	0	0	0	0	0	0	-104	-1
	net quota	0	0	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0	115	1
Other cattle	output	24173	142	16763	100	24377	134	22536	115
	valuation change	495	3	9668	57	1321	7	4387	22
Sheep -	total output	2745	16	2170	13	2763	15	4058	21
	valuation change	-176	-1	509	3	535	3	612	3
Other livestock		4030	24	4058	24	2845	16	7114	36
Arable crops	output	91842	539	101521	603	81378	448	87878	448
	protein/energy support	96	1	231	1	211	1	228	1
By products forage and cults		7016	41	11853	70	6125	34	13040	66
Miscellaneous (incl. farmhouse benefit value)		34539	203	29247	174	31371	173	34882	178
	- organic grants	1343	8	1324	8	1579	9	808	4
	- other agri-env.payments	18381	108	20866	124	18722	103	22511	115
	- subsidy/single farm payment	35707	210	33944	202	37408	206	37985	194
	<b>FARM REVENUE</b>	<b>220191</b>	<b>1293</b>	<b>232153</b>	<b>1379</b>	<b>208635</b>	<b>1147</b>	<b>236470</b>	<b>1205</b>
<b>INPUTS</b>									
Feeds	purchased concentrates	2632	15	2060	12	3207	18	5463	28
	homegrown concentrates	4176	25	5570	33	3274	18	5370	27
Purchased fodder, Tack and stock keep		405	2	515	3	308	2	497	3
Veterinary and medicines		752	4	1050	6	884	5	1687	9
Other livestock costs		5912	35	6101	36	6068	33	7415	38
Seeds -	purchased and homegrown	12319	72	12461	74	10699	59	11079	56
Fertilisers		1582	9	1721	10	1488	8	1295	7
Crop protection		847	5	646	4	854	5	691	4
Other crop costs		4066	24	4175	25	3156	17	3834	20
Labour	paid incl. paid management	27550	162	27903	166	22176	122	29105	148
	casual	1789	11	4027	24	1665	9	4649	24
Machinery	contract	15562	91	12871	76	13375	74	14741	75
	repairs	8527	50	8758	52	7658	42	9130	47
	fuels	8127	48	8566	51	8159	45	8471	43
General farming costs		17246	101	16739	99	16516	91	17994	92
Land expenses		16060	94	12411	74	12118	67	13664	70
Rent		14740	87	13982	83	16828	93	13273	68
	<b>FARM EXPENSES</b>	<b>142291</b>	<b>836</b>	<b>139556</b>	<b>829</b>	<b>128430</b>	<b>706</b>	<b>148359</b>	<b>756</b>
<b>Excess of expenses over revenue</b>		<b>77901</b>	<b>458</b>	<b>92597</b>	<b>550</b>	<b>80205</b>	<b>441</b>	<b>88111</b>	<b>449</b>
<b>Notional inputs</b>									
	- rental value/imputed rent	16784	99	15636	93	13331	73	21949	112
	- unpaid labour	2265	13	2634	16	1599	9	2820	14
	- machinery depreciation	16581	97	16258	97	15202	84	16160	82
		<b>35630</b>	<b>209</b>	<b>34528</b>	<b>205</b>	<b>30132</b>	<b>166</b>	<b>40928</b>	<b>209</b>
NET FARM INCOME (excl. BLSA)		<b>42271</b>	<b>248</b>	<b>58070</b>	<b>345</b>	<b>50073</b>	<b>275</b>	<b>47183</b>	<b>241</b>
NET FARM INCOME (incl. BLSA)		<b>42921</b>	<b>252</b>	<b>58676</b>	<b>348</b>	<b>51081</b>	<b>281</b>	<b>48173</b>	<b>246</b>

Table A1.1 CROPPING FARM RESULTS

OUTPUTS AND INPUTS		CONVENTIONAL							
		<i>Identical sample</i>				<i>Full sample</i>			
		2006/07		2007/08		2006/07		2007/08	
Sample number		106		106		137		174	
Average farm size (UAA)		155		156		155		179	
Business size (ESU)		94		94		93		108	
<b>OUTPUTS</b>		<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>
Dairy -	milk output	53	0	0	0	0	0	0	0
	cattle	36	0	0	0	0	0	0	0
	net quota	0	0	0	0	0	0	0	0
	valuation change	-46	0	0	0	0	0	0	0
Other cattle	output	10856	70	12162	78	10249	66	11594	65
	valuation change	78	1	470	3	-192	-1	367	2
Sheep -	total output	3774	24	3861	25	3697	24	11649	65
	valuation change	278	2	-194	-1	1166	8	-298	-2
Other livestock		918	6	1150	7	2807	18	1894	11
Arable crops	output	66216	428	90331	579	69829	452	105419	587
	protein/energy support	122	1	2544	1	129	1	262	1
By products forage and cults		6620	43	8469	54	6260	41	10338	58
Miscellaneous (incl. farmhouse benefit value)		23404	151	20967	134	31453	204	23603	132
	- organic grants	0	0	0	0	0	0	0	0
	- other agri-env.payments	6443	42	8061	52	6996	45	8106	45
	- single payment scheme	31465	203	27304	190	29549	191	34478	192
	<b>FARM REVENUE</b>	<b>150216</b>	<b>970</b>	<b>175124</b>	<b>1122</b>	<b>161942</b>	<b>1048</b>	<b>207411</b>	<b>1156</b>
<b>INPUTS</b>									
Feeds	purchased concentrates	2254	15	2606	17	3881	25	4703	26
	homegrown concentrates	2300	15	3037	19	1779	12	2971	17
Purchased fodder, Tack and stock keep		203	1	180	1	177	1	146	1
Veterinary and medicines		805	5	881	6	1131	7	1716	10
Other livestock costs		3238	21	3366	22	3121	20	4296	24
Seeds -	purchased and homegrown	5080	33	5513	35	5979	39	6378	36
Fertilisers		10540	68	12370	79	9884	64	13245	74
Crop protection		10484	68	11197	72	10751	70	13349	74
Other crop costs		3432	22	3532	23	4771	31	4137	23
Labour	paid incl. paid management	7742	50	6830	44	8024	52	14281	80
	casual	1556	10	1628	10	2008	13	2240	12
Machinery	contract	8278	53	10404	67	8239	53	9171	51
	repairs	6103	39	7009	45	7045	46	9591	53
	fuels	5601	36	5817	37	6165	40	8168	46
General farming costs		13103	85	14582	93	15034	97	16134	90
Land expenses		3611	23	4535	29	4117	27	5521	31
Rent		4847	31	5305	34	9546	62	9862	55
	<b>FARM EXPENSES</b>	<b>89177</b>	<b>576</b>	<b>98794</b>	<b>633</b>	<b>101649</b>	<b>658</b>	<b>125906</b>	<b>702</b>
<b>Excess of expenses over revenue</b>		<b>61039</b>	<b>394</b>	<b>76331</b>	<b>489</b>	<b>60293</b>	<b>390</b>	<b>81505</b>	<b>454</b>
<b>Notional inputs</b>									
	- rental value/imputed rent	26990	174	23059	148	19966	129	23500	131
	- unpaid labour	7340	47	7252	46	6134	40	6384	36
	- machinery depreciation	11623	75	12535	80	11776	76	15947	89
		<b>45954</b>	<b>297</b>	<b>42845</b>	<b>275</b>	<b>37876</b>	<b>245</b>	<b>45830</b>	<b>255</b>
NET FARM INCOME (excl. BLSA)		<b>15085</b>	<b>97</b>	<b>33485</b>	<b>215</b>	<b>22417</b>	<b>145</b>	<b>35675</b>	<b>199</b>
NET FARM INCOME (incl. BLSA)		<b>15598</b>	<b>101</b>	<b>33831</b>	<b>217</b>	<b>22682</b>	<b>147</b>	<b>36141</b>	<b>201</b>

**Table A1.2 CROPPING FARM RESULTS** **ORGANIC**  
**INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL**

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	42271	248	58070	345	50073	275	47183	241
plus unpaid labour (excludes farmer and spouse)	2265	13	2634	16	1599	9	2820	14
plus imputed rent and rental value	16454	97	15336	91	13017	72	21688	111
plus semi-integrated non-agric activities output	2800	16	2562	15	1977	11	1397	7
minus imputed rent on farmhouse & farm cottages	7882	46	1353	8	6504	36	1147	6
minus insurance repairs & net interest payments	2328	14	2124	13	3786	21	2551	13
minus build & works depreciation	4001	24	4656	28	3308	18	7111	36
minus semi-integrated non-agric activities costs	1873	11	1490	9	1322	7	813	4
<b>FARM BUSINESS INCOME</b>	<b>47706</b>	<b>280</b>	<b>68979</b>	<b>410</b>	<b>51746</b>	<b>285</b>	<b>61467</b>	<b>313</b>
<b>LABOUR USE AND LABOUR INCOMES</b>								
Annual Labour Units per farm	3.0		3.1		2.6		3.1	
of which farmer & spouse	1.2		1.1		1.2		1.1	
of which paid family labour	0.1		0.0		0.1		0.0	
of which unpaid labour	0.1		0.2		0.1		0.2	
Notional value of farmer/spouse labour	18674		18164		18569		17646	
Value of paid family labour	1361		532		1767		290	
Labour income per Annual Labour Unit	21772		26509		25088		23526	
Family labour income per Family Work Unit	26424		41537		31971		33893	
Value of paid managerial input	0		0		0		602	
<b>TENANT'S CAPITAL</b>								
Machinery	82240	483	82724	491	75860	417	85219	434
Livestock	32888	193	38783	230	39201	216	48427	247
Crops	22281	131	23214	138	28226	155	24772	126
Stores	10101	59	11420	68	8349	46	9353	48
<b>TOTAL</b>	<b>147511</b>	<b>866</b>	<b>156140</b>	<b>927</b>	<b>151636</b>	<b>834</b>	<b>167771</b>	<b>855</b>
<b>ASSETS</b>								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	638051	696348	696348	798176	480921	524706	891151	1044329
Buildings, improvements and fixtures	18810	17755	17755	19840	16057	15991	33917	50502
Machinery	81590	82890	82890	82558	74421	77298	85978	84460
Livestock	32309	33467	33467	44098	37702	40700	45311	51544
Produce and goods in store	53679	36112	47610	53159	62872	51232	49526	53670
Quotas and single payment asset value	79683	66979	128064	47890	83260	70111	110680	55389
Credit balances	77578	86099	68700	56254	64318	75835	77788	45423
<b>TOTAL</b>	<b>981699</b>	<b>1019651</b>	<b>1074834</b>	<b>1101975</b>	<b>819552</b>	<b>855873</b>	<b>1294350</b>	<b>1385317</b>
<b>EXTERNAL LIABILITIES</b>								
Long and medium term loans	20917	19313	19313	20748	37345	36095	39568	41061
Short term loans	22628	18949	19024	16545	31667	28718	21467	18765
Overdrafts	33057	25453	24086	17506	31187	24905	24017	19356
<b>TOTAL</b>	<b>76602</b>	<b>63715</b>	<b>62423</b>	<b>54799</b>	<b>100199</b>	<b>89718</b>	<b>85052</b>	<b>79182</b>
<b>NET WORTH</b>	<b>905097</b>	<b>955936</b>	<b>1012411</b>	<b>1047175</b>	<b>719353</b>	<b>766155</b>	<b>1209298</b>	<b>1306135</b>
<b>RETURNS TO CAPITAL</b>								
Owner Equity (%)	93.8		95.0		89.5		94.3	
FBI/Net worth (%)	5.3		6.8		7.2		5.1	
Management and Investment Income	24247		40512		32513		31129	
Return on tenant's capital (%)	16.4		25.9		21.4		18.6	
Return on all capital (%)	2.5		3.8		4.0		2.4	



**Table A1.2 CROPPING FARM RESULTS****CONVENTIONAL****INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL**

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	15085	97	33485	215	22417	145	35675	199
plus unpaid labour (excludes farmer and spouse)	7340	47	7252	46	6134	40	6384	36
plus imputed rent and rental value	26608	172	22742	146	19614	127	23234	129
plus semi-integrated non-agric activities output	401	3	131	1	86	1	2272	13
minus imputed rent on farmhouse & farm cottages	5726	37	274	2	5348	35	312	2
minus insurance repairs & net interest payments	4080	26	3960	25	5166	33	6011	33
minus build & works depreciation	5345	35	5803	37	4026	26	6272	35
minus semi-integrated non-agric activities costs	61	0	52	0	19	0	171	1
<b>FARM BUSINESS INCOME</b>	<b>34223</b>	<b>221</b>	<b>53521</b>	<b>343</b>	<b>33692</b>	<b>218</b>	<b>54798</b>	<b>305</b>
<b>LABOUR USE AND LABOUR INCOMES</b>								
Annual Labour Units per farm	1.9		1.8		2.0		2.2	
of which farmer & spouse	0.9		0.9		1.0		0.9	
of which paid family labour	0.0		0.0		0.0		0.0	
of which unpaid labour	0.4		0.4		0.4		0.4	
Notional value of farmer/spouse labour	14639		14790		15614		15142	
Value of paid family labour	501		428		297		677	
Labour income per Annual Labour Unit	12553		22392		15516		21376	
Family labour income per Family Work Unit	7761		27150		14580		25199	
Value of paid managerial input	62		81		31		187	
<b>TENANT'S CAPITAL</b>								
Machinery	66530	430	69276	444	66035	427	90280	503
Livestock	24170	156	25193	161	24812	161	33404	186
Crops	33245	215	40042	257	29966	194	46962	262
Stores	15331	99	18182	117	16689	108	21093	118
<b>TOTAL</b>	<b>139277</b>	<b>899</b>	<b>152693</b>	<b>979</b>	<b>137503</b>	<b>890</b>	<b>191739</b>	<b>1068</b>
<b>ASSETS</b>								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	780232	844953	861992	989936	568621	607846	820919	941640
Buildings, improvements and fixtures	26314	31732	31732	33093	19931	22366	32639	40370
Machinery	66548	66512	66896	71656	66065	66005	86159	94402
Livestock	23740	24601	24872	25514	24074	25551	32640	34168
Produce and goods in store	63836	64959	66903	74237	63868	62287	78081	83830
Quotas and single payment asset value	69762	60821	60821	44447	64027	56769	69182	51090
Credit balances	43315	46416	42986	50531	31122	36985	37986	45916
<b>TOTAL</b>	<b>1073747</b>	<b>1139995</b>	<b>1156202</b>	<b>1289416</b>	<b>837707</b>	<b>877809</b>	<b>1157606</b>	<b>1291416</b>
<b>EXTERNAL LIABILITIES</b>								
Long and medium term loans	37771	34048	33814	33803	32315	33328	42017	51333
Short term loans	18791	19702	19563	23267	20309	20076	31309	30949
Overdrafts	31621	29271	28292	27844	35912	31329	36556	33042
<b>TOTAL</b>	<b>88182</b>	<b>83021</b>	<b>81669</b>	<b>84915</b>	<b>88536</b>	<b>84733</b>	<b>109882</b>	<b>115324</b>
<b>NET WORTH</b>	<b>985565</b>	<b>1056974</b>	<b>1074533</b>	<b>1204501</b>	<b>749170</b>	<b>793076</b>	<b>1047724</b>	<b>1176092</b>
<b>RETURNS TO CAPITAL</b>								
Owner Equity (%)	92.7		93.4		90.3		91.1	
FBI/Net worth (%)	3.5		5.0		4.5		5.2	
Management and Investment Income	1022		19122		7098		21186	
Return on tenant's capital (%)	0.7		12.5		5.2		11.0	
Return on all capital (%)	0.1		1.7		0.8		1.8	

**Table A1.3 CROPPING FARM RESULTS  
LAND UTILISATION AND CROP PERFORMANCE****ORGANIC**

LAND UTILISATION - hectares per farm		<i>Identical sample</i>		<i>Full sample</i>					
		2006/07	2007/08	2006/07		2007/08			
Tillage - maincrops	Wheat	31.3	26.2	31.0		33.2			
	Barley	12.8	20.1	10.1		11.8			
	Other cereals	14.8	18.3	15.2		24.9			
	Oil seed rape	0.0	0.0	0.0		0.0			
	Linseed	0.0	0.0	0.0		0.0			
	Peas/Beans	11.4	8.4	13.2		9.7			
	Potatoes	3.5	4.3	3.8		2.5			
	Sugarbeet	1.2	1.0	1.1		0.6			
	Horticulture	1.1	1.2	1.1		3.1			
	Other crops	1.3	0.2	0.9		0.5			
	<b>Total cropping</b>	<b>77.4</b>	<b>79.8</b>	<b>76.4</b>		<b>86.4</b>			
	Set-aside	0.0	0.0	3.2		0.0			
Tillage - fodder		5.4	4.9	3.8		3.6			
Grassland	Grazing, hay and silage	61.0	64.7	79.3		83.8			
Fallow and land let		26.4	18.4	18.5		15.8			
Rough grazing	Effective	0.0	0.0	0.6		0.0			
<b>Utilisable agricultural area (Effective ha.)</b>		<b>170.3</b>	<b>168.4</b>	<b>181.8</b>		<b>196.2</b>			
Woods, roads and buildings		4.7	4.7	4.3		6.9			
<b>TOTAL AREA (Actual ha.)</b>		<b>175.0</b>	<b>173.1</b>	<b>186.2</b>		<b>203.0</b>			
effective forage area		<b>66.4</b>	<b>69.7</b>	<b>90.4</b>		<b>89.0</b>			
Bare land and forage hired in		0.0	0.0	6.7		0.8			
<b>CROP PERFORMANCE *</b>									
<b>- Yields (tonnes per hectare)</b>									
		t/ha	n	t/ha	n	t/ha	n	t/ha	n
	Wheat	4.1	11	3.3	10	4.2	14	3.1	18
	Barley	3.8	6	3.5	7	3.8	8	3.2	9
	Oilseed Rape	-	0	-	0	-	0	-	0
	Potatoes	22.0	5	-	4	21.8	7	13.7	6
	Sugar Beet	-	1	-	1	-	2	-	1
<b>- Prices (£ per tonne)*</b>									
		£/t	n	£/t	n	£/t	n	£/t	n
	Wheat	184	11	253	10	181	14	248	18
	Barley	159	6	262	7	153	8	263	9
	Oilseed Rape	-	0	-	0	-	0	-	0
	Potatoes	245	5	-	4	246	7	326	6
	Sugar Beet	-	1	-	1	-	2	-	1

\* Yield and price data is implied

**Table A1.3 CROPPING FARM RESULTS**  
**LAND UTILISATION AND CROP PERFORMANCE**

**CONVENTIONAL**

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>	
	2006/07	2007/08	2006/07	2007/08
Tillage - maincrops				
Wheat	42.7	43.6	45.2	54.5
Barley	19.2	19.3	13.6	18.2
Other cereals	6.0	4.9	6.3	6.1
Oil seed rape	10.3	12.3	7.9	14.6
Linseed	1.3	0.3	1.1	0.2
Peas/Beans	5.6	5.1	5.5	5.4
Potatoes	2.2	2.1	2.6	1.8
Sugarbeet	1.3	1.2	3.0	0.8
Horticulture	0.7	0.8	0.6	0.7
Other crops	0.8	0.8	0.5	5.1
<b>Total cropping</b>	<b>90.0</b>	<b>90.6</b>	<b>86.4</b>	<b>107.5</b>
Set-aside	13.9	13.2	2.6	0.0
Tillage - fodder	0.7	1.0	1.4	1.6
Grassland				
Grazing, hay and silage	41.0	40.8	36.8	47.4
Fallow and land let	9.0	6.7	26.0	20.1
Rough grazing				
Effective	0.3	0.5	1.3	0.4
<b>Utilisable agricultural area (Effective ha.)</b>	<b>154.9</b>	<b>156.0</b>	<b>154.5</b>	<b>179.5</b>
Woods, roads and buildings	8.5	8.2	8.3	8.5
<b>TOTAL AREA (Actual ha.)</b>	<b>163.3</b>	<b>164.3</b>	<b>162.9</b>	<b>188.0</b>
effective forage area	<b>44.8</b>	<b>44.5</b>	<b>44.4</b>	<b>54.0</b>
Bare land and forage hired in	3.1	2.4	5.7	5.3

**CROP PERFORMANCE \*****- Yields (tonnes per hectare)**

	t/ha	n	t/ha	n	t/ha	n	t/ha	n
Wheat	8.0	12	7.1	12	7.8	17	7.0	22
Barley	6.1	12	5.8	12	6.2	16	5.9	22
Oilseed Rape	3.1	12	2.8	12	2.9	14	3.0	20
Potatoes	-	3	-	3	27.3	5	32.0	8
Sugar Beet	56.9	6	48.6	6	54.0	12	49.5	8

**- Prices (£ per tonne)\***

	£/t	n	£/t	n	£/t	n	£/t	n
Wheat	86	12	148	12	88	17	148	22
Barley	79	12	123	12	82	16	134	22
Oilseed Rape	163	12	225	12	199	14	220	20
Potatoes	-	3	-	3	96	5	138	8
Sugar Beet	27	6	24	6	25	12	25	8

\* Yield and price data is implied

**Table A1.4 CROPPING FARM RESULTS  
STOCKING AND LIVESTOCK PERFORMANCE****ORGANIC**

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0	0.8	1
Beef cows	17.6	23	17.8	24	21.3	28	16.6	22
Other cattle	28.5	54	40.5	72	30.7	59	39.2	72
Breeding sheep	3.0	28	3.1	29	5.7	53	8.8	83
Other sheep	1.6	40	1.8	43	2.5	61	2.6	63
Pigs	5.9	35	6.4	40	4.2	25	4.4	29
Poultry	0.1	13	0.2	15	0.1	9	1.8	171
Other livestock	0.0	1	0.0	2	0.0	1	0.0	1
<b>TOTAL (L.U.)</b>	<b>56.7</b>		<b>69.7</b>		<b>64.5</b>		<b>74.2</b>	

**STOCKING RATES**

Stocking rate (LU per eff.ha)	0.3	0.4	0.4	0.4
GLU/forage effective hectare*	0.9	1.0	0.7	0.8

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

**LIVESTOCK PERFORMANCE**

<b>- Yield*</b>	litres	n	litres	n	litres	n	litres	n
Milk yield/cow	-	0	-	0	-	0	-	1
<b>- Prices (£ per head)*</b>	£/head	n	£/head	n	£/head	n	£/head	n
Dairy cows	-	0	-	0	-	0	-	1
Dairy calves	-	0	-	0	-	0	-	0
Dairy heifers in calf	-	0	-	0	-	0	-	1
Beef heifers in calf	-	0	-	0	-	0	-	2
Finished cattle	812	10	867	11	796	12	863	18
Beef store cattle 1-2 yrs	-	1	-	3	564	5	508	5
Beef stores <1 yr	-	2	-	1	-	4	-	2
Ewes	-	1	-	0	-	1	-	0
Ewe hogs	-	0	-	0	-	0	-	1
Finished lambs	-	4	-	4	51	7	47	8
Store lambs	-	0	-	2	-	0	-	4
Finished Pigs	-	0	-	0	-	0	-	0
<b>- Prices (pence per unit)*</b>	p/unit	n	p/unit	n	p/unit	n	p/unit	n
Milk (pence per litre)	-	0	-	0	-	0	-	1
Wool (pence per kg)	-	2	-	1	-	4	-	4
Eggs (pence per dozen)	-	1	-	1	-	1	172	5

\* Yield and price data is implied

**Table A1.4 CROPPING FARM RESULTS  
STOCKING AND LIVESTOCK PERFORMANCE**

**CONVENTIONAL**

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	0.1	0	0.0	0	0.0	0	0.0	0
Beef cows	9.8	13	10.3	14	8.8	12	10.2	14
Other cattle	18.2	35	18.0	34	16.5	32	17.7	34
Breeding sheep	9.9	93	9.5	88	10.3	99	20.9	196
Other sheep	2.8	68	2.9	69	2.9	70	4.3	102
Pigs	0.1	1	0.2	1	6.0	35	1.4	8
Poultry	1.4	86	1.4	84	0.9	59	0.8	46
Other livestock	0.0	1	0.0	0	0.0	1	1.3	11
<b>TOTAL (L.U.)</b>	<b>42.4</b>		<b>42.3</b>		<b>45.4</b>		<b>56.6</b>	

**STOCKING RATES**

Stocking rate (LU per eff.ha)	0.3	0.3	0.3	0.3
GLU/forage effective hectare*	0.9	1.0	1.0	1.0

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

**LIVESTOCK PERFORMANCE**

<b>- Yield*</b>	litres	n	litres	n	litres	n	litres	n
Milk yield/cow	-	1	-	0	-	0	-	0
<b>- Prices (£ per head)*</b>	£/head	n	£/head	n	£/head	n	£/head	n
Dairy cows	-	1	-	0	-	0	-	0
Dairy calves	-	1	-	0	-	0	-	0
Dairy heifers in calf	-	0	-	1	-	0	-	1
Beef heifers in calf	-	1	-	3	-	2	-	4
Finished cattle	618	10	636	10	616	14	650	20
Beef store cattle 1-2 yrs	517	7	497	7	521	8	471	15
Beef stores <1 yr	-	4	220	5	483	5	232	7
Ewes	-	4	-	4	62	7	49	9
Ewe hogs	-	1	-	1	-	3	-	3
Finished lambs	49	7	45	7	49	12	44	16
Store lambs	-	4	-	4	33	8	37	11
Finished Pigs	-	0	-	0	-	0	-	4
<b>- Prices (pence per unit)*</b>	p/unit	n	p/unit	n	p/unit	n	p/unit	n
Milk (pence per litre)	-	1	-	0	-	0	-	0
Wool (pence per kg)	43	8	20	7	45	14	19	15
Eggs (pence per dozen)	-	1	-	1	-	1	-	2

\* Yield and price data is implied

**Table A2.1 HORTICULTURE RESULTS**

OUTPUTS AND INPUTS		ORGANIC				CONVENTIONAL			
		2006/07		2007/08		2006/07		2007/08	
Sample number		8		8		31		30	
Average farm size (UAA)		23		19		14		18	
Business size (ESU)		264		186		277		189	
<b>OUTPUTS</b>		<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>
Dairy -	milk output	0	0	0	0	0	0	0	0
	cattle	0	0	0	0	0	0	0	0
	net quota	0	0	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0	0	0
Other cattle	output	2188	96	252	13	39	3	672	37
	valuation change	-766	-34	127	7	-31	-2	-200	-11
Sheep -	total output	836	37	0	0	262	19	0	0
	valuation change	13	1	0	0	943	68	0	0
Other livestock		6441	283	292	15	873	63	83	5
Arable crops	output	299754	13164	246528	12962	391447	28088	285317	15608
	protein/energy support	0	0	0	0	0	0	0	0
By products forage and cults		9844	432	-949	-50	-975	-70	609	33
Miscellaneous (incl. farmhouse benefit value)		29333	1288	27348	1438	63455	4553	48831	2671
	- organic grants	183	8	199	10	0	0	0	0
	- other agri-env.payments	292	13	1940	102	880	63	665	36
	- subsidy/single farm payer	1481	65	423	22	512	37	741	41
	<b>FARM REVENUE</b>	<b>349598</b>	<b>15353</b>	<b>276160</b>	<b>14520</b>	<b>457406</b>	<b>32820</b>	<b>336717</b>	<b>18420</b>
<b>INPUTS</b>									
Feeds	purchased concentrates	5207	229	133	7	524	38	270	15
	homegrown concentrates	0	0	0	0	0	0	0	0
Purchased fodder, Tack and stock keep		78	3	0	0	155	11	0	0
Veterinary and medicines		111	5	117	6	68	5	47	3
Other livestock costs		1417	62	292	15	177	13	175	10
Seeds -	purchased and homegrown	53826	2364	7271	382	144681	10381	65073	3560
Fertilisers		5239	230	8119	427	8234	591	4927	270
Crop protection		3659	161	6058	319	3974	285	6519	357
Other crop costs		56677	2489	88618	4660	63162	4532	67717	3704
Labour	paid incl. paid management	71693	3148	29796	1567	71978	5165	44528	2436
	casual	17013	747	12460	655	28600	2052	40268	2203
Machinery	contract	685	30	1729	91	4778	343	2824	154
	repairs	7953	349	15408	810	8128	583	5827	319
	fuels	1860	82	3487	183	5216	374	3142	172
General farming costs		47164	2071	16240	854	38949	2795	24570	1344
Land expenses		12404	545	5972	314	6792	487	4042	221
Rent		756	33	656	35	479	34	1712	94
	<b>FARM EXPENSES</b>	<b>285741</b>	<b>12548</b>	<b>196355</b>	<b>10324</b>	<b>385894</b>	<b>27689</b>	<b>271639</b>	<b>14860</b>
<b>Excess of expenses over revenue</b>		<b>63857</b>	<b>2804</b>	<b>79804</b>	<b>4196</b>	<b>71511</b>	<b>5131</b>	<b>65077</b>	<b>3560</b>
<b>Notional inputs</b>									
	- rental value/imputed rent	10266	451	6161	324	10866	780	9176	502
	- unpaid labour	1622	71	5602	295	2675	192	4668	255
	- machinery depreciation	16200	711	17416	916	10547	757	9897	541
		<b>28088</b>	<b>1233</b>	<b>29180</b>	<b>1534</b>	<b>24088</b>	<b>1728</b>	<b>23741</b>	<b>1299</b>
NET FARM INCOME (excl. BLSA)		<b>35769</b>	<b>1571</b>	<b>50625</b>	<b>2662</b>	<b>47423</b>	<b>3403</b>	<b>41336</b>	<b>2261</b>
NET FARM INCOME (incl. BLSA)		<b>35848</b>	<b>1574</b>	<b>50730</b>	<b>2667</b>	<b>47423</b>	<b>3403</b>	<b>41335</b>	<b>2261</b>

**Table A2.2 HORTICULTURE RESULTS**  
**INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL**

INCOME MEASURES	ORGANIC				CONVENTIONAL			
	2006/07		2007/08		2006/07		2007/08	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	35769	1571	50625	2662	47423	3403	41336	2261
plus unpaid labour (excludes farmer and spouse)	1622	71	5602	295	2675	192	4668	255
plus imputed rent and rental value	9901	435	5896	310	10115	726	8724	477
plus semi-integrated non-agric activities output	0	0	0	0	261	19	198	11
minus imputed rent on farmhouse & farm cottages	5043	221	145	8	3585	257	3	0
minus insurance repairs & net interest payments	5767	253	9719	511	4685	336	5241	287
minus build & works depreciation	1959	86	2971	156	3942	283	4707	257
minus semi-integrated non-agric activities costs	0	0	0	0	100	7	42	2
<b>FARM BUSINESS INCOME</b>	<b>34523</b>	<b>1516</b>	<b>49289</b>	<b>2592</b>	<b>48162</b>	<b>3456</b>	<b>44934</b>	<b>2458</b>
<b>LABOUR USE AND LABOUR INCOMES</b>								
Annual Labour Units per farm	6.6		4.1		7.4		6.9	
of which farmer & spouse	1.2		1.2		1.2		1.2	
of which paid family labour	0.1		0.0		0.1		0.0	
of which unpaid labour	0.2		0.3		0.2		0.3	
Notional value of farmer/spouse labour	16576		20612		18229		19328	
Value of paid family labour	1680		0		735		812	
Labour income per Annual Labour Unit	17854		22024		19384		17990	
Family labour income per Family Work Unit	22124		35674		32938		28739	
Value of paid managerial input	2778		0		250		789	
<b>TENANT'S CAPITAL</b>								
Machinery	71153	3125	83754	4404	51742	3713	52879	2893
Livestock	4606	202	1133	60	1063	76	875	48
Crops	20620	906	17248	907	51197	3674	34167	1869
Stores	31677	1391	23066	1213	16385	1176	10969	600
<b>TOTAL</b>	<b>128056</b>	<b>5624</b>	<b>125201</b>	<b>6583</b>	<b>120387</b>	<b>8638</b>	<b>98891</b>	<b>5410</b>
<b>ASSETS</b>								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	183721	242291	446485	494940	239176	251894	420818	453682
Buildings, improvements and fixtures	38841	54844	51686	47952	75337	78927	47173	48347
Machinery	66995	75310	74246	93262	48581	54903	53101	52657
Livestock	4497	4715	1017	1250	607	1519	976	774
Produce and goods in store	50525	64314	90991	85716	73091	71805	86414	97215
Quotas and single payment asset value	4845	4975	1331	959	1516	1419	1461	1193
Credit balances	83415	81042	69703	125675	86157	75873	42610	47855
<b>TOTAL</b>	<b>432839</b>	<b>527490</b>	<b>735459</b>	<b>849754</b>	<b>524466</b>	<b>536341</b>	<b>652555</b>	<b>701722</b>
<b>EXTERNAL LIABILITIES</b>								
Long and medium term loans	26012	38344	63233	69929	47047	56028	62146	56874
Short term loans	59404	65597	30906	33678	36596	39814	22455	23113
Overdrafts	59150	55356	31782	46079	14019	12791	15666	15925
<b>TOTAL</b>	<b>144566</b>	<b>159297</b>	<b>125920</b>	<b>149685</b>	<b>97663</b>	<b>108633</b>	<b>100268</b>	<b>95912</b>
<b>NET WORTH</b>	<b>288274</b>	<b>368193</b>	<b>609539</b>	<b>700069</b>	<b>426803</b>	<b>427708</b>	<b>552287</b>	<b>605810</b>
<b>RETURNS TO CAPITAL</b>								
Owner Equity (%)	69.8		82.4		79.7		86.3	
FBI/Net worth (%)	12.0		8.1		11.3		8.1	
Management and Investment Income	22049		30118		29444		22797	
Return on tenant's capital (%)	17.2		24.1		24.5		23.1	
Return on all capital (%)	5.1		4.1		5.6		3.5	

**Table A2.3 HORTICULTURE RESULTS**  
**LAND UTILISATION AND CROP PERFORMANCE**

LAND UTILISATION - hectares per farm	ORGANIC		CONVENTIONAL					
	2006/07	2007/08	2006/07	2007/08				
Tillage - maincrops								
Wheat	1.7	0.0	0.3	0.0				
Barley	0.0	0.0	0.3	0.0				
Other cereals	0.0	0.0	0.0	0.0				
Oil seed rape	0.0	0.0	0.0	0.0				
Linseed	0.0	0.0	0.0	0.0				
Peas/Beans	0.0	0.0	0.0	0.0				
Potatoes	0.3	0.3	0.0	0.0				
Sugarbeet	0.0	0.0	0.0	0.0				
Horticulture	4.6	15.4	4.2	14.2				
Other crops	0.0	0.0	0.0	0.0				
<b>Total cropping</b>	<b>6.6</b>	<b>15.7</b>	<b>4.9</b>	<b>14.2</b>				
Set-aside	0.6	0.0	0.0	0.0				
Tillage - fodder	0.0	0.0	0.0	0.0				
Grassland								
Grazing, hay and silage	12.9	3.3	6.0	2.3				
Fallow and land let	2.7	0.1	3.0	1.7				
Rough grazing								
Effective	0.0	0.0	0.0	0.0				
<b>Utilisable agricultural area (Effective ha.)</b>	<b>22.8</b>	<b>19.0</b>	<b>13.9</b>	<b>18.3</b>				
Woods, roads and buildings	5.2	1.6	1.9	1.6				
<b>TOTAL AREA (Actual ha.)</b>	<b>27.9</b>	<b>20.6</b>	<b>15.8</b>	<b>19.9</b>				
effective forage area	<b>12.9</b>	<b>3.3</b>	<b>6.0</b>	<b>2.3</b>				
Bare land and forage hired in	0.0	0.0	0.0	0.0				
<b>CROP PERFORMANCE *</b>								
<b>- Yields (tonnes per hectare)</b>	t/ha	n	t/ha	n	t/ha	n	t/ha	n
Wheat	-	1	-	0.0	-	1.0	-	0.0
Barley	-	0	-	0.0	-	1.0	-	0.0
Oilseed Rape	-	0	-	0.0	-	0.0	-	0.0
Potatoes	-	1	-	1.0	-	0.0	-	0.0
Sugar Beet	-	0	-	0.0	-	0.0	-	0.0
<b>- Prices (£ per tonne)*</b>	£/t	n	£/t	n	£/t	n	£/t	n
Wheat	-	1	-	0	-	1	-	0
Barley	-	0	-	0	-	1	-	0
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	1	-	1	-	0	-	0
Sugar Beet	-	0	-	0	-	0	-	0

\* Yield and price data is implied



**Table A2.4 HORTICULTURE RESULTS  
STOCKING AND LIVESTOCK PERFORMANCE**

LIVESTOCK CARRIED - L.U. per farm	ORGANIC				CONVENTIONAL			
	2006/07		2007/08		2006/07		2007/08	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0	0.0	0
Beef cows	2.5	3	0.8	1	0.0	0	0.0	0
Other cattle	1.7	3	1.0	2	0.0	0	1.4	3
Breeding sheep	1.1	10	0.0	0	1.7	17	0.0	0
Other sheep	0.4	11	0.0	0	0.8	20	0.0	0
Pigs	1.5	7	0.0	0	0.0	0	0.1	1
Poultry	3.4	199	0.2	11	0.1	22	0.0	1
Other livestock	0.0	0	0.0	0	0.0	0	0.0	2
<b>TOTAL (L.U.)</b>	<b>10.7</b>		<b>2.0</b>		<b>2.7</b>		<b>1.6</b>	

**STOCKING RATES**

Stocking rate (LU per eff.ha)	0.5	0.1	0.2	0.1
GLU/forage effective hectare*	0.8	0.6	0.4	0.7

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

**LIVESTOCK PERFORMANCE**

<b>- Yield*</b>	litres	n	litres	n	litres	n	litres	n
Milk yield/cow	-	0	-	0	-	0	-	0
<b>- Prices (£ per head)*</b>	£/head	n	£/head	n	£/head	n	£/head	n
Dairy cows	-	0	-	0	-	0	-	0
Dairy calves	-	0	-	0	-	0	-	0
Dairy heifers in calf	-	0	-	0	-	0	-	0
Beef heifers in calf	-	0	-	0	-	0	-	0
Finished cattle	-	1	-	1	-	1	-	1
Beef store cattle 1-2 yrs	-	0	-	0	-	0	-	1
Beef stores <1 yr	-	0	-	0	-	0	-	0
Ewes	-	0	-	0	-	0	-	0
Ewe hogs	-	0	-	0	-	0	-	0
Finished lambs	-	1	-	0	-	1	-	0
Store lambs	-	0	-	0	-	1	-	0
Finished Pigs	-	1	-	0	-	0	-	1
<b>- Prices (pence per unit)*</b>	p/unit	n	p/unit	n	p/unit	n	p/unit	n
Milk (pence per litre)	-	0	-	0	-	0	-	0
Wool (pence per kg)	-	1	-	0	-	1	-	0
Eggs (pence per dozen)	-	3	-	1	-	0	-	1

\* Yield and price data is implied

**Table A3.1 POULTRY FARM RESULTS**

OUTPUTS AND INPUTS		Organic		Conventional	
		2007/08		2007/08	
Sample number		5		17	
Average farm size (UAA)		34		26	
Business size (ESU)		49		43	
<b>OUTPUTS</b>		<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>
Dairy -	milk output	0	0	0	0
	cattle	0	0	0	0
	net quota	0	0	0	0
	valuation change	0	0	0	0
Other cattle	output	5231	155	0	0
	valuation change	-626	-19	0	0
Sheep -	total output	1387	41	62	2
	valuation change	88	3	-34	-1
Other livestock		141296	4178	113923	4367
Arable crops	output	1415	42	1816	70
	protein/energy support	25	1	0	0
By products forage and cults		2800	83	3320	127
Miscellaneous (incl. farmhouse benefit value)		1320	39	5926	227
	- organic grants	0	0	0	0
	- other agri-env.payments	5073	150	5250	201
	- subsidy/single farm payment	5791	171	3162	121
	<b>FARM REVENUE</b>	<b>163801</b>	<b>4843</b>	<b>133425</b>	<b>5114</b>
<b>INPUTS</b>					
Feeds	purchased concentrates	50923	1506	26337	1009
	homegrown concentrates	0	0	0	0
Purchased fodder, Tack and stock keep		707	21	0	0
Veterinary and medicines		977	29	486	19
Other livestock costs		6353	188	4879	187
Seeds -	purchased and homegrown	609	18	3676	141
Fertilisers		0	0	381	15
Crop protection		10	0	371	14
Other crop costs		159	5	67	3
Labour	paid incl. paid management	12690	375	4994	191
	casual	655	19	1813	69
Machinery	contract	2327	69	3822	147
	repairs	3192	94	2748	105
	fuels	1623	48	1721	66
General farming costs		14595	432	14945	573
Land expenses		3349	99	4355	167
Rent		2950	87	285	11
	<b>FARM EXPENSES</b>	<b>101119</b>	<b>2990</b>	<b>70879</b>	<b>2717</b>
<b>Excess of expenses over revenue</b>		<b>62682</b>	<b>1853</b>	<b>62546</b>	<b>2397</b>
<b>Notional inputs</b>					
	- rental value/imputed rent	31296	925	13455	516
	- unpaid labour	5437	161	2742	105
	- machinery depreciation	5415	160	12607	483
		<b>42149</b>	<b>1246</b>	<b>28804</b>	<b>1104</b>
NET FARM INCOME (excl. BLSA)		<b>20534</b>	<b>607</b>	<b>33742</b>	<b>1293</b>
NET FARM INCOME (incl. BLSA)		<b>21101</b>	<b>624</b>	<b>33737</b>	<b>1293</b>

**Table A3.2 POULTRY FARM RESULTS**  
**INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL**

INCOME MEASURES	Organic		Conventional	
	2007/08		2007/08	
	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	20534	607	33742	1293
plus unpaid labour (excludes farmer and spouse)	5437	161	2742	105
plus imputed rent and rental value	31296	925	13411	514
plus semi-integrated non-agric activities output	3063	91	0	0
minus imputed rent on farmhouse & farm cottages	200	6	0	0
minus insurance repairs & net interest payments	5519	163	3268	125
minus build & works depreciation	12791	378	12460	478
minus semi-integrated non-agric activities costs	4200	124	0	0
<b>FARM BUSINESS INCOME</b>	<b>37620</b>	<b>1112</b>	<b>34167</b>	<b>1310</b>
<b>LABOUR USE AND LABOUR INCOMES</b>				
Annual Labour Units per farm	1.9		1.6	
of which farmer & spouse	0.8		1.1	
of which paid family labour	0.2		0.1	
of which unpaid labour	0.3		0.1	
Notional value of farmer/spouse labour	13554		17333	
Value of paid family labour	2295		770	
Labour income per Annual Labour Unit	19146		24556	
Family labour income per Family Work Unit	20062		27292	
Value of paid managerial input	0		47	
<b>TENANT'S CAPITAL</b>				
Machinery	30134	891	60258	2310
Livestock	25145	743	5305	203
Crops	1248	37	1232	47
Stores	1797	53	2951	113
<b>TOTAL</b>	<b>58324</b>	<b>1724</b>	<b>69746</b>	<b>2673</b>
<b>ASSETS</b>				
	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	378568	449179	381464	415822
Buildings, improvements and fixtures	70191	69657	50756	50603
Machinery	30999	29269	55873	64643
Livestock	27809	22482	3538	7072
Produce and goods in store	7062	7902	5860	2780
Quotas and single payment asset value	12600	9083	8698	5541
Credit balances	24025	29605	85802	49712
<b>TOTAL</b>	<b>551254</b>	<b>617177</b>	<b>591992</b>	<b>596173</b>
<b>EXTERNAL LIABILITIES</b>				
Long and medium term loans	84537	81505	44132	32812
Short term loans	12177	12317	52805	6179
Overdrafts	16231	5659	19217	20382
<b>TOTAL</b>	<b>112944</b>	<b>99481</b>	<b>116155</b>	<b>59373</b>
<b>NET WORTH</b>	<b>438310</b>	<b>517696</b>	<b>475837</b>	<b>536800</b>
<b>RETURNS TO CAPITAL</b>				
Owner Equity (%)	83.9		90.0	
FBI/Net worth (%)	8.6		7.2	
Management and Investment Income	7547		16450	
Return on tenant's capital (%)	12.9		23.6	
Return on all capital (%)	1.4		2.8	

**Table A3.3 POULTRY FARM RESULTS**  
**LAND UTILISATION AND CROP PERFORMANCE**

		<b>Organic</b>	<b>Conventional</b>
		2007/08	2007/08
<b>LAND UTILISATION - hectares per farm</b>			
Tillage - maincrops	Wheat	0.8	1.5
	Barley	0.0	0.7
	Other cereals	0.0	0.0
	Oil seed rape	0.0	0.0
	Linseed	0.0	0.0
	Peas/Beans	2.3	0.0
	Potatoes	0.0	0.0
	Sugarbeet	0.0	0.0
	Horticulture	0.0	0.0
	Other crops	0.0	3.1
	<b>Total cropping</b>	<b>3.1</b>	<b>5.2</b>
	Set-aside	0.0	0.0
Tillage - fodder		1.6	0.0
Grassland	Grazing, hay and silage	25.5	9.3
Fallow and land let		3.6	11.5
Rough grazing	Effective	0.0	0.0
<b>Utilisable agricultural area (Effective ha.)</b>		<b>33.8</b>	<b>26.1</b>
Woods, roads and buildings		4.0	2.9
<b>TOTAL AREA (Actual ha.)</b>		<b>37.8</b>	<b>29.0</b>
effective forage area		<b>27.1</b>	<b>10.4</b>
Bare land and forage hired in		0.0	1.1

<b>CROP PERFORMANCE - Yields (tonnes per hectare)*</b>		t/ha	n	t/ha	n
Wheat		-	1	-	2
Barley		-	0	-	2
Oilseed Rape		-	0	-	0
Potatoes		-	0	-	0
Sugar Beet		-	0	-	0

<b>- Prices (£ per tonne)*</b>		£/t	n	£/t	n
Wheat		-	1	-	2
Barley		-	0	-	2
Oilseed Rape		-	0	-	0
Potatoes		-	0	-	0
Sugar Beet		-	0	-	0

\* Yield and price data is implied

**Table A3.4 POULTRY FARM RESULTS  
STOCKING AND LIVESTOCK PERFORMANCE**

	<b>Organic</b>		<b>Conventional</b>	
	2007/08		2007/08	
<b>LIVESTOCK CARRIED - L.U. per farm</b>	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0
Beef cows	7.4	10	0.0	0
Other cattle	7.6	14	0.0	0
Breeding sheep	2.1	20	0.1	1
Other sheep	0.7	17	0.0	1
Pigs	0.0	0	0.0	0
Poultry	86.2	19560	75.0	18020
Other livestock	0.0	0	0.0	0
<b>TOTAL (L.U.)</b>	<b>104.0</b>		<b>75.2</b>	

**STOCKING RATES**

Stocking rate (LU per eff.ha)	3.1	2.9
GLU/forage effective hectare*	3.8	7.2

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

**LIVESTOCK PERFORMANCE**

<b>- Yield*</b>	litres	n	litres	n
Milk yield/cow	-	0	-	0
<b>- Prices (£ per head)*</b>	£/head	n	£/head	n
Dairy cows	-	0	-	0
Dairy calves	-	0	-	0
Dairy heifers in calf	-	0	-	0
Beef heifers in calf	-	1	-	0
Finished cattle	-	1	-	0
Beef store cattle 1-2 yrs	-	1	-	0
Beef stores <1 yr	-	1	-	0
Ewes	-	1	-	0
Ewe hoggs	-	0	-	0
Finished lambs	-	2	-	0
Store lambs	-	0	-	0
Finished Pigs	-	0	-	0
<b>- Prices (pence per unit)*</b>	p/unit	n	p/unit	n
Milk (pence per litre)	-	0	-	0
Wool (pence per kg)	-	1	-	0
Eggs (pence per dozen)	-	2	-	0

\* Yield and price data is implied

**Table A4.1 LFA DAIRY FARM RESULTS**

**ORGANIC**

**OUTPUTS AND INPUTS**

		<i>Identical sample</i>				<i>Full sample</i>			
		2006/07		2007/08		2006/07		2007/08	
		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Sample number		6		6		7		6	
Average farm size (UAA)		90		87		83		87	
Business size (ESU)		78		81		72		81	
<b>OUTPUTS</b>									
Dairy -	milk output	102774	1144	121365	1391	92450	1107	121365	1391
	cattle	-2077	-23	-1400	-16	-2033	-24	-1400	-16
	net quota	0	0	0	0	0	0	0	0
	valuation change	173	2	1694	19	-65	-1	1694	19
Other cattle	output	13378	149	16611	190	11988	144	16611	190
	valuation change	2039	23	1882	22	2119	25	1882	22
Sheep -	total output	8515	95	6846	78	7739	93	6846	78
	valuation change	252	3	-866	-10	172	2	-866	-10
Other livestock		0	0	0	0	0	0	0	0
Arable crops	output	0	0	1667	19	0	0	1667	19
	protein/energy support	0	0	0	0	0	0	0	0
By products forage and cults		307	3	837	10	263	3	837	10
Miscellaneous (incl. farmhouse benefit value)		4815	54	2476	28	6230	75	2476	28
	- organic grants	2308	26	964	11	1978	24	964	11
	- other agri-env. payments	5691	63	5879	67	6666	80	5879	67
	- subsidy/single farm payment	11013	123	13149	151	10288	123	13149	151
	<b>FARM REVENUE</b>	<b>149188</b>	<b>1660</b>	<b>171103</b>	<b>1961</b>	<b>137795</b>	<b>1650</b>	<b>171103</b>	<b>1961</b>
<b>INPUTS</b>									
Feeds	purchased concentrates	34590	385	39468	452	31053	372	39468	452
	homegrown concentrates	2344	26	4158	48	2448	29	4158	48
Purchased fodder, Tack and stock keep		670	7	659	8	613	7	659	8
Veterinary and medicines		2533	28	2942	34	2401	29	2942	34
Other livestock costs		8019	89	10896	125	7673	92	10896	125
Seeds -	purchased and homegrown	1125	13	778	9	993	12	778	9
Fertilisers		1307	15	725	8	1266	15	725	8
Crop protection		24	0	32	0	21	0	32	0
Other crop costs		1052	12	1183	14	965	12	1183	14
Labour	paid incl. paid management	0	0	502	6	0	0	502	6
	casual	2537	28	4141	47	2336	28	4141	47
Machinery	contract	4061	45	7547	87	3805	46	7547	87
	repairs	5139	57	3322	38	4689	56	3322	38
	fuels	4527	50	4491	51	4158	50	4491	51
General farming costs		10284	114	11940	137	9690	116	11940	137
Land expenses		2576	29	2253	26	2371	28	2253	26
Rent		3533	39	4317	49	3028	36	4317	49
	<b>FARM EXPENSES</b>	<b>84319</b>	<b>938</b>	<b>99352</b>	<b>1139</b>	<b>77511</b>	<b>928</b>	<b>99352</b>	<b>1139</b>
<b>Excess of expenses over revenue</b>		<b>64868</b>	<b>722</b>	<b>71751</b>	<b>822</b>	<b>60284</b>	<b>722</b>	<b>71751</b>	<b>822</b>
<b>Notional inputs</b>									
	- rental value/imputed rent	10243	114	8461	97	10351	124	8461	97
	- unpaid labour	17375	193	18814	216	14892	178	18814	216
	- machinery depreciation	10547	117	11348	130	9620	115	11348	130
		<b>38164</b>	<b>425</b>	<b>38623</b>	<b>443</b>	<b>34864</b>	<b>418</b>	<b>38623</b>	<b>443</b>
NET FARM INCOME (excl. BLSA)		<b>26704</b>	<b>297</b>	<b>33129</b>	<b>380</b>	<b>25420</b>	<b>304</b>	<b>33129</b>	<b>380</b>
NET FARM INCOME (incl. BLSA)		<b>30555</b>	<b>340</b>	<b>40700</b>	<b>467</b>	<b>29095</b>	<b>348</b>	<b>40700</b>	<b>467</b>

Table A4.1 LFA DAIRY FARM RESULTS

## OUTPUTS AND INPUTS

## CONVENTIONAL

		<i>Identical sample</i>				<i>Full sample</i>			
		2006/07		2007/08		2006/07		2007/08	
Sample number		24		24		49		25	
Average farm size (UAA)		80		81		77		81	
Business size (ESU)		84		84		76		83	
<b>OUTPUTS</b>		<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>
Dairy -	milk output	76836	965	86749	1075	59651	775	85484	1058
	cattle	-13	0	3895	48	921	12	4860	60
	net quota	0	0	0	0	0	0	0	0
	valuation change	935	12	-3764	-47	900	12	-4125	-51
Other cattle	output	13603	171	14785	183	10365	135	14503	179
	valuation change	225	3	3663	45	-355	-5	3869	48
Sheep -	total output	9152	115	8097	100	11046	144	8190	101
	valuation change	426	5	95	1	261	3	78	1
Other livestock		3	0	0	0	5	0	0	0
Arable crops	output	308	4	532	7	416	5	532	7
	protein/energy support	0	0	0	0	0	0	0	0
By products forage and cults		430	5	179	2	1446	19	200	2
Miscellaneous (incl. farmhouse benefit value)		5100	64	2651	33	9758	127	2466	31
	- organic grants	0	0	0	0	0	0	0	0
	- other agri-env.payments	3152	40	2967	37	3615	47	2906	36
	- single payment scheme	14940	188	15391	191	14270	186	15284	189
	<b>FARM REVENUE</b>	<b>125098</b>	<b>1571</b>	<b>135241</b>	<b>1676</b>	<b>112298</b>	<b>1460</b>	<b>134245</b>	<b>1661</b>
<b>INPUTS</b>									
Feeds	purchased concentrates	26301	330	28889	358	20420	265	28435	352
	homegrown concentrates	1523	19	1781	22	1742	23	1794	22
Purchased fodder, Tack and stock keep		1808	23	1757	22	1167	15	1758	22
Veterinary and medicines		3642	46	4381	54	3136	41	4432	55
Other livestock costs		8838	111	9439	117	8068	105	9291	115
Seeds -	purchased and homegrown	248	3	329	4	181	2	329	4
Fertilisers		6951	87	6549	81	5691	74	6629	82
Crop protection		192	2	178	2	239	3	183	2
Other crop costs		748	9	701	9	552	7	661	8
Labour	paid incl. paid management	4446	56	5039	62	3987	52	4883	60
	casual	1546	19	1368	17	658	9	1368	17
Machinery	contract	4840	61	5975	74	5117	67	5986	74
	repairs	4236	53	5192	64	4178	54	5178	64
	fuels	3688	46	3696	46	3878	50	3733	46
General farming costs		10504	132	10800	134	9486	123	10756	133
Land expenses		2892	36	3045	38	3090	40	3057	38
Rent		3520	44	3863	48	4300	56	4087	51
	<b>FARM EXPENSES</b>	<b>85923</b>	<b>1079</b>	<b>92981</b>	<b>1152</b>	<b>75890</b>	<b>987</b>	<b>92557</b>	<b>1145</b>
<b>Excess of expenses over revenue</b>		<b>39175</b>	<b>492</b>	<b>42260</b>	<b>524</b>	<b>36408</b>	<b>473</b>	<b>41687</b>	<b>516</b>
<b>Notional inputs</b>									
	- rental value/imputed rent	14416	181	11567	143	15332	199	11277	140
	- unpaid labour	4258	53	3735	46	2561	33	3838	47
	- machinery depreciation	7965	100	8116	101	7178	93	7898	98
		<b>26639</b>	<b>334</b>	<b>23418</b>	<b>290</b>	<b>25071</b>	<b>326</b>	<b>23012</b>	<b>285</b>
NET FARM INCOME (excl. BLSA)		<b>12536</b>	<b>157</b>	<b>18842</b>	<b>234</b>	<b>11337</b>	<b>147</b>	<b>18675</b>	<b>231</b>
NET FARM INCOME (incl. BLSA)		<b>14459</b>	<b>182</b>	<b>23748</b>	<b>294</b>	<b>12641</b>	<b>164</b>	<b>23442</b>	<b>290</b>

**Table A4.2 LFA DAIRY FARM RESULTS** **ORGANIC**  
**INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL**

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	26704	297	33129	380	25420	304	33129	380
plus unpaid labour (excludes farmer and spouse)	17375	193	18814	216	14892	178	18814	216
plus imputed rent and rental value	10243	114	8461	97	10351	124	8461	97
plus semi-integrated non-agric activities output	1272	14	1716	20	1090	13	1716	20
minus imputed rent on farmhouse & farm cottages	3051	34	333	4	3281	39	333	4
minus insurance repairs & net interest payments	2238	25	2443	28	1989	24	2443	28
minus build & works depreciation	2576	29	1806	21	2382	29	1806	21
minus semi-integrated non-agric activities costs	1632	18	414	5	1399	17	414	5
<b>FARM BUSINESS INCOME</b>	<b>46097</b>	<b>513</b>	<b>57124</b>	<b>655</b>	<b>42703</b>	<b>511</b>	<b>57124</b>	<b>655</b>
<b>LABOUR USE AND LABOUR INCOMES</b>								
Annual Labour Units per farm	2.4		2.5		2.2		2.5	
of which farmer & spouse	1.1		1.1		1.1		1.1	
of which paid family labour	0.0		0.0		0.0		0.0	
of which unpaid labour	1.1		1.2		0.9		1.2	
Notional value of farmer/spouse labour	16002		16686		16620		16686	
Value of paid family labour	0		0		0		0	
Labour income per Annual Labour Unit	16376		18840		15674		18840	
Family labour income per Family Work Unit	17420		22683		15848		22683	
Value of paid managerial input	0		0		0		0	
<b>TENANT'S CAPITAL</b>								
Machinery	64859	722	68301	783	58885	705	68301	783
Livestock	64823	721	73705	845	59826	717	73705	845
Crops	4149	46	4658	53	3589	43	4658	53
Stores	1538	17	1649	19	1464	18	1649	19
<b>TOTAL</b>	<b>135369</b>	<b>1507</b>	<b>148312</b>	<b>1700</b>	<b>123765</b>	<b>1482</b>	<b>148312</b>	<b>1700</b>
<b>ASSETS</b>								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	179965	180318	180318	190676	186256	186558	180318	190676
Buildings, improvements and fixtures	12102	11010	11010	10474	10884	10783	11010	10474
Machinery	60387	69332	69332	67271	55314	62456	69332	67271
Livestock	61665	67980	68564	78845	56876	62777	68564	78845
Produce and goods in store	8368	8741	9882	6914	7365	7689	9882	6914
Quotas and single payment asset value	38014	36572	37746	32712	56221	54713	37746	32712
Credit balances	12474	17392	17392	28644	10692	14907	17392	28644
<b>TOTAL</b>	<b>372974</b>	<b>391345</b>	<b>394244</b>	<b>415537</b>	<b>383608</b>	<b>399884</b>	<b>394244</b>	<b>415537</b>
<b>EXTERNAL LIABILITIES</b>								
Long and medium term loans	17146	17000	17000	2833	14696	14571	17000	2833
Short term loans	14037	16344	16344	13332	12032	14009	16344	13332
Overdrafts	6411	6928	6928	833	5495	5938	6928	833
<b>TOTAL</b>	<b>37594</b>	<b>40271</b>	<b>40271</b>	<b>16999</b>	<b>32223</b>	<b>34518</b>	<b>40271</b>	<b>16999</b>
<b>NET WORTH</b>	<b>335380</b>	<b>351074</b>	<b>353972</b>	<b>398538</b>	<b>351385</b>	<b>365366</b>	<b>353972</b>	<b>398538</b>
<b>RETURNS TO CAPITAL</b>								
Owner Equity (%)	89.7		95.9		91.4		95.9	
FBI/Net worth (%)	13.7		16.1		12.2		16.1	
Management and Investment Income	14553		24014		12475		24014	
Return on tenant's capital (%)	10.8		16.2		10.1		16.2	
Return on all capital (%)	3.9		6.1		3.3		6.1	



Table A4.2 LFA DAIRY FARM RESULTS

CONVENTIONAL

## INCOME MEASURES AND RETURNS TO LABOUR &amp; CAPITAL

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	12536	157	18842	234	11337	147	18675	231
plus unpaid labour (excludes farmer and spouse)	4258	53	3735	46	2561	33	3838	47
plus imputed rent and rental value	14416	181	11567	143	15332	199	11277	140
plus semi-integrated non-agric activities output	0	0	0	0	0	0	0	0
minus imputed rent on farmhouse & farm cottages	3309	42	60	1	2763	36	59	1
minus insurance repairs & net interest payments	6794	85	7794	97	5491	71	7515	93
minus build & works depreciation	4079	51	4189	52	3474	45	4141	51
minus semi-integrated non-agric activities costs	0	0	0	0	0	0	0	0
<b>FARM BUSINESS INCOME</b>	<b>17028</b>	<b>214</b>	<b>22102</b>	<b>274</b>	<b>17502</b>	<b>228</b>	<b>22075</b>	<b>273</b>
<b>LABOUR USE AND LABOUR INCOMES</b>								
Annual Labour Units per farm	2.1		2.0		1.9		2.0	
of which farmer & spouse	1.4		1.4		1.4		1.4	
of which paid family labour	0.1		0.1		0.1		0.0	
of which unpaid labour	0.3		0.3		0.2		0.3	
Notional value of farmer/spouse labour	21780		21555		19299		21577	
Value of paid family labour	892		779		1113		616	
Labour income per Annual Labour Unit	7107		10075		6027		10021	
Family labour income per Family Work Unit	3654		7680		3477		7576	
Value of paid managerial input	0		0		0		0	
<b>TENANT'S CAPITAL</b>								
Machinery	52691	662	54397	674	49937	649	52662	652
Livestock	70734	888	79923	991	67470	877	79601	985
Crops	6290	79	6308	78	3847	50	6171	76
Stores	2078	26	2660	33	1302	17	2589	32
<b>TOTAL</b>	<b>131792</b>	<b>1655</b>	<b>143288</b>	<b>1776</b>	<b>122556</b>	<b>1593</b>	<b>141023</b>	<b>1745</b>
<b>ASSETS</b>								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	270993	299209	321058	332603	288152	306479	312458	322749
Buildings, improvements and fixtures	14714	25427	25427	26958	17132	23076	25110	26439
Machinery	52543	52839	53172	55622	49702	50172	51261	54063
Livestock	68975	72493	77473	82373	66408	68531	77308	81895
Produce and goods in store	12810	11849	12249	12716	8158	7697	12238	12201
Quotas and single payment asset value	48040	47302	48055	41272	36552	38338	47764	41100
Credit balances	19236	13182	13669	16649	19827	12133	14564	17016
<b>TOTAL</b>	<b>487310</b>	<b>522301</b>	<b>551103</b>	<b>568193</b>	<b>485930</b>	<b>506426</b>	<b>540703</b>	<b>555464</b>
<b>EXTERNAL LIABILITIES</b>								
Long and medium term loans	53825	65157	68141	64828	33259	44329	66015	62866
Short term loans	12425	14526	15720	17091	6833	4706	14283	15606
Overdrafts	29583	33524	33527	36915	29833	22825	32242	35185
<b>TOTAL</b>	<b>95834</b>	<b>113207</b>	<b>117388</b>	<b>118834</b>	<b>69925</b>	<b>71860</b>	<b>112540</b>	<b>113657</b>
<b>NET WORTH</b>	<b>391476</b>	<b>409094</b>	<b>433715</b>	<b>449359</b>	<b>416005</b>	<b>434566</b>	<b>428163</b>	<b>441807</b>
<b>RETURNS TO CAPITAL</b>								
Owner Equity (%)	78.3		79.1		85.8		79.5	
FBI/Net worth (%)	4.3		5.1		4.2		5.2	
Management and Investment Income	-7321		2193		-6657		1865	
Return on tenant's capital (%)	-5.6		1.5		-5.4		1.3	
Return on all capital (%)	-1.5		0.4		-1.4		0.3	

**Table A4.3 LFA DAIRY FARM RESULTS  
LAND UTILISATION AND CROP PERFORMANCE****ORGANIC**

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>					
	2006/07	2007/08	2006/07	2007/08				
Tillage - maincrops								
Wheat	0.0	0.0	0.0	0.0				
Barley	0.0	2.9	0.0	2.9				
Other cereals	0.0	0.0	0.0	0.0				
Oil seed rape	0.0	0.0	0.0	0.0				
Linseed	0.0	0.0	0.0	0.0				
Peas/Beans	0.0	0.0	0.0	0.0				
Potatoes	0.0	0.0	0.0	0.0				
Sugarbeet	0.0	0.0	0.0	0.0				
Horticulture	0.0	0.0	0.0	0.0				
Other crops	0.0	0.0	0.0	0.0				
<b>Total cropping</b>	<b>0.0</b>	<b>2.9</b>	<b>0.0</b>	<b>2.9</b>				
Set-aside	0.0	0.0	0.0	0.0				
Tillage - fodder	4.7	1.8	4.5	1.8				
Grassland								
Grazing, hay and silage	78.9	76.3	73.7	76.3				
Fallow and land let	0.0	0.0	0.0	0.0				
Rough grazing								
Effective	6.2	6.2	5.3	6.2				
<b>Utilisable agricultural area (Effective ha.)</b>	<b>89.8</b>	<b>87.2</b>	<b>83.5</b>	<b>87.2</b>				
Woods, roads and buildings	2.6	2.6	2.5	2.6				
<b>TOTAL AREA (Actual ha.)</b>	<b>92.4</b>	<b>89.8</b>	<b>86.0</b>	<b>89.8</b>				
effective forage area	<b>89.8</b>	<b>86.8</b>	<b>83.5</b>	<b>86.8</b>				
Bare land and forage hired in	0.0	2.5	0.0	2.5				
<b>CROP PERFORMANCE *</b>								
<b>- Yields (tonnes per hectare)</b>	t/ha	n	t/ha	n	t/ha	n	t/ha	n
Wheat	-	0	-	0	-	0	-	0
Barley	-	0	-	1	-	0	-	1
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	0	-	0	-	0	-	0
Sugar Beet	-	0	-	0	-	0	-	0
<b>- Prices (£ per tonne)*</b>	£/t	n	£/t	n	£/t	n	£/t	n
Wheat	-	0	-	0	-	0	-	0
Barley	-	0	-	1	-	0	-	1
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	0	-	0	-	0	-	0
Sugar Beet	-	0	-	0	-	0	-	0

\* Yield and price data is implied

**Table A4.3 LFA DAIRY FARM RESULTS**  
**LAND UTILISATION AND CROP PERFORMANCE**

**CONVENTIONAL**

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>	
	2006/07	2007/08	2006/07	2007/08
Tillage - maincrops				
Wheat	0.0	0.0	0.0	0.0
Barley	0.6	0.8	0.8	0.8
Other cereals	0.1	0.1	0.2	0.1
Oil seed rape	0.0	0.0	0.0	0.0
Linseed	0.0	0.0	0.0	0.0
Peas/Beans	0.0	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0	0.0
Sugarbeet	0.0	0.0	0.0	0.0
Horticulture	0.0	0.0	0.0	0.0
Other crops	0.0	0.0	0.0	0.0
<b>Total cropping</b>	<b>0.7</b>	<b>0.9</b>	<b>1.0</b>	<b>0.9</b>
Set-aside	0.0	0.0	0.0	0.0
Tillage - fodder	1.3	1.7	0.7	1.7
Grassland				
Grazing, hay and silage	74.7	75.2	72.1	75.4
Fallow and land let	0.1	0.4	0.0	0.4
Rough grazing				
Effective	2.9	2.5	3.2	2.4
<b>Utilisable agricultural area (Effective ha.)</b>	<b>79.7</b>	<b>80.7</b>	<b>76.9</b>	<b>80.8</b>
Woods, roads and buildings	2.5	2.4	3.1	2.5
<b>TOTAL AREA (Actual ha.)</b>	<b>82.4</b>	<b>83.1</b>	<b>80.1</b>	<b>83.3</b>
effective forage area	<b>82.1</b>	<b>84.9</b>	<b>81.4</b>	<b>84.9</b>
Bare land and forage hired in	3.2	5.5	5.5	5.4

**CROP PERFORMANCE \***

<b>- Yields (tonnes per hectare)</b>	t/ha	n	t/ha	n	t/ha	n	t/ha	n
Wheat	-	0	-	0	-	0	-	0
Barley	-	2	-	2	-	2	-	2
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	0	-	0	-	0	-	0
Sugar Beet	-	0	-	0	-	0	-	0
<b>- Prices (£ per tonne)*</b>	£/t	n	£/t	n	£/t	n	£/t	n
Wheat	-	0	-	0	-	0	-	0
Barley	-	2	-	2	-	2	-	2
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	0	-	0	-	0	-	0
Sugar Beet	-	0	-	0	-	0	-	0

\* Yield and price data is implied

**Table A4.4 LFA DAIRY FARM RESULTS  
STOCKING AND LIVESTOCK PERFORMANCE****ORGANIC**

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	66.0	66	67.6	68	60.9	61	67.6	68
Beef cows	2.8	4	2.4	3	2.4	3	2.4	3
Other cattle	36.1	66	37.0	67	32.6	60	37.0	67
Breeding sheep	9.6	120	9.5	119	8.7	109	9.5	119
Other sheep	3.0	75	2.1	52	2.8	69	2.1	52
Pigs	0.0	0	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0	0.0	0	0.0	0
<b>TOTAL (L.U.)</b>	<b>117.5</b>		<b>118.6</b>		<b>107.4</b>		<b>118.6</b>	

**STOCKING RATES**

Stocking rate (LU per eff.ha)	1.3	1.4	1.3	1.4
GLU/forage effective hectare*	1.3	1.4	1.3	1.4

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

**LIVESTOCK PERFORMANCE**

<b>- Yield*</b>	litres	n	litres	n	litres	n	litres	n
Milk yield/cow	5698	6	5782	6	5431	7	5782	6
<b>- Prices (£ per head)*</b>	£/head	n	£/head	n	£/head	n	£/head	n
Dairy cows	372	6	558	6	356	7	558	6
Dairy calves	-	4	-	4	54	5	-	4
Dairy heifers in calf	-	0	-	0	-	0	-	0
Beef heifers in calf	-	0	-	0	-	0	-	0
Finished cattle	-	1	-	1	-	1	-	1
Beef store cattle 1-2 yrs	-	2	-	1	-	2	-	1
Beef stores <1 yr	-	2	-	2	-	2	-	2
Ewes	-	1	-	1	-	1	-	1
Ewe hogs	-	0	-	0	-	0	-	0
Finished lambs	-	3	-	2	-	4	-	2
Store lambs	-	1	-	1	-	1	-	1
Finished Pigs	-	0	-	0	-	0	-	0
<b>- Prices (pence per unit)*</b>	p/unit	n	p/unit	n	p/unit	n	p/unit	n
Milk (pence per litre)	26.0	6	29.0	6	25.3	7	29.0	6
Wool (pence per kg)	-	2	-	0	-	3	-	0
Eggs (pence per dozen)	-	0	-	0	-	0	-	0

\* Yield and price data is implied

**Table A4.4 LFA DAIRY FARM RESULTS  
STOCKING AND LIVESTOCK PERFORMANCE****CONVENTIONAL**

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	69.3	69	68.4	68	61.0	61	67.3	67
Beef cows	1.7	2	1.6	2	1.6	2	1.6	2
Other cattle	39.3	73	41.3	77	38.8	69	41.7	78
Breeding sheep	16.1	201	16.5	205	18.3	229	16.8	208
Other sheep	5.6	137	4.8	117	5.6	138	4.8	118
Pigs	0.0	0	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0	0.0	0	0.0	0
<b>TOTAL (L.U.)</b>	<b>132.0</b>		<b>132.6</b>		<b>125.4</b>		<b>132.2</b>	

**STOCKING RATES**

Stocking rate (LU per eff.ha)	1.7	1.6	1.6	1.6
GLU/forage effective hectare*	1.6	1.6	1.5	1.6

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

**LIVESTOCK PERFORMANCE**

<b>- Yield*</b>	litres	n	litres	n	litres	n	litres	n
Milk yield/cow	6084	6	5709	6	5380	7	5672	6
<b>- Prices (£ per head)*</b>	£/head	n	£/head	n	£/head	n	£/head	n
Dairy cows	458	6	524	6	507	7	579	6
Dairy calves	74	6	87	6	64	7	87	6
Dairy heifers in calf	-	2	-	1	-	1	-	1
Beef heifers in calf	-	0	-	0	-	0	-	0
Finished cattle	522	5	567	5	-	4	567	5
Beef store cattle 1-2 yrs	369	6	349	6	314	7	349	6
Beef stores <1 yr	-	4	148	6	133	6	148	6
Ewes	-	3	-	2	100	6	-	2
Ewe hogs	-	1	-	1	-	2	-	1
Finished lambs	42	6	43	6	45	7	42	6
Store lambs	-	4	-	3	-	2	-	4
Finished Pigs	-	0	-	0	-	0	-	0
<b>- Prices (pence per unit)*</b>	p/unit	n	p/unit	n	p/unit	n	p/unit	n
Milk (pence per litre)	16.9	6	20.5	6	15.9	7	20.4	6
Wool (pence per kg)	46	6	-	4	43	7	-	4
Eggs (pence per dozen)	-	0	-	0	-	0	-	0

\* Yield and price data is implied

**Table A5.1 LOWLAND DAIRY FARM RESULTS**

**ORGANIC**

**OUTPUTS AND INPUTS**

		<i>Identical sample</i>				<i>Full sample</i>			
		2006/07		2007/08		2006/07		2007/08	
Sample number		23		23		29		33	
Average farm size (UAA)		118		121		127		125	
Business size (ESU)		138		143		155		149	
<b>OUTPUTS</b>		<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>
Dairy -	milk output	191374	1621	229113	1901	199902	1570	237587	1895
	cattle	-6643	-56	-6464	-54	-9557	-75	-7337	-59
	net quota	0	0	0	0	-312	-2	-637	-5
	valuation change	5247	44	-2852	-24	6772	53	-4257	-34
Other cattle	output	18140	154	23570	196	21479	169	23280	186
	valuation change	3540	30	4983	41	3030	24	7136	57
Sheep -	total output	0	0	0	0	299	2	398	3
	valuation change	0	0	0	0	-53	0	42	0
Other livestock		614	5	942	8	167	1	708	6
Arable crops	output	3520	30	4647	39	4984	39	5387	43
	protein/energy support	7	0	48	0	17	0	39	0
By products forage and cults		195	2	3377	28	497	4	3285	26
Miscellaneous (incl. farmhouse benefit value)		16824	143	14763	122	16931	133	12279	98
	- organic grants	1454	12	1082	9	2075	16	1865	15
	- other agri-env.payments	6948	59	6731	56	7368	58	7482	60
	- subsidy/single farm payer	23314	197	22985	191	26704	210	24234	193
	<b>FARM REVENUE</b>	<b>264534</b>	<b>2241</b>	<b>302924</b>	<b>2513</b>	<b>280302</b>	<b>2201</b>	<b>311489</b>	<b>2484</b>
<b>INPUTS</b>									
Feeds	purchased concentrates	42113	357	57291	475	44141	347	63515	507
	homegrown concentrates	6276	53	8286	69	7290	57	8268	66
Purchased fodder, Tack and stock keep		4345	37	3298	27	4789	38	3243	26
Veterinary and medicines		5480	46	5903	49	5931	47	6717	54
Other livestock costs		18973	161	22320	185	21482	169	22702	181
Seeds -	purchased and homegrown	2351	20	2217	18	2280	18	2223	18
Fertilisers		1274	11	1197	10	1375	11	1427	11
Crop protection		180	2	22	0	148	1	16	0
Other crop costs		926	8	1059	9	1029	8	1390	11
Labour	paid incl. paid management	21655	183	25009	207	24052	189	27772	221
	casual	2538	22	2419	20	2275	18	2083	17
Machinery	contract	12529	106	14800	123	16936	133	18225	145
	repairs	8195	69	8379	70	8456	66	9125	73
	fuels	6239	53	6642	55	6239	49	6632	53
General farming costs		19537	165	21459	178	21171	166	21428	171
Land expenses		5295	45	5163	43	6495	51	5716	46
Rent		11735	99	12817	106	12378	97	13265	106
	<b>FARM EXPENSES</b>	<b>169641</b>	<b>1437</b>	<b>198284</b>	<b>1645</b>	<b>186469</b>	<b>1464</b>	<b>213747</b>	<b>1705</b>
<b>Excess of expenses over revenue</b>		<b>94893</b>	<b>804</b>	<b>104640</b>	<b>868</b>	<b>93834</b>	<b>737</b>	<b>97742</b>	<b>780</b>
<b>Notional inputs</b>									
	- rental value/imputed rent	20189	171	17440	145	19321	152	16914	135
	- unpaid labour	5673	48	5224	43	4799	38	4494	36
	- machinery depreciation	11519	98	12089	100	11040	87	12379	99
		<b>37381</b>	<b>317</b>	<b>34752</b>	<b>288</b>	<b>35159</b>	<b>276</b>	<b>33787</b>	<b>269</b>
NET FARM INCOME (excl. BLSA)		<b>57511</b>	<b>487</b>	<b>69888</b>	<b>580</b>	<b>58674</b>	<b>461</b>	<b>63955</b>	<b>510</b>
NET FARM INCOME (incl. BLSA)		<b>63308</b>	<b>536</b>	<b>92096</b>	<b>764</b>	<b>64290</b>	<b>505</b>	<b>89831</b>	<b>716</b>

**Table A5.1 LOWLAND DAIRY FARM RESULTS****OUTPUTS AND INPUTS****CONVENTIONAL**

		<i>Identical sample</i>				<i>Full sample</i>			
		2006/07		2007/08		2006/07		2007/08	
Sample number		113		113		184		219	
Average farm size (UAA)		107		109		116		114	
Business size (ESU)		134		137		138		144	
<b>OUTPUTS</b>		<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>
Dairy -	milk output	135246	1260	170073	1561	135835	1170	184318	1616
	cattle	-6345	-59	-6866	-63	-3013	-26	-6114	-54
	net quota	-46	0	-46	0	1	0	-39	0
	valuation change	2244	21	-1950	-18	130	1	-2299	-20
Other cattle	output	27323	255	28812	264	24040	207	28401	249
	valuation change	-362	-3	8606	79	1402	12	8861	78
Sheep -	total output	1030	10	1056	10	1148	10	2116	19
	valuation change	15	0	-19	0	-18	0	28	0
Other livestock		4099	38	4567	42	1752	15	3381	30
Arable crops	output	10343	96	14768	136	13086	113	15709	138
	protein/energy support	41	0	465	0	32	0	20	0
By products forage and cults		1279	12	3057	28	3404	29	3673	32
Miscellaneous (incl. farmhouse benefit value)		14447	135	10500	96	20828	179	9573	84
	- organic grants	0	0	0	0	0	0	0	0
	- other agri-env.payments	2407	22	2564	24	2576	22	2971	26
	- single payment scheme	22836	213	21304	200	24765	214	23983	210
	<b>FARM REVENUE</b>	<b>214556</b>	<b>1999</b>	<b>256889</b>	<b>2357</b>	<b>225969</b>	<b>1947</b>	<b>274583</b>	<b>2408</b>
<b>INPUTS</b>									
Feeds	purchased concentrates	41275	384	48354	444	38578	332	52327	459
	homegrown concentrates	4941	46	6314	58	4002	34	7403	65
Purchased fodder, Tack and stock keep		2299	21	3002	28	2648	23	2944	26
Veterinary and medicines		6289	59	7019	64	6712	58	7748	68
Other livestock costs		14341	134	15834	145	15437	133	17206	151
Seeds -	purchased and homegrown	2435	23	2533	23	2714	23	2825	25
Fertilisers		8632	80	9502	87	8352	72	9758	86
Crop protection		2446	23	3033	28	3365	29	3138	28
Other crop costs		1476	14	1444	13	1564	13	1777	16
Labour	paid incl. paid management	15060	140	15946	146	19600	169	18140	159
	casual	1772	17	2365	22	2396	21	2333	20
Machinery	contract	10033	93	11364	104	13610	117	12774	112
	repairs	7478	70	8890	82	7685	66	9157	80
	fuels	5495	51	6680	61	5612	48	6725	59
General farming costs		17029	159	18090	166	18070	156	18592	163
Land expenses		3197	30	3824	35	4585	40	4433	39
Rent		7494	70	7758	71	9204	79	8132	71
	<b>FARM EXPENSES</b>	<b>151693</b>	<b>1413</b>	<b>171952</b>	<b>1578</b>	<b>164135</b>	<b>1414</b>	<b>185414</b>	<b>1626</b>
<b>Excess of expenses over revenue</b>		<b>62863</b>	<b>586</b>	<b>84936</b>	<b>779</b>	<b>61834</b>	<b>533</b>	<b>89169</b>	<b>782</b>
<b>Notional inputs</b>									
	- rental value/imputed rent	18054	168	16167	148	19516	168	18472	162
	- unpaid labour	8148	76	8256	76	7217	62	9653	85
	- machinery depreciation	14268	133	14851	136	12889	111	15306	134
		<b>40469</b>	<b>377</b>	<b>39274</b>	<b>360</b>	<b>39622</b>	<b>341</b>	<b>43430</b>	<b>381</b>
NET FARM INCOME (excl. BLSA)		<b>22394</b>	<b>209</b>	<b>45663</b>	<b>419</b>	<b>22211</b>	<b>191</b>	<b>45739</b>	<b>401</b>
NET FARM INCOME (incl. BLSA)		<b>27101</b>	<b>252</b>	<b>67897</b>	<b>623</b>	<b>26473</b>	<b>228</b>	<b>69689</b>	<b>611</b>

**Table A5.2 LOWLAND DAIRY FARM RESULTS ORGANIC**  
**INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL**

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	57511	487	69888	580	58674	461	63955	510
plus unpaid labour (excludes farmer and spouse)	5673	48	5224	43	4799	38	4494	36
plus imputed rent and rental value	20044	170	17288	143	18925	149	16808	134
plus semi-integrated non-agric activities output	190	2	617	5	150	1	430	3
minus imputed rent on farmhouse & farm cottages	4568	39	789	7	4652	37	1138	9
minus insurance repairs & net interest payments	7136	60	7982	66	10280	81	10593	84
minus build & works depreciation	6204	53	6330	53	5612	44	5958	48
minus semi-integrated non-agric activities costs	409	3	812	7	325	3	566	5
<b>FARM BUSINESS INCOME</b>	<b>65100</b>	<b>551</b>	<b>77103</b>	<b>640</b>	<b>61679</b>	<b>484</b>	<b>67433</b>	<b>538</b>
<b>LABOUR USE AND LABOUR INCOMES</b>								
Annual Labour Units per farm	3.2		3.2		3.1		3.2	
of which farmer & spouse	1.4		1.4		1.4		1.4	
of which paid family labour	0.1		0.1		0.0		0.1	
of which unpaid labour	0.3		0.3		0.3		0.3	
Notional value of farmer/spouse labour	22469		23171		20948		22821	
Value of paid family labour	837		876		644		918	
Labour income per Annual Labour Unit	24235		28421		25639		26220	
Family labour income per Family Work Unit	32139		39345		34723		34381	
Value of paid managerial input	0		0		0		1182	
<b>TENANT'S CAPITAL</b>								
Machinery	66531	564	70624	586	63041	495	72059	575
Livestock	102426	868	124728	1035	108224	850	135347	1079
Crops	5709	48	6496	54	6779	53	7876	63
Stores	3582	30	5888	49	3790	30	8031	64
<b>TOTAL</b>	<b>178248</b>	<b>1510</b>	<b>207737</b>	<b>1724</b>	<b>181833</b>	<b>1428</b>	<b>223312</b>	<b>1781</b>
<b>ASSETS</b>								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	500816	562359	586700	703429	511596	538986	570273	684489
Buildings, improvements and fixtures	30529	31794	31794	33334	28857	32714	29280	32879
Machinery	62967	70096	69147	72102	59700	66381	68192	75926
Livestock	95134	109718	112559	136898	100533	115914	120956	149737
Produce and goods in store	23257	14073	14107	18318	23555	14727	21225	22170
Quotas and single payment asset value	79012	64113	66975	52010	83609	69923	67062	51125
Credit balances	29869	36370	38376	44401	30731	40566	40397	46040
<b>TOTAL</b>	<b>821585</b>	<b>888523</b>	<b>919658</b>	<b>1060490</b>	<b>838581</b>	<b>879211</b>	<b>917384</b>	<b>1062368</b>
<b>EXTERNAL LIABILITIES</b>								
Long and medium term loans	69240	76328	79277	93097	117223	118520	92359	101198
Short term loans	22503	31017	30998	29767	26733	32988	35637	36087
Overdrafts	43057	37722	38256	44143	50132	48554	49613	57546
<b>TOTAL</b>	<b>134799</b>	<b>145067</b>	<b>148532</b>	<b>167008</b>	<b>194088</b>	<b>200062</b>	<b>177609</b>	<b>194831</b>
<b>NET WORTH</b>	<b>686786</b>	<b>743456</b>	<b>771126</b>	<b>893483</b>	<b>644493</b>	<b>679149</b>	<b>739775</b>	<b>867537</b>
<b>RETURNS TO CAPITAL</b>								
Owner Equity (%)	83.7		84.3		77.2		81.7	
FBI/Net worth (%)	9.5		10.0		9.6		9.1	
Management and Investment Income	40839		68925		43342		68192	
Return on tenant's capital (%)	22.9		33.2		23.8		30.5	
Return on all capital (%)	5.0		7.5		5.2		7.4	



**Table A5.2 LOWLAND DAIRY FARM RESULTS CONVENTIONAL**  
**INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL**

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	22394	209	45663	419	22211	191	45739	401
plus unpaid labour (excludes farmer and spouse)	8148	76	8256	76	7217	62	9653	85
plus imputed rent and rental value	17934	167	15981	147	19389	167	18335	161
plus semi-integrated non-agric activities output	78	1	200	2	145	1	184	2
minus imputed rent on farmhouse & farm cottages	4924	46	752	7	4843	42	724	6
minus insurance repairs & net interest payments	8724	81	10063	92	9121	79	11199	98
minus build & works depreciation	4978	46	5142	47	5487	47	5836	51
minus semi-integrated non-agric activities costs	59	1	218	2	104	1	183	2
<b>FARM BUSINESS INCOME</b>	<b>29869</b>	<b>278</b>	<b>53924</b>	<b>495</b>	<b>29407</b>	<b>253</b>	<b>55969</b>	<b>491</b>
<b>LABOUR USE AND LABOUR INCOMES</b>								
Annual Labour Units per farm	3.1		3.1		3.2		3.2	
of which farmer & spouse	1.6		1.6		1.5		1.5	
of which paid family labour	0.2		0.3		0.1		0.2	
of which unpaid labour	0.5		0.5		0.4		0.6	
Notional value of farmer/spouse labour	26878		27666		24900		25465	
Value of paid family labour	3452		4707		1772		3663	
Labour income per Annual Labour Unit	11560		18928		12501		19239	
Family labour income per Family Work Unit	7664		19599		7459		20352	
Value of paid managerial input	0		0		0		27	
<b>TENANT'S CAPITAL</b>								
Machinery	76168	709	80449	738	69840	602	81664	716
Livestock	100033	932	117971	1082	100938	870	129527	1136
Crops	9517	89	10494	96	16608	143	12109	106
Stores	8759	82	10401	95	9344	81	10662	93
<b>TOTAL</b>	<b>194476</b>	<b>1811</b>	<b>219315</b>	<b>2012</b>	<b>196730</b>	<b>1695</b>	<b>233962</b>	<b>2052</b>
<b>ASSETS</b>								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	421477	463303	468761	562416	455101	497290	520818	635847
Buildings, improvements and fixtures	23550	26865	26865	29815	26445	32155	29063	34529
Machinery	75243	77093	77096	83802	70070	69609	78600	84728
Livestock	96823	103242	103519	132424	98051	103825	114274	144779
Produce and goods in store	30723	23759	23972	27229	37110	33789	26291	30019
Quotas and single payment asset value	84081	61146	86984	60450	88685	68305	113753	81920
Credit balances	33059	34331	34620	46401	45479	43807	34603	48136
<b>TOTAL</b>	<b>764957</b>	<b>789739</b>	<b>821816</b>	<b>942538</b>	<b>820940</b>	<b>848781</b>	<b>917403</b>	<b>1059958</b>
<b>EXTERNAL LIABILITIES</b>								
Long and medium term loans	78560	84635	85542	78826	82514	91345	98342	93777
Short term loans	30801	30733	31225	37315	32914	29953	32564	39271
Overdrafts	52005	48325	48698	49136	50444	42565	48777	56620
<b>TOTAL</b>	<b>161365</b>	<b>163693</b>	<b>165465</b>	<b>165277</b>	<b>165872</b>	<b>163863</b>	<b>179682</b>	<b>189667</b>
<b>NET WORTH</b>	<b>603592</b>	<b>626046</b>	<b>656351</b>	<b>777260</b>	<b>655069</b>	<b>684918</b>	<b>737722</b>	<b>870291</b>
<b>RETURNS TO CAPITAL</b>								
Owner Equity (%)	79.3		82.5		80.7		82.1	
FBI/Net worth (%)	4.9		8.2		4.5		7.6	
Management and Investment Income	223		40231		1573		44251	
Return on tenant's capital (%)	0.1		18.3		0.8		18.9	
Return on all capital (%)	0.0		4.9		0.2		4.8	

**Table A5.3 LOWLAND DAIRY FARM RESULTS**  
**LAND UTILISATION AND CROP PERFORMANCE**

**ORGANIC**

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>					
	2006/07	2007/08	2006/07	2007/08				
Tillage - maincrops								
Wheat	0.9	1.9	3.5	3.0				
Barley	0.0	0.0	0.2	0.0				
Other cereals	1.9	2.0	2.2	2.5				
Oil seed rape	0.0	0.0	0.0	0.0				
Linseed	0.0	0.0	0.0	0.0				
Peas/Beans	0.9	1.5	1.0	1.2				
Potatoes	0.0	0.0	0.0	0.0				
Sugarbeet	0.0	0.0	0.0	0.0				
Horticulture	0.0	0.0	0.0	0.0				
Other crops	0.0	0.0	0.0	0.0				
<b>Total cropping</b>	<b>3.7</b>	<b>5.4</b>	<b>6.8</b>	<b>6.7</b>				
Set-aside	0.0	0.0	1.2	0.0				
Tillage - fodder	10.3	6.8	9.3	7.8				
Grassland								
Grazing, hay and silage	102.5	106.8	108.9	109.4				
Fallow and land let	1.0	1.1	0.3	1.0				
Rough grazing								
Effective	0.5	0.5	0.9	0.4				
<b>Utilisable agricultural area (Effective ha.)</b>	<b>118.1</b>	<b>120.5</b>	<b>127.4</b>	<b>125.4</b>				
Woods, roads and buildings	3.3	3.3	4.9	3.0				
<b>TOTAL AREA (Actual ha.)</b>	<b>121.3</b>	<b>123.8</b>	<b>132.3</b>	<b>128.4</b>				
effective forage area	<b>121.5</b>	<b>121.9</b>	<b>129.4</b>	<b>124.5</b>				
Bare land and forage hired in	8.2	7.8	10.3	6.9				
<b>CROP PERFORMANCE *</b>								
<b>- Yields (tonnes per hectare)</b>	t/ha	n	t/ha	n	t/ha	n	t/ha	n
Wheat	-	3	-	3	-	4	6.9	5
Barley	-	1	-	0	-	2	-	0
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	0	-	0	-	0	-	0
Sugar Beet	-	0	-	0	-	0	-	0
<b>- Prices (£ per tonne)*</b>	£/t	n	£/t	n	£/t	n	£/t	n
Wheat	-	3	-	3	-	3	201	5
Barley	-	1	-	0	-	1	-	0
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	0	-	0	-	0	-	0
Sugar Beet	-	0	-	0	-	0	-	0

\* Yield and price data is implied

**Table A5.3 LOWLAND DAIRY FARM RESULTS**  
**LAND UTILISATION AND CROP PERFORMANCE**

**CONVENTIONAL**

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>	
	2006/07	2007/08	2006/07	2007/08
Tillage - maincrops				
Wheat	8.3	7.9	12.2	8.4
Barley	4.7	5.0	4.3	5.3
Other cereals	0.2	0.4	0.4	0.4
Oil seed rape	0.7	0.7	0.8	0.5
Linseed	0.0	0.0	0.0	0.0
Peas/Beans	0.9	0.7	0.9	0.7
Potatoes	0.0	0.2	0.1	0.2
Sugarbeet	0.1	0.0	0.0	0.0
Horticulture	0.0	0.0	0.0	0.0
Other crops	0.0	0.0	0.0	0.0
<b>Total cropping</b>	<b>14.9</b>	<b>15.0</b>	<b>18.8</b>	<b>15.6</b>
Set-aside	2.9	2.9	0.5	0.0
Tillage - fodder	10.3	11.5	11.7	13.9
Grassland				
Grazing, hay and silage	77.9	78.3	79.5	80.1
Fallow and land let	1.3	0.6	5.0	3.6
Rough grazing				
Effective	0.1	0.1	0.7	0.1
<b>Utilisable agricultural area (Effective ha.)</b>	<b>107.4</b>	<b>109.0</b>	<b>116.1</b>	<b>114.0</b>
Woods, roads and buildings	3.1	3.1	3.8	3.3
<b>TOTAL AREA (Actual ha.)</b>	<b>110.4</b>	<b>112.1</b>	<b>119.9</b>	<b>117.4</b>
effective forage area	<b>93.3</b>	<b>95.4</b>	<b>96.9</b>	<b>99.1</b>
Bare land and forage hired in	5.7	6.2	5.4	5.6

**CROP PERFORMANCE \***

<b>- Yields (tonnes per hectare)</b>	t/ha	n	t/ha	n	t/ha	n	t/ha	n
Wheat	7.5	17	6.3	18	8.1	22	7.1	28
Barley	5.8	16	5.1	15	5.7	24	5.8	27
Oilseed Rape	3.2	9	3.3	11	3.3	10	3.2	14
Potatoes	-	2	-	2	-	2	-	4
Sugar Beet	-	1	-	0	-	1	-	0
<b>- Prices (£ per tonne)*</b>	£/t	n	£/t	n	£/t	n	£/t	n
Wheat	86	17	149	18	84	22	147	28
Barley	84	16	147	15	83	24	147	27
Oilseed Rape	154	9	198	11	157	10	188	14
Potatoes	-	2	-	2	-	2	-	4
Sugar Beet	-	1	-	0	-	1	-	0

\* Yield and price data is implied

**Table A5.4 LOWLAND DAIRY FARM RESULTS  
STOCKING AND LIVESTOCK PERFORMANCE****ORGANIC**

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	122.3	122	126.6	127	136.9	137	132.2	132
Beef cows	0.3	0	0.0	0	0.6	1	0.0	0
Other cattle	52.7	98	52.1	94	56.6	104	52.7	96
Breeding sheep	0.0	0	0.4	5	0.3	3	1.1	11
Other sheep	0.0	0	0.0	0	0.1	2	0.3	8
Pigs	0.0	0	0.0	0	0.0	0	0.1	1
Poultry	1.0	328	1.0	328	0.2	14	0.7	229
Other livestock	0.0	0	0.0	0	0.0	0	0.0	0
<b>TOTAL (L.U.)</b>	<b>176.4</b>		<b>180.1</b>		<b>194.7</b>		<b>187.1</b>	

**STOCKING RATES**

Stocking rate (LU per eff.ha)	1.5	1.5	1.5	1.5
GLU/forage effective hectare*	1.5	1.5	1.5	1.5

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

**LIVESTOCK PERFORMANCE**

<b>- Yield*</b>	litres	n	litres	n	litres	n	litres	n
Milk yield/cow	5772	23	6062	23	5510	29	5973	33
<b>- Prices (£ per head)*</b>	£/head	n	£/head	n	£/head	n	£/head	n
Dairy cows	374	22	448	22	346	27	421	32
Dairy calves	67	11	77	13	69	16	78	19
Dairy heifers in calf	-	0	-	4	-	0	-	4
Beef heifers in calf	-	0	-	0	-	0	-	0
Finished cattle	565	8	698	8	548	10	660	10
Beef store cattle 1-2 yrs	418	7	553	7	390	10	483	13
Beef stores <1 yr	94	12	98	12	103	14	110	17
Ewes	-	0	-	0	-	0	-	1
Ewe hogs	-	0	-	0	-	0	-	0
Finished lambs	-	0	-	0	-	1	-	3
Store lambs	-	0	-	0	-	1	-	0
Finished Pigs	-	0	-	0	-	0	-	1
<b>- Prices (pence per unit)*</b>	p/unit	n	p/unit	n	p/unit	n	p/unit	n
Milk (pence per litre)	25.9	23	29.0	23	25.5	29	28.8	33
Wool (pence per kg)	-	0	-	0	-	0	-	3
Eggs (pence per dozen)	-	0	-	0	-	2	-	0

\* Yield and price data is implied

**Table A5.4 LOWLAND DAIRY FARM RESULTS**  
**STOCKING AND LIVESTOCK PERFORMANCE**

**CONVENTIONAL**

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	106.9	107	109.8	110	108.2	108	116.8	117
Beef cows	0.2	0	0.2	0	0.4	0	0.2	0
Other cattle	57.9	109	58.0	109	58.5	108	60.5	113
Breeding sheep	1.4	14	1.4	14	1.5	15	3.1	30
Other sheep	0.5	13	0.5	12	0.6	15	0.7	16
Pigs	1.1	9	1.0	9	0.5	4	1.7	15
Poultry	4.5	272	4.4	268	1.4	81	2.1	133
Other livestock	0.0	0	0.0	0	0.0	0	0.0	0
<b>TOTAL (L.U.)</b>	<b>172.5</b>		<b>175.3</b>		<b>171.2</b>		<b>185.1</b>	

**STOCKING RATES**

Stocking rate (LU per eff.ha)	1.6	1.6	1.5	1.6
GLU/forage effective hectare*	1.9	1.8	1.8	1.9

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

**LIVESTOCK PERFORMANCE**

<b>- Yield*</b>	litres	n	litres	n	litres	n	litres	n
Milk yield/cow	7000	23	6713	23	6711	29	6925	33
<b>- Prices (£ per head)*</b>	£/head	n	£/head	n	£/head	n	£/head	n
Dairy cows	366	23	375	23	398	29	409	33
Dairy calves	79	22	80	22	77	29	82	33
Dairy heifers in calf	735	9	897	6	771	14	1076	11
Beef heifers in calf	-	3	-	0	-	3	-	0
Finished cattle	560	22	594	22	565	26	607	32
Beef store cattle 1-2 yrs	403	21	417	21	408	27	426	32
Beef stores <1 yr	168	18	173	20	153	28	131	30
Ewes	-	1	-	2	-	3	-	4
Ewe hoggs	-	0	-	3	-	1	59	5
Finished lambs	54	6	47	8	50	15	49	15
Store lambs	-	4	35	5	39	11	38	9
Finished Pigs	-	0	-	0	113	5	93	9
<b>- Prices (pence per unit)*</b>	p/unit	n	p/unit	n	p/unit	n	p/unit	n
Milk (pence per litre)	17.2	23	21.4	23	17.5	29	21.4	33
Wool (pence per kg)	65	8	-	4	61	15	14	10
Eggs (pence per dozen)	-	3	108	7	110	7	105	8

\* Yield and price data is implied

**Table A6.1 LFA CATTLE AND SHEEP RESULTS**

**ORGANIC**

**OUTPUTS AND INPUTS**

		<i>Identical sample</i>				<i>Full sample</i>			
		2006/07		2007/08		2006/07		2007/08	
		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Sample number		27		27		34		37	
Average farm size (UAA)		145		147		132		141	
Business size (ESU)		36		35		33		35	
<b>OUTPUTS</b>									
Dairy -	milk output	0	0	0	0	0	0	0	0
	cattle	0	0	0	0	0	0	0	0
	net quota	0	0	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0	0	0
Other cattle	output	24843	172	22247	151	24962	189	23650	167
	valuation change	-1673	-12	4093	28	-1920	-15	1694	12
Sheep -	total output	20842	144	23081	157	19203	145	25549	181
	valuation change	482	3	-1656	-11	394	3	-371	-3
Other livestock		995	7	1903	13	2555	19	5647	40
Arable crops	output	737	5	1051	7	1193	9	1052	7
	protein/energy support	0	0	0	0	0	0	0	0
By products forage and cults		692	5	390	3	464	4	836	6
Miscellaneous (incl. farmhouse benefit value)		8497	59	6076	41	13471	102	5363	38
	- organic grants	4905	34	4005	27	3907	30	3514	25
	- other agri-env. payments	17881	124	21952	149	15276	116	20040	142
	- subsidy/single farm payment	27010	187	27689	188	23606	179	26503	187
	<b>FARM REVENUE</b>	<b>105212</b>	<b>728</b>	<b>110831</b>	<b>752</b>	<b>103110</b>	<b>780</b>	<b>113477</b>	<b>802</b>
<b>INPUTS</b>									
Feeds	purchased concentrates	7370	51	7145	48	7707	58	10716	76
	homegrown concentrates	749	5	1003	7	1189	9	954	7
Purchased fodder, Tack and stock keep		1644	11	1184	8	1337	10	1009	7
Veterinary and medicines		3108	22	2953	20	2406	18	2934	21
Other livestock costs		6293	44	5509	37	5747	43	5480	39
Seeds -	purchased and homegrown	579	4	561	4	698	5	550	4
Fertilisers		1494	10	1318	9	1187	9	1328	9
Crop protection		40	0	5	0	6	0	4	0
Other crop costs		529	4	882	6	392	3	695	5
Labour	paid incl. paid management	7320	51	7122	48	5455	41	5867	41
	casual	1338	9	874	6	1434	11	766	5
Machinery	contract	3858	27	4003	27	5813	44	3892	28
	repairs	3062	21	3766	26	3371	26	3804	27
	fuels	3718	26	3815	26	3696	28	3884	27
General farming costs		9529	66	9104	62	9674	73	8850	63
Land expenses		3620	25	2779	19	5386	41	3018	21
Rent		3526	24	3368	23	3321	25	3535	25
	<b>FARM EXPENSES</b>	<b>57776</b>	<b>400</b>	<b>55390</b>	<b>376</b>	<b>58819</b>	<b>445</b>	<b>57285</b>	<b>405</b>
<b>Excess of expenses over revenue</b>		<b>47436</b>	<b>328</b>	<b>55442</b>	<b>376</b>	<b>44291</b>	<b>335</b>	<b>56191</b>	<b>397</b>
<b>Notional inputs</b>									
	- rental value/imputed rent	14635	101	11364	77	15394	116	11059	78
	- unpaid labour	3734	26	4325	29	3022	23	3447	24
	- machinery depreciation	7747	54	8057	55	7586	57	7958	56
		<b>26116</b>	<b>181</b>	<b>23747</b>	<b>161</b>	<b>26002</b>	<b>197</b>	<b>22464</b>	<b>159</b>
NET FARM INCOME (excl. BLSA)		<b>21320</b>	<b>147</b>	<b>31695</b>	<b>215</b>	<b>18289</b>	<b>138</b>	<b>33727</b>	<b>238</b>
NET FARM INCOME (incl. BLSA)		<b>21970</b>	<b>152</b>	<b>32201</b>	<b>218</b>	<b>18911</b>	<b>143</b>	<b>34100</b>	<b>241</b>

**Table A6.1 LFA CATTLE AND SHEEP RESULTS**

OUTPUTS AND INPUTS		CONVENTIONAL							
		Identical sample				Full sample			
		2006/07		2007/08		2006/07		2007/08	
Sample number		193		193		236		248	
Average farm size (UAA)		143		146		121		133	
Business size (ESU)		35		34		33		33	
<b>OUTPUTS</b>		<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>
Dairy -	milk output	58	0	0	0	0	0	0	0
	cattle	23	0	0	0	0	0	0	0
	net quota	0	0	0	0	0	0	0	0
	valuation change	-48	0	0	0	0	0	0	0
Other cattle	output	17013	119	16578	113	17527	145	16282	123
	valuation change	-1372	-10	-201	-1	-1729	-14	239	2
Sheep -	total output	26863	187	25304	173	24165	200	22938	173
	valuation change	-804	-6	-755	-5	-827	-7	-588	-4
Other livestock		69	0	59	0	61	1	39	0
Arable crops	output	160	1	342	2	655	5	436	3
	protein/energy support	0	0	0	0	0	0	0	0
By products forage and cults		520	4	599	4	1426	12	907	7
Miscellaneous (incl. farmhouse benefit value)		7144	50	4223	29	6823	56	3997	30
	- organic grants	0	0	0	0	0	0	0	0
	- other agri-env.payments	12609	88	15889	109	10469	87	13718	103
	- single payment scheme	25575	178	25890	177	23393	194	24929	188
	<b>FARM REVENUE</b>	<b>87810</b>	<b>612</b>	<b>87928</b>	<b>602</b>	<b>81964</b>	<b>679</b>	<b>82897</b>	<b>624</b>
<b>INPUTS</b>									
Feeds	purchased concentrates	10708	75	10558	72	9175	76	9934	75
	homegrown concentrates	149	1	223	2	391	3	316	2
Purchased fodder, Tack and stock keep		2711	19	2616	18	2049	17	2286	17
Veterinary and medicines		3407	24	3499	24	3075	25	3153	24
Other livestock costs		4935	34	4951	34	4565	38	4510	34
Seeds -	purchased and homegrown	223	2	215	1	246	2	194	1
Fertilisers		4015	28	4202	29	4139	34	3815	29
Crop protection		154	1	189	1	218	2	179	1
Other crop costs		393	3	510	3	415	3	477	4
Labour	paid incl. paid management	1972	14	2181	15	1602	13	2044	15
	casual	1082	8	900	6	1367	11	822	6
Machinery	contract	2421	17	2585	18	2586	21	2571	19
	repairs	3218	22	2982	20	3044	25	2998	23
	fuels	3631	25	3835	26	3512	29	3510	26
General farming costs		7551	53	7720	53	7320	61	7285	55
Land expenses		2661	19	2418	17	2490	21	2206	17
Rent		4763	33	4852	33	4199	35	4330	33
	<b>FARM EXPENSES</b>	<b>53995</b>	<b>376</b>	<b>54435</b>	<b>373</b>	<b>50396</b>	<b>417</b>	<b>50629</b>	<b>381</b>
<b>Excess of expenses over revenue</b>		<b>33815</b>	<b>236</b>	<b>33494</b>	<b>229</b>	<b>31568</b>	<b>261</b>	<b>32268</b>	<b>243</b>
<b>Notional inputs</b>									
	- rental value/imputed rent	11803	82	9656	66	11759	97	9381	71
	- unpaid labour	4701	33	4857	33	3769	31	4121	31
	- machinery depreciation	7937	55	7674	53	7210	60	7037	53
		<b>24441</b>	<b>170</b>	<b>22187</b>	<b>152</b>	<b>22738</b>	<b>188</b>	<b>20539</b>	<b>155</b>
NET FARM INCOME (excl. BLSA)		<b>9374</b>	<b>65</b>	<b>11306</b>	<b>77</b>	<b>8829</b>	<b>73</b>	<b>11730</b>	<b>88</b>
NET FARM INCOME (incl. BLSA)		<b>10025</b>	<b>70</b>	<b>11056</b>	<b>76</b>	<b>9405</b>	<b>78</b>	<b>11616</b>	<b>87</b>

**Table A6.2 LFA CATTLE AND SHEEP RESULTS ORGANIC**  
**INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL**

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	21320	147	31695	215	18289	138	33727	238
plus unpaid labour (excludes farmer and spouse)	3734	26	4325	29	3022	23	3447	24
plus imputed rent and rental value	14635	101	11364	77	15394	116	11059	78
plus semi-integrated non-agric activities output	1055	7	437	3	838	6	478	3
minus imputed rent on farmhouse & farm cottages	3500	24	158	1	3644	28	224	2
minus insurance repairs & net interest payments	4870	34	6433	44	5986	45	5904	42
minus build & works depreciation	2984	21	3429	23	3731	28	3491	25
minus semi-integrated non-agric activities costs	648	4	30	0	514	4	86	1
<b>FARM BUSINESS INCOME</b>	<b>28742</b>	<b>199</b>	<b>37771</b>	<b>256</b>	<b>23668</b>	<b>179</b>	<b>39007</b>	<b>276</b>
<b>LABOUR USE AND LABOUR INCOMES</b>								
Annual Labour Units per farm	1.8		1.8		1.7		1.7	
of which farmer & spouse	1.1		1.1		1.1		1.1	
of which paid family labour	0.1		0.1		0.1		0.1	
of which unpaid labour	0.3		0.3		0.2		0.2	
Notional value of farmer/spouse labour	15122		15207		15758		16282	
Value of paid family labour	1463		1171		1692		1149	
Labour income per Annual Labour Unit	13954		20003		12148		20870	
Family labour income per Family Work Unit	12391		21563		10556		22528	
Value of paid managerial input	243		167		59		122	
<b>TENANT'S CAPITAL</b>								
Machinery	52303	362	53221	361	48043	363	51261	362
Livestock	77396	535	78572	533	65870	498	76759	543
Crops	2664	18	2818	19	2352	18	4103	29
Stores	780	5	1262	9	767	6	1102	8
<b>TOTAL</b>	<b>133143</b>	<b>921</b>	<b>135872</b>	<b>921</b>	<b>117032</b>	<b>885</b>	<b>133225</b>	<b>942</b>
<b>ASSETS</b>								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	467779	477371	531305	551183	492749	505815	565552	600110
Buildings, improvements and fixtures	22732	20794	20709	23148	21154	20445	21724	23163
Machinery	51344	53261	53261	53181	47554	48532	50880	51641
Livestock	77639	77154	76961	80182	66399	65341	75772	77747
Produce and goods in store	7775	6741	6762	7657	6831	7176	9700	12038
Quotas and single payment asset value	55714	52479	52849	44070	45824	43460	51879	42173
Credit balances	22102	19547	22562	31496	17816	13422	21117	27249
<b>TOTAL</b>	<b>705085</b>	<b>707348</b>	<b>764409</b>	<b>790916</b>	<b>698327</b>	<b>704191</b>	<b>796625</b>	<b>834121</b>
<b>EXTERNAL LIABILITIES</b>								
Long and medium term loans	60858	63257	70141	65661	57285	59595	66893	63270
Short term loans	7124	7039	8104	10981	6287	5485	7539	10143
Overdrafts	14759	17923	19961	26046	14849	18126	16488	20327
<b>TOTAL</b>	<b>82742</b>	<b>88219</b>	<b>98207</b>	<b>102689</b>	<b>78421</b>	<b>83207</b>	<b>90919</b>	<b>93741</b>
<b>NET WORTH</b>	<b>622343</b>	<b>619129</b>	<b>666202</b>	<b>688227</b>	<b>619906</b>	<b>620984</b>	<b>705705</b>	<b>740381</b>
<b>RETURNS TO CAPITAL</b>								
Owner Equity (%)	87.5		87.0		88.2		88.8	
FBI/Net worth (%)	4.6		5.7		3.8		5.5	
Management and Investment Income	7092		17161		3212		17940	
Return on tenant's capital (%)	5.3		12.6		2.7		13.5	
Return on all capital (%)	1.0		2.2		0.5		2.3	



**Table A6.2 LFA CATTLE AND SHEEP RESULTS** **CONVENTIONAL**  
**INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL**

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	9374	65	11306	77	8829	73	11730	88
plus unpaid labour (excludes farmer and spouse)	4701	33	4857	33	3769	31	4121	31
plus imputed rent and rental value	11754	82	9638	66	11751	97	9368	70
plus semi-integrated non-agric activities output	38	0	116	1	329	3	85	1
minus imputed rent on farmhouse & farm cottages	3220	22	180	1	3254	27	133	1
minus insurance repairs & net interest payments	2861	20	3347	23	2422	20	3034	23
minus build & works depreciation	2868	20	3058	21	2521	21	2846	21
minus semi-integrated non-agric activities costs	24	0	30	0	277	2	22	0
<b>FARM BUSINESS INCOME</b>	<b>16894</b>	<b>118</b>	<b>19303</b>	<b>132</b>	<b>16204</b>	<b>134</b>	<b>19268</b>	<b>145</b>
<b>LABOUR USE AND LABOUR INCOMES</b>								
Annual Labour Units per farm	1.8		1.7		1.7		1.7	
of which farmer & spouse	1.2		1.2		1.2		1.2	
of which paid family labour	0.0		0.1		0.0		0.0	
of which unpaid labour	0.3		0.3		0.3		0.3	
Notional value of farmer/spouse labour	17482		17919		17292		18278	
Value of paid family labour	539		877		448		643	
Labour income per Annual Labour Unit	5415		6776		5201		7051	
Family labour income per Family Work Unit	1820		3656		1949		4266	
Value of paid managerial input	0		0		5		0	
<b>TENANT'S CAPITAL</b>								
Machinery	51725	361	51749	354	45938	380	46938	353
Livestock	70164	489	69159	473	63766	528	65527	493
Crops	3092	22	3176	22	2784	23	2949	22
Stores	1645	11	1827	13	1544	13	1894	14
<b>TOTAL</b>	<b>126625</b>	<b>883</b>	<b>125911</b>	<b>862</b>	<b>114033</b>	<b>944</b>	<b>117307</b>	<b>883</b>
<b>ASSETS</b>								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	325107	374860	429893	455539	320931	358341	424133	452443
Buildings, improvements and fixtures	15768	20567	21057	22100	14474	17583	18675	19617
Machinery	51760	51690	51965	51534	45410	46467	47332	46544
Livestock	70944	69383	69767	68550	64734	62798	65761	65292
Produce and goods in store	12945	10553	10449	10453	10964	8782	9980	9910
Quotas and single payment asset value	49099	47540	47949	38149	45683	43222	46279	36393
Credit balances	23048	19400	20069	20879	19315	17497	18293	19232
<b>TOTAL</b>	<b>548671</b>	<b>593992</b>	<b>651151</b>	<b>667204</b>	<b>521510</b>	<b>554688</b>	<b>630454</b>	<b>649431</b>
<b>EXTERNAL LIABILITIES</b>								
Long and medium term loans	21458	24044	24445	24588	20754	20677	25647	24042
Short term loans	6957	6030	5456	5265	5531	5112	5586	5213
Overdrafts	14763	16556	17526	21376	13612	14757	14229	17881
<b>TOTAL</b>	<b>43177</b>	<b>46630</b>	<b>47427</b>	<b>51229</b>	<b>39897</b>	<b>40546</b>	<b>45462</b>	<b>47136</b>
<b>NET WORTH</b>	<b>505494</b>	<b>547362</b>	<b>603724</b>	<b>615975</b>	<b>481613</b>	<b>514142</b>	<b>584992</b>	<b>602295</b>
<b>RETURNS TO CAPITAL</b>								
Owner Equity (%)	92.1		92.3		92.7		92.7	
FBI/Net worth (%)	3.3		3.2		3.4		3.3	
Management and Investment Income	-7457		-6862		-7882		-6662	
Return on tenant's capital (%)	-5.9		-5.5		-6.9		-5.7	
Return on all capital (%)	-1.4		-1.1		-1.5		-1.1	

**Table A6.3 LFA CATTLE AND SHEEP RESULTS**  
**LAND UTILISATION AND CROP PERFORMANCE****ORGANIC**

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>					
	2006/07	2007/08	2006/07	2007/08				
Tillage - maincrops								
Wheat	0.2	0.0	0.1	0.0				
Barley	1.1	1.0	1.5	0.8				
Other cereals	0.6	1.1	1.1	1.0				
Oil seed rape	0.0	0.0	0.0	0.0				
Linseed	0.0	0.0	0.0	0.0				
Peas/Beans	0.0	0.0	0.0	0.0				
Potatoes	0.0	0.0	0.0	0.0				
Sugarbeet	0.0	0.0	0.0	0.0				
Horticulture	0.0	0.0	0.0	0.0				
Other crops	0.0	0.0	0.0	0.0				
<b>Total cropping</b>	<b>1.9</b>	<b>2.1</b>	<b>2.8</b>	<b>1.9</b>				
Set-aside	0.0	0.0	0.1	0.0				
Tillage - fodder	1.5	1.1	1.8	1.5				
Grassland								
Grazing, hay and silage	109.1	112.0	111.6	112.8				
Fallow and land let	0.1	0.1	0.2	1.0				
Rough grazing								
Effective	32.0	32.0	15.7	24.2				
<b>Utilisable agricultural area (Effective ha.)</b>	<b>144.6</b>	<b>147.5</b>	<b>132.2</b>	<b>141.5</b>				
Woods, roads and buildings	9.9	9.9	9.8	8.8				
<b>TOTAL AREA (Actual ha.)</b>	<b>160.4</b>	<b>157.3</b>	<b>147.6</b>	<b>150.3</b>				
effective forage area	<b>147.0</b>	<b>150.6</b>	<b>133.6</b>	<b>143.7</b>				
Bare land and forage hired in	4.4	5.4	4.4	16.1				
<b>CROP PERFORMANCE *</b>								
<b>- Yields (tonnes per hectare)</b>	t/ha	n	t/ha	n	t/ha	n	t/ha	n
Wheat	-	1	-	0	-	1	-	0
Barley	-	4	-	4	4.3	7	3.2	5
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	0	-	0	-	0	-	0
Sugar Beet	-	0	-	0	-	0	-	0
<b>- Prices (£ per tonne)*</b>	£/t	n	£/t	n	£/t	n	£/t	n
Wheat	-	1	-	0	-	1	-	0
Barley	-	4	-	4	111	7	198	5
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	0	-	0	-	0	-	0
Sugar Beet	-	0	-	0	-	0	-	0

\* Yield and price data is implied

**Table A6.3 LFA CATTLE AND SHEEP RESULTS**  
**LAND UTILISATION AND CROP PERFORMANCE**

**CONVENTIONAL**

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>	
	2006/07	2007/08	2006/07	2007/08
Tillage - maincrops				
Wheat	0.0	0.0	0.2	0.1
Barley	0.3	0.5	0.9	0.4
Other cereals	0.0	0.0	0.2	0.0
Oil seed rape	0.0	0.0	0.0	0.0
Linseed	0.0	0.0	0.0	0.0
Peas/Beans	0.0	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0	0.0
Sugarbeet	0.0	0.0	0.0	0.0
Horticulture	0.0	0.0	0.0	0.0
Other crops	0.0	0.0	0.0	0.0
<b>Total cropping</b>	<b>0.4</b>	<b>0.5</b>	<b>1.2</b>	<b>0.6</b>
Set-aside	0.0	0.0	0.1	0.0
Tillage - fodder	0.7	0.8	0.9	0.6
Grassland				
Grazing, hay and silage	110.5	113.1	97.4	106.5
Fallow and land let	1.6	1.3	1.4	0.9
Rough grazing				
Effective	30.3	30.4	19.7	24.3
<b>Utilisable agricultural area (Effective ha.)</b>	<b>143.5</b>	<b>146.1</b>	<b>120.8</b>	<b>132.9</b>
Woods, roads and buildings	6.1	6.2	3.9	5.7
<b>TOTAL AREA (Actual ha.)</b>	<b>158.5</b>	<b>152.2</b>	<b>134.7</b>	<b>138.6</b>
effective forage area	<b>147.5</b>	<b>150.0</b>	<b>124.7</b>	<b>137.5</b>
Bare land and forage hired in	6.2	5.9	6.9	6.3

**CROP PERFORMANCE \***

<b>- Yields (tonnes per hectare)</b>	t/ha	n	t/ha	n	t/ha	n	t/ha	n
Wheat	-	1	-	2	-	3	-	3
Barley	5.3	7	5.7	8	4.9	11	5.7	9
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	0	-	0	-	1	-	1
Sugar Beet	-	0	-	0	-	0	-	0
<b>- Prices (£ per tonne)*</b>	£/t	n	£/t	n	£/t	n	£/t	n
Wheat	-	1	-	2	-	3	-	3
Barley	80	7	128	8	85	11	130	9
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	0	-	0	-	1	-	1
Sugar Beet	-	0	-	0	-	0	-	0

\* Yield and price data is implied

**Table A6.4 LFA CATTLE AND SHEEP RESULTS  
STOCKING AND LIVESTOCK PERFORMANCE****ORGANIC**

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0	0.0	0
Beef cows	28.0	37	27.8	37	26.3	35	24.7	33
Other cattle	38.8	74	40.3	78	39.1	75	39.7	76
Breeding sheep	47.4	592	46.7	584	39.0	487	46.7	583
Other sheep	13.4	326	12.7	309	11.3	274	13.6	333
Pigs	0.0	0	0.2	3	0.1	1	0.1	2
Poultry	0.1	8	0.1	4	0.3	127	4.8	288
Other livestock	0.0	12	0.0	9	0.0	10	0.0	7
<b>TOTAL (L.U.)</b>	<b>127.7</b>		<b>127.7</b>		<b>116.2</b>		<b>129.7</b>	

**STOCKING RATES**

Stocking rate (LU per eff.ha)	0.9	0.9	0.9	0.9
GLU/forage effective hectare*	0.9	0.8	0.9	0.9

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

**LIVESTOCK PERFORMANCE**

<b>- Yield*</b>	litres	n	litres	n	litres	n	litres	n
Milk yield/cow	-	0	-	0	-	0	-	0
<b>- Prices (£ per head)*</b>	£/head	n	£/head	n	£/head	n	£/head	n
Dairy cows	-	0	-	0	-	0	-	0
Dairy calves	-	0	-	0	-	0	-	0
Dairy heifers in calf	-	0	-	0	-	0	-	0
Beef heifers in calf	-	1	-	1	-	1	-	1
Finished cattle	787	21	851	21	798	26	849	29
Beef store cattle 1-2 yrs	495	15	575	15	572	17	579	17
Beef stores <1 yr	-	4	-	4	-	2	386	5
Ewes	47	5	-	3	-	4	60	5
Ewe hogs	54	5	-	4	44	5	50	5
Finished lambs	49	24	48	23	50	28	49	32
Store lambs	28	10	28	12	32	10	28	12
Finished Pigs	-	0	-	0	-	1	-	1
<b>- Prices (pence per unit)*</b>	p/unit	n	p/unit	n	p/unit	n	p/unit	n
Milk (pence per litre)	-	0	-	0	-	0	-	0
Wool (pence per kg)	47	23	12	16	49	27	15	24
Eggs (pence per dozen)	-	2	-	1	-	2	-	2

\* Yield and price data is implied

**Table A6.4 LFA CATTLE AND SHEEP RESULTS  
STOCKING AND LIVESTOCK PERFORMANCE**

**CONVENTIONAL**

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	0.1	0	0.0	0	0.0	0	0.0	0
Beef cows	23.1	31	22.2	30	22.5	30	22.3	30
Other cattle	29.2	57	27.9	55	29.8	57	29.1	58
Breeding sheep	59.8	748	58.0	725	52.5	656	53.5	669
Other sheep	17.5	427	17.8	433	15.8	379	16.7	407
Pigs	0.0	1	0.0	1	0.1	0	0.0	0
Poultry	0.0	1	0.0	1	0.0	1	0.0	1
Other livestock	0.0	0	0.0	0	0.0	1	0.0	0
<b>TOTAL (L.U.)</b>	<b>129.7</b>		<b>126.0</b>		<b>120.6</b>		<b>121.6</b>	

**STOCKING RATES**

Stocking rate (LU per eff.ha)	0.9	0.9	1.0	0.9
GLU/forage effective hectare*	0.9	0.8	1.0	0.9

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

**LIVESTOCK PERFORMANCE**

<b>- Yield*</b>	litres	n	litres	n	litres	n	litres	n
Milk yield/cow	-	1	-	0	-	0	-	0
<b>- Prices (£ per head)*</b>	£/head	n	£/head	n	£/head	n	£/head	n
Dairy cows	-	1	-	0	-	0	-	0
Dairy calves	-	0	-	0	-	0	-	0
Dairy heifers in calf	-	2	-	0	-	1	-	1
Beef heifers in calf	561	5	-	4	645	6	569	6
Finished cattle	624	25	699	22	631	31	694	29
Beef store cattle 1-2 yrs	484	27	528	27	472	33	519	35
Beef stores <1 yr	317	17	370	20	326	25	366	24
Ewes	50	25	47	23	48	28	47	29
Ewe hogs	46	23	36	21	44	26	36	22
Finished lambs	40	27	38	27	40	34	37	37
Store lambs	31	23	26	27	32	27	26	37
Finished Pigs	-	0	-	0	-	2	-	2
<b>- Prices (pence per unit)*</b>	p/unit	n	p/unit	n	p/unit	n	p/unit	n
Milk (pence per litre)	-	1	-	0	-	0	-	0
Wool (pence per kg)	40	27	13	21	41	34	13	28
Eggs (pence per dozen)	-	1	-	2	-	2	-	2

\* Yield and price data is implied

**Table A7.1 LOWLAND CATTLE AND SHEEP RESULTS ORGANIC**

OUTPUTS AND INPUTS		<i>Identical sample</i>				<i>Full sample</i>			
		2006/07		2007/08		2006/07		2007/08	
Sample number		26		26		30		31	
Average farm size (UAA)		96		99		88		107	
Business size (ESU)		25		23		24		27	
<b>OUTPUTS</b>		<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>
Dairy -	milk output	0	0	0	0	0	0	0	0
	cattle	0	0	0	0	0	0	0	0
	net quota	0	0	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0	0	0
Other cattle	output	22994	240	19882	201	22042	250	22556	211
	valuation change	-1814	-19	1841	19	-1416	-16	3729	35
Sheep -	total output	9082	95	9616	97	8128	92	10151	95
	valuation change	208	2	86	1	299	3	152	1
Other livestock		2018	21	2071	21	1749	20	1737	16
Arable crops	output	1494	16	929	9	1304	15	2140	20
	protein/energy support	0	0	0	0	0	0	0	0
By products forage and cults		992	10	1645	17	1326	15	1818	17
Miscellaneous (incl. farmhouse benefit value)		8890	93	3812	39	9252	105	4506	42
	- organic grants	893	9	636	6	924	10	600	6
	- other agri-env. payments	8040	84	10886	110	7048	80	11971	112
	- subsidy/single farm payment	16682	174	16232	164	15336	174	18451	173
	<b>FARM REVENUE</b>	<b>69479</b>	<b>725</b>	<b>67636</b>	<b>683</b>	<b>65992</b>	<b>748</b>	<b>77811</b>	<b>729</b>
<b>INPUTS</b>									
Feeds	purchased concentrates	3499	37	3356	34	2972	34	3351	31
	homegrown concentrates	665	7	694	7	730	8	1213	11
Purchased fodder, Tack and stock keep		818	9	644	7	826	9	653	6
Veterinary and medicines		1515	16	1496	15	1484	17	1681	16
Other livestock costs		5286	55	4906	50	5095	58	5169	48
Seeds -	purchased and homegrown	826	9	809	8	557	6	985	9
Fertilisers		169	2	147	1	151	2	324	3
Crop protection		10	0	7	0	20	0	6	0
Other crop costs		353	4	331	3	318	4	396	4
Labour	paid incl. paid management	4542	47	4884	49	4010	45	4688	44
	casual	943	10	709	7	846	10	1346	13
Machinery	contract	3647	38	4336	44	3403	39	4318	40
	repairs	2632	27	2945	30	2690	30	3270	31
	fuels	2402	25	2660	27	2365	27	2878	27
General farming costs		8445	88	8053	81	7780	88	8887	83
Land expenses		2629	27	2564	26	2441	28	3001	28
Rent		2930	31	2916	29	2373	27	4237	40
	<b>FARM EXPENSES</b>	<b>41311</b>	<b>431</b>	<b>41457</b>	<b>419</b>	<b>38060</b>	<b>432</b>	<b>46403</b>	<b>435</b>
<b>Excess of expenses over revenue</b>		<b>28168</b>	<b>294</b>	<b>26179</b>	<b>264</b>	<b>27932</b>	<b>317</b>	<b>31408</b>	<b>294</b>
<b>Notional inputs</b>									
	- rental value/imputed rent	13294	139	10537	106	13069	148	10045	94
	- unpaid labour	1431	15	1461	15	1868	21	1709	16
	- machinery depreciation	6556	68	6402	65	6727	76	7347	69
		<b>21281</b>	<b>222</b>	<b>18400</b>	<b>186</b>	<b>21664</b>	<b>246</b>	<b>19101</b>	<b>179</b>
NET FARM INCOME (excl. BLSA)		<b>6887</b>	<b>72</b>	<b>7779</b>	<b>79</b>	<b>6268</b>	<b>71</b>	<b>12307</b>	<b>115</b>
NET FARM INCOME (incl. BLSA)		<b>7701</b>	<b>80</b>	<b>9316</b>	<b>94</b>	<b>7083</b>	<b>80</b>	<b>13649</b>	<b>128</b>

Table A7.1 LOWLAND CATTLE AND SHEEP RESULTS

CONVENTIONAL

## OUTPUTS AND INPUTS

		<i>Identical sample</i>				<i>Full sample</i>			
		2006/07		2007/08		2006/07		2007/08	
Sample number		165		165		210		205	
Average farm size (UAA)		87		88		83		95	
Business size (ESU)		23		22		23		26	
<b>OUTPUTS</b>		<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>
Dairy -	milk output	3	0	0	0	2	0	0	0
	cattle	138	2	0	0	87	1	0	0
	net quota	0	0	0	0	0	0	0	0
	valuation change	-122	-1	0	0	-77	-1	0	0
Other cattle	output	17088	197	15909	182	16285	197	17755	187
	valuation change	393	5	2026	23	-347	-4	2486	26
Sheep -	total output	10067	116	9065	104	11982	145	10332	109
	valuation change	-436	-5	-744	-9	-130	-2	-315	-3
Other livestock		349	4	382	4	763	9	330	3
Arable crops	output	1100	13	1720	20	1168	14	3109	33
	protein/energy support	0	0	27	0	0	0	3	0
By products forage and cults		2535	29	3228	37	3346	41	3876	41
Miscellaneous (incl. farmhouse benefit value)		11368	131	7925	91	11843	143	8556	90
	- organic grants	0	0	0	0	0	0	0	0
	- other agri-env.payments	3650	42	3706	42	4198	51	3590	38
	- single payment scheme	14586	168	13828	158	14748	179	15559	164
	<b>FARM REVENUE</b>	<b>60720</b>	<b>701</b>	<b>57070</b>	<b>652</b>	<b>63869</b>	<b>774</b>	<b>65280</b>	<b>687</b>
<b>INPUTS</b>									
Feeds	purchased concentrates	4216	49	4634	53	4609	56	4711	50
	homegrown concentrates	709	8	936	11	748	9	1997	21
Purchased fodder, Tack and stock keep		657	8	403	5	1055	13	391	4
Veterinary and medicines		1580	18	1687	19	1701	21	1983	21
Other livestock costs		3489	40	3387	39	3844	47	4042	43
Seeds -	purchased and homegrown	424	5	393	4	436	5	537	6
Fertilisers		2050	24	2049	23	2174	26	2798	29
Crop protection		345	4	298	3	329	4	457	5
Other crop costs		383	4	529	6	387	5	563	6
Labour	paid incl. paid management	1396	16	1586	18	2105	25	2183	23
	casual	904	10	901	10	703	9	1010	11
Machinery	contract	2914	34	2770	32	2740	33	3115	33
	repairs	2797	32	2944	34	2599	31	3324	35
	fuels	2531	29	2588	30	2521	31	2863	30
General farming costs		6695	77	7396	84	6958	84	8050	85
Land expenses		2127	25	2314	26	2054	25	2619	28
Rent		3597	42	3697	42	3338	40	4116	43
	<b>FARM EXPENSES</b>	<b>36814</b>	<b>425</b>	<b>38511</b>	<b>440</b>	<b>38301</b>	<b>464</b>	<b>44757</b>	<b>471</b>
<b>Excess of expenses over revenue</b>		<b>23906</b>	<b>276</b>	<b>18559</b>	<b>212</b>	<b>25567</b>	<b>310</b>	<b>20523</b>	<b>216</b>
<b>Notional inputs</b>									
	- rental value/imputed rent	10980	127	7456	85	11217	136	8221	87
	- unpaid labour	2859	33	2158	25	2410	29	3123	33
	- machinery depreciation	5318	61	5405	62	4888	59	5958	63
		19158	221	15019	172	18514	224	17303	182
NET FARM INCOME (excl. BLSA)		4749	55	3540	40	7053	85	3220	34
NET FARM INCOME (incl. BLSA)		5478	63	4446	51	7519	91	4030	42

**Table A7.2 LOWLAND CATTLE AND SHEEP RESULTS ORGANIC  
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL**

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	6887	72	7779	79	6268	71	12307	115
plus unpaid labour (excludes farmer and spouse)	1431	15	1461	15	1868	21	1709	16
plus imputed rent and rental value	13202	138	10444	105	12986	147	9964	93
plus semi-integrated non-agric activities output	1009	11	973	10	874	10	816	8
minus imputed rent on farmhouse & farm cottages	4547	47	38	0	4295	49	129	1
minus insurance repairs & net interest payments	2499	26	2694	27	2504	28	2905	27
minus build & works depreciation	2755	29	2986	30	2536	29	2675	25
minus semi-integrated non-agric activities costs	432	5	319	3	374	4	268	3
<b>FARM BUSINESS INCOME</b>	<b>12295</b>	<b>128</b>	<b>14619</b>	<b>148</b>	<b>12287</b>	<b>139</b>	<b>18818</b>	<b>176</b>
<b>LABOUR USE AND LABOUR INCOMES</b>								
Annual Labour Units per farm	1.5		1.5		1.4		1.5	
of which farmer & spouse	1.1		1.0		1.0		1.1	
of which paid family labour	0.1		0.1		0.1		0.1	
of which unpaid labour	0.1		0.1		0.1		0.1	
Notional value of farmer/spouse labour	16474		16789		15813		17428	
Value of paid family labour	1469		1414		1273		1186	
Labour income per Annual Labour Unit	6014		6607		5487		9022	
Family labour income per Family Work Unit	3000		3578		2248		6454	
Value of paid managerial input	0		0		0		0	
<b>TENANT'S CAPITAL</b>								
Machinery	33546	350	34458	348	35443	402	41675	390
Livestock	44957	469	46916	474	45198	513	55116	516
Crops	3396	35	3611	36	3318	38	4603	43
Stores	676	7	662	7	665	8	911	9
<b>TOTAL</b>	<b>82576</b>	<b>861</b>	<b>85647</b>	<b>865</b>	<b>84623</b>	<b>960</b>	<b>102305</b>	<b>958</b>
<b>ASSETS</b>								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	610558	641979	650890	780274	588493	616990	598270	710404
Buildings, improvements and fixtures	15455	16222	16222	15673	14759	15291	14654	14205
Machinery	32568	34525	34428	34489	34199	36686	41852	41499
Livestock	45349	44566	45162	48670	45345	45050	52486	57745
Produce and goods in store	13339	7276	7015	7231	11987	7409	10953	10813
Quotas and single payment asset value	37833	34779	34779	25632	34291	31880	39144	28665
Credit balances	36355	33416	36562	28983	31656	29553	31649	27627
<b>TOTAL</b>	<b>791457</b>	<b>812762</b>	<b>825058</b>	<b>940953</b>	<b>760730</b>	<b>782859</b>	<b>789007</b>	<b>890958</b>
<b>EXTERNAL LIABILITIES</b>								
Long and medium term loans	28984	26729	26729	23264	25895	23776	26263	22876
Short term loans	6054	6954	6635	5234	5566	5830	7671	5826
Overdrafts	15949	11627	11627	7493	17291	15167	13493	10404
<b>TOTAL</b>	<b>50987</b>	<b>45311</b>	<b>44992</b>	<b>35991</b>	<b>48752</b>	<b>44773</b>	<b>47428</b>	<b>39107</b>
<b>NET WORTH</b>	<b>740470</b>	<b>767451</b>	<b>780066</b>	<b>904962</b>	<b>711978</b>	<b>738086</b>	<b>741580</b>	<b>851852</b>
<b>RETURNS TO CAPITAL</b>								
Owner Equity (%)	94.4		96.2		94.3		95.6	
FBI/Net worth (%)	1.7		1.9		1.7		2.5	
Management and Investment Income	-8772		-7474		-8729		-3779	
Return on tenant's capital (%)	-10.6		-8.7		-10.3		-3.7	
Return on all capital (%)	-1.1		-0.9		-1.1		-0.5	



**Table A7.2 LOWLAND CATTLE AND SHEEP RESULTS CONVENTIONAL**  
**INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL**

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	4749	55	3540	40	7053	85	3220	34
plus unpaid labour (excludes farmer and spouse)	2859	33	2158	25	2410	29	3123	33
plus imputed rent and rental value	10865	125	7326	84	11083	134	8110	85
plus semi-integrated non-agric activities output	1168	13	1580	18	1283	16	1296	14
minus imputed rent on farmhouse & farm cottages	4202	49	199	2	3953	48	234	2
minus insurance repairs & net interest payments	2588	30	2713	31	2289	28	2889	30
minus build & works depreciation	1675	19	1940	22	2235	27	1756	18
minus semi-integrated non-agric activities costs	747	9	1027	12	842	10	838	9
<b>FARM BUSINESS INCOME</b>	<b>10429</b>	<b>120</b>	<b>8726</b>	<b>100</b>	<b>12509</b>	<b>152</b>	<b>10032</b>	<b>106</b>
<b>LABOUR USE AND LABOUR INCOMES</b>								
Annual Labour Units per farm	1.3		1.3		1.3		1.4	
of which farmer & spouse	1.0		1.0		1.0		1.0	
of which paid family labour	0.0		0.0		0.0		0.0	
of which unpaid labour	0.2		0.1		0.1		0.2	
Notional value of farmer/spouse labour	16446		16827		16095		17373	
Value of paid family labour	146		323		185		245	
Labour income per Annual Labour Unit	3748		2377		5619		2603	
Family labour income per Family Work Unit	14		-1191		2405		-2194	
Value of paid managerial input	0		0		0		0	
<b>TENANT'S CAPITAL</b>								
Machinery	29117	336	30519	349	28226	342	34064	359
Livestock	46249	534	47564	543	46210	560	54457	573
Crops	4211	49	4677	53	2929	35	5260	55
Stores	1769	20	1940	22	1599	19	2622	28
<b>TOTAL</b>	<b>81346</b>	<b>939</b>	<b>84699</b>	<b>968</b>	<b>78964</b>	<b>956</b>	<b>96403</b>	<b>1015</b>
<b>ASSETS</b>								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	344836	364712	371258	433379	329275	344544	427409	504083
Buildings, improvements and fixtures	10389	10095	10095	10862	11861	14349	8971	9755
Machinery	28642	29593	29550	31488	27709	28743	33116	35012
Livestock	45965	46534	46458	48670	46219	46201	52964	55951
Produce and goods in store	15386	12791	12834	11696	12382	10078	13678	12491
Quotas and single payment asset value	34660	28579	28757	21480	35348	29134	32326	23935
Credit balances	17102	17995	18739	17934	18969	19813	19450	18919
<b>TOTAL</b>	<b>496979</b>	<b>510299</b>	<b>517689</b>	<b>575508</b>	<b>481762</b>	<b>492861</b>	<b>587914</b>	<b>660146</b>
<b>EXTERNAL LIABILITIES</b>								
Long and medium term loans	22973	24614	29105	24400	30421	34994	25749	21731
Short term loans	6031	5484	5587	6881	7183	6459	6546	7886
Overdrafts	13207	14286	14166	18698	13684	12784	16325	20973
<b>TOTAL</b>	<b>42211</b>	<b>44384</b>	<b>48859</b>	<b>49979</b>	<b>51287</b>	<b>54237</b>	<b>48620</b>	<b>50590</b>
<b>NET WORTH</b>	<b>454768</b>	<b>465915</b>	<b>468831</b>	<b>525530</b>	<b>430475</b>	<b>438624</b>	<b>539294</b>	<b>609556</b>
<b>RETURNS TO CAPITAL</b>								
Owner Equity (%)	91.3		91.3		89.0		92.3	
FBI/Net worth (%)	2.3		1.9		2.9		1.9	
Management and Investment Income	-10968		-12381		-8576		-13344	
Return on tenant's capital (%)	-13.5		-14.6		-10.9		-13.8	
Return on all capital (%)	-2.2		-2.4		-1.8		-2.3	

**Table A7.3 LOWLAND CATTLE AND SHEEP RESULTS ORGANIC**  
**LAND UTILISATION AND CROP PERFORMANCE**

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>					
	2006/07	2007/08	2006/07	2007/08				
Tillage - maincrops								
Wheat	1.2	0.5	1.0	0.8				
Barley	0.3	0.3	0.3	0.5				
Other cereals	1.0	0.6	1.3	2.1				
Oil seed rape	0.0	0.0	0.0	0.0				
Linseed	0.0	0.0	0.0	0.0				
Peas/Beans	0.1	0.0	0.1	0.0				
Potatoes	0.0	0.0	0.0	0.0				
Sugarbeet	0.0	0.0	0.0	0.0				
Horticulture	0.1	0.1	0.1	0.1				
Other crops	0.0	0.0	0.0	0.0				
<b>Total cropping</b>	<b>2.6</b>	<b>1.5</b>	<b>2.8</b>	<b>3.5</b>				
Set-aside	0.0	0.0	0.4	0.0				
Tillage - fodder	2.3	2.9	1.9	2.5				
Grassland								
Grazing, hay and silage	87.2	93.1	82.4	99.5				
Fallow and land let	3.3	0.7	0.3	0.7				
Rough grazing								
Effective	0.4	0.4	0.3	0.3				
<b>Utilisable agricultural area (Effective ha.)</b>	<b>95.9</b>	<b>99.0</b>	<b>88.2</b>	<b>106.8</b>				
Woods, roads and buildings	19.3	19.3	17.1	16.6				
<b>TOTAL AREA (Actual ha.)</b>	<b>115.1</b>	<b>118.3</b>	<b>105.3</b>	<b>123.4</b>				
effective forage area	<b>91.1</b>	<b>97.3</b>	<b>86.4</b>	<b>102.9</b>				
Bare land and forage hired in	1.2	0.8	1.8	0.7				
<b>CROP PERFORMANCE *</b>								
<b>- Yields (tonnes per hectare)</b>	t/ha	n	t/ha	n	t/ha	n	t/ha	n
Wheat	-	1	-	2	-	1	-	4
Barley	-	3	-	2	-	3	-	3
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	0	-	0	-	0	-	0
Sugar Beet	-	0	-	0	-	0	-	0
<b>- Prices (£ per tonne)*</b>	£/t	n	£/t	n	£/t	n	£/t	n
Wheat	-	1	-	2	-	1	-	4
Barley	-	3	-	2	-	3	-	3
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	0	-	0	-	0	-	0
Sugar Beet	-	0	-	0	-	0	-	0

\* Yield and price data is implied

**Table A7.3 LOWLAND CATTLE AND SHEEP RESULTS CONVENTIONAL**  
**LAND UTILISATION AND CROP PERFORMANCE**

LAND UTILISATION - hectares per farm		<i>Identical sample</i>		<i>Full sample</i>			
		2006/07	2007/08	2006/07	2007/08		
Tillage - maincrops	Wheat	0.4	0.2	0.4	0.6		
	Barley	1.7	1.9	2.0	3.0		
	Other cereals	0.4	0.3	0.3	0.3		
	Oil seed rape	0.0	0.0	0.0	0.0		
	Linseed	0.0	0.0	0.0	0.0		
	Peas/Beans	0.0	0.0	0.0	0.0		
	Potatoes	0.0	0.0	0.0	0.0		
	Sugarbeet	0.0	0.0	0.0	0.0		
	Horticulture	0.0	0.0	0.0	0.0		
	Other crops	0.0	0.0	0.0	0.1		
	<b>Total cropping</b>	<b>2.5</b>	<b>2.4</b>	<b>2.7</b>	<b>4.0</b>		
	Set-aside	0.5	0.6	0.5	0.0		
Tillage - fodder		1.8	1.5	1.4	1.8		
Grassland	Grazing, hay and silage	79.2	80.3	75.1	83.0		
Fallow and land let		2.3	2.0	2.5	5.4		
Rough grazing	Effective	0.4	0.5	0.4	0.4		
<b>Utilisable agricultural area (Effective ha.)</b>		<b>86.6</b>	<b>87.5</b>	<b>82.6</b>	<b>95.0</b>		
Woods, roads and buildings		4.6	4.6	3.2	5.1		
<b>TOTAL AREA (Actual ha.)</b>		<b>91.2</b>	<b>92.1</b>	<b>85.7</b>	<b>100.1</b>		
effective forage area		<b>84.9</b>	<b>86.4</b>	<b>81.5</b>	<b>89.3</b>		
Bare land and forage hired in		3.7	4.4	4.8	4.2		
<b>CROP PERFORMANCE *</b>							
<b>- Yields (tonnes per hectare)</b>		t/ha	n	t/ha	n	t/ha	n
Wheat		6.1	6	4.1	6	7.4	8
Barley		5.7	16	5.3	17	5.3	17
Oilseed Rape		-	0	-	0	-	0
Potatoes		-	0	-	0	-	0
Sugar Beet		-	0	-	0	-	0
<b>- Prices (£ per tonne)*</b>		£/t	n	£/t	n	£/t	n
Wheat		78	6	151	6	77	8
Barley		79	16	139	17	79	17
Oilseed Rape		-	0	-	0	-	0
Potatoes		-	0	-	0	-	0
Sugar Beet		-	0	-	0	-	0

\* Yield and price data is implied

**Table A7.4 LOWLAND CATTLE AND SHEEP RESULTS ORGANIC STOCKING AND LIVESTOCK PERFORMANCE**

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0	0.0	0
Beef cows	25.3	34	22.5	30	26.0	35	26.6	35
Other cattle	36.6	68	34.7	66	38.9	72	39.9	76
Breeding sheep	19.9	189	20.0	188	17.2	163	21.6	204
Other sheep	4.7	114	4.6	112	3.9	96	4.6	112
Pigs	0.1	0	0.0	0	0.1	0	0.0	0
Poultry	1.2	97	1.0	61	1.0	84	0.8	51
Other livestock	0.0	1	0.0	1	0.0	1	0.0	1
<b>TOTAL (L.U.)</b>	<b>87.7</b>		<b>82.7</b>		<b>87.1</b>		<b>93.6</b>	

**STOCKING RATES**

Stocking rate (LU per eff.ha)	0.9	0.8	1.0	0.9
GLU/forage effective hectare*	1.0	0.9	1.0	0.9

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

**LIVESTOCK PERFORMANCE**

<b>- Yield*</b>	litres	n	litres	n	litres	n	litres	n
Milk yield/cow	-	0	-	0	-	0	-	0
<b>- Prices (£ per head)*</b>	£/head	n	£/head	n	£/head	n	£/head	n
Dairy cows	-	0	-	0	-	0	-	0
Dairy calves	-	0	-	0	-	0	-	0
Dairy heifers in calf	-	0	-	0	-	0	-	0
Beef heifers in calf	-	0	-	1	-	0	-	1
Finished cattle	746	20	836	21	750	22	815	26
Beef store cattle 1-2 yrs	442	10	431	5	426	13	437	6
Beef stores <1 yr	325	6	-	3	325	6	-	3
Ewes	-	3	-	3	-	3	-	3
Ewe hogs	-	2	-	1	-	1	-	2
Finished lambs	57	18	53	20	57	19	52	23
Store lambs	35	5	-	2	-	4	-	2
Finished Pigs	-	0	-	0	-	0	-	0
<b>- Prices (pence per unit)*</b>	p/unit	n	p/unit	n	p/unit	n	p/unit	n
Milk (pence per litre)	-	0	-	0	-	0	-	0
Wool (pence per kg)	48	17	23	12	48	17	22	15
Eggs (pence per dozen)	-	1	-	1	-	1	-	1

\* Yield and price data is implied

**Table A7.4 LOWLAND CATTLE AND SHEEP RESULTS CONVENTIONAL STOCKING AND LIVESTOCK PERFORMANCE**

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0	0.0	0
Beef cows	19.8	26	19.8	26	17.2	23	21.1	28
Other cattle	35.2	65	34.0	63	31.8	59	39.1	73
Breeding sheep	22.9	223	22.1	212	27.8	267	25.0	240
Other sheep	5.8	142	6.0	144	6.9	167	6.9	165
Pigs	0.7	6	0.7	6	0.5	4	0.6	5
Poultry	0.1	4	0.1	8	0.0	1	0.1	6
Other livestock	0.0	1	0.0	0	0.0	4	0.0	1
<b>TOTAL (L.U.)</b>	<b>84.4</b>		<b>82.8</b>		<b>84.2</b>		<b>92.7</b>	

**STOCKING RATES**

Stocking rate (LU per eff.ha)	1.0	0.9	1.0	1.0
GLU/forage effective hectare*	1.0	1.0	1.0	1.0

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

**LIVESTOCK PERFORMANCE**

<b>- Yield*</b>	litres	n	litres	n	litres	n	litres	n
Milk yield/cow	-	1	-	0	-	1	-	0
<b>- Prices (£ per head)*</b>	£/head	n	£/head	n	£/head	n	£/head	n
Dairy cows	-	1	-	0	-	1	-	0
Dairy calves	-	1	-	0	-	1	-	0
Dairy heifers in calf	-	3	-	3	-	3	790	7
Beef heifers in calf	-	4	-	2	660	5	-	4
Finished cattle	590	26	643	26	616	30	647	31
Beef store cattle 1-2 yrs	479	26	501	24	463	30	504	29
Beef stores <1 yr	292	20	319	22	308	19	354	26
Ewes	35	14	35	15	47	20	38	18
Ewe hoggs	61	15	40	10	58	16	41	12
Finished lambs	46	26	43	26	47	28	44	31
Store lambs	35	21	33	20	34	23	33	23
Finished Pigs	-	0	-	0	-	0	-	0
<b>- Prices (pence per unit)*</b>	p/unit	n	p/unit	n	p/unit	n	p/unit	n
Milk (pence per litre)	-	1	-	0	-	1	-	0
Wool (pence per kg)	44	26	16	21	46	28	17	26
Eggs (pence per dozen)	-	2	-	4	-	1	-	4

\* Yield and price data is implied

**Table A8.1 MIXED FARM RESULTS**

**OUTPUTS AND INPUTS**

**ORGANIC**

		<i>Identical sample</i>				<i>Full sample</i>			
		2006/07		2007/08		2006/07		2007/08	
		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Sample number		10		10		12		13	
Average farm size (UAA)		165		169		153		157	
Business size (ESU)		70		71		81		72	
<b>OUTPUTS</b>									
Dairy -	milk output	13381	81	17308	103	31682	207	13314	85
	cattle	-215	-1	-872	-5	-825	-5	-671	-4
	net quota	0	0	0	0	0	0	0	0
	valuation change	-120	-1	-116	-1	177	1	-89	-1
Other cattle	output	26027	158	28695	170	33901	222	28255	180
	valuation change	3282	20	8705	52	2531	17	7527	48
Sheep -	total output	10211	62	7680	46	7366	48	6415	41
	valuation change	-266	-2	37	0	-425	-3	29	0
Other livestock		8	0	181	1	42	0	21484	137
Arable crops	output	37781	229	40512	240	41213	270	36875	235
	protein/energy support	3	0	264	2	2	0	238	2
By products forage and cults		6588	40	3816	23	5505	36	3742	24
Miscellaneous (incl. farmhouse benefit value)		10272	62	8709	52	11614	76	8170	52
	- organic grants	1975	12	1027	6	1509	10	790	5
	- other agri-env.payments	10807	66	12161	72	8666	57	15075	96
	- subsidy/single farm paymer	31495	191	30375	180	31849	209	27496	175
	<b>FARM REVENUE</b>	<b>151229</b>	<b>918</b>	<b>158481</b>	<b>940</b>	<b>174808</b>	<b>1145</b>	<b>168650</b>	<b>1074</b>
<b>INPUTS</b>									
Feeds	purchased concentrates	3298	20	4425	26	6656	44	5682	36
	homegrown concentrates	6207	38	11159	66	5767	38	9717	62
Purchased fodder, Tack and stock keep		1054	6	649	4	902	6	499	3
Veterinary and medicines		2029	12	2018	12	2335	15	1854	12
Other livestock costs		6792	41	7749	46	8293	54	8495	54
Seeds -	purchased and homegrown	4767	29	6044	36	4544	30	5775	37
Fertilisers		1601	10	747	4	1451	10	575	4
Crop protection		71	0	39	0	35	0	40	0
Other crop costs		1408	9	2518	15	1398	9	2386	15
Labour	paid incl. paid management	9099	55	10316	61	15530	102	9724	62
	casual	1137	7	1609	10	1401	9	4867	31
Machinery	contract	4891	30	5798	34	6271	41	6328	40
	repairs	6433	39	6374	38	6347	42	6099	39
	fuels	6690	41	7392	44	6264	41	6667	42
General farming costs		11917	72	11121	66	12039	79	11583	74
Land expenses		4528	27	3370	20	5615	37	3282	21
Rent		12735	77	12537	74	11453	75	11668	74
	<b>FARM EXPENSES</b>	<b>84657</b>	<b>514</b>	<b>93863</b>	<b>557</b>	<b>96300</b>	<b>631</b>	<b>95243</b>	<b>607</b>
<b>Excess of expenses over revenue</b>		<b>66572</b>	<b>404</b>	<b>64618</b>	<b>383</b>	<b>78508</b>	<b>514</b>	<b>73407</b>	<b>467</b>
<b>Notional inputs</b>									
	- rental value/imputed rent	10216	62	10289	61	12095	79	13353	85
	- unpaid labour	6088	37	6925	41	3887	25	6934	44
	- machinery depreciation	11545	70	11805	70	11369	74	11471	73
		<b>27849</b>	<b>169</b>	<b>29018</b>	<b>172</b>	<b>27351</b>	<b>179</b>	<b>31758</b>	<b>202</b>
NET FARM INCOME (excl. BLSA)		<b>38723</b>	<b>235</b>	<b>35601</b>	<b>211</b>	<b>51158</b>	<b>335</b>	<b>41649</b>	<b>265</b>
NET FARM INCOME (incl. BLSA)		<b>41175</b>	<b>250</b>	<b>39551</b>	<b>235</b>	<b>53775</b>	<b>352</b>	<b>44662</b>	<b>284</b>

**Table A8.1 MIXED FARM RESULTS****OUTPUTS AND INPUTS****CONVENTIONAL**

		<i>Identical sample</i>				<i>Full sample</i>			
		2006/07		2007/08		2006/07		2007/08	
Sample number		46		46		72		59	
Average farm size (UAA)		156		163		141		148	
Business size (ESU)		68		70		79		70	
<b>OUTPUTS</b>		<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>	<b>£/farm</b>	<b>£/ha</b>
Dairy -	milk output	8496	54	10125	62	24572	175	7789	53
	cattle	-174	-1	-336	-2	-863	-6	-259	-2
	net quota	0	0	0	0	0	0	0	0
	valuation change	137	1	-186	-1	-525	-4	-143	-1
Other cattle	output	23532	150	27153	167	22907	163	23846	161
	valuation change	5338	34	4345	27	1166	8	3867	26
Sheep -	total output	13267	85	14296	88	10263	73	12732	86
	valuation change	430	3	-1586	-10	502	4	-1352	-9
Other livestock		1013	6	699	4	2012	14	13826	93
Arable crops	output	25229	161	40287	247	27181	193	40294	272
	protein/energy support	25	0	324	0	17	0	25	0
By products forage and cults		8541	55	10103	62	9045	64	9378	63
Miscellaneous (incl. farmhouse benefit value)		19745	126	14017	86	19956	142	12517	85
	- organic grants	0	0	0	0	0	0	0	0
	- other agri-env.payments	7963	51	8309	51	6653	47	7440	50
	- single payment scheme	32619	209	30274	187	26732	190	27530	185
	<b>FARM REVENUE</b>	<b>146160</b>	<b>935</b>	<b>157823</b>	<b>968</b>	<b>149616</b>	<b>1063</b>	<b>157489</b>	<b>1064</b>
<b>INPUTS</b>									
Feeds	purchased concentrates	6591	42	7586	47	12771	91	10853	73
	homegrown concentrates	4968	32	8297	51	4546	32	9691	65
Purchased fodder, Tack and stock keep		1069	7	1306	8	553	4	1061	7
Veterinary and medicines		2643	17	2790	17	2990	21	2852	19
Other livestock costs		6596	42	6925	42	7912	56	7570	51
Seeds -	purchased and homegrown	2571	16	2283	14	3042	22	2450	17
Fertilisers		7647	49	7839	48	7272	52	7564	51
Crop protection		4707	30	4583	28	5383	38	4789	32
Other crop costs		1588	10	1649	10	1861	13	1720	12
Labour	paid incl. paid management	7547	48	7709	47	10268	73	7848	53
	casual	1058	7	1813	11	1212	9	1605	11
Machinery	contract	5395	34	5313	33	7089	50	6013	41
	repairs	6481	41	7031	43	6979	50	6952	47
	fuels	5376	34	5915	36	5778	41	5934	40
General farming costs		12942	83	13227	81	13463	96	14232	96
Land expenses		4902	31	4291	26	5270	37	4375	30
Rent		8843	57	8576	53	8336	59	7387	50
	<b>FARM EXPENSES</b>	<b>90925</b>	<b>581</b>	<b>97133</b>	<b>596</b>	<b>104725</b>	<b>744</b>	<b>102897</b>	<b>695</b>
<b>Excess of expenses over revenue</b>		<b>55235</b>	<b>353</b>	<b>60690</b>	<b>372</b>	<b>44891</b>	<b>319</b>	<b>54592</b>	<b>369</b>
<b>Notional inputs</b>									
	- rental value/imputed rent	18855	121	15976	98	18873	134	15442	104
	- unpaid labour	6652	43	7437	46	6467	46	7358	50
	- machinery depreciation	10491	67	12686	78	11067	79	12229	83
		<b>35998</b>	<b>230</b>	<b>36098</b>	<b>221</b>	<b>36407</b>	<b>259</b>	<b>35029</b>	<b>237</b>
NET FARM INCOME (excl. BLSA)		19237	123	24592	151	8484	60	19563	132
NET FARM INCOME (incl. BLSA)		20482	131	25575	157	9341	66	20391	138

**Table A8.2 MIXED FARM RESULTS** **ORGANIC**  
**INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL**

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	38723	235	35601	211	51158	335	41649	265
plus unpaid labour (excludes farmer and spouse)	6088	37	6925	41	3887	25	6934	44
plus imputed rent and rental value	10141	62	10175	60	12039	79	13265	84
plus semi-integrated non-agric activities output	0	0	0	0	0	0	0	0
minus imputed rent on farmhouse & farm cottages	2776	17	600	4	2691	18	692	4
minus insurance repairs & net interest payments	7218	44	10400	62	4246	28	9357	60
minus build & works depreciation	3219	20	4444	26	5790	38	5241	33
minus semi-integrated non-agric activities costs	0	0	0	0	0	0	0	0
<b>FARM BUSINESS INCOME</b>	<b>41739</b>	<b>253</b>	<b>37256</b>	<b>221</b>	<b>54357</b>	<b>356</b>	<b>46557</b>	<b>297</b>
<b>LABOUR USE AND LABOUR INCOMES</b>								
Annual Labour Units per farm	2.0		2.1		2.3		2.4	
of which farmer & spouse	1.1		1.1		1.2		1.2	
of which paid family labour	0.1		0.1		0.1		0.1	
of which unpaid labour	0.4		0.4		0.2		0.4	
Notional value of farmer/spouse labour	17623		18246		18927		19945	
Value of paid family labour	1026		1696		855		1304	
Labour income per Annual Labour Unit	22588		20675		27376		22481	
Family labour income per Family Work Unit	24597		21289		34051		25416	
Value of paid managerial input	185		185		154		142	
<b>TENANT'S CAPITAL</b>								
Machinery	66365	403	69197	410	63529	416	61978	395
Livestock	69582	422	79007	468	69350	454	75295	480
Crops	25085	152	27501	163	21852	143	25451	162
Stores	3731	23	4483	27	4030	26	4114	26
<b>TOTAL</b>	<b>164763</b>	<b>1000</b>	<b>180188</b>	<b>1068</b>	<b>158761</b>	<b>1040</b>	<b>166838</b>	<b>1063</b>
<b>ASSETS</b>								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	219776	228586	271421	334729	195684	208401	338016	419588
Buildings, improvements and fixtures	19737	18639	18639	26734	26848	41643	23049	31439
Machinery	66185	66545	66545	71849	63670	63388	59034	64922
Livestock	66893	72272	72640	85375	66877	71823	69961	80630
Produce and goods in store	41521	49762	49372	45882	30905	34861	46325	40887
Quotas and single payment asset value	67242	61118	61118	43639	67986	60644	57013	40339
Credit balances	27927	28234	35441	29994	62496	64057	31569	30413
<b>TOTAL</b>	<b>509280</b>	<b>525155</b>	<b>575175</b>	<b>638201</b>	<b>514466</b>	<b>544816</b>	<b>624968</b>	<b>708217</b>
<b>EXTERNAL LIABILITIES</b>								
Long and medium term loans	73752	72242	72242	113820	45509	47515	64499	95503
Short term loans	34604	35035	35035	35380	24853	25955	32605	32212
Overdrafts	24455	29992	29992	37210	17554	23850	29741	34707
<b>TOTAL</b>	<b>132811</b>	<b>137268</b>	<b>137268</b>	<b>186410</b>	<b>87916</b>	<b>97320</b>	<b>126846</b>	<b>162421</b>
<b>NET WORTH</b>	<b>376469</b>	<b>387887</b>	<b>437907</b>	<b>451790</b>	<b>426550</b>	<b>447496</b>	<b>498122</b>	<b>545796</b>
<b>RETURNS TO CAPITAL</b>								
Owner Equity (%)	73.9		70.8		82.1		77.1	
FBI/Net worth (%)	11.1		8.5		12.7		9.3	
Management and Investment Income	23738		21489		35002		24859	
Return on tenant's capital (%)	14.4		11.9		22.0		14.9	
Return on all capital (%)	4.7		3.7		6.8		4.0	



Table A8.2 MIXED FARM RESULTS

CONVENTIONAL

## INCOME MEASURES AND RETURNS TO LABOUR &amp; CAPITAL

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	19237	123	24592	151	8484	60	19563	132
plus unpaid labour (excludes farmer and spouse)	6652	43	7437	46	6467	46	7358	50
plus imputed rent and rental value	18727	120	15810	97	18778	133	15277	103
plus semi-integrated non-agric activities output	10468	67	6453	40	6471	46	5445	37
minus imputed rent on farmhouse & farm cottages	5500	35	415	3	5178	37	419	3
minus insurance repairs & net interest payments	5589	36	6429	39	5855	42	6031	41
minus build & works depreciation	3459	22	4362	27	4187	30	3972	27
minus semi-integrated non-agric activities costs	9501	61	5720	35	5852	42	4798	32
<b>FARM BUSINESS INCOME</b>	<b>31035</b>	<b>198</b>	<b>37366</b>	<b>229</b>	<b>19129</b>	<b>136</b>	<b>32423</b>	<b>219</b>
<b>LABOUR USE AND LABOUR INCOMES</b>								
Annual Labour Units per farm	2.1		2.2		2.3		2.2	
of which farmer & spouse	1.2		1.2		1.2		1.2	
of which paid family labour	0.1		0.1		0.1		0.1	
of which unpaid labour	0.4		0.4		0.4		0.4	
Notional value of farmer/spouse labour	19688		20111		19612		20967	
Value of paid family labour	1423		1411		1682		915	
Labour income per Annual Labour Unit	11958		14393		7744		11839	
Family labour income per Family Work Unit	8817		12436		915		8191	
Value of paid managerial input	0		0		36		0	
<b>TENANT'S CAPITAL</b>								
Machinery	62185	398	67549	414	61405	436	66813	451
Livestock	68038	435	72885	447	63472	451	68272	461
Crops	15877	102	20495	126	14398	102	18252	123
Stores	8463	54	10002	61	9327	66	11341	77
<b>TOTAL</b>	<b>154563</b>	<b>988</b>	<b>170930</b>	<b>1048</b>	<b>148602</b>	<b>1056</b>	<b>164678</b>	<b>1112</b>
<b>ASSETS</b>								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	540957	590106	609531	774742	434938	480701	598955	755353
Buildings, improvements and fixtures	20141	22359	22359	29386	10656	29125	19892	25848
Machinery	60309	64062	64494	70603	59338	63472	63924	69702
Livestock	64209	71867	71069	74701	62092	64851	66599	69944
Produce and goods in store	47347	40547	40045	46899	40540	33634	37290	43683
Quotas and single payment asset value	78717	66097	66097	47676	61091	57419	59316	42898
Credit balances	22254	21456	21300	28043	23289	25528	21085	25920
<b>TOTAL</b>	<b>833933</b>	<b>876493</b>	<b>894894</b>	<b>1072051</b>	<b>691945</b>	<b>754731</b>	<b>867062</b>	<b>1033348</b>
<b>EXTERNAL LIABILITIES</b>								
Long and medium term loans	37137	35618	34769	34846	41001	37620	31703	33962
Short term loans	11016	13635	13845	16277	18440	21750	15025	17178
Overdrafts	42174	43516	43516	61017	50364	55926	37249	51021
<b>TOTAL</b>	<b>90327</b>	<b>92770</b>	<b>92130</b>	<b>112140</b>	<b>109805</b>	<b>115296</b>	<b>83977</b>	<b>102161</b>
<b>NET WORTH</b>	<b>743606</b>	<b>783723</b>	<b>802764</b>	<b>959911</b>	<b>582140</b>	<b>639434</b>	<b>783085</b>	<b>931188</b>
<b>RETURNS TO CAPITAL</b>								
Owner Equity (%)	89.4		89.5		84.7		90.1	
FBI/Net worth (%)	4.2		4.7		3.3		4.1	
Management and Investment Income	794		5463		-10234		-576	
Return on tenant's capital (%)	0.5		3.2		-6.9		-0.3	
Return on all capital (%)	0.1		0.6		-1.5		-0.1	

**Table A8.3 MIXED FARM RESULTS****ORGANIC****LAND UTILISATION AND CROP PERFORMANCE**

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>					
	2006/07	2007/08	2006/07	2007/08				
Tillage - maincrops								
Wheat	17.7	15.0	19.1	14.8				
Barley	8.2	10.2	6.4	9.1				
Other cereals	10.4	11.1	7.7	9.5				
Oil seed rape	0.0	0.0	0.0	0.0				
Linseed	0.0	0.0	0.0	0.0				
Peas/Beans	7.2	7.0	12.7	7.0				
Potatoes	0.8	0.9	0.6	1.0				
Sugarbeet	0.0	0.0	0.0	0.0				
Horticulture	0.4	0.4	0.3	0.6				
Other crops	2.0	3.1	1.7	2.4				
<b>Total cropping</b>	<b>46.6</b>	<b>47.8</b>	<b>48.5</b>	<b>44.4</b>				
Set-aside	0.0	0.0	1.6	0.0				
Tillage - fodder	2.3	1.8	2.4	1.6				
Grassland								
Grazing, hay and silage	111.2	113.9	96.7	105.7				
Fallow and land let	3.2	3.9	3.2	4.2				
Rough grazing								
Effective	1.4	1.4	0.3	1.1				
<b>Utilisable agricultural area (Effective ha.)</b>	<b>164.8</b>	<b>168.6</b>	<b>152.7</b>	<b>157.0</b>				
Woods, roads and buildings	2.7	2.8	4.3	4.5				
<b>TOTAL AREA (Actual ha.)</b>	<b>167.5</b>	<b>171.5</b>	<b>157.0</b>	<b>161.6</b>				
effective forage area	<b>125.9</b>	<b>127.6</b>	<b>104.8</b>	<b>121.5</b>				
Bare land and forage hired in	10.9	10.6	5.4	13.1				
<b>CROP PERFORMANCE *</b>								
<b>- Yields (tonnes per hectare)</b>	t/ha	n	t/ha	n	t/ha	n	t/ha	n
Wheat	4.0	7	3.4	8	4.5	8	3.1	11
Barley	-	2	-	3	-	2	-	4
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	1	-	1	-	1	-	2
Sugar Beet	-	0	-	0	-	0	-	0
<b>- Prices (£ per tonne)*</b>	£/t	n	£/t	n	£/t	n	£/t	n
Wheat	193	7	258	8	196	8	252	11
Barley	-	2	-	3	-	2	-	4
Oilseed Rape	-	0	-	0	-	0	-	0
Potatoes	-	1	-	1	-	1	-	2
Sugar Beet	-	0	-	0	-	0	-	0

\* Yield and price data is implied

**Table A8.3 MIXED FARM RESULTS**  
**LAND UTILISATION AND CROP PERFORMANCE**

**CONVENTIONAL**

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>	
	2006/07	2007/08	2006/07	2007/08
Tillage - maincrops				
Wheat	21.0	21.8	22.1	22.2
Barley	12.3	14.3	14.8	14.5
Other cereals	3.5	3.2	2.3	3.0
Oil seed rape	3.9	4.0	3.7	4.0
Linseed	0.0	0.0	0.0	0.0
Peas/Beans	2.7	2.4	1.9	1.7
Potatoes	0.0	0.0	0.3	0.0
Sugarbeet	0.0	0.0	0.9	0.0
Horticulture	0.0	0.0	0.3	0.0
Other crops	0.0	0.0	0.0	0.0
<b>Total cropping</b>	<b>43.5</b>	<b>45.8</b>	<b>46.4</b>	<b>45.5</b>
Set-aside	6.2	5.6	1.1	0.0
Tillage - fodder	3.3	2.6	4.3	3.1
Grassland				
Grazing, hay and silage	100.1	106.2	80.3	89.0
Fallow and land let	3.1	2.3	8.5	9.9
Rough grazing				
Effective	0.2	0.2	0.2	0.2
<b>Utilisable agricultural area (Effective ha.)</b>	<b>156.4</b>	<b>163.0</b>	<b>140.8</b>	<b>148.0</b>
Woods, roads and buildings	3.9	3.8	3.2	3.2
<b>TOTAL AREA (Actual ha.)</b>	<b>160.3</b>	<b>166.8</b>	<b>144.0</b>	<b>151.3</b>
effective forage area	<b>112.1</b>	<b>117.2</b>	<b>92.0</b>	<b>99.1</b>
Bare land and forage hired in	8.4	8.3	7.2	6.9

**CROP PERFORMANCE \*****- Yields (tonnes per hectare)**

	t/ha	n	t/ha	n	t/ha	n	t/ha	n
Wheat	7.1	10	6.3	10	7.3	12	6.6	13
Barley	5.6	10	5.3	10	5.9	12	5.4	13
Oilseed Rape	-	4	-	4	2.4	10	3.0	7
Potatoes	-	1	-	1	-	2	-	1
Sugar Beet	-	0	-	0	-	1	-	0

**- Prices (£ per tonne)\***

	£/t	n	£/t	n	£/t	n	£/t	n
Wheat	86	10	149	10	87	12	146	13
Barley	85	10	144	10	83	12	140	13
Oilseed Rape	-	4	-	4	166	10	206	7
Potatoes	-	1	-	1	-	2	-	1
Sugar Beet	-	0	-	0	-	1	-	0

\* Yield and price data is implied

**Table A8.4 MIXED FARM RESULTS  
STOCKING AND LIVESTOCK PERFORMANCE****ORGANIC**

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	8.0	8	8.0	8	21.6	22	6.2	6
Beef cows	33.4	45	34.0	45	20.2	27	32.4	43
Other cattle	45.1	88	48.0	94	57.8	107	49.8	95
Breeding sheep	13.2	129	12.4	121	8.9	87	10.4	102
Other sheep	4.0	99	4.3	102	2.9	72	3.6	86
Pigs	0.0	0	0.1	2	0.1	1	0.1	1
Poultry	0.0	0	0.0	0	0.0	0	7.0	2638
Other livestock	0.0	3	0.0	3	0.0	3	0.0	2
<b>TOTAL (L.U.)</b>	<b>103.8</b>		<b>106.7</b>		<b>111.5</b>		<b>109.4</b>	

**STOCKING RATES**

Stocking rate (LU per eff.ha)	0.6	0.6	0.7	0.7
GLU/forage effective hectare*	0.8	0.8	1.1	0.9

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

**LIVESTOCK PERFORMANCE**

	litres	n	litres	n	litres	n	litres	n
<b>- Yield*</b>								
Milk yield/cow	-	1	-	1	-	2	-	1
<b>- Prices (£ per head)*</b>	£/head	n	£/head	n	£/head	n	£/head	n
Dairy cows	-	1	-	1	-	2	-	1
Dairy calves	-	1	-	1	-	1	-	1
Dairy heifers in calf	-	0	-	1	-	0	-	1
Beef heifers in calf	-	0	-	1	-	0	-	1
Finished cattle	746	9	921	8	764	9	939	10
Beef store cattle 1-2 yrs	-	2	-	3	-	1	604	5
Beef stores <1 yr	-	0	-	1	-	0	-	1
Ewes	-	0	-	2	-	1	-	2
Ewe hogs	-	0	-	0	-	0	-	0
Finished lambs	57	6	58	6	57	5	56	7
Store lambs	-	0	-	0	-	1	-	0
Finished Pigs	-	0	-	0	-	1	-	0
<b>- Prices (pence per unit)*</b>	p/unit	n	p/unit	n	p/unit	n	p/unit	n
Milk (pence per litre)	-	1	-	1	-	2	-	1
Wool (pence per kg)	47	6	-	3	46	5	-	4
Eggs (pence per dozen)	-	0	-	0	-	0	-	1

\* Yield and price data is implied

**Table A8.4 MIXED FARM RESULTS**  
**STOCKING AND LIVESTOCK PERFORMANCE**

**CONVENTIONAL**

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2006/07		2007/08		2006/07		2007/08	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	7.9	8	8.2	8	20.5	20	6.3	6
Beef cows	19.1	25	19.9	26	10.8	14	18.4	25
Other cattle	52.2	94	53.2	94	42.4	78	49.2	88
Breeding sheep	30.0	290	29.5	285	23.3	221	25.6	246
Other sheep	6.4	158	6.3	155	6.2	150	5.8	142
Pigs	0.0	0	0.0	0	0.6	4	14.6	86
Poultry	0.0	10	0.0	2	0.2	15	8.3	510
Other livestock	0.0	1	0.0	0	0.0	1	0.0	1
<b>TOTAL (L.U.)</b>	<b>115.7</b>		<b>117.1</b>		<b>103.9</b>		<b>128.4</b>	

**STOCKING RATES**

Stocking rate (LU per eff.ha)	0.7	0.7	0.7	0.9
GLU/forage effective hectare*	1.0	1.0	1.1	1.3

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

**LIVESTOCK PERFORMANCE**

<b>- Yield*</b>	litres	n	litres	n	litres	n	litres	n
Milk yield/cow	-	2	-	1	6554	6	-	1
<b>- Prices (£ per head)*</b>	£/head	n	£/head	n	£/head	n	£/head	n
Dairy cows	-	2	-	1	377	6	-	1
Dairy calves	-	1	-	1	-	2	-	1
Dairy heifers in calf	-	1	-	1	-	4	-	1
Beef heifers in calf	614	5	-	1	515	5	-	1
Finished cattle	623	10	648	10	629	12	663	13
Beef store cattle 1-2 yrs	485	8	536	10	458	11	495	11
Beef stores <1 yr	-	4	-	4	293	6	335	6
Ewes	-	3	50	6	-	3	48	7
Ewe hogs	-	1	-	2	-	3	-	3
Finished lambs	45	9	46	9	47	10	46	12
Store lambs	39	7	31	5	40	7	34	10
Finished Pigs	-	0	-	0	80	6	-	3
<b>- Prices (pence per unit)*</b>	p/unit	n	p/unit	n	p/unit	n	p/unit	n
Milk (pence per litre)	-	2	-	1	16.0	6	-	1
Wool (pence per kg)	47	9	13	6	47	10	15	10
Eggs (pence per dozen)	-	0	-	0	114	6	-	2

\* Yield and price data is implied

## 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 businesses 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:

<i>Farm type</i>	<i>Characteristics</i>
Cropping	In this report, two categories are combined:
<i>Cereals</i>	Farms on which cereals and other crops generally found in cereal rotations account for more than two thirds of their total SGM.
<i>General cropping</i>	Farms on which arable crops (including field scale vegetables) account for more than two thirds of their total SGM excluding farms classified as <i>cereals</i> .
Horticulture	Holdings on which fruit (including vineyards), hardy nursery stock, glasshouse flowers and vegetables, market garden scale vegetables, outdoor bulbs and flowers, and mushrooms account for more than two thirds of their total SGM.
Poultry	Farms where poultry account for over two thirds of total SGM.
Dairy	Farms where the dairy enterprise, including followers accounts for over two thirds of the total SGM. A holding is classified as a Less Favoured Area (LFA) holding if 50% or more of its total area is in the LFA.
LFA Cattle and Sheep	Farms in the LFA on which cattle, sheep and other grazing livestock, other than dairy cattle account for over two thirds of total SGM. Includes holdings classified as Severely Disadvantaged Area (SDA) if land is 50% or more within the SDA, and Disadvantaged Area (DA), if land is more than 50% within the DA.
Lowland Cattle and Sheep	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.7 more than two thirds of SGM. Includes mixed pig and poultry farms as well as farms with a mixture of crops and livestock, not classified elsewhere.

### 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 hectareage constitutes the total farm area minus the area occupied by roads, woodland, wasteland and buildings, and with rough grazing 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 grazing.

#### 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.

#### Farm Business Income

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

#### 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

**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:**

ALU – Annual Labour Units

CCF – Comparable Conventional Farms

ESU – Economic Size Unit

FBI – Farm Business Income

FBS – Farm Business Survey

LFA – Less Favoured Area

LU – Livestock Unit

MII – Management and Investment Income

NFI – Net Farm Income

OFS – Organic Farming Scheme

SFP – Single Farm Payment

SGM – Standard Gross Margins

UAA – Utilisable Agricultural Area

## **Appendix 4 Numbers of farms to be sampled/recruited by type and region**

The recruitment targets set in 2006/07 were based on an analysis of registered organic businesses in 2005, classified by farm type and GOR, and have been maintained into 2007/08. The guideline target samples try to ensure that the population distribution is reflected. To increase the useable data, new businesses recruited should have more than 70% fully organic land.

For England from 2006/07, it was agreed with Defra that guidelines for a minimum of 140 farms (70 in the main FBS and 70 from the supplementary data collection covered by this project) should provide for a minimum of 6 in each type category (see table), except:

- a) in the case of the LFA (DA & SDA) cattle and sheep categories, as these can be combined with each other and with Welsh data to achieve the 5 minimum
- b) horticulture, where the priority should be to achieve a minimum of 6 each 'small-scale market garden' and 'larger scale field vegetables' within the other horticulture category. If recruitment enables the specialist glass and fruit categories to be increased to 5 or 6, that would be welcome, but was not a requirement.
- c) specialist horses and pigs, where the organic population is too small.

For Wales, the recruitment priorities identified, taking account of the existing samples, are:

- a) Improve balance between LFA and lowland dairy if any lowland dairy farms drop out
- b) Recruit horticultural businesses if any cropping or mixed farms drop out
- c) Maintain current lowland cattle and sheep numbers
- d) Focus on recruiting LFA (DA) cattle & sheep businesses.
- e) Within the SDA groups, cattle and sheep businesses are over-represented, and specialist sheep are underrepresented, so if any drop out of the former, they could be replaced by the latter if possible.

Table A9 Distribution of 2005/06 organic holdings in England and Wales by type and region and recruitment targets for 2006/07

FBSGor	Cereals	Dairy (LFA)	Dairy (Lowland)	General Cropping	Grazing Livestock (DA)	Grazing Livestock (Lowland)	Mixed	Other Cattle & Sheep (SDA)	Other Horticulture	Specialist Fruit	Specialist Glass	Specialist HNS	Specialist Horses	Specialist Pigs	Specialist Poultry	Specialist Sheep (SDA)	Grand Total England	Guideline target	Current FBS (2005/6)	To recruit
EAST	44		6	53		10	8		11	8	10	2	1	2	4		159	11	13	-2
EM	32	5	18	33	6	17	20	2	6	1	3	1			8		152	11	9	2
NE&YH	29	7	15	30	6	10	28	13	11		2	1	2		3	20	177	13	12	1
NW	5	8	40	7	1	18	12	16	5	1	6	1	3		3	7	133	10	6	4
SE&LON	59		21	27		58	47		17	17	11		4		9		270	20	10	10
SW	75	12	175	44	12	196	147	12	40	15	19	3	15	2	11	3	781	57	19	38
WM	27	8	52	33	4	42	34	8	17	11	4		3		4	1	248	18	2	16
Grand Total England	271	40	327	227	29	351	296	51	107	53	55	8	28	4	42	31	1920	140	71	70
Guideline target (min 6)	20	6	24	16	3	25	22	4	16	0	0	0	0	0	6	3	145	-5		
Wales guideline target		5	3	1	9	5	2	7	2							6		40	30	10
Total guideline target	20	11	27	17	12	30	24	11	18	0	0	0	0	0	6	9	180			
Current FBS (2005/6) Eng	10	3	15	6	2	7	11	5	2	1	3	0	0	1	3	2	71			
To recruit England	10	3	9	10	1	18	11	0		10			0	0	3	1	70			
Current FBS Wales	0	2	5	1	2	5	4	8	0	0	0	0	0	0	0	3	30			
To recruit Wales	0	1		0	6	1	0	2	(2 if other cropping farms drop out)				0	0	0 see other	10				

## Appendix 5 Organic and conventional 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.

### 6.1.1 Background

Issues relating to comparing results from organic and conventional farms have been discussed by Lampkin and Padel (1994)<sup>6</sup> and Offermann and Nieberg (2000).<sup>7</sup>

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)<sup>8</sup>, using a hierarchical cluster analysis technique on the basis of Euclidean squared difference; however, the method of clustering has been changed in this study.

### 6.1.2 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)<sup>9</sup>. The emphasis for selection of comparable conventional farms for this study was to focus on resource endowment identifiers/variables. The resource endowment of the business 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 A9);
- Altitude (See Table A10);
- Main farm type, which is more descriptive typing than robust type (see Table A11).

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<sup>6</sup> Lampkin, NH and S Padel (1994) *Economics of Organic Farming – an international perspective*. CAB International, Wallingford.

<sup>7</sup> 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.

<sup>8</sup> 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.

<sup>9</sup> Department for Environment, Food and Rural Affairs (Farm Business Division). *Farm Business Survey Data, 2005/06* [Computer File]. Colchester, Essex: The Data Archive [Distributor] 4<sup>th</sup> December 2007.

**Table A10 Recoding of LFA codes to simplify the clustering procedure**

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

**Table A11 Altitude codes for farms in the FBS/FADN system**

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

**Table A12 Main type and robust types used in the FBS/FADN system**

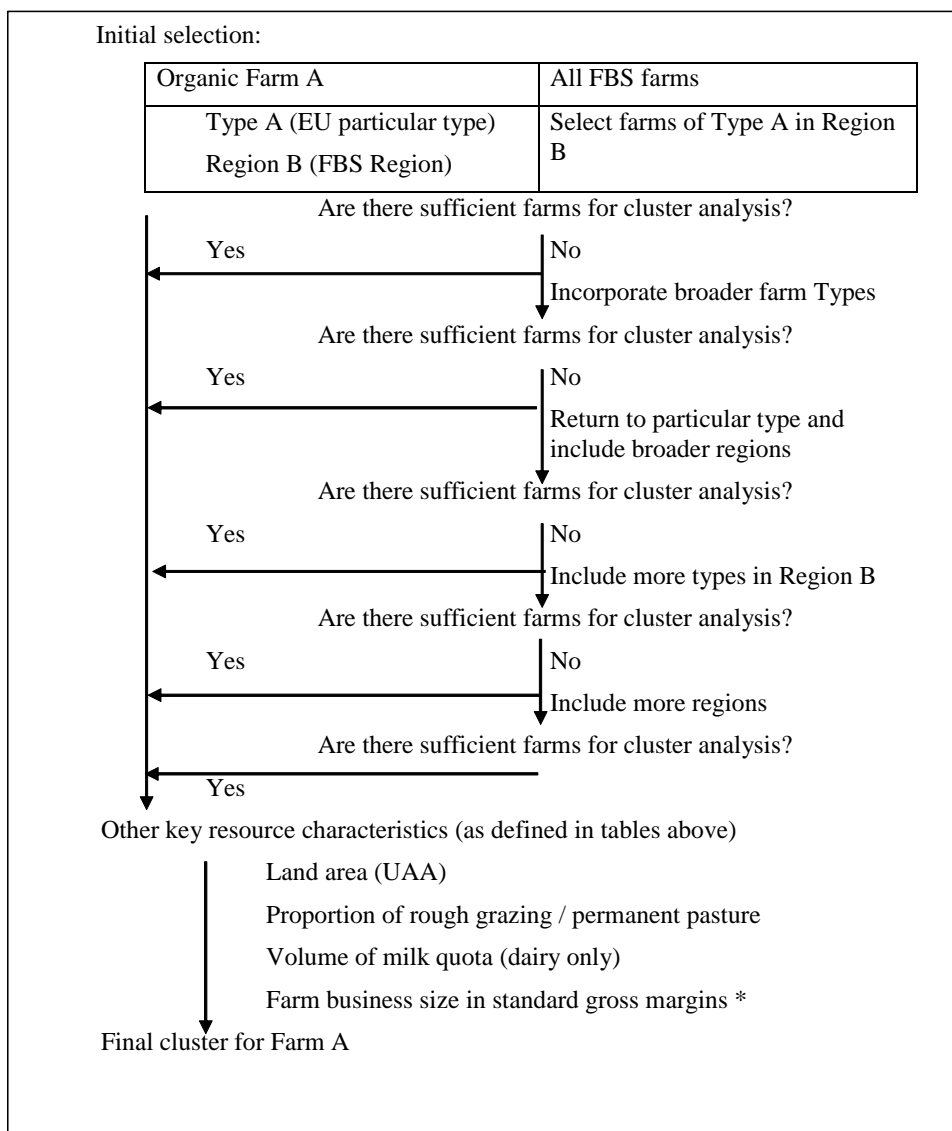
Farming Description	Main type	Robust type
Cereals	1	Cropping
General cropping	2	
Specialist fruit	3	Horticulture
Specialist glass	4	
Specialist hardy nursery stock	5	
Other horticulture	6	
Specialist pigs	7	Pigs and poultry
Specialist poultry	8	
Dairy (LFA)	9	Dairy
Dairy (lowland)	10	
Specialist sheep (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. 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 A13).

**Box 1 Conventional farm selection procedure**



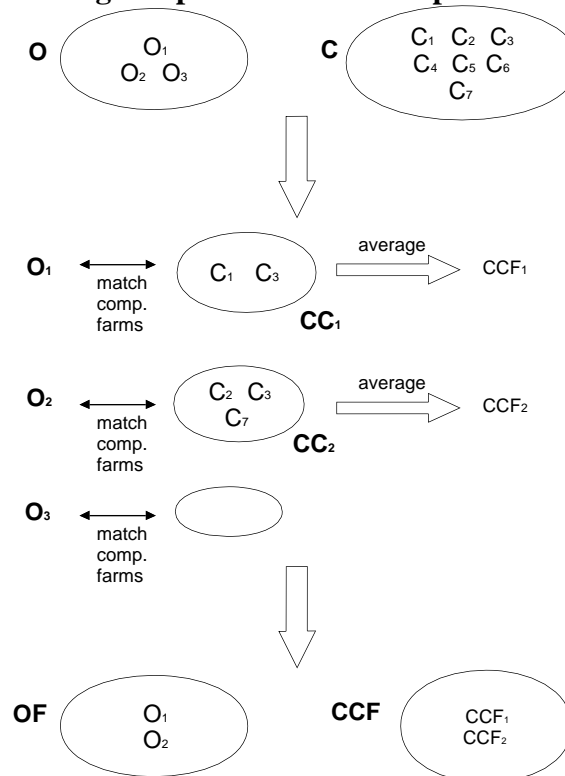
Farm business size, as measured by standard gross margins, is a measure of the potential economic activity of the particular mix and size of enterprises on the farm.

**Table A13 Summary table to show the procedure used per farm type and the CCF results achieved (2007/08 farms)**

Type of farm	Cropping		Hort.		Poultry		Dairy		Cattle and sheep		Mixed	Total
Location (if applicable)	All	LFA	All	LFA	All	LFA	Lowland	LFA	Lowland	LFA	Lowland	
Total organic farms	<b>25</b>	<b>6</b>	<b>9</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>36</b>	<b>38</b>	<b>34</b>	<b>38</b>	<b>34</b>	<b>19</b>
<b>Baseline clustering criteria</b>												
Main type	identical	identical	identical	identical	identical	identical	identical	identical	identical	identical	identical	identical
Region	identical	identical	identical	identical	identical	identical	identical	identical	identical	identical	identical	identical
LFA status/altitude	identical	identical	identical	identical	identical	identical	identical	identical	identical	identical	identical	identical
Utilisable agricultural area [UAA] (+/- %)	30	30	30	30	30	30	30	30	30	30	30	30
Quota owned (+/- %)	n/a	n/a	n/a	30	n/a	30	30	n/a	n/a	n/a	n/a	30
Permanent Pasture [PP] (+/- %)	30	30	30	n/a	30	n/a	n/a	30	30	30	30	30
Rough Grazing [RG] (+/- %)	30	30	30	n/a	30	n/a	n/a	30	30	30	30	30
Economic Size Units [ESU] (+/- %)	30	30	30	30	30	30	30	30	30	30	30	30
No. of farms for which baseline cluster obtained (min 3 farms)	11	1	2	1	0	1	24	16	20	16	20	2
(as a percent)	<b>44%</b>		<b>22%</b>	<b>17%</b>	<b>0%</b>	<b>17%</b>	<b>67%</b>	<b>42%</b>	<b>59%</b>	<b>42%</b>	<b>59%</b>	<b>11%</b>
Modifications required to achieve clusters for remaining farms												
Main type (incorporate broader farm type definition)	6	-	-	-	-	-	-	7	-	7	-	13
Regional (broader selection)	1	1	2	1	1	1	7	1	7	1	7	25
Main type and regional (broader selections)	1	-	-	-	-	1	-	3	1	3	1	6
Regional/main type and UAA/ESU/RG/PP (broader selection)	-	-	-	-	-	-	-	5	-	5	-	7
LFA/altitude (non-identical criteria)	-	-	-	-	-	-	-	-	2	-	2	4
Combination of above	3	4	4	2	4	2	1	5	1	5	1	22
<b>Resulting final cluster statistics</b>												
Average number of farms in cluster per organic farm	7.9	4.2	3.8	4.2	3.4	4.2	6.6	6.7	6.6	6.7	6.6	4.5
No. of organic farms with more than 5 farms (CCF) per cluster	12	0	0	1	0	1	18	16	15	16	15	4
% of organic farms with more than 5 farms (CCF) per cluster	55%	0%	0%	17%	0%	17%	55%	43%	48%	43%	48%	31%
Range of CCF per organic farm per farm type: Minimum	3	3	3	3	3	3	3	3	3	3	3	3
Maximum	24	5	5	6	5	6	12	22	12	22	12	8

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 businesses drawn from sample C. The robust type comparative analysis presented in this report is based on average values for businesses 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.<sup>10</sup>

6.1.3 Interpretation of results

As discussed earlier, the farms have been classified by Standard Gross Margins (SGMs), a typology system originally devised for conventional agricultural systems (see Appendix 2) and therefore not entirely appropriate for organic farms. 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 sample size for the comparison clusters is sufficiently large for a degree of confidence in the average value; however, there is still a possibility for outliers (especially larger farms) to have some disproportionate influence on the average.

<sup>10</sup> 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](http://www.irs.aber.ac.uk/euceeofp)).