

**ORGANIC FARM INCOMES
IN ENGLAND AND WALES
2004/05**

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August 2006

ORG@Aber

Organic Research Group at Aberystwyth

Institute of Rural Sciences

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

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Summary

Results from research work carried out for the Department of Environment, Food and Rural Affairs (DEFRA) by the Organic Research Group at the Institute of Rural Sciences, UWA on the economic performance of organic farms in 2004/05 are presented in this report. This report is the last of a series¹ of four on organic farm incomes from 2001/02 through to 2004/05 as part of project OF0189.

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

In this report, time series financial data are shown for an identical farm sample for the 2003/04 and 2004/05 financial years, covering seven organic farm types including cropping, horticulture, lowland and LFA dairy, lowland and LFA cattle and sheep and mixed farming systems. The identical farm samples comprise farms that are present in both 2003/04 and 2004/05. The total number of organic farms for 2004/05, also referred to as the full farm sample data, is shown alongside the identical datasets.

Summarised and detailed financial input, output, income, returns to labour and capital, liabilities and assets and some physical performance measures are presented based on current Farm Business Survey (FBS) data collection and collation guidelines². The full samples of organic farms per robust farm type are sufficiently large to give some reasonable level of confidence in the data; however, it should be noted that the organic farm samples are not statistically representative of their type, although the results can be seen as a reasonable indication of farm income levels for comparable organic and conventional farms. Smaller identical farm samples should be treated more cautiously as there is a possibility for outliers (especially larger farms) to have some influence on the average results.

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

Overall, the identical sample of organic farms showed a similar or higher level of net farm income for all farm types in 2004/05 than in 2003/04 with the exception of lowland dairy farms, which decreased over the period. On comparing the organic data with the comparable conventional data, the greatest differences in performance were seen in the cropping, lowland cattle and sheep and mixed farm types where organic farms performed

¹ All the reports from this and previous related projects (covering 1995/06-1997/08, 1998/09, 1999/00-2000/01, 2001/02, 2002/03, 2003/04 and 2004/05) can be found on the organic statistics section of the Defra website: http://statistics.defra.gov.uk/esg/index/list.asp?i_id=130

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

significantly better in 2004/05. LFA cattle and sheep farm types performed similarly to the comparable conventional farm samples while LFA organic dairy farms achieved lower net farm incomes than the conventional comparison farms. The full sample datasets compared similarly to the identical datasets for both organic and conventional farms in 2004/05.

Gross margin data are presented for organic dairy herds on a herd size and top five performing herd basis. Cattle and sheep gross margins are shown for lowland and LFA farm types. Crops shown include winter and spring wheat, spring barley, winter and spring oats, beans, ware potatoes, calabrese, cauliflower and cabbage crops. Where applicable, 2003/04 gross margin data are shown alongside the 2004/05 data.

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

1. Introduction

This is the last of a series of four annual reports on the financial performance of organic farms covering the years 2001/02 to 2004/05 carried out for the Department for Environment, Food and Rural Affairs (DEFRA) as part of Project OF0189. It builds on similar previous economics research work carried out for MAFF (project OF0190, covering 1995/96 to 1997/98, and 1998/99).

The aim of this research report is to show the financial performance of organic farms for 2004/05 including comparisons with similar conventional farms and 2003/04 data, differentiated by farm type, 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:

- the collection of financial data from organic cropping, horticulture, dairy, upland, lowland and mixed farm types (12 farms per robust type) from 2001/02 to 2004/05;
- the collation of organic farm data from the UK Data Archive for existing FBS studies in the study years;
- the selection of appropriate clusters of similar conventional farms of types selected to complement the farms above;
- the production of an annual report incorporating comparisons with data from the conventional farms on a wholefarm basis as well as gross margin data;
- the collation of benchmarking data for dairy and livestock enterprises.

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

2. Methods

2.1 Organic farm data sources and collection methods

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

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

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

For the primary data collection, the Farm Business Survey unit at Aberystwyth is responsible for collecting the main organic farm income data for the cropping, dairy, LFA and lowland cattle and sheep and mixed farm types with the aim of achieving 12 farms per robust type for whole farm and gross margin data. Farm recruitment for the survey was carried out by the IRS Organic Research Group and Farm Business Survey Unit with the aim of identifying samples of farms representing the organic sector in England and Wales. Holdings with more than 8 European Size Units (ESU) (for definition, see Appendix 2) and having at least 70% organic land status in 2001/02 were selected randomly from national producer lists obtained from organic control bodies and Defra. The Aberystwyth FBS Unit also contributed benchmarking and gross margin data relating to their main FBS survey holdings, which has resulted in a high proportion of Welsh holdings in some samples (e.g. dairy gross margins, see p. 31).

2. DEFRA: UK Data Archive

Each year, Farm Business Survey Centres around the UK submit FBS data to DEFRA. Within the remit of this project, it has been possible to derive further organic farms that form part of the farm sample from other FBS Centres in the UK with the introduction of organic indicators in 1999. This has proved a valuable method of increasing the sample number of organic farms. In 2004, farm income data from 2402 farms were submitted to DEFRA, of which 105 farms had organic or in-conversion enterprises on farm. From this total, 78 farms met the farm selection criteria; however only 68 farms have been included in this report as it was not possible to derive comparable conventional farm data for the other 10 farms. The other 27 farms were not included within the report as 6 were still in conversion to organic status and the remaining 21 had organic areas less than 70% of their total agricultural area.

3. HDRA (Henry Doubleday Research Association)

HDRA were responsible for supplying both whole farm and gross margin data for horticultural holdings. In total, 12 farms were recruited for the horticultural section. Due to large dissimilarities within the group in terms of the proportion of horticulture output/area and intensity of the enterprises, the horticulture section was split to show results for an arable/field vegetable group and an intensive horticulture group. Gross margin data are included in the gross margin sections where applicable.

Table 1 Distribution of organic farms by type and source of data, 2004/05

<i>Data source</i>	<i>IRS</i>	<i>UK Data Archive</i>	<i>HDRA</i>	<i>Other</i>	<i>Total</i>
<i>Farm Type</i>	<i>Wholefarm & GM* data</i>	<i>Wholefarm data only</i>	<i>Wholefarm & GM data</i>	<i>Wholefarm & GM data)</i>	
Cropping	10 + 1 GM	7			17+ 1 GM
Arable / field vegetables			5		5
Horticulture		1	7		8
Pigs and poultry	3 GM + 4 GM				3GM+ 4GM
Dairy (lowland)	4 + 4 GM#	21			25 + 4GM
Dairy (LFA)	2 + 2 GM#	6			8 + 2GM
Cattle and sheep					
LFA	7	20			27
Lowland	9	9			18
Mixed	6	4			10
Total	38 + 8 GM	68	12		118 + 8 GM

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

GM – Additional organic gross margin data extracted from IRS Welsh FBS farms

2.2 Farm samples and farm classification

The total farm sample consists of 118 surveyed organic farms for 2004/05. 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)³. (See Appendix 2 for more information). The use of constituent EC types relies on the use of standard gross margins (SGMs) from which European Size Units (ESUs) are derived (which in turn allow classification into EC types), a typology system originally devised for conventional agricultural systems.

The number of farms in both this organic survey sample and the Farm Business Survey overall are subject to change. In the Organic Farm Income 2003/04 report, data from 135 organic farms were available. Between the 2003/04 and 2004/05 survey periods, a further 11 farms dropped out of the organic survey and 28 organic farms were no longer available from the UK Data archive. Conversely, there were 17 new organic farms recorded for the main 2004/05 FBS survey, available via the UK Data archive, and a further two collected as part of the organic survey. Overall, nine organic farms have been excluded from this report as it was either not possible to derive comparable conventional farm data for them for various reasons or there were not enough farms of a particular farm type.

To ensure anonymity of results for farmers participating in these surveys, no data are presented for groups of less than five farms. Robust types 1 (Cereals) and 2 (General Cropping) are merged for this reason.

³ See <http://statistics.defra.gov.uk/esg/publications/fab/2003/excel.asp> for further information on the farm accounting system employed in England and Wales by DEFRA Economics Division.

2.3 Continuous sampling and interpretation of results

To achieve comparability in the whole farm datasets, the data samples are presented as a continuous (identical) set of farms per farm type. The identical samples show organic farm incomes for both organic and comparable conventional farms in 2003/04 and 2004/05. The full samples show 2004/05 data only and are not based on identical farm samples.

In 2004/05, 3 farms changed farm type classification. Where applicable, these farms were included in the identical farm sample that applied to their 2003/04 farm type. For the full sample, these farms were included in the farm sample according to their 2004/05 farm type.

An assessment of the distribution of farm type by region and size between the organic farm survey data and unpublished organic farming census data from DEFRA was undertaken in previous reports. The findings indicated that the organic farm sample was relatively representative on a regional and farm size basis. This exercise has not been repeated for this year with the 2004/05 organic data sample (see Table 2) being smaller but still similar to the earlier samples. This issue will need to be revisited in future projects.

Table 2 Distribution of organic farms by type and size (European Size Units) for the identical and full farm samples, 2004/05

Identical sample	8 -	15 -	28 -	40 -	60 -	100 -			
<i>ESU code</i>	< 8	< 15	< 28	< 40	< 60	< 100	< 200	200 +	Total
<i>Farm type</i>									
Cereals and general cropping	1		2	1	6	1	2		12
Horticulture		3		1	1	1	2	3	12
Pigs and poultry									
Dairy (lowland)					2	3	4	5	14
Dairy (LFA)				1		2	2		5
Cattle and sheep									
- LFA		4	4	4	3	2			17
- lowland		5	7	2					14
Mixed		1	1	4	3	1			10
Total		11	12	11	15	10	10	8	84
Full sample									
<i>Farm type</i>									
Cereals and general cropping	1	2	4	2	7	4	2	3	25
Horticulture		1			1		2	1	5
Pigs and poultry									
Dairy (lowland)				2	2	4	8	9	25
Dairy (LFA)				1		3	4		8
Cattle and sheep									
- LFA		4	12	5	4	2			27
- lowland		7	7	3	1				18
Mixed		1		4	4		1		10
Total		15	23	17	19	13	17	13	118

2.4 Farm comparisons

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

2.4.1 Background

Issues relating to comparing results from organic and conventional farms have been discussed by Lampkin and Padel (1994)⁴ and Offermann and Nieberg (2000).⁵

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)⁶, using a hierarchical cluster analysis technique on the basis of Euclidean squared difference; however, the method of clustering has been changed in this study.

2.4.2 Conventional farm selection

For each organic farm recorded, the aim was to generate a cluster of at least three comparable conventional farms (CCF) from the Farm Business Survey database (DEFRA, 2003)⁷. The emphasis for selection of comparable conventional farms for this study was to focus on resource endowment identifiers/variables. The resource endowment of the holding is normally independent of the organic or conventional management, and is a reflection of the resources with which the farm manager can run the farm business.

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

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

⁴ Lampkin, NH and S Padel (1994) *Economics of Organic Farming – an international perspective*. CAB International, Wallingford.

⁵ 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.

⁶ 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.

⁷ Department for Environment, Food and Rural Affairs (Farm Business Division). *Farm Business Survey Data, 2004/05* [Computer File]. Colchester, Essex: The Data Archive [Distributor] 10th April 2006.

Table 3 Recoding of LFA codes to simplify the clustering procedure

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

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

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

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

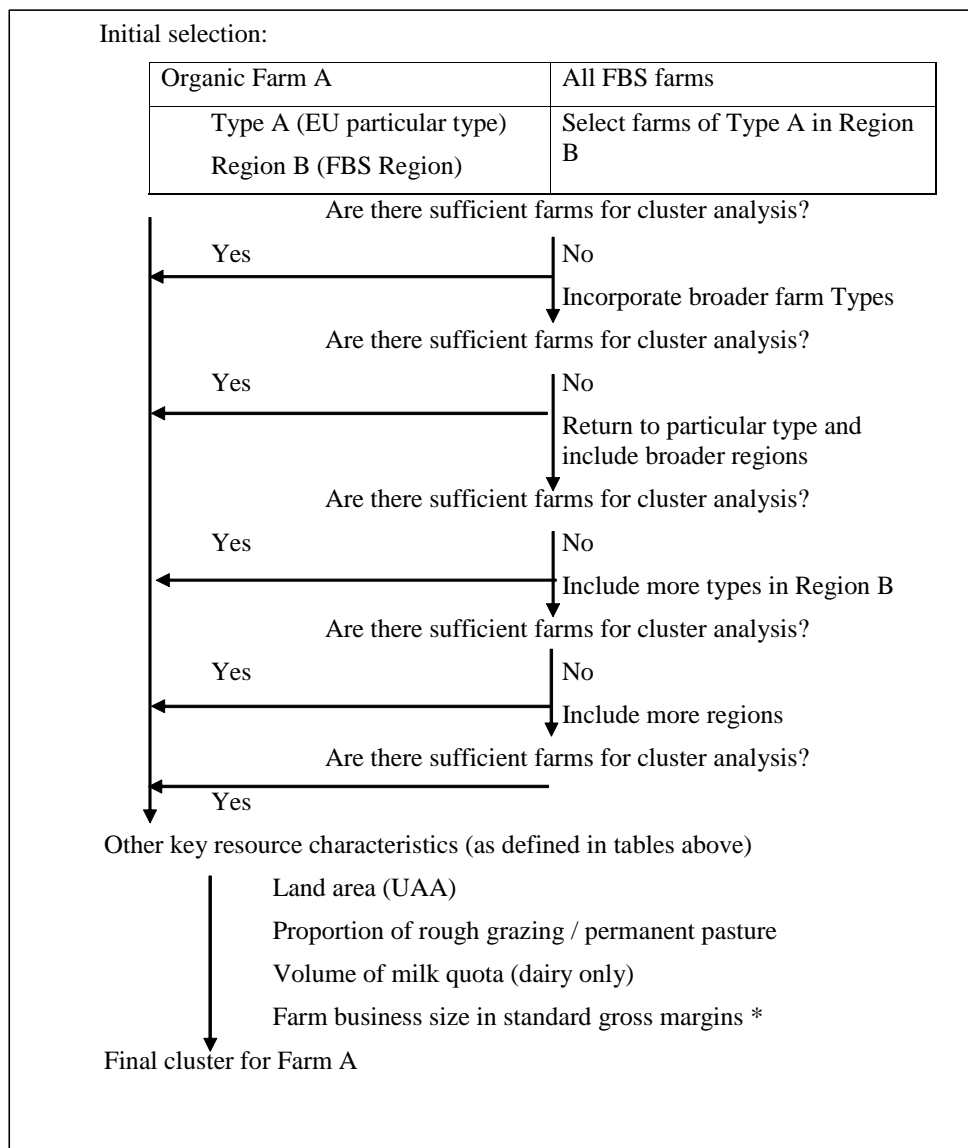
Farming Description	Main type	Robust type
Cereals	1	1
General cropping	2	
Specialist fruit	3	
Specialist glass	4	2
Specialist hardy nursery stock	5	
Other horticulture	6	
Specialist pigs	7	3
Specialist poultry	8	
Dairy (LFA)	9	4
Dairy (lowland)	10	
Specialist sheep (SDA)	11	5
Specialist beef (SDA)	12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

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

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

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

Box 1 Conventional farm selection procedure



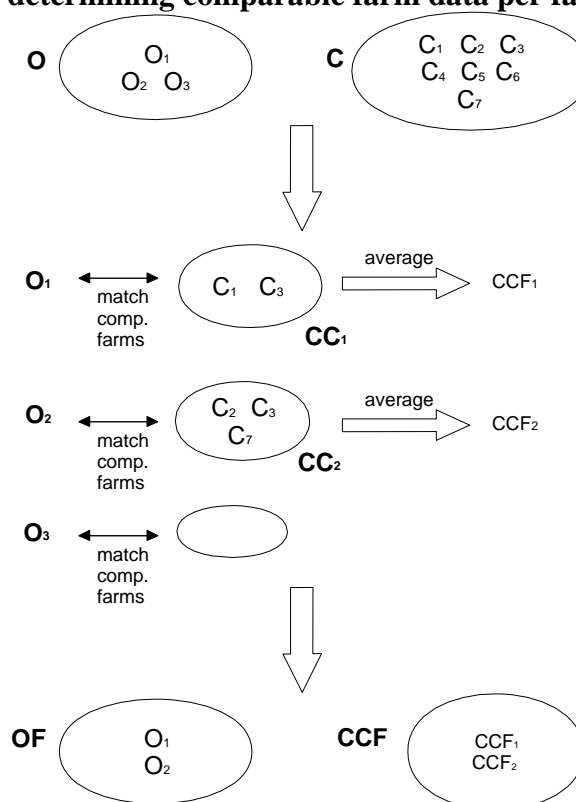
Farm business size, as measured by standard gross margins, is a measure of the potential economic activity of the particular mix and size of enterprises on the farm.

Table 6 Summary table to show the procedure used per farm type and the CCF results achieved (2004/05 farms)

	Cropping	Horticulture	Dairy (lowland)	Dairy (LFA)	Cattle and sheep		Mixed
					Lowland	LFA	
Total organic farms	17	n/a	25	8	18	27	10
Baseline clustering criteria							
Utilisable agricultural area [UAA] (+/- %)	20	-	30	30	20	20	30
Quota owned (+/- %)	n/a	-	30	30	n/a	n/a	30
Permanent Pasture [PP] (+/- %)	25	-	n/a	n/a	30	30	30
Rough Grazing [RG] (+/- %)	25	-	n/a	n/a	30	30	30
Economic Size Units [ESU] (+/- %)	30	-	30	30	30	30	30
LFA status/altitude	identical	-	identical	identical	identical	identical	identical
Main type	identical	-	identical	identical	identical	identical	identical
Region	identical	-	identical	identical	identical	identical	identical
No. of farms for which baseline cluster obtained (min 3 farms)	10	-	20	5	14	12	6
(as a percent)	59%	-	77%	63%	78%	44%	60%
Modifications required to achieve clusters for remaining farms							
Regional (broader selection)	-	-	4	2	-	1	3
Regional and/or RG/PP and/or UAA (broader selection)	7	-	2	1	4	7	1
LFA/altitude (non-identical criteria)	-	-	-	-	-	-	-
Main type (incorporate broader farm type definition)	-	-	-	-	-	7	-
Resulting final cluster statistics							
Average number of farms in cluster per organic farm	8.8	-	6.5	5	9.8	4.7	5.5
No. of organic farms with more than 5 farms (CCF) per cluster	13	-	16	5	15	12	7
% of organic farms with more than 5 farms (CCF) per cluster	76	-	62	63	83	44	70
Range of CCF per organic farm per farm type: Minimum	3	-	3	3	4	3	3
Maximum	22	-	21	12	24	11	9

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

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



Source: Offermann, 2004.⁸

2.4.3 Interpretation of results

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

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

⁸ 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/euceeopf).

3. Presentation of results

3.1 Whole farm data

All whole farm results for each farm type in Section 4 and the appendices are simple averages. In the summary sections on each farm type, tables show breakdowns of average outputs, inputs and incomes in £/ha; for cropping, horticulture (arable/field vegetable and intensive horticulture), lowland and LFA dairy, and LFA and lowland cattle and sheep and mixed farms for identical and full samples. It should be noted that the identical samples were derived from individual organic farm data that were available for both 2003/04 and 2004/05 financial years. Comparable conventional farms for the identical samples are based on the 2003/04 cluster data only from conventional farms that appear in both years. To illustrate further, where the conventional farms from a cluster do not appear in 2004/05, these are removed from the 2003/04 cluster set to define a new cluster set per organic farm for 2003/04 and subsequently 2004/05 by default. The full sample represents the full set of organic data available for 2003/04 with newly derived comparable conventional farms based on the 2004/05 Farm Business Survey data.

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

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

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

3.2 Income measures

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

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

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

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

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

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

For further definitions of terms see Appendix 3.

4. Results highlights

This section summarises key changes in farm incomes (Table 7) for the *identical samples* of organic and similar conventional farms on a per ha basis between 2003/04 and 2004/05.

Cropping and horticulture farms

Net farm income (NFI) for the organic cropping farms increased by 6% to £209/ha while decreasing by nearly 80% to £42/ha for the conventional farm sample, resulting in a substantial gap between the two groups in 2004/05 from a similar starting position in 2003/04. Cropping inputs decreased by 15% for the organic farms and increased by 10.5% from 2003/04 to 2004/05 for the conventional farms. Cropping outputs decreased by 9% for the comparable conventional farms, but remained similar for the organic farms.

NFI for the organic arable/field vegetable farms increased nearly 3.5 fold to £145/ha in 2004/05. Output increased by 2.7% with inputs decreasing by 4% overall. The intensive horticulture holdings achieved a 24% higher NFI/ha in 2004/05. For this group, outputs increased by 12.4% and inputs by 7.3%. No conventional farm comparisons were available for the horticulture identical farm samples.

Dairy farms

For the identical LFA dairy farm samples, NFI was stable for both organic and conventional farms. Outputs increased by 9.9% for the organic and 4.6% for the conventional farms. Milk prices remained at similar levels year on year. Inputs increased for both organic farms and conventional farms by 11% and 5.8%, respectively. Overall, NFI was slightly higher for the conventional farm sample than the organic farms in both years.

Lowland dairy NFI for the organic farms decreased in 2004/05 by 27% to £262/ha, but increased by 10% for the comparable conventional farms to £232/ha. Both the identical and full organic farm samples had higher incomes than the conventional farms overall for both years. Outputs fell by 3.6% for organic and by 2% for conventional farms. Inputs increased by 2.5% for organic and decreased by 3.7% for conventional farms.

Livestock farms

For the lowland cattle and sheep farms, NFI remained at similar levels for the organic farms (£168/ha in 2004/05), but decreased substantially for the conventional farm sample to only £2/ha. Outputs increased by nearly 2% for the organic farms, but fell by 10.6% for the conventional farms. Inputs remained at similar levels again for the organic farms from 2003/04 to 2004/05, but decreased by 3.1% on the conventional farms. Overall, net farm income was much greater for the organic farms than the conventional farms in 2004/05.

Net farm incomes on the LFA cattle and sheep farms increased by 8.8% to £147/ha in 2004/05 for the identical sample of conventional farms, but decreased by 11% to £129/ha for the organic farms, reversing the relative positions compared with 2003/04. Outputs rose by 3% for the organic farms and by 4.7% for the conventional farms. Inputs increased between samples for both years by 7.4% for the organic farms and 2.6% for the conventional farms.

Mixed farms

The identical sample of mixed organic farms achieved higher NFI (up 38% to £190/ha in 2004/05) than the conventional farms, which suffered an NFI loss in this period. Outputs increased by approximately 13% on the organic farms and decreased by 3% on the conventional farms. Inputs increased by 8.1% for the organic farms and by 6.9% for conventional farms.

Individual farm type data are summarised below, detailed results are in Appendix 1.

Table 7 Farm data summary, average NFI (£/farm and £/ha), 2003/04-2004/05

Farm type	Number of farms	Net Farm Income excluding BLSA results for data samples				Number of farms	Full sample	
		Identical sample		2004/05			2004/05	
		2003/04						
		£/farm	£/ha	£/farm	£/ha		£/farm	£/ha
Cropping								
Organic	12	25733	196	26342	209	17	22888	196
Comparable conventional	109	22229	188	4962	42	151	4715	43
Horticulture*								
Arable/field vegetables	5	20139	39	75542	145	8	56712	164
Intensive horticulture	7	22546	1377	27698	1711	8	38553	2654
LFA dairy								
Organic	5	15747	173	16322	178	8	18811	184
Comparable conventional	28	18515	222	18122	220	32	18500	196
Lowland dairy								
Organic	14	44150	357	34143	262	25	47465	302
Comparable conventional	84	23907	211	26949	232	158	23831	174
Lowland cattle and sheep								
Organic	14	12721	164	12924	168	18	12922	154
Comparable conventional	101	5134	69	155	2	177	2794	34
LFA cattle and sheep								
Organic	17	19439	145	17467	129	27	16731	136
Comparable conventional	89	16605	135	18014	147	128	19461	159
Mixed								
Organic	10	13438	138	18006	190	10	26371	223
Comparable conventional	52	7425	74	-584	-6	55	4804	41

4.1 Cropping farms

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

Data from 12 organic cropping farms have been used for the two-year comparison of identical farms, where three farms were located in Northern England, four in the West, and five in Central and Eastern England. In total, data for 17 organic cropping farms were available for 2004/05.

In both the identical and full sample of farms, the average UAA was higher for the organic farms, although business size was greater and more land was cropped on the conventional farms. Two of the 12 farms produced field scale vegetables on 12% of their cropped area in 2004/05, down from three farms and 13% in 2003/04. A significantly higher proportion of the organic UAA was used for peas/beans, set-aside and grassland, reflecting in part the need for fertility building in organic rotations.

The number of livestock units was 16% higher for the organic farms in 2004/05. Annual labour units were lower for the organic farms than the conventional farms in the identical sample, by 42% and 52% in 2003/04 and 2004/05, respectively.

Table 8 Summary data for cropping farms (£/ha), 2003/04 and 2004/05

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	Org	Conv.	Org	Conv.	Org	Conv.
Sample number	12	109	12	109	17	151
Average farm size (UAA)	131.2	118.1	125.9	118.2	117.0	109.9
Business Size (ESU)	70.8	77.2	61.7	78.8	58.0	64.7
	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha
Livestock outputs	153	109	127	108	215	96
Livestock subsidies	33	41	40	44	38	48
Cropping outputs	291	744	304	680	302	387
AAPS / Set-aside	156	181	150	167	147	161
Miscellaneous	111	117	118	141	111	134
Agri-env. payments	89	10	106	14	98	19
TOTAL OUTPUTS	833	1202	844	1155	910	844
Livestock inputs	64	66	50	68	111	54
Crop inputs	74	265	63	293	56	197
Labour	54	195	60	245	77	84
Machinery	195	213	180	215	185	200
General	68	95	72	105	72	88
Land & rent	183	179	211	186	214	179
TOTAL INPUTS	637	1014	635	1113	714	801
NFI	196	188	209	42	196	43
Less farmer/spouse labour	90	116	91	117	120	133
Add paid management	0	0	0	0	0	0
Add BLSA	4	4	-1	-2	-1	0
MII	111	77	117	-77	75	-90
ONI	187	198	198	55	192	73
Cash Income	309	325	364	215	347	199

Total outputs increased for the identical sample of organic farms by 1.3% to £844/ha, but decreased for the conventional farms by 3.9% to £1155/ha in 2004/05, 27% higher than the organic farms.

Cropping output for the organic farms remained at similar levels between the two financial years. Organic wheat yields increased in 2004/05 by some 13% to 4.2t/ha although the wheat price decreased by 20% for the organic farms to £129/t. Pea/bean growing areas increased by 113% for the organic farms. For the conventional farms, cropping output decreased by nearly 9% to £680/ha in 2004/05 due to lower prices for most crop types coupled with similar or lower yields. Cropping output was approximately 54% of total outputs for organic and 73% for conventional farms and the organic farm cropping output was approximately half that of conventional, reflecting in part the greater proportion of land allocated to cropping and set-aside areas on the conventional farms (80% of total utilisable area (UAA) compared with 61% for the organic farm sample).

Overall, the organic farm sample achieved higher outputs for both livestock and environmental payments with other output categories being similar to or lower than conventional. Livestock outputs represented approximately 20% and 12% of total output in both years for organic and the conventional farms, respectively. Environmental payments represented approximately 12.5% of total output at £106/ha for the organic farms compared with 2% (£14/ha) for the conventional farms in 2004/05.

The organic sample crop input costs decreased by 15% to £63/ha in 2004/05, a likely reflection of the reduction in field scale vegetable growing from 2003/04 to 2004/05 for this sample. Fixed cost inputs remained similar from 2003/04 to 2004/05 for the organic sample. The conventional sample crop input costs increased by 10.5% for this sample.

Cropping inputs were four times greater for the conventional farms than for the organic farms. Livestock costs for both farm samples remained similar between the financial years. Overall, total inputs remained virtually identical from 2003/04 to 2004/05 at £635/ha for the organic farms while increasing for the conventional farm comparison by some 10% to £1113/ha.

Net farm income (NFI) increased in 2004/05 for the identical organic farms by 0.6% to £209/ha while decreasing by 78% for the conventional farms to £42/ha. Overall, NFI was similar in 2003/04 between the organic and conventional farm sample, but nearly five times greater for the organic farms than for the conventional farms in 2004/05. Management and investment income for the two samples were only negative for the conventional sample in 2004/05. The returns to total labour units used for the identical samples in 2004/05 were £22,477 for the organic farms and £9,978 for the conventional farms.

4.2 Horticulture

For detailed results see Appendix 1, Table A2a and A2b, page 54.

For this farm type, the horticulture farm data were grouped according to arable/field vegetable farms and intensive horticulture holdings.

Arable/field vegetable farms

An identical data sample is shown for the arable/field vegetable farms for 2003/04 to 2004/05 where four farms were located in Central and Eastern England and the remaining farm located in the South West of England. Area utilisation changed significantly between 2003/04 and 2004/05 with an average decrease in wheat area by 22% to 124.7 hectares, grassland area by 70% to 11.3 hectares and fallow land by 71% to 19.5 hectares. Conversely, field vegetable production increased to 139.3 hectares from 85.8 hectares and set-aside area increased by 62% to 151.4 hectares.

Table 9 Summary data for arable/field vegetable farms (£/farm and £/ha), 2003/04 and 2004/05

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	Org.		Org.		Org.	
Sample number	5		5		8	
Average farm size (UAA)	515.3		522.7		345.5	
Business Size (ESU)	641.2		920.4		593.7	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Livestock outputs	13816	27	16188	31	17539	51
Livestock subsidies	832	2	0	0	1348	4
Cropping outputs	651688	1265	664156	1271	431418	1249
AAPS / Set-aside	53371	104	65795	126	42681	124
Miscellaneous	89631	174	122880	235	80561	233
Agri-env. payments	34419	67	6452	12	4844	14
TOTAL OUTPUTS	843756	1637	875471	1675	578391	1674
Livestock inputs	15895	31	10301	20	9217	27
Crop inputs	158868	308	143776	275	92861	269
Labour	281146	546	310719	594	195962	567
Machinery	163466	317	158439	303	105536	305
General	78953	153	54182	104	36295	105
Land & rent	125288	243	122513	234	81807	237
TOTAL INPUTS	823617	1598	799929	1530	521678	1510
NFI	20139	39	75542	145	56712	164
Less farmer/spouse labour	9335	18	9510	18	10202	30
Add paid management	11909	23	12125	23	7578	22
Add BLSA	0	0	0	0	0	0
MII	22713	44	78157	150	54088	157
ONI	14903	29	84978	163	62233	180
Cash Income	147637	286	186660	357	137889	399

These changes significantly affected business size in 2004/05. The results for this sample are also affected by three large farms within the sample among two smaller farms with less than 100 hectares. Despite increases in horticultural activity in 2004/05, the labour units utilised remained at similar levels to the previous year.

From the results, total output was £1,675/ha showing an increase of 2.7% on the previous year. The increase is largely down to additional grants received (one of the farms received an RES grant for the construction of a farm shop) during the year. Despite an increase in cultivated area in 2004/05, organic vegetable performance measured against average gross margins had declined by 20% from the previous year⁹. This was largely attributed to lower yields notably for brassicas, leeks and lettuces caused by a combination of disease and flooding. However, less fallow land indicates that a greater proportion of land was cultivated, which has partly compensated for lower yields. The majority of the farms in the identical sample supplied packers and the farms that specialised in brassicas and lettuce reported downward pressure on prices exerted through the supply chain, these were also the farms that suffered poorer performance.

Inputs decreased overall by 4% to £1,530/ha in 2004/05. The reduction appears to have largely been due to a reduction in general costs and crop costs, other costs such as labour costs increased. It could be that lower yields led to lower marketing costs, which are included in other crop costs. The decline in general farm costs was most apparent for two of the farms that have been restructuring their farms over the past few years. Most of the restructuring costs had occurred the year before while developing new direct sales outlets through farm shops and box schemes. This is also probably linked to the increase in labour costs with the different type of sales outlets.

Net farm income increased in 2004/05 by more than 3.5 times to £145/ha for the identical organic farm group. This compares favourably with conventional comparisons (arable, roots and vegetables – East Midlands FBS over 200 ha in size at £133/ha), even though within the sample there is considerable variation with one of the farms making a financial loss. Overall, return on tenant's capital was 25.5% in 2004/05. The return on total labour units remained similar at £18,394.

The full sample of data is derived from the same farms recorded in 2003/04. In 2004/05, NFI increased from £56/ha to £164/ha. Similar observations can be seen when comparing the full sample with the identical sample for this farm type.

⁹ Source: HDRA – Personal communication

Intensive horticulture holdings

For this group, the identical farms were derived from seven farms. Two were located in the South West, one in Northern England and four in Central and Eastern England. In both 2003/04 and 2004/05, the farms grew approximately six hectares of horticultural crops with the remaining areas managed as grassland or fallowed. A small number of livestock were kept on the farms. Labour units decreased from 2.9 to 2.8 units in 2004/05.

Table 10 Summary data for intensive horticultural farms (£/farm and £/ha), 2003/04 and 2004/05

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	Org		Org		Org	
Sample number	7		7		8	
Average farm size (UAA)	16.4		16.2		14.5	
Business Size (ESU)	45.8		32.3		126.0	
	£/farm	£/ha	£/farm	£/ha	£/ha	£/ha
Livestock outputs	406	25	2392	148	2093	144
Livestock subsidies	1065	65	1022	63	894	62
Cropping outputs	65551	4003	71257	4402	105656	7274
AAPS / Set-aside	0	0	0	0	0	0
Miscellaneous	5895	360	7163	442	10759	741
Agri-env. payments	2064	126	1512	93	1323	91
TOTAL OUTPUTS	74981	4579	83346	5148	120725	8312
Livestock inputs	1967	120	1068	66	934	64
Crop inputs	14398	879	15644	966	21768	1499
Labour	14056	858	14194	877	25839	1779
Machinery	10562	645	13704	847	17113	1178
General	7241	442	6802	420	10111	696
Land & rent	4211	257	4236	262	6406	441
TOTAL INPUTS	52436	3202	55647	3437	82172	5657
NFI	22546	1377	27698	1711	38553	2654
Less farmer/spouse labour	17135	1046	18081	1117	15929	1097
Add paid management	0	0	0	0	0	0
Add BLSA	1	0	0	0	0	0
MII	5411	330	9617	594	22625	1558
ONI	21924	1339	27638	1707	35356	2434
Cash Income	36412	2224	44086	2723	55202	3800

Total output increased by 12.4% to £5,148/ha in 2004/05. This is mostly derived from an increase in cropping output, which increased by 10% to £4,402/ha and an increase in miscellaneous output. Farms within this sample are either marketing direct to consumers through their own farm shops, box schemes, farmers markets or selling onto other wholesalers or box scheme operators. These markets were buoyant in the 2004/05 season with much higher and stable prices than for those supplying packer type outlets.

Total inputs rose by 7.3%. The main increases were machinery and cropping input costs, the latter due to higher marketing charges in other crop costs. These farms are heavily reliant on family labour and when this is included in the income calculation, Management and Investment Income fell to £594/ha.

Overall, Net Farm Income (NFI) was £1,711/ha, an increase of 24% compared to the previous year. There are no conventional comparisons for this sample. However, this level of income is much higher than the 2002/03 value of £1,118/ha recorded in previous reports. All of the farms in the sample achieved a positive NFI, with some doing better than other farms, particularly those farms that have been farming organically on their holding for ten years or more.

The addition of another farm in the full sample indicates higher returns compared to the identical sample principally due to the additional farm operating a more intensive business with the production of more glasshouse crops. The full sample comprises the same farms from the 2003/04 full sample. A comparison between the two samples shows an increase in NFI by 32.6% from £2,001/ha to £2,654/ha.

4.3 LFA dairy farms

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

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

Average farm size and dairy cow numbers in the organic sample were approximately 10% and 20% higher, respectively, than for the conventional farms in 2004/05. However, the greater area of bare land and forage hired in by the conventional farm sample narrows the difference in farm size. Business size was similar for both identical and full samples in 2003/04, although there is greater variation in 2004/05 with an increase in dairy cow numbers on the organic farms. Twenty percent more labour was used on the organic farms and the organic stocking rate was equivalent to 94% of the conventional farms at 1.5-1.6 LU/eff. ha.

Table 11 Summary data for LFA dairy farms (£/ha), 2003/04 and 2004/05

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	Org	Conv.	Org	Conv.	Org	Conv.
Sample number	5	28	5	28	8	32
Average farm size (UAA)	91.2	83.3	91.6	82.3	102.4	94.3
Business Size (ESU)	81.9	82.5	93.2	81.8	101.6	97.3
	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha
Livestock outputs	1030	1067	1130	1129	1143	1230
Livestock subsidies	48	97	41	103	29	90
Cropping outputs	27	21	24	5	20	15
AAPS / Set-aside	0	5	0	5	0	11
Miscellaneous	89	90	84	98	65	92
Agri-env. payments	24	11	60	12	55	15
TOTAL OUTPUTS	1217	1290	1338	1350	1312	1453
Livestock inputs	307	382	334	381	415	452
Crop inputs	19	85	26	85	23	84
Labour	132	107	147	111	138	169
Machinery	243	202	284	230	260	229
General	90	97	95	107	89	108
Land & rent	254	194	273	217	203	215
TOTAL INPUTS	1045	1068	1160	1130	1128	1257
NFI	173	222	178	220	184	196
Less farmer/spouse labour	199	177	222	184	190	185
Add paid management	0	0	0	0	0	0
Add BLSA	4	23	0	-1	-13	-5
MII	-23	68	-44	36	-19	7
ONI	245	221	227	216	188	202
Cash Income	745	372	805	391	543	419

Livestock outputs increased for the identical organic farms by 10% to £1,338/ha. Milk yield and price data remained at similar levels at 4,929 litres/cow and 18.7 pence per litre in 2004/05. Likewise, livestock outputs increased for the conventional farms by 6% with milk price decreasing slightly by 0.2p to 16.4 pence per litre and milk yield increasing by 3.4% to 5,543 litres per cow. Total outputs increased for the organic farms in 2004/05 by 9.9% to £1,217/ha and increased by 4.6% for the conventional farms to £1,350/ha.

Input costs were similar for most categories for both identical farm samples with the exception of livestock inputs, which increased for the organic farms by 9% to £334/ha. For the organic farms, the proportion of input costs attributed to livestock was approximately 28% compared with 34% for the conventional farms. Overall, total input costs increased from £1,045/ha in 2003/04 to £1,160/ha in 2004/05 for the organic farms and to a lesser extent for the conventional farms from £1,068 to £1,130/ha.

Net farm income (NFI) for the identical organic and conventional farm samples remained at similar levels in 2004/05 as the previous financial period. The organic farms achieved a lower NFI by some 25% at £178/ha compared to £220/ha for the conventional farms. For both financial periods, only two of the organic farms had higher NFI values than their conventional cluster datasets. Management and Investment Income showed negative values for all organic datasets for both years.

As a result, the return on tenant's capital figures were all negative for the organic farm sample in both years while the conventional farms achieved 4.7% and 2.4% return on tenant's capital in 2003/04 and 2004/05, respectively. Returns to total labour units used for the identical samples were £7,544 for the organic farms and £10,376 for the conventional farms based on net farm income and labour calculations in 2004/05.

4.4 Lowland dairy farms

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

Data from 14 organic lowland dairy farms have been used for the two year comparison of identical farms where one farm was in Northern England, five in Wales, six in the South West region and two from Central and Eastern England. In total, the full sample of lowland organic dairy farms amounted to 25 farms.

Average farm size and dairy cow numbers for the identical organic sample were approximately 9% and 11.5% higher than for the conventional farms, respectively in 2003/04. In 2004/05, the organic farms increased their average herd size from 126 cows to 139 cows, some 25% more than the herd size in the conventional comparison group at 111 cows. As a result, business size was greater for the organic farm sample due to the greater number of dairy cows in comparison to the conventional farms. Annual labour units utilised were similar, while the organic stocking rate was equivalent to 94% of the conventional farms at 1.5 LU per effective hectare.

Table 12 Summary data for lowland dairy farms (£/ha), 2003/04 and 2004/05

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	Org	Conv.	Org	Conv.	Org	Conv.
Sample number	14	84	14	84	25	158
Average farm size (UAA)	123.6	113.3	130.3	116.3	157.2	137.2
Business Size (ESU)	149.0	144.3	163.2	145.4	174.4	164.2
	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha
Livestock outputs	1333	1422	1339	1404	1173	1285
Livestock subsidies	8	29	8	28	19	31
Cropping outputs	99	183	54	149	112	149
AAPS / Set-aside	72	57	66	56	78	65
Miscellaneous	113	90	108	105	81	104
Agri-env. payments	79	6	67	7	58	14
TOTAL OUTPUTS	1705	1786	1643	1749	1520	1648
Livestock inputs	433	502	426	475	359	455
Crop inputs	50	173	52	140	65	143
Labour	205	235	218	227	190	231
Machinery	267	279	279	277	240	282
General	121	129	118	129	107	121
Land & rent	271	258	289	270	257	243
TOTAL INPUTS	1347	1575	1381	1517	1218	1474
NFI	357	211	262	232	302	174
Less farmer/spouse labour	145	152	147	155	122	134
Add paid management	0	0	0	0	0	1
Add BLSA	7	15	-4	-4	1	3
MII	219	73	111	73	181	44
ONI	378	218	285	237	320	177
Cash Income	530	398	459	436	458	378

Livestock outputs remained similar in 2004/05 for the organic farms, although output from milk production increased with slight increases in milk yields to 5901 litres per cow and

0.2ppl increase in milk price received to 20.5ppl. Likewise, livestock output remained at similar levels for the conventional farms in 2004/05 as did the average milk yield per cow and milk price received. Total outputs fell by 3.6% for the organic farms from 2003/04 (£1,705/ha) to 2004/05 (£1,643/ha) and again fell by some 2% for the conventional farms to £1,749/ha in 2004/05.

Between identical samples, the conventional cropping output was greater than the organic farms, even though the cropping areas were similar in size on average at 16.5 ha for the organic farms compared to 21.2 ha for the conventional farms. Lower crop output on the organic farms indicates lower valuations for organic crops and a greater use of home-grown concentrates as livestock feed. Set-aside and arable area aid payments for the organic and conventional samples in both years were similar while the organic farms received higher agri-environmental payments on a hectare basis than the conventional farms.

The level of input costs varied between samples and financial periods. In general, input costs increased for the organic farms for all categories with the exception of livestock costs, which decreased. Conversely, all input costs for the conventional farms decreased in 2004/05 with the exception of land and rent costs, which increased. Overall, total inputs increased for the organic farm sample by 2.5% and decreased for the conventional farms by 3.7% in 2004/05.

Net farm income (NFI) for the identical organic sample decreased in 2004/05 by 27% to £262/ha, while increasing by 10% to £232/ha for the conventional farms. In both 2003/04 and 2004/05, eight of the organic farms had higher NFI values than their conventional cluster data. In 2004/05, NFI values were 13% higher for the organic farms compared to the conventional farms. Management and Investment Income showed similar trends for this farm type.

Overall, the identical organic farms as a whole maintained a return on tenant's capital at 16.6% for 2003/04, decreasing to 8.4% for 2004/05. For the conventional farms, this value was 4.3% for both financial periods. The full sample of farms for 2003/04 indicated a similar relationship to the identical farm sample, although NFI was lower for the conventional farms in the full sample compared to the identical sample. In total, 18 of the 25 organic farms from the full sample had a greater NFI than the conventional farms. The return on tenant's capital was 6.6% for the organic full sample while the conventional farms returned 2.5% for this financial period. Returns to total labour units used for the identical samples were £19,614 for the organic farms and £15,170 for the conventional farms based on NFI and labour calculations in 2004/05.

The full sample data from 2003/04 indicate that NFI values for organic lowland dairy farms increased by 21% in 2004/05 from £249/ha to £302/ha. The NFI for the conventional farms remained relatively unchanged in 2004/05.

4.5 Lowland cattle and sheep farms

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

Data from 14 organic lowland cattle and sheep farms have been used for the two-year comparison where nine farms were located in Wales and five in the South West region of England. From the 2004/05 dataset, there were 18 organic lowland cattle and sheep farms in the full sample.

Average farm size was similar for the identical organic farms, while business size was some 40% greater for the conventional farms than the organic farms. Other differences included 37% more livestock on the conventional farms than the organic farms, with stocking at 1.4 LU/eff. ha compared to 1.0 LU/eff. ha on the organic farms. Cattle represented 75% of the stock carried on the organic farms, compared with 69% 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 approximately 50% more breeding ewes than the organic farms. Annual labour units were similar for both organic and conventional farms at 1.6 to 1.7 units.

Table 13 Summary data for lowland cattle and sheep farms (£/ha), 2003/04 and 2004/05

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	Org	Conv.	Org	Conv.	Org	Conv.
Sample number	14	101	14	101	18	177
Average farm size (UAA)	77.4	74.9	76.9	73.9	83.8	81.3
Business Size (ESU)	20.4	28.5	20.6	28.6	21.5	25.8
	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha
Livestock outputs	290	439	272	406	270	365
Livestock subsidies	150	191	163	201	150	171
Cropping outputs	49	51	54	53	40	43
AAPS / Set-aside	15	16	17	15	12	12
Miscellaneous	49	148	62	70	62	83
Agri-env. payments	110	12	106	20	125	18
TOTAL OUTPUTS	663	857	674	766	658	691
Livestock inputs	79	161	78	151	71	144
Crop inputs	14	58	16	66	12	44
Labour	60	128	75	99	59	73
Machinery	129	180	117	166	115	141
General	68	83	72	85	73	78
Land & rent	148	177	148	197	175	176
TOTAL INPUTS	499	789	506	764	504	656
NFI	164	69	168	2	154	34
Less farmer/spouse labour	195	183	211	196	187	191
Add paid management	0	0	0	0	0	0
Add BLSA	11	23	-1	-4	0	-1
MII	-20	-91	-44	-198	-33	-157
ONI	195	118	196	48	200	70
Cash Income	381	241	475	223	418	186

In 2004/05, total outputs were higher for the identical conventional farms than for the organic farms due to higher livestock output and subsidies received. From 2003/04 to 2004/05, the organic farm output increased by less than 2% to £674/ha, while total outputs for the conventional farms decreased by 10.6% to £766/ha. For both samples, livestock outputs decreased slightly despite livestock subsidies increasing in 2004/05. Livestock price data indicate that higher prices were received for cattle, but lower prices for sheep in 2004/05. Overall, organic finished stock received higher prices than the conventional finished stock, while higher prices were received for the conventional younger stock/stores (1-2 yrs) than the organic stores (see Appendix 1, Table A5.4, page 84-85).

Other output differences included higher agri-environmental payments received by the organic farms, which accounted for £106/ha (16% of total output) in 2004/05 for the organic farms, compared with £20/ha (2% of total output) for the conventional farms.

In general, inputs costs remained at similar levels between years for the organic. For the conventional farms, input costs decreased by 3.1% to £764/ha with greater variations for different cost categories.

Net Farm Income (NFI) was higher for the organic farms than the conventional farms in both 2003/04 and 2004/05. Overall, NFI for the conventional farms decreased from £69/ha to £2/ha, significantly lower than the organic farms which achieved NFI of £168/ha in 2004/05. Management and Investment Income values for all the data samples are negative, indicating that the income generated is insufficient to cover the farmer and spouse labour costs. In 2003/04, nine of the organic farms had higher NFI values than the average for the comparable holdings, increasing to 11 in 2004/05. Returns on tenant's capital were negative in both years for both samples. In 2004/05, the returns to total labour units were £7,960 on the organic farms and £1,098 for the conventional farms based on NFI and labour calculations.

Comparing the full sample data from 2003/04 (see previous report) with the full sample data for 2004/05, NFI increased by 10.3% from £123/ha to £136/ha for the organic farms and decreased by 44.2% to £34/ha for the conventional farms. Overall, the organic farms maintained NFI significantly greater than the conventional farms.

4.6 LFA cattle and sheep farms

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

Data from 17 organic LFA cattle and sheep farms have been used for the two year identical sample analysis. Fourteen of these farms were located in Wales with the remaining three farms located in Northern England.

Comparing the two identical samples, average farm size was greater for the organic farms by 10.8% compared to the conventional farms and business size was 7.9% greater on the conventional farms than the organic farms. Key system differences include lower stocking levels for the organic farms at 0.8 LU/ha compared to 1.0 LU/ha for the conventional farms. The lower stocking rate for the organic farms translates into lower stock numbers carried per farm despite the larger farm size. For the organic sample, 13.5% less stock are carried with the proportion of cattle and sheep managed at 50:50 compared to the conventional farms where the proportion of cattle and sheep is 40:60. The estimated labour use was 1.8 labour units per year for both the organic and conventional farms.

Table 14 Summary data for LFA cattle and sheep farms (£/ha), 2003/04 and 2004/05

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	Org	Conv.	Org	Conv.	Org	Conv.
Sample number	17	89	17	89	27	128
Average farm size (UAA)	134.2	123.4	135.6	122.4	122.9	122.8
Business Size (ESU)	31.5	35.1	32.8	35.4	30.4	37.7
	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha
Livestock outputs	270	330	272	334	279	382
Livestock subsidies	169	188	182	204	188	216
Cropping outputs	3	6	5	6	8	12
AAPS / Set-aside	3	1	2	1	4	3
Miscellaneous	79	78	77	82	108	101
Agri-env. payments	93	35	98	43	100	52
TOTAL OUTPUTS	617	639	636	670	686	765
Livestock inputs	122	145	118	140	120	172
Crop inputs	18	39	24	41	22	47
Labour	59	57	69	60	79	71
Machinery	112	108	118	115	133	135
General	52	48	57	49	68	56
Land & rent	110	108	122	118	128	126
TOTAL INPUTS	472	504	507	523	550	607
NFI	145	135	129	147	136	159
Less farmer/spouse labour	105	115	110	124	121	126
Add paid management	2	0	2	0	1	0
Add BLSA	18	27	0	0	0	0
MII	60	47	21	23	16	33
ONI	162	163	149	175	154	174
Cash Income	226	264	236	275	250	285

In 2004/05, total output for the identical farm samples increased by 3% to £636/ha for the organic farms and by 4.7% to £670/ha for the conventional farms. Livestock outputs remained similar with livestock subsidies increasing in 2004/05, this being the main factor for increases in total outputs. Prices stayed at similar levels for most ruminant stock categories in 2004/05, although fat cattle sold at better prices for both organic and conventional farms. Overall, organic stock made higher prices than the conventional livestock for both years; however, store cattle prices were higher for the conventional stock in both 2003/04 and 2004/05 (see Appendix 1, Table A6.4, page 92-93).

The organic farms received higher agri-environmental payments than the conventional farms. Agri-environmental payments represented 15.1% (£93/ha) and 15.4% (£98/ha) of total output for the organic farms from 2003/04 to 2004/05, respectively. Conversely, agri-environmental payments represented between 5.4% (£35/ha) and 6.4% (£43/ha) of total output from the conventional farms.

Cropping represented a very small part of land utilisation by the LFA cattle and sheep farm type. Where crops were grown, yields were generally lower in 2004/05 compared to 2003/04. Overall, organic crops were valued higher than conventional crops.

Input costs were similar with no substantial changes in 2004/05 compared to the previous year for the organic and conventional farms, although there were small increases across all input categories with the exception of livestock inputs. Livestock inputs were lower for the organic farms compared to the conventional farms by approximately 16% at £118/ha. Fixed cost type inputs were similar for the organic and conventional samples in both years. In total, inputs rose by 7.4% to £507/ha for the organic farms and 2.6% to £523/ha for the conventional farms.

Overall, net farm income (NFI) increased slightly for the conventional farms in 2004/05 by 8.8% to £147/ha, but fell by 11% to £129/ha for the organic farms. This is the reverse of the 2003/04 situation, where the organic farms showed a slightly improved NFI compared to the conventional farms. Management and investment incomes are positive for the farm samples in 2003/04 and 2004/05 for the identical and full datasets. In 2003/04, eight of the organic farms had higher NFI values than their conventional datasets and in 2004/05, this applied to seven of the organic farms. In terms of returns on tenant's capital, the organic farms showed a positive return of 8.1% falling to 2.7% from 2003/04 to 2004/05 while the conventional farms showed a return of 5.4% and 2.5% for the same periods, respectively. Returns to total labour units used for the identical samples were £13,241 for the organic farms and £11,708 for the conventional farms based on NFI and labour calculations.

A comparison between the 2003/04 and the 2004/05 full sample datasets indicate that NFI improved by 0.5% to £136/ha on the organic farms and by 20.5% to £159/ha for the conventional farms in 2004/05.

4.7 Mixed farms

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

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

Average farm size was similar for the identical organic and conventional farms, although business size was some 20% greater on the conventional farms. Land utilisation was similar between the organic and conventional farms as were stocking rates with the organic farms stocking at 0.8 LU/ha and the conventional farms at 0.9 LU/ha. However, the organic farms carried the equivalent of 80% of the stock carried by the conventional farms. Cattle represented 65% of stock on the organic farms compared to 71% on the conventional farms. Sheep in general made up the remaining livestock carried. Labour use was similar on the farms at 2.1 and 2.0 labour units for the organic and conventional farms, respectively.

Table 15 Summary data for mixed farms (£/ha), 2003/04 and 2004/05

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	Org	Conv.	Org	Conv.	Org	Conv.
Sample number	10	52	10	52	10	55
Average farm size (UAA)	97.3	100.4	94.9	100.2	118.3	118.3
Business Size (ESU)	36.8	45.1	40.2	47.9	49.5	54.3
	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha
Livestock outputs	318	303	334	291	334	328
Livestock subsidies	125	148	134	143	149	145
Cropping outputs	173	235	200	226	188	215
AAPS / Set-aside	94	84	107	80	101	82
Miscellaneous	48	81	97	87	86	110
Agri-env. payments	67	7	60	6	73	15
TOTAL OUTPUTS	826	858	934	832	931	894
Livestock inputs	79	160	100	142	93	173
Crop inputs	59	98	52	116	53	117
Labour	116	88	139	92	117	97
Machinery	173	195	160	213	175	220
General	84	76	106	80	95	74
Land & rent	176	166	186	196	175	174
TOTAL INPUTS	688	784	744	838	708	854
NFI	138	74	190	-6	223	41
Less farmer/spouse labour	151	181	164	188	125	156
Add paid management	0	0	0	0	0	0
Add BLSA	14	17	0	-3	6	-4
MII	1	-91	26	-197	104	-119
ONI	208	95	257	18	246	66
Cash Income	343	210	430	179	392	224

Livestock output including subsidies represented approximately 50% of total output with cropping-associated outputs representing between 30% and 40%. Output generated from agri-environmental payments differed more markedly between samples with the organic farms deriving 8.1% (£67/ha) and 6.4% (£60/ha) of output from this revenue source in 2003/04 and 2004/05, respectively. On the conventional farms, agri-environmental payments represented less than 1% of total output in 2004/05 at £6/ha.

Livestock outputs on the organic farms increased by 5% to £334/ha in 2004/05, while decreasing by 3.9% to £291/ha on the conventional farms. Organic finished cattle prices were higher than conventional, while conventional store cattle of all age groups and beef heifers in calf had higher values on average than the equivalent organic stock in 2003/04 and 2004/05. In 2004/05, the organic finished cattle value was 12% higher than the previous year at £724/head and 20.5% higher than conventional finished cattle. For sheep, organic finished lamb values were higher than conventional stock at £57/head and organic ewes were sold at £34/head, some £3 lower than conventional ewes from the comparison farms. Output derived from organic sheep was 41% greater than sheep output generated from the conventional sheep flocks, which may be a reflection of higher lamb prices, slightly larger sheep flock size and possibly higher lamb output on these organic farms. The organic cattle herds contained more beef cows with youngstock numbers proportionate to a finishing beef herd, while conventional farms had more youngstock and fewer cows. However, cattle outputs from the conventional cattle enterprise were 20% higher than the organic cattle enterprise for this sample in 2004/05.

Cropping output increased on the organic farms in 2004/05 by 9.8% to £200/ha while decreasing by 4% for the conventional farms to £226/ha. Cropping output from the organic farms was on average 11.5% lower than the conventional farms and land utilised for arable cropping on the organic farms was the equivalent of 85% of the conventional cropping area. In 2004/05, organic wheat crop yields were 60% less than conventional, but at £141/tonne achieved a 127% premium for the crop above conventional prices. Prices for organic wheat fell by 7% in 2004/05, while conventional wheat values decreased by some 31%. The organic barley price dropped by 20% compared with a 24% fall for conventional barley.

Inputs associated with livestock production increased slightly for the organic farms, while decreasing for the conventional farms in 2004/05. Conversely, crop inputs increased for the conventional farms while decreasing for the organic farms. All other fixed costs including labour, machinery, general, land and rent costs increased for the identical farm samples. Total inputs increased in 2004/05 by 8.1% to £744/ha on the organic farms and by 6.9% to £838/ha on the conventional farms.

Overall, net farm income (NFI) was 86% higher (at £138/ha) for the organic farms in 2003/04 than for the conventional farms. In 2004/05, the organic farms had a much higher NFI than the conventional farms at £190/ha compared to -£6/ha. The management and investment incomes for both identical and full organic farm samples were positive in both years with negative values for the conventional farms. The return on tenant's capital was 0.1% and 2.6% in each year for the organic farms with the conventional farms recording negative values. Returns to total labour used were £13,230 for the organic farms and £1,249 for the conventional farms in 2004/05 based on NFI and labour calculations.

A comparison between the full datasets in 2003/04 and 2004/05 indicates that NFI increased by 32% for the organic farms to £223/ha. Meanwhile, NFI fell on the conventional farms by 54% to £41/ha.

5. Gross margins

Tables 16 to 21 show gross margin results for specific livestock and crop enterprises from the organic study farms for 2004/05, with some 2003/04 data for comparative purposes. (It should be noted that the data 2003/04 are **not** from identical farms and that **not** all farms were eligible for arable area payments.) Gross margin figures are for certified organic enterprises, but may include some livestock/crops sold at conventional prices. The beef gross margins contain both suckler store and beef finishing units as there were insufficient numbers to show the data separately. All gross margin data have been calculated by simple averages.

Altogether, 120 different crop enterprise gross margins were collected, but few crops had sufficient samples to validate results i.e. a minimum of five enterprises. Therefore, gross margins are presented for 10 crops only for the 2004/05 harvest year. 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 feed costs for the livestock enterprises where homegrown feed is used.

Table 16 Organic dairy gross margins (£/cow), 2004/05[#]

Herd Size	<80	>81	Top 5*	All herds	All herds 2003/04
Number of herds	6	6	5	12	10
Average farm area - actual ha	81.2	166.2	105.2	123.7	112.4
-effective ha	75.1	156.4	96.7	115.7	105.9
Average size of the farm business (ESU)	74.1	215.5	101.5	144.8	125.1
Average size of herd (dairy cows)	60	196	82	128	104
Average milk yield (litres per cow)	5685	5048	5899	5366	5699
Implied milk price (ppl)	20.19	19.36	20.06	19.80	21.05
Enterprise output (£ per cow)					
Milk disposals (1)	1148	977	1183	1062	1200
Calves - sales and transfers out	56	66	67	61	63
Bulls & cows - sales and transfers out	39	57	54	48	69
Net milk quota	33	-3	37	15	-11
Valuation change	-4	101	-10	49	31
Less: purchases & transfers in	76	213	92	144	131
Total enterprise output	1195	987	1239	1091	1221
Variable Costs (£ per cow)					
Concentrates	213	153	181	183	229
Purchased bulk feed	6	2	7	4	10
Stock keep	0	0	0	0	0
Veterinary & medicines	24	25	25	25	26
Other livestock costs - dairy	68	101	90	85	93
Total variable costs	311	282	303	296	359
Margin over concentrates	929	822	995	875	961
Gross margin before forage costs	884	705	936	795	862
Gross margin including forage costs	821	628	884	721	810
Forage variable costs (£ per farm)					
Seeds	586	2871	703	1728	962
Fertilisers	571	3912	581	2241	421
Sprays	27	101	4	64	2
Other forage costs	4742	16854	5751	10798	6615
Total forage variable costs	5925	23737	7038	14831	8000
% of forage variable costs to dairy	64	63	60	64	68
Forage variable costs per cow	64	77	52	74	52

(1) Including milk to calves and farmhouse

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

Sample includes additional organic gross margin data imported from the Welsh FBS, all farms within sample are located in Wales.

Table 17 Lowland farms, organic cattle gross margins (£/cow), 2004/05

Herd Size	<35	>35	All herds	All herds 2003/04
Number of herds	10	7	17	15
Average farm area - actual ha	92.5	91.9	92.2	96.7
-effective ha	86.3	86.9	86.5	91.5
Average size of the farm business (ESU)	35.3	24.1	30.7	31.4
Average size of herd (breeding cows)	24	43	32	34
Enterprise output (£ per cow)				
Calf Sales	3	41	19	15
Other store cattle - sales & transfers out	128	127	128	102
Bulls & cows - sales & transfers out	71	35	56	34
Finished cattle sales	597	333	488	342
Net SCP quota leased	3	-37	-13	-26
Cattle subsidies - SCP	182	212	194	163
Cattle subsidies - BSP	142	88	119	99
Cattle subsidies - other	45	23	36	31
Valuation change	-91	2	-53	87
Less: purchases & transfers in	105	97	102	85
Total enterprise output	975	728	873	761
Variable Costs (£ per cow)				
Concentrates	67	26	50	48
Purchased bulk feed	6	10	7	12
Stock keep	0	0	0	0
Veterinary & medicines	21	22	21	23
Other livestock costs - beef	110	69	93	64
Total variable costs	203	128	172	146
Gross margin before forage costs	772	600	701	615
Gross margin including forage costs	659	556	625	530
Forage variable costs (£ per farm)				
Seeds	921	288	660	421
Fertilisers	1131	50	686	351
Sprays	0	0	0	0
Other forage costs	1692	1983	1812	2857
Total forage variable costs	3744	2321	3158	3629
% of forage variable costs to beef	72	81	76	79
Forage variable costs per cow	112	44	75	85

Table 18 LFA farms, organic cattle gross margins (£/cow), 2004/05

Herd Size	<30	>30	All herds	All herds 2003/04
Number of herds	6	7	13	10
Average farm area - actual ha	81.3	170.7	129.4	151.7
-effective ha	77.6	134.6	108.3	127.5
Average size of the farm business (ESU)	18.2	36.2	27.9	31.6
Average size of herd (breeding cows)	18	49	35	30
Enterprise output (£ per cow)				
Calf Sales	56	3	27	33
Other store cattle - sales & transfers out	156	223	192	185
Bulls & cows - sales & transfers out	24	54	40	34
Finished cattle sales	346	281	311	292
Net SCP quota leased	0	-9	-5	-10
Cattle subsidies - SCP	171	195	184	150
Cattle subsidies - BSP	94	99	97	78
Cattle subsidies - other	27	21	24	17
Valuation change	83	-3	37	26
Less: purchases & transfers in	71	97	85	128
Total enterprise output	886	765	821	678
Variable Costs (£ per cow)				
Concentrates	81	96	89	142
Purchased bulk feed	14	13	13	10
Stock keep	0	0	0	18
Veterinary & medicines	31	20	25	30
Other livestock costs - beef	68	56	62	87
Total variable costs	194	185	189	287
Gross margin before forage costs	692	581	632	391
Gross margin including forage costs	596	507	555	323
Forage variable costs (£ per farm)				
Seeds	157	261	213	533
Fertilisers	1041	1639	1363	1450
Sprays	0	0	0	18
Other forage costs	2550	3549	3088	1675
Total forage variable costs	3747	5449	4663	3675
% of forage variable costs to beef	47	67	58	55
Forage variable costs per cow	96	74	77	68

Table 19 Lowland farms, organic breeding sheep gross margins (£/ewe), 2004/05

Flock Size	<200	>200	All flocks	All flocks 2003/04
Number of flocks	7	7	14	12
Average farm area - actual ha	78.6	128.8	103.7	108.8
-effective ha	74.7	121.2	98.0	102.5
Average size of the farm business (ESU)	25.0	55.1	40.1	34.7
Average size of flock (breeding ewes)	106	307	207	180
Lambs reared per ewe	1.29	1.32	1.31	1.37
Finished lambs sold per ewe	1.30	1.01	1.09	0.96
Enterprise output (£ per ewe)				
Lamb sales - store	0.0	3.0	1.5	2.1
- finished	71.5	48.9	60.2	53.8
Ewe and ram sales	5.7	2.4	4.1	3.5
Other sheep sales	1.1	1.4	1.3	0.8
Wool sales	2.1	1.5	1.8	1.3
Net SAP quota leased	0.0	-0.1	-0.1	-0.1
Sheep subsidies - SAP	16.9	18.8	17.9	12.3
Sheep subsidies - other	0.0	0.0	0.0	0.0
Valuation change	-7.5	5.0	-1.3	6.9
Less: sheep purchases	4.3	4.6	4.4	2.5
Total enterprise output	85.5	76.4	80.9	78.1
Variable Costs (£ per ewe)				
Concentrates	7.4	8.2	7.8	7.9
Purchased bulk feed	0.0	0.0	0.0	0.0
Stock keep	0.0	0.1	0.1	0.3
Veterinary & medicines	3.5	2.8	3.2	3.2
Other livestock costs - sheep	7.3	5.9	6.6	5.4
Total variable costs	18.2	17.0	17.6	16.8
Gross margin before forage costs	67.3	59.4	63.3	61.3
Gross margin including forage costs	60.4	53.8	57.6	52.9
Forage variable costs (£ per farm)				
Seeds	295	773	534	970
Fertilisers	302	497	399	724
Sprays	0	0	0	39
Other forage costs	1896	2081	1989	2330
Total forage variable costs	2493	3350	2922	4063
% of forage variable costs to lamb	29	52	40	38
Forage variable costs per ewe	6.9	5.6	5.7	8.5

Table 20 LFA farms, organic breeding sheep gross margins (£/ewe), 2004/05

Flock Size	<300	>300	All flocks	All flocks 2003/04
Number of flocks	5	6	12	10
Average farm area - actual ha	67.8	184.8	130.0	145.3
-effective ha	65.5	142.1	107.4	121.2
Average size of the farm business (ESU)	13.4	35.8	26.7	28.3
Average size of flock (breeding ewes)	152	627	428	356
Lambs reared per ewe	0.96	1.09	1.05	1.08
Finished lambs sold per ewe	0.73	0.87	0.82	0.84
Enterprise output (£ per ewe)				
Lamb sales - store	1.2	1.5	1.3	0.8
- finished	31.4	43.7	37.0	39.6
Ewe and ram sales	1.4	5.6	3.4	3.1
Other sheep sales	1.5	0.5	1.0	0.1
Wool sales	1.0	1.2	1.1	1.0
Net SAP quota leased	0.0	0.0	0.0	-0.1
Sheep subsidies - SAP	23.7	23.9	23.8	18.9
Sheep subsidies - other	0.0	0.0	0.2	0.2
Valuation change	1.1	-2.7	-0.7	-0.8
Less: sheep purchases	6.6	3.0	4.4	2.8
Total enterprise output	54.8	70.7	62.6	60.2
Variable Costs (£ per ewe)				
Concentrates	7.6	7.4	7.0	8.7
Purchased bulk feed	0.0	0.1	0.1	0.0
Stock keep	0.0	2.1	1.1	3.5
Veterinary & medicines	2.5	2.2	2.4	2.2
Other livestock costs - sheep	7.1	3.2	4.7	5.0
Total variable costs	17.2	15.0	15.2	19.5
Gross margin before forage costs	37.6	55.7	47.5	40.7
Gross margin including forage costs	29.0	49.8	41.9	36.1
Forage variable costs (£ per farm)				
Seeds	212	138	174	347
Fertilisers	620	2361	1439	1223
Sprays	0	0	0	18
Other forage costs	1926	3698	2829	1386
Total forage variable costs	2758	6197	4441	2974
% of forage variable costs to lamb	48	59	54	55
Forage variable costs per ewe	8.6	5.8	5.6	4.6

Table 21 Gross margins for organic arable and horticultural crops (£/ha), 2003/04 and 2004/05

	Winter Wheat		Spring wheat		Spring oats		Spring barley		Winter oats	
	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05
Number of enterprises	17	13	8	9	8	9	10	11	6	5
Area of crop grown (ha.)	54	66	16	16	17	27	18	28	7	8
Total production (tonnes)	261	295	57	59	83	88	70	110	31	30
Yield tonnes per hectare	4.9	4.5	3.5	3.6	4.8	3.3	4.0	3.9	4.4	3.7
Crop Value (£ per tonne)	154	147	181	136	104	132	120	116	139	113
Enterprise output (£ per ha)										
Closing valuation	86	62	84	194	215	40	202	89	123	298
Revenue	606	595	508	240	83	364	84	236	398	6
Farm house consumption, benefits in kind	20	0	35	0	18	0	13	0	60	0
Feed used on farm	36	0	7	54	181	32	180	132	29	110
Area payments and other subsidies	264	227	174	226	243	218	241	229	199	229
Total enterprise output	1012	884	808	715	740	655	721	686	809	644
Variable Costs (£ per ha)										
Seeds	55	49	90	64	48	58	38	35	47	68
Fertilisers	1	1	17	8	0	7	4	2	0	0
Crop protection	0	1	3	0	0	0	0	0	0	0
Other crop costs	36	37	61	68	26	36	53	25	17	25
Casual labour	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total variable costs	92	88	171	140	74	101	95	61	64	93
Gross margin (£ per ha)	921	796	637	575	666	554	625	625	745	551

Table 21 (cont.)

	Beans - stock feed		Ware potatoes		Calabrese		Cauliflowers		Cabbages	
	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05
Number of enterprises	14	13	7	6	7	5	5	5	5	6
Area of crop grown (ha.)	20	19	7	11	15	17.1	15.8	7.5	2.7	4.2
Total production (tonnes/units)	60	49	162	169	39	19	86038	3705	106830	97135
Yield tonnes/units per hectare	3.1	2.5	23.2	28.1	6	3.8	17208	8891	21366	16189
Crop Value (£ per tonne/unit)	147	151	214	148	816	789	0.30	0.43	0.24	0.23
Enterprise output (£ per ha)										
Closing valuation	188	52	40	0	0	0	0	1	0	3
Revenue	92	313	4925	3978	4592	2981	5168	3785	5131	3724
Farm house consumption, benefits in kind	3	0	0	187	0	0	0	0	0	0
Feed used on farm	167	13	0	0	0	0	0	0	0	0
Area payments and other subsidies	272	268	0	0	0	0	0	0	0	0
Total enterprise output	722	646	4965	4165	4592	2982	5168	3786	5131	3727
Variable Costs (£ per ha)										
Seeds	59	72	568	785	481	419	668	713	657	618
Fertilisers	4	3	98	82	60	26	59	64	43	80
Crop protection	2	0	181	207	296	243	395	290	551	325
Other crop costs	18	38	676	582	814	821	343	1074	2321	1497
Casual labour	n/a	n/a	453	n/a	750	-**	1075	-**	1337	-**
Total variable costs	84	113	1975	1657	2401	1509	2541	2140	4908	2519
Gross margin (£ per ha)	639	533	2991	2508	2191	1473	2627	1645	223	1208

* Source: HDRA ** Casual labour costs included in other crop costs

6. Benchmarking

Tables 22 to 25 show costs of production data for organic milk, beef and lamb production. The 2004/05 average and top 5 (low cost) results are shown alongside data for 2003/04. It should be noted that the data are not from identical samples and are derived from supplementary organic farm data collected by the IRS Farm Business Survey Unit.

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

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

6.1 Dairy enterprise data

The costs of production results are taken from 12 dairy farms in 2004/05. All farms were located in Wales and classified as eight lowland and four LFA dairy farm types. The 2003/04 data are derived from eight lowland and two LFA farms. As the samples for the two years are made up from different farms, it is not possible to make a direct comparison between results for the two financial years. However, it is interesting to note the decrease in milk price by 1.13ppl in 2004/05 compared with 2003/04. This is a continuation of the trend since this project began in 2001/02, although prices are expected to show an increase in 2005/06 as a result of significant increases in demand.

The main physical differences between the top 5 (low cost) and average groups for 2004/05 included smaller farm and herd sizes for the top 5 group as well as higher average milk yields per cow at 6168 litres per cow compared to 5056 litres for the average group. Costs were lower in most cost categories for the low cost group compared to the average group. Total costs including imputed costs were 16.90 pence per litre for the low cost group and 19.59 pence per litre for the average group. Milk price was 19.71 pence per litre for the average group. The margin of production including imputed costs difference was 3.39 pence per litre higher for the top 5 (low cost) group compared to the average, with the top 5 (low cost) group receiving 0.7 pence per litre more in total outputs and producing at 2.69 pence per litre less in total production costs due to lower variable, forage and fixed costs, particularly feed and labour costs.

Table 22 Milk: benchmarking data

	2004/05		2003/04	2004/05		2003/04
	12	Top 5		12	Top 5	
Sample size	12	Top 5	10			10
Herd size - numbers	128.0	62.4	103.9			
Herd size - LU	128.0	62.4	103.9	COSTS	ppl	ppl
Total Grazing LU	202.9	132.6	158.5	Concentrates	2.88	2.54
Litres of milk produced per cow	5056	6168	5661	Purchased bulk feed (hay & straw)	0.06	0.08
Percentage Dairy LU to Total GLU	63.1	47.0	65.6	Stock keep	0.00	0.00
Farm size - effective hectares	115.7	88.1	105.9	Veterinary and medicines	0.43	0.46
Farm size - ESU	144.8	85.8	125.1	Other livestock costs - dairy	1.56	1.55
% of area used for forage/grazing	93.2	84.2	92.8	Herd replacement	1.07	0.56
				Total variable costs	5.99	5.19
				Seeds	0.14	0.17
				Fertilisers	0.18	0.22
OUTPUTS	ppl	ppl	ppl	Sprays	0.01	0.00
Dairy - milk	19.71	19.76	20.84	Other forage costs	1.00	0.67
- livestock purchases, sales and transfers	2.06	2.09	0.00	Total forage costs	1.33	1.06
- net milk quota	0.32	0.76	-0.13	Paid labour	0.77	0.21
- slaughter premium	0.17	0.22	0.19	Casual labour	0.18	0.21
- valuation change	0.00	0.00	0.59	Machinery - contract work	0.04	0.06
				- repairs	0.77	0.69
Dairy output	22.26	22.82	21.49	- fuels	0.51	0.48
				-depreciation	0.82	0.72
				Buildings depreciation	0.71	0.41
OTHER RELATED OUTPUTS				General farm costs	0.59	0.53
LFA and agri-environmental payments	0.74	0.92	0.28	Water	0.11	0.13
Miscellaneous revenue	0.26	0.22	0.38	Electricity	0.20	0.18
By-products and forage	0.06	0.07	0.39	Land expenses	0.51	0.28
				Insurance	0.41	0.46
Other output	1.07	1.20	1.05	Rent	0.59	0.49
				Interest payments	0.34	0.16
				Total fixed costs	6.54	4.99
TOTAL OUTPUTS	23.33	24.03	22.54	TOTAL COSTS	13.86	11.24
				Imputed costs		
Margin of production - pence per litre (excluding imputed costs)	9.47	12.79	7.08	Unpaid labour (farmer, spouse, other)	2.71	3.08
				Imputed rent	1.78	1.50
Margin of production - pence per litre (including imputed costs)	3.74	7.13	2.27	Interest on tenant's capital	1.23	1.08

6.2 Beef enterprise data

The beef production data are taken from 28 farms in 2004/05 and 27 farms in 2003/04. Average cost of production data are shown for both suckler store and finishing beef herd enterprises. The suckler store beef enterprises contain five LFA and three lowland farms, while the finishing beef enterprise data are derived from three LFA farms and 17 lowland farms. The 2003/04 average cost of production data are derived from two LFA and six lowland farms for the suckler store beef enterprises and six LFA farms and 13 lowland farms for finishing beef enterprises. Again, it should be noted that the top 5 group represents the lowest cost of production enterprises from the 2004/05 data.

The physical data between the top 5 (low cost) and average group for the suckler store beef enterprise are mostly similar, although farm size is greater for the average dataset than the top 5 (low cost). Financial outputs from the beef enterprise alone were similar between datasets, with the average group achieving higher other related output than the top 5 (low cost) group. Nevertheless, margins are greater for the top 5 (low cost) group due to lower fixed costs, particularly labour, machinery repairs, rental costs and interest.

The suckler cow margin of production including imputed costs, which reflect the value of the farmer's own land, labour and working capital, was negative for the 2004/05 group at -28.24 p/kg liveweight, while the top 5 (low cost) group were able to achieve a positive margin of 27.68 p/kg liveweight. The 2004/05 cost of production data for suckler calves is an improvement on the 2003/04 data where the margin including imputed costs was -112.22 p/kg liveweight. The greater quantity of beef produced assisted in lowering the costs of production, hence improving the margin overall. However, if the livestock headage payments due to be absorbed into the single farm payment from 2005/06 are removed, the margin of production falls to zero or negative values in both years except for the top 5 (low cost) enterprises.

For the finishing beef enterprises recorded, there is greater variation between the physical characteristics of the top 5 (low cost) and average group. The top 5 group had four beef cows more than the average and produced more beef overall and on a per cow basis. Total financial outputs and beef outputs were lower for the top 5 (low cost) group than the average. Other related outputs were lower for the average group on a p/kg liveweight basis. The lower costs associated with the top 5 (low cost) group compared to the average were mainly applicable to feed, other livestock costs, and forage costs by some margin, as well as overhead costs by some 17%. This equated to lower costs for the top 5 (low cost) group of 15% compared to the average group data.

The margin of production including imputed costs for beef finishing was negative at -65.68 and -46.82 p/kg LW for the average and top 5 (low cost) groups respectively. The 2004/05 finishing beef cost data show no change on the previous 2003/04 recorded data at -60.32 p/kg liveweight.

On comparing the suckler store and beef finishing herds, the farm size is 26% greater for the suckler store herds although cow herd numbers are similar to the finishing beef herd data. The finishing herds produced 17% more kilograms of beef per cow at 454 kilograms compared to 388 kilograms of beef per cow for the suckler herds. Beef output and cost figures are greater for the finishing beef herds than the suckler herds and the margin of production is greater for the suckler herds overall.

Table 23 Beef: benchmarking data for suckler store herds

	2004/05		2003/04	2004/05		2003/04
	8	Top 5		8	Top 5	
Sample size	8	Top 5	8			8
Herd size - numbers	34.0	34.2	25.8	COSTS	p/kg LW	p/kg LW
Herd size - LU	43.3	45.9	33.6	Concentrates	18.71	9.87
Total Grazing LU	81.3	77.0	55.3	Purchased bulk feed (hay & straw)	3.36	0.00
Percentage Beef LU to Total GLU	53.3	59.6	60.8	Stock keep	0.00	0.00
Kilograms beef produced	13194	13852	8815	Veterinary and medicines	9.05	7.15
Average beef produced per cow	388.1	405.0	342.3	Other livestock costs - beef	16.33	13.63
Farm size - effective hectares	114.6	92.5	121.0	Net SCP quota leased	4.95	7.92
Farm size - ESU	26.4	23.8	37.5	Herd replacement	1.63	2.42
Forage area % from total UAA	74.0	58.5	83.3	Total variable costs	54.03	40.98
				Seeds	1.95	1.53
				Fertilisers	4.33	5.09
OUTPUTS	p/kg LW	p/kg LW	p/kg LW	Sprays	0.00	0.00
Beef - output	98.63	97.62	106.67	Other forage costs	9.39	9.60
- subsidies	65.16	64.86	67.27	Total forage costs	15.66	16.22
- valuation change	16.92	19.19	6.97	Paid labour	4.21	0.00
Beef output	180.71	181.67	180.91	Casual labour	2.23	0.00
				Machinery - contract work	1.05	1.68
				- repairs	4.48	3.87
				- fuels	6.05	5.30
				-depreciation	8.06	5.82
OTHER RELATED OUTPUTS				Buildings depreciation	8.14	7.41
LFA and agri-environmental payments	34.19	22.96	75.63	General farm costs	13.87	10.40
Miscellaneous revenue	1.96	0.70	17.47	Water	1.80	1.46
By-products and forage	6.55	11.61	25.45	Electricity	1.74	1.69
Other output	42.70	35.27	118.55	Land expenses	7.55	5.63
				Insurance	6.07	3.27
				Rent	2.87	0.00
				Interest payments	7.00	4.89
				Total fixed costs	75.12	51.42
TOTAL OUTPUTS	223.40	216.93	299.46	TOTAL COSTS	144.81	108.62
Margin of production - pence per kilogram	78.60	108.31	55.53	Imputed costs		
(excluding imputed costs)				Unpaid labour	54.81	37.76
Margin of production - pence per kilogram	-28.24	27.68	-112.22	Imputed rent	41.16	34.27
(including imputed costs)				Interest on tenants capital	10.86	8.60

Table 24 Beef: benchmarking data for beef finishing herds

	2004/05		2003/04	2004/05		2003/04
	20	Top 5	19	20	Top 5	19
Sample size	20	Top 5	19			
Herd size - numbers	32.5	28.6	33.8	COSTS	p/kg LW	p/kg LW
Herd size - LU	52.7	45.8	58.0	Concentrates	16.55	3.74
Total Grazing LU	67.8	62.3	77.4	Purchased bulk feed (hay & straw)	1.93	0.00
Percentage Beef LU to Total GLU	77.7	73.5	74.9	Stock keep	0.00	0.00
Kilograms beef produced	14737	13457	14322	Veterinary and medicines	4.70	2.13
Average kilograms of beef produced per cow	454.1	470.5	423.9	Other livestock costs - beef	20.10	11.23
Farm size - effective hectares	91.0	79.5	101.0	Net SCP quota leased	2.51	-3.43
Farm size - ESU	34.7	27.0	31.4	Herd replacement	4.17	3.19
Forage area % from total UAA	78.8	81.0	85.6	Total variable costs	49.96	16.86
				Seeds	3.77	2.58
OUTPUTS	p/kg LW	p/kg LW	p/kg LW	Fertilisers	1.36	1.55
Beef - output	124.00	115.49	120.26	Sprays	0.00	0.00
- subsidies	78.95	68.21	73.85	Other forage costs	14.40	8.68
- valuation change	2.85	4.57	6.43	Total forage costs	19.54	12.80
Beef output	205.80	188.27	200.54	Paid labour	5.96	15.85
				Casual labour	1.29	0.33
OTHER RELATED OUTPUTS				Machinery - contract work	1.42	1.13
LFA and agri-environmental payments	22.85	28.88	38.40	- repairs	13.87	14.32
Miscellaneous revenue	20.84	20.77	13.21	- fuels	7.24	10.75
By-products and forage	11.77	15.58	10.03	-depreciation	19.78	14.26
Other output	55.46	65.23	61.64	Buildings depreciation	5.66	3.31
				General farm costs	17.47	21.03
				Water	1.41	1.00
				Electricity	2.14	2.31
				Land expenses	7.83	4.30
				Insurance	9.91	7.96
				Rent	12.64	2.25
				Interest payments	13.24	3.49
				Total fixed costs	119.84	102.27
TOTAL OUTPUTS	261.26	253.50	262.19	TOTAL COSTS	189.34	131.93
Margin of production - pence per kilogram	71.92	121.57	76.71	Imputed costs		
(excluding unpaid labour costs)				Unpaid labour	83.30	105.12
Margin of production - pence per kilogram	-65.68	-46.82	-60.32	Imputed rent	32.80	49.65
(including unpaid labour costs)				Interest on tenants capital	21.50	13.62

6.3 Lamb enterprise data

The costs of production data for lamb production are taken from 15 farms in 2004/05 and 23 farms in 2003/04. Data are shown for breeding ewe enterprises that sell store/finished stock and are derived from seven LFA and eight lowland farm types in 2004/05, while the 2003/04 data contain 10 lowland and 13 LFA farms. Again, it should be noted that the data are not based on identical samples for the two financial years and that the top 5 group represents the lowest cost of production enterprises from the 2004/05 data.

The top 5 (low cost) group includes five lowland farms. Average flock sizes are similar between the average and top 5 (low cost) data. The lack of LFA farms within the top 5 (low cost) group highlights some of the differences in the financial results such as lower concentrate costs and lower outputs from LFA and agri-environmental payments. Overall, the top 5 group had lower variable, forage and fixed costs as well as imputed costs giving rise to a greater margin of production for the top 5 (low cost) group. The lower costs of production for this top 5 (low cost) group can be partly expected due to 50% more kilograms of lamb produced per ewe, which assists to dilute the costs on a p/kg liveweight basis.

In 2003/04, the lamb enterprise margin excluding imputed costs, which equates to sheep output plus other output minus variable, forage and fixed costs, covered the costs of production leaving a margin of 72.8 pence per kilogram. For the 2004/05 dataset, the margin of production for the lamb enterprise was 51.5 pence per kilogram, less than the income from livestock headage payments that are to be absorbed in the single farm payment from 2005/06. However, the margin of production including imputed costs, which reflect the value of the farmer's own land, labour and working capital, indicate that both the average and top 5 (low cost) groups had a negative or zero margin of production for lamb production at -41.2 p per kg/lw and 0.17p per kg/lw, respectively. This was also the case in 2003/04 for the lamb enterprises recorded.

7. Appendices

7.1 Appendix 1. Detailed farm results

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Table A1.1 CROPPING FARM RESULTS

OUTPUTS AND INPUTS		ORGANIC					
		Identical sample		Full sample		2004/05	
		2003/04	2004/05	2003/04	2004/05	2003/04	2004/05
Sample number		12	12			17	
Average farm size (UAA)		131	126			117	
Business size (ESU)		71	62			58	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	472	4	0	0	0	0
	cattle	1499	11	0	0	0	0
	net quota	3320	25	0	0	0	0
	valuation change	-2789	-21	0	0	0	0
Other cattle	output	6266	48	5077	40	3943	34
	valuation change	863	7	181	1	1436	12
	subsidies	2235	17	2692	21	2313	20
Sheep -	total output	5976	46	7911	63	7544	64
	valuation change	1348	10	-2301	-18	-1525	-13
	subsidies	2137	16	2321	18	2130	18
Other livestock		3141	24	5065	40	13717	117
Arable crops	output	34502	263	32027	254	27993	239
	subsidies (AAPS)	14306	109	13274	105	11971	102
By products forage and cults		3663	28	6209	49	7298	62
	subsidies (set-aside /other)	6225	47	5675	45	5253	45
Miscellaneous (incl. farmhouse benefit value)		14507	111	14819	118	12960	111
	- organic grants	7777	59	5073	40	4357	37
	- other agri-env.payments	3941	30	8247	65	7061	60
	FARM REVENUE	109388	833	106270	844	106451	910
INPUTS							
Feeds	purchased concentrates	3072	23	2384	19	8544	73
	homegrown concentrates	1281	10	1199	10	1009	9
Purchased fodder, Tack and stock keep		350	3	93	1	85	1
Veterinary and medicines		902	7	534	4	728	6
Other livestock costs		2747	21	2087	17	2642	23
Seeds -	purchased and homegrown	3735	28	5000	40	4189	36
Fertilisers		1492	11	872	7	779	7
Crop protection		731	6	131	1	93	1
Other crop costs		3760	29	1884	15	1447	12
Labour	paid incl. paid management	3335	25	4028	32	5722	49
	casual	1968	15	2130	17	1539	13
Machinery	contract	10930	83	8453	67	7515	64
	repairs	4061	31	4527	36	4215	36
	fuels	3219	25	2927	23	2948	25
General farming costs		8870	68	9006	72	8418	72
Land expenses		3797	29	5726	45	5449	47
Rent		12028	92	11617	92	10400	89
	FARM EXPENSES	66277	505	62598	497	65722	562
Excess of expenses over revenue		43112	328	43672	347	40724	348
Notional inputs							
	- rental value/imputed rent	8255	63	9175	73	9139	78
	- unpaid labour	1790	14	1357	11	1784	15
	- machinery depreciation	7333	56	6805	54	6918	59
		17378	132	17338	138	17842	152
NET FARM INCOME (excl. BLSA)		25733	196	26342	209	22888	196

Table A1.1 CROPPING FARM RESULTS

OUTPUTS AND INPUTS		CONVENTIONAL			
		<i>Identical sample</i>		<i>Full sample</i>	
		2003/04	2004/05	2003/04	2004/05
Sample number		109	109	151	151
Average farm size (UAA)		118	118	110	110
Business size (ESU)		77	79	65	65
OUTPUTS		£/farm	£/ha	£/farm	£/ha
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	6758	57	7695	65
	valuation change	1248	11	180	2
	subsidies	3846	33	4144	35
Sheep -	total output	4194	36	4220	36
	valuation change	-96	-1	-609	-5
	subsidies	980	8	1076	9
Other livestock		821	7	1328	11
Arable crops	output	84702	717	76280	646
	subsidies (AAPS)	17694	150	17223	146
By products forage and cults		3080	26	4113	35
	subsidies (set-aside /other)	3722	32	2531	21
Miscellaneous (incl. farmhouse benefit value)		13806	117	16633	141
	- organic grants	0	0	0	0
	- other agri-env.payments	1154	10	1614	14
FARM REVENUE		141907	1202	136428	1155
INPUTS					
Feeds	purchased concentrates	2337	20	2552	22
	homegrown concentrates	2415	20	2222	19
Purchased fodder, Tack and stock keep		410	3	400	3
Veterinary and medicines		773	7	790	7
Other livestock costs		1862	16	2095	18
Seeds -	purchased and homegrown	5845	50	5768	49
Fertilisers		7945	67	9507	80
Crop protection		8000	68	9121	77
Other crop costs		9524	81	10239	87
Labour	paid incl. paid management	5632	48	6586	56
	casual	11937	101	16972	144
Machinery	contract	7538	64	7147	60
	repairs	4961	42	4901	41
	fuels	3008	25	3492	30
General farming costs		11222	95	12401	105
Land expenses		2657	23	2544	22
Rent		7271	62	7363	62
FARM EXPENSES		93338	791	104100	881
Excess of expenses over revenue		48569	411	32328	274
Notional inputs					
	- rental value/imputed rent	11254	95	12083	102
	- unpaid labour	5422	46	5410	46
	- machinery depreciation	9648	82	9874	84
		26323	223	27366	232
NET FARM INCOME (excl. BLSA)		22229	188	4962	42

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

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	25733	196	26342	209	22888	196
Less farmer and spouse labour	11764	90	11398	91	13987	120
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	538	4	-181	-1	-128	-1
MANAGEMENT & INVESTMENT INCOME	14508	111	14755	117	8768	75
NET FARM INCOME (excl. BLSA)	25733	196	26342	209	22888	196
plus net rental value/imputed rent	5937	45	6213	49	6403	55
minus occupier's expenses	357	3	358	3	811	7
minus interest payments	3521	27	3545	28	2643	23
minus build & works depreciation	3267	25	3697	29	3348	29
OCCUPIER'S NET INCOME	24526	187	24955	198	22488	192
plus other imputed items	2135	16	1754	14	2350	20
plus fixed asset depreciation	14078	107	14358	114	13774	118
minus valuation changes	139	1	-4756	-38	-2032	-17
NOTIONAL CASH INCOME	40600	309	45823	364	40644	347
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.5		1.4		1.6	
of which farmer & spouse	0.9		0.9		0.9	
NFI and paid labour/Annual Labour Units	20612		22477		18527	
NFI/Farmer & Spouse Labour Units	27748		30600		24400	
TENANT'S CAPITAL - £ per farm						
Machinery	41383	315	38709	307	43979	376
Livestock	21915	167	21040	167	21934	187
Crops	11937	91	10519	84	11235	96
Stores	1207	9	1370	11	1438	12
TOTAL	76442	582	71638	569	78585	672
ASSETS - £ per farm						
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	179214	180161	180161	181197	230368	232570
Buildings, improvements and fixtures	14919	14562	14562	15896	13865	13997
Machinery	43893	38874	38874	38545	43017	44941
Livestock	21814	22016	22016	20064	22324	21544
Produce and goods in store	13048	13536	13536	10540	13471	12084
Quotas	12226	2363	2363	1415	6521	1014
Credit balances	14150	17769	17769	13976	19365	20932
TOTAL	299262	289280	289280	281633	348931	347083
EXTERNAL LIABILITIES						
Long and medium term loans	25764	24206	24206	22152	17086	15637
Short term loans	17120	11829	11829	14242	9800	12864
Overdrafts	27748	23169	23630	27532	19189	22671
TOTAL	70632	59204	59665	63926	46075	51172
NET WORTH	228630	230076	229615	217707	302855	295910
RETURNS TO CAPITAL						
Owner Equity (%)	79.5		77.3		85.3	
ONI/Net worth (%)	10.7		11.5		7.6	
Return on tenant's capital (%)	19.0		20.6		11.2	
Return on all capital (%)	9.2		9.4		5.5	

Table A1.2 CROPPING FARM RESULTS

CONVENTIONAL

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	22229	188	4962	42	4715	43
Less farmer and spouse labour	13661	116	13874	117	14590	133
Add managerial input of paid manager	0	0	0	0	34	0
Add BLSA	512	4	-211	-2	-44	0
MANAGEMENT & INVESTMENT INCOME	9080	77	-9122	-77	-9884	-90
NET FARM INCOME (excl. BLSA)	22229	188	4962	42	4715	43
plus net rental value/imputed rent	7534	64	7928	67	8356	76
minus occupier's expenses	515	4	465	4	447	4
minus interest payments	3318	28	3450	29	2546	23
minus build & works depreciation	2546	22	2459	21	2054	19
OCCUPIER'S NET INCOME	23385	198	6515	55	8024	73
plus other imputed items	5437	46	5421	46	3824	35
plus fixed asset depreciation	12201	103	12340	104	10992	100
minus valuation changes	2678	23	-1140	-10	965	9
NOTIONAL CASH INCOME	38345	325	25417	215	21876	199
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.6		2.9		1.6	
of which farmer & spouse	1.0		0.9		1.0	
NFI and paid labour/Annual Labour Units	15370		9978		6400	
NFI/Farmer & Spouse Labour Units	22711		5258		4832	
TENANT'S CAPITAL - £ per farm						
Machinery	51406	435	52100	441	46410	422
Livestock	17859	151	17898	151	17334	158
Crops	16422	139	16149	137	18869	172
Stores	12777	108	13682	116	10836	99
TOTAL	98464	834	99829	845	93450	850
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	392000	393739	393600	408793	431669	454264
Buildings, improvements and fixtures	10068	10737	10737	10631	9405	10021
Machinery	50130	52682	52668	51533	46889	45932
Livestock	17020	18697	18221	17575	17609	17059
Produce and goods in store	28487	29995	30223	29511	29190	30640
Quotas	1687	1397	1368	182	1679	527
Credit balances	22825	22771	23396	26121	22282	24074
TOTAL	522217	530018	530213	544347	558723	582518
EXTERNAL LIABILITIES						
Long and medium term loans	29981	29768	30803	32442	21170	23301
Short term loans	15210	15231	15306	15603	12748	13337
Overdrafts	21586	22636	22635	23469	18503	19525
TOTAL	66776	67635	68745	71515	52422	56163
NET WORTH	455455	462383	461468	472832	506301	526355
RETURNS TO CAPITAL						
Owner Equity (%)	87.2		86.9		90.4	
ONI/Net worth (%)	5.1		1.4		1.5	
Return on tenant's capital (%)	9.2		-9.1		-10.6	
Return on all capital (%)	3.1		-0.3		-0.8	

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>
		2003/04	2004/05	2004/05
Tillage - maincrops	Wheat	26.5	25.2	24.8
	Barley	6.2	3.9	3.3
	Other cereals	12.6	5.2	4.5
	Oil seed rape	0.0	0.0	0.0
	Linseed	1.3	0.0	0.0
	Peas/Beans	9.2	19.6	17.1
	Potatoes	0.3	0.3	0.4
	Sugarbeet	0.4	0.3	0.2
	Horticulture	1.7	1.0	0.8
	Other crops	0.7	0.0	0.0
	Total cropping	58.9	55.6	51.0
Set-aside	26.0	17.5	17.0	
Tillage - fodder	3.3	5.0	4.1	
Grassland				
	Grazing, hay and silage	32.4	38.2	36.8
Fallow and land let		10.5	9.5	8.0
Rough grazing	Effective	0.1	0.1	0.1
Utilisable agricultural area (Effective ha.)		131.2	125.9	117.0
Woods, roads and buildings		3.4	3.4	3.6
TOTAL AREA (Actual ha.)		135.0	129.3	120.8
effective forage area		35.8	43.3	41.1
Bare land and forage hired in		0.5	0.5	0.5
CROP PERFORMANCE - Yields (tonnes per hectare)*				
	Wheat	3.8	4.2	4.2
	Barley	3.0	2.9	2.8
	Oilseed Rape	0.0	0.0	0.0
	Potatoes	2.5	0.0	17.6
	Sugar Beet	65.0	55.8	55.8
- Prices (£ per tonne)*				
	Wheat	162	131	132
	Barley	113	93	87
	Oilseed Rape	0	0	0
	Potatoes	0	0	230
	Sugar Beet	53	51	51

* 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>
	2003/04	2004/05	2004/05
Tillage - maincrops			
Wheat	35.6	40.0	34.9
Barley	24.6	20.5	16.7
Other cereals	2.6	2.5	2.5
Oil seed rape	8.3	10.2	7.0
Linseed	0.1	0.3	0.2
Peas/Beans	4.0	3.9	5.2
Potatoes	0.5	0.4	0.3
Sugarbeet	2.2	2.1	1.5
Horticulture	1.0	1.2	0.2
Other crops	0.3	0.0	0.5
Total cropping	79.3	81.1	69.0
Set-aside	14.9	10.8	10.0
Tillage - fodder	0.6	0.5	0.6
Grassland			
Grazing, hay and silage	20.4	19.3	24.5
Fallow and land let	2.4	5.9	5.0
Rough grazing			
Effective	0.5	0.5	0.8
Utilisable agricultural area (Effective ha.)	118.1	118.2	109.9
Woods, roads and buildings	4.0	3.9	4.4
TOTAL AREA (Actual ha.)	122.1	122.1	114.3
effective forage area	22.6	21.3	28.1
Bare land and forage hired in	2.1	2.0	2.9
CROP PERFORMANCE -Yields (tonnes per hectare)*			
Wheat	8.0	7.6	7.6
Barley	6.2	6.2	6.3
Oilseed Rape	3.2	3.3	3.0
Potatoes	38.4	31.9	31.0
Sugar Beet	54.3	60.6	63.6
- Prices (£ per tonne)*			
Wheat	86	67	66
Barley	79	65	65
Oilseed Rape	159	142	137
Potatoes	102	84	86
Sugar Beet	32	30	28

* 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>	
	2003/04		2004/05		2004/05	
	LU	No's	LU	No's	LU	No's
Dairy cows	0.7	1	0.0	0	0.0	0
Beef cows	6.3	8	6.8	9	7.7	10
Other cattle	15.5	27	12.0	21	12.0	21
Breeding sheep	11.7	150	13.1	152	12.0	140
Other sheep	1.8	42	1.9	45	2.2	54
Pigs	1.2	8	0.3	5	0.2	32
Poultry	2.0	137	2.1	255	1.5	180
Other livestock	0.0	3	0.0	9	0.0	6
TOTAL (L.U.)	39.3		36.3		35.6	

STOCKING RATES

Stocking rate (LU per eff.ha)	0.3	0.3	0.3
GLU/forage effective hectare*	1.1	0.8	0.9

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*

Dairy cows (litres)	4375	0	0
Dairy cows	346	0	0
Dairy calves	0	0	0
Dairy heifers in calf	466	0	0
Beef heifers in calf	550	543	495
Fat cattle	609	664	663
Beef store cattle 1-2 yrs	486	491	491
Beef stores <1 yr	231	235	251
Ewes	46	47	45
Ewe hoggs	67	50	50
Fat lambs	57	51	49
Store lambs	0	0	0
Fat Pigs	71	123	129
Milk (pence per litre)	14.7	0.0	0.0
Wool (pence per kg)	47.4	62.7	57.2

* Price data is implied

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

CONVENTIONAL

	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	LU	No's	LU	No's	LU	No's
LIVESTOCK CARRIED - L.U. per farm						
Dairy cows	0.0	0	0.0	0	0.0	0
Beef cows	4.5	6	4.2	6	6.0	8
Other cattle	15.1	27	15.2	28	14.9	27
Breeding sheep	8.4	79	7.6	72	6.5	61
Other sheep	1.7	39	2.3	54	1.8	43
Pigs	0.4	3	0.4	3	0.0	0
Poultry	0.2	18	0.7	53	0.6	39
Other livestock	0.0	0	0.0	0	0.1	0
TOTAL (L.U.)	30.2		30.4		29.9	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.3		0.3		0.3	
GLU/forage effective hectare*	1.3		1.4		1.1	
* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	0		0		2000	
Dairy cows	0		0		0	
Dairy calves	0		0		0	
Dairy heifers in calf	0		0		0	
Beef heifers in calf	0		393		393	
Fat cattle	546		584		594	
Beef store cattle 1-2 yrs	578		635		587	
Beef stores <1 yr	260		177		178	
Ewes	53		43		53	
Ewe hogs	60		53		54	
Fat lambs	50		50		50	
Store lambs	32		40		37	
Fat Pigs	68		66		0	
Milk (pence per litre)	0.0		0.0		35.7	
Wool (pence per kg)	54.0		56.2		56.9	

* Price data is implied

Table A2a.1 Arable/field vegetable cropping farms

ORGANIC

OUTPUTS AND INPUTS

		<i>Identical sample</i>				<i>Full sample</i>	
		2003/04		2004/05		2004/05	
Sample number		5		5		8	
Average farm size (UAA)		515		523		345	
Business size (ESU)		641		920		594	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	0	0	0	0	0	0
	cattle	0	0	0	0	0	0
	net quota	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0
Other cattle	output	4785	9	5363	10	3354	10
	valuation change	2876	6	2113	4	2383	7
	subsidies	832	2	0	0	639	2
Sheep -	total output	0	0	-506	-1	1982	6
	valuation change	0	0	1004	2	657	2
	subsidies	0	0	0	0	709	2
Other livestock		6155	12	8215	16	9163	27
Arable crops	output	661858	1284	652422	1248	424163	1228
	subsidies (AAPS)	19128	37	41919	80	27546	80
By products forage and cults		-10170	-20	11734	22	7255	21
	subsidies (set-aside /other)	34243	66	23876	46	15135	44
Miscellaneous (incl. farmhouse benefit value)		89631	174	122880	235	80561	233
	- organic grants	29207	57	6063	12	4123	12
	- other agri-env.payments	5212	10	388	1	721	2
	FARM REVENUE	843756	1637	875471	1675	578391	1674
INPUTS							
Feeds	purchased concentrates	3299	6	1430	3	3232	9
	homegrown concentrates	1056	2	666	1	417	1
Purchased fodder, Tack and stock keep		3479	7	1649	3	1031	3
Veterinary and medicines		171	0	623	1	505	1
Other livestock costs		7891	15	5932	11	4033	12
Seeds -	purchased and homegrown	74386	144	87038	167	56566	164
Fertilisers		9229	18	8643	17	5623	16
Crop protection		21083	41	17344	33	11037	32
Other crop costs		54171	105	30751	59	19635	57
Labour	paid incl. paid management	125747	244	152685	292	95428	276
	casual	155048	301	157663	302	98547	285
Machinery	contract	66085	128	60418	116	39512	114
	repairs	42122	82	39710	76	26586	77
	fuels	23078	45	23535	45	15103	44
General farming costs		78953	153	54182	104	36295	105
Land expenses		730	1	809	2	971	3
Rent		37843	73	34146	65	22816	66
	FARM EXPENSES	704370	1367	677225	1296	437336	1266
Excess of expenses over revenue		139386	270	198247	379	141054	408
Notional inputs							
	- rental value/imputed rent	86715	168	87557	168	58020	168
	- unpaid labour	351	1	371	1	1987	6
	- machinery depreciation	32181	62	34776	67	24335	70
		119247	231	122705	235	84342	244
NET FARM INCOME (excl. BLSA)		20139	39	75542	145	56712	164

Table A2a.2 Arable/field vegetable cropping farms

ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	20139	39	75542	145	56712	164
Less farmer and spouse labour	9335	18	9510	18	10202	30
Add managerial input of paid manager	11909	23	12125	23	7578	22
Add BLSA	0	0	0	0	0	0
MANAGEMENT & INVESTMENT INCOME	22713	44	78157	150	54088	157
NET FARM INCOME (excl. BLSA)	20139	39	75542	145	56712	164
plus net rental value/imputed rent	76139	148	51901	99	34843	101
minus occupier's expenses	31598	61	58112	111	36502	106
minus interest payments	46976	91	-1539	-3	274	1
minus build & works depreciation	2801	5	-14108	-27	-7453	-22
OCCUPIER'S NET INCOME	14903	29	84978	163	62233	180
plus other imputed items	2776	5	3202	6	3951	11
plus fixed asset depreciation	85362	166	102065	195	70934	205
minus valuation changes	-44595	-87	3585	7	-772	-2
NOTIONAL CASH INCOME	147637	286	186660	357	137889	399
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	21.9		21.0		13.6	
of which farmer & spouse	0.6		0.6		0.6	
NFI and paid labour/Annual Labour Units	13745		18394		18497	
NFI/Farmer & Spouse Labour Units	30992		132997		92402	
TENANT'S CAPITAL - £ per farm						
Machinery	193045	375	223349	427	153969	446
Livestock	11856	23	16162	31	14027	41
Crops	78872	153	64005	122	43898	127
Stores	49913	97	2791	5	1852	5
TOTAL	333686	647	306306	586	213745	619
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	2925699	2947660	2947660	2947660	1913755	1913836
Buildings, improvements and fixtures	58983	56181	56181	67289	43094	49876
Machinery	170193	215898	215898	230799	146805	161133
Livestock	10417	13295	14604	17720	12647	15408
Produce and goods in store	152521	105048	66561	67030	47747	44199
Quotas	114	115	115	0	754	0
Credit balances	188885	182502	182502	107554	121677	77363
TOTAL	3506812	3520698	3483520	3438053	2286478	2261814
EXTERNAL LIABILITIES						
Long and medium term loans	728362	724894	724894	47784	471809	48615
Short term loans	126135	162214	162214	21608	102717	16621
Overdrafts	208546	113701	113701	0	74570	1690
TOTAL	1063044	1000809	1000809	69392	649095	66926
NET WORTH	2443768	2494074	2482711	2575924	1637383	1699428
RETURNS TO CAPITAL						
Owner Equity (%)	70.8		74.9		75.1	
ONI/Net worth (%)	0.6		3.3		3.7	
Return on tenant's capital (%)	6.8		25.5		25.3	
Return on all capital (%)	1.7		3.3		3.4	

Table A2a.3 Arable/field vegetable cropping farms

ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>
	2003/04	2004/05	2004/05
Tillage - maincrops			
Wheat	159.5	124.7	81.9
Barley	0.0	4.5	2.8
Other cereals	0.0	37.1	23.2
Oil seed rape	14.2	0.0	0.0
Linseed	0.0	0.4	0.2
Peas/Beans	0.0	1.6	2.5
Potatoes	33.9	13.8	9.1
Sugarbeet	10.6	15.9	10.4
Horticulture	95.1	142.3	90.5
Other crops	2.1	0.0	0.0
Total cropping	315.4	340.3	220.7
Set-aside	93.3	151.4	95.5
Tillage - fodder	0.0	0.2	0.1
Grassland			
Grazing, hay and silage	38.3	11.3	16.4
Fallow and land let	68.3	19.5	12.8
Rough grazing			
Effective	0.0	0.0	0.0
Utilisable agricultural area (Effective ha.)	515.3	522.7	345.5
Woods, roads and buildings	19.7	19.7	13.4
TOTAL AREA (Actual ha.)	535.1	542.5	359.3
effective forage area	38.3	11.5	16.5
Bare land and forage hired in	0.0	0.0	0.4
CROP PERFORMANCE - Yields (tonnes per hectare)*			
Wheat	4.5	4.6	4.4
Barley	4.5	4.5	4.5
Oilseed Rape	0.0	0.0	0.0
Potatoes	26.9	29.7	29.7
Sugar Beet	37.9	46.9	49.8
- Prices (£ per tonne)*			
Wheat	171	144	149
Barley	115	115	115
Oilseed Rape	0	0	0
Potatoes	147	106	106
Sugar Beet	48	51	51

* Yield and price data is implied

**Table A2a.4 Arable/field vegetable cropping farms
STOCKING AND LIVESTOCK PERFORMANCE**

ORGANIC

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0
Beef cows	7.4	10	8.8	12	7.4	10
Other cattle	11.5	19	10.4	18	8.4	16
Breeding sheep	0.3	3	0.5	6	2.5	39
Other sheep	0.0	0	0.5	11	1.2	30
Pigs	0.0	2	0.0	2	0.0	2
Poultry	0.0	113	0.0	102	2.7	220
Other livestock	0.0	1	0.0	1	0.0	1
TOTAL (L.U.)	19.2		20.1		22.1	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.0		0.0		0.1	
GLU/forage effective hectare*	0.5		1.7		1.3	
* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	0		0		0	
Dairy cows	0		0		0	
Dairy calves	0		0		0	
Dairy heifers in calf	0		0		0	
Beef heifers in calf	653		653		653	
Fat cattle	0		453		655	
Beef store cattle 1-2 yrs	375		375		288	
Beef stores <1 yr	150		150		125	
Ewes	0		0		0	
Ewe hogs	0		0		0	
Fat lambs	67		67		65	
Store lambs	0		0		0	
Fat Pigs	0		0		0	
Milk (pence per litre)	0.0		0.0		0.0	
Wool (pence per kg)	0.0		0.0		49.8	
* Price data is implied						

Table A2b.1 INTENSIVE HORTICULTURE HOLDINGS ORGANIC

OUTPUTS AND INPUTS		Identical sample				Full sample	
		2003/04		2004/05		2004/05	
Sample number		7		7		8	
Average farm size (UAA)		16		16		15	
Business size (ESU)		46		32		126	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	0	0	0	0	0	0
	cattle	0	0	0	0	0	0
	net quota	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0
Other cattle	output	1037	63	2556	158	2237	154
	valuation change	-631	-39	-162	-10	-142	-10
	subsidies	1065	65	1022	63	894	62
Sheep -	total output	0	0	0	0	0	0
	valuation change	-1	0	0	0	0	0
	subsidies	0	0	0	0	0	0
Other livestock		0	0	-1	0	-1	0
Arable crops	output	64508	3940	70873	4378	104382	7186
	subsidies (AAPS)	0	0	0	0	0	0
By products forage and cults		1043	64	384	24	1274	88
	subsidies (set-aside /other)	0	0	0	0	0	0
Miscellaneous (incl. farmhouse benefit value)		5895	360	7163	442	10759	741
	- organic grants	1045	64	429	26	375	26
	- other agri-env.payments	1020	62	1083	67	948	65
	FARM REVENUE	74981	4579	83346	5148	120725	8312
INPUTS							
Feeds	purchased concentrates	0	0	0	0	0	0
	homegrown concentrates	0	0	0	0	0	0
Purchased fodder, Tack and stock keep		682	42	268	17	235	16
Veterinary and medicines		300	18	372	23	326	22
Other livestock costs		984	60	427	26	374	26
Seeds -	purchased and homegrown	7887	482	7146	441	6693	461
Fertilisers		1376	84	935	58	4973	342
Crop protection		560	34	476	29	1252	86
Other crop costs		4576	279	7086	438	8850	609
Labour	paid incl. paid management	8278	506	7509	464	15989	1101
	casual	4743	290	5589	345	6398	440
Machinery	contract	2952	180	4287	265	3867	266
	repairs	2668	163	3487	215	5261	362
	fuels	1679	103	3009	186	2696	186
General farming costs		7241	442	6802	420	10111	696
Land expenses		197	12	0	0	1133	78
Rent		2391	146	1952	121	1896	131
	FARM EXPENSES	46514	2841	49347	3048	70053	4823
Excess of expenses over revenue		28467	1739	33999	2100	50672	3489
Notional inputs							
	- rental value/imputed rent	1623	99	2284	141	3377	232
	- unpaid labour	1035	63	1095	68	3453	238
	- machinery depreciation	3264	199	2921	180	5289	364
		5921	362	6300	389	12119	834
NET FARM INCOME (excl. BLSA)		22546	1377	27698	1711	38553	2654

**Table A2b.2 INTENSIVE HORTICULTURE HOLDINGS
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL**

ORGANIC

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	22546	1377	27698	1711	38553	2654
Less farmer and spouse labour	17135	1046	18081	1117	15929	1097
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	1	0	0	0	0	0
MANAGEMENT & INVESTMENT INCOME	5411	330	9617	594	22625	1558
NET FARM INCOME (excl. BLSA)	22546	1377	27698	1711	38553	2654
plus net rental value/imputed rent	81	5	491	30	1514	104
minus occupier's expenses	1153	70	1566	97	2314	159
minus interest payments	253	15	8	0	2680	185
minus build & works depreciation	-704	-43	-1023	-63	-283	-19
OCCUPIER'S NET INCOME	21924	1339	27638	1707	35356	2434
plus other imputed items	2467	151	2770	171	4918	339
plus fixed asset depreciation	12474	762	12934	799	16087	1108
minus valuation changes	453	28	-744	-46	1158	80
NOTIONAL CASH INCOME	36412	2224	44086	2723	55202	3800
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.9		2.8		3.3	
of which farmer & spouse	1.1		1.1		1.0	
NFI and paid labour/Annual Labour Units	12249		14688		18594	
NFI/Farmer & Spouse Labour Units	20383		25151		36857	
TENANT'S CAPITAL - £ per farm						
Machinery	27550	1683	31407	1940	41768	2876
Livestock	3997	244	3600	222	3150	217
Crops	2398	146	2477	153	5248	361
Stores	1843	113	1964	121	4006	276
TOTAL	35788	2186	39447	2437	54172	3730
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	58096	58360	58360	58360	75878	75878
Buildings, improvements and fixtures	9923	10411	10411	13537	25490	27317
Machinery	25429	29671	29671	33143	40616	42921
Livestock	4312	3682	3682	3518	3222	3078
Produce and goods in store	3771	4855	4802	4150	8666	9905
Quotas	196	196	196	0	172	0
Credit balances	11445	13379	13378	20364	16183	23430
TOTAL	113173	120553	120499	133073	170226	182529
EXTERNAL LIABILITIES						
Long and medium term loans	7190	6479	8367	9710	25973	25799
Short term loans	7625	9059	9059	8103	8411	9110
Overdrafts	2251	3243	3243	2403	27986	28315
TOTAL	17066	18781	20669	20216	62371	63224
NET WORTH	96107	102870	99830	116528	107855	122518
RETURNS TO CAPITAL						
Owner Equity (%)	85.3		87.6		67.1	
ONI/Net worth (%)	21.3		23.7		28.9	
Return on tenant's capital (%)	15.1		24.4		41.8	
Return on all capital (%)	6.5		8.7		13.4	

Table A2b.3 INTENSIVE HORTICULTURE HOLDINGS ORGANIC
LAND UTILISATION AND CROP PERFORMANCE

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>
	2003/04	2004/05	2004/05
Tillage - maincrops			
Wheat	0.0	0.0	0.0
Barley	0.0	0.0	0.0
Other cereals	0.0	0.0	0.0
Oil seed rape	0.0	0.0	0.0
Linseed	0.0	0.0	0.0
Peas/Beans	0.0	0.0	0.0
Potatoes	1.3	1.1	0.9
Sugarbeet	0.0	0.0	0.0
Horticulture	4.8	4.9	4.7
Other crops	0.0	0.0	0.0
Total cropping	6.2	6.0	5.6
Set-aside	0.0	0.0	0.0
Tillage - fodder	0.0	0.0	0.0
Grassland			
Grazing, hay and silage	9.7	9.7	8.5
Fallow and land let	0.5	0.5	0.4
Rough grazing			
Effective	0.0	0.0	0.0
Utilisable agricultural area (Effective ha.)	16.4	16.2	14.5
Woods, roads and buildings	1.3	1.3	1.7
TOTAL AREA (Actual ha.)	17.7	17.4	16.2
effective forage area	9.7	9.7	8.5
Bare land and forage hired in	0.0	0.0	0.0
CROP PERFORMANCE - Yields (tonnes per hectare)*			
Wheat	0.0	0.0	0.0
Barley	0.0	0.0	0.0
Oilseed Rape	0.0	0.0	0.0
Potatoes	16.9	22.2	22.2
Sugar Beet	0.0	0.0	0.0
- Prices (£ per tonne)*			
Wheat	0	0	0
Barley	0	0	0
Oilseed Rape	0	0	0
Potatoes	473	387	387
Sugar Beet	0	0	0

* Yield and price data is implied

**Table A2b.4 INTENSIVE HORTICULTURE HOLDINGS
STOCKING AND LIVESTOCK PERFORMANCE**

ORGANIC

	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	LU	No's	LU	No's	LU	No's
LIVESTOCK CARRIED - L.U. per farm						
Dairy cows	0.0	0	0.0	0	0.0	0
Beef cows	3.1	4	2.8	4	2.5	3
Other cattle	3.8	7	3.3	6	2.9	6
Breeding sheep	0.1	2	0.1	2	0.1	2
Other sheep	0.0	0	0.0	0	0.0	0
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	7.0		6.3		5.5	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.4		0.4		0.4	
GLU/forage effective hectare*	0.7		0.6		0.6	
* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	0		0		0	
Dairy cows	0		0		0	
Dairy calves	0		0		0	
Dairy heifers in calf	0		0		0	
Beef heifers in calf	475		475		475	
Fat cattle	619		897		897	
Beef store cattle 1-2 yrs	395		455		455	
Beef stores <1 yr	242		251		251	
Ewes	0		0		0	
Ewe hogs	0		0		0	
Fat lambs	0		0		0	
Store lambs	0		0		0	
Fat Pigs	0		0		0	
Milk (pence per litre)	0.0		0.0		0.0	
Wool (pence per kg)	0.0		0.0		0.0	
* Price data is implied						

Table A3.1 LFA DAIRY FARM RESULTS

OUTPUTS AND INPUTS

ORGANIC

		<i>Identical sample</i>				<i>Full sample</i>	
		2003/04		2004/05		2004/05	
Sample number		5		5		8	
Average farm size (UAA)		91		92		102	
Business size (ESU)		82		93		102	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	69149	758	73443	802	86913	848
	cattle	-1450	-16	-7581	-83	-6488	-63
	net quota	1352	15	1941	21	1981	19
	valuation change	1822	20	8258	90	6528	64
Other cattle	output	12088	133	14979	164	15438	151
	valuation change	4270	47	3907	43	6475	63
	subsidies	2585	28	1641	18	1212	12
Sheep -	total output	6136	67	8369	91	5802	57
	valuation change	597	7	125	1	408	4
	subsidies	1754	19	2153	24	1789	17
Other livestock		15	0	0	0	0	0
Arable crops	output	0	0	1440	16	900	9
	subsidies (AAPS)	0	0	0	0	0	0
By products forage and cults		2438	27	720	8	1198	12
	subsidies (set-aside /other)	0	0	0	0	0	0
Miscellaneous (incl. farmhouse benefit value)		8106	89	7673	84	6619	65
	- organic grants	579	6	1778	19	1370	13
	- other agri-env. payments	1578	17	3722	41	4240	41
FARM REVENUE		111021	1217	122568	1338	134384	1312
INPUTS							
Feeds	purchased concentrates	17868	196	17234	188	27900	272
	homegrown concentrates	1849	20	4134	45	3080	30
Purchased fodder, Tack and stock keep		587	6	2188	24	2061	20
Veterinary and medicines		1963	22	1603	18	2349	23
Other livestock costs		5734	63	5471	60	7093	69
Seeds -	purchased and homegrown	472	5	747	8	630	6
Fertilisers		585	6	961	10	766	7
Crop protection		113	1	129	1	80	1
Other crop costs		540	6	589	6	831	8
Labour	paid incl. paid management	1558	17	0	0	0	0
	casual	557	6	2880	31	2074	20
Machinery	contract	3082	34	4459	49	5927	58
	repairs	5727	63	7094	77	6900	67
	fuels	3864	42	3982	43	2905	28
General farming costs		8210	90	8743	95	9148	89
Land expenses		3300	36	2710	30	2873	28
Rent		1970	22	3708	40	5976	58
FARM EXPENSES		57979	636	66631	728	80593	787
Excess of expenses over revenue		53041	582	55936	611	53792	525
Notional inputs							
	- rental value/imputed rent	17863	196	18542	202	11968	117
	- unpaid labour	9940	109	10624	116	12101	118
	- machinery depreciation	9491	104	10448	114	10912	107
		37294	409	39615	433	34980	341
NET FARM INCOME (excl. BLSA)		15747	173	16322	178	18811	184

Table A3.1 LFA DAIRY FARM RESULTS

OUTPUTS AND INPUTS		CONVENTIONAL			
		<i>Identical sample</i>		<i>Full sample</i>	
		2003/04	2004/05	2003/04	2004/05
Sample number		28	28	32	32
Average farm size (UAA)		83	82	94	94
Business size (ESU)		83	82	97	97
OUTPUTS		£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	61993	744	62064	754
	cattle	1662	20	1747	21
	net quota	-1276	-15	2828	34
	valuation change	361	4	-2171	-26
Other cattle	output	10532	126	9971	121
	valuation change	1306	16	4289	52
	subsidies	1865	22	1581	19
Sheep -	total output	14090	169	14510	176
	valuation change	229	3	-385	-5
	subsidies	6181	74	6863	83
Other livestock		0	0	0	0
Arable crops	output	1009	12	792	10
	subsidies (AAPS)	314	4	334	4
By products forage and cults		734	9	-415	-5
	subsidies (set-aside /other)	94	1	53	1
Miscellaneous (incl. farmhouse benefit value)		7500	90	8065	98
	- organic grants	0	0	0	0
	- other agri-env.payments	920	11	967	12
	FARM REVENUE	107513	1290	111091	1350
INPUTS					
Feeds	purchased concentrates	17753	213	17412	212
	homegrown concentrates	2201	26	2005	24
Purchased fodder, Tack and stock keep		2454	29	1375	17
Veterinary and medicines		3055	37	3371	41
Other livestock costs		6380	77	7181	87
Seeds -	purchased and homegrown	338	4	357	4
Fertilisers		5509	66	5770	70
Crop protection		208	2	226	3
Other crop costs		1067	13	628	8
Labour	paid incl. paid management	1660	20	1678	20
	casual	927	11	759	9
Machinery	contract	3565	43	4754	58
	repairs	4522	54	5069	62
	fuels	2923	35	3122	38
General farming costs		8070	97	8835	107
Land expenses		2704	32	2589	31
Rent		2771	33	3629	44
	FARM EXPENSES	66108	793	68760	836
Excess of expenses over revenue		41405	497	42332	515
Notional inputs					
	- rental value/imputed rent	10669	128	11605	141
	- unpaid labour	6362	76	6658	81
	- machinery depreciation	5859	70	5946	72
		22891	275	24209	294
NET FARM INCOME (excl. BLSA)		18515	222	18122	220
					18500
					196

Table A3.2 LFA DAIRY FARM RESULTS **ORGANIC**
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	15747	173	16322	178	18811	184
Less farmer and spouse labour	18186	199	20308	222	19439	190
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	349	4	0	0	-1324	-13
MANAGEMENT & INVESTMENT INCOME	-2089	-23	-3986	-44	-1952	-19
NET FARM INCOME (excl. BLSA)	15747	173	16322	178	18811	184
plus net rental value/imputed rent	15966	175	16413	179	9338	91
minus occupier's expenses	164	2	146	2	241	2
minus interest payments	1624	18	3121	34	3064	30
minus build & works depreciation	7544	83	8665	95	5607	55
OCCUPIER'S NET INCOME	22382	245	20803	227	19238	188
plus other imputed items	10538	116	11557	126	12684	124
plus fixed asset depreciation	37675	413	53482	584	37999	371
minus valuation changes	2629	29	12084	132	14313	140
NOTIONAL CASH INCOME	67967	745	73758	805	55609	543
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.5		2.5		2.4	
of which farmer & spouse	1.2		1.2		1.1	
NFI and paid labour/Annual Labour Units	7115		7544		8880	
NFI/Farmer & Spouse Labour Units	12718		14170		16662	
TENANT'S CAPITAL - £ per farm						
Machinery	67420	739	74774	816	69282	676
Livestock	73945	811	82253	898	84129	821
Crops	4861	53	3210	35	3590	35
Stores	990	11	508	6	611	6
TOTAL	147216	1614	160745	1755	157611	1538
ASSETS - £ per farm						
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	351763	351103	351103	351103	219440	219440
Buildings, improvements and fixtures	27722	42804	42804	43705	28937	29132
Machinery	64552	70287	70287	79260	66132	72431
Livestock	70426	77464	76108	88398	78086	90172
Produce and goods in store	7881	3821	3821	3615	3749	4652
Quotas	50823	44956	44956	46833	53427	56475
Credit balances	10494	12223	12233	10707	14546	20112
TOTAL	583661	602658	601312	623622	464317	492414
EXTERNAL LIABILITIES						
Long and medium term loans	84055	81303	129965	123808	91812	87268
Short term loans	823	400	400	13819	13578	25004
Overdrafts	36012	42454	42454	400	34285	12685
TOTAL	120890	124157	172820	138027	139675	124957
NET WORTH	462771	478501	428493	471600	324642	358711
RETURNS TO CAPITAL						
Owner Equity (%)	79.4		75.6		72.8	
ONI/Net worth (%)	4.7		4.4		5.4	
Return on tenant's capital (%)	-1.4		-2.5		-1.2	
Return on all capital (%)	0.0		0.0		0.8	

Table A3.2 LFA DAIRY FARM RESULTS**INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL****CONVENTIONAL**

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	18515	222	18122	220	18500	196
Less farmer and spouse labour	14737	177	15137	184	17451	185
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	1921	23	-52	-1	-431	-5
MANAGEMENT & INVESTMENT INCOME	5699	68	2934	36	618	7
NET FARM INCOME (excl. BLSA)	18515	222	18122	220	18500	196
plus net rental value/imputed rent	9298	112	10081	123	10569	112
minus occupier's expenses	159	2	160	2	273	3
minus interest payments	6899	83	7542	92	5276	56
minus build & works depreciation	2330	28	2751	33	4487	48
OCCUPIER'S NET INCOME	18425	221	17752	216	19033	202
plus other imputed items	6362	76	6663	81	9324	99
plus fixed asset depreciation	8189	98	8697	106	13025	138
minus valuation changes	2009	24	930	11	1878	20
NOTIONAL CASH INCOME	30967	372	32181	391	39505	419
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.0		2.0		2.4	
of which farmer & spouse	1.3		1.3		1.3	
NFI and paid labour/Annual Labour Units	10360		10376		10306	
NFI/Farmer & Spouse Labour Units	14197		14219		14057	
TENANT'S CAPITAL - £ per farm						
Machinery	44959	540	45487	553	55841	592
Livestock	68134	818	70627	859	85814	910
Crops	6185	74	5624	68	7728	82
Stores	727	9	943	11	2611	28
TOTAL	120004	1440	122681	1491	151994	1613
ASSETS - £ per farm						
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	279447	279447	279447	284101	338070	347184
Buildings, improvements and fixtures	11488	13282	13282	17577	24754	27605
Machinery	45542	44375	44375	46600	55704	55979
Livestock	66226	70042	69786	71467	84825	86802
Produce and goods in store	6855	6968	6968	6166	10604	10074
Quotas	49401	44109	41530	41346	62661	56188
Credit balances	19434	20072	20072	20196	22960	21595
TOTAL	478392	478295	475461	487454	599577	605426
EXTERNAL LIABILITIES						
Long and medium term loans	57324	49978	50458	50544	50619	48252
Short term loans	4058	3487	3487	3433	9291	8833
Overdrafts	30694	36209	36209	36946	17773	20606
TOTAL	92076	89674	90154	90923	77683	77691
NET WORTH	386316	388622	385307	396532	521894	527735
RETURNS TO CAPITAL						
Owner Equity (%)	81.3		81.3		87.2	
ONI/Net worth (%)	4.7		4.5		3.6	
Return on tenant's capital (%)	4.7		2.4		0.4	
Return on all capital (%)	1.8		1.3		0.8	

Table A3.3 LFA DAIRY FARM RESULTS
LAND UTILISATION AND CROP PERFORMANCE

ORGANIC

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>
	2003/04	2004/05	2004/05
Tillage - maincrops			
Wheat	0.0	0.0	0.0
Barley	0.0	3.6	2.3
Other cereals	0.0	0.0	0.0
Oil seed rape	0.0	0.0	0.0
Linseed	0.0	0.0	0.0
Peas/Beans	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0
Sugarbeet	0.0	0.0	0.0
Horticulture	0.0	0.0	0.0
Other crops	0.0	0.0	0.0
Total cropping	0.0	3.6	2.3
Set-aside	0.0	0.0	0.0
Tillage - fodder	0.0	2.3	1.4
Grassland			
Grazing, hay and silage	89.8	85.1	94.3
Fallow and land let	0.8	0.0	0.0
Rough grazing			
Effective	0.6	0.6	4.4
Utilisable agricultural area (Effective ha.)	91.2	91.6	102.4
Woods, roads and buildings	6.0	6.1	4.5
TOTAL AREA (Actual ha.)	97.2	97.7	107.3
effective forage area	90.4	90.4	101.7
Bare land and forage hired in	1.2	2.4	1.5
CROP PERFORMANCE - Yields (tonnes per hectare)*			
Wheat	0.0	0.0	0.0
Barley	0.0	4.9	4.9
Oilseed Rape	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0
Sugar Beet	0.0	0.0	0.0
- Prices (£ per tonne)*			
Wheat	0	0	0
Barley	0	0	0
Oilseed Rape	0	0	0
Potatoes	0	0	0
Sugar Beet	0	0	0
* Yield and price data is implied			

Table A3.3 LFA DAIRY FARM RESULTS
LAND UTILISATION AND CROP PERFORMANCE

CONVENTIONAL

LAND UTILISATION - hectares per farm		<i>Identical sample</i>		<i>Full sample</i>
		2003/04	2004/05	2004/05
Tillage - maincrops	Wheat	0.0	0.0	0.7
	Barley	2.3	1.7	3.3
	Other cereals	0.2	0.4	0.6
	Oil seed rape	0.0	0.0	0.1
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.0	0.0
	Total cropping	2.5	2.1	4.7
	Set-aside	0.1	0.1	0.2
Tillage - fodder		0.8	0.6	0.4
Grassland	Grazing, hay and silage	76.7	76.3	86.5
Fallow and land let		0.2	0.1	0.0
Rough grazing	Effective	3.1	3.1	2.6
Utilisable agricultural area (Effective ha.)		83.3	82.3	94.3
Woods, roads and buildings		2.2	2.2	2.4
TOTAL AREA (Actual ha.)		85.5	84.4	96.6
effective forage area		85.9	85.1	94.8
Bare land and forage hired in		5.3	5.1	5.4
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		0.0	0.0	7.2
Barley		5.9	5.8	6.0
Oilseed Rape		0.0	0.0	1.7
Potatoes		0.0	0.0	0.0
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		0	0	60
Barley		80	66	64
Oilseed Rape		0	0	115
Potatoes		0	0	0
Sugar Beet		0	0	0
* Yield and price data is implied				

**Table A3.4 LFA DAIRY FARM RESULTS
STOCKING AND LIVESTOCK PERFORMANCE**

ORGANIC

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	LU	No's	LU	No's	LU	No's
Dairy cows	70.0	70	78.6	79	85.6	86
Beef cows	2.7	4	3.0	4	1.9	3
Other cattle	48.0	83	47.7	86	50.0	94
Breeding sheep	8.5	106	9.1	114	8.0	100
Other sheep	6.6	164	7.4	185	5.0	124
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	135.8		145.8		150.4	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.5		1.6		1.5	
GLU/forage effective hectare*	1.5		1.6		1.5	
* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	5040		4929		5207	
Dairy cows	314		254		264	
Dairy calves	146		27		36	
Dairy heifers in calf	463		548		548	
Beef heifers in calf	0		450		450	
Fat cattle	513		404		454	
Beef store cattle 1-2 yrs	362		325		293	
Beef stores <1 yr	92		172		166	
Ewes	29		27		39	
Ewe hoggs	0		48		48	
Fat lambs	51		44		50	
Store lambs	0		0		0	
Fat Pigs	0		0		0	
Milk (pence per litre)	18.8		18.7		19.1	
Wool (pence per kg)	62.9		66.5		60.7	
* Price data is implied						

**Table A3.4 LFA DAIRY FARM RESULTS
STOCKING AND LIVESTOCK PERFORMANCE**

CONVENTIONAL

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	LU	No's	LU	No's	LU	No's
Dairy cows	64.4	64	63.0	63	72.9	73
Beef cows	0.7	1	1.6	2	2.0	3
Other cattle	37.2	67	40.4	73	51.6	94
Breeding sheep	28.4	354	27.8	347	22.6	279
Other sheep	9.5	237	7.8	196	8.6	212
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	2.5	148
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	140.3		140.6		160.1	
STOCKING RATES						
Stocking rate (LU per eff.ha)		1.7		1.7		1.7
GLU/forage effective hectare*		1.6		1.7		1.7
* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)		5361		5543		5753
Dairy cows		413		281		306
Dairy calves		106		96		56
Dairy heifers in calf		0		770		278
Beef heifers in calf		0		0		0
Fat cattle		453		588		563
Beef store cattle 1-2 yrs		418		437		437
Beef stores <1 yr		152		126		130
Ewes		36		32		41
Ewe hogs		66		43		36
Fat lambs		46		43		44
Store lambs		40		31		39
Fat Pigs		0		0		0
Milk (pence per litre)		16.6		16.4		17.1
Wool (pence per kg)		55.6		54.6		53.2

* Price data is implied

Table A4.1 LOWLAND DAIRY FARM RESULTS

OUTPUTS AND INPUTS		ORGANIC					
		<i>Identical sample</i>				<i>Full sample</i>	
		2003/04		2004/05		2004/05	
Sample number		14		14		25	
Average farm size (UAA)		124		130		157	
Business size (ESU)		149		163		174	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	148042	1198	159668	1225	160183	1019
	cattle	-2425	-20	-2568	-20	-3613	-23
	net quota	-993	-8	-1897	-15	1215	8
	valuation change	2057	17	1661	13	2811	18
Other cattle	output	13539	110	12791	98	21817	139
	valuation change	4028	33	4331	33	1552	10
	subsidies	956	8	956	7	2889	18
Sheep -	total output	372	3	515	4	310	2
	valuation change	133	1	-6	0	93	1
	subsidies	55	0	90	1	69	0
Other livestock		0	0	0	0	0	0
Arable crops	output	11134	90	9022	69	17693	113
	subsidies (AAPS)	4210	34	3672	28	6766	43
By products forage and cults		1160	9	-1951	-15	-139	-1
	subsidies (set-aside /other)	4678	38	4991	38	5424	35
Miscellaneous (incl. farmhouse benefit value)		13975	113	14064	108	12653	81
	- organic grants	6367	52	5076	39	4726	30
	- other agri-env.payments	3383	27	3720	29	4419	28
FARM REVENUE		210672	1705	214135	1643	238870	1520
INPUTS							
Feeds	purchased concentrates	24071	195	21994	169	24289	155
	homegrown concentrates	8304	67	9109	70	7711	49
Purchased fodder, Tack and stock keep		2316	19	1712	13	1720	11
Veterinary and medicines		4011	32	4290	33	4795	31
Other livestock costs		14825	120	18433	141	17985	114
Seeds -	purchased and homegrown	2395	19	3432	26	3760	24
Fertilisers		1486	12	1614	12	2521	16
Crop protection		653	5	595	5	2126	14
Other crop costs		1677	14	1195	9	1745	11
Labour	paid incl. paid management	19033	154	22221	171	24341	155
	casual	2085	17	1592	12	1645	10
Machinery	contract	13360	108	13792	106	12908	82
	repairs	7725	63	8601	66	9478	60
	fuels	3572	29	4713	36	5271	34
General farming costs		14986	121	15326	118	16794	107
Land expenses		5307	43	6422	49	5911	38
Rent		11715	95	13847	106	18242	116
FARM EXPENSES		137519	1113	148887	1142	161243	1026
Excess of expenses over revenue		73154	592	65248	501	77627	494
Notional inputs							
	- rental value/imputed rent	16421	133	17338	133	16170	103
	- unpaid labour	4277	35	4543	35	3887	25
	- machinery depreciation	8306	67	9224	71	10135	64
		29003	235	31106	239	30193	192
NET FARM INCOME (excl. BLSA)		44150	357	34143	262	47465	302

Table A4.1 LOWLAND DAIRY FARM RESULTS

OUTPUTS AND INPUTS		CONVENTIONAL			
		<i>Identical sample</i>		<i>Full sample</i>	
		2003/04	2004/05	2003/04	2004/05
Sample number		84	84	158	158
Average farm size (UAA)		113	116	137	137
Business size (ESU)		144	145	164	164
OUTPUTS		£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	126137	1113	125240	1077
	cattle	1464	13	-3898	-34
	net quota	-273	-2	5074	44
	valuation change	-1482	-13	962	8
Other cattle	output	24207	214	24299	209
	valuation change	-751	-7	412	4
	subsidies	2764	24	2647	23
Sheep -	total output	2653	23	2389	21
	valuation change	93	1	-460	-4
	subsidies	487	4	577	5
Other livestock		9114	80	9287	80
Arable crops	output	18516	163	13182	113
	subsidies (AAPS)	4563	40	4818	41
By products forage and cults		2206	19	4198	36
	subsidies (set-aside /other)	1893	17	1639	14
Miscellaneous (incl. farmhouse benefit value)		10152	90	12181	105
	- organic grants	0	0	0	0
	- other agri-env.payments	680	6	805	7
	FARM REVENUE	202421	1786	203352	1749
INPUTS					
Feeds	purchased concentrates	29212	258	28197	243
	homegrown concentrates	6406	57	6508	56
Purchased fodder, Tack and stock keep		3178	28	1154	10
Veterinary and medicines		5706	50	6075	52
Other livestock costs		12365	109	13288	114
Seeds -	purchased and homegrown	6185	55	2263	19
Fertilisers		9378	83	9040	78
Crop protection		2585	23	3244	28
Other crop costs		1499	13	1748	15
Labour	paid incl. paid management	15850	140	16778	144
	casual	1806	16	2001	17
Machinery	contract	8642	76	8257	71
	repairs	7811	69	7191	62
	fuels	3828	34	4486	39
General farming costs		14570	129	14987	129
Land expenses		4103	36	4445	38
Rent		7799	69	9197	79
	FARM EXPENSES	140924	1244	138859	1194
Excess of expenses over revenue		61497	543	64493	555
Notional inputs					
	- rental value/imputed rent	17362	153	17731	152
	- unpaid labour	8949	79	7595	65
	- machinery depreciation	11289	100	12222	105
		37601	332	37548	323
NET FARM INCOME (excl. BLSA)		23907	211	26949	232
					23831

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

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	44150	357	34143	262	47465	302
Less farmer and spouse labour	17862	145	19132	147	19233	122
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	811	7	-512	-4	187	1
MANAGEMENT & INVESTMENT INCOME	27099	219	14499	111	28388	181
NET FARM INCOME (excl. BLSA)	44150	357	34143	262	47465	302
plus net rental value/imputed rent	14280	116	14766	113	13133	84
minus occupier's expenses	393	3	388	3	461	3
minus interest payments	4865	39	4889	38	4753	30
minus build & works depreciation	6415	52	6523	50	5117	33
OCCUPIER'S NET INCOME	46757	378	37109	285	50267	320
plus other imputed items	4277	35	4597	35	4063	26
plus fixed asset depreciation	21751	176	21795	167	19618	125
minus valuation changes	7329	59	3683	28	1895	12
NOTIONAL CASH INCOME	65455	530	59818	459	72052	458
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.9		3.0		3.1	
of which farmer & spouse	1.3		1.3		1.4	
NFI and paid labour/Annual Labour Units	22375		19614		23840	
NFI/Farmer & Spouse Labour Units	33156		25335		34528	
TENANT'S CAPITAL - £ per farm						
Machinery	56391	456	60444	464	66221	421
Livestock	90423	732	96674	742	104541	665
Crops	13639	110	13207	101	23306	148
Stores	3223	26	3059	23	3828	24
TOTAL	163676	1324	173384	1330	197896	1259
ASSETS - £ per farm						
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	292767	317155	317155	330146	239745	256138
Buildings, improvements and fixtures	19470	30916	30916	35214	25254	30429
Machinery	54684	58098	58098	62789	62423	70019
Livestock	86909	93937	93937	99412	102219	106862
Produce and goods in store	16307	17418	17418	15115	28415	25854
Quotas	72905	95799	95799	63088	87517	61066
Credit balances	19831	25029	22135	21799	44478	46080
TOTAL	562871	638353	635458	627563	590052	596449
EXTERNAL LIABILITIES						
Long and medium term loans	46966	44010	44010	40148	38622	38182
Short term loans	21374	24464	21486	17789	28242	25254
Overdrafts	31569	34497	34451	43830	34784	39995
TOTAL	99910	102971	99947	101766	101648	103432
NET WORTH	462962	535382	535512	525796	488404	493017
RETURNS TO CAPITAL						
Owner Equity (%)	83.9		83.8		82.7	
ONI/Net worth (%)	8.7		7.1		10.2	
Return on tenant's capital (%)	16.6		8.4		14.3	
Return on all capital (%)	6.1		4.5		7.8	

Table A4.2 LOWLAND DAIRY FARM RESULTS

CONVENTIONAL

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	23907	211	26949	232	23831	174
Less farmer and spouse labour	17249	152	17969	155	18351	134
Add managerial input of paid manager	0	0	0	0	112	1
Add BLSA	1657	15	-456	-4	424	3
MANAGEMENT & INVESTMENT INCOME	8315	73	8523	73	6016	44
NET FARM INCOME (excl. BLSA)	23907	211	26949	232	23831	174
plus net rental value/imputed rent	14399	127	14437	124	16478	120
minus occupier's expenses	330	3	306	3	473	3
minus interest payments	8170	72	8270	71	9606	70
minus build & works depreciation	5096	45	5279	45	5973	44
OCCUPIER'S NET INCOME	24709	218	27530	237	24257	177
plus other imputed items	9066	80	7626	66	8246	60
plus fixed asset depreciation	16385	145	17501	151	19237	140
minus valuation changes	5051	45	1979	17	-190	-1
NOTIONAL CASH INCOME	45110	398	50678	436	51930	378
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	3.1		3.0		3.3	
of which farmer & spouse	1.3		1.3		1.3	
NFI and paid labour/Annual Labour Units	13453		15170		14259	
NFI/Farmer & Spouse Labour Units	17787		20642		18075	
TENANT'S CAPITAL - £ per farm						
Machinery	73607	650	72644	625	76420	557
Livestock	99941	882	100061	861	106211	774
Crops	14659	129	17971	155	20566	150
Stores	6316	56	6642	57	9392	68
TOTAL	194524	1717	197319	1697	212589	1549
ASSETS - £ per farm						
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	404667	407695	408115	427481	529809	565886
Buildings, improvements and fixtures	21565	21189	21189	25605	24627	27892
Machinery	73135	74079	74079	71209	76002	76837
Livestock	99804	100078	99978	100144	106107	106316
Produce and goods in store	17759	24192	23935	25293	29946	29970
Quotas	79186	113091	108999	86206	124161	94911
Credit balances	28346	31681	31780	34455	40294	41982
TOTAL	724462	772005	768075	770393	930946	943794
EXTERNAL LIABILITIES						
Long and medium term loans	88481	85517	85524	86131	101344	104758
Short term loans	17915	22426	22349	19221	25142	26157
Overdrafts	40436	38849	38849	44260	53137	57292
TOTAL	146832	146793	146722	149612	179622	188206
NET WORTH	577630	625212	621354	620781	751323	755588
RETURNS TO CAPITAL						
Owner Equity (%)	81.0		80.6		80.1	
ONI/Net worth (%)	4.0		4.4		3.2	
Return on tenant's capital (%)	4.3		4.3		2.8	
Return on all capital (%)	2.1		2.3		1.5	

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

ORGANIC

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>
	2003/04	2004/05	2004/05
Tillage - maincrops			
Wheat	7.3	0.9	10.8
Barley	1.9	1.0	1.8
Other cereals	3.4	10.4	6.5
Oil seed rape	0.6	0.0	4.5
Linseed	0.0	0.0	0.0
Peas/Beans	2.6	2.4	5.0
Potatoes	0.0	0.0	0.0
Sugarbeet	0.0	0.0	0.0
Horticulture	0.0	0.0	0.0
Other crops	1.0	1.7	1.2
Total cropping	16.7	16.3	29.8
Set-aside	6.1	2.9	10.0
Tillage - fodder	11.5	12.7	11.4
Grassland			
Grazing, hay and silage	89.1	97.1	104.7
Fallow and land let	0.1	0.3	0.5
Rough grazing			
Effective	0.1	1.0	0.8
Utilisable agricultural area (Effective ha.)	123.6	130.3	157.2
Woods, roads and buildings	9.1	3.9	5.7
TOTAL AREA (Actual ha.)	132.7	134.2	163.3
effective forage area	103.9	114.5	121.8
Bare land and forage hired in	6.0	3.7	5.1
CROP PERFORMANCE - Yields (tonnes per hectare)*			
Wheat	5.5	5.4	6.4
Barley	4.6	5.2	6.0
Oilseed Rape	3.8	3.5	3.5
Potatoes	0.0	0.0	0.0
Sugar Beet	0.0	0.0	0.0
- Prices (£ per tonne)*			
Wheat	95	94	102
Barley	107	85	95
Oilseed Rape	173	136	143
Potatoes	0	0	0
Sugar Beet	0	0	0

* Yield and price data is implied

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

CONVENTIONAL

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>
	2003/04	2004/05	2004/05
Tillage - maincrops			
Wheat	9.9	13.1	17.4
Barley	7.4	5.7	6.4
Other cereals	0.3	0.1	0.7
Oil seed rape	1.8	2.6	3.0
Linseed	0.4	0.0	0.0
Peas/Beans	0.3	0.3	3.5
Potatoes	0.1	0.1	0.0
Sugarbeet	0.5	0.5	0.6
Horticulture	0.0	0.0	0.5
Other crops	0.5	0.0	0.1
Total cropping	21.2	22.3	32.2
Set-aside	3.4	4.3	3.7
Tillage - fodder	8.6	8.2	11.2
Grassland			
Grazing, hay and silage	79.1	80.5	88.1
Fallow and land let	0.4	0.2	1.2
Rough grazing			
Effective	0.7	0.7	0.9
Utilisable agricultural area (Effective ha.)	113.3	116.3	137.2
Woods, roads and buildings	4.0	4.1	4.6
TOTAL AREA (Actual ha.)	117.4	120.3	141.8
effective forage area	95.1	94.4	106.2
Bare land and forage hired in	7.0	5.0	6.8
CROP PERFORMANCE - Yields (tonnes per hectare)*			
Wheat	7.8	7.5	7.6
Barley	5.8	6.1	5.9
Oilseed Rape	3.3	3.1	2.3
Potatoes	47.1	48.6	48.6
Sugar Beet	56.8	85.6	53.8
- Prices (£ per tonne)*			
Wheat	88	65	67
Barley	82	65	66
Oilseed Rape	165	124	141
Potatoes	96	74	74
Sugar Beet	35	26	27

* Yield and price data is implied

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

ORGANIC

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	LU	No's	LU	No's	LU	No's
Dairy cows	125.9	126	138.6	139	135.8	136
Beef cows	0.2	0	0.1	0	0.5	1
Other cattle	47.7	89	59.1	109	64.2	120
Breeding sheep	0.6	6	0.7	7	0.7	7
Other sheep	0.2	5	0.2	5	0.2	4
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	174.6		198.8		201.5	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.4		1.5		1.3	
GLU/forage effective hectare*	1.7		1.7		1.7	
* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	5892		5901		5778	
Dairy cows	270		263		269	
Dairy calves	59		46		58	
Dairy heifers in calf	450		450		501	
Beef heifers in calf	0		0		0	
Fat cattle	666		723		668	
Beef store cattle 1-2 yrs	359		409		378	
Beef stores <1 yr	118		162		137	
Ewes	47		34		34	
Ewe hoggs	0		0		0	
Fat lambs	67		61		59	
Store lambs	0		0		0	
Fat Pigs	0		0		0	
Milk (pence per litre)	20.3		20.5		20.7	
Wool (pence per kg)	50.4		46.9		54.9	
* Price data is implied						

Table A4.4 LOWLAND DAIRY FARM RESULTS
STOCKING AND LIVESTOCK PERFORMANCE

CONVENTIONAL

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	LU	No's	LU	No's	LU	No's
Dairy cows	113.3	113	111.0	111	119.8	120
Beef cows	0.9	1	0.9	1	1.7	2
Other cattle	61.1	114	59.6	113	67.0	126
Breeding sheep	6.3	62	5.5	53	5.7	54
Other sheep	1.3	32	1.0	26	1.4	35
Pigs	4.5	53	7.0	63	2.4	15
Poultry	0.0	0	0.0	0	2.5	148
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	187.4		185.1		200.5	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.7		1.6		1.5	
GLU/forage effective hectare*	2.0		2.0		1.9	
* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	6074		6087		6247	
Dairy cows	343		302		337	
Dairy calves	102		78		74	
Dairy heifers in calf	485		573		687	
Beef heifers in calf	670		0		0	
Fat cattle	474		507		488	
Beef store cattle 1-2 yrs	456		400		431	
Beef stores <1 yr	169		182		146	
Ewes	58		34		36	
Ewe hoggs	47		58		60	
Fat lambs	53		51		51	
Store lambs	38		35		35	
Fat Pigs	82		79		87	
Milk (pence per litre)	17.8		17.9		18.0	
Wool (pence per kg)	49.4		53.1		52.6	
* Price data is implied						

Table A5.1 LOWLAND CATTLE AND SHEEP FARM RESULTS ORGANIC

OUTPUTS AND INPUTS		<i>Identical sample</i>				<i>Full sample</i>	
		2003/04		2004/05		2004/05	
Sample number		14		14		18	
Average farm size (UAA)		77		77		84	
Business size (ESU)		20		21		21	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	0	0	0	0	896	11
	cattle	0	0	0	0	366	4
	net quota	0	0	0	0	39	0
	valuation change	0	0	0	0	-528	-6
Other cattle	output	15944	206	19401	252	17849	213
	valuation change	89	1	-3723	-48	-2569	-31
	subsidies	10020	130	10892	142	10564	126
Sheep -	total output	5794	75	4978	65	6339	76
	valuation change	71	1	-196	-3	-121	-1
	subsidies	1570	20	1649	21	1966	23
Other livestock		511	7	430	6	335	4
Arable crops	output	1446	19	1913	25	1473	18
	subsidies (AAPS)	520	7	675	9	525	6
By products forage and cults		2369	31	2222	29	1863	22
	subsidies (set-aside /other)	656	8	611	8	475	6
Miscellaneous (incl. farmhouse benefit value)		3772	49	4774	62	5182	62
	- organic grants	2393	31	2177	28	2001	24
	- other agri-env.payments	6137	79	6016	78	8494	101
	FARM REVENUE	51290	663	51819	674	55149	658
INPUTS							
Feeds	purchased concentrates	990	13	800	10	880	11
	homegrown concentrates	795	10	946	12	736	9
Purchased fodder, Tack and stock keep		826	11	386	5	330	4
Veterinary and medicines		1040	13	1026	13	1073	13
Other livestock costs		2453	32	2822	37	2937	35
Seeds -	purchased and homegrown	466	6	743	10	606	7
Fertilisers		245	3	255	3	198	2
Crop protection		2	0	0	0	0	0
Other crop costs		384	5	203	3	166	2
Labour	paid incl. paid management	67	1	481	6	416	5
	casual	382	5	136	2	514	6
Machinery	contract	2129	28	1907	25	2600	31
	repairs	2024	26	1632	21	1800	21
	fuels	1894	24	1772	23	1650	20
General farming costs		5287	68	5527	72	6113	73
Land expenses		1786	23	1583	21	1916	23
Rent		2561	33	2563	33	2944	35
	FARM EXPENSES	23329	302	22783	296	24879	297
Excess of expenses over revenue		27961	361	29036	377	30270	361
Notional inputs							
	- rental value/imputed rent	7121	92	7261	94	9766	117
	- unpaid labour	4192	54	5172	67	4022	48
	- machinery depreciation	3928	51	3679	48	3560	42
		15241	197	16112	209	17348	207
NET FARM INCOME (excl. BLSA)		12721	164	12924	168	12922	154

Table A5.1 LOWLAND CATTLE AND SHEEP FARM RESULTS CONVENTIONAL
OUTPUTS AND INPUTS

		<i>Identical sample</i>				<i>Full sample</i>	
		2003/04		2004/05		2004/05	
Sample number		101		101		177	
Average farm size (UAA)		75		74		81	
Business size (ESU)		28		29		26	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	117	2	213	3	34	0
	cattle	13	0	-48	-1	33	0
	net quota	104	1	60	1	16	0
	valuation change	-25	0	25	0	-37	0
Other cattle	output	18227	243	19491	264	14758	182
	valuation change	3120	42	-710	-10	-83	-1
	subsidies	11346	151	11755	159	10284	127
Sheep -	total output	10987	147	10224	138	13936	171
	valuation change	102	1	547	7	769	9
	subsidies	2970	40	3131	42	3603	44
Other livestock		216	3	238	3	216	3
Arable crops	output	2293	31	2083	28	1338	16
	subsidies (AAPS)	1017	14	982	13	767	9
By products forage and cults		1537	21	1833	25	2178	27
	subsidies (set-aside /other)	202	3	154	2	194	2
Miscellaneous (incl. farmhouse benefit value)		11063	148	5184	70	6711	83
	- organic grants	0	0	0	0	0	0
	- other agri-env.payments	913	12	1442	20	1440	18
	FARM REVENUE	64203	857	56607	766	56157	691
INPUTS							
Feeds	purchased concentrates	4421	59	4092	55	4691	58
	homegrown concentrates	1907	25	1681	23	1076	13
	Purchased fodder, Tack and stock keep	1174	16	573	8	513	6
	Veterinary and medicines	1389	19	1478	20	1699	21
	Other livestock costs	3190	43	3305	45	3756	46
Seeds -	purchased and homegrown	609	8	545	7	375	5
	Fertilisers	2975	40	3464	47	2611	32
	Crop protection	325	4	491	7	334	4
	Other crop costs	473	6	401	5	295	4
Labour	paid incl. paid management	1335	18	914	12	1502	18
	casual	2262	30	716	10	647	8
Machinery	contract	2286	31	2568	35	2357	29
	repairs	3517	47	2490	34	2465	30
	fuels	2495	33	2069	28	1956	24
	General farming costs	6251	83	6254	85	6357	78
	Land expenses	2109	28	2124	29	1982	24
	Rent	2769	37	3578	48	4090	50
	FARM EXPENSES	39486	527	36743	497	36708	452
Excess of expenses over revenue		24717	330	19864	269	19450	239
Notional inputs							
	- rental value/imputed rent	8387	112	8865	120	8212	101
	- unpaid labour	6001	80	5687	77	3777	46
	- machinery depreciation	5195	69	5158	70	4669	57
		19583	261	19711	267	16658	205
NET FARM INCOME (excl. BLSA)		5134	69	155	2	2794	34

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

INCOME MEASURES	Identical sample				Full sample	
	2003/04		2004/05		2004/05	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	12721	164	12924	168	12922	154
Less farmer and spouse labour	15109	195	16252	211	15668	187
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	847	11	-69	-1	-29	0
MANAGEMENT & INVESTMENT INCOME	-1541	-20	-3397	-44	-2775	-33
NET FARM INCOME (excl. BLSA)	12721	164	12924	168	12922	154
plus net rental value/imputed rent	5157	67	5053	66	7437	89
minus occupier's expenses	117	2	119	2	149	2
minus interest payments	1382	18	1255	16	1528	18
minus build & works depreciation	1290	17	1537	20	1969	24
OCCUPIER'S NET INCOME	15088	195	15067	196	16712	200
plus other imputed items	5572	72	6747	88	5247	63
plus fixed asset depreciation	9396	121	10792	140	9865	118
minus valuation changes	553	7	-3959	-51	-3189	-38
NOTIONAL CASH INCOME	29503	381	36564	475	35015	418
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.6		1.7		1.6	
of which farmer & spouse	1.1		1.1		1.0	
NFI and paid labour/Annual Labour Units	8005		7960		8925	
NFI/Farmer & Spouse Labour Units	11840		12122		12528	
TENANT'S CAPITAL - £ per farm						
Machinery	28681	371	31269	406	27890	333
Livestock	40043	518	37805	491	38623	461
Crops	2114	27	2230	29	2970	35
Stores	58	1	107	1	152	2
TOTAL	70895	916	71411	928	69635	831
ASSETS - £ per farm						
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	254848	254848	254848	254698	311971	312068
Buildings, improvements and fixtures	5777	7649	7649	9987	10733	12702
Machinery	28653	28708	28708	33829	25983	29796
Livestock	39540	40546	39788	35822	40238	37009
Produce and goods in store	1975	2368	2368	2305	3117	3128
Quotas	6793	5702	5925	0	7726	7
Credit balances	12587	11023	11023	13926	13340	18970
TOTAL	350173	350845	350309	350568	413108	413679
EXTERNAL LIABILITIES						
Long and medium term loans	9204	9838	9838	7384	16848	14213
Short term loans	4654	4394	4199	4257	3398	3398
Overdrafts	7175	5928	5928	4387	5070	3412
TOTAL	21033	20160	19965	16029	25316	21023
NET WORTH	329140	330685	330344	334539	387793	392656
RETURNS TO CAPITAL						
Owner Equity (%)	94.3		95.4		94.9	
ONI/Net worth (%)	4.6		4.5		4.3	
Return on tenant's capital (%)	-2.2		-4.8		-4.0	
Return on all capital (%)	0.3		-0.2		0.0	

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

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	5134	69	155	2	2794	34
Less farmer and spouse labour	13722	183	14467	196	15527	191
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	1745	23	-295	-4	-45	-1
MANAGEMENT & INVESTMENT INCOME	-6843	-91	-14606	-198	-12778	-157
NET FARM INCOME (excl. BLSA)	5134	69	155	2	2794	34
plus net rental value/imputed rent	6718	90	6934	94	6037	74
minus occupier's expenses	206	3	147	2	349	4
minus interest payments	1357	18	1542	21	1540	19
minus build & works depreciation	1471	20	1841	25	1264	16
OCCUPIER'S NET INCOME	8818	118	3560	48	5678	70
plus other imputed items	6008	80	5687	77	3810	47
plus fixed asset depreciation	6666	89	6999	95	5933	73
minus valuation changes	3419	46	-217	-3	289	4
NOTIONAL CASH INCOME	18073	241	16463	223	15132	186
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.9		1.6		1.6	
of which farmer & spouse	1.1		1.1		1.1	
NFI and paid labour/Annual Labour Units	4660		1098		3182	
NFI/Farmer & Spouse Labour Units	4661		144		2472	
TENANT'S CAPITAL - £ per farm						
Machinery	36166	483	34749	470	29221	359
Livestock	52785	705	55006	744	49131	604
Crops	4532	60	4534	61	3824	47
Stores	1141	15	1240	17	1102	14
TOTAL	94623	1263	95528	1292	83278	1024
ASSETS - £ per farm						
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	293927	290785	290873	298578	282312	292804
Buildings, improvements and fixtures	5209	8021	8021	10718	6377	7862
Machinery	33894	38437	34391	35107	28657	29785
Livestock	50314	55255	55225	54786	48830	49432
Produce and goods in store	5561	5785	5810	5737	5104	4747
Quotas	11660	5759	5823	46	4833	123
Credit balances	16852	18926	18865	17682	17513	16422
TOTAL	417417	422968	419008	422655	393627	401174
EXTERNAL LIABILITIES						
Long and medium term loans	14108	12669	14461	14518	14518	14768
Short term loans	3788	3488	3524	3267	4098	4010
Overdrafts	9854	9035	10870	13412	10614	12337
TOTAL	27750	25192	28855	31197	29230	31115
NET WORTH	389668	397776	390153	391458	364397	370059
RETURNS TO CAPITAL						
Owner Equity (%)	94.0		92.6		92.2	
ONI/Net worth (%)	2.2		0.9		1.5	
Return on tenant's capital (%)	-7.2		-15.3		-15.3	
Return on all capital (%)	-1.0		-2.6		-2.2	

**Table A5.3 LOWLAND CATTLE AND SHEEP FARM RESULTS ORGANIC
LAND UTILISATION AND CROP PERFORMANCE**

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>
	2003/04	2004/05	2004/05
Tillage - maincrops			
Wheat	0.2	0.0	0.0
Barley	1.9	3.4	2.6
Other cereals	0.9	0.4	0.3
Oil seed rape	0.0	0.0	0.0
Linseed	0.0	0.0	0.0
Peas/Beans	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0
Sugarbeet	0.0	0.0	0.0
Horticulture	0.1	0.1	0.1
Other crops	0.0	0.0	0.0
Total cropping	3.1	3.9	3.0
Set-aside	0.4	0.0	0.0
Tillage - fodder	1.7	1.2	0.9
Grassland			
Grazing, hay and silage	69.3	68.9	77.5
Fallow and land let	1.4	1.4	1.1
Rough grazing			
Effective	1.5	1.5	1.2
Utilisable agricultural area (Effective ha.)	77.4	76.9	83.8
Woods, roads and buildings	3.9	3.9	5.7
TOTAL AREA (Actual ha.)	82.1	80.8	90.1
effective forage area	73.6	72.9	86.2
Bare land and forage hired in	1.5	1.6	6.9
CROP PERFORMANCE - Yields (tonnes per hectare)*			
Wheat	3.7	0.0	0.0
Barley	3.8	3.9	3.9
Oilseed Rape	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0
Sugar Beet	0.0	0.0	0.0
- Prices (£ per tonne)*			
Wheat	145	0	0
Barley	126	103	103
Oilseed Rape	0	0	0
Potatoes	0	0	0
Sugar Beet	0	0	0

* Yield and price data is implied

**Table A5.3 LOWLAND CATTLE AND SHEEP FARM RESULTS CONVENTIONAL
LAND UTILISATION AND CROP PERFORMANCE**

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>
	2003/04	2004/05	2004/05
Tillage - maincrops			
Wheat	0.4	0.3	0.4
Barley	4.2	4.6	3.0
Other cereals	0.5	0.6	0.4
Oil seed rape	0.0	0.0	0.0
Linseed	0.0	0.0	0.0
Peas/Beans	0.1	0.0	0.0
Potatoes	0.0	0.0	0.0
Sugarbeet	0.0	0.0	0.0
Horticulture	0.0	0.0	0.0
Other crops	0.1	0.0	0.0
Total cropping	5.2	5.5	3.8
Set-aside	0.1	0.1	0.2
Tillage - fodder	1.3	2.4	1.7
Grassland			
Grazing, hay and silage	66.1	64.0	71.8
Fallow and land let	1.2	0.9	3.4
Rough grazing			
Effective	1.0	1.0	0.4
Utilisable agricultural area (Effective ha.)	74.9	73.9	81.3
Woods, roads and buildings	4.3	4.4	3.0
TOTAL AREA (Actual ha.)	79.3	78.3	84.3
effective forage area	72.3	74.2	78.6
Bare land and forage hired in	4.1	6.9	4.6
CROP PERFORMANCE - Yields (tonnes per hectare)*			
Wheat	5.6	4.2	5.8
Barley	5.2	5.5	5.2
Oilseed Rape	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0
Sugar Beet	0.0	0.0	0.0
- Prices (£ per tonne)*			
Wheat	85	73	70
Barley	81	70	67
Oilseed Rape	0	0	0
Potatoes	0	0	0
Sugar Beet	0	0	0

* Yield and price data is implied

Table A5.4 LOWLAND CATTLE AND SHEEP FARM RESULTS ORGANIC STOCKING AND LIVESTOCK PERFORMANCE

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.9	1
Beef cows	21.4	28	21.1	28	23.2	31
Other cattle	35.9	66	35.5	65	33.8	63
Breeding sheep	14.3	160	14.6	163	15.3	164
Other sheep	3.1	77	3.3	83	3.9	98
Pigs	0.0	0	0.0	0	0.0	0
Poultry	1.8	106	1.2	75	0.9	58
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	76.4		75.7		78.1	

STOCKING RATES

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

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*

Dairy cows (litres)	0	0	4260
Dairy cows	0	0	192
Dairy calves	0	0	0
Dairy heifers in calf	0	0	0
Beef heifers in calf	456	420	420
Fat cattle	624	712	693
Beef store cattle 1-2 yrs	382	392	393
Beef stores <1 yr	211	203	227
Ewes	33	30	30
Ewe hoggs	45	0	0
Fat lambs	53	52	53
Store lambs	50	45	47
Fat Pigs	0	0	0
Milk (pence per litre)	0.0	0.0	24.5
Wool (pence per kg)	51.9	55.5	55.3

* Price data is implied

Table A5.4 LOWLAND CATTLE AND SHEEP FARM RESULTS CONVENTIONAL STOCKING AND LIVESTOCK PERFORMANCE

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	LU	No's	LU	No's	LU	No's
Dairy cows	0.5	1	0.5	1	0.1	0
Beef cows	18.3	24	18.8	25	17.8	24
Other cattle	52.2	94	52.6	95	40.1	72
Breeding sheep	26.1	247	25.3	241	29.3	277
Other sheep	4.9	121	6.1	151	6.7	165
Pigs	0.2	1	0.2	1	0.2	1
Poultry	0.1	9	0.1	7	0.1	6
Other livestock	0.2	1	0.2	0	0.2	1
TOTAL (L.U.)	102.5		103.9		94.3	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.4		1.4		1.2	
GLU/forage effective hectare*	1.4		1.4		1.2	
* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	1332		1942		1138	
Dairy cows	201		265		386	
Dairy calves	0		0		0	
Dairy heifers in calf	0		0		0	
Beef heifers in calf	1233		0		650	
Fat cattle	527		563		556	
Beef store cattle 1-2 yrs	411		450		458	
Beef stores <1 yr	172		163		203	
Ewes	32		36		35	
Ewe hogs	67		39		49	
Fat lambs	51		48		49	
Store lambs	34		32		35	
Fat Pigs	0		0		0	
Milk (pence per litre)	17.3		20.5		46.9	
Wool (pence per kg)	51.1		55.0		53.5	

* Price data is implied

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

OUTPUTS AND INPUTS		<i>Identical sample</i>				<i>Full sample</i>	
		2003/04		2004/05		2004/05	
Sample number		17		17		27	
Average farm size (UAA)		134		136		123	
Business size (ESU)		31		33		30	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	0	0	0	0	35	0
	cattle	0	0	0	0	545	4
	net quota	0	0	0	0	29	0
	valuation change	0	0	0	0	-374	-3
Other cattle	output	16868	126	15790	116	15823	129
	valuation change	1951	15	2606	19	2042	17
	subsidies	12279	91	12972	96	13245	108
Sheep -	total output	15794	118	17750	131	15561	127
	valuation change	936	7	-260	-2	-30	0
	subsidies	10418	78	11653	86	9812	80
Other livestock		745	6	1020	8	692	6
Arable crops	output	464	3	476	4	723	6
	subsidies (AAPS)	248	2	255	2	388	3
By products forage and cults		-94	-1	235	2	265	2
	subsidies (set-aside /other)	132	1	0	0	45	0
Miscellaneous (incl. farmhouse benefit value)		10607	79	10458	77	13333	108
	- organic grants	3643	27	4055	30	3320	27
	- other agri-env.payments	8819	66	9208	68	8913	72
	FARM REVENUE	82810	617	86218	636	84367	686
INPUTS							
Feeds	purchased concentrates	7472	56	6872	51	5310	43
	homegrown concentrates	529	4	438	3	643	5
Purchased fodder, Tack and stock keep		2112	16	1468	11	964	8
Veterinary and medicines		2197	16	2489	18	2277	19
Other livestock costs		4017	30	4707	35	5508	45
Seeds -	purchased and homegrown	541	4	561	4	593	5
Fertilisers		1166	9	1736	13	1364	11
Crop protection		14	0	33	0	21	0
Other crop costs		658	5	894	7	750	6
Labour	paid incl. paid management	4402	33	5485	40	5684	46
	casual	1326	10	1422	10	1079	9
Machinery	contract	3027	23	3666	27	3285	27
	repairs	3201	24	2523	19	3660	30
	fuels	3234	24	3764	28	3366	27
General farming costs		7008	52	7663	57	8416	68
Land expenses		2289	17	2553	19	2768	23
Rent		2307	17	3084	23	3033	25
	FARM EXPENSES	45499	339	49358	364	48720	396
Excess of expenses over revenue		37311	278	36859	272	35647	290
Notional inputs							
	- rental value/imputed rent	10196	76	10884	80	9923	81
	- unpaid labour	2150	16	2407	18	2976	24
	- machinery depreciation	5527	41	6101	45	6018	49
		17872	133	19393	143	18916	154
NET FARM INCOME (excl. BLSA)		19439	145	17467	129	16731	136

Table A6.1 LFA CATTLE AND SHEEP FARM RESULTS		CONVENTIONAL					
		Identical sample				Full sample	
OUTPUTS AND INPUTS		2003/04		2004/05		2004/05	
Sample number		89		89		128	
Average farm size (UAA)		123		122		123	
Business size (ESU)		35		35		38	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	0	0	0	0	220	2
	cattle	0	0	0	0	89	1
	net quota	59	0	0	0	22	0
	valuation change	0	0	0	0	-119	-1
Other cattle	output	12888	104	14304	117	19345	158
	valuation change	899	7	333	3	-352	-3
	subsidies	9452	77	10161	83	12511	102
Sheep -	total output	27332	221	25670	210	26092	213
	valuation change	-568	-5	378	3	1041	8
	subsidies	13764	112	14817	121	14006	114
Other livestock		172	1	193	2	526	4
Arable crops	output	334	3	255	2	595	5
	subsidies (AAPS)	126	1	131	1	283	2
By products forage and cults		465	4	475	4	849	7
	subsidies (set-aside /other)	28	0	15	0	43	0
Miscellaneous (incl. farmhouse benefit value)		9570	78	10043	82	12432	101
	- organic grants	0	0	0	0	0	0
	- other agri-env.payments	4296	35	5276	43	6339	52
	FARM REVENUE	78818	639	82050	670	93922	765
INPUTS							
Feeds	purchased concentrates	8404	68	8776	72	9907	81
	homegrown concentrates	226	2	177	1	387	3
Purchased fodder, Tack and stock keep		3267	26	2063	17	2794	23
Veterinary and medicines		2826	23	2670	22	3470	28
Other livestock costs		3111	25	3461	28	4527	37
Seeds -	purchased and homegrown	275	2	256	2	276	2
Fertilisers		3955	32	4285	35	4692	38
Crop protection		192	2	171	1	201	2
Other crop costs		341	3	358	3	560	5
Labour	paid incl. paid management	1729	14	2293	19	3582	29
	casual	457	4	408	3	763	6
Machinery	contract	1820	15	2341	19	2894	24
	repairs	2941	24	2719	22	3326	27
	fuels	2501	20	2878	24	3186	26
General farming costs		5928	48	5972	49	6877	56
Land expenses		2102	17	1981	16	2322	19
Rent		2140	17	3188	26	3501	29
	FARM EXPENSES	42213	342	43996	359	53263	434
Excess of expenses over revenue		36605	297	38054	311	40659	331
Notional inputs							
	- rental value/imputed rent	9058	73	9258	76	9697	79
	- unpaid labour	4885	40	4643	38	4361	36
	- machinery depreciation	6057	49	6144	50	7140	58
		20000	162	20045	164	21198	173
NET FARM INCOME (excl. BLSA)		16605	135	18014	147	19461	159

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

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	19439	145	17467	129	16731	136
Less farmer and spouse labour	14090	105	14857	110	14883	121
Add managerial input of paid manager	268	2	272	2	171	1
Add BLSA	2459	18	0	0	-59	0
MANAGEMENT & INVESTMENT INCOME	8076	60	2882	21	1959	16
NET FARM INCOME (excl. BLSA)	19439	145	17467	129	16731	136
plus net rental value/imputed rent	8223	61	8826	65	7119	58
minus occupier's expenses	217	2	206	2	219	2
minus interest payments	3871	29	3683	27	2629	21
minus build & works depreciation	1880	14	2184	16	2095	17
OCCUPIER'S NET INCOME	21693	162	20220	149	18908	154
plus other imputed items	2671	20	2874	21	3327	27
plus fixed asset depreciation	9558	71	11030	81	10075	82
minus valuation changes	3577	27	2160	16	1544	13
NOTIONAL CASH INCOME	30346	226	31964	236	30766	250
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.8		1.8		1.8	
of which farmer & spouse	1.1		1.1		1.1	
NFI and paid labour/Annual Labour Units	14012		13241		12903	
NFI/Farmer & Spouse Labour Units	17100		15423		15022	
TENANT'S CAPITAL - £ per farm						
Machinery	36591	273	38500	284	36545	297
Livestock	59700	445	63606	469	63152	514
Crops	3046	23	2834	21	2626	21
Stores	900	7	1386	10	913	7
TOTAL	100237	747	106326	784	103235	840
ASSETS - £ per farm						
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	357257	357257	357257	378727	331220	346030
Buildings, improvements and fixtures	8861	8665	8665	11862	9844	13351
Machinery	36653	36529	36529	40472	35299	37790
Livestock	57037	62362	62428	64783	62355	63948
Produce and goods in store	3591	4302	4317	4122	3594	3485
Quotas	15988	13266	13280	2399	11906	3074
Credit balances	24014	16973	17297	18932	25398	25010
TOTAL	503402	499353	499774	521298	479614	492688
EXTERNAL LIABILITIES						
Long and medium term loans	37684	36938	36916	42705	24521	28080
Short term loans	3805	3153	3153	4693	2573	3422
Overdrafts	16742	15619	15619	11868	14594	13757
TOTAL	58231	55710	55688	59266	41689	45259
NET WORTH	445170	443643	444086	462032	437925	447429
RETURNS TO CAPITAL						
Owner Equity (%)	88.8		88.6		90.8	
ONI/Net worth (%)	4.9		4.4		4.2	
Return on tenant's capital (%)	8.1		2.7		1.9	
Return on all capital (%)	2.1		1.1		1.0	

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

CONVENTIONAL

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	16605	135	18014	147	19461	159
Less farmer and spouse labour	14146	115	15204	124	15408	126
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	3342	27	0	0	3	0
MANAGEMENT & INVESTMENT INCOME	5801	47	2810	23	4056	33
NET FARM INCOME (excl. BLSA)	16605	135	18014	147	19461	159
plus net rental value/imputed rent	7421	60	7510	61	7262	59
minus occupier's expenses	196	2	177	1	313	3
minus interest payments	1790	15	1836	15	2538	21
minus build & works depreciation	1879	15	2059	17	2534	21
OCCUPIER'S NET INCOME	20162	163	21452	175	21336	174
plus other imputed items	4885	40	4646	38	4385	36
plus fixed asset depreciation	7936	64	8203	67	9675	79
minus valuation changes	447	4	591	5	397	3
NOTIONAL CASH INCOME	32535	264	33709	275	34999	285
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.8		1.8		1.8	
of which farmer & spouse	1.2		1.2		1.2	
NFI and paid labour/Annual Labour Units	10725		11708		12952	
NFI/Farmer & Spouse Labour Units	14000		14915		16245	
TENANT'S CAPITAL - £ per farm						
Machinery	42412	344	44757	366	48462	395
Livestock	61555	499	63573	519	74888	610
Crops	3198	26	3015	25	2949	24
Stores	731	6	915	7	1372	11
TOTAL	107895	874	112261	917	127670	1040
ASSETS - £ per farm						
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	315819	311664	311664	312564	335829	336788
Buildings, improvements and fixtures	8762	10215	10215	13116	14510	15847
Machinery	42102	42722	42722	46793	46367	50556
Livestock	59723	63387	63217	63929	74579	75196
Produce and goods in store	3866	3991	3991	3870	4430	4212
Quotas	16799	12207	12235	1042	13933	2553
Credit balances	29225	26653	27542	29989	27008	27301
TOTAL	476295	470839	471586	471302	516655	512454
EXTERNAL LIABILITIES						
Long and medium term loans	12642	11726	11726	11510	16006	15238
Short term loans	5052	5373	5728	5374	8293	8641
Overdrafts	13566	12166	11228	13197	16551	17198
TOTAL	31260	29265	28682	30082	40849	41078
NET WORTH	445035	441573	442904	441221	475806	471376
RETURNS TO CAPITAL						
Owner Equity (%)	93.8		93.6		92.0	
ONI/Net worth (%)	4.6		4.9		4.5	
Return on tenant's capital (%)	5.4		2.5		3.2	
Return on all capital (%)	1.7		1.3		1.5	

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

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>
	2003/04	2004/05	2004/05
Tillage - maincrops			
Wheat	0.0	0.0	0.0
Barley	0.8	0.9	1.5
Other cereals	0.4	0.3	0.4
Oil seed rape	0.0	0.0	0.0
Linseed	0.0	0.0	0.0
Peas/Beans	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0
Sugarbeet	0.0	0.0	0.0
Horticulture	0.0	0.0	0.0
Other crops	0.0	0.0	0.0
Total cropping	1.1	1.3	1.9
Set-aside	0.0	0.0	0.0
Tillage - fodder	0.7	0.1	0.2
Grassland			
Grazing, hay and silage	115.0	116.9	95.6
Fallow and land let	0.0	0.0	0.2
Rough grazing			
Effective	17.3	17.3	25.0
Utilisable agricultural area (Effective ha.)	134.2	135.6	122.9
Woods, roads and buildings	14.5	14.5	10.8
TOTAL AREA (Actual ha.)	170.8	150.0	148.5
effective forage area	136.7	137.9	124.1
Bare land and forage hired in	3.7	3.6	3.3
CROP PERFORMANCE - Yields (tonnes per hectare)*			
Wheat	0.0	0.0	0.0
Barley	4.0	3.5	3.1
Oilseed Rape	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0
Sugar Beet	0.0	0.0	0.0
- Prices (£ per tonne)*			
Wheat	0	0	0
Barley	110	115	120
Oilseed Rape	0	0	0
Potatoes	0	0	0
Sugar Beet	0	0	0
* Yield and price data is implied			

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

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>
	2003/04	2004/05	2004/05
Tillage - maincrops			
Wheat	0.0	0.0	0.1
Barley	0.3	0.2	0.8
Other cereals	0.4	0.4	0.5
Oil seed rape	0.0	0.0	0.0
Linseed	0.0	0.0	0.0
Peas/Beans	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0
Sugarbeet	0.0	0.0	0.0
Horticulture	0.0	0.0	0.0
Other crops	0.0	0.0	0.0
Total cropping	0.8	0.7	1.5
Set-aside	0.0	0.0	0.0
Tillage - fodder	0.4	0.4	0.6
Grassland			
Grazing, hay and silage	100.9	100.2	95.1
Fallow and land let	0.0	0.0	0.0
Rough grazing			
Effective	21.2	21.1	25.6
Utilisable agricultural area (Effective ha.)	123.4	122.4	122.8
Woods, roads and buildings	6.5	6.6	5.4
TOTAL AREA (Actual ha.)	144.3	129.0	128.2
effective forage area	127.8	127.5	127.7
Bare land and forage hired in	5.5	6.0	7.2
CROP PERFORMANCE -Yields (tonnes per hectare)*			
Wheat	7.5	5.9	6.7
Barley	5.0	4.9	5.0
Oilseed Rape	0.0	0.0	2.0
Potatoes	16.0	17.0	29.6
Sugar Beet	0.0	0.0	0.0
- Prices (£ per tonne)*			
Wheat	103	60	61
Barley	71	70	69
Oilseed Rape	0	0	100
Potatoes	111	110	128
Sugar Beet	0	0	0

* Yield and price data is implied

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

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.1	0
Beef cows	26.2	35	26.7	36	26.1	35
Other cattle	28.7	58	29.6	60	31.5	62
Breeding sheep	43.7	581	45.1	599	39.8	519
Other sheep	11.6	287	11.2	274	9.2	223
Pigs	0.1	0	0.0	1	0.0	0
Poultry	0.0	0	0.0	0	0.0	2
Other livestock	0.0	0	0.1	0	0.1	0
TOTAL (L.U.)	110.3		112.8		106.7	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.8		0.8		0.9	
GLU/forage effective hectare*	0.8		0.8		0.9	
* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	0		0		3470	
Dairy cows	0		0		592	
Dairy calves	0		0		0	
Dairy heifers in calf	0		0		0	
Beef heifers in calf	557		575		575	
Fat cattle	719		711		708	
Beef store cattle 1-2 yrs	431		417		417	
Beef stores <1 yr	170		185		172	
Ewes	29		27		30	
Ewe hoggs	60		37		40	
Fat lambs	44		43		45	
Store lambs	27		29		30	
Fat Pigs	103		125		125	
Milk (pence per litre)	0.0		0.0		11.4	
Wool (pence per kg)	47.7		47.7		48.8	
* Price data is implied						

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

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.2	0
Beef cows	22.4	30	23.2	31	29.6	39
Other cattle	27.1	54	27.4	54	33.9	68
Breeding sheep	58.4	729	60.5	756	57.0	712
Other sheep	17.9	442	16.7	412	15.0	371
Pigs	0.3	1	0.3	2	1.1	6
Poultry	0.0	1	0.0	1	0.0	2
Other livestock	0.2	0	0.1	0	0.1	0
TOTAL (L.U.)	126.3		128.1		136.9	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.0		1.0		1.1	
GLU/forage effective hectare*	1.0		1.0		1.1	
* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	0		0		7893	
Dairy cows	0		0		364	
Dairy calves	0		0		64	
Dairy heifers in calf	0		0		0	
Beef heifers in calf	739		553		578	
Fat cattle	550		577		566	
Beef store cattle 1-2 yrs	484		506		488	
Beef stores <1 yr	279		279		243	
Ewes	34		31		35	
Ewe hoggs	47		50		54	
Fat lambs	41		41		42	
Store lambs	28		33		34	
Fat Pigs	64		61		61	
Milk (pence per litre)	0.0		0.0		17.3	
Wool (pence per kg)	47.4		49.6		46.4	
* Price data is implied						

Table A7.1 MIXED FARM RESULTS

OUTPUTS AND INPUTS		ORGANIC					
		Identical sample				Full sample	
		2003/04		2004/05		2004/05	
Sample number		10		10		10	
Average farm size (UAA)		97		95		118	
Business size (ESU)		37		40		49	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	0	0	0	0	0	0
	cattle	0	0	0	0	0	0
	net quota	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0
Other cattle	output	11547	119	16328	172	22487	190
	valuation change	2354	24	-2090	-22	-783	-7
	subsidies	9720	100	9835	104	14822	125
Sheep -	total output	12781	131	12710	134	12429	105
	valuation change	1025	11	180	2	824	7
	subsidies	2438	25	2920	31	2827	24
Other livestock		3258	33	4559	48	4559	39
Arable crops	output	12784	131	13790	145	17481	148
	subsidies (AAPS)	6055	62	6344	67	8132	69
By products forage and cults		4085	42	5198	55	4715	40
	subsidies (set-aside /other)	3114	32	3849	41	3841	32
Miscellaneous (incl. farmhouse benefit value)		4684	48	9222	97	10166	86
	- organic grants	3088	32	2461	26	3719	31
	- other agri-env.payments	3427	35	3258	34	4925	42
	FARM REVENUE	80359	826	88563	934	110144	931
INPUTS							
Feeds	purchased concentrates	1388	14	1183	12	899	8
	homegrown concentrates	1803	19	2213	23	2297	19
Purchased fodder, Tack and stock keep		226	2	361	4	641	5
Veterinary and medicines		1469	15	1468	15	1522	13
Other livestock costs		2812	29	4259	45	5599	47
Seeds -	purchased and homegrown	3755	39	2595	27	3639	31
Fertilisers		1303	13	1775	19	1660	14
Crop protection		120	1	0	0	202	2
Other crop costs		607	6	608	6	762	6
Labour	paid incl. paid management	5661	58	7693	81	4315	36
	casual	1766	18	1609	17	2037	17
Machinery	contract	3927	40	2909	31	4011	34
	repairs	5025	52	4416	47	5128	43
	fuels	2523	26	3568	38	4136	35
General farming costs		8127	84	10035	106	11258	95
Land expenses		2629	27	3010	32	2551	22
Rent		3560	37	3336	35	7915	67
	FARM EXPENSES	46699	480	51037	538	58572	495
Excess of expenses over revenue		33661	346	37526	396	51572	436
Notional inputs							
	- rental value/imputed rent	10980	113	11341	120	10228	86
	- unpaid labour	3894	40	3929	41	7529	64
	- machinery depreciation	5348	55	4249	45	7443	63
		20223	208	19519	206	25201	213
NET FARM INCOME (excl. BLSA)		13438	138	18006	190	26371	223

Table A7.1 MIXED FARM RESULTS

OUTPUTS AND INPUTS		CONVENTIONAL			
		<i>Identical sample</i>		<i>Full sample</i>	
		2003/04	2004/05	2003/04	2004/05
Sample number		52	52	55	55
Average farm size (UAA)		100	100	118	118
Business size (ESU)		45	48	54	54
OUTPUTS		£/farm	£/ha	£/farm	£/ha
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	16913	169	19694	197
	valuation change	3858	38	-77	-1
	subsidies	12632	126	11758	117
Sheep -	total output	9323	93	8983	90
	valuation change	-108	-1	381	4
	subsidies	2216	22	2521	25
Other livestock		403	4	197	2
Arable crops	output	17306	172	15230	152
	subsidies (AAPS)	6856	68	6952	69
By products forage and cults		6325	63	7364	73
	subsidies (set-aside /other)	1535	15	1046	10
Miscellaneous (incl. farmhouse benefit value)		8160	81	8711	87
	- organic grants	0	0	0	0
	- other agri-env.payments	677	7	628	6
	FARM REVENUE	86098	858	83389	832
INPUTS					
Feeds	purchased concentrates	4478	45	4628	46
	homegrown concentrates	4284	43	3595	36
Purchased fodder, Tack and stock keep		1563	16	245	2
Veterinary and medicines		1658	17	1665	17
Other livestock costs		4076	41	4065	41
Seeds -	purchased and homegrown	1678	17	1967	20
Fertilisers		4366	44	5009	50
Crop protection		3088	31	3357	34
Other crop costs		711	7	1294	13
Labour	paid incl. paid management	2156	21	2013	20
	casual	976	10	1086	11
Machinery	contract	4228	42	4860	49
	repairs	3770	38	4171	42
	fuels	2923	29	3250	32
General farming costs		7668	76	7974	80
Land expenses		2603	26	2586	26
Rent		4525	45	6633	66
	FARM EXPENSES	54752	546	58399	583
Excess of expenses over revenue		31346	312	24990	249
Notional inputs					
	- rental value/imputed rent	9523	95	10382	104
	- unpaid labour	5722	57	6084	61
	- machinery depreciation	8669	86	9107	91
		23914	238	25573	255
NET FARM INCOME (excl. BLSA)		7425	74	-584	-6

Table A7.2 MIXED FARM RESULTS

ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	13438	138	18006	190	26371	223
Less farmer and spouse labour	14719	151	15538	164	14776	125
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	1349	14	0	0	674	6
MANAGEMENT & INVESTMENT INCOME	68	1	2469	26	12269	104
NET FARM INCOME (excl. BLSA)	13438	138	18006	190	26371	223
plus net rental value/imputed rent	9655	99	9803	103	8392	71
minus occupier's expenses	143	1	112	1	107	1
minus interest payments	919	9	1168	12	2538	21
minus build & works depreciation	1812	19	2173	23	2987	25
OCCUPIER'S NET INCOME	20218	208	24357	257	29131	246
plus other imputed items	4871	50	5104	54	8217	69
plus fixed asset depreciation	12185	125	11295	119	13969	118
minus valuation changes	3886	40	-25	0	4925	42
NOTIONAL CASH INCOME	33388	343	40782	430	46392	392
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.1		2.1		2.1	
of which farmer & spouse	1.1		1.1		1.0	
NFI and paid labour/Annual Labour Units	10129		13230		15651	
NFI/Farmer & Spouse Labour Units	12380		16900		26595	
TENANT'S CAPITAL - £ per farm						
Machinery	42492	437	44964	474	53240	450
Livestock	39155	402	40559	428	56958	481
Crops	5839	60	7281	77	16617	140
Stores	605	6	693	7	1903	16
TOTAL	88092	905	93497	986	128718	1088
ASSETS - £ per farm						
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	383746	383746	383746	383746	291724	298324
Buildings, improvements and fixtures	9680	9166	9166	11102	12193	13264
Machinery	42495	42490	42490	47438	51222	55257
Livestock	36796	41515	41515	39604	56601	57315
Produce and goods in store	6186	6703	7031	8917	16079	20962
Quotas	6443	6954	6954	0	8811	0
Credit balances	18380	13488	13488	19957	19419	22548
TOTAL	503726	504061	504389	510763	456047	467670
EXTERNAL LIABILITIES						
Long and medium term loans	9160	6758	6758	5900	31426	30420
Short term loans	4239	1906	1906	3957	8485	10182
Overdrafts	8470	11982	11982	5877	9932	4919
TOTAL	21870	20646	20646	15734	49843	45521
NET WORTH	481856	483415	483743	495029	406205	422149
RETURNS TO CAPITAL						
Owner Equity (%)	95.9		96.9		90.3	
ONI/Net worth (%)	4.2		4.9		6.9	
Return on tenant's capital (%)	0.1		2.6		9.5	
Return on all capital (%)	0.7		1.1		4.3	

Table A7.2 MIXED FARM RESULTS**CONVENTIONAL****INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL**

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	7425	74	-584	-6	4804	41
Less farmer and spouse labour	18180	181	18801	188	18406	156
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	1665	17	-306	-3	-518	-4
MANAGEMENT & INVESTMENT INCOME	-9089	-91	-19691	-197	-14120	-119
NET FARM INCOME (excl. BLSA)	7425	74	-584	-6	4804	41
plus net rental value/imputed rent	6488	65	6786	68	8668	73
minus occupier's expenses	270	3	274	3	287	2
minus interest payments	2596	26	2536	25	3582	30
minus build & works depreciation	1516	15	1570	16	1819	15
OCCUPIER'S NET INCOME	9531	95	1822	18	7783	66
plus other imputed items	5722	57	6084	61	4549	38
plus fixed asset depreciation	10185	101	10678	107	12466	105
minus valuation changes	4389	44	619	6	-1640	-14
NOTIONAL CASH INCOME	21049	210	17965	179	26438	224
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.0		2.0		2.1	
of which farmer & spouse	1.3		1.3		1.2	
NFI and paid labour/Annual Labour Units	5233		1249		5705	
NFI/Farmer & Spouse Labour Units	5522		-438		3894	
TENANT'S CAPITAL - £ per farm						
Machinery	47449	473	48879	488	56845	481
Livestock	48989	488	51644	515	64592	546
Crops	11658	116	11469	114	13600	115
Stores	5542	55	5821	58	5775	49
TOTAL	113637	1132	117813	1176	140811	1191
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	317589	327914	328037	336243	452239	460710
Buildings, improvements and fixtures	5098	6743	6743	6301	8293	8824
Machinery	47451	47447	47447	50311	56378	57312
Livestock	46314	51664	51646	51643	65387	63796
Produce and goods in store	16846	17552	17133	17448	19658	19091
Quotas	5948	4476	4476	1382	3073	867
Credit balances	19305	20915	20609	15999	22568	22698
TOTAL	458550	476710	476090	479326	627596	633299
EXTERNAL LIABILITIES						
Long and medium term loans	24339	30573	32845	30584	27814	27740
Short term loans	8282	9433	9428	11011	12847	13831
Overdrafts	14208	15414	13716	18022	29899	33626
TOTAL	46829	55421	55989	59618	70561	75196
NET WORTH	411722	421290	420101	419708	557035	558102
RETURNS TO CAPITAL						
Owner Equity (%)	88.4		87.6		88.1	
ONI/Net worth (%)	2.3		0.4		1.4	
Return on tenant's capital (%)	-8.0		-16.7		-10.0	
Return on all capital (%)	-1.0		-2.7		-1.3	

Table A7.3 MIXED FARM RESULTS

ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>
	2003/04	2004/05	2004/05
Tillage - maincrops			
Wheat	7.3	10.8	15.5
Barley	3.5	2.1	1.2
Other cereals	11.0	8.5	10.6
Oil seed rape	0.0	0.0	0.0
Linseed	0.9	0.0	0.0
Peas/Beans	2.0	5.6	6.9
Potatoes	0.4	0.2	0.0
Sugarbeet	0.0	0.0	0.0
Horticulture	0.0	0.0	0.0
Other crops	0.4	0.0	0.0
Total cropping	25.4	27.2	34.3
Set-aside	5.3	6.0	5.1
Tillage - fodder	1.1	1.2	2.0
Grassland			
Grazing, hay and silage	61.5	56.3	74.3
Fallow and land let	3.5	3.9	2.2
Rough grazing			
Effective	0.4	0.4	0.4
Utilisable agricultural area (Effective ha.)	97.3	94.9	118.3
Woods, roads and buildings	4.3	4.3	3.8
TOTAL AREA (Actual ha.)	103.2	99.1	123.8
effective forage area	63.2	61.2	80.6
Bare land and forage hired in	0.2	3.4	3.9
CROP PERFORMANCE - Yields (tonnes per hectare)*			
Wheat	3.8	3.0	3.2
Barley	3.4	3.8	4.3
Oilseed Rape	0.0	0.0	0.0
Potatoes	13.2	10.2	0.0
Sugar Beet	0.0	0.0	0.0
- Prices (£ per tonne)*			
Wheat	152	141	134
Barley	136	108	125
Oilseed Rape	0	0	0
Potatoes	247	281	0
Sugar Beet	0	0	0

* Yield and price data is implied

Table A7.3 MIXED FARM RESULTS
LAND UTILISATION AND CROP PERFORMANCE

CONVENTIONAL

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>
	2003/04	2004/05	2004/05
Tillage - maincrops			
Wheat	11.5	15.1	15.4
Barley	9.6	8.6	13.5
Other cereals	2.0	2.3	3.4
Oil seed rape	3.4	4.0	2.7
Linseed	0.0	0.0	0.0
Peas/Beans	1.3	0.9	1.4
Potatoes	0.3	0.3	0.0
Sugarbeet	0.0	0.0	0.0
Horticulture	0.0	0.3	0.0
Other crops	0.5	0.4	0.5
Total cropping	28.6	31.9	37.0
Set-aside	5.7	3.9	5.8
Tillage - fodder	3.2	1.9	1.6
Grassland			
Grazing, hay and silage	60.1	60.0	70.9
Fallow and land let	2.7	2.5	2.0
Rough grazing			
Effective	0.0	0.0	0.9
Utilisable agricultural area (Effective ha.)	100.4	100.2	118.3
Woods, roads and buildings	2.2	2.3	3.0
TOTAL AREA (Actual ha.)	102.6	102.5	121.3
effective forage area	74.8	72.4	84.7
Bare land and forage hired in	11.4	11.9	11.2
CROP PERFORMANCE - Yields (tonnes per hectare)*			
Wheat	8.1	7.7	7.4
Barley	5.6	5.4	5.7
Oilseed Rape	3.9	2.7	2.3
Potatoes	28.1	25.2	37.2
Sugar Beet	0.0	0.0	0.0
- Prices (£ per tonne)*			
Wheat	90	62	64
Barley	80	61	65
Oilseed Rape	160	147	149
Potatoes	121	109	94
Sugar Beet	0	0	0

* Yield and price data is implied

**Table A7.4 MIXED FARM RESULTS
STOCKING AND LIVESTOCK PERFORMANCE**

ORGANIC

	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	LU	No's	LU	No's	LU	No's
LIVESTOCK CARRIED - L.U. per farm						
Dairy cows	0.0	0	0.0	0	0.0	0
Beef cows	18.7	25	19.3	26	28.5	38
Other cattle	29.4	53	28.2	52	37.8	72
Breeding sheep	17.7	198	18.3	206	19.3	203
Other sheep	5.5	137	6.3	157	5.8	144
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	71.4		72.1		91.4	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.7		0.8		0.8	
GLU/forage effective hectare*	1.1		1.2		1.1	
* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	0		0		0	
Dairy cows	0		0		0	
Dairy calves	0		0		0	
Dairy heifers in calf	0		0		0	
Beef heifers in calf	450		450		475	
Fat cattle	645		724		730	
Beef store cattle 1-2 yrs	345		328		328	
Beef stores <1 yr	147		147		155	
Ewes	43		34		31	
Ewe hoggs	0		0		85	
Fat lambs	59		57		60	
Store lambs	48		30		34	
Fat Pigs	0		0		0	
Milk (pence per litre)	0.0		0.0		0.0	
Wool (pence per kg)	54.8		57.1		56.9	
* Price data is implied						

**Table A7.4 MIXED FARM RESULTS
STOCKING AND LIVESTOCK PERFORMANCE**

CONVENTIONAL

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>	
	2003/04		2004/05		2004/05	
	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0
Beef cows	13.8	18	14.2	19	12.7	17
Other cattle	51.0	93	50.3	93	61.8	108
Breeding sheep	20.0	187	20.4	192	26.2	252
Other sheep	5.9	145	5.6	136	9.3	230
Pigs	0.8	4	0.4	2	3.6	21
Poultry	0.2	12	0.2	10	0.0	0
Other livestock	0.0	0	0.0	0	0.1	0
TOTAL (L.U.)	91.7		91.1		113.9	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.9		0.9		1.0	
GLU/forage effective hectare*	1.2		1.3		1.3	
* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock						
LIVESTOCK PERFORMANCE - Prices (£ per head)*						
Dairy cows (litres)	0		0		0	
Dairy cows	0		0		0	
Dairy calves	0		0		0	
Dairy heifers in calf	0		0		0	
Beef heifers in calf	560		0		0	
Fat cattle	540		601		570	
Beef store cattle 1-2 yrs	570		540		543	
Beef stores <1 yr	252		100		243	
Ewes	50		37		36	
Ewe hoggs	39		16		60	
Fat lambs	53		50		51	
Store lambs	33		31		29	
Fat Pigs	72		0		76	
Milk (pence per litre)	0.0		0.0		0.0	
Wool (pence per kg)	51.2		58.5		56.0	

* Price data is implied

7.2 Appendix 2 The farm classification system

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

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

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

<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	Farms where horticultural crops or permanent crops including fruit, either alone or in combination, account for over one-third of total SGM and form the largest enterprise group.
Dairy	Farms where the dairy enterprise, including followers, accounts for over one third, and commonly over two-thirds of total SGM and is the largest enterprise group.
Cattle and Sheep	In this report, two categories are presented separately:
<i>Lowland livestock</i>	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.
<i>LFA livestock</i>	Farms in the Less Favoured Areas on which sheep, cattle or cattle and sheep together, other than dairy cattle, account for over one-third of total SGM, commonly over two-thirds and are the largest enterprise group.
Mixed	Farms with a range of enterprise where none clearly predominates.

7.3 Appendix 3 Definition of terms and abbreviations

Breeding Livestock Appreciation (BLSA)

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

Cash Income

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

Effective Hectares (Eff. ha)

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

Enterprise Output

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

General Farming Costs

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

Livestock Units (LU) and Grazing Livestock Units (GLU)

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

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

Management and Investment Income (MII)

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

Margin over concentrates

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

Miscellaneous Output

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

Net Farm Income (NFI)

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

Net Worth

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

Occupier's Net Income

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

Other Crop Costs

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

Other Livestock Costs

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

Owner Equity

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

Rental Value

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

Return on All Capital

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

Return on Tenant's Capital

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

Tenant's Capital

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

Utilisable Agricultural Area

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

Abbreviations used throughout text include:

AAPS – Arable Area Payment Scheme

CCF – Comparable Conventional Farms

ESU – Economic Size Unit

FBS – Farm Business Survey

LFA – Less Favoured Area

LU – Livestock Unit

MII – Management and Investment Income

NFI – Net Farm Income

SGM – Standard Gross Margins

UAA – Utilisable Agricultural Area