

RBR

Rural Business Research

Farm Business Survey

2009/2010

Horticulture Production in England



Richard Crane, Alison Tanton
and Rod Vaughan

RBR*independent research, data and analysis*

Rural Business Research

Farm Business Survey

2009/10

Horticulture Production in England

Richard Crane, Alison Tanton and Rod Vaughan

RBR at Reading

Agriculture and Food Investigation Team
(AFIT)

School of Agriculture, Policy and Development
University of Reading

4 Earley Gate

Whiteknights

PO Box 237

Reading RG6 6AR

Telephone : 0118 378 7426

Fax : 0118 378 5034

E-mail : r.l.vaughan@reading.ac.uk

March 2011

Foreword to the First Series

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

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

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

Prof. Martin Seabrook

(Chief Executive Officer of the Consortium)

Spring 2007

Foreword to the Fifth Series

In the early spring of 2011 the economic fortunes of farmers and growers both excites and causes concern. For some, arable output price increases represent good fortunes; for others they simply represent increased input costs. 'Corn' versus 'horn' arguments abound at times when crop prices rise and livestock farmers face increased feed bills. The price variability that has been witnessed across many markets in recent months looks unlikely to abate in the near future, and with a potential change in support payments looming for 2013 or 2014, managing uncertainty and risk looks set to dominate farm business management decision making over the years ahead. However, optimism amongst many remains considerably higher than in the early years of the 21st Century, and new windows of business opportunity, particularly in the form of energy production, has brought its own optimism that farmers and growers have a role to play in both food and fuel markets.

The early spring of 2011 witnesses the launch of the fifth series of enterprise and farm type reports from *Rural Business Research (RBR)*. These outputs have quickly become recognised as important barometer reports on the major sectors of the industry. Our fifth series draws upon independent data from the Defra-funded Farm Business Survey (FBS) for England in 2009/10, with expert analysis and commentary. Our free to use on-line data services at www.farmbusinesssurvey.co.uk provide further data and analysis and readers are encouraged to explore the breadth and depth of data that exist on this site. During the early months of 2011 we have hosted a series of regional workshops around England, allowing us to showcase the wide ranging outputs that are freely available from the FBS via on-line delivery. If you have not been able to attend one of these events this year, please watch out for our plans for 2012 to find out for yourself what the FBS can do for you.

We hope that the fifth series of reports continues to interest readers and inform your work and businesses. *Rural Business Research* provides independent analysis on agricultural and horticultural business performance and these reports serve to add to this analysis. We always welcome comment on our outputs, so please let us know your thoughts by emailing paul.wilson@nottingham.ac.uk to let us know your views on our publications.

Dr Paul Wilson

Chief Executive Officer, Rural Business Research

Spring 2011

www.ruralbusinessresearch.co.uk

Acknowledgements

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

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

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

Cover photograph kindly supplied by Malcolm Withnall.

TABLE OF CONTENTS

	Page
Foreword	2
Acknowledgements	3
Table of Contents	4
List of Tables	5
List of Figures	5
Summary	7
Section 1 The Horticultural Sector	9
1.1 Introduction	9
1.2 Overview of 2009/10	9
1.3 Contribution of horticulture to UK agricultural output	10
1.4 Change in the composition of the main sectors of horticulture (1972-2009)	11
1.5 Horticultural production (2000-2009)	13
1.6 Summary of horticultural production in 2009	16
1.7 Imports and exports of horticultural produce	19
1.8 Price indices in the UK	21
Section 2 Financial Results for Horticulture in England	23
2.1 Introduction to the data	23
2.2 Definition of horticultural type groups	23
2.3 The sample	24
2.4 Financial results for 2008/09 and 2009/10 financial years, (cropping years 2008 and 2009)	27
Glossary	74
Appendix 1 Reports in this series	76

LIST OF TABLES

		Page
Table 1.1	Index of producer prices	21
Table 1.2	Index of purchase prices	21
Table 2.1	FBS sample compared with June Survey data 2009	25
Table 2.2	FBS horticultural sample (2009/10) – most frequently grown crops	26
Table 2.3	Top fruit yields, prices and output – 2008/09 and 2009/10	30
Table 2.4	All horticultural businesses	32
Table 2.5	All specialist glass businesses	34
Table 2.6	Specialist glass businesses, mainly edible crops	36
Table 2.7	Specialist glass businesses, mainly non-edible crops	38
Table 2.8	Specialist glass businesses (50% or more of crop output from glasshouse production)	40
Table 2.9	Specialist glass businesses (50% or more of crop output from glasshouse production), mainly edible crops	42
Table 2.10	Specialist glass businesses (50% or more of crop output from glasshouse production), mainly non-edible crops	44
Table 2.11	Specialist glass businesses (90% or more of crop output from glasshouse production)	46
Table 2.12	Specialist glass businesses (90% or more of crop output from glasshouse production), mainly edible crops	48
Table 2.13	Specialist glass businesses (90% or more of crop output from salad production) – mainly edible crops	50
Table 2.14	Specialist glass businesses (90% or more of crop output from glasshouse production), mainly non-edible crops	52
Table 2.15	All specialist fruit businesses	54
Table 2.16	Specialist fruit businesses, mainly top fruit	56
Table 2.17	Specialist fruit businesses, mainly top fruit – excluding cider	58
Table 2.18	All specialist hardy nursery stock businesses	60
Table 2.19	Specialist hardy nursery stock businesses, mainly protected crops	62
Table 2.20	Specialist hardy nursery stock businesses, mainly outdoor crops	64
Table 2.21	All other horticulture businesses	66
Table 2.22	Other horticulture businesses, mainly outdoor vegetable crops	68
Table 2.23	Balance sheet data for horticultural businesses	70
Table 2.24	A comparison of net worth and percentage equity by farm type	70

LIST OF FIGURES

		Page
Figure 1.1	Composition of total UK agricultural output (%)	10
Figure 1.2	Composition of horticultural output (%)	11
Figure 1.3	Composition of the horticultural area (%)	12
Figure 1.4	The value of horticultural production (current prices: £m)	13
Figure 1.5	The area of field vegetables	14
Figure 1.6	The area of other field grown crops	14
Figure 1.7	The area of protected crops	15
Figure 1.8	The area of glasshouse fruit	15
Figure 1.9	The value of horticultural produce in 2009	16
Figure 1.10	The composition of vegetable output in 2009	17
Figure 1.11	The composition of fruit output in 2009	18
Figure 1.12	Value of vegetables (£m)	19
Figure 1.13	Value of fruit (£m)	20
Figure 2.1	Farm business income trend for Horticultural businesses in the FBS in England	27

SUMMARY

- Horticulture accounted for 13% of total UK agricultural output in 2009¹
- Total value of horticultural produce in 2009 amounted to £2,504 million, compared with £2,448 million in 2008¹
- The ornamental sector now accounts for one third of total horticultural output
- Average Farm Business Income for all horticultural holdings was £49,300 in 2009
- The results in this publication show an improvement in Farm Business Income (FBI) across all four type groups of horticultural businesses as follows:

Main Farm Type	Farm Business Income 2008/09	Farm Business Income 2009/10
Specialist Glass	£31,097	£31,856
Specialist Fruit	£16,030	£34,587
Specialist HNS	£41,195	£45,476
Other Horticulture	£20,083	£81,054

- The marked difference in performance between the top third of performers and the average for the whole sample continues, with the premium holdings in the main four type groups achieving the following FBI:

Main Farm Type	Farm Business Income (Top third) 2009/10
Specialist Glass	£67,381 (Av £31,856)
Specialist Fruit	£75,651 (Av £34,587)
Specialist HNS	£87,941 (Av £45,476)
Other Horticulture	£129,271 (Av £81,054)

- Gross margin per £100 of output for horticultural businesses increased by 11.1%
- Fixed costs per £100 of output for horticultural businesses increased by 4%
- Of the total horticultural businesses, 35% recorded an FBI > £50,000 whilst 16% incurred a loss

¹ Source: Agriculture in the UK, Defra

SECTION 1: THE HORTICULTURAL SECTOR

1.1 Introduction

This section of the report gives an overview of the horticultural industry in the United Kingdom, including a snapshot of the different sectors of production, together with other information of interest about the business of horticulture. The data is shown for a range of time periods, to illustrate changing trends for the industry.

1.2 Overview of 2009/10

The wider economy of the UK was in recession during 2009. Consumer confidence was low and the banks were reluctant to lend to small businesses following unprecedented upheavals in the banking sector. The pound was weak relative to the euro which had the benefit of making exports competitive whilst making imports from the euro zone expensive.

Good weather in the spring led to strong sales in the garden centre retail sector; the increased interest in grow-your-own vegetables helping to boost sales. This impacted favourably on those growers producing young plants to sell onto the garden centre trade. However, those growers producing hardy nursery stock for new housing developments were impacted by the reduction in new homes being built.

The prevalence of very large scale cut flower production under glass in England is greatly reduced by comparison with the past due to cheap imports of flowers from around the world making margins largely uneconomic for English growers. Some of the more modern glasshouses have switched to strawberry production offering better prospects for higher margins. Advanced production techniques have brought forward the start of the season enabling the sale of high quality strawberries as early as the third week in March helping extend the English strawberry season.

The weather was very favourable for both top and soft fruit growers in the first part of the season leading to high quality crops of orchard fruit with plums notably returning to a more normal yield following the disastrous crop of 2008. Soft fruit yields were good with strawberries continuing their year-on-year increase in production, marketing an estimated 110,000 tonnes in 2009; this compared with just 37,000 tonnes ten years earlier in 2000. The total value of home produced fruit sales in the UK continued its upward trend and was an estimated £567 million in 2009, soft fruit representing £384 million and orchard fruit £144 million; the remaining £39 million came from glasshouse produced fruit sales.²

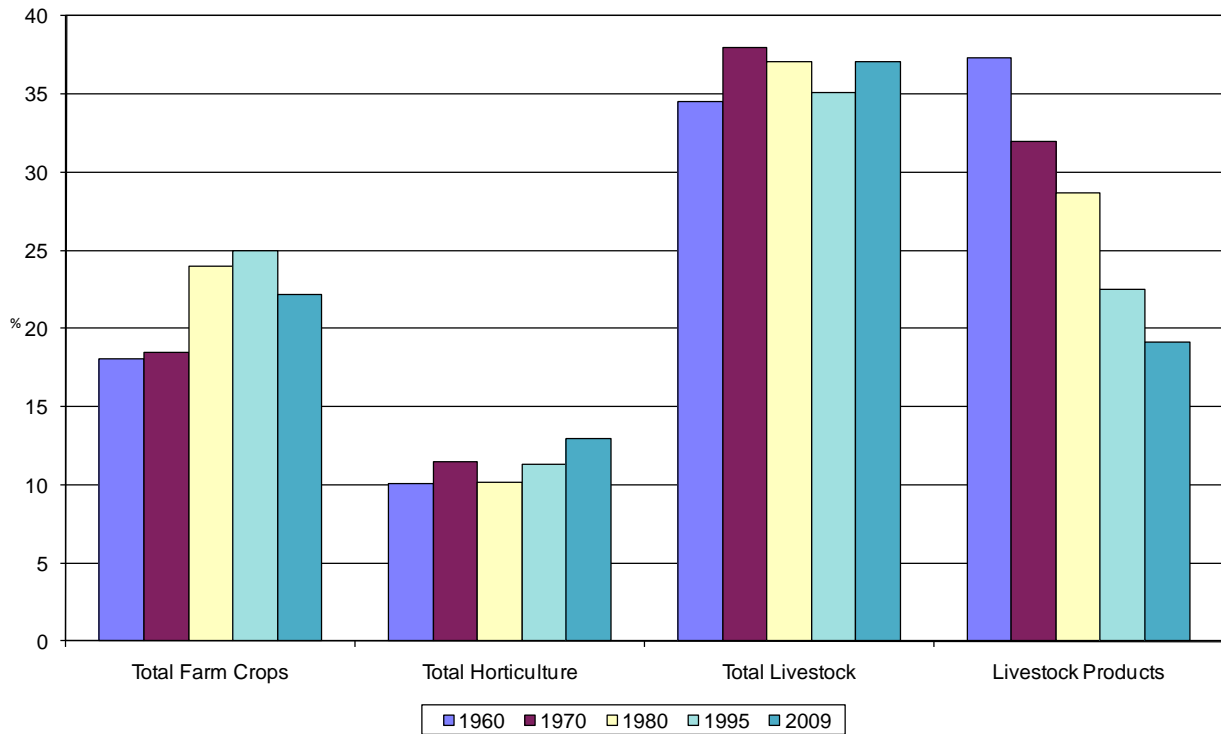
Field vegetable production increased slightly in 2009 compared with 2008 but the value of the produce sold fell by 6%¹. Ongoing downward price pressure on the wholesale markets from imported produce, particularly from Spain, was cited as a contributory factor. Imported produce can offer wholesalers high levels of consistency in terms of quality and quantity and provides tough competition for English growers who recognise the image of wholesale markets has changed. Today's wholesale market offers an important distribution channel to the independent retail and food service industry and provides a valuable outlet for good quality produce.

² Source: *Basic Horticultural Statistics 2010*, Defra

1.3 The contribution of horticulture to UK agricultural output

The contribution of horticulture to total agricultural output has changed little in the past fifty years, up by less than 1% to 13% in 2009 compared with 2008. In monetary terms, the production of horticultural crops amounted to £2,504 million in 2009. Total agricultural output was down by 3% with output from crops and livestock products showing the largest decrease whilst livestock output increased. It should be noted that the output from crops and livestock does not include payments from the Single Farm Payment Scheme and other decoupled subsidies.

Figure 1.1 Composition of total UK agricultural output (%)³



³ Source: *Agriculture in the UK*, Defra

1.4 The change in the composition of the main sectors of horticulture (1972-2009)

Figures 1.2 to 1.8 illustrate the relative importance of the three main sectors of horticultural production: vegetables; fruit; non-edibles (ornamentals). All sectors include both field grown and protected crops (crops grown under glass and polythene tunnels).

Figure 1.2 Composition of horticultural output (%)⁴

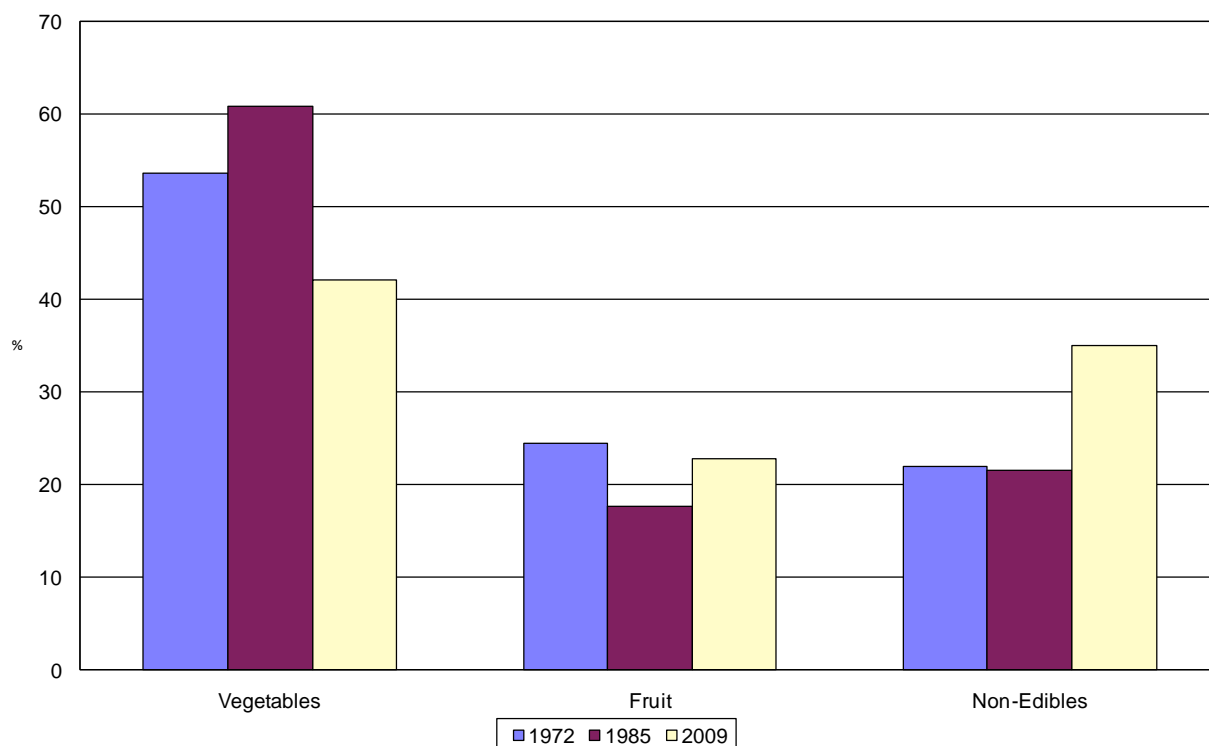


Figure 1.2 shows the composition of horticultural output for 1972, 1985 and 2009. Of greatest significance since 1985 has been the increase in the ornamental sector from one fifth to one third of total horticultural output in 2009. In the same period the production from the vegetable sector declined by around 19% to approximately 42% of the total, whilst for fruit there was a small increase to just over 23%, close to the same share of output as seen in the early seventies.

⁴ Source: *Agriculture in the UK*, Defra

Figure 1.3 Composition of the horticultural area (%)⁵

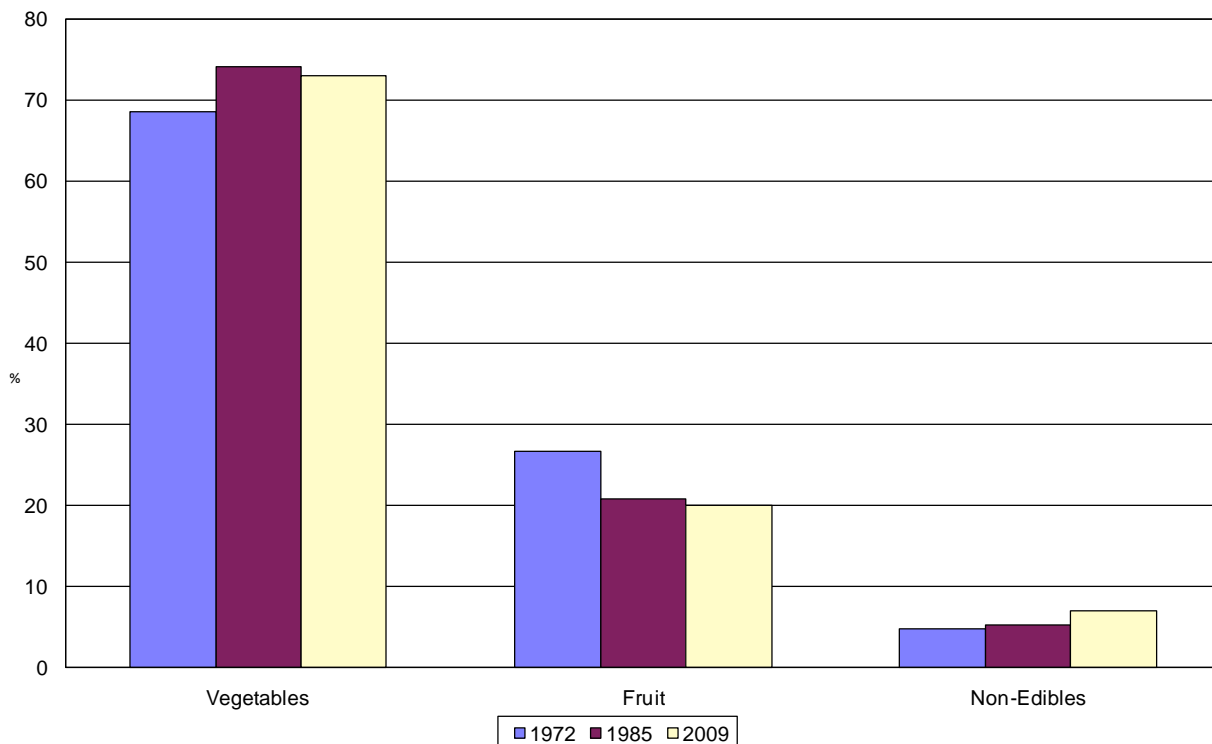


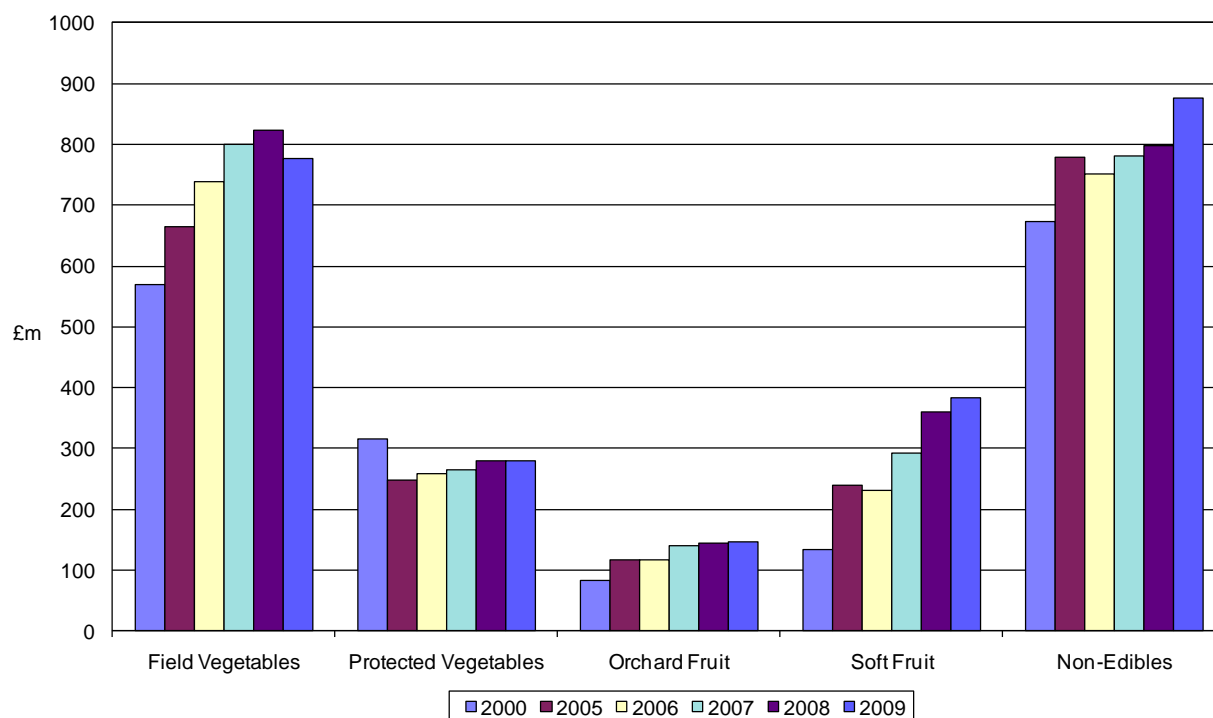
Figure 1.3 shows the composition of the horticultural land area in 1972, 1985 and 2009. The area relates to the total area that crops are grown on, which for some crops sees more than one crop harvested from the same area of land during the cropping year (multiple cropping). The area of multiple cropping is added to the total area cropped. In total the area used for horticulture has declined from 283,000 hectares in 1972 to 172,000 hectares in 2009, representing a fall of 40%. Although the vegetable sector accounted for 42% of horticultural output in 2009, it used 73% of the total land area devoted to horticultural production. Whilst for non-edibles only 7% of the total horticultural area was utilised, accounting for 35% of horticultural output. Fruit growing takes up 20% of land area and produces 23% of output.

⁵ Source: *Agriculture in the UK*, Defra

1.5 Horticultural production (2000-2009)

Figure 1.4 shows the changes in the composition of horticultural output in 2000, 2005, 2006, 2007, 2008 and 2009 for the main sectors of horticultural production, with values shown at current prices. The most pronounced trend in the value of production is for soft fruit, up from £133 million in 2000 to over £380 million in 2009. This can be explained by the large growth in the protected fruit sector (utilising both glass and Spanish tunnel systems) from 2000 to 2009. Another interesting feature relates to the value of production for non edibles which increased by just under 10% in 2009 to £877 million compared with £799 million in 2008 and £674 million in 2000. Orchard fruit has also shown a growth in output from £83 million in 2000 to £146 million in 2009, up £1 million compared with 2008. By contrast the output of protected vegetables has dropped by 12% over the last decade. Field vegetable output has shown more variability than the other crops, falling 6% in 2009 compared with 2008, but still 36% higher than in 2000. The protected vegetable category includes mushroom production which accounts for 38% of output from this sector.

Figure 1.4 Value of horticultural production (current prices: £m)⁶



Figures 1.5 to 1.8 show the areas of the outdoor crops of field scale vegetables, orchard fruit, soft fruit and non-edibles, and protected crops of vegetables, non-edibles and glasshouse fruit. All the areas are recorded in hectares, although the scale in each of the figures is different. As in the previous section (1.4), the area of crops takes account of multiple cropping.

⁶ Source: *Agriculture in the UK*, Defra

Figure 1.5 Area of field vegetables⁷

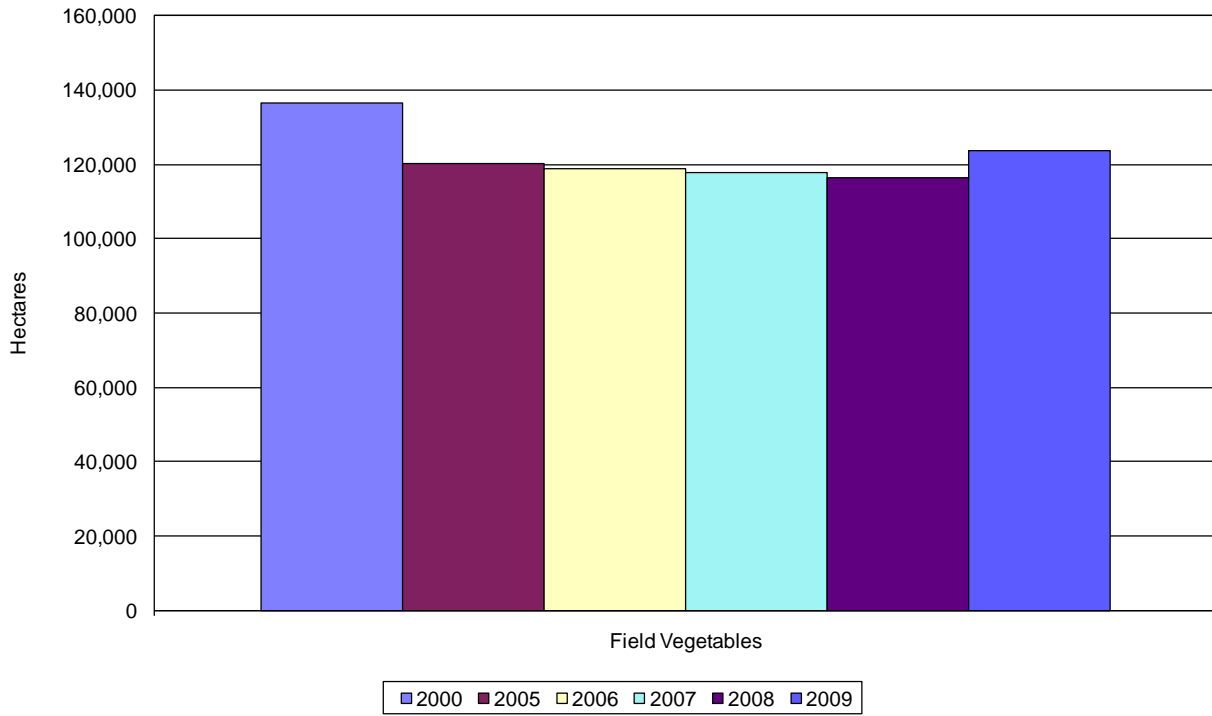
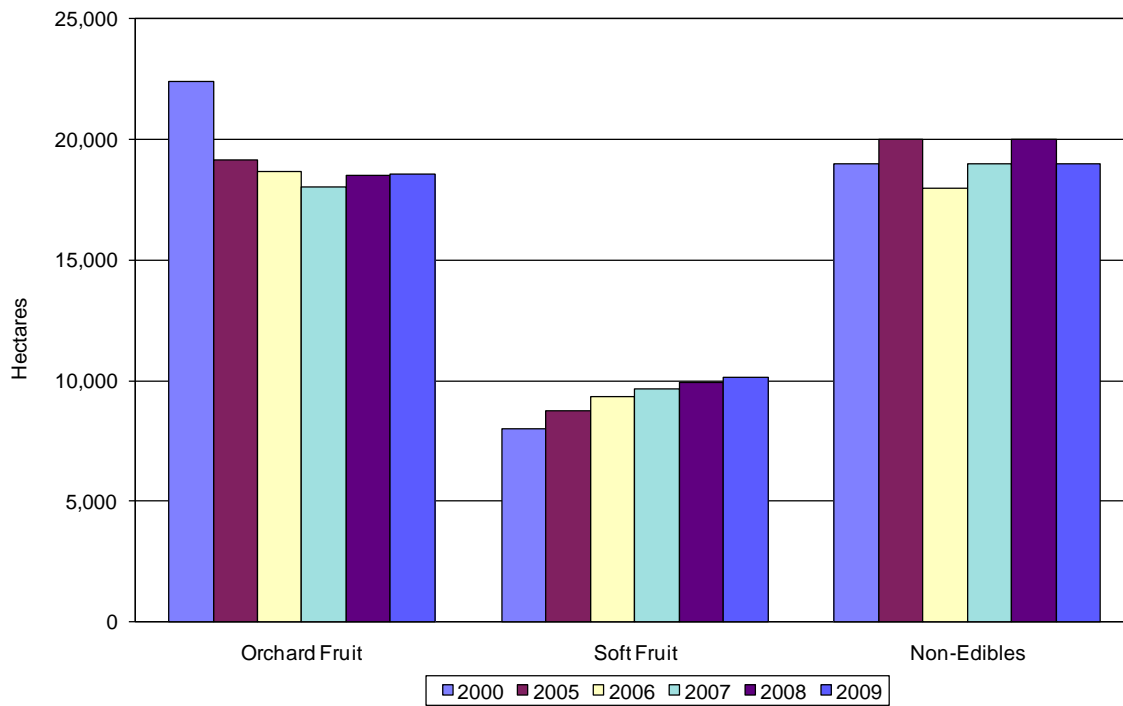


Figure 1.6 Area of other field grown crops⁷



⁷ Source: Agriculture in the UK, Defra

Figure 1.7 Area of protected crops⁸

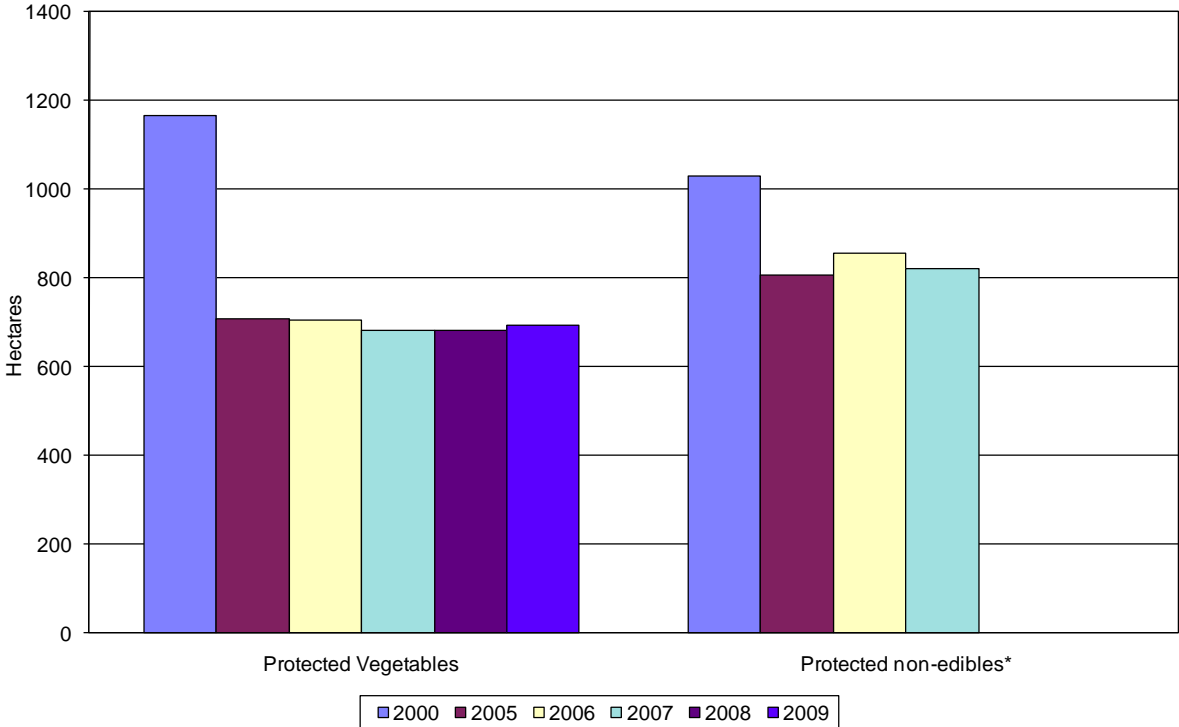
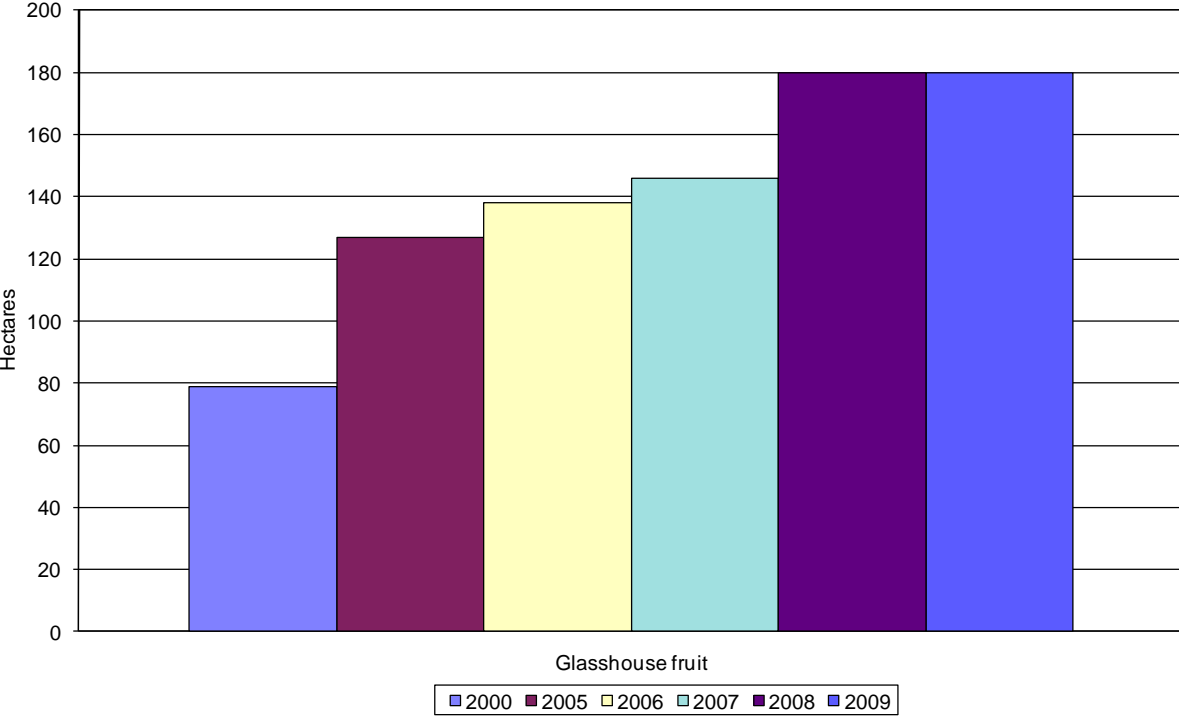


Figure 1.8 Area of glasshouse fruit⁸



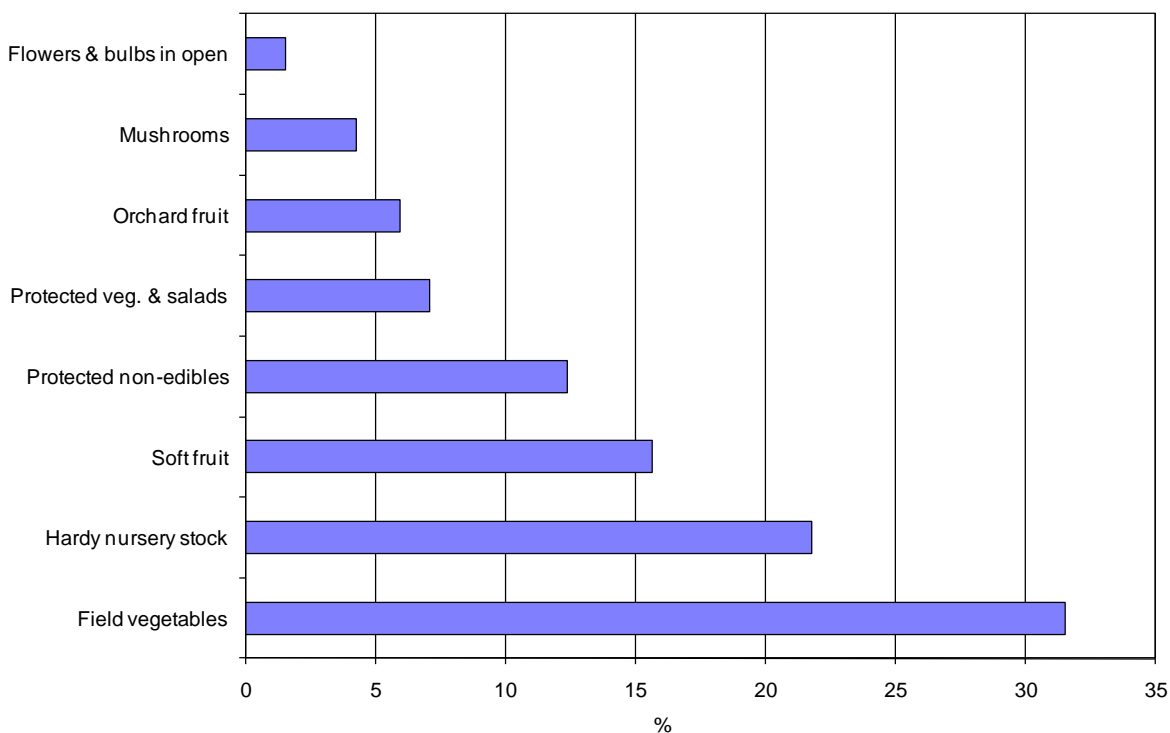
⁸ Source: Basic horticultural statistics 2010

The area of field vegetables has fallen by 16% in the last ten years to 124,000 hectares in 2009 and the area of orchard fruit has also fallen by around 11% over the same period to 18,500 hectares. Soft fruit grown in the open has increased by over 30% to 10,110 hectares and fruit grown in glasshouses (excludes polytunnel production) has more than doubled from 75 hectares in 1999 to 180 hectares in 2009. Although glasshouse fruit production has shown a large expansion, the area of protected vegetables was down by 40% over the same time period, to 691 hectares in 2009. The combined area of both the protected ornamental sector and ornamentals grown in the open has stayed relatively constant over the same period at around 19,000 hectares.

1.6 Summary of horticultural production in 2009

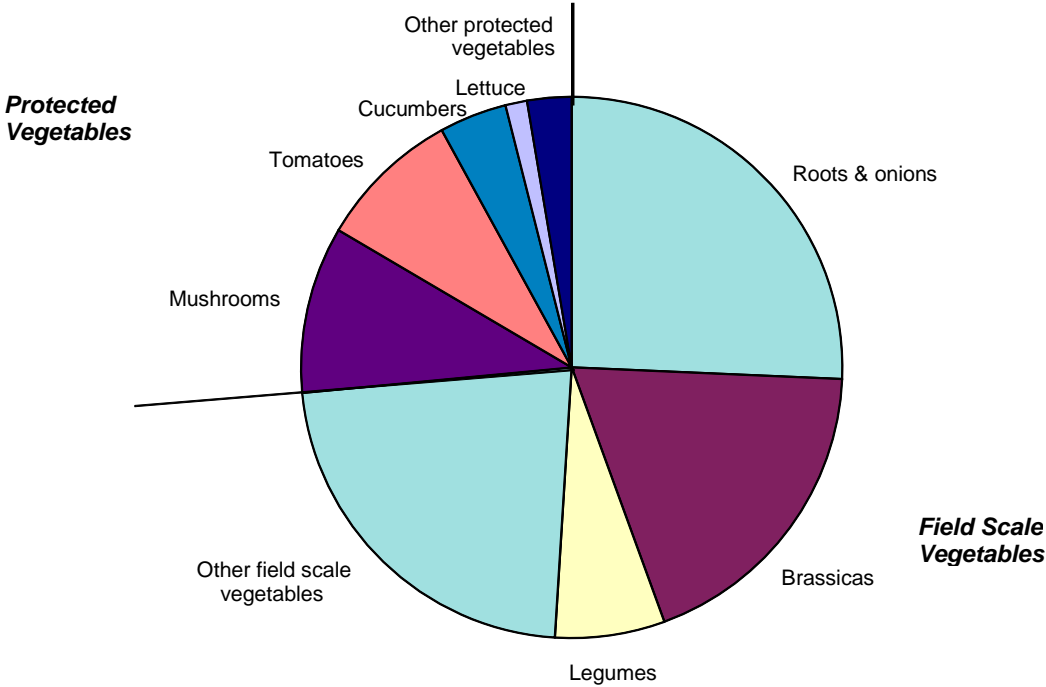
The total value of horticultural produce in 2009 amounted to £2,461 million. Figure 1.9 shows that 32% of this output is derived from field scale vegetables, although they account for 72% of the total area of horticultural production. Hardy nursery stock (22%) and soft fruit (16%) are the next largest in value terms followed by protected non-edibles indicating the importance of the ornamental sector. The composition of field and protected vegetables, and orchard and soft fruit production is shown in more detail in figures 1.10 and 1.11.

Figure 1.9 Value of horticultural produce in 2009⁹



⁹ Source: *Agriculture in the UK*, Defra

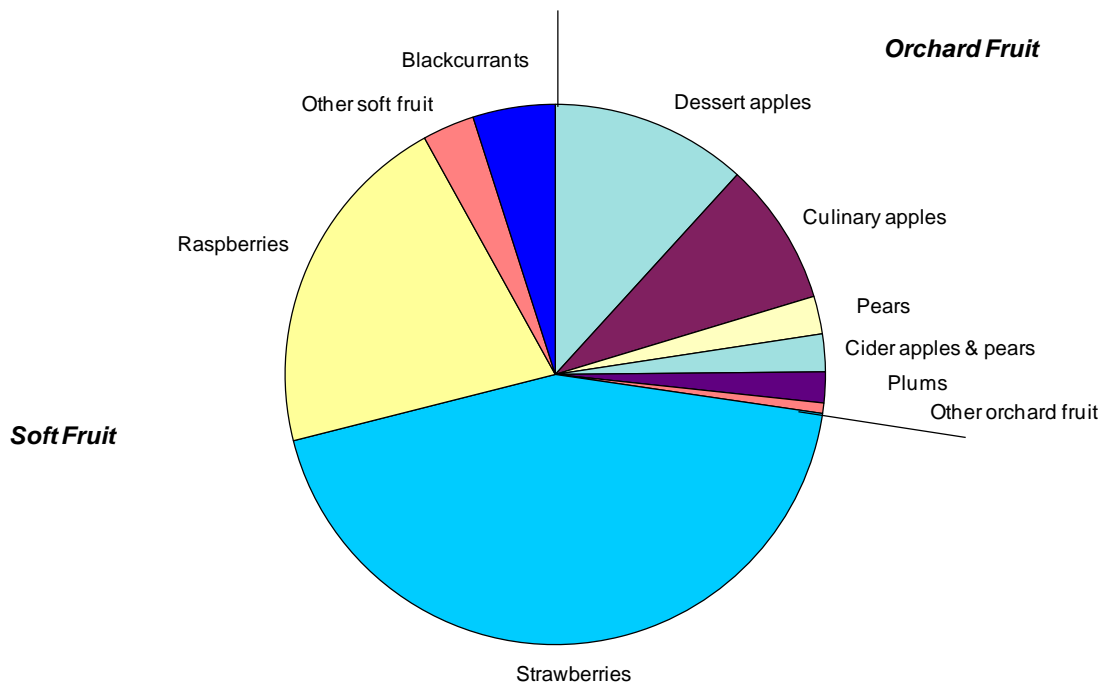
Figure 1.10 Composition of vegetable output in 2009¹⁰



The data used to produce Figures 1.10 and 1.11 has been compiled from the 2010 edition of Basic Horticultural Statistics in the UK (Defra) and relates to the 2009 cropping year. Field scale vegetables account for close to three quarters of total vegetable output and includes among them beetroot, carrots, parsnips, turnips, swedes, and onions (dry bulb and green). Brassicas account for 26% of field scale vegetables among which are included broccoli, brussels sprouts, cabbages and cauliflower. Legumes amount to 9% of output. Other field scale vegetables include asparagus, celery, leeks, lettuce, rhubarb and watercress. Protected vegetable output includes mushroom production (38% of output), as well as crops grown in heated and cold glasshouses and polytunnels. Other protected vegetables include crops such as celery and sweet peppers.

¹⁰ Source: Basic horticultural statistics 2010, Defra

Figure 1.11 Composition of fruit output in 2009¹¹

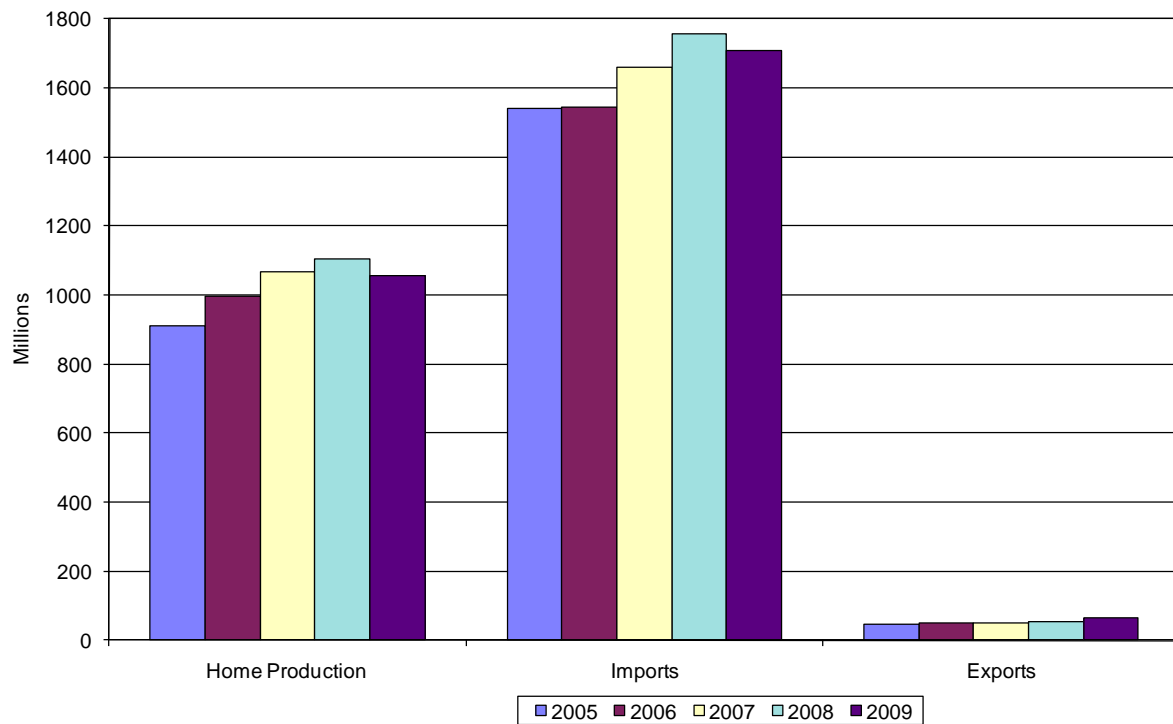


The production of field grown soft fruit accounted for 73% of the total fruit output by value in 2009, mainly due to a marked increase in strawberry production, though all soft fruit outputs increased, in total by 16% to £384 million. Blackcurrants, however, decreased by 8%. Strawberry production now accounts for 60% (£231 million) of all soft fruit production. Orchard fruits account for 27% of the total outdoor fruit output. Dessert apples make up 43% of the total orchard fruit output, with culinary apples accounting for 31% and cider apples and perry pears making up 8%.

¹¹ Source: Basic horticultural statistics 2010, Defra

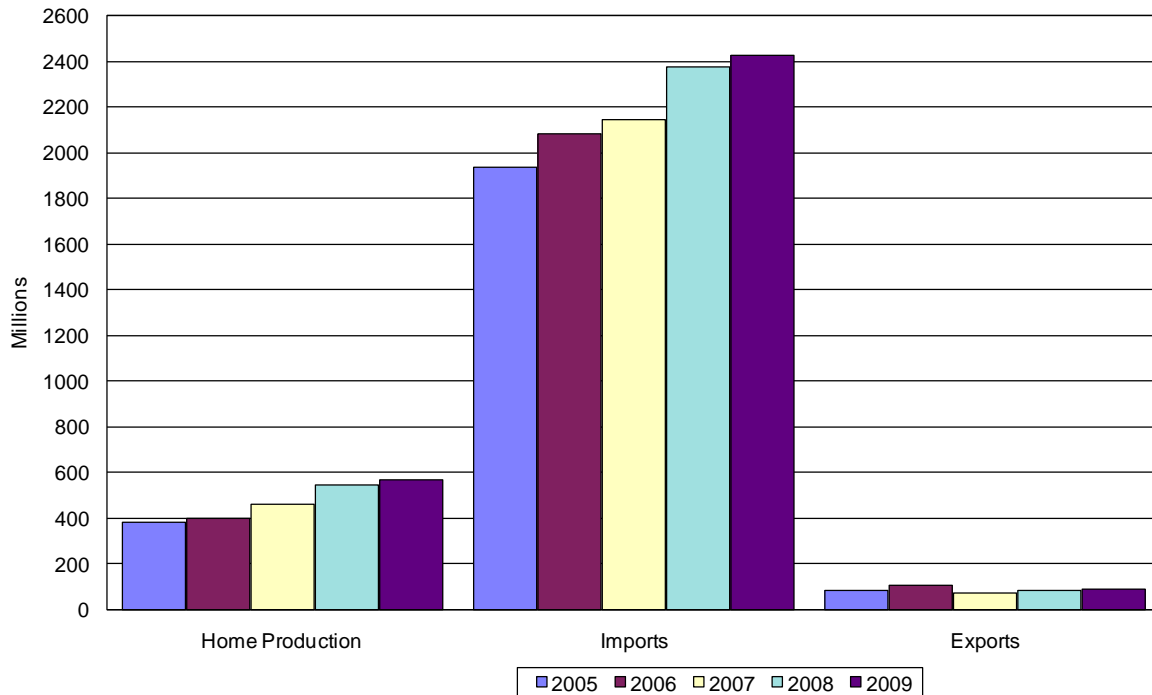
1.7 Imports and exports of horticultural produce

Figure 1.12 Value of Vegetables (£m)¹²



¹² Source: Basic Horticultural Statistics 2010, Defra

Figure 1.13 Value of fruit (£m)¹³



The vegetable imports shown in Figure 1.12 relate to fresh produce only, which includes produce from the Channel Islands. Tomatoes account for 24% of fresh vegetable imports making them the most important.

Fruit imports include some dried fruit as data on fresh produce cannot be obtained separately. The proportion of fruit imports appears very high but approximately two thirds of the imported produce cannot be grown in this country. Bananas represent 19% of imported fruit and grapes 15%, with apples accounting for 13% of the imports.

¹³ Source: *Basic Horticultural Statistics 2010*, Defra

1.8 Price Indices in the UK¹⁴

Table 1.1 Index of producer prices (Index: 2005 =100)

	2005	2006	2007	2008	2009	2010
Dessert apples	100.0	105.7	121.5	130.9	131.4	140.8
Cherries	100.0	117.5	132.2	175.9	152.6	136.4
Fresh Fruit	100.0	103.8	105.3	125.6	122.9	127.9
Lettuce	100.0	109.4	107.1	119.1	107.9	129.9
Onions	100.0	129.3	165.4	131.2	133.3	211.5
Cabbage	100.0	103.8	139.6	124.6	124.0	131.3
Fresh vegetables	100.0	108.2	122.5	118.0	114.8	132.0
Flowers & plants	100.0	103.4	110.1	115.1	116.7	117.3

Table 1.2 Index of purchase prices (index 2005 =100)

	2005	2006	2007	2008	2009	2010
Current Inputs						
Seeds	100.0	89.5	100.1	111.2	109.1	107.3
Fertilisers & soil improvers	100.0	105.7	119.8	272.5	189.8	182.4
Plant protection	100.0	102.5	104.2	106.4	107.7	105.1
Fuel for heating	100.0	116.5	127.9	173.1	138.9	170.7
Hired labour	100.0	103.3	106.3	111.1	116.0	118.5
Capital inputs						
Machinery & other equipment	100.0	104.5	110.3	117.5	122.1	125.3
Buildings	100.0	105.9	113.0	120.3	120.6	126.9
Finance inputs						
Bank rate	100.0	104.3	118.5	100.6	13.8	10.8

The index of producer prices shows a significant increase in prices over the last six years, in particular in the edible sector, as opposed to the ornamental sector. On average, fresh fruit is 28% more expensive and fresh vegetables are 32% more expensive than in 2005, the index year for this data series.

The index of purchase prices of the means of production illustrates the enormous increases in fertiliser and fuel costs that have been seen in the past three years. Of particular significance to the industry was the index for fertilisers and soil improvers up 82% from 2005 to 2010. Fuel for heating rose again in 2009, and was 70.7% higher than in 2005. Hired labour costs have risen by 18.5% since 2005 and the costs of capital investments such as machinery and buildings have risen by 25% and 27% respectively in the same period. During the period 2009 to 2010 the Bank of England base rate remained at a historic low of 0.5% representing just 10.8% of the 2005 figure.

¹⁴ Source: Agricultural Price Indices, UK Defra

SECTION 2: FINANCIAL RESULTS FOR HORTICULTURE IN ENGLAND

2.1 Introduction to the data

The following series of tables are drawn from a sample of farmers and growers who participate in the Farm Business Survey in England and whose businesses are classified under one of the four main Defra horticultural type groups. These four type groups of specialist glass, specialist fruit, specialist hardy nursery stock and other horticulture are defined below. For the purposes of the Defra classification, field scale vegetable producers are classified as general cropping farms, and so their results are not included in these tables, although smaller scale outdoor vegetable producers are recorded in the 'Other Horticulture' typology group.

2.2 Definition of horticultural type groups

Horticultural businesses are holdings where horticultural crops or permanent crops including fruit, either alone or in combination, account for over two thirds of total standard gross margin.

Specialist glass

- Market garden vegetables and flowers under glass (either alone or in combination) accounting for more than two thirds of the total standard gross margin of the business, including walk-through polythene tunnels
- The specialist glass businesses have been further sub-divided into those businesses with mainly edible crops (more than 50% of crop output from edible crops) and those with mainly non-edible crops (more than 50% of crop output from non-edible crops)
- In addition to this, the specialist glass group has been sub-divided by the level of intensity of glasshouse production, showing both '50% or more' and '90% or more' of total crop output produced from protected crops

The results from these holdings are found in the following tables:-

- Table 2.5 Specialist Glass, edible and non edible crops
- Table 2.6 Specialist Glass, mainly edible crops
- Table 2.7 Specialist Glass, mainly non edible crops
- Table 2.8 Specialist Glass (50% or more of crop output from glasshouse production), edible and non edible crops
- Table 2.9 Specialist Glass (50% or more of crop output from glasshouse production), mainly edible crops
- Table 2.10 Specialist Glass (50% or more of crop output from glasshouse production), mainly non edible crops
- Table 2.11 Specialist Glass (90% or more of crop output from glasshouse production), edible and non edible crops
- Table 2.12 Specialist Glass (90% or more of crop output from glasshouse production), mainly edible crops
- Table 2.13 Specialist Glass (90% or more of crop output from salad production), mainly edible crops
- Table 2.14 Specialist Glass (90% or more of crop output from glasshouse production), mainly non edible crops

Specialist fruit

- Fruit (top and soft fruit) accounting for more than two thirds of total standard gross margin of the business
- The specialist fruit group has two sub-groups of mainly top fruit businesses

The results from these holdings are found in the following tables:-

- Table 2.15 Specialist Fruit Businesses
- Table 2.16 Mainly top fruit businesses - 90% or more of crop output derived from top fruit
- Table 2.17 Mainly top fruit businesses – 90% or more of crop output derived from top fruit, excluding cider apples growers

Specialist hardy nursery stock

- Hardy nursery stock (HNS) accounting for more than two thirds of total standard gross margin of the business
- The specialist HNS group has two sub-groups, showing HNS that is grown mainly under protection and HNS that is mainly grown outdoors

The results from these holdings are found in the following tables:-

- Table 2.18 Specialist HNS Businesses
- Table 2.19 Mainly protected HNS crops - 25% or more of crop output derived from glasshouse production of HNS
- Table 2.20 Outdoor HNS crops - 80% or more of crop output derived from outdoor production of HNS

Other horticulture

- Businesses in which none of the above categories accounts for more than two thirds of standard gross margin
- The 'other horticulture' group has one sub-group of mainly outdoor vegetable growers

The results from these holdings are found in the following tables:-

- Table 2.21 Other Horticultural Businesses
- Table 2.22 Mainly outdoor vegetables – 50% or more of crop output derived from outdoor vegetables

2.3 The Sample

The Farm Business Survey (FBS) covers businesses with a Standard Labour Requirement (SLR) of 0.5 and above. The SLR represents the average labour requirement in Full Time Equivalents for all the enterprises in the business under typical conditions for enterprises of average size and performance. It is calculated from standard coefficients applied to each enterprise in the business and represents the input of labour required per hectare of crops and per head of livestock.

The sample is drawn from a stratified population of seven Government Office Regions by the four main horticultural typologies of Specialist Glass, Specialist Fruit, Specialist Hardy Nursery Stock and Other Horticulture. Within each stratum a single weight is calculated as the ratio of numbers of businesses in the population and in the sample. This weight when applied to each business represents the number of times that business' data must be replicated in order to 'represent' businesses not selected for the sample, so as to reflect the entire population. This weight is applied to all variables. The weighted results are then divided into the four main Defra type classifications.

According to the 2009 June survey there are 8,996 horticultural businesses in England. However, approximately half of these businesses are regarded as being too small for inclusion in the FBS, as they fall below the minimum threshold of 0.5 SLR.

The size of the total sample for the 2008 cropping year was 205 businesses and for the 2009 cropping year it was 212 businesses.

Table 2.1 FBS sample compared with June Survey data for 2009: Businesses with over 0.5 standard labour requirements (SLR)

	England population 2009 June Survey (number of businesses)	FBS sample 2009 (number of businesses)	FBS sample as a % of population
Specialist Glass	879	93	10.6%
Specialist Fruit	865	42	4.9%
Specialist HNS	1630	43	2.6%
Other Horticulture	1080	34	3.1%
All Horticulture	4454	212	4.8%

Table 2.1 shows how the 2009 sample of horticultural businesses within the FBS compares with the national population of eligible horticultural businesses.

The FBS horticultural sample of 212 holdings are divided into the four type groups as follows: Specialist Fruit (42 holdings), Specialist Glass (93 holdings), Specialist Hardy Nursery Stock (43 holdings) and Other Horticulture (34 holdings). Within these type groups over 67 different crops and crop groups (e.g. mixed fresh vegetables) are recorded and they are grown in systems ranging from heated glasshouses to orchard fruit production, with market garden and Spanish tunnel production in between. Such diversity makes the construction of a representative sample very difficult resulting in reporting often being based upon groups of a variety of similar but not identical activities to ensure minimum sample size criteria are met and robustness of the data is maintained. A total of 5,360 ha of land is included in the sample growing 569 crops. Table 2.2 shows the total number and total area of crops most frequently grown in the FBS horticultural sample for which there were 15 or more observations.

Table 2.2 FBS horticultural sample (2009/10) – most frequently grown crops

<i>Edible Crops</i>	No. of crops in FBS horticultural sample	Total area in FBS horticultural sample
Apples - Dessert	28	544.6
Strawberries	24	129.2
Pears	19	129.7
Plums	17	51.0
Apples - Culinary	17	215.5
Raspberries	15	70.1
Mixed Soft Fruit inc. Blackberries	15	35.1
Mixed Fresh Vegetables	39	426.3
<i>Non edible crops</i>		
Bedding Plants	34	35.9
Cut Flowers	34	41.0
Ornamental Trees & Shrubs	33	99.8
Container Grown Plants	32	65.7
Herbaceous Perennials	15	30.3
Pot Plants	15	20.1

The total area of protected cropping (either glass or polytunnel) in the FBS sample in 2009/10 was 261.5ha; this was split between nursery stock (24.3ha), fresh fruit and vegetables (182.5ha) and flowers and ornamentals (54.7ha). There was a total of 2520.7ha of unprotected market garden fruit and vegetables, 236.6ha of outside hardy nursery stock, flowers and ornamentals and 1484.1ha of permanent crops e.g. tree and bush fruit.

The data in this report have been compiled from the 2008/09 and 2009/10 Farm Business Survey. Results for this survey can be accessed at: <http://farmbusinesssurvey.co.uk> and at: <http://www.defra.gov.uk/evidence/statistics/foodfarm/farmmanage/fbs/published-data/farmaccounts/2010/index.htm>

2.4 Financial results for 2008/09 and 2009/10

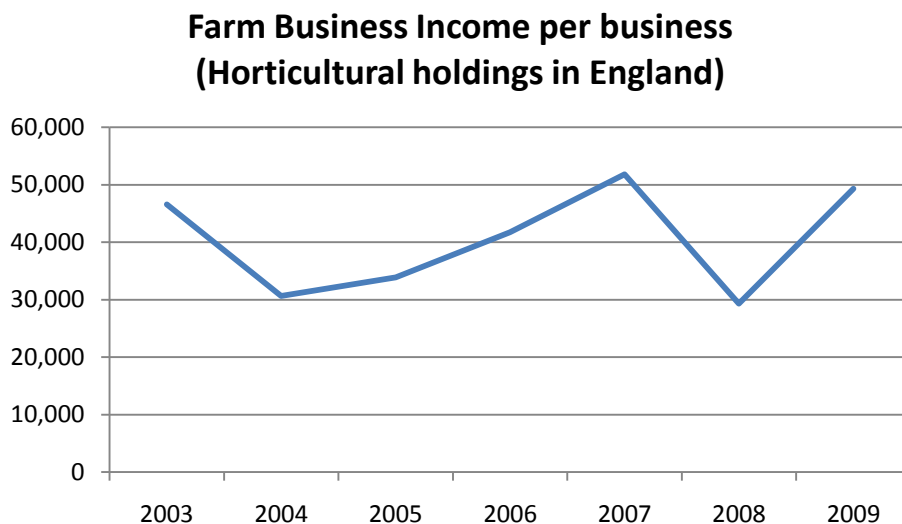
The results in this section are shown for businesses classified according to the Defra classification system, as described on page 23, which is based on standard gross margins.

The results are shown on a 'per business', 'per hectare' and 'per £100 of gross output' basis. It should be noted that all results are now based on the productive cropping area of the holding. Previously, the specific glass groups' performance was based on the productive glass area, while for the remaining horticultural groups the total productive area of the holding was used.

Average results are shown for the 2008 and 2009 harvest year, together with premium results for the 2009 harvest year, where the sample size is large enough to permit their publication. The premium results are the top third of businesses as measured by Farm Business Income (FBI) per hectare. The 'per hectare' results are based on the productive cropping area of the holding.

The horticultural sector represents a very diverse group of growers, with some operating highly intensive glasshouse operations whilst others are engaged in more extensive top fruit and vegetable production. Over the whole sample, the average FBI of horticultural businesses in 2009 increased by 68% compared with 2008 (in current price terms) to £49,300 (Table 2.4). These businesses receive little in the way of direct income payments from the CAP support regime, having been ineligible for single payment scheme (SPS) payments relating to historic claims. Consequently the amount of SPS received was just £2,566 per business, a very small proportion of the total gross output based on the whole sample. However, it should be noted that a number of businesses have benefitted from funding available through the EU Fruit and Vegetable regime. The average gross output across the horticultural sector decreased by 9.4% to £357,428 per business; total variable costs decreased by 22.6%, and fixed costs decreased by 5.8% compared with 2008.

Figure 2.1 Farm Business Income trend for Horticultural Businesses in the FBS in England



Source: www.farmbusinesssurvey.co.uk

Figure 2.1 shows the trend in Farm Business Income for the last seven years. The graph shows the rise in Farm Business Income between the 2008 and 2009 cropping years, following the previous year's decreased profitability within the industry. For the 2009 harvest year, three of the main classification groups had an increase in profitability, with only the Specialist HNS group experiencing a decline in profitability.

Specialist Glass

Table 2.5 Specialist Glass, all crops

The Specialist Glass group includes heated glass, cold glass and polytunnels, including large scale soft fruit producers who use polytunnels for strawberry and raspberry production. Table 2.5 shows that the average Farm Business Income (FBI) rose by 2.4% in 2009/10 compared with 2008/09 to £31,856 per business. Although the total output decreased by 19% costs also came down. Total variable costs decreased, by 21.2%, resulting in the gross margin decreasing by 17.4% to £174,395 and fixed costs also decreased, by 17.9%, to £166,059. However, there was a marked difference in the financial performance of the edible and ornamental sectors with the latter reversing the steep decline in profitability seen in 2008/09.

Table 2.6 Specialist Glass, mainly edible crops

Table 2.6 shows that those glasshouse businesses with mainly edible crops saw FBI per business fall by 16.3% to £25,617 for the 2009 cropping year. In this group total gross margin fell by 23.2%, and fixed costs decreased by 22.1%.

Area of glasshouses in use (including polytunnels) fell by 23.8% in 2009/10, to 1.48 ha while the average total productive cropping area per holding decreased by 29.6% to 3.68 hectares. When viewed on a per hectare basis, the results have improved compared with 2008, FBI increasing by 19%. The proportion of output attributable to different crops changed in 2009/10, with glasshouse tomatoes still contributing a third of output but protected soft fruit increasing its contribution to 33.3% of crop output, up from 27.7% in 2008/09.

Table 2.7 Specialist Glass, mainly non edible crops

Table 2.7 refers to glasshouse businesses with mainly non edible crops, where the increase in FBI at 24.6% to £39,383 per business for the 2009 harvest year, was in contrast to the results for the mainly edible sector. Total gross output fell by 15.5% and the variable costs fell by 22.1% resulting in a drop in the gross margin of 10.2%. Fixed costs fell by 12.7%.

The area of glasshouses in production decreased by 22.5% compared with 2008/09 to 0.54ha. The total cropping area decreased by 50.7%, to an average of 0.84ha.

There are a number of businesses within the specialist glasshouse group that have some outdoor crop production. To facilitate a better understanding of the results the group has been sub-divided according to the intensity of glasshouse production showing businesses with 50% or more of crop output derived from glasshouse production (Tables 2.8 to 2.10), and businesses with 90% or more of crop output derived from glasshouse production (Tables 2.11 to 2.14).

Table 2.12 Specialist Glass (90% or more crop output from glasshouse production), mainly edible crops

Table 2.12 shows results for the edible sector within the intensive glasshouse group (90% or more of crop output from glasshouse production). FBI fell by 2.8% from £28,130 per business in 2008/09 to £27,334 per business in 2009/10. However, the area of glasshouse cropping fell by 19.6% so on a per ha basis the FBI actually increased by 30%. Fixed costs per business fell by 17.7% in total between the two years, while the variable costs fell by 18.1% to £127,633.

Following the increase in expenditure on glasshouse heating fuel of 36.6% between 2007/08 and 2008/09, there was a decrease of 31.2% in 2009/10. There was a notable decrease in the expenditure on paid labour with a drop of 25.7% in expenditure on regular paid labour and 27.9% on casual labour. This amounted to a saving in paid labour costs of £22,789 on average per business. Tomato production accounts for 58% of all glasshouse output in this group and soft fruit accounts for 11.3%.

Table 2.13 Specialist Glass (90% or more crop output from glasshouse production), mainly salads

Table 2.13 shows the results for a sub-set of holdings that are mainly growing salad crops under glass. Total gross output fell by 7.4% to £378,032 per business in 2009/10 compared with 2008/09. Variable

costs fell by 10% and fixed costs fell by 8.7% so overall there was an increase in FBI of 13.9% to £41,158 per business.

The average area of cropping per business dropped from 1.08ha in 2008/09 to 0.93ha in 2009/10. Crop output is made up of 74% tomatoes, 8.9% lettuce and the remaining 17.1% is a mixture of other salad crops.

Table 2.14 Specialist Glass (90% or more crop output from glasshouse production), mainly non edible crops

Table 2.14 shows the results of those businesses growing mainly ornamental crops (90% or more of crop output from glasshouse production). Unlike their food producing counterparts, the non edible crops were more profitable this year. FBI increased by 35.7% to £38,522 per business.

The cropping area per business decreased by 25.8% to 0.74 hectares but total gross output per business only decreased by 20.9%. However, total output per hectare increased by 6.5% to £461,957. The variable costs rose just 0.2% per ha and fixed costs rose by 8% resulting in an FBI per ha of £52,174.

Specialist Fruit

Table 2.15 All specialist fruit businesses

Table 2.15 shows that average Farm Business Income (FBI) per business increased from £16,030 in 2008/09 to £34,587 in 2009/10. The area cropped fell slightly, by 2.2%, to an average of 15.23ha. Total output rose by 22% to £216,494 per business whilst variable costs rose 19.4% to £68,789. The marketing charges and packing materials rose by 11% and 19.3% respectively. Fixed costs increased by 13.1% with regular paid labour showing the greatest increase at 37.1% from £18,022 in 2008/09 to £24,714 in 2009/10. Casual labour remained at a similar level, costing £31,224 per business in 2009/10. This specialist fruit group is comprised of 70.6% of crop output from tree fruit and 29% from soft fruit production. A significant proportion of their total output is derived from other activities, for example, adding value to the crop by on-farm processing or offering packhouse services to other growers.

Table 2.16 Specialist fruit businesses, mainly top fruit

Table 2.16 shows a group of businesses that specialise in top fruit production with 90% or more of their total crop output derived from this type of fruit. The average FBI virtually doubled in 2009/10 to £32,009. The average cropping area per holding increased slightly in 2009/10 to 14.9ha (+1.7%). On a 'per hectare' basis, both output and variable costs increased by 23.6 and 18.8% respectively. Average prices for apples improved in 2009/10 although pear prices dropped, however, the yield of pears was greatly improved and overall output per ha was much better at £12,343 compared with £9,085 in 2008/09.

Table 2.17 Specialist fruit businesses, mainly top fruit – excluding cider

Table 2.17 focuses on a group of top fruit growers predominantly growing eating apples and pears and culinary apples for processing and the fresh market with just a small amount of other tree fruit; those growers mainly growing apples for cider are excluded. The FBI increased more significantly for this group, up by an average of £25,170 per farm to £39,770. Total gross output was down by 6.2% but variable costs and fixed costs were down by 11.4% and 11.6% respectively. The proportion of total output from non agricultural and non-cropping activities is very significant in this group of farms with an average of £70,726 other output.

The average yields and prices for top fruit obtained in 2008/09 compared with 2009/10 can be found in table 2.3. It is important to note that the areas used are field areas and not tree areas when calculating the per hectare figures.

Table 2.3 Top fruit yields, prices and output - 2008/09 and 2009/10

Top Fruit		2008/09	2009/10
Culinary Apples	tonnes/ha	20.7	19.7
	£/tonne	287.3	304.1
	£ output/ha	5944.0	5982.0
Dessert Apples	tonnes/ha	19.0	19.6
	£/tonne	526.2	607.9
	£ output/ha	9977.0	11908.0
Cider Apples	tonnes/ha	25.6	29.2
	£/tonne	90.6	106.8
	£ output/ha	2315.0	3117.0
Pears	tonnes/ha	12.0	18.2
	£/tonne	754.2	676.7
	£ output/ha	9085.0	12343.0

Specialist Hardy Nursery Stock*Table 2.18 All specialist hardy nursery stock businesses*

The Hardy Nursery Stock (HNS) sector, as illustrated in table 2.18, showed an improvement in Farm Business Income (FBI), increasing from £41,195 in 2008/09 to £45,476 in 2009/10. Total output decreased by 22.4% between the two years, while variable costs decreased by 28.7% and fixed costs fell by 15.9%. The average area of cropping per holding was reduced by 31.8% from 4.14ha to 2.82ha. This group of businesses includes growers of young HNS plants under protection, those growing HNS plants outdoors, and a combination of the two production systems.

Table 2.19 Specialist hardy nursery stock businesses, mainly protected crops

Table 2.19 refers to a group of businesses which grow a significant amount of HNS under glass (25% or more of crop output produced under glass or walk-through polythene tunnels). This group had an increase in FBI of 48.2% to £75,958 whilst their outdoor counterparts showed a slight drop in FBI per business of 0.6% to £35,105.

Table 2.20 Specialist hardy nursery stock businesses, mainly outdoor crops

Table 2.20 refers to this group of businesses with 80% or more of HNS output produced outdoors, including rootstock and larger trees as well as shrubs and smaller nursery stock. The protected HNS growers supplying young plants to garden centres fared better on account of sales to domestic gardeners whilst the outside producers have felt the effect of the downturn in house building and subsequent drop in demand for landscaping plants.

Other Horticulture

Table 2.21 All other horticulture businesses

Table 2.21 shows the results of the 'Other Horticulture' group. The FBI for this diverse group of farms increased substantially from £20,083 per business in 2008 to £81,054 in 2009. Analysis of the data shows that this was due far more to structural change in the sample than an overall improvement in profitability.

Table 2.22 Other horticulture businesses, mainly outdoor vegetable crops

Table 2.22 shows the financial results for a group of outdoor vegetable growers (50% or more crop output produced from outdoor vegetables). The cropping area of this group increased from 66.6 ha to 93.4 ha per business in 2008/09 but fell back again to 62.9ha in 2009/10. On a 'per hectare' basis the gross margin per hectare decreased by 10.1% and fixed costs by 20.7%. However, FBI rose from £38,319 to £106,191 per business. The number of businesses in the sample that had an FBI of £50,000 or more increased from 5 in 2008/09 to 8 in 2009/10 whilst the number of businesses making a loss decreased from 7 in 2008/09 to 3 in 2009/10.

2.5 Balance Sheet Information

Table 2.23 Balance sheet data for horticultural businesses

Table 2.23 shows the Assets, Liabilities and Net Worth for the same group of farms included in the preceding commentary on the financial results. For horticultural businesses as a whole, the Percentage Equity in the business remained virtually unchanged during the year, closing at 81.7%. The value of Fixed Assets increased by 4.7% to £507,151 and total External Liabilities increased by 6.8%, to £119,718.

The average Percentage Equity for Specialist Glasshouse businesses increased by 1.7% to 78.3% during the 2009/10 financial year. Specialist Hardy Nursery Stock businesses showed a 1.4% increase in equity, while Specialist Fruit and 'Other Horticulture' businesses both had a decrease in equity at -1.3% and -1.4% respectively. Specialist Fruit businesses have the highest Percentage Equity of the four horticultural businesses at 88% at the end of the 2009/10 period.

Table 2.24 A comparison of net worth and percentage equity by farm type

Table 2.24 compares the Net Worth and Percentage Equity for the other Robust Farm Type classifications used in England. The average Net Worth for all businesses is approximately £1,046,034 per business representing 89.1% equity in the business. Those farms that are predominantly land based have the highest Net Worth, while those businesses with intensive livestock systems and less land have a lower Net Worth and Percentage Equity. Consequently, lowland cattle and sheep farms and cereal farms have the highest Percentage Equity at 92.3% and 91.8% respectively, while pig and poultry farms have the lowest Percentage Equity at 63.7% and 70.4% respectively, with horticulture midway at 81.7%.

Table 2.4 All horticultural businesses

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	205	212	205	212	205	212
Productive cropping area (ha)	16.50	15.44	16.50	15.44		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	394,352	357,428	23,896	23,153	100	100
Variable costs						
Seed & young plants	76,889	60,888	4,659	3,944	19.5	17.0
Fertilisers & composts	13,144	11,006	796	713	3.3	3.1
Crop protection	8,025	7,056	486	457	2.0	2.0
Market charges	22,739	19,684	1,378	1,275	5.8	5.5
Packing materials	27,463	16,079	1,664	1,042	7.0	4.5
Horticultural sundries	13,365	11,077	810	718	3.4	3.1
Glasshouse fuel	7,392	5,226	448	339	1.9	1.5
Other variable costs	1,146	742	69	48	0.3	0.2
Total variable costs	170,163	131,758	10,311	8,535	43.1	36.9
Total gross margin	224,189	225,670	13,585	14,618	56.9	63.1
Fixed costs						
Labour:						
Regular paid	81,220	61,096	4,921	3,958	20.6	17.1
Regular unpaid	22,446	23,828	1,360	1,544	5.7	6.7
Casual labour	22,603	32,538	1,370	2,108	5.7	9.1
Power & machinery costs:						
Contract & hire	4,909	5,521	297	358	1.2	1.5
Fuel & electricity	11,506	9,751	697	632	2.9	2.7
Repairs	8,399	8,045	509	521	2.1	2.3
Machinery depreciation	12,444	10,533	754	682	3.2	2.9
Glasshouse depreciation	3,150	2,510	191	163	0.8	0.7
Rent (incl. imputed)	13,548	15,517	821	1,005	3.4	4.3
Other costs:						
Occupier's repairs	5,414	5,380	328	349	1.4	1.5
Permanent crop depreciation	794	779	48	50	0.2	0.2
Water	1,927	2,417	117	157	0.5	0.7
Sundries	17,445	16,016	1,057	1,037	4.4	4.5
Total fixed costs	205,804	193,931	12,471	12,562	52.2	54.3
Management & investment income	18,385	31,738	1,114	2,056	4.7	8.9
Minus: management salaries	580	458	35	30	0.1	0.1
Plus: farmer & spouse labour	18,634	19,580	1,129	1,268	4.7	5.5
Net farm income	36,439	50,861	2,208	3,295	9.2	14.2
Farm business income	29,305	49,300	1,776	3,194	7.4	13.8

Crop output per cent of total crop output (%)

	Average 2008/09	Average 2009/10
Glasshouse crops		
Flowers & nursery stock	24.1	19.0
Tomatoes	3.5	3.1
Lettuce	0.5	0.4
Soft fruit	2.8	3.0
Other glasshouse crops	2.8	2.9
Outdoor crops		
Flowers and nursery stock	32.0	27.6
Vegetables	22.3	29.7
Other outdoor crops	2.8	2.2
Top fruit		
Dessert apples and pears	3.4	3.8
Culinary apples	0.8	1.1
Plums	0.1	0.6
Other top	1.3	1.8
Soft fruit		
Strawberries	1.2	1.6
Raspberries	1.0	1.1
Blackcurrants	0.1	0.1
Other soft fruit	1.3	2.0
Total	100.0	100.0

Farm business income (FBI)

(distribution by number of businesses)

	Average 2008/09	Average 2009/10
Over £100,000	28	40
£50,000 to <£100,000	26	35
£25,000 to <£50,000	41	46
£12,500 to <£25,000	32	27
0 to <£12,500	38	31
-£12,500 to 0	11	18
-£25,000 to <-£12,500	7	5
-£50,000 to <-£25,000	8	5
Below -£50,000	14	5
Total	205	212

Distribution of tenant's type capital (%)

	Average 2008/09	Average 2009/10
Crops and tillages	20	20
Stores	7	7
Glasshouses	7	6
Equipment	26	26
Livestock	3	3
Other	37	38
Total	100	100
Tenant's capital (£)	260,473	231,540

Table 2.5 All specialist glass businesses

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	91	93	91	93	91	93
Productive cropping area (ha)	3.45	2.39	3.45	2.39		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	374,859	303,449	108,558	126,982	100	100
Variable costs						
Seed & young plants	57,574	39,796	16,673	16,653	15.4	13.1
Fertilisers & composts	15,357	10,498	4,447	4,393	4.1	3.5
Crop protection	3,639	2,895	1,054	1,212	1.0	1.0
Market charges	22,734	17,802	6,584	7,450	6.1	5.9
Packing materials	23,809	24,346	6,895	10,188	6.4	8.0
Horticultural sundries	11,130	12,178	3,223	5,096	3.0	4.0
Glasshouse fuel	29,544	21,209	8,556	8,875	7.9	7.0
Other variable costs	24	330	7	138	0.0	0.1
Total variable costs	163,812	129,054	47,439	54,005	43.7	42.5
Total gross margin	211,047	174,395	61,119	72,978	56.3	57.5
Fixed costs						
Labour:						
Regular paid	81,920	63,639	23,724	26,631	21.9	21.0
Regular unpaid	28,200	27,334	8,167	11,438	7.5	9.0
Casual labour	22,130	18,046	6,409	7,552	5.9	5.9
Power & machinery costs:						
Contract & hire	1,818	1,681	526	703	0.5	0.6
Fuel & electricity	9,983	8,120	2,891	3,398	2.7	2.7
Repairs	7,654	6,405	2,217	2,680	2.0	2.1
Machinery depreciation	9,372	7,717	2,714	3,229	2.5	2.5
Glasshouse depreciation	7,255	5,634	2,101	2,358	1.9	1.9
Rent (incl. imputed)	7,806	6,747	2,261	2,823	2.1	2.2
Other costs:						
Occupier's repairs	6,208	4,660	1,798	1,950	1.7	1.5
Permanent crop depreciation	-189	-49	-55	-21	-0.1	0.0
Water	1,844	1,708	534	715	0.5	0.6
Sundries	18,276	14,417	5,293	6,033	4.9	4.8
Total fixed costs	202,276	166,059	58,579	69,490	54.0	54.7
Management & investment income	8,771	8,336	2,540	3,488	2.3	2.7
Minus: management salaries	1,008	336	292	141	0.3	0.1
Plus: farmer & spouse labour	24,489	24,388	7,092	10,206	6.5	8.0
Net farm income	32,252	32,388	9,340	13,553	8.6	10.7
Farm business income	31,097	31,856	9,006	13,331	8.3	10.5

Table 2.6 Specialist glass businesses, mainly edible crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	36	40	36	40	36	40
Productive cropping area (ha)	5.22	3.68	5.22	3.68		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	365,080	285,557	69,873	77,648	100	100
Variable costs						
Seed & young plants	24,953	20,378	4,776	5,541	6.8	7.1
Fertilisers & composts	11,006	8,589	2,106	2,335	3.0	3.0
Crop protection	5,181	3,909	992	1,063	1.4	1.4
Market charges	32,834	23,232	6,284	6,317	9.0	8.1
Packing materials	23,242	28,864	4,448	7,849	6.4	10.1
Horticultural sundries	14,051	10,836	2,689	2,946	3.8	3.8
Glasshouse fuel	46,000	29,653	8,804	8,063	12.6	10.4
Other variable costs	48	604	9	164	0.0	0.2
Total variable costs	157,315	126,064	30,109	34,279	43.1	44.1
Total gross margin	207,765	159,493	39,764	43,369	56.9	55.9
Fixed costs						
Labour:						
Regular paid	75,438	52,239	14,438	14,205	20.7	18.3
Regular unpaid	25,494	24,024	4,879	6,533	7.0	8.4
Casual labour	31,620	23,766	6,052	6,463	8.7	8.3
Power & machinery costs:						
Contract & hire	2,236	1,841	428	501	0.6	0.6
Fuel & electricity	9,325	7,725	1,785	2,101	2.6	2.7
Repairs	8,449	7,541	1,617	2,051	2.3	2.6
Machinery depreciation	8,646	6,965	1,655	1,894	2.4	2.4
Glasshouse depreciation	6,198	4,957	1,186	1,348	1.7	1.7
Rent (incl. imputed)	9,175	7,525	1,756	2,046	2.5	2.6
Other costs:						
Occupier's repairs	7,701	5,145	1,474	1,399	2.1	1.8
Permanent crop depreciation	-383	-91	-73	-25	-0.1	0.0
Water	1,876	1,796	359	488	0.5	0.6
Sundries	13,453	11,714	2,575	3,185	3.7	4.1
Total fixed costs	199,228	155,149	38,131	42,188	54.6	54.3
Management & investment income	8,536	4,344	1,634	1,181	2.3	1.5
Minus: management salaries	802	399	153	108	0.2	0.1
Plus: farmer & spouse labour	22,600	22,005	4,325	5,984	6.2	7.7
Net farm income	30,335	25,950	5,806	7,056	8.3	9.1
Farm business income	30,593	25,617	5,855	6,966	8.4	9.0

Crop output per cent of total crop output (%)

	Average 2008/09	Average 2009/10
Glasshouse crops		
Flowers & nursery stock	0.2	0.2
Tomatoes	33.7	34.1
Lettuce	4.6	4.2
Soft fruit	27.7	33.3
Other glasshouse crops	20.0	16.1
Outdoor crops		
Flowers & nursery stock	0.0	0.0
Vegetables	2.1	2.0
Fruit	11.6	10.0
Other outdoor crops	0.0	0.1
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2008/09	Average 2009/10
Crops & tillages	2	1
Stores	5	5
Glasshouses	23	24
Equipment	26	27
Livestock	0	1
Other	43	41
Total	100	100

Tenant's capital (£) **213,595** **173,865**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2008/09	Average 2009/10
Over £100,000	6	8
£50,000 to <£100,000	5	7
£25,000 to <£50,000	5	6
£12,500 to <£25,000	6	6
0 to <£12,500	7	7
-£12,500 to 0	0	2
-£25,000 to <-£12,500	0	1
-£50,000 to <-£25,000	2	1
Below -£50,000	5	2
Total	36	40

** no premium figures, sample too small*

Table 2.7 Specialist glass businesses, mainly non-edible crops

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	55	53	55	53	55	53
Productive cropping area (ha)	1.70	0.84	1.70	0.84		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	384,559	325,035	226,778	388,817	100	100
Variable costs						
Seed & young plants	89,928	63,222	53,031	75,628	23.4	19.5
Fertilisers & composts	19,672	12,801	11,601	15,313	5.1	3.9
Crop protection	2,110	1,672	1,244	2,000	0.5	0.5
Market charges	12,718	11,252	7,500	13,461	3.3	3.5
Packing materials	24,372	18,895	14,373	22,603	6.3	5.8
Horticultural sundries	8,233	13,797	4,855	16,505	2.1	4.2
Glasshouse fuel	13,222	11,022	7,797	13,185	3.4	3.4
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	170,255	132,662	100,401	158,695	44.3	40.8
Total gross margin	214,303	192,373	126,377	230,123	55.7	59.2
Fixed costs						
Labour:						
Regular paid	88,349	77,393	52,100	92,580	23.0	23.8
Regular unpaid	30,883	31,327	18,212	37,475	8.0	9.6
Casual labour	12,717	11,145	7,500	13,332	3.3	3.4
Power & machinery costs:						
Contract & hire	1,404	1,487	828	1,779	0.4	0.5
Fuel & electricity	10,636	8,596	6,272	10,282	2.8	2.6
Repairs	6,865	5,034	4,048	6,022	1.8	1.5
Machinery depreciation	10,091	8,624	5,951	10,316	2.6	2.7
Glasshouse depreciation	8,303	6,450	4,896	7,716	2.2	2.0
Rent (incl. imputed)	6,448	5,809	3,803	6,949	1.7	1.8
Other costs:						
Occupier's repairs	4,727	4,076	2,788	4,875	1.2	1.3
Permanent crop depreciation	3	1	2	1	0.0	0.0
Water	1,812	1,601	1,068	1,915	0.5	0.5
Sundries	23,060	17,678	13,599	21,148	6.0	5.4
Total fixed costs	205,299	179,221	121,067	214,390	53.4	55.1
Management & investment income	9,004	13,151	5,310	15,732	2.3	4.0
Minus: management salaries	1,213	261	715	312	0.3	0.1
Plus: farmer & spouse labour	26,363	27,263	15,546	32,613	6.9	8.4
Net farm income	34,154	40,154	20,141	48,033	8.9	12.4
Farm business income	31,598	39,383	18,634	47,111	8.2	12.1

Premium businesses	Per	Per £100	<u>Crop output per cent of total crop output (%)</u>		
	hectare	of gross	Average	Average	Premium
	2009/10	output	2008/09	2009/10	2009/10
		2009/10			
Number of businesses	18	18			
Productive cropping area (ha)	0.40				
	£ per hectare	average %			
Gross output	719,206	100.0			
Variable costs					
Seed & young plants	126,866	17.6			
Fertilisers & composts	24,017	3.3			
Crop protection	2,864	0.4			
Market charges	24,081	3.3			
Packing materials	39,736	5.5			
Horticultural sundries	22,512	3.1			
Glasshouse fuel	26,863	3.7			
Other variable costs	0	0.0			
Total variable costs	266,939	37.1			
Total gross margin	452,266	62.9			
Fixed costs					
Labour:					
Regular paid	129,665	18.0			
Regular unpaid	79,554	11.1			
Casual labour	41,278	5.7			
Power & machinery costs:					
Contract & hire	1,849	0.3			
Fuel & electricity	15,150	2.1			
Repairs	8,497	1.2			
Machinery depreciation	19,222	2.7			
Glasshouse depreciation	12,982	1.8			
Rent (incl. imputed)	18,136	2.5			
Other costs:					
Occupier's repairs	8,815	1.2			
Permanent crop depreciation	0	0.0			
Water	3,334	0.5			
Sundries	30,840	4.3			
Total fixed costs	369,322	51.4			
Management & investment income	82,945	11.5			
Minus: management salaries	195	0.0			
Plus: farmer & spouse labour	65,629	9.1			
Net farm income	148,379	20.6			
Farm business income	154,208	21.4			
			Total	55	53

	Average	Average	Premium
	2008/09	2009/10	2009/10
Glasshouse crops			
Flowers & nursery stock	81.2	79.3	95.6
Tomatoes	0.3	0.4	0.0
Lettuce	0.0	0.0	0.0
Soft fruit	0.0	0.0	0.0
Other glasshouse crops	4.1	4.0	0.7
Outdoor crops			
Flowers & nursery stock	14.2	14.4	3.5
Vegetables	0.0	1.9	0.1
Fruit	0.1	0.1	0.0
Other outdoor crops	0.2	0.0	0.0
Total	100.0	100.0	100.0

	Average	Average	Premium
	2008/09	2009/10	2009/10
Distribution of tenant's type capital (%)			
Crops & tillages	8	11	14
Stores	12	12	13
Glasshouses	21	19	15
Equipment	27	26	22
Livestock	0	0	0
Other	32	33	36
Total	100	100	100
Tenant's capital (£)	254,219	208,933	182,181

	Average	Average
	2008/09	2009/10
Farm business income (FBI)		
(distribution by number of businesses)		
Over £100,000	10	12
£50,000 to <£100,000	2	10
£25,000 to <£50,000	13	6
£12,500 to <£25,000	10	7
0 to <£12,500	13	10
-£12,500 to 0	4	4
-£25,000 to <-£12,500	0	2
-£50,000 to <-£25,000	1	1
Below -£50,000	2	1
Total	55	53

Table 2.8 Specialist glass businesses (50% or more of crop output from glasshouse production)

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	76	79	76	79	76	79
Productive cropping area (ha)	1.15	0.98	1.15	0.98		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	374,867	254,373	325,387	260,248	100	100
Variable costs						
Seed & young plants	63,623	35,944	55,225	36,774	17.0	14.1
Fertilisers & composts	16,390	9,370	14,227	9,586	4.4	3.7
Crop protection	2,416	1,735	2,097	1,775	0.6	0.7
Market charges	20,002	12,439	17,362	12,726	5.3	4.9
Packing materials	19,868	13,093	17,246	13,395	5.3	5.1
Horticultural sundries	10,995	11,151	9,544	11,409	2.9	4.4
Glasshouse fuel	36,340	24,882	31,543	25,456	9.7	9.8
Other variable costs	30	14	26	14	0.0	0.0
Total variable costs	169,666	108,627	147,271	111,136	45.3	42.7
Total gross margin	205,201	145,746	178,116	149,112	54.7	57.3
Fixed costs						
Labour:						
Regular paid	86,738	55,085	75,289	56,357	23.1	21.7
Regular unpaid	28,640	27,397	24,860	28,030	7.6	10.8
Casual labour	12,739	8,880	11,057	9,085	3.4	3.5
Power & machinery costs:						
Contract & hire	1,060	917	920	939	0.3	0.4
Fuel & electricity	10,068	6,861	8,739	7,019	2.7	2.7
Repairs	7,753	5,740	6,729	5,872	2.1	2.3
Machinery depreciation	9,533	7,099	8,274	7,263	2.5	2.8
Glasshouse depreciation	8,246	5,979	7,158	6,117	2.2	2.4
Rent (incl. imputed)	6,566	5,413	5,700	5,538	1.8	2.1
Other costs:						
Occupier's repairs	5,827	4,337	5,058	4,437	1.6	1.7
Permanent crop depreciation	-39	-13	-34	-13	0.0	0.0
Water	1,908	1,700	1,656	1,739	0.5	0.7
Sundries	19,467	12,184	16,898	12,465	5.2	4.8
Total fixed costs	198,506	141,577	172,304	144,846	53.0	55.7
Management & investment income	6,695	4,169	5,811	4,265	1.8	1.6
Minus: management salaries	959	198	833	203	0.3	0.1
Plus: farmer & spouse labour	25,267	24,705	21,932	25,275	6.7	9.7
Net farm income	31,003	28,676	26,910	29,338	8.3	11.3
Farm business income	30,042	29,895	26,077	30,586	8.0	11.8

Premium businesses	Per	Per £100	Crop output per cent of total crop output (%)		
	hectare	of gross output	Average	Average	Premium
	2009/10	2009/10	2008/09	2009/10	2009/10
Number of businesses	26	26			
Productive cropping area (ha)	0.68				
	£ per hectare	average %			
Gross output	554,335	100.0			
Variable costs					
Seed & young plants	80,387	14.5	Glasshouse crops		
Fertilisers & composts	19,091	3.4	Flowers & nursery stock	49.8	48.3
Crop protection	2,501	0.5	Tomatoes	21.0	25.7
			Lettuce	2.8	3.2
Market charges	19,520	3.5	Soft fruit	3.7	5.5
Packing materials	28,552	5.2	Other glasshouse crops	14.8	13.8
Horticultural sundries	20,817	3.8	Outdoor crops		
Glasshouse fuel	54,356	9.8	Flowers & nursery stock	7.4	2.5
Other variable costs	0	0.0	Vegetables	0.1	0.5
			Fruit	0.3	0.5
			Other outdoor crops	0.0	0.1
Total variable costs	225,224	40.6	Total	100.0	100.0
Total gross margin	329,111	59.4			
			Distribution of tenant's type capital (%)		
			Average	Average	Premium
			2008/09	2009/10	2009/10
Fixed costs					
Labour:			Crops & tillages	4	4
Regular paid	106,552	19.2	Stores	8	8
Regular unpaid	50,143	9.0	Glasshouses	23	23
Casual labour	26,983	4.9	Equipment	27	27
Power & machinery costs:			Livestock	0	0
Contract & hire	2,246	0.4	Other	38	38
Fuel & electricity	11,699	2.1	Total	100	100
Repairs	13,313	2.4			
Machinery depreciation	12,922	2.3	Tenant's capital (£)	244,225	179,790
Glasshouse depreciation	10,510	1.9			
Rent (incl. imputed)	9,209	1.7			
Other costs:			Farm business income (FBI)		
Occupier's repairs	7,053	1.3	(distribution by number of businesses)		
Permanent crop depreciation	0	0.0	Average	Average	
Water	2,631	0.5	2008/09	2009/10	
Sundries	20,928	3.8			
Total fixed costs	274,189	49.5	Over £100,000	14	16
Management & investment income	54,922	9.9	£50,000 to <£100,000	6	15
Minus: management salaries	85	0.0	£25,000 to <£50,000	15	10
Plus: farmer & spouse labour	43,750	7.9	£12,500 to <£25,000	13	11
			0 to <£12,500	17	14
Net farm income	98,586	17.8	-£12,500 to 0	4	6
			-£25,000 to <-£12,500	0	2
			-£50,000 to <-£25,000	2	2
Farm business income	106,865	19.3	Below -£50,000	5	3
			Total	76	79

Table 2.9 Specialist glass businesses (50% or more of crop output from glasshouse production) - mainly edible crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	28	34	28	34	28	34
Productive cropping area (ha)	1.23	1.12	1.23	1.12		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	268,208	204,251	217,776	182,702	100	100
Variable costs						
Seed & young plants	14,801	14,384	12,018	12,867	5.5	7.0
Fertilisers & composts	9,036	7,732	7,337	6,916	3.4	3.8
Crop protection	2,243	1,574	1,821	1,408	0.8	0.8
Market charges	22,220	14,649	18,042	13,103	8.3	7.2
Packing materials	9,463	10,861	7,683	9,715	3.5	5.3
Horticultural sundries	8,725	6,981	7,084	6,245	3.3	3.4
Glasshouse fuel	53,302	33,309	43,279	29,795	19.9	16.3
Other variable costs	59	23	48	21	0.0	0.0
Total variable costs	119,850	89,513	97,314	80,070	44.7	43.8
Total gross margin	148,358	114,738	120,461	102,633	55.3	56.2
Fixed costs						
Labour:						
Regular paid	61,069	41,741	49,586	37,337	22.8	20.4
Regular unpaid	24,837	23,191	20,167	20,744	9.3	11.4
Casual labour	9,433	6,454	7,659	5,774	3.5	3.2
Power & machinery costs:						
Contract & hire	574	400	466	358	0.2	0.2
Fuel & electricity	7,278	6,172	5,910	5,521	2.7	3.0
Repairs	7,474	6,335	6,068	5,666	2.8	3.1
Machinery depreciation	5,691	5,137	4,621	4,595	2.1	2.5
Glasshouse depreciation	6,135	4,834	4,981	4,324	2.3	2.4
Rent (incl. imputed)	7,542	6,051	6,124	5,413	2.8	3.0
Other costs:						
Occupier's repairs	5,595	4,271	4,543	3,821	2.1	2.1
Permanent crop depreciation	-80	-23	-65	-21	0.0	0.0
Water	1,632	1,679	1,326	1,502	0.6	0.8
Sundries	10,389	9,781	8,436	8,749	3.9	4.8
Total fixed costs	147,570	116,023	119,822	103,783	55.0	56.8
Management & investment income	788	-1,285	640	-1,150	0.3	-0.6
Minus: management salaries	78	309	63	276	0.0	0.2
Plus: farmer & spouse labour	21,996	21,112	17,860	18,885	8.2	10.3
Net farm income	22,706	19,518	18,436	17,459	8.5	9.6
Farm business income	24,166	20,674	19,622	18,493	9.0	10.1

Crop output per cent of total crop output (%)

	Average 2008/09	Average 2009/10
Glasshouse crops		
Flowers & nursery stock	0.0	0.3
Tomatoes	56.4	54.1
Lettuce	7.6	6.7
Soft fruit	10.0	11.7
Other glasshouse crops	24.8	25.0
Outdoor crops		
Flowers & nursery stock	0.0	0.0
Vegetables	0.4	1.0
Fruit	0.7	0.9
Other outdoor crops	0.0	0.2
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2008/09	Average 2009/10
Crops & tillages	1	1
Stores	5	5
Glasshouses	24	25
Equipment	23	25
Livestock	0	0
Other	48	44
Total	100	100
Tenant's capital (£)	166,399	144,823

Farm business income (FBI)

(distribution by number of businesses)

	Average 2008/09	Average 2009/10
Over £100,000	4	5
£50,000 to <£100,000	5	7
£25,000 to <£50,000	5	6
£12,500 to <£25,000	4	4
0 to <£12,500	5	6
-£12,500 to 0	0	2
-£25,000 to <-£12,500	0	1
-£50,000 to <-£25,000	2	1
Below -£50,000	3	2
Total	28	34

* no premium figures, sample too small

Table 2.10 Specialist glass businesses (50% or more of crop output from glasshouse production) - mainly non-edible crops

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	48	45	48	45	48	45
Productive cropping area (ha)	1.07	0.78	1.07	0.78		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	486,177	324,588	454,761	415,827	100	100
Variable costs						
Seed & young plants	114,574	66,147	107,171	84,741	23.6	20.4
Fertilisers & composts	24,065	11,664	22,510	14,943	4.9	3.6
Crop protection	2,597	1,959	2,429	2,510	0.5	0.6
Market charges	17,688	9,343	16,545	11,970	3.6	2.9
Packing materials	30,728	16,219	28,742	20,778	6.3	5.0
Horticultural sundries	13,365	16,994	12,502	21,770	2.7	5.2
Glasshouse fuel	18,638	13,077	17,434	16,752	3.8	4.0
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	221,655	135,403	207,331	173,464	45.6	41.7
Total gross margin	264,523	189,185	247,430	242,363	54.4	58.3
Fixed costs						
Labour:						
Regular paid	113,527	73,778	106,191	94,516	23.4	22.7
Regular unpaid	32,609	33,290	30,502	42,648	6.7	10.3
Casual labour	16,188	12,277	15,142	15,728	3.3	3.8
Power & machinery costs:						
Contract & hire	1,568	1,642	1,466	2,104	0.3	0.5
Fuel & electricity	12,979	7,825	12,140	10,025	2.7	2.4
Repairs	8,044	4,906	7,524	6,285	1.7	1.5
Machinery depreciation	13,542	9,846	12,667	12,614	2.8	3.0
Glasshouse depreciation	10,449	7,583	9,774	9,715	2.1	2.3
Rent (incl. imputed)	5,548	4,518	5,190	5,788	1.1	1.4
Other costs:						
Occupier's repairs	6,069	4,429	5,677	5,674	1.2	1.4
Permanent crop depreciation	4	1	4	2	0.0	0.0
Water	2,195	1,729	2,053	2,215	0.5	0.5
Sundries	28,941	15,549	27,071	19,919	6.0	4.8
Total fixed costs	251,663	177,375	235,401	227,233	51.8	54.6
Management & investment income	12,859	11,810	12,028	15,130	2.6	3.6
Minus: management salaries	1,879	43	1,758	55	0.4	0.0
Plus: farmer & spouse labour	28,681	29,738	26,828	38,097	5.9	9.2
Net farm income	39,661	41,506	37,098	53,172	8.2	12.8
Farm business income	36,174	42,813	33,836	54,847	7.4	13.2

Premium businesses	Per	Per £100	Crop output per cent of total crop output (%)		
	hectare	of gross	Average	Average	Premium
	2009/10	output	2008/09	2009/10	2009/10
		2009/10			
Number of businesses	15	15			
Productive cropping area (ha)	0.52				
	£ per hectare	average %			
Gross output	713,680	100.0			
Variable costs					
Seed & young plants	131,106	18.4			
Fertilisers & composts	23,458	3.3			
Crop protection	3,022	0.4			
Market charges	25,097	3.5			
Packing materials	43,666	6.1			
Horticultural sundries	22,955	3.2			
Glasshouse fuel	28,231	4.0			
Other variable costs	0	0.0			
Total variable costs	277,536	38.9			
Total gross margin	436,143	61.1			
Fixed costs					
Labour:					
Regular paid	138,797	19.4			
Regular unpaid	66,932	9.4			
Casual labour	42,883	6.0			
Power & machinery costs:					
Contract & hire	1,750	0.2			
Fuel & electricity	15,760	2.2			
Repairs	8,578	1.2			
Machinery depreciation	20,337	2.8			
Glasshouse depreciation	13,444	1.9			
Rent (incl. imputed)	8,424	1.2			
Other costs:					
Occupier's repairs	8,893	1.2			
Permanent crop depreciation	0	0.0			
Water	3,426	0.5			
Sundries	27,172	3.8			
Total fixed costs	356,395	49.9			
Management & investment income	79,749	11.2			
Minus: management salaries	222	0.0			
Plus: farmer & spouse labour	60,516	8.5			
Net farm income	140,042	19.6			
Farm business income	144,116	20.2			
			Total	48	45

	Average	Average	Premium
	2008/09	2009/10	2009/10
Glasshouse crops			
Flowers & nursery stock	79.0	90.8	95.4
Tomatoes	0.3	0.5	0.0
Lettuce	0.0	0.0	0.0
Soft fruit	0.0	0.0	0.0
Other glasshouse crops	8.9	3.7	0.8
Outdoor crops			
Flowers & nursery stock	11.7	4.8	3.7
Vegetables	0.0	0.1	0.2
Fruit	0.1	0.1	0.0
Other outdoor crops	0.0	0.0	0.0
Total	100.0	100.0	100.0

	Average	Average	Premium
	2008/09	2009/10	2009/10
Distribution of tenant's type capital (%)			
Crops & tillages	8	11	19
Stores	12	11	11
Glasshouses	19	17	10
Equipment	29	29	24
Livestock	0	0	0
Other	32	32	35
Total	100	100	100
Tenant's capital (£)	325,445	228,775	239,446

	Average	Average
	2008/09	2009/10
Farm business income (FBI)		
(distribution by number of businesses)		
Over £100,000	10	11
£50,000 to <£100,000	1	8
£25,000 to <£50,000	10	4
£12,500 to <£25,000	9	7
0 to <£12,500	12	8
-£12,500 to 0	4	4
-£25,000 to <-£12,500	0	1
-£50,000 to <-£25,000	0	1
Below -£50,000	2	1
Total	48	45

Table 2.11 Specialist glass businesses (90% or more of crop output from glasshouse production)

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	63	64	63	64	63	64
Productive cropping area (ha)	1.03	0.77	1.03	0.77		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	384,507	307,003	373,423	398,790	100	100
Variable costs						
Seed & young plants	54,871	42,857	53,289	55,670	14.3	14.0
Fertilisers & composts	19,252	12,345	18,697	16,036	5.0	4.0
Crop protection	2,856	2,184	2,774	2,836	0.7	0.7
Market charges	21,598	15,322	20,976	19,903	5.6	5.0
Packing materials	19,135	16,117	18,584	20,935	5.0	5.2
Horticultural sundries	10,571	12,588	10,266	16,351	2.7	4.1
Glasshouse fuel	46,280	33,561	44,946	43,595	12.0	10.9
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	174,564	134,973	169,532	175,327	45.4	44.0
Total gross margin	209,943	172,030	203,892	223,463	54.6	56.0
Fixed costs						
Labour:						
Regular paid	88,048	67,506	85,510	87,689	22.9	22.0
Regular unpaid	28,602	27,517	27,777	35,745	7.4	9.0
Casual labour	14,980	9,561	14,548	12,419	3.9	3.1
Power & machinery costs:						
Contract & hire	939	955	912	1,240	0.2	0.3
Fuel & electricity	9,670	8,210	9,392	10,664	2.5	2.7
Repairs	8,613	7,133	8,364	9,266	2.2	2.3
Machinery depreciation	10,512	8,455	10,209	10,982	2.7	2.8
Glasshouse depreciation	9,715	7,593	9,435	9,863	2.5	2.5
Rent (incl. imputed)	7,395	6,427	7,182	8,348	1.9	2.1
Other costs:						
Occupier's repairs	6,510	5,306	6,322	6,892	1.7	1.7
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,092	1,861	2,032	2,417	0.5	0.6
Sundries	18,295	13,742	17,767	17,851	4.8	4.5
Total fixed costs	205,371	164,265	199,451	213,377	53.4	53.5
Management & investment income	4,572	7,765	4,441	10,086	1.2	2.5
Minus: management salaries	456	261	443	338	0.1	0.1
Plus: farmer & spouse labour	24,883	24,494	24,166	31,817	6.5	8.0
Net farm income	29,000	31,998	28,164	41,564	7.5	10.4
Farm business income	28,263	32,330	27,448	41,996	7.4	10.5

Table 2.12 Specialist glass businesses (90% or more of crop output from glasshouse production) - mainly edible crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	22	25	22	25	22	25
Productive cropping area (ha)	1.06	0.80	1.06	0.80		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	338,437	279,510	318,056	351,478	100	100
Variable costs						
Seed & young plants	18,700	20,335	17,574	25,571	5.5	7.3
Fertilisers & composts	11,721	10,755	11,015	13,524	3.5	3.8
Crop protection	2,871	2,116	2,698	2,660	0.8	0.8
Market charges	28,896	21,040	27,156	26,458	8.5	7.5
Packing materials	11,804	14,866	11,093	18,694	3.5	5.3
Horticultural sundries	10,997	9,808	10,335	12,333	3.2	3.5
Glasshouse fuel	70,766	48,713	66,504	61,256	20.9	17.4
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	155,754	127,633	146,375	160,496	46.0	45.7
Total gross margin	182,683	151,877	171,681	190,982	54.0	54.3
Fixed costs						
Labour:						
Regular paid	76,818	57,093	72,192	71,794	22.7	20.4
Regular unpaid	23,418	22,152	22,008	27,856	6.9	7.9
Casual labour	10,983	7,919	10,321	9,957	3.2	2.8
Power & machinery costs:						
Contract & hire	749	534	704	672	0.2	0.2
Fuel & electricity	8,719	7,779	8,194	9,782	2.6	2.8
Repairs	9,463	8,310	8,893	10,450	2.8	3.0
Machinery depreciation	7,064	6,734	6,638	8,467	2.1	2.4
Glasshouse depreciation	8,065	6,846	7,579	8,608	2.4	2.4
Rent (incl. imputed)	9,092	7,848	8,544	9,869	2.7	2.8
Other costs:						
Occupier's repairs	6,628	5,489	6,229	6,903	2.0	2.0
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	1,919	1,983	1,803	2,494	0.6	0.7
Sundries	12,541	11,636	11,786	14,633	3.7	4.2
Total fixed costs	175,456	144,324	164,890	181,485	51.8	51.6
Management & investment income	7,227	7,552	6,791	9,497	2.1	2.7
Minus: management salaries	82	426	77	536	0.0	0.2
Plus: farmer & spouse labour	20,196	19,810	18,979	24,910	6.0	7.1
Net farm income	27,341	26,936	25,694	33,871	8.1	9.6
Farm business income	28,130	27,334	26,436	34,372	8.3	9.8

Crop output per cent of total crop output (%)

	Average 2008/09	Average 2009/10
Glasshouse crops		
Flowers & nursery stock	0.0	0.4
Tomatoes	59.4	58.0
Lettuce	8.0	7.0
Soft fruit	9.2	11.3
Other glasshouse crops	23.3	22.9
Outdoor crops		
Flowers & nursery stock	0.0	0.0
Vegetables	0.1	0.4
Fruit	0.0	0.0
Other outdoor crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2008/09	Average 2009/10
Crops & tillages	0	0
Stores	4	4
Glasshouses	29	31
Equipment	19	20
Livestock	0	0
Other	48	45
Total	100	100
Tenant's capital (£)	214,258	201,522

Farm business income (FBI)

(distribution by number of businesses)

	Average 2008/09	Average 2009/10
Over £100,000	4	5
£50,000 to <£100,000	4	6
£25,000 to <£50,000	4	4
£12,500 to <£25,000	3	2
0 to <£12,500	2	3
-£12,500 to 0	0	2
-£25,000 to <-£12,500	0	1
-£50,000 to <-£25,000	2	0
Below -£50,000	3	2
Total	22	25

* no premium figures, sample too small

Table 2.13 Specialist glass businesses (90% or more of crop output from salad production) - mainly edible crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	16	16	16	16	16	16
Productive cropping area (ha)	1.08	0.93	1.08	0.93		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	408,199	378,032	378,195	407,020	100	100
Variable costs						
Seed & young plants	22,250	19,368	20,615	20,853	5.5	5.1
Fertilisers & composts	15,121	16,934	14,010	18,232	3.7	4.5
Crop protection	3,127	2,605	2,897	2,805	0.8	0.7
Market charges	27,960	20,476	25,905	22,046	6.8	5.4
Packing materials	13,284	21,880	12,308	23,557	3.3	5.8
Horticultural sundries	11,831	10,880	10,961	11,714	2.9	2.9
Glasshouse fuel	95,145	77,744	88,152	83,706	23.3	20.6
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	188,719	169,886	174,848	182,913	46.2	44.9
Total gross margin	219,480	208,145	203,348	224,106	53.8	55.1
Fixed costs						
Labour:						
Regular paid	88,845	75,546	82,315	81,339	21.8	20.0
Regular unpaid	25,896	24,451	23,993	26,326	6.3	6.5
Casual labour	14,663	11,932	13,585	12,847	3.6	3.2
Power & machinery costs:						
Contract & hire	899	526	833	567	0.2	0.1
Fuel & electricity	11,127	11,664	10,309	12,558	2.7	3.1
Repairs	12,665	13,319	11,734	14,340	3.1	3.5
Machinery depreciation	8,346	7,653	7,732	8,240	2.0	2.0
Glasshouse depreciation	9,495	9,603	8,797	10,339	2.3	2.5
Rent (incl. imputed)	9,595	9,752	8,890	10,500	2.4	2.6
Other costs:						
Occupier's repairs	7,763	6,843	7,192	7,368	1.9	1.8
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,416	2,886	2,238	3,107	0.6	0.8
Sundries	14,913	14,437	13,817	15,544	3.7	3.8
Total fixed costs	206,623	188,612	191,436	203,074	50.6	49.9
Management & investment income	12,857	19,534	11,912	21,032	3.1	5.2
Minus: management salaries	117	97	108	105	0.0	0.0
Plus: farmer & spouse labour	21,880	21,190	20,272	22,815	5.4	5.6
Net farm income	34,621	40,626	32,076	43,741	8.5	10.7
Farm business income	36,121	41,158	33,466	44,315	8.8	10.9

Crop output per cent of total crop output (%)

	Average 2008/09	Average 2009/10
Glasshouse crops		
Flowers & nursery stock	0.0	0.0
Tomatoes	70.8	74.0
Lettuce	9.5	8.9
Soft fruit	0.0	0.0
Other glasshouse crops	19.6	16.5
Outdoor crops		
Flowers & nursery stock	0.0	0.0
Vegetables	0.1	0.6
Fruit	0.0	0.0
Other outdoor crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2008/09	Average 2009/10
Crops & tillages	0	1
Stores	5	6
Glasshouses	31	34
Equipment	20	21
Livestock	0	0
Other	44	38
Total	100	100
Tenant's capital (£)	226,637	221,847

Farm business income (FBI)

(distribution by number of businesses)

	Average 2008/09	Average 2009/10
Over £100,000	3	4
£50,000 to <£100,000	3	5
£25,000 to <£50,000	3	3
£12,500 to <£25,000	3	1
0 to <£12,500	0	0
-£12,500 to 0	0	2
-£25,000 to <-£12,500	0	0
-£50,000 to <-£25,000	2	0
Below -£50,000	2	1
Total	16	16

* no premium figures, sample too small

Table 2.14 Specialist glass businesses (90% or more of crop output from glasshouse production) - mainly non-edible crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	41	39	41	39	41	39
Productive cropping area (ha)	0.99	0.74	0.99	0.74		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	431,359	341,082	433,659	461,957	100	100
Variable costs						
Seed & young plants	91,656	70,773	92,144	95,854	21.2	20.7
Fertilisers & composts	26,912	14,316	27,056	19,390	6.2	4.2
Crop protection	2,841	2,268	2,857	3,072	0.7	0.7
Market charges	14,177	8,235	14,252	11,153	3.3	2.4
Packing materials	26,591	17,666	26,733	23,927	6.2	5.2
Horticultural sundries	10,137	16,034	10,191	21,716	2.3	4.7
Glasshouse fuel	21,378	14,779	21,492	20,017	5.0	4.3
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	193,692	144,071	194,725	195,128	44.9	42.2
Total gross margin	237,667	197,011	238,934	266,829	55.1	57.8
Fixed costs						
Labour:						
Regular paid	99,470	80,414	100,000	108,911	23.1	23.6
Regular unpaid	33,873	34,168	34,054	46,277	7.9	10.0
Casual labour	19,045	11,597	19,147	15,706	4.4	3.4
Power & machinery costs:						
Contract & hire	1,133	1,476	1,139	1,999	0.3	0.4
Fuel & electricity	10,638	8,743	10,694	11,842	2.5	2.6
Repairs	7,748	5,675	7,789	7,686	1.8	1.7
Machinery depreciation	14,019	10,588	14,093	14,340	3.2	3.1
Glasshouse depreciation	11,393	8,519	11,454	11,538	2.6	2.5
Rent (incl. imputed)	5,670	4,665	5,701	6,318	1.3	1.4
Other costs:						
Occupier's repairs	6,390	5,078	6,424	6,878	1.5	1.5
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,268	1,709	2,280	2,315	0.5	0.5
Sundries	24,146	16,352	24,275	22,147	5.6	4.8
Total fixed costs	235,794	188,983	237,051	255,957	54.7	55.4
Management & investment income	1,873	8,028	1,883	10,873	0.4	2.4
Minus: management salaries	837	55	841	75	0.2	0.0
Plus: farmer & spouse labour	29,650	30,300	29,808	41,038	6.9	8.9
Net farm income	30,687	38,272	30,850	51,835	7.1	11.2
Farm business income	28,398	38,522	28,549	52,174	6.6	11.3

Crop output per cent of total crop output (%)

	Average 2008/09	Average 2009/10
Glasshouse crops		
Flowers & nursery stock	86.7	94.7
Tomatoes	0.4	0.5
Lettuce	0.0	0.0
Soft fruit	0.0	0.0
Other glasshouse crops	12.7	4.5
Outdoor crops		
Flowers & nursery stock	0.2	0.3
Vegetables	0.0	0.0
Fruit	0.0	0.0
Other outdoor crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2008/09	Average 2009/10
Crops & tillages	7	7
Stores	11	12
Glasshouses	23	20
Equipment	29	30
Livestock	0	0
Other	30	31
Total	100	100
Tenant's capital (£)	325,179	245,007

Farm business income (FBI)

(distribution by number of businesses)

	Average 2008/09	Average 2009/10
Over £100,000	7	9
£50,000 to <£100,000	1	8
£25,000 to <£50,000	9	4
£12,500 to <£25,000	9	4
0 to <£12,500	10	8
-£12,500 to 0	3	3
-£25,000 to <-£12,500	0	1
-£50,000 to <-£25,000	0	1
Below -£50,000	2	1
Total	41	39

* no premium figures, sample too small

Table 2.15 All specialist fruit businesses

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	40	42	40	42	40	42
Productive cropping area (ha)	15.57	15.23	15.57	15.23		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	177,469	216,494	11,400	14,218	100	100
Variable costs						
Seed & young plants	2,383	2,667	153	175	1.3	1.2
Fertilisers & composts	2,316	2,823	149	185	1.3	1.3
Crop protection	6,885	8,785	442	577	3.9	4.1
Market charges	21,195	23,523	1,362	1,545	11.9	10.9
Packing materials	15,534	18,528	998	1,217	8.8	8.6
Horticultural sundries	7,361	11,138	473	731	4.1	5.1
Glasshouse fuel	335	136	22	9	0.2	0.1
Other variable costs	1,607	1,187	103	78	0.9	0.5
Total variable costs	57,616	68,789	3,701	4,518	32.5	31.8
Total gross margin	119,853	147,705	7,699	9,700	67.5	68.2
Fixed costs						
Labour:						
Regular paid	18,022	24,714	1,158	1,623	10.2	11.4
Regular unpaid	15,322	19,548	984	1,284	8.6	9.0
Casual labour	31,184	31,224	2,003	2,051	17.6	14.4
Power & machinery costs:						
Contract & hire	6,203	6,015	398	395	3.5	2.8
Fuel & electricity	6,194	6,744	398	443	3.5	3.1
Repairs	4,764	5,899	306	387	2.7	2.7
Machinery depreciation	8,169	7,781	525	511	4.6	3.6
Glasshouse depreciation	2	1	0	0	0.0	0.0
Rent (incl. imputed)	10,635	13,293	683	873	6.0	6.1
Other costs:						
Occupier's repairs	3,329	4,434	214	291	1.9	2.0
Permanent crop depreciation	2,713	2,560	174	168	1.5	1.2
Water	1,306	1,099	84	72	0.7	0.5
Sundries	11,949	12,203	768	801	6.7	5.6
Total fixed costs	119,791	135,515	7,695	8,900	67.5	62.6
Management & investment income	62	12,190	4	801	0.0	5.6
Minus: management salaries	121	211	8	14	0.1	0.1
Plus: farmer & spouse labour	13,604	18,148	874	1,192	7.7	8.4
Net farm income	13,545	30,127	870	1,979	7.6	13.9
Farm business income	16,030	34,587	1,030	2,271	9.0	16.0

Table 2.16 Specialist fruit businesses, mainly top fruit*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	26	27	26	27	26	27
Productive cropping area (ha)	14.65	14.90	14.65	14.90		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	146,792	184,595	10,018	12,386	100	100
Variable costs						
Seed & young plants	109	164	7	11	0.1	0.1
Fertilisers & composts	1,365	1,618	93	109	0.9	0.9
Crop protection	7,081	8,117	483	545	4.8	4.4
Market charges	21,455	26,835	1,464	1,801	14.6	14.5
Packing materials	14,606	13,940	997	935	10.0	7.6
Horticultural sundries	6,817	12,140	465	815	4.6	6.6
Glasshouse fuel	607	235	41	16	0.4	0.1
Other variable costs	309	209	21	14	0.2	0.1
Total variable costs	52,349	63,259	3,573	4,245	35.7	34.3
Total gross margin	94,443	121,337	6,445	8,141	64.3	65.7
Fixed costs						
Labour:						
Regular paid	12,647	18,388	863	1,234	8.6	10.0
Regular unpaid	13,713	22,215	936	1,491	9.3	12.0
Casual labour	21,467	21,545	1,465	1,446	14.6	11.7
Power & machinery costs:						
Contract & hire	2,661	4,036	182	271	1.8	2.2
Fuel & electricity	5,505	5,744	376	385	3.7	3.1
Repairs	3,934	5,145	268	345	2.7	2.8
Machinery depreciation	8,953	9,178	611	616	6.1	5.0
Glasshouse depreciation	0	0	0	0	0.0	0.0
Rent (incl. imputed)	9,448	12,861	645	863	6.4	7.0
Other costs:						
Occupier's repairs	3,081	3,256	210	218	2.1	1.8
Permanent crop depreciation	4,085	3,297	279	221	2.8	1.8
Water	529	675	36	45	0.4	0.4
Sundries	8,527	10,157	582	681	5.8	5.5
Total fixed costs	94,550	116,495	6,452	7,817	64.4	63.1
Management & investment income	-107	4,841	-7	325	-0.1	2.6
Minus: management salaries	56	52	4	4	0.0	0.0
Plus: farmer & spouse labour	11,673	20,437	797	1,371	8.0	11.1
Net farm income	11,509	25,226	785	1,693	7.8	13.7
Farm business income	16,586	32,009	1,132	2,148	11.3	17.3

Crop output per cent of total crop output (%)

	Average 2008/09	Average 2009/10
Top fruit		
Dessert apples & pears	58.3	63.6
Culinary apples	13.0	7.6
Plums	2.9	7.1
Other top fruit	25.8	21.3
Soft fruit		
Strawberries	0.0	0.0
Raspberries	0.0	0.0
Blackcurrants	0.0	0.0
Other soft fruit	0.0	0.0
Other crops	0.0	0.3
Total	100	100

Distribution of tenant's type capital (%)

	Average 2008/09	Average 2009/10
Crops & tillages	25	22
Stores	3	2
Glasshouses	0	0
Equipment	46	40
Livestock	0	0
Other	27	36
Total	100	100

Tenant's capital (£) **147,620** **174,283**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2008/09	Average 2009/10
Over £100,000	0	1
£50,000 to <£100,000	6	8
£25,000 to <£50,000	5	5
£12,500 to <£25,000	7	4
0 to <£12,500	3	5
-£12,500 to 0	1	1
-£25,000 to <-£12,500	3	1
-£50,000 to <-£25,000	1	1
Below -£50,000	0	1
Total	26	27

** no premium figures, sample too small*

Table 2.17 Specialist fruit businesses, mainly top fruit-excluding cider*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	18	18	18	18	18	18
Productive cropping area (ha)	21.68	14.83	21.68	14.83		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	258,588	242,551	11,928	16,351	100	100
Variable costs						
Seed & young plants	193	240	9	16	0.1	0.1
Fertilisers & composts	2,250	1,785	104	120	0.9	0.7
Crop protection	14,209	10,313	655	695	5.5	4.3
Market charges	41,013	38,706	1,892	2,609	15.9	16.0
Packing materials	31,533	20,365	1,454	1,373	12.2	8.4
Horticultural sundries	9,645	16,288	445	1,098	3.7	6.7
Glasshouse fuel	498	334	23	23	0.2	0.1
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	99,341	88,032	4,582	5,934	38.4	36.3
Total gross margin	159,247	154,519	7,345	10,416	61.6	63.7
Fixed costs						
Labour:						
Regular paid	29,436	23,960	1,358	1,615	11.4	9.9
Regular unpaid	17,435	25,870	804	1,744	6.7	10.7
Casual labour	40,444	29,707	1,865	2,003	15.6	12.2
Power & machinery costs:						
Contract & hire	4,297	5,010	198	338	1.7	2.1
Fuel & electricity	10,073	7,184	465	484	3.9	3.0
Repairs	6,792	5,956	313	401	2.6	2.5
Machinery depreciation	14,837	11,139	684	751	5.7	4.6
Glasshouse depreciation	0	0	0	0	0.0	0.0
Rent (incl. imputed)	15,688	16,435	724	1,108	6.1	6.8
Other costs:						
Occupier's repairs	5,136	4,017	237	271	2.0	1.7
Permanent crop depreciation	7,202	4,339	332	293	2.8	1.8
Water	916	873	42	59	0.4	0.4
Sundries	13,999	12,411	646	837	5.4	5.1
Total fixed costs	166,253	146,901	7,669	9,903	64.3	60.6
Management & investment income	-7,007	7,618	-323	514	-2.7	3.1
Minus: management salaries	396	76	18	5	0.2	0.0
Plus: farmer & spouse labour	15,358	24,344	708	1,641	5.9	10.0
Net farm income	7,955	31,885	367	2,149	3.1	13.1
Farm business income	14,600	39,770	673	2,681	5.6	16.4

Crop output per cent of total crop output (%)

	Average 2008/09	Average 2009/10
Top fruit		
Dessert apples & pears	47.5	59.9
Culinary apples	20.6	8.4
Plums	2.7	7.8
Other top fruit	29.2	23.5
Soft fruit		
Strawberries	0.0	0.0
Raspberries	0.0	0.0
Blackcurrants	0.0	0.0
Other soft fruit	0.0	0.0
Other crops	0.0	0.4
Total	100	100

Distribution of tenant's type capital (%)

	Average 2008/09	Average 2009/10
Crops & tillages	37	25
Stores	2	2
Glasshouses	0	0
Equipment	31	35
Livestock	0	0
Other	30	38
Total	100	100

Tenant's capital (£) **259,252** **220,830**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2008/09	Average 2009/10
Over £100,000	0	1
£50,000 to <£100,000	5	6
£25,000 to <£50,000	3	4
£12,500 to <£25,000	4	2
0 to <£12,500	2	3
-£12,500 to 0	1	0
-£25,000 to <-£12,500	2	1
-£50,000 to <-£25,000	0	1
Below -£50,000	1	0
Total	18	18

** no premium figures, sample too small*

Table 2.18 All specialist hardy nursery stock businesses *

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	41	43	41	43	41	43
Productive cropping area (ha)	4.14	2.82	4.14	2.82		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	409,689	317,851	98,984	112,538	100	100
Variable costs						
Seed & young plants	132,126	95,632	31,923	33,859	32.3	30.1
Fertilisers & composts	12,572	8,724	3,037	3,089	3.1	2.7
Crop protection	3,227	2,520	780	892	0.8	0.8
Market charges	13,787	8,215	3,331	2,908	3.4	2.6
Packing materials	8,203	6,568	1,982	2,326	2.0	2.1
Horticultural sundries	15,111	10,078	3,651	3,568	3.7	3.2
Glasshouse fuel	1,355	1,082	327	383	0.3	0.3
Other variable costs	402	365	97	129	0.1	0.1
Total variable costs	186,784	133,184	45,128	47,155	45.6	41.9
Total gross margin	222,905	184,667	53,855	65,383	54.4	58.1
Fixed costs						
Labour:						
Regular paid	90,933	67,849	21,970	24,022	22.2	21.3
Regular unpaid	24,099	26,931	5,822	9,535	5.9	8.5
Casual labour	6,870	6,167	1,660	2,183	1.7	1.9
Power & machinery costs:						
Contract & hire	2,051	1,347	495	477	0.5	0.4
Fuel & electricity	7,442	6,718	1,798	2,378	1.8	2.1
Repairs	5,192	5,125	1,254	1,814	1.3	1.6
Machinery depreciation	9,771	8,381	2,361	2,967	2.4	2.6
Glasshouse depreciation	3,777	2,374	912	840	0.9	0.7
Rent (incl. imputed)	8,400	7,347	2,030	2,601	2.1	2.3
Other costs:						
Occupier's repairs	5,081	4,941	1,228	1,749	1.2	1.6
Permanent crop depreciation	135	21	33	7	0.0	0.0
Water	1,559	1,563	377	553	0.4	0.5
Sundries	18,237	15,560	4,406	5,509	4.5	4.9
Total fixed costs	183,547	154,321	44,346	54,639	44.8	48.6
Management & investment income	39,358	30,346	9,509	10,744	9.6	9.5
Minus: management salaries	685	466	166	165	0.2	0.1
Plus: farmer & spouse labour	17,974	19,187	4,343	6,793	4.4	6.0
Net farm income	56,647	49,067	13,686	17,372	13.8	15.4
Farm business income	41,195	45,476	9,953	16,101	10.1	14.3

Crop output per cent of total crop output (%)

	Average 2008/09	Average 2009/10
Hardy nursery stock		
Glasshouse crops	29.8	28.3
Outdoor crops	70.0	71.6
Other crops	0.0	0.1
Total	99.8	100.0

Distribution of tenant's type capital (%)

	Average 2008/09	Average 2009/10
Crops & tillages	32	32
Stores	7	10
Glasshouses	5	4
Equipment	18	19
Livestock	3	3
Other	35	33
Total	100	100

Tenant's capital (£) **314,234** **250,877**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2008/09	Average 2009/10
Over £100,000	6	9
£50,000 to <£100,000	9	5
£25,000 to <£50,000	9	15
£12,500 to <£25,000	5	5
0 to <£12,500	3	3
-£12,500 to 0	4	4
-£25,000 to <-£12,500	2	1
-£50,000 to <-£25,000	2	0
Below -£50,000	1	1
Total	41	43

** no premium figures, sample too small*

Table 2.19 Specialist hardy nursery stock businesses, mainly protected crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	15	16	15	16	15	16
Productive cropping area (ha)	1.65	1.20	1.65	1.20		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	500,058	414,937	302,524	344,900	100	100
Variable costs						
Seed & young plants	138,432	87,777	83,748	72,961	27.7	21.2
Fertilisers & composts	18,973	17,399	11,478	14,462	3.8	4.2
Crop protection	4,438	3,676	2,685	3,056	0.9	0.9
Market charges	14,309	12,868	8,657	10,696	2.9	3.1
Packing materials	13,645	11,043	8,255	9,179	2.7	2.7
Horticultural sundries	17,057	15,006	10,319	12,473	3.4	3.6
Glasshouse fuel	3,748	3,185	2,267	2,647	0.7	0.8
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	210,601	150,953	127,409	125,474	42.1	36.4
Total gross margin	289,457	263,984	175,115	219,426	57.9	63.6
Fixed costs						
Labour:						
Regular paid	125,049	97,058	75,652	80,675	25.0	23.4
Regular unpaid	32,718	36,796	19,794	30,585	6.5	8.9
Casual labour	13,392	16,427	8,102	13,654	2.7	4.0
Power & machinery costs:						
Contract & hire	1,729	765	1,046	636	0.3	0.2
Fuel & electricity	9,588	8,704	5,800	7,235	1.9	2.1
Repairs	6,006	7,820	3,633	6,500	1.2	1.9
Machinery depreciation	12,179	8,317	7,368	6,913	2.4	2.0
Glasshouse depreciation	7,742	4,273	4,684	3,552	1.5	1.0
Rent (incl. imputed)	9,737	7,242	5,890	6,020	1.9	1.7
Other costs:						
Occupier's repairs	7,844	5,514	4,745	4,583	1.6	1.3
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,086	3,044	1,262	2,530	0.4	0.7
Sundries	20,721	18,713	12,536	15,555	4.1	4.5
Total fixed costs	248,790	214,673	150,512	178,439	49.8	51.7
Management & investment income	40,667	49,311	24,603	40,987	8.1	11.9
Minus: management salaries	2,448	1,879	1,481	1,562	0.5	0.5
Plus: farmer & spouse labour	25,097	27,651	15,183	22,984	5.0	6.7
Net farm income	63,315	75,082	38,304	62,409	12.7	18.1
Farm business income	51,248	75,958	31,004	63,137	10.2	18.3

Crop output per cent of total crop output (%)

	Average 2008/09	Average 2009/10
Hardy nursery stock		
Glasshouse crops	80.3	77.5
Outdoor crops	19.7	22.2
Other crops	0.0	0.3
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2008/09	Average 2009/10
Crops & tillages	35	40
Stores	9	8
Glasshouses	13	11
Equipment	13	13
Livestock	0	0
Other	30	28
Total	100	100

Tenant's capital (£) **407,019** **287,972**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2008/09	Average 2009/10
Over £100,000	3	4
£50,000 to <£100,000	4	3
£25,000 to <£50,000	3	5
£12,500 to <£25,000	1	2
0 to <£12,500	2	0
-£12,500 to 0	0	2
-£25,000 to <-£12,500	1	0
-£50,000 to <-£25,000	1	0
Below -£50,000	0	0
Total	15	16

** no premium figures, sample too small*

Table 2.20 Specialist hardy nursery stock businesses, mainly outdoor crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	23	25	23	25	23	25
Productive cropping area (ha)	4.93	3.52	4.93	3.52		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	439,201	311,865	89,030	88,590	100	100
Variable costs						
Seed & young plants	157,255	109,485	31,877	31,101	35.8	35.1
Fertilisers & composts	10,956	6,582	2,221	1,870	2.5	2.1
Crop protection	3,280	2,328	665	661	0.7	0.7
Market charges	16,922	7,474	3,430	2,123	3.9	2.4
Packing materials	7,197	5,747	1,459	1,632	1.6	1.8
Horticultural sundries	17,114	9,310	3,469	2,645	3.9	3.0
Glasshouse fuel	528	432	107	123	0.1	0.1
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	213,251	141,358	43,228	40,155	48.6	45.3
Total gross margin	225,950	170,507	45,802	48,435	51.4	54.7
Fixed costs						
Labour:						
Regular paid	95,062	65,693	19,270	18,661	21.6	21.1
Regular unpaid	18,450	24,197	3,740	6,874	4.2	7.8
Casual labour	4,229	2,736	857	777	1.0	0.9
Power & machinery costs:						
Contract & hire	2,442	1,531	495	435	0.6	0.5
Fuel & electricity	7,699	6,704	1,561	1,904	1.8	2.1
Repairs	5,572	4,660	1,129	1,324	1.3	1.5
Machinery depreciation	10,463	9,070	2,121	2,576	2.4	2.9
Glasshouse depreciation	2,771	1,972	562	560	0.6	0.6
Rent (incl. imputed)	7,754	6,992	1,572	1,986	1.8	2.2
Other costs:						
Occupier's repairs	4,639	5,034	940	1,430	1.1	1.6
Permanent crop depreciation	235	31	48	9	0.1	0.0
Water	1,389	947	281	269	0.3	0.3
Sundries	19,956	15,929	4,045	4,525	4.5	5.1
Total fixed costs	180,660	145,496	36,621	41,330	41.1	46.7
Management & investment income	45,290	25,011	9,181	7,105	10.3	8.0
Minus: management salaries	0	0	0	0	0.0	0.0
Plus: farmer & spouse labour	15,650	17,830	3,172	5,065	3.6	5.7
Net farm income	60,940	42,841	12,353	12,170	13.9	13.7
Farm business income	35,307	35,105	7,157	9,972	8.0	11.3

Crop output per cent of total crop output (%)

	Average 2008/09	Average 2009/10
Hardy nursery stock		
Glasshouse crops	2.4	2.1
Outdoor crops	97.6	97.9
Other crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2008/09	Average 2009/10
Crops & tillages	35	32
Stores	5	10
Glasshouses	3	2
Equipment	20	22
Livestock	0	0
Other	37	33
Total	100	100

Tenant's capital (£) **322,804** **254,910**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2008/09	Average 2009/10
Over £100,000	3	5
£50,000 to <£100,000	4	1
£25,000 to <£50,000	5	9
£12,500 to <£25,000	4	3
0 to <£12,500	0	3
-£12,500 to 0	4	2
-£25,000 to <-£12,500	1	1
-£50,000 to <-£25,000	1	0
Below -£50,000	1	1
Total	23	25

** no premium figures, sample too small*

Table 2.21 All other horticulture businesses*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	33	34	33	34	33	34
Productive cropping area (ha)	47.18	45.26	47.18	45.26		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	556,960	573,969	11,805	12,681	100	100
Variable costs						
Seed & young plants	67,754	72,249	1,436	1,596	12.2	12.6
Fertilisers & composts	20,560	21,419	436	473	3.7	3.7
Crop protection	19,952	15,904	423	351	3.6	2.8
Market charges	37,529	35,449	795	783	6.7	6.2
Packing materials	69,123	21,742	1,465	480	12.4	3.8
Horticultural sundries	17,313	11,639	367	257	3.1	2.0
Glasshouse fuel	3,065	2,549	65	56	0.6	0.4
Other variable costs	2,877	1,290	61	28	0.5	0.2
Total variable costs	238,174	182,241	5,048	4,026	42.8	31.8
Total gross margin	318,787	391,728	6,757	8,655	57.2	68.2
Fixed costs						
Labour:						
Regular paid	115,175	77,976	2,441	1,723	20.7	13.6
Regular unpaid	20,561	19,719	436	436	3.7	3.4
Casual labour	40,187	85,186	852	1,882	7.2	14.8
Power & machinery costs:						
Contract & hire	10,885	14,550	231	321	2.0	2.5
Fuel & electricity	23,120	18,066	490	399	4.2	3.1
Repairs	16,737	15,507	355	343	3.0	2.7
Machinery depreciation	22,468	18,276	476	404	4.0	3.2
Glasshouse depreciation	1,134	2,182	24	48	0.2	0.4
Rent (incl. imputed)	28,554	36,769	605	812	5.1	6.4
Other costs:						
Occupier's repairs	6,867	7,386	146	163	1.2	1.3
Permanent crop depreciation	1,140	1,170	24	26	0.2	0.2
Water	3,042	5,338	64	118	0.5	0.9
Sundries	19,817	21,060	420	465	3.6	3.7
Total fixed costs	309,688	323,185	6,564	7,140	55.6	56.3
Management & investment income	9,099	68,544	193	1,514	1.6	11.9
Minus: management salaries	412	742	9	16	0.1	0.1
Plus: farmer & spouse labour	18,538	17,408	393	385	3.3	3.0
Net farm income	27,225	85,210	577	1,883	4.9	14.8
Farm business income	20,083	81,054	426	1,791	3.6	14.1

Crop output per cent of total crop output (%)

	Average 2008/09	Average 2009/10
Glasshouse crops	11.9	10.0
Outdoor vegetables:		
Brassicas	14.4	11.9
Legumes	0.1	0.1
Salad crops	38.8	48.9
Other outdoor vegetables	15.9	13.1
Flowers & nursery stock	5.6	4.5
Soft fruit	3.3	5.1
Top fruit	1.5	0.8
Farm crops	8.6	5.6
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2008/09	Average 2009/10
Crops & tillages	18	18
Stores	8	8
Glasshouses	2	2
Equipment	30	27
Livestock	3	4
Other	39	42
Total	100	100

Tenant's capital (£) **279,983** **287,420**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2008/09	Average 2009/10
Over £100,000	5	8
£50,000 to <£100,000	2	4
£25,000 to <£50,000	6	10
£12,500 to <£25,000	2	4
0 to <£12,500	8	3
-£12,500 to 0	1	4
-£25,000 to <-£12,500	2	0
-£50,000 to <-£25,000	2	1
Below -£50,000	5	0
Total	33	34

** no premium figures, sample too small*

Table 2.22 Other horticulture businesses, mainly outdoor vegetable crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Number of businesses	15	17	15	17	15	17
Productive cropping area (ha)	93.44	62.94	93.44	62.94		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	1,121,490	857,793	12,003	13,628	100	100
Variable costs						
Seed & young plants	111,999	106,380	1,199	1,690	10.0	12.4
Fertilisers & composts	34,858	28,943	373	460	3.1	3.4
Crop protection	45,373	23,702	486	377	4.0	2.8
Market charges	87,508	67,536	937	1,073	7.8	7.9
Packing materials	175,895	40,258	1,883	640	15.7	4.7
Horticultural sundries	18,978	9,156	203	145	1.7	1.1
Glasshouse fuel	780	593	8	9	0.1	0.1
Other variable costs	872	873	9	14	0.1	0.1
Total variable costs	476,262	277,440	5,097	4,408	42.5	32.3
Total gross margin	645,228	580,353	6,906	9,220	57.5	67.7
Fixed costs						
Labour:						
Regular paid	222,114	105,669	2,377	1,679	19.8	12.3
Regular unpaid	23,389	25,206	250	400	2.1	2.9
Casual labour	83,944	140,348	898	2,230	7.5	16.4
Power & machinery costs:						
Contract & hire	23,589	25,863	252	411	2.1	3.0
Fuel & electricity	50,280	27,454	538	436	4.5	3.2
Repairs	34,509	23,934	369	380	3.1	2.8
Machinery depreciation	50,291	30,616	538	486	4.5	3.6
Glasshouse depreciation	906	641	10	10	0.1	0.1
Rent (incl. imputed)	59,933	55,357	641	879	5.3	6.5
Other costs:						
Occupier's repairs	14,846	5,807	159	92	1.3	0.7
Permanent crop depreciation	612	564	7	9	0.1	0.1
Water	6,869	10,162	74	161	0.6	1.2
Sundries	33,409	27,888	358	443	3.0	3.3
Total fixed costs	604,691	479,510	6,472	7,618	53.9	55.9
Management & investment income	40,537	100,842	434	1,602	3.6	11.8
Minus: management salaries	998	1,426	11	23	0.1	0.2
Plus: farmer & spouse labour	21,284	22,571	228	359	1.9	2.6
Net farm income	60,823	121,988	651	1,938	5.4	14.2
Farm business income	38,319	106,191	410	1,687	3.4	12.4

Crop output per cent of total crop output (%)

	Average 2008/09	Average 2009/10
Glasshouse crops	1.7	2.9
Outdoor vegetables:		
Brassicas	18.0	15.6
Legumes	0.1	0.1
Salad crops	52.5	59.7
Other outdoor vegetables	21.3	17.8
Flowers & nursery stock	0.0	0.0
Soft fruit	0.0	0.0
Top fruit	0.0	0.1
Farm crops	6.4	3.8
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2008/09	Average 2009/10
Crops & tillages	12	11
Stores	5	6
Glasshouses	2	2
Equipment	38	39
Livestock	1	1
Other	41	41
Total	100	100

Tenant's capital (£) **501,816** **333,973**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2008/09	Average 2009/10
Over £100,000	4	6
£50,000 to <£100,000	1	2
£25,000 to <£50,000	3	5
£12,500 to <£25,000	0	1
0 to <£12,500	3	0
-£12,500 to 0	1	2
-£25,000 to <-£12,500	0	0
-£50,000 to <-£25,000	1	1
Below -£50,000	2	0
Total	15	17

** no premium figures, sample too small*

Table 2.23 Balance sheet data for horticultural businesses

Group	All horticulture		Specialist glass		Specialist fruit	
Number of businesses	212		93		42	
Harvest year	2009/10 Opening	2009/10 Closing	2009/10 Opening	2009/10 Closing	2009/10 Opening	2009/10 Closing
Assets						
Fixed assets						
Land,buildings & SPS entitlement	396,597	415,791	271,095	282,361	587,603	643,344
Breeding livestock	677	804	427	503	1,636	2,385
Machinery & glasshouses	74,016	76,502	88,679	90,498	38,513	41,966
Permanent crops	11,616	11,910	6,494	7,599	39,289	40,530
Miscellaneous business assets	1,400	2,144	97	98	444	444
Total fixed assets	484,306	507,151	366,792	381,060	667,485	728,669
Current assets						
Crops & trading livestock	43,227	47,194	10,267	10,106	8,495	13,552
Goods in store	16,653	17,447	15,778	16,107	4,883	4,950
Liquid assets	71,395	81,538	62,606	69,259	63,672	66,004
Total current assets	131,276	146,180	88,651	95,472	77,050	84,505
Total assets	615,582	653,331	455,443	476,531	744,535	813,174
Liabilities						
Bank term loan	9,612	10,362	11,458	10,856	5,682	11,989
Other loans	35,833	33,224	45,809	45,535	31,963	35,474
Bank overdraft	28,463	27,419	15,671	13,200	27,454	29,221
Other short term loans	38,197	48,714	33,773	33,901	14,522	21,159
Total external liabilities	112,106	119,718	106,710	103,492	79,621	97,844
Net worth	503,476	533,612	348,733	373,039	664,914	715,330
Percentage equity (%)	81.8%	81.7%	76.6%	78.3%	89.3%	88.0%

Table 2.24 A comparison of net worth and percentage equity by farm type

	Average Assets 2009/10	Average Liabilities 2009/10	Average Net Worth 2009/10	Average % Equity 2009/10
Defra main farm type				
Lowland cattle & sheep	737,496	57,022	680,474	92.3%
Cereals	1,729,603	141,304	1,588,299	91.8%
Mixed	1,179,334	118,375	1,060,959	90.0%
General cropping	1,686,863	184,431	1,502,432	89.1%
Dairy	1,183,191	193,547	989,644	83.6%
Horticulture	634,457	115,912	518,545	81.7%
Pigs	747,046	271,202	475,844	63.7%
Poultry	730,428	216,562	513,866	70.4%
All businesses	1,173,612	127,578	1,046,034	89.1%

Group	Specialist HNS		Other horticulture	
	2009/10 Opening	2009/10 Closing	2009/10 Opening	2009/10 Closing
Number of businesses	43		34	
Harvest year	2009/10 Opening	2009/10 Closing	2009/10 Opening	2009/10 Closing
Assets				
Fixed assets				
Land, buildings & SPS entitlement	209,174	217,572	628,630	641,299
Breeding livestock	0	0	1,134	994
Machinery & glasshouses	58,951	63,180	113,256	112,880
Permanent crops	322	326	10,666	9,980
Miscellaneous business assets	3,140	4,951	599	932
Total fixed assets	271,587	286,030	754,285	766,085
Current assets				
Crops & trading livestock	84,307	88,505	35,870	41,976
Goods in store	23,717	25,338	16,134	16,637
Liquid assets	73,622	72,141	81,374	118,159
Total current assets	181,646	185,984	133,378	176,772
Total assets	453,233	472,014	887,664	942,858
Liabilities				
Bank term loan	13,176	13,269	5,880	4,267
Other loans	17,773	11,533	58,069	54,137
Bank overdraft	26,887	28,153	42,063	36,439
Other short term loans	32,864	34,826	68,809	103,802
Total external liabilities	90,700	87,782	174,822	198,644
Net worth	362,533	384,232	712,842	744,213
Percentage equity (%)	80.0%	81.4%	80.3%	78.9%

Glossary

Costs

Expenditure plus opening valuation less closing valuation (where appropriate). Interest on borrowed capital, including bank overdrafts is not included in these calculations.

Farm Business Income (FBI)

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

Farm crops

Comprise cereals and other non-horticultural cash crops, fodder crops and grassland.

Fixed costs

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

Gross output

Total revenue inclusive of marketing charges, where known, adjusted for changes in valuation of crops and tillage, and less purchases of livestock, or produce for resale. Gross output per hectare reflects the intensity of the system as well as the yields and prices obtained.

Labour

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

Management and investment income

Total gross output less all costs (including the value of unpaid labour) other than salaried management. It represents the reward to management and use of 'tenant's capital' whether that capital is borrowed or not.

Marketing charges

Include, where known, packhouse charges, paid carriage and commission and handling charges levied on sales.

Net farm income

Represents the return to the grower and spouse for their manual labour as well as for their management and capital investment.

Occupier's repairs

This includes maintenance of glass and the associated heating equipment, as well as traditional tenant type repairs.

Per £100 gross output

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

Power and machinery

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

Rent

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

Standards

Average results are drawn from all holdings in a particular group.

Premium results

Premium results refer to the top third within each sample with the highest management and investment income per hectare.

Tenant's capital

Assets normally provided by tenants and includes growing crops, stores, machinery, livestock, cash and other assets needed to run the business. Permanent crops (including orchards) and glasshouses are also considered to be tenant-type capital. It represents approximately the capital currently invested in the horticultural business. The difficulties involved in making any realistic assessment of tenant's capital, particularly of permanent fruit crops, should be kept in mind when interpreting these results.

Total gross margin

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

Variable costs

These vary in direct proportion to the size of each holding enterprise and include all purchased seed & plants, fertiliser & composts, crop protection, market charges, packing materials, horticultural sundries, glasshouse fuel and other variable costs.

Abbreviations used in this Publication

/	per
£	pounds (stirling)
Defra	Department for Environment, Food and Rural Affairs
Ave	Average
depn.	Depreciation
Fert	Fertiliser
ha	hectare
no.	number
n/a	not applicable

Rounding

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

Derivation of Farm Business Income

Net Farm Income

Plus:

Value of unpaid labour [excluding farmer & spouse; already taken into account in deriving Net Farm Income]
Imputed rent and rental value
Non-agricultural output historically not accounted for in Net Farm Income

Less:

Net interest payments
Ownership charges [buildings & works depreciation; insurance of farm buildings; landlord-type repairs and upkeep]
Non-agricultural input costs historically not accounted for in Net Farm Income
Director's remuneration

Equals:

Farm Business Income

Appendix 1: Reports in this series

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

Details available at www.ruralbusinessresearch.co.uk

RBR at Reading
Agriculture and Food Investigation Team
School of Agriculture, Policy and Development
University of Reading
4 Earley Gate
Whiteknights
PO Box 237
Reading RG6 6AR

Phone 0118 378 7426
Fax 0118 975 6467

www.ruralbusinessresearch.co.uk